



BREVARD COUNTY
BOARD OF COUNTY COMMISSIONERS

**INTER-OFFICE
MEMORANDUM**

TO: Brevard Board of County Commissioners

DATE: October 1, 2011

FROM: Howard N. Tipton, County Manager

A handwritten signature in blue ink, appearing to read "H. N. Tipton", is written over the printed name.

SUBJECT: FY 2011-12 ADOPTED BUDGET

INTRODUCTION

In accordance with the statutory and charter responsibilities of the County Manager, the following is the Adopted Operating and Capital Budget for Fiscal Year 2011-12. The adopted budget is balanced; meets mandated responsibilities; places emphasis on core areas of service while creating a more business friendly and customer focused organization; and is consistent with the Vision as well as the priorities of the Board and this office.

The Brevard County Vision statement has been in place for more than a decade and states:

A Community which excels and is recognized for...

- *Providing for the health, safety, education and social needs of our community;*
- *Protecting the environment and conserving our valuable natural resources;*
- *Building a diverse, strong economic base with the needed infrastructure to support a quality lifestyle;*
- *Creating cooperative partnerships between government, business, community organizations and our residents; and,*
- *Maximizing performance and communication to provide excellent service to our customers.*

The Boards' priorities are:

- *Public Infrastructure*
- *Public Safety and Health*
- *Economic Development*
- *Preserving existing service levels*

The priorities of the County Manager for this budget are similar to the prior fiscal years and include:

- Meeting Board (or vision) priorities
- Focusing on the customer
- Maintaining fiscal integrity
- Leveraging funds
- Implementing innovations/process improvements

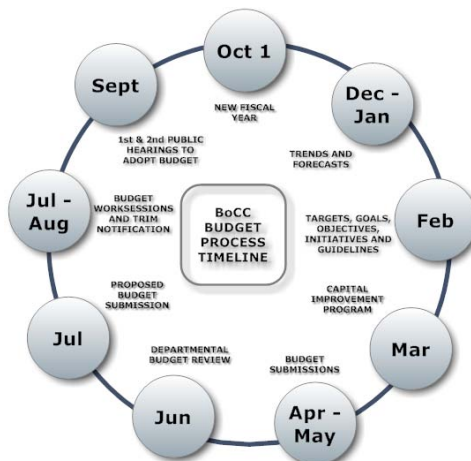
- Investing in technology to drive efficiencies
- Creating jobs and economic development
- Investing in employees
- Establishing or maintaining partnerships

To illustrate how the Board and County Manager's priorities align to the Vision Statements of the organization, the following table below has been provided. The goal of this alignment is to ensure that the budget decision making process directly links back to the overall Vision that guides the organization.

Vision Statements	Board and County Manager's Priorities Aligned to Vision Statements
Providing for the health, safety, education and social needs of our community (V1)	Board Priorities, Fiscal Integrity, Investments, Innovation and Customer Focused
Protecting the environment and conserving our valuable natural resources (V2)	Board Priorities, Fiscal Integrity, Customer Focused, Leveraging Funds and Investments
Building a diverse, strong economic base with the needed infrastructure to support a quality lifestyle (V3)	Board Priorities, Fiscal Integrity, Customer Focused, Leveraging Funds, Investments and Economic Development
Creating cooperative partnerships between government, business, community organizations and our residents (V4)	Board Priorities, Fiscal Integrity, Customer Focused, Leveraging Funds, Investments, Innovations/Process Improvements and Partnerships
Maximizing performance and communication to provide excellent service to our customers (V5)	Board Priorities, Fiscal Integrity, Investments, Economic Development, Customer Focused, Employees and Innovations/Process Improvement

BUDGET STRATEGY AND PROCESS

Generally speaking, a budget is the ultimate policy document. It is, in its simplest form, the application of resources to the priorities of the organization. The development, approval, and execution of Brevard County's Annual Budget is essentially a year-round process that involves understanding of the financial forecasts and legislative impacts; reviewing the impacts of property valuations; aligning the Boards' priorities and direction from workshops and discussions; receiving ongoing community feedback and an E-town hall meeting; and understanding the service needs and requests from the County's stakeholders and Charter Officers.



As part of the budget development process, the County's various services are broken down into strategic operational areas that include Public Safety; Health, Community & Economic Services; Infrastructure; Transportation & Environment; Culture and Recreation; and Management Services. The most efficient organizations are those who have their strategic operational areas aligned with the Vision, and here in Brevard County, we do this through the County's Strategy Map.

The strategy map shows the County's overall business strategy in focus areas, which allows the County to meet the goals in its operational areas that ultimately lead to achieving the Vision. The focus areas are read from bottom to top and start appropriately with **Financial Management** as the key to building a successful foundation for the organization. Next is investing in our most important asset – our people through **Employee Development & Innovation**. With an appropriately trained and motivated workforce, we focus our energies on finding greater **Operational Effectiveness and Efficiencies**. And all of these areas together allow the County to meet (and hopefully exceed) the expectations of our **Customers**, and communicate performance and illustrate the value of services that are provided by Brevard County Board of County Commissioners.



At a time when revenues are falling, the demand for many public services and facilities has continued to increase. Most County programs and services have seen significant increases in demand since 2007; however, the challenge has been to balance the provision of public services with financial resources and community expectations.

Throughout the development of the budget, I, along with all county staff, have centered our focus on meeting core services (public safety, public health, infrastructure); achieving customer focused and business friendly services; gaining greater efficiency and effectiveness; and engaging the citizenry while working to bring the Vision of the organization closer to reality.

As part of the development of the FY 2011-12 budget, we continued to build on the success from prior fiscal years by exploring options that would allow the County to continue delivering efficient and effective services. All these efforts are done to ensure that Brevard County continues to be a financially stable organization with an emphasis on providing quality services to our customers. The subsequent table illustrates some budget balancing strategies that have been explored and results that have been implemented over the years.

