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Timothy P. Barden
Interim County Administrator

Heather J. Encinosa
County Attorney
(850) 224-4070

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Members of the Board of County Commissioners
Wakulla County Commission Complex
3093 Crawfordville Highway
Crawfordville, FL 32327

Honorable Chairman and Commissioners:

I am pleased to present the Tentative Fiscal Year 2011/2012 Operating Budget and Five Year Capital Improvement Program (CIP). The total tentative budget is \$44,317,621; a decrease of 12.4% from the current fiscal year.

Budget Process Overview

As the Board is aware, the formulation of the FY2011/2012 began back in January 2011, when the Board held its first of four workshops on the budget. These workshops provided the Board the opportunity to give staff direction in the budget development process as well an opportunity for the public to voice their opinions and concerns regarding this budget plan's development. Adherence to this Board direction, as presented further below, served as staff's foundation for the development of this tentative budget plan.

In accordance with Florida law, the maximum millage rate that may be approved by a simple majority (three out of five) vote of the Board of Commissioners is the roll back rate (or "roll-up" rate due to the decline in taxable value this year), calculated pursuant to section 200.065, F.S., adjusted for growth in personal income. That millage rate is 9.7312. At the third budget workshop, the Board directed staff to prepare the Tentative Budget with a millage rate of 8.7500. Significantly, this tentative millage rate reflects a 10.08% property tax reduction below the county's roll back rate, as defined under state law.

The Board's direction to reduce countywide property tax revenues by capping the tentative millage rate at 8.7500 mills created a (-\$971,278) deficit in property tax revenues generated as compared to fiscal year 10/11.

If approved during the upcoming final budget public hearings, the tentative millage rate utilized in this budget plan will generate \$9,004,971 to support core government services within Wakulla County. This tentative budget plan, in accordance with the Board's direction from their first three workshops of the 2011 budget development cycle, has been prepared using this proposed millage rate of 8.7500 mills as described above. As the gross taxable value for the County has decreased by \$109,149,579 or 10.08%, property (commercial and residential) owners should experience net property tax decreases.

The Board will be able to accomplish this property tax reduction through the following direction given during their first three budget development workshops:

1. Zero program growth across county government.
2. No Cost of Living Increase for County Employees
3. Decrease in Flex Plan Funding
4. Elimination of 10.5 staff positions (7 General Fund, 3.5 Other) under BoCC programs
5. 20 total positions if the Housing position (9.5) reduction is included.
6. Elimination of 7 staff positions under the Sheriff's office.
7. Decrease in EMS staff and overtime.
8. Cooperative budget cutbacks shared throughout all County programs and services.

Board Programs and Services

This tentative General Fund budget for all programs and services under the Board of County Commissioners is \$18,870,747. This represents a 5.6% decrease from the current fiscal year. The following are highlights of some key budget issues that are addressed in the Board's tentative FY2011/2012 budget document.

In FY2011/2012, the Wakulla County's Emergency Medical Services implemented a new flex time formula for the scheduling of employees to reduce overtime costs and provide sufficient coverage for this vital public safety function. Additionally, EMS eliminated 2 FTEs and will continue to utilize the flex pool of employees to further reduce overtime costs. The EMS total budget has been decrease by 21% or \$385,058.

In FY2011/2012, both the Planning and Zoning and the Building Department have decreased their budgets by 24% and 49% respectively to coincide with continuing declining revenues from a stagnant building sector. Combined, both departments eliminated 4.5 FTEs. The workload of these positions will be absorbed into other existing positions to generate cost savings to county taxpayers. These examples highlight how county government continues to work diligently to provide more efficient governmental services with less available revenues and staff members.

The Fire Municipal Services Benefit Unit (MSBU) is the mechanism used to fund the fire service operating expenses and equipment for both the one professional and 16 volunteer fire service units. For the FY2010/2011 budget cycle, the Board directed staff to update this assessment so that all paid firefighters currently being paid from the General Fund would be paid from the MSBU. The FY2011/2012 budget reflects an increase in the MSBU rate from \$61 to \$75.

Included in the rate is a decrease in the use of cash reserve to fund the Fire Services budget. Additionally, funding has been established for the start of a vehicle replacement line item to begin the much needed replacement of outdated equipment and vehicles.

Beginning in January 2007, the Board effectuated a contract with ESG to provide public works, solid waste and utility management services for Wakulla County citizens. The FY 2011/2012 tentative budget for these services complies with the County's contract with ESG by budgeting \$1,859,662 a **-15.84%** increase from the previous year. In total, ESG has reduced their contract by \$350,000 over the last two years. This is a significant savings to the County. Unfortunately, these reductions also include a reduction in workforce.

