

Pinellas County

315 Court Street, 5th Floor Assembly Room
Clearwater, Florida 33756



Minutes - Final

Tuesday, May 17, 2016

9:30 AM

BCC Assembly Room

Board of County Commissioners Budget Information Session

*Charlie Justice, Chairman
Janet C. Long, Vice-Chairman
Dave Eggers
Pat Gerard
John Morroni
Karen Williams Seel
Kenneth T. Welch*

Roll Call - 9:35 A.M.

Members Present: Charlie Justice, Chairman; Janet C. Long, Vice-Chairman; Dave Eggers; Pat Gerard; John Morroni; Karen Williams Seel; and Kenneth T. Welch.

Others Present: James L. Bennett, County Attorney; Mark S. Woodard, County Administrator; and Christopher Bartlett, Board Reporter, Deputy Clerk.

Budget summary documents pertaining to each presentation have been filed and made a part of the record.

Mr. Woodard provided a brief overview of the meeting agenda, noting that this is the third in a series of three budget information sessions.

1. Feather Sound Community Services District

Lori Sullivan, Office of Management and Budget (OMB), conducted a PowerPoint presentation and provided an overview of the District's Fiscal Year 2017 budget request. She noted that operating expenses continue to exceed tax revenue; that the budget request includes an increase of \$46,000 over the previous year's budget; and that the revenue is based on the current 0.50 millage rate.

Ms. Sullivan indicated that in previous years the District has covered expenses through its own reserve fund; and that the proposal requests the use of cash reserves held by the County. She noted that the District will use \$50,000 of its reserves to plan and design the community signage update at the entrance to Feather Sound; and that the combined funds from both reserve funds remain sufficient to cover operating expenses through 2021 without raising the millage rate.

Responding to queries by the members, Ms. Sullivan discussed the differences between the two reserve funds, and discussion ensued.

2. Clerk of the Circuit Court and Comptroller

Chief Deputy Director Claretha Harris, Finance Division, conducted a PowerPoint presentation and provided a summary of the Fiscal Year 2017 budget request, noting that the total request is for \$10,946,582, an increase of 2.6 percent from the prior year; and that the request is \$50,000 over the established target in order to solicit outside investment advisory services for the Finance Division of the Clerk's Office.

Responding to queries by the members, Ms. Harris stated that staff conducts market

research and develops investment strategies with help from investment brokers and financial advisors, but there is no outside firm that reviews the County's portfolio or recommends any type of specific strategy of investment. She stated that the County would continue to manage its portfolio in-house; and that an outside firm would only review policies and the portfolio periodically and offer recommendations.

In response to queries by Commissioner Welch, Ms. Harris indicated that while some employees within the Division provide their investment expertise, it is not their primary function to do so; and that the expense for an outside firm would recur annually. Mr. Woodard provided an overview of the County's investment policy; whereupon, Ms. Harris stated that most of the investments are in treasury agency securities; that the total investment portfolio reached \$1 billion as of December; and that an outside firm would ensure the right diversification in the portfolio in order to maximize yield.

Responding to further query by Commissioner Welch, Ms. Harris indicated that two staff positions for the OPUS application included in last year's budget have been shifted to Business Technology Services; and that both positions have been removed from the Clerk's Fiscal Year 2017 budget request.

3. Business Technology Services

Chief Information Officer Martin Rose conducted a PowerPoint presentation and provided an overview of Business Technology Services' (BTS) strategy and budget. He discussed growing trends and predictions in technology and provided BTS specific goals, objectives, and initiatives for 2017, noting that each goal will be tracked on a balanced scorecard using specific measures to track performance.

Mr. Rose stated that BTS and County staff have identified challenges and risks for each of the five key strategies; and have scheduled major projects to support them.

Responding to query by Commissioner Welch, Mr. Rose indicated that 3-1-1 service is an enhancement of the *Doing Things for You* application; that staff is evaluating the service for its potential to consolidate call centers; and that parts of the service are operational at this time in advance of the fourth quarter launch of the full service.

Mr. Rose discussed Bi-Modal IT and the differences between Mode 1 and Mode 2 operations, noting that larger projects, such as a data center and storage facilities, would be part of Mode 1; and that smaller applications, system integrations, and more agile projects are in Mode 2; whereupon, he indicated that the County's use of technology continues to increase; that storage capacity is audited and expanded periodically; and that the ongoing growth could be partially tempered by reevaluating historical use of the

storage and service systems to better align their needed capacity.

