

JEFFREY K. BARTON
Clerk to the Board



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BUDGET HEARING

BOARD OF COUNTY COMMISSIONERS

SEPTEMBER 8, 2010

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JEFFREY K. BARTON
Clerk to the Board



September 8, 2010

2010/2011 PRELIMINARY BUDGET HEARING OF THE BOARD
OF COUNTY COMMISSIONERS

The Board of County Commissioners of Indian River County, Florida, met at the County Commission Chambers, 1801 27th Street, Vero Beach, Florida, on Wednesday, September 8, 2010 to conduct a Preliminary Budget Hearing. 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 5:01 p.m.

2. INVOCATION

Community Planning Director Stan Boling delivered the Invocation.

3. PLEDGE OF ALLEGIANCE

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

4. BUDGET OVERVIEW BY COUNTY ADMINISTRATOR JOSEPH A. BAIRD

County Administrator Joseph Baird reflected on the economy of the past four years. He calculated that during that time, the County had lost \$25.9 million in Ad Valorem tax revenues, 30% revenue in sales tax, 85% of revenue in impact fees, and noted that the Building Department is currently operating with about 15% less revenue than in the past. He pointed out that the County had adjusted cost initiatives with minimum service cuts, and without increased taxes or fees.

Administrator Baird, using a PowerPoint Presentation (on file), reported that the 2010/2011 proposed budget is \$259,455,120, down from \$358,877,136, about 27%. He conveyed that 207 positions were eliminated, of which 32 were supervisory, and 51 more positions would be eliminated in the coming year. He thanked the International Association of Fire Fighters (IAFF) for foregoing their pay raises so a tax increase would not be required, and noted that the Teamsters had taken their pay raises while no other employees would be taking theirs. He said the 51 eliminated positions would account for about a \$2.8 million reduction, a re-negotiation of health insurance would save about \$180,000, decreasing overtime would save \$240,000, and the bond issue which has been paid will reduce the Ad Valorem taxes by \$1,270,000. Administrator Baird informed the Board that Indian River County has never lost money until this year, and in this proposed budget, staff is considering reducing the Fund Balance by \$3.4 million. He divulged that the County has adequate reserves, and that their goal is to keep a 28% Reserve Fund balance.

5. AD VALOREM FUNDS

A. AD VALOREM MILLAGE AND AD VALOREM BUDGET

GENERAL FUND

Administrator Baird announced that under the General Fund, the proposed budget for 2010/2011 is \$72,753,961, 13.6% below the current year, and the proposed millage is 3.0892, 11.4% below rollback. He revealed that the elimination of seven full-time positions account for about \$421,000, which would not have been possible without the cooperation of the Constitutional Officers. He indicated that the Sheriff's budget is a \$1.9 million decrease from last year, the Property Appraiser's budget was reduced by \$259,000, the Supervisor of Elections by \$31,000, and the Clerk of Court by \$30,000, for a total of \$2,220,000.

Sheriff Deryl Loar provided his annual budget (on file) and acknowledged that it was reduced as requested by the Board of County Commissioners on July 14, 2010. He reported that his budget reflects a \$2.3 million reduction, and that he would be moving forward with the Board's direction of \$40,067,000. He revealed that he was able to achieve the reduction without personnel layoffs.

The Chairman opened the floor to public comments.

Gordon Michael, 2655 69th Street, pointed out the sacrifices that the Sheriff's Department had made in order to meet the required budget cuts, and he asked the Board to reconsider.

There were no other speakers and the Chairman closed the public comments session.

ON MOTION by Commissioner Davis, SECONDED by Vice Chairman Solari, the Board unanimously adopted the tentative millage of 3.0892 (11.39% below rollback) for the General Fund.

ON MOTION by Vice Chairman Solari, SECONDED by Commissioner Flescher, the Board unanimously adopted the tentative budget in the amount of \$72,753,961 for the General Fund.

MUNICIPAL SERVICE TAXING UNIT (M.S.T.U.)

Administrator Baird explained the purpose of the Ad Valorem Tax Budget, highlighted some of the departments that fall under this fund, and reported that the proposed millage is 1.0733, 14.45% below rollback. He announced that the proposed budget for the MSTU is \$25,590,018, a reduction of \$4.8 million from the prior year. He summarized the reductions, pointing out that nine positions were eliminated, a savings of about \$530,430; and that the transfers between the Sheriff's Office and the Road and Bridge Department accounted for a reduction of \$780,000.

The Chairman opened the floor to public comments.

