



# County Manager's FY11 Budget Message



“A wise gardener prunes an otherwise healthy, growing plant, sometimes drastically, so that it might flourish and bear more fruit in the future.”

— County Manager's FY11 Budget Message

“The value of home rule is the direct partnership between citizens and their local government in determining the needs of the community.”

— Randall H. Reid  
Alachua County Manager



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July 7, 2010

## INTRODUCTION

To the Honorable Board of County Commissioners and the citizens of Alachua County:

As required by the County Charter I am presenting the Fiscal Year 10/11 (FY11) Tentative Budget and Budget Message. The FY11 total County budget submitted herein is \$327.6 million. In order to balance the General Fund at the simple majority millage rate cap, \$6.3 million was reduced from the Planned FY11 budget. The total Tentative Budget is \$757,397 higher than last year's FY10 budget due to an increase in the Tourist Development Tax, the tentative unanimous MSTU Fire millage, and the first full year of implementation of the 5-cent Gas Tax. Reflecting the historic downturn, most funds and revenue sources declined. The General Fund, which is the major funding source for County Government, dropped by \$3.0 million. This represents a contraction of Alachua County Government for the fourth consecutive year.



The FY11 Tentative Budget reflects the actual recommended revenues and expenditures for the upcoming budget year beginning October 1, 2010 through September 30, 2011. The second year, the FY12 budget, represents estimates of continuation spending and the potential revenues to balance those expenditures. While a two-year budget is a sound financial practice, it is anticipated that major legislative changes being promoted by state gubernatorial candidates and legislators could drastically limit our flexibility in future years and are likely to impact FY12.

The FY11 Tentative Budget presents a budget under the full impact of the economic recession and recognizes that even if the local economy improves, local government revenues lag behind. It continues the reductions made over the last three years however; the expenditure reductions suggested in this budget will have a higher impact on our level of service to citizens than reductions in the previous three budget years. The FY11 Tentative Budget as submitted is based upon our fiscal policies and the adopted budget principles developed since January 2010.

Most notably, the FY11 Tentative Budget is based on the maximum ad valorem millage rate obtainable with a simple majority vote of the Board. Unless specifically highlighted this millage rate was used and is reflected in the discussions within this budget under the Property Value and Millage Rates section. To balance the budget at this level required both operational and personnel reductions. In the event a simple majority ad valorem rate is not supported, I have also included a Tier 2 reduction plan in Appendix A. Tier 2 reductions in operations and personnel will even be more drastic on our levels of service and the morale of our very dedicated public employees. This Budget Message also includes a summary of major issues within this fiscal environment, which may need to be addressed over the upcoming year.

The reductions we have made over the past three years were major cost cutting measures and efficiencies whose goal was to minimize the impact on direct citizen services. These included examining areas of potential waste, downsizing our fleet, reducing overtime, eliminating over 60 vacant positions, and implementing tighter control on cell phones, vehicles and leased space. Energy and water consumption were also addressed and reduced through conservation and technology. These strategies will continue.

This year is different. The changes and reductions submitted in the FY11 Tentative Budget are painful for our organization and significantly affect our level of services. For this reason, I would suggest we use a pruning metaphor as the best representation of the difficult challenges reflected in this budget. A wise gardener prunes an otherwise healthy, growing plant, sometimes drastically, so that it might flourish and bear more fruit in the future. Where it is necessary to prune healthy branches, it is done with the hope that they will grow back in future years in a different and hopefully healthier form. Sometimes pruning allows the roots more time to develop than the foliage to give the plant a better chance at survival. While this pruning is painful, it is a necessary action for the sustainability and overall health of the plant. In this metaphor the County Commission is the master gardener, the plant is the organization, the branches are our people and programs, and the soil represents the resources provided by the public to nourish the plant. Healthy soil in this case includes the nutrients of public trust and credibility. Fundamental to proper pruning is a vision of what we want the plant to look like in the future.

It is also of paramount importance to remember that the current FY10 budget utilized the last of the Board of County Commissioner's Legislative Tax Reform Impact Reserve or "rainy day funds" saved in prior years. This FY11 budget continues to maintain the 5% reserves for potential use for increasingly common true emergencies, natural or man-made. It is also important to recognize that we have already made reductions in recent years to some program areas and departments far more than others, and this affects their viability.

### ***The New Normal***

In 2008, the McKinsey consulting firm issued a report coining the phrase "new normal" to describe the long-term reality of the financial collapse that felled the world economy. The report states:

*"For some organizations, near-term survival is the only agenda item. Others are peering through the fog of uncertainty, thinking about how to position themselves once the crisis has passed and things return to normal. The question is, "What will normal look like?" While no one can say how long the crisis will last, what we find on the other side will not look like the normal of recent years. The new normal will be shaped by a confluence of powerful forces – some arising directly from the financial crisis and some that were at work long before it began."*

- Ian Davis managing director McKinsey and Company

Many local governments have adopted this phrase to describe the changes in local government operations that are likely to remain in place even as the US economy slowly recovers. Two thirds of local governments surveyed believe that the changes made during the recession represent a new way of doing business that will continue throughout this decade. A Financial Times article recently stated that the financial crises is redefining local governments, particularly as officials realized there is less money to fund service delivery. It is commonly misunderstood that, unlike the private sector, the demand for many County services rises as our revenue falls. As unemployment grows and business slows, both demands for government services and complaints about the cost of services rise. People struggle to keep their businesses, their jobs, and pay their mortgages. In Alachua County, there is an increase in our requests for social services and code enforcement activity is shifting to problems associated with homes in disrepair, overgrown vegetation on properties, and unpermitted additions, as people can no longer afford to move or maintain their property. Productive recreational opportunities for unemployed youth are needed now more than ever.

This new normal means that traditional revenue streams are shrinking. When they level off, we will have a new, lower, baseline budget. Local governments are rethinking the services they provide and how much citizens are willing to pay for them. There is an extensive disconnect between citizen services expectations and what they say they are willing to pay. Across the country, and here in Alachua County, a major discussion has begun. The public is concerned about government spending. State legislators are exploring ways to permanently constrain local government taxing authority. Citizens are telling us that it is difficult for them to live within their means.

For Alachua County Government, living within our means is balancing our budget each year. Our expenditures cannot exceed the revenues that we receive from our taxes, fees, and assessments. Critical to the new normal discussion is the understanding that constraints on local government revenues are increasing and if we are to live within our means this must be followed by constraints on citizen expectations on government service delivery. Although comments like "Government must live within its means" are heard at public hearings concerning specific revenue increases, the voting public has shown us repeatedly that they are willing to put their votes and dollars where their values are. Self-imposed taxes like Alachua County Forever, the Court House sales tax, CHOICES, Wild Spaces Public Places, and the Alachua County School Funding Initiative one mill, are all examples of citizens authorizing funding of new government revenues. When citizens were asked at Community Conversations meetings what they feared most about the economic downturn one citizen answered, "I'm afraid that we will lose sight of our values as a community."

In our Community Conversations budget exercise, citizens experienced the difficulty of reducing services. They expressed that overall reductions in all services are anticipated and accepted. Most citizens at recent public meetings have clearly stated their desire to prioritize public safety over other services. There is less clarity about what other services to reduce. We can anticipate however, that every reduction recommended in this budget message will have detractors both internal and external, who will resist or be

saddened by the loss in quality or level of service. The old slogan of “Doing More with Less” ignores the reality of the new normal. Yes, efforts to improve technology, training, and our systems will continue, but the new normal slogan may well be “Doing Less with Less.”

### ***Citizenship in an Era of Reduced Expectations***

Perhaps the time is right to talk about the meaning of citizenship itself. Citizenship needs to be reevaluated in light of the new normal. For years, citizens and government employees have been encouraged to believe that government existed to satisfy citizens as customers or clients and to count them multiple times in multiple programs. More clients meant more funding. For many, citizenship means seeking public funding for worthy community projects or simply demanding we solve a problem with an ongoing government service. The new normal requires that we work to make citizens partners. It emphasizes community. Sometimes it means encouraging and empowering citizens to solve problems without government expenditures. There are recent historic examples of how to do this.

Baby Boomers may still remember when crews of three to five people on a public garbage truck went into people’s backyards to remove cans for dumping into rear end trash trucks. Then innovations in government reduced crew size to one person operating a truck and automatically dumping containers placed curbside. This story speaks to government efficiency and innovation. It also speaks to a new normal kind of reality regarding the role of citizens. Citizens went from non-participating customers watching garbage collectors enter their property and remove their cans, to their current role as a partner who takes their own container and multiple recycling containers to the street. As this partnership continues to evolve, we may see citizens composting their own organic yard and home waste materials and drastically reducing the need for waste collection.

Examples of this partnership abound and will need to be encouraged in the future. Citizens being responsible for the spaying and neutering of their animals reduce the number of future strays and overcrowded shelters. Bouncers placed outside the front door of bars and nighttime entertainment venues police, in a civic sense, not only their establishment but protect the public on the adjacent sidewalk. Tax-exempt places of worship, which already do things such substance abuse counseling and serve as polling places, could also be organized to manage shelters during times of emergencies. Citizens opting for electronic issues of newsletters, permits, and licenses reduce traffic congestion, paper, and administrative costs. When confronted with a community problem or as we reduce services, there is an option to encourage people to understand that citizenship means more than just voting. Lowering the cost of government may require redefining what citizens do for themselves. They are members of this community and can help us reduce costs.

Our past offers another interesting perspective on citizens as partners. The maintenance and construction of public roads and bridges in Florida’s first legislative session required that all able bodied males work a stipulated number of days each year on the public roads and highways in Alachua County. This was not an act of servitude

but considered a responsibility of citizenship. It was comparable to militia duty or jury duty. In 1874, the law was amended to allow able-bodied males to substitute one dollar in lieu of one day's work. Recognizing the conflict between cities and counties, in 1881, the legislature adopted a provision that relieved persons living within municipalities from the obligation of working on public roads and highways in the unincorporated area. Further changes in 1891 contained the first authorization by the legislature for levying an ad valorem tax, in lieu of conscripting citizens, for road and bridge maintenance and construction. Thus, "Citizen Partners" became "Citizen Customers" and taxes took the place of citizen sweat equity in the maintenance of the community. An interesting sidebar; Alachua County was required to turn over to municipalities one-half of the sum realized from the road and bridge tax from property within the municipality. Around 1968 road levies were replaced by the fuel tax, a consumption based tax paid at the pump. Alachua County's history highlights how the role of citizens and taxation has shifted over time. The new normal requires that this role will continue to morph, evolve, and adapt.

There are widespread discussions on how local governments can assist this morphing and enhance the conversation regarding responsible citizenship. Traditionally the "Greatest Generation" was thought to be motivated with calls to do their duty. With evolution over time and the transfer of community responsibilities from the Boomer to the Millennial generation, different techniques may need to be employed in the new normal. First, is the call for philanthropy and volunteerism. Second, is the psychological appeal that involvement and civic activism, much like a physical workout, leads to a more healthy life and a sense of wellbeing. A recent Vancouver Sun article highlighted a study by US and German psychologists that stated that even short-term activism in community affairs made people feel better. To quote from the article:

*"One study of more than 1,000 individuals conducted by Kasser and Klar found that those who had engaged in political activism reported greater life satisfaction, sense of freedom and competence than those who had not. . . In the past, moral appeals were the most common way to urge citizens to participate in democracy. People were called upon to "do their duty" or get off their duffs to fix a perceived injustice. But as Klasson says: "Our results suggest that it might also be worthwhile to highlight the internal rewards citizens can obtain from being politically engaged: A sense of satisfaction, the experience of pleasant emotions and of connection with others, and a feeling of aliveness."*

I include this thought not to suggest that we should no longer care about customer service but to hold out the possibility that in this new normal era it is essential for our local government and our citizens to redefine their contract with each other. The taxes citizens pay are directly proportional to the services they receive.

### ***Continuing Fiscal Trends***

Last year my budget message went into detail about three specific trends that contributed to our financial situation. These trends continue. They are:

1. The lingering economic recession and historically high unemployment

2. Continuing statewide efforts to limit property taxes
3. The threat of unfunded mandates and shared revenue funding formula changes

Most economists predict that the economic recession is not over and will linger for the foreseeable future and the recovery will be slow. Florida's unemployment rate in May of 2010 was 11.7% when adjusted for seasonal fluctuations. This represents 1,086,000 jobless out of a labor force of 9,272,000. Alachua County's unemployment, although rising at a slower rate is at 7.4% as of April 2010. These levels are mirrored by the Division of Social Services projections that in FY10 they will serve over 1020 emergency rent and utility assistance clients. This will result in the need to transfer an additional \$50,000 from other internal programs.

Our fiscal situation could be far worse. College towns and state capitals fair better during periods of economic recession due to research money and government jobs, which act as a buffer against the downturn. Alachua County as a community with a large research university and government employment has not been as hard hit as many Florida counties. Our own business community should not overlook this fact. Complaints by small businesses about local government expenditures should not ignore the fact that their customers may be government or university employees. It is hard to imagine a vibrant downtown Gainesville without government and academic infrastructure and their employee expenditures.

### ***Further Legislative Restrictions***

Three issues are on the November 2010 ballot that, if passed, will affect County revenues. One limits annual valuation increases for non-homesteaded properties to no more than 5%. The other is an additional homestead property tax exemption for members of the United States military or military reserves. Efforts to limit property taxes are likely to continue and impact Alachua County finances in the upcoming year as the legislative leadership has indicated its desire to enact Taxpayer Bill of Rights (TABOR) property tax limitations. This legislation would either be enacted by a statewide referendum to limit our property tax revenues or by shifting our shared revenues back to the state to supplement their budget. Either course of action damages County finances. A third issue on the ballot known as Hometown Democracy has the likelihood of significantly increasing County expenditures for advertising and referendum expenses related to development issues and reduces permit revenues if developments are slowed by the public participation and approval process.

Due to political infighting, the 2010 State Legislative session was less harmful in terms of additional unfunded mandates on county government than in sessions past. The state has inadequately funded past mandated programs that require county contributions. The propensity of the State to do this is also unlikely to go away in the near future. Our citizens will be the ones that suffer by further intrusion of the State into local government finances.

### ***Budget Developed Based Upon Commission Principles***

We have developed the tentative budget with the following 10 budget principles developed with the Commission in collaboration with Constitutional Officers. These principles are:

1. Calculate major revenues through a joint revenue estimating conference.
2. Split General Fund revenue reductions between BoCC and Constitutional/Judicial Office based on the percentage allocation from the FY10 budget of 55% and 45%, respectively.
3. Maintain all fiscal policies, specifically the maintenance of our reserves at 5% of operating revenues.
4. Reduce our Capital Improvement Program budget by an additional \$1.3 million dollars for one year.
5. To reduce the number of proposed layoffs, no salary increases are budgeted for non-bargaining unit employees and we will apply the same philosophy in collective bargaining with the IAFF and LIEU employee unions.
6. Maintain current Law Enforcement fund split between General Fund and Law Enforcement MSTU.
7. Review and discuss annually, discretionary Article V Court related funding.
8. Use of Self Insurance Reserve Fund to mitigate the impact of the increase in healthcare benefits for employees.
9. Prepare the budget based upon the simple majority State millage cap allowed under current legislation and Fire MSTU at the unanimous millage rate with recommended reductions to simple majority.
10. Fire Assessment decision with exemptions to be deferred to July 13, 2010.

