

**FRANKLIN COUNTY BOARD OF COUNTY COMMISSIONERS
FINAL BUDGET PUBLIC HEARING
FRANKLIN COUNTY COURTHOUSE ANNEX
SEPTEMBER 20, 2010
5:15 PM**

MINUTES

Call to Order 5:18

Chairman Parrish called the meeting to order along with opening statements.

Mrs. Johnson stated that the proposed millage rate is 4.3511, which is 11.25% less than the roll back rate and the total proposed budget is \$42,354,108.

Mrs. Johnson read the following statement:

The Clerk's office spent many hours putting the budget together based on the requests presented. There were 3 scheduled days of budget workshops where the County Commission and the public had every opportunity to suggest where reductions could possibly occur.

Here is a summary of what happened at the budget workshops: At the first workshop on July 20th, the Board made a motion to remove any requested departmental/constitutional budget increases above what was budgeted for the current year. By removing all increases, the Board cut \$217,398 from the original requested budget. At that workshop, my staff and I made several suggestions on ways to generate additional revenues or decrease expenditures. The landfill tipping fee charge was discussed as well as the current practice of roadside pickup of white goods, yard debris, household garbage, household garbage in community park locations, and household garbage making its way into recycling containers. ALL household garbage must be loaded up and taken to Panama City at an expense to the county of \$44.59 per ton. Also mentioned was underutilized public space and the costs associated with the upkeep on these particular buildings, inadequate rent and also mentioned was the need to one day look at revising the retiree health insurance subsidy policy for future retirees. Our suggestions were not revisited at the next two workshops.

Most of the county departmental budgets were tentatively approved during those workshops with no comments or questions from the Board. The Road Department was closely scrutinized - but in the end, sustained no cuts because the money budgeted for a vacant position was reallocated to allow for the purchase of a new loader. The Solid Waste Department was questioned, but was funded as requested. The Administrative Services budget was reduced by a vote to do away with the County Engineer's position, however, part of those funds had to be

reallocated to allow for additional unemployment compensation expense and the cost for an outside engineering firm to provide the services previously performed in-house. It will be interesting to see just how much the bids will be for those services in the next year. The Building Department lost one building inspector for the next year as the position was temporarily moved to the Road Department to fill the needed vacant position there. The Property Appraiser's budget was cut by \$10,000, the Sheriff cut about \$100,000 and the Clerk's Office cut \$12,000. The Board also cut all of the non-mandatory, non-governmental entities by 10% excluding the health department which received 100% of its total requested budget.

The following departments were tentatively approved without much discussion and no changes: Parks and Recreation, Library, Emergency Management, Mosquito Control, Planning and Zoning, Veterans Services, and the Extension Office. There were few people in the audience at these two workshops and we felt that the \$386,434 in additional cuts that had been made would provide tax relief because the result was a millage of 4.7752 that was 2.60 percent less than the rolled back rate. The rolled back rate is the rate required to generate the same ad valorem proceeds received in the prior year at the current taxable value. The taxable value has fallen to an amount near the value in 2004 when the millage rate in 2004 was 4.8684 mills and the budgeted ad valorem proceeds were \$10,260,080. The roll back rate for 2010 was 4.9028. Any millage above that amount would result in a 'tax increase' and the county would have had to advertise a tax increase; any millage rate below the rolled-back rate is a tax decrease. The 26% drop in taxable value would result in lower tax bills for a majority of property owners, but homesteaded property unfortunately fell victim to changes in the assessment process, and many homesteaded properties increased slightly in value and bore the brunt of the millage rate increase. However, if non-homesteaded properties were also owned by the same person, most likely the taxable value on the non-homesteaded properties would decrease enough where the millage rate increase would be of no consequence and actually less county taxes would be paid by them in the next year. Property valuations are based on the most important rule of real property; location. The decrease in values depends on the sale of other properties in similar areas, while the increase in taxable value on homesteaded property depends on if the market value was still greater than the assessed value or if the market value had fell enough where market and assessed were the same number. On average, if a homesteaded property owner has been in the same home since 2004, the county property taxes paid in 2004 would be more than the county property taxes paid in 2010 -this is due to a combination of factors: in 2004 there was a \$25,000 county homestead exemption. Since then, the county has increased the homestead exemption to \$50,000, and the fact that the millage rate today is less than the millage rate assessed in 2004 -six years and many countywide improvements later, the County has become more efficient, provides more services with fewer employees for less and therefore citizens are paying less for more.

