

MINUTES

FIRST BUDGET HEARING
KEY BISCAVNE, FLORIDA

WEDNESDAY, SEPTEMBER 11, 2013

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 Michael W. Davey, Theodore Holloway, Michael E. Kelly, Edward London (arrived 7:15 p.m.), Vice Mayor Mayra Lindsay and Mayor Franklin Caplan. Councilmember James S. Taintor was absent. Also present were Village Manager John C. Gilbert, Village Clerk Conchita H. Alvarez and Village Attorney Stephen J. Helfman.

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

At this time Mayor Caplan addressed the Council and the public reminding everyone that today is the Twelfth Anniversary of the 9/11 terrorist attack against the United States. The Mayor also reported that the Ocean Club hosted an event today paying tribute to the members of our Key Biscayne Police and Fire Rescue Departments. Also, New York Mayor Bloomberg sent a letter to the Mayor thanking the Village of Key Biscayne for its contribution by sending FEMA Task Force 2 led by then Chief of Fire Rescue John Gilbert to aid in this tragic event.

3. **APPROVAL OF MINUTES:** There were no minutes considered by Council.

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

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAVNE, FLORIDA, AUTHORIZING THE VILLAGE MANAGER TO APPLY FOR AND ACCEPT,

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IF AWARDED, A HIGHWAY BEAUTIFICATION GRANT FROM THE FLORIDA DEPARTMENT OF TRANSPORTATION; FURTHER AUTHORIZING THE VILLAGE MANAGER TO EXECUTE AN AGREEMENT RELATED TO THE SAME; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

Vice Mayor Lindsay made a motion to approve the resolution. The motion was seconded by Councilmember Davey.

The Manager addressed the Council recommending the approval of the resolution which authorizes the Village Manager to apply for and accept, if awarded, a matching grant with the Florida Department of Transportation for the beautification of Harbor Drive.

The resolution was approved by a 5-0 voice vote. The vote was as follows: Councilmembers Davey, Holloway, Kelly, Vice Mayor Lindsay and Mayor Caplan voting Yes.

5. **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, 2013 THROUGH SEPTEMBER 30, 2014 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 Davey made a motion to approve the resolution. The motion was seconded by Councilmember Kelly.

The Attorney addressed the Council regarding the budget process.

The Attorney announced that the proposed millage rate for the Village of Key Biscayne for fiscal year commencing October 1, 2013 through September 30, 2014, be and is hereby fixed at the rate of 3.2 mills which is \$3.2 dollars per \$1,000.00 of assessed property value within the Village of Key Biscayne. That the rolled-back rate is 2.9789 mills and the proposed millage rate is 3.2 mills which is 7.42 percent over the rolled-back rate.

Councilmember Davey made a motion to table the resolution. The motion was seconded by Vice Mayor Lindsay and approved by a 6-0 voice vote. The vote was as follows: Councilmembers Davey, Holloway, Kelly, London, Vice Mayor Lindsay and Mayor Caplan voting Yes

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6. **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, 2013 THROUGH SEPTEMBER 30, 2014 PURSUANT TO FLORIDA STATUTE 200.065 (TRIM BILL); PROVIDING FOR AN EFFECTIVE DATE.

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

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

The goal of the proposed budget for FY2013-14, as in previous years, is to not impact the level of services the Village provides to its residents and visitors while minimizing and/or reducing expenditures and to be able to maintain the same Village millage rate. The Manager commended all employees and Department Heads for continuing to deliver quality services more effectively and efficiently.

Property Values for FY2013-14 increased approximately 6.34% (\$1,113,758). Last year the Village experienced an increase of 4.63% (\$777,509). The budget maintains the same millage rate of 3.2. Budgetary figures have been updated since the June Budget Workshop to include current information from the state share revenues, as well as, the ongoing needs and review of Departmental line items budgets that continued throughout the summer..

The Consumer Price Index ("CPI") for all Wage Earners for this region in April/May 2013 is used as the benchmark, as per Council Resolution 2002-49, to determine a Cost of Living Adjustment ("COLA") for Village employees. This CPI is 0.9% and is being recommended for eligible non-union exempt employees, General Employees and Police Labor groups.

