

Special City Commission Budget Workshop
August 18, 2022
Video of the meeting and agenda can be found [here](#):

Mayor Owen was absent. Vice-Mayor McGuirk chaired the meeting. Commissioners Kolody, Sachs, and Harman were present.

Public Participation:

The Director of the ACA thanked the Commission for their past support of Images and George and the June Mussen Award, and for supporting the Soundscape Field Station residency of an artist in partnership with the Canaveral National Seashore. A book will be published featuring a musical composition that can be downloaded on both the ACA and Canaveral National Seashore websites. The director asked for funding of another sound artist residency from Sweden.

A city resident requested using part of the \$2 million allocation for street paving on signs and striping for crosswalks between Flagler and 2nd Ave. He also asked about the city's plans for the property at 120 Flagler Ave. The City Manager responded that options will be presented at the next SP CC meeting on Aug. 30.

Workshop:

Leisure Services (10:11 on video counter). Director Rob Salazar gave an [overview presentation](#) of his department, stating first that they oversee the Alonzo "Babe" James Community Center, the City Gym; the Live Oak Cultural Center, Coronado Civic Center, and New Smyrna Beach Women's Club, the Brannon Civic Center; and the Sports Complex. The department's Vision is to "provide places and recreation for all people..." that promote health, well-being, community and the environment." The department has 22.25 staffing positions.

An overview of FY2022-23 proposed Leisure Services' budget for the three main divisions:

- **Recreation**- total of \$1,641,421 for personnel services and operating expenses, an increase of 22.5%. Capital Projects- \$120,000 with \$500,000 for the Skate Park from ARPA/ECHO grant.
- **Brannon Center/Live Oak/Coronado**- total \$630,878 for personnel services and operating expenses, an increase of 31.7%. It should be noted that the Brannon Center revenues thus far are \$178,783 which is 63.9% higher than last year. The total revenues of all three thus far are \$216,738 which is a record amount.
- **Sports Complex**-total of \$1,044,609 for personnel services and operating expenses, an increase of 7.4%. Capital equipment requests are \$535,000.

discussion highlights:

- Commissioner Kolody interjected that he is not in favor of raising the millage rate. Commissioner Sachs agreed in wanting to find more cost saving measures. Both felt this is not the time to add more on our residents due to inflation. Commissioner Hartman suggested they wait until all presentations are given before any more discussion on where they might make specific cuts. All agreed

Fire Department (30:30 on video counter). Fire Chief Shawn Vandemark provided a brief explanation of the three divisions of his department: fire and EMS services, medical transport, and emergency management which is the smallest part of the budget. He showed some department metrics from last year, stating our ambulance transferred 59% of calls to hospitals and operates at no cost to taxpayers. Calls have almost doubled in the last six years due to the city's westward expansion and annexations. The city renegotiated the Interlocal agreement with Volusia County this past year. Reimbursement from the County totaled \$631,775. The budgeted cost for FY 2022-23 is \$569,354,

Overview of FY 2022-23 proposed Fire Department budget requests:

- Vehicle replacement for long term either lease program or lease instead of \$600k at once.
- Added position for one full-time Training Chief at \$95,000 and make the part-time Fire Safety Administrator full-time which is highly recommended.
- Department will analyze the “need and cost return” for another ambulance.

The top four Capital Improvements requests:

- Replace Battalion Chief command vehicle with occupational accessories- \$90,000
- Purchase training captain vehicle- \$42,000
- Replace inspector vehicle-\$40,000
- Replace generator fuel tank- \$66,000

Discussion highlights:

- Commissioner Sachs asked about the costs of buying the property next to FS 53 and tearing down the house if decided to do so to which the Chief responded any money needed will come out of Impact fees as its “growth necessitated.”
- Commissioner Hartman asked about the generator fuel tank. They could change to natural gas as there is a line. They will investigate that option.
- Vice-Mayor McGuirk asked if transport really operates in the black to which the response was. yes, but the second ambulance will probably not make as much money. McGuirk asked if purchasing the replacement vehicles could be delayed due to currently high prices. The Chief responded that they could but cannot guarantee vehicle costs will be lower next year.

