

**TOWN OF OCEAN BREEZE TOWN COUNCIL
TENTATIVE BUDGET AND
PROPOSED MILLAGE RATE HEARING
AGENDA**

Wednesday, September 15, 2021 - 5:01 p.m.
Ocean Breeze Resort Clubhouse, Pineapple Bay Room
700 NE Seabreeze Way, Ocean Breeze, FL

***PLEASE TURN OFF CELL PHONES –
SPEAK DIRECTLY INTO MICROPHONE***

1. Call to Order

- Pledge of Allegiance
- Roll Call

2. Proposed Millage for Fiscal Year 2021/2022 –Holly Vath,
Town Financial Consultant

- a. Percentage decrease in millage over the rolled-back rate is _____%.
- b. Comments from the public
- c. Comments from the Council
- d. Resolution No. 315-2021 to adopt the tentative millage rate

3. Proposed Budget for Fiscal Year 2021/2022 – Holly Vath,
Town Financial Consultant

- a. Overview of Budget
- b. Comments from the Public
- c. Comments from the Council
- d. Resolution No. 316-2021 to adopt the tentative budget

4. Announcements –

- Public Hearing for Adoption of Final Millage Rate and Budget for FY 2021/2022
Wednesday, September 22, 2021 at 5:01 pm
- Regular Town Council Meeting –Monday, October 11, 2021 at 10:30 am

5. Adjourn



RESOLUTION NO. 315-2021

**A RESOLUTION OF THE TOWN OF OCEAN BREEZE OF
MARTIN COUNTY, FLORIDA ADOPTING THE TENTATIVE
LEVYING OF AD VALOREM TAXES FOR THE TOWN OF OCEAN BREEZE,
MARTIN COUNTY FOR FISCAL YEAR 2021/2022;
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the Town of Ocean Breeze of Martin County, Florida, on September 15, 2021 adopted Fiscal Year 2021/2022 Tentative Millage Rate following a public hearing as required by Florida Statute 200.065; and

WHEREAS, the Town of Ocean Breeze of Martin County, Florida, held a public hearing as required by Florida Statute 200.065; and

WHEREAS, the gross taxable value for operating purposes not exempt from taxation within Martin County has been certified by the County Property Appraiser to the Town of Ocean Breeze as \$47,818,243.00.

NOW, THEREFORE, BE IT RESOLVED by the Town of Ocean Breeze of Martin County, Florida that:

1. The tentative FY 2021/2022 operating millage rate is _____ mills, which is less than the rolled-back rate of 3.1065 mills which is _____ decrease.
2. The voted debt service millage is 0%.
3. This Resolution will take effect immediately upon Its adoption.

DULY ADOPTED at a public hearing this the 15th day of September, 2021 at _____ p.m.

TOWN OF OCEAN BREEZE TOWN COUNCIL

Karen M. Ostrand, Mayor

Kenneth De Angeles, President

Attest:

Pam Orr, Town Clerk



RESOLUTION NO. 316-2021

A RESOLUTION OF THE TOWN OF OCEAN BREEZE OF MARTIN COUNTY, FLORIDA, ADOPTING THE TENTATIVE BUDGET FOR FISCAL YEAR 2021/2022; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Ocean Breeze of Martin County, Florida, on September 15, 2021 held a public hearing as required by Florida Statute 200.065; and

WHEREAS, the Town of Ocean Breeze of Martin County, Florida tentatively set forth the appropriations and revenue estimate for Budget for Fiscal Year 2021/2022 in the amount of _____.

NOW, THEREFORE, BE IT RESOLVED by the Town of Ocean Breeze of Martin County, that:

1. The Fiscal Year 2021/2022 Tentative Budget be adopted.
2. This Resolution shall take effect immediately upon its adoption.

DULY ADOPTED at a public hearing the 15th day of September, 2021 at _____ p.m.

TOWN OF OCEAN BREEZE TOWN COUNCIL

Karen M. Ostrand, Mayor

Kenneth De Angeles, President

Attest:

Pam Orr, Town Clerk

TOWN OF OCEAN BREEZE
PROPOSED MILLAGE RATE
September 30, 2022

	Proposed Millage	July Workshop OPTION 1	OPTION 2	OPTION 3	Current Rate
Estimated taxable value	\$ 47,818,243	\$ 47,818,243	\$ 47,818,243	\$ 47,818,243	\$ 47,818,243
Taxable Value Increase	1,000	1,000	1,000	1,000	9,60%
Divide by 1,000					1,000
Millage rate	\$ 47,818.24	\$ 47,818.24	\$ 47,818.24	\$ 47,818.24	\$ 47,818.24
Rollback rate	1.6000	1.8000	1.6000	1.4000	3.0800
					3.1065
Ad valorem taxes	\$ 76,509.19	\$ 86,072.84	\$ 76,509.19	\$ 66,945.54	\$ 147,280.19
Collection allowance	5%	5%	5%	5%	5%
Budgeted ad valorem taxes	\$ 72,684.00	\$ 81,769.00	\$ 72,684.00	\$ 63,598.00	\$ 139,916.18
Other Revenue	139,540.00	139,540.00	139,540.00	139,540.00	139,540.00
Expenditures	330,755.00	330,755.00	330,755.00	330,755.00	330,755.00
Current year proposed rate as a percent change of rolled-back rate	-48.50%	-42.06%	-48.50%	-54.93%	-0.85%
Approximate impact on General Fund reserve balance (original)	(118,531)	(109,446)	(118,531)	(127,617)	(51,299)
Annual Cost - \$350,000 home with homestead	480.0000	540.0000	480.0000	420.0000	924.0000

