



**Fiscal Year**  
**2022-2023**  
**Proposed Budget**

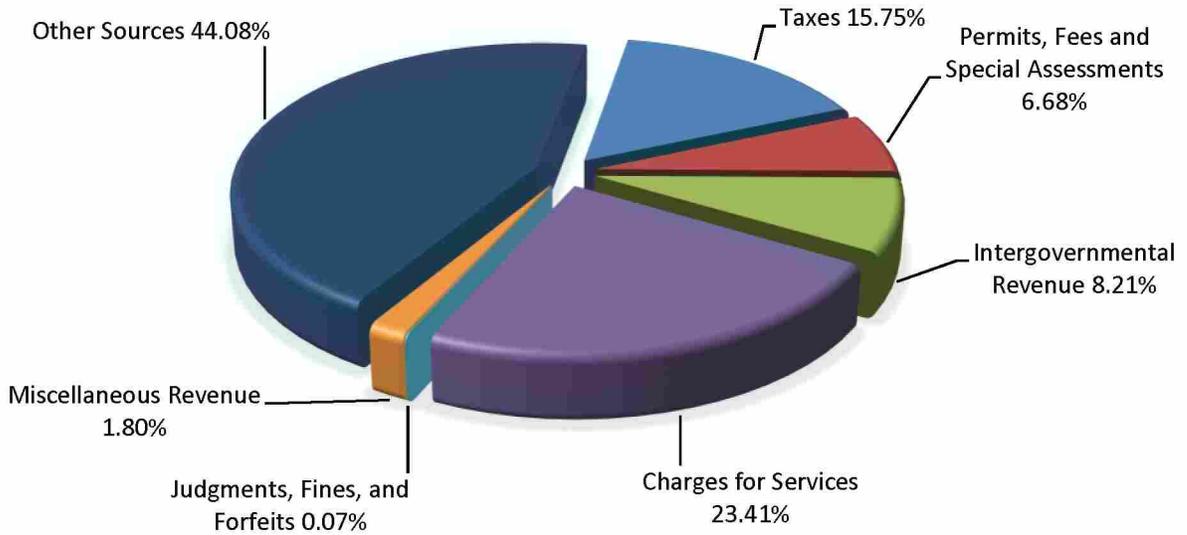
# CITY REVENUE SUMMARY

	2020-21	2021-22	2021-22	2022-23	% Change
REVENUE SUMMARY	ACTUAL	BUDGET	ESTIMATED	BUDGET	from 2021-22
Taxes	\$20,796,484	\$ 21,650,457	\$ 21,682,458	\$ 23,877,489	10.29%
Permits, Fees and Special Assessments	11,694,562	8,921,975	9,976,636	10,121,271	13.44%
Intergovernmental Revenue	10,608,836	9,541,056	16,385,725	12,447,498	30.46%
Charges for Services	33,542,139	32,556,320	33,118,622	35,476,754	8.97%
Judgments, Fines, and Forfeits	108,490	94,000	106,000	102,000	8.51%
Miscellaneous Revenue	2,636,833	5,560,857	5,806,683	2,730,834	-50.89%
Other Sources	<u>12,076,516</u>	<u>31,519,870</u>	<u>54,724,774</u>	<u>66,805,685</u>	111.95%
Total Revenues	\$91,463,860	\$ 109,844,535	\$141,800,898	\$151,561,531	37.98%

