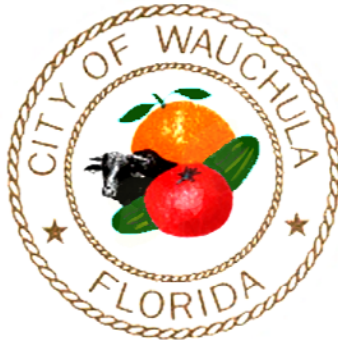


ANNUAL REPORT



*“Cherishing Our Heritage,
Cultivating Our Future”*

July 2009



OFFICIALS OF THE CITY OF WAUCHULA, FLORIDA

City Commission

David Royal, Mayor/Chairman, District Seat 4

Jerry Conerly, Mayor Pro-Tem, District Seat 7

Val Patarini, District Seat 1

Connie Spieth, District Seat 2

Kenneth Lambert, District Seat 3

Clarence Bolin, District Seat 5

Delois Johnson, District Seat 6

Holly Collins, City Clerk

City Administration

Richard D. Giroux, City Manager

Clifford M. Ables, City Attorney

James Braddock, Director of Finance

Ray McClellan, Director of Public Works

William Beattie, Chief of Police

Olivia Minshew, Director of Community Development

Jessica Newman, Director of CRA & Main Street

Richard D. Giroux
City Manager
126 South 7th Avenue
Wauchula, FL 33873



Phone: 863-773-3131
863-773-3535
Fax: 863-773-6376
citymgr@cityofwauchula.com

July 30, 2009

Honorable Mayor, City Commissioners and Residents of the City of Wauchula,

It is with pride that I present this report on the city's status to date and the activities and accomplishments of fiscal year 2008-2009. Under the direction of the City Commission, 2008 - 2009 was a year of continuing achievements. It is my intent to highlight those achievements in this report. The city budget was balanced with no increase in the millage rate. The City of Wauchula continues to be in sound fiscal condition and received an outstanding annual audit review with no findings.

Health insurance costs are anticipated to increase by 9.3% due to the Public Risk Management (PRM) Board's decision to adjust premiums. In spite of this health insurance increase, there was a commensurate decrease of 10% in liability and risk insurance, more than sufficient to offset any net increase in overall insurance costs. Our current insurance plan with PRM continues to be our most cost effective and best option for coverage at this time.

Several essential infrastructure projects are nearing completion and community development and growth initiatives are in motion. Strategic planning, infrastructure and community development objectives continue to be a high priority for the City of Wauchula, as we now turn our focus and attention to activities and projects designed to address promotion of the city for investment and the development of new revenue streams. The City remains committed to maintaining and improving the quality of life, address the present and future needs of a growing community, and enhance our ability to provide them.

As with past years, I would like to take this opportunity to recognize and thank all city employees for their hard work and dedication this year. I would also like to thank the City Commissioners for their active involvement and continued support of our efforts, which is greatly appreciated, and critical to our success for pursuing a vital and prosperous future. I am blessed to be a member of this community and to live and work in the City of Wauchula.

Respectfully submitted,
Richard D. Giroux
City Manager

CITY OF WAUCHULA - ANNUAL REPORT - 2008-2009

The Charter of the City of Wauchula specifies that on or before August 1 of each year, the City Manager shall prepare and present to the Commission an annual report. This report shall summarize the accomplishments of the preceding year, the City's fiscal status, as well as a proposed agenda for the pending year's business. This report is presented in four (4) sections; Finance, Capital Projects, Accomplishments, and Recommendations

SECTION ONE – FINANCE

BUDGET SUMMARY

CITY OF WAUCHULA -- FISCAL YEAR 2008-2009

THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE CITY OF WAUCHULA ARE TWO PERCENT (2%) LESS THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES.

	General Fund	Electric, Sewer & Water (Utilities)	Community Development Agency	Airport	Total
ESTIMATED REVENUES					
Taxes:					
Ad Valorem Taxes -- Millage 5.02	\$ 628,114			\$	628,114
Gross Receipt & Sales Tax		\$ 379,500		\$	379,500
Communication Service Taxes	\$ 198,000			\$	198,000
Utility Service Taxes	\$ 279,751			\$	279,751
Gasoline Tax	\$ 105,300			\$	105,300
Licenses and Permits	\$ 63,650			\$	63,650
State Grants	\$ 25,000	\$ 1,000,000	\$ -	\$ 6,970	\$ 1,031,970
Federal Grants	\$ 110,140	\$ 984,000		\$ 264,730	\$ 1,358,870
Local Grants				\$ 700,000	\$ 700,000
State-Shared Revenues	\$ 540,350			\$	540,350
Charges For Services	\$ 74,768	\$ 11,392,280		\$ 503,575	\$ 11,970,623
Court Revenues	\$ 155,000			\$	155,000
TIF Revenues			\$ 590,630	\$	590,630
Miscellaneous Revenues	\$ 86,480	\$ 919,070	\$ 29,900	\$	1,035,450
Non-Revenues	\$ 1,648,766	\$ 6,650,000		\$	8,298,766
TOTAL REVENUES	\$ 3,915,319	\$ 21,324,850	\$ 620,530	\$ 1,475,275	\$ 27,335,974
EXPENDITURES/EXPENSES					
General Government/Administrative	\$ 550,525	\$ 1,237,027		\$	1,787,552
Public Safety	\$ 1,530,905			\$	1,530,905
Community Development	\$ 309,980			\$	309,980
Physical Environment	\$ 863,763	\$ 17,801,557	\$ 78,565	\$	18,743,885
Transportation	\$ 223,328			\$ 1,475,275	\$ 1,698,603
Culture/Recreation	\$ 204,800			\$	204,800
Non-Expenditure Disbursements	\$ 232,019	\$ 2,286,266		\$	2,518,285
Contingencies			\$ 541,965	\$	541,965
TOTAL EXPENDITURES	\$ 3,915,320	\$ 21,324,850	\$ 620,529	\$ 1,475,275	\$ 27,335,974

BUDGET SUMMARY
 CITY OF WAUCHULA -- FISCAL YEAR 2008-2009

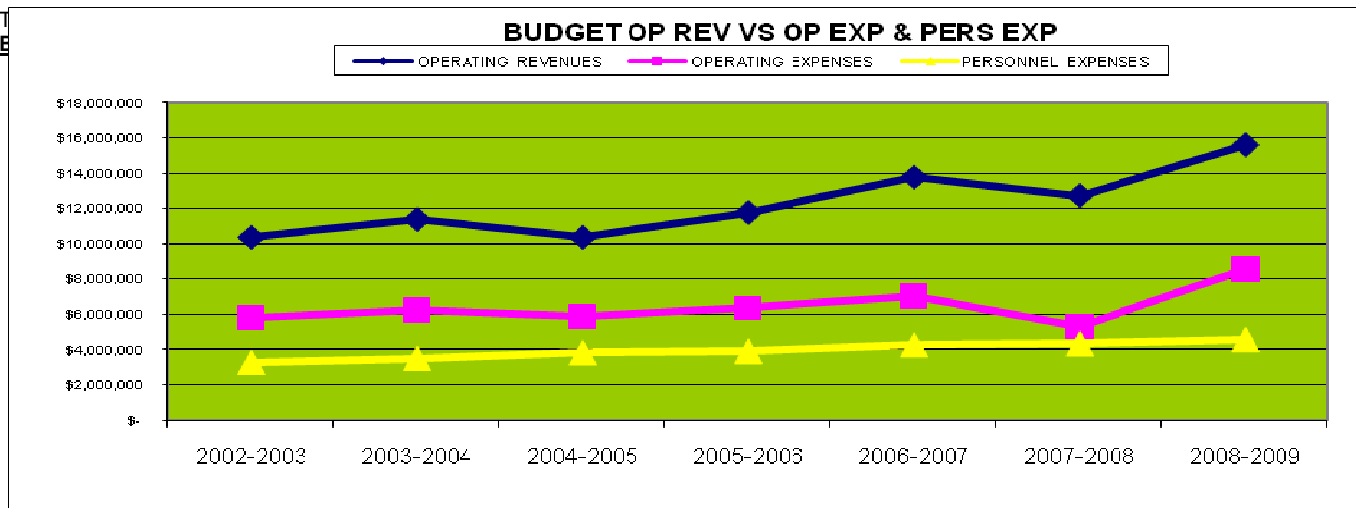
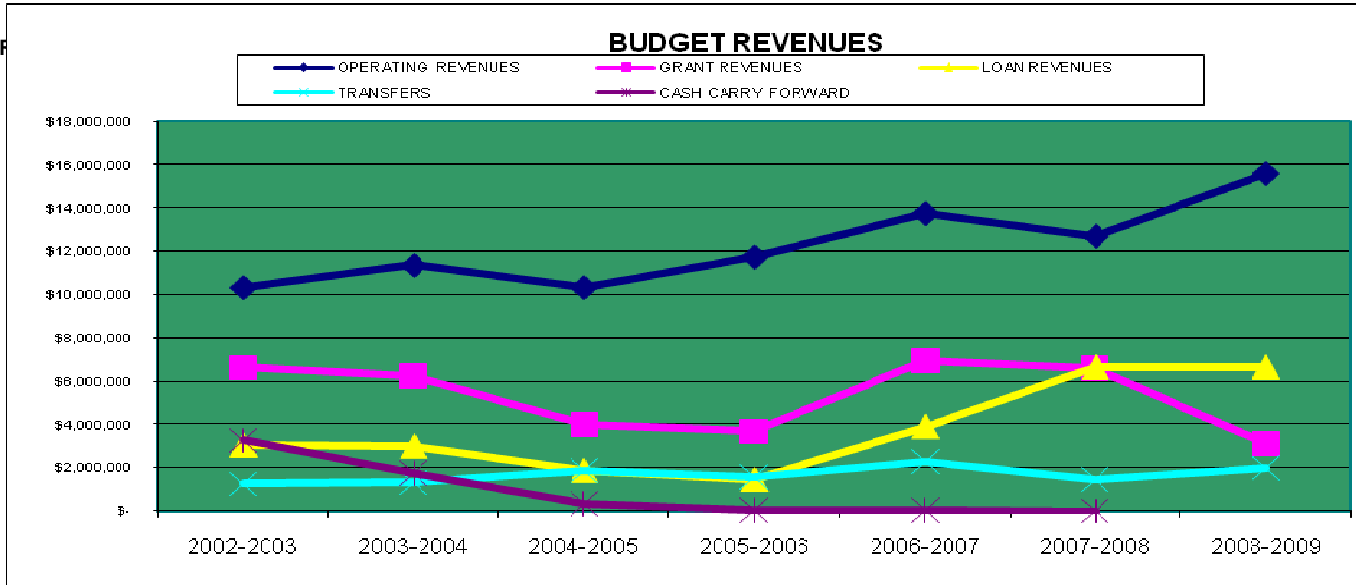
THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE CITY OF WAUCHULA ARE ONE AND ONE-HALF PERCENT (1.51%) MORE THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES.

