Leon County

Board of County Commissioners

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October 1, 2008

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 FY2008/2009 Operating and Capital Budget and Five Year Capital Improvement Plan (CIP). The budget has been reduced over $17 million from last fiscal year. The adopted budget totals $267,410,647 or a reduction of 6.07% from last year's $284,691,297. Overall, the capital budget has been reduced by 23.32% and the operating budget has increased a nominal 0.99%.

During final budget hearing, the Board adopted a countywide millage rate of 7.85 mills, and an Emergency Medical Services Municipal Service Taxing Unit millage rate of 0.5 mills, for a total millage rate of 8.35 mills. The combined 8.35 millage rate does not increase the property taxes on a $254,000 valued home, and a median valued homesteaded property will see a tax decrease. The following table provides a summary of property taxes impacts on a median valued home. As reflected, the property tax savings from FY2006 to FY 2009 will be $220 and a reduction of $78 over the prior year. A homeowner with a median valued house has received a cumulative savings since FY 2006 of $401.

Median Valued Home Property Taxes

				Tentative
	FY06	**FY07**	**FY08**	**FY09**
Countywide	8.54	7.99	7.213	7.85
EMS	0.500	0.500	0.500	0.500
Healthcare	0.12	0.0	0.0	0.0
Total	9.16	8.49	7.713	8.35
Appraised Value	$165,000	$169,200	$172,805	$177,239
Taxable Value	$140,000	$144,200	$147,805	$127,239
Property Taxes	$1,282	$1,224	$1,140	$1,062
Annual Savings		$58	$84	$78
Cumulative $			$201	$401

As noted above, the budget includes less than a 1.0% increase in operating expenses. This continues the County's long fiscal tradition of running an efficient organization and not growing recurring expenditures. Since 1999, the County's operating budget (excluding the EMS and Primary Healthcare programs which were started after this time) has increased 55%. At the same time, the County's population has increased 18% and

inflation has grown 32% for a total increase of 50%. The difference between our operating budget increase and population/inflation growth is 0.5% a year. During this time, the County has provided substantial salary increases to our sworn law enforcement officers to provide a competitive wage; funded numerous increases to unfunded state mandates (such as the Department of Juvenile Justice); absorbed significant increases in fuel/utility costs; and started making payments to the Community Redevelopment Authority (CRA). I am extremely proud of our ability to provide the services to our community while having constrained budget growth.

Investing in Our Community

This year's budget provides a significant investment in our community through the development of a series of capital projects. Not only do these projects become long term assets for all of our citizens, they also represent a significant economic stimulus to the development community. Excluding reserves, the capital budget for next year totals $29.2 million.

To address the unmet stormwater and transportation needs, the budget includes $5.1 million next year and an additional $6.1 million annually thereafter ($29.5 million total). The Board scheduled a workshop on January 29, 2009, to develop a long term strategy to address necessary infrastructure improvements that will improve the stormwater and transportation systems in the community.

Furthermore, the budget continues to provide capital funds for essential and maintenance related activities. This includes:

- $3.2 million for resurfacing;
- $1.1 million for intersection and safety improvements;
- $7.2 million for stormwater; $3.0 million for Lexington Pond, $1.8 million for Lafayette Street and $1.0 million for water quality enhancements;
- $250,000 in needed repairs to the Traffic Court facility;
- $550,000 to the long term planned replacement of the Jail roof; and
- $400,000 for elections equipment replacement for a total of $3.2 million programmed over the five years.

In addition a number of capital projects are programmed for funding over the next two to five years. As presented to the Board, to fund all of these future projects in the time frames identified, an increase in the millage rate will be required. Of note are the following projects:

- Lake Jackson Branch Library – $5.3 million FY2010 ($500,000 grant already funded);
- Southeast Branch Library – $6.3 million FY2011;
- Woodville Branch Library – $2.0 million FY2012;
- Expansion of Existing Branches - $2.0 million FY2010 and FY2011; and
- Northeast Park - $2.0 million FY2011

Funding of Community Priorities

The budget reflects the Board's commitment to maintaining the highest priorities of our community. Public Safety remains funded to ensure no reduction in any levels of service:

- There are no eliminations of any sworn law enforcement officer positions (either vacant or filled).
- The Emergency Medical System (EMS) is fully funded.
- In an effort to find alternatives to incarceration, the Board has provided continued funding for the Public Safety Coordinating Council (PSCC).
- Full support for maintaining the Jail Detention Review and Mental Health Coordinator positions.
- Funding is included to fulfill the County's contractual obligations to the City for continued fire protection in the unincorporated area. Next year's FY2009/2010 budget will reflect the final outcome of the County and City EMS/Fire consolidation efforts.
- Support for additional personnel funding in the State Attorney and Public Defender offices to expedite first appearance.

