

**SPECIAL CITY COMMISSION BUDGET WORKSHOP**  
**August 17, 2023**  
**Video and agenda ([Part 1](#)) and ([Part 2](#))**

Vice mayor Hartman, and Commissioners Martin and Perrine were present. VM Hartman opened the meeting. Mayor Cleveland and Commissioner McGuirk arrived late.

**PUBLIC PARTICIPATION**

The director of the Community Arts for the ACA thanked the Commissioners for last year's support. She hopes they will continue by supporting two more soundscape artists, who are also environmental conservationists in 2024.

**Maintenance Operations** (4:00 on video counter, part 1) **First presentation: NSB Fleet Department** Assistant Director, Kevin Brinkley, gave an overview of the Fleet Division. The fleet has over 400 "assets" and are designated: white (maintenance trucks), police, fire, small equipment (lawnmowers, etc.), heavy equipment (dump trucks etc.), and infrastructure (fuel tanks, pumps, trailers, etc.).

Regarding the replacement, the department looks at the age in years vs. industry average and cost to maintain. When maintenance is over 50% of value, the cost to maintain is over the cost to replace. For the FY 2023-24 Budget, 41 assets need replacement totaling \$6,790,310 with \$1,103,180 coming from the General Fund. (See Slide 16)

Mr. Brinkley ended by asking the Commissioners to consider two future programs that the division wants to start in the future:

- To adopt an official asset replacement standard that would ensure safe equipment, optimal life cycle and minimal disruption of service.
- To designate a fleet replacement allocation fund by selling old vehicles and putting that money into a fund to buy new ones at their discretion. He thought they would be able to begin it with \$830,000 next year.

**Discussion Highlights:**

- Vice mayor Hartman asked if we use industry standards to which Mr. Brinkley responded that it was but tweaked a bit due to our beach location. VM Hartman liked the idea of the allocation fund and wanted to discuss it before December to get it started ASAP.
- Mayor Cleveland asked about the feasibility of having one motor pool to which Mr. Brinkley replied that they were, in fact, looking at this idea and will get back to him.

**NOTE:** A **lengthy** discussion occurred in between presentations regarding how the workshop would proceed and its goals. A few discussion highlights are as follows:

- An increase in millage will be necessary. City Manager Resheidat stated specific cuts will need to be made by the end of this meeting, so he can meet with the department heads to see how to manage them.
- Mayor Cleveland stated that knowing what the optimal quotient (what we need) is vs the structural need (money needed for prior commitments) would be helpful in making decisions. The City Manager will look at what can be moved from the General Fund. Commissioner Perrine stated that she thought close to \$3 million could be moved from our surplus reserve (minimum must be 25% of the GF). Note: The excess is to be ready for a disaster like a direct hurricane hit.

- It was clarified that any grants we get must be approved prior to the work being done, or we will not get reimbursed.

**Maintenance Operations (1:11 on video counter, part 1)** Director David Ray gave an overview of his department's 2023-24FY Budget requests which includes eight divisions with 46 employees. He explained that they have been working on such items as storm readiness (planning/new equipment), streets and sidewalks, Flagler and Canal lighting, transitioning to GIS software, and vehicle life cycle/replacement as well as preparing to move into the new Operations building.

Overview of 2023-24FY budgetary requests:

- Administration – \$457,017
- Facilities Division - \$598,225
- Parks - \$2,265,797
- Streets Division - \$2,453,569
- Storm Water Division - \$8,499,120 (Revenues- \$8,499,120)
- Capital Projects - \$1,777,200
- Fleet Division – \$1,528,697
- Sanitation Division - \$9,750,210 (Revenues - \$9,825,182)

Discussion Highlights:

Commissioner Martin asked how many miles of roads need to be resurfaced. Mr. Ray stated that is based on the PCI (Pavement Condition Index) which is roughly 13-18 miles per year; however, it needs to be updated. She also asked if the Spider would be totally operational next hurricane, which it should be. Asking about the Smith St. station, when vacated by the department, Mr. Resheidat answered that it will be sold or leased depending on what the Commission wants to do. She ended stating that she would like to see metrics on the maintenance of city buildings. Director Ray responded that this it is a goal this year to complete a life-cycle plan of our facilities.

**Fire Department (1:45 on video counter, part 1)** Fire Chief Shawn Vandemark provided a brief history of the department's previous year regarding Fire and ER Services, Medical Transport, and ER Management which make up the three divisions of the Fire Department with a staff of 56 full-time employees.

