

SWFRPC BUDGET & FINANCE COMMITTEE MEETING

June 29, 2011

The SWFRPC's Budget & Finance Committee held a meeting/conference call on June 29, 2011 at the offices of the Southwest Florida Regional Planning Council. The following members and staff were in attendance:

Committee Members

Commissioner Carolyn Mason, Sarasota County BOCC (Chair)
Councilwoman Teresa Heitmann, City of Naples

Council Members

Commissioner Karson Turner, Hendry County BOCC
Commissioner Jim Coletta, Collier County BOCC
Commissioner Tom Jones, City of North Port
Commissioner Christine Robinson, Sarasota County BOCC
Councilman Forrest Banks, City of Fort Myers
Mr. Johnny Limbaugh, FDOT – District One

Others

Mr. Ken Heatherington, SWFRPC Executive Director
Mr. David Hutchinson, SWFRPC Planning Director
Ms. Liz Donley, SWFRPC Legal Counsel
Ms. Nancy Doyle, SWFRPC HR Operations Manager
Ms. Janice Yell, SWFRPC Finance Manager
Ms. Nichole Gwinnett, SWFRPC Sr. Administrative Assistant
Ms. Jennifer Pellechio, Network Coordinator
Ms. Rebekah Harp, Webmaster
Mr. Don Scott, Lee County MPO Director
Mr. Ron Gogoi, Lee County MPO Deputy Director
Mr. David Crawford, Principal Planner
Mr. Dan Trescott, DRI Coordinator
Mr. Mark Winzenread, Tuscan & Company
Mr. Jeff Tuscan, Tuscan & Company
Mr. Danny Schultz, City of North Port Assistant City Manager

Mr. Heatherington called the meeting to order at 1:05 p.m. and then introductions were made.

Commissioner Mason stated that the Committee is to review the budget which was presented at the June 16th meeting. Mr. Heatherington clarified that the Committee should have both budgets. The budget which was before the Governor's veto in funding and Option 1 which is the budget which was viewed and considered at the June 16th Council meeting.

Commissioner Robinson asked when Option 1 was approved by the budget committee. Ms. Yell explained that the original budget was approved by the Budget and Finance Committee on May 23rd. The newly proposed budget (Option 1) with the proposed cuts has not gone before the Budget and Finance Committee.

Commissioner Mason asked staff what is it that staff is looking for with the approved budget item. Mr. Heatherington explained that he wanted to present a number of options for the Committee to consider.

- Option 1: Previous Budget which was presented at the June 16th Council meeting which was considered but not approved.
- Option 2: Adjusted Revenue to DRIs and Economic Development and no revisions to expenses.
- Option 3: Adjusted Operating Expenses

Commissioner Robinson asked Mr. Heatherington where staff came up with the figure for DRIs. Ms. Yell replied that Mr. Trescott had emailed her the figure. Mr. Trescott stated that Ms. Yell didn't include the total figure. Ms. Yell stated that she couldn't include the total figure because Mr. Trescott stated that he couldn't give her backup on the figure, so she told him once that he could provide backup of the amount then she would include it within the budget. Mr. Trescott stated that he never has backup.

Mr. Heatherington explained that an amendment can always be done to the budget as the revenue increases or decreases throughout the year.

Commissioner Robinson asked what the Council's responsibility to the local jurisdictions is. Mr. Heatherington explained that he has stated both publicly and privately that our commitment is to the local governments. We will also notify the State of our RPC responsibilities according to HB7207.

Commissioner Robinson asked staff if they polled the counties to ask how much DRI activity is projected in order to properly budget for the DRIs. Mr. Heatherington replied no. Ms. Yell explained that there were 10 NOPCs received this year at \$2,500 each. Mr. Trescott stated that was an incorrect statement and they were paying more than that.

Commissioner Mason asked staff to explain how the local government assessment figures were arrived at. Ms. Yell explained the local assessments are based on population at 30 cents per capita.

Mr. Tuscan explained the counties and cities are assessed based on the census population at 30 cents per capita. It is a statutory fee which provides the Council with one of its main sources of revenue. Commissioner Mason asked if the assessments are exclusively population based. Mr. Tuscan replied yes.

Commissioner Mason stated that the Council's additional revenues come from additional reviews. Mr. Tuscan explained that the bulk of the revenue for the Council itself comes from specific services and fees that you charge and also grants. They don't provide a lot of administrative funds in any of the grants, so the local assessments are generally used to cover administrative costs, as well as the fee for service.

Commissioner Mason asked Mr. Heatherington to review the options.

Commissioner Tom Jones asked Mr. Heatherington that with all of the different options, which one of the salaries we are adding back in, he sees the differences, but not the delineation in it. Mr.

Heatherington explained that at the emergency Executive Committee meeting and at the direction of Councilman Kiester, he rescinded all abolishment of positions and reinstated all of the employees immediately. He had asked the Committee if they would accept a public letter from Ms. Doyle and Ms. Donley since he was out of the office at a FRCA meeting, which the Committee agreed to. The letters were immediately handed out to the employees and mailed out to the respondents.

Commissioner Robinson asked if Options 2-4 include those positions fully funded. Mr. Heatherington replied that it includes the positions, but not fully funded.

Mr. Tuscan stated that the cities and counties are going through very similar budget discussions. At this point, the Council's staff had estimated a budgeted reduction in revenue for fiscal year 2012 versus 2011 of approximately \$616,000 and the question is how is the Council going address this issue; because the Council has fairly small reserves and methods in order to build or maintain those reserves. Last year's net income was roughly \$24,000.

