

Levy County FY 20-21

Budget Workshop 6-16-20

General Scheduling Notes (subject to change)

- 5/19/20 Workshop – Overview, Trends/Threats, BOCC Dep't Requests & Options
- 6/16/20 Workshop – Revenue Updates, Constitutional Officer Requests, Outside Agencies
- 6/23/20 Workshop – Reserved in case 6/16/20 meeting is unproductive or deadline is too tight
- 7/7/20 Workshop – Prior Meeting Loose Ends, Fire Budgets, Capital Planning Discussion
- 7/14/20 Workshop – Revenue Updates, Cleanup on Undecided Options, Capital Discussion
- 7/28/20 Final Workshop – Required to receive Tentative Budget and set Proposed Millage. Full balancing with Anticipated Reserves here.
- 9/8/20 – Tentative Hearings
- 9/22/20 – Final Hearings

- NOTE: Crucial Assessment discussions/decisions will need to take place throughout the summer – coordinated by County Attorney & NGN with County Staff

Things for today:

- Consider Uncertainty of Economic Environment, Potential Revenue Impacts, and the Cases for Hopeful Caution
- Consider the prelim staff budget you've been given – follow up on any items that are in the “Recommended” section of the “Changes” sheet you're not sure about.
- Give direction with regard to the External Agency budget options that are listed on the “Changes” sheet.
- Give direction with regard to the Constitutional Officer budget options that are listed on the “Changes” sheet.

Overview – Trends/Good News

- Building Permit Revenues were even stronger in May than in March and April – it was the best May on record so far as Permit Revenues go.
- Estimated Taxable Value from the Property Appraiser is \$2.0615B. This is a 5.75% Increase.
- Net of Statutory Uncollectible Allowance, and of CRA Payments, this would yield approximately \$850,426 in additional tax revenue.

Overview – Trends/Good News

- As a result of the hopeful economic data on the upcoming slides, with the hope of a quick turn, we've made the following adjustments:
 1. We've revised the decrease in fuel taxes from 8% to 4.5%. This added back \$151K
 2. We've revised the decrease in sales taxes and shared revenue from 13% to 7.5%. This added back \$456K

Overview – Trends/Good News (2)

- The U.S. economy gained 2.5 million jobs in May. The most jobs added in a single month on record.
- The unemployment rate dropped to 13.3 percent. This is still higher than anytime in the last 70 years.
- But - That's down from 14.7 percent in April
- Wall Street estimates had been for a decline of 8.3 million and a jobless level of 19.5%, which would have been approaching rates of the Great Depression era.

Overview – Trends/Good News (2a)

- The employment-population ratio, which measures how much of the working age population is employed, rose 1.5 percentage points to 52.8%.
- After an 8.7 % point collapse in April -- when the ratio hit its lowest level since records started in 1948.
- Despite the increase in May, the ratio is still lower than ever before.

BUT.....

Overview – Trends/Not-so-Good News

- More State, City Jobs Lost in Two Months Than During Recession
 - State and local government payrolls fell 571,000 to 18.3 million in May
 - Schools had 373,200 jobs cut last month, which are likely to reverse when students return to classrooms.
 - Outside of education, States cut 20,700 jobs and Local Governments eliminated 176,900 positions.
 - States expected a shortfall of \$765 billion over the next three years*
 - U.S. cities and towns are projected to lose about \$360 billion of revenue through 2022.**

* based on projections by the Center of Budget and Policy Priorities.
**according to the National League of Cities
Article Source: Bloomberg News By: Danielle Moran June 5, 2020

