

2009 = Copied from 2009 report

new = Added this year

All anotations by the Observer

**ANNUAL REPORT
OF THE
COUNTY MANAGER
2010**

- **The Annual Report is required under Section 3.3 (2) of the Home Rule Charter for Columbia County.**

2009 RECOMMENDATIONS UPDATE

- The Board of County Commissioners should have a planning/strategy meeting prior to the FY 2009-2010 budget process. This will provide an opportunity for the Board to discuss current issues and concerns and give insight to county staff. **2009**
- As recommended, the Board of County Commissioners held a planning/strategy meeting prior to the FY 2009-2010 budget process. This meeting was held on Wednesday, July 22, 2009. **new**
- The Board of County Commissioners should begin to develop ideas on how to best reduce expenditures for FY 2009-2010 should such reductions become necessary. As a "tool" to assist the Board of County Commissioners in this process, a modified copy of the FY 2008-2009 budget with expenditures not required in total or in part by the constitution, legislative statute or Columbia County Home Rule Charter identified in red is provided. **2009**
- FY 2009-2010 expenditures were reduced \$2,250,000 from FY 2008-2009. Reductions were made in the following areas: **new**
 1. Non-Departmental
 2. Facilities Management
 3. Santa Fe Soil and Water Conservation District
 4. Resource Conservation and Development
 5. Veterans Services
 6. Another Way
 7. Suwannee Valley 4C's
 8. Experience Works
 9. Happy House
 10. Community Concerts
 11. Recreation
 12. Transportation Trust (Public Works)
 13. Building and Zoning
 14. Community Recreation Center Grants
 15. Office of Regional Conflict Counsel
 16. Library Enhancement

new

There is no way to tell the amount of reductions in each area.

Competent fiscal magagement would establish detailed line items for each item.

- **The following actions are recommended to assist local businesses during the current economic downturn:** 2009
 - 1.) review county purchasing policies to ensure that "fair and reasonable" standards exist to maximize the purchase of goods and services through local vendors. 2009
 - 2.) issue new "Request For Proposals" for all contracts currently held by out of county vendors. These contracts include current engineering contracts for landfill consulting services and the Ellisville Utility project. Given the market change of the past year, it is believed that the worst the county could do is negotiate a lower fee schedule. 2009
- By directive, the purchase of goods and services through local vendors have been maximized. "Request For Proposals" for all current non local engineering contracts were not issued. This was primarily due to the contracts being project specific (i.e. Ellisville Water Utility). new
- The county has not identified a specific revenue to address administrative space needs. This is primarily due to the anticipated \$2.5 - \$3 Million price tag. 2009

Currently, the county provides leased space for the Supervisor of Elections, Court Administration and the Office of Conflict Counsel. In addition, space is needed at the Communications Center to accommodate expected growth. This can be accomplished by relocating the offices of the Tourist Development Council. 2009

The Supervisor of Elections and the Office of Conflict Counsel lease space from the WSMDD Land Trust (former site of Lake City Medical Center). The lease for the Supervisor of Elections portion has expired and is currently on a month to month. Court Administration leases space in the Bank of America building. This lease will expire on September 30, 2009. The Office of Conflict Counsel lease status is uncertain pending court challenges. 2009

As it is currently not cost effective to build a new administration building and vacate the Courthouse Annex to accommodate court needs, the following plan of action is recommended. 2009

- 1.) Negotiate a new lease for space sufficient to accommodate the needs of the office of the Supervisor of Elections. In addition, include space sufficient to accommodate the office of the Board of County Commissioners, the Finance Department of the Clerk of Court, the county's Department of Safety and the offices of the Tourist Development Council. 2009

2.) The space vacated in the Courthouse Annex will be occupied by Court Administration. The space vacated by the Tourist Development Council will be occupied by the Office of the Sheriff. 2009

