



**ISLAMORADA, VILLAGE OF ISLANDS
VILLAGE COUNCIL BUDGET WORKSHOP**

**Founders Park Community Center
87000 Overseas Hwy
Islamorada, FL 33036
July 22, 2015
3:00 PM**

I. CALL TO ORDER / ROLL CALL

Mayor Mike Forster called the meeting to order at 3:04 P.M. The following Council members were present on roll call: Mayor Mike Forster, Vice Mayor Deb Gillis, Councilman Jim Mooney, Councilman Chris Sante and Councilman Dennis Ward. Also in attendance were Village Manager Maria Aguilar, Village Attorney Roget Bryan, Village Clerk Kelly Toth, and all other appropriate personnel.

II. PLEDGE OF ALLEGIANCE

Mary Swaney led the Pledge of Allegiance.

III. PUBLIC COMMENT

Mayor Mike Forster opened public comment; seeing none, public comment was closed.

IV. ITEMS FOR DISCUSSION

Village Manager Maria Aguilar stated the priority for the workshop was for Council to approve a millage rate to be reflected on the Truth in Millage (TRIM) notices that are mailed out by the Monroe County Tax Collector at the end of August. She explained the TRIM notices provide tax payers with an estimate of what their taxes will be in November. Ms. Aguilar stated municipalities could go lower than the approved rate; but if during adoption of the budget the Council exceeded the adopted rate, certain noticing requirements would be needed.

A. Proposed FY 2015-2016 Solid Waste Fund Budget

TAB 1

Discussion began at 3:08 PM.

Village Manager Maria Aguilar stated that two solid waste resolutions were adopted annually and that during the Special Call Meeting Council would be asked to adopt the preliminary rate resolution. Ms. Aguilar stated the solid waste assessment of \$377.68 per residential unit had not changed for the past three years and that this was the first time in three years staff was recommending a non-ad valorem assessment rate increase. Ms. Aguilar explained that the Advanced Disposal solid waste contract contained a per annum rate increase of 3% which was reflected in the budget. She stated staff was recommending a non-ad valorem assessment rate increase to \$405.30 per residential unit in order to receive the necessary net revenue to

cover the costs in the Solid Waste Fund. Ms. Aguilar stated that the fund balance in the Solid Waste Fund would be used this year leaving a balance of \$20,357 dollars. She explained that because staff budgeted for the 3% contractual increase, there would possibly be a bigger addition to the Fund balance at the end of the year if costs remained as budgeted.

Councilman Chris Sante inquired as to whether or not recycling could be collected every other week in an effort to reduce costs and save money. Vice Mayor Deb Gillis stated this would be counterproductive to increasing recycling efforts throughout the Village.

B. Proposed FY 2015-2016 General Fund Budget
Discussion began at 3:20 PM.

TAB 2

Village Manager Maria Aguilar explained the proposed changes found in the staffing comparison. She stated that personnel previously assigned under the Transportation Fund, which is funded by the local option gas tax, were moved to the Public Works Department in the General Fund.

Vice Mayor Deb Gillis requested that one of the part time litter removal positions assigned to Public Works be listed specifically as part time litter removal for the Fills.

Ms. Aguilar stated that a 2% increase had been included in the budget for all staff; and that the IAFF Collective Bargaining Agreement, which would be before Council at the July 30th Regular Village Council Meeting, also contained a 2% salary increase per annum for the length of the contract.

Ms. Aguilar stated it was suggested by Council at a previous Regular Village Council meeting that staff research participation in the Florida Retirement System (FRS) for remaining Village employees. She stated that funding for this participation was not included in the budget. Ms. Aguilar stated participation in FRS provided a definite recruiting advantage and that she had difficulty filling some vacancies due to a lack of participation in the FRS.

Ms. Aguilar explained the following: it would be more costly for the Village to participate in FRS as the FRS current employer contribution rate was 7.26% compared to the Village's contribution rate of 4% to its existing plan; the Village had no control over the contribution rate, as it was set by the State of Florida each July; employees were required to contribute 3% to the plan; the vesting requirements were 8 years for the Pension Plan and 1 year for the Investment Plan; and that if employees, including part-time as their participation was required, were participating in FRS at the current rate, it would cost the Village an additional \$100,000 dollars. Ms. Aguilar explained that existing employees would have the option of staying in the Village's current 401A plan or enrolling in one of the two FRS plans. She stated new employees would be required to enroll in the FRS. Ms. Aguilar explained the FRS Pension Plan was a defined benefit plan and that the Village's 401A Plan was comparable to the FRS Investment Plan.

