

BUDGET WORKSHOP

BOARD OF COUNTY COMMISSIONERS

MAY 20, 2004

A budget workshop of the Board of County Commissioners was held at the Murdock Administration Complex, Room 229, in Port Charlotte, Florida. The following members were present: Chairman Matthew D. DeBoer and Commissioners Thomas C. D'Aprile, Adam Cummings, and Sara Devos. Also in attendance were County Administrator Bruce D. Loucks, County Attorney René Francis Lee, Chief Deputy Board Services Tommy Q. White, and Deputy Clerk Diane J. Nice. The meeting was called to order at **2:00 P.M.** (Commissioner Horton was not present for the first portion of the workshop.)

Chairman DeBoer announced this is not a public workshop, no public input will be allowed, and the purpose of the workshop is to give staff an opportunity to provide budget projections and Board discussion. Ann Navan, Budget Officer, introduced new Budget Analyst Linda Carr.

1. Presentation on Preliminary FY 04/05 Budget

Ms. Navan gave a slide presentation on the Total New General Revenue funds of \$5,172,568 comprised of \$4,534,143 from a 10% valuation increase for Ad Valorem Taxes, the State Shared Revenues are flat with the prior year, the 1/2 Cent Sales Tax is running 12% above the prior year or a 4% increase of \$386,275 for next year, and \$252,150 from Communications Taxes that are running 15% above the prior year for a 4% increase next year. (Commissioner Horton was present for the remainder of the workshop.) **Commissioner Cummings** questioned if the rate is changing on the Shared State Revenue. Ms. Navan expressed uncertainty regarding the allocation until the numbers come down from the State and stated it may go as high as 10% or 12%. **Chairman DeBoer** noted the 4% increase projected for 1/2 Cent Sales Taxes of \$386,275 for next year and requested an explanation on the use of the extra revenues from this year. Ms. Navan advised the revenues would fall into the Fund Balance and a budget amendment is on the Board's next meeting agenda to appropriate \$300,000 to phosphate litigation expenditures.

Chairman DeBoer requested the increase in the One Cent Option Tax. Ms. Navan stated the revenues are approximately 10% above the prior year and a report will be submitted to the Board. Ms. Navan continued the presentation with a review of the Current Situation including Major Increases in funding needs of \$2,428,941 for Board of County Commissioners (BOCC) Salaries and Fringe Benefits (2% COLA, 4% Pay for Performance (PFP), and 10% Health Insurance Premiums); \$350,000 for Regional Library Salary Impact as a result of the annualization of staff increases for the new library; \$1,739,182 for the Sheriff's Operating Budget as a result of an 11.82% overall increase; \$200,000 for the Charlotte Harbor CRA Creation of a Tax Increment; \$167,423 for the Punta Gorda CRA; \$87,336 for Charlotte County Mental Health; \$415,000 for the Department of Juvenile Justice (DJJ) Cost Shift; and \$750,000 for All Other BCC Operating Expenses; for a Subtotal of \$6,137,882; Major Decreases in Funding Needs of \$368,530 from the Supervisor of Elections as a result of Capital Equipment reductions; Clerk of Court for Operating Needs of \$617,121 related to Article V; Clerk of Court for the Court Automation System of \$1,628,251 as a result of New Recording Fees to offset expenditures previously funded by ad valorem funds; and Clerk of Court for Technology Services of \$98,978 from cost reductions, for a Subtotal of Major Decreases of \$2,714,880. **Commissioner Devos** stated as a result of the significant reductions in costs and staff, the Clerk has achieved a major savings and she was impressed with the Clerk's budget. **Chairman DeBoer** questioned if a portion of the New Recording Fees will be set aside for automation in the Offices of Public Defender and State's Attorney. Tommy Q. White, Chief Deputy Board Services, advised automation expenses for Public Defender and State's Attorney Offices were in the Clerk's budget. **Chairman DeBoer** stated uncertainties exist regarding the impact that Article V funding reductions will have on the budget. **Commissioner Devos** agreed and stated it will take at least a year to determine the impacts. Ms. Navan reported the Net Increase in Funding Needs total \$3,423,002; New Revenues Available total \$5,172,168; the Amount Available to Fund New Operations is \$1,749,166 based upon a 10% Increase in Valuations and No Millage Increase; and \$2,200,000 might be achieved as a result of a 15% Valuation Increase. (A brief discussion took place on contract services, CRAs, DJJ Costs Shift by the legislature, and Children's Services Council (CSC) appointments.) Ms. Navan reported Remaining Issues include

