

Local Government Budget/Tax Rates for 2019-20

| <u>EAST VOLUSIA</u> Click links for more details | FY 18-19 Millage Rate | Proposed Rate (vs Rollbk Rate) | General Fund Proposed FY 2019-20 General Fund Budget (FY 2018-19) | Total Budget Proposed FY 2019-20 (FY 2018-19) | (contact for more info) Elected Officials | Budget Hearings |
|--|-----------------------------|--------------------------------------|--|---|--|--------------------|
| Daytona Beach | 6.20 | 5.85 (5.68) | \$103.6 million (\$100.0 million) | \$262.1 million (\$246.8 million) | 301 S Ridgewood Ave. Finance Director Patricia Bliss 671-8064 Daytona Beach City Commission | ADOPTED |
| DB Shores | 5.23 | 5.23 (5.00) | \$17.9 million (\$16.8 million) | \$21.3 million (\$20.2 million) | 2990 S Atlantic Ave. Finance Dir Kurt Swartzlander 763-5329 DB Shores City Council | ADOPTED |
| Holly Hill | 6.50 | 6.25 (6.10) | \$8.8 million | \$28.4 million | 1065 Ridgewood Ave. Finance Director Stella Gurnee 248-9427 Holly Hill City Commission | ADOPTED |
| Ormond Beach | 4.16 | 4.08 (3.95) | \$34.3 million (\$33.8 million) | \$101.9 million (\$95.8 million) | 22 S Beach St. Finance Director Kelly McGuire 676-3226 Ormond Beach City Commission | ADOPTED |
| Port Orange | 4.62 | 4.52 (4.37) | \$40.6 million (\$38.8 million) | \$116.6 million (\$106.5 million) | 1000 City Center Circle CFO Director Scott Neils 506-5710 Port Orange City Council | ADOPTED |
| South Daytona | 7.75 | 7.75 (7.34) | \$11.5 million (\$11.4 million) | \$24.0 million (\$27.5 million) | 1672 S Ridgewood Ave Finance Director Kevin Lewis 322-3065 S. Daytona City Council | ADOPTED |
| Volusia Co. Schools | 6.08 | 6.08 (5.88) | \$509.6 million (\$477.9 million) | \$995.3 million (\$868.5 million) | 200 N Clara Ave Deland CFO Debra Muller 255-6475 ext 20387 Volusia School Board | ADOPTED |
| Volusia County | 5.69 | 5.59 (5.33) | \$262.7 million (\$243.0 million) | \$979.8 million (\$958.6 million) | 123 W Indiana Ave Deland Budget Director Tammy Bong 943-7054 Volusia County Council | ADOPTED |

- proposed/tentative tax rate, once advertised, can be lowered but not raised.
- Property values increased of 8.8% this year.
- rolled-back rate, which would generate the same amount of revenue collected in 2018 -19, not counting new construction or annexations thus using new assessments of the same properties.
- Local Government Fiscal Budgets begin October 1.

The Daytona Regional Chamber would like to note that some of the excerpts below came from Daytona Beach News Journal (Eileen Zaffiro, Dustin Wyatt) and Port Orange / Ormond Beach Observer (Jarleene Almenas).

Daytona Beach – August 21 - the Daytona Beach City Commission held a Workshop to discuss their FY 2019-20 Budget. *For now*, they're considering a \$103.6 million General Fund (\$257.6 million total budget)... a 3% property tax increase. Current city rate is 6.20 mills (FY 2018-19)... **proposed rate is 5.85 mills for FY 2019-20** (a 3% increase over the 5.68 rollback rate).

Personnel will have significant impact on the coming year's budget which proposes to increase full-time employees from 878 to 911 (33 new positions). It includes employee raises of up to 7% over each of the next two fiscal years, and a \$175,000 plan to bring all full-time employees up to an annual salary of at least \$31,200.

In particular, it includes 10 new police officers and 2 Sergeant positions...for now, these are UNFUNDED positions (that could come on board IF additional funding becomes via grants or sales tax or other revenues).

The City's focus is to implement a \$31,200 living wage (for AFSCME members). This affects 58 full-time employees. The balance of new positions includes three code enforcement officers, three fire department battalion chiefs, seven utilities department employees, and an employee to handle website access in accordance with the Americans with Disabilities Act.

