



Leon County

Board of County Commissioners

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Commissioners

October 1, 2006

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Members of the Board of County Commissioners
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Tallahassee, Florida 32301

The Honorable Chairman and Commissioners:

I am pleased to present the adopted Fiscal Year 2006/2007 Operating Budget and Five Year Capital Improvement Program (CIP). The total budget is \$234,810,669 reflecting an increase of 11.8%. The operating budget of \$196,399,013 reflects an increase of 8.14% and the capital budget of \$38,411,656 reflects an increase of 34.9%.

Property Tax Relief

The adopted budget provides for a significant reduction in the property tax rate. The FY2006/2007 rate is 8.49 mills, this compares to last year's rate of 9.16 mills. The reduction is broken into two parts, the countywide rate going from 8.54 to 7.99 and the Primary Healthcare MSTU being levied for one year at 0.00. I discuss below in more detail the overall issues as it relates to the healthcare property tax.

The property tax rate reduction is the most significant in Leon County's recent history. The cumulative reduction in the millage rate for the past ten years has been 0.08 mills. For a home with a taxable value of \$150,000 the reduction of 0.67 mills equates to a savings of \$100. Based on data provided by the Property Appraiser, 49,584 or 91% of the homesteaded properties in Leon County will see a reduction in their County property tax bill next year, exclusive of any new taxes they will pay as the result of improvements they made to the property.

The Board was able to accomplish this reduction through the following:

1. The growth in property values between June 1st and July 1st produced an estimated \$3,893,560 increase in tax proceeds. These increased values were not contemplated as part of the original budget development.
2. The utilization of \$1,875,413 in General Fund fund balance.
3. Reductions of \$1,875,413 in expenditures. These reductions were spread across all aspects of the budget. All Constitutional Officers, departments and outside funded agencies participated in the process. The reductions are reflected in the budget document.

As noted above, we also utilized \$1,875,413 in fund balance to address this reduction. The County has sufficient reserves to accomplish this, however, fund balance is not a recurring revenue and we will need to address any adjustments to our five year plan as part of next year's budget process.

There has been considerable discussion throughout the state regarding further measures to reduce property tax payments. We need to understand, that the majority of the ideas currently being discussed do not address the individuals who are seeing the significant increases in their tax bills. The ideas include doubling the homestead exemption and homestead portability. As the result of "Save Our Homes" homesteaded property values are already capped at the lesser of inflation or 3%. For these individuals, their property tax bills will be reduced next year. For properties that are not covered by the cap (ie rental property, commercial, etc.) their individual assessments have gone up 30%, 40% and higher over the past several years. Even with the significant tax rate reduction approved by the Board, these individuals will still see substantial increases in their property tax bill. The Board needs to appreciate that the tax rate is only one-half of the equation and the measures currently being discussed will not benefit the non-homesteaded parcels.

Even though our property values have been growing over the past several years, Leon County's growth is still small compared to the rest of the state. Leon County's growth rate was the 14th lowest of all 67 counties last year. The property market has begun to slow and we are unsure what the actual growth rates will be over the next several years. Though not specific to our community, the Wall Street Journal reported on September 26, 2006 that for the first time since 1995 the national median price for a single-family home fell compared to a year ago. We do not foresee a reduction locally, but we do anticipate much slower rates of growth.

Primary Health Care MSTU

At the June 13th Budget Workshop, the Board directed the Primary Healthcare MSTU be levied at 0.0 mills for next fiscal year. With the uninsured healthcare referendum scheduled for November of this year, the intention is to avoid any possibility of both a property tax and sales tax being levied at the same time to support this program. For purposes of the budget, the uninsured healthcare program is supported through one-time non-recurring existing balances in the Primary Healthcare Fund and General Fund. If the referendum passes, the sales tax will become the on-going revenue source to support this program and the MSTU can be eliminated in FY07/08. However, if the referendum does not pass, the Board will be able to levy the MSTU as part of the FY07/08 budget process.