Budget Balancing Strategies (Since 2007-2012)

Implemented Innovations/ Organizational Efficiencies	Adjusted Programs and Services	Established Partnerships and Investment Opportunities	Focused Efforts on Fiscal Integrity and Leveraging of Funds
<ul style="list-style-type: none"> • Implemented technology enhancements • Streamlined processes • Increased outsourcing • Adjusted staffing models • Revised contracts 	<ul style="list-style-type: none"> • Reduced staffing by over 400 FTEs • No raises for 4 years • Unpaid furloughs • Layoffs and early retirements • Increased employee health insurance contributions • Deferred capital projects and maintenance needs • Adjusted operating and off peak hours of operation • Modified funding levels of social services programs • Eliminated non-essential travel and capital outlay 	<ul style="list-style-type: none"> • Partnered with municipalities and other agencies • Invested in opportunities to create jobs • Invested in technology to gain greater efficiencies • Established cooperative relationships • Implemented revenue generating ideas where practical 	<ul style="list-style-type: none"> • Improved credit ratings • Defeased bonds • Refinanced commercial paper debt • Reduced debt obligations • Retired Utility debt obligations • Increased leveraging opportunities • Improved financial reporting • Developed strategy map/scorecard

FY 2010-11 ACCOMPLISHMENTS

The goal of building a financially stable and sustainable organization is critical to providing quality services, not only to the citizenry, but to the County’s business community as well. To better understand the activities that occurred in FY 2010-11 to meet the established priorities of the Board and citizens, the following are some highlights.

Customer Focus:

In FY 2011, Departments and Offices involved in the development review process received a Simplified, Nimble, Accelerated Permitting (SNAP) award from the Economic Development Commission (EDC) for adopting permitting best practices that were directly related to Brevard County’s business friendly goals.

Customer focused efforts of this nature allows Brevard County to realize efficiencies through process improvement efforts, and reinforces efforts of being a business friendly organization. In FY 2012, the County will continue to look for opportunities to further streamline processes.

In FY 2011, we expanded communication efforts by enhancing the County's social media outreach through Twitter and Facebook. A combination of public engagement forums, an E-town hall meeting, and the County's annual report and services guide have all served to advance the County's message.

Innovations:

In this financially challenging environment, the County will continue to look to innovative solutions to address issues that are affecting the organization. Some notable items that have been implemented in FY 2011 include:

- Modifying peak operating hours of lift stations resulting in electricity savings to utility operations.
- Revising the County's sludge hauling contracts that benefit both the County's Utility and Solid Waste Departments.
- Performing GIS work for the City of Rockledge illustrating the County's focus on partnerships and developing innovative methods to establish new revenue sources.
- Partnering with municipalities for Fire Rescue to assume the dispatching function.
- Expanding the Intelligent Transport System (ITS) by the Public Works Department in partnership with the State and local municipalities to save the citizenry travel costs.
- Implementing staffing and lending library services approaches in the Library Services Department to realize efficiency gains resulting in a continued delivery of valuable services to community.

These innovative approaches and others continue to serve as important methods to assist the organization through these challenging financial times.

Investments:

To continue efforts to enhance public safety, the Fire Rescue Department invested in Mobile Data Terminals (MDTs) to assist with their fire operations. The Fire Rescue Department gains significant advantages since the MDTs allow for communication via a wireless network, mapping of emergency locations, routing of emergency calls, understanding available apparatus and location of equipment dispatched to emergency scenes.

The Mosquito Control Department continues to invest in an electronic data management system that allows for telephone notification, GIS mapping, and ground and air larviciding/adulticiding actions. This system continues to enhance Mosquito Control's operation and further improvements to the system are scheduled for FY 2012.

Public Works' implementation of a Pavement Management System will assist decision makers in finding cost effective strategies for evaluating and maintaining streets and roadways in a serviceable condition. This tool will determine existing and future pavement conditions, predict financial needs, and identify and prioritize expenditures designed to extend the useful life of our roadways.

Using federal stimulus funding, the Transit Services Department replaced eight fleet vehicles. Replacing these vehicles was essential to reducing maintenance costs, increasing fuel efficiency, and maintaining overall vehicle reliability.

The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Brevard County received \$8.3 million of federal dollars, and invested these dollars in the purchase and redevelopment of foreclosed and abandoned homes, and residential properties.

Economic Development:

Aggressive job development is key for the County's economic recovery and growth. In FY 2011, Brevard County invested \$1,400,050 in the Economic Development Commission of Florida's Space Coast, Inc. (EDC). As the marketing arm for Brevard County, the EDC has been integral in the following:

- Opening of the Embraer (Jet Manufacturer) with 200 jobs.
- Opening of AAR Corp (Airlift Group) with 250 jobs.
- Midair U.S.A. (Aircraft Maintenance) relocation with 450 jobs.
- Boeing announced a partnership with NASA that will generate 550 jobs.
- Voter approved tax abatement program.

Partnership:

As part of Brevard County's vision, we are focused on establishing partnerships that improve efficiencies and realize cost savings to the community.

In FY 2011, the Central Services Office is leading the creation of a purchasing cooperative consisting of public entities located within Brevard County. This cooperative partnership will result in lower costs to group participants on commonly used commodities and will serve to lower administrative costs.

The Housing and Human Services Department has partnered with the Florida Solar Energy Center (FSEC) to expedite energy inspections of properties resulting in costs savings for low income homeowners and renters.

The County applauds the amount of time that citizens volunteer and partner to deliver services to the community. In FY 2010, volunteers contributed over 30,000 hours. Based on the 2009 National Average, these hours were valued at \$20,398,545. We are confident that the final numbers for FY 2011 will be just as impressive.

Brevard County has entered into agreements with the United States Air Force, in an equal partnership, that provides funding leverage for the acquisition of Environmentally Endangered Lands (EELs).

