

MINUTES

FIRST BUDGET HEARING
KEY BISCAVNE, FLORIDA

TUESDAY, SEPTEMBER 11, 2018

COUNCIL CHAMBER
560 CRANDON BOULEVARD

1. **CALL TO ORDER/ROLL CALL OF MEMBERS:** The meeting was called to order by the Mayor at 6:00 p.m. Present were Councilmembers Luis de la Cruz, Allison McCormick, Brett G. Moss, Kathleen Petros and Vice Mayor Franklin H. Caplan and Mayor Mayra P. Lindsay. Councilmember Gary R. Gross was not present. Also present were Village Manager Andrea Agha, Village Clerk Jennifer Medina and Village Attorney Chad Friedman.
2. **INVOCATION:** Mr. Tony Goudie, representing Pastor Dennis Eastling, from the Key Biscayne Community Church gave an invocation.
3. **PLEDGE OF ALLEGIANCE:** Mayor Lindsay led the Pledge of Allegiance.
4. **BRIEF COMMENTS BY COUNCIL:** Councilmembers de la Cruz and Petros addressed the public and the Council regarding efforts to improve the Key Biscayne beach water quality. Mayor Lindsay also, addressed the Council acknowledging the efforts of the Waterkeepers to test beach water quality within Key Biscayne.
5. **PUBLIC COMMENTS:** The following residents addressed the Council: Michele Estevez, 798 Crandon Boulevard and Michael Davey, 50 Ocean Lane Drive.
6. **MILLAGE RESOLUTION:** The Clerk read the following resolution by title:

A RESOLUTION OF THE VILLAGE OF KEY BISCAVNE, FLORIDA; ADOPTING THE PROPOSED MILLAGE RATE OF THE VILLAGE OF KEY BISCAVNE FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019 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.

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

The Attorney addressed the Council regarding the process for the adoption of the millage resolution.

Mayor Lindsay made a motion to table the resolution to be heard after Item 7A. The motion was seconded by Vice Mayor Caplan and approved by a 6-0 voice vote. The vote was as follows: Councilmembers de la Cruz, McCormick, Moss, Petros, Vice Mayor Caplan and Mayor Lindsay voting Yes.

7. **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, 2018 THROUGH SEPTEMBER 30, 2019 PURSUANT TO FLORIDA STATUTE 200.065 (TRIM BILL); PROVIDING FOR AN EFFECTIVE DATE.

Mayor Lindsay made a motion to adopt the ordinance on first reading. The motion was seconded by Vice Mayor Caplan.

Mayor Lindsay addressed the Council regarding the process for the adoption of the budget on first reading.

The Manager addressed the Council regarding the proposed budget for FY2019-20 with a tentative millage rate of 3.0000 mills for Fiscal Year 2018-19, which is \$3.0000 per \$1,000 of assessed property value. This is the same as the millage rate adopted for the current year. The tentative millage rate is expected to yield \$24,317,983 in ad valorem revenue at a 95% collection rate based on the July 1, 2018 certified Property Tax Roll, as provided by Miami-Dade County Property Appraiser.

The Manager also addressed the Council regarding the fact that for the first time in eight years, Village property values have decreased. The Miami-Dade County Property Appraiser certified a gross taxable value of \$8,532,625,700, representing a 1.32% decrease or \$325,311 of reduced ad valorem revenue.

Additionally, the Manager explained to the Council that in conjunction with the proposed millage rate, this resolution submits a summary of the highlights to the FY 2018-19 Proposed General Fund Budget which include revenues the Village expects to receive and corresponding expenditures. Also, the Manager presented the Council with a balanced General Fund Budget and continues to fund the 5-Year Capital Improvement Plan, operating costs which have been evaluated and prioritized to best serve the needs and areas of priorities to the residents and the Council. The significant initiatives and projects that require detailed workplans, funding strategies and performance measures include: utility undergrounding, stormwater infrastructure, beach renourishment, strategic plan/sea level rise adaption plan and a sustainability plan; as well as, investments in culture/ library/art facilities and corresponding programming.

The Manager proceeded to address the Council regarding the FY2019 Proposed Budget which specifically allocates funds for the following projects: the planning phases of the utility undergrounding project, beach renourishment, strategic planning process and adaptation and sustainability planning. Also, the Manager explained presenting a comprehensive funding strategy for the implementation of the Stormwater Master Plan and as for, the expansion of the cultural facilities this will be contemplated during the strategic planning process.

