

Special City Commission Budget Workshop August 19, 2021

Meeting ONE Video can be viewed [here](#):

Mayor Owen and Vice Mayor Sachs were present along with all Commissioners. Mayor Owen explained that the meeting was called before the all-day Budget Workshop to vote on accepting a grant. Airport Manager Rhonda Walker explained that the municipal airport had met the qualifications for a federal grant under the Airport Rescue Grant Program. The grant of \$59,000 will help pay for operational expenses during the pandemic. Ms. Walker, who is retiring the end of August, was thanked for obtaining the grant as well as for her long service to the city. **The motion to approve the grant was approved unanimously and the meeting adjourned.**

Video of the special budget workshop and agenda can be viewed [here](#):

All Commissioners and Mayor Owen were present. It was stated that Commissioner McGuirk would be leaving at 10:45 and thanked all staff members for their hard work.

Public Participation:

The President of the NSB Residents' Coalition, stated that:

- the Coalition appreciates the management of the City's unprecedented growth by City staff (particularly the Development Services department).
- to ensure that effective management continues, KEY positions in Development Services need to be filled.
- many key staff are wearing "two hats" which may be compromising their ability to focus on the scale and complexity of current development.
- the budget should not be an excuse for staffing shortages.
- we are looking to our elected officials to approve a budget that allows effective and responsible management of development and protects the continued quality of life for all the City's citizens.

A representative from the Atlantic Center for the Arts, thanked the Commission for its continued support, adding that they submitted two requests. The first is to underwrite a second prize for Images that would be named after George and June Munson. She added that Images was ranked 16th in the nation for Fine Arts Festivals. The second request was to fund an Artist in Residency at the Leper-Schutz House, which is now on the National Registry. Artists work with residents to design creative solutions to environmental conservatism. This year, the resident is helping to produce a listening map of the Canaveral Seashore that will be posted on the National Park Service website.

A representative of the Canal St. Merchants, stated businesses are working on a proposal for monthly evening events, and they would appreciate any assistance from the city to ensure the safety of participants, such as better lighting and landscaping.

Representatives from the Reel Film Foundation and the Black Heritage Museum asked for the Commissioners' support of the Bridge Builder Series, a collaborative effort to introduce the community to new voices via directing and writing stories of relevance to Black heritage. The works, documentaries on lesser-known Black historical figures, will be presented during Black History Month.

Before the workshop began, Mayor Owen reminded everyone that this was the second time these departments presented their budgets, so this session was to look at what was tweaked/changed and not go through everything again. He also stated that the goal was to be exacting enough to lead to budgets that could be approved in September.

The City Manager recapped where the budget process stood. At the June 30th meeting, \$3.8 million in unfunded projects were prioritized. The top three were: \$265K for RR maintenance at the Mary Ave. crossing; \$360k for 4.5 police officers; and \$190k for 3 firefighters. A request to raise the millage rate 0.0778 (to 3.8199) to fund those projects was not approved at a [July 29 meeting](#) of the City Commission where tentative millage rates were set. Vice-Mayor Sachs asked if any of the money from the American Rescue Plan could be used to fund the three projects but was told that it might fund the public safety requests, but only for this year. This can be discussed at the September 14th meeting.

Note: For detailed presentations use highlighted links provided.

[Leisure Services Budget Presentation](#) - Director David Ray presented an overview of the 2021-22 FY Capital Budget requests, as well as the YTD 2020-21 budget for Leisure Services/Activities which included staffing, the City Gym, Brannon Center, Live Oak Center, Coronado Civic Center, and the Sports Complex. The total staffing increase will be for two part-time employees at the Sports Complex, bringing the total staff in this department to 20.5. The additional employees will offset the overtime cost when utilizing personnel from other departments during tournaments.

