

TOWN OF OCEAN BREEZE
MINUTES BUDGET WORKSHOP AND SETTING OF THE TENTATIVE MILLAGE RATE
Wednesday, July 24, 2024
Ocean Breeze Resort Clubhouse, Pineapple Bay Room
700 NE Seabreeze Way, Ocean Breeze, FL

1. **Call to Order** – President Kelley called the meeting to order at 6:00 p.m.
 - Pledge of Allegiance – Mayor Ostrand led the Pledge of Allegiance
 - Roll Call – Present: Mayor Karen M. Ostrand, President Sandy Kelley, Vice President Kevin Docherty, Council Members Gina Kent, and Matthew Squires
Absent: Council Member Michael Heller
 - Staff Present –Town Management Consultant, Terry O’Neil; Holly Vath Financial Consultant; Kim Stanton, Town Clerk

4. Second Reading of Ordinance No. 348-2024 –

AN ORDINANCE OF THE TOWN OF OCEAN BREEZE, FLORIDA AMENDING THE CODE OF ORDINANCES AT CHAPTER 2, ARTICLE I. ADMINISTRATION BY ADDING A SECTION 2-1 PROVIDING FOR A CODE COMPLIANCE OFFICER; AT CHAPTER 5, ARTICLE I. MISCELLANEOUS OFFENSES, BY PROVIDING FOR CODE COMPLIANCE MEASURES AND PENALTIES, AND IMPLEMENTING REGULATIONS PURSUANT TO GENERAL LAW BY PROVIDING FOR NON-VEHICULAR NOISE; AMENDING PROVISIONS FOR THE DISCHARGE OF FIREARMS, EXPLOSIVES, AND FIREWORKS; PARKING OF VEHICLES; STORING OF JUNKED OR ABANDONED VEHICLES, ETC.; CONTRACTING WITHOUT A LICENSE; AND ZONING VIOLATIONS; AT CHAPTER 5, ARTICLE II. PENALTIES, BY CLARIFYING THE PROVISIONS FOR ADMINISTRATIVE FINES AND COSTS; AND PROVIDING FINES AND COSTS FOR REPEAT VIOLATIONS; AND OTHER PROCEDURES; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; PROVIDING AN EFFECTIVE DATE, AND FOR OTHER PURPOSES – Attorney Paul Nicoletti spoke about the status of closing out the Seawalk development. He commented that the submission, which was received on July 1, 2024, was not adequate, and that there were questions regarding the photographs that were submitted. He spoke about the infrastructure certifications questions.

Attorney Nicoletti discussed the close-out of the infill area at Sun Communities and answered questions. He stated that it is believed that work had been done in that area without permits. He added that Joe Capra, Captec Engineering, would be preparing some plans, and that the next steps would be to discuss phasing and setting some dates.

Attorney Nicoletti reviewed Ordinance No. 348-2024 which came before the Council for second reading and asked for questions.

Attorney Nicoletti spoke about the search for a Town Attorney and stated that hopefully, at the August meeting, a decision could be made.

Mr. O'Neil commented that the Mayor would bring the item forward with recommendation.

Mayor Ostrand stated that she would be talking individually with the Town Council members and that they could decide how they would like to proceed.

Kim Stanton, Town Clerk, read Ordinance No. 348-2024 into the record.

Vice-President Docherty, seconded by Council Member Squires, made a motion to accept Ordinance No. 348-2024.

President Kelley asked for public comments.

Janet Galante, 431 S. Intercoastal Drive, stated that the Town needed a code compliance officer. She spoke of her appreciation for such an Ordinance.

President Kelley asked for further comments.

There were none.

