

**ANNUAL REPORT
OF THE
COUNTY MANAGER
2009**

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

2008 ANNUAL REPORT UPDATE

- **During the 2007 billing cycle for non-ad valorem assessments, all requests for adjustments (vacancies, removals, number of billed units, etc.) were verified in the field. This was accomplished utilizing a contractual employee. This was preceded by an extensive attempt to insure the non-ad valorem assessment billing roll was as accurate as possible. Also, with the cooperation of the Columbia County Property Appraisers office, a record of all residential units (not just those classified as real property) is being made on a parcel by parcel basis. As the office of the Property Appraiser can only visit each parcel once every 4-5 years, this is a long term process. The non-ad valorem roll is reconciled with the parcel count as the counts are received. This process will continue in 2009 to assure that the non-ad valorem roll is accurate.**
- **Not resolved as part of the 2006 to 2009 budgets was the non-participation of the City of Lake City in the funding of Emergency Medical Services. The City has declined to contribute to the cost of EMS for the past three fiscal years. This action resulted in the county allocating additional revenue in FY 2006 to 2009 to Emergency Medical Services.**
- **The Columbia County Fire Department began the process of creating a “water shuttle” to increase water supply with the goal of further reducing ISO ratings. In addition, the Board of County Commissioners approved a merger of Columbia County Fire and Columbia County Emergency Medical Services. The cross training of employees has begun and is expected to be complete in 12-18 months.**
- **The potable water utility supply at Ellisville is complete. The specifications for distribution line location and installation is under consideration. Financing of the wastewater component is complete.**
- **A sustainable alignment for the Bascom Norris Connector Road has been identified. The county has contracted with HDR Engineers to establish the final alignment and to perform the design specifications (including the bridge).**

- **The following items were implemented as part of the 2008 energy reduction recommendations:**
 - 1.) **The number of employees issued county transportation was reviewed. The number of vehicles driven to and from home was reduced from 49 to 28.**
 - 2.) **The utilization of a four day week was reviewed; however, it was determined that any benefit would likely be erased through necessary overtime.**
 - 3.) **The county moved to utilize more energy efficient lamps and ballasts in buildings, encouraged employees to turn off lights and appliances when not in use and removed space heaters from buildings. In addition, condenser/evaporator coils were cleaned and temperatures of 75°F for cooling and 68°F for heating were established.**

The county reviewed the installation of occupancy sensors and/or wall timers; however, the cost/benefit resulted in no installations at this time. Due to excess capacity, the chiller unit at the Courthouse was evaluated for replacement. This project was tabled due to cost.

- **2008 capital infrastructure recommendations were addressed as follows:**
 - 1.) **Jail (\$2,000,000 allocated in FY 2008-2009 budget)**
 - 2.) **Libraries –**
 - a.) **Fort White (\$500,000 to be recommended from September 30, 2008 fund balance)**
 - b.) **Main (utilize library reserve, currently \$1. 1 million)**
 - 3.) **Property Record Storage (funded in 2008-2009 budget)**
 - 4.) **Judicial Chambers (funded in 2008-2009 budget)**
 - 5.) **Administrative Complex (funding not addressed)**
 - 6.) **Road Improvements (addressed through a combination of fund balance and loans)**
 - 7.) **Fire Stations (to be addressed through loans)**

- **The feasibility of combining the functions of payroll, human resources, purchasing and risk management between all Constitutional Officers and the Board of County Commissioners was discussed. It does not appear that this recommendation has any chance of success.**
- **The county completed the installation of GPS/AVL (Automated Vehicle Locator) technology in vehicles and heavy equipment. This technology can be used to create “compensation based on productivity” scenarios within public works. The county also studied mechanical repairs as another scenario that could be compensated based on productivity.**
- **An Interlocal Agreement was entered into with the City of Lake City and the Office of the Sheriff creating a unified Communication Center. The following action items have been completed:**
 - 1.) **A new Director has been hired.**
 - 2.) **All towers, antennas and microwave dishes have been inspected by Motorola. A corrective action plan has been developed and is currently being implemented.**
 - 3.) **The Board of County Commissioners has authorized proceeding with enhancements to the Computer Aided Dispatch (CAD) system, additional 9-1-1 equipment, new radio consoles and new furniture.**
 - 4.) **A design group has been solicited to prepare a remodeling plan for the 9-1-1 center to accommodate the additional consoles.**
- **The county studied de-privatizing roadside mowing; however, a decision was made to continue the service through contract. The county is still seeking a resolution on a county wide utility.**
- **The County Commission has approved through the adoption of the FY 2008-2009 budget the use of loan proceeds from the 2 Cents Local Option Gas Tax to provide revenue necessary to pave Old Wire and Herlong Roads. The loan has not been initiated. The delay is due to the expected need for more capital to complete the Bascom Norris Connector project.**
- **Health insurance was identified as a cost center which tends to have dramatic cost swings. As a result, the following options have been identified to negate future increases:**
 - 1.) **eliminate the servicing agent**
 - 2.) **reduce health insurance benefits**
 - 3.) **require employees to share in cost**
 - 4.) **remove underwriting subsidy on family coverage**