The following individuals spoke in opposition to the elimination of the lifeguard positions at Treasure Shores Beach Park:

- (1) **Frank Bilotta**, 994 S. Easy Street, Sebastian, provided numerous signed petitions (on file) requesting that lifeguards be stationed at Treasure Shores Beach Park and all other currently guarded beaches

- (2) **Leslie Bilotta**, 994 S. Easy Street, Sebastian, read a letter from Nancy Gomez, (on file)
- (3) **Dale Carter**, 13155 88th Street, Fellsmere
- (4) **Missy Elward**, no address provided
- (5) **Lt. Gerry Falconer**, Miami Beach Fire Department Ocean and Rescue Department, and President of the United States Lifesaving Association
- (6) **Fred Mensing**, 7580 129th Street, Sebastian
- (7) **Jim Scharf**, 450 Hibiscus Avenue
- (8) **Scott Newkirk**, 9928 Riverview Drive
- (9) **Gayl Nye**, 9410 Frangipani Drive, provided fact sheets (on file) on the dangers of rip currents
- (10) **Carolyn Corum**, 881 Dolores Street
- (11) **Gerald Storers**, Brevard County
- (12) **Karen Newkirk**, 9928 Riverview Drive
- (13) **Jean Riggs**, 341 Benschop, Sebastian

There were no other speakers and the Chairman closed the public comments session.

MOTION WAS MADE by Commissioner Flescher, SECONDED by Chairman O'Bryan, to reinstate the lifeguard positions at Treasure Shores Beach Park, to not affect the millage rate, and to provide the funding from General Fund Balance.

Chairman O'Bryan summarized his reasons for supporting the restoration of the ocean rescue guards at Treasure Shores Beach Park, concerns for not doing so, and ideas for offsetting the revenue loss.

Commissioner Wheeler voiced concern over the expense of setting up a system that would charge beach goers, where the funding for the lifeguards would come from, and the effect it would have on future budgets.

Administrator Baird responded to Commissioner Wheeler, shared options/ideas for consideration, and spoke to the concerns of using the Fund Balance.

Vice Chairman Solari, seeing two sides to this issue, did not believe there was a “clear” right or wrong. He explained why the general principle is to not raise the millage rate, questioned whether the funds should be taken out of the Reserves, and whether the MSTU Reserve had gone down over the last fiscal year.

Management and Budget Director Jason Brown addressed Vice Chairman Solari’s questions and concerns, and pointed out that the Reserve has remained steady, but anticipated that it could go down next year.

Commissioner Davis felt that all points were valid; however, he believed that due to the economy, this issue would continue to come back. He supported guarded beaches, but did not see how the budget could support lifeguards at all beaches.

Commissioner Flescher spoke about budget cuts, and reiterated why the beaches should maintain the lifeguards.

Commissioner Wheeler conveyed that there are seven other guarded beaches in the County that the public has access to, and agreed with Commissioner Davis that next year would be economically worse.

The Chairman CALLED THE QUESTION, and by a vote of 2-3 (Commissioners Davis, Solari and Wheeler opposed), the Motion to reinstate the lifeguard positions at Treasure Shores Beach Park FAILED.

The Chairman called a break at 6:42 p.m. and reconvened the Meeting at 6:54 p.m., with all members present.

ON MOTION by Vice Chairman Solari, SECONDED by Commissioner Davis, the Board unanimously adopted the tentative millage of 1.0733 (14.45% below rollback) for the M.S.T.U.

ON MOTION by Commissioner Davis, SECONDED by Vice Chairman Solari, the Board unanimously adopted the tentative budget in the amount of \$25,590,018, for the M.S.T.U.

TRANSPORTATION FUND (NO MILLAGE)

Administrator Baird stated that this fund does not have a millage, and that it derives 75% of its revenue from the General Fund and MSTU. He reported that the proposed budget is \$13,315,401, a reduction of \$2,417,305, 15.4% from last year. He relayed that the elimination of twelve positions accounted for a savings of \$600,373, and that the merit increases included in this budget were due to the Teamsters not forgoing their pay raises.

Discussion ensued regarding the status of the negotiations with the Teamsters, the departments that encountered the most personnel reductions, the Contingency Fund and balance, and the possibility of giving personnel positions back to the Union.

The Chairman opened the floor to public comments.

Sean Coniglio, 1741 5th Court, divulged that the Teamsters did not want to take their pay raises, in hopes that the lifeguard positions would remain.

Steve Myers, Business Agent with Teamsters Local 769, spoke about their meetings with the County, written proposals, the willingness of the Teamsters to forego their pay increases, their safety shoe allowance, and their sick leave allowances. He noted that although an agreement had not yet been successfully reached, the Teamsters would be willing to forego their pay increases, subject to the inclusion of specific stipulations in the Agreement.

