



Mayor Walter Welch
Vice Mayor Jennifer Ringersen
Commissioner Shirley Green Brown
Commissioner Jacob Fletcher
Commissioner Jackson Youmas

City Manager Rodolfo Valladares
City Attorney Scott Walker

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

to address the item(s) below.

Meeting Date: July 27, 2026

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.

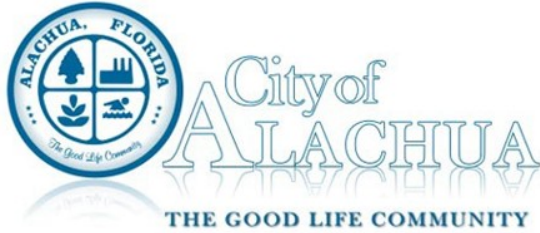
In accordance with Section 286.26, Florida Statutes, persons with disabilities needing special accommodations to participate in this meeting should contact the Mayor, through the City Clerk's office, no later than 5:00 P.M. on the day prior to the meeting.

CALL TO ORDER

I. AGENDA ITEMS

A) FY 2026-2027 BUDGET WORKSHOP

ADJOURN



Commission Agenda Item

MEETING DATE: July 27, 2026

SUBJECT: FY 2026-2027 Budget Workshop

PREPARED BY: Tyler Williams

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 2026-2027 budget process.

The presentation will cover the following discussion topics:

- FY 2026-2027 budget process;
- Items and issues of budgetary impact;
- General operating revenues;
- Debt service;
- Utility rates; and,
- Budget calendar.

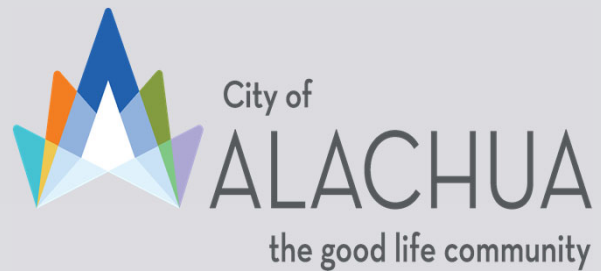
FINANCIAL IMPACT

ADDITIONAL FINANCIAL INFORMATION

COMMISSION GOALS

ATTACHMENTS

1. FY 27 Budget WS 20260727



Budget Workshop

Introduction

Fiscal Year 2026-2027

July 27, 2026



Workshop Overview

FY 2026-2027 budget process

FY 2026-2027 budget foundation

FY 2026-2027 general operating revenues

FY 2026-2027 debt payments

FY 2026-2027 utility rates

FY 2026-2027 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 15, 2026

Strategic initiatives retreat with Commission: May 12, 2026

Department budget submittals to FAS: June 4, 2026

Budget review & development: June through July 2026



Budget Process

Department start = FY 2026-2027 continuation allocations levels

Budget base is 177.50 FTEs

No prior or current fiscal year carry forward items



Budget Process

FY 2026-2027 target for Capital Outlay (non-CIP) items is zero

Exceptions:

- APD vehicles (\$430K), APD tablets (\$24K), Axon (\$217K)
- PW Road Infrastructure (\$300K)
- IT infrastructure (\$150K)

New capital outlay requests are reviewed/prioritized by executive team



Budget Process

Capital Improvement Program (CIP) FY 2027-2031 Process:

Review of previously adopted CIP 2026-2030

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

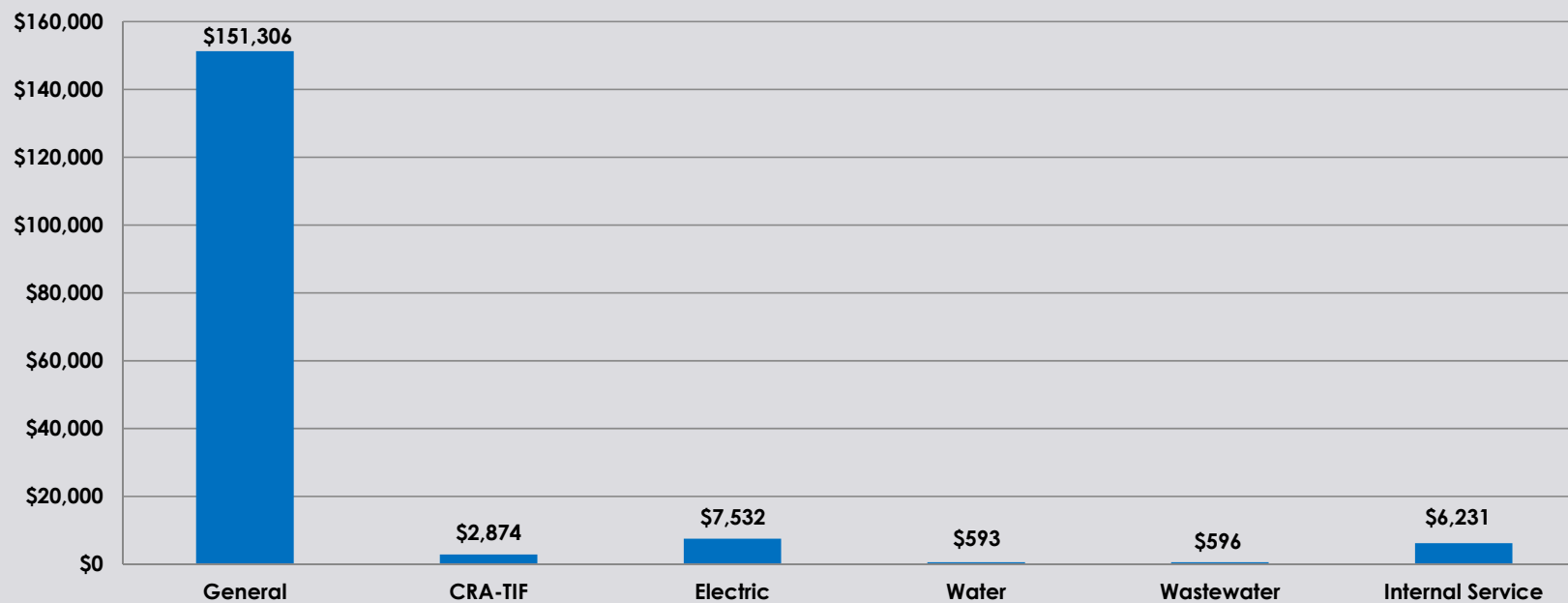
Budget Impact Items

FRS Retirement rates:

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
REGULAR	14.03	13.59
SMSC	33.24	32.60
SPECIAL RISK	35.19	37.74
DROP	22.02	22.12

