

CITY OF GREEN COVE SPRINGS CITY COUNCIL SPECIAL SESSION

321 WALNUT STREET, GREEN COVE SPRINGS, FLORIDA
TUESDAY, MAY 16, 2023 – 5:00 PM



Anyone wishing to address the city council regarding any topic on this agenda is requested to complete a card available at the city clerk's desk. Speakers are respectfully requested to limit their comments to three (3) minutes.

The city council prohibits the use of cell phones and other electronic devices which emit an audible sound during all meetings with the exception of law enforcement, fire and rescue or health care providers on call. Persons in violation may be requested to leave the meeting

AGENDA

Invocation & Pledge of Allegiance to the Flag

Roll Call

Mayor to call on members of the audience wishing to address the Council on matters not on the Agenda.

COUNCIL BUSINESS

1. City Council discussion and direction regarding modification to schedule and budget for current general fund CIP projects. *Mike Null*
2. City Council discussion and direction regarding modification to schedule and budget for current stormwater fund CIP projects and stormwater fees for the FY 24 budget cycle. *Mike Null*
3. City Council discussion and direction regarding Solid Waste rates for the FY 24 budget cycle. *Mike Null*

Adjournment

The City Council meets the first and third Tuesday of each month beginning at 7:00 p.m., unless otherwise scheduled. Meetings are held in City Hall at 321 Walnut Street. Video and audio recordings of the meetings are available in the City Clerk's Office upon request.

City may take action on any matter during this meeting, including items that are not set forth within this agenda.

Minutes of the City Council meetings can be obtained from the City Clerk's office. The Meetings are usually recorded, but are not transcribed verbatim for the minutes. Persons requiring a verbatim transcript may make arrangements with the City Clerk to duplicate the recordings, if available, or arrange to have a court reporter present at the meeting. The cost of duplication and/or court reporter will be at the expense of the requesting party.

Persons who wish to appeal any decision made by the City Council with respect to any matter considered at this meeting will need a record of the proceedings, and for such purpose may need to

ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based. The City is not responsible if the in-house recording is incomplete for any reason.

ADA NOTICE

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

PUBLIC PARTICIPATION:

Pursuant to Section 286.0114, Florida Statutes, effective October 1, 2013, the public is invited to speak on any "proposition" before a board, commission, council, or appointed committee takes official action regardless of whether the issue is on the Agenda. Certain exemptions for emergencies, ministerial acts, etc. apply. This public participation does not affect the right of a person to be heard as otherwise provided by law.

EXPARTE COMMUNICATIONS

Oral or written exchanges (sometimes referred to as lobbying or information gathering) between a Council Member and others, including staff, where there is a substantive discussion regarding a quasi-judicial decision by the City Council. The exchanges must be disclosed by the City Council so the public may respond to such exchanges before a vote is taken.



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council Special Session. **MEETING DATE:** May 16, 2023
FROM: Mike Null, Assistant City Manager
SUBJECT: City Council discussion and direction regarding modification to schedule and budget for current general fund CIP projects. *Mike Null*

BACKGROUND

Due to the current economic and employment state of the local, state and federal economy, construction projects are costing 50 to 100 percent, or more, above anticipated budgets that were developed just 1 or 2 years ago. This, coupled with continuing supply chain issues, has created some challenges for city staff when it comes to designing and constructing capital projects. Some of these projects have been on the books for several years. Most of the ones you are being asked to consider this evening also have grant funds attached to them. Unfortunately, many of these grant funds were requested based on pre-covid and pre-inflation cost estimates.

This discussion will focus on projects that are funded by the general fund. The general fund has very limited revenue streams, and many of these streams are restricted as to how they can be spent. In many cases, these capital projects could not happen without grant funding. While staff has been successful in securing grants for many of these projects, it can take 1 to 2 years from the time a grant application is submitted and the time we are finally able to expend funds. As mentioned above, with the supply-chain and other economic challenges we have faced over the last 2 years, project costs have doubled while the grant amounts have remained fixed. The result is the City must now provide 200% more funding than originally anticipated just to complete the same project.

