

CITY OF LABELLE



MINUTES

City Commission Budget Workshop
Thursday, August 13, 2026, at 3:00 PM

LaBelle Commission Chambers
481 West Hickpochee Ave
LaBelle, FL 33975

CITY COMMISSION:

Julie C. Wilkins., Mayor
Kevin Holland, Commissioner
Jackie Ratica, Commissioner
Bobbie Spratt, Commissioner
Hugo Vargas, Commissioner

ADMINISTRATION:

Tijauna Warner, MPA, MMC, Deputy City Clerk
Derek Rooney, Esq., City Attorney
Mitchell Wills, Superintendent PW

Minutes

1. Call to Order

The workshop was called to order by Mayor Wilkins at 3:06 PM.

2. Roll Call

PRESENT

Mayor Julie C. Wilkins

Vice Mayor Jackie Ratica

Commissioner Bobbie Spratt (*arrived at 3:05pm*)

Commissioner Hugo Vargas

Commissioner Kevin Holland

City Attorney Derek Rooney

City Clerk Tijauna Warner

3. Invocation and Pledge of Allegiance

Invocation by Commissioner Holland and Pledge of Allegiance lead by Vice Mayor Ratica.

4. New Business

A. FY2026-2027 Utility Budget

Finance Director Lilly Davenport presented the FY2026-2027 Utility Fund Budget, noting revisions to the proposed funding structure and several significant financial considerations. The Commission discussed the following:

- **Utility Fund Budget:** The proposed budget includes a transfer from prior-year utility fund balance to address the sewer fund shortfall. The utility funds have approximately \$1.4–\$1.5 million in unrestricted fund balance.
- **Grants and Line of Credit:** The budget includes significant estimates related to grant revenues, capital expenditures, and anticipated line-of-credit activity. The City has been approved for a First Bank line of credit at 4.25% interest, with a maximum of \$20 million, and anticipates more than \$500,000 in interest expense due to delays between project expenditures and grant reimbursements.
- **DEP Reimbursements:** The City continues to experience significant delays in receiving grant reimbursements from the Florida Department of Environmental Protection (DEP), with accounts receivable exceeding \$6 million as of June. Reimbursement timelines have increased from approximately 60 days to 90–120 days or longer. The City is working to improve internal tracking and submission of reimbursement requests. DEP is also expected to have a four-month vendor-disbursement blackout period from approximately October 2026 through February 2027 due to a system upgrade. The Commission discussed potentially meeting with DEP leadership and involving the City's legislative delegation.
- **Sewer Fund:** The sewer fund is projected to operate at a deficit due to increased repair and maintenance expenses. A \$284,000 transfer from water fund net income will

partially offset the shortfall, with the remaining deficit addressed through utility fund reserves.

- **Utility Rate Adjustment:** The Commission discussed the previously approved annual CPI adjustment to utility rates. Based on the current water and sewer CPI of approximately 4.2%, the Commission directed that notices be included with September utility bills advising customers of a potential increase of up to 4.2%, effective October 1, 2026. The budget also includes funding for a utility rate study to evaluate the long-term adequacy of utility rates and developer access fees.
- **Sanitation Contract:** City Attorney Derek Rooney discussed the ongoing contract dispute with Waste Connections concerning approximately \$1.3 million in claimed disposal and pass-through costs. The City disputes the full amount, and negotiations are ongoing. Options include negotiating a settlement and restructuring services or terminating the existing contract, issuing a new RFP, and litigating the disputed costs. No settlement amount is included in the FY2026-2027 budget. The Commission also discussed pickup frequency as a potential cost-saving measure.
- **Capital Projects:** Public Works Superintendent Mitchell Wills provided an update on capital projects. The Helms Road project remains under active construction. Zone B is ready to proceed to bid but requires additional funding for the water portion. Construction of the SAHFI water and sewer treatment plants is anticipated to begin in February or March 2027, pending DEP plan review and approval. Wills stated that the projects are funded, with current delays primarily related to cash flow and reimbursement timing.
- **Sewage Incident:** Superintendent Wills clarified a recent sewage-related incident, explaining that a pipe was struck by a metal marker post. The incident was discovered Friday morning and repaired Friday afternoon, with the amount of wastewater lost being less than initially reported.
- **Accounting and Audits:** Finance Director Davenport discussed accounting changes involving utility customer deposits and grant revenue recognition. She also advised that the City will be subject to four single audits during the upcoming fiscal year due to the significant amount of federal and state grant funding.
- **General Fund Budget:** The General Fund Budget was updated to include adjustments related to the audit engagement. Finance Director Davenport will present the General Fund and Utility Fund budgets together at the next scheduled budget workshop.

Overall, the Commission's discussion focused on utility fund sustainability, grant reimbursement delays, utility rates, sanitation contract costs, capital project cash flow, and preparation of the FY2026-2027 budgets.

5. Adjournment

Motion made by Commissioner Spratt to adjourn the workshop, Seconded by Commissioner Vargas. Mayor Wilkins called for the question. Motion passed unanimously. Voting Yea: Mayor Wilkins, Vice Mayor Ratica, Commissioner Spratt, Commissioner Vargas, Commissioner Holland

There being no further business to discuss, Mayor Wilkins adjourned the workshop at 4:03 PM.





ATTEST: Tijauna Warner, MPA, MMC, City Clerk



Vince Ross, Mayor