



City of Ormond Beach

City Commission Workshop

City Hall Commission Conference Room

22 South Beach St., Ormond Beach FL 32174

August 19, 2025, 5:30 PM

*Jason Leslie, Mayor
Lori Tolland, Zone 1
Travis Sargent, Zone 2
Kristin Deaton, Zone 3
Harold Briley, Zone 4*

1. **CALL TO ORDER**

Mayor Leslie called the meeting to order at 5:30 p.m.

Present: Mayor Jason Leslie, Commissioners Lori Tolland, Travis Sargent, Kristin Deaton, and Harold Briley, City Manager Joyce Shanahan, Assistant City Managers Claire Whitley, and Shawn Finley, City Attorney Randy Hayes, Finance Director Kelly McGuire, and Assistant Finance Director Chris Byle.

2. **DISCUSSIONS**

A. Operating Budget

Ms. Joyce Shanahan, City Manager, explained the workshop was to discuss the proposed budget.

Ms. Kelly McGuire, Finance Director, stated there were two objectives to the workshop; one was to get a consensus on the proposed millage rate and to receive direction on the utility rates. She reviewed the previously set millage rate of 4.5850 mills and compared it to other municipalities in the area. She reviewed items on the proposed budget falling under Public Safety including funding for the police age increases, anticipated costs of the October 1, 2025, Collective Bargaining Agreements (CBAs), public safety vehicles and equipment replacements, and City Hall premise protection personnel. She explained the wage increases were funded from the reserves for the prior fiscal year and advised against it for the upcoming year as staff would not encourage ongoing expenses to be paid from a one-time source.

Ms. Shanahan stated the prior year CBA change was funded by reserves due to the budget being set before the agreement was met.

Ms. McGuire stated the budget allowed for the replacement of nine vehicles and noted extra funding was needed due to increased costs. She provided an alternate of seven vehicles per year moving forward to stay within the old allotted amount, if the higher cost was not approved.

Police Chief Jesse Godfrey discussed the need for premise protection personnel based on security assessment from 2024. He stated it was a needed improvement. He indicated it would be an armed guard position with police or military background, they would have a radio to be able to inform the police department if the department was needed to respond to an event. He cited a 2019 incident from Virginia Beach.

Commissioner Briley inquired if Chief Godfrey felt the guard was needed; whereby, Chief

Godfrey acknowledged it was a high priority need.

Mayor Leslie asked if the officer would be under city employment; whereby, Chief Godfrey stated his interpretation was a hired guard from a security company that had proper licensing and training. Mayor Leslie inquired if the guard would have any police powers; whereby, Chief Godfrey indicated they would not.

Commissioner Briley clarified the \$60,000 budget was to be paid to the security company and not to the salary of an employee; whereby, Ms. McGuire confirmed that was correct.

Commissioner Deaton voiced support of the guard personnel.

Mayor Leslie inquired if the guard personnel would be at City Hall 24 hours a day; whereby, Chief Godfrey indicated that was not set at the time, noting the guard would probably be during business hours and special events, and meetings.

Ms. McGuire requested direction on the four items.

Commissioner Tolland requested the Commission go around and share their thoughts.

Commissioner Briley confirmed the vehicles were needed and not just wanted; whereby, Chief Godfrey confirmed the need for the vehicles. Commissioner Briley expressed support for all four items to remain in the budget.

Commissioner Deaton inquired if the vehicles could be paid for using reserves; whereby, Ms. McGuire stated the vehicles could be paid for by the reserves but noted that would lower the future dedicated millage. Commissioner Deaton expressed support for the Public Safety items and was comfortable with all four items remaining, noting the required items.

Commissioner Sargent stated Public Safety was the number one concern, and it was a non-negotiable to reduce any public safety items.

Commissioner Tolland indicated she wanted a low tax rate with the highest quality. She reviewed the importance of Chief Godfrey's guidance, noting the need to be fiscally responsible.

Commissioner Briley stated it was the best option for not only the public safety staff but all city staff.

Commissioner Deaton noted the city was the second-lowest millage rate within Volusia County with the highest assessed values on homes, making the city a choice location.

