

On Monday, July 12, 2020 at 4:00 p.m., the City of Wauchula Commission met for its regular scheduled Budget Workshop in the Commission Chambers at 225 East Main Street, Suite 105, Wauchula.

Nadaskay called the workshop to order.

Commissioners present were Mayor Pro-Tem Neda Cobb, Russell Smith, Mayor Keith Nadaskay, Sherri Albritton and Gary Smith.

Also present were City Manager Terry Atchley, Deputy City Manager Olivia Minshew, Assistant City Manager/Finance Director Sandee Braxton, Community Redevelopment Agency Director Jessica Newman, Assistant City Manager/Police Chief John Eason, Director of Project Management and Procurement Ward Grimes, Accountant Martha Felix, Community Development Director Kyle Long and City Clerk Holly Smith.

Discuss the 2021/2022 Proposed Budget

Atchley addressed the Commission and gave a brief introduction regarding the budget process. Atchley reviewed the Charter requirements and the Capital Improvement Plan. He explained the strategic planning process and a fund balance policy. Atchley gave accolades to City staff for a job well done on preparing the budget. Atchley explained to the Commission that after the death of Commissioner Kenny Lambert, South Florida State College established the Kenny A. Lambert Memorial Endowment Fund in his memory. Atchley stated within the budget there was a line item allocating \$5,000 to the Kenny A. Lambert Memorial Endowment Fund and asked the Commission to consider approving it within the proposed budget and into the future.

Braxton discussed the Contributing Budget Factors.

Personnel Services:

- Step Plan Adjustment for all employees to prepare for \$15 minimum wage requirement by 2026
- Individual step raises for employees who are expected to or have achieved certain milestones.
- Health insurance premiums are locked in at no more than a 10% increase.
- Maintaining current Health Savings Account (HSA) contribution levels at \$3200 for family and \$1600 for individuals.
- Continued funding of the Employee Wellness Program.
- Workers' compensation premiums are budgeted at a 20% increase.
- Required annual contribution to the Pension Fund is 4.65% of payroll.
- Other Post-Employment Benefits (OPEB) are being funded directly out of the OPEB Trust Fund, while continuing to contribute to the OPEB Trust Fund. Contribution in 21-22 is 5.35% of payroll. This makes the retirement total 10% of salaries.

Operating Expenses:

- Insurance - The proposed budget includes an increase of 20% for automobile liability, and property and casualty liability premiums. This change can be seen across all Funds.
- Continuation of the Employee Recognition Program and related funding for such can be seen in both the General Fund (Dept 519-54920) and Utility Fund (Dept 539-54925) at \$2500 each.

- Continuation of the replacement schedule workstations, you will see 5 computers and 7 tablets budgeted throughout 4 departments. The departments include 511, 519, 524, and 503.
- An increase to annual maintenance costs for our ERP system can be seen throughout all funds in the maintenance agreements lines. This is due to the migration from a locally hosted system to a cloud hosted system.
- The replacement of the highway 17 Christmas decorations has been budgeted in 519-54900 for \$35,000.
- Additional technology and upgrades are necessary in the upcoming budget year. These include server and firewall upgrades and licensing, unified wireless devices, and switch replacements. This budget increase can be seen in 519-55100 and 539-55100.
- The city plans to begin the replacement of street name signs throughout the city-limits. This will be done in several phases and we have budgeted \$10,000 in 541-54600 to cover phase 1.
- Within the CRA we have budgeted to complete a financial analysis. This will provide information regarding the financial impact the CRA has had on the community. This can be seen in 584-53100 for \$25,000.
- Credit Card Fees continue to rise as that form of payment has steadily increased since implementation of online payments in 2014. 53% of all payments are made by credit card. The projected increase in credit card fees can be seen in Dept 503-54900.
- A rate study for water and sewer is planned for FY 21-22. You can see this budgeted throughout the 4 departments related to water and sewer (532-53100/533-53100/535-53100/536-53100) for a total of \$48,000.
- Additional GIS IT services have been budgeted for in 539-53420 to increase GIS capabilities.
- Engineering services for the power plant project has been budgeted in 593-53100 for \$25,000. This is to aid in the decision of how to proceed with the old power plant building located at the substation.

Questions were had on the new Christmas decorations, the replacement of street name signs and the CRA financial analysis. Braxton noted this would be the first CRA financial analysis to be done. Newman explained the information the analysis would provide. Discussion was had on credit card fees and the water and sewer rate study.

Capital Expenditures

- As a continuation of our established fleet replacement program, we have several truck replacements budgeted for this fiscal year. These can be found in:
 - General Fund
 - Dept 519- 1 Pick-up Truck for the Shop
 - Dept 521- 2 Police Vehicles
 - Dept 524- 1 Pick- up Truck for Code Enforcement
 - Dept 572- 1 Pick-up Truck for Parks & Recreation
 - Utility Fund
 - Dept 535- 1 Pick-up Truck for the Waste Water Treatment Plant
 - Dept 536- 1 Pick-up Truck for Sewer/Locates
 - Dept 593- 1 Pick-up Truck for Electric Distribution
 - Sanitation Fund
 - Dept 534- 1 Pick-up Truck
 - Dept 534- 1 Dumpster Truck
- Roof replacement for the train depot has been budgeted in Dept 519 totaling \$63,000.

