

**TOWN OF OCEAN BREEZE
FINAL BUDGET AND MILLAGE RATE HEARING FOR FY 2025/2026
AGENDA**

Wednesday, September 24, 2025 – 6:00 PM
Ocean Breeze Resort Clubhouse, Pineapple Bay Room
700 NE Seabreeze Way, Ocean Breeze, FL

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

- 1. Town Council Call to Order, President Docherty**
 - Pledge of Allegiance
 - Roll Call

- 2. Proposed Millage for Fiscal Year 2025/2026 – Financial Officer – Holly Vath**
 - A.** Percentage increase in millage over the rolled-back rate needed to fund the budget, if any
 - B.** Comments from the public
 - C.** Comments from the Council
 - D.** Motion to Adopt the Final Millage by Resolution #370-2025 **A RESOLUTION OF THE TOWN OF OCEAN BREEZE OF MARTIN COUNTY, FLORIDA ADOPTING THE FINAL LEVYING OF AD VALOREM TAXES FOR THE TOWN OF OCEAN BREEZE, MARTIN COUNTY FOR FISCAL YEAR 2025/2026; PROVIDING FOR AN EFFECTIVE DATE.**
(Motion, second, public comment, comments from the Council, Roll-Call Vote)

- 3. Proposed budget for Fiscal Year 2025/2026 – Financial Officer – Holly Vath**
 - A.** Comments from the public
 - B.** Comments from the Council
 - C.** Motion to Adopt the Final Budget by Resolution #371-2025 – **A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF OCEAN BREEZE OF MARTIN COUNTY, FLORIDA ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2025/2026; PROVIDING FOR AN EFFECTIVE DATE.**
(Motion, second, public comment, comments from the Council, Roll-Call Vote)

- 4. Consideration of Contraction (Deannexation) of Seawalk – Dan Hudson, Town Management Consultant**
 - Draft Feasibility Study
 - First Reading Ordinance #369-2025 –

AN ORDINANCE OF THE TOWN OF OCEAN BREEZE, FLORIDA PROVIDING FOR A PUBLIC REFERENDUM, A BALLOT SUMMARY, AND BALLOT LANGUAGE, AND INSTRUCTIONS TO THE SUPERVISOR OF ELECTIONS, AS PROVIDED IN TITLE IX, FLORIDA STATUTES, REGARDING A PROPOSAL TO CONTRACT THE BOUNDARIES OF THE TOWN OF OCEAN BREEZE CONSISTING OF THE “OCEAN BREEZE WEST PLANNED UNIT DEVELOPMENT, AS RECORDED IN OFFICIAL RECORDS BOOK 2981, PAGE 781, PUBLIC RECORDS OF MARTIN COUNTY, FLORIDA, MORE COMMONLY KNOWN AS THE “SEAWALK” COMMUNITY, WHICH INCLUDES 143 SINGLE FAMILY PROPERTIES AND ADJACENT COMMON AREA PROPERTY OWNED BY THE SEA WALK HOMEOWNERS’ ASSOCIATION, INC. ALONG WITH AN ADDITIONAL PARCEL OF LAND BEING A PORTION OF LOT 99 LYING IN THE UNRECORDED PLAT 4 OF JENSEN HIGHLANDS, AS FURTHER DESCRIBED HEREIN; PROVIDING INSTRUCTIONS TO THE SUPERVISOR OF ELECTIONS; PROVIDING AN APPROPRIATION OF FUNDS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE, AND FOR OTHER PURPOSES.

(Motion, second, public comment, comments from the Council, Roll-Call Vote)

- 5. Announcements-** Meetings to be held at Ocean Breeze Resort Clubhouse, Pineapple Bay Room, 700 NE Seabreeze Way, Ocean Breeze
- Regular Town Council Meeting, Monday, October 13, 2025, at 6:00 PM
 - Regular Town Council Meeting, Tuesday, November 10, 2025, at 10:30 AM
 - Regular Town Council Meeting, Monday, December 8, 2025, at 10:30 AM

6. Adjourn

(Motion, second, All-in-Favor)



RESOLUTION NO. 370-2025

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF OCEAN BREEZE, MARTIN COUNTY, FLORIDA ADOPTING THE FINAL LEVYING OF AD VALOREM TAXES FOR THE TOWN OF OCEAN BREEZE, MARTIN COUNTY FOR FISCAL YEAR 2025/2026; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Ocean Breeze, Martin County, Florida, on September 24, 2025, adopted Fiscal Year 2025/2026 Final Millage Rate following a public hearing as required by Florida Statute 200.065; and

WHEREAS, the Town Council of the Town of Ocean Breeze, 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 \$ 95,276,461.

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

1. The final FY 2025/2026 operating millage rate is _____ mills, which is _____ (less or more) than the rolled-back rate of _____ mills which is an/a _____ increase/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 24th day of September 2025 at _____ p.m.

TOWN OF OCEAN BREEZE TOWN COUNCIL

Karen M. Ostrand, Mayor

Kevin Docherty, President

Attest:

Correct as to form:

Pam Orr, Town Clerk

Gemma Torcivia, Attorney

Memorandum

To: Mayor and Town Council
From: Holly Vath, Financial Consultant
Subject: 2026 Proposed Budget
Date: September 24, 2025

2025 Budget Analysis

The actual expenditures through September 12, 2025, is shown on as a new column on the attached budget detail report. The 2025 budget anticipated utilizing \$73,993 of General Fund reserves. There are still some additional shared revenues to be received and an estimated additional \$15,000-\$20,000 in Building Compliance legal and engineering fees to be expensed. While the current actual reserve utilization is \$63,610, by year end the estimate is \$100,925 of reserves will be utilized. Additional expenses related to closeout activities of the PUD's have significantly increased Public Safety expenses. The Town is receiving additional revenue from the new ½ cent infrastructure sales tax, however this revenue will be a designated reserve and not available to fund general operations of the Town.