- **Columbia County Central (Closed) Landfill is still being monitored for contamination changes. This status is not expected to change in the upcoming fiscal year.**
- **The Class III cell at the Winfield Solid Waste Facility is near capacity. The county is providing an expansion with “in-house” personnel and equipment. The project is expected to be complete in 3-4 months. Due to siting requirements, this will be the last expansion of the Class III cell. A new Class III cell will have to be sited in the future.**

FY 2007-2008 FINANCIAL REVIEW

- **The audit for the period ending September 30, 2008 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 decrease as will the county’s ending reserve balance. The decrease in the ending reserve balance is primarily due to the fact that the County did not close loans necessary to reimburse reserve expenditures for industrial projects until December, 2008.**

FY 2008-2009 FINANCIAL REVIEW

- **FY 2008-2009 began with \$2,982,823 less revenue than the previous year. No new taxes were adopted.**
- **Major issues that occurred after the adoption of the FY 2008-2009 budget included decreased revenue forecasts. While significant in terms of cost, the county is still expected to end the year within the approved expenditures budget.**

FY 2009-2010 BUDGET ISSUES

- **The estimated revenue reductions for FY 2009-2010 is \$2,500,000 - \$3,000,000. The reduction is primarily due to the economic downturn.**
- **The county received \$832,000 from the Fiscally Constrained Counties Offset provided for in Amendment One. Amendment One was passed by the voters in January, 2008 and provided a reduction in millage. The constitutionally required reduction in millage was implemented by the county in the FY 2008 – 2009 (current) budget. The \$832,000 received was non-budgeted revenue for Columbia County. The county did not budget the revenue as state financial concerns at the time left concern as to whether distributions would be possible.**

- **Fiscally Constrained Counties Offset Funding** has again been appropriated by the State of Florida. Columbia County's final distribution has yet to be calculated; however, it is expected to be approximately \$1.1 million. Due to overall revenue reductions it will be tempting to budget this revenue as recurring; however, caution is urged. A dedicated funding source does not exist for this program.
- **The impact from the homestead portability provision of Amendment One** is still an unknown. As of last year, \$9 million in property value was eliminated from the tax roll. Due to the economic downturn, the amount of value lost due to the homestead portability provision has diminished in concern. No provision for lost revenue due to portability will be taken in the FY 2009-2010 budget.
- **Payment in Lieu of Tax (PILT) funding from Water Management Districts** was restored by the 2009 Legislature by eliminating the 10 year cap.

The issue involving the reduction of PILT funding allocated for private correctional facilities was not resolved by the 2009 Legislature. The PILT payment authorized by the 2008 legislature was reduced to recover legal fees the state expended to defend the exemption of private companies from property tax liability in court. At no time was the county a party to any suit in this matter.

- **The Small County Road Assistance Program (SCRAP) and the Small County Outreach Program (SCOP)** were funded by the 2009 Legislature; however, funding was reduced by \$3.4 million. The use of SCOP was expanded to allow for the paving of unpaved roads, bridge repair and to provide for road related drainage repairs.
- **The Office of the Columbia County Property Appraiser** has reduced value on the Columbia County tax roll (less new construction) by \$120 million. Much of this value was replaced with the addition of major industrial properties (Target, U.S. Cold Storage) to the tax roll; however, Columbia County will not benefit from these additions due to tax abatement.
- **State Library funding (Equalization Funds)** was eliminated by the 2009 Legislature and then restored at a reduced funding level. For Columbia County, equalization funding is expected to be \$300,000 less than the FY 2007-2008 year.
- **Solid Waste Grant funding allocations** were reduced. The FY 2008-2009 allocation to Columbia County was \$277,316. The allocation for FY 2009-2010 is undetermined.

- **The 2009 Legislature revised the basis for “presumption of correctness” to property value assessments. Potential impacts include revenue losses due to further reductions in property tax roll values and additional costs for value adjustment board hearings. The estimated impact has not yet been determined.**

2009 LEGISLATIVE REPORT

The following legislative actions were approved (subject to Governors veto):

- **Proposals to amend the state constitution to reduce the maximum growth rate on non-homesteaded property from 10% to 5% and to provide property tax exemptions for first time homebuyers. The proposals shall require voter approval.**
- **Requirement for additional documentation when performing “forced account” (utilizing in-house labor) work to complete public projects.**
- **Expedited permitting through state agencies for economic development projects.**
- **Restricted local governments use of public funds to fund information campaigns on voter issues and referendums initiated by the state. The restriction on issues initiated by local government is currently unknown.**
- **Modifications to Growth Management provisions relating to concurrency and alternative state review processes. These modifications primarily affect the designation of urban service areas.**
- **Truth In Millage (TRIM) Notices were modified to include additional information relating to past and proposed millage rates as well as other information.**
- **Restricted counties from imposing fees or seeking reimbursement for first-responder services.**

RECOMMENDATIONS

- **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.**
- **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.**
- **The following actions are recommended to assist local businesses during the current economic downturn:**
 - 1.) **review county purchasing policies to ensure that “fair and reasonable” standards exist to maximize the purchase of goods and services through local vendors.**
 - 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.**
- **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.**

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.

The Supervisor of Elections and the Office of Conflict Counsel leased 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.

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.

- 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.**
 - 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.**
- 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.**

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 RACES (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.

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.

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 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.

- **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 placed on the agenda for discussion during the planning/strategy meeting.**
- **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.**