

BOARD OF COUNTY COMMISSIONERS - STRATEGIC FINANCIAL REVIEW

JULY 1, 2008

A meeting of the Board of County Commissioners was held at the Murdock Administration Complex in Room 119, Port Charlotte, Florida. The following members were present: Chairman D'Aprile, Commissioner Moore, Commissioner Cummings, Commissioner Loftus, and Commissioner Duffy. Also in attendance were County Administrator Baltz, County Attorney Knowlton, and Deputy Clerk Lansing. The following members were absent: None. The meeting was called to order at 1:30 PM followed by the Pledge of Allegiance.

(Commissioner Cummings was not present for this portion of the meeting)

1. Revenue Shortfall Update - Ray Sandrock

Mr. Sandrock announced the Agenda for the meeting, noted they would begin with the Revenue Shortfall update, would discuss Millage rate options, respond to BCC questions previously asked, said Training and Development Manager, Pam Stein was available to give an update on the Staff Focus Group, and indicated they would discuss the Commission Office Budget.

Assistant County Administrator Shoemaker referred to a visual slide describing the Revenue Shortfall - Clarification, explained Strategy -Dealing with Revenue Shortfalls - \$32.5 Million, said they would continue to keep an eye on Healthcare increases, mentioned Reductions (One time versus On-going), provided a detailed Summary of Capital Projects and Department Reductions, and discussed revenue redirection.

(Commissioner Cummings was present for the remainder of the meeting)

Chairman D'Aprile asked for Board questions. **Commissioner Duffy** requested clarification of the \$11 Million related to the Capital Project Redirection. Mr. Sandrock provided detail.

Mr. Sandrock referred to visual slides related to Essential Services (Public Safety) / Sheriff, EMS and Jail (No expense reductions), pointed out current and proposed funding levels, advised there were no cuts or reductions made to this Public Safety area, stated the focus of reductions over the last few years were in the BCC Services category, and provided detail. **Commissioner Cummings** pointed out that under the proposed cuts we have decreased our expenses but because of one time cuts we will still have \$50 Million in expenses next year with only approximately \$33.6 Million in revenues to pay for them, and opined if we keep the millage rate the same it will cause additional cuts next year and delay the problem. Mr. Sandrock agreed using one time strategies only delay the problems, pointed out the importance of reviewing the Forecast of FY09/10 Revenue Shortfall prior to Board decisions, referred to the visual slide, and explained each item in detail. County Administrator Baltz clarified this discussion is for the fiscal year after next (FY09/10), not for next fiscal year (FY08/09).

Chairman D'Aprile questioned the further devaluation of 8%, wondered if the estimate was based on the present market, and asked if there would be an adjustment if there was an improvement in the economy. Mr. Sandrock said based on the decrease in property valuations the assumption is another further devaluation of 8% for next year. **Commissioner Loftus** confirmed that is effective as of January 1, 2009. **Commissioner Cummings** advised property appraisals lag by a year, said the current market is a window for next year, and noted even if the market improved now it would not substantially change the estimate for next year.

Mr. Sandrock discussed Portability, said a \$5 Million net estimate has been provided by the State, mentioned additional Revenue Shortfalls, forecasted \$37.8 for next year, pointed out the graphs previously shown, said their main focus will be to try and find the additional \$37.8 Million from the BCC side, stated it will again cause a significance problem, and mentioned

the need for option discussions. **Commissioner Cummings** asked for clarification of expenses and projected budgets for next year and the following years. Mr. Sandrock responded.

Mr. Sandrock stated they have not yet cut any expenditures in Essential Services (Public Safety), questioned whether a millage roll-up should be considered to fund County services rather than cut any, discussed options to deal with next years Shortfall, and stated they would need to look at impacts. Mr. Sandrock pointed out revenue gains on a visual pie chart, explained how the money was applied by each section, mentioned why we had not put a portion in disaster reserves as Sarasota County had, and noted we had made reductions in the millage rates. **Chairman D'Aprile** noted at least two millage rate reductions in the past, asked if they have the option to put millage rate reductions aside for future discussion, expressed concern with paying future expenses, and asked about Capital Projects. Mr. Sandrock replied and discussed future funding options.