ESTIMATED REVENUES	Total 2007 -2008	Total 2008-2009	
Taxes:			
Ad Valorem Taxes -- Millage 5.02	\$ 607,445.00	\$ 628,114.00	3.40% INCREASE IN APPRAISED PROPERTY VALUES
Gross Receipt & Sales Tax	\$ 360,500.00	\$ 379,500.00	5.27% REASSESSMENT OF COLLECTED TAXES
Communication Service Taxes	\$ 229,600.00	\$ 198,000.00	-13.76% DECREASE PROJECTED
Utility Service Taxes	\$ 266,068.00	\$ 279,751.00	5.14% INCREASE PROJECTED
Gasoline Tax	\$ 123,600.00	\$ 105,300.00	-14.81% DECREASE PROJECTED
Licenses and Permits	\$ 3,672.00	\$ 63,650.00	1633.39% DECREASE IN BUILDING PERMIT FEES PROJECTED
State Grants	\$ 3,665,540.00	\$ 1,031,970.00	-71.85% DECREASE IN STATE GRANT PROJECTS
Federal Grants	\$ 501,079.00	\$ 1,358,870.00	171.19% AIRPORT IMPROVEMENT FEDERAL GRANT PROJECTS
Local Grants		\$ 700,000.00	NEW EDA GRANT OBTAINED
State-Shared Revenues	\$ 586,083.00	\$ 540,350.00	-7.80% DECREASE PROJECTED
Charges For Services	\$ 11,603,929.00	\$ 11,970,623.00	3.16% INCREASE IN UTILITY RATES
Court Revenues	\$ 190,000.00	\$ 155,000.00	-18.42% DECREASE PROJECTED
TIF Revenues	\$ 595,768.00	\$ 590,630.00	-0.86% DECREASE IN APPRAISED PROPERTY VALUES
Miscellaneous Revenues	\$ 306,655.00	\$ 1,035,450.00	237.66% INCREASE IN INTEREST INCOME
Non-Revenues	\$ 7,890,450.00	\$ 8,298,766.00	5.17% SRF LOAN PROCEEDS
TOTAL REVENUES	\$ 26,930,389.00	\$ 27,335,974.00	1.51%
EXPENDITURES/EXPENSES			
General Government/Administrative	\$ 2,124,663.00	\$ 1,787,551.00	-15.87% LOANS FOR PROJECTS COMPLETED
Public Safety	\$ 1,386,236.00	\$ 1,530,905.00	10.44% PROJECTED INCREASE
Community Development	\$ 184,960.00	\$ 309,980.00	67.59% CODE ENFORCEMENT TRANSFERRED FROM POLICE DEPT
Physical Environment	\$ 18,138,198.00	\$ 18,743,884.00	3.34% WWTP EXPANSION
Transportation	\$ 2,335,873.00	\$ 1,698,603.00	-27.28% COMPLETION OF STREETScape PROJECT
Culture/Recreation	\$ 191,977.00	\$ 204,800.00	6.68% INCREASE OF D.O.C. CONTRACT
Non-Expenditure Disbursements	\$ 2,287,568.00	\$ 2,518,285.00	10.09% INCREASE IN TRANSFERS TO OTHER FUNDS
Contingencies	\$ 280,914.00	\$ 541,965.00	92.93% INCREASE IN CRA DUE TO INCREASED PROPERTY APPRAISAL
TOTAL EXPENDITURES	\$ 26,930,389.00	\$ 27,335,973.00	1.51%

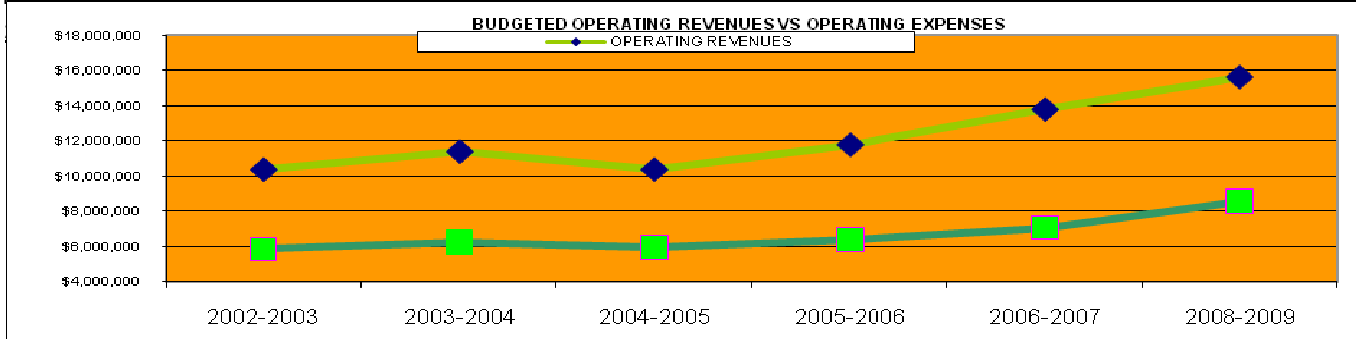
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THE TENTATIVE, ADOPTED, AND/OR FINAL BUDGETS ARE ON FILE IN THE OFFICE OF THE CITY CLERK, CITY HALL,
 126 S. 7TH AVE, WAUCHULA, FLORIDA, A

\$	27,335,973.00
\$	26,930,389.00
	1.51%



THIS CHART REPRESENTS OPERATING REVENUES, OPERATING EXPENSES AND PERSONNEL EXPENSES FROM



The City's net assets \$4,167,052.00 represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* of \$2,560,038.00 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental activities: Governmental activities increased the City's net assets by \$950,538.

The City had \$1,772,968.00 of program revenue. In addition, other key components of revenue were \$1,732,803.00 of tax revenue classified as general revenues, as well as \$1,178,050.00 of transfers in. Expenses consisted of \$2,058,661.00 of general government, \$1,625,488.00 of police public safety, highways and streets of \$229,517.00, culture and recreation of \$208,975.00, and interest on long-term debt of \$26,908.00.

Business-type activities. Business-type activities increased the City's net assets by \$1,523,516.00. Key elements for the difference between the current year and prior year are:

- Grant revenues decreased \$416,875.00
- Charges for services decreased \$140,433.00
- A decrease in transfers to other funds of \$389,481.00
- A decrease in overall expenses of \$127,900.00

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's general fund reported ending fund balances of \$355,090.00, a decrease of \$513,684.00 in comparison with the prior year. \$241,519.00 of this total amount constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for inventory, police department, restricted grants and contributions, and the skate park.

The fund balance of the City's general fund decreased by \$513,684.00. Activity during the current fiscal year included the following key components:

Total general fund revenues increased by \$1,131,072.00 due to significant increase in grants of \$1,188,885.00

The general fund expenditures increased by \$1,360,981.00 due to increase in capital outlay of \$1 178,492.00.

As of the end of the current fiscal year, the City's special revenue fund (CRA) reported ending fund balance of \$850,288.00, an increase of \$137,423.00 from the prior year. All of the fund balance is restricted to activities of the Community Redevelopment Agency. Revenues and transfers in increased \$102,019.00. Expenditures increased \$281,105.00.

Proprietary funds. The City's proprietary funds provide the same type of information found in the business type activities of the government-wide financial statements, but in more detail.

Governmental Fund Budgetary Highlights

General Fund

The original budgeted revenues including transfers in were \$4,977,342.00, which was amended to \$4,953,375.00. The original budgeted expenditures including transfers out were \$4,977,342.00 which were amended to \$5,264,927.00.

For the year actual revenues were under budgeted revenues by \$222,128.00. Actual expenditures were less than budget by \$28,751.00. The significant reasons for the variances in revenues were due to anticipated fines and forfeitures and grant revenues that were not received. The significant reason for the variance in expenditures was due to anticipated capital projects not being undertaken in the current year.

Special Revenue Fund

The original budgeted revenues were \$380,961 and were amended to \$375,961.00. Original budgeted expenditures were \$611,979 and were amended to \$523,057.00. Actual revenues exceeded budgeted amounts by \$1,634.00. Actual expenditures were less than budgeted by \$51,867.00.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2008, amounted to \$29,621,017.00 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, electrical distribution system, sewer system improvements, water system improvements, machinery and equipment, and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Street scape projects for U.S. Highway 17.
- Airport renovations and improvements.
- Wastewater treatment plant Phase I

As indicated from these statistics, the proposed total budget expenditures for the city are 1.5% greater than last year's total expenditures. This change is rather flat compared to years past. However, if you look at the percentage differences between actual operating expenditures, including personnel costs, from this year's figures and last year's budget then you will note only an overall 15.1% decrease in projected expenses, which is explained by a 23% increase in capital expenditures budget. This is a more than acceptable figure considering our ambitious capital projects agenda and increases in associated material, equipment and operating costs.

The City's financial outlook appears to be excellent. Ad valorem revenues have increased 3.4% or \$20,600.00 this past year, as was anticipated due to shrinking overall economic conditions. However, the City continues to make substantial gains by securing additional grant funds. Federal grant awards have increased by 171%, however State grant awards have decreased by 72% for our capital improvement projects. The projects supported heavily by grant funds were the airport Harvest Aviation Hangar, Well #5, and the Electric Substation Rehabilitation and Expansion.

All utility operations continue to generate sufficient revenue to sustain required operating overhead. This year the electric utility fund continued to subsidize the general fund through transfers at 42% of its yearly expenditure requirements or \$1,648,766. Though required funding transfers had experience reductions in previous years, recent changes in state mandated ad valorem tax formulas, municipal revenue sharing and expansion of service operations have caused a renewed increase in utility funds transfers needed. It is possible to reverse this trend with the creation of new revenue streams and/or a return of community investment resulting in an increased ad valorem via potential annexation of new housing and commercial and industrial developments. This of course will be spurred by our expanded infrastructure when completed. Our fiscal plan to reverse the transfer trend is still sound and will correct, if external economic circumstances improve. The benefits of this are obvious for maintaining the long-term fiscal health of the City.

The charts also indicate the percentage variations between this year's budget and last year's and the reasons for those changes. As you will note, the large fluctuations may be due and subject to grant funding the city is awarded and utilizes each year.

As with the previous year, the Finance Department has compiled budget-to-budget comparisons, by removing the grant funding from the budget, in order to provide the Commission with a more accurate overview of the city's true fiscal status. This is of course in addition to the normal budget review and approval process. By removing the grant funding variable, we get a much better apples to apples assessment of what our actual fiscal picture is from year to year.

