

**ORMOND BEACH
BUDGET ADVISORY BOARD
REGULAR MEETING**

**June 29, 2022
Commission Conference Room
22 South Beach Street
Ormond Beach, FL**

5:00 P.M.

Call to Order

Chairman John Olivari called the meeting to order at 5:00 P.M.

Members present were: Joe Hannoush, John Olivari, Josh Pringle, Rafael Ramirez and David Romeo.

Staff present were: Finance Director Kelly McGuire, Assistant Finance Director Chris Byle, City Manager Joyce Shanahan and Recording Secretary Ida Hop.

Approval of Minutes – May 25, 2022

Mr. Ramirez moved, seconded by Mr. Pringle, to approve the minutes of the May 25, 2022 meeting. The motion passed unanimously.

Discussion of FY 2022-23 Operating Budget process

Ms. McGuire provided a video presentation and stated with receipt of the tax information from the County property appraiser office, the proposed Budget is currently being completed. The Board is provided a Draft Budget to review General Fund, Solid Waste Fund, Water and Wastewater Fund Revenues and Expenditures. At the next meeting on July 6, the Board will be able to give a recommendation to the City Commission.

Ms. Shanahan mentioned union contracts are in the third year of the agreement and are up for renewal this year. General Employees Union is currently in the negotiating process with their union contract. She explained the state mandatory minimum rate increase, the pandemic, and the “resignation generation” leaving the work force has affected, in particular, our service industry departments: Police, Fire, Water and Wastewater departments which has impacted our overall budget.

Mr. Ramirez asked how the market has affected our minimum return on pension plan funding. Ms. Shanahan and Ms. McGuire replied that the rate of return is at 6.75% and with the four-year smoothing, any gains or losses in any one year will carry forward.

Mr. Pringle suggested a change for verbiage "landscaping" which average citizens associate with palm trees and grass. However, the budget includes mowing and maintaining several ball fields, Central Park, pocket parks and other green spaces.

Ms. McGuire stated \$3.1 million increase in the budget is firm even as everything has gone up in cost to maintain the quality of services the City provides

Ms. Shanahan responded to a question posed by Mr. Olivari regarding the tax rate relative to the area and the City of Ormond Beach has the second lowest tax rate.

Mr. Ramirez uses other surrounding cities as a prospective toward their tax rate.

Mr. Romeo stated comparing other cities' tax rate is irrelevant, we should look at our own and see what we are doing.

Mr. Hannoush says there may be another exemption on the 2022 ballot for first responders.

Ms. McGuire continued the discussion that funds have been set aside in the General Fund. \$3.2 million assigned Fund Balance which the Commission had designated for specific purposes. \$6.8 million unassigned and \$2.69 million for revenue stabilization.

Ms. Shanahan commented we need to take into consideration the effects of hurricanes on the Fund Balance. She commented on the remarkable job Mr. Byle has done regarding the 99% rate of return of funds from FEMA.

Ms. McGuire stated in regards to Water and Wastewater Fund the cost of chemicals, cost of raw materials and cost of electricity has gone up resulting in \$2.1 million added to this budget. Long Term Capital project campaign with \$3.2 million allocated to recurring improvements and \$6 million on one-time projects.

Mr. Pringle asked what is not in capital improvements that does not include Avalon Park.

Ms. Shanahan responded there is a utility, water and sewer master plan that may include future plans for Avalon Park between City of Daytona Beach and City of Ormond Beach.

Ms. McGuire continued with the Solid Waste Fund. Waste Pro made a request for the CPI adjustment up to 3% and for an extraordinary measure adjustment.

Ms. Shanahan responded that the City has a cap on CPI adjustment.

Public Comments

None

OTHER BUSINESS


None

NEXT MEETING DATE

Ms. McGuire stated the next meeting will be July 6, 2022 at 5:00 pm. and the meeting with the City Commission is on July 19, 2022 at 5:30p.m.


ADJOURNMENT

Respectfully Submitted,



Ida Hop, Recording Secretary

ATTEST:



John Olivari, Chairman