- No revenue source was identified in FY 09-10 to address administrative space needs. The Supervisor of Elections lease was renewed (former Lake City Medical Center site). Existing space was renovated to maximize use. The Court Administrators office lease (former Bank of America building) was not renewed. The offices were moved to leased space in Live Oak, Florida. The Office of Conflict Counsel was not funded in FY 09-10 due to a state Supreme Court ruling that found the funding mechanism of the office to be unconstitutional. Due to budget constraints, no additional administrative space was negotiated. new
- Arguably, the Columbia County Industrial Development Authority has been the most successful Industrial Development Agency in the State of Florida over the past several years. Due to the downturn in the economy, many governments are curtailing economic development activities. 2009

The Columbia County Industrial Development Authority is currently working on no less than three (3) industrial projects. In addition, the IDA is involved in developing the RACEC (Rural Area of Critical Economic Concern) site, has issued a Request For Proposals to develop a marketing strategy for Columbia County and maintains the need to service existing industrial clients. 2009

Based on the above, not only should the county not curtail industrial development activities but it should seriously consider enhancing them. This would be achieved by creating an Economic Development Department under the Board of County Commissioners and staffing it with full time personnel. 2009

Two areas of concern arise from this recommendation. One, we do not want to destroy the chemistry that we now have that has been very successful and two, the Industrial Development Authority and Chamber of Commerce currently have an agreement sharing expenses. It is important that the 2009 impact on the Chamber of Commerce be determined prior to a final decision.

It is recommended that the Board of County Commissioners meet with Chamber official to determine any negative impacts prior to considering the creation of a full time Economic Development Department within Columbia County. 2009

- The county discussed the then current organization of the Industrial Development Authority. The final outcome was to dissolve the partnership between the Industrial Development Authority and the Chamber of Commerce. After much discussion, a decision was made to have Industrial

Development Authority staff answer directly to the Authority in lieu of the Board of County Commissioners and/or the County Manager. **new**

- Limited action has been taken to date regarding replacement of key personnel and Department Head succession. This has been discussed by the Board on two different occasions. It is recommended that this topic be **2009** placed on the agenda for discussion during the planning/strategy meeting.
- A county wide plan for key personnel and Department Head succession was not completed. However, succession plans were made in the two most critical areas, Building and Zoning and Landfill. In addition, Public Works was reorganized to prepare for the loss of long term key employees and to provide for employee training. **new**
- The county should proceed with the completion of the Fort White Branch Library. The project was placed on hold pending receipt of Library Construction Services Grant funding (\$500,000). While highly ranked (third statewide), state funding cuts have eliminated this project the past two (2) years. While the Columbia County Public Library system will almost assuredly experience budget cuts in the upcoming year, a new library facility in Fort White could possibly reduce library operating expenses. The current building is not energy efficient and requires high maintenance costs. **2009**
- The Board of County Commissioners voted to proceed with the completion of the Fort White Branch Library. The project is 100% locally funded. Bids have been awarded and the project is currently under construction. **new**



FY 2008-2009 FINANCIAL REVIEW

This appears to be 2007-08

- The audit for the period ending September 30, 2009 is not complete at this time.
- No major findings are expected in the audit and it is forecasted expenditures for the period will be within budget. Also, it is expected that total county indebtedness will increase as will the county's ending reserve balance. The increase in the ending reserve balance is primarily due to the fact that the County closed loans necessary to reimburse reserve expenditures for industrial projects.



FY 2009-2010 FINANCIAL REVIEW

new

- FY 2009-2010 began with \$2,246,957 less revenue than the previous year. No new taxes were adopted.

- Major reductions in expenditures were required (see 2009 Annual Report Recommendations Update). While significant, the county is expected to end the year within the approved expenditures budget.

