



## MINUTES

### BOARD OF COMMISSIONERS BUDGET WORKSHOP MEETING JULY 26, 2023 4:00 P.M.

The City of Madeira Beach Board of Commissioners held a budget workshop meeting at 4:00 p.m. on July 26, 2023, in the Patricia Shontz Commission Chambers at City Hall, located at 300 Municipal Drive, Madeira Beach, Florida.

#### MEMBERS PRESENT:

James "Jim" Rostek, Mayor  
Ray Kerr, Vice Mayor/Commissioner District 2  
David Tagliarini, Commissioner District 1  
Eddie McGeehen, Commissioner District 3  
Anne-Marie Brooks, Commissioner District 4

#### MEMBERS ABSENT:

#### CITY STAFF PRESENT:

Robin Gomez, City Manager  
Clara VanBlargan, City Clerk  
Thomas Trask, City Attorney

### 1. CALL TO ORDER

Mayor Rostek called the meeting to order at 4:00 p.m.

### 2. ROLL CALL

City Clerk Clara VanBlargan called the roll. All were present.

### 3. PUBLIC COMMENT

### 4. TOPICS FOR DISCUSSION

#### A. 7/26/2023 Budget Workshop Deliverables

City Manager Robin Gomez said the meeting was the fourth budget workshop for FY 2024, beginning on October 1, 2023 and ending on September 30, 2024. Many of the items they will be discussing have previously been discussed during the budget meetings. They will need direction on what the proposed millage rate will be for FY 2024. They will review the different millage rates listed and the impact would be for each on revenue for FY 2024. They now have better revenue estimates for next year and final expense numbers for next year.

Finance Director Andrew Laflin said they needed directions on what proposed millage rate to submit by August 2, 2023, through the TRIM PTO portal and the first public hearing date for the budget. Once a proposed millage rate is submitted, it would not be easy to change. New TRIM notices would have to be mailed to each property owner.

Mr. Laflin explained the following millage rates listed in the budget document for consideration including the current millage rate of 2.75, the impact for each on revenue for FY 2024, and the voting type required for each.

### **AD VALOREM ANALYSIS - THROUGH JULY 2023 (Page 3)**

- Current Rolled-back rate: 2.4272.  
2023 taxable value estimate as of 7/1/23: \$2,028,623,730  
FY 2024 Projected Ad Valorem Revenues: \$4,677,682  
Increase (Decrease) from FY 2023 Actual Collections: (\$65,986)
- Majority Vote maximum Millage Rate Allowed: 2.4961  
2023 taxable value estimate as of 7/1/23: \$2,028,623,730  
FY 2024 Projected Ad Valorem Revenues: \$4,810,465  
Increase (Decrease) from FY 2023 Actual Collections: \$66,797
- Two-Thirds Vote Maximum Millage Rate Allowed: 2.7457  
2023 taxable value estimate as of 7/1/23: \$2,028,623,730  
FY 2024 Projected Ad Valorem Revenues: \$5,291,493  
Increase (Decrease) from FY 2023 Actual Collections: \$547,825
- Current Rate (Requires Unanimous Vote): 2.7500  
2023 taxable value estimate as of 7/1/23: \$2,028,623,730  
FY 2024 Projected Ad Valorem Revenues: \$ 5,299,779  
Increase (Decrease) from FY 2023 Actual Collections: \$556,111

| Millage Rate | Yearly Change per \$50,000 of Taxable Value Compared to FY 2023 Millage Rate (2.75 mills) | Ad Valorem Tax Payment Reduction - \$700,000 Property |
|--------------|---|---|
| 2.4272       | (16.14)   | \$ (226)  |
| 2.4961       | (12.70)   | \$ (178)  |
| 2.7457       | (0.22)  | \$ (3)  |

Mr. Laflin reviewed the historical data for the millage rate of the City beginning FY 2015 through FY 2023. The FY 2023 data is as of 7/1/2023:

### **Historical Data**

- **FY 2015**  
Millage Rate – City: 1.9900  
Millage Rate – All  
Ad Valorum Taxes: \$1,718,260  
Ad Valorem Taxes – Delinquent: \$4,847  
Ad Valorem Taxes – Tax Sale: \$35,151  
**Grand Total: \$1,758,259**
- **FY 2016**  
Millage Rate – City: 2.2000  
Millage Rate – All:  
Ad Valorum Taxes: \$2,055,955  
Ad Valorem Taxes – Delinquent: \$4,301  
Ad Valorem Taxes – Tax Sale: \$41,100  
**Grand Total: \$2,101,355**
- **FY 2017**  
Millage Rate – City: 2.2000  
Millage Rate – All  
Ad Valorum Taxes: \$2,255,465  
Ad Valorem Taxes – Delinquent: \$10,697  
Ad Valorem Taxes – Tax Sale: \$39,036  
**Grand Total: \$2,305,198**
- **FY 2018**  
Millage Rate – City: 2.2000  
Millage Rate – All: 17.4600  
Ad Valorum Taxes: \$2,444,466  
Ad Valorem Taxes – Delinquent: \$951  
Ad Valorem Taxes – Tax Sale: \$37,757  
**Grand Total: \$2,483,174**
- **FY 2019**  
Millage Rate – City: 2.2000  
Millage Rate – All: 17.1604  
Ad Valorum Taxes: \$2,607,444  
Ad Valorem Taxes – Delinquent: \$80,665  
Ad Valorem Taxes – Tax Sale: \$0  
**Grand Total: 2,688,109**
- **FY 2020**  
Millage Rate – City: 2.7500  
Millage Rate – All: 17.5520  
Ad Valorum Taxes: \$3,529,569  
Ad Valorem Taxes – Delinquent: \$4,119  
Ad Valorem Taxes – Tax Sale: \$0

**Grand Total: \$3,533,688**

• **FY 2021**

Millage Rate – City: 2.7500

Millage Rate – All: 17.3818

Ad Valorum Taxes: \$3,700,818

Ad Valorem Taxes – Delinquent: \$69,789

Ad Valorem Taxes – Tax Sale: \$0

**Grand Total: \$3,770,607**

• **FY 2022**

Millage Rate – City: 2.7500

Millage Rate – All: 17.1166

Ad Valorum Taxes: \$4,028,179

Ad Valorem Taxes – Delinquent: \$106,226

Ad Valorem Taxes – Tax Sale: \$0

**Grand Total: \$4,134,405**

• **FY 2023**

Millage Rate – City: 2.7500

Millage Rate – All: 16.2571

Ad Valorum Taxes: \$4,642,054

Ad Valorem Taxes – Delinquent: \$101,614

Ad Valorem Taxes – Tax Sale: \$0

**Grand Total: \$4,743,668**

Mr. Laflin explained the Madeira Beach Property Tax Analysis – Current vs. Rolled-Back Rate listed in the budget document. The information is as of 7/1/2023.

The assessed value and taxable value for FY 2023-24 tax levy obtained from Pinellas County Property Appraiser for City of Madeira Beach tax district (3,921 properties in total). Average Property Tax Per Parcel at current rate is derived from the total millage rate (16.2571 mills) from the FY 2022-23 tax levy. Average Property Tax Per Parcel at rolled back rate is derived from the total millage rate (16.2571 mills) from the FY 2022-23 tax levy, except the City of Madeira Beach millage rate is changed from the current rate (2.75 mills) to the rolled back rate (2.4272 mills). The average tax savings per taxpayer for each parcel type (Residential, Condo, Commercial, Both) is reported in the Difference column, measured by the difference between the City of Madeira Beach current rate versus rolled back rate.

