

Town Council Budget Workshop

July 22, 2025 at 1:00 PM

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

MINUTES

Mayor Wells called the Town Council Budget Workshop to order at 1:07 p.m.
Mayor Wells led the attendees in the Pledge of Allegiance to the Flag.
Councilor Reneé Lannamañ delivered an invocation.

ROLL CALL

Acknowledgement of Quorum Present and Proper Notice Given

MEMBERS PRESENT:

Mayor Pro Tem Tim Everline | Councilor Jon Arnold | Councilor Reneé Lannamañ (via Zoom until 1:14 pm, when she arrived in person) | Councilor David Miles | Mayor Graham Wells

STAFF PRESENT:

Sean O'Keefe, Town Manager (via Zoom) | Morgan Cates, Public Services Director | Mike Giddens, Police Lieutenant | Rick Thomas, Police Chief | James Southall, Public Utilities Supervisor | Oscar Ojeda, Finance Supervisor | Amanda Moldan, Library Director | John Brock, Deputy Town Manager / Town Clerk

WELCOME AND INTRODUCTION OF GUESTS

None

AGENDA APPROVAL/REVIEW

Motion made by Councilor Arnold to approve the meeting's agenda; seconded by Councilor Miles. Motion approved unanimously by voice vote.

Voting

Yea: Mayor Pro Tem Everline, Councilor Arnold, Councilor Lannamañ, Councilor Miles, Mayor Wells

Nay: None

PUBLIC QUESTION & COMMENT

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. The general Public Question & Comment period will be limited to a maximum of thirty (30) minutes unless extended by the Presiding Officer.

Andi Everline, 1012 N. Lakeshore Blvd. – Town resident, Andi Everline, spoke on the topic of ethics and urged the Council to remain mindful of this responsibility, particularly as they deliberate on the budget, and to ensure that taxpayer dollars are spent with integrity and accountability.

NEW BUSINESS

1. Discussion: Municipal Complex Site Selection

The Town Council held a detailed discussion on a proposal by Councilor Miles to allocate \$20,000 in the upcoming budget for a site selection study for a future municipal complex. Councilor Miles explained that this step would initiate long-term planning for a consolidated Town Hall, police station, and expanded library facilities, aligned with the existing five-year capital improvement plan. He emphasized that without early planning, the Town would face continued delays in addressing critical space and infrastructure issues.

Mayor Pro Tem Everline, along with Councilor Arnold and Councilor Lannamañ, expressed strong reservations, citing more pressing infrastructure needs, particularly the escalating costs associated with the water treatment plant project, which is now estimated to reach \$12 million. Mayor Pro Tem Everline also questioned the necessity of outsourcing site selection, arguing it could be handled internally, and noted that no residents had raised the need for a new municipal complex. Councilor Lannamañ echoed these concerns and advocated for leveraging developer partnerships for future funding, while maintaining focus on water infrastructure first.

Mayor Wells acknowledged the financial pressures, particularly the urgency of securing an additional \$4.3 million for the water plant within a 355-day window. He noted recent preliminary conversations with developers about potential early payment of impact fees to help address the funding gap. However, Mayor Wells also agreed that the Town's limited land availability raised questions about the value of spending \$20,000 on site selection when staff could explore options.

Police Chief Rick Thomas urged caution in dismissing the complex altogether, citing serious deficiencies in existing facilities, including pest infestations, mold, and cybersecurity vulnerabilities. He warned that a critical incident could force the Town to act reactively at significant cost.

Ultimately, during a straw poll taken at the workshop, Councilors Lannamañ and Arnold, Mayor Pro Tem Everline, and Mayor Wells opposed adding the \$20,000 to the budget, while Councilor Miles supported the allocation. The proposal did not move forward.

2. Discussion: Road Improvement, Finger Pier, and Dock Replacement Program

During the workshop discussion on road improvements and dock replacements, Mayor Wells introduced the topic by noting it had been previously reviewed and asked for a high-level overview. Councilor Miles reiterated his earlier proposal to bond the necessary funds to complete municipal dock repairs and reconstruct six roads identified in Category One of the Public Services Director's report. He argued that doing the work all at once would achieve economies of scale and allow the Town to pay off the bond over five years using existing revenue streams, eliminating uncertainty about future costs.

Mayor Wells raised a technical concern about the interest rate assumptions used in Mr. Miles' proposal. He noted that, while the repayment schedule was based on a 4.0% rate, the most recent five-year bond rate was 4.75%, which would impact the total cost and potentially exceed the "not to exceed" figures listed in the proposal. Councilor Miles responded that he was projecting a lower rate six months ahead based on economic trends.

