



# County Manager Message FY12 Budget Message



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July 7, 2011

## INTRODUCTION

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

It is with great pleasure that I present the FY11/12 Tentative Budget and Budget Message. The FY12 total budget submitted herein is \$320.2 million. The total FY12 Tentative Budget is \$7.3 million less than last year's FY11 Adopted Budget. Although we are experiencing the slowest recovery from a recession since the 1930s, we hope that this is the beginning of a period of more stabilized revenues.

The FY12 Tentative Budget is based on our fiscal policies and the adopted budget principles developed since January 2011. The FY12 Tentative Budget represents a budget under an improving economic environment, though local government revenues continue to lag behind. Despite a minor decline of 3% in taxable property values, this budget provides continuation funding for existing services and programs. In addition, at the simple majority millage rate, the General Fund budget includes an as yet unallocated \$1.56 million for core service improvements such as public safety and criminal justice.



The FY12 Tentative Budget reflects the actual recommended revenues and expenditures for the upcoming budget year beginning October 1, 2011 through September 30, 2012. The second year, the FY13 Planned 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 the major legislative changes going into effect July 1, 2011, and referendums on the November 2012 ballot, could seriously limit our flexibility in future years and are likely to impact FY13. Of particular importance will be the 2012 ballot issues further limiting property taxes.

As directed by the Alachua County Board of County Commissioners (Board), the FY12 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 in the discussions within this budget under the Property Value and Millage Rates section. All Municipal Services Taxing Unit (MSTU) budgets have been developed at their current millage rates.

The simple majority millage rate produces approximately \$1.56 million above FY11 budgeted General Fund revenues and allows us to both prevent deterioration in our levels of service and consider extensive criminal justice and public safety related requests. Tier 1, in Appendix A of the Budget Message, reflects the additional expenditures and offsetting revenues or reductions necessary to provide a continuation of our current efforts. Tier 1 has been divided into "Ongoing" and "One Time Only" sections. In the event that a simple majority property tax rate is not supported by a

majority, I have also included a Tier 2 reduction plan in Appendix A. Tier 2 reductions are all ongoing, are in operations and personnel and will seriously reduce our levels of service and capacity.

This Budget Message includes a summary of major issues which need to be addressed over the upcoming year. The reductions we have made over the past four years were major cost cutting measures and efficiencies whose goal was to minimize the impact on direct citizen services. These included examining more efficient processes, further downsizing our fleet and fuel usage, reducing overtime and utility costs, eliminating over 60 positions since FY07, and implementing tighter control on leased space. We continue to focus on reducing energy and water consumption and have limited major new capital projects as reflected in a lean Capital Improvement Program (CIP). These strategies will continue.

This FY12 Tentative Budget continues to maintain the 5% reserve in our funds to provide a buffer against emergencies, natural or man-made. Wildfires are currently ravaging many of our southern forests due to the dry climatic conditions. Fortunately these have caused only minor wildfire activities in Alachua County. This hot dry season ironically reflects that we are currently benefitting from a cycle of limited hurricane activities, but should be cautious to consider the possibility of a devastating storm hitting Alachua County any season.

***Our Key Question: What is Enough?***

*“Great trouble comes from not knowing what is enough . . .”*

*~ Lao-Tzu*

Essentially, our FY12 Tentative Budget discussion revolves around the delicate and difficult balance of providing adequate funding for sufficient levels of services to sustain a quality community. The key question is “What is enough?” When are we paying enough taxes? When are we providing enough services? In a representative democracy, this is done by determining if there are enough citizens willing to pay enough taxes to generate enough revenues to fund enough services to sustain a quality community. There will always be needs for more services than we can provide in the eyes of some citizens, and we will always be discussing levels of taxation that are beyond the level acceptable to some citizens. Severe economic change, new state mandates, shifting demographic trends, and evolving community growth patterns are issues that require a reconsideration of the key question, “What is enough?” My goal in the budget submittal is to assist the Board in answering that question over the next several months and do so in a way that keeps our community values intact.

People often state that the County should live within its means. I agree. The County does this by producing a balanced budget as mandated by Florida law. As you deliberate on this budget in July and August, many citizens will be focused on the national discussion on the federal deficit. Alachua County government cannot run such deficits. Our budgeted expenditures will not exceed our revenues. Our house will remain in good fiscal order. We will live within our means.

## ***Continuing Fiscal Trends***

For several years, my Budget Message has gone into detail about three specific trends that contributed to our financial situation. These trends continue. They are:

1. Slow economic recovery and historically high unemployment
2. Continuing statewide efforts to limit property taxes
3. The threat of unfunded mandates in future years

Florida's unemployment rate in May of 2011 was 10.6% when adjusted for seasonal fluctuations. Alachua County's unemployment rate was 7.2% as of May 2011. The recent layoffs of state employees will impact our County as some more of our friends and neighbors lose their jobs.

Unlike municipalities, under state statute a principle function of County Government is to provide human services. I expect increasing requests for such assistance due to the slow economic recovery coupled with high unemployment. It is a positive sign that announcements of major new developments such as Plum Creek's "Envision Alachua", the UF Innovation Hub, and Celebration Point are now in the planning process.

A recent Alliance for Innovation paper outlined seven challenges to all local government institutions. As we determine what enough is for our community, I suggest that we be mindful of these challenges. They are:

1. Escalating demands for services drawing us away from our core missions
2. Mandates without money to properly provide services
3. Static structures and inefficient government systems
4. Pressure to accelerate use of technology in every field of service delivery
5. Need for cross boundary and multi-jurisdictional problem solving
6. Need for reform of tax structures still based upon an old economy
7. Dealing with citizen mistrust and lack of elementary civic knowledge

Each of these challenges either promotes greater expenditures or impedes sufficient revenues. While I encourage departments to embrace business-like practices, we do not operate in a private sector environment. Because our organizational capacity is limited, the requirements of accountability, transparency, and responsibility to the public sometimes conflicts with the desire for optimal efficiency and expediency.

## ***State Legislature Restricts Revenue to Local Governments***

Due to political infighting, the 2011 state legislative session was less harmful in terms of additional unfunded mandates on county governments than in sessions past. The changes to the Florida Retirement System (FRS), although unpopular to public employees, have reduced the County's contribution to the system. The state legislature placed several issues on the November 2012 ballot that could have a fiscal impact on Alachua County. These include court system reforms, mandatory healthcare coverage prohibition, reducing the non-homestead property cap from 10% to 5%, additional homestead exemptions for those who have not owned property in Florida for three years, and expanded property exemptions for disabled veterans. The additional homestead exemption for first time homeowners, which would include new people

moving into our state, could have a substantial impact on our revenues. These referendums, which are likely to pass in our current anti-tax environment, all have the potential of limiting our future revenue sources and indirectly increasing demand for County expenditures.

The state also approved a Smart Cap restriction on state governmental revenue growth. This is likely to result in the state passing programmatic responsibilities to local governments or changing state funding formulas that share revenue with local governments. Historically, the state has inadequately funded past mandated programs that require County contributions. I doubt that the state's propensity to do this will go away in the near future. Our citizens will suffer by the state's continued assault on the foundational principle of Home Rule and the further intrusion into local government finances.

### ***State Legislation Changes FRS Retirement Benefits for Employees***

A significant feature of the FY12 Tentative Budget is the County's decreased FRS contribution mandated by the state. This mandates the payment of 3% of each employee's salary, by the employee, to help fund the FRS. This resulted in a compensation reduction for our employees. The employer contribution rates dropped from 10.77% to 4.91% for general employees and 23.25% to 14.10% for special risk employees. On July 1, 2012 it will begin going up. In total, this saves the Board \$2.6 million and will save the Constitutional Officers a similar amount based on number of employees. The FY12 Tentative Budget allows each of the Constitutional Officers to utilize their FRS savings within their budget allocation.

In late June 2011, a number of government organizations joined in a lawsuit challenging the legality of the mandated 3% employee contribution and limitation on the retiree Cost of Living Adjustment (COLA). If this lawsuit is successful it could cause the County to be responsible as the "employer" to pay the 3% employee contribution, eliminating most of savings actually realized by the County. The case is scheduled to be heard in October, 2011.

### ***DROP Participation Increases***

Another legislative change involves Deferred Retirement Option Program (DROP), which allows retirement within FRS based on a 5 year close out period of service with guaranteed interest. As of July 1, 2011, this interest has reduced from 6.5% to 1.3%. An additional 18 of our employees entered DROP in 2011, 9 of which were due to this FRS change. Currently 63 employees, or 7.23% of our workforce, are now in DROP and will be leaving within 5 years. This is a loss of seasoned talent within our organization. It is also an opportunity for enhancing diversity and restructuring our organization. However, with several key positions in DROP (retiring in the near future), efforts to restructure our operations are best handled in conjunction with these retirements approaching.

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

We have developed the FY12 Tentative Budget with the following seven budget principles developed with the Board in collaboration with the Constitutional Officers. These principles are:

1. Maintain General Fund budget allocation share with Constitutional Offices
2. Maintain all fiscal policies, specifically the maintenance of our reserves at 5% of operating revenues
3. Maintain current Law Enforcement fund split between the General Fund and the Law Enforcement MSTU
4. Prepare the FY12 Tentative Budget based upon the simple majority state millage cap allowed under current legislation
5. One time sources will be allocated toward reserves or one-time expenditures
6. Continue to present a two-year budget
7. To set aside funding equal to a 2% increase for Board employees to offset FRS 3% contribution requirement, if possible

In addition to these budget principles, and recognizing potential impacts from the lawsuit regarding FRS changes filed by employee organizations against the State of Florida, I have recommended the following additional budget strategies that are explained in detail later in the Budget Message:

1. Establishing in the FY12 Tentative Budget a Core Services Improvement Account within the General Fund of approximately \$1.56 million to be allocated by the Board from tax increases beyond the Stabilization Rate
2. Establish an Employer Compensation Liability Account, within personal services, to set aside funds pending the outcome of the litigation on pension reform legislation. Constitutional Officers should be asked to set aside funds pending the outcome of the litigation as a potential exists for a higher contribution to FRS if the litigation is successful.
3. Fund the FY12 Capital Improvement Program budget at the FY12 Planned level for the General Fund and MSTU
4. Use of Self Insurance Reserve Fund to mitigate the impact of the increase in healthcare benefits for employees
5. Continue to reduce the costs of leased space and efficiently utilize County building space
6. Utilize a consultant for operational analysis to assist in generating operational efficiencies in the Fire/Rescue Department, as we are doing at the jail
7. Implement extended life-cycles and payments in our self-funded capital replacement funds (i.e. computer, vehicle replacement etc.)

### **BUDGET SUMMARY OF MAJOR FUNDS**

Expenditures in the FY12 Tentative Budget total \$320.2 million. By law and accounting standards, this amount is allocated over 30 accounting categories known as funds. The General Fund, the County's principal fund, total is \$129.4 million, the Unincorporated Services Municipal Services Taxing Unit (MSTU) total is \$5.84 million, the Law Enforcement MSTU total is \$17.65 million, and the Fire Services MSTU total is \$15.02

million. The three MSTU funds provide taxes to fund services in the unincorporated area and to some municipalities who opt in to the Law Enforcement and Fire Services MSTU's.

The total budget amount can be somewhat deceiving as more than \$25.5 million of the budget is the transfer between funds, as required by governmental accounting practices.

I have presented a balanced budget in all funds as required by law. In March of 2011, I instructed department directors to propose budget reductions. These are included in Appendix A as a series of decision packages in two tiers. The Board may still be required through the final public hearing on September 27, 2011 to adjust the submitted decision packages or request additional packages for consideration based upon updated revenue estimates.

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

There is always confusion regarding the way the property tax dollars are distributed among the many government agencies use these revenues. The chart below shows that only 15.54 cents of a property owner's tax dollar goes to fund Board of County Commission countywide programs. Property owners from the unincorporated area will pay an additional 7.16 cents to fund their County provided municipal services. As the dollar below indicates, the largest portion of property tax dollars goes to financing our public school system.



In Alachua County, the countywide taxable value decreased from \$12.1 billion to \$11.7 billion, or 3.2%. The MSTUs taxable value decreased between 2.1% and 3.4% depending on the MSTU and the municipalities that have opted in.