- A plan to begin air conditioner replacements for the administration building has been established this year. Beginning with two units, this has been budgeted in Depts 519 & 539 for \$7,500 each.
- An asphalt roller for the Roads and Streets department has been budgeted for \$30,000.
- A new Kubota mower (\$15,000) is planned for the Recreation department (Dept 572-56400) in the General Fund.
- In support of the need for housing in Wauchula and the success of our first project, the CRA is proposing another in-fill housing project. This can be seen in Dept 584-56220.
- A new sidewalk on Louisiana Street from Hidden Creek Circle to Florida Avenue has been budgeted in the CRA.
- The CRA continues to move through the Parks at Peace River project which includes improvements to both Crews Park and Peace River Park. Crews Park improvements will be completed in fiscal year 20-21, while phases 4 and 5 of Peace River Park will begin in 20-21 and continue into next budget year. These phases include creating new trails, adding picnic pavilions and primitive camp sites, parking lot improvements with lighting and the installation of an overlook pavilion. Multiple grant sources have been secured to help fund the many phases of the overall project. Reserve funds are also being used to fund a portion of these improvements.
- Conceptual plans for improvements to Farr Field were created as part of the CRA's Master Redevelopment Plan. The planning, design and engineering for the proposed improvements will be completed in fiscal year 20-21. Construction for this project is budgeted in Dept 584-56580 at \$1.1 million. Reserve funds and debt proceeds have been proposed to be used to complete this project.
- An upgrade to our remote meter reading hand held system has been budgeted in Dept 502-56460 for \$10,000. Support on our current system will end December 2021.
- The SCADA (Supervisory Control and Data Acquisition) system for Well #5 is due to be updated. This can be seen in Dept 532-56400 in the Utility Fund.
- In order to increase safety for water/sewer staff, a trench box has been budgeted in Dept 533-56400. This will allow for a safer working environment in trenches.
- The Waste Water Treatment Plant has a number of scheduled improvements for FY 21-22. These include painting clarifier #2, new jockey pump, allowing us to have a spare, a chlorine analyzer, and an upgrade to the influent SCADA system. These items can be found in Dept 535.
- The recurring capital items for the Wastewater Plant and lift stations include lining lift stations, discharge pumps, permanent generators for lift stations and chlorine analyzers. All of these items along with the completion of the telemetry system for lift stations are planned for FY 21-22. These purchases are all found in Dept 535-56470 in the Utility Fund.
- The sewer department will continue clay pipe lining in 2 areas, totaling 500 linear feet, as well as a manhole rehabilitation and lining. These projects total \$45,250 and can be found in Dept 536-56300.
- A new Vacuum/Jet Trailer has been budgeted for the sewer department (Dept 536) for \$100,000. The City currently contracts for these services.
- A crawling camera set has also been budgeted for the sewer department. This will allow for monitoring of difficult and aging lines.
- Improvements to the warehouse storage area are proposed in Dept 539 for \$80,000. This includes paved parking and additional covered storage for inventory and equipment.
- A telehandler (\$100,000) is also budgeted in Dept 539-56400 for inventory. This will maximize storage capabilities throughout the city's laydown yard.
- A spare breaker for the substation can be found in Dept 593-56205 (\$30,000).

- The electric distribution department has identified many upgrades to the system they plan to construct. These projects, totaling \$100,000, are budgeted in Dept 593-56335. Both overhead and underground projects will be undertaken to increase reliability and lessen storm exposure.
- New equipment, known as capacitor banks, will be added to the electric distribution system to balance the load and lower line-losses. This equipment is budgeted in Dept 593-56400 in the Utility Fund.

Discussion was had on remote meter reading hand held system and the number of remote read meters. A few questions were asked about the trench box, the lining of clay pipes, the vacuum/jet trailer, the telehandler and the spare breaker.

Debt Service:

- In an effort to reduce the General Funds dependency on debt proceeds to fund the purchase of new police vehicles, this budget proposes an early pay off of 4 loans using reserve funds. An increase to the police departments debt service can be seen in Dept 521 due to this initiative. The plan is to eliminate debt service for police vehicles in the next 3 to 4 years, allowing for the outright purchase of all police vehicles.
- The CRA is proposing taking on new debt of \$500,000 in FY 21-22. These proceeds would allow the completion of construction for Farr Field. This includes, parking improvements, an additional field, and a splash pad area.
- Debt service will remain the same in the Utility Fund as no new debt was taken out in FY 20-21, nor is any planned for FY 21-22.

Discussion was had on the purchase of police vehicles in the future and the completion of the Farr Field renovation.

