

TO: BOARD OF COUNTY COMMISSIONERS

FROM: STOCKTON WHITTEN, INTERIM COUNTY MANAGER

SUBJ: FISCAL YEAR 2009-2010 ADOPTED OPERATING AND CAPITAL BUDGET

DATE: December 29, 2009

I am pleased to present to you the adopted Operating and Capital Budget for Fiscal Year 2009 - 2010, which begins October 1, 2009 and concludes September 30, 2010. The adopted budget represents a reduction of over 9.27% over the Fiscal Year 2008-2009 final budget. The budget proposal provides, on average, a tax decrease on the Board of County Commissioners' tax bill to the citizens of Brevard County. This decrease is a result of the reduction in the assessed property valuation for the average Brevard home and maintaining the prior year aggregate operating tax rate.

### **Budget Priorities**

The Fiscal Year 2009-2010 budget is critically impacted by the downturn in the economy and a decline in Brevard County property values not seen since the ending of the Apollo program. The reality of these two facts, in conjunction with the Board of County Commissioners' resolution to maintain the Fiscal Year 2008 – 2009 aggregate operating tax rate in lieu of a rolled forward tax rate, means that Brevard County Government can no longer maintain the service level previously provided to our citizens and visitors for County programs and services.

The Adopted Operating and Capital Budget totals \$1,093,543,028, which represents a 9.27% decrease from the FY 2008-2009 Final Operating and Capital Budget. From a taxation perspective, there will be no increase in the Aggregate Operating Millage (more commonly known as the property tax rate) from FY 2008-2009. The rate remains at 5.4720, 13.68% below the aggregate rolled back/forward rate. The rolled back/roll forward rate is that rate which would have generated the same total amount of tax revenues as the prior year.

While this budget reflects program and service level reductions, it does attempt, where possible, to sustain the quality and variety of services that Brevardians have become accustomed to and that should be the hallmark of Brevard County Government.

Despite the overall decrease, a major goal of the budget is to implement the Board's strategic priorities and initiatives developed during workshops earlier this year. Those priorities and initiatives are as follows:

**Strategic Priorities**

- Economic Development
- Infrastructure
- Public Safety
- Social Services

**Strategic Initiatives**

- Service Delivery
- Fiscal Stewardship
- Workforce Development
- Citizen Engagement

This Adopted Budget incorporates a number of cost control initiatives and budget balancing assumptions:

- Approximately 192 positions have been eliminated since fiscal year 2007-2008
- Virtually all vacant positions have been eliminated
- The Transportation Engineering and Road and Bridge Departments have been merged to create the Public Works Department
- The Planning and Zoning Office was consolidated with the Permitting and Enforcement Department to form the Planning and Development Department
- No cost of living adjustments, merit or step plan salary increases are included for any Board employees
- Significant cost shifts are taking place within employee health insurance and other benefit program (this is explained in more detail later in the message)
- Revenues anticipated from the sale of the West Melbourne Health and Rehabilitation Center is included to assist in balancing the budget
- A portion of the insurance (STIPP) reserves have been utilized for operational expenditures
- Funding for the First Responder program, which provides funding to local fire departments to assist them in providing paramedic level emergency care for 911 calls for service, has been reduced
- Total operating hours throughout the Library System are being reduced
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**Mandates**

Brevard County, and all other Florida counties and cities, continues to be required to provide services and/or programs, per state and federal requirements, without receiving appropriate levels of funding. These unfunded mandates continue to have a significant impact on the County's budget. The following mandates impact the County's budget annually by approximately \$19 million.

## Adopted FY 2009-2010 Budget Message

• Courts	\$7,541,428
• Medicaid	\$3,968,109
• Pre-trial Detention of Juveniles	\$2,635,277
• Baker Act	\$1,748,507
• Medical Examiner	\$1,642,574
• Comprehensive Plan	\$1,135,849
• Health Care Act	\$200,000
• East Central Florida Regional Planning Council	\$114,000
• Child Protection Team	\$86,000
• Indigent Burials	\$80,000
• Hospitalization of Arrestees	\$50,000

### Taxes and Millage Rates

For the second consecutive year countywide property valuations for existing property have decreased. In 2009 the gross taxable property valuation is \$33.5 billion which represents an 11.69% (\$4.4 billion) decrease from 2008 and a cumulative reduction of \$7.2 billion (17.7%) since 2007. As opposed to the 2008 property taxable valuation decrease, which was primarily affected by the adoption of Amendment One (which provided an additional \$25,000 of homestead exemption and the “Save Our Homes” portability), the 2009 reduction is mostly reflective of the economy, in general, and, more specifically, the declining real estate market. In addition, new construction values, which are additive to the ad valorem tax revenue are at the lowest level in 10 years.