(Roll Call Vote: Yes: Docherty, Kent, Squires, Kelley; No: None; Absent: Heller; Motion Passed 4-0)

2. Resolution #349-2024 – A RESOLUTION OF THE TOWN OF OCEAN BREEZE, FLORIDA, DETERMINING A TENTATIVE MILLAGE RATE FOR FISCAL YEAR 2024/2025 AND PROVIDING NOTICE THEREOF TO THE APPROPRIATE AUTHORITIES – Holly Vath, Financial Consultant discussed the proposed budget and that it was based on normal operations. She remarked that additional funding for PUD close-outs would require adjustments to the budget in FY 2024/2025. She added that the close-out processes bring about fiscal uncertainty to the Town. She advised that the total budget for 2024/2025 was \$305,095 which included utilization of \$103,033 of general fund reserves and referred them to the line-item detail on Pages 5 and 6. She noted that the most significant changes were a reduction of \$23,400 for the second part-time employee, which was offset by an increase of \$7,000 for additional administrative assistance as needed. She stated that the Town was waiting for a final renewal of the insurance and that she had included a 13% increase in the proposed budget. She advised that the budget for Conferences and Travel had increased by \$1,100. She spoke about the analysis of implementation of a utility tax to diversify the revenue sources. She stated that projections indicated that in fiscal year 2026, reserves may not be available to fund the normal operations of the Town. She added that once existing, unrestricted reserves are utilized, an increase in the millage rate would be required.

Ms. Vath directed the Council to page 9 and spoke about taxable values. She stated that the Mayor was recommending retaining the current millage rate of .80 mills, which would generate \$68,662 in ad valorem revenue. She added that the state had not yet released the estimates for state revenue sharing. She added that the population increased from 396 residents to 608 residents, and thus the Town did expect an increase in that state revenue sharing. She continued, directing the Council to page 11, the projections through 2028.

Ms. Vath directed the Council to page 10, the reserves and other legal costs, special engineers, landscape architects, etc. to perform additional individual analysis pertaining to the close-out of the Seawalk and Sun Community developments, and that the Town did have reserves to fund those items, but once they were used, there would be no choice but to raise the millage rate.

Council Member Docherty asked Ms. Vath if she was she referring to just the Seawalk close-out or both developments.

Ms. Vath answered that both close-outs could potentially have an impact on the reserves. She stated that the budget being proposed would use \$103,000 of the \$257,000 general fund reserves.

Ms. Vath directed the Council back to page 11, spending down of the reserves. She commented that the Mayor and Staff were recommending a minimum target reserve of 25% of the subsequent year budget. She directed the Council to the Memorandum attached.

She took questions from the Council.

Ms. Vath explained that a tentative millage rate would have to be set at this meeting for preliminary trim notices to be mailed to the taxpayers. She continued that another public hearing would be held in September at which the budget and millage rate would have to be approved, and that at the final public hearing, the millage rate would then have to be set. She added that during the public budget hearings, the millage rate could be moved or set at a lower rate, but that it could not be raised after adoption of a rate unless a special public notice was sent to every property owner in the Town.

Mr. O'Neil stated that if the Town Council had any changes to the budget, this would be the appropriate time to discuss them.

President Kelley asked who created this budget.

Ms. Vath answered that the budget is the Mayor's and that the Staff met with the Mayor to put together a proposed budget.

President Kelley asked for public comments.

Liz Reese, resident of Seawalk, asked if the recommendation was to stay at the .80 mills and asked what the reserves would be if the Town adopted .80 mills.

Ms. Vath answered "yes" and that the tentative reserve at the end of September 2025 would be \$153,845 (on page 10).

Mayor Ostrand spoke about her recommendation of .80 mills.

Mr. O'Neil stated that if the Council had any comments regarding the budget, now would be the appropriate time to discuss them.

Mayor Ostrand spoke about an increase in Conferences and Travel to \$5,000.

President Kelley stated that she would like to keep Conferences and Travel line-item at the 2024 budget.

Vice-President Docherty spoke about travel to Tallahassee for the Legislative Action Days, and that he believed that due to the rising costs, the Mayor's Conferences and Travel should be increased to \$4,500 because of the rising costs. He added that he recommended that the Conferences and Travel line-item be set aside for now and be revisited at the September hearings because the Town was waiting for projected figures from the State. He encouraged the Town Council members to take advantage of the Elected Municipal Officials (EMO) education.