2026 Proposed Budget

The changes to the budget since the Public Hearing on September 11 is as follows:

- Removed \$1,000 in contributions
- Removed \$4,080 from Council Cell Phone Stipends

The recommendation is for a change in policy which would allow the Mayor and President to continue to receive the cell phone stipend of \$85.00 per month. The one Council member will continue to receive the stipend until their term expires. Any new Council members would not be eligible to receive the stipend in the future.

The Council approved a millage rate of 0.7665 at the first public hearing. This rate is the rollback rate. The rollback rate is the millage rate which will generate the same ad valorem revenue as fiscal year 2025.

The 2026 budget anticipates utilizing \$45,356 of general fund unassigned reserves. This will reduce the unassigned reserves to approximately \$110,153 at the end of the 2026 fiscal year. The unassigned reserves have been utilized for the past five years, reducing our reserves from \$328,658 to a projected amount of \$110,153.

Should Seawalk de-annex prior to January 1, 2026, the Town would need to utilize additional reserves during fiscal year 2026 since the estimated utility tax revenue would likely not be realized.

**BUDGET SUMMARY
TOWN OF OCEAN BREEZE
FISCAL YEAR 2026**

	2024	2025	2025	2025	2026
	Actual	Budget	Actual 09/12/2025	Estimated	Budget
Revenue					
General revenue					
312100 Ad Valorem	64,418	\$ 68,662	\$ 69,768	\$ 68,430	\$ 69,378
314200 Local communications services tax	5,576	5,900	8,000	5,900	6,650
Electric Utility Tax	-	-	-	-	53,402
322004 Charges for service	-	-	-	-	-
335120 State revenue sharing - 18% motor fuel	18,382	19,100	20,752	22,000	19,100
335140 Mobile home tags	3,139	3,100	2,500	3,100	3,100
335150 Alcoholic beverage licenses	2,692	2,300	3,230	3,230	2,300
335180 1/2 Cent Sales Tax	58,191	86,540	71,458	84,200	84,500
1/2 Cent Infrastructure Tax	-	-	40,845	54,000	80,000
312300 Gas tax	48,855	44,900	45,935	48,000	44,900
338200 Occupational licenses	570	500	607	105	500
361000 Interest income	24,277	20,000	15,905	15,500	20,000
369000 Miscellaneous income	179	-	10,000	10,000	-
Total General Revenue	226,279	251,002	289,000	314,465	383,830
Building revenue					
322000 Building permits	17,935	20,000	29,512	29,000	20,000
322001 Fire inspections	-	-	-	-	-
Total Building revenue	17,935	20,000	29,512	29,000	20,000
Leases					
383100	-	-	-	-	-
Total Revenue	244,214	271,002	318,512	343,465	403,830

**BUDGET SUMMARY
TOWN OF OCEAN BREEZE
FISCAL YEAR 2026**

	2024	2025	2025	2025	2026
	Actual	Budget	Actual 09/12/2025	Estimated	Budget
Expense					
General Government					
513150 Gross Payroll	46,471	45,500	61,023	72,000	102,960
513301 Management Consultant	23,656	28,000	18,713	22,000	28,000
513302 Rent	548	14,905	14,868	14,905	15,085
513304 Communications / Website	10,614	14,650	11,976	12,300	11,700
513305 Engineering	6,338	5,000	-	-	5,000
513306 Accountant	3,390	8,000	2,880	6,000	8,000
513308 Insurance W/C	1,429	5,000	497	2,500	5,000
513309 Insurance Package	25,042	27,000	23,576	23,500	28,050
513311 Public Advertising Notices	1,950	4,000	-	2,100	4,000
513312 Office Equipment, Supplies and Maintenance	12,605	10,665	10,707	12,500	11,360
513313 Postage	596	1,000	678	700	1,000
513315 Audit	16,250	17,000	16,500	16,500	17,000
513316 Utilities	600	720	782	620	720
513317 Dues	1,477	1,565	1,557	1,565	1,540
513318 Mileage Reimb. - Clerks	44	300	65	70	200
513319 Council expenses, conferences & travel	6,195	6,900	5,698	6,900	6,900
513321 Election Expenses	654	2,000	743	700	2,000
513820 Contributions	300	1,000	300	800	-
513322 Special Projects	13,346	12,000	7,647	7,000	-
513322 Charter review	-	-	-	-	-
514100 Legal Counsel	16,406	24,000	13,750	20,000	24,000
514200 Computer Services	5,920	6,900	10,226	12,000	6,900
531110 Payroll Taxes - Fica	2,978	2,830	3,783	3,980	7,875
531111 Payroll Taxes - Medicare	696	660	885	750	1,495
584620 Building - Leases	-	-	-	-	-
584640 Equipment - Leases	-	-	-	-	-
584710 Principal - Leases	13,916	-	-	-	-
584720 Interest - Leases	2,396	-	-	-	-
Total General Government	213,817	239,595	206,854	239,390	288,785