This budget provides the taxpayers of Brevard County with a decrease in taxes levied by the Brevard County Board of County Commissioners. On average, property owners in unincorporated Brevard County will receive a \$7 decrease on the ad valorem portion of the tax bill determined by the Board of County Commissioners. This year’s average decrease is not as significant as in 2008 because the impact of the additional \$25,000 homestead exemption had already been considered in the prior year. This average ad valorem tax is calculated on a single family residence with the 2009 median taxable value of \$154,000 with the additional \$50,000 in combined homestead exemptions. The taxable value is then multiplied by applicable millage rates. It should be noted that actual reductions to the tax bill will also depend heavily on the actions of other taxing authorities, such as municipalities and the School Board.

### Financial Conditions

The County’s General Fund Operating Reserve was reduced by 13.46% (approximately \$2 million) in FY2009-2010 when compared to the Final Budget of FY 2008-2009. That reduction is primarily attributable to \$1,800,000, in anticipation of a cash grant to be awarded to Embraer Aircraft Holding, now recognized as an element of Restricted Reserves. Embraer must satisfy certain “Capital Investment” and “Jobs” to be eligible for the grant. An adequate and stable reserve is necessary to address the cash flow needs of the County during the first couple of months of the fiscal years until tax proceeds and other funding are received; provide cash flow with may be need during unexpected catastrophes; and as a measure of the County’s credit worthiness for Credit Rating Agencies. The County’s General Government Unrestricted Operating Reserves total \$13,181,716 or 7.31% of the General Government Operating Revenues.

Effect of voted millages on the Aggregate Operating Millage

Including voter-approved property tax, the aggregate tax rate is 13.68% below the Rolled Back rate. As a result of the successful Fire Rescue referendum of 1998, the Parks and Recreation Referendum of 2000, and the Environmentally Endangered Lands Referendum of 2004, voted millages continue to be included in the Aggregate Operating Millage (AOM); these millages will total 1.0811 mils in FY 2009-2010, representing 19.76% of the AOM. This limits the Board of County Commissioners' discretion in setting the overall millage and in the allocation of funding. For 2009 the following voter-approved millages are being reduced: Environmentally Endangered Lands Referendum of 1991, North Brevard Special Recreation District, South Brevard Special Recreation District and Merritt Island Recreation MSTU. The millage for the Port St. John/Canaveral groves Recreation MSTU for FY 2009-2010 has been eliminated.

Other Major Issues

The cost of providing health care continues to escalate. From calendar year 2000, the annual cost of the County medical plan has increased from \$18.2 million to a projected \$53.4 million for calendar year, an incremental increase of nearly 200%. In that period, employee/retiree membership has grown from 3,707 to a projected 4,902. Included in those membership figures, are an increase of retiree membership from 553 to 911 (2009 projected). For 2010 the projected expense will increase an additional \$5.6 million with 52 more participants.

For FY 2009-2010, the County has adopted a number of approaches to mitigate rising medical costs and pharmacy costs, which are trending upward at 9.5% and 9%, respectively. Pharmacy cost savings should be achieved by implementing multi-phased cost containment strategies with our partner, reduced pricing as a result of a new proposal for Pharmacy Benefit Management Services and changes to pharmaceutical co-pay arrangements.

The primary cost savings, however, should be generated by introduction of a new health plan design in January, 2010 known as a Health Reimbursement Account (HRA) and plan changes to the Preferred Plan Organization (PPO). Higher deductibles, increased out of pocket maximums and higher service charges for plan members plus 16.5% retiree premium increases should cause a significant cost shift from the County to employees and retirees. To mitigate the employees' added expense, the HRA employs an Employer Contribution Strategy, in which the County contributes a fixed amount toward the employees' medical costs, with higher paid employees receiving lower contributions. In addition, the maximum Medical Flexible Spending contribution is being increased. The \$100 per month working spouse surcharge remains in effect.

Financial Composition

The County's FY 2009-2010 Adopted Operating and Capital Budget is a combined budget, representing the planned disposition of all available financial resources in all governmental and proprietary funds. This budget is also a balanced budget, in that all revenues and other receipts are equal to appropriations, and reflects the financial plan of the County to include the County's three types of operating fund groups: General Funds, Special Revenue Funds, and Proprietary Funds. The following briefly describes the services provided by these fund groups and the highlights included in the County's FY 2009-2010 Adopted Operating and Capital Budget:

## **General Funds**

**Services:** Services provided by General Funds include the Clerk of Courts Board Finance and Board Minutes sections, Sheriff's Office, Supervisor of Elections' Office, Tax Collector's Office, Property Appraiser's Office, Court Administrative Services, County Commissioners, County Attorney, County Manager, Legislative Affairs, Parks and Recreation, Agriculture and Extension Services, Animal Services and Enforcement, Family and Children Services, Veterans Services, Country Acres Parental Home, Medicaid, Code Enforcement, Site Plan and Subdivision Review, Planning and Zoning, Law Library, Natural Resources Management, Engineering and Traffic Engineering, Probation, Pretrial Diversion and Release, Dispute Resolution, Alternative Sentencing Services, Medical Examiner, Ocean Lifeguards, School Crossing Guards, and Emergency Management Services. The General Funds also support service functions that benefit all County agencies, Charter Offices, and Courts. These include Facilities Management and Construction, Personnel, Purchasing and Contracts Administration, Budget, and Property Control.