The Manager also addressed the Council recommending a full update of the Strategic Plan budgeted for a total of \$50,000 be completed in FY19.

At this time, the Manager addressed the Council regarding the estimated tax roll value from Miami-Dade County Property Appraiser on July 1, 2018 reflecting a gross taxable value of \$8,532,625,700 which in comparison the certified taxable value for the previous year shows a decrease of \$114,144,184 million in assessed values. Also, the Manager addressed the Council regarding the following:

Millage Rate

The Village's current year adopted millage rate is currently the lowest millage rate among the thirty-five (35) municipalities in Miami-Dade County including fire service, and well below the statutory limit of 10.0 mills. Since its first year of incorporation, the Village averaged a millage rate of 3.4420, and was able to maintain the rate of 3.2000 since 2008 for six (6) consecutive years. In 2014, the millage rate was further reduced to an all-time low of 3.0000 mills, the same as the current year's rate. For FY2018-19, the Proposed Budget provides for maintaining the 3.000 millage rate which is the minimum rate to qualify for State Revenue Sharing.

Rolled-Forward Rate

Based on the proposed millage rate of 3.0000, the rolled-forward rate for FY2019 is 3.0196. The rolled-forward rate would provide the same ad valorem tax revenue as was levied during the prior year exclusive of new construction and improvements. The proposed millage rate of 3.000 is 0.65% lower than the current year aggregate rolled-back rate. The State Department of Revenue required methodology for calculating the rolled-forward rate uses the roll value after the Value Adjustment Board action. The rolled-forward rate would generate \$158,877 more in ad valorem revenue as compared to the proposed rate of 3.0000.

Ad Valorem Revenue

The FY2018-19 Budget was developed using the proposed millage rate of 3.000. This millage rate will generate property tax revenues or ad valorem (calculated at 95% for budget purposes) in the amount of \$24,317,983. The impact is approximately \$325,311 or -1% decrease in ad valorem revenue for the General Fund.

FY2018-19 Proposed Budget

The proposed budget is a deliberate balance of revenues and expenditures prepared in accordance

with the State of Florida's Truth in Millage process and best serves the Village's prioritization for provision of core services and the Council's Strategic Plan Initiatives. It balances the Village's financial resources with current programming and service levels while maintaining a solid financial position. We were able to balance this fiscal year's budget with recurring revenues and expense savings which allow us to maintain the current level of services expected by our residents. The total FY19 Proposed General Fund Budget is \$34,525,506 an overall increase of \$246,412 or 0.72% as compared to the prior year's Adopted Budget mainly due to projected increases in Licenses & Permits and Franchise Fees Revenues.

In addition to core services, this year's budget provides backing for beach renourishment consultants, enhanced public safety in schools, funding of the 5-year Capital Improvement Plan, and costs dictated by the recently ratified collective bargaining agreements.

At this time, Vice Mayor Caplan addressed the Council regarding an increase in the millage rate.

The Attorney addressed the Council regarding the process necessary to increase the millage rate.

Councilmember McCormick addressed the Manager and the Council regarding an increase to the millage rate and the renewal and replacement program included within the proposed Capital Improvement Plan.

Councilmember Moss addressed the Manager requesting the earned interest on the total amount of Village reserves.

At this time Councilmember Petros addressed the Council requesting an update on the acquisition of the Village Hall parking lot. Vice Mayor Caplan addressed the Council providing an update on the status of acquiring the Village Hall parking lot.

Councilmember Petros addressed the Council suggesting including a cost estimate on the proposed improvements to the 530 Crandon Boulevard site and the second expansion to the Community Center as Capital Improvement projects. There were no objection to these additions.

The Mayor opened public comments. The following residents addressed the Council: Donald Elisburg, 177 Ocean Lane Drive; Nancy Elisburg, 177 Ocean Lane Drive and Ed London, 736 Woodcrest Road. The Mayor closed public comments.

The following are the budgetary changes discussed by Council:

Council

The significant change to the Council's budget is the addition of \$192,000 for a beach funding consultant. It was the consensus of Council to move this line item under the Manager's budget.