**TOWN OF OCEAN BREEZE
GENERAL FUND DETAIL
FISCAL YEAR 2022**

	2020		2021		2021		2022	
	Actual		Budget		Estimated		Budget	
Revenue								
General revenue								
312100 Ad Valorem	169,353	\$	127,658	\$	127,658	\$	72,684	
314200 Local communications services tax	5,275		5,600		5,600		3,340	
322004 Charges for service	16,663		-		-		-	
335120 State revenue sharing	14,196		18,600		18,600		20,300	
335140 Mobile home tags	2,151		2,100		2,100		2,100	
335150 Alcoholic beverage licenses	2,154		1,500		1,500		1,500	
335180 1/2 Cent Sales Tax	19,148		31,400		31,400		51,600	
312300 Gas tax	10,141		6,000		8,500		9,000	
338200 Occupational licenses	275		150		150		150	
361000 Interest income	856		1,000		1,000		800	
361100 Government grants	10,965							
362000 Private contributions								
369000 Miscellaneous income	4,510		5,000		5,000		5,000	
Total General Revenue	255,687		199,008		201,508		166,474	
Building revenue								
322000 Building permits	108,522		85,000		200,000		45,000	
322001 Fire inspections	400		750		750		750	
Total Building revenue	108,922		85,750		200,750		45,750	
Total Revenue	364,609		284,758		402,258		212,224	

**TOWN OF OCEAN BREEZE
GENERAL FUND DETAIL
FISCAL YEAR 2022**

	2020	2021	2021	2022
	Actual	Budget	Estimated	Budget
Expense				
General Government				
513150 Gross Payroll	75,256	86,265	98,000	93,960
513155 PTO Accrual	-	-	-	-
513297 Grant Management Consultant	20,189	28,000	20,000	28,000
513301 Management Consultant	11,834	12,390	12,390	12,390
513302 Rent	6,397	14,565	14,565	14,565
513304 Communications / Website	413	2,500	-	2,500
513305 Engineering	4,410	8,000	6,000	8,000
513306 Accountant	1,733	2,200	3,700	2,200
513308 Insurance W/C	9,615	10,300	10,100	12,600
513309 Insurance Package	887	4,000	2,800	4,000
513311 Public Advertising Notices	8,380	9,000	8,000	6,900
513312 Office Equipment, Supplies and Maintenance	505	670	800	700
513313 Postage	18,500	20,000	20,000	16,000
513315 Audit	574	720	720	720
513316 Utilities	1,603	1,350	1,350	1,425
513317 Dues	435	1,300	500	1,300
513318 Mileage Reimb. - Clerks	2,814	4,300	1,800	4,300
513319 Council expenses, conferences & travel	525	-	-	1,000
513321 Election Expenses	2,214	750	1,000	900
513820 Contributions	43,598	15,500	1,000	23,000
513322 Special Projects (digitize records, update codes)	2,201	24,000	24,000	24,000
514100 Legal Counsel	4,678	3,600	300	3,900
514200 Computer Services	1,094	5,350	6,070	5,825
531110 Payroll Taxes - Fica	19,077	1,250	1,420	1,370
531111 Payroll Taxes - Medicare	20,800	20,800	15,000	-
531112 Other Payroll Taxes & Benefits	236,932	276,810	249,515	269,555
Total General Government				

**TOWN OF OCEAN BREEZE
GENERAL FUND DETAIL
FISCAL YEAR 2022**

	2020 Actual	2021 Budget	2021 Estimated	2022 Budget
Public Safety				
522300 M.C. Fire Rescue		-	-	-
524200 Building Official	26,925	30,000	30,000	30,000
524210 Building Code Compliance services	8,373	15,000	3,000	15,000
524220 Code Compliance legal services	2,075	20,000	2,000	10,000
524300 Fire Safety Inspector	476	1,200	600	1,200
Total Building	37,849	66,200	35,600	56,200
Physical Environment				
531000 Grants - Contract Labor		-	-	-
Transportation				
Street lights and street maintenance	6,989	5,000	6,000	5,000
Capital Outlay				
555000 Furniture & Equipment	2,199	-	-	-
Total Expense	283,969	348,010	291,115	330,755
Beginning fund balance	431,186	511,826	511,826	547,969
Restricted fund balance	(135,728)	(135,728)	(135,728)	(135,728)
Unrestricted fund balance	295,458	376,098	376,098	412,241
Fund Balance net increase (decrease)	80,640	(63,252)	36,143	(118,531)
Ending Fund Balance	511,826	312,846	412,241	293,710

