

Tax Watch

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Second Quarter

Published quarterly

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Redistricting the County

In May 2004, WCTA requested county commissioners to appoint a committee to determine if the county needed to redistrict. Our request was based on University of Florida data estimating a 25% increase in population in Walton County

between 2000 and 2005. WCTA also requested the school board to participate in this process to align school district boundaries with county commission districts, if possible.

By law, the county can only redistrict in odd numbered years. If population numbers change dramatically in between the 10-year U.S. Census, interim redistricting may be done at the discretion of the county commission.

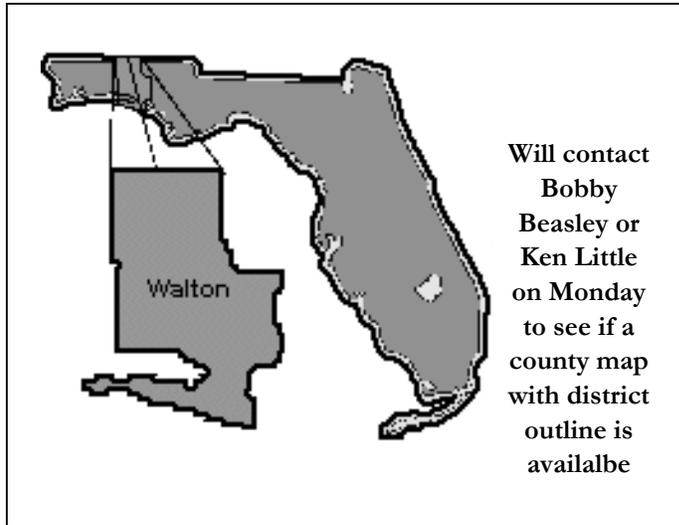
The intent of county commission districts is for each district and each citizen to have an equal vote and be equally represented in county government. Walton County votes at-large for county commissioners, as opposed to single member voting. With at-large voting, it is assumed that each person has an equal vote in choosing all five county commissioners, therefore, there is equal representation. District boundaries are important in determining candidates for county commissioner since commissioners must reside in the district they represent when elected.

Our county geographically presents a

formidable challenge when drawing district lines. Walton County borders Alabama on the north and the Gulf of Mexico on the south, covering approximately 1000 square miles. There are vast areas of state-owned land and undeveloped

land with no population. The county is divided by the Choctawhatchee Bay.

In February 2005 county commissioners and the school district appointed redistricting committees. Three WCTA directors, Art



**Will contact
Bobby
Beasley or
Ken Little
on Monday
to see if a
county map
with district
outline is
available**

McLellan, Robert Nelson and Tom Terrell, were appointed to the county redistricting committee. So far, the county committee has tried to determine how to count population changes without taking another census.

In a joint meeting with the school committee on April 25th, Supervisor of Elections Bobby Beasley furnished voter registration changes by district. Changes in voter registration may be an indicator of population changes. As a trial run, the joint committee agreed to use the percent of change in voter registration from 2000 to 2005 and to apply the same percentage to population. Basically, the county redistricting committee is still trying to make a decision on how to count current county population.

(see redistrict—page 3)

“WCTA will continue to work with the attorney general’s office and Sprint officials to eliminate local tolls remaining in portions of the county”.



The President’s Message

The 28th was a beautiful day with a gentle breeze blowing as the crowd assembled to meet Mr. Crist on the porch overlooking the lake. Two television stations, the DeFuniak Herald newspaper and two local radio stations covered the event. WCTA presented a plaque to the attorney general expressing our gratitude as did Walton County Commission Chairman Kenneth Pridgen who presented a plaque from the county.

On April 28th WCTA had the privilege of accompanying Florida Attorney General Charlie Crist in Walton County. We owe a huge debt of gratitude to Pam Tedesco and the Walton County Chamber of Commerce for hosting the attorney general in their north and south offices. This event would not have been possible without the planning and support of the Walton Chamber.

This was our first opportunity to thank Mr. Crist for helping eliminate the 20-cent tolls on local phone calls in most of the county. Approximately 37,000 Sprint users in Walton County and 25,000 users in Destin were affected. Individuals, businesses and local government (taxpayers) will recognize thousands of dollars in savings.

During the day, Mr. Crist was interviewed live on DeFuniak Springs radio stations WZEP and WGTX. At the south Chamber office in the afternoon, another group of citizens gathered to meet Mr. Crist.

