

BOARD OF COUNTY COMMISSIONERS - STRATEGIC FINANCIAL REVIEW

APRIL 16, 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 Duffy, and Commissioner Loftus. Also in attendance were Interim County Administrator Baltz, County Attorney Knowlton, and Deputy Clerk Lansing. The following members were absent: None.

The meeting was called to order at 10:00 AM, followed by the Pledge of Allegiance. **Chairman D'Aprile** advised the next Strategic Financial Review meeting would be April 17, 2008 at 3:00 PM.

Commissioner Cummings stated he had been challenged to name three properties where changes were made to the develop ability of the land in exchange for making it more valuable prior to it being acquired, he noted research was not needed, named four parcels, and opined Attorney Waksler would probably like to debate the subject.

- I. **Review of Revenue Shortfalls**
- II. **How are Ad Valorem revenues used?**

Dr. Herbert Marlowe advised he and Ray Sandrock would provide a brief overview of the financial challenges the County is facing; estimated a \$16+ million reduction in ad valorem for the General Fund; \$3+ million reduction in state shared revenues and other taxes; indicated the estimated most likely scenario was a \$20 million gap to be closed in reduced revenues; explained steps already taken to review the operations of each department to determine how to reduce budgets while maintaining services; discussed the use of staff and resident focus groups; mentioned the new health care approach idea using clinics to avoid increases in health care costs; gave a brief schedule of the next steps to be taken; described what the group could expect today; and invited Mr. Sandrock to provide additional background and numbers. Mr. Sandrock provided a pie chart that focused on ad valorem budgets and advised it included all constitutional officers. Tax Collector Vickie Potts mentioned they could make

cuts from the pie chart since she returns excess revenue. **Commissioner Cummings** commented that revenue returned from the Constitutional Officers did show up on the revenue side and had not been totally ignored. Mr. Sandrock reminded the group that there would be uncertainty until July 1, 2008, said they are tracking budgets coming in, and noted last years budget reform was mandated 9%.

Commissioner Duffy noted the anticipated \$8 million reduction in revenue and asked the percentage expected in reduction of appraisal values. Mr. Sandrock advised the \$8 million was related to Amendment 1, noted working closely with the Property Appraiser, and stated they are presently working with 10% which is generally consistent with surrounding counties. Mr. Sandrock advised tomorrow he would discuss Murdock Village, Revenue Short Fall, Capital Re-direction, One Time Savings, Efficiency and Level of Service Reduction, Creative Thinking, Ongoing Department Reductions, and Strategy Goals, and determine what should be brought before the Board for discussion.

Mr. Sandrock said today is an opportunity for discussion among the Board and Constitutional Officers and is the time to bring all assumptions, possible savings, comments, and ideas to the table.

III. Input from Constitutional Officers

Commissioner Cummings asked if the whole scenario was based upon the assumption that we are going to maintain the same millage rate, noted the legislature passed a revenue cap that said total revenue collected could not go up by more than growth plus inflation, stated it would mean the average taxpayer would pay the same amount and would be comparable from one year to the next, and opined we are treating this concept as if it was imposed upon us, but the reality is we are actually making a decision instead of following the guidelines the legislature gave us. Mr. Sandrock confirmed the comments and addressed devaluation and the millage rate. **Commissioner Cummings** stated we are dealing with a self imposed crisis, should not be under the illusion that there are no other options, noted this is a decision that is being made, and commented on understanding that when making the necessary cuts. Dr. Marlowe clarified the process was very clear that all options would be considered and

reviewed prior to any decisions being made, and noted final decisions would be made based on the final July 1st numbers. **Commissioner Moore** said it is his desire to do what the people and State want, opined they may be unable to accomplish the goals without making changes, and mentioned having options. **Commissioner Cummings** asked what the dollar difference in cost would be to the average Charlotte County taxpayer if we maintain the same millage rate versus if we were to adjust the millage rate to match the State cap. **Chairman D'Aprile** agreed it is important to understand what the millage rate increase would cost taxpayers versus the elimination of other services. **Commissioner Duffy** stated she is against a millage rate increase, noted promising the citizens a reduction in expenses, and opined it is the Board's obligation to adhere to their wishes. **Chairman D'Aprile** stated taxpayers do not want to pay anymore taxes and indicated the importance of knowing if the millage rate increase will make any difference in their savings. **Commissioner Duffy** stated they are on the right track, noted many citizens are losing their homes, and opined the Board needs to do whatever it takes to provide some relief. **Commissioner Loftus** stated he supports maintaining the same tax base. **Commissioner Cummings** opined rollback rate would raise the same amount of taxes as last year.

