



MINUTES

City Commission Workshop: Budget

9:30 AM – Friday, August 08, 2025 – City Hall

Call to Order: 9:32 a.m.

Acknowledgement of Quorum and Proper Notice

PRESENT: Commissioner Michael Holland, Commissioner Emily Lee, Commissioner George Asbate, Vice Mayor Gary Ashcraft, and Mayor Willie L. Hawkins

1. Workshop Item with Discussion, Public Input and Direction

1.1 Capital Improvement Plan (CIP)

Tom Carrino, City Manager, explained staff will first present the Capital Improvement Plan with a presentation from Finance, then provide an update on changes to the General Fund since the last workshop and, finally, review the Non-General Fund Operating Expenses.

Lori Carr, Finance Director, explained the Capital Improvement Plan process, what constitutes a capital project and how the plan may be adjusted. She reviewed the various funding sources and explained how each funding source may be used. She noted they have instituted a list of Unfunded Projects.

Mr. Carrino explained why staff implemented the list of Unfunded Projects. He reviewed the current list of unfunded projects totaling \$22,140,000. As an example, he noted the Trident tour boat project. Staff had direction from the Commission to begin working on that project; however, there is no funding for it. He explained that staff will bring that back once engineering is complete and they have a firmer number. He opined that is probably a project that will be funded out of reserves. He suggested they can discuss the reason for having healthy reserves. He stated that the Unfunded Projects list includes the dock for the seaplane and the dock for the boat rental. He explained those would be engineered at one time and then brought back to the Commission for direction. He reviewed the additional projects on the unfunded list.

The Commission asked if staff would be seeking grant funds for those projects with Mr. Carrino responding affirmatively. He commented on the possibility of obtaining a state appropriation for the Northshore Bridge project.

Discussion was held regarding possible relocation of the aquatic center.

Mr. Carrino began reviewing the General Fund capital projects. He indicated those projects could also be funded from either surplus or reserves. He noted that the surplus from the previous fiscal year is being used to pay for some of the projects. He commented that is it appropriate to utilize surplus funds for non-recurring projects but not recurring expenses. He reviewed the various projects and provided information regarding the need for each. He explained why different projects may have been shifted to another fiscal year.

Discussion was held regarding the community building roof repair with Rick Gierok, Public Works Director, explaining the issues with the roof. He explained that, while it is

in the budget, they will not move forward until after a decision is made. He added that they will have to go out to bid for that project. He stated they did an overlay approximately seven years previous and that was over \$100,000. He explained the process and estimated the timeframe as three months for the RFP.

Sasha Garcia, City Attorney, expressed concern regarding liability if there is a possibility of the roof failing and they are still renting out the facility. She noted that the building may have to be shut down if a decision isn't made.

CONSENSUS: It was a consensus of the Commission to leave the project in the CIP for the time being.

Mr. Carrino then noted the community building audio upgrade and explained that would be for a portable audio system that could be relocated to another building.

Mr. Carrino explained the distribution formula for the Sales Tax Revenues and noted those funds cannot be used for operating expenses but only for larger capital projects. He then reviewed the Sales Tax Fund capital projects, what each item represents and the need for each of the projects.

Discussion was held regarding the City reaching out to a gas company in cooperation with this project with Mr. Gierok explaining there is a Florida Gas high pressure, high volume, 10-inch transmission main going through there. He added that is why they are already looking at doing the engineering as that gives them more points in applying for grants. He stated Florida Gas does not think they will have to redo their line, but coordination will need to be very close.

Mr. Carrino continued the review of the Sales Tax Fund capital projects. He cited the replacement of the Edmunds system under ERP - Financial System. He indicated what is in the CIP is only a portion of the cost. He explained the research staff is undertaking on that replacement. He then reviewed the Parks & Recreation projects including the proposed Parks & Recreation Master Plan with an explanation of why that is needed.

Discussion was held regarding a Parks & Recreation Master Plan with Mr. Carrino stating the previous study undertaken was strictly a site specific plan for Carver Park. He explained this one would be for the entire city. He stated the Carver Park master plan has not been presented due to the possibility of other opportunities. Discussion was held regarding the possible use of the Curtright Center building and the need for additional space for recreation programs.

Sam Brinson, Parks and Recreation Director, commented on how the master plan would help determine when and where they need additional parks. He cited requests he's receiving from the community for additional parks and basketball facilities.

Further discussion was held regarding the Parks and Recreation Master Plan, plans underway by the Lake County School Board, and the possibility of getting a plan for the areas outside the core.