There was ample time for individuals to speak with the attorney general about issues of interest to the community; strengthening the law on sex offenders, charter counties, state ethics commission, citizen referendums and non-partisan elections at the local level.

WCTA will continue to work with the attorney general’s office and Sprint officials to eliminate local tolls remaining in portions of the county. Sprint reviews their fee schedule only once a year and any changes will be announced toward the end of 2005.

The Chamber office in north Walton is in the historic Chautauqua Building.

Bonnie McQuiston



1, 2, 3’s of County Finance

June 3 - 7:30 a.m. McLain’s Steakhouse Highway 331 North

A panel discussion of county budgeting and finance.
County Administrator Ronnie Bell, Finance Director Bill Imsfeld, Human Relations Director Gary Mattison, WCTA Citizens Budget Committee Alan Powdermaker and Dan Scupin

WALTON COUNTY CHAMBER OF COMMERCE

First Friday Breakfast

Members (by June 1) \$7; After June 1 \$10
Non-member \$14

(redistrict—from page 1)

The School Board redistricting committee accomplished a remarkable feat in their meeting on April 4th. They unanimously agreed on the following recommendation:

- A. School district numbers be changed to correspond with the county commission district numbers.
- B. The change of school district numbers is not to interfere with current incumbents' normal election rotation.
- C. The committee agrees to work with the county commission redistricting committee in establishing the same district lines for both county commission and school board.

This recommendation was adopted unanimously at the April 25th joint meeting. If final approval is received from the school board and county commission, this will greatly benefit Walton County voters. It will eliminate confusion of overlapping districts with different district numbers and will save time and money for the supervisor of elections.

WALTON COUNTY QUICK FACTS FROM THE US CENSUS BUREAU

Population, 2000	40,601
Population, percent change 1990 to 2000	46.3%
Population, 2003 Estimate	46,373
Population, percent change April 1, 2000 to July 1, 2003	14.2%

SNAPSHOT REPORT – CLARITAS INC. (Prepared May 9, 2005)

Population, 2005 Estimate	49,623
Population, percent change 2003 to 2005	7.0%

Despite fund balances allocated to every conceivable reserve, the county is accumulating excess cash each year to the tune of \$10.0 to \$12.0 million. A one mil reduction in property taxes would have cut this growing surplus only by about \$4.5 million.

**CITIZENS BUDGET COMMITTEE -
1, 2, 3's OF COUNTY
FINANCES**

In July the county commission will begin budget workshops for the FY '06 Walton County budget. WCTA Citizens Budget Committee has completed an analysis of the financial statements for FY '04 and an evaluation of county finances and strategic planning. Directors on the Budget Committee are Alan Powdermaker, Dan Scupin and Bob Hudson. Alan Powdermaker prepared the following report.

At the end of the Walton County FY '05 budget hearings in July 2004, our Committee recommended that the Board of County Commissioners approve a full one mil reduction in property taxes (ad valorem). This recommendation was predicated on:

- Continuing to accumulate large cash reserves
- Understatement of Income projections
- Overstatement of Expense projections
- Misleading report to the BCC of the status of fund balances
- Lack of any five year financial plan
- Property values increasing at over 25% per year county wide

Unfortunately, county commissioners did not accept the Committee's recommendation but eventually approved only a ¼ mil reduction in property taxes. (One mil is \$1 taxes per \$1,000 property value.)

Our Committee has reviewed the FY '04 county financial statement (known as the CAFR) and completed an analysis of the actual financial operations of the county for that period.

These are some of our findings and conclusions:

In fact, FY '04 actual revenue was \$11.6 million more than budgeted. FY '04 expenses were \$12.6 million less than the original budget and \$40.0 million less than revised budgets.

In September 2004, the county commission was given a financial summary indicating Total County Fund Balances at \$39.1 million. One month later (Sept. 30, 2004), audited financial statements showed balances were \$80.4 million.



A Good News Message –

Mark Davis School Board District 4

Mark Davis was elected to Walton County's school board in 1995 and is now serving his third term representing District 4. Mark wants taxpayers to know that the school district is in good condition financially and academically. Walton County has the nicest and newest school facilities in Florida and possibly the U.S.

