

October 1, 2002

Members of the Board of County Commissioners
Leon County Courthouse
Tallahassee, Florida 32301

The Honorable Chairman and Commissioners:

I am pleased to present the adopted Fiscal Year 2002/03 Operating Budget and Five Year Capital Improvement Program. The total budget is \$187,448,676 or 5.1% greater than last fiscal year. The operating budget of \$141,474,576 represents a 7.2% increase from last year's adopted budget. The capital budget of \$45,974,100 represents less than a 1.0% increase from last year.

The FY02/03 Budget provides funding to continue high levels of services to the citizens of Leon County while providing a reduction in the millage rate from 8.57 to 8.56. This is the 11th consecutive year the countywide rate has either been reduced or held constant.

Low Income Senior Homestead Exemption

This budget represents the first year of tax savings related to the Low Income Senior Homestead Exemption. According to the Property Appraiser's Office, 1,777 seniors have qualified for the exemption. This resulted in approximately \$36.6 million in taxable value being removed from the rolls. The tax savings are approximately \$314,000 to Leon County taxpayers claiming the exemption.

Growth and Environmental Management Fees

At the September 17, 2002 meeting, the Board adopted changes to the Growth and Environmental Fee schedule. The changes to the fees is the result of the Board's continuing desire to properly allocate the costs of administering the growth function. The County contracted with a consulting firm to provide the base analysis to support the approved fee changes. The changes to the fee schedule is anticipated to generate approximately \$545,000. The additional fees will allow a portion of the general revenues currently supporting Growth and Environmental Management be directed elsewhere in the budget. The general revenues released were directed by the Board first to be used in funding: expanded Branch library hours of operation, Senior Services Foundation funding and an additional court reporter for the Judiciary. The Board directed the balance of the additional resources be used to further reduce the Fire MSTU millage rate.

To provide the Board maximum flexibility in setting the final Growth and Environmental Management Fee schedule and allowing the actual revenues to accrue during FY02/03, the adopted budget contemplates setting aside approximately \$240,000 in revenues in the Fire MSTU budget as a reserve. The reserve would then be utilized in the FY03/04 budget to actually reduce the millage rate.

Salary Recommendations

Included in this budget is the necessary funding to provide the maximum of a 3%, or \$1,000, cost of living adjustment for all full-time career service employees on October 1, 2002. This is in addition to the potential merit awards (\$400 - \$600) career service employees are eligible for during the next fiscal year. The pay adjustment reserve also includes funding for a merit adjustment for senior management. Per Board direction at the June 11, 2002 workshop, the budget also includes funding necessary to implement the Protective Service, Skilled Craft and Service Maintenance Study and the Senior Management Compensable Factors and Market Study.

How We Compare

Leon County continues to provide services to the community in an efficient manner. As shown in the charts in the budget summary section, we rank lowest in expenditures per capita and total budget and near the lowest in number of employees per capita versus other counties of similar size.

When compared to the 53 Counties responding to our survey, Leon County has the 5th lowest budget per capita and the 4th lowest staff per capita.

The Process

The Board held one all day workshop and conducted an additional Budget Workshop and three public hearings to provide guidance to staff in preparing the annual budget. The following guidelines were utilized in the development of the adopted budget:

- ▶ A decrease in the Countywide millage rate
- ▶ No increase in the Stormwater Utility Non-Ad Valorem Assessment
- ▶ Balance the Growth and Environmental Management Fund through changes to the fee schedule
- ▶ Fund new positions only in areas of critical need

County departments, judicial offices, and constitutional officers submitted a total of \$193,538,840 in budget requests; \$187,448,676 is included in the adopted budget.

The budget is balanced given the estimated resources available. All of the funds are balanced over the five year financial plan, with the exception of the governmental capital fund. This projected shortfall will need to be addressed as part of the annual budget process through a prioritization process of capital project needs.

The budget includes savings resulting from a reduction in the County's contribution to the Florida Retirement System (FRS). It is not known if this reduced contribution rate will continue in future years and is dependent upon annual action by the Florida Legislature.

Contingency

The FY02/03 adopted budget includes \$480,859 in the general fund contingency account. This is slightly less than the FY01/02 adopted budget which contained \$515,917.