Mr. Carrino noted that there was a plan of some type done in the early 2,000's but nothing since.

Discussion was held regarding the pricing for a plan, the benefits of the plan and the need to fund any recommendations.

CONSENSUS: It was a consensus to shift the Parks and Recreation master plan off one more year.

Mr. Carrino continued reviewing the Sales Tax Fund capital projects. He noted the funding for the Library expansion and indicated they would be applying for grants to assist with that project.

The Commission asked if there might be grants to help fund the Parks and Recreation master plan and whether or not the County might have funding available for that.

Mr. Carrino responded that they could look at that.

RECESS: 10:31 a.m. RECONVENE: 10:40 a.m.

Mr. Carrino explained the Transportation Fund for Streets & Roads. He commented that this fund is not healthy. He indicated it is funded partially by the gas tax received from Lake County, but the City has to supplement the fund from the General Fund. He stated it is not sustainable long term. He commented on the amount of work completed inhouse.

The Commission asked why staff is bringing it up now instead of in previous years with Mr. Carrino citing the options. He stated it will require some hard decisions and explained that the City has tried to keep it rolling.

Commissioner Holland commented that the County changed the mechanism for how the gas tax funds are distributed with Mr. Carrino acknowledging that the County changed the formula approximately 11 years ago. He stated that Eustis has more lane miles than any other municipality in the County. He explained the formula used to be more heavily weighted on the lane miles, but it was changed to be based more on population which meant the City was getting less funding.

Vice Mayor Ashcraft stated it is not just a Eustis issue but also a problem for the Lake Sumter MPO. He explained that the MPO's budget was also severely impacted by the reduction in gas tax.

Mr. Carrino explained that the City does supplement the Transportation Fund and save money by doing work inhouse. He then commented on a recent meeting staff attended for the Lake County Impact Fee Workshop. He explained the City has the ability to levy its own street or road impact fee as well as a mobility fee. He stated some municipalities are levying a mobility fee which can help pay for trails, sidewalks, or whatever helps people get around. He indicated they would need to determine if that is a true impact fee which would mean it could only be used for expansion of service. It could not be used to resurface existing roads.

The Commission asked if the formula is the same for South Lake as it is for North Lake with Mr. Carrino stating his understanding that the formula changed countywide but South Lake is getting more funding based on how the formula is applied.

Mr. Gierok explained that Minneola's growth has boomed due to the new turnpike exit. Lady Lake is getting more due to the Villages expansion. He explained that Eustis is growing but it is really not building new roads nor is the population growing as fast.

Mr. Carrino stated that gas tax proceeds and impact fees are different things. He noted that impact fees are different for different districts.

Mr. Gierok then reviewed the streets and roads' capital projects and reasons for each project. He explained the process used for determining where to build new sidewalks and budgeting for sidewalk maintenance. He explained the Pine Meadows Golf Rd. bridge budgeted for FY26-27 and commented on the possibility of obtaining some

funding from Lake County. He also explained the pavement reflectivity project and noted that it is not required under federal law for roads under 35 mph, but best practice says they should do it. He stated the removal and replacement of concrete roads is done inhouse and the \$90,000 completes a few blocks.

Mr. Carrino reviewed the CRA fund capital projects. He commented on the street and sidewalk rehabilitation within the CRA. He highlighted the Palmetto Plaza Phase 2 project and explained they had been working with the church to obtain additional land but that has not come to fruition; therefore, they need to go ahead and move forward and get community input. He then commented on the need for the Bay Street drainage project.

Mr. Gierok reviewed the Stormwater Fund projects, explained what is being done on each project and how soon they would be completed. He explained the issues the City has with people filling in swales which results in flooding. He then discussed the stormwater master plan which will be to only look at specific problem areas such as Orange and Bay. He explained the issue with that intersection and what may need to be done to resolve the flooding. He explained what is being done by FDOT which will not resolve the issue during high intensity storm events. He commented on his intent to get FDOT to assist with the stormwater project for that intersection. He emphasized FDOT's intent that their current project is not a stormwater project.

Discussion was held regarding how the intersection flooding might be addressed, how soon it might occur and how the City will need additional help.

Vice Mayor Ashcraft stated he would approach the Lake Sumter MPO to try and get some assistance due to the safety issues.

Mr. Carrino reported that this is another fund that is not sustainable long term. He stated that Raftelis is looking at the City's stormwater fees. He suggested that the City needs to consider increasing the stormwater fees.

Discussion was held regarding whether the City is also handling runoff from County roads and whether or not the Stormwater Fund has been in the negative in years past.

