MINUTES

FIRST BUDGET HEARING
KEY BISCAYNE, FLORIDA

TUESDAY, SEPTEMBER 8, 2015

COUNCIL CHAMBER
560 CRANDON BOULEVARD

1. **CALL TO ORDER/ROLL CALL OF MEMBERS:** The meeting was called to order by the Mayor at 7:00 p.m. Present were Councilmembers Luis de la Cruz, Theodore Holloway Michael E. Kelly, Edward London, James S. Taintor, Vice Mayor Franklin H. Caplan and Mayor Mayra Lindsay. Also present were Village Manager John C. Gilbert, Village Clerk Conchita H. Alvarez and Village Attorney Chad Friedman.

2. **PLEDGE OF ALLEGIANCE:** Mayor Lindsay led the Pledge of Allegiance.

At this time the Mayor requested to ad an item to the agenda under Village Attorney, request for Executive Session.

3. **APPROVAL OF MINUTES:** Councilmember Kelly made a motion to approve the minutes of the August 25, 2015 Regular Council Meeting. The motion was seconded by Vice Mayo Caplan.

Councilmember Taintor brought to the attention of the Clerk that on page 6 of 7 the second motion by Councilmember Kelly should reflect the 700 block of Woodcrest Road and not North and South Mashta Drive. The Clerk will make the correction to the minutes.

Vice Mayor Caplan also noted that on page 2 the Congresswoman will co-sponsor the Bill regarding sea level rise and not sign as it is reflected in the minutes. The Clerk will make the correction to the minutes.

The minutes, as amended, were approved by a 7-0 voice vote. The vote was as follows: Councilmembers de la Cruz, Holloway, Kelly, London, Taintor, Vice Mayor Caplan and Mayor Lindsay voting Yes.

4. **MILLAGE RESOLUTION:** The Clerk read the following resolution by title:

A RESOLUTION OF THE VILLAGE OF KEY BISCAYNE. FLORIDA: ADOPTING THE PROPOSED MILLAGE RATE OF THE VILLAGE OF KEY BISCAYNE FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2016 PURSUANT TO FLORIDA STATUTE 200.065 (TRIM BILL); SETTING A DATE FOR A FINAL PUBLIC HEARING TO ADOPT THE MILLAGE RATE; PROVIDING FOR AN EFFECTIVE DATE.

Councilmember Kelly made a motion to approve the resolution. The motion was seconded by Councilmember Holloway.

Councilmember Kelly made a motion to table the resolution. The motion was seconded by Vice Mayor Caplan and approved by a 7-0 voice vote. The vote was as follows: Councilmembers de la Cruz, Holloway, Kelly, London, Taintor, Vice Mayor Caplan and Mayor Lindsay voting Yes.

5. **ORDINANCES:** The Clerk read the following ordinance on first reading, by title:

AN ORDINANCE OF THE VILLAGE OF KEY BISCAYNE, FLORIDA; ADOPTING THE BUDGETS FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2016 PURSUANT TO FLORIDA STATUTE 200.065 (TRIM BILL); PROVIDING FOR AN EFFECTIVE DATE.

Councilmember Kelly made a motion to adopt the ordinance on first reading. The motion was seconded by Councilmember Holloway.

The following residents addressed the Council: Michael Davey, 50 Ocean Lane Drive; Betty Sime Conroy, 785 Crandon Boulevard; Lois Greenberg, 1121 Crandon Boulevard; Gloria Plaza, 200 Ocean Lane Drive; Allene Nicholson, 769 Allendale Road; Ed Stone, 1121 Crandon Boulevard; Bradley Newsom, 345 Pacific Road and Brett Moss, 731 Crandon Boulevard.

The attorney addressed the Council regarding the budget process.

At this time the Capital Improvement Plan was discussed by the Manager, Department Directors and the Council.

The Manager addressed the Council giving an overview of the budget.

In the past, the practice would be to start the 1st Budget Hearing reviewing the proposed budget for FY2015-16. This year, I would recommend that the Village Council start with the review of the Capital Improvement Plan (CIP). The formal adoption, by Resolution, for the FY2016-2020 CIP will remain as an item at the 2nd Budget Hearing on September 21st, 2015.

It is requested that the Village Council review the attached Proposed Five (5) Year Capital Improvements Plan (CIP) for FY2016-2020.

During the Budget Workshop (June 16, 2015), the Village Council reviewed and discussed the Five (5) Year CIP for FY2016-2020 and the Restricted/Committed and Assigned Reserves.

