

City Commission Special Budget Workshop August 20, 2019

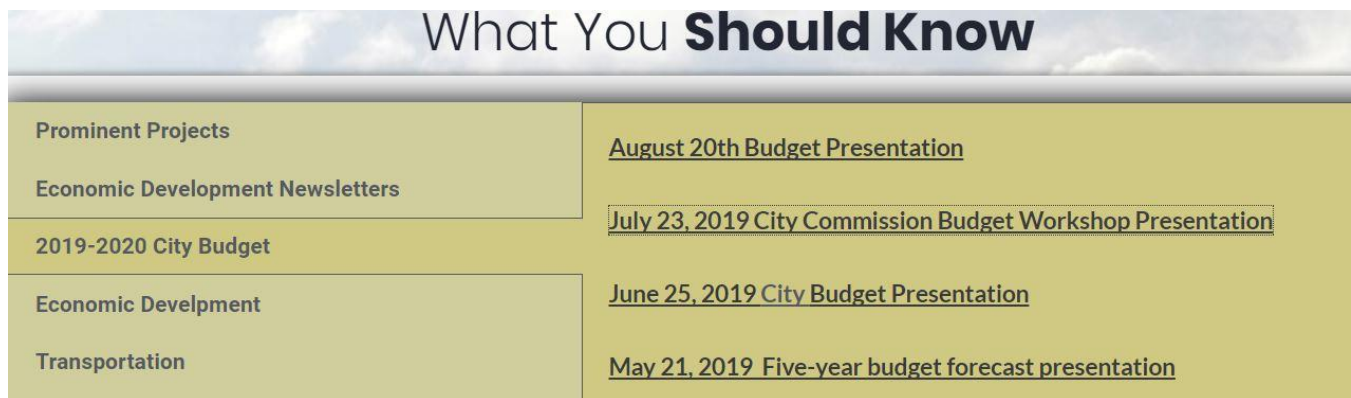
All Commissioners were present. Mayor Owen stressed that the purpose of this meeting was to appreciate and understand the City's budget process and make that process transparent to both the public and the Commissioners.

Public Participation:

Four residents stated that Lake Fairgreen Circle needs to be repaved and asked that funds be set aside for it. Two residents felt that the city golf course was being underutilized and want to see it re-vamped/revitalized, especially for the youth in the area.

Khalid Resheidat, Acting City Manager, opened the workshop stating that the goal of this workshop was to present a budget that will need little to no amendment. The FY 2019/2020 budget presented at the July 23rd workshop reflected a 6.7% increase in revenues from the property tax, but that projection had been revised to reflect a lower 4% increase. Both projected revenues and expenditures had been revised since the July meeting.

John McKinney gave an overview of the changes in the budget from the July 23rd workshop. The presentations made at all four budget workshops can be found on the Coalition Website at: <https://www.ournsb.org/what-you-should-know/>



What You Should Know	
Prominent Projects	August 20th Budget Presentation
Economic Development Newsletters	
2019-2020 City Budget	July 23, 2019 City Commission Budget Workshop Presentation
Economic Development	June 25, 2019 City Budget Presentation
Transportation	May 21, 2019 Five-year budget forecast presentation

Please refer to the [August 20 Workshop presentation](#) for detail on the topics presented during the day.

Regarding **revenues**, the projection was changed from the July meeting due to:

- A change in the projected millage rate
- A projected increase in State revenue allocation
- An increase in projected medical transport revenue from the county

Regarding **expenditures**, the following items were adjusted from the July budget presentation:

- Actual payroll, including future planned retirement and vacancies were reviewed in detail as were employee expenses like cell phone and data cards.
- Isleboro and Turnbull Creek debt service payments were included.
- Capital projects were combined into a single line item in the budget for transparency and were adjusted (including eliminating the proposed mooring field)

Mr. McKinney stated that the average homeowner will see a minor increase in the city portion of their property tax bill due principally to the Turnbull Creek debt service. Mayor Owen pointed out that even with recent new construction, there is less tax money overall because there are more expenditures with growth.