Town of Ocean Breeze Line Item Detail

Account	Detail	Amount
513150 · Gross Payroll	Bookkeeper - 1560 hours - \$26.00	40,560
513150 · Gross Payroll	Town Clerk - 1560 hours - \$34.23	53,400
513301 · Management Consultant	Town Manager/Development Director	28,000
513302 · Rent	Storage Unit	710
513302 · Rent	Office	11,680
513304 · Communications / Website	Comcast	2,985
513304 · Communications / Website	Cell phone stipends	2,040
513304 · Communications / Website	Council cell phone/Internet stipends 7@1.02	7,140
513304 · Communications / Website	Web hosting	2,400
513305 · Engineer	Engineer	2,500
513306 · Accountant	Accountant	8,000
513308 · Insurance W/C	Florida League of Cities	2,200
513309 · Insurance Package	Florida League of Cities	12,300
513309 · Insurance Package	Notary renewals	300
513311 · Public Advertising Notices	Treasure Coast Newspapers	4,000
513312 · Office Equipment & Supplies	Copier lease	2,900
513312 · Office Equipment & Supplies	Copier use	1,000
513312 · Office Equipment & Supplies	Office supplies	1,800
513312 · Office Equipment & Supplies	Meeting supplies	1,200
513313 · Postage	Post office box	300
513313 · Postage	Postage	400
513315 · Audit	Annual audit	16,000
513316 · Utilities	FPL - Office	720
513317 · Dues	Florida League of Cities	500
513317 · Dues	Florida League of Mayors	350
513317 · Dues	Chamber of Commerce	225
513317 · Dues	Treasure Coast Council of Local Governer	200
513317 · Dues	Florida City Clerks Association	150
513318 · Mileage Reimb. - Clerks	Staff mileage	1,300
513319 · Conferences & Travel - Council		4,300
513321 · Election Expenses		1,000
513323 · Special Project - Code of Ordinance	Code of Ordinances	13,000
513324 · Special Project - Scanning	Scanning	5,000
513820 · Contributions	Environmental Studies Center Contribution	300
513820 · Contributions	Adopt a class Jensen Beach Elementary	250
513820 · Contributions	Adopt a class Jensen Beach High	250
513820 · Contributions	History Museum	100
514100 · Legal Counsel		24,000
514200 · Computer Services	Computer assistance	1,500
514200 · Computer Services	Computer security assistance	2,400
524200 · Building Official Services	Building Official	30,000
524210 · Building Code Compliance services		15,000
524220 · Code Compliance Legal services		10,000
524300 · Fire Safety Inspector	Martin County Fire Inspections	1,200
531110 · Payroll taxes - FICA	Payroll Taxes - Fica	5,825
531111 · Payroll taxes - Medicare	Payroll Taxes - Medicare	1,370
531112 · Other Payroll Taxes & Benefits	Health Insurance	-
513325 · Special Project - City Hall	Feasibility Study for Stand Alone City Hall	5,000
541301 · Street Lights and Maintenance	Transportation	5,000

**TOWN OF OCEAN BREEZE
FUND BALANCE ANALYSIS FOR GENERAL FUND**

		Annual Operating Budget	% of Budget
Fund balance @ 9/30/16	285,702		
FY 2017 decrease in fund balance	(27,303)		
Fund balance @ 9/30/17	258,399	287,214	89.97%
FY 2018 decrease in fund balance	(39,862)		
Fund balance @ 9/30/18	218,537	371,292	58.86%
FY19 increase in fund balance	132,441		
Fund balance @ 09/30/2019	350,978	382,885	91.67%
FY20 increase in fund balance	25,120		
Fund balance @ 09/30/2020	376,098	283,967	132.44%
FY21 Projected increase in fund balance	36,143		
Projected fund balance @ 09/30/2021	412,241	348,010	118.46%
FY22 Projected decrease in fund balance	(118,531)		
Projected fund balance @ 09/30/2022	293,710	330,755	88.80%

TOWN OF OCEAN BREEZE

Historical Data

Fiscal Year	Tax Year	Taxable Value	% Change	Millage Rate	% Change	Taxes Levied
2010	2009	25,169,019		2.2459		56,527
2011	2010	22,067,810	-12.32%	2.6295	17.08%	58,027
2012	2011	25,837,183	17.08%	4.6799	77.98%	120,915
2013	2012	25,358,595	-1.85%	4.7910	2.37%	121,493
2014	2013	23,710,720	-6.50%	5.0619	5.65%	120,021
2015	2014	23,024,907	-2.89%	4.9472	-2.27%	113,909
2016	2015	23,251,369	0.98%	3.9814	-19.52%	92,573
2017	2016	27,446,576	18.04%	5.2177	31.05%	143,208
2018	2017	27,177,478	-0.98%	5.4750	4.93%	148,797
2019	2018	30,024,441	10.48%	6.3826	16.58%	191,634
2020	2019	36,782,181	22.51%	4.8008	-24.78%	176,584
2021	2020	43,628,710	18.61%	3.0800	-35.84%	134,376
2022	2021	47,818,243	9.60%	1.6000	-48.05%	76,509
2023	2022	88,709,155	85.51%	1.1000	-31.25%	97,580
2024	2023	97,824,613	10.28%	1.1000	0.00%	107,607
2025	2024	102,715,844	5.00%	1.1000	0.00%	112,987
2026	2025	107,851,636	5.00%	1.1000	0.00%	118,637

Vice-President Gerold has requested that the following information regarding council/mayor travel and conference participation be added to the budget agenda package.

