



CITY OF BELLE ISLE, FL

BUDGET COMMITTEE MEETING

Held in City Hall, 1600 Nela Avenue, Belle Isle, FL 32809

Monday, November 10, 2025 * 3:00 PM

MINUTES

Present

Nash Shook-Chairman
Kirk Leff
Kevin Pierre
Nate Davenport (via phone)
John Evertson
Chad Rocheford

Absent

OPEN SEAT (District 2)

Also present: City Manager Rick Rudometkin, Finance Manager Tracy Richardson, Chief of Police Travis Grim, Public Works Supervisor Philip Price, and Clerk Heidi Peacock.

1. Call to Order and Confirmation of Quorum

Chairman Shook called the meeting to order at 3:00 pm. Clerk Peacock confirmed quorum.

2. Citizen Comments

Chairman Shook opened for public comment. There being none, he closed the public comment section.

3. Approval of Minutes

Board member Rocheford moved to approve the minutes of July 11, 2025, as presented.

Vice Chairman Evertsen seconded the motion, which passed 5:0.

Board member Pierre was not present for the vote.

4. Agenda Items

a. Breaking the Fire fee out as a separate taxing item

The City Manager provided an overview of key budget considerations for the upcoming fiscal year. A major topic is the potential rollback, reduction, or elimination of ad valorem property taxes, with a statewide reform measure expected on the November 2026 ballot. In preparation, staff have revisited the idea, previously raised by the Vice Chair, of separating Fire Services funding from the General Fund. Currently, the City allocates approximately \$3 million in General Fund dollars each year to fire services. The City Manager noted that establishing a special assessment for fire could free up General Fund revenue and create more financial stability if property tax reforms reduce traditional revenue streams. The City Manager has consulted with the City Attorney regarding the process. Other cities have attempted similar models, such as Winter Garden, which conducted the required study and placed the assessment on the ballot, but it failed, largely due to opposition from nonprofit organizations (especially churches) concerned about paying a new assessment, and Windermere, which uses a non-ad valorem fire assessment, and staff obtained its ordinance for review.

Additionally, the City Manager received a letter from County Manager Byron Brooks, acknowledging the high cost the City pays for fire services based on assessed property values. The County is considering a method to stabilize or reduce the City's annual fire cost, potentially preventing increases tied to rising assessed values. This could limit the City's contribution to roughly the current \$3 million, rather than an annual escalation.

The City Manager expressed support for any option that could reduce or stabilize fire costs and will share additional information as it becomes available during the next budget cycle. The City Manager expressed concern that pursuing a fire assessment referendum ballot initiative would require significant effort and would likely be rejected by voters. Vice Chairman Evertsen suggested that instead of investing time in a measure that may fail, the City should work with the attorney, comptroller, and tax officials to explore having the County bill residents directly for fire services, removing the City from the middle of the process. Discussion ensued on the voting process.

b. Review and comparison of Utility rates

Staff reviewed Belle Isle's current utility tax rates and noted they are significantly lower than those of surrounding jurisdictions. Belle Isle presently charges 0% on electricity, 3% on gas, and 0% on water, while neighboring cities generally charge around 10% across these utilities. The City has no natural gas service, but propane is subject to tax. Because Belle Isle's rates are well below regional averages, the City Manager suggested evaluating whether increasing the utility/franchise fee could provide an additional revenue source, especially if future property tax reforms reduce City revenues. Staff will research potential revenue impacts, legal limits, comparability with other cities, and the feasibility of taxing water through the two utility providers.

Several members noted that if increases are pursued, the City should clearly communicate how the additional funds would be used—such as resurfacing, stormwater projects, or other designated infrastructure needs—to build public support. Staff confirmed that franchise/utility tax revenues go into the General Fund and may be used for any general-purpose expenditure. Further research will be brought back to the committee for discussion.

c. Possible ad valorem tax reduction/reform

The City Manager briefed the committee on ongoing statewide discussions regarding significant property tax reform under consideration for the 2026 ballot. Early proposals from the Governor's Office and the Legislature include reducing or eliminating non-school ad valorem taxes, expanding homestead exemptions, adjusting assessment caps, and potentially rolling back millage rates to FY 2022–23 levels. The Governor's stated focus is on preserving funding for police and fire services, while encouraging municipalities to become more efficient and reduce lower-priority spending.

The City Manager noted that these proposals could substantially reduce municipal revenue without a clear replacement source. Concepts such as increased sales tax have been mentioned, but are uncertain. The Florida League of Cities strongly opposes eliminating property taxes due to the impact on funding core services. Staff emphasized that Belle Isle should closely monitor the legislation, as reductions could meaningfully affect future budgets, capital planning, and the City's ability to raise additional millage. Because Belle Isle has not raised its millage for many years, a rollback to 2022–23 values would have less impact here compared to other cities.

Overall, the City Manager advised that the City continue preparing for a scenario in which ad valorem revenue is reduced, remain conservative in planning, and evaluate alternative revenue sources and partnerships as more information becomes available during the upcoming legislative session.

d. FY 25/26 budget as it is now

The committee also reviewed the city's current budget of \$15.1 million, with a 4.7845 millage rate and a 26.7% reserve. Vice Chairman Evertsen noted that the budget and the five-year Capital Improvement Plan (CIP) are currently approved in a single vote. The Board discussed that, under the statute, the CIP is supposed to be voted on separately. Concerns were raised about approving the CIP without sufficient background information. The committee agreed that future practice should mirror Council procedures and that separating the votes could be considered. The committee also addressed the challenges of securing FEMA reimbursements for hurricane damage. The Budget Committee discussed the need to start planning next year's budget in January, six to seven months before the actual start of April.

e. Classification/compensation study update

The Committee discussed the class and compensation study, potential health insurance savings, and the need for a risk assessment and capital improvement plan.

The Committee discussed a prior motion to amend Resolution 23-02 to designate the City Clerk as the Budget Committee Secretary. It was noted that although the motion passed at the committee level, it was never submitted to Council. Committee members agreed that the amendment should be formally taken to Council to make the City Clerk the official secretary.

f. Discuss changing the meeting schedule

The committee discussed changing the regular meeting day from Friday to Monday or Wednesday. After the discussion, the Committee expressed their preferences and agreed to consider availability before finalizing the schedule. Options considered included Monday, Tuesday, and Wednesday, taking into account Council, Planning & Zoning, and other board schedules, and noting that Council meetings on Mondays and board meetings on different days conflicted. Members expressed a preference for Mondays or the second Monday of the month, taking travel schedules and holidays into account. After reviewing the calendar, the committee reached consensus to hold

meetings on the second Monday of each month at 3:00 PM, starting in January. They also agreed to have the City Clerk send calendar invites reflecting the new schedule. No meeting will be held in December.

5. Next Meeting Schedule - Second Monday of each month at 3:00 PM, starting in January 2026.

6. Adjournment

There being no further business, the meeting was adjourned at 4:25, unanimously approved.