**MADEIRA BEACH PROPERTY TAX ANALYSIS – CURRENT VERSUS ROLLED BACK RATE (Page 4)**

| <b>Taxing Authority</b> | <b>FY 2022-2023</b> | <b>FY 2023-2024</b> |
|-------------------------|---------------------|---------------------|

|   | <b>Millage<br/>Rate</b> | <b>Rolled Back<br/>Rate</b> |
|---|-------------------------|-----------------------------|
| County General Fund                     | 4.7398                  | 4.7398                      |
| County Health Department                | 0.0790                  | 0.0790                      |
| Pinellas County EMS                     | 0.8775                  | 0.8775                      |
| School - State Law                      | 3.2150                  | 3.2150                      |
| School - Local Board                    | 2.7480                  | 2.7480                      |
| City of Madeira Beach                   | 2.7500                  | 2.4272                      |
| SW Florida Water<br>Management District | 0.2260                  | 0.2260                      |
| Pinellas County Planning<br>Council     | 0.0210                  | 0.0210                      |
| Juvenile Welfare Board                  | 0.8508                  | 0.8508                      |
| Pinellas Suncoast Transit<br>Authority  | 0.7500                  | 0.7500                      |
| <b>TOTAL:</b>                           | <b>16.2571</b>          | <b>15.9343</b>              |

### **Non-Homestead Properties Only**

Parcel Type: Both

Assessed Value: \$133,030,470

School Taxable Value: \$174,909,152

Municipal Taxable Value: \$132,169,334

# of Parcels: 270

Average Property Tax per Parcel – Current Rate: \$8,902

Average Property Tax per Parcel – Rolled Back Rate: \$8,744

Difference: \$158

Parcel Type: Commercial

Assessed Value: \$357,588,524

School Taxable Value: \$247,931,960

Municipal Taxable Value: \$243,046,168

# of Parcels: 186

Average Property Tax per Parcel – Current Rate: \$21,400

Average Property Tax per Parcel – Rolled Back Rate: \$20,978

Difference: \$422

Parcel Type: Condo

Assessed Value: \$789,916,852

School Taxable Value: \$1,012,776,629

Municipal Taxable Value: \$788,340,593

# of Parcels: 1,707

Average Property Tax per Parcel – Current Rate: \$8,292

Average Property Tax per Parcel – Rolled Back Rate: \$8,143

Difference: \$149

Parcel Type: Residential

Assessed Value: \$316,112,272

School Taxable Value: \$385,516,547

Municipal Taxable Value: \$311,540,629  
# of Parcels: 533  
Average Property Tax per Parcel – Current Rate: \$10,330  
Average Property Tax per Parcel – Rolled Back Rate: \$10,141  
Difference: \$189

### **Homestead Properties Only**

Parcel Type: Both  
Assessed Value: \$33,267,497  
School Taxable Value: \$34,114,296  
Municipal Taxable Value: \$28,172,324  
# of Parcels: 80  
Average Property Tax per Parcel – Current Rate: \$6,168  
Average Property Tax per Parcel – Rolled Back Rate: \$6,054  
Difference: \$114

Parcel Type: Commercial  
Assessed Value: \$832,929  
School Taxable Value: \$807,929  
Municipal Taxable Value: \$782,929  
# of Parcels: 1  
Average Property Tax per Parcel – Current Rate: \$12,877  
Average Property Tax per Parcel – Rolled Back Rate: \$12,625  
Difference: \$253

Parcel Type: Condo  
Assessed Value: \$150,224,978  
School Taxable Value: \$139,804,500  
Municipal Taxable Value: \$131,388,119  
# of Parcels: 346  
Average Property Tax per Parcel – Current Rate: \$6,318  
Average Property Tax per Parcel – Rolled Back Rate: \$6,196  
Difference: \$123

Parcel Type: Residential  
Assessed Value: \$393,150,437  
School Taxable Value: \$367,138,290  
Municipal Taxable Value: \$346,901,599  
# of Parcels: 798  
Average Property Tax per Parcel – Current Rate: \$7,218  
Average Property Tax per Parcel – Rolled Back Rate: \$7,078  
Difference: \$140

