

## JULY 11, 2016 – BUDGET WORKSHOP

The Board of County Commissioners, Walton County, Florida, held a budget hearing on Thursday, July 11, 2016, at 9:00 a.m., at the courthouse annex in Santa Rosa Beach, Florida.

The following Board members were present: Commissioner Sara Comander, Chairman; Commissioner Cecilia Jones, Vice-Chairman; Commissioner W. N. (Bill) Chapman; Commissioner Bill Imfeld; and Commissioner Cindy Meadows. Mr. Larry Jones, County Administrator, and Attorney Mark Davis, County Attorney, were also present.

Chairman Comander called the meeting to order.

Ms. Melissa Thomason, Finance Director, reviewed the changes and additions made at the last budget workshop including the Sr. Center, TDC Code Enforcement Officers for total of ten officers, purchase of ATV's versus trucks for new and existing officer, \$130,000 for Friends of the South Walton Turtles, and removal of one-half FTE for the TDC Information Specialist. She stated there was no increase in millage rates for County Wide or North Walton Mosquito Control. Staff is reviewing the COLA options of 3% and considering options for merit raises.

Ms. Thomason stated the current level of TIF funding is \$3 million and they are considering the same amount for the 2017 budget. This would create a rotating cycle for Public Works to permit and design projects in one budget year and complete them the next year. Increasing funding for those projects would increase the budget in other areas as well. Funds are also being budgeted for equipment replacement, which has occurred for approximately 10 years. Staff was attempting to find a way to increase funding for the projects without setting back efforts to replace the old equipment and hamper road maintenance efforts. One way would be to supplement the \$3 million with an additional \$1 million from BP settlement monies currently in reserves. There is sufficient funding in the BP settlement reserves to supplement the TIF funding

which will provide funding to buy the necessary equipment without impacting the overall budget. Mr. Jones stated the goal was to not ask for an increase in ad valorem taxes or impact reserve funds in order to keep sufficient funding in the event of a disaster.

Commissioner Meadows questioned if the sea turtle program was included in the budget and if TDC is going to look at taking over the educational component. Mr. Jay Tusa, TDC Executive Director, stated they looked at the contract and it is not in their scope of work to provide those services. Commissioner Jones asked if this program would be presented to the TDC Board. Mr. Tusa stated he would present it to the TDC Board.

Discussion ensued regarding the amount of COLA and merit raises for employees and the need to implement an evaluation program. Chairman Comander requested a 5% COLA for employees. Ms. Thomason stated it would cost an additional \$400,000 to increase the COLA from 3% to 5% and would require cuts in other areas of the budget to accommodate 5%. The commissioners were not in favor of an increase in the millage rate.

Commissioner Chapman agreed with a 5% COLA but not at the detriment of the budget or a millage increase. He spoke about developing a long range infrastructure plan and an accelerated road paving program throughout the county due to problems with watershed into wetlands. He also voiced favor in implementing a good evaluation system to substantiate raises.

Commissioner Meadows commented on how beneficial it is that employees are provided insurance coverage and that needs to be taken into consideration when looking at employee pay. A salary review needs to be performed to see where there may be deficiencies.

Discussion was held regarding the possibility of giving raises based on the methodology used last year with a breaking point of \$60,000. The disparity between low income earners and high salaried employees seems to be getting closer.

Commissioner Imfeld recognized the hard work of the employees putting the budget together. He suggested looking at increases in merit being tied to a system that is accurate and requested supporting numbers be brought back to the board in September

Commissioner Jones spoke about TDC Code Enforcement Officers, the ambassador program and the need for more regional beach accesses. She recommended TDC continue looking for land to purchase for beach access and parking. She requested the TDC work on a comprehensive plan for beach accesses. Mr. Tusa stated he and Mr. Jones are working on those issues and looking to implement some policies and procedures. He agreed there needs to be more beach accesses. Commissioner Meadows stated it would be good to have multiple accesses to spread the beach traffic out.

The floor was opened for public comments.

Mr. Randy Powers felt the commissioners were going in the right direction on the TIF. However, he would prefer to budget \$10 million. He also spoke about compensation and classifications and said an employment study has not been performed in years. He favored performance appraisals and spoke about the need to find the right performance tools and provide management with training on how to best utilize those tools. He addressed the new labor laws going into effect and asked the commissioners to look at how much overtime was paid last year to non-law enforcement employees.

