

JEFFREY K. BARTON  
Clerk to the Board



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**PRELIMINARY BUDGET WORKSHOP**

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**2010/2011 PRELIMINARY BUDGET WORKSHOP OF**  
**THE BOARD OF COUNTY COMMISSIONERS**

The Board of County Commissioners of Indian River County, Florida, met at the County Commission Chambers, 1801 27<sup>th</sup> Street, Vero Beach, Florida, on Thursday, April 8, 2010 to conduct a Preliminary Budget Workshop. Present were Chairman Peter D. O'Bryan, Vice Chairman Bob Solari, Commissioners Wesley S. Davis, Joseph E. Flescher, and Gary C. Wheeler. Also present were County Administrator Joseph A. Baird, County Attorney Alan S. Polackwich, Sr., and Deputy Clerk Leona Adair Allen.

**1. CALL TO ORDER**

Chairman O'Bryan called the meeting to order at 9:00 a.m.

**2. INVOCATION**

Planning Director Stan Boling delivered the Invocation.

**3. PLEDGE OF ALLEGIANCE**

Vice Chairman Solari led the Pledge of Allegiance to the Flag.

#### **4. PRESENTATION ON 2010/2011 BUDGET OUTLOOK**

Budget Director Jason Brown, through a PowerPoint Presentation (on file) provided the history as to where the County Budget was, where it currently is, and the strategies for moving forward with a Preliminary Budget. He outlined the history of cuts since 2006, the County's unemployment rates, the comparison of Fiscal Year 2008/2009 to 2009/2010, and estimated budget shortfalls. He also spoke about County Services, and the challenges and strategies for moving forward.

During the presentation, the Board sought and received clarification regarding revenues and expenses relating to the Budget, State mandates, Quasi-nonprofits, and the rental and electric service costs.

County Administrator Joe Baird reported that in moving forward, the following strategies would be considered: reorganizations, staff reductions, privatization, salary reductions, employee furloughs, health insurance adjustments, Union Contract renegotiations, reductions to Worker's Compensation, using more volunteers, paying off bonds, prioritizing government services, making service level adjustments, reducing or cutting nonprofits, equitable allocations of expenses to the General Fund, and eroding Reserves. He conveyed that staff was preparing to send out Budget Packages, that mid-year cuts were necessary, and everyone should share the burden.

Vice Chairman Solari wanted a Motion that whatever mid-year reduction is decided, that all agencies be asked to make the same cut. Commissioner Wheeler agreed.

Commissioner Davis reminded fellow Commissioners that since this is a Workshop, direction to staff would be more appropriate than a Motion.

There was CONSENSUS that all agencies be asked to make the same cut to whatever mid-year Budget reduction percentage was decided.

Director Brown used an estimated Budget Cut Model, by category, to reflect the 12% tax roll decline for the General Fund, and emphasized the need for a 9.9% (10%) cut.

Administrator Baird wanted the Board to give staff direction to increase taxes, and with a negative response from the Board, he referenced the Model.

Chairman O'Bryan summarized earlier comments, clarified there would be no change to the millage rate, and stated that with the 12% decline in the tax roll, there should be a 10% cut across the board.

Commissioner Wheeler wanted the Board to provide direction to staff when prioritizing cuts to Services.

Discussion ensued among the Commissioners and staff regarding the priority of Services, what and where cuts could be made, agencies that have and have not cut their Budgets in the past, and the unfairness of automatic increases in the Court System.

Administrator Baird wanted the Board to provide direction regarding the Constitutional Officers, whether they should reduce their Budgets, and if so, how much.

Vice Chairman Solari suggested Administrator Baird ask the Constitutional Officers to reduce their Budgets by 9.9% (10%).

**Deryl Loar**, Sheriff, sought and received information regarding the cap on Other Post-Employment Benefits (OPEB) for Retirees and his General Fund balance. He informed the Board that the crime rate statistic was down by six percent, and emphasized the importance of maintaining public safety.

**Diane Bernardo**, Finance Director, stressed how the magnitude of a 10% cut from the Clerk of Court's Budget of \$1 million dollars in contrast to a \$46 million dollar budget, is huge. She wanted the Board to take into account those agencies that have cut every year, and those that have not. She spoke about the impacts to the cash flow from subsidizing 65% of the Consolidated Omnibus Budget Reconciliation Act (COBRA) payment, the mandate this year that increased unemployment benefits from 13 weeks to 26 weeks, and how if the OPEB is not funded, it would be a huge liability on the books.

Vice Chairman Solari argued that he was not asking anything more of the Clerk's Office that has not been asked of the others.

Administrator Baird said that agencies who had not cut as much in the past would be caught up this year.

There was a brief discussion regarding COBRA health insurance and the interest savings that the County received on Utility Bonds.

*The Chairman called a break at 10:35 a.m. and reconvened the meeting at 10:45 a.m. with all members present.*

**Carole Jean Jordan**, Tax Collector, thanked the Board for putting this Workshop together and keeping the community notified of the situation. She said she had cut her Budget

for the past several years and will continue to be conservative and frugal. She addressed questions from the Board regarding the Drivers License Mandate, funding the operation, and the need for more space.

**Miranda Swanson**, Health Department Administrator, expressed that her department had done the best they could do with the money they received. She said the last four years have been challenging, and despite the reduced Budget, they are still hoping to increase their visits while maintaining their services. She addressed questions from the Board regarding H1N1 compensation, preparedness, and implementation.

**Carolyn Corum**, Dolores Street, Sebastian, had researched back 18 years, and realized that Indian River County's Residential Impact Fees were very low, currently down by 85%, which she felt was hurting the County's economy and budget. She asked the Board to keep Impact Fees in line.

An unidentified speaker opposed cutting jobs and felt the solution would be to reduce employees' pay.

**Walter Geiger**, 3944 58<sup>th</sup> Circle, stated the reasons why he felt the Fire Stations could be operated more efficiently by using four fire fighters instead of five.

**Beverly O'Neill**, 9790 Sebastian, offered suggestions for Budget strategies by reorganizing and/or combining all Staff Assistants, instead of assigning them separately, which would be a savings to the County on equipment, space, etc.

**Brad Bernauer**, Director of Human Services, declared that Children Services is a basic need for the County, that it handles the funding of programs for the children, and that they are

the basis for our County's future. He stated that he is working with a staff of one, and requested the Board only ask for a minor cut from his department.

**Joe Paladin**, President of Black Swan Consulting, wanted to know if the Commissioners were legally permitted to cut their salaries.

A brief discussion ensued regarding Commissioner salaries, how the salaries are set by State Statute, and how some Commissioners give payroll contributions to different organizations as a way to give back to the community.

There was CONSENSUS that whatever mid-year Budget cuts the Board makes, all agencies would be asked to try to adjust their budgets at the same level in the mid-year cut, and that going forward, all agencies be asked to make a 9.9% (10%) cut for mid-year and next Fiscal Year.

Administrator Baird believed it only fair that the agencies that did not cut their budgets in the past be asked for a larger cut than those who had.

Commissioner Davis wanted staff to inform the public of the Budget Workshop dates as early as possible.

Director Brown announced that the Budget Workshops were tentatively scheduled for Wednesday, July 21<sup>st</sup> and Thursday, July 22<sup>nd</sup>, 2010.

Administrator Baird said the dates would be put on the County's website and sent out along with the instructions.

ALL BACKUP DOCUMENTATION, RESOLUTIONS, AND ORDINANCES ARE ON FILE IN THE OFFICE  
OF THE CLERK TO THE BOARD AND ARE HEREBY MADE A PART OF THESE MINUTES

**5. ADJOURNMENT**

There being no further business, the Chairman declared the meeting adjourned at  
11:14 a.m.

ATTEST:

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Jeffrey K. Barton, Clerk

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Peter D. O'Bryan, Chairman

Minutes Approved: \_\_\_\_\_