Public Payrolls Plunge

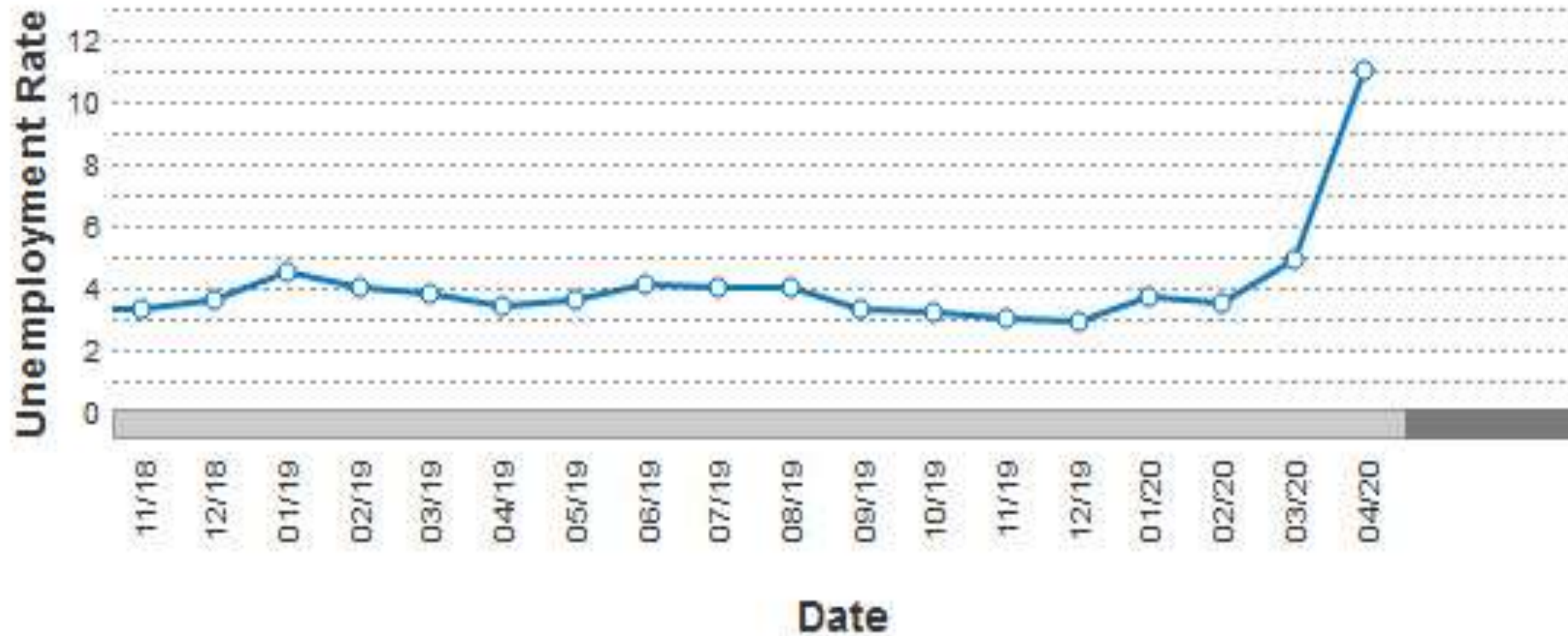
Cities and towns idle workers as tax revenues fall off



Source: U.S. Bureau of Labor Statistics

Unemployment Rate

Levy County



MAJOR ACTIVITY TAX & SHARED REVENUE DECREASES - MAY 2019 VS MAY 2020

<u>Description</u>	<u>MAY 2019</u>	<u>MAY 2020</u>	<u>YOY Decrease</u>	<u>% Down</u>
Taxes-Ad Valorem	\$ 718,747	\$ 656,981	\$ (61,766)	-8.6%
Taxes-Delinquent	\$ 33,951	\$ 5,238	\$ (28,713)	-84.6%
Taxes-Small Co Discretionary	\$ 441,476	\$ 440,196	\$ (1,280)	-0.3%
Taxes-Communications Service	\$ 12,072	\$ 12,034	\$ (38)	-0.3%
State Revenue Sharing	\$ 80,664	\$ 41,202	\$ (39,462)	-48.9%
Loc Govt 1/2 Cnt Sales Tx	\$ 162,589	\$ 144,446	\$ (18,143)	-11.2%
Loc Govt Emerg 1/2 Cent	\$ 160,654	\$ 125,256	\$ (35,398)	-22.0%
Loc Govt 1/2 Cent Fiscally Constraine	\$ 62,697	\$ 56,315	\$ (6,381)	-10.2%
Fuel Tax-9th Cent	\$ 4,353	\$ 3,673	\$ (681)	-15.6%
Local Option Fuel Tax	\$ 109,631	\$ 97,142	\$ (12,489)	-11.4%
Second Local Option Fuel ax (1-5 Cer	\$ 72,033	\$ 78,809	\$ 6,777	9.4%
Fuel Tax - County 7th Cent	\$ 58,843	\$ 50,996	\$ (7,847)	-13.3%
20% 5th/6th Fuel Tax	\$ 26,257	\$ 23,310	\$ (2,947)	-11.2%
80% 5th/6th Fuel Tax	\$ 105,029	\$ 93,241	\$ (11,788)	-11.2%
** GRAND TOTAL **	\$ 2,048,994	\$ 1,828,839	\$ (220,156)	-10.7%

