

**FRANKLIN COUNTY BOARD OF COUNTY COMMISSIONERS**  
**1<sup>ST</sup> BUDGET HEARING**  
**FRANKLIN COUNTY COURTHOUSE ANNEX**  
**SEPTEMBER 4, 2008**  
**5:30 PM**

**MINUTES**

**Commissioners Present:** Noah Lockley Jr. – Chairman, Joseph Parrish – Vice Chairman, Russell Crofton, Bevin Putnal

**Commissioner Absent:** Cheryl Sanders

**Others Present:** Marcia Johnson – Clerk of Court, Alan Pierce – Director of Administrative Services, Linda Phillips – Finance Director, Erin Griffith – Assistant Finance Director, Michael Morón – Board Secretary

**Call to Order (5:30 PM)**

Chairman Lockley called the budget public hearing to order.

Chairman Lockley stated the process in which the public hearing will be conducted.

Mrs. Johnson, Clerk of Court, stated the tentative millage rate, which is 3.3149 mills, and tentative budget, which is \$49,792,672.00, must be approved by the Board this evening, and the final budget hearing for fiscal year 2008-2009 will be on Tuesday, September 23, 2008, at 5:30 PM in the Commission Meeting Room, 34 Forbes Street, Apalachicola, Florida.

Mrs. Johnson also read the following statement.

*At this meeting, the Board must adopt the tentative millage rate and tentative budget to be advertised according to statutory requirements.*

- 1. It will take 3.3149 mills to fund the tentative budget. This millage rate was calculated in compliance with the legislative mandates for 2008-2009 county budgets.*
- 2. The total of the tentative budget is \$49,792,672.00.*
- 3. The tentative millage rate of 3.3149 mills is 14.806% less than the rolled back rate of 3.8910.*

4. *The date set for the final public hearing to adopt the final millage rate and final budget for Fiscal Year 2008-2009 is Tuesday, September 23, 2008, at 5:30 p.m., at the Franklin county Courthouse Annex, County Commission Meeting Room, 34 Forbes Street, Apalachicola, Florida.*

*The millage rate of 3.3149 is mills per \$1,000 of taxable property value. The Property Appraiser certified the current year taxable value for the county at a figure of \$3,597,434,499 (3 billion, 597 million, 434 thousand, 499 dollars) so the value of one mill is \$3,597,435 (3 million 597 thousand, 435 dollars). You multiply the taxable value by the millage rate to determine what funds will be generated. For example, \$3,597,434,499 multiplied by 0.0033149 equals \$11,925,136. That's the maximum amount of funding we could receive with that millage rate. The rolled back millage rate is the millage rate to generate the same amount of taxes as last year. That rate is 3.8910 so the county's proposed millage rate this year is less than the rolled back millage rate. In the current year's budget, the millage rate is 3.4656 which was expected to generate \$14,188,538.00. In the proposed budget, the millage rate of 3.3149 is a reduction of 4.35% which will reduce the ad valorem taxes collected by 15.95%, from the current \$14,188,538 to \$11,925,136. This is a reduction of about \$2,263,402 in ad valorem taxes.*

*The entire budget totals \$49,792,672.00; however, ad valorem or property taxes account for \$11,925,136 or 23.95% of the total budget. We must also include revenues from other sources such as grants received, the hospital's surtax, state revenue sharing funds, etc.*

*Under Florida Statute 129, the budget shall be balanced; that is, the total of the estimated receipts, including balances brought forward, shall equal the total of the appropriations and reserves. In other words, our revenues (our sources of funding) and our expenditures (our payments going out) must equal. These figures are our estimates based on actual past revenues or expenditures. We have various sources of revenues which include ad valorem (or property) taxes, state and federal grant funding we receive, state revenue sharing funds, interest earned on investments, and any cash balances remaining from the prior year. The county's fiscal year is from October 1<sup>st</sup> through September 30<sup>th</sup>, and we're having to come up with estimates prior to the end of the current year to prepare the budget which is not based on an entire year's figures on revenues or expenses. In other words, our expenses could be less than estimated as well as our revenues. As a result, excess cash may remain at the end of a fiscal year. It should be remembered also that property tax monies usually don't start coming to the County until after November; therefore, cash carried forward monies have to be available to help meet the expenditures in October and November (the first two months of our fiscal year).*

