

City of Key West First Public Hearing Summary of Changes & Updates Fiscal Year 2022-23

Thursday, September 8, 2022

Christina Bervaldi, Finance Director

*** Substantial Changes from the Workshop in Red**



Highlights of FY22-23 Budget

Changes in Personnel - All Funds

- **Sixteen (16) New Positions**

- Special Projects Coordinator
- Code Compliance Inspector - Transient
- HARC Inspector/Compliance Officer
- Officer (4)
- Firefighter (9)

- **Financial Impact**

- Original **~~\$ 690,100~~**
- Updated **\$1,544,767**
- Increase **\$ 854,667**

* Includes payroll taxes, benefits, and allowances

City Manager
Code Enforcement
Planning
Police Department
Fire Department



Highlights of FY22-23 Budget

Changes in Personnel - All Funds

- **Reclass Requests**

- Reclassification of Non-CDL Bus Drivers
- Reclassification of Bus Drivers from 10T to 18T
- Reclassification of all 01, 02, and 03 Graded Positions - Add \$.75/hour
- Reclassification of Lifeguard Positions - \$18.00/hour

- **Financial Impact**

• General Fund	\$121,437
• Gas Tax Fund	\$ 3,789
• Truman Waterfront Fund	\$ 9,340
• Key West Bight Fund	\$ 17,039
• Transit Fund	\$252,461
• Garrison Bight Fund	\$ 3,786



Highlights of FY22-23 Budget

Personnel - All Funds

- Increase to Base Pay for General Employees/ Police/Fire
 - Police Department Increase of 4% - PBA Bargaining Unit
 - Fire Department Increase Still in Negotiation - IAFF Bargaining Unit
 - General Employees Increase Still in Negotiation - Teamsters Bargaining Unit
- Merit Increases for General Employees
 - Merit Increases Will Be on a Sliding Scale
 - 2% Maximum
 - Cost to General Fund
 - Cost to All Other Funds

~~\$357,469~~ **\$359,235**
~~\$135,239~~ **\$137,699**



Highlights of FY22-23 Budget

General Fund

- **Fund Balance/Operating Reserve**
 - Policy - 72 to 92 Days
 - FYE 2022 Estimated Unassigned Fund Balance **84 Days**
 - Up to a Possible 6 Additional Days
 - FEMA/IRMA Reimbursements - 6 Days **90 Days**
 - \$176,000/Day - FY 2022-23 Budget
- **Ad Valorem Taxes - Property Taxes**
 - Calculated Millage Rollback Rate **1.8929**
 - Proposed Tentative Millage Rate **~~1.9875~~ 2.0822**
 - 10% Over Rollback
 - Increase Ad Valorem Revenue by **\$855,041**



Highlights of FY22-23 Budget

General Fund

- **Personnel Services**
 - **FY 2022-23** **\$48,076,909**
 - Up 6 Percent (\$45,116,349) from FY 2021-22
 - \$3M Increase
 - **58 Percent of General Fund Total Expenditures**
 - **Additional Personnel Services for New Positions** **\$ 1,544,767**
- **Operating Expenditures**
 - **FY2022-23** **\$12,551,913**
 - Up 22 Percent (\$9,758,282) from FY 2021-22
 - \$2.8M Increase
 - **15 Percent of General Fund Total Expenditures**
- **Transfers**
 - **Adaptation & Sustainability Fund** **\$ 627,017**
 - **Truman Waterfront Fund** **\$ 240,759**
 - **Community (AIPP) Fund** **\$ 22,000**



Highlights of FY22-23 Budget

Infrastructure Fund

• Discretionary Sales Surtax	\$14,000,000
• State Projection	\$12,997,909
• CDBG Grant Awarded for New Homeless Shelter	\$ 4,300,000
• TDC Award for Smather's Beach Pavilions	\$ 198,000
• TDC Award for Truman Waterfront Parking	\$ 200,000
• ARPA Funds Designated for Projects	\$ 1,943,115
• Capital Projects New Funding Requests	\$11,229,744
• Slight Increase	\$11,307,744
• Machinery & Equipment New Funding Requests	\$ 5,363,472
• Slight Increase	\$ 5,640,472



