

MINUTES OF THE MEETING OF THE BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA

9:00 AM

The Board of County Commissioners of Brevard County, Florida, met in special session on January 15, 2015 at 9:10 AM in the Government Center Commission Room, Building C, 2725 Judge Fran Jamieson Way, Viera, Florida.

CALL TO ORDER

Attendee Name	Title	Status	Arrived
Robin Fisher	Chairman/Commissioner District 1	Present	
Jim Barfield	Vice Chairman/Commissioner District 2	Present	
Trudie Infantini	Commissioner District 3	Present	
Curt Smith	Commissioner District 4	Present	
Andy Anderson	Commissioner District 5	Present	

ITEM I.A., PRESENTATION, RE: HIGH LEVEL TEN YEAR EXPENDABLE ANALYSIS FY04 - FY13 MCGLADREY, LLP

Stockton Whitten, County Manager, stated this is the first in a series of budget workshops, and he thinks staff has them scheduled out through the spring; the first budget workshop is really designed to be foundational in its approach; staff will probably bore the Board; but they will take the Board back to the basics of County budgeting; and that will be done under staffs presentation. He went on to say he thought what would be a good place to start would be with the contracted Internal Auditors presenting a presentation on the County's expenditure patterns; staff has given the Board in the blue binder a line item budget for the County that includes all of the departments and the Tax Collector as those are the ones that are on System Applications Products (SAP); and so the Board has a line item budget for the County with the exception of those Charter Officers who are not on SAP. He stated over time he will give the Board the strategic plan; there is a Board adopted strategic plan; and staff will re-acquaint the Board with that. He added the departments will come before the Board beginning with the January 22, 2015 workshop; they will be prepared to present their budgets and answer any questions the Board may have regarding line items or any roll up accounts; and staff is anticipating a good spring ultimately educating both the new Board Members, general public, and the Citizens Budget Review Committee on exactly what the County Budget is. He presented to the Board Chas Hoyman from Carr, Riggs & Ingram, and Jennifer Murtha and Jill Reyes from McGladrey.

Chas Hoyman, Partner in Charge of the Brevard County office of Carr, Riggs & Ingram, stated as Mr. Whitten stated they have Jill and Jennifer; Jennifer is the Director of the McGladrey office in Brevard County; and Jill is a Manager and spends a significant amount of time working on the internal audit. He went on to say as the firm that has been selected as Internal Auditor, he wants to give the Board some information about the two firms; McGladrey is the fifth largest accounting and consulting firm in the United States; there are 6,500 employees; they have had 85 years of quality service; there are 2,800 public sector clients nationwide; and they are a full-service consulting and accounting firm. He added Carr, Riggs & Ingram is a regional certified public accounting and consulting firm; they have 1,200 professionals in 41 offices throughout Florida, Alabama, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, and Texas; and they provide accounting, assurance, tax, and consulting services to individuals, businesses, governmental entities, and non-profit organizations. He noted the Internal Audit Function reports directly to the Audit Committee, which is approved and appointed by the Board. He advised the Board part of the Internal Audit Function is the annual risk assessment and

financial condition review processes; they have compiled a high-level analysis of County expenditures and trends for the past ten years; and their presentation focuses on those related trends and relations, and provides a backdrop for the County's expenditure climate over the period.

