
**Board of County Commissioners
FY 2011 Budget Workshop
June 22, 2010**

Overview and Challenges

Over the past three years fiscal years the Board has had a number of challenges including:

- Legislatively initiated property tax reform
- Voted property tax reform referendum
- Global recession economy
- In response to the above, the Board considered a thorough evaluation of mandatory and non-mandatory services and aligned budget reductions and Board priorities.

Board Actions to Address Budget Shortfalls & Property Tax Reform

- **Branch library hour reduction - \$387,000 savings.**
- **Privatize Class III Waste disposal through recycling - \$284,500 savings.**
- **Public Works reorganization storm water and mosquito control programs -\$214,054 savings.**
- **Management Information Services position reductions - \$181,997 savings.**
- **Eliminate Management Services Support Services - \$176,980 savings.**
- **Restructuring of insurance program through competition - \$407,000 savings.**
- **Eliminated 48 of 49 take home vehicles.**
- **Deleted 61 positions, or more than 5% of the Board's total work force, from the budget.**
- **Provided property tax savings of \$8.6 million for the current fiscal year (2010)**

Preliminary Guidance to Develop FY 11 Budget

At the January 26, 2010 Workshop the Board approved the combination of the following blend of approaches to balance the FY 2011 budget:

- Possible reduction to outside agency funding
- Additional programs and service reductions (Board/Constitutional Offices)
- Complete program eliminations (Board/Constitutional Offices)
- One time utilization of fund balance
- Millage rate adjustment to off-set property value decline (rolled-back rate) and/or increase to address expenditure increases
- Do not contemplate raising the stormwater or solid waste non ad valorem assessment fees for the FY 2011 budget cycle.

Revised Shortfall Analysis

(Table 1, Page 4)

Cost Item	Amounts in Millions
Preliminary Revenue Reduction (Ad Valorem)	\$2.100
Additional Revenue Reduction	\$0.876
Total Revenue Reduction	\$2.976
Preliminary Expenditure Increases	\$5.500
Supervisor of Elections Consolidated Space*	\$1.000
Additional CHSP/Palmer Monroe Teen Center*	\$0.225
Sustainability/Project Search/Health Care Consulting*	\$0.170
Total Expenditure Increases	\$6.895
Total Revised Shortfall (Revenues and Expenses)	\$9.871

* Separate Budget Discussion Item

Summary of FY 2011 Expenditure Increases

(Table 3, Page 6)

Cost of Living (Board/Constitutionals)	\$1,900,000
Florida Retirement System	\$1,160,000
Supervisor of Elections Consolidated Space*	\$1,000,000
Employee Health Care including Domestic Partners*	\$925,000
Fuel and Vehicle Repair (Board/Sheriff)	\$454,000
General Revenue Support Growth and Building*	\$448,418
State Mandated Medicaid	\$363,000
Palmer Monroe/Human Services*	\$225,000
County Attorney Positions	\$148,844
Mass Notification*	\$100,000
Sustainability Energy Coordinator Position	\$78,712
Health Care Reform Consulting Services*	\$50,000
Project Search	\$41,571
Total	\$6,894,545

* Separate Budget Discussion Item

Balancing Strategies

(Table 4: Page 7)

Method	Amount in Millions
a. Rolled-Back Millage Rate	\$2.867
b. Capital Funding Realignment	\$2.600
c. Fund Balance	\$3.433
d. Expenditure Reductions	\$0.971
Total	\$9.871

Balancing Strategy #1

Establishing the Rolled-Back Rate

Millage Rate Calculation Changes

Legislature has changed the rules:

- Focus is now on the amount of taxes to be collected, not on the actual millage rate
- Rolled-Back rate is not a tax increase and allows the same property tax collections as the year before
- Rolled-back plus per capita personal income growth (i.e. inflation) is allowed under a simple majority vote
- In future, when property values start increasing there will be some expectation that the Board will consider millage rate reductions

Establishing the Maximum Millage Rate

(Workshop Item #12, page 2)

Scenario	Voting Threshold	Millage	Ad Valorem at 95%	Revenue Change Millage Adjustment	Change From FY 2010
Current Millage	(4-3)	8.35	\$114,343,163	N/A	\$ -2,124,578
Rolled-Back Rate	(4-3)	8.5594	\$117,201,643	\$2,867,480	\$742,902
Max Simple Majority	(4-3)	9.2677	\$120,063,060	\$12,566,793	\$10,442,215
Max Super Majority	(5-2)	10.1445	\$132,069,777	\$17,726,614	\$22,448,932

Balancing Strategy #2

Realignment of Capital Funding

- Realignment of \$2.6 million in currently budgeted capital funding to match federal economic stimulus grants towards transportation and stormwater projects
- Leaves \$500,000 in matching funds for any remaining stimulus grants

Balancing Strategy #3

Fund Balance Utilization

(Table 6, page 9)

- **Allocate \$3.433 million in General Fund, fund balance**
- **Estimated year ending General Fund balance = \$25.7 m**
- **Balance above 15% expenditure minimum = \$7.87 m**

