Leon County
Board of County Commissioners
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October 1, 2007

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

The Honorable Chairman and Commissioners:

I am pleased to present the Board the adopted Fiscal Year FY2007/2008 Operating and Capital Budget and Five Year Capital Improvement Plan (CIP). The following table provides a summary of the total budget:

Adopted Budget Summary

	FY2007	FY2008	% Change
Operating	$196,399,013	$202,018,055	2.9%
Capital	$38,411,656	$42,150,316	9.7%
Sub-Total	$234,810,669	$244,168,371	4.0%
Capital Reserve	0	$40,522,926	N/A
Total	$234,810,669	$284,691,297	21.2%

As reflected above, the total operating budget is $202,018,055 representing an increase of 2.9%. The capital budget is $42,150,316 representing an increase of 9.7%. The budget includes a large reserve for capital projects of $40,522,926. Excluding the capital reserve, the total tentative budget is $244,168,371 which represents an increase of 4.0%.

Property Tax Reductions and Taxpayer Savings

As the result of the Board's actions in implementing property tax relief, the following table summarizes the countywide millage rates over the past two years and the rates for FY 2008.

Millage Rates

	FY2006	FY2007	FY2008
Countywide	8.540	7.990	7.213
EMS	0.500	0.500	0.500
Primary Healthcare	0.120	0	0
Total Rate	**9.160**	**8.490**	**7.713**
Reduction		0.67	0.777
% Change Over 2 yrs			-16%

The adopted total countywide rate for FY2008 will be 7.713 mills. This is a reduction of 0.777 mills or 9%. Over the past two years, the millage rate will have been reduced from 9.16 mills or a total of 16%.

For the owner of a median valued home ($175,000) in Leon County the savings from next year's millage reduction will be $117. Over the two years, the savings resulting from the millage reduction will be $217. The following table shows the savings for a range of home values. The actual savings will vary depending upon the individual parcel and the associated changes in the taxable value from the prior year.

Taxpayer Savings

Taxable Value	FY2007	FY2008	Total
$150,000	$101	$117	$217
$200,000	$134	$155	$289
$250,000	$168	$194	$362
$300,000	$201	$233	$434

Note: The taxable value takes into consideration a $25,000 exemption.

To provide a different perspective, a homesteaded property owner that had a taxable value of $150,000 would have paid $1,287 in the year 2000. The same homesteaded property owner would have a taxable value of $178,112 in 2007 and would pay $1,284 in countywide taxes. This is a decrease of $3 over the past 8 years. As the Board of County Commissioners is only responsible for one portion of an individual property tax bill, depending upon other taxing authority's tax rates the total tax bill may show different results.

The millage reductions will also benefit non-homesteaded owners as well. For the ten highest valued property owners in Leon County, the 0.777 millage reduction will provide approximately $660,000 in property tax relief. In total, the millage reduction for next year will produce savings of approximately $13 million. Over the two years, the total savings from the millage reductions will be in excess of $33 million.

Property Tax Reform

The final adopted budget has been significantly influenced by the State of Florida's on-going property tax reform efforts. The Board of County Commissioners has concurred with the goal and has repeatedly acknowledged the need to reform the property tax system in Florida.

On December 12, 2006, the Board of County Commissioners conducted a workshop on the need for property tax reform and the on-going efforts that were occurring. The Board realized that the property owners feeling the greatest impact of the recent increase in taxable values was homesteaded owners that moved and non-homesteaded property owners. Specifically, the Board endorsed the following positions to address these issues:

- Portability of Save Our Homes within county boundaries and county to county reciprocity.
- Providing a cap on the growth rate of non-homesteaded property.
- Establishing a $25,000 exemption for businesses on the tangible personal property tax.
- Supported establishing property tax relief for affordable rental housing.

The positions noted above take into consideration the fact that the Board's ability to address property tax relief through millage rate reductions can not offset individual property owner's increases in value. Though the reduction in millage rates is having a significant benefit to many property owners, if a parcel does not have the protection of Save Our Homes the individual owner may still see a large increase in their tax bill.

