EMERGENCY BUDGET MEETING

Commission Board Room
Dixie County Courthouse
214 NE Hwy 351, Cross City, FL 32628
August 31, 2026 – 4:30 PM

The Board meetings are audio recorded. The public can hear and participate in the meeting via conference call by dialing 1 469-551-3616 and enter code 908825494#

COMMISSIONERS
Mark Hatch, District 3, Chairman
Jody Stephenson, District 1
Daniel Wood, District 2
Jamie Storey, District 4, Vice Chairman – Not present
David Osteen, District 5

STAFF
John Jenkins, County Manager
Roy Bass, Assistant County Manager
Martha McCaskill, Administrative Asst/Grant Coordinator – Not present
Chana Watson, County Attorney
Barbie Higginbotham, Clerk of Court
Brenda Royal, Chief Financial Officer
Christie Zander, Deputy Clerk

CALL TO ORDER

Chairman Mark Hatch called the workshop to order and welcomed all attendees, thanking everyone for coming.

INVOCATION AND PLEDGE TO THE AMERICAN FLAG

Chairman Hatch led the Invocation and Commissioner Wood led the Pledge to the American Flag.

DISCUSSION

Transportation Revenue Update
Presenter: Brenda Royal

- Reported receiving three new transportation revenues about 30 minutes before the meeting.
- Current projection: approximately $35,000 less in transportation revenues than the current operating level.
- The local option revenue had not yet dropped; it is expected imminently and is key to finalizing transportation’s position.
- Ms. Royal is hopeful that the remaining revenue will be slightly higher, allowing minor adjustments (“tweaks”) and potentially an acceptable cash carry-forward for transportation.

EMS Budget & Grants
Presenter: Ms. Royal, with EMS leadership

- Ms. Royal met with Chief Brown and staff earlier that day.
- Many current-year EMS expenditures will not carry into next year due to projects and bills being completed and paid this year.
- Contractors will bill a significant portion of EMS-related work in the next few days, easing next year's burden but making this year "rocky."
- EMS and finance believe they can balance the EMS budget based on current numbers and proper use of impact fees and grants under Board approval.
- Later discussion confirmed:
    - Last meeting indicated a $1.1M shortfall for Fire/EMS combined.
    - After adjustments (especially moving grant and construction expenditures back into the current year), the remaining EMS gap is now estimated at approximately $353,000 and expected to narrow further once all numbers are finalized.

Fire Assessment & Proportional Rates
Presentation of Fire Rate Scenarios
Presenter: Attorney Chana Watson

- Focused only on fire assessment rates, not solid waste ("don't poke the bear").
- Current non-residential (commercial) fire assessment rate: $0.12 per sq. ft., generating about $1.4 million.
- Sandra Neubarth from Accenture re-ran scenarios at $0.15 to $0.22 per sq. ft., keeping the structure "proportional":
    - At $0.15/sq. ft., projected revenue: $1.5 million – an increase of ~$117,000 over current.
    - At $0.22/sq. ft., difference from current revenue: ~$764,533 (Chana and Brenda both cited this difference tied to the $205 per residential unit scenario).
- Consultant's Nabors, Giblin & Nickerson's model pairs commercial rates (cents per sq. ft.) with residential unit rates (flat amount) in "proportional" combinations:
    - Example: $0.15/sq. ft. ≈ $145 per residential unit.
    - $0.22/sq. ft. ≈ $205 per residential unit.
- "Proportional" in their formula is based on:
    - Relative utilization of service (call volume, man-hours, apparatus hours).
    - The much higher resource intensity of commercial fires versus residential.
    - Distribution of required revenue across categories (residential, commercial, ag, etc.) to reach a target total.

Discussion on Proportionality & Fairness
Key Speakers: Chairman Hatch, **Commissioner Stephenson**, **Fire/EMS leadership**

Chairman Hatch:
Questioned whether the proposed changes are truly proportional if commercial appears to increase at a higher rate than residential.

    - Emphasized that if residential is raised 10%, commercial should also be raised 10% in his view.
    - Noted that in 2021, the Board had previously "maxed out" the assessment based on a five-year study, with no gradual step-up, to catch up after years of underfunding.

- **Commissioner Stephenson**:

- Argued that you cannot be truly proportional until all classes are caught up to where they should be, and one class (commercial or residential) isn't significantly behind.

Fire/EMS representatives:

- Explained that commercial fires often use 15–20 times more manpower and resources than a typical residential structure fire (e.g., Swannee Lumber, Flying Hawk).
- The consultant's formula uses call data, man-hours, equipment utilization, and NFPA guidelines to weight costs by category.
- The study methodology is widely used and has withstood court challenges in other jurisdictions.
- Clarified that references to recent large fires (e.g., Swannee Lumber) are illustrative; the formal study was based on data sets available at the time (prior to some recent events).