There have been many positive changes in the school district in the past ten years; new facilities, new curriculum, new textbooks and new testing standards.

The school district got a surprise in 1998 when the State of Florida imposed FCAT testing standards. The district reacted quickly. Within one year, Grades K–12 made changes to comply with the new curriculum standards with new textbooks and lesson plans for all twelve grades.

In 1999, Governor Jeb Bush implemented the A+ Plan for Education that grades schools on FCAT scores. Mark thinks grading schools is a good idea. It requires the school board, principals and teachers to focus on what is taught and how. Assigning grades to schools is a useful evaluation tool.

Mark believes Walton County has the best elementary schools in the state. Our elementary schools make an "A" grade every year. Class sizes are small and test scores have gone up every year. In Freeport Elementary School, every student in the included class made the highest grade given in FCAT.

The voter-approved School District Special Referendum in 2003 moved .50 mil from capital projects to operating expenses. This has resulted in higher salaries for teachers and a continuation of current programs and expansion of others. Now, Walton school salaries are comparable to Okaloosa County and surpass other surrounding counties in competitive salaries for teachers. The school district is beginning to see positive changes

in the retention of teachers.

Music and art are taught in every elementary, middle and high school. Extra curriculum activities are offered in every school.

Because of the high cost of real estate, housing located close to schools remains a problem for teachers. It is hard for them to live near where they teach. Mark believes teachers' salaries must continue to be raised to meet living expenses.

With the completion of Butler Middle School, Walton County middle schools will be completely separated from high schools beginning in Fall 2005. The one exception is Paxton School with a total student population of slightly more than 600 in grades K-12.

There are so many positive things happening in our school district. Mark believes that Walton County schools offer more opportunities than any schools of comparable size. He wants the public to know that the superintendent, school board and staff are working hard to continue to improve our school system.

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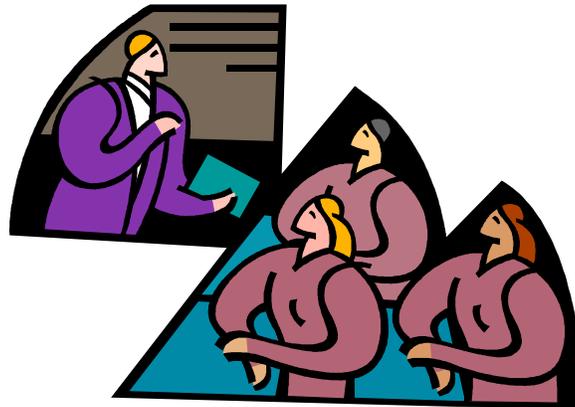
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As long as there are tests, there will be prayer in schools. ~Author Unknown



WE STRONGLY RECOMMEND AT LEAST A ONE MIL REDUCTION IN PROPERTY TAXES FOR FY 2005/06.

Unless the county can produce competent projections for the use of funds that are realistic and vital to the future growth of the county, WCTA will again strongly recommend at least a one mil reduction in property taxes for FY '06.

Many constitutional offices (Supervisor of Elections, Tax Collector, Property Appraiser, Clerk of Courts) return millions of unspent funds each year (these sums are NOT budgeted). Very little time is spent analyzing budget requests from these sources, particularly the Sheriff's Department. The county commission may not exercise direct control over these departments but they do fund them WITH TAXPAYERS' DOLLARS and they should be closely reviewed.

The Citizens Budget Committee has proposed reforms for the county financial structure and reporting process:

- Expanded County Budget Committee interface with county department heads
- Implement a full "zero" based budgeting process and document the results
- More analysis of employee head count (three year minimum) and better organizational structure data
- Departmental accountability for budget performance during the year
- Greater care in projecting actual year end results
- A resolution that anticipated county operating expenses will not be budgeted to exceed expected operating revenues (capital items excluded)
- Budget changes during any fiscal year either be charged against reasonable contingency accounts, or corresponding approved budget items be reduced in favor of the new item
- Unexpended funds at the end of the year (where purchase orders have not yet been issued) be eliminated unless the project is part of the new budget year and funds are allocated appropriately
- IMPACT FEES* be implemented to provide for the infrastructure needs of growth, i.e. storm water containment, road construction/improvements, traffic control devices
- Projections and estimates of county financial positions should be more accurate and presented in a form easily understood by county commissioners and the public
- Revenues MUST become part of the budgeting process
- A minimum of a five-year competent financial projection of revenues, expenses and capital projects accompany each annual budget workshop
- Major departments such as Public Works must be presented in a functional breakdown format. Budgets now are being approved for \$20.0 million within ten minutes time and without discussion while several hours are spent discussing \$200,000 expenditures.

