

CITY COUNCIL AGENDA  
WORK SESSION MEETING  
Monday, June 29, 2020  
5:30 PM  
CITY HALL

CALL TO ORDER / ROLL CALL

ORDER OF BUSINESS

1. Comprehensive Plan Update Work Session.
2. Fiscal Year 2020-21 Budget Development.

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 29, 2020

**SUBJECT:** Comprehensive Plan Update Work Session

**Procedure:** Call up Item

Curtis Ostrodka, Director of Community Planning Presentation, VHB

City Council Discussion and Direction

**Introduction:** The purpose of this work session is to update the City Council on the proposed Comprehensive Plan Update and understand City Council's priorities as it relates to the Plan.

**Discussion:** On Monday, April 6, 2020, City Council approved Resolution No. 3900-20, approving the selection of Vanasse Hangen Brustlin, Inc. (VHB) to develop the City's Comprehensive Plan update. The project purposes are to plan for growth, environmental protection, and economic prosperity in the City for the next twenty (20) years; and engage the community in a Citywide Visioning process.

The Project Approach is the following:

1. Identification of City Priorities;
2. Data Collection and Assessment;
3. Review of Existing Planning Documents, Regulations, Policies, and City Goals and Initiatives;
4. Assessment of Future Demands and Opportunities; and
5. Develop Comprehensive Plan Goal, Objectives, and Policies.

The Scope requires a series of three (3) City-Wide Visioning Sessions with the public. The Visioning Sessions are explained below:

1. Visioning Workshop #1- Where are we now? The workshop will begin with an introduction to the project process and objectives. Workshop attendees will be engaged to answer the following:
  - a. Strengths, weakness, opportunities, and threats analysis
  - b. What physical, social, cultural and other factors do Oviedo residents use to identify the City?
  - c. What characteristics define good quality of life for Oviedo residents?

2. Visioning Workshop #2- Where are we going? During this workshop, the community will prepare trend maps based on build-out scenarios. Workshop attendees will be engaged to answer the following:
  - a. What should each part physically look like in the future?
  - b. How should the City function as part of the economic region?
3. Visioning Workshop #3- Where do we want to go? This workshop will begin with a summary of trend maps prepared by the community in the previous workshop. Workshop attendees will be engaged to answer the following:
  - a. What areas should the City preserve, revitalize or redevelop?
  - b. What actions are necessary for the City to promote healthy community design, sustainability, and a smart and connected City?
  - c. What actions would improve the City and how should they be prioritized?

After the Visioning Workshops, VHB will develop a draft Action Plan on how to get to the Community's desired results. The draft Action Plan will be presented during the Local Planning Agency and City Council work sessions.

VHB conducted a kickoff meeting with the Staff from Development Services, Parks and Recreation, Public Works, as well as stakeholders representing land owners in the Old Downtown. VHB wanted to determine where the City is today. The questions asked include:

1. What are Oviedo's strengths as a community? The answers included, that Oviedo is an A-rated community, the recreation, the schools (UCF, high, middle, and elementary schools), downtown Oviedo, quality of life, family oriented, etc.
2. What are Oviedo's challenges as a community? The answers included Oviedo is a bedroom community, traffic, lack of road connectivity, low day time employment, Oviedo Mall, no plaza, walkability, etc.
3. How do you envision Oviedo in 2040? The answers included mixed use, innovating, sustainable, connected vibrant buildout, urbanized, etc.

There will be multiple opportunities for the public involvement through the series of visioning meetings.

The City Council is asked to provide input and direction on the following questions:

1. What are Oviedo's strengths as a community?
2. What are Oviedo's challenges as a community?
3. How do you envision Oviedo in 2040?
4. How do you want to incentivize and regulate development in mixed-use/downtown areas?
5. How do you imagine providing sufficient park and open space?
6. How do you imagine attracting and retaining high quality, high value industries and businesses?

7. How do you imagine growing as a prime location for “Finance and Insurance” and “Professional, Scientific and Technical Services”?