Fiscal Integrity:

In FY 2011, the County continued to focus its efforts on reducing its debt obligations by defeasing approximately \$22.3 million in Parks and EELs bonds, refinancing \$9.6 million in commercial paper debt, and retiring the Water/Wastewater Utility debt of \$22.6 million. Each of these transactions will benefit the organization in the coming fiscal years.

Our efforts in this area have continued to show benefits as the credit rating agencies (i.e., Moody's and Fitch) have maintained or placed a more favorable rating on Brevard County. Maintaining a strong credit rating is a critical factor to lower future borrowing costs.

Leveraged Funds:

As a result of decreasing revenue streams, the organization has focused its efforts on finding opportunities to leverage resources and maximize the opportunities to maintain or enhance services through use of grant dollars, partnerships, private donations or other revenues. In FY 2011, the organization is scheduled to receive over \$37 million in leverage opportunities. Some of the most notable leverage opportunities have occurred in the following areas:

- Valkaria – An investment of \$26,000 results in approximately \$2.5 million in additional funds for airport improvements. For every \$1 in County funds invested, Valkaria receives \$99.00 in additional funds.
- Transit – An investment of \$1.4 million results in approximately \$19.6 million in additional funds for transit operations. For every \$1 in County funds invested, Transit receives \$13.60 in additional funds.
- Agriculture and Extension – An investment of \$788,000 results in approximately \$2.1 million in additional funds for operations. For every \$1 in County funds invested, Agriculture and Extension receives \$2.69 in additional funds.
- Natural Resources – An investment of \$6.0 million results in approximately \$10.0 million in additional funds for stormwater drainage and water quality improvements. For every \$1 in County funds invested, Natural Resources receives \$1.67 in additional funds.
- Housing and Human Services – An investment of \$88,000 to the Community Services Council results in approximately \$733,000 in additional funds. For every \$1 in County funds invested, the Council receives \$8.34 in additional funds.

FY 2011-12 ECONOMIC AND REVENUE INDICATORS

While Florida and the nation begin to recover from the worst recession in generations, there is hope and cautious optimism in Brevard County, along with some concerns for the near term as the Space Shuttle retires. On a positive note, the East Central Florida region remains strong and is the 20th largest economy in the U.S. The entire Central Florida region ranks as the #10 largest economy. Brevard County's economy is much more diversified than when the Apollo program ended in the 1970s evidenced by recent business relocation and retention wins of Embraer, Professional Aircraft Accessories, Inc. (PAA), Midair U.S.A., and AAR Airlift Group. Space flight continues at a hot pace at Cape Canaveral with a full schedule over the next several years. Port Canaveral continues to expand both cruising and cargo business. Access to Brevard through air, rail, road, river/ocean, and space continues to uniquely position the community for future growth and success.

At the same time, the past four years have seen historic declines in residential and commercial markets. Property values also continue to decline. The loss of construction jobs along with related businesses has been impacting Brevard's unemployment rate. And, of course, the Space Shuttle transition will have its impacts felt directly over the next 18 months as layoffs and severance packages run their course. The rate of foreclosures has fallen; however, it is not clear how much of that is due to mortgage companies reviewing their processes versus fewer people actually being behind in their mortgages. With years of unprecedented foreclosures, we have a large inventory of properties available, which means construction (residential in particular) will be slow for some period of time.

With that said, our review of economic and revenue indicators for FY 2011-12 takes into account the following information – countywide property valuations, population growth, foreclosures, unemployment, state/federal mandates, increased costs and decline in revenues, and stimulus funding.

Final Countywide Valuations:

FY 2011-12 will be the fourth consecutive year of decreasing property values, resulting in decreasing County revenues. Between FY 2009 and FY 2012, property values along with our total adopted budget have seen a significant decline. Cumulative over the time period, there has been a decline in countywide property valuations of over \$15.8 billion. In addition, the County's adopted budget has seen a significant decline of more than \$303.7 million during the same period.

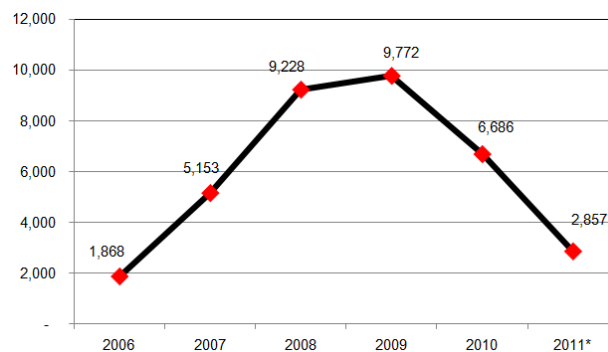
Fiscal Year	Property Valuation	Valuation Change	Change in Total Adopted Budget
2009	37,912,076,087	(\$2.8 billion)	(\$139.9 million)
2010	33,337,685,899	(\$4.6 billion)	(\$2.2 million)
2011	29,104,449,212	(\$4.2 billion)	(\$75.3 million)
2012	24,940,629,760	(\$4.2 billion)	(\$86.3 million)
Total		(\$15.8 billion)	(\$303.7 million)

Population:

The 2010 census officially placed Florida as the fourth most populous state in the United States. Florida also ranked ninth in the nationwide comparison of population growth rates. During the decade, the State’s population increased by 14.9% to 18,801,310. Brevard County’s rate of growth in the 2000s was 14.1% as the population grew from 476,230 in 2000 to 543,376 in 2010. Brevard County is currently the tenth most populous county in the State of Florida.

Foreclosures:

Since a primary revenue source is closely tied to property values, we continue to watch the trends associated with foreclosures. At the highest peak in 2009, Brevard County recorded 9,772 foreclosures. It is projected that the rate of foreclosures will drop by 71% in 2011. Although there has been some rebound in the real estate market, we are cautious regarding this trend.



