



**ISLAMORADA, VILLAGE OF ISLANDS
SPECIAL CALL VILLAGE COUNCIL MEETING MINUTES
First Budget Hearing**

**Founders Park Community Center
87000 Overseas Hwy
Islamorada, FL 33036
Wednesday, September 9, 2015
5:30 PM**

I. CALL TO ORDER / ROLL CALL

Mayor Mike Forster called the meeting to order at 5:33 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, Interim Finance Director Ariana Lawson, Village Clerk Kelly Toth and all other appropriate personnel.

II. PLEDGE OF ALLEGIANCE

Van Cadenhead led the Pledge of Allegiance.

III. PUBLIC COMMENT

Prior to public comment, Mayor Mike Forster asked if Council had any additions or deletions to the agenda. Councilman Dennis Ward requested Council discussion regarding use of the BP oil money for participation in the Florida Retirement System by general employees; and discussion regarding re-designating the Village Clerk to a Charter Officer position. Councilman Chris Sante added discussion regarding General Fund reserves.

Mayor Mike Forster opened public comment.

Van Cadenhead requested the BP Oil money be assigned to the General Fund to alleviate the burden on taxpayers.

Jill Zima Borski requested the Council identify additional reductions to lower the proposed millage rate and expressed concern regarding: staff salaries, lobbyist's costs and the maintenance of bike paths.

Mayor Mike Forster closed public comment.

IV. RESOLUTIONS

A. Resolution Adopting a Tentative Millage Rate for Fiscal Year 2015-2016

TAB 1

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Village Attorney Roget Bryan read the title of the resolution. Village Manager Maria Aguilar stated the resolution being considered pertained to Council passing a tentative millage rate of 2.6459 mills for fiscal year 2015-2016. Ms. Aguilar stated that Council had previously approved a preliminary millage rate of 2.7 mills and that the proposed millage rate of 2.6459 is 0.2737 mills or 11.54% above the rolled-back rate of 2.3722 mills. Ms. Aguilar explained, that based on the budget at Tab 2, this was the millage rate needed to generate enough revenue to meet the expenditures.

Vice Mayor Deb Gillis asked if Tab 2, containing the proposed budget, could be opened and discussed prior to approving the tentative millage rate.

Village Attorney Roget Bryan explained that Council had to vote on the millage rate prior to any vote or action being taken on the budget. Village Manager Maria Aguilar explained that at the Final Budget Hearing staff would provide Council with the revised millage rate based on Council's discussion of the budget.

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

At 5:48 PM Councilman Chris Sante made a motion to approve the tentative millage rate for fiscal year 2015-2016. Councilman Jim Mooney seconded the motion. Council voted all in favor. The motion passed 5-0.

B. Resolution Adopting the Tentative Budget for Fiscal Year 2015-2016

TAB 2

Village Attorney Roget Bryan read the title of the resolution. Village Manager Maria Aguilar stated there was a decrease in expenditures due to a lower increase in medical benefits than what was originally budgeted. She explained the second state lobbyist had not been removed in the event there was a change in direction from the Council. Ms. Aguilar stated a change to the Stormwater Fund had occurred to reflect and addition of \$19,000 for expenses related to storm drain maintenance services. She stated she increased the amount in the Stormwater Enterprise Fund Capital Outlay to \$300,000 with the intention to address one of the storm drain maintenance projects identified by Weiler Engineering.

