

**Summary Minutes of the:
ISLAMORADA, VILLAGE OF ISLANDS
VILLAGE COUNCIL
FY 2020-2021 BUDGET WORKSHOPS**

Islamorada, FL
July 30, 2020
3:00 PM

WORKSHOP OCCURRED VIA COMMUNICATIONS MEDIA TECHNOLOGY (CMT)

Pursuant to Executive Order No. 20-69 and the Centers for Disease Control (CDC) social distancing guidelines established to contain the spread of the COVID-19 virus, the July 30, 2020 Budget Workshop was conducted utilizing Communication Media Technology (CMT) via a Zoom video conferencing application. Additional information regarding options for viewing the meeting and participation were included in the agenda.

CALL TO ORDER / ROLL CALL

Mayor Mike Forster called the virtual meeting to order at 3:00 p.m. Village Clerk Kelly Toth called the roll and the following Councilmembers, appearing virtually, responded on roll call: Mayor Mike Forster, Vice Mayor Ken Davis, Councilman Jim Mooney, Councilwoman Deb Gillis and Councilman Chris Sante. Also, appearing virtually were Acting Village Manager & Finance Director Maria Bassett, Village Attorney Roget Bryan, Village Clerk Kelly Toth and other relevant personnel.

PLEDGE OF ALLEGIANCE

Councilman Chris Sante led the Pledge of Allegiance.

ANNOUNCEMENT

Acting Village Manager and Finance Director Maria Bassett provided a storm update.

PUBLIC COMMENT

David Webb asked Ms. Bassett to explain the difference in the retirement contributions between the Fire Department and Law Enforcement. Ms. Bassett explained that the Village contracted with the Monroe County Sheriff's Office for law enforcement services and that the retirement amount reflected in the budget was for an administrative assistant assigned to the Law Enforcement department. Mr. Webb stated he had contacted Freebee to purchase advertising and to date had not been called back and commented regarding the missed revenue opportunities from illegal vacation rentals.

ITEMS FOR DISCUSSION

Ms. Bassett stated that the remaining funds were enterprise funds and how the accounting was different for these funds compared to governmental funds.

Tab 11: Marina Enterprise Fund

This item was heard at 3:08 p.m. Ms. Bassett explained that the revenues exceeded expenditures in the Marina Enterprise Fund without the need for transfers from other governmental funds. She explained that the prior year's debt service associated with marina capital projects was funded partially by transfers from the Capital Projects Fund and local government sales surtax, noting that ad valorem taxes, paid by property owners, were not used as a funding source. She reported that

\$160,000 was budgeted in FY 19-20 for the replacement of the marina office and \$25,000 was budgeted in FY 20-21 for office furnishings; that \$25,000 was budgeted to replace decking; and that the pooled cash was projected to be \$799,000 by the end of FY 20-21. She explained that the pooled cash could be used to replace additional decking if needed or the Council could decide to transfer the pooled cash to other funds. Mayor Forster noted the Monroe County pump-out program had ended and suggested staff and future Council consider the need. Vice Mayor Davis noted that there was a pump-out service available, but not a pump-out boat that could service the marina.

Public comment: Robert Moser inquired about the office supply expenditure. Ms. Bassett explained that some purchases did not get capitalized as an asset and therefore were recorded in the office supplies account.

Tab 12: Wastewater Enterprise Fund

This item was heard at 3:16 p.m. Ms. Bassett explained that approximately \$6 million was budgeted for FY 20-21 as Restricted Cash that basically acted as security for the State Revolving Fund (SRF) loan debt. She reported that staff anticipated the Village would receive approximately \$2.5 million from the Army Corps of Engineers Florida Keys Water Quality Improvement Program grant. She explained that she discovered wastewater invoices, going back several years, that had not been submitted for reimbursement funds; and that the majority of the \$2.5 million dollars would not have to be applied to the principal of the SRF loan; and that appx \$800,000 was for invoices that were submitted to the SRF grant program. Ms. Bassett stated \$860,000 in revenue was budgeted from the Hazard Mitigation Grant Program (HMGP) for flood proofing of the pump stations noting that the Village was responsible for 25% of the project costs; that \$500,000 would be transferred in from the Capital Projects Fund to help pay down the debt service; and identified specific expenses such as the Key Largo Wastewater Treatment District treatment costs, lateral and infrastructure additions, and purchase of a new SCADA system. Councilwoman Gillis asked for an update regarding the replacement of the vacuum pits. Public Works Director A.J. Engelmeyer stated staff replaced approximately 20-30 pits a year and that there was about another year or two left of replacement activity. Ms. Bassett noted the expenditure was included in the Lateral & Infrastructure Additions account.