Since the Workshop, the following modifications by Department have been made to the CIP:

Manager: Category: Assigned Reserve: Project Name: Educational Initiatives (Encumbered Funds) $42,187 was transferred to the General Fund in the Manager's departmental budget therefore, no longer listed as a CIP Assigned Reserve.

It was the consensus of Council to add $1,130 to the Operating Supplies line item (K-8 Volunteer Program) in the Manager's budget.

Category: Assigned Reserve: Project Name: Maintenance Reserve- Police/Administration (FY2016 Funds Needed) was decreased by $50,000.

Recreation: Category: Assigned Reserve: Project Name: Calusa Park (Encumbered Funds) was decreased to reflect a S200.000 project cost thereby showing a new balance of $263,885.

Category: Assigned Reserve: Project Name: Maintenance Reserve- Community Center (FY2016 Funds Needed) was reduced by $50,000.

Category: Assigned Reserve: Project Name: Playing Fields (FY2016 Funds Needed) was decreased by $200,000.

Category: Assigned Reserve: Project Name: Recreational Facilities (FY2016 Funds Needed) was reduced by $75,000.

Category: Recreation and Open Space: Project Name: Community Center Expansion (FY2016 Funds Needed) was increased by $600,000.

Fire: Category: Assigned Reserve: Project Name: Maintenance Reserve- Fire Station (FY2016 Funds Needed) was increased by $50,000.

Building, Zoning, Planning and Public Works: Category: Assigned Reserve: Project Name: Traffic Calming (FY2016 Funds Needed) was reduced by $180,000.

Category: Maintenance; Project Name: Maintenance: Traffic Circles (FY2016 Funds Needed) was reduced by $200,000.

Category: Maintenance: Project Name: Replacement: Crandon Sprinkler Timers from Battery to Electric (FY2016 Funds Needed) was decreased by $43,000.

Category: Building. Zoning. Planning and Public Works: Project Name: Beach Renourishment-Annual Monitoring (FY2016 Funds Needed) was increased by $25,000.

Category: Building. Zoning. Planning and Public Works: Project Name: Crandon Blvd. LED Flasher at East Heather Dr. (FY2016 Funds Needed) was increased by $35,000.

Category: Building. Zoning. Planning and Public Works Project Name: Curbing on Streets Surrounding KB K-8 School (FY2016 Funds Needed) project FY2016 Funds Needed decreased by a total of $50,000 due to the Safe Routes to School grant funding.

As part of our ongoing need to identify existing funding sources (Encumbered Funds) to cover future project needs in the community, the following projects will be funded by the CIP Assigned Reserve Master Plan Initiatives (MPI).

Category: Building, Zoning, Planning and Public Works: Project Name: Street Lighting Phase V-Femwood Road, Westwood Drive, West Heather Drive (Total Project Cost: $810,000).

Category: Recreation and Open Space: Project Name: 530 Crandon Park Construction (Total Project Cost: $1,400,000).

The CIP FY2016 deficit of $3,528,534 will be funded entirely by the General Fund-Excess Revenues over Expenditures at the current millage rate of 3.0.

The following Capital projects set as priorities (not in any particular order) for FY2015-2017 by Council do not have an identified funding source: 1.) Virginia Key Playing Fields; 2.) Renovations to the Library; 3.) Purchase and Development of the Police Parking Lot; 4.) Burying of the Power Lines; 5.) Purchase of Land and 6.) Beach Club.

There was extensive discussion from council regarding the CIP.

Chief of Police Charles Press addressed the Council regarding the purchase of body cameras for the Police Department. It was the consensus of Council that the purchase of the body cameras will be done with confiscated funds and the annual maintenance will come from the Police Department's Budget.

Director of Building, Zoning and Planning addressed the Council regarding the Beach Park maintenance.

It was the consensus of Council to re-design the pavilion at the Beach Park to a smaller foot print. It was also the consensus of Council to direct staff to come back for the Second Budget Hearing with a more accurate amount.

Director Kurlancheek also addressed the Council regarding the new software for permitting in the BZP Department which is not working properly.

Chief of Fire Rescue Eric Lang addressed the Council regarding the CIP Budget for the Fire Department.

Director Kurlancheek addressed the Council regarding the street lighting program.

It was also the consensus of Council to reduce the Uplighting Replacement Program to $45,000.

Todd Hofferberth, Park and Recreation Director addressed the Council regarding the CIP projects for this Department.

