



Town Council Budget Workshop

July 27, 2023 at 1:00 PM

**Howey-in the-Hills Town Hall
101 N. Palm Ave.,
Howey-in-the-Hills, FL 34737**

MINUTES

Mayor MacFarlane called the Town Council Budget Workshop to order at 1:00 p.m.
Mayor MacFarlane led the attendees in the Pledge of Allegiance to the Flag.
Councilor Reneé Lannamañ delivered an invocation.

ROLL CALL

Acknowledgement of Quorum

MEMBERS PRESENT:

Councilor Reneé Lannamañ | Councilor David Miles | Councilor George Lehning | Mayor Pro Tem Marie V. Gallelli | Mayor Martha MacFarlane

STAFF PRESENT:

Sean O'Keefe, Town Administrator | John Brock, Town Clerk | Rick Thomas, Police Chief | George Brown, Police Lieutenant | Tara Hall, Library Director | Morgan Cates, Public Works Director | James Southall, Public Utilities Supervisor | Abigail Herrera, Finance Supervisor

NEW BUSINESS

Prior to the first item of business, Councilor Miles discussed wastewater as it relates to the budget. Councilor Miles stated that there were two options from which the Town Council would need to choose their direction. The first option would be building and running a Town-owned Wastewater Treatment plant. The second option would be using taxpayer money to expand the privately-owned wastewater treatment plant that is managed by the Central Lake CDD.

Councilor Miles stated that, if the Town were to use the 13.5 acres off of Number Two Road, the Town would need to get the County to agree to place its proposed fire station on the 2-acre parcel on State Road 19, currently known as Pine Park. Councilor Miles stated that there was a benefit to selling the Town-owned 2-acre parcel on State Road 19 to Lake County, with the purpose of placing a fire station on the land. Councilor Miles explained that the proximity of a fire station to the Venezia neighborhood would cause the residents' homeowners insurance rates to drop. Mayor MacFarlane stated that the 2-acre parcel, also known as Pine Park, was designated as a park and this is what it should become.

1. Discussion: **Fiscal Year 2023-2024 Budget**

Town Manager, Sean O’Keefe, introduced this item. Mr. O’Keefe explained that the proposed millage rate for fiscal year 2023-2024 would remain the same as the previous year at 7.5 mills. Mr. O’Keefe stated that the proposed staffing changes for the upcoming year included: a new full-time position in Town Hall under the Building Services Department (this position would assist with permits and development issues); moving the part-time Library Assistant to a full-time position; and creating a new full-time Administrative Assistant position in Public Works that would report to the Public Works Director. Mr. O’Keefe stated that, per Mayor MacFarlane’s suggestion, the current version of the budget included the funding necessary for the Town to switch over to the Florida Retirement System (FRS), if the Town Council authorized it.

Mr. O’Keefe explained that the revenue fees coming in for Impact Fees were all calculated with a projection of 369 new homes for the upcoming fiscal year.

Mr. O’Keefe explained that any funds that would have an unspent balance, the unspent portion of the funds would be budgeted under 950 object code (Other Non Operating Uses). Mr. O’Keefe made a reference to the Town’s “Reserves”. Councilor Miles corrected Mr. O’Keefe saying the “Reserves” was not the appropriate terminology; the Town should use the terminology of “Unappropriated Fund Balance”.

Mr. O’Keefe began the meeting’s budget discussion with the expenditure budget and explained afterwards they would discuss the revenue budget. Mr. O’Keefe referenced changes made since the first budget workshop. Mr. O’Keefe stated that the changes in the 100-200 object codes represented salary changes, workers’ compensation corrections, and health insurance changes. Mr. O’Keefe explained that, as an example, health insurance costs came in lower than expected.

Mr. O’Keefe explained that, under account 513 (Finance and Administrative), object code 522 (Gas & Oil), \$2,000 was added for a Town Hall vehicle. This vehicle would be used for traveling to meetings and conferences, rather than paying employees back for their mileage.

Mayor MacFarlane pointed out that the Town has not budgeted any salary costs to Stormwater, Wastewater, or Solid Waste expenses. Mayor MacFarlane suggested that, not this upcoming year, but in future years, the Town should budget some salary costs to those cost centers as there were labor costs associated with those services, even if it was only administrative billing labor.

Councilor Miles suggested that, rather than splitting employee costs across various cost centers, the Town should complete interfund transfers to account for the costs. Mayor MacFarlane disagreed saying that it would be clearer in reporting, but it would not be easier when running payroll.

Mr. O’Keefe stated that, within the 571 (Library) account, object codes 660 and 662 were restored. This added \$1,100 for ebooks and \$5,000 for books. Councilor Miles stated that, since the library is moving the part-time Library Assistant to full-time, he would like to see the Library’s operational hours increase by more than 3 hours, from 42 to 45 hours of open time. Councilor Miles would like to see the Library open more hours on the weekends.

Morgan Cates, Public Works Director, explained that he asked to have \$5,000 removed from the 572 (Park & Recreation) account, object 467 (R&M – Nature Trail), because he will be using Impact Fees to build a new boardwalk.

When speaking about account 573 (Historic Preservation), Councilor Miles stated that the amount raised to restore the Town’s fire truck should be placed in object code 950. Mr. O’Keefe stated that he would do this and add the equivalent amount in Revenues.

Mr. O’Keefe stated that he had increased account 574 (Special Events), which is used for the Town Christmas festival, to a total of \$22,250. Mayor MacFarlane suggested that the Christmas event could

benefit from a larger budget. Lt. George Brown, Events Committee Chairman, stated that he would need a larger budget for Christmas to account for more youth activities during the festival, such as rock walls and bounce houses. Councilor Lannamañ requested that the Special Events account should be increased to \$31,500. Mr. O'Keefe stated that he would work on finding a way to increase the Special Events account budget to \$31,500.