Highlights of FY22-23 Budget

Internal Improvements (Gas Tax) Fund

- Paving and Sidewalk New Program Allocations \$4,000,000
 - Transferred in From Infrastructure Fund
- Shoulder Restoration New Program Allocation \$ 150,000
- Continuation of One-Way Study and Implementation \$ 100,000

Fort Taylor Surcharge Fund

- FYE 2021-22 Estimated Fund Balance \$2,021,738
- Funds Restricted for Land Acquisition and/or Beach Renourishment and Monitoring

Community (AIPP) Fund

- FYE 2021-22 Estimated Unrestricted Fund Balance \$ 149,049
- Request for General Fund Operational Support \$ 22,000
- Fund Balance FYE2023 \$ 133,259



Highlights of FY22-23 Budget

Affordable Housing Fund

- General Government Parking \$ 410,766
 - 40% of General Fund Street Parking Excluding Mallory Square
- Habitat for Humanity - Home Repairs for Low Income \$ 50,000
- AH Monroe - Support for FKOC Initiative \$ 100,000
- Housing Assessment \$ 25,000
- Accessory Dwelling Unit Consultant \$ 50,000
- Fund Balance FYE2023 \$ 4,445

Community Development Office

- City Considering Moving In House - Budget Allocations Pending



Highlights of FY22-23 Budget

Truman Waterfront Fund

• Total Proposed Budget	\$1,091,529 \$1,131,779
• ARPA Funds Allocation	\$ 42,500
• All Capital Items	
• General Government Parking	\$ 273,844
• 27% of General Fund Street Parking Excluding Mallory Square	
• Estimate for Parking Fees	\$ 167,000
• Estimate for Amphitheater Revenue	\$ 75,000
• Transfer In From General Fund	\$ 251,717 \$ 240,759



Highlights of FY22-23 Budget

Adaptation & Sustainability Fund

- Total Proposed Budget ~~\$2,241,034~~
\$2,238,234
- Transfer In From General Fund ~~\$ 533,089~~
\$ 627,017
 - Operations Support
 - Coral Reef Restoration and Maintenance
 - Water Quality Testing
- Transfer In from Infrastructure Fund ~~\$1,566,100~~
\$ 391,525
- HMGP Grant Funding for Wind Retrofit Projects **\$1,174,575**
- Adaptation/Resiliency Plan Initiative In Process

Utility Funds

- Sewer Proposed Increase **3% Increase**
- Stormwater Proposed Increase **3% Increase**
- Solid Waste Proposed Increase **5% Increase**



Highlights of FY22-23 Budget

Transportation Alternative Fund

- Total Proposed Budget ~~\$1,230,664~~
\$1,030,664
- General Government Parking \$ 342,305
 - 33% of General Fund Street Parking Excluding Mallory Square
- Key West Bight Parking \$ 229,550
 - 50% of Key West Bight Parking
- Park N Ride Parking \$ 126,439
 - 67% of Park N Ride Parking
- FDOT Transportation Alternatives Last Mile Grant Initiative in Process
- Mobility Study
- Signalization and Pedestrian Improvements
- Bike Rack Installations
- New Crosstown Greenway Initiative
- Wicker's Bike Trail Realignment Initiative In Process
- New Wayfinding Initiative



Highlights of FY22-23 Budget

Key West Bight Fund

- FYE 2021-22 Estimated Unrestricted Fund Balance \$11,106,487
- Reserved for Projects in Process \$12,482,357
- Transfer to General Fund \$ 4,250,000
- New Capital Projects/Equipment Funding Requests \$ 4,520,508
- Operating Reserve \$ 3,668,313