Budget Overview

The total budget of \$187,448,676 includes \$141,474,576 for operating expenses and \$45,974,100 for capital expenditures. Depicted organizationally, the Budget reflects the following:

Department/Agency	Total FY02/03 Funding	% of Total Budget
Constitutional Officers	\$56,638,775	30%
Board of County Commissioners	\$51,813,725	28%
Capital	\$45,974,100	24%
Non-Operating	\$16,204,504	9%
Debt Service	\$13,137,787	7%
Judicial	\$3,679,785	2%
Total	\$187,448,676	100%

Board of County Commissioners

The Board of County Commissioners' portion of the budget is \$51,813,725 reflecting an increase of 6.5% over the FY01/02 adopted budget. Net of Solid Waste operations, the Board's portion of the operating budget reflects a 4.5% increase. There is a net recommended increase of 22.75 new positions.

Legislative/Administration

The Legislative/Administration portion of the budget totals \$4,835,977 reflecting an increase of 2.1%. There is one new part-time position funded in this area for next fiscal year.

Tourist Development - The Tourist Development budget has been developed based on anticipated revenues. The budget includes a contingency of \$100,000 supported through the use of existing fund balance. Expenditures from the Tourist Development contingency account will require approval by the Board of County Commissioners. Based on the TDC Retreat held in June 10, 2002, the TDC will be bringing forward recommendations to the Board that may require the budget to be reallocated based on revised priorities and long term strategic plans.

County Attorney - The budget includes a part-time (0.5) file clerk for the Attorney's Office. The position is requested to support the necessary workload demands experienced in the County Attorney's Office.

Department of Public Services

The Department of Public Services was previously titled the Department of Administration. The name change is in recognition of the direct public service delivery this department is responsible for: Libraries, Cooperative Extension, Veterans, Volunteers and Uninsured Healthcare.

The Department of Public Services portion of the budget totals \$7,490,800 reflecting an increase of 5.6%. There are 15.25 new positions recommended in this area to support the Library.

Uninsured Primary Health Care MSTU - This budget includes an MSTU of 0.060 mill for Uninsured Primary Health Care, which is estimated to generate \$530,191 in FY02/03. The entire program is funded at \$1.2 million, with the balance coming from existing resources (\$469,809) and \$200,000 from a Federal/State matching program. The

MSTU provides funding for access to primary health care for uninsured, low-income citizens of Leon County. The five year financial plan contemplates utilizing the existing resources elsewhere in the budget beginning in FY03/04. As part of next year's FY03/04 budget process, the Board will need to address the long term commitment and funding for this program.

Library Services - Based on Board direction given at the June 11, 2002 workshop, the adopted budget includes additional funding for expanded hours of operation at all of the County's branch libraries. The following table shows existing branch hours and the planned hours effective October 1, 2002.

Branches	Sun	Mon	Tues	Wed	Thur	Fri	Sat
<i>Existing</i>	Closed	Closed	Noon - 8 pm	10 am - 6 pm	10 am - 8 pm	10 am - 6 pm	10 am - 4 pm
<i>Planned</i>	Closed	10 am - 6 pm	10 am - 8 pm	10 am - 8 pm	10 am - 8 pm	10 am - 6 pm	10 am - 4 pm
<i>Change in hours</i>		8 additional hours	2 additional hours	2 additional hours			

As show in the table, a total of 12 hours per week will be added to the hours of operation at the Branches for a 30% increase in hours open. The funding for this program expansion comes directly from general revenues released as a result of the Board increasing the Growth and Environmental Management fees. The total first year cost is estimated at \$187,504, with 10 full time equivalent positions being added.

The FY02/03 budget includes four positions and operating costs associated with opening the new Ft. Braden Library.

The FY02/03 budget includes funding for an English as a Second Language instructor. This program has historically been grant funded. The County has been

notified that the program is no longer eligible for the existing grant. The FY02/03 budget contemplates utilizing general revenues to replace the lost grant revenue.

The Library Services budget includes an increase of \$25,000 to the annual circulation budget. The five year financial plan contemplates this level of increase for each of the next five years. These additional funds are needed to keep pace with the increasing demands resulting from our growing branch library system and to update an aging inventory.

Management Services Department

The Management Services Department portion of the budget totals \$11,943,825 reflecting an increase of 4.8%. There is a net increase of one position in this area.

MIS - The MIS budget includes one new network support specialist. This position is of critical need to support the County's existing vital computer infrastructure.

Human Resources/Risk Management - The operational portion of the Risk Management Budget includes the necessary funding for the insurance broker services authorized by the Board. This allocation of appropriation has resulted in an overall savings to the County in terms of insurance costs and has better positioned the County as it relates to risk exposure.