In addition to these Commission principles, I have also outlined a number of operational policies that are within the enforcement responsibilities of the Department Directors and are designed to continue to reduce FY11 and FY12 operating expenditures including:

- Negotiating lower space lease contracts for FY11 from landlords and vendors
- Eliminating public funding of water coolers and bottled water where fountains, lounges and kitchens are available
- Requiring internships to be unpaid for the upcoming fiscal year
- Encouraging webinars and teleconference participation in lieu of travel
- Reduce professional organization memberships and subscriptions
- Limit public purpose expenditures to employee recognition events only except for Tourist Development and Waste Recycling marketing programs
- Uniforms or clothing with logo only as required only by position description and collective bargaining agreement
- Increase scrutiny of consultant utilization to insure necessity in use and scope

## BUDGET EXECUTIVE SUMMARY

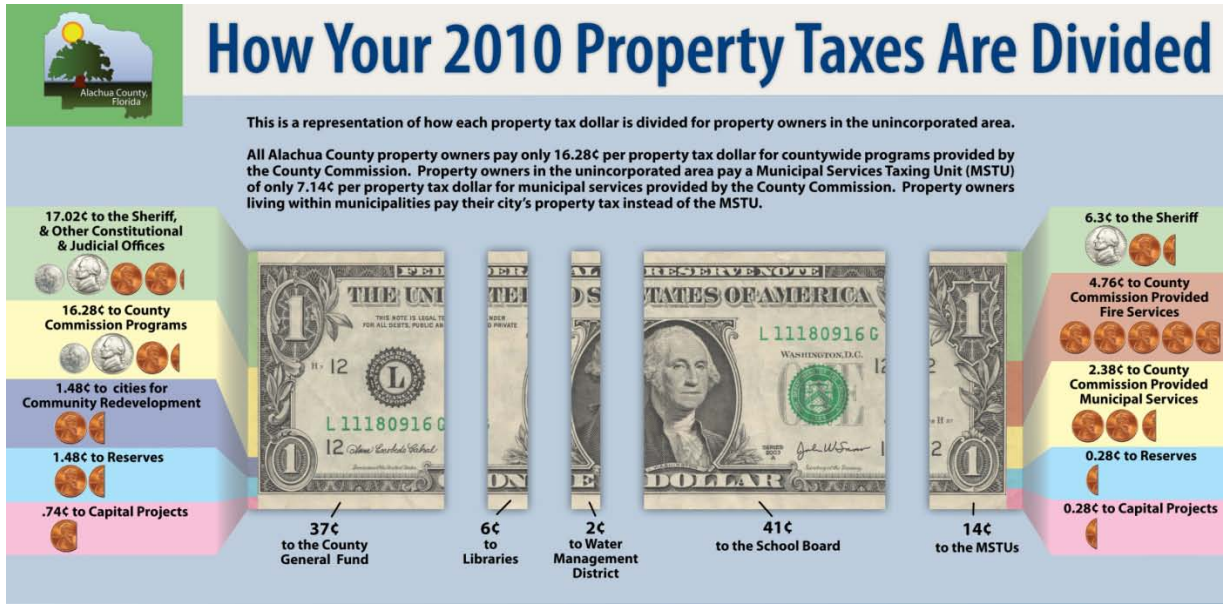
Expenditures in the Tentative Budget for Fiscal Year 2011 total \$327.6 million. This amount by law and accounting standards are broken into over 30 accounting categories known as funds. The General Fund, the County's principal fund, total is \$125.2 million, the Unincorporated Services Municipal Services Taxing Unit total is \$5.9 million, the Law Enforcement Municipal Services Taxing Unit total is \$17.7 million, and the Fire Services Municipal Services Taxing Unit total is \$15.0 million. The three MSTU funds provide taxes to fund services in the unincorporated area. The total budget amount can be somewhat deceiving since more than \$25.6 million of the budget is the movements between funds, as governmental accounting requires of us. This year is complicated by the deferring the fire assessment decision to July 13, 2010. Therefore, following Board direction this Tentative Budget has a fire MSTU millage rate tentatively set to fund the equivalent of the proposed fire assessment.

I have presented a balanced budget in all funds as required by law. In light of our changing revenue prospects, I directed all BoCC departments in July of 2009 to develop Alternative Futures proposals to save revenues or better provide services to mitigate the reductions of Amendment 1. We continue to pursue several of these alternative futures and put them into place in this FY11 budget. In January of 2010, I additionally requested Department Directors to propose 7% program or budget reductions, which are included in two tiers as a series of decision packages in Appendix A. The County Commission may still be required through the final public hearing on September 28, 2010 to adjust the submitted decision packages based upon updated revenue estimates or request additional packages for consideration.

### ***Property Values and Millage Rates***

The past year has seen a great deal of controversy regarding discussion of property taxes and the comparison of our tax rates with other counties. The comparison of counties needs to be carefully undertaken with the comparison of the demographics of each county and the mix of programs funded thru property taxes in each county.

In addition, there is confusion regarding the way the property tax dollars are distributed among the many government agencies for which this revenue is a basic resource. The chart below shows that only 16 cents of a property owner's taxes goes to fund Board of County Commission countywide programs. Property owners from the unincorporated area will pay an additional 7 cents to fund their municipal services such as fire and law enforcement. As the dollar indicates, the largest portion of property tax dollars goes to financing our public school system.



In Alachua County, the countywide taxable value decreased from \$12.6 billion to \$12.0 billion, or 4.28%. The MSTUs taxable value decreased between 3% and 3.4% depending on the MSTU as some include municipalities which have opted in.

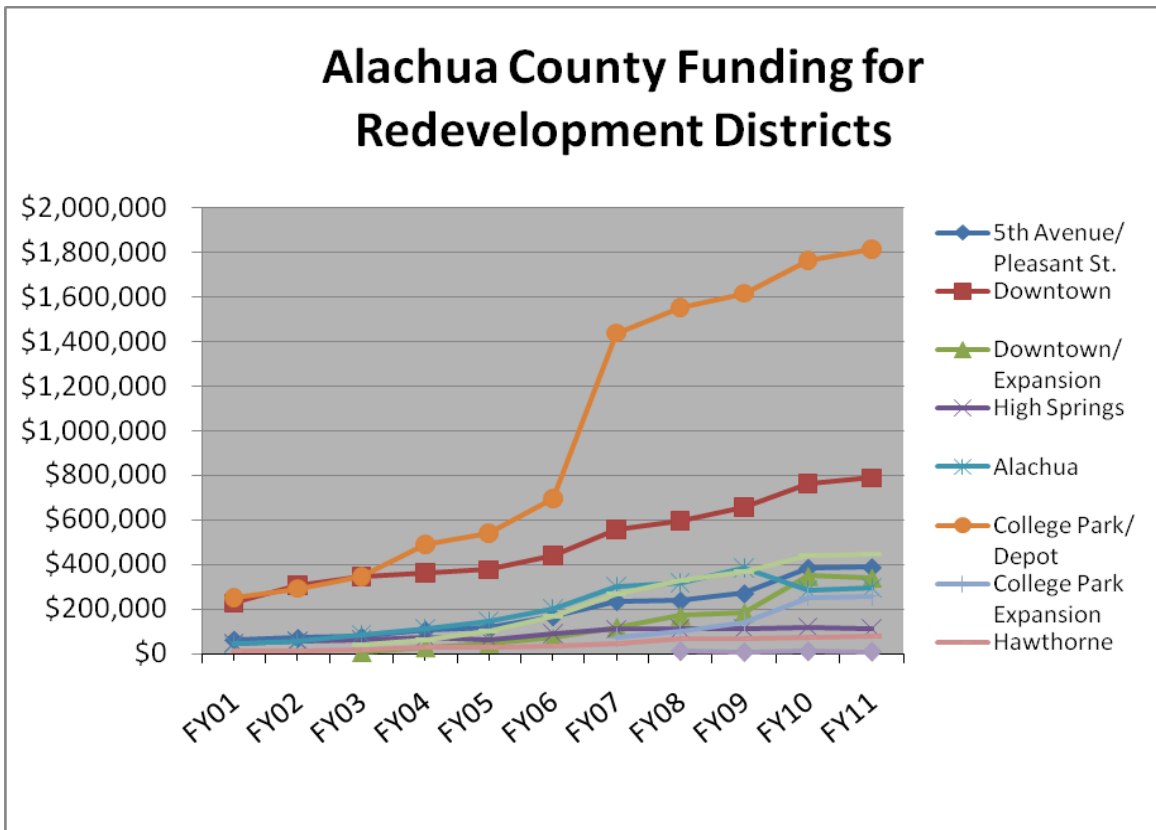
During our FY11 budget workshops and prior to the submission of this Tentative Budget, the Board directed me to prepare the FY11 Budget using property tax revenue estimates based on the simple majority millage rate. The only exception was for the Fire Services MSTU that the Board directed be prepared based on the unanimous millage rate level, which would raise revenues equivalent to the fire assessment. On September 28, 2010, the final budget will be adopted and must again have a 3-person majority to pass.

<b>ALTERNATIVE FY11 MILLAGE</b>				
	<b>General Fund</b>	<b>MSTU General</b>	<b>MSTU Law Enforcement</b>	<b>MSTU Fire Services</b>
<b>Property Value Growth</b>	<b>-4.28%</b>	<b>-3.43%</b>	<b>-3.03%</b>	<b>-3.39%</b>
<b>Current Millage</b>	<b>8.0495</b>	<b>0.4124</b>	<b>1.6252</b>	<b>1.1804</b>
Projected Revenue	91,925,729	1,957,129	8,291,670	5,720,303
<b>Simple Majority Cap</b>	<b>8.3763</b>	<b>0.4254</b>	<b>1.6710</b>	<b>1.2173</b>
Projected Revenue	95,657,802	2,018,824	8,525,338	5,899,124
<b>Rollback (up)</b>	<b>8.5377</b>	<b>0.4336</b>	<b>1.7032</b>	<b>1.2408</b>
Projected Revenue	97,500,999	2,057,738	8,689,621	6,013,006
<b>Super Majority Cap</b>	<b>9.2140</b>	<b>0.4679</b>	<b>1.8381</b>	<b>1.3391</b>
Projected Revenue	105,224,382	2,220,516	9,377,872	6,489,375

In summary, the tentative budget recommends the General Fund millage rate be set at 8.3763 mills. Millage rate for the MSTU's are proposed to be set at .3999 mills (below simple cap) for the Unincorporated Services MSTU, 1.6710 mills for the Law Enforcement MSTU, and 1.5100 mills (unanimous) for the Fire Protection Services MSTU. The tentative budget also includes a 0.2500 mill levy for the voter-approved Alachua County Forever Environmentally Sensitive Lands Program, which does not count against the 10.0 mill cap.

**County Budget Impacted by Municipal CRAs**

Alachua County is a partner in nine Community Redevelopment Areas throughout the County. These include the Cities of Gainesville, High Springs, Alachua, and Hawthorne. An exceptional job has been done in redeveloping downtown and off-campus commercial areas, particularly in Gainesville, through higher density residential and commercial redevelopment. These CRAs have an overall positive impact on the quality of life, economics, and image of Alachua County as these municipalities improve areas within their community. Often overlooked however, is the County's contribution to these efforts and the impact to General Fund revenue, which is not available to fund other County needs and initiatives. Our budgeted contributions in FY11 total over \$4.5 million, which is a decrease of \$357,000 over last year. In FY10, this was about 1.5 cents out of every property tax dollar. This amount may vary based on the final millage rate set by the BoCC. The chart below shows the impact on Alachua County's General Fund from CRA improvement since 2001.



### ***Board of County Commissioners Summary***

No Board departments have submitted requests for additional positions for FY11 and FY12. In order to provide a balanced budget, reductions for the General Fund, Fire MSTU and Unincorporated MSTU are discussed below. The reductions include the net elimination of 31.1 FTE's employed by the Board. If the Board does not approve a simple majority millage rate and desires to reduce to the current millage rate an additional 23 FTE positions in Tier 2 will be considered for reduction. The reduction to the Board's General Fund budget from FY10 to FY11 is \$3.0 million which represents the reduction total at a simple majority. I have made very difficult recommendations to provide a balanced budget for the County Commission that is within our 55.18% share of the total General Fund reduction, based on the budget principles approved by the Board. It is my hope that the Board will insist that our Constitutional Officers do likewise and I would note both the Property Appraiser and Clerk of Courts have submitted reductions greater than their allocated share among the Constitutional Officers.

Tier 2 reductions are included in Appendix A and are provided to identify the very painful reductions if the current millage is adopted by the Board or the Constitutional Officers do not make the necessary reductions.

No salary increases are included for BoCC departments in FY11 and FY12. FY11 will be the fourth year in which BoCC employees have not received base pay increases. Should the Board not levy a millage rate at the simple majority cap for the General Fund, one option submitted in Tier 2, is implementing a holiday furlough or equivalent salary reduction for Board employees. This would save approximately \$150,000 per day and this type of furlough has the fewest labor relations and service reduction impacts. Furloughs, and their resulting personnel cost reductions, serve as a substitute to more position and service reductions.

This budget continues to offer our employees an important set of benefits that makes the Board of County Commissioners a good employer despite limitations on salaries. One feature of this year's budget decisions is the recognition that the increased cost of health insurance totaling \$428,000 recommended by the Self Insurance Review Committee is a shared responsibility and cannot be borne by the Board's share of the budget. A second feature of the FY11 budget is the increased FRS contributions mandated by the State totaling another \$388,000. The FY11 Budget does not include any additional funding allocations to cover these personnel costs. The Board and each Constitutional Officer is responsible for the increased cost of these benefits.

### ***Constitutional Officers Summary***

The chart below recaps the budget submissions compared to the reduction share requested by the Board. Constitutional Officers also reduced positions. The Property Appraiser reduced 2 FTE positions and the Tax Collector reduced 3.5 FTE positions. At this time, the Constitutional Officers collective total General Fund Budget does not meet their 44.82% shared funding allocation. Now that we have the final revenue projections and property values, the Board may wish to request that the Constitutional Officers submit further budget reductions to meet their share of the General Fund. The

highlighted column in the chart below indicates the amount of funding included in the FY11 Tentative Budget. It may be difficult for the Sheriff to meet this reduced funding level, as her submission was \$624,568 over the allocation share. If the Constitutional Officers do not make these reductions or those necessary to meet their collective share of 44.82%, as the County Commission has, the budget will not be balanced.

<b>Alachua County Board of County Commissioners</b>							
<b>General Fund Only - FY11 Budget Adjustment Share</b>							
<i>Allocation by Share based on FY11 Tentative Budget</i>							
	<u>FY10 Adopted Budget</u>	<u>Percent of FY10 GF Budget</u>	<u>Share of Section Budget</u>	<b>Allocation Based on Tentative Budget Reduction</b>	<u>Reduction from FY10 Adopted Budget</u>	<u>Budget as Submitted to the Board (GF share only)</u>	<u>Additional Amount Needed to Meet Share</u>
<b><u>Constitutional Offices</u></b>							
Clerk - Finance & Accounting	1,965,749	1.53%	3.42%	1,920,313	(45,436)	1,916,681	(3,632)
Property Appraiser	4,056,480 *	3.16%	7.06%	3,962,720	(93,760)	3,938,971	(23,749)
Supervisor of Elections	1,589,905	1.24%	2.77%	1,553,157	(36,748)	1,554,664	1,507
Sheriff-Jail	26,726,162	20.85%	46.51%	26,108,424	(617,738)	26,453,914	345,490
Sheriff - Law Enforcement	15,051,154	11.74%	26.19%	14,703,268	(347,886)	14,868,471	165,203
Sheriff - Communications	1,357,781	1.06%	2.36%	1,326,398	(31,383)	1,326,074	(324)
Sheriff -Court Security	2,698,766	2.11%	4.70%	2,636,388	(62,378)	2,750,586	114,198
Tax Collector Fees	4,012,530	3.13%	6.98%	3,919,786	(92,744)	3,955,148	35,362
<b>Total Constitutional Offices</b>	<b>\$57,458,527</b>	<b>44.82%</b>	<b>100%</b>	<b>\$56,130,454</b>	<b>(\$1,328,073)</b>	<b>\$56,764,509</b>	<b>\$634,055</b>
<b>Board Department Funding Allocation</b>	<b>\$70,741,536</b>	<b>55.18%</b>		<b>\$69,106,444</b>	<b>(\$1,635,092)</b>		
<b>General Fund Total</b>	<b>\$128,200,063</b>	<b>100%</b>		<b>\$125,236,898</b>	<b>(\$2,963,165)</b>		
* Property Appraiser Amended Budget	<b>(\$40,727)</b>						

The Tax Collector, as a fee officer, does not submit a budget to the BoCC. However, the fees the Board pays to the Tax Collector are included in the budget and have decreased slightly from FY10. The monies that the Tax Collector will return to the Board at the end of the fiscal year will more than offset the additional expenses shown in the chart above.

