

July 12, 2005

To The Honorable Board of Lake County Commissioners and the
Citizens of Lake County, Florida

It is my privilege to present to you the proposed annual budget for Fiscal Year 2006. This budget honors the commitment of the Board of County Commissioners, as well as the staff, to serve the community to improve the quality of life in Lake County. The budget focuses on public safety, transportation, economic development and community services.

The budget process this year was influenced by two opposing factors: growth in revenues due to growth in the community as well as a favorable economy, and decline in fund balance as we await FEMA reimbursements.

In recent years, the growth in property valuation has increased rapidly. For FY 2006, the increase in assessments is 20.7%. With this influx of funding, County departments have proposed measures to meet the ever-increasing demand for services of our expanding population base. Highlights of the proposed budget are outlined in this message.

However, eleven months after experiencing the most turbulent hurricane season in Lake County history, we are still not assured of our reimbursement level from the Federal Emergency Management Agency (FEMA). At this writing, we have received \$6.2 million of our \$20 million request. Consequently, we have been somewhat conservative in dispersing the additional General Fund dollars, in favor of ensuring adequate reserves to cover potential reimbursement gaps and to adequately prepare for emergencies in Fiscal Years 2005 and 2006.

I Budget Summary

The proposed FY 2006 budget is based on an overall millage decrease of .02 mills. There are two components to the net reduction.

At the direction of the Board to continue to reduce the millage supporting the Landfill Enterprise Fund, the FY 2006 budget proposes a millage decrease of .05 of the portion of General Fund millage dedicated to that fund. This millage reduction is partially offset by a .03 mill increase which reflects approximately ten percent of the voter-approved millage to acquire and develop environmentally sensitive lands. This .03 mills will support the administrative and maintenance activities of the environmental lands program.

The voter-approved millage for debt service to acquire environmentally sensitive lands is proposed at .1000 mills. The proposed .1000 mills allows for \$10,000,000 in bonds to be issued approximately midway through the year. Stormwater and Ambulance (EMS) millages are held constant.

The following chart details the proposed millages in the FY 2006 budget.

	FY 2005 <u>Adopted</u>	FY 2006 <u>Proposed</u>
Countywide	5.8170	5.7970
Stormwater	.5000	.5000
Ambulance (EMS)	.5289	.5289
Voter-approved Environmentally Sensitive Lands	N/A	.1000

All fees for Fire and Rescue services and for solid waste collection and disposal services remain constant and represent \$137 and \$174, respectively, per single family home.

Comparisons for the current and proposed budgets are as follows:

	FY 2005 <u>Amended</u>	FY 2006 <u>Proposed</u>
General Fund	\$117,829,159	\$133,083,125
Transportation Trust	18,591,456	19,782,954
Landfill Enterprise Fund	35,241,310	31,892,457
County Fire/Rescue Fund	18,903,610	19,305,216
Stormwater Fund	8,066,393	10,679,108
Infrastructure Sales Tax Fund	11,660,206	10,412,000
Road Impact Fee Funds	41,731,283	24,547,675
All Other Funds	<u>120,156,296</u>	<u>109,367,111</u>
Total Budget:	\$372,179,713	\$359,069,646

The proposed FY 2006 budget will be revised in September to include carry forward dollars and projects.

II Reserves

Reserve accounts in the FY 2006 budget have been increased to a level that honors the Board's policy of retaining a ten percent reserve level for economic stabilization in the General Fund. Other General Fund reserves include reserves for operations and reserves for contingency. General Fund undesignated reserves total \$15,338,173 and equate to 11.5% of expenditures. Reserves for other operating funds are budgeted at various levels and offer adequate stability to those funds. A summary of reserves is included on page 6 of this document.

III Personnel Enhancements

Recognizing the importance to amass critical resources to respond to the growing demands of an expanding population, the FY 2006 budget provides funding for forty-one (41) new positions as well as for two (2) approved, yet currently unfunded positions in the Solid Waste Division, and the conversion of three limited-term GIS positions to permanent status. The Fire and Rescue Division of the Public Safety Department accounts for twenty-four (24) of the new positions. The opening of two new fire stations in the Paisley area and Lake Jem area will require eighteen (18) firefighters to staff all shifts. The Paisley area fire station is expected to open at the beginning of the fiscal year, and the Lake Jem area station will follow at mid-year. Six new firefighters will be hired as department-wide "floaters." This concept enables trained firefighters to be readily available to cover leave time for regularly assigned firefighters. The efficiency of using straight-time pay instead of overtime pay is a financial benefit to the citizens as well as to the Fire and Rescue program.

At the request of several municipalities and at the direction of the Board, Animal Services will be staffed to enable service delivery countywide. Three new officers, a technician, and a dispatcher will ensure that consistency of service is available throughout Lake County.

