

**CITY COMMISSION SPECIAL MEETING and FIRST PUBLIC HEARING**  
**September 11, 2023**  
**Video and Agenda Packet with PPT can be found [HERE](#):**

Commissioners Martin, McGuirk, and Hartman, Vice Mayor Perrine and Mayor Cleveland were all present. (Note: Meeting starts at 10:25 on counter.)

**PUBLIC PARTICIPATION**

- One resident mentioned that she has lived here a year, and her tax bill went up \$1000. The Mayor asked her to leave her contact information.
- One observed an increase in staffing of 10.5 positions, yet the budget went down, and hoped they were in the proper areas. Even though NSB has the 4<sup>th</sup> lowest millage in the County, we seem to be growing the fastest.
- One resident requested that this administration look at 5-6 year trends regarding salaries/benefits and their costs that would illuminate our growth and have that available in the packet for the next hearing, She would also like to know what specifics are in the benefit's column and identify the new 10.5 positions.

One change to the agenda was to have Utilities Commission CEO Efron Chavez present the UC budget first. Mr. Chavez stated that this was their first reading so will just have some updates. Their Capital budgets are 10-year rolling ones while Operation and Maintenance are 5-year. Profit was approximately \$83.4 million in revenues from electricity, water, and reclamation. Expenses were slightly higher due to increased cost for chemicals and materials but were factored into the previous budget. Capital Improvements are estimated to cost \$287 million, which is slightly higher due to an increase in initiatives. He also noted that there have been adjusted timings for them as they are always monitoring progress for their customers.

**The reading of Ordinance 64-24.** Conduct the First Reading and Public Hearing of an ordinance, which if adopted upon the Second reading would approve the proposed annual budget of the Utilities Commission for the fiscal year October 1, 2024, through September 30, 2025. **Motion to approve Ordinance 64-23 was passed unanimously.**

**SPECIAL MEETING**

New Finance Director Ms. Sheliza Bhola presented the proposed FY2024-25 budget and millage rates. They took the Commissioners' recommendations from the August workshop and made some adjustments after speaking with department heads. The overview is below:

**Tentative Citywide Proposed Millage**

- Operating Millage - 4.6370 (last year's amount of 4.415 plus 0.222).
- 2018 Voted Debt Millage - 0.0895
- Total - 4.7265

In comparison of the other 16 cities, we are now fourth from the bottom.

**Overall Budget - \$136,917,060**

- Capital Equipment - \$3,248,300
- Capital Outlay/Projects - \$29,746,796

## **Salaries and Benefits**

- 10.5 new positions (10 firefighter which CM Cowper later pointed out were for ambulatory services which will pay for themselves; PT, HR); 6 re-classifications
- 3% salary increase (per contract)
- 3.6% increase for FL Health Care and 7.8% for BC/BS

The Director went over several major changes with one being updated Ad Valorem tax revenues which increased \$651,778 to \$29,256,187. The General Fund Reserves also increased to \$321,000. See PPT for specific line item decreases and increases.

## **Discussion Highlights:**

Commissioner McGuirk was pleased the millage rate remained low but noted the increases in the past two years. He noted that city residents have changed from years past when the city was basically blue collar, and they expect more services and amenities to which many are ok paying taxes for them. We need to figure out how to accommodate everyone while keeping up with other cities.

Commissioner Hartman asked about the 4.88 max millage rate cap that was discussed previously. The Director responded that the Commission wanted to keep it at 4.6, but it could still be raised. He also asked about property tax exemptions as many cities are less than ours and would like to see the per capita taxable value per city after exemptions.

VM Perrine feels we need to be sensitive to residents who are not affluent, especially those who have been residents for a long time. Recent home market values are beyond the reach of many who live and work here. NSB isn't just for tourists. She feels we need affordable housing, so we can keep a nice balance of residents living here.

HR Director, Heather Kidd explained that per their contract, all employees got a 3% raise for three years, with this being the last year. Serious salary disparities were discovered this year so adjustments were made causing internal compression. Positions were reclassified, which will help in retaining staff. She added that even with Daytona raising staff salaries 7% and Edgewater 5%, our pay grades seem to be comparable. The Director noted we need to look at younger employees who come onboard as they prefer more time off and flextime, which will change how we operate in the future. CM Cowper stated the city will be working on a job analysis study that will help in understanding trends, so we will be prepared. VM Perrine liked that we are taking care of our people and hoped that the "fresh eyes" of Mr. Cowper will add to our knowledge regarding what is going on in other areas of the country.

Commissioner Martin questioned the number of lawyers we have compared to other cities, citing Deland with one compared to our three with one support staff. City Attorney Avallone explained that Deland and other cities with one have more support staff and have attorneys on retainers who specialize and have their own staff to help. Our attorneys cover all departments/areas and are on call and available when needed.

The Historic Westside Stormwater Capital Project was used to clarify budget costs and how they change throughout the years and the time it takes to complete them

Assistant CM Neibert explained the original cost was \$3.2 million four years ago but went up to \$5.5. This year's request was \$3.7 million needed to finish the project, down \$200k due to a carryover from last year. The city does constant cost estimates at 30%, 50%, and 100% design. Mayor Cleveland and Com. Hartman felt that this is taking too long, and speed is needed when it comes to stormwater, to which Mr. Neibert agreed, adding that all parties involved and regulatory agencies need to cooperate better and the new Capital Projects Manager will make that a priority.

**The reading of Resolution 60-24.** Consider the adoption of a Resolution, if adopted, would make the tentative operating millage rate 4.6370 per \$1,000 assessed taxable value, of non-exempt assessed value for General Fund operations of the city for FY 2024-25. **Motion to approve Resolution 60-24 passed 3-2 with Mayor Cleveland and Commissioner Hartman voting, NO.**

**The Reading of Resolution 61-24.** Consider the adoption of a Resolution, if adopted, would make the I & S Debt Service 2018 Maximum Millage Rate 0.0895 per \$1,000 assessed value which is required to meet the debt service principal and interest. **Motion to approve Resolution 61-24 was passed unanimously.**

**The Reading of Resolution 62-24.** Consider the adoption of a Resolution, if adopted, would set the tentative NSB Budget for Fiscal Year 2024-25. **Motion to approve Resolution 62-24 passed 3-2, with Commissioners Martin and Harman voting, NO.**

**The Reading of Resolution 63-24.** Consider the adoption of a Resolution, if adopted, would authorize the Stormwater Assessment of \$8.667 per month per equivalent residential unit or \$104.00 annually to be advertised as part of the TRIM notice as a non-ad valorem special assessment. **Motion to approve Resolution 63-24 was passed unanimously.**

The Second Public Hearing of the NSB 2024-25FY Budget will be September 24<sup>th</sup> at 6:30 in the Commission Chambers.