

TOWN OF OCEAN BREEZE
MINUTES TENTATIVE BUDGET AND PROPOSED MILLAGE RATE HEARING
Thursday, September 11, 2025, 6:00 p.m.
Ocean Breeze Resort Clubhouse, Pineapple Bay Room
700 NE Seabreeze Way, Ocean Breeze, FL

- **Call to Order** – President Docherty called the meeting to order at 6:00 p.m.
- **Civility Guidelines** – President Docherty reviewed the Civility Guidelines.
- **Pledge of Allegiance** – Mayor Ostrand led the Pledge of Allegiance
- **Roll Call** – Present: Mayor Karen M. Ostrand; President Kevin Docherty; Vice President Sandy Kelley; Council Members George Ciaschi, Janet Galante, Michael Heller, and Matthew Squires
- **Staff Present** – Town Management Consultant, Dan Hudson; Town Financial Consultant, Holly Vath; Attorney Gemma Torcivia; Town Clerk, Pam Orr; Bookkeeper, Wendy Price

President Docherty called for a moment of silence in remembrance of victims from September 11.

2. Proposed Millage for Fiscal Year 2025/2026 — Holly Vath, Town Financial Consultant, stated that the mileage rate set at the Budget workshop on July 16, was .8 mills. She continued that .8 mills was 4.37% above the roll back rate of .7665.

President Docherty asked for Public Comments:

Joseph Beert, 2850 NE Breezeway Circle, commented that the District 1 tax that was compared to last meeting, was .81 and was now down to .666. He suggested using that as a benchmark rate.

Pam Hurlock, 2840 NE Breezeway Circle, asked for clarification from Ms. Vath that on the utility tax revenue that was shown as a line item on the budget for 2026, was \$53,402.

Ms. Vath confirmed the amount and stated that it would not take effect until January, 2026.

Ms. Hurlock stated that on page 3 of the budget, .8 mills was reflected as a revenue income of \$72,410 but on page 11 of the budget, it showed an increase of \$76,037.

Ms. Vath responded that the entire 100% was assessed, but in Florida there was a 4% discount if the bill was paid in November; so, the revenue recognized was 96% of what was levied.

Ms. Hurlock continued that she understood that the Town needed to keep reducing their reliance on reserves. She thanked the Town Council and Mayor Ostrand for limiting the tax increase for 2026 and moving forward with the utility tax.

President Docherty asked for comments for the Town Council.

Vice President Kelley commented that when the utility tax was discussed it included lowering the mileage rate from .8 and introducing the utility tax. She would like to see the Millage rate reduced.

Mayor Ostrand stated her concern about the elimination of Property Taxes in the state of Florida.

Town Attorney, Gemma Torcivia, commented that property taxes pay for essential services such as police, fire, roads, bridges, water and wastewater. If property taxes were not paid, then services would not be received.

Vice President Kelley, seconded by Council Member Squires, made a **motion** to set the millage rate at .6.

President Docherty asked for comments from the public.

There were none.

President Docherty asked for comments from the Council.

Council Member Ciaschi commented that if the Town adopted a millage rate of .6, the budget would be \$46,000 below expenses, which would reduce the reserves, and added that they were already at a critical level. He suggested keeping the millage rate at .8 and the utility tax at 6%.

Council Member Galante expressed her support to Seawalk to finish the closeout. She commented that it would be fiscally irresponsible to lower the millage rate from .8.

Council Member Heller remarked that if the cell phone, travel and charity expenses were cut, it would equal itself out.

Council Member Squires commented that if the Town applied the utility tax, he felt the millage rate should be lowered. He continued that the millage rate was affecting Seawalk, and not the entire Town. He suggested that if the Town kept the utility tax at 6%, the millage rate should be dropped.

Mayor Ostrand stated that if the millage rate went below .8, there will not be enough funds to cover the legal fees for Seawalk to go up against the Developer.

Discussion ensued.

(Roll Call Vote): Yes: Heller, Kelley, Squires; No: Ciaschi, Docherty, Galante: 3-3, **motion failed**

President Docherty as for public comments.

Pam Hurlock, 2840 NE Breezeway Circle, suggested raising the utility tax to 7%, lowering the millage rate to .7. She commented that if the Council agreed to remove the cell phone stipend and the charitable contribution line item than it would be an increase in revenue of \$8,000.

