Official Minutes of
MARION COUNTY
BOARD OF COUNTY COMMISSIONERS

January 29, 2025

CALL TO ORDER:

The Marion County Board of County Commissioners met in a workshop session in Commission Chambers at 9:01 a.m. on Wednesday, January 29, 2025 at the Marion County Governmental Complex located in Ocala, Florida.

INTRODUCTION OF WORKSHOP BY CHAIRMAN KATHY BRYANT

Chairman Bryant advised that the workshop was scheduled this morning to discuss the County's Budget Strategic Planning.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance to the Flag of our Country.

ROLL CALL

Upon roll call the following members were present: Chairman Kathy Bryant, District 2; Vice-Chairman Carl Zalak, III, District 4; Commissioner Craig Curry, District 1; Commissioner Matthew McClain, District 3; and Commissioner Michelle Stone, District 5. Also present were Clerk Gregory C. Harrell, County Attorney Matthew G. Minter, County Administrator Mounir Bouyounes, Assistant County Administrator (ACA) Tracy Straub, ACA Angel Roussel, ACA Amanda Tart, and Executive Director of Internal Services Mike McCain.

The Deputy Clerk was in receipt of a 61 page Agenda packet to follow along with the PowerPoint presentation.

WORKSHOP PRESENTATION

1. Introduction - Mounir Bouyounes, P.E., County Administrator

The following information was presented by County Administrator Mounir Bouyounes:

Description/Background: Mounir Bouyounes, P.E., County Administrator will present an introduction of the Countywide budget for FY 25/26.
Budget/Impact: None.
Recommended Action: For information only.

County Administrator Mounir Bouyounes advised that as part of the last Fiscal Year (FY), the Board was able to adopt a fiscally responsible budget that kept the millage rate flat and funded all critical services. He opined that this upcoming FY will be full of opportunities along with lots of challenges, noting the Board so far this quarter has already addressed Parks and Recreation funding for Capital Projects; Transportation and Fire Rescue Impact Fees; Solid Waste Assessment; and the Fire Rescue Services Assessment, with more to come through this workshop. Mr. Bouyounes advised that as the Board goes through today's workshop, it will hear some not as encouraging financial projections as it had over the past few years. He stated staff will also be presenting some global concerns that are or will be affecting the organization as a whole. Mr. Bouyounes advised that staff are looking for Board guidance and direction so that they may bring back a proposed budget that meets expectations. He noted he will be bringing back updates relating to the County's Artificial Intelligence (AI) Policy; Geographic Information

Systems (GIS) operations; as well as more information regarding strategic planning for Fire Rescue and Emergency Medical Services (EMS).

2. Financial Projection Update - Audrey Fowler, Budget Director

The following information was presented by Budget Director Audrey Fowler:

Description/Background: Audrey Fowler, Budget Director will present a financial projection update for FY 25/26.

Budget/Impact: None.

Recommended Action: For information only.

Budget Director Audrey Fowler presented 13 page handout entitled, "Strategic Planning Workshop Financial Projection". She advised that prepared for the Board today is an overview of the historical, projected, and forecasted revenues for the Countywide and major funds of the Board of County Commissioners (BCC), noting her focus today would primarily be related to revenues and the items that affect those projections.

Ms. Fowler addressed population growth trends, noting this past year's growth was at 3.86 percent (%) for a total of 413,951 residents living in Marion County according to the Bureau of Economic & Business Research (BEBR). The average five-year trend for growth is estimated at 2.81%. The estimated population for 2025 is 425,590 and by 2028 the estimated population is 475,512. This population increase has resulted in the number of homesteaded parcels increasing by 6.1% and non-homesteaded residential parcels with a capped value of 10.3% from 2021 to 2024 (calculated from the DR-403v 2021 to 2024 reports Marion County Property Appraiser).

Ms. Fowler advised that the State of Florida analyzes and projects property tax rolls as part of its mandate to determine the Required Local Effort (RLE) for school district millages. The projected taxable value increases as reported during the July 31, 2024 revenue estimating conference did not include (calculate in) taxable losses that would be attributable to the voter referendum that would increase the 2nd Homestead exemption by the Consumer Price Index (CPI). As such, the increase to taxable value has conservatively been reduced by 1% and is projected to be 8.6% for FY 2025-26; 7.8% for FY 2026-27; 6.8% for FY 2027-28; and 5.9% for FY 2028-29.

In response to Commissioner Zalak, Ms. Fowler advised that reducing taxable values by 1% would result in a loss of approximately $86,600,000.00 in taxable value that would not be included in the tax roll for next FY. She clarified that there are 95,000 parcels that would be eligible for the 2nd Homestead exemption at $725.00 per parcel of additional Homestead exemption.

Ms. Fowler addressed the Consumer Price Index (CPI) and Federal Rate trends, noting the CPI determines the maximum allowable increase to Homestead properties; wherein, the increase will be the CPI or 3% whichever is less. As of November 2024, the 2nd Homestead exemption will now be increased annually by the CPI. Unlike Save our Homes, this exemption does not have a maximum increase, and it compounds from the prior year. December 2024 marks the first time that the CPI has been less than 3% since December 2020. She referred to the chart on page 6 of the Agenda packet, which reflects the changes from the 2nd Homestead exemption.

Ms. Fowler addressed the Federal Reserve Rates, which affect the County's investments, noting there have been 3 reductions in rates since last year's Strategic Planning workshop.

Ms. Fowler addressed Fund Balance requirements, noting Marion County has established a Fund Balance target of 20% of operational expenditures for the General Fund. Each year staff performs a test to determine the appropriate reserve and compliance. This calculation is then used to set the unassigned Cash Carry Forward for the forthcoming budget. The calculated Fund Balance requirement for FY 2026 is $21,752,000.00, compared to $20,031,000.00 for FY 2025 Fund Balance requirement for an overall increase of $1,721,000.00. She stated there is sufficient Fund Balance Carry Forward to meet this requirement so there will be no impact on the millage rate or recurring expenditures.