Overview of 2023-24FY budgetary requests:

- Total Budget - \$8,821,366
- Three fire apparatus - \$3,640,581
  - 10-year loan
  - Request will avoid 2026/2027 EPA mandated price increase \$800,000 savings over the three vehicles.
  - Impact fees will be leveraged to offset the first two annual installments.
  - Note: It takes 40 months from an order to delivery which complicates this, and we need three trucks due to age and growth. Right now, we are borrowing one from Deland.
- Create training/health and safety chief position.
  - \$137,000 with all benefits
  - \$77K- equipment/vehicle (from Impact Fees)

#### Discussion Highlights:

- Vice mayor Hartman asked if we could get by with one 107' ladder truck to which the Chief responded yes, but not ideal as we now have buildings over three stories both on the beachside and in Venetian Bay. He asked about spending \$40,000 to maintain hydrants which will be looked at more closely and will talk to UC.
- Mayor Cleveland asked why we need three trucks in one year as one wouldn't be a problem. Mr. Brinkley responded that a vehicle replacement program will see that does not happen in the future. Mayor Cleveland also asked why there were pest control and landscaping amounts listed, with Mr. Ray clarifying those are funds each department allocates for the service. The mayor feels this isn't the best practice for the city.
- Commissioners Martin and Perrine asked if we could use the excess from the GF reserve for this. The answer was "yes".

**Police Department (2:20 on video counter, part 1)** Chief Eric Feldman focused on what the department needs to execute part of Phase 4 of the strategic plan, discussed in previous meetings. Due to a 26% increase in the calls for service over the last four years there is still a need for more staffing. The initiatives that will be undertaken are increased visibility of police officers generally and for special events, increased ability to perform search and rescue and being more proactive in all areas of policing including marine, crime deterrence and reducing aggressive driving.

#### Notable 2023-24FY budgetary item requests:

- Two additional watch commanders, one sergeant and two officers for a cost of \$724,000 including benefits.
- Two additional civilian positions costing \$123,000 including benefits, split between the General Fund and the Parking Fund
- Five patrol vehicles for \$325,000
- Eight replacement vehicles (reduced from 10) for \$520,000.
- Replacement of the MRAP with a Lenco armored high water rescue vehicle for \$350,000 (If this vehicle is purchased, an additional 3500SF of space must be added to the PD building for storage.)

#### Discussion Highlights:

- Commissioner Perrine inquired if the staffing could be done gradually over the course of the year and Chief Feldman indicated that this is usually the natural course of things. Recruiting is a slow process and recruits first must complete the academy before they can be hired.
- Mayor Cleveland asked if the \$50,000 for body camera technology is needed in this budget, and Chief Feldman explained that improvements in technology and the functionality of the cameras are needed.

**Information Technology Department (2:47 on video counter, part 1)** Director Thomas Farmer stated the proposed budget is only a .6% increase over the 2022-23 budget. Requests include:

- A new position of Security Analyst is needed for a cost of \$75,000. The state legislature adopted House Bill 7055 which requires high cybersecurity standards, including annual training for all users, the use of best practices in the industry and constant evaluation of the City's information systems. Reporting of high severity security incidents to the state is required.

- Tyler Cybersecurity at a cost of \$50,000 is needed again this year as it performs vulnerability assessments of the city's software on a regular basis. Discussion Highlights:
- Mayor Cleveland is not in favor of any new positions except in public safety. He also asked if the Tyler Cybersecurity software could be postponed.
- Commissioner Martin stated that there have been many cases in government and business of ransomware attacks. We must protect our system, for one attack would cost much more than the cost of the software.

**Development Services (8:30 on video counter, part 2)** Director of Development Services Shane Corbin presented an overview of the budget requests for his department, which currently has 39 employees. They are currently interviewing for a compliance officer (funded last year) who will review PUD's/other developments to verify compliance.

Overview of 2023-24FY budgetary requests:

Overall budget for	<u>Planning &amp; Engineering</u>	<u>Building</u>
➤ Personnel Services	\$1,955,993	\$1,203,960
➤ Operating Expenses	\$2,356,943	\$297,789
➤ Code Enforcement	-----	\$616,313
<b>Total</b>	<b>\$4,429,249</b>	<b>\$1,501,749</b>

Trends:

- New building permits are down (8,690 to 4,332)
- A special magistrate is handling more code enforcement complaints when they aren't resolved through voluntary compliance.