**BUDGET SUMMARY
TOWN OF OCEAN BREEZE
FISCAL YEAR 2026**

	2024 Actual	2025 Budget	2025 Actual 09/12/2025	2025 Estimated	2026 Budget
Public Safety					
524200 Building Official	20,513	27,000	15,513	20,000	22,000
524210 Building Code Compliance services	18,518	8,000	30,933	33,000	8,000
524220 Code Compliance legal services	23,840	5,000	22,062	30,000	5,000
524300 Fire Safety Inspector	-	500	-	-	500
524300 Permit processing services	24,097	20,000	19,980	20,000	-
Total Building	86,968	60,500	88,488	103,000	35,500
Transportation					
541300 Street lights and street maintenance	4,386	5,000	3,310	3,700	5,000
541400 Sheriff Road Patrol	-	-	-	-	20,000
Total Transportation	4,386	5,000	3,310	3,700	25,000
Capital Outlay					
555000 Furniture & Equipment	-	-	-	-	-
Total Expense	305,171	305,095	298,652	346,090	349,285
Use of unrestricted reserves	(105,426)	(73,993)	(63,610)	(100,925)	(45,356)
Restricted gas tax reserves	44,469	39,900	42,625	44,300	19,900
Restricted infrastructure reserves			40,845	54,000	80,000
Total change in reserves	(60,957)	(34,093)	19,860	(2,625)	54,545

**Town of Ocean Breeze
Line Item Detail**

Page 5

Account	Detail	2026 Budget	2025 Budget	Change
513150 · Gross Payroll	Town Clerk - 1,560 hours - \$45.00	70,200	45,500	24,700
513150 · Gross Payroll	Bookkeeper/Office Assistant - 1,560 hours - \$21	32,760	-	32,760
513301 · Management Consultant	Town Manager Consultant	28,000	28,000	-
513302 · Rent	Storage Unit	985	985	-
513302 · Rent	Office	14,100	13,920	180
513304 · Communications / Website	Comcast	3,600	3,600	-
513304 · Communications / Website	Cell phone stipend -Town Clerk - Deputy Town Clerk	2,040	1,020	1,020
513304 · Communications / Website	Council cell phone/internet stipends President	1,020	1,020	-
513304 · Communications / Website	Council cell phone/internet stipends Mayor	1,020	1,020	-
513304 · Communications / Website	Council cell phone/internet stipends 1 Council member	1,020	1,020	-
513304 · Communications / Website	Council cell phone/internet stipends 4@ \$1,020	-	4,080	(4,080)
513304 · Communications / Website	Web hosting	2,400	2,400	-
513304 · Communications / Website	Website ADA Accessibility	600	490	110
513305 · Engineer	Town Engineer	5,000	5,000	-
513306 · Accountant	Financial Consultant	8,000	8,000	-
513308 · Insurance W/C	Florida League of Cities	5,000	5,000	-
513309 · Insurance Package	Florida League of Cities	28,000	27,000	1,000
513309 · Insurance Package	Notary renewals	50	-	50
513311 · Public Advertising Notices	Treasure Coast Newspapers	4,000	4,000	-
513312 · Office Equipment & Supplies	Copier lease	3,400	3,310	90
513312 · Office Equipment & Supplies	Copier use above contracted amount	200	600	(400)
513312 · Office Equipment & Supplies	Council directed budget/election mailing	1,500	1,500	-
513312 · Office Equipment & Supplies	Office supplies	1,800	1,800	-
513312 · Office Equipment & Supplies	Meeting supplies	1,200	1,200	-
513312 · Office Equipment & Supplies	Quicken	1,000	-	1,000
513312 · Office Equipment & Supplies	Office 365	1,600	1,415	185
513312 · Office Equipment & Supplies	Adobe	360	540	(180)
513312 · Office Equipment & Supplies	Remote desktop software	300	300	-
513313 · Postage	Post office box	500	500	-
513313 · Postage	Postage	500	500	-
513315 · Audit	Annual audit	17,000	17,000	-
513316 · Utilities	FPL - Office	720	720	-
513317 · Dues	Florida League of Cities	640	615	25
513317 · Dues	Florida League of Mayors	350	350	-
513317 · Dues	Chamber of Commerce	275	250	25
513317 · Dues	Treasure Coast Council of Local Government	200	200	-
513317 · Dues	Florida City Clerks Association	75	150	(75)
513318 · Mileage Reimb. - Clerks	Staff mileage	200	300	(100)
513319 · Conferences & Travel - Council	Council travel and conferences	6,900	6,900	-

Town of Ocean Breeze
Line Item Detail

Page 6

Account	Detail	2026 Budget	2025 Budget	Change
513321 · Election Expenses	Elections Expenses	2,000	2,000	-
513324 · Special Projects	Special Projects	-	12,000	(12,000)
513324 · Special Projects	Charter Review	-	-	-
513820 · Contributions	Upon request and Council approval	-	1,000	(1,000)
514100 · Legal Counsel	Legal Counsel	24,000	24,000	-
514200 · Computer Services	Computer assistance	1,500	1,500	-
514200 · Computer Services	Computer security assistance	2,400	2,400	-
514200 · Computer Services	Software support	3,000	3,000	-
524200 · Building Official Services	Building Official	12,000	15,000	(3,000)
524200 · Building Official Services	Inspections	10,000	12,000	(2,000)
524210 · Building Code Compliance services	Code Compliance Services	8,000	8,000	-
524220 · Code Compliance Legal services	Code Compliance Legal	5,000	5,000	-
524300 · Fire Safety Inspector	Martin County Fire Inspections	500	500	-
524301 · Permit Processing Services	Permit Processing Services	-	20,000	(20,000)
531110 · Payroll taxes - FICA	Payroll Taxes - Fica	7,875	2,830	5,045
531111 · Payroll taxes - Medicare	Payroll Taxes - Medicare	1,495	660	835
541301 · Street Lights and Maintenance	Transportation	5,000	5,000	-
541301 · Street Lights and Maintenance	Extra Sheriff Patrols	20,000	-	20,000