Jill Reyes, McGladrey, stated some of the sources used to pull the information together was financial system data (SAP), adopted budget books, Comprehensive Annual Financial Reviews (CAFRs), and other sources; actual expenditures, including transfers for FY2013 were 21 percent for compensation and benefits, 31 percent for operating expenses, 3 percent for capital outlay, 1 percent for grants and aid, 8 percent for the CIP, 11 percent for debt service, and 25 percent for transfers; the actual expenditures by agency for FY 2013 were 79 percent for Board Agencies, 19 percent for Constitutional Officers, 1 percent for Court Operations, and 1 percent for outside agencies; and the actual General Fund expenditures by agency for FY 2013 were 33 percent for Board Agencies, 65 percent for Constitutional Officers, 1 percent for Court operations, and 1 percent for outside agencies. She stated the direct impacts or external trends are the population steadily increasing over time; the 10-year increase is 5.76 percent; and the 15-year increase is 17.8 percent. She went on to add the property values stabilized in 2012, with a slight increase in 2013 of 4.5 percent; and because of the significant flux, the 10-year trend is ultimately flat. She explained to the Board the overall Full-Time Equivalent (FTE) for the County has increased; the primary driver of the FTE increases over the period are related to jail expansion and an overall increase of 29.7 percent FTE at the Sheriff's office; and without the 275 FTE increase of the Sheriff's Office (207 jail and 68 Ops) between 2004 and 2013, the overall FTE has decreased 16.3 percent from 2,844 FTE to 2,381 FTE. He advised the main jail opened in 1986 with beds for 386 inmates; today, the Jail Complex routinely houses over 1,500 inmates daily with 1,321 permanent inmate beds; ongoing expansion will bring the total number of permanent beds to 1,709; and the Federal and State regulations require specific staff-to-inmates ratios for the operation of the County Jail Complex. She went on to state although overall actual expenditures have fluctuated over time as a result of capital and debt service requirements, actual Operating Expenditures show a decreasing trend since 2009; and actual operating expenditures in 2013 were 1.8 percent higher than 2004 expenditures (\$330.6 million in 2004 and \$336.6 million in 2013). She noted the most significant General Fund transfers include the Sheriff, Parks and Recreation, Fire Rescue, and Central Services; and outside agencies include Economic Development Corporation (EDC), Titusville-Cocoa Airport Authority (TICO), Merritt Island Redevelopment Agency (MIRA), North Brevard Economic Development Zone (NBEDZ), Melbourne-Tillman Water Control District, and others. She pointed out healthcare costs for all employees within the County, including Constitutional Offices, have increased significantly over the last ten years; the County's health plan expenses, including employer and employee contributions, have increased 56.4 percent over the 10-year period; costs-per-member have increased nearly 70 percent; Brevard County is trending below national averages in health claims experience; and this trend relates directly to an increase in catastrophic losses of claims greater than \$100,000. She advised the Board the General Government Operations function of the Board's budget represents collections of general revenue and subsequent transfer of general Ad Valorem tax revenues to other agencies; the remaining expenditures accumulated are for General Fund Long-Term Debt Service, Mandated Programs such as Medicaid, Courts Administration, Baker Act Funding, and the Medical Examiner, to name a few; the mandated program expenditures have increased to more than \$15.4 million per year as of 2014; and the General Government Operations represent approximately 10 percent of the overall County expenditures. She stated during the past three years, the County has made significant efforts to restructure its debt portfolio by making one-time payouts in order to realize long-term savings; and one-time payout examples include defeasance of the Parks Bond Referendum proceeds, return of unspent Parks Bond Referendum proceeds, payment of outstanding utility debts, and general debts related to the Environmentally Endangered Lands (EEL) Program. She went on to say Capital Improvement Programs (CIP) have increased over the past two to three years for Utility Services, Solid Waste

