



OBSERVER CORPS REPORT
Daytona Beach City Commission
Reported by Cindy Wakeland

June 3, 2026

(Mayor Henry- absent)

The first discussion topic at this Commission meeting related to the Consent Agenda, Item 8A. This discussion was initiated due to the renewal of the annual License Agreement between the City and the Daytona Beach Boat Club. The Boat Club meets monthly at 419 Basin Street within the Halifax Harbor Marina. The annual rent is \$600.

Discussion initiated by a member of the public addressed what a great piece of property the marina is and that it could be used for much more than it is currently and bring in additional revenue to the city.

The city rents most of the property from the State, except for a small area on the north end which the city owns. Citizen comments suggested the city put out an RFP (request for proposal) to solicit bids for use of the building and/or land.

Commissioner Reed noted the only rental locations the city has available for the Public are gymnasiums. The marina building(s) could be made into more desirable locales for public rentals such as weddings, anniversary and graduation celebrations, etc.

Approval of the boat club rental was approved.

Second issue (8H) was prompted by Commission Cantu. Item 8H on the Consent Agenda was a listing of funds to be distributed to various non-profit organizations from the "Zone-Specific Fund Program" by Commissioner Strickland. Cantu asked if any Commissioner or the City Manager were members of any of the listed organizations. Commissioner Reed and City Manager Feacher indicated they were each a member of one of the listed organizations. Cantu responded she would like to make a motion or issue an ordinance to not allow donations to organizations any commissioner or Mayor or City Manager were members of.

City Attorney agreed to research this and bring back at the next meeting, an ordinance prohibiting a commissioner from proposing donations to organizations he or she is a member of. This was favored by all commissioners.

A vote was still taken on Cantu's recommendation and failed to pass, 3-3. Some discussion ensued relating to bringing this up at the next meeting, when the mayor would be present so the vote would be among 7, the mayor and 6 commissioners.



The meeting then turned to **storm drainage mitigation**, a topic raised by Commissioner Cantu. Citing her work with the Volusia County Roundtable on flooding, she suggested that Daytona Beach begin budgeting to purchase homes in flood-prone areas, possibly a few each year. Cantu also discussed dissolved HOAs that have failed to maintain overgrown ponds affecting storm drainage. She noted that even when an HOA is dissolved, homeowners remain responsible for maintaining storm drains. Many residents are unaware of this responsibility and contact the city for help. Cantu said the city can impose a special assessment on homeowners to cover the cleanup of overgrown ponds around stormwater drains, and the city attorney confirmed this.

Commissioner Cantu then brought in Shannon Ponitz, Daytona Beach Director of Utilities, for a presentation on what is being done to address the flooding issues. Shannon reminded the commissioners that the Army Corp of Engineers' study has been cancelled due to none of the proposals meeting the federal minimum financial requirements. She did say the City will receive the "Findings Report" from the engineers regarding their testing and results for the various solutions they explored. This information will be extremely helpful when working with the county and adjoining cities to address the flooding.

Shannon then turned attention to the "All Volusia Transfer 386 Project".

Volusia County currently has 28 stormwater studies underway. The 386 Project is a countywide stormwater project/maintenance dashboard. The dashboard to track and report on these studies is in development.

Shannon continued her presentation by discussing issues involving HOAs and private property owners and their responsibilities for upkeep of stormwater ponds.

Stormwater/Drainage Infrastructure Maintenance Challenge

Lack of maintenance to stormwater ponds, outflow control structures and drainage conveyance ditches are occurring county and citywide by HOAs and private property owners. **Possible Solutions to Aid in Compliance**

- Create a public-facing GIS map that includes plats, easements, and maintenance agreements for each subdivision and identify the private property owners responsible for maintenance.
- Creation of Special Assessment Districts for HOAs and private properties unwilling to perform required maintenance.

Recommendations for Residents



Residents living in flood prone areas should have Flood Insurance on their home/structures.

- Consider Flood Proofing structures.

June 17, 2026 Daytona Beach City Commission Meeting

Michael Chambless, Government Relations Coordinator for Daytona Beach, made a presentation to the Commission on the impact of the proposed referendum regarding the **homestead exemption rollback**.