Budget Workshop- Departmental Line Item Detail

Maintenance- Faith Miller, David Ray, and Gary Wintz

Ms. Miller began with the mission statement of her department and stated that they maintain everything in the City from weed whackers to fire trucks to buildings. They respond to requests within 48 hours, either immediately fixing the problem or setting up an appointment to do so. During the first six months of 2019, they handled over 1400 work orders. For expense control, staff looks for the best prices, they use in-house staff for plumbing, electric, etc. Only outsourcing is for uniforms, janitorial, and street-sweeping. They completed a 5-year paving study and will use it in this year's budget. This year's budget will include monies from the General Fund that will go towards administration (down 19.73 %), building maintenance (down 32.96%), fleet maintenance (down 9.6%), parks (down 10.2%), streets (down 31.32%), and Sports Complex (down 14.35%). Monies from User Fees will go towards stormwater (down 23.50%), the golf course (up 5.33%), the marina (down 21.86%), and solid waste (up 12.39%). It was noted that many city vehicles will need to be replaced due to age and equipment change. Mayor Owen asked if the department was looking into the viability of electric cars and Ms. Miller said, yes.

Streets, sidewalks and signage were discussed. Beachside street signs will be replaced as most are sun-faded. Commissioner McGuirk wanted to know how Lake Fairgreen Circle fell through the cracks in the 5-year study. Ms. Miller stated that it is in the 5-year program. Mr. Sachs asked about restriping and though restriping is part of any resurface project, \$34,000 is budgeted toward restriping (no resurface).

Ms. Miller stated that weather can affect the budget significantly, so there are always adjustments made during each year..

Commissioner Sachs noted that more public benches have been requested for Riverside, and Manatee Parks, and new pavers for Riverside. If there is money left over this month, benches and pavers can be bought. Flagler Ave. will be getting more benches. Irrigation repairs were noted as being costly, but systems are old and there is now more landscaping required and included.

The Sports Complex is getting busier as David Ray is booking more groups and tournaments. He hopes to have the Florida State Marching Band Tournament in November. During the past five years, there has been a 338% increase in revenues. It is one of the best facilities of its kind in Volusia County. Lights need to be replaced (with LED?) and a system to turn lights off and on has been installed. Commissioner McGuirk cautioned that LED lighting may not be the best alternative and asked for more research on the matter. Pop Warner and the high school do not pay for lighting. It is hoped that the installation of artificial turf on the football field can be included in next year's budget. Research is ongoing to ascertain whether these improvements can be funded from other sources. Artificial turf saves money (less water, no fertilizer, no re-sodding, less manpower, etc.) and is better for the environment. Mayor Owen and Commissioners McGuirk and Sachs were in favor of discussing this next year. Commissioner Kolody cautioned again for fiscal constraint in all departments and will be wary about costly improvements to the Complex until he sees the numbers.

The Storm Water division is requesting a new tractor to clear ditches, especially around the golf course as well as a new truck for transporting materials as the one they have is 15 years old.

The golf course has been revamped with greens and trees, and people have commented positively. Gary Wintz commented that the golf is not as popular as it once was, and young people are not adopting the sport. Presently, there are only approximately 160 members. Free membership is available to those in school, but even those on the golf team don't seem to play Fairgreen in the off season. Commissioner McGuirk recognized the challenges. Mayor Owen said the golf course has a long history and we need to do everything we can to attract new members and play so that the golf course can be self-sustaining.

The Marina is remodeling restrooms and expects to raise fees. The cost to construct a Mooring Field was removed from the budget.

The Solid waste budget will be a bit higher due to taking over 117 addresses from the county. There will be a 3% increase in rates from last year.

Leisure Services- Nancy Maddox

This area includes administration and recreational events at Babe James, the City Gym (don't charge for after school), and the Brannon Center, Live Oak Cultural Center, Coronado Civic Center, and New Smyrna Women's Club.

