

BOARD OF COUNTY COMMISSIONERS - STRATEGIC FINANCIAL REVIEW

APRIL 22, 2008

A meeting of the Board of County Commissioner 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 Manley. The following members were absent: None. The meeting was called to order at 3:00 PM.

I. Update to the Board regarding Citizen and Staff Focus Groups
- Herb Marlowe and Raymond Sandrock

Dr. Marlowe advised that he would share with the Board primary ideas that came from meetings with the Staff Focus Group and Resident Focus Group; that he would focus primarily on ad valorem issues; and acknowledged the efforts of Pam Stein as Coordinator & Facilitator, and Steve Kiplinger, Jim Drake, Bob Hebert and John Elias as Facilitators. Dr. Marlowe reported there were 21 members of staff representing all departments in the Core Focus Group; that there have been 20 focus groups conducted thus far and others are still going on, with 25% of staff participation; commented on the definition of leadership; and indicated that many good ideas have come from the meetings.

Dr. Marlowe advised there were a total of 87 ideas evaluated; that he would cover 10 or 11 ideas that were rated as most feasible and significant; reviewed the rating scale, which is (1) highly feasible, (2) reasonably feasible, (3) feasible, (4), (5), & (6) are not particularly feasible.

Dr. Marlowe commented on items that staff believed to be very feasible, such as Early retirement incentive, Energy conservation programs-solar, green building, thermo pane, Re-evaluate & Prioritize capital projects, Compare staffing levels - Management vs Line Staff, Cut capital projects millage rate and move into general fund, Combine administrative services with COs, Comprehensive review of vehicles, energy efficiency, use,

appropriateness, Privatization of functions that don't have to be done by government, Review fleet charges, Re-look at self insurance, Selectively lease vacant county lands - change policy - cell towers, signs, Charge for advertising on CCTV/Web sites, Mandatory direct deposit, and Reduce amount of paper used.

Dr. Marlowe reported that the citizens group met five (5) Tuesday evenings from 5PM to 7PM, producing strenuous, but good, discussions; and thanked Budget Director Ray Sandrock and Maggie Cain for attending the meetings and explaining county government.

Dr. Marlowe stated he would review items primarily related to ad valorem recommended by the Resident Focus Group; that the scale is (1) Yes, (2) No, (3) Abstain; that the Resident Focus Group recommends when re-enacting the Charter Review Commission (Commission) in 2010, that the Board request the Commission to look at the issue of unified administrative support between the BCC and Constitutional Officers, study the issue in depth, and determine if the Commission believes it worthy of moving forward. Dr. Marlowe advised that other issues recommended for review are to look at a regional service delivery model for health and human services, such as transportation, assistance to homelessness, health care, and mental health services and revise human resource policies to allow for job sharing and creating permanent part time positions.

Dr. Marlowe stated that the County experienced some reduction in force and a bumping procedure that went forth last year; that the Resident Focus Group recommends some tightening of that to include looking at both performance and have some more specific scale requirements; recommends the encouragement of volunteers where feasible; recommends that every county department have some form of external review that is fairly rigorous on some systemic but staggered basis with the type of review varying by department; recommends that you go back and look at work that has been added over the last seven (7) years and re-justify it; and recommends as we go through this process of re-shifting budgets to try and do it from a systemic prospective and be aware of decision so there is an overall economic savings opposed to just moving it around.

Dr. Marlowe advised that the Resident Focus Group recommends freezing all capital projects in conceptual/design stages and require specific BCC approval of a project to move forward; recommends eliminating any positions that have been frozen for one year or longer; recommends after finishing the process of reviewing departments going back and looking at the structure again about what is there and a better way to organize, and particularly recommend looking at higher supervisor-employee ratios and where the organization can be flattened to do that; recommends continuing hiring freeze with a process for allowable exceptions; indicated that there was discussion about examining feasibility of a special taxing district for library services, but that it was not endorsed by the Resident Focus Group; recommends conducting performance audits on a scheduled cycle; and by a slight majority recommends the Charter Review Commission examine costs and benefits of an Internal (Independent) Auditor. **Commissioner Cummings** said he thought that was the Clerk of Courts. Dr. Marlowe explained that is a fair statement and argument could be made there is a duplication of functions; that Clerks do financial audits; but that sometimes the internal auditors are used not for financial audits for performance-type audits; and stated that if the Charter Review Commission chooses to do this they should understand the functions of the Clerk to be certain it is added value before recommending it.