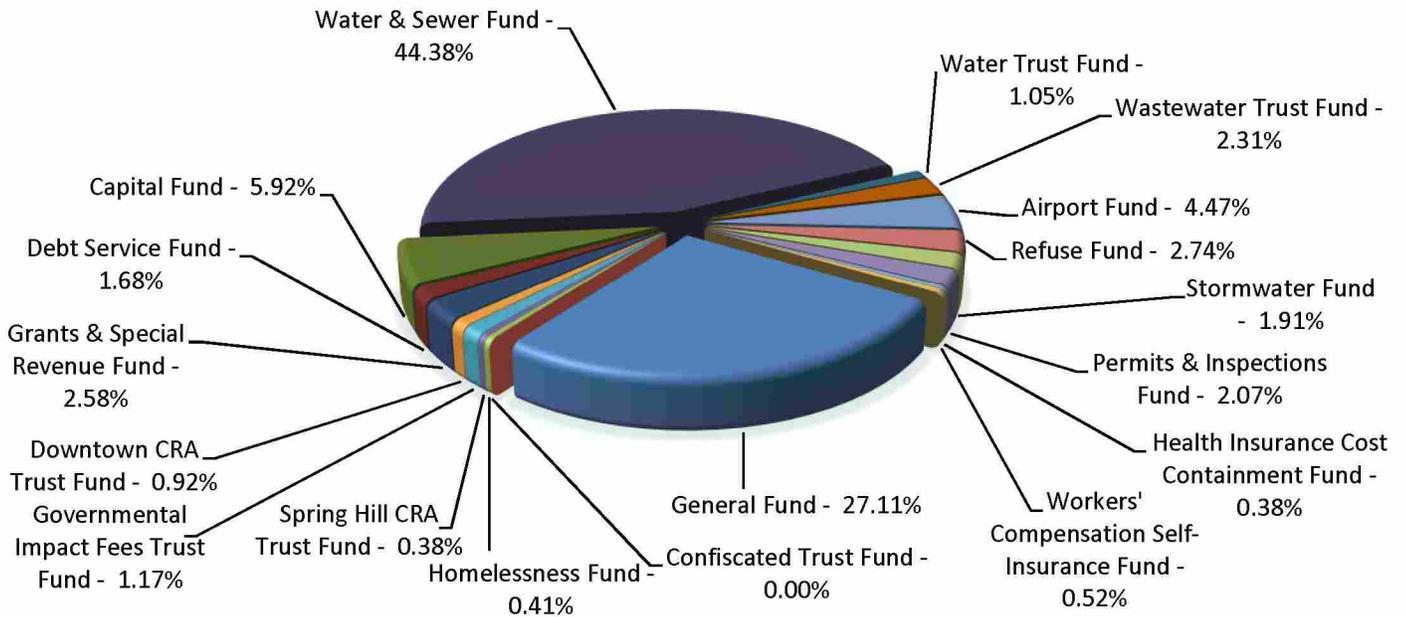
  

	2020-21	2021-22	2021-22	2022-23	% Change
FUNDS SUMMARY	ACTUAL	BUDGET	ESTIMATED	BUDGET	from 2021-22
General	\$36,921,853	\$ 40,515,874	\$ 41,432,361	\$ 41,093,127	1.42%
Confiscated Trust	7,865	3,000	78,400	3,000	0.00%
Homeless Shelter	396,853	551,677	604,322	621,308	12.62%
Spring Hill CRA	350,283	354,967	461,056	575,234	62.05%
GIFT	2,136,279	1,297,807	1,624,122	1,773,543	36.66%
Downtown CRA	602,647	599,649	1,333,706	1,392,205	132.17%
Grants & Special Rev	1,143,396	7,158,889	7,857,925	3,911,951	-45.36%
Debt Service	5,033,595	1,791,364	1,791,364	2,539,880	41.78%
Capital	2,103,000	2,311,835	4,005,466	8,968,754	287.95%
Water & Sewer	25,259,777	35,863,326	47,190,934	67,265,346	87.56%
Water Trust Fund	0	0	0	1,600,000	100.00%
Wastewater Trust Fund	5,770,508	6,358,186	13,223,401	3,500,000	-44.95%
Airport	1,877,020	2,455,062	9,647,280	6,773,162	175.89%
Refuse	4,052,532	4,065,500	4,091,201	4,153,088	2.15%
Stormwater	1,972,708	2,628,037	3,564,285	2,892,623	10.07%
Permits & Inspections	2,490,837	2,463,525	3,469,238	3,141,263	27.51%
HICC	547,543	610,670	610,670	569,305	-6.77%
Workers Comp	<u>797,164</u>	<u>815,167</u>	<u>815,167</u>	<u>787,742</u>	-3.36%
Total Revenues	\$91,463,860	\$ 109,844,535	\$141,800,898	\$151,561,531	37.98%

## Fiscal Year 2023 City Summary Revenue Summary - By Source



## Fiscal Year 2023 City Summary Revenue Summary - By Fund



# CITY EXPENDITURE SUMMARY

	2020-21	2021-22	2021-22	2022-23	% Change
EXPENDITURE SUMMARY	ACTUAL	BUDGET	ESTIMATED	BUDGET	from 2021-22
Personal Services	31,333,215	38,835,446	37,885,815	41,517,794	6.91%
Operating Expenses	20,590,244	24,293,146	26,047,410	28,959,812	19.21%
Capital Outlay	21,671,999	33,825,630	63,241,454	64,214,171	89.84%
Debt Service	5,033,594	1,791,364	1,791,364	2,539,880	41.78%
Grants & Aid	9,129	247,500	285,000	87,500	-64.65%
Contingency	0	1,223,486	806,114	4,412,753	260.67%
Transfers	<u>9,435,810</u>	<u>9,627,963</u>	<u>11,743,741</u>	<u>9,829,621</u>	2.09%
Total Budget	\$88,073,991	\$109,844,535	\$141,800,898	\$151,561,531	37.98%

