

On Monday, July 18, 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 and Sherri Albritton. Commissioner Gary Smith was absent.

Also present were City Manager Terry Atchley, Deputy City Manager Olivia Minshew, Assistant City Manager/Finance Director Sandee Braxton, Assistant City Manager/Police Chief John Eason, Director of Project Management and Procurement Ward Grimes and City Clerk Holly Smith.

Atchley advised the Commission that Commissioner G. Smith had contacted him and would not be able to make it to the workshop. Atchley informed the Commission of an emergency purchase of a new auger truck.

Discuss the 2021/2022 Proposed Budget

Atchley addressed the Commission and gave a brief introduction regarding the budget process and the charter requirements.

Atchley discussed the Contributing Budget Factors.

Personnel Services:

- Continuing to implement the New Step Plan for all employees to prepare for \$15 minimum wage requirement by 2026. Overall salaries for the proposed budget is \$3.6 million which is a 5.65% increase from current budget.
- Individual step raises for employees who are expected to or have achieved certain milestones.
- Health insurance premiums increasing 7.9%.
- 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 increasing 10%.
- The required annual contribution to the Pension Fund is 0% of payroll. The necessary OPEB contribution in 22-23 to cover annual distributions is 3.63%. The proposed budget only contributes to the OPEB fund causing a 58% decrease from current fiscal year.

Operating Expenses:

- The budget includes an increase of 10% 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 workstation replacement schedule produced the need for 5 computers in 3 departments. The departments include 513, 519, 536.

- In support of the rapidly increasing number of electric vehicles the City contracted with Blink Network, LLC to install and lease an EV charging station. Lease payments can be seen in 519 at \$4,200 annually
- A 200-gallon bulk fluid storage tank to safely store hazardous materials at the maintenance shop is proposed in 519 at \$3,500.
- A plotter printer has been budgeted in department 536 at \$3,000. This will be used to print large GIS maps and construction plans.
- In order to identify leaks in our underground water distribution and transmission system, a water leak detection satellite scan is proposed in department 533 at \$18,000
- Two line stops have been budgeted in Dept 533 to aid in the installation of shut off valves allowing for the isolation of leaks when they occur allowing work to be completed in a timely manner and affecting fewer customers. These are budgeted at \$7,700 each.
- In order to track utility poles in GIS, pole marking tags have been budgeted in department 593 for \$6,000.
- The city continues the replacement of street name signs throughout the city-limits. This will be done in several phases, and we continue to budget \$10,000 in 541-54600.
- Credit Card Fees continue to rise, as this form of payment has steadily increased since the implementation of online payments in 2014. A 12.5% projected increase in credit card fees can be seen in Dept 503-54900.
- Due to increased fuel costs, we are forecasting a fuel increase of 22% from fiscal year 2022. This \$29,400 increase will be reflected across multiple departments.

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 521- 2 Police Vehicles
 - Dept 541- 1 Pick-up Truck for Roads & Streets
 - Utility Fund
 - Dept 533- 1 Pick-up Truck for Water Distribution
 - Sanitation Fund
 - Dept 534- 1 Dumpster Truck
- Air conditioner replacements continue for the administration building. Two units, budgeted in Depts 519 & 539 for \$10,000 each, will complete these replacements.
- Completion of the new sidewalk on Louisiana Street from Hidden Creek Circle to Florida Avenue has been budgeted in the Roads and Streets Department.
- A new Kubota mower (\$16,000) is planned for the Recreation department (Dept 572-56400) in the General Fund.
- The CRA's proposed budget includes several projects to include the following:
 - Parks at Peace River- The CRA continues to move through the Parks at Peace River project which includes improvements to both Crews Park and Peace River Park. Phases 4

and 5 of Peace River Park began 21-22 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.

- In support of the need for housing in Wauchula and the success of our first project, the CRA is proposing three in-fill housing projects for \$480,000. This can be seen in Dept 584-56220.
- Historic City Hall Auditorium- This will include upgrades to audio-visual equipment, replace exterior windows, repair the ceiling, create ADA accessibility to the stage area, and complete backstage renovations totaling \$763,000
- Auditorium Parking lot expansion and paving at \$735,659
- Farr Field design at \$56,135
- The Waste Water Treatment Plant has a number of scheduled improvements for FY 22-23. These include painting clarifier #2, a 5hp discharge pump, a 20KW emergency generator for a lift station and the continuation of lift station lining projects. These items can be found in Dept 535.
- The sewer department will continue clay pipe lining in 2 areas, complete a manhole rehabilitation and lining, as well as replace the 8-inch gravity sewer line between Knollwood Circle and Lift Station #3. These projects total \$415,000 and can be found in Dept 536-56300.
- A new electronic locate device to assist in the locates of underground utilities has been budgeted for \$7,000.
- Technology upgrades continue to be necessary for the upcoming budget year. A new server has been budgeted and can be found in 539-56411.
- Improvements to the warehouse storage area are still in process and proposed in Dept 539 for \$20,000. This includes paved parking and additional covered storage for inventory and equipment.
- A spare breaker for the substation can be found in Dept 593-56205 (\$30,000).
- The electric distribution department continue upgrades to the electrical system. These projects, totaling \$100,000, are budgeted in Dept 593-56335.
- Phase 1 of reconductoring the electric distribution line from Florida Avenue to Hightower Road is budgeted at \$500,000 in 593-56345.