Most of the discussion of revenues from this division centered around the Brannon Center. The Brannon Center is used more than most residents think it is. 70% of revenues come from corporate use, 24% from private use, and 6% from fund raisers from non-profits. There are over 70 community, public events held at the Center per year which generate no income. Commissioner Kolody felt that a presentation about this topic be made to educate the public about its use and benefit to the community. The roof (which is still under warranty) and should be repaired in September at no cost to the City. Strategies to to increase revenue are in the works. Among them are allowing outside caterers and variable pricing as opposed to fixed pricing. Proposed is a \$13,000 marketing budget. Mayor Owen asked how many days the Center had been used in the last year. Ms. Maddox said its usage has been 169 (of approximately 320 days) so far during FY 2018/2019 (up 59% from FY2017/2018). A \$96,000 projector is included in this year's budget request.

There was a question about acoustics panels for Live Oak Center. Mayor Owen said that they have been purchased and should be installed soon.

Public Safety

Police Chief Coffin presented his assessment of the department and the metrics used to measure its effectiveness. The metrics are changing, but, by every measure our police force is extraordinarily effective. Their use of force measure is particularly low, being necessary only 8 out of every 1,000 arrests. The force is ever mindful of its performance and our excellent results require constant training at every level.

Equipment has been purchased and is used to clear vehicular accidents quickly to restore traffic flow. There have been three accident fatalities in recent months.

The budget does not include any new staff, but there are currently four positions needing to be filled. It takes six months for someone to make it through training and into a patrol car. Each shift includes five patrol cars and one supervisor – studies have shown optimal staffing for our city of approximately 27,000 (more on weekends) is seven patrols plus one supervisor/shift. The department shares training facilities with neighboring cities to keep costs low, but must invest in technology to ensure our officers are effective in the 21st century.

The department has found that fleet replacement is more economical than fleet repair. They need to replace a cruiser every 100,000 miles or every seven years and they are replacing the fleet with more economical vehicles. Impact fees are used to purchase new vehicles.

The department receives 65-125 calls/day. If an arrest or detainment is necessary, it can tie up an officer for over an hour. Revenues from parking fines is profitable for the City and are expected to increase in the next year.

Fire Department

The fire chief reported that the department responds to approximately 5,500 calls/year. Last year, 1,301 of those were medical. The department is reimbursed an average of \$322/call when it provides EMS service. The Chief expects the reimbursement to rise to \$375/call in the coming year. The department's response time is under 9 minutes in 90% of calls.

The department is requesting three more staff and a replacement of outdated communications equipment in the coming year. They are also requesting two new traffic lights, one each at stations 50 and 52 to effect better traffic control when those trucks are needed.

They are working on helping to build a Personnel training center with MPAC funds and sharing costs with other SE Volusia Communities. They are working on a program to charge a fee for fire inspections at local businesses. Their inspections require significant manpower, but are critical for safety.

Utilities Commission

The UC reviewed and approved its budget in May of 2019. The City of NSB will vote on and approve it in September. The UC vision is to provide safe, reliable utilities to its customers. Its core values are safety, integrity, transparency and financial prudence.

An electric grid and water modernization study will be conducted to determine the improvements necessary over the next ten years to better serve the customer while remaining cost effective.

There are monthly reviews of projects and their status. 5.8 million dollars has been put back into the budget from projects that were previously "kicked down the road" and not completed. There are no rate increases included in the budget based on current capital improvement plans. All is fully funded at this time. A financing team has been formed in case there is a need for bond/debt for future projects.

The UC has an 85% response rate in answering calls from customers. Safety is a priority. There are monthly reviews by the commission for customer service. Outages, duration, etc. are monitored monthly.

The Capital Improvement Plan (CIP) is conservatively based on current cash flow and existing customer rates. Solar is not being considered soon.

Airport

Rumors that roads were going to be closed and bridges built to expand airport runways are false. There is no money for bridges at the airport and it would not be practical to close roads. When the issue of expanded runways was brought forth, ALL considerations had to be discussed with no limitations...EVERY option was on the table for discussion and had to be shared with the FAA.

