

**CITY COUNCIL AGENDA  
WORK SESSION MEETING  
Monday, June 24, 2019  
5:30 PM  
CITY HALL**

**CALL TO ORDER / ROLL CALL**

**ORDER OF BUSINESS**

1. Golf Course Update.
2. Fiscal Year 2019-20 Budget Development.

**ADJOURNMENT**

3. Adjournment.

**PURSUANT TO SECTION 286.0105, FLORIDA STATUTES, ANY PERSON DESIRING TO APPEAL ANY DECISION MADE BY THE CITY COUNCIL, WITH RESPECT TO ANY MATTER CONSIDERED AT ANY MEETING OR HEARING, WILL NEED A RECORD OF THE PROCEEDINGS AND MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE WHICH INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. This record is not provided by the City of Oviedo.**

**ALL SERVICES, PROGRAMS AND ACTIVITIES OF THE CITY OF OVIEDO ARE OFFERED AND SOLICITED WITHOUT REGARD TO RACE, COLOR, NATIONAL ORIGIN, AGE, SEX, RELIGION, DISABILITY OR FAMILY STATUS. FOR INFORMATION REGARDING THE CITY'S TITLE VI NONDISCRIMINATION POLICY, PLAN AND PROCEDURES PLEASE VISIT [WWW.CITYOFOVIEDO.NET](http://WWW.CITYOFOVIEDO.NET).**

**IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT, PERSONS WITH DISABILITIES NEEDING ASSISTANCE TO PARTICIPATE IN ANY OF THESE PROCEEDINGS SHOULD CONTACT THE CITY CLERK AT 407-971-5500 AT LEAST 48 HOURS IN ADVANCE OF THE MEETING.**

**AGENDA**  
**MEMORANDUM**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Bryan Cobb, City Manager  
**DATE:** June 24, 2019  
**SUBJECT:** **Twin Rivers Golf Club Update**

**Introduction:** The purpose of this work session is to provide City Council with an update on the Twin Rivers Golf Club.

**Discussion:** At its March 6, 2017, meeting, City Council adopted Resolution No. 3388-17 approving the purchase and sale agreement for the acquisition of the Twin Rivers Golf Course property. City Council also adopted Resolution No. 3389-17 approving an agreement for golf course management and maintenance operations with SSS Down to Earth OPCO, LLC (Down to Earth). Nick Dunleavy, Business Development Manager, will provide an update on the course operations and improvements that have been implemented in FY 2018-19. Mr. Dunleavy will also review what is anticipated for FY 2019-20.

FY 2018-19 highlights include:

- Improved Golf Course Maintenance Program (ongoing)
- Vastly Improved Course Conditions
- Reached \$1.4 million in revenue
- 40,000 rounds played
- New club house and parking lot landscaping including mulch, chord grass, pine straw and crepe myrtles
- New bar stools
- Painting of the men's locker room, clubhouse doors and railings, ceilings, restaurant
- New course water coolers
- Replaced the bridge on the No. 18 tee
- Built new course trash cans
- Improved maintenance of UCF facility
- New Course and Cart Barn signage
- Re-establishment of course drains to improve areas that historically hold water

Through May 2019, the budgeted gain for the Golf Course was \$52,090 while the actual gain of \$28,542, resulted in a variance from budget of \$23,548

At its March 25, 2019 work session, City Council directed staff to prepare revisions to the City's agreement with Down to Earth primarily to extend the term of the agreement. A draft agreement is provided in Attachment 2. The original agreement's term was provided in Section 13 which read as follows:

**SECTION 13: TERM/LENGTH OF AGREEMENT**

- (a) The initial term of this Agreement shall be for a period of three (3) years.
- (b) After the initial term, this Agreement shall be automatically renewed on an annual basis, unless either party hereto provides written notice to the other party of its intention not to renew this Agreement within ninety (90) days prior to the expiration of the then applicable term.

The draft agreement recommends the following revisions regarding the term of the agreement. Additions are shown in underline. Deletions are shown in strike-through.

**~~SECTION 13: TERM/LENGTH OF AGREEMENT~~**

- ~~(a) The initial term of this Agreement shall be for a period of three (3) years.~~
- ~~(b) After the initial term, this Agreement shall be automatically renewed on an annual basis, unless either party hereto provides written notice to the other party of its intention not to renew this Agreement within ninety (90) days prior to the expiration of the then applicable term.~~

**SECTION ~~39~~37: EFFECTIVE DATE/RENEWAL.**

- (a) The EFFECTIVE DATE of this Agreement shall be the date of full execution of this Agreement by the latter of the CONTRACTOR and CITY, and this Agreement shall not become effective and binding until executed by all Parties hereto and shall be dated for purposes hereof as the date of execution by the last party.
- (b) This Agreement shall be automatically renewed on an annual basis, unless either party hereto provides written notice to the other party of its intention not to renew this Agreement within ninety (90) days prior to the expiration of the then-applicable term.

