



CITY OF OKEECHOBEE, FLORIDA
AUGUST 12, 2020, BUDGET WORKSHOP
SUMMARY OF DISCUSSION

I. CALL TO ORDER

Mayor Watford called the Workshop of the City Council for the City of Okeechobee to order on Wednesday, August 12, 2020, at 5:00 P.M. in the City Council Chambers, located at 55 Southeast 3rd Avenue, Room 200, Okeechobee, Florida. Pursuant to Executive Order No. 20-69 issued by Governor DeSantis on March 20, 2020, and extended by Executive Order No. 20-193 effective August 7, 2020, the meeting was conducted utilizing communications media technology (CMT) as provided by Florida Statutes 120.54(5)(b)2, by means of Zoom.com Meeting ID 2459713294. The Host computer was operated by Executive Assistant Brock. The video, audio, and digital comments were recorded and retained as a permanent record. The invocation was offered by Mayor Watford, followed by the Pledge of Allegiance led by Council Member Keefe.

II. ATTENDANCE

Roll Call was taken by City Clerk Lane Gamiotea to establish a quorum, members present: Mayor Dowling R. Watford, Jr., Council Members Wes Abney, Monica Clark, Bob Jarriel, and Bobby Keefe. City Attorney John Fumero was in attendance via Zoom.

Department Heads in attendance: City Administrator Marcos MontesDeOca, Police Chief Bob Peterson, Fire Chief Herb Smith, and Public Works Director David Allen. Additional support staff in attendance: Deputy City Clerk Bobbie Jenkins, General Services Coordinator Patty Burnette, Finance Director India Riedel, and Executive Assistant Robin Brock.

III. PUBLIC COMMENTS

A. There were no agenda item forms or comment cards submitted for public participation for any issues not on the agenda.

IV. BUDGET WORKSHOP

A. The purpose of the Workshop is to review and discuss the proposed budget for Fiscal Year (FY) October 1, 2020 to September 30, 2021, as presented by Administrator MontesDeOca. To assist with the presentation, the Administrator deferred to Finance Director Riedel who distributed nine pages of additional information. The first page provided monthly State Sales Tax Collections from July 2019 through June 2020. The table provided evidence of the reduced collections from the lack of sales beginning in March from the impact of the Coronavirus (COVID-19) global pandemic which required a National quarantine and shutdown of businesses and schools. The State collected \$1.88 billion less than anticipated. Due to the economy being strong from July through February, the State collected overall 94.3 percent of the estimated total. The second page provided a graph of the information provided within the table on the previous page. Page three provided tables and graphs for State Revenue Estimate Comparisons of General and Public Facilities Improvement Funds for FY 2018-19 through 2020-21. This information provided the impact of the quarantine/shutdown which decreased the half-cent, one-cent, ninth-cent, and local option fuel taxes, municipal review sharing, and communications service taxes. Page four provided tables and graphs of the same Funds, with data of the Utility Tax and Franchise Fee comparing from FY 2016-17 through FY 2020-21, again providing the negative revenue impact due to the quarantine/shutdown. Page five provided a list of the Audited Fund Balances for FY 2018-19, Total being \$11,495,123.00.

Page six contained four millage rate options for the Council to consider in order to recapture the total lost revenues of \$281,348.00 (General Fund \$182,864.00, and Public Facilities Improvement Fund \$98,484.00). Option One: prior year millage rate of 7.6018, generates \$2,424,459.00 in ad valorem revenue, requiring \$1,614,246.00 of reserve funds to balance the budget. Option Two: prior year millage rate with a consumer price index of 3.22 percent equaling 7.8466, generates \$2,502,534.00 in ad valorem revenue, requiring the use of \$1,536,171.00 from reserves.

Option Three: decrease previous years millage rate by 0.25 equals 7.3518, generates \$2,344,726.00 in ad valorem revenue, requiring \$1,693,979.00 from reserves. Option Four: use the rollback rate for a millage rate of 7.1696, generates \$2,286,616.00 in ad valorem revenue, requiring \$2,286,616.00 from reserves.

