



CITY OF BELLE ISLE, FL
BUDGET COMMITTEE MEETING

Held in City Hall, 1600 Nela Avenue, Belle Isle, FL 32809

Monday, January 12, 2026 * 3:00 PM

MINUTES

Present

Nash Shook-Chairman
Kirk Leff
Sharon Harkey
Kevin Pierre
Nate Davenport (via phone)
John Evertson
Chad Rocheford

Absent

Also present: Chief of Police Travis Grim, Finance Manager Tracy Richardson, Public Works Supervisor Philip Price, Finance Clerk Heidi Peacock, and City Clerk Yolanda Quiceno. City Manager Rick Rudometkin was not present.

1. Call to Order and Confirmation of Quorum

Chairman Shook called the meeting to order at 3:00 pm. Chairman Shook stated that Board member Davenport is attending via conference call and welcomed new Board member Sharon Harkey. City Clerk Quiceno confirmed quorum.

Chairman Shook reminded committee members that the purpose of our role is to support the COBI and City Council agenda items, utilizing the information presented and available. He encouraged members to ask questions and engage in the discussions. He also reminded members that our role is to provide recommendations to offer guidance to the city and the Council.

2. Citizen Comments

Chairman Shook opened for public comment. There being none, he closed the public comment section.

3. Approval of Minutes

Board member Leff moved to approve the November 10, 2025, minutes as presented.

Board member Rocheford seconded the motion, which passed 6:0.

Board member Pierre was not present for the vote.

Board member Pierre joined the meeting at 3:09 pm.

4. Agenda Items

a. AD valorem Tx Reduction/Reform

Chief Grimm presented an overview of potential statewide property tax changes currently under consideration by the Florida Legislature. He provided a two-page Florida Homestead Study prepared by the Florida League of Cities (FLC) that outlines the possible impacts of the proposed legislation. The study is informational only and reflects current versions of the bills, which may change as they move through the legislative process. He noted that there are four property tax related measures under consideration in the Senate. Governor DeSantis has indicated that one of these proposals is expected to advance to the ballot for voter consideration in November of this year and that none of the proposals would eliminate all property taxes. Certain taxes, such as school district taxes and other special district levies, such as water management districts, would likely remain in place. If a constitutional amendment is placed on the ballot and approved by voters, implementation would occur no earlier than the FY 2027–2028 budget cycle, subject to the final language of the legislation.

The four measures discussed were:

- **SJR 274 – Additional Homestead Property Tax Exemptions for Long-Term Homeowners**
- **SJR 278 – Limitation on Assessed Value Increases for Homestead Properties**
- **SB 1520 – Ad Valorem Tax Exemptions for Affordable Housing**
- **SJR 270 – Homestead Property Tax Exemption for Seniors**

Chief Grimm explained that all of the proposed constitutional amendments include provisions intended to protect funding for public safety and law enforcement. Some versions require maintaining funding at a specified prior-year budget level (e.g., FY 2023–2024), without requiring increases but prohibiting reductions below that level.

The Board discussed SJR 270, the senior homestead exemption, which appears to be the proposal most frequently referenced publicly. The City’s lobbyist will continue to provide updates as information becomes available from Tallahassee. In response to a question about fiscal impact analysis, staff indicated that conducting revenue exposure or financial impact modeling would likely be the City’s responsibility, not part of the lobbyist’s contractual scope, which primarily focuses on legislative monitoring.

Chief Grimm noted that, typically, only one property tax amendment advances to the ballot, and that constitutional amendments require a minimum of 60% voter approval to pass. The Board discussed the uncertainty of passage given voter turnout in a midterm election and the potential for voters to lose interest if multiple ballot measures are presented. It was also noted that organizations like FLC are expected to conduct voter education campaigns to inform voters about the services they may lose if cities lose tax dollars.

The Budget Committee members expressed concern about the potential revenue impacts on municipalities, particularly smaller cities, and discussed the importance of phased or tiered implementation should significant revenue reductions occur. The Committee shared that municipalities may not be permitted to offset lost revenue through additional local taxes, though this has not been formally confirmed. Staff will continue to monitor legislative developments and provide updates as additional information becomes available.

b. FY 26/27 – Capital Improvement Projects (CIP)

Chief Grimm provided preliminary comments on the Fiscal Year 2026–2027 budget, specifically regarding CIP. He noted that many municipalities may need to reassess or slow CIP projects if significant reductions in ad valorem revenue occur. Depending on which property tax proposal is ultimately adopted, capital projects may need to be delayed by one or more years due to potential funding constraints. Staff indicated that identifying sufficient revenue sources to support planned capital projects could be pushed out by 2 years.