Salary Recommendations

As directed by the Board at the June 13th workshop, included in the budget is the necessary funding to provide the maximum of a 5%, or \$1,000, raise for all full-time career service employees meeting expectations effective October 1, 2006. In addition, the budget includes funding for one-time bonuses of between \$600 - \$1,200 for exemplary employees. Also directed by the Board at the June 13th workshop, the budget includes a \$200,000 reserve for one-time bonuses for senior management employees. The budget includes funding for annual merit raises for all senior management employees.

How We Compare

Leon County continues to provide services to the community in an highly efficient manner. As shown in the charts in the budget summary section, we rank lowest in net budget per capita to comparable counties and third lowest in staff per capita versus other counties of similar size. When compared to 57 counties responding to our survey, Leon County has the 5th lowest budget per capita and the 17th lowest staff per capita.

Policy Guidance and Process

The Board provided policy guidance and process approval at their December 12, 2005 retreat, the January 10th and February 21st Board meetings, the June 13th workshop and the public hearings held in September. The overall guidance for property taxes and assessments was as follows:

- Reduction in the general countywide millage rate from 8.54 to 7.99
- No increase in the Stormwater and Solid Waste Non-Ad Valorem Assessments
- Reduce the Primary Healthcare MSTU from 0.12 to 0.00 mills for one-year
- No increase in the Emergency Medical Services (EMS) MSTU

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 Building Inspection. As directed by the Board at the June 13th workshop, pursuant to the Leon County Code of Laws, the Board is proceeding with establishing an advisory committee to review the Building Permit Fees. It is anticipated that the committee's recommendations will be available early in next calendar year.

Budget Overview

The total budget of \$234,810,669 includes \$196,399,013 for operating expenses and \$38,411,656 for capital expenditures. Depicted organizationally, the budget reflects the following:

Department/Agency	Total FY06/07 Funding	% of Total Budget
Board of County Commissioners	\$81,949,987	34.9%
Constitutional Officers	\$70,498,304	30.0%
Capital Projects	\$38,411,656	16.4%
Non-Operating (grants, etc.)	\$33,718,426	14.4%
Debt Service	\$9,392,385	4.0%
Judicial	\$839,911	0.4%
Total	\$234,810,669	100.0%

Board of County Commissioners

The Board of County Commissioners' portion of the budget is \$81,949,987, reflecting an increase of 8.1% over the adopted FY2005/2006 Adopted Budget. The total increase is 7.11% after netting out the Tourist Development Council (TDC) and EMS budgets, which have seen large increases not supported by general property tax revenues. There is an increase of 18.0 positions. Of the 18.0 positions, 8.0 are supported by general revenues (4.0 of which are having a nominal impact) and 10 by dedicated revenues streams such as growth and environmental fees.

Legislative/Administration

The Legislative/Administration portion of the budget totals \$9,270,907, reflecting an increase of 8.1% over the FY2005/2006 Adopted Budget. The increase is the direct result of the TDC utilizing a portion of their existing fund balance to support a number of one-time projects in the new fiscal year. Net of the Tourist Development budget the increase is less than 1%. There are no new positions.

County Attorney – As the County continues to reduce the number of outstanding cases in litigation, the overall funding for outside legal expenses has been reduced by \$195,000.

Human Resources – As directed by the Board at the May 9, 2006 meeting and the June 13th workshop, the budget includes \$38,500 for the new paid Management Internship Program to address EEO underutilization of protected groups in technical and professional job categories. Human Resources will also be administering the new deferred compensation match program approved by the Board at the budget workshop. For employees earning under \$50,000, the program will match 50% of an employee's contribution to their deferred compensation; the maximum match will be 1.5% of an employee's salary.

Tourist Development – The Tourist Development budget includes increased funding for a number of projects including website upgrades, media costs, public relation fees and visitor research.