Unemployment:

As the Space Shuttle program retires, we continue to be focused on job creation. Investments aimed to attract and retain businesses must be a part of the overall job creation strategy. At the highest point, we have seen an unemployment rate of 12.4% for the Palm Bay-Melbourne-Titusville Metropolitan Statistical Area. According to the United States Census Bureau, the preliminary unemployment numbers at the end of September 2011 for Brevard County was estimated at 11.6%.

State/Federal Mandates:

Many state and federal directives require local governments to provide services or programs without providing the appropriate monies or funding sources. These directives, which are known as “unfunded mandates,” can compromise a county or local government's ability to provide essential services that have been deemed appropriate by the local community.

In total, the annual costs of the top state general fund ad valorem mandated expenditures are approximately \$19.5 million. To properly support the state and federal mandates, a millage rate of 0.8230 mills is required.

Increased Costs and Decline in Revenues:

As you are aware, budget development involves reviewing potential cost increases and available revenues. The following table is being provided to illustrate some increased costs and revenue declines that have impacted budget development in FY 2012.

Area	Increased Costs	Decline in Revenues
Increase in Election Cost	\$1.6M	
Cost of Absorbing Furloughs (General Government)	\$1.0M	
Increase in IT Costs	\$700K	
Increase in Court IT Cost	\$500K	
Increase in Fuel Cost	\$500K	
Decrease in Major Revenue Sources		\$4.0M
Decrease General Government Balance Forward		\$2.0M
Total	\$4.3M	\$6.0M

Approximately \$6.0 million or 58.25% of the budget development impacts is related to a decline in major revenue sources such as Property Tax, Florida Power & Light Franchise Fees, Communication Service Tax and Balance Forward. The remaining decrease is attributable to costs associated with three additional elections, absorbing furloughs, and increased costs in Information Systems and Court IT.

We continue to see a decline in balance forward numbers. As you are aware, this revenue source is needed to continue providing services to the community. Each fiscal year, we continue to realize a decline in balance forward in the General Government funding source between \$2.0 million to \$4.0 million. This continued decline will impact the provision of services in the coming years.

Stimulus Funding:

To complete important and needed projects in our community, the Board accepted approximately \$17.9 million from the American Recovery and Reinvestment Act of 2009. The funding allowed the County to:

- Create new jobs as well as save existing ones.
- Spur economic activity and invest in long-term economic growth.

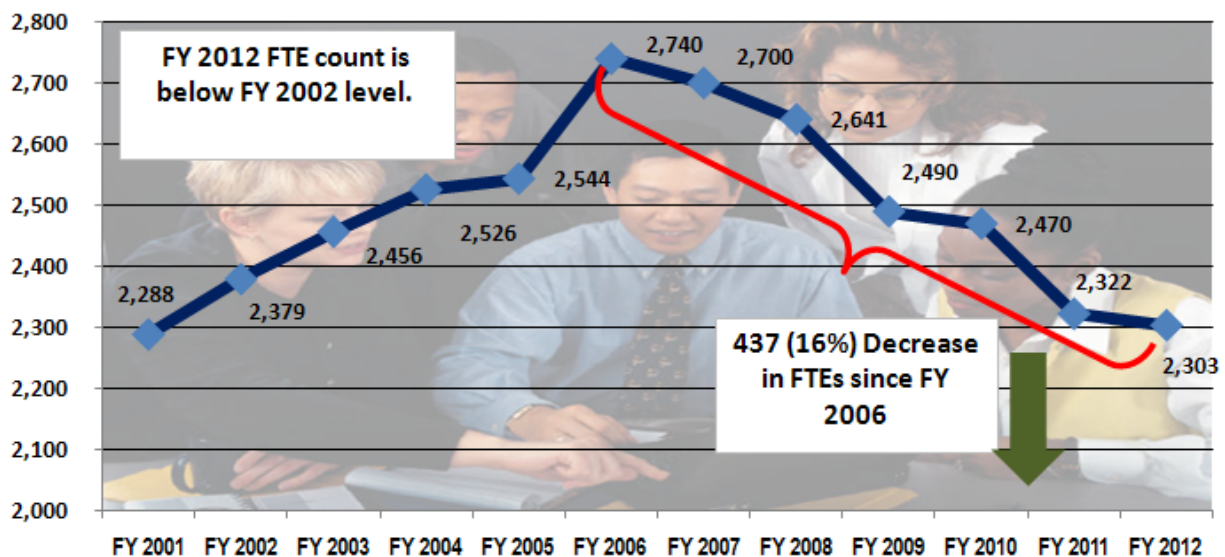
Funds were allocated to address roadway, transit, energy, housing and community projects. We are approaching the completion of the projects from the stimulus funds. Approximately \$7.0 million is remaining in stimulus funds. These funds are expected to be expended in FY 2012 on the purchase of 18 buses and to complete energy saving initiatives.

BUDGET OVERVIEW

The adopted budget for FY 2011-12 is **\$931,931,814**. This budget represents a spending decrease of 8.48% or (\$86,307,714), from the FY 2010-11 Adopted Budget of \$1,018,238,988, and a decrease of 20.45% or (\$239,628,500), from the FY 2010-11 Final Budget of \$1,171,560,314. The aggregate operating millage rate is 7.1360, which is a decrease of 2.77% below the aggregate roll back rate.

The adopted budget essentially provides for a status quo level of services to our customers while still focusing on creating a smaller government structure. At the FY 2010-11 aggregate operating millage rates, there would be a shortfall of approximately \$27 million requiring significant reductions or elimination of programs and services provided by Countywide operations, Library Services, Mosquito Control, Fire Rescue, Law Enforcement, Parks and Recreation and Public Works. This shortfall would be in addition to declines in major revenues. Taking into account budget reductions in prior years, the programs and services impacts from reductions of this magnitude (at current millage rates) were deemed to be inconsistent with the County's Vision and the Boards' priorities and were therefore not recommended.

