



Sarasota County Budget Task Force

TO: Sarasota County Board of County Commissioners

FROM: Budget Task Force Members
Robert L. Anderson, Chair
Lisa Carlton
Kelly Caldwell
Harrison Fox, PhD
Robert Long
John Saputo
Mary Anne Servian
Richard Singer
Joseph Welch
Eric Resker

DATE: August 25, 2009

SUBJECT: Findings, Report and Recommendations

Scope

The Sarasota County Budget Task Force (BTF) was established by the Sarasota County Board of County Commissioners (BOCC) on May 12, 2009. The directive of the BTF is to provide recommendations to the BOCC regarding their 2010 Budget. This is the report containing those recommendations.

The BOCC clarified our charge in their Budget Workshop on June 16, 2009. Specifically, our charge is:

"To provide critical suggestions on cost savings, whether it be in efficiencies, or changes in policy, based on a high level review of the proposed FY2010 budget, to the Board of County Commissioners prior to adoption of the budget. A more detailed review of points of interest of the Task Force can be requested of County staff, such as Enterprise Information Technology (EIT), fund balance and reserve use, etc., but the analysis will be at a higher level than line item detail review."

Data Gathering

A series of seven meetings were held by the BTF over a two month period, as follows:

- June 15, 2009 - Budget Overview
- July 1, 2009 - Core Services – General Fund
- July 9, 2009 – Debt, Investment, and Capital Asset Policy
- July 15, 2009 - Core Services – Special Revenue and Enterprise Funds
- July 29, 2009 - Core Services – Internal Operations/ Support Services
- July 30, 2009 - Discussion and Report Preparation
- August 21, 2009 – Discussion and Report Preparation

During the initial meeting, Mr. James L. Ley, the County Administrator, and Mr. Jeff Seward, Chief Financial Planning Officer presented a comprehensive overview of the County, the budget process, and the environment surrounding development of the 2010 budget. In addition, Mr. Ley presented a summary of staff's proposed budget.

In the Core Service Meetings, County Department Heads presented detailed information related to their departments. These presentations included, among other things, the scope of the department's operations, detailed line item budget and actual information for past and future years, as well as highlights of the 2010 budget decision process.

Preceding each meeting, each member of the BTF was provided with large volumes of preparatory material. Before, during, and subsequent to each meeting, we were given the opportunity to ask questions and request additional information if this material was inadequate or insufficient. We are sure that County staff spent countless hours preparing us and responding to our inquiries. We would like to express our sincere appreciation for this massive effort. Without it, we could not have completed our job. We would especially like to thank Ms. Shelia Roberson, our County point-person on the project.

We were very impressed by the level of talent that the County has assembled in its key management positions. Each member of the County's management team was professional, knowledgeable, and even enthusiastic. Over the course of our meetings, the pervasiveness of a certain "culture" at the County became apparent, as it was expressed by virtually every presenter. This was a culture of cooperation, partnering, talent sharing, strategic planning, full-cost accounting with competitive internal pricing, and continuous reevaluation, with a special emphasis on assuring cost efficiencies, quality service, accountability, and transparency. It was apparent that this culture started at the top with the County Administrator and all the management team had embraced the concept.

Staff Proposal

In our very first meeting, staff described a proposed budget which had recently been presented to the BOCC, and approved in concept. This proposal was basically a "flat" budget, with proposed 2010 appropriations planned at 2009 levels, as amended at mid-year. This 2009 mid-year amendment had contained significant reductions from the 2009

original budget primarily in response to revenue shortfalls. County officers (Sheriff, Clerk, Tax Collector, Property Appraiser, and Supervisor of Elections), acknowledging the pressure on County finances, also presented flat budgets for 2010.

The overriding theme in the proposed 2010 budget was that additional revenue shortfalls were expected for 2010, especially in the general fund. It was noted that in the 2009 budget, the general fund had been “balanced” by utilizing approximately \$18 million of one-time (fund balance carryovers). In Mr. Ley’s words (6/2/09 memo to BOCC), since the FY10 “flat” budget relies upon the infusion of this one-time money from last year, we must use \$18 million of fund balance once again, coupled with the additional funds required to make up for FY10’s revenue shortfall.” Expected FY10 revenue shortfalls would create another \$18 million shortfall in FY10, for a total general fund FY10 budget deficit of approximately \$36 million.

Key assumptions in the staff proposal included:

- No employee base raises (non-bargaining unit and management only)
- Vacant current or future positions would generally not be filled
- All waste was eliminated from the budget, and further cuts would reduce levels of service (LOS)
- No cuts were proposed in LOS

The last assumption above, no cuts in LOS was in response to a BOCC directive in an earlier budget workshop. The staff proposal responded to that directive. Per staff, there was enough excess fund balance to allow this and not violate the general fund’s reserve policy (150 days in reserve). Staff cautioned however, that this could potentially create a bigger issue in 2011 or subsequent years, and there were no guarantees that revenues would recover.

Findings and Recommendations

The following are our general findings and recommendations accompanied by specific recommendations for your consideration.

1. General Fund

The primary issue is whether the projected general fund shortfall should be balanced with fund balance carryovers. The use of one-time funds to balance the budget is a short-term solution. It only delays difficult decisions and creates future budget challenges. One-time funds should generally only be used for high priority, non-recurring expenditures. Staff’s recommendation to utilize fund balance carryovers to balance the 2010 general fund budget was in response to the BOCC’s directive not to reduce levels of service.

Recommendation #1A: *We recommend the BOCC revisit the decision not to reduce Levels of Service and identify Level of Service reductions.*

Recommendation #1B: *The focus of Sarasota County spending should be on high priorities. Several high priorities should be identified. Spending cuts should be made for non-critical programs in FY2010 and beyond. Hard decisions, regarding these spending cuts, must be made by the Sarasota County Commission in finalizing their FY2010 budget.*

The following section offer additional recommendations on how this may be accomplished.

2. Revenues

Budgets can be balanced by reducing expenditures or increasing revenues. Because of the intense focus of the BTF meetings on expenditures, we were not provided much material (and did not request much information), on opportunities for revenue increases. Generally, revenues can be increased by increasing either rates or volume.

In this current economic environment, we oppose fee increases. However, as the economic environment improves, we encourage the County to review opportunities for one-time or recurring revenues; therefore we offer the following recommendations:

Recommendation #2A: *We recommend the BOCC establish a formal policy for sale or future use of surplus properties prior to the adoption of the FY2011 Budget. The policy should include procedures for periodic inventories, determination of best use and timeline for disposition.*

Recommendation #2B: *Budget Task Force identified the following suggestions for potential new and/or increased revenues:*

- *Enforce Florida Law regarding mandatory sewer hookups*
- *Review False Alarm Rates (Board Ordinance, 97-115)*
- *Institute a Fraud Control System for invalid Homestead Exemptions*
- *Establish a non-resident fee policy for beach/water access and/or parking*
- *Increase partnering of services*
- *Explore municipal marketing opportunities for maximization of assets*

3. Expenditures

While County staff was cooperative and thorough in providing us material and analyses for our review, it was a daunting and ultimately impossible task to analyze it for the purpose of recommending reductions in service levels that could help balance the 2010 budget. In fact, it occurred to us that the County Administrator and Department Heads appeared very qualified, and seemed to be in a much better position to make these recommendations. In fact, it is our understanding that the County departments do undergo a continual process of self-analysis throughout the year. This is a very healthy procedure, and we support it.

Recommendation #3A: *We recommend the BOCC seek input from the County Administrator for potential level of service reductions recommended in #1A above.*

Recommendation #3B: *We recommend that County management develop procedures to evaluate the ongoing effectiveness and relevancy of programs, the level of staffing of each program, and the evaluation of program efficiencies and new ways to do County business at less cost.*

The largest expenditure of the County each year is personnel costs. This includes salaries and related benefits, including payroll taxes, retirement contributions and health insurance. We were provided information that the number of full-time equivalents (FTE's) has been decreasing (per 1,000 population) and that personnel costs have remained relatively constant over the last several years. We applaud the County for these efforts.

We support the Administration's policy on setting wages that reward top performers (a "smaller, higher-performing, competitively paid workforce.") Nevertheless, we would encourage the BOCC to maintain a continuous and productive dialogue with staff on program effectiveness and efficiency, reengineering, and staffing levels.

Recommendation #3C: *We recommend the BOCC prioritize its programs and consider personnel position cuts in non-critical programs to help balance the budget.*

Many Florida local governments are implementing creative programs like furloughs to help balance their FY10 budgets. While we understand that furloughs only temporarily address the issue, this option should be considered. Mandatory furloughs can use management to "set the example." Voluntary furloughs have been shown to be well received by certain employees.

Regarding employee benefits, both retirement costs (because of recent investment performance) and health insurance costs are expected to rise annually, perhaps significantly. County testimony showed that employee contributions to monthly medical insurance premiums, while competitive in the government sector, may be more generous than the private sector.

Recommendation #3D: *We encourage the County to continually review options for controlling health-care costs, including increasing the employee contribution requirements, especially for family and dependent coverage. Consider increasing incentives for lifestyle changes and promoting wellness.*

Regarding retirement costs, the County does not appear to have much flexibility. By statute, only the Florida Retirement System (FRS) programs are generally available. The FRS program is expected to get more costly in upcoming years due in part at least, to recent poor market performance.

Recommendation #3E: *We encourage the County continue to advocate legislative changes that will help reduce the cost of this program.*

4. Capital Costs

Because they do not affect the current budget, sometimes the need to control capital costs gets overlooked. However, it is often more important to control capital costs because of their impact on future debt service, operations and maintenance costs.

Recommendation #4A: *We encourage the County to continue to review its facilities construction standards to see if savings can be achieved in facilities capital costs that will reduce financing, operations or maintenance costs in the future. In addition, we recommend an independent steering committee of subject matter experts to perform a periodic review of these items.*

Recommendation #4B: *We encourage the County to continue to review its equipment replacement program information technology related purchases to see if cost savings can be achieved. Expenditures for information technology must be fully understood by the BOCC, the County Clerk and Comptroller, therefore we recommend an independent steering committee of subject matter experts to perform a periodic review of these items.*

Adequate records must be provided in sufficient detail that would allow the Board as their role of chief policy makers to fully understand the magnitude and the effect of planned or completed purchases.

Recommendation #4C: *We recommend when the County requires a new facility, such as a library, to consider locating within county owned structures; then look to purchasing existing buildings that are privately for sale within the community..*

5. Competition, Consolidation, Outsourcing, Partnering and Privatization

We support management's cost allocation and benchmarking programs to ensure County services are provided at competitive costs. We support management's policy to continually evaluate better ways of doing business, for example the recent consolidation of operations and maintenance activities. We feel generally that the County should not be involved in activities that can be done better, less expensively, or more quickly by the private sector. We support the continued and expanded use of contract employees to respond to increased demands for services.