Department of Public Services

The Department of Public Services portion of the budget totals \$25,078,395, reflecting an increase of 2.6%. There are six new positions.

Emergency Medical Services – As the County system begins to mature, staff is continuously striving to improve our service to the public. In an effort to further this goal, the budget includes \$242,690 to operate one additional ambulance 12 hours a day seven days a week. This anticipates the hiring of four additional paramedics/emergency medical technicians (EMTs). Also included is the Board direction from the June 13th workshop to provide funding for the paramedics and EMT's pay differentials while the employee is out on leave or training.

Library Services – The budget includes \$50,000 in continued funding for the late night media program. \$25,000 in additional funding is included for the purchase of library materials. The County's five year plan contemplates the opening of stand alone branch libraries in the Northwest and Southeast.

Uninsured Primary Healthcare – As previously discussed, the budget contemplates reducing the MSTU from 0.12 to 0.0 mills for FY2006/2007. Pending the outcome of the November healthcare referendum, the Board may need to reinstitute this millage as part of next year's budget process. If the referendum passes, the program will be supported through sales tax collections, and the Healthcare MSTU may be eliminated. For purposes of developing the budget, the program is supported through one-time non-recurring fund balances in both the Primary Healthcare Fund and a transfer from the General Fund.

Planning - To support the implementation of Senate Bill 360, the new Growth Management Act, the budget includes an additional Planner II position. This position will be jointly funded consistent with the existing Planning Department interlocal agreement with the City of Tallahassee. The net impact to the County is \$27,994.

Veteran Services – The budget includes continued support for the Veteran's Day Parade event and the on-going funding for the Veteran's Property Tax rebate program.

Management Services Department

The Management Services Department portion of the budget totals \$15,881,253, reflecting an increase of 12.3%. There is an increase of five new positions in this area; three of which are offset by the elimination of six OPS positions in GIS.

Minority/Women Small Business Enterprise (M/WSBE) – M/WSBE will be developing a Small Business Development program in conjunction with other local partners to assist local women and minority entrepreneurs with business development planning and training them in meeting and maintaining the requirements of the Leon County procurement process.

Probation/Pre-Trial Release – Includes the analyzed cost of operating the Secure Continuous Remote Alcohol Monitor (SCRAM) program approved by the Board.

Management Information Systems (MIS) – MIS will continue to take the lead in securing the County's redundant data center as part of the Continuity of Operations Plan (COOP). One new Business Analyst position is include to support technology needs of Public Works and Human Resources, specifically spearheading the implementation of electronic document management, work order management and the new pay and classification system.

Facilities Management – A new construction manager position is included to support the growth in the number of capital projects being implemented by Facilities Management. Over the past three years, the number of projects has increased 35% with a corresponding increase of over 50% in the total dollar value.

Growth and Environmental Management

The Growth and Environmental (GEM) portion of the budget totals \$4,873,168, reflecting an increase of 7.4%. There are five new positions in GEM.

Environmental Compliance and Development Services – As approved at the June 13, 2006 workshop, funding is provided for four new positions as recommended by the GEM Permit Process Improvement Focus Group to expedite the permitting process. Also approved at the workshop and included in the budget are the corresponding fee increases to support the expedited process.

Code Compliance – The budget includes a new Code Compliance Coordinator to enhance the County's code enforcement efforts in the unincorporated area.

Building Inspection – The Building Inspection Fund has continued to reduce its overall fund balance and is projected to have a deficit in the near future. To address this issue, at the June 13th workshop the Board directed, pursuant to the Leon County Code of Laws, proceeding with establishing an advisory committee to review the Building Permit Fees. It is anticipated that the committee's recommendations will be available late in the first quarter of next year.

Public Works

The Public Works portion of the budget totals \$26,846,264, reflecting an increase of 11.4% over the FY2005/2006 Adopted Budget. There is a net increase of two new positions.

