

SJC Finance Hearings  
May 8 - 10 2012

Sometimes status quo is good. The County anticipates financial stability for the next five years and does not project any further tax increases this year. Last year the Board of County Commissioners raised millage to avoid County service reductions and to provide funding for a mandated emergency 800 Megahertz radio system. The last four years have seen property values decline by almost one-third, resulting in reduced revenues to the County. Since 2007 the County has reduced its total budget by \$168 million and has reduced personnel by 189, all but two from Administration employees.

This financial condition is only capable of maintaining the status quo. Significant capital project needs cannot be adequately funded without raising the County sales tax by one cent. This can only be done with voter approval. We can expect to see efforts to get this on our November ballot. The only projected rate increase we will see is a sewer rate increase of 5.25% for Ponte Vedra and 6% for the rest of the County.

Two ongoing issues reflected in every department is the continuation of deferred maintenance unless it MUST be performed and increased projections for the cost of fuel. The County is well aware that at some point the maintenance can no longer be deferred, and we will have increased costs to make up for all the deferments. This year's budget allocates approximately \$500,000 to maintenance. Alternatively, should the fuel costs be less than the \$4.50/gallon projected, some savings might be realized.

FY 2013 anticipates a \$587 million budget. Governmental budgeting requires that entire capital project funds be established in advance before a project can be started. A carryover of previous funding for projects has increased the final County budget by \$93,150,000 to this \$587 million level.

FY 2013 will see the completion of the \$26 million 800 MHZ radio system, which includes building 12 new towers. and using one already in place in Ponte Vedra. The thirteen radio towers will be 250 feet tall and will provide leasing opportunities for other carriers. It is hoped that the leasing opportunities will help deflect the \$800,000 in annual required maintenance and possibly deflect some of the initial cost of construction. FY2013 will also see the beginning of the new Health and Human Services Building built on the SJC campus. This building design has not been completed, but it is anticipated to cost in the range of \$16 million, with Lowe's paying over half for the relocation. (Lowe's is purchasing the HHS campus from the County for their new store. They will be paying \$8.66 million for this property; these funds will be used toward the construction of the new building). The current building costs approximately \$400,000 per year to maintain, making it one of the most expensive maintenance sites.

Board employee department staffing is projected at 1152 people, 3 more than FY12. Constitutional Officers will be in the neighborhood of 732, largely unchanged. Constitutional Officers numbers are not yet finalized.

SJC has a comparatively large General Fund Reserve, projected at \$36.5 million, compared to a minimum recommended reserve of \$20.6 million. Over time this Reserve is expected to decrease to the recommended minimum level of \$22.8 million by the end of FY 2017. We are using about \$1 million in reserves this year to address long deferred maintenance and long delayed computer upgrades/replacements. It is known that these deferred maintenance costs remain a large item that will have to be addressed as the economy and our revenues improve. We cannot continue to defer maintenance and the associated costs indefinitely.

#### General Comments;

- . A return to modest growth of 2 to 3% is projected for the period of FY 2014 - FY 2017, but expenditures for fuel, utilities, insurance and employee benefits are expected to continue to significantly exceed these growth percentages.

- . Cost of living increases for staff are not projected for this year; however, a consultant study for employee benefits has proposed that staff positions should be defined with upper and lower salary ranges. Specific job positions will have defined maximum salary levels that cannot be exceeded regardless of tenure. Managers will determine the merit pay percentage increase but a merit raise cannot cause the employee to receive more than the maximum defined salary for that position. Support will be provided for employees to improve their skill levels to qualify for promotions into another job position. Nonetheless, Mr. Wanchick projects "something will have to be done for employees, possibly after January and probably from Reserve funds."

- . Despite good claims experience, medical insurance for employees is projected to increase by 8%.

- . Collections of some fees, including utilities, property taxes and even impact fees have decreased due to payments utilizing charge cards such as Visa, Mastercard and American Express. This decrease can be as much as 3% reflecting the service charge the county must pay to card agencies

- . Requests for public records have historically been handled by MIS. They will be handled by the County Attorney's office in the future. Additionally all contracts entered into must be reviewed and approved by the County attorney's office before contracts are finalized. New software makes contract monitoring much easier and helps eliminate multiple contracts for similar services. It was suggested that the County Attorney institute means to measure productivity in his office. These measurements are used

throughout all other county departments.

- . Constructions Services/Facilities Management continues to excel in innovation and determination to keep maintenance and operational costs as low as possible. They are using cheaper nighttime utility rates to make ice to help with daytime cooling, keeping utility rates lower than previously. They are now providing services to the Sheriff's Complex, which should result in an overall savings to the County.

- . FY 2012 provided a series of events that have transformed fire rescue services in our county. The department started October 1 under an adjusted millage that recognized long term needs and a 5 1/4% salary decrease through a new union contract approved by the firefighters. A total reorganization of the department, which included appointment of a new fire rescue chief and reduction of selected administrative level positions, has created organizational efficiencies, accountability, and cost savings of approximately \$500,000. Overtime costs remain flat and are being well managed.

- . Animal Control is working with breed specific rescue groups to relieve congestion, euthanasia rates and improve outcomes for animals. Animal Control continues to work with county rescue groups and volunteers. They require a \$175,000 new air conditioning system to better handle mold and humidity and keep fresh air circulating.

- . For the first time, independent agencies, such as Betty Griffin House, Learn to Read, St. Frances House, will be funded based on their response to an RFP defining their scope of Services. This means some independent agencies could receive more or less than historically and some agencies might receive nothing at all.

- \*. The Library will institute a new policy in October to remove library cards from anyone who owes more than \$10 in fines. The bookmobile has increased services 700% this year. E-books are now available for downloading.

- . Over 3,600 job applications were processed to fill 132 positions. One hundred employees resigned, retired or were terminated. A County employee turnover rate of 6.26 % this year, projected at 7% next year, is consistent with surrounding areas, public and private.

This report was compiled using handouts and information obtained in the annual County Budget Hearings and the comments supplied by the members:

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