City Commission Work Session Minutes

February 23, 2023 at 1:00 p.m.

City Hall, Commission Chambers
401 S. Park Avenue | Winter Park, Florida

Present

Mayor Phil Anderson; Commissioners Marty Sullivan, Sheila DeCiccio, and Kris Cruzada; City Manager Randy Knight; and City Clerk Rene Cranis. Absent: Commissioner Weaver

1) Call to Order

Mayor Anderson called the meeting to order at 1:02 p.m.

2) Discussion Item(s)

a. FY 24 Budget Outlook and 5/25 Year Capital Plan Review

Division Director of OMB Peter Moore gave a presentation on global factors in the economy, economic indicators in purchasing, personal savings, unemployment, wage growth, yield curve (high indicator of recession), producer price index, services inflation, natural gas prices (will reduce transfers to general fund), and electric rate comparisons. Mr. Knight explained that the data for the electric rate comparison shows how Winter Park reacted to fuel during the last year versus other utilities that waited until the end of the year to begin adjustments. He noted that while it wasn't a great year for residents with their rates high, it is paying off now and for the foreseeable future.

Mr. Moore continued review of economic indicators for fixed-rate mortgages and said 62% of 80% of the city's tax base is from residential homes that are capped due to homestead exemption. He summarized conclusions from these indicators and reviewed revenue history and trends highlighting property taxes, utility taxes, and charges for services.

Mr. Moore summarized factors impacting the budget, loss of ARPA support, public safety pensions, equipment replacement delays, wage/benefit inflation, ability to fund additional positions and capital project needs without additional revenue sources, inflationary costs, and projected decrease in general fund revenues with a downturn in the economy. He concluded stating peak revenue growth was seen in FY 22 and FY 23, potential recess and property tax rate growth will show stress in FY 25 and FY 26.

Mr. Moore responded to questions on assumptions and forecasting. He said the city will have to be very cognizant of how to grow. In regard to wage growth, he said there is a 4-5 % overall change in wages. Mayor Anderson expected a 3% change and Mr. Moore said the percentage will depend on wage pressures. Mr. Knight said city management is reviewing the compensation study for each position to determine impact. Ms. del Valle added that there are about 25-30 vacancies, and the city is not over-staffed at this time. It was noted that Winter Park Pines caused an impact in overall wage/benefit costs.

Mr. Moore spoke about the general fund and performance and investment revenues He explained that a large part of the good revenue came from building and permit revenue and noted that a portion of building and permit revenues can only be used for furthering the building code. He spoke about how downward pressure in the market impacted investment earnings.

Mr. Moore explained the line item for charges for services includes park use fees, rental fees, golf courses, tennis courts and garbage. He said fees are reviewed periodically to ensure they are cost-competitive. It was noted that a large part of the increased revenue stemmed from the Winter Park Pines acquisition and opening of the Event Center. Mr. Knight added that the golf course fees were increased without significant decline in use and fees.

Mr. Moore reviewed the timeline for the budget process and said staff is presently working on creating cost-allocated fixed costs, payroll in early March, departments requests in April, internal meetings with city management in May followed by preparing proposals to present to commission in July. Mr. Knight added that the purpose of today's meeting is to provide and update and ask the commission if there is anything it wants added in the budget process that may not be routine.

Mr. Moore reviewed a spreadsheet including projects by department(that are budgeted and funded), emergency listing projects and future projects. With regard to the emergency list of projects, Mr. Knight noted that there is an emergency situation that has developed with the drain well at Lake Spier that is creating a cavity. Staff is recommending reallocation of ARPA funds toward this project.

Mr. Moore said that the last list on the spreadsheet is of future projects in the next FY or in the longer-term CIP. He said $1.4M from ARPA funds was originally allocated toward the purchase of Bank of the Ozarks property along with another $1.8M from park acquisition funds. He said if the project doesn't go forward those dollars will be available but urged caution as some funds need to be reserved for the fire training facility. He noted the new mobility impact fee revenue as a potential funding source and is looking for insight on commission priorities to consider in the budget and for capital priorities.

Mayor Anderson suggested reviewing the emergency funding list to bring back items for action in the next commission meeting. Consensus to reallocate ARPA funds for the Lake Spier project. Mr. Moore added that staff is waiting for a response on grants for emergency repairs, and should know in a couple of months if there is funding for those projects. Ms. del Valle noted that the funding source is not a reimbursement grant.

Discussion followed on the weir that controls Lake Killarney and the weir at Lake Bell. Mr. Marcotte said the weir that controls Lake Killarney overflows under Lee Road and ends in Lake Gem has been taken over from Orange County but is not adjustable. He said the city is in control of the weir at Lake Bell and noted that it has some seepage underneath that staff would like to repair.

Ms. del Valle noted that the city has a $500k appropriation in with the state for assistance with MLK pond. Discussion followed on solutions for the pond and flood control study for the MLK basin in addition to the chain of lakes. Mayor Anderson said the city should move forward with a flood control evaluation. Mr. Knight is meeting with other agencies next week to discuss solutions. Mayor Anderson asked for an update at the next commission meeting.

Discussion followed on sanitary sewer overflow needs. Mr. Riegler said the city has an ongoing sanitary rehab program that is about $300k annually to line the sewer and help the amount of inflow in the system. He spoke about efforts staff is taking to address the issues resulting from the storms. Mayor Anderson asked that staff look at the pressurization that caused the lifting of sewer covers during the storm events. Commissioner DeCiccio expressed the importance of addressing the flooding in the MLK area. In response to questions about Lake Killarney elevations, Mr. Marcotte said staff needs to look at how to increase capacity at MLK.

Commissioner Sullivan noted that the items on the transportation future infrastructure project list may need to be added to the 5/25 year plan.

Discussion followed on the 5/25-year plan and the following adjustments/reallocations were made and agreed to by consensus:
Remove the Bank of the Ozarks line item from the plan if it is not moving forward.
Allow staff to review more accurate costs for the new fire station now that there is available land from FDOT.
Signage for the Events Center can be removed from the list as it is no longer needed

Mr. Moore noted that lightning protection for the golf course is being incorporated into the Swoope maintenance facility fund.

Mr. Moore will send out a revised version of the projects list to the commission.

3) Adjournment

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Mayor Phillip M. Anderson

ATTEST:

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City Clerk Rene Cranis