

# Sarasota County Virtual Town Hall Meeting

## June 8, 2009

### Questions and Answers

#### **How does Sarasota County rank financially with other counties around Florida?**

We are the envy of most counties because of the financial planning initiatives that we took and championed long before the economical down turn that has positioned Sarasota County to be in a place to better handle the hand we have been more recently dealt in terms of the economic down turn. From most of the counties perspectives, they would prefer to be where Sarasota County is, rather than where they are at in terms of bond ratings and fiscal responsibilities to meet their needs. *(Jon Thaxton, Chair, Sarasota County Commission)*

#### **What is that we hope to accomplish tonight and what are we trying to tell our viewers?**

I think this is about learning and listening, both us and our viewers who are the true owners of this government, learning how their government works and about us and they listening and understanding not only the opportunities we have, but the challenges we face. All done from a perspective of transparency, being as open and as clear as glass in terms of how County government operates. *(James Ley, County Administrator)*

#### **Where do we stand financially and how much money have we (County) lost?**

Over the past several years, Sarasota County has seen a major drop off in its major revenues from property taxes, sales taxes, and impact fees. Over all property taxes has been our biggest decline approximately \$40 million (20% over the past three years) and we are anticipating another \$20 million (12.5% in FY2010). *(Steve Botelho, Budget Director)*

#### **Is the County getting any federal stimulus dollars?**

The County is receiving +/- \$30 million in Federal Stimulus dollars from the US Government. *(Jon Thaxton, Chair, Sarasota County Commission)*

#### **Is this a one-shot deal?**

No, actually there are several stimulus monies that are re-occurring over a short time term, but they are not built into a budget that are going to be reliable year in and year out. *(Jon Thaxton, Chair, Sarasota County Commission)*

#### **How do we factor in a stimulus package like this into our county budget?**

Primarily, most of that stimulus money is for Capital Improvements (bricks and mortar) i.e. of that \$30 million about \$7 million will primarily be used and distributed amongst other local governments to do things like street resurfacing. Another large hunk will basically come down from the State of Florida's Department of Transportation and will be used to make road improvements, there are some monies that will be used one time for energy efficiency and weatherization programs. *(James Ley, County Administrator)*

**How much less service, will I receive for my taxes based on the shortage of money?**

The goal of the County Commission to have Level of Service (LOS) cuts that are spread across the board and small enough to not be discernable to the public at large. Rather than take wholesale cuts for entire programs or certain facilities, we have just chipped away at where we think we can get the most efficient “bang for our buck” and hope that it will relate to the taxpayers as non-noticeable reduction in LOS – at least for this year. *(Jon Thaxton, Chair, Sarasota County Commission)*

**How do you go about finding out how to get the most “bang for our buck”?**

In Sarasota County, it most often comes from the bottom up. We hear from the taxpayers themselves, our staff in the trenches that are closest to the people and who are closest to the operations of the facilities, often come to us with cost saving tips that might provide the same LOS at a reduced fee. *(Jon Thaxton, Chair, Sarasota County Commission)*

**How will the 2010 budget reductions affect the County’s Animal Services Department?**

The Board has yet to hold its Budget Workshops or ultimately Budget Public Hearings so our budget is still developing. We are hopeful that we will be able to keep our LOS consistent with last year. *(James Ley, County Administrator)*

**How can Lee County spend so much and we (Sarasota County) spend so little?**

We are stewards of your dollars and we have adopted a philosophy at the staff level of “thrift”. We have to be accountable for every dollar taken in and we have to be miserly with that dollar and we have to look to the future and “save” just as you would expect in your own family. We have set up reserve policies that allow us to save money over time, to put aside, and recognize the future ups & downs of the economy. *(James Ley, County Administrator)*

**Is there a good time for the County to purchase land?**

We have to keep in mind that the environmental lands initiative was a voter-approved referendum, which set a maximum millage that could be assessed for the purpose of purchasing these environmental sensitive lands, and for no other reason save for the change to add the park lands that was done at the most recent referendum. The bonding will not allow the Board to use the funds for another purpose and it would not be a fair representation to the voters to ask them for a tax increase for one thing and then use it for another. This is a depressed real estate economy and now is a good time purchase land. It is a buyers market. *(Jon Thaxton, Chair, Sarasota County Commission)*