*Cash carry forward is an estimate of cash which will remain unexpended at the end of a fiscal year and can be carried forward as a source of revenue to help fund the next year's expenditures. Any funds that were received for specific projects and not spent are also included. An example is when we received a grant for courthouse renovations. We received the grant monies and didn't spend it all during one year and it was carried forward into the next year*

*while the renovations were taking place. Cash carry forward is a revenue source, and is money in the bank readily available to fund expenditures until other sources of revenue are received in a new fiscal year as stated previously. Also, many of our grants operate on a reimbursement basis, so money must be available up-front. It should be noted that most of the cash carry forward accounts are restricted funds that are obligated for specific projects or programs. The General Fund, Capital Outlay, and the Recycling Fund are unrestricted. The General Fund is the operating account which includes most of our county departments and constitutional officers. Under the Board's direction, the Capital Outlay Fund was being funded gradually to be able to look towards future projects, and the Board has agreed to expand the main courthouse. The road paving fund has also been funded gradually, but there were monies budgeted for grant matches that exceeded the amount the Board was given. Road paving has become so expensive, and the Board builds that fund up in time also.*

*In our budget, Reserves for Contingencies funds may be provided in a sum not to exceed 10 percent of the total budget. We are within the law. When the reserve is unrestricted funds, this is an expenditure item included to allow for unanticipated expenses or emergencies during the fiscal year, and the County Commission has discretion over them. Only the Reserves in the General Fund are unrestricted. The balance is restricted funds which can only be used for specific purposes.*

*Please note that Cash Carry Forward and Reserve for Contingencies are two separate things. Cash Carry Forward is a revenue and Reserve For Contingency is an expenditure, so they shouldn't be added together for any total.*

*Our budget includes expenditures that our state government mandates such as Medicaid, juvenile justice, court facilities, and charges for our state attorney, public defender, and judges. In addition to those, the County has been passed responsibility on indigent burials, autopsies, transportation costs to the medical examiner, indigent healthcare, the guardian ad litem program, the regional conflict lawyers, and the costs for the value adjustment board's magistrate and attorney. The hospital's healthcare tax is included in our budget figures. The costs for providing services by local government increases yearly just as the costs for food, gas, clothing, etc. increases for the individual. As we add more residents and/or tourists, the cost for providing services increases as well. Recreation programs for the youth, sports complexes, county parks and boat ramps, libraries, our landfill, our emergency operations center, our ambulance service, and law enforcement all have costs involved. The County also provides monetary assistance to the Health Department and many other non-governmental organizations including the Humane Society, the Literacy Program, the Boys & Girls Club, Refuge House, Elder Care Services, Senior Citizens, and Franklin's Promise.*

*As was stated previously, the question about the budget isn't about whether anyone likes to pay taxes. The question is, are we getting good value for what the county spends? Balancing the needs of the community with the revenues required is a difficult challenge. Franklin County has lowered its millage rate and lowered the ad valorem taxes to be collected by over 2.2 million*

*dollars at a time when many other taxing authorities within the county have raised millage rates which also affect citizens' property tax bills (see the attached graph prepared pursuant to information available to-date).*

Mr. Pierce read letters and emails from residents who could not attend the regular meeting.

Gail Riegelmayr, of St. George Island, stated that this evening, there will be speakers that will pose some suggestions that should be considered by the Board to help with reducing taxes. Steve Carney asked the Board to reconsider the across the board salary increases for county employees and instead give a one-time bonus this year. Mr. Carney also asked the Board to design a comprehensive plan to rate employees and give appropriate raises before the next budget year.

Ken Osborne, of Alligator Point, asked the Board to consider reducing the County's vehicle fleet by 25%.

Dottie Thornburg, of St. George Island, suggested that the Board reduce the amount of cell phones that are used by County employees.

Marty Vermont, suggested that all County employees work a 40 hour workweek as some employees work 35 hour workweeks and discussed employee benefits.

Mason Bean, of St. George Island, suggested purchasing and pooling fuel for the entire County.