Recommendation #5A: *The county should continue to pursue service consolidation with municipalities and other government agencies where total cost savings can be demonstrated.*

Recommendation #5B: *We encourage a continual evaluation of opportunities for outsourcing, partnering, and consolidation of services. We suggest the BOCC continue*

to revisit the idea of outsourcing any area that would help restrain costs yet not be a serious detriment to service such as SCAT, Information Technology, and other services.

Recommendation #5C: *Recommend the BOCC pursue consolidation of Fleet Services between the County and Sheriff's Department.*

6. County Policies

We are generally in agreement with the County's fund balance **reserve policy**; however it can be enhanced by the following recommendation.

Recommendation #6A: *We recommend the County set a policy as to an appropriate level of non-recurring dollars that are permitted to be spent on recurring budget items.*

We are generally in agreement with the County's **debt policy**. We agree that debt should only be used for capital expenditures and should not exceed the asset's useful life. We encourage the County to fund as many assets as possible on the "pay as you go" basis to reduce the dependency on future taxpayers.

We are generally in agreement with the County's **investment policy**; however the investment policy does not require a periodic independent third party review of performance.

Recommendation #6B: *We recommend the County consider an independent third party review by subject matter experts of the adopted investment policy and performance, at least annually, and solicitation of investment advice that may help limit risk.*

Recommendation #6C: *We recommend the BOCC engage in a more formalized budget planning process resulting in the adoption of a three-year financial plan that includes but not limited to budget items regarding operation and maintenance related to planned capital improvements as well as personnel costs. The BOCC and staff should compare the next budget with the previous year's budget. However, simply taking into account the actual expenses for the previous year as a sole deterrent should be avoided. Requiring Executives to prepare a budget that is based solely on a directive that all requests for funding not exceed the previous year ignores possible savings due to nonrecurring expenditures. Draft budgets that rely on projected savings should identify how those savings will be realized and applied.*

We appreciate the County's support of, and active role in, stimulating **economic development**. We especially commend the County on its economic stimulus package. In this environment, economic recovery is our highest priority, and we need the County to play a key role. We encourage the County to continue to look for ways it can assist in revitalizing our local economy and to stimulate job creation.

Recommendation #6D: *We recommend the BOCC adopt a policy to utilize a portion of fund balances to finance non recurring economic stimulus projects and programs for FY10.*

Sarasota County Capital Asset Policy requires that all capital spending match financing (debt) with expected asset life. By properly matching debt with expected life of asset, fund balances would increase and thus reducing the need for increased fees and tax rates.

Recommendation #6E: *We recommend the BOCC review the length of debt policy to ensure fair allocation of costs to current and future beneficiaries or users.*

7. Human Service Investment / Cost Avoidance

Recognizing our charge from the BOCC was to recommend cost savings and understanding that the BOCC increased funding by \$500k to these agencies, it may be a prudent investment to increase the funding even more in these times of economic stress.

Recommendation #7A: *We recommend an increase in funding of nonprofit Health and Human Services providers.*

8. Budget Task Force Individual Comments

Following the conclusion, please find attached individual comments submitted by Budget Task Force members which are based on testimony taken during staff presentations or are as a result of a members independent inquiry and/or experience. These comments represent specific recommendations not necessarily supported by all task force members. Time constraint did not allow adequate time for all members to fully research and understand the impact of these suggestions.

8. Conclusion

We appreciate the way the BOCC has reached out to our community for input in its budget decisions during these tough economic times, by establishing the BTF. Each of the members of the BTF have taken this role seriously, and attempted to provide dialogue, support and criticism where needed. For us, it was a very important and needed process. We hope we have served our purpose by providing valuable feedback. We understand the extensive effort it has required of County staff and sincerely appreciate all their efforts. Without the excellent work they are doing, our task would have been much more difficult.

Appendices
Budget Task Force Individual Comments and Working Papers

Robert L. Anderson

- Jail
- Health Care
- Sewer Hookup
- Surplus Lands
- Workstation and Voice
- City/County Service Consolidation
- Impact Fees
- Fire Station Funding

Harrison Fox, PhD

- Stimulate the Economy
- Constitutional Officer Spending
- Asset/Liability Management Strategies
- Administrative Economies
- Impact Fees
- Investment Policies
- Electricity and other Electric related Services
- Health, Food and Housing Emergency
- Sale of Sarasota Memorial Hospital
- Sustainability Tools: Measures and Benchmarks
- Water and Sewer
- Conservation Easements
- Fire and EMS
- Tax Cuts
- Housing

Mary Anne Servian

- Institute a Fraud Control System for invalid Homestead Exemptions
- Increase In-sourcing of Services as a Means of |Generating Revenue
- Asset maximization/Municipal Marketing
- Fees for Use
- Increase Funding to Non-Profit Emergency Health and Human Service
Providers and increase collaboration with Faith-Based Initiatives
- Library Construction
- Fire and Emergency Services
- Benefits Packages
- Economic Development as #1 Priority
- Tourism

TO: BOCC

FROM : ROBERT ANDERSON

SUBJECT: New jail location

Some years ago the Board of County Commissioners reviewed recommendations regarding the location for a new jail which was eventually constructed in downtown Sarasota at the then existing jail location. At that time other sites were offered for consideration including the central county landfill.

Jails and landfills are always difficult to locate do to real or imaginary negative impacts on existing communities. Residents who felt threatened by the prospect of a jail within four miles of their homes organized to oppose the landfill location even before extensive studies were conducted. Many clearly misunderstood who would be housed at the facility. Many thought that the County would house prisoners who had been convicted of capital crimes when in truth the only individuals who would be kept at that location would be those sentenced to terms of less than one year. Many of these prisoners have been seen on our streets and drain ways doing maintenance. These are the least offensive individuals.

I recommend that the County should, once again, consider placing the new jail on the Walton Tract near the landfill. Location of our new jail near the landfill would offer a variety of cost saving options. They are as follows:

The property is already owned by Sarasota County. Earlier purchase of the Walton Tract has assured the Board of Commissioners of numerous suitable locations on this site. The Walton Tract consists of 6,700 acres.

A connection of the landfill and jail to I-75 at Central County Parkway or to the existing interchange near route 681 should be pursued. This connection would not only provide law enforcement easy access to the

jail it would also shorten the trip length for solid waste vehicles approaching the landfill from the north thereby saving a considerable amount of money in fuel and labor costs. The elimination of a large number of heavy solid waste trucks would be welcomed by residents with homes on or near Laurel Road. Further a connection to I-75 would provide another much needed north/south highway for use by the general public. Solid waste contracts could be reviewed to determine if the cost savings associated with the resulting shorter hauling route would provide revenue to assist in financing the road extension. Informal discussions between staff members and our contract haulers reveal that over \$200,000 per year in savings could be realized-possibly much more- if bid on a competitive basis. I suggest that the savings be applied to a revenue bond issue to generate funds to build the road extension. The Central County Parkway interchange was originally proposed to be constructed by owners of the Palmer Ranch so private funding might still be obtainable for cost sharing.

Our criminal justice system is experiencing the same or even greater challenges due to the recession and cutback in funding. In addition hard times are often the cause of increased crime as people are loosing their jobs and homes. A program to retrain inmates in order for them to emerge from jail upon completion of their term with marketable skills is not currently offered in our county. It is my suggestion that the Commissioners consider establishment of a training facility in conjunction with a new jail at the landfill. Inmates might be taught the basics of auto repair and their acquired skills could be utilized to lower the cost of first echelon maintenance of county vehicles.

The county has an extensive recycling program that might be expanded by the use of trained prisoners. Prisoners could also be trained in heavy equipment operation and gain experience operating the landfill equipment. A side benefit would be that the prisoners could clear the right of way for a landfill connection to I-75.

County prisoners could also be utilized in our animal control activities. Programs in other communities that mix prisoners with animals have saved their sponsors money but more importantly have proven to be important tools in dealing with prisoners. Animal shelters could be staffed and operated by prisoners. Prisoners could feed and care for the animals. Considerable funds could be saved in this area.

Prisoners could grow their own food at the landfill site and they could also cultivate ornamental plants used in our parks and as landscaping along our roads. Even with the County providing supervision and training we believe that the savings as a result of the above items would far exceed the cost. More importantly the prisoners serving their one year sentence would emerge with a basic knowledge which would assist them in their transition back to a normal life. Eliminating the “revolving door” partly fueled by prisoners who possess no marketable skills should be a high priority. Discussion with the criminal justice coordinating council regarding these suggestions would be very helpful and informative.

TO:BOCC

FROM: Robert Anderson

SUBJECT: Health care

Review of the County's employee health care program has led me to question whether the County is being too generous thru contributions to it's plan when private enterprise contributions to similar plans are more conservative.

I suggest that The County seek out private organizations who have similar hiring criteria, those that might compete with the County for employees, in order to make fair comparison rather than rely on other governmental agencies for comparison.

I note that the Federal Government at this time is addressing health care for all our citizens. Massive changes have been proposed and are being considered .Therefore decisions regarding our community's health care, of necessity ,may need to be postponed until such time as a clearer path is identified by Congress. But there are certain steps the Board might take while awaiting Congressional action.

I suggest one course of action that I am sure will spark much controversy. Consideration should be given to the sale of our public hospital to the private sector. The proceeds of the sale would be substantial. After satisfaction of any outstanding debt the remainder could be administrated as a trust similar to the one established after the sale of the Venice Hospital. Earnings from trust investments could be directed to replace the grant in aid funding now directed to social agencies .This would provide for a substantial reduction in the general fund.

I realize that the BOCC does not own the controlling interest in the hospital but the people residing in Sarasota County do. Serious discussions with the Hospital Board and it's owners ,the taxpayers, might uncover attractive opportunities.

TO: BOCC

FROM: ROBERT ANDERSON

SUBJECT: SEWER HOOKUP

Sarasota County has spent millions of dollars to consolidate private utilities and to extend service to areas once served by septic tanks. Consolidation was undertaken to rescue over 100 private utilities from failure due to their owners inability or their unwillingness to meet environmental regulations. State agencies required the elimination of polluting septic tanks so the County embarked on an effort to meet state mandates. Much of the work has been completed but an aggressive program that requires hookup has not been pursued.

I feel that the County should pursue hookup where lines are considered legally available. Adequate plant capacity has been provided and is being paid for by citizens who have already hooked up. In essence these customers are subsidizing those yet to connect. This is true in areas such as Siesta Key..

The utilities department is struggling to find the money to complete line extension projects. Ignoring this necessary source of revenue only compounds the problem and rates for service by existing customers will continue to be impacted.

The law requires hookup within 365 days when gravity lines are available within 100 feet of a property line. So should the County. We realize the current economic times may be a concern because the financial impact on citizens could add to their burden. But to not require hookup simply continues to shift the total burden to existing ratepayers who are also suffering from the recession.

TO: BOCC

FROM: ROBERT ANDERSON

SUBJECT::SURPLUS LANDS

When the Sarasota County Commissioners discussed the purchase of environmentally sensitive lands prior to the public referendum it was decided that only lands voluntarily offered by their owners would be considered for purchase.

