

**MANATEE COUNTY BOARD OF COUNTY COMMISSIONERS
BUDGET WORK SESSION
COUNTY ADMINISTRATIVE CENTER
1112 Manatee Avenue West
Bradenton, Florida
June 7, 2017**

Present were:

Betsy Benac, Chairman
Robin DiSabatino, First Vice-Chairman
Charles B. Smith, Second Vice-Chairman (entered during the meeting)
Stephen R. Jonsson, Third Vice-Chairman
Vanessa Baugh
Carol Whitmore
Priscilla Whisenant Trace

Also present were:

Ed Hunzeker, County Administrator
Jan Brewer, Financial Management Director,
Mitchell O. Palmer, County Attorney
Robin Toth, Deputy Clerk, Clerk of the Circuit Court

Chairman Benac called the Budget work session to order at 1:00 p.m.

AGENDA

BC20170607DOC001

FUND SUMMARY REPORT



Ed Hunzeker, County Administrator, presented the Manatee County Budget Fund Summary Report in conjunction with the FY18/FY19 budget process. The purpose of this worksession is to discuss the different funds that are managed and balanced separately.

BC20170607DOC002

(Enter Commissioner Smith)

Mr. Hunzeker recommended the Board make no decisions on any fund shown in the Budget Fund Summary Report until the entire budget has been presented. Items can be flagged, a list of flagged items will be maintained. Two Commissioners must support a flagged item in order for it to be valid. Issues of a global nature will be addressed at the next budget meeting. Adjusted revenues will be presented reconciled on August 1, based on the flagged items. Upcoming work session meeting dates were announced, as well as the date to set the tentative millage rate, as required by Florida Statute.

He explained cash carryover, which is a budget estimate developed early in the process representing fund balance that can be appropriated in the coming year is shown under actual revenues imported from the accounting system. The Board will determine how to spend the revenues, as well as the staffing needed to complete the list of projects.

A list of all Capital Improvement Program (CIP) Projects by Commissioner District will be provided. Commissioners have sole authority over the list should notify Mr. Hunzeker of any changes as soon as possible. The CIP individual projects, along with Commissioner District maps, will be presented on June 15.




Discussion ensued regarding the CIP project list, the commitment to citizens, the amount of revenues collected, there is no specific formula to determine the amount that can be used for projects, the project list was prepared using FY15/FY16 values, the costs of projects have increased, Reserve Policy, the allocation of funds, , the project list will be presented at a


public hearing.

Mr. Hunzeker reviewed the Introduction to the Budget Summary Report (Page 5), explaining the process of moving funds out of reserves into a spend category, by way of a budget amendment resolution.


Page 7 – General Fund Revenues

 Mr. Hunzeker utilized a slide presentation to show the General Fund Summary. Property Tax revenue is projected to grow by nine percent for FY18, with a conservative reduction to eight percent for FY19.


Page 8 – Budgeted Expenditures by Department

 Department budgets are based on two-year projected budget needs, highest priority is Public Safety, Sheriff’s budget is the largest single growth including Emergency Medical Services, internal service charges estimate small growth, most projections are based on cost-of-living index, some decision units are one-time costs, revenue is based on estimated historic patterns, eight percent revenue is based on the amount of building permits, leading economic indicators, Information Technology Department budget reflects fluctuation over FY16-FY19 with one-time equipment replacement in FY19, decrease in line items for State Attorney but their normal budget has not changed, a work session is needed on how Manatee County is going to grow what is occurring with trends, demographics, baby boomers downsizing, discuss property taxes with the Property Appraiser, , a Sarasota study revealed substantial property taxes are not being paid Homestead Exemption is being claimed in two states.


Page 9 – Transfers Out to Other Funds/Agencies

 The Parks Natural Resources Department fund is to be transferred out of the General Fund into a new Parks Recreation User Fund, the transfer to Court Technology Fund will change as the budget is finalized, the transfer of bond note issues to other account expenditures paying debt service, the transfer to the Port Tax Increment Funding (TIF) Southwest TIF, , how to free up recurring property tax funds.


