MINUTES

BUDGET WORKSHOP
KEY BISCAYNE, FLORIDA

TUESDAY, JUNE 17, 2014

COUNCIL CHAMBER
560 CRANDON BOULEVARD

The meeting was called to order by the Mayor at 7:36 p.m. Present were Councilmembers, Theodore Holloway, Michael E. Kelly, Mayra Lindsay, Edward London, James S. Taintor, Vice Mayor Michael W. Davey and Mayor Franklin H. Caplan. Also present were Village Manager John C. Gilbert, Village Clerk Conchita H. Alvarez and Village Attorney Chad Friedman.

The Mayor addressed the Council welcoming the public to the Budget Workshop.

The Manager addressed the Council giving a brief introduction to the budget presentation.

> The following staff was also present: Chief of Staff/Deputy Clerk Jennifer Duque, Director of Building, Zoning and Planning Jud Kurlancheek, Director of Parks and Recreation Todd Hofferberth, Chief of Police Charles Press, Deputy Police Chief Jason Younes, Chief of Fire Rescue Eric Lang, IT Administrator Michael Fleming and Finance Director Vivian Parks.
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> The following residents addressed the Council: Derek Duzoglou, 785 Glenridge Road; Cecile Sanchez, 260 Cypress Drive; Don Ellisbur, 177 Ocean Lane Drive; Rafa Erhardt, 881 Ocean Drive, on behalf of the 4th of July Committee; Melissa White, with the KB Community Foundation; Ed Stone, 1121 Crandon Boulevard; Ricki Braswell and Kathye Susnjer, on behalf of the Key Biscayne Chamber of Commerce.

The Manager reported that the preliminary roll assessment provided by the Miami-Dade County Property Appraiser's Office reflects an increase in our property values of 8.844%. At a 3.0 Millage

Rate, this would generate approximately an additional $1,550,676. Last year we had an increase of 4.63%. Due to a decrease in Millage Rate from 3.2 to 3.0, property tax revenues decreased by $34,118.

The Manager also reported that the State of Florida will be providing their projection for the State Shared Revenues at the end of June (not available at the time of creating the agenda).

The Cost Of Living Adjustment (COLA) for the proposed FY15 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 twelve (12) month change from April 2013 to April 2014 and is being recommended at 2.5% for eligible employees.

The Manager also presented to the Council the departmental budgets along with the worksheets detailing the expenses on the summary sheet.

Some assumptions included within this budget are: 1.) Insurance, Property and Liability costs reflect an estimated 5% increase upon a recommendation from our Commercial Insurance Broker, Brown & Brown; 2.) Workers Compensation premium costs reflect an estimated 21.4% increase; upon a recommendation from our Commercial Insurance Broker, Brown & Brown; 3.) Life. Health and Disability Insurance premium costs reflect an estimated 24% increase; 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 2.5%; Step of 5% for eligible personnel; Shift Differential of 3% reflecting existing labor contract obligations; 5.) Fire Department - COLA based on CPI at 2.5%; Step of 5% for eligible personnel; Life, Health, Disability Insurance and Pension Retirement Contribution costs reflect the newly ratified 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 (see Public Works Division Regular Salary Budget Worksheet for the individual percentage breakdown); 7.) General Employees - Merit of up to 4% for eligible personnel reflecting labor contract obligations; 8.) All (non-union) exempt employees - COLA based on CPI at 2.5%; Step of 5% for eligible personnel.

The Village will continue negotiations with the Police Officers, Sergeants and Lieutenants and General Employees; thereby possibly changing the figures for the September Budget Hearings.

At the July 1st, 2014 Village Council Meeting the Council will preliminarily set our millage rate.

Upon further deliberations and community input, we will continue to prepare the proposed budget for our September Budget Hearings.

The goal for this budget, as in the previous years, is to enhance services while still maintaining a cost effective operational budget.

Position reclassifications and additions within the Departmental Budgets, which may include additions to the table of organization or professional services, are as follows:

- Manager's Office - Special Projects Coordinator reclassified to Administrative Services Manager
- Manager's Office - Part-Time I.T. Assistant position status changed to Full-Time I.T. Assistant
- Building, Zoning and Planning - Permit Clerk/Receptionist position reclassified to Administrative Assistant to the Public Works Division
- Public Works Division - Special Projects Coordinator position reclassified to Senior Executive Assistant
- Fire Rescue Department - Addition of a Part-Time Administrative Assistant position
- Fire Rescue Department - Promoted one (1) Fire Lieutenant position to the Fire Captain position
- Police Department - Executive Administrative Assistant position reclassified to Senior Executive Assistant
- Police Department - Special Projects Coordinator position reclassified to Administrative Services Manager

As in the FY2014 Budget, the costs for the Departmental Self-Assessment process for Public Works Division, Building, Zoning and Planning Department and Parks and Recreation Department are included in their Departmental Budgets.

Robert Hollander with Brown & Brown addressed the Council regarding Workers Compensation Insurance premiums and Michelle Gonzalez with National Marketing Group addressed the Council regarding Life, Health and Disability Insurance premiums.

The Manager addressed the Council regarding the General Fund Revenues, the Council and the Administration Budgets and the Debt Service; the Clerk addressed the Council regarding the Clerk's Budget; the Attorney addressed the Council regarding the Attorney's Budget. The Manager made a recommendation in the Council's Budget to change the name of the Youth Council line item to Youth Enrichment Programs.

There was extensive discussion from Council regarding the non-compliance of the required Quarterly Reports from the different organizations that the Village funds.

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

Mayor Caplan excused himself from the meeting at 10:10 p.m.

Director Kurlancheek addressed the Council regarding the Building, Zoning and Planning Department Budget and the Public Works Department Budget; Chief Lang addressed the Council regarding the Fire Rescue Department Budget; Director Hofferberth addressed the Council regarding the Parks and Recreation Department Budget, the Community Center Budget and the Athletics Division Budget and Chief Press addressed the Council regarding the Police Department Budget.

There was extensive discussion from Council regarding the maintenance of our beach.

There was extensive discussion from Council regarding the Senior fees for the Community Center and the sports programs.

Councilmember Taintor asked Chief Press for the possibility of acquiring a second boat to improve our enforcement on the water. Chief Press addressed the Council explaining that it will take the hiring of two new police officers and that he will bring a proposal to Council at the First Budget Hearing.

Vice Mayor Davey made a motion to extend the meeting to 11:30 p.m. The motion was seconded by Councilmember Lindsay and approved by a 6-0 voice vote. The vote was as follows: Councilmembers Holloway, Kelly, Lindsay, London, Taintor and Vice Mayor Davey voting Yes.

It was consensus of Council to hear the remainder of the Budget Workshop at their next Zoning Meeting on June 24, 2014.

The meeting was adjourned at 11:20 p.m.

Respectfully submitted:

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Conchita H. Alvarez, MMC
Village Clerk

Approved this __th__ day of _____, 2014:

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Franklin H. Caplan
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.