



**City of Melbourne, Florida
City Council Agenda
Special Workshop Meeting**

City Hall Council Chamber
900 E. Strawbridge Avenue
Melbourne, FL 32901

July 29, 2025, 5:30 PM

In accordance with the provisions of Article II, Section 2.09 of the Charter of the City of Melbourne, Florida, the City Manager hereby calls a Special Meeting of the City Council, to be held in the Council Chambers at 900 East Strawbridge Avenue on Tuesday, July 29, 2025 at 5:30 p.m.

1. Pledge of Allegiance
2. Roll Call
3. Review of the Fiscal Year 2026 Proposed Budget
4. Adoption of Proposed Millage Rates
5. Adjournment

Mayor Paul Alfrey, Vice Mayor David Neuman and Council Member Mark LaRusso, as members of the Airport Authority Board, may discuss Airport Authority issues, which may subsequently be addressed by the Airport Authority.

Council Members Marcus Smith, Mimi Hanley, Julie Kennedy and Mark LaRusso (alternate), as members of the Space Coast Transportation Planning Organization (SCTPO), may discuss SCTPO issues, which may subsequently be addressed by the SCTPO.

Pursuant to 286.0105, Florida Statutes, the City hereby advises the public that if a person decides to appeal any decision made by the City Council with respect to any matter considered at its meeting or hearing, he will need a record of the proceedings, and that for such purpose, affected persons may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for the introduction or admission into evidence of otherwise inadmissible or irrelevant

evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk's Office (321-608-7220) at least 48 hours prior to the meeting.



Melbourne City Council
July 29, 2025
City Manager's Item Report

Department:	Financial Services
Presenter:	Ross McGinn
Council District:	N/A
Reading Number:	N/A
Quasi-judicial Item (Disclosure Required):	No
Public Hearing:	No
Item Number:	3.

Subject:

Review and Discussion of the Fiscal Year 2026 Proposed Budget

Background/Consideration:

This is a Special Meeting called to commence City Council's preliminary review of the Fiscal Year 2026 Proposed Budget, which was distributed to City Council on July 14, 2025. The purpose of the special meeting is for Council Members to have an opportunity to discuss the proposed budget, make any changes deemed warranted, and to adopt a proposed millage rate for transmittal to the Property Appraiser for inclusion in Truth In Millage notices mailed to property owners in August. It is important to note that the proposed rate approved at this meeting cannot be increased at the September hearings, although it may be decreased, if desired.

The proposed budget and proposed millage rate will be presented for public comments in September at two public hearings, which will be held on Wednesday, September 10, 2025 and Wednesday, September 24, 2025 at 5:30 pm.

The FY 2026 Proposed Budget includes all funds, except the Airport Fund, which will be provided at the first hearing in September for inclusion into the budget. The total proposed budget is \$266,907,023, which reflects an increase of approximately \$10.26 million over FY 2025.

The proposed General Fund budget increases by \$7.5 million to \$120,669,439. The increase is the result of additional property tax revenue, increased communication service tax, increased interest income and increased development-related fees.

The General Fund budget has been balanced at a minimum millage rate required to maintain current levels of service, which is a millage rate of 6.6703 mills, which is 1.89% above the current rate of 6.5466 and is 6% above the rolled-back rate of 6.2927.

Budget highlights are included on page 5 of this agenda package and also on page CM-3 of the Proposed Budget book. In addition, the City Manager's budget message beginning on page CM-1 of the budget book, explains in further detail the major changes as compared to the current year and major issues facing the City next year.

The FY 2026 Proposed Budget can be found on the City's website at the following address:
www.melbourneflorida.org/Government/budget



Staff will be providing a brief presentation, which will be followed by Council discussion of the Proposed Budget.

Fiscal/Budget Impact:

N/A

Requested Action:

Council Discussion

City of Melbourne FY 2026 Budget Highlights

- Balanced at the millage rate of 6.6703 mills.
- \$7.1 million in capital machinery, equipment, and vehicles:
 - Public Safety – \$2,347,800
 - General Fund – \$450,900
 - LOGT – \$350,000
 - SWU – \$292,900
 - Golf - \$45,500
 - Water & Sewer – \$3,637,600
- \$4 million for pavement management plan projects, which includes road resurfacing and reconstruction projects – funded with dedicated millage and LOGT.
- \$4.8 million for transportation and sidewalk projects – funded by LOGT, impact fees, and FDOT grants.
- \$1.8 million in capital projects within the Downtown CRA.
- \$25.9 million in Water and Sewer capital projects.
- \$2.3 million in Stormwater quality projects.
- Salary increases for members of the PBA and IAFF Collective Bargaining Units, as previously approved by City Council – 9% for IAFF and 6% for PBA.
- An increase to the wage scales for general (non-union) employees – 3% COLA.
- Set-aside amount for implementation of the compensation and classification plan implementation currently, which is currently underway for general employees.
- The addition of one position in the Community Development Department for a Permit Review Planner, offset by development-related revenues.