**Revenues:** The total revenues and other sources of funds in the County's FY 2009-2010 Adopted Operating and Capital Budget for the General Fund are \$260,187,522. This represents a \$33,051,794 decrease, or 11.27%, from the FY 2008-2009 Final Budget of \$293,239,316. This is primarily due to decreases in ad valorem and intergovernmental revenues and balances forward.

Property Taxes: The largest single source of revenues for the General Fund is the General Countywide property tax. This tax is levied on all properties within the incorporated and unincorporated areas of the County and is used to fund all or part of the services provided by the General Fund. The FY 2009-2010 Adopted Operating and Capital Budget establishes the General Countywide property tax rate at 3.7161 mills, which is a decrease of .09% from the current year adopted tax rate. Revenues generated from the General Countywide property taxes for FY 2009-2010 are projected at \$124,420,411, and include \$1,651,442 in revenues from new construction. The General Countywide property tax revenues are approximately 48% of total revenues collected by the General Fund.

Intergovernmental Revenues: Two major sources of Intergovernmental Revenues are: (1) funding received from the Local-Half Cent Sales Tax, and (2) the County's share of the State Revenue Sharing. Collections continue to be reduced due to the stagnation of the economy. For FY 2009-2010, the Local Half-Cent Sales Tax is budgeted at \$18,035,036, a \$2,268,725 decrease for the FY208-2009 budget, an 11.17% reduction. The County's share of the State Shared Revenue, which was budgeted at \$9,231,819 in FY 2008-2009 has been forecasted at \$8,879,246 for the current fiscal year, representing a \$352,573 decrease (3.82%).

### **Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Some of the significant revenue issues in the FY 2009-2010 Adopted Operating and Capital Budget for the Special Revenue Funds include the following:

**Services:** Services provided by Special Revenue Funds include Road Construction, Road and Bridge Maintenance Districts, Storm Water Improvements, Mosquito Control, Library Services, Fire Rescue Operations, Fire Rescue Dispatch Services, Fire Prevention, Emergency Medical Services, Law Enforcement's unincorporated area road patrol deputies, Tourism Development, and the Merritt Island Redevelopment Agency.

These activities are usually funded by a single major revenue source, receive little General Fund support, and are considered to be self-supporting agencies. The majority of the revenues are received from Gas Taxes, Municipal Service Taxing Units (MSTUs), Tourism Development Tax, Court Charges, or Special Assessments.

**Revenues:** The total revenues and other funding sources projected in the County's FY 2009-2010 Adopted Operating and Capital Budget for the Special Revenue Funds are \$403,647,705. This represents an approximate \$49 million decrease, or 10.82%, from the FY 2008-2009 Final Budget of \$452,608,225, attributable to property tax and intergovernmental revenue reductions.

**Taxes:** The largest single source of revenues for the Special Revenue Funds are property taxes associated with the Library District, Fire Control MSTU, the Law Enforcement MSTU, the Mosquito Control District Tax, Road and Bridge MSTU Districts #1 through #5, Local Option Gas Taxes, and the Tourism Development Tax. These revenues represent approximately \$73 million, or 39.5% of operating revenues collected by the Special Revenue Funds.

### **Proprietary Funds**

**Services:** Proprietary (Enterprise and Internal Service) Funds are used to budget for the Utility Services Department, Solid Waste Department, Transit Services, Golf Courses Operations, Employee Benefits Administration, Risk Management and Information Systems. The Titusville-Cocoa Airport Authority (TICO), the Melbourne-Tillman Water Control District (Special Dependent Districts of the County), and the Barefoot Bay Water and Sewer District are also a part of this category.

The service levels of these agencies are not significantly changed from the FY 2008-2009, although due to the economy, less tonnage is being brought to the landfills, repair and replacement projects are being deferred in Utility Services. However, ridership continues to increase on fixed bus routes.

**Revenues:** Total projected revenues and other funding for the Proprietary agencies are \$318,572,316 for FY 2009-2010. This represents a \$10,308,925 increase, or 3.34%, from the FY 2008-2009 Final Budget of \$308,264,391 due to \$10,425,000 in debt proceeds in the Solid Waste Department disposal program for expansion and closure projects. Net of the debt proceeds, the FY 2009-2010 revenues for the Proprietary agencies decrease less than 1% from the prior year.

The majority of the revenues collected by Proprietary agencies are charges for services, with additional revenue from other sources such as grants. Charges for Services and insurance premiums charged to County agencies represent approximately 83% of the Total Operating Revenues projected for these agencies and Federal and State grants comprise an additional 12%.

