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FEATURED

Key Colony Beach approves budget, millage

By RICHARD TAMBORRINO Special to The Citizen
Sep 13, 2023

The Key Colony Beach City Commission held its first public budget hearing for the 2023-2024 budget on Thursday, Sept. 7, amid a flurry of community uncertainty regarding the city's overall direction heading into an important new fiscal year.





There are at least three significant issues that continue to plague the city, which will all come to a head shortly; a resident petition for a City Hall referendum that is expected to be heard by a judge on Sept. 21, a police unionization effort that should be ratified by the end of September, and ongoing fraud charges being investigated by FEMA relating to City Hall modifications immediately following Hurricane Irma.

City Administrator Dave Turner led the budget review, prefacing his presentation with an explanation about “how we got to our budget” and touting his grant acquisition accomplishments, saying that “since I took this position and we started applying for grants, we’ve been awarded \$5.197 million, which has helped keep our millage low.”

He continued, saying “those grants are going toward stormwater management, the hardening of a new city hall – if it happens – the comprehensive vulnerability assessment ... and in the works, a fiber security grant and an erosion control grant for Sadowski Causeway.” He added later that all these grants are “no-match, so it won’t cost the taxpayers a penny.”

Turner reviewed the steps taken so far to establish the millage, saying on July 20 the city certified the millage rate the same as last year and at the last city commission meeting on Aug. 17, there was discussion about lowering the rate. On Thursday, Sept. 21, the budget the commission reviewed at the meeting will be adopted.

Turner referenced property appraiser data that showed in 2021 the value of the city was \$825,586,497, and in 2022 the value increased by \$117 million, concluding by saying, “this year, we actually broke a billion, increasing by \$446 million.” He proposed lowering the millage from 2.8726 to 2.8419 with a total city revenue projected at \$4,086,000.

Turner concluded the millage discussion, saying “health benefit rates are skyrocketing, and the county is going up over 160%” in health benefits. “If we go any lower, we have to cut services,” he added. The commission approved Ordinance 2023-10 establishing the millage for fiscal year 2023-2024 at 2.8419, which is a 13.1% increase over rollback.

The other item reviewed at the session was Turner’s performance review and salary increase. City Attorney Dirk Smits and Commissioner Tom Harding took turns outlining Turner’s progression since he arrived in 2021. Turner was hired in 2021 at a salary of \$80,000, even though Smits said he “was hired with no city manager experience.” In 2022, Turner received a 25% increase to \$100,000.

Turner’s 2023 performance evaluation, which was finalized in April, graded him “at slightly above average.” Comparable salaries in the state were reviewed, indicating Turner would qualify for a salary range of \$92,000 to \$155,000, with an average of \$119,000 for municipalities with comparably sized staffs.

According to govsalaries.com, the average city manager salary range in Florida is generally between \$109,317 and \$196,288 annually. Harding’s data pegged the smallest of those cities – still larger than KCB – as paying their administrator \$92,000. So, while Turner’s expected new salary of \$128,000 is comfortably within the state range, in such a tiny municipality soon to be contending with a hefty City Hall rebuild expense, residents will likely bristle at such an increase.

Two KCB employees, likely police chief Chris DiGiovanni and Building Official

Lenny Leggett, currently make more than Turner, and Smits felt the city administrator should not have people reporting to him earning more. A recommendation was made to increase Turner to \$128,000, with Vice Mayor Beth Ramsay-Vickrey suggesting the increase be retroactive to April. Commissioner Joey Raspe strongly disagreed, saying he “never heard of a 28% raise” and pointed out Turner’s compensation package also includes a city vehicle. But Turner added he takes no health benefits and has all Level 2 certifications to be city manager.

The clear three-member commission majority of Mayor Patti Trefry, Ramsay-Vickrey and Harding has been pushing for a complete City Hall rebuild for months, a key component of the new budget. Commissioner Freddie Foster, who along with Raspe has opposed the rebuild, was out on a planned vacation and not present for the meeting, leaving Raspe alone in attempts to sway the three-member majority’s decisions.

A document obtained by The Keys Citizen titled “Key Colony Beach City Hall Actual Construction Costs,” which was not included in a very light pre-meeting agenda packet, was prepared by Harding and outlines the real costs the city will incur for the rebuild.

The selected contractor for the rebuild, Hands on Builders (HOB) submitted an \$8.375 million estimate for the project. However, additional expenses like the landscaping, parking lot, lighting, current City Hall demolition, on-site project management, change orders and, perhaps most concerning, finance costs approaching \$5 million, are projected to push the total estimated cost to more than \$19 million over a 20-year period.

Another concern is “claimed cash on hand” of \$3,565,439 — likely meaning city reserves — are earmarked to defray the total cost. And along with that cash is what Harding labeled the “presumed” value of the hardening grant of almost \$2.3 million, which Turner referenced earlier. Together, reserves and the grant

combine for \$5,848,298 to cover the cash side of the expense.

The remaining amount, both borrowed funds and interest, is projected to be financed over 20 years at a cost of an additional \$5.96 million. Therefore, this City Hall rebuild will not only cost the city of KCB close to \$20 million, but it will also largely deplete city reserves.

Draining city reserves to pay for the new City Hall, core to several of Harding's financial scenarios, will reduce the amount the city will have to borrow to finance the project, but it also means KCB will enter the new fiscal year without funds to cover unforeseen additional expenses, like cost overruns for the rebuild and any hurricane cleanup that could occur later this year or early next.

By comparison, the City of Marathon is expected to add \$1 million to reserves in their fiscal year 2023-2024 budget, while last year the city was able to add \$5 million to reserves.

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