

**City of South Daytona
City Council Budget Workshop Minutes
Tuesday, August 8, 2023, at 5:00pm**

City Council Chambers, 1672 S. Ridgewood Avenue, South Daytona, Florida
and FaceBook Live (www.facebook.com/CityOfSouthDaytona)

Item A1. Opening. Call to Order: Mayor William C. Hall called the City of South Daytona Budget Workshop to order at 5:00 pm.

Item 2. Roll Call:

Present: Mayor William C. Hall, Vice-Mayor Doug Quartier, Councilman Brandon Young, Councilwoman Lisa O’Neal, Councilman Eric Sander, City Manager James L. Gillis, Jr., City Attorney Wade Vose

Not Present: None

Item B. PRESENTATION – Summary of Fiscal Year 2023/2024 Budget

City Manager Gillis thanked the Council and recalled that each council member spent several hours reviewing the budget, line by line with him over the last month. He said those meetings were extremely valuable and contributed to the budget composition and direction. He noted the copious amounts of feedback, questions, and input received during those meetings which has been incorporated into the proposed budget. Mr. Gillis said this budget is based on maintaining the millage of 7.75 mills which was set at the July 25, 2023, Regular City Council Meeting. This budget is geared to being debt free by 2024, maintaining reserves, and focusing on our ageing capital and improvement of city assets and facilities, he explained.

Finance Director Jason Oliva presented the proposed budget for Fiscal Year 2023/2024.

City Manager Gillis elaborated on the need for roadway resurfacing and the challenge of securing grants for those projects. He explained the City is still paying the debts of the past. Each year at budget time, the Mayor always asks how much money is available in the bank which is not reserved. This year, City Manager Gillis stated, the City can write a check for \$3,235,809; that is how much money we have in the bank which is fully available.

Mayor Hall asked for clarification on the percentage of Residential and Businesses within the City. Finance Director Oliva said the city is comprised of 60% residential, 25% business, with the remaining governmental, school, etc.

City Manager Gillis provided input on the challenges of the small city and the fact that we are unable to supplement with new development. He discussed changes within the transportation fund as we are investing in us by replacing capital and rejuvenation of the city through resurfacing of roadways.

Mr. Gillis said we have received grants and appropriation funding through the Florida Department of Environmental Protection. He thanked Senator Wright, the DEP and Governor DeSantis for their financial support. He said on September 11, 2023 Senator Tom Wright will be here to present a check for the Sewer Lining Appropriations.

A recent sewer break on Palmetto Avenue was discussed. Mr. Gillis discussed Scenario 8 and the Water Rate study decided on by the City Council in 2019. He said a rate study will be needed for fiscal years 2025-2029.

City Manager Gillis elaborated on the capital purchases included in the 2023-2024 Budget including a ditch excavator. He discussed having to keep up with area pay rates for Police and Fire and as he knows our employees cannot be the highest paid but we certainly do not want to be the lowest.

Mr. Gillis concluded by again thanking the Council for the many hours spent reviewing the budget with him and Finance Director Oliva. He said the budget was crafted to place us in the best position to move forward.

Item C. COUNCIL COMMENTS

Councilman Sander thanked Mr. Oliva and Mr. Gillis for the presentation. He said this budget is an excellent road map and compass for the upcoming year. He expressed his delight in upgrading the City fleet and he sees it as a moral booster and a way to invest in our staff. Councilman Sander said he is excited for the development of the plan when the CRA sunsets in 2026. He noted the millage rate is almost the highest in the county but our tax revenues are similar to other cities. He said he would like to see that number reduced but the 2023-2024 increase equates to only about \$2 per month per household.

Councilman Young said this budget is a good road map. He commented on the capital improvements, charges for services and the property taxes. He discussed development being the key to lower millage rates. Councilman Young expressed concerns over the Cost-of-Living increases for staff. He suggested a 3% Cost of Living Adjustment with potential for merit increases. He did not want high-achieving staff demotivated by all employees receiving the same increase.

Councilwoman O'Neal agreed and elaborated on Councilman Young's comment that she would prefer all general employees receive a minimum of \$1.00 per hour.

Mayor Hall said he had some reservations over aspects of the budget. He noted the .4 mills was to reduce debt and the debt has been reduced. He commented on the 20 inches of rain last year during the Fall 2022 Hurricanes. Mayor Hall recognized that 49.2% of the General Fund Budget is dedicated to Public Safety and said evaluation and input from the citizenry on the services and the amount of funding for the departments in the future may be needed. He commented on the importance of Police Patrol and being seen in the community.

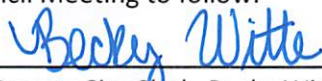
Mayor Hall discussed merit raises for employees and the need to recognize those employees who go above and beyond their normal job duties. He discussed the difference with a percentage increase for an employee making \$100,000 versus one making \$15.00 per hour. He said he agrees with Councilman Young and Councilwoman O'Neal, and that he could agree with the increase this year but next year a conversation will be needed.

Councilman Young noted the amount of funding is provided within the budget and the Manager can implement salary increases in a different manner than presented. As working in Human Resources for over 25 years, he knows across the board increases can demoralize our star employees, stated Councilman Young.

Monday, September 11, 2023, at 6:00 pm will be the first hearing for the budget and millage. Final adoption is set for Tuesday, September 26, 2023, at 6:00pm.

Item D: ADJOURNMENT: Mayor William C. Hall adjourned the City of South Daytona Budget Workshop at 6:06 pm.

City Council Meeting to follow.


Deputy City Clerk, Becky Witte


Mayor William C. Hall