

# CITY OF PALM BAY, FLORIDA

## SPECIAL COUNCIL MEETING 2021-23

Held on Tuesday, the 7<sup>th</sup> day of September 2021, at the City Hall Council Chambers, 120 Malabar Road, SE, Palm Bay, Florida.

This meeting was properly noticed pursuant to law; the minutes are on file in the Office of the City Clerk, City Hall, Palm Bay, Florida.

The meeting was called to order at the hour of 6:00 P.M.

### ROLL CALL:

<b>MAYOR:</b>	Rob Medina	Present
<b>DEPUTY MAYOR:</b>	Kenny Johnson	Present
<b>COUNCILMEMBER:</b>	Randy Foster	Present
<b>COUNCILMEMBER:</b>	Donny Felix	Present
<b>CITY MANAGER:</b>	Suzanne Sherman	Present
<b>CITY ATTORNEY:</b>	Patricia Smith	Present
<b>CITY CLERK:</b>	Terese Jones	Present

**CITY STAFF:** Present was Angelica Collins, Fiscal Manager; Chris Little, Utilities Director.

### COMMENTARY BY STAFF:

#### 1. Statement regarding tax rate for Fiscal Year 2022.

Ms. Sherman stated the proposed tax millage rate was 7.8378, which exceeded the Truth in Millage (TRIM) current year rollback rate of 7.4142 by 5.71%. The percentage increase being above the three percent (3%) cap was caused by new construction being excluded from the three percent (3%) cap.

Contributing to the operating millage rate increase over the rollback rate were: actuarial requirements to increased Police and Fire pensions; increased debt service payments; anticipated health insurance benefit associated expenditure increases; additional full-time employee positions, including police officers, school resource officers, firefighters, record specialists and materials management technician to accommodate increasing citywide public safety service needs; General Fund liability; Stormwater Utility Fund institutional exemptions; and Road Maintenance funding.

Ms. Sherman advised that the city had also adopted a tentative debt millage rate of 1.3424 for the next fiscal year. The debt millage rate would generate estimated revenues of

\$6,972,036 based on the gross taxable value certified by the Brevard County Property Appraiser. These revenues were restricted and designated for the payment of the General Obligation Bonds, Series 2019, debt service payment of \$3,524,750; and the General Obligation Bonds, Series 2021, debt service payment of \$3,447,625.82, both due in the Fiscal Year 2022 budget year.

Mrs. Collins provided a detailed overview of the changes to the proposed budget since its publication on July 27<sup>th</sup>. She said that changes occurred due to revenue and expenditure adjustments.

Deputy Mayor Johnson said that if \$30,000 was allocated towards the Mayor's Ball, he asked how any funding gaps were filled if proceeds were only \$20,000. Mrs. Collins said no actual dollars were being allocated. It was an anticipation of generating \$30,000 in revenue. It was an estimated budget only.

At the direction of Council, staff had created a dollar bill breakdown which reflected how many pennies per dollar were spent per department. A "budget-in-brief" would be posted to the website showing budgetary highlights, revenues and expenditures and specifics regarding the General Fund. It would also include an average property tax bill breakdown by percentage. The City of Palm Bay received approximately thirty-six percent (36%) in taxes per property owner. There was discussion on various ways to distribute information about the City's budget to the public.

#### **PUBLIC HEARING:**

##### **1. Discussion of tentative millage rate for tax year 2020 and City Manager's summary of proposed budget for Fiscal Year 2021-2022.**

The public hearing was opened.

Individuals commented on the budget. A resident asked if the road bond was paid for with the gas taxes and said that police should use revenues from issuing citations to pay for departmental needs. Ms. Sherman said the city received some revenue from the Local Option Gas Tax, but it was not enough to cover roads. The voters approved a millage to pave the roads. Ms. Sherman also explained the Road Maintenance Fund and the purpose of same.

The public hearing was closed.

**PUBLIC COMMENTS:**

Individuals made general comments regarding the budget.

1. Bill Battin, resident, asked if the millage rate included all of the non-ad valorem funding sources and if it would meet or exceed the maximum 10.00 mills. Staff did not have the figures and would provide the information to Mr. Battin.
2. Rick Cafiero, resident, said that with the growth of the city, he asked to see a graph that reflected the revenues from two years ago to date. Staff would provide the information to Mr. Cafiero.

**BUSINESS:**

**1. Consideration of the tentative millage rate for tax year 2021; re-computation, if needed, and announcement of tentative millage rate and percentage increase over rolled-back rate.**

Ms. Sherman said the tentative millage rate for tax year 2021 was 7.5995. This rate did not exceed the three percent (3%) cap.

Individuals made general comments regarding the budget.

A resident commented that the city should live on a certain budget, cut where needed and stop getting more money from the residents.

Motion by Deputy Mayor Johnson, seconded by Mr. Felix, to set the tentative millage rate at 7.5995.

