

City of Key West

**BUDGET WORKSHOP
ALL FUNDS (AUGUST 25th)
FISCAL YEAR 2021-22**



Schedule

- **Wednesday, August 25, 2021**
 - **8:30 A.M. - 12 Noon**
 - **Classification and Compensation Study**
 - **Presentation By Evergreen Solutions LLC**
 - **Dr. Jeff Ling, President**
 - **Budget Highlights – All Funds**
 - **Recap from July 21 & 22, 2021 Workshop**
 - **Budget Highlights – All Funds**
 - **Changes Proposed**
- **Reconvene (If Necessary) 1:30 P.M. – 3:00 P.M**

Highlights of FY21-22 Budget (July 21 & 22)

➤ Personnel (All Funds)

➤ All FY 20-21 Suspended Positions will be “Unsuspended”

➤ Thirteen (13) New Positions

- | | |
|---|---------------------------|
| ➤ (1) Assistant City Manager | City Manager |
| ➤ (1) Parking Enforcement Specialist | Parking |
| ➤ (1) Training & Development Specialist | Human Resources |
| ➤ (1) Security System Technician | City Wide |
| ➤ (1) Planning Project Coordinator | Planning |
| ➤ (1) Project Manager | Engineering |
| ➤ (1) Sergeant (MCSB/SRO Program) | Police Department |
| ➤ (1) Bathroom Attendant | Recreation |
| ➤ (1) Adaptation/Energy Coordinator | Adaptation/Sustainability |
| ➤ (1) Project Engineer | Utilities |
| ➤ (1) Civil Engineer | Utilities |
| ➤ (1) Code Compliance Inspector | Solid Waste |
| ➤ (1) Facilities Manager | KWB/City Marina |

➤ Two (2) Deleted Positions

- | | |
|-------------------------|-------------|
| ➤ (1) Deputy City Clerk | City Clerk |
| ➤ (1) Marina Supervisor | City Marina |

Highlights of FY21-22 Budget

➤ Personnel (All Funds) (Continued)

➤ Financial Impact of Wage and Comp Study

- Expected to be Completed NLT July 20, 2021

➤ 4 % Increase to Base Pay for General Employees / Police / Fire

- Fire Department Increase of 4% IAW Collective Bargaining Unit
- 4 % Increase Could Be Adjusted Based On Wage & Comp Study

➤ Financial Impact:

➤ General Fund	\$ 600,023*
➤ Adaptation and Sustainability Fund	\$ 75,178*
➤ Sewer Fund	\$ 72,261*
➤ Stormwater Fund	\$ 36, 324*
➤ Solid Waste Fund	\$ 135,456*
➤ Key West Bight Fund	\$ 76,056*
➤ City Marina Fund	\$ (9,499)*
➤ Transit Fund	\$ <u>46,523*</u>
➤ Total All Funds	\$1,032,322*

* Includes payroll taxes, benefits and allowances

Highlights of FY2021-22 Budget

General Fund

➤ **Fund Balance / Operating Reserve**

- Policy: 72 Days to 92 Days
- FYE 2021 Est. Unassigned Fund Bal. 75 Days *
 - Does Not Include Up To A Possible 10 Additional Days From FEMA-Irma and COVID Reimbursements
 - \$154,000/Day – FY 2021-22 Proposed Budget

➤ **Ad Valorem Taxes (Property Taxes)**

- Calculated Millage Rollback Rate 2.0256
- Proposed Tentative Millage Rate 2.1066
 - Percent Over Rollback 4.0 Percent

➤ **\$1.00 per Hour Parking Increase**

- Street Parking \$4.00 per hour to \$5.00
- Mallory Parking \$5.00 per hour to \$6.00
- KWB & P-n-R Parking \$4.00 per hour to \$5.00
- Truman Waterfront Park \$4.00 per hour to \$5.00

Highlights of FY2021-22 Budget

➤ General Fund (Continued)

➤ Cruise Ship Revenue

- Only Mallory Square Disembarkation \$ 54,918
- 9 Scheduled Mallory Square Port Calls
 - All 9 comply with referenda conditions