Built-In Changes Section

Major Mandates, Revenue Adjustments, Minor Staff
Recommendations

Overview – Offsets/Usage – General Fund

- Even after adding in Property Tax increases and the adjustments to Sales Tax & Shared Revenue, the General Fund is only up \$197K
- CRA Costs are up \$84K
- Mandated Medicaid Costs are up \$40K
- Before any of today's options, General Fund operating expenses are up \$290,894.

Budget Requests - Agencies

- The following Agencies requested no budget increase:
 1. State Attorney
 2. Public Defender
 3. Guardian Ad Litem
 4. Nature Coast Business Development Council
 5. L.A.R.C.
 6. Levy County Health Department

Budget Requests - Agencies

- The following Agencies didn't have their request ready:
 1. Eighth Circuit Judicial Admin
 2. Medical Examiner's Office

BUILT IN Major Changes to Deficit Summary

	Total
¹ Funding of Full-Time Grants Coordinator/Legislative Affairs Position	\$ (38,925)
² Charge Zoning Expenses to General Fund instead of Code Enforcement	\$ (3,500)
³ Increase in County Share of State Medicaid	\$ (40,000)
⁴ Net Tax Impact of Property Value Increases	\$ 850,426
⁵ Adjustment to Sales Taxes, Fuel Tax, Tourism Taxes	\$ 655,900
⁶ Ambulance Fee Bounceback Trends Noted for May 2020	\$ 215,000
⁷ State Attorney, Public Defender, & Guardian Ad Litem Requested No Changes	\$ (6)
⁸ Nature Coast Business Development Council, L.A.R.C., and Levy County Health Department Requested No Changes	\$ (0)
⁹ Reduce Supervisor of Elections Budget for Single Election-Year Bump	\$ 60,000
¹⁰ Eighth Judicial Circuit Budget Request	\$ TBD
¹¹ Medical Examiner's Office Budget	\$ TBD
	\$ (1,698,895)

BUILT IN Major Changes to Deficit Summary - DETAIL

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	BUILT IN Major Changes to Deficit Summary	Integration	General Fund	R&B	Court Technology	E911	EMS	Tourism	Capital Projects	Total	Notes
										\$ -	
1	Funding of Full-Time Grants Coordinator/Legislative Affairs Position	Approved 5/19	\$ (38,925)							\$ (38,925)	Personnel Cost Approved 5/19/20. Added \$1350 for training, travel & communications costs
2	Charge Zoning Expenses to General Fund instead of Code Enforcement - Left Building Budget same given growth pressures at present.	Staff Budget	\$ (1,500)					\$ (2,000)		\$ (3,500)	Based on allocation corrections or late membership cost letters
3	Increase in County Share of State Medicaid	Staff Budget	\$ (40,000)							\$ (40,000)	Per Email from DOR on 5-26-20
4	Net Tax Impact of Property Value Increases	Staff Budget	\$ 850,426							\$ 850,426	Net of 5% Uncollectible Allow, \$84K to CRA's (CK-\$63K, Williston-\$21K)
5	Adjustment to Sales Taxes, Fuel Tax, Tourism Taxes	Staff Budget	\$ 456,000	\$ 151,000		\$ 10,000	\$ -	\$ 38,900		\$ 655,900	Per Improving Unemployment Numbers and Other Trends, Ambulance Trip Bounceback in May
6	Ambulance Fee Bounceback Trends Noted for May 2020	Staff Budget					\$ 215,000			\$ 215,000	From EMS Billing Company Data
7	State Attorney, Public Defender, & Guardian Ad Litem Requested No Changes	Staff Budget	\$ 6,069		\$ (6,075)					\$ (6)	Reallocation to Appropriate Restricted Funds with Balance
8	Nature Coast Business Development Council, L.A.R.C., and Levy County Health Department Requested No Changes	Staff Budget	\$ -							\$ -	No Change
9	Reduce Supervisor of Elections Budget for Single Election-Year Bump	Staff Budget	\$ 60,000							\$ 60,000	Per SOE's FY 2020 Budget Request
10	Eighth Judicial Circuit Budget Request	Staff Budget	\$ -							\$ -	NOT RECEIVED; NOT READY
11	Medical Examiner's Office Budget	Staff Budget	\$ -							\$ -	NOT RECEIVED; NOT READY
										\$ -	
	Net Built-In Deficit Reduction/(Addition)		\$ 1,292,070	\$ 151,000	\$ (6,075)	\$ 10,000	\$ 215,000	\$ 36,900	\$ -	\$ 1,698,895	

