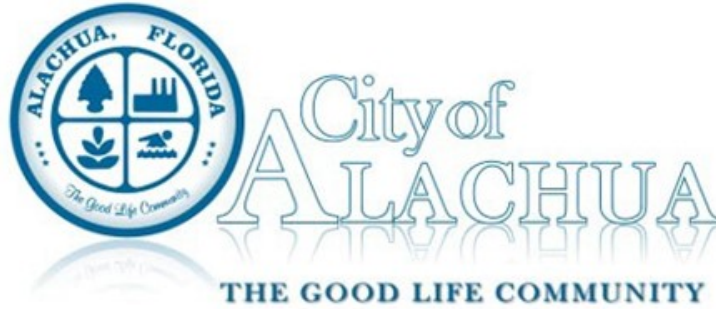




Mayor Walter Welch
Vice Mayor Shirley Green Brown
Commissioner Jacob Fletcher
Commissioner Jennifer Ringersen
Commissioner Dayna Williams

City Manager Rodolfo Valladares
City Attorney Marian Rush

The City Commission will conduct a
City Commission Workshop
At 4:30 PM

to address the item(s) below.

Meeting Date: July 28, 2025

Meeting Location: James A. Lewis City Commission Chambers
15100 NW 142 Terrace
Alachua, FL 32615

Workshop Meeting

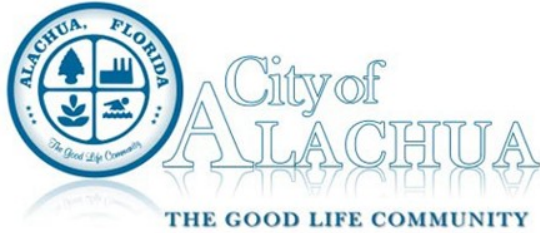
Notice given pursuant to Section 286.0105, Florida Statutes. In order to appeal any decision made at this meeting, you will need a verbatim record of the proceedings. It will be your responsibility to ensure such a record is made.

CALL TO ORDER

I. AGENDA ITEMS

A) FY 2025-2026 BUDGET WORKSHOP

ADJOURN



Commission Agenda Item

MEETING DATE: July 28, 2025

SUBJECT: FY 2025-2026 Budget Workshop

PREPARED BY: Robert Bonetti

RECOMMENDED ACTION:

Conduct the workshop and receive the presentation.

Summary

This workshop will serve as the City Commission's initial status update regarding the FY 2025-2026 budget process.

The presentation will cover the following discussion topics:

- FY 2025-2026 budget process;
- Items and issues of budgetary impact;
- General operating revenues;
- Debt service;
- Utility rates; and,
- Budget calendar.

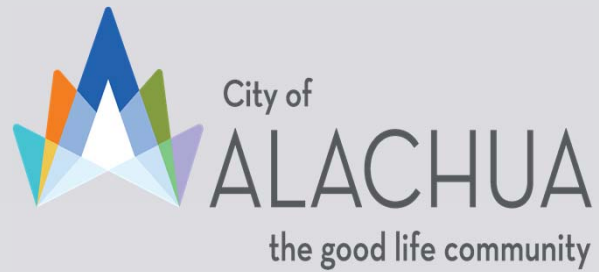
FINANCIAL IMPACT

ADDITIONAL FINANCIAL INFORMATION

COMMISSION GOALS

ATTACHMENTS

1. FY 26 Budget WS 20250728



Budget Workshop

Introduction

Fiscal Year 2025-2026

July 28, 2025



Workshop Overview

FY 2025-2026 budget process

FY 2025-2026 budget foundation

FY 2025-2026 general operating revenues

FY 2025-2026 debt payments

FY 2025-2026 utility rates

FY 2025-2026 budget process remaining timeline



Budget Process

Budget Objectives:

Commission goals and strategic initiatives

Fiscal health

Maintenance of existing infrastructure



Budget Process

Departmental budget process kicked-off: April 23, 2025

Department budget submittals to FAS: May 29, 2025

Strategic initiatives retreat with Commission: June 17, 2025

Budget review & development: June through July 2025



Budget Process

Department start = FY 2025-2026 continuation allocations levels

Budget base is 172.50 FTEs

No prior or current fiscal year carry forward items



Budget Process

FY 2025-2026 target for Capital Outlay (non-CIP) items is zero

Exceptions:

- APD vehicles (\$410K), APD tablets (\$24K), Axon (\$210K)
- PW Road Infrastructure (\$300K)
- IT infrastructure (\$125K)

New capital outlay requests are reviewed/prioritized by executive team



Budget Process

Capital Improvement Program (CIP) FY 2026-2030 Process:

Review of previously adopted CIP 2025-2029

Opportunity to modify/update

- Includes review/rearrange project priorities

Consideration of new projects



Budget Process

CIP prioritization based on :

- Mandate by law or government agency

- Minimizes potential liability of health, safety and welfare issues

- Supports the Commission's Strategic Plan

- Addresses potential degradation of service

- Funding options (affordability and debt capacity)



Budget Impact Items

Major Budget Impacts

- FRS Retirement rates
- Health / Vision / Dental / Life insurance
- Liability, Property and WC insurance
- Employee incentives (Merit, COLA, Longevity, etc.)
- Collective bargaining
- State municipal revenue distributions
- Millage rate determination
- Maintenance costs of existing infrastructure
- Cost of goods/services



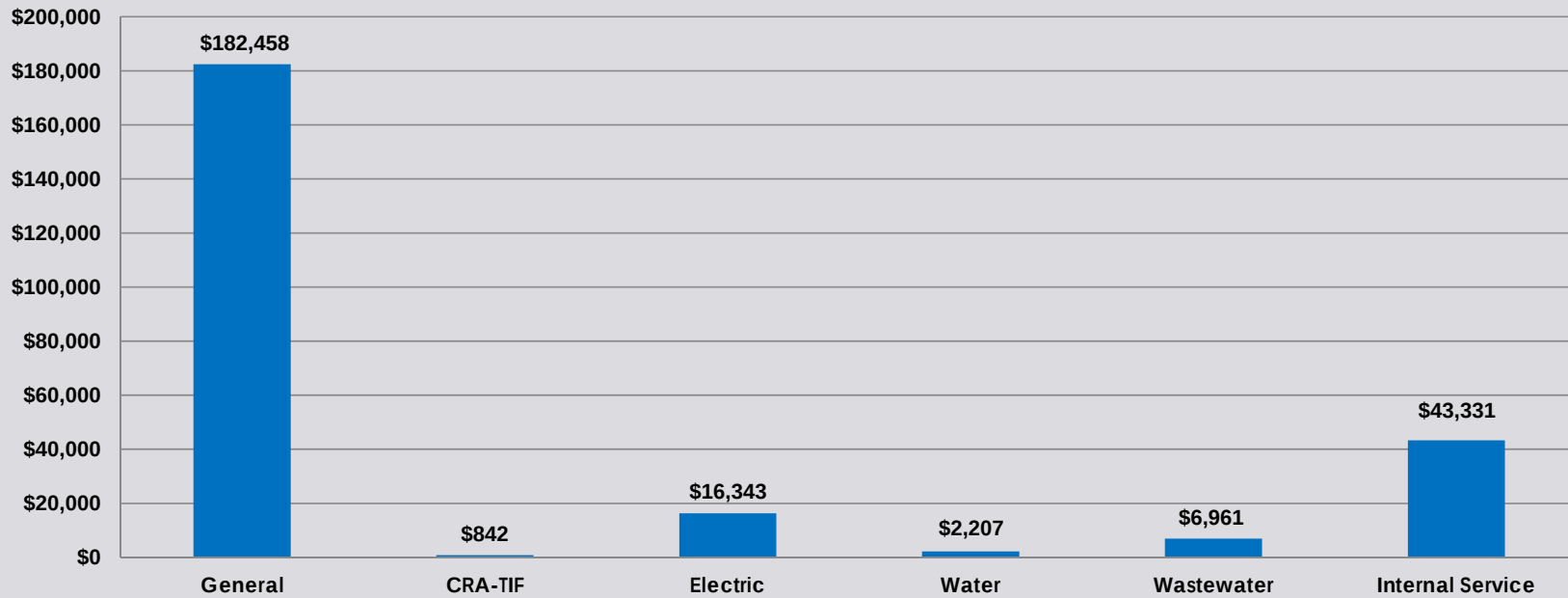
Budget Impact Items

FRS Retirement rates:

	<u>FY 2024-2025</u>	<u>FY 2025-2026</u>
REGULAR	13.63	14.03
SMSC	34.52	33.24
SPECIAL RISK	32.79	35.19
DROP	21.13	22.02

Budget Impact Items

Retirement Increase/Decrease By Fund



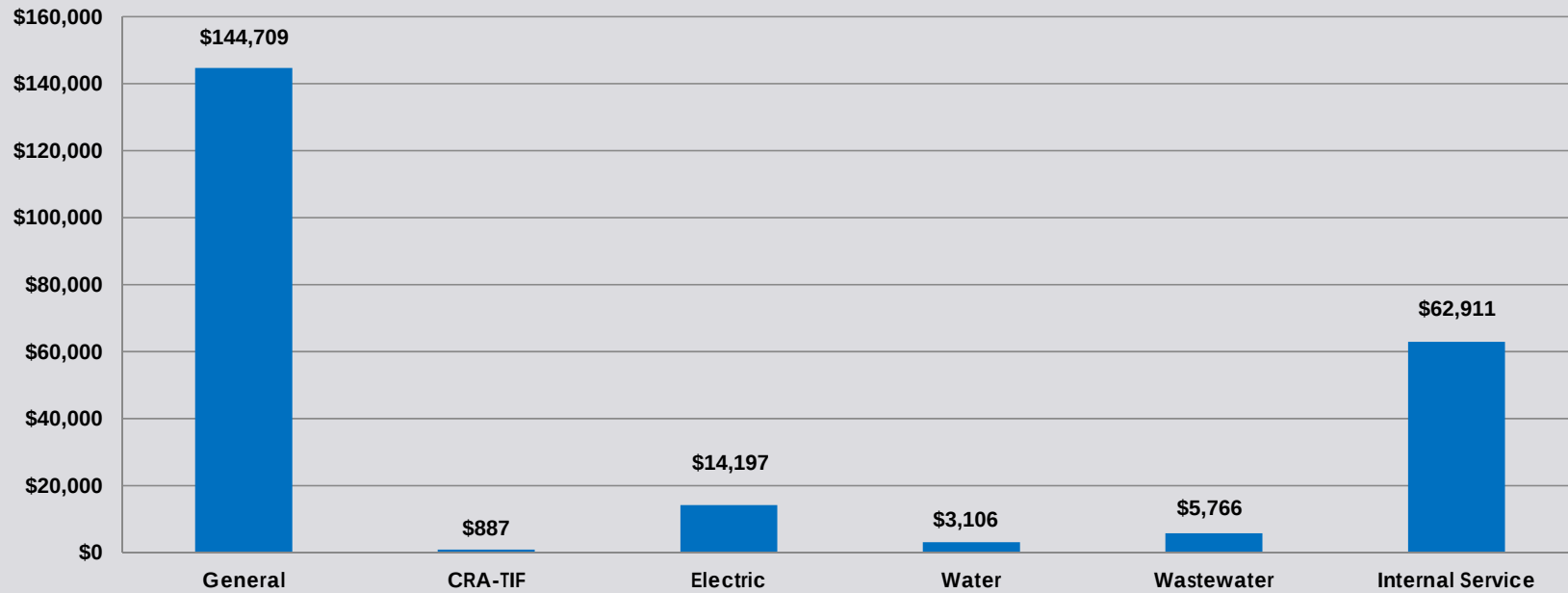
Budget Impact Items

Medical Insurance rates:

	<u>FY 2024-2025</u>	<u>FY 2025-2026</u>
Health	\$11,603.52	\$12,578.16
Dental	\$372.96	\$372.96
Vision	\$67.92	\$67.92
Life	\$72.24	\$100.80

Budget Impact Items

Insurance Increase By Fund





Budget Impact Items

Liability and Property Insurance:

Anticipate little-to-no increase overall

Workers Compensation:

Anticipate increase of \$15K



Budget Impact Items

Employee Incentives:

COLA = 2%

Merit = up to 4%

Longevity = \$500 for every 5 years of service

State Revenue Distributions:

Estimates have not all been released yet



General Revenues

Property Taxes – Millage Rate:

Tax Year 2025 ACPA initial taxable value figure is \$1,462,441,165

8.2% increase from Tax Year 2024 final taxable value of \$1,351,000,794

Impact at millage rate of 5.9500 mills = \$663,070



General Revenues

Millage Rate options:

Majority vote ≤ 8.1399 :