**TOWN OF OCEAN BREEZE
COUNCIL EXPENSES, CONFERENCES AND TRAVEL
FISCAL YEAR 2022**

Mayor		
	Conferences and Travel	2,500
President		
	Conferences and Travel	500
Vice President		
	Conferences and Travel	500
Commissioner		
	Conferences and Travel	200
Commissioner		
	Conferences and Travel	200
Commissioner		
	Conferences and Travel	200
Commissioner		
	Conferences and Travel	200
Total		4,300

Budget Workshop July 29, 2019

Regional League of Cities, Florida League of Mayors, the Jensen Beach Chamber of Commerce, the Environmental Studies Center and The History Museum of Jensen Beach. Due to the development in the Town, she suggested budgeting for the Town Clerk to attend the summer conference and academy. She stated that the conference registration was \$350, hotel and travel expenses would be roughly \$250; and suggested the item should be budgeted for \$800 - \$850. She also suggested setting this as a budget item every other year.

Discussion ensued regarding shifting the Conferences line item.

Mayor Ostrand spoke about the Special Projects line item and the importance of digitizing Town records and updating the Code of Ordinances.

Mr. O'Neil explained the process for updating the Code of Ordinances and Zoning Board involvement. He discussed digitizing the records and ways and ways to accomplish it, his fees and the legal fees involved.

Vice-President Kagdis spoke about the necessary training for new Council Members through the Florida League of Cities University (EMO). She stated that all current Council Members, except Council Member Docherty, had completed EMO training; and suggested this be considered in the amounts budgeted for Conferences and Travel.

Mr. O'Neil stated with the new system of Conferences and Travel, if dollars needed to be shifted, Staff could make a request, and he added that dollars could be shifted within the General Government operating budget for this training. He remarked that the Council could decide to accommodate Vice-President Kagdis' suggestions at this meeting.

Discussion ensued regarding the new Building Code Compliance expenditures and Code Compliance Legal Services.

Mr. O'Neil explained that the building operations were divided into expenditures by category and the State of Florida requirement to have a licensed Building Official on staff. He spoke about the cost of Mr. Massing's services for the year. He discussed the problematic building issues that the Town had been experiencing with contractors, permitting issues, etc. He explained the need to include the legal services in the budget in the event it was necessary for Mr. Cray to litigate.

Ms. Vath further explained line items of the projected expense accounts and answered questions from the Town Council.

President De Angeles asked for further questions from the Council.

There were none.

Mr. O'Neil commented that at the next budget hearing the draft budget would reflect the Town Council's comments.

The Options for the setting of the millage rate were discussed. Further discussion ensued regarding fund balance, grant activity from last year, ramifications of choosing Option 1 or Option 2, and unforeseen expenses.

Council Member Wagner, seconded by Council Member Docherty, made a Motion to adopt Option 2 with a millage rate of 5.0678.

President De Angeles asked for comments from the Mayor.

Mayor Ostrand explained her ideas relating to Option 1 and Option 2 and funding of anticipated projects.

Mr. Tom Banks, 42 NE Nautical Drive, Ocean Breeze, stated he would like to have the meeting documents in order to allow him and others to follow the Town Council's discussions.

President De Angeles explained the different millage rate options to the public.

(Unknown) recommended Option 2 which allowed for an adjustment down.

Paul DiCenso, 150 NE Buoy, asked about the Capital Outlay line item.

Ms. Vath spoke about the need for a new computer and a fire proof filing cabinet.

Mr. DiCenso asked about the line item Miscellaneous Income in the amount of \$10,000.

Ms. Vath explained that D.R. Horton paid school impact fees which included a 3% administrative fee.

Mr. DiCenso asked about the payroll increase.

Ms. Vath answered that the payroll line item was based on the number of hours the employees work, which were both part-time. She explained the reasons for the increase.

Discussion ensued regarding the increased work load, Management Consultant line item, the role of the Florida League of Cities and Florida League of Mayors, the unique issues of small towns such as Ocean Breeze, the responsibilities of the Town Council, lobbying in Tallahassee regarding the storm water treatment train project along Indian River Drive and the impact of new development on the Town.

Mr. O'Neil explained that Ocean Breeze West was a Planned Unit Development and was entirely privately developed and maintained. He stated that the Town did not provide Law Enforcement or Fire/EMS services and the community was self-sufficient.