Department Requests for New and Enhanced Services and Position Requests that total approximately \$2.5 million in the General Fund (the Requests will be evaluated and prioritized); Costs for phosphate litigation in FY 05; and the Health Department Facility. Reneé Francis Lee, County Attorney, stated the Board has not adopted a program relating to phosphate litigation for next year and, even though several e-mails have been sent, the parties have not come back to the table for negotiations. **Commissioner Devos** suggested adding an increase to the Tourist Tax for Stadium improvements for future discussion. Ms. Navan stated her initial reaction is that Tourist Taxes may not be used on Stadium improvements and a review will be done to identify applicable programs. **Commissioner Horton** reminded the Board that direction is needed regarding the scrub jay situation. Bruce D. Loucks, County Administrator, reported an item has been placed on the Board's next agenda and explained costs of mitigation for Capital Improvements Program (CIP) projects and private individuals, if any, will not impact the General Fund. **Chairman DeBoer** reported he has spoken to the lobbyist in Tallahassee with a view towards developing an agreement for the County to bond and build the Health Department facility and for the State to make annual reimbursements. **Commissioner Devos** indicated she has been advised that \$2.5 million in State funding would not be available but reimbursements over time would be doable. **Commissioner Devos** pointed out Charlotte Community Mental Health Services, Inc. Executive Director and CEO Gerald N. Ross needs a Youth Crisis Intervention facility, this has been made a priority by the Indigent Care Committee, and suggested the issue be given to CSC for consideration. **Commissioner Devos** stated expansion of the Mental Health Services facility would mean more patients and an increase in revenues. **Commissioner Cummings** recalled the DJJ was going to charge the County a fee per child, per bed in a commitment facility; DJJ had a vendor that was going to build a facility on property owned by Mental Health Services and the deal fell through; and questioned if any operational costs associated with an intervention facility might be covered by DJJ. **Commissioner Devos** reported the only beds available for children for crisis intervention are in rooms with adults, there are no youth preventive services, and recalled only \$400,000 of Mental Health's \$4 million budget is allocated to children services. **Commissioner D'Aprile** indicated State officials advised him that no funding is available for purchase or

development of a Health Department facility. Mr. Loucks stated the State is not known to fund new Health Department facilities, he has not seen that occur within the last 20 years, he is looking at a lease/purchase option and continued co-location of Human Services with the Health Department, and suggested this might be a problem for the lobbyists. Mr. Loucks stated the current facility is approximately 18,000 square feet, the building on U.S. 41 is 17,000 square feet, and it would not be a good alternative. **Commissioner D'Aprile** stated very few renovations would be necessary to the U.S. 41 building, the building value will increase, and it has great visibility. **Commissioner Devos** commented in support of buying the U.S. 41 building because of the location and high visibility, suggested the building only house patient care services, recalled the Health Department was number five on the State needs list, and only the top three received funding. **Commissioner D'Aprile** pointed out all Mental Health facilities need not be incorporated into one site. Victoria Carpenter, Human Services Director, referenced correspondence relating to co-location of four of the six sites. **Commissioner D'Aprile** stated a comparison of the rents and tax revenues of the four sites indicate a net income of approximately \$30,000+ per year that might be used for another facility. **Commissioner Cummings** questioned the probability of the State agreeing to a lease option. Mr. Loucks stated he is not aware of the State entering into such an agreement and expressed the belief that the probability of obtaining funds is more likely under a lease option rather than seeking a lump sum. **Commissioner Cummings** agreed with the need for another facility, either by acquiring an existing building or constructing new space, whichever makes more sense from a cost versus service delivery standpoint. Mr. Loucks advised an analysis is being done. **Commissioner Cummings** questioned the feasibility of adding onto the U.S. 41 building. Mr. Loucks pointed out the site has limited space that would cause parking problems and the existing building needs an upgrade. **Commissioner Devos** suggested the analysis and information on the U.S. 41 building be provided for the workshop on Tourist Tax. **Chairman DeBoer** requested who is legally responsible to provide space for Mental Health. Mr. Loucks expressed the belief that the State is responsible for providing the space and he will verify it in the Florida Statutes. **Commissioner Devos** requested staff bring back options for short and long-range goals. Ms. Navan advised Clerk, Budget, and

