



PROPOSED BUDGET

Fiscal Year 2007

Lake County Board of County Commissioners

LAKE COUNTY, FLORIDA

PROPOSED BUDGET

FISCAL YEAR 2007

BOARD OF COUNTY COMMISSIONERS

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July 11, 2006

To The Honorable Board of Lake County Commissioners and the
Citizens of Lake County, Florida:

It is my distinct honor to present to you the Proposed Budget for Fiscal Year 2007. The budget reflects the good fortune of having received 93% of our reimbursement from FEMA dating back to the hurricanes of 2004, as well as a particularly strong economy and housing market in 2005 and 2006. The proposed FY 2007 budget totals \$456,219,687 and includes many long-needed enhancements and capital improvements to serve all citizens of our growing County.

The following pages detail highlights and proposed programs of the FY 2007 budget as well as present accomplishments from FY 2006.

I. Budget Summary

Our expanding property tax base, the strength of our supplemental revenues, such as sales taxes and gas taxes, and the increasing financial benefits brought by our growing tourist industry all demonstrate the strength of the Lake County economy. That said, there have never been higher demands by our citizens for government services that are of high quality, responsive to their needs, and delivered in a timely manner.

For FY 2007, the increase in our property tax base is 34%. However, as you are aware, legislation passed in 1992 capped property value increases for this budget year at 3% for all homesteaded properties in Lake County. With available funding from the increase in assessed property values, the proposed budget includes measures to meet the ever-increasing demand for service for our expanding population base. In keeping with Board direction at the May 19, 2006 Financial Retreat, the budget proposes a General Fund millage rate reduction of 0.0500 mills. The following charts present the proposed millage and assessment rates and a summary by major fund of the total budget.

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JENNIFER HILL
District 1

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District 2

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District 3

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District 4

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District 5

<i>Proposed Millage</i>		
	<i>FY 2006 Adopted</i>	<i>FY 2007 Proposed</i>
Countywide	5.7970	5.7470
Stormwater, Roads and Parks	0.5000	0.6000
Ambulance and EMS	0.5289	0.5289
Voter-approved Environmentally Sensitive Lands	NA	0.2000

<i>Assessment Rates</i>		
	<i>FY 2006 Adopted</i>	<i>FY 2007 Proposed</i>
Fire/Rescue	\$137	\$171
Solid Waste	\$174	\$174

<i>Budget by Major Funds</i>		
	<i>FY 2006 Amended</i>	<i>FY 2007 Proposed</i>
General Fund	\$152,363,603	\$183,301,591
Transportation Trust	23,830,027	18,949,682
Landfill Enterprise Fund	33,856,803	30,172,000
County Fire/Rescue Fund	21,195,130	23,119,409
Stormwater, Roads and Parks	10,450,840	11,667,579
Infrastructure Sales Tax		
Capital Projects	31,627,790	18,752,960
Road Impact Fee Funds	52,842,429	43,363,504
All Other Funds	<u>109,081,558</u>	<u>126,892,962</u>
Total Budget	\$435,248,180	\$456,219,687

The proposed General Fund budget for FY 2007 equals \$183.3 million, an increase of \$30.9 million over the amended FY 2006 budget. The increased dollars support many critical areas such as:

- \$6.7 million increase in the Sheriff's budget which includes 5 new deputies; \$567,004 for new patrol cars funded by the General Fund; and 4 additional school resource officers, which were previously funded by the City of Leesburg (\$53,750,785 total budget request).
- \$1.6 million for leased building space, some of which will be reduced as our building program is completed.

- \$1.8 million set aside for anticipated adjustments to salary levels as recommended by the pay and classification study currently underway (\$2 million total among all funds).
- \$4 million of sales tax revenue directed to support the sales tax bond issue, expected during the 2007 calendar year as the financing tool for the government facilities building program.
- \$3.1 million increase to maintain the reserve for economic stabilization at 10% of General Fund expenditures per Board policy (\$18,330,160 total).
- \$5 million to initiate funding the purchase of an 800 MHz radio system used by all public safety entities within Lake County. It is anticipated that this program will cost \$20 million over a 2-year period. \$15 million will be funded as needed from the approved line of credit through Wachovia Bank and supported by the pledge of infrastructure sales tax dollars.
- \$12 million from the one-time FEMA reimbursement in 2006 has been set aside in a capital projects fund to be used for one-time expenditures as directed by the Board.
- \$1.1 million for 23 new General Fund positions critical to service delivery to both internal and external customers as our need to meet service demand increases.