- Consensus: The Board needs clear factual explanation from the consultant (Sandra Neubarth) on:
  - Exact proportional formulas used.
  - How commercial vs. residential percentages were derived.
  - The recommended target rates vs. Board's current tentative decisions.

Historical & Economic Context
Primary Speaker: Chairman Hatch, with input from others reviewed past decisions affecting fire funding:

- One-cent sales tax originally for the jail was later directed into the general fund.
- A SAFER grant funded 15 firefighters; when voters rejected making that support permanent, the county had no clear way to fund those positions, and volunteers declined.
- Five-year fire assessment studies (Niblock) were commissioned multiple times to reset rates.

- Stressed the fiscal impact of the state-mandated $15/hour minimum wage, which:
  - Raised part-time and base wages significantly.
  - Added roughly $426,000 per year in part-time labor costs for solid waste site operations alone (later updated to a higher current-year figure).
- Expressed concern that:
  - Higher commercial fire assessments could force businesses to close or leave, and
  - Without businesses, the county cannot sustain services regardless of the fire protection assets in place.
- Economic development challenges noted:
  - Difficulty recruiting large investors (e.g., $100M+ projects).
  - Impacts from hurricanes and broader infrastructure issues (interstate access, school grades, broadband, water/sewer, ISO ratings).

Staffing, Service Levels, and Risk
Speakers: Fire/EMS leadership, Commissioners

Current staffing & equipment:

- Some fire apparatus are 20+ years old, several 12+ years past recommended replacement.
- Base fire employees currently at or near $15/hour, with paramedics higher.
- Previous cuts already eliminated three staff positions from EMS this year.

- **C**onsequences of further cuts:
    - Fire leadership repeatedly stated: any further reductions in the fire/EMS budget will result in staff layoffs and closing of an ambulance and/or fire stations.
    - Fewer firefighters and apparatus reduce the county's ability to:
        - Meet NFPA minimum staffing recommendations.
        - Maintain adequate ISO (insurance) ratings.
        - Provide response capacity needed for commercial insurance coverage.
    - Loss of adequate fire protection would further discourage commercial investment and could cause existing businesses to lose insurability.
- Call volume and growth:
    - Noted increases in call volume and new housing (addressing data rising from dozens to hundreds per year).
    - Anticipated growth related to a future highway expansion currently proceeding northward.

General Fund Financial Status
Presenter: Brenda Royal

- Cash on hand (General Fund) as of the meeting: approximately $379,951.42.
- Immediate obligations:
    - Approximately $700,000+ required to pay:
        - Constitutional officers' requisitions.
        - Insurance payments.
        - End-of-month bills already on the clerk's desk.
    - Resulting in an overall shortfall of roughly $700,000 to cover near-term obligations, even before considering desired cash carry-forward.
- Cash carry-forward:
    - Brenda is not comfortable assigning a definitive cash carry-forward figure for General Fund yet, as:
        - Current bills significantly exceed cash on hand.
        - Audit and final year-end adjustments for FY 24–25 are still in progress.
- Interfund relationships:
    - General Fund has historically subsidized other funds such as Transportation, meaning surpluses in those funds effectively belong to General Fund.
    - She cited past ARPA funds previously sitting in General Fund (approximately $4–5M) that have now been spent, and thus no longer provide cushion.

Hurricane Accounts & Interfund Transfers
Presenter: Brenda Royal, with Board discussion

- **Helene Account**:
    - Debris removal grant: $1.4M was available; approximately $800K spent locally, and $700K later had to be sent back.
    - This left $100K+ effectively owed to General Fund, which had already fronted the expenditures.
- **Idalia Account**:
    - Historical discussions and prior reconciliation work indicate that Idalia-related funds also owe General Fund, with a reasonable working figure of approximately $250,000.

- All interfund movements are tracked as “due to/due from” entries in the general ledger, not as disappearing balances.

Motion – Transfer from Hurricane Funds to General Fund

- **Motion: Transfer approximately $100,000 from Hurricane Helene and $250,000 from Hurricane Idalia to the General Fund, recognizing them as amounts owed back for prior General Fund expenditures, and use these funds to help pay current obligations (including approximately half of constitutional officer requisitions and payroll).**
  - **Motion made by: Commissioner Osteen**
  - **Seconded by: Commissioner Stephenson**
  - **Vote: Motion passed unanimously.**
- This brings General Fund effective resources to roughly:
  - $379,951 (current cash) + $100,000 (Helene) + $250,000 (Idalia) $729,951
  - Sufficient to cover payroll and approximately half of the constitutional officers’ requisitions, with remaining obligations to be addressed as further revenues arrive and additional decisions are made.
- Board consensus: constitutional officers will be contacted about initial partial funding (half), with the balance to follow when cash flow improves.

