

A P P R O V E D

MINUTES OF THE MEETING

FIRST PUBLIC BUDGET HEARING FOR THE TENTATIVE FISCAL YEAR 2011 ANNUAL SERVICE BUDGET

GOVERNING BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

TAMPA, FLORIDA

SEPTEMBER 14, 2010

The Governing Board of the Southwest Florida Water Management District met at 5:01 p.m. on September 14, 2010, at the Tampa Service Office. The following persons were present:

Board Members Present

Ronald E. Oakley, Chair
Hugh Gramling, Vice Chair
H. Paul Senft, Secretary
Douglas B. Tharp, Treasurer
Jeffrey M. Adams, Member
Jennifer E. Closshey, Member

Board Members Teleconferencing

Bryan K. Beswick, Member
Albert G. Joerger, Member
Judith C. Whitehead, Member

Board Members Absent

Carlos Beruff, Member
Neil Combee, Member
Todd Pressman, Member

Staff Members Present

David L. Moore, Executive Director
William S. Bilenky, General Counsel
Lou Kavouras, Deputy Executive Director
Richard S. Owen, Deputy Executive Director
Eugene A. Schiller, Deputy Executive Director
Bruce C. Wirth, Deputy Executive Director
Daryl F. Pokrana, Director, Finance Dept.
Linda R. Pilcher, Assistant Director, Finance Dept.
Cathy A. Linsbeck, Senior Budget Analyst, Finance
Eloise M. Buzbee, Senior Budget Analyst, Finance
Alan J. Lynch, Senior Budget Analyst, Finance
Michael B. Cacioppo, Staff Budget Analyst, Finance

Recorded by

Randy Emberg, Video Production Spec. Supervisor
Joyce Morra, Administrative Coordinator, Finance

A list of others present who signed the attendance roster is filed in the permanent files of the District. This meeting was conducted using communications media technology in order to permit maximum participation of Governing Board members. This meeting was broadcast to the District service offices for viewing only.

1. Call to Order

Chair Oakley called the meeting to order, and said it is time to proceed with the public hearing as scheduled and properly noticed for this date and time. Public comment will only be accepted here at the Tampa Service Office; however, there are numerous opportunities for the public to provide comment via correspondence, facsimile and electronic mail prior to the Board's final hearing on September 28, 2010, at 5:01 p.m., at the District's headquarters in Brooksville.

Ms. Kavouras called the roll noting which Board members were present or teleconferencing (see above). A quorum was present with six members participating in person and three members participating via telephone.

Chair Oakley then led the Pledge of Allegiance to the Flag of the United States of America.

2. Open Public Hearing

Chair Oakley said this hearing is for the purpose of adopting tentative millage rates and budgets for the District and Basins comprising the Southwest Florida Water Management District, pursuant to Sections 373.536 and 200.065, Florida Statutes, as amended. If any member of the

public would like to speak during this hearing, please fill out a blue card located at the desk outside the door and give the card to Ms. Kavouras who is seated at the tables in front of the dais. Members of the public will be called on at the appropriate time during the meeting and will be limited to three minutes per speaker.

Chair Oakley introduced Mr. Tharp, Treasurer and Chair of the Finance and Administration Committee, and relinquished the gavel to him. (00:00/04:31)

Mr. Tharp said the purpose of this first TRIM public hearing is to provide an opportunity for the public to speak and ask questions prior to the adoption of tentative millage rates and budgets for the District. A second public hearing will be held on September 28, prior to adoption of the final millage rates and budgets, at the District headquarters in Brooksville. This budget is the culmination of months of Board and staff development; more than 45 public meetings were held this fiscal year. The budget development process began back in the fall when the Basins held their annual planning workshops and the Governing Board approved the Budget Priorities and Assumptions. The process will end with the adoption of a final budget by this Board at the second public hearing.

Mr. Tharp said the District's combined fiscal year (FY) 2011 budget is \$279.8 million, a decrease of \$19.1 million (which is a 6.4 percent reduction) from the current year budget of \$298.9 million.