Facilities Management - The adopted budget includes increased operational funding of \$81,063 associated with the annualized cost of the Courthouse security plan.

Community Development

The Community Development portion of the budget totals \$8,889,378 reflecting an increase of 2.2%. There are no new positions recommended.

Growth and Environmental Management - Based on Board direction, the adopted budget includes a combination of increases to existing permit fees and general revenue subsidy necessary to balance the Growth fund.

Planning - The budget includes funding of \$85,680 for the Southern Strategy and \$42,000 for Comprehensive Plan reform.

Aquatic Weed/Water Quality Monitoring - The budget includes an additional \$36,520 for increased levels of service related to water quality monitoring.

Public Works

The Public Works portion of the budget totals \$18,653,745 reflecting an increase of 11.3%. The majority of the increase is related to Solid Waste. There is a net increase of six new positions.

Stormwater Maintenance/Mosquito Control - Based on direction received at the June 11, 2002 workshop, the budget includes enhanced maintenance of the County's stormwater ponds and various conveyance systems. The increased staff and funding results in the current cycle of maintenance for ponds increasing from 2 times a year to 3 times a year. In addition, the budget includes funding for a replacement pump needed to meet flooding situations where holding ponds threaten homes.

Parks and Recreation - The budget includes additional funding for the Northwest Community Park and the Miccosukee Community Park based on annualized operating costs.

Operations - The budget includes 6 new positions for flaggers. These positions are necessary to fulfill Department of Transportation safety requirements.

Solid Waste - The Solid Waste budget reflects the first year of partial funding for the Transfer Station, anticipated to be operational in February 2003. Due to the

opening of the Transfer Station, the budget reflects a corresponding reduction in operational costs at the Landfill including the elimination of one vacant position. The overall increase in the actual budget is directly related to the haul away contract associated with the Transfer Station. Based on current projections the tipping fee at the Transfer Station next year will be less than the existing tipping fee at the Landfill. However, based on out-year projections this fee will most likely have to increase over time to a level necessary to support the operations at the Transfer Station and the haul away contract.

Constitutional Officers

The overall Constitutional portion of the budget is \$56,638,775 reflecting an increase of 5.2%. There is a net recommended increase of 8 new positions.

Sheriff - The Sheriff's Law Enforcement and Corrections budget totals \$41,065,818 representing a 5.9% increase. The budget includes the funding necessary to implement the first year of the Board approved Sheriff Salary Compensation Study. The impact of the study means all sworn law enforcement officers at Deputy Grade will receive at least a 6% raise. Raises for the upper ranks are also included. The budget includes first time funding of weapons for all sworn law enforcement officers as well as work shoes for both sworn law enforcement and correctional officers.

To ensure the Board's commitment to the three year compensation study, the budget includes a \$1,000,000 reserve set aside specifically to help fund the second and third year of this initiative.

The budget includes six new positions identified by the Sheriff as critical to his operations: Civil Processor, Crime Scene Clerk, Fraud Detective, LPN Nurse (2), and RN Nurse.

As part of the June 11, 2002 Workshop, the Board discussed with the Sheriff the staffing levels of corrections officers. Given the prioritization of resources for

FY02/03, the budget does not include any additional corrections officers. The Board has directed the overall staffing issue be reviewed with the Sheriff and address these issues during FY03/04 budget process.

Clerk of the Court - The Clerk of the Court's budget totals \$6,562,785 reflecting a 3.7% increase. This represents the County's funding for the Clerk. The County provides 100% of the funding for the County Courts (Traffic, Misdemeanor, and Small Claims) and approximately 72% of the funding for the Clerk's Finance Division. The County pays statutory fees in support of the Circuit Court. Though not required, the Clerk has requested the entire Circuit Court budget be included in this document in order to present a full picture of the Clerk's office. For FY02/03, the Clerk has estimated returning \$384,000 to the county as excess fee revenue. The Clerk did not request any new positions from the Board in FY02/03.

Supervisor of Elections - The Supervisor of Elections budget totals \$1,761,642. This budget includes \$309,700 associated with operating the City election in February. The City of Tallahassee is responsible for the entire cost of running this election. Without the City Election expenditure, the Supervisor's budget would have shown a decrease of 16%. The Supervisor did not request any new positions for FY02/03.

Property Appraiser - The Property Appraiser's budget totals \$3,028,577 reflecting a 2.5% increase. The Property Appraiser requested and received two new positions from the Department of Revenue to support increasing workload demands: a Title Clerk and Commercial Appraiser.

