MINUTES

FIRST BUDGET HEARING
KEY BISCAYNE, FLORIDA

TUESDAY, SEPTEMBER 13, 2016

COUNCIL CHAMBER
560 CRANDON BOULEVARD

1. **CALL TO ORDER/ROLL CALL OF MEMBERS:** The Mayor called the meeting to order at 7:00 p.m. Present were Councilmembers Franklin H. Caplan, Luis de la Cruz, Gary R. Gross (by phone), Theodore Holloway, Michael E. Kelly, Vice Mayor London (arrived at 7:15 p.m.) and Mayor Mayra P. Lindsay. Also present were Village Manager John C. Gilbert, Village Clerk Conchita H. Alvarez and Village Attorney Stephen H. Helfman.

2. **PLEDGE OF ALLEGIANCE:** Councilmember Kelly led the Pledge of Allegiance.

At this time the Attorney requested, on behalf of Special Counsel for the Village, an Executive Session for Thursday, September 16, 2016 at 6:00 p.m. regarding the following pending litigation: Village of Key Biscayne v. City of Miami, Case No. 15-2997 CA 09 in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida and Village of Key Biscayne v. DEP, Case No. 3D15-2824 in the Florida Third District Court of Appeal. There was no objection to the request.

3. **CONSENT AGENDA:** Mayor Lindsay made a motion to approve the following consent agenda. The motion was seconded by Councilmember Kelly and approved by 6-0 voice vote. The vote was as follows: Councilmembers Caplan, Gross, Holloway, Kelly and Mayor Lindsay voting Yes.

The minutes of the August 30, 2016 Special Council Meeting.

The minutes of the August 30, 2016 Regular Council Meeting.

Councilmember Caplan made a motion to allow Councilmember Gross to participate by phone. The motion was seconded by Councilmember Holloway and approved by a 5-1 voice vote. The vote was as follows: Councilmembers Caplan, de la Cruz, Holloway, Vice Mayor London and Mayor Lindsay voting Yes. Councilmember Kelly voting No.

The Attorney addressed the Council regarding the process for the adoption of the budget on first reading.

There was discussion from Council regarding this process.

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, 2016 THROUGH SEPTEMBER 30, 2017 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.

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, 2016 THROUGH SEPTEMBER 30, 2017 PURSUANT TO FLORIDA STATUTE 200.065 (TRIM BILL); PROVIDING FOR AN EFFECTIVE DATE.

Councilmember Kelly made a motion to approve the resolution and the ordinance. The motion was seconded by Councilmember Caplan.

The Manager addressed the Council with the following recommendations for the Budget:

The goal of the proposed budget for FY2016-17, 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 FY2016-17 increased approximately 8% ($617,536,353). Last year the Village experienced an increase of 15.29% ($1,024,091,295).

On July 20th, 2016, the proposed millage rate of 3.0 was certified to the Department of Revenue. The proposed budget maintains the same millage rate of 3.0.

Budgetary figures 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. Additionally, on July 11th, Village Directors participated in a Florida International University (FIU)-Government Budgeting Best Practices Workshop presented by Professor Alfredo Riverol. The workshop provided a comprehensive approach to government budgeting practices in Florida. The recommendation to comprise the departmental descriptions, prior year goals and objectives along with performance indicators as part of the proposed FY2016-17 budget to Council has been included.

The Cost Of Living Adjustment (COLA) for the proposed FY2016-17 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 2015 to April 2016 and is being reflected as a 1.4% COLA for all eligible employees.

Some assumptions included within this budget are: 1. Insurance, Property and Liability premium costs remain at the same rate for the proposed budget based upon the recommendation from our Commercial Insurance Broker, Brown & Brown; 2. Workers Compensation premium costs reflect an estimated 10% increase based upon the recommendation from our Commercial Insurance Broker, Brown & Brown; 3. Life and Health Insurance premium costs reflects a 5% increase based upon a recommendation from our Health Insurance Broker of Record Services, National Marketing Group. The long-term Disability Insurance premium costs reflects a 27.6% increase; 4. Police Officers, Sergeants and Lieutenants- COLA based on CPI a 1.4%; Step of 5% for eligible personnel; Shift Differential of 3% reflecting existing labor contract obligations; 5. Fire Department- COLA based on CPI at 1.4%; Step of 5% for eligible personnel; Life, Health, Disability Insurance and Pension Retirement Contribution costs reflect the existing labor contract obligations; 6. General Employees- COLA based on CPI at 1.4%; merit of up to 4% for eligible personnel reflecting existing labor contract obligations; 7. All exempt employees- COLA based on CPI at 1.4%; Step of 5% for eligible personnel; 8. 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.

The following budgetary changes occurred from the Budget Workshop held on June 21, 2016:

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

Expenditures. Total expenditures are increasing by $2,713,413 or 9.85%.

Manager. The main significant budgetary change in this operating budget since the Budget Workshop is an increase to the Professional Services line item of $50,000 to conduct a Feasibility

Study to determine the need for a Key Biscayne 911 System or other viable options.

Police The significant budgetary changes in this operating budget since the Budget Workshop is an increase in Acting Pay of $17,000, an increase of $4,000 to Range Expenses, an increase of $10,000 to Subscriptions and Memberships and an increase of $8,000 to the Capital Outlay line item.

There are no other significant budgetary changes to this budget.

