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

JULY 9, 2024

Present: Commissioner Steven L. Barry, Chairman, District 5
Commissioner Jeffrey W. Bergosh, District 1
Commissioner Michael S. Kohler, District 2
Commissioner Lumon J. May, District 3
Honorable Pam Childers, Clerk of the Circuit Court and Comptroller
Wesley J. Moreno, County Administrator
Alison Rogers, County Attorney
DeLana Allen-Busbee, Operations Supervisor, Clerk and Comptroller's Office
Ashley Danner, Office Assistant IV, Clerk and Comptroller's Office
Elizabeth Kissel, Governmental Liaison, 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

   Chairman Barry called the Budget Workshop to order on July 9, 2024, at 9:01 a.m.

2. Was the Meeting Properly Advertised?

   The Board was advised by DeLana Allen-Busbee, Operations Supervisor, Clerk and Comptroller's Office, that the Budget Workshop was advertised in the *Escambia Sun Press* on July 4, 2024, 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) 2024/2025 in the amount of $748,599,680 and provided the following information and updates concerning the budget:

- The FY 2024/2025 Budget represents an increase of $29.9 million across all County funds over the prior year's total budget of $718.7 million; the 2025 Budget also includes an increase in the General Fund of $15.99 million over the prior year.
- 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 for mainland county properties 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 125.01.
- 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 7.96% above the July 1st certification of the previous year and the Law Enforcement MSTU is 7.93% above the July 1st certification of the previous year, resulting in about $15.8 million more funding overall.
- The County may appropriate 95% of these revenue sources for a combined total of an additional $15 million.
- The June 1st taxable values related to property taxes are included in the Proposed FY 2024/2025 balanced Budget.
- For FY 2024/2025, there is a budgeted reserve for contingency of $35 million, reserves for operating of $1.4 million, a Sheriff's reserve allocation of $1.5 million, and a General Fund reserve of $1.5 million for litigation and other unanticipated expenses.
- The FY 2025 General Fund reserves are $39.4 million compared to the prior fiscal year's reserves of $35.5 million, for an increase of $3.8 million in the County's total budgeted reserves.
- There is a 3% pay increase included in the FY 2024/2025 budget for Board departments totaling $3.5 million across all funds.
- The budgeted life and health employer contribution remains unchanged from the prior year's amount of $10,750 per full time employee due to stable healthcare costs for the Board; there is currently no change in the employer/employee spread across all insured categories.

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3. Continued…

- A handout has been provided to the Board [and is available online with the meeting documents] that details all personnel transactions between FY 2024 and 2025 referencing position additions and deletions and various other changes in positions and personnel.
- The primary fund that was analyzed for position cuts was the General Fund; there are 20 deleted positions totaling $1.05 million across all funds; and the General Fund deletions total $34 thousand.
- There are also 50 partially defunded positions in the General Fund totaling $2.8 million; these positions are primarily in Corrections, with one in HR, and are included in the personnel counts.
- There are a total of 70 deleted and defunded positions.
- There are a total of 16 added positions for the Board, totaling $1.5 million across all funds with $431 thousand in the General Fund, $124.5 thousand in the Transportation Trust Fund, $70 thousand in the Fire Protection Fund, and $464 thousand in the EMS Fund.
- The total net change in personnel cost is a decrease of $2.3 million with an overall net decrease of four positions for the Board.
- The Board directed staff to remove various community partners from the annual list that are State mandated or have an Interlocal Agreement in place.
- This includes $145,700 for the Gulf Coast Kids House, $43,938 for the General Fund portion of Legal Aid Court Services, and $125 thousand for the Escambia County Human Relations Commission; these funding requests are non-discretionary and are included in the FY 2025 budget.
- There is a total of $944,680 available in the General Fund for Community Partner funding requests for FY 24/25; there are also allocations of $40,815 for the West Florida Regional Planning Council and $126,350 for the Estuary Program.
- There is $2.4 million included in the budget for the Department of Juvenile Justice State mandate, $5.8 million for the Medicaid State mandate, $500 thousand for indigent cremation, $850 thousand for the State mandated Baker Act services; and $337,645 for the State Health Department. Total mandated funding is $9.9 million.
- There is $2,813,667 included in the Fiscal Year 2024/2025 Budget for the Medical Examiner for an increase of $142 thousand over the prior year; the FY 2025 Budget includes funding for 32 full-time staff and a 3% pay increase; the funding for the new Medical Examiner facility and capital request totaling $5.1 million was approved by the Board on March 21, 2024.
- There is $8.4 million included for payments to the City for Tax Increment Financing Districts (TIFs), which is an increase of $858 thousand over the prior year’s estimate; County CRA (Community Redevelopment Agency) TIFs are maintained at the 75% increment level of funding for FY 24/25 resulting in an estimated $7.9 million for the County CRAs which is an increase of $1.2 million over the prior year’s estimate.