Management, and Valkaria Airport; increases resulted due to years of deferred maintenance and backlogged renewals and replacements for agencies with dedicated revenue sources, such as Federal/State Grants; other agencies have sustained ongoing Projects, as well as started new Projects, as funds became available; these agencies include Public Works and Natural Resources Management; and agencies funded by General Revenue are still in a deferred maintenance state. She stated the Parks and Recreation Department receives the largest General Fund subsidiary of any Board Agencies, including Charter Offices; transfers from the General Fund to Parks and Recreation have decreased over time; and the current allocation to this department is seven percent. She pointed out Parks Referendum Projects were approved in November 2000 and November 2006 by the voters; the County bonded \$155 million to fund these Projects through voter-approved millage; significant expenditures related to the referendum Projects were incurred over the past ten years, tapering off significantly over the past three years as Projects were completed; the EEL Program was authorized by referendum to Bond at \$55 million for the Project; in November 2004 the EEL Program extended; and this provided up to \$60 million for additional funding over the next 20 years. She noted Bond proceeds generally cannot be used for Operating or maintaining park facilities. She stated Sheriff's Office's primary responsibility is law enforcement; the County Jail complex is owned by the County and operated by the Sheriff's Office on the Board's behalf; the Board is responsible for operating the Jail; the Sheriff prepares and monitors the Jail Operations budget; and the trend show an increasing ratio of total costs for the Jail Operations at 38 percent in 2004 to 49 percent in 2009 when it stabilized and was roughly 45/44 as of 2013. She concluded by saying the Sheriff's total expenditures have increased 50 percent; General Fund allocations to the Sheriff Office have increased 50 percent; law enforcement operations comprise an average of 54 percent of the total budget over the last ten years; and these trends have a direct relationship with the external population trend.

Commissioner Infantini inquired if all of that amount in blue, the Jail, is funded by the General Fund as opposed by some of the law enforcement in red is funded by Municipal Services Taxing Unit (MSTU) based on the areas that are serviced by the Sheriff's Department. Ms. Reyes responded she cannot say positively that 100 percent of the Jail is funded out of the General Fund, but a big majority is.

Mr. Whitten pointed out they have grants, inmate fees, and other things, but the General Fund transfer is approximately \$40 million; and it is the most significant funding portion for the Jail.

Tom Rosenberg, Budget Office Director, stated it is \$41 million out of \$42 million towards the Jail is paid out of the General Fund.

ITEM I.B., OVERVIEW OF THE BREVARD COUNTY BUDGET, RE: COUNTY STAFF

Stockton Whitten, County Manager, stated there is a lot out there the general public does not understand what the Board spends its money on; there are five primary categories; the goal of the presentation now is to talk to the Board primarily about its ability to move dollars within the General Fund; but also to talk about all of the Statutory constructs of the Budget. He stated this presentation is designed to be foundational, and it will be a little dryer than the usual exciting budget presentations; but staff thinks the Board and general public needs to go back to the foundation of what the budget is.

Chairman Fisher stated Parks and Recreation, the Sheriff, and healthcare would probably be the top three areas where there is a spike in expenditures. Mr. Whitten noted that is the trend that is captured in the report.

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Mr. Whitten advised the Board that Mr. Rosenberg has spent most of his career as a Certified Public Accountant (CPA) in the private sector; he has both accounting expertise and seven years of budget expertise; and he has a very good base of knowledge of governmental accounting and budgeting.

Thomas Rosenberg, Budget Director, stated a budget system for the control of finances of the Board of County Commissioner shall be prepared, approved, and executed for each Fiscal Year according to Florida Statute 129.01(1), (2) (a) (b); it must show for each fund budgeted revenues and expenditures by organizational unit; and it must be balanced. He went on to say with a balanced budget, estimated receipts, including balances brought forward, equal total appropriations for expenditures and reserves, Florida Statute 129.01(2)(b); and this includes 95 percent of all reasonably anticipated receipts, 100 percent of estimated balances forward, and itemized appropriations for all expenditures. He showed the Board an example of how the budget appears in SAP. He noted the County Budget Officer prepares and presents to the Board a tentative budget, according to Florida Statute 129.03(3), and after tentatively ascertaining the proposed fiscal policies of the Board for the next Fiscal Year, it shows for each fund, includes all estimated receipts/taxes levied, balances to be brought forward, estimated expenditures and reserves, time requirement no longer is specified, and the Board examines the tentative budget for each fund, Florida Statute 129.03(3)(b). He stated on or before June 1st, the Charter Officers submit to the Board a tentative budget, according to Florida Statute 129.03(2); on June 1st the Property Appraiser provides estimate of total assessed value of nonexempt property; on July 1st, the Property Appraiser certifies to the Budget Officer total property valuations, Florida Statute 129.03(1); and prior to August 4th, which is 35 days from the certification date, the current year rolled-back rate is calculated and proposed current year millage rate. He stated the Property Appraiser's budget due date is on or before June 1st and the Tax Collector's budget due date is on or before August 1st, and their budgets are submitted to the Department of Revenue; and the Sheriff, Supervisor of Elections, and Clerk of Courts budget due date is on or before June 1st, and is submitted to the Board.

