

**MANATEE COUNTY BOARD OF COUNTY COMMISSIONERS
SPECIAL BUDGET MEETING
COUNTY ADMINISTRATION BUILDING; FIFTH FLOOR, MANATEE ROOM
1112 Manatee Avenue West
Bradenton, Florida
August 17, 2021**

Meeting video link: <https://www.youtube.com/channel/UCUlgjuGhS-qV966RU2Z7AtA>

Present were:

Vanessa Baugh, Chairman
George Kruse, First Vice-Chairman
Kevin Van Ostenbridge, Second Vice-Chairman, present by telephone
Reggie Bellamy, Third Vice-Chairman
Misty Servia
James A. Satcher III
Carol Whitmore

Also present were:

Dr. Scott L. Hopes, Acting County Administrator
William Clague, County Attorney
Robin Toth, Deputy Clerk, Clerk of the Circuit Court



Chairman Baugh called the Special Budget Meeting to order at 1:02 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was delivered by Commissioner Satcher, followed by the Pledge of Allegiance led by Commissioner Bellamy.

AGENDA – 9:00 A.M. WORK SESSION – CANCELLED (notice by Agenda Coordinator) BC20210817DOC001
Agenda Update Memorandum BC20210817DOC001

- Item 1, Board of County Commissioners Bylaws and Operating Procedures – Written comments were submitted through the online Public Comment Form and added to this item – Item to be rescheduled to a later date BC20210817DOC002
- Item 2, Manatee County Government Strategic Plan – Item to be rescheduled to a later date BC20210817DOC003

AGENDA – SPECIAL BUDGET MEETING BC20210817DOC004

1. **PRESENTATION OF BUDGET OPTIONS RESULTING FROM JULY 29, 2021 BUDGET MEETING**




Jan Brewer, Deputy County Administrator and Chief Financial Officer, stated the Board asked staff at the last budget meeting (7/29/21) for scenarios and options to reduce the millage rate, and to determine if a \$100 credit could be given on Utility bills in December. Staff is prepared to discuss options for Board consideration.


She utilized a slide presentation to review the proposed Fiscal Year (FY 22) Budget/Planned FY 23 Budget. The National Association of Counties (NACO) provided guidance (8/6/21 email) that millage could be lowered. Ernst and Young (American Rescue Act [ARP] of 2022 Consultant) reversed guidance within the last week, suggesting it is possible. Legal guidance was requested from the County Attorney (8/16/21 emails [2]). BC20210817DOC005




William Clague, County Attorney, stated the U.S. Treasury guidance is clear in that, for the purposes of the restriction on reducing revenues, the County does not count as a recipient government the way the term is defined. It specifically states U.S. territories, and for that reason, Manatee County is not captured within that restriction. There are mechanisms within Treasury guidance and the U.S. Code that allow the Board to account for reductions if it can be demonstrated that they come from other increases in revenue or economic activity, that


they are not directly attributable to the acceptance of bonds.


 Upon question, Mr. Clague commented on the role of the Clerk, and that it was not necessary to consult with the Clerk on the setting of the millage.

 Ms. Brewer presented Four Options to reduce the millage and the affected funds:

- As Proposed: millage rate of 6.5826, that applies to 0.1500 millage voted on by taxpayers
- Option 1: Reduce millage by 0.1500 to 6.4326; a \$6,249,949 property tax decrease
- Option 2: Reduce millage by 0.2000 to 6.3826; a \$8,331,028 property tax decrease
- Option 3: Reduce millage by 0.3000 to 6.2826; a \$12,499,898 property tax decrease
- Option 4 Rollback: 0.3909 as last year; a \$16,287,367 property tax decrease


 She pointed out negative balances in the General Fund for Options 3 and 4. The General Fund would have to come out of debt service for funds to accomplish projects in the Capital Improvements Plan (CIP). Staff selected Option 2 with Option 1 in it.


 Discussion ensued that the 0.15 Environmental Lands Millage was approved by voter referendum (11/3/20) to fund a \$50 million bond to acquire environmental lands in the future but was never levied, Referendum language (Resolution R-20-105) does not give an imposition date, the date is up to the fiscal and policy-making discretion of the Board, the FY 22 proposed budget does not have any expenditures if the tax were collected and the County has no property to acquire at this time, the Board is not prepared to collect this tax because a plan has not been identified on how to spend the tax revenues, the Environmental Land Management and Acquisition Committee would make recommendations to the Board on the use of the funds as well as which properties to put on an acquisition list and the Board must follow through with what voters approved.

 Staff arrived at Option 2 with the primary strategy that the millage reduction would not result in a negative impact in the ability to fund the CIP and maintain service levels across all departments. Option 2 provides a .20 millage reduction, and the deficit in tax revenues could be met with existing stabilization funds without impacting the ability to fully fund the CIP, which incorporates all of Tier A 1 and 2 priorities (parks, roads, infrastructure, etc.).


Discussion continued regarding the desire to see a larger tax decrease, Option 2 balances the desire to dramatically reduce taxes and moderates the risk threshold in the reduction, why staff did not select Option 1, Option 1 does not touch the Library, there is a huge CIP project list, 85 percent of the stabilization funds have been swept, if the remaining 15 percent is sufficient to cover an emergency if it keeps getting touched to fund CIP projects that continue to increase in labor and cost of materials.


 Upon request, Ms. Brewer explained the effects from the reduction of the millage in 2008.


