

July 7, 2005

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

I am pleased to present for your consideration the Fiscal Year 2005-2006 Tentative and 2006-2007 Planned Budgets. These budgets set forth our plans for implementing the strategic visions and objectives of the County Commission for providing appropriate service levels and enhancements necessary for improving the quality of life in Alachua County and its municipalities. This document advances the three goals of the Commission to enhance quality of life, build partnerships and create excellence in all County programs.



Investing In the Future

This biennial budget focuses our efforts towards ***investing in the future*** of Alachua County. It is my goal to ensure that Alachua County is financially strong enough to influence its own destiny and deal with the challenges facing us. This is best achieved by applying efficient and effective public policies and budgetary practices to assure that our residents are receiving high quality services at a justifiable level of taxation and user fees. While doing this, we must make the necessary and long delayed investments in our infrastructure and in the maintenance of our capital assets. This must be done in such a way as to not burden a particular segment of our population or reduce the quality of life for our children and future residents. Investments in our people, both within our organization and within the community we serve, are also important and addressed in this proposed budget.

The message contained within the next few pages is that we must ***invest in the future*** of our county and encourage others in our community, through partnerships, to do so as well. From supporting the new Success by Six Initiative of the United Way to develop healthy families, to addressing deteriorating infrastructure like roads, public investments must be made to achieve the results we desire as a community.

Linking Performance and Budgets

In the search for ways to transform local government it is not always wise to be the innovator. Often it is wiser to be an early adapter of new technology. We did so in the case of improving grants funding with our widely recognized eCivis software distribution to County non-profits two years ago. We do so again by the adoption and use of the GovMax software in FY 06.

One of our least expensive and most productive investments of this past year is the new GovMax software. This budgeting software is designed to implement not only our fiscal information in more detail than ever before, but also our performance information which has been a long-sought improvement in our budgeting system. We have made significant progress in the utilization of GovMax and the formation of performance measures. As the budget progresses we will be refining these performance measures.

It is our hope that all Constitutional Officers will recognize the ease of use and other advantages of GovMax as some currently keep this type of information through other systems. The GovMax program will enable county employees and our elected officials to have better access online to expenditure histories and line-item information. This is a significant achievement towards improving the budgeting portion of our financial systems and historic tracking of year to year detail of expenditures. We believe this is a more business-like and transparent approach to governmental budgeting in Alachua County.

Living Within Our Means

I present to you a balanced Tentative Budget for Fiscal Year 2005-2006 as required by law. It neither emulates the Federal government's deficit spending nor the State of Florida's practice of passing the expenditures down to local government. As a result it presents difficult choices and admittedly less than desirable expenditure levels on many recognized community needs and some of your individual priorities. However, I have addressed these issues within our organizational capacity and our fiscal realities. I encourage a thoughtful and collegial discussion with perhaps reprioritization of these expenditures to reflect Commission or community priorities.

The theme of last year's budget message focused on identifying and defining three streams of revenue to meet current and future needs as well as address the long-term vision of the County. Last year this was made possible by the settlement of Article V Revision VII which allowed a stream of recurring revenues to be directed away from subsidizing the state court system and instead address critical program areas basic to county government. This year, despite the failure of the Better Parks Better Roads referendum, an increased level of ad valorem revenues have given us another opportunity to concentrate on investing in our roads, parks and capital facilities. It has also allowed us to address critical issues

related to our social service delivery programs and alternative solutions to our growing jail population. The 13% growth in ad valorem revenue is anticipated to be a short-term opportunity not a long-term trend.

Hard Truths, Hard Choices

This past year for a third time in three decades a blue ribbon committee of citizens was impaneled to look at County finances. Their findings have been reviewed by County staff and are being implemented to a large degree through this budget and other legislative proposals, or other actions. As other committees before them, they have pointed to the structural problems that exist in county finances as a result of 46% of our property being off the tax rolls. They have pointed out that this structural problem is aggravated due to the lack of diverse revenues such as the optional sales tax or up to five cents in optional gasoline tax that our peer counties levy. A recommended reduction of 5% in all funds of our \$276 million budget would be over \$13 million. Such a reduction would further weaken our ability to address our long standing and urgent countywide needs and the strategic objectives of the Commission. It is not recommended in this budget but the shift towards infrastructure reinvestment, that was begun last year, is continued. The FY 06 budget recommends investing 26% of our growth in ad valorem revenues towards capital improvements and infrastructure.