[Click here](#) to see how the money would be divided if the plan is approved by commissioners.

The 5.85 millage rate is estimated to generate between \$25 million and \$30 million in property tax revenue. City property values are estimated at \$5.31 billion (taxable value) with new construction valued at \$119.88 million.

Commissioner Ruth Trager, stated, "If we can go below roll-back, that would be fantastic...it never gets as low as you want to" i.e. new homes and businesses means more for city services, including police and firefighter protection.

[Click here](#) to see details of Collective Bargaining Agreements (Police & Fire).

The City's Budget Hearings will be September 4 and 18, 6 pm.

September 18 - City commissioners voted on a proposed \$257.66 million total budget which comes with a 3% property tax increase. It includes employee raises of up to 7% over each of the next two fiscal years, and a \$175,000 plan to bring all full-time employees up to an annual salary of at least \$31,200.

The 5.85 rate is estimated to generate \$25 million - \$30 million in property tax revenue. A significant source of property tax revenue for the city comes from its five community redevelopment areas, where the city can collect tax increment financing (TIF) dollars. Those TIF funds come from the extra property taxes generated when a property is improved.

Together the five redevelopment areas will collect an estimated \$9.7 million. The bulk of that is coming from the Main Street Redevelopment Area, which will produce more than \$7 million. The next largest amount, \$1.68 million, will come from the Downtown Redevelopment Area.

October 2 – the City Commission approved a \$262.1 million budget (\$103.6 million general fund) for FY 2019-20. The adopted tax rate was 5.85 mills (a 3% increase over the 5.68 roll-back rate) which will generate \$25-30 million in property tax revenue.

Mayor Derrick Henry, Commissioners Quanita May, Aaron Delgado, Ruth Trager, Paula Reed, Dannette Henry, Rob Gilliland voted Yes.

Volusia County Council – August 20 – Council members approved **a new tentative tax rate of 5.59 mills** thus a 4.8% property tax increase, which will generate \$11 million — to fund additional staffing for emergency medical services, sheriff's office, and raises for more than 3,000 county employees. It would delay the start date of some capital projects and less money in its emergency reserves perhaps another hurricane.

Cost factors for the proposed budget include:

- Amendment 10 (approved statewide last November) requires the county to set up constitutional officers — sheriff, property appraiser, elections supervisor, clerk of court and tax collector (currently not an elected position in Volusia) — as more independent offices before 2021.
- SunRail transition..in 2021, Fla Dept of Transportation hands over SunRail authority (and costs) to Orange County, Seminole County, Orlando and Volusia (which *could* cost \$2.7- \$6 million annually for Central Florida commuter train's operations/maintenance.
- Enhanced ambulance (EVAC) service;

Chairman Ed Kelley stated, "It's not worth give taxpayers a break this year...then stick it to them next year".

Councilwoman Deb Denys stated, "I have every bit of confidence that this is workable."

July 16 - the Volusia Council tentatively approved a 5.33 millage rate (6.75% property tax increase). Priorities are improvements to its ambulance system, pay raises for 3,000 + employees, costs related to Amendment 10 and SunRail.

Also, reduction to voter-approved ECHO program, which sunsets in 2021 (\$7 million a year; currently \$13 million + in the fund that hasn't been allocated...boardwalk extension project has been abandoned....reduction in — Councilwoman Deb Denys said the program wouldn't be hurt if taxpayers were asked to put in only half that amount next year.

While the council approved no change in the property tax rate of 5.69 mills, it represents a tax increase because it's higher than the rolled-back rate of 5.33 mills.

September 17 - The proposed \$979.7 million budget could mean a 4.83% property-tax increase. The new money would go for six new IT positions in the Sheriff's Office, five new emergency medical services employees, nine new firefighters and two extra staffers for the property appraiser. It also covers raises for more than 3,000 employees and provides money for possible hurricanes, and the requirements of Amendment 10, approved by voters last year. If Volusia is not successful in a court appeal, it will have to set up new constitutional offices including tax collector, which had at one point been estimated to cost \$10 million.

The Council voted 6-0 to approve a General Fund ad valorem tax rate of 5.59 mills (Councilman Lowry was out sick).... 4.8% greater than rolled back rate.