Following is a discussion of the current projects that are “on the board” in the general fund, which are also shown in a matrix on the attached spreadsheet:

- Highland Ave Sidewalks – This is one of three components of a \$700,000 CDBG grant that was awarded in August 2021. Due to the steps associated with CDBG grants, we were not able to expend funds until December 2022. This project has a budget of \$266,000. The design cost is \$53,000. At 30% design, the construction cost estimate was near \$1,000,000. Staff worked with the engineer to reduce the scope of the project to bring the estimate down to \$500,000 while still satisfying the goal of the grant. As it stands now, this project is anticipated to have a deficit of \$287,000.
- VFH Park Playground Cover – This is the second of three components of the same CDBG grant. The budget for this portion of the grant is \$73,000 and is anticipated to be completed within budget.
- Cafetorium Rehab – This is a different CDBG grant project. The \$1,397,600 grant was secured under a special “Coronavirus” cycle of the CDBG program. This is a two-step grant that will

require architectural design followed by construction. The design RFQ has been issued twice, once in 2021 and again this April, with no proposals received either time. Staff has no new information regarding the potential cost of this project but anticipates that it can be completed within the budget, even if the overall scope needs to be modified. If we are unsuccessful in securing an architect, then staff will need to have discussions with the state (DEO) about advertising this as a design-bid project, a process with which the state is unfamiliar.

- PW Compound – There are two phases to this project that are currently in play. As mentioned when the Phase II contract was awarded, it included several pieces of Phase III. The remaining components that have not been awarded are a new covered equipment storage area and the conversion of the existing metal equipment storage building into the new equipment maintenance shop. As this is really the only project that does not have grant funding tied to it, staff is recommending that the remaining budgeted Phase III funds of \$1,109,550 be used to offset the cumulative deficits of the other current general fund projects.
- Walnut Street Improvements – This project is being funded through a combination of surtax, gas tax, ARPA and grant funding. The current budget is \$1,725,000. The engineering costs combined with the engineer’s estimate of probable cost total \$3,459,440. This leaves a deficit on this project of \$1,734,440. There have been several rounds of value-engineering that have reduced the estimate to where it stands now and that have resulted in several months of delay. The project was advertised for bid on May 5, 2023 and bids are due back June 6, 2023. Staff anticipates a recommendation for award at the June 20, 2023 City Council Meeting.
- Public Safety Boat Dock – This project has a \$400,000 budget, of which \$300,000 was funded by a Legislative Line Item appropriation. Permitting has been ongoing for well over 14 months. This timeline has just been extended by at least another 4 months due to modifications to the project in response to concerns from nearby property owners. Design is complete. The boat has been ordered, received and paid for. This leaves approximately \$195,000 in the project budget. The dock construction is estimated at \$600,000, resulting in an anticipated \$400,000 deficit for this project.
- City Hall Generator – This is a \$150,000 project with a \$64,131.90 HMGP grant portion. Staff received notice that it was being funded two weeks ago and are awaiting a grant agreement. At this point, we still feel that we can construct this project within the approved budget amount.
- Street Resurfacing – Each year, the City allocates \$200,000 in gas tax to resurfacing streets. This year, \$63,000 has been expended, leaving a balance of \$137,000. It is staff’s recommendation that this remaining balance be made available to offset the cumulative deficit of these projects.

Cumulatively, these projects represent a budget deficit of \$2,421,400. If Council approves staff’s recommendation to re-allocate the unspent funds for the Public Works Compound and the FY23 Resurfacing program, then this deficit is reduced to \$1,174,890. In the absence of any new outside funding sources and based on cash flow and timing of these projects, staff has identified the following potential funding sources to fund the deficit:

- Current Reserves:
 - There is \$967 available in the gas tax reserve.
 - There is \$1,088,034 available in the surtax reserve.
- FY 24 Anticipated Funding:
 - The City should receive at least \$300,000 in gas tax funds next year.
 - The City should receive at least \$1,000,000 in surtax funds next year.

Most, if not all of these projects will continue beyond September 30, 2023 and into next fiscal year.

When cities return unspent grant funds to funding agencies, it can impact future grant awards. Since most of these projects have grant dollars attached, staff's desire is to complete all of the above-mentioned projects. Based on the information presented, staff is requesting direction from Council on how to address the anticipated deficits if all projects are to be completed.

Should Council decide to continue with all of these projects and utilize some of the available (current or future) funds to complete the projects, staff would not recommend any new large general fund CIP projects for the FY 24 budget year with the exception of any grants that have already been applied for that are funded. Some projects that would be pushed out to future years would include Downtown Festival Parking on Magnolia Avenue, Public Works Compound Phases III and IV, and Completion of the extended City Pier.

FISCAL IMPACT

Dependent upon City Council Direction.

RECOMMENDATION

Dependent upon City Council Direction.