I am pleased to report that our Solid Waste assessment rate and the tipping fee remain constant in the FY 2007 budget. Capital improvements are well underway in this Division and are highlighted later in this message.

Fire assessment fees have remained constant for three years in spite of normal inflationary cost increases and the tremendous service level improvements that the Board has approved over this time period. The fire assessments proposed in the FY 2007 budget have been increased by \$34 annually for a single family home, as well as proportional amounts for all other structures protected by our Fire/Rescue Division. Professional firefighter staffing levels have increased from 108 in 2004 to a proposed level of 156 for FY 2007. The increased staffing supports three additional fire stations in the County and has provided professional staffing to replace volunteer firefighters as the volunteer firefighter programs have become time prohibitive for volunteers. Professionally-trained men and women are ready to operate state-of-the-art equipment ensuring that our citizens are served by reliable and updated safety equipment. A new contract with the fire union representing the Professional Firefighters of Lake County will ensure that our wages and benefits are competitive in the market and continue to attract and retain highly qualified men and women in this critical field.

Two new programs for unincorporated residents are included in the proposed FY 2007 budget. Historically, Lake County has left the provision of major parks and recreational

facilities to the cities. However, since 1995 the unincorporated population has increased by 64%. Also in 2006, Lake County undertook the identification of 1,926 miles of non-maintained County roads. The response to demand for improved passibility over these previously non-maintained roads has greatly reduced the overall service level capabilities of our Public Works road crews. In order to begin a program designed towards meeting the needs of our unincorporated citizens in the areas of parks programs and road maintenance, the proposed FY 2007 budget includes a 0.1000 mill increase to the unincorporated MSTU. It is anticipated that over the next 5 years, the parks and roads portion of the unincorporated millage will slowly increase to 0.5000 mills. With a dedicated funding source earmarked for specific services, residents will enjoy enhanced quality of life services in the unincorporated areas of the County.

And finally to complete the revenue side of the equation, 0.2000 mills is proposed in the FY 2007 budget to cover principal and interest payments for the citizen-approved \$36 million bond issue to purchase environmentally-sensitive land. This millage is included in anticipation of issuing these bonds in FY 2007. The millage levy is adequate to support the entire \$36 million issue; however the bond issue will be sized appropriately to meet our timing needs, and any excess revenue will be carried forward for debt service in subsequent years.

II. Position Demands

In addition to the 23 positions proposed in the General Fund as mentioned above, the proposed FY 2007 budget includes 25 new positions in the Fire/Rescue fund as we staff new stations and provide resources crucial to the public safety of our citizens; six new positions to add resources to our successfully emerging parks program; and eight positions spread among eight different operating funds. These positions are detailed in the “Overview” section of this document.

III. Overview of Programs

The current year has been dedicated to preparing for the future. Nothing illustrates that better than the **government facilities building program**. Designs are in various stages of readiness for a 30,000 square foot library in the Four Corners area, a health center in Umatilla, a fire station near Lake Jem, a 300,000 square foot expansion to our Judicial Center, a 24,000 square foot building for Constitutional Officers, and a 1,500 space parking garage. Plans are more preliminary for a joint-use library with Lake-Sumter Community College in Clermont, 2 additional fire stations, an Emergency Operations Center, a Public Works building, and a facility to house fleet maintenance services.

We have purchased and implemented state-of-the-art **integrated financial software** to ensure accurate data storage, retrieval, and use by all internal departments. Technology continues to be a backbone of our future efficiencies in every department, and the proposed FY 2007 budget allocates additional resources to the Office of Information Technology to ensure that success.

We are re-emphasizing the **value of our employees** through training programs, wellness activities, and a countywide study to assess the competitiveness of our salary structure and to make recommendations as necessary.

The 18-month effort to re-write our **comprehensive plan** is nearing completion and will set the course for the future well-being of our County. Our selection as a pilot county to adopt a school concurrency interlocal agreement has brought County, city, and school staff and elected officials together for the common goal of meeting the education needs of Lake County's children. These efforts should reach fruition in the fall of 2006.