During our FY12 budget workshops and prior to the submission of this budget, the Board directed me to prepare the FY12 Tentative Budget using property tax revenue

estimates based on the simple majority millage rate. On September 27, 2011, the final budget will be adopted and must again have a 3-person majority to pass.

<b>ALTERNATIVE FY12 MILLAGE RATES</b>				
Property Tax Revenue Only	General Fund	MSTU General	MSTU Law Enforcement	MSTU Fire Services
<b>Property Value Growth</b>	<b>-3.19%</b>	<b>-3.40%</b>	<b>-2.09%</b>	<b>-3.38%</b>
<b>Current Millage</b>	<b>8.3763</b>	<b>0.4124</b>	<b>1.6710</b>	<b>1.3391</b>
Projected Revenue	92,847,146	1,891,770	8,347,029	6,274,689
FY11 Adopted Budget	95,657,802	1,957,129	8,525,338	6,489,375
Difference	<b>(2,810,656)</b>	<b>(65,359)</b>	<b>(178,309)</b>	<b>(214,686)</b>
<b>Revenue Stabilization</b>	<b>8.6299</b>	<b>0.4266</b>	<b>1.7067</b>	<b>1.3849</b>
Projected Revenue	95,658,176	1,956,908	8,525,358	6,489,297
FY11 Adopted Budget	95,657,802	1,957,129	8,525,338	6,489,375
Difference	374	<b>(221)</b>	20	<b>(78)</b>
<b>Simple Majority Cap</b>	<b>8.7704</b>	<b>0.4481</b>	<b>1.7403</b>	<b>1.4100</b>
Projected Revenue	97,215,549	2,055,534	8,693,197	6,606,909
FY11 Adopted Budget	95,657,802	1,957,129	8,525,338	6,489,375
Difference	<b>1,557,747</b>	98,405	167,859	117,534
<b>Rollback (up)</b>	<b>8.7224</b>	<b>0.4320</b>	<b>1.7308</b>	<b>1.4023</b>
Projected Revenue	96,683,493	1,981,679	8,645,743	6,570,829
FY11 Adopted Budget	95,657,802	1,957,129	8,525,338	6,489,375
Difference	1,025,691	24,550	120,405	81,454
<b>Super Majority Cap</b>	<b>9.6474</b>	<b>0.4929</b>	<b>1.9143</b>	<b>1.5510</b>
Projected Revenue	106,936,661	2,261,041	9,562,368	7,267,601
FY11 Adopted Budget	95,657,802	1,957,129	8,525,338	6,489,375
Difference	11,278,859	303,912	1,037,030	778,226

In summary, the FY12 Tentative Budget recommends the General Fund millage rate be set at 8.7704 mills. Millage rates for the MSTU's remain at current levels and are set at 0.4124 mills for the Unincorporated Services MSTU, 1.6710 mills for the Law Enforcement MSTU, and 1.3391 mills for the Fire Services MSTU. The FY12 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.

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

The FY12 Tentative Budget does not include recommendations for drastic reductions in services, nor does it include any recommendations for additional staffing in FY12. As detailed later in this message, this budget includes a reduction of 7.75 positions. Minor reductions and increases have been made to all Board departments.

The most significant change in the FY12 Budget is recognizing the legislative changes to the FRS. The majority of the Board requested that a portion of the estimated FRS savings in FY12 be set aside to preserve the option to provide a 2% salary increase for employees. The increase has been set aside in an Employer Compensation Liability Account in the FY12 Tentative Budget and totals \$1.1 million for the Board departments. Constitutional Officers who received their share of these funds should consider a similar set aside within their current budget allocation pending settlement of the lawsuit.

This FY12 Tentative Budget continues to offer our employees an important set of benefits that makes the Board a good employer despite limitations on salaries. However, recognizing the increased cost of health care, employer health insurance premiums will increase by 4.7%. Health insurance is a shared responsibility with our employees who will not only pay increased premiums but will be subject to higher medical deductibles.

### **Constitutional Officers Summary**

The chart below recaps the FY12 Tentative Budget submissions compared to the FY11 Adopted Budget. The highlighted column indicates the amount of funding for each Constitutional Officer included in the FY12 Tentative Budget. This budget allocates the FRS savings back to the respective Constitutional Officers which alleviates the need to fund additional specific requests for the Clerk, the Property Appraiser and the Tax Collector as well as the requests of the Sheriff for all functions other than the Jail.

#### **Alachua County Constitutional Officers FY12 Budget Adjustment Share**

	<b>FY11 Adopted Budget</b>	<b>FY12 Certified Budget Request</b>	<b>Enhancement Request</b>	<b>Total FY12 Budget Request</b>	<b>FY12 Tentative Budget</b>	<b>Total Requested to FY12 Tentative Variance</b>
<b>Constitutional Offices</b>						
Clerk - Finance & Accounting	1,852,531	1,852,531	0	1,852,531	1,852,531	0
Property Appraiser	3,938,971	3,938,971	0	3,938,971	3,938,971	0
Supervisor of Elections	1,553,157	1,502,712	353,000	1,855,712	1,855,712	0
Sheriff - All Functions	65,034,686	62,653,542	4,428,635	67,082,177	65,686,111	(1,396,066)
Tax Collector Fees	3,955,148	4,091,369	0	4,091,369	4,091,369	0
<b>Total Constitutional Offices</b>	<b>76,334,493</b>	<b>74,039,125</b>	<b>4,781,635</b>	<b>78,820,760</b>	<b>77,424,694</b>	<b>(1,396,066)</b>

The Sheriff's Certified Budget requested 48 positions of which 46 were for the jail.

Even if the entire Core Services Improvement Account balance of \$1.56 million is allocated to the Sheriff it would be insufficient to cover the entire request for the jail needs and a 2% salary increase for all Sheriff employees. Fortunately, the Sheriff will recognize a savings of approximately \$1 million from FRS savings related to the jail, which can be allocated toward both a 2% salary set-aside and fund 8 to 10 additional positions at the jail. It is my recommendation that the Alachua County Jail operational

study be completed prior to the allocation of additional funding for jail staff. I recognize that whether the Board or the Sheriff operates the jail, there will need to be adequate staffing.

In the case of the Supervisor of Elections, the FRS savings covers the ongoing expenses of that office. The Supervisor of Elections has requested funding for one-time costs related to two mandated projects. The first is upgrading voting equipment required by state statute, which depending on the technology used, will cost between \$650,000 and \$1.2 million. The FY12 Tentative Budget funds \$400,000 from one-time fund balance to be set aside in a Voter Equipment Capital Account. The FY12 Tentative also allocates \$350,000 for the one-time costs of the 2012 Presidential Preference Primary.

The Tax Collector, as a fee officer, does not submit a budget to the Board. However, the fees the Board pays to the Tax Collector are included in the budget and have increased slightly from FY11. 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.

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

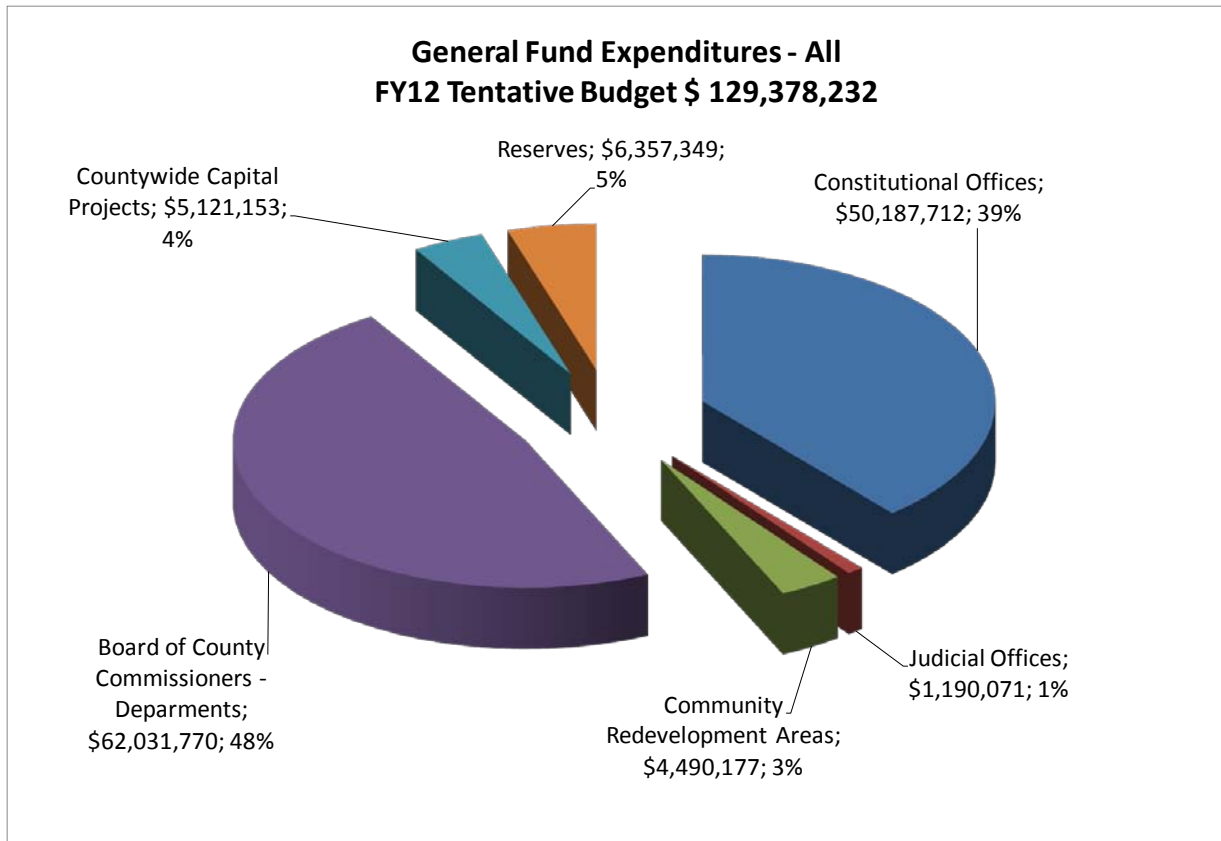
The FY12 Tentative Budget recommends no additional new positions for the Board of County Commissioners. With the exception of the Sheriff, Constitutional Officers did not request additional FTE's. The Sheriff's Certified Budget requested 48 positions of which 46 were for the jail. Due to the return of the FRS funds the Sheriff could give a salary increase of 2% and fund the 2 non-jail positions and 8 to 10 of the jail positions she has requested. The Chart below shows the positions requested the Board and each of the Constitutional Offices in FY12.

Alachua County Board of County Commissioners						
Employee Adjustments Since Fiscal Year 2008 Up To And Including Fiscal Year 2012						
Department	FY08 Adopted	FY09 Adopted	FY10 Adopted	FY11 Adopted	FY12 Requested	FY12 Tentative
Non-Departmental (Prev in AD)	0.00	0.00	0.00	0.00	1.00	1.00
Information & Telecomm Serv	49.00	49.00	48.00	46.00	(1.00)	45.00
General Government	48.00	49.00	47.00	46.50	0.00	46.50
Administrative Services (AD)	72.80	72.80	71.80	71.80	(1.75)	70.05
Community Support Services	68.00	72.00	69.00	68.00	0.50	68.50
Court Services	95.75	98.25	96.25	96.75	0.00	96.75
Public Safety	243.50	243.50	242.50	229.00	(2.00)	227.00
Environmental Protection	39.50	38.85	37.85	37.00	(1.50)	35.50
Growth Management (GM)	62.00	59.00	51.00	50.00	(2.00)	48.00
Public Works (PW)	233.06	232.00	225.00	223.50	(1.00)	222.50
Special Expense					0.00	0.00
Capital Projects (Prev in PW & GM)			3.00	3.00	0.00	3.00
<b>BoCC Total</b>	<b>911.61</b>	<b>914.40</b>	<b>891.40</b>	<b>871.55</b>	<b>(7.75)</b>	<b>863.80</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	1.00	1.00	1.00	0.00	1.00
Property Appraiser	58.00	57.00	56.00	54.00	0.00	54.00
Sheriff	824.50	849.50	849.00	852.25	48.00	900.25
Supervisor of Elections	13.00	13.00	13.00	13.00	0.00	13.00
Tax Collector	69.50	69.50	68.50	65.00	0.00	65.00
<b>Constitutional Office Total</b>	<b>1008.00</b>	<b>1033.00</b>	<b>1030.50</b>	<b>1028.25</b>	<b>48.00</b>	<b>1076.25</b>

## GENERAL FUND SUMMARY

The County General Fund totals \$129.4 million and is based on a millage rate of 8.7704. This is the rate that can be set with a simple majority vote by the Board. The County Commission will be asked to set the tentative millage rate at their meeting on July 12, 2011.