Police Department (1:02 on video counter) Police Chief Mike Coffin presented the proposed budget for FY 2022-23. The mission of the Police Department has always been to reduce crime and improve the quality of life in our city and they have been doing a good job of accomplishing this mission. Due to population increases from year to year, the number of calls for service have also increased significantly however the number of *serious* crimes has decreased 58% since 2016. The department has 79.5 FTE authorized staff positions. 13 full-time and 2 part-time positions are vacant.

New Smyrna Beach police officers cover more square miles and handle more calls per officer than larger surrounding cities. Since we have more large events with people coming from outside the city such as spring break, there are more demands for service to manage these events safely. The thousands of new building permits already issued will also lead to more demands for service. Since most of the new development is to the west of the city, there will undoubtedly be a need for a substation in that area in the future.

Overview of FY 2022-23 proposed budget requests:

- Capital Improvement requests:
 - 9 marked hybrid patrol vehicles- \$540,000. Nearly 1/2 of the vehicle fleet is 7 years old or older and the maintenance cost for these vehicles is much more than the value of the vehicles. They have 9 vehicles on order from last year but have no firm delivery date due to supply chain issues.
 - 2 unmarked vehicles -\$80,000.
- \$500,000 for a marine unit, to be funded by a FIND grant and Impact Fee Funds.
- \$75,000 to establish a cold case investigation department is requested to be funded by the Law Enforcement Trust Fund.

Notable points about the police department budget are as follows:

- There is a new demand for service from Volusia County Schools for law enforcement on five school campuses for active shooter drills a minimum of once per quarter and possibly once per month. There is no plan for staffing this service yet.
- They are planning to complete staffing from previous phases by adding 2 Watch Commanders, 2 Behavioral Health Specialists, 2 sergeants and 10 police officers. They

have been doing everything they can to recruit staff, but it is difficult to find people. Once they find qualified people it takes 6-8 months get them fully trained. The Impact Fee Fund would cover the cost of vehicles, uniforms, and equipment while the General Fund would cover the salaries and benefits.

Maintenance Department (2:04 on video counter) Director of Maintenance, David Ray presented the proposed budget for 2022-23. It is the mission of the Maintenance Operations Division to respond promptly to customer service concerns, safeguard the environment, protect the City's assets and public improvements, and to consistently respect the needs of our residents. They are responsible for maintaining the city's vehicles, equipment, buildings, and public spaces. The department has 67 staff positions and is requesting an additional position in administration; however, they also have 6 vacant positions.

Overview of FY 2022-23 budget request:

- Total budget for Administration- \$312,139
- Total budget for Maintenance-\$539, 625
- Total budget for Fleet- \$1,409,153
- Total budget for Parks- \$1,883,093
- Total budget for Streets- \$1,978, 039
- Total budget for Stormwater- \$1,467,940
- Total budget for Golf Course- \$1,074,902
- Total budget for Marina- \$401,789
- Total budget for Sanitation- \$9,284,514

Notable points about the Maintenance Department budget for 2022-23 are as follows:

- All nine divisions in this department will have increased personnel costs primarily due to union contract provisions previously approved. In addition, they are requesting to add an administrative position of Assistant Director of Maintenance Operations.
- Fuel costs have increased significantly due to the rising price of gas this year.
- More repairs are needed generally due to the age of facilities and vehicles and costs for these repairs have risen due to increased cost of supplies across the board.
- 5.5 miles of street resurfacing was completed during the current budget year and staff plans to continue that work with previously approved fund from the commission.
- They are researching solar panels for their storage buildings to save energy costs.
- Increases in landfill and recycling charges are expected but they don't know what they will be at this time.
- Capital repairs completed at the marina have enabled a decrease in operating costs.

Department of Development Services (2:30 on video counter). Assistant City Manager and Interim Director of Development Services, Ronald Neibert, gave a brief overview of the four departments that make up Development Services: Building & Inspections, Code Enforcement, Planning, and Engineering. There are 38 employees. The department had requested two additional positions but withdrew the request to help balance the budget. There are four vacant positions that need to be filled.