The next steps include the first City-wide Visioning Workshops are scheduled for:

- Tuesday, July 14, 2020 at 6:00 p.m. at the City’s Cultural Center
- Tuesday, August 11, 2020 at 6:00 p.m. at the City’s Cultural Center
- Tuesday, September 15, 2020 at 6:00 p.m. at the City’s Cultural Center

**Budget Impact:** The Comprehensive Plan Update was budgeted in the FY 2019-2020. There are no additional costs associated with the Comprehensive Plan Update.

**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 Update of the City’s Comprehensive Plan, specifically the following:

1. What are Oviedo’s strengths as a community?
2. What are Oviedo’s challenges as a community?
3. How do you envision Oviedo in 2040?
4. How do you want to incentivize and regulate development in mixed-use/downtown areas?
5. How do you imagine providing sufficient park and open space?
6. How do you imagine attracting and retaining high quality, high value industries and businesses?
7. How do you imagine growing as a prime location for “Finance and Insurance” and “Professional, Scientific and Technical Services”?

**Attachment:** VHB Presentation for the Comprehensive Plan Update

**Prepared By:** Debra Pierre, Planning Manager

**Reviewed By:** Teresa Correa, Development Services Director

**TO:** Honorable Mayor and City Council Members

**FROM:** Bryan Cobb, City Manager

**DATE:** June 29, 2020

**SUBJECT: Fiscal Year 2020-21 Budget Development**

**Introduction:** The purpose of this work session is to update the City Council on the FY 2019-20 projected year end, and the Fiscal Year 2020-21 Proposed Budget outlook. The following information provides an update from the June 1, 2020 budget work session.

**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 FY 2019-20 Projected Year End:** A copy of the Fiscal Year 2019-20 year-end projection presented to the City Council on June 1, 2020, is provided in Attachment 1. The June 29, 2020 updated year end projection is provided in Attachment 2 and reflects changes that have occurred since the June 1, 2020 work session. The original best-case scenario yielded a loss of \$727,159 and has been revised to a loss of \$954,538, or an increase of \$227,379. The original worst-case scenario yielded a loss of \$1,119,341 and been revised to a loss of \$1,284,385, or an increase of \$165,044. The current model reflects the worst-case scenario loss of \$1,284,385 and the projected year-end fund balance as of September 30, 2020 which is reflected below.

Beginning Balance (ties to FY2019 CAFR)	\$	9,176,346
Deposit/(Withdrawal) from fund balance		<u>(1,284,385)</u>
Ending Balance	\$	7,891,961
Target Balance (16.67% GFOA Best Practices)		4,864,949
Meets Target Reserve Requirements at 16.67%		Yes
Policy Balance (15%)		4,377,578
Actual Reserve Balance		27.04%

The increased loss is attributable to a reduction in vacancy factor, increase in overtime, and an increase in operating expenditures due to COVID-19.

**Fiscal Year 2020-21 Proposed Budget:** The following information provides an update of the FY 2020-21 Proposed Budget from the June 1, 2020 work session. The June 29, 2020 work session Model is provided in Attachment 2.

**Revenues:** Revenues, as of June 29, 2020 are projected to increase by \$309,302 from the June 1, 2020 work session, and are detailed in the following table:

Revenues	June 1, 2020	June 29, 2020	Change
	2020-21	2020-21	
Ad Valorem	14,993,334	15,090,540	97,206
Utility Taxes	4,573,132	4,715,328	142,196
Business Receipt	126,057	126,057	-
Licenses, Permits and Fees	2,652,668	2,722,568	69,900
Intergovernmental	3,403,394	3,403,394	-
Charges for Services	3,039,992	3,039,992	-
Fines and Forfeitures	98,000	98,000	-
Other Revenues	449,336	449,336	-
Use of Fund Balance	-	-	-
<b>Total Revenues</b>	<b>\$ 29,335,913</b>	<b>\$ 29,645,215</b>	<b>\$ 309,302</b>

- The projected ad valorem revenue increase of \$97,206 is based on a slight increase in the total gross taxable value of the City as per a letter received from the Seminole County Property Appraiser on June 23, 2020, along with a transfer of .0075 mills from the GO Bond Millage rate, for a total General Government millage rate of 5.1220.
- Utility Taxes and Licenses Permits and Fees are expected to increase a combined \$212,096.
- The Use of Fund Balance has been tentatively removed from the FY 2020-21 Proposed Budget. This will be adjusted accordingly once all revenue projections have been received.

