



City Commission Work Session Minutes

March 14, 2024 at 1:00 PM

City Hall Commission Chambers
401 S. Park Avenue

Present

Mayor Phil Anderson, Commissioner Marty Sullivan, Commissioner Sheila DeCiccio, Commissioner Kris Cruzada, Commissioner Todd Weaver (virtually), City Manager Randy Knight; Assistant City Manager Michelle del Valle and City Clerk Rene Cranis.

1. Meeting Called to Order

Mayor Anderson called the work session to order at 1:00 p.m.

2. Discussion Item (s)

a. FY 25 Budget Outlook and 5/25 Year Capital Plan Review

Director of Office of Management and Budget Peter Moore gave an overview of global and economic conditions and indicators. He reviewed revenue data and the budget outlook on wages and benefits, additional personnel in public safety, equipment and vehicle replacement, facility maintenance, IT, and Parks Master Plan. He outlined factors and noted project costs will be higher than anticipated. Key priorities include implementation of the Transportation Master Plan and future Stormwater Master Plan.

Mr. Knight spoke about the difficulty filling certain positions, particularly utility service worker positions due to higher wages at area agencies and construction manager due to higher pay in the private sector. Approval of the transportation sales tax on the November ballot will help to implement the Transportation Master Plan. The reserve fund balance is close to its goal of 30% and he suggested a policy to address reserves excess over the 30% goal.

Mr. Moore reminded the commission of the solid waste increase per the franchise agreement and potential water and sewer rate increase based on the Public Service Commission index.

Mayor Anderson said the status of CRA expansion and extension will play a role in the budget process. Discussion followed on impact on projects and funding if it is approved.

The following questions or comments were raised:

Commissioner Sullivan:

- Annexations in process. Tax revenues would impact the FY 26 budget if properties were annexed by January 1, 2025 although costs would be incurred at the time of annexation.
- Is there a better way to predict major project costs? Staff is considering increasing project budgets to cover potential price increases. Commissioner Sullivan suggested adding an provision for inflationary adjustments in contracts.

Commissioner Cruzada

- Percentage on cost overruns. It could be up to 20% on projects. Commissioner Cruzada said he is inclined to put excess surplus toward upcoming capital projects, not from the operational budget or reserves. Mr. Knight explained the process for budgeting reserves and goal to create favorable end of year budget balances which are used to build reserve.

Commissioner Weaver

- Should the city consider moving janitorial services and facility maintenance in-house? Mr. Knight said it may be worth considering for recurring maintenance.
- Electric and utility positions. Starting rates are higher in electric but there may be value in increasing starting pay for utility positions in Phase II of the pay study.
- Supported transportation sales tax on the November ballot.
- CRA expansion area at I-4 and Fairbanks (Formosa triangle). Orange County would like the city to annex but inclusion in the CRA is unknown. City Planning Consultant Jeff Briggs said the properties would have to be developed as a whole. The most important piece is that annexation is required for stormwater.
- Sunrail contribution. It is not in the FY 24 budget but the city would have to pay years three and four in FY 25 unless the transportation sales tax passes.

Commissioner Sullivan questioned whether a 30% reserve fund is considered excessive. Commissioner Cruzada recalled the need for reserves for emergencies and overtime until FEMA reimbursement. Mr. Knight noted it could take four years to receive reimbursement from FEMA. Mr. Knight said staff could bring an analysis of best practices in other comparable municipalities; however, the city's reserves is lower than comparable agencies and is one of the reasons for the city's strong bond rating.

Director of Electric Utility Dan D'Alessandro pointed out that FEMA does not reimburse for stand-by costs and utilities are lobbying FEMA to change that policy.

Mayor Anderson addressed the transportation section of the 5/25 year plan and new ways to use technology for parking. Discussion followed on new technology and options (garage, trolley or shuttle, particularly in the holiday season, shared parking).

3. Adjournment

The meeting adjourned at 2:16 p.m.

Mayor Phillip M. Anderson

ATTEST:

City Clerk Rene Cranis