REPORT OF THE BUDGET COMMITTEE OF THE WHOLE WORKSHOP OF THE ESCAMBIA COUNTY BOARD OF COUNTY COMMISSIONERS

JULY 10, 2023

Present: Commissioner Lumon J. May, Chairman, District 3
Commissioner Steven L. Barry, Vice Chairman, District 5
Commissioner Robert D. Bender, District 4
Commissioner Jeffrey W. Bergosh, District 1
Commissioner Michael S. Kohler, District 2
Honorable Pam Childers, Clerk of the Circuit Court and Comptroller
Wesley J. Moreno, County Administrator
Alison Rogers, County Attorney
DeLana Allen-Busbee, Administrative Specialist, Clerk and Comptroller's Office
Jose Gochez, Program Manager, County Administrator's Office

Location: Ernie Lee Magaha Government Building, Board Chambers, First Floor
221 Palafox Place, Pensacola, Florida

Report prepared by: DeLana Allen-Busbee

AGENDA NUMBER

1. Call to Order

   Vice Chairman Barry called the Budget Committee of the Whole (C/W) Workshop to order on July 10, 2023, at 9:02 a.m.

2. Was the Meeting Properly Advertised?

   The Board was advised by DeLana Allen-Busbee, Administrative Specialist, Clerk and Comptroller's Office, that the Budget Workshop was advertised in the *Escambia Sun Press* on July 6, 2023, in the Board's weekly meeting schedule.

3. Overview of Budget

County Administrator Moreno presented the County's Proposed Balanced Budget for Fiscal Year (FY) 2023/2024 in the amount of $701,963,319 and provided the following information and updates concerning the budget:

- There are no changes in the millage rates; the County Wide millage rate is 6.6165; the Library MSTU (Municipal Services Taxing Unit) is .3590; and the Sheriff's MSTU is .6850.
- There are no other significant changes in tax levies anticipated in the budget.
- There are no changes in the Fire Assessment Rates included in the proposed budget; the current rates are $125.33 per residential dwelling unit, $.0526 per square foot with a minimum assessment of $125 for commercial; $15.03 per parcel plus $.03 per acre for unimproved; and vacant agricultural land is no long assessable per Florida Statute.
- There is no change to the Pensacola Beach Fire Assessment Rates; the current rates are $201.38 per residential dwelling unit; $.0726 per square foot for commercial; and $63.84 per parcel plus $.03 per acre for vacant property.
- The June 1st taxable value certification for ad valorem is 11.56% above the July 1st certification of the previous year and the Law Enforcement MSTU is 12.24% above the July 1st certification of the previous year, resulting in about $20.1 million more funding overall.
- The County may appropriate 95% of these revenue sources for a combined total of an additional $19.1 million.
- The June 1st taxable values related to property taxes are included in the Proposed FY 2023/2024 Balanced Budget.
- For FY 2023/2024, there is a budgeted reserve for contingency of $30 million, reserves for operating of $2.5 million, a Sheriff's reserve allocation of $1,625,000, and a General Fund reserve of $1.384 million for litigation and other unanticipated expenses.
- The FY 2024 General Fund reserves are $35.5 million compared to the prior fiscal year's reserves of $26 million, for an increase of $9.5 million in the County's total budgeted reserves.
- There is a 3% pay increase for BCC employees included in the FY 2023/2024 budget for Board departments totaling $2.2 million across all funds.
- The budgeted life and health employer contribution changed from $11,250 per FTE (full-time employee) to $10,750 per FTE, reflecting decreased healthcare costs for the Board; there is currently no change in the employer/employee spread across all insured categories.
- A handout has been provided to the Board that details all personnel transactions between FY 2023 and 2024 referencing position additions and deletions and various other changes in positions and personnel.

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3. Continued…

- The primary funds that were analyzed for position cuts were the General Fund and the Mass Transit Fund.
- There are 54 deleted positions totaling $5.3 million across all funds; the General Fund deletions total $285,000 and the Mass Transit Fund total is $1.5 million.
- There are also 52 partially defunded positions in the General Fund totaling $2.8 million; these positions are in Corrections and are included in the personnel counts.
- There are a total of 106 deleted and defunded positions.
- There are a total of 73 added positions for the Board, totaling $5.4 million across all funds with $741 thousand in the General Fund, $311.6 thousand in the Transportation Trust Fund, $1.6 million in the Fire Protection Fund, and $1.6 million in the EMS Fund.
- The total net change in personnel cost is an additional $99,638 with an overall net increase of 19 positions.
- During last year's budget discussions, the Board directed staff to remove various community partners from the list that are State mandated or have an Interlocal Agreement in place.
- This includes $145,700 for the Gulf Coast Kids House, $29,688 for the General Fund portion of Legal Aid Court Services, and $125,000 for the Escambia County Human Relations Commission; these funding requests are non-discretionary and are included in the FY 2024 budget.
- There is a total of $571,707 available in the General Fund for Community Partner funding requests for FY 23/24.
- The Board also previously directed that certain community partners that provide youth-based services to apply for future funding through the Escambia Children's Trust; all eligible partners have been provided information on the change in funding policy.
- There is $2.4 million included in the budget for the Department of Juvenile Justice State mandate, $5.1 million for the Medicaid mandate, $210,000 for indigent cremation, and $850,000 for the State mandated Baker Act services; total mandated funding is $8.6 million.
- There was a late revision by the State of Florida that reduced the County Medicaid contribution to $4,906,077, for a savings of $275,000.
- There is $7.4 million included for payments to the City for Tax Increment Financing Districts (TIFs), which is an increase of $940,000 over the prior year's estimate; County CRA (Community Redevelopment Agency) TIFs are maintained at the 75% increment level of funding for FY 23/24.