Ms. Fowler referred to the chart on page 8, which addresses the General Fund Revenue by category, noting it is a composition of projected recurring revenues for this fund. She advised that ad valorem taxes make up 45% of the revenue to the General Fund, State Shared Revenue is 20.28%, and Ambulance Fees and Services is 12.59%, noting less than one quarter of the General Fund Revenue comes from Grants, Interlocal Agreements (ILAs), other taxes, etc.

Ms. Fowler addressed taxable property value and property tax revenue in the General Fund for FYs 2024-25 through FY 2028-29 projected. She stated the projected increase in taxable property values for FY 2025-26 is 8.6% and at the current millage rate of 3.3500 mills, that would generate approximately $10,000,000.00 of additional revenue (approximately $350,000.00 per one-hundredth of a mill). Ms. Fowler advised that if the projected increase in taxable property values is actually higher than 8.6%, for example if taxable property values increased by 10%, the increase would generate an additional $1,400,000.00.

In response to Commissioner Zalak, Ms. Fowler advised that last year the County had $1,600,000,000.00 in new construction, noting she did not foresee this year's figure being any greater than that.

Chairman Bryant suggested the Budget Department reach out to the Building Department staff to compare the number of building permits that are pulled annually. Ms. Fowler stated she would reach out to Building Department staff.

Ms. Fowler addressed the Local Government Half (½) Cent Sales Tax and State Shared Revenues for FYs 2019-20 through 2028-29. She noted the State collects the money and then redistributes those funds. Ms. Fowler clarified that Marion County does not receive all of the funds it collected, noting some of the money will be redistributed to other Counties who are revenue restricted on their taxable values. She stated inflation has driven up the cost of non-taxable goods (food, housing, etc.), which is taking disposable income out of households that would normally have been used on taxable goods. Projected collections for future years are presented with 1% annual increases representing growth and inflation utilizing FY 2024-25 State forecasted revenues as the base year.

Ms. Fowler addressed Ambulance Revenues for FYs 2019-20 through 2028-29 projected. She noted this form of revenue tracks closer with population and is estimated at a 2% growth rate.

Ms. Fowler referred to the graph on page 13 relating to General Fund Recurring Revenues FYs 2021 through 2029 Forecast and advised that she is projecting a 6.65% increase of the prior FY. The projected total General Fund revenue increase for FY 2026 is projected at 4.27%.

Ms. Fowler provided a brief overview of the taxable property value and property tax revenue for the Fine & Forfeiture Fund, noting property tax revenues in this particular fund comprise 95% of the revenue generated.

Ms. Fowler provided a brief overview of Gas Tax Revenues for the Transportation Fund, which includes the 1 Cent Gas Tax, Local Option Gas Tax, and the 7th Cent Gas Tax. She stated there was a decrease in revenue for FY 2024 Actual of -7.58% and for FY 2025 the projected revenue reflects a minimal decrease of -0.01%. Ms. Fowler commented on the impacts to this fund, which includes higher efficiency vehicles, electric vehicles (EVs), tax breaks, etc. She noted there may be a need for future, long term alternatives to generate revenue for this Fund, especially as it relates to EVs that do not pay a gas tax, but utilize the roadways.

Ms. Fowler provided a brief overview of the taxable property value and property tax revenue financial forecast FYs 2024-25 through 2028-29 Projected for the MSTU for Law Enforcement, noting this revenue source usually comes in at higher percentage than the Countywide due to the fact that there is more construction in the unincorporated portion of Marion County. She stated 95% of the revenue is taxable property (ad valorem) and not other revenue sources.

Ms. Fowler advised that she did not address the Solid Waste Fund nor the Fire Rescue and EMS Fund as those will be addressed by staff later in the meeting. She stated she has met with staff and their consultants who have answered all of her questions and concerns relating to recurring revenues and expenditures for those Departments. Ms. Fowler noted she has also reviewed information to ensure those Departments are projecting the appropriate Fund Balance to sustain those Funds in the future.

Commissioner Zalak out at 9:26 a.m.

In response to Chairman Bryant, Ms. Fowler stated she would work with the County Administrator to bring back information and an analysis relating to recurring expenditures, etc.

General discussion ensued.

Commissioner Zalak returned at 9:28 a.m.

Mr. Bouyounes advised that staff are currently working on the Fire, Rescue and EMS Assessment, noting the assessment is due for an update.

3. Solid Waste Assessment Update - Mark Johnson, Solid Waste Director

The following information was presented by Solid Waste Director Mark Johnson:

Description/Background: Mark Johnson, Solid Waste Director will present an update to the Solid Waste Assessment.

Budget/Impact: None.

Recommended Action: For information only.

Solid Waste Director Mark Johnson presented a 2 page handout entitled, "1/22 Workshop Follow Up"; a 1 page excel spreadsheet containing Operating and Capital Expenditures and Reserves; and a 1 page electronic mail (email) dated January 24, 2025 from Managing Director Jay Glover, PFM Financial Advisors, LLC. He stated the information presented is an update from the previous workshop held on January 22, 2025. Mr. Johnson advised that detailed information will be presented relating to Operational Reserves, debt coverage, additional Unrestricted Reserves, as well as recommendations from Marion County Clerk of the Court and Comptroller staff, Bond Counsel, and the Financial Consultant.

Mr. Johnson stated at the previous workshop one of the questions asked by the Board is what assessment rate is needed to balance the budget, noting it can vary depending on annual capital needs. He referred to page 19 of the Agenda packet, which reflects the option of a higher onetime increase in the assessment rate versus a phased-in annual increase option. Mr. Johnson stated another question the Board asked at the last workshop was, in each scenario/option, how does it affect the Department's Fund Balance after Operating Reserves. He referred to the 1 page spreadsheet containing Operating and Capital Expenditures and Reserves, noting the top of the page reflects the numbers for the one-time assessment increase and the bottom of the page reflects the phased-in assessment approach. Mr. Johnson provided an overview of the effect on the Unrestricted Reserve for both scenarios, noting the one-time assessment increase provided more Reserves to work with beyond the phased-in approach. He advised that another question the Board asked was whether the BCC has the authority to establish additional specified future year rates through an Ordinance, noting staff verified with the Legal Department that the BCC did have that authority. He stated he would refer to Mr. Minter for any questions the Board may have relating to this matter.

