

City of Melbourne, Florida
Minutes – Budget Special Meeting Before City Council
September 11, 2025

A special workshop of the City Council was held in the City Council Chamber, 900 East Strawbridge Avenue, and was called to order at 5:33 p.m. by Mayor Paul Alfrey.

1. Pledge of Allegiance
2. Roll Call

Present:

Paul Alfrey	Mayor
David Neuman	Vice Mayor, District 3
Marcus Smith	Council Member, District 1
Mark LaRusso	Council Member, District 2
Rachael Bassett	Council Member, District 4
Mimi Hanley	Council Member, District 5
Julie Kennedy	Council Member, District 6
Jenni Lamb	City Manager
Joan Junkala-Brown	Deputy City Manager
Adam Conley	City Attorney
Kevin McKeown	City Clerk
Justice Stevens	Assistant City Clerk
Ross McGinn	Director of Finance
Marla Keehn	Management and Budget Officer

3. Review and discussion of the FY2026 proposed budget (public hearing on the proposed budget and millage rate will follow introduction by staff and review by City Council).

Director of Finance Ross McGinn explained that this is the first of two public hearings that are required in order to adopt a millage rate and budget. An overview of the budget will be presented at the meeting. At the conclusion of the budget presentation, City Council may discuss the proposed millage rate and budget and accept public comments prior to adoption of the millage rate and budget in the following agenda items.

Mr. McGinn noted that since the July 29 special meeting, certain adjustments have been made to the proposed budget, including a breakout of Pavement Management Program (PMP) and Machinery & Equipment (M&E) Replacement Program funds, as well as the inclusion of the Melbourne Airport Authority's proposed budget.

The FY2026 proposed budget was prepared using an operating millage of 6.6703 per \$1,000 of assessed property value. This is 1.89% above the current

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millage rate of 6.5466 and 6% above the rolled-back rate of 6.2927. Mr. McGinn discussed the history of the funding set aside for the PMP and noted that the city has not reached its funding goal (both the target goal and the inflation-adjusted target). As it relates to M&E funding, Mr. McGinn displayed a chart forecasting the replacement needs over the next ten years.

Should Council wish to consider another millage rate option, Mr. McGinn provided multiple options to consider, along with each option's proposed millage rate, tax increase amount, and increase percentages.

The Mayor opened the floor for public comments.

David Graham, 1205 Heather Glen Circle, stated that utility rates are excessively high and recommended that Council not increase any utility rates.

Council Member Mimi Hanely stated that her recommended course of action is to pursue Option 7 as displayed by Mr. McGinn (a millage rate of 6.9988).

4. Adoption of proposed FY2026 millage rates.

Mr. McGinn reported that pursuant to Section 200.065, Florida Statutes (F.S.), the City of Melbourne has prepared a tentative budget and computed a proposed millage rate of 6.6703 per \$1,000 of assessed property value, which is 1.89% above the current rate of 6.5466 and is by state statute 6% above the rolled-back rate of 6.2927. The proposed millage rate generates \$4,133,251 in new revenue.

In addition, FY2026 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. The debt service millage rate required to raise revenues in compliance with the bond covenants is 0.2977.

Discussion took place regarding the two resolutions that would come back to Council for consideration related to the PMP and M&E Replacement Funds and the need to hit the city's funding targets sooner rather than later.

Following discussion, Ms. Hanley expressed a desire to change her recommendation to proceed with Option 8 as presented, which would mean setting a millage rate of 7.0112, which is 11.4% above the rolled-back rate of 6.2927.

When asked by the Mayor, each Council Member expressed agreement with this option and millage rate.

Mr. McGinn added that Florida Statutes require specific purposes for the increase in ad valorem taxes and noted that this increase is justified since the city saw

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increases in employee compensation and desired to dedicate additional funding to the PMP and M&E Replacement Program.

Moved by Hanley/Bassett for adoption of a proposed operating millage rate of 7.0112 per \$1,000 of assessed property value for Fiscal Year 2026, which is 11.4% above the rolled-back rate of 6.2927, and adoption of a tentative debt service millage rate of 0.2977. Motion carried unanimously.

5. Adoption of the FY2026 proposed budget with revisions.

Mr. McGinn noted that the FY2026 proposed Budget is being adopted at the fund level and that staff recommends adoption of the budget, as revised.

The Mayor opened the public hearing. There were no comments from the audience.

Moved by Neuman/Alfrey for adoption of the FY2026 proposed budget, with revisions, for a total of \$315,889,605. Motion carried unanimously.

Council convened as the Melbourne Downtown Community Redevelopment Agency for the following item:

6. Adoption of the proposed FY2026 Melbourne Downtown Community Redevelopment Fund budget.

Mr. McGinn stated that the Melbourne Downtown Redevelopment Fund budget is adopted at the fund level and as revised, amounts to \$3,152,855.

The Mayor opened the public hearing. There were no comments from the audience.

Moved by Neuman/Smith for adoption of the FY2026 proposed budget for the Melbourne Downtown Community Redevelopment Fund in the amount of \$3,152,855. Motion carried unanimously.

Council convened as the Olde Eau Gallie Riverfront Community Redevelopment Agency for the following item:

7. Adoption of the proposed FY2026 Olde Eau Gallie Riverfront Community Redevelopment Fund budget.

Mr. McGinn stated that the Olde Eau Gallie Riverfront Community Redevelopment Fund budget is adopted at the fund level and as revised, amounts to \$1,194,783.

The Mayor opened the public hearing. There were no comments from the audience.

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Moved by LaRusso/Kennedy for adoption of the FY2026 proposed budget for the Olde Eau Gallie Riverfront Community Redevelopment Fund in the amount of \$1,194,783. Motion carried unanimously.

Council reconvened for the remaining item.

8. Adjournment

The meeting adjourned at 6:15 p.m.

/s/ Kevin McKeown, City Clerk – September 17, 2025

Approved by Council: September 24, 2025