There was extensive discussion by Council regarding the Historical Society line item.

It was the consensus of Council to direct the Clerk to coordinate site visits to the Historical Society storage area.

It was also the consensus of Council to direct the Manager to include year-to-date (actuals) for the second reading of the budget ordinance.

It was the consensus of Council to direct the Manager to research the Subscriptions and Membership line item and provide the findings at the second budget hearing on September 25, 2018.

Manager

The main significant budgetary change in this operating budget since the Budget Workshop is an increase to the Assistant Manager line item of \$38,000 and the salary increases due to merit and COLA's.

Councilmember Moss addressed the Manager regarding COLA's for exempt employees.

The Manager addressed the Council regarding merit increases, COLA's and the performance evaluation process.

There was extensive discussion by Council regarding the Assistant Manager line item and the performance evaluation process for employees.

It was the consensus of Council to direct the Manager to provide a salary and compensation analysis for an Assistant Manager position, move the cost of the Assistant Manager into the Professional Services line item and identify the functions included within the Professional Services line item.

At this time, the Manager introduced Ms. Michelle Febres from National Marketing Group Services, Inc. Ms. Febres addressed the Council regarding the life and health insurance plan.

There was extensive discussion by Council regarding the life and health insurance plan.

At this time, Councilmember Petros addressed the Manager requesting the Village and employee contributions to the Village's health insurance plan.

It was the consensus of Council to direct the Manager to obtain the employer and employee contributions towards the health insurance plan.

At this time, the Manager introduced Mr. Robert Hollander, Executive Vice President of Brown & Brown of Florida, Inc.

Mr. Hollander addressed the Council regarding the property and casualty insurance policy.

There was extensive discussion by Council regarding the property and casualty insurance policy.

It was the consensus of Council to direct the Manager to obtain a breakdown of the Subscription and Membership line item.

Village Clerk

There were no significant budgetary changes to this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the function of communications.

It was the consensus of Council to direct the Clerk to obtain a breakdown of the Subscription and Membership line item and in addition to providing a list of events attended by the Council thus far this fiscal year (FY2017-18).

Attorney

There were no significant budgetary changes to this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the current litigation matters for Fiscal Year 2017-18.

It was the consensus of Council to direct the Manager to obtain a breakdown of the year-to-date actuals for this operating budget.

Debt Service

There were no significant budgetary changes to this operating budget since the Budget Workshop.

It was the consensus of Council to direct the Manager to obtain amortization schedules for all outstanding debt, provide working capital reserve totals for the past five (5) years and lastly, to provide the average collection rate for ad valorem taxes.

At this time, the Mayor addressed the Council regarding scheduling a park planning charrette.

Building

There were no significant budgetary changes to this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the building permit fee reserve.

It was the consensus of Council to direct the Manager to obtain a budgetary impact analysis of the building permit fee change.

It was the consensus of Council to remove \$15,600 from this operating budget for merchant fees.

Planning Division

There were no significant budgetary changes to this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the Part-Time Plan Reviewer position.

It was the consensus of Council to direct the Manager to move the cost of the Part-Time Planning Reviewer into the Professional Services line item.

There was extensive discussion by Council regarding effectively communicating with residents regarding code compliance.

Police

There were no significant budgetary changes to this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the increased involvement of Police with Key Biscayne adolescent behaviors.

It was the consensus of Council to direct the Manager to provide the in-kind costs for the 2018 tennis tournament.

There was extensive discussion by Council regarding the retirement contribution line item.

Fire

There were no significant budgetary changes to this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding a funding policy to decrease the unfunded liability, the FY2018-19 fire truck replacement and the reclassification from a Lieutenant to an Assistant Fire Marshall.

Public Works

There were no significant budgetary changes in this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the landscape and the beach maintenance line items.

It was the consensus of Council to increase the beach maintenance line item to \$240,000.

Parks

There were no significant budgetary changes in this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the Concert Series and the Art Festival line items.

Community Center

There were no significant budgetary changes in this operating budget since the Budget Workshop.

Athletics

There were no significant budgetary changes in this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the sports eye program.

It was the consensus of Council to remove the Adult Softball line item.

Special Transportation Fund

There were no significant budgetary changes in this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the on-demand and circulator transportation service.