**Is this a “Hot Button” issue (environmentally sensitive land purchases) in Sarasota County?**

It has always been, but in a good way. The original referendum passed by a margin of 2-1, and the second referendum passed by a margin of 3-1. The community is passionate about preserving the environmental quality that defines Sarasota and makes it distinctive and unique place to live. *(Jon Thaxton, Chair, Sarasota County Commission)*

**What changes might we expect to Sarasota County Libraries?**

First libraries are all about research, so when we look at services we do a little information gathering (i.e. the Request For Information (RFI) on Privatization of certain Library System). We have been reviewing short-term and long-term strategies that can bring immediate efficiency that are hopefully seamless to our patrons. *(Sarabeth Kalajian, General Manager, Libraries)*

**What changes may we see over the course of the next couple of years?**

More consistency in the schedule of hours of operation – modest cuts.  
Increased patronage during economic turndown  
Outside independent panel will review the RFI's and bring back a recommendation.  
*(Sarabeth Kalajian, General Manager, Libraries)*

**Is the County getting out of the library business?**

We can expect that the county will have a very direct control over library services.  
*(Sarabeth Kalajian, General Manager, Libraries)*

**What changes may we expect if libraries are privatized?**

We owe it to everyone who pays taxes to run the government of Sarasota County to make sure that we find the best business model possible, the best value, the least money spent for the highest quality of product. Sarasota County will always own and operate its library, but certain aspects may change like book returns or the way we provide research services, but always trying to keep the maximum number of hours, the highest quality of service available at the best price achievable. *(James Ley, County Administrator)*

**Is there any chance that we might see some libraries close?**

This option is not included in our proposals. Our county libraries are part of the fabric of our neighborhoods and we hear from you that you depend on the libraries so all our strategies are to keep your libraries open and accessible. *(Sarabeth Kalajian, General Manager, Libraries)*

**Is the 30% of the budget allocated to Sarasota County negotiable?**

A large part of this is already dedicated to bond repayments, about half goes to the Sheriff's Department and about 70% of that remaining balance is employee related expenses (i.e. salaries, benefits and retirement benefits). Last year's calculations (*Commissioner Thaxton's*) the Board had ultimate control of only 17.50% of a persons property tax bill. (*Jon Thaxton, Chair, Sarasota County Commission*)

**Is the county considering increasing property taxes this year?**

In a conventional sense – no, but, keep in mind there are numerous times when property taxes would go up whereby establishing a one size fits all millage, which is required by state law, some property taxes would go up. For example, if you have enjoyed the benefits of the Save Our Homes over the last few years and the millage rate remains the same, but the property assessment did not go up to exceed the total lawful assessment then you might receive a slight tax increase, even if the Board maintains the same millage rate. Alternatively, if a commercial property owner does improvements to their property, which increases the assessed value, then those property taxes could go up. The Board that I serve on hardly ever takes any considerations off the table before we've considered all the ramifications and the unintended consequences of doing so. (*Jon Thaxton, Chair, Sarasota County Commission*)

**How long have you (*Jim Ley*) known that we were going to be facing these kinds of budget issues?**

I have been in this business for 34 years and this is the fourth business cycle that I have gone through. Any one that runs a business knows that what goes up - must come down. You cannot predict when that will happen, how deep it will be, or how long it will last, but you can begin to do contingency planning. The Board and its Administration started its contingency planning back in 1998/99. During this time, the Board has either lowered or kept the millage rate flat since that time, but are weird nuisances associated with the Save Our Homes constitutional amendment that may cause, even this year, when property values are going down, some peoples property taxes to go up slightly. (*James Ley, County Administrator*)

**Why does this (taxation) issue have to be so complex?**

Back when the Save Our Homes constitutional amendment was passed, we (the voters) gave ourselves a great benefit. Basically, we said if we own a property here and we live here, that we will cap our taxes to grow at no more than a certain rate every year (the Consumer Price Index or 3 %). But, at the same time we knew that we were getting a greater benefit than commercial property owners or second home owners, so if the trend should turn around we will keep moving towards the actual just value of our property. (*James Ley, County Administrator*)

