

# APPROVED

## MINUTES OF THE MEETING

### PUBLIC HEARING FOR THE FINAL FISCAL YEAR 2012-13 MILLAGE RATE AND ANNUAL SERVICE BUDGET

#### GOVERNING BOARD SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

TAMPA, FLORIDA

SEPTEMBER 25, 2012

The Governing Board of the Southwest Florida Water Management District met at 6:00 p.m. on September 25, 2012, at the District's Tampa Service Office. The following persons were present:

#### Board Members Present

H. Paul Senft, Chair  
Douglas B. Tharp, Vice Chair  
Albert G. Joerger, Secretary  
Jeffrey M. Adams, Treasurer  
Michael A. Babb, Member  
Wendy Griffin, Member  
Randall S. Maggard, Member  
Todd Pressman, Member

#### Board Member(s) Teleconferencing

Jennifer E. Closshey, Member

#### Board Member(s) Absent

Carlos Beruff, Member

#### Staff Members Present

Blake C. Guillory, Executive Director  
Robert R. Beltran, Assistant Executive Director  
David T. Rathke, Chief of Staff  
Laura J. Donaldson, General Counsel  
Kurt P. Fritsch, Division Director  
Mark A. Hammond, Division Director  
Michael L. Holtkamp, Division Director  
Alba E. Más, Division Director  
Daryl F. Pokrana, Director, Finance Bureau  
Linda R. Pilcher, Assistant Director, Finance Bureau  
Michael B. Cacioppo, Senior Budget Analyst, Finance  
Cathy A. Linsbeck, Senior Budget Analyst, Finance  
Alan J. Lynch, Senior Budget Analyst, Finance

#### Administrative Support

Lori Manuel, Administrative Coordinator  
Randy Emberg, Video Production Engineer

A list of others present who signed the attendance roster is filed in the permanent records of the District. This meeting was conducted using communications media technology in order to permit maximum participation of Board members, and available for viewing through internet streaming. Approved minutes from previous meetings can be found on the District's Web site ([www.WaterMatters.org](http://www.WaterMatters.org)).

#### 1. **Call to Order and Open Public Hearing** (Video 02:21:20)

Chair Senft called the meeting to order and opened the public hearing. This meeting is being conducted using communications media technology in order to permit maximum participation of Governing Board members. This meeting is being broadcast through video streaming for purposes of viewing only. Public comment will only be accepted here at the District's Tampa Service Office.

Ms. Kavouras called the roll noting which Board members were present or teleconferencing (see above) and noted a quorum was present.

Chair Senft said this hearing is for the purpose of adopting a final millage rate and budget for 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 table 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 Senft relinquished the gavel to Mr. Joerger, immediate Past Treasurer and Chair of the Finance and Administration Committee. (02:02:00/02:03:55)

2. **Opening Comments**

Mr. Joerger said the purpose of this hearing is to provide the public an opportunity to speak and ask questions prior to the Governing Board taking any actions regarding the budget. Following this, the Board will adopt a final millage rate and budget for Fiscal Year (FY) 2012-13. We have developed this budget based on current economic and taxation realities to ensure the long-term sustainability of our region's water resources.

Mr. Joerger said the tentative budget is \$159.5 million, which is \$4.0 million more than last year's budget. This relates to an increase in funding for vital water resource projects within the District's four areas of responsibility: water supply, flood protection, water quality, and natural systems. The tentative budget includes \$100.5 million in ad valorem property tax revenue. This is based on holding the millage rate at 0.3928 mill, the same as last year. This is 3.63 percent below the rolled-back millage rate of 0.4076 mill.

Mr. Joerger said that, on September 18, 2012, after the first public hearing, the District received a letter from Governor Rick Scott. He read into the record the letter sent to Mr. Senft, Governing Board Chair.

In accordance with Section 373.536, Florida Statutes, I have reviewed the Southwest Florida Water Management District's Tentative Budget for Fiscal Year 2012-13. I want to applaud the District for working cooperatively with the Department of Environmental Protection in refocusing the resources of your District on the core missions of water supply, flood protection, water quality and natural systems.