Page seven listed the fuel per annual gallons, annual payment and price per gallon for FY 2017-18 through June of FY 2019-20. Pages eight and nine provided salary options and the budget impact for 0.5, 1.5 and 2.0 percent salary increases excluding the Mayor, Council, and City Administrator positions who are not included in the Step Plan.

MAYOR WATFORD CALLED FOR A RECESS AT 5:17 P.M. DUE TO TECHNICAL DIFFICULTIES WITH THE ZOOM VIDEO AND RECONVENED AT 5:24 P.M.

Budget page one provided a recapitulation of the **General Fund** revenue and expenses, presented using a millage rate of 7.6018. The proposed Beginning Fund Balance Total is \$4,342,501.00. Estimated Revenues are \$7,766,366.00 (\$2,424,459.00 Ad Valorem, \$3,377,661.00 Other Fees, Intergovernmental, Charges for Services, Fines/Forfeitures/Penalties, Uses of Money and Property, and Other Revenues; \$350,000.00 Transferred-In from Public Facilities Improvement Fund; \$1,614,246.00, Transferred-In from Capital Improvement Projects Fund). Total Projected Expenditures are \$7,766,366.00 (and equals 0.9 percent than the current budget); leaving a Fund Balance of \$4,342,501.00. Pages three and four provided the detail Line Item breakdown of the General Fund revenues including transfers-in and transfers-out from other Funds.

Each Department's projected budget within the **General Fund** were presented with the appropriate step increase (1.5 percent) within the Salary Step Plan for each position; increases to the Communications and Freight (Line Item 4100) in regard to the Fiber Optic Change Out Project for all Departments; and re-appropriation of the Property and Casualty Insurance (Line Item 4500).

511-Legislative/City Council (pages 5 and 6)

Total Personnel Costs:	\$112,494.00
Total Supplies and Other Services:	\$154,237.00
FY 2020-21 Proposed Total:	\$266,731.00
FY 2019-20 Amended Budgeted Total:	\$339,722.00
Difference is a decrease of:	(\$ 72,991.00)

City Council items noted for discussion: Line Item 4100 remained the same and 4500 increased \$747.00. Personnel Costs decreased overall by \$38.00. Line Item 3100 Professional Services decreased from \$10,000.00 to zero. Line Item 3400 Other Contractual Services decreased by \$25,000.00 (included are Legislative Services \$18,000.00, Charter Review \$40,000.00, and a Community Redevelopment Agency Study \$17,500.00). Line Item 4609 Repairs and Maintenance increased \$1,300.00. Line Item 8100 is specific to the contribution to the Shared Services Council with the same amount \$8,940.00. Line Item 8202 is a contribution to the Okeechobee Economic Development Corporation for the same amount, \$50,000.00. Line Item 8300 Competitive Florida Partnership Grants decreased from \$40,000.00 to zero.

512-Executive/Administration (pages 7 and 8)

Total Personnel Costs:	\$223,996.00
Total Supplies and Other Services:	\$ 35,511.00
FY 2020-21 Proposed Total:	\$259,507.00
FY 2019-20 Amended Budgeted Total:	\$250,420.00
Difference is an increase of:	\$ 9,087.00

Administration items noted for discussion: Line Items 4100 increased by \$350.00 and 4500 decreased by \$2,029.00. Line Item 4609 Repairs and Maintenance increased \$200.00. Total supplies and services decreased overall by \$1,479.00.

General Fund/Administration continued: Personnel Costs increased overall by \$10,566.00 which includes a \$4,500.00 salary increase for the City Administrator, and a \$2,500.00 base pay increase, as well as a 20-Year Longevity Service Award of \$250.00, for the Executive Assistant. Salary changes then triggered increases to FICA, Insurances and Workers Compensation line items.