**Has the state imposed new unfunded mandates on the county that will affect our budget?**

No recent ones, but over the past several years we currently fund upwards of 3 to 4 million dollars each year of state unfunded mandates each year. (*Steve Botelho, Budget Director*). Mandates come in several forms. One of the most difficult types to understand is the pernicious, meaning they are not direct. One example is a couple of years ago the state just told us that they were going to start billing us at a higher rate for housing juveniles. This year the state legislature changed the way it funds health districts. This “change” could affect what we have to pay to maintain the LOS that we have provided the health department by almost \$500,000 a year. We (county) are watchful of every bill signed by the governor to see if there are “bits” of the bill that will affect us. (*James Ley, County Administrator*).

**Do you find it frustrating that the state legislature does not seem to have a clear picture of the trickle down impact on local county government?**

I think it’s demonstrable. When you look back a couple of years at the state legislatures proposed “fixes” to fix property taxes, it was very clear to me then that they did not have a thorough and in-depth understanding of the property tax scenario as it relates to the average tax payer. Their efforts to lower property taxes in some instances raised property taxes, but did not come close to meeting the ambitious goals that they said they were going to do such as cutting property taxes in half without effecting education. As you can see, education taxes are greater than 50% of the property tax burden. (*Jon Thaxton, Chair, Sarasota County Commission*)

**How will we meet the increased need for social services in this economic climate, specifically mental health services?**

Sarasota County Health & Human Services does not directly provide mental health services except on a very small scale. We have recently added a psychiatrist to our staff to help meet that need. We have met with Coastal Behavioral Health Services to look at opportunities to create a seamless system of care in our community for primary care partnering of mental health services and primary care services at the health department for low income, uninsured, and under-insured people in our community. We are looking at our business model(s) in terms of clinical care, how to create more efficiencies, our fees derived through contracts or direct client services, and grants. (*Melody Michaels, Health & Human Services, Division Director, Clinical Health Services*)

**Will there be some noticeable cuts (in services) as a result of the economic downturn and are you finding it frustrating (with state legislature)?**

Sure, there are some frustrations on a day-to-day basis. Even before the economic downturn, there was a gap between the available resources and the demand for care and services. That gap has widened substantially. Since the fall of 2007, we have had a 20% increase in the number of patients requesting for care and services. However, we have received about \$600,000 in stimulus package funding to help us with our North Port operation, a federally qualified health center, we are looking at several new contracts and grants, and we are in the process of renegotiating our Medicaid-HMO contracts hoping for a more favorable outcome. *(Melody Michaels, Health & Human Services, Division Director, Clinical Health Services)*

**What measures are Sarasota County taking to prevent double dipping, especially in police and fire?**

Some people employed by the State would leave service for one day and are re-hired back the next day; we (the County) have an absolute policy against that. To enforce it, we just do not hire them back. *(James Ley, County Administrator)*

**What are we (the County) doing to involve Charlotte County in resolving some issues like transportation, libraries, beaches, evacuation routes without just cutting services?**

The county is involved in numerous discussions with Charlotte County to try to make the provision of services for a community that spans two counties as seamless as possible. There are difficulties particularly transit system ones where one county offers this service and the other does not. We do have reciprocating patronage agreements with the libraries. We continue, as best we can, keep open communication between the counties regarding land use decisions.

Challenges still exist. There is a sense of parochialism that both governments have. We just need to come to the table and recognize that those barriers need to come down and speak as one voice for the citizens of both communities. *(Jon Thaxton, Chair, Sarasota County Commission)*

**Will the county reconsider charging an annual flat fee for parking (such as \$5 annual parking pass) for Sarasota County citizens? How much money would have generated?**

The Board considered staff's suggestion of charging for beach parking last year, but felt that now was not the time to institute this action. If approved, estimated annual revenue would be about two million dollars. Sarasota County prides itself on having the users pay for as many services as possible so that the costs of those services do not fall to the general taxpayer. Past seasonal studies have shown that 70-80% of the beachgoers were from out of state or out of county. *(James Ley, County Administrator)*