Village Manager Maria Aguilar stated staff researched costs associated with dependent medical coverage for fire rescue dependents in response to requests made during collective bargaining negotiations. Ms. Aguilar explained that staff received estimates from the Gehring Group regarding the costs for additional health plans and that the issue with offering additional plans was that some employees would move from the current plan which would cause an increase to the premiums of the existing plan. She stated the rates provided for the lesser plans were not considered to be affordable enough to encourage participation. Councilman Dennis Ward asked if the employee contribution rate could be increased, as many municipalities require a higher employee contribution rate. He asked if the employee contributed more would the Village be able to provide the additional coverage. Ms. Aguilar explained that employee contribution rates could be increased; and that coverage was currently available to spouses and dependents, but that the employee was required to pay for 100% of the premium costs for spouses and dependents. She

stated the Village currently pays for 90% of premium costs for health insurance benefits for the employee and the employee pays the remaining 10%. Ms. Aguilar stated she budgeted \$8,400 per employee for health insurance benefits and that the actual numbers would be included in the budget at the Final Budget Hearing. She explained that at the time of budget workshop preparation, the final numbers had not been received.

Village Manager Maria Aguilar explained the format of the General Fund Budget. She clarified that under the State Revenue Sharing section and the Local Government Half-Cent Sales Tax line item, the total projected revenue for fiscal year 2015-2016 was \$1.1 million dollars of which \$600,000 dollars was reflected in the General Fund and \$500,000 dollars was reflected in the Transportation Fund. Ms. Aguilar stated that this particular revenue source was pledged for two Village wastewater loans and explained the purpose of the separation. Ms. Aguilar stated that the Revenues Less Ad Valorem Taxes line item of \$4,941,500 dollars did not include non-ad valorem assessments. She stated the gross Total Preliminary Proposed Expenditures were \$12,240,560 dollars and that \$7,603,187 dollars was needed in Gross Ad Valorem Tax Revenue. Ms. Aguilar stated that based on the gross taxable value as provided by the Monroe County Property Appraiser a millage of 2.6701 was needed. She stated that to reach a millage of 2.6701 there would be a use of Fund Balance of \$1.2 million dollars.

Vice Mayor Deb Gillis inquired as to when repayment of wastewater debt would occur. Ms. Aguilar stated repayment for SRF loans to the Florida Department of Environmental Protection begins June 2016 and would be approximately \$2.5 to \$3 million dollars. Ms. Aguilar stated her goal, for the FY 2015-2016 budget, was to utilize funds from the Capital Projects Fund to assist with Wastewater related debt service obligations. She explained that in the budget under the Capital Projects fund there is a Transfer Out line item of \$2 million dollars to the Wastewater Fund for debt. Mayor Mike Forster asked approximately how much of the 2.6701 millage was attributable to wastewater. Ms. Aguilar explained that approximately .703 could be attributed to wastewater. She stated that if a house had a taxable value of \$500,000 this would equate to approximately \$350 dollars' worth of taxes that would be attributable to wastewater.

Ms. Aguilar began review of the itemized departmental budgets beginning with the Council Budget. Council discussion ensued regarding whether or not there was a need for the additional state lobbyist; the State of Florida cutting back on relevant funding opportunities for the Village; State Representative Holly Raschien's lobbying efforts for Islamorada; and funding the Village received prior to hiring a lobbyist. The majority of Council expressed a desire to remove the additional lobbyist from the FY 2015-2016 budget. Village Attorney Roget Bryan stated he and the Village Manager would review the termination provisions of the additional lobbyists' contract and return to Council with additional information. Village Manager Maria Aguilar stated that the contract with Capitol Insight expires October 31, 2015 and a 30-day termination notice would be required.