During the regular session, the Legislature was unable to develop a property tax reform plan and convened a special session in June to address the issue. The outcome of the session produced two separate efforts: 1) A statutory provision that impacts the current budget process through reduced property tax rates and provides caps for future property tax rates and 2) A constitutional amendment referendum to be held in January 2008 that will provide alternative homestead and other property tax exemptions.

For the development of the current year budget, the new law requires counties to levy a tax rate 3 – 9% below the rolled-back rate. The amount of the reduction is based on an individual County's growth in per capita property taxes over the last five years. Leon County's rate of growth was 6.93% which puts Leon County in the lowest category of growth and which requires a 3% reduction. Based on the final state-wide certification by the Department of Revenue, this growth rate is the 11th lowest of all 67 counties (56 counties had a higher growth rate). In looking at non-fiscally constrained counties (39 total), Leon County had the 3rd lowest growth rate; 36 counties had higher rates of growth.

In future budget cycles, the County's tax rate will be capped based on the increases in new construction and the per capita personnel income growth rate. The new law allows this rate to be exceeded by various amounts with supermajority and unanimous votes. The law also allows for a local referendum to authorize the caps to be exceeded.

The legislature has also placed a constitutional amendment to be conducted on January 29, 2008. The amendment provides for the following:

- Homesteaded property owners having the option of selecting a "super homestead" exemption in exchange for eliminating their Save Our Homes protection.
- A $25,000 tangible personal property tax (TPP) exemption for businesses.
- Reduced assessments for rent-restricted affordable housing and working waterfront properties.
- A minimum $100,000 homestead exemption for low-income seniors.

The Property Appraiser's Office has applied the impacts of the proposed constitutional amendment to the current tax roll. Assuming all homeowners select the option that benefits them the most immediately, the taxable value for next year would have been $13.8 billion versus $16.3 billion or a loss of $2.5 billion in taxable value. Assuming a millage rate of 7.213, the total loss in revenue would be $17.5 million or 16%. For EMS the loss would be approximately $1.3 million annually.

At the June budget workshops, staff provided the Board a list of possible budget reductions to offset the loss of property tax revenues. Staff will be providing the Board an updated list with additional recommendations to address the possible passage of the referendum beginning at the October 23, 2007 Board meeting.

FY2007/2008 Budget Process

As noted above, the Board began planning for the development of the budget at the December 12, 2006 Workshop on Property Tax Reform. At the February 13, 2007 meeting the Board adopted a proposed calendar and provided preliminary policy guidance for the operating and capital budget.

On February 27, 2007, the Board conducted a workshop to discuss the on-going property tax reform efforts. To prepare for the upcoming legislative session, the Board took the following action:

- Endorsed the County Administrator's:
  - 120 day hiring freeze for all personnel, with the exception of those positions having a significant impact on the essential level of service to the citizens of Leon County
  - 120 day freeze on all non-required travel and training
  - 120 day freeze on the majority of capital projects
- Requested the Constitutional Officers participate in the hiring and travel/training freeze

On May 22, 2007, the Board conducted a preliminary budget workshop and received budget information relating to tentative expenditure and revenue information.

On June 27 and 28, 2007, the Board conducted two all day workshops to balance the tentative budget. In addition to the specific budget balancing actions taken, the Board also endorsed the County Administrator's continuation of the hiring and travel/training freeze through July 1, 2008. Extending these freezes will allow the results of the January 29, 2007 referendum and next legislative session to be known. This will position the Board to better address the impacts of a possible $17.5 million reduction in revenues. Prior to this time only positions that are absolutely essential to County operations will be filled.

At the July 10, 2007 meeting, during the ratification of the Budget workshops, the Board made further adjustments to the tentative budget.

On July 13, 2007, the County Administrator provided summary materials of the tentative budget. This submission was necessary to comply with the Florida Statutes.

On September 4, 2007, the Board conducted a town hall meeting and the first budget hearing to adopt tentative millages and budgets.

On September 18, 2007, the Board conducted the final budget hearing to the FY2007/2008 adopt millages and budgets.

Balancing Strategies

Three significant actions were taken prior to the start of the budget process to better position the County in addressing the current year tax reform efforts: 1) In recent years funding capital projects through recurring revenues; 2) Hiring/capital projects freeze in February 2007; and 3) Conducing a review of the County's current reserves and the associated policies.