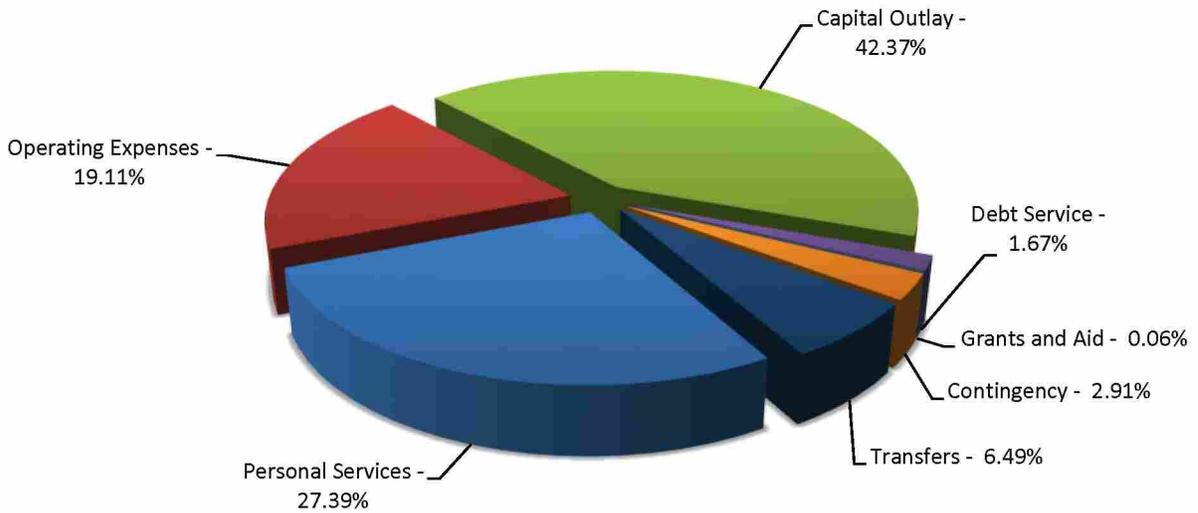
  

	2020-21	2021-22	2021-22	2022-23	% Change
FUNDS SUMMARY	ACTUAL	BUDGET	ESTIMATED	BUDGET	from 2021-22
General	\$32,709,132	\$ 40,515,874	\$ 41,432,361	\$ 41,093,127	1.42%
Confiscated Trust	96	3,000	78,400	3,000	0.00%
Homeless Shelter	423,673	551,677	604,322	621,308	12.62%
Spring Hill CRA	280,889	354,967	461,056	575,234	62.05%
GIFT	1,505,477	1,297,807	1,624,122	1,773,543	36.66%
Downtown CRA	400,592	599,649	1,333,706	1,392,205	132.17%
Grants & Special Rev	1,697,272	7,158,889	7,857,925	3,911,951	-45.36%
Debt Service	5,033,594	1,791,364	1,791,364	2,539,880	41.78%
Capital	9,183,954	2,311,835	4,005,466	8,968,754	287.95%
Water & Sewer	19,626,275	35,863,326	47,190,934	67,265,346	87.56%
Water Trust Fund	0	0	0	1,600,000	100.00%
Wastewater Trust Fund	6,540,046	6,358,186	13,223,401	3,500,000	-44.95%
Airport	1,580,709	2,455,062	9,647,280	6,773,162	175.89%
Refuse	4,058,155	4,065,500	4,091,201	4,153,088	2.15%
Stormwater	1,687,155	2,628,037	3,564,285	2,892,623	10.07%
Permits & Inspections	2,191,635	2,463,525	3,469,238	3,141,263	27.51%
HICC	531,414	610,670	610,670	569,305	-6.77%
Workers Comp	<u>623,923</u>	<u>815,167</u>	<u>815,167</u>	<u>787,742</u>	-3.36%
Total Budget	\$88,073,991	\$109,844,535	\$141,800,898	\$151,561,531	37.98%

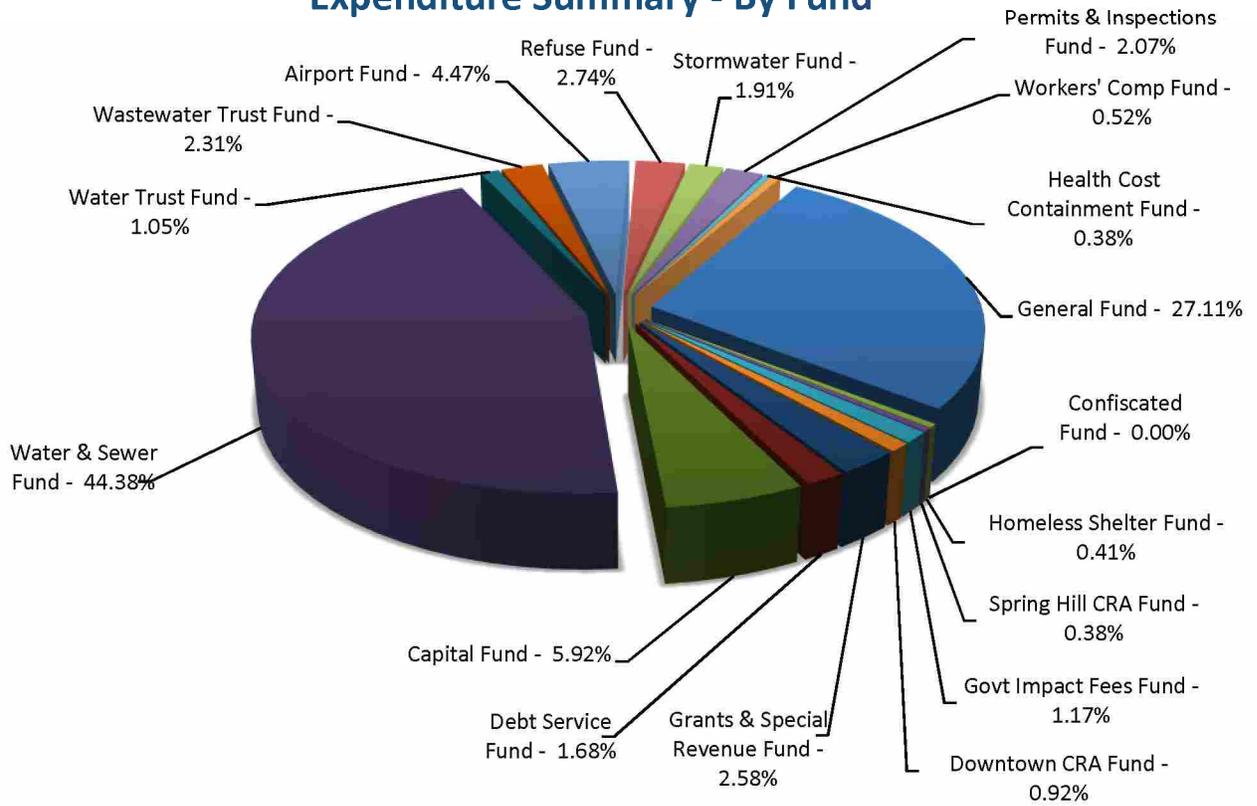
  

	2018-19	2019-20	2020-21	2021-22	2022-23
STAFFING	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
General	269.30	274.80	272.80	286.61	294.65
Spring Hill CRA	0.00	0.00	2.00	2.00	3.00
Water & Sewer	116.50	122.70	130.70	138.70	141.70
Airport	8.00	7.10	8.10	8.10	7.10
Stormwater	9.50	9.75	11.25	13.25	16.25
Permits & Inspections	<u>16.55</u>	<u>19.80</u>	<u>20.52</u>	<u>20.90</u>	<u>24.80</u>
	419.85	434.15	445.37	469.56	487.50

## Fiscal Year 2023 City Summary Expenditure Summary - By Type



## Fiscal Year 2023 City Summary Expenditure Summary - By Fund



## Budget Message

The FY 21/22 fiscal year started off with a strong economy that seemed to know no bounds. However, since we started the new year we have seen record setting double digit inflation with rising fuel costs and interest rates. This will create an enormous challenge for local governments as the costs of much of what we do for our citizens will experience significant inflation. All of the capital construction projects we have in the works have seen double-digit and one case triple-digit inflation. Home values have increased to record highs and the home building market seems to continue at a record pace which helps with ad valorem tax revenue but rising interest rates will likely soften the real estate market altogether. We continue to face some challenges dealing with the impacts of growth and having sufficient capacity to service it. The challenge this presents is that we need to do capital projects to keep up with capacity; however, rising costs and interest rates present the question of whether we hold off on capital projects until the market calms down or do we proceed and pay prices well above normal.