The new department of **Economic Growth and Redevelopment** is off to a fast start to set in place programs to ensure that commerce and industry keep pace with residential growth. Funding is proposed in the FY 2007 budget for the development of an Economic Development strategic plan.

Perhaps the project that sets the tone best for the exciting future of Lake County is the adoption of our new **logo**. The logo acknowledges the history, environment, and people that are the essence of Lake County. How we intend to meet **countywide goals** identified in 2006 will begin to take shape in FY 2007. The Department sections of this document provide more detail attributable to the goals.

IV. Department Highlights

The following narrative provides a glimpse of departmental highlights. Each department section in this book provides additional highlights as well as detail of their proposed budgets for FY 2007. Summary data of all aspects of the budget is contained in the overview section of the document.

Budget

The Budget Office is working with the County's Financial Advisor in all aspects of issuing the necessary bonds to fund the expansion of the various government facilities as well as the issuance of bonds to fund the purchase of environmentally sensitive lands.

In FY 2007, the Budget Office will compile all data for capital projects planned over the next 5 years, which will include projects in the Departments of Public Works, Facilities, Public Safety, Environmental Services and Information Technology. This comprehensive Capital Improvements Program will be presented to the Board for adoption.

The Impact Fee section of the Budget Office is working to update all of the County's impact fee studies in order to ensure that the necessary infrastructure required by growth in the County is paid by new businesses and residents. These studies are anticipated to be completed in the fall of 2007 and will be presented to the Board for consideration.

Community Services

The Board took major steps to provide new space for library services in Lake County by entering into an agreement with Lake Sumter Community College. The construction of a joint use library facility will provide opportunities for enhanced services and programs for South Lake County library patrons. Construction will also begin in 2007 on the Cagan Crossings Community Library in the Four Corners area of Lake County.

In Housing and Community Development the creation of community partnerships via the CDBG Community Enhancement Area (CEA) program was a new step by the BCC in 2006. The first project will be a partnership with the community of Yalaha to assist in the replacement of its community building. Ferndale is recommended as the 2007 CEA program partner with a similar project in mind. The Affordable Housing Program received funding from the State Hurricane Housing Repair Program and is helping repair hurricane damaged homes. The Section 8 Housing Voucher Program collaborated with LifeStream Behavioral Center to seek additional vouchers for use as transitional housing for eligible clients. Two additional staff in these programs will help provide timelier service for the citizens in 2007.

Transportation Disadvantaged continues to work with the new transportation provider, MV Contract Transportation, Inc., and the MPO to deliver better service as well as implement pilot fixed route service to central, south and northeast Lake County areas beginning in February 2007. Funding for an additional staff person in 2007 for the Transportation Disadvantaged Office is crucial for continued success in this area.

County Probation gained advanced capability to obtain prior arrest history on their clients to identify those who are at a higher risk to violate probation conditions. As a result, staff can now provide a higher level of supervision oversight. The Teen Court Program established the Teen Drug Court Program as an additional diversion program for youthful offenders in Lake County. A Teen Mentoring program is being developed to reduce the risk of violence in several high schools during 2007. Funding for this innovative program is being requested through the Drug Free Communities Grant Program.

Economic Growth and Redevelopment

In January 2006, the Board of County Commissioners re-emphasized its commitment to ensuring that Lake County meets the needs of its citizens by diversifying the County's tax base. High-value commercial and industrial centers will not only balance the growing residential sector of Lake County; the resulting employment options will ultimately relax the strain on our transportation network, and will offer our citizens the opportunity to work in their home county. The newly formed Department of Economic Growth and Redevelopment is tasked with identifying major transportation corridors conducive to the location of employment centers; developing programs to attract and retain business opportunities which encourage the creation of jobs; creating redevelopment strategies for existing communities in Lake County; and partnering with agencies to develop job training programs and encourage the provision of affordable housing. In the FY 2007

budget, \$50,000 has been included to secure assistance in the development of a strategic plan to realize these goals.

Employee Services

By approving the Wellness Policy in April 2006, the Board of County Commissioners demonstrated its commitment to providing County employees with opportunities to enhance their overall health and wellness. Implemented as “Lake Wellness Solutions,” this program provides employees with information and resources to assist them in making healthy lifestyle choices. This worksite wellness program will not only benefit the employees through improved quality of life, but also the County through increased productivity, reduced employee absenteeism, decreased potential for workplace accidents, and improved organizational image. Additionally, it is anticipated that over the long term, employee medical claims will decrease as a result of improved health and well-being.