CIP Project and Funding Review
5/16/2023

Project	Budget	Design Cost	Cost / Estimate	FY 22 Funding	Source(s)	FY23 Funding	Source(s)	Deficit	Available Funding	FY 24 Funding	Source(s)
General Fund											
Highland Ave Sidewalks - CDBG-NR	\$266,000	\$53,000	\$500,000	\$266,000	Grant	\$0		\$287,000			
VFH Park Canopy - CDBG-NR	\$73,000		\$73,000	\$73,000	Grant	\$0		\$0			
Cafetorium - CDBG-CV	\$1,397,600		N/A	\$1,397,600	Grant	\$0		\$0			
PW Compound Phase 2 - Pond, Parking	\$400,000	\$65,000	\$725,450	\$400,000	Current Surtax	0		N/A - includes Ph3 components			
PW Compound Phase 3 - Equipment shop, Equipment Storage Area	\$1,500,000		N/A	\$0		\$1,510,000	\$1,074,266 Current Surtax \$435,734 Surtax Reserve	\$0	\$1,109,550		
Walnut Street Improvements	\$1,725,000	\$348,440	\$3,111,000	\$1,700,000	\$25K Surtax \$200K Resurfacing \$1,100K ARPA \$400K Grant	\$0		\$1,734,440			
Public Safety Boat Dock	\$400,000	\$65,362	Boat \$142,399 Dock \$592,239	\$400,000	\$300K Grant \$100K Transfer fr Fund Balance	\$0		\$400,000			
City Hall Generator - HMGP-Covid	\$150,000		Notice of Award Received April 2023			\$150,000	\$64,131.90 FEMA \$85,868.10 Surtax Reserve	\$0			
Resurfacing budget (recurring)	\$200,000	\$0	\$63,000			\$200,000	Gas Tax	\$0	\$137,000		
Gas Tax Reserve								-	\$967	\$300,000	FY24 Gas Tax
Surtax Reserve								-	\$1,088,034	\$1,000,000	FY24 Surtax
ARPA - uncommitted								-	\$0		
							TOTALS	\$2,421,440	\$2,335,551	\$1,300,000	



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council Special Session. **MEETING DATE:** May 16, 2023

FROM: Mike Null, Assistant City Manager

SUBJECT: City Council discussion and direction regarding modification to schedule and budget for current stormwater fund CIP projects and stormwater fees for the FY 24 budget cycle.
Mike Null

BACKGROUND

The purpose of this item is to discuss two different topics related to the City's stormwater utility. First is the list of current, active projects and the potential need to adjust budget and funding. Second is a discussion of stormwater utility fees and the potential need to adjust these fees moving forward.

First, we will address the current, active project list. Due to the current economic and employment state of the local, state and federal economy, construction projects are costing 50 to 100 percent, or more, above anticipated budgets that were developed just 1 or 2 years ago. This, coupled with continuing supply chain issues, has created some challenges for city staff when it comes to designing and constructing capital projects. Some of these projects have been on the books for several years. Both of the ones you are being asked to consider this evening also have grant funds attached to them. Unfortunately, these grant funds were requested based on pre-covid and pre-inflation cost estimates. The funds being generated by the stormwater utility rates are inadequate to construct these and future stormwater project, which we will discuss in more detail next. In many cases, these capital projects still could not happen without grant funding. While staff has been successful in securing grants for many of these projects, it can take 1 to 2 years from the time a grant application is submitted and the time we are finally able to expend funds. As mentioned above, with the supply-chain and other economic challenges we have faced over the last 2 years, project costs have doubled while the grant amounts have remained fixed. The result is the City must now provide 200% more funding than originally anticipated just to complete the same project.

Following is a discussion of the two current projects that are "on the board" in the stormwater fund, which are also shown in a matrix on the attached spreadsheet:

- West Street Stormwater Improvements – This is the third of three components of a \$700,000 CDBG grant that was awarded in August 2021. Due to the steps associated with CDBG grants, we were not able to expend funds until December 2022. This project has a budget of \$1,018,431, of which \$333,341 is grant funding. The design and permitting cost was \$62,000. The project was bid and two bids were received in April of approximately \$2.2 and \$2.7 Million. Award of the project to the low bidder at \$2,176,936 will result in a deficit for this project of \$1,220,505.

- Bayard and Park St Stormwater Project – This project has a budget of \$425,000, of which \$318,750 is funded by a Legislative Line Item appropriation. The project was reviewed at 30% design and the estimated construction cost was approximately \$1,000,000. In working with the engineer and value-engineering, the current engineer’s estimate of probable cost is \$657,513. The design fee is \$83,696. Presently, there is a deficit of \$316,209 projected for this project. The cost of this project was also increased by damage resulting from Hurricanes Ian and Nicole, which both battered the shoreline at the Bayard Street outfall after the grant was awarded.