Council Member Gerold asked about the impact fees.

Mr. O'Neil explained that the Town of Ocean Breeze had an Interlocal Agreement with the Martin County School Board and the Town would collect these impact fees through the building permit program. He further explained that the Town kept three percent (3%) of the fee as an administrative fee, and once the 143 homes were built, this temporary revenue would end.

Council Member Gerold asked why the Town did not collect a school impact fee from Sun Communities since there were school-aged children living in the Resort.

Mr. O'Neil stated that he would look into the matter and stated that when the PUD was approved for Ocean Breeze East, the School Board confirmed that it was a senior community and that a school impact fee did not apply. He added that if circumstances had changed, it would need to be addressed.

President De Angeles asked for further comments or questions from the public.

There were none.

Town Clerk, Pam Orr, read Resolution 294-2019 into the record. A RESOLUTION OF THE TOWN OF OCEAN BREEZE, FLORIDA, DETERMINING A TENTATIVE MILLAGE RATE FOR FISCAL YEAR 2019/2020 AND PROVIDING NOTICE THEREOF TO THE APPROPRIATE AUTHORITIES.

She read that the Millage Rate for the Fiscal Year 2019/2020 shall be 5.0678.

Council Member Wagner, seconded by Council Member Docherty, made a Motion to adopt Option #2 which reflected a millage rate of 5.0678.

Roll Call Vote: Yes: De Angeles, Kagdis, Docherty, Locatis, Wagner; No: Gerold; Motion Passed: 5-1

4. Approval of two public hearing dates for Budget/Millage adoption –

- First Hearing – Wednesday, September 4, 2019 at 5:01 p.m.
- Second Hearing – Wednesday, September 11, 2019 at 5:01 p.m.

All in Favor: De Angeles, Kagdis, Gerold, Locatis, Wagner, Docherty; Opposed: None

5. Comments from the public on topics not on the Agenda – Tom Banks, 42 NE Nautical Drive, Ocean Breeze, asked if the Council had any control over the Florida East Coast Railroad to voice an opinion regarding a quiet zone for this area.

Mr. O'Neil stated that if the quiet zones come about, it would be as a result of the All-Aboard Florida Bright Line Passenger Rail proposal that was underway. He added that as counties up and down the line make improvements to their intersections to make them more pedestrian friendly and secure, which was very expensive; communities begin to qualify as a quiet zone. He stated that all the local communities had to agree to the quiet zone. He commented that the Town could play a role in coordinating with Stuart and the other municipalities.

Discussion ensued regarding FEC Railroad quiet zones and train weight loads.

Mr. Banks asked about the two (pedestrian) crossings along Indian River Drive with light-activated warnings and he asked about signs that say "stop here for pedestrians" and pointed out that Indian River Drive did not have those signs. He spoke about the difficulties in crossing Indian River Drive and the high speed of vehicles.

Mr. O'Neil spoke about the "Your Speed" radar signs that the Town recently purchased. He added that the signs had arrived, a county permit was obtained, and spoke about the timing of the installation. He mentioned Indian River Drive and the County right-of-way.

Town Clerk, Pam Orr, stated that the Town had purchased and Martin County installed two “stop for pedestrian” signs before the new Indian River Drive Project began, but that, they had been destroyed by traffic. She stated that new signs could be ordered and that installation would have to be coordinated with Martin County because it was a Martin County right-of-way.

6. Comments from the Council on topics not on the Agenda – Vice-President Kagdis stated that on Thursday, August 1st from 9:00 a.m. to 3:00 p.m. at Florida Atlantic University Harbor Branch Oceanographic Institute in Fort Pierce, Florida, would be holding a task-force meeting, open to the public, regarding the health of the Indian River Lagoon.

She advised that Governor DeSantis had signed the following bills into law:

- Prescription drug importation program; to provide lower costs prescriptions to our residents.
- Patient’s (undistinguishable) to offer incentives for lower health care services.
- Human Trafficking Bill put forth through residents of Sewall’s Point, Florida.
- State mandated changes regarding information that must be provided on the Town’s website; she stated this would require more work and more time.

Town Clerk, Pam Orr, stated that the documents for the meetings were now posted on the Town web-site, and that they were downloadable and printable.

7. Comments from Town Management Consultant, Terry O’Neil - There were none.

8. Comments from Mayor Ostrand – There were none.

9. Announcements – Meetings to be held at Ocean Breeze Resort Clubhouse, Pineapple Bay Room, 700 NE Sea breeze Way, Ocean Breeze, FL:

- Next Regular Town Council Meeting, Monday, August 12, 2019 at 10:30 a.m.
- Budget Meetings – Wednesday, September 4th and 11th at 5:01 p.m.

10. Adjourn – Vice-President Kagdis, seconded by Council Member Wagner, made a Motion to adjourn the meeting at 6:22 p.m.