(see reduction—page 8)

(reduction—from page 7)

With \$14.0 million borrowed to build roads and an annual budget of over \$20.0 million, the county managed to build only 15.7 miles of roads in 2004.

* Additional Funding Sources

In 2004 an Impact Fee study committee recommended that the county commission establish the basis for additional sources of funding infrastructure.

They recommended consideration of Municipal Services Taxing Units (MSTU) or Municipal Services Benefit Units (MSBU). Both of these funding mechanisms impose additional taxes on those who live in a benefited area to raise revenue for public improvements in that area. Residents of the affected area cannot opt out if they benefit from the service. In April 2005 county commissioners heard a presentation on MSTU's and MSBU's. At this time, voter approval is not required for county commissioners to impose this additional form of taxation on a particular development or area.

The study committee also recommended amending the county's comprehensive plan to provide for impact fees as a means of funding selected capital improvements. To date, impact fees have not been implemented to make developers responsible for the impact of their development on infrastructure.

County commissioners recently voted to spend almost \$200,000 for a traffic light at Rosemary Beach. Should the developer who caused the impact on Hwy. 30-A at Rosemary Beach pay for the traffic light or should all county taxpayers pay for the light? Should a developer be responsible for the impact of their development on storm water drainage and roads?

The county commission might look to Regional Utilities as an example. Regional Utilities requires developers to pay 100% of impact fees up front when their development is approved. This money is escrowed for

water and sewer infrastructure to be used whenever the development is built. Regional has identified current and future well fields and, as part of their planning process, is developing models for countywide future usage of water.

WCTA Membership

WCTA Membership

A membership form is enclosed in each newsletter since members send donations at different times during the year. If you have renewed your membership for 2005, please recruit a neighbor or friend to join WCTA.

All money goes toward quarterly newsletters or meetings. All board members are volunteers. We appreciate the generous support from our members over the years. It inspires us to continue our vigilance and involvement in county government.

Annual dues are only \$10.00, but we do accept additional donations. Just send your name, address, phone number and email address along with a check to WCTA, P. O. Box 1085, Santa Rosa Beach, FL 32459.

WALTON COUNTY FACTS OF INTEREST

42% of total revenue comes from property taxes (ad valorem)
19% from sales taxes
11% from charges for services
10% from Tourist Development Council
Building permits increased 23% in 2003.
Building permits increased 28% in 2004.
Population in the past nine years is up 47.2% (5.2% per year).
School enrollment has increased 23% in nine years (2.6% per year)
Taxes have increased from \$14.4 million in 1995 to \$54.0 million in 2004
(275% increase or 31% per year)
Public Safety costs have increased 258% (29% per year)
The cost of total county government has increased 194% (22% per year)

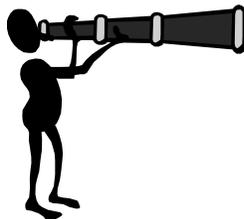
Walton County Taxpayers Association, Inc.

P. O. Box 1085
Santa Rosa Beach, FL 32459

Fax: 850-231-5609
E-mail: Hal7m@aol.com



The eyes and ears of Walton County for taxpayers



TOP TEN LARGEST EMPLOYERS IN WALTON COUNTY
(Numbers are from the two latest CAFR's)

	<u>2003</u>	<u>2004</u>	
Sandestin Golf & Beach Resort	1,000	1,200	
Walton County School District	895	908	
Walton County Government	765	783	
Resort Quest International/Abbot Resorts	450		900
Hilton Sandestin Beach Resort	600	700	
WalMart	280	400	
Arvida/St. Joe	255	*	
HealthMark Regional Medical Center	238	228	
Sacred Heart Hospital on Emerald Coast		200	336
Seaside Development Corporation	**	165	
Professional Products, Inc.	**	160	
Purdue Farms	400	*	
TOTAL	5,083	5,780	

* Not in Top Ten in '04

** Not in Top ten in '03

Government as percentage of Top Ten: 2003 - 33% 2004 - 29%