## **BUDGET BY AGENCY**

### **General Fund**

**Agriculture and Extension Services Office:** The Agriculture and Extension Services Office improves the quality of life through family and consumer educational programs; provides leadership to agriculture enterprises in natural resources management by promoting good management practices, water quality improvement, and environmental and conservation education. The funding for this Office for FY 2009-2010 is \$969,066, a decrease of \$164,572, or 14.52%. The decrease is due primarily to a \$147,984 reduction in the general funds transfer and the expiration of a Child Safety grant. These decreases are offset reductions in compensation and benefits, operating expenses and capital expenditures resulting from the elimination of an office assistant and a 4-H Agent.

**Animal Services and Enforcement Department:** Animal Services and Enforcement Department prevents the spread of animal-carried diseases to humans, and contains outbreaks of animal-to-human disease in wild or feral animal populations. The FY 2009-2010 Adopted Budget is \$3,777,141, a 4.40% decrease (\$166,668) essentially resulting from a reduction in general fund support, somewhat mitigated by an anticipated increase in collection of fines. Two vacant Florida Wildlife Commission Officer positions were eliminated.

**Board of County Commissioners (Combined Offices):** The Board of County Commissioners, as established by the County Charter, is elected by the citizens to serve as the policy making and legislative body for Brevard County, Florida. The combined FY 2009-2010 Adopted Operating budgets of the five Commission Offices and the common appropriations for all offices total \$1,450,047, a decrease from the previous year of 6.44%. The decrease is a result of a reduced transfer from the general fund and is reflected in decreases in compensation and benefits and operating expenses.

**Budget Office:** The Budget Office administers the fiscal management and budget development of the Board of County Commissioners. The FY 2009-2010 is \$613,647, a decrease of 10.34% from the prior fiscal year due primarily to a reduction in general funds support. As a result, compensation and benefits and operating expenses have been reduced due to the elimination of an administrative support position and the downgrading of a Budget Analyst position.

**Central Services Office:** The Central Services Office provides internal customers with purchasing, asset management and fleet services in a cost efficient and quality conscious manner. The FY 2009-2010 budget for this office is \$4,804,199 which represents a 19.6% decrease from the FY 2008-2009 budget. This is primarily due to reduced fuel costs which, in turn, reduced the charges to other departments and contracted external customers. In addition, no operating balance forward is being projected.

**County Attorney's Office:** The County Attorney acts as legal advisor to and representative of the Board of County Commissioners and those agencies under their jurisdiction. The FY 2009-2010 budget of \$1,284,878 for the Office represents a decrease of 3.70%, due to the reduction in the general fund transfer.

**County Manager's Office:** The County Manager provides organizational leadership to effectively and efficiently implement County Commission policies and directives, manage available resources to achieve missions and proposed outcomes, and facilitate visioning for enhancing and ensuring Brevard's quality of life. The FY 2009-2010 Adopted Operating and Capital Budget for the County Manager's Office is \$915,049, a 12.43% decrease from FY 2008-2009, primarily associated with the elimination of an Assistant County Manager position, and partially offset by adjustments for the new County Manager's employment contract requirements.

**Criminal Justice Services Department:** Criminal Justice Services protects the security, safety, and welfare of the citizens of Brevard County, while striving to reduce the jail population and divert violators and litigants from the court system by providing alternative sentencing options. The FY 2009-2010 Adopted Budget of \$9,044,296 represents an 8.82% reduction from the FY 2008-2009 budget. The primary cause of the decrease is a reduction in general fund support. In addition, operating balance forward is anticipated to decrease from the Driver's Education Safety fund and the Teen Court program and a reduction in collections of fines related to the Driver's Education Safety trust has been budgeted. Additionally, there is a reduction of five positions for the Criminal Justice Services program, and one for the Medical Examiner's Office.

**Economic and Financial Programs:** The programs and services of the Economic and Financial Programs Office have been absorbed by the Budget Office and the County Manager's Office and therefore the budget has been eliminated.

**Emergency Management Office:** The Emergency Management Office protects the public through an organized response to natural and manmade disasters. For FY 2009-2010, the Enhance 9-1-1 Administration Program has been transferred from the Information Technology Department to Emergency Management. Accordingly, for comparative purposes, the Enhanced 9-1-1 FY 2008-2009 budget has been added to the Emergency Management budget. The Office's total Adopted Budget for FY 2009-2010 is \$8,765,824 which represents a decrease of \$1,557,758 (15.09%) from the prior year. This decrease is attributable to reductions in capital balance forward, charges for services, grant revenue, fines and general fund support. The reductions also take into account the elimination of one full time position in the Enhanced 9-1-1 Program.

**Facilities Department:** The Facilities Department is responsible for constructing and maintaining quality County buildings. The FY 2009-2010 budget for this office is \$19,274,333, a decrease of \$6,320,738, or 24.70%, due to a reduction in capital balance forward as a result of the completion of capital projects in FY 2008-2009, a decrease in charges for services collected from the Clerk and the Tax Collector because of completed construction projects and reduced general fund support. The completed projects result in a decreased capital expenditures budget while compensation and benefits and operating expenses are also reduced. Budget reductions also included the loss of four positions.

