



City of Eustis

P.O. Drawer 68 • Eustis, Florida 32727-0068 • (352) 483-5430

TO: Eustis City Manager

FROM: Rick Gierok, Interim City Manager

DATE: August 6, 2026

RE: Second Reading of Ordinance Number 2026-28: Annual Update of the Five-Year Capital Improvements Schedule of the Comprehensive Plan Fiscal Year 2026/2027 - 2030/2031

Introduction:

This report seeks final acceptance of the City of Eustis Five-Year Capital Improvement Plan (CIP) FY 2026/2027 – FY 2030/2031. Ordinance Number 2026-28 approves the FY 2026/2027 – FY 2030/2031 annual update of the Five-Year Capital Improvements Schedule of the Comprehensive Plan under F.S. 163.3177(3)5(b). City Commission held a workshop on May 22, 2026. The first reading of the Ordinance was approved by the City Commission on July 16, 2026. Second approval of this Ordinance will formally adopt the City's proposed Five-Year Capital Plan for FY 2026/2027 – FY 2030/2031.

Background:

The Five-Year CIP identifies capital improvement needs for the City of Eustis. The plan includes major capital projects and acquisitions of over \$25,000 with a useful life of five or more years.

Department Directors provided updated information on projects previously submitted for the CIP as well as new project needs and evaluated those projects based on current economic conditions, requirements of the Comprehensive Plan, requirements to implement the City's Strategic Plan, the need to expand City service levels and the need to meet renewal and replacement demands on existing infrastructure. Projects were prioritized based on the following criteria:

1. Risk

- a. Eliminates a current or future safety concern
- b. Addresses a hazardous condition
- c. Replaces or updates equipment or facilities that are not efficient or functionally serving their intended purpose
- d. Meets pending compliance requirements from other agencies
- e. Maintains City assets at a level adequate to protect the City's investment and minimize future maintenance and replacement costs (This would include Comprehensive Plan service level deficiencies)

2. Return on Investment

- a. Highly visible projects
- b. The benefit of the project outweighs the cost of the project within a short period of time

c. Project has the potential to generate economic development

3. Level of Service Maintenance

a. Projects that need to be completed to maintain the City's desired service levels

4. Improved Level of Service

a. Projects that provide a new service or improve the current level of service based on increased demand

There are currently many revenue variables at play with the potential change to the State's property tax structure. New revenue sources will be evaluated in the upcoming year. The Finance Department used a conservative approach to forecast capital revenue by analyzing collections for the past five years for trends and economic fluctuations. Generally speaking, the anticipated revenue and expenditures were budgeted as follows:

- Revenue projections for Street Improvements, Building and Impact Fees include a 3% annual increase for FY 2027/2028 – 2030/2031.
- Water & Sewer miscellaneous service revenue projections were also based on a 3% annual increase. However, a rate study is currently being conducted, and miscellaneous rates may be increasing sometime during FY 2026/2027.
- Sales Tax and Water & Sewer Utility Service revenue projections include a 4% increase per year for FY 2027/2028 – 2030/2031 based on growth projections.
- CRA revenue projections were increased to reflect the Property Appraiser's July 1 taxable value estimate. CRA revenues include a 5% increase per year for FY 2027/2028 – 2030/2031.
- Stormwater revenue projections include an 8% increase per year. Similar to Water & Sewer revenues, rates are under review and may be revised during FY 2026/2027.
- Going forward, expenditure projections include a 5% annual increase for all funds for FY 2027/2028 – FY 2030/2031 due to inflation.

Some of the major projects included in the plan are the following:

○ PW Facilities / Fire Station #3	3,000,000	Over 1 Year
○ Sewer Impact / Debt Service 2016 Bonds	2,758,400	Over 5 Years
○ Transp / Street Resurfacing	2,390,000	Over 5 Years
○ EPD / Vehicle Replacements	1,800,000	Over 5 Years
○ Water / Ground Storage Tank	1,700,000	Over 1 Year
○ Sewer Impact / Debt Service SRF	1,668,925	Over 5 Years
○ PW Facilities / Building Improvements	1,619,000	Over 5 Years
○ EPD / Axon BodyCam/Taser Renewal	1,600,000	Over 5 Years
○ Sewer / CR 44 Force Main, Phase II	1,600,000	Over 1 Year
○ Sewer / Process & Clarification Tank Rehab	1,520,000	Over 2 Years
○ CRA / Downtown Implementation Plan	1,500,000	Over 3 Years
○ Sewer / New Lift Station Generators	1,290,000	Over 5 Years
○ Water / Heathrow WTP Ground Storage Tank	1,160,000	Over 2 Years
○ Water / Water Meter Rebuild & Replace Prog	1,140,000	Over 5 Years
○ Fire IF / Engine for New Fire Station	1,000,000	Over 1 Year
○ CRA / Debt Service	992,500	Over 5 Years
○ Sewer / Infiltration & Intrusion	950,000	Over 5 Years
○ Water / Pine Meadows Main Replace	900,000	Over 2 Years
○ WCS / ERP System	850,000	Over 1 Year
○ Sewer / Bates Ave. Plant Generator Overhaul	800,000	Over 1 Year

○ Sewer / Master Lift Station Upgrade	800,000	Over 1 Year
○ Sewer / Lift Station 7 Expansion	800,000	Over 1 Year
○ Parks & Rec / Lake Willie Walk Expansion	700,000	Over 1 Year
○ Water Impact / New Water Meter Service Sets	690,000	Over 5 Years
○ Utility Admin / Officer Build-Out at 21 N Grove	660,000	Over 1 Year
○ Sewer / Tertiary Filter	660,000	Over 2 Years
○ IT / Security Cameras	610,000	Over 5 Years
○ Water / Magnolia Ave. Galv. Main	600,000	Over 2 Years
○ FIN / ERP System	600,000	Over 1 Year
○ Sewer / Lift Station Submersible Pumps	575,000	Over 5 Years
○ Sewer / Lift Station 5 Upgrades	550,000	Over 1 Year
○ Sewer / Camera Vehicle	525,000	Over 1 Year
○ Sewer / Harper's Alley	520,000	Over 2 Years
○ PW Transp / Sidewalk Project	520,000	Over 5 Years
○ PW / America In Bloom Beautification	515,000	Over 5 Years
○ Police IF / Bearcat Tactical Vehicle	500,000	Over 1 Year
○ Police IF / Construction of EOC	500,000	Over 1 Year

The process of CIP development takes place each year, enabling the City to assess projects in light of evolving circumstances and changing focal points. The plan underwent thorough examination by the staff as well as the City Commission.

The cumulative CIP amount for the upcoming five years stands at \$61,823,075. The capital projects scheduled for FY 2026/2027 will be included in the forthcoming annual operating budget schedule to be adopted by the City Commission in September 2026.

Recommended Action:

Staff recommends approval of Ordinance Number 2026-28.

Public Input:

Staff properly advertised the Ordinance and invited public input during the July 16, 2026, City Commission meeting.

Budget/Staff Impact:

There is no specific staff or budget impact associated with the Ordinance other than the budgetary impact of the plan itself, which will be included in the proposed FY 2026/2027 Annual Budget presented at the September 10, 2026, City Commission meeting.

Prepared By:

Lori Carr, Finance Director

Reviewed By:

Mari Leisen, Deputy Finance Director

Miranda Burrowes, Deputy City Manager

Hard Copy Previously Provided:

Proposed City of Eustis Capital Improvement Plan for FY 2026/2027 – FY 2030/2031