



**ISLAMORADA, VILLAGE OF ISLANDS
SPECIAL CALL VILLAGE COUNCIL MEETING MINUTES
Second (Final) Budget Re-Hearing**

**Founders Park Community Center
87000 Overseas Hwy
Islamorada, FL 33036
Thursday, November 3, 2016
5:30 PM**

I. CALL TO ORDER / ROLL CALL

Mayor Deb Gillis called the meeting to order at 5:30 P.M. The following Councilmembers were present on roll call: Mayor Deb Gillis, Vice Mayor Jim Mooney, Councilman Mike Forster, Councilman Chris Sante and Councilman Dennis Ward. Also in attendance were Village Manager Seth Lawless, Village Attorney Roget Bryan, Deputy Village Manager and Director of Finance Maria Bassett, Village Clerk Kelly Toth, and all other appropriate personnel.

II. PLEDGE OF ALLEGIANCE

Larry Barr led the Pledge of Allegiance.

III. PUBLIC COMMENT

Mayor Deb Gillis opened public comment.

John Fernandez, Van Cadenhead, Ted Blackburn, Henry Rosenthal, Lance Bottari, Dave Purdo, and Larry Barr addressed the Council during public comment. The comments that were expressed pertained to: the higher proposed millage, salary increases for staff, the addition to the unassigned Fund Balance, and additional staffing.

Mayor Deb Gillis closed public comment.

IV. RESOLUTIONS

Mayor Deb Gillis announced the meeting was the final public hearing on the final millage and the final budget for the Village's Fiscal Year 2016-2017 which began October 1, 2016. Village Attorney Roget Bryan explained the second final public budget hearing had occurred previously on September 19, 2016 and that the final millage and final budget had been adopted at that meeting. He stated due to procedural technicalities, the Village was required to hold another final budget hearing to re-adopt the final millage and final budget. The Village Attorney explained that the Council was going to re-adopt the final millage and final budget in accordance with Florida Statute 200.065.

Mayor Deb Gillis explained that a unanimous vote of the Council had occurred at the September 19, 2016 final budget hearing; however, the state required that all five members be present to vote at the final hearing and the reason for the re-hearing was one Council Member was absent on September 19th.

Mr. Bryan read the title of the two resolutions to allow opportunity for Council to discuss the budget prior to adopting a final millage.

A. Resolution Adopting a Final Millage Rate for Fiscal Year 2016-2017

TAB 1

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA; ADOPTING A FINAL MILLAGE RATE OF THE VILLAGE FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017, PURSUANT TO SECTION 200.065, FLORIDA STATUTES; AND PROVIDING AN EFFECTIVE DATE

B. Resolution Adopting the Final Budget for Fiscal Year 2016-2017

TAB 2

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, ADOPTING THE FINAL BUDGET OF THE VILLAGE FOR THE FISCAL YEAR COMMENCING ON OCTOBER 1, 2016, AND ENDING ON SEPTEMBER 30, 2017; AUTHORIZING EXPENDITURE OF FUNDS ESTABLISHED BY THE BUDGET; PROVIDING FOR BUDGETARY CONTROL; PROVIDING FOR PERSONNEL AUTHORIZATION; PROVIDING FOR GIFTS AND GRANTS; PROVIDING FOR AMENDMENTS; PROVIDING FOR ENCUMBRANCES; PROVIDING FOR ISSUANCE OF CHECKS; PROVIDING FOR POST AUDIT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE

Deputy Village Manager and Director of Finance Maria Aguilar explained that due to one Councilmember being absent from the final budget hearing, the Village was not in compliance with the voting requirements associated with the 3.0000 millage rate adopted at the final hearing on September 19, 2016. She stated the 3.000 millage rate represented a 19.82% increase over the rolled back rate of 2.5036 mills. Ms. Aguilar presented the three options for adopting the millage as stated in the letter from the Florida Department of Revenue found in Exhibit 1 of the agenda.

Ms. Aguilar stated a unanimous vote of all five Councilmembers was required for the proposed 3.000 millage rate. She stated that the highest millage rate the Council could adopt with four members (or a two-thirds vote) was 2.8573 mills; and highest millage rate the Council could adopt with three members (or a majority vote) was 2.5036, which was reflected in Exhibit 2 of the agenda.

Ms. Aguilar explained Option 3 would provide for the Council to forgo re-adopting the millage resolution, however this would require that the Village sacrifice the revenue from the half-cent sales tax for fiscal year 2016-2017 which would be approximately \$1.2 million.

Deputy Village Manager and Director of Finance Maria Aguilar stated the increase to the proposed budget was approximately \$1.5 million from the prior year. She provided a summary of the budget increase found in Exhibit 3 of the agenda. Ms. Aguilar explained that the addition to the Unassigned Fund Balance of \$613,000 would provide a fund balance that was 30 percent of expenditures. She stated the State of Florida does not dictate what the unassigned fund balance should be for municipalities. Ms. Aguilar explained that the Florida League of Cities provides guidance to municipalities in this area and recommends that coastal communities have an unassigned fund balance that is 25 percent to 30 percent of expenditures due to the costs that would be incurred from a hurricane. She stated during the budget workshops, discussion occurred regarding FEMA's new conditions for reimbursement and that this was one of the reasons the Council desired a larger unassigned fund balance. Ms. Aguilar explained Council approval was required for using unassigned fund balance.

Council discussion ensued regarding: the increased expenditures for the Key Largo Wastewater Treatment District; the reasons for the budget increase and the prior adoption of the 3.0000 millage; the need for a healthy unassigned fund balance to provide for storm clean up; the final payment from FEMA for Hurricane Wilma occurring in 2016; and the City of Marathon holding a final budget re-hearing for the same reason.

Mayor Deb Gillis opened public comment.

Ken Philipson, Cheryl Culberson, John Fernandez and Henry Rosenthal addressed the Council. The comments provided addressed the possible costs for sending updated tax bills; the need to adopt the current well-reasoned budget; and a possible line of credit for storm catastrophes.

Mayor Deb Gillis closed public comment.

Council and staff discussion ensued regarding the increased costs and funding options associated with the Key Largo Wastewater Treatment District; Monroe County approving a 3.7 percent increase for staff; the tax rate for the South Florida Water Management District in which the citizens of Monroe County have no representation; and adopting a millage rate of 2.8573.

Deputy Village Manager and Director of Finance Maria Aguilar stated a millage rate of 2.8573 mills is a 14.13 percent increase over the rolled back rate of 2.5036 mills. She stated this would result in \$194,700 addition to Unassigned Fund Balance instead of the proposed \$613,100.

MOTIONS:

Millage Rate:

Councilman Chris Sante made a motion to adopt a 2.8573 final millage rate with the budget reduction to come from the Fund Balance. Councilman Dennis Ward seconded the motion. Council voted and the motion passed 5-0 at 6:43 PM.

Budget:

Councilman Chris Sante made a motion to adopt the budget as amended. Councilman Dennis Ward seconded the motion. Council voted and the motion passed 5-0 at 6:45 PM.


Mayor Deb Gillis closed the public hearing.

V. MAYOR / COUNCIL COMMUNICATIONS

VI. VILLAGE ATTORNEY / VILLAGE MANAGER COMMUNICATIONS

VII. ADJOURNMENT

Councilman Dennis Ward made a motion to adjourn. Councilman Mike Forster seconded the motion. The meeting adjourned at 6:46 PM.



Kelly S. Toth
Village Clerk

Approved by the Village Council this 1st day of December, 2016.