Similarly, our recent examination of the problems of homelessness and the research into our community's poverty issue, while developing our Social Service Master Plan, has pointed out the intergenerational cyclical problems that are caused due to the high level of poverty in our community. It is important as we speak of investments to realize that it is futile to throw money at the symptoms of problems and extremely important that we focus investments wisely towards the root causes of these issues. Poverty, over-crowded jails, lack of opportunity, inadequate tax base and declining infrastructure are all intersecting problems. Addressing one or two of these issues without taking a holistic approach and recognizing their interdependence will not improve the prospect for our children.

After reading an address by a former chair from 1988 citing the poverty in our county and the inadequate funding for quality services, Chair Chestnut in her State of the County Address earlier this year poignantly observed that, "as the current Chair of the County Commission, I do not wish to have people look back 16 years from now and say that we did not face the serious challenges of our day. You can rest assured that the opportunity to impact the future quality of life in our County is taken very seriously by the board and all of the employees of Alachua County."

Following this challenge I have resisted calls for cutbacks in services or reductions in expenditures in order to continue addressing issues such as poverty, economic development, jail over-crowding, infrastructure maintenance and the quality of life enhancements that responsible government requires. This

budget takes on these past challenges and recognizes the opportunity of additional revenues to address them. "Destiny," as William Jennings Bryan once said, "is not a matter of chance, it is a matter of choice; it is not a thing to be waited for, it is a thing to be achieved."

This past year, our employees spent the spring reading The 8th Habit by Stephen Covey. One of the analogies which Covey articulates is that one must focus on major priorities in life versus the hundreds of smaller priorities which distract us from our purpose. This analogy is demonstrated by Covey through putting bigger rocks, into a container and pouring smaller pebbles around them. To deal with the pebbles first does not allow the bigger rocks to fit into the container. Our major priorities need to be addressed first as well in our budget process. The FY 06 and FY 07 budgets deal with the "bigger rocks" by investing in the future of Alachua County.

Budget Executive Summary

Expenditures in the tentative budget for Fiscal Year 2005-2006 total \$276 million. The General Fund total is \$106 million, the Unincorporated Services Municipal Services Taxing Unit total is \$16 million and the Law Enforcement MSTU total is \$14 million. The total budget amount can be somewhat deceiving since more than 18% of the budget reflects the movements between accounts as governmental accounting requires.

This budget proposes no millage rate increases. Millage rates in the tentative budget remain at 8.9887 mills countywide, 1.7001 mills for the Unincorporated Services Municipal Services Taxing Unit and 1.7816 mills for the Law Enforcement Municipal Services Taxing Unit. The budget includes a .25 mill levy for the voter-approved Alachua County Forever Environmentally Sensitive Lands Program. This does not count against the 10.0 mill cap. Countywide preliminary taxable value increased to \$9.6 billion, representing a 12.5 percent growth. This results in a \$9.4 million increase in ad valorem General Fund revenue. The Municipal Services Taxing Unit preliminary taxable value increased to \$4.3 billion, representing 12.3% growth. This increases the Unincorporated Services Municipal Services Taxing Unit revenue by \$792,094 and the Law Enforcement Fund MSTU revenue by \$830,065.

The FY 06 Recommended Budget reflects a net increase of 51 positions countywide above FY 05. These positions include 26 under the Board of County Commissioners (BOCC) and 25 under the Constitutional Offices. While the number of BOCC employees has increased during my tenure, we have maintained a steady ratio of employees to citizens, reflecting that governmental growth is pacing that of our population while undertaking new programs and functional responsibilities. In addition, 6.5 positions are being added for CHOICES implementation in FY 05 (at the July 12, 2005 Commission meeting) and are included in the 'FY 06 Tentative' BOCC Employees Total.

BOCC Employees per 1,000 Population

	FY 02 Adopted	FY 03 Adopted	FY 04 Adopted	FY 05 Adopted	FY 06 Tentative
Number of BOCC Employees	776	788	795	838	875.65
County Population	216,249	222,935	228,607	231,296	236,174
Number of Employees per 1,000 population	3.588	3.535	3.478	3.623	3.71

These new positions are predominately direct service providers working in the field or at frontline counters and are directly linked in most cases to specific guiding visions of the Board of County Commissioners. The major functional areas of expansion of personnel include:

- 29 for law enforcement and criminal justice activities
- 5.5 for social services and health care
- 5 related to the implementation of the comprehensive plan and development regulations
- 5 positions for land and facility maintenance
- 6.5 are distributed in programs throughout the organization

If the Commission desires to reduce the number of new personnel recommended in these functional areas it may require readdressing our policy documents, such as the Land Development Regulations, and the strategic goals of the Commission. In the past year we have heard unincorporated residents call for increased services and have dealt with major community issues such as homelessness and poverty reduction that require line personnel to deliver services.