Mr. Whitten stated he promised Lisa Cullen, Tax Collector, that he would pass to the Board some information; she gave the Board a history of the dollars she is returning to the General Fund; often times staff refers to that as a General Fund transfer; Statutorily it is a fee for service for collecting taxes proportionate to what is on the tax rolls; and she returns each year approximately \$4 to \$5 million. He stated staff depends on her not spending 100 percent of what she receives.

Mr. Rosenberg reiterated on or before June 1st the Charter Officers submit to the Board a tentative budget; on June 1st the Property Appraiser provides an estimate of total assessed value of nonexempt property; on July 1st the Property Appraiser certifies to the Budget Officer the total property valuations; and prior to August 4th, 35 days from the certification date, the current year rolled-back rate is calculated and they propose current year millage rate. He went on to say no later than August 24th, the Property Appraiser mails the Truth in Millage (TRIM) notice to the property owners, and they propose a current year millage rate; the first Budget Hearing is between September 3rd and September 18th; and between September 18th and October 3rd, the second Budget Hearing is held, which is 15 days after the tentative Budget Hearing. He advised the Board Generally Accepted Accounting Principles (GAAP) is common to public and private sectors; and important differences exist between governmental GAAP and commercial GAAP. He stated government's activities are not typically considered a homogeneous whole; local government is comprised of separate fiscal entities/funds; activities/objectives are segregated in accordance with regulations, restrictions, or limitations; and they are classified by fund types for reporting purposes. He pointed out the General Fund is the chief reporting vehicle for local government; and the accounts for activities are not reported in other fund types. He noted with Special Revenue Funds account for revenue sources that legally may be expended only for specified purposes; the proceeds from the Gas