Councilor Arnold opposed the proposal, citing the need for staggered road repairs to avoid future simultaneous deterioration and reaffirming support for the Town's current phased road improvement plan as developed by Public Services Director Cates. Councilor Lannamañ agreed, stating the Town should stick to Mr. Cates' plan. Mayor Pro Tem Everline simply stated his opposition, and Councilor Miles pointed out that the Council had already deviated from the plan earlier in the year by removing East Holly from it. The discussion concluded with a consensus not to proceed with the bond-funded comprehensive road and dock improvement plan.

Mayor Wells opened Public Comment for this item only.

Diana Ballou, 1005 N. Tangerine Ave. – Town resident, Diana Ballou, raised a concern about the practicality of investing in road improvements before potential sewer installations, questioning whether roads would be torn up again for future sewer work. She argued against spending significant funds on road projects that may later be disrupted, and instead advocated for a more incremental, budget-conscious approach, likening it to how homeowners prioritize repairs. In response, Councilor Miles explained that sewer lines are typically run along the sides of streets, which could minimize disruption to newly paved roads. He further stated his support for financing major road projects through borrowing, drawing a parallel to taking out a mortgage and repaying it over time.

Andi Everline, 1012 N. Lakeshore Blvd. – Town resident, Andi Everline, expressed support for prioritizing repairs to the Town's docks and piers, noting concerns about their deteriorating condition and potential safety hazards. She emphasized the importance of addressing these issues before someone is injured. In contrast, Mrs. Everline questioned the urgency of road repairs, stating that the roads in Howey-in-the-Hills are in relatively good condition compared to those in northern states, where harsh winters cause significant annual damage. She characterized the Town's roads as part of its charm and not currently in need of major investment. Mayor Wells responded by acknowledging that road improvements may not be the most pressing funding priority at this time.

Tom Ballou, 1005 N Tangerine Ave. – Town resident, Tom Ballou, commented on the condition of North Tangerine Avenue, stating that, while he would appreciate having his street improved to the standard of North Dixie, he does not see it as an urgent need. He noted that the only issue on his street is a shallow depression that barely qualifies as a pothole by northern standards and actually helps calm traffic by encouraging cautious driving. Mr. Ballou concluded that, although he supports eventual improvements, there are currently more important priorities for the Town's spending.

3. Discussion: **Fiscal Year 2025-2026 Budget**

Town Manager, Sean O'Keefe, summarized the executive budget highlights, including a proposed reduction in the millage rate from 7.5 to the rollback rate of 7.0227, a proposed 7% salary increase for staff across departments, and the addition of a building permit clerk position in anticipation of increased construction. The proposed budget includes only a 1.77% increase in water rates (tied to the Municipal Cost Index), with no increases in sanitation or wastewater rates.

Mayor Wells noted a proposal within the budget to increase council pay, which would be discussed later. A detailed exchange followed regarding the implications of adopting the rollback rate. Mayor Pro Tem Everline emphasized that adopting a rollback rate does not lower taxes, while Councilor Miles disagreed, stating that it prevents increased taxation for existing residents by using new construction revenues instead. Mayor Wells clarified that, while the rollback rate would not reduce existing residents' tax bills, it would avoid increasing them and confirmed that the current balanced budget was based on the rollback rate.

The discussion then turned to the library department. Councilors questioned a proposed 26.26% salary increase for a library assistant, which Mayor Pro Tem Everline argued was excessive relative to comparable positions in the county. Mayor Wells and Library Director Moldan defended the increase as

necessary to bring the assistant's pay in line with other similarly responsible positions within the Town. Councilor Miles suggested that all salary issues be discussed together rather than within each department's review.

Councilor Miles also questioned the use of a \$200,000 grant for library expansion, expressing a preference for incorporating the library into a new municipal complex rather than expanding the current facility. Town staff responded that the grant was earmarked for library design and could potentially be used for a new location if approved by the funding entity. Other concerns were raised regarding reductions in the book budget and increases in communications costs, which were attributed to the expiration of a previous impact fee and uncertainty surrounding e-rate reimbursements, respectively. Public Services Director Cates also noted that any expansion should consider the capacity of the existing lift station and potential ERU impacts.

Shifting to general salary discussion, Mayor Pro Tem Everline presented data showing significant increases in Town payroll over the last five years and questioned the sustainability of continuing such increases. He argued that some raises outpaced consumer price index trends and were out of line with practices in nearby towns. He also raised concerns about how the Town Manager position was created and filled. Councilor Miles defended many of the salary increases, citing the Town's efforts to catch up to regional salary standards.

Town Manager O'Keefe explained that the proposed 7% increase was part of a three-year strategy aligned with a salary study conducted by the City of Mascotte and adjusted for CPI, intended to bring Howey's compensation up to par with the regional market. Specific outliers were discussed, including the code enforcement officer, who received a smaller increase due to already being at the top of the market range.