Salary step increases of 5% for Fire and Police have been included in their budgets. A 4% merit increase* for General Employees has also been included in their budgets. This is the maximum amount that can be received, but the actual amount would range between 0 - 4% based on their annual performance evaluation. Those eligible nonunion exempt employees will receive a 5% salary step increase or a 5% longevity salary increase, as per Resolution 2001-3.

Some assumptions included in the Proposed FY2014 Budget are: 1.) Insurance, Property and Liability costs reflect an estimated 10% increase; upon a recommendation from our Commercial Insurance Broker, Brown & Brown; 2.) Life, Health and Disability Insurance costs reflect an estimated 31% increase, upon receiving the Village's insurance renewal rates for the upcoming fiscal year from our Health Insurance Broker of Record Services, National Marketing Group. Conversations and negotiations remain ongoing and this could change by the 2nd Budget Hearing.

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The actual Year To Date (YTD) column figures in the budget document are as of August 15, 2013.

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 \$995,868 or 3.96%.

Village Council. The major budgetary change to this budget is the addition of a Local Relations Representative budgeted for a total of \$35,000. After careful review and consideration, I am not recommending that the Village create the position for a Local Relations Representative.

Village Manager. The significant budgetary change in this department is the addition of one (1) Part-Time position for an I.T. Assistant. After careful review and consideration, I am not recommending that the Village create the position for a Customer Service Representative.

Additionally, I am recommending a reclassification of the Executive Assistant to the Village Manager position. The budget reflects the title of Chief of Staff/Deputy Clerk with a 5% salary increase.

Village Clerk. No significant changes in the budget.

Village Attorney. No significant changes in this budget.

Debt Service. The second payment (Interest only) for the Educational Facility Project was not factored into the Debt Service costs due to the funding available in the FY2013 Capital Improvement Plan.

Overall the Debt Service costs have been increased by \$393,924 or 16%, due to the Principal and Interest payment for Sewer Loan #2.

Building, Zoning & Planning. The three (3) main changes in this Department are as follows: 1.) A percentage of the Public Works employees' salary is being allocated to the Building, Zoning & Planning Department; 2.) The reallocation of funds from the Stormwater Enterprise Fund to the Building, Zoning & Planning- CRS Support budget line item; 3.) A newly created budget line item entitled, Professional Services- Self-Assessment to start the Self-Assessment process.

Police. The Police budget increased primarily due to an increase in operational expenses. The proposed budget includes additional equipment for the Traffic Unit and replacement of equipment for the Marine Patrol Unit.

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Fire. The Fire Department budget increased by 3%; mainly due to Labor Contract obligations- primarily in the Life, Health and Disability Insurance budget line item.

Public Works. The Public Works Division budget decreased mostly due to the termination of the Public Works Yard lease and the reallocation of salaries to the Building, Zoning and Planning Department.

Additionally, a newly created line item, Professional Services- Self-Assessment, has been factored into this budget to start the Self-Assessment process.

Parks. The main changes to the Parks Department budget are the following: 1.) Increased Promotional Events- General for the addition of Bike Safe programs and activities. Additionally, the cost increase to the Veteran's and Memorial Day events due to a growth in attendance; 2.) The A.S.K. Club budget line item increased by \$10,000, as requested by Council at the Budget Workshop and 3.) A newly created budget line item, Professional Services- Accreditation to start the Self-Assessment process.

Community Center. No significant changes. Expenses are \$143,383 over the projected revenues for this particular Division.

Athletics. No significant changes. As another budget that has revenue producing activities, it may appear that the proposed budget of \$637,682 is the total fiscal impact to the General Fund budget, but in fact, this is offset by projected revenue of \$441,725.

Mr. Rob Hollander with Brown and Brown addressed the Council regarding the increase in liability and property insurance.

Ms. Michelle Gonzalez with National Marketing Group Service, Inc. addressed the Council regarding the increase in health insurance.