Grants & Aids:

The Wauchula CRA continues to seek public/private partnerships in order to maximize the impact of the Tax Increment Financing funds. The CRA will wrap up the final public-private partnership of the 3 projects initiated in FY 17-18. In addition, the CRA will set aside \$100,000 in additional funds for new commercial grant projects in FY 21-22. These can be seen in Dept 584-58110. Another partnership which is equally vital to the CRA is with the Main Street Wauchula organization. The CRA's support of the Main Street program is seen in Dept 584-58220.

Transfers & Contingency:

The City makes effort each year to build contingency into the budget for unexpected expenses. The proposed budget includes \$121,810 in contingency in the General Fund. Additionally, the Utility Fund and Sanitation Funds include \$100,000 and \$80,218 respectively in contingency.

The total transfer to the General Fund from the Utility & Sanitation Funds saw a 2% increase, from \$1.68 million to \$1.7 million. General Fund supports the enterprise funds, and while expenses continue to increase in the General Fund the revenues to help support those expenses do not increase at the same rate. Even with the incremental increase, the transfer to General Fund as a percentage of its overall budget remains under 40%.

Grant Funded & Potential Projects (Not in proposed budget)

Staff has found it more efficient to match grant funded project expenses with their relative revenue as they occur. Therefore, the following projects are expected to be in process during FY 21 -22 and be funded wholly with grant funds.

Project	Purpose	Grant Agency	Amount
Townsend Street	Pedestrian, roadway, and stormwater Improvements along Townsend Street from Florida Avenue to Heard Bridge Road	Florida Department of Transportation (FDOT)- Small Counties Outreach Program (SCOP)	\$1,213,611
Melendy Street	Roadway and stormwater Improvements along Melendy Street from 7th Avenue to 10 th Avenue	Florida Department of Transportation (FDOT)- Small Counties Outreach Program (SCOP)	\$131,759
Airport Taxiway Rehabilitation	Complete taxiway rehab including new lighting, signage & electrical vault	Federal Aviation Administration (FAA)	\$4,678,327
Water Mainlines Project	New water mainlines from the Water Treatment Plant to both elevated storage tanks and in between both tanks	Economic Development Agency (EDA) and Legislative Appropriation (LP)	EDA #1- \$501,400 EDA #2- \$732,478 LP- \$1,000,000

Braxton reviewed the overall City-Wide Budget.

Braxton began by stating the 2021/2022 proposed budget was just \$19.6 million – a decrease of 2% from the previous year. Braxton state the budget was based on staying with the current millage rate of 5.5532; an increase from the roll back rate by 4.98% (roll back rate 5.2898).

Braxton discussed expenditure types, debt service, fund balance and major revenue sources in the General Fund, the CRA, the Airport Fund, the Utility Fund and the Sanitation Fund.

Albritton asked staff with the way things were budgeted were they comfortable with the 1% in contingency. Braxton replied the budget was very conservative and she felt comfortable with the contingency because in the past couple of year has remained consistent.

Braxton explained the proposed ad valorem tax would be \$793,218. Albritton asked if the City received the all of the ad valorem tax every year. Sandee stated we receive most of them but we never received 100% but are required to budget for the 100%.

Felix began reviewing the General Fund Line-Item Detail. Whatley stated the General Fund budget was \$4,619,0185. Felix discussed the General Fund Line-Item Detail for Departments 511, 512, 513, 514, 515, 519, 521, 524, 541 and 572. Minor discussions were had on individual line items.

Felix presented the \$2,803,695 CRA Budget and reviewed the Line-Item Detail. Minor discussions were had on individual line items.

Grimes presented the \$276,626 Airport Budget and reviewed the Line-Item Detail. Minor discussions were had on individual line items.

Grimes presented the \$10,356,478 Utility Fund Budget and reviewed the Line-Item Detail. Detail for Departments 502, 503, 532, 533, 534, 535, 536, 539, 555 and 593. Minor discussions were had on individual line items.

Grimes presented the \$1,551,000 Sanitation Fund Budget and reviewed the Line-Item Detail. Minor discussion was had on the side-arm garbage truck.

Cobb stated it was an honor to for the City to contribute to the Kenny A. Lambert Memorial. Cobb noted he was surely missed. All the Commissioners agreed with Cobb's comments.

The budget presentation was concluded and Atchley asked if there were any questions. Braxton noted at next week's meeting the proposed millage rate had to be adopted. The suggested proposed millage rate was 5.5532 an increase from the roll-back rate.

Atchley informed the Commission of the EDA Grant applications they had before them and asked them to review them and be ready to rank them at next week's meeting.

Atchley made his closing statement for the 2021/2022 budget presentation.

The Commission commended city staff and the presenters for a job well done.

With no further business to discuss, Nadaskay adjourned the Budget Workshop at 6:22 p.m.

Mayor Richard K. Nadaskay, Jr.

City Clerk Holly Smith