2512-Executive/City Clerk (pages 9 and 10)

Total Personnel Costs:	\$206,862.00
Total Supplies and Other Services:	\$101,430.00
FY 2020-21 Proposed Total:	\$308,292.00
FY 2019-20 Amended Budgeted Total:	\$282,475.00
Difference is an increase of:	\$ 25,817.00

City Clerk items noted for discussion: Supplies and Other Services increased overall by \$18,630.00. Line Items 4100 increased by \$1,115.00 and includes adding the Deputy City Clerk to the monthly cell phone reimbursement, a benefit that is offered to all other Department Head assistants; and 4500 increased by \$7,570.00. Line Item 3400 Other Contractual Services increased by \$8,500.00 to reflect Phase 3 of the backlog scanning project. This is not a reoccurring service, but a 4-year/phase project that started two years ago. Each year/phase has specific records to be scanned, and different amounts quoted for those years/phases. Phase 3 encompasses the commercial plans and building permits. Line Items that decreased are: 4000 Travel Per Diem by \$1,500.00, and 4609 Repair and Maintenance by \$915.00. Line Items that increased are: 4900 Other Current Charges/Advertising by \$1,500.00, 4909 Education by \$25.00, 4909 Miscellaneous by \$2,310.00 to cover the cost of the 2020 election, and 5400 Books, Publications, Subscriptions by \$25.00. The costs associated with operating and maintaining the audio recording equipment and software was removed from this budget and placed into the General Services budget since it is used by all boards/committees. Personnel Costs increased overall by \$7,187.00, and reflects a \$2,500.00 increase to the base salary of the Deputy City Clerk position. Decreases were applied to Retirement by \$260.00 and Workers Compensation by \$264.00. Increases were made to FICA by \$575.00 and Life and Health Insurance by \$2,360.00.

514-Legal Services (page 11)

FY 2020-21 Proposed Total:	\$166,400.00
FY 2019-20 Amended Budgeted Total:	\$170,125.00
Difference is a decrease of:	(\$ 3,725.00)

Legal Services items noted for discussion: Decreases were noted on Line Items 2300 Health Insurance by \$2,675.00 and 5400 Books, Publications, Subscriptions by \$500.00, as the new contract does not provide for these specific benefits. Line Items 4100 decreased by \$300.00 and 4909 Education by \$250.00.

513-Finance (pages 12 and 13)

Total Personnel Costs:	\$213,805.00
Total Supplies and Other Services:	\$135,700.00
FY 2020-21 Proposed Total:	\$349,505.00
FY 2019-20 Amended Budgeted Total:	\$350,975.00
Difference is a decrease of:	(\$ 1,470.00)

Finance items noted for discussion: Supplies and Other Services decreased overall by \$5,265.00. Increases were made to Line Items 4100 by \$660.00 and 4500 by \$1,425.00. Line Items 3400 Other Contractual Services increased by \$4,200.00 for the new accounting software (to be awarded in the current year budget), 4901 Education by \$300.00, and 5400 Books, Publications, Subscriptions by \$250.00. Decreases were made to Line Items 3200 Accounting and Audit by \$6,500.00 as there will be no need for a single audit, and 4609 Repairs and Maintenance by \$5,100.00 due to the cancellation of the existing accounting and software maintenance contract with Information Management Systems. Personnel Costs increased overall by \$3,795.00.

519-General Services (pages 14 and 15)

Total Personnel Costs:	\$168,255.00
Total Supplies and Other Services:	\$434,553.00
FY 2020-21 Proposed Total:	\$602,808.00
FY 2019-20 Amended Budgeted Total:	\$551,967.00
Difference is an increase of:	\$ 50,841.00

General Services items noted for discussion: Supplies and Other Services increased overall by \$52,936.00. Increases were made to Line Items 4100 by \$50.00 and 4500 by \$2,800.00. Other increases were also made to Line Item 3100 Professional Services by \$25,000.00 to include additional services by the Planner, 3400 Other Contractual Services by \$1,276.00 based on prior year averages, 4901 Education by \$200.00, 5204 Postage and Supplies by \$2,000.00 based on trend. New Line Items added to this budget are 3401 Public Meeting Contract Costs \$21,500.00 to address the audio and video maintenance contract, Zoom annual costs, and to conduct the closed captioning of live broadcasted public meetings for all boards/committees. 4600 Repair and Maintenance Vehicles \$3,000.00; and 5201 Fuel and Oil \$500.00. Decreases were noted for Line Items 4400 Rentals and Leases by \$150.00, 4609 Repair and Maintenance by \$3,140.00 (reflects \$10,000.00 to repair the records room, \$5,000.00 to replace air conditioning units in the records room, and add a separate air conditioning system for the building official's office), and 5100 Office Supplies by \$200.00. Personnel Costs decreased overall by \$2,095.00, and Line Item 1400 Overtime was added, \$850.00.

