

City Commission Special Meeting- Second Budget Overview Workshop June 25, 2019

All commissioners were present. Khalid Resheidat, Interim City Manager, and Financial Director, John McKinney, gave an overview of the second round of the [proposed Fiscal Year 2019 - 2020 budget](#).

There was no public participation.

Mr. Resheidat gave background information and an overview of the bare bottom budget proposals (see the link above for details):

- Proposed City Budget \$57,822,555 (at 3.8416 mills)
- Proposed General Fund budget of \$31,127,507
- \$1,510,193 for capital improvements, and equipment and vehicle replacements in General Fund
- New positions: Paid Finance Intern, and going from part-time to full-time; financial analyst; three new firefighters; an assistant airport manager due to an increase in workload
- Sub funds from the General Funds for the Brannon Center, Live Oak, and golf course
- COLA increase (negotiations underway for three unions, but FHC insurance will increase 4.5%)

The next budget meeting will be a July 23rd workshop with the City Commission where all line items will be put on a priority list and the maximum millage rate will be set. August 20th will be a full day budget workshop. The first public hearing will be on September 11th and the second on September 24th.

From the Property Appraiser's presentation on June 1st, NSB had a Just (appraised) Value increase of 9.2% while the County saw an 8% increase. Just value, however, is not what property taxes are based upon. Taxable Value, which factors in all exemptions, increased 9.3% compared to the County increase of 8.5%. 83% of NSB's property tax base comes from residential properties. Acreage property values are close to what they were prior to the last recession and are expected to match the 2007 levels next year. There has been a lot of growth during the last five years that is directly related to new construction. NSB ranked fourth highest by percentage of growth in the County.

The projected General Fund **expenditures are \$30,704,394 and** the projected **Revenue is \$31,127,507**. The difference of \$423,113 allows for unprogrammed Capital Improvement and Outlay projects which are not in the budget.

The projected General Fund Revenues are estimates as the actual contributions are unknown at this point. For budgeting purposes, many use last year's contribution or are based on projections from the source.

General Fund Expenditures were summarized as a percentage of the total:

- Public Safety (43%)
- General Government (26%)
- Culture and Recreation (19%) ie. Brannon Center and Live Oak
- Transportation and Streets (5%) but doesn't include street repair as this is another fund
- Building and Maintenance (2%)
- Transfers for 2005 Service of General Fund (5%)

The increases projected from the property tax, annexations, and new construction yields \$1,308,586 but the budget increased by \$1,943,306. The City intends to use some of our existing monies from this year to fund next year's Capital Outlay and Improvements (\$423,113) but that still leaves a shortfall. The choice, as always, is to either reduce the budget or change the millage rate.

The FY 2019-2020 Increase in the General Fund centers around these areas:

- COLA increases and hiring of more personnel (see in first section) for a total of \$359,073
- Capital Equipment and Capital Improvement projects for a total of \$1,520,000 which are not funded at the moment but have been requested by staff and citizens dealing with recreational and cultural areas, roads, sidewalks, bridges, transportation, etc.
- Capital Improvements that are funded by being built into the budget:
 - ✓ Stormwater Fund 101 - Corbin Park Master Plan; Historic West Side Master Plan; Reasonable Assurance Plan (Diversion Structure Improvements) totaling \$1,500,000
 - ✓ Airport Fund - Airport Administration Building; T Hanger, Building B & C; Environment Study; Hanger Improvements, totaling \$1,485,000
 - ✓ CRA / Capital Outlay Various Project, totaling \$746,698
 - ✓ Marina - Mooring Fields and Improving Restrooms, totaling \$456,000

The July 23rd Budget Meeting will include discussion of the current millage rate of 3.8416, (Commissioner Kolody wants the millage rate lowered for next year), the 2005 and 2018 debt service millage rates and the projected overall total millage rate of 4.1397 as well as prioritizing line items in the proposed budget. Each Commissioner was provided a booklet that detailed the projections and proposed budget line items in detail so they can prepare for the July and August workshops .

You can view the full workshop on the City's YOU Tube Channel (link below):

<https://www.youtube.com/watch?v=w5iKAWmTPs>

[View the PowerPoint presentation with detail.](#)