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.



Due to the FRS contribution changes and reductions to the Juvenile Detention Center costs, we have been able to avoid major reductions of services and provide a base budget within the same funding levels as FY11. The reductions in Tier 1 in the General Fund include a net reduction of 3.75 FTE's from the FY11 level and minor program reductions or reallocations. Within Tier 1 there remains \$221,160 in unallocated balance as a contingency for the Board's future consideration.

At the simple majority millage rate, we were able to balance the General Fund and allocate \$1.56 million in new revenue to a Core Services Improvement Account. This will allow the Board to prioritize the remaining needs and requests from Board departments and Constitutional Offices for core service improvement. This can be done during the budget process that is completed in September or if the Board desires more analysis to clarify a priority or appropriately design a program, it can be done anytime thereafter. If this account is not established, or is established at a lower amount, the millage rate can be lowered and we would still maintain a balanced General Fund.

In the event that the Board wishes to implement the current millage rate, we have provided a Tier 2 budget reduction package, which totals \$2.8 million and consists of an additional \$1.55 million in reductions and the elimination of 14.25 positions for the Board's share. The Tier 2 collective share for the Constitutional Offices would be an additional \$1.26 million in budget reductions. 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 if the Constitutional Officers do not make their share of necessary reductions.

### ***Fire/Rescue Issues and Departmental Renaming***

The Public Safety Department has requested to return to its original name, the "Fire/Rescue Department." The change to "Public Safety Department" took place in the aftermath of 911, because of the department's expanded role, which focused increasingly on terrorism and disaster response in addition to the traditional roles of fire fighting and ambulance services. However, in recent years it has been recognized that the name "Department of Public Safety" has created confusion between fire/rescue services and law enforcement services.

The portion of the Fire/Rescue Department within the General Fund is the countywide function of 12 Advanced Life Support (ALS) ambulances which are paid for in part by charges to citizens utilizing the service. Based on a recent study, we are proposing that the Board increase ambulance fees to help offset future costs. This will be a revenue enhancement when we present the FY12 Fee Schedule and resolution to the Board in September as part of the budget.

As our ALS rescue service is a core service of County government, the Fire/Rescue Department in FY12 needs to be preparing to address future capacity of both fire and rescue services to maintain response times. The Fire Master Plan, which outlined level of service and station location, needs to be updated to reflect the changes that have occurred since its 2004 preparation. The department believes that a new rescue unit needs to be added in the near future at a cost of \$753,418, which includes 6 FTE's. I recommend that in lieu of simply continuing service levels and adding a new rescue unit that we might take this opportunity to perform an operational analysis and Fire Master Plan update to study the efficiency of our current fire operations and scheduling prior to this major expenditure. The FY12 Tentative Budget allocates \$100,000 for this purpose.

Also included in the FY12 Tentative Budget is \$96,000 in our annual Radio Replacement Program, which replaces 25% of the radios each year and is matched in the MSTU. This budget also funds \$309,000 for the one time purchase of emergency building generators for Fire/Rescue stations around the County. There is an additional request of \$70,000 for an automatic disinfectant system that was not funded this year but may be grant funded in the near future.

If there is a desire for public safety expenditures to receive additional funding from the Core Services Improvement Account, the Board may wish to consider the enhancement of ambulance services and the above capital expenditures along with the Sheriff's requests.

### ***County Share of Juvenile Detention Cost Continues to Decline***

According to F.S. 985.2155, the cost of detaining juvenile delinquents is shared between the state and county governments. Recent legislative actions have resulted in the closure of some detention facilities which has reduced total state-wide juvenile detention costs. Alachua County staff has worked with the Florida Association of Counties (FAC) and the Department of Juvenile Justice (DJJ) to identify other cost saving measures which have further reduced the shared detention costs for all counties.

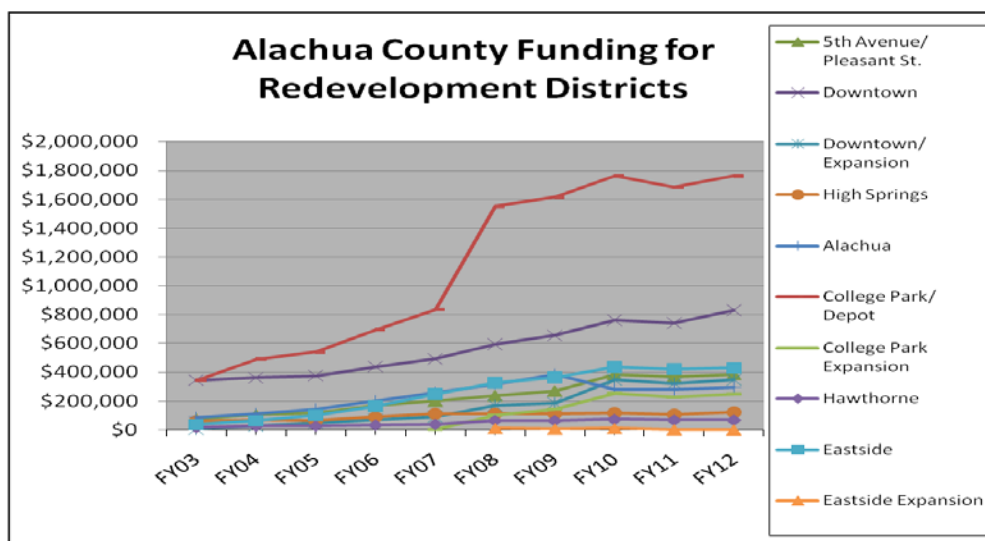
The number of Alachua County youth detained has also declined. As a result of these changes, the Alachua County cost of juvenile detention has declined significantly.

Governor Rick Scott is supporting further initiatives put forth by the FAC and DJJ, and proposed reducing the cost share allocation for non-financially constrained counties. This will further reduce Alachua County's share of juvenile detention costs. For FY12 Alachua County has budgeted \$868,691 to meet the mandated costs of juvenile detention. This is a reduction of \$920,303 from the FY11 Amended Budget of \$1,788,994.

### **County Budget Impacted by Municipal CRAs**

Alachua County is a partner in nine Community Redevelopment Areas (CRA). These include CRA's in the Cities of Gainesville, High Springs, Alachua, and Hawthorne. In 2011, the City of Newberry also proposed creating of a CRA. In addition, Alachua County is considering our first unincorporated CRA in east Gainesville. A final plan is expected to be submitted to the Board before the end of this calendar year. In FY12, the taxable value of property in the majority of CRA's is declining particularly in the small cities.

CRA's, particularly in Gainesville, have done an excellent job of enhancing downtown and off-campus commercial areas 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 FY12 total over \$4.5 million, which is an increase of \$268,741 over last year's actual contributions. In FY11, this was about 4.3 cents of the General Fund, property tax dollar. This amount may vary based on the final millage rate set by the Board. The chart below shows the impact on Alachua County's General Fund from CRA improvement since 2003.



(All Fiscal Years, with the exception of FY12, are actual contributions while FY12 is budgeted)

## ***MSTU Summary***

There are no increases in the Municipal Services Taxing Units (MSTU) millage rates in the FY12. The Unincorporated MSTU total budget is \$5.84 million based on a millage rate of 0.4124. Portions of these funds will be allocated to County departments such as Growth Management, Environmental Protection, as well as park operations, and administrative costs for other services rendered to the MSTU area residents.

The Law Enforcement MSTU total tentative budget is \$17.65 million based on the current 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 FY 12 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 \$15.02 million and is based upon the current millage rate of 1.3391 mills. This MSTU funds fire protection services in the unincorporated area provided by Alachua County Fire/Rescue or its contracted agencies. In FY10, the Cities of Waldo and Hawthorne joined the City of Archer in opting into the Fire MSTU. The Fire/Rescue Department 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 approved by the Board.

## ***Solid Waste Management***

The primary objective of the Alachua County Division of Waste Management is to transform the current collection and disposal system to that of a full service, resource recovery operation. The purpose is to create a system that maximizes the recovery from the waste stream of all recoverable commodities and materials including containers, fiber, organics, and energy. The result of this system transformation will be reduced fees to our ratepayers (customers), flow control guarantees, and an adequate flow of waste to ensure the financial viability of the solid waste system.

The Board directed staff to begin the process of completing a feasibility analysis to site an organics recycling operation and begin the permitting and design of a materials recovery operation. Evaluation of alternative technologies are being conducted for managing organics to choose the most effective system for the County that includes maximum recovery and reduced costs. During 2012, there will be substantial completion of the design, permitting, and construction of the first phase of the transformation. Funds for these projects are from the solid waste enterprise fund reserves.

The Alachua County Solid Waste division is financed by an enterprise fund and solid waste assessments. The County Solid Waste Program continues to function in a highly

competitive environment for collection and disposal. In FY10, the transfer station processed approximately 137,647 tons of waste. A local company diverted an additional 40,000 tons of waste to an out of state landfill. Through an agreement with this garbage hauler the waste is now being direct hauled to the County's destination landfill.

The Municipal Services Benefit Unit (MSBU) Fund reduced budgeted expenditures by \$1.65 million in FY11 and an additional \$234,583 in FY12 while maintaining the current service level. Originally, the budget was increased for FY10 due to the expected increase in contract prices for curbside pick-up. Now that we have long-term contracts in place (thru FY16), the costs have stabilized and allows for this reduction in budget without affecting service level. The final calculations for the annual solid waste assessments have not been completed but there is an expectation of a reduction between 5% and 10%.

### **Solid Waste Recycling and Energy Conservation**

There is a new Energy Element the Alachua County Comprehensive Plan with the following objectives:

- Help achieve the 75% waste diversion mandated by the state by 2020
- Reduce greenhouse gas emissions associated with the transport of municipal solid waste
- Promote a cluster of waste to wealth industries at the Resource Recovery Park to make useful products from recycled materials
- As a component of this, work to direct municipal solid waste to the Leveda Brown Environmental Park
- Achieve a diversion rate from disposal of 40% by December 31, 2012; 50% by December 31, 2014; 60% by December 31, 2016, 70% by December 31, 2018; and 75% by December 31, 2020
- Explore the feasibility of a program that requires source separated organic waste collection and processing
- Use a portion of the waste stream, such as food waste and brush cuttings, for composting and work with other local groups to make it available for use by community gardens and local farms
- Seek ways to reduce the amount of yard waste collected and transported to the Leveda Brown Environmental Park, including encouraging composting, mulching, and other onsite methods of yard waste disposal

Development of the Resource Recovery Park adjacent to the Leveda Brown Environmental Park continues. FY 2012 will see preliminary design and permitting of this site. The goal is to attract businesses and industries to locate to the site that will utilize commodities from the waste stream for the remanufacture of products to be sold back into our own community. We call these industries "Waste to Wealth". They use valuable resources hidden in our waste stream to gain beneficial reuse. The Resource Recovery Park and the transformation of the Leveda Brown Environmental Park to a Resource Recovery System could bring as many as 300 jobs to our community.

The transformation of our current system to that of a Sustainable Solid Waste System will enable the County to invoke flow control of our waste stream. Flow control guarantees sufficient waste is delivered to our system which maintains financial viability and increase value added services to our system. A Sustainable Solid Waste System should reduce costs to all County ratepayers.

### ***Gas Tax Revenues Continue to Decline***

The County currently collects approximately \$11.3 million dollars in Gas Tax revenue per year. This is used to maintain 916 miles of roadway; 677 paved and 239 unimproved. Gas Tax for the County is collected on a per gallon basis. 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. 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. 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.

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 Gas Tax revenues for at least the last ten years. The driving factor in the increase in maintenance and construction costs is tied to petroleum prices, in that many of the materials used for maintenance and construction are petroleum-based.

