CITY OF BELLE ISLE, FL
CITY COUNCIL WORKSHOP

Tuesday, August 20, 2026 * 5:30 PM
MINUTES

Present:
Mayor – Jason Carson
District 2 Commissioner – Holly Bobrowski
District 3 Commissioner – Karl Shuck
District 4 Commissioner – Bobby Lance
District 5 Commissioner – Beth Lowell
District 6 Commissioner – Christopher Oller
District 7 Commissioner – Jim Partin (conf call)

Absent:
District 1 Commissioner – Ed Gold

1. **Call to Order and Confirmation of Quorum**
Mayor Carson called the meeting to order at 5:30 pm, and the Clerk confirmed quorum.
City Manager Rick Rudometkin, Chief Grimm, Public Works Director Phil Price, Finance Director Tracey Richardson, Maureen McKuhen, Compliance Officer, and Clerk Lizary Simons were also present.

2. **Review Draft Budget FY 2026/2027 V3.081426**

Mayor Carson opened the workshop and welcomed Budget Committee Chairman Nash Shook.

Nash Shook, Chairman of the Budget Advisory Committee, provided an update on its review of the proposed budget, noting that the Committee had conducted an initial review of approximately two hours, followed by an additional hour-and-a-half review. He said the recommendations resulted from extensive discussion and consideration of available data and municipal trends. He noted that the Budget Committee recommended increasing the crossing guard hourly rate from $17.50 to $20.00 to remain competitive and reduce turnover if employees could earn slightly more elsewhere. He noted that they also recommended changing the proposed cost-of-living adjustment (COLA) from 4% to 3.4%. He explained that the 3.4% figure was based on the July CPI, which measures the change over the preceding 12-month period and was released by the U.S. Bureau of Labor Statistics on August 12. The Budget Committee discussed municipal compensation trends and relied on available economic data and the expertise of Committee members with municipal management experience. He noted that the August CPI would not be available until September and could be considered as additional information if appropriate.

City Manager Rudometkin (CM) explained that the Budget Committee discussed establishing a consistent CPI methodology for future budgets. The current July-to-July CPI was 3.4%, compared with 4.2% in May and 3.5% in June. They recommended using the July-to-July CPI as the annual baseline for the COLA. Under the proposed approach, the budget process would begin using the CPI available in June as a preliminary baseline, with the final July-to-July CPI used for the budget presented during the September public hearings. This methodology would be applied consistently each year, using the final July CPI whether the rate increases or decreases. CM Rudometkin noted that an additional option of using an October 1 effective date was also discussed.

Tracey Richardson, Finance Director, noted that the discussion focused on establishing a consistent month for determining the annual COLA. One option was to use the July CPI, released in August, each year to maintain consistency. An alternative would be to use the August or September CPI and implement the adjustment on October 1, which would require a budget amendment if the final CPI differed significantly from the budgeted amount. It was noted that the August CPI is released in September, after the first budget hearing and too close to the second hearing to be incorporated into the adopted budget. Staff requested Council's direction on which CPI data should be used to establish the annual COLA and salary increases effective October 1. Staff noted that using the August CPI, which is released in September, would provide the most current data but may require a budget amendment because it would not be available in time for the budget hearings. Budget amendments may be made during the fiscal year, including up to 60 days after the close of the fiscal year.

Comm Lowell clarified that if Council chose to use the most current CPI, the difference could be addressed through a budget amendment. For example, if the current 3.4% CPI increased to 4.5%, the additional amount could be added as an unbudgeted line item. Or, if the CPI decreased, the lower rate could be applied, with the resulting difference reflected in the budget.

Kirk Leff, Board member of the Budget Committee, summarized the Committee's recommendation to use the federal Consumer Price Index (CPI) as the basis for determining the annual COLA. He noted that the Committee recommended using a consistent rolling 12-month CPI calculation and applying the same methodology each year to provide a uniform and predictable basis for future budget preparation. The Committee noted that July 2026 CPI reflected a 3.4% increase over the preceding 12 months. Mayor Carson said he appreciates the consistency factor and may add structure to the process.

Comm Bobrowski expressed support for using the July CPI figures as the annual benchmark but recommended that the policy not be applied automatically without consideration of extenuating circumstances. She noted that the current CPI increase was significantly influenced by higher fuel costs and stated that many City employees with City vehicles and related expenses are less directly impacted by those increases. She referenced the recent two-step employee pay increases and expressed concern about the public perception of an additional 3.4% COLA. As an alternative, she suggested considering a 2% to 2.5% COLA for employees who do not have access to a City vehicle, recognizing the greater impact of fuel costs on those employees. She further clarified that administrative staff and Public Works employees generally use their personal vehicles and pay their own fuel costs, while Police personnel have City-provided vehicles or fuel cards. It was noted that the $20-per-pay-period fuel stipend provided to some employees has limited impact given current fuel costs. Comm Bobrowski stated that these differences should be considered when evaluating the impact of the CPI and proposed COLA.

Comm Lance noted that he does not look at the employment side of it. He looks at the side of it as their groceries going up, their home costs going up; their personal side. It's why I would want to give them the 3.4, not the gas and things for work.