Tax Collector - The budget reflected in this document for the Tax Collector represents the fees and commissions the County is obligated to pay for the collection of taxes and non-ad valorem assessments. These commissions are estimated at \$3,042,210 for FY02/03.

Judicial

The overall Judicial portion of the budget is \$3,679,785 reflecting an increase of 4.8%. There are two new positions included in this area.

Court Administration - With the increase in filings the demand for court reporters has increased. As presented by the Chief Judge, the addition of Court Reporters was the Judiciary's highest funding priority for FY02/03. As directed by the Board during the June 11, 2002 Budget Workshop, one additional Court Reporter position is included for funding.

Conflict Attorney Fees and other Court Obligations - Based on past and current trends, the County continues to see an increasing cost for Conflict Attorney Fees and other court-ordered obligations. These are statutorily required payments when the Public Defender must declare a conflict and the Court appoints an attorney for the client or the Court has ordered legal assistance. To mitigate these increases, a Cost Containment Specialist position is funded. This position will be responsible for the overall central coordination of invoice tracking and payment of approximately \$1.5 million annually. The position is being funded through the anticipated savings in the actual growth that was projected to occur in conflict and non-conflict attorney expenditures for FY02/03. The position will be evaluated annually to determine the actual savings being realized.

Historically, some of the expenses noted in the preceding paragraph were offset by funding from the State via the Article V allocation. However, the State discontinued providing this funding beginning in FY01/02. The full implementation of Article V is expected to commence in 2004. However, until such time, these types of expenditures will remain the responsibility of the County.

Non-Operating

Non-Operating funding is provided by the Board of County Commissioners for those activities for which costs do not apply solely to any specific County department's function, but are either applicable to the operation of county government as a whole, or are provided for the good of the public. No County employees are

associated with Non-Operating entities. The County employees responsible for the administration of these various programs are presented in the various County Administrator department budgets. The overall Non-Operating portion of the budget is \$16,204,504 reflecting an increase of 26.2%.

The significant increase from FY01/02 is associated with the overall reserves being budgeted during FY02/03. The County is establishing a \$2.5 million reserve for contingent liability in its Risk Insurance Fund to provide funding for expenses associated with claims resulting from litigation not covered by other insurance. The County is establishing a \$1.0 million reserve to help fund the second and third years of the Sheriff Compensation Study. The County is also establishing a \$30,000 contingency for the Transportation Disadvantaged program.

As directed by the Board, the permanent line item grant funding includes the addition of \$50,000 for the Tallahassee Senior Citizens Foundation, \$50,000 for the Tallahassee Museum and a one-time payment of \$50,000 for Mothers-in-Crisis. The funding for the Senior Foundation will be used to fund a Senior Services position and respite services and training through the Foundation. In addition, \$2,000 has been allocated for Celebrate America and \$2,500 for the annual Dr. Martin Luther King, Jr. Celebration.

Other funding included in this area are items such as the Fire MSTU, insurance expenses, medical examiner payments and the Tax Increment Financing (TIF) payment to the City of Tallahassee's Community Redevelopment Authority.

Capital Improvement Program

The overall FY02/03 Capital Improvement Program (CIP) portion of the budget is \$45,974,100 reflecting an increase of less than 1.0%. Included in this document is a summary of all capital projects for the next five years. Provided under separate cover is a CIP document with detail for all capital projects.

The highlights listed below reflect FY02/03 funding unless otherwise noted.

Transportation - total \$37,403,292, highlights include:

- Bannerman Road from Thomasville Road to Meridian \$577,000.
- Buck Lake Road from Mahan Drive to Davis Drive continued funding of \$2,500,000; total CIP funding of \$9,074,979.
- Chaires Cross Road from Bradfordville Road to Apalachee Parkway \$944,000; total CIP funding of \$1,439,200.
- Crawfordville Road from Four Points South to Wakulla Springs Road continued funding of \$13,600,000; total CIP funding of \$19,500,000.
- Mahan Drive Right of Way Phase II Dempsey Mayo to I-10, CIP funding in FY04/05 of \$15,000,000; total CIP funding of \$22,000,000. This is scheduled as an advance funding to the State with refunding to occur in the out years of the program.
- Continued funding for Tharpe Street Capital Circle NW to Ocala Road \$400,000; total CIP funding \$24,699,999.
- Continued funding for Orange Avenue from South Monroe Street to Blairstone Road - \$12,750,000; total CIP funding of \$24,997,266.
- Miccosukee Road Complex funding of \$1,200,000 to relocate the fuel depot and construct a new large vehicle storage units; project required as part of Blair Stone extension and overall site master plan.