Overview of Major Funds' Surplus(Deficit) Before Options

- General Fund: (\$427,968) – Includes Transfers Subsidizing Other Funds and Capital Transfers
- Road & Bridge: (\$277,607) – After GF Transfer in of \$600K
- EMS: (\$776,864)
- Fire: +\$73,555
- Landfill: (\$136,860) – Includes \$400,000 of Budgeted Non-cash Expenses related to Depreciation and Closure Costs

BOCC Options Section

External Agencies & Constitutional Officers

REMINDER

Recommended Response Strategy – Maintain Reasonable Sustainability

- In order to help insure the sustainability of operations, and to aid in emerging from the other side of this:
 - Avoid any dramatic payroll or operating cuts, but we will consider any offerings of reductions.
 - Required/mandated increases will be prioritized, but any requests not needed to maintain current service are discouraged.

Please keep last point in mind for Options

Options for BOCC to Consider Summary

	Total	Fund
1. Emergency Management App Development & Support	(15,000)	General/Capital
2. Levy Prevention Coalition Budget Request	(24,000)	General
3. Meridian Behavioral Budget Request	(4,050)	General
4. Clerk Budget Request	(18,221)	General
5. Supervisor Of Elections Budget Request	(23,000)	General
6. Property Appraiser Budget Request	(30,969)	General
7. Sheriff Budget Request	(846,119)	General/E911
Net Optional Additions	<hr/> \$ (961,359)	

Options for BOCC to Consider Summary	Integration	General Fund	R&B	Court Technology	E911	EMS	Tourism	Capital Projects	Total	Notes
1 Emergency Management App Development & Support	BOCC Option	\$ (5,000)						\$ (10,000.00)	\$ (15,000)	From 5/19/20 Meeting
2 Levy Prevention Coalition Budget Request	BOCC Option	\$ (24,000)							\$ (24,000)	Currently \$12K
3 Meridian Behavioral Budget Request	BOCC Option	\$ (4,050)							\$ (4,050)	5%, Currently \$81K
4 Clerk Budget Request	BOCC Option	\$ (18,221)							\$ (18,221)	FRS & Health Insurance Increase Estimates Only
5 Supervisor Of Elections Budget Request	BOCC Option	\$ (23,000)							\$ (23,000)	After integration of planned \$60K Reduction Above
6 Property Appraiser Budget Request	BOCC Option	\$ (30,969)							\$ (30,969)	
7 Sheriff Budget Request	BOCC Option	\$ (843,474)			\$ (2,645)				\$ (846,119)	
									\$ -	
									\$ -	
Net Optional Deficit Reduction/(Addition)		\$ (948,714)	\$ -	\$ -	\$ (2,645)	\$ -	\$ -	\$ (10,000.00)	\$ (961,359)	

Budget Requests - Agencies

- The following Agencies are requesting Increases:
 1. Levy Prevention Coalition
 2. Meridian Behavioral Health