**General Government Operations:** General Government Operations represents the collections of the general revenues of the County and the transfer of these revenues to the front-line service agencies or the expenditures of funds that are not within the responsibility of any specific agency and are therefore administered by the Budget Office. The FY 2009-2010 Adopted Budget of \$69,577,936 decreases 14.51%, or \$11,804,755 from the FY 2008-2009 Final Budget primarily due to a decrease in state and tax revenues and operating balance forward, partially offset by reductions in general fund transfers to projects. Expenditure reductions are primarily associated with decreases in non-departmental and internal audit expenses, decreases in transfers to general fund supported agencies and reduced compensation and benefits.

The General Fund Long-Term Debt payment decreases 4.88%, to \$8,848,224 primarily due to the continuation of commercial paper and bond debt being paid off and the elimination of restricted reserves.

**Housing and Human Services Department:** The Housing and Human Services Department contributes to Brevard County's quality of life by assisting citizens in meeting their health, social, and housing needs. The FY 2009-2010 Adopted Operating and Capital Budget of \$32,531,569 represent a decrease of 4.35% from the FY 2008-2009 Final Budget. This decrease is primarily due to a decrease in operating balance forward associated with the completion of the State Housing Initiative Projects and the end of the Hurricane Recovery Program and a reduction in general fund support offset by a projected increase in funding from stimulus grants. Offsetting expenditure reductions are projected in compensation and benefits, capital expenditures, transfers to the general fund and grants and aid. The compensation and benefits reduction is attributed to the elimination of five and one-half positions, including two Guardian Ad Litem positions, a Grant Writer and Planner and a part time County Acres Home staffer.

**Human Resources Office:** The Human Resources Office assists County agencies in selecting, training and retaining qualified employees, administers the County's insurance programs and makes provides risk management services. The FY 2009-2010 Budget of \$101,919,954 is a decrease of \$3,801,502 or 3.60% from the previous fiscal year primarily due to a decrease in charges for services tied to the reduction in employer insurance premiums. This is partially offset by an increase in restricted balance forward, attributable to a realignment of funds required with the establishment of a separate fund for the Short Term Income Protection Plan. To offset the lower revenues, restricted reserves are projected to be reduced by \$10,613,709, a result of an anticipated increase of claims expense that is expected to exceed the balance forward and revenues. Operating expenses are budgeted to increase by \$5,501,833 because of increases in claims expenses and service fees and there is an increase of transfers to the general fund. One full time position in the Personnel Technical Services Program has been eliminated.

**Law Library:** The Law Library provides and maintains legal research materials that assist in expediting matters before the courts, and provides legal research materials for the judges and officers of the county and circuit courts, attorneys, and the public. The FY 2009-2010 Adopted Budget of \$352,902 reflects a decrease of 7.88% from the previous fiscal year, primarily due to reductions in the general fund transfer and operating balance forward. The lower revenue results in a decrease in the purchase of media items.

**Natural Resources Management Office:** The Natural Resources Management Office protects the quality of life by developing resource-based management plans and administering environmental regulations. The Office's budget of \$17,368,294 for FY 2009-2010 is a decrease of \$7,639,655 (30.55%) from the previous fiscal year, due primarily to a decrease in intergovernmental grants associated with the completion of stormwater and emergency dune projects, capital balance forward due to the completion of capital improvements and General Revenue transfers. The completed projects and capital improvements are reflected in the projected reductions in operating expenses, capital expenditures and capital reserves. In addition, compensation and benefits are decreased because of the elimination of four full time positions.

**Parks and Recreation Department:** The Parks and Recreation Department contributes to the quality of life in Brevard County by providing leisure activities reflecting the interest and values of its citizens and visitors. The FY 2009-2010 Adopted Operating and Capital Budget of \$152,491,497 reflects a decrease of \$40,586,946 (21.02%) from the Final Budget of FY 2008-2009. Most of the decrease (\$23,961,440) is associated with reduced capital balance forward related to the completion of referendum projects in the prior fiscal year and for EELs land acquisition. The decrease in compensation and benefits reflects a decrease in 48 positions throughout the department. In addition, property tax revenue and general fund transfers are also projected to be lower. The majority of the expenditure reductions budgeted (capital expenditures and restricted reserves) are also associated with completed projects.

**Permitting and Enforcement Department:** The Planning and Zoning Office was consolidated with the Permitting Enforcement Department in FY 2008-2009 to form the Planning and Development Office.

**Planning and Development Department:** The Planning and Development Department was created through the consolidation of the Planning and Zoning Office and the Permitting and Enforcement Department in FY 2008-2009 to form the Planning and Development Office. The Department provides a full range of planning and development review services that meet statutory obligations and the needs of the community. It is comprised of the Planning & Zoning, Land Development, Building Code Compliance, Licensing Regulation & Enforcement, Code Enforcement and Impact Fee Programs & Budget programs.