### **PERFORMANCE MEASURES**

For many years, the City has included performance measures in the budget document as part of an effort to be transparent about our performance as an organization. We had typically used internal metrics (past performance) or benchmarked our performance against that of other cities through the ICMA Center for Performance Management. Six years ago, we spent a considerable amount of time analyzing how we can improve upon this effort as many of the measures were more output measures as opposed to efficiency and effectiveness measures. As a result, those changes were made to the budget format and were implemented with the FY 16/17 Budget. We have earned a Certificate of Achievement in Performance Management from ICMA for the past 6 years.

### **STRATEGIC PLAN UPDATE**

The Commission had discussion at this year's strategic planning prioritization workshop about how we bridge the gap between increasing service delivery needs and the resources available to serve those needs. The Commission also focused a lot on managing growth with smart growth principles to include low impact development standards, protecting green space, providing additional park amenities, pursuing opportunities for affordable housing and a more comprehensive approach on annexation.

Over the past 22 years, the City has used the community's vision and strategic plan as a roadmap to a successful and vibrant future. This has led to many positive outcomes for our great community to include improvements in our quality of life, an award-winning downtown, low unemployment, and commercial and residential growth. Actions taken by the City Commission, while staying true to the promise of meeting our community's needs, values, and aspirations, has guided us well even in difficult financial times. It is in that spirit, that I humbly present our recommended budget for Fiscal Year 2022/2023.

### **OVERVIEW**

General Fund	\$41,093,127
Confiscated Fund	\$3,000
Bridge Fund	\$621,308
Spring Hill CRA Fund	\$575,234
Governmental Impact Fee Trust Fund	\$1,773,543
Downtown CRA Fund	\$1,392,205

Grants & Special Revenue Fund	\$3,911,951
Debt Service Fund	\$2,539,880
Capital Projects Fund	\$8,968,754
Water & Sewer Fund	\$67,265,346
Water Trust Fund	\$1,600,000
Wastewater Trust Fund	\$3,500,000
Airport Fund	\$6,773,162
Refuse Collection Fund	\$4,153,088
Stormwater Fund	\$2,892,623
Permits & Inspections Fund	\$3,141,263
Health Insurance Cost Containment Fund	\$569,305
Workers Compensation Self Insurance Fund	\$787,742
Total FY 22-23 Budget	\$151,561,531

## GENERAL FUND

### *Revenue*

The total pre-preliminary estimated taxable value for FY 22/23 is \$2,624,002,106. This is an increase of \$330,390,872 or 14.40% and includes \$94,933,555 in new construction and annexations. For many years, capital has been paid from operating savings from previous years and none of the operating millage had been dedicated as a permanent source of revenue for capital. Two years ago, the Commission dedicated .2 mils to the Capital Fund. Last year, the budget did not include .2 mil for capital in an effort to spend down the Capital Reserve which were used to fund all capital included in the FY 21/22 budget. However, to insure there is a dedicated source of funds for capital, this year's budget includes .2 mil for capital. This year's recommended budget is funded with a millage rate of 6.6841, which includes .2 mil for capital previously mentioned. This is .1 mil reduction from the current rate and represents a 7.66% increase over the Rolled Back rate of 6.2087. This rate is necessary given significant inflation we are experiencing throughout our entire budget. Based upon this rate, the ad valorem tax revenue for the year will be \$15,621,264, an increase of \$1,259,677 from the prior year.

Staff is projecting increases in other revenues including \$63,386 in Local Option Fuel Tax, \$239,787 in Utility Services Taxes, \$123,794 in Franchise Fees, \$653,371 in State Shared Revenue, and \$96,303 in Charges for Services. These increases combined with an increase in ad valorem results in a net increase in revenue of \$2,436,318. Additionally, this budget includes the use of the Capital Reserves (\$1,830,587), ARPA Benefit Reserves (\$750,000), Sanborn Center Reserves (\$47,590), Tree Reserves (\$143,980) and Lot Maintenance Reserves (\$31,500).

### *Expenditures/Programs*

The recommended budget increases General Fund expenditures from \$40,515,874 in FY 21/22 to \$41,093,127 in FY 22/23 or an increase of 1.42%. There are 294.65 FTEs in the proposed General Fund budget. There are 8.04 additional full-time equivalents including: Code Enforcement Manager (\$32,605), Fire Division Chief (\$154,329), Police Officer (\$95,459), 2 Maintenance Workers in Public Works (\$87,406), 1 Maintenance Worker in Parks and Recreation (\$43,383), and a Recreation Leader (\$47,476). The budget also includes funds to upgrade from Part Time to Full Time an Administrative Coordinator in IT (\$25,263), and Police Records Clerk (\$19,600) in addition to Career Track Position Upgrades (\$22,218). The budget also includes a 3% merit increase (\$618,616). These amounts do not include funds set aside in the enterprise funds. Overall, expenses have increased mostly due to high inflation. The budget includes funds to continue the Implementation of Intermittent Advance Life Support Services (\$90,080), Comprehensive Plan Update and LDR Revisions (\$60,000),

Economic Development Digital Marketing (\$15,000) and increases to Health Insurance (\$231,874), Retirement Contributions (\$522,678) and Gas/Oil (\$201,854).

To accommodate best practices for cost accounting, IT items for various departments were moved from the IT budget to departmental budgets. As a result, you will notice a decrease in the IT budget and an increase in the departmental budgets for those items.

