

On Monday, July 13, 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, Assistant City Manager Olivia Minshew, Finance Director Sandee Braxton, Community Redevelopment Agency Director Jessica Newman, Captain Matthew Whatley, Purchasing Agent Ward Grimes, Chief John Eason and City Clerk Holly Smith.

### **Discuss the 2020/2021 Proposed Budget**

Atchley started with a brief introduction to the Commission 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 presented the contributing budget factors to the Commission.

Atchley discussed the Contributing Budget Factors.

### **Personnel Services:**

- Individual step raises for employees who are expected to or have achieved certain milestones.
- Health insurance premiums are budgeted at a 20% 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 10% increase.
- Required annual contribution to the Pension Fund is 4.98% of payroll. In our current fiscal year, this is funded with Advanced Employer Contributions.
- 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 20-21 is 3.63% of payroll.
- Per Ordinance 2020-01, Commissioner salary was increased to \$500 per month. This change becomes effective in November 2020.
- The addition of a new employee at the warehouse to assist with asset management.
- Modification of the tree trimmer position from a part-time to full-time position can be seen in Department 593 in the Utility Fund.

### **Operating Expenses:**

- Insurance - The proposed budget includes an increase of 30% for automobile liability, and property and casualty liability premiums. This change can be seen across all Funds.
- Implementation 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.
- To maintain compliance with accreditation standards, the computers within the police department will be put on a 3-year lease rotation rather than our standard 5-year replacement.

The Microsoft licensing and lease payments, totaling \$9,050, are budgeted for in Dept 521-54400.

- A simulated firearms training system will allow the police department to train frequently without the expense, time & manpower required for traditional methods. This system will be purchased through a 3-year lease-to-own. The annual lease payments of \$3,300 are budgeted in Dept 521-54400.
- The City contracts out street sweeping services. There has been discussion on putting the service out to bid again. Additional funds have been budgeted in Dept 541-53100 should the cost of the contract increase.
- FDOT contracts with the City to maintain certain traffic lights along state right-of-ways. The City will install nine (9) new traffic control cabinets, which were supplied by FDOT, over the next year. Dept 541-54610 is increased by \$10,000 to manage that cost.
- Specific earmark of \$15,000 for Oak Street Park and Farr Field maintenance in FY 19-20. This increase can be seen in Dept 572-54600.
- It has been determined that monitoring of the brownfield site at 226 W. Main Street must continue. Funds are budgeted in the CRA Dept 584-53436 to cover the expense.
- Due to COVID-19, the CARES Act allocated funds to all General Aviation Airports for any uses that could be funded with normal airport revenues. Wauchula Municipal Airport was awarded \$30,000. The City plans to use these funds in FY 20-21 to accelerate repairs and maintenance to the hangars. This can be seen in Dept 542-54600.
- Credit Card Fees continue to rise as that form of payment has steadily increased since implementation of online payments in 2014. Half of residential customers pay by credit card and while check is by far the most common form of payment for commercial accounts, 36% of commercial accounts are paid by credit card. The projected increase in credit card fees can be seen in Dept 503-54900.
- A planned purchase of a 75 HP motor which can be used for our drinking water wells and/or service pumps is budgeted for in Dept 532-54600.
- The purchase of an aqua tap kit is proposed in Dept 533-55230 as part of their small tools. This tool is used to hot (wet) tap into all types of water mains (PVC, ductile, etc.).
- The hydrants that are planned to be replaced next year will require line stops in order to avoid major water disruptions. This increased cost is reflected in Dept 533-55265.
- A planned purchase of a spare duplex control panel for lift stations, which turns the pumps on/off depending on water levels, is budgeted in Dept 535-55200.
- Tuition has been budgeted in Dept 539-55400 for online ESRI courses in the amount of \$18,000. Staff is being trained to maintain and continue developing our GIS system.