2. Millage Rate Options

Mr. Sandrock again discussed millage rates; provided several options for consideration; indicated the July 10th decision will be critical; opined the Board keep their options open and consider a roll-up rate to produce the same revenues; explained they would then have the option to make a change in September; discussed revenue considerations, and stated keeping the millage rate would reduce the budget by an estimated \$29 Million more than Amendment 1 requires.

Commissioner Moore spoke in favor of the maximum roll-up, stated he is pleased with the process so far, and expressed appreciation of staff's work. **Chairman D'Aprile** talked about Amendment 1 and the \$8 Million Shortfall. **Commissioner Duffy** asked about Homesteads. Mr. Sandrock provided detail and some examples on what to expect. **Commissioner Loftus** asked if they would receive final information prior to the Board making their decisions. Mr. Sandrock answered affirmatively.

3. Follow-up to BCC Questions - Kelly Shoemaker / Ray Sandrock

Mr. Sandrock provided resident focus group suggestions related to performance audit questions previously asked. Ms. Shoemaker

responded to whether fuel purchase efficiencies are gained through partnering with Punta Gorda and the School Board and answered their questions related to combining fuel yards with the School Board and the City of Punta Gorda. Mr. Sandroock advised what the Sheriff's fuel costs were and whether it was more cost effective to use the County fueling facilities. **Chairman D'Aprile** asked if the Sheriff's Department could save money if Deputies parked at a depot and did not drive their cars home. Mr. Sandroock said he would ask the Sheriff to provide the calculations. Mr. Sandroock provided answers to questions related to the Vehicle Insurance Program and Self Insurance. Ms. Shoemaker and Mr. Sandroock explained whether it was advantageous to eliminate County vehicles and reimburse mileage to employees. Ms. Shoemaker responded to questions related to the use of rubber mulch, advised they were quoted \$30,000 per year to rubber mulch this property versus the current price of \$10,000, and noted it is 3 times more expensive to apply but would last longer with proper maintenance. **Commissioner Duffy** opined rubber mulch is less expensive over all. Ms. Shoemaker explained it is less expensive over the life. **Chairman D'Aprile** expressed discontent with it, said it costs 3 times more, and opined it would require additional time, labor, and maintenance. **Commissioner Loftus** opined it would be more cost effective and require less maintenance. **Commissioner Duffy** asked for additional detail and asked what "proper maintenance" entailed. Ms. Shoemaker advised they would conduct further research. Mr. Sandroock responded to questions related to costs per capita, explained they are still working on it, and stated it was difficult to gather information based on our unique County. **Commissioner Cummings** provided past per capita and trend line detail related to inflation and budgets and opined the County has never been asked to do so much with so little revenue since its Founding in 1923. Mr. Sandroock indicated he worked on the next question related to grant funds and the elimination of the Administrative Services Coordinator position, said they have determined the amount of funding needed and can ensure grant funding would not be jeopardized, and advised they will gain efficiency by eliminating one position because of reorganization under one roof. Ms. Shoemaker advised the amount of time the Environmental Specialist Position would be spending on the phosphate issues. Ms. Shoemaker indicated they gave the Board an information packet which provided detail related to Tourism, the Advertising budget, and travel statistics for Charlotte

County. Mr. Sandrock pointed out trend information on a visual graph related to Public Works explaining gas tax funding versus MSBU funding. Ms. Shoemaker responded to whether County prisoners could make signs, noted the risk involved, mentioned the current operation is specialized and requires technical training, and mentioned working with the Sheriff's Department to research and expand programs in other areas. Ms. Shoemaker said the question was what is the cost of Turtle Lights and provided a detailed response including comparisons. Mr. Sandrock read and answered the next questions which were when will the jail expansion reach its full capacity, when will the operating costs come on line, and how will they be funded. **Chairman D'Aprile** asked if full capacity included other counties, whether they could expect bed space revenue, and asked for the present number of inmates housed at the jail. Mr. Sandrock indicated capacity reflected Charlotte County only and remarked bed space out sourcing revenues would be slim. Ms. Shoemaker advised the present number of inmates is 600 and indicated the expansion would increase the number of beds by 448. **Chairman D'Aprile** commented the expansion would be full by 2010 and said they would need to build again in 2012. **Commissioner Loftus** mentioned Sarasota County is considering looking into a regional jail and opined we should look into it. **Commissioner Duffy** mentioned she spoke with a company who would build the jail and then charge the County per inmate. **Commissioner Loftus** advised it had worked for Citrus County and mentioned Sarasota was willing to discuss it further with our Administrator. The Commissioners continued to ask questions, discuss options, and receive feedback. **Commissioner Cummings** asked for the status of previous discussions with Sarasota County related to a regional jail, asked what we presently pay to ship an inmate out to another facility, and talked about trend lines. Mr. Sandrock indicated he would provide the current figures at a later date and stated next years projection was \$1 Million. Ms. Shoemaker advised they had responded to the Board's request for Transit's Organizational Chart and position data within the Information packet already distributed and explained staff organizational issues and other county best practices were currently being researched by Dr. Marlowe and said recommendations would come back to the Board in the future.