Tax may only be used to finance road maintenance and repair; legal restrictions on grant proceeds may only be spent on specified purposes; and the Special Districts are Libraries, Mosquito Control, Environmentally Endangered Lands (EEL), and Tourism. He stated Debt Service Funds account for resources to pay principal and interest on general long-term debt; and it is mandatory when it is legally mandated and for payments maturing in future years that are greater than one year's principal and interest payment. He went on to say Capital Projects Funds account for major capital acquisition/construction, which are other than proprietary or trust funds; they enhance government's understanding of capital activities; and it avoids distortions in trend reporting when capital and operating activities are mixed. He explained to the Board that Enterprise Funds are used for both activities financed/operated similar to business enterprises, which are costs recovered primarily through user charges, Utilities, Solid Waste, and Golf Courses; and they provide information on revenues, expenses, and net income where such information is useful for capital maintenance, public policy, accountability, management control, or some other purpose. He stated Internal Service Funds are cost-allocation devices for services provided to other departments; and they are often used to account for information systems and risk-management activities. He advised the Board the FY 2014-2015 adopted budget is \$1,036,245,182; Operating Revenue is \$585,848,411; Duplicate Transfers is \$173,688,929; Balance Forward is \$384,765,393; Financing is at \$22,011,005; and other transactions are at \$130,068,556. He explained to the Board how it goes from a total budget to operating revenue. He stated the FY 2014-2015 Operating Revenue is \$585,848,411; and he gave the Board the breakdown of that revenue. He stated other General Funds consist of Parks and Recreation, Central Services, Public Works, Sheriff's Office, Planning and Development, Emergency Management, and others for a total of \$24,231,949; Debt Service Funds consist of Parks and Recreation and Planning and Development at a total of \$13,368,291; Capital Project Funds for Parks and Recreation total \$267,617; Internal Service Funds include Employee Benefits, Risk Management, and Information Technology (IT) Communications at \$70,285,267; Special Revenue Funds include Public Works, Fire Rescue, Sheriff's Office, Library Services, Natural Resources Management, Housing and Human Services, Tourism, Parks and Recreation, Planning and Development, and others amounting to \$197,387,395; and Enterprise Funds include Utility Services, Solid Waste, Golf Courses, Transit Services, Melbourne-Tillman, and TICO for a total of \$100,517,445. He explained to the Board going from Total Operating Revenue to General Operating Revenue by going from Operating Revenue at \$585,848,411, less Special Revenue, Enterprise Revenue, Debt Service, Capital Projects, Internal Service Revenue, and Non-General Government Funds to a General Operating Revenue of \$179,790,447; and he showed a pie of the FY 2014-2015 Budget General Government Operating Revenue (New Money) of \$179,790,447, and how it was broken down. He stated the Total General Revenue is \$179,790,447, and by adding in General Revenue Balance Forward and General Revenue Transfers in to get to a Total General Revenue of \$210,190,221; and he showed the Board how the Total General Revenue was broken down at Ad Valorem Taxes at \$125,277,407 or 60 percent, Major Revenues at \$46,444,078 or 22 percent, Charges for Services at \$5,524,479 or three percent, Other Operating at \$2,544,483 or one percent, Balance Forward at \$21,391,938 or 10 percent, and Transfers in at \$9,007,836 or four percent. He went on to say the Total General Fund Sources consists of Current Ad Valorem, Prior year Ad Valorem, Communication Service Tax, Florida Power & Light (FPL) Franchise Fees, State Shared Revenue, Local Half Cent Sales Tax, All Other Operating Revenue, Balance Forward, and Non-Operating Revenue at a total of \$210,190,221; the General Fund uses are Charter Officers, Court Operations, Outside Agencies, Mandates, and Reserves, at a sub total of \$142,869,435; and by adding in the Board General Fund Supported Departments, using Total Compensation and Benefits, Operating and Capital Expenses, and Debt Service totals \$210,190,221. He pointed out the General Revenue supports the Sheriff's Office at \$90,135,850, Reserves at \$14,385,739, Parks and Recreation at \$12,970,285, Unfunded Mandates at \$12,907,919, and Emergency Medical Services/Ocean Rescue at \$9,318,973; it supports Central Services at \$8,709,122, the Property Appraiser at \$7,279,395, Tax Collector at \$7,042,692, Public Works at \$5,551,818, Housing and Human