Generally speaking, there are limited ongoing investments in facility repairs and renovations. There are no planned additions to the County's fleet of vehicles, which have an average age of eight years and growing maintenance costs. The County is eliminating a net of 18.50 full time equivalents (FTEs). Of these, 7.5 FTEs are filled and we will work with these employees to move them into other roles by October 1, 2011. These reductions are nothing like the past four years where the Board of County Commissioners had reduced over 400 employees or 16% of its workforce while serving a growing population.



And speaking of the County's workforce, for the first time in five years there is proposed a one-time pay adjustment for our most valuable resource.

We also know that the County's employees took six furlough days this past year, which equated to a 2.50% pay cut, while Directors and above took twelve furlough days or a 5.00% pay cut. During this same timeframe, the County has also adjusted its benefits package, which had an impact of shifting more than \$10,000,000 of insurance risk to employees and retirees. And beginning July 1, 2011,

employees will now be required to contribute 3% of their pay towards retirement. In recognition of the considerable contributions of County employees, this budget proposes to end furlough days, proposes no insurance premium adjustments, and proposes a one-time pay adjustment equivalent to 2.50% for all employees that will be paid out over the course of the fiscal year. This same pay adjustment is recommended for our Charter Officers.

While this is a balanced budget, in looking ahead to future fiscal years, there are a number of important issues that the Board will need to review. Both stormwater and fire assessment fees are currently insufficient in the near term to meet projected needs. While there has been a one-time infusion of funding from stimulus and other sources for road projects, that funding is diminishing and not projected to be sufficient for ongoing maintenance and construction obligations. Funding to upgrade the County's 800mhz system is needed. There is a need to make investments in technology to improve records retention, website capabilities, and increase overall transparency to the public. We need to continue our investment in energy reduction initiatives, an area where we have saved \$900,000 the past two years. These and other matters await the Board and their resolution will have a direct and significant impact on the citizens we serve.

FY 2011-12 BUDGET HIGHLIGHTS BY VISION STATEMENT CATEGORY

Brevard County is one of the most desirable places to live and to do business in Florida and the United States. We have:

- A tax rate structure that is one of the lowest in Central Florida for citizens and businesses.
- Living expenses are less than most beach communities.
- Access to a transportation network that includes a world-class seaport to move people, products and goods.
- One of the highest ranked school systems in the State of Florida as most of our schools are rated "A" from the State of Florida.
- Abundant natural resources including beautiful beaches that are known worldwide.
- Safe environment where the crime rate is low.
- Award-winning libraries and world-class recreational amenities.
- Diverse arts and culture opportunities and venues.

To illustrate some of the highlights in the Adopted FY 2011-12 Budget, the following information has been separated by Vision Statement Category to describe how the activity relates to the overall Vision of the organization. In addition, the associated Board and County Manager's priorities have been included to illustrate alignment.

Vision 1 - Providing for the health, safety, education and social needs of our community	
FY 2012 Highlights	Supports Board and County Manager's Priority Areas
<ul style="list-style-type: none"> • Funds to support the County's public safety priorities have been programmed at \$189,668,936. This allows for the Sheriff's Office, Fire Rescue, Emergency Management, Criminal Justice, Medical Examiner and First Responder to perform their essential public safety duties at current service levels. • Health Department funded at \$462,508 to allow essential services to be continued. • Funding has been allocated to maintain a level of service that is offered at our community and senior centers. • Our library system is funded at \$18,444,551 to assist citizens of all ages in their pursuit of lifelong learning. 	Board Priorities, Fiscal Integrity, Investments, Innovation and Customer Focused

Vision 2 – Protecting the environment and conserving our valuable natural resources	
FY 2012 Highlights	Supports Board and County Manager's Priority Areas
<ul style="list-style-type: none"> • The Pine Island and Fortenberry projects will provide a needed benefit to our water quality and reduction in flooding. • The Natural Resources Office will continue efforts to actively manage the County's shoreline through environmentally balanced solutions. • The County will again look to partner with the United States Air Force on funding for the acquisition of Environmentally Endangered Lands. • The Energy Efficiency and Conservation Block Grant funded \$2.9-million worth of energy efficiency projects. Upon completion in 2012, these new technologies will reduce electricity consumption at an annual savings of approximately \$55,000. • Continue efforts to utilize reclaimed water as an alternative to using drinking water for irrigation is programmed in the Utilities Department's budget. • Solid Waste will continue its efforts to increase recycling and convert waste to energy. 	Board Priorities, Fiscal Integrity, Customer Focused, Leveraging Funds and Investments

Vision 3 – Building a diverse, strong economic base with the needed infrastructure to support a quality lifestyle	
FY 2012 Highlights	Supports Board and County Manager's Priority Areas
<ul style="list-style-type: none"> • Funding related to supporting economic development is spread across various County Departments. • A continued investment in the Space Coast Economic Development Commission at \$1,400,050 to assist in our economic development efforts. • Brevard County will continue to improve processes in permitting and review to streamline and improve efficiency, and look at other opportunities that will allow the County to continue to meet the Board's direction of a business friendly environment. • Infrastructure improvements through expanded street repaving program resulting in over 80 miles of resurfacing and rehabilitation has been programmed. • To assist in promoting the County and its various amenities, approximately \$2.1 million has been programmed in the Tourism Development Office's budget for construction of the visitor center, north of Titusville on I-95. This project enhances the County's ability to attract visitors to our area. 	Board Priorities, Fiscal Integrity, Customer Focused, Leveraging Funds, Investments and Economic Development