Commissioner Tolland stated residents' concerns were with the rate increase, voicing her understanding of Commissioner Deaton's comment.

Mayor Leslie inquired if the guard personnel item would be sent out for a Request for Proposal (RFP); whereby, Ms. McGuire stated there would be a selection process, noting it may be a Request for Qualifications (RFQ). He clarified whether there could be seven vehicles instead of nine; whereby, Ms. McGuire stated the Commission could remove \$100,000 to replace seven vehicles instead of nine, noting once the funds were removed it would not be added back in future budgets until the Commission directed staff to do so. He questioned the duration of what the delay would need to be.

Commissioner Deaton inquired what the millage difference would be if the \$100,000 was removed; whereby, Ms. McGuire stated it would be 1.7 pennies.

Commissioner Sargent inquired if all nine vehicles were needed, noting the increased staff; whereby, Chief Godfrey stated it was a need.

Mayor Leslie inquired about the turnaround time for purchased vehicles; whereby, Chief Godfrey reviewed the purchase timeline, noting staff was still rolling out the approved vehicles from the current fiscal year. Mayor Leslie inquired if that was normal turnaround time; whereby, Ms. McGuire stated the current fiscal year took a little longer than it normally would due to a shorter ordering window in October 2024. Mayor Leslie stated the items were needed, specifying the wage increases were previously approved, the CBAs were anticipated costs for all departments, the vehicle replacement was ongoing, and the older vehicles needed to be replaced, noting the priority was public safety as an elected official.

Commissioner Tolland asked Mayor Leslie if he approved of the city hall guard; whereby, Mayor Leslie stated yes, as it was not a matter of if but when. He voiced concerns about utilizing outside security, noting Chief Godfrey indicated they would get training.

Commissioner Sargent noted the outside security firms were very good and provided examples.

Ms. McGuire confirmed all Commissioners were agreeable to keep all four items in the public safety budget; whereby, all agreed. She reviewed the General Governance fund items including vehicle and equipment replacement and new Information Technology (IT) position. She suggested a couple ways to cover the costs of the items, to allow them to remain as items but could be removed from the increased millage.

Commissioner Briley inquired about the vehicles and equipment needing to be replaced; whereby, Mr. Shawn Finley, Assistant City Manager, reviewed the vehicles needed and their age. Commissioner Briley reviewed the importance of reliable equipment.

Commissioner Deaton appreciated the innovative ideas to save on the millage for the items, noting the importance of the vehicles.

Commissioner Sargent agreed with fellow Commissioners and inquired what the reserve balance would be if funds were used; whereby, Ms. McGuire stated it would not be less than 15 percent. Commissioner Sargent supported the items and staff's flexibility stating he did not like to kick the can down the road as it had on this Commission.

Commissioner Tolland appreciated staff's creativity and inquired if it would be cost effective to allow employees to use their personal vehicles and reimburse the employees instead of new vehicles; whereby, Ms. Shanahan and Mr. Randy Hayes, City Attorney, voiced concerns of liability and wear on personal vehicles.

Mayor Leslie agreed with everyone and was supportive of moving things around to reduce the millage.

Ms. McGuire stated the \$260,000 for vehicles and equipment replacement would stay in the budget but the millage rate would be removed, and the new IT position would be removed from the budget and millage utilizing the reserves for the vehicles. She

reviewed one-time expenditures in the general funds regarding technology software, noting there was \$193,000 that could be funded through the fund balance, which would reduce the millage by 3.3 cents, keeping reserves above the 15 percent benchmark set by the Commission.

Mayor Leslie asked what the millage would be at with those changes; whereby, Ms. McGuire stated the total millage was 4.585 percent, with the edits discussed, the millage would be at 4.4885.

Ms. McGuire inquired if the Commission agreed to the three sections being removed from the millage; whereby, the entire Commission agreed. She reviewed the landscaping contract and millage set aside for the Consumer Price Index (CPI) adjustment. She reviewed how the CPI adjustment worked in prior years.

Commissioner Tolland questioned if Yellowstone Landscaping would ask for the CPI increase with the discussion of sending the project out to bid before the next renewal; whereby, Ms. McGuire stated the CPI adjustment was already requested.

