

**MINUTES OF MEETING
BOARD OF COUNTY COMMISSIONERS
ST. JOHNS COUNTY, FLORIDA
JULY 15, 2008
(10:00 A.M.)**

Proceedings of a special meeting of the Board of County Commissioners of St. Johns County, Florida, held in the auditorium at the County Administration Building, 4020 Lewis Speedway (County Road 16-A) and U.S. 1 North, St. Augustine, Florida.

Present were: Thomas G. Manuel, District 4, Chairman
 Cyndi Stevenson, District 1, Vice Chair
 Ron Sanchez, District 2
 Ben Rich, District 3, Chairman
 James Bryant, District 5
 Michael D. Wanchick, County Administrator
 Patrick McCormack, County Attorney
 Terry Bulla, Deputy Clerk

Proof of publication for the notification of a Special Meeting regarding the proposed FY 2009 St. Johns County Financial Plan was received having been published in *The St. Augustine Record* on July 11, 2008.

(07/15/08 - 1 - 10:07 a.m.)
CALL TO ORDER

Manuel called the meeting to order.

(07/15/08 - 1 - 10:08 a.m.)
ROLL CALL

Manuel stated that all five commissioners were present.

(07/15/08 - 1 - 10:08 a.m.)
Stevenson gave the Invocation and Manuel led the Pledge of Allegiance.

(07/15/08 - 1 - 10:09 a.m.)
PUBLIC COMMENT

Dwight Hines, 150 Nesmith Ave., spoke regarding the receipt of information from the Department of Environmental Protection (Exhibit A) and hazardous dumping of raw sewage into the Matanzas. Stevenson stated that this had to do with the city utility and not the County. Hines said it was a County issue because it impacted County property.

(07/15/08 - 1 - 10:12 a.m.)
ADDITIONS/DELETIONS TO SPECIAL AGENDA

There were none.

(07/15/08 - 1 - 10:12 a.m.)
APPROVAL OF SPECIAL AGENDA

Motion by Stevenson, seconded by Sanchez, carried 5/0, to approve the Special Agenda.

1. WORKSHOP - FY 2009 RECOMMENDED BUDGET - THE ANNUAL COUNTY BUDGET PROCESS REQUIRES A NUMBER OF STEPS, RANGING FROM ITS

PREPARATION THROUGH ITS ADOPTION. FLORIDA STATUTES (F.S. 129.03(3) AND TRUTH IN MILLAGE (TRIM) LEGISLATION SPECIFY THAT A TENTATIVE BALANCED BUDGET MUST BE SUBMITTED TO THE BOARD OF COUNTY COMMISSIONERS WITHIN 15 DAYS OF CERTIFICATION OF TAXABLE VALUE BY THE COUNTY PROPERTY APPRAISER (JULY 1). AT THIS POINT IN TIME, THE FY 2009 RECOMMENDED COUNTY BUDGET HAS BEEN BALANCED WITH EXPENDITURES WITHIN EACH FUND EQUAL TO PROJECTED FUND REVENUES. COUNTY ADMINISTRATION BELIEVES THE RECOMMENDED COUNTY BUDGET REPRESENTS A FUNDING LEVEL THAT CAN REASONABLY ASSURE THE ACHIEVEMENT OF ST. JOHNS COUNTY'S OPERATIONAL NEEDS WHILE MINIMIZING THE TAX IMPACT ON ITS CITIZENRY AND MEETING THE REQUIREMENTS OF RECENT STATE PROPERTY TAX REFORM. A BOARD WORKSHOP ON THE FY 2009 RECOMMENDED BUDGET IS RECOMMENDED TO BE SCHEDULED BEFORE THE TENTATIVE COUNTY MILLAGE RATES ARE SET DURING THE BCC MEETING ON JULY 22, 2008

(10:13 a.m.) Doug Timms, Director of the Office of Management and Budget, gave the opening comments regarding the review of the budget. He said the workshop would go through a distributed notebook and address any questions or comments the Board might have. He said it was to clarify the recommended budget submitted on July 8, 2008. He said the recommended budget was currently balanced and included a five percent statutory revenue reduction. He noted that Capital Project carryovers, which would become a part of the budget in September were also included. He stated the entire budget was \$672 million. He said they would start with the Sheriff's budget.

(10:14 a.m.) Mark Simpson, Chief Financial Officer and Joel Bolante, Director of Operations for the Sheriff's Office, were present to answer questions. Timms noted a 6.7% increase in the Sheriff's Budget and over half of that was due to the new funding of OPEB, which all County departments had funded that year. He said that otherwise, they had about a three percent budget increase. He said there would be adjustments in the 2010 budget for the actuary revisions, and the current proposed budget did not reflect changes in the plan.

