

**City of South Daytona
City Council Budget Workshop Minutes
Tuesday, August 13, 2024, 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 5:01 pm.

Item 2. Roll Call:

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

Not Present: None

Item B. PRESENTATION – Summary of Fiscal Year 2024/2025 Budget

City Manager Gillis introduced Finance Director Jason Oliva. He explained our goal for past budgets was to eliminate the City debt by 2024 and we achieved that goal a little sooner than anticipated at the close of 2023. Mr. Gillis said the goal for this year's budget is our theme of "investing in us" which means updating and improving our infrastructure and parks for our residents to utilize and enjoy. Over the last three years, the City has expended over 8 million dollars making infrastructure improvements. Since we are debt-free, we are planning to spend an additional 4 million in this year's budget alone. We are focusing on renewing our aging infrastructure, he concluded.

During the presentation led by Finance Director Jason Oliva, City Manager Gillis interjected that we are maintaining the millage rate at 7.75 which we have held for the past 8 years. Due to Volusia County going to partial rollback, our resident's total tax rate should decrease for next year.

Mr. Gillis said that we are not only maintaining our property values, but we are improving them. People want to live in South Daytona.

During the presentation, Councilman Brandon Young questioned the new net taxable revenue chart and asked for specifics. Finance Director Oliva responded that these items include major home renovations or additions as well as the new Edison Point Townhome Development. Councilman Young concluded that the trend will decrease next year when the Edison Point development has been completed until new projects begin. He said, other cities rely on new development to keep millage rates and taxes low, so we need to focus on developing the City if we want to keep millage rates down. Responsible development is the key to the future of South Daytona.

Councilman Brandon Young asked about the items included in Operating Expenses. Finance Director Oliva answered that the Operating Expenditures are comprised of day-to-day operations and do not include items such as capital improvements. Councilman Young asked if we should expect an increase in operating expenses each year. Finance Director Oliva responded that given the cost increases for everyday items, it would appear that these costs will continue to climb year to year.

Finance Director Oliva discussed the operating highlights including the roof at City Hall to be replaced (\$300,000), the design and construction of a new evidence room for the Police Department (\$178,000), and new software to make online sports registration substantially easier (\$5,775). He discussed improvements to Reed Canal Park including interior wood bridge rehabilitation over the lake (\$30,000), parking lot paving plus sealcoating the existing Nova parking lots (\$85,000), sodding the utility field

(\$20,000), renovating and branding the Disc Golf Course (\$25,000), and replacing the picnic tables and trash cans in pavilions (\$30,000). He said at James Street Park we will be replacing the splash pad playground (\$85,000) and the center field scoreboard (\$30,000).

Mr. Oliva discussed the proposed purchase of an automated sandbag filling machine (\$50,000), a Response Vehicle for the Fire Chief (\$62,000), the annual contribution towards the replacement of a fire truck (\$50,000), a new street sweeper (\$300,000) which Public Works Director Thornton wants to make an everyday fixture on our streets. He also said we are planning for a new bucket truck (\$180,000) as the current one is over 15 years old and in need of a replacement.

Mr. Oliva provided a detail of the “investment” projects within the budget. He said .4000 mills will be used for street resurfacing and will generate an additional \$275,407 which enabled the budget to be set at a total of \$500,000 for the next fiscal year. This will allow us to get caught up on our resurfacing program that we were forced to neglect over the last two decades due to our previous level of debt. Cambridge Circle, Bristol Lane, Windel Lane, Hamlin Drive (east), Ponderosa Drive (east), Lambright Road (by the school), as well as Aspen Drive and Boulder Drive (the “U”) will be resurfaced he said. Sea Isle Circle, Coral Circle and Reef Road will be resurfaced utilizing a CDBG Grant.

Mr. Oliva discussed the Community Redevelopment Area (CRA) noting the CRA sunsets in 2026. The goal would be to return to the rollback rate at that time.

Councilman Brandon Young asked Mr. Gillis to provide a synopsis of the Community Redevelopment Area (CRA).

City Manager Gillis provided an overview of the Community Redevelopment Area (CRA) which extends from the Halifax River to the railroad tracks. The City receives a portion of the county’s taxes along with our taxable revenue which must be spent within the CRA. He said our projects within the CRA include utility undergrounding to attract long-lasting businesses. Mr. Gillis said when the CRA sunsets, the 2.1 million dollars reserved exclusively for the CRA as required, can be spent elsewhere in the City.

