

**BOARD OF FINANCE
SUMMARY MINUTES
April 16, 2025 3:30 PM
City Hall Caladesi Conference Rm**

- Members Present:** Christopher Krampert, Sharon Williams, Catherine Harvey, Jason Williams, James Ecklof, Al Crossman, Chase Fleeman, Alexandra Davidson, Alex Christopoulos
- Members Absent:** Robert Kennedy, Gonzalo Mora
- City Staff Present:** Les Tyler, Tamara Richardson
- Others Present:** Alex Gonzalez, Nan Bennett, Leanne Steurnagel, Jennifer Bramley, Jorge Quintas, Clayton Watkins, Thierry Boveri, Tristen Townsend
- Call to Order:** Chair Christopher Krampert called the meeting to order at 3:30 pm.
- Approval of Minutes:** Chair Christopher announced the agenda item January 15, 2025, February 19, 2025, March 19, 2025 and April 2, 2025 minutes and asked if anyone had any additions, deletions, or corrections to the minutes. Hearing none, Chair asked for motion to approve minutes.
- Motion:** Motion was made and seconded to approve the January 15, 2025, February 19, 2025, March 19, 2025 and April 02, 2025 minutes.
- Subcommittee Reports:** Policy & Investment- postpone until next meeting
- Marina Operations- postpone until next meeting
- Old Business:** Public Works Efficiency Study- Chair Christopher called the meeting to order and introduced Jenifer Bramley, City Manager to update the finding and current actions of the Public Works Efficiency Study. Jennifer reviewed the purpose and the goal of the Study. In conducting the study, consultants found there to be approximately 72 areas where we could make improvement and to make the department more efficient. The consultants presented the study to City Commission and Commission were happy with the direction of the study and authorized staff to move forward with implementation. Within the Efficiency study there was an estimated cost saving of between 4-15%, Board of Finance wanted to know where did estimate amount come from? Staff believes there will be a cost savings in the future but it was just an estimate. Staff feels the cost savings will come from less worker overtime,

reduction of the amount of product used and getting rid of surplus equipment. Jennifer indicated staff would track cost savings and report back to the Board on a quarterly basis. Staff would be able to show hard numbers as changes are made, in the future.

Question was asked when could the board start seeing the saving reflected in the Budget? City staff will start making changes on our own, but there are other portions of study staff will need help so they will have to put work out for bid. Staff feels savings will not show in City budget until FY 2027.

Board member asked the City Manager about the committee for the Dunedin Golf Club. City Staff is still working on what the makeup of the committee will look like.

New Business

Rate Study for Water/Sewer Fund - Nan Bennett (Director of Utilities) introduce key staff (Clayton Watkins, Assistant Director of Utilities, Alex Gonzalez, Project Manager and LeAnne Steurnagel, Utility Billing Supervisor) that is or will be involve with this Study. City staff engaged Rafelis to evaluate the utilities rate sufficiency. Nan introduced Thierry Boveri and Tristen Townsend from Raftelis to review the Water & Wastewater Utility Revenue Sufficiency Study.

Scope and Key Objectives

- 1 Review existing Program
2. Revenue sufficiency analysis- development of financial model and recommended rates.
3. Key objective develop ten-year forecast that recovers the full cost of service
4. Key objective is to propose rates that promote fiscal sustainability.
- 5, Data driven process by reviewing, Historical billing statistics, historical financial data, fixed asset records, current budget and financial plan, and Capital Improvement Plan.

Financial Plan Baseline Revenues

1. Revenue composition- 95% of revenues from monthly service charges and 5% of revenues from other charges for service
2. Forecast assumes modest growth with some small developments identified near end of forecast period.

Financial Plan Operating Expenses

1. FY 25 Budget served as baseline for model- Represents 18.5% increase over FY 24 costs and interviewed staff to confirm expenses in budget.
2. Operating expense forecast escalated over FY25 levels by 3.5% on average per year.

Financial Plan Capital/Debt

1. Capital cost estimates have significantly increased
2. Major projects – WWTP Electrical Upgrade, Lift station Rehab, reclaimed storage tank, pipelining, etc.....
3. Necessary due to increase capital cost, lack of net revenue margins and front-loaded capital improvement plan

4. Utility outstanding debt- account for all outstanding debt and proposed debt service.

Financial Model- Results DS Compliance

1. Calculation includes nonrecurring expenses for major maintenance, excludes capital outlay & transfers out
2. Series 2012 Bonds Covenants- Maintain net revenues equal to 1.25x annual debt service
3. SRF coverage requirement- Maintain net revenues equal to 1.15x annual debt service

Financial Model Cashflow results recommendations

1. Phase-in increase overtime to minimize impact to customers
2. Propose 2-year phase-in
3. Requires debt to finance near term capital needs
4. Adjust Reclaimed rates closer to Market rates- current rate is under market, City can't serve all customers with reclaimed water.

Financial Model- results Pay-go

1. Assuming implementation of the rate plan City will Generally meet pay-go target
2. Pay-go represents net revenues available for capital reinvestment before debt service payments
3. Target based on replacement cost new of fixed asset records- \$9.5M

Finding & Recommendations Summary

Key Financial Plan Recommendation

1. Consider proposed rate plan with 2-year phase in
2. Consider debt to aid in funding Capital Improvement Plan needs
3. Consider increasing reclaimed rates
4. Consider review of miscellaneous charges

Discussion followed concerning the proposed rate changes and funding CIP projects. The Board was supportive of the study and the direction staff is going. This Study will be presented to City Commission May 6, 2025.

Motion: Motion was made and seconded to approve the direction staff is going with the Water and Wastewater Utility Revenue Sufficiency Study.

Next Meeting:

The next regular Board of Finance meeting will be May 21, 2025 at 3:30pm to be held at the City Hall Caladesi Conference Room.

Adjournment:

Meeting was adjourned at 5:57 pm.

Respectfully Submitted

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