Vision 4 – Creating cooperative partnerships between government, business, community organizations and our residents	
FY 2012 Highlights	Supports Board and County Manager's Priority Areas
<ul style="list-style-type: none"> • The County's partnership with Community Based Organizations (CBOs) is programmed at \$510,200. This is a key source to leverage additional dollars for the community. • Agriculture and Extension will continue to work with Brevard County Farmers' Markets. • The annual contribution from the Brevard County Library Foundation continues to assist the Library Services Department in meeting its mission. Private funding, raised by the Brevard Library Foundation, will allow for the renovation of the Lobby at the Central Brevard Library for a café. • The Brevard County Parks and Recreation Department will continue to have discussions with State and municipal agencies along with the Brevard County School District for potential transfer by either lease or ownership conveyance of County owned park properties. • The Housing and Human Services Department will continue its partnership with the Space Coast Energy Consortium to provide income eligibility and certification for households interested in the Weatherization Assistance Program. • Through cooperative partnerships, Brevard County has embarked on the largest Redevelopment/Water Quality Improvement Project in the County's history (Veterans Memorial Park). • The County will continue to explore opportunities to increase volunteer hours. 	Board Priorities, Fiscal Integrity, Customer Focused, Leveraging Funds, Investments, Innovations/Process Improvements and Partnerships

Vision 5 – Maximizing performance and communications to provide excellent service to our customers	
FY 2012 Highlights	Supports Board and County Manager's Priority Areas
<ul style="list-style-type: none"> • The County is scheduled to complete the implementation of the organization's strategy map and balanced scorecard. This will provide for greater resource alignment and accountability. • As part of ongoing efforts to engage the citizenry, the County will be rolling out an enhanced version of the Citizen Academy. This will be in partnership with the Florida Institute of Technology. • Over the last year, the County has continued to increase financial reporting to communicate performance. The County will continue to enhance financial reporting capabilities to allow for more transparency and accountability with public dollars. • Library Services continues to implement technology enhancements that increase performance. Some items that are being implemented include paying fees online, an automatic telephone reminder system, and an online patronage registration system. • As part of the communication efforts, the County will continue efforts to engage the public through public education forums and town hall meetings. In addition, the County will continue to enhance social media outreach through Twitter and Facebook, and will continue the annual report and county services guide. 	<p>Board Priorities, Fiscal Integrity, Investments, Economic Development, Customer Focused, Employees and Innovations/Process Improvement</p>

FINANCIAL COMPOSITION

The County's FY 2011-12 Adopted Budget represents the planned disposition of all available financial resources. This budget reflects the financial plan of the County to include the County's five types of funding groups: General Funds, Special Revenue Funds, Debt Funds, Capital Funds and Proprietary Funds (Enterprise and Internal Service). The following briefly describes the services provided by these fund groups and the highlights included in the County's FY 2011-12 Adopted Budget.

GENERAL FUND BUDGET HIGHLIGHTS

Some of the significant issues in the FY 2011-12 Adopted Budget for the General Funds include the following:

- Maintains a status quo level of service to our customers while still focusing on creating a customer focused, business friendly and smaller government structure.
- Increases funding to the Supervisor of Elections by an additional \$1,365,104 primarily due to three scheduled countywide elections in FY 2011-12.
- Increases funding to Judicial Support by an additional \$510,856 to support technology efforts as a result of a decrease in balance forward to support this activity.
- Provides for a one-time salary adjustment of 2.5% for Board Departments and Charter Officers at a cost of approximately \$3.4 million to the General Government funding source.

General Funds:

Services - Services provided by General Funds include the Clerk of the Board, Sheriff's Office, Supervisor of Elections Office, Tax Collector's Office, Property Appraiser's Office, Judicial Branch Administration, Judicial Support, County Commissioners, County Attorney, County Manager, Parks and Recreation, Agriculture and Extension Services, Animal Services and Enforcement, Housing and Human Services, Fire Rescue, Veterans Services, Country Acres, Medicaid, Code Enforcement, Planning and Development, Law Library, Natural Resources Management, Public Works, Pretrial Diversion and Release, Medical Examiner, Ocean Lifeguards, School Crossing Guards, and Emergency Management Services. The General Funds also support service functions, which benefit all County agencies, Charter Offices, and Courts. These include Facilities Management, Human Resources, Purchasing and Contracts Administration, Budget, Finance, Information Technology, and Asset Management.

Revenues - The total revenues and other sources of funds in the County's FY 2011-12 Adopted Budget for the General Fund are \$238,349,208. This represents a decrease of 3.25% or (\$8,011,587), from the FY 2010-11 Adopted Budget of \$246,360,795, and a decrease of 7.97% or (\$20,637,316), from the FY 2010-11 Final Budget of \$258,986,524. This is primarily due to decreases in intergovernmental revenues, balance forward and charges for service revenues.

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 2011-12 Adopted Budget establishes the countywide property tax rate at 4.9063. Revenues generated from the countywide property taxes for FY 2011-12 are projected at \$123,911,086 and include \$1,032,270 in revenues from new construction, a reduction from the previous year. The countywide property tax revenues are approximately 51.99% of total revenues collected by the General Fund.

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 highlights in the FY 2011-12 Adopted Budget for the Special Revenue Funds include the following:

- The FY 2011-12 Adopted Budget establishes the Library District rate at 0.5986. Revenues generated from the Library District for FY 2011-12 are projected at \$15,076,412 and include \$125,945 in revenues from new construction.
- The FY 2011-12 Adopted Budget establishes the Mosquito Control District rate at 0.2151. Revenues generated from the Mosquito Control District for FY 2011-12 are projected at \$5,417,535 and include \$45,257 in revenues from new construction.
- The FY 2011-12 Adopted Budget establishes the Fire Control MSTU rate at 0.8135. Revenues generated from the Fire Control MSTU for FY 2011-12 are projected at \$9,745,650 and include \$78,765 in revenues from new construction.
- The FY 2011-12 Adopted Budget establishes the Law Enforcement MSTU rate at 1.3574. Revenues generated from the Law Enforcement MSTU for FY 2011-12 are projected at \$15,240,691 and include \$94,661 in revenues from new construction.

