City Commission Work Session Minutes

August 28, 2025 at 3:30 PM

City Hall Commission Chambers
401 S. Park Avenue

Present

Mayor Sheila DeCiccio, Commissioners Marty Sullivan, Kris Cruzada, Warren Lindsey, and Craig Russell (Virtual); City Manager Randy Knight; Assistant City Manager Michelle del Valle; Office of Management and Budget Division Manager Peter Moore, and Deputy City Clerk Kim Breland. Also Present: Utilities Advisory Board Member Michael Poole (Virtual).

1. Meeting Called to Order

Mayor DeCiccio called the meeting to order at 3:30 p.m.

2. Discussion Item (s)

a. FY26 Proposed Budget Suggested Amendments

Mr. Knight explained that one of the vital decisions to be made as part of this budget surrounds the four scenarios related to the Electric Utility.

Michael Poole reported the Utility Advisory Board (UAB) had voted 5-1 to recommend Scenario 2. He noted the Board discussed a possible small non-fuel increase but did not take any action. Mr. Poole feels that the city should hold off on issuing bonds until further studies and project priorities are in place.

Mr. Knight noted that at the time UAB voted, they had only reviewed scenarios 1 and 2; he added that scenario 4 was the result of former Commissioner Weaver's suggestion for a hybrid approach. He reviewed the changes to scenarios 1 & 2 since the previous work session. Scenario 1 was adjusted by using pre-purchased inventory and deferring about $400,000 in service-drop work, which reduced the projected rate increase significantly. Scenario 2 was revised to show that bonding all undergrounding costs would avoid increases for the first five years, with early cash flow available to help cover expenses in later years. In addition, Mr. Knight explained, Scenario 3, is a pay-as-you-go plan that extends undergrounding by two years to smooth costs when power purchase contracts renew in 2028, and Scenario 4, suggested by former Commissioner Weaver, proposed bonding roughly half of the undergrounding costs—about $30 million—and funding the rest on a pay-as-you-go basis.

Mr. Knight explained that the spreadsheet included the first 10 years of each scenario and 20-year projections of the proforma. He noted the original scenarios assumed that once undergrounding was complete in 2030, the same level of funding would be redirected into capital projects for five years. This compressed work, such as streetlight and meter replacements, followed by a sharp drop in capital spending for the remaining years. He agreed with Mr. Poole's point that capital should be spread more evenly and said staff would discuss that approach with the UAB over the next year. He said the commission's task at this meeting was to select an approach, which could be changed later, including the options of issuing a bond next year after should the commission want to move forward with the study first.

Mayor DeCiccio summarized that both staff and Michael Poole recommended waiting on bonds and instead focusing on whether a rate increase was necessary. She noted the commission could revisit a bond next year after further study.

Mr. Poole feels the analysis could be completed in 3-4 months. He said the city is not bound to changing electrical rates every year and suggested ways the city could increase or lower rates any time of the year based on different scenarios. He expressed his concern that the city is under pressure because of the timeline. Mr. Knight agreed.

Mayor DeCiccio confirmed the recommendation is to postpone the bond, conduct the analysis, and wait for the UAB to provide feedback. Mr. Knight added that if the Commission decides to issue a bond, the deadlines would still be met, and if there is no bond, the Commission can still choose to extend the capital, reducing future rate increases.

In-depth discussions were held on the advantages and disadvantages of each scenario, options for rate increases, and impacts on the General Fund. The consensus was to move forward with a 3% non-fuel rate increase and conduct the bond study.

Peter Moore reviewed options to close a $550K budget gap caused by reduced transfers. He recommended updating state and property tax revenue estimates, increasing golf and tennis revenue projections, and reducing the Parks Master Plan budget, which together provide about $495K. The remaining $55K would come from the General Fund contingency. Agreed by consensus.

Mr. Moore noted that the $140K in organizational support funds remains unassigned, and discussion of a formal policy was postponed until October.

Discussion was held on funding special projects, including the Heritage Market Trail Study, which could be funded from Mobility Impact Fees. Mr. Ramdatt noted that the Transportation Advisory Board recommended first comparing it with the already-approved Transportation Master Plan. No decision was made. For the Howell Branch Preserve, private donors pledged $400K toward pond improvements, but the City's potential $250K match would reduce the remaining General Fund contingency to $175K. No decision was made.

3. Adjournment

The meeting was adjourned at 4:52 p.m.

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Mayor Sheila DeCiccio

ATTEST:

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City Clerk Rene Cranis