New Positions in FY 06 Budget by Department

General Government	0.00
Administrative Services	3.00
Community Support Services	5.50
Court Services	7.00
Environmental Protection	1.50
Growth Management	3.00
Fire Rescue	3.00
Information and Technology	1.00
Public Works	2.00
Board of County Commissioners	26.00
Clerk of Court	0.00
Sheriff	22.00
Court Administrator	0.00
Supervisor of Elections	2.00
Property Appraiser	1.00
Tax Collector	0.00
Constitutional Officers	25.00

Increasing Our Reserves

This budget advances the Board's commitment to increase the reserve for contingencies, establishing it at 4.5% of operating revenues for FY 06. It should be pointed out that our General Fund reserve for contingencies has increased by \$2.5 million since Fiscal Year 01 following my recommendation of a seven-year program to increase our insufficient fund balance. The reserve this year has been increased by an additional \$465,000 increasing our reserve percentage to 4.5% in FY 06 and achieving our goal of a 5% reserve in FY 07. This is a full year ahead of schedule. Please recognize this fiscally important multi-year achievement. It reflects well on the credibility of our County's fiscal policies and discipline not to spend all we take in.

Realizing Health Care Savings

Our government organization is constantly striving to operate in a more efficient manner and this budget reflects the result of our efforts to reduce rising health care costs. The Board of County Commissioners authorized in FY 05 the establishment of the self-insurance trust fund for health care. Potential annual health care cost increases have been averaging 15% over recent years. The anticipated increase was reduced to 5.7% by implementing our Self Insurance Program. In addition to these savings we have also been able to begin building a reserve in this program to finance any major claims in the future.

This effort to enact innovative programs to reduce health care costs is also being implemented for the community in FY 06. The CHOICES program is currently being implemented staffed and will begin receiving clients by November 2005. This program will provide health care services to the working poor and a community education program. This education program will focus on the two most prolific medical problems in Alachua County, hypertension and diabetes. Revenues are coming in as scheduled from the quarter-cent sales tax approved by voters in August 2004. This seven-year voter-approved program reflects how the community can respond to significant issues.

Hurricanes Create Minimal Fiscal Impact

It should be noted that Alachua County fared well not only through last year's historic hurricane season, but through the maze of FEMA paperwork by effectively accounting for expenditures and receiving reimbursements from FEMA. This has been a major unrecognized effort throughout the year by the Office of Management and Budget, Emergency Management, the Sheriff's Office and our Public Works Department. We were fortunate to carry appropriate fund balances and were able to offset hurricane expenses by utilization of reserves and deferring projects. To date over \$5.2 million has been spent on hurricane related expenditures and we anticipate reimbursement for 95% of our costs, to

date we have already received approximately \$3 million in reimbursements. Our employees also provided emergency assistance to over half a dozen counties. Many counties fared much worse. Fortunately, we were organizationally and fiscally prepared to respond to the magnitude of the events we encountered here in Alachua County. We are thankful for the many volunteers who represent the best in partnerships and community service.

Budget Strategies

This budget contains a number of funding strategies that deal with major priorities or mandates, or the “big rocks”, which require specific funding and programmatic changes. Fundamental to this is the Commission’s adoption of their Guiding Vision for the FY 06 through FY 07 budget period.

Alachua County continues to implement the three part Transformation Strategy for the organization I established in 2000 for our organization. This Strategy is based on:

- Empowering employees and citizens
- Implementing technology that serves the organization
- Improve systems of management and accountability

Below is a summary of major budgetary issues I have identified and how they are proposed to be addressed in FY 06.

An additional \$200,000 is allocated this year to the **Juvenile Detention Center** for a total \$1.4 million in FY 06. This is a State mandated program without funding provided.

We are establishing a **Technology Plan-Capital Fund for Vocational** software and hardware with a \$250,000 annually reoccurring contribution. Vocational programs are those that serve particular departments and are included in a multi-year plan for implementation by our Information and Telecommunications Services Department. This investment complements the annual \$250,000 for our Technology Plan-Capital Fund for Enterprise established last year through Article V funding. This allows a total annual reoccurring allocation of \$500,000 for technology improvement countywide. These funds recognize the multi-year commitment of technology implementation in our organization.

