

CITY OF CLEWISTON
Tentative Millage & Budget Hearing and Special Commission Meeting
September 7, 2022

The City of Clewiston City Commission held a Tentative Millage & Budget Hearing and Special Commission Meeting in the City Hall Commission Chambers Wednesday, September 7, 2022. The meeting was called to order at 5:05 p.m. by Mayor Petersen. The audience joined in reciting the Lord's Prayer and the Pledge of Allegiance.

Commissioners Present: Mayor Kristine Petersen, Vice Mayor Greg Thompson, Commissioner Mali Gardner, Commissioner Hillary Hyslope and Commissioner James Pittman.

Personnel Present: City Manager Randy Martin, City Clerk Kathy Combass, Finance Director Shari Howell, Director of Operations Danny Williams, Police Chief Thomas Lewis, Library Director Natasha Hayes and IT Administrator Justin Lucas. City Attorney Dylan Brandenburg attended via telephone.

Visitors Present: Terry Gardner and Ian Stone

Additions/Deletions/Changes and Approval of the Agenda – Manager Martin stated that a revised Resolution No. 2022-069 for Agenda Item No. 3 has been provided to correct the omission of a number change.

Commissioner Gardner made a motion, seconded by Commissioner Thompson, to approve the agenda with the revised Resolution No. 2022-069. Vote 5 yeas, 0 nays

Public Comments – There were no public comments.

1. PUBLIC HEARING - First Public Hearing of the FY 2022-2023 Budget – 5:05 p.m.

- A. Resolution No. 2022-066** – Resolution No. 2022-066 adopts a tentative millage rate for the levy of ad valorem taxes for Fiscal Year 2022-2023. The proposed millage rate is 6.5314 mills.

Mayor Petersen opened the Fiscal Year 2022-2023 Tentative Millage & Budget Hearing. She stated the proposed tentative tax on all property located within the City is at the rate of 6.5314 mills for Fiscal Year 2022-2023 which represents a 6.45% increase over the 6.1358 rolled-back millage rate. She also stated the total of the proposed capital and operating budget for Fiscal Year 2022-2023 is \$48,529,488. She then asked for public comments. None were heard. Mayor Petersen read Resolution No. 2022-066 by title and asked for discussion. Commissioner Gardner stated that she will support the resolution but is looking forward to the rest of the workshop to continue discussion of the difference of \$118,000 between the millage rate and the rolled back rate.

Commissioner Gardner made a motion, seconded by Commissioner Hyslope, to approve Resolution No. 2022-066. Vote 5 yeas, 0 nays

- B. Resolution No. 2022-067** – Resolution No. 2022-067 adopts the tentative budget for Fiscal Year 2022-2023.

Mayor Petersen read Resolution No. 2022-067 by title.

Commissioner Hyslope made a motion, seconded by Commissioner Gardner, to approve Resolution No. 2022-067. Vote 5 yeas, 0 nays

Before the vote, Commissioner Pittman asked if any reserves were used to balance the budget and Vice Mayor Thompson asked if there were any transfers made to balance the budget. The Finance Director and Manager responded regarding the transfers included. Concerning the reserves question, Finance Director Howell explained that \$4,617,115 is

being brought forward; the contingent expenses are \$3,199,324 and the difference of \$1,417,791.00 is what it took to balance. This included restricted as well as unrestricted fund balances/reserves. Manager Martin stated there are a number of categories that are already specified expenditures including carryover items not expended in the current fiscal year. After further discussion, Commissioner Pittman expressed his displeasure that approximately \$.5 million dollars in reserves is being used to balance the budget; he would like to see staff work to get that number down and know the plan to put the money back in the future. Vice Mayor Thompson asked how revenues are tracked at the golf course and expressed that he thought the point of sale was going to be implemented at the golf course. Manager Martin stated that it is being done incrementally department by department. He then commented on how the City is now using some of Tyler's software features and once the conversion with Tyler is complete for the AMI system, staff can focus on improving other department operations. Director of Operations Danny Williams commented on some of Tyler's software features and how the City's new Tyler representative has already helped staff implement some of the software features. Director Howell and Manager Martin addressed additional questions by Commissioner Pittman confirming the money received from the county and the school board for recreation is reflected in the recreation budget; explaining that the reason the budgeted amount proposed for auditorium fees increased by \$40,000 was due to increased rates and new programs that are estimated to generate revenue; and explaining that revenue from the country club lease is only shown in the golf course budget for presentation purposes; it goes into the general fund revenues along with lease money from the other buildings. Commissioner Pittman's concern was that the budget showed the golf course \$6,000 better off than it actually was from a cost versus revenue perspective. He suggested that lease revenue be accounted for separately; it would make it easier when a breakdown of expenses was needed and we could make sure that we are not losing money on our leased property. Director Howell explained that the budget for recreation revenues for the auditorium was based upon an average of 35 rentals a year, which she felt was a conservative estimate. She noted that the set up and supervisory fees for the Youth Center and John Boy Auditorium had been separated this year.

After the vote, Commissioner Pittman restated that he would like to see a reduction in the amount of reserves used to balance the budget at the final hearing. Manager Martin stated that the final hearing will be held on September 19th and they will take a further analysis of those details.