Prior Year Ad Valorem and the Support of Capital Projects

The following table shows the growth in ad valorem collections versus the total recurring general revenue support for capital projects. As reflected in the table, even though Leon County experienced additional property tax revenue a significant portion of these funds were committed to infrastructure improvements. By directing additional funds towards capital projects and not starting new programs Leon County avoided additional recurring operating expenses. As many of these projects were only partially funded or included in the capital projects freeze, the funds are now available to be redirected to help address the property tax reform initiative. **Most importantly from a fiscal perspective, the on-going need to provide recurring funds for capital projects was eliminated or significantly reduced through the adopted modifications to the capital program.**

Countywide Ad Valorem and Capital Projects Funding

	Budgeted Ad Valorem	Change in Ad Valorem	General Revenue Support of Capital Projects
FY05	$87.7	$7.3	$2.4
FY06	$99.8	$12.1	$5.2
FY07	$110.9	$11.2	$9.6

As reflected in the above table, the County committed $9.6 million in recurring revenue during the previous budget cycle to support one-time capital projects. Through the elimination of this continued level of support for new capital projects these funds were redirected to support the operating budget. If these funds had been previously directed towards increases in the operating budget, further reductions would have been needed to balance the FY2008 budget.

Reserves

During the June workshops the Board reviewed the County's unreserved fund balances and adopted a revised policy to address the utilization of these resources. The complete policy is contained in the Appendix of the budget; the following provides a brief summary:

- Maintain a minimum of a 10% unappropriated fund balance for the purposes of supporting cash flow purposes, with a maximum to not exceed 20%. 16.6% equates to approximately two (2) months of operating expenditures.
- Maintain a minimum of a 5% unappropriated fund balance as an emergency reserve for contingency, with a maximum not to exceed 10%.
- Fund balances in excess of the amounts allocated above can be utilized to support capital project funding. As part of the annual budget process, a review will be made to determine the amount of fund balance available to support capital project funding without decreasing levels below the minimums per the policy.
- The Board shall only utilize fund balance to support operating expenditures if it supports a one-time expenditure or to address unforeseen revenue shortfalls.

The budget and analysis summary section provides a complete analysis of all funds, their respective projected balances and the application of the revised policy. The County anticipates the unreserved balances at the conclusion of the *current fiscal year* to equal the maximums allowed under the policy.

To support the funding of the five year capital program the Board approved the transfer of $15,960,808 from the unappropriated general reserve to the capital projects fund. This transfer will bring the unreserved balance to the minimum policy levels during next year. To balance the adopted budget, no property tax revenues are being allocated to the capital improvement program. Each year as part of the budget process, a determination will be made regarding the level of unreserved funds available to support capital projects.

Expenditure Overview

It is important to note the considerable cost to maintain current levels of service to the Citizens of Leon County. The following table presents the operating expenditure changes necessary to maintain a constant level of service throughout the entire organization. The table reflects the majority of the increases are associated with the Constitutional Officers and other required payments. The table also reflects that the County reduced the travel and training expenditures $116,000 (14%) during the development of the adopted budget.

Changes to General Revenue Supported Appropriations

	Increase over FY06/07
Constitutional Officer Increases (includes all benefit and COLA adjustments)	$7,221,040
Cost of Living Adjustment (COLA) Board Employees	$1,240,410
Increased payments (Medicaid, Medical Examiner, DJJ, Fire, Parks)	$1,436,421
Increased cost in benefits for Board Employees (Retirement/Health/Life)	$816,810
Other Contractual Obligations (i.e. GPS monitoring)	$423,617
Regional Conflict Council – new state unfunded mandate	$300,000
Gum Road Target Planning Area (TPA)	$250,000
Human Resources Pay Plan Studies and Reclasses	$121,976
Water Atlas	$50,000
Judicial Offices	$27,630
Decrease in travel and training expenses	($116,001)
Decrease in one-time line item funding	($304,000)
Decrease in Risk Allocation Charges	($615,243)
Total Increases	$10,852,660

Notes: Table does not include any capital project expenditures and only includes programs that require general revenues (i.e. does not include Building Department or Tourist Development Council).

