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LAKELAND CITY COMMISSION

Public Budget Hearing September 4, 2025

The Lakeland City Commission met for the Public Budget Hearing in the City Commission Chambers. Mayor Bill Mutz and Commissioners Bill Read, Stephanie Madden, Sara Roberts McCarley, Mike Musick, and Guy LaLonde were present. Mayor Bill Mutz and Commissioner Chad McLeod were absent. City Manager Shawn Sherrouse, City Attorney Palmer Davis, Finance Director Mike Brossart, and City Clerk Kelly Koos were present.

CALL TO ORDER - 6:00 P.M

PRESENTATIONS

City Manager Shawn Sherrouse recognized Communications Director Kevin Cook and Retirement Services Director Cherie Watson. They would both retire soon and this would be their last budget process.

City Manager Shawn Sherrouse and Finance Director Mike Brossart presented the budget, a copy of which is on file in the Agenda Packet.

Tonight is the 1st public budget hearing.
September 18th is the 2nd public budget hearing.
October 1st is the start of Fiscal Year 2026.

Budgeted Property Value Growth:

FY2026	6.84%
FY2027	6.00%
FY2028	6.00%

Proposed millage rate of 5.4323. This has been the millage rate since FY2022.

Capped expenditures at 2% unless justified.

Includes 13% increase in health insurance rates paid by the employees.

Includes a 14.5% increase in health insurance rates paid by the City.

The increase is because of increase in medical costs and large claims.

General Employees Pay Adjustments

Provided Across the Board (ATB) 2% and merit increase of 2.50-3.00% for eligible employees.

There will be another market study done next year to compare salaries.

Collective Bargaining Agreements

FOP-2% (Me Too)

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IAFF-1.5% and a one-time market salary adjustment between 9.33% and 16.65% by job classification.

UWUA - 2% Me Too for Electric and Water

Merit Increases for eligible employees

FOP-2.5-3%

IAFF-2.5%

UWUA-electric/water 2.5%

Personnel Changes

The number of full-time personnel reduced by 1, part-time personnel reduced by 1. In the end, the net position is a savings of \$25,000 over the previous budget year.

Police

Adjusting paygrade for 11 Police Records Associates, delete 1 vacant public safety aide. The net of this is a savings of \$30,000.

Fire

Add 1 fire equipment mechanic that is offset by funding from the airport for the equipment at the airport.

Add 3 firefighters.

Net savings of \$180,000 because of the overtime they have been experiencing. The overtime justified the need for the full-time personnel.

Delete 1 vacant part-time education position.

Human Resources

Delete 1 vacant HR specialist in employee engagement & development.

Community and Economic Development

Reclass 1 code enforcement officer to code enforcement officer lead. There is a cost to this increase. This is related to the 25% increase in code cases. This provides direct supervision in the field.

Electric Utility

Net savings \$167,000.

Wastewater Utility

Add 1 water utilities pipefitter foreman.

Delete 1 vacant equipment operator II and 1 vacant plant operator II.

Water Utility

Add 1 cybersecurity manager.

Delete 1 vacant office assistant II.

Additional cost of \$144,000.

Net saving is \$25,000 in the budget.

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Review of projects in the Target Areas.

Target Area 1: Infrastructure

Target Area 2: Economic Development

Target Area 3: Public Safety

Target Area 4: Culture

Total FY2026 Target Area Expenditures - \$53,321,339.00

Millage Rates - Mike Brossart

Historical Ad Valorem Millage Rates

Millage Comparisons

City of Lakeland Average Property Values

This was just shy of \$9,000,000,000 for the City as a whole.

General Fund Days Cash on Hand (DCoH)

Millage Adoption during Public Hearing on September 18, 2025

Simple Majority is required for recommended rate.

PUBLIC HEARINGS

Ordinances (First Reading-Tentative Approval Required)

Proposed 25-032; Ad Valorem Millage Rate for 2025-2026 Fiscal Year

AN ORDINANCE RELATING TO AD VALOREM TAXATION; ESTABLISHING THE MILLAGE RATE FOR THE CITY OF LAKE LAND, FLORIDA, FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026; PROVIDING FOR THE LEVY OF AD VALOREM TAXES; FINDING THE MILLAGE RATE IS 4.10% GREATER THAN THE ROLLED BACK RATE; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the title.

Motion: Commissioner Stephanie Madden moved to approve the ordinance on first reading. Commissioner Guy LaLonde seconded.