TAB 13: Stormwater Enterprise Fund

This item was heard at 3:23 p.m. Ms. Bassett reported that with the completion of the Venetian Shores stormwater project the Village had used the majority of the reserves in the Stormwater Enterprise Fund and identified the funding sources for the project. She stated the revenue budgeted for FY 20-21 was attributed to stormwater assessments. Ms. Bassett stated that she had projected \$166,900 in pooled cash by the end of FY 20-21. She noted that based on previous Council discussion regarding future Venetian Shores stormwater projects, she had not budgeted a specific amount for engineering because additional direction was needed from Council. She commented that Weiler Engineering had provided a design estimate of \$378,645 for the remainder of the Venetian Shores stormwater project and that the Council should consider that the costs could go up to \$500,000 for the engineering. Ms. Bassett stated that if the Council wished to proceed, consideration needed to be given to the appropriate funding source due to the lack of funding in the Stormwater Enterprise Fund. She suggested funding could come from the Capital Projects Fund

which would be funded by the local government discretionary sales surtax; and asked if this was something the Village wanted to fund while potentially seeking reimbursement possibly through an assessment of the property owners for that expense pending any movement on the actual construction; or did the Council wish to receive more information from the community to determine if they were in favor of the project.

Public comment: Larry Barr expressed concern regarding spending more money on engineering when Weiler Engineering had already provided the information. Public Works Director A.J. Engelmeyer stated that what was provided by Weiler was less than 10% plans and that it was more of a theory than an actual design.

John Cooper stated they had their conference call with the Village Attorney; that the only item that was preventing things from moving forward was the engineering component; that at least \$400,000 to \$500,000 should be allocated from a Village fund to conduct the engineering; and opined about the remaining streets and recent rainfall.

Robert Moser recalled previous discussions regarding associated costs; and asked the Council to consider Iroquois Drive for a potential stormwater project.

Jim Bellizzi commented echoed John Cooper's comments; stated the Venetian Shores project was supposed to be a phased project; suggested self-taxing as a funding source; asked the Council to contribute the necessary funds for the engineering so that a bid could be released to determine the construction costs; opined that the engineering would not change if the Village decided to postpone moving forward with the project.

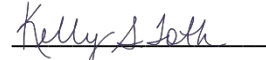
Councilman Sante suggested the Village consider hiring an in-house engineer to save money. Public Works Director A.J. Engelmeyer explained that due to specializations, multiple engineers would be needed and that teams of engineers worked on Village projects. Ms. Bassett noted the high costs associated with engineering software. She provided an update regarding the grant agreement with U.S. Army Corps of Engineers to amend the scope to include stormwater projects and noted the complexities associated with receiving stormwater proceeds.

Councilwoman Deb Gillis commented that there were other areas throughout the Village that needed stormwater repairs and referenced the study that identified those areas. Councilman Jim Mooney noted that the engineering was flawed with the first phase of the Venetian Shores project which attributed to a cost overrun and suggested if the Village moved forward the engineering should be put out to bid and the project should be design-build and opined that Jim Bellizzi was correct in that the geology would not change if the engineering were conducted and the project postponed. Mayor Forster stated the Village did not currently have the funding to move forward with a \$500,000 project and suggested a public-private partnership. Councilman Chris Sante suggested neighborhood taxing districts to assist with stormwater projects in those areas. Vice Mayor Ken Davis suggested that before the Village spent \$500,000, it needed a commitment from the property owners in Venetian Shores; and that the financial burden should not be placed on everyone in the Village.

ADJOURNMENT

Councilman Chris Sante made a motion to adjourn. Vice Mayor Ken Davis seconded the motion. The meeting adjourned at 3:48 p.m.

Approved by the Village Council September 17, 2020.

A handwritten signature in cursive script, reading "Kelly S. Toth", is written over a horizontal line.

Kelly S. Toth, CMC

Village Clerk