As of the June 29, 2020 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 20, 2020, City Council meeting, and will be included in the FY 2020-21 Proposed Budget.

**Expenditures:** Expenditures, as of June 29, 2020 are projected to decrease by \$353,589 from the June 1, 2020 work session, and are detailed in the following table:

Expenditures	June 1, 2020	June 29, 2020	Change
	2020-21	2020-21	
General Government - Salaries/Benefits (3%)	7,151,351	7,108,130	(43,221)
Police - Salaries/Benefits (reflects 3%)	6,702,090	6,538,394	(163,696)
Fire - Salaries/Benefits (based on contract)	4,653,473	4,558,502	(94,971)
Overtime	773,599	773,599	-
Health Insurance	3,834,980	3,800,594	(34,386)
Workers Compensation	268,617	264,132	(4,485)
Vehicle Replacement Fund	995,972	995,972	-
General Insurance	286,375	286,104	(271)
Operating Expenses	6,324,803	6,312,244	(12,559)
Capital Expenses	-	-	-
Reserve for Contingency	225,000	225,000	-
<b>Total Expenditures</b>	<b>\$ 31,216,260</b>	<b>\$ 30,862,671</b>	<b>\$ (353,589)</b>

- General Government Salaries and Benefits were adjusted based on the most current payroll information, and were reduced by \$43,221.
- Police Salaries and Benefits were reduced by \$163,696. This is primarily due to the retirements of tenured staff and the reduction in the police pension rate.
- Fire Salaries and Benefits were reduced by \$94,971. The decrease is due to turnover of tenured staff.
- Health insurance premium rates have been adjusted and are projected to decrease \$34,386. This is the result of all open positions being budgeted at employee only insurance coverage.
- Workers Compensation was reduced \$4,485.
- General insurance was reduced \$271.
- Operating expenses were reduced \$12,559.
- No capital expenditures are currently included in the FY 2020-21 Proposed Budget.

**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>Transfers</b>	<b>June 1, 2020 2020-21</b>	<b>June 29, 2020 2020-21</b>	<b>Change</b>
Transfers In	2,475,000	2,808,636	333,636
Transfers Out	398,756	398,756	-
Transfers Out-Debt	1,740,774	1,740,774	-
<b>Net Transfers</b>	<b>\$ 335,470</b>	<b>\$ 669,106</b>	<b>\$ 333,636</b>

- Transfers In, increased by \$333,636 which is comprised of the following:
  - Increase in the transfer in from the Fire Impact Fee Fund of \$30,000 to help with debt service costs previously funded from Fire Impact Fees.
  - Increase in the transfer in from the CRA Fund for debt service at Oviedo on the Park of \$253,448.
  - Increase in the transfer in from the Building Services Fund of \$50,188 for the City's share of 28% of revenues received.

**Net Operating Results Before Adjustments:** The Net Operating Results before Adjustments reflected a loss of \$1,269,495 as of June 1, 2020. As a result of adjustments made to revenues and expenditures, the loss decreased to \$548,352 as of June, 29, 2020.

**Fiscal Year 2020-21 Proposed Budget with millage adjustment:** At one time, ad valorem revenues fully funded the cost of public safety, however since FY 2008-09, the cost of public safety has exceeded ad valorem revenue collections by \$31,956,517. Public safety costs in excess of ad valorem revenues have been funded by other governmental revenues which has restricted the ability of general government activities to fund ongoing capital and maintenance needs as illustrated in the graphs provided in Attachment 4. Since public safety is deemed the top priority for the City of Oviedo, staff recommends adjusting the general government millage rate from 5.1220 to 5.6410, an increase of 0.5190 mills. This adjustment will provide the funding to properly support public safety. The recommended millage rate adjustment is included in the updated June 29, 2020 work session Model which is provided in Attachment 3.