The recommended budget includes Capital (\$9,164,148) and Operating Capital (\$447,163). To fund the proposed capital budget in the Grants and Special Revenue Fund (\$127,594), there is \$116,213 in CDBG grant revenues and \$11,381 in transfers from Capital Reserves from the General Fund. To fund the proposed capital budget in the GIFT Fund (\$67,800), there is Police Impact Fees available to cover the cost. To fund the proposed capital budget in the Capital Fund (\$8,968,754), there is \$1,858,714 in transfers from Capital Reserves, \$265,914 in transfers from the 1% PILOT from the General Fund, \$250,000 from ARPA Benefit Reserves, \$143,980 in transfers from Tree Reserves and \$47,590 in transfers from Sanborn Center Reserves. There are also \$625,723 in transfers from other funds (some items such as Information Technology are for multiple departments) and \$5,295,000 in Loan Proceeds. In the Grants and Special Revenue Fund, there is \$284,357 included from the Local Option Fuel Tax for road resurfacing along with an additional \$500,000 from ARPA benefit reserves, and \$3 million in loan proceeds to increase our total investment in road resurfacing to \$3,784,357. Therefore, the combined Capital, Road Resurfacing and Operating Capital investment is \$13,395,668. The capital items include:

Christmas Tree Replacement (Year 1 of 3)	\$6,500
<b>Total Administrative Services Capital</b>	<b>\$6,500</b>

Electronic Gate Pass	\$7,178
2 SQL Servers	\$26,872
Network Switches	\$150,000
Vector Software – Scheduling	\$9,089
Overhead Fiber Replacement	\$103,000
In Sync System – PD	\$6,700
Civic Rec – Online Signup for Recreation Activities	\$32,260
Clerk Scanner	\$12,000
Traffic Jet Sign Shop Printer	\$63,063
Melching Cameras and Server	\$25,537
<b>Total IT Capital</b>	<b>\$435,699</b>

Vehicle for new Code Enforcement Manager	\$33,000
<b>Total Community Development Capital</b>	<b>\$33,000</b>

Fire Station 83 Improvements	\$125,000
Bunker Gear Replacement	\$35,500
Vehicle for new Division Chief	\$49,000
<b>Total Fire Capital</b>	<b>\$209,500</b>

Vehicle for new Police Officer	\$67,800
Vehicle Replacements (7)	\$354,530
Fire Alarm System Panel & Equipment – PD Building	\$70,528
Dual Purpose K-9	\$24,000
HVAC Control System and Chillers - PD Building	\$597,931

<b>Total Police Capital</b>	<b>\$1,114,789</b>
Downtown parking Lot Improvements (Lots 6 & 7 – Partially CDBG Funded)	\$107,594
Vehicle Replacements (2)	\$83,064
Beresford Avenue Multiuse Trail	\$120,000
Entry Features (signage and construction)	\$250,000
New F250 Crew Cab	\$50,005
Replace Lowboy Trailer	\$112,003
Replacement Mowers (4)	\$63,070
New Electric F150 for Nursery	\$48,462
New Solar Charging Station for Nursery	\$95,518
Replace Mini Street Sweeper	\$126,293
Hot Water Commercial Pressure Washer	\$21,448
A/C Recovery Machine	\$10,363
<b>Total Public Works Capital</b>	<b>\$1,087,820</b>

Marquee Board at Chisholm Community Center (CDBG Funded)	\$20,000
Replace Carpet at Sanborn	\$47,590
Replace Roof at Parks and Recreation Maintenance Office	\$36,600
Replace Flooring in Chisholm Center Game Room and Learning Center	\$15,860
Replace Carpet in Maintenance Office	\$7,550
Foundation Improvements at Spec Martin	\$105,230
Additional Parking at Sperling Sports Complex	\$150,000
Replace Fence at Sperling	\$25,480
Replace Countertops and Cabinets at Spec Martin	\$39,295
Add Poles and Netting on North End of Spec Martin	\$10,000
Charles Paiva Greenway Phase 2 – Echo Grant Match	\$1,187,915
Lake Moore - Forever Grant Match	\$500,000
Recreation Fields/New Park Development	\$4,000,000
Upgrade Elevator at Stone Street	\$10,200
Replace Vehicle	\$31,902
Replace Pool Filter at Chisholm Center Pool	\$8,398
Replace Tractor	\$34,278
Replace HVAC in Chisholm Center Gym	\$46,542
<b>Total Parks and Recreation Capital</b>	<b>\$6,276,840</b>

Other expenditures included in this year's budget are:

- DeLand's participation in the Bridge (\$50,000). Although the expenditure is funded from the General Fund, a separate fund has been created for accountability purposes.
- There is \$350,000 in the budget for contingency along with \$110,000 in reserve contingencies and \$212,500 in savings contingencies.

### ***Challenges/Opportunities***

Despite the challenges of dealing with the impacts of a global pandemic, DeLand has proven to be a great place to live, work and play as evidenced by our current real estate market. The City's reputation of being a quality place to live has led to many new businesses and residents wanting to relocate here. Despite the pandemic, in

calendar year 2021 there were 626 new residential permits totaling \$158,047,710 in value and 6 new commercial permits totaling \$9,650,191 million in construction value. Property values this year are estimated at 2.624 billion.

Since the great recession, DeLand has really tried to keep costs down for our residents. In order to do so we made significant cuts in personnel, capital and operating costs. However, given the reduction in personnel in 2008, and a capital program that has not kept pace, all departments continue to have significant personnel and capital requests to rebuild the service capacity that was lost during the recession and several years of tight budgets that followed along with keeping pace with the new demands from growth. This year we are facing a new challenge with inflation. This is the highest inflation we have seen since the 1970s and its impacts can be seen throughout the entire budget from fuel and operating expenses to capital and construction projects. Given these inflationary pressures, you will notice greater than average increases in operating costs. At this point, it is difficult to know whether inflation and rising interest rates will continue to impact us into next budget year but we may need to look at deferring items that are not time sensitive and/or critical. However, based upon the discussion at the Strategic Planning Workshop, the budget includes existing commitments to continue the Paiva Greenway (EHCO Grant Match), purchase of the Lake Moore Property (Forever Grant Match), Entry Features, Recreation Fields at Victoria Park and Road Resurfacing. There are also funds to update our Strategic Plan and do a complete rewrite of our Land Development Regulations.