The Mayor opened the public hearing. Robert Brooks, Coconut Grove, member of the Key Biscayne Chamber of Commerce; Patricia Romano 361 Beechwood, also on behalf of the Key Biscayne Chamber of Commerce; Derek Duzouglu, Chairman of the Green Committee and Adrian Delgado, 177 Ocean Lane Drive addressed the Council. The Mayor closed the public hearing.

The Manager also addressed the Council regarding the budgets for the Village Council, the Administration and Finance Departments.

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It was the consensus of Council to eliminate Other (\$2,400) under Membership and Dues Council line item.

The Clerk addressed the Council regarding the budget for the Office of the Clerk.

The Attorney addressed the Council regarding the budget for the Village Attorney requesting to increase the Labor Relations line item to \$100,000, reducing the Land Development line item to \$75,00 and reducing the Bond Counsel line item to \$10,000. There was no objection to the changes.

The Manager addressed the Council regarding the Debt Service.

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

Jud Kurlancheek, Director of Building, Zoning and Planning addressed the Council regarding the budget for the BZP Department.

Chief of Police Charles Press addressed the Council regarding the budget for the Police Department. The Chief reported that the line item regarding boat docking will be eliminated, since now the Marine Patrol Boat is docked at Coco Plum in Coral Gables, at no cost to the Village.

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

Director Kurlancheek addressed the Council regarding the budget for the Public Works Department.

Todd Hofferberth, Parks and Recreation Director addressed the Council regarding the budgets for the Parks and Recreation Department, the Community Center and the Youth Athletics Program.

Councilmember Holloway made a motion to extend the meeting to 11:05 p.m. The motion was seconded by Councilmember Kelly and approved by a 6-0 voice vote. The vote was as follows: Councilmembers Davey, Holloway, Kelly, London, Vice Mayor Lindsay and Mayor Caplan voting Yes.

Councilmember Davey made a motion to extend the meeting to 11:10 p.m. the motion was seconded by Vice Mayor Lindsay and approved by a 6-0 voice vote. The vote was as follows: Councilmembers Davey, Holloway, Kelly, London, Vice Mayor Lindsay and Mayor Caplan voting Yes.

Councilmember Davey made a motion to remove from the table the proposed millage rate resolution. The motion was seconded by Vice Mayor Lindsay and approved by a 6-0 voice vote. The vote was as follows: Councilmembers Davey, Holloway, Kelly, London, Vice Mayor Lindsay and Mayor

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Caplan voting Yes.

The Mayor opened the public hearing. There were no speakers present. The Mayor closed the public hearing.

The motion to approve the resolution adopting the proposed millage rate for the fiscal year commencing October 1, 2013 through September 30, 2014 was approved by a 6-0 roll call vote. The vote was as follows: Councilmembers Davey, Holloway, Kelly, London, Vice Mayor Lindsay and Mayor Caplan voting Yes.

The motion to approve the budget ordinance on first reading ,as amended, was approved by a 6-0 roll call vote. The vote was as follows: Councilmembers Davey, Holloway, Kelly, London, Vice Mayor Lindsay and Mayor Caplan voting Yes.

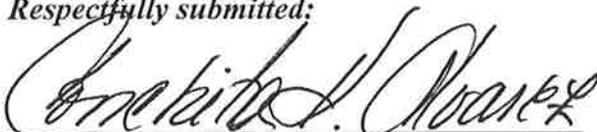
The Clerk announced the second reading of the ordinance will be on Tuesday, September 24, 2013.

7. **PROPOSED FIVE YEAR CIP:** The Manager addressed the Council recommending to review the Five Year CIP in order for the Council to approve it at the Second Budget Hearing on September 24, 2013.

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

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

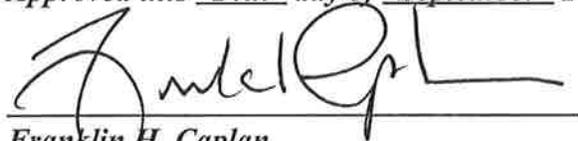
Respectfully submitted:



Conchita H. Alvarez, MMC
Village Clerk



Approved this 24th day of September 2013:



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.