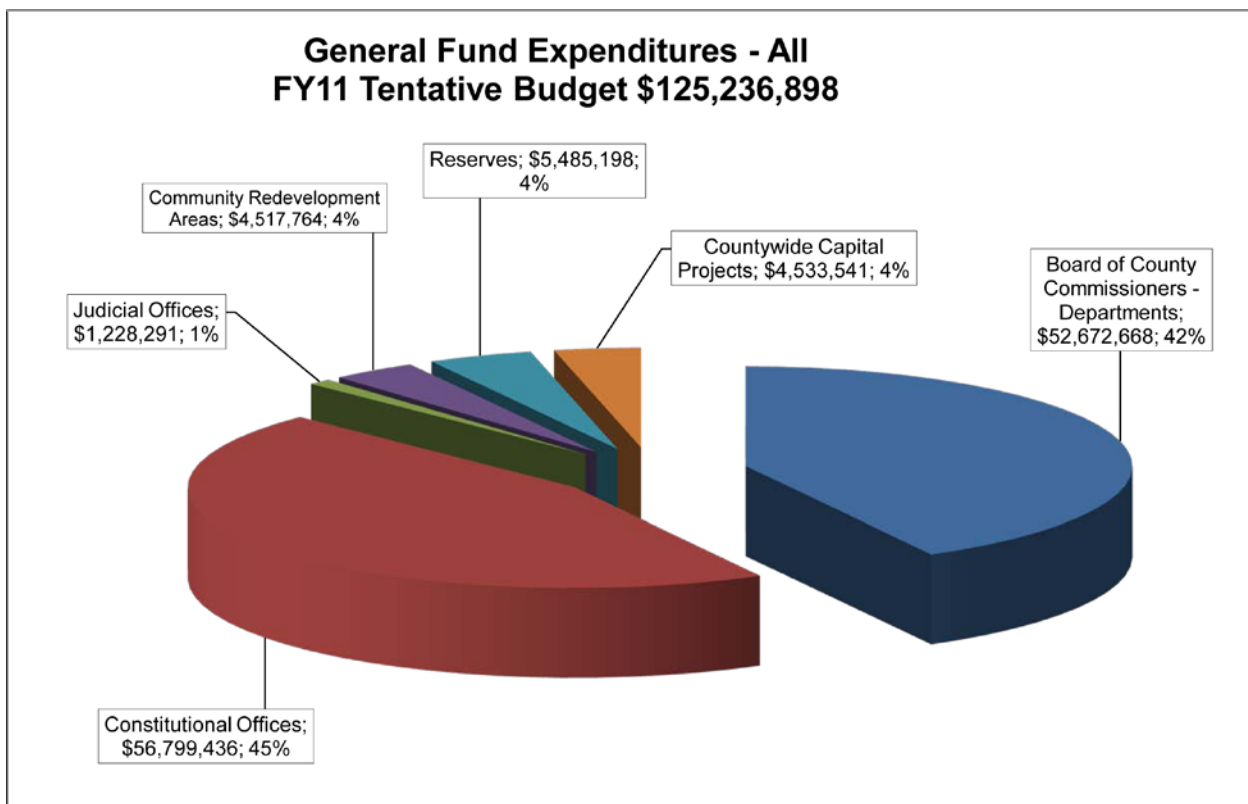
## GENERAL FUND SUMMARY

The County General Fund totals \$125.2 million and is based on a millage rate of 8.3763. This is the rate that can be set with a simple majority vote by the BoCC. The County Commission will be asked to set the tentative millage rate at their meeting on July 13, 2010.

This fund provides resources for the majority of County departments and Constitutional Offices. A summary of the General Fund allocation is contained in the following chart. A summary of departmental changes are discussed later.

In order to balance the General Fund at the simple majority rate, \$6.3 million was reduced from the Planned FY11 budget. To balance the Boards 55.18% share of the General Fund revenue loss was met by instituting department-wide reductions in operating expenses including the elimination of 30.1 positions. Of these positions, 15.5 are filled and would be laid off at the beginning of the FY11 fiscal year.

In the event that the Board wishes to implement the current millage rate, we have provided a Tier 2 budget reduction package which totals \$3.7 million and consists of an additional \$2 million and 23 positions for the Board's share of the reduction. The Tier 2 collective share for the Constitutional Offices would be an additional \$1.7 million in budget reductions.



### ***General Fund – End of Year Fund Balance***

Under the County's fiscal policy, a fund balance in the General Fund is carried forward to be utilized in maintaining a 5% General Fund Reserve in the following years' budget and to fund expenditures in the upcoming year. Due to consecutive years of revenue reductions and the magnitude of the recession, a critical area of concern has been the monitoring of fund balance, which will be made available at the end of the fiscal year.

### ***MSTU Summary***

The Unincorporated MSTU total budget is \$5.9 million based on a millage rate of 0.3999 in FY11 down from .4124 in FY10. Portions of these funds will be allocated to County

Departments such as Growth Management, Environmental Protection, park operations, and administrative costs for other services rendered to the MSTU area residents.

The Law Enforcement MSTU total tentative budget is \$17.7 million based on a simple majority millage rate of 1.6710. This millage and existing fund balance appear to be sufficient to cover the submitted Sheriff's Law Enforcement budget. This MSTU funds patrol services within the unincorporated area. Following the same agreement with the Sheriff, we have allocated patrol related expenses in the tentative budget on a 70% Law Enforcement MSTU and a 30% General Fund ratio. We continue to believe that current call loads from the Combined Communications Center supports this ratio. We appreciate the cities of Archer, Hawthorne, and Newberry, which opted into the Law Enforcement MSTU to fund their public safety obligations.

The Fire Protection Services MSTU totals \$15.0 million and is based upon the tentative millage rate of 1.5100 mills following the Board's June 22, 2010 direction to prepare the Tentative Budget based on a unanimous millage rate level.

This MSTU funds fire protection services in the unincorporated area provided by Alachua County Department of Public Safety or its contracted agencies. In FY10, the Cities of Waldo and Hawthorne joined the City of Archer in opting into the Fire MSTU. The Department of Public Safety will continue to provide services to the affected unincorporated areas directly or by contracting with willing municipalities or neighboring counties. We will continue to contract with individual cities wanting to receive fire services from Alachua County pending an agreement suitable to the County.

### ***Fire Assessment in Lieu of Property Taxes***

In FY10, the County staff prepared and notified members of the public of a fire assessment which would be considered for final approval on June 22, 2010. This fire assessment was based on work by Government Services Group and would be applied in an urban and rural zone based on the fire hazard classification of each class of property. Due to the concern expressed in the public hearing on June 22, the Board deferred the fire assessment decision to the July 13, 2010 meeting. At a July 6, 2010 follow-up meeting, the Board requested that at the July 13, 2010 meeting they be provided additional information on the super majority and the simple majority ad valorem levels. In the event the Board does not enact the fire assessment and/or chooses a millage rate less than the unanimous millage there will be an impact on those municipalities which agreed with the Board to participate in the fire assessment. This is likely to have the greatest immediate impact on the City of Alachua.

In 2010, the City of Alachua adopted a consent ordinance to participate in the County's proposed Fire Assessment program. The proposed Fire Assessment at the MSTU Fire millage replacement rates would have generated approximately \$430K. The difference in contribution is based on the formulas of the current agreement and the Enhanced Fire Assessment. With the failure of the assessment implementation, the current agreement with a City of Alachua contribution of \$600K should remain, however, the City of Alachua will likely request to renegotiate their agreement to reduce their share of the service costs based on the fire assessment study. Any reduction to the revenue

from the City of Alachua could create a shortfall and will compromise a long standing partnership.

Further reductions beyond the super majority will likely require collective bargaining efforts to reduce the contractually mandated personnel costs.

### ***Fire Protection Services Sales Tax in Lieu of Taxes***

A local option Discretionary Sales Surtax for Emergency Fire Rescue Services was approved by the Legislature during the 2009 session. This tax, which must be approved by countywide referendum, allows local government to replace property tax revenue with a sales tax of up to 1 cent. The surtax proceeds are distributed to the County, which then distributes the funds among all fire service providers in the County pursuant to an interlocal agreement. As the current declining sales tax revenues show, trading stable property tax revenues or a fire assessment for a sales tax may not be in the best interest of the Public Safety Department. It could be considered in the mix of funding sources for countywide fire services in the future. No counties in the State have approved this sales tax as of July 1, 2010.

### ***Solid Waste Fund***

The Leveda Brown Environmental Park and Transfer Station is envisioned as an environmental resource recovery park and recycling facility. In FY08, the County acquired and began a Master Plan for a 75-acre parcel of adjacent land for an industrial park designed as an integrated facility for resource recovery and reuse of solid waste commodities to reduce the need for landfill disposal capacity. Our goal is for this facility to become an innovative “green” industrial development center that will incubate resource based green industry in the County.

The Solid Waste Fund finances the operations of the Alachua County Solid Waste division and is an enterprise fund with a total annual budget of approximately \$34.5 million. The County Solid Waste Program continues to function in a highly competitive environment for collection and disposal. In FY 2009, the transfer station processed approximately 177,500 tons of waste. In October 2009, an inter-local agreement extended our operating partnership with the City of Gainesville through 2018.

A non-ad valorem assessment for solid waste management was approved by the County and went into effect on October 1, 1997. Solid waste programs funded through this Solid Waste Management Assessment (SWM) include the Waste Alternatives and Environmental Protection programs and a portion of the Rural Collection Center program. Since its inception, all municipalities, with the exception of LaCrosse, have partnered with the County by approving ordinances to a allowing the SWM Assessment within their respective municipal limits. LaCrosse chose to pay a surcharge on the tipping fee instead of approving the assessment. The municipal ordinances expire September 30, 2010. The County has requested that all the municipalities approve three-year ordinances effective through September 30, 2013 to allow the assessment to continue. Assistance is being provided to each municipality as requested.

The Municipal Services Benefit Unit (MSBU) Fund reduced budgeted expenditures by \$1.65 million in FY11 while maintaining the current service level. This reduction in budget did not affect the service level because the budget increased in FY 2010 due to the expected increase in the new contract for Curbside Service, which was based upon recent increases in other counties when contracts were renewed.

### ***Solid Waste Flow Control***

In April 2007, the U.S. Supreme Court, in a 6-3 decision, upheld the Solid Waste Flow Control Ordinances of the Oneida-Herkimer Solid Waste Management Authority. As the County's transfer station is a publicly owned and operated facility and the waste is transported to a publicly owned and operated landfill, it may be feasible to institute a solid waste flow control ordinance directing all waste generated in the County to the County's transfer facility. This requires the transfer station to be permitted by the state as a "resource recovery facility." The legal ramifications of this option are still being explored. The County has brought in special counsel and contracted with an expert consultant in this field and is preparing a whitepaper describing potential approaches to the County's implementation of flow control for a joint City/County workshop scheduled for August 2, 2010.

### ***A Competitive Solid Waste Marketplace***

In January 2010, Emerald Waste Services (EWS) declined entry into a Commercial Franchise Agreement, which required delivery of all wastes to the Alachua County designated disposal facility, the New River Regional Landfill, and began operation of its Archer Road Transfer Station. This resulted in the diversion of approximately 950 tons per week of commercial solid waste to a privately owned landfill located in southern Georgia. The diverted waste represents approximately 25% of the County's anticipated waste stream and has had a significant financial impact on the operations for the Solid Waste Fund. These impacts include loss of tip fee revenues, increased per ton operating costs, and increased disposal unit costs based upon our interlocal agreement with New River Solid Waste Association. In response to these developments, the County has made, and is continuing to implement, adjustments to its operations to reduce its per ton operating costs and is pursuing the reconfiguration of its transfer station operation to incorporate resource recovery operations. In addition, we have initiated discussions with New River Solid Waste Association to explore modification of our current agreement to account for these developments. New River is receptive to our negotiations and is supportive of the County's efforts to implement flow control measures.

The Solid Waste Fund has had to immediately look for ways to reduce expenditures with the diversion of commercial waste from the Leveda Brown Environmental Park. For FY10, all processes have been looked at for operational efficiency, 2 vacant positions were not filled and some purchases, such as replacements of tractors and trailers, were frozen or deferred. If negotiations with the hauler deferring commercial waste are unsuccessful at returning the waste to the transfer station, FY11 reductions will total \$2.66 million and include 4 additional staff reductions.

In June 2010, the County finalized its review and approved Commercial Franchise Agreements with WastePro and SWS that included commitments to deliver their wastes to the County's Leveda Brown Transfer Station. We are currently in negotiations with EWS to redirect their wastes to the New River Regional Landfill.

### ***Solid Waste Recycling/Energy Conservation***

In June 2010, the State of Florida enacted solid waste legislation that requires all state agencies, K-12 public schools, public institutions of higher learning, community colleges, and state universities, including all buildings that are occupied by municipal, county, or state employees to report recycling rates to their County. Additionally, the legislation requires the County to develop a program to recycle construction and demolition debris and establishes incremental recycling goals and milestones that the County must meet for attainment of the State's 75% recycling goal by December 31, 2020. The legislation also deleted the requirement for a County composting program. Rules implementing these legislative changes have not been developed; however, the County can anticipate increased costs associated with meeting these new State mandates.

In FY09, the County installed a 25 kW solar array at the Transfer Station and solar panels on the roof of the Hazardous Waste Collection Center, both of which are in GRU's Feed-In-Tariff program. Staff continues to examine other alternative energy programs such as solar arrays, bio-fuel facilities, and organics recycling at the Southwest Landfill near Archer. All closed landfill sites, many of which are located near municipalities, may be appropriate sites for future alternative uses, as State law requires our long-term protection and monitoring of these facilities.

### ***Gas Tax Revenues Declining***

Gas Tax revenues for the County is collected on a per gallon basis. The amount the County collects per gallon does not change with inflation or with the price of fuel, and is shared with all nine municipalities in Alachua County. Of the 15 cents permitted locally, we will receive 3 cents per gallon from the State and we impose the remaining 12 cents per gallon. As passenger vehicles become more fuel-efficient and drivers travel less miles to conserve fuel, less fuel is being purchased, resulting in less Gas Tax revenue to fund County roadway maintenance. Historically, there has been between 2% and 4% annual growth in Gas Tax revenues due to increased volume of fuel sold. Since 2008, however, revenues from fuel taxes have decreased by nearly 7 % or over \$600,000.

Coupled with the reduction in gas tax revenues over the last few years, the costs of road-related maintenance and construction have increased at a greater rate than fuel tax revenues for at least the last ten years. Over the last four years, this disparity has been even more pronounced. For example, in 2006, construction costs increased by around 25 percent while Gas Tax revenues increased by only 1 percent. The driving factor in the increase in maintenance and construction costs is tied to fuel prices, in that many of the materials used for maintenance and construction are petroleum-based.

The County currently collects approximately \$9 million dollars in Gas Tax revenue per year. \$1,923,000 dollars go to debt service, \$376,759 dollars to self-insurance, and \$809,744 dollars to RTS. The remaining 65 percent goes to maintain 900 plus miles of roadway; 677 paved and over 200 unpaved. This translates to \$6,545 dollars per mile for maintenance. It costs approximately \$700,000 to resurface one mile of roadway, which is far beyond what most citizens think.

## **CHOICES**

The CHOICES Program has grown to provide primary care and preventive medical services to almost 3,100 county residents. In the past year the membership has grown approximately 20% with the number of new applications exceeding 300 for the past four months. The membership and volume of applications represent the highest level experienced since the CHOICES Program started. The CHOICES program is funded by a voter-approved 0.25% sales surtax. Through May 28, 2010, the balance of funds is about \$40.5 million. The funding for the CHOICES program will end on December 31, 2011. During the past year, there has been an increase in the number and amounts of requests to use CHOICES funds to cover additional items outside direct service to the CHOICES members under the Innovative Programs funding category. With additional funding ceasing after 2011, setting policy for the use of the CHOICES fund balance will become increasingly important.