This year, we have continued to make an investment in our organization by discussing the values (Helping People, Communication, Teamwork, Integrity, Respect, and Pride) that have made us successful and then linking those values to our organizational systems (onboarding, training, promotions, awards and recognition) to increase morale and productivity so that we can produce the best possible service for our residents. Succession planning is still a challenge at all levels of the organization. Given retirements in FY 21/22 and pending retirements in FY 22/23, there will continue to be succession planning challenges.

Last year the Commission discussed the increased pressure on wages and benefits in light of the \$15/hr. minimum wage approved by the voters, the pandemic, and what businesses such as Amazon and some other cities are offering. To counter that trend, the City Commission approved the implementation of the \$15/hr. wage and pay plan adjustments in one year. This investment has helped us ensure our ability to recruit and retain a quality workforce now and into the future to provide excellent service to our residents. During that same discussion, the Commission discussed in the years following the implementation of the \$15/hour minimum wage that the City would try and remain competitive with wages by trying to raise the City's minimum above \$15/hour min wage. However, the proposed FY 22/23 budget does not increase the \$15/hour minimum wage.

## **WATER AND SEWER FUND**

### ***Revenue***

The Water and Sewer budget for FY 22/23 totals \$67,265,346, which is an increase of 87.56% largely due to construction of the Wastewater Treatment Plant Expansion and East Regional Force Main. To fund these projects, the budget includes loan proceeds from the State Revolving Loan Fund (\$40,640,000). As part of the 2021 rate study, the Commission approved increasing water rates 4.5% and wastewater rates 1.5% annually, beginning in FY 2022 through FY 2025. Additionally, the Water Trust Fund and the Wastewater Trust Fund, which derive their revenue from impact fees and grant revenues, include capital projects totaling \$3,929,925.

### ***Expenditures/Programs***

For over a decade, the City has been working with its West Volusia partners and the St. John's River Water Management District (SJRWMD) on developing alternative sources of water to meet the requirements of the

Blue Springs Mitigation Strategy along with projects to meet the Basin Management Action Plan (BMAP) requirements. This budget includes the Waste Water Sewer Treatment Plant Expansion and East Regional Force Main.

Over the past decade there has been significant growth in the utility and a need to increase staffing to meet the demand. There is funding for a Utility Plant Tech 1 (\$43,423), a Utilities Collection Technician (\$43,423) and a Utility Equipment Operator 1 (\$51,257). The budget also includes a 3% merit increase (\$231,422).

The budget includes \$43,993,971 in capital in the Water and Sewer Fund, \$429,925 in the Water Trust Fund and \$3,500,000 in the Wastewater Trust Fund to include:

Utility Administration Building FFE	\$600,000
Water Plant 2 Generator Replacement	\$146,680
Ground Storage Tanks Safety and Repairs	\$18,500
Water Meter Replacement	\$225,000
Trimble GPS Device	\$15,350
Portable Message Board	\$20,874
Waste Water Treatment Plant Expansion	\$35,940,000
Reclaim Water Expansion Phase 6	\$200,000
Latchet Sample Processing Module	\$19,200
Incline Screw Conveyor Replacement Parts	\$19,216
Water Purification System	\$6,800
Alum Chemical Pump Replacement	\$42,525
Biosolids Dump Truck	\$220,000
Waste Water Treatment Plant Fencing	\$64,000
Reclaim Jockey Pump Replacement	\$31,100
5HP Vacuum Induction Unit	\$14,484
100kw Duel Voltage Trailer Mounted Generator	\$104,000
Lift Station Replacements and Panel Boxes (#6, #7, #8, #10, #65)	\$292,000
Lift Station Generator & Transfer Switch (#26)	\$53,150
Data Flow High Speed Radio Upgrades	\$165,690
Ground Penetrating Radar Cart Locator (2)	\$38,500
6" Dri-Prime Diesel Pump	\$65,250
Commercial Mower	\$9,750
TZ50 Tow Behind	\$73,862
Enclose Poll Barn	\$11,020
Building Improvements – Offices and Carpeting	\$24,000
East Regional Force Main Part A Construction	\$4,300,000
East Regional Force Main Part B Design	\$400,000
Sewer Line Rehabilitation	\$150,000
Manhole Rehabilitation	\$60,000
Downtown Lift Station and Force Main Design	\$230,000
Vehicle Rehabilitation Truck	\$165,000
Tandem Axle HD Equipment Trailer	\$7,300
Concrete Mixer	\$8,285
Vehicle Replacements (5)	\$252,435
<b>Total Utilities Capital</b>	<b>\$43,993,971</b>

2024 Water Main Improvements Design	\$350,000
Downtown Water Improvements Design	\$79,925
<b>Total Water Trust Fund Capital</b>	<b>\$429,925</b>

Reclaim Water Expansion Construction Phase 5	\$3,500,000
<b>Total Wastewater Trust Fund Capital</b>	<b>\$3,500,000</b>

***Challenges/Opportunities***

The volatility in the market place and the stress in the supply chain has made for interesting times, especially during times of unprecedented expansion and increased demands for municipal utility services. The City continues to lead the way as a member of the West Volusia Water Suppliers (WVWS). The group is set to produce a report in 2023 that will roadmap our water consumptive use permits and reclaim water requirements. In addition, it will provide suggested programming of capital improvement projects that will help define the next 5 years of CIP projects for the Utility Department. The tightening of environmental regulations coupled with record growth are challenges to all members of the WVWS team. With such large demands on utility infrastructure, the City will be turning, for the first time in many years, to the State’s Revolving Loan Fund (SRF) program to support the largest single capital project in the history of the City of DeLand, the expansion of the Wiley M. Nash Water Reclamation Facility. We have been planning for this expansion project, and other important utility projects, that when finished will continue to serve our rate payers and protect the environment for generations.