Paul Riegelmayr, of St. George Island, suggested consolidating payroll services for all of the County and Constitution offices.

Liz Sisung, of Eastpoint, suggested having all County departments reduce their budget by 10%.

Bob Vermont discussed the cash carry forward and reserve for contingency accounts in the budget.

Ann asked the Board to be transparent and judicious with the tax dollars collected.

Allan Feifer, of Alligator Point, discussed ad valorem taxes, grants, reserve for contingencies, and cash carry forward. Mr. Feifer compared the past budgets to the current budget, asked the Board to direct the Clerk to investigate if the cash carry forward is over the legal amount and if so return any excess funds to the taxpayers of Franklin County.

Judi Rundel, Franklin County Library Director, stated that employees at the library are the lowest paid in the County and stated that her employees deserve a raise. Mrs. Rundel addressed some of the suggestions that was raised earlier, as it pertained to the County Library, stated some of the budget reduction measures taken by her department.

Steve Tenace stated that all County Departments should operate like the library.

Commissioner Crofton commented on the merit raise system, the efforts to reduce the amount of vehicles that are used 24/7, limiting the number of cell phones used by County departments, 40 hour and 35 hour work weeks, fuel purchases.

Mr. Pierce discussed the possibilities of consolidating fuel purchases and storage with the School Board.

Commissioner Crofton discussed the new maintenance shop that is used by most of the county departments, and consolidating the payroll.

Mrs. Johnson explained that payroll is actually only one of many responsibilities of the employees in most Constitutional Officers office, so the Board's Finance office would have to increase its employees but the Constitutional Officers offices would not necessarily be able to reduce their employees which would add to the overall budget.

Commissioner Crofton discussed the 10% budget reduction that the Board tried to enforce for all County departments and Constitution Officers, and discussed the cash carry forward and reserve for contingencies.

Bob Vermont stated that the Board needed to enforce the 10% reduction in all departments.

Allen Feifer stated that he didn't think the Board understands that taxes needed to be reduced.

Carol Tally stated that she lost her job and could not afford to pay the higher taxes.

Chairman Lockley addressed the concerns that were raised earlier, such as employee raises, use of vehicles, use of cell phones, pricing on fuel, consolidated payrolls, department budget reductions.

Alan Pierce stated that the hospital, grants, the new sales tax, are some of the causes for the increase in the budget. Mr. Pierce has also stated that over the last three years taxes has generally been reduced and gave some specific data.

Chairman Lockley reminded the audience that there are many other taxing districts in the County that are higher than the County, and that the County is making every effort possible to lower the taxes.

A previous speaker stated that he thought the budget, the expenditures, was actually increasing.

Mrs. Johnson explained the budget in a greater detail.

Alan Feifer asked for a specific amount in cash carry forward. Mrs. Johnson stated the cash carry forward amount and along with Mrs. Philips, Mrs. Griffith, Mr. Pierce and the Board, tried to explain how the cash carry forward account works.

Commissioner Parrish responded to some of the concerns raised, including the cash carry forward amount, budget reductions, the responsibilities of the Constitutional Officers in the County, and stated that he thought the Board did a very good job in trying to balance reducing taxes and providing services.

Bruce Creager, of St. George Island, stated that his house was appraised at a higher rate than he thought it should be and was concerned of the increase in taxes.

Ken Osborne stated that because of the increase of sales taxes and Tourist Development taxes, tax payers are not seeing the reduction in taxes and asked the County to provide more clear explanations of the revenue and expenditure information. Mr. Osborne also stated that because of the departure of Representative Kendrick from the Legislature the County will probably not receive as many grants as before and should consider that in future decision making.

The Board and Mr. Pierce addressed and discussed this matter.

David Allen asked about the revenue sources stated in the budget.

Mrs. Johnson and Mrs. Griffith stated that both revenue sources and expenditures are stated in the Budget.

Commissioner Crofton explained how money received from grants is restricted.

Gail Riegelmayr stated that she understood the budget more after the discussion tonight, but was still unclear why, per capita, Franklin County has the biggest budget.