Budget Impact Items

Retirement Increase/Decrease By Fund

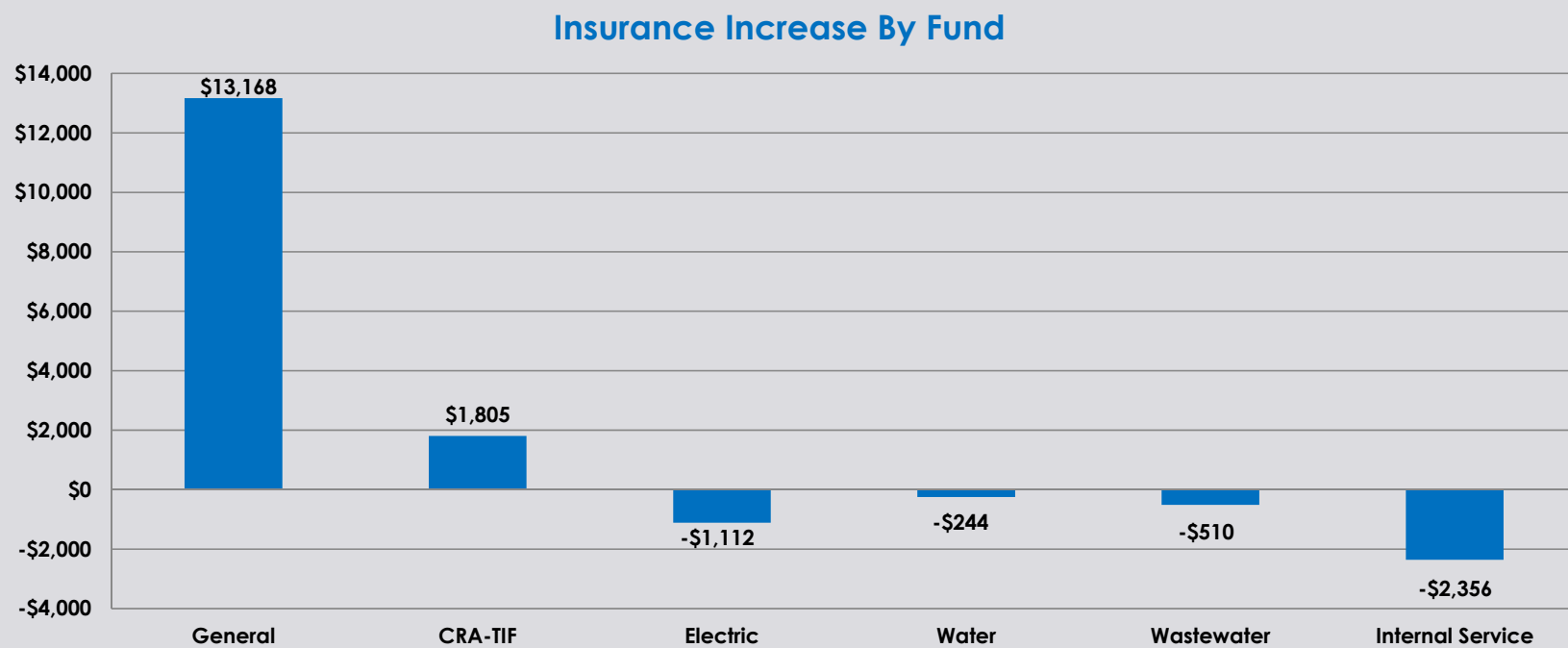


Budget Impact Items

Medical Insurance rates:

	<u>FY 2025-2026</u>	<u>FY 2026-2027</u>
Health	\$12,578.16	\$12,490.08
Dental	\$372.96	\$402.72
Vision	\$67.92	\$67.92
Life	\$100.80	\$100.80

Budget Impact Items





Budget Impact Items

Liability and Property Insurance:

Anticipate little-to-no increase overall

Workers Compensation:

Anticipate increase of \$33K



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 2026 ACPA initial taxable value figure is \$1,647,538,495

13.1% increase from Tax Year 2025 final taxable value of \$1,456,182,221

Impact at millage rate of 6.2500 mills = \$1,195,977



General Revenues

Millage Rate options:

Majority vote ≤ 5.9286 :