**TOWN OF OCEAN BREEZE
COUNCIL EXPENSES, CONFERENCES AND TRAVEL**

		<u>2026</u>	<u>2025</u>
Mayor			
	Conferences and Travel	4,500	4,500
President			
	Conferences and Travel	600	600
Vice President			
	Conferences and Travel	600	600
Commissioner			
	Conferences and Travel	300	300
Commissioner			
	Conferences and Travel	300	300
Commissioner			
	Conferences and Travel	300	300
Commissioner			
	Conferences and Travel	300	300
Total		<u>6,900</u>	<u>6,900</u>

**TOWN OF OCEAN BREEZE
PROPOSED MILLAGE RATE
Millage Proposal
September 30, 2026**

	<u>Proposed Millage</u>	<u>Current Year</u>
Estimated taxable value	\$ 95,276,461	\$ 90,674,046
Taxable Value Increase		
Divide by 1,000	1,000	1,000
	\$ 95,276.46	\$ 90,674.05
Millage rate	0.7665	0.8000
Rollback rate	0.7665	0.7665
% above/below rollback	-	4.19%
Ad valorem taxes	\$ 73,029.41	\$ 72,539.24
Collection allowance	5%	5%
Budgeted ad valorem taxes	\$ 69,378.00	\$ 68,912.00
Other Revenue	202,340.00	167,350.00
Expenditures	305,095.00	304,550.00
<hr/>		
<u>Town of Ocean Breeze Taxes</u>	<u>Taxable Value</u>	
Total Seawalk	\$ 56,442,016	
Seawalk - 44 homes	\$ 454,154	\$ 363
Homesteaded Seawalk - 99 homes	\$ 329,323	\$ 263
Shopping Plaza	\$ 14,128,490	\$ 11,303
Resort	\$ 22,197,807	\$ 17,758
Population	608	

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

	Balance	Annual Operating Budget	% of Budget
Fund balance @ 9/30/2017	257,818	287,214	89.77%
FY 2018 decrease in fund balance	(39,862)		
Fund balance @ 9/30/2018	217,956	371,292	58.70%
FY2019 increase in fund balance	132,441		
Fund balance @ 09/30/2019	350,397	382,885	91.51%
FY2020 increase in fund balance	25,120		
Fund balance @ 09/30/2020	375,517	283,967	132.24%
FY2021 increase in fund balance	49,547		
Fund balance @ 09/30/2021	425,064	348,010	122.14%
FY2022 increase in fund balance	24,851		
Fund balance @ 09/30/2022	449,915	301,301	149.32%
FY2023 decrease in fund balance	(88,056)		
Fund balance @ 09/30/2023	361,859	308,430	117.32%
FY2024 decrease in fund balance	(105,426)		
Projected fund balance @ 09/30/2024	256,433	305,000	84.08%
FY2025 Projected decrease in fund balance	(100,925)		
Projected fund balance @ 09/30/2025	155,508	305,095	50.97%
FY2026 Projected decrease in fund balance	(45,356)		
Projected fund balance @ 09/30/2026	110,153	349,285	31.54%

TOWN OF OCEAN BREEZE
Historical Data

Fiscal Year	Tax Year	Taxable Value	% Change	Millage Rate	% Change	Taxes Levied
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%	1.4000	-54.55%	66,946
2023	2022	67,156,131	40.44%	1.0000	-28.57%	67,156
2024	2023	84,128,347	25.27%	0.8000	-20.00%	67,303
2025	2024	90,345,172	7.39%	0.8000	0.00%	72,276
2026	2025	95,045,845	5.20%	0.7665	-4.19%	72,853



RESOLUTION NO. 371-2025

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF OCEAN BREEZE, MARTIN COUNTY, FLORIDA, ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2025/2026; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Ocean Breeze, Martin County, Florida, on September 24, 2025, held a public hearing as required by Florida Statute 200.065; and

WHEREAS, the Town Council of the Town of Ocean Breeze, Martin County, Florida set forth the appropriations and revenue estimate for Budget for Fiscal Year 2025/2026 in the amount of \$ _____.

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

1. The Fiscal Year 2025/2026 Final Budget be adopted.
2. This Resolution shall take effect immediately upon its adoption.

DULY ADOPTED at a public hearing on the 24th day of September 2025 at _____ p.m.

TOWN OF OCEAN BREEZE TOWN COUNCIL

Karen M. Ostrand, Mayor

Kevin Docherty, President

Attest:

Correct as to form:

Pam Orr
Town Clerk

Gemma Torcivia, Attorney

**TOWN OF OCEAN BREEZE
CONTRACTION / DEANNEXATION FEASIBILITY STUDY
ROUGH DRAFT 9/16/25
REVISED DRAFT 9/18/25**

INTRODUCTION

Seawalk residents have asked for relief from paying taxes into the Town of Ocean Breeze (Town). Residents have expressed that the Seawalk neighborhood is paying an inequitable share of taxes in support of the Town. Residents have also questioned whether services provided directly by the Town are beneficial to the neighborhood.

One method of resolving the questions would be to deannex Seawalk. Florida law provides a procedure for deannexing property from a municipal boundary. The procedure for municipal contraction¹ is defined in Florida Statutes 171.051.

The Town Council considered the matter on September 8, 2025. At that time the Council voted to proceed with drafting an ordinance for contraction with a tentative effective date of no later than December 31, 2025.