Sheriff John Davenport joked his understanding was that the others would cut their budgets and give more to him for public safety; discussed his philosophy; opined on working together as a community; mentioned trying to keep his budget flat while maintaining the level of services needed; stated the need for additional support in the communications and children's sex crime divisions; said two school resource officers have already been cut; asked where the County stood on salary increases; mentioned Fire/EMS signing a 3 year contract for 9% each year, indicated he did not want to lose additional people; opined the need to hire more, said he has cut as much as he can, and asked for Board direction on the minimum increase being considered across the board. **Chairman D'Aprile** asked Maggie Kain to provide him with answers. Ms. Kain explained how the contract was negotiated, noted most employees are residents, opined they are aware of the situation, stated general Union contracts were due to be negotiated over the next few weeks, and said she was unable to provide a number until the bargaining was complete. **Commissioner Moore** asked what the current performance

contract is. Ms. Kain responded 1 to 5 if expectations are met with a 3% cost and 0 if expectations were not met. **Commissioner Duffy** and Sheriff Davenport asked for more detail on the Fire/EMS Union contract. Ms. Kain responded in detail. Barbara T. Scott, Clerk of Courts asked if the same 9% increase was being considered for the other County divisions, noted she had not given any raises to date, commented the decisions should fair and consistent, and stated if the 9% was across the board she would consider adding a continuing education certificate program along with the raises. Sheriff Davenport questioned the current percentages allowed under the Contract, said they were at 12% in the past, agreed it has been unfair, but explained he wanted to know what increase he could include in his budget.

Commissioner Cummings stated the Sheriff had a point, said not to pretend this is the entire budget, commented on the BCC side working with less ad valorem dollars than they did in the past, noted making cuts in other areas to reduce the total budget, and said not to pretend that County employees are getting the same salaries across the board as Fire/EMS employees. Mac Horton, Supervisor of Elections understood Union negotiations were in the process, confirmed the proposed figures, and commented he would be extremely happy to be able to give his people a 3% cost of living and the 1 to 5% performance. **Chairman D'Aprile** appreciated the comments and agreed something did not seem right, said the Board needs to consider what was said, opined if a cost of living increase is granted, it should be given to everyone across the board, also mentioned firefighters should not be treated any differently than the police. **Commissioner Duffy** asked for an employee count, asked for the number under Union contract, and opined there was still time to correct the situation with the remaining employees. Sheriff Davenport advised his people not to expect a raise, but stated it is hard to justify when the firefighters are at 10% increase, opined it was only fair if it was across the board. **Commissioner Loftus** said during these times he would only agree to a 3% cost of living raise. **Chairman D'Aprile** noted the situation would not be permanent. **Commissioner Cummings** asked for the number of BCC employees, compared ad valorem cuts to point out the Board has been cutting position, stated they are unable to change the signed contract, noted currently negotiating positions, said they took a shotgun to the organization last year by eliminating

frozen positions, opined not being able to continue to take all the cuts from the BCC side.

County Attorney Knowlton understood the Constitutional Officers were interested in the percentage the Board would be using for salary increases, stated there were legal restraints related to Union negotiations, mentioned looking into all options, and advised wage conditions could not legally be discussed outside of the bargaining table.

Interim County Administrator Roger Baltz stated the County is unable to turn back time as related to Union negotiations, noted having more flexibility with non bargaining employees, noted the intent is to fairly compensate the workforce, suggested salary increases should be minimal or deferred, and agreed there must be consistency.

Mr. Sandrock advised salary increase assumptions in the budget would not be considered until after July 1 and after more discussions. **Commissioner Duffy** wanted to clarify that there were many additional Union requests, noted salary increase requests were much higher, said the Board had negotiated and approved less, opined the Board needed to be fair to all, take care of its employees, and stated it was smarter to save jobs than give raises. **Commissioner Moore** asked and received confirmation that there were 1,306 BCC budgeted positions with 1,218 filled.