Other key provisions of the FY 2009 budget support the Board's efforts to maintain the quality of life for all of our citizens. Highlights include:

- An increase in funding for the Primary Healthcare Program for those uninsured members of our community.
- Increase in funding for additional mental health services.
- Funding for the County's Climate Action Plan to support the overall reduction of the County's carbon emissions and to position the County to lead our community on this issue.
- Maintaining current funding levels for the Community Health Services Partnership (CHSP) and other outside funded agencies including the Economic Development Council (EDC) and the Trauma Center.
- Maintained current funding levels for the Council on Cultural Arts (COCA) through the use of the Tourist Development Fund balance. During the budget workshops, the Board discussed that over the next year a more permanent solution will be developed for this funding through the utilization of recurring tourist tax revenues.
- Expanding the store front square footage for the Apalachee Parkway Branch Library to provide needed space for library patrons.

Fiscal Constraint

In preparation for property tax reform, the County instituted a hiring, travel/training and capital projects freeze in February 2007. Only essential (mainly EMS) positions have been filled since that time and only capital projects that had started construction were completed. These efforts have been beneficial in positioning the Board for the upcoming budget development.

While the County continues to see significant budget increases in a number of areas, the operating budget has grown less than 1%, and still provides funding to maintain quality service levels. Some of these increases include:

- $418,700 increase in state mandated payments such as Department of Juvenile Justice (DJJ) and Medicaid
- $279,471 in Community Redevelopment Area (CRA) payments; the total for next year while be $2.5 million.
- $444,072 in contractual obligations for such things as custodial, security and the transfer station.
- $600,000 increase for Fuel/Utilities

In addition to the above expenditure increases, the near forecast indicates the County will experience a decline of $2.2 million in other revenues. This is mainly in the areas of state shared sales tax and gas taxes.

The FY 2009 budget also includes a 3.9% or $1,000 cost of living (COLA) increase for all Board and Constitutional Officer employees. This increase was based on the annual inflation rate as of April. Since that time, the inflation rate has actually increased to 4.7% and will most likely continue to rise. At the same time, the Board has increased the employee's contribution to healthcare costs from 7.5% of the premium to 10%, an increase of 33%. For family coverage, the increase is $346 annually.

In addition to the health care shift, the Board authorized a series of reductions:

- $386,985 to maintain the reduced hours of operation at the branch libraries.
- $100,000 annually through the reduction in take home vehicles from 49 to 1, and the elimination or reduction to a number of car allowances.
- $407,180 through a redesign to the County's risk management program.
- $323,089 by maintaining five vacant positions in Growth and Environmental Management.
- $204,997 through a reorganization of the management of the County's Stormwater maintenance program.
- $100,000 for the County to take over the day-to-day operational responsibility of for the Bank of America Building.

For additional information regarding any of the above, please refer to either the Budget Summary and Analysis section or the specific department/agency's budget.

Long Term

There are a number of fiscal issues that the County will need to continue to address over the next several years.

1. The five year capital plan anticipates increased property tax revenues which will require increasing the countywide millage rate.
2. Increases for both the solid waste non-ad valorem and stormwater assessments over the next three to five years. The first increase would begin in FY2010. The $40 solid waste assessment was established in 1995 and the $20 stormwater assessment in 1991. Both programs currently receive substantial general revenue subsidies.
3. The Transportation Trust Fund is scheduled to receive $17.0 million in general revenue subsidies over the next five years. This is the direct result in the decline in gas tax collections (gas taxes are based on gallons purchased and not price).
4. The Growth and Environmental Management fund shows a deficit beginning in three years. The fund is balanced utilizing existing fund balance for the next several years and through the continuation of maintaining vacancies. Staff will continue to closely monitor development activity and the impacts on the fund.

Conclusion of the Current Year Budget Cycle

I wish to thank the Board for providing the necessary priority setting and policy guidance to prepare this budget. I sincerely appreciate the efforts of the Office of Management and Budget, the Group Directors, Department Directors and Managers in developing the tentative budget. I also would like to personally thank all of the Constitutional Officers and their staffs in working so cooperatively in preparing this budget.

Sincerely,

Parwez Alam
County Administrator