Ms. McGuire explained the millage could be removed and when the request comes before the Commission in the future the Commission could consider utilizing the fund balance to fund the request.

Commissioner Briley inquired how many times Yellowstone did not receive the CPI adjustment; whereby, Ms. McGuire stated never. He voiced support to remove the millage.

Commissioner Deaton supported no CPI adjustment for Yellowstone.

Commissioner Sargent voiced concerns regarding mulch in the medians and support for removing the CPI adjustment from the millage.

Commissioner Tolland stated she would rather think about the funding for the CPI adjustment if approved later and take it off the millage.

Mayor Leslie stated he was a no on the CPI adjustment being included in the budget.

Ms. Shanahan stated staff would bring the CPI adjustment request before the Commission at a later date to take official action.

Mayor Leslie inquired if it would be taken off the millage; whereby, Ms. McGuire stated yes.

Mr. Robert Carolin reviewed the request for two new park maintenance staff, noting the proactive approach he would like staff to take. He explained the need for the positions to stay above the preferred level of service.

Commissioner Deaton inquired how many full-time and part-time employees the department had; whereby, Mr. Carolin stated roughly 32 full-time and 15 part-time employees.

Commissioner Briley questioned if staff had any creative solutions to fund the positions; whereby, Ms. McGuire stated there were no solutions to fund the positions as they would be ongoing expenses. Commissioner Briley noted the city absorbed the Penland

property which increased the need for staff. He reviewed citizens' comments for more staffing at the parks.

Mayor Leslie inquired if Ms. McGuire had a way to pay for the positions; whereby, Commissioner Briley clarified she did not.

Commissioner Deaton expressed concerns about pulling funds from the Leisure Services department. She inquired if the department could approve one position.

Mayor Leslie questioned if one now and one later would be an option; whereby, Mr. Carolin expressed the need for two.

Commissioner Deaton stated it was only two cents on the millage and would be supportive as she did not want to pull the funds.

Commissioner Tolland inquired if the positions could be part-time instead of full-time; whereby, Mr. Carolin expressed concerns regarding the level of service with part-time positions.

Commissioner Briley expressed concerns regarding safety at the playgrounds if the current staffing level could not check the equipment as frequently as desired.

Commissioner Sargent voiced support for the positions.

Commissioner Tolland stated she did not want to increase the millage but believed the positions were needed and was supportive of keeping it in the budget.

Commissioner Sargent indicated the positions were needs, not wants, and that should be the focus.

Mayor Leslie inquired if there was a peak season at the parks; whereby, Mr. Carolin stated there would be peak hours, noting the parks were heavily utilized daily. Mayor Leslie inquired if the majority of the part-time staff were at Andy Romano Beachfront Park; whereby, Mr. Carolin stated all the part-time staff were at that park to have staff there during park hours.

Ms. Shanahan stated one of the requirements set by previous Commissions was to ensure the park was very clean and had staff on-site monitoring the usage and rentals.

Mayor Leslie inquired if two part-time employees could be hired and phased into a full-time position; whereby, Mr. Carolin expressed concerns regarding retention and the level of dedication of employees with part-time positions. Mayor Leslie clarified the employees would be checking the playground equipment and taking out garbage; whereby, Mr. Carolin stated the employees would also blow off walkways, check the parks on a more constant and regular basis, noting the employees would also pick up the litter that inevitably happens. Mayor Leslie inquired if the positions would require additional vehicles; whereby, Mr. Carolin confirmed vehicles would be needed.

Ms. McGuire stated the vehicles were included in the vehicle fund.

Commissioner Tolland inquired what the millage would be if the positions remained in the budget; whereby, Ms. McGuire stated 4.4797 mills, noting a 7.66 percent increase above the current millage versus the original 10.2 percent increase, explaining originally

the average homeowner would see an annual increase of \$106.92, noting with the new millage it would be \$87.44.

Mayor Leslie clarified the estimate was based on an average home cost assessment of \$235,000; whereby, Ms. McGuire stated that was correct.

Commissioner Sargent inquired if there was a projected revenue resulting from the paid parking at Andy Romano Beachfront Park; whereby, Ms. McGuire stated there were no revenue projections, noting the funds generated from parking could be added to whichever fund the Commission desired.