All in Favor: De Angeles, Kagdis, Gerold, Docherty, Locatis, Wagner

Respectfully Submitted,

Pam Orr
Town Clerk

Minutes approved: _____

**TOWN OF OCEAN BREEZE
MINUTES TOWN COUNCIL SPECIAL MEETING
BUDGET WORKSHOP AND SETTING OF TENTATIVE MILLAGE RATE
Monday, July 29, 2019 5:01 p.m
Ocean Breeze Resort Clubhouse, Pineapple Bay Room,
700 NE Seabreeze Way, Ocean Breeze, FL**

- 1. Call to Order** – President De Angeles called the meeting to order at 5:01 p.m.
 - Pledge of Allegiance – Mayor Ostrand led the Pledge of Allegiance
 - Roll Call – Present: Mayor Karen Ostrand, President Kenneth De Angeles, Vice-President Ann Kagdis, Council Members Richard Gerold, Kevin Docherty, Terry Locatis and David Wagner
 - Staff Present – Town Management Consultant, Terry O’Neil; Town Financial Consultant, Holly Vath; Town Clerk, Pam Orr and Bookkeeper/Clerical Assistant, Kim Stanton
- 2. Budget Workshop – Budget & Tax Rate for 2019/2020 fiscal year** – Ms. Vath spoke to the Council about her professional background and provided them with budget documents and worksheets to be used to develop the preliminary ad valorem tax rate. She explained the causes for the differences in revenue and expenditure sources. She discussed the addition of the new Special Projects line item for digitizing records and updating the Code of Ordinances. She explained the breakdown of the Council Expenses, Conferences & Travel line item and provided the distribution detail.

Mr. O’Neil asked for guidance from the Town Council on the Conferences & Travel line item. He added that the Mayor would come before the Council to request authorization to redistribute funds, if necessary.

Mr. O’Neil explained the Budget and the process of setting the Millage rate and the two future hearings. He explained that the maximum millage rate adopted at this meeting could not be increased, but at future budget meetings it could be decreased.

Ms. Vath further explained the setting of the Millage rate process. She presented the various options for setting the millage rate. She explained the revenue ramifications of each Option, the impact on the reserve, the historical fund balance and the historical taxable value change over a ten-year period.

Ms. Vath answered questions from the Council.

Mr. O’Neil explained permit revenues and certain expense account increases would be offset by pass-through costs/revenue and permit fees associated with the building projects.

Discussion ensued regarding the Private Contributions line item, the Indian River Drive Project, the Special Revenue Fund, street lighting, budget amendments for special projects, the Engineering line item, the Town engineer, and Private Provider engineers.

Vice-President Kagdis spoke about the dues payable for the various leagues that were available to the Town, such as the Florida League of Cities and the Association of City Clerks, Treasure Coast

Budget Workshop August 2, 2018

Mr. Leahy explained that the Legal expense line item was consistent with last years' and any overages were usually covered by pass-through costs revenue.

Mayor Ostrand stated that Attorney Crary had a long history with the Town and he invoices the Town at a discounted rate.

Mr. Leahy continued to explain line items of the projected expense accounts. He answered questions and took comments from the members of the Town Council.

Mr. Leahy explained the Accounting line item and added that it covers the preparation of the budget, attending the workshop and the two hearings, monitoring functions which includes month to month activities, quarterly budget to actual analysis presented to the Council for preview, working with the audit team and narration of the Management Discussion and Analysis that must go into the audit report; and, any questions that occur throughout the year. He advised the Town Council that he would be resigning from this position as the Town Financial Consultant at the end of 2018 and the Town would be hiring a new financial consultant. He added that he would be available to help facilitate the transition.

Mr. Leahy continued to explain line items of the projected expense accounts. He answered questions and took comments from the members of the Town Council.

Mr. Leahy advised that the Town should consider a RFP (Request for Proposal) for FY 2019 for the Audit because it had been six years since the last RFP.

Mr. Leahy continued to explain line items of the projected expense accounts. He answered questions and took comments from the members of the Town Council.

Mr. Leahy explained the Election Poll Workers line item. He stated that he was made aware that the Town changed its election cycle to the general election cycle and asked if the Town would still have to pay poll workers.

The Town Clerk advised him that the poll workers would be paid by the Town only in the stand-alone years (the years when there was not a general election).

Mr. Leahy stated that he would adjust this line item accordingly for the hearings.

Mr. Leahy explained Staff Travel line item. He further explained that the Conferences and Travel line item was added to separate these expenses out from Office Supplies and Expenses.

Mr. O'Neil explained Staff proposed the six Council Members and the Mayor be allocated \$1,000 each and an additional \$2,000 for the President and/or the Mayor, who might attend additional events during the course of the year. He stated that during the course of the year, if a Council Member doesn't use the amount, there may be a surplus in this line item.

Vice-President Kagdis explained her travel reimbursements from the Florida Municipal Insurance Trust Board of Trustees. She stated that the legislative conferences were not reimbursed. She added that prior to two years ago, she incurred these out-of-pocket expenses herself.