Chairman Bryant advised that Managing Director Jay Glover, PFM Financial Advisors, LLC, is appearing telephonically to answer any questions the Board may have.

Chairman Bryant advised that one of the questions the Board had at the previous workshop was if either of the proposed rate assessment scenarios would make a difference on the County's Bond rating. She referred to Mr. Glover's email dated January 24, 2025; wherein, he opined that "I don't think based on the information I have that I could say in good faith that the credit rating will be different under either scenario". The email further advised that "the only difference is the ramp up of Reserves, noting the one-time increase ramps up Reserve quicker".

Managing Director Jay Glover, PFM Financial Advisors, LLC, clarified that credit ratings are impacted by a number of things, not just the amount of Reserves, Debt Service coverage, etc., noting the overall economic condition of the County would factor into the credit rating. He advised that based on his review of the financial projections, it appears the County is not planning to access the Capital market for several years (FY 2027 or FY 2028), which allows the County enough time to get the financial situation where in needs to be in terms of eliminating the Deficit and building Reserves. Mr. Glover opined that the County could access the Capital Market under either assessment scenario.

Commissioner Stone referred to the 1 page excel spreadsheet containing Operating and Capital Expenditures and Reserves and noted Unrestricted Reserves will actually be much lower if the Board chooses the phased-in assessment option versus the one-time increase.

Chairman Bryant stated she prefers the phased-in approach.

General discussion ensued.

Mr. Minter advised that Chief Assistant County Attorney Dana Olesky researched this matter and he has spoken to Bond Counsel Chris Traber, Nabors Giblin & Nickerson (NGN) P.A., noting he agreed that a phased-in assessment approach can be utilized; however, it is not allowed under the current Ordinance. He clarified that the current Ordinance provides for an annual Rate Resolution. Mr. Minter commented on the importance of ensuring a proposed Ordinance is very clear as to what the maximum rate could be, noting if the County wanted to exceed that maximum rate it would have to hold a new public hearing. He advised that if the Board implements the phased-in approach, having that information/language in the Ordinance is good for the Bond markets.

Mr. Glover concurred with Mr. Minter, noting it is important for that action to be stated upfront as to what those increases would be over time (phased-in increases). He advised that once the Board has the outstanding bond, there will be certain financial covenants that must be maintained as legal obligations.

In response to Commissioner McClain, Mr. Johnson stated the Unrestricted Reserve is

what would be utilized for a storm reserve.
Mr. Bouyounes clarified that Unrestricted Reserve can be utilized by the Board for any emergencies that may come up.
In response to Chairman Bryant, Mr. Bouyounes advised that Restricted Reserves can only be utilized for landfill closures and cannot be used for storm emergencies.
Mr. Glover clarified that following a storm, there is ready access to capital revenue through external sources, secured by the General Fund, with expectations those funds would be reimbursed by the Federal Emergency Management Agency (FEMA).
In response to Mr. Minter, Mr. Glover clarified the borrowed General Fund monies would be non-ad valorem revenue monies from the General Fund.
In response to Chairman Bryant, Mr. Bouyounes advised that he is not sure whether FEMA reimbursement will cover the debt (interest incurred) if the County has to take out a loan for storms, noting it usually takes a year or longer to recover any FEMA reimbursements. He stated FEMA reimbursement is usually between 85% to 95% of the cost incurred. Mr. Bouyounes advised that the storm events last year (2024) cost the County approximately $33,000,000.00, noting the County received approximately 98% reimbursement.
In response to Commissioner Zalak, ACA Straub advised that the most recent storm (2025) cost the County approximately $2,600,000.00, noting the County is expecting reimbursement at about 98% due to the County meeting the timeline for cleanup.
Clerk Harrell advised that it was brought to his attention by the Clerk's Finance and Budget Departments that after FY 2021 there was an operating loss of $3,000,000.00, then $2,300,000.00 the following year, and then it jumped to an operating loss of $10,000,000.00 that had to come out of the Departments' Reserves. He stated it can become an issue when that amount of funds is coming out of Reserves and opined that sometimes what is doable is different than what is financially preferable. Clerk Harrell clarified that there is already an Ordinance in place (since 2007) relating to phasing in assessment rate increases that has not been adhered to, noting if it had been the assessment rate would already have been set at $150.00 as of 3 years ago.
General discussion ensued.
Mr. Bouyounes advised that there have been previous discussions relating to utilizing Reserves for funding Department operations back when there was a very healthy amount of Reserves, which was done instead of raising the rate. However, this is the year that action needs to be taken to address/adjust the assessment rates. He clarified that at this time there is still enough Reserves left to deal with a storm event.
General discussion resumed.
In response to Commissioner Zalak, Ms. Fowler stated the extra homestead exemption offers the property owner a $725.00 reduction in taxable value.
General discussion resumed in regard to the option of pre-setting the assessment rate in a proposed Ordinance.
Commissioner Stone expressed concern that the current Ordinance was not followed relating to annual assessment rate increases, noting her preference for the one-time assessment rate increase.
Commissioner Zalak stated he agreed with Chairman Bryant as it relates to utilizing a phased-in approach.
Commissioner McClain opined that he would rather see the Board implement a higher one-time assessment rate to ensure there would be enough Reserve if the County was to ever face a catastrophic storm event.