This has been a valuable program and has encouraged many willing sellers. However, parcels offered under this program not only contained environmentally valuable sections they also included portions of less value. This was certainly understandable because an owner was reluctant to be left with odd shaped and less valuable lands that would be reduced in value due to the more valuable sections being sold to the county. As a result the county has acquired numerous parcels that do not fit the description as environmentally sensitive lands. The Board realized at the time of the formation of this program that this would happen and openly discussed the disposal of these less valuable parcels. It was thought that these bits and pieces could be sold as developable lands and the proceeds of the sale could be utilized to purchase additional lands or to augment the general fund. To date none of this land has been sold.

Some of the parcels were purchased to prevent development. One such parcel was approved for over one hundred residential units so the County owns development rights to those one hundred units which could be transferred to a more suitable site and sold.

I suggest that an inventory of all lands owned by Sarasota County be conducted in order that surplus parcels be identified for sale. I further suggest that development rights that the county has acquired be transferred to more hospitable locations and sold. Because the County is not generally engaged in the sale of lands it would be productive to establish a formal relationship with one or more professional real estate firms who might be better able to market these parcels..

I recognize that a large portion of our County's land mass has been consumed as road and drainage rights of way and is owned in fee simple. I would remind the Commissioners that the county not only owns the land under the roads it also owns the space above it. This fact should be taken into consideration when locating necessary buildings such as an expanded courthouse. Many communities have utilized the space above roads to locate necessary facilities and have done so in an architecturally pleasing manner

Consideration should be directed to the future of Buchan Airport. This facility remains a potential liability for our county and serves relative few. This property could become a location for the transfer of development rights and could be marketed for development.

The County's successful program to acquire and consolidate 113 private utilities has created an unusual opportunity. As these utilities were acquired many have been incorporated into regional facilities. Spray irrigation fields which were utilized to dispose of treated effluent were no longer needed leaving large tracts of land available for other uses. These lands represent the most salable parcels because they are situated within or adjacent to developed communities and have no environmentally sensitive issues. Small portions of each parcel may have been utilized for pump stations associated with the new regional system but the footprint for this use represents only a fraction of the total parcel.

I suggest that an inventory of these surplus lands be compiled leading to their sale. Each parcel should be rezoned to represent the most compatible use prior to marketing. Rezoning prior to sale would eliminate litigation brought by a purchaser who might seek different zoning classification that the Board might reject. In other words a buyer would know how he or she could utilize their purchase and would not need to pursue a zoning modification prior to development. Rezoning by the County would add to the value of the land and would eliminate the lengthy period of time that is required to file and for the Planning Commissioners and the Commissioners to review the petition. Not having to deal with rezoning makes the land even more valuable to a private investor.

Proceeds of the sale of these lands could be returned to the utilities department to be utilized for line extension or other brick and mortar projects. However, bond covenants should be reviewed prior to committing these funds.

Timing of the sale of surplus lands should take into account the current depressed market. The County does not need to participate in the ongoing "fire sale atmosphere". It will take some time to inventory and rezone these lands and it is hoped that real-estate values will recover in the near term.

I realize that the Commissioners are interested in promoting eco-tourism and that a few of our surplus lands might be utilized for that purpose but the Commission should compare the cost of development and maintenance against the revenue generated before committing funds to this endeavor.

TO: BOCC

FROM: Robert Anderson

SUBJECT: Work stations and voice communications

Sarasota County is to be congratulated for advancing County governmental efficiency with use of state of the art information technology and voice communication. We have spent and are continuing to spend millions of dollars on hardware and the programs that run them. I am sure that a case could be made to continue this spending but I feel that it is time to pause and for you to thoroughly understand the systems now in place or are planned to be purchased in the near future. A "time out" is in order.

I know that the drive to design and manufacture the next generation of cell phones or computers is unending. New products are constantly being offered to private business and to government which if purchased will require large expenditures and specialized employee training on their use. But once the training is complete the next generation of IT is there to tempt us.

I suggest that the Board set up a series of work shops in order that you might fully understand the needs for the large quantity of hand held voice communication devices and computers now distributed to the employees. Contracts for service should be reexamined to determine if the type of service is excessive. .

There is a considerable amount of money included in the draft budget for workstations and furniture which seems odd when one takes into account our shrinking workforce. I am also puzzled by the ability of the IT department to purchase many items without competitive bidding. While I understand that the County's procurement code lists reasons for purchases without competitive bidding I am wondering if our systems are becoming so specialized that we have no choice but to purchase items as sole source. Attached are four pages listing itemized expenditures which were purchased during the period October 2007 thru August 2009. Many of these items were purchased as sole source without competitive bidding and total in excess of \$20,000,000. While purchase of specialized equipment may seem to be the best solution to address a problem we must remember that once the equipment is in place we are tied to the vendor regardless of cost for the life of that equipment. I recommend that all sole source purchases be discussed with and approved by the Board only after the Board is convinced that there is no other system or equipment that could perform the same or similar function. This would allow for competitive bidding. Life cycle costs of all new systems should be compared with projected savings to determine if existing systems could continue to be utilized.

I am suggesting that you utilize our existing IT and voice communication systems for a period of two years where ever possible and that the savings be diverted to other areas most impacted by the downturn of our economy. There are areas within the general fund

budget such as the grants-in-aid program that appear to be underfunded. Underfunding certain agencies which provide services that the county would need to provide in their absence at a much higher cost is false economy. The two year pause would allow the Commissioners to study and fully understand what is truly needed in IT and voice communications and data processing. . Use of hand held voice communication equipment should be reevaluated to determine if the number of units could be reduced. There are now 1,165 cellular phones in use and 3935 wired service office phones installed. I feel that the number of cellular phones and/or wired service phones could be reduced even after one takes into account the number of employees who are working in remote locations.

I realizes that voice communications and computers are becoming more and more sophisticated and ,therefore, difficult for the average person to understand. But try we must . We must be the master of the” mysterious box “rather than a slave to it.

The County utilizes many desktop printers. I suggest that a survey be conducted to determine if some could be eliminated. In addition I understand that most of these printers are color type rather than black and white. Color ink cartridges require changing more often and therefore generate a higher cost.

Sole Source Data from 10/1/2007 to 8/10/2009

Please note: Payment column includes all payments to the vendor during time frame specified. It is possible some payments are not associated with a Sole Source exemption request. A tremendous amount of staff time would be required to determine payments only associated with sole source exemptions.

VENDOR	# SOLE SOURCES 10/1/07-8/10/09	Technology Related	BRIEF DESCRIPTION	VENDOR #	TOTAL ALL PAYMENTS 10/1/07 - 8/10/09 (sole source and non-sole source)
ACTIVE NETWORK INC	2	YES	RECREATION SCHEDULING SOFTWARE	025816	\$ 38,472.00
ADVANCED AUTOMATION SYSTEMS	5	YES	STANDARDIZED COUNTYWIDE CCTV - ONLY AUTHORIZED AREA DEALER	029613	\$ 272,235.50
ADVANCED DIGITAL INFORMATION CORPORATION	1	YES	PROPRIETARY TAPE LIBRARY MAINT.	028789	\$ -
ANIMATED DATA INC	1	YES	SOLE COMPATIBLE SOFTWARE PRODUCT	038489	\$ 4,595.00
BENTLEY SYSTEMS INC	1	YES	SOLE SUPPLIER OF SOFTWARE AND TRAINING	035215	\$ 15,991.00
CARTEGRAPH SYSTEMS INC	1	YES	PROPRIETARY SOFTWARE	013050	\$ 57,500.00
CLARKE ENVIRONMENTAL MOSQUITO MANAGEMENT INC	1	YES	VCMS PROPRIETARY SOFTWARE FOR TRACKING CHEMICALS AND TRAP LOCATIONS	004713	\$ 598,208.10
DIGITAL CONTROLS	1	YES	PROPRIETARY SOFTWARE OWNED BY THIS VENDOR	163100	\$ 188,055.12
DOCUMED SYSTEMS INTERNATIONAL INC	1	YES	UPGRADE OF PROPRIETARY SOFTWARE	028974	\$ 39,300.00
ERDAS INC	1	YES	SOLE MFR OF PROPRIETARY SOFTWARE PRODUCT	022489	\$ 6,787.50
ESRI INC (ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE)	2	YES	SOLE MFR OF PROPRIETARY GIS SOFTWARE	021639	\$ 386,663.59
GOVERNMENT SERVICES GROUP	1	YES	DEVELOPER OF SOFTWARE	009830	\$ 8,000.00
GRANICUS INC	1	YES	COMPATIBILITY WITH EXISTING SYSTEMS	034038	\$ 26,620.00
IBM CORP	1	YES	PROPRIETARY LICENSING	458234	\$ 861,384.62
INNOVATIVE INTERFACES INC	2	YES	COMPATIBILITY OF SYSTEMS	456440	\$ 166,071.50
INTERGRAPH PUBLIC SAFETY	3	YES	PROPRIETARY SOFTWARE	022723	\$ 400,582.00
KEY GOVERNMENT FINANCE INC	1	YES	EXCLUSIVE CISCO LEASING PARTNER	038363	\$ 152,880.70
LORYX SYSTEMS INC	1	YES	PROPRIETARY SOFTWARE	032516	\$ 53,161.13
M GROUP INTERNATIONAL	1	YES	COMPATIBILITY WITH EXISTING SOFTWARE	031021	\$ 6,250.00
MEDICAL PRIORITY DISPATCH (PRIORITY DISPATCH CORP)	2	YES	SOFTWARE MANUFACTURER	575525	\$ 50,083.83
MEDTRONIC EMERGENCY RESPONSE SYSTEMS (PHYSIO CONTROL)	1	YES	PROPRIETARY SYSTEM AND PARTS	682720	\$ 118,723.00
METHODFACTORY	3	YES	DEVELOPER OF SOFTWARE	028872,037112	\$ 1,399,839.06
NETMOTION	1	YES	PROPRIETARY SOFTWARE	036140	\$ 12,000.00
PRIORITY DISPATCH	1	YES	PROPRIETARY COMPUTER DONGLE (HARDWARE)	***575525 Duplicate	\$ -
QAS, LTD	1	YES	COMPATIBILITY WITH EXISTING SOFTWARE	036994	\$ 13,500.00
RPF CONSULTING LLC	1	YES	CONTINUATION OF SOFTWARE DEVELOPMENT	036563	\$ 52,482.16
SELECTRON TECHNOLOGIES INC	1	YES	PROPRIETARY SOFTWARE	021301	\$ 66,110.00
SIRE TECHNOLOGIES	1	YES	SOLE MFR AND DEVELOPER OF SOFTWARE		\$ 129,350.11
SUNGARD BI-TECH SOFTWARE INC	1	YES	DEVELOPER OF SOFTWARE	009483	\$ 313,017.30
SURVEILLANCE CAMERAS AND MORE	1	YES	COMPATIBILITY WITH EXISTING SYSTEMS	034949	\$ 8,768.00
TRAFFICWARE	1	YES	UPGRADE OF PROPRIETARY SOFTWARE	038048	\$ 11,191.00
TRAK ENGINEERING	1	YES	SOLE OWNER OF PROGRAM AND SYSTEM	900470	\$ 10,813.50
TRANSPORTATION CONTROL SYSTEMS	2	YES	ONLY PRODUCT THAT COMMUNICATES WITH EXISTING SYSTEM	900980	\$ 315,507.90
TRAPEZE SOFTWARE GROUP INC	1	YES	PROPRIETARY SOFTWARE	024346	\$ 155,699.00
VISION INTERNET	1	YES	PROPRIETARY SOFTWARE		not yet purchased
VTLS INC	3	YES	PROPRIETARY CHECK IN AND OUT SOFTWARE AND SYSTEMS FOR LIBRARY	026171	\$ 229,432.79