Discussion ensued, and in response to query by Commissioner Welch, Mr. Rose stated that two technology positions created last year for the Clerk have been transferred to BTS; that those technicians work with the Hyperion budgeting tool mostly used by OMB; and that the related work falls more under the BCC than the Clerk's office, which led to a mutual agreement to complete the transfer; whereupon, he introduced members of his leadership team and provided overviews of BTS resource planning, staff recruitments, and the status of last year's decision packages.

Mr. Rose indicated that the base budget request is \$32,648,830 and includes about \$18 million in labor costs and an operating amount of \$14,646,350; and that additional requests for capital improvement and other projects increase the total to \$41,366,070; whereupon, he summarized labor and operational expenses, and the Capital Improvement Plan. In response to query by Commissioner Welch, he related that the phone system installed in 2010 is scheduled for replacement in 2020.

Mr. Rose discussed business continuity management and a list of related applications, and stated that restoring key BTS operations in zero to four hours with a one-to-one production capacity is a significant need; that the initiative will require \$1.43 million in capital improvements in Fiscal Year 2017; that \$215,130 will be needed annually for operating expenses; and that the initiative includes migration to cloud-based applications in seven to ten years.

In response to query by Commissioner Seel, Assistant County Administrator Paul Sacco stated that the County has over \$4 billion in assets which must be preserved through Enterprise Asset Management (EAM); that old and antiquated systems are currently being used to manage those assets; and that an enterprise system would utilize the same technology solution throughout the departments.

During discussion, Mr. Sacco indicated that forecasting replacement of assets over time would become transparent; that EAM will require a large investment of \$17 million over five years; and that the investment is a small percentage when compared to total asset value.

Responding to queries by Commissioner Eggers, Mr. Sacco stated that departments will be phased into the program during the first five years; that some existing utility services already contain the proper interface for EAM without needing to upgrade; and that leveraging current geographical information systems with EAM will provide the work flow, scheduling, and location of each asset; whereupon, Mr. Woodard related that EAM will

increase efficiencies by auto-generating work orders to maintain each asset on a predictable and consistent plan, and discussion ensued.

Reviewing additional decision packages, Mr. Rose indicated that Enterprise Service Bus will interconnect various system interfaces; that the current Clerk Jury System is the last remaining system on the old mainframe and will be replaced with a new module within Odyssey; and that enhancements identified by the CJIS Policy Board will be implemented over the next two years; whereupon, Commissioner Welch noted that the initial \$1.4 million request for the enhancements has been pared down to just over \$700,000 at the request of the BTS Board; whereupon, Mr. Rose concluded his presentation by providing a summary of the Fiscal Year 2017 decision package items.

4. Creative Pinellas

Creative Pinellas Board of Directors member Doreen Moore introduced staff, reviewed the recent activity of the organization, and noted that the board is expanding to include more diversity in expertise and technology from within the professional arts community; that the organization is working to establish 501(c)(3) status to help increase funding options; and that the board's annual meeting will be held later this week; whereupon, Executive Director Barbara St. Clair reviewed the 2016 activities of the organization.

Elizabeth Brincklow, Director of Community Engagement, provided background information and reviewed participant survey results regarding the grant period that closed on March 18, and introduced several of the grant recipients who were in the audience.

Ms. St. Clair discussed the organization's goals, programs, and marketing designed to meet the needs of the arts community, and in response to query by Commissioner Welch, stated that the arts incubator is a physical place that provides access to available resources for artists. She reviewed projected 2016 financial results and indicated that the 2017 budget has been set at \$625,060 to include increased support for grant programs, projects, and marketing; and that the return on investment of County funds into the arts community is an optimized local arts agency.

Discussion ensued, and in response to queries by the members, Ms. St. Clair stated that the organization is reviewing the possibility of reopening the Gulf Coast Arts Museum as an arts organization and facility in response to feedback from the community; and that the increase in operational expenses reflects increased overhead and the additions of a grant writer, professional development, and an annual audit; whereupon, several Commissioners noted their appreciation for the positive changes within Creative Pinellas, and complimented Commissioner Seel for her leadership and efforts with

regard to the organization.