Mr. Carrino reported on the Building Department Fund and reviewed possible projects to be funded through that fund. He cited the possibility of co-locating the Building Department with Fire Administration. He cited the planned purchase of a drone for inspection purposes and the addition of another building inspector.

Mr. Carrino then commented on the impact fee funds noting there are no major projects to be funded through those. He indicated Raftelis is also looking at the possibility of increasing the local impact fees.

Attorney Garcia asked when the utility study would come back with Ms. Carr responding that Raftelis is aware of the actions of the legislature, but they believe the City's deadline is January.

Attorney Garcia explained that due to changes by the legislature increases to impact fees will be more difficult. She stated that the statute goes into effect October 1st. If the City has an ordinance adopted prior to the new requirements coming in, then it will be grandfathered under the old standards.

The Commission asked if the City can move forward before the study is done with Ms. Carr responding she would touch base with them to see where they are.

The Commission asked about the status of U. S. Water with Mr. Carrino responding staff is working with them. He indicated that they do not usually work with cities the size of Eustis. He commented on discussions they are having with them and noted that the City will need specialized help for that project.

Mr. Carrino commented on the Utility Impact Fee projects and noted the City's utility system is both financially and physically healthy.

Mr. Gierok reviewed various utility system projects, what they consist of and why they are needed. He explained issues with power failures at the lift stations. He indicated his intent to apply for grants and seek FEMA funding for those. He then explained the Infiltration and Intrusion project and related smoke testing. He reported they have found approximately 300,000 gallons of stormwater that have been repaired so it is not flowing into the wastewater plant.

Mr. Gierok explained the floating solar panel project and cited the possibility of getting approximately 35% of the project paid for through federal funding. He indicated that the project would be paid back within nine years including maintenance. He provided an overview of the project.

Bryce Hale, IT Manager, stated there is a 20 year warranty on the panels and 10 year on the inverter.

Mr. Gierok indicated that what is proposed are floating panels so that may not be the same.

Vice Mayor Ashcraft encouraged them to be cautious with proceeding on the project.

Mr. Gierok further reviewed the utility projects and the possible upsizing of various utility lines. It was agreed to shift out the Rosenwald sewer expansion another year.

Discussion was held regarding how much longer to continue the workshop. It was agreed to break for lunch and then continue until approximately 1:00 p.m.

LUNCH RECESS: 11:41 a.m. RECONVENE: 12:10 p.m.

1.2 Update of the General Fund/Millage Rate

Mr. Carrino provided an update on the General Fund budget numbers based on a millage rate of 7.5810. He explained they directed all of the General Fund department heads to bring back suggested reductions of 5% from their respective budgets. He explained the reductions did not include eliminating any positions or laying any employees off. He added they tried to avoid any cuts to professional development or Public Safety. He explained that salaries continue to be adjusted as positions are vacated and then filled. He noted they are still receiving revenue numbers from the state including the Communications Service Tax. He reviewed the various departmental budget reductions with a total of \$652,848.

The Commission asked what was the \$10,000 reduction under City Commission with Mr. Carrino explaining there was \$40,000 budgeted for Corey Rolle Field Improvements and due to a number of improvements already being accomplished, it was reduced to \$30,000.

Mr. Carrino then reviewed the list of one-time expenses that were re-allocated to be funded from Reserves which resulted in a total reductions and re-allocations of

\$749,348. He stated that as of that date, staff is predicting a surplus of \$11,607, based on maintaining the current millage rate of 7.5810.

There were no questions or comments from the Commission.

Mr. Carrino requested discussion about the CRA Coordinator position. He indicated that it remains in the budget and asked if the Commission wants to keep it. He commented on the amount of upcoming priorities including the implementation of the master plan and other projects. He emphasized the importance of the position to get those accomplished and stated that it is common throughout the state for the CRA to have its own coordinator.

Discussion was held regarding the CRA Coordinator position and the need to get the right person in the position with Mr. Carrino explaining that the CRA already pays a portion of the Economic Director's salary, but this position would be wholly paid for by the CRA. He opined that this position would process gateway grants within the CRA, process the downtown grants and work on redevelopment projects and implementation of the master plan. He suggested they could also work on the Palmetto Plaza project. He confirmed the salary range is listed at \$55,000 to \$60,000 range. It was noted benefits would take it to about \$80,000.

Discussion was held regarding the moving of Communications from Economic Development to Events & Tourism, why that occurred and whether or not that should be moved back to Economic Development.