521-Police Department (pages 16 and 17)

Total Personnel Costs:	\$2,664,261.00
Total Supplies and Other Services:	\$ 459,726.00
FY 2020-21 Proposed Total:	\$3,123,987.00
FY 2019-20 Budgeted Total:	\$2,809,734.00
Difference is an increase of:	\$ 314,253.00

Police items noted for discussion: Personnel Costs increased overall by \$294,291.00, primarily due to shifting the Dispatchers salaries from the Fire to Police Department's budget, as well as benefit payouts for two employees retiring, a \$500.00 25-year Longevity Service Award, a \$2,500.00 increase in the base pay for the Police Services Coordinator position, and increasing hours for the Code Enforcement Secretary due to case load. Line Item 2200 Retirement increased by \$20,600.00 based on the required contribution rate of 17.4 percent, 2300 Life and Health Insurance by \$19,240.00, and 2400 Workers Compensation by \$31,640.00. Line Items 4100 increased by \$10,000.00 and 4500 by \$3,500.00. Increases were also provided for Line Items 3100 Professional Services by \$3,187.00 for crime lab costs, 4300 Utilities by \$725.00, 4600 Repairs and Maintenance Vehicles by \$3,500.00 due to the number of vehicles no longer under warranty, 5102 Investigation Fees by \$1,200.00. The Supplies and Other Services overall costs increased \$19,962.00.

522-Fire Department (pages 18 and 19)

Total Personnel Costs:	\$1,237,650.00
Total Supplies and Other Services:	\$ 226,000.00
FY 2020-21 Proposed Total:	\$1,463,650.00
FY 2019-20 Budgeted Total:	\$1,710,651.00
Difference is a decrease of:	(\$ 247,001.00)

Fire items noted for discussion: Personnel overall costs decreased by \$190,774.00 due to moving the Dispatchers salaries to the Police budget. Supplies and Other Services decreased overall by \$56,227.00. These were addressed in decreases to Line Items 4500 by \$6,602.00, and 4901 Education by \$60,000.00 which was a one-time expenditure in the current budget for firefighters to attend Paramedic Certification class. Increases were noted in Line Items 4100 by \$3,900.00, 4902 Public Education and Fire Prevention by \$1,125.00, 4909 Miscellaneous by \$100.00, 5200 Operating Supply by \$3,250.00 for additional inventory needed due to COVID-19, and 5203 Uniforms/Patches by \$2,000.00 due to the number of personnel changes.

541-Public Works (pages 20 and 21)

Total Personnel Costs:	\$ 649,700.00
Total Supplies and Other Services:	\$ 575,786.00
FY 2020-21 Proposed Total:	\$1,225,486.00
FY 2019-20 Budgeted Total:	\$1,232,435.00
Difference is a decrease of:	(\$ 6,949.00)

Public Works items noted for discussion: Increased Line Items 4100 by \$600.00 and 4500 by \$1155.00. Supplies and Other Services increased overall by \$3,501.00. Decreases were noted in Line Items 3100 Professional Services by \$1,000.00, 3400 Other Contractual Services by \$2,000.00, 4000 Travel Per-Diem by \$500.00, 4901 Education by \$1,000.00, 5100 Offices Supplies by \$200.00, 5201 Fuel and Oil by \$2,000.00, 5202 Operating Supplies by \$500.00, 5203 Uniforms by \$750.00 and 5400 Books, Publications, Subscriptions by \$50.00. Increases were provided in Line Items 3401 Garbage Collection Fees by \$1,246.00, 4300 Utilities by \$6,500.00, 4400 Rentals and Leases by \$500.00, 4605 Repair and Maintenance Parks by \$1,500.00. Personnel Costs decreased overall by \$10,450.00 due to reductions in Retirement by \$1,800.00 and Workers Compensation by \$15,500.00. Overtime increased by \$3,500.00 to continue providing cleaning/disinfecting of public areas seven days a week in direct relation to COVID-19.