There are details and policy decisions which need to be developed through this feasibility study. It is reasonable to believe that contraction can be considered on an informed, thoughtful, and timely basis. Similarly, it is reasonable to believe that the Town of Ocean Breeze can continue to operate without the Seawalk neighborhood.

DISCUSSION

The contraction law requires a feasibility study, which can address policy questions. Most of these are straightforward answers which simply need compiling into a report with recommendations. However, some involve important policy decisions, such as the effective date and the Ocean Breeze West Planned Unit Development (aka Seawalk PUD) closeout.

Background

The proposed contraction area remained vacant from the time the Town was incorporated as a municipality in 1960. In 2018 the property was sold to Forestar (USA) Real Estate Group, Inc., an affiliated corporation with DR Horton. Since then the property has been fully developed into a 143 single family home neighborhood.

Boundary

The proposed contraction area includes all residential properties within the Town limits which are west of the Florida East Coast Railway property (FEC). This includes the 143 single family

¹ Please note the law defines the procedure as "contraction" however, contraction and deannexation are used synonymously.

homes, plus the common areas and roads which are owned by Seawalk Homeowners' Association, Inc. It also include the single family home located at 1562 NE South Street which would become an "orphan" and would no longer be contiguous without the Seawalk community. See Attachment A. For ease of reference, these are all referred to as "Seawalk" in this report.

Effective date

A central issue is the effective date of the proposed contraction.

Recommended effective date: December 31, 2025.

If the contraction can be completed by December 31, 2025, the pending tax bills coming due in November 2025 will be the final taxes paid by Seawalk owners to the Town. Both the valuation and taxing authority status of properties for the future will be based upon conditions as of January 1, 2026.

Contracted properties would be subject to Martin County unincorporated area taxes for Fiscal Year 2026-2027². These taxes would become due in November 2026, along with those of all other taxing authorities.

Taxes collected and budgets approved for Fiscal Year 2025-2026 remain in place.

Referendum

A calendar has been devised in cooperation with legal counsel and the Supervisor of Elections. There are legal, advertising, and practical considerations.

It is recommended to hold the contraction referendum be held in a special election on December 16th. Only Seawalk registered voters and the adjacent orphaned lot will be eligible to vote. The Town has the option of conducting by in-person vote or by mail-in vote. It should be noted that the mail-in ballot has less cost and is more convenient.

If approved, the contraction can follow the outline contained in this study. In the event the referendum fails, then it cannot be brought up again for two years.

How will the Seawalk PUD closeout be affected?

The Seawalk PUD permit closeout is an issue to the proposed contraction. There is an open permit for infrastructure and related matters because certain open items have not been completed to the satisfaction of the Town³. For the purpose of contraction, these open items need to be either closed or a methodology established to oversee the closure.

² Specifically the Town levy would go away and be replaced by MSTU Stormwater / Roads, MSTU Parks & Recreation, and District One MSTU levies.

³ These are documented elsewhere and not recited here because it is an evolving list.

Chubb Insurance issued a \$3.9 million bond in 2018 to assure that Forestar “fully performs its obligations.” The Town sent a letter to Chubb Insurance in April 2025 asking Chubb to intervene on the open items. Chubb has in fact engaged Forestar, and Forestar has responded to some degree. Still, open items remain and the Town Council, on September 8th, directed a letter to Chubb placing a demand deadline for the items to be completed.

There are three possible outcomes which could occur in order to meet the suggested December 31, 2025 effective date.

Scenario 1: Work is completed satisfactorily.

Under this scenario, Council would consider a Final Minor PUD Amendment based upon work completed as of October 31, 2025. In conjunction with this, Council will consider a request by Forestar to correspondingly reduce the outstanding bond. This would occur at the November 10, 2025 Council meeting.

Scenario 2: Bond is transferred to Martin County

If the work is not completed satisfactorily, then an option would be to transfer the bond to Martin County for final enforcement, in order to meet the suggested effective date of contraction of December 31, 2025. This could occur at either the November or December Council meetings, but can only happen with the concurrence of Westchester Insurance Co. (Chubb) and Forestar. Otherwise, a new bond would have to be issued to Martin County if later required by the County, and allowed by law.

Scenario 3: Chubb pays claim

Another possibility is that Chubb will respond positively to the latest demand and propose a financial settlement. Although this is not considered likely, it would probably be the most direct route to conclude the matter. Chubb would likely minimize its exposure and the Council would need to either accept or reject the proposed settlement.

Coordination with Martin County

The Town Comprehensive Plan, Intergovernmental Coordination Element Policies 1.5 & 1.6 requires coordination with Martin on annexation matters.

General

The decision to deannex Seawalk rests exclusively with the Town and the Seawalk residents. There is no reason to believe that Martin County officials would either favor or disfavor the change.

Transition plan for waste management

Seawalk is working on a waste contract renewal which is expected to include an exit clause in the event the contraction occurs.

Martin County operates its program on a unincorporated area-wide solid waste assessment ordinance. All single family homes are subject to the assessment. The assessment is different from taxes⁴, but is collected on the annual tax bill.

The solid waste assessment operates on a fiscal year basis. Therefore, Seawalk residents will become subject to the assessment effective October 1, 2026 and it will appear on the November 2026 tax bills. During the transition period from January 1, 2026 through September 30, 2026, the Seawalk residents will likely pay their existing fees to Waste Management through the HOA, unless other arrangements are made with the County. The recommendation is to continue current arrangements through September 30, 2026. Otherwise it will involve a complicated partial year assessment.