Discussion Highlights:

- Commissioner McGuirk inquired about permit processing turnaround. Basic permits are processed within 3 days and larger projects within 2-3 weeks.
- Commissioner Martin asked how they decide whether to use a magistrate. The Code Enforcement board is used mostly for one-time offenses that are relatively minor. The Magistrate takes faster action and is less lenient, so if the offense is more serious or habitual, they are used even though there is additional expense to using the magistrate. She also asked what avenues they were finding for monitoring short-term rental compliance with the response being that one consideration would be utilizing an outside company for this.
- Commissioner Perrine asked if they are working to improve or outsource to be more efficient. Director Corbin stated that his department is picking up on past projects that were started but need completion, such as rewriting the landscaping code to include green measures, a PUD rewrite, and generally flagging outdated codes to get those updated.
- Mayor Cleveland wants to see barriers lowered for the approval of new businesses as much as possible.

**Capital Projects (44.21 on video counter, part 2).** Director Jesse Kobe stated that he had only been on the job for 30 days but presented the following FY2023-2024 projects:

- Fire Station 50 addition \$500,000 funded by fire impact fees
- Brannon Center Pier \$561,450
- Pine Island dredging project \$1,628,228
- Turnbull \$1,628,228 - 75% funded by a stormwater grant
- 27<sup>th</sup> ADA Ramp and Boardwalk \$998,500

- Women's Club \$750,000
- AOB N Causeway Boat Ramps Phase 1, \$1,120,000.

Discussion Highlights:

- More information on the Brannon Center Pier funding is needed in order to decide how to proceed. What will the insurance and FEMA reimbursements be?
- Know where the funding is coming from before starting new projects.
- What are the consequences of idling anything in the design phase. Most projects have grants, and we would lose or pay back that money if those projects were delayed or eliminated. We could put Pine Island on hold until we get a grant. The only projects that could be eliminated is the \$500,000 for the Pickleball courts and the Skate Park. Pickleball is the only group that has given the city money. We can pull items that we don't have funding for.
- Clarification is needed on the dollar discrepancies between Mr. Kobe's report and the City Manager's report. The City Manager said he will check with staff.

**Airport (1:51 on video counter, part 2)** Airport Manager Arvin Weese gave the budget presentation noting they are self-funded, receiving revenues from users of the facilities as well as FDOT and FAA from taxes on aviation fuel and other products. The Airport has six employees and had previously asked for an additional administrator, but they also have very limited office space so for now they are taking a process improvement approach.

Overview of 2023-24FY Airport Budget Presentation:

- Total budget/revenue for the airport - \$7,800,318
  - Personnel Services - \$534,748
  - Operating Expenses- \$2,841,820
  - Capital Outlay - \$4,423,750
- Lease revenue has increased due to market adjustments.
- Capital improvement projects include reconstructing taxiway alpha and equipment enhancements, which is 98% funded with 2% matching funds.
- They are delaying some of the work on the T-Hangar work until next year when more funds from FDOT will be available.
- Funds are being requested to host the NSB Skyfest, April 5-7, 2024.

Discussion Highlights:

- Commissioner Hartman asked whether the designs done previously for a new administrative building could still be used to which Director Weese responded that they want to change the location of the building and have room for future growth and functionality.
- Commissioner Perrine asked about the purpose of the operating reserve to which the Director responded is 15% of the annual operating budget for the airport and is used to take care of capital equipment.

**Leisure Services (2:17 on video counter, part 2)** Director Rob Salazar presented an overview of the 2023-24FY Budget stressing the need for additional staffing, proposing the addition of a part time FTE Event Specialist to work special events; a part time FTE Grounds Maintenance Worker and a full time Equipment Operator for maintenance at the golf course and sports complex for a total cost, including salary and benefits of \$109,027. He also shared that there will be increases in fees for the golf course, Brannon Center and marina based on the CPI.

An overview of FY2022-23 proposed Leisure Services Budget:

- **Capital Equipment** – \$99,704
- **Capital Improvements**
  - Paige Pickle Ball Complex - \$374,000
  - Skate Park expansion and improvements - \$376,225 with \$250,000 ECHO grant and \$250,000 ARPA reimbursements
  - Pettis and Rocco Park improvements - \$300,000
  - Note: Mr. Salazar stated that he didn't think the Detweiler Park optimization study would be needed.
- **Recreation** – \$1,145,701 for personnel and operating expenses, an increase of 6.18%.
- **Brannon Center/Live Oak/Coronado** – \$745,411 for personnel services and operating expenses, an increase of 16.13%.
- **Sports Complex** – \$2,274,874 for personnel services and operating expenses, an increase of 9.52%.