Commissioner Curry stated his preference would be the one-time assessment rate, noting it would accelerate the recovery for operating deficits, rebuild the Reserves for unforeseen events, and offer a financial stability to address long-term landfill capacity issues.
General discussion resumed.
Commissioner Zalak questioned if the Department truly needed a $40,000,000.00 storm reserve, noting if the County faced a catastrophic storm event it could always borrow the necessary funding.
Commissioner McClain opined that most citizens would rather pay $20.00 extra dollars to ensure there was enough funding rather than have to borrow money in the case of a catastrophic event.
Clerk Gregory C. Harrell clarified that the Clerk and Comptroller's Office would never recommend Reserve postures that are more than what should be asked of the public, noting the importance of being in a financially prudent position. He commented on the uptick of storms throughout the State.
In response to Commissioner Zalak, ACA Angel Roussel advised that as the Department developed its financial models, the Reserve Fund was not set at a hard amount; however, taking into account the cleanup costs associated with 2017 major storm event (Hurricane Irma) that came in at over $25,000,000.00 and including future inflation cost adjustments, it was determined the recommended Reserve amount should be set at $40,000,000.00.
General discussion ensued.
Mr. Bouyounes clarified that it is the Board direction for staff to bring back a proposed Ordinance with a proposed maximum rate of $225.00, with a one-time assessment rate increase of $215.00.
Clerk Harrell advised that Stantec Engineering; Bond Council Chris Traber, NGN; Jay Glover, PFM Financial Advisors; and County staff have been excellent to work with and have done a fantastic job relating to this matter.

4. Office of the County Engineer Recurring Revenue and Expenditures – Steven Cohoon, P.E., Office of the County Engineer Director

The following information was presented by County Engineer Steven Cohoon, Office of the County Engineer (OCE):

Description/Background: Steven Cohoon, P.E., County Engineer will present a financial snapshot of the recurring revenue and expenditures of the Office of the County Engineer.
Budget/Impact: None.
Recommended Action: For information only.

County Engineer Steven Cohoon, OCE, presented a 1 page handout entitled "Estimates of Transportation Revenue Fiscal Years 2022-23 through 2028-29" and 4 page handout entitled, "Office of the County Engineer Strategic Plan Update – Recurring Revenues and Expenditures" to follow along with the PowerPoint presentation.
Mr. Cohoon provided a brief update on the services provided and recent trends occurring at the OCE between FY 2017 through FY 2024. He advised that 87,834 signs were maintained in 2017 compared to 95,452 signs maintained in 2024; 4,078 rights-of-way (ROW) permit reviews were performed in 2017 compared to 15,746 ROW permit reviews in 2024; 3,863 ROW inspections occurred in 2017 compared to 20,219 ROW inspections in 2024, noting OCE staffing levels have remained relatively unchanged in this timeframe.
Mr. Cohoon stated there were times when inspections exceeded permits due to the inspector having to go out multiple times if the project did not pass on the first inspection.

He addressed the Sales Tax funding that has been expended from FY 2020 through FY 2024. Mr. Cohoon advised that FY 2025 has over $135,000,000.00 in Sales Tax funding assigned to projects while staffing levels in Engineering Services, Design Divisions, and Property Management Divisions have remained relatively unchanged since pre-Sales Tax era, even though the project load has increased. Examples of other services that continue to rise for the Property Management Division include Lease Agreement increases from 85 in 2019 to 169 in 2024; Road Closing increases from 4 in 2019 to 28 pending in 2025; and Plat Vacate increases from 9 in 2019 to 44 pending in 2025.

Mr. Cohoon referred to the handout entitled, “Estimates of Transportation Revenue Fiscal Years 2022-23 through 2028-29” and provided a brief overview of the funding sources from FY 2022 through FY 2028 (projected). He advised that Recurring Revenues consist of Gas Tax, fees collected from permit reviews, inspections etc., noting staff recently revisited the fee schedule and some fees have been increased and are providing additional revenue. Mr. Cohoon commented on Transportation Maintenance Fund trends (Operating and Personnel) and noted in FY 2024 there was a deficit in Recurring Revenues of $177,473.00.

Mr. Cohoon referred to page 23 of the Agenda packet, noting OCE is considering staffing additions and will work with Administration to further evaluate these changes as the Department works on the proposed budget. However, a few of these positions may be brought forward this budget year as funding allows in order for the Department to remain successful.

In response to Commissioner McClain, Mr. Cohoon advised that the Engineering Services Division of OCE works predominately on ROW and construction inspections, as well as final development inspections.

Commissioner Zalak questioned whether the Department is charging enough for the services being performed to be able to hire the new positions being requested. Mr. Cohoon advised that staff are looking to revise the fee schedule, noting there are some gaps. Commissioner Zalak opined that staff will need to bring back a new fee schedule that would support the new positions being requested. Mr. Cohoon stated it would be done.

Mr. Cohoon referred to the graph on the bottom of page 23, noting it reflects the downward turn/decrease of Transportation Fund Balance trends from FY 2021 to FY 2029 projected, while total expenditures increase. He opined that the Department will be good for a few more years with the current Fund Balance; however, over time staff will need to find another way to “beef up” the Transportation Maintenance Fund.

Chairman Bryant opined that the BCC needs to address this issue now so that this matter does not come back with the same issues as the Solid Waste Fund.

Commissioner Zalak questioned whether OCE staff are compensated or receive any allocation from Sales Tax revenue for their work (i.e., design) on road projects. Mr. Cohoon stated staff are not compensated, noting he will address this matter later in the presentation.

Mr. Cohoon advised that as the County continues to grow, transportation infrastructure needs as well as permitting and plan reviews increase, noting there is an expectation relating to a certain level of service (LOS) throughout the Department. He stated operating costs continue to increase even though staff levels have not significantly increased over the past decade. To remain successful and maintain or increase service levels for the community, additional staffing will be necessary. Mr. Cohoon opined that there are some potential avenues to increase revenue, and staff will continue to revisit internally to see how the Department can cut costs. He recommended the BCC remove cost allocation, which would free up approximately $1,400,000.00 for the Transportation Maintenance Fund. Mr. Cohoon also recommended increasing service fees for development review items, as well as evaluating the potential of billing costs for staff time (approximately 20% of project costs for design, inspection, etc.) back to projects funded from Sales Tax.