➤ Transfer In From Key West Bight \$3,750,000

➤ Ordinary Sales Tax \$5,217,368

- 6% Higher than State Recommendation
- State Revenue Conference in August

➤ COVID Lease Deferments – Repayment Continue

➤ **\$836K Expenditures Exceed Revenues (Budgeted)**

Highlights of FY2021-22 Budget

- **Internal Improvements (Gas Tax) Fund**
 - **\$1,500,000 In “New” Paving & Sidewalk Funding**
 - **From Infrastructure Surtax Fund**
 - **Still FY 2020 and FY 2021 Funding Available**
 - **Street Sweeper and Sign Making Machine**
 - **Transfer “In” From Infrastructure for Bertha St Project**
 - **\$400K Jose Marti / Survey, Design & Permitting**
 - **\$100K Pavement Striping**
 - **\$150K Shoulder Restoration**
 - **\$100K “One Way” Study & Implementation**
 - **\$100K from FY 2021 also available for a total of \$200K**

Highlights of FY2021-22 Budget

➤ Transportation Alternative Fund

- Year 5 Operational & Capital Requirements \$1.8M
- 33% General Government Parking (Except Mallory) \$357K
- 50% Key West Bight Parking \$220K
- 67% Park n Ride Parking \$126K
- FDOT Transportation Alternatives Last Mile Grant \$515K
- White Street Controller Upgrades \$ 80K
- Feasibility/Design Smathers Overflow Parking Lot \$ 40K
- Mobility Study \$200K
- Bike Racks \$ 25K
- Wickers Park Bike Trailer Realignment \$450K
- \$206K Pedestrian Upgrades Remain From FY 2020-21

➤ Truman Waterfront Fund

- Year 5 Operational & Capital Requirements \$900K
- 27% General Government Parking (Except Mallory) \$297K
- Transfer From General Fund \$349K
- Estimate for Amphitheater Revenue \$ 50K
- Estimate for Parking Fees \$154K
- Consider Entrance Fee / Benefits General Fund

Highlights of FY2021-22 Budget

➤ Utility Funds

- Sewer 0.00 Percent Increase
- Stormwater 0.00 Percent Increase
- Solid Waste 0.00 Percent Increase

➤ Adaptation And Sustainability Fund

- New Special Revenue Fund – Fund 108
- Highlights the Importance of Sea Level Rise
- Supported in FY 2021-22 by General Fund and Grants
 - \$430K From General Fund
 - \$ 25K Grant Match From Solid Waste
 - \$1.9M in FEMA and Other Federal Grants

➤ FY 2022 Initiatives

- Wind Retrofit / 1st Responder Facilities \$ 66K
- Wind Retrofit / Public Services Facilities \$457K
- Mobile Lidar \$280K
- Comp Adaptation Resiliency Plan \$500K
- Vulnerability Assessment \$100K
- Roadside/Infrastructure Adaptation Plan \$400K

Highlights of FY2021-22 Budget

- **Affordable Housing Fund**
 - **40% General Government Parking (Except Mallory)**
 - **\$476K Estimated In Annual Parking Fees**
 - **FYE 2020-21 Estimated Fund Balance \$121K**
 - **Final Settlement of \$500K From Mosquito Control Board**
 - **Support of \$400K to Poinciana Gardens ILF/ALF**
 - **Homebuyer Asst. Program \$200K (Comm. Kaufman)**
 - **CDO \$82K Operational Support**
 - **Habitat for Humanity \$50K Home Repairs Low Income**
 - **AIDS Help \$75K Supportive/Traditional Housing (Match)**
 - **Housing Assessment Study \$25K**
 - **Accessory Dwelling Unit Consultant \$50K**
 - **Housing Financial Consultant \$24K**
 - **Workforce Housing Coordinator \$120K (Reserves)**
- **Community Fund (AIPP)**
 - **FYE 2021-22 Estimated Unrestricted Fund Balance \$92K**

Highlights of FY2021-22 Budget

➤ Key West Bight Fund

- Transfer to General Fund of \$3.75M
- \$6.7M Reserved for PY Projects
- \$7.5M Projected in New Capital Funding for FY 2022
- \$2.7M 25 Percent Operating Reserve
- \$5.5M Capital Reserve Based On Industry Standard
- \$2.0M Transfer In From Caroline Street CRA
 - 631 Greene Street Redevelopment

➤ City Marina Fund

- Maintains a 25 Percent Operating Reserve (Congratulations!)
- \$500K in New Capital and M & E Budgeted for FY 2022
- \$400K Reserved for PY Projects
- Will Turn a \$800K Projected Operating Profit in FY 2022
- Heavy Capital Investment Asset Short and Long Term