Chairman O'Bryan suggested that Mr. Myers, the Teamsters, and staff meet to resolve the pending issues.

There were no other speakers and the Chairman closed the public comments session.

ON MOTION by Commissioner Davis, SECONDED by Commissioner Flescher, the Board unanimously adopted the tentative budget in the amount of \$13,315,401, for the Transportation Fund.

EMERGENCY SERVICES DISTRICT

Administrator Baird reported the Emergency Service District's proposed millage as 1.7148, 13.42% below rollback; and the proposed budget as \$26,493,200, a decrease of \$1,990,318 from last year. He revealed that two full time positions would be eliminated, and that \$2,000,000 in the Cash Fund Balance would balance this budget. He thereafter thanked the International Association of Fire Fighters (IAFF) for not taking their pay raises.

The Chairman opened the floor to public comments.

Carolyn Corum suggested cutting the Emergency Services District budget, transferring funds for the lifeguard positions, and moving the lifeguard positions to the Emergency Services District.

There were no other speakers and the Chairman closed the public comments session.

ON MOTION by Vice Chairman Solari, SECONDED by Commissioner Wheeler, the Board unanimously adopted the tentative millage of 1.7148 (13.42% below rollback) for the Emergency Services District.

ON MOTION by Commissioner Flescher, SECONDED by Commissioner Davis, the Board unanimously adopted the tentative budget of \$26,493,200 for the Emergency Services District.

ENVIRONMENTALLY SENSITIVE LAND ACQUISITION

Administrator Baird pointed out that this fund is for the \$11 million bond issue for the first series of land acquisition. He said the proposed millage is 0.0681, a decrease of 6.1% from last year, and it covers the debt service payment on the bonds. He informed the Board that the proposed budget is \$1,058,713, and rollback does not apply. He mentioned that the \$15 million bond issue was paid off this year, and that this bond issue would be paid off in three years.

The Chairman opened the floor to public comments. There were no speakers, and the Chairman closed the floor to public comments.

ON MOTION by Commissioner Davis, SECONDED by Chairman O'Bryan, the Board unanimously adopted the tentative millage of 0.0681 (rollback rate does not apply) for the Environmentally Sensitive Land Acquisition Bonds Fund.

ON MOTION by Vice Chairman Solari, SECONDED by Chairman O'Bryan, the Board unanimously adopted the tentative budget of \$1,058,713 for the Environmentally Sensitive Land Acquisition Bonds Fund.

LAND ACQUISITION BONDS – 2004 REFERENDUM

Administrator Baird acknowledged that this is for the Acquisition Bonds that the public voted into place for the General Obligation Bond issue of \$50,000,000, to purchase environmentally sensitive land, and that it covers the debt service. The proposed millage is 0.3406, an increase of .0252, or 8% above the current rate (rollback rate does not apply), and the proposed budget amount is \$4,751,963.

The Chairman opened the floor to public comments. There were no speakers, and the Chairman closed the floor to public comments.

ON MOTION by Commissioner Davis, SECONDED by Commissioner Flescher, the Board unanimously adopted the tentative millage rate of 0.3406 (rollback rate does not apply) for the Land Acquisition Bonds – 2004 Referendum.

ON MOTION by Vice Chairman Solari, SECONDED by Commissioner Wheeler, the Board unanimously adopted the tentative budget of \$4,751,963 for the Land Acquisition Bonds – 2004 Referendum.

AGGREGATE

Administrator Baird stated this to be a benchmark millage rate that no one in the County pays, but is used by the State, and incorporated into the Florida Statute. He reported the proposed aggregate millage to be 5.0933, and is 12.4% below the rollback rate.

6. INDIAN RIVER COUNTY BOARD OF COUNTY COMMISSIONERS SITTING AS SOLID WASTE DISPOSAL DISTRICT BOARD

SOLID WASTE DISPOSAL DISTRICT BUDGET - (NON-AD VALOREM SPECIAL DISTRICT)

A. ANNOUNCE 2010/2011 PROPOSED CHARGE AND BUDGET

Administrator Baird presented the 2010/2011 proposed charges as follows:

- (1) \$40.38 per Residential Waste Generation Unit (\$64.61 per house), a 0.00% decrease from the current year
- (2) \$28.09 per Commercial Waste Generation Unit, a 0.14% decrease from current year
- (3) \$17.10 per Readiness-to-Use Fee, a 0.00% decrease from current year.

Administrator Baird announced that the proposed budget is \$10,713,852, which is a \$155,652 reduction, or 1.4%. He relayed that two positions were being eliminated, a savings of \$74,464.

B. RECEIVE COMMENTS FROM THE PUBLIC

The Chairman opened the floor to public comments. There were no speakers, and the Chairman closed the floor to public comments.