SECTION TWO – PRIMARY CAPITAL IMPROVEMENT PROJECTS

Since 2005, these primary capital infrastructure improvements need to be completed:

Wastewater Treatment Plant Expansion: For the last several years this project has been a primary focus of our infrastructure enhancement program. It entails the expansion of the wastewater treatment plant capacity from one million gallons per day (1 mgd) to three million gallons per day (3 mgd). This plan for expansion would also to include a recycling capability for wastewater reuse for agricultural purposes. The purpose of this initiative was twofold. First, it is needed to correct our capacity deficiency to handle a significant infiltration and intrusion problem and second, to expand system capability to support and accommodate community development initiatives for potential new residential, commercial and industrial users. With Phase I completed, the \$3.5 million master lift station and head works portion of the project, the estimated total cost for final completion of this project is approximately \$16 million.

Though the City has secured sufficient funding for completion, made possible by securing a \$19 million loan from the State Revolving Loan Fund (SRF), the severe national economic downturn and resulting burst of the development bubble has negated the impact fee based financing format we created for the repayment of that loan. Without an adequate fiscal mechanism to repay the SRF loan, it was determined to shelve Phase II of the project until such time as a new and affordable financing plan can be determined.

As a financing option, it has been considered that it may be prudent to complete the engineering design and specifications portion of Phase II, the balance of the project, in order to have a viable shovel ready submission for a possible second Federal American Recovery and Reinvestment Act stimulus grant award to complete the project. The current level of engineering design is at 70% and the city's engineering firm indicated that reaching 100% design completion could be reached quickly and relatively inexpensively at this point. This option is currently being considered.

As in years past, interim capacity rectification measures include the continuing search for distribution system intrusion and infiltration and last years DEP approval for an interim capacity permit increase of an additional 200,000 gallons per day. This capacity permitting by DEP does provide sufficient system capability to immediately accommodate several development projects if such would materialize.

Water Treatment Plant Expansion – Deep Well #5: FDEP currently permits the city at 2.3 million gallons per day for water treatment processing. However, SWFWMD limits that processing and only permits the city to obtain 1,100,000 gallons per day (1.1 mgd) from the aquifer for use.

The main purpose of the water capacity expansion project is to provide the City with an insurance card against future drought conditions that could create potential public safety

and health hazards. This has become a concern in recent years due the continuing late arrival of the rainy season, which causes our current well systems to fall to critical levels every year. The plans for the new well call for a much deeper drilling and an offset location from the primary systems to resolve this potential problem and protect the City's water supply at the same time. A by-product of the new well project is that it will also increase the city's water capacity to accommodate future growth and investment.

The original method of financing for the project was to be through a temporary loan of \$4 million from the Florida Rural Water Association (FRWA) to cover initial project costs and then to pay off the FRWA loan with State Revolving Loan Fund proceeds once secured. The SRF will then cover the costs of the project long term. This has been accomplished and Phase I bidding for the well drilling itself is currently in process. However, after considerable effort, follow-up and good fortune, the City has recently secured a \$3 million American Recovery and Reinvestment Act (ARRA) loan award. This loan award was granted with the provision that \$2.55 million of the total \$3 million dollar loan would be "forgiven". This means that essentially the \$2.55 million portion is free grant money! This will reduced the City's financial obligation from \$4 million to only \$1.45 million total cost for the project. A substantial savings.

The project is now proceeding within its new financial framework toward Phase II, which is the expanded infrastructure to tie in and support the new well into our water treatment plant facility. It is anticipated that the Well 5 Project should be completed by June 2010.

Electric Substation Rehabilitation: The primary source of city revenues is derived from electric power sales. The city purchases bulk power at wholesale from Tampa Electric Company, the sells retail to the City's customers via the city owned distribution system, which includes a 16.2 megawatts substation.

The current condition of the substation is nominal at best. Many of the transformers are quite old and in dire need of replacement. Essentially, the entire facility needs upgraded to assure a stable and reliable source of electricity. In addition to rehab, the city intends to harden the facility against future storm damage and substantially expand its capability to attract future commercial industrial users. The anticipated cost for this rehab is approximately \$2 million.

Fortuitously, in 2007, through timely submissions and well prepared presentations, the City secured a \$984,000.00 Federal legislative appropriations grant for the substation's rehabilitation and a \$700,000.00 Hardee County Economic Development Authority grant for the substation's expansion. The grants are complimentary as matching funds for each other. Subsequently, the City has submitted a Hardee County Economic Development Authority (EDA) grant application to secure an additional funding supplement of \$284,000.00. This is in order to assure adequate matching funds to utilize the full Federal funding award. By virtue of this windfall funding, the City has begun the project this fiscal year. Phase I and Phase II bidding has been completed, with Phase III bidding currently in progress. The anticipated expansion will result in a new capacity rating of 49.5 megawatts.

Further, Phase I and Phase II contracts have been signed and the necessary materials and equipment have been ordered. It is anticipated that the new substation will be completed and operational by March 2010.

SECTION THREE - KEY ACCOMPLISHMENTS

I. CITY MANAGER'S OFFICE

- Secured \$3 million ARRA funds – Well 5 Project
- Completion of Well 5 Funding Analysis
- Completion of Electric Substation Funding Analysis
- Completion of the Harvest Aviation Hangar and support infrastructure
- Completion of COMCAST franchise agreement
- Completion of the Cemetery GIS Program
- Upgrades to the City Website sub-links
- Implementation of Phase I – Electric Substation Project
- Implementation of Phase II – Electric Substation Project
- Implementation of Phase III – Electric Substation Project
- Implementation of Phase I for 5th Well
- Implementation of Phase II for 5th Well
- Review of final engineering and specifications for WWTP Project
- Initiation of Depot renovation phase II
- Completion of the Streetscape Project
- Pending Resolution of Spectrum Underground contract dispute
- Submitted for \$300,000.00 EDA grant supplement package – substation
- Submitted for \$26 million Federal Earmarks funding
- Submitted for \$8 million State CBIRS funding
- Secured FDOT/FAA grant match waiver
- Continued legal negotiations with D'Augustino real estate access dispute
- Negotiated with South American companies for potential business creation
- Enhanced City Website sublinks
- Finalization of Hardee Help Center building issue
- Implementation of COMCAST franchise agreement
- Commenced roofing repairs on Historic City Hall
- Attended Economic Development Committee and Board meetings
- Attended Planning and Zoning Board meetings
- Attended Code Enforcement Board meetings
- Implemented Strategic Plan Update Process
- Reviewed Contractual Building Department Analysis
- Finalized acquisition of Coker Property for CRA
- Finalized acquisition of Daw Property for City WWTP Facility
- Finalized acquisition of Circle K Property for City WWTP Facility
- Finalized acquisition of FCT Property for City WWTP Facility
- Implemented Financial Analysis of Golden Palms RV Facility Project

- Investigated green technologies potential for electric power generation
- Revised Safety Policies and Safety Meetings – Received PRM Award
- Received Exceptional Service Medal from City Staff and the Mayor for services rendered

II. FINANCE DEPARTMENT

Daily

Finance Department management

	FTE's
Customer Service	(4)
Accounting	(2)
HR	(1)
Utility Billing	(1)
IT Department	(1)
Meter Reading	(2)

Scope: The employees of the Finance Department control the cash inflows and outflows of the City. Meter reading of 14 routes bills five times monthly. Customer Service cashier receives the cash which is disbursed through 3 regular check runs and biweekly payrolls. An external auditor team of 4 auditors take a minimum of 4 weeks annually through interim audit and final audit to test all the functions and activities of the Finance Department. The Finance Department also oversees physical inventory counts and Computer IT functions.

Evaluation:

Annual evaluations were done at September 30, 2008. 3% raises were approved for all (11) positions.

The following activities are categorized in a manner of frequency order.

Biweekly

HR & Payroll

The HR function is administered and monitored by both Finance Director and City Manager. The HR specialist this year has excelled in orchestrating open enrollment, and assisting the City Manager in reorganization of safety committee activities and enhancements of the employee handbook. As a result of HR specialist's tireless efforts the City received a \$4,400 credit on the City's property and casualty insurance premium from Public Risk Management.

Drug testing continues to be a significant factor maintaining the City's claim to be a drug-free work place in addition to adding an \$8,500 credit on the City's property and casualty insurance premium from Public Risk Management for maintaining a Drug-Free workplace.

This July the HR specialist will attend her third annual conference and will consequently receive her certification upon completing this event. The certification is issued by the Florida Public Personnel Association.

The HR specialist played a greater role in the meeting with the City's self insurance pool administrator Public Risk Management. Her involvement has aided her understanding of both the health and property insurance elements affecting the City's insurance coverage.

The HR specialist coordinates and administers monthly distribution payments to the retirees as well as orders and certifies retirement contribution for ongoing employees with retirement contribution refunds for those employees who terminate.

The HR specialist is the primary individual responsible for the biweekly payrolls and all taxes, vendor payments and reports associated with the payroll function. Cross training was successfully accomplished for the payroll function of the HR specialist's duties.

Finance Director Activities

- Sign personnel checks

- Review & reconcile # of checks written and Direct Deposit \$\$\$ / ###
From previous biweekly payroll

- Sign payroll vendor checks

- Monitor worksheets designed to allocate health insurance and AD&D expenses

Monthly

The Accounting Specialist and Accounts Payable specialist are busy throughout the month monitoring and managing the cash flows for the City. The General Fund expenses checks for the majority of the City's monthly payments. Numerous transfers of funds are required for reimbursement of payments by the Airport Fund, CRA fund and Utility fund. The payroll fund receives payments for expenses belonging to the General Fund and Utility fund. Payroll taxes and vendors are then paid out of the Payroll Fund.

Manual checks are issued as needed on a limited basis. Each manual check usually requires transfers as monies received into all funds are deposited into a money market fund requiring a transfer from the money market account to the checking account to cover the check.

The accounting specialist is responsible for all adjusting journal entries requiring coordination between the accounting specialist and the accounts payable specialist in completing the monthly bank reconciliations.

Monthly bank reconciliations were completed a more timely basis than in the past four years since the software conversion begun in October 2003.

Activities:

Check runs

	Average \$\$\$	
5 th	-	\$ 121,500
15 th	-	\$ 540,500 (TECO bill \$ 440,000 monthly)
25 th	-	\$ 68,000
Total		\$ 730,000

Bond Debt Service monthly expense = \$ 60,000

Checking account reconciliation for (40 accounts) equals 10 – 20 hours workload between Accounting Specialists and A/P specialists.

Monthly adjusting entries by Accounting Specialist.

Pension fund – reports from the Florida Municipal Pension Trust Fund are sent to the City reporting the monthly ending balance in the General Employee Pension Fund and Police Pension Fund. Adjustments include Employer, Employee payroll contributions, gain or loss from market investments by Atlanta Capital, and any administration fees charged by FMPTF.

Auditor's expense allocations – Expense of the external auditors has been allocated within several accounts across General Fund, Airport and Utility fund.