In FY 2005, the Board approved the purchase of a 30,000 square foot warehouse facility to lessen our reliance on leased storage space and to lend efficiencies to our storage and retrieval needs. The FY 2006 budget provides funding for three positions to manage the operation of the facility, two of which will begin at mid-year.

The internal support offered to the operating departments plays an integral role in the efficient delivery of services. With department activity at an all time high, four positions have been added to the support offices of Budget, Employee Services, Information Technology, and Procurement. Other personnel enhancements will augment Community Services in the areas of Probation and Elder Affairs. Fiscal Year 2006 also represents the final year of converting all employees reporting to the County Manager to a forty-hour work week.

Even with these new positions, increases in personnel count lags increases in population for the past five years.

Personnel enhancements are detailed on pages 32 to 36 of this document.

IV Budget Highlights

Numerous accomplishments in FY 2005 and enhancements for FY 2006 are worthy of note.

- Sheriff's Office

Supported by the General Fund, the Sheriff's Office budget includes thirty-two (32) new positions to enhance direct law enforcement operations, safety and efficiencies at the county's correctional institution, and security at our Judicial Center and public schools. The County is currently working with the School Board on a two-year process to work towards an equitable funding split for school resource officers.

- Fire and Rescue

The design and construction of two new fire stations to be located in the Lake Jem and Minneola/Montverde area will be completed in the first half of FY 2006.

The proposed FY 2006 budget also includes funding for the design and construction of two additional stations to be located in the Paisley/Lake Kathryn and SR 19/US Highway 27 areas and the renovations of two additional stations in the Mount Dora and Bassville Park areas.

- Animal Services

Several new staff positions were added in FY 2005 giving us the ability to extend hours of operation and enhance customer service. By extending the hours, we have increased the number of adoptions and have given owners more time to reclaim their missing animals.

New computers as well as new software will enable Animal Services officers to have laptop computers in their vehicles, giving them the ability to look up previous calls in problem areas and thus operate more efficiently in the field.

Animal Services will be positioned to begin providing service for additional cities within the County. Five new positions will be hired to accommodate the new workload and enhance service delivery.

- Probation Division

The addition of a probation officer will provide a higher level of supervision to cases involving domestic violence, mental health, and multiple DUI offenses. Probation Officers are typically assigned caseloads numbering 170 to 200.

- Communication Services

Communication Services has implemented Phase 2 Wireless E9-1-1 for all six wireless carriers within the County. This allows the emergency call takers to receive both a call-back telephone number and latitude/longitude of the caller's location in most cases when 9-1-1 is dialed.

In conjunction with Comcast and the City of Leesburg, staff has begun implementation of the new Government Access Channel 22 on Comcast that will serve all fourteen (14) municipalities and county government offices.

Staff is working with the Deaf and Hearing Center in Leesburg on a countywide testing program. This will assist in the training of E9-1-1 call takers and help ensure accessibility of the E9-1-1 system to our hearing and speech-impaired citizens.

A Reverse 9-1-1 system will provide Lake County Emergency Management with an "Emergency Notification System" that will allow us to reach citizens with a recorded message before, during, and after emergency events.

In compliance with the new FCC requirements, we will fully integrate Voice Over Internet Protocol (VoIP) or Broadband Telephone equipment into the Lake County E9-1-1 network to ensure E9-1-1 service to citizens who use this alternative phone service.

- Transportation

Projects range from widening travel lanes, paving roadway shoulders, and constructing turn lanes to four-lane expansions and stormwater improvements and curbs and gutters. Examples include the widening of CR 46A and CR 439 in east Lake County and CR 48 in the Yalaha area and reconstruction of Lakeshore Drive in the Tavares/Mount Dora area.

New construction of a collector roadway from US-27 to the Libby Road area will include an eight-foot wide multi-use path along one side of the roadway.

The County continues its efforts to pave clay roads, offsetting a portion of the ongoing maintenance costs of grading clay roads. Currently underway or nearing start-up are Keene Road and County Line Road in Umatilla and Dwight's Road in southern Lake County.

The four-mile Phase II construction of the South Lake Trail/Lake Minneola Trail will connect North Hancock Road to the West Orange County Trail at the Orange County Line.

- Growth Management

Our efforts in Growth Management this coming year will focus on adoption and implementation of the new Comprehensive Plan, "Planning Horizon 2025." As the year progresses, we will begin the process of translating policies in the new Plan into implementing ordinances as we develop the Land Development Regulations.

By the first of October, GIS will have completed the base parcel layer for the entire County and its municipalities. With its completion, we will expand our efforts to broaden the impact of GIS on County operations. We will work cooperatively with the Sheriff's Office to provide an enhanced level of crime analysis. Increased use of the system in Public Works and several other departments, and the ability to analyze information and depict it graphically to our citizens will provide new insights into the future.