Growth in ad valorem revenue for the last four years has been limited by tax reform and the continued decline in property values reflecting the state of the economy and the slowdown in the real estate industry. This has made the development of this year's budget a challenge with an opportunity to clarify priorities. Five of the seven Basin Boards have adopted proposed millage rates equal to the rates adopted for FY2010. The Hillsborough River Basin Board reduced its millage rate from 0.2421 to 0.2300. The Pinellas-Anclote River Basin Board reduced its millage rate from 0.3200 to 0.2600. At this Board's August meeting, the Governing Board reduced the General Fund proposed millage rate from 0.3866 to 0.3770. All proposed millage rates are well below the rolled-back rates.

In summary, Mr. Tharp said he believes this budget reflects the District's goal of providing cost effective quality services while protecting and enhancing the public's water resources, and, at the same time, achieving the strategic priorities of the Governing and Basin Boards. He thanked the Governing Board, Basin Boards and staff for the special efforts required to develop this budget. (04:31/07:24)

3. **Budget Overview**

Mr. Schiller provided a brief update on the proposed changes to the budget since the Board's last meeting on August 24, 2010, and the General Fund budget is the only budget that has changed. Proposed changes to the revenue side include (1) ad valorem revenue was reduced by \$2.7 million to reflect the reduction of the proposed millage rate from 0.3866 to 0.3770, based on the Governing Board's action at August meeting; (2) an adjustment was made to increase the allocation of funds from water supply and resource development reserves by \$2.2 million, toward the \$21.1 million required in FY2011 for water supply and resource development projects; and (3) \$200,000 was added to the budget in anticipated revenue from the U.S. Geological Survey to fund a portion of the District's annual orthophoto project. The proposed change to the expenditure side is for proposed adjustments made to reduce the FY2011 budget requests for outside technical assistance in the regulatory area by \$225,000. The Basin budgets remain the same as adopted and recommended by the individual Basin Boards at their August meetings.

Mr. Schiller provided a brief overview of the budget and reviewed how the District is funded, by source. Ad valorem revenues represent 58 percent of the District's total revenues, a decrease of \$27.1 million compared to FY2010. Of this decrease, \$20.1 million is due to overall 10.77-percent reduction in taxable values and \$7.0 million due to millage rate reductions. Five

of the seven Basin Boards have adopted proposed millage rates equal to the rates adopted for FY2010. The Hillsborough River Basin reduced its millage rate from 0.2421 to 0.2300 (\$2.5 million decrease) and the Pinellas-Anclote River Basin reduced its millage rate from 0.3200 to 0.2600 (\$5.7 million decrease). In August, the Governing Board lowered the Districtwide General Fund proposed millage rate from 0.3866 to 0.3770 (\$15.5 million decrease).

Balances brought forward from prior years represent 27 percent; this is up from \$56.5 million for FY2010, a \$19.3 million increase. This is due primarily to the cancellation of three major cooperative funding projects by the City of Tampa, totaling \$24.9 million. State funding represents 11 percent of revenues at \$32.0 million, compared to \$39.7 million for FY2010. Of this amount, the majority represents prior year Trust Fund dollars. There were limited new state appropriations for Trust Funds. State funds include \$17.8 million in prior year funds from Florida Forever Trust Fund, \$1.125 million in new Florida Forever Trust Fund money, \$5.7 million in prior year funds from Water Management Lands Trust Fund, \$1.8 million in prior year funds from Water Protection Sustainability Trust Fund, \$4.0 million for Florida Department of Transportation Mitigation, and \$1.6 million in other state funding. Federal funding represents less than 1.0 percent of revenues at \$390,000, down from \$1.7 million for FY2010. The budget includes \$150,000 from the Federal Emergency Management Agency for mapping activity and \$240,000, in total, from the U.S. Geological Survey for the District's annual orthophotos.

Local funding is \$3.2 million and 1.0 percent of revenue. This is funding the District will receive from cooperators for watershed management plan projects where the District will serve as the lead party. All other funding (i.e., permit fees, interest on investments, and other miscellaneous income) represents 3.0 percent or \$7.5 million, down from \$9.7 million in FY2010. The majority of this decrease is due to a decrease in interest earnings on District investments, budget assumption 0.75 percent for FY2011, down from 1.0 percent for FY2010 (\$1.2 million decrease) and \$700,000 decrease in permit fees.

