

MINUTES

KEY COLONY BEACH

CITY COMMISSION SECOND BUDGET

WORKSHOP

Monday, August 1, 2016, 9:30 a.m.

City Hall Conference Room

1. **Call to Order and Roll Call:** The Second Budget Workshop of the Key Colony Beach City Commission was called to order by Mayor Jerry Ellis at 9:30 a.m.

Present: Mayor Jerry Ellis, Secretary Treasurer Jim Pettorini, Commissioner John DeNeale and Commissioner April Tracy. *Also Present:* City Clerk Kathryn McCullough, Assistant City Clerk Becky Todd and Assistant Building Official Steve Britske. Public - 1

2. **Wastewater Budget Amended** Mayor Ellis explained the Wastewater Budget was revisited as the revenue side of the budget was incorrect. The income side of the budget has been reconciled. All areas highlighted orange in the wastewater budget have been adjusted. The Utility Board has reviewed and approved this budget. The driving force behind the changes was the DEP loan. There was a discrepancy between the revenues and expenses, as previously reported, which would not provide the funds necessary to make the DEP loan payments. This revised budget addresses that issue. Commissioner DeNeale noted the line item, 343-550, for Reuse Water Reimbursement, for FY 15-16 is reported as \$50,000, but should be \$60,000. City Clerk McCullough acknowledged and will have the amount corrected. Commissioner DeNeale asked how the sewer project would be addressed in this budget. Mayor Ellis answered the City will not be required to make a loan payment in FY16-17, however funds will be set aside in reserve in FY 16-17 for the payment. There is a good chance a payment will also not be required in FY 17-18. No payment is required until the project is completed. Commissioner DeNeale asked how the contractor payments would be accounted for in the budget. Mayor Ellis said an expense line item and a reimbursement line item, both in the amount of \$2,500,000 will be added to the budget to account for both the contractor payments and the State reimbursement.

3. **Discussion of City Administrator Stipend** Addressing the \$25,500 budget line item for City Administrator stipend, Commissioner DeNeale stated something better may be done with this funding. He reported on his research with respect to hiring a City Administrator. The Marathon City Manager and the Islamorada City Manager were very helpful. Both City Managers felt an Administrator could be found for around \$50,000, someone who is semi-retired. The best reason for hiring a City Administrator is that any Commissioner can discuss any item with the Administrator without violating the Sunshine Laws. Commissioner DeNeale stated the City realized \$200,000 in income last year. He feels the income this year will be about the same. Therefore he feels the City can afford to hire a Part-time City Administrator for about \$50,000. Commissioner DeNeale also commented that issues with the State continue to be more complex. For example the Mayfield Grant, the Stewardship Act, and by 2023 empty lots are going to be an issue. These are just a few of the issues City needs to be concerned about now and into the future. Mayor Ellis re-stated his position that the way the Charter is set up, requiring the Mayor to be the Administrator but not providing for compensation is wrong. Vice Mayor Sutton reported this issue has spoken about for years. At those times there was a lot of public comment because of the cost. Vice Mayor Sutton served as City Administrator for six years and says knows he did not have the educational back-round for the position, but he made it work. He does not feel he did poorly.

Vice Mayor Sutton has a concern about filling the position for \$50,000. It has been presented to use \$100,000 in reserves. Vice Mayor Sutton disagrees with the use of reserves this year. He stated going back to 2008 and going forward for several years, reserves were used to balance the budget. The economy was very different at that time. People were losing their homes. The economy is better now, so he does not feel reserves should be used. His personal belief is if times are better, which they are now, the taxpayer should have to pay some too. Commission DeNeale stated the City is looking at a profit this year of \$200,000. This would leave \$1,000,000 in reserves above the itemized reserves and \$600,000 in emergency reserves. Commissioner Pettorini said the first issue is whether the Commission wants to put money in the budget to hire an administrator. Commissioner DeNeale feels \$70,000 would have to be added to the budget to hire someone for \$50,000.

Mayor Ellis suggested some other issues have to be considered before the City Administrator. For example, Assistant Building Official Britske has discovered serious issues with the dock behind City Hall that need to be repaired. Mr. Britske explained two contractors have looked at the dock and both agreed it needs to be replaced from the bents up. To make the repairs with pressure treated wood would cost about \$7,000. To use a composite material, for aesthetic purposes, would cost between \$15,000 and \$17,000. Vice Mayor Sutton stated a composite material comes with a 20 year expected life. It was the consensus of the Commission to add \$17,000 to the Infrastructure Budget to repair the dock behind City Hall.