### ***CHOICES***

The CHOICES Program has continued to grow at a rapid pace over the past year. With a membership of 3,819 as of July 1, 2011, CHOICES has increased its membership by about 20% in each of the past two years. Demand for services has also increased as the program processes an average of 330 new applications each month. CHOICES is funded by a voter-approved 0.25% sales surtax. This surtax expires on December 31, 2011. In May 2011, the Board instructed CHOICES to continue its operations through December 2013. It is estimated by the consulting actuaries to the County that the CHOICES fund balance of \$41.5M (as of May 25, 2011) will be sufficient to support normal membership growth through that period. In the event membership or utilization exceed projections, the program will implement a membership cap to insure the fund balance is adequate to cover any claims run-out beyond the end of the program.

The Board approved Surtax Use Plan controls the benefits and eligibility for the CHOICES Program. The Board periodically reviews this plan. In the past year, benefits have remained unchanged. The only eligibility change was the inclusion of Santa Fe College students.

Effective October 2010, CHOICES entered into a Third Party Administration agreement with a subsidiary of Blue Cross-Blue Shield of Florida. This agreement has unified administration of the medical and pharmacy claims portion of the CHOICES benefit package providing beneficial claims pricing and substantially increasing the panel of providers available to program members.

In addition to the provision of health benefits for eligible County residents, the Board charged the CHOICES program to be involved with community programs to deliver services that address community health needs. CHOICES provides support for a number of local programs that deal with mental health and substance abuse services, access to primary care for the homeless and poor populations of the County, immunization programs for local school children, and wellness programs that address the problems associated with childhood and adult obesity. In conjunction with organizations like the Alachua County Health Department, Meridian Behavioral Healthcare, and the Helping Hands Clinic, CHOICES is part of the community effort to address the broader health and life-style related issues identified by the Alachua County Health Needs Assessment.

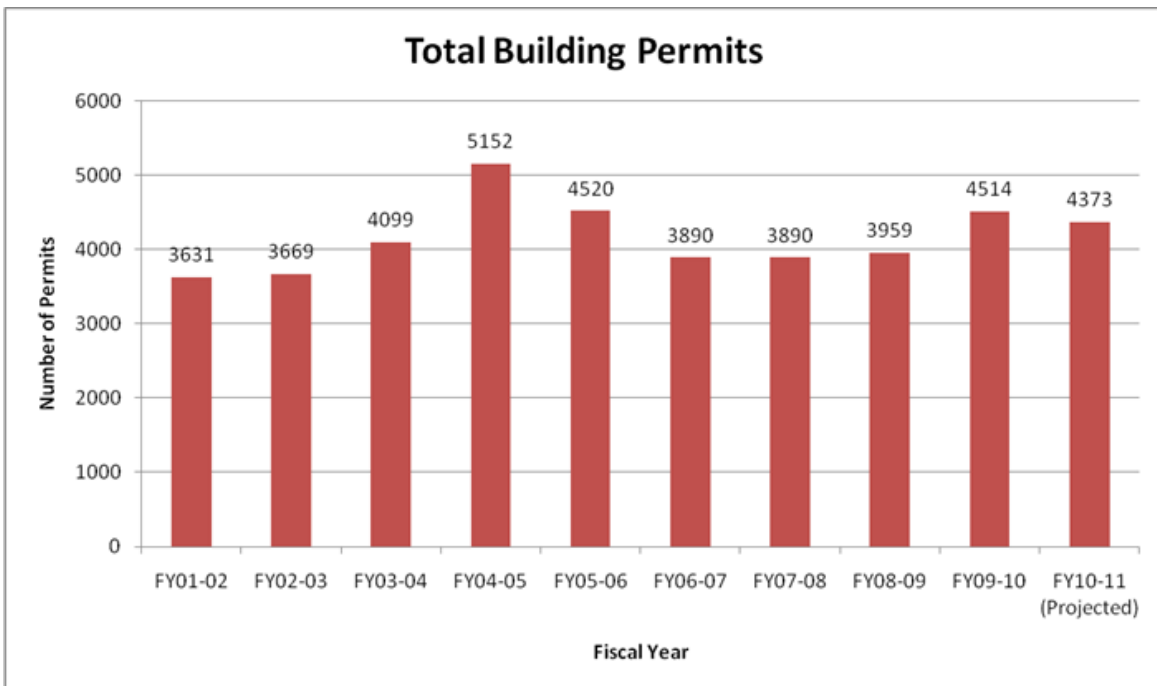
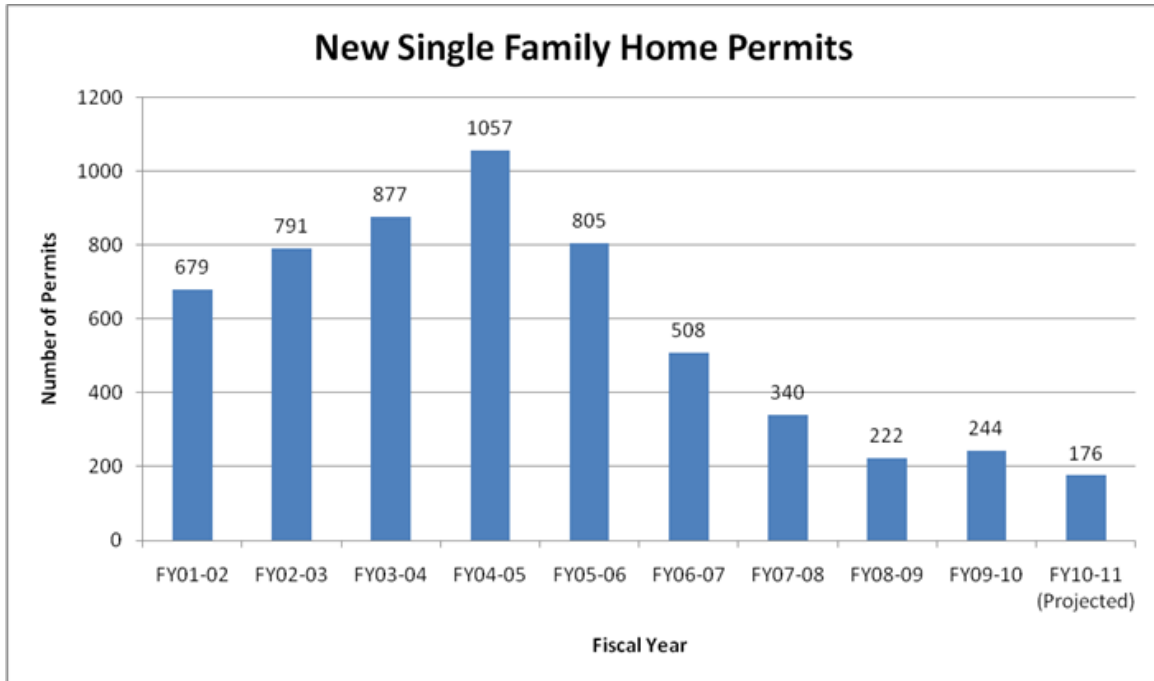
### ***Development and Permitting Reflect Weak Economy***

After three years of marked declines in development and permitting activity, the overall volume of new permits has stabilized and increased in some categories. While the number of new single family home starts remains very low, other activity such as remodeling, additions and non-residential construction has remained stable for the past year. The Growth Management Department has reduced its budget and eliminated 11 positions over the last three years as a result of the economic downturn. The Building/Development Enterprise Fund budget is determined by fees collected for building permits that cover plan review and inspection costs for activity in the unincorporated area.

Based on the first eight-month period of FY11, 4,373 total building permits are projected to be issued, compared to 4,514 issued in FY10. While the total permits have been stable for the past 5 years, the proportion of new single family permits continues to decrease. Remodeling permits require similar amount of inspections while generating comparably lower fees. Alachua County uses an automated permit tracking system and multi-trade inspectors, as opposed to trade specific, which improves efficiency and has resulted in lower building permit fees than similar jurisdictions.

Based on national indicators and some increase in local permit activity, it is anticipated that a slow and gradual improvement will occur in building construction activity in Alachua County. We will continue to closely monitor the level of activity and adjust our workforce and resources accordingly.

In the longer planning horizon, there are several large mixed use projects in the early stages of development approvals. The developers of Spinghills, Santa Fe, Newberry Village and Celebration Point have indicated that they plan to begin construction within the next fiscal year. These are large scale long range projects expected to be built out over the course of ten or more years. Each of these major projects is designed to implement the new multi-modal Transit Oriented Design/Traditional Neighborhood concepts and to contribute to the initiation of the proposed bus rapid transit system.



***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 total CIP allocation included in the FY12 Tentative Budget is \$14 million. \$4.4 million of the CIP budget allocation is devoted to debt service.

The total General Fund CIP expenditure allocated for County Facilities in the FY12 budget is \$1,279,000. This includes a \$650,000 contribution toward the upgrade of the HVAC system at the Civil Courthouse, a project that has also received funding allocations from a restricted funding source for Court-related facilities. The remaining General Fund allocation for FY12 will focus on Capital Preservation projects including the re-sealing and painting of the State Attorney, Public Defender and Wilson buildings. The "Capital Preservation Fund" was created in FY10 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 large expense maintenance and repair items and provides flexibility to quickly respond to these items.

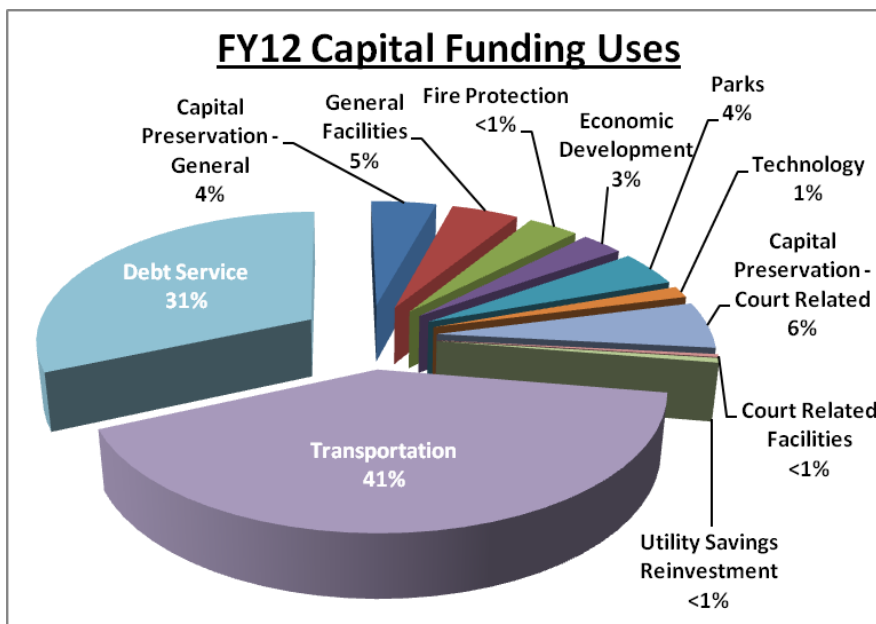
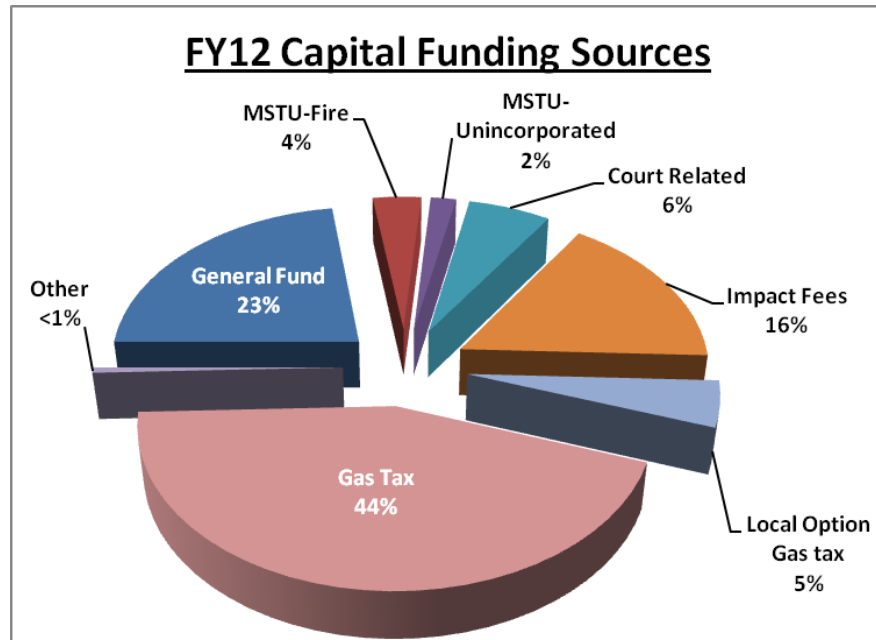
Major projects at the County Jail, for which funds have been appropriated in previous years, will be the major focal points for CIP construction activities during FY12. These include phase II of the kitchen renovation, a complete replacement of the jail roof and HVAC system, and the replacement of windows throughout the jail. Decisions made by the Board in FY11 regarding the two latter items have resulted in a depletion of the reserves available in the Capital Fund. The Jail/HVAC project has always been planned to be a major energy efficiency project. When final construction bids were received, however, the cost to achieve the anticipated life-cycle energy savings was significantly higher than the estimates that had been made several years earlier. Related to the jail HVAC project is the inclusion in the FY12 Tentative Budget of a \$650,000, one time debt payment from the General Fund.