Mr. O'Neil explained that at the last Town Council meeting, an Ordinance was adopted on first reading which would allow Martin County, which was breaking its funding for the Fire/EMS operations into two

mechanisms – one was called a Fire Fee and the other was called a Municipal Services Taxing Unit (MSTU), to collect roughly the same amount of money by a diversified method. He explained that the Town's bill would be based on the MSTU rate and would remain roughly \$66,000 to \$72,000. He added that over the course of the next year and possibly in phases, the Town would be getting out of the "middle-man" business with Fire/EMS services and Martin County, by adopting the Ordinance. He stated that Martin County would be billing the property owners directly through the property tax bill for the costs of these services. He stated that the services remain intact and would be provided at the same rate as the other unincorporated areas of Martin County. He explained the transition away from the Interlocal Agreement and the possibility that it might take a full year before the complete transition. He recommended leaving this line item in the case the transition was not made. He added that the Town remains obligated for roughly 13 percent of the total costs with the remaining costs being paid for by Sun Communities and DR Horton.

Council Member Gerold spoke about the plot of land donated to the Town by DR Horton.

Mayor Ostrand spoke about the refurbishment, with new lettering and logo, of the two Town signs along Indian River Drive and the proposals.

Mr. Leahy continued to explain line items of the projected expense accounts. He answered questions and took comments from the members of the Town Council.

President De Angeles asked for comments from the Council.

There were none.

President De Angeles asked for comments from the public.

James Kriebel, 185 NE Portside Way, asked about the DR Horton project and permitting. He explained other towns take donations from the contractors to cover the extra expenses of the municipality. He asked if this mechanism was practiced by the Town to recover the costs.

Mr. O'Neil answered that under the Florida law, the Town was entitled to establish a fee schedule to capture actual costs of providing the service. He added that the Town had been able to calibrate a fee schedule for capturing only the costs of administering the building program for the Sun Communities project and the residential project scheduled for the rear 45 acres. He stated that the Town was entitled to capture all of the costs and a small reserve. He further stated that the fee schedule could be changed if the Town was getting behind in reimbursements for actual costs.

Mayor Ostrand gave a detailed update on refurbishing the two monument Town Signs (along Indian River Drive). She announced the two bids along with details, prototype material, proposals comparisons and warranties.

President De Angeles asked for questions or comments from the Council.

Discussion ensued regarding the Town Signs.

Mr. O'Neil stated that the Mayor was proposing using the \$40,000, previously approved by the Council from Special Revenue Funds for the Indian River Drive Project, to pay for the refurbishment of the signs within the current years' budget. He suggested that the Council authorize the Mayor to proceed with the lower bid.

Council Member Gerold, seconded by Vice-President Ann Kagdis, approved “Sign-It” as the bidder.

Council Member Wagner asked if additional signs should be considered.

Mr. O’Neil answered that when the grant project was closed out and the reserve account was appraised, the Town may have additional gas tax funds in which to entertain another sign project.

Roll Call: De Angeles, Kagdis, Gerold, Wagner

Opposed: None

Absent: Geyer, Locatis

Motion Passed 4 – 0

Mr. O’Neil stated that the changes which were discussed relating to the expenditures would be brought back before the Council at the Tentative Budget Hearing.

Mr. Leahy explained each line item of revenue accounts. He answered questions and took comments from the members of the Town Council.

Mr. Leahy explained the Town’s fund balance analysis, the ad valorem analysis and the three proposed millage rate options to the Council. He answered questions and took comments from the Town Council and the Mayor.

Council Member Gerold asked about the timing of lowering the millage rate as was discussed at last years’ budget meetings.

Mr. O’Neil explained that the Property Appraisers’ approach to assessing Sun Communities was based on an income basis and stated that Laurel Kelly had expressed a willingness to have a dialog at a Town Council meeting about their approach of assessment for this part of the Town. He stated that the individual units were not valued as a single-family home. In comparison, DR Horton was building site-built homes on individual lots with individual tax bills. He spoke about DR Horton build-out and the added value which would more than double the tax base. He added that the millage rate, at that time, would need to be lowered to reflect the additional value of the property. He explained that it might be three years before the millage rate would be lowered.

Mr. Leahy further explained the budget setting process.

Discussion ensued regarding choosing Option #3, the dollar differences generated and the internal mechanisms of Sun Communities for passing through the ad valorem dollars to the residents.

Council Member Gerold asked Mr. Walters, Sun Communities Manager, if the RV renters pay any ad valorem.

Mr. Walters explained that the pass through taxes were subject to the homeowners pursuant to the prospectus. He stated that the RV tenant would not be paying this pass through tax. He also stated that the Fire / Ems services taxes, which would be forthcoming, along with the ad valorem taxes should be looked at further because these taxes would be passed on to the residents of Ocean Breeze Resort.

James Kriebel, 185 NE Portside Way spoke about the changes in the Town and the increase in services because of the population. He asked about the Town’s three-year strategic plan and the future tax rate.

Council Member Wagner spoke about the PUD and the timeline for the entire projects.

Mayor Ostrand spoke about the feasibility to keep the ad valorem with no change and asked the Council to consider no change.