Board and Mr. Pierce stated that the per capita is based on the \$50 million budget which includes many grants from the State.

Pinki Jackel asked if the Board was planning to change any of the budget figures this evening based on the recommendations that were presented, and wanted to know what control the Board has over the budget of the Constitution Officers.

Board explained their limited control of the Constitution Officers.

Mrs. Vermont asked the Board to explain how budgets are approved for different departments and constitutional offices.

The Board explained.

Nancy Ray Feifer stated that it isn't clear who is actually in charge of the County and that might be some of the problem with the process.

Board again explained their role and the role of the Constitutional Officers.

Ray Moody stated that his ad valorem taxes has gone down but since most of the grants are tax money either federal or state, stop accepting grants if necessary to help reduce the country's overall taxes.

Mrs. Johnson thanked everyone for attending and stated that she will consider the items discussed this evening when dealing with future budgets.

Commissioner Crofton stated that he will also consider a lot of the items discussed tonight during future budget processes.

Mrs. Johnson read the following Resolution for adopting the tentative millage rate.

**RESOLUTION  
FRANKLIN COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**RESOLUTION ADOPTING TENTATIVE MILLAGE LEVY**

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF FRANKLIN COUNTY, FLORIDA, ADOPTING THE TENTATIVE MILLAGE LEVY FOR FRANKLIN COUNTY FOR FISCAL YEAR 2008-2009**

**WHEREAS**, the BOARD OF COUNTY COMMISSIONERS of Franklin County, Florida, on September 04, 2008, adopted Fiscal Year 2008-2009 Tentative Millage Rate following a public hearing as required by Florida Statute 200.065; and

**WHEREAS**, the gross taxable value for operating purposes not exempt from taxation within Franklin County has been certified by the County Property Appraiser to the BOARD OF COUNTY COMMISSIONERS as \$3,597,434,499.

**NOW, THEREFORE, BE IT RESOLVED** by the BOARD OF COUNTY COMMISSIONERS of Franklin County, Florida that:

The Fiscal Year 2008-2009 *tentatively adopted operating millage rate* for Franklin County is **3.3149** mills which is less than the rolled-back rate of **3.8910** mills by **14.806%**.

**DULY ADOPTED** at a public hearing this 4<sup>th</sup> Day of September 2008.

Time Adopted \_\_\_\_\_ PM

**Motion by Putnal, seconded by Parrish, to approve the Resolution adopting the tentative millage rate; Motion carried 4-0 (7:50 PM).**

Mrs. Johnson read the following Resolution to adopt the tentative budget.

**RESOLUTION  
FRANKLIN COUNTY  
BOARD OF COUNTY COMMISSIONERS**

RESOLUTION ADOPTING **TENTATIVE** BUDGET

**WHEREAS**, the Board of County Commissioners of Franklin County, Florida has determined the amount of funds required for a **tentative budget** for the 2008-2009 Fiscal Year, and

**WHEREAS**, the Board of County Commissioners has given due notice as required by law, and has held a public hearing as required by Florida Statute 200.065, and

**WHEREAS**, the Board of County Commissioners of Franklin County, Florida, has set forth the appropriations and revenue estimate for the **Tentative Budget** for Fiscal Year 2008-2009 in the amount of \$49,792,672.00.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of Franklin County, Florida, that:

1. The Fiscal Year 2008-2009 **Tentative Budget** be adopted.
2. That copies of this Resolution containing the **tentative budget** be spread upon the records of Franklin County, Florida.

This Resolution **duly adopted** at a public hearing this the 4<sup>th</sup> day of September 2008.

Time Adopted \_\_\_\_\_ PM

**Motion by Putnal, seconded by Parish, to approve the Resolution tentatively adopting the budget; Motion carried 3-1, Crofton opposed (7:53 PM).**

Gail Riegelmayr asked if the ideas presented tonight will affect the budget before the final adoption on September 20, 2008.

The Board stated that it probably isn't likely to change this year's budget.

**Adjourn (7:53 PM)**

There being no further business Chairman Lockley adjourned the Budget Public Hearing.

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Noah Lockley Jr., Chairman FCBCC

Attest:

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Marcia M. Johnson, Clerk of Court