Vice Mayor Deb Gillis spoke in support of keeping the budgeted item for state lobbyist, Dean Cannon with Capitol Insight. Councilman Chris Sante expressed concern over the lobbyists being paid by the Village for their services while simultaneously aiding other municipalities and districts within Monroe County with whom they are contracted. Mayor Mike Forster spoke in support of keeping Capitol Insight in the budget for at least one more year. Mayor Forster referred to a recent meeting he had with the Village Attorney, Village Manager, the lobbyists and Florida League of Cities representatives in which he was able to have his concerns addressed. Village Manager Maria Aguilar spoke in support of keeping the additional lobbyists and stated she thought the lobbyists provided a valuable educational and informational component to the Village. Village Attorney Roget Bryan spoke in support of the budgeted lobbyists stating he believed funding appropriations required a team effort by Monroe County and the municipalities and districts within the county. Councilman Jim Mooney likened lobbyists to an insurance policy and spoke in support of keeping Capitol Insight in the budget. Councilman Dennis Ward stated he had faith in Dean Cannon's abilities and spoke in support of keeping Capitol Insight in the budget for another year.

Mayor Mike Forster asked if Council had any other questions or comments pertaining to the budget. Councilman Dennis Ward requested \$100,000 of the BP Oil money be used for participation in the Florida Retirement System for general employees in order to recruit and retain staff.

Mayor Mike Forster opened public comment.

Van Cadenhead expressed concern about wastewater funding.

Mayor Mike Forster closed public comment.

At 6:18 PM, Councilman Chris Sante made a motion to approve the budget. Vice Mayor Deb Gillis seconded the motion. Council voted all in favor. The motion passed 5-0.

V. MAYOR / COUNCIL COMMUNICATIONS

(The following discussion items were added at the beginning of the meeting).

A. Discussion Regarding the Use of BP Oil Money for Participation in the Florida Retirement System (FRS) by General Employees- Councilman Ward

Councilman Dennis Ward suggested \$100,000 of the BP Oil money be used to fund general employee participation in the Florida Retirement System (FRS). Village Manager Maria Aguilar explained \$100,000 is the approximately the amount that would be needed in addition to the current contributions. Ms. Aguilar stated that this was an approximate amount as she expected some employees would remain with the current 401A due to the vesting requirements and the inability to borrow against FRS funds. Councilman Ward asked the Village Manger if she thought participation would be beneficial as a recruiting tool. Ms. Aguilar explained that applicants have based their decision on whether or not the Village participated in the FRS. She stated most recently, a number of building inspectors declined the opportunity to work for the Village due to the Village not participating in the FRS.

Mayor Mike Forster asked Village Manager Maria Aguilar what her thoughts were with regard to how the BP Oil Money should be used. Ms. Aguilar stated that this topic was on the September 10, 2015 Regular Village Council Meeting agenda and that there were basically three sources of money with regard to the Restore Act: local, state and federal funds. Ms. Aguilar stated that with regard to the federal funds, the Village specified, in their application, that the funding would be used for wastewater. Ms. Aguilar stated there were no requirements for usage of the \$194,242 dollars of BP Oil money being discussed. She explained that the monies being discussed were more General Fund based as it was awarded to the municipality based on lost future revenue.

Mayor Mike Forster spoke in support of using some of the funds for employee benefits and requested more information from the Village Manager as to how the monies could be used for retaining and attracting new employees. Vice Mayor Deb Gillis stated that the FRS was a good tool for attracting and retaining employees but expressed concern about not being able to cease contributions if the need arose. Vice Mayor Gillis expressed concern over the financial struggles other municipalities encountered during the economic downturn as a result of their pension plans. Village Manager Maria Aguilar explained that what was encountered by other municipalities during the recession was that those municipalities participated in other types of pension plans, not FRS, that offered post-retirement benefits that were very generous such as a pension and 100% paid medical insurance. She stated that during this economic decline, the State of Florida reduced the contribution rates to the FRS. Ms. Aguilar explained that the State of Florida sets the contribution rate each year and that it was mandatory participation.

Councilman Dennis Ward stated during the recession the State of Florida made significant changes to the FRS such as increasing the vesting requirements. Councilman Ward stated the FRS was one of the best pension systems in the country and that it was very solvent.

B. Discussion Regarding Re-designating the Village Clerk to a Charter Officer Position – Councilman Ward

Councilman Dennis Ward expressed a desire to have the Village Clerk report to Council. He stated the Clerks' position basically provides information to the Council.