General Fund Enhancements of \$2,054,293 are allocated for enhancements to the General Fund expenditures in FY 06. These enhancements will all be reviewed by the Commission during your Budget workshops. This amount includes the new positions discussed earlier in the budget message, increases for operating budgets as justified, and amounts for contractual services such as x-ray machine maintenance and aerial mapping.

Economic development programs are enhanced with an additional \$150,000 from the FY 06 budget. This gives the County \$500,000 available in FY 06 for capital economic development expenditures and this amount as we planned last year will be supplemented each year with an annual recurring \$100,000. In order to maintain community support this investment should be a bricks and mortar project and not the funding of economic development organizations. Sustainable economic development is the best means of building our tax base and creating jobs to reduce poverty.

Alachua County, like all other consumers, is facing **increases in fuel costs** which in turn increase our operating costs. The FY 06 budget contains an increase of \$550,000 countywide for fuel costs over last year's \$650,000 allocation. The BOCC's 677 fleet vehicles consume 444,000 gallons of fuel per year, not including the significant fleet of the Sheriff's Office. Continued efforts to reduce costs have been made by adding hybrid cars to our fleet and other efforts that have reduced annual fuel usage by 20,000 gallons over the last 4.5 years.

The budget contains a \$25,000 allocation for the third installment of the \$100,000 committed to **the Entrepreneurial Charter School**. The final payment will be made in FY 07.

The **Fairgrounds/Park Acquisition Initiative Reserve** provides a recurring \$250,000 to acquire additional land for the future location of the Fairgrounds and/or the acquisition of park land. The fairgrounds Committee Report is due out this month and will be discussed by the County Commission. The fairgrounds, if it is to remain in its current location will require additional monies for improvement. If the fairgrounds are moved in order to implement Plan East Gainesville, these funds could be a source of revenue to acquire or develop a new fairgrounds facility. The future location of the fairgrounds is a critical decision and its development must be funded by the County or leveraged through a partnership with the private sector.

Although a better source of funding might be an additional **One-Cent Tourist Development Tax**, or bed tax, these funds also might be used for acquisition of the Diamond Sport Park or other proposed civic facilities. The Tourist Development Commission will be recommending the projects appropriate and legally able to be considered for these special funds that are derived from our hotel industry. An additional cent of tourist development tax could provide approximately \$600,000 towards any legally authorized project.

County officials have a growing concern over jail over-crowding as daily populations exceed over a thousand individuals. Criminal justice policies issued by the State are aggravating this problem and legislative relief should be a part of our legislative program. I am recommending several initiatives to address this problem in the FY 06 budget. The first is the **Jail Population Management Initiative** which is designed to hire a Jail Population Manager, System

Administrator and acquire an Integrated Case Management System. This was the principle priority recommendation of the National Institute of Corrections study presented by our consultant on June 30, 2005 to the combined Public Safety Coordinating Committee (PSCC) and County Commission.

The purpose of the Integrated Case Management System is to provide a comprehensive database regarding each person entering and exiting the criminal justice system to efficiently utilize our existing jail capacity and track people through the criminal justice system and alternative treatment programs. A total of \$350,000 has been included in the FY 06 budget for this purpose with the initial expenditure being the hiring of a Jail Population Manager within Court Services. The responsibility of this position will be to monitor jail population and request actions of criminal justice stakeholders to facilitate the processing of inmates and reduce unnecessary time in the jail. This will require cooperation with all parties in the system and will be discussed under the auspices of the PSCC.

A second initiative referred to as the **Alternatives to Incarceration Initiative** provides \$258,771 in additional expenditures to reduce jail population through the activities of Court Services. This includes \$140,000 for JART related programs and \$118,771 for Court Services program enhancements. We are awaiting a recommendation from the PSCC as to their willingness to utilize these alternative programs and recommend priorities of these expenditures such as ankle bracelets and house arrest.

The budget contains \$717,086 for expenditures related to **Jail Operational Enhancements** which include twelve new corrections employees for three-quarters of a year. This is at a cost of \$514,286 which is necessary for the now estimated March opening of the Day Room modifications at the jail. The Sheriff's Office requested all his positions for full-year funding, but he may have to stagger the hiring of these correction officers and his funded patrol deputies to meet the scheduled opening of this facility. Other recommended expenditures include \$145,000 for additional health care, \$19,500 for closed circuit television and additional funds for other minor enhancements.

At the request of the Sheriff we have considered **Courthouse Security Enhancements** and the need for additional employees for the newly assigned judgeship. The Sheriff has requested six bailiffs for this purpose and additional security at the courthouse of which we have funded two positions at a total cost of \$157,000.