Together, these two projects represent a budget deficit of \$1,536,714. In the absence of any new outside funding sources and based on cash flow and timing of these projects, staff has identified the following potential funding sources to fund the deficit:

- ARPA funds:
 - There is \$423,400 designated for construction of the Clay Street Project. The design of this project was recently awarded and staff estimates construction at \$2,000,000 based on other similar recent project estimates and bids.
 - There is \$755,000 in ARPA projects that have not yet started that could be reallocated to this project. These funds include:
 - \$200,000 for roadway extensions and affordable housing projects.
 - \$25,000 for a community garden.
 - \$100,000 for a façade grant program.
 - \$250,000 for a business growth program.
 - \$180,000 for a program coordinator.
- FY 24 Anticipated Funding:
 - The City should receive at least \$400,000 in stormwater user fees next year.

If all three of these funding sources are considered, they would offset the anticipated cumulative deficit and leave approximately \$41,000 available for FY 24. The stormwater fund has no reserves. These projects would both carry into FY 24, but no new projects could be budgeted. We would, however, have two projects fully designed and permitted, Julia Street and Clay Street. Having these projects designed and permitted puts the City in a better position to seek additional grants. Grants that the City is currently following and preparing applications for include HMGP funds from Hurricane Ian, SJRWMD cost-share funding and other resiliency funding opportunities. Staff also anticipates notification of HMGP funds from Hurricane Nicole soon and will pursue those funds as well.

Staff is seeking direction from Council on the two current and active projects in this fund.

Secondly, there is a need to discuss stormwater rates. There are two components of the stormwater utility rates; base fee and user fee. As evidenced above, the stormwater utility has been operating on a shoe-string budget since inception ten years ago. When the fund was started in 2012, the initial base fee was recommended at \$9.00 per month per parcel. The fee was adopted at \$3.00 and has had one subsequent increase to \$3.50 per month per parcel. The intent of the base fee was to cover personal services and operating costs of the utility. Since inception, this two-person department has been consistently supplemented by personnel from the street department and the parks department. The utility has been in dire need of a new Vac-Con truck for at least three years. As a result, they consistently use the wastewater department’s Vac-Con truck, which has significantly reduced the life

expectancy of the wastewater Vac-Con truck. The base fee should also be able to support an annual debt service payment of at least \$50,000 for a Vac-Con truck.

In the FY 23 budget, there was a transfer from fund balance of \$9,500 and a transfer from the general fund of \$5,000 just to balance the personal services and operating budgets. As mentioned above, there is no fund reserve. There are currently approximately 3,200 parcels that pay the base fee. To offset a repeat of these potential transfers in the FY 24 budget and to fund the debt service on a new Vac-Con truck, the base fee would need to be increased from \$3.50 to \$5.18 per month, or a 48% increase (\$1.68 per month). This increase would represent an increase of \$20.16 per parcel on the annual non-ad valorem stormwater assessment on the annual tax bill for each parcel.

The other component of the stormwater rate is the user fee. This fee is \$125 per year per single-family home. Other properties pay a user fee based on a multiplier. One Equivalent Stormwater Unit (ESU) is equal to 3,000 square feet. For a non-single-family parcel, the total square feet of impervious area is divided by 3,000 square feet to generate the multiplier (rounded to the nearest whole number). For example, if a commercial property has 9,000 square feet of impervious area, that number is divided by 3,000, yielding a multiplier of 3. Therefore, that property owner pays a stormwater user fee of \$125 x 3, or \$375 on their annual tax bill. This is in addition to the base fee of \$42 per year (\$3.50 x 12 months).

When the user fee was adopted in 2020, it was based on an annual capital need of \$750,000. The recommended annual ESU fee was \$250 but was adopted at \$125. This created an immediate anticipated shortfall of approximately \$400,000 per year. Since then, as discussed at the beginning of this report, construction costs have doubled. As evidenced by the West Street project discussed above, should Council move forward with the project using all available funding identified by staff, this one single project will have required a grant of \$333,341 plus most of the user fees collected from FY 21, FY 22, FY 23 and FY 24 to construct.