Mr. Britske requested an increase in Conference Expenses, line item 524-060 of \$4,000 to cover the expense for him to complete the fire certifications he needs. It was the consensus of the Commission to increase line item 524-060 to \$8,000 with the appropriate splits between the General Fund and the Road Fund.

Mr. Britske requested an additional \$3,000 to Street Signs, line item 541-020. Many of the street signs are knocked down, broken and/or completely destroyed primarily by boats turning corners to sharply this time of year. Purchasing a full sheet of starboard would reduce the cost of replacing the signs. Vice Mayor Sutton asked if Mr. Britske thought every sign in Key Colony would have to be replaced this year. He felt if the request was reduced by half that should take care of the issue. Commissioner DeNeale suggested the line item for Street Signs be increased by \$1,500 for a total of \$3,000 for FY 16-17. The increase by approved by Commission consensus.

Mayor Ellis stated he would like to add a 3rd employee to the Public Works staff. As justification the Mayor explained a Public Works employee is doing jobs at the sewer plant and the City bills the Utility \$30/hour for that work. The charge is \$70/hour for US Water to perform the same work. If the City had that 3rd person, we could dedicate 20 hours per week, maybe more, to doing sewer plant work. This would save the Utility fund \$40/hour and justify having the 3rd Public Works employee. In June US Water charged \$140 for a tripped circuit breaker, \$1,400 to fill the sludge box, \$440 for collection system issues (changing cleanout caps), and \$70 for a power outage where basically all they did was call FKEC. Vice Mayor Sutton said when the 2nd Public Works employee was hired it was for 20 hours a week at the wastewater plant and 20 hours a week for Public Works. Mayor Ellis agreed and went on to state we can't quite give him the 20 hours there because we need him for other things. That is why a 3rd person is needed. This work has to be done consistently, for example, the wastewater dewatering box is done on a scheduled basis. The cleaning of the screens is done on Monday and that person has to be available to do it. It is really hard to do that with just 2

Public Works employees and trying to do the other things that have to be scheduled to do every day. Vice Mayor Sutton asked how it was done a year ago when the City only had John Thomson and Joey. Now you are hiring a person to allocate 20 hours to wastewater and 20 hours to the Building Department. A year or two ago we didn't have that 3rd person. We just had two people, which right now would be Steve and Joey. Mayor Ellis said Steve is working under Ed's wing, so when Ed retires it will fix that issue. Steve will go do whatever is needed if a Public Works employee does not show up. However Steve is not considered a Public Works employee. He is a Building Department employee. Vice Mayor Sutton asked if the 3rd person is hired would the 2nd person we just hired be relieved of working at the sewer plant. Commissioner DeNeale asked what is not getting done around the City now. Steve Britske cited tanks at the sewer plant that need to be ground and painted, the City fuel tank needs to be ground and painted, the trailer lot needs to be cut, trimmed and maintained, trees need to be trimmed as a few of the items requiring attention. Commissioner DeNeale questioned if the contractor could cut the trees. Mayor Ellis said Gonzalez is not here every day, and a lot of times the urgency requires that things be done at the moment. Mayor Ellis stated the justification for this position is the cost savings to the City. Mayor Ellis asked for a consensus to add a 3rd person to Public Works. Vice Mayor Sutton stated he is not in agreement. Commissioner Pettorini and Commissioner Tracy agreed with the 3rd person. Commissioner DeNeale asked if someone could be hired part-time just to do the sewer work? Mayor Ellis does not feel the City could find someone part-time. Mayor Ellis stated the 3rd person would be added to the Budget based on the consensus of himself, Commissioner Pettorini and Commissioner Tracy. Mayor Ellis will add approval of the 3rd person for Public Works to the next commission meeting agenda.

Vice Mayor requested to go through the budget by line item before the millage rate was discussed. There was a 6% salary increase given to all employees across the board. Commissioner DeNeale felt the many new employees on City staff have done a yeoman's job and have come up to speed fast. For this reason, Commissioner DeNeale feels a 6% increase is appropriate. Commissioner Pettorini, Commissioner Tracy and Mayor Ellis also agreed with the 6% salary increase. Vice Mayor Sutton stated he agreed also.