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Services at \$5,175,682, Supervisor of Elections at \$4,178,947, and the Courts at \$2,934,668; those 12 Agencies/Reserves account for \$178 million of the \$210 million the General Fund Support; and \$31 Million supports more than 150 additional programs and services. He explained to the Board some of the restricted use of funds; there are legal restrictions on funds allocated for specified purposes, such as Utilities, Solid Waste, Road, Library, Mosquito Control, etcetera.; some funds are restricted by Statute and Special Act; and included in the restrictions are voter approved restrictions, imposed by creditors, grant requirements regarding leveraging funds, and Federal and State guidelines. He advised the Governmental Account Standards Board (GASB) 54 definitions are Special Revenue Funds to account for/report the proceeds of revenue sources restricted to expenditures for specific purposes; Debt Service Funds account for/report financial resources restricted for principal and interest; Capital Project Funds account for/report financial resources restricted to capital outlay; Enterprise Funds are proprietary fund types used for an activity for which a fee is paid for goods or services; and the Internal Service Funds are proprietary fund types used for an activity that provides goods or services to other debts/agencies, et cetera on a cost reimbursement basis. He went on to state the General Fund is the chief operating fund of government; it is used to account for all financial resources except those required to be accounted for in another fund; and it does not have the restrictive nature of other funds. He pointed out there is General Fund funding that is not wholly at the discretion of the Board; and those are the Sheriff's Office, Reserves, Unfunded Mandates, Property Appraiser, Tax Collector, CRA Payments, Debt Services, Supervisor of Elections, Courts, and Clerk of Courts for a total of \$153,004,942. He stated the General Fund is used to fund core services such as Emergency Medical Services and Public Works for a total of \$13,349,443; and the non-discretionary and core services total is at \$166,354,385. He noted assuming none of the prior allocations are discretionary, only \$43,835,836, or 4.2 percent of the total budget, remains for other General Fund supported programs and services; the discretionary General Fund allocations are Parks and Recreation at \$12,970,285, Central Services at \$8,709,122, General Government at \$4,737,278, Housing and Human Services at \$3,309,653, Transit at \$1,627,177, Ocean Rescue at \$1,521,011, the Board of County Commissioners at \$1,473,962, the County Attorney's Office at \$1,414,128, and Economic Development at \$1,400,050; and other discretionary General Fund allocations are Planning and Development at \$1,391,683, County Manager's Office at \$1,079,308, UF/Extension Services at \$717,971, Human Resources at \$623,869, Budget Office at \$619,649, Emergency Management at \$595,575, Community Based Organizations at \$510,200, Information Technology at \$391,134, Natural Resources at \$342,667, and Space Coast Government TV at \$255,765.

Mr. Whitten stated the point staff is trying to drive home is the general public preserves that the \$1.036 billion, those are new dollars coming into the coffers each year; and it is significantly less than that. He pointed out it goes from a billion dollar budget to the operating revenues for the entire county, including all of the enterprise funds, water, wastewater, solid waste, and the other enterprise funds, it is \$585 million; it starts with that billion dollar budget to the operating revenues being \$585 million to what the Board really has broad discretion over, which is the \$210 million; and that is made up of balances brought forward, a reliance on the Tax Collector to spend all of her fees each year. He noted the Board's discretionary dollars is significantly less than obviously the \$1 billion, and it is not even half of the \$585 million operating revenues; the non-discretionary services consume \$168 million of approximately \$180 million; and it has left a small amount of dollars to deal with.

Mr. Rosenberg explained to the Board a tax increase, by Statute, occurs when the tentatively adopted aggregate operating (non-debt) millage rate is greater than the current

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year rolled-back rate; and conversely, if the tentatively adopted aggregate millage rate is equal to, or less than, the current year rolled-back rate, then this situation is not a tax increase. He pointed out no individual taxpayer pays the aggregate millage rate, only Countywide millages affect each taxpayer, such as General Revenue, Library Services, Mosquito Control, and EELs; all other taxes paid are geographically dependent; and Brevard County has 36 Tax Districts, which taxes paid are affected by municipality/unincorporated, Parks Districts, and Road and Bridge Districts. He noted to calculate the aggregate operating millage rate take the aggregate Ad Valorem taxes of \$194,561,899 and the property values at \$28,019,599,988 and multiply by 1,000, which equals 6.9438. He stated the rolled-back rate is the millage rate which, less new construction, additions, deletions and rehabilitative improvements and any dedicated increment value, will generate the same tax revenues as the prior year, less the amount paid resulting from dedicated increment value, Florida Statute 200,065(1); and he explained to the Board how to calculate the rolled-back rate. He advised the Board the County Charter 2.9.3.1(d), provides for an allowable increase in Ad Valorem revenues over the revenues for the previous year; it is limited to the lesser of three percent or the change in the Consumer Price Index (CPI); it excludes new construction from the anticipated revenue; and he explained to the Board how the anticipated revenue and associated tax rate, or General Fund, was calculated. He talked to the Board about how different properties taxes increased and decreased.