In addition to the program growth during the past year, adjustments to the eligibility criteria were made to cover residents who worked at least 80 hours per month. This was done in recognition of the deteriorating economic conditions and to protect individuals from losing coverage due to a loss of scheduled hours. During 2010, the CHOICES Program negotiated a new Third Party Administration Agreement with a subsidiary of Blue Cross- Blue Shield of Florida. The proposed agreement unifies several separate agreements with different vendors into a more comprehensive agreement. The new agreement will expand the number of providers available within our community and an analysis by the programs' consulting actuary estimates that the program will spend less for claims than under the current arrangement.

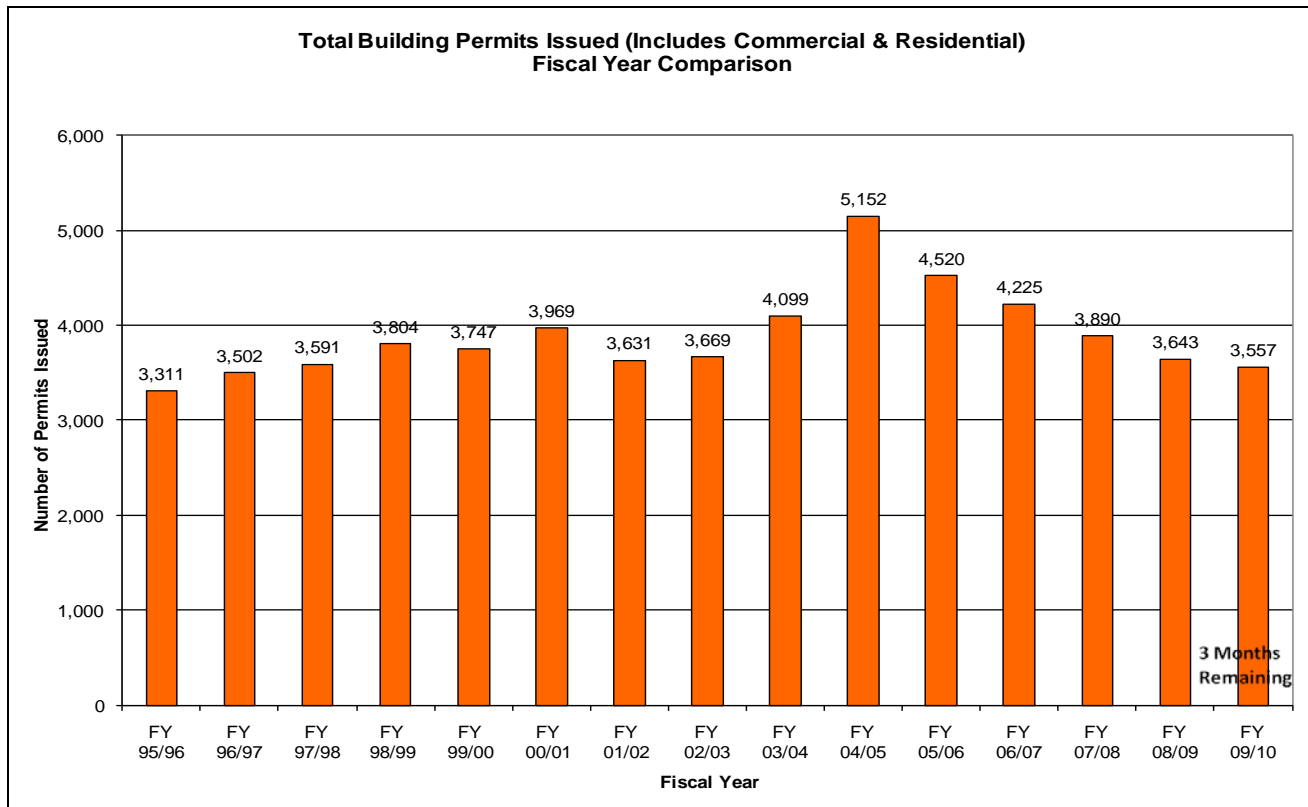
The Alachua County Health Needs Assessment issued in March 2010 identified growing rates of Adult and Childhood Obesity in Alachua County. Obesity is a contributing factor to chronic diseases that are also growing in Alachua County. Adult obesity rates in our County are similar to rates throughout Florida but the growth rate is alarming (over 25% growth in five years). Measures of childhood obesity in Alachua County Schools estimate that over one third of Public School students are overweight or obese.

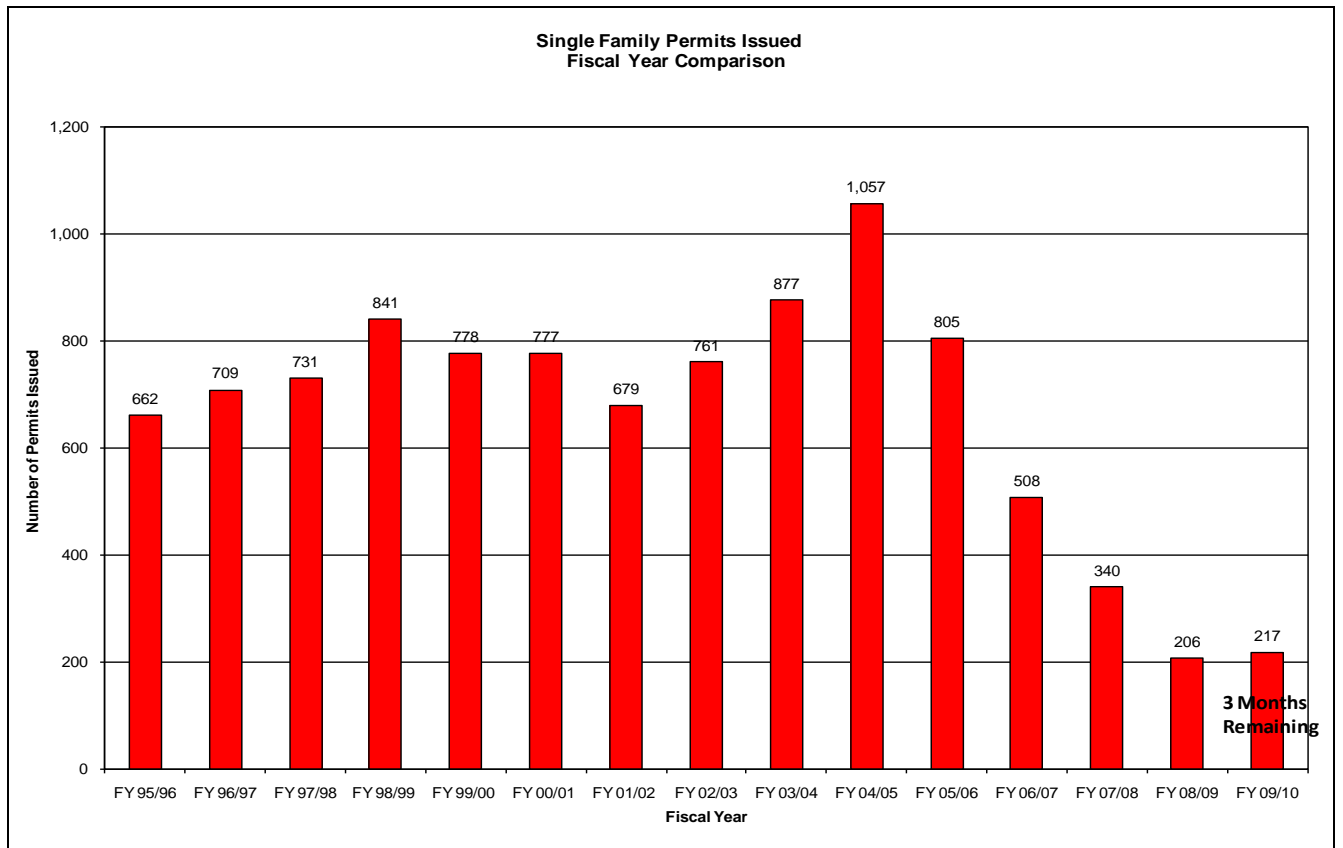
The Alachua County Healthy Communities Committee, which brings together a broad and diverse group of Alachua County residents, has initiated efforts to take action to improve Childhood Obesity measures in the area. The committee's website includes lists of resources, community statistics, and tips for families. To support the work of the committee, the CHOICES Program and the Alachua County Health Department have expanded the CHOICES Health and Wellness Program to offer exercise opportunities, and community health presentations dealing with proper eating habits, sticking to an exercise program, and other beneficial health practices.

### ***Development and Permitting Slow to Recover***

The Growth Management Department has reduced its budget and eliminated 10 positions over the last two years as a result of the economic downturn. The Building/Development Enterprise Fund is designed to have fees collected for building permits to cover the bulk of the plan review and inspection costs for activity in the unincorporated area. For the first nine-month period of FY10, total building permits issued were 3,527 compared to 2,621 for the same time period in FY09. An important indicator is new single-family home permits issued, which increased by 68 over the first 9 months of the previous fiscal year. Another indicator of the changing nature of development is the increase in remodeling permits, which increased from 566 in the first 9 months of FY09 to 602 permits in FY10. Remodeling permits require similar amount of inspections while generating comparably lower fees. Alachua County uses multi-trade inspectors, as opposed to trade specific, which lowers our costs while maintaining consistent levels of service.

Based on national indicators and some increase in local permit activity, it is anticipated that a slow and gradual improvement will occur in the building construction activity in Alachua County. We will continue to closely monitor the level of activity and adjust our workforce and resources accordingly. As the charts below indicate, the total number of permits and the total number of single-family housing starts appear to be on the upswing with three months remaining in the fiscal year.





### ***Capital Improvement Program (CIP)***

The County's Capital Improvements Program provides a five-year schedule that establishes priorities, within fiscal and economic constraints, for providing essential facilities and infrastructure necessary to serve the needs of Alachua County's residents and government agencies. Capital projects in this program include major new facilities, property acquisition, and major equipment replacement. The CIP also includes the Technology Fund used to acquire new technologies within the County. The first year of the five-year CIP is the basis for formal fiscal year appropriations (i.e. "funded") during the annual budget process. The continuation of distressed economic conditions has us to reduce our CIP allocation by \$1.3 million; the total CIP allocation included in the FY11 Tentative Budget is \$7.5 million. \$4.06 million of the CIP budget allocation is devoted to debt service. The FY11 CIP contains a number of significant projects as described below.

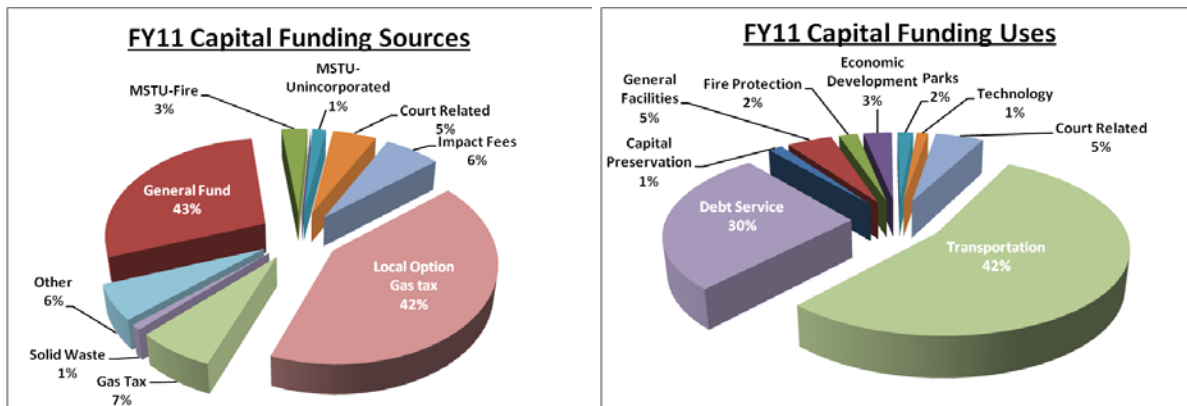
The portion of the CIP dedicated to County Facilities totals \$890,870 of General Fund expenditures and includes major projects such as Phase II of the kitchen renovation at the County Jail, as well as roof replacements at the Supervisor of Elections warehouse and the 34<sup>th</sup> Street Tag Agency office. The remainder of the CIP allocations for Facilities in FY11 will be devoted to Capital Preservation projects.

The CIP adopted in FY10 included a new "Capital Preservation Fund" to explicitly document the County's commitment and renewed focus on maintaining our buildings

and property. This is necessary due to the numerous aging facilities within Alachua County and the significant cost when major systems fail in our older buildings. This fund includes both known, large expense maintenance and repair items and provides greater flexibility to quickly respond to unexpected large expense items and building failures that occur throughout the year.

Prior to this four-year period of budget contraction, the County Commission routinely allocated \$1.5 million facility capital improvements. As a result of cumulative funding reductions, this CIP identifies a number of unfunded and deferred facilities projects. The Supervisor of Elections facility expansion is planned for further discussion due to the Governors action that deferred changes to voting equipment requirements, there is \$600,000 in the non-recurring Capital Projects Reserves that have been allocated for that project.

In addition to general facilities capital projects, a restricted funding source for major Court-related facilities projects is allocated in the FY11 CIP to fund a complete upgrade of the HVAC system and ADA accessibility at the Civil Courthouse. Additional allocations in the CIP will focus on Capital Preservation projects at the Civil Courthouse, the State Attorney’s building and the Public Defender’s offices.



The Capital Improvements Program is developed in accordance with policies adopted in the Capital Improvements Element (CIE) of the Comprehensive Plan. This significant document plays a major role in implementing public and private land development and infrastructure financing decisions by private developers through proportional share methodology, impact fees, and our concurrency management system. Transportation and Parks projects in the CIP required to maintain adopted level of service standards established by the Comprehensive Plan must be consistent with the CIE.

In FY11, proceeds from the additional 5-cent gasoline tax passed by the Commission in FY07 are scheduled to be used for the reconstruction of NW 16<sup>th</sup> Avenue and a continuation of our alternative surface treatment of a prioritized list of dirt roads. We are also pursuing a prioritized list of bike/pedestrian projects in FY10. As with other

revenue sources, fuel taxes have declined due to a reduction in travel and gas purchases by consumers. Environmentally this is good from the standpoint of the reduced carbon footprint, yet it negatively affects our revenue that is used to maintain deteriorating roads and roads that are already over capacity.

The County's roadway infrastructure condition continues to deteriorate as a result of a lack of adequate funding to address capital pavement maintenance. Gas tax revenues have declined by nearly 7% over the past two years. This reduction, coupled with a reduction of 33% in the general fund contribution to the capital projects debt service, has resulted in the County's roadway maintenance budget being reduced by 16% over that same time period. Although many major steps were taken in recent years to fund the resurfacing of existing County roads, the maintenance backlog continues to grow. Gas taxes alone are not sufficient to address the County's roadway maintenance needs and discussions of any potential one-cent sales tax should follow the Leon County model of allocating a portion of the proceeds to roadways.

Revenue collection from Wild Spaces/Public Places (WSPP) infrastructure surtax, passed by voter referendum in 2008, will end during this fiscal year. Current projections estimate that the total revenue from WSPP will be a little more than \$30 million, or 24% less than original estimates. Alachua County government's share of WSPP is approximately \$15.75 million. According to the latest WSPP quarterly report (March 31, 2010), \$6.9 million had already been expended on the purchase of environmentally sensitive lands as part of the Alachua County Forever program. \$1.5 million of the WSPP revenue is dedicated to the County's portion of the cost of constructing a new Senior Center, a joint project between the County and the City of Gainesville, which will be constructed and managed by the City of Gainesville. Construction of the Senior Center is expected to begin by the beginning of the fiscal year.

The County's newest park project is the construction of a recreation center at Kanapaha Park on Tower Road. This project was originally planned to cost approximately \$3.2 million of which \$1.9 million was expected to be funded from WSPP. Due to the downturn in sales tax receipts, the project has been scaled back from its original scope and will be constructed at a total cost of \$2.1 million.