Prepaid insurance premiums – Invoices are paid quarterly posting to a Prepaid Insurance Account. Allocation of expense is posted to departments across funds monthly.

Transfers for vendor invoices – The City deposits all receipt of funds into Money Market accounts to take advantage of interest earned on deposited monies. As funds are needed to cover checks issued transfers are made from money market accounts to checking accounts. The City does bulk of banking business with Wauchula State Bank and First National Bank of Wauchula. Transfers also need to be made between banks. Each transfer generates at least two sets of accounting entries to maintain the correct balances in the City's cash accounts. These adjustments account for most of the monthly adjusting entries made by the Accounting Specialist.

Quarterly

Payroll – 941 – The City does not withhold and match monies from the Federal Insurance Contributions Act. This is the 6.2% deduction usually required by Social Security Administration. However, because the City maintains a Government owned pension fund, contributions to Social Security Administration FICA are not required. Therefore, deductions from employee paychecks include only Medicare deductions at 1.45% along with federal withholding required by the Internal Revenue Service.

In the quarterly reconciliation of the 941 form it is necessary to consider reductions to employees gross payroll amount due to Cafeteria 125 reductions.

Allocation of Property & Casualty invoices – Prepaid Insurance Adjusting Entries
Invoices for Property & Casualty Insurance are submitted quarterly. Through an extensive allocation process, departments are charged with an allocated portion of insurance premium.

Annually

Budget – March – September

At this time we have made a first round of cuts to balance the budget. We are ready to ask the Commission to award a budget for 134 remote read water and electric meters. In addition to benefiting the reading of these meters during rainy season, this section of new meters will allow us to monitor measurement of usage provided by the new meters compared to measurements from the meters being replaced.

Year End Closing – August – December

FYE 9/30/08 was an unqualified opinion which is the highest opinion which can be given by a qualified external auditing firm on GAAP financial statements. The City continues to successfully secure grant-funding sources for infrastructure projects. Compliance requirements by Federal and State Single Audit Acts add to the risk assessments and auditing processes required during the audit.

Audit December – February

Efforts to make corrections and adjustments during the fiscal year as opposed to year end adjustments are an attempt to move the year end audit dates back to the first two weeks in November. Advances made in bringing the financial records more current in making the necessary interim adjustments will enhance and streamline the activities of the external auditors' testing

Financial Analysis

Cost of power Adjustment formula

A new cost of power adjustment formula has been formulated and tested. Preliminary estimates indicate the new cost of power adjustment formula will reduce annual electric revenues by \$100,000 to \$250,000 depending on volatility on fuel costs. However, the new cost of power adjustment formula has a forward-looking ability to adjust the formula based on TECO's current dollars and kwh produced versus annual estimated costs and kwh. The current formula does not have this ability.

Bulk Power Supply Contract

WHH Enterprises' confirmed City of Wauchula's cost of bulk power agreement with TECO is the best offering in the bulk power market at this time. The contract will end in 2013 at which time the City will be requesting proposals for a new bulk power agreement.

Capital Improvements

Water / Electric meters – Riverview Heights Subdivision

Bids for 134 water and electric meters for Riverview Heights subdivision have been obtained. The installation of the remote-read water meters will reduce time to read water meters especially during the rainy seasons. Consumption recorded by the new meters will be compared with consumption recorded by the replaced meters to determine accuracy of the consumption recorded by the older meters.

WWTP expansion

Funds for Phase I of the 3.0 MGD expansion to the Waste Water Treatment Plant have been requested and received to reimburse the City for expenses incurred. \$590,000 has been received from the DEP through a State Revolving Fund Loan. \$2,250,000 has been received from DCA through the Communities Development Block Grant for Small Communities program. \$902,000 of the \$1,000,000 secured from Community Budget Issues Request has been received to replenish construction, engineering and consultant expenses. The last \$98,000 will be used to reduce extra engineering fees generated from unscheduled oversight of the Contractor, Spectrum Underground on Phase I of the expansion project.

5th Well Project

Funding for the 5th well is being provided by a variety of sources. Through efforts provided by Angie Brewer & Associates a \$4M (2) year interim loan has been secured. This bond will be paid off and replaced by a SRF Loan provided through DEP. Additional efforts have placed the City of Wauchula in a favorable position to receive \$3M Federal Stimulus funds. This source of funding will provide allocation of \$2,550,000 grant and \$450,000 loan.

Bids for well-drilling contractors will be advertised and received in the next 30 days. The cost of the project will include connecting the well to the current water treatment system on the corner of Griffin Road and East Main Street.

Electric Substation Upgrade

Bids have been received and awarded for the transformer, switches and breakers included in the first of three phases of the City's electric substation rehabilitation project. Monies for completion of this project have been secured in the form of grants from Department of Energy and the local Hardee County Economic Development Agency. The project must be completed by March 2010 to meet completion deadline for the Department of Energy Grant. This is the most significant upgrade performed on the substation since 1981.

IT:

GIS

Cemetery mapping is currently in the stage of collating aerial maps coordinated to GIS points with title and deed records in City's archived record books. This exercise has provided new maps to replace old maps used by the Customer Service Department to sell grave plots to customers and issue orders to mark grave plots for funeral homes. The new maps will help Customer Service more accurately track sales and locations of registered owners of grave plots.

GIS software offering from vendor ESRI provided a unique opportunity for the City to obtain necessary software to accumulate, process and provide mapping of the City's utilities, zoning and land classifications, streets as well as GIS mapping for the cemetery. As data is accumulated in legitimate forms it will be incorporated into the overall GIS mapping system for the City.

The IT department has just downloaded a beta version of Microsoft Seven, Microsoft's newest operating system which will succeed the troubling Vista OS. Test by IT specialist John Gibney have so far proven the new operating system to be far superior to the Vista OS. Migration testing from XP OS to Microsoft Seven is the biggest unknown as the review and evaluation process continues.

The Finance Department continues to investigate procedures to enhance printing and distributing processes for Utility Bills, AP checks and Payroll. Only two dot-matrix printers remain in operation and will be replaced with alternate methods of providing reports and output rather than purchase new dot matrix printers.

Pension:

Have applied for but not received Favorable Determination Letter from IRS through efforts of Kelley Bosecher at Gray-Robinson for compliance to the 2006 Pension Protection Act for the General and Police Pension Funds.

Continue to work with Lowell Walters, associate to Kelley Bosecher at Gray Robinson, on SSA acceptance and approval of in-service distribution for employees having reached normal retirement age.

II. PUBLIC WORKS DEPARTMENT

Water and Wastewater Operations:

- Installed 3 new water taps
- Installed 1 new sewer taps
- Replaced 6 fire hydrants
- Replaced 2 high service pumps at water plant
- Piped 350 linear feet of new sewer line

Electric Distribution Operations:

- Installed 3 new electric services
- Installed 9 new electric service upgrades
- Installed 16 new transformers
- Replaced 12 transformers
- Replaced 3 line breakers
- Trimmed approximately 8 miles of power line
- Removed 184 trees

Special Projects:

- Remodeled the Hardee Help Center Building
- Initiated the remodeling of the Wauchula Garden Center Building
- Poured 21,840 sq.ft of concrete sidewalks, driveway curbs and aprons
- Installed a new roof over the tire and oil storage facility at mechanics shop
- Painted the Old City Hall
- Point tucked the city owned building housing Giovanni's Restaurant
- Installed the downtown stereo system
- Replaced micro-jet system in the City Orange Grove.
- Harvested \$8,000.00 worth of city owned oranges from the grove
- Replaced the Heritage Park water fountain system
- Demolition of two old houses for code enforcement
- Cleaned numerous lots for code enforcement
- Barricading and maintenance for Main Street programming

III. COMMUNITY DEVELOPMENT DEPARTMENT

June 2008

Planning & Zoning heard an application for rezone of the property located at the corner of Florida Ave & Stenstrom Rd. Request was to rezone to C-2 from r-2 in order to build a gas station with convenience store. Local residents opposed it. Board felt it did not fit in neighborhood. The Planning and Zoning Board recommended denial of the rezone request to the City Commission.

Planning & Zoning board heard 4 applications for annexation with rezone to C-1. Properties are contiguous and lie just to the south of the current FINR property on Florida Avenue. The Planning and Zoning Board recommended approval of all 4 requests to the City Commission.

Weekly progress meetings continued with both streetscaping contractors.

Prepared and submitted both the quarterly and annual report for Main Street Wauchula to Florida Main Street.

July 2008

No Planning & Zoning meeting.

Weekly progress meetings continued with both streetscaping contractors. Final walk-thru for the Main Street project was held. Contractor is working on punch-list items now.

Prepared and submitted the quarterly report to FEMA for the 2004 hurricanes. Close-out is still in process.

August 2008

No Planning & Zoning meeting.

Weekly progress meetings continued with both streetscaping contractors. Contractor for Main Street project continues to work on punch-list items. Highway 17 project completed at end of August, ready for walk-thru in September.

Submitted Request for Assistance for Tropical Storm Fay under Category B for Emergency Protective Measures. City paid for generators to be on stand-by to power all lift stations in the event of power outages.

Prepared amendment to Peace River Park Management Plan to be submitted as part of the proposed land swap between FCT and Daw property.

Submitted Annual July Report to FDOT on all LAP Agreements that had work performed in July.

I attended training on required updates to the Capital Improvement Elements of the Comprehensive Plan offered by Central Florida Regional Planning Council.

I attended a workshop on place making offered by the Heart of Florida section of the Florida Chapter of the American Planning Association.

September 2008

Planning & Zoning heard a request for rezone from Samuel L. Delatorre on property located at 702 – 712 E. Oak Street. Will be re-sent to P&Z in Oct to include Future Land Use Map Change. Staff presented two reports to the Board. One was on the storage pod at Faith Temple Church. The second was for the La Sonora Cantina on Hwy 17 south. Both special exceptions were granted for another year. The Board recommended approval of a variance to the sign height for a sign at Sweetbay to go on the northbound lanes of Hwy 17.

Weekly progress meetings continued on the Hwy 17 streetscaping project. Final quantities were submitted and invoiced by Westra. Final walk-thru on this project was completed in September. Punch list items were also completed.

Final quantities that were submitted by Spectrum are being reviewed on the Main Street streetscaping project.

Extensions to the LAP Agreement with FDOT on all streetscaping projects were approved to extend the projects until October 31, 2008 in order to complete all closeout documentation.

Submitted quarterly report for Main Street Wauchula.

Attended first class for Leadership Hardee. Focus was on education and the day included tours of various schools throughout the county.

Meet with Marla Nance from MTN Resources to go over construction contract compliance documentation on all streetscaping LAP projects.

Code Enforcement Board heard request from Samuel L. Delatorre to reduce fines on property located at 702-712 E. Oak Street. He purchased property from prior owner who had let the property go into foreclosure with the City. He has already started repairs on the property to bring them into compliance. Board agreed to reduce fines to \$12,500. Fines were paid the next day.

