

**CITY COMMISSION SPECIAL MEETING and FIRST PUBLIC HEARING**  
**September 13, 2023**

***Video of the meeting and Agenda Packet can be found [HERE](#).***

(Note: Meeting starts at 4:20 on counter)

Mayor Cleveland, Vice Mayor Hartman and Commissioners Martin, Perrine and McGuirk were all present.

**PUBLIC PARTICIPATION: None**

**Ordinance 64-23.** NSN Utilities Commission CFO, Efren Chavez, gave a brief summary on the 2023-24FY Utilities Commission Budget which includes all expenditures and proposed capital improvements, as well as revenue projections based on actual historical consumption data, rates and fees. The anticipated revenue (from electric, water, and reclamation) will be \$87,318,750 of which \$24,000,000 will be for CPI (they budget more than needed upfront) and \$64,000,000 for expenses. He anticipated the 10-year Capital Budget (a long-term projection is necessary for the continued reliability and sustainability of NSBU's infrastructure) at \$231,000,000. He went on to explain that this is a slight increase from last year and the CPI accounts for 27% of the revenue.

Commissioner Martin asked how we reconcile budgetary needs and trying to "go green" to reduce usage for environmental concerns. Mr. Chavez responded that they do look at conservation, and it is included in projections. He noted that for the past five years, individual consumption has decreased. Weather extremes, like the abnormally hot summer this year, are also included in the forecast. Electrical usage is a continual balancing act.

**The reading of Ordinance 64-23.** In accordance with the City Charter Section 217, the City Commission is responsible for approving the Annual Budget of the Utilities Commission. The Utilities Commission, therefore, submitted to the City Commission for approval, the First Reading of its proposed annual budget for the Fiscal Year October 1, 2023, through September 30, 2024. **Motion to approve Ordinance 64-23 was passed unanimously.**

**Resolution 46-23.** Finance Director Natalia Eckroth gave an overview of the changes made to the NSB 2023-24FY budget following the August workshop. The revised budget decreases the tentative ad valorem millage rate to 4.4150. The total millage, including 0.01900 for the 2005 Debt Service and 0.0990 for the 2018 Debt Service, will be 4.7040. Even though the millage increased 9.89% over last year, the annual budget was decreased 12% (approximately \$9,000,000) to \$111,308,920 from the first estimate given in [June](#). The new millage rate will increase taxes for a median home valued at \$525,000 \$223 per year on average.

Significant changes in the NSB 2023-24FY Budget include the following:

- Decreases
  - City Manager's Budget - \$161,000 to \$10,000 (information mailings stopped)
  - General Fund – Flagler Lights \$574,200 to be taken from GF Reserve

- Increases
  - Two new Police Lieutenant positions – Originally Proposed to be \$276,215; Changed to \$322,126 to include benefits.
  - Two new Police Mental Health positions - Proposed to be \$146,006; Changed to \$188,769 (Note: Two were just hired and salary was higher than expected.)
  - Liability Insurance - Proposed at \$852,823; changed to \$1,253,160 change was based on the latest estimated quote received from Florida Municipal Ins. Trust (storms were a factor in increase)
  - Fleet Schedule Replacement Program – increased \$700,000 (A new program that was suggested last month by Maintenance Operations Director David Ray.)
  - Brannon Center Pier – Proposed at \$180,000; Changed to \$561,480

City Manager Khalid Resheidat added that structured increases that we cannot control due to past commitments totaled 7.31% of the 9.89 % increase. All new position requests were eliminated from this budget except for Police (will have 50% shared time with an attorney), Fire, IT (cyber security), and Finance (budget analyst).

#### Discussion Highlights:

- Vice Mayor Hartman questioned the Police Lieutenant increase. Chief Feldman replied that it included an extra 20 days of overtime **if needed** as position is salaried, so it's incorporated as a benefit similar to Fire Battalion Chiefs. He also asked about the increase in the Brannon Pier to which the CM Resheidat replied that they first thought it could be repaired, but it has to be replaced, adding that they may get FEMA funding for it and will wait until we get it in writing before beginning its replacement.
- Commissioner McGuirk felt the budget was challenging with many increases out of our control but was glad to see some suggestions were taken to decrease it. Only concern was the cost of Flagler lights now coming from GR Reserve.
- Commissioner Martin asked how we could get more money from visitors to help with the beachside upkeep, so it doesn't come out of property taxes.
- Commissioner Perrine agreed with Commissioner Martin in trying to find more ways to collect revenue, maybe by raising mobility and impact fees. The City Manager and City Attorney clarified that impact fees were just raised in 2020 and have to follow State Statutes regarding both the 25% limit on monetary increases and the 5-year time lapse between increases. Commissioner Perrine ended saying automatic annual CPI increases need to be addressed to which the City Manager said they will be at the final budget meeting on September 26<sup>th</sup>.
- Mayor Cleveland asked how much damage was done by the cuts and what the plan is to bring in new businesses, so our commercial tax base goes up and the residents' go down. CM Resheidat responded that only response time will be affected by the cuts and not overall service. He feels the planned development south and west of I-95 will bring in business if it is pad ready. He thinks this development could lead us to have the best Industrial Park in the county. Mayor Cleveland thinks we also need new processes that will streamline procedures. CM

Resheidat agreed and that we are doing this, but things out of our control like Covid and last year's storms have set us back.

- All Commissioners thanked the City Manager, Finance Director, and Department Heads for working so hard to decrease the budget.

**The reading of Resolution 46-23.** Consider the adoption of a Resolution, if adopted, would make the tentative operating millage rate of 4.4150 per \$1,000 assessed taxable value, of non-exempt assessed value for General Fund operations of the city for FY 2023-24 and be the Operating Maximum Millage Rate allowed. **Motion to approve Resolution 46-23 was passed unanimously.**

**III. C Resolution 47-23.** Consider the adoption of a Resolution, if adopted, would make the I & S Debt Service 2005 Maximum Millage Rate at the tentative 0.1900 per \$1,000 assessed value which is required to meet the debt service principal and interest. **Motion to approve Resolution 47-23 was passed unanimously.**

**III. D Resolution 48-23.** Consider the adoption of a Resolution, if adopted, would make the I & S Debt Service 2018 Maximum Millage Rate at the tentative 0.0990 per \$1,000 assessed value which is required to meet the debt service principal and interest. **Motion to approve Resolution 48-23 was passed unanimously.**

**III. E. Resolution 49-23.** Consider the adoption of a Resolution, if adopted, would set the tentative NSB Budget for Fiscal Year 2023-24. **Motion to approve Resolution 49-23 was passed unanimously.**

**III. F. Resolution 50-23.** Consider the adoption of a Resolution, if adopted, would authorize the Stormwater Assessment of \$8.417 per month per equivalent residential unit or \$101.00 annually to be advertised as part of the TRIM notice as a non-ad valorem special assessment. **Motion to approve Resolution 50-23 was passed unanimously.**

**The Second Public Hearing of the NS2023-24FY Budget will be September 26<sup>th</sup> at 6:30 in the Commission Chambers.**