

Financial Planning Workshop Minutes

Florida Keys Mosquito Control District

Marathon Office

503 107th Street

Marathon, FL 33050

April 27, 2021 2:00 pm

The Board of Commissioners of the Florida Keys Mosquito Control District held a Budget Workshop virtually on April 27, 2021.

Present Were: Phillip Goodman, Chairman; Dr. Stanley Zuba, Vice Chair; Brandon Pinder, Secretary/Treasurer; Tom McDonald, Commissioner; Jill Cranney, Commissioner; Andrea Leal, Executive Director; Dale Coburn, Board Attorney.

Employees Present Were: Mikki Coss, Director of Operations; Joshua Kogut, Director of Aerial Operations; Bruce Holden, Director of Finance; Chad Huff, Public Education Information Officer; Chrissy Bloxom, Executive Assistant; Rochele Miller, Purchasing Agent; Michael Behrend, Director of Human Resources.

Invited Guests Present: None

Approval of Agenda: A motion was made by Commissioner Cranney, seconded by Commissioner Pinder and passed unanimously to approve the agenda.

Community Input: None

Chairman Goodman stated that this workshop has been called to discuss FKMCD financial planning.

Discussion:

- Bruce Holden, Director of Finance, began with a theoretical target spreadsheet to address previous questions of the Board. Mr. Holden discussed the District's available cash balance on September 30, 2020; a target balance was set at \$4.3 million. The actual balance includes a shortfall of \$419,941. Mr. Holden advised the Board that there is a balance of \$400,000, in the State account, to cover the shortfall and that will allow the District to remain on target.
- Mr. Holden discussed the two additional expenses not budgeted in 2020 that were incurred by the District. The first expense was the cost of the Dengue outbreak, in the amount of \$957,475 and \$286,240 in additional aircraft insurance premiums.
- Mr. Holden discussed the two non-budgeted items for 2021. The first item is the payment of \$350,000 that was paid in April to the City of Key West. He discussed the additional payment due in the amount of \$500,000 in November 2021. The second expense, which is a payment to Monifi, in the amount of \$266,950, for the cyber-attack at the District. The claim was submitted to the insurance company, however, no award amount, at this time, has been received by the District.
- Mr. Holden discussed how the District was doing overall, as well as the process in budgeting expenses and building reserve amounts.
- Commissioner Cranney discussed prior Board approval for the reserve account balance to maintain \$2.5 million.
- Mr. Holden discussed the increases in cost for personnel services, personnel services benefits and health insurance. At this time, Michael Behrend, Director of Human Resources, discussed the District savings in healthcare. Mr. Holden discussed the cost increases for other insurance policies held by the District, along with chemical cost and repairs and maintenance costs.

- Mr. Holden discussed the overall annual operating costs from 2012-2020. Chairman Goodman discussed the use of automated traps and the need for continued use of technology. Director Leal discussed several different technology options that are being used by the District.
- Mr. Holden provided the Board with a ratio analysis graph indicating the costs per year from 2012-2020. He went over the potential additions to reserve funds, which include the insurance reimbursement related to the hacking incident, sale of two Bell helicopters and the sale of one airplane. Mr. Holden discussed the known and potential costs on reserve funds, after the second payment to the City of Key West is made in November 2021, along with potential salary range adjustments for 2021-2022.
- Discussion was held on employee salaries and benefits. Michael Behrend, Director of Human Resources, updated the Board on the current hiring difficulties the District is experiencing. Commissioner Zuba would like to see each employee's job description to understand employee job responsibilities. Chairman Goodman requested that Mr. Behrend compile together a report on how other agencies are handling employee hiring processes and present it to the Board at the June workshop.
- Mr. Holden discussed the goal to replenish reserves and purchase a third airbus helicopter. Commissioner McDonald requested to see a cost analysis. Mr. Holden went through the cash requirements to achieve the goal.
- Mr. Holden discussed ending reserve amounts at September 30, 2021, and potential adjustments to those reserve amounts in order to purchase a third helicopter. Chairman Goodman discussed the importance of paying back reserve funds.
- Commissioner Cranney further discussed the amount of \$2.5 million in reserves. Mr. Holden will make the changes to fund the \$2.5 million in reserves. Commissioner Pinder researched Resolution 2012-09 adopting funding of reserves and contingency, in the amount of \$2.5 million that was approved on October 22, 2012.
- Mr. Holden further discussed options to purchase a third helicopter. Chairman Goodman would like to see Joshua Kogut, Director of Aerial Operations put together a report on the cost of helicopter operations.
- Mr. Holden concluded with additional options to purchase a new helicopter.
- Chairman Goodman commended Director Leal, Bruce Holden and support staff for presenting a good budget considering the obstacles the district will experience moving into 2021-2022 fiscal year.

Good of the Order: None

Adjourn: There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted,

*Andrea Leal
Executive Director*

*Board of Commissioners
Florida Keys Mosquito Control District*

Phillip L. Goodman, Chairman

*Brandon Pinder, Secretary-Treasurer
For additional information, please refer to www.keysmosquito.org.*