In discussing a \$25,500 stipend for the City Administrator, Vice Mayor Sutton stated this could not be approved for the Mayor based on the City Charter. Mayor Ellis reported the stipend is not for the Mayor, that it is for a new position. Commissioner DeNeale feels the proposed stipend should be increased to \$50,000 to hire a City Administrator. Commissioner DeNeale has contracts from other cities in the County which detail the benefits. A contract can spell out, exactly, the salary and benefits. The contract would be very specific. Mayor Ellis would like to see the Administrator position be paid as a stipend, no benefits. Commissioner Pettorini asked if the other administrators in the County are under a contract. Commissioner DeNeale answered in the affirmative. Commissioner Tracy felt if the position was part time, benefits would not be necessary. However, if an administrator was located to work part time, and benefits were an issue, that could be addressed then. Commissioner DeNeale suggested adding \$60,000 to the budget to allow for negotiations. By consensus \$60,000 to hire a part time Administrator will be added to the budget. Commissioner DeNeale will add approval of hiring a City Administrator to the next Commission meeting agenda.

Vice Mayor Sutton asked about the line item for Maintenance Supplies in the Public Works budget. Steve Britske reported this item would cover outfitting the trucks with ladders and the other tools necessary to complete a project in the City. Currently the Public Works

employee has to return to the garage to get the tools necessary to do the job. They also share one drill, etc. Presently Mr. Britske carries his own tools in his truck. Prior to Mr. Britske, John Thomson also had his own tools.

Vice Mayor Sutton asked about the \$6,000 line item for City Parks Miscellaneous in the Parks budget. Commissioner DeNeale said this is an increase of \$2,000 over last year. Mr. Britske felt \$6,000 was necessary especially for the sand to correct the flooding at the entrance to Sunset Park. Commissioner DeNeale reported only \$785 has been spent so far this year. He suggested the repairs be made this year and the line item reduced to \$4,000.

Vice Mayor Sutton asked if the \$18,000 line item for City Parks Maintenance in the Parks budget was for the resurfacing of the tennis court and basketball court. Commissioner DeNeale reported last year's budget for this line item, 572-080 was \$13,100. City Clerk McCullough said line item 572-080 does not appear to exist. She will research it.

Vice Mayor Sutton asked about the amount allocated for Permitting Software on item no. 524-xxx. Steve Britske stated both Marathon and Monroe County are researching new permitting software. Software is no longer purchased, it is leased. These dollars were added to the budget to allow the flexibility to follow the City and County. Key Colony is currently using extremely outdated software which only allows us to print the permit. It does not have the capability to search fields or files. The building department files are being archived, all current permits are being loaded onto the backup server but no steps are being taken advance the process. Vice Mayor Sutton asked if Mr. Britske would have time to add a new program this next fiscal year. Commissioner DeNeale asked if Marathon and/or the County was currently running this software. The answer was no. It was the consensus of the Commission to remove this item from the budget.

Vice Mayor Sutton asked to confirm the \$50,000 budgeted in Infrastructure for Pickle Ball. Mayor Ellis reported a ceremonial check will be presented to the Commission on August 26, 2016 for this grant.

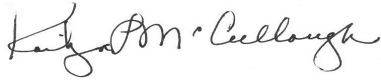
Commissioner Pettorini asked if the Commissioner retro-active stipend was a result of the COLA increases over the past years. The COLA benefit is in the ordinance and there was some discussion if that should continue. Commissioner Pettorini commented the stipend is almost impossible to adjust as all Commissioners would have to be out of office before an increase could go into effect. He does not know if compensation is a factor, but it is difficult to get people to run for office. The last stipend increase was requested in 2003 and it did not go into effect until 2008. Therefore if a stipend increase is requested now all the current Commissioners would have to be out of office before it could go into effect. Vice Mayor Sutton said stipend increases are governed by the Charter. Commissioner Pettorini asked if it was time to think about raising the stipend. Commissioner Pettorini will add the discussion of an increase to the Commissioner stipends to next Commission meeting agenda.

Commissioner DeNeale would like to use \$100,000 of reserves to balance the budget. By the consensus of the Commissioners it was decided to use \$100,000 reserves to balance the budget.

Mayor Ellis reminded the Commissioners of the Special Meeting scheduled for August 4, 2016 at 9:00 A.M. to award the bid for the wastewater treatment plant.

The workshop adjourned at 11:30 AM.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Kathryn McCullough".

Kathryn McCullough, City Clerk

Note: These minutes are unofficial and have not been formally approved by the Commission. The approval will be at the next scheduled Commission meeting.