\$ 6,179,275.41

Sole Source Data from 10/1/2007 to 8/10/2009

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KINGS III OF AMERICA INC	1	NO	COMPATIBILITY WITH EXISTING EQUIPMENT	022923	\$ 15,060.82
MISSION COMMUNICATION LLC	1	NO	COMPATIBILITY WITH EXISTING SYSTEMS	037744	\$ 24,172.16
UNIQUE MANAGEMENT	1	NO	ONLY AGENCY THAT PERFORMS THIS SVC FOR LIBRARIES	027580	\$ 33,072.00
911 FOR KIDS	1	NO	RED E FOX COPYRIGHTED COSTUME - CHILDS TRAINING	027924	\$ -
ADAPCO, INC.	1	NO	DIBROM CONCENTRATE MOSQUITO ADULTICIDE	011810	\$ 359,748.80
ALPHA VALVE & CONTROLS INC	1	NO	PSTANDARDIZED PUMP STATION RTU UNIT	024316	\$ 19,076.18
ALTA ENTERPRISES INC	1	NO	SOLE MFR OF THIS TYPE POWER WINDER	037641	\$ 6,250.00
AM ENGINEERING INC	1	NO	FINAL CLOSEOUT WORK ON FORCE MAIN PROJECT STARTED BY A&M	004150	\$ 28,489.91
AM PM PLUMBING	1	NO	CONTINUATION OF OTHER CURRENT WORK INSTALLING VALVE BOXES AND COVERS ON PUMP STATIONS	035002	\$ 74,865.54
AQUA-AEROBIC SYSTEMS	1	NO	CLOTH FILTERS MFRD TO FIT EXISTING FILTRATION	036592	\$ 23,098.82
ARIES INDUSTRIES	1	NO	SOLE SUPPLIER FOR PROPRIETARY PARTS / MAINTAIN EXISTING WARRANTY	029419	\$ 22,934.74
ARTISAN SIGNS OF SARASOTA INC	1	NO	COPYRIGHTED MATERIAL	056800	\$ 25,390.79
ASCO SERVICES INC	3	NO	OEM MFR FOR TRANSFER SWITCH PARTS	030699	\$ 6,994.00
BADGER METER, INC.	1	NO	PROPRIETARY UTILITY SOFTWARE FOR METER READING	003588	\$ 1,015,120.98
BMK ARCHITECTS INC	2	NO	COMPLETION OF PRIOR WORK AS ENGINEER OF RECORD	079240	\$ 771,700.35
BOUND TREE MEDICAL LLC	1	NO	ONLY DEVICE OF ITS KIND	030436	\$ 33,920.00
CACI	1	NO	UNIQUE SATELLITE SERVICE	036153	\$ 8,126.00
COMCAST COMMUNICATIONS	2	NO	WORK ON COMCAST-OWNED FACILITIES	863460	\$ 154,550.40
COMMISSION ON ACCREDITATON FOR LAW ENFORCEMENT	1	NO	ONLY PROVIDER OF LAW ENFORCEMENT ACCREDITATION	038393	\$ 3,376.00
CROM ENGINEERING & CONSTRUCTION SERVICES	1	NO	ARCHITECT OF RECORD	033321	\$ 12,000.00
CROW LAND SURVEYING INC	1	NO	SURVEYOR OF RECORD	033162	\$ 6,400.00
CUSTOMER SERVICE EXPERTS (CSE) INC	2	NO	CONTINUATION OF PRIOR WORK; MUST UTILIZE SAME VENDOR FOR COMPARISON PURPOSES	036318	\$ 52,825.02
DECKS & DOCKS	1	NO	SOLE SUPPLIER OF THIS PRODUCT IN FLORIDA	019896	\$ 49,390.37
DMK ASSOCIATES INC	2	NO	ENGINEER OF RECORD	031020	\$ 440,791.82
DOW AGROSCIENCES LLC	1	NO	SOLE SUPPLIER OF THIS PRODUCT	036078	\$ 4,072.86
DUALL DIVISION (MET-PRO CORP)	1	NO	SOLE MANUFACTURER OF PARTS	018016	\$ 4,908.00
EASI FILE CORP	1	NO	SOLE MANUFACTURER	274230	\$ 5,080.00
ENVIROSAFE	1	NO	CONTINUATION OF PRIOR WORK	010661	\$ -
ETR LLC	1	NO	SOLE DISTRIBUTOR OF AMBULANCES (WHEEL COACH AND AMERICAN LAFRANCE)	037272	\$ 82,809.53
FISHER SAFETY	2	NO	STANDARDIZED ON PROTECTIVE EQUIPMENT FOR FIREFIGHTERS- ONLY SOURCE	*****	
FLORAN TECHNOLOGIES	1	NO	PROPRIETARY PRODUCT	031326	\$ 15,650.00
FLORIKAN ESA	1	NO	SOLE PROVIDER OF THIS TYPE OF FERTILIZER	344137	\$ 40,771.60
GENE MCCALL CONSERVATION AND RESTORATION INC	1	NO	ART CONSERVATION - UNIQUE SKILL	020631	\$ 21,285.00
GEORGE F YOUNG INC	1	NO	ENGINEER OF RECORD	032450	\$ 248,434.45

\$ 3,610,365.14

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GFI - GENFARE	2	NO	COMPATIBILITY WITH EXISTING EQUIPMENT	369420, 032024	\$ 264,975.00
GLOBETEC CONSTRUCTION	1	NO	PATENTED PRODUCT	038247	\$ 3,295.73
GOLF VENTURES	1	NO	ONLY REGIONAL RESELLER	006467	\$ 4,072.86
GYM SOURCE	1	NO	UNIQUE PRODUCT NOT AVAILABLE ELSEWHERE	035377	\$ 8,420.00
HACH COMPANY	1	NO	ONLY ANALYZER OF THIS TYPE AVAILABLE	405600	\$ 8,914.75
HALLMARK ENTERPRISES INC	2	NO	SOLE DISTRIBUTOR FOR E-ONE EMERGENCY ASSETS IN FL	020457	\$ 15,894.82
JACE CHANDLER (NU-METRICS INC)	1	NO	COMPATIBILITY WITH EXISTING SYSTEMS	001162	\$ -
JOHNSON CONTROLS INC	1	NO	COMPATIBILITY WITH EXISTING SYSTEMS	478140	\$ 409,172.50
KNIGHT FACILITIES MANAGEMENT, INC.	1	NO	SPECIFIC KNOWLEDGE NEEDED	032712	\$ 2,819,876.97
L B BRYAN & COMPANY	1	NO	3RD YEAR OF 3-YEAR POLICY PROCURED WHILE BROKER OF RECORD AGREEMENT WAS EFFECTIVE	014089	\$ 643,385.00
LIEBERT GLOBAL SERVICES	2	NO	OEM MANUFACTURER	028788	\$ 37,213.37
MADER ELECTRIC MOTOR	1	NO	SOLE PROVIDER FOR THIS REGION	546000	\$ -
MENZI USA	1	NO	SOLE FLORIDA DISTRIBUTOR	580790	\$ 118,723.00
METTLER TOLEDO INC	1	NO	SOLE SUPPLIER OF PARTS FOR THIS SYSTEM	580790	\$ 68,048.50
MICRO OPTICS OF FLORIDA INC	1	NO	ONLY DEALER THAT SELLS THIS ITEM AND CAN ENSURE WARRANTY REMAINS IN EFFECT	025531	\$ 6,671.16
MOBILE MINI INC	1	NO	ONLY VENDOR SUPPLYING THIS CONFIGURATION	025917	\$ 71,775.70
MOTOROLA INC	3	NO	SOLE SUPPLIER/SERVICER	606040, 606035, 606	\$ 1,751,118.29
MUNICIPAL EQUIPMENT	1	NO	STANDARDIZATION OF PROTECTIVE EQUIPMENT TYPE/MFR	0961, 019588, 608425	\$ 164,572.90
NORTRAX	1	NO	SOLE DISTRIBUTOR IN THIS REGION	023790, 034178	\$ 5,000.00
PAX WATER TECHNOLOGIES	1	NO	PROPRIETARY PUMP STATION TECHNOLOGY		\$ 30,100.00
PRECISION SIDEWALK SAFETY CORPORATION	1	NO	SOLE REGIONAL PROVIDER; PATENTED PRODUCT	035418	\$ 15,162.49
PREMIER CHEMICALS LLC	1	NO	PROPRIETARY PATENTED CHEMICAL APPLICATION TECHNOLOGY	037480	\$ 67,875.50
PRIDE DIGITAL INFORMATION SERVICES	1	NO	CONTRACTED WITH DMV; ONLY PROVIDER OF THIS DATA		
PRIDE ENTERPRISES	1	NO	STANDARDIZED ON ONE TYPE FENCE	031650, 029840, 700	\$ 130,096.32
R H MOORE	1	NO	SOLE FLORIDA DISTRIBUTOR	37870, 709565	\$ 6,340.00
REPLAY SYSTEMS	1	NO	COMPATIBILITY WITH EXISTING SYSTEMS	031266	\$ 162,876.09
REXEL MADER MOTOR & CONTROL	2	NO	STANDARDIZED ON EXISTING SYSTEMS	26149, 211400	\$ 487,040.46
RINGPOWER CORP	2	NO	SOLE FLORIDA DISTRIBUTOR	729512	\$ 224,689.00
ROTHENBACH RESEARCH AND CONSULTING LLC	1	NO	ONLY THIS FIRM MAINTAINS NATIONAL DATABASE OF STATISTICAL DATA	035736	\$ 6,463.40
SEWAH STUDIOS	1	NO	CONSISTENCY WITH EXISTING HISTORICAL MARKER STYLES	801830	\$ 2,870.00
SKYLOGIX	1	NO	COMPATIBILITY WITH EXISTING SYSTEMS	033015	\$ 66,313.00
SMITH DETECTIONS	1	NO	MANUFACTURER OF MACHINE, SOLE SUPPLIER OF SERVICE	032048	\$ 66,419.89
SOUTHERN FOLGER DETENTION EQUIPMENT	1	NO	ORIGINAL SUPPLIER OF PARTS, SOLE SOURCE TO MODIFY/REPAIR JAIL DOORS	036989	\$ 354,381.00
SOVEREIGN MEDICAL	1	NO	ONLY MEDICAL DEVICE OF ITS KIND	035789	\$ 14,893.80
SUM TOTAL SYSTEMS INC	2	NO	ONLY VENDOR THAT CAN PROVIDE THIS SERVICE	034885	\$ 25,200.00