The next proposed budget to review is the **Public Facility Improvement (Transportation 301) Fund** (pages 23-24) which was prepared in coordination by Administrator MontesDeOca and Public Works Director Allen. Florida Statutes provide specific expenditures to be authorized with the revenues received. It was presented with a Beginning Fund Balance of \$844,807.00; Total Revenue Estimates of \$1,164,028.00; Total Expenditures Projected of \$1,010,488.00, plus \$350,000.00 to be Transferred-Out to General Fund; leaving a Fund Balance of \$648,347.00. The total expenditures decreased by \$37,500.00. A list comparing the decrease of the current to proposed budget specific projects, maintenance and repairs was provided.

The third proposed budget to review is the **Capital Improvements Projects (304) Fund** (pages 26-27) and was prepared by Administrator MontesDeOca, in coordination with each Department Head and the Five-Year Capital Improvement Element of the Comprehensive Plan. Total Beginning Fund Balance of \$3,190,195.00; Total Revenues Estimates of \$6,550.00; Total Projected Expenditures are \$240,250.00, plus \$1,614,246.00 Transferred-Out to General Fund; leaving a Fund Balance \$1,342,249.00. The revenues decreased by \$218,450.00 as the annual police car sales program is unknown at this time. Expenditures decreased by \$463,040.00. Specific projects costs for each project/expense was provided.

The fourth proposed budget to review is the **Other Grant (302) Funds** (page 29) which was prepared in coordination with Administrator MontesDeOca and Public Works Director Allen. Total Beginning Fund Balance of \$260,000.00; Total Revenues Estimates of \$300,000.00; Total Projected Expenditures are \$420,000.00; leaving a Fund Balance \$140,000.00. The activity in this Fund is directly related to the Taylor Creek Southeast 4th Street project (Contract No LPQ0007).

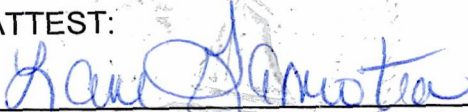
The fifth proposed budget to review is the **Appropriations Grant (307) Funds** (page 30) which was prepared in coordination with Administrator MontesDeOca and Public Works Director Allen. The Fund activity is a continuation of the Southeast 8th Avenue Project Grant (Contract No. LP47020). Beginning Fund Balance of \$593.00; Appropriation Funds Revenue \$209,000.00; Total Projected Expenditures of \$209,000.00; leaving a Fund Balance of \$593.00.

The sixth and final proposed budget for review is the **Law Enforcement Special (601) Fund** (page 31), presented in coordination with Chief Peterson. Beginning Fund Balance of \$9,920.00; Total Estimated Revenues of \$1,000.00; Total Projected Expenditures as \$6,500.00; leaving a Fund Balance of \$4,420.00.

The discussion was mainly focused on reducing the overall expenditures. **The consensus of the Council was to use Option One, using the current millage rate, 7.6018; to use \$2.50 per gallon for gasoline and \$3.00 per gallon for diesel and to recalculate those costs; for each Department Head to go back over their budgets with the Administrator, get creative, review what expenditures can be put off, and present a revised budget decreasing expenditures, getting as close to 10 percent as possible.** A second budget Workshop will need to be held on August 18, 2020.

- V. There being no further items on the agenda, Mayor Watford adjourned the meeting at 7:13 P.M. The next meeting is scheduled for August 18, 2020, at 5:00 P.M.

ATTEST:


 Lane Gamiotea, CMC, City Clerk


 Dowling R. Watford, Jr., Mayor

Please take notice and be advised that when a person decides to appeal any decision made by the City Council with respect to any matter considered at this meeting, he/she may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based. City Clerk media are for the sole purpose of backup for official records of the Clerk.