Attorney Gemma Torcivia commented that if the Council were to raise the utility tax, they would need to revise the Ordinance as well as advertise with first and second readings to amend the utility tax rate.

Discussion Ensued.

Vice President Kelley, seconded by Council Member Squires made a motion to reduce the millage rate to .7.

President Docherty asked for comments from the public.

Melissa Heller, 2760 NE Breezeway Circle, stated that reducing property taxes by 25% or less, would not bankrupt the Town. She continued that the Council could reduce the millage to .7 or .6 and reduce a few expenses and there would be no impact on the reserves.

Pam Hurlock, 2840 NE Breezeway Circle, suggested reducing cell phone expenses by \$5,100 and eliminating the charity expenses of \$1,000.

Discussion Ensued.

Mayor Ostrand commented that she did not want to see conference or cell phone stipends removed as President Docherty and herself use their cell phone regularly for Town business and to represent the Town at conferences, and they are pushing for important items currently at hand.

Town Financial Consultant Holly Vath clarified that the new half-cent infrastructure sales tax could not be used for anything in operations or close out expenses.

Council Member Galante requested year-to-date expense numbers be brought to the next budget meeting on September 24, 2025.

Council Member Squires stated that by lowering the millage, it didn't affect the Resort only, it also affected the commercial property in Seawalk. He continued that lowering the rate and raising the utility tax would make it more equitable across all parcels within the Town.

Town Management Consultant Dan Hudson suggested that the questions regarding the conference money and cell phone stipends be addressed at a regular Town Council meeting.

Attorney Torcivia stated that the 2024 fees for legal and engineer 2024, based on what the Council had directed and what had already been done, that the budget numbers were too low. She continued that there were two to three months of outstanding invoices and that the budgeted legal fees of \$26,000, would not cover the Seawalk bond issues.

(Roll Call Vote: Yes: Heller, Squires, Kelley; No: Docherty, Ciaschi, Galante; motion failed 3-3)

Discussion ensued regarding the cost of the legal and engineering fees if the Bond was called.

Mayor Ostrand commented that the residents of Ocean Breeze Resort pay pass through taxes with their rent. She remarked that the Resort had an increase of 5% each year.

Vice President Kelley stated that at the present time, Council is only referring to the taxes paid to the Town.

President Docherty asked for comments from the Public.

Liz Reese, 1363 NE White Pine Terrace, remarked that Seawalk was in the exact same place as they were three years ago. She continued that nothing had been accomplished with the money that had already been spent and that Seawalk was not closer to the close-out.

Joseph Beert, 2850 NE Breezeway Circle, commented that rent and taxes are not the same. He added that residents of Seawalk could not use the pool or clubhouse, as they are considered guests at Ocean Breeze Resort. He continued that Ocean Breeze Resort residents pay money to a corporation, and those payments are not taxes and should not be brought up at the meeting.

Paul (Inaudible), 369 NE Wharf Way, stated that commercial and residential were different and that the Town could not keep supplementing the deficit with the reserves. He added that the Council needed to increase revenue so that it did not need to keep taking from the reserves.

Council Member Heller, seconded by Council Member Squires, made a motion to adopt .7 millage rate.

(Roll Call Vote: Yes: Heller, Squires, Kelly; No: Docherty, Galante, Ciaschi; motion failed 3-3)

Council Member Squires, seconded by Vice President Kelley, made a motion to set the millage at .750.

Discussion Ensued

Mayor Ostrand commented that the community needed to come up with some ideas to raise funds to bring in additional revenue.

President Docherty asked Ms. Vath to clarify the millage rates of past years.

Ms. Vath responded that the 2024/2025 millage rate was .8; the 2023/2024 millage rate was .8; the 2022/2023 Millage rate was 1.0; the 2021/2022 millage rate was 1.4 and in 2019/2020 it was 6.38, which was the highest it had been.

Discussion Ensued

President Docherty asked for comments from the public.

Pam Hurlock, 2840 NE Breezeway Circle, stated there needed to be a compromise and a .8 millage was not a compromise. She continued that a .75 Millage rate will only be a \$4,500 difference and pointed out that reducing a few budget line items could make up the difference.

(Roll Call Vote: Yes: Squires, Kelley, Heller; No: Docherty, Galante, Ciaschi; motion failed 3-3)

Council Member Ciaschi commented that because 60% of the residents in Seawalk were snowbirds, that most of those people were not using their electricity for 6-7 months. He added that unfortunately the utility tax was still not going to be equitable.