➤ Transit Fund

- Must Radically Change Way Current Transit Services Delivered – This is a Finance Department Recommendation
- Way Forward – Innovation, Community Flexibility, Technology

Highlights of FY2021-22 Budget

- **Caroline Street CRA**
 - **City FY2022 TIF Increment** **\$505K**
 - **County FY2022 TIF Increment** **\$619K**
 - **FYE 2020-21 Estimated Fund Balance** **\$1.8M**
 - **Will grow to over \$2.9M with FY2022 TIF increment**
 - **Transfer \$2,000,000 to Key West Bight in FY 2022**
 - **631 Greene Street Development**
 - **Community Policing** **\$150K**
- **Bahama Village CRA**
 - **City FY 2022 TIF Increment** **\$ 520K**
 - **County FY 2022 TIF Increment** **\$ 637K**
 - **Douglass Gym Expansion**
 - **FY 2022 Funding** **\$ 462K**
 - **Prior Funding** **\$ 4.37M**
 - **Project Estimate** **\$ 4.83M**
 - **3.2 Acre Development “Seed” Funding** **\$ 70K**

Highlights of FY21-22 Budget

➤ Strategic Plan (All Funds)

➤ Highlighted In **Red** Throughout Budget Book

- Compensation and Staffing Review
- Employee of the Quarter \$ 2,400
- Extra Mile Program \$ 8,000
- Summer Employee Event \$ 12,000
- Mailers, Banners, Flyers \$ 37,750
- New City Cans – Phase I \$150,000
 - Additional Collections \$ 40,000
- Bathroom Attendant – New Position \$ 49,633
- Wind Retrofit First Responder Facility
- Wind Retrofit Public Services Facilities
- Comprehensive Adaptation and Resiliency Implementation Plan
- Mobile LIDAR Update
- Vulnerability Assessment
- Historical/Cultural Adaptation Plan
- Roads/Infrastructure Adaptation Plan

Highlights of FY21-22 Budget

➤ Strategic Plan (All Funds) (Continued)

- Attend/Host Adaptation and Sustainability Forums, Promotions, And Outreach
- Adaptation/Energy Coordinator – New Position \$ 78,978
- Energy Upgrades for City Buildings – Phase I \$ 12,000
- LED Street Light Replacements – Phase I
- Housing Needs Assessment \$ 25,000
- Accessory Dwelling Unit Zoning Study \$ 50,000
- Habitat for Humanity Home Repairs Initiative \$ 50,000
- AIDS Help Housing Initiative \$ 75,000
- Workforce Housing Coordinator – New Position \$119,302
- Workforce Housing Finance Consultant \$ 24,000
- Bike Rack Purchase
- Bus Driver Reclassification
- Wicker's Bicycle Trail Realignment
- Sidewalk Repairs
- Mobility Study
- Increased Shade Tree Coverage – Various Locations

Highlights of FY21-22 Budget

- **Strategic Plan (All Funds) (Continued)**
 - **Additional Signage/Wayfinding – Various Locations**
 - **Code Enforcement Officer – Solid Waste –
New Position** **\$ 63,195**
 - **Parking Counter for Park N Ride** **\$ 15,000**

Highlights of FY21-22 Budget

➤ Hurricane Irma / FEMA Reimbursements

- All Eligible Projects & Force Account Labor have been obligated and/or reimbursed to date (FEMA / State / FTA / Insurance)

➤ Total Event Costs	\$ 11.1M
➤ FEMA Reimbursements	(\$ 8.7M)
➤ State Reimbursements	(\$ 350K)
➤ FTA Reimbursement	(\$ 123K)
➤ Insurance Proceeds	(\$ 373K)
➤ Other Reimbursements	<u>(\$ 167K)</u>

City of Key West Share To Date \$ 1.385M

➤ Closeout:

- All Small Projects Have Been Closed Out
- Large Projects Currently Going Through Closeout

➤ What Remains:

➤ Direct Administrative Cost (DAC) / Tidal Basin Services	\$ 250K
➤ Mallory Square Seawall Mitigation	\$ 514K
➤ Additional Debris Removal Costs	<u>\$ 577K</u>
➤ Total Potential Remaining Reimbursements FEMA	\$1.341M

- Summary: Finance Department is confident on the balance of the DAC reimbursement. 50% confidence level on Mallory and Debris.