Mr. Bouyounes advised that in the past the Transportation Maintenance Fund did not pay into cost allocation because it is a Countywide type of fund that relies on Gas Tax revenues, noting there are very limited options for increasing revenues in this fund. He stated there is a millage rate set in the Transportation Maintenance Fund; however, it has been set at 0.000 of a mill for many years. Mr. Bouyounes noted unless the State of Florida changes its practices for indexing the Gas Tax it will become a depleted revenue source.

Commissioner McClain commented on the Florida Association of Counties (FAC) pushing for the State to address having owners of electric vehicles to start paying their fair share into these funds for road maintenance (i.e. through licensing and registration fees).

General discussion ensued relating to making this issue a Legislative priority.

Commissioner Stone questioned whether the County had to go through the Legislature to place a fee/tax on electric vehicles.

General discussion resumed.

Commissioner Zalak out at 10:28 a.m.

Mr. Bouyounes advised that staff will be scheduling a workshop to address the 5-Year Transportation Improvement Plan (TIP), as well as different options to advance priority road projects.

In response to Commissioner Stone, Mr. Bouyounes clarified that if the Board approves removing cost allocation from the Transportation Maintenance Fund, there will be an impact on the General Fund, which is where those cost allocation funds are added.

Commissioner Zalak returned at 10:29 a.m.

General discussion ensued relating to removing cost allocations and the effect on the General Fund.

Ms. Fowler provided a brief history of cost allocation, noting the Transportation Maintenance Fund is a Countywide fund. She clarified that the other Departments paying cost allocation are non-Countywide funds paying into the General Fund their proportionate share for services of the Human Resources (HR) Department, Procurement, Budget, Finance, County Administrator, etc. Ms. Fowler advised that in 2007 there was a recession that affected property taxable values, and the General Fund was losing revenue; however, the Transportation Maintenance Fund had steady revenues from Gas Taxes. It was the decision of the former County Administrator to start applying cost allocation to the OCE Department. She clarified that the current cost allocation is approximately $1,400,000.00, which would reduce the General Fund by that amount if the Board determined to remove the cost allocation.

General discussion ensued.

In response to Commissioner Zalak, Mr. Cohoon advised that eliminating the cost allocation would allow for the additional positions being requested.

Mr. Bouyounes clarified that this would be a temporary solution and opined that long term, the Transportation Maintenance Fund will be in trouble unless other revenue sources are authorized by the State.

General discussion ensued.

It was the general consensus of the Board to remove cost allocation from the OCE

Department.
Commissioner Stone out at 10:37 a.m.

5. Parks & Recreation Capital Improvement Program - Jim Couillard, PLA, ASLA, Parks & Recreation Director

The following information was presented by Parks & Recreation Director Jim Couillard:

Description/Background: Jim Couillard, PLA, Parks and Recreation Director will present an update on the Capital Improvement Program for Parks and Recreation to include funding options for the program.

Budget/Impact: None.

Recommended Action: For information only.

Parks & Recreation Director Jim Couillard advised that newly appointed Parks and Recreation Advisory Council (PRAC) member Curt Bromund is in attendance this morning.

Mr. Couillard referred to page 26 of the Agenda packet that reflected a list of projects and the different types of funding sources being considered. He stated the Fees Fund and General Fund would be utilized for the Department's Asset Replacement Program at a cost of $949,000.00. Mr. Bouyounes stated it would be one-time funding from the General Fund.

Mr. Couillard commented on the possibility of utilizing Impact Fees and/or a bond to fund proposed expansion projects. He advised that Impact Fees are utilized throughout the State to fund transportation, schools and park needs, noting district sizes and how those are created would depend on what the needs are in that area. For example, Regional Parks use a much broader collection area and Community Parks utilize a smaller district as a collection area. Mr. Couillard provided a brief overview of sample projects that could be funded through Impact Fees, including pickleball court expansions; a community park in the Independence Park/SW 49th Avenue area; a community park in Orange Blossom Hills (County owns 11 undeveloped acres); as well as a Regional Recreation Center along the west side of the County. He advised that he has spoken to the same consultant working with OCE and Marion County Fire Rescue (MCFR) and was given a preliminary estimate of $65,000.00 to $75,000.00 for conducting a Parks and Recreation Impact Fee Study and was given a proposed timeline of one month for data collection; four months to prepare the study; one to two months for the County's review of the draft report; two months for public meetings, for a total consultant timeline of 8 to 9 months.

Commissioner Stone returned at 10:40 a.m.

Mr. Couillard advised that he is looking for Board consensus to begin working with the consultant on the Study, noting he is looking at the current budget to determine if there is the funding necessary to move forward.

Mr. Couillard advised that another funding source previously discussed by the Board was the option to pursue technical assistance on a "Penny for Parks" type bond, noting he has spoken several times with Trust for Public Land organization. He stated the Trust for Public Land organization has over 30 years of experience running Conservation Finance Bonds and other types of funding strategies with a passing rate of 84%. Mr. Couillard provided a brief overview of a typical bond process, which includes conducting feasibility research, polling the community through a Public Opinion Survey; developing program recommendations; crafting ballot language; and starting the campaign. He opined that the Department could meet those milestones to have this on the next General Election ballot in 2026. Mr. Couillard addressed the possibility of having the Trust for Public Land organization perform work for the County through donations from other entities. He clarified that the other entities could include the Florida Wildlife Corridor Foundation (FWCF), etc.

Mr. Couillard noted if the Board decides to wait to address this matter at the Budget workshops, scheduled for July 2025, it will miss the opportunity to place the matter of the General Election ballot in 2026 due to the 16 to 18 month bond preparation process. He provided a brief overview of the initial steps necessary for bonding, which include crafting an authorizing Resolution; developing the list of projects, including any land acquisition; determining the amount of bonds and the term; determining the revenue source to use to repay the principal and the interest on the bonds and pledging funds to repay the bonds. A referendum is only required if the revenue source is from ad valorem taxation. Professionals in a typical bond transaction team include the local government attorney; a bond counsel; disclosing counsel; bond consultant; an underwriter; and a financial advisor.