The Council engaged in an extensive and, at times, contentious discussion regarding salary increases, recruitment challenges, pay equity, and budgeting priorities, particularly as they pertain to the police department and other staff positions. Councilor Miles questioned why two vacant police officer positions were proposed to receive only a 2.33% raise when other positions were receiving 7%, arguing for parity in pay to help with recruitment and retention. Town Manager O'Keefe explained that compression with existing officers' salaries influenced the recommendation, as newer hires receiving the same or more than those with tenure could create inequities.

Councilor Miles also raised concerns about a reintroduced building permit clerk position, which was clarified as distinct from the recently added executive assistant role. There was general support for reevaluating how raises are distributed, particularly regarding staff who have been employed less than a year. Mayor Pro Tem Everline questioned whether raises should be granted to employees with less than six months of service, contrasting private sector norms with current Town practices.

Police Chief Thomas then presented his own proposal: a 7% raise for new officers, 10% for existing officers including himself, and 12% for supervisory staff. Several Council members expressed agreement with the need to address low police compensation, especially in light of higher pay scales and signing bonuses in neighboring jurisdictions. Councilor Miles made a motion to accept the Town Manager's proposed budget with the exception of the police department, for which he proposed adopting Chief Thomas' pay structure, with the Town Manager to return at the next meeting with funding options to cover the increases without altering the rollback millage rate.

Councilor Lannamañ expressed concern about the overall balance and fairness of the salary increases, suggesting the need for longevity-based considerations, particularly for long-serving employees such as the Public Utilities Supervisor. Councilor Arnold advocated for a decentralized, merit-based approach, proposing that department directors be given lump-sum personnel budgets to manage internally according to performance, rather than across-the-board percentage increases.

There was general consensus among department heads, including the Town Clerk, Police Chief, and Public Services Director, that the police department is underpaid and that merit-based raises and market rate adjustments are necessary to remain competitive. Staff also noted that recent increases in labor costs were partly offset by reductions in contractor expenditures and improved service efficiency.

Ultimately, Councilor Miles reiterated his request for the Town Manager to return with a revised proposal reflecting the police department raises as requested by the Chief, maintaining the existing structure for all other departments, and identifying the fiscal impact and potential funding sources, particularly while preserving the rollback rate. The discussion closed with some members still withholding support pending receipt of the final cost estimates.

As the budget workshop continued, discussion turned to a proposed increase in Council compensation. Mayor Wells explained that he had asked the Town Manager to include the item for discussion, noting that the current \$200 monthly stipend for Council members is the lowest in the county. The proposal would raise it to \$300, with proportional increases for the Mayor and Mayor Pro Tem. This change would not restore compensation to pre-2020 levels, when the Mayor received \$12,000 and Council members \$4,800, but would represent a partial adjustment.

Council members were divided on the proposal. Councilor Miles supported the increase, recalling past cuts and emphasizing the value of restoring partial compensation. Councilor Lannamañ and Mayor Wells also supported the change, while Mayor Pro Tem Everline and Councilor Arnold opposed it, citing concerns about public perception and the optics of increasing Council pay during a time of fiscal constraint. Ultimately, there was no formal vote, but a straw poll showed majority support, and the proposed increase remained in the budget for further consideration.

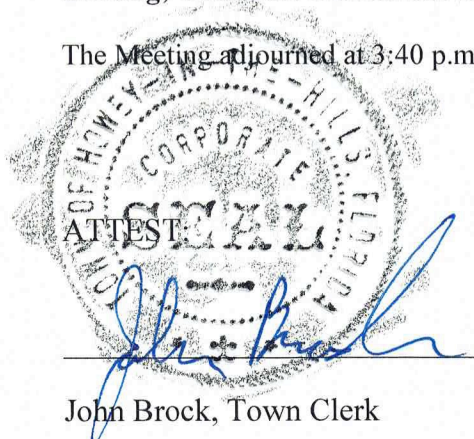
The discussion then briefly turned to capital improvement priorities, including Pine Park and repainting the Town's water tower. Councilor Lannamañ asked whether either project was funded in the current budget. Staff clarified that neither project was currently budgeted, citing a lack of available park impact fees and the prior loss of a matching grant for the water tower repainting project, which would have required approximately \$250,000 in Town funds due to lead-based paint removal costs.

Councilor Miles requested that future versions of the personnel chart clearly identify which fund each position is paid from, to better track expenditures across departments. The Town Manager agreed to include that in the next presentation. Councilor Miles also commended the Mayor and Finance Supervisor for presenting personnel costs in accordance with generally accepted accounting principles, noting that this year's budget format was much clearer than in previous years.

ADJOURNMENT

There being no further business to discuss, a motion was made by Councilor Arnold to adjourn the meeting; Councilor Lannamañ seconded the motion. Motion was approved unanimously by voice vote.

The Meeting adjourned at 3:40 p.m. | **Attendees: 22**


John Brock, Town Clerk


Graham Wells, CMC, Mayor