

FEBRUARY 05, 2019

A Workshop Meeting of the Board of Lee County Commissioners, sitting as the Management & Planning Committee, was held on this date with the following Commissioners present:

Brian Hamman, Vice Chairman  
Franklin B. Mann  
John Manning  
Cecil Pendergrass

Absent: Chairman Larry Kiker

## 1. Call to Order

Vice-Chairman Brian Hamman called the meeting to order at 1:30 p.m.

## 2. County Manager Comments

County Manager Roger Desjarlais apprised that today's presentation would provide an update on the Unincorporated MSTU Fund and look into what it pays for; why there is a structural deficit; define some potential solutions and noted Staff's request for the Board's thoughts and direction for potential resolution of the structural deficit.

## 3. Presentation: UNINCORPORATED MSTU FUND - *Assistant Co. Manager/CFO Pete Winton*

County Manager/CFO Pete Winton, narrating a PowerPoint presentation, stated the objectives of today's update was to consider the continuing structural deficit of the Unincorporated MSTU, consider the reasons for the deficit, and discuss feasible solutions that Staff could bring back options for the Board to review during the FY19-20 budget cycle. He defined the function of the MSTU Fund as "A fund that pays for services the County provides to the unincorporated areas only. When cities incorporate they take over these services and either provide them through the City Government or contract them out". He overviewed the concerns about the MSTU Fund as: 1) The tax base is at 2005-06 levels; 2) Communications Services Tax Revenues show weak growth; 3) The Incorporation of Estero removed \$53 million of revenues, and 4) The cost for School Resource Officers, funded at 100% = \$2.8 million. In reviewing additional funding, he noted community parks, recreation centers, pools and summer programs = 100%, and cited other services funded are DOT Operations and Maintenance, Natural Resources, Community Development, Animal Services, and the Hearing Examiner. He reviewed Revenues/Expenses from FY2010-2011 through FY2018-19, noting property taxes are the largest source of revenue. He discussed MSTU Expenses, Concerning Issues, and Projections, and noted that strategies employed were cutting costs to some extent. He reviewed reallocation of existing revenues and existing costs. Responding to a question by Commissioner Manning, Mr. Winton stated that \$8 million of the 9.7% deficit is recurrent. He also pointed out that the Communication Services Tax is deriving \$6 million less than what the County is receiving, plus the payment for School Resource Officers, and explained that the comparison from FY2005-06 was used because of the similarities to FY2018-19. He noted that the County's application to FEMA for reimbursement of the expenses for Hurricane Irma amounting to \$3.3 million has been submitted and a percentage will go to the MSTU. County Manager Roger Desjarlais commented on the concerns of Staff that the projects that will be the outcome of the pending Engineering Study of areas flooded by Hurricane Irma will be exceedingly expensive and emphasized that Staff models the revenues and expenses of the MSTUs very closely. Mr. Winton concluded the presentation, observing that as Staff gets deeper into the FY19-20 Budget cycle, they will bring back options and recommendations for Board consideration. Responding to a question by Commissioner Manning, Mr. Winton confirmed that \$7 million from the General Fund will be necessary to fund the Unincorporated MSTU Fund FY19-20.

## 4) Board Discussion

Board dialog was recurrent throughout the presentation with Mr. Winton, County Manager Desjarlais, County Attorney Richard Wm. Wesch, Natural Resources Director Roland Ottolini and Assistant County Manager Glen Salyer providing input and responding to questions by the Commissioners. Commissioner Pendergrass brought up the School Resource Officers funding and asked about shifting the cost to the Lee County School Board, citing the half-cent sales tax increase approved by the voters last November. Commissioner Hamman commented on the need to try and shore up the MSTU Fund and make it more pure from an expense side by making sure that the money being spent on behalf of the MSTU is entirely for the unincorporated area. On the revenue side, he mentioned franchise fees that are being collected only from the unincorporated residents; yet, 100% of those funds were put into the General Fund for the last several years to cover countywide services. He asked if we could take the unincorporated revenue and match it up with the Unincorporated MSTU to help fix some of the deficit.

County Manager Roger Desjarlais noted recommendations of the Commissioners will be utilized by Staff in the model and brought back to the Board during the FY2019-20 Budget Process, pointing out that Staff wants to

ensure that whatever they recommend will not require additional revenues for the General Fund. Commissioner Pendergrass emphasized the significance of having the necessary funding for the flood mitigation issues.

**5) Adjourn**

The Chairman adjourned the meeting at 2:08 p.m.

ATTEST:  
LINDA DOGGETT, CLERK

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Deputy Clerk

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Vice-Chairman, Lee County Commission