Employee Services coordinated a comprehensive pay and classification study of all County positions. Anticipated results of this study include better internal and external equity for the County’s pay plan and employees as well as consistent and defensible mechanisms for ongoing pay and classification maintenance. \$2 million is budgeted to accommodate recommendations of the study.

Training and employee development remain top priorities. Employee Services has budgeted an additional team member to be dedicated to developing and implementing needed programs such as supervisory development, leadership development and succession planning. These programs will broaden employee career paths and ultimately provide the County with a skilled pool of qualified applicants for supervisory/management opportunities.

Environmental Services

The capacity to meet Lake County’s growing solid waste stream will be realized through the Phase III Landfill Expansion. The Florida Department of Environmental Protection (FDEP) has issued a “Notice of Intent to Issue” the expansion permit. Approval of this permit, after legal advertising and solicitation of public comment, will allow the phased construction of a landfill facility that is estimated to meet the County’s needs until 2025. The FY 2007 budget includes \$6.6 million for construction of the new cell.

Environmental compliance and enforcement efforts continue through various programs. The Home Heating Oil Recovery Program, winner of the National Association of Counties (NACo) Achievement Award, allowed for the collection and disposal of 3,243 gallons of heating oil from forty-seven no longer used home heating oil tanks. A pilot program for the disposal of propane tanks resulted in safety improvements and labor savings. Carpet padding recycling was implemented, yielding revenue of five cents per pound of recycled padding. The Environmental Services Department (ESD) also began recycling lead-acid batteries; this program will minimize the environmental risk and

generate revenue estimated at \$15K annually. Most recently, the ESD added six custom made E-containers and a trailer into the Household Hazardous Waste Program to improve the pick-up of electronic waste at the various drop-off centers. All programs will be continued in FY 2007.

Facilities Development and Management

The Department of Facilities Development and Management anticipates a busy and productive year. The department will manage an unprecedented portfolio of design, construction, renovation, and maintenance projects that include a major roof replacement, space planning management for various department relocations, expansion of existing facilities, and the design and construction of new facilities. The following is a list of the major activities anticipated in FY 2007:

- Re-roofing the existing County Jail Complex.
- Planning for the future expansion of the County Jail Facility and the Central Energy Plant that serves it.
- Architectural planning for the Judicial Center expansion.
- Continued planning and initial construction at the South Tavares Government Complex, which will eventually include buildings for Public Works, Public Safety, Emergency Operations Center, Sheriff's Administration, and Fleet Maintenance.
- Additions and renovations to the Health Clinic facilities in Umatilla and South Lake County.
- Construction of the new Cagan Crossings Community Library.
- Construction of a new prototype Fire Station in the Lake Jem area.
- Construction of the Property Appraiser/Tax Collector building in Tavares.
- Construction of the County's first public parking garage.

For FY2007, staffing will be increased by two senior maintenance specialists to aid in servicing the growing number of facilities maintained by the County.

Growth Management

The focus of the Planning Division will be on adoption of the new Comprehensive Plan and its implementation through the preparation of revised Land Development Regulations (LDRs). Although the LDRs will be prepared primarily by staff, this work will be supplemented by the use of planning consultants for areas requiring specialized expertise. The work plan for the Division also includes funds budgeted for preparation of area master plans. Improvements to the development review process will also occur with the addition of a Chief Planner to oversee current planning activities.

The customer reception area will be renovated to improve workflow and provide a better environment for the public seeking services from the Building, Customer Service, or Planning Divisions. The Building Division will enhance services through electronic plans review, improved Internet permitting capabilities, and effective workflow.

Changes to the customer service areas will provide direct access for revisions, drop-off, pick-up and re-submittals. Access to computer workstations will be provided to customers for electronic sign-in, property record retrieval, and inspection requests. These improvements will provide more points of contact with Building Division staff to serve customers more quickly and efficiently.

