



MINUTES
Board of County Commissioners
Monday, July 6, 2020 @ 10:00 AM
DeFuniak Springs Board Room
Budget Workshop

COMMISSIONER ATTENDANCE

PRESENT: Commissioner Bill Chapman, Commissioner Danny Glidewell, Commissioner Melanie Nipper, Commissioner Trey Nick, and Commissioner Tony Anderson

STAFF PRESENT: Larry Jones, County Administrator and Heather Christman, Asst. County Attorney

CALL TO ORDER

Chairman Chapman called the meeting to order.

OMB/FINANCE

1. Budget Workshop Presentation

Mr. Larry Jones, County Administrator, noted the current year has been challenging and expressed his appreciation for Ms. Thomason and staff for the work they have done in preparing the proposed budget. He reported that unless circumstances change, the county is in good financial standing going into FY 21. He said there are still uncertainties and that every opportunity for funding will be pursued. Those funding sources will be presented to the board for consideration at the appropriate time.

Chairman Chapman announced that motions cannot be made in a public workshop and that the board would give direction to staff.

Ms. Melissa Thomason, County Finance Director-attending through Zoom, briefly discussed each of the components of the proposed budget for the upcoming fiscal year. She noted there is a decrease in the budget for FY 2021 in the approximate amount of \$10 million and reflects the TDC's decrease in revenues. She said when additional funding sources become available, they will be amended into the budget. Ms. Thomason announced a 3% COLA has been added for board consideration. She requested direction on certain discretionary contributions and said some of the requests for additional funding may be eligible for Care Act funds due to the increased demand for services related to COVID-19. She said that FY 20 is the third year for the funding

contract with Main Street DeFuniak and asked the board how they wished to proceed. A brief discussion was held on the funding agreement with Main Street DeFuniak.

Ms. Thomason discussed the budget components addressing public safety and community development. Commissioner Glidewell questioned why Eagle Springs Golf and Recreation was included in community development and not in public works under parks maintenance. Ms. Thomason said organizationally they are under public works, but the funding is from the General Fund.

Ms. Thomason discussed the budget components addressing public works and the landfill. She said an assessment of the landfill fees would be done.

Chairman Chapman asked how much of the increase in the budget retirement was. Ms. Thomason said across all departments there was an approximate \$200,000.00 increase as a result of the increase in retirement contributions.

Ms. Thomason addressed the TDC budget component and the losses experienced as a result of the COVID-19 shutdown of short-term rentals. She said as the county moves forward additional funds can be amended into the budget. She said funding from the CARES Act would help in the areas where COVID-19 has driven up the expenses. This will free up funding to go to other needed areas.

Chairman Chapman asked why there was an increase to the Public Defender budget. Ms. Thomason replied the phone and internet expenses have been running over budget.

Ms. Thomason said there has been no additional increases in special revenue funds. Receipts vary from year to year and any additional funds received during the year are amended into the budget. She discussed the Capital Projects funds and said the South Walton and 331 TIF funds have been impacted the most in the current fiscal year. She reported approximately \$4,016,000.00 had been budgeted for the South Walton TIF and approximately \$277,000.00 in the 331 TIF fund. March and April revenues in sales and gas tax have decreased approximately \$2.5 million with the May figures pending. Ms. Thomason requested to decrease the total SW TIF funds by approximately \$3 million. Commissioner Anderson announced the State would be issuing \$1 million to the county for stormwater and said there are a lot of projects scheduled for next year in which the permits may expire if not started. He voiced concern that the TIF funds needed to be replenished as soon as possible. Ms. Thomason said staff is trying to get an official listing of how the CARES Act funds can be used in order to determine where the money can best be used. Commissioner Nipper asked if the broadband project would be covered by the CARES Act funds. Ms. Thomason said a loan is currently funding the broadband project and the CARES Act limits funding for capital projects. Mr. Jones spoke about the requirements of the CARES Act funding for counties with 500,000 residents or less and commended Ms. Thomason for all the work she has done. He noted the budget issues will resolve itself with the TIF funding being the first to be replenished. He addressed the broadband concerns and said it would not qualify

for CARES Act funding because it is a budgeted item. Commissioner Glidewell stated that plans must be submitted and approved by December.

Ms. Thomason reviewed the revenue summary and said the budget is based on the use of the same millage rate as FY 20 (County-Wide millage rate is 3.6363 and the North Walton Mosquito Control millage rate is 0.4912). She spoke about the proposed ad valorem allocation percentages. She said the property values have increased from \$20.6 billion to \$22.47 billion. Ms. Thomason said the completion of the landfill cell has been included in the budget. She reported that insurance premiums have decreased and that staff is still working on the five-year capital improvement list as requested by the board. She also stated that the board had requested a District Capital Funding pot be included in the budget. She requested direction on the District Capital Funding pot and on the millage rate. She said after today the millage rate cannot be increased, but it could be decreased.

Chairman Chapman noted the current county-wide millage rate is 3.6363 and the North Walton Mosquito Control millage rate is 0.4912. The board concurred to leave the millage as is for all budgetary areas.

Chairman Chapman asked how Main Street DeFuniak could be funded. Ms. Thomason replied the property value numbers were higher from the June estimate to the July certified values and would have approximately a \$70,000.00 increase which could go toward the funding of Main Street. The board concurred to include the Main Street funding request contingent upon a negotiated contract which includes a match requirement from the other entities. Chairman Chapman questioned if the contract should be for one year or three years. The board concurred to limit the contract to one year and discussed the lack of updates from the organization. A brief discussion was held to consider leaving the \$33,000.00 funding as a place holder in the budget until a contract can be negotiated and approved. The board concurred to leave the amount as a place holder, to allow staff to negotiate a new contract, and to request a briefing from Main Street.

Commissioner Anderson noted that this has been the busiest summer the county has had and felt the numbers would be higher than anticipated. He noted that budgetary precautions should still be made until the final numbers are in. Ms. Thomason mentioned that two of the largest revenue months occur after the budget process closes and those funds can be amended into the budget if the reserves end the year higher than anticipated.

Commissioner Glidewell addressed the District Capital funding pot and asked if a \$50,000.00 place holder could be placed in the budget. Discussion continued on how the funds would be used by Districts 2, 3, and 4 due to the lack of recreational plat fee income. The board concurred to have the \$50,000.00 place holder for the District Capital funding pot.

Ms. Thomason requested the board's direction on the COLA. After a brief discussion, the board concurred to include a 3% COLA.

Mr. Bob Brooke questioned if a list of priorities was available for review. Mr. Jones responded to Mr. Brooke by discussing the budgeting process and said this year was a unique situation. He stated that staff is trying to protect the reserves on the chance the county is hit with a hurricane. Mr. Brooke spoke about the need to get the U.S. 331 water/sewer project and the Choctawhatchee Bay clean up underway citing these projects could not wait for grant revenue. He also addressed the TIF funding areas and the Sheriff's portion of the budget. He recommended referencing line item locations when funding is requested for projects.

ADJOURN

There being no further discussion, the meeting was adjourned at 10:52 a.m.



W. N. (Bill) Chapman, Chairman



Attest: Alex Alford, Clerk of Court and County Comptroller