Partnership and Collaboration

Partnerships and donations have made several projects happen this year that would otherwise have been impossible. After the narrow defeat of the Better Parks Better Roads referendum, park improvements are being advanced through corporate and private donations by the Rotary Club Foundation pledge of \$1.8 million for Jonesville Park, the \$550,000 from the Gainesville Soccer Alliance for Jonesville Park and Clark Butler's donation of \$250,000 for SE 35th Street Park.

To continue the work of our after-school program we have budgeted \$75,000 in a cooperative program with a match from the City of Gainesville to provide a recreational program for middle school students.

We continue to provide eCivis software to our municipalities and non-profits to assist in their search for outside grants to leverage local agency programs. This effort will be highlighted at the International City/County Management Association Conference in Minnesota this fall.

The Alachua County Forever Program continues to acquire land in cooperation with willing sellers to preserve environmentally sensitive lands. This is accomplished in cooperation with local land trusts and our water management districts. In FY 05 over 2,175 acres of land was acquired by the program valued at \$5,535,026 at a cost to the program of \$3,918,013. A partnership with the Florida Communities Trust has assisted us in leveraging these locally approved funds. This has been made more difficult through out North Florida due to increased land costs and speculation. A General Fund investment this year provides \$47,095 of non bond issue funding for stewardship activities on these new County owned lands.

The recent approval by the Countywide Visioning and Planning Committee (CVPC) of conceptual land use plans and vision documents has demonstrated an increased level of cooperation between our municipalities and the County. The CVPC has recommended the visioning effort continue through a quarterly meeting of municipal and county representatives focused on keeping in the forefront the county-wide vision that this project has created for all of us. No funds have been provided in this budget for the continuation of visioning related activities in FY 06.

Capital Improvements Program

A major emphasis over the next year will be the development of a more complete five-year capital improvements program. In FY 04 the General Fund contributed only \$1 million towards capital improvements. The Gasoline Tax Fund and Solid Waste Fund contributed directly to capital projects, but these were not included in a five-year capital improvements program. This will be rectified by centralizing all capital improvement expenditures into the CIP to centrally control and plan

capital projects from all funding sources. In FY 06 we are also planning to more accurately identify the costs of proposed new facilities through our space needs update and our continuing efforts to inventory all existing needs for major renovations and maintenance projects. The FY 06 budget funds \$12.2 million in non-transportation related capital projects. The CIP includes \$2 million allocated for Capital Facilities, \$1.4 million allocated for Parks and \$750,000 allocated for Technology.

Below is a chart representing the emphasis on investing in capital infrastructure through long-term commitments of resources from the General Fund. This remains a relatively minor capital improvements program for an urbanizing county. Without additional funding sources, these monies will be used on a pay-as-you-go basis on projects and to the degree possible bonded over a multi-year period.

**Additional Funding Recommended for Capital Improvements
from General Fund in FY 06**

	Recurring Article V Revenue Stream	Recommended FY 06 Allocations
Capital Improvements Program - Facilities	\$500,000	\$500,000
Capital Improvements Program - Parks		\$500,000
Capital Improvements Program - Transportation	\$1,000,000	\$1,000,000
Fairgrounds/Park Acquisition Initiative Reserve		\$250,000
Technology Plan - Capital Fund Enterprise	\$250,000	
Technology Plan - Capital Fund Vocational		\$250,000
Total Recurring Capital Investments	\$1,750,000	\$2,500,000

The total Recommended FY 06 Allocations of \$2.5 million represents over 26% of the growth in ad valorem revenues in FY 06 which are committed towards capital investments in our community. Approximately 5.18% of this year's General Fund budget is dedicated to fulfilling our commitment to capital infrastructure. Despite these efforts millions of dollars of unfunded projects remain unfunded, nor are they identified in a functioning Capital Improvements Program. I strongly caution the Commission to remember that bonding existing revenues will not solve all of our capital or infrastructure problems due to bonding limitations.

An Emphasis on Repaving, Resurfacing and Reconstructing

Alachua County has over 650 miles of paved roadways with over half of this amount rated in need of repair. Over 90 miles of this total system need significant reconstruction which frequently costs over \$1.5 million per mile. To address the critical funding deficit for road maintenance after the narrow defeat of the Better Roads referendum, the County is expending \$9.3 million in gasoline tax revenue to resurface or reconstruct four of the worst roadways in Alachua County.