Parks. The main significant budgetary change in this operating budget since the Budget Workshop is an increase to the A.S.K. Club line item by $20,000.

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

Athletics. The main significant budgetary change in this operating budget since the Budget Workshop is an increase of $5,000 for the proposed Sports Eye Injury program.

As another budget that has revenue producing activities, it may appear that the proposed budget of $804,069 is the total fiscal impact to the General Fund budget, but in fact, this is offset by projected revenues of $560,800.

Department Director's have been directed to make themselves available at your request to discuss any questions, thoughts or concerns you may have. I strongly urge the Council to take advantage of this opportunity in an effort to make the Budget Hearings more efficient and effective.

The Mayor opened the public hearing. The following persons addressed the Council: Cindy Mize, 441 Harbor Drive; Kathye Susnjer, 201 Galen Drive; Thomas Crowley, 38 South West 22nd Road, Miami; Diego Halvorsen, 101 Ocean Lane Drive; Alejandro Pinedo, 365 Atlantic Road; Ignacio Segurola, 881 Ocean Drive; Brett Moss, 731 Crandon Boulevard; Isabelle Stec, 251 Crandon Boulevard; Mike Davey, 50 Ocean Lane Drive; Tony Winton, 121 Crandon Boulevard; Susan Sawyer, 301 West McIntyre Street; Jill Stephens, 159 East Enid Drive and Donald Elisburg, 177 Ocean Lane Drive. The Mayor closed the public hearing.

Mr. Robert Hollander with Brown and Brown addressed the Council regarding Property and Liability premiums and Workers Compensation premiums.

The Manager read a statement from National Marketing Group regarding Life and Health Insurance.

There was extensive discussion from Council regarding the Council's budget.

Building, Zoning and Planning Director addressed the Council regarding the Art in Public Places line item in the Council's budget.

It was the consensus of Council to eliminate the Capital Outlay-Equipment line item in the amount of $2,500, add $1,000 for the Youth Council and add $9,000 for the Installation Ceremony under the Council's Budget.

Chief of Police Charles Press and the Manager addressed the Council regarding the 911 System reporting that now is the time for the Village to look at our own 911 system.

There was extensive discussion from Council regarding the TNR program. It was the consensus of Council to add $15,000 for the TNR Program under the Manager's Projects.

The Clerk addressed the Council regarding her budget. There was discussion from Council regarding Social Media and whether this should be under the Clerk's Office. The Clerk reported that right now she does not have the resources within her Office to undertake this task, that it would be necessary to add another person to her staff and also contract a service that would keep the Social Media in the Cloud, in order to comply with public records request, in case the Village receives public records regarding Social Media.

A copy of the Village of Pinecrest's Social Media policy and uses and terms of use for the public was provided to the Council.

The Attorney addressed the Council regarding the Attorney's budget. It was the consensus of Council to increase the Legal Counsel-Litigation Special Counsel to $750,000.

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

Jud Kurlancheek, Director of Building, Zoning and Planing and Public Works addressed the Council regarding these budgets.

There was discussion from Council regarding these budgets.

Chief Press addressed the Council regarding the Police Budget. There was discussion from Council regarding the Police Budget.

Chief Press also reported that the Police Department would like to hire a Crossing Guard Company that will take care of the needs of the Village and have adequate personnel to monitor all the crossings that children take to go to school.

It was the consensus of Council to add two new officers to the existing police force.

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

There was discussion from Council regarding the purchase of a new Fire Truck and the Department's budget.

Councilmember Caplan made a motion to extend the meeting to 11:15 p.m. The motion was seconded by Councilmember Kelly and approved by a 7-0 voice vote. The vote was as follows: Councilmembers Caplan, Gross, Holloway, Kelly, Vice Mayor London and Mayor Lindsay voting Yes.

Parks and Recreation Department Director Todd Hofferberth addressed the Council regarding the budgets for the Recreation Department, Community Center and the Athletic Division.

There was discussion from Council regarding the above mentioned budgets. It was the consensus of Council to remove the Tackle Football line item from the Athletic Division of the Parks and Recreation Department.

Councilmember Caplan made a motion to reduce the working capital by $463,292. The motion was seconded by Councilmember Holloway and approved by a 5-2 roll call vote. The vote was as follows: Councilmembers Caplan, Gross, Holloway and Mayor Lindsay voting Yes. Councilmember Kelly and Vice Mayor London voting No.

Vice Mayor London made a motion to reduce the millage to the rolled back rate. The motion was seconded by Councilmember Kelly. Vice Mayor London withdrew his motion.

The Attorney announced that the rolled back rate is 2.7776 mills and the proposed millage rate is 3.0 mills which is 8.01% over the rolled-back rate.

The millage resolution, as presented, was approved by a 5-2 voice vote. The vote was as follows: Councilmembers Caplan, Gross, Holloway and Mayor Lindsay voting Yes. Councilmember Kelly and Vice Mayor London voting No.

The ordinance was adopted on first reading by a 6-1 roll call vote. The vote was as follows: Councilmembers Caplan, Gross, Holloway, Kelly and Mayor Lindsay voting Yes. Vice Mayor London voting No.

The Clerk announced the second reading of the ordinance will be on Tuesday, September 27, 2016.

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

7. **ADJOURNMENT:** The meeting was adjourned at 11:24 p.m.

Respectfully submitted:

Conchita H. Alvarez, MMC
Village Clerk

Approved this 27th day of September, 2016:

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.