Land use and zoning

The Seawalk PUD establishes the single family home character of the neighborhood. Since Seawalk is built out, there is no reason to change the zoning. It is noted that there is a "sister" neighborhood with similar homes, lot sizes, and developed by the same builder located just south of Seawalk in Martin County's District One. The neighborhood called Sabal Pointe carries R-2 zoning, indicating single family residential.

Sabal Pointe also carries a Future Land Use designation of Low Density (up to 5 units per acre). Again, Seawalk is built out so there is no reason to initiate a Land Use change.

Seawalk Preserve Area Management Plan (PAMP)

PAMPs have been a feature of Martin County since its first comprehensive plan in the late 1980s. Each one is unique to a specific geographic area but all are founded on the basis of preserving and maintaining certain land for environmental purposes. The Seawalk PAMP is similar to Martin County standards and there should be no transitional requirements. Seawalk is recommended to continue its current PAMP practices.

Electric Utility Tax Collection.

The Town Council recently adopted a new electric utility tax. It is expected to begin collection on January 1, 2026. Martin County already collects a similar fee at the same rate, so effectively it will be no different for residents.

It is recommended that the Town closely analyze the first few months of collection and be prepared to transmit all monies collected from within Seawalk to Martin County. If the contraction is approved by voters, only at that time will FP&L be informed of the change. Staff will need to coordinate with FP&L for at least the first quarter of calendar 2026, or until FP&L is able to adjust its billing and payments to the County.

⁴ Solid waste is levied through a special non-ad valorem assessment. It is collected through what is called the Uniform Assessment Collection Methodology found in Florida Statute 197.3632. This allows it to be collected on the property owners tax bill.

Sunsetting and replacement of Council Members residing in Seawalk

The Town Charter requires that Council Members be “residents of the Town...”⁵ Therefore any Member who is a resident of Seawalk will automatically cease serving as of the effective date of the contraction.

There is one Seawalk resident Council Member serving a 2024-2026 term. The annual Council Member election for the 2025-2027 cycle is scheduled for November 4, 2025. Three seats are open and seven candidates have qualified. Those elected will be sworn in on December 8, 2025. Therefore, at least one seat and potentially up to three additional will be subject to sunset as a result of contraction.

The Town Charter provides that the remaining Council Members may appoint a replacement member by majority vote⁶ in order to fill a vacant seat. If the number of Members falls below a quorum those remaining may fill seats by a majority vote, or they may choose to hold a special election.

Special recommendation concerning six Council seats.

The Town Charter establishes six Council Members. It is highly unusual to have a legislative body with an even number of members. Given that at least one seat will become vacant through contraction, this would be an ideal time to transition toward a five member Council.

A change in the Council composition will require a Charter referendum. This may be accomplished simply by holding one seat vacant until the November 2026 general election when a Charter amendment may be submitted to the voters.

This decision is best reserved for the future once the outcome of the contraction vote is known. However, it should be considered as part of the transition if contraction is approved.

Fiscal impact to Seawalk property owners

Seawalk residents will become subject to additional Martin County programs, notably the Roads & Stormwater MSTU, the Parks and Recreation MSTU, the District One MSTU, and the Solid Waste Assessment. Law enforcement, Fire-Rescue, and Utilities services are already provided through existing arrangements. Likewise the Martin County unincorporated area is already subject to a six percent electric utility, so that remains unchanged.

It is not practical to predict future County budgets. This estimate is based upon the tentatively approved budgets for FY26. This comparison provides a “what if” scenario if Seawalk were in District One this budget year:

⁵ Town Charter Article II, Section 2.01

⁶ Town Charter Article II, Section 2.07 B)

	SEAWALK	MARTIN DISTRICT ONE
PROPERTY TAX RATE	0.7665 MILL	0.7862 MILL
PROPERTY TAXES	\$ 262.18	\$ 268.92
WASTE COLLECTION ⁷	\$ 311.21	\$ 464.37
TOTAL	\$ 573.39	\$ 733.29

Without comparing services, it is worth noting that Martin County has a robust solid waste program which includes twice weekly garbage pickup, weekly recycling pickup, and weekly yard waste pickup.

Fiscal impacts to the Town

The revised tax roll⁸, combined with the newly adopted electric utility tax, will support the budget for Town operations at a millage rate of about 4.0 mills for Fiscal Year 2026-2027. This will provide the revenue stream for the Town without further reducing the cash reserves.

The Town millage rate was 6.3826 for the Fiscal Year 2018-2019 budget. After that time, the Town began using its cash reserves to balance the annual budget. Therefore, the combination of property taxes and utility taxes are seen as comparable to recent historic levels.

FINDINGS FOR DEANNEXATION CONSIDERATION

Urban Services are limited

There are numerous public comments from both residents and Council Members that the Town does not provide municipal services to Seawalk. It is noteworthy that no land was reserved from the Seawalk PUD for ordinary civic purposes such as a Town Hall or parks. The Seawalk community pretty much takes care of itself as far as urban services. Though its active Homeowner's Association many of the typical urban services are provided by the County or a private provider.

Contiguity

The FEC railway also presents a real and substantial barrier separating the resort neighborhood from the newly developed Seawalk neighborhood. This raises the issue of whether the Seawalk community is contiguous to the remainder of the Town. The existing boundary dates to the origin of the Town. However, if it were to be proposed for annexation today it would likely fail the test for contiguity due because there are no grade crossings or bridges across the railway right of way. Even to attend Town Council meetings, residents must leave the Town and travel through the County to arrive at a separate gated community. The railway presents a real barrier to the Sea Walk community's ability for "fully associating and trading with each other, socially and economically" vis-a-vis the rest of Ocean Breeze, as the term is used for communities being "contiguous" in the annexation law.