\$ 8,061,851.50

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SUN STATE INTERNATIONAL	1	NO	SOLE DISTRIBUTOR OF PARTS	350, 035540, 025936	\$ 28,165.44
TARGET SAFETY	1	NO	ONLY TRAINING PROGRAM THAT MEETS MANDATORY REQUIREMENTS	036392	\$ 76,895.00
TEMPLE INC	1	NO	SOLE DISTRIBUTOR IN THIS REGION	023551	\$ 319,094.00
TOTAL TRAFFIC INC	1	NO	SOLE MFR OF THIS DEVICE	037010	\$ 10,841.00
UNIVERSAL SIGNS & ACCESSORIES	1	NO	ONLY COMPANY APPROVED BY THE M.U.T.C.D.	919680	\$ 32,930.85
U-SELECT-IT	1	NO	ONLY ONE SOURCE FOR PRODUCT	037133	\$ 76,902.00
UTILITY TRUCK AND EQUIPMENT SERVICE	1	NO	SOLE DISTRIBUTOR IN FLORIDA	031391	\$ -
VERIZON	2	NO	ONLY COMPANY THAT FURNISHES OUR 911 SERVICE, AND PROVIDER OF 911 EQUIPMENT. ALSO OWNER OF UTILITY POLES AND EQUIPMENT.	08, 371283, 013030	\$ 381,451.30
WHITE CONVEYORS, INC	1	NO	ADDITION TO EXISTING SYSTEM	037942	\$ 16,195.16
WILBUR SMITH ASSOCIATES	1	NO	CONTINUATION OF PRIOR WORK AS ENGINEER OF RECORD	002088	\$ 1,202,034.75
WIRELESS TECHNOLOGY EQUIPMENT COMPANY	1	NO	ONLY AUTHORIZED SERVICE PROVIDER	012166	\$ 38,413.00

\$ 2,182,922.50

TOTAL \$ 20,034,415.00

TO: BOCC

FROM: Robert Anderson

SUBJECT: City County consolidation

I recommend that the Commissioners, once again, approach the cities offering to discuss in detail the consolidation of services. Due to the economic downturn we are experiencing and the dim prospects for recovery in the near future I feel that the cities might be more receptive to entering into talks with the County leading to the consolidation of various departments which, if accomplished, could save taxpayers a great deal of money.

Road maintenance is one such area. While the cities could set priorities for road construction and maintenance the County could contract for and supervise the work.

Each entity wants to control the land use within their boundaries and each maintains a high priced professional staff to advise. A core of professional planners could easily serve both the Cities and the County as long as final decisions were made by the elected members of each governing body.

There are other areas where consolidation would save but might be more controversial such as law enforcement. However those controversial discussions should take place. Examination of a charter change that would reestablish an appointed office to head a department of public safety should be undertaken. If proposed to our citizens and adopted the new system may satisfy one of the cities primary concerns. This new system would allow for much more control over spending for law enforcement because the sheriff could no longer appeal a County decision regarding the budget. Consolidation of law enforcement activities would allow for the elimination the duplication of high priced top level management. Consolidated fleet maintenance would be an attractive side benefit.

I congratulate you Commissioners and past Commissioners for a willingness to discuss issues of consolidation. I know that your overtures have not always been well received by the cities. But where consolidation has taken place such as in the parks system and fire departments we can be proud of these accomplishments and efficiencies that have been realized.

TO: BOCC

FROM: ROBERT ANDERSON

SUBJECT: IMPACT FEES

I note with alarm the Florida Legislatures attempt to eliminate or modify impact fees charged by local governments .Various reasons have been suggested. Some have fostered the idea that elimination of the fees would somehow help solve our economic woes by stimulating the construction industry during this time of recession. Others are not as interested in explaining their motives because to do so would expose their self interest.

Whatever the reason, I submit that the elimination of these fees, either for a short time or permanently ,would be a serious mistake in that it would have the effect of making our economic recovery more difficult.

First let me state that there is no evidence that the collection of impact fees has had any negative effect on construction since enacted in 1983.After members of the construction industry displayed their opposition to the enactment of the ordinance by staging a massive parade down main street, the Board of Commissioners showed great political courage by voting to begin collection of impact fees which greatly assisted our county in the funding of much needed road improvements. The volume of new construction since the enactment of the impact fee ordinance has not been negatively effected. In fact many might argue that the collection of these fees actually promoted growth which might not have occurred had not new roads been constructed utilizing the new revenue generated from the collection of these fees.

Local banks, realizing that the new fees were a cost of construction similar to concrete and lumber, allowed the fees to be financed.Certainly the cost of construction rose commensurate with the new fees charged but, as could be expected ,the value of existing homes gained in value as well.This fact is the basis of my concern. There are a great many existing homes for sale here in

Sarasota County and our neighboring counties due to foreclosures and the need for families to relocate because the principle bread winner has lost his or her job. These homes have lost a large portion of their value due to the recession and the tight credit situation that exists in our nation. The elimination of impact fees in order to stimulate new construction would deal another crippling blow to the owners of existing homes and the bankers that financed them who would suffer yet another loss of value due to the need to compete with the subsidized new construction. I submit that our first priority should be to reestablish a vibrant existing home market. Stimulating the new construction industry not only would be counter productive to this goal it would deprive the taxpayers of our county of the very source of revenue it badly needs for necessary public projects. Why would we encourage more new construction and at the same time eliminate a very necessary source of funding needed to build the infrastructure the new construction requires?

I urge you to defend the collection of these fees. It has been a good and effective program based on solid legal grounds. Lowering impact fees, even on a temporary basis, would probably make it impossible to ever reestablish this very necessary source of funding and forever shift the responsibility for funding new growth to the taxpayer.

In addition to the fees already charged I recommend that the Board consider, once again the imposition of impact fees that would assist in the funding of necessary structures such as the new jail and the addition to the courts. It is my understanding that considerable study has already been undertaken in this area so development of legally defensive assessments could be accomplished in short order. These types of facilities are made necessary by the growth in population . New development should shoulder it's share of the cost.

TO: BOCC

FROM: Robert Anderson

SUBJECT: Fire service funding

The Nokomis Volunteer Fire Department provides a high level of service to the residences and businesses located near mid county. Funding to support their efforts comes largely from voluntary \$75 contributions. Only forty eight percent of owners of structures served pay the voluntary contribution. In addition the NVFD receives about \$65,000 from the County for their EMS participation. After responding to a location that has not made the \$75 contribution the NVFD bills the property owner for the service received in an amount averaging \$400. This amount does not fairly cover the cost of service which could be many times the average billing.

This method of funding benefits those who pay nothing. They are subsidized by those who contribute. To further compound the problem the County fire service has no system in place to be reimbursed when backup service is provided to the NVFD.

In order for the NVFD to keep pace with the growth in their service area, to purchase necessary equipment , to replace an aging fire station, and to recover the costs of County back-up service a more reliable funding system must be considered. For this reason I recommend that the Board of Commissioners establish an MSTU encompassing the areas served by the NVFD so that all that are served might pay a fair share.

The County should contract with the NVFD to provide service to the MSTU. This plan would provide additional funding to meet the needs of a growing area and at the same time lower the cost now borne by those who voluntarily contribute. This plan also recognizes the political reality that many in the area served continue to vigorously defend and support a volunteer department

If other areas within Sarasota County are served by volunteer departments a similar solution should be considered.

Stimulate the Economy

Sarasota County is experiencing economic hard times not seen since the Florida Depression Era (1926 – 1940's). Floridians' Depression began in 1926, three years before the Wall Street crash, after a major hurricane struck Miami on September 18. Economic hard times did not end for over 15 years.

In October 2005 unemployment in Sarasota County was 2.8 percent. In FY2008 the unemployment rate for Sarasota County was 5.9 percent; today it is over 11.2 percent. Property values declined 15.2 percent in FY 2008 and approximately 12 percent in 2009, with expected decreases of 6 and 2 percent in FY2010 and FY2011 respectively. Last year, Florida's real GDP fell to \$603.5 billion from its 2007 total of \$613.4 billion, a decline of 1.6 percent. Florida was ranked 48th in state GDP growth during 2008.

Sarasota County government has a major role to play in responding to our economic crisis. I recommend that the Sarasota County government economic development efforts be substantially increased. The two key elements for economic development are **jobs** and **taxes**.

Jobs

Recommendation: Sarasota County Government in cooperation with businesses, citizens, not for profits, and financial institutions should mount a major job creation campaign.

*Recommendation: Jobs and Economic Development strategy should be developed **before** the beginning of FY2010. This strategy should be developed in coordination with the business community, not for profit organizations, other Sarasota County governments, and concerned citizens. It is critical that thousands of jobs be created within Sarasota County in FY2010 and beyond.*

Recommendation: Sarasota County should allocate a significant portion of the FY2010 budget to creating jobs. The source of funds would be from Fund Balances, Spending Cuts, Federal and state funds, Revenue Bonds, and Earmarked taxes.

Recommendation: Jobs be created by attracting small, medium, and large businesses including those that employ workers in health care, manufacturing, entertainment, financial sector, and other services.

Tax Cuts

Recommendation: One of the most important STIMULUS actions that the Sarasota County Commission can take is to promote recovery by reducing the tax burden of Sarasota citizens and businesses.

Recommendation: Sarasota County Commission should set goals for tax reduction.

Recommendation: General Operations Property Tax millage should be reduced in Fiscal Year 2010 and FY2011 through FY2015 as well as long term FY2020 and FY2050. See Table 1.

