CITY COMMISSION
CITY OF WILDWOOD, FLORIDA
WORKSHOP
July 15, 2024 9:00 AM
CITY HALL COMMISSION CHAMBER

(meeting taped)

1. **Call to Order**

Attendee Name	Title	Status
Ed Wolf	Mayor	Present
Pamala Harrison-Bivins	Mayor Pro Tem/Commissioner	Present
Joe Elliott	Commissioner	Present
Marcos Flores	Commissioner	Present
Julian Green	Commissioner	Present
Jason McHugh	City Manager	Present
Ashley Hunt	City Attorney	Absent
Joshua Bills	City Attorney	Present
Cassandra Smith	Assistant City Manager/CFO	Present
Jessica Barnes	City Clerk	Present
Randall Parmer	Police Chief	Present
Lynzey McClellan	Assistant CFO	Present
Jason Martin	Assistant Utilities Director	Present
Melissa Tuck	HR Director	Present

Mayor Wolf called the meeting to order at 9 a.m.

2. **Item(s) for Discussion**

A. Stantec Revenue Sufficiency Analysis Presentation

Andy Burnham of Stantec addressed the Commission to provide a presentation on the revenue sufficiency analysis (RSA) he and his staff recently completed for Wildwood. He noted that this was an update of the RSA that they had done a year ago to assist in analysis of the city's utility rates as the city began the planning process for the new wastewater treatment plant. In this update, Stantec reviewed the city's revised capital improvement plan, including revised cost projections for the wastewater treatment plant project, revised growth projections, recent revenue levels, and new projections for operating expenses.

Burnham stated that the analysis incorporated several goals for the total revenues of the utility system, including maintaining a reserve balance equal to six months of operating and maintenance expenses, a debt service coverage ration of 1.5%, and the resources to cover the debt service on the new wastewater treatment plant with a total cost estimate of $150M. Burnham said that the RSA revealed that the city should continue the 4-year plan of 20% wastewater rate increases which was started after the previous RSA, along with the water and reuse rates to increase each year based upon a CPI index. He also recommended that the city review and update the system development charges in FY25 to reflect current capacity costs, and perform an annual RSA to account for changes in growth, timing, and operational costs. He was able to show the commission what a typical utility bill would like under those conditions and how a typical bill would compare to other local utility companies.

City Manager McHugh commented that these results were the worst case scenario as staff continued to seek grants and work through the value engineering process with the CMAR to try to reduce the cost of the facility. Commissioner Elliott commented that, in theory, the expense of development should be placed upon that development and not the existing residents, and it seemed that was not happening in this case. He suggested that impact fees should be increased to move more toward that. Burnham stated that those fees could be increased, but first a study must be conducted to justify the increase.

B. FY25 Budget Presentation

Assistant City Manager/CFO Cassandra Smith addressed the commission to provide a presentation on the FY25 budget. She stated that the budget preparation process was focused on utilities, and the wastewater treatment plant project in particular. Smith stated that taxable value had increased over the prior year by 14%. She stated that the draft budget being presented assumed maintaining the FY24 millage rate of 2.8287, which was above the rolled-back rate of 2.6499. Therefore, the rate would be represented as a tax increase of 6.75%. Smith provided an overview of the anticipated revenues and expenditures of the General Fund, and the included new personnel and capital requests that had been included in the draft budget. She stated that if the current millage rate was maintained, there would be sufficient funds to transfer $4M to the wastewater treatment plant project, $10M to the CIP fund, and still maintain a 25% reserve in the General Fund.

Smith then reviewed the draft budget for the Utility Revenue fund. She stated this budget had been prepared utilizing the recommendations provided by Stantec, which meant an increase in wastewater rates of 20% and increase in water and reuse rates of 5.3%, which was the CPI factor for FY25. After reviewing the anticipated revenues and expenditures for the year and proposed new personnel and capital equipment, Smith stated that the projected reserve at the end of FY25 was projected to be approximately 23.8% of the operating budget, which while lower than desired, was projected to be lower in the early years of the wastewater treatment plant project.

Smith then reviewed the Utility Capital Project fund, which would be tracking the wastewater treatment plant project. She identified the anticipated funding sources for the project and discussed the timing of the expenditures. It was anticipated that the City would need to issue project bonds before the end of FY25 in order to finance the project. Grants and internal transfers would be maximized to try to reduce the amount to be bonded.