(10:15 a.m.) Rich asked about the overall increase in the entire County budget. Timms said the budget decreased by 5% overall. Manuel asked about the decrease in the General Fund. Timms said there was a 5.3% decrease in the overall General Fund Budget of the County. Manuel asked what the give back was for next year. Simpson estimated between \$250,000 and \$500,000. Timms said they had projected \$250,000 and anything above that would be a bonus. Stevenson asked if they were working on the false alarm issue to try to improve effectiveness. Bolante said they were working on it and were doing their final revisions to the alarm ordinance for presentation to the Board.

(10:18 a.m.) Timms highlighted the Constitutional Officers' budgets. He then reviewed the Board's Departments in the General Fund and highlighted the major issues. There was discussion regarding the restructuring efforts that had recently been implemented.

(10:27 a.m.) Rich said he did not see the 5% reduction experienced by the County departments as being experienced by the independent agencies. Wanchick said his recommendation to the Board, to leave their budgets flat with no increases, had been made several months ago.

(10:29 a.m.) Stevenson expressed appreciation and said the agencies had gotten the message that they needed to do more fundraising on their own, and the County could not be counted on for long term funding. Manuel stated that the budget would be even less next year due to compression in tax assessment values. He said the planning cycle would start off the next year in a negative mode. Timms said they had already begun discussions

with the Sheriff's office on that exact point. Manuel said the Sheriff's office, as part of the General Fund, was disproportionately increasing. General discussion ensued.

(10:32 a.m.) Wanchick clarified that Timms had released information to the various departments regarding the following year's budget process. Manuel said the home purchase trend should worsen over the next two cycles and it was going to result in a decrease in the taxable base. He said they had not seen the bottom of the valley yet, and they were going to have to tighten their belts significantly. He stated they needed to entertain the use of longer term capital sources to maintain the facilities that the County needs without going broke in the process of building them. Discussion ensued.

(10:38 a.m.) Timms resumed the review of the independent agencies. Discussion ensued. Manuel questioned the City Historic CRA. Timms responded that we were obligated by a previous Board to provide TIF dollars for the County portion of that CRA area. Manuel said he would like to know the details on that obligation, and asked them to provide him with a report.

(10:43 a.m.) There was discussion on debt collection. Bryant questioned the collection of bad debts for Mental Health. He said their billings should be treated the same way as EMS. Discussion ensued. Manuel said any collection issues needed to be reviewed carefully, as there was money lying on the table and they needed to try and get it. Stevenson commented on new legislation regarding insurance providers making payments directly to the County, and noted that might help with collections.

(10:46 a.m.) Timms continued with the presentation. Manuel said they might want to consider waiving impact fees within CRA boundaries to stimulate more economic development in those areas to get the TIF up so the County would not have to carry the burden. Discussion ensued regarding CRA debt repayment.

(10:48 a.m.) Timms continued with the General Fund Reserve. Manuel said the County was in an excellent financial position with its Reserves.

(10:49 a.m.) Timms continued with reviewing the Special Revenue Funds. Discussion ensued regarding transportation, fuel costs and future funding. Manuel suggested they investigate future options for long term petroleum contracts. There was discussion regarding sidewalks. Timms said there was a countywide sidewalk capital project that could address that issue.

(10:53 a.m.) Timms continued with discussion on Reserves, the Health Department, Mental Health and Community Based Care. There was discussion regarding the fact that despite restructuring, services had not been diminished but enhanced in Mental Health. Bryant commented that services often exceeded what other districts were doing, and they needed to focus on working with the State to get additional Mental Health funding. Timms said they would follow up on that suggestion.

(10:57 a.m.) Timms continued with review of the Beach Funds, Beach Operations, the Pier Fund, County Cultural Center, the Amphitheatre and the Fairgrounds. He also reviewed the Tourist Development Tax and TDC fund categories. Discussion ensued. The Tree Bank fund was reviewed. McCormack said that they were looking at revising language in the next LDC so that they could use Tree Bank funding for environmental mitigation purposes. Discussion followed regarding the potential use of Tree Bank funds and the legal stipulations for its use.

(11:05 a.m.) Timms continued with a review of the summary of Impact Fees. Discussion ensued on the use of impact fees and their effect upon CRA's within the designated quartiles. Manuel suggested that it be reviewed by the County Administrator.

(11:09 a.m.) Timms continued with reviewing Impact Fee funding categories, including discussion on the Court Technologies budget. He noted that the Communication Surcharge was also accumulating funds and it was a predictable source of income. Manuel asked if it was bondable and Timms said he would research it. Timms continued with reviewing Alcohol & Drug Abuse, Specialty License Plates and other specific funds.

(11:13 a.m.) Timms continued with reviewing Court Facilities fund which was being used to help fund the Administrative Building renovation for the Courthouse, and the Juvenile Alternative Programs as well as other restricted revenue funds. He reviewed CRA's and said there was some subsidy for the Vilano CRA as well as a slight subsidy for West Augustine which would be repaid to the General Fund due to accruals. There was discussion regarding CRA's.

(11:17 a.m.) Timms continued with reviewing Street Lighting Districts and said that millage rates would have to be increased because utility costs had gone up 20%. He reviewed the MSBU's.