CM Rudometkin clarified that the Budget Committee’s recommendation was to use the U.S. Bureau of Labor Statistics CPI as the basis for the COLA. Council was asked to provide direction on the two budget recommendations so staff could finalize Budget Version 4 for the September public hearings.

Comm Bobrowski motioned to increase the hourly rate for the crossing guards from $17.50 an hour to $20 an hour, retroactive to the beginning of the school year.
Comm Lance seconded the motion, which passed unanimously 4:0. Comm Gold and Comm Shuck were not present for the vote.

Mayor Carson expressed concern that the proposed 3.4% COLA, when combined with the salary and step increases implemented in April based on the City’s salary survey, could cause personnel costs to grow faster than the City’s recurring revenues. He noted that the salary survey was intended to bring employees to current market rates and questioned the need for multiple increases within the same year. Using the projected 8% increase in ad valorem revenue, Mayor Carson said the increase in property tax revenue was about $438,000, but salary increases, along with associated retirement, FICA, and other benefit costs, would result in a net loss compared with the additional revenue. He noted that the City would have had an estimated $45,000 net gain before retirement contributions but would be in a net deficit after those costs were included. Mayor Carson emphasized that the concern was not whether employees deserved raises, but whether the City could sustain annual personnel increases that outpace revenue growth. He said reserves are limited and cautioned that continued increases could create a long-term financial impact based on his private-sector budgeting experience.

Discussion ensued. Council discussed whether all employees received increases exceeding the proposed 3.4% COLA following the salary survey. Staff clarified that some employees received increases above 3.4%, while others did not, and noted that applying a COLA to some employees but not others is not generally recommended. Discussion ensued on the distinction between market adjustments resulting from the salary survey and a COLA, noting that the survey adjustments were intended to bring employees to competitive market rates, while the COLA is intended to address increases in the cost of living. Council expressed support for providing a COLA while continuing to consider the appropriate percentage given the recent salary adjustments and the City’s financial position.

CM Rudometkin said that the COLA is not a raise. It is an increase to offset inflation. He reiterated that the compensation study included both market-based adjustments and non-performance-based COLAs and that the Budget Committee’s recommendation was based on the CPI. Council discussed the need to balance employee compensation with fiscal responsibility, noting that the compensation study recommended a COLA when financially feasible. Comm Bobrowski expressed concern about implementing the full 3.4% COLA this year given the salary adjustments already provided, including two increases during the year and other benefit changes, and suggested considering a lower or no COLA for the current year, while establishing a consistent CPI-based approach for future years when financial conditions and the impact of Amendment 3 are clearer.

After discussion, Comm Lance moved to approve a COLA of 2.9%.
Comm Shuck seconded for discussion.

Comm Partin expressed support for considering a lower COLA based on the City's overall financial position and the need to maintain fiscal responsibility. He noted that the City should not commit to expenditures that exceed available revenues and emphasized the importance of considering the impact on taxpayers. Discussion followed regarding the potential impact of a 2.0% or 2.9% COLA and the estimated cost of each option. Discussion ensued.
Motion failed at 3:3 upon roll call with Comm. Bobrowski, Comm. Partin, and Comm. Oller, nay.

Comm Lance moved to approve a COLA of 2.5% based on the FY26-27 numbers.
The motion passed 5:1 with Comm Lowell, nay.

Mayor Carson asked whether the City's fuel budget allocations were based on actual historical usage, including gallons consumed and projected fuel costs, rather than a general estimate. He noted that the City's WEX system can track fuel usage and gallons per fill-up and asked whether staff used this information to develop the budget. Staff explained that Police and Public Works are the two largest fuel users and provide their respective fuel budget projections. Staff confirmed that the City currently bases the fuel budget primarily on the average amount spent/used in the prior year and does not calculate fuel costs based on gallons per vehicle or individual vehicle usage. Mayor Carson stated that the question was intended to better understand the methodology used for forecasting fuel expenses.

Council discussed the City's health insurance costs and whether changes in employee enrollment contributed to the budget increase. Staff explained that some employees moved from individual/child coverage to family coverage, but no significant number of employees newly enrolled in the plan. CM Rudometkin noted that the City's current insurance pool resulted in a 0% rate increase this year, following a significant increase the prior year, and staff continues to monitor the market and has previously received proposals indicating potential first-year savings, but noted that changing providers can result in higher costs in subsequent years and may affect provider and reinsurance relationships. Council discussed the value of periodically seeking competitive insurance proposals. CM Rudometkin stated that, with Council direction, the City could solicit an RFP after the start of the fiscal year and bring options and potential savings back to Council for consideration. Council expressed support for exploring competitive pricing while maintaining consistency and long-term cost stability.

Additionally, Council discussed the importance of identifying the expected life cycle of equipment in capital improvements. Council requested that Public Works and Police Department staff, when possible, provide the anticipated useful life for equipment being replaced, including the equipment's current age and expected replacement timeframe. Staff agreed that future capital improvement requests could include general industry life-cycle information to help Council evaluate the long-term costs, amortization, and timing of future replacements.

3. Adjournment

There being no further business, Mayor Carson adjourned the meeting, which passed unanimously at 6:32 pm.