Current millage of 5.9500

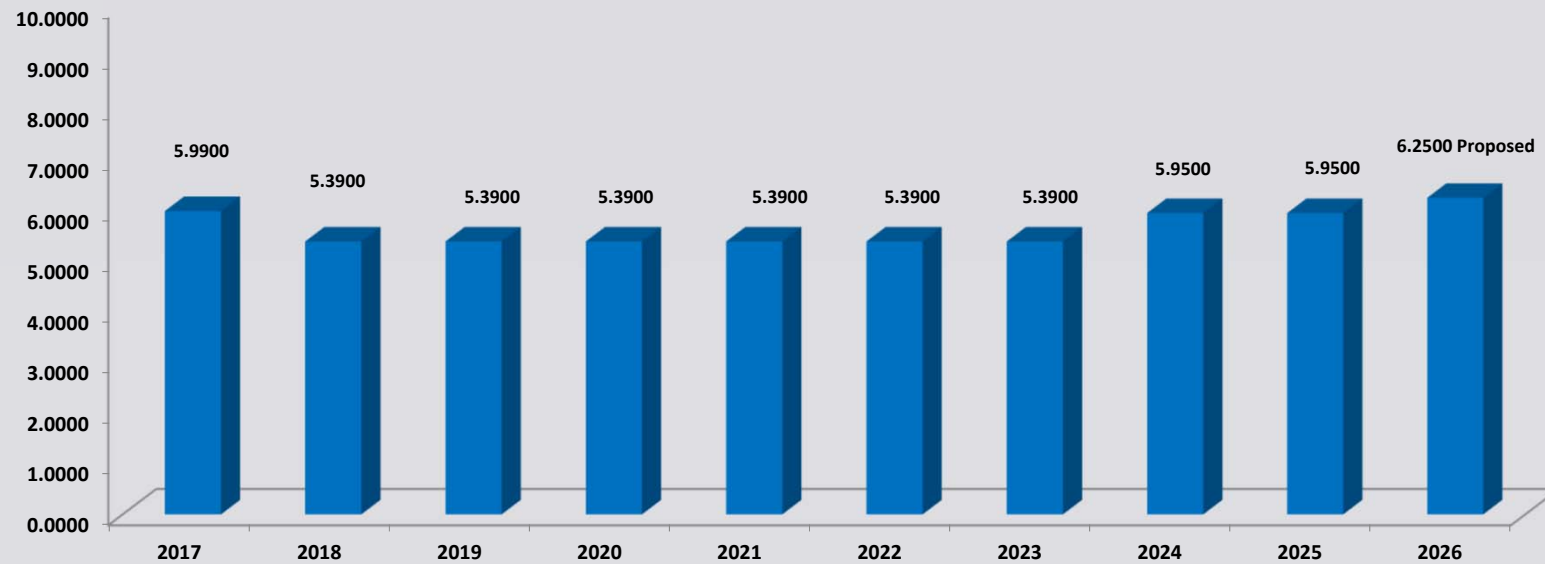
Rollback rate of 5.7413

Requiring 2/3 vote [4 of 5 Commissioners] $> 8.1399 \leq 8.9539$

Staff initial recommendation is to set preliminary rate at 6.2500 mills

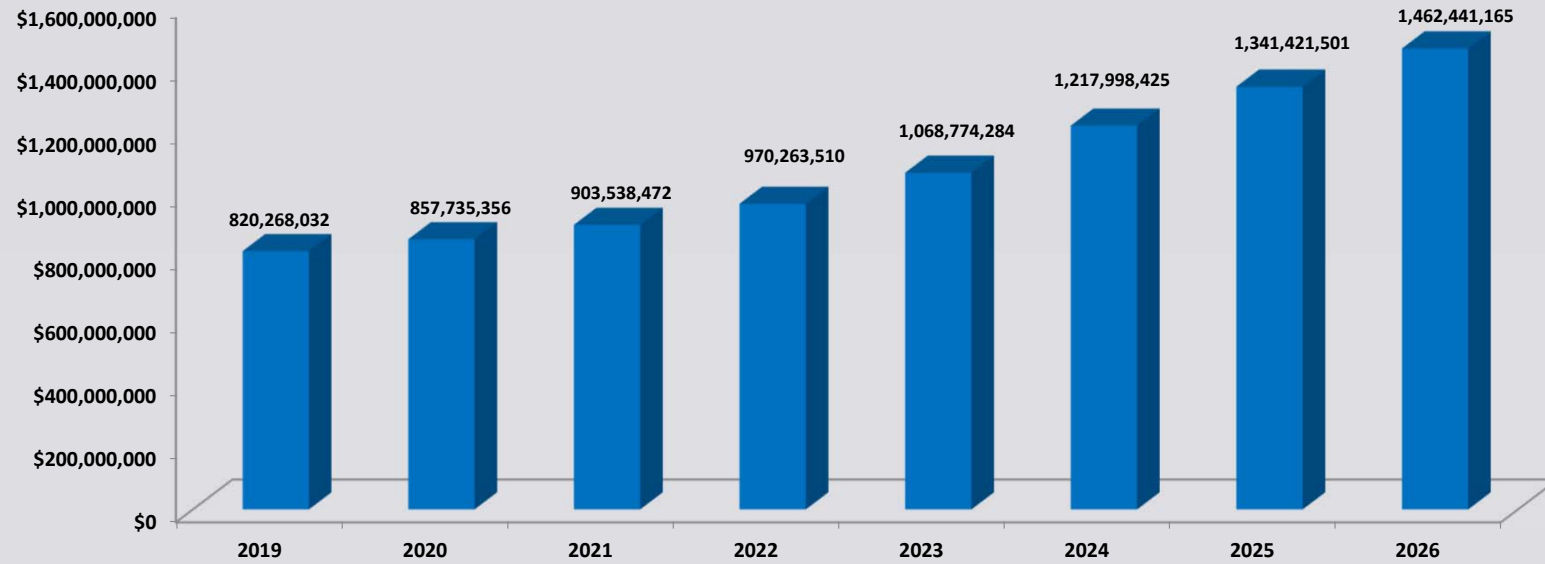
General Revenues

Millage Rate History by Fiscal Year



General Revenues

Taxable Value History By Fiscal Year





General Revenues

Millage Dynamics		
Each 1 Mill	=	\$1,403,944
Each 1/2 Mill	=	\$701,972
Each 1/3 Mill	=	\$467,981
Each 1/4 Mill	=	\$350,986
Each 1/10 Mill	=	\$140,394



General Revenues

Local Option Fuel Taxes estimate: \$350,000

↑ approximately \$22,000

not yet available from FDOR