**Revenues:** The ad valorem revenue impact associated with increasing the millage rate to 5.6410 mills, results in an additional \$1,526,577 as depicted in the table below.

<b>Revenues</b>	<b>w/o Millage Increase</b>	<b>With Millage Increase</b>	<b>Change</b>
Ad Valorem	15,090,540	16,617,117	1,526,577
Utility Taxes	4,715,328	4,715,328	-
Business Receipt	126,057	126,057	-
Licenses, Permits and Fees	2,722,568	2,722,568	-
Intergovernmental	3,403,394	3,403,394	-
Charges for Services	3,039,992	3,039,992	-
Fines and Forfeitures	98,000	98,000	-
Other Revenues	449,336	449,336	-
Use of Fund Balance	-	-	-
<b>Total Revenues</b>	<b>\$ 29,645,215</b>	<b>\$ 31,171,791</b>	<b>1,526,577</b>

**Expenditures and Transfers:** At this time, expenditures and transfers remain the same.

**Impact from Selected Options:** The recommended millage rate provides the opportunity to fund the purchase of a new ladder truck and other capital and facility needs within the City.

- Increase in expenditures related to the following:
  - Lease payment on the purchase of a ladder truck                      \$155,432

The Net Result after Adjustments will result in a positive contribution to fund balance of \$822,794. The projected result in ending fund balance is \$8,714,755 before the impact of Police Union negotiations, the inclusion of additional capital items as provided in Attachment 5, and any use of fund balance. This meets both the GFOA best practices Operating Reserve target of 16.67% and the City’s policy target of 15% which is illustrated below.



	<b>Projected FY 2019-20</b>	<b>Proposed FY 2020-21</b>
Beginning Balance (ties to FY2019 CAFR)	\$ 9,176,346	\$ 7,891,961
Deposit/(Withdrawal) from fund balance	(1,284,385)	822,794
Ending Balance	\$ 7,891,961	\$ 8,714,755
Target Balance (16.67% GFOA Best Practices)	4,864,949	5,170,718
Meets Target Reserve Requirements at 16.67%	Yes	Yes
Policy Balance (15%)	4,377,578	4,652,716
Actual Reserve Balance	27.04%	28.10%

As previously noted, public safety is deemed a top priority for the City of Oviedo, and therefore, it is important that they are properly funded. The recommended millage rate has several positive impacts on the General Fund. First, it will properly fund the costs of public safety. Second, by adequately funding public safety, additional funds will become available in the General Fund to fund ongoing capital and maintenance needs within the City. Over the past several years the City's strategy was to set aside non-recurring revenues in order to create funding to take care of many of the capital and facilities improvements. The increase in fund balance for FY 2018-19 exceeded \$2,000,000 which was to be used to replace the liner in the Big Kahuna pool, provide for funding to replace the anticipated failure of the HVAC system at the Gym, fund the Riverside roof repairs, and several other items as detailed in Attachment 5. Lastly, COVID-19 has exposed the City's vulnerability to unforeseen economic impacts. In an effort to provide relief until we can fully scrutinize the proper diversification of our revenue structure, eliminate vulnerability, stabilize fund balance, and create sustainability, staff recommends adjusting the general government millage rate from 5.1220 to 5.6410 until other revenue strategies can be considered.

The Tentative Millage Rate for the FY 2020-21 Proposed Budget will be set at the July 20, 2020, regular City Council meeting. The Final Budget Work Session is scheduled for August 24, 2020 to discuss final changes to the FY 2020-21 Proposed Budget. The First Public Hearing is scheduled for September 10, 2020 and the Final Public Hearing is tentatively scheduled for September 21, 2020.

**Budget Impact:** This Worksession will provide recommended input and guidance for the development of the FY 2020-21 Proposed Budget. City Council will be asked to establish the Tentative Millage Rate for the FY 2020-21 Budget at the July 20, 2020 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 2020-21 Budget.