In the long run, government can not spend the economy out of a recession. Tax cuts are preferable to spending increases as they permit private sector growth through increased private investment, savings, and consumer spending. Private sector growth is the key to generating prosperity – jobs, economic

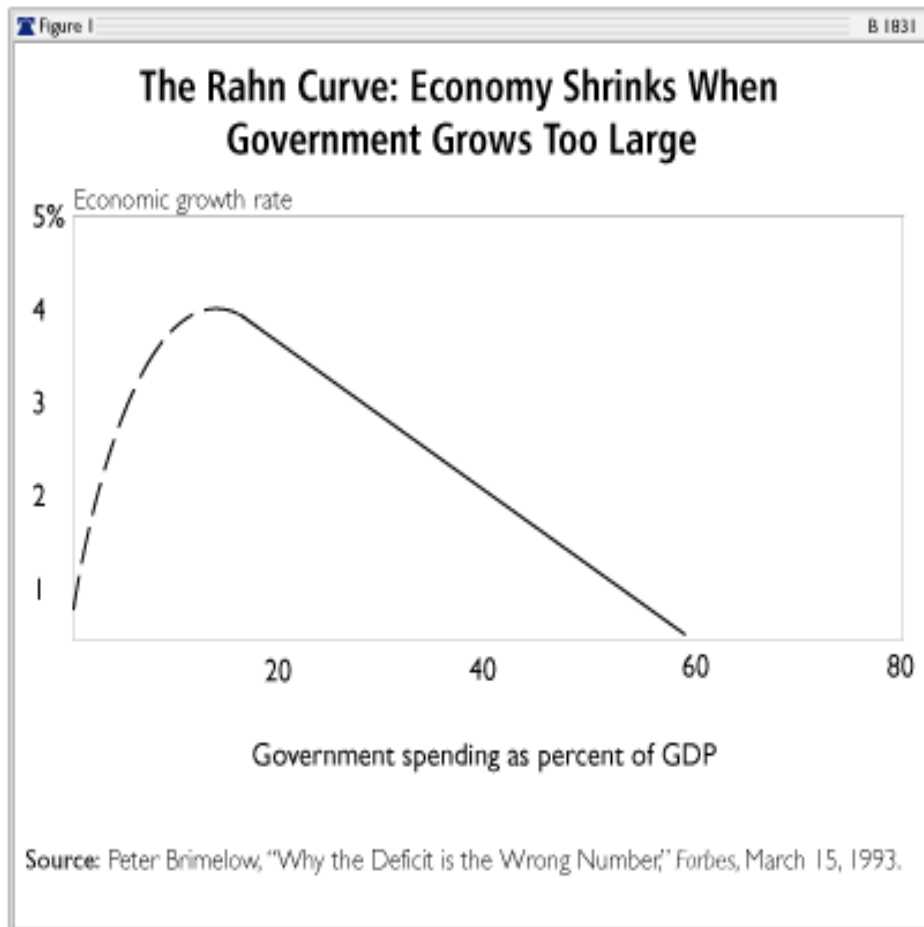
growth, and reduced social needs. Importantly, economic growth generates resources needed to protect the environment.

Up until recently, total government spending in the US has been in the mid-30's percent. US GDP is just over \$14 trillion today. Federal government spending is expected to be over \$3.2 trillion (22.8 percent of GDP) for this year. State and local spending in Florida for 2008 was approximately \$162 billion or 26.8 percent of Florida's GDP.

Together, Federal and Florida government spending is approaching 50 percent of GDP.

USA government spending is at same levels of socialist economies, such as Sweden and Norway,, where spending approaches 50 percent of GDP.

Economic research has shown that economic development is maximized when government spending is approximately 15 percent of GDP.



What does the Rahn Curve tell us? If combined USA government spending continues at FY2009/FY2010 levels (50 percent of GDP) economic growth will likely be in the 1 to 2 percent range. In fact, the Federal Reserve has recently predicted 2 percent economic growth for this year.

Constitutional Officer Spending

Recommendation: Sarasota County Constitutional Office funding (from Property Tax millage) be reduced in Fiscal Year 2010 and FY2011 through FY2015.

Recommendation: The Sarasota County Commission should immediately ask Constitutional Officers to reduce their FY2010 using the ad valorem receipts reduction of 12 percent as a target for FY2010.

It is important to note that the Clerk of the Court has achieved considerable budget reductions for FY2010. FY2010 budget reductions for the Clerk's Office will be \$1.7 million or 18 percent of budget. The other constitutionally elected officials should be encouraged to follow her example.

Better Asset/Liability Management Strategies [Fox]

Fund Balances

Recommendation: The Sarasota County Commission should utilize fund balances to finance stimulus and high priorities.

Responsible use of fund balances will greatly assist the County Commission in working towards economic recovery. Fund balances that could be utilized in FY2010 and beyond include:

- Designated for Compensated Absences (60 % of \$16.67 million balance)
- Designated for Economic Conditions (\$34.2 million balance)
- Unreserved, Undesignated Fund Balances (\$33.7 million balance)

In summary, over \$75 million is currently available from the above sources for high priority spending as well as tax and fee reductions.

Reserves for Emergency and Revenue Shortfalls.

While having adequate reserves for emergencies and revenue shortfalls is sound public policy, accumulating operating reserves in increasing proportion of total taxes collected without a ceiling constitutes transfer of taxpayer assets to government without a compelling reason.

Recommendation: The Sarasota County Commission should establish an official fixed cap on reserve funds as is done by Fairfax County Virginia.

The size of each reserve fund could be a percentage of revenues or of expenditures, but would not increase in percentage from year-to-year, unless the county changed its reserve policy. The percentages could be established based upon recommendations from actuaries for emergency reserves maintained for manmade or natural disasters. Other reserves for revenue stabilization could be based upon recommendations from public finance experts.

Sale of Assets [Included in Task Force Recommendations]

Recommendation: Sell excess Environmentally Sensitive Land.

Sarasota County owns environmentally sensitive lands. Sale of portions that are not environmentally sensitive will result in an additional dollars added to the Environmentally Sensitive Land purchase fund.

Recommendation: Sell Sarasota County owned land and buildings

Sarasota County owns land and buildings with improvement that are valued at \$520.6 million. Sale of portions that are not being used, are underutilized, and/or could be declared excess will result in an additional revenues that may be spent on stimulus options, priority spending, and/or used to reduce taxes and fees.

Debt

Recommendation: Improve asset/liability management by matching capital asset life with liability (debt)

Sarasota County Capital Asset Policy requires that all capital spending match financing (debt) with expected asset life. By properly matching debt with expected life of asset, fund balances would increase and thus reducing the need for increasing fees and tax rates.

Opportunities for capturing additional revenue by issuing debt are:

- Dump Improvements (\$8 million in FY2009, utilizing a Reimbursement Resolution)
- Fire and EMS Capital Improvements (\$4.892 FY2010 and \$15.2 million from prior years)¹
- Other Capital Asset Financing (\$3.3 million FY2010 and \$39 million from prior years)²

Health Insurance

Recommendation: A reserve should be established for potential county employee health insurance rebates. The County Commission should set aside \$2 million for county employee health insurance rebates. The issue is currently being considered by an arbitrator with a decision due in early FY2010.

¹ See, "CIP Means of Financing Report", GovMax, July 10, 2009, page 2-4.

² See, "CIP Means of Financing Report", GovMax, July 10, 2009, page 5-11.

Administrative Economies

Shared Expenses

Recommendation: Shared expenses cost should be dramatically reduced. A major review should be undertaken, of the charges for maintenance, computers, cell phones, and other charges, by a business/citizen task force.

Shared expenses – such as workstation, voice communication /telephone, and equipment maintenance costs appear to be mostly outside the direct control of the department head. A third party review of charges, procedures, and effectiveness is necessary.

Funding from Federal, State, and Private Sources

Recommendation: Securing significantly additional funding from Federal, State, and Private Sources

Supervision and Control of Sarasota County Programs

Recommendation: Sarasota County expenditure fraud must be managed by an effective internal control structure that uses data and images of actual invoices and other documents. Personnel performing internal controls should be independent. An option would be for the internal control personnel to be hired and managed by the Clerk of Court and funded from the General Fund.

There are opportunities for improved supervision and control of Sarasota County programs and spending. The Clerk of Court's expenditure control system, which has images of all expenditure documents, should be used to control bid rigging, change orders, pilfering, travel-claim fraud, disposal fraud, double payments, false claims, payroll fraud, healthcare beneficiary fraud, kiting and other losses such as failure:

- to properly maintain fixed assets
- to avoid duplicative purchasing
- to maintain adequate cost accounting systems
- to invest available cash to best advantage
- to avoid investments with an unacceptable degree of risk
- to take advantage of all applicable discounts on purchases
- to comply with applicable legal requirements

Recommendation: The Sarasota County Commission should form an Audit Committee from its members.

It is not practical or profitable for a County Commission Audit Committee to attempt to independently review each and every transaction. Accordingly, the Audit Committee must be alert to “red flags” that could indicate potential problems. One such “red flag” is any unusual discrepancy between actual performance and results.³

³ Taken from Stephen J. Gauthier, “An Elected Official’s Guide to Internal Controls and Fraud Prevention,” Government Finance Officer’s Association.

Additional Comments on Impact Fees

Impact fees are a responsible way for paying for capital improvements.

Current impact fees, as administered in Sarasota County, retard economic growth, discriminate against the low and low middle income homeowner taxpayer, and violate basic capital assets financing principles.

Recommendation: Treat impact fees as capital improvements and allow them to be financed and paid for over the life of the asset.

Impact fees must be spent on capital improvements⁴. Each capital improvement has a defined life. Following basic financial principles, financing of capital improvements should match the life of the asset.

Sarasota County will receive the same revenues using the commonly accepted capital asset financing model. By financing impact fees, the new homeowner and business will pay for the asset(s) as they use them.

⁴ “Impact fees must be used for capital expenses only”, Rob Lewis, **Interoffice Memorandum**, January 30, 2009, page I-2.

Amend the Sarasota County Investment Policies

Recommendation: Add to Sarasota County Investment Policies under

“D. POLICIES TO ENSURE ETHICAL AND PRUDENT ACTION”

the following

“4. Third Party Review

It is the Policy of the County that a third party (independent) review of all County investments should be performed at least once each year. The person(s) performing the review shall produce a report that

- reviews actual County investments
- includes a pro/con analysis
- provides in general terms the hypothetical returns and risks of alternative investment strategies during the time period reviewed
- comments on the implementation of County Investment Policies including
 - Investment Responsibilities
 - Investment Objectives
 - Investment Policies”

Cost

Estimated staff time 5 days

To reduce cost the third party review may be performed, in whole or part, by a Volunteer Task Force.

Electricity and Other Electric-related Services

Recommendation: Sarasota County should work to reduce the cost and the use of carbon producing energy while at same time reducing the risks of outages by --

1. *Entering into and/or support pilot tests with FPL and/or other electrical energy providers that would offer a renewal energy dividend.*
2. *Establishing performance measures, benchmarks, objectives, and goals for use of renewal energy by homeowners, businesses, and the County. The minimum Sarasota County goal, supported by the Sarasota County Commission, for use of renewal energy shall be 20 percent by 2020.*
3. *Facilitating development of renewable energy use by*
 - a. *reducing regulation,*
 - b. *encouraging cooperation between electricity users and producers, and*
 - c. *acting promptly to support renewable energy pilot tests.*

It is now widely recognized that a distributive power network (energy produced by local users) will

1. reduce power transmission loss (a sustainability objective/benchmark)
2. provide for reduced risk of regional power outages
3. over time reduce Sarasota County electricity users costs (a sustainability objective/benchmark)

Florida Power & Light Company (FPL) and Sarasota County have entered into a franchise agreement that provides for payment of fees in exchange for the **nonexclusive** right and privilege of providing electricity and other electric-related services throughout the County free of competition from the County.

Most of the current electricity provided by FPL in Sarasota County is produced by large power plants. By adopting the Recommendation noted above Sarasota County will reduce the risk associated with regional power failure and move to an environmentally responsible electrical generation system.

Cost

Sarasota County government costs of these actions should be minimal. Most “transitional” costs will be born by private sector electricity users whom over time will realize significant dollar savings.