Commissioner Zalak questioned what projects would be eligible using bond funding. Mr. Couillard advised that a majority of the proposed projects are capital improvements and one-time expenditure projects, noting he was not sure of the exact parameters that would be required of the bond. He clarified that the previous Pennies for Parks funds were utilized for capital and land acquisition projects (no machinery or equipment was purchased). Commissioner Zalak opined that there needs to be an operational apparatus and funding source rather than just buying land. He emphasized the importance of having a strategic plan that integrates park expansions with the existing County infrastructure and services. He opined that the concept of financial sustainability should be at the core of any development, ensuring that new projects align with the financial capacity and strategic goals of the County.

Mr. Minter clarified that maintenance, and operating costs are not considered as capital expenditures, noting capital expenditures are related more to design engineering for a new park, etc.

In response to Chairman Bryant, Mr. Couillard stated he would bring back more information and guidelines relating to bonding restrictions.

General discussion ensued.

Mr. Couillard provided an update on the Rotary Sportsplex project, highlighting a significant $428,000.00 funding deficit that is hindering the project's progression. He emphasized the challenges faced due to this shortfall and the efforts being made to address the issue, noting staff had initially approached potential sponsors to bridge the deficit, but as of yet, they had not secured the necessary commitments to move the project forward.

Chairman Bryant passed the gavel to Commissioner Zalak, who assumed the Chair.

Commissioner Bryant out at 10:55 a.m.

6. McPherson Campus Study - Jared Goodspeed, Facilities Director

The following information was presented by Facilities Director Jared Goodspeed:

Description/Background: Jared Goodspeed, Facilities Director and representatives from Partner Engineering and Science, Inc., will present the results of the McPherson Campus Study.

Budget/Impact: None.

Recommended Action: For information only.

Facilities Director Jared Goodspeed stated staff was tasked one year ago to review and perform an operational study relating to the McPherson Campus and its aging infrastructure. He introduced Michael LaFalce and William Marcus from Partner Engineering Services, Inc.

Michael LaFalce, Partner Engineering Services, Inc., advised that they were engaged by Marion County to perform a Strategic Planning and Operation Study to help the County with their decision making process for the 16 County owned buildings, and to provide space planning metrics to help develop the current growth strategy of the County for the next 40 years. He stated an initial Study of the deferred maintenance and future capital replacement costs for the 16 buildings was performed by Partner Engineering Services in 2021. Mr. LaFalce advised that the initial Study was updated to include a comparison of costs over a 40-year period for maintaining existing buildings versus constructing a new consolidated facility and, as part of that process, a space utilization study was also conducted.

Commissioner Bryant returned at 10:58 a.m.

Chairman Zalak returned the gavel to Commissioner Bryant, who resumed the Chair.

Mr. LaFalce addressed facility condition expenditures for both scenarios to help evaluate the long-term financial implications. He commented on the Facility Condition Index (FCI), which is a ratio of the deferred maintenance as it relates to the replacement value of the buildings. An analysis of the FCI was performed for each building, highlighting those in need of significant repairs. The FCI was used to determine the extent of deferred maintenance as a percentage of the building's replacement value. Buildings with a higher FCI were identified as priorities for repairs due to their increasing operational costs.

General discussion ensued in regard to the current state of some County buildings.

In response to Commissioner Zalak, Mr. Goodspeed advised that some buildings such as Green Clover Hall that had initially high FCI scores had since been upgraded (ceilings, carpet, underground geotechnical work, etc.) thanks to in-house efforts by the facilities staff.

In response to Chairman Bryant, Mr. Goodspeed stated the Congress Office, and the Administrative building have also been upgraded, which lowers their FCI scores.

Mr. LaFalce referred to the graph on page 35, which reflects the initial costs to construct a new consolidated facility is estimated at $113,750,000.00 versus the immediate estimated costs of $93,782,389.00 to upgrade/maintain existing buildings. He advised that a consolidated facility appeared to offer potential savings over time compared to maintaining multiple aging structures. The analysis took into account capital replacements of almost all components of the existing buildings. Mr. LaFalce opined that the new facilities would offer more flexibilities including enhanced work environments, business synergies (co-locating Departments that currently operate independently), new technology, security, and energy efficiencies. As part of these strategies, case studies from other Counties that implemented hybrid environments were considered, offering insights into reducing overall space needs with creative solutions.

Commissioner Stone questioned whether the study included other Departments/buildings that are not located at the McPherson Complex that could possibly need growth consideration (i.e. Marion County Utilities (MCU)). Chairman Bryant noted it is included in the Study.

In response to Commissioner Zalak, Mr. LaFalce stated the firm reviewed all of the current floor plans and calculated the square footage for each building, taking into consideration the number of employees, etc.

General discussion ensued regarding the possibility of selling some of County owned property at the McPherson Complex to help fund this project including the potential viability of mixed-use developments on existing lands, which could include retail or commercial elements. Such developments may generate revenue streams to offset construction and operational costs, enhancing financial sustainability.

It was the general consensus of the Board for staff to bring this matter back for further discussion.

Mr. Goodspeed referred to page 40, which reflects the option of constructing the County Administration Office buildout. He opined that this option could alleviate some of the compression that is occurring at this time.

Chairman Bryant noted she would prefer for staff to bring back the other requested information (building a new facility) before the Board makes any decision on expanding the current facility.

Mr. Bouyounes opined that something needs to be done on a temporary basis to provide more space for certain Departments, especially for the County Attorney's Office, and the Public Information Office (PIO).

Mr. Goodspeed clarified that his Department has been tasked to look at each Department and as their full time employee (FTE) increases, there will be a capital cost due to current office space restrictions. He stated his staff have been working with the Legal Department for over a year and a half to try to provide more office space.

General discussion ensued in regard to the workload for the PIO.

Commissioner Stone questioned whether the Tourist Development Council (TDC) is helping to fund some of the outside advertising performed by PIO staff. Mr. Bouyounes advised that the TDC does fund part of those costs.

Commissioner Curry commented on the decisions that need to be made in the interim.