It was the consensus of Council to remove the word FreeBee from the description of the on demand and circulator line item.

Solid Waste Fund

There were no significant budgetary changes in this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the collection rate for the solid waste enterprise fund.

It was the consensus of Council to direct the Manager to explore alternate collection methods.

Stormwater Fund

There were no significant budgetary changes in this operating budget since the Budget Workshop.

There was extensive discussion by Council regarding the design of the stormwater improvements at the K-8 Community School area.

It was the consensus of Council to direct the Manager to provide a cost benefit analysis for the utilization of stormwater pumps throughout the Village and to add 10% design cost for the stormwater improvements for the K-8 Community School area.

Vice Mayor Caplan made a motion to extend the meeting to 11:10 p.m. The motion was seconded by Mayor Lindsay and approved by a 6-0 voice vote. The vote was as follows: Councilmembers de la Cruz, McCormick, Moss, Petros, Vice Mayor Caplan and Mayor Lindsay voting Yes.

At this time, Vice Mayor Caplan made a motion to remove the millage resolution from the table. The motion was seconded by Councilmember McCormick and approved by a 6-0 voice vote. The vote was as follows: Councilmembers de la Cruz, McCormick, Moss, Petros, Vice Mayor Caplan and Mayor Lindsay voting Yes.

There was extensive discussion by Council regarding the millage rate.

There was extensive discussion by Council regarding the capital projects for the upcoming year.

Vice Mayor Caplan made a motion to approve the millage resolution with a 3.250 millage rate. The motion was seconded by Councilmember Moss.

The Attorney read into the record that the proposed millage rate for the Village of Key Biscayne for the fiscal year commencing October 1, 2018 through September 30, 2019, be and is hereby fixed at the rate of 3.0 mills which is \$3.00 dollars per \$1,000.00 of assessed property value within the Village of Key Biscayne. That the rolled-forward rate is 3.0196 mills and the proposed millage rate is 3.0 mills which is 7.63% over the rolled-forward rate.

Vice Mayor Caplan's motion to approve the millage resolution with a 3.250 millage rate was approved, as amended, by a 6-0 roll call vote. The vote was as follows: Councilmembers de la Cruz, McCormick, Moss, Petros, Vice Mayor Caplan and Mayor Lindsay voting Yes.

Vice Mayor Caplan made a motion to extend the meeting to 11:15 p.m. The motion was seconded by Councilmember Moss and approved by a 6-0 voice vote. The vote was as follows: Councilmembers de la Cruz, McCormick, Moss, Petros, Vice Mayor Caplan and Mayor Lindsay voting Yes.

The Manager addressed the Council regarding the proposed capital projects for the upcoming year.

Councilmember Moss made a motion to extend the meeting to 11:20 p.m. The motion was seconded by Vice Mayor Caplan and approved by a 6-0 voice vote. The vote was as follows: Councilmembers de la Cruz, McCormick, Moss, Petros, Vice Mayor Caplan and Mayor Lindsay voting Yes.

It was the consensus of Council to direct the Manager to fund the proposed capital projects from the working capital reserve and to plan for borrowing on the larger scale projects.

Councilmember Moss made a motion to extend the meeting to 11:25 p.m. The motion was seconded by Vice Mayor Caplan and approved by a 6-0 voice vote. The vote was as follows: Councilmembers de la Cruz, McCormick, Moss, Petros, Vice Mayor Caplan and Mayor Lindsay voting Yes.

At this time, Vice Mayor Caplan made motion to approve the budget ordinance on first reading, as amended. The motion was seconded by Mayor Lindsay and approved by a 6-0 roll call vote. The vote was as follows: Councilmembers de la Cruz, Gross, McCormick, Moss, Petros, Vice Mayor Caplan and Mayor Lindsay voting Yes.

The Clerk announced the second reading of this ordinance for Tuesday, September 25, 2018 at 6:00 p.m.

8. **SCHEDULE OF FUTURE MEETINGS/EVENTS:** A schedule of future meetings and events was presented to the Council.
9. **ADJOURNMENT:** The meeting was adjourned at 11:25 p.m.

Respectfully submitted:

Jennifer Medina
Village Clerk

Approved this _____ day of _____ 2018:

Mayra P. 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.