### ***Economic Development/Fairgrounds***

The Master Plan for the County's new Fairgrounds complex was approved by the County Commission in September 2008. Although planning and zoning activities have continued, plans for actual construction have been put on hold because of the economic downturn and reduction in general revenues. The construction of the Fairgrounds remains however, a critical economic development priority. The operations of the new fairgrounds will generate additional tax revenue in the form of sales tax and tourist development tax and is projected to add in excess of \$25 million annually to the local economy. Another important aspect of the new fairgrounds is that it is one of the key elements expected to drive new economic development in East Gainesville. Development of the new Fairgrounds will serve community agricultural exposition and assembly space needs and allow for reuse of the existing fairgrounds property for the

development of a commerce park on NE 39<sup>th</sup> Avenue in accordance with the implementation of the East Gainesville Redevelopment Plan.

The Economic Development/Fairgrounds portion of the CIP includes the reinstatement of an annual contribution of \$497,000, which had been suspended for FY10. This capital project fund, which will be used to develop the final design and engineering plans and the utility infrastructure necessary for the fairgrounds complex, currently has a balance of approximately \$1.2 million. The cost of phase one of a replacement fairgrounds is estimated to be \$18-20 million.

In April 2010, the County Commission approved a 2% additional tourist development tax to be applied to lodging in Alachua County. Each additional percentage point equals approximately \$650,000 to \$700,000. In July 2010, the County Commission will decide whether to commit the proceeds from one percent of the bed tax to the construction of the Fairgrounds. If that decision is made in favor of the Fairgrounds, the bed tax receipts could be leveraged as debt service for a construction bond issuance of \$7-8 million. At that time, a commitment will have to be made to identify additional funding sources to fully cover the cost of construction. Discussions of any potential one-cent sales tax should include the consideration of allocating a portion of the proceeds to the construction of the new fairgrounds.

In FY11, the daily operations of the existing Fairgrounds will be transferred from the County Manager's Office to the Parks and Recreation Division of Public Works. Administrative support will be provided by transferring half of the duties of the Executive Staff Assistant currently in the County Manager's Office to the Parks Division. The position will be located in my office until a fairgrounds office opens and business activity demands. The Fairgrounds property is similar to the types of active parks currently maintained and operated by the Division and this transfer represents a good fit consistent with its mission.

By transferring the day-to-day operations, including the booking and coordination of events at the Fairgrounds, the Division staff will gain invaluable experience that will be directly applicable to the development and management of the new Fairgrounds, when that facility becomes a reality.

### ***One Cent Optional Sales Tax for Infrastructure***

With the agreement not to have a new sales tax on the November 2010 ballot, a renewed effort needs to be done to generate community wide support for a ½ or one-cent tax on the ballot for 2012. Given competing desires for other referendums on health care facilities, children services, and the potential for the renewal of CHOICES, the county commission should plan a very concentrated process of determining community needs for this referendum. Continued restrictions of property tax revenue without an economic recovery will make these decisions, for this sole remaining revenue source, very important.

### ***Financial Markets Impact Debt Service***

Credit markets remained volatile in FY10. The bond market in particular has been dislocated and often inaccessible due to turmoil with AAA rated insurers folding, a “flight to quality” causing investors to stay on the sidelines, and a lack of overall bank liquidity. These dynamics have led to unpredictable issuance conditions in the debt capital markets.

The County plans to secure two new financings in the 4<sup>th</sup> quarter of FY10 or the 1<sup>st</sup> quarter of FY11. The new debt issues will be used to fund one, road projects including NW 16<sup>th</sup> Ave, SW 63<sup>rd</sup> Blvd/SW62nd Ave and CR231 and two, repay the Alachua County Forever pooled commercial paper short-term notes payable. The County anticipates facing difficult conditions in the bond market and therefore plans to access the private placement market via a competitive bank loan RFP process in order to secure the needed funding. The County has had success in recent years securing low-rate private placement bank loans and anticipates similar results for the new bank borrowings.

The successful low-rate bank loans that were negotiated within the last year and a half include the \$7.7 million Jail Energy Conservation Capital Improvement loan and \$15 million Wild Spaces Public Places loan. In addition to the two recent bank loans, the County has the following outstanding debt: Series 2003 Limited G.O. Alachua County Forever Bonds; Series 2007A&B Public Improvement Revenue Bonds; Series 2006 Gas Tax Bonds; Series 2008 Gas Tax Bonds and Alachua County Forever Pooled Commercial Paper Notes Payable. The total outstanding principal balance on all County debt is \$128.954 million and the total current annual debt service payment for all debt is \$18.4 million.

In March 2010, Fitch Ratings reviewed all of the County’s outstanding bonds listed above as part of their continuous surveillance effort of the municipal bond market. The ratings review resulted in all of the County’s bond ratings being “affirmed”. This was great news for the County. The affirmed bond ratings include:

- ‘A+’ rating for Series 2006 & 2008 Gas Tax Bonds
- ‘A+’ rating for Series 2007A&B Public Improvement Revenue Bonds
- ‘A’ rating for Limited GO Alachua Forever Bonds
- ‘AA-’ Implied GO rating

Fitch noted the rating outlook was “stable”. The rating rationale and key rating drivers noted by Fitch include: adequate debt service coverage levels; low overall debt levels; stable economic base centered on higher education and health care; only modest declines the last two years in the tax base; and conservative management practices with adequate reserves.

On the downside, the one key factor cited by Fitch that could put stress on the County’s bond rating is “additional draws on the general fund balance combined with a slower than expected economic recovery may further limit financial flexibility and put downward pressure on the rating”.

We know FY11 will be another challenging year and that the credit and equity markets will remain volatile. The BOCC has adopted strong financial policies to ensure the long-term stability of the County even in the face of current global economic turmoil. Our Citizens can rest assured their Government will utilize the limited resources it has been entrusted with to further improve the quality of life for all residents.

### ***Personnel Summary and Employment***

The FY11 budget recommends no additional new positions for the Board of County Commissioners and only 2.5 additional employees requested by the Sherriff. The balanced budget contains a reduction of 31.1 FTE positions in the Board's share and 3 additional FTE position reductions made by the Constitutional Officers. Of the Board's 31.1 FTE positions, 8.6 were vacant as of July 7, 2010.

<b>Alachua County Board of County Commissioners</b>						
<b>Employee Adjustments Since Fiscal Year 2007 Up To And Including Fiscal Year 2011</b>						
<b>Department</b>	<b>FY07 Adopted</b>	<b>FY08 Adopted</b>	<b>FY09 Adopted</b>	<b>FY10 Adopted</b>	<b>FY11 Changes</b>	<b>FY11 Tentative</b>
Information & Telecomm Services	51.00	49.00	49.00	48.00	(2.00)	46.00
General Government	49.00	48.00	49.00	47.00	(1.50)	45.50
Administrative Services	74.80	72.80	72.80	71.80	0.00	71.80
Community Support Services	70.00	68.00	72.00	69.00	(2.00)	67.00
Court Services	97.75	95.75	98.25	96.25	(3.50)	92.75
Public Safety	244.00	243.50	243.50	242.50	(12.50)	230.00
Environmental Protection	37.90	39.50	38.85	37.85	(3.10)	34.75
Growth Management	63.00	62.00	59.00	52.00	(1.00)	51.00
Public Works (PW)	232.47	233.06	232.00	225.00	(5.50)	219.50
Special Expense	1.00	0.00	0.00	0.00	0.00	0.00
Capital Projects (From PW)	0.00	0.00	0.00	2.00	0.00	2.00
<b>BoCC Total</b>	<b>920.92</b>	<b>911.61</b>	<b>914.40</b>	<b>891.40</b>	<b>(31.10)</b>	<b>860.30</b>
<b>Constitutional Office</b>						
Clerk of Circuit Court F&A	25.00	25.00	25.00	25.00	0.00	25.00
Court and Corrections	2.00	2.00	2.00	2.00	0.00	2.00
Court Administration	14.00	14.00	14.00	14.00	0.00	14.00
Guardian Ad Litem	2.00	2.00	2.00	2.00	0.00	2.00
Public Defender	0.00	0.00	1.00	1.00	0.00	1.00
Property Appraiser	58.00	58.00	57.00	56.00	(2.00)	54.00
Sheriff	819.67	824.50	849.50	849.00	2.50	851.50
Supervisor of Elections	13.00	13.00	13.00	13.00	0.00	13.00
Tax Collector	70.00	69.50	69.50	68.50	(3.50)	65.00
<b>Constitutional Office Total</b>	<b>1003.67</b>	<b>1008.00</b>	<b>1033.00</b>	<b>1030.50</b>	<b>(3.00)</b>	<b>1027.50</b>

### ***Strategic Issues #1 “Workforce and Succession Planning”***

Compounding the complex personnel issues as we reduce positions is the planning for the large departure of aging employees hired in the 70s and 80s that are now entering the DROP program. Currently of the 891 employees working for the Board, 55 are in the DROP program. Lately we have had retirement presentations of long-term employees almost monthly. Frequently these positions are in supervisory or professional specialty positions. This loss of experience and history is difficult to replace. However, it is also an opportunity to reorganize over the next three years to reduce and streamline professional and management staff.

Three issues complicate taking advantage of this structural opportunity caused by an aging work force. The first is the need to cultivate or recruit replacements for these positions that are competently trained and diverse. In June 2010, a Personnel Utilization Analysis Report was issued recapping our success in diversifying our workforce and while making progress, some areas such as increased females in upper management was seen as deficient. Second, are the restrictions placed upon voluntary reorganization due to the limited number of executive service employees and narrow job descriptions which limit the combining of positions and the inability in this environment to make pay adjustments. The final challenge to restructuring is the strong history and desire of this organization and its elected officials to develop and maintain progressive and complex programs that require a high level of staff competency and expertise.

For the reasons above I am recommending that we combine the existing efforts of EEO, Training and Special Recruitment into a very focused effort within an Office of Workforce Planning under Administrative Services to identify, recruit and retain a diverse workforce for the future, even as we contract during the current recessionary period and offer this expertise to other Constitutional Offices. This envisions the special recruitment program manager in Fire Rescue to be relocated to Administrative Services and focus on countywide diverse recruitment activities, representing this emphasis in the community, assisting in succession and mentoring to assure transition to a transformed workforce. The existing program emphasis in Fire Rescue will continue through a proposed alteration by creating two levels of certification of Fire Rescue employees to allow minority applicants to enter directly into 74 entry-level positions employed as firefighter trainees. This plan would reduce County training costs, utilize the Loften Center, and encourage both the economically disadvantaged and military personnel.

### ***Strategic Issue #2 Salaries, Incentives, & Personnel Cost Reductions***

The FY11 Tentative Budget contains no salary increase and more significantly a continuing inability for incentives to promote performance. While people will work and managers can evaluate without financial incentives the combined impact of reductions in work force due to less revenue makes personnel issues and motivation increasingly difficult for supervisors. We have encouraged utilization of non-monetary rewards, flextime, and four-day workweeks where possible. Should the County Commission not implement a simple majority level of ad valorem and choose Tier 2 reductions, fewer employees will be required to cover the workload in the impacted areas.

Tier 2 contains the option of a multi-day furlough as a means of reducing personnel costs countywide. A five (5) day furlough equates to a 2% salary reduction. Implementing a furlough would save approximately \$150,000 within Board departments for each day not worked; however, only \$112,000 of this could be achieved without negotiation with the IAFF, our fire employee union, and the LIU, representing office and field employees. The easiest mechanism for implementing furlough days is the elimination of specific paid holidays. This also gives the advantage of occurring on a day that we are already closed. As this would require collective bargaining and likely result in an impasse situation, non-union portions of this savings would be delayed until completion of impasse processes well into the spring of next year.

If we assume we are entering into a new normal era of tax revenues caps and a fiscally restricted environment, the greatest cost savings will occur through a longer-term strategy of reducing positions and reorganizing departments.

### ***Strategic Issue #3 “Reorganization of Management Structure”***

The new normal will likely require a more fluid, collaborative and streamlined organization than the past and anything below the simple majority mandates that employees become more “utility players” to step up and perform special tasks without creating bureaucratic obstacles and specialty positions. I am recommending the maintenance of the dual Assistant Managers in my office and focusing in the upcoming months and next year on of reduction of Department Director and Division Managers, as these vacancies occur and DROP candidates are identified. The first step of this is the recommendation that we do not fill management or professional positions in FY11 and as each opportunity occurs the Assistant will serve as the Acting Director until I am comfortable that the management structure cannot be streamlined, our organization be made more diverse and the appropriate succession planning has been exercised. This process will most likely to occur first within Court Services where there is likely to be a Director retirement and also is underway as well within the Department of Public Safety as District Chiefs and command positions are reorganized.

## **BUDGET ISSUES**

### ***Measuring Sustainability through Community Indicators***

Sustainability is much more than water and energy conservation and measuring greenhouse gas emissions. In FY11, we will use our strategic performance manager and sustainability coordinator to develop a community indicators system to measure our community’s success in becoming more sustainable. In addition to the conservation issues above, the indicators will also measure community sustainability in health, business, land use, and social service. This project will develop a collaborative focus on community performance in cooperation with other organizations and municipalities county wide. While many organizations are gathering their own information, this effort will bring a communitywide focus on the community as a whole. We envision working with our sustainability partners in the academic and business communities in the systematic collection and reporting of these indicators to the public.

### ***Consolidation of Space***

For nearly a decade Alachua County has followed a downtown space needs plan which was designed to measure and allocate space in a rational manner, provide for future space needs, and to consolidate functions such as plan review and development into a centralized service area. Another goal was to get out of leased space into centralized, County owned facilities and lease space would be for cyclical needs. We will need to provide additional space for the Supervisor of Elections when additional voting and equipment requirements are mandated which will likely occur within the next five years. The reality of long-term revenue limitations and the reduction of positions over the last three years have already allowed us to eliminate some of our leased property in the downtown area for the Growth Management Department.

In addition to the reduced rents we negotiated for the FY11 budget, there is a further opportunity to consolidate downtown offices in leased buildings by removing field personnel from the confining restrictions of the Star Garage and Union Street Station buildings. The Facilities division could be relocated to the Depot Avenue maintenance garage area. The Environmental Protection Department could reduce its office space in the downtown by reassigning Alachua County Forever and field personnel to a more remote location outside the downtown area.

In FY11, I would recommend that we allow our Facilities Manager to examine greater utilization of our Hague and Depot Avenue properties and pursue cheaper lease space outside of the downtown core to house County departments.

The first step in this relocation is to move the Solid Waste Fiscal operations from the downtown Star Garage to the Hague compound this year which should save \$31,799. Due to complaints about the Star Garage and the conditions on the upper floor, we are currently relocating Guardian Ad Litem staff out of that location. We are working with our downtown landlords to assure safe but lower cost facilities are available to our employees.

### ***Service Consolidation and Privatization***

The new normal is a time of change and readjustment of service priorities and delivery methods. Research and personal experience has shown me that any service can likely be consolidated or privatized. Current discussions may result in a dialogue on consolidation of law enforcement between the City of Gainesville and the Alachua County Sheriff's Department and other municipalities. If the County Commission directs, I will open a renewed discussion of consolidation of fire services in the same manner. However, consolidation does not guarantee that costs will be less unless there is a political willingness to reduce service levels or the costs of providing those services, which are clearly personnel driven in these service areas. This requires multiple year collective bargaining that will require political support from the elected officials endeavoring to bring this about and my implementation. Two critical issues are funding, which I had hoped would be addressed through a fire assessment as a common funding mechanism, and governance structure. Finally, clearly the desire for local autonomy of services is a deeply entrenched value of elected officials in incorporated places.

The Combined Communications Center and our Emergency Operations Center are examples of successfully implemented consolidation of services. Last year the City of Gainesville and Alachua County agreed to consolidate the PIO functions for their respective fire operations. Earlier this year the City Manager and I met to identify the possibility of additional areas of consolidated support functions with the City of Gainesville. These discussions included services functions in communications, information services, storm water management, human resources, and purchasing, and we will maintain an open line of communication to discuss areas of potential. Consolidation of services tends to require written agreements, governance structures, and each Commissions continued commitment to the outcome. One area of governance consolidation that could be examined in 2011 is the combination of City and County Planning Commissions.