Communication Services Tax estimate: \$ 337,000

no increase

not yet available from FDOR

Utility Tax estimate: \$ 1,575,000

↑ \$75,000



General Revenues

Half Cent Sales Tax estimate: \$ 744,989

↓ approximately \$12,600

Revenue Sharing estimate: \$ 454,911

↑ approximately \$22,600



General Revenues

Solid Waste Residential Services:

Waste Pro, Inc. is provider

Contract expires September 30, 2026

Rate from Waste Pro: \$23.94

Estimated avg. customers for FY26: 4,300

COA currently charges: \$25.60



Debt Service

Debt payments budgeted FY 2025-2026: \$1,870,934

Outstanding debt includes:

Series '09 SRF Loan

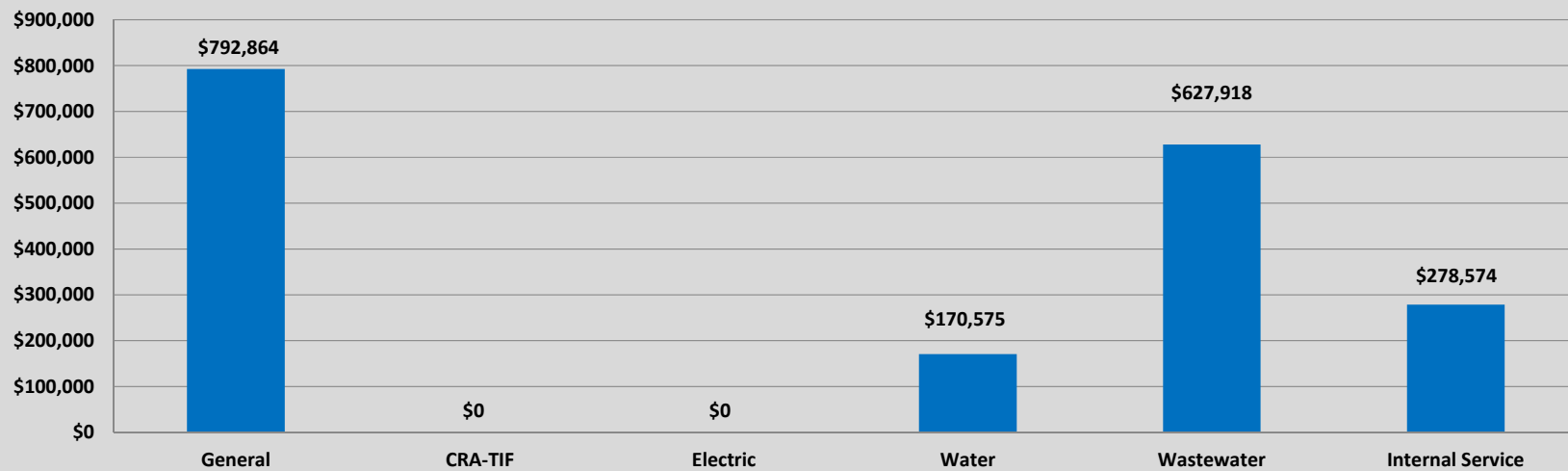
Series '16 Capital Improvement/Refunding Bonds