The public lands acquisition program approved by the voters last year will also come of age with the approval and hiring of a program manager and the much-anticipated beginning of the nomination and selection process for environmentally-sensitive lands for county acquisition.

- Environmental Services

With the funding of the two currently unfunded Solid Waste positions, the full complement of staff will be restored to its 2003 level. The restoration of these customer service positions will allow the department to continue to meet the needs of the County's growing population with quality and efficiency.

Water Resources Management Division implemented cost-sharing agreements with the Lake County Water Authority in support of the Lake County Water Resource Atlas which is now hosted by the University of South Florida. Water Resources Management is working closely with the St. Johns River Water Management District and U.S. Geological Survey to provide springs data to support protection measures for Lake County springs. New laboratory equipment will enhance Water Resources' capability to provide increased laboratory services for water quality analysis and will improve efficiency in meeting the State's regulatory requirements to landfill monitoring and reporting.

The FY 2006 budget includes funding to secure a permit for the total usable capacity of the County's landfill property. Full funding for the initial cell construction is also earmarked. The disposal capacity of the proposed Phase III landfill will allow the County to fulfill the criteria of the Solid Waste Element of the forthcoming Comprehensive Plan.

- Facilities Development and Management

The proposed budget includes \$350,000 for renovations to the vacant Tavares Health Clinic building for possible use by County operations.

We are making steady progress towards the realization of a South Tavares Government Complex as well as expansion of the Judicial Center and jail. Four million dollars is budgeted for initial architectural and engineering fees. As the need arises for additional funding, we will look at possible debt financing using our state-shared sales tax revenues as a pledge.

- Jobs Growth Incentive Program

This successful program includes an additional \$50,000 in potential awards for FY 2006, bringing the Jobs Growth Incentive Program to \$250,000.

The Jobs Growth Incentive Program has assisted fifty (50) companies since its inception in 1995. The total award from the program of \$3,256,175 has resulted in the creation of 1,443 positions paying 115 percent above Lake County's annual average wage. The capital investment made by these companies to date has been \$102,637,000.

- Elder Affairs

The addition of an Elder Affairs Director will enable the County to provide staff support to the Elder Affairs Advisory Council. This Council serves as a "focus group" for the education of the public on needs of the

elderly. The Council also enables agencies that serve the elderly in Lake County to work together to minimize gaps in service.

- Citizens Commission for Children

The additional funding of \$25,000 in FY 2006 will enable the County to fund several additional agencies that provide service to children and families through the Citizens Commission for Children grant program. The total grants program is budgeted at \$222,944.

- Information Technology

Lake County is committed to delivering e-government capabilities by expanding on-line services and by making useful information available to the cities and the citizens via the Internet.

Resources and tools included in the FY 2006 budget for this purpose include:

- > Upgrade in our connection to the “information super highway” to improve the speed at which information is delivered, and to provide “alternate roads” to the Internet that will mitigate against service outages;
- > Standardized software versions to ensure compatibility throughout the County;
- > Conversion of paper forms and files to electronic format; and
- > Electronic routing of incoming requests to appropriate staff along with electronic monitoring of the request as it passes through the work flow process providing feedback/status to supervisors and citizens.

- Employee Services

Lake County’s dedicated work force performs tasks necessary to ensure that our citizens receive essential government services. It is critical that the County offer employees a fair and equitable compensation and benefits package. The FY 2006 budget includes \$75,000 to fund a pay and classification study to ensure both internal and external position equity. Additionally, this study will provide the Office of Employee Services an ongoing mechanism by which to properly evaluate newly created positions or existing positions which may require reclassification due to a significant change in job responsibilities.

- Mental Health

Funding for LifeStream Behavioral Center of \$150,000 is included as part of a three-year program to provide partial funding to accomplish construction of a Geriatric Residential Facility at a permanent site. Additionally, full funding for their request of \$1,183,721 for mental health programs is included which represents an increase of \$733,721 for mental health programs over the last three years.

V Conclusion

It is an exciting time to be a part of Lake County. Government services more than ever are contributing to the quality of life of our citizens.

However, while we can be very proud of the progress we have made, it is important to note that we are far from solving all the issues. For example, our facility expansion program, while underway, will not solve the immediate space needs of our government. In the short run, we must continue to seek temporary solutions for our expanding services. We have a stable source of revenue in the voter-approved infrastructure sales tax to address facility and transportation needs. Yet, needs surpass the revenue and we must continue to make difficult prioritization decisions related to transportation, such as paving dirt roads, park development programs and library expansions.

In spite of these and other ongoing challenges, I can assure you that our highly qualified and dedicated staff will work in concert with the Board to develop and implement viable solutions to these challenges in the coming years. It is a great privilege to serve the Board and the citizens as we strive to continually improve the quality of life for residents, businesses, and visitors in Lake County.

Respectfully,

Cindy Hall
County Manager