The draft agreement also includes other minor revisions that are primarily formatting in nature.

**Budget Impact:** There is no budget impact associated with a review of the status of the Twin Rivers Golf Club. However, future improvements may impact future budgets.

**Strategic Impact:** Execute and update the Recreation and Parks Master Plan. Enhance partnerships with UCF.

**Recommendation:** It is recommended that the City provide direction regarding the operation of the Twin Rivers golf course and revisions to the management.

Attachments:    1. Twin Rivers Golf Club Update  
                    2. Proposed Draft Golf Course Management Agreement  
                    3. FY 2018-19 Financials  
                    4. FY 2019-20 Proposed Budget

Reviewed by:    Jerry Boop, Finance Director  
                    Nick Dunleavy, Business Development Manager

**AGENDA**  
**MEMORANDUM**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Bryan Cobb, City Manager  
**DATE:** June 24, 2019  
**SUBJECT: Fiscal Year 2019-20 Budget Development**

**Introduction:** The purpose of this work session is to update the City Council on the proposed Fiscal Year 2019-20 Budget outlook. The following information provides an update from the May budget work session, as well as, a comparison of the FY 2018-19 Adopted Budget to the FY 2019-20 Proposed Budget.

**Discussion:** Per Charter Section 4.08.05, the City Manager must submit a budget for the ensuing fiscal year and a budget message by July 31 of each year. The City Manager is responsible to provide a balanced budget for consideration by the City Council. Through the budget, the City annually defines budgets and goals necessary for the proper operations of the City, and Council approves programs and budgeted costs.

**Updated May Work Session Model:** A copy of the Fiscal Year 2019-20 Budget Development presented to the City Council on May 29, 2019, is provided in Attachment 1. The June 24, 2019, budget update is provided Attachment 2 and reflects changes that have occurred since the May 29, 2019, work session.

The revenue estimate provided in Attachment 2 includes Ad Valorem revenues, which were updated in May to reflect the most recent estimate from the Seminole County Property Appraiser's Office. For the June work session, the General Fund operating millage has been increased by 0.0165 mills, which is the millage savings on the General Obligation Bonds.

<b>Revenues</b>	<b>May 2019-20</b>	<b>June 2019-20</b>	<b>Change</b>
Ad Valorem	14,207,624	14,253,536	45,912
Utility Taxes	4,559,207	4,510,707	(48,500)
Business Receipt	139,194	139,194	-
Licenses, Permits and Fees	2,612,438	2,615,750	3,312
Intergovernmental	4,164,483	4,164,483	-
Charges for Services	3,236,990	3,239,198	2,208
Fines and Forfeitures	95,600	95,600	-
Other Revenues	503,812	503,812	-
Use of Fund Balance	-	886,099	886,099
<b>Total Revenues</b>	<b>\$29,519,348</b>	<b>\$30,408,379</b>	<b>\$889,031</b>

- This increase in the operating millage will generate an additional \$45,912 in revenues for the General Fund, for total Ad Valorem revenues of \$14,253,536. The overall millage rate for the City remains at 5.2820 mills.
- Communication Services Tax revenue was reduced by \$48,500 due to concerns over collections.
- Non-Ad Valorem revenues increased from \$15,311,724 to \$15,317,244, an increase of \$5,520.
- Based on the most current revenues and expenditures that have been included in the FY 2019-20 Budget, the \$886,099 use of fund balance amount is set to balance the budget.

As of the June 24, 2019 work session, no revenue estimates have been received from the State of Florida. Any estimates received will be presented to City Council at the July 15, 2019 City Council meeting, and will be included in the Proposed FY 2019-20 Budget presented to City Council by the end of July 2019.

The June expenditure estimates provided in Attachment 2, reflect an overall decrease of \$75,509 from the May work session.