Series '19 Capital Improvement Revenue Note

Credit rating

Debt Service

Debt Service Payments By Fund





Utility Rates

FY 2026 Electric Rates Overview:

Electric power contracts with FPL and FMPA

FPL effective from April 1, 2022 until March 31, 2029

FMPA effective from April 1, 2022 until December 31, 2027

FY 2025-2026 proposed budget does not contemplate a rate change

BPCA (avg. through 07/2025): (\$0.050000)/kWh in FY 25

BPCA (est. FY 25-26): between (\$0.002000) & \$0.001500/kWh



Utility Rates

FY 2026 Water Rates Overview:

Proposed budget will implement a 5% increase

- **Customer charge, availability charge, and base consumption rates**
- **Approximately \$120K**

FPSC price index is 2.23%

Keep revenue model plan, address rising costs and debt



Utility Rates

Capital Facilities Charges - Water:

Last adjusted for FY 2025

Paid by development to connect to water system infrastructure

Proposed 5% increase for each meter size and type



Utility Rates

FY 2025 Wastewater Rates Overview:

Proposed budget will implement a 3% increase

- Customer charge, availability charge, and base consumption rates
- Approximately \$97K

FPSC price index is 2.23%

Keep revenue model plan, address infrastructure needs, rising costs and debt

- consideration of lift stations and future WWTF plant expansion



Utility Rates

Capital Facilities Charges - Wastewater:

Last adjusted for FY 25

Paid by development to connect to wastewater system infrastructure

Pledged as repayment source for SRF Loan payback

Proposed 3% increase for each meter size and type



Utility Rates

Mosquito Control:

Current rate: \$1.10 /month

Last increase: \$0.10 /month in FY 2013

No proposed increase



Utility Rates

More details / information on the proposed rates to be presented for the public hearings:

August 11, 2025 6:00 p.m.

August 25, 2025 6:00 p.m.



Agenda Budget Items

Resolution 25-12

Proposed Millage: 6.2500 mills

Authorize to Transmit to ACPA for TRIM notices

Resolution 25-13

TK Basin preliminary rate

Assessment remains same for FY 2025-2026



Budget Calendar

August 11, 2025: Budget Workshop / Proposed Budget, 3:30 p.m.

August 11, 2025: First Utility Rate Public Hearing, 6:00 p.m.

August 25, 2025: Budget Workshop / Proposed Budget, 4:30 p.m.

August 25, 2025: Second Utility Rate Public Hearing, 6:00 p.m.



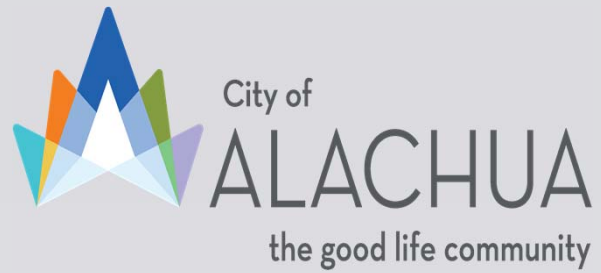
Budget Calendar

September 8, 2025: CRA Budget Adoption, 5:00 p.m.

September 8, 2025: First Budget Public Hearing, 6:00 p.m.

September 8, 2025: Stormwater Assessment Rate Public Hearing, 6:00 p.m.

September 22, 2025: Final Budget Public Hearing, 6:00 p.m.



Questions and Comments