I also want to extend my appreciation to the Governing Board and the staff for its continued protection of Florida's water resources despite challenging economic times. I also appreciate that you and your Governing Board are able to increase funding by \$22.5 million for cost share funding of cooperative projects with local governments for stormwater and surface water projects. I congratulate the District for moving ahead with a number of important environmental projects, including \$5 million for the continued restoration of Lake Seminole in Pinellas County, and \$3 million for the restoration of the Rock Ponds ecosystem in Hillsborough County.

I would like to personally commend the Governing Board for holding the ad valorem tax rate at the same rate as last year and thereby lowering the tax burden for citizens. I understand this is a difficult decision, but one that recognizes governmental growth cannot outpace that of the private sector.

Consistent with the changes in law, pursuant to Chapter 2012-126, Laws of Florida, I am approving the District's Fiscal Year 2012-13 Tentative Budget.

I want to commend all the Districts for working with the DEP to ensure consistency across District boundaries while providing the most responsible use of taxpayer dollars. Moving forward, I ask that the Districts continue with consistency efforts and with the refinement of a common set of performance metrics to demonstrate stewardship of taxpayer resources while focusing on the core mission of protecting and developing water resources for current and future generations. I would also like each District to review existing contracts and lease agreements and seek price concessions from vendors. I have attached a list of objectives I wish each District to pursue moving forward.

I want to thank you and your fellow Governing Board Members for your commitment to serving Floridians and I look forward to working with you during the coming year, as we continue to strive for the most efficient and effective manner to protect Florida's water resources.

Mr. Joerger noted that copies of the letter and the attached list of objectives have been placed on the table outside the door to the Board Room.

Mr. Joerger requested Mr. Fritsch to provide a brief overview of the District's budget and projected resources, and then Ms. Pilcher will proceed with the required portion of the hearing. (02:03:55/02:08:26)

**3. Budget Overview**

Mr. Fritsch provided a brief overview of the District's FY2012-13 budget and projected resources using three charts. He noted there have been approximately 20 public hearings for budget discussion.

The Revenue Budget chart provides the adopted budget for FY2011-12, the final budget for FY2012-13, and the year over year change, in dollars and percentages.

The Expenditures Budget chart provides the District's final expenditure budget for FY2012-13 by category or type. The columns reflect the adopted budget for FY2011-12, the final budget for FY2012-13, and the year over year change, in dollars and percentages. The key expenditure categories are divided into two sections: Recurring (or operating) expenditures and Non-Recurring expenditures. The sub-total for recurring budget shows the District has reduced its recurring expenditures by \$18.3 million or 19 percent, down to \$76.2 million which is well below the \$100.0 million of ad valorem that is budgeted for FY2012-13. These reductions provide more flexibility in funding vital core non-recurring projects. Every expenditure category has been reduced from FY2011-12, except one. The budget for the Cooperative Funding program has been increased to bring it back close to the investment level in FY2010-11 which was \$65.0 million.

The Projected Resources chart provides an estimate of the total District resources anticipated to be available as of October 1, 2012. This consists of:

- FY2012-13 Final Budget proposed for adoption is \$159,450,185.
- Estimated ongoing projects funded with previous year budgets that are uncompleted as of fiscal year-end (9/30/2012). The total encumbrances for these projects will be carried forward and re-appropriated for FY2012-13 (current estimate is \$238.0 million).
- This will result in an estimated budget (including carry-forward encumbrances) of \$398.0 million. This compares to the current budget for FY2011-12 of \$509.0 million.
- In addition to this, it is estimated that the District will have fund balances of \$215.0 million available at October 1, 2012. These fund balances have been placed into reserve accounts consistent with the Governing Board's Fund Balance Policy 130-9.
- The total projected resources to be available to the District at October 1, 2012, including the FY2012-13 budget, is \$613.0 million. This is down from the \$693.0 million available at October 1, 2011. This is consistent with the District's spend-down plan which indicates the approximately half of available reserves and the majority of the encumbrances will be spent over the next five to six years. (02:08:26/02:11:51)

**4. Public Announcement of the Name of the Taxing Authority, Rolled-Back Rate, Percentage Decrease, and Millage Rate to be Levied for FY2012**

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 FY2012-13, and read into the record as required for the District.