Privatization has not been a popularly supported alternative in Alachua County in prior years. This alternative needs to examine each service to assure cost savings are long term, local control is clearly maintained, and current employees are treated appropriately in the transfer of services. Privatization of our solid waste facilities is an obvious issue at this time. However, until the issue of flow control is addressed, I would not recommend privatization of any of our solid waste operations. Neither privatization nor consolidation of services is offered in this budget as a cost saving solution, as they cannot be implemented in major service areas without significant deliberation by policy makers and implementation planning.

## ***Regional Public Safety Communication Issues***

### ***Combined Communications Center (CCC) Background***

Public safety communications benefits all residents of the County whether they reside in the incorporated or unincorporated area. Timely, orderly, and coordinated E-911 call taking and emergency dispatch is essential to the delivery of emergency services such as fire, police, sheriff, and ambulance.

Although the CCC is designed to be countywide in nature, not all Alachua County local governments choose to participate. The CCC provides call taking and dispatch services for the City of Gainesville, the City of Waldo and Alachua County government pursuant to an interlocal agreement between the Alachua County Sheriff's Office, the Alachua County Commission, and the City of Gainesville Commission.

The cities of Alachua and High Springs, as well as the University of Florida, have their own police departments and their own dispatch centers. The cities of Archer, Hawthorne, LaCrosse, Micanopy, and Newberry do not have police departments. Consequently, when residents of these five cities call 911; the Alachua County Sheriff's Office is dispatched. Of these five cities, Archer, Hawthorne, and Newberry pay for law enforcement services provided by the Sheriff through the Law Enforcement MSTU. The City of Waldo has its own police department and is dispatched by the Center by a separate interlocal agreement with the Sheriff.

Currently, the cost of operating the CCC is apportioned among the agencies using the Center. This includes the Gainesville Police Department, the Alachua County Sheriff, Gainesville Fire Rescue, Alachua County Fire Rescue, and the City of Waldo. The costs are apportioned to each agency based upon the total calls for service or dispatches to each agency. The current call based apportionment formula has created a problem for the City of Waldo due to their expressed inability to pay their call-based share.

### ***Municipal Dispatching Issue***

The Sheriff has an interlocal agreement with the City of Waldo to provide law enforcement dispatch services through the CCC. On January 21, 2010, Sheriff Darnell informed the City of Waldo that dispatch services would terminate to the Waldo Police Department. A key issue was a concern for officer safety that was raised because of Waldo Police not calling in all traffic stops to the Combined Communications Center (CCC). The Waldo Police Department's traffic stop protocol allowed officers the discretion to choose which traffic stops would be called in to the CCC. Sheriff Darnell cited the traffic stop protocol violated the agreement Waldo had reached with the Sheriff in October 2009 for the provision of dispatch services.

The City of Waldo protested the Sheriff's termination letter to the Administrative Board of the CCC, and stated their protocol did not jeopardize officer safety. The City further indicated it could not afford to call in all of their traffic stops. The City cited their financial obligation would increase from approximately \$22,000 annually to nearly \$82,000 annually, a \$66,000 increase. The City further cited that Alachua County's financial obligation would likewise increase under the current agreement due to the discounted payment terms that were agreed to in May 2009 whereby the City of Waldo agreed to pay 25% of the total dispatch cost and Alachua County agreed to pay the remaining 75% of the cost. The City estimated Alachua County's obligation would increase from \$66,000 annually to approximately \$180,000 annually, an increase of \$114,000.

In an effort to continue dispatching law enforcement services within the City of Waldo, the CCC Administrative Board recommended that the City comply with the provisions of the agreement they reached with the Sheriff and begin calling in all traffic stops. The City of Waldo, Alachua County, and the City of Gainesville were further directed to seek out alternate billing/payment methodologies to address the issue of small city affordability.

The issue of small city affordability and alternate payment methodologies will be presented and discussed with the Administrative Board in August and then to the County Commission.

### ***Next Generation Public Safety Radio Communications System***

With five years remaining on a fifteen-year 800 MHz Public Safety Communications System, Alachua County has started planning for its replacement. Dubbed the "Next Generation Public Safety Radio Communications System," the planning process will commence by hiring a consultant to identify, prioritize, and balance sometimes

competing interagency needs with the larger community benefits of interoperability, transparency, and affordability. The consultant cost is not expected to exceed \$200,000 and is not a part of the FY11 Tentative Budget. Once a plan has been formalized, the funds will be requested from the participating entities.

Our current 800 MHz System is owned and operated by GRUCom. System subscribers pay an access fee of \$62.38 per month for each activated 800 MHz radio. Annually, the County spends approximately \$975,000 for the approximately 1,311 activated County public safety radios. On a countywide basis, all law enforcement and fire rescue agencies including the University of Florida and Santa Fe Community College, as well as some general government functions subscribe to the system. The system supports and directs all aspects of radio communications between more than 2,800 subscribers.

The County's investment in the GRUCom 800 MHz radio system will surpass \$15M at the end of the fifteen year life of the system when both the annual operating costs and fixed network/tower infrastructure is taken into account. The City of Gainesville, likewise, has a significant financial investment in the system. As the current system approaches technical obsolescence, interagency subscribers must agree upon a single consultant to assure we invest wisely in the Next Generation Public Safety Radio Communications System.

In the meantime, we must continue to maintain our existing public safety tower network and look for opportunities to expand it. Our investment will transition over and become the core infrastructure of the Next Generation System. Adequately maintaining and expanding tower infrastructure presents fiscal challenges. We have turned to both the private sector and the federal government to seek assistance.

Two of the County's tower sites are in need of repair; both are critical to our network. We will be soliciting proposals from the private sector to repair, deconstruct, and/or reconstruct both towers at no cost to the County in return for a shared revenue arrangement and space on the tower for the county's public safety radio equipment. Likewise, we have identified several County properties that may be of interest to the private sector for constructing new communications towers. Again, the use of County land for a communications tower would be in return for a shared revenue arrangement and the provision of space on the tower for the County's public safety radio equipment.

In an effort to address a long-standing coverage problem in the northeastern side of the County, the Sheriff's Office secured \$500,000 through the federal Byrne Grant that will allow us to enhance radio coverage in that area. The County is currently negotiating an agreement whereby the private sector will construct and operate a public safety tower, provide for the County to share in all lease revenues and provide for dedicated space to install County public safety radio equipment. The County anticipates that its lease payments will be completely or mostly offset by the revenue sharing arrangement.

### ***Our Commitment to Homeless and Hunger Abatement***

We have prepared the budget based on the inclusion of our continued support and partnership with the City of Gainesville for homeless programs. \$25,000 for the

provision of Emergency Shelter services is funded through a current inter-local agreement. Last year, the BOCC voted to provide emergency shelter funding for two years. \$36,000 is allocated in support of the Office on Homelessness to partially fund the salary of its Executive Director. The \$100,000 Clark Butler donation is tracked through the County's donation fund and is carried forward each year and is available for the One Stop Center.

The City of Gainesville has signed a contract for approximately \$680,000 to purchase property off NW 53rd Ave. for the purpose of establishing a One Stop Service Center and temporary housing facility for the homeless. A Request for Proposals has been closed and oral presentations from the design/build companies are currently underway. Once a proposal is chosen, it will take many months to obtain permits from a variety of government entities and make a final design selection. Construction should begin in summer 2011. The BOCC has received a letter from the City of Gainesville asking them to budget \$154,000 yearly for operational costs of the One Stop Center. Most likely, there will not be a need for any operational funds in the upcoming fiscal year as the One Stop Center will not be operational until January 2012 tentatively. The County Commission directed that no money be allocated, with the exception of the Butler donation, for the One Stop Center until the total annual budget, including transportation costs are identified and the location issues are discussed at a joint meeting.

County staff continues to work with the Alachua County Nutrition Alliance (ACNA) to implement the Hunger Abatement Plan and measure the success in its implementation in collaboration with ACNA partner agencies. On June 15<sup>th</sup>, Alachua County began a 6-month pilot program that allows homeless citizens to use their food stamp benefits in participating local restaurants. This is the only program of its kind in the Southeast region of the United States. This program has been 9 months in the making with active planning by the United States Department of Agriculture, DCF, the Alachua County Coalition for the Homeless and Hungry, area restaurants, and County staff in the Poverty Reduction Program.

### ***Focus on Water and Energy Conservation***

Water and Energy conservation efforts for FY11 represent a continuation of utilities savings directives and programs initiated in the FY10 budget. Countywide utilities savings as of May 2010 show a 3.82% decrease from May 2009. This organization wide reduction in utilities consumption has saved \$147,344 over the same period.

In addition to financial savings, reductions in energy consumption have lowered carbon emissions over the near term. For 2008-2009, we have reduced emissions by 5 percent. According to the Alachua County Greenhouse Gas Inventory, compared to the last baseline study in 1998, County carbon emissions are 14 percent higher, but we are on a downward trend.

Following our three part strategy of improving conservation, operational efficiency and renewable energy deployment in our buildings, we hope to continue this downward trend in emissions. By sector, the built environment including streetlights accounted for

66 percent of the County's emissions or 17,596 tons CO<sub>2</sub>e<sup>1</sup>. The majority of these emissions or 60 percent come from the consumption of electricity. Throughout 2010, the Jail, as the largest electricity consuming structure in the County, has undergone significant design and construction upgrades. Past efforts to improve the structure resulted in a 31 percent reduction in greenhouse gas emissions between 1998 and 2009, which may decline further as improved building systems are brought online.

Low cost measures to cut energy usage remain a priority. This is typically achieved through sealing and caulking the building envelope. Beyond these simple techniques, automated controls over lights and controls down to the plug will give the County the ability to shut off all non-essential electrical devices in County Buildings after hours and on weekends. This innovative feature, known as power line controls are currently in design. The Administration Building will be the first facility to benefit from these systems in July 2011. Part of these higher-level improvements to our facilities will include upgrading building management systems (BMS). These upgrades, which may be tied to occupancy sensors, will enable staff to optimize mechanical system efficiency. Replacement and retrofits are also occurring with our air conditioners, pumps drives and motors, low flow water faucets and waterless urinals. New systems, starting at the Jail, are coming online including solar panels to heat water, new foam roofs, and efficient lawn irrigation systems at County facilities.

Improved facility design is only effective with performance monitoring. Therefore, our ability to report on energy conservation results was significantly enhanced in this fiscal year with the addition of Utility Manager Services. This server software consolidates all utility bill payments into one central location. The advantages of the software when operational include a reduction in data entry time, billing corroboration, and the in process analysis for account anomalies. Information from the database will assist in projecting trends and will greatly enhance our capabilities to prepare the annual "County Government Carbon Emissions from Utility Usage Report" each year. Liquid fuel consumption primarily used by the County fleet, can also be tracked through this program.

Our County fleet continues to conserve fuel, through the vehicle rightsizing program, fuel conservation strategies, better utilization of our Fleet, and new vehicle technologies. At my direction the 5-5-5 Plan was started in FY 2008 to reduce fuel usage and fleet size over a five year period. The results of FY 2009 were 7,575 gallons of fuel saved and nine vehicles removed from the fleet.

Barring a series of hurricanes or major supply disruption, we have predicted an average fuel price of \$2.97 per gallon for FY11. For FY12 a fuel price of \$ 3.28 per gallon average has been used. An average price for fuel numbers is used for budget purposes and does not differentiate between gas and diesel.

As of February, we have drafted a Utility Reinvestment Savings Account. We are developing a process and financial account into which utility savings from conservation

and efficiency enhancements to County facilities will be deposited. These funds are to be reinvested in utility conservation efforts through each year's capital improvement program. To date, \$78,012 in energy savings are identified for reinvestment in conservation upgrades. Any decisions on the allocation of savings for reinvestment will be brought back to the Board for approval. A review of the financial policy language will be brought to the Board in August 2010.

We will continue to monitor our utility usage and note that Alachua County and Florida remain overwhelmingly dependent on non-local, non-renewable sources of energy. In a world of energy and climate insecurity, these trends place a great deal of uncertainty on our ability to mitigate and adapt over the long term. In our favor, we remain a community that is an acknowledged leader in energy conservation and all the value offered by this insight for the planning, investments and organization that will make for a more secure and resilient future for us all.

### ***CAPP Funding and Additional Non-Profits***

The County Commission has recognized the need to assist non-profits in providing basic services to the less fortunate members of our community through the CAPP program. Each year 1% of the General Fund operating budget is allocated to CAPP funds. The FY10 budget provided \$1,028,172 in funding to this program. It is recommended that at the simple majority level of ad valorem the CAPP program is reduced by 7% as other County programs. This would fund CAPP at \$1 million. If the current millage level is selected and drastic reductions in Board programs occur in Tier 2, I would recommend a phased four year reduction for CAPP be considered. Tier 2 includes an additional \$250,000 reduction for FY11 as the first of the new reductions.

This budget contains no funding for any of the non-eligible CAPP non-profits such as The Early Learning Center which requested \$100,000. The One Stop Homeless Center has only \$100,000 of one time funding from the Clarke Butler donation. The Commission may wish to further reduce CAPP funding prior to the committees allocation of funds recommendations to meet these and other requests the Board desires. I would suggest the County Commission endeavor this year to expand the consciousness of the community as to the limitations on fiscal supports to our non-profits as limitations are placed on local government.

### ***Court Funding and Article V Requirements***

In FY2004, with an adopted change of our State's Constitution first in effect, a dramatic shift in funding for the State Courts began. Article V of the Constitution of the State of Florida concerns itself with the state's Judiciary practice and procedures including defining the courts, participation eligibility, elections, discipline, and the funding of such. Of particular interest to Alachua County is Article V, Section 14 (c) which addresses our mandated funding responsibility of the State's court system. In short, counties are responsible for funding "reasonable and necessary" costs related to communications, technology, and facilities for all court-related functions for Court Administration, the State Attorney, the Public Defender, and the Guardian Ad Litem program. This section of the Constitution and supporting Florida Statutes also discuss the optional funding of court discretionary expenses from county government resources. The BoCC's financial

policies require that an annual review of these expenses take place during each budget cycle. We will hold that discussion during one of our budget workshops in August.

The following illustration depicts the Article V expenditures within the General Fund only. The expenditures are categorized from constitutionally mandated to 100% discretionary in order to further define the Board's historical commitment to not only what it is obligated, but to what they believe would further assist the Article V members in achieving their mission. Unfortunately, the current economic condition demands that every budget area be examined for possible adjustment and depicting the data in this structured form will assist us in achieving that end.

<b><u>FY11 Tentative Budget</u></b> <b><u>General Fund Expense Only</u></b>	<b>Article V Mandated</b>	<b>Technology "Reasonable and Necessary"</b>	<b>Discretionary "Local Requirement"</b>	<b>Other Court Funding</b>
<b>Clerk of Court</b>				
Operating Budget *	\$195,850			
Courier				\$49,209
Courier				\$49,209
<b>Court Administration **</b>				
Operating Budget *	\$306,427			
Courier	\$29,836			
Alternative Sanctions Coordinator	\$38,099			
Senior Information Systems Analyst		\$46,335		
Information Systems Analyst		\$46,969		
Information Support Specialist		\$41,542		
Information Support Specialist		\$40,300		
Information Support Specialist		\$35,842		
Special Courts Manager			\$34,111	
Deputy Court Administrator			\$57,332	
Court Program Specialist			\$0	
Court Analyst			\$51,582	
Administrative Assistant			\$16,484	
Court Information Receptionist			\$37,085	
<b>Guardian Ad Litem</b>				
Operating Budget *	\$20,072			
Case Coordinator				\$44,800
Staff Assistant				\$38,811
<b>Public Defender</b>				
Operating Budget *	\$94,639			
Assistant Public Defender				\$51,439
<b>State Attorney</b>				
Operating Budget *	\$179,894			
<b>Sub-Total</b>	<b>\$864,817</b>	<b>\$210,988</b>	<b>\$196,594</b>	<b>\$233,468</b>
<b>Additional Reduction Amount</b>			<b>\$0</b>	<b>\$0</b>
<b>Total</b>			<b>\$196,594</b>	<b>\$233,468</b>
<p>* The decision made for this data is to accept all operating expenses as mandated given the difficulty of separating any that may be discretionary</p> <p>** Only 66% of the positions under the "Mandated" and "Reasonable and Necessary" columns are funded with the General Fund, the remainder is funded by reimbursed revenue from the other counties in the 8th Circuit in a separate special revenue fund. The Administrative Assistant is funded 50% in the General Fund.</p>				

There are other funding sources used, besides the General Fund, to meet the Article V challenge. Assistance with funding court-related (Article V) expenses has been enacted by the State Legislature. The two most important sources are the \$2 Court Technology Fee derived from recording documents with the Clerk of Courts and the \$15 state court facilities ticket surcharge gained from any infraction or violation resulting in a ticket. For the past three fiscal years, revenue from the technology fee has fallen dramatically and has been below the court's requested funding levels. The General Fund has subsidized most of the difference and, even with proposed expense reductions, is budgeted to do so again in FY11 and FY12. Thus, despite reducing the Court Technology Fund's budgeted revenue by 60% since FY08 it is still expected to come in 2% short. In conjunction, the ticket surcharge revenue for the State Court Facilities Fund, allocated to court facilities, capital preservation, and capital construction projects through our Capital Improvement Plan, is expected to be down 6.5% in FY10. New for FY11 is the creation of a court facility preservation fund similar to the preservation fund created in FY10 for the County's Capital Improvement Program. Many of the expenditures currently in the State Court Facilities Fund do not reach our defined capital project budget level of \$50,000. The new fund will better account for the expenses that do not meet this level as well as allow for greater flexibility while fully meeting our Court's facility needs.