Nadaskay asked why property and casualty insurance was increasing 30%. Braxton stated the insurance company informed us to budget for a 30% increase. Nadaskay asked about the Employee Recognition Program. Eason explained the program. Nadaskay asked about the simulated firearms training. Eason and Whatley explained the simulated firearms training. Albritton asked questions regarding insurance increase and employee raises.

#### **Capital Expenditures:**

- Improvements to the conference room technology at the City Administration building are planned for FY 20-21. This project, totaling \$15,000, is split evenly between General Fund (Dept

519-56400) and Utility Fund (Dept 539-56400). The General Fund share of the project will be funded with reserves.

- The purchase of 3 vehicles for the police department (Dept 521) as part of the established fleet replacement program.
- Replacement of a backhoe and the purchase of a hydraulic broom attachment are budgeted in Dept 541-56400.
- A new Kubota mower (\$14,000), utility vehicle (\$13,500) and in-field clay machine (\$20,000) are all planned for the Recreation department (Dept 572-56400) in the General Fund.
- A new truck is budgeted in Dept 572 in the General Fund, a continuation of our fleet replacement program. This can be found in line item 572-56440.
- Planning services for rehab and improvements to the historic auditorium are budgeted in Dept 584-56200. This will aid in seeking financial assistance for the project.
- In support of the need for housing in Wauchula, the CRA is proposing another in-fill housing project. This can be seen in Dept 584-56220.
- The CRA continues to move through the Parks at Peace River project which includes improvements to both Crews Park and Peace River Park. Phases 2 and 3, are budgeted in Dept 584-56564 to complete the pavilion and playground at Crews Park. Phases 4 and 5 are budgeted in Dept 584-56565 to create new trails, add picnic pavilions and primitive camp sites, parking lot improvements with lighting and the installation of an overlook pavilion at Peace River Park. 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.
- As part of the CRA's Master Redevelopment Plan, conceptual plans were created for all of the parks in the City. Farr Field was one of those parks and with the partnership recently created with the local youth sports organization that uses the park, we felt it was prudent to move forward with Farr Field plans first. The planning, design and engineering for the proposed improvements is budgeted in Dept 584-56580. These expenses are covered with an EDA grant and funds from a generous local donor.
- A new truck is budgeted in Dept 502-56440 in the Utility Fund, a continuation of our fleet replacement program.
- The SCADA (Supervisory Control and Data Acquisition) system at the Water Treatment Plant will be updated. This can be seen in Dept 532-56400 in the Utility Fund.
- A new flat-bed truck is budgeted for the water/sewer crew, a continuation of our fleet replacement program. A ground penetrating radar machine is also proposed for FY 20-21 for this department. This machine can detect buried ceramic and plastic pipes. These items can be found in line item 533-56440.
- Funds were budgeted in FY 19-20 for a new digester blower at the Waste Water Treatment Plant. Upon further consideration, staff decided to delay the project so that we could plan to replace the entire digester and related blowers at the same time rather than piece-meal it. The proposed budget includes \$200,000 in Dept 535-56300 to cover design, engineering & permitting of this project with the intention on constructing it in FY 21-22. Reserve funds have been budgeted to cover this project.
- The Waste Water Treatment Plant has a number of scheduled improvements for FY 20-21. These include a new jockey pump, allowing us to have a spare, and an impeller for the existing jockey pumps. These items can be found in Dept 535-56400.
- 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 20-21. These purchases are all found in Dept 535-56470 in the Utility Fund.

- The sewer crew has identified 5 areas, totaling 1,740 linear feet, of clay pipe in need of lining. The lining equates to \$66,260 and can be found in Dept 536-56300.
- A new vehicle is budgeted in Dept 539-56440 as part of the fleet replacement program.
- Strategic planning for the electric distribution system has outlined a number of capital projects which are included within this proposed budget. One such project is the replacement of the existing three (3) single phase transformers and associated regulators with one (1) three phase transformer with load tap changers. The existing transformers are over 50 years old. The City has bid out the transformer and circuit switcher. Design is currently underway. The in-service date of the project is projected to be June/July 2021. This project is budgeted for in Dept 593-56205 and will be funded with reserve funds and funds from our rate stabilization fund.
- 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. Reserve funds are budgeted to cover these upgrades.
- As part of our fleet replacement program, a new bucket truck and flat-bed truck are budgeted for the electric department. These items can be seen in Dept 593-56400 and Dept 593-56440, respectively. Reserve funds are budgeted to cover the bucket truck purchase.
- The Sanitation Department has a new claw truck budgeted for purchase in FY 20-21. These can be seen in Dept 534-56400