Streetscaping of block between 7th & 8th Avenue along Main Street began. Timeline shows completion by October 31, 2008. Raised planters were removed and planter beds will be flush with the sidewalk instead. Plant material was revised.

Closeout documentation for the CDBG-DRI was submitted to DCA through Angie Brewer's office.

October 2008

Planning & Zoning heard a request for rezone from Samuel L. Delatorre on property located at 702 – 712 E. Oak Street. Board recommended approval. Steve Dutch with Chastain Skillman and Alan Klose with Central Florida Regional Planning Council presented the 10 Year Water Supply Plan to the Board with related comprehensive plan amendments. Board recommended approval. Alan Klose also presented the annual update to the Capital Improvement Element of the Comprehensive Plan. Board recommended approval.

Walk-thru to verify punch list items on Hwy 17 Streetscaping project was completed. FDOT stated that some of the trees, which were planted according to plans, were not permitted to remain in their location. Plans were approved by FDOT however the locations on the plans do not meet FDOT requirements. FDOT is requiring the trees be moved. Westra is going to submit prices to move all of the trees requiring relocation. City has stated to FDOT that there are no local funds available to move trees and LAP funding is completely expended on construction to date. PBS&J representative stated that the extra funds from another LAP project maybe able to be moved to cover the extra expense.

Final quantities were agreed on between the City and Spectrum. All punch list work was completed and walk-thru to verify such was completed.

Submitted quarterly report for EDA Grants on Harvest Aviation and the Electric Substation. Also submitted reimbursement request for Harvest Aviation project.

Streetscaping of block between 7th & 8th Avenue along Main Street completed.

Kickoff meeting with FEMA was held for Tropical Storm Faye. Paperwork was submitted to Public Assistance Coordinator to start claim.

Resumes were received for the Main Street Wauchula/CRA Executive Director position. City Commission appointed review committee. Committee met and narrowed field of 10 applicants to 4. Interviews are scheduled for November 5th. Committee intends to make a recommendation to Commission for hire at the November 10th City Commission meeting.

Code Enforcement Board met and reviewed two older cases, Adela Chancey t 714 N. 9th Avenue and FM & SJC Property Investments, LLC at 908 Seminole Street. Board granted extensions on both cases.

November 2008

No Planning & Zoning meeting this month. No quorum.

FDOT has now stated that the extra funds from one LAP agreement may not be moved to the Hwy 17 LAP to pay to move the trees. The cost submitted by the contractor is just under \$11,000. Held conference call with City, KHA and FDOT to discuss status of project and FDOT stated that they are trying to get clearance for the trees to remain as the project was built according to plans. If that is not possible, FDOT's next step is to locate funds to pay for the move. Waiting to hear back from FDOT.

Final PW was signed for Tropical Storm Faye. Awaiting payment on claim now.

Recommendation was made to Commission at November 10th meeting to hire Jessica Newman as new Main Street/CRA Director.

Code Enforcement Board met and reviewed the Adela Chancey case again. Board granted additional time for repairs before City Attorney is to proceed with foreclosure process. Code Enforcement officers are still waiting on Mr. Ables to review and edit letters for various code enforcement issues.

Attended the Leadership Hardee class for Healthcare Day.

December 2008

Planning & Zoning Board approved a special exception for a single family residence to be constructed on a property zoned C-1 at 405 N. Florida Avenue for Vidal Islas.

FDOT will allow the Washingtonian Palms to remain in place but is still requiring the trees on the outer reaches of the project to be relocated into compliance. Lisa Brinson with FDOT has confirmed that she has funds in place to cover the cost. New agreements will be issued for the additional funds.

No Code Enforcement Board meeting due to the Christmas Holiday.

Attended Leadership Hardee class for Industry Day.

Attended the Heartland 2060 Economic Development Task Force meeting.

FDOT completed another “final” walk through for Main Street Streetscaping. Final payment requests will be submitted in early January to FDOT.

Main Street Quarterly report for October through December was submitted.

January 2009

FDOT finalized supplemental LAP Agreement for additional funds to relocate trees along Hwy 17. Will go before City Commission for approval in February.

City Commission approved maintenance agreement with FDOT on repairs done to Depot. Abatement work began on Depot.

Attended Leadership Hardee class for Legal/Government Day.

No Planning & Zoning Board Meeting.

Code Enforcement Board voted to review progress of repairs on Gary Delatorre’s property at 209-221 E. Main Street in six months.

New Main Street/CRA Director, Jessica Newman, started.

Final pay requests for Main Street Streetscaping projects submitted to FDOT.

Performed labor interviews at airport for parking ramp/apron project being funded with funds from FAA.

Attended CFRPC meeting.

Prepared Quarterly Status Report and Reimbursement Request for Harvest Aviation project. Submitted to EDA. Prepared Quarterly Status Report and

Reimbursement Request for Electric Substation Expansion project. Submitted to EDA.

Attended workshop held by Economic Development Office for the Hardee County Board of County Commissioners.

Attended Legislative Delegation at Hardee County Commission Chambers.

Met with Grillin' & Chillin' Committee begin planning the event for 2009.

Attended Economic Development Authority meeting.

February 2009

Planning & Zoning heard an application for annexation of a small parcel next to the Stine, Schontag & Lopez parcels that were already annexed by ProCorp. Annexation was recommended. Also heard rezone request for the other previously annexed parcels to P-1 from R-1A. Mills Development Group made a presentation of their intentions for the property. Rezone was recommended for approval. Rezone request was heard from Owens on 745 Owens Drive. Request was to rezone from R-4 to FR. Rezone was recommended for approval. Variance request was heard from Rosemary Gicker. Variance was to have an 8' privacy fence rather than a 6' privacy fence. Request was recommended for approval.

Code Enforcement Board was presented with a previous case on Concepcion & Moya Hernandez at 513 N. 8th Avenue.

Attended Leadership Hardee for Human Services Day.

FDOT supplemental LAP Agreement for additional funds to relocate trees along Hwy 17 was approved by Commission. Agreement was forwarded to FDOT. FDOT will not sign until Resolution is clarified. City Attorney will have to revise and present it again in March to Commission.

Submitted closeout documentation on LAP Agreement FM 411769 for Sidewalks with FDOT.

Met with Kayton Nedza to begin coordinating educational programs to be held at Peace River Park. First guided walking tour will be held in March.

I organized meeting of all of the utility providers for the Mills Development Group project. Meeting was held at the Economic Development Office.

Attended Joint Planning Session at the Economic Development Office.

Attended Heartland 2060 - Education, Workforce and Economic Development Task Force meeting.

Attended Florida Economic Development Council's Legislative Update meeting. March 2009

Planning & Zoning heard an application for a front setback variance for Freeman at 701 Oak Forest Drive. Variance was recommended for denial to City Commission.

Code Enforcement Board was presented with 19 previously opened cases.

Attended Leadership Hardee Class for Cultural Arts Day.

Revised Resolution 2009-02 to approve FDOT LAP Agreement to move trees along Hwy 17 was approved. Received executed originals back from FDOT. Issued Notice to Proceed to contractor to start work.

Walk-n-Talk at Peace River Park was successful. There were eight guests in attendance along with Kayton Nedza as Tour Guide.

Attended planning meetings with Main Street and the Chamber of Commerce in preparation for Grillin' & Chillin'.

Attended FDOT Economic Stimulus Information Meeting.

Attended Title VI Training for FDOT.

April 2009

No items on Planning & Zoning Agenda.

Code Enforcement had a large agenda including 17 new cases.

Attended Leadership Hardee Class for Law Enforcement Day.

Inter-local agreement with Hardee County Building Department was renewed.

Attended Joint Planning Session at the Economic Development Office.

Submitted quarterly reports and reimbursement requests for both the Harvest Aviation and Electric Substation EDA Grants.

Attended training class on use of the Federal Aviation Database along with Avcon representatives.

Served on the selection committee for the CRA Master Redevelopment Plan Update project.

Met with both developer and engineer regarding utilities for the Mills Development Group proposed ALF within the City.

Final monitoring visit with DCA was held in regards to the CDBG-DRI Wastewater Treatment Plan Improvements. Angie Brewer & Associates were also in attendance. Grant is waiting closeout now.

Attended the Heartland 2060 meeting for the Economic Development and Education Task Force.

Completed Strategic Plan for the Community Development Department.

May 2009

Planning and Zoning heard a proposed developer's agreement for Mills Development related to property owned by Schontag, Lopez and Stine. Comments were noted and passed onto City Commission for review at their June workshop. Application for annexation of recently purchased Daw property was recommended for approval. Application for rezone of existing property within Peace River Park to public use zoning to be part of WWTP was heard by Planning & Zoning and recommended for approval.

Attended a luncheon and awards ceremony for Leadership Hardee program.

Code Enforcement heard twelve new cases.

Worked on application for a grant from the Hardee County EDA to extend water and wastewater utilities to the Schontag, Lopez and Stine property. Application submitted June 1, 2009.

IV COMMUNITY REDEVELOPMENT AGENCY

- Received 11 responses to the Master Redevelopment Plan Update RFQ. A selection committee consisting of Bill Lambert, EDC, Casey Dixon, Hardee County Chamber of Commerce, Rick Giroux, City Manager, Olivia Minshew, Community Development Director, and David Royal, Mayor reviewed and scored all submittals to selected three firms in order of scoring; Kimley Horn & Associates, ZHA, and Wilson Miller. Contract negotiations are underway with Kimley Horn & Associates.
- The CRA Coordinator has worked with the webmaster for the City of Wauchula to update and reformat portions of the Cities website.
- The CRA purchased 119 S. 8th Avenue
- The CRA purchased 231 W. Main Street for the amount of \$381,208

- CRA funds were used for streetscaping of Main Street between 7th & 8th Avenues in the amount of \$206,556.64. These funds, combined with FDOT funds allowed for streetscaping along Highway 17 North & South as well as Main Street between Highway 17 North & South. The project was completed in October of 2008.
- CRA Coordinator attended the Florida Redevelopment Association quarterly meeting in Sebring on May 4th.

