



City of South Daytona

Office of the City Manager / Department of Finance

Post Office Box 214960 • South Daytona, FL 32121 • 386/322-3060 • FAX 386/322-3099

MEMORANDUM

To: James L. Gillis, Jr., City Manager
From: Jason E. Oliva, Assistant Finance Director
Date: July 23, 2020
Re: Truth-in-Millage [TRIM] Compliance – Adoption of Proposed Millage Rate

AGENDA ITEM
D17 DATE 7/28/2020

Pursuant to Florida Statute Section 200.065 and Section 200.081, the City Council must adopt a proposed millage rate no later than thirty-five (35) days after delivery of the preliminary tax roll by the County Property Appraiser or July 1, whichever date is later. The proposed millage rate must be adopted on or before August 4, 2020. Two public hearings will be held in September at which time the millage rate can be lowered should the Council desire to do so. **This proposed millage rate cannot be increased once adopted without first class notice to all property owners.** The Property Appraiser will use this millage rate for the Truth in Millage [TRIM] tax notice sent to all property owners in August 2020.

The City's taxable value for 2020, as determined by the tax roll on January 1, 2020, is \$658,024,478. This represents a \$48,994,439 or 8.04% increase above the final 2019 assessment of \$609,030,039. New taxable value (Construction + Annexations) totaled \$672,460 or 0.10%.

Maintaining the prior year millage rate of 7.75000 mills is being **strongly** recommended to provide funding for current year operations, assist in maintaining the City's undesignated fund balance in the General Fund and to **offset anticipated revenue decreases associated with the economic impact of the COVID-19 pandemic.** Due to the economic uncertainty and sensitive nature of shared revenues, staff is budgeting a twenty percent reduction (\$241,812 less) in ½ cent sales tax and state revenue sharing from the original amount budgeted in 2019-2020. Maintaining the prior year millage rate will also allow the City to budget for capital replacement of the aging infrastructure.

The tentative budget based on a proposed millage rate of 7.7500 mills includes the following items of note:

- 1) General Fund
 - a. As we have in years past, a contingency of \$100,000 is being recommended which should allow for minimal need for mid-year budget adjustments while providing the City with safeguards throughout the year for unexpected expenditures.
 - b. Debt Service:
 - i. \$320,839 budgeted for additional principal payments towards Wells Fargo Note #117 balloon payment. The dedicated .4000 mills for debt service will generate an additional \$249,772 for debt service payments. The remaining \$80,117 represents additional principal to keep debt service payments level until all debt is retired.

- c. Personnel highlights:
 - i. Reclass IT Specialist (Salary Grade 20) to IT Director (Salary Grade 30)
 - ii. Unfreezing Code Enforcement Officer position
 - iii. \$75,372 in General Fund personal leave payout of three employees
 - iv. Personnel raises budgeted at 3%
- d. Operating highlights:
 - i. Replacement of carpet at City Hall (\$36,000)
 - ii. Replacement of carpet at Police Department (\$12,000)
- e. Capital Highlights:
 - i. Purchase of 4 police patrol vehicles (\$204,000)
 - ii. Radios for new vehicles (\$18,000)
 - iii. Lease 4 unmarked police vehicles (\$16,000)
 - iv. Self-Contained Breathing Apparatus (\$15,315)
 - v. Replacement of two (2) backstop fences at James Street Park (\$27,900)
 - vi. Replacement of two (2) non-operational fountains at Reed Canal Park (\$37,500)
 - vii. Bridge Repair at Reed Canal Park (\$50,000)
 - viii. Maintenance Truck for Facility and Grounds (\$25,000)
 - ix. Utility Truck for Facility and Grounds (\$32,000)
 - x. Backhoe Attachment for tractor (\$7,800)
 - xi. Safety phones for Reed Canal Park (\$3,500)
 - xii. Riverfront playground equipment (\$131,798) budgeted in C.R.A. with \$69,629 funding provided by CDBG grant

Adoption of the proposed rate of 7.7500 mills will result in an increase of ad valorem revenue in the amount of \$284,369 over the rolled-back rate. This is the net result of increases in the taxable values of existing properties coupled with additional taxes generated from new construction. Adoption of the proposed rate would require a majority vote of the Council and the City would need to advertise a tax increase since the rate exceeds the rolled-back rate.

Calculated at the current year taxable value of \$658,024,478:

The value of one mill is \$658,024.

The value of .01 mill is \$65,802.

The tax bill for a home with \$100,000 taxable value at 7.750 mills would be \$775.00.

The tax bill for a home with \$100,000 taxable value at the roll-back rate (7.2951 mills) would be \$730.00, which equals a savings of \$3.75 per month for the homeowner.

The dates for adoption of the tentative and final millage rates are Monday, September 14, 2020 and Tuesday, September 29, 2020, respectively.

RESOLUTION NO. 20-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH DAYTONA, FLORIDA, ESTABLISHING A PROPOSED MILLAGE RATE FOR THE 2020-2021 FISCAL YEAR; DETERMINING THE ROLLED-BACK RATE; ESTABLISHING A DATE, TIME, AND PLACE AT WHICH A PUBLIC HEARING WILL BE HELD TO CONSIDER THE PROPOSED MILLAGE RATE AND THE TENTATIVE BUDGET FOR THE 2020-2021 FISCAL YEAR; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Volusia County Property Appraiser has certified to the City the taxable value of all property within the City for the 2020-2021 fiscal year; and

WHEREAS, it is the responsibility of the City to advise the Property Appraiser of its proposed millage rate, of its rolled-back rate, and of the date, time, and place at which a public hearing will be held to consider the proposed millage rate and the tentative budget;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOUTH DAYTONA, FLORIDA, AS FOLLOWS:

Section 1. The proposed millage rate necessary to fund the tentative General Fund budget for the City's 2020-2021 Fiscal Year is 7.75 mills.

Section 2. The rolled-back rate for the 2020-2021 fiscal year is 7.2951 mills.

Section 3. A public hearing will be held to consider the proposed millage rate and the tentative budget on September 14, 2020 at 6:00 p.m., at South Daytona City Hall in the City Council Chambers, 1672 South Ridgewood Avenue, South Daytona, Florida

Section 4. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the City Council of the City of South Daytona, Florida, this 28th day of July, 2020.

Signed: The City Council of the
City of South Daytona, Florida

The Honorable William C. Hall, Mayor

Attest:

James L. Gillis, Jr., City Manager

Approved as to form and legality:

Scott Simpson, City Attorney