Overview of FY 2022-23 Budget Presentation:

- Total budget request- \$5.75 million (\$1.25 million from General Fund and \$4.5 million from the Building Fund which derives its revenues from building permit fees).
- Some Department Priorities
 - Create Standard Operating Procedures (SOP) for permit/application procedures.
 - Continue Land Development Regulation (LDR) updates
 - More educational information on website and offer stakeholder workshops
 - Complete a 5-Year Department Plan
 - Improvements in online permitting/application process

Discussion highlights:

- Commissioner Kolody asked if permit costs were included in fees and if the fees were adequate for the bigger projects. Mr. Neibert responded that the costs were adequate, and costs were well-covered. The City Manager jumped in, saying that a year ago, permit fees were reviewed and increased.
- Commissioner Sachs asked about the acceleration of permits to which Mr. Neibert responded that they take jobs in the order that they come in. Small jobs might look like they are expedited as they take a shorter time to process and review than do larger projects. Commissioner Sachs then asked if we should we be charging developers more in fees since it takes more time to look at their plans, and are there regulations that require us to complete permit and project review within a certain time? The City Attorney answered that there are statues that require review comments be completed within X number of days, or they are automatically approved. Permit fees we charge have been updated based upon the city time involved. Impact fees are different. We have less control of those.
- Vice-Mayor McGuirk stated they are getting complaints about permitting taking so long, but the question for the budget is how to streamline the process rather than increasing staff? They are working to streamline the process. McGuirk added that he wanted to make sure that they aren't just looking at the process but that they also have enough staffing. Sachs concurred.
- Commissioner Hartman reiterated that we cannot find experienced staff at our current salary levels, so we are forced to hire more expensive contractors to meet current obligations. This practice leads to a cycle that needs to be addressed. VM McGuirk agreed, adding that permitting needs to operate in a timelier manner for both residents and staff as "time is money". The city needs enough staff to reduce everyone's stress level.

Information Technology (IT) (Part 2 0:00 on video counter but cut off a few seconds of the beginning). Director of IT, Thomas Farmer, provided a brief list of FT 2023 Objectives which are basically the same as last year's, dealing with upgrading software, security, and replacing equipment. IT has seven staff positions.

Overview of FY 2022-23 Budget Presentation:

- Total budget request- \$1, 016,418.
- Notable difference in the request is due to subscription renewals as they are multiple-year ones so will cost more.
- Network Security Assessment that is done by an external auditor.
- Commission replacement equipment which happens every two years.
- Internet, Data Center, and city-use phone connection costs are now part of the IT budget.

Discussion:

- Commissioner Sachs asked about the status of the fiber optics/UC project to which Mr. Farmer responded that it was a work in progress and has had some parts issues. A second question centered around repurposing the Commissioners' equipment to which Mr. Farmer stated that laptops will be, but cell phones will not be. Good plans are available from the provider. Old phones may be kept as back-ups.

Airport (5:45 on video counter) The Interim Airport Manager, Arvin Weese, provided a brief overview of the airport which is over 700 acres, having 72 T-hangars, and three intersecting runways. The Garden Club, Skate Park, VFW, and Sports Complex are on its land. It is a public use facility that has no commercial service but has a myriad of primary uses ranging from corporate/business to tourism. There are six staff positions. He went over last year's accomplishments with some being the completion of Taxiway Charlie, the demolition of the WWII era T-Hangars B and C, noting there is still an apron that will be filled in, and completed T-Hangar H. There is currently a list of 100 waiting for hangar space. FDOT inspection was passed with flying colors.