City Marina Fund

- FYE 2021-22 Estimated Unrestricted Fund Balance \$ 2,769,102
- Reserved for Projects in Process \$ 380,346
- New Capital Projects/Equipment Funding Requests \$ 2,038,500
- Operating Reserve \$ 660,223



Highlights of FY22-23 Budget

Transit Fund

- FYE 2021-22 Estimated Unrestricted Fund Balance \$ 706,068
- Grant Funding FY 2022-23 \$3,118,345
- Charges for Service FY 2022-23 \$1,862,481
 - Includes Revenue from New Advertising Initiative
- Expenditures Include
 - Personnel Services \$3,499,418
 - Increase of 13%
 - Operating Expenditures \$1,657,951
 - Increase of 23%



Highlights of FY22-23 Budget

Insurance Fund

- FYE 2021-22 Estimated Fund Balance \$2,715,217
- Liability Insurance \$3,138,959
 - To Include Policy and FY2022-23 Claims
 - Increase of 5%
- Worker's Compensation \$1,302,995
 - To Include Policy and FY2022-23 Claims
 - Increase of 7%
- Health Insurance \$9,736,052
 - To Include Estimated Policy Increases
 - Increase of 12%



Highlights of FY22-23 Budget

Bahama Village CRA

Caroline Street CRA



Highlights of FY22-23 Budget

Hurricane IRMA/FEMA Reimbursements

• Total Event Cost	\$11.1M
• FEMA Reimbursements	\$ 8.9M
• State Reimbursements	\$ 358K
• FTA Reimbursements	\$ 123K
• Insurance Proceeds	\$ 373K
• Other Reimbursements	<u>\$ 167K</u>
• City of Key West Share to Date	\$ 1.2M
• FEMA Reimbursements Remaining	\$1,089,040
• Debris Removal	\$ 331,596
• Mallory Square Seawall & Footbridge	\$ 514,463
• Management Costs @ 50%	\$ 242,981



Highlights of FY22-23 Budget

American Rescue Plan Act

- City of Key West Total Award \$17,098,443
 - FDEM - City \$12,079,588
 - FDOT - Port \$ 5,018,855
- FDEM Funds Allocation
 - Proposed FY2021 and FY2022 Expenditures \$ 1,588,376
 - Reimbursement of Expenditures Already Realized
 - Stop GAP - United Way
 - Stop GAP - AHEC
 - AHEC - Phase I, II, and III
 - 2021 Police Academy
 - KWPD COVID Bonus
 - KOTS COVID Expenses
 - Post CARES Labor



Highlights of FY22-23 Budget

American Rescue Plan Act

- **FDEM Funds Allocation (Continued)**
 - **Proposed FY2023** **\$4,410,156**
 - **General Fund Capital and/or One-Time Expenditures** **\$2,374,541**
 - **Infrastructure Fund** **\$1,943,115**
 - KYPD Axon Camera System Replacement
 - Parks & Recreation Camera Installations
 - **Transit Fund** **\$ 50,000**
 - Park and Ride Security Cameras
 - **Truman Waterfront Fund** **\$ 42,500**
 - Capital Expenditures
 - **Remaining FDEM Funding for Allocation** **\$6,081,056**
 - **Possible Ideas**
 - Affordable Housing Initiatives
 - Additional Infrastructure Projects



Highlights of FY22-23 Budget

American Rescue Plan Act

- **FDOT Funds Allocation For Ports** **\$5,018,855**
 - **Possible Allocation Projects**
 - Charter Boat Row Seawall Project
 - Ferry Terminal Improvement Project