<b>Expenditures</b>	<b>May 2019-20</b>	<b>June 2019-20</b>	<b>Change</b>
General Govt – Salaries/Benefits (3%)	6,774,294	6,773,556	(738)
Police – Salaries/Benefits (based on contract)	6,405,139	6,412,484	7,345
Fire – Salaries/Benefits (based on contract)	4,372,013	4,372,013	-
Overtime	792,744	792,744	-
Health Insurance	3,763,471	3,501,643	(261,828)
Workers Compensation	510,948	512,021	1,073
Vehicle Replacement Fund	1,225,875	1,025,875	(200,000)
General Insurance	474,653	474,653	-
Operating Expenditures	6,475,328	6,423,967	(51,361)
Capital Expenditures	-	-	-
Reserve for Contingency	450,000	880,000	430,000
<b>Total Expenditures</b>	<b>\$31,244,465</b>	<b>\$31,168,956</b>	<b>\$(75,509)</b>

- General Government salaries/benefits decreased \$738 due to on-going personnel updates.
- Police Salaries/Benefits increased \$7,345 due to on-going personnel updates.
- Health Insurance costs decreased \$261,828 due to more favorable claims trends and lower than expected medical inflation.
- Workers Compensation increased \$1,073 due to on-going personnel updates.
- Vehicle Replacement Fund costs decreased \$200,000 to reflect immediate needs.
- Operating Expenses decreased \$30,000 to reflect the end of the contract with Retail Strategies and \$21,361 in legal expenses.
- Reserve for Contingency increased \$430,000 for capital expenses and new positions.

On June 4, 2019, the Budget Department held a one-day Budget Retreat with Departmental Directors. The personnel, capital and facilities maintenance requests submitted by the

departments have been included in Attachment 3. The goal of the retreat was to prioritize the departmental requests for the City as a whole. The budget department is still working to finalize the prioritization of these items for inclusion in the FY 2019-20 budget. The Reserve for Contingency has been increased \$430,000 pending the prioritization of personnel and capital requests. Once the prioritization is complete, this reserve amount will be re-allocated to fund the recommended personnel and capital requests which will be presented to City Council at the July 15, 2019 City Council meeting.

<b>Net Operating Results before Transfers</b>	<b>May 2019-20</b>	<b>June 2019-20</b>	<b>Change</b>
Transfers In	2,425,000	2,861,594	436,594
Transfers Out	243,650	243,651	1
Transfers Out – Debt	1,870,537	1,870,537	-

- Transfers In, increased by \$436,594, which is comprised of the following:
  - Increase in the transfer from the Building Services Fund of \$103,226 for the City’s share of 28% of revenues received.
  - Increase in the transfer from the CRA Fund for debt service at Oviedo on the Park of \$248,368.
  - Increase in the transfer from the DEA Fund of \$50,000 to help with SRO expenses.
  - Increase in the transfer from the Fire Impact Fee Fund of \$35,000 to help with debt service costs previously funded from Fire Impact Fees.

**Fiscal Year 2019-20 Budget:** The following information provides a comparison of the FY 2018-19 Adopted Budget to the FY 2019-20 Proposed Budget.

**Revenues:** Revenues, as of June are projected to increase by \$1,900,336 over the previous fiscal year which are detailed in the following table:

<b>Revenues</b>	<b>Adopted 2018-19</b>	<b>Proposed 2019-20</b>	<b>Change</b>
Ad Valorem	13,285,522	14,253,536	968,014
Utility Taxes	4,410,707	4,510,707	100,000
Business Receipt	139,194	139,194	-
Licenses, Permits and Fees	2,461,938	2,615,750	153,812
Intergovernmental	4,164,483	4,164,483	-
Charges for Services	3,236,990	3,239,198	2,208
Fines and Forfeitures	95,600	95,600	-
Other Revenues	503,812	503,812	-
Use of Fund Balance	209,797	886,099	676,302
<b>Total Revenues</b>	<b>\$28,508,043</b>	<b>\$30,408,379</b>	<b>\$1,900,336</b>

- The projected ad valorem increase of \$968,014 is based on the total gross taxable value increase for the City received from the Seminole County Property Appraiser’s Office.
- Utility Taxes, Licenses Permits and Fees, Intergovernmental, Charges for Services, Fines and Forfeitures and Other Revenues are expected to increase a combined \$256,520.

- The Use of Fund Balance has been tentatively increased by \$676,302 to balance the budget. This will be adjusted accordingly once all revenue projections have been received.

**Expenditures:** Expenditures are projected to increase by \$2,188,125 over the previous fiscal year which are detailed in the following table:

<b>Expenditures</b>	<b>Adopted 2018-19</b>	<b>Proposed 2019-20</b>	<b>Change</b>
General Govt – Salaries/Benefits (3%)	6,473,659	6,773,556	299,897
Police – Salaries/Benefits (based on contract)	6,119,328	6,412,484	293,156
Fire – Salaries/Benefits (based on contract)	4,219,581	4,372,013	152,432
Overtime	755,616	792,744	37,128
Health Insurance	3,393,209	3,501,643	108,434
Workers Compensation	462,339	512,021	49,682
Vehicle Replacement Fund	725,875	1,025,875	300,000
General Insurance	431,548	474,653	43,105
Operating Expenditures	6,038,164	6,423,967	385,803
Capital Expenditures	-	-	-
Reserve for Contingency	361,512	880,000	518,448
<b>Total Expenditures</b>	<b>\$28,980,831</b>	<b>\$31,168,956</b>	<b>\$2,188,125</b>

