

MINUTES
KEY COLONY BEACH CITY COMMISSION BUDGET WORKSHOP
Thursday, July 16, 2009 10:00 a.m. City Hall Auditorium

The Budget Workshop Meeting of the City Commission was called to order at 10:00 a.m. by Mayor Ron Sutton. *Present were:* Mayor Ron Sutton, Vice-Mayor Geraldine Zahn, Commissioner Mary Schmidt, Commissioner Jeff Vorick and Commissioner Tucker DeGraw. *Also Present:* Police Chief Robert Petrick and City Clerk Vickie Bollinger. Public: 2

Preliminary Budget Review - Mayor Sutton reviewed the timetable for the budget process. Commissioners agreed to the dates shown: the first public hearing on September 3 at 5:15 p.m. and final hearing on September 10 at 5:15 p.m.

Mayor Sutton reviewed the notes attached to the budget worksheets. He stated that the gross taxable value had been received from the County and is \$636,554,412 which is a decrease from last year's value of \$790,943,337. Mayor Sutton stated:

- The state revenue estimates had been received and are shown on the worksheets.
- A grant from SFWMD for stormwater was added in the amount of \$125,000. The Mayor said he was recently informed the amount of the grant may be for \$100,000. If this is true the budgeted amount can be changed, but it will have no effect on the millage rate. The money will be used to drill injection wells and install the pipe and structures; no swales will be included.
- Commissioner stipends are shown at FY08-09 levels as agreed at the last workshop.
- Employee medical is shown at a 15% increase at the suggestion of the insurance agent.
- As directed by the commission, Police Overtime and Miscellaneous line items were reduced. Contract Police Services was increased to reflect actual spending for this year. These revised numbers were provided by Chief Petrick and the city clerk after additional analysis.
- Fire/EMS estimate was provided by the City of Marathon. The amount on the worksheets is more than estimated to allow for changes or audit reconciliation as happened this year. It was noted that the estimate provided was less than what the city paid this year. Commissioners agreed that this expense should be shown at a higher amount than estimated by Marathon.
- SFWMD may provide grant money of \$100,000; the city would have to provide \$100,000 as matching funds. These funds are available in the Reserve Account. Commissioners discussed future funding for stormwater and the desire to meet with the Utility Board. The commissioners agreed to these dates: Thursday, July 23 at 9:30 a.m. or Tuesday, July 28 at 1:00 p.m. The city clerk will provide these dates to the Utility Board and report back to the commission at the regular meeting on July 21.

Budget Summary Pages – Mayor Sutton stated the rollback rate is 1.8320. This is higher than last year, but at rollback the city is collecting the same amount of dollars as last year. The city has been able to keep taxes at rollback for years. Some reserves will be needed to balance the budget, but that amount is lower than last year. He stated as previously discussed the stormwater grant had been added. The reserve amount is also higher due to inclusion of the conversion of the Building Department records to electronic format in the amount of \$30,000. This project has been budgeted for two years, but is not yet completed.

Revenues – Mayor Sutton reviewed the revenue line items that had changed since the first workshop: Ad Valorem Tax, Local Option Gas Tax, Communication Services Tax, SFWMD Grant and Revenue Sharing Funds. The changes were due to updates in Property Tax Values, state estimated revenues, and the possibility of grant funds.

Expenses – Mayor Sutton reviewed the expense line items that had changed since the first workshop:

- Commissioner Stipends were reduced to this year's amount per agreement of commissioners.
- Police Overtime, Miscellaneous Expense and Contract Police Services were changed as previously discussed.
- Interest and Principle Payments on Loans were revised to be more accurate.
- Reserve for Boat Engines was reduced to zero since there is currently enough in reserves to buy a new engine.
- Fire Hydrants – No fire hydrants will be installed next year. The City of Marathon will not be installing any hydrants next year. The cost per hydrant would be too high if only a few hydrants were installed; economies exist when many hydrants are installed at one time. Commissioners agreed to wait until Marathon was ready to install more hydrants too.

Reserves for Future Assets – At the end of this fiscal year, the city will have \$125,000 in reserves for stormwater use. Next year an additional \$25,000 has been budgeted. This results in \$150,000 being available next year for stormwater projects or as matching funds for grants. Commissioners discussed the grant possibility and agreed to budget \$125,000 in grant revenues and expense; and to show \$125,000 of city reserves as expense for stormwater projects in FY2009-10. This provides for a total expenditure of \$250,000.

Mayor Sutton, commissioners, and public reviewed the proposed millage rate of 1.8320 which is the rollback rate. The Mayor said that a home with a taxable value of \$300,000 would pay \$549 of city tax. The rate may be higher, but the taxable value is less and results in the owner paying about the same amount in tax dollars as last year.

At the July 21, 2009 regular commission meeting, the commissioners will briefly review the budget, adopt the proposed millage rate, and set the date and time of the public hearings. The date of the Joint Workshop with the Utility Board will also be finalized at that meeting.

The meeting adjourned at 10:40 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.