Final Projected Range of CKW Financial Impact: \$250,000 to \$1,000,000

Highlights of FY21-22 Budget

- **American Rescue Plan Act / Local Fiscal Recovery Funds**
 - **Estimated at slightly over \$10M for City of Key West**
 - **Population Less 50,000 Non-Entitlement Unit / City of Key West**
 - **From Treasury to State (FDEP) to City of Key West**
 - **Uses**
 - **Responding to or mitigate the public health emergency with respect to the COVID-19 emergency or its negative economic impacts.**
 - **Providing government services to the extent of the reduction in revenue;**
 - **Make necessary investments in water, sewer, or broadband infrastructure; and**
 - **Responding to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the county/city that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.**
 - **This list is not all inclusive and the Treasury continues to publish guidance.**
- **Reporting and Other**
 - **There will be reporting requirements**
 - **Funds to be spent by Dec 2024**
 - **Cannot be used for pensions**

General Fund / August 25, 2021 Update

General Fund Deficit	\$ (836,500)
Increase Millage to 8% Over Rollback (An Increase of 4 Percent)	\$ 654,136
Beach Weddings	\$ 100,000
Move Public Works Heavy Duty Vehicles to Infrastructure	\$ 296,000
Remove Commercial Design for Corridor Resiliency Plan	\$ 100,000
Increase Regulatory Fees	\$ 283,800
Additional Meters - 500 Block Whitehead	\$ 45,000
Additional Meters - 600 Block Whitehead	\$ 75,000
Additional Meters - 700 Block Whitehead	\$ 70,000
Additional Meters - 800 Block Whitehead	\$ 75,000
Additional Meters - 900 Block Whitehead	\$ 75,000
Additional Meters - 200 Block Elizabeth	\$ 80,000
Additional Planning Revenue Projected	\$ 73,000
Adjust Ad Valorem Based on Millage Rate of 4% Over Roll Back	\$ (8,400)
Increase for Property Insurance Policies	\$ (150,000)
Add Funds for Paramedic Course	\$ (110,000)
Increase Residential Parking Permit to \$35	\$ 180,000
Increase Employee Assistance Parking Permit to \$200/month	\$ 45,000
	\$ 1,883,536
Funds Over General Fund Balancing	\$ 1,047,036

General Fund / August 25, 2021 Update

Current FY22 Personnel Services - General Fund - 4.2 % Increase Over FY21	\$ 43,755,889
Evergreen FY22 Personnel Services - General Fund - 7.6% Increase Over FY21	<u>\$ 45,223,045</u>
Funds Necessary for Compensation Plan Implementation in General Fund	\$ (1,467,156)
Funds Necessary for Compensation Plan Implementation in General Fund - New Positions	\$ (17,979)
Funds Necessary for Compensation Plan Implementation in Truman Waterfront Fund	\$ (28,676)
Funds Necessary for Compensation Plan Implementation in Sustainability Fund	<u>\$ (15,163)</u>
Total Funds Necessary for Compensation Plan from General Fund	\$ (1,528,974)
Funds Over General Fund Balancing	\$ 1,047,036
Additional Funds Necessary	\$ (481,938)
Remove Additional Assistant City Manager (New Position)	\$ 192,711
Remove Parking Enforcement Specialist (New Position)	\$ 57,225
Move Project Manager (New Position) From Engineering to Fund 101	\$ 89,193
"Rollback" Millage from 8.0% to 5.5% Over Rollback	\$ (408,835)
Additional General Fund Operating Expenditure Reductions	\$ 50,000
Additional Transfer In From Key West Bight Fund to General Fund	<u>\$ 500,000</u>
General Fund Balancing	\$ (1,644)

Highlights of FY2021-22 Budget

➤ Utility Funds

- Sewer 0.00 Percent Increase
- Stormwater 0.00 Percent Increase
- Solid Waste ~~0.00~~ 2.0 Percent Increase

➤ Adaptation And Sustainability Fund

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Recap

- **Set Tentative Millage**
- **Budget Hearings**
 - **Currently Set For:**
 - **1st Public Hearing** **September 13, 2021**
 - **Final Public Hearing** **September 23, 2021**
- **Any Final General Questions**