Sport Complex

- ✚ Retrofitting field lights to LED lighting - \$1,587,000 Note: using the lights we have now costs \$60 a minute. LED lights cost 60-70% of that
- ✚ New Irrigation Pump Station at Sports Complex - \$142,000. It is an unfunded project, but we need it as good turf is what brings tournaments back.
- ✚ Sandblast and repaint open bays as they are rusty- \$90,000.
- ✚ Regarding the pump station, the cost seems low. The pipes are so old, they couldn't handle the pressure of the new pumps.
- ✚ There was much discussion about the track. Its current condition is dangerous for athletes. It needs to be replaced, perhaps with an ECHO grant or other funding.

City Gym, new AC -\$75,000. The system is beyond repair and is already approved.

Skate Park Discussion Highlights:

- Expansion and renovation are still possible as ECHO funds are now available.
- New restrooms are needed.
- Commissioner Kolody suggested using Park Impact fees (\$233k), but Commissioner Hartman was against that since most of the fees came from our western developments, and a study had shown that parks are needed there.

The Brannon Center Discussion Highlights:

- The City lost \$345k in revenue last year due mainly due to Covid but also a changing market.
- Commissioner Kolody felt that we should look at having an outside agency run it.
- The City Manager will be presenting the Commission with some strategies for marketing and scheduling of fees.

Fire Department - Fire Chief Shawn Vandemark provided a brief history of the department's previous year and how the number of emergency calls increased. He added that his multi-educated staff has been invaluable during the pandemic.

The department's budgetary needs and capital improvement highlights:

- Engine replacement for Station 53 (airport) at the cost of \$550k for an 18-year-old engine, which will then go in reserve.
- Hire three entry-level firefighters as \$190k (includes benefits), saving us in overtime expenses. This is funded in the budget.
- A second ambulance with related equipment at a cost of \$33K (paid with impact fees). It would not be used daily but as a back-up when needed.

Discussion Highlights:

- Regarding the new fire engine, Commissioner Hartman asked about the options of funding it upfront or taking out a loan. The Chief responded that pre-funding is best (and prices are increasing). Long-term funding with a low interest rate is an option (using a 2015 loan).
- Questions about medical transport were asked. 10% of the cost for every response goes to the County. Right now, our collection rate is 48%, which is higher than average. The department collected \$640,414 from insurance companies, Medicare, and Medicaid, which exceeded the budget \$487,237. The Chief added that Public Safety typically doesn't make money, but in this instance and point in time, it is. Mayor Owen suggested we look at re-negotiating prices with insurance companies when current contracts expire.

Regarding the overall budget, Commissioner Kolody stated that the hiring of the 4.5 officers is a priority. He asked for cuts in other departments to pay for the request. Mayor Owen addressed this later, stating that every speaker today talked about our quality of life here, which is not the same as the standard or cost of living. New Smyrna Beach seems to balance both for the vast number of our citizens. Cuts made this year can lead to playing "Catch up" in the future.

Police Department Police Chief Mike Coffin presented the proposed budget for 2021-22. Even though our population has increased significantly since 2015, the number of serious crimes has decreased.

Notable points about the budget:

- 84% of the proposed budget is staffing and 16% is operating expenses. There is a need for 4.5 additional officers that are not included in the proposed budget, but all commissioners support the need for the request.
- Purchase of seven new hybrid patrol vehicles is requested at a cost of \$400K including all the equipment that comes in each vehicle. They have four old vehicles that are costing the city too much to maintain.
- The air conditioning unit at the headquarters has not been functioning properly for several years and is a health hazard. Replacement cost is approximately \$95k but there is a possibility that savings in the current year's budget in utilities and gas expenses might be enough to offset the cost, so it won't have to be included in the 2021-22 budget.

Maintenance Operations Budget: Director Faith Miller presented the budget for all nine divisions in this department. The city and its contractors are challenged to fill staff vacancies with qualified employees, particularly those that require a CDL license.