My staff and I felt comfortable with the millage rate going into the first public hearing. Not one County Commissioner had spoken to me about any further cuts being made, nor had my staff or I been asked to be ready with any calculations. I was very proud of my staff and how they

handled the pressure placed on them at the public hearing that began at 5:15 pm and lasted until after 10:30 pm -after they had already worked a full day.

We were asked not to increase our millage rate but to keep it the same as Bay, Wakulla and Gulf counties. All three of those counties had a higher millage rate than Franklin this current budget year. In 2009 Gulf was at 6.1505, Wakulla was at 8.5000, and Bay was at 4.1200. All counties are different; the needs of each community vary. For example Wakulla County charges a much higher tipping fee than Franklin County and does not use ad valorem property tax proceeds to subsidize waste collection, Gulf County does not have a hospital as part of the county budget. The percentage of conservation lands, resident population -the differences between counties are numerous and go beyond geographic location.

After the 5 hour public hearing on the 7th, the Board lowered the millage rate to 4.3511 and budgeted ad valorem proceeds now total: \$8,951,286 ~ an additional reduction of \$872,499 added to the \$386,434 in reductions approved at the workshops. The total reduction in ad valorem property taxes now stands at \$1,258,933 less than what the county budgeted in the current year and now 11.25% less than the rolled-back rate. The taxable value is closest to 2004, the millage rate is less than what it was in 2004, the employee count is less next year than in 2004, and the ad valorem property tax proceeds are 1.3 million dollars less for 2010 than in 2004. The county has tried to provide tax relief while at the same time maintain all of the services it provides -the county is not the only taxing authority and has no jurisdiction over the other entities. The cuts that were made at the first public hearing were all repeated to the board for clarification -\$500,000 was transferred back to the operating fund from the Capital Outlay fund, the reserve for contingency line item was reduced by \$250,000, the County Extension agent Bill Mahan's program was removed, rent was reduced as the Supervisor of Elections was moved to county owned property effective January 1st and the additional revenue from the doubled surcharge on traffic citations was incorporated. We tried our best to advise the Board to consider keeping the millage rate higher at this first public hearing as they would be unable to raise the millage at the second meeting if something came up and they needed to provide funding. I am nervous about the cutting of the county's Reserve -there are still some undetermined items the county may need to come up with funding for in the next year -there is a chance for a possible legal dispute with the St. Joe Company, forced funding for the GIS Mapping Update, FEMA match requirements for storm damage, and property insurance deductibles, among many other unplanned necessary expenditures.

I do support our county workers. Our county workers pickup other people's trash from the sides of the roads -trash that some folks could easily transport to the landfill without any revenue offset, county workers pickup the waste from pets at boardwalks on the Island, Carrabelle and Alligator Point, county workers clean ditches and they're available each time a commissioner calls whenever a complaint is received. They haul dirt and shells all over the county trying to