Attached to this staff report is a capital improvement plan that identifies an estimated need of \$13,500,000 over the next ten (10) years, an average of \$1,350,000 per year in today's dollars. This is almost double the need identified in the 2020 study. This means that at our current user rates of \$125 per ESU per year, we have a shortfall of \$1,000,000 per year for the next ten years. It would take an increase of \$375 per year to make up this difference. Staff realizes that it is unrealistic to make a request such as this of our residents and business owners and is not asking Council to implement such a rate hike. However, this information is presented for discussion as staff and Council need to formulate a plan moving forward to meet the capital improvement needs of the stormwater system.

Should Council direct staff to make adjustments to either the base fee or the user fee, the ordinance will need to be advertised and presented at the June 6 and June 20 Council meetings. This will allow the new rates to be adopted to meet the non-ad valorem assessment schedule to be included in the 2023 tax bills.

FISCAL IMPACT

Dependent upon City Council Direction.

RECOMMENDATION

Dependent upon City Council Direction.

CIP Project and Funding Review
5/16/2023

Project	Budget	Design Cost	Cost / Estimate	FY 22 Funding	Source(s)	FY23 Funding	Source(s)	Deficit	Available Funding	FY 24 Funding	Source(s)
Stormwater Utility											
West Street - CDBG-NR	\$1,018,431	\$62,000	\$2,176,936	\$1,018,431	\$333,431 Grant \$350,000 STWU \$335,000 TR fr Fund Balance	\$0		\$1,220,505			
Bayard / Park Stormwater	\$425,000	\$83,696	\$657,513	\$425,000	\$318,750 Grant \$106,250 STWU	\$85,000		\$316,209			
Julia Street	\$400,000	\$73,567	\$1,009,000	\$50,000	STWU	\$400,000	STWU				
Clay Street	\$500,000	\$76,600	\$2,000,000		ARPA				\$423,400		
STWU										\$400,000	STWU
ARPA - uncommitted									\$755,000		
							TOTALS	\$1,536,714	\$1,178,400	\$400,000	

ARPA Projects Started, Completed and Not Started			
Updated 3/31/2023			
PROJECTS STARTED and/or COMPLETED	Budget	Actual	Remaining
ARPA-LIVE STREAMING SOFTWARE	72,960	24,320	48,640
ARPA-VIDEO & SOUND UPGRADE	33,500	58,495	(24,995)
ARPA - PUBLIC RECORD REQUEST SOFTWARE	-	6,200	(6,200)
ARPA-WALNUT ST IMPROVEMENTS	500,000	275,548	224,452
ARPA-WALNUT DRAINAGE AND UTILITY	600,000	-	600,000
ARPA-IT IMPROVEMENTS	100,000	151,313	(51,313)
ARPA-POLICE SERVER ROOM	25,000	46,801	(21,801)
REMOTE ELECTRIC SERVICES - VERA FRANCES PARK (\$72K)	137,000	131,371	5,629
ARPA-PARKWAY UPGRADES (BOTH PARKS) (\$50K)			
ARPA-TOT LOT FENCING Plus SPRING PARK ADA FENCE (\$15K)			
ARPA-BASKETBALL GOALS	25,000	21,319	3,681
ARPA-STORMWATER OPERATION/DISTRIBUTION BACKHOE	175,000	74,715	100,285
AMI KIDS FACILITY IMPROVEMENT	200,000	200,000	-
PUBLIC SAFETY COVID HEALTH CLAIMS	340,000	340,000	-
WATERFRONT MASTER PLAN	76,142	51,099	25,043
CARE TO SHARE PROGRAM	28,301	28,301	-
POLICE EQUIPMENT	131,857		131,857
POLICE CARS & EQUIPMENT FOR VEHICLES	140,439		140,439
CITYWIDE TRANSPORTATION MOBILITY STUDY	25,000		25,000
6% COLA INFLATION BOOST	387,918	387,918	-
TOTALS	2,998,117	1,797,400	1,200,717
ACTUAL COST/EXPECTED COST TO COMPLETE			3,102,426
PROJECTS NOT STARTED/NO FUNDS EXPENDED			
ARPA-ROADWAY EXT/AFFORDABLE HOUSING PROJECT	\$200,000		\$200,000
COMMUNITY GARDEN PLOT	\$25,000		\$25,000
FAÇADE GRANT PROGRAM	\$100,000		\$100,000
BUSINESS GROWTH PROGRAM	\$250,000		\$250,000
STORMWATER PROJECTS - JULIA STREET <i>Project funded from other Sources- Original Budget was \$800K</i>			
CLAY STREET <i>Portion of Julia Street allocated here</i>	\$500,000		\$500,000
PROGRAM COORDINATOR- COMMUNITY, YOUTH AND CHILDREN SERVICES- 3 YEARS	\$180,000		\$180,000
PROPERTY ACQUISITION FOR MENTORING CENTER/CAFETORIUM	\$250,000		\$250,000
TOTALS	\$1,505,000		\$1,505,000
NOT STARTED AT PRESENT/or FUNDS EXPENDED			1,505,000.00
Total Funds Allocated - Both tranches		4,295,822	
Projects Started and/or Completed and/or Funds Obligated		3,102,426	
Net Available for Projects to be Reaffirmed or Reallocated		1,193,396	
PROJECTS NOT STARTED/NO FUND EXPENDED - NEED TO BE CUT BY		-\$311,604	