Discussion Ensued

President Docherty handed the gavel to Vice President Kelley and made a motion, seconded by Council Member Ciaschi, to set a millage rate of .7665.

Vice President Kelley asked for public comments.

There were none.

(Roll Call Vote: Yes: Squires, Ciaschi, Kelley, Heller, Galante, Docherty; motion passed 6-0)

D. Resolution No. 367-2025 to adopt the tentative Millage rate.

Council Member Squires, seconded by Council Member Ciaschi, motioned to adopt Resolution No. 367-2025.

Town Clerk, Pam Orr read the Title into record: **RESOLUTION NO. 367-2025: A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF OCEAN BREEZE, MARTIN COUNTY, FLORIDA ADOPTING THE TENTATIVE LEVYING OF AD VALOREM TAXES FOR THE TOWN OF OCEAN BREEZE, MARTIN COUNTY FOR FISCAL YEAR 2025/2026; PROVIDING FOR AN EFFECTIVE DATE.**

(Roll Call Vote: Yes: Docherty, Squires, Ciaschi, Kelley, Heller, Galante; motion passed 6-0)

3. Proposed Budget for Fiscal Year 2025/2026 – Holly Vath, Town Financial Consultant

Council Member Galante, seconded by Council Member Squires, made a motion to approve the budget.

President Docherty asked for comments from the public.

Liz Reese, 1363 NE White Pine Terrace, asked if Seawalk de-annexed by the end of the year, what would happen with the utility tax.

Town Management Consultant Dan Hudson replied that it would change from the Town of Ocean Breeze to Martin County which already had a 6% utility tax.

President Docherty asked for comments from the Council.

Council Member Galante asked Town Clerk, to look into the cost of doing the Town Council meetings on Zoom.

(Roll Call Vote: Yes: Docherty, Squires, Galante; No: Heller, Ciaschi, Kelley; motion failed 3-3)

Vice President Kelley recommended that the budget line items for cell phone stipends, charitable contributions and travel and conference be cut by half.

Mayor Ostrand commented that she did not want the conference and travel budget cut as she had used that full amount, plus she contributed her own money. She continued that only once, for a trip to Tallahassee had she asked for travel pay.

President Docherty stated he would like to see Mayor Ostrand's conference and travel budget be reduced.

Council Member Ciaschi suggested that some of the conference and travel budget go toward training for the Council members in the future.

Discussion Ensued.

Council Member Squires, seconded by Council Member Heller, made a motion to cut the budget by \$5,000.

President Docherty asked for public comments.

Pam Hurlock, 2840 NE Breezeway Circle, commented the if the budget needed to be cut by \$5,000, then the Council needed to reallocate other budget line items to Legal and Engineering to increase them to \$18,000.

Discussion ensued.

President Docherty asked for Council comments.

There were no additional comments.

(Roll call: Yes: Squires, Docherty, Ciaschi, Kelley, Heller; No: Galante; motion passed 5-1)

D. Resolution No. 368-2025 to adopt the tentative budget.

Town Clerk, Pam Orr, read Resolution No. 368-2025: **A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF OCEAN BREEZE, MARTIN COUNTY, FLORIDA, ADOPTING THE TENTATIVE BUDGET FOR FISCAL YEAR 2025/2026; PROVIDING FOR AN EFFECTIVE DATE.**

Council Member Squires, seconded by Council Member Ciaschi, made a motion to approve Resolution No. 368-2025.

(Roll Call Vote: Yes: Heller, Squires, Ciaschi, Docherty, Kelley; No: Galante; motion passed 5-1)

4. 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

- Wednesday, September 24, 2025: 6:00 pm — Public Hearing and Adoption of Final Millage Rate and Budget for FY 2024/2025
- Monday, October 13, 2025: 6:00 pm Regular Town Council Meeting
- Monday, November 10, 2025: 10:30 am Regular Town Council Meeting
- Monday, December 8, 2025: Regular Town Council Meeting 10:30 am

5. Adjourn –

Council Member Galante, seconded by Vice President Kelley, made a motion to adjourn the meeting at 8:35 pm.

(All in favor: Yes: Heller, Galante, Docherty, Squires, Kelley, Ciashi)

Minutes approved _____