Chairman Fisher inquired if Mr. Rosenberg will give the Board an example of a person who received a tax increase. Mr. Rosenberg responded the Save Our Homes ruling comes into place; it comes down to what the Property Appraiser shows as a non-exempt property value, exclusive of exemptions, and the Save Our Homes comes into play with the assessed valuation itself; it really comes down to the non-exempt portion of a person's property value how it did relative to the total millages a person pays; if a person's bottom line taxable home value went up by less than 2.45 percent as provided by the Property Appraiser, the homeowner would have had a tax decrease; and it is strictly based on the taxable value of the home and what a person's individual taxing authorities does to his or her taxes. Chairman Fisher stated a person could have been in a home for a period of time, will not have a jump in property taxes as a person who just bought a home next door.

Mr. Whitten stated it is the delta between the assessed value of that home; if a person has been in a home for a long time, he or she may close that gap slower than someone who just moved in within the last five or six years; and that is the magic of Save Our Homes.

Commissioner Infantini stated a few years ago the property tax rate increased 30 percent over what they would have been had the Board not increased the tax rates; and Save Our Homes was done so there would not be huge spikes just because of neighborhood changes.

Mr. Whitten stated the only way to assure that no one gets a tax increased based on Florida's property tax system, there has to be a tax rate of zero. He noted what staff is trying to drive home is a tax rate is different based on a person's geographic location, circumstances with regard to Save Our Homes to an individual; and staff will talk about why there is more control on the Brevard County tax rates than any county because there is caps that no one else has.

Chairman Fisher stated by saying there was a 30 percent tax increase it would make a person think there was a 30 percent increase in revenue.

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Mr. Whitten stated the revenue over time is down significantly. He does not think it is fair.

Commissioner Infantini stated she would be fine with taxing based on square footage.

*The Board recessed at 10:50 a.m. , and reconvened at 11:10 a.m.

Mr. Rosenberg stated the Save Our Homes limits the annual increases in the assessed value of property receiving homestead exemption to three percent or the percentage change in the CPI, whichever is lower; and this assessment limitation is commonly referred to as the Save Our Homes cap. He went on to say Brevard County and local governments are prohibited from increasing Ad Valorem revenues for operating budgets by more than 10 percent from previous year; it is exclusive of new construction; and it is without affirmative votes of the citizens. He noted according to Charter Section 2.9.3.1, there are limitations on growth in Ad Valorem tax revenues; the Board shall not impose any Ad Valorem tax for County purposes or within any municipal services taxing unit or district, at a millage rate which causes the budgeted revenue to increase over the budgeted Ad Valorem revenue for the previous Fiscal Year, which would be by more than the lesser of three percent or the change CPI, excluding revenue change associated with new construction. He stated Chapter 200.065(5), Florida Statutes, limits growth in Ad Valorem tax revenues; the maximum millage is the rolled-back rate; millage rate of not more than 10 percent over the rolled-back by 2:3 vote; and a millage rate of more than ten percent over rolled-back by unanimous vote or Referendum. He stated the impact of the Special Act and the Charter on General Revenue from the 2013-2014 to 2014-2015 FY is taxable property value at \$25,739,437,801 to \$28,019,599,988, with a change of 8.86 percent.

Mr. Whitten stated the whole point of all that is that the Board cannot get to 30 percent increases in its revenue; the rate may be whatever it is; but the revenues are limited by the Charter Cap and the Special Act Cap; and the Charter is limiting in this particular instance to the 1.46. He went on to say everything excludes new construction; Brevard County cannot get to any of those places where it has been reported that there seems to be fear out there, because there is a cap on top of a cap that does not allow the Board to just go to those double digits increases.

