

Budget Workshop Minutes

Florida Keys Mosquito Control District

Marathon Office
503 107th Street
Marathon, FL 33050

June 21, 2022 1:00 pm

The Board of Commissioners of the Florida Keys Mosquito Control District held a Budget Workshop on June 21, 2022, at the FKMCD Marathon Office.

Present Were: Phillip Goodman, Chairman; Dr. Stanley Zuba, Vice-Chair; Tom McDonald, Secretary/Treasurer; Brandon Pinder, Commissioner; Andrea Leal, Executive Director; Dirk Smits, Board Attorney. Jill Cranney, Commissioner was present via telephone.

Employees Present Were: Mikki Coss, Director of Operations; Bruce Holden, Director of Finance; Josh Kogut, Director of Aerial Operations; Chad Huff, Public Education & Information Officer; Michael Behrend, Director of Human Resources; Robert Lee, Director of Aircraft Maintenance; Deanna Darias, Executive Assistant; Tony Nunez, Chief Technology Officer.

Invited Guests Present: None

Approval of Agenda: Chairman Goodman asked the Board if there were any corrections or additions to the agenda, hearing none, the agenda was unanimously approved. A motion was made by Commissioner McDonald, seconded by Commissioner Zuba and passed unanimously to approve Commissioner Cranney to participate in the Budget Workshop and Regular Meeting via telephone.

Community Input: None

Chairman Goodman stated that this workshop has been called to discuss the Budget for the Fiscal Year 2022-2023.

Discussion: Andrea Leal, Executive Director, introduced the Budget for the 2022-2023 Fiscal year and reminded the Board of the difficult times we are going through due to the economy and that the District is being faced with hefty cost increases on our regular business. She asked the Board to keep this in mind as we move forward through Budget season and that she is going to do her best to work the budget down throughout the process.

Bruce Holden, Director of Finance explained he will be reviewing the detailed work plan budget and that this is the worst case scenario and encompasses all requests from each department. Mr. Holden explained the highlights of the revenue side and the two (2) large amounts under that category which were the Hacking Insurance Refund and the sale of our second airplane. He advised items in yellow will most likely change. On the expense side, Mr. Holden expressed his concerns with inflation and rising prices; chemical prices are coming in at a 5-10% increase and the initial health care estimate is showing a 10% increase, which is reflected in the current version of the budget. Mr. Holden stated the performance compensation is based on last year's value of \$175,000; this will be evaluated throughout the summer as they look at what other organizations are doing with incentives in the current market. We want to stay competitive and retain our valuable employees.

Mr. Holden discussed potential changes in multiple categories as the cost of freight and utilities is rising daily. He explained the breakdown of the truck leases and that FKMCD is attempting to get 24 additional vehicles for the fleet which will replace our aging fleet and save money on maintenance. In the repair and maintenance category a cost of \$500k is associated with a 3 year overhaul on one of the long ranger helicopters; this is the worst case scenario if all parts need to be replaced, so there may be some potential future savings here. Mr. Holden then discussed the gasoline and jet fuel pricing and advised these numbers will fluctuate based on the current market. Director Leal reviewed the chemicals and the amounts used for adulticiding and larviciding for our mosquito population. We are trending towards higher larviciding numbers, which was the goal of the District; however, those chemicals are the most expensive. It is important to continue looking into mosquito technologies including auto traps and Wolbachia to help control the Aedes Aegypti population in multiple ways.

Mr. Holden discussed the vehicle & drone cost of \$111,000, and two (2) UAV Pilot positions with salaries of \$60,008 for each position. Director Leal stressed she feels the District might not be ready to add these for this fiscal year due to some restrictions with drone vendors and the State of Florida. The Board discussed removing the drone items from the budget and came to an agreement to remove them for this upcoming fiscal year.

Mr. Holden discussed monies intended for building improvements for the Marathon office including the new roof for the hangar, contingency amounts, and reserves. While discussing reserves, the topic of purchasing an additional helicopter that we have been saving for the last few years came up. The Board touched on the price of the new helicopter, which is estimated at four (4) million dollars. During the Regular Meeting the Board will be voting on a letter of intent to purchase the additional Airbus H-125 in the next fiscal year. Commissioner McDonald asked if the letter of intent locks in pricing and Director Leal confirmed the letter would lock in the base price of 2022 pricing. Director Leal and the Board discussed the future of the helicopter fleet and it was decided to move forward with the purchase of the new helicopter at this time. The letter of intent does not lock the District into purchasing the helicopter, it gets us in line to purchase and locks in the 2022 pricing.

Mr. Holden presented the Board with a Cash Flow Analysis for FY 2022-2023 report and the preliminary Millage Rate Chart.

Commissioner McDonald reviewed his handout regarding Financial and Performance Audits and requested the Board consider adding an Operational Audit to the budget. He expressed that this would help the public have confidence in how the District is operating. After discussion; Director Leal proposed that the District staff would assist in finding a company to do the Operational Audit and then present the cost to the Board at a future meeting. Chairman Goodman recommended the staff be mindful of ways the District can save money, and Director Leal conveyed we currently use automatic lights in our offices and have individual temperature controls and are always looking for ways to save the District money. The meeting ended with a discussion on the difference in purchasing used helicopters compared to new helicopters.

Good of the Order: None

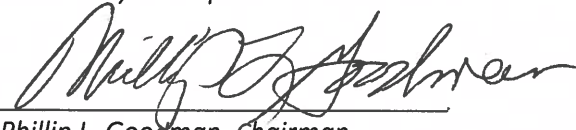
Adjourn: There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted,

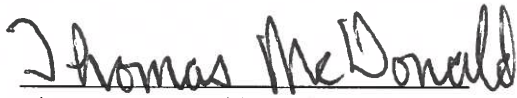


Andrea Leal
Andrea Leal
Executive Director

Board of Commissioners
Florida Keys Mosquito Control District



Phillip L. Goodman, Chairman



Thomas McDonald, Secretary-Treasurer

For additional information, please refer to www.keysmosquito.org.