The jail windows project, on the other hand, was expanded significantly because of safety concerns expressed by the Sheriff resulting in a project scope that was almost three times the cost of the original project scope. The Board decision to fully fund both of these projects in FY11 resulted in funds from a number of revenue sources being transferred into these two project accounts which greatly curtailed the availability of funds for other construction projects.

Another facility project that was undertaken during the last quarter of FY11 is the replacement and upgrade of key building operating and security systems at the Animal Services Facility. The conditions at the Animal Services building need immediate improvements to both the internal structure and upgrades to all components making up the entire mechanical system.

As a result of cumulative funding reductions caused by this five-year period of budget contraction, this CIP identifies a number of unfunded and deferred facilities projects. One in particular, the proposed Supervisor of Elections facility expansion, had been included in a prior CIP in order to accommodate expected mandated changes to voting equipment requirements. The project has been put on hold pending action at the state level, which will require future discussion between the Supervisor and the Board.

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 court-related 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 were allocated 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. The work on these projects will continue through FY12. We will also continue the work on high priority bike/pedestrian projects in FY12. As with other revenue sources, Gas 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. 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.

The collection of the Wild Spaces/Public Places (WSPP) infrastructure surtax (passed by voter referendum in 2008), ended in December, 2010. Current projections estimate that the total revenue from WSPP will be a little more than \$31 million, or 22% less than original estimates. Alachua County government's share of WSPP is approximately \$16.75 million. According to the latest WSPP quarterly report (March 31, 2011), \$8.6 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 be completed by the end of the FY11.

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 \$1.4 million.

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

The Board approved the Master Plan for the County's new fairgrounds complex 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 the reduction in general revenues. The construction of the fairgrounds remains however, a long-term, 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.

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 decided to commit the proceeds from one percent of the bed tax to the construction of the Fairgrounds. The bed tax receipts can be leveraged as debt service for a construction bond issuance of \$7-8 million. The cost of phase one of a replacement fairgrounds is estimated to be \$18-20 million. 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.

Early in 2011 letters of interest from private developers were solicited to create a public/private partnership to advance the development of these facilities. None were received and it was determined that the economic downturn limited local private capital from being offered for this venture. County staff has begun discussions with the Gainesville Regional Airport administrative staff regarding joint planning and marketing for the existing Fairgrounds site and adjacent Airport property. The newly authorized position of Economic Development Coordinator will be tasked with pursuing both the fairgrounds and Plan East Gainesville as part of the overall economic development

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

In March of 2011, the Board authorized the Public Works staff to develop a program to consider a ½ cent or 1 cent for maintenance of road pavement. The Board could place this issue on the ballot or leave the community the option of placing this and other items on the November 2012 ballot. Any item proposed for the November 2012 ballot should be based on a formula negotiated with our municipalities and include specific project lists and citizen oversight provisions. Further restrictions on property tax being proposed by the state make decisions on this sole remaining revenue source very important.

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

Credit markets (specifically the municipal bond market), stabilized in FY11, allowing the County to follow through with two new planned financings. In order to secure needed capital funds, the County accessed the private placement market via a competitive bank loan RFP process. This competitive approach effectively provided the County with the lowest cost of borrowing and allowed the County to lock-in very low fixed interest rates.

The successful low-rate bank loans that were negotiated in the last 6 months include the \$15 million Alachua Forever Program Loan and the \$9.5 million Local Option Nickel Gas Tax Loan. The Alachua Forever Loan was issued to repay pooled commercial paper. The loan has a 10 year term with a fixed rate of 2.37%. The Local Option Nickel

Gas Tax Loan was issued to fund road repaving projects including NW 16<sup>th</sup> Ave, SW 63<sup>rd</sup>Blvd/SW62nd Ave, and CR231. The loan has an 8 year term with a fixed rate of 2.20%.

In addition to the two recent bank loans discussed above, the County has the following outstanding debt: Series 2007 A&B Public Improvement Revenue Bonds; Series 2006 Gas Tax Bonds; Series 2008 Gas Tax Bonds; and Series 2008 Jail Energy Conservation Capital Improvement loan. The current total outstanding principal balance on all County debt is \$109.4 million and the total average annual debt service payment for all debt is approximately \$12 million.

We know FY12 will be another challenging year and that the credit and equity financial markets will be volatile. The Board has adopted strong financial policies to ensure the long-term stability of the County even in the face of current global economic turmoil.

### ***Information Systems***

The Information and Telecommunications Services (ITS) Department will continue to play a very important role in 2012 by helping County government increase productivity and reduce operational costs through the use of improved technology. As departments continue to experience funding reductions, ITS is striving to maximize the useful life of hardware and software in order to reduce the cost of technology that is utilized to provide electronic government services to the citizens of Alachua County.

In 2004, the County moved from a computer lease program to a computer purchase program with a minimum four year replacement cycle. With the improvement of hardware design and functionality, we are modifying the replacement program this year to extend the life of all County computers to 5 years. This extension of the equipment replacement fund program will save the County approximately \$65,000 annually beginning in fiscal year 2012.

Along with hardware modifications, software and web applications are being redesigned for future generations. Mobile devices and smart phones are becoming the primary tool for citizens to access information on the internet. In the upcoming year, ITS will focus on providing more on-line services in a mobile website environment, where information, documents and video services will be accessible through mobile devices and smart phones. We are a digital community which is why technology will continue to grow and play an important role in how the County conducts business. The FY12 Tentative Budget contains \$100,000 to assist implementing mobility applications.

## **BUDGET ISSUES**

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

Community wellbeing, economic prosperity, and environmental health are all touchstones of sustainability. In FY11, staff from my office met with community leaders in a series of workshops to develop a list of community condition indicators to report on how multiple community agencies are proceeding toward the long term, sustainable betterment of our community. These measurements based on the Florida Chamber of

Commerce's Six Pillars paradigm will show progress on areas of concern such as business climate, innovation, public infrastructure, workforce talent supply, civic engagement, and quality of life. We envision working with our sustainability partners in the municipalities, non-profits, academic and business communities in the systematic collection and reporting of these indicators to the public. The Community Conditions Report will be issued in December 2011, and will be maintained with a web based process.

### ***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 move from leased space into centralized, County owned facilities. Leased space would be for cyclical needs only. . 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. Due to complaints about the Star Garage and the conditions on the upper floor, we have relocated Guardian Ad Litem into the DOCS building. This move reduced the lease cost by \$59,408. The Environmental Protection Department has reduced its office space in downtown by moving its office to a smaller, less expensive space in the downtown area behind the historic Seagle Building. This move will result in savings of \$67,983.

We are planning to relocate the Facilities Division administrative component to the Facilities Maintenance Shop located in the Depot Avenue area. In FY12 we will have the opportunity to assess the CHOICES space in the Community Support Services building and provide recommendations for future use of that space.

The Supervisor of Elections, Office of Management and Budget and the EOO office may also be relocated in the future should cheaper or more appropriate space be available. We are working with our downtown landlords to assure safe but lower cost facilities are available to our employees.

We will need to provide additional space for the Supervisor of Elections when additional voting and equipment requirements are mandated which will occur within the next five years. The Supervisor has indicated that her optimal time for such a move is 2013

In addition to the reduced rents we negotiated for the FY11 budget, there is a further opportunity to analyze employee work space and consolidate downtown offices in leased buildings by removing field personnel from the confining restrictions of the Star Garage.

### ***Regional Public Safety Communications Issues***

Public safety communications benefits all residents of the County whether they reside in the incorporated or unincorporated area. The Combined Communications Center (CCC), a joint responsibility of Alachua County and the City of Gainesville, receives nearly half a million 911 calls from County residents per year, approximately 300,000 of those calls result in the dispatch of law enforcement, fire, and/or emergency medical

personnel. The Intergovernmental Public Safety Radio System processes and coordinates the radio communications for 2,800 multi-agency, multi-jurisdictional emergency responders enabling seamless and transparent communications.

The dedicated funding we have now for the Intergovernmental Radio Communications Program (IRCP) does not sufficiently fund the monthly subscriber fees to the radio system and requires contributions from the General Fund, the Fire MSTU, and the Law Enforcement MSTU. Annually, the County spends nearly \$1 million to provide system access for approximately 1,200 activated county radios. The City of Gainesville spends a similar amount each year for system access for their activated radios. These annual expenditures fund only the operating costs of the system.

### **Intergovernmental Public Safety Radio System Replacement**

As we approach the FY15 obsolescence and planned retirement of the Intergovernmental Public Safety Radio System, we must identify and appropriate replacement funds. Alachua County's investment in the system owned and operated by GRUCom, will surpass \$15 million by the end of its fifteen-year useful life including operating and infrastructure costs. I have appropriated \$125,000 in the FY12 Tentative Budget for consulting services to be matched by the City of Gainesville to identify and prioritize agency requirements and recommend the best solution for our joint long-term communications investment.

### **Radio Communication Towers and Radios**

The FY12 Tentative Budget allocates \$30,000 to fully fund the lease obligation for the new Austin Cary Tower. The revenue sharing arrangement we negotiated will partially or completely offset our lease obligation as tenants locate their equipment on the tower.

The tower located on the Public Work property in Hague was part of our radio system network and had to be dismantled in June 2011, as it was determined to be structurally obsolete and beyond repair. The public safety radio equipment located on the tower was temporarily relocated to another tower site. We will be soliciting proposals from the private sector to reconstruct this tower at no cost to the County in return for a shared revenue arrangement and space on the tower. Also, we have identified several County properties that may be of interest to the private sector for constructing new communications towers in return for shared revenue arrangements and dedicated space for our equipment.

The FY12 Tentative Budget has appropriated \$192,000 total from the General Fund and Fire MSTU, to fund replacement costs for approximately 25% of our Fire Rescue radios. In the past, we have successfully sought out grant funds for these replacements and are currently waiting to hear if we have been successful in this effort again.

As the GRU agreement charges a \$63 per radio per month fee, both the Sheriff's Office and our Fire/Rescue Department have made efforts to reduce radios. From FY11 to FY12 Fire/Rescue has reduced 30 radios, The Department of the Jail 54, Law Enforcement 76 and the CCC 1, for a total of 161 radios.

### **Combined Communications Center (CCC) Equipment Replacement**

The County and City investment in the technology and infrastructure for the operation of the Combined Communication's Center is essential to the on-going public safety function. In 2011, the County contributed \$420,000 from E-911 funds for the replacement of call taking/dispatch workstations in the CCC and the back-up center. At the request of the CCC Administrative Board, the CCC identified and developed a long-term equipment replacement schedule that provides for the on-going replacement of equipment that has reached the end of its useful life. The Sheriff has requested a total of \$651,425 in FY12 to begin allocations into a replacement fund. The FY12 Tentative Budget funds \$125,000 from both the General Fund and the Law Enforcement MSTU. The City will contribute to the replacement fund based on their share of the costs. The replacement funds will be identified and set aside each year for the software and hardware upgrades that will be necessary to properly maintain the recently installed computer-aided-dispatch system and other infrastructure.

### **Proposal to Create a Public Safety Communications MSTU**

Since 1999, the City of Gainesville and Alachua County have shared the funding of the CCC's annual operating costs and the County has provided for the facility and its maintenance. This funding methodology is outlined in the 1999 inter-local agreement and requires that annual operating expenses be allocated to the City and the County based on the total number of dispatches they each receive during the year. The more dispatches an agency receives, the larger the portion of the CCC budget that is allocated to that agency. The concept was appropriate in 1999 when the only agencies being dispatched were the City of Gainesville, Alachua County and the City of Waldo but even then, the methodology was unaffordable for the City of Waldo. In the spirit of supporting combined countywide communications Alachua County paid Waldo's share. In 2011, the City of High Springs considered joining the system and requested a more affordable rate for a small city participant.