An additional revenue source that rates recognition is the \$65 court cost surcharge for folks pleading nolo contendere, guilty or otherwise found guilty, or adjudicated delinquent. This surcharge is statutorily allocated in equal parts to innovative court programs, juvenile alternative programs, the law library, and to assist in legal aid programs.

### ***Arrestee and Inmate Medical Allocation Increases***

The FY11 Budget includes an allocation of \$2 million for inmate medical costs. Both County Commission and Sheriff's department staff have been working to reduce this significantly growing obligation. Staff has met with our consultants and representatives of Shands and North Florida Regional Medical Center to complete negotiations for less costly charges for the medical care of arrestees and inmates. While a lower negotiated contract will provide additional savings to the taxpayers of Alachua County, other medical management efforts will yield additional savings. We continue to be concerned that the lack of health care for homeless and unemployed individuals may heighten the likelihood that for some individuals, arrest is access to health care.

During FY10, the Sheriff increased a part-time physician to full-time in an effort to assist in the off site management of inmate's medical care. During the negotiations with the local healthcare providers, additional cost saving efforts were identified as all parties became more educated on the capacities of the Jails infirmary and more streamlined processes in communicating between the parties. While the cost for inmate medical care can vary greatly, as one catastrophic illness or injury can substantially change the annual cost of providing care, it is anticipated that all of these combined efforts could reduce inmate medical costs by \$1 million over the course of the upcoming budget year.

We continue to seek an agreement with the Sheriff's Office to unify the supervision of the medical consultant through Ron Akins, Department of Administrative Services.

### ***Decreased Cost of Juvenile Detention Center***

In 2007 Charlie Christ, Governor of Florida, established a Blueprint Commission to review current detention practices and to recommend changes that would positively affect youth detention for the State of Florida. Because of recommendations from the Commission, the Department of Juvenile Justice has shifted more resources toward preventive measures and looked for ways to achieve cost savings and efficiencies by closing several underutilized facilities. Overall, the budget for Shared County and State Juvenile Detention Trust Fund has been reduced from \$108,262,810 in FY05/06 to \$97,248,936 for FY10/11. This represents an approximate 10% cost reduction.

Furthermore, referrals of youth to secure detention are down statewide approximately 9% since FY05/06 and are down approximately 17% for Alachua County youth for the same period. Expedited case management for juveniles and monthly review and dispute filing for out of county youth have also contributed to the reduction for Alachua County. For Fiscal Year 05/06 Alachua County youth were detained for 8,671 days predisposition. For Fiscal Year 08/09, the last year reconciled by the department, predisposition days for Alachua County youth were down to 5,511.

### ***Regional Transit System Funding/Mobility Fee***

With the changes made by the State Legislature to The Growth Management Act dealing with issues of concurrency as well as impact fee legislation, the concept of the mobility fee has placed Alachua County in the forefront of efforts to deal with transportation issues related to new development. As the County moves forward with the mobility fee and the increased dependence upon creating multi-modal transportation solutions, the funding of the Regional Transit System (RTS) needs to be a part of a policy discussion. For Route 75, the County paid for 90% of the route in FY08 and 87% of the route in FY09 and will pay for 76% of the route in FY10. Due to annexation, in terms of the base service, the County no longer pays anything for the portion of Route 75 in the Butler Plaza area. Butler Plaza serves as a transfer point for Route 1 to downtown. We also will no longer pay for any of the routes in the SW 20<sup>th</sup> Avenue area. Currently the County's contract with the City of Gainesville in the FY10 budget for RTS is \$404,896 for the base service and \$403,557 for Route 75 totaling \$807,453.

The County has been contributing to the Regional Transit Service since it curtailed joint ownership with the City of Gainesville in the 1980's. Since that time, the County has been paying for routes that serve the unincorporated area. The service has been paid through the gas tax and some grant funding. This has been done based on the concept that the RTS service would serve to reduce single-occupancy vehicular traffic and was a logical use for the gas tax. Although inter-local agreements with RTS are approved annually, the hourly rates that the County pays to RTS are renegotiated every three to four years. There is usually a 10-15% increase in these rates based on the increased costs incurred by RTS. Unless additional annexation occurs, or there is a reduction in

the level of service, the County should anticipate paying more than \$900,000 for service in FY12.

The gas tax also funded the Transportation Disadvantaged Program. There is an ongoing allocation of \$190,100 that is currently being used as matching funds for a federal 5311 grant of \$198,500. This program is designed to serve the disabled and assist with transportation for the Foster Grandparents Program. Beginning in the FY10 budget, we are allocating dollars from the MSTU to pay for the Transportation Disadvantaged Program.

In FY10, Alachua County would have been eligible for \$238,012 in federal 5311 grant funding through the Florida Department of Transportation for the purposes of providing trips for the transportation disadvantaged in the unincorporated area. The County agreed to support the allocation of this funding to RTS and that funding was awarded to RTS. This funding will be used for the purposes of starting Route 23, which will run from the Oaks Mall to Santa Fe College and the County will be assisting in the creation of new bus stops for this route. This route will be an integral part of the County's Mobility Plan and is a designated corridor for a future bus rapid transit route. Should this funding no longer be available, the County would certainly be asked to fund this route. As the focus on additional mass transit becomes part of the County's mobility strategy, the BoCC may wish to consider how an expanded RTS system may be equitably financed in the future.

The Board of County Commissioners adopted a Mobility Plan to effectively link land use and transportation as an amendment to the Comprehensive Plan on January 26, 2010. The Mobility Plan became effective on April 13, 2010. The Mobility Plan allows private entities to develop compact, mixed-use, pedestrian and bicycle friendly communities within the Urban Cluster. The Mobility Plan also identified a multi-modal transportation network to serve existing and future mobility needs within the Urban Cluster. The basis for establishment of a multi-modal transportation fee (aka Mobility Fee) was adopted as part of the Mobility Plan as a means for new development to mitigate its transportation impact and satisfy transportation concurrency obligations through payment of a onetime multi-modal transportation fee. The multi-modal transportation fee can be utilized to fund additional roadway capacity, sidewalks, bike lanes, multi-use paths, and transit facilities including dedicated transit lanes, park and ride lots, and transit vehicles. Use of the multi-modal transportation fee to fund express transit service is also being evaluated. A draft of the multi-modal transportation fee along with implementing language has been developed. The draft fee is currently being reviewed by outside experts to evaluate the methodologies utilized and the legal basis for development and implementation of the fee. A final draft of the multi-modal transportation fee is expected to be available by the end of July with a first hearing in front of the BOCC projected for August. The multi-modal transportation fee is proposed to be adopted as part of the land development regulations and will require a request to advertise along with two public hearings. The multi-modal transportation fee would become effective upon adoption.

### ***Assessment for Stormwater Management Program Deferred***

Clean water is a valuable asset for the community, and preserving water quality is one of the Board's primary functions. New clean water legislation is anticipated to go into effect statewide this year. As a result, identifying funding options for stormwater management will continue to be emphasized during Fiscal Year 2010/2011. Depending on available funding options, the County will determine which storm water services it wishes to provide and how it may choose to pay for these services.

I am recommending the deferral of the stormwater assessment until 2012, which will delay implementation of the Stormwater Management Program. Funding of \$150,000 to develop the stormwater assessment was funded from the FY09 MSTU reserves. This amount and the initial \$900,000 MSTU loan for the master plan development will be repaid from the Stormwater Management assessment revenue. This assessment would allow us to take a more aggressive role in solving flooding and assuring water quality issues are addressed in the next decade.

### ***Stimulus Funding Opportunities No Panacea***

As we reported in last year's budget message, any assistance from federal stimulus (American Recovery and Reinvestment Act) programs would not result in a long-term strategy to address our current financial issues. Although we were able to utilize some federal dollars from the stimulus in a variety of program areas last fiscal year, we did not balance last year's budget, nor are we balancing this year's budget on anticipation of any additional pass down funds.

Our ability to participate in the ARRA as an organization has been primarily limited to the pursuit of those federal funds allocated for highly competitive grants due to the fact that Alachua County is not classified as an "entitlement" organization. For example, in December of 2009, Alachua and Bradford Counties, in partnership with a broad coalition of workforce, community groups, education and business leaders submitted a \$30M request to the Department of Energy 's Energy Efficiency Conservation Block Grant (EECBG) for the Retrofit Ramp Up program. While we received high marks for our proposed Green STEAM weatherization program, it was not enough to receive funding. As discussed with the Board, this was a highly competitive national program. Using the same Green STEAM model, a smaller application for \$2.2M was submitted to the Governor's Energy Office in February for a state run EECBG. It was also a highly competitive grant in which we scored a relatively high ranking of 66 out of 100, but unfortunately, received no funding. The lowest scoring project to receive partial funding had a ranking of 71.

We were not completely shut out during the current year, as we are utilizing some of the ARRA funds funneled through the State of Florida for the Temporary Assistance to Needy Families (TANF) program. With these funds, we anticipate to have 31 additional temporary positions on board by early July. The program dollars will fund these additional positions through the end of the fiscal year (September 30). In the big scheme of things (according to the federal website "recovery.org" as of late June 2010), organizations within the Alachua County area have been awarded over \$190 million in

ARRA dollars. Based on current indications, there is not likely to be another ARRA-type appropriation during the remainder of the fiscal year.

Our ability to secure federal dollars continues to be most successful through pursuit of earmarks with our Federal Agenda. Through the efforts of in-house staff and our federal lobbyist team, we were successful in receiving federal funds (\$900,000) for the third year in a row for our Court Services project titled "No Wrong Door": Comprehensive Management of Offenders with Co-occurring Mental Illness and Addiction Disorders. We also were awarded a \$250,000 earmark for the joint Alachua County/City of Gainesville Education and At-Risk Youth initiative. We will continue to aggressively pursue funding opportunities through our Federal Agenda as well as competitive federal and state grants in the upcoming fiscal year.

### ***Jail Population Stabilizes***

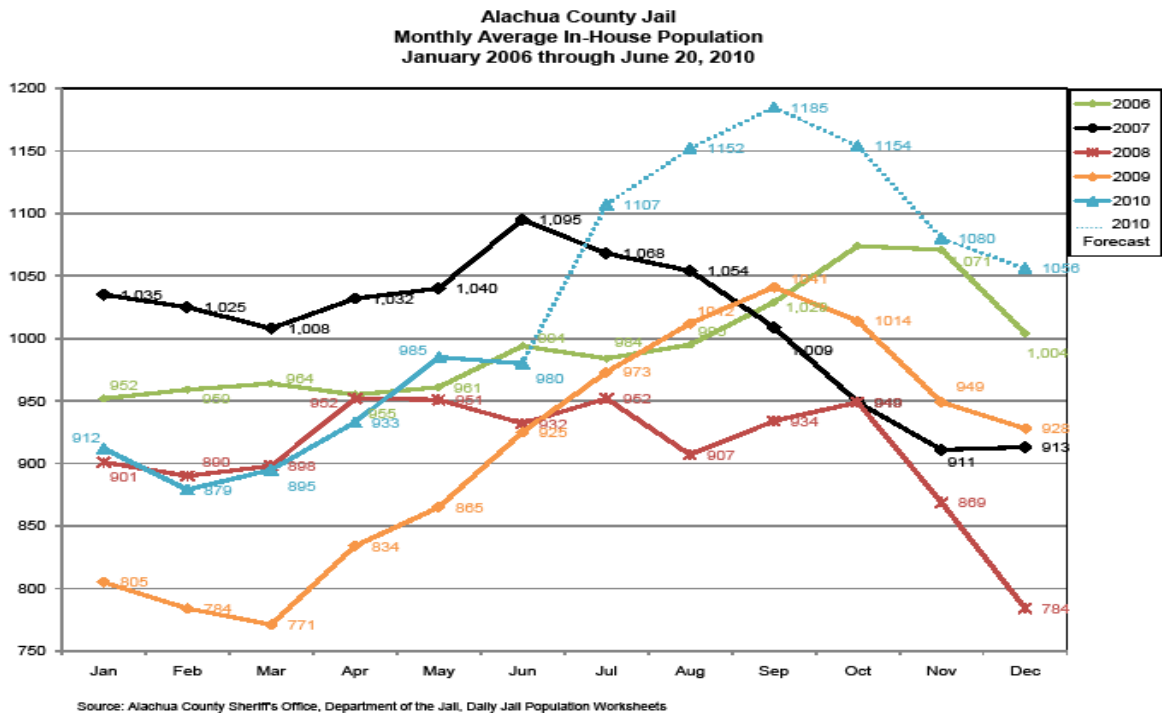
Jail population is continually monitored and evaluated by the Jail Population Manager with reports being provided to the Public Safety Coordinating Council (PSCC) on a monthly, rather than quarterly, basis. The current rated capacity of the jail (total beds) is 1,148 with an operational capacity (the ability to effectively manage the population) of 976 beds. From July 2009 through June 2010, the average daily population has increased and averages about 13% higher than 2008-09 levels. After peaking at 1,041 in September 2009, the population declined following "usual" seasonal trends. The average daily population reached a low point of 771 in March 2010. Since then it has risen dramatically and most recently exceeded our operational capacity of 976, when it reached an average of 985 in May 2010. The average population has now steadied somewhat, averaging 980 through June 20, 2010.

An analysis of the impact on average daily population, resulting from changes in admission and length of stay, indicates most of the increased population is a result of increasing length of stay. A comparison of March 2009 and May 2010 data indicates changes in admissions accounts for an additional 47 people incarcerated, while the increased length of stay, accounts for an additional 168 people in our jail.

Increased efforts by the Public Safety Coordinating Council, and the JART and Delta subcommittees, to manage the jail population are demonstrating some success. The Urban Institute is also providing assistance in this area. Increased awareness of electronic methods to post bond, has resulted in a greater number of people posting bond in less time, helping to moderate the other increases in length of stay. Likewise, the Intensive Case Management work group continues to focus on lingering cases. A new process to identify and expedite case processing for those with difficult medical conditions shows promise.

Through the Urban Institute Justice Reinvestment at the Local Level (JRLL) initiative, we have organized work groups to develop plans to achieve significant and sustainable reductions in the number of persons jailed. Organized work groups include those focused on data related issues, case processing, and program effectiveness while the Jail Population Manager is now reviewing all cases discontinued from Mental Health Court for alternative release planning. Additionally, the Centralized Screening Team is

pre-screening individuals in violation of County probation to determine eligibility for jail alternatives like Day Reporting and Work Release. This process helps expedite release of appropriate individuals.