### **Homestead & Non-Homestead Properties**

Parcel Type: Both

Assessed Value: \$166,297,967

School Taxable Value: \$209,023,448

Municipal Taxable Value: \$160,341,658

# of Parcels: 350

Average Property Tax per Parcel – Current Rate: \$8,277

Average Property Tax per Parcel – Rolled Back Rate: \$8,129

Difference: \$148

Parcel Type: Commercial

Assessed Value: \$358,421,453

School Taxable Value: \$248,739,889

Municipal Taxable Value: \$243,829,097

# of Parcels: 187

Average Property Tax per Parcel – Current Rate: \$21,354

Average Property Tax per Parcel – Rolled Back Rate: \$20,933

Difference: \$421

Parcel Type: Condo

Assessed Value: \$940,141,830

School Taxable Value: \$1,152,581,129

Municipal Taxable Value: \$919,728,712

# of Parcels: 2,053

Average Property Tax per Parcel – Current Rate: \$7,959

Average Property Tax per Parcel – Rolled Back Rate: \$7,815

Difference: \$145

Parcel Type: Residential

Assessed Value: \$709,262,709

School Taxable Value: \$752,654,837

Municipal Taxable Value: \$658,442,228

# of Parcels: 1,331

Average Property Tax per Parcel – Current Rate: \$8,464

Average Property Tax per Parcel – Rolled Back Rate: \$8,305

Difference: \$160

Mr. Laflin responded to questions and comments from the Board.

Commissioner Tagliarini asked the meaning of rolled-back rate. Mr. Laflin explained that the rolled-back rate is whatever the property tax is that would yield the same property tax revenue for all existing properties. It does not take into account new construction.

Vice Mayor Kerr asked if they maintained the current millage rate of 2.75 would it still be the 16.2571, total millage rate. Mr. Laflin said it depended on what the other taxing jurisdictions are doing if they are increasing or decreasing their millage rate or keeping it the same.

Mayor Rostek asked why the data was not listed for 2.25 mills as discussed previously. He asked what the savings would be for the 2.25 millage rate for non-homestead residential and homestead residential. Mr. Laflin said for non-homestead residential, it would be a savings of \$292 and for homestead residential would be a savings of \$217 compared to the \$189 and \$140.

Mayor Rostek asked what the loss to the City would be for 2.25 millage rate versus the savings to non-homestead residual properties and homestead residential properties. Mr. Laflin said it would be a loss of \$407,485 compared to what they collected in 2023.

Commissioner Kerr said over the last four years, he paid less in property tax than he paid four years ago even though the City of Maderia Beach has kept the 2.75 mills for that period. Any reduction, increase, or change in the homestead properties would be about 25% of that change. For FY 2024, their capital improvements are over \$22 million. There are a lot of improvements that have been made and still need to be made. It feels good to say they are going to reduce the millage rate. To do so, he feels they would not be protecting the homestead property. Those people live here year-round and vote them in on the dais to make decisions for them. Reducing it will save the residents a few bucks, but the City will lose a much larger amount of revenue. They are tasked to be good stewards of the money from the residents, and long as they are being good stewards, they should maintain the current millage rate, 2.75, and get the projects done and not increase their debt. With the total expenses and total revenue shown on Pages 8 and 10 of the summaries, he comes up with a deficit of \$9,435,794. That feels like they are taking \$9.5 million from their savings. Mr. Laflin said on a net basis that would be accurate. The Vice Mayor said he does not want to increase or decrease the millage rate. It is not impacting the residents overall because the overall millage rate is not that much.

Commissioner Brooks said they would not be fiscally responsible by lowering the millage rate. By reducing the millage rate, the savings are not much to the residents but a lot to the City. They have successfully kept the millage rate the same and continuing that would be the right thing to do.

Commissioner Tagliarini asked how it would affect the current projects this coming fiscal year if they lost \$9 million. The City Manager said they would have to find alternative revenue sources. If they had a catastrophic loss, they could not proceed with them. They would have to delay them for another year or two.

Commissioner McGeehen said they should keep the same millage rate of 2.75. They have a lot of projects to do, and the people entrust them with their money. Once the projects are done, they could look at lowering the millage rate in the future.

Mayor Rostek said from 2011 to 2023 they had a 54% increase in the tax rate. During the same period, the median house value more than doubled by 2% or 2.5% increase. Over the last year or so all property values went up 12.5% or greater, and the millage rate did not increase. During that time, a majority of the people paid more in property taxes based on the same millage rate. They were going to spend \$600,000 on a dog park, and for a millage rate decrease to 2.25 is only \$407,000. He believed they could do it; they needed to tighten their belt a little and move forward with a decrease.