Solid Waste - total \$994,500, highlights include:

- Replacement of the existing Solid Waste Management Office Building originally constructed in the early 1960's and a double wide office trailer located on the site in 1982, \$454,500.

Parks and Recreation/Cultural Resources - total \$2,043,341, highlights include:

- \$700,000 additional funding for the Fort Braden Branch Library; total CIP funding of \$1,388,815.
- \$125,000 funding for final project build out of the Chaires Community Park.
- \$180,000 funding for the Miccosukee Community Park.
- \$103,060 of additional funding for the initial phase of the new Northeast Community Park; total CIP funding of \$1,100,000.
- \$50,000 funding for Tower Road Park.
- \$100,000 funding for the initial phase of the Apalachee Parkway Regional Park; total CIP funding of \$500,000.
- \$70,000 funding for the J. Lee Vause Park - Playground Rehabilitation.
- \$100,000 funding for the Jackson View Park; total CIP funding of \$300,000.

General Government - total \$5,106,267 highlights include:

- Justice Information System Data Warehouse - \$150,000 to develop a common platform for the sharing of data among the various members of the judicial community; total CIP funding of \$470,000.

- Light Intensity Detection and Ranging (LiDAR) funding of \$375,992 to provide more accurate data for digital terrain and contours of the County. The City is contributing a comparable level of funding to this project.
- Geographic Information Systems (GIS) - continued funding of \$652,525.
- Sheriff/Jail Upgrades - \$2,100,000 updating the wiring at the Jail; total CIP funding of \$2,350,000.

Stormwater- The FY02/03 adopted CIP includes approximately \$500,000 in stormwater capital expenditures. In addition, the County is continuing to finalize specific projects that are to be funded through Blueprint 2000. The County has also recently reprioritized the expenditure of the remaining balance of its stormwater bond proceeds. These actions are reflected in the CIP as part of existing appropriation. Finally, the County is continuing to pursue a \$1.5 million federal grant to help purchase the homes of flood victims.

Board Retreat Priorities

The adopted budget provides fiscal support to a number of the Board Retreat Priorities discussed in December of 2001.

Stormwater Issues - The adopted budget includes increased staff and capital outlay to increase pond maintenance from two to three times per year. The County will continue to pursue adequate resources to fund all the necessary capital improvement requirements. Specifically, the County is continuing to identify appropriate projects to be funded through Blueprint 2000, as well as, a federal grant to help offset the purchase of flooded properties.

Economic Development - The budget includes continued funding to support the Economic Development Council (EDC) for \$210,000 an increase of \$35,000 from

FY01/02. In addition, the out-years of the budget include the necessary resources to support the County's contribution to the Targeted Business Pilot Project.

Southern Strategy Funding - The adopted budget includes funding for the Planning Department for Southern Strategy consultant services. The total funding for this is \$200,000, the County portion being \$85,680 and the City \$118,320.

Comprehensive Plan Reform - The adopted budget includes funding for the Planning Department for Comprehensive Plan consultant services. The total funding for this is \$100,000, the County portion being \$42,000 and the City \$58,000.

Children's Issues - The adopted budget continues the County's support of the Late Night Media program for \$50,000. In addition, the County has identified that during FY01/02 over \$3.1 million were expended on children and youth issues to include: Parks and Recreation programs, Cooperative Extension programs, Library Program, Summer Youth Employment, Sheriff's Adventure Camp, Healthcare funding, etc. The County anticipates continuing its strong commitment to our most precious resource: the next generation of Leon County residents.

CONCLUSION

In closing, I believe the adopted Fiscal Year 2002/03 budget of \$187.4 million represents an appropriation that maintains service levels, while being sensitive to high priority programs such as public safety, transportation, parks and recreation, library services, fire protection, and water quality. Next year we will need to face the challenge of balancing our Capital Improvement funds and the long term implications of the Uninsured Primary Healthcare initiative.

I would like to express my personal thanks to the Constitutional and Judicial Officers for their cooperation during the budget process and to the Group Directors and department staff, for the considerable number of hours that they spent assisting me in formulating the budget.

I look forward to working closely with the Board during the coming fiscal year.

Respectfully Submitted,

Parwez Alam, County Administrator