Lourdes Abadin, Financial Advisor for the Village with Estrada Hinojosa addressed the Council regarding the Debt Service.

It was the consensus of Council to add $2 million towards the purchase and development of the Police Parking Lot; add $93,000 for the planning phase of burying of the Power Lines and $50,000 for legal process of the easement; transfer $700,000 from the Land Acquisition/Open Space Trust-Restricted/Committed Reserve towards the acquisition of the Beach Club; add $50,000 for separated bike lanes to the BZP and Public Works CIP line item and add $25,000 for a parking space traffic study.

The goal of the proposed budget for FY2015-16, as in previous years, is to support the level of services the Village provides to its residents and visitors while minimizing and/or reducing expenditures.

Property Values for FY2015-16 increased approximately 15.29% ($1,024,091,295). Last year the Village experienced an increase of 8.871% ($545,754,200). At the July 7th, 2015 Village Council

Meeting, the Council preliminarily set the Village millage rate at 3.0. The proposed budget maintains the same millage rate of 3.0.

Budgetary figures (where applicable) have been updated since the June Budget Workshop to include current information from the State shared revenues, as well as, the ongoing review and needs of Departmental line item budgets that continued throughout the summer.

The Cost Of Living Adjustment (COLA) for the proposed FY16 Budget is based on the Consumer Price Index (CPI) for all urban consumers for the Miami/Ft. Lauderdale area (all items indexed) published by the Department of Labor Bureau of Labor Statistics for the twelve (12) month change from April 2014 to April 2015 and is being reflected as a 0.5% COLA for all eligible employees.

Some assumptions included within this budget are: 1.) Insurance, Property and Liability premium costs remain the same for the proposed budget based upon the recommendation from our Commercial Insurance Broker, Brown & Brown; 2.) Workers Compensation premium costs reflect an estimated 3.68% increase based upon the recommendation from our Commercial Insurance Broker, Brown & Brown; 3.) Life, Health and Disability Insurance premium costs reflect an estimated 4.7% increase based upon a recommendation from our Health Insurance Broker of Record Services, National Marketing Group; 4.) Police Officers, Sergeants and Lieutenants- COLA based on CPI at 0.5%; Step of 5% for eligible personnel; Shift Differential of 3% reflecting existing labor contract obligations; 5.) Fire Department- COLA based on CPI at 0.5%; Step of 5% for eligible personnel; Life, Health, Disability Insurance and Pension Retirement Contribution costs reflect the existing labor contract obligations; 6.) Cost Sharing for certain Public Works Division employee's salary is pro-rated from the Stormwater Enterprise Fund and from the Building, Zoning and Planning Department- as in previous years; 7.) General Employees- COLA based on CPI at 0.5%; merit of up to 4% for eligible personnel reflecting existing labor contract obligations; 8.) All exempt employees- COLA based on CPI at 0.5%; Step of 5% for eligible personnel and 9.) Solid Waste Enterprise Fund costs reflects an estimated increase in the annual residential solid waste fee which was formally acted upon by Council at the August 25th Council Meeting.

Budget Highlights are as follows:

Revenues. Revenues were adjusted to reflect updated information from the State of Florida and Village revenue generating activities.

Expenditures. Total expenditures are increasing by $500,561 or 1.85%.

Village Council. The significant budgetary change to this operating budget since the Budget Workshop is the addition of a Public Relations line item for a total of $96,000. It was the consensus of Council to decrease this line item to $48,000.

Village Manager. The significant budgetary changes in this operating budget since the Budget Workshop is the addition of one (1) Full-Time position for a Receptionist at $35,000 plus benefits and a position reclassification from an Administrative Services Manager to a Procurement/Sustainability Director. Also, a newly created line item for the Key Biscayne Community Foundation totaling $125,000 was added by Council action at the September 1st, 2015 Council Meeting. There are no other significant changes to this budget.

Village Clerk. No significant budgetary changes to this budget. Councilmember London proposed to decrease the legal advertising line item in the Clerk's office to $35,000. There was no objection to the change.

Village Attorney. The four (4) significant changes in this operating budget are as follows: 1.) An increase to the Legal Counsel-General Services line item by $50,000; 2.) An increase to the Legal Counsel-Litigation Outside Counsel line item by $250,000; 3.) A decrease to the Legal Counsel-Land Development line item by $75,000 and 4.) A decrease to the Legal Counsel-Labor Relations line item by $50,000.

The Village Attorney addressed the Council regarding the Attorney's budget.