In evaluating the budget, staff compiled the operating expenditures into a series of categories. A detailed breakout for each listing is provided in the budget summary section.

- Mandatory ($124,054,963): Required expenditures per the Florida Constitution, Florida Statutes or the County Charter. For purposes of this summary, there may be certain functions that have components that are non-mandatory, but the amounts are not significant enough to break-out. Although expenditure is included in the Mandatory category, the County does not necessarily need to continue to provide the service at its current level.

- Non-Mandatory ($27,849,732): Expenditures which are not required.

- Support Functions ($17,509,443): Includes departments and programs that provide services that benefit all of County government. As with the mandatory category, portions of these functions can be performed at a lower level of service.

- Budgeted Reserves ($3,030,018): Includes budgeted reserves for raises and contingencies.

- Self-Supported ($29,573,899): Programs that have a dedicated revenue stream and therefore do not receive general revenue for support.

Budget Overview by Organization

The total budget of $284,691,297 includes $202,018,055 for operating, $42,150,316 for capital and $40,522,926 as a reserve for future capital projects. Depicted organizationally, the budget reflects the following:

Budget By Organization

Department /Agency	FY07/08 Funding	% of Total Budget
Board of County Commissioners	$86,585,402	30%
Constitutional Officers	$77,719,344	27%
Capital Projects	$42,150,316	15%
Capital Project Reserves	$40,522,926	14%
Non-Operating	$25,957,640	9%
Debt/Grants	$10,489,469	4%
Judicial	$1,266,200	1%
Total	$284,691,297	100%

Board of County Commissioners

The Board of County Commissioners portion of the budget is $86,585,402, reflecting an increase of 5.7% over the adopted FY2006/2007 Adopted Budget. The increase includes all departments regardless of funding source. There is a reduction of 5.0 FTEs.

Legislative/Administrative

The Legislative/Administrative portion of the budget totals $9,036,239, reflecting a decrease of 2.5% under the FY2006/2007 Adopted Budget. There is a reduction of 1.0 FTE.

Board of County Commissioners - The Board approved the elimination of their car allowances resulting in an annual savings of $30,471. The Board directed these funds be used to offset a portion of the cost to support two Mental Health Coordinators to be located at the Bond and Neighborhood Health Service Clinics.

County Administration - The County Administrator offered and the Board accepted the elimination of his car allowance resulting in an annual savings of $7,200. As with the Commissioner's car allowances, these funds are being redirected to support the two new Mental Health Coordinator positions.

County Attorney - Reduced funding for outside litigation expenses by $300,000 and eliminated a vacant Legal Assistant position ($43,931).

Office of Management and Budget - The budget reflects the elimination of the Budget Office Internship program ($19,774).

Department of Public Services

The Department of Public Services portion of the budget totals $26,741,607, reflecting an increase of 6.6%. There is a reduction of 2.0 FTEs.

Emergency Medical Services (EMS) - Pursuant to County Policy, Human Resources maintains a three-year classification review schedule for all employees. Based on the review preformed for EMS employees an additional $191,961 is included in the budget.

Library Services - The budget reflects the elimination of the County's funding ($50,000) towards the late night media program.

Cooperative Extension - The budget reflects the elimination of an administrative support position in Environmental Education ($36,727).

Uninsured Primary Healthcare - The Board approved continued funding for the Uninsured Primary Healthcare program. This includes support of both clinics (Bond and Neighborhood), We Care and the FAMU Pharmacy. In addition, the Board has included funding to support two new mental health coordinator positions. Total funding to support this program is $1,287,094. This program will be supported through countywide property taxes. As a result of property tax reform, to impose the Municipal Services Taxing Unit (MSTU) without any corresponding reduction in the countywide millage rate would have required a supermajority vote of the Board. Ultimately, the Board decided to fund the program through recurring general revenues and not impose the MSTU.

The budget also reflects the third and final year of funding for the Women's Health Center at the Bond Clinic. The funding to support this program is the balance of a prior commitment made by the Board and is supported from prior year funds collected through the MSTU.