No one challenged the tax rates or any particulars of the budget.

Councilman Ben Johnson, "I feel good about it. We've had several letters to the editor, and most of them have been favorable. ... I felt like we were very responsible with it."

In all, the council voted to increase taxes on nine of the 10 funds the county controls, including those for library, ECHO fund and mosquito control. County Budget Director Tammy Bong said reserves will be 9.3%

September 30 – the Council approved of a \$980 million budget that includes employee pay raises, extra staffing and EMS improvements..... about \$15.1 million, will come from a 4.8% property tax increase.

With the county recently opening a new library in west Daytona Beach at Hope Place, an increase in the library tax will raise an extra \$1.5 million in revenue (from \$17.9 million to \$19.5 million).

Property values increase, at 8.8%.

The biggest portion of the county's budget is the general fund, of which \$201 million comes from property taxes (approx \$15.1 million more than FY 2018-19).

This budget covers 3% pay raises for employees, adding 13 staff positions, and provides tmore reserves to respond to possible disasters, as Hurricanes.

It also funds the requirements of Amendment 10, approved by voters last year. If Volusia is not successful in a court appeal, it will have to set up new constitutional offices including tax collector, which had at one point been estimated to cost \$10 million.

Councilmembers Ed Kelley, Deb Denys, Billie Wheeler, Heather Post, Barb Girtman, Ben Johnson voted YES. Fred Lowry was absent due to sickness.

Ormond Beach – July 30 – the City Commission held a Workshop to consider their FY 2019-20 budget. The Commission adopted a 4.087 millage rate (a 3.36% increase over the rollback rate).

The budget focused on specific goals based on citizens' input (from the OB Life meetings)....overall proposed budget \$100.3 million (a 4.6% increase over last year's \$95.8 million).

The General Government \$10.7 million portion will go for collective bargaining agreements as well as more citizen engagement via social media. Pension costs decreased \$550,000 (11%) and Ormond remains the 3rd lowest rate in Volusia. It will include septic to sewer projects (including the N Peninsula). Reserve fund should remain at 15%.

October 1 - the City Council approved a \$34.3 million general fund budget for FY 2019–20 (and a \$101.9 million total budget). The tax rate was 4.08 mills, a slight increase over the roll-back rate of 3.95 mills (the 3rd lowest rate in the County).....\$29 million in new construction played a significant role..

Mayor Bill Partington, Commissioners Dwight Selby, Troy Kent, Susan Persis, voted YES for this budget which actually began today, October 1 (**Rob Littleton was out due to illness**).

Volusia School District – July 30 - the School Board agreed to a 6.08 proposed millage rate (a 3.4% increase over the 5.88 roll-back rate) which will generate \$182 million in revenue.

Recently, the board learned of an imminent \$10 million budget deficit. The proposed budget for this year pulls more money from the district reserves.

This year, it will be less than the School Board's goal of 5% (THE CHAMBER SUPPORTED A MINIMUM 5% RESERVE BALANCE) due to cost factors including a 3-year negotiated pay contract with teachers (WHICH THE CHAMBERSUPPORTED LAST YEAR).

District CFO Deb Muller - "We certainly cannot continue to use non-recurring revenue to balance our budget." THE CHAMBER AGREES! "YOU CANNOT PAY NEXT MONTH'S RENT WITH YOUR RETIREMENT ACCOUNT". Muller also stated that State funding could change depending on student enrollment.

School Board Chairman Carl Persis - "We can't continue going to the well here."

In setting property tax rates, school districts must work within the restraints set by state lawmakers each year i.e. most of the District's budget is determined in Tallahassee.

While there is an increase of 8.4% in taxable property value, the Legislature provided an extra \$13.77 million in funding but half of it is earmarked for specific categories. The District agreed to spend more than \$6 million on

raises for all employees, plus an extra \$1 million each on health insurance and electricity, plus \$1 million to fund an enrollment increase at Burns Science and Technology Charter School.

As for expenditures, 72% is for Instruction and Instructional Support, 11% is for Operation & Maintenance of Plant; 7% is for School Administration, 5% is for District Administration, 4% is for Pupil Transportation, 1% is for Community/Debt Service.