**Potable Water**

The City last received a Consumptive Use Permit (CUP) for groundwater withdrawal in 2017. Compliance with this permit requires additional distribution of reclaimed water, recharge in rapid infiltration basins and development of additional water sources outside the Blue Spring springshed. Our well testing project at the Volusia County Fairgrounds, and negotiations for additional property acquisition east of the City’s existing Tomoka Woods wellfield property, will provide important information and opportunities to help us meet our CUP requirements. Findings related to these projects will set the stage for the construction of another potable water production plant. We continue to work with other WVWS in mutually beneficial recharge and water supply projects and have also included monies to continue to perform potable watermain resiliency, safety and redundancy based improvement projects in the 22/23 fiscal year.

**Reclaimed Water**

The City has finished construction of the 2,000,000-gallon Northwest Reclaim storage and pump station facility and related north transmission line project. This will provide much needed storage capacity during the dry seasons and add pressure into the outlying reclaim system. By this coming winter, the south reclaim pump station and related reclaim system connection will also improve system pressures. All of this infrastructure will also assist our WVWS partners in our collaborative supply of reuse water to the region. This year we will be moving into phase 5 of the reclaim master plan area (Cross Creek neighborhood) continuing our multi-year plan to help offset potable water consumption. We will also look to append our master plan with additional neighborhoods that will be welcoming candidates for the reclaim water retrofitting.

**Wastewater Collection and Treatment**

The City continues to be a leader in the region regarding our proactive and purposeful maintenance of our wastewater system. This includes the regular replacement of pump/lift stations and regular cleaning and lining of our gravity systems. Most importantly our focus over the next two years is the critical expansion of the city’s water treatment facility that will meet advanced treatment standards and also leverage critical improvements

in the overall treatment processes via ultraviolet disinfection as opposed to the use of gaseous chlorine. Construction on the expansion upgrades could begin as soon as spring of 2023. This unrepresented project will also challenge our talented operators, technicians and chemists to maintain the current plant treatment processes while construction is happening all around them. On other fronts the WVWS will undertake a new study to evaluate the overall Basin Management Action Plan for regulatory compliance with specific interests in the best approach for retrofitting septic systems in our services areas.

**Geographic Information System (GIS)**

Over the past seven years, almost all of the City’s Utility Service Area has been incorporated in the GIS. The GIS is now widely used by Utility and Public Works personnel. Maps of most right-of-way infrastructure are available to all City departments and can be accessed by our field personnel on laptops, tablets, and smart phones. Thousands of record infrastructure drawings are now accessible in a user-friendly electronic format. The new Cityworks Work Order Management System has been implemented throughout the Public Services divisions. This system graphically attaches work orders and maintenance history to physical asset locations through the City. Most meters and system valves have been located with precision GPS equipment and have been incorporated in the GIS.

**Administration**

As the City’s infrastructure grows, so must we grow with it. Nothing is more important than having facilities to support the staff that work tirelessly to keep the City running, especially during emergencies. The almost one-year design process for a new Utility Administration Building (UAB) has yielded construction plans for a building that will support current and future needs of the City. The recent addition of two large parcels of land greatly enhances the campus as well as provides much needed space for parking. Construction of the Utility Administration Building is set to begin this fall and should be complete in early 2024.

**AIRPORT**

**Revenue**

The principal source of revenue for the airport is charges for t-hangars and property lease revenue. The proposed budget includes lease revenue of \$1,692,039. The proposed budget also includes grant revenue of \$4,483,875 and use of reserves of \$587,258.

**Programs/Services**

The proposed budget includes funds for a 3% merit increase (\$12,238).

The proposed budget also includes \$5,164,381 in capital projects. The capital projects include:

East Hangar Complex	\$2,250,000
Restripe Airfield Markings & Taxiway Lighting Signage	\$245,000
West Apron Rehab	\$2,250,000
Construction of Taxiway A	\$300,000
New Directional Signage	\$35,000
Zero Turn Mower	\$26,093
Foreman Truck	\$31,338
16’ Enclosed Trailer	\$6,950
DeLand Naval Air Station Pond	\$20,000
<b>Total Airport Capital</b>	<b>\$5,164,381</b>

### ***Challenges/Opportunities***

Due to inflationary pressures and supply chain issues with vendors having product to sell, we will not host a Sport Aviation Expo this year. We continue to have interest in lot leases in the Village; however, construction costs have forced investors to hold off on projects.

## **STORMWATER**

### ***Revenue***

Stormwater revenue for FY 22/23 is estimated at \$2,892,623, an increase of 10.07%, including use of reserves of \$527,843.

### ***Expenditures/Services***

Funds are included for a 3% merit increase (\$19,459). The budget also includes some new personnel to offset the loss of the prison crew: 2 Maintenance Workers (\$87,406) and 1 Foreman (\$61,062). Lastly, there is \$1,245,237 in funding for capital including:

Vehicle Replacement	\$45,214
Slope Mower Replacement	\$71,318
Mower Replacement	\$16,705
Painter's Pond Backup Generator (CDBG Funded)	\$62,000
City Wide Pipe Lining Replacement	\$150,000
Hubbard and High Street Draining Improvements	\$250,000
Boston Avenue and Rich Avenue Draining Improvements	\$125,000
Misc. Neighborhood Stormwater Improvements	\$100,000
Misc. Stormwater Pond Improvements	\$25,000
Fire Station Pump Station Design (FDOT Grant Dependent)	\$400,000
<b>Total Stormwater Capital</b>	<b>\$1,245,237</b>

### ***Challenges/Opportunities***

Past hurricanes and tropical storms made us realize that there are still improvements that can be made to alleviate flooding in areas throughout the City. There are still several projects included in the Stormwater Master Plan and the stormwater rate study approved last year that could help alleviate these additional flooding concerns. We will also continue to work on neighborhood flooding issues.