Health and Human Services - The budget includes increased funding to support mandatory funding associated with Medicaid and the Medical Examiner ($250,000).

Health Department - The budget reflects a reduction of $60,000 of direct support. However, this reduction is offset by the recently adopted increase in vital statistic and other fees effective October 1, 2007. These fees are anticipated to generate approximately $60,000 that the Health Department will retain. The additional funds generated through the reduction of direct support will be utilized to support the two new mental health coordinator positions.

Management Services

The Department of Management Services budget totals $16,889,516 or an increase of 6.35%.

Pre-Trial Release - As recommended by the Public Safety Coordinating Council (PSCC), the Board realigned funds during FY2007 to fund two new positions for the purpose of GPS monitoring as well as purchasing additional GPS monitoring devices. These efforts are part of the Board's overall strategy to reduce jail overcrowding. The funds for FY2007 came from the Jail Diversionary Account.

Facilities Management - The budget includes increased contractual payments associated with custodial, grounds, elevator maintenance, Courthouse security and lease parking spaces in the amount of $121,111. As directed by the Board during the Green Building

Workshop, the budget also includes funds to support green building certification ($8,934).

Minority Women/Small Business Enterprise - The budget includes $136,895 in funding for the continued funding of the Small Business Enterprise program and the associated contract with the FAMU Small Business Development Center.

Management Information Systems - The budget reflects reductions in contractual services and travel and training of over $57,000. The budget has been reduced by 1.0 technical support position ($65,846).

Geographic Information Systems - The budget has been reduced by 1.0 GIS specialist position that is joint funded by the City and County ($25,562).

Growth and Environmental Management

The Growth and Environmental Management (GEM) portion of the budget is $5,182,552 which reflects a 6.35% increase of the FY2006/2007 adopted budget. The budget includes increases associated with salaries, benefits and other operating expenses such as fuel costs. The Growth Management functions are supported on a 50/50 basis between fees and general revenues. Building Inspection is 100% fee supported.

Public Works

The Public Works portion of the budget totals $28,735,488 which reflects an increase of 7%.

Animal Services - Pursuant to the interlcoal agreement with the City of Tallahassee, the budget includes increased funding to support the County's share of the Animal Shelter in the amount of $126,887.

Parks and Recreation – The budget includes $49,500 in increased of utility costs for new park facilities, and $30,950 in increased contractual service adjustments for costs associated with mowing of community center grounds.

Stormwater Maintenance - An increase of $96,500 to support contractual service increases for mowing and the support of new stormwater facilities coming on line.

Water Quality and Total Maximum Daily Load (TMDL) Monitoring - The budget has been reduced by $150,000 which changes the lake sampling from monthly to quarterly. The budget also includes $50,000 to support the Watershed Policy Board's implementation of the Water Atlas and other associated costs of the joint city/county program.

Solid Waste Management - In an effort to reduce the general revenue subsidy to the Solid Waste fund, the budget contemplates reducing the hours of operation at the Apalachee facility by 2 hours a day ($271,353).

Constitutional Officers

The overall Constitutional Officers' portion of the budget is $77,719,344, reflecting an increase of 10.2%. There are no new positions.

Sheriff – The Sheriff's total budget is $61,916,643 representing an increase of 9%. The budget reflects the Board's continued commitment to public safety. The budget includes $1.8 million to support the third and final year of the salary parity study approved by the Board on February 22, 2005. The salary study provides adjustments based on market conditions to the sworn law enforcement officers. The budget includes funding for capital outlay associated with vehicles, information technology and communications equipment. As part of the budget reduction process, the Sheriff reduced this portion of his budget request by $466,056.

Supervisor of Elections - The Supervisor's total budget is $3,853,209 representing an increase of 60%. Election cycles generally determine the Supervisor's budget increases/decreases. For next year, the Supervisor has the additional expense of conducting January Presidential Primary. Through internal operating program reductions the Supervisor has committed to returning excess fees to the County of $179,000 through the current fiscal year. In addition, the Supervisor identified capital outlay requests that can be delayed.