Debt Service. Overall the Debt Service costs have been increased by $348,886 or 10%, due to the Principal payment to the School Improvement Bond #2.

Building, Zoning & Planning. There are no significant changes to this operating budget.

Police. The significant budgetary change in this operating budget since the Budget Workshop is due to an increase in overtime by an additional $20,000. There are no other significant budgetary changes to this budget.

Chief Press addressed the Council regarding the budget for the Police Department.

Fire. The significant budgetary change in this operating budget since the Budget Workshop is the conversion of a Part-Time Community Outreach Liaison position into a Full-Time position.

Public Works. No significant budgetary changes were made to this operating budget.

Parks. The main significant budgetary change in this operating budget since the Budget Workshop is an increase to the Repair & Maintenance-Fields line item by $68,090.

There are no other significant budgetary changes to this operating budget.

Community Center. No significant budgetary changes were made to this operating budgets.

Expenses are $221,614 over the projected revenues for this particular Division.

Athletics. No significant budgetary changes were made to this operating budget.

As another budget that has revenue producing activities, it may appear that the proposed budget of $654,071 is the total fiscal impact to the General Fund budget, but in fact, this is offset by projected revenues of $437,025.

The Manager again, is recommending for the FY2016 Budget Hearing process is to discuss the CIP during the 1st Budget Hearing and to discuss the proposed operating budgets at the 2nd Budget Hearing.

The Manager has directed Department Director's to make themselves available at the request of the Council to discuss any questions, thoughts or concerns the Council may have in an effort to make the Budget Hearings more efficient and effective.

Councilmember London made a motion to extend the meeting to 11:10 p.m. The motion was seconded by Councilmember Holloway and was approved by a 5-2 voice vote. The vote was as follows: Councilmembers de la Cruz, Holloway, London and Mayor Lindsay voting Yes. Councilmembers Kelly and Taintor voting No.

Councilnmember London made a motion to table the ordinance until after the adoption of the millage rate resolution. The motion was seconded by Vice Mayor Caplan and approved by a 7-0 voice vote. The vote was as follows: Councilmembers de la Cruz, Holloway, Kelly, London, Taintor, Vice Mayor Caplan and Mayor Lindsay voting Yes.

Councilmember Kelly made a motion to remove the millage resolution from the table. The motion was seconded by Councilmember Holloway and approved by a 7-0 voice vote. The vote was as follows: Councilmembers de la Cruz, Holloway, Kelly, London, Taintor, Vice Mayor Caplan and Mayor Lindsay voting Yes.

Councilmember London made an amending motion to lower the millage rate to 2.8 mills. The motion was seconded by Councilmember Kelly and approved by a 4-3 roll call vote. The vote was as follows: Councilmembers Holloway, Kelly, London and Taintor voting Yes. Councilmember de la Cruz, Vice Mayor Caplan and Mayor Lindsay voting No.

The Clerk read into the record that the proposed millage rate for the Village of Key Biscayne for the fiscal year commencing October 1, 2015 through September 30, 2016, be and is hereby fixed at the rate of 2.8 mills which is $2.80 dollars per $1,000.00 of assessed property value within the Village of Key Biscayne. That the rolled-back rate is 2.781 mills and the proposed millage rate is 2.8 mills which is 0.68% over the rolled-back rate.

The ordinance, as amended, was approved by a 7-0 roll call vote. The vote was as follows: Councilmembers de la Cruz, Holloway, Kelly, London, Taintor, Vice Mayor Caplan and Mayor Lindsay voting Yes.

The Clerk announced the second reading of this ordinance for Monday, September 21, 2015.

6. **RESOLUTIONS:** There were no resolutions considered by Council.

At this time the Attorney requested an Executive Session regarding pending litigation with the City of Miami and NMMA. The Clerk will canvass the Council to set a date for the Executive Session.

7. **SCHEDULE OF FUTURE MEETINGS AND EVENTS:** A schedule of future meetings and events was presented to the Council.

8. **ADJOURNMENT:** The meeting was adjourned at 11:10 p.m.

Respectfully submitted:

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Conchita H. Alvarez, MMC
Village Clerk

Approved this 21st day of September, 2015:

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Mayra Peña Lindsay
Mayor

IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE VILLAGE COUNCIL WITH RESPECT TO ANY MATTER CONSIDERED AT A MEETING OR HEARING, THAT PERSON WILL NEED A RECORD OF THE PROCEEDINGS AND, FOR SUCH PURPOSE, MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.