Current millage of 6.2500

Rollback rate of 5.9286

Requiring 2/3 vote [4 of 5 Commissioners] $> 5.9286 \leq 6.5215$

Requiring unanimous vote [5 of 5 Commissioners] > 6.5215

Staff initial recommendation is to set preliminary rate at 6.2500 mills

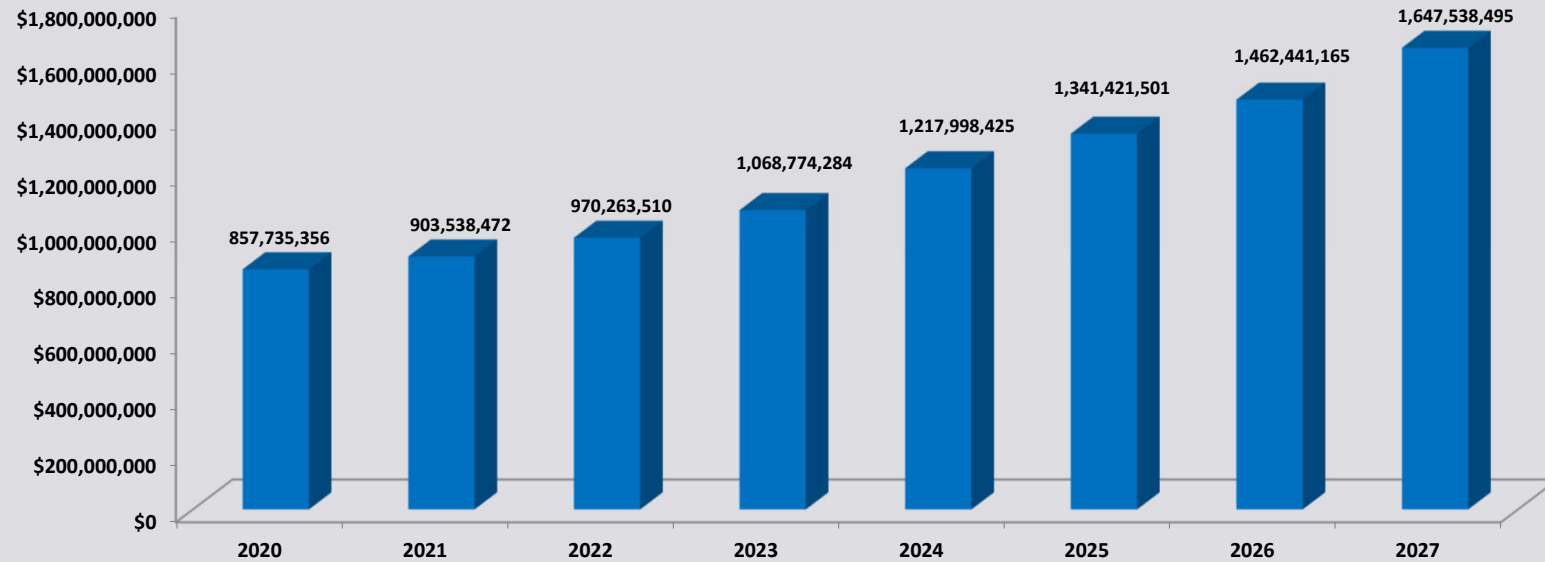
General Revenues

Millage Rate History by Fiscal Year



General Revenues

Taxable Value History By Fiscal Year



General Revenues

Millage Dynamics		
Each 1 Mill	=	\$1,647,538
Each 1/2 Mill	=	\$823,769
Each 1/3 Mill	=	\$549,179
Each 1/4 Mill	=	\$411,885
Each 1/10 Mill	=	\$164,754

General Revenues

Local Option Fuel Taxes estimate: \$360,000

↑ \$10,000

not yet available from FDOR

Communication Services Tax estimate: \$ 345,000

↑ \$8,000

not yet available from FDOR

Utility Tax estimate: \$ 1,560,000

↓ \$15,000



General Revenues

Half Cent Sales Tax estimate: \$ 720,000

↓ approximately \$24,989

not yet available from FDOR

Revenue Sharing estimate: \$ 420,000

↓ approximately \$34,911

not yet available from FDOR



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 FY27: 4,575

COA currently charges: \$25.60



Debt Service

Debt payments budgeted FY 2026-2027: \$1,866,204

Outstanding debt includes:

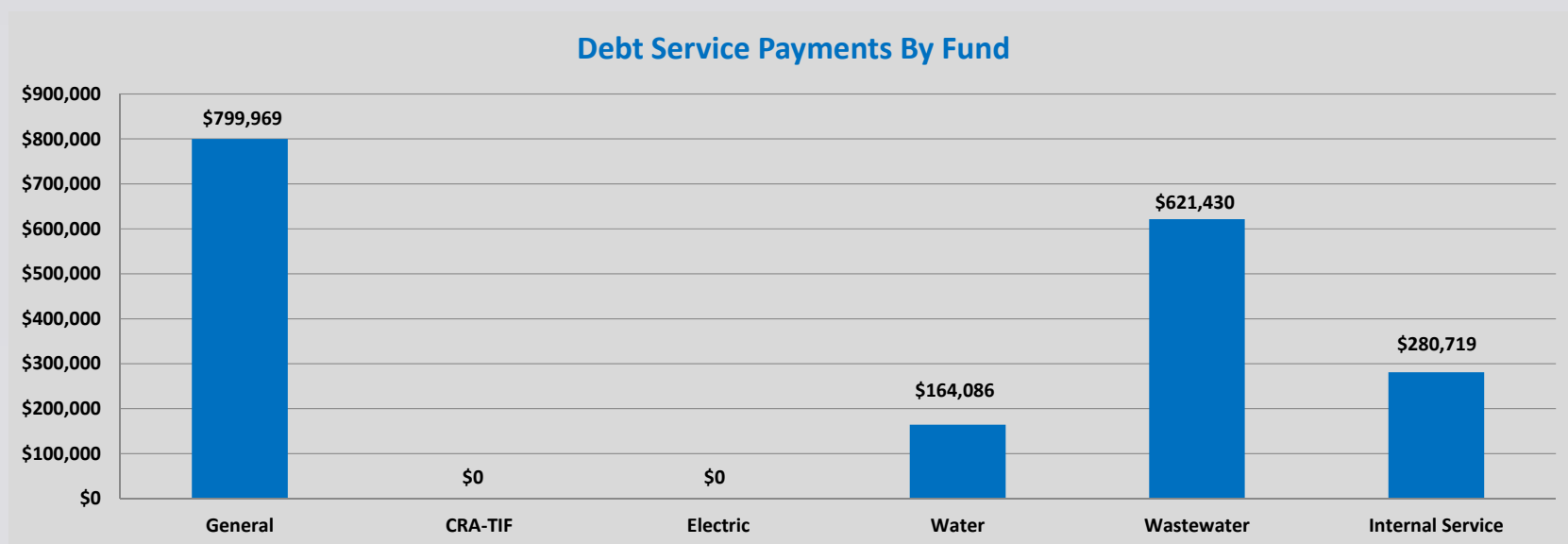
Series '09 SRF Loan

Series '16 Capital Improvement/Refunding Bonds

Series '19 Capital Improvement Revenue Note

Credit rating

Debt Service





Utility Rates

FY 2027 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 2026-2027 proposed budget will implement a 2.5% increase

- Approximately \$340K

BPCA (avg. through 07/2026): (\$0.003600)/kWh in FY 26

BPCA (est. FY 26-27): between (\$0.003000) & \$0.007500/kWh



Utility Rates

FY 2027 Water Rates Overview:

Proposed budget will implement a 3% increase

- Customer charge, availability charge, and base consumption rates
- Approximately \$73K

FPSC price index is 2.46%

Keep revenue model plan, address rising costs and debt



Utility Rates

Capital Facilities Charges - Water:

Last adjusted for FY 2026

Paid by development to connect to water system infrastructure

Proposed 3% increase for each meter size and type



Utility Rates

FY 2027 Wastewater Rates Overview:

Proposed budget will implement a 2.5% increase

- Customer charge, availability charge, and base consumption rates
- Approximately \$76K

FPSC price index is 2.46%

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 26

Paid by development to connect to wastewater system infrastructure

Pledged as repayment source for SRF Loan payback

Proposed 2.5% 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 10, 2026 6:00 p.m.

August 24, 2026 6:00 p.m.



Agenda Budget Items

Resolution 26-08

Proposed Millage: 6.2500 mills

Authorize to Transmit to ACPA for TRIM notices

Resolution 26-09

TK Basin preliminary rate

Assessment remains same for FY 2026-2027



Budget Calendar

August 10, 2026: Budget Workshop / Proposed Budget, 3:30 p.m.

August 10, 2026: First Utility Rate Public Hearing, 6:00 p.m.

August 24, 2026: Budget Workshop / Proposed Budget, 4:30 p.m.

August 24, 2026: Second Utility Rate Public Hearing, 6:00 p.m.



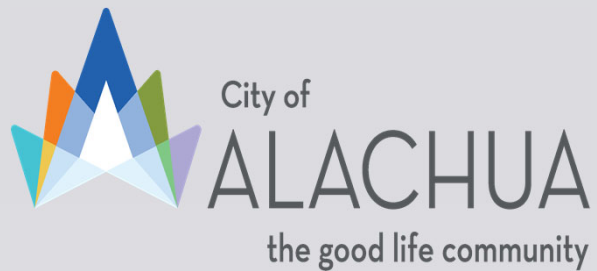
Budget Calendar

September 14, 2026: CRA Budget Adoption, 5:00 p.m.

September 14, 2026: First Budget Public Hearing, 6:00 p.m.

September 14, 2026: Stormwater Assessment Rate Public Hearing, 6:00 p.m.

September 28, 2026: Final Budget Public Hearing, 6:00 p.m.



Questions and Comments