

**BUDGET MEETING OF THE BOARD OF COUNTY COMMISSIONERS
HELD ON AUGUST 12, 2014 AT 1:00 PM
IN THE COUNTY COMMISSIONERS' MEETING ROOM
ROOM 103, ADMINISTRATION BUILDING
ARCADIA, FLORIDA**

The Board of County Commissioners held a Budget Meeting on August 12, 2014 with the following persons present:

Commissioner, Buddy Mansfield, Dist#1	HR Director, Don Kesterson
Commissioner, James Selph, Dist#2	Fire Chief, Larry Taylor
Commissioner, Gabriel Quave, Dist#3	Purchasing Director, Cindy Talamantez
Chairman, Elton Langford, Dist#4	Utilities Director, Eddie Miller
Commissioner, Bob Miller, Dist#5	County Engineer, Mike Giardullo
Interim Administrator, Mandy Hines	Office Manager, Lauri Terry
County Attorney, Don Conn	Social Services Director, Peggy Waters
Transcribing Secretary, Jill Thompson	Parks Director, Tara Anderson
Administrative Services Director, Linda Nipper	Turner Center Director, Jody Sullivan
Road & Bridge Director, Shawn Edwards	Env. Services Director, Henry Grimes
Building Official, Lester Hornbake	Library Director, Linda Waters
Facilities Director, Richard Metzger	Emrg. Mgmnt. Director, Doug Christ

CALL TO ORDER 1:00 PM

Brief Review of General Fund Changes/Reserves

Mandy Hines stated today the first draft of the budget is being presented which includes a number of cuts in the BOCC Department's initial request, excluding the Constitutional Officers budget submissions. She is requesting today that the Board set the tentative millage rate and direction as to the minimum acceptable level of reserve.

As presented today, there is an unacceptable level of reserve. There is very little capitol funding and equipment as well as a poor level of funding for our Annual Paving Program.

Donna Collins with Milestone Professional Services reviewed the process. In a revenue estimation process, she calculates what our ad-valorem taxes are anticipated to be based on the certified values from the Property Appraiser. Historical receipts are reviewed to look for trends. The State of Florida also generates estimates for all the major revenues from them, such as sales tax and state revenue sharing. Grants are a major source of revenue each year and many times they are the same from year to year; new grants are looked at as well.

The expenditure process involves estimating expenditures based on available information, historical data, grants, fees. Occasionally there are unplanned and unfunded mandates that come from the State or other governing entities. Non-departmental items are identified, such as insurance, property insurance and worker's comp.

Estimated revenues: \$26,016,270

Estimated expenditures: \$24,426,865

Estimated reserve: \$1,519,405

Most of the budgeted 2014 amounts are anticipated to receive actual revenue for the current year. The 2015 revenue projection is a decline from the 2014 budget. The most significant reason for the

2015 decline is due to property taxes, some services in 2015 are budgeted at a lower amount, no inmate housing revenue and a decrease in the total estimated excess fees from the Sheriff. The 2014 budget included \$750,000 in short term borrowing and that amount is not included in anticipated revenues for 2015. The largest category continues to be taxes and the next would be intergovernmental revenue.

There was a decline of almost \$41,000,000 in assessed value based on the certified number from the Property Appraiser. The rollback rate is 8.7619 which would be the millage rate necessary to generate the same amount of tax revenue as we were able to generate the prior year.

Intergovernmental revenues are made up of grants, state revenue sharing amount, sales tax, par mutual distribution and the amount of funds received from the facility use fee from the PRMRWSA.

There are sometimes expenditure items that are large but are grant funded. As of today, nothing has been cut or streamlined from requests by the Constitutional Officers.

Ms. Collins presented and reviewed a slideshow. The largest increase is the Sheriff due to requesting additional staff and pay raises.

In the Administrative Office, the largest impact is retirement rates, specifically for the Commissioners which are out of our control. Further discussion ensued.

Ms. Collins commented reserves get amended based on the audit once fund balance numbers are known. Current reserves for the 2014 budget are \$4,537,038. Looking at 2014 and what is going to take place by the time we reach September 30th, between projected revenue shortfalls and expenditures in excess of what we anticipated, we are going to utilize approximately \$1,200,000 of that fund balance to reach the end of 2014. Further discussion ensued.

Ms. Collins commented there was a budget amendment for salaries. There are some amounts that cannot be controlled such as the \$4,000 increase due to FRS. Further discussion ensued.

A management letter was received regarding the deficit in the Transportation Fund. In the projected 2014 numbers, \$600,000 was put in to sure that up. This can be spread out as long as the Board recognizes the need to address the issue, has a plan and takes action. It can be spread to 2015 or 2016 and that would sure up our reserves in the current budget.

The Constitutional Officers budgets have not been streamlined yet. One suggestion would be to reduce some of the pay increase and new positions requested by the Sheriff. The GIS/IT Department requested \$5,000 that could be delayed. A large amount of requests by Transportation have been streamlined for paving and road & bridge projects which is special revenue.

Ms. Hines commented that if we were able to achieve this with our current reserve and then backing out the payment that we project will be made to the School Board from the PRMRWSA; that is not projected in this budget. If we were to achieve this number or these additional cuts, it would take Board action to develop a plan by Resolution to take care of that transfer to those deficits. The additional transfer of \$150,000 this fiscal year to the Redevelopment Trust Fund was not funded in this proposed budget. There are many things that we are not funding that have to be done. Ms. Hines commented that in the coming year we want to strive to develop a Capitol Financial Strategy.

Sheriff Wise commented that of the six positions he requested, one is a deputy that is funded by the School Board; the remaining 5 positions are in the corrections division.

Commissioner Miller questioned the revenue of the Turner Center versus the expenses. Ms. Nipper referred to page 5 revenue section.

Commissioner Miller also questioned operating expenses for Public Safety. Ms. Nipper stated the majority is the Firefighters Assistance Grant. There is a \$55,000 increase overall, without the grants.

Commissioner Selph questioned if the cuts in materials included culverts? Shawn Edward

commented yes, as well as shell material. Further discussion ensued.

Commissioner Mansfield questioned the amount spent annually on rental equipment. Mr. Edwards commented he requested a Packing Machine due to high rental costs. Further discussion ensued.

Linda Nipper commented the most obvious for alternative funding methods are MSBUs to release the General Funds of any transfers. At the August 28th Public Hearing, three increases will be presented to the Board regarding Lighting Districts.

Commissioner Miller questioned if the \$2,000,000 reserve is based on the current millage rate. Ms. Hines replied yes.

ADJOURNMENT

There being no further business, Chairman Langford adjourned the meeting at 1:50 PM.

ATTEST:

Mandy Hines

MANDY HINES

INTERIM-COUNTY ADMINISTRATOR

BOARD OF COUNTY COMMISSION
DESOTO COUNTY, FLORIDA

Elton A. Langford

ELTON A. LANGFORD

CHAIRMAN