Discussion highlights:

- Commissioner Sachs said that it's customary at some airports to charge fees for use. The City Manager responded that's one of the things he is asking our consultants to research. He added that the practice is not the norm for airports of our size. Sachs also asked if it were possible to put cameras at the end of runways to record tail numbers to see who's operating there? Mr. Weese stated that the airport started using a system last year that allows us to record the identification tail number to gather statistics. FDOT has stated that central Florida 50% of the world's pilots.
- Commissioner Hartman asked about the status of the Operations Building renovation. The City Manager stated the city identified more pressing projects especially regarding our infrastructure. The best location for the building is still in discussion. He anticipates it will be back on the schedule, for 2025.
- Commissioner Kolody asked what we were doing with tenants who are behind in rent with the response that they are working on the problem which has improved but still exists. Kolody stated we need to take a harder line on this.
- VM McGuirk, stated he knows some T-Hangars are being used for storage so how are we dealing with this problem? Mr. Weese replied that at present, one requirement is a valid registration showing ownership of an aircraft to be put on the waiting list. Inspections are completed on a regular basis and evictions are in process. The VM also asked where most of the income comes from. He wanted to know if the flight schools disproportionately use our airport (180,000 flights for 2021) and wants to ensure they are paying their fair share as relates to a solid business model? Mr. Weese advised that this information will be forthcoming.

Administration (34:00 on video counter) The proposed 2022-23FY 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 with staffing at 34 positions. Overview of FY 2022-23 Administration Budget requests:

Discussion highlights:

- At the mayor's request, salaries for City Attorney, City Manager and City Clerk for surrounding municipalities were obtained to see where NSB ranks, and the city is on the low end for all three positions. Based on this, the following recommendations are being made:
 - City Attorney salary increased to \$177,000-\$180,000
 - City Manager salary increased to \$185,000
 - City Clerk – this position is already budgeted for a 27% pay grade increase per initiated pay grades, so no additional increase is proposed.
 - Increases for the City Attorney and City Manager will be presented at the next City Commission meeting.

Capital Improvement Projects (1:18 on video counter). Todd Alexander, Capital Improvements Manager went over new and ongoing projects explaining what was needed and stressing that some costs have risen from previous requests.

Overview of FY 2022-23 Capital Outlay Budget requests which includes Capital Improvement Projects: \$17,815,642.

Highlights of proposed new projects and their funding include the following:

- Stormwater improvements \$2,175,000 (GF/SW/ARPA.)
- Turnbull Dredging \$ 500,000 (GF).
- City Road Resurfacing \$2,500,000 (ARPA).
- Fire Station 53 addition \$ 500,000 (GF).

- Pickle Ball Court – Paige Park \$ 500,000 (GF).
- Skate Park Expansion \$ 500,000 (GF/ECHO/ARPA).
- Sports Complex Track Resurfacing \$500,000 (ARPA).
- Sidewalk Replacement Ronnoc Lane/Mary Avenue \$93,614 (CDB).

Discussion highlights:

- Some items such as the 5th Street Bridge are not on the list. This is a current project with previously budgeted funds. The Commission would like to see a full current picture of all projects current and proposed.
- Consider reserve funds more than the requirements to be used for some items.
- Whether the Pickle Ball court could be funded from remaining impact fees.
- Whether there any ARPA funds that could be used for capital items or to reduce the milage.

Commissioners' Comments:

- Discussion was held on the overall millage increase, with some consensus that an increase is unavoidable but that each department should do their best to reduce any non-essentials.
- Commissioner Kolody suggested possible areas to reduce or defer items should not come from salaries, but possibly reducing the scale of the pickle ball courts or deferring items that might get an ECHO grant in the next cycle.
- Commissioner Hartman stated that reserve accounts only require 25% and have been overfunded, so some funds could possibly be reallocated.
- Commissioner Hartman also suggested looking at the bank charges paid to see if some could be charged as a convenience fee for using a credit card, rather than being absorbed by taxpayers.
- Look into fleet management funding, to lease and fund so new vehicles are already built into the budget. Will all requested new vehicles even be available this year?
- VM McGuirk stated that 70% voters said they wanted the pay to increase, so the millage was going to have to come up this budget. He doesn't want to gut the budget and kick other needs down the road just to avoid raising the millage.
- City Manager Khalid Resheidat stated that staff would look at ARPA, ECHO, and the General Reserves as a last resort to reduce the overall budget wherever they can and present an updated budget to the Commission prior to the Public Hearings.

Public Hearings on the Budget are scheduled at 5:00 on Sept. 14th and 6:30 on Sept. 27th.