Property Appraiser – The Property Appraiser's total budget is $4,684,337 representing an increase of 5%. The Property Appraiser has estimated that through constraining expenditures, $100,000 will be returned to the Board in excess fees. In addition, an additional $81,158 reduction is associated with maintaining existing vacancies.

Clerk of the Circuit Court – The Clerk's budgeted supported by the Board is $1,847,365 representing an increase of 7.8%. The increase includes normal adjustments associated with personal service costs and any associated requirements in support of Court related Article V expenditures. As part of the budget reductions process, the Clerk has deployed additional technology in the official records section and has committed an additional $90,000 in excess fees being returned to the County.

Tax Collector – The total commissions associated with the collection of property taxes and non-ad valorem assessments is estimated at $5,417,790 representing an increase of 6%. Pursuant to Florida Statutes, the Board of County Commissioners is responsible for the commissions associated with the collection of property taxes in support of the School Board. The School Board's FY08 adopted budget reflects an increase in property tax collections for next fiscal year which will cause a corresponding increase in commissions.

Judicial

The overall Judicial portion of the budget is $1,266,200 representing an increase of 51%. The majority of the increase is associated with the estimated $300,000 for the County to support the new State required unfunded mandate for Conflict Attorneys. The legislature is requiring counties to provide Article V support (i.e. space, parking, communications, and computers) to a new group of state employees. At this time, the County does not have an exact number of positions it will be required to support. The funding estimate is based on having 22 new positions; however, pending a final determination by the State this amount could increase or decrease. During the September 11, 2007 meeting, the Board directed the County Attorney to continue to monitor how other counties were addressing this situation. The Board's concern involves the State's authority to require county funding of this unfunded mandate and the overall constitutionality of the requirement as it relates to the County's obligation to support court related funding.

Though not included in the individual Judicial operating budgets, under Florida Statutes the Board is also required to provide space, security and telecommunications (including computer support) to the various members of the Judiciary (Courts, Public Defender, State Attorney). The Board expends millions of dollars providing these services through the Sheriff's Office (Bailiff 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 function, but are either applicable to the operation of County government as a whole, or are provided for the good of the public. 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 $25,957,640 reflecting a decrease of 20% under the FY2006/2007 Adopted Budget.

Fire Services – Consistent with the interlocal agreement with the City of Tallahassee, funding is included to provide fire services to the unincorporated area ($4,904,609).

Grants and Community Supported Programs – The following provides a brief summary of the funding for this area.

- Military Grant Program - $135,000 is included to support the property tax and rental rebate program for our Leon County military personnel
- Community Health Services Partnership (CHSP) - $750,000 in direct funding for CHSP is included in the budget, the increase over last year's $684,950 was accomplished through consolidating the direct funding with the CHSP emergency account
- Youth Athletic Scholarships – continued funding at $4,750
- Summer Youth Employment Program - $73,943
- Trauma Center - $300,000

- Economic Development Council (EDC) - $199,500
- Event Sponsorship - $20,000, A list of specific events is contained in the non-operating section of the budget
- Council on Culture and Arts (COCA) – constant level of funding of $658,020 by providing $526,350 in one-time funding from the Tourist Development unreserved fund balance and $131,670 from general revenues
- Other Line Item Funding - $527,059; a list detailing specific agencies is contained in the non-operating section of the budget

Budgeted Reserves - The majority of the reduction in the non-operating budget is associated with a reduction in budgeted reserves. The level of funding necessary to support employee raises for next year has been reduced by $1.0 million. This was accomplished through utilization of anticipated savings resulting from the hiring freeze. The level of budget reserves for the Risk Fund has been reduced by $1.8 million. This was done to have all the reserves reflected in the unappropriated reserve schedule and to avoid having two different areas of the budget showing the same reserves. The budgeted landfill reserves have also been reduced by approximately $1.5 million; this reduction is based on less funds being available to support on-going operating costs.

State Department of Juvenile Justice (DJJ) - $1,957,800 is included as the estimated payment the County will have to make to DJJ for the housing of Leon County juveniles. This is an increase of $437,000 over the FY2006/2007 Adopted Budget.