Council Member Wagner, seconded by Council Member Gerold, made a Motion to adopt Option 3 (millage rate of 6.3826) stating the millage rate could be lowered (at the upcoming budget hearings), but could not be raised.

Council Member Gerold asked how the three rates would affect the residents' monthly bills from Sun Communities.

Mr. O'Neil answered that this would depend on Sun's willingness to participate and that the Town was not privy to how Sun divvy's up the ad valorem amongst the residents. He added that this would depend on whether Sun would want to react to this increase and be prepared to come back and discuss.

Council Member Gerold replied that these amounts would change depending on the number of houses.

Mr. O'Neil stated that Option #3 would generate roughly \$17,000 over the rolled back rate dollars and Sun's share might be roughly \$10,000.

Vice-President Kagdis stated that the property owner had a right to challenge the Tax Appraiser, and had in the past, to lower the value of the property.

Mr. O'Neil explained the appeals process, the influence on the base rate and that the Town had a sixty day period in which to adjust the millage rate. He stated that the appeals last longer than the sixty day window and the Town loses its opportunity to adjust the millage. He stated that this had happened in the past.

Council Member Gerold stated he seconds the Motion.

3. Resolution #281-2018 – A RESOLUTION OF THE TOWN OF OCEAN BREEZE, FLORIDA, DETERMINING A TENTATIVE MILLAGE RATE FOR FISCAL YEAR 2018/2019 AND PROVIDING NOTICE THEREOF TO THE APPROPRIATE AUTHORITIES.

The Clerk read Resolution #281-201 into the record.

Mr. O'Neil explained that the Council would need four affirmative votes in order to pass this Motion.

Roll Call: De Angeles, Kagdis, Gerold, Wagner

Opposed: None

Absent: Geyer, Locatis

Motion Passed 4 – 0

President De Angeles asked for comments from the public.

There were none.

4. Comments from the public on topics not on the Agenda – There were none.

5. Comments from the Council on topics not on the Agenda – Vice-President Kagdis announced that voting was open at the Martin County Supervisor of Elections. She stated that August 28 was the primary election and encouraged everyone to vote. She announced that on Saturday, August 4, 2018 at 9:00 am, John and Caroline Barker, on Pine Hill Terrace, were inviting Ocean Breeze residents to meet Candidate Belinda Keiser, running for Florida Senate. She stated that the Council does not endorse any Candidates but that all Candidates were invited to come and speak at Town Council meetings.

President De Angeles stated that some of the Candidates would be at the next Town Council meeting on Monday, August 13, 2018.

Council Member Wagner thanked and congratulated Chris and Cindy Walters on the appearance of the grounds.

President De Angeles asked for further comments from the Council.

There were none.

6. Comments from Town Management Consultant Terry O'Neil – There were none.

7. Comments from Mayor Ostrand – There were none.

8. Discussion of replacement of Town Financial Advisor – Mayor Ostrand announced that she had a meeting with Ms. Holly Vath and spoke about her credentials. She proposed hiring Ms. Vath as a replacement for Mr. Leahy.

Mr. O'Neil provided background information on Ms. Vath, Deputy Finance Director at the City of Stuart. He stated that the Mayor's decision to hire Ms. Vath must be ratified by a vote of the Town Council. He added that a contract could be brought forth at the next meeting. He asked for recommendations and feedback from the Town Council. He stated his confidence in Ms. Vath's abilities.

David Wagner stated that he was agreeable with the Mayor's decision to hire Ms. Vath.

Council Member Gerold asked if Mr. Leahy was familiar with Ms. Vath.

Mr. Leahy answered that he met with her and she appeared to be competent in her ability. He added that she currently works in the governmental area, which was a strength. He stated that, in his opinion, she was a viable candidate.

Council Member Gerold stated that he was agreeable with Mr. O'Neil's suggestion to hire Ms. Vath.

Vice-President Kagdis stated that because of her work with various organizations in Tallahassee, she had become familiar with small and medium sized towns and that there was a shortage of Town Planners, Managers and Financial Consultants for part-time positions. She added that Ms. Vath's experience was a plus and recommended hiring Ms. Vath.

President De Angeles asked the Mayor to meet with Ms. Vath, discuss a contract and bring it before the Council for approval.

9. Announcements – Vice-President De Angeles announced the following meetings at Ocean Breeze Resort, Pineapple Bay Room.

- Regular Town Council Meeting – Monday, August 13, 2018 at 10:30 am
- Tentative Budget Hearing – Wednesday, September 12, 2018 at 5:01 pm
- Final Budget Hearing – Thursday, September 20, 2018 at 5:01 pm

Vice-President De Angeles asked for additional comments from the public.

There were none.

10. Adjourn – Council Member Wagner, seconded by Council Member Gerold, made a Motion to adjourn the meeting at 6:50 pm.

In Favor: De Angeles, Kagdis, Gerold, Wagner

Opposed: None

Absent: Geyer, Locatis

Motion Passed 4 – 0

Minutes approved: _____