

## City Commission Special Meeting

July 29, 2021

**Video of the meeting and agenda can be found [here](#).**

Commissioners present were Mike Kolody, Randy Hartman, and Vice Mayor Jason Sachs who chaired the meeting. Mayor Russ Owen and Commissioner Jason McGuirk were absent.

### **Public Participation:**

One resident spoke, stating that she appreciated this Commission and was glad to see our bills were being paid and asked if continued borrowing to pay the bills was anticipated. VM Sachs responded that borrowing monies should be expected, given current growth, and agreed with her that one loan should be paid off before another is procured.

### **Consent:**

Consider the approval of the [FAA AIP \(Airport Improvement Program\) Grant 3-12-00](#) in the amount of \$2,027,352 for the Construction to Rehabilitate Taxiway "C", which will include the removal of pavement in the Taxiway D/B/C intersection, **and** Prepare the Wildlife Hazard Management Plan project, which was completed last year. **The motion to approve the FAA AIP Grant was unanimous.**

City Manager Khalid Resheidat stated that the purpose of the special meeting was to pass the tentative maximum millage rates and not delve into the 2021-22 budget. He added that even though operating costs have gone up, City staff still tried to be conservative with the budgets. The General Fund millage rate needs to be increased if an additional 4.5 police officers are to be hired, as requested. He also stated that the City was able to find monies for the railroad crossing maintenance and the three additional firefighters by cutting some areas of the budget. Note: These three items were listed as being unfunded in the proposed 2021-22FY budget at the June 30<sup>th</sup> meeting.

Natalia Eckroth, Finance Director, gave an updated overview of the budget and the proposed General Fund and Debt Service millage rates. The proposed 2021-2022 Fiscal Year budget was the same as from the [June 30<sup>th</sup> meeting](#) at \$87,789,217. Citywide debt for Governmental Funds at \$29,475,667 and the City's Line of credit at \$9,529,000 are both lower than the previous budget. It was noted that even though NSB's home values rose tremendously again this past year, taxes have not gone up a lot due to more residences/businesses being built which added more tax revenue. NSB has the third lowest city tax rate in the County and the second lowest General Fund millage rate.

Our tax roll "net change" is 10% (approximately \$4.5 to 4.9 billion dollars). There was an approximate \$1.3 million increase in the City's *ad valorem* revenue from the following components of the tax roll:

- Approximately \$1.5 million in taxable value from annexation
- Approximately \$133 million in taxable value from new construction
- Approximately \$233 million from the existing roll increase

The Current and Proposed Property Tax Millage for the 2021-22 FY is as follows (Three of FOUR Resolutions):

1. 2005 Debt Service: Current rate is **0.2813 to 0.2522** (10% decrease)
2. 2018 Debt Service: Current is **0.1466 to 0.1319** (10% decrease)
3. General Operating: Current rate is **3.7421 to 3.8199** (2% increase) needed to fund 4.5 more police officers.

Total City Millage: Current rate is **4.1700 to 4.204** (0.82% increase)

Some highlights from the discussion that preceded the vote on the above Resolutions:

- Vice Mayor Sachs stated that he would like to go to Rollback but it's just not feasible as we are growing and due to this, our services must as well. He felt the budget was tight and he wants to be able to show what specifically the money is being spent on to show it is a fair increase in millage. Out tax revenue is growing but our growth is keeping us from coming out ahead; and more money will be needed to help fix our aging infrastructure in the future.
- Commissioner Kolody was not sure that a 3% cap on stormwater access is adequate. If it was based on the Consumer Price Index, it would be higher. He was also against raising the General Fund millage rate as he has voted against increasing it for the past two years. He wants to talk about items in the budget that he is not sure of and use possible savings to fund additional police and public safety. Like VM Sachs, he felt Rollbacks don't work but mainly due to inflation and challenges caused by both state and federal government regulations.
- Commissioner Hartman agreed with some of Commissioner Kolody's thoughts but stressed that today's meeting was to approve the Resolutions. The budget will be reviewed in detail at an August 19 special meeting. He thinks that funding for the 4.5 officers could be found elsewhere in the budget and does not support the increased millage rate for the General Operating Budget.

Before the vote, City Attorney Carrie Avallone told the Commission to keep in mind that since there were only three Commissioners present, City Charter 2.12 requires affirmative vote action of no less than three to pass a resolution /amendment.

**Resolution No. 27-21:** Consider the Adoption of a Resolution, which if adopted, would authorize the New Smyrna I & S 2005 Maximum Milage to be advertised as part of the 2021 TRIM Notice. **The motion to approve Resolution 27-21 was unanimous.**

**Resolution No. 28-21:** Consider the Adoption of a Resolution, which if adopted, would authorize the New Smyrna I & S 2018 Maximum Milage to be advertised as part of the 2021 TRIM Notice. **The motion to approve Resolution 28-21 was unanimous.**

**Resolution No. 29-21:** Consider the Adoption of a Resolution, which if adopted, would authorize the New Smyrna operating maximum millage to be advertised as part of the 2021 TRIM Notice. *The current millage rate of 3.7421 and **not** the proposed one of 3.8.99 was voted upon for approval.* **The motion to approve Resolution 29-21 was unanimous.**

**Resolution No. 30-21:** Consider the Adoption of a Resolution, which if adopted, would authorize the Stormwater Assessment of \$7.917 per month per equivalent residential unit, or \$95.00 annually, to be advertised as part of the TRIM Notice as a Non-Ad Valorem Special Assessment. (Note: Commercial properties are assessed based on the Equivalent Residential Unit (ERU) calculation performed for each parcel. This will provide for an estimated \$2,604,675 in FY2022 which is \$109,930 over the current year.) The motion to approve was made with a "for discussion" clause where it was asked if the 3% could be raised. The City Attorney responded that there is an "out" if you don't want to apply the annual adjustment as is stated in the Code.

**The motion to approve Resolution 30-21 was unanimous.**

**Commission Comments:**

Commissioner Hartman asked for an updated mask and vaccination policy for City buildings and staff due to the current spread of the COVID-19 Delta variant, preferably following CDC Guidelines (even though they do change). He also suggested researching how other cities are handling the issue currently. Commissioner Kolody agreed about looking into masks.

Commissioner Kolody stated we need to look long term regarding our millage rate and be careful that it doesn't "snowball" on us. This will be discussed at the August 19 budget meeting.