Parks and Recreation – To support the County's commitment to its growing number of greenways, trails and parks, one new park attendant position is included in the budget. Additional operational funding of 25% or \$123,418 is included to support the maintenance of the additional parks and greenways.

Operations – Increased funding of 23% or \$396,164 is included to address the escalating cost of paving materials and fuel expenses. This funding does not provide an enhanced level of service, but maintains our current program.

Engineering – As the result of an internal reorganization, two additional construction aide positions have been added; through the deletion of an existing vacant position the net increase is one new FTE. These positions will enable the division to provide more timely inspections of road projects.

Solid Waste – The budget includes the implementation of the five year pro-forma approved by the Board at the April 25, 2006 workshop.

Constitutional Officers

The overall Constitutional Officers' portion of the budget is \$70,498,304, reflecting an increase of 6.0% over the FY2005/2006 Adopted Budget. There is an increase of 20 positions.

Sheriff - The Sheriff's total budget is \$56,822,433 representing a 5.7% increase. \$837,006 is included to fund the second year of the three year salary study approved by the Board on February 22, 2005. The study contemplates that on average Sworn Law Enforcement Deputies will receive raises of at least 8.5% each year for the next three years. Funding is also included to address salary adjustments for upper rank employees.

The budget includes \$99,612 to fund the hiring of twelve new corrections officers and the associated operating supplies to support the opening of the renovated jail annex during the last quarter of FY2007. Full year funding for these correctional positions will be addressed during the FY2007/2008 budget cycle. At the June 13th workshop, the Board authorized the annex to be renovated to accommodate a minimum of 150 additional beds to partially address the on-going overcrowding at the jail. The Board also authorized \$300,000 in funding to support alternative diversionary programs in an attempt to further reduce the population. The Public Safety Coordinating Council (PSCC) will make recommendations to the Board on what programs should be funded with this additional funding.

The budget also includes the following new positions: one Bailiff to provide security for one additional judge, one Latent Fingerprint Examiner, one Communications Officer, one Paralegal and two deputies previously supported through grant funding.

Supervisor of Elections – The Supervisor of Elections budget totals \$2,404,630, a decrease of 9.9% over the FY2005/2006 Adopted Budget. The large decrease is the result of the prior year including significant initial operating costs associated with the move to the BOA and the nature of the elections cycles. The budget includes one new Voting Machine Technician to support the newly acquired American with Disabilities Act (ADA) compliant touch screen machines.

Though the budget shows a reduction for next year, the Supervisor of Elections has projected that his budget request for the following fiscal year (FY2007/2008) will grow 42% or an increase of \$1.018 million. The Supervisor's budget historically increases and decreases with the elections cycle, and this request will be needed to support the next Presidential Election.

Clerk of the Circuit Court – The Clerk of the Circuit Court's budget is \$1,713,060 representing an increase of 9.2% from the FY2005/2006 Adopted Budget. Funding for the Clerk's Finance Department is consistent with the requirements of the interlocal agreement between the Clerk and the Board. The balance of the Board's support of the Clerk provides funding for statutory requirements consistent with Article V of the Florida Constitution. The funding provided by the County does not represent the Clerk's entire budget, but only those portions mentioned above.

Property Appraiser – The Property Appraiser's budget totals \$4,460,916 reflecting an increase of 3.8% over the FY2005/2006 Adopted budget. The Property Appraiser includes one additional Document Records Manager position from the Department of Revenue (DOR).

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 \$5,097,265 for FY2006/2007.

Judicial

The overall Judicial portion of the budget is \$839,911, reflecting an increase of 22.4% from the FY2005/2006 Adopted Budget. This funding is the direct expenditure of Article V related costs of for the State Attorney, Public Defender, Court Administration and Guardian Ad Litem. The funding also supports three Board employees working in Court Administration associated with managing the jail population. In addition, the funding includes support of the Teen Court program.