Health, Food, and Housing Emergency

Recommendation:

1. Increased Sarasota County funding for Health and Human Services. Funding should target those groups that provide food, health, and housing assistance.
2. Funding increase should be at least \$3.4 million over draft FY 2010 Budget and the Commission should continue to monitor on quarterly basis.
3. Increase Support Sarasota County wide coordination of social services

Social Service Groups and Sarasota County have seen a rapid increase in requests for food, health care, and housing over the last few months and most have had reductions in revenue. Rising unemployment and the recession has dramatically increased demand for basic food, health, and housing services in Sarasota County. Demand for these services has increased between 20 and 40 percent over the last few months.

With tens of thousands of Sarasota County citizens in dire need of these services, a health, housing and food **emergency** exists in Sarasota County! Sarasota County government and not profit service providers need immediate help.

One of the major contributing factors to a lack of funds is the reduction – CUT – in Sarasota County funding for Health and Human Services. While most all other departments and agencies are given level “current services” funding in the proposed FY2010 budget, Health and Human Services has taken a major cut.

The Sarasota County Commission should take immediate action to mitigate this **emergency**. Without immediate action by Sarasota County dramatic increases in expenditures (public safety, emergency health services, health care) as well as potential reductions in tax revenues (ad valorem taxes, fees) will likely result over the next few years.

To see the very real effect our shattered housing market, lagging economy and apocalyptic gas prices have had in Sarasota, all you have to do is look to the rise in food stamp participation. Florida saw a 19 percent jump in usage of the USDA program that assists more than 20 million people a year. That increase is almost three times higher than the national average.

The situation in our home town is much worse. From April 2007 to April 2008, 46 percent more families opted into the food stamp program in Sarasota, the second highest jump on the Gulf Coast. Much of that comes from families who have dropped into the ranks of the working poor, with jobs that just can't make ends meet in the current economy.

At Sarasota's All Faiths Food Bank, 40 percent of the people they serve have at least one working member in the household. All Faiths has seen a 46 percent increase in demand since just last August. All Faiths Food Bank feeds an estimated 50,000 people in Sarasota County and another 15,000 in DeSoto through the over 200 organizations they serve throughout the community.

Rising unemployment and more need for food have led to a 20 percent increase in demand on All Faiths.⁵

⁵ The last two paragraphs are taken from local press reports.

Sale of Sarasota Memorial Hospital

Recommendation: Advocate the sale of Sarasota Memorial Hospital and creating a Health/Social Welfare Foundation with the sale proceeds.

The citizens of Sarasota County own the Sarasota Memorial Hospital. **A major reason for establishing and maintaining community hospitals** in the past was to provide care for those without insurance. The health care environment is changing. Most citizens are soon expected to have health insurance.

Hospital costs at the public owned Sarasota Memorial Hospital are no less than at other local hospitals. In fact they may be more, as for a knee replacement. According to the FloridaHealthFinder.gov, an average knee replacement cost (between July 2006 and June 2007) was —

- \$60,879 at Doctors Hospital,
- \$41,457 at Manatee Memorial Hospital,
- \$51,307 at Sarasota Memorial Hospital
- \$48,127 at Venice Regional Medical Center.

The Sarasota Memorial Hospital sale will result in a large reduction of Sarasota County Taxpayer's tax burden -- \$65 million in FY2009. The Hospital District currently accounts for 7.1 percent of a typical property tax bill.⁶ **Recently the Hospital Board adopted a 15 percent increase in this tax rate for FY2010.**

A **significant hospital sale bonus** would be the creation of revenue that could be used to establish a Health/Social Welfare "Community" Foundation. The Venice hospital sale is an excellent example of how a public hospital sale proceeds creates a Foundation that helps the community.

⁶ Sarasota County Government Adopted Financial Plan Fiscal Year 2009-2013, p. 2-56.

Sustainability Tools: Measures and Benchmarks

Sustainability Tools

Recommendation: The Sarasota County Commission has over the last few years approved over 30 major resolutions, ordinances, policies and plans that are directed at sustainability of environmental, economic, and social impacts of County programs. Benchmark and measures should be identified for each program for past years, during the five year budget cycle, and for 2020, 2030, and 2050. They should be prioritized. High priority benchmarks and measures will help identify and drive Sarasota County Government's sustainability spending and program activities.

Today the Sarasota County Commission lacks, during its consideration of the yearly Financial Plan, the following –

- a sense of priority
- year-to-year tracking and follow up
- comparable benchmarks and measures (performance, outcome, and results) across programs over time

Sustainability Measures and Benchmarks

Recommendation: Performance measures and benchmarks action items include:

- *Each department head should provide a list that shows the prioritization of the deliverable services of their department.*
- *work closely, on a continuing basis, with citizens, businesses, and not for profits to establish, evaluate, and measure priorities*
- *set priorities for all areas*
- *insure that all county managers are focused on achieving the critical priorities*
- *instruct county managers to engage county workers with “their” priorities and fully support the need to reduce spending*
- *insure that management tools (Maximo, GovMax) are “driven” by critical and other measurable priorities*

Sarasota County program managers utilize hundreds of benchmarks, performance, outcome measures. For instance, Health and Human Services utilizes over 600 performance measures. Fire/EMS lists over 150 measures in its Organizational Performance Management report. This is good. What is needed is noted above – a sense of priority, year-to-year tracking and follow up, and comparable benchmarks and measures across programs over time.

Preparation for Revising the Comprehensive Plan

The Comprehension Plan revision process is beginning. A major component of the revised Comprehensive Plan should be the inclusion of sustainability measures and benchmarks.

Recommendation: Comprehensive Plan action items include:

- *integrate priorities, measures, benchmarks, and their measurement into the Comprehensive Plan*
- *all priorities should be presented in measurable terms and tracked over the last and next five fiscal years as well measurable benchmarks should be set for FY2020, 2030, and FY2050*

Water and Sewer

Water is today and for the future one of Sarasota County's top priorities.

Recommendation: Develop and establish benchmarks and measures for water use, conservation, as well as water and sewer service for the past 5 years, 5 years into the future, for 2020, 2030, and 2050.

Use

Recommendation: Measure and discuss at a Commission meeting, at least yearly, the Sarasota Commission approved 60 percent reduction in water use.

Recent County water use has not trended down in recent years as required. This should be corrected.

Conservation

Recommendation: Satisfy the requirements of the Clean Water Act that require water bodies to meet their intended use. Impaired water bodies in Sarasota County include: Phillipi Creek, Lemon Bay, Alligator Creek, and Woodmere Creek. The impairment is believed to be from septic tanks. The logical solution is to provide sewer service to these areas.

Recommendation: Dramatically increase Sarasota County efforts seeking community support for water and sewer conservation initiative. The focus should be on building, fertilizer, and landscape activities.

Master Plan Water and Sewer

Recommendation: Develop a Sarasota County Sewer and Water Master Plan that takes into account current capacity, fire hydrant needs for ISO #1 rating, future development, and conservation challenges and requirements posed by Federal and state authorities as well as Commission adopted goals. The Master Plan should be completed in time to be included in the next Comprehensive Plan revision.

Sarasota County Comprehensive Plan, Water Policy 1.1.6, states that the County shall continue to plan for providing central wastewater systems to critical areas in the Urban Service Area served by onsite wastewater systems. Urban service area is defined as the western part of the County, west of I-75. Although there is not a water and sewer "master plan to address the timing and funding of providing sewer [and water] service to the rest of the County within the Urban Service Boundary"⁷, there is a need to quantify the infrastructure needs of new housing development, especially sewer and water. This can be done by looking at areas served by the various utility companies, determining the capacity they have for new connections, and the costs of hooking up in each area as well determining new capacity needs. In addition, the Master Plan should include capacity requirements for meeting ISO #1 rating as well Federal and state requirements.

Key Performance Measures (for last five years, next five years, 2020, 2030, and 2050)

Recommendation: Water and sewer benchmark and performance measures should be reviewed by County Commission at least once a year. Examples include: water use, acres of sea grass, acres of oyster beds, and dissolved oxygen for water bodies (bays, lakes, streams, creeks) experiencing nutrient pollution.

Costs

⁷ Response to Budget Task Force question, "1. Masterplan Sewer and Water", BTQ Questions PartIV, Tuesday, July 21, 2009.

Recommendation: Costs to homeowners and taxpayers for water and sewer capital improvements should be financed by bonds over the life of the asset. These costs should be reduced by seeking Federal, state, and private (foundation and private equity) funding.

Conservation Easements

Recommendation: The Sarasota County Commission should work with state, regional, and local governmental entities as well as conservation groups to identify the current Sarasota County conservation easements and encourage additional conservation easements.

Recommendation: Each conservation easement should be located and mapped on GIS and others should be encouraged to use this data to improve planning and conservation efforts.

In this difficult economic time, it is important that the Sarasota County Commission continue to add to Environmentally Protected Lands. One of the most cost effective ways to protect Environmentally Sensitive Lands is through conservation easements.

In Florida, government agencies or non-governmental conservation organizations may use conservation easements to protect land. Conservation easements are cost-effective.

Many conservation easements are in place. It is important that the Sarasota Property Appraiser identify each of these easements. The Sarasota County Commission should work with the Sarasota County Property Appraiser to review each conservation easement and determine if it meets state law requirements (Florida Statutes, Title XL, s. 704.06). The Property Appraiser should assess conservation easements considering its fair market value. This means comparing the pre and post fair market values for each conservation easement.

Fire and EMS

Recommendation: The Sarasota County Commission should hold a workshop reviewing the financial viability of the two major Fire/EMS Funds -- 130 and 153 before adopting the FY2010-FY2014 Financial Plan. In addition, during the workshop the Commission should analyze projections proposed in Sarasota County Government Adopted Financial Plan for FY2010-FY2014. They should compare the proposed FY2010-FY2014 Financial Plan to Commission adopted Fire/EMS Policy and update the Financial Plan as needed.

Sarasota County Commission endorsed, in 2006, the Chief Gorski plan – “Level of Service Plan for Fire & Emergency Medical Services” where he recommended six new fire stations and 4 temporary facilities to be completed in 36 months with staffing as well as insuring that there are 3 firefighters per truck. The proposed FY2010-FY2104 County Financial Plan does not seem to provide the funds to complete the Commission approved plan. (See particularly FY12 through FY14) For example, Fire/EMS budgeted wages and salaries are “straight lined” for FY12-FY14 when the Commissioners’ Plan calls for additional firefighters⁸ -- FY12 calls for 21 FTEs (\$1,101,570); FY13 calls for 18 FTEs; and FY14 calls for 9 FTEs.

Recommendation: All EMS/Fire capital improvements should be financed (bonded) over life of asset. A prime example is a fire station. The Fire Chief estimates that a fire station has a 40 year life. Under current policy a fire station is paid for from yearly operating revenues. The major benefit of bonding capital construction will be to reduce the need for tax rate and fee raises!! Additional revenue would be available in FY10 (\$4.892) potentially \$15.2 million from prior years as well as proposed \$ 21+ million for FY11-FY14. If bonded this would most likely be enough to keep Fund 153 at a 90 day reserve.