Smith next provided an overview of the Capital Project Fund for FY25. She noted that a budget transfer of $10M from the General Fund was programmed for the year. She reviewed the anticipated capital projects for the year, the largest of which was the Millennium Park improvement project. To wrap up the presentation, Smith correlated the Capital Project Fund programmed projects with the City's adopted Strategic Plan.

C. Full-Service Odor and Corrosion Control Program for the City's Sanitary Sewer Collections System

Assistant Utilities Director Jason Martin presented a proposal for a full-service odor and corrosion control program for the city's sanitary sewer collections system. Martin explained that Kimley-Horn had been contracted to review options to address odor issues within the wastewater system due to the high number of complaints from residents. Various lower cost options had been attempted with no success. Martin presented a recommendation from Kimley-Horn to contract a company to provide a full-service program. All equipment would be installed and owned by the contracted company and the city would be billed based upon the amount of wastewater flow. Based on current conditions, staff estimated the annual cost to the city would be somewhere between $600K - $720K. The draft budget presented to the commission included this program. Following brief discussion, the general consensus of the commission was to include the program in the FY25 budget.

D. HR Budget Presentation

HR Director Melissa Tuck addressed the commission to provide a personnel presentation on recommendations for the FY25 budget. She reminded the commission of the strategic goals related to personnel included in the city's adopted Strategic Plan. The first recommendation, which was included within the proposed budget, was to provide staff with a 3.4% cost of living adjustment (COLA) and to increase all pay ranges by the same percentage, to be effective on October 1st. Merit-based increases would continue as normal, with pay grades 120-128 eligible for a maximum 3% increase and all other pay grades receiving lump-sum increases of $200 per point earned on their review.

Tuck then informed the commission that the city's insurance broker had secured a no-rate increase for all employee benefits. Additionally, a new medical plan had been identified that could provide dependent/family coverage at a significantly lower cost to employees without any additional expense to the city. On some plans, the employee could pay more than 50% less than they were paying under the other plans. The hope was that this would make recruiting qualified individuals much easier.

E. Wastewater Capacity and Concurrency

City Attorney Joshua Bills addressed the Commission to provide a presentation on wastewater capacity and the concurrency process. Due to an increasing concern over wastewater demand, city staff asked the city attorney's office to review the city's options for limiting the approval of new requests for service. Bills stated he would review five potential pathways for addressing the issue and the legal ramifications of each.

1. Moratorium. Bills stated a moratorium would act as a blanket denial for all development requests. This approach could potentially carry the greatest risk of legal challenges.
2. Comp Plan Amendments taken on a case-by-case basis. This methodology involves not recommending approval of any new Comprehensive Plan amendment applications until the wastewater system has sufficient capacity to take on more demand. This would allow for a more lenient standard of review, although legal challenges could exist, particularly in the case of recently annexed properties.
3. Rezonings taken on a case-by-case basis. The city's Comprehensive Plan and LDRs already contain numerous provisions that indicate the issuance of development orders where concurrency does not exist is inappropriate. The commission would be able to rely on these provisions to make its own findings that rezoning is inconsistent with specific policies and objectives of the comp plan and LDRs.

4. Developer's Agreements. This would require all new developments to enter into a developer's agreement with the city, which would outline the timing for provision of infrastructure and services. However, risks exist here in that the city could be in breach of contract if it fails to provide the needed infrastructure in the stated timeframe; also, the developer could argue that delaying infrastructure undercuts the value of the property.
5. Utility Capacity Queue Agreements. This would require the adoption of a regulatory structure and require developers to enter into utility queue agreements. This would be similar to Developer's Agreements but would also require the regulatory structure adoption.

Bills' conclusion is that several of the options may need to be implemented on a case-by-case basis, but the use of rezoning denials is the clearest method based on the current provisions in the Comprehensive Plan and LDRs.

3. Adjournment

With no further business to attend to, the meeting was adjourned at 10:58 a.m.

RESULT:	**Adjourned**
MOVER:	Mayor Pro Tem/Commissioner Harrison-Bivins
SECONDER:	Commissioner Elliott
AYES:	Mayor Wolf, Mayor Pro Tem/Commissioner Harrison-Bivins, Commissioner Elliott, Commissioner Flores, Commissioner Green

CITY COMMISSION
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SEAL

ATTEST: Jessica Barnes
Jessica Barnes, City Clerk

BY: Ed Wolf
Ed Wolf, Mayor