Constitutional Officer Requests: Clerk of the Court & Comptroller

- The FY 2020 BOCC Transfer Request has increased \$18,221 to \$888,221 from \$870,000. This a **2.1% increase**.
- Revenues are expected to increase about 3% due to clearing out a Tax Deed backlog, but that only amounts to about \$8,000.
- Purpose: to primarily fund an expected \$10,200 for the Florida Retirement System and \$8,400 to cover increased health insurance costs.
- **\$20,000 of expense moved to a restricted technology fund to reduce local burden.**
- **The Clerk's Office requests approval of our budget; maintains current service levels.**

DETAIL OF CLERK INCREASE REQUESTS

SUMMARY:

CLERK FISCAL YEAR 2019-2020 ORIGINAL BUDGET TRANSFER	\$ 870,000
ADD: FY 2020 APPROPRIATION OF OTHER GENERAL REVENUES COLLECTED BY CLERK	\$ 252,538
TOTAL APPROPRIATION CURRENTLY IN BOCC FY 2020 BUDGET	\$ 1,122,538

INCREASE KEY SENIOR STAFF HOURS FROM 35 TO 40 PER WEEK, (INCLUDES BENEFITS)	\$ 8,000
PLUS HEALTH & FRS INCREASES	\$ 18,600 *
ADJUSTED TOTAL CLERK AND COMPTROLLER BUDGET REQUEST	\$ 1,149,138

LESS BUDGETED FY 2021 OTHER GENERAL REVENUES COLLECTED BY CLERK \$ 260,917

FY 2021 BOCC TRANSFER REQUEST **\$ 888,221**

FY 2021 BOCC TRANSFER REQUEST INCREASE OPTION REQUESTED FOR APPROVAL **\$ 18,221**

Transfer Request % Increase 2.09%

*DETAILS OF ADDITIONAL HEALTH AND FRS COSTS:

FY 2020 Florida Retirement System Rate Increase Component - BOCC-Funded FTE: \$ 10,200

FY 2020 Health Insurance at 8% Increase Component - BOCC-Funded FTE: \$ 8,400

Total Benefit-Cost Rate increases **\$ 18,600**

\$ 18,600

Supervisor of Elections

- This budget includes a \$60,000 planned reduction of the Supervisor of Elections budget for a one-time item as submitted in her FY 2020 plan for the additional election bump to be reduced in FY 2021.
- FY 2020 Budget, with single-year bump, is \$636,000
- \$576,000 is the FY 2021 “baseline”, with her request for continuing operational funding starting from this point.

Supervisor of Elections (2)

- REQUESTING \$599,000 Budget Appropriation.
- This is a \$23,000 increase, or 4% increase over baseline
- Primary Cost Drivers are Other Contractual Services, Freight & Postage, and Retirement
- **NOTE:** Net effect is a \$37,000 decrease from \$636,000, or 5.8%, from total FY 2020 request.
- **Discussion with Supervisor of Elections/Decision on Option to Fund Request?**

Constitutional Officer Requests: Property Appraiser

- The Property Appraiser is requesting a \$30,969 increase in his budget, from \$1,088,854 in FY 2020 to \$1,119,823 in FY 2021. This represents a 2.8% increase.
- Office received DOR Approval of \$1,089,422 for additional adjustments in FY 2020
- Supporting documentation gives primary cause as increasing personnel costs of 2.1% overall.
 1. Net Raise & Lump Sum Wage Payments of \$8,519
 2. Health Insurance Increase at \$10,076 (based on same 8% used for BOCC and Clerk)

Constitutional Officer Requests: Property Appraiser (2)

- Excluding Payroll, Net total increase in Operating and Non-Operating Expenses is \$10,364, a 6.65% increase.
- Perspective: Property Appraiser Total Budget is still slightly less than any PA Budget from FY's 2006-2010
- **Discussion with Property Appraiser/Decision on Option to Fund Request?**

Constitutional Officer Requests: Sheriff

- The Sheriff's Request submitted on June 1 for FY 2021 is a total request of \$15,103,896. This is an \$846,119 increase from his FY 2020 Budget of \$14,257,777.
- This represents an increase of **5.9%** in total budget

