



THE CITY OF KEY WEST

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Re: BUDGET WORKSHOP CITY OF KEY WEST 2016-2017

I want to thank and recognize the City's Finance Department and especially Mark Finigan and Christina Bervaldi for their hard work on the proposed City budget for 2016-2017. I was fortunate to have had the chance to spend hours with them last week to review each of the city's department proposed budgets. City Manager Scholl and Assistant Manager Veliz were also very helpful in answering all of my inquiries regarding the budget. I thank them for their time as well.

In my view, our goal should be to provide essential public services and to insure public safety without raising taxes. Therefore, our commission should approve a budget at or under the roll back rate. Our Finance Department can help us to achieve this goal which is within reach and certainly reasonable.

My comments here follow the same order as presented in the Budget Proposal book presented to Commissioners in advance of the Budget Workshop. The following are my suggestions about what city staff could look at in terms of potential revisions for the 2016-2017 City Budget:

Revenue

Please have the finance department and the building department take a look at the Building Permits acct # 322000. I understand that current projections have decreased expected revenue for this line item for 2016-2017. Please provide the analysis that can explain this reduction. The past three years show that \$2,400,000 would otherwise be a reasonable expectation.

The Code Compliance increase is notable. This line item signifies the increase in enforcement and fines for illegal transient rentals in acct #3540100. Increases in the enforcement against illegal vacation rentals provides for much needed residential housing as well.

Question: The City Commission has passed a resolution in which all submerged land leases in Garrison Bight shall stay within the Garrison Bight Enterprise Fund. The Revenue line item of \$27,000 in Submerged Land Leases should be removed in acct#3622900 and placed in the Garrison Bight budget?

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Question: Can the Finance Department provide more information about the Misc Revenues in acct #369000?

Departments

Finance

In my view given the complexity and breadth of the procurement and expenditure processes in the City, the request for additional CPA is appropriate.

Human Resources

One observation is that the attorney's fees may be low given recent history and this is something to monitor/review.

Information Technology

One Solution training \$120,000. My understanding is that this is the last portion of this expense. Can we receive a breakdown for what the training includes?

KWPD – additional IT person is absolutely necessary given the significant number of computer and tech equipment including body cams, tasers with cams, computer in office and vehicles etc. . . The demand certainly justifies this new position.

Planning

Bike racks were requested at \$32,000 and reduced to \$20,000. The City has a significant need for additional bike racks especially in the old town area. I would like to see the details concerning this request and see whether we could fund the total amount in this line item.

Other equipment – the request for \$160,000 was not funded. I understand that this request may have been directed to fund the infrastructure for a bikeshare program (although this detail does not appear in our budget book). Please provide the back-up materials for this request, if any are available. Could this request be funded from Infrastructure or gas tax funds? Could this request if not funded in 2016-2017, or be targeted for 2017?

Non-Departmental

worker compensation – This line item has fluctuated significantly over recent years. Is there an analysis that can be made available to better understand how staff recommends \$970,000?

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Carry forward \$79,515 – Simonton Garage – I would like to have more information about what monies have been spent concerning this line item to date (i.e. what were the funds designated for this in 2015-2016).

Habana Lease Plaza - \$79,000 – These funds should be reimbursed by the Burke Construction Group.

Aid to private orgs- I want my colleagues on the commission to know that I strongly support the new allocations to AHEC and PAL.

Public Works

Annual Beach cleaning – The allocation is for \$780K. Can we ask our State Lobbyists to propose legislation to allow Fort Zachary Taylor funds to help pay this in future years?

Communication/postage - \$114K for this line item seems somewhat high- Can Public Works please take another look to see if this amount is appropriate.

Facilities Maintenance

The new positions are necessary given new city hall, Truman Waterfront, upgrades to parks etc. . .

Code Compliance

The additional employee for transient license investigations is highly needed and appropriate. A reduction in illegal transient rentals will help to increase the availability for much needed residential housing and bring in additional revenue via the fines assessed against the property owners engaging in unlawful vacation rentals.

EMS

My overall view is to approve this portion of the budget as is. The EMS department provides a valuable and essential service to residents. We need additional time to see the recovery of money from insurance and collection processes.

Homeless services

This budget should be revised in my opinion and should include only what is necessary for emergency shelter at KOTS, and not outside that scope. The line items for car insurance, client expenses and contingency are not direct emergency shelter costs as examples. There is also concern for duplication of services.

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I would like to see the budget put more money into power washing and bleaching. The cleaning is essential to reduce the occurrences of the spread of skin diseases which has been a recent issue.

The operation of KOTS should be put out for bid.

Infrastructure

Rest beach hardening – Can we please ask our State Lobbyists to propose legislation to allow Fort Zachary Taylor funds to help pay this in future years?

Amphitheater- The current proposed budget calls for the expenditure of \$2,100,000 for the Truman Waterfront Amphitheater to supplement the TDC grant of \$2,000,000. Can city staff please take a look at placing the naming rights for the theater out to bid? These funds could be shared in part to pay for other infrastructure needs such as the bikeshare program, the construction of the new emergency homeless shelter (which may otherwise have no funding source) or affordable housing.

Smathers restrooms- The restrooms at Smathers Beach are in disrepair. Of all of the infrastructure projects, this one allocation of \$430,000 is most needed given the condition of the facility.

Upper Duval improvement. City staff recommend \$60,000 to improve the upper most portion of Duval Street to design and begin the process of placing a park in that location. Please have the Planning Department and/or the Finance Department look at making the Clinton Square improvement a priority for 2016-2017. Can both Clinton Square and Upper Duval be done at the same time for this expenditure line item?

Utilities

Thank you to city staff for putting together the summaries concerning Sewer, Stormwater and Solid Waste utilities. The summaries are very helpful to better understand the complex nature of these financial statements.

Sewer & Stormwater – I agree with City Staff's analysis that show why increases are not justified.

Solid Waste – The reserves in solid waste have grown significantly over the past several years. I agree that the reserve has built up to a level to justify this 5% decrease for both residential and commercial.

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Garrison Bight

The summary provided by city staff was also very helpful to understand the status of the Garrison Bight finances. Garrison Bight as an enterprise fund, must maintain its assets and pay for these from funds generated from within. So, taking on three major projects within this next year (renovation of the Sailfish and Dolphin Piers and the building of the new dock master building) is a real challenge. The previous year's budget included the renovation of the Sailfish Pier. Because of the status of the Dolphin Pier, it is important to get this done in 2016-2017. Looking at the financial statement, the budget allows for the simultaneous construction of the Dock Master Building. The one significant concern is the extremely small reserve this will leave for the City Marina/Garrison Bight. Because these projects are so very important, I believe that this is a good plan to follow and I greatly appreciate the efforts of city staff to bring this forward. Many thanks to our Port Director and his very capable staff!