Mr. Horton asked if the May 1st budget deadline could be extended, was advised the State Statute deadline was June 1st, and was told by Resolution the Board could extend the date to May 15. Mr. Horton requested they consider the extension, noted he has already returned \$114,000, commented on utilizing grants and expecting additional savings, stated even if he cut his budget by 40% it would only give back \$1.5 Million and opined it was not much with a \$20 Million shortfall, explained he will need personnel to run elections, noted 550 employees in 2008 from 758 employees in 2004, mentioned full time temporary positions, opined 3% cost of living increases would work, and asked what was expected to happen with health care. Ms. Kain stated they have budgeted an increase in the healthcare budget, noted a possible 25% anticipated increase, and noted the Board would be provided with options. Bob Pryor explained some

of the options to be considered. **Commissioner Cummings** noted Mr. Horton had requested a tentative healthcare increase percentage to figure into his budget. Mr. Pryor responded 25% was being used at this time. Mr. Sandrock advised the 25% increase assumption will be used until more information is received and a strategy is found for adoption.

Chairman D'Aprile took a poll of the Board to extend the budget deadline by Resolution from May 1st to May 15th, 2008. For the record all Commissioners agreed to the change.

Sheriff Davenport mentioned they were unable to eliminate in many areas but would be generating future revenues by charging for services that were free such as fingerprinting and background checks, and suggested the County consider a Healthcare Program similar to the Sheriff Department.

Commissioner Duffy asked about duplication of services throughout departments and if it would be feasible to combine certain departments. The Constitutional Officers responded and said they already share personnel in some areas.

Mrs. Scott expressed compassion for firefighters and law enforcement officers; opined they should receive the same rate increase and benefits based on their high hazard positions; indicated she had to dismiss 10 employees due to the economic downturn; mentioned several money saving approaches being used; noted her budget is the same as four years ago; mentioned her employees were doing whatever they could to keep their jobs and serve the people; expressed the importance of working together, holding the line, and being consistent and fair across the board for all non-Union employees. **Chairman D'Aprile** agreed the spirit of cooperation is very important and opined high hazard employees deserved a higher rate of pay. Sheriff Davenport disagreed, explained high hazard employees were compensated an additional 3% through the Florida Retirement System, opined all positions were equal and needed, indicated he had made one adjustment within the last three years which gave certified road patrol officers a small increase over clerical personnel to be competitive with other counties, and said the community should work together and be fair.

Property Appraiser V. Frank Desguin noted it was still early in his budget process, advised his due date was June 1st, stated he would have more information within a few weeks, mentioned always looking for an opportunity to save, discussed his budget had increased an average of 4 to 5 percent annually, indicated 85 to 90 percent of the Property Appraisers budget was personnel, explained his department has followed the Boards lead for several years, and opined the Boards decision would have a large affect on his budget.

Ms. Potts stated she followed State guidelines last year, noted all Tax Collector employees received \$1,000 no matter their position, stated County guidelines were available, noted looking at health care insurance, reminded everyone to expect a slight postage rate increase, opined budgets are a work in process, and mentioned projected reductions.

Commissioner Duffy opined more group meetings would improve communications in the future. **Commissioner Loftus** said he agreed that the Community should work together as one and thanked the Constitutional Officers. **Commissioner Cummings** indicated the Sheriff had made an important comment noting the need to bring his road patrol officers up to market, said it was mathematically impossible to continue large increases for high hazard jobs over the long run, mentioned salaries needed to be market driven to recruit and retain talent, opined working together to minimize salary increases, noted the \$20 Million budget cut is a self imposed crisis decision, explained they could collect the same amount of taxes and still not have the same budget crisis, mentioned the importance of first understanding the true amount of savings to the average taxpayer and the consequences of what services would be cut, and advised the millage rate was not the same as the total amount of taxes collected.

Chairman D'Aprile commented the meeting had been very productive, discussed mandates given by County residents and the State, said they needed to be careful not to over reduce employment when adjusting the budget, noted the law enforcement business increases in hard times, talked about history, survival, the importance of working together, and thanked everyone for attending.

Mr. Sandroek thanked everyone for their participation, said he would change the date to May 15, provide the roll up rates and the limits set by the legislature, advised the Constitutional Officers that during the process he would share healthcare and salary assumptions as they became available, and indicated what would be covered at the next Strategic Financial Review meeting.

ADJOURNED: 11:34 AM

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

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