Though not reflected in the funding above, under Florida Statute the Board is also required to provide space, security and telecommunications (including computer support) to the various members of the Judiciary. The Board expends millions of dollars providing these services through the Sheriff's Office (Bailliff Unit), MIS and Facilities management.

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 functions, 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 County Administrator departmental budgets. The overall Non-Operating portion of the budget is \$33,718,426, reflecting an increase of 11.5% over the FY2005/2006 Adopted budget.

Tax Increment Financing (TIF) Payments – \$2,796,880 in TIF payment funding to the City of Tallahassee is included consistent with requirements of the Frenchtown/Southside Community Redevelopment Area (CRA) and the Interlocal Agreement with the City regarding the Downtown CRA. This is an increase of \$944,209 over the FY2005/2006 budget.

State Department of Juvenile Justice (DJJ) - \$1,520,000 is included as the estimated payment the County will have to make to DJJ for the housing of Leon County juveniles.

Fire Services – Consistent with the interlocal agreement with the City of Tallahassee, funding is included to provide fire services for the unincorporated area.

Parks and Recreation – Pursuant to the interlocal agreement with the City of Tallahassee there is no increase in funding required for next fiscal year. The agreement guarantees for the next fifteen years, unincorporated area residents will be charged the same fee as City residents for participation in all City leagues and programming, as well as, access to all City parks and recreation facilities.

Risk Management – The County had a significant increase in the cost of property insurance. The budget contemplates an increase of 100% or \$913,000 to cover this additional expense.

Grant and Community Supported Programs:

- *Military Grant Program* – Based on historic trends, \$135,000 is included to support the property tax and rental rebate program for our Leon County military personnel.
- *Community Health Services Partnership (CHSP)* - \$684,950 in direct funding and \$57,950 established as an emergency reserve.
- *Mid-Year Funding* - \$15,000 for mid-year requests not eligible for other County grant funded supported programs
- *Youth Athletic Scholarships* - \$4,750.
- *Summer Youth Employment Program* - \$73,943.
- *Trauma Center* - \$300,000.
- *Economic Development Council (EDC)* - \$199,500.
- *Event Sponsorship* – Based on the direction given by the Board at the February 28th meeting, \$23,500 is included for special event sponsorship. A list of the specific events is contained in the non-operating section of the budget.
- *Line Item Funded Agencies* – Consistent with Board direction at the September 19th final budget hearing the budget includes \$1,613,033; a detailed listing is contained in the non-operating section of the budget

Capital Improvement Program

The overall FY2006/2007 Capital Improvement Program (CIP) of the budget is \$38,411,656, reflecting an increase of 34.9% over the FY2005/2006 Adopted CIP. Included in the 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 amounts reflected below do not include any carryforwards that may occur at year end.

Cultural and Recreation – total \$3,713,323, highlights include:

- Initial funding for the Woodville Library \$1,400,000
- Red and Sam Park - \$500,000 for state grant match
- Continued funding for the Miccosukee Community Center \$500,000
- Continued funding for athletic field lighting \$90,000; total CIP funding \$450,000

Stormwater – total \$3,338,760, highlights include:

- Continued funding of the County's flooded property acquisition program \$1,000,000
- Lafayette Street stormwater improvements \$777,260; total CIP funding \$1,200,000

Transportation – total \$19,020,183, highlights include:

- Continued funding of the County's Open Coal Grade Mix (OCGM) project \$1,795,183; total CIP funding of \$4,136,597.
- Continued funding of the Community Safety & Mobility (i.e. Sidewalk) project \$500,000; total CIP funding of \$2,500,000.
- Continued funding of Buck Lake Road \$1,000,000; total CIP funding \$3,000,000.
- Continued funding of the Kerry Forest Extension \$400,000. This will be a joint project with the City of Tallahassee.
- Arterial/Collector Resurfacing \$1,880,000; total CIP funding \$9,400,000.
- Intersection and Safety Improvements \$1,400,000; total CIP funding \$5,927,000.
- Continued funding for Tharpe Street \$9,700,000; total CIP funding \$19,733,000.
- Timberlane Road Intersection \$1,000,000.
- Woodville Highway \$2,156,000 payment to the State utilizing the anticipated Southwood Phase 2a DRI proportionate share payment as the funding.