The County Commission has authorized a fifteen year bond issue of approximately \$33 million to invest in and improve 55.1 miles of the worst 90 miles of roadways in Alachua County. This bond issue is made possible by the commitment of \$3 million in gasoline tax revenue annually. In order to utilize these gasoline tax revenues for this bond issue, \$2 million of General Fund monies for the first time will be committed to support Public Works operations formerly paid by gasoline taxes. This reduces the flexibility of these General Funds monies to be allocated to other needs until such time as either additional optional gasoline taxes are approved by a super-majority vote of the Commission or the voters approve a sales tax.

A Focus on Parks as a County Priority

In an effort to address the continuous need for revenues to construct new park facilities the FY 06 budget commits a new stream of \$500,000 into our Capital Improvements Program for park acquisition and development. As a result of the County Commission's decision to phase out funding for recreation, beginning in FY 07, 25% of the current \$400,000 allocation to the YMCA contract will be annually phased out over the next four years. This will be made available for use for maintenance of these new park facilities or placed into the Capital Improvements Program for park acquisition. This effort, if continued, will create an additional \$400,000 by 2010 for a total of \$900,000 per year. This implements the Commission Vision to insure recreational programming is a municipal responsibility.

The Growing Challenge of Space Needs Funding

It is clear that there is a growing need for space to house the operations of County government. This space must be constructed or leased in the near future. Inadequate or dysfunctional space allocations diminish the productivity and effectiveness of several County operations at the present time and have a negative impact on customer service. My concern remains that the needs for major maintenance and new construction compete for the same limited dollars. Temporary or short term leased facilities in government often tend to be used for years.

The FY 06 Capital Improvements Program allocates an additional \$500,000 for a total of \$2 million annually to construct and renovate County capital facilities. This \$2 million annual commitment represents a major expansion of funding for countywide capital projects. New space requirements are being examined by the DLR Group who performed the original space needs study. Needed space expansions include the Court Support Services Building, space for the Supervisor of Elections, jail expansion through jail pod or barracks options. Administrative facility expansions include the consideration of a CHOICES wing at the Community Support Services building and an Animal Services Shelter expansion. Obviously, \$2 million is not inadequate to address all of the needed facility maintenance projects nor does it permit bonding for construction of all of these new facilities. The Finance Team is reviewing our bonding options and requirements over the summer and the Capital Improvements Program will be discussed in a special meeting in August.

A New Fire Station in Jonesville

One of the FY 06 and FY 07 projects is the proposed construction of a new Jonesville Fire Station. This project, which is identified in the Fire Master Plan, has an allocation of \$400,000 each year from the MSTU and \$200,000 each year in impact fee funding. As we have been discussing merging fire departments with the City of Gainesville, we have failed to fund new fire stations in populated areas and this has resulted in difficulty in maintaining the former level of service. The Jonesville area is rapidly growing and clearly suburbanizing. It is an appropriate location to expand our existing fire station. Four additional personnel are budgeted in FY 07 for this station which is inadequate to house additional employees and utilizes a rental apartment at present for current operations.

Impact Fees Realized

Effective in May 2005, Alachua County has been collecting impact fees. We are hiring an Impact Fee Administrator, housed in Growth Management. These fees are estimated to raise \$3.7 million annually for Fire, Parks and Transportation. As the Capital Improvements Program is implemented, impact fees will be allocated for specific projects based upon their geographic area and the new capacity they generate. In the FY 06 budget we anticipate the proceeds from these fees will begin to increase our capacity and level of service by funding portions of projects such as:

- Jonesville Fire Station
- SE 35th Street Park
- Jonesville Park
- Various capacity increasing road projects

Stormwater Management Program

The Board of County Commissioners has directed County staff to prepare to improve our Stormwater Management System. This is necessary for water quality, prevention of flooding and proper drainage management. The FY 06 budget has funded a \$200,000 initial stormwater management program to begin the process of public education and basin analysis. This will be a loan from the General Fund which will be paid back through the creation of an assessment upon properties within the county and/or appropriate benefit areas. The Commission must recognize this is the beginning of a multi-year project and significant future costs.

Constitutional Officer Enhancements

The Clerk of Courts and the Tax Collector are not requesting additional funds as each have their own revenue generating capabilities. The Clerk of Court, who funds his operations on fees, has returned the net investment earnings of \$800,000 in interest earnings to the County.

The Property Appraiser and I have funded one new appraiser position and an additional \$300,000 is included for GIS mapping enhancements. Our organization utilizes GIS information for many of our county programs and the Property Appraiser will seek additional partnering agencies to share the cost of these expenditures.