V. MAIN STREET WAUCHULA

- The Commission hired Jessica Newman as the new Main Street Wauchula Director and CRA Coordinator.
- The CRA allocated \$25,000 for the operation of Main Street Wauchula.
- Main Street Wauchula had an information booth at the PRECO Annual Meeting on March 7th.
- The CRA allocated \$10,000 to Main Street to be used for the façade grant program.
- Main Street Wauchula with the help of the Hardee County Chamber of Commerce and the City Community Development Department hosted a successful Grillin' & Chillin' event on March 28th & 29th.
- Main Street Wauchula had an information booth at Career Day at Hardee Senior High on April 24th.
- Main Street Wauchula has been working with the downtown businesses to create a regular monthly event called Friday Night Live. This event includes live entertainment, activities for kids and adults, and shopping and downtown in the downtown businesses. Friday Night Live has brought over 2,000 people downtown and has been well received by the downtown businesses. Friday Night Live began in April and the committee has planned the event through March of 2010. They hope to make this an ongoing event.
- Main Street Wauchula has worked with the merchants to create a "Frequent Shopper" card they can give to their customers.
- Main Street Wauchula has worked with the merchants to create a "Downtown Dollar" to be used in the downtown. The Downtown Dollar has the value of \$1.05 for a 5% discount on all purchases made at participating businesses. The Downtown Dollar is being finalized and will be ready for purchase by the public by August.
- Main Street Wauchula is putting together a Board of Directors beginning with the committee chairmen. The Board will be completed by October 1.
- Main Street Wauchula is creating a new website with ENS Media. The website will be live in August.
- Main Street Wauchula hosted a youth focus group on June 23rd. Six teens were in attendance and provided feedback regarding downtown businesses and events.

- Main Street Wauchula attended the Florida Main Street Quarterly meeting in Milton on January 12th – 14th as well as the Main Street 101 and Quarterly meeting on June 10th – 12th.
- Main Street Wauchula worked with the merchants to create a Frequent Shopper card as a promotional campaign.

VI. POLICE DEPARTMENT

July 2008

July 2nd – Capt. Thomas Harris received confirmation to his acceptance to attend the FBI Academy in Quantico, VA., in January 2009.

July 7th – 10th – Lt. Stimson and Sgt. Eason conducted CPR training for all City of Wauchula Employees. This training was held at the Hardee County Health Department and was established by Terri Svendsen to assist in the City's Insurance rating.

July 9th – The Wauchula Police Department's mobile trailer was taken to Hardee Correctional Institute as inmates were building cabinets for the interior of the trailer. The trailer was returned to the police department on July 30th with cabinets and workstations installed.

On July 21, 2008, the Wauchula Police Department Family lost a great friend. Coach Gregg White was a close friend to many members of the Department. We cannot put into words how much he will be missed. Although physically he is no longer with us, his spirit will live on forever. Gregg was a man that had a grand impact in the lives of many. The Department had the privilege to work with Gregg on the Multi-Jurisdictional Gang Task Force. His skills and knowledge was an asset in combating the Gang problems throughout the community. Greg had a genuine love for kids, people and worked hard to make a difference in his community.

July 22nd – 24th – The Wauchula Police Department held its third re-accreditation on-site assessment. The on-site consisted of the review of 273 standards that the department must be in compliance in order to be awarded re-accreditation status by the Commission for Florida Law Enforcement Accreditation. Furthermore, the team held individual interviews with members of the department to assure the accuracy of the policies and procedures practiced. They also rode along with Patrol Officers, members of the team observed the day-to-day operations to ensure officer's complied with the department's policies and accreditation standards.

The on-site assessment team consisted of Team Leader Lori Collins of Pasco County Sheriff's Office, Lt. Rick Hawthorn of Gulf Breeze Police

Department, and Sgt. Diana Blackledge of Palm Bay Police Department. During the team's exit interview with Chief Beattie, Team Leader Lori Collins informed him that the Wauchula Police Department was found to be in compliance with all of the standards. The Department will receive the re-accreditation certification during the next Accreditation Conference in October.

July 26th – The Wauchula Police Department handled the parking arrangements for the memorial service of Gregg White at the First Baptist Church. It is estimated that approximately 450 cars were parked from 9:00 a.m. to 10:45 a.m., just prior to the start of services.

We would like to express our most heart-felt sympathy to his family, especially his daughters, the loves of his life. We would like to thank them for allowing us to be a part of their father's life. The members of this Department will never forget Coach Gregg White, and we will work hard to carry on his genuine love for people. He was loved and will be missed by many. Thank you, Coach White for being a part of this Department and believing in us.

August 2008

August 12th – 15th – Sgt. Eason and Cpl. Garza attended the Florida Gang Officers Conference in Fort Myers. This conference is held annually among gang officers to train in updated techniques for dealing with gangs and gang members in large and small communities.

Entire Month – Capt. Harris continued his progression of testing and interviews for his admittance into the National FBI Academy. Capt. Harris is scheduled to attend the FBI Academy in Quantico, VA. in January 2009.

Wauchula Police Department's mobile trailer continues to move forward in its completion:

August 14th – Carpet and vinyl flooring was donated and installed on the walls for insulation and sound dampening.

August 16th – Electrical boxes were cut and placed for electrical work to be completed at workstations.

August 18th – Officers from the Wauchula Police Department assisted with Traffic Control at Wauchula Elementary for the first day back to school.

Chief Beattie, Lt. Dave Stimson and Victims Advocate Sandra Rojas, along with Capt. Harris, Ptl. Wyatt, Cpl. Whatley, and Cpl. Garza handed out goodie bags to children and their parents as they arrived at the school. These bags contained school supplies such as pencils, rulers, and pens along with safety flyers and booklets for the start of school. The items contained in the bags and passed out were received from the Click It or Ticket campaign office in Bartow and from local businesses.

August 18th – August 19th – The Wauchula Police Department was allowed a test run of its Hurricane Preparedness with Tropical Storm Fay moving through the area. Officers were placed on Alpha/Bravo 12-hour shifts starting Monday the 18th at 6 p.m. and ending on Wednesday, the 20th at 6 a.m. Although Hardee County and Wauchula did not receive a direct hit from the storm as previous tracking charts had shown, the department was able to mobilize efficiently with minimal problems or effects. This action helped the department to locate weak areas for improvement the next time our community is faced with a possible natural disaster.

August 25th – August 28th – All new state of the art telecommunications emergency 911 dispatch equipment was received and set-up. This equipment, costing over \$250,000 was procured through grants received by the Hardee County Emergency Management Office to update the back-up dispatch center located at the Wauchula Police Department.

September 2008

September 8th – The Wauchula Police Department participated in Operation Higher Education. This operation was an exercise to test local emergency services as to the readiness of a school take over and shooting. Within the exercise, the Wauchula Police Department was responsible for security at Hardee Wildcat Stadium. This was the point to which children would be evacuated to and for reuniting with parents or family members. This exercise allowed the department to check the readiness of a call-back to duty situation with off-duty personnel. This exercise also showed areas of weakness in handling an emotionally charged parent in such a situation.

September 11th – Lt. David Stimson attended the South Florida Community College Public Safety Academy Advisory Board meeting. This board is made up of Chief, Sheriff, or an appointed designee from all surrounding departments that the Public Service Academy services. These board meetings are used as steering committees to the types of advanced classes needed in the area to the purchasing of training equipment for the academy.

September 12th – Lt. David Stimson attended Advanced Cardiac Life Support (ACLS) training at Hardee County Fire Rescue Station 1. This training is a mandated refresher training used towards the renewal of Paramedic license.

September 19th – The Wauchula Police Department's mobile trailer continues to move forward in its completion: the trailer was taken to Dusty's Camper World to have the water tank, pump, reclaiming tank, external water hook-up, and 12-volt electrical systems installed.

The CFA Commissioners praised Chief Beattie and the department for its continuous dedication to the accreditation process. Commissioner Sheriff Bob Hansell of the Osceola County Sheriff's Office stated that the Wauchula Police Department is an exemplary agency to other smaller agencies that are striving to achieve accreditation status.

The department received its accreditation status in 1999. This was the first law enforcement agency in the county to receive this distinguished honor. Furthermore, this has been the only agency to be accredited consecutively in the county as well. This accomplishment has been a team effort that has been supported by all in the department.

October 2008

On Wednesday, October 8, 2008, Chief William C. Beattie, Captain Thomas Harris, Accreditation Manager Maria Rojas-Quinn, and Victims Advocate Sandra Rojas, traveled to Crystal River for the Commission for Law Enforcement Accreditation Conference to receive the Wauchula Police Department's fourth Law Enforcement Accreditation Certification.

October 10th – The Wauchula Police Department assisted in the annual Hardee High School homecoming parade. Chief Beattie along with the City Manager Rick Giroux led the parade while officers handled traffic control. There were no reported incidents during this event.

October 13th – October 24th – Cpl. Gabe Garza and Ptl. Robert Spencer attended 40-hour Field Training Officer (FTO) at Polk Community College. This course is designed to introduce officers to all aspects of field training and the evaluation process of new hire officers during the field training aspect of the new officers employment.

October 21st – October 24th – Lt. David Stimson attended Pediatric Advanced Life Support (PALS) Training with Hardee County Fire Rescue. This training is mandated refresher training use towards the renewal of Lt. Stimson's Paramedic License. The class covered advanced techniques for care of severely sick children.

October 22nd – The department’s new motorcycle was delivered to Harley Davidson of Lakeland. Officials from Harley Davidson in Milwaukee will be coming down in early November to Harley Davidson of Lakeland to host a handover presentation in which they will turn the keys to the bike over to the Police Department.

October 25th – The City of Wauchula held it’s annual Trick or Treat to which children collected candy though out the city. Extra officers were brought in to assist by patrolling heavy areas and to assist in making the streets safe for pedestrian traffic as the children moved from house to house. There were no reported incidents or problems during this event.

October 30th – Capt. Harris attended the Senior Officials Workshop for hazardous Preparedness given by the Texas Engineering Extension Service associated with FEMA. This workshop’s intent was to provide a forum to discuss strategic and executive level issues related to disaster preparedness, share proven strategies and best practices, and enhance coordination among officials responsible for emergency response to a disaster.

All October – Work continues on the Wauchula Police Department trailer.

Kevin Brown (Senior Service Assistance) with Dusty’s Camper World in Bartow, FL., has been working with officials from Camper World Inc., and their associated vendors to help in cutting the expenses of needed work to complete the interior renovation of the trailer.

Kevin has been working to help the City and the department by collecting donations of materials and supplies from their vendors for the work to be completed on the trailer.

Kevin’s cooperation with the department on this project to date has saved approximately \$800.00. This stage of work on the trailer should be completed by early to mid November. After this work is completed the last stage of work for the trailer will be the exterior lighting, and outside graphics which will look identical to that on the department’s patrol cars.

Search Warrants – There was one search warrant within the city during the month of October. The Hardee County Drug Task Force served a warrant at 112 N. 1st Ave., on October 2nd. The residence had been targeted as a location where narcotics were being delivered and sold.

Narcotics were purchased by use of a confidential informant from the residence to which officers on serving the warrant made three arrests of

individuals, along with recovery of narcotics, narcotic equipment, and several pieces of stolen property.

November 2008

November 7th – Chief Beattie and Lt. Stimson attended the After Action Review of Operation Higher Education at the Hardee County Emergency Operations Center. This meeting was to review and critique areas of weakness and strength noted during the recent School Take Over/Shooting exercise held at Hardee Junior High in August. Members of other departments and organizations whom participated in the event were also present to add their comments to the review.