Health and Public Safety - \$5,429,468, highlights include:

- Continued funding of the Emergency Medical Services Facility \$1,900,000; total CIP funding \$3,900,000.
- Continued funding towards the Jail Roof replacement \$450,000; total CIP funding of \$2,100,000.
- Continued funding for the Renovation of the Jail Annex \$1,400,000.
- Initial funding for the Joint Dispatch Center \$200,000.

General Government - \$4,963,172, highlights include:

- Continued funding for Americans with Disabilities Act (ADA) improvements at various County facilities \$275,000; total CIP funding \$375,000.
- Continued funding to upgrade the elevators at the Leon County Courthouse \$200,000; total CIP funding of \$860,000.
- Fuel Tank Upgrades at the Sheriff's Office Complex \$350,504.
- Continued funding of the Remote Service Center for redundant data \$300,000.
- Initial funding for Standby Generators \$450,000; total CIP funding \$750,000.
- Continued funding of the Geographic Information Systems technology requirements \$398,117 and continue support of the updating of the base map information \$235,000.

Board Retreat Priorities

The Final FY2006/2007 Budget provides fiscal support to a number of the Board Retreat Priorities discussed in December 2005, as well as, funding to support continued priorities of the Board.

- *Address Consolidation of Law Enforcement and Emergency Response Dispatch* – The budget includes \$200,000 in initial funding towards a joint dispatch operation.
- *Enhance Primary Healthcare for the Uninsured* – The budget includes continued funding for the Primary Healthcare program. Enhanced funding is dependent upon the outcome of the November referendum.

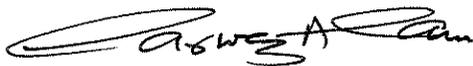
- *Implement a County-wide Lake Protection Program* – This priority builds upon last year's priority to develop Total Maximum Daily Load (TMDL) Standards (Water Quality). The budget includes \$558,630 for water quality and TMDL monitoring, an increase of over \$200,000 for the prior fiscal year.
- *Construct a Library Branch in the Woodville Community*- The budget includes \$1,400,000 in initial funding for this new branch library.
- *Address Impacts from Sprayfield Irrigation and other Pollutants on Wakulla Springs* – As noted above, the budget includes over \$550,000 to address water quality and TMDL monitoring.
- *Address Leon County Jail Issues* – A prior year issue that the Board has continued to place a strong emphasis. The budget includes \$1,400,000 in capital and \$99,612 in operating funds related to the renovation of the jail annex. In addition, the budget includes an additional \$300,000 to support alternative divisionary programs in an attempt to further reduce the jail population.

Conclusion

In closing, I believe the final FY2006/2007 places a strong emphasis on practicing fiscal discipline. The final budget continues to place a strong emphasis on areas of importance to the Board and the Community: public safety, public health, parks and recreation, library services and transportation. The County continues to maintain a fiscally strong position. The recent growth in property values has allowed the County to support needed capital projects. This budget again places resources into infrastructure, while only increasing operational funding in critical areas. Although we are experiencing unprecedented increases in our property values, we do not anticipate this trend continuing. In addition, we continue to experience significant annual increases in retirement, fuel, and other materials. In looking at the overall condition, I am extremely proud of the fiscal health of the County.

I would like to express my personal thanks to the Board in providing the necessary guidance in preparing this document. I would also like to extend my appreciation to the Constitutional Officers and Judicial Officers for their cooperation during the budget process and to the Office of Management and Budget, Group Directors and department staff for their considerable number of hours spent assisting me in formulating this budget.

Respectfully submitted,



Parwez Alam, County Administrator