Ms. Shanahan clarified Volusia County residents, if registered, would not pay to park.

Ms. McGuire stated staff will make the changes discussed and inquired if there were any additional items relative to the tax rate that the Commission wanted changed.

Commissioner Tolland inquired what the final number was; whereby, Ms. McGuire stated 4.4797 mills which was 7.66 percent above the current tax rate which would result in an average homeowner increase of \$87.44 more per year.

Ms. McGuire requested the Commission confirm that was the rate to be brought back at the September 2025, meetings for approval; whereby, Commissioner Briley, Commissioner Deaton, Commissioner Sargent, and Commissioner Tolland agreed.

Mayor Leslie stated yes, noting he would like to see the rate lower.

Commissioner Tolland inquired what Mayor Leslie's ideas were to lower the rate.

Ms. Shanahan clarified the rate Ms. McGuire stated would be brought back to the Commission for approval at the September 3, 2025, City Commission meeting, noting staff was requesting direction as they did not want to do public math worried of miscalculations and legal requirements.

Commissioner Sargent explained no Commissioner wanted to raise taxes, noting they were trying to find solutions. He stated during his review of the budget, he made numerous spreadsheets to assist his review and could not find any other items to cut. He questioned where Mayor Leslie would like to see the cuts.

Mayor Leslie stated he was aware the Commission was in a tough pickle, noting some items were inherited from past Commissions. He indicated there was well over \$100,000,000 going in and out, noting it would take someone way above his pay grade to really go through each line item. He explained his biggest issue was the residents who were at a higher assessment value compared to their surrounding neighbors. He discussed the higher assessed values of neighbors who recently purchased their homes compared to those who lived in their homes for longer periods of time, as well as individuals with increased reassessed values when their homes came off certain exemptions.

Commissioner Briley discussed the homestead tax status and the voter approved homestead tax exemptions which also cut into what the city collected, causing the adjusted millage to make up for the exemptions. He reviewed what a rollback rate was and the effect of a rollback rate compared to the millage needed.

Ms. McGuire agreed the newer residents pay more, noting the neighbors voted on the laws that keep the homestead assessments low.

Commissioner Tolland stated that was the economics of housing and the current discussion was the services to the residents. She stated her respect for Mayor Leslie for wanting to look at different things and noted the Commission had to make a millage and budget decision and could not keep postponing. She requested to hear Mayor Leslie's ideas for a lower millage, and explained as the Mayor he needed to bring the Commission together and provide leadership.

Mayor Leslie stated he could appreciate Commissioner Tolland's comments, noting past instances where the Mayor voted no on the increase. He discussed the legislative body and the organizational chart. He indicated he was not comfortable with the budget and millage and that was okay. He stated there was not enough time for him to go through the entire budget line by line, noting staff said they did not want to discuss the day of the meeting.

Commissioner Tolland inquired if Mayor Leslie was comfortable with all adjustments discussed today; whereby, Mayor Leslie stated he had no choice on some of the items such as the larger items.

Commissioner Sargent asked when the Commission received the budget book; whereby, Ms. McGuire stated July 9, 2025. He questioned whether there was no time to review, noting he went through the budget. He stated it was not fair to staff to make changes last minute. He questioned where the ideas to amend the budget were, where the suggestions for edits were, and where the leadership to get the budget to where Mayor Leslie wanted it. He asked if the Mayor wanted the budget at the rollback rate. He stated prior Mayors voted no on the budget, he explained they also had ideas on how to lower. He explained he wanted to hear the ideas to further discuss for the residents of the city.

Commissioner Deaton stated there was time to review the budget, noting she had reviewed line by line while on vacation. She indicated she reviewed past budgets to assist in the review. She commented Mayor Leslie ran his campaign on lower taxes and asked him to tell the Commission what to do.

Mayor Leslie stated the Commission was all one legislative body, noting all could bring ideas back to lower the taxes.

Commissioner Sargent and Commissioner Tolland stated they brought ideas to staff.