FY 2010-2011 BUDGET ISSUES new

- The estimated revenue reductions for FY 2010-2011 is \$2,000,000 - \$2,500,000. The reduction is primarily due to the economic downturn.
- If revenue reduction estimates are met this year, the total revenue reduction over a four (4) year period will be approximately \$8,000,000. Based on the FY 07-08 operating budget, this is a 12% reduction in revenue over the four (4) year period.
- County reserves are a concern.  Revenue reductions have limited the county in its ability to "replace" spent reserves. While the county has been vigilant in its policies prohibiting the use of reserves (non reoccurring funds) to fund reoccurring expenses, capital projects are being completed as programmed. Capital project funds are a component of the reserves. They are listed as restricted (earmarked) funds.
- The county is expecting a decline in property tax revenue. This is due to the adjustment of taxable value due to declining market rates. The estimated loss of revenue from declining property tax values is \$1,000,000.
- Employee health insurance is projected to increase 20%. This projected increase is based on increased utilization, changes in state law and changes in federal law. A 20% increase in employee health insurance equates to an approximate increase of \$320,000 annually.
- The State of Florida has passed an increase in contributions to the Florida Retirement System. The increase, on average equates to 10% for employees in the regular retirement class (the percentage is higher for other retirement classes.) The estimated increase is \$335,000 annually.
- The State of Florida Department of Juvenile Justice is in the process of promulgating new rules pertaining to the payment for juvenile justice expenditures. As a fiscally constrained county, Columbia County is currently exempt from paying  for these services. The value of this exemption is \$436,338 annually. New rules could potentially require the county to pay a portion of the cost for this service.
- The cost to merge fire and EMS personnel is estimated to be \$150,000 to \$200,000 annually. This is an annually reoccurring expense. Non-advalorem assessment revenue is not expected to increase and the Board has indicated

that an increase in the assessment rate is not feasible. If the merger proceeds to this level, additional revenue will have to be allocated. This will require expenditure reductions in other areas.



- Columbia County's 24/7 operations (fire, EMS, 9-1-1) will require an estimated \$250,000 in annual overtime. This is due to a maturing staff (employees have enough longevity to earn full leave benefits).

Real statistical analysis should have pointed this out last year.

- The county has received notice that state furnished inmate work squads will be reduced by two (2) squads. Columbia County is greatly dependent on these squads (a total of three (3) is currently assigned) to perform required maintenance activities for both the Public Works and Landscape and Parks Departments. The estimated value of one 8 man work squad excluding supervision and equipment is a minimum of \$130,000 annually.

- It is expected that Columbia County will spend \$3,000,000 to acquire the necessary right-of-way to complete the Bascom Norris Connector Road Project. This expense has not been budgeted. The construction expenses have been budgeted.

- Final connection requirements and final rates have not yet been adopted for the Ellisville Utility Project. Based upon the preliminary work of the Columbia County Utility Committee, this fund will require a subsidy. Preliminary estimates are \$120,000 annually.


- Telephonic communication expenses are expected to increase this year. This is due to usage and increases approved by the Florida Public Service Commission. The estimated increase is \$50,000 annually.

- Four (4) new administrative positions are requested for consideration. The four (4) positions would be as follows:

1.) a position that would be responsible for coordinating all radio/tower repairs and installations. The position would serve the office of the Sheriff, Fire, EMS, Emergency Management and Public Works. The goal would be to standardize radios and towers countywide.

2.) a position that would be responsible for providing construction superintendence on all external building projects. This supervision is currently provided through Facilities Management. The position would last until projects completion.

3.) a position that would be responsible for assisting with general administrative responsibilities including, but not limited to utilities, grants, special projects and other duties as assigned.

- 4.)  a position that would be responsible for all compliance issues pertaining to the Board including, but not limited to meeting notices and advertisements, public record request compliance and the implementation of electronic record keeping.

Two (2) of these positions will be paid from the reallocation of existing revenues; therefore, no budgetary impact. The additional two (2) positions will be paid from existing revenue sources; however, these positions will require reductions in department line items for funding.

Total estimated cost has not yet been determined.

This should have been calculated by now.



