

**Board of County Commissioners
Workshop Agenda Item**

Date of Meeting: August 28, 2007

To: Honorable Chairman and Members of the Board

From: Marlon Brown, County Manager
Davin J. Suggs, Director, OMB

Subject: Development of FY 2008 Tentative Budget

Issue:

The workshop seeks policy guidance with regards to the development of the tentative FY 2008 thru FY 2012 operating and capital budgets for Gadsden County.

Background:

As a part of the annual budget process, staff is seeking policy guidance from the Board regarding the development of the tentative FY 2008 thru FY 2012 operating and capital budgets. Direction provided at this workshop will be used to formalize the proposed tentative FY 2008 thru FY 2012 operating and capital budgets. The proposed tentative budget will be presented for adoption to the Board by September 11th, 2007 at the first formal budget public hearing.

Analysis:

Goals and Purpose of the Budget Workshop

This budget workshop will provide an opportunity to discuss pertinent budget issues with staff. Major goals of this process include:

1. Provide an update of anticipated administrative changes to proposed budget.
2. Provide an update on FY 2008 revenue forecasts.
3. Address pertinent issues identified at the previous workshop held on July 10, 2007.
4. Seek policy guidance and input for the final development of the tentative budget.

Anticipated Major Administrative Changes

The following constitutes, but is not limited to, potential administrative changes to the proposed budget distributed on July 10th, 2007:

1. Adjust Communications Services Tax Revenue *if ordinance approved on August 21, 2007*. (@ +\$144,500; general revenue)
2. Increase CRA expense for City of Quincy to correct amount per Property Appraiser. (@ -\$38,000; general revenue)
3. Create fund structure for Sheriff's Radio Communications Revenue. (Pass thru funds)
4. Reduce Property Appraiser's budget per DOR. (@ +\$11,322; general revenue)

5. Reduce Tax Collector's budget per DOR (@ +\$9,000; general revenue)
6. Reduce Solid Waste operating & capital funding due to elimination of need for continued site assessment and maintenance. (@ +\$140,000; \$100k -special revenue; \$40k-general revenue)

Update on FY 2008 Revenues

The Florida legislature is due to convene a special session in mid-September to address potential state revenue shortfalls. It is anticipated that any corresponding reductions in state revenues and expenditures will affect local government revenues. Staff has been contact by several agencies with regards to proposed reductions. To date, the state proposals have only addressed local grant or state aid funded programs. Staff is recommending to the Board to adopt a strategy of adopting a budget based on actual known state revenue estimates. Furthermore, staff recommends not adjusting its local revenues until after the special session has been completed to allow for the more accurate application potential budget reductions.

Previously Identified Issues

✓ **Code Enforcement & Mobile Home Decal Enforcement Program**

During the July 10th, 2007 workshop the issue of pursuing revenue from the operation of a mobile home decal enforcement program was requested to be analyzed. Direction was given to determine if the revenue generated from the program could support the addition of a code enforcement officer in Gadsden County. According to previous documentation from the Tax Collector, revenues generated by the program are divided amongst the Gadsden County School Board (50%) and the County and all municipalities (50%) depending on where the mobile home is located. Currently, the County does receive revenue from this funding source. Based on available data, the chart below shows the amount of income currently generated by the program:

<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
\$ 20,873	\$ 32,390	\$ 35,660	\$ 20,490	\$ 19,649	\$ 17,722	\$ 17,596	\$ 15,726

The above revenues are currently deposited in the County's general fund. At this time staff recommends employing more aggressive techniques in enforcing the proper licensing of mobile homes in the County. However, staff recommends that this strategy be employed with existing staff.

During the FY 2008 budget development period, staff considered the addition of two code enforcement officers. The total first year costs for this request was estimated at \$143,737. These costs included salaries and benefits, operating supplies, and vehicles and computers. Subsequent years are estimated without the one-time capital outlay expenses at approximately \$95,000 plus any adjustments to the incumbents' base salary. Based on these figures, staff does not recommend the consideration of adding code enforcement officers on the basis of being supported by enhanced mobile home license revenue.

✓ **Economic Development**

During FY 2007 the Board directed staff to assume internal responsibility for developing economic development opportunities for the County. Based on this directive, the County has employed an economic development consultant which works closely with the Community Development department and reports to the Manager. During the initial stages of developing a work plan to engage in economic development activities, the Board was presented with the identification of necessary resources to employ a successful economic development program.

A major obstacle to establishing a successful economic development program in Gadsden County hinders on the County's ability to offer incentives to prospecting companies. To date, incentive packages have been developed on a case by case basis. Per the County's economic development consultant, a statutory or local adopted structured policy regarding incentives is necessary for the sustained success of the County's economic development efforts.

To develop a policy of this nature an analysis of county revenue, physical and fiscal assets, and tax base would be required to develop the necessary data for such a policy. County staff has been advised that generally incentive packages average in value equal to approximately \$13,000 per job created. These figures represent incentives for the types of jobs that the Board has communicated to staff to seek in current and future economic development endeavors. To develop estimates based on the aforementioned strategy the County would need to develop goals in terms of the quantity of new jobs created each year. For example, if the County sets a goal to attract 375 new jobs over a five year period, a budget to provide resources for incentive packages would require funding in the amount of approximately \$4,875,000 or \$975,000 a year.

Due to current and anticipated future budget constraints, staff is recommending that this issue be further discussed in a future special meeting/workshop with the Board.

✓ **Administrative Allocations**

Staff has continued to work to solidify the process, which was adopted during FY 2007, of employing the use administrative allocations, internal service funds, and central service departments to better equip the County to manage its central service related business affairs. Since the July 10th, 2007 workshop, staff has met with the Clerk's Finance Office and the County's independent auditor to clarify and establish agreed upon procedures for the implementation of the planned administrative allocations. It is the goal of staff to present the Board written policies consistent with the requirements of all parties involved to solidify this process at the September 18th, 2007 Board meeting.

✓ **Solid Waste Services**

In the proposed FY 2008 budget staff is recommending the elimination the County's six approved rural waste sites. This recommendation will allow the County to save approximately \$233,000. The recommendation also will eliminate two current permanent part-time County employees. The decision to recommend this cost-saving strategy was determined due to the fact

that existing revenues generated from the operation of the rural waste sites provided minimal resources needed to sustain the existing operations. Additionally, County residents still possess the options of signing up for curbside service and utilizing the Byrd landfill/transfer station to dispose of their waste products.

Board Policy Direction

It is imperative that the Board provide policy directives by way of motion to complete the formulation of a tentative budget for FY 2008.

Options:

1. Board Direction

Recommendation:

1. Board Direction