Tax Increment Financing (TIF) Payments – The budget includes $2,235,074 for the County's payments in support of the Frenchtown/Southside and Downtown Community Redevelopment Areas (CRA). As the result of the reduced countywide millage rate and the revised Downtown CRA Interlocal Agreement, the overall payments are estimated to be $560,000 less than the FY2006/2007 Adopted Budget. However, in future years, payments are anticipated to increase as the district grows and the County's millage rate stabilizes.

Capital Improvement Program (CIP)

The budget includes $42,150,316 for capital projects. In addition, reserves for future capital projects are budgeted at $40,522,926.

Though Leon County experienced additional property tax revenue over the past several years, a significant portion of these funds were committed to infrastructure improvements. By directing the funds towards capital, the County was not starting new programs which would have had on-going operating expenses. As many of these projects were only partially funded or included in the capital projects freeze, during the final budget adoption, these funds were redirected to help address the property tax reform initiative.

One of the key components in balancing the FY08 budget was to reprioritize previous and future funding allocated to capital projects. Specifically, the following has occurred:

1. The discontinuation of funding non-mandatory capital projects (i.e. new branch libraries, new community centers) and reallocating previously appropriated funds to mandatory projects (i.e. the Courthouse), maintenance and essential projects. The capital section of the budget document provides a complete listing of the projects that are being discontinued.
2. Where possible, the reallocation of projects previously funded through general revenue to dedicated capital project funding (i.e. moving any stormwater/water quality projects to sales tax funding).
3. The elimination of previous and future funding for the Tharpe Street widening project, and the establishment of a sinking fund with these resources to address resurfacing and intersection improvements for the next five to eight years. This approach significantly reduces the Transportation Trust Fund's reliance on a general revenue subsidy previously projected to reach over $4.0 million annually within the next five years. This will allow the County adequate time to address the long term needs of transportation and appropriate funding mechanisms.
4. The utilization of the general/fine forfeiture fund balance to support the future capital improvement program's general revenue mandatory, maintenance and essential projects. Assuming modest annual growth to the fund balance, this approach will be evaluated yearly to ensure fund balances do not decrease below fiscally acceptable levels.

The following provides a summary of funded capital projects. The focus of the capital program is to maintain the existing infrastructure of the County and to fund mandatory and essential projects.

Culture and Recreation – FY2008 total $703,350, highlights include:

- Capital Cascades Greenway $200,000 from the sales tax extension to create trailheads, public parking and other public access features
- Greenways and Trail Management $75,000
- Parks Playground Equipment $145,000
- St. Marks Headwaters Greenways $100,000 to create a stream crossing for vehicles which is required by the Department of Environmental Protection

General Government – FY2008 total $9,607,789, highlights include:

- Courthouse/Courthouse Annex (Bank of America, BOA): $6,873,985 to support renovations necessary as part of the construction of new courtrooms/court related space in the Courthouse and related relocation of existing functions to the BOA
- Courtroom Technology $95,000
- Geographic Information Systems (GIS) Incremental Basemap Update $285,500 (per the GIS interlcoal agreement the City of Tallahassee is responsible for 50% of this cost)

- Justice Information Date Warehouse $325,000 supports the data utilized by the justice community include the Sheriff, Tallahassee Police Department, Court Administration, the Clerk's Office, the Public Defender, State Attorney and Probation Services, to provide further integration with State standards and other counties in the 2nd Circuit
- Network Backbone Upgrade $150,000 to provide redundant links for disaster recovery and replacement of routers and switches throughout the entire network
- Remote System Center $140,000 funding to complete the redundant data center as part of the County's continuity of operations plan (COOP)

Health and Safety – FY2008 total $9,636,148, highlights include:

- Joint Dispatch/Radio Communications $2,000,000 to be utilized to fund a new radio communication system and to support a new joint dispatch facility to be jointly funded with the City of Tallahassee which will benefit all the public safety agencies in the County (Sheriff, EMS, Fire, and Police)
- Jail Roof Replacement $1,475,220 to continue setting aside funds for the future replacement of the jail roof
- Renovation of the Jail Annex $771,785 provides the final funding necessary to complete the conversion of the existing Jail Annex and associated space to support an increased jail population
- Emergency Medical Services (EMS) Facility $4,179,820 provides the next phase of funding for the EMS Facility to be located at the corner of Blair Stone and Miccosukee Roads by replacing the currently utilized modular building with a hardened structure for both staff and equipment, as well as, adequate training space for the paramedics and EMTs