**How much does the tourism tax (bed tax) generate and how much can we tap into that?**

Each penny of the tourist development tax brings in approximately 2.5 million dollars. Currently, we have four cents allocated that are restricted to tourism attraction, the arts council and beach maintenance, but we could go up to five cents. (*Steve Botelho, Budget Director*). The fourth and fifth cents are limited to things like sports arenas, convention centers, and conference centers. (*Jon Thaxton, Chair, Sarasota County Commission*)

**What is the future of baseball in Sarasota County?**

Baseball will always thrive in Sarasota County in the form of Cal Ripkin League, Little League, Sandlot Field, etc. Whether or not we can maintain a spring training complex has yet to be decided. (*Jon Thaxton, Chair, Sarasota County Commission*)

**Will the Gulfgate Library close or see an interruption in service?**

No libraries are closing. You may see a slight change in the hours of operation for consistency. This location is scheduled for renovations so there may be slight interruptions during the course of this work. (*James Ley, County Administrator*)

**Where are the County's priorities as they relate to the water resources and environmental programs and are they in jeopardy?**

We recognize the value of these waterways and we will not abandon any of these programs. Granted, some of the programs have been delayed due to the declining revenues. (*Jon Thaxton, Chair, Sarasota County Commission*). The Stormwater program and those associated with wastewater treatment are funded by user fees so they are not impacted by these changes in value. (*James Ley, County Administrator*)

**Is the county prepared for another 2004 type hurricane season or something even worse?**

Yes. The 2004 season afforded us four or five "dress rehearsals" that enables us to see where improvements were needed in our system and where we could help our neighboring governments. In terms of financing, the Board has a policy regarding the setting aside of reserve funds just for this purpose. This reserve remains whole, fully funded, and is totally separate from the reserves set aside to lessen the economic impacts we now face (*Jon Thaxton, Chair, Sarasota County Commission*). The Board also adopted a reserve policy that called for the funding of a 90-day operating reserve and has, over the past few years, been building this reserve as part of our responsibility to help the community be prepared. A coincidental thing that happened is the Florida Supreme Court required us to move our emergency management/paramedic services off of a user fee assessment base and on to property taxes. This has allowed us to put into place a plan to update fire stations, bring in new equipment. There is nothing more important than public safety and being prepared for an emergency. (*James Ley, County Administrator*)

**Is the county commission ready to acknowledge that all services do not have the same priority level, and that some are more important than others and should be spared from cuts?**

Yes, we recognize the difference in priority. Public safety being by far the most important priority. There are efficiencies, not cuts, which we hope to get out of our public safety programs. The Sheriff, for example, took over an operation and found numerous efficiencies where he is going to be able to provide better service at a reduced cost. You see this with our emergency management and fire departments as well. *(Jon Thaxton, Chair, Sarasota County Commission)*

**How do you find and use the new “Budget Tool”?**

Go to the County’s website: [www.scgov.net](http://www.scgov.net). Choose the “Virtual Townhall Link. This will take you to our active “Money Matters” link. Fill in the required information and proceed to select your choice of values, service levels, etc. to see how the changes might affect the budget. *(Crystal Pruitt, Manager, Communications)*

**Please comment on the Growth Management Bill (Senate Bill 360) signed in Tallahassee?**

This bill was sort of a mixture of things ~ some helpful and some things not so helpful. The most important we need to recognize is the growing trend of Tallahassee removing local government’s discretion over issues that most directly affect its citizens (the budget and provisions to the taxpayers). They (Tallahassee) think they need to be in the drivers’ seat making these decisions without realizing the ramifications to our taxes. They do realize the ramifications regarding land use matters. *(Jon Thaxton, Chair, Sarasota County Commission)*

**What is the status of the county taking over Fire Services in North Port?**

We are close to finishing the feasibility study on this issue. A final version should be ready for the Board and the City of North Port in the next week or so. Further discussions by both Boards and their respective administrations would then go over items like funding, tax shifts, salaries and benefits, shared services, etc. *(Brian Gorski, Fire Chief, Sarasota County)*

**What happened to the property taxes on properties in the years when values were so high?**

About the time, the Board began to establish a reserve policy and the taxpayer’s bill of rights; we began to see this increase in property values. With the increase in revenue from the property values, we gave some of the proceeds back to the citizens in the form of a “dividend” – we lowered the tax rate. We invested in the financial health of the organization by building the reserves that we talked about that put us in position to help deal with this economic downturn and/or emergencies. Finally, we took a portion of the revenue stream by making one-time community improvements rather than creating new costly programs (some bricks and mortar, some maintenance items etc.). *(James Ley, County Administrator)*