Balancing Strategy #4

Expenditure Reductions

- Growth Management and Building Inspection - \$688,521
(9 positions)
- Utility Savings - \$137,000
- Contractual Savings \$105,000
- Community Redevelopment Tax Increment Finance Payments
\$40,000
- Total Expense Reductions = \$1 million

FY 2011 Budget Comparison

(Table #7 Page 11)

Fiscal Year	Budget	Difference	Variance %
FY 2008	\$284,691,297		
FY 2009	\$267,410,647	-\$17,280,650	-6.1
FY 2010	\$247,165,925	-\$20,244,722	-7.6
FY 2011 (Proposed)	\$246,090,949	-\$1,074,976	-0.4
Cumulative		-\$38,600,348	-13.6

Comparative Information

- ❑ For FY2010, when compared to like sized Counties:
 - Maintained the lowest net budget
 - Maintained the lowest net budget per resident of \$720 compared to the next lowest of Escambia County at \$902
 - Maintained the lowest number of employees
 - Maintained the lowest number of employees per capita at 6.4 employees/1,000 residents compared to the highest of Manatee at 10.0 employees

- ❑ When compared to all 67 counties
 - The fourth lowest net budget per capita with only Gadsden, Santa Rosa and Baker lower.
 - The fifth lowest number of employees per capita with only Pinellas, Seminole, Santa Rosa and Sumter with lower amounts.

Future Years

- The development and implementation of the budget is a multi-year process.
- Decisions made during prior budget cycles have had an impact on the current year budget, as this budget will have an impact on future cycles.
- It is unclear when the recession will end and what growth in revenues the County may experience in the future.
- The proposed budget utilizes fund balance to offset the projected decline in revenues and the necessary increase in expenditures, however, this is not a long term sustainable practice.
- The proposed budget is based on utilizing the rolled-back millage rate which acknowledges the impact of new construction, but does not take into consideration the need to fund new programs or increased expenditures
- At the appropriate time in the future, the Board may need to consider a millage rate increase in excess of the rolled-back rate, other revenue enhancements or further reductions in the budget.

Workshop Discussion Items

1. Line Item Funding (Tab 2)
2. Status of Growth Management Fund/Building Fund (Tab 3)
3. Employee Healthcare (Tab 4)
4. *LifeQuest & ProClub* Wellness Program Review (Tab 5)
5. Establishment of a Four Day Workweek (Tab 6)
6. Primary Health Care Funding (Tab 7)
7. Mass Public Notification Funding (Tab 8)
8. Branch Libraries Status Report (Tab 9)
9. Miccosukee Community Center (Tab 10)
10. Supervisor of Elections Consolidated Space (Tab 11)
11. Establishing Maximum Millage Rates for TRIM Notices (Tab 12)

Employee Health Care County Savings at Different Employer/Employee Funding Ratios (Items # 4)

	Current Costs	Option A	Option B	Option C	Option D
	2011 Plan Year - 4% Renewal Rate Increase				
	CHP/BCBS Current 2010 Costs 90/10 Contribution	Maintain 90/10 Contribution	Shift 100% of Increase to Employees 86.5/13.5 Contribution	Change to 85/15 Contribution	Change to 87.5/12.5 Contribution
Leon County Increase		\$591,000			
County Cost Savings			\$591,000	\$853,950	\$427,000

Monthly Costs to Employee Comparison

90%/10% and 87.5%/12.5%

(Item #4)

Category	Employee 2010 10%	Employee 2011 10%	Inc. per month (A) 10%	Employee 2011 13.5%	Inc. per month (B) 13.5%	Employee 2011 15%	Inc. per month (C) 15%	Employee 2011 12.5%	Inc. per month (D) 12.5%
Employee	48.78	50.72	1.94	68.08	19.30	76.08	27.30	63.40	14.62
Employee + 1	100.98	104.94	3.96	140.40	39.42	157.40	56.42	131.17	30.19
Family	129.28	134.24	4.96	178.78	49.50	209.40	80.12	168.06	38.78

Establishing the Maximum Millage Rate

(Workshop Item #12, page 2)

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Amount	Item
\$1,000,000	1. Supervisor of Elections Warehouse/Office
591,000	2. Shift 4% healthcare increase to employees (86.5/13.5)
500,000	3. Reduction to the Supervisor of Elections operating budget
334,000	4. Domestic Partner Benefits
300,000	5. Trauma Center funding consistent with City of Tallahassee proposal
175,000	6. Records Management CIP
174,938	7. Reduce primary healthcare funding by 10%; do not fund new county position
150,000	8. Palmer Monroe
100,000	9. Mass Notification system
100,000	10. Federal Lobbying
100,000	11. Diversionary Funding
100,000	12. Reduce General Fund Contingency from \$350,000 to \$250,000
98,656	13. 10% reduction to other line item funding
92,975	14. Reduce EDC funding to a level consistent with the City of Tallahassee
75,000	15. Maintain Current level of funding for CHSP
73,000	16. Summer Youth Program
62,937	17. Reduce Main Library Hours (2 positions)
54,797	18. Reduce Armed Guard Services
50,000	19. Centralized Storage Facility CIP
45,906	20. Reduction in Probation Office staffing (1 position)
\$4,178,209	Total