Much has changed since 1999. Post 9-11 public safety communications have become even more complex and demand seamless and transparent communications without regard to jurisdictional boundary or agency. We are also looking at the Next Generation Intergovernmental Public Safety Radio System which all agencies should have access to and pay for. I am recommending a Countywide Public Safety Communications MSTU be considered to fund both the CCC and the Intergovernmental Public Safety Radio System for all of the participating jurisdictions. A joint team of City and County employees, representing the Sheriff and the Board, can assist in establishing this over the next year.

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

We have prepared the FY12 Tentative 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 2-year

inter-local agreement that terminates on September 30, 2012. \$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. It 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. The City of Gainesville has contracted, to design and build the One Stop Homeless Services Center. Construction should begin in summer 2012. Last summer, the Board received a letter from the City of Gainesville asking them to budget \$154,000 yearly for operational costs of the One Stop Center. Anticipating a late spring 2012 opening, we have budgeted \$50,000 for operational costs in FY12.

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. At Hunger Summit III in November 2010, ACNA reported that 40 of the 90 recommendations in the Hunger Abatement Plan had been implemented. On June 15, 2010, Alachua County, the Department of Children & Families (DCF), together with area restaurants, began a pilot program that allows homeless citizens to use their food stamp benefits in participating local restaurants. This pilot is the only program of its kind in the Southeast region of the United States, and USDA hopes to see it expanded in Florida and the rest of the South East Region. This ongoing pilot program has been expanded to include 11 restaurants and involves the active planning of the United States Department of Agriculture, DCF, the Alachua County Coalition for the Homeless and Hungry, and County staff in the Poverty Reduction Program.

### ***Water and Energy Conservation Efforts Continue***

Water and Energy conservation efforts for FY12 represent a continuation of utilities savings directives and programs initiated in the FY10 budget. The FY12 Tentative Budget maintains energy expenditure for existing facilities at approximately \$3 million per year which is the same level as FY08 despite utility increases, record setting demands due to extreme weather, extended operating hours at the Health Department, the end of the GRU Business Partners discount rate, and increased square footage. Low cost measures to cut energy usage remain a priority. Automated controls over lights and devices down to the electrical plug loads will give the County the ability to shut off non-essential power use in County Buildings after hours and on weekends. In 2011, the County Administration Building should be the first to implement these automated controls.

Much of the progress in water and energy conservation has been made through improving both the design of new buildings such as the Kanapaha Park Recreation Center and the redesign of HVAC systems, insulation of retrofits in multiple buildings and improvements at the Alachua County Jail. Improved facility design is most effective when paired with performance monitoring. Our ability to report on energy conservation results was significantly enhanced in the current fiscal year with the addition of the Utility Manager Services software program which allows utility database monitoring.

Additionally Load Profiling software allows us to monitor major buildings remotely to conserve energy at peak demands.

To help reinvigorate our commitment to the Board's utility reduction policies we have appointed a volunteer team of Energy Champions in each Department and Constitutional Office. These staff will be the County's point persons to help their respective offices achieve the no-cost solutions of contentious utility usage.

### ***Utility Savings Reinvestment Program (USRP)***

A Utility Savings Reinvestment Program was incorporated into the Board's financial policies in September 2010, to reduce the cost of operating our buildings. Any decisions on the allocation of savings for reinvestment will be brought back to the Board for approval. This program creates a financial account in the Capital Improvement Plan into which utility savings from conservation and efficiency enhancements to County facilities will be deposited. These funds are to be reinvested in utility conservation, efficiency, and alternative energy efforts through each year's capital improvement program.

To date, \$176,281 in energy savings utility rebates are identified for reinvestment in this program. In FY11 the Board identified electric motor replacement as the top priority. We are bringing back a list of projects to the Board for FY12 including a strategic initiative to better monitor the performance of our investments. This will be a professional services contract to monitor and do an annual report on our utility savings. The report will recommend strategic projects based on our fiscal policies, using our current data collection system.

### ***Fuel Conservation***

Fuel conservation continues to be a goal for Alachua County in order to both reduce costs and to provide alternative vehicle within our fleet. The FY12 Tentative Budget anticipates an approximate \$4 per gallon fuel price. The 5-5-5 fuel reduction Plan started in 2009 has reduced the fleet size by 21 vehicles in two years and saved 16,887 gallons of fuel. The number of take home vehicles has been reduced by over 60% from 52 to 19 in the past three years and we continue our six year program of utilizing bio-diesel fuels using a B-20 blend in our bulk tanks at Public Works and the Leveda Brown Transfer Station. A major report will be provided to the Board setting new goals to achieve a 20% reduction in fuel use by 2020.

### ***RSVP, CPT, and Indigent Burial Programs***

The Retired Senior Volunteer Program (RSVP) is being considered for reductions in funding at the federal level. Alachua County currently allocates \$117,000 as a local match and has three positions assigned to the program. Should RSVP receive reduced federal funding, we would recommend that the Board downsize our RSVP program and reduce two of the current positions. One position will remain assigned to RSVP with additional responsibilities in the Foster Grandparent Program.

The FY12 Tentative Budget also funds \$84,000 the Child Protective Team (CPT) program which is required to pay for tests involving children that the hospital is now charging us. \$25,249 has been added to the Indigent Burial program which has had

cost overruns in FY11. This additional funding and the decision to pay for cremation should allow this program to remain within budget in FY12.

### ***Community Agency Partnership Program (CAPP) & Other Non-Profits***

The Board has recognized the need to assist non-profits in providing basic services to the less fortunate members of our community through the CAPP program. I would suggest that we endeavor this year to expand the consciousness of the community about the limitations on fiscal supports to our non-profits as limitations are placed on local government.

Each year 1% of the General Fund operating budget is allocated to CAPP. The FY11 budget provided \$900,297 in funding to this program, after a reduction of \$100,000 to award to the Early Learning Coalition, as they were not eligible to apply for FY11 funding. Due to CAPP adjustments, both the Early Learning Coalition and Three Rivers Legal Services are eligible and have applied to the FY12 CAPP cycle. The FY12 Tentative Budget includes \$1,158,122 or 1% of the General Fund per Board policy. If the Board chooses to implement Tier 2 reductions, it is recommended that the CAPP program be reduced by 5%. This would fund CAPP at \$1,100,216.

I am recommending the same reduction of 5% in Tier 2 for the non-CAPP contracts with the Health Department and Meridian Health Care. Both of these agencies, which have close working relationships with us, have received reductions from the State of Florida that have been highlighted to the Board in separate letters. The FY12 Tentative Budget continues to fund the Health Department for \$909,875. A 5% reduction would be \$45,500. Meridian Health Care receives has multiple grants funded through partnerships with the County including the CHOICES program. From the General Fund, \$695,596 comes from the Community Support Services (CSS) budget. A 5% reduction in their CSS funding would be \$34,800.

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

In FY12, the budget for the Court Offices and other Article V requirements has decreased over \$90,000 from the FY11 Adopted budget. While the majority of the reduction is related to the decreased revenues for Innovative Court Programs, the General Fund allocation for the Court Offices is decreasing by \$38,000.

There are funding sources other than the General Fund that are allocated to meet the Article V budget requests. 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. In conjunction, the ticket surcharge revenue for the state court facilities fund is allocated to court facilities, capital preservation, and capital construction projects through our Capital Improvement Plan

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 FY12 Tentative Budget includes an additional allocation of \$250,000 for inmate medical costs for a total allocation of \$2.25 million. Both Board and Sheriff's department staff have been working to reduce this significantly growing obligation. 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.

### ***Regional Transit System Funding/Multi-Modal Transportation Mitigation***

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 Multi-Modal Transportation Mitigation (MMTM) 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 MMTM 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.

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 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.

For Route 75, the County paid for 90% of the route in FY08 and 87% of the route in FY09 and will pay for 83% of the route in FY12. 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 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 FY11 budget for RTS is \$404,896 for the base service and \$403,557 for Route 75 totaling \$807,453.

This year the City of Gainesville has approved an hourly rate of \$64.88 for transit services in the unincorporated area. Unless there is a reduction in the level of service, the County should anticipate paying \$1,076,345 for service in FY12. The total amount requested is 33% percent higher than FY11. Staff has evaluated this proposed rate and is concerned that the increase from previous years is based on the inclusion of depreciation in the funding equation for the first time without giving the County credit for its share of the capital contribution. Staff is also concern about an increase in the new mileage calculation of the unincorporated routes.

This issue is on the agenda to discuss at the August 31, 2011 joint County/City meeting. In the event that the City Commission does not revise its proposed rate, the County will have to reduce the amount of transit service provided in the unincorporated area or finance this increase through additional reductions in gas tax funded programs and operations such as those listed below:

Proposed Program/Service Reductions	
Neighborhood Traffic Calming Program	\$ 50,000
Parking Overlays	80,000
Adopt-a-Road Program	3,000
Tree Planting Program	50,000
Road Construction Materials	54,000
Gas Tax Fund Balance	<u>30,000</u>
Total Available in Gas Tax Fund	<u>\$ 267,000</u>

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 received \$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 is being used for the purpose of funding Route 23, that runs from the Oaks Mall to Santa Fe College and the County has been working with RTS on the creation of new bus stops for this route. This route is an integral part of the County's Mobility Plan and is a designated corridor for a future bus rapid transit route. As the focus on additional mass transit becomes part of the County's mobility strategy, the Board may wish to consider how an expanded RTS system may be equitably financed in the future. The recent legislative session resulted in the Governor approving the assessment of a student transit fee for Santa Fe College. The student transit fee will be used to pay for a portion of Route 23 as well as enhanced transit service in several parts of the Urban Cluster. The County will still be expected to pay for base service on the two existing routes covered by the current contract that serve SFC.

The Board 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. It also identified a multi-modal transportation network to serve existing and future mobility needs within the Urban Cluster. The MMTM program 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 a one-time mitigation payment. The MMTM 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. The MMTM can also be used to fund express transit service which is being considered to start operation between 2015 and 2018, depending upon development within the Urban Cluster. The MMTM program was adopted by the Board on April 12, 2011.

On May 10, 2011, the Board gave staff direction to develop a Southwest Alachua County Transportation Improvement District for the funding of transportation mobility and transit service. The first Transportation Improvement District is for the portion of the Urban Cluster near Interstate 75 and Archer Road. The Southwest Transportation Improvement District is proposed to be anchored by Celebration Pointe, Alachua County's first Transit Oriented Development. The Transportation Improvement District, if approved, would use a portion of the future ad valorem tax revenue to fund new roadway capacity, dedicated transit lanes, a portion of the Archer Braid Trail and transit service between the District, the University of Florida and the Eastside Activity Center. Should the Transportation Improvement District be adopted, it would result in a significant commitment of revenue over the next 20 years towards funding multi-modal transportation.

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

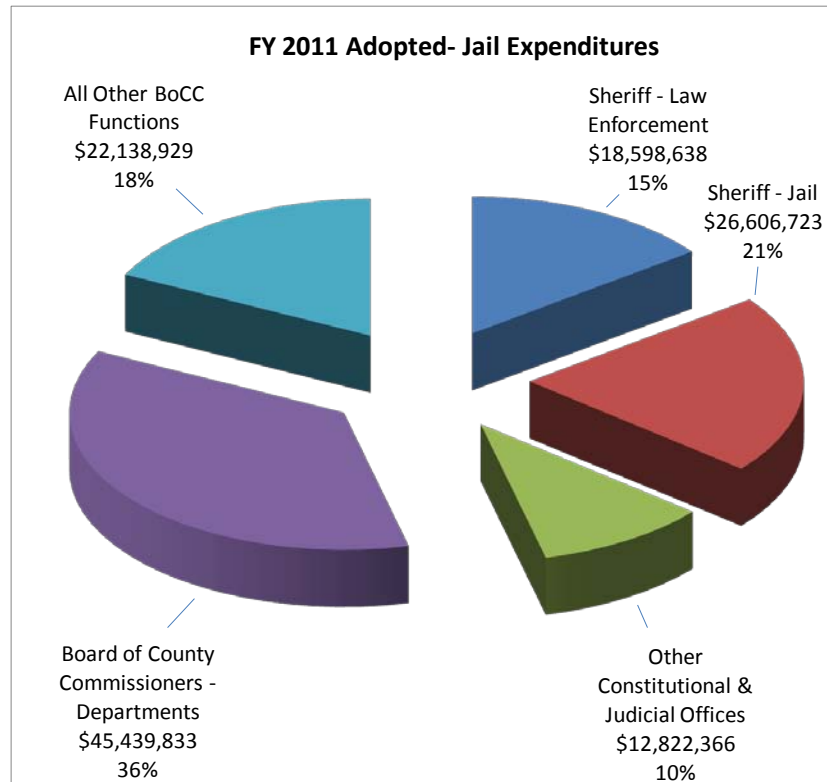
Clean water is a valuable asset for the community, and preserving water quality is one of the Board's primary functions. New clean water legislation is currently being debated by congress and may not go into effect statewide this year. In March of 2011, the Board deferred the creation of a Stormwater Assessment until 2013. There remains a \$900,000 MSTU loan for the development of a Stormwater Management Master Plan which may be paid back on creation of the assessment. 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.