Mayor Petersen closed the tentative budget hearing at 5:47 p.m.

2. **Resolution No. 2022-068** – Resolution No. 2022-068 amends Appendix A, Section 17 of the Clewiston Code of Ordinances to include rates for bulk water sales to South Shore Water Association and adjust the monthly sewer rates, pursuant to Section 74-111 of the Clewiston Code of Ordinances.

Manager Martin commented on the purpose of Resolution Nos. 2022-068 and 2022-069. Mayor Petersen summarized and read Resolution No. 2022-068 by title.

Commissioner Pittman made a motion, seconded by Commissioner Gardner, to approve Resolution No. 2022-068. Vote 4 yeas, 1 nay (Vice Mayor Thompson voted nay.)

Before the vote, Manager Martin stated that the board previously adopted the multi-year schedule of city customer rates that was included in the resolution and this resolution modified only the sewer portion because the revenue currently being generated from the sewer rates was not sufficient to meet obligations. He stated that the resolution also provided for the bulk water sales rates to South Shore Water Association (SSWA). Vice Mayor Thompson asked if Manager Martin had answers to his questions about the contract with South Shore. Manager Martin stated that those contractual aspects were still being researched but this proposed rate adjustment was within the parameters of the current agreement. He further commented on the current agreement with SSWA and noted that subsequent to this rate adjustment, the parameters of the agreement details will be reviewed and discussed with the attorney. Upon receiving input from the city attorney, a copy of the current agreement with the legal assessment will be provided to the Commission. Vice Mayor Thompson expressed his concern with the difference in the monthly water rates charged to city residents

compared to those charged to South Shore and that the rates charged to South Shore have not been increased. Manager Martin explained that the City charges its customers for the full cost of producing the water as well as for the full distribution costs for the water. The Manager noted that the city has customers on its water system that cover all the city limits and some areas outside the city. The SSWA purchases the water in bulk from the city and is totally responsible for all costs associated with distribution to their individual water customers which are all located outside the city. The SSWA pays the bulk rate for water which is metered at a single location where the city system connects to their water system lines. Director Howell stated that in addition to the monthly bulk water purchases, South Shore also pays the city a monthly flat fee of \$25,673.12 as their portion of the debt service that the city incurred when the new RO water plant was initially constructed. The current bulk rate is \$2.30 per 1,000 gallons which constitutes the city's cost to produce the water and has not changed since the agreement was first adopted. Manager Martin stated the new rate proposed more accurately reflects the current cost to produce the water. He confirmed that the current agreement with South Shore provides for the monthly flat fee for a portion share of the debt. As noted, management with legal input has begun researching the relationship between the City and the SSWA. After further discussion, Manager Martin advised that staff will complete its review and report further on the status. He recommended the Commission approve this resolution at this time so that the rate adjustments could commence as recommended in the new fiscal year for all customers including SSWA. Vice Mayor Thompson stated that due to the lack of available answers to his questions about the SSWA agreement, he would not be in support of approval of the recommendation at this time. Manager Martin stated the recommended budget action, consistent with the terms of the agreement with SSWA, would not preclude the board from additional actions in the future.

After the vote, City Attorney Brandenburg stated that approval of this resolution does not necessarily preclude the Commission from making a subsequent change in the future; they would have to look at it all within the limitations of the agreement with South Shore. Manager Martin stated that all of the City's customers will be notified as soon as possible of the new rates. Director Howell added that the new rates would go into effect for any billing effective after October 1.

3. **Resolution No. 2022-069** – Resolution No. 2022-069 adjusts the monthly garbage collection rates as contained in Appendix A, Section 19 (a) of the Code of Ordinances of the City of Clewiston, pursuant to Section 74-114 of the Clewiston Code of Ordinances.

Mayor Petersen summarized and read Resolution No. 2022-069 by title.

Vice Mayor Thompson made a motion, seconded by Commissioner Pittman, to approve Resolution No. 2022-069 as revised. Vote 5 yeas, 0 nays

Before the vote, Manager Martin stated that one of the significant changes impactful to costs was a planned major upgrade to the City's solid waste collection equipment so that service could be delivered on time to all customers. He stated that the proposed budget is anticipating a debt service payment for the purchase of three major expensive equipment items as the City has incurred equipment lease costs and a lot of repairs to its outdated equipment for providing these services in recent years.

4. **Resolution No. 2022-070** – Resolution No. 2022-070 approves Purchase Order No. 22838 for the emergency purchase from Lakeside Equipment Corp. and authorizes the payment in the amount of \$36,515.00.

Mayor Petersen summarized and read Resolution No. 2022-070 by title.

Commissioner Hyslope made a motion, seconded by Commissioner Gardner, to approve Resolution No. 2022-070. Vote 5 yeas, 0 nays

Adjournment

Commissioner Hyslope made a motion, seconded by Vice Mayor Thompson, to adjourn the meeting at 6:06 p.m. Vote 5 yeas, 0 nays

Kristine Petersen, Mayor

Mary K. Combass, City Clerk