keep roads passable and in good condition. If needed, some work holidays and weekends, implement grant projects, enforce the laws and provide protection for citizens. The services provided by courthouse employees are valuable too -many customers are not happy to have to go to the courthouse because they have to pay fees for some license, permit, or decal, perhaps appear for Jury Duty or other court proceedings, or find property information, but all customers are treated with respect and kindness. Although some services the county provides may not be important to all residents of the county -I assure you that there are other citizens out there that rely on each and every service the county provides. Franklin County has experienced rapid declines in its taxable value since 2006 and has had a hiring freeze in effect since March of 2007; some newly vacated positions have recently been filled but only due to necessity. The county employee count is down below the level of employees in 2004/2005 with an increased workload -there has been no salary increases in over two years. The county health insurance plan was downgraded in October of 2008, the downgrade resulted in higher co-pays and deductibles for employees but saved the county around \$120,000 in annual premiums and it is the second year in a row Franklin County has been granted a rate-hold on this policy. The cost per employee for health insurance is \$504.43 per month -there are many employees of the State of Florida who pay nothing for their health coverage, however, the state's career service employees do pay a portion of their \$523.62 per month in health insurance costs -around \$50 -however, family plans are heavily subsidized by the state, a state employee can have family health coverage for around \$180 per month. The current county plan would cost county employees almost \$1100 a month for a family plan. Family coverage is not subsidized. County employees are so thankful for their jobs and benefits that they are provided. County employees have not gone through this recession unaffected. County employees have worked harder with reduced numbers, reduced benefits, and have experienced the same decline in property values, many work two jobs, and all have experienced the same market anxiety and fearfulness that surrounds the national economy at this point in time. The county did not inflate or deflate the real estate market; the county is simply responsible for providing services that are valuable and essential to its residents and visitors. The county must be able to provide those services through good times and bad.

My staff and I presented a good budget at the start of the public hearing, one whereas I thought we could go forward and weather another hard year without a tax increase. The use of the \$500,000 in capital outlay funds is one-time revenue being used to fund recurring expenditures. I worry about next year -I have heard from the Property Appraiser's Office that there will likely be another decline in our taxable value next year and the rolled-back rate will be based on the \$8,951,286 in ad valorem proceeds for 2010. The county needs to begin immediately thinking of next year and ways to reduce expenditures and increase revenues. If there are any further reductions voted on today, it is my suggestion to please add the amounts back to the reserve for contingency line item, as most likely there will be further reductions after the budget is passed due to adjustments made at the Value Adjustment Board Proceedings. We all need to work together as we are all Franklin County residents and want to see the county continuously improved, maintained and beautiful.

Chairman Parrish asked for Board comments.

Commissioner Putnal stated that the Board has consistently reduced the Budget over the last few years and was proud of the actions the Board has taken to reduce the tax payer's burden for the upcoming budget year.

Commissioner Sanders stated that the owner of the building that now rented by the County for the Supervisor of Elections stated that he is willing to negotiate the rent amount with the County which could prove more cost effective than moving that office. Commissioner Sanders and Erin Griffith, of the Finance Office, discussed how this action would affect the budget.

Commissioner Sanders stated that the matter of furloughing County employees was never a suggestion made by the Board, but by the Sheriff regarding his employees.

Commissioner Lockley asked that funding for the Extension Office be added back to the budget. Chairman Parrish stated that he has also been contacted by a lot of residents in favor keeping funding for the Extension Office, discussed a lot of the services this office provides for the County, and agreed with Commissioner Lockley that this department should be funded. Commissioner Putnal commented on services that this office has provided for the County in the past and was in favor of funding this department. Commissioner Sanders supported funding the Extension Office.

Commissioner Jackel stated that she disagreed with some of the comments made by the Clerk during her opening statement.

Chairman Parrish opened the floor for public comment.

Mason Bean, of St. George Island, asked the Board to be diligent about reducing the budget.

Tom Daly, of Apalachicola, asked about the County's future use of the Chapman Elementary Building.

Frank Venable, of Eastpoint, discussed the condition of the local economy, problems the private sector is experiencing, and the need for the Board to further reduce the budget which would give the citizens some tax relief.

Marie Marshall, of Apalachicola, spoke in favor of funding the Extension Office.

Carol Talley, of St. George Island, discussed her experience with employment in the corporate world and asked the Board to consider furloughing all County employees. She provided information that showed other counties that has reduced employees and instituted furloughs.