C. CONSIDER ANY PROPOSED AMENDMENTS

There were no proposed amendments.

D. ADOPT TENTATIVE NON-AD VALOREM ASSESSMENT RATES

ON MOTION by Commissioner Davis, SECONDED by Vice Chairman Solari, the Board unanimously adopted the tentative Non-Ad Valorem assessment rates of \$40.38 per Residential Waste Generation Unit; \$28.09 per Commercial Waste Generation Unit; and \$17.10 for Readiness-to-Use Fee, for the Solid Waste Disposal District (SWDD).

E. ADOPT TENTATIVE BUDGET

ON MOTION by Vice Chairman Solari, SECONDED by Commissioner Wheeler, the Board unanimously adopted the tentative budget of \$10,713,852 for the SWDD.

7. ADOPTION OF NON-AD VALOREM ASSESSMENT CHARGES

A. ANNOUNCE 2010/2011 PROPOSED CHARGE FOR EACH NON-AD VALOREM ASSESSMENT DISTRICT

Administrator Baird presented the 2010/2011 proposed charge for each Non-Ad Valorem Assessment District as follows:

1.	Vero Lake Estates M.S.B.U.	\$19.00
2.	East Gifford Stormwater M.S.B.U.	\$10.00
3.	Gifford Street Lighting District	\$25.00
4.	Laurelwood Street Lighting District	\$18.00
5.	Rockridge Street Lighting District	\$ 8.00
6.	Vero Highlands Street Lighting District	\$23.00
7.	Porpoise Point Street Lighting District	\$11.00
8.	Laurel Court Street Lighting District	\$27.00
9.	Tierra Linda Street Lighting District	\$21.00
10.	Vero Shores Street Lighting District	\$19.00
11.	Ixora Park Street Lighting District	\$17.00
12.	Royal Poinciana Street Lighting District	\$28.00
13.	Roseland Road Street Lighting District	\$ 1.00
14.	Whispering Pines Street Lighting District	\$16.00
15.	Moorings Street Lighting District	\$10.00
16.	Walker's Glen Street Lighting District	\$22.00
17.	Glendale Lakes Street Lighting District	\$40.00
18.	Floralton Beach Street Lighting District	\$38.00
19.	West Wabasso	\$21.00

B. RECEIVE COMMENTS FROM THE PUBLIC

Chairman O’Bryan opened the floor to public comments. Seeing no one, the Chairman closed the floor to public comments.

C. CONSIDER ANY PROPOSED AMENDMENTS AND CALCULATE REVISED CHARGE

There were no proposed amendments.

D. ADOPT TENTATIVE CHARGE

ON MOTION by Commissioner Davis, SECONDED by Chairman O’Bryan, the Board unanimously adopted the tentative charges for each of the nineteen Non-Ad Valorem Assessment Districts.

8. APPROVE NON-AD VALOREM DOLLAR BUDGETS

A. ANNOUNCE 2010/2011 PROPOSED BUDGET

Administrator Baird announced the 2010/2011 proposed budget as follows:

1.	Housing Authority	\$ 144,997
2.	Special Revenue Funds	\$ 21,458,866
3.	Other Debt Service Funds	\$ 1,238,833
4.	Capital Projects	\$ 14,942,711
5.	Enterprise Funds	\$ 43,807,370
6.	Internal Service Funds	\$ 23,185,235

B. RECEIVE COMMENTS FROM THE PUBLIC

Chairman O'Bryan opened the floor to public comments. There were no speakers and the Chairman closed the floor to public comments.

C. CONSIDER ANY PROPOSED AMENDMENTS

There were no proposed amendments.

D. ADOPT TENTATIVE CHARGE

ON MOTION by Vice Chairman Solari, SECONDED by Commissioner Wheeler, the Board unanimously adopted the tentative Non-Ad Valorem budgets for the Housing Authority, Special Revenue Funds, Other Debt Service Funds, Capital Projects, Enterprise Funds, and Internal Service Funds.

9. ANNOUNCE TIME AND PLACE OF FINAL BUDGET HEARING

County Attorney Alan S. Polackwich, Sr. announced that the Final Budget Hearing would be held at 5:01 p.m. on Wednesday, September 15, 2010, at the County Administration Building A, Commission Chambers, 1801 27th Street, Vero Beach, Florida.

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.

10. ADJOURNMENT

There being no further business, the Chairman declared the Preliminary Budget Hearing adjourned at 7:27 p.m.

ATTEST:

Jeffrey K. Barton, Clerk

Peter D. O'Bryan, Chairman

Minutes Approved: _____

LAA/Preliminary Budget