Deputy Mayor Johnson explained that even with the increase in construction of residential homes, public services, such as police officers, had to increase as well. The city was also trying to increase the commercial base in order to help the residents.

Mr. Felix added that when a property appreciated in value and was assessed accordingly by the Property Appraiser's Office, the amount of taxes paid on that property would increase as well. The city had no control over the assessment of properties. Mr. Felix concurred with Deputy Mayor Johnson that as the city grew, services had to increase.

Mr. Foster said that Council would be working to increase the commercial base and would continue to be good stewards for the tax dollars of the residents.

Mayor Medina said that residents of Palm Bay would travel to neighboring cities and spend their retail funds to enhance another city's commercial tax based. He said this Council was trying to change the thought process that had hindered the city for decades and remove the bedroom community stigma.

Motion carried with members voting as follows: Mayor Medina, Yea; Deputy Mayor Johnson, Yea; Councilman Foster, Yea; Councilman Felix, Yea.

**2. Ordinance 2021-61, amending the Code of Ordinances, Chapter 200, Utilities Code, by adjusting the rates, fees, and charges for the City's utilities system and services, first reading.**

The City Attorney read the ordinance in caption only.

Ms. Sherman presented the request to Council. She advised of the rate increases for Items 2, 3, and 4. Water user rates had increased by 1.75%, and sewer and reclaimed water rates increased by 3.75%. Ms. Sherman noted that there were a variety of miscellaneous fees throughout the ordinances that would increase by 1.17% pursuant to the Public Service Commission rate increases.

Deputy Mayor Johnson questioned the increases. Jeff Dykstra, Managing Consultant at Stantec, explained that on an annual basis, a financial sustainability analysis was performed to ensure the sustainability of the utility over a period of time. It would be in anticipation of the capital improvement plan, which included plant expansions to support future growth of the city. Additionally, operational costs increased due to inflation and salary increases. Mr. Dykstra answered questions posed by councilmembers. Deputy Mayor Johnson requested an example of when a municipality deferred increasing its rates for a number of years and rate increases once new rates were implemented. If possible, he asked that the information be provided at the next budget hearing.

Residents made general comments. There was discussion of stormwater fee exemptions.

Motion by Deputy Mayor Johnson, seconded by Mr. Felix, to approve Ordinance 2021-61. Motion carried with members voting as follows: Mayor Medina, Yea; Deputy Mayor Johnson, Yea; Councilman Foster, Yea; Councilman Felix, Yea.

**3. Ordinance 2021-62, amending the Code of Ordinances, Chapter 201, Sewer Use, Subchapter 'Miscellaneous Provisions', by adjusting the permit fees and other charges related to the City's utilities wastewater system, first reading.**

The City Attorney read the ordinance in caption only.

Ms. Sherman presented the request to Council.

Bill Battin provided an average cost estimate for a homeowner to connect to the city's water and sewer system.

Motion by Deputy Mayor Johnson, seconded by Mr. Foster, to approve Ordinance 2021-62. Motion carried with members voting as follows: Mayor Medina, Yea; Deputy Mayor Johnson, Yea; Councilman Foster, Yea; Councilman Felix, Yea.

**4. Ordinance 2021-63, amending the Code of Ordinances, Chapter 202, Reclaimed Water, by adjusting the rates, fees, and charges for reclaimed water, first reading.**

The City Attorney read the ordinance in caption only.

Ms. Sherman presented the request to Council.

A resident questioned why the fee for reclaimed water was being increased when it was only stormwater runoff that went into the ponds. Ms. Sherman explained that reclaimed water was not stormwater but was water that came into the wastewater plant and was treated to a level that could be applied to land, such as irrigation purposes.

Motion by Deputy Mayor Johnson, seconded by Mr. Felix, to approve Ordinance 2021-63.

Mr. Little explained the reasons for increasing the reclaimed water fees and provided a history of the utility's infrastructure. The user rates and increases were meant to rehabilitate and replace the existing infrastructure that was over forty (40) years old. He answered questions posed by councilmembers.

Motion carried with members voting as follows: Mayor Medina, Yea; Deputy Mayor Johnson, Yea; Councilman Foster, Yea; Councilman Felix, Yea.

**5. Ordinance 2021-64, adopting the final budget for Fiscal Year 2021-2022, first reading.**

The City Attorney read the ordinance in caption only.

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Motion by Deputy Mayor Johnson, seconded by Mr. Felix, to approve Ordinance 2021-64. Motion carried with members voting as follows: Mayor Medina, Yea; Deputy Mayor Johnson, Yea; Councilman Foster, Yea; Councilman Felix, Yea.

There being no further business, the meeting adjourned at the hour of 8:05 P.M.

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Rob Medina, MAYOR

ATTEST:

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Terese M. Jones, CITY CLERK