Responding to query by Commissioner Welch, Ms. St. Clair indicated that the top priority is collaborating with the many arts organizations in the county; that the second priority is for the arts community to feel support and appreciation from the community and the Board; and that the third priority is to financially support the arts community through grants and other means.

Chairman Justice called for citizens wishing to speak on the matter, and the following individuals stated their support of Creative Pinellas:

Ken Rollins, Creative Pinellas Board Member

Ray Bouchard, Dunedin

Steven Kenny, St. Petersburg

Paula Parrish, St. Petersburg

Lynn Whitelaw, Palm Harbor

John Collins, St. Petersburg

In response to query by Commissioner Welch regarding the budget request to increase funding from \$200,000 to \$476,000 from the General Fund, Commissioner Seel stated that the best resources of funds are being determined; that a portion of the funds will come from the tourist development tax; and that an additional \$56,000 will be used from the organization's reserves, leaving enough in reserves to cover three months of operating costs, similar to other County budgets.

Meeting Recessed: 11:37 A.M.

Meeting Reconvened: 12:35 P.M.

5. Sheriff

Pinellas County Sheriff Bob Gualtieri conducted a PowerPoint budget presentation and provided an overview of law enforcement responsibilities and personnel, a brief comparison with other municipal law enforcement agencies, and a review of criminal activity in the area and the steps taken to mitigate it. He noted that the largest increases in area crime involve vehicle burglaries (up 47 percent), auto thefts (up 27 percent), and robberies (up 13 percent); and that despite a previous five-year decrease in serious crime, Pinellas County experienced an overall eight percent increase in 2015.

Sheriff Gualtieri related that the majority of the increases are due to crimes committed by young people starting at 13 or 14 years of age; that assets and resources of his

department are being reorganized to address the issue; and that with commitments from the major municipal law enforcement agencies, juvenile tracking will be reinstated as the Habitual Offender Monitoring Enforcement (HOME) program.

Sheriff Gualtieri noted that the total 2017 budget submission is just over \$278 million; that the budget is over the target amount by \$7.2 million; that the Pinellas County Sheriff's Office (PCSO) will generate about \$32 million in revenue; and that the remaining \$246 million is the request to the Board for funding; whereupon, he reviewed the budget's major categories.

Responding to queries by the members, Sheriff Gualtieri indicated that the 2017 contribution for the Florida Retirement System (FRS) will increase by \$1.6 million due to salary increases and a statutory contribution increase imposed by the legislature; that health insurance costs will increase about 7 percent or around \$2 million; and that employees currently pay about 20 to 21 percent of their own insurance costs; whereupon, discussion ensued regarding the comparison of rates and services.

Continuing the PowerPoint presentation, Sheriff Gualtieri discussed the parameters used in the budget process, and the attrition rate as it affects upcoming staffing and required training. Responding to query by the members, he indicated that it takes seven to ten months to certify a deputy regardless of past law enforcement experience; that reasons for leaving employment are most often related to retirement; that new hires must sign a contract to remain with the department for two years after training; and that many leave after their contract expires to move out of the area, change career fields, and other reasons; whereupon, he discussed the costs of training new personnel through the different programs, and the lack of any previous budget amount to fund the training.

In response to query by Commissioner Morroni, Sheriff Gualtieri noted that he currently has 1,500 sworn deputies; that 481 of those have been hired and trained since 2013; and that a pay adjustment in 2015 has increased the retention rate, reducing the number of new hires to 53 in 2015, down from over 170 each year in 2013 and 2014, and discussion ensued.

Sheriff Gualtieri reviewed several different hiring scenarios that would meet staffing needs, and the state of vehicles in the fleet that need to be replaced, noting that 85 percent of the cars will have well over 100,000 miles when they are finally removed from service.

Responding to queries by the members and with input by Mr. Woodard, Sheriff Gualtieri

indicated that budgeting replacement costs for vehicles is handled differently by County staff and the Sheriff; and that there have been no vehicle purchases or investment in infrastructure for five years due to severe budget cuts. He stated that the single best action to take is to increase the budget an estimated \$2.5 million towards improving hiring and training; that the needed vehicle purchase would benefit from low interest rates; and that the vehicle situation would likely settle down in just a few years, and discussion ensued.