## Adopted FY 2009-2010 Budget Message

The Adopted Budget for FY 2009-2010 of \$25,395,240 represents a 23.17% decrease from the combined FY 2008-2009 \$33,052,700 budgets for the former departments. The majority of the budget decrease is associated with the moratorium on Transportation Impact Fees adopted in March of 2009 and may be evidenced by significant reductions in permit revenue and capital balance forward. The continued decline in real estate development activity also contributes to the decline in fees revenue. The Transportation Impact Fee moratorium also reduces transfers to other departments and agencies which partially offsets the other revenue reductions. The moratorium is reflected in the reduction in capital reserves. Other expenditure reductions are projected in compensation and benefits, which include the elimination of a Code Administration Support Supervisor and a Zoning Manager, and operating expenses. Expenditure reductions are offset by an increase in grants and aid attributable to disbursements to the School Board and impact fee credits and reimbursements to the Viera Company for school site donations.

**Planning and Zoning Office:** The Planning and Zoning Office was consolidated with the Permitting and Enforcement Department in FY 2008-2009 to form the Planning and Development Office.

**Space Coast Government Television (SCGTV):** SCGTV serves the County and Brevard municipalities via a cable-access government channel, the internet and other media outlets. The FY 2009-2010 Budget of \$330,196 is a decrease of 15.12%, due to a reduction of the general funds transfer which is reflected in reduced compensation and benefits due to the elimination of a Production Specialist position.

**Transportation Engineering Department:** The Transportation Engineering Department was reorganized along with the Road and Bridge Department to form the Public Works Department.

**Transportation Planning Office:** The Transportation Planning Office is an independent agency that oversees, reviews and administers all policies and procedures applicable for Federal and State transportation funding. The FY 2009-2010 Adopted Budget of \$1,163,612 reflects a decrease from the prior year by 15.03% because of a reduction in the Mass Transit federal grant. Operating expenses are reduced by 22.83% as an offset.

**Valkaria Airport:** Valkaria Airport provides a recreational General Aviation Airport facility for use by the public. The Valkaria Airport's Adopted FY 2009-2010 Budget of \$418,734 represents a 66.51% decrease from FY 2008-2009 primarily due to a \$679,823 reduction in state and federal grants related to operational expansion which was essentially completed in the prior year. Accordingly, capital expenditures are projected to decrease by more than 99%.

## **Special Revenue**

**Fire Rescue Department:** The Fire Rescue Department safeguards properties through firefighting and educational fire programs, and supports the health and safety of citizens through engine and ambulance responses, hazardous material responses and beach lifeguards. The Adopted FY 2009-2010 Budget of \$76,258,724 reflects a decrease of \$2,744,778, or 3.47%, from the FY 2008-2009 Final Budget, primarily due to decreases in the general fund transfer, capital balance forward and intergovernmental revenue (FEMA reimbursement in the prior year), offset by an increase in operating balance forward. Expenditure reductions are forecasted for capital expenditures and capital reserves due to completed projects. Reductions also reflect the elimination of four positions in the Fire Operations program, including an Assistant Chief and Captain positions.

**Library Services Department:** The Library Services Department supports lifelong independent learning and is a center for community and cultural activities to enrich the quality of life of Brevard County citizens. The \$ 20,216,527 FY 2009-2010 Adopted Budget reflects an overall decrease of 20.26%, primarily due to reduced balances forward and property tax revenue. The revenue decrease is offset by the elimination of 48 positions (11 full-time and 37 part-time), 11 full time positions being reduced to part-time and 51 part-time positions having their hours decreased, reduction of various services and library hours operating expenses and library media purchases.

**Mosquito Control Department:** The Department protects the public health for the citizens of Brevard County by providing for effective and environmentally safe methods to control the mosquito population. The FY 2009-2010 Budget of \$9,465,292 reflects a decrease of 4.78% from the prior year primarily because of a projected 21.98% reduction in ad valorem taxes associated with the decline in county wide property valuations and a voluntary departmental tax decrease as a result of one time equipment purchases and multi-year projects completed in the prior fiscal year. In addition, expense savings in FY 2008-2009 resulting in increased balance forward funding allowing for a tax rate decrease which should have minimal impact on programs or services. Capital expenditures and compensation and benefits (overtime reductions and elimination of 5.5 full time equivalent positions) are budgeted to decrease.

**Public Works Department:** The Transportation Engineering and Road and Bridge Departments were reorganized and merged to form the Public Works Department. The Department plans and implements projects and services to create and maintain a comprehensive transportation system. It is comprised of the Road and Bridge, Transportation Construction Management, Engineering and Survey and Mapping programs. The Adopted Budget for FY 2009-2010 of \$160,784,518 represents a 13.20% decrease from the combined FY 2008-2009 budgets for the former departments.

