

City Commission Special Meeting June 30, 2020

All Commissioners were present. City Staff present: City Manager, Assistant City Manager, City Clerk, City Attorney, City Police Chief, City Finance Director.

Public Participation:

Two people spoke regarding Charter issues. One recommended a 12-month probationary period for Charter Officers. The second recommended the Proposed Charter be presented as one question on the Nov. 3 ballot.

New Business (items of interest to the Coalition):

Charter Review Discussion

Three proposed Charter items were discussed.

- It was determined that there was not enough time to identify specific public lands to be included in Section 6.04 - Sale or Lease of Significant Public Lands. The language to be included for this section was agreed to be:
"Any transfer of ownership, or lease lasting longer than 10 years, of lands owned by the City of New Smyrna Beach lying contiguous to a named body of water, shall only occur after a unanimous vote of approval by all five members of the City Commission."
- Section VIII Utilities Commission (UC). The City and UC attorneys were unable to agree on language regarding the sale of land, so the Commissioners agreed that the language would remain as written in the current Charter, in accordance with the Charter Review Committee's recommendation. The attorneys were instructed to continue to work on this issue and perhaps the solution is an Interagency agreement.
- Ballot presentation of Charter Question or Questions. The Commission agreed that the Proposed Charter would be presented as one question on the Nov. 3, 2020 ballot. They instructed the City attorney to prepare the ballot question wording, limited to 75 words, for their review at the next Commission meeting.

Mini Budget Discussion ([View PowerPoint presentation on this issue](#))

City Manager Resheidat said that preparing the 2021 budget faced multiple challenges this year due to the loss of the city financial director and assistant and Covid19. The following requested items are not funded in the proposed 2021 budget. The initial current millage rate proposed is 3.721:

- Any costs resulting from a salary study to increase the minimum wage for city employees to \$15 per hour
- A \$1.56 per hour salary increase for police officers to match other Volusia County city rates to avoid losing candidates and officers to other cities/counties
- Any costs from the as yet incomplete contract negotiations with employee unions
- The Barracuda bridge and 5th Street bridge repairs

The salary study has been completed and is under review by the city of NSB HR Department. The city manager does not want to cut city services. Natalia Eckroth, the new city Finance Director, indicated they were tasked to provide a conservative budget while maintaining services.

Some takeaways from the discussion overview:

- The FY 2020-2021 proposed budget (\$72.1M) currently represents a 9% decrease from the FY 2018-2020 budget (but does not include the items above).
- The general fund budget proposed is \$31.5M (a decrease of 2%)
- The 2020 tax roll is expected to increase 10%, yielding about \$1.5M in additional revenue.
- The increased revenue will not cover
 - the funding to fill 8 open positions in the police department, plus 4 additional positions being requesting
 - phase 1 of a minimum wage increase to \$15 per hour
 - the \$1.56 p/hour raise for police officers
 - Costs resulting from union contract negotiations
 - IT upgrades
 - Sports Complex requests
 - Filling 2 or 3 open city department director positions.
- Capital Improvement requests including all departments total \$2.3 million.

Including the projected cost for the above yields a proposed millage rate of 4.265. It was noted that NSB ranks second in Volusia County for construction volume. Daytona Beach is #1. 80% of the increase is from residential construction and 13% from commercial construction. An individual millage rate for each unfunded item will be provided to the Commission at the next budget workshop.

Mayor Owen stated this was the first time that the Commission has seen this, so they will be looking it over before the next budget workshop scheduled for July 28th. At that workshop, all department directors will present their proposed 2021 budget and Commissioners will establish a "not to exceed rate". August 19th will be a full day budget workshop for City Commissioners. There will be 2 public hearings on the budget in September 2020.

FEMA Repair/Construction Cost Reimbursement for Rocco Park Pier

The city manager stated that FEMA has reached out to ask if the city wants to accept the FEMA repair/reconstruction cost reimbursement (not a grant) for the Rocco Park Pier. The estimated cost \$292,000 and FEMA would cover 75% of the cost. Vice Mayor M. Kolody then asked if the Ocean Drive/Spyglass pier could be repaired taking advantage of FEMA reimbursement as well. It has remained closed since it suffered extensive damage in the hurricane and some of his constituents have voiced concern about its condition. Commissioner Sachs questioned the pier's ownership. The City Attorney stated that the Ocean Drive/Spyglass pier is in a public right-of-way.

The motion to accept the FEMA repair/reconstruction cost reimbursement with the amendment to inquire if the Spyglass pier project can also be approved for reimbursement was passed 4 to1, with Sachs voting NO.

City Owned Property Lease Policy

Mayor Owen stated the discussion was **not to make decisions on** particular leases but to:

- a) establish a policy for city property lease consideration/process
- b) and. as old leases reach expiration, review and consider updating language to establish and reflect current legal phrasing and issues including liability and responsibility

The city manager prepared a proposed lease process. He researched other city's' practices. The proposed policy covers both private and public leases (For Profit- FP and Not for Profit- NFP). City staff recommended that future lease terms not exceed 10 years and that, when expired, the lease payment be set by the City Commission following the results from a Request for Proposal (RFP) to determine fair market lease values. The RFP process will have full transparency.

Vice Mayor Kolody indicated NFP leases should have uniform language and develop a criteria showing a quantifiable benefit to the community, have a 5 yr. lease term limit and include annual cost of living increases.

Commissioner Hartman stated all leases need certain aspects of consistency. NFP leases, while considered individually, could include a basic standardized format to collect information for analysis.

Mayor Owen indicated each NFP lease can create special circumstance and should be considered individually. He emphasized the need to weigh in on all elements and requested that Staff alert Commissioners 6 months before a NFP lease expires to allow time to debate the merits of each NFP lessee.

Commissioner McGuirk stated NFP leases must be considered on a case by case basis to consider a sweetheart deal vs. a smart deal and to determine any historic value and who owns what. He does not agree on a standard template as each NFP offers unique value to the community. A 5+5 year lease term limit creates an issue for FP groups who invest a significant amount of money into a building; they need to keep it for 10 years to depreciate the investment.

Commissioner Sachs stated NFP's are difficult to analyze so each must be reviewed and measured for individual community benefit contribution. He expressed concerns about private clubs leasing public land; the lease language must include certain bylaw requirements to include no discrimination for sex, race, religion, etc.

All Commissioners agreed a FP lease will require a RFP.