The exemption rollback, if passed, will be effective January 1, 2027.

- The Homestead exemption will increase from the current rate of \$50,000 to \$150,000 in 2027 and up to \$250,000 in 2028.
- School taxes will not be subjected to these exemption increases.
- Assessment caps for non-homesteaded properties would be reduced to 5%.
- There is a 5 year "waiting period" for new residents to qualify for the increased homestead exemption.

Along with these changes, the amendment sets voting requirements for local governments to increase millage rates. Increases of up to 110% of the rolled back rates require a two-third majority. Any increase over 110% of the new rates requires a unanimous vote or a referendum.

School district taxes are exempt from these homestead exemption reductions.

Compared with surrounding cities and towns, Daytona Beach has several factors that help offset the rollback's impact.

- A strong Commercial and Tourist tax base
- Hotels and commercial properties
- A more diversified tax roll than neighboring cities

38.7% of homes in Daytona Beach qualify for the homestead exemption.

When compared to surrounding cities, the **lost taxable value** in Daytona Beach of 15.9% is the second lowest of Volusia cities. Deland lost 34.1%, Pt. Orange lost 33.5%, Ormond Beach lost 29.0%, and New Smyrna Beach lost 22.4%. Only Daytona Beach Shores lost less taxable value than Daytona (13.4%).



Of the Revenue sources for Daytona's General Fund, Property taxes are the largest contributor (37%). The City estimates a loss of \$7-\$10 million in the first year and \$10-\$15 million in the second year.

The current year Daytona Beach Budget runs approximately \$359 million. The breakdown of spending is as follows:

Capital Projects/Debt/TIF	\$132.1M	36.8%
Police & Fire Operations	\$131.8	36.7%
Culture & Recreation	\$ 30.9	8.6%
General Government Svcs	\$ 22.6	6.3%
Physical Environment (Public Works)	\$ 18.7	5.2%
Transportation (Roads/Parking)	\$ 15.4	4.3%
Economic Environment	\$ 6.8	1.9%
Human Service/Public Assistance	\$ 0.7	.2%

The referendum is on the November 3rd ballot. An approval of 60% is required to pass. There was mention of the need to educate voters about the Property Tax Fund. It was suggested to coordinate regional advocacy with Volusia partners and the Florida League of Cities.

Some suggested areas for cost reduction mentioned by Mr. Chambless included moving to one day per week garbage pick-up, municipalities combine positions such as fire chiefs, reducing after care programs for citizens, etc. Some small cites might consider dissolving and becoming part of the County.

Mayor's Comments

Mayor Henry took the opportunity to address some issues he has been concerned about lately. He stated some individuals seem to have the impression the city auditor was sent to Daytona Beach by outside parties, possibly state government. He wanted it made clear that the auditor was hired by the city commission and reports directly to the city commission. He was hired because the city commission wanted more transparency, more accountability and more efficiency. The auditor doesn't work for the city manager but for the city commission.



He asked the auditor, Mr. Belachew, if he had found any evidence of fraud in his career investigations. Mr. Belachew answered that, yes, he had uncovered fraud in audits before Daytona Beach. The mayor then asked what action(s) he took. The response was that if it involved federal funds the matter was turned over to the FBI, otherwise it was usually referred to state attorneys.

The mayor then asked Mr. Belachew about the cooperation he has received in his review of operations so far in Daytona Beach. Mr. Belachew responded that Mr. Feacher (city manager) and Mr. Gross (city attorney) were both very cooperative. There may have been some initial resistance from the fire department staff, but Mr. Feacher instructed all his departments to cooperate with the auditor and there has been no further resistance from staff members.

The discussion continued with an inquiry from Commissioner Cantu asking Mr. Belachew if he had shared the name of the "whistleblower" with anyone outside the city. Mr. Belachew responded that he had turned over requested documentation he had collected during his auditing duties. The implication was that the whistleblower's name was likely in the documentation.

This was the end of the discussion and the meeting moved onto citizens statements and inquiries.