Court Administration staff have been working to analyze impacts of revisions to Article V on BOCC; staff is more confident in their conservative conclusions and budget recommendations with passage of Senate Bill (S.B.) 2962; staff has agreed that it will take at least a year to fully understand the implications; S.B. 2962 authorizes Boards of County Commissioners to enact ordinances for fees and Court costs and to re-establish funding sources for local programs i.e. Teen Court, Citizens Dispute Settlement, Family Court Services, Juvenile Arbitration, Foster Care Review, County Law Library, and Legal Aid Services; and there will be a public hearing on June 8, 2004 to consider the ordinances. Ms. Navan stated the General Fund Cost to the Board will be reduced by \$2,076,694 as a result of decreases of \$586,000 for the Clerk of Court Domestic Violence, Jury Management, and Trial Clerks that will be funded by the State; \$1,628,251 for Court Automation to be funded from a new service charge on recorded instruments; \$130,135 from Court Administration since Witness Management and certain Court Administration functions will be funded by the State (although Local Programs will remain); and \$103,650 from Court Reporting since it will be funded by the State; costs added in were \$105,824 for Public Defenders and State's Attorney Offices since the County will need to contract with them to represent cases involving local ordinance and code violations; \$200,000 for Public Guardianship Costs (an increase was requested and grant funding may not be available); and \$65,518 for all other increases. **Commissioner Horton** asked Ms. Navan to discuss with him Article V reductions and impacts. **Chairman DeBoer** requested confirmation that the County Attorney has reviewed Article V implications. Attorney Lee indicated an ordinance is being prepared; seemingly the County must pay a State Attorney to prosecute local ordinance violations although another reading of the Statute indicates that action may be ancillary to a State action; some counties are considering changing all ordinances to be civil versus criminal actions so that the counties may prosecute them. **Commissioner Cummings** pointed out if that change is made, the Sheriff's Office may not enforce ordinances and questioned the need to establish a separate police force. Attorney Lee expressed uncertainty and commented on the need for further review and discussion. **Commissioner Cummings** questioned the applicability of the increased recording fee to instruments that the Board has the Clerk record. Mr. White reported BOCC instruments are included, these documents do not represent a