Discussion summaries:

- There are seven vehicles and other heavy equipment purchases requested across these divisions and Commissioners questioned whether some of these can be postponed one year to free up additional funds for police department staffing needs in 2021-22. The Commissioners decided to leave it to the City Manager to make cuts where he could since it is not possible to raise the millage rate at this time.
- Expense related to growth such as landfill fees (\$150K) are expected to increase, but increased revenue due to growth should offset costs.
- A new roof is needed to replace the existing 45-year-old roof but will be completed as part of the larger project of moving the Smith Street operations to the fleet maintenance building.
- Services provided in several divisions such as the marina and golf course incur processing charges for credit card use. Commissioners agreed that they might have to consider a credit card user fee but that would not be part of the current budget discussion.
- The Marina has a \$500k+ fund balance which can be used to pay for seawall repairs, a restroom upgrade (\$130k) and dock repairs (\$324k). The outgoing marina director reported that there is a waiting list of 500+ people to obtain a dock at the marina. Staff will be hiring a consultant to do a rate survey to determine if rates can be increased given the current demand.

Development Services Budget: Brian Fields presented an overview and budget of the four departments that make up Development Services: Building & Inspections, Code Enforcement, Planning, and Engineering which includes 33 positions. Some current priorities this year include the following:

- Improve the usage of the Energov software system
- Streamline the building permit process
- Increase customer service
- Update Land Development Regulations (parking, landscaping, tree protection, land uses, etc.)
- Implement historic preservation initiatives

Highlights of the Planning and Engineering Budget Overview:

- Proposed Budget - \$1,047,920
- Fill vacant positions
 - Director of Development Services
 - Senior Planner

Highlights of Building and Inspections Budget overview:

- Proposed Budget- \$4,298,360
 - Building- \$3,064,922 (will include four new positions)
 - Code Enforcement- \$499,906

Discussion Highlights:

- Vice Mayor Jason Sachs advised that the city is losing a lot of money with the Permit Fee Reduction Program. Mayor Owen remarked that FL statutes and the risk of subsequent lawsuits by builders prevent us from raising them at this time.
- Regarding finding qualified employees, Mayor Owen stated that growth means higher demand, so we need to make market rate adjustments in salary if we are to be competitive.
- Year to date, there have been 5800 permits issued which is above the average.
- Vice Mayor Jason Sachs asked if there had been any action on the part of the city since the Surfside Condominium collapse. A letter was sent to all owners of condos above 6 stories recommending that their building be inspected by a qualified structural engineer (a list of engineers was enclosed).

Information Technology: Director Thomas Farmer presented the department goals and an overview of the budget. Some of the key goals are:

- Emphasize cyber security,
- Increase remote back up & disaster recovery site
- Expand the fiber roadmap with the Utilities Commission.
- Upgrade to Office 365
- Increase bandwidth

Budget request is \$1,018,495 which includes a total of 5.5 positions.
Capital Outlay request is \$30,000 for a firewall upgrade replacement.

Discussion Highlights:

- The data center will be relocated west of I-95 due to the threat of storm surge at its present location.
- By partnering with the Utilities Commission for connecting all facilities with fiber, operating expenses will be lower.

Airport: Presented by Assistant Airport Manager, Adam LoBianco. The Municipal Airport's vision is "to promote economic development to make the Airport self-sufficient while promoting safety and ensuring security".

Discussion Highlights:

- The proposed budget includes 1 additional staff member for grounds maintenance.
- Overall, there is a proposed decrease in operating expenses through infrastructure efficiency gains and lower maintenance costs from new equipment. Also, revenue is forecasted to increase from recovering fuel sales, additional lease revenue and other sources.
- FAA and FDOT grants will provide most of the funding for the proposed \$3,540,000 Capital Improvement Projects budget.
- A breakdown of the proposed \$6,388,333 budget can be seen below:
 - Personnel- \$397,787
 - Operating Expenses- \$2,450,546
 - Capital Outlay: \$5,414,500 (Construction of a new Administration Building, Taxiway C Rehabilitation, T Hangar Removal and Terminal Apron Infill)
- Commissioner Sachs inquired whether the Airport Operator gets involved with any tenants that may be in arrears on rent or fuel. City Manager Khalid Resheidat

stated that those situations would eventually come to his attention through the Airport Operator.

