



MINUTES
BUDGET WORKSHOP MEETING
MONDAY, JULY 20, 2026, 4:00 P.M.
NEPTUNE BEACH CITY HALL
116 FIRST STREET
NEPTUNE BEACH, FLORIDA 32266

Pursuant to proper notice, a Budget Workshop of the City Council of the City of Neptune Beach was held on Monday, July 20, 2026, at 4:00 p.m, at Neptune Beach City Hall, 116 First Street, Neptune Beach, Florida 32266

IN ATTENDANCE:

Mayor Cori Bylund
Vice Mayor Nia Livingston
Councilor Tim Horvath
Councilor Josh Messinger (*absent*)
Councilor Brent Rogers

STAFF:

City Manager Richard Pike
Assistant City Attorney Taylor Simonds
Public Works Director Deryle Calhoun
Chief Financial Officer Jaime Hernandez
Police Commander Gary Stucki
Community Development Director Heather Whitmore
Parks and Sustainability Director Colin Moore
Project Manager Blake West
Human Resources Coordinator Jillian McCann
City Clerk Catherine Ponson

**Call to Order/
Roll Call/**

Mayor Bylund called the Budget Workshop meeting to order at 4:00 p.m.

**Healthcare
Funding
Discussion**

Human Resources Coordinator Jillian McCann presented three scenarios for health insurance costs for FY27, including as-is, passing on 25 percent increase to employees for dependent care, and passing on a 35 percent pass on.

Vice Mayor Livingston noted she works for the State of Florida and does not have 100 percent coverage. She stated she would be comfortable with 25 percent.

Councilor Rogers asked if there was data on what other municipalities were doing. Ms. McCann advised she could research and report back. She noted the rates provided reflected the forecast but remained under negotiation. Councilor Rogers stated they should adjust to market. He noted the need to be attractive to employees and suggested a phase-in could be discussed and stated he favored 25 percent.

Councilor Horvath commented that this was a substantial line item, and belts needed to be tightened. He agreed he would like to see the data on what neighboring municipalities were doing before making an adjustment.

Mayor Bylund agreed with a 25 percent incremental increase and stated they could revisit the issue next year. She asked for clarification on the Council benefits. Ms. McCann explained Council was eligible for the same benefit as employees. Mayor Bylund suggested

an amendment that Council members pay 100 percent of the cost out of pocket, because no one on Council should get paid more than what is budgeted. Discussion ensued regarding historical use of the benefits, costs, and benefits to part-time employees.

Pension COLA
Funding
Discussion

City Manager Pike advised the FY27 budget had a shortfall in the Police Pension COLA benefit and sought direction as to how to move forward with solutions.

Mayor Bylund stated she wanted to pursue options which included funding what was agreed to in the contract.

Councilor Horvath asked for clarification on the terms of the contract and options to pass a law to halt the increases. Ms. McCann and City Manager Pike explained. He stated this was a large number that had to be addressed.

Mayor Bylund noted another option was to transfer the pension on to the Florida Retirement System. She discussed the option briefly and suggested staff be directed to begin pursuing this process before FY27-28.

Mayor Bylund stated that for the Pension COLA in FY25-26, the City is short \$350,000. She understands after discussing with staff, that shortage can be funded with reserves, the parking fund and other shifting with the current year's budget. For the Pension COLA in FY26-27 being worked on right now, \$650,000 needs to be included. The City will have to hunt and search for the funds. She suggested using the same methods for funding FY26-27.

Mayor Bylund directed City Manager Pike to work with Chief of Police Michael Key as soon as possible to move the pension to the FRS.

Councilor Rogers agreed he would like to hear about the FRS transition and what that would look like. He suggested someone be named to champion this process. He stated it had become obvious the current system was unsustainable and noted there were likely benefits to administration at the State level.

City of
Jacksonville
Proposed CIP
Update (new item)

Parks and Sustainability Director Colin Moore presented four projects shared by Jacksonville Mayor Donna Deegan earlier in the day during the budget presentation, including two (2) new projects and two (2) projects with additional funding. The projects included Penman Road Complete Streets, Hopkins Creek Stormwater Improvements, Kings Road Roundabout, and Neptune Beach Pedestrian Crossing Improvements.

Mobility
Management

Mr. Moore presented the Mobility Management budget, including Parking Benefit District projects to include sidewalk repairs, street cleaning, landscaping, street trees, lighting, bicycle infrastructure, and security.

Councilor Rogers stated he would like to see a project associated with the Parking Benefit District. He noted potential options, including stormwater and revisiting golf course parking, and discussed the importance of preserving the relationship regarding the Pump Track project. City Manager Pike provided a brief update on the project.

Parks and
Sustainability

Mr. Moore provided an overview of the proposed Parks and Sustainability budget. He discussed Jarboe Park projects, Jarbo Park grant-funded projects, in-progress projects, and grant funded projects.

Public Works

Public Works Director Deryle Calhoun presented the proposed Public Works budget, including capital project status, projects carried forward, personnel, and capital projects.

Councilmembers asked for clarification on differences between the budget and projections for various areas of the budget, including the water revenue. Mr. Calhoun stated efforts were being put in to make the budget as consistent as possible.

Councilor Rogers questioned the line item for Communication Services. Mr. Calhoun agreed to investigate and report back.

Council
Discussion

Councilor Rogers highlighted the importance of having accurate numbers in the budget and a plan to address difficult areas of the budget. He stated Council needed to demonstrate that there had been a review of a variety of options before looking at the potential for raising taxes.

Mayor Bylund advised that City Manager Pike and team were working on an analysis of potential property tax reform impacts which would be presented at the August Council meeting. She agreed with Councilor Rogers' assertion that the numbers had to be accurate and consistent, even if it is uncomfortable. She stated the City was facing some challenges that would need to be addressed but was currently in good shape.

Councilor Horvath commended Mr. Calhoun's presentation and raised the question of whether the watering season revenue would close the budget gap and asked what would happen if that did not take place. Mr. Calhoun stated staff would work with the Finance Department to identify ways to cover operational shortfalls and noted potential stop gaps.

Councilor Horvath asked about an increase in Workers Compensation Insurance and the process for clarifying inconsistencies in the budget projections. Staff responded as appropriate. Discussion continued regarding quarterly reporting of actual expenses and budget worksheets.

Mayor Bylund requested the entire accounting ledger be made available, which includes every line item.

Vice Mayor Livingston referenced the January 20, 2026, meeting minutes and noted Council was told at that time that water rates could not be raised without a rate study. She stated it was important to find out if this was accurate before hiring a consultant.

Adjournment

There being no further business, Mayor Bylund adjourned the Budget Workshop at 5:41 p.m.



Corrine A. Bylund, Mayor

ATTEST:



Catherine Ponson, CMC
City Clerk



Approved: _____

08/03/2024

**These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, please go to: <https://www.nbfl.gov/minutes-and-agendas>, and click on the video for the meeting in question.*