



# City of Eustis

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TO: EUSTIS CITY COMMISSION  
FROM: TOM CARRINO, CITY MANAGER  
DATE: SEPTEMBER 5, 2024  
RE: RESOLUTION NUMBER 24-65: ADOPTING A TENTATIVE BUDGET FOR  
THE FISCAL YEAR 2024/25

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## Introduction

Resolution Number 24-65 adopts the TENTATIVE Budget for FY 2024/25 after the required public hearing.

## Recommended Action

Staff recommends approval of Resolution Number 24-65.

## Background

Florida State Statutes require each taxing authority to adopt tentative and final budgets annually. The law also requires that the local governments hold a public hearing before adopting each of those budgets. The public hearings and adoption of the budget take place after the public hearing and adoption of the millage rates. The TRIM notice that was sent to all property owners in August, notified all Eustis property owners of the proposed millage rate and the date of the first public hearing on the millage. The city will advertise the adoption of the final budget and the notice of tax increase before the second public hearing per State law. The second and final hearing will be held on September 19, 2024.

The proposed tentative budget has been prepared based on Commission directives authorized at the Budget Workshops. Those directives include basing the budget on the current millage rate of 7.5810. The budget has been prepared in compliance with the requirements of the City Charter and appropriate State Statutes. It is consistent with the provisions of the City's Financial Policies adopted in 2015.

The General Fund Budget, as proposed, contains more expenditures than revenue for FY 2024/25. This is due to several one-time projects budgeted in FY 2024/25. The proposed tentative budget also includes funding for employee compensation increases, insurance increases, and the Capital Improvement Plan funding. The city will advertise the budget on the city website as State Law requires, and a copy will be provided to the Commission prior to the meeting.

## Alternatives

1. Adopt Resolution Number 24-65 and approve the budget presented as TENTATIVE.
2. Direct staff to make specific changes to the budget and immediately adopt the revised version as TENTATIVE during the hearing.

## Discussion of Alternatives

1. **Alternative 1** provides for adopting Resolution Number 24-65 and approving the budget presented as TENTATIVE.
  - a. Advantages:
    - i. The proposed tentative budget maintains all service levels and enhances Recreation by adding staffing and programs.
    - ii. There is funding to implement the City's Strategic Plan.
    - iii. There is funding to address employee pay increases based on performance and set forth a plan to bring the city's Police Department personnel to a wage that is competitive within Lake County.
    - iv. Operating revenues exceed operating expenditures by \$1,053,648. We have numerous one-time projects within the Water and Sewer Funds (Lakeshore Avenue galvanized main, CR 44 force main and a sewer cleaning truck), Street Improvement Fund (crosswalks/intersections, US441 / SR19 Cloverleaf improvements), CRA (Ferran Park seawall rehabilitation), Stormwater (street sweeper), Law Enforcement Impact Fund, Water and Sewer Impact Funds, Economic Development (matching grants/incubator) and Parks and Recreation (Corey Rolle Field improvements). All funds associated with the above have positive fund balances as of September 30, 2024. Many of them are designed to collect sufficient funds, which in turn are expended to cover large projects.
    - v. The Budgets are balanced and utilize reserve funds only as authorized by the City Commission.
  - b. Disadvantages:
    - i. Although the millage rate of 7.5810 mills is the same as the prior year, it exceeds the Roll-Back rate of 7.0340 mills and must be advertised as a tax increase of 7.78%.
2. **Alternative 2** directs staff to make specific changes to the budget and immediately adopt the revised version as TENTATIVE during the hearing. The budget must be revised accordingly if the Commission makes any changes.
  - a. Advantages:
    - i. Provides an opportunity for the Commission to revise the budget.
    - ii. Could provide an opportunity for further cost reductions, priority shifts, and reductions/changes in services.
  - b. Disadvantages:
    - i. If expenditures are increased, the millage rate may have to be increased.
    - ii. If expenditures are reduced, levels of service may have to be reduced accordingly.
    - iii. If expenditures are increased, the Commission must provide additional revenue from fund balance or other funding sources.
    - iv. A change in the millage rate could affect previously established City Commission priorities.
    - v. An increase in the millage rate could delay the adoption of the TENTATIVE Budget and hinder compliance with State Law.

## Community Input

There will be sufficient time for input at the public hearings held before the tentative and final budgets are adopted. Sufficient time was allotted for input at all the preceding budget and millage-related Commission workshops.

**Budget and Staff Impact**

As presented, there are budgeted revenues and expenditures citywide of \$67,573,947 and \$66,588,362, respectively, estimated reserves of \$66,618,499, and fund balances totaling \$119,728,556 at the end of September 30, 2024.

**Prepared By:**

Lori Carr, Finance Director

**Reviewed By:**

Mari Leisen, Deputy Finance Director