Discussion Highlights:

- Commissioner Perrine commented that before we add more courts, we should maintain what we have. She asked if we have compared rates with other marinas. Staff replied that those comparisons had been made.
- Commissioner Martin observed that she sees items duplicated in the budget (in Leisure Services and Fleet.) The City Manager responded that they will be removed from one of the requests.
- Vice-Mayor Hartman asked if there is a guarantee on the courts. He also stated that the bathrooms at Pettis aren't in good shape according to the pickleballers. He asked if there is any record keeping on the usage of the parks. Mr. Salazar responded that they could install a turnstile.
- Mayor Cleveland stated that it's painful to spend money on parks if people aren't coming. Why are we going all the way down to the base to replace courts? Staff replied that Pettis was a grant that didn't allow the sub-base to be redone in 2017-2018. This current project is not removing the sub-base, it's compacting it. Rain gets under the base and causes it to move. The Mayor also stated that he is not in favor of staffing increases other than for safety and legal.

**Administrative Services (2:55 on video counter, part 2)** The proposed 2023-24FY Administration Budget presentation was given by Financial Director, Natalia Eckroth. The Administrative Services includes the Offices of the City Commission, City Manager, City Attorney, City Clerk, Finance, Human Resources, and Business & Economic Development. There are currently 36 employees, with two new positions, an Assistant City Attorney and a budget analyst, being requested due to the workload.

Overview of the 2023-24FY budgetary requests:

Budgeted expenses for	Personnel	Operating Expenses
➢ City Commission	\$233,169	\$40,883
➢ City Manager	\$1,037,485	\$246,759
➢ City Attorney	\$677,027	\$50,854
➢ City Clerk	\$284,597	\$255,805
➢ Finance	\$981,224	\$314,872
➢ Human Resources	\$362,662	\$214,988
➢ Bus & Econ Dev	\$252,903	\$395,795
<b>TOTAL</b>	<b>\$3,829,067</b>	<b>\$1,519,956</b>

- The City Manager's budget reflects an increase in operating expenses due to mailouts requested by the City Commission.
- Business & Economic Dev budget has a significant decrease in operating expenses with the completion of the Brown Field project.

Discussion Highlights:

- Commissioner Hartman believes information is getting to the community and recommends striking an increase under the City Manager's operating expenses as it could save \$150,000. Mayor Cleveland countered that a significant percent of our residents aren't online and believes we need other ways of communicating with them besides the website.
- Commissioner Perrine recommended that the operating expense increase be used for the process of recruiting a City Manager. She would also like to see memberships and subscriptions as well as cell phone usage costs to be accounted for in all departments.

**Commission Comments (3:08 on video counter, part 2)** Note: Commissioner McGuirk was not in attendance.

- *Hiring of a cyber security analyst, an assistant attorney, and some maintenance staff.* All agreed that the cyber security analyst is necessary. Commissioners Martin and Perrine support hiring of an assistant attorney if shared with the Police department or full time on the police budget. Mayor Cleveland supports all but the hiring of additional maintenance personnel. VM Hartman approves hiring all due to the maintenance shortage discussed a few months ago.
- *Acquisition of the Spider* – The City Manager feels we can delay this as we are not ready to totally utilize it yet due to staff shortage and training.
- *Acquisition of the BETA Evaluation system the Fire Department* requested for \$4500 Mayor Cleveland wasn't onboard, and wanted to know why all staff wasn't being evaluated as that is Best Practices. It was decided to table this program for a year.
- *Capital Projects not yet funded.* Mayor Cleveland and Commissioner McGuirk want larger projects delayed. The Pine Island dredging, pickleball courts (\$250,000) and Skate Park (\$500,000 and possible ECHO grant) were discussed as being the only projects to cut but they are small, so there was no consensus was reached.
- *Collaborating with First Step in Daytona Beach.* The Police Department is looking for tools to help with our homeless problem. If the Commission wants begin an agreement with First Step, the police chief will find the money in the budget for it and come back with the information on Sept. 12th. There was no objection.
- *The mailing of Promotional Items.* Only the Mayor disagreed to doing this.
- *The purchase of fire trucks.* NSB Financial Advisor, Mr. Mark Galvin explained that a 10-year loan was the best, for interest would be 5% or under, the debt service would be approximately \$470,000. The Fire Chief added that we would need to have the money to create the PO, and pre-funding them would save \$366,000. The City Manager stated that he can issue a PO from the General Fund cash reserve on the condition that the money is paid back when the loan is acquired. There was consensus to do this. Commissioner Perrine added that we need to start the fleet allocation replacement fund immediately, so this doesn't happen again.
- *Commissioners Perrine and Martin* reiterated that unfunded projects should be tabled.
- *Vice mayor Hartman* stated that he doesn't support the highest millage levy and would like to see the increase under 10%.
- *Mayor Cleveland* closed by adding we will need to find money for the City Manager's search.