

Special City Commission Meeting- First Budget Hearing September 9, 2020

All Commissioners were present.

PUBLIC PARTICIPATION:

One resident voiced two concerns regarding our police department so we do not lose officers: To keep or increase funding in the budget for this department and to look at potential officer burn-out as there are still 7-9 openings and officers are being overworked. He also suggested we look at how fleet maintenance is being done as it's not saving money in the long run.

Ordinance No. 98-20: This was the First Reading and Public Hearing for the proposed UC fiscal year Operating Budget and Capital Improvement Plan (October 1, 2020- September 20, 2021). It was noted that the budget was 2.1% lower than last year's, and Capital Expenditures were in good shape for the next ten years. There were no questions.

A motion to accept the first reading of Ordinance No 98-20 was approved unanimously.

PRESENTATIONS:

The first presentation was Mark Galvin, Regional Managing Director of Hilltop Securities who oversaw NSB's Financial Plan for Unfunded Projects for the 2020-2021 Fiscal Year. He stated that there were some changes made from the original presentation due to the August 19th workshop which is reflected in the \$3.5 mil shared facility with UC and a loan for Washington St. being from two funds (FDOT State funds and Transportation Impact Fees). The total Unfunded Project costs will be \$18,501,400. The City will need to borrow money for a portion of the projects but will be reimbursed a total of \$11,943,555. He suggests short-term financing using a floating rate note, drawing only what we need, and then using funds when we receive them to help pay off the debt. We will need to borrow \$5,723,186 for long-term financing (\$150k was built in for interest) using a tax-exempt bank loan with low interest rates. The projects need to be finalized. Securing the lines of credit/bank loans will take 60-90 days. View the Presentation [HERE](#).

City Manager, Khalid Resheidat noted that there were several projects not included on the list (the relocation of the Smith St. building, the Skate Park and Spyglass Pier). He also wanted to remind everyone that the Washington St. funding still has not been approved by the State.

The second presentation was by Finance Director, Natalia Eckroth who outlined the 2020-2021 Fiscal Year Budget. The tentative city-wide millage rate would be the following:

- General Fund- 3.7421
- 2005 Debt Service- 0.2813
- 2018 Debt Service- 0.1466
- TOTAL Proposed- 4.1700

The total proposed 2020-2021 Budget \$30,865,547 due to a few significant changes:

- Fire Impact Fees: Decreased due to the removal of the purchase of a new Fire Truck (\$825K)- This was due to it was to be a replacement vehicle and Impact Fees cannot go towards it.

- Building & Inspections: Increased due to the addition of two (2) new positions (\$105K) and the Fiber Optic Capital Project with the UC (\$250K)
- Parking Fund: Increased due to the addition of two (2) new positions (\$50K)
- Parking Fund: Increased due to the Parking Fund Initiative with the County (\$250K)
- General Fund: Re-appropriated funds (\$100K) to cover expected loan costs
- Storm water: Increased to cover the expected loan costs (\$50k), and the transfer of (\$35K) for a new truck.

View the PowerPoint Presentation [HERE](#).

The Second Public Hearing is scheduled for September 22nd at 5:00.

Commissioner Comments included:

- ❖ Clarification of the Parking Fund Initiative was needed because it is new. Vice Mayor Kolody explained that it was prepared as a resolution to present to the County to show that we mean business regarding beach overflow parking in residential areas. He stated that since the County oversees beach parking, they need to share responsibility in dealing with the problems our residents are facing when the beach is full. He, the City Manager and Assistant City Manager, Brian Fields, met with the County September 8 to give them the proposed Resolution. It is hoped that the County will match revenue from the parking fund to help fix the problem. Suggestions are the purchase of additional parking, additional message boards/signs and assisting with traffic control when the beach is full. Mayor Owen added that this designated money will show the County we are willing to commit to fixing this problem. Currently, there is \$2.8 mil in the Parking Fund.
- ❖ The Skateboard Park was brought up twice. The cost will be between \$250,000 and 310,000. It was suggested that we seek an ECHO grant which would cover 50% of the total cost and get the balance from private donations, sponsorships, and the City. Commissioner McGuirk feels the park is important to “community spirit” as does Mayor Owen. Mayor Owen wants it to be a place we can be proud of as it is currently in disrepair and below “the standard we should hold for our city”. He wants to secure \$150,000 to get this done. Mayor Owen stated the City cap should be \$100k with the balance coming from private donations, sponsorship, etc. Commissioner Hartman suggested \$100,000 be funded as a short-term loan. Mr. Resheidat reminded everyone that we will need \$300,000 upfront and would be reimbursed by ECHO. VM Kolody supports the project, but not at this time due to finances.
- ❖ The status of Rocco Park Pier and Spyglass Pier were discussed as well. Rocco is under design and the City is still waiting for FEMA’s final approval before they move ahead. VM Kolody wants a true assessment to determine whether the Spyglass pier should be demolished or saved and suggested a change to the Rocco Pier line item definition in the budget in order to do this. Commissioner Sachs still believes the Spyglass pier is not City property, but VM Kolody stated it was built by private citizens with permission to do so on City property. He suggested that the matter requires investigation and should be determined and put to rest. It was questioned if it really was a park since there is no parking and it is located in a residential area. It is a neighborhood park, of which there are many in the City.

Mayor Owen stated that he feels the City is very good "at leveraging every dollar we spend" on projects. Taxpayers rarely pay 100% of the cost, and usually 50% or more of the cost comes from grants and sources other than the City Budget.

SPECIAL MEETING - FIRST BUDGET HEARING

The vote for the following Resolutions for the Fiscal Year 2020-2021 were as follows:

Resolution No. 33-20: Consider the Adoption of a Resolution, which if approved, would adopt the Tentative New Smyrna Beach Operating Millage Rate of 3.7421.

Motion to approve was passed 5-1, with VM Kolody voting NO.

Resolution No. 34-20: Consider the Adoption of a Resolution, which if approved, would adopt the New Smyrna Beach I & S 2005 Voted Debt Service Millage Rate at 0.2813.

Motion to approve was passed unanimously.

Resolution 35-20: Consider the Adoption of a Resolution, which if approved, would adopt the New Smyrna Beach I & S 2005 Voted Debt Service Millage Rate at 0.1466.

Motion to approve was passed unanimously.

Resolution No. 36-20: Consider the Adoption of a Resolution, which if approved, would adopt the Tentative New Smyrna Beach Budget for Fiscal Year 2020-2021.

Motion to approve was passed 5-1, with VM Kolody voting NO.

The Second and Final Budget Hearing will be held Tuesday, September 22nd at 5:00 pm.