#### **Debt Service:**

- Debt service remains the same in the police department, Dept 521. The fleet replacement program should allow for relatively stable debt service. As a loan is paid off, one is added.
- Debt service will remain the same in the Utility Fund as no new debt was taken out in FY 19-20, nor is any planned for FY 20-21.
- Staff is proposing to accelerate payments and pay off the USDA loan for the side-arm garbage truck in FY 20-21. The loan was for 10 years but the City had already committed to paying it off in 5 years. The proposed budget will pay it off in 3 years.

#### **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 20-21. 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 \$62,686 in contingency in the General Fund. Additionally, the Utility Fund and Sanitation Funds include \$128,096 and \$74,673 respectively in contingency. The total transfer to the General Fund from the Utility & Sanitation Funds saw a 10% increase, from \$1.52 million to \$1.68 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 the 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 20 -21 and be funded wholly with grant funds.

- The City was awarded a SCOP (Small Counties Outreach Program) Grant of \$986,144 to complete pedestrian, roadway, and stormwater Improvements along Townsend Street from Florida Avenue to Heard Bridge Road. Design is continuing and the project will be put out to bid in FY 19-20 with construction being completed in FY 20-21.
- The City was awarded a SCOP (Small Counties Outreach Program) Grant of \$131,759 to complete roadway and stormwater Improvements along Melendy Street from 7th Avenue to 10<sup>th</sup> Avenue. Staff expects to receive the grant agreement in 2020.
- The design of a complete taxiway rehab including new lighting, signage & electrical vault is expected to begin in 2020. This project is fully funded by FAA in the amount of \$293,549.
- The water mainlines project, which includes a water system study, planning & design for new water mainlines from the Water Treatment Plant to both elevated storage tanks and in between both tanks, is completely funded with a local EDA grant of \$501,400. Work began in FY 19-20 and will continue into FY 20-21.

Braxton reviewed the overall City-Wide Budget.

Braxton began by stating the 2020/2021 proposed budget was just over \$20 million – an increase of 18% from the previous year. Braxton discussed expenditure types, debt service, fund balance and major revenue sources in the General Fund and Ad Valorem. Braxton noted the proposed millage was 5.5532 which is the same as the roll-back rate.

R. Smith asked several questions regarding the Cares Act Funds. Atchley stated the County had received \$1.2 million for Covid-19 related expenses.

Whatley began reviewing the General Fund Line Item Detail. Whatley stated the General Fund budget was \$4,454,096. Whatley 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.

Whatley presented the \$2,455,011 CRA Budget and reviewed the Line Item Detail. Minor discussions were had on individual line items.

Grimes presented the \$279,576 Airport Budget and reviewed the Line Item Detail. Discussion was had on further projects at the airport.

Grimes presented the \$11,498,134 Utility Fund Budget and reviewed the Line Item Detail. Grimes noted the 5% overall revenue increase. Minshew discussed the cancellation of membership from the Polk County Regional Water Cooperative. Minor discussions were had on individual line items.

Grimes presented the \$1,381,000 Sanitation Fund Budget and reviewed the Line Item Detail.

The budget presentation was concluded and Atchley asked if there were any questions. Atchley noted at next weeks meeting the proposed millage rate had to be adopted. The suggested proposed millage rate was 5.5532 the roll-back rate. Atchley stated this would increase the revenue but would not create a tax increase.

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 6:38 p.m.**

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Mayor Richard K. Nadaskay, Jr.

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City Clerk Holly Smith