The Code Enforcement Division will be adding additional staff related to inspections of new development. The program will ensure that all special requirements for commercial development, such as landscaping and buffering, are constructed in accordance with approved site plans. Periodic site inspections and enforcement of site plan violations will be key functions of these positions. A position for lot grading inspections for residential lots will ensure that water quality and stormwater standards are met in the course of new home construction. In addition, two Code Enforcement Officer positions will be added to increase the resources available to address enforcement of Lake County Codes and LDRs. The additional staff will improve response time for complaints and enable staff to take a more proactive approach in the community.

Information Outreach

Information Outreach continually works to enhance the County's presence and perception in the community and to visitors utilizing the website, graphic design, and media outlets. This past year, a new branding initiative took place in the County resulting in a new logo. Other accomplishments this past year have been the new employee newsletter, the introduction of the Building Bulletin, the development of a new Boating & Waterways guide, and the launch of a new Lake County Speakers' Bureau, to name a few.

The hard work and dedication of the Information Outreach section has helped push Lake County to the forefront as an appealing community and an exciting destination. The addition of a new Graphic Artist in FY 2007 will allow us to expand our level of service as all promotional activities by departments are brought in-house. With the importance of communicating the County's goals, objectives and programs, a new citizen newsletter will be distributed in the current year and is also funded in FY 2007. Other areas we look to enhance include the County's intranet website. By improving the functionality, and integrating with new software packages such as Onbase and Munis, employees will be able to have easy access through one online portal.

Information Technology

This year the Office of Information Technology (IT) has focused on the areas of standardization, security, stability, and service. Upgraded software versions for all County computers has allowed IT to deliver computers to users faster than before using a common software image for each and every computer. Microsoft SQL has become the database of choice. With this standard, the cost of purchasing and delivering IT services has been reduced.

Communication relies heavily on the Internet being accessible and operational. This year, IT has increased the County's Internet bandwidth and installed an automatic failover system so that the Internet is still available if our main provider is not operational. IT services for mobile and remote workers has improved significantly this year. Allowing users to respond to email when away from the desk has increased office productivity and has lowered the total cost of delivering technology solutions to users.

With five new employees to assist with programming, database administration, and networks, staff will be able to further integrate the County's software applications, databases, and documents to provide real-time productivity and performance increases among all departments.

Procurement Services

The primary emphasis of the Office of Procurement Services (OPS) during FY 2006 has been to implement unified and simplified procurement policies and procedures to help ensure that County purchases comply fully with all applicable regulations, represent high value in terms of quality and cost, and are completed in a manner fully responsive to department needs.

OPS has recently restructured the form and content of its solicitation documents so that vendors and departments can rapidly locate, and more easily understand, all administrative and operational requirements applicable to a specific purchase. OPS also revised the County's published procurement procedures. This revision has resulted in a "procurement manual" that will be presented for BCC approval later this summer. It will provide clear guidance and detailed information to all parties regarding the County's procurement practices. The contents of the manual work cohesively with the revised solicitation and contract documents to ensure that the County's procurement function operates within a unified structure. Further, policy and procedural evolution will occur during FY 2007 by the budgetary approval for a Special Projects Contracting Officer. This position's goal will be the implementation of additional improvements in the County's procurement operation.

OPS also performs asset management and reprographics functions. The asset management function will expand in FY 2007 with an additional staff member whose goal will be to generate additional income for the County through aggressive and appropriate disposal of excess asset inventory.

Public Safety

In 2006 Animal Services increased staffing to handle animal services for five additional municipalities. Recently acquired web-based shelter software has increased the effectiveness of Lake County animal control officers by allowing them to research previous complaint records via mobile computer terminals while in the field. An in-house Spay/Neuter Clinic was approved and is expected to be operational by September

2006 reducing adoption expenses for the public, increasing the adoption rate and, reducing the number of animals that must be euthanized.

In 2006, Fire/Rescue increased the number of fully staffed stations by two, opening Advanced Life Support (ALS) stations in the Lake Norris/Sorrento area and the Lake Jem area. Lake Jem's station is in a temporary site until the new building is completed. The opening of these two fire stations brings Fire Rescue to a total of eight ALS fire stations in Lake County's rural areas. The additional full-time staffing of the two stations has reduced emergency response times from the average of 12-15 minutes to 7-8 minutes.