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3. Continued…

- There were approximately $10.2 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 thousand for the BCC internship program, $250 thousand for the BCC discretionary allocations, $250 thousand for the Block-by-Block project, $50 thousand for the Low-Income Utility Assistance Program, and $20,982 for 211-United Way in the General Fund.
- Also included is an allocation of $450 thousand for the Summer Work Programs in LOST (Local Option Sales Tax) IV.
- There are 12 months of planned LOST IV project expenditures totaling $60 million in the FY 24/25 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 third year of a three-year funding agreement with the Escambia County Sheriff is included in the FY 24/25 budget reflecting a total increase in the Sheriff's budget of $5.4 million over the prior year.
- The Sheriff's FY 24/25 total General Fund request is $90.6 million, which maintains the current level of services provided to the community.
- Also included in the funding agreement is a BCC budgeted Sheriff's reserve totaling $1.5 million, which can be used to offset increases in FRS, fuel, or healthcare costs; 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 $1.45 million over the prior fiscal year; the total increase for all budgets for Constitutional Officers is $6.9 million; however, there are additional amendments to those respective budgets.
- The Tax Collector's preliminary budget is submitted around July 3rd each year; the difference between the anticipated FY 24/25 budget of $6.95 million and the submitted Tax Collector's budget of $7,206,858 reflects an increase of $256,858 to be funded by the Board.
- The Property Appraiser's estimated General Fund request included in the budget is $7.75 million, however, the Department of Revenue approved budget has currently not been submitted to the County.

4.I. Constitutional Officers

The Board heard an overview concerning the proposed FY 2024/2025 budgets for Constitutional Officers, as follows:

A. The Honorable Chris Jones addressed the proposed budget for the Property Appraiser and:

- Advised that his budget reflects an increase of approximately 2.6%, which includes a 3% pay increase for employees and peripheral increases in FICA and associated costs;
- Provided information regarding the annual return of funds to the County from the Property Appraiser's Office; and
- Heard comments from the Board regarding appreciation for his years of service to the community.

B. The Honorable Scott Lunsford addressed the proposed budget for the Tax Collector and:

- Advised that the budget increase is approximately $862 thousand, which includes a 3% pay increase and other costs such as insurance, inflation, and FICA;
- Provided comments regarding the new Tax Collector's building on North Palafox and a new military portal to make resources available to service members across the State;
- Advised that his office anticipates a sizeable return of funds to the County; and
- Heard comments from the Board and County Administrator Moreno regarding appreciation for remote services and assistance with identification for homeless citizens.

C. The Honorable Robert Bender addressed the proposed budget for the Supervisor of Elections Office and:

- Advised that his budget is down approximately 2%;
- Expressed appreciation for LOST allocations and the new roof that is forthcoming;
- Provided comments regarding new machines / tabulation equipment and potentially using electronic poll books in the future;
- In response to inquiry from Commissioner Kohler regarding concerns over legal services/expenditures, advised that his intent would be to utilize the County Attorney's Office staff for legal services, representation, and research whenever possible, but needed outside services due to a specialty/timeliness issue.

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4.I. Continued…

D. The Honorable Pam Childers addressed the proposed budget for the Clerk of the Circuit Court and Comptroller and:

- Advised that salary levels will stay very flat this year, but she expects an increase next year;
- Provided information regarding the new Office of Independent Internal Audit, the charter of which was signed in May of this year, and which provides a fully staffed hotline and anonymous email for citizens to report concerns related to fraud in the operations of the County and Clerk; and
- Outlined the request for an updated software system that will interface better with UKG's HR and payroll function and the associated costs of the enterprise system, which she expects will be less than the cumulative total previously expected.

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

5. Medical Examiner

This Agenda Item was addressed in County Administrator Moreno's overview of the FY 24/25 Budget.

6.I. Board Department Reviews

A. County Administrator Moreno advised that the proposed Budget was as flat as possible, both operationally and as related to personnel, based on historical operational expenses;

B. Commissioner Bergosh thanked Stephan Hall, Finance Department Director, the OMB team, and County Administrator Moreno and his staff for their work on the FY 24/25 Budget and advised that he was proud of how the economy is growing without increasing the millage rates; and

C. Heard comments from Commissioner Barry regarding the dramatic increase in the level of services for Escambia County citizens.

7. Adjourn

Chairman Barry declared the Budget Workshop adjourned at 9:26 a.m. on July 9, 2024.