The Supervisor of Elections has been allocated a ten percent increase, or an additional \$125,000, to add two employees and provide operational needs. New election laws may require additional resources that have not been detailed to our OMB staff to fund the Supervisor's operations. The capital improvements program does include funding to improve access to polling places. This is a major commitment of time for facilities maintenance.

The Sheriff's Office certified budget request for FY 06 was \$62 million. He requested 29 new positions and expenditures representing an increase of \$2.5 million in his budget beyond the base allocation given to all departments for such things as fuel increase and utility costs. The FY 06 budget has made an effort to fund a majority of these expenditures including 12 correction officers, 6 traffic deputies, 2 bailiffs, 1 youth violence investigator, 1 property crime detective and various and assorted technologies. This represents a total increase of \$1.6 million in enhancements for the Sheriff.

Court Technology Requests Represent Budget Policy Issue

The Public Defender, State Attorney and Court Administrator are all requesting increased funding for technology operating needs relating to the court system. The Public Defender request was for \$72,000, the State Attorney for \$94,000 and

the Court Administrator for \$42,000 for a total of \$208,000. As the County Commission is aware there is a disagreement between the court officers and the County Commission as to who is responsible for the funding of court technology. The State of Florida has established fees which are to fund court technology, but court officials take the position that these fees were to help pay for their technology needs, but was not a funding cap. It is the position of the Florida Association of Counties and the opinion of our County Attorney that the County Commission is not responsible for funding court technology beyond the established fees. The County Commission has directed staff in prior discussions to avoid funding court related expenses and therefore these items have not been funded in this proposed budget.

I believe that the **integrated case management system** which is proposed by the PSCC has a potential to reduce jail population. There is benefit to the County to fund and control this system through our newly proposed Court Services Division of Jail Population Management. This item will need discussion and clarification between our Public Safety Coordinating Committee members, particularly the Chief Judge, Sheriff and County Manager.

In a related item, the FY 06 budget continues to fund \$150,000 of **court discretionary programs** funded in FY 05. This is pointed out under our suggested policy that any subsidy of the State Court System be annually identified in the budget. The FAC has urged their members not to revert back to volunteering to pay for Court expenses without considerable thought as that was the essence of a long Revision VII effort.

Solid Waste Fund

While there are over 25 major funds in the County budget that can be highlighted in the budget message it is important to note this year the Solid Waste Fund. We continue to be in a competitive marketplace regarding solid waste collection and disposal. Alachua County processes over 163,000 tons of waste annually. Disposal costs paid to the New River Landfill and revenue from tipping fees paid to the Alachua County Transfer Station both depend on the amount of solid waste disposed. The inter-local agreement with the Landfill also provides that beginning January 2009 the County will pay an additional surcharge of \$2.35 per ton over and above the increase in tipping fees based on the CPI. The disposal rate and frequency of these increases causes fiscal stress for the County's solid waste system and makes it difficult to compete in the market place.

Two major issues to be addressed during FY06 are the inter-local agreements with the City of Gainesville and the New River Solid Waste Authority. The current inter-local agreement with the City of Gainesville provides that Gainesville will deliver all waste under the City's control to the County Transfer Station. This agreement ends September 30, 2007. Currently, approximately 60% of the solid waste disposed in the County is generated in the City of Gainesville. If the City

chooses to not renew the inter-local agreement, the City's waste could then be taken to a disposal facility outside the County. This could result in the County being financially unable to continue to provide disposal capacity for the entire County as required in Florida Statutes. This will make it extremely difficult for Alachua County to offer a competitive tipping fee to the City of Gainesville. These issues are not reflected as a variance in the budget, but have the potential to have a major financial impact in FY07.

Other Issues

The City of Gainesville has requested a joint meeting on August 11th to discuss making changes to the **street light and fire hydrant inter-local agreement**. In brief, this agreement provides an exchange of over \$1 million in recognition that the City charges a 25% surcharge to their GRU customers in the unincorporated areas. These funds are then returned to Alachua County by GRU, who then bills the county for streets lights and fire hydrants. The City may be proposing a change to this agreement and no impact has been provided for in our FY06 budget.

The County is meeting with municipal representatives and members of our Fire Rescue Department and Sheriff's Office to discuss the issue of contracts for municipalities for County services funded by unincorporated area residents through the Municipal Services Taxing Units. Municipalities should not be subsidized by unincorporated area residents and **contracts to fund Sheriff patrol and fire services** need to be created with municipalities or they need to join the MSTU to shoulder their costs for the services provided. This activity will be ongoing throughout the FY 06 as we adjust to the loss of key staff involved in the process.