New T-hangars will be constructed to replace some that are over 50 years old and were damaged by hurricanes. This will be done with construction grants.

A request is being made for one additional position, that of an assistant airport manager. There has been little increase in operating expenditures. Land where hangars are removed may be leased which would increase airport revenue.

The focus of the airport is on improvements of operation with its goals being: safety/maintenance, offering a first-class facility and increase air traffic.

Development Services (includes building officials, engineering and planning departments)

Building Permit volumes are up with 6,800 permits thus far this year. Customers are frustrated with the time it has been taking to process building permits, but the volume of processing 26 permits/day is overwhelming. At present, it is taking 4-5 weeks to process a permit. The goal for the coming year is to perform all plan and permit reviews within 15 days or less (except for large developments or businesses). The plan is to increase efficiency using technology and staff training. There is one vacancy in the planning department which, when filled, will help move the process along.

The department is working on reviewing the comprehensive plan with LDR updates to better manage development. Some services for this process may be outsourced so that current staff can continue to move permitting processes along. Extra staff would be helpful and might be necessary, but no staffing increase was included in the projected budget. Helpful would be an additional inspector and a Plans examiner administrator, with a possible consultant for review.

City Administration

City commission

There was discussion on health/insurance benefits cost increase.

IT (Information Technology)

This is an area where the city has greatest need, particularly concerning internal upgrades. The technology must be brought up to date. The major items needed are server upgrades, PC replacements, iPads for the fire department and wireless access points within city buildings.

There is one open position for an IT tech. Few qualified applicants are applying.

Human Resources and Capital Projects

A new HR director was hired. There is discussion of a salary study as well as a retirement plan for employees.

Goals for the coming year include: Implementing the Strategic Plan, Improving transparency, City Charter review, moving toward a paperless environment, Increasing the use of technology, accountability, implement IT infrastructure and more employee training Programs.

Business and Economic Development

Goals are to facilitate higher wage job in growing industries and locate good business fit for our city. There is a need for affordable housing within the City. We have added only 10 units in the past 5 years with 2 more coming in the next couple of months. We need to continue to work with The Chamber Board and the Southeast Volusia Manufacturing and Technology Coalition. Requested is a \$40,000 budget increase to promote social media to market these goals.

The Community Block Grant Program is now under Economic Development Director. A new Community Resource Director has been hired, replacing Donna Banks.

Recent accomplishments include: Converting the abandoned Chrysler dealership on US 1 to a storage facility, a new roof on the Black Heritage Museum, Canal Street improvements (Corkscrew, Total Vision, among others).

There was a 10-year CRA budget and any changes to this must go to the County for approval. The CRA program is held back because some tools are not available which might help draw businesses to the area. Staff will talk with the County in December to discuss possible changes.

Mayor Owen suggested "trying new tactics" to attract business to the City.

Commission Discussion

Budget increases are capped at 3% by law. Commissioner Hartman is pleased with the 4% increase presented.

Commissioner McGuirk thinks that any cuts should be to NEW projects... with infrastructure being maintained versus "new things". Commissioner Sachs was also agreeable to that thinking. Sachs commented that we should not sacrifice safety or quality of life. He questioned some projects proposed at the airport and he was told most of the cost would be covered by grants and would not affect the General Fund budget. Commissioner Kolody was adamant that he expects the rollback plus 3%. He thinks we should rethink HOW we do business. Mayor Owen is comfortable with 4%. His comment was that we may not be able to have the best of both worlds. He believes our return on investment should be a consideration on budget items/requests.

To go from a 4% to a 3% budget increase would require that \$140,000 be cut from the operating budget. At the time, no one could suggest where such cuts might be made.

Each department was acknowledged for their hard work in their budget presentations.

This summary is presented as a service to our subscribing membership and the community by a team of people from the New Smyrna Beach Residents' Coalition.

Remember that the entire day of presentations can be viewed on the City's YouTube station in two parts:

[Morning Session](#)

[Afternoon Session](#)

and that the full presentation is available on our website at:

<https://www.ournsb.org/what-you-should-know/>