Services - Services provided by Special Revenue Funds include Road Construction, Road and Bridge Maintenance Districts, Surface Water Improvements, Mosquito Control, Library Services, Fire Rescue Operations, Fire Rescue Dispatch Services, Fire Prevention, 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 2011-12 Adopted Budget for the Special Revenue Funds is \$355,245,238. This represents a decrease of 4.43%, or (\$16,472,997) from the FY 2010-11 Adopted Budget of \$371,718,235, and a reduction of (\$47,438,599), or 11.78% from the FY 2010-11 Final Budget of \$402,683,837, attributable to decreases in intergovernmental revenues, projected balances forward, and transfers from other County agencies.

Taxes: The largest single source of revenues for the Special Revenue Funds are taxes associated with the Library Services 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 \$68,829,351, or 19.38% of total revenues collected by the Special Revenue Funds.

Debt Funds:

Services - Debt Funds are used to budget funds for the Parks and Recreation Department, Public Works, and Tourism Development Office.

Revenues - Total projected revenues and other funding for the debt agencies are \$26,523,107 for FY 2011-12. This represents a decrease of 17.38%, or (\$5,580,957) from the FY 2010-11 Adopted Budget of \$32,104,064, and a reduction of (\$95,080,764), or 78.19%, from the FY 2010-11 Final Budget of \$121,603,871.

Capital Project Funds:

Services - Capital Project Funds are used to budget funds for the Parks and Recreation Department, Public Works Department, and the Facilities Management Department.

Revenues - Total projected revenues and other funding for the Capital Project agencies are \$24,428,659 for FY 2011-12. This represents a decrease of 60.98%, or (\$38,185,373) from the FY 2010-11 Adopted Budget of \$62,614,032, and a reduction of (\$40,558,218), or 62.41%, from the FY 2010-11 Final Budget of \$64,986,877.

Proprietary Funds:

Services - Proprietary (Enterprise and Internal Service) Funds are used to budget for the Solid Waste Management Department, Water Resources, Transit Services, Golf Courses Operations, Employee Benefits Administration, Risk Management, Information/Communications Systems, and Fleet Services. 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 2010-11 levels except as necessary to accommodate the growth of the County.

Revenues - Total projected revenues and other funding for the Proprietary agencies are \$288,256,572 for FY 2011-12. This represents a decrease of 5.63%, or (\$17,185,290) from the FY 2010-11 Adopted Budget of \$305,441,862, and a reduction of (\$33,816,316), or 10.50%, from the FY 2010-11 Final Budget of \$322,072,888, due substantially to decreases in projected balances forward and reserves as a result of scheduled Capital Improvements Program projects.

The majority of the revenues collected by Proprietary agencies are charges for services, with additional revenue from other sources such as grants.

BUDGET BY AGENCY

The following information is being provided to communicate the change to the FY 2011-12 Adopted Budget compared against the FY 2010-11 Final Budget by agency. Explanations of the changes can be found in the FY 2011-12 Adopted Budget Book under for each agency's section.

Board Departments

Animal Services and Enforcement Department: The Animal Services and Enforcement Department houses domestic animals brought to the shelter due to violation of State law, neglect or if owners cannot maintain them, and responds to animal nuisance complaints and cruelty and neglect cases. The funding for the Department's FY 2011-12 Adopted Budget is \$3,206,361 a decrease of 3.39%.

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 2011-12 Adopted Budgets of the five Commission Offices and the common appropriations for all offices total \$1,370,993, a 2.67% decrease.

Budget Office: The Budget Office administers the fiscal management, budget development, capital planning and performance management of the Board of County Commissioners. The FY 2011-12 Adopted Budget for this office is \$667,040, an increase of 0.33%.

Central Services Department: The Central Services Department acquires cost effective and quality goods and services, provides accurate accounting and reporting of all County owned real and tangible property; and provides cost effective and readily available fuel supplies and maintenance of all County owned vehicles. The FY 2011-12 Adopted Budget is \$5,168,591, a decrease of 3.41%.

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 2011-12 Adopted Budget of \$1,230,616 for the Office represents an increase of 0.60%.

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 insuring Brevard's quality of life. The FY 2011-12 Adopted Budget for the County Manager's Office is \$818,844, which represents an increase of 0.90%.

Emergency Management Office: The Emergency Management Office protects the public through an organized response to natural and manmade disasters. The FY 2011-12 Adopted Budget of \$11,618,515 represents a decrease of 25.12%.

Facilities Department: The Facilities Department provides functional, safe and attractive facilities that support County agencies in their efforts to provide quality services to the public. The FY 2011-12 Adopted Budget of \$14,390,440 represents a decrease of 11.95%.

Fire Rescue Department: The Fire Rescue Department safeguards properties through firefighting and educational programs, and supports the health and safety of citizens through engine and ambulance responses, hazardous material responses, and beach lifeguards. The FY 2011-12 Adopted Budget of \$64,901,952 reflects a decrease of 11.68%.

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. The FY 2011-12 Adopted Budget for this segment of the overall operations of the County decreases 33.16%.

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 requirements. The FY 2011-12 Adopted Budget of \$37,829,170 represents a decrease of 24.49%.

Human Resources Office: The Human Resources Office assists County agencies in selecting and retaining qualified employees and makes assessments of the County's liability risks and on-the-job injuries to ensure sufficient insurance coverage. The FY 2011-12 Adopted Budget of \$99,307,924 represents a decrease of 3.19%.

Information Technology Department: The Department meets the information technology systems needs of the Board of County Commissioners, Charter and Court Officers. The FY 2011-12 Adopted Budget of \$7,651,576 represents a decrease of 2.46%.

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 FY 2011-12 Adopted Budget of \$18,444,551 reflects an overall decrease of 7.52%.

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 2011-12 Adopted Budget of \$8,731,313 decreases 15.87%.

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 FY 2011-12 Adopted Budget of \$14,383,640 reflects a decrease of 26.76%.

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 Adopted FY 2011-12 Budget of \$84,588,584 reflects an overall decrease of 58.98%.

Planning and Development: The Planning and Development Department enhances the citizens' quality of life through the review of new development for compliance with building, environmental health and land development codes. The FY 2011-12 Adopted Budget of \$23,297,982 reflects an 10.10% decrease.