- Columbia County does not have an identified revenue source for road improvement projects. It is not likely that any fund balance can/will be appropriated for road projects during FY 2010 - 2011. Staff advises that roads in need of resurfacing have become an issue.
- The Columbia County Building and Zoning Department is generating approximately one-half the revenue needed to fund the Department. Significant reductions were made in this Department during FY 2009 - 2010. This Department has a minimum staffing requirement.

2010 LEGISLATIVE REPORT

- Solid Waste Grant funding was reduced.
- State Aid to Libraries Grant funded
- Small County Road Assistance Program (SCRAP) funded at a reduced level (\$25M to \$10M)
- Authorized RACEC catalyst sites to become Enterprise Zones upon request of the host county.
- Mandated new training, certification, testing and hiring requirements for E-911 Dispatchers effective October 1, 2012.
- Increased employer contributions to the Florida Retirement System.

RECOMMENDATIONS

Approve the installation of internet based (VOip) phones. Assuming the county pays for the equipment in advance, immediate monthly reductions in phone costs are realized. In addition, the aging county phone system is replaced.

Do not accept the ARRA grant for the new Eastside Fire Department. The grant is for approximately \$630,000. The total project is estimated at \$1.1 million and will require compliance with LEED (Leadership in Energy and Environmental Design) standards. If constructed to LEED standards, the building will require annual certifications to verify continued compliance. Construct the new Eastside Fire Department using the same basic floor plan as Deep Creek, Suwannee Valley / Winfield, Columbia City and Ellisville departments. The project will be paid from the county portion of the original project.


No later than July 1, 2011 the Board of County Commissioners shall appoint a Charter Review Commission to review the Columbia County Charter. The Charter Review Commission has one year to present its recommendations to the Board of County Commissioners. The recommendations will be scheduled for referendum in the 2012 general election. The Board of County Commissioners should begin to consider how it intends to appoint Charter Review Commission members and issues that the Board of County Commissioners desires to present to the Charter Review Commission in its own behalf.

Florida Department of Environmental certification of the Winfield Solid Waste Facility Class III expansion is in progress. Based on capacity, it is time to authorize permitting for an expansion to the Class I facility. The estimated engineering / permitting cost is \$550,000. This expense will be paid from the Winfield Solid Waste Facility reserve.

The bid for solid waste collection (residential and commercial) expires September 30, 2011. The Board of County Commissioners has the option to rebid the contract or renew the contract for an additional five years. The Board of County Commissioners should decide which option it wishes to choose by March, 2011. This will allow time to prepare and bid the service if necessary.

Due to the construction of a new Class I cell at Winfield, the bid or extension of the solid waste collection agreement and the amount of time elapsed since the solid waste non advalorem assessment has been reviewed, it is advised to approve a non advalorem rate study to be completed prior to establishing maximum non advalorem assessment rates for the 2011 tax bill. It is also advised to include the fire assessment.

→ Columbia County should schedule a workshop to review county wide fire coverage areas, ISO ratings, ISO changes and changes to the delivery of service, if any.

 Columbia County should purchase (GSA contract) a document management system (electronic record storage). It is estimated that such a system could be purchased for approximately \$95,000. This estimate includes all necessary equipment and software for digital and paper records management. Individual scanners (for each department) have not been included. After the first year, annual maintenance would be \$6,800. The price includes training. Temporary personnel would be hired to scan and store existing records.

As requested by the Board of County Commissioners, an asbestos/lead paint survey has been performed on the Montgomery Building. It is recommended that the Board develop a plan to upgrade and utilize the property.

The Board of County Commissioners should schedule a strategic planning workshop. The workshop should include a review of last years' plan, amendments, if any and additions. It is also recommended that a portion of the strategic planning workshop include Constitutional Officers.

It is recommended that the Board of County Commissioners meet with the Industrial Development Authority to discuss the tax abatement referendum scheduled for November, 2010. ← Prior tax abatement/economic subsidies are currently in review for compliance.