Page 10 – Reserves Set Aside Amounts

 Economic Development Reserves are not awarded until there is documented proof that the incentives were achieved, \$1 million of Reserve for Contingency is available to any economic development in the county, the report becomes a public document, discuss funding award recipients in a work session, recipients had to be value-added businesses, funds for the Sheriff’s new helicopter is in the sales tax, Sheriff will return unspent funds, accountability to the public, , Florida Statute governing the disposition return of unused funds by Constitutional Officers to the County.

(Depart Commissioner Whitmore during discussion)

 Discussion ensued regarding Reserves-Supervisor of Elections Redistricting, FY17 Reserves-Compression balance, Cash Balance of Renewal Replacement (R&R) Funds, one-time projects that can be funded with R&R funds, , FY18 FY19 Budget Stabilization.

Pages 11-16 – Water, Sewer, Utilities Capital Projects Solid Waste Operating Debt Service Funds


 Water Sewer Operating Debt Service Funds are self-supporting, enterprise funds that bring in revenue to cover operating capital costs. These funds include the county’s potable water, wastewater reclaimed water programs, the debt service cost on water sewer projects.

Discussion occurred regarding revisiting Facility Investment Fees (FIFs) making sure that new growth is paying for itself, the solid waste system is the revenue stream used to pay for storm water, , making sure that storm water is funded appropriately over time.


RECESS: 3:37 p.m. – 3:50 p.m. All Commissioners were present except Commissioner Whitmore.

Discussion continued as to whether FIFs reserve capacity if they get locked in at the current rate not the consumption rate.


Page 17 – Health Self Insurance Fund

 At the next Budget meeting, staff will discuss health care costs, how they are changing, why rate increases are proposed to both the employer employee.

Page 18 – Infrastructure Sales Tax Operating Capital Projects Funds


 Discussion ensued regarding total revenues to date, payments must be made to the Cities, FY16 FY17 were the collection years, the interest rate is being earned, , the Clerk is the investor of the funds.

Pages 19-20 – Transportation Trust Fund


 The Transportation Trust Fund is a special revenue fund with specific revenue sources (gas taxes, transportation ad valorem, etc.) related to right-of-way maintenance, lscaping of medians, traffic streetlight maintenance operations, non-capitalized highway projects.

Discussion ensued regarding the interest rate of the Florida Local Government Investment Trust Fund, protecting Bond rating not jeopardizing principal, Reserves, there is a significant Budget Stabilization amount operating Cash Balance reserves, Reserves are decreasing substantially over time this needs to stop, concern of consuming the Reserve, staff is examining ways to bolster this fund will discuss with Commissioners ways to deal with the fund long term.


Pages 21-22 – Road Impact Fee Project Funds


 The Road Impact Fee Project Funds are used to account for revenues expenditures relating to impact fees collected for transportation projects. This is the total of the four, individual transportation zones. The dollars are blended for funding in the newer zones.

Pages 23-24 – Unincorporated Municipal Services Taxing Unit (UMSTU) Fund

 This Fund represents the .6 millage rate funds that finance services (comprehensive planning services, code enforcement, economic development local road maintenance) in the unincorporated areas of the County.

Building Department Fund (Pages 25-26)


 Mr. Hunzeker stated that 100 percent of the cost of the Building Department is borne by builders. This fund is covering the cost of the new, on-line permitting System (ACCELA). The North River Annex office is successful, the new ACCELA technology allows citizens to access government services, without having to come to the downtown area. Commissioners may want to contemplate regional government service centers.

 Charlie Bishop, Property Management Director, stated the County is in a long-lease arrangement with the Florida Department of Transportation (FDOT) for the North River Annex office building. The County offered to purchase the building, but FDOT declined to reserve


the property for a future storm water pond. The County pays very little rent for the building.