Vice Mayor Kerr said that is why they have the Save Our Homes program with the homestead. If the homestead values increased 12%, it would not matter. They are capped at 3%. For non-homestead, the cap is 10%. It would be fiscally irresponsible not to keep the 2.75 millage rate and not pay down the debt. Taking more out of savings than needed would be fiscally irresponsible when they would be giving up hundreds of thousands of dollars in revenue to the City. The City needs improvements, the streets, and the infrastructure need improvements. The dog park item is a wish list item he does not see getting approved. They will maintain what they have. That infrastructure is not that important. They need to take care of all the other capital improvement projects they have already dedicated the money to, like the groins. Spending the savings when they do not have to makes no sense. It is of minimal benefit to the homestead resident.

Commissioner Tagliarini asked regarding the loss of \$9 million if it was for the Mayor's request of 2.25 mills or for the rolled-back rate of 2.42. Mr. Laflin said the budget is set at the current rate of 2.75. They assumed the ad valorem revenues of \$5,299,799. Their budgeted ad valorem taxes are in line with the current rate of 2.75 mills. If they went to 2.25 mills, they would have to reduce that revenue number and increase the deficit the existing reserves would fund. On Item 4A, on Page 12, the \$9 million is presented well across all funds.

Vice Mayor Kerr said any decrease to the millage rate would benefit the non-homestead properties three times what it would benefit the homestead residents who live here over six months a year and claim their property as their home. Mr. Laflin confirmed it was an accurate statement and went over the Budget Summary by Character in detail on Page 12.

Mayor Rostek said there are line items in the budget they can trim without having to go to the savings. They are only talking \$407,000 to give people a break.

Mr. Laflin said they need to get a consensus on the preliminary millage rate that he needs to submit by the end of July that will be printed on the TRIM notices. He is not sure if it would be a unanimous consensus so far.

Mayor Rostek opened to Public Comment.

Tom Edwards said several years ago, when he was part of the Budget Review Committee, they struggled with those same numbers. They knew about the capital improvements the City needed, and there were projects to be paid for over the next 10 to 20 years. Because of that, they had recommended the millage rate to be raised from 2.25 to 2.50 or 2.75. He would suggest keeping the millage rate at 2.75 for the improvements needed in the City.

The City Manager said it did not appear they would have a consensus. With a two-thirds vote, they would be looking at a millage rate of 2.7457. Mr. Laflin said they have not heard from Commissioner Tagliarini yet. That would dictate if the direction would be a majority or two-thirds vote.

Commissioner Tagliarini said he was leaning towards the rolled-back rate of 2.4272. The millage rate of 2.25 would not hit them as hard. He does think they could tighten their budget some, but he does know they have a lot of projects.

Mayor Rostek said he could go with the 2.4272 rolled-back rate.

Commissioner Brooks said when looking at Madeira Beach and the median cost of homes, she does not see where that would be a significant giveback to the community. Still, it is a significant amount of money for the City. They are not talking about the dog park but the infrastructure that really matters in the City. In the past, the City has been in a position where it did not have the money. She stands by that they need to stay where they are.

Mr. Laflin said it looks to be three votes more favorable to the current rate. The Mayor will accommodate the rolled-back rate. Commissioner Tagliarini could go with the rolled-back rate or be comfortable with the two-thirds vote maximum millage rate allowed of 2.7457. If not, it seems like they have a 3-2 split. With that, the highest they can do is the majority vote maximum millage rate allowed of 2.4961. Commissioner Tagliarini said he was read correctly.

Vice Mayor Kerr said they were making a huge mistake. They are not helping the residents by decreasing at \$140 or whatever it is. They are taking hundreds of thousands of dollars out of the budget, so they would have to cut capital expenditure. He asked if the dog park was in the budget. The City Manager said they have \$200,000 budgeted for next year. The Vice Mayor said they would probably spend a decent portion of that just maintaining the dog park where it is. They do not have an \$800,000 expenditure in there on capital expenses for a dog park. He does not see the fat they want to try to trim. It would not hurt the residents, which are the constituents that put them there.

