

Leon County FY 2021 Preliminary Budget Overview

- Estimated COVID – 19 related **revenue losses** for both FY 2020 (\$6.9 million) and FY 2021 (\$10.1 million) for a total of **\$17.0 million**
- **FY 2020 Shortfall**
 - **February hiring freeze**, travel/training freeze, operating and capital project reductions/deferrals
 - Extremely challenging to accomplish without service level reductions
 - **No layoffs or furloughs**
 - **No additional use of fund balance**
 - Reductions in FY2020 increase cash reserves for new year
- **FY 2021 Total Preliminary Budget**
 - The preliminary budget of \$281,721,696, reflects a **2.74%** percent increase from FY 2020.
 - General revenues shortfall of \$7.4 million due to COVID-19 impact on sales tax related revenue, gas taxes and interest earnings
 - **No property tax rate, fee or special assessment increases**
 - **No layoffs or furloughs**
 - **No new general revenue positions**
 - **Uncertainty** on how long and how deep **recession** will be
- **Ad Valorem and Millage**
 - For the ninth year in a row, the Board **maintained the 8.3144** millage rate with property value growth rates increasing by 6.78%
 - Total estimated ad valorem collections increased \$9.2 million
- **Property Tax Impact**
 - While the Board **did not increase** the millage rate, 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.
 - For homesteaded property owners, "**save our homes**" caps the current year property value increase at 2.3%
 - Multiplying the current year "**save our homes**" cap of **2.3%** against the current average homesteaded property in Leon County (\$178,241), results in a tax increase of \$2.84/month for next year

- **Cost Avoidances and Savings**
 - Through the ongoing deliberate and targeted practices of Leon County government, including I2 (squared) and the leveraging of partnerships, over:
 - **\$44.9 million** in costs savings and avoidances have been realized since FY 2013. Current year examples of **employee savings** include:
 - Relocation of the Apalachee Park Radio Control Airfield: **\$180,000**;
 - Fire Service Billing true-up: **\$185,000**.
 - **Additional Cost Savings:**
 - Sheriff Evidence Warehouse Facility: Reconfiguration of the space for the build-out will save **\$10 million**;
 - Boat Ramp Maintenance: Contract with Florida Fish and Wildlife Conservation Commission (FWC) to provide maintenance will save **\$50,000** initial costs and **\$350,000** in long term savings.
- **To address the significant revenue shortfall, the preliminary budget uses several balancing strategies, including:**
 - Operating budget reductions including continuing the hiring freeze for 6 months (\$1.87 million);
 - Maintaining a “flat” capital budget year over year saving \$2.32 million;
 - Realizing the savings associated with paying down debt (\$4.17 million);
 - Reduction in elections cost following a presidential cycle (\$1.060 million);
 - And an increased use of fund balance, from \$1.5 million to \$3.0 million, which still maintains our balances within policy limits.
- **Expenditure Increases mandatory and essential services totaling \$12.9 million, including:**
 - Community Redevelopment Area
 - Medicaid
 - Workers’ Compensation
 - Contracts
 - Florida Retirement System (FRS) payments
 - Interlocal Agreements
- **FY 2021 Targeted Operating Expenditure Reductions**
 - Hiring Freeze – Six Months (\$1.0 million)
 - Library RFID and Collection Services Efficiencies. Generating a reoccurring budget savings with elimination of 12.5 Library positions. (\$350,000)
 - Non-Essential Training and Travel Freeze (\$250,000)
 - Deferred Maintenance (Carpet and Paint) (\$229,980)
- **Community Investment**
 - Increased Community Human Service Partnership (**CHSP**) funding by 10% or **\$145,000** to provide additional resources for the Promise Zone and other low-income census tracts
 - Level funding for the **Primary Healthcare Program (\$1.8 million)**
 - Continued funding the **Kearney Center \$100,000** to support debt service for capital construction

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- Added **one and a half crews for Emergency Medical Services (EMS)** to meet the demand of increased call volumes; a full crew paid by hospital transport fees to address off-site emergency room hospital transports, balance paid by fee revenues
 - Support for all **Constitutional Officer budget** requests including:
 - The Sheriff's 5.8% overall increase (\$4.458 million) includes:
 - 2 new positions, a Training and Wellness Specialist and an IT Analyst.
 - Supervisor of Elections **decrease for the non-Presidential Preference** Primary election cycle - (\$1.06 million)
 - Clerk of Courts and Comptroller Increase - \$82,125
 - Tax Collector increase for Commission payment on increased property tax collections for Leon County and the School Board - \$285,481
 - Property Appraiser increase -\$119,224.
 - Other **Community Investment initiatives**:
 - Adopted the "Human Services Emergency Assistance Programs" policy for the Direct Emergency Assistance (DEAP) and Veteran Emergency Assistance (VEAP) Programs which allows for realignment of existing funding **(\$100,000)** between DEAP and VEAP Programs when deemed appropriate to maximize the number of residents and Veterans assisted.
 - **Capital Budget Highlights**
 - Maintained a **"flat" \$22.0 million capital program**
 - \$2.0 million in project reductions made in FY 2020 established a reserve to assist funding the FY 2021 budget
 - Other projects were reduced, deferred or eliminated
 - Maylor Road - reduced cost based on updated cost estimates
 - 2/3 of scheduled computer replacements - deferred
 - Annual set aside of funding for the long-term replacement of the Courthouse exterior panels replacement - deferred
 - MIS server room renovation - eliminated
 - Third dog park – deferred
 - Baum Road Drainage Improvements – deferred one year to align with current engineering and design schedule
 - The **capital improvement program** continues to focus on **maintaining existing infrastructure**, including over 1.5 million square of County facilities, 3,865 acres of greenways and parks, as well as, roadway resurfacing and stormwater drainage maintenance.

- Approved an energy savings contract (**ESCO**) for **\$17 million** which will pay for the replacement of outdated and energy inefficient capital equipment. The project will be **funded through related energy savings** over the life of the new equipment. Financing project over shorter time frame to take advantage of competitive interest rates.
- **\$900,000** in capital improvements for the Sheriff's Evidence Warehouse project.
- \$287,000 million in parks infrastructure funding for Apalachee Regional Park to host the **2021 NCAA National Cross County Championship**
- **Fund Balance Usage**
 - Increase in use of General Fund balance (\$1.457 million) at **\$3.014 million** to balance budget; still below \$5.0 million used during the peak of the recession
- **Comparative Information**
 - Leon County continues to benchmark very favorably when compared to our like-sized counties. When compared to other **like-sized counties**, Leon County:
 - Maintained the **lowest net operating budget**
 - Maintained the **lowest net operating budget per resident**
 - Maintained the **second lowest number of employees/1,000 residents**
- **Tourist Development Tax revenue is projected to be \$2.1 million (35%) less in FY2020 and \$1.4 million (25%) in FY2021.** To offset the revenue shortfall, the Division of Tourism continues to reduce marketing activities, Amphitheater Concert Series funding, event grants, staff travel, and contractual services which support the operation.
- **Approved CARES Act Funding**
 - Targeted distribution of **\$51.2 million** in Coronavirus Relief Funds allocated to Leon County.
 - \$18.2 million - Public Health, Safety, and Compliance;
 - \$24.4 million - Individual, Community, and Small Business Assistance;
 - \$8.5 million - Reserve/Replenishment Account.