This budget reflects no fiscal impact from any major annexations in FY 06 or FY 07. The County is attempting to negotiate an **annexation transition agreement** with the City of Gainesville to outline appropriate transition of services and financial resources.

The Combined Communication Center is issuing a Request for Proposals for the development of an **Integrated Public Safety System Project Computer Aided Dispatch Technology Upgrade**. This system would create a multi jurisdictional computer aided dispatch system, mobile field reporting system, automated information records system for all law enforcement operations, fire, EMS and jail applications. The cost of such a system will be significant and revenue sources are limited. Such a system could be potentially funded through a combination of Federal grants, alarm fees and long-term capital funding not yet identified.

Reporting on Performance / Civic Education

One of the recommendations of the Blue Ribbon Finance Committee is that we spend more effort on communicating with our citizens about the County finances and make the public aware of the sources and uses of the public dollars. Suggestions included placing signs in parks. In a related issue, as we proceed with our performance management activities it is important that we report to our citizens our performance and accomplishments much like the annual reports of business organizations. One way of doing this is the creation of a calendar formatted annual report that would explain in detail the finances of the County, our accomplishments and each year focus on a significant public policy issue or subject of interest to citizens such as our recent visioning project.

Initial review suggests that such a document could be created by our communications staff and mailed to each home in Alachua County for approximately \$52,000. This document could also include a mail-in survey on customer satisfaction for each of our major programs. Such a customer satisfaction survey is a common and necessary indicator which can be used to assist in our performance measurement. This new tool for communicating with our citizens could serve multiple purposes and would place information in a high quality and useful format into every home in the County. This is not budgeted at this time.

Diversification of Revenues

Alachua County is a fantastic community with a great quality of life we all enjoy. At each Commission meeting well-meaning and concerned citizens approach the dais to request funding or present problems for the county government to solve. Many of these requests and problems are presented in this budget and capital improvements program for the Commission to consider in FY 06. The intent of these requests is to improve Alachua County and make it an even better place to live. This requires additional funding and a level of investments in our social and physical infrastructure that property taxes alone cannot accomplish.

The County Commission in their Guiding Vision Statements since 2000 has articulated the need to diversify revenues. The County has already implemented impact fees and we continue to lobby the state and federal legislatures for additional funding.

The Local Option Sales Tax, which can generate over \$30 million annually for infrastructure improvements, and the enactment of up to five cents of Gas Tax, which can generate over \$6 million annually, are the most viable options for generating the level of investment capital necessary to fund the future needs of Alachua County. I believe the sales tax is important enough to stand alone on a future special election ballot. The enactment of the one-cent optional sales tax is the single greatest legacy any Commission could leave.

Conclusion

Legally, budgets are financial planning documents that lay out plans for the fiscal year, but philosophically, budgets are a reflection of the vision of a Commission and Manager and their commitment to their implementation. Budgets can be an annual plan for revenue and expenditures and point to future strategies to solve long-term problems. Yet, they cannot commit future Commissions. Therefore, we need to involve the public and strategic partners such as our municipalities, business and environmental communities so that cooperation and collaboration continue beyond single budget years or political terms.

Setting out large but attainable goals, delivering on our promises and meeting whatever needs we can within available resources is key to increasing the citizen's trust in Alachua County. It is this trust that I believe the Commission seeks in a relationship with our citizens. It is our hope that this trust and credibility will assist us in gaining partners and citizen approval of additional resources in the future.

The public and the County Commission should be proud of the role County government is playing in the convening, staffing and facilitating of efforts to work with municipalities in solving problems. Multi-community consensus building efforts are a time consuming function and resource commitment. However, it results in better planning and engagement of citizens and municipal leaders in solving countywide problems.

I would like to thank the Constitutional Officers, the Office of Management and Budget, the Finance Team and the many County employees who worked diligently to prepare this budget and make suggestions on short-term and long-term realignment strategies.

Finally, I believe this budget reflects the priorities of this Commission as I have interpreted your comments and actions and your Guiding Visions for FY06 and FY 07 adopted in April. Your vision is progressive and takes on difficult societal issues. Many citizens in Florida recognize your efforts to build a quality community for all citizens. I am reminded of John Winthrop's comments on the ship Arbella upon the founding of the new Massachusetts Bay Colony, "For we must consider that we shall be as a City on a Hill, the eyes of all people are upon us". 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,



Randall H. Reid