Kristen Andersen, of Apalachicola, stated that her taxes have steadily increased over the years and is making it difficult for her to live in Apalachicola.

Nedra Jefferson, of Apalachicola, stated that she is an employee of the Clerk's office and that she is grateful for her job. Ms. Jefferson also stated that she has to work a part-time job to make ends meet and if she is furloughed it would make it very difficult to pay all of her bills.

Tommy Sadler, a County employee, stated that most county employees do not make a lot of money, and because of the hiring freeze that has been in place over the years, the workload continues to increase on each employee. He also stated how a furlough would be devastating for many County employees.

Commissioner Putnal further explained why he was in favor of funding the County Extension office.

Commissioner Sanders explained that there are self employed seafood workers and children who depend on the services of the extension office.

Chairman Parrish commented on the importance of the Extension office.

Motion by Lockley, seconded by Putnal, to fund the Extension Agent Office from Reserve for Contingency; Motion carried 5-0.

Mrs. Johnson read the following Resolution adopting the millage levy at 4.3511 mills.

**RESOLUTION
FRANKLIN COUNTY
BOARD OF COUNTY COMMISSIONERS**

RESOLUTION ADOPTING MILLAGE LEVY

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF FRANKLIN COUNTY, FLORIDA, ADOPTING THE FINAL LEVYING OF AD VALOREM TAXES FOR FRANKLIN COUNTY FOR FISCAL YEAR 2010/2011; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the BOARD OF COUNTY COMMISSIONERS of Franklin County, Florida, on September 20th, 2010, adopted Fiscal Year 2010/2011 Final 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 \$2,057,250,908.

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

1. The Fiscal Year 2010/2011 operating millage rate is 4.3511 mills which is less than the rolled-back rate of 4.9028 by 11.25%.
2. This resolution shall take effect immediately upon its adoption.

This Resolution **DULY ADOPTED** at a public hearing this 20th day of September 2010.
Time adopted _____ PM

Commissioner Sanders explained that the Board reduced the Budget by at least \$1.2 million from what was originally submitted.

Commissioner Jackel commented on the current state of the economy and read a letter from Mark Vale who is serving in the military. She stated that everyone needs to work together so that taxes are less, but she will vote against the budget because most of the reductions are from the County's reserves.

Motion by Putnal, seconded by Lockley, to approve the Resolution setting the County's millage rate at 4.3511 mills; Motion carried 4-1, Jackel opposed. (6:30 PM)

Ms. Johnson read the Resolution adopting the budget at \$42,354,108.

**RESOLUTION
FRANKLIN COUNTY
BOARD OF COUNTY COMMISSIONERS**

RESOLUTION ADOPTING FINAL BUDGET

A RESOLUTION OF THE FRANKLIN COUNTY BOARD OF COUNTY COMMISSIONERS OF FRANKLIN COUNTY, FLORIDA, ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2010/2011; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners of Franklin County, Florida on September 20th, 2010, held a public hearing as required by Florida Statute 200.065, and

WHEREAS, the Board of County Commissioners of Franklin County, Florida, set forth the appropriations and revenue estimates for the Budget for Fiscal Year 2010/2011 in the amount of \$42,354,108.

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

1. The Fiscal Year 2010-2011 **Final Budget** be adopted.

2. That copies of this Resolution containing said budget be spread upon the records of Franklin County, Florida.
3. This resolution shall take effect immediately upon its adoption.

This Resolution **DULY ADOPTED** at a public hearing this 20th day of September 2010.
Time adopted _____ PM

Chairman Parrish stated that the Board has consistently reduced the Budget while he has been in office and discussed how much the budget was reduced by over the years.

Motion by Lockley, seconded by Putnal, to approve Resolution adopting the Budget at \$42,354,108; Motion carried 4-1, Jackel opposed. (6:33 PM)

There being no further business Chairman Parrish adjourned the meeting.

Noah Lockley Jr., Chairman – FCBOCC

Attest:

Marcia M Johnson – Clerk of Courts