Mr. Rosenberg stated the CPI for all urban consumers was in 2012 at 229.594, 2013 was 232.957, and 2014 was 236.911. He stated the projections for FY 2014-2015 for Reserves is \$14,385,739; FY 2015-2016 at \$14,486,956; FY 2016-2017 at \$13,084,465; FY 2017-2018 at \$13,574,975; and FY 2018-2019 at \$16,637,623. He stated the five year projections of available Reserves with no cap is FY 2014-2015 at \$14,385,739; FY 2015-2016 at \$15,608,468; FY 2016-2017 at \$16,519,864; FY 2017-2018 at \$20,326,019; and FY 2018-2019 at \$27,633,083.

ITEM II., BOARD DISCUSSION

Commissioner Infantini stated in conclusion, it would seem that in a way the County may be advocating for higher tax rates to support more revenue; she is reminded continually from her husband who is from New Jersey that it is a spending problem not a revenue problem; he points out that New Jersey added the lottery, which Florida has; they added gambling casinos; they added off-track betting; and yet with all of those new revenue services, they cannot seem to make ends meet, and they almost went bankrupt. She reiterated the Board has a spending problem, and she thinks it needs to consider re-prioritizing what it is funding; she stated by not funding the North Brevard Economic Development Zone (NBEDZ) in FY 15-16 would keep the

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Reserves balanced and unchanged; and she inquired if she is the only one in the room who sees that as an easy fix by no longer funding that.

Chairman Fisher stated Independent Tax Watch did a report on Brevard County and how it ranked as far as taxes go compared to other counties; and he inquired if out of 67 counties what Brevard was ranked. Mr. Rosenberg responded either 10th or 11th least taxed county of 67 counties. Chairman Fisher stated one of the reasons is that most other counties and cities have public service taxes, their millage rate is higher, they have higher gas tax, and a higher sales tax.

Commissioner Smith stated when he was knocking on all those doors last year, he had a number of people tell him they moved to Brevard County because they liked the fact the taxes were lower than where they came from; and he replied to them it still does not mean that Brevard County is efficient as it could be.

Commissioner Infantini stated staff did an excellent job; this is the first budget meeting she has attended in six years where she actually walked away with a whole bunch of information; and this is the best presentation she has ever seen put on.

Stockton Whitten, County Manager, stated to set up the next series of workshops, he has invited the Charter Officers for the January 22, 2015, workshop, and he advised them that he had given to the County Departments the following format to present to the Board, and that is an overview of their Departmental office mission, overview of programs and services, and overview of their funding sources; he asked them to give a presentation of their budget of the rolled up categories contained in the Board's budget book, including their staffing numbers; and the rolled up categories are compensation and benefits, operating capital, and those sort of things. He went on to say he asked them to provide the Board a brief presentation of trends and issues. He pointed out staff has given the Board a book of the line item budgets for the County Departments, including the Tax Collector; staff is available to respond to any concerns the Board may have regarding specific details of their budget; and that is the sort of presentation format he is looking at in terms of moving forward. He stated the next workshop is the Charter Officers, and then it is Health Insurance; and he thinks it will be a significant discussion.

Commissioner Infantini inquired if the Charter Officers could be asked if they would be willing to give the Board a line item budget like the County Manager has provided it so the Board can look at their revenue and expenses; she understands it is just a request and they do not have to comply; but she thinks it would be very nice and transparent if they would do so.

Chairman Fisher inquired if the Charter Offices are going to do the line item budget for the Board. Mr. Whitten replied he gave the Charter Officers the format, he will correspond with each of them within the next couple of days; and he stated he will advise the Board who will be attending. Chairman Fisher stated it is appropriate for Mr. Whitten to request that from the Charter Officers.

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Upon consensus of the Board, the meeting adjourned at 11:36 a.m.

ATTEST:



Scott Ellis

SCOTT ELLIS, CLERK

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ROBIN FISHER, CHAIRMAN
BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA

As approved by the Board on 2-17-2015