

MINUTES
KEY COLONY BEACH CITY COMMISSION BUDGET WORKSHOP
Monday, July 12, 2010 9:30 a.m. City Hall Conference Room

The Budget Workshop Meeting of the City Commission was called to order at 9:30 a.m. by Mayor Ron Sutton. *Present were:* Mayor Ron Sutton, Vice-Mayor Geraldine Zahn, Commissioner Mary Schmidt, Commissioner Jeff Vorick and Commissioner John DeNeale. *Also Present:* Police Chief Robert Petrick and City Clerk Vickie Bollinger. Public: 1

Mayor Sutton reviewed the timetable for the budget process. Commissioners agreed to the following dates: the proposed millage will be set at the regular meeting on July 22, the first hearing on September 13, and final hearing on September 20.

Mayor Sutton reviewed the notes attached to the budget worksheets. He stated that the gross taxable value had been received from the County and the number that was used to determine the millage rate is \$561,112,127 which is a decrease from last year's value of \$633,204,232. Mayor Sutton stated:

- Millage is shown at the rollback rate of 2.0674.
- State estimates for next year's state generated revenues are shown on the worksheets.
- City generated revenues are the same as the current year since no fees were increased.
- The golf course lease payment is the same as the current year as directed by the commission.
- Commissioner stipends are the same as the current year as directed by the commission.
- Employee Medical insurance premiums are shown with a 15% increase. A preliminary estimate from another company has been received and will provide a cost savings. However employee co-pays will increase. Vice-Mayor Zahn advised to carefully compare costs to employees including the first few days of hospitalization. Her experience is that this may be very different and why premiums are lower but costs to employees may be high. The Mayor will continue to work with the insurance agent.
- Property insurance expense was budgeted to be equal to this fiscal year per the agent's recommendation. More information will be available later this year.
- Fire/EMS estimate of \$500,000 was included. This issue is still being discussed.
- Golf Course Improvements budget increased to \$9,500 as directed by the commission.
- Six fire hydrants are to be installed this year, but new water lines are needed to install more. The city asked FKAA asked to upgrade the water lines. Our request will be discussed at their August Board meeting.

Mayor Sutton stated the Recreation Committee reported they had discussed Golf Course Manager Daryl Rice's request to increase membership fees by 60%. The committee felt that this increase was too large and suggested a 30% increase. There have been too many years with no increase, but that should not be made up in one year.

Vice-Mayor Zahn stated she had spoken with Mr. Rice and made suggestions about fees because she also felt his suggested increases were too large. She said Mr. Rice wants to add a 30-round pass that would provide discounts from the daily rate and this may be a better choice for some golfers.

Recreation Committee Vice-Chair Blanche Hines said the pass had been discussed several times, but the number of rounds kept changing. The fee increases were too large, even though Mr. Rice said he had talked to some golfers and he did not get negative feedback. The committee acknowledged that fees have not been increased appropriately in the past, but it should not be made up all in one year. Commissioners discussed:

- A daily rate of \$15 plus \$5 club rental for a total of \$20, which is very reasonable

- Proposed fees were “sticker shock” to golfers.
 - Mr. Rice works very hard and has made significant improvements at the golf course. All would like him to continue as manager.
 - City has taken positive steps to improve the financial picture – no lease increase, increased amounts for improvements.
 - The business belongs to Mr. Rice and he should be making the business decisions about fees.
- Commissioners agreed to have Mayor Sutton write a letter to Mr. Rice stating that that the Recreation Committee and Commission do not support those large increases, but it is his decision. Commissioners agreed that the Recreation Committee should continue to monitor the golf course, assist Mr. Rice with recommendations, and report to the city commission. Vice-Chair Hines left the meeting.

Mayor Sutton stated the recreation equipment requested by the Recreation Committee has been ordered and charged to this fiscal year. At the last workshop the commission discussed the telephone system. A call to the company resulted in a \$26 per month savings with the promise of additional savings beginning in October.

Mayor Sutton stated the budget has been tweaked about as much as it can be. Next year’s budget totals \$2,287,675. Tourist Development monies may be available to help promote our city. Commissioners will talk to those officials at the Florida League of Cities conference next month to see if there are any opportunities for funding.

Commissioners discussed Fire/EMS Services:

- Marathon Mayor Snead emailed Commissioner Schmidt asking if a proposal of \$525,000 per year for five years with a 4/5 opt out clause would be acceptable to our city.
- ISO ratings are not as important or used as much as they used to. KCB would have a higher ISO rating than Marathon due to the quality and type of construction here in our city.
- Marathon has no added expense to serve our city, our payments increase their revenues.
- Marathon has not been responsive while the County has and is willing to devote resources entirely to our city. The Marathon Council has not been engaged in this discussion and when they do make a decision, they should notify our city in writing.
- Commissioners should keep an open mind and consider all proposals and make a decision that is the best for our citizens.
- Commissioners should look at this as a business decision. Having our own department will mean we have control over costs. We need more information about starting our own department. The commission must be responsible to the taxpayers.
- The new agreement should not include an opt-out clause. We don’t want to be negotiating this agreement every year. The city should continue research into starting our own department, especially in year four of the agreement.
- Some commissioners had spoken with other Marathon council members who were aware of the negotiations and agreed a proposal would be discussed on Tuesday at their meeting.
- A flat fee would be better than one based on a percentage of the budget. Budget numbers can be manipulated.
- Citizens are unhappy with the way negotiations have been handled by Marathon.
- All commissioners have been working hard on this issue to get the best deal for all citizens. It may be advisable to have a joint meeting with Marathon.
- Until Marathon provides a proposal there isn’t much to talk about.

Mayor Sutton stated that contractor Jeff Ryder had provided estimates to renovate city facilities to house the fire station. The 7th Street Annex is not structurally sound and can not be used. The new public works building can be renovated at a cost of \$90,000. Commissioners further discussed the options and agreed that they would wait to see if Marathon provides a written proposal after their discussion on Tuesday night.

Commissioners discussed/commented:

- Election costs could be reduced by changing our elections to November to coincide with county or national elections. This would require a charter change.
- To save on postage, sewer billing could be done by email. A test of that system will be done with the next billing cycle in September.
- Double time for police officers during an emergency is reimbursed by FEMA. Overtime does not start until the storm is strong enough that it is not safe for officers to travel to work. Citizens want officers on duty to protect the city. Decisions are made by the Mayor and Chief in consultation with County Emergency Management and are event-driven. Commissioner Schmidt requested a review of this expense at the end of storm season.
- Dumpster charges and usage should be reviewed and monitored. This is a big expense for city.
- Street lighting is another big expense. Commissioner Schmidt will follow-up with FKEC to ask about energy efficient lights.
- Expense for the rental property should be monitored to ensure revenues cover expenses.
- The city General Fund reimburses the Sewer Fund for reuse water costs. The reuse water is used mostly on the golf course but is also used at the city parks.
- Renovation of the new public works building for \$100,000 for Fire/EMS may have to be paid for by a loan. That's a lot of money to spend at one time. The city could consider rent or purchase of an existing property across the street to house the staff.

The meeting adjourned at 11:00 a.m.

Vickie L. Bollinger, City Clerk

Note: A mechanical recording has been made of the meeting of which these minutes are a part, and a copy is on file in the office of the City Clerk, as a public record.