### ***Federal Legislative Program***

Our ability to secure federal dollars continues to be most successful through pursuit of earmarks with our federal legislative agenda. The County pays \$60,000 annually to share the costs of our Washington lobbying firm in a shared arraignment with the City of Gainesville. In the past 13 years approximately \$25 million in federal appropriations have been brought into Alachua County/City of Gainesville. \$22.4 million of this of this has been transportation related particularly funding for RTS related projects. Through the efforts of in-house staff and our federal lobbyist team, this funding included "No Wrong Door": Comprehensive Management of Offenders with Co-occurring Mental Illness and Addiction Disorders, Alachua County/City of Gainesville Education and At-Risk Youth initiative, and we have received notice on a Department of Justice grant involving the jail and incarceration alternatives. We will continue to aggressively pursue funding opportunities through our federal legislative agenda as well as competitive federal and state grants in the upcoming fiscal year. The Board should be aware that efforts to reduce the federal deficit and curtail federal spending have drastically reduced the earmarks for federal funding that our lobbyist traditionally seeks to attain.

## ***Jail Operations and Population Management***

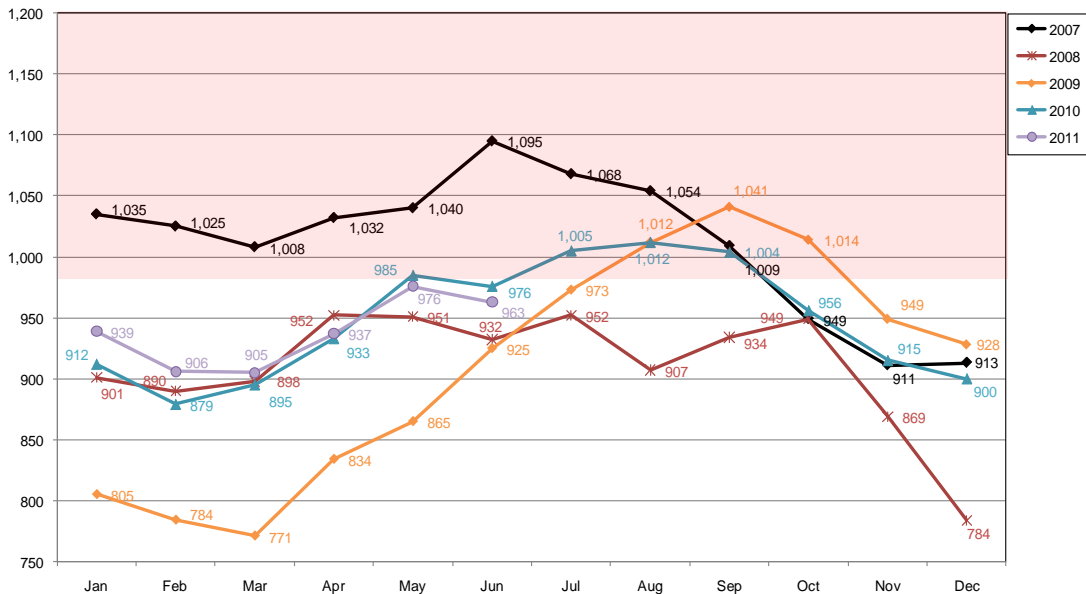
The operation of the Alachua County Jail, currently performed by the Alachua County Sheriff's Office, is done through an inter-local agreement and is set to expire in 2012. In FY11 nearly 21% or \$26.6 million of our General Fund budget is expended for jail operations.



In June of 2011 the Board authorized an operational study be conducted at the Alachua County Jail to assist the discussions of appropriate staffing, the preparation of a new inter-local agreement for its operation, and consideration of transferring the jail operation back to the Board. The study is to be completed in the fall of 2011.

The Alachua County Jail has a rated capacity of 1,148 (total beds) and an operational capacity (the ability to effectively manage the population) of 976 beds. Since reaching a critical level of overcrowding at 1,095 persons in June 2007, the community has undertaken a number of measures to better control population levels. These efforts are showing promising results as, with a few exceptions, the jail population has generally remained below operational capacity since October 2007.

## Alachua County Jail Monthly Average In-House Population Jan 2007 thru June 2011



Source: Alachua County Sheriff's Office, Department of the Jail, Daily Jail Population Worksheets

When the jail has been overcrowded, it has been limited in duration and occurred during peak periods of seasonal increases. Generally, the jail population begins increasing in the spring and reaches critical levels in the fall before returning to below capacity levels in early winter. Recognizing these trends, the Public Safety Coordinating Council (PSCC) identified several factors thought related to seasonal increases. Court scheduling, the number of persons arrested for a violation of probation, and the length of time before formal charges are filed, have been studied in detail. As a result of these efforts, in August and October 2011, the court will pilot a series of additional hearings to try and counter the seasonal trend.

An evaluation of efforts to work with the most frequent jail recidivists, those charged with relatively minor quality of life crimes, indicates considerable success. Similarly, efforts to work with those who have a mental illness and/or substance abuse problem also demonstrate favorable results. A one year pre and post comparison of those served found up to an 88% reduction in the number of new criminal charges and a 59% reduction in the amount of time spent in jail for those who engaged in forensic treatment services.

Recognizing the relationship between substance abuse and criminal behavior, Alachua County has begun to quantify and further address the need for additional treatment capacity. In late 2010, a pilot screening project was initiated that interviewed almost 1,000 newly admitted inmates to determine the need for substance abuse and mental health treatment. About 1 in 8 newly admitted persons need treatment, while most have never received it. Utilizing federal grant funding, Alachua County increased the availability of outpatient treatment, acquired access to short term inpatient treatment beds, and began providing direct assistance with access to housing, psychiatric

services, and psychotropic medications for persons released from jail and under the supervision of Court Services.

Going forward, Alachua County has positioned itself to achieve significant and sustained reductions in the jail population through several initiatives. The Pretrial Justice Institute has invited Alachua along with five (5) other Florida counties to help develop a state-wide pretrial risk assessment tool. This project seeks to identify those factors which indicate someone will be compliant with court conditions and not likely subject to re-arrest. Once validated, the assessment tool can provide information to the court to aid its decision regarding who to release from jail.

Working with the Urban Institute and the Crime and Justice Institute, Alachua County is entering Phase II of the Justice Reinvestment at the Local Level initiative. The cornerstone of this initiative is the implementation of a strategy of “Prevent, Prioritize, and Prepare” to achieve a sustained reduction in the average jail population of 100 or more persons. The project will focus on juvenile crime prevention. It will also create a jail release coordinator to assure the timely release of persons to treatment and other rehabilitative facilities. Enhanced in house jail educational programming will better prepare persons in jail for release and re-entry back to the community. If successful, funds saved through a reduced jail population will be reinvested to continue the initiative.

The New Normal Work Crew is a partnership between many Alachua County departments focused on making level of service improvements. Court Services clients, who have been ordered by the courts to perform community service work, are assigned to work alongside County staff in an effort to enhance the level of service for general maintenance. Currently, the New Normal Work Crew assists Facilities, Environmental Protection, and Fleet with general maintenance activities like painting. Plans are underway to work with the Parks and Recreation Division to assist with mowing in some of our smaller parks. All equipment needed for the project is being obtained through existing resources and the project does not require any new funds. Future plans include working with Roads and Bridges to possibly assist with pothole repair and other road maintenance projects.

### ***Tourist Development Council***

In FY11, Tourist Development focused on the process to increase the Tourist Development Tax (TDT) to 5% to use for capital projects. The process included the completion of an inter-local agreement with the City of Newberry to create a baseball/fast pitch softball complex called Nations Park, a Request for Proposals for capital projects seeking funding, and the restructuring of the Tourist Development Plan.

The completion of the inter-local agreement with the City of Newberry for Nations Park represents a significant change in the sports facility inventory for the County. The funding for this project came from one of the newly added 2% of TDT. The 16-field complex gives Alachua County a competitive edge in the competition for youth baseball and fast-pitch softball events. The fields will feature an artificial turf infield similar to the ones used by Major League Baseball. The artificial turf serves a dual function as it

saves in yearly maintenance costs and provides the “it” factor as participants return home telling others of their experiences in Alachua County.

The Request for Proposals for capital projects seeking funding from the remaining 1% of TDT were brought to the Board for a vote following the Tourist Development Council (TDC) rankings of the projects as:

1. Alachua County Fairgrounds
2. Cade Museum/Martin Luther King Center Expansion
3. Downtown Conference Center.

The Board voted to set aside the funds for arenas and auditoriums at the new Alachua County Fairgrounds and for the Cade Museum for Invention and Innovation.

### ***Innovation Gainesville***

Over the past two years, the County Manager’s office has participated in a communitywide collaborative effort with the Gainesville Chamber of Commerce to explore the development of a new economy for our community. Called “Innovation Gainesville” (IG), this process recognized the strength of our academic community as a major research university and looked at how to encourage the spin offs that can result from this strength. We are among a unique group of communities within the United States poised to capture future economic development, venture capital, and additional employment in the expanding growth sectors of health, biotechnology, and green technologies.

An important component of IG is the need for industrial and commercial parks to capture technology spin-offs from UF and take advantage of other economic opportunities. These areas referred to as “Innovation Zones” would be designated as receiving areas for these industrial startups and expansions. As part of this designation, efforts will be required to efficiently regulate these areas, expedite permitting, and streamline the development process

Hand in hand with this effort, 2011 saw the beginning of an exciting new project know as the UF Innovation Hub. This is an area of research and business incubation located in the vicinity of the former Alachua General Hospital. This lifestyle and research development will include a mix of offices and residential units that will enhance the economic viability of Alachua County/Gainesville as we become a nationally recognized center for innovation.

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, our Assistant County Manager is co-chairing along with a representative of the private sector to prepare appropriate formal policies to responsibly develop Innovation Zones.

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

It has been clear of late that we must be vigilant in responding to confusion and misinformation in the public discourse. As we encourage 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. We tell our organization's story through a wide variety of communication tools always being mindful of the generational differences in how citizens prefer to receive information. Communications efforts include our, Annual Report, Channel 12 programming, Video on Demand, newsletters, social networking, website innovations, and the Alachua County Civic Education Series (ACCESS).

In a deliberate effort to help citizens understand our budget process and the fiscal pressures facing the County, a series of three Community Conversations will be held in the month of July. These meetings provide 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.

## **CONCLUSION**

In speaking of our employees in the 2010 Annual Report I stated:

*Alachua County employees, whether a Commissioner sitting at the dais or a member of a road construction crew, devote their lives to making Alachua County a better place. They are not nameless, faceless bureaucrats living in faraway places. They are your neighbors, and your friends. They sit next to you in your place of worship. They have families. They pay taxes. They are the customers in your businesses and the volunteers in your favorite organizations. They are fellow citizens of Alachua County and it is their honor and passion to serve you. They do not grow rich in doing so. They serve you well and deserve your respect.*

It is my honor to work with and lead these dedicated public servants.