**What impacts and potential savings may arise from service collaboration with other counties, schools, cities, etc.?**

With this economical downturn, there is a positive note. It comes in the form of “motivation to work together” to break down the barriers between the entities, to recognize efficiencies and consolidations. This is critical to everyone’s budget and I do not see these conversations going away. *(Jon Thaxton, Chair, Sarasota County Commission)*

**Do you see redundancies in the operations between the City of Sarasota and the county?**

You see redundancies because in many cases that is what the taxpayers wanted. It is not so much redundancies and elevated levels of services (i.e. garbage pick up twice a week, faster police or fire departments with shorter response times). *(Jon Thaxton, Chair, Sarasota County Commission)*. The School Board is a perfect example of overcoming these redundancies. The Chief Information Officer (CIO) for the County is also the CIO for the School Board. This relationship has save Sarasota County four millions dollars per year in sharing the cost of operating network and the security that goes along with that network. *(James Ley, County Administrator)*

**How is the co-operation between the City of Sarasota (and the other municipalities) and the county?**

It is better today than it has been over the last two decades, mainly because the elected officials are paying more attention to the citizens who are saying we will not stand for this petty bickering – it is unprofessional and unproductive. *(Jon Thaxton, Chair, Sarasota County Commission)*

**How do you see the prioritization of all transportation infrastructure investment changing as the revenues and gas tax revenues fall not only this year, but into the future as well?**

First, we need to recognize where we were before this present downturn in road building revenues started. The Metropolitan Planning Organization, the organization that distributes state and federal money for projects in this area, has already over committed in their priority lists the next 110-115 years worth of future funding. To say that our current revenues are inadequate enough to meet our conventional transportation needs is an understatement. We (the County) have heavily invested in alternative transportation networks including sidewalks, bike lanes, a more reliable transit system, and land use decisions that will shorten trip lengths and frequencies in an effort to cut back on the number of cars on the road. With reduced revenues, we have to be more creative. *(Jon Thaxton, Chair, Sarasota County Commission)* In early 2000, Sarasota County had one of the more robust transportation funding programs in the State of Florida by applying everything from impact fees, to gas taxes, to communication service taxes, and a small portion of property taxes to make it so. However, with the shift of the economy, with voters indicating to have an additional homestead exemption, and the state dumping a bunch of its roads onto local government via a rule, created a huge burden on our operating budget and some of the

discretionary funds were moved into the operating side of the budget. (*James Ley, County Administrator*)

**Will the county use overages from TDT to fund general fund shortfalls?**

It is incorrect to characterize the Tourist Development Tax (TDT) as having overages – they have an assessment that creates revenue and the revenue is spent. The Board is seriously contemplating the use of the remaining penny for some services that are presently funded by Ad Valorem taxes or sales taxes, but no decision has made. (*Jon Thaxton, Chair, Sarasota County Commission*)

**What can we expect from the Board in the next couple of weeks in dealing with the budget?**

The county will be holding several budget workshops (June 16, 17 and 19 – 3<sup>rd</sup> Floor, Think Tank , Administration Bldg, 1660 Ringling Blvd.) and we hope to get a heighten level of participation from our citizens with regards to constructive comments and ideas. It is through venues like this (Virtual Townhall), the newly created Budget Task Force, and the interactive website that the community can help us with the tough decisions. (*Jon Thaxton, Chair, Sarasota County Commission*). There are over 410 cities and 67 counties in Florida. Each receiving their own press coverage and each are managed under a different philosophy. Sarasota County acted early when we saw the economic downturn that enabled us to drop money to the bottom line, preserve services, and set up contingencies for this year and possibly next years considerations. (*James Ley, County Administrator*).

**Have we bottomed out? Where do you get this information?**

No. Our tax base is set a year behind in terms of collection. The information we have received from national, state, regional, and local economists indicates we are looking to face another one-year small reduction in our property tax base. (*James Ley, County Administrator*).

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