Mr. Schiller briefly reviewed the budget by the six statutory program areas defined by statute. In summary, the District is living within its means, meeting statutory responsibilities, and functioning on a "pay as you go" basis in a time of declining ad valorem revenue and state dollars. The budget provides the capability to continue to accomplish the essential highest priority service and project goals of the District and the Basins, and meets the core mission of the District. (07:24/12:50)

4. Public Announcement of the Name of the Taxing Authorities, Rolled-Back Rates, Percentage Decreases, and Millage Rates to be Levied for FY2011

Ms. Pilcher presented the required public announcement of the name of the taxing authority, the rolled-back rate, the percentage of tax decrease below the rolled-back rate, and the millage rate to be levied for FY2011, and read into the record as required for the District and each of the seven Basins. The Governing Board serves as the Board for the Green Swamp Basin; therefore, there is no separate Basin millage for the Green Swamp Basin.

| TAXING AUTHORITY | ROLLED-BACK RATE | PERCENTAGE OF TAX DECREASE BELOW ROLLED-BACK RATE | MILLAGE RATE |
|------------------------------|------------------|---|--------------|
| Districtwide | 0.4372 | -13.77% | 0.3770 |
| Alafia River Basin | 0.2455 | -11.89% | 0.2163 |
| Hillsborough River Basin | 0.2752 | -16.42% | 0.2300 |
| Coastal Rivers Basin | 0.2092 | -09.89% | 0.1885 |
| Pinellas-Anclote River Basin | 0.3565 | -27.07% | 0.2600 |
| Withlacoochee River Basin | 0.2553 | -09.60% | 0.2308 |
| Peace River Basin | 0.2131 | -14.27% | 0.1827 |
| Manasota Basin | 0.1678 | -11.56% | 0.1484 |

(12:50/15:30)

5. **Public Comments**

a. **Letters/Resolutions Received**

Mr. Tharp noted the District has received no correspondence from taxpayers in response to receiving their 2010 Notice of Proposed Property Taxes. He said staff has received 21 phone calls regarding a variety of issues. This information is provided to the Board members and becomes Exhibit A to Agenda Item 5A and entered into the record.

b. **Persons Wishing to Address the Board**

Mr. Tharp requested that anyone wishing to address the budget come forward, and state their name, address, and group affiliation, if any. There were no requests to speak, and no public were in attendance at any of the District's offices. (15:30/16:44)

6. **Adopt Tentative Millage Rates for Fiscal Year 2011**

The millage rates are as follows:

| | |
|------------------------------|--------|
| Districtwide General Fund | 0.3770 |
| Alafia River Basin | 0.2163 |
| Hillsborough River Basin | 0.2300 |
| Coastal Rivers Basin | 0.1885 |
| Pinellas-Anclote River Basin | 0.2600 |
| Withlacoochee River Basin | 0.2308 |
| Peace River Basin | 0.1827 |
| Manasota Basin | 0.1484 |

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

RESOLUTION NO. 10-13

**ADOPTION OF TENTATIVE MILLAGE RATES
FOR FISCAL YEAR 2011**

This resolution is made a part of these minutes as if set forth in full but, for convenience, is filed in the permanent resolution files of the District.

Following consideration, **Ms. Closshey moved to adopt Resolution No. 10-13, Adoption of Tentative Millage Rates for Fiscal Year 2011. Mr. Senft seconded the motion. Following a roll call vote of members teleconferencing, Ms. Kavouras confirmed that the motion carried unanimously.** (16:44/17:48)

7. **Adopt Tentative Budget for Fiscal Year 2011**

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

RESOLUTION NO. 10-14

**ADOPTION OF TENTATIVE BUDGET
FOR FISCAL YEAR 2011**

This resolution is made a part of these minutes as if set forth in full but, for convenience, is filed in the permanent resolution files of the District.

Following consideration, **Ms. Closshey moved to adopt Resolution No. 10-14, Adoption of Tentative Budget for Fiscal Year 2011, in the amount of \$279,807,363. Mr. Gramling seconded the motion. The motion carried unanimously.** (17:48/18:36)

8. **Announcement of Second and Final Public Hearing**

Mr. Tharp announced the second public hearing will be held on September 28, 2010, 5:01 p.m., at the District's headquarters in Brooksville (2379 Broad Street). Final action on the FY2011 budget will be taken at that time.

9. **Adjournment**

Mr. Tharp adjourned the public hearing and relinquished the gavel to Chair Oakley. (18:36/20:10)

Chair Oakley adjourned the meeting at 5:21 p.m.