Commissioner Brooks said she agreed with Vice Mayor Kerr 100%.

Commissioner McGeehen said he also agreed with Vice Mayor Kerr.

The City Manager said they could advertise the majority vote or the rolled-back rate at that point, but it sounds like a majority vote, which is not a gigantic difference from the rolled-back rate.

Commissioner Brooks said they needed to discuss it further because taking the rate back to 2.49 is ridiculous. The two-thirds vote maximum millage rate allowed at 2.7457, although she does not want to reduce it all, is far better. The residents would suffer when the taxes get rolled back. It will affect the budget every year, not just the coming year. They would have to come back next year and raise the millage rate. They need to see how things go and keep the millage rate the same. Reducing the millage rate would be the wrong thing to do. If they reduce it, something has to go.

Commissioner McGeehen said they needed to keep the millage rate at 2.75 until the projects were completed. He would be open to discussing where they would trim the fat. If he could be shown that, he would be happy to make a vote, but this year, they need to keep it at 2.75 mills and see how it goes from there.

Commissioner Tagliarini said he would be willing to compromise to the majority vote maximum millage rate allowed of 2.4961.

Mayor Rostek said he would agree with Commissioner Tagliarini. They already wasted \$16.5K on the drawings and the dog park renditions. They bought a boat for code enforcement, although their funds are separate, and did not do a marine survey and need a new motor for \$20,000. There is a lot of fat there and they have a lot of looking closely at things. There are ways they can accomplish it. It will take some work; they are talking \$407,000 to bring it down to 2.25 mills. That amount of money will not break the bank or kill the City.

Mayor Rostek said he mentioned before that the budget items in the budget document need to be in landscape mode and not in a 2.5 font where they cannot decipher the numbers. It is difficult to read because the font is so small.

The City Manager said they would advertise it at 2.4961, the majority millage rate allowed. At the next budget workshop, the difference will be half a million dollars less in the General Fund revenue, which is primarily impacted. The General Fund subsidizes making payments to the other funds mainly for various projects. They must decide where to reduce approximately half a million dollars or \$490,000.

The City Manager said they have gone over the budget in the last several workshops regarding individual line items. Some of the revenues they do receive come from a variety of different sources. They are also looking to ensure they receive every penny they are entitled to. They do have to budget in a fiscally responsible manner and in a fiscally responsible conservative manner. They do have enough revenue to cover the expenses. He explained the revenue sources.

The City Manager reviewed the General Fund revenues and expenses in the budget document.

Commissioner Kerr said he thought they would have more discussions with Jerry Murphy on whether they want to maintain a residential impact fee. If they want to give the residents a break to improve their homes, they can take away the residential impact fee. The City Manager said they could bring that back. They must separately account for impact fees, so they are recording them in separate funds. Mr. Laflin said he created a separate fund to record the revenue. They have not budgeted any expenditures against it. The initial thought was to accumulate funding in each of the separate funds for public safety, cultural recreation, and transportation. They did not budget any expenditures for 2024 to let the funds accumulate. They could always make amendments during FY 2024 if there is a project they want to fund with those impact fee proceeds. The Vice Mayor said the way they are accounting for them is perfect. He is not suggesting they spend it but stop taking the residential impact fees. The commercial would be different. Mr. Laflin said that would be a different conversation they could workshop.

The City Manager reviewed the following in the budget document:

- General Fund Expenditure Summary
- General Fund Department Summary
- Proposed Budget by Department and personnel changes

The City Manager said the budget includes a five percent increase for all employees and increases to the benefit coverages, which are health, dental, and vision. It includes a proposal to cover 50% of any dependent medical coverage.

Mr. Laflin said what is left is the conversion of certain employees from ICMA to FRS which will increase the cost a bit. They should have that information by mid-August. It will potentially get in the updated budget book for the end of August, if not then September. They will have some transfer activity between the General Fund and other funds for those operating at a larger deficit and do not have sufficient reserves to cover it. The last is a cost allocation plan between the General Fund and other funds that use General Fund resources. They base that on the prior year but go through an exercise where they take square footage of the building and time spent by employees. He will finish going through that, which will slightly update some of the transfer numbers between the General Fund and other funds.