Dr. Marlowe indicated the Resident Focus Group recommends establishing a joint citizen's-staff work group to examine restructuring of the Public Works department as primarily a contract management function; recommends conducting a comparative analysis of fleet costs with private sector options; endorsed creating flex time hours that would cover weekends for departments that specifically need weekend coverage; and recommends looking at the number of employees and position growth with rationale by department since 2001.

Dr. Marlowe reported that there was considerable discussion about Charlotte County Utilities (CCU) and on Municipal Service Benefit Units (MSBUs), which will come up at another time. **Commissioner Cummings** stated he would be interested in what is brought back on the MSBUs because with the ad valorem cap it would appear the option has been taken away of folding that into the ad valorem

basis; opined that the configuration could be changed, but the concept of making it go away and fold into the ad valorem, besides the issues of how it shifts who pays, the people who live here versus absentee land owners, may not be there.

Commissioner Moore stated that many MSBUs work very well and some do not; expressed concern that the problem keeps coming up, is not solved, and keeps getting worse; and opined that a mechanism must be found to fix it. Dr. Marlowe stated that the Focus Group recommended that a citizen's group be established to look into the issue and make recommendations.

Commissioner Cummings pointed out that the new communities such as Murdock Village and Babcock Ranch have community development districts, which are another form of the same thing; that a fee based per unit is about as regressive a form of taxation as you can create; that the less regressive forms of taxation based more upon ability to pay are not available to local government; that one of the symptoms being seen of this evolution of government is that local government must do a larger share of the workload; that what is becoming apparent is just how regressive the forms of taxation available to local government are; and that there are some core structural issues that need to be addressed that cannot be dealt with at the local level. Dr. Marlowe agreed.

Chairman D'Aprile requested clarification that reference was made to privatizing Public Works. Dr. Marlowe explained that the citizen's group went at it as a point of changing it's function to essentially managing contracts, which would privatize some of the department's current work and the department would manage it; that the resident group is simply recommending that you look at the total work of that department and see if it would operate more effectively as a contract manager to manage private vendors as opposed to having staff do that work.

Commissioner Loftus thanked the Focus Groups for their time and efforts. **Commissioner Moore** expressed concern that they were not getting very deep into the discussions. Dr. Marlowe explained that discussions on ad valorem capital projects would begin on Monday, April 28, 2008, and would begin discussing departments in May 2008. **Chairman D'Aprile** clarified that more specific

information and suggestions would be forthcoming. Dr. Marlowe stated that there is additional work to be done, but when department reviews begin specific changes in the services that are provided and how they are organized would be presented, and the Board would be asked to approve or disapprove ideas being brought forward, or request further research be done.

Commissioner Duffy asked what would be done with the information from the goal setting workshop held in February 2008. Dr. Marlowe advised that needs to be woven in as they go through what is being done now; that after reviewing capital and all departments they would come back, put it together as to what the strategic financial plan is; and after all the fine detail is reviewed determine how the Board wants to manage financially over the next few years.

Mr. Baltz advised that considerable detail will be presented to the Board on the various issues; that review of the CIP will begin May 28, 2008, and following up on the concept that involves re-direction of monies from CIP to help with anticipated budget shortfalls; that thereafter we will come back and go through in detail departmental operations, service, staff reductions or re-shifting, and service cuts; and indicated that work is going on at the staff level right now. Mr. Baltz stated that his understanding is the Board wants data information, but appropriate, systematic, and well thought out recommendations of where cuts can really be made. Dr. Marlowe pointed out that once detail is given the Board will want to step back and consider all that has been presented before making policy decision.

Commissioner Cummings inquired if the information of there having been an outside citizen review panel not long ago was part of the conversation of the privatization of the utility. Dr. Marlowe replied affirmatively; and stated that the group did not recommend another privatization study of CCU, only recommended having some citizens do some in-depth work there who have some expertise.

Chairman D'Aprile thanked Dr. Marlowe and Mr. Sandrock and advised the next Strategic Financial Review meetings would be Monday, April 28, 2008, 10:00 AM, and Tuesday, April 29, 2008,

Book 66, Page 431
April 22, 2008

10:00 AM, Room 119, 18500 Murdock Circle, Murdock Administration
Complex, Port Charlotte, Florida.

ADJOURNED: 3:35 PM

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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