

Special City Commission Workshop: FY2022-2023 Budget Overview

June 28,
2022

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

[Link to PowerPoint Presentation](#).

Commissioners Mike Kolody, Randy Hartman, Jake Sachs, Vice Mayor Jason McGuirk, and Mayor Russ Owen were present.

Public Participation:

A resident commented that more pickle board courts are needed especially during the summer as children are now using them and wait times are long.

Workshop: Finance Director Natalia Eckroth presented an overview of the FY 2022-2023 NSB Budget which is approximately \$15 million more than last year's budget:

- Citywide proposed budget is \$96,986,669
- General Fund proposed budget is \$38,000,199
- 2022 Tax Roll increase: (+14.15%)
- Taxable Value \mp Taxable new construction of \$109,824,973
- Added property value through annexation: \$964,474
- FY2022/23 proposed budget includes \$2,253,500 in capital equipment/vehicles & \$17,840,028 in capital outlay/projects which is higher than average due to using some ARPA funds
- Solid Waste Rate Increase needed to offset an operating loss from last year and future years

Employee wages were increased across the board in lieu of adding staff. This allowed the city to retain staff and attract the best people for the vacant positions. Union contracts were negotiated and accepted and will begin in October and remain in effect until September 2025 which helps budgeting for the next three years. Florida Health care costs increased 5%.

The current municipal millage rate is 3.7421 (and has been static for the past three years). The proposed millage is 3.9641 (an increase of 0.2220 or 5.93%). The final payment on the 2005 bond will be made in July 2024.

A solid waste increase is needed to offset operating losses, and three options were given with the most aggressive one recommended at a 20% increase in year 2 (FY 2022-23), and then a 4 % CPI (Consumer Price Index calculation for inflation) for years 3-5.

Department requests that are fully funded are the following:

- Capital Equipment at \$2,253,500
- Capital Outlay (ongoing projects and new ones) at 17,840,028

City Manager Kahlid Resheidat pointed out three items:

- The last increase for solid waste was in 2017. He will give more detail at the August 18th meeting about the staff suggestion of 20% for Waste Pros' increase.
- Contracts for police and fire have been negotiated and approved so money will be needed to cover this three-year agreement which will come from increased millage rates.
- The budget included \$500,000 to expand Fire Station 50, but the property next door has come up for sale at \$150,000 and has a house on it. We can put that \$500k back into the General Fund and purchase

the abutting parcel and remodel the house instead of expanding the fire station. The lower cost can come from fire response income.

A discussion followed with some of these comments/questions/concerns stated by the City Commissioners:

- Mayor Owen stated that we cannot continue to maintain the quality of life that residents expect without increasing the budget and/or the millage rate especially since there are wage increases across the board. The budget is still lean. He did question the staff's recommendation of a 20% budget increase for solid waste as that is a dramatic increase.
- Commissioner Kolody asked if the solid waste increase was figured in with the millage rate (it is not). Ms. Eckroth responded that the increase would equate to an almost \$5 a month more for households. Commissioner Kolody suggested that perhaps those who play pickle ball pay a fee like golfers to fund more courts. He will be looking at the budget very closely.
- Commissioner Sachs felt that a more reasonable millage rate could be found especially due to our property tax revenues going up 14% and getting ARPA money. Resheidat replied that due to wages being raised, having competition in getting good people, and having a high housing market, the budget is as lean as possible. He reminded Mr. Sachs that \$500,000 will be removed from the budget for the firehouse renovation. Mayor Owen added that we have a lean budget, and it will be difficult to look at the list and pick out one item and remove it from being a priority, but it cannot be staffing.
- Vice-Mayor McGuirk stated that wage increases make it challenging. Residents expect their quality of life to remain static or improve. He noted that we have had the lowest millage rate in the county for years, but now we need to raise it for not only salaries but also to be prepared for the "cold winds" that are coming when revenue slows down.
- Commissioner Hartman asked why the Barracuda 5th St. Bridge wasn't on the list to which Ms. Eckroth replied that \$3 million was budgeted for it for 2022 and it will be rolled over. Mr. Hartman also wanted to point out that the voters agreed it the Turnbull Creek bond, but the City never raised the millage to pay for it and absorbed the cost.

Next Budget meeting dates:

- JULY 26th: City Commission Budget Workshop Meeting to set Tentative General Fund Millage at the proposed 3.9641 and Debt Service Millage at the proposed 0.2176 and 0.1130
- August 18th: All day Department Budget Workshop
- September 14th & 27th: Public Hearings