Village Manager Maria Aguilar explained that an additional \$5,000 had been added to the Public Relations line item for a donation to the South Florida Climate Change Summit. Assistant Village Manager and Public Information Officer Mary Swaney explained that thus far, only the City of Key West was donating \$5,000 dollars and that it was very expensive to host the South Florida Climate Change Summit in Key West. Councilman Chris Sante inquired as to why it was not held in Islamorada. Ms. Swaney responded that there was not a facility large enough in Islamorada to accommodate the number of participants attending the event.

Village Manager Maria Aguilar provided brief explanations regarding all departmental budgets:

Village Attorney Budget: Ms. Aguilar stated the Village Attorney budget included \$75,000 dollars for General Legal Services and \$200,000 dollars for future Litigation Legal Services.

Village Manager Budget: Ms. Aguilar stated she had reclassified certain positions to the Village Manager Department.

Village Clerk Budget: Ms. Aguilar stated she had moved 25% of the Deputy Village Clerk salary to the wastewater budget as the Deputy Clerk was now assisting with wastewater administrative tasks.

Finance Budget: Ms. Aguilar explained that the Village's Procurement and Grants Administrator administers grants including submittals and managing the reporting requirements. Ms. Aguilar explained the Procurement and Grants Administrator handles all of the Village's contracts and reviews contract related invoices for accuracy. Ms. Aguilar explained that because Islamorada is designated as a rural area, it often does not qualify for grants due to the per capita income. Interim Finance Director Ariana Lawson provided a brief account of the various grants the Village has received during the 2014-2015 fiscal year. Council requested a quarterly or biannual report to include the grants staff members were pursuing and the grants that had been awarded. Village Manager Maria Aguilar stated \$350,000 dollars had been budgeted for general insurance and that finance software implementation would begin this fiscal year, which was accounted for in the FY 2014-2015 budget.

IT and Communications Budget: Ms. Aguilar explained that a Request for Proposals was issued for IT consulting services; the RFP review committee had made a selection that would be brought to Council in the near future; and why a consultant was needed. She stated \$100,000 was budgeted for these services.

Building Services Budget: Ms. Aguilar explained that one additional plumbing inspector was hired to assist with wastewater connection inspections and it was expected this position would be needed for at least three years.

Planning & Development Services Budget: Ms. Aguilar explained the budgeted positions and stated the budget was very close to the previous year's budget.

Public Works Budget: Ms. Aguilar explained that the staff and operating costs allocated to the Transportation Fund budget in previous years had been transferred to the Public Works budget for FY 2015-2016 which equates to approximately \$500,000 dollars. Vice Mayor Deb Gillis requested Council support for directing staff to research the costs associated with installing porta-poties at the Fills. Ms. Aguilar stated a detailed staff report had been prepared by Director of Public Works Lesli Wojtecki that would be presented at the July 30, 2015 Regular Village Council Meeting which included information regarding restroom facilities. Mayor Mike Forster inquired about the Village watering the vegetation recently planted by FDOT. Ms. Wojtecki explained the Village currently waters the new landscaping installed by FDOT as part of a maintenance agreement between the Village and FDOT.

Code Enforcement Budget: Ms. Aguilar stated three positions were budgeted for code enforcement and explained some of their responsibilities. She stated the officers were currently researching historical liens filed with the Monroe County Clerk of the Court in the hopes of mitigating old cases and that they spent some of their time ensuring regulations pertaining to sea turtle nesting were being followed. Ms. Aguilar stated code officers were very busy with other types of violations pertaining to land clearing, unlicensed contractors, vacation rentals, and work being conducted without a permit.

Local Law Enforcement Budget: Ms. Aguilar stated the Professional Services line item represents the Village's contract with the Monroe County Sheriff's Office and the cost increase of \$30,000 dollars was primarily related to personnel costs. Ms. Aguilar stated the Village had received a \$113,000 dollar refund for the 2014-2015 fiscal year from the Monroe County Sheriff's Office.

Fire Rescue Budget: Ms. Aguilar stated she would soon be providing the union contract to Council for consideration. She explained that as part of that contract, the budget included a 2% pay increase. She stated that the employer's contribution to the Florida Retirement System for firefighters had increased to 22.04%.