In addition, the District stands to lose more than \$10.03 million due to the State's District Cost Differential funding formula.

This year, the Legislature authorized a new "wage base" study on the funding formula by the Dept of Economic & Demographic Research. The Legislature would need to authorize any recommendations by state staff in their 2020 Session. THE CHAMBER WILL BE FOLLOWING THIS STUDY.

The Board could vote to lower the property tax rate further, but cannot raise it before the **final vote Sept 10.**

Holly Hill – July 30 – the Commission voted to keep the maximum (tentative) millage rate at 6.50 mills...by a 3-1 (Commissioners Penny, Danio, Johnson voted Yes....Mayor Via vote Nay.

July 9 - Finance Director Stella Gurnee discussed the FY 2020 General Fund, Local Option Fuel Tax Fund, and Building Fund.

September 24 - The gross taxable value for Holly Hill is \$664,654,238. The adopted millage was 6.25 mills, 3.8% decrease over the 6.10 rolled-back rate mills...Even with the decrease, the city can fund a Public Works storage shed; repave roads; set aside \$50,000 for a new firetruck; purchase three police cars; purchase a generator; build a pedestrian bridge at Sunrise Park; build a veterans' memorial in front of City Hall; and provide a 3% pay increase for all city employee. **Mayor Via, Commissioners Currie, Penny, Danio, Johnson voted Yes...**

Daytona Beach Shores – July 9 - the Council adopted a tentative 5.23 millage rate for FY 2019-20. Finance Director Kurt Swartzlander stated that while this is 4.5% above the rollback rate of 5.004 mills. **Mayor Nancy Miller** stated that there were several items that were still waiting for cost estimates. She felt using the current rate of 5.23 initially would be beneficial and then once the estimates were in, the rate could be lowered in September at adoption. 5-0 on first reading.

September 24... Daytona Beach Shores City Council rate of 5.23 mills, a 4.5% increase over the rolled back rate of 5.00. The new revenue provides an additional \$500,000 for a new fire truck.

Mayor Nancy Miller, Council-members Richard Bryan, Mel Lindauer, Richard Frizalone, Michael Politis voted YES.

Port Orange – July 30 - Mayor Don Burnette asked Council Members for comments relating to the budget requests and process and goals. **Councilmember Scott Stiltner** wanted to roll the millage rate back from the current rate. **Councilmember Drew Bastian** understands the costs involved with City services but also wants to keep the rate as low as possible without seeing cuts to services, programs, or staff. **Council Member Marilyn Ford** agreed with both comments and also hopes to provide a cut for citizens. **Mayor Don Burnette** wants to improve on the budget and continue budget talks.

Assistant City Manager Alan Rosen discussed a few budget scenarios and the impact on homesteaded properties. They approved the maximum operating millage of 4.52...approved 5-0.

September 30 - the Port Orange City Council approved a \$40.6 million general fund budget for FY 2019–20. The tax rate was 4.52 mills, a 3.5 % increase over the roll-back rate of 4.37 mills. Port Orange has the 4th lowest rate in the County. New construction played a significant role..Overall revenues increased by \$1.9 m over FY 2018-19 budget...based on slight increases in taxes/fees. Total revenue is \$40.6 m (derived from Utility Tax/Electricity, Water, Communications Service Tax, Franchise Fees, as well as \$14.8 m in ad valorem taxes); Total Expenses were \$116.6 m; Expenses due to \$920 k for personnel and operating cost of \$1.1 m (all due to increased cost for ERP, fleet financing, contracting services and building maintenance; **Mayor Don Burnette and Council-members Scott Stiltner, Drew Bastian, Marilyn Ford and Chase Tramont voted YES** for this budget which begins tomorrow, October 1.

South Daytona - September 24....Mayor Bill Hall, Council-members Brandon Young, Doug Quartier, Lisa O’Neal, Ralph Schoenherr voted YES for 7.75 mills, a 5.54% increase from the rolled back rate of 7.34 mills. The rate will generate an additional \$185,744 which will include merit raises for city employees and \$150,000 for reserves.

The Daytona Regional Chamber attends many of these local government budget meetings because property tax rates ARE a significant cost factor to ANY business. The Chamber wants each local entity to adopt a COMPETITIVE rate that promotes a healthy business climate.