

**WORKSHOP OF THE BOARD OF COUNTY COMMISSIONERS
HELD ON JULY 24, 2014
IN THE COUNTY COMMISSIONERS' MEETING ROOM
ROOM 103, ADMINISTRATION BUILDING
ARCADIA, FLORIDA**

The Board of County Commissioners held a Budget Workshop on July 24, 2014 with the following persons present:

Commissioner, Buddy Mansfield, Dist#1
Commissioner, Jim Selph, Dist#2
Commissioner, Gabriel Quave, Dist#3
Chairman, Elton Langford, Dist#4
Commissioner Bob Miller, Dist#5
Interim Administrator, Mandy Hines
County Attorney, Don Conn
HR Director, Don Kesterson
Administrative Svcs. Director, Linda Nipper
Fire Chief, Larry Taylor
Sr. Staff Accountant, Brian Wagner
Social Services Director, Peggy Waters
CALL TO ORDER 9:00AM

Facilities Director, Richard Metzger
Building Official, Lester Hornbake
Compliance Director, Jorge Hernandez
Transcribing Secretary, Jill Thompson
Office Manager, Lauri Terry
Utilities Director, Eddie Miller
Utilities Coordinator, Donna Smith
Library Director, Linda Waters
Turner Center Director, Jody Sullivan
Purchasing Director, Cindy Talamantez
Rd & Bridge Director, Shawn Edwards
Emergency Mgmt. Director, Doug Christ

REVIEW/DISCUSSION

Mandy Hines presented the first draft of the budget that included a number of cuts in the BOCC Departments initial request excluding the Constitutional Officers budget submissions. Today the Board will need to set the Tentative Millage Rate and set the minimum acceptable level of Reserve. As presented today, there is an unacceptable level of Reserve, there is very little Capital Funding or equipment. There is a poor level of funding for our Annual Paving Program.

Donna Collins with Milestone Professional Services presented a summary to the Board. She commented any budget is a best estimate of anticipated revenue and expenditures. The State of Florida puts out estimates for all the major revenues that are from them, such as, sales tax and state revenue sharing. Those estimates are looked at to make sure the numbers we have in our budget line up with those amounts. Grants are a major source of revenue that is looked at also. The expenditure process is an estimate of expenditures based on available information and information provided by the departments. Historical data is also reviewed, identify grant related expenditures, calculate costs of new fees/increase, identify any new unfunded mandates from government authorities, take a look at other counties, identify non-department items and ensure adequate reserves.

Total Revenues estimated at \$26,016,270.

Estimated Expenditures \$24,496,865.

Estimated Reserves \$1,519,405.

Ms. Collins commented that revenues continue to decline with the main reason being property taxes. Significant revenue sources are taxes and intergovernmental revenue. The projected tax revenue in the 2015 budget is made up of a couple pieces, not just ad-valorem. It is also made up of the ad-valorem reduction offset, small county surtax, community service tax and local business tax. Ms. Collins

continued to discuss ad-valorem taxes. The rollback rate is 8.7619. Other major revenue sources for 2015 are intergovernmental revenues, state revenue sharing amount, sales tax, and funds from the facility use fee.

Ms. Collins stated the largest increase is the Sheriff. He is requesting additional staff and pay raises. In the Administrative Office, the largest impact is retirement rates, specifically FRS and primarily for the Commissioners which is set outside of our control. Further discussion ensued regarding increases. The current budgeted Reserves in the 2014 Budget are \$4,537,038. Further discussion ensued.

Ms. Collins commented that it looks like there will be an increase in salaries but there will not be an increase. The additional monies that we were not going to use in 2014 were put back into Reserves. Commissioner Miller questioned the difference in the 13/14 original budget and the 13/14 current budget for the Turner Center. Ms. Collins commented it was salaries.

Ms. Collins stated there were cost increases. FRS rates went up considerably; the elected official rate increased 10% with an impact to the budget of \$68,000. Health Insurance costs increased 2.1%. Requests by the Road & Bridge Department have already been streamlined for paving and road/bridge projects.

Mandy Hines stated that if we were able to achieve this with our current Reserve and backing out the payment we project we will make to the School Board from the Water Authority; is not reflected in this budget. If we were to achieve the additional cuts, it would take Board action to develop a plan by Resolution to take care of that transfer to those deficits. Collapsing of other Reserves was discussed but would also take subsequent Board action. Another item not funded in this proposed budget was the additional transfer of \$150,000 to the Redevelopment Trust Fund, those funds are still available. Ms. Hines stated in the coming year we want to work hard to develop a Capital Financial Strategy.

Sheriff Wise commented he has (1) position that is funded by the School Board and the other (5) are in the Corrections Department.

Commissioner Selph questioned how much we would be spending if the Board did not chose Option 1. Ms. Hines replied \$671,000 would be the total transfer to close the 2011 deficit.

Commissioner Selph agrees with taking out the GIS and IT training, however he suggested contacting IFAS to provide the IT training free of charge.