- General Government Salaries and Benefits are projected to increase three percent (3%) or \$299,897. This includes a full year funding of the Event Marketing Coordinator position that was approved by City Council on May 6, 2019, and the transfer of the Special Contracts Inspector position from the Water/Sewer Fund to the General Fund.
- Police Salaries and Benefits are projected to increase by \$293,156 which is based on the PBA contract.
- Fire Salaries and Benefits are projected to increase by \$152,432, which is based the IAFF contract.
- Overtime is projected to increase \$37,128.
- Health insurance premium rates are projected to increase 2%, or \$108,434.
- Workers Compensation is projected to increase by 10%, or \$49,682.
- Vehicle Replacement fund is projected to increased \$300,000.
- General insurance is projected to increase by 10%, or \$43,105.
- Operating expenses are projected to increase by \$385,803.
- The Reserves for Contingency increased by \$518,488. This includes \$430,000 in reserves for capital expenses and new positions. Once the prioritization of these items is complete, this reserve amount will be re-allocated to fund the recommended personnel and capital requests which will be presented to City Council at the July 15, 2019 City Council meeting.

**Net Operating Results before Transfers, Capital Expenditures and Adjustments:** Changes in this category result in an increase in funding sources to the General Fund as illustrated below:

<b><u>New Operating Results before Transfers</u></b>	<b><u>Adopted 2018-19</u></b>	<b><u>Proposed 2019-20</u></b>	<b><u>Change</u></b>
Transfers In	2,823,898	2,861,594	37,696
Transfers Out	230,151	243,651	13,500
Transfers Out – Debt	2,120,959	1,870,537	(250,422)

- Transfers In, increased by \$37,696 which is comprised of the following:
  - Increase in the transfer in from the Fire Impact Fee Fund of \$45,000
  - Decrease in the transfer in from the CRA of \$4,920
  - Decrease in the transfer in from the Building Services Fund of \$2,384
- Transfers Out increased by \$13,500 for the replacement of the legacy Tyco Security system.
- Transfers Out – Debt decreased by (\$250,422) which is primarily related to the pay-off of the Public Improvement Revenue Refunding Note 2012B.

**Net Operating Results Before Adjustments:** The Net Operating Results before Adjustments reflects a surplus of \$13,171.

**Impact from Selected Options:** The Impact from Selected Options are comprised of various different combinations of Changes in Revenues and Changes in Expenditures. The current selections result in a loss or deficiency of (\$13,171). Details of the selected options are reflected below:

- Increase in revenues related to the following:
  - Seminole County Sheriff’s Office – SRO funding \$146,807  
(addition of a 10th SRO; full year of 9th SRO; increase in SRO expenses)
- Decrease in revenues related to the following:
  - Development Services application fees (\$30,000)
  - Comp Plan Amendment fees (\$32,338)
- Increase in expenditures related to the following:
  - Addition of a 10th School Resource Officer \$71,298

If all items above are selected, the Net Result after Adjustments will result in a use of fund balance of \$886,099. This results in a projected ending fund balance of \$5,979,146. This meets both the GFOA best practices Operating Reserve target of 16.67% and the City’s policy target of 15%.

The Tentative Millage Rate for the FY 2019-20 Proposed Budget will be set at the July 15, 2019, regular City Council meeting. The Final Budget Work Session is scheduled for August 26, 2019 to review changes to the FY 2019-20 Proposed Budget. The First Public Hearing is scheduled for September 5, 2019 and the Final Public Hearing is tentatively scheduled for September 16, 2019.

**Budget Impact:** This Worksession will provide recommended input and guidance for the development of the FY 2019-20 Proposed Budget. City Council will be asked to establish the Tentative Millage Rate for the FY 2019-20 Budget at the July 15, 2019 City Council meeting.

**Strategic Impact:** Continuing high levels of customer service, productivity, and efficiency which maintain fiscal and organizational health.

**Recommendation:** At the work session, Staff will seek City Council's input and direction regarding the preparation of the FY 2019-20 Budget.

Attachments:     1) May Work session Model  
                      2) June Work session Model  
                      3) Capital Needs, Facilities Maintenance, New Personnel

Prepared By:     Kelly Jones, Assistant Finance Director  
Reviewed By:     Jerry Boop, Finance Director