Council Member Kent asked if a Council Member did not use their allocated amount, what happens to the balance.

(undecipherable)

Council Member Kelley asked for comments from the public.

Pam Hurlock, 2840 NE Breezeway Circle, stated that she believed that the Conferences and Travel line-item should remain at the 2024 figures.

Mayor Ostrand explained Legislative Action Days and that some of her expenses are picked up by the Florida League of Cities and the Florida League of Mayors.

Ms. Hurlock stated that she believed the Town should stay with the 2024 figures and if more dollars are needed by the Mayor or Town Council members, other members who have not utilized their funds, could allow their funds to be appropriated to the members who need extra assistance. She added that she agreed that the millage rate should be .80 mills and that she is concerned about the rate at which the Town is drawing down the reserves. She asked about the population count.

Ms. Vath answered that the State of Florida (Florida Bureau of Economic Development – University of Florida) does an annual estimate based on a mathematical model in April of each year. She added that last year, Kim and Pam gave evidence of the building that has taken place in the Town and the Bureau updated the number.

Ms. Hurlock asked about raising the number and what was required.

Town Clerk, Kim Stanton, explained that certain evidence had to be provided (voter's registration, plat, building permits, FP&L meters) and that she believed that the Town was currently at a more correct number.

Council Member Kent asked what encompassed the Special Projects line-item.

Ms. Vath explained that Special Projects is Pam Orr's time in which she fills in at the office as needed.

President Kelley asked if the hours had increased.

Ms. Vath answered that the Town currently has one part-time employee, Kim Stanton, and that some of the dollars saved by not having two part-time employees are being used to pay Pam to assist Kim.

Pam Orr explained that when she is in the office performing office duties, is a different category and a lower hourly rate.

President Kelley asked if it was decided that another part-time employee would not be hired.

Ms. Vath answered "yes."

President Kelley stated that she agreed with the Mayor and with Pam Hurlock that the millage rate should be .80 mills.

President Kelley asked about the election expenses.

Ms. Vath stated that there were requirements for advertising related to the election.

President Kelley asked about the advertising expenses.

Town Clerk, Kim Stanton, explained that the qualifying period and the ballot had to be advertised, and the poll workers had to be paid.

3. Resolution No. 349-2024 – A RESOLUTION OF THE TOWN OF OCEAN BREEZE, FLORIDA, DETERMINING A TENTATIVE MILLAGE RATE FOR FISCAL YEAR 2024/2025 AND PROVIDING NOTICE THEREOF TO THE APPROPRIATE AUTHORITIES – Town Clerk, Kim Stanton read Resolution No. 349-2024 into the record.

Council Member Docherty, seconded by Council Member Kent, made a motion to adopt Resolution No. 349-2024.

President Kelley asked for public comments.

There were none.

(Roll Call Vote: Yes: Docherty, Kent, Squires, Kelley; No: None; Absent: Heller; Motion Passed 4-0)

5. Comments from the public on topics not on the agenda –

6. Announcements – All meetings, including all **Budget meetings**, will be held at the Ocean Breeze Resort Clubhouse, Pineapple Bay Room, 700 NE Seabreeze Way, Ocean Breeze, FL

- Monday, August 12, 2024: 10:30 am
- Monday, September 9, 2024: 10:30 am
- **Wednesday, September 11, 2024: 6:00 pm – Public Hearing for setting of Tentative Millage Rate and Budget for FY 2024/2025**
- **Wednesday, September 25, 2024: 6:00 pm – Public Hearing and Adoption of Final Millage Rate and Budget for FY 2024/2025**
- Monday, October 14, 2024: 6:00 pm
- ~~Monday, November 11, 2024: 10:30 am – Veteran’s Day Holiday (Town Office closed)~~
- **Tuesday, November 12, 2024: 10:30 am**
- Monday, December 9, 2024: 10:30 am

7. Adjourn – Council Member Docherty, seconded by President Kelley, made a motion to adjourn the meeting at 7:01 pm.

Minutes approved: September 9, 2024