



LEGISLATIVE MEMORANDUM

TO: Honorable Mayor and Members of the City Council
FROM: Suzanne Sherman, City Manager
THRU: City Manager's Office
DATE: July 18, 2024
RE: Charter Referendum - Public Safety Millage and Attorneys

SUMMARY:

For the November 2024 election, two proposed charter amendments are attached for City Council's consideration.

Dedicated Public Safety Millage

Following City Council direction, staff has prepared language amending the City Charter to authorize an ad valorem tax for public safety purposes. The proposed language would establish a millage rate of up to two mills (2.0000) that would not be subject to the limitations of Section 6.01(b) of the Charter. That section prohibits the imposition of ad valorem tax at a rate that causes revenues to increase by more than 3%. The purpose of this funding would be dedicated for capital, operating, and personnel expenses for funding police, fire, and emergency medical services.

If approved by the voters, the rate would be set by City Council each year, up to the 2.0000. The 3% restriction in the Charter directs that the City Council cannot set an ad valorem millage rate that causes the budgeted revenue of the City to increase more than 3% over the prior year's budgeted revenue. The impact of this section is a significant annual decrease in the ad valorem tax rate, and limits funding available to meet the needs of a high-growth City. The FY 2023 tax rate was 7.5995, for FY 2024 it is 7.0171, and for FY 2025, the 3% cap limit is 6.7339. Creating a separate millage rate, dedicated to public safety, provides an additional source of revenue to support the currently unfunded needs of the City, specific to adding additional police officers, building and staffing new fire stations, and meeting the vehicle replacement needs for Police and Fire Departments.

As discussed at the July 11, 2024 Regular Council Meeting, the City's growth has resulted in an urgent need to add multiple new fire stations, to replace older stations that have met their service life expectancy, and to provide staffing as well as new and replacement vehicles and equipment for these facilities. The City also ranks 239th out of 248 police departments in the State of Florida in its

ranking on the Florida Department of Law Enforcement's state average of 2.31 police officers per 1,000 residents. By comparison, the City's current ranking is 1.36 police officers per 1,000 residents.

If approved, setting this millage rate would be effective for the FY 2026 budget. While staff does not at this time recommend adopting a full 2.0000 millage rate, establishing a millage rate up to this amount would provide the ability for City Council to cover future year funding needs as the regular ad valorem millage rate is anticipated to continue to decrease each year under the 3% cap calculation.

The proposed ballot language is:

Shall the City Charter be amended to authorize the City to annually levy an ad valorem tax at a millage rate not to exceed two mills for funding police, fire, and emergency medical services (including capital, operating, and personnel expenses) which shall not be subject to Section 6.01(b) of the Charter (prohibiting charging an ad valorem tax that increases budgeted ad valorem revenues by more than 3% over prior year)?

Deputy City Attorney Positions

For decades, the City of Palm Bay contracted with law firms to serve as the City Attorney and the Assistant City Attorney to provide legal services to the City. Under Section 3.11 of the Charter the Assistant City Attorneys are appointed by City Council and City Council determines their pay and benefits. In 2006, the City established the City Attorney's Office and directly employed the City Attorney and Deputy City Attorneys. Currently, the City Attorney is the only charter officer is not authorized to hire assistant/deputies to assist with the department's functions. The City Council does not hire the Deputy City Managers or the Deputy City Clerk. If approved by voters, the City Attorney will have the same hiring authority as the City Manager and City Clerk.

The proposed ballot language is:

Shall Subsections 3.111, 3.113, and 3.114 of the City Charter be amended to provide for the hiring of assistant city attorney(s) by the City Attorney instead of the City Council to be consistent with the other City Charter officers -- the City Manager and City Clerk who hire their own assistants and staff?

REQUESTING DEPARTMENTS:

City Manager's Office

Honorable Mayor and Members of the City Council

Legislative Memorandum

Page | 3

FISCAL IMPACT:

None at this time.

STAFF RECOMMENDATION:

Motion to approve the proposed referendum language changing Section 6.01(b) and Section 3.11 of the City Charter.

ATTACHMENTS: