



Leon County

Board of County Commissioners

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NEWS RELEASE

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Leon County Tackles \$10M Shortfall, Reduces Budget by \$12.5M

2012/2013 Budget Emphasizes Fiscal Restraint While Maintaining Quality Level of Service

In its continued effort to maintain the most fiscally responsible budget possible with the least impact to its taxpayers, the Leon County Board of County Commissioners, in a 7-0 vote Monday, moved to fill a \$10.2 million budget shortfall without raising taxes. This shortfall includes an approximate \$1.0 million increase in unfunded state mandated Medicaid expenses. The proposed FY2013 budget of \$223 million is \$12.5 million or 5.3 percent lower than the prior year. For the fifth year in a row, the County has reduced the budget, resulting in a cumulative savings of \$60.5 million or roughly 22 percent since 2008.

The Board accomplished this year's continued budget reduction by implementing the aggregate rolled-back millage rate of 8.3144. The County utilized more than \$4.96 million in reserves, made approximately \$3 million in reductions and eliminated a net additional 5.5 positions in an effort to keep property tax collections the same as last year. Without the levying of the rolled-back rate, and leaving the millage rate at the current 7.85 mills, the Board would have had to make an additional \$5.9 million in reductions. The total estimated tax collections for FY2013 will be \$587,000 or 0.5 percent less than 2012.

"I am very proud of the hard work of the Commission. This has been a very difficult number of years for the Board, but we have kept a collegial atmosphere in working through these challenges. Despite continued fiscal challenges, I am confident that the Board has a responsible budget plan in place for the upcoming year," said County Commission Chairman Akin Akinyemi. "It is the sitting Commissioners' responsibility to determine the appropriate level of investment in our community while balancing the need to provide essential services and programs that will enhance the quality of life for our community. The Board and staff have worked very hard to reduce spending while remaining sensitive to the real-world impacts of our decisions."

In the midst of the longest and deepest recession since the Great Depression and continuous reductions in property and sales tax revenues, the current economic environment has made it very difficult for local governments to provide a balanced budget, while maintaining quality services. The recession has greatly affected the collection of property taxes, which resulted in a decline in taxable property values from 2007 – 2012 by \$3.2 billion, 20 percent.

During Monday's workshop, the Board faced a difficult task of considering a number of budget reductions as well as the appropriate continued use of reserves to address the projected shortfall. These reductions ranged from the elimination of the summer youth employment

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program, a reduced code enforcement program, closing of the main library on Fridays and additional departmental reorganizations. Other reductions presented included the outright elimination of several programs and services, including the library system's literacy program, mosquito control and significant reductions in funding for outside agencies including the community health services partnership (CHSP).

After six hours of very productive discussion and debate that began Monday morning, the Board approved a proposed budget for the 2012/2013 fiscal year. While continuing to maintain core services and investing in the community's infrastructure, a series of budget reductions will be implemented next fiscal year, which include a net reduction of 5.5 positions with no anticipated layoffs:

- A series of reorganizations, which included position eliminations in Public Works Engineering Services, Purchasing, Human Service and Community Partnerships, and Planning;
- Increasing Probation Officer Case Loads consistent with industry standards;
- Additional reductions in operating and capital outlay by the Sheriff's Office, Supervisor of Elections, Clerk of the Circuit Court, and Property Appraiser;
- A cost shift in healthcare costs to employees;
- Leveraging private-sector relationships for creating efficiencies related to Centralized Printing and Copies; and
- Reducing Rural Waste Collection Center Hours of Operation to Equivalent Hours at the Branch Libraries from 50 to 40 hours per week.

The County also realigned a number of positions into critical areas such as Veteran Services and Parks and Recreation, thereby eliminating the need to create additional positions. Through Blueprint 2000 and other funding sources, over the past five years, the County has experienced a significant increase in greenways and passive parks, 1,185 acres, which require on-going maintenance. Additionally, the County is experiencing a significant increase in demand for services in claims support from returning veterans.

"Over the past several years, faced with a continued decline in property values, the Board has provided necessary property tax relief to our citizens, while maintaining a high quality level of service. To provide for a smooth transition as we climb out of the recession and to ensure that the County's fiscal condition doesn't decline, the Board approved a preliminary budget that properly balances the use of reserves, additional budget reductions and a consistent level of property tax collection," said County Administrator Vincent S. Long. "I am extremely proud that Leon County employees are doing more with less while continuing to provide exemplary services to this community."

During the "boom" years, Leon County was diligent in not adding excess costs to the operating budget and instead prudently established adequate reserves and invested in community infrastructure. These reserves have allowed the Board the ability to now utilize these savings to mitigate the budget shortfall in order to maintain the quality of services for this community. Consistent with adopted policy and industry standard, the Board determined its overall levels of reserves were sufficient and that it was appropriate to continue to utilize a portion of its reserves, drawing \$4.9 million from the general fund balance. The Board also authorized an additional \$14.7 million in reserves to be set aside for on-going capital project needs over the next five years such as stormwater improvements, technology support and maintenance for the courthouse, library, parks and greenways.

