

**New Smyrna Beach City Commission Meeting  
Sept. 22, 2020**

*YouTube Channel to view current and archived NSB City Commission Meetings:*  
<https://www.youtube.com/channel/UCFnpWTUfup3BtTrUyHaJisA>

**1. City Commissioners voted 4-1 twice, with Vice Mayor Michael Kolody dissenting, to approve a 2021 total city budget of \$71,172,899 and a 2021 Fiscal Year millage rate of \$3.7421 per \$1,000 of taxable value.**

The 2021 millage rate is 5.32 percent higher than the rolled-back rate of \$3.553 per \$1,000 of taxable value -- the rate that would produce the same revenue for the city as the prior fiscal year's millage rate, using new assessments of the same properties.

The city's General Fund amounts to \$30,818,569 of the total 2021 budget figure.

There is \$3,678,900 in the Capital Projects Fund, which includes the city's share of work preparing for the reconstruction/replacement of the Barracuda Bridge and 5th Street Bridge. Other notable line items in the budget are: \$2,900,000 allocated for Capital Projects-Turnbull Creek, \$945,324 earmarked for Community Redevelopment and \$2,120,000 for Transportation Capital Projects.

City officials calculated that NSB's millage rate amounts to 22 percent of a Volusia County property tax bill.

Vice Mayor Kolody explained his "no" vote on the 2021 budget and millage rate resolutions, saying, "I think that our community is suffering. They lost their jobs, a lot of them. The city is losing at least a half million dollars worth of income due to the lessening of the sales tax and business tax receipts. I can understand the need for an increase above the rolled back rate, but I think this is just too high. We have not cut back our services. We have not furloughed or released any employee. We have been rolling along much better than the general public, and they deserve to be cut a little bit of a break." "It's a matter of principle with me," Kolody added. VM Kolody's fellow Commissioners indicated the vice mayor had agreed to include many projects in the 2021 budget during a number of meetings, rather than proposing more cuts.

"Vice Mayor, I gotta to tell you, it's like rolling up your sleeves and planning to go into battle, and when you get to the battle you back off and say, 'You know what, I'll let you guys deal with that,'" Commissioner Jason McGuirk remarked. "It's your principle? I admire your principle. We all have that principle. But your principles didn't come out and stop you from saying what you wanted (during earlier budget sessions). We can start right now by cutting various things that you wanted to spend money on ... I just find it very disingenuous ... We sit here and roll up our sleeves and deal with funding police, fire, and salaries for people. You were right there with us. Now we get to the 11<sup>th</sup> hour and you're going to bail."

Mayor Russ Owen also called Kolody's dissenting vote "a bit disingenuous," adding, "I would love to see us be able to lower the millage rate. I haven't heard anything brought up in the budget meetings that was a desire to scale back services."

Owen asked City Manager Khalid Resheidat how the city's public safety expenses would be affected if Commissioners decided to set the millage rate back to the rolled back rate each year, over a period of 10 years.

Resheidat answered the city would have to lay off people and cut services.

"At the beginning of the budget, we really wanted to lower it," the city manager said. But, he emphasized that wasn't feasible "having the challenges we faced. We still have three unions (contracts for wages and benefits) under negotiation that are not included in the budget. It is probably the most challenged budget I've worked with."

Owen commented, "The point I'm trying to make for the general public's understanding is, the rolled back rate is great, but it doesn't produce (enough) additional revenue because you can't grow that fast. The cost of services is increasing."

Vice Mayor Kolody agreed going back to the rolled back rate wouldn't work, but he maintained the city could trim a little more from the budget.

Commissioner Jake Sachs endorsed points made by all sides in the debate. "It's a hard time to ask people to dig deeper," he said. "Although we're growing, the growth is actually costing our city more. We're not digging deeper for what we want, it's what we need to run this city."

Mayor Owen noted he's still getting requests from residents for the city to provide more services, not less. New Smyrna Beach is very good at leveraging taxpayer dollars with other funding sources, he said, and when those funds come available ... such as millions of dollars from the Florida Department of Transportation for two bridges that are deteriorating and a Washington Street reconstruction project ... if the city doesn't accept that funding its citizens could wind up shouldering the entire financial burden.

The City Commission also voted unanimously to approve two debt service millage rates -- \$0.1466 per \$1,000 of taxable value for a 2018 bond issue, and \$0.2813 per \$1,000 of taxable value for a 2005 bond issue.

## **2. City Commissioners voted unanimously to approve the New Smyrna Beach Utilities Commission's 2021 Fiscal Year budget.**

The utility anticipates receiving \$67,828,400 in combined revenue from electric, water and reclamation services. The budget also projects total operation and maintenance expenses of \$53,736,700, which includes a transfer to the city of \$4,031,700. In addition, the Utilities Commission budget proposes \$19,658,323 in capital improvements for the electric, water and sewer departments, as well as common service projects.

###