Upcoming Budget Hearing & Process Concerns

Speakers: Brenda Royal, **Attorney Watson**, **Commissioners & Staff**

- **Scheduled Budget Hearing:**
  - The first formal budget hearing is scheduled before the large public meeting on assessments (September 3).
  - The hearing has been advertised for the current Board room, and adherence to this location is necessary to remain in compliance with Department of Revenue requirements.
- **Ms. Royal’s concern:**
  - She is currently balancing the budget based on the Board’s directional votes, not final adoption.
  - If the Board significantly changes assessment decisions after she balances and presents a budget at the hearing, she will be forced back to the drawing board in a very compressed timeline.
- The Board acknowledged that:
  - Past votes in recent budget meetings were directional only, to guide staff in preparing a balanced draft budget, and
  - No budget can be officially adopted until the advertised September 3 public hearing.

Motion – Clarify Directional Nature of Prior Budget Motions

- **Motion: Clarify on the record that all previous motions made in budget workshops regarding rates and budget configurations were directional only, intended to guide the Clerk/Finance Director in preparing a proposed budget, and do not constitute final budget adoption**.
  - **Motion made by: Commissioner David Osteen**
  - **Seconded by: Commissioner Daniel Wood**
  - **Vote: Motion passed unanimously**.

- This clarification is to be reflected in the minutes to address ongoing public records requests and to ensure transparency in the budget process.

Additional Budget Meeting Scheduled

Topic: Need for further detailed work session on the General Fund and other budgets.

- **Motion:** Schedule another **budget meeting on Wednesday at 4:30 p.m.** for further line-by-line review and balancing.
  - **Motion made by: Commissioner Osteen**
  - **Seconded by: Commissioner Wood**
  - **Vote: Motion passed unanimously**.

Solid Waste / Roll-off Site Operations

Speakers: Tim Johnson, **Ms. Royal**, **Commissioners**

The Board revisited earlier decisions to:

- Close one roll-off site in District 1.
- Reduce hours at other solid waste sites to bring part-time labor costs under control.

- Cost context:
  - Current-year part-time cost for operating roll-off sites estimated over $500,000 (earlier approximate figure of $426,000 for prior year).
- New plan:
  - Revised operating schedule reduces annual part-time costs to approximately $250,000 (back in line with earlier budget levels).
  - Example: Some sites reduced to fewer total hours per week, and Pole Gap site will be open 7 days a week, but fewer hours per day.
- Board consensus:
  - The Board reaffirmed its prior directional decision to implement reduced hours and the closure, despite expected public pushback, emphasizing:
    - The need to control labor costs under the $15/hour mandate.
    - That further reductions, if required, may involve additional hour cuts (e.g., later opening or earlier closing), but the current plan stands as Plan A.
  - Commissioners agreed they must “stick to their guns” when complaints arise since the cost of maintaining old levels of service is unsustainable.

Constitutional Officer Budgets

Speakers: Chairman Hatch, **Brenda Royal**

- At a prior meeting, the Board directed that constitutional officers’ budgets be held at last year’s levels.
- There has been resistance or questions from some constitutional officers.
- The Board reiterated that:
  - That directive still stands.
  - Ms. Royal and staff are to proceed on the basis that last year’s levels are the working cap until or unless changed by formal Board action.

General Fund Budget Packets

Presenter: Brenda Royal

- Brenda distributed General Fund budget packets for Commissioners to review at home.
- She requested Commissioners:
  - Review the line items.
  - Call with questions.

    - Be prepared to work through specific cuts or adjustments at the next budget meeting.
- Ms. Royal stressed that General Fund remains in trouble and that "we don't have money sitting everywhere" – meaningful structural changes may be required.

Draft Minutes Review Request
Presenter: Board Clerk Christie Zander

- Ms. Zander noted that she had emailed draft minutes of the prior budget meeting.
- Requested Commissioners:
    - Carefully review their own motions and numbers.
    - Confirm that the motions are accurately captured verbatim and the figures are correct.
- She emphasized this is important given the complexity and number of motions, and ongoing public scrutiny.

Appreciation & Staff Acknowledgments

Commissioners publicly acknowledged the heavy workload on Finance/Clerk staff, especially Ms. Royal, and expressed appreciation for her efforts under high stress

PUBLIC COMMENTS AND CONCERNS

No comments were made.

ADJOURN

Motion to adjourn made by Commissioner Osteen. Seconded by Commissioner Stephenson. Meeting adjourned.