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AGENDA NUMBER – Continued

3. Continued…

- There were approximately $33.4 million in operational and capital enhancement requests that were made by Board departments that are not included in this budget; the Board was provided a detail of those budget requests and reductions.
- There are allocations of $100,000 for the BCC internship program, $250,000 for the BCC discretionary allocations, $250,000 for the Block-by-Block project, $50,000 for the Low Income Utility Assistance Program, and $20,982 for 211-United Way in the General Fund.
- Also included is an allocation of $251,000 for the Summer Work Programs in LOST (Local Option Sales Tax) IV.
- There are 12 months of planned LOST IV project expenditures totaling $59 million in the FY 23/24 proposed budget; staff expects to continue to refine the LOST IV project listing with the Board, and any changes made by the Board will be made to the LOST IV projects plan.
- The second year of a three year funding agreement with the Escambia County Sheriff is included in the FY 23/24 budget reflecting a total increase in the Sheriff's budget of $5.3 million over the prior year.
- The Sheriff's FY 23/24 total General Fund request is $82,781,928; there is an additional request by the Sheriff to be considered by the Board for an added $2.8 million due to increases of $1.8 million in Florida Retirement System contributions and $1 million in healthcare cost increases.
- Also included in the funding agreement is a BCC budgeted Sheriff's reserve totaling $1.625 million, which can be used to offset some of the additional funding requests; this three year funding agreement in the form of an Interlocal Agreement was approved by the Board at the July 19, 2022, Board Meeting.
- Other Constitutional Officer budgets increased approximately $2 million over the prior fiscal year; the total increase for all budgets for Constitutional Officers is $7.4 million; however, there are additional amendments to those respective budgets.
- The Tax Collector's preliminary budget is annually submitted around July 3rd each year; the difference between the anticipated FY 23/24 budget of $5,789,140 and the submitted Tax Collector's budget of $6,344,287 reflects an increase of $555,147 to be funded by the Board.
- The Clerk's General Fund request included in the budget is $5,025,569, however, the budget net of Clerk fees is $4,772,829, which is a savings of $252,740.
- The Property Appraiser's estimated General Fund request included in the budget is $7,595,608, however, the Department of Revenue approved budget is $7,583,817 for a savings of $11,791 to the County's General Fund.

4.I. Constitutional Officers

The C/W heard an overview concerning the Proposed FY 2023/2024 Budgets for Constitutional Officers, as follows:

A. The Honorable Chris Jones addressed the proposed budget for the Property Appraiser and advised that the budget is approximately the same as it was in 2006/2007, there is an increase of about $200,000, his office anticipates a return to the General Fund of about $500,000, and increases are due to retirement and raises for personnel; the current finalized, certified taxable value will be an increase of around 15% or $700 million;

B. The Honorable Scott Lunsford addressed the proposed budget for the Tax Collector and advised that the budget request is $6,344,286, which maintains current staffing levels and includes a 5% raise for staff; Mr. Lunsford also reviewed new services provided by the Tax Collector's Office, such as ID GO and a mobile office to serve outlying areas of the county;

C. The Honorable David Stafford addressed the proposed budget for the Supervisor of Elections Office and advised that there is a significant increase in the budget due to budgeting for two elections and that most, if not all, increases are due to hard costs such as printing, postage, poll workers, and temporary staff; Mr. Stafford also advised that there has been a reduction in staffing since he took office in 2004 from 22 full-time employees to the current 15;

D. The Honorable Pam Childers addressed the proposed budget for the Clerk of the Circuit Court and Comptroller and advised that increases to the budget are salary related as salary levels are re-classed; the Clerk's office is not at industry levels, but is at government levels in the First Circuit; Clerk Childers further advised that she does expect Official Records fees to go down and the returns seen over the previous two years are unlikely for the upcoming and following year; IT fees are expected to increase and include hard costs, such as maintenance; and

E. Henrique Dias, Chief Financial Officer, briefly addressed the proposed Sheriff's budget and advised that the Sheriff's Office budget was submitted with the three year Interlocal Agreement.

5. Medical Examiner

   This Agenda Item was not discussed.

6.I. Departmental Reviews

   The C/W:

   A. Was advised by County Administrator Moreno that approximately $25 million was cut across the board, the operational budget has been fairly flat throughout departments, and there have been several departmental personnel changes;

   B. County Attorney Rogers advised that the County Attorney's personnel and operating budget resembles the budgets of the past several years, with increases tied to health insurance and similar costs; there is expense related to litigation, but otherwise her department's budget remains comparable to those previously presented;

   C. Heard comments from Stephan Hall, Finance Director, regarding the Tourist Development Tax (TDT) fund matrix in the Proposed Budget Book (page 55), which shows the makeup of the TDT budget for next year, along with the recommended budget from the Tourist Development Council (page 54);

   D. Heard comments from Commissioner Bergosh, and discussion from the Board, regarding a proposal Commissioner Bergosh plans to bring forward concerning the promotion of tourism for Perdido Key, as well as concerns related to tourism advertising on local versus outside media outlets; also discussed the need to promote additional areas of the County to maximize the return on investment and agreed to discuss further at an upcoming Committee of the Whole prior to Budget Hearings;

   E. Briefly discussed the funding request for the central receiving facility for Baker Act clients and was advised by County Administrator Moreno that he has requested information regarding the percentage of clients treated for drug addiction so that it can be presented to the Opioid Abatement Funding Committee to reduce the burden on the General Fund; and

   F. Was advised by Commissioner May that he would like to add a discussion to a Committee of the Whole concerning opioids, gang prevention, and violence prevention.

7. Community Partners

   This Agenda Item was not discussed.

8. Adjourn

   Chairman May declared the Budget C/W Workshop adjourned at 9:40 a.m. on July 10, 2023.