

A P P R O V E D

MINUTES OF THE MEETING

Second Public Budget Hearing for the Final Fiscal Year 2009 Annual Service Budget

Governing Board

Southwest Florida Water Management District

Brooksville, Florida

September 30, 2008

The Governing Board of the Southwest Florida Water Management District met at 5:04 p.m. on September 30, 2008, at the District's headquarters in Brooksville. The following persons were present:

Board Members Present

Neil Combee, Chair
Jennifer E. Closshey, Secretary
Ronald E. Oakley, Treasurer
Bryan K. Beswick, Member
Patricia M. Glass, Member
Hugh M. Gramling, Member
Albert G. Joerger Member
Sallie A. Parks, Member
Maritza Rovira-Forino, Member
H. Paul Senft, Member
Douglas B. Tharp, Member
Judith C. Whitehead, Member

Staff Members Present

David L. Moore, Executive Director
Lou Kavouras, Deputy Executive Director
Richard S. Owen, Deputy Executive Director
Eugene A. Schiller, Deputy Executive Director
Bruce C. Wirth, Deputy Executive Director
William S. Bilenky, General Counsel
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 Lynch, Senior Budget Analyst, Finance
Michael Cacioppo, Staff Budget Analyst, Finance
Joyce Morra, Administrative Coordinator, Finance

Board Member Absent

Todd Pressman, Vice Chair

Recording Secretary

Annette D. Zielinski, Senior Admin. Assistant

A list of others present who signed the attendance roster is filed in the permanent files of the District.

1. Call to Order

Chair Combee called the meeting to order.

2. Open Public Hearing

Chair Combee opened the public hearing and turned the gavel over to Mr. Oakley, Chair of the Finance and Administration Committee.

Mr. Oakley said the purpose of this second public hearing is to adopt final millage rates and the combined budget for Fiscal Year (FY) 2009. This budget is the culmination of months of Board and staff development—over 60 public meetings were held this fiscal year. The budget development process began back in the fall and will conclude today with the adoption of the final budget. The purpose of this hearing is to adopt final millage rates and a combined budget for FY2009. He noted that earlier today, during the Finance and Administration Committee meeting, he mentioned the favorable letter received from Governor Crist and the details introducing this public budget hearing.

The District's combined FY2009 budget is \$376.5 million, a decrease of \$18.5 million from the current year. All millage rates are below the rolled-back millage rates and maximum millage rates for FY2009. The budget had to be developed during challenging times in the economy. Last year, there was tax reform legislation enacted by the Florida Legislature. This year, Constitutional Amendment 1 was passed by Florida voters in January, increasing property tax exemptions. Further, property values have declined this year due to the real estate market. The impact of these changes resulted in ad valorem taxes being reduced when property values were certified in July 2008.

On September 16, the District received a letter from Governor Crist approving the District's budget with one change. Governor Crist directed all five Water Management Districts to use budgeted funds proposed for salary increases for expediting capital projects. The purpose of this directive is to provide economic stimulus for Florida. In his letter, Governor Crist said the District's continued financial restraint through its "pay as you go" approach with an increased emphasis on Water Supply and Resource Development is admirable. Further, Governor Crist indicated he was pleased that the District has worked hard at making the West-Central Florida Water Restoration Action Plan a success in its first year. Governor Crist urged the District to remain vigilant in its efforts to promote water resource protection and development in the Southern Water Use Caution Area, as well as throughout the region. Governor Crist concluded by expressing his appreciation for the District's commitment, working on behalf of the citizens of this state, to ensure adequate natural resources for Florida's future. He closed by saying that the District must continue to be a leader in the protection of natural resources and in fostering sustainable growth.

Mr. Oakley personally thanked the Governing and Basin Board members, as well as District staff, for their participation and the special efforts required to develop the District's FY2009 budget. He then turned the hearing over to Mr. Schiller.

3. **Budget Overview**

Mr. Schiller thanked the Governing and Basin Board members and all staff for their collective efforts during this past fiscal year. Again, he said, staff had an interesting and challenging time working through all of the different budget issues.

Mr. Schiller then provided a brief overview and presented the information found on page four of the Public Budget Hearing Books, showing the District's combined FY2009 budget of \$376.5 million, which is \$18.5 million or 4.7 percent below FY2008. The overall total budget has not changed since it was last presented to the Governing Board at the Tentative Budget Hearing in September. As Mr. Oakley just mentioned, Governor Crist approved the District's budget but directed the water management districts to redirect salary increases to expedite capital projects. Mr. Schiller noted that Ms. Pilcher talked about the impact of this change at the Finance and Administration Committee meeting held earlier today and will briefly discuss it again during her portion of this public hearing.

Mr. Schiller then presented the District's budget as it will be adopted by fund. This includes the Districtwide General Fund budget which is overseen by the Governing Board, and the eight separate Basin Funds, which are developed by the local Basin Boards. The Basin Boards adopted their final millage rates and budgets as presented, along with resolutions requesting the Governing Board to levy ad valorem taxes at the adopted rates, and include the Basin budgets as recommended as part of the District's final combined budget for FY2009.