(11:19 a.m.) Timms began review of the Enterprise Funds including Solid Waste and the effects of increasing fuel costs for transporting solid waste. There was discussion on refuse removal. Utility Funds were then reviewed and discussed. Manuel asked how they were progressing on making the Utility Department an independent authority, which was his recommendation to the Board. Wanchick said it was progressing and they would be addressing the Commission within the next few weeks. Timms continued with review of the Utility budgets and said they were showing increasing utility reserves. He noted that the Ponte Vedra Utility had become a success story for the County, showing improvements in maintenance and capital upgrades. He said the golf course was creating reserves and covering their debt service and benefits. Stevenson pointed out that capital improvements were to be paid from those reserves. He reviewed the Convention Center budgets. There was discussion regarding reserves.

The Board recessed at 11:24 a.m. and reconvened at 11:30 a.m.

(11:30 a.m.) Timms continued with discussion on the Internal Service Funds and Worker Compensation funds. He noted that they had reduced Worker's Comp rates significantly for the last several years and the premiums were now reflecting it. Manuel said he had asked the County Administrator to re-examine how they were funding this item. Discussion ensued. Timms continued with discussion on the Group Health Insurance Fund and said the costs of those funds continued to be a concern. Discussion ensued regarding the cost of claims.

(11:35 a.m.) Timms continued with the Flexible Spending Accounts review and the OPEB Trust Fund review. He reviewed Debt Service Funds, as well as Commercial Paper Funds. He also reviewed Capital Bank Notes, Debt Service Funds, Revenue Sharing Funds and Capital Improvement Funds. There was discussion on Beach Re-nourishment Funds which were to be utilized as matching funds for monies received from the Army Corps of Engineers. Other Capital Improvement Projects were reviewed. There was discussion on the proposed \$11 million bank loan to include \$2 million for the Sheriff's renovations and the Sheriff's Agricultural Work Center, Courthouse Renovations and other CIP projects. There was discussion regarding incurring debt during uncertain revenue periods and the need for fiscal prudence. (11:50 a.m.) Timms continued with reviewing of the Fire District Fund and said it had been impacted by property tax reform. He said expansion plans were continuing with 15 new firefighters.

(11:51 a.m.) Timms said the next required meeting would be July 22, at which the millage rate would be set.

(07/15/08 - 5 - 11:51 a.m.)
COMMISSIONERS' REPORTS

There were none.

(07/15/08 - 5 - 11:51 a.m.)
COUNTY ADMINISTRATOR REPORT

There was none

(07/15/08 - 5 - 11:52 a.m.)
COUNTY ATTORNEY'S REPORT

McCormack stated the Florida Association of Counties was bringing a lawsuit pertaining to the funding of the Regional Capital Conflict Counsel, taking the position that requiring the counties to pay those expenses was an unfunded mandate and unconstitutional. He said St. Johns County was invited to join in the effort and our share of the fees would be \$5,000 or less, and there was reasonable likelihood of prevailing with a recovery of over \$50,000. He asked for authorization. Discussion ensued. *There was Board Consensus to grant authorization.* McCormack said one of their sister counties had requested special assistance from the County Attorney and McCormack asked if there was any objection to providing assistance to them. *There was Board consensus to do so.* McCormack reported on the Genovar v. Whetstone lawsuit and said that the Federal Court had given an oral decision to dismiss the case.

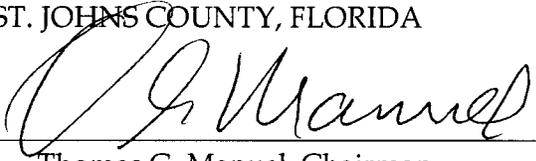
(11:56 a.m.) Stevenson asked for an update on the Class action suit to improve collection on the Tourist Development Revenues, to recover some funds due to counties because of on-line booking of tourist accommodations. McCormack gave a report on the status of Jacksonville's position. He said there was a possibility of getting some remittance back for the County. Stevenson said it would be a revenue enhancement. Discussion ensued regarding taxes paid in zip code areas which might provide additional revenue to the County as it pertained to the issue. McCormack asked for approval to pursue it. *There was Board consensus to pursue it.* (12:00 p.m.) *Manuel left the meeting.*

(12:02 p.m.) **Motion by Bryant, seconded by Stevenson, carried 4/0 with Manuel absent, to adjourn the meeting.**

With there being no further business to come before the Board, the meeting adjourned at 12:02 p.m.

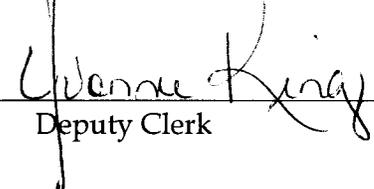
Approved August 5, 2008

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: 

Thomas G. Manuel, Chairman

ATTEST: CHERYL STRICKLAND, CLERK

By: 

Deputy Clerk