



NORTHEAST FLORIDA REGIONAL COUNCIL
Personnel, Budget, and Finance Policy Committee
July 2, 2009

MINUTES

A meeting of the Northeast Florida Regional Council (NEFRC) Personnel, Budget, and Finance Policy Committee was held on Thursday, **July 2, 2009**, at 9:00 a.m., at the Northeast Florida Regional Council, 6850 Belfort Oaks Place, Jacksonville, Florida 32216. **Chairman Williams** called the meeting to order with the following members present representing a quorum:

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|-------------|------------|----------------|
| Hugh Fish | Chip Laibl | Jane Miller |
| Robert Page | Bob Sgroi | Larry Williams |

Absent: Art Graham, Cyndi Stevenson

Staff: Brian Teeple, Mario Taylor, Donna Starling, and Sheron Forde

*Approval of Minutes

Chairman Williams called for a motion on the June 4, 2009 minutes. Mr. Sgroi moved approval, seconded by Commissioner Laibl; motion passed unanimously.

*May 2009 Financial Report

Ms. Starling reported that the Council posted a net loss of \$26,792 for the month of May, which was anticipated due to the Reality Check event that occurred during this same month. The year-to-date net loss is \$133,288. The revenues for this same time were \$225,834 with year-to-date revenues of 3,114,483. The expenses were \$252,627 with year-to-date expenses of \$3,247,771. Based on preliminaries, the Council is expecting a loss again in the month of June due to charges related to Reality Check that is expected to continue for the next few months. Also, an additional week of payroll to close out the State's fiscal year will contribute to the loss. Discussion followed.

Chairman Williams inquired if staff anticipates any other future monthly losses directly attributed to Reality Check after next month. Mr. Teeple stated that there are three items remaining, three expert panels to review the results of Reality Check, the development of the final report and seven county based Reality Check game days. He added that these activities are an allowable expense in the DCA contract and staff will be utilizing that funding source to cover the costs.

Mr. Fish arrived during discussion of this item.

Chairman Williams called for a motion on the May 2009 Financial Report. Mr. Fish moved approval, seconded by Commissioner Laibl; motion passed unanimously.

*FY 08/09 Revised Proposed Amended Budget

Ms. Starling stated that both she and Mario Taylor met with Councilman Bishop on June 23rd to respond to the concerns he had on the budget. It is believed that Councilman Bishop's concerns have been fully

answered to his satisfaction. Ms. Starling distributed a handout depicting the details regarding the programs that were part of the direct expenses questioned by Councilman Bishop at the June 4th Board meeting. Pending this Committee's review, this handout will be provided to Councilman Bishop at the Board meeting today. She also indicated that page two of the handout is in response to Commissioner Bryan's request regarding the Council's fees for services. Ms. Starling added that in reviewing the entire budget, an error was discovered in the calculation of the common and indirect costs. She stated that the tenant revenue that is part of the common and indirect cost normally offsets the expenses for the common and indirect costs. The mistake increased our loss from \$126,000 to \$234,000. Mr. Taylor added that, after careful review of the revised budget, no other discrepancy was found; all other items remained the same. He stated that Councilman Bishop did inquire if, going forward, we could present more specifics on each of the line items. Mr. Teeple provided additional overview of Councilman Bishop's concern and staff's response via the handout that was provided to the Committee members. Discussion ensued.

Chairman Williams recommended that in the future, should staff be requested to provide more detail, their response should be provided through this Committee for consideration. An invitation to sit in on this Committee meeting could be made to interested members of the Board. Mr. Teeple stated that staff will provide this Committee or the full Council with whatever level of detail desired.

Chairman Williams called for a motion on the FY 08/09 Revised Proposed Amended Budget. Mr. Sgroi moved approval, seconded by Ms. Miller; motion passed unanimously.

*Proposed Budget FY 09/10

Ms. Starling stated that, based on the Interlocal Agreement, a budget must be brought before the Board by July 15th of each year with the fiscal year beginning October 1st each year. She then provided an overview of the proposed FY 09/10 budget highlighting some of the factors involved with the development of the proposed budget. It is expected that the revenue and expenses for the year will be approximately \$2.88 million; a decrease of approximately \$3 million from the current year. This is mainly due to the fact that the Hurricane Study, which was a three-year study, is ending in early FY 09/10. Other revenues in the Emergency Preparedness area also decreased as some of their programs will be ending in FY 09/10 and further funding for those programs are uncertain at this time. Planning and Development (P&D) funding remains relatively constant for now. A reclassification of funding for the CEDS program was made as some P&D staff also works on the CEDS program. Additional anticipated revenue was factored in for Emergency Preparedness and P&D to meet their estimated salaries and expenses. Tenant revenue decreased slightly due to a current reduction of space. Mr. Teeple added that due to the current economy and the effects this is having on our member counties, the County dues will not be increased this year. Ms. Starling also mentioned a reduction in salaries and fringe benefits due to reduction in the number of employees from 35 to 23; direct expenses decreased associated with the reduction in revenue for Emergency Preparedness and the Reality Check program that is expected to be completed this year; common and indirect costs remain relatively constant and staff will continue to monitor those charges and cut costs where possible; the general fund will decrease slightly due to the static County dues and staff's efforts to balance the budget at this point in time. Also, there will be no staff raises again this year. Discussion ensued.

Chairman Williams inquired if an anticipated revenue number was provided during the last budget cycle and how the Council did in matching that number. Mr. Teeple stated that an anticipated revenue number was provided previously; however, as the fiscal year is not yet complete, he could not answer

the question. However, it is something that staff can look at to see how well we've done and provide a response. **Chairman Williams** further inquired about the significant decrease in the Emergency Preparedness Program area. Mr. Teeple stated that some of the decrease is due to some programs coming to an end as well as a trend at the Federal government level, with regard to Homeland Security, funding is shrinking. Mr. Taylor added that recently the State made a decision, for this coming year regarding the Regional Councils to compete for programs above \$25,000. Higher funded programs are no longer automatically offered to the Regional Councils. Mr. Teeple mentioned that the notices regarding the County dues will go out following the Board meeting and requests the member's support with their local governments. The Council has been very responsible and has dipped into its reserves in order to keep the county dues constant from last year.

Chairman Williams inquired how the NEFRC is doing on a comparison basis with the other Regional Councils. Mr. Teeple stated that some of the Councils with rural counties do a lot of work for their local governments and the fact that some are also a Metropolitan Planning Organization (MPO) and receive federal funding to run their MPO. Those that are MPO are fairing much better as they have federal funding coming in. The NEFRC has a good statewide presence, which is why we get to manage contracts on a statewide level. Mr. Teeple stated that he believes that we will come out well once the worst is over. Mr. Taylor added that the NEFRC's stature has not changed; however, for those Council's who work heavily with their local governments, once the local governments begin to become affected by the costs savings efforts, it will have an impact on the Councils, even those with MPOs. Discussion followed regarding the effects of Councils and MPOs.

Chairman Williams called for a motion on the FY 09/10 Proposed Budget. Mr. Sgroi moved approval, seconded by Ms. Miller; motion passed unanimously.

Next Meeting Date and Location

The next meeting is scheduled for Thursday, August 6, 2009, at 9:00 a.m., at the Northeast Florida Regional Council, 6850 Belfort Oaks Place, Jacksonville, Florida 32216.

Adjournment

There being no further business before the Committee; the meeting was adjourned at 9:55 a.m.