Board member Evertsen discussed the potential need to consider budget reductions and staffing adjustments depending on the tax reform that is passed. He discussed the possibility of reviewing the municipal millage rate in the future, including potential rollback considerations, approximately 17% over the past five years is what initially initiated this reform, with revenue growth for municipalities at approximately 2-3%.

Chairman Shook questioned the process surrounding how city issued building permits and once projects get completed, how does the COBI reconcile with Orange County the updated assessed value (capturing an accurate taxed value). Staff explained that Orange County reviews approved permits, certificates of occupancy, and certificates of completion annually to identify changes in square footage or improvements. These updates are then incorporated by the Property Appraiser into assessed values. Staff noted that new construction or improvements are not added to the tax roll until a certificate of occupancy or completion is issued and the applicable assessment deadline is met.

No action was taken, and the discussion was informational only.

c. Utility Rates – Possible Increase

Chief Grimm discussed the possibility of reviewing utility tax rates as a potential revenue option. He noted that the City currently imposes a 0% tax on electric utilities, a 3% tax on gas, and a 0% tax on water. Chief Grimm noted that Ms. Richardson had prepared a spreadsheet of utility rates, comparing those of surrounding municipalities, showing that most cities in Orange County impose utility tax rates of approximately 10%. The Board discussed the importance of exploring alternative revenue sources in light of potential tax reductions. No action was taken, and staff will provide additional information for future consideration.

Board member Rocheford asked if the City managed any utilities. Chief Grimm noted that we do not manage any utilities. All of our utilities are provided by outside companies, just like in Eatonville, and they still charge 10% on top of a 9.2% millage rate.

d. Stormwater Rates – Possible Increase

Chief Grimm reported that the utility rate study is expected to be completed next week. Once finalized, the study will provide guidance on appropriate utility rate levels and will be presented to Council with a detailed summary of findings. The study is being conducted by an outside firm and represents the first comprehensive review in approximately two years. The Board asked if the completed study would be distributed to the Board before going to Council. After the discussion, Chief Grimm noted that he will check with the CM. The discussion was informational only.

e. Breaking Out the Fire Fee as a Separate Taxing Item

Chief Grimm discussed the option of separating the fire protection fee as a distinct taxing or billing item. Staff noted that Windermere is currently the only municipality in Orange County that has implemented a separate fire protection fee, providing a local case study. Windermere adopted the fee by resolution under its charter, and the fee is based on a service-demand formula rather than property value, with higher-risk or higher-demand properties (such as hotels or multi-family developments) assessed at higher rates.

Staff explained that further research would be required to determine the legal, administrative, and financial steps necessary to implement a similar approach locally.

The Board noted that establishing a separate fire fee could be beneficial regardless of whether property tax reform measures are adopted. The Board also discussed an alternative approach in which Orange County could directly bill residents for fire services, similar to how fire services are billed in unincorporated areas of the county. It was noted that this method could simplify the City's budgeting process and be more transparent to residents, as it is a neutral change and a separate line item. The Board indicated that prior discussions with county officials produced mixed feedback on direct billing. The discussion was informational only, and no action was taken.

f. Classification/compensation study update

Staff reported that the classification and compensation study is ongoing. Most employee questionnaires and corrections have been completed, and the consultant is now compiling the data. A preliminary report with recommendations is expected to be presented to Council at the second meeting in February. The presentation will include recommendations, but will not include finalized job description revisions.

5. **Committee Comments –**

Staff provided clarification on agenda procedures for committee discussions. Items not previously submitted or placed on the agenda may be discussed only if a consensus of the committee is reached. A consensus was defined as agreement by a majority of committee members (three out of seven). No formal motion is required; consensus may be established informally.

Board Member Evertsen noted that, per Resolution 23-02, the first budget meeting of the calendar year must include nominations and elections for the committee Chair and Vice Chair. The Secretary position has been removed. Elections are to be determined by a majority vote of members present. It was noted that, to comply with proper procedure and provide notice to residents, officer elections must be placed on the agenda. Since it was not included in the current agenda, the Board consensus is to add the election of officers to the February meeting agenda. Board member Evertsen also noted that the governing document still requires an amendment to formally remove the Secretary position, which must be submitted to Council.

Board member Evertsen suggested revisiting the City's budget at a future meeting to identify potential reductions or efficiencies, including trimming expenses, implementing hiring freezes, or limiting increases before considering tax or utility rate increases. It was noted that this review could help offset proposed rate increases and provide relief to residents.

Board member Leff asked staff to provide the new committee member with a copy of the current budget. He noted that he will walk the member through the budget documents before they leave today or at the next available time.

6. **Next Meeting Schedule – February 9, 2026.**

7. **Adjournment**

There being no further business, the meeting was adjourned at 3:45 pm, unanimously approved.