Recommendation: Performance Measures/Benchmarks should be noted/established for Fire/EMS for the last five years, next five years, 2020, 2030, and 2050.

Recommendation: Ask the ISO for a new updated Public Protection Classification evaluation. The fire chief noted in his 2006 presentation that the last ISO evaluation occurred in 2004. The evaluation is usually completed every 5 years. It is time to undertake a new evaluation. [Note: there is no cost for the evaluation.] There was a regression of 8.86 points in 2004. This may have been reversed.

Recommendation: Sarasota County’s current ISO rating is 3/8B. The highest ISO rating is 1. Sarasota County should achieve ISO rating 1 by 2020 or sooner. ISO projects that improved economic activity may well cover costs of improvements through sales and property tax collection increases, as in Arkansas. In addition, insurance costs may be reduced by 4 percent or more.

Sarasota is ranked number 1 on environment and education, the Sarasota County Commission should establish a plan to achieve a number 1 ranking for public safety – fire/EMS. Florida cities having achieved # 1 rating are: Apopka, Pembroke Pines, Hollywood, Hialeah, and Coral Gables.

To achieve an ISO’s Public Protection Classification rating of 1, the county will have to:

- adopt codes/ordinance to require sprinklers in all new residential and nonresidential buildings
- adopt fire resistive construction in all types of buildings (NFPA 5000)
- install water distribution system in urban service areas and improve condition of hydrants

⁸ See GovMax, Fire Rescue Operations Salaries and Wages (500120), SCFD Operations Salaries and Wages; and EMS Operations Salaries and Wages on pages 12, 17, 4, 21 are straight lined for FY12-14.

- improve first-alarm response

Table 1

Option 1: Sarasota County General Operations Property Tax Millage Reduction

FY 2005 FY2009 FY2010 FY 2011 FY2012 FY2013 FY2014 FY2015 FY2020 FY2030 FY2050

OPTION 1

Millage Rate (General Operatior	3.8387	3.0607	2.7546	2.6995	2.6455	2.5926	2.5408	2.4900	2.2649	1.6528	1.2243
% Reduction (Over previous year)	1%	0%	10%	2%	2%	2%	2%	2%			
% Reduction Cumulative Millage Rate Reduction (Over previous year)			10%	12%	14%	16%	18%	20%	26%	46%	60%
			0.30607	0.0551	0.0527	0.0508	0.0498	0.0487			
Gross Taxable Value (Billions)	38.822	53.161	46.539	43.746	42.871	42.871	43.729	45.041			
Gross Taxable Value Percentage Increase or decrease (-) (millions)		-15.2%	-12.5%	-6.0%	-2.0%	0.0%	2.0%	3.0%			
Actual (100%) Tax Revenue (millions)	143	162.7	128.2	118.1	113.4	111.1	111.1	112.2			
Budgeted Revenues (95% Of Actual Millions)		154.6	121.8	112.2	107.7	105.6	105.6	106.5			
<i>Reduction in Property Value Taxpayer Savings In Millions of \$s</i>			20.3	7.2	2.2	0.0	-2.1	-3.2			
<i>Millage Reduction Taxpayer Savings In Millions of \$s</i>			14.2	2.4	2.3	2.2	2.2	2.2			
Total Reduction (millions)											
Yearly	1	0	34.5	9.6	4.4	2.2	0.0	-1.0			
Cumulative			34.5	44.1	48.6	50.7	50.7	49.8			

Housing

Housing, agriculture, and tourism have traditionally been the 3 major factors that drive Sarasota County and Florida's economic engine. New housing development is in serious decline. **One of the best opportunities for jump starting Sarasota's economy is to facilitate new home building.** Many of the new homes that are being built today in Sarasota County are priced under \$200,000. There is a market for these affordable homes. New housing can be constructed in an environmentally responsible way.

Recommendation: Facilitate new affordable housing by

- Expedited Permitting Streamlined Review Process. Data for all affordable housing units should be collected that note the dates from land purchase to Certificate of Occupancy. Performance measures should be closely watched – reviewed by the County Commission at least once a year -- and the County should expedite the process. Affordable housing providers should be consulted as how to better streamline the process.
- Modification of Impact Fees by using Federal, state, or local funds and financing capital assets over the life of the asset. (See, **Additional Comments on Impact Fees** [Fox] in Appendices) .
- Density Flexibility with recommendations on "target areas", where affordable housing should be encouraged. These may include development proposals for the construction of more than ten homes; CRA neighborhoods; and areas already served by water and sewer.
- Reservation of Infrastructure Capacity There is a need to quantify the infrastructure needs of new housing development, especially sewer and water. This can be done by looking at areas served by the various utility companies, determining the capacity they have for new connections, and the costs of hooking up in each area.
- Accessory dwelling units Quantify the number of accessory dwelling units in existence in the County. Try to determine their current uses and potential impact on affordable housing
- Transfer of Development Rights An affordable housing target area could be developed, similar to the "sending sites" that currently exist for environmental lands. Parameters for the affordable housing sending sites that include proximity to schools, services, employment opportunities, etc. should be set.
- Reduction of Parking and Setback Requirements, Modification of lots, streets and sidewalks There is a need to quantify the existing lot, street, sidewalk parking and set back requirements and have zoning be less restrictive, in an environmentally responsible way.
- Inventory of publicly owned land suitable for affordable housing Publicly owned land and other assets should be included when targeting affordable housing. This would be useful in helping direct infill development and rezoning to make additional residential land available.
- Encouraging smart growth (shorten regulatory process) Save Florida habitat, infill (build) on land served by water and sewer. Most new homes are built on "clear cut" with fill lots. This is an environmental tragedy! A recent example is South Sarasota Habitat for Humanity's 18 unit Garden Park development. These units are being built on Sarasota County funded, now "clear cut", land that originally had over 24 oak trees, each of which was over 6 inches in diameter. To maintain the Florida habitat Habitat would have been required to engage in a review process that was estimated to be over 2 years.
- Committing additional funds to Affordable Housing Federal, foundation, and state funds should be captured. County funds should be used as leverage ("starter") funding.
- For profit home builders should be encouraged to build affordable housing and work with not for profits in developing plans and strategies for meeting Sarasota County's affordable housing needs.
- A timetable for these recommendations and others from affordable housing, both for profit and not for profit, builders should be fixed. The recommendations should be accomplished by end of FY2010.

- Financial institutions will provide most affordable housing financing. Sarasota's financial institutions should be encouraged to support the building of new affordable homes.

Memo

To: SRQ Budget Task Force
From: Mary Anne Servian
Date: August 21, 2009
Re: Recommendations to the BCC

It has been a pleasure to serve alongside the members of this task force. Many thanks to the administration and staff for your professionalism and knowledge. I am proud to be a resident of Sarasota County.

Based on our charge to make suggestions on policy changes or efficiencies for the 2010 budget and beyond, below you will find my recommendations:

1. Institute a Fraud Control System for invalid Homestead Exemptions.

Several counties have begun tracking utility bills and tax bills to try to determine if people are illegally claiming homestead. Broward collected more than \$7 million last year in back taxes from 5,619 non-complying property owners. Several counties are using the Broward model to capture millions and each city is able to recover hundreds of thousands of dollars. The following link <http://www.bcpa.net/Fraud.asp> illustrates the aggressive pursuit in Broward by encouraging residents to report suspected fraud.

This change could result in a substantial amount of additional ad valorem revenue for both the Sarasota County and cities.

2. Increase In-sourcing of services as a means of generating revenue.

During many of the presentations it became clear that the shift to a business model has made several departments so efficient that their service could be offered to several municipalities. This would reduce costs for the cities and increase revenues for the County. The IT functions specifically appear to be one major area to be explored. The IT costs to many small municipalities are exorbitant and probably not as rich as that provided by the County IT department. The same applies to Communications, Human Resource software, fleet management, and many of the functions of the Operations and Maintenance Department.

3. Asset Maximization/Municipal Marketing

The County owns numerous fixed assets that currently are not being utilized as potential revenue sources. The most obvious being its beaches and parks. Look at new strategies to market those assets by offering naming rights or allow tasteful advertising opportunities whereby the County shares in the profits. Also look at fleet vehicles as an opportunity to sell advertising or public service announcements that would yield revenue.

4. Fees for Use

Understanding that 75% of users of the County beaches are non-residents consider instituting entry fees. If legally possible exclude Sarasota County residents since they already pay, thru taxes, monies to support parks and beaches. I understand this is very unpopular but perhaps necessary. I prefer this approach rather than parking fees although the revenue may be higher thru parking fees.

5. Increase Funding to Non-Profit Emergency Health and Human Service Providers and increase collaboration with Faith-Based Initiatives

While understanding that the BCC increased funding by \$500k to these agencies, it may be a prudent investment to increase the funding even more. For every dollar spent thru rehabilitation and social service intervention the County would save \$5. Nearly 35% of inmates will be back in jail in 3 years without treatment for the underlying drug/ alcohol or mental illness. With treatment that number drops to 7%.

Working with faith-based organizations the County might be able to access funds for additional programs or have the churches/synagogues be the providers. Also individuals going thru treatment respond better and stay sober longer with a faith-based affiliation.

6. Library Construction

Consider creating libraries in existing buildings that are for sale. With all the empty properties on the market it seems prudent to occupy the first floor or two of new office buildings. This could be a permanent solution and significantly reduce the cost of acquisition and construction costs or when the market rebounds, the library could be co-located with a new tenant or the County could sell the property, make a profit, and build the new library. This would certainly defer some substantial costs. Also consider a strategy for asset maximization as discussed in item 2 above.

7. Fire and Emergency Services

The County Fire and Emergent Services are outstanding. I applaud the BCC for increasing the number of fire stations to protect the lives and property. There are a few that that can, however, be improved. There needs to be better monitoring of the fees paid by the Nokomis residents or else institute a MSTU. This was immediately increase revenue.

Every effort must be made to reduce the ISO rating county wide and to return the City of Sarasota to its former rating. The ISO fire insurance ratings for a community are the foundation on which most insurers build their coverage programs. The reduction in that rating is directly felt by the taxpayers thru lower insurance premiums.

8. Benefits Packages

Direct a move towards market rate benefits and structures. This may be a slow process giving the challenges of collective bargaining.

Continue to offer incentives for lifestyle changes and promoting wellness but set a deadline and begin increasing employee contribution if negative behavior continues.

9. Economic Development as #1 Priority

In looking at the priorities that the BCC has set over the last several years, there needs to be consistency from year to year with a major focus of economic development. Continue funding the EDC and develop more aggressive strategies for attracting the right employers. With our aging population the medical field seems a natural. Also do more to work with the universities to develop research centers to attract higher paying positions.

10. Tourism

Find ways to market Sarasota's ecotourism. This is a booming business and attracts high income, low environmental impact visitors. Insure that Sarasota is seen as a destination by foreign visitors as well as in-state and countrywide travelers.