Public Works Department: The Public Works Department enhances Brevard County's quality of life by constructing and maintaining quality transportation infrastructure. The FY 2011-12 Adopted Budget of \$133,314,113 represents a decrease of 8.26%.

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. Overall, the FY 2011-12 Adopted Budget of \$106,850,815 represents a decrease of 0.52%.

Space Coast Government Television: Space Coast Government Television provides information on government services and accomplishments, as well as emergency information through the SCGTV cable-access government channel, the internet, the news media, and electronic media avenues. Overall, the FY 2011-12 Adopted Budget of \$264,571 decreases 0.08%.

Tourism Development Office: The Tourism Development Office enhances the local economy by expanding tourism expenditures and jobs. The FY 2011-12 Adopted Budget of \$22,858,715 reflects an overall decrease of 7.97%.

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 2011-12 Adopted Budget of \$18,901,536 reflects an overall decrease of 10.32%.

UF/Brevard County 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 County's funding for this Office for the FY 2011-12 Adopted Budget is \$819,721, a decrease of 4.87%.

Utility Services Department: The Utility Services Department 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, treatment and disposal system. The FY 2011-12 Adopted Budget of \$44,801,748 represents a decrease of 37.87%.

Valkaria Airport: Valkaria Airport provides a safe, well-maintained General Aviation Airport facility for use by the public for recreational activities. The Valkaria Airport FY 2011-12 Adopted Budget of \$3,026,182 represents an increase of 290.98%.

Charter Officers

Clerk of the Circuit Court: The Clerk to the Board's FY 2011-12 Adopted Budget of \$1,977,338 represents a General Fund transfer decrease of 2.52%.

Property Appraiser: The Property Appraiser is required by Florida statutes to submit a budget for review and approval by the Florida Department of Revenue on June 1st of each year. The FY 2011-12 Adopted Budget of 7,087,779 represents a General Fund transfer decrease of 10.17%.

Sheriff: The \$105,033,690 FY 2011-12 Adopted Budget of the Sheriff's Office decreases 3.84%. General Fund support for this Budget reflects a decrease of (\$1,003,602), or 1.20%. Additionally, there is a (\$1,732,458) or 40.19% reduction in the Contracted Services due to the Canaveral Port Authority creating its own police force.

Supervisor of Elections: To prepare for redistricting and three scheduled elections, The FY 2011-12 Adopted Budget of \$4,795,990 increases 39.79%.

Tax Collector: The Tax Collector is required by Florida statutes to submit a budget for review and approval by the Florida Department of Revenue on August 1st of each year. The Tax Collector's FY 2011-12 Adopted Budget of \$7,042,692 represents a decrease of 2.86%.

Court Operations

Judicial Branch Administration: The Judicial Branch Administration supports the operation of the courts of the 18th Judicial Circuit. The FY 2011-12 Adopted Budget of \$458,256 for the Judicial Branch decreases 1.5%.

Judicial Support: Judicial Support represents those costs associated with the operations of the courts, but which are not assigned to any specific court officer or other operating agency budget. The FY 2011-12 Adopted Budget of \$5,139,277 decreases 4.96%.

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 2011-12 Adopted Budget of \$325,566 reflects an increase of 4.91%.

State Attorney's Office: The Board of County Commissioners provides certain support costs for the State Attorney's Office as required by law. The FY 2011-12 Adopted Budget of \$468,543 for the State Attorney represents a decrease of 9.28%.

Outside Agencies

Brevard Cultural Alliance: The Adopted Budget for the County's FY 2011-12 support of Brevard Cultural Alliance (BCA) is \$150,000. This support remains the same as FY 2010-11.

Economic Development Commission of Florida's Space Coast, Inc.: The FY 2011-12 Adopted Budget includes \$1,400,050 for the Economic Development Commission (EDC). This is that portion funded by County contract. This support remains the same as FY 2010-11.

Melbourne-Tillman Water Control District: The FY 2011-12 Adopted Budget of \$2,416,645 for the Melbourne-Tillman Water Control District represents a decrease of 1.25%.

Merritt Island Redevelopment Agency: The Merritt Island Redevelopment Agency 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 partner with the private sector to renovate or rebuild areas in structural decline. The FY 2011-12 Adopted Budget of \$3,478,361 for the Merritt Island Redevelopment Agency (MIRA) decreases 10.85%.

Memo to Brevard Board of County Commissioners
October 1, 2011
Subject: FY 2011-12 Adopted Budget

Titusville-Cocoa Airport Authority: The Titusville-Cocoa Airport Authority (TICO) FY 2011-12 Adopted Budget of \$1,996,910 increases 3.44%.

Transportation Planning Organization: The Space Coast Transportation Planning Office is tasked with reviewing and administering transportation policies and procedures for the Brevard Urbanized Area in order to be eligible to receive Federal and State transportation funds. The FY 2011-12 Adopted Budget of \$1,354,268 decreases 14.09%.

CONCLUSION

This budget document is intended to be user friendly and to provide a clear understanding of how County Government funds are spent, and the results that are being achieved.

This Adopted Budget presented significant challenges to the County Manager and his staff. Impacts of built-in costs and prior funding commitments are consuming the new revenues available from new construction, as well as revenues available through proposed Ad Valorem rates. Generally, this Adopted Budget maintains status quo services, continues the approach on achieving a smaller government structure, and reduces spending levels to offset built-in cost increases; however, significant issues such as transportation infrastructure, stormwater and fire funding, 800mhz system, and continuing demand for services remain issues facing Brevard County.

I wish to recognize the long hours and hard work of the Budget Office and all Departments and Offices in the preparation of the FY 2011-12 Adopted Budget document. Their continued service to the citizens of Brevard County is much appreciated as is the leadership of the Board of County Commissioners.

HNT/mc

c: Charter Officers
Assistant County Managers
Budget Director
All Department and Office Directors