Discussion occurred as whether the incoming funds to the Building Department can be differentiated between developer-based fees versus homeowner-based fees, whether an assessment has been done on the former First Union building, the building is idle, options for the building.


Fleet Fuel Services Funds (Page 27)

 These are internal service funds that supply the other funds account for user charges operating costs of equipping, maintaining, replacing the county vehicle fleet.

Discussion is warranted on consolidating fleet services.


 Charlie Bishop, Property Management Director, stated the County owns the property on Florida Boulevard, staff is in discussions with the Sheriff to relocate that facility to the property owned by the Juvenile Detention Center (former Sheriff's office building off 17th Avenue). There is \$6.8 million in the half cent sales revenues to build a new, Sheriff's office fleet facility.

Tourist Development Tax Fund (Pages 29-30)

 The Tourist Development Tax Fund covers operating costs of Tourist Development, including various other projects the Board has committed to. The Fund includes property management costs, park costs, Convention Visitor Bureau costs, repayment to the General Fund for the interfund loan made for renovations to the Bradenton Convention Center.


Discussion occurred regarding funds in the Parks Impact Fees for the pool, the pool funds are in the CIP data will be provided on how to fund the pool, Tourist Initiative Reserves, upgrades to the Convention Center to blend in with the new hotel being constructed adjacent to the Convention Center, future use of the Convention Center once the hotel is built, the hotel will open up the ability to accommodate conventions, , the only commitment from the County is the I on the theory that when built that all tax revenue generated from the hotel will go to the City of Palmetto.

Self Insurance Fund (Page 31)

 The Self Insurance Fund is an internal service fund that accounts for the costs claims of workers' compensation, automobile, property general liability insurances.

Mr. Hunzeker advised that the remaining pages of the Summary Report are smaller funds, which will be referred to during the organizational budget presentations next week.


Page 36 - Children's Services Tax Fund


 Mr. Hunzeker stated that a portion of the Children's Services Tax Fund has been programmed to meet a recommendation to be determined from the Children's Services Advisory Board.





CITIZEN COMMENTS


Ernest "Sy" Marshall, Federation of Manatee County Community Associations, commended the County Administrator on the Budget Summary Report. He questioned what became of Project Access as it relates to indigent health care.

 Katherine Edwards questioned what happened to the three percent of excess revenue in the Sheriff's budget, Constitutional Officer budgets have grants other funding sources, asked if the Board can have an accounting from each Constitutional Officer of their total budget not just the County's portion, it appears that UMSTUs were skipped, questioned whether the County has resolved incorporated versus unincorporated as it pertains to funding projects i.e. North county community pool, requested a breakdown on the Miscellaneous Funds, , requested a breakdown of the 14th Community Redevelopment Agency Funds that were included in the General Fund.

 There being no further citizen comment, Chairman Benac closed Citizens Comment.

 Mr. Hunzeker stated that statutorily, the Board can only appropriate 95 percent of anticipated revenues, , the remaining five percent is fully accounted for. An audit is performed every year that accounts for 100 percent of revenues received. The external auditing firm of Shinn & Company performs audits on all financial statements of Manatee County government activities, the audit reports are available as a public record through the Clerk of Circuit Court.

 Discussion ensued regarding the auditing responsibilities of the Clerk, Constitutional Officers must comply with Florida Statute, , the upcoming work session on Charter Government (6/14/17).

 Chairman Benac stated the cash balances for Miscellaneous Funds are clearly delineated.

 Chairman Benac reiterated the meeting schedule for the upcoming week.

The timing of the Berth 9 dedication at Port Manatee on June 15th may be in conflict with the afternoon County budget work session. The County Administrator offered to begin the budget work session at 2:00 p.m.

ADJOURN

There being no further business, Chairman Benac adjourned the work session at 5:09 p.m.

Minutes Approved: _____