City Manager Gillis explained the cost of resurfacing a standard roadway is approximately \$75,000. When we have resurfaced in the past, residents call and ask for their roadway to be done not knowing the significant capital investment resurfacing even one standard roadway entails. He said staff attempts to incrementally pave roads spread across the City while getting caught up on the overdue resurfacing projects.

Mr. Gillis interjected that the City has almost 31 million dollars in stormwater improvement grants being considered which will require a local match, and we want to have the money available for those opportunities.

Finance Director Oliva concluded his presentation by stating the goals met within the budget include increasing reserves and investing in our infrastructure.

Mayor Hall said that in the past he was not able to authorize a check to be cut for emergency purchases such as debris collection after a storm because there was no money in our account. He asked if there was ample enough money in our reserves where he could write an emergency check if necessary. Finance Director Oliva confirmed that we have ample reserves for such emergency expenditures as storm cleanup. Infrastructure alone cannot stop 24 inches of rain, but we can try to improve it to an extent where it does not penetrate into our homes, Mayor Hall continued. He explained the tight budget and the inability to add additional public safety personnel. He said that the Police and Fire Departments are a substantial portion of our general fund budget and, with the cost of such services increasing each year, the public must make a decision what level the City should achieve given our millage rate. He noted the purchase of eight (8) new Police patrol vehicles, stating that he did not see more than 8 new vehicles in his 8 years

serving as the Chief of Police for the City due to our past debt levels. Mayor Hall concluded that the next four years will consist of investing in improvements for all of our residents.

Item C. COUNCIL COMMENTS

Vice Mayor Sander thanked Finance Director Oliva and his dedication to managing the funds to get us to this position. Along with City Manager Gillis you kept focused, he told Mr. Oliva. Once the debt was gone, staff aggressively started “investing in us” and completing the much-needed street resurfacing projects, commenting on the impressive 11 streets budgeted for the next fiscal year. Vice-Mayor Sander questioned the status of the lift station replacement program which Finance Director Oliva responded a majority have been completed with a few left to replace over the next few budget years. Vice-Mayor Sander said once complete, we will be in a good position.

Councilman Young stressed flood water and infrastructure improvements. He said 24 inches of rain is difficult to combat but enhanced infrastructure is a must. He discussed Economic Development, and the City should focus on redeveloping and maintaining property values throughout the entire City, outside of the Community Redevelopment Area (CRA). He looks forward to working with developers and seeing projects built to help keep tax rates low. Good infrastructure, and public safety attract those developments and businesses, he said. He concluded by saying we have done a fabulous job getting to this point, now we have to take the next steps towards securing the future of South Daytona.

Vice-Mayor Sander said there are also many great enhancements to our City Parks including some special Christmas events for our residents to enjoy. He said sewer lining and lift stations are good. We have some fun stuff coming as well, which we will be announced in the upcoming months.

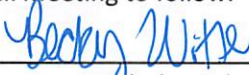
Councilwoman O’Neal discussed the previous budget where we were able to provide a minimum of \$1.00 to our employees for the Cost-of-Living Adjustment. She asked if that could be programmed into this budget. Finance Director Oliva noted that we could try and replicate this raise structure. Councilwoman O’Neal concluded she would like to see that happen.

Councilman Quartier noted this presentation really gives us a history of the city for the last 6 years and how we have come a long way, but we have a ways to go. The city is looking really good, he said and expressed his appreciation.

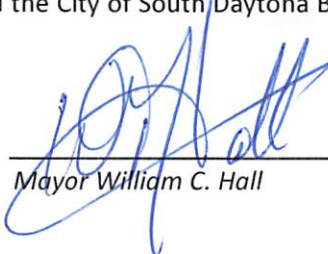
Monday, September 9, 2024, at 6:00 pm will be the first hearing for the budget and millage. Final adoption is set for Tuesday, September 24, 2024, at 6:00pm.

Item D: ADJOURNMENT: Mayor William C. Hall adjourned the City of South Daytona Budget Workshop at 6:00 pm.

City Council Meeting to follow.



Deputy City Clerk, Becky Witte



Mayor William C. Hall