Commissioner McClain questioned if there are any work from home policies within County Departments. Chairman Bryant noted there has been previous discussions and opined that there are some functions (data input) that could certainly be done from home. Mr. Bouyounes advised that there is a goal in the Strategic Plan to determine how to meet that goal and to see who can work from home efficiently.

ACA Amanda Tart advised that Administration has been working on a remote policy, noting the Information Technologies (IT) Department does have several employees who work remotely. She stated staff are looking to add the Procurement Department to begin a pilot project. Ms. Tart noted there is a draft policy that could come to the Board for consideration if that is the direction.

General discussion ensued relating to a hybrid work model.

Mr. Bouyounes stated there were some Risk Management concerns relating to worker's compensation, insurances, etc. Ms. Tart concurred, but noted those have been worked through. She stated the next step would be for staff to meet with the County Attorney and County Administrator to go over staff's final recommendation.

Commissioner Curry out at 11:36 a.m.

7. Facilities Capital Project Update - Jared Goodspeed, Facilities Director

The following information was presented by Facilities Director Jared Goodspeed:

> Description/Background: Jared Goodspeed, Facilities Director will present an update on Facilities Capital Projects.
>
> Budget/Impact: None.
>
> Recommended Action: For information only.

Facilities Director Jared Goodspeed provided a comprehensive update on various capital projects that the County is undertaking. Capital projects include Fire Station 2 in Citra (This project is on track for final completion by February 28, 2025). He stated the Freedom Library project is moving forward in two phases. Phase 1 is expected to reach completion in November 2025, followed by Phase 2 in April 2026. Mr. Goodspeed addressed the Animal Services Facility, noting this facility is currently under construction. Phase 1 is completed and Phase 2 includes constructing the Administration building and the first 2 kennels, with the final 2 kennels completed once there is funding in place. The Employee Health Clinic is planned with a proposed Certificate of Occupancy (CO) expected by June 2025. The building is located near the Appleton Museum and is currently undergoing roof replacement and interior demolition to prepare for its new function as a health facility. In regard to the Fleet Building, there are discussions pending regarding its funding. Facilities staff are evaluating design finalizations and identifying potential funding sources to move this project forward. The Fire Station 11 project is experiencing budgetary shortfalls; however, with Sales Tax implications and utility increases, staff are strategizing how to address the funding gap and complete the station in a timely manner. He provided a brief update on the Martell Driving Pad project, noting previous bids have come back at higher costs than anticipated at $4,300,000.00, prompting a reassessment of the project scale and scope. Mr. Goodspeed commented on the Jail Expansion project, noting the jail is undergoing redesign of the kitchen and laundry room. Staff also designed the jail as a full build-out; however, the project scope was too large and the capital costs would have exceeded the budget. He advised that the Sheriff is planning to include 2 to 3 new pods over the next 10 years to accommodate future inmate growth, noting staff are currently designing 1 medium security pod and 1 high security pod.

Commissioner Curry returned at 11:40 a.m.

Mr. Goodspeed commented on fire training and fire station prototypes, noting staff are in negotiations with Monarch Architecture to develop a new prototype standard. He stated there are quite a few planned to be built utilizing Sales Tax funding. Both projects are currently in programming and concept design. Mr. Goodspeed advised that the last capital project to be updated is the Marion County Sheriff's Office (MCSO) Forest District request for a new office, noting the current office is one of the oldest Sheriff District Offices. He stated the project is proposed to be included in the General Fund CIP for funding FY 2026 in the amount of $1,825,031.00. Mr. Bouyounes clarified that this project is not on the Sheriff's list to be funded through Sales Tax revenue. He opined that a lot of project prioritization needs to be done as it relates to Sales Tax projects, noting the needs exceed what revenue will be generated. Mr. Bouyounes stated he would reach out to Sheriff William "Billy" Woods to discuss project prioritization needs.

Commissioner Zalak opined that the request for the Forest District Office project needs to be funded by Sales Tax (based on a priorities list) and removed from the General Fund CIP. It was the general consensus of the Board to concur.

8. Staffing Assessment and Compensation - Amanda Tart, Assistant County Administrator

The following information was presented by ACA Amanda Tart:

Description/Background: Amanda Tart, Assistant County Administrator, will present an update on staffing levels and compensation.

Budget/Impact: None.

Recommended Action: For information only.

ACA Amanda Tart presented an update on staffing and compensation across County

Departments. She advised of the decrease in turnover rates, attributing the improvement to the Evergreen Study, training programs, and outreach efforts. Ms. Tart commented on the 78 new positions approved for the current 2024/25 FY, noting 37 were for Fire Rescue and Emergency Medical Services (EMS) and 41 were other Departments positions, with 50% of those positions already being filled. She commented on the average time it takes to fill positions, which has improved to 25 calendar days from the date of job closing to start date.

Commissioner Zalak expressed concern about the length of time it takes to bring a new employee onboard.

Commissioner Curry was excused at 11:45 a.m.

General discussion ensued.

Chairman Bryant requested staff set a goal on reducing this time to 21 days of job closing to start date.

Ms. Tart stated staff has identified several difficult to fill positions, which include engineers, planners and trade technicians; as well as difficult to retain positions including utilities field technicians and utilities lift station technicians. She noted for FY 2021/22, the turnover rate for the technician positions was 30% and for last FY the turnover rate was 40%. Ms. Tart provided a brief overview of some of the solutions for vacancies and retention, which consists of proposed salary increases for the upcoming budget, including a 2% Cost-of-Living Adjustment (COLA) and 3% for merit increases. Another solution consists of partnerships with colleges and universities for interns and career fair participation. She addressed the implementation of new software (GovInvest) to compare compensation with other Counties including Alachua, Hernando, Pasco, Polk, Sumter, Volusia, Lake, and Flagler, as well as the City of Ocala. She provided a brief overview of the software platform.