The primary reason for the budget change is the \$21,263,224 decrease in capital balance forward (Transportation Construction Management) associated with capital projects being completed in FY 2008-2009. In addition, general fund transfers are decreased 25.12% (\$2,117,217). These reductions are mitigated by anticipated revenue from the State for Transportation Stimulus Projects (\$5,575,579). Capital expenditures, operating expenses and compensation and benefits are decreased from the prior fiscal year while capital and restricted reserves increase. The compensation and benefits reduction is attributed to the elimination of five full time positions.

**Road and Bridge Department:** The Transportation Engineering Department was reorganized along with the Road and Bridge Department to form the Public Works Department.

**Tourism Development Office:** The Tourism Development Office enhances the local economy by expanding visitor expenditures and creating jobs. The FY 2009-2010 Budget of \$24,126,202 reflects a 24.45% increase from the previous fiscal year, primarily due the State's portion of the South Reach Federal Shore Protection project and an increase in operating balance forward. There are related expenditure increases associated with promotions and advertising, development of the I-95 visitors' center and the Shore Protection project.

### **Proprietary**

**Information Technology Department:** The Department meets the information and communication needs of the Board of County Commissioners, Charter, and Court Officers. For FY 2009-2010 the E-9-1-1 program has been realigned under the Emergency Management Office and for comparative purposes, the programs budget has been removed from the FY 2008-2009 information. The FY 2009-2010 Operating and Capital Budget of \$8,447,745 represents a decrease of 2.44% from the previous year. The decrease is primarily associated with a decrease in charges for services and operating balance forward. The IT consolidation, which centralizes IT employees formerly in other departments and results in an increase in compensation and benefits, is offset by a decrease in operating equipment and efficiencies in maintenance practices.

**Solid Waste Management Department:** The Solid Waste Management Department protects public health by providing an efficient and environmentally sound Solid Waste Management system for the County's customers. The Department's Adopted Budget for FY 2009-2010 is \$115,982,254 which represents an increase of 7.39% over the prior year. The primary reason for the increase is anticipated bond proceeds of \$10,425,000 which is reflected in the capital expenditures increase associated with expansion and closure projects. Compensation and Benefits decreased 7.54% primarily due to the elimination of six positions.

**Transit Services Department:** The Transit Services Department provides quality transportation services that meet the mobility needs of the public and enhance the quality of life of the community. The FY 2009-2010 Adopted Budget of \$22,586,915 represents an increase of 32.90% over FY 2008-2009. The increase is associated with an increase in Federal funding for replacement capital and expenses related to the maintenance and upkeep of the bus fleet. Additionally, there is a budgeted reduction of a Vehicle Operator and a Planner position during the fiscal year.

**Utility Services Department:** This Department consists of the County Water Resources (County and Barefoot Bay Water and Wastewater and Capital) and provides for the protection of the public health through the operation and maintenance of the County-owned water supply, treatment and distribution system and the County-owned wastewater collection, treatment and disposal system. The FY 2009-2010 Adopted Operating and Capital Budget of \$60,378,971 represents a 2.64% increase (\$1,555,418) from the prior year final budget. The increase is primarily attributable to \$2,522,000 of additional capital balance forward from loan proceeds for ascribe sewer plant repair in the Barefoot Bay program. A similar increase is budgeted for capital expenditures in Barefoot Bay. For the overall department, compensation and benefits and operating expenses are budgeted to decrease in FY 2009-2010. Included in the decrease are two Treatment Plant Operators and a Special Projects Coordinator IV.

### **Charter Officers**

**Clerk to the Board:** The County's budget only contains information related to the Board's funding of the Clerk's budget. This section reflects the funding of Board Finance and Board Minutes. The Clerk to the Board's budget decreases by \$21,607, or 0.94% due to the reduction in health insurance premiums. The Clerk also receives funding for Court Facilities through the Judicial Support budget. This funding is also being reduced by \$53,400 due to one time expenses in FY 2008-2009.

**Property Appraiser:** The Property Appraiser is required by Florida statutes to submit his budget for review and approval by the Florida Department of Revenue on June 1<sup>st</sup> of each year. The Adopted FY 2009-2010 Budget reflects 4.35% decrease to the General Fund transfer.

**Sheriff's Office:** The FY 2009-2010 Sheriff's Office Budget is \$101,738,521 representing a decrease of 3.46% (\$3,641,155) from FY 2008-2009. This is primarily due to a decrease in the general funds transfer but also encompasses reductions in the Ad Valorem tax revenue for the Law Enforcement MSTU due to a decrease in property values, a decrease in operating balance forward, charges for services and miscellaneous revenue. Reductions are forecasted in compensation and benefits primarily due to health insurance rate reductions, operating expenses and capital spending.

**Supervisor of Elections:** The Supervisor of Elections' FY 2009-2010 Budget of \$3,895,178 decreases 7.72% from the prior year, primarily due to decreases in the general fund transfer partially offset by a projected increase in interest income. Expenditure reductions are budgeted in compensation and benefits and operating expenses.