⁷ A five percent increase in Seawalk waste rates is estimated. Martin County rate has been adopted.

⁸ Future property taxes will be based upon the tax roll for the Ocean Breeze Resort and the Ocean Breeze Plaza.

Lack of a common civic identity

The differences between the two residential neighborhoods is too pronounced. The small population, the two completely different lifestyles, and the physical separation of the railway all combine to prohibit a common sense of community found in other municipalities.

CONCLUSION

The present situation came to light after Seawalk was developed. In light of the concerns voiced by Council members and residents of Seawalk, it is prudent to submit the question to voters and allow them to decide.





FIRST READING VERSION (v3)

**BEFORE THE TOWN COUNCIL OF THE
TOWN OF OCEAN BREEZE, FLORIDA**

ORDINANCE No. 369-2025

**AN ORDINANCE OF THE TOWN OF OCEAN BREEZE, FLORIDA
PROVIDING FOR A PUBLIC REFERENDUM, A BALLOT SUMMARY,
AND BALLOT LANGUAGE, AND INSTRUCTIONS TO THE
SUPERVISOR OF ELECTIONS, AS PROVIDED IN TITLE IX, FLORIDA
STATUTES, REGARDING A PROPOSAL TO CONTRACT THE
BOUNDARIES OF THE TOWN OF OCEAN BREEZE CONSISTING OF
THE "OCEAN BREEZE WEST PLANNED UNIT DEVELOPMENT, AS
RECORDED IN OFFICIAL RECORDS BOOK 2981, PAGE 781, PUBLIC
RECORDS OF MARTIN COUNTY, FLORIDA, MORE COMMONLY
KNOWN AS THE "SEAWALK" COMMUNITY, WHICH INCLUDES 143
SINGLE FAMILY PROPERTIES AND ADJACENT COMMON AREA
PROPERTY OWNED BY THE SEA WALK HOMEOWNERS'
ASSOCIATION, INC. ALONG WITH AN ADDITIONAL PARCEL OF
LAND BEING A PORTION OF LOT 99 LYING IN THE UNRECORDED
PLAT 4 OF JENSEN HIGHLANDS, AS FURTHER DESCRIBED HEREIN;
PROVIDING INSTRUCTIONS TO THE SUPERVISOR OF ELECTIONS;
PROVIDING AN APPROPRIATION OF FUNDS; PROVIDING FOR
REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR
SEVERABILITY; PROVIDING AN EFFECTIVE DATE, AND FOR
OTHER PURPOSES.**

WHEREAS, over the passage of time, the needs and wants of the residents living in the
Ocean Breeze West (Sea Walk) Planned Unit Development as recorded in Official Records Book
2981, Page 781, public records of Martin County, Florida, consisting of 143 single family homes

FIRST READING VERSION (v3)

Ordinance No. 369-2025

**Referendum Election Regarding Contraction (Deannexation) of SeaWalk Community
Town of Ocean Breeze, Florida**

and adjacent community property owned by the Sea Walk Homeowners' Association, Inc., have become disparate from the remainder of the Town; and this has become very apparent to the Town Council during the summer of 2025 especially during the annual budget and taxation hearings and meetings held prior to adoption of the tax levy and annual budget for the 2026 fiscal year; and

WHEREAS, the Town Council seeks to achieve a goal of creating harmony both inside and outside its municipal boundaries; and

WHEREAS, the Town Council has considered the needs of the entire Town including the Ocean Breeze West (SeaWalk) Planned Unit Development, and those citizens of the Sea Walk community seeking the contraction of the Town boundaries, along with one (1) additional lot known as a part of Lot 99 in the unrecorded Plat 4 of Jensen Highlands as further described in **Exhibit A** attached hereto and made a part hereof. The Town Council finds that it is appropriate to call for a referendum election for the SeaWalk residents and that certain part of Lot 99 to decide if a majority of the qualified voters in the Sea Walk community and part of Lot 99 desire to contract their boundaries and effectively "deannex" from the Town. The Town Council specifically finds that without the Sea Walk community, that portion of Lot 99 further described herein is no longer contiguous with the Town.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF OCEAN BREEZE, FLORIDA that:

FIRST READING VERSION (v3)

Ordinance No. 369-2025

Referendum Election Regarding Contraction (Deannexation) of SeaWalk Community
Town of Ocean Breeze, Florida

SECTION 1: Recitals. The above recitals are true and correct and by reference are incorporated herein as if set forth below and are adopted as the findings of the Town Council as the reason and purpose for this ordinance.

SECTION 2. Referendum Election Called. There is hereby called a public election to be held in the Town of Ocean Breeze for the members of the Ocean Breeze West (Sea Walk) Planned Unit Development on December 16, 2025, at a location to be announced by the Martin County Supervisor of Elections. The Martin County Supervisor of Elections is requested to conduct such election, and to canvass the ballots as done for a state or county election. The ballot summary and question in Section 3 of this ordinance shall be placed on the ballot, and only the qualified voters of the Ocean Breeze West Planned Unit Development, and the land described in Exhibit A, as provided in Chapter 171, Part I, Florida Statutes, and herein shall be eligible to vote on such matter.