Councilman Chris Sante stated the topic was discussed by Council during his prior term. He stated one of the problems he incurred during his prior term was that information was not relayed to Council in a timely manner, but rather it was delayed. Councilman Sante stated he would be the first one to support this request, if there was a problem. He stated that there was currently no communication problem with the current staff, as the Village Manager was very open with the Council. Councilman Sante stated he was very happy with the current management of the Village. Vice Mayor Deb Gillis stated the current system was working very well and was only as good as the manager and clerk that were in place, and spoke in support of the current system. Councilman Jim Mooney asked what happened if the current Village Manager packed up and left. He stated that in the past, at times, there was "bumpier" leadership. Councilman Mooney stated that the Council may not need this change to occur today; but, they may need the change in the future. Mayor Mike Forster stated he was in support of this idea during his prior term on Council due to information being withheld. Mayor Forster stated the current manager was very transparent. Councilman Dennis Ward suggested that perhaps the topic should be brought up at the end of the current Village Clerk's tenure. He stated he was not concerned about the reporting structure as the current Village Manager and Village Attorney reported to Council. Village Attorney Roget Bryan explained a re-designation of the Village Clerk to a charter officer position would require a charter amendment that would require the item to be put before the electorate as a referendum question. Councilman Chris Sante, with Council approval, requested the discussion item be brought back before Council at a future date.

C. Discussion Regarding the General Fund – Councilman Sante

Councilman Chris Sante stated the recommended reserves for coastal communities are 25% of the General Fund and reported he was aware of higher budgeted reserves of other coastal communities. He requested the Council consider establishing a future goal for increasing the reserves. Councilman Sante stated he was not requesting the millage rate be raised to increase the reserves; and suggested that if the Village had additional funds during the year that they be used to increase the reserves. Councilman Sante reported on the issues that other municipalities encountered after being hit by a severe storm. Mayor Mike Forster stated he would be interested in seeing the millage rate for some of the coastal communities that had difficulties with a 25% reserve balance. Mayor Mike Forster inquired as to how much a 5% increase would equate to in dollars. Village Manager Maria Aguilar stated 5% was approximately \$500,000 dollars. Councilman Jim Mooney stated he was in agreement with Councilman Sante. He stated the prior Councils had never really raised taxes; and they were always concerned with reaching the rolled-back-rate. Councilman Mooney pointed out that the taxes in Miami-Dade County were significantly higher than the Village's. Vice Mayor Deb Gillis expressed support for increasing the General Fund balance incrementally. Mayor Mike Forster expressed concern regarding the current costs residents are faced with regarding wastewater connections.

Councilman Chris Sante stated the property values were higher in the Village and that people were willing to pay more to live in the Village. He stated that as a resident he was willing to pay higher taxes to have a better bike path, better tennis courts and better parks. Mayor Mike Forster stated property values would not be higher if the Village was not doing something right and spoke in support of continuing to reinvest. Councilman Jim Mooney spoke in support of sustaining the infrastructure.

Village Manager Maria Aguilar explained that in the event of a hurricane, with regards to Village-owned properties and facilities, the Village would work directly with the Florida Municipal Insurance Trust

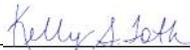
(FMIT). She stated FMIT provides for the Village to submit storm related invoices directly to them and FMIT would pay the contractor directly, alleviating some of the burden on the municipality.

Councilman Chris Sante, with Council support, requested a future discussion item regarding increasing the reserves. Village Manager Maria Aguilar stated she would present a fund balance policy to Council at a future date.

VI. VILLAGE ATTORNEY / VILLAGE MANAGER COMMUNICATIONS

VII. ADJOURNMENT

Councilman Chris Sante made a motion to adjourn. Mayor Mike Forster seconded the motion. The meeting adjourned at 6:59 PM.



Kelly Toth
Village Clerk

Approved by the Village Council this 1st day of October, 2015.