### ***Tourist Development Council - Two-Cent Tax Increase***

The County Commission approved a 67% increase to the current Tourist Development Tax (TDT) from 3% to 5% on the cost of accommodations as of May 1, 2010. Each percentage increase in TDT should bring in approximately \$625,000 per year. This revenue could be used for any legal capital project as describe in State Statute 125.0104. Because the ordinance governing the amount of tax collected has been changed by a super-majority, the projects to be approved for use of these funds will only need a simple majority.

The 4<sup>th</sup> percent of TDT increase is possibly going to Nation's Park in Newberry, Florida. This project is viewed as having the greatest potential of increasing the return on investment (ROI) of tax proceeds, and the best ROI for economic impact based on the number of visitors this facility could attract. Nations Baseball received the support of the Tourist Development Council (TDC) for funding. The Nation's Park is proposed to be constructed in the City of Newberry based on a public/private partnership with the developers from Cooperstown, NY. The County has received a business plan from Newberry and the interlocal agreement with Newberry has been drafted detailing the funding and forwarded to Newberry for their final review.

The 5<sup>th</sup> percentage of TDT increase could go to other projects that would be eligible for capital expenditures under State Statute. The Commission requested that public entities propose possible capital projects for their consideration. The Commission

reviewed those documents and asked that four of them come back with a business plan. These business plans were forwarded to the TDC for grading based on criteria previously set, such as, ROI, value to the community, support of the brand and access for tourism. The TDC reviewed the Plans and heard oral presentations. After further discussion, the TDC voted to recommend to the Commission their rankings: 1) Alachua County Fairgrounds, 2) Cade Museum/ MLK Center expansion and 4) Downtown Conference Center.

### ***Innovation Gainesville***

Over the past year, the County Manager's office has participated in a communitywide effort with the Gainesville Chamber of Commerce in a process of collaboration to identify the development of a new economy for our community. This was undertaken to recognize the strength of our academic community with a major research university and the spin offs that result from this innovation. We are poised as a county among a unique group of communities within the United States to capture future economic development, venture capital, and additional employment in expanding growth sectors of health, biotechnology, and green technologies.

The Commission was presented this new economic development strategy called Innovation Gainesville that once again recognizes the need for industrial and commercial parks to capture technology spin-offs from UF and take advantage of other economic opportunities. These potential industrial areas referred to as innovation zones would be designated in advance as receiving areas for these industrial startups and expansions. As part of this designation, efforts would be required to efficiently regulate these areas, expedite permitting, and streamline the process for their development.

As the green shoots of a new economy develop, we need room for plants to grow. As the County has a stake in helping to create this new economy, I will be directing our Assistant County Manager to begin the coordination of staff to implement the appropriate formal policies to responsibly develop innovation zones.

The efforts of Innovation Gainesville are supported by the County organization but we need to assure that there is a clear representation on the limits of local government funding. Little attention is given to the threat TABOR legislation will have on local firms whose bread and butter contracts in engineering, planning, and construction are reduced by local government agencies.

### ***Communicating With the Public***

In this time of encouraging a greater level of citizen engagement, it is important that we continue our efforts to insure that County information is transparent as well as readily and easily available. In spite of losing a staff person in FY10 and anticipating an additional staff cut in FY11 the Communications Office continues to tell our organization's story through a wide variety of communication tools. We are very mindful of the generational differences in how citizens prefer to receive their County news. We have made huge strides in communicating in the virtual world. In the last year, our Video on Demand system has had 32,326 viewings of our posted programming. Our

Social Networking sites are up to over 2,000 fans. Over 5,000 citizens receive our Community Update newsletter. On the non-virtual side, citizens can still see all of our programming on Channel 12, CBS, NBC, and MY 11. CBS, NBC, and My 11 can be viewed over the broadcast airwaves even without cable. Hardcopies of our newsletter are available in all public libraries. Of course, fundamental to the value of these various sources is having the talent and expertise to post interesting and valuable programming and articles.

In FY10, on top of its regular recurring duties, Communications also played an important support role for many new projects. Those projects included taking the lead role in communications support for the Census Complete Count Committee's Communications Subcommittee, producing a video on the Census Day Downtown Plaza event, providing video support for the Health Communities Dialogue meetings, providing live broadcast and Video on Demand for the Charter Review Committee, video support for the Hunger Abatement Plan, and designing and printing the Wild Spaces Public Places Report. Communications staff was instrumental in the increased functionality of the new County website in that they worked many hours with the ITS department's web services team and took responsibility for the homepage which is the main portal into the site.

With the FY10 reduction and the FY11 proposed reduction, Communications will have gone from six FTEs to four, which takes the office to the 2004 staffing level. For the very small investment of one tenth of one percent of the County Budget (0.1%), the Communications Office assists in the vital role of communicating the value and availability of all of the County's programs, services, public meetings, workshops and engages the public in the activities of County government.

It has never been more important to strengthen opportunities for civic education. We need to continue to make expenditures and efforts at civic education, such as our popular Alachua County Civic Education Series (ACCESS) program. More than 230 citizens attended and met the requirements to successfully graduate from one of the ten ACCESS classes that have been conducted over the past ten years. ACCESS sessions are developed and presented by County employees; materials provided the participants are printed and collated in house using volunteers from the Retired Senior Volunteer Program. Most of the facilities where the classes are held are County owned buildings and are available at no charge. One of the biggest challenges in presenting this program is getting information about the availability of the program out to the citizens. In partnership with the Communications Office, we have been able to tap into many no charge advertising resources, but in order to reach the largest number of citizens we have also utilized media resources that charge. As several of the sessions last more than four hours refreshments must be provided to the attendees. The current budgeted amount is sufficient to continue to offer this program. If advertising expenses increase reductions in refreshments and rental space will be necessary.

In a deliberate effort to help citizens understand our budget process and the fiscal pressures facing the County, a series of three Community Conversations were held in facilities around the County. These meetings were coordinated by County Manager, OMB staff, and provided citizens with an opportunity to be briefed on the financial

condition of the County, ask questions, and most importantly engage with other citizens by taking part in a budget exercise to prioritize County programs. The innovative nature of this program helped earned us a grant from the National Center for Civic Innovation – Government Trailblazer Grant, which allowed us to expand this year’s sessions with technology upgrades and refreshments.

## **CONCLUSION**

As I conclude this budget presentation, I would like to draw attention to a concept that is rapidly gaining recognition among civic organizations nationally. Just as households have budgets and organizations have budgets, there exists in communities, a “community budget”. The community budget consists of all the resources that the collective public, private, and faith based sectors can muster or mobilize to deal with community problems. These resources are fiscal and intellectual. It is recognized nationally that in addition to stresses to government units at all levels, the recent fiscal crisis has created damaging impacts on long-term civic institutions and non-profits serving the community. Many non-profits are having difficulty in maintaining revenues through their annual campaigns and are reducing services. There is a growing trend for the boards of non-profits to abandon their own focused fundraising in the private sector and to turn to government subsidies or tax referendums in order to fund their programs. This places tremendous pressure on the marginal abilities of local government to fund their own programs when revenue streams such as sales tax are suddenly sought after as a funding source for non-government programs. The public will only approve a limited number of tax referendums. With the well-recognized deficit in traditional community infrastructure, particularly a \$300 million backlog in transportation improvements projects, it is important that we not neglect the traditional uses of these tax funds as we establish priorities.

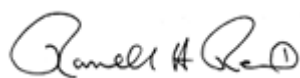
Throughout the budget process, we have adhered to the Board’s Guiding Vision, which we have submitted as part of the Tentative Budget, for your consideration and approval. The annual review of these Guiding Visions becomes even more important in these intense times of change and fiscal uncertainty. The era of new normal beckons us to reexamine those visions. Our efforts to monitor and communicate our performance as an organization and community, requires a sharpened focus. As in past years, we have made an effort to prepare this budget based on the best financial forecasts and information available to our County staff as of July 1, 2010.

While I don’t subscribe to this, local governments are seen by some as the boy who cried wolf when it comes to raising revenues. This year there is no doubt: the wolf is at the door. I remain deeply concerned about the effort by the State Legislature to limit both Home Rule and the fiscal viability of local governments. The enactment of TABOR legislation would be devastating to the future of our local governments. Local elections give citizens an opportunity every two years to hold local officials accountable for expenditures. The statewide election for the governor and the legislature allows for the same accountability for state expenditures. Our citizens are intelligent enough to hold both levels accountable and do not need the state legislature to interfere or limit local government financial decisions.

I close with saluting the outstanding employees who work for all Alachua County agencies. They represent our greatest resource. County staff and the County Commission continue to make a sincere effort to approach this budget with an open line of communication with our Constitutional Officers. In this difficult time of deep cuts, I pledge to continue to do so. Many difficult decisions still lay ahead.

As always, without the professional work of OMB Director Suzanne Gable, the Office of Management and Budget Staff, and many other County employees, the preparation of this budget would not have been possible. I look forward to assisting you in the next few months as you undertake your review of the budget presented here today.

In Public Service,

A handwritten signature in cursive script that reads "Randall H. Reid". The signature is written in dark ink and is positioned above the printed name.

Randall H. Reid  
County Manager

# **Tier 2 Reductions**

**(as mentioned in the FY11 Budget Message)**

General Fund Budget Issues

**Tier 2**

<b>Budget Issue</b>	<b>Title and Description</b>	<b>FTE</b>	<b>Adjustment</b>
FRS11009	<b>FTE (9.00) (V) Elimination of EMT/Firefighters (GF only)</b>  Reduce the current General Funded staffing pattern positions by 9.0 FTE (Firefighters/EMTs). The staffing positions staff units when regularly assigned employees are on vacation, sick leave, etc. Staffing positions are critical to maintain or reduce overtime expenses.	<b>(9.00)</b>	<b>(520,875)</b>
CSS11009	<b>FTE (1.00) (F) Reduction - Elimination of the Office of Senior Services</b>  The Retired and Senior Volunteer Program and the Foster Grandparent Program will continue under a staff reorganization and position reclassifications.	<b>(1.00)</b>	<b>(74,468)</b>
FRS11007	<b>FTE (1.00) (F) Elimination of Public Education Program focused primarily on school children.</b>  The public educator provides a fire safety program with instruction. This FTE represents 1/2 of the assigned positions.	<b>(1.00)</b>	<b>(30,596)</b>
CMO11004	<b>Reclassify 4 FTE's and Reorganize Staff Responsibilities in OMB</b>  Current budget and contracts staff responsibilities will be reassigned and FTE's will be reclassified to lower paygrades to reduce personnel services expenses.		<b>(60,000)</b>
PWD10031	<b>FTE (1.00) (F) Elimination of Animal Svcs Officer</b>  Response time for lower priority calls, such as livestock and wildlife calls, will increase.	<b>(1.00)</b>	<b>(51,697)</b>
CMO11003	<b>FTE (1.00) (F) Eliminate Sr. Staff Assistant and restructure support services in County Manager's Office</b>  Elimination of Sr. Staff Assistant support the Board will require reorganization of remaining staff within the County Manager's Office.	<b>(1.00)</b>	<b>(66,501)</b>
EPD11005	<b>Reduce Water Quality Biological Monitoring</b>  This budget action will allow EPD to continue the surface water quality monitoring program at 50% of current professional services level for biological monitoring. Chemical and bacteria testing will be continued.		<b>(10,000)</b>
CSS10009	<b>Social Services reduction in AlachuaCares Program</b>  Program has seen a decrease in request for primary care health services and reduction will allow program to continue to meet current needs.		<b>(21,500)</b>
CTS11014	<b>FTE (1.00) (F) Central Screening Team member reduction</b>  Enables the Jail Population Management program to continue program screenings as ordered at First Appearance, Bond Reduction Hearings, referrals made by defense counsel; and to complete requests for Extended Limits of Confinement to assist with inmate transfer to Work Release and monitoring of cases discontinued from Mental Health Court.	<b>(1.00)</b>	<b>(54,600)</b>
ITS11007	<b>FTE (1.00) (V) Reduction of Web Design Specialist</b>  Will impact the length of time to update existing sites as well as develop new web sites. This budget action will allow ITS to continue to perform maintenance on the County web site as staff resources will permit.	<b>(1.00)</b>	<b>(75,000)</b>
ASD11010	<b>Defer Bldg Maint, reduce HVAC, Janitorial &amp; Grounds</b>  Reductions in Building Maintenance and Repairs in County buildings in the following categories: Contracted HVAC Services, a reduction in building janitorial cleaning services, a deferral of building maintenance, and complete elimination of contracted ground services.		<b>(146,134)</b>
ITS11008	<b>FTE (1.00) (F) Reduction of Network Systems Analyst</b>  Requires a reorganization of workload within the Network team to insure that system daily functions are maintained.	<b>(1.00)</b>	<b>(75,000)</b>

**Alachua County Board of County Commissioners**  
**FY11 Budget Development**  
**Budget Decision Package - Appendix A**  
Amended July 11, 2010

**General Fund Budget Issues**

CTS10019	<b>FTE (1.00) (F) Elimination of Probation Officer</b>	<b>(1.00)</b>	<b>(54,000)</b>
	Impacts the program's ability to maintain court hearing calendars and provide rapid, accurate response to the Court.		
CTS11015	<b>FTE (1.00) (V) Clinical Supv red/Reclass 1 Drug Counselor to Sr</b>	<b>(1.00)</b>	<b>(60,600)</b>
	Allow continuing treatment services at Work Release under the auspices of the Opus Clinical Supervisor while reclassifying the Drug Counselor at Work Release to a Senior Drug Counselor.		
CTS11017	<b>Reduction of Mental Illness Work Group Funding</b>		<b>(25,900)</b>
	This reduction in funding will allow the Team to continue its work but will result in a reduction of 1 FTE for Meridian and eliminate services to approximately 100 - 120 clients.		
ASD11031	<b>Reduce Operating Expenses - Organizational Development and Training</b>		<b>(7,000)</b>
EPD11006	<b>Reduce Land Conservation Operating Budget - Maintenance</b>		<b>(10,000)</b>
	This budget action will continue funding for Land Conservation maintenance activities at 83% of current funding levels.		
ITS11009	<b>FTE (1.00) (F) Reduction of Sr. Computer Operator</b>	<b>(1.00)</b>	<b>(50,000)</b>
	Restructuring workload with existing Programming staff. Newer technology allows for automated data back-ups which reduces the need for this position.		
PWD11015	<b>FTE (1.00) (F) Reduction of Sr Office Assistant in Shelter</b>	<b>(1.00)</b>	<b>(32,380)</b>
	Will reduce the hours that the animal shelter is open to the public and some increase in pet license processing time.		
CSS10005	<b>FTE (1.00) (F) VOCA Elimination of Cash Match for a Grant</b>	<b>(1.00)</b>	<b>(76,542)</b>
	Elimination of Cash Match for a Grant Funded (1FTE Victim Advocate Counselor). Future VOCA Grant match requirements will be met via in kind volunteer service hours.		
ITS11031	<b>Reduce Technology Operating Investment Account (Non-capital)</b>		<b>(20,000)</b>
	Reduction will decrease total budget available for small projects to \$110,000 following Budget Issue ITS10003 from prior year.		
CSS10006	<b>FTE (1.00) (F) Crisis Center Eliminate one FTE TBD</b>	<b>(1.00)</b>	<b>(48,767)</b>
	Counseling and education services available to citizens in distress will be reduced.		
CSS11007	<b>FTE (1.00) (F) Partners for a Productive Community (PPC)</b>	<b>(1.00)</b>	<b>(74,183)</b>
	This reduction would eliminate all staffing in the program and related operating expenses.		
CMO 11021	<b>Additional Reductions to CAPP,</b>		<b>(250,000)</b>
	First year of proposed four year phase out for funding to outside non-profit agencies.		
CMO11031	<b>Unpaid Holiday Furloughs</b>		<b>(163,615)</b>
	<b>Subtotal Tier 2</b>	<b>(23.00)</b>	<b>(2,059,358)</b>
	<b>Constitutional Offices Share at 44.82%</b>		<b>(1,672,715)</b>
	<b>Reductions Needed at Current Millage Rate</b>		<b>3,732,073</b>
	<b>Additional Budget Reductions needed at Current Millage Rate</b>		<b>0</b>