Ms. Collins briefly discussed the Interlocal Agreement with the School Board, Golden Melody Lighting District and Landfill Subsidy of Curbside Collection.

There was consensus of the Board to hold an LDR Workshop on July 8, 2014 at 1:00 pm.

QUESTIONS/DISCUSSION

Mandy Hines commented that a majority of the departments are taking a decrease in the budget. She recognized Donna Collins and Linda Nipper for their hard work.

Commissioner Selph questioned the total increase this year for Fire Safety? Ms. Hines replied it was \$309,000 that includes EM, EMS and Fire; a significant portion of that increase is grant related. The total amount transferred from the General Fund is \$1,200,000 which has been consistent for the past few years. Ms. Hines stated there is a difference in the County and City's assessments. The County's assessment has been running deficit to cover those department needs for years and we have not adjusted the MSBUs or MSTUs to fully fund that department. Linda Nipper stated the City's residential rate is the same as the County and the commercial rate is not.

Commissioner Miller commented regarding quarterly reviews. He would like to see the 2013/14 Original Budget, 2013/14 Revised Budget with percentage of variance and 2014/15 Proposed Budget with percentage of variance.

Mandy Hines commented there are changes that are not reflected yet.

Commissioner Quave questioned the amount BOCC departments have cut? Ms. Hines replied

\$800,000/\$100,000,000. Further discussion ensued.

Commissioner Selph questioned how many departments have three employees or less. Ms. Hines stated a little over half of the County's departments have 3 or less employees. She stated if possible, we need to cut other things in order to get the Reserves up. We need to start planning for increases in the future and capital improvements.

Chairman Langford commented that the MSTU does not count towards the County's 10 mil cap. We need to look at ways to generate revenue and funding any department possible through the MSTUs; to be implemented by this time next year so we do not have a 10 mil cap.

Commissioner Mansfield believes there are additional departments to add to the list. He feels there are two ways to generate revenue; either increase taxes or increase tax payers. He commented we need to look at ways to share costs.

Commissioner Miller stated this was discussed during the previous budget and as a result of not taking action; the millage increase was partly identified as Public Safety. He feels with the MSTU we can identify and control Public Safety with its own revenue source and not coming out of the General Fund. Further discussion ensued.

Sheriff Wise commented that an MSTU for the Sheriff's Office may not be possible due to it may not be legal although the jail may be a possibility.

Commissioner Quave suggested starting the budget process now to prepare for next year.

Ms. Hines questioned the Board if they were comfortable with a \$2,000,000 Reserve.

Linda Nipper stated currently, prior to the transfer regarding Transportation, Reserves is over \$4,000,000. Commissioner Miller feels we should treat this like a business as much as possible. Directors need to state where they are regarding the budget at all times; he will not be satisfied until that happens. He also questioned post-employment benefits? Ms. Hines commented it is \$280,000-\$300,000.

Chairman Langford commented that the in 2008 the Board followed legal counsel when there was a line drawn with post-employment benefits. He feels there would be a Class Action Lawsuit if the benefits were taken away from people already receiving them. Further discussion ensued.

Ms. Hines requested the Board to set the tentative millage rate with \$2,000,000 as a minimum Reserve.

Commissioner Miller feels capital improvement funds should have been done many years ago and should be ongoing; this is important as an employee. One day the County will reach bottom on cutting expenses.

Ms. Hines stated the Capital Reserve was maintained and was funded last year.

Commissioner Mansfield commented there are roads that will require more attention next year than they do this year. There are decisions that need to be made and plans need to be executed.

Ms. Hines commented she is comfortable with the current millage.

Commissioner Mansfield confirmed the tentative millage rate is 8.7619 and the tentative millage rate needs to be set today as well.

Chairman Langford feels the tentative millage rate should be set higher to allow bringing back down if needed.

A motion was made by Commissioner Mansfield to set the tentative millage rate at 9.0 and the rollback rate at 8.7619. Seconded by Commissioner Quave. Motion carried unanimously.

Ms. Hines requested direction on anything the Board would like staff to work on.

Commissioner Miller requested more Public Safety information.

Commissioner Mansfield requested what can and cannot be done regarding MSTUs and MSBUs. Further discussion ensued.

Linda Nipper requested a 2,000,000 Reserve to work on a 3 year plan to close the Transportation deficit. There was consensus of the Board to do so.

The next Workshop was scheduled for August 12, 2014 at 1:00 pm.

Ms. Hines stated she will revise the budget but will prepare a separate document.

Commissioner Miller requested a departmental breakdown and/or summary pages.

ADJOURNMENT

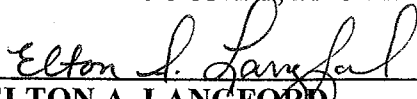
There being no further business, Chairman Langford adjourned the workshop at 10:41 am.

ATTEST:



MANDY HINES
INTERIM ADMINISTRATOR

**BOARD OF COUNTY COMMISSION
DESOTO COUNTY, FLORIDA**



ELTON A. LANGFORD
CHAIRMAN