

Special City Commission Budget Hearing
September 14, 2022
Video of the meeting and agenda can be found [here](#):

Vice-Mayor McGuirk, and Commissioners Kolody, Sachs were present. Mayor Owen arrived after the UC vote. Commissioner Hartman was excused.

This meeting was the first Public Hearing to move towards approval of the NSB FY2022-23 budget and set tentative millage rates. [PowerPoint Presentation](#).

Public Participation:

Two residents spoke regarding the Pickleball Club and its growth. The first thanked the Commissioners in helping make this happen, and that Pettis Park was re-adopted for the Club and will begin being refurbished. The second stated that the Pickleball Club hopes to bring revenue to the city as they expand and thought that the parcel on Glencoe would help them move toward that goal.

Ordinance 60-22. In accordance with the City Charter, the City Commission is responsible for approving the Annual Budget of the Utilities Commission. There was no discussion as the proposed budget had been heard earlier this year. The full budget can be seen [here](#). **The motion to approve Ordinance 60-22 was passed unanimously.**

Resolution 51-22 Consider the adoption of a Resolution that would set the I & S Debt Service 2005 Maximum Millage Rate at the tentative 0.2176 per \$1,000 assessed value which is required to meet the debt service principal and interest. **The motion to approve Resolution 51-22 was passed unanimously.**

Resolution 52-22. Consider the adoption of a Resolution that would set the I & S Debt Service 2018 Maximum Millage Rate at the tentative 0.1130 per \$1,000 assessed value which is required to meet the debt service principal and interest. Commissioner Kolody noted that if the city buys more property to preserve the Turnbull Creek Watershed, the future millage would be adjusted to meet repayment of principal and interest obligations. **The motion to approve Resolution 52-22 was passed unanimously.**

Resolution 54-22. Consider the adoption of a Resolution that would authorize a Stormwater Assessment of \$8.167 per month per equivalent residential unit or \$98.00 annually to be advertised as a non-ad valorem special assessment. Commercial properties are assessed based on the Equivalent Residential Unit (ERU) calculation performed for each parcel. **The motion to approve Resolution 54-22 was passed by a 3 to 1 vote with Owen, McGuirk, and Sachs voting, YES and Kolody voting, NO.**

Resolution 50-22. City Manager Khalid Resheidat first commented that this the most challenging budget the city has had due to the state mandated \$15 per hour and the three-year negotiated contract for the fire and police departments. Personnel costs as well as the increased costs for materials contributed to the increased city budget ofr FY 2022-23. Cuts were made and cost savings identified following the August 19th workshop.

Finance Director Natalia Ekroth gave an overview of the tentative budget and millage rate requested.

- The Total budget is \$97,857,842 (Ms. Ekroth noted that it's higher than last year's due to ARPA money.)
- Capital Outlay total is \$20,049,142
 - Equipment Outlay Requests is \$2,233,500
 - Capital Outlay Requests is \$17,815,642
- Tentative Citywide Proposed City Millage for FY2022-23 – 4.2806
 - General Fund Proposed Operating Millage – 3.9500 (reduced from the original 3.9641)
 - Debt Service 2005 Millage – 0.2176
 - Debt Service 2018 Millage – 0.1130

Ms. Ekroth noted that NSB will continue to have one of the lowest millage rates in the county.

The reading of Resolution 50-22. Consider the adoption of a Resolution that would set a tentative operating millage rate of 3.950 per \$1,000 assessed taxable value, of non-exempt assessed value for General Fund operations of the city for FY 2022-23 and be the Operating Maximum Millage Rate allowed.

- Mayor Owen noted that, if we go lower than the 3.950 millage rate, the Commission will have to specifically state what items are to be removed from the budget. The City Manager and staff have already made their recommendations. He felt that an increase is needed as cost of services has increased and the roll back rate has been adopted for the past three years. He added that he has not heard or read any negative comments from residents about this increase. Our residents have an expectation that the city's level of services will be maintained or improved. He also noted that we would still have the third lowest millage rate in the county.
- Commissioner Sachs said residents are hurting financially and he wanted to negotiate for a lower rate of 3.850. He asked how much less would be collected if the rate was 3.85. The City Manager responded that it would be approximately \$600,000. The Finance Director stated that for every \$1000 in assessed value, the city would only get about \$17 with the new rate.
- Commissioner Sachs questioned why, with all the growth and the unexpected ARPA funds, an increase in millage was needed. Mayor Owen interjected that ARPA funds can only be used for certain things and are a one-time use, but millage funds are needed for ongoing operations.
- Mr. Sachs asked about reserves to which the City Manager stated we have the minimum of 25% plus an extra \$5 million. The Commissioner asked if \$600,000 could be taken from the reserves, so the millage could be lower. That is possible, but it would have to be replenished to make sure NSB would have funds if hit with a disaster.
- Commissioner Kolody kept his same stance, saying the millage rate should stay the rollback rate as the city is getting more money every year due to new building, so money is coming in. He was with Sachs in that residents are getting hit with cost-of-living increases that do add up so he doesn't want to raise the millage this year.
- VM McGuirk weighed in saying "we have to stop kicking that can down the road" as the longer we hold out and don't increase the millage rate, the financial impact will be higher for those residents who need help the most. He also reiterated that residents expect a certain quality of life and services

Motion to approve Resolution 50-22 was passed by a 3 to 1 vote with Owen, McGuirk, and Sachs voting, YES and Kolody voting, NO.

Resolution 53-22. Consider the adoption of a Resolution that would set the tentative NSB Budget for Fiscal Year 2022-23.

Motion to approve Resolution 53-22 was passed unanimously.

Before the meeting ended, City Manager Resheidat wanted clarification of what his office needed to do before the final reading. Commissioners Sachs and Kolody will be in contact with him to discuss options.

Second Hearing and final vote on the FY2022-23 Budget is scheduled for 6:30 on Tuesday, Sept. 27th.