Commissioner Robinson asked staff to explain the difference between the options with the salary reductions and eliminations. Mr. Heatherington explained that each one of the options are different. He explained that Option 2 showed a deficit of \$250,493. Option 3 which has adjusted operating expenses also shows a net loss of \$250,000. Option 4 includes Options 2 and 3, which is the increased revenue and operational cuts, as well as personnel and hourly cuts. Within Option 4, there is a cushion of \$24,000, but that will be reinstated because staff has been told by one of the contractors for the agency that we needed to position ourselves for the replacement of four air conditioning units sometime in the future. Also within Option 4, because staff was instructed that they were too heavy in management positions, they eliminated a number of positions (Planning Director, Planning Manager, Operations Manager, Finance Manager, GIS Manager, and Administrative Staff Specialist). Those employees were reclassified and a new organizational chart was comprised.

Mr. Heatherington noted that included in Option 4 on page 3 of the budget is the adjusted hours of the staff members. Included in those were the voluntary hourly adjustments by the Council's Legal Counsel from \$77.00 to \$60.00 (20%). Executive Director agreed to a 6.5% decrease, by giving back his car allowance. In addition, all local governments are now required to donate 3% of their income to FRS.

Commissioner Robinson referred back to Option 2 and asked if it was adjusted to include the DRI revenues. Ms. Yell explained that Mr. Trescott sends her an email explaining what DRIs he expects to come in from the existing DRIs and also new DRIs that he expects to come in. He also gave her some hurricane evacuation figures. She explained that she only took the figures from the current/existing DRIs and not from the new DRIs which he expects to come in because he couldn't provide any back up. If Mr. Trescott had an email from an applicant stating that they were going to be sending a DRI then she would include those figures.

Councilman Banks asked Mr. Heatherington if there have been any staff layoffs or payroll reductions within the last two years. Ms. Doyle replied that there was one staff layoff and payroll cuts. However, the staff which had the payroll cuts were reinstated. Mr. Heatherington explained that there was one position that was eliminated due to lack of funding. Councilman Banks explained that at the City of Fort Myers they have already been through it. They have lost 10% of the employees including fire and police and have also cut salaries back 10%.

Commissioner Mason asked Mr. Heatherington what was expected of the Committee at today's meeting in preparation of the June 30th Council meeting; because at the June 16th Council meeting the Council didn't approve a budget because they felt that they couldn't at that point in time.

Mr. Heatherington explained that Option 4 is the only option which shows excess revenue of \$24,000. The other options still show a deficit of approximately \$250,000. So the Committee can consider Option 4 if they choose to do so or consider other recommendations and direct staff in another direction.

Commissioner Robinson stated that there needs to be a viable option presented other than the original. Mr. Heatherington replied that would be Option 4.

Councilwoman Heitmann asked if Option 3 was not an option for consideration. Mr. Heatherington explained that Option 4 adjusted hours and pay to certain staff member as well cuts to operating costs.

Commissioner Robinson asked Mr. Heatherington if Option 4 is the only option besides Option 1 that staff could come up with. Mr. Heatherington replied that he was asked to present a number of options and staff presented four options. Ms. Doyle stated that Options 2 and 3 have a net income loss; however, the recommendations would be acceptable, but where do we come up with the revenue to cover the loss.

Mr. Tuscan explained that if the Council accepts an option which shows and net income loss then you will have to decide how it will be funded. At this point, the option would be through reserves or through a voluntary assessment to the member governments.

Councilwoman Heitmann suggested that the Committee review Option 4 as personnel adjustments and salary decreases. Option 3 is reduction in operational expenses. Mr. Heatherington clarified that Option 3 still shows a deficit.

Commissioner Turner noted that a voluntary assessment is not an option for Hendry County at this time. Councilwoman Heitmann stated that she agrees with Commissioner Turner and she doesn't want to fragment the Council with this particular issue.

Commissioner Mason stated that she feels that the Committee is between a rock and a hard place here. For the sake of moving this forward to the full Council, she feels that the Committee should go with Option 4 and then vet it at the full Council meeting.

Mr. Heatherington reminded the Committee that the budget can be amended in the future.

Councilwoman Heitmann stated that she agrees with Commissioner Mason.

Commissioner Mason stated that she is not happy with it, but for the sake of moving forward the Committee needs to come up with a recommendation for the full Council and out of the four options she feels that Option 4 is the most worthy to present to the full Council.

Councilwoman Heitmann stated that it is a purely a recommendation to the full Council.

Commissioner Mason moved and Councilwoman Heitmann seconded to recommend Option 4 to the full Council.

Mr. Heatherington asked Commissioner Mason if she wanted staff to present all of the options to the full Council for their consideration. Commissioner Mason replied yes, she feels that the full Council should have the opportunity to hear all of the options.

The motion carried unanimously.

Councilman Banks requested that when staff presents the organizational chart that it has the staff names in accordance to the positions on the chart. Ms. Doyle replied that she doesn't see the purpose of that. Councilman Banks stated that there is a big problem which ranges all the way from the City of Marco Island to Sarasota County and it is all about people. Mr. Heatherington stated that it will be done.

Mr. Tuscan stated that he has been telling the other local governments that he works with and would like to see the Council to monitor their budget much more closely.

Councilwoman Heitmann asked Commissioner Mason if there will be a Budget and Finance meeting every month prior to it being presented to the full Council. Mr. Heatherington replied that the Budget and Finance Meetings are set on an as needed basis. Councilwoman Heitmann suggested that the Budget and Finance Committee meet monthly so they can closely monitor the Council's budget.

Adjournment

The meeting adjourned at 11:47 a.m.