large percentage of documents recorded, recordings have been strong over the last two or three years based upon the real estate market, and the percentage is lower for County and public actions. **Commissioner Cummings** opined County actions would not substantially decrease between now and next year. Ms. Navan stated two-thirds of the Sheriff's Law Enforcement budget is funded out of the Public Safety Fund and one-third from the General Fund; Major Revenue Sources of the Public Safety Fund include \$1,566,689 from a 10% increase in Ad Valorem Taxes, \$293,613 from Florida Power & Light Franchise Fees, \$1,841,154 from Building Permit Fees based upon new fee schedules, and \$637,974 in Beginning Balance Increases mainly from increased permit fees for a total of \$4,339,430 in new dollars available versus Major Expenditure Needs of \$1,052,745 based upon the Sheriff's Funding Request of an 11.28% overall increase, \$740,000 for BOCC Department Salaries and Fringe Benefits (2% COLA, 4% PFP, and Annualization of staff increases during FY 04), \$1,764,335 from the Building Department Reserve for Building Improvements, \$267,068 for All Other Increases; Reductions have been projected at \$880,667 based upon a FY 04 Health Insurance Transfer and \$404,190 in Capital Needs from year-to-year for a total of \$3,599,291; the Excess of New Revenues over Expenditures is \$740,139; and New Department Requests to be considered amount to \$562,000. **Commissioner Devos** noted the 11.28% overall increase requested by the Sheriff versus the 11.82% as shown on page 3 of the presentation and requested an explanation regarding the \$.5 million difference and the total figure for the increase. Ms. Navan pointed out two-thirds of the Sheriff's Law Enforcement budget is funded out of the Public Safety Fund and one-third out of the General Fund for \$3,986,00 over the Sheriff's amended budget. **Commissioner Horton** questioned if the increase under BOCC Salaries and Fringe Benefits totals 16% based upon 2% COLA, 4% PFP, and 10% Health Insurance Premiums. Mr. Loucks explained Health Insurance is separate. **Commissioner Horton** requested the percentage increase for Salaries, Fringe Benefits, and Health Insurance. Mr. Loucks advised aggregate numbers would be calculated. Ms. Navan stated Salaries and Wages represent 13.4% and she will work up the totals. **Commissioner Horton** calculated the Personal Services increase in the Sheriff's budget at 7.4%. Mr. Loucks stated comparison of County and Sheriff's employees' salaries and benefits will be brought back. **Chairman DeBoer** noted the \$1,764,335 listed for Building Department Reserve for Building

Improvements at the end of the fiscal year. Ms. Navan explained the \$1.7 million includes the monies in the existing account, the additional \$577,000 from this year, and the projected growth of \$600,000 for next year. Ms. Navan advised a CIP workshop is scheduled for June 10, 2004 and suggested the following items for discussion: New Requests and Increased Project costs totaling \$3.7 million in FY 05 are all unfounded; in order to keep millage rates constant with FY 04, an additional \$1.7 million needs to be cut or moved to future years unless the Board would decide to increase the rate by .2 mill; and in order to keep millage rates constant over the next five years, additional projects need to be cut. Mr. Loucks reported outstanding loans exist on some CIP projects i.e. \$3.5 million for Stadium Improvements with payback in future years with a millage increase. **Commissioner Devos** commented on inclusion of road projects. Mr. Loucks stated road projects do not impact this and CIP and road projects will be separated out for discussion at the CIP workshop. **Commissioner Horton** asked that New Requests and Increased Project Costs be separated out as well as the capital projects being paid for out of Sales Tax Revenues. Ms. Navan suggested all of these issues be discussed at the workshop. Ms. Navan reviewed the Status of the County's Debt comprised of loans being paid back through assessments that total \$15,500,000 with payments of \$1,092,000 and a projected balance as of September 30, 2004 of \$13,408,000; loans made for projects funded out of ad valorem taxes total \$4,846,593 with payments of \$2,806,228 and a projected balance of \$2,040,365; the Hickory House in Dotzler Park totals \$290,684 to be funded out of an Internal Fund and ad valorem revenues with payments of \$74,000 and a projected balance of \$216,684; projects funded from Internal Funds total \$595,000 with anticipated payments of \$95,000 and a projected balance of \$500,000; the Health Insurance Fund is in good shape with a principal amount of \$5,364,173 that has anticipated payments from various funds of \$2,290,000 and a projected balance of \$2,464,173; and Murdock Village loans and credit lines total \$30,000,000; the Total Principal Amount is \$56,596,450, with Total Payments of 347,967,228, for a Projected Total Balance of the County's debt, as of September 30, 2004, is \$48,629,222. **Chairman DeBoer** questioned the decision to cut the Health Insurance debt by one-half this year. Ms. Navan advised payments have been accelerated over the years on the Health Insurance debt and the \$2,900,000 represents the total paid against the debt. **Chairman**

