MINUTES
CITY COUNCIL MEETING
August 7, 2020
3000 Bellemead Drive, Daytona Beach Shores, FL 32118

1. CALL TO ORDER BY MAYOR

Present: Mayor Nancy Miller, Vice Mayor Richard Bryan, Councilmember Richard Frizalone, Councilmember Mel Lindauer, Councilmember Michael Politis
Staff: City Manager Michael T. Booker, City Clerk Cheri Schwab, City Planner Stewart Cruz, Finance Director Kurt Swartzlander, and Public Safety Director Stephan Dembinsky.

2. ROLL CALL BY CITY CLERK

3. NEW BUSINESS:

A. Discussion on Proposed Budget FY 2020-2021

Finance Director Kurt Swartzlander began his presentation stating that the city had a $10 million increase in new construction value this past year. In July, the Council voted on a proposed millage rate of 5.23 mils. After preparing a very conservative budget, he advised that the Council could keep the roll-back rate of 5.0476 mils and be balanced. He explained that some revenue estimates were still being provided by the state and what he had so far were lower than last year. The general obligation debt millage is proposed at 1.7350 mils. It was noted that salaries were only being adjusted by the existing merit based pay plan. The sewer fund budget was basically flat this year with little change. He inquired if anyone had any specific questions regarding a budget item and there were none.

The council began a discussion on debt service payoff. There are currently a total of 5 loans outstanding, one in the sewer fund and four in the general fund. The payoff for the sewer loan is approximately $851,000 as of August 31, 2020. This would save $23,000 in interest for enterprise fund and still leave $8,718,000 in reserves. The Bank of America loan from 2005 will be paid off in 2026. The amount owed is $4.7 million. Using the funds restricted for debt service of $3,056,000 and funds assigned for the underground project of $2,257,000, the loan could be paid this year and save approximately $450,000 in interest. Director Swartzlander explained these two loans were part of a Budget Amendment on the next council agenda. The Bank of America loan from 2010 is scheduled to be paid in full this October.
The remaining two loans from 2007 and 2008 could be paid off in the next two years using voted debt payments and would save two years in payments. The interest savings would be $128,000. Another scenario is to collect the voted debt millage this year and pay both loans off in one year to save $211,000 in interest. A third scenario is to utilize $1.24 million in reserves, $2,257,000 from underground project, and the $3,056,000 in debt service and pay both loans this year saving $313,000 in interest. The city's reserves would still have a balance of $11.3 million. The council discussed the different scenarios presented and gave consensus to move forward with the final scenario of paying off all the city's debt in the next year.

Councilmember Frizalone began a discussion on increasing the starting salary for Maintenance Workers from $12.00/hr to $15.00/hr. Mayor Miller explained that just changing a few positions could lead to morale issues. After a brief discussion, the council were in agreement to look at the wage plan. They would like to reward loyalty and service to keep morale up. Staff was instructed to bring forward suggestions for the beginning of the new year.

Finance Director Swartzlander asked for a millage rate for the next budget year and it was decided by consensus to use the roll back rate of 5.0476.

4. ADJOURNMENT:

The workshop ended at 2:54 pm.

MAYOR **NANCY MILLER**	**CITY MANAGER** **MICHAEL T. BOOKER**

ATTEST:

CITY CLERK, CHERI SCHWAB