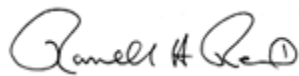
As always, without the professional work of OMB Director Suzanne Gable, the Office of Management and Budget staff, the Communications staff, and many other County employees, the preparation of this budget would not have been possible. I look forward to assisting you in the next few months as you undertake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

As my staff and I were preparing this budget, the community was preparing to celebrate Independence Day. I was reminded of the relationship between two of our founding fathers who died hours apart on a distant July 4<sup>th</sup>. John Adams and Thomas Jefferson dedicated their lives to the creation and governing of this country and had at times been political adversaries. In spite of their differences, and the fact that they were members of opposing political parties, they served together, respected one another, and treated each other with civility. As members of the Continental Congress they labored for months behind closed doors in the heat of the Philadelphia summer, participating in courageous conversations about building a new nation. Our country was founded on courageous conversations among patriots, which revolved around what was enough central government, enough taxing authority, and enough individual freedom to create united states from disjointed colonies. Adams and Jefferson had a lifelong political dialogue that recognized the significance of their role in the formation of the republic. In

one letter late in their lives, Adams wrote, "My friend, you and I have lived in serious times".

We continue to live in serious times. We have the need for courageous conversations with our fellow Alachua County citizens. As citizens, we should not shy away from having serious conversations about the challenges we face as a community, our priorities, and how we should address them through public policies such as this budget document. These courageous conversations should be about what we want to achieve as a community and how to pay for those achievements. This should be a civil dialogue between those who recognize their individual differences but who are committed to the best interests of our community and achieving the delicate balance of what is enough.

In Public Service,

A handwritten signature in black ink that reads "Randall H. Reid". The signature is written in a cursive style with a large initial "R" and a circled "1" at the end.

Randall H. Reid

County Manager



# Appendix A

Alachua County Board of County Commissioners  
 FY12 Tentative Budget  
 Budget Decision Package - Tier 1 General Fund Ongoing Only

**Tier 1 - General Fund Ongoing**

<u>Budget Issue</u>	<u>Title and Description</u>	<u>FTE</u>	<u>Adjustment</u>
1	Property Tax Revenue - Increase millage rate to Simple Majority		1,557,747
2	Core Service Improvement Account		(1,557,747)
3	Reduction in costs related to FRS contribution rate changes (ongoing portion only)		630,000
4	Employer Compensation Liability Account for employee benefit costs		(630,000)
5	Juvenile Detention Center (State formula reduction)		920,303
6	Inmate Medical Costs		(250,000)
7	Court Services - Mental Health Grant Match CJMSHAG		(166,500)
8	Austin Cary Tower		(29,046)
9	Child Protective Team Medical Expenses		(84,000)
10	Increased Costs for Indigent Burials		(25,000)
11	Fire/Rescue Operational Analysis and Master Plan Update (split funded)		(50,000)
12	Fire Rescue Radio Replacement (split funded)		(96,000)
13	Grace Marketplace One Stop Homeless Center (partial year funding) (Funded at \$154,000 in FY13)		(50,000)
14	One Solution Financial System Equipment Replacement (annual contribution)		(18,000)
15	Utility Cost Increase (loss of GRU Business Partner and Rate Increase)		(186,495)
16	Reduction of EPD Office Lease		34,738
17	Eliminate 1.00 FTE (V) - Veterinarian reallocate cost to contractual services	(1.00)	0
18	Eliminate 1.00 FTE (V) Assistant Housing Program Manager (split funded)	(1.00)	0
19	Elimination of CSS Share of building security guards		20,300
20	Eliminate 1.00 FTE (V) - Sr. Programming Analyst in ITS	(1.00)	90,000
21	Equal Opportunity Closed Captioning Reduction in Contract Costs		10,300
22	Sustainability Program Reduction in Operating Costs		7,000
23	Organizational Development & Training Operating Reductions		7,580
24	Community Support Services Reduction in Office Supplies		11,750
25	Eliminate WAV Program Funding in EPD		15,000
26	Reduced Work Hours (F) Housing Manager in Growth Management		11,727
27	Reduction in Operating Cost in Growth Management		13,230
28	EPD Staff Workload Reallocations		4,496
29	Eliminate .75 FTE (V) - Sr. Staff Assistant in Administrative Services	(0.75)	29,777
<b>Subtotal Tier 1</b>		<b>(3.75)</b>	<b>221,160</b>
<b>FY12 Budget Reduction Goal at Revenue Stabilization</b>			<b>0</b>
<b>Additional Adjustments to Meet Goal at Revenue Stabilization</b>			<b>221,160</b>

Alachua County Board of County Commissioners  
 FY12 Budget Tentative Budget  
 Budget Decision Package - General Fund One-time Expenditures

**Tier 1 - General Fund One-time Expenditures**

<b><u>Budget Issue</u></b>	<b><u>Title and Description</u></b>	<b><u>FTE</u></b>	<b><u>Adjustment</u></b>
1	Fund Balance Increase from Operational Costs Reductions (majority from DJJ formula change)		1,700,000
2	Reduction in costs related to FRS contribution rate changes (one-time portion only)		700,000
3	Capital Project (Jail HVAC/Energy Conservation) Debt Service coverage (one year)		(650,000)
4	Supervisor of Elections Presidential Primary Election Funding (one year)		(350,000)
5	Public Safety Radio System Replacement Analysis Consultant (shared funding with City of Gainesville)		(125,000)
6	Public Safety Radio System Infrastructure Replacement Fund (partial funding shared with City of Gainesville)		(500,000)
7	Supervisor of Elections Voter Equipment Replacement (partial funding)		(400,000)
8	Combined Communications Center Equipment Replacement Fund (partial and shared funding)		(125,000)
9	Fire and Rescue Station Emergency Generators (split funded)		(140,000)
10	Exchange Server Purchase for Public Defender (one-time)		(10,000)
11	Capital Technology - Mobile Applications for Website		(100,000)

<b>Subtotal General Fund - One-time Expenditures</b>	<b>0.00</b>	<b>0</b>
<b>FY12 Budget Reduction Goal at Simple Majority</b>		<b>0</b>
<b>Additional Adjustments to Meet Goal at Simple Majority</b>		<b>0</b>

Alachua County Board of County Commissioners  
 FY12 Budget Tentative Budget  
 Budget Decision Package - Tier 1 Fire MSTU Fund Only

<b>Tier 1 - Fire MSTU</b>
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<u>Budget Issue</u>	<u>Title and Description</u>	<u>FTE</u>	<u>Adjustment</u>
1	Reduction in costs related to FRS contribution rate changes (ongoing portion only)		167,335
2	Employer Benefit Liability Account for employee benefit costs		(167,335)
3	Equipment Replacement Fund for CCC (MSTU Share)		25,034
4	Replacement of Fire Rescue Radios (split funded)		96,000
5	Fire Rescue Generators (split funded)		169,000
6	Fire Rescue Services Operational Analysis and Update Master Plan		50,000
<b>Subtotal Tier 1 - Fire MSTU</b>		<b>0.00</b>	<b>340,034</b>
<b>FY12 Budget Reduction Goal at Simple Majority</b>			<b>0</b>
<b>Additional Adjustments to Meet Goal at Simple Majority</b>			<b>340,034</b>

Alachua County Board of County Commissioners  
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 Budget Decision Package - Tier 1 MSTU's Only

**Tier 1 - Unincorporated MSTU**

<u>Budget Issue</u>	<u>Title and Description</u>	<u>FTE</u>	<u>Adjustment</u>
1	Reduction in costs related to FRS contribution rate changes (ongoing portion only)		58,560
2	Employer Benefit Liability Account for employee benefit costs		(58,560)
3	Reduction in Mosquito Control Contract		60,000
4	Eliminate 1.00 FTE R (mid year retirement) Sr. Planner in Growth Management	(1.00)	26,754
5	Reallocate Personnel from MSTU to Gas Tax in Public Works		13,227
6	Reallocate Personnel from MSTU to Grant Programs in EPD		16,078
7	Reduction in Mowing Contracts in Parks		30,000
8	Reduction in EPD Office Lease		11,560
9	Utility Increase and Realignment		525

Subtotal Tier 1 - Unincorporated MSTU (1.00) 158,144

FY12 Budget Reduction Goal at Simple Majority 0

Additional Adjustments to Meet Goal at Simple Majority 158,144

Alachua County Board of County Commissioners  
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 Budget Decision Package - Tier 2 General Fund Only

**Tier 2 - General Fund**

	<u>Title and Description</u>	<u>FTE</u>	<u>Adjustment</u>
1	Elimination of Well Florida Funding		(10,000)
2	Elimination of Youth Employment Service (YES)		(28,000)
3	5 % Reduction in Health Department Budget		(45,500)
4	5% Reduction Meridian Behavioral Healthcare, Inc.		(34,800)
5	Reduction in General Fund Tip Fee Waivers for Waste Management		(29,267)
6	Reduce CAPP by 5%		(50,015)
7	Court Administration Reduction in Overtime		(3,452)
8	Decrease County Attorney Operating Budget		(45,890)
9	Reduction in General Fund Transfer In to Gas Tax		(57,000)
10	Eliminate On Call and Shift Differential in ITS		(15,872)
11	Reduction Mowing Contracts for Parks		(23,765)
12	Reduce Prescribed Fire Capital Expense in EPD		(19,048)
13	Reduction in Technology Investment Account		(30,000)
14	Facilities Reduction in Building & Grounds Maintenance		(166,693)
15	Reduction in Network System Maintenance Agreements (reduced from \$45,000 as requested by Department)		(25,000)
16	Facilities Reduction in HVAC Contractual Services (reduced from \$40,000 as requested by Department)		(25,000)
17	Reallocation of Planner Workload to Grant Funds in Growth Management		(24,113)
18	Reallocate Staff Salary and Reduce Operating Costs		(22,501)
19	Eliminate 1.00 FTE (T) - Sr. Staff Assistant in Community Support Services	(1.00)	(42,133)
20	Eliminate 1.00 FTE (V) Jail Pop Mgt CST Screener	(1.00)	(50,842)
21	Eliminate 1.00 FTE (V) Equal Opportunity Specialist	(1.00)	(51,798)
22	Eliminate 1.00 FTE (V) Work Release Corrections Counselor	(1.00)	(53,724)
23	Reduce .25 FTE HR Technician in Human Resources	(0.25)	(10,658)
24	Reduce .50 FTE Sr. Staff Assistant in Purchasing	(0.50)	(17,289)
25	Reclassify Purchasing Supervisor to Purchasing Agent		(11,127)
26	Eliminate Deputy County Manager 1.00 FTE (F) (savings after severance package and reorg) (FY13 reduction is \$134,000)	(1.00)	(84,000)
27	Eliminate 1.00 FTE (R) Administrative Support Manager in CSS	(1.00)	(88,140)
28	Eliminate 1.00 FTE (F) Jail Pop Mgt/SS Benefits Coordinator	(1.00)	(49,701)
29	Eliminate 1.00 FTE (F) Clin Prog/Drug Court Office Assistant	(1.00)	(37,811)
30	Eliminate .50 FTE (F) Court Services Sr Accounting Clerk	(0.50)	(17,000)

Alachua County Board of County Commissioners  
 FY12 Budget Tentative Budget  
 Budget Decision Package - Tier 2 General Fund Only

**Tier 2 - General Fund**

	<u>Title and Description</u>	<u>FTE</u>	<u>Adjustment</u>
31	Eliminate .50 FTE (V) Work Release/Treatment Prog .Drug Counselor	(0.50)	(24,000)
32	Elimination of 1.00 FTE (F) Accounting Clerk in Animal Services	(1.00)	(37,311)
33	Eliminate .50 FTE (F) Jail Pop Mgt/CST Screener	(0.50)	(22,000)
34	Eliminate 1.00 FTE (F) Sent Alt/ComSrv/Work Crew Coordinator	(1.00)	(36,410)
35	Eliminate 1.00 FTE (F) Pretrial/Investigations Court Officer	(1.00)	(44,760)
36	Elimination of 1.00 FTE (F) Animal Technician in Animal Services	(1.00)	(40,835)
37	Elimination of Federal Lobbyist Contract		(60,000)
38	Reduction in General Fund contribution to Capital Projects		(110,687)
NA	Constitutional Officer Share of Property Tax Revenue Reduction		(1,264,514)

Subtotal Tier 2 - General Fund	(14.25)	(2,810,656)
FY12 Budget Reduction Goal at Current Millage		2,810,656
Additional Adjustments to Meet Goal at Current Millage		0