The proposed 2007 budget includes funding for firefighter and paramedic staffing of two more fire stations located in the Paisley/Lake Kathryn area and SR19/US Highway 27 area. Mutual aid agreements for fire rescue services were signed with Orange County and the City of Minneola. Existing agreements with surrounding agencies are also in the process of being updated.

The Emergency Management Division increased staff in 2006 in order to meet the added demands of maintaining and updating plans for hurricanes, a potential Pandemic Flu outbreak and other contingencies. Recently added staff will be working on Homeland Security programs and the implementation of the federally mandated National Incident Management System.

In Fiscal Year 2007, Emergency Management will continue to improve Lake County's preparedness for disasters by facilitating countywide cooperation across all jurisdictions; establishing a weather station network throughout the County for monitoring hazardous weather activity; and proceeding with a program to transition to a state-of-the-art 800 MHz communications system that will provide portable radio coverage throughout the County. \$20 million is earmarked for this critical effort. The most significant project for the continuity of government and emergency services, the design and construction of Lake County's first fully functional Emergency Operations Center (EOC), will also begin.

Public Works

Public Works has already initiated many of the projects listed in the 2006-2010 Transportation Construction Program. Projects either underway or complete include:

- The South Clermont Connector (4 lane divided highway with a 100 foot right of way extending from Lakeshore Drive to Citrus Tower Boulevard)
- South Lake Trail, CR 46A
- CR 439
- CR 437
- Hooks Street Phase II
- Citrus Tower Boulevard
- Keene Road Phase I
- Sleepy Hollow Road realignment
- Sidewalks along CR 19A in Tavares and CR 48

Lake County has partnered with the Lake County Water Authority for stormwater retrofit projects such as the Mid Florida Lakes MHP. 35 other projects are actively in progress in the Stormwater Program and will continue in FY 2007.

We are currently working to achieve a more unified County Fleet operation with an improved image and broader overall control of County Fleet assets. This will improve our ability to identify customer needs and provide the level of services expected from a first class Fleet Maintenance operation. Presently, we serve 78 billable customers with one garage facility in Leesburg, 4 fuel sites, and a staff of 13 employees. Fleet maintains approximately 830 pieces of equipment.

An increase in contractual mowing and litter pick up services will enhance the roadways of Lake County. There will also be approximately 6.5 miles of roadway resurfaced by the Road Operations Division in FY 2007. We will be adding a full-time privatized tree trimming crew, as well as a full-time privatized ditch cleaning service. Funds are budgeted for privatization of hauling of road materials to build up approximately 37 miles of County maintained clay roads.

Lake Idamere's fishing pier and Dog Park were completed this year. The PEAR Park master plan was approved by the PEAR Association and will go before the BCC for approval to begin construction. The Boundless Playground at Lake Idamere will provide a playground for children of all abilities. Ribbon cutting is anticipated in the fall of 2006. Construction on the Northeast Community Park and construction for Phase II of the Twin Lake Park and Phase II of Pine Forest Park will also begin in the fall of 2006. It is also anticipated that the Ferndale Preserve will be open to the public in the fall of 2006. The FY 2007 budget includes six new staff members for the implementation of our new parks programs.

Tourism and Business Relations

The primary funding source for the Department of Tourism and Business Relations is the Resort Tax collections. Lake County collections outpaced the Central Florida region most of the current year. With this dedicated revenue, we reach out to Lake County businesses and event planners in an effort to increase the number of events and the number of days for events, thereby increasing collections. These activities boost tourism, increase collections in the Resort Tax, and result in economic benefits to all of Lake County.

Our challenge for the coming year is to bring all advertising and promotional activities in-house which will in turn free up an additional \$500,000 for advertising and promotion. Looking to the future, there are plans to do more niche marketing in the areas of eco-tourism, sports, kayaking, boating, bird watching, camping, as well as family reunions, and wedding planning. There are many options to explore with Lake County's abundance of enticing assets.

V. Conclusion

It is an exciting time to be a part of Lake County. Government services are more than ever contributing to the quality of life of our citizens.