Mr. Robert Hudson, Executive Director of the Walton County Taxpayers Association, stated consideration should be given county wide when looking at overall needs. He questioned Ms. Thomason about transferring \$1 million from reserves into TIF or is it actually increasing the TIF to 40% and further transferring funds from reserves to the general fund. Ms. Thomason stated they were looking at taking BP settlement funds for TIF projects. Mr. Hudson suggested

transferring 40% to get to the proposed \$4 million. He also recommended the commissioners memorialize what the transfer is for. He felt it would be better to transfer the TIF then unallocate reserves into current needs. Mr. Hudson also voiced concern with spending \$130,000 on an educational program from TDC for sea turtles and questioned if there is a legislative finding approving that expenditure; the funds must be spent in a way that increase tourism. Chairman Comander explained many tourists do not understand the value of sea turtles and preservation of sea turtle nests. Many of the turtle nests are being damaged by tourists and they need to be educated on the need to preserve them. Mr. Hudson stated he understands the value of education but questions a legislative finding. Mr. Jones will review statute.

Lastly, Mr. Hudson spoke about a compensation plan that provides goals, objectives, and benchmarks for employees that provides an easier method for evaluations. Employees need to be evaluated the entire year so they are aware of where they are and if they are reaching their goals. He stated this type of system is beneficial with certain level of employees, but not custodial employees. He felt a 3%-5% across the board raise is not fair to all involved. He commended the board for their work.

Ms. Jackie Markel thanked the board for the \$1 million placed in TIF funds. However, with the condition C.R. 30A is in and the amount of revenues brought in from south Walton she felt more money should be added into that fund.

Chairman Comander asked if all of the current year's budget for TIF was spent and if additional funds could be added to the TIF account later in the budget year if needed. Ms. Thomason explained that the TIF money was allocated for approved projects, but not yet spent. Commissioner Imfeld explained when TIF funds are set aside into a specific account, funds from other sources can be added to augment that budget.

Commissioner Jones asked if the resurfacing of C.R. 30A is in the current plan. Mr. Wilmer Stafford, Public Works, stated part of C.R. 30A is in the plans and more work is scheduled after tourist season in September. He said it should be about half way complete after this year, leaving the portion from Eastern Lake to the east end to be completed. In addition, drainage repairs need to be completed before the resurfacing. Chairman Comander questioned if C.R. 30A would be completed within two years. Mr. Buddy Wright, Public Works, said C.R. 30A should be completely resurfaced in approximately three years. Mr. Jones commended Public Works staff for laying out a plan to get construction done. If it comes to a point it is critical and there is availability to leverage additional money then it would be brought back to the board. They will continue providing funding for those construction projects on an annual basis.

Mr. Alex Alford, Clerk of Court and County Comptroller, appeared before the commissioners requesting two additional Internal Auditor positions be added to the budget. He explained the workload is increasing and becoming more technical. He stated one additional auditor was added last year and he needs two more. Chairman Comander stated audits are an excellent way of keeping the public informed. Mr. Alford stated external auditors audit the financials whereas internal auditors audit departments within the county.

Mr. William Pennington, Director of Administrative Services for the Clerk's Office, commented on the importance of performing audits in order to prevent issues. Commissioner Jones requested Ms. Thomason review the request and get back with each commissioner individually. Mr. Pennington advised he has made cuts so they are not asking for funding for two entire positions.

Mr. Hudson stated he first supported an auditor and would support adding new positions. He commented on the decrease in time for getting audits out with additional auditors.

Ms. Leigh Moore, Scenic Corridor Foundation, presented a handout regarding median improvements south of the bay. She spoke about the current condition of the medians and stated FDOT currently maintains the majority of them. Ms. Moore stated the numbers she presented are high-level budget estimates. An estimate in the amount of \$589,000 from VallyCrest was provided for maintaining the medians along U.S. 98 and U.S. 331 south of the bay which is a much higher level of maintenance than currently being provided by FDOT. A high-level estimate was also obtained from FDOT stating they would supplement the funding at approximately \$120,000 per year leaving a net cost of \$470,000 to the county. Ms. Moore stated she spoke with TDC about maintaining the gateway areas which would require about \$223,250 per year, but is unsure if TDC funding could be used. A legislative finding would be needed.

Mr. Tusa stated he has a meeting with Ms. Moore and will be discussing the legislative findings with the TDC's attorney. He will present more information at a later date.

Ms. Markel commented on how difficult it is for Public Works to plan a year out if they are unsure how much money will be budgeted. She stated she would like to see an amount certain placed into the budget. Commissioner Meadows responded last year was \$3 million but only \$2 million (28%) of the increment. The additional \$1 million was transferred from the infrastructure fund. This year's consideration is \$3 million from TIF. Ms. Markel stated if the TIF money is there she would like to see it used on these storm water and infrastructure needs.

Commissioner Meadows asked for the number of grants Walton County received last year. Commissioner Jones stated it was approximately \$16 million from all grants. Commissioner Meadows commended Public Works for the great job they are doing.

There being no further business, the meeting was adjourned at 10:03a.m..

Approved: Sara Comander  
Sara Comander, Chairman

Attest: Alex Alford  
Alex Alford, Clerk of Court and County Comptroller