

# **City of Key West**

**September 13, 2021**

**1<sup>st</sup> Public Hearing**

**ALL FUNDS**

**FISCAL YEAR 2021-22**



# General Fund / September 13, 2021 Update

General Fund Deficit (From July 2021 Workshop)	\$ (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

Current FY22 Personnel Services - General Fund - 4% Increase Over FY21	\$ 43,755,889
Evergreen FY22 Personnel Services - General Fund - 7% Increase Over FY21	<u>\$ 45,094,059</u>
Funds Necessary for Compensation Plan Implementation in General Fund	\$ (1,338,170)
Funds Necessary for Compensation Plan Implementation in General Fund - New Positions	\$ (24,098)
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	\$ (1,406,107)
Funds Over General Fund Balancing	\$ 1,047,036
Additional Funds Necessary	\$ (359,071)
Remove Additional Assistant City Manager (New Position)	\$ 192,711
Move Project Manager (New Position) From Engineering to Fund 101	\$ 89,193
"Rollback" Millage from 8.0% to 5.5% Over Rollback	\$ (408,835)
Remove Parking Enforcement Specialist (New Position) - \$57,225	\$ -
Additional Transfer In From Key West Bight Fund to General Fund	\$ 500,000
General Fund Overage (August 2021 Workshop)	\$ 13,998

<b>General Fund Overage</b>	<b>\$ 13,998</b>
<b>Decrease Telecommunications Revenue per State Projection</b>	<b>\$ (106,956)</b>
<b>Increase Municipal Revenue Sharing per State Projections</b>	<b>\$ 104,454</b>
<b>Add Expenditure Estimate for Referendum Vote</b>	<b>\$ (40,000)</b>
<b>Decrease Disembarkation Mallory - 2 Port Calls Removed</b>	<b>\$ (10,984)</b>
<b>Increase Transfers Out to CRA - Rollback to 5.5%</b>	<b>\$ (14,322)</b>
<b>Increase Parking Other Contractual Service for New Cale</b>	<b>\$ (6,500)</b>
<b>General Fund Balancing</b>	<b>\$ * (60,310)</b>

### **“Outstanding Issues”**

- **\* \$60,310 - Further General Fund Operating Expenditure Reductions**
- **Attorney Fees for Cruise Ship Ordinance**
- **Final Adjustments to Insurance Fund**

## **Recap**

### **➤ Public Hearings**

#### **➤ Currently Set For:**

- |                                  |                           |
|----------------------------------|---------------------------|
| ➤ 1 <sup>st</sup> Public Hearing | <b>September 13, 2021</b> |
| ➤ Final Public Hearing           | <b>September 23, 2021</b> |

### **➤ Any Final General Questions**

# City of Key West

**BUDGET WORKSHOP  
ALL FUNDS (AUGUST 25<sup>th</sup>)  
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

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General Fund Balancing	\$ (1,644)



# Highlights of FY2021-22 Budget

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- Solid Waste ~~0.00~~ 2.0 Percent Increase

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## **Recap**

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