OMB is charged with the development, management and oversight of the County's annual budget process, as directed by the County Administrator. Additionally, OMB staff is responsible for the operating and capital budgets, grants administration, risk management, purchasing activities and public records for the Board of County Commissioners. Significantly, this office is also tasked with the performance of internal management reviews as directed by the County Administrator and Board. For the FY2011/12 budget this office will be reduced by 1 FTE in the grants department. These functions will be absorbed by the Special Projects Coordinator in an effort to reduce costs and positions county-wide.

Each year the Board approves funding for local service agencies and organizations that perform critical public services that may otherwise fall to government. The services provided by these agencies greatly enhance the quality of life for our citizens. Importantly, these organizations also leverage substantial private sector funding and support for these human service-type programs. The tentative FY 2011/2012 budget includes \$697,306 of funding for initiatives such as funding for the senior citizens center at the same level as the current year, continued support of the Wakulla County Health Department and mosquito control activities. The Board's ability to maintain funding for these services during an otherwise historically tight budget year is a remarkable achievement and indicative of their ongoing support of these initiatives.

Constitutional Offices

Constitutional Offices provide services ranging from property appraisal and tax collection to law enforcement and election services. The FY 2010/2011 tentative budget for all constitutional offices is \$12,108,612, a 5.39% decrease from the previous fiscal year.

The Sheriff's Office budget reflects an overall decrease of 5.7% below FY2011. Additionally, 7 FTEs were eliminated in the Sheriff's budget for a cost savings to the County of \$401,356.

The Tax Collector's budget is reduced by 3.7% as a result of non-re-occurring capital leases and equipment.

The Clerk of Court reduced their overall General Fund budget by 6.8% from the previous fiscal year while absorbing additional reductions in mandatory state funding court functions.

The Property Appraiser's Office budget is scheduled to decrease 4.8%. This decrease in costs is due to the reduction of other program costs to taxpayers while maintaining existing levels of service.

Capital Improvement Program

Included in this year's tentative budget is a holistic five-year Capital Improvement Plan of \$37,254,836 with \$12,307,154 programmed for the upcoming fiscal year. A Capital Improvement Plan, (CIP) is designed to anticipate capital improvement projects or equipment and schedule them over a period of time so they may be purchased in the most efficient and cost effective method possible. A CIP allows the matching of costs to anticipated income. As potential projects are reviewed, the County considers the benefits, alternatives, and impact of operating costs.

Projects included for FY11/12 in the recommended CIP range from transportation projects such as paving of Shell Point Road to funding for expansion of facilities such as the new community center. Significantly, this CIP also moves forward with funding for Facilities Management repair and maintenance lifecycle in order to try and keep pace with the maintenance issues arising for the various aging facilities the County maintains. While the amount is not significant enough to meet all County's building maintenance needs, it is a step toward meeting some of the immediate ones. Also included in this plan is funding for the construction of the new transfer station at the landfill as well as continued improvements and expansion of the County's wastewater system. In summary, the CIP continues to serve as the Board's critical planning tool to meet the need for providing infrastructure to our growing community.

Summary

As detailed in the sections above, I am pleased to present the Chairman and Honorable members of the County Commission their Tentative FY 2011/2012 budget. The Board will be able to take up, modify (as desired) and approve this budget plan in accordance with state law, and during the public hearings on September 6th and 19th 2011. This budget plan totaling \$44,317,621 provides funding for the effective and efficient provision of public services to the citizens of Wakulla County at continually improved levels.

This budget document places a strong emphasis on practicing fiscal discipline, while focusing public resources on important programs for the community. This spending plan implores aggressive fiscal responsibility by budgeting significant increases in appropriated reserves while at the same time eliminating the use of cash balances to fund operations. A conservative approach to spending is incorporated in this plan at a time when unprecedented decreases in county taxable property values are recurring and state mandated property tax reform measures continue at each state legislative session. As we prepare for the numerous negative economic challenges facing county services both today and toward the future, I remain very pleased with the overall fiscal health of the County as reflected in this tentative budget document.

I would like to express my personal thanks to the Board in providing the necessary guidance in preparing this document. I would also like to extend my appreciation to the constitutional

officers, judiciary and other county partners for their cooperation during what could have been a very difficult budget development process during a time of limited fiscal resources. The spirit of teamwork in crafting this tentative budget plan exhibited by each of these partners resulted in a very smooth developmental process and I believe improved its outcome for all involved and to the Board's benefit as you must now prepare to act on this proposal.

Finally, I am very grateful to the staff of the Office of Management and Budget and to other county staff for the considerable number of hours spent assisting me in formulating this tentative budget document. I maintain my confidence that the many ongoing improvements reflected in this annually crafted budget plan will continue to improve the quality, efficiency and transparency of Wakulla County government services for our citizens.

Respectfully submitted,

Timothy P. Barden, MPA
Interim County Administrator