City of Key West General Fund Fiscal Year 2022-23

Thursday, September 8, 2022

Christina Bervaldi, Finance Director



Ad Valorem

- **Growth in Total Taxable Value - 2022 to 2023**
 - 2022 Final (VAB) \$8,229,630,855
 - 2023 (July 2022 Estimation) \$8,990,616,159
 - Growth in New Construction & Assessed Valuation \$ 760,985,304
- **Increase of 9.24% in Total Taxable Value**
 - New Construction \$ 22,566,681
 - Value Growth \$ 738,418,623
- **City of Key West Taxes Levied By Property Type**
 - Residential Homesteaded Property 17.4%
 - Residential Non-Homesteaded Property 48.5%
 - Vacant Lots .7%
 - Non-Residential Commercial 30.3%
 - Non-Residential Other .7%
 - Tangible Personal Property 2.4%



Ad Valorem

- **FY 2021-22 Adopted Millage Rate** **2.1360**
- **Residential Home \$800,000 in Taxable Value**
 - \$1,709 City Portion
- **FY2022-23 Calculated Millage Rate** **2.0822**
- **10% Above Rollback Rate**
- **Example: Residential Homesteaded Property**
 - \$824,000 in Taxable Value
 - Based on Save Our Homes 3% Capped Value Increase
 - \$1,716 City Portion or Increase of \$0.58 Per Month
- **Example: Residential Non-Homesteaded Property**
 - \$873,920 in Taxable Value
 - Based on 9.24% Value Increase
 - \$1,820 City Portion or an Increase of \$9.25 Per Month
- **Calculated Millage Rate Collections** **\$18,810,896**
- **Each Additional Millage Percent Above/Below Rollback** **\$ 171,008**
- **About One Reserve Day Per Percent**



General Fund Revenue Highlights

• Ordinary Sales Tax	\$5,705,423
• Increase to State Projection of \$253,176	\$5,958,599
• Municipal Revenue Sharing	\$1,915,971
• Increase to State Projection of \$63,048	\$1,979,019
• Telecommunications Tax	\$1,200,000
• Increase to State Projection of \$150,445	\$1,350,445
• Transfer in From Infrastructure	\$1,400,000
• Decrease Based on State Projection	\$1,299,791
• Transfer In From Key West Bight	\$4,250,000
• Key West Bight Board Recommends Reducing	
• Cruise Ship Revenue	\$1,085,528
• Pier B Disembarkation @ 65% 70% Arrival Rate	\$1,169,030



General Fund Revenue Highlights

•	Federal State, Local, and TDC Grants	\$5,823,761
•	Federal	
•	• Byrne JAG Grant	\$ 7,000
•	• Vests	\$ 11,000
•	• Comprehensive Plan	\$ 50,000
•	• American Rescue Plan Act	\$3,962,917
•	Monroe County School Board & Other Local	
•	• School Resource Officers	\$ 952,344
•	• Fire Academy	\$ 50,000
•	TDC	
•	• Beach Cleaning	\$ 790,500



General Fund Revenue Highlights

- ARPA Funds Allocation
 - Original General Fund Allocation ~~\$1,836,960~~
 - Increase of **\$2,215,957** **\$3,962,917**
 - Funds Allocated to FY2021 and FY2022 Expenditures \$1,588,376
 - Originally Included in Carry Forward
 - Moved to Provide More Clarity
 - Additional Funds Allocated to FY2023 Expenditures \$ 537,581
 - Includes All General Fund One Time and Capital Expenditures



General Fund Revenue Highlights

- **Building Fees** **\$2,400,000**
- **Business Tax Receipts** **\$1,617,620**
- **Ambulance Fees** **\$1,200,000**
- **Credit Card Fee Recovery Program** **\$ 360,000**
- **General Fund Leases** **\$2,187,665**
 - **Includes Last 3 Months of COVID Deferment Payments**
- **Miscellaneous Revenue Source Increases/Decreases**
 - **Changes Based on Current Collections, etc.**
 - **Residential Parking Permits, Commercial Parking Permits, Inspection Fees, Cemetery Fees, Parking Fines**