SECTION 3: Ballot Summary and Ballot Language. The form of the question on the ballot for the December 16, 2025, referendum election shall be as follows:

BALLOT TITLE AND SUMMARY:

**DEANNEXATION (CONTRACTION) OF THE SEA WALK
COMMUNITY AND PART OF LOT 99 FROM THE TOWN OF OCEAN
BREEZE**

If approved, the residents of the Ocean Breeze West (Sea Walk) Planned Unit Development and part of Lot 99, Jensen Highlands will “deannex” or contract from the Town of Ocean Breeze, as some residents in Sea Walk community have asked the Ocean Breeze Town Council. This measure allows such a proposition to be approved by the voters of the Sea Walk community and adjacent lot, to be effective at 11:59 P.M. on December 31, 2025.

FIRST READING VERSION (v3)

Ordinance No. 369-2025

Referendum Election Regarding Contraction (Deannexation) of SeaWalk Community
Town of Ocean Breeze, Florida

BALLOT LANGUAGE:

Shall Ocean Breeze West “SeaWalk” PUD and part of Lot 99 deannex from
the Town?

_____ For deannexation

_____ Against deannexation

SECTION 4: Instructions to the Supervisor of Elections. The Martin County Supervisor of Elections is requested to do all things required to conduct this election, including to provide for creation and notice of the ballot, the provision of voting machines, tabulation of the ballots, canvassing of the ballots, and public reporting of the election results. The Supervisor shall appoint inspectors and election clerks necessary for the election, and participate in the canvass of the ballots with the County Judge and other members of the County’s Canvassing Board, and shall report the findings by Informal Election Results to the Town Council at or before a Special Meeting of the Town Council on December __, 2025.

SECTION 5: Appropriation of Funds. The Town Council hereby appropriates an amount not to exceed \$1,000.00 for the conduct of this election to be paid from the General Fund of the Town.

SECTION 6: Conflicts. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 7: Severability. If any section, sentence, clause, phrase or word of this ordinance is for any reason declared to be unconstitutional, inoperative or void, such holding shall not affect the remaining portions of this ordinance and the remaining portions shall be deemed and held to be valid.

SECTION 8: Effective Dates. This ordinance shall take effect immediately upon adoption, and the date of any contraction approved by the voters shall be on December 31, 2025 at 11:59 PM.

PASSED on first reading on the _____ day of September, 2025.

Council Member _____ offered the foregoing ordinance and moved its

FIRST READING VERSION (v3)

Ordinance No. 369-2025

**Referendum Election Regarding Contraction (Deannexation) of SeaWalk Community
Town of Ocean Breeze, Florida**

123 adoption. The motion was seconded by Council Member _____ and upon
124 being put to a roll call vote, the vote was as follows:

KEVIN DOCHERTY, COUNCIL PRESIDENT
SANDY KELLEY, COUNCIL VICE PRESIDENT
GEORGE CIASCHI, COUNCIL MEMBER
JANET GALANTE, COUNCIL MEMBER
MICHAEL HELLER, COUNCIL MEMBER
MATTHEW SQUIRES, COUNCIL MEMBER

YES	NO	ABSENT	ABSTAIN

125

126 ADOPTED on second and final reading this ____ day of _____, 2025.

127 ATTEST:

128

129

130 _____
131 PAM ORR
132 TOWN CLERK

KAREN R. OSTRAND
MAYOR

133 APPROVED AS TO FORM
134 AND CORRECTNESS:

135

136

137

138 _____
139 GEMMA TORCIVIA
140 TOWN ATTORNEY

FIRST READING VERSION (v3)

Ordinance No. 369-2025

**Referendum Election Regarding Contraction (Deannexation) of SeaWalk Community
Town of Ocean Breeze, Florida**

EXHIBIT A

**BEING A PORTION OF LOT 99, AND THAT PART OF HIGHLANDS AVENUE
LYING SOUTHERLY OF THE SOUTH RIGHT OF WAY LINE EXTENDED OF
SOUTH STREET AS SHOWN ON THE UNRECORDED PLAT 4 OF JENSEN
HIGHLANDS, SECTION 22, TOWNSHIP 37 SOUTH, RANGE 41 EAST, MARTIN
COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS
FOLLOWS:**

**COMMENCING AT MONUMENT MARKING THE CENTER OF SAID SECTION 22,
THENCE ALONG THE SOUTH LINE OF THE AFORESAID UNRECORDED PLAT 4
AND THE SOUTH LINE OF THE NORTHWEST ¼ OF SAID SECTION 22, NORTH 89°
58' 28" WEST, A DISTANCE OF 998.56 FEET TO THE POINT OF BEGINNING OF
THE HEREIN DESCRIBED PARCEL OF LAND; THENCE CONTINUING ALONG
SAID SOUTH LINE, NORTH 89° 58' 28" WEST, A DISTANCE OF 106.44 FEET;
THENCE DEPARTING SAID SOUTH LINE, NORTH 00° 05' 54" EAST, A DISTANCE
OF 160.31 FEET TO THE WESTERLY EXTENSION OF THE SOUTH RIGHT OF
WAY LINE OF SAID SOUTH STREET; THENCE ALONG SAID SOUTH RIGHT OF
WAY LINE SOUTH 89° 57' 52" EAST, A DISTANCE OF 106.44 FEET; THENCE
DEPARTING SAID SOUTH RIGHT OF WAY LINE, SOUTH 00° 05' 53" WEST, A
DISTANCE OF 160.30 FEET TO THE AFORESAID SOUTH LINE OF SAID
UNRECORDED PLAT 4 AND THE POINT OF BEGINNING OF THE HEREIN
DESCRIBED PARCEL.**

PCN: 22-37-41-000-00405.10000

1562 NE South Street, Jensen Beach, Florida 34357