A. Identifiable Cost Components of LCSO's FY 21 Budget Increase Request

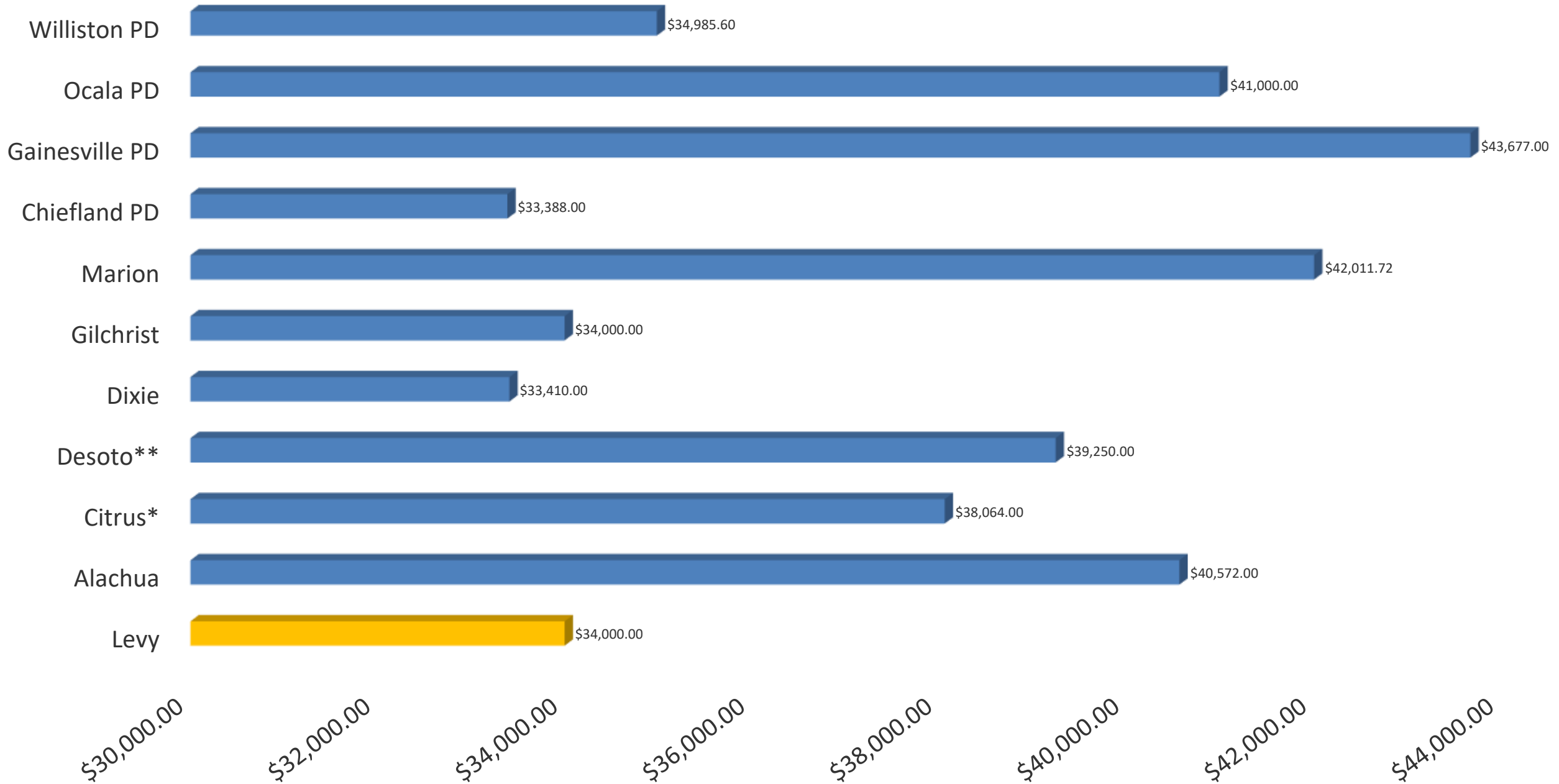
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B	Cost of \$2K Raise - FT, PT, Vacant Positions	\$	401,584	(Includes Tax & Benefits on the Raise - \$1K for Non-Sworn)
C	Personnel Cost - Health Insurance Increase	\$	65,686	5.33 % Increase
C	PBA-Contract Wage & Benefit Adj	\$	34,909	Includes Net of Benefit Over/Underbudgets of \$6K
C	Personnel Cost - Florida Retirement on OT	\$	44,685	Allowance for up to 1/2 utilization
C	Increases in Operating Expenses	\$	173,255	7.81% Increase in Operating Expenses 9.3% in LE
C	Increase in Equipment / Capital Outlay	\$	126,000	27.66% Increase in Capital Outlay to \$581K total, Mos
		\$	846,119	Projected Components based on Provided Detailed Da
		\$	846,119	TOTAL INCREASE REQUEST