General Fund Expenditure Highlights

- Homeless Services/KOTS - 24 Hour Operation
 - CRA Management Contract \$ 774,053
 - Utilities and Repairs \$ 20,500
 - Temporary KOTS Setup During Construction \$ 250,000
- Aid to Governmental Organizations \$ 300,000
 - Housing Authority for Poinciana Gardens Support
- Aid to Private Organizations
 - A Positive Step of Monroe County \$ 35,000
 - AHEC \$ 22,500
 - F.I.R.M. \$ 50,000
 - Keys To Be The Change \$ 10,000
 - Police Athletic League \$ 32,500
 - Rotary (Fireworks) \$ 45,000



General Fund Expenditure Highlights

- Grant Writer Services \$ 62,500
- Lobbying Services \$ 75,000
- Parking Pay Station Purchase (8) \$ 60,000
- Search for New City Manager ~~\$ 25,000~~
- Software Module for City Wide Testing and Recording \$ 25,000
- Fleet Management Software \$ 31,000
- Facility Generator for Fleet and FMT \$ 90,000
- FMT Repairs to Facilities \$591,000
- Community Rating System (CRS) \$ 36,700
- Commercial Design Standards for Corridor Resiliency Plan \$200,000
- Comp Plan Evaluation and Appraisal Report \$150,000



General Fund Expenditure Highlights

• Property & Liability Insurance	\$1,450,000 \$1,844,097
• City Christmas Lighting	\$ 75,000
• Youth Leagues	
• Key West Girl's Softball League	\$ 20,000
• Key West Little Conch Baseball	\$ 25,000
• American Youth Soccer Organization - Region 660	\$ 10,000
• Key West Youth Football League	\$ 25,000
• Southernmost Hockey Club	\$ 10,000
• Key West Youth Lacrosse League	\$ 20,000
• Key West Wild Bird Center	\$ 90,000



General Fund Expenditure Highlights

- Add Strategic Plan \$ 50,000
- City Manager Expenditures - Reduce by \$8,500 \$ 8,500
- Human Resources Attorney Fees - Reduce by \$20,000 \$ 20,000
- Add DebtBook Subscription for Lease Auditing \$ 15,000
- Information Technology Expenditures - Reduce by \$12,000 \$ 12,000
- Planning Expenditures - Reduce by \$50,750 \$ 50,750
- Adjust Credit Card Fees for Passport \$ 59,000
- Fleet Repairs and Maintenance - Reduce by \$25,000 \$ 25,000
- Remove Holiday Wreaths - Reduce by \$36,000 \$ 36,000
- City Hall Utilities - Reduce by \$30,000 \$ 30,000
- Engineering Expenditures - Reduce by \$17,400 \$ 17,400
- FMT Operating Expenditures - Reduce by \$18,500 \$ 18,500
- KWPD Overtime - Reduce by \$200,000 \$200,000
- KWPD Operating Expenditures - Reduce by \$13,000 \$ 13,000
- KWFD Overtime - Reduce by \$150,000 \$150,000
- KWFD Operating/Capital Expenditures - Reduce by \$26,960 \$ 26,960
- Add Navy Power Boat Rental Fee \$ 9,000
- Annual X-Ray Maintenance - Reduce by \$2,000 \$ 2,000
- Increase Parks & Recreation Utility Fees \$ 33,655



Highlights of FY22-23 Budget

- **All Funds Combined Budget**
 - FY2022-2023 Budget **\$225,850,729**
 - 8% Increase Over FY2021-2022
- **General Fund Budget**
 - FY2022-2023 Budget **\$ 82,186,824**
 - Reserves at FYE 2023 **\$ 15,842,880**
 - Equivalent of 90 Days
 - \$176,000 / Reserve Day



Recap

- Public Hearings
 - Currently Scheduled for:
 - September 8, 2022
 - September 22, 2022
- Any Final General Questions

1st Public Hearing
Final Public Hearing