November 10 – 25th – Ptl. Justin Wyatt attended Criminal Law held at South Florida Community College Public Safety Academy. This advanced course was designed for the law enforcement officer to refresh and update their basic skills and knowledge in Criminal Law. The class was presented by ASA David Ward, in which recent court decisions, and new Florida statutes were presented.

November 12 and 13th – Lt. David Stimson attended Less Lethal Users course held at South Florida Community College Public Safety Academy. This advanced course presented information and certification to a law enforcement officer on carrying and use of less lethal munitions. Various types and use of less lethal munitions, proper use of force, equipment concerns, and live fire presentations were covered in the course. This course also allows Lt. Stimson to come back to the department and instruct other officers in the use of less lethal munitions.

November 14th – The Wauchula Police Department along with the Wauchula Administration personnel held a Thanksgiving luncheon.

November 15th and 16th – Cpl. Gabe Garza attended Patrol Rifle One Class at South Florida Community College Public Safety Academy. This advanced course presented information to the law enforcement officer on how to use a semi-automatic rifle while on duty. Topics presented included care and cleaning, functioning, basic marksmanship, carrying methods, position shooting, and transition techniques.

November 19th – Ptl. Jonathan Corwin officially left the United States for his tour of duty with the Florida National Guard. Ptl. Corwin is a Sgt. in the Florida National Guard and has been deployed back to Iraq where he will be working with Forward Satellite Communications while overseas. Ptl. Corwin took a leave of absence from the department in August after being mobilized and called back up for training prior to deployment. Ptl. Corwin is expecting that this deployment to Iraq will last between 10 to 12

months before returning back state side. The Police Department will be placing a framed photo in the trophy case located in the lobby of the Wauchula Administration building of Ptl. Corwin while he is on active duty in Iraq to honor his selfless service and sacrifice to this Nation.

All November – Wauchula Police Department Victims Advocate Sandra Rojas has been working on the police departments annual Christmas Toy Drive. She has been collecting contributions from individuals and businesses to add in making this year's toy drive a success. The distribution of the collected or purchased toys will be held on December 20th.

December 2008

December 6th – The Wauchula Police Department assisted with the annual Hardee County Christmas Parade. Officers handled all traffic around the Parade Route while Chief Beattie Lead the parade along with City Manager Rick Giroux. There were no incidents or traffic related problems reported during this annual event.

December 8th, through 19th – Cpl. Paul Bohanan attended an 80 hours Motor Officer Training Course. This course instill in the individual officer a confident knowledge of the performance potential of the police motorcycle and of his ability to operate it at its' optimum level, while creating a responsible awareness of the limitations of both the machine and its' rider.

Many people assume that an officer is qualified for police motorcycle duty simply on the strength of prior experience operating civilian motorcycles. Not so! The high load factor of police motorcycles, along with the unusual distribution of the load, results in unique handling characteristics. This, plus the high speeds and/or maneuverability required of police motorcyclists, creates the need for higher-level skills than civilian riders are equipped to master without specialized training.

This intensive 80-hour program helped to develop the coordination, skill and confidence necessary for the Officer to operate a police motorcycle safely and efficiently. This class covered such topics as:

- Machine nomenclature
- Slow speed maneuvering
- Control
- Braking
- Curve Negotiation
- Motorcycle maintenance

- Defensive driving techniques
- Law enforcement techniques

Throughout the program, the rider would be continually evaluated. Upon successful completion of the course, the officer had to demonstrated their ability to use all the defensive riding techniques and manual skills they had learned, and will be fully prepared for on-the-job training within their agency.

December 12th – The Wauchula Police Department held its annual Department Christmas Party.

Officers brought in food and drink to share and enjoy. During the gathering Chief Beattie handed out Certificates of recognition and awards to officers for their actions through out the year.

The following were handed out as follows:

Certificates of Recognition

Most Felony Arrest for 2008 – Sgt. John Eason

Most Misdemeanor Arrest for 2008 – Sgt. John Eason

Most DUI Arrest for 2008 – Cpl. Matthew Whatley

Most Field Contact made for 2008 – Cpl. Gabe Garza

Most Calls for Service Answered for 2008 – Ptl. Amy Drake

Awards

Medals:

Det. Kevin Brock and Det. Jason Eason – Honorable Service

This Medal is given for a creditable act in the line of duty, which meets some, but not all of the requirements for other medals, and is unusual in nature, showing initiative and accomplishment.

Detectives Brock and Eason made several drug arrests in one night to which finally lead to a large seizure of narcotics and money.

Ptl. Amy Drake – Exceptional Service

This medal is for a highly creditable accomplishment bringing public acclaim to the Officer, his/her Department of the Law Enforcement profession as a result of training and devotion to duty or service to the public.

Officer Drake while working the Mid Night shift single handedly captured an armed robbery suspect just minutes after the reported armed robbery of Stop and Shop located at Bay St. and S 6th Ave.

Officer of the Year and Civilian employee of the year

Officer of the Year – Ptl. Amy Drake

Civilian Employee of the Year – Animal Control Officer Terri Davis.

December 20th – The Wauchula Police Department along with the Hardee County Sheriffs Office, and the Hardee Correctional Institute, held its annual Law Enforcement Toy Drive. Officers from all three agencies, family members, and Department support staff came in to distribute new unwrapped toys to less fortunate children.

Victims Advocate Sandra Rojas headed this year's event and was able to raise \$3,360.00 in donations from local businesses and organizations. The Hardee Correctional Institute contributed a donation of 660 wooden toys built by inmates at the facility wood shop. These toys are built out of scrap wood left from other state projects. A total of 550 children were given toys and no child was turned away.

January 2009

January 9th – Captain Harris left for the Federal Bureau of Investigations (FBI) Academy in Quantico VA. Captain Harris will spend 10 weeks in Quantico studying advanced topics in Law Enforcement. Captain Harris is due to return to Wauchula on or about the week of March 20th.

January 16th – The Wauchula Police Department assisted with the 60' Class Reunion held in Heritage Park. Four officers were assigned to the event for Traffic, Crowd Control and Security. There were no incidents or crimes reported having stemmed from this event.

January 17th – The Wauchula Police Department assisted with the annual Martin Luther King Day Parade. The Parade was held at 11:00 am to which it started at the Old Hardee Junior High School heading East on West Main St. to 7th Ave. South. The Parade then turned back to the West on Orange St. and ended back at the Old Junior High School. There were no reported or related incidents from this event.

January 17th – Animal Control Officer Terri Davis attended the Hardee County Health Expo located at Pioneer Park. ACO Davis represented the City of Wauchula and for the Hardee County Board of County Commissioners Animal Control.

February 2009

Capt. Harris continues his studies at the FBI Academy in Quantico, VA. Capt. Harris has approximately 2 weeks left in Quantico before graduating on March 20th. While at the academy Capt. Harris has studied such topics as Physical Fitness, Media Interview and Relations, Management, Officer Involved Shooting, and Use of Force.

February 2nd – 23rd – Officers Garza and Spencer attended the Instructors Technique Workshop. This course is designed to certify a criminal justice officer as and FDLE/CJSTC certified instructor allowing these officers to teach other officers in in-services or advanced trainings.

February 4th – The Wauchula Police Department was awarded a 2000 GMC Denali on forfeiture from a subject who was arrested for being a convicted felon and for being in possession of an illegal short barrel shotgun and ammunition.

February 11th – Victims Advocate Sandra Rojas attended the Florida Crime Prevention Training Institute sponsored by the Florida Office of the Attorney General for the class The Criminal Justice System. This class discussed the criminal justice system and review of the Florida Court Systems in relation to victim advocacy.

February 23rd – 27th – Officer Sean Guthas attended Basic Speed Measurement (RADAR) class at the Lakeland Police Department. This class certified the officer to use and speed measurement devices while on patrol.

The Wauchula Police Department received a letter and certificate from the United States Army for their gratitude with Officer Jonathan Corwin who is currently deployed in Iraq. Awarding the Wauchula Police Department with a certificate of appreciation for the US Army Freedom Team Salute.

Two new part-time officers were hired with the department – Jason Hale comes to us from Winter Haven. He has a background in electronics. Cesar Medina comes to us from Avon Park. He has a background in Customer Relations.

March 2009

March 6th – The Wauchula Police Department held it annual Baked Ziti Lunch sale. Office staff from the City Administration side and the Police Department worked together to help raise money for Relay for Life

March 7th – Ptl. Robert Spencer, Victims Advocate Sandra Rojas, and Volunteer Renee Wyatt attended the Peace River Electric Coop's annual shareholders meeting. The Department placed a static display of the Departments Multipurpose trailer, Four-wheeler, and seized Expedition. Safety information was passed out to visitors who came to walk through the display.

March 11th – Sgt. Eason, Sgt. LeConte, and Cpl. Whatley attended an afternoon seminar at the Hardee County Sheriffs Office. This Seminar was sponsored by FDLE to which the officers were shown the use of automated Uniform Traffic Citations.

The State of Florida has received a grant from the US DOT in which the state purchased software for all Law Enforcement Departments in the State to change over to the automated Citation System. This system will allow the officer to swipe the Drivers License in which the information from the license will automatically fill in on a traffic citation. The officer will then only need to enter the violation statue number, location of violation and vehicle information. The system then prints the ticket to be issued. The system will also be able to electronically send the citation information back to the Police Department and on to the Clerks of Courts Office.

The system should be going on line sometime around the end of April or beginning of May 2009.

March 20th – Captain Harris graduated form the FBI Academy in Quantico Virginia. Chief Beattie and family attended.

March 21st – The Wauchula Police Department held it annual Car Wash at David Singletary's State Farm. Personnel from both the Police Department and City Administration worked together at the car wash were to help raise money for Relay for Life.

March 25th – Three officers were sized for new ballistics vest. The vest were purchased through a block grant awarded to the Wauchula Police Department

March 27th and 28th – The Wauchula Police assisted Wauchula Main Street with the annual Chillin and Grillin on Main.

This event was two fold for the department:

The department assisted Jessica Newman with Traffic Control dealing with the public, grill teams, and vendors. The Department also supplied security for the two-day event.

The second part of the event the Wauchula Police Department and City Administration also sold Fried Twinkie's, Oreo's, Pickles, and Onion Rings to help raise money for Relay for Life.

April 2009

All Month – Officers have been completing the annual Blood Borne Pathogens and Hazardous Material training. Officers are required yearly under accreditation to have annual training in these topics. The training is computer based and takes approximately one hour to complete each topic.

April 18th – The Wauchula Police Department participated in the Relay for Life event held at the Hardee Wildcat Stadium.

April 26th through 29th – Chief Beattie attended the 15th Annual Graduates Educational Conference, in Orlando, Fl. The Florida Criminal Justice Executive Institute and the Florida Department of Law Enforcement presented the conference in which topics of discussion included Management in Human Resources, and Islamic Terrorism.