Mr. Schiller said the FY2009 budget includes \$167.8 million for the District's cost-share programs—the Water Supply and Resource Development program and the Cooperative Funding program. This represents a decrease of \$16.6 million from FY2008 due to a reduction in ad valorem and state funding. The FY2009 budget of \$167.8 million will be matched by an estimated \$145.2 million through public and private partnerships for a potential investment of over \$313.0 million for additional water resource management projects. This is a significant step in continuing to fund the Long-Range Water Supply and Water Resource Development Funding Plan on a pay-as-you-go basis. An update of the 20-year long-term funding plan is being prepared for presentation at the October Basin meetings and will be provided at the October Governing Board meeting.

Mr. Schiller noted the FY2009 millage rates were held at the same levels as FY2008, with the exception of the Pinellas-Anclote River Basin. The Pinellas-Anclote River Basin Board reduced

its millage rate from 0.3701 to 0.3600. Millage rates maintained at the FY2008 levels, combined with the passage of Amendment 1 and declining property values, resulted in a decrease of \$21.4 million in total ad valorem revenue from FY2008.

Mr. Schiller said that the District continues to operate without debt and with no increase in staffing. The District is uniquely prepared to be able to meet the challenges in the coming year to fund its priorities with the existing economic climate. Upon concluding his comments, he thanked the Budget Section staff for their efforts and then introduced Ms. Pilcher for the required portion of the hearing.

4. **Public Announcement of the Name of the Taxing Authority, the Rolled-Back Rates, the Percentage Decreases, and the Millage Rates to be Levied for FY2009**

Ms. Pilcher said page four of the handout is the required public announcement of the name of the taxing authority, the rolled-back rates, the percentage of tax decreases below the rolled-back rates, and the millage rates to be levied for FY2009. The name of each taxing authority, rolled-back rate, percent of tax decrease below the rolled-back rate, and millage rate for FY2009 were read into the record as required, for the District and each of the eight Basins.

5. **Final FY2009 Budget**

a. **Reconciliation of Tentative to Final FY2009 Budget**

Ms. Pilcher said that page five of the handout contains the reconciliation of the tentative budget to the final budget for FY2009. The total budget amount has not changed and there have been no changes to revenues, but there are changes in the program expenditure groupings. In response to the direction of Governor Crist, the proposed merit increases of \$1.3 million have been removed and reallocated to projects. The allocation of this funding to specific projects was approved by the Governing Board earlier today. The Basin Boards will be asked to ratify the project allocations at their meetings in October.

b. **TRIM Budget Summary**

Ms. Pilcher stated that this item is on page seven of the handout. This is the "Truth in Millage" (TRIM) budget summary. It has been updated to reflect the changes implemented at the direction of the Governor and approved by this Board. It was used to prepare the newspaper advertisement and was provided for information only.

6. **Public Comments**

a. **Letters/Resolutions Received**

Mr. Oakley said the District has not received any correspondence and the staff has received three taxpayer calls since the first public hearing with general tax questions only. This information has been compiled into Exhibit A to Agenda Item 6.a. and is hereby incorporated by reference into the public record of this meeting. Copies of this exhibit are available at this meeting.

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

Mr. Oakley requested that anyone wishing to address the budget come forward. No persons came forward to address the Board.

7. **Adopt Final FY2009 Millage Rates**

The final FY2009 millage rates as publicly announced in Agenda Item 4 are as follows:

General Fund Districtwide	0.3866
Alafia River Basin	0.2163
Hillsborough River Basin	0.2547
Northwest Hillsborough Basin	0.2421
Coastal Rivers Basin	0.1885
Pinellas-Anclote River Basin	0.3600
Withlacoochee River Basin	0.2308
Peace River Basin	0.1827
Manasota Basin	0.1484

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

RESOLUTION NO. 08-19

**ADOPTION OF FINAL MILLAGE RATES AND
CERTIFICATION OF LEVIES TO THE COUNTY PROPERTY APPRAISERS
FISCAL YEAR 2009**

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. Rovira-Forino moved, seconded by Mr. Senft, to adopt Resolution No. 08-19 for adoption of final millage rates as publicly announced. Motion carried unanimously.** (CD 1 -Track 18 - 00:00/16:22)

8. **Adopt Final FY2009 Budget**

The final FY2009 budget in the amount of \$376,489,390 is summarized in the handout. **Ms. Rovira-Forino moved, seconded by Mr. Joerger, to approve**

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

RESOLUTION NO. 08-20

ADOPTION OF FINAL BUDGET FOR FISCAL YEAR 2009

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.

Motion carried unanimously. (CD 1 -Track 18 - 16:22/16:50)

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

Mr. Oakley introduced all budget materials as a composite exhibit. He stated that the record should reflect that all materials presented here this afternoon, including the notebooks, are part of the permanent record of the public hearing.

10. **Adjournment**

Mr. Oakley requested a motion to adjourn. **Mr. Joerger moved, seconded by Mr. Gramling, to adjourn the final FY2009 public budget hearing. The motion carried unanimously.**

The public hearing was adjourned at 5:18 p.m.