Debt Service:

- No additional debt was assumed during FY 21-22, nor is any additional planned for FY 22-23. This budget will see a decrease in debt service payments due to the pay-off of 4 loans during FY 21-22 totaling \$84,066 in annual payments.

Grants & Aids:

The Wauchula CRA continues to seek public/private partnerships in order to maximize the impact of the Tax Increment Financing funds. In addition, the CRA will set aside \$100,000 in additional funds for new commercial grant projects in FY 22-23. 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 \$187,362 in contingency in the General Fund. Additionally, Utility Fund and Sanitation Funds include \$157,127 and \$67,884 respectively in contingency.

The total transfer to the General Fund from the Utility & Sanitation Funds increased by \$54,000 a 3.16% increase from current FY. 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 roughly at 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 22 -23 and be funded entirely with grant funds.

Project	Purpose	Grant Agency	Amount
Townsend Street Pedestrian, Roadway, and Stormwater Improvements	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)	\$1,415,144
Melendy Street Roadway and Stormwater Improvements	Design roadway and stormwater improvements along Melendy Street from 7 th Avenue to 10 th Avenue	Florida Department of Transportation (FDOT)- Small Counties Outreach Program (SCOP)	\$80,000
10 th Avenue Pedestrian & Roadway Improvements	Design and construction to improve drainage, pavement condition, and pedestrian safety along South and North 10 th Ave.	Florida Department of Transportation (FDOT)- Small Counties Outreach Program (SCOP)	\$915,871
Alabama Street Roadway Improvements	Resurfacing of Alabama Street between N. Ohio Avenue and N. Florida Avenue, approximately .243 miles.	Florida Department of Transportation (FDOT)- Small Counties Outreach Program (SCOP)	\$161,203
Turner Avenue Roadway Improvements	Resurfacing of Turner Avenue between E. Oak Street and E. Townsend Street, approximately .221 miles associated safety improvements will also be addressed, as appropriate.	Florida Department of Transportation (FDOT)- Small Counties Outreach Program (SCOP)	\$125,758
Court Street Roadway Improvements	Resurfacing of Court Street, between S. 9 th Avenue and S. 8 th Avenue, approximately 375 feet. Associated safety improvements will also be addressed, as appropriate.	Florida Department of Transportation (FDOT)- Small Counties Outreach Program (SCOP)	\$49,414
Tennessee Street Roadway Improvements	Resurfacing of Tennessee St, between N. Ohio Avenue and North Florida Ave, approximately .243 miles associated safety improvements will also be addressed, as appropriate.	Florida Department of Transportation (FDOT)- Small Counties Outreach Program (SCOP)	\$140,645

Airport Taxiway Rehabilitation	Complete taxiway rehabilitation, including new lighting, signage & electrical vault	Federal Aviation Administration (FAA) Florida Department of Transportation (FDOT)	\$4,678,327
Automated Weather Observing System (AWOS)	Furnish and install AWOS II field and FBO equipment.	Federal Aviation Administration (FAA) Florida Department of Transportation (FDOT)	FAA- \$337,500 FDOT- \$28,600
Airport Terminal and T-Hangar	Design and construct a new airport terminal/pilot's lounge and additional T-Hangars	Legislative Appropriation (LP)	\$2,500,000
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
Southwest Area Elevated Water Tower	Design and Construction of a third elevated water tower in the southwest area of the county.	Legislative Appropriation (LP)	\$8,212,789
Service Area 3 Waterline Replacement	Replace existing water lines the northwest quadrant of the city.	Legislative Appropriation (LP)	\$2,040,162
Waste Water Treatment Plant Digester	Construction of an additional digester at the Waste Water Treatment Plant	Department of Environmental Protection	\$376,000

Braxton reviewed the overall City-Wide Budget.

Braxton began by stating the 2022/2023 proposed budget was just \$21.4 million – an increase of 14% 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 3.26% (roll back rate 5.3781).

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.

Braxton explained the proposed ad valorem tax would be \$896,495. Braxton stated staying with the previous millage rate would require a tax increase advertisement. Braxton added using the current millage rate would be an increase of \$103.277 and using the roll-back rate would be an increase of \$75,009.

Braxton stated the fiscal year 22/23 General Fund budget was \$4,498,608, which was a decrease of \$100,000 from the prior fiscal year. Braxton began reviewing the General Fund Line-Item Detail and discussed Departments 511, 512, 513, 514, 515, 519, 524, 541 and 572. Minor discussions were had on

the cemetery fence, going to market for health insurance and individual line items. Eason presented department 521 to the Commission.

Braxton presented the \$4,231,143 CRA Budget and reviewed the Line-Item Detail. Minor discussions were had on individual line items.

Eason presented the \$339,076 Airport Budget and reviewed the Line-Item Detail. Minor discussions were had on individual line items.

Minshew presented the \$11,240,032 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.

Minshew presented the \$1,551,000 Sanitation Fund Budget and reviewed the Line-Item Detail.

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

R. Smith asked when would the City begin solicitation for bulk power. Atchley stated the first part of 2023.

Cobb asked if anything was budgeted for the old substation building. Atchley replied no not in this budget.

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.

Mayor Richard K. Nadaskay, Jr.

City Clerk Holly Smith