DeBoer requested the amount paid yearly. Mr. Loucks stated the 20% increase in the health insurance fund last year was drawn down to help pre-pay the debt; Blue Cross Blue Shield will probably come in June or July regarding the next contract; the contract allows for up to a 30% increase this year; and an additional 10% has been added in to cover the possible gape. **Chairman DeBoer** stated his formula includes inflation, growth, and costs of mandates, new facilities, and phosphate. Ms. Navan concluded the presentation and stated the Sheriff will present a budget overview and answer questions. **Commissioner Cummings** noted the overall increase in projected revenues and requested existing revenues in order to determine the percentage of projected revenues from this year to next year including BOCC, the General Fund, MSBU/TUs and exclusive of Enterprise Funds and gas taxes. Ms. Navan stated there are still unknowns, she will get the information, and pointed out full blown budgets will be discussed at the July workshops.

2. Sheriff's FY 05 Budget Request and Board Questions

William Cameron, Sheriff, stated he has been working with staff and Ms. Navan to achieve savings through reductions and internal adjustments and maintain at least the current level of service; the proposed budget represents a slight increase in law enforcement staffing; workers' compensation insurance is much higher than projected and this increased the proposed budget from the initial 9.9% increase to an 11.28% increase; the only new positions being requested are two officers for the Courts, one detective for District IV based on the growth demand, one financial assistant, one data base manager, one full time evidence technician (based upon two requests for an additional crime scene technician and an evidence custodian to purge all evidence); and reported the 11.28% increase represents a \$3.9 million increase over last year's budget. **Commissioner Devos** commented in support of the Sheriff's proposed budget, noted the needs have been substantiated, expressed appreciation for the Sheriff working closely with staff, and stated she appreciates the provision of the five-year plan in time for the summer workshops. **Commissioner D'Aprile** questioned the Sheriff on anticipated future increases. Sheriff Cameron stated the five-year plan would reflect the current level of service, future projections without a change in the level of service, and recommendations to consider on incremental levels of service to

meet goals for the next five years as well as areas of concerns. **Commissioner D'Aprile** concluded the budget would remain on an even keel after reaching a certain plateau. Sheriff Cameron agreed unless the Board decides on different levels of service. **Commissioner D'Aprile** related six hours of accompanying a deputy in the field provided a good insight of what deputies face every day, they are very busy with no time for coffee and donuts; he suggested Board Members go out in the field with a deputy; and he wrote a letter to the Sheriff on how impressed he was with the operations. **Commissioner D'Aprile** expressed disappointment with the budget increase and, hopefully, it is a one shot deal. **Commissioner Devos** recalled the Board made a strong statement in the past about the need for more preventive youth measures, i.e. more School Resource Officers, and queried if any of the six Officers, that were to be hired at the rate of two per year, were hired. Sheriff Cameron expressed uncertainty regarding the time period within which the hires would have taken place, stated no Resource Officers have been hired from last year to this year, he will be making a recommendation in the five-year plan to increase the ratio from 1-to-5 to 1-to-2 in the elementary schools, and he has spoken with Dr. Gaylor about starting educational preventive programs for students at earlier ages. **Commissioner Devos** indicated disappointment that the Resource Officers have not been hired. Sheriff Cameron advised three more Resource Officers would provide the 1-to-2 ratio. **Chairman DeBoer** requested the increase over the approved budget. Ms. Navan explained the budget was amended during the year by \$475,000 and the increase over the adopted budget was 12.8%. **Chairman DeBoer** asked for the same information for County departments for comparison purposes. **Commissioner Cummings** stated since the Sheriff is developing a five-year plan, the County has an obligation to do the same, and he may also consider the Fire Department as a comparable in order to determine the reasonableness of projected increases. **Commissioner Horton** stated he would consult with Ms. Navan for answers to his questions and to resolve concerns.

MEETING ADJOURNED: 3:20 P.M.

Signature on file in Commission Minutes
Matthew D. DeBoer
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
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