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Leon LEADS – a structure to support and reinforce the organization’s transformational efforts – and other internal discussions related to departmental Strategic Plan development, resulted in numerous opportunities related to supporting the local economy, optimization of existing resources, leveraging technology, and strengthening partnerships. An example resulting from this process is the proposed widening of the Cross Country Track at the Apalachee Regional Park, which the Board supported the inclusion of funding at Monday’s workshop. A \$10.7 million economic impact could be realized through the hosting of a number of state, regional and national events that cannot currently be hosted given the track’s existing configuration.

The FY2013 actions are in addition to prior years’ actions, which included:

- Restructuring Library Administration and Collection Services and opening the expanded library branches without adding additional staff;
- Reducing Executive Management by 33 percent;
- Closing the Solid Waste Facility to the public for the disposal of Class III waste and contracting with a private vendor to recycle this waste stream;
- Significantly restructuring the Public Works Department’s stormwater and mosquito control programs - specifically, stormwater maintenance was previously performed by two divisions and is now being conducted by one division;
- Eliminating 18 positions in the Development Support and Environmental Management Department, over a two year period, to reflect decreased staffing needs due to the significant downturn in the construction industry;
- Privatizing the Pre-trial GPS Monitoring Program;
- Reducing roadside maintenance through the elimination of an operations crew saving; and
- Utilization of fund balances to offset budget shortfalls.

Since FY2009, organizational restructuring has allowed the Board to eliminate 75.5 positions and reduce costs while minimally effecting service levels to the community. The Board was able to achieve more than a five percent reduction in the County workforce with no layoffs.

However, during this same period of time, the Board has continued to invest in local infrastructure improvements through the commitment of approximately \$107 million which has contributed to approximately 1,000 construction jobs being created. These projects have included the Public Safety Complex, branch libraries, transportation and stormwater improvements. In addition, the Board has continued to support local job creation through the provision of tax incentives to six companies to diversify the local economy. An additional 550 jobs are anticipated to be created through this investment.

By establishing the tax rate at the rolled-back millage rate, the Board has ensured that in accordance with Florida Statutes there will not be a tax increase next year. This means that the County will not collect more in property tax revenues, excluding new construction, than during the prior fiscal year. However, regardless of the tax rate established by the Board, individual taxable property values may have increased, decreased or remained the same. As such, an individual’s property taxes, which are calculated by multiplying the tax rate by the taxable value, may also increase, decrease or remain the same. The actions of the Board are independent of any other local taxing authority. Since FY2009, the total tax collection for the Board has been reduced by \$13.1 million or 11 percent.

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At Monday's workshop, after Commission action to shift additional healthcare cost to employees based on the new plan design, a cost-of-living adjustment (COLA) of one percent in October and one percent in April was included in the budget. This COLA is for all Board and Constitutional employees. COLAs have not been provided to employees since FY2010, and the adjustment was only for half that year. Last year, as a result of legislative changes to the Florida Retirement System (FRS), which requires employees to contribute 3 percent of their salaries to retirement, County staff saw between a 0- to 3-percent pay reduction. In an effort to mitigate the effect of the cuts on employees, the Board took action to provide an offset, with the lowest-paid employees receiving a higher level offset. County Commissioners and higher-paid employees did not receive the offset.

In spite of continued revenue reductions, increased costs, unfunded mandates from the State, financial constraints born out of tax-reform legislation, and the continual decline in taxable value, the Board of County Commissioners has made a concerted effort over the past five years to minimize the impact on service delivery to the citizens of Leon County, implementing expenditure reductions and reducing and restructuring services.

The development of the current year budget is not an action that is isolated from previous Board budgets, but a continuation of an ongoing effort to address declining property values while maintaining quality services. The proposed budget is essentially a maintenance budget. The highest priorities are placed on continuing a quality level of service of current County programs. The majority of the funds are allocated toward the maintenance of the County's infrastructure, such as roads, facilities, stormwater improvements and parks.

Leon County continues to maintain the lowest net budget, the lowest net budget per resident, the lowest number of employees, and the lowest number of employees per capita than any other like-sized counties in Florida.

And when compared to Florida's other 66 counties:

- Leon County has the seventh lowest net budget per capita; and
- Leon County has the second lowest number of employees per capita.

Citizens will have the opportunity to provide input on the budget before it is finalized in September. The first public hearing will be on Tuesday, Sept. 11, at 6 p.m. in the Commission Chambers on the fifth floor of the Leon County Courthouse, located at 301 S. Monroe St.

The second public hearing will be at the same location on Tuesday, Sept. 18, at 6 p.m., at which time the Board is scheduled to adopt the final budget and millage rates.

For detailed information on the budget workshop, please visit the Leon County website at www.LeonCountyFL.gov, call the Leon County Office of Financial Stewardship / Office of Management & Budget at (850) 606-5100 or contact Leon County Community and Media Relations at (850) 606-5300 / cmr@LeonCountyFL.gov.

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