406 - 3036 STORMWATER			FY 2023/24 THRU FY 2027/28 CAPITAL IMPROVEMENT PROGRAM									
ACCOUNT NUMBER	PROJECTS	FUNDING SOURCE	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
	Expenditures & Others Uses:											
6307	Stormwater Improvements											
	West St. Drainage Project	STWU/G	\$2,176,936	(carry-over some portin from FY23)								
	Julia Street (Design FY 22, Construction FY 23) (\$400K STWU)	STWU/G		\$1,009,000								
	Park/Bayard Street (75/25 Grant) (LD \$318,750; STWU \$106,250)	STWU/LD		\$657,513								
	Clay St. Storm Basin (Design FY 23, Const FY 24) (ARPA Funded)	TR			\$2,000,000							
	Ferris St. Storm Basin	STWU				\$275,000						
	Esplanade Ave. Stormwater	TR						\$850,000				
	Roberts St.	STWU				\$400,000						
	407 Highland Ave. (Design FY 24, Const FY 26)	STWU			\$100,000				\$700,000			
	Cove Subdivision Pipe Lining Project	STWU				\$1,200,000						
	Highland from Walnut to MLK to Oakridge	STWU				\$300,000	\$1,700,000	\$1,500,000				
	Property Purchases	STWU							\$50,000			
	Vermont Ave S - Pipe Ditch	STWU								\$80,000	\$1,000,000	
	Walnut St and Vermont Ave (Design & Construction)	STWU								\$1,000,000		
	Gum Street Headwall	STWU									\$70,000	
	Lewis Street Headwall	STWU										\$300,000
	Elmore Street Headwall	STWU										\$300,000
6431	Replacement of #200 2008 Vac-Con Truck	L	\$550,000									
Total Expenditures & Other Uses			\$2,726,936	\$1,666,513	\$2,100,000	\$2,175,000	\$1,700,000	\$1,500,000	\$1,600,000	\$1,080,000	\$1,070,000	\$600,000



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council Special Session. **MEETING DATE:** May 16, 2023
FROM: Mike Null, Assistant City Manager
SUBJECT: City Council discussion and direction regarding Solid Waste rates for the FY 24 budget cycle. *Mike Null*

BACKGROUND

The purpose of this item is to discuss Solid Waste rates. The Solid Waste fund has historically run on a very thin margin. In order to balance the Solid Waste budget for FY 23, a transfer of \$32,630 was required from the general fund. This transfer, in addition to allowing no set aside for depreciation reserve, was utilized to offset increases in personal services. The set aside for depreciation reserve was budgeted at \$49,000 in FY 22.

Staff is requesting consideration of a rate increase in both residential and commercial hand pickup rates to make up the shortfall that was made up by the general fund in FY 23. Commercial hand pickup rates have remained the same at \$25.75 per month since 2014, 9 years ago, when they were increased from \$25.00 per month. Residential collection rates have remained the same at \$19.00 per month since 2018, 5 years, when they were increased from \$18.00 per month.

A 4% rate increase would generate an additional \$30,400 in FY 24. This would increase the residential rate to \$19.76 per month and the commercial hand pickup rate to \$26.78 per month.

A 5% rate increase would generate an additional \$38,000 in FY 24. This would increase the residential rate to \$19.95 per month and the commercial hand pickup rate to \$27.04 per month.

Staff is requesting direction from Council regarding a potential rate increase for the FY 24 budget year. Should Council direct staff to proceed with a rate increase, the ordinance will need to be advertised and presented at the June 6 and June 20 Council meetings. This will allow the new rates to be adopted to meet the non-ad valorem assessment schedule to be included in the 2023 tax bills for Magnolia West.

FISCAL IMPACT

Dependent upon City Council Direction.

RECOMMENDATION

Dependent upon City Council Direction.