In response to queries by Commissioner Seel, Sheriff Gualtieri indicated that if a new hire completes his academy training and leaves in the first two years, some costs can be recouped, per statute; that many stay employed beyond the two years of the contract; and that it has become increasingly difficult to hire certified applicants, which has increased the need for academy training in general.

Sheriff Gualtieri discussed the debt service related to the vehicle fleet, the change from fixed-wing aircraft to helicopters over the years, and the maintenance needs of the existing helicopters in the fleet. In response to queries by the members, he stated that there is no additional charge when using a helicopter to assist a municipality in need other than existing taxes for sheriff and police services; that prisoners are transferred between Florida counties via a transportation network that has created a cost savings for each county involved; and that one of the A-Star helicopters is due for its 12-year inspection and refurbishment and will be taken out of service for several months.

Sheriff Gualtieri indicated that about 1,200 of the roughly 2,800 inmates are on medication; and that the paper system is marginally functional, leads to errors, and does not adequately track the 40,000 prescription medication orders each year. He noted that a request for proposal has gone out to replace the current Electronic Medical Record system with one that includes an Electronic Medication Administration Record system and will likely incur a one-time cost of about \$510,000.

Discussion ensued; whereupon, Sheriff Gualtieri indicated that 465 people are on electronic monitoring and are supervised by PCSO; that the number of people on electronic monitoring is increasing; and that, as a result, coupled with the court's willingness to set lower bonds, the population at the jail remains stable at around 2,800 inmates. Responding to query by Commissioner Morroni, he stated that electronic monitoring costs \$4.90 per day, which is much less than incarceration (\$126.00 per day).

In response to query by Commissioner Welch, Sheriff Gualtieri noted that the budget is created based on the target numbers received from OMB; that it is not completed on a

line-by-line basis; and that funds designated for personnel, operating expenses, and capital are not shared between categories.

Sheriff Gualtieri discussed replacing certain equipment that has passed its warranty period or is severely outdated, and related that the 12-year old Jail Information Management System will likely be replaced at nominal cost through a contract extension with an existing vendor. Responding to queries by Commissioner Seel, he noted that the budget is asking for an additional \$7 million; whereupon, Mr. Woodard related that the request is small when compared to the overall budget, which is much larger than most other departments and has many moving parts.

Commissioner Welch related that all departments had to make cuts in the recession; that some services can now be restored or improved; and that a suggestion from Commissioner Gerard to look at vehicles as part of the next Penny has merit. In response to queries by Commissioner Welch, Sheriff Gualtieri indicated that 145 vehicles of different models are needed; that the training budget would be a recurring expense; and that the framework for the adult pre-arrest diversion program is being drafted and should meet the targeted timeframe.

Responding to queries by Commissioner Gerard, Sheriff Gualtieri discussed the sworn and non-sworn pay plans and noted that there are possible reductions in salaries when someone retires and a replacement is hired at a lesser rate of pay, or when other employees reach the ceiling of their position and their salary can no longer increase. He noted that new deputies with experience and hard-to-find IT workers often negotiate compensation higher than base pay; that deputies without experience incur the costs of five months of training; and that these increases often even out the reductions throughout the course of a year.

Commissioner Long stated that she appreciates the Sheriff's detailed walk-through of the budget issues for his department and the goodwill among the various law enforcement agencies throughout the county, and Commissioner Morroni concurred. He noted that his annual Law Enforcement luncheon fundraiser was a success, and presented a \$30,000 check to the Sheriff for his programs.

6. Decision Package Review

Mr. Woodard conducted a PowerPoint presentation, and provided an overview of actions taken previously in the budget process and priority guidelines used in evaluating the funding requests. Responding to query by Commissioner Seel, he related that the preliminary budget targets were based on an anticipated 5 percent increase in taxable property value; and that the actual increase was higher at 6.8 percent.

Mr. Woodard indicated that summaries of the decision packages are included in the agenda package. In response to queries by the members, he related that it has been effective in the past to first select the decision packages that fit defined policy priorities, and then determine funding options, and discussion ensued regarding the guidelines and individual decision packages.

Following discussion, Mr. Woodard stated that he will meet with the members individually to receive more input; and that he will provide an updated summary of the decision packages for the public discussion on June 4.

Adjournment - 3:15 P.M.