General Projects Highlights

- Pavement Management Plan (funded with dedicated millage and LOGT). Includes general road resurfacing and Tradewinds Homes Subdivision Road Resurfacing – \$4 million
- Ellis Road Widening (funded with impact fees) – \$1.1 million
- Commodore Blvd. Widening (funded with impact fees) – \$2.5 million
- Croton Road/Parkway Drive Intersection (funded with impact fees) – \$165,000
- Wickham Road/Mariah Dr Turn Lane (funded with impact fees) – \$250,000
- City Hall Chiller Replacement (funded with General Fund Operating) – \$400,000
- Southwest Park ADA Accessible Playground (funded with impact fees) – \$400,000
- Stormwater Water Pipe Lining (funded with LOGT) – \$250,000

Water & Sewer Projects Highlights

- Reverse Osmosis Membrane Replacements – \$1.1 million
- Reverse Osmosis Pipeline Expansion – \$400,000
- Wells #1 and #2 Generators – \$500,000
- New Force Main from Lift Station #6 to Sarno Road – \$2.5 million
- Upsize Force Main on Eau Gallie Blvd. – \$1.7 million
- Western Force Main – \$5 million
- Inverted Siphon Elimination – \$4 million
- Grant Street Reuse System Pump Upgrade – \$350,000
- Lift Station #55 (Sarno Road) Rehabilitation – \$1.1 million
- Lift Station #23 (Mosswood Drive) Rehabilitation – \$500,000
- Lead and Copper Plan – \$300,000



Melbourne City Council
July 29, 2025
City Manager's Item Report

Department:	Financial Services
Presenter:	Ross McGinn
Council District:	N/A
Reading Number:	N/A
Quasi-judicial Item (Disclosure Required):	No
Public Hearing:	No
Item Number:	4.

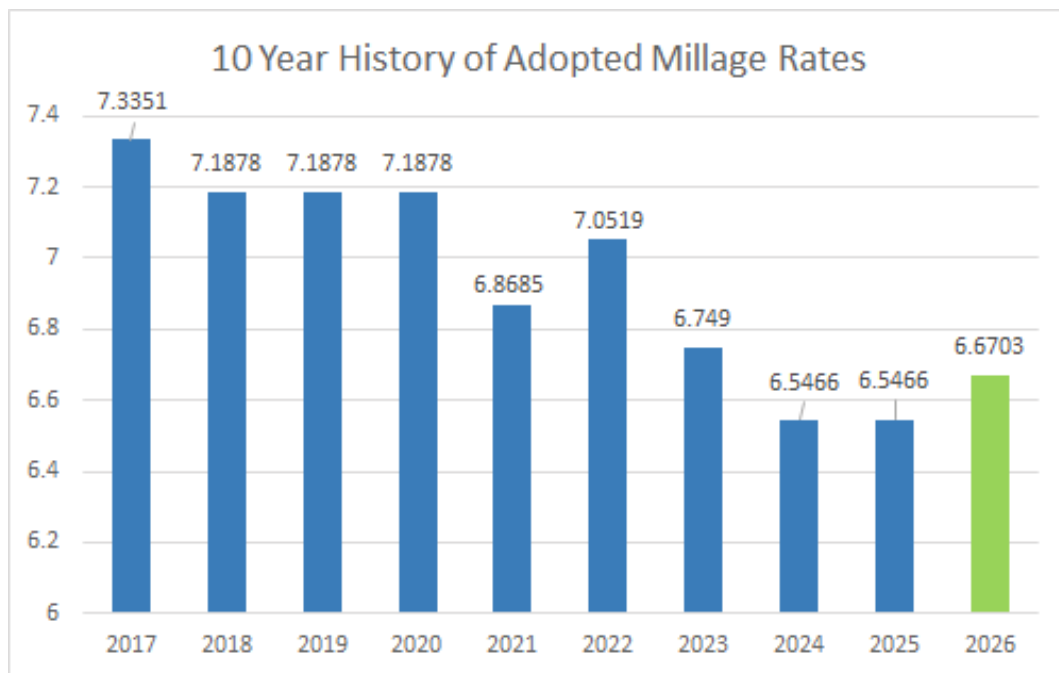
Subject:

Adoption of Proposed Operating Millage Rate and Proposed Debt Service Millage Rate

Background/Consideration:

City Council is required to set a proposed millage rate to transmit to the Property Appraiser for inclusion in the TRIM (Truth-in-Millage) notices that will be mailed to property owners in mid-August by the County.

The Fiscal Year 2026 Proposed Budget is based on the millage rate of 6.6703 mills, which is 1.89% above the current rate. It is 6% above the rolled-back rate of 6.2927, and is considered to be a tax increase in accordance with Section 200.065 of Florida Statutes. The chart below provides a 10-year history of adopted millage rates, with the proposed rate for FY 2026 shown in green. The proposed millage rate will require a super-majority vote from City Council.





City Council may want to tentatively adopt a higher proposed millage rate than the rate used to balance the budget. This would allow flexibility in considering alternative millage rates in the event the Council would like to fund additional items. The proposed rate adopted can be decreased at the September public hearings; however, it cannot be increased.

In addition, FY 2026 marks the fourth year of debt service on the 2022 General Obligation Bonds issued to fund the Joseph Pellicano Law Enforcement Center, as authorized by taxpayers via referendum in November 2018. As required by the covenants of the bond, a millage rate of .2977 is required in order to raise \$2.5 million in revenues to cover the maximum annual debt service of the bonds.

Fiscal/Budget Impact:

The proposed millage rates approved will be incorporated into the Truth-in-Millage notices that the Property Appraiser will mail to all Melbourne property owners in August. The first required public hearing for the FY 2026 budget will be held on September 10, 2025, when City Council will adopt a tentative millage rate, followed by adoption of the final budget and millage rate at the September 24, 2025 public hearing.

Requested Action:

1. Adoption of the proposed operating millage rate of 6.6703 for Fiscal Year 2026.
2. Adoption of the proposed debt service millage rate of 0.2977 for Fiscal Year 2026.