Mayor Pro Tem Mike Musick asked for comments from the Commission and the audience. There were no comments.

Action: Upon roll call vote Commissioners Bill Read, Stephanie Madden, Sara Roberts McCarley, Guy LaLonde, and Mayor Pro Tem Mike Musick voted aye. Ayes – five. Nays – zero. The motion carried unanimously.

Proposed 25-033; Appropriations; Budget for 2025-2026 Fiscal Year

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AN ORDINANCE RELATING TO APPROPRIATIONS; PROVIDING FOR THE APPROPRIATION OF MONIES FOR THE CITY OF LAKELAND, FLORIDA, FOR VARIOUS PURPOSES FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the title.

Motion: Commissioner Sara Roberts McCarley moved to approve the ordinance. Commissioner Stephanie Madden seconded.

Mayor Pro Tem Mike Musick asked for comments from the Commission and the audience. There were no comments from the audience. The Commission discussed:

Commissioner Stephanie Madden: They have had significant conversations leading up to this hearing to avoid pet projects coming up at the last minute. When there is a national narrative it falls into local conversations. People asked her about DOGE. The City Manager went through the budget and did a deep dive on things that were approved. She asked the City Manager what was denied.

Shawn Sherrouse explained \$1,600,000 was added from the PMF process. There was over \$2,000,000 in denied requests. The denial is not just a denial but staff often finds another way to accomplish the project.

Commissioner Stephanie Madden knew that throughout the year there are other projects that the City wanted to accomplish. She recognized the tremendous growth we have experienced and still maintained the millage rate. The growth has increased the property values. She was thrilled to hear they have perfected the process and discussed ways to cut costs throughout the year.

Commissioner Sara Roberts McCarley stated the departments have done an excellent job cutting costs. When the Commission met with the state legislatures we listened to their direction not to request more than \$1,000,000 for any one project. Lakeland brought home \$2,000,000 for projects. The department heads did a great job listening to Commission direction. She congratulated Shawn Sherrouse for an improved strategic planning process and for adding the budget workshops to help the Commission understand the process and be prepared at this point. The DCoH is a city's reserves. When Mexico Beach was wiped out, They did not have the cash on hand to rebuild and had to rely on FEMA. Lakeland's DCoH is our savings account to allow us to begin rebuilding right away. The Commission had to give kudos to staff and the City Manager's office for holding the line on expenses.

Commissioner Guy LaLonde thanked staff for the time they put into this process. They make this possible.

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Mayor Pro Tem Mike Musick liked the millage comparisons. It is important to benchmark. He appreciated that Lakeland had water, electricity, and safety. We get great services and remain in the lower end of the millage rates.

Commissioner Stephanie Madden asked about the next market study. Will that happen every so many years? She asked about why health insurance was jumping.

Shawn Sherrouse committed to staff to do a market analysis every 3-5 years to make sure we remain competitive. In terms of healthcare costs, it is those large claims. There are some very serious health conditions for individuals.

Risk Manager Joyce Dias explained there are a lot of things that go into a claim. Everything has a cost and it adds up.

Commissioner Stephanie Madden clarified that not filling positions does not mean less work is being done.

Shawn Sherrouse agreed, the City has dedicated employees who take on more duties to get the work done.

Commissioner Bill Read explained he was getting to the end of his term and he has enjoyed serving. This has been a good process.

Mayor Pro Tem Mike Musick explained the city bench marked because they want to be leaders.

Action: Upon roll call vote Commissioners Guy LaLonde, Sara Roberts McCarley, Stephanie Madden, Bill Read, and Mayor Pro Tem Mike Musick voted aye. Ayes-six. Nays-zero. The motion carried unanimously.

MAYOR AND MEMBERS OF THE CITY COMMISSION – None.

AUDIENCE

Rene Mattson came forward to express concern about the increasing property tax on her rental properties.

Shawn Sherrouse explained the property appraiser does market analysis based on sales and then applied that to property values. Homesteaded properties have a 3% cap. Unfortunately, business owners with rental properties do feel it more than homesteaded properties.

Commissioner Mike Musick asked if she spoke with the property appraiser. She did.

Shawn Sherrouse explained the formal appeal process.

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Commissioner Sara Roberts McCarley explained the 6% quoted for future years was just a guess for planning purposes.

CALL FOR ADJOURNMENT - 7:27 p.m.