B. SHERIFF'S OFFICE WAGE ADJUSTMENT COSTS - INCLUDES TAXES & RETIREMENT

	Data				
CATEGORY ▾	'STARTING PAY INCREASE	'Raise FICA Only	'Raise FRS Only	'Total Raise Cost	
LE	\$ 124,916.63	\$ 9,556.12	\$ 30,542.12	\$ 165,014.87	
CIVIL	\$ 20,000.00	\$ 1,530.00	\$ 4,890.00	\$ 26,420.00	
CORR	\$ 100,916.63	\$ 7,720.12	\$ 24,674.12	\$ 133,310.87	
DISPATCH	\$ 26,916.64	\$ 2,059.12	\$ 6,581.12	\$ 35,556.88	
SRO	\$ 30,000.00	\$ 2,295.00	\$ 7,335.00	\$ 39,630.00	
911	\$ 1,250.00	\$ 95.63	\$ 305.63	\$ 1,651.25	
Grand Total	\$ 303,999.90	\$ 23,255.99	\$ 74,327.97	\$ 401,583.86	

Deputy/Officer Starting Salary by County



Constitutional Officer Requests: Sheriff (Continued)

- In context of maintaining current service levels, appropriately competitive wages for already-existing positions is essential for retaining the most qualified.
- Loss of best personnel results in a reduction of service level, certainly in terms of quality, if not quantity.
- Operating expenses are increasing 7.8% in this request
- Capital Outlay is increasing 27.7%

Constitutional Officer Requests: Sheriff (Continued)

- However, this request, fully-funded, is \$846,000 of \$850,000 in net property tax gain, against a backdrop of:
 1. Potential decreases in other General Revenue sources
 2. Potential decreases in Property Taxes or Delinquencies if recession & high unemployment are prolonged
 3. BOCC personnel negotiations still not settled
 4. Need to set aside (or acquire, through debt) for large capital projects – the vast bulk of which, outside of grant-funded roads, are LCSO needs.

Constitutional Officer Requests: Sheriff (Continued) Perspective

- The Sheriff's Budget as a Percentage of the General Fund (If All Options were Fully Funded)-

2005: 44.5% 2013: 43.2% 2017: 45.5% 2019: 49.5% 2021: 51.1%

- Law Enforcement Function as a Percentage of the General Fund -

2005: 23.7% 2013: 22.3% 2017: 24% 2019: 27.1% 2021: 28.1%

Note: in earlier years LE included Court Security Numbers, so to make the comparison properly, 2.07% of Court Security was included in LE for 2021.

Constitutional Officer Requests: Sheriff (Continued) Prioritization & Recommendation

- It is the BOCC's prerogative to prioritize funding toward the LCSO.
- Budget Office's recommendation is continue to do so in ways that:
 1. Remain consistent with broader BOCC strategies of prioritizing items essential to maintaining current service levels, and
 2. Deferring additional capital and operating expenses beyond those driven by mandates and non-discretionary inflation.
 3. Returning to growth models when economic recovery is more certain.

Constitutional Officer Requests: Sheriff (Continued)

Additional Recommendations – Current & Long-Term

- Seek to possible alternative approaches to funding:
 1. Law Enforcement M.S.T.U. (get counsel to advise on pro's/con's).
 2. Have new Grants Coordinator work in conjunction with LCSO to seek grant funding that could meet needs and relieve local funding pressures.
 3. Examine ways to legally utilize existing restricted local funding (much less available, but there are some monies building up in Fund 126).

BOCC Options Section

...Don't forget carryover option for Emergency
Management App Development

The end