**Tax Collector:** The Tax Collector is required by Florida statutes to submit his budget for review and approval by the Florida Department of Revenue on August 1<sup>st</sup> of each year. The Adopted FY 2009-2010 Budget is reduced 5% from the prior year due to a cut in the general funds transfer. The Tax Collector returns unspent, or excess, revenue to the Board of County Commissioners after the end of the fiscal year.

### **Court Operations**

**Judicial Branch Administration:** The Judicial Branch Administration supports the operation of the courts of the 18th Judicial Circuit. The FY 2009-2010 Adopted Budget of \$491,318 represents an 11.22% decrease from the FY2008-2009 Final Budget. This decrease is attributable to a more accurate forecast of revenue from solicitation court fees first collected in FY 2008-2009, and the elimination of a half time receptionist position., and the reduced general fund transfer.

**Judicial Support:** Judicial Support represents the mandatory and discretionary services funded by the Board of the Court system. Judicial Support was established in response to the Article V, Revision 7 changes implemented July 1, 2004, and has a total budget of \$6,465,760 for FY 2009-2010, a \$1,447,781 reduction (18.29%) from the previous year. Although charges for services are anticipated to increase as a result of the doubling of the court facilities surcharge, reductions in balance forward for capital and in the general fund transfer will more than offset the surcharge increase. Expenditure reductions include the elimination of a Mental Health Court position, Facilities Department support, and the completion of renovation projects at several court facilities.

**State Attorney's Office:** The Board of County Commissioners provides funding for subpoena services as required by Florida Statute, and the Sexual Assault Victims Program of the State Attorney's Office. The FY 2009-2010 Adopted Budget of \$584,350 is an increase from the previous year's Final Budget primarily attributable to an anticipated subpoena fee collection increase offset by an increase in indirect costs.

### **Outside Agencies**

**Economic Development Commission of Florida's Space Coast, Inc.:** The Budget presented for the Economic Development Commission (EDC) is that portion funded by County contract. The FY 2009-2010 Adopted Budget of \$1,500,050 represents a 5% funding reduction when compared to the FY2008-2009 Adopted Budget.

**Melbourne-Tillman Water Control District:** The FY 2009-2010 Adopted Budget of \$2,587,864 for the Melbourne-Tillman Water Control District is reduced 10.02% from the previous fiscal year, due primarily to decreases in charges for services, interest income and operating balance forward. This will be offset by reductions in compensation and benefits and capital expenditures. The District remains engaged in improving water quality and reducing flooding.

**Merritt Island Redevelopment Agency:** The Merritt Island Redevelopment Agency's mission is to redevelop the district in order to correct deficient public infrastructure, provide a blueprint for future growth, to promote and recruit businesses into the district, and to partnership with the private sector to renovate or rebuild areas in structural decline. The FY 2009-2010 Adopted Operating and Capital Budget of \$4,749,698 for the Merritt Island Redevelopment Agency (MIRA) decreases \$1,889,135 or 28.46% from the FY2008-20098 final budget, primarily due to a decrease in balance forward associated with the completion capital projects. Additionally, reductions are anticipated in tax revenue and grant related funding.

**Titusville-Cocoa Airport Authority:** The Titusville-Cocoa Airport Authority (TICO) FY 2009-2010 Adopted Budget of \$1,905,885 decreases 1.73% from the previous fiscal year, due to a decrease in lease rental income, offset by decreases in operating expenses and capital outlay mitigated by an increase in compensation and benefits.

### **Conclusion**

Preparation of this year's Adopted Operating and Capital Budget has presented an unprecedented challenge and effort for the staff. Balancing the needs of a growing community with available resources is the greatest challenge most local governments face. It is noteworthy that the Board of County Commissioners continues to focus resources on community priorities within the confines of prudent fiscal management, as reflected in the tax reduction presented. Significant issues, such as growth management, transportation infrastructure, criminal justice, law enforcement and the on-going demand for services continue to confront Brevard County.

Ultimately, we maintained core services for Brevard citizens without increasing taxes. This, of course, did not occur without budget cuts, some of which have been severe with the elimination of positions in many County Departments and Agencies. The County leadership must continue to provide prudent fiscal guidance by evaluating operating, capital and personnel expenditures during the year. With next year's revenues, particularly property tax, expected to decline again, County Management and the County Commissioners must prepare for even more budget reductions that will almost certainly result in service cuts.

I want to acknowledge the outstanding service of the Budget Office and the Assistant County Managers, who, along with the Departments' and Offices' management and financial personnel, prepared and refined this Adopted Operating and Capital Budget for FY 2009-2010. I would also like to recognize the understanding and cooperation demonstrated by employees throughout the County who provided thoughtful cost cutting suggestions, many of which have been incorporated into the budget. Their continued services to the citizens of Brevard County are much appreciated, as is the leadership of the Board of County Commissioners.