



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

**Founders Park Community Center
87000 Overseas Hwy
Islamorada, FL 33036**

**Thursday, August 6, 2015
3:00 PM**

I. CALL TO ORDER / ROLL CALL

Mayor Mike Forster called the meeting to order at 3:05 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

Sofia Chapman led the pledge of allegiance.

III. PUBLIC COMMENT

Mayor Mike Forster opened public comment.

Village Clerk Kelly Toth read into the record an email from Jill Zima Borski, at her request and in her absence, regarding her questions and concerns with the proposed FY 2015-2016 budget. Ms. Toth read into the record Village Manager Maria Aguilar's email response to Ms. Borski advising her that her questions and concerns were addressed in the July 22, 2015 Budget Workshop.

Mayor Mike Forster closed public comment.

IV. ITEMS FOR DISCUSSION

Tab 1 was heard at 3:12 PM.

Village Manager Maria Aguilar stated the accounting methods for enterprise funds are different from governmental funds and explained, accordingly, why these funds were being presented differently from the funds reviewed at the July 22, 2015 Budget Workshop.

A. FY 2015-2016 Proposed Budget – PYH MARINA ENTERPRISE FUND

TAB 1

Ms. Aguilar explained how the presentation of the Plantation Yacht Harbor Marina Enterprise Fund's Operating Expenses separately from Other Revenues and Others Expenses would allow for the Council to see where the marina would be financially if it did not have the current debt service obligation. She pointed out the historical trend showing the generally decreasing Transfer from Capital Projects Fund budget and noted its direct correlation with the marina's increasing Operating Revenues.

Councilman Chris Sante inquired as to why the Transfer from Capital Projects Fund line item was \$50,000 dollars higher than the FY 2014-2015 projected amount. Ms. Aguilar stated the purpose of budgeting the additional \$50,000 dollars was to address the net position imbalance resulting from the 2013-2014 deficit in Unrestricted Funds of \$43,476 dollars.

Vice Mayor Deb Gillis inquired as to why the Plantation Yacht Harbor Marina advertising budget was lower than in previous years. Parks & Recreation and Marina Resources Director John Sutter explained that marina occupancy has routinely been at or near capacity and that the need for advertising was not as great as in previous years.

Vice Mayor Deb Gillis inquired as to why the Equipment R&M expense was substantially higher than in previous years. Village Manager Maria Aguilar stated the docks needed repairing.

Councilman Jim Mooney inquired as to why the Dock Revenue projections were down from the 2014-2015 budget. Parks & Recreation and Marina Resources Director John Sutter explained the 2015-2016 projection was due to not knowing the length of the boats that would occupy the slips. Councilman Mooney suggested raising the rates at the Marina due to the fact that it was often at capacity. Discussion ensued among Council and Mr. Sutter regarding increasing boat slip rental rates. Council directed staff to create a policy that would include an annual rate increase for boat slip rentals at the marina.

B. FY 2015-2016 Proposed Budget – STORMWATER ENTERPRISE FUND

TAB 2

Tab 2 was heard at 3:28 PM.

Village Manager Maria Aguilar stated that the Stormwater Enterprise Fund budget reflects a non-ad valorem assessment rate of \$32 dollars per ESU; and a use of approximately \$200,000 dollars to begin addressing the stormwater problem areas that were identified in the Weiler Engineering Corporation's stormwater assessment report. She explained that as the year progresses there may also be unused Capital Projects Funds that could be transferred to the Stormwater Enterprise Fund to address these issues.

C. FY 2015-2016 Proposed Budget – WASTEWATER ENTERPRISE FUND

TAB 3

Tab 3 was heard at 3:29 PM.

Village Manager Maria Aguilar explained that wastewater activity was split between North Plantation Key and the Remaining Service Areas. She stated that the North Plantation Key Revenues Over/(Under) Expense column on page 2 was misstated as State Revolving Fund (SRF) loan disbursements to the Village for capital outlay were inadvertently omitted from the Revenues section. She stated that the Revenues Over/(Under) Expense should be approximately (\$800,000) instead of the (\$1,364,340) that was reflected.

Ms. Aguilar stated that on page 2 of the Remaining Service Areas budget it reflects that revenues will exceed expenses by \$1.2 million dollars. She explained that when financial statements are prepared at year-end, North Plantation Key and Remaining Service Area funds are added together for reporting purposes and that the net would still be positive as far as revenue was concerned. Councilman Chris Sante asked if the budget projections included the sewer connections. Ms. Aguilar confirmed that staff had

included estimated sewer connection revenue based on the number of connection letters that were sent out.

Village Manager Maria Aguilar explained the proposed 2015-2016 budget was formatted to reflect Operations revenues and expenses separately from Capital Project revenues and expenses. Ms. Aguilar stated that the majority of the revenues reflected were from wastewater assessments and customer charges. She explained staff utilized the Wastewater Financial Forecast prepared by Raftelis Financial Consultant Tony Harriston in estimating revenue projections. She stated the 2014-2015 Transfer in from Capital Projects Fund of approximately \$2,100,000 dollars was to assist with debt service payments. She stated staff expects that beginning June 2016, debt service payment to the Florida Department of Environmental Protection will be approximately \$6 million dollars a year, of which \$3 million dollars would be paid in June followed by another \$3 million dollar payment six months later.

Ms. Aguilar stated that the Village is anticipating \$7.5 million dollars in Mayfield Grant funds and that staff was informed, unofficially, that the State would initiate the sale of bonds to fund the grant in October 2015. She stated that the Village has the invoices to submit for reimbursement as soon as State funding is available. She stated that if the Village did not receive the anticipated Mayfield Grant funding then the Village would obtain additional SRF loan funds.

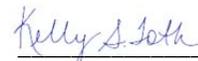
Mayor Forster inquired as to whether or not there were contingency plans to pay for possible salinity fines assessed against the Village. Ms. Aguilar stated costs associated with potential salinity fines have been included in the Remaining Service Areas' Operations & Maintenance Activity section, as part of the expense line item labeled Treatment KLWTD and that this budget line item was projected at \$1.65 million dollars.

Village Manager Maria Aguilar announced the first budget hearing would occur on September 9, 2015 at 5:30 PM.

V. COUNCIL DISCUSSION

VI. ADJOURNMENT

Councilman Chris Sante made a motion to adjourn. Mayor Mike Forster seconded the motion. The meeting adjourned at 3:38 PM.



Kelly S. Toth
Village Clerk

Approved by the Village Council this 20th day of August, 2015.