April 26th through May 1st – Lt. David Stimson attended the Florida Executive Development Seminar (F.E.D.S.) in Palm Beach Fl. The Federal Bureau of Investigations Miami Field Office hosted this class in which topics were covered in Leadership, Management, and Media Relations.

This was the first of a three series class hosted by the FBI.

April 24th – The Wauchula Police Department participated in Career Day at Hardee Sr. High.

Lt. Stimson, Cpl. Bohanan, Sandra Rojas, and Rene Wyatt attended the event. The Department took the Mobile Command Trailer, four wheeler, and Harley Motor bike to the school. Approximately 500 children stopped by and spoke to the department representatives about Law Enforcement and the equipment that was on display.

May 2009

All Month – Officers have been completing mandatory re-certification classes on line.

Officers are assigned a four-year cycle from the date of employment ending on June 30th 2009. With in that four-year cycle officers must obtain 40 hours of training to include classes on Domestic Violence, Crimes Against Children and the Elderly, Ethics, and Discriminatory Profiling.

May 19th – Officers: Hale, Medina, Guthas, Bermudez, and Yodonis were trained in the use of Taser. This training now allows these officers to carry the taser as part of their standard duty equipment.

May 18th - 29th – Officers Smith and Nicholas attended Polk Community College Public Safety Academy in which they attended a 40-hour class on Interviews and Interrogations. This class helps officer to become a more prepared interviewer when dealing with Suspects, Victims, and Witnesses.

May 22nd – Officers from the Wauchula Police Department and other city employees attended CPR training. This training was for employees who missed the training given at the end of last year and for new employees hired after the first training session. 5 officers total completed the training

May 28th - 29th – Accreditation Manager Maria Pearson attended a two-day seminar in Orlando on grant writing. This class helps the participants to find new ways and skills in grant writing and tactics to use in helping to achieve grant funding.

The Wauchula Police Department assisted with the Main Street Office in providing security for the newly created Main Street Live on Friday nights.

June 2009

June 9th – Cpl. Gabe Garza was promoted to the rank of Sergeant. This promotion comes as Sgt. LeConte has requested to voluntarily step down from this rank to take on duty of the K-9 Officer which could no longer be filled by the Cpl. Whatley.

June 12th – All officers reported to the Hardee County Firing Range to complete annual Firearms and Taser qualification. This is required yearly by FDLE to show officer proficiency with their firearm and Taser.

June 13th – 18th – Chief William C. Beattie attended the 58th Summer Florida Police Chiefs Conference in Wesley Chapel Fl.

SECTION FOUR – ADMINISTRATIVE RECOMMENDATIONS

Upon reflection, the City anticipated that this year would be a continuation of the strategic plan set in motion during the previous three fiscal years, especially concerning the water, wastewater and electrical infrastructure objectives put into motion for pending construction during prior year. This assumption was partially incorrect. Though much of our financial and administrative efforts were indeed geared toward facilitating and

realizing our infrastructure objectives, the scope of our efforts required significant adjustment due to recent national economic trends. These trends, which may significantly affect not only the City's short-term agenda, but also affect its long-term goals.

The City of Wauchula, like virtually every other city in America is both directly and indirectly affected by external factors, specifically the ramifications of the serious economic crisis we now face as a nation. As the economy curls up into a fetal position, it becomes highly probable that our municipal revenue streams and budget will follow suit unless further adjustments are made and new alternatives implemented. As a result, we may have to learn to both make do with existing resources and revenues, while proceeding with the City's agenda as best we can and concurrently developing viable options to effectively cope with changing circumstances.

Regardless, as in years past, the main driving force for the next fiscal year must continue to revolve around the development and expansion of the City's infrastructure until that goal has been accomplished. As previously outlined, the expansion of wastewater, water, electric, airport facilities and road improvements are the priorities. They must continue to be the major influence in the design of the budget and the subsequent flow of expenditures during the course of the next few years. This is of course, in conjunction with secondary infrastructure objectives such as satellite improvement projects, in-house operational adjustments, park system enhancements, and downtown revitalization and beautification projects, which will compliment the primaries.

As noted in previous audits, the City enacted impact fees legislation that was designed to generate the required funding for the key capital improvements and future capital maintenance after completion of the same. Unfortunately, the anticipated pending construction of many new housing developments that had been proposed by private investors failed to materialize when the housing bubble burst. The envisioned impact fee revenue boom is not forthcoming as a result. In spite of our best efforts to implement proactive, timely and important steps to enhance the City's revenue streams, the City is still directly influence and affected by the serious decline of the national economy. Basically, the financial game has completely changed on us, and for everybody else, practically in mid-stream of plans in motion. Years of fiscal planning, projections and analysis are no longer representative of economic conditions. Well, as the old saying goes, "when the going gets tough, the tough get going". This is just what Wauchula is going to have to do. However, there may just be a silver lining in this apparently darkening cloud.

In spite of the lack of impact fee revenues, the next fiscal year will continue to be influenced by and reflect the legislative rate changes imposed in years prior. These adjustments were designed to enhance the traditional revenues side of the equation. Specifically, long needed utility and service fee rate adjustments and the implementation of a new electric utility cost of power adjustment formula. With the advent of these new rates, adjusted to compensate for operational deficits and to provide for future capital maintenance and improvements, the proprietary budgets have stabilized somewhat. In spite of this however, they have also not generated additional revenues at the desired

level for future improvements due to recent economic declines. Though these operations are now generating sufficient revenue to pay for themselves operationally, the electric utility fund is still subsidizing a significant level of general fund administrative and capital maintenance expenses associated with water, wastewater and solid waste operations. Part of the problem appears to be that increased operational overhead expense continues to outpace annual rate adjustments due to higher fuel costs and the dwindling buying power of the dollar. In essence, the cost of business continues to rise slightly faster than rates can be adjusted to compensate.

As outlined in last year's report, the City's fiscal demands continue to increase, new revenue streams must be created to not only sustain adequate financial resources for standard operations, but provide funding for improvements and investment resources as well. It is imperative to develop new funding mechanisms, both traditional and creative, to maintain our fiscal health.

Another concern is reflected by customers finding it increasingly difficult to afford the cost of their basic utilities as incomes stagnate. Since low to moderate income demographics are prevalent in our area, Wauchula's revenue resources are inherently limited. Our customers are reaching the glass ceiling of their ability to pay. Therefore, alternative methods for generating new revenue must be developed to provide sufficient funding that the future will demand, without tapping the conventional well of revenue even deeper.

It has always been apparent, especially in recent times, that local government continues to experience resident resistance to increases in the typical tax and basic service fee strategies to compensate for the cost of local government to conduct its business. This is especially true for cities with revenue streams that are inherently limited due to demographic and geographic constraints. The City of Wauchula is under such constraints at this time. Therefore, alternative methods for generating new revenue must be explored and developed to provide sufficient funding that the future will demand.

Though current funding mechanisms have been improved, recent trends dictate an immediate need to consider new fiscal strategies. Public investment properties, public-private partnerships and publicly owned business are now seriously being explored as viable options to supplement current revenue streams. These explorations must be supplemented by escalated community development agendas and direct business liaisons to actively pursue community investment.

The topic of city owned investment properties has matured from the realm of possibility into reality with the recent acquisition of several properties for community development and incubator business endeavor purposes. The potential disposition and land use of various other undeveloped city owned properties into new revenue generating ventures is gaining momentum. It is the City's intent to create new sources of revenue, which do not involve increasing taxes nor increasing utility or public service fees. The City is now in the planning stage of developing an inventory of city owned properties suitable to create a series of cash cow operations in order to generate perpetual source of new revenues from all public lands not currently being utilized for public use.

Other options being explored are public-private partnerships in which a government service or private business venture is funded and operated through a partnership of government and one or more private sector companies. There is also the possibility

where Wauchula could use specified tax revenue to provide capital for investment, with operations running jointly with the private sector or under contract.

An example of this would be a bottled water facility and constructed by a private developer and then leased to the City. The private developer then acts as landlord, providing housekeeping and other non bottling services while the City itself provides bottling services. This of course can be reversed, so that the City constructs the facility and acts as landlord to a contracted operator.

Further, the development of various publicly owned businesses is a distinct possibility as a further alternative. Normally when people think of publicly owned businesses, they tend to think of the traditional government owned and operated enterprises such as water and wastewater processing, solid waste removal, electric power generation and distribution, etc., utilities and services. Essentially, basic needs businesses. However, we all know that the private sector also operates such systems as businesses for a profit, while concurrently providing a public benefit in the process. By the same token, therefore, it seems logical that local government leaders can think outside traditional norms and explore the possibilities of developing and engaging in traditional private sector enterprises for profit for the benefit of the public. Wauchula currently has under consideration several proposals in this regard that may be not only possible, but lucrative.

In my opinion, I believe that Wauchula, and Florida overall, will weather this economic storm better than most other regions in the nation. This is primarily because Florida is and always will be America's vacation playground and retirement destination.

Fortuitously, Wauchula is extremely well situated to take advantage of this negative economic trend. What seems like a disaster to most, may in fact be to our advantage.

I submit that such needed and new fiscal considerations are underway to meet our goals and face these new challenges successfully. We anticipate that it is quite likely that in the near future, the construction and maintenance of the City's budget will be substantially influence by investment in private sector forms of proprietary operations. Some possibilities may include:

- Corporate Franchises
- Direct Retail Business Operations
- Housing Development/rehab
- Direct Service Business Operations

Though the details of such endeavors are under consideration, there does not appear to be any legal sanctions or limits imposed on the City to restrict the scope of this potential.

In summation, it is recommended that we continue to:

- Complete our infrastructure enhancement objectives
- Refine our fiscal and operational management policies and practices
- Explore and develop new and creative revenue streams
- Continue to invest in community amenities and aesthetics

It is our intention to focus on the third element of our three prong approach as the cornerstone of the City's external strategy for the coming year. This, in conjunction with the promotion of the City's attributes and their availability as the infrastructure nears completion will be the focal points of our efforts. This promotional agenda must and will include Wauchula's strategic regional location in conjunction with our new capabilities to gain maximum exposure to potential investors.

In summation, the City of Wauchula remains fiscally strong and committed to its vision of a bright future. It is expected that the trend will continue in the ensuing years ahead as well, if nurtured with careful planning and sound management reflecting, reacting, and adjusting appropriately to the internal and external changes affecting the City. The most important part of those changes will be directly influenced by the needs of the residents and the City's efforts to provide them within the economic realities of these times. The City of Wauchula will continue to work hard to enhance the quality of life for our residents and lead the way toward a prosperous future.

A special thank you is in order to the City Commission for its leadership, guidance and commitment to the high standards of operations and service that our residents expect and deserve from its government. It is indeed my privilege to serve the City of Wauchula.

Respectfully submitted,

Richard D. Giroux
City Manager