Commissioner Tolland stated the Commission had their opportunity to review the budget line item by line item and discuss with staff. She noted the Commission inherited a lot and reviewed the reductions from the workshop. She explained the Commission wanted to work together to get consensus and show a united front to the residents.

Commissioner Briley inquired what the millage would be if all items other than public safety were removed.

Commissioner Sargent inquired what would happen if the Commission voted no on the budget and millage; whereby, Ms. McGuire stated the State of Florida would set the millage for the Commission, noting it would most likely be the rollback rate. Commissioner Sargent noted if that were to happen, public safety would be in jeopardy.

He stated if the Mayor wanted to vote no, he would vote no as well.

Commissioner Deaton expressed the Commission's desire for lower taxes, requesting Mayor Leslie show her where to lower. She voiced her struggle to find anywhere that could be changed without pulling funds from public safety, noting her desire to work with Mayor Leslie.

Mayor Leslie inquired how much was needed to get to the rollback rate; whereby, Ms. Shanahan stated about \$4,000,000.

Commissioner Deaton clarified it would be \$2,400,000 to be at the prior rate.

Ms. McGuire stated the items presented were what staff felt could be negotiated and cut, noting if the Commission desired to go lower, they would be reducing services. She reviewed the services that were required for the city to run properly. She stated the items not required for the city to run would include Leisure Services, explaining citizens wanted those services. She further explained due to the amount that may be cut if the city went to a rollback rate, facilities would need to be closed.

Commissioner Briley inquired what the millage would be if all items other than public safety were removed; whereby, Ms. McGuire stated it would be 39 cents compared to 42 cents.

Commissioner Tolland asked who received negative emails or comments from residents regarding the tentative millage rate.

Commissioner Briley indicated he received about a half dozen phone calls and text messages.

Commissioner Deaton stated she received more support than negative, noting maybe four negative comments.

Commissioner Tolland informed she received one negative comment.

Commissioner Sargent indicated he received three negative, noting none were from his zone.

Mayor Leslie stated he received about as many as Commissioner Briley, maybe a little more.

Commissioner Tolland reviewed the number of residents, being 44,000, compared to the negative comments received.

Commissioner Deaton confirmed staff needed three to agree to the proposed millage and budget, noting there were four who would approve. She requested staff move to utilities to be able to provide direction.

Commissioner Sargent suggested not providing a budget next year.

Ms. McGuire stated staff would bring back a proposed millage of 4.4797. She explained the proposed water and wastewater rates, noting the Commissioners' concerns for certain residents. She reviewed the proposed rates which did not include an increase on the minimum bill, the increase on each 1,000 gallons for usage between 3,000 and 6,000

as well as the use above 7,000 gallons of water and wastewater for residential and commercial. She indicated the city was in the middle of a rate study.

Commissioner Briley questioned where the City was compared to other Volusia County municipalities; whereby, Ms. McGuire stated the City was one of the lowest three municipalities.

Commissioner Sargent inquired if the Bear Creek subdivision was residential or commercial; whereby, Ms. McGuire stated they were on a master meter meaning the residents were not individually metered and the Bear Creek community billed them.

Commissioner Deaton reviewed her current water bill for a household of two adults and two children who both play sports and shower roughly one to two times a day. She stated on average her household used 3,000 to 4,000 gallons, noting based on the increased rates, she would see an increase of \$1.24 to \$2.48 monthly. She voiced concerns for the limited income households and thanked staff for hearing her concerns.

Commissioner Briley, Commissioner Deaton, Commissioner Sargent, and Commissioner Tolland agreed to the proposed rates.

Mayor Leslie inquired if the average house used 3,000 gallons a month; whereby, Ms. McGuire stated the rate study was utilizing an average of 6,000 gallons and staff utilized 5,000, noting based on Commissioner Deaton's comments she would say average was between 3,000 to 6,000.

Commissioner Tolland thanked staff for addressing the limited income with the no increase to the minimum.

Mayor Leslie inquired if the more than 7,000 generally fell under commercial; whereby, Ms. McGuire stated that was accurate, noting the conservation pricing. Mayor Leslie agreed to the proposed increase.

3. ADJOURNMENT

The meeting was adjourned at 6:46 p.m.

Prepared by: Taylor Lochert