- Mayor Owen stated that with the current Manager Rhonda Walker is retiring and he would like to keep the momentum she maintained with grant solicitation and maintaining contact with the FAA.
- Commissioner Sachs inquired whether there is a plan to track touch and go flights, to put tail ID cameras on runways, or any such flight tracking measure. Mr. LoBianco offered to put together a summary of the pros and cons.

Administration Budget: The proposed 2021-22FY Administration Budget presentation was given by Financial Director, Natalia Eckroth. The Administrative Services budget includes the Offices of the City Attorney, City Clerk, City Manager, Finance, Human Resources, Business & Economic Development/CRA and the City Commission.

The total proposed city budget is \$87,789,217 with \$2,331,220 for Capital Equipment and \$10,032,450 in Capital Improvement Projects.

Discussion Highlights:

- Salaries and benefits reflect a 3% increase for all employees (5% for salary <\$31,200).
- Staffing includes three new positions (a receptionist, a 2nd Capital Projects Manager and a Risk Manager)
- The City Manager’s office is now fully funded in the Administration budget (from Development Services).
- Commissioner Hartmann questioned the difference between contingency funds in the City Manager’s budget and reserves. Mayor Owen indicated that contingency funds can be used for unexpected expense that the Commission requests during the year.

Capital Projects (6:18/59min on video) Capital Improvements Project Manager Michelle Vallance highlighted the 2021-22FY Capital Projects budget requests.

The major projects included in the budget request are the following:

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| • Golf Course Pole Barn | \$13,450 | GF |
| • Golf Maintenance Building | \$29,000 | GF |
| • Sidewalk improvements in the Historic Westside | \$32,000 | GF |
| • 5th Street Bridge | \$1,920,000 | 2021 Loan |
| • Barracuda Bridge | \$3,000,000 | 2021 Loan |
| • Gateway I-95 | \$40,000 | GF |
| • Basketball Goal | \$10,000 | GF |
| • Barracuda BLVD | \$250,000 | 2021 Loan |
| • Old Fort Wall | \$900,000 | Grant |
| • Marina Dock Repairs | \$300,000 | Marina |
| • Marina Bathrooms | \$120,000 | Marina |
| • Maintenance Operations Relocation Plan | \$850,000 | 2021 Loan |

There are currently 31 active projects and if the budget is approved, there would be 9 new projects. The proposed funded capital is \$12,363,670 with \$10,032,450 of that amount designated for Capital Improvement Projects.

Discussion centered on the following comments, questions, and concerns:

- When asked if the skateboard park building was dangerously obsolete, Mayor Owen encouraged Commissioners to visit the building to observe the state of disrepair, particularly the restrooms.
- If there is a budget shortfall, funding can be reduced, or projects pushed to the future.
- The contract for Old Fort Park will come to the Commission for approval in Sept.
- Although EV charging stations are not included in the budget, the Commission discussed the need to explore what other communities are doing and move in that direction.

Special Requests (6:52/24 min. on video) All special requests for grants from organizations/projects such as Boys and Girls Clubs, IMAGES and the Atlantic Center for the Arts come to the Commission for approval. The total amount requested for Special Projects in the 2021-2022 Budget will be clarified at the next Budget hearings.

Discussion centered on the following:

- Mayor Owen asked how the \$35,000 grant for the homeless program was being spent. City Manager Resheidat replied that he will report on that when we have the second reading on the ordinance.
- Mayor Owen asked if proceeds from the sale of city-owned land can be used to fund one-time projects. Assistant City Manager Fields answered yes, it can.
- Mayor Owen verified that the new Compliance Officer position was funded in this budget. When a qualified person is found for the position. that person's primary responsibility will be to follow up with developers to ensure they are following all agreements.

Commission Comments

- Appreciation of everyone's efforts and a better understanding of issues. Staff did their job very well.
- The importance of keeping taxes down. However, costs are going up and maintenance should not be deferred.
- Mayor Owen welcomed feedback and suggestions from the staff on the budget process.
- City Manager Khalid Resheidat stated that staff would take into consideration the Commission's comments and concerns and go back to the drawing board.

Public Hearings on the Budget are scheduled at 5:30 on Sept. 15th and 6:30 on Sept. 28th.