## **PERMITS & INSPECTIONS FUND**

### ***Revenue***

Permits and Inspections revenue for FY 22/23 is estimated at \$3,141,263, an increase of 27.51%, including use of reserves in the amount of \$1,062,409.

### ***Programs/Services***

Expenditures total \$3,141,263 and include funds for a 3% merit (\$44,634). The budget includes continued Accela maintenance and upgrades (\$100,000) and partial funding for a new Code Enforcement Manager (\$81,908).

### ***Challenges/Opportunities***

The residential and commercial construction market remains strong and steady as the economy emerges from the Covid-19 slowdown. The main limiting factor to both the residential and commercial construction markets is the substantial increased costs and supply chain challenges for construction materials.

Even though the city moved to increase the pay scales of all positions, the department continues to experience challenges in filling vacant positions due to the high number of people leaving the job market post-covid and the sheer number of job vacancies in the region. The city is known to be an attractive place to work due to the positive and supportive nature of management, the feeling of being part of a team and the opportunity for professional training and ability to advance within the organization. This allows the department to retain team members for the long-term and avoid a high turnover rate.

The Accela Civic Platform electronic permitting software continues to be well received within the development community as it allows customers 24-hour online access to submit, track, schedule and coordinate permitting and inspection activities. With the implementation of Accela, the department has been able to go 100% paperless which has also resulted in improved service delivery time and increased the amount of information readily available to the development community and general public. The department will continue to implement enhancements to the Accela platform to in order to provide the best customer service experience available and optimize employee productivity.

## **COMMUNITY REDEVELOPMENT AGENCY**

### ***Revenue***

The proposed budget for the Downtown Community Redevelopment Agency is \$1,392,205, a 132.17% increase, largely due to the expenditure of debt proceeds for the Voorhis Avenue Streetscape. The preliminary taxable value in the downtown increased over base year by \$48,504,648, an increase of \$8,353,442 or 20.80% from the prior year. This increase in taxable value will generate \$49,700 more in taxes at the millage rate previously discussed. Using the proposed millage rate for the City, and the current ad valorem taxes collected for all other contributing taxing entities, the estimated ad valorem revenue for FY 22/23 is \$582,196. This is an increase of 10.49%. The budget includes the use of debt proceeds (\$700,000) for the Voorhis Avenue Streetscape. The proposed budget increases reserves by \$29,358 leaving an estimated \$542,638 at the end of FY 22/23.

### ***Programs/Services***

The proposed budget totals \$1,392,205. Programs for the FY 22/23 year include:

- Mainstreet Administration (\$95,000)
- Downtown Sculpture Program (\$35,000 - 3 Year Commitment)
- Downtown Art Maintenance (\$10,500)
- Voorhis Avenue Streetscape (\$700,000 Debt)
- Building and Equipment Maintenance (\$13,780)
- Infrastructure Maintenance/Downtown Assets (\$79,607)
- Special Events (\$45,000)
- Winter Wonderland (\$30,000 – offset by Sponsorships)
- Maintenance of Existing Holiday Lights and Wreaths (\$45,625)
- Grants & Aid (\$67,500)
- Annual Independent Audit Requirement (\$4,000)

### ***Challenges/Opportunities***

Revenues are sufficient to cover expenditures to include all the costs for waived downtown Special Events. A new three-year agreement with MainStreet DeLand Association started in FY 20/21. The budget includes a new 3-year commitment for the Sculpture Program (\$35,000). The budget also includes \$700,000 in debt to cover the increase in the estimated costs of the Voorhis Avenue Streetscape (\$700,000). The City Commission and CRA approved the development and acquisition agreement for the old jail property. We have received the Planned Development (PD) Agreement and it is currently going through the review process. Although the agreement includes an incentive from the CRA, funds are not included in FY 22/23 budget as the incentive will not begin until the developer has occupied the building expected in 2023/2024.

## **SPRING HILL COMMUNITY REDEVELOPMENT AGENCY**

### ***Revenue***

This year, the preliminary taxable value in the Spring Hill area increased over base year by \$39,534,707, an increase of \$21,156,703 or 115.12% from the prior year. This increase will generate an additional \$133,684 in taxes at the millage rate previously discussed. Using the proposed millage rate for the City, and the current ad valorem taxes collected for all other contributing taxing entities, the estimated ad valorem revenue for FY 22/23 is \$542,585. This is an increase of 69.39%.

### ***Programs/Services***

The proposed budget totals \$575,234 and includes funds to operate the new Dr. Joyce M. Cusack Community Resource Center (\$225,497). The budget includes funds for a new Assistant Administrator/Office Coordinator (\$61,325). The budget also includes funds for exterior improvement grants (\$20,000), and debt service on the new Dr. Joyce M. Cusack Resource Center (\$36,386). The proposed budget increases reserves by \$267,466, leaving an estimated reserve balance of \$784,726 at the end of FY 22/23.

### ***Challenges/Opportunities***

Values appear to be on track to cover the operations of the new Dr. Joyce M. Cusack Resource Center, a new administrative position, and the debt service for the facility. The facility opened last year and will continue to implement the community services that were outlined in the consultant report.

## **ACKNOWLEDGEMENTS**

I would like to recognize Dan Stauffer, Finance Director, Heidi Van Etten, Assistant Finance Director, and Nick Segel, Budget Manager, for their professionalism and continued dedication to continuous improvement in the budget process. I would also like to thank Mike Grebosz, Assistant City Manager for his hard work on the performance measures. Thanks to their efforts, the Government Finance Officers Association has awarded DeLand the Distinguished Budget Award for the past fifteen consecutive years. I would also like to recognize all of the department heads for their hard work in developing programs, goals, and performance measures that went into this budget. Their teamwork and professionalism are exemplary and the reason for our success. Thank you for this opportunity to present this recommended budget and I look forward to working with you to address the challenges and opportunities that lie ahead.

Very truly yours,

Michael Pleus, ICMA-CM  
City Manager