Mr. Carrino indicated that director positions are not point factored. He reviewed how the different positions were re-organized including moving the grant writer position to Finance.

Discussion was held regarding Communications being placed under the City Manager's Office and the need for Economic Development to have additional staff.

Discussion was held regarding the salary for the Events & Tourism Director and the number of applicants for the position with Mr. Carrino indicating the interview panel was himself, Miranda Burrowes, Karen Crouch and Greg Dobbins. He noted the close ties between Events and Public Works.

CONSENSUS: It was a consensus of the Commission to leave the CRA Coordinator position in the budget.

The Commission asked Mr. Carrino to consider moving Communications back under the City Manager's office.

The Commission commented on their expectations regarding Communications with Mr. Carrino indicating that is what the Communications Manager would be doing; however, that position is currently vacant. Staff wanted to allow the Events & Tourism Director to have input on that person to be hired.

Discussion was held regarding recent issues with communications.

1.3 Non-General Fund Operating Expenses

Greg Dobbins, Utilities Director, reviewed the Utilities operating expenses. He noted they combined all of the cell phones into a master account so it can be tracked better.

Ms. Carr stated that Mr. Hale is tracking all phone usage to make sure the City does not have phone lines that are not being used but are being paid for.

Mr. Dobbins reviewed those line items that have increased or decreased and explained the changes.

Mr. Carrino asked if the City is still assisting Umatilla with street sweeping with Mr. Gierok responding occasionally.

Mr. Gierok explained some of the personnel changes due to recent re-organization. He stated there are no actual personnel changes. He reviewed the professional services change due to the conclusion of the PTI study. He reviewed various minor line item changes.

Ms. Carr commented on how some line items have changed due to certain charges being re-allocated to different line items.

Mr. Dobbins reviewed the Environmental Protection operating expenses including new software for backflow prevention. He explained the backflow prevention program and commented on how they send notices to the customers. He cited line item number 3150 which is new for the next fiscal year. He then reviewed the Water operating expenses.

The Commission asked how much the City was saving since removing fluoride with Mr. Dobbins responding approximately \$6,000 per year. He noted that now they were having to report on PFOS contaminants with Vice Mayor Ashcraft explaining those are long-chain poly-fluorocarbon plastic contaminants.

Mr. Dobbins continued the line item review citing increases and decreases. He explained they continued running the fluoride until it was all gone. He noted the CDL classes the City offers. He reviewed the operating expenses for the Eastern Water System. He then reviewed the Wastewater, Lift Station, Treatment Plant, Laboratory Services, Disposal, Sludge Disposal, and Eastern Wastewater Plant operating expenses.

The Commission asked about the Lake Sumter State College CDL training facility with Mr. Carrino explaining that the City is a co-applicant with them for a federal EDA grant to fund the facility. LSSC is applying for \$5 million for the \$6 million project with the Federal Economic Development Administration. He explained the City is a co-applicant because it has a reversionary interest in the property. He confirmed LSSC is doing all the work on the application. He noted the City will have a certain number of CDL slots once it is complete.

Commissioner Lee noted that they are also on Congressman Webster's list to help with the funding.

Commissioner Holland reported that he spoke with the Board Chair recently and he will provide an update within the next week or two.

Mr. Dobbins stated that the CDL training will remain in the Water and Wastewater budgets, and the free slots will go to Public Works. He concluded his review with the Eastern Wastewater Lift Stations.

Mr. Carrino noted the next tab in the budget book is for Non-Departmental expenses. He noted the Transfer to the General Fund (Page 83) which has been \$2,300,000 for the past four or five years. He stated he is recommending changing that by 2.5% to \$2,600,000 based on the previous rate increases. He indicated the rest of the Non-Departmental is capital projects which they have already reviewed.

The Commission thanked staff for the budget cuts and their work on the budget.

Mr. Carrino thanked the Commission for their support of staff and getting them the resources they need to do their work. He thanked staff for their work on the budget as well.

Commissioner Lee noted that the FRA conference agenda has been released.

Mr. Carrino suggested they could cancel the October 16th Commission meeting to allow the Commission to attend the conference. He commented on moving ahead with making reservations and the probability they could get a credit if they don't get a refund in the event they have to cancel.

2. Adjournment: 1:15 p.m.

**These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to www.eustis.org and click on the video for the meeting in question. A DVD of the entire meeting or CD of the entire audio recording of the meeting can be obtained from the office of the City Clerk for a fee.*

CHRISTINE HALLORAN
City Clerk

WILLIE L. HAWKINS
Mayor/Commissioner