Solid Waste - FY2008 total $1,150,113, highlights include:

- Heavy Equipment Replacement for the landfill and transfer station $875,500

Stormwater – FY2008 total $3,644,690, highlights include:

- Killearn Acres Subdivision Flood Mitigation $1,170,609
- Lexington Pond Retrofit $400,000 to be funded from the County's share of the Blueprint 2000 Water Quality funds
- Rhoden Cove Retrofit $800,000 to be funded from the County's share of the Blueprint 2000 Water Quality funds

Transportation – FY2008 total $17,408,226, highlights include:

- Arterial Collector and Local Resurfacing $2,380,000
- Buck Lake Road $2,0229,000 provides continued funding for various intersection improvements along Buck Lake Road
- Community Safety and Mobility $1,200,000 which provides funding for the Aenon Church Road sidewalk and other sidewalk projects

- Gaines Street $3,276,604 towards the $10.7 million commitment the County has made pursuant to the Downtown CRA Interlocal Agreement with the City
- Intersection and Safety Improvements $3,027,000
- Miccosukee Road Complex $1,600,000 from the Transportation Trust Fund balance to support the overall construction of the balance of the complex build-out including crew truck sheds for vehicles and equipment
- Open Graded Cold Mix Stabilization $1,841,414

Capital Project Reserves $40,522,926:

- General Government $14,039,917 is supported through dedicating a portion of the general fund fund balance to ensure funding over the next several years to support the County's general government capital program including: projects such as geographic information systems, playground equipment, computer and network infrastructure, stormwater and general vehicle replacement.
- Resurfacing and intersection improvements $26,483,009, which are supported by reallocation of the previous sales tax funds accumulated for Tharpe Street to fund resurfacing and intersection improvements for the next five to eight years.

2007 Priorities

During the December 2006 retreat, the Board established a series of priorities for the upcoming fiscal year. Where appropriate, the budget includes funding that is supportive of these priorities.

- Economic Development – The budget provides continued funding for the Economic Development Council ($199,500) and the Community Redevelopment Areas ($2,235,074). During the current year the Board also provided the resources ($750,000) to start the first local business accelerator (Vision 2020).
- Performing Arts Center – The budget includes the continued allocation of the 4th cent Tourist Development Tax towards the Performing Arts Center ($879,234).
- Jail Diversion Programs – The budget includes the on-going funding necessary to support the increased GPS pre-trial release program and includes $100,000 in the Jail Divisionary Account for the Public Safety Coordinating Council to provide recommendations to the Board.
- Functional Consolidation of Some City and Leon County Government Services – Through the Mayor/Chair meetings, the County expressed its desire to move forward in examining areas of opportunity for functional consolidation. The City stated that this may be premature due to the on-going property tax reform efforts.

Conclusion

The development of the FY2007/2008 budget has been a collaborative effort. The Board of County Commissioners provided clear policy direction in establishing the funding priorities. This budget emphasizes a strong commitment to public safety through the funding of the Sheriff's salary parity study and the joint dispatch/radio communications program. The Board has shown a commitment to the health of those citizens most in need through the support of the clinics, We Care and FAMU Pharmacy. This was accomplished without any increase in property taxes. Through your efforts made at the numerous meetings and workshops, the residents of Leon County will continue to receive the highest quality of services while benefiting from the largest property tax reduction in our history.

I would like to express my personal thanks to the Board in providing the necessary guidance in preparing this document. I sincerely appreciate the efforts of the entire organization in the professional and sincere manner in which they have approached this task. I would like to personally thank each of the Constitutional Officers and members of the Judiciary for working closely with the County in developing this budget.

I look forward to working with the Board during this fiscal year in preparing for the impact of the possible passage of the January property tax reform referendum, and other reforms that may occur in the 2008 state legislative session.

Sincerely,

Parwez Alam
County Administrator