TAXING AUTHORITY	ROLLED-BACK RATE	PERCENTAGE OF TAX DECREASE BELOW ROLLED-BACK RATE	MILLAGE RATE
Southwest Florida Water Management District	0.4076	-3.63%	0.3928

(02:11:51/02:12:28)

5. **Final Fiscal Year 2012-13 Budget**

a. **Reconciliation of Tentative to Final Fiscal Year 2012-13 Budget**

Ms. Pilcher said there have been no changes to the budget since the tentative budget hearing, held September 11, 2012.

b. **TRIM Budget Summary**

Ms. Pilcher noted that this summary was used to prepare the newspaper advertisement and is provided for the Board's information only. (02:12:28/02:13:00)

6. **Public Comments**

a. **Letters/Resolutions Received**

Mr. Joerger noted the District has not received any correspondence from taxpayers since the first public hearing on September 11. On September 18, the District received a budget approval letter from Governor Scott, which was read into the record at the beginning of the hearing. The District has responded in writing to the two letters that were received prior to the first public hearing. The District has received approximately 15 calls to date from taxpayers regarding the proposed budget for FY2012-13.

Letters and resolutions received regarding the final millage rate and budget, if any, since the first public hearing held September 11, 2012, in Tampa, have been compiled into an Exhibit "A" to Agenda Item 6a and are hereby incorporated by reference into the public record of this meeting. The budget approval letter from Governor Rick Scott dated September 18, 2012, is included. Copies of this exhibit are available here today and are also located at District headquarters.

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

Mr. Joerger requested that anyone wishing to address the budget come forward, and state their name, address, and group affiliation, if any. No one came forward. (02:13:00/02:13:45)

7. **Adopt Final Fiscal Year 2012-13 Millage Rate**

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

**RESOLUTION NO. 12-12**

**ADOPTION OF FINAL MILLAGE RATE AND  
CERTIFICATION OF LEVY TO THE COUNTY PROPERTY APPRAISERS  
FOR FISCAL YEAR 2012-13**

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, **Mr. Tharp moved to adopt Resolution No. 12-12, Adoption of Final Millage Rate and Certification of Levy to the County Property Appraisers for Fiscal Year 2012-13, of 0.3928 mill. Mr. Maggard seconded the motion. The motion carried unanimously.** (02:13:45/02:14:18)

8. **Adopt Final Fiscal Year 2012-13 Budget**

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

**RESOLUTION NO. 12-13**

**ADOPTION OF FINAL BUDGET FOR FISCAL YEAR 2012-2013**

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, **Chair Senft moved to adopt Resolution No. 12-13, Adoption of Final Budget for Fiscal Year 2012-2013, in the amount of \$159,450,185. Mr. Pressman seconded the motion. The motion carried unanimously. (02:14:18/02:14:47)**

9. **Introduce All Materials as Composite Exhibit**

Mr. Joerger introduced all budget materials as a composite exhibit. He stated that the record should reflect that all materials presented here this afternoon are part of the permanent record of the public hearing. The exhibit includes a list of newspapers publishing notices.

Mr. Joerger relinquished the gavel to Chair Senft. (02:14:47/02:15:12)

Chair Senft noted that this is the first year the District has held its two public budget hearings at 6:00 p.m. to be fully open in the interest of the taxpayers and allow the public the opportunity to attend the hearings after normal business hours.

10. **Adjournment**

There being no further business to come before the Board, Chair Senft adjourned the meeting. (02:15:12/02:15:55)

The meeting was adjourned at 6:15 p.m.