 Dr. Scott Hopes, County Administrator, stated the Board's risk threshold is at a comfortable level and the amount of millage reduction could be recovered over the next six months. The rapid increase in property values would ultimately increase the revenue stream. The General Fund was dropped beyond the 20 percent to \$1 million for FY 22, but increases to \$4.2 million for FY 23 based on an anticipated seven percent increase in property values. The \$4.2 million would most likely go to the Sheriff. There would have to be efficiencies for everything else to work with modest increases at three percent.


 Commissioner Bellamy stated Option 2 does not appear to impact the CIP.


While showing the Two Year Plan for Stabilization-August 17 (Slide 7), Ms. Brewer stated that based on Option 2, total Stabilization for FY 22 is at \$100 million and drops to \$58.9 million in FY 23, due to the fact that most of the Reserves have been accessed to fund the CIP project list. Parks has a Stabilization of 0.3 for FY 22, but drops to a negative 1.1 for FY 23, because there is opportunity, if needed, to borrow from the Environmental Land Dedicate Millage funds for parks operations.

 Dr. Hopes stated the point is to show the public that there are monies to fund the Environmental Lands account even though the 0.15 mills is not being collected. The \$5.8 million of Environmental Lands Stabilization Funds for FY 22 is money that would be taken from Stabilization and Parks, but it is not needed unless a parcel becomes available for acquisition. If the funds were not used for the Environmental Lands Program in the upcoming fiscal year, they would remain in Parks to handle any unanticipated expenditures.

 Ms. Brewer reviewed a graph of the Proposed Millage Reduction Impact on Tax Fund Stabilization with percentage changes for FY 21 and FY 22. There are no cuts in services with Dr. Hopes' suggested Option 2, which results in an \$8.3 million property tax decrease.

 A motion was made by Commissioner Kruse, to authorize the County Administrator to take all action necessary to move forward with adjusting the budget, assuming a reduction of .20 millage. The motion was seconded by Commissioner Satcher.


 Andra Griffin spoke in favor of the millage reduction.


 Glen Gibellina was unaware the Board did not move forward to levy the additional Ad Valorem Tax millage. He requested the 85 percent of Stabilization Funds be converted into a number for the public.


 By telephone, Mike Meehan referenced a memo he sent to Commissioners, addressing a 3/10 millage cut and a proposed December Utility billing holiday. BC20210817DOC006

 By telephone, Judy Mullen commented about the decrease in Library funding.


There being no further public comments, Chairman Baugh closed public comments.


 Commissioner Kruse stated the Environmental Lands Referendum language will create another grossly, overfunded account. The Referendum language says up to \$50 million, but the 0.15 mills was way off base and should have been .05 mills. Existing funds could be used to acquire a conservation land purchase without the new tax. Option 2 does not cut the services or operating budget of the Library, but reduces growth of the Library's stabilization funds, which continue to accrue at an excessive rate due to an over allocation in millage.

 Chairman Baugh stated she responded to Judy Mullen, Friends of the Braden River Library, on continued Library funding. BC20210817DOC007

 Dr. Hopes referred to three slides showing the revenues, expenses, and reserves for the Library, Parks and Recreation and Transportation. He confirmed there is no cut to Library

funds or services. Transportation has been underfunded and Libraries have been overfunded. Staff is trying to bring some reason as to how millage revenues are allocated.


 Ms. Brewer explained that the cleanup costs for Hurricane Irma were approximately \$12 million and took almost two years to recoup. Solid Waste funded the pick-up of hurricane debris. She anticipates this would be the same scenario for the future. The costs for the Piney Point emergency consumed \$6.2 million. If a similar event occurred in the future, the County would have to seek a loan or other funding measures to recover. In looking for the American Rescue Plan (ARP) to assist with other items that would normally be in the CIP, but the ARP cannot be supplanted or swept.


 Commissioner Servia stated there is more risk, but more benefit. She favored staff's proposal to lower the millage rate and was willing to take the risk. The 20 percent Reserves could be accessed if needed for any disaster event, but must be paid back into the Reserves the following year. As the County cuts revenues, she indicated that she would be an advocate in the future for cutting risk through policy making and wants to make sure the County is doing everything possible to avoid future, extra expenses that the budget is not going to handle. She also voiced concern on the continued increase of capital projects and asked staff to monitor the Tax Increment Financing (TIF) Funds so they are not used as a slush fund.


 The motion carried 7-0.


RECESS/RECONVENE: 2:24 p.m. – 2:34 p.m. All Commissioners were present including Commissioner Van Ostenbridge by telephone.

ANALYSIS ON IMPACT OF REFUND OF UTILITY REBATE

 Dr. Hopes stated he spoke with Commissioner Van Ostenbridge during the Recess, and he asked to revisit the utility rebate next year in light of action just taken to reduce the millage.


 Mr. Clague stated the County has bond covenants that apply to how utility rates are set and levied, and the bond covenant does not allow for free service. Based on the figures from Financial Management, it is enough money that the County would have to consult with Bond Counsel, and this could take some work.

 Upon question, Ms. Brewer displayed and explained the slides on the Fund Summary of Water and Sewer Operating, Debt Service Funds, and the Utilities Department Impact of a \$100 Refund Utility System Operations Reserve.

 Glen Gibellina stated the utility rebate is still a great idea, because people are struggling to pay utility bills, the Board should follow Housing and Urban Development (HUD) standards and the percentage of citizens at poverty level to help people that really need it. The numbers could be tweaked for marginalized communities.

 By telephone, Mike Meehan commented on remarks by Commissioner Servia.

There being no further public comments, Chairman Baugh closed public Comments.

 Chairman Baugh stated she would respond to negative correspondence from the public regarding Commissioner Van Ostenbridge.

ADJOURN

There being no further business, Chairman Baugh adjourned the meeting at 2:49 p.m.

Minutes Approved: April 12, 2022