4. **Update: Staff Focus Group - Pam Stein**

Ms. Stein indicated the Staff Focus Group's goal, explained the process, provided an update, praised staff for their work and input, noted next steps, and discussed future plans. **Commissioner Loftus** thanked Ms. Stein and staff for the Focus Group ideas and work. **Commissioner Duffy** also commended Ms. Stein and staff and asked which suggestions were implemented to date. Ms. Stein responded there were big dollar ideas and also some that were implemented at the department level.

5. **Commission Office Budget**

Mr. Sandrock stated he has held this issue to last, noted Sunshine Laws prohibit budget discussions among the Board, provided Commission budget and Ad Valorem funding, and advised a 29% (\$106,000) reduction could be achieved through the elimination of Administrative Staff. **Commissioner Loftus** said this decision is difficult, indicated it is time for the Commissioners to show their leadership, noted they must do what is right by also cutting their budgets, and stated his support. **Chairman D'Aprile** indicated they took a major cut last year, noted one position pays more than the other, stated **Commissioner Loftus** stands firm, and asked for Board discussion. **Commissioner Moore** spoke in favor of the reductions, explained he had made the suggestion last year, and opined they will get through it as other departments have. **Commissioner Duffy** agreed with the reduction, opined she will be the most affected by this, said they will need to be more productive with less, and explained citizens may notice a delay in responses to their calls. **Commissioner Cummings** spoke against the reduction, opined this office has been the most carefully scrutinized over the years, stated it generally is run on a shoestring, noted the Board has already made reductions, said they are the County complaint department, commented he fully uses his assistant, opined a reduction will negatively affect customer service, and said something will not get handled. **Chairman D'Aprile** said they have direction from three Commissioners, said he does not want to eliminate the positions, mentioned the volume of calls, letters, and work handled by the assistants, and noted his assistant has a full time job every day. **Commissioner Duffy** said she hopes all will help each other

in the spirit of cooperation and explained some citizens have lost their homes and their jobs and opined this reduction must be made. **Commissioner D'Aprile** mentioned he does not agree with all comments made, again expressed his opposition, and indicated they were divided 3/2. **Commissioner Cummings** commented that the folks that work for Charlotte County live here too, opined some further consideration would be needed if the savings were enough to help people keep their homes, said the community gains nothing by taking away more jobs and benefits while still not helping those already in a bad way, and envisioned Parks and Recreation taking benefits and 5 hours a week away from a single dad with 2 kids to save the cost of a can of soda per month per average homeowner. **Commissioner Cummings** then pointed out a revenue shortfall of \$32½ Million was indicated on page 4, noted page 20 stated that is a cut that is \$29 Million more than Amendment 1 requires as voted by the legislature and the people of Florida, opined that direction asked Charlotte County to cut their budget by only \$3½ Million, talked about tax cuts, state legislator positions, future impacts, and commended some for being open minded related to future trim notice options. **Chairman D'Aprile** noted legislators and the Governor receive a pat on their back for all the tax savings they have done, complained they put the weight on the County Commission who gets a slap across the face for raising taxes to compensate for their mandates.

ADJOURNED: 3:08 P.M.

Signature on file in Commission Minutes
Chairman

ATTEST:

BARBARA T. SCOTT, CLERK
OF THE CIRCUIT COURT AND
EX-OFFICIO TO THE BOARD
OF COUNTY COMMISSIONERS

By: Signature on file in Commission Minutes
Deputy Clerk

JL