Commissioner Tagliarini asked if the 5% increase was just for hourly employees. The City Manager said, for all employees except that per the collective bargaining agreement, the fire personnel get 6%. They are looking to increase their steps from 3% to 5% in the third year of their agreement. At the next budget workshop, they will bring a comparison of salaries among the county for fire.

Commissioner Tagliarini said that for kicks, he searched for the cost-of-living increase by the U.S. Bureau of Labor Statistics. The Tampa-St. Petersburg-Clearwater area is a 7% increase. To live in the Tampa Bay area, it is a 7% increase while Nationwide it is 3%. He wanted to bring that to the Board's attention. They are offering 5%.

Commissioner Brooks said that would be another good example of why they should not lower their millage rate. It was discussed that the Fire Department will be adding someone, so maybe they should be giving more raises. They are talking about health care and all those things. If they go down on the millage rate, that is \$400,000 or whatever the number is, depending on where they are. Any loss is money they could be reinvesting not just into their infrastructure but into their employees. Maybe they could look a bit different. The benefit of keeping the millage rate would also benefit the staff.

Mayor Rostek said that was excellent and asked if they had the numbers of what it would cost for the three personnel and the healthcare benefits for the dependents. The City Manager said the additional for the fire positions is about \$275,000, and the increase in health benefits alone is about an additional \$180,000 to \$200,000, total City-wide. They do not know yet how many will sign up for dependent care. There are nine for the current year, and just for those nine at 50% is about \$75,000. They are budgeting \$20,000 per employee for group insurance. For the current year, it was budgeted \$12,500 per employee for healthcare. To cover the additional cost for next year, that was bumped to \$20,000. To be conservative, 30 employees would be \$210,000 plus the additional fire personnel. The Vice Mayor said they also agreed to change the pension benefits. The City Manager said they do not know the total cost yet. It is over \$200,000, which is spread across multiple funds. It is not just in the General Fund.

Commissioner Tagliarini asked if a 6% wage increase would not be out of the question if they had the funds for it.

Commissioner McGeehen said he agreed with giving it back to the employees. He is willing to budget. Why can't they do the 2.7457 millage rate and have a vote on that, and they could give that back to their employees?

Commissioner Tagliarini said he would be willing to negotiate if they could secure a higher raise for the employees.

Vice Mayor Kerr said he would think it would be off the table without it.

Mayor Rostek said he agreed with what Commissioner Brooks said. He would like to adjust his position to keep the millage rate where it is, 2.75. However, they must stop the wasteful spending. They are accountable to the citizens and accountable to the employees because the employees they have are good employees, and they want to keep them. They must have the incentives to keep them here.

Commissioner Tagliarini said he would only adjust the millage rate to 2.75 with the assurance they have a consensus on a 6% across-the-board raise for their employees. The City Manager said they could make it work. He thanked the Commissioners and was sure it made the employees happier than they were a few minutes ago. He appreciated it.

Mr. Laflin said, for clarification, they are going to propose a wage increase of 6%, and they are going to use a millage rate of 2.75 mills. They will have to vote on that in September. That needs to be unanimous, or he would have to re-mail TRIM notices. The Mayor said they have his word.

Vice Mayor Kerr thanked Commissioner Tagliarini and Mayor Rostek for reconsidering. The Mayor said they were a team.

The City Manager and Mr. Laflin continued reviewing the budget document and responded to questions and comments by the Board.

The City Manager said they will provide more details on the undergrounding numbers. He will put it all together based on the 2.75 millage rate and the 6% salary increase. He said he has a separate agreement with the Commission, so his salary is separate from the 6%.

The Board scheduled the first public hearing date for the FY 2024 Millage Rate and FY 2024 Budget at a special meeting on Wednesday, September 13, 2023 at 5:45 p.m.

## **5. ADJOURNMENT**

Mayor Rostek adjourned the meeting at 5:33 p.m.

James “Jim” Rostek, Mayor

ATTEST:

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Clara VanBlargan, MMC, MSM, City Clerk

DRAFT