

September 10, 2020

**CITY OF LABELLE
BUDGET WORKSHOP/SPECIAL MEETING**

Mayor Lyons called the budget workshop/special meeting to order at 4:35 p.m. All Commissioners were present. The Mayor asked Ron Zimmerly, Finance Director, to present the workshop items.

Mr. Zimmerly presented the agenda and budget packages to the Commission. He noted the first item is a housekeeping item, the Florida Department of Transportation (FDOT) entry sign letter of credit. He explained that the FDOT grant to install the entry signs required a letter of credit, which the City secured from First Bank. He noted the letter of credit is up for renewal and can be extended for a maximum of two (2) years. He explained the cost is approximately \$600 and covers the cost to restore the land if the signs should ever be removed in the future.

Commission Wilkins made a motion to request extension of letter of credit for two (2) years. Commissioner Akin seconded the motion. The motion carried 5-0.

Mr. Zimmerly then updated the City on the mitigation grant applications that have been submitted. He noted the grants included the hardening grant for lift stations, planning grants for water, sewer and stormwater, and septic to sewer conversion funding for Areas D, E & F. He noted he hopes Zone B will get funded outside of the legislative grant program. He noted additional updates will be provided at future meetings.

Mr. Zimmerly then updated the Commission on the CARES Act funding, noting coordination and clarification with the County Administrator on the City's application. He is awaiting further notice from the County.

He then discussed the state revenue estimate provided in the package. He noted the new estimates from the state indicate that the City will only be \$38,000 less than their estimate before the COVID pandemic. There was discussion on how this relates to the millage.

Mr. Zimmerly noted he provided a budget based on the current millage rate of 3.6046, as well as the 4.0 millage rate requested at the July special budget workshop meeting. He noted that he has received no public opposition on the tentative 4.0 millage rate. There was discussion on budgetary options.

The discussion moved to the Cost of Living Adjustment (COLA) discussed at the last workshop. He noted that the difference in revenue outcome between the current millage and the proposed 4.0 millage is approximately \$92,000. This would cover the state budget shortfall and a 2% COLA. A 3% COLA would cost the City \$66,546, which is approximately \$11,000 more than stated in the budget. He noted without an increase to the millage, he could not recommend doing a COLA. Commissioner Wilkins asked Ron to confirm that the existing millage could handle the state budget shortfall and Mr. Zimmerly confirmed that was possible. There was discussion on how Hendry County was handling their budget and COLAs.

There was further discussion on the audit process and the impacts of COVID on the budget.

Mr. Zimmerly noted he recommends a sewer increase of 5%, but not a water increase. He noted the increase is nominal depending on rate of usage. Commissioner Akin asked if the base rate would change or just the usage rate. Mr. Zimmerly clarified and asked for consensus on the 5% increase and the Commission agreed.

Mr. Zimmerly asked for a vote on the proposed millage rate. Commissioner Akin noted he is inclined to keep the millage at the current 3.6046 rate, or as minimal increase as possible to cover the budget shortfall. The Mayor asked what the COLA was last year. Mr. Zimmerly noted last year a 3% COLA was provided to staff. Commissioner Wilkins also noted the staff reviews and raises provided through that merit review process. There was discussion on the review process. Mr. Zimmerly noted that a formal vote would be required tomorrow, but it would not be finalized until the final budget hearing on September 24th. Commissioner Wilkins said she would like to keep it at 4.0 millage until they figure out what the millage needs to be to provide a 2% COLA and cover shortfalls.

City Attorney Derek Rooney reminded the Commission to include an amount for special, unplanned projects that may arise throughout the year.

There was further discussion on a millage rate greater than the current rate, but lower than 4.0 to cover budget shortfalls and some COLA. Mr. Zimmerly noted he would prepare the calculations and present to the Commission in advance of the final budget hearing. There was discussion on demolition costs for condemned properties.

There was discussion on the health insurance provided through PRM and the proposed 7.5% increase in costs, which is built into the proposed budget. Mr. Zimmerly discussed insurance options and noted PRM would like to present to the Commission, perhaps in January, and explain the insurance coverage. There was discussion on providing notice of intent to change insurance and Ron noted that would need to be done in Spring 2021.

There was further discussion on the increase in property insurance but also the corresponding increase in value of city property.

There was discussion on the sound system at the civic center. Commissioner Wilkins offered to assist Staff if needed. Mr. Zimmerly noted the first public hearing on the budget would occur the following day on Friday, September 11th at 5:30. The Commission noted they would be in attendance, except for Commissioner Smith.

As there was no further budgetary business, Mr. Zimmerly noted the elevator maintenance contract bid process. He recommended accepting the maintenance agreement contract with KONE, adding that ThyssenKrupp, the previous contractor, did not submit a bid.

Commissioner Akin made a motion to accept the elevator maintenance agreement presented by KONE. Commissioner Wilkins seconded the motion. Motion carried 5-0.

There was discussion on the DEM grant for installing generators on lift stations. There was discussion on installing generators on a total of five (5) lift stations in the City. Mr. Zimmerly noted these stations would be removed from the hardening grant submittal. There was discussion on purchasing used

generators for cost savings, or not accepting the DEM grant if the hardening grant was approved. Mr. Zimmerly asked for a motion to allow the Mayor to execute the DEM agreement.

Commissioner Akin made a motion to allow the Mayor to execute the agreement for the DEM grant. Commissioner Wilkins seconded the motion. Motion carried 5-0.

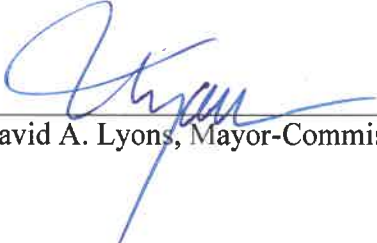
Derek Rooney, City Attorney, noted he needed to complete the agreement with the Labelle Downtown Revitalization Corp. (LDRC) for the Barron Park food truck. He noted the Commission should charge the LDRC a minimal fee for use of the park. The LDRC can in turn charge the food trucks a rental fee. There was discussion on the appropriate amount to charge the LDRC, and how much they should charge food truck vendors. Derek explained that the City could take a percentage of what the LDRC charges. There was discussion on providing some funding to the LDRC to help augment their budget. There was discussion on logistics. Derek noted the City should not get involved in selecting vendors.

Ron Zimmerly noted the Commission could take up the utility lien write-off item, which totals \$9,000 of actual product usage. He clarified that remaining funds on the list are fixed demand fees that are not associated with actual water usage.

Commissioner Akin made a motion to accept the utility lien write-off as presented. Commissioner Wilkins seconded the motion. Motion carried 5-0.

As there was no further business, the meeting was adjourned at 5:20 p.m.

APPROVED:



David A. Lyons, Mayor-Commissioner

Attest:



Thomas A. Smith, Clerk-Commissioner