



BERTHA W. HENRY, County Administrator
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MEMORANDUM

DATE: June 12, 2009
TO: Mayor and Members of the County Commission
FROM: Bertha W. Henry, County Administrator
SUBJECT: June 16, 2009 Budget Workshop Transmittal

By now, you have received several documents: **County Administrator Recommended Reductions**, which provides the basis for the ad valorem tax-supported portion of the FY 2010 Budget, **Reductions Not Recommended at this Time, Responses to Questions Raised at Budget Workshops** and a list of **Commission Issues** including items for further discussion requested by the Board or individual board members.

Foundational to the **County Administrator Recommended Reductions** are the following principles:

- Preservation of the “social safety net” given the extraordinary job losses and home foreclosures, reflecting our belief that these services are just as critical to many families’ basic needs as public safety is in our community;
- A recognition that quality of life through the use of parks, libraries and public transit is an important element to a sense of community and is essential to economic viability and competitiveness;
- Federal and state mandates are met;
- Planning and preparation for the future continues;
- Ability to prudently meet our financial obligations while maintaining the ability to respond to emergencies, natural or otherwise;
- A recognition that our constituents are prepared to accept some level of inconvenience in exchange for lower tax rates; and
- A recognition that next year will present challenges similar to that of this year

It is acknowledged that taxpayers need and deserve tax relief and the recommendations contained herein propose reductions in County agency budgets amounting to \$28.1 Million. Contextually over

the last three fiscal years, there has been a loss of 840 positions under the Board of County Commissioners; thus we are no strangers to belt tightening.

Should the recommendations proposed for FY 2010 be accepted, the result will be an operating millage rate of approximately 5.453, which rests between the rollback/roll-up rate of 5.5297 and the existing rate of 4.8889. This ad valorem millage rate generates less taxes than this year and as a result would not be advertised as a tax increase per State Statutes. By our estimates, the majority of residential property owners (62%) would receive a tax cut, the average ranging from \$117 to \$177 depending on whether the property is homesteaded. The remaining residential property homeowners with "Save-Our-Homes" gaps could experience a slight annual tax increase on average of \$62. These figures are based on the Property Appraiser's June 1st tax roll estimates, and may change slightly when the final certified tax roll is received.

In determining the millage rate, it is important to note that there has been no agreed upon changes in the Sheriff's and Supervisor of Elections budget at this time although dialogue continues and both offices are interested to know the county's final reduction numbers. We are recommending that these numbers are communicated to the offices after Tuesday's workshop and that they be given until Friday to inform us of their final proposed budgets. The Property Appraiser has indicated that she will reduce her budget equivalent to her share of a same rate budget. Should there be additional efficiencies identified by the Sheriff and Supervisor, the opportunity exists for the rate to be reduced even further.

Finally, we must recognize that the budget for FY 2011 will face similar financial challenges, if not greater. The state balanced its budget for the coming year with trust fund sweeps and an infusion of federal stimulus dollars. The holes that will be created as a result of this budget strategy no doubt will place incredible pressure on local governments next year. In anticipation, we will continue to review and refine our budget strategies and organizational structure to assure alignment with service levels that meet the needs of the public.

In closing, it is a delicate balance between the need to keep taxes low without decimating the services that our residents have come to enjoy and, for some, are a necessity. Further, we are proud to say this County has not contributed to the joblessness in our community and every effort will be to minimize the loss of jobs this year. This could not be done without dedicated employees who have taken on the challenge of meeting the needs of our constituents under the strain of dwindling resources.

Attachments

C: Jeffrey Newton, County Attorney
Evan Lukic, County Auditor