Ms. Tart provided updates on health insurance, self-insurance, and the wellness program. Self-insurance claims for the current FY are $10,668,844.00, which is up from the past couple of years. She stated there is approximately $7,570,563.00 currently in Reserves, which meets the 60 day threshold required in order to be self-insured. Ms. Tart advised that approximately $4,800,000.00 came out of those Reserves that was transferred over to Capital projects, which will fund the building and start up costs for the new employee clinic. She commented on the County's Wellness program, which has 486 employees earning wellness credit and 226 participants in the weight loss challenge. Ms. Tart noted there were approximately 2,300 visits to the Wellness Center. She addressed the re-negotiated Heart of Florida (HOF) contract, noting last October the County paid the HOF $19,500.00 for its services to employees. Ms. Tart stated this year for October 2025, the County has only paid $991.00.

Ms. Tart provided a brief overview of potential staffing increases for FY 2025/26, noting the list of Departments in need of 1 or more new positions including Information Technology (IT); Fleet; Facilities; Animal Services; Library Services; Public Relations (PR); Planning and Zoning; Code Enforcement; Utilities; Public Safety Communications (PSC); Solid Waste; Building & Safety; 911 Management; MCFR; and OCE. These potential staffing increases will first be vetted by County Administration prior to coming before the BCC in July, 2025.

Ms. Tart addressed other proposed Countywide changes for FY 2025/26, which would include an 8% increase in health insurance and the creation of a new Cost Center (for the Employee Health Fund) and deleting the current employee clinic budget for a General Fund savings of $285,166.00. She advised that the current Clinic Manager Robin

Robarge, RN, will serve as the liaison between the new clinic provider and the County to ensure a smooth transition. Ms. Tart noted there is no estimated increase at this time relating to the County's property insurance for the upcoming FY. She commented on proposed salary increases that would include a 2% COLA increase and setting aside 3% for merit increases, which would have a cost to the General Fund of $2,415,912.00 and for other Enterprise Funds the cost would be $2,130,740.00. Ms. Tart addressed the Collective Bargaining Agreement (Fire Rescue) that would include a 2% COLA increase across the board, 2% education incentive, 5% loyalty incentive (every 5 years), which would be a cost to the General Fund of $701,516.00 and the Fire Fund $1,001,212.00.

9. Utilities Pay Grades - Utilities Director Tony Cunningham, P.E., Utilities Director

The following information was presented by Utilities Director Tony Cunningham:

Description/Background: Tony Cunningham, P.E., Utilities Director will present to the Board regarding the Utilities department pay grades and staffing levels

Budget/Impact: None.

Recommended Action: For information only.

Mr. Bouyounes advised that in 2012 the BCC reduced Utility rates and the last time the rates were increased was in 2016.

Chairman Bryant expressed her appreciation to Mr. Cunningham and his staff who attended the meeting with her at Oak Run to address citizen concerns and questions relating to their wastewater treatment plant. She opined that the BCC made the right choice when hiring him as the new Utilities Director.

Utilities Director Tony Cunningham provided a hybrid assessment of the Utilities Department, noting the Department delivers a consumer product that taps into people's home 24 hours a day/7 days a week/365 day per year. He stated the Department works in a highly regulated, ever changing industry; wherein, customer service has to be consistent at a very high level. Mr. Cunningham noted the Utilities Department also has a heavy CIP. He stated there are over 120 employees, almost all of whom have some sort of licensure, certification, or advanced education. Mr. Cunningham advised that the Department is charged with delivering water and managing wastewater for over 120,000 people through 49,000 connections, with operations covering more than 15,000,000 gallons of water and 3,000,000 gallons of wastewater daily.

Mr. Cunningham commented on 4 important priorities: 1) meeting regulatory requirements; 2) maintaining excellent customer experience; 3) maintaining infrastructure; and 4) training and keeping workforce. He advised that the Department is struggling significantly with retaining skilled field personnel and engineers. This issue is primarily attributed to intense competition from private sector companies and other utility firms, which often offer more attractive salary packages. Challenges have been heightened due to the competitive nature of the workforce market, especially with recent industry trends that have seen a substantial injection of funds into the water and wastewater sectors. This financial influx has led to numerous projects, thereby creating greater demand for consulting expertise and making it harder for the County to compete for essential engineering and technical talent. Mr. Cunningham addressed the various challenges faced by the Department, particularly the high turnover rates for utility technicians, which reached an alarming 40% in the most recent fiscal year. He advised of several focus areas to address these workforce challenges, including examining compensation adjustments for field personnel, especially at the entry level, where retention rates drop off sharply once technicians receive further training and licensing. Mr. Cunningham also proposed enhancing benefits for engineers to make the Department more competitive with private sector opportunities.

Mr. Cunningham commented on the importance of having a workplace where staff can flourish and work well together. He stated an important part of this process is “on-boarding” and noted there are a lot of statistics that show if a company does a good job with “on-boarding” into the organization there is a 60% better retention rate. Mr. Cunningham advised that he plans to return to the Board in February 2025 with more detailed proposals on staffing modifications and compensation structure changes for immediate implementation, noting a broader discussion regarding additional staffing needs and long-term strategic planning will be addressed during the FY 2026 budget process.

Mr. Bouyounes commented on the importance of protecting the County’s service area, especially with new development coming onboard/connecting, noting it provides an economic benefit to the utilities to add more customers and will help keep the rates the same.

BOARD DISCUSSION AND CLOSING COMMENTS

Chairman Bryant stated it is the Boards direction to staff to keep the millage rates flat.

Commissioner Zalak opined that staff would need to justify any new positions being requested during the upcoming budget process. He requested staff prepare a comprehensive breakdown of General Fund allocations for each Department and Constitutional Officer. This breakdown is intended to guide budget discussions and provide a clear understanding of how funds are distributed across various entities. Commissioner Zalak opined that having a detailed breakdown would give everyone a goal and start the budget process more transparently, rather than waiting until July to get other budgets without clear direction. It was the general consensus of the Board to concur.

There being no further business to come before the Board, the meeting thereupon adjourned at 12:21 p.m.

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Kathy Bryant, Chairman

Attest:

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Gregory C. Harrell, Clerk

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