Parks & Recreation Budget: Village Manager Maria Aguilar explained a full time Facility Attendant was added to the budget and two part time positions eliminated due to the difficulty in keeping the part-time positions filled. Ms. Aguilar explained the \$200,000 dollars budgeted for Contractual Services was offset by the fees charged by these contractors for their services. She stated the Village retains 10% of the fees collected and the remaining 90% is paid to the contractor.

Village Manager Maria Aguilar stated that the proposed General Fund Budget was \$12,240,560 dollars minus the \$24,000 for the additional state lobbyist. She stated that if the budget remained at the amount proposed, it would require a millage rate of 2.67.

C. Proposed FY 2015-2016 Transportation Fund Budget
Discussion began at 4:45 PM.

TAB 3

Village Manager Maria Aguilar explained a portion of the half-cent sales tax was reflected in the Transportation Budget as a revenue source. She stated that she reflected a use of the entire Transportation Fund Balance to cover paving costs in the Remaining Service Area Wastewater Fund. Ms. Aguilar explained that the local option gas taxes and the half-cent sales tax were used as pledges for Village debt. Ms. Aguilar stated that she reflected a transfer from the Transportation Fund of approximately \$590,000 to the Debt Service Fund.

Ms. Aguilar stated funds were budgeted in the amount of \$115,000 for a Public Works related project in Venetian Shores. Vice Mayor Deb Gillis pointed out that there were remaining funds reflected in the proposed budget that could be utilized for the Venetian Shores project, or other projects, if additional funds were needed.

D. Proposed FY 2015-2016 Capital Project Fund Budget
Discussion began at 4:52 PM.

TAB 4

Council discussed the difficulty associated with going to the rolled back rate due to wastewater costs and costs associated with future stormwater projects; the desire to build the coffers for future capital projects and lobbying for stormwater funding.

Village Manager Maria Aguilar explained the budgeted revenues in the fiscal year 2015-2016 Capital Project Fund budget. She stated the Capital Projects Fund included expenses for local law enforcement vehicles as well as expenses for capital items/services identified as needs by the various departmental directors. Vice Mayor Deb Gillis inquired as to why the Public Works department was using hand blowers for the sidewalks instead of a street sweeper. Director of Public Works Lesli Wojtecki stated staff used blowers, shovels and brooms because they were the most cost effective and efficient way of cleaning the sidewalks. She explained the issue with the sweeper was the accumulation of debris that had to constantly be emptied during the sweeping process.

Village Manager Maria Aguilar stated that if the Village was unable to obtain a grant for the Self Contained Breathing Apparatus (SCBA) equipment needed by the Fire Rescue Department, then it would possibly be necessary for the Village to enter into a lease-purchase arrangement. She stated the replacement costs for SCBA equipment was approximately \$400,000 to \$450,000. Ms. Aguilar stated staff was also pursuing a grant for Sea Oats beach that required a 50% match. She stated that these activities were not reflected in the current budget.

E. Proposed FY 2015-2016 Debt Service Fund Budget
Discussion began at 5:07 PM.

TAB 5

Village Manager Maria Aguilar stated that the principal and interest payments that would be due next fiscal year were reflected in the Debt Service Fund Budget. She explained the pledged revenues sources and stated this particular fund did not carry a fund balance.

F. Proposed FY 2015-2016 Affordable Housing Fund Budget
This Tab was discussed at 5:08 PM.

TAB 6

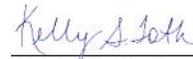
Village Manager Maria Aguilar provided a brief explanation of the revenues and expenditures in the Affordable Housing Fund Budget. She stated that only one person had applied for the sewer hookup subsidies in this fund. Vice Mayor Deb Gillis stated it was possible the lack of applications was due to the fact some property owners had not yet received hook-up letters.

V. COUNCIL DISCUSSION

VI. ADJOURNMENT

Vice Mayor Deb Gillis made a motion to adjourn. Mayor Mike Foster seconded the motion. The meeting adjourned at 5:11 PM.

[Clerk's Note: The entire agenda for the two workshops scheduled for July 22, 2015 and July 23, 2015 were discussed during this meeting and the July 23, 2015 workshop was cancelled.]



Kelly S. Toth
Village Clerk

Approved by the Village Council this 10th day of September, 2015.