Mr. O'Keefe explained that, under fund 140 (Water Impact Fees), \$600,000 had been budgeted for Capital Outlay Equipment. James Southall, Public Utilities Supervisor, explained that this had been budgeted for new pumps and a hydraulic study and was not for the new water treatment plant.

Mr. Cates explained that, in fund 141 (Park & Rec Impact Fee), \$400,000 had been budgeted for the expansion of the boardwalk. Councilor Miles wanted to know if the FEMA mitigation amount for the boardwalk had been budgeted in revenue. When Mr. O'Keefe stated that it hadn't due to uncertainty as to when the Town would receive the money, Councilor Miles stated that he wanted to see the \$20,000 of FEMA mitigation accounted for in next year's revenue account.

Councilor Miles noted that there was \$738,000 in account 950 within the 141 (Park & Rec Impact Fee) Fund. Councilor Miles stated that he would like to see the Town donate to the Venezia and Talichet HOAs for the use of purchasing and installing playground equipment into HOA-owned lands in both neighborhoods. Councilor Lannamañ stated that the Venezia HOA would not be interested in this, as residents in the HOA had already expressed to her that they would not want a playground park added within their neighborhood.

Mr. Cates referenced a DOT project that would make road improvements from Groveland to the Town, and it would improve or add sidewalks in sections. Mr. Cates stated that he would email each Town Councilor a link to a 10-minute DOT improvement video about the project.

Police Chief, Rick Thomas, explained that the \$7,500 budget in 142 (Police Impact Fees) object code 640 (Capital Outlay Equipment) was for an Evidence Incinerator.

Councilor Miles noted that 155 (Building Services) Fund had \$45,542 in object 950 and that the Town would need to watch this going forward due to State laws about how the Building Services Funds must be spent.

Mr. O'Keefe explained that, under fund 401 (Water/Sanitation) Fund, account 533 (Water Utilities Services) object 520 (Operating Supplies) was increased by \$73,800 to account for updated costs for new water meters that would be needed in the upcoming year.

Councilor Miles asked that the Town Manager provide a short 5-minute discussion on debt service that the Town was paying for under Fund 401. Councilor Miles would like the discussion to include SRF loans, principal, when the debt will be paid off, what the interest rate is, etc. Councilor Miles also asked to be emailed an amortization schedule.

Councilor Miles stated that he wanted to see a Wastewater Impact Fee set up, even if it is just set up with just a budget of \$1. Mr. O'Keefe committed to doing this.

Councilor Miles stated that, in his estimation, there are two types of vehicles that are tearing up the Town's roads: school buses and solid waste trucks. Councilor Miles stated that he is concerned specifically about the solid waste trucks. Councilor Miles suggested that Town may want to provide its own solid waste hauling services and utilize small trucks like category 4 trucks. Mayor MacFarlane stated that it might be possible to work with Tavares about contracting with them and having them use smaller trucks.

Mayor MacFarlane called a short recess from 3:10 PM to 3:17 PM and would start the discussion on revenue budget after the recess.

Councilor Miles stated that he wanted a tour of the Town's current water plants. Town Clerk, John Brock, committed to setting up Councilor Miles' tour. Councilor Lannamañ stated that she also wanted a tour and Mr. Brock said he would also set her tour up as well.

Mr. O'Keefe began the discussion on the revenue budget. Mayor MacFarlane asked about account 329100 Inspection Fees Collected and wondered why \$4,000 was budgeted. Mr. O'Keefe stated that he would research this.

Councilor Miles stated that he believed that there may be errors in accounts 314400 (U.S.T. – Gas) and 314800 (U.S.T – Propane), as the gas taxes appeared to be too low. It was also noted that the Town may be putting natural gas taxes into the propane line item. Councilor Miles was concerned that some of the Town's natural gas taxes may be going to other municipalities. Mr. O'Keefe committed to researching this.

There was a discussion about the Town's water tower. Mr. Cates stated that he would look into seeing what it would cost to have the water tower inspected.

Councilor Miles recommended in future years that Mr. O'Keefe combines the revenue and expenditure pages together by fund to make it easier to read.

Mr. O'Keefe stated that the projected water revenue budget included the allowed increase of 6.69% and that the Council would need to authorize this increase, or this number would need to be amended prior to the final budget hearing.

Councilor Miles wants Mr. O'Keefe to research 312520 (State Pension) account. Councilor Miles noted that when you type in the 34737 zip code Groveland pops, but it used to be the Town of Howey-in-the-Hills that popped up. Mr. Brock stated that he would speak with the Howey Postmaster about the primary and secondary city that the USPS lists for the 34737 zip code, Councilor Miles would like to see the Town of Howey-in-the-Hills listed as the primary city.

Councilor Lehning stated that, in the future, he wanted to see a short Executive Summary to preface the budget with answers to why numbers have gone up. All other councilors said that they would like to see this as well.

Mr. O'Keefe reminded the Town Councilors that he had emailed all the Councilors a summary sheet of the salaries of all Town employees for their review.

PUBLIC COMMENTS

Any person wishing to address the Mayor and Town Council and who is not on the agenda is asked to speak their name and address. Three (3) minutes is allocated per speaker.

None

ADJOURNMENT

There being no further business to discuss, a motion was made by Councilor Miles to adjourn the meeting; Mayor Pro Tem Gallelli seconded the motion. Motion was approved unanimously by voice vote.

The Meeting adjourned at 4:15 p.m. | **Attendees: 23**

Mayor Martha MacFarlane

ATTEST:

John Brock, Town Clerk