While we can be very proud of the progress we are making, it is important to note that we are far from solving all of the issues. Transportation needs surpass available revenues. Gas tax revenues, used for road maintenance, are stable yet their structure precludes them from keeping pace with increasing costs and service demands. Voted sales tax revenue is strong yet will not adequately fund needed transportation infrastructure. Assessment rates that fund solid waste collection and fire/rescue services do not have built-in inflationary adjustments and are in need of structural review. As the housing market slows down and building permits subside, we must take care to anticipate possible revenue shifts in all of our major revenues in future years. You can be assured that over the next year your staff will work diligently to seek solutions for these issues.

I would like to offer my greatest appreciation to all staff members of the Budget Office for their tireless work in coordinating the budget process while also implementing the new financial software. I also would like to thank all of the department directors and their staff for meeting deadlines and compiling data and for the passion with which they have presented their budget needs. And finally, I would like to express my sincere gratitude to the Board of County Commissioners for giving me this opportunity to serve Lake County.

Respectfully,

Cindy Hall
County Manager

Budget Calendar

- Tuesday, July 18 Set tentative millage rates.
- Tuesday, September 5 First public hearing on budgets, 5:05 p.m.
- Tuesday, September 19 Second public hearing on budgets, 5:05 p.m.
Budget is adopted.

Lake County Millage Rates



	2002 Adopted	2003 Adopted	2004 Adopted	2005 Adopted	2006 Adopted	2007 Proposed
General Fund	5.117	5.917	5.917	5.817	5.797	5.747
Emergency Medical Services MSTU	.5289	.5289	.5289	.5289	.5289	.5289
Stormwater, Parks and Roads MSTU	.3000	.4000	.5000	.5000	.5000	.6000
Public Lands Debt Service <i>(voter approved)</i>	NA	NA	NA	NA	NA	.2000

Budget Summary By Fund



All Funds			
	2005 Actual	2006 Amended	2007 Proposed
General Fund	\$ 120,686,801	\$ 152,363,603	\$ 183,301,591
Library Impact Fee Trust	\$ 56,323	\$ 2,322,793	\$ 3,405,684
Park Impact Fee Trust	\$ 54,008	\$ 1,879,649	\$ 1,359,924
County Transportation Trust	\$ 11,828,906	\$ 23,830,027	\$ 18,949,682
Christopher C. Ford Commerce Park	\$ 2,223,092	\$ 3,441,459	\$ 6,367,847
Road Impact Fees	\$ 10,621,722	\$ 52,842,429	\$ 43,363,504
Mosquito Management (FY 2007 included in General Fund)	\$ 780,089	\$ 1,067,589	\$ -
Law Library	\$ 234,016	\$ 270,489	\$ 316,986
Aquatic Plant Management (FY 2007 included in General Fund)	\$ 246,106	\$ 430,406	\$ -
Fish Conservation	\$ 4,775	\$ 131,107	\$ 64,447
Community Development Block Grant	\$ 815,501	\$ 1,624,452	\$ 988,033
Transportation Disadvantaged	\$ 3,091,696	\$ 4,296,789	\$ 5,223,784
Lake County Ambulance	\$ 5,307,430	\$ 9,842,462	\$ 11,950,391
Stormwater, Parks and Roads MSTU	\$ 2,144,377	\$ 10,450,840	\$ 11,667,579
Emergency 911	\$ 923,208	\$ 2,945,008	\$ 3,031,605
Resort/Development Tax	\$ 1,860,363	\$ 4,099,763	\$ 4,007,832
Lake County Affordable Housing	\$ 996,414	\$ 8,773,858	\$ 5,191,359
Section 8 (County)	\$ 2,702,727	\$ 2,720,248	\$ 2,892,032
Hurricane Housing Recovery Program	\$ -	\$ 500,000	\$ 547,232
Greater Hills MSBU	\$ 3,690	\$ 281,810	\$ 286,478
Law Enforcement Trust	\$ 188,897	\$ 77,656	\$ 10,980
Criminal Justice Trust	\$ 58,916	\$ -	\$ -
Greater Groves MSBU	\$ 144,147	\$ 211,558	\$ 223,348
Infrastructure Sales Tax Revenue	\$ 11,160,206	\$ 11,025,393	\$ 11,445,000
Village Green Street Lighting	\$ 8,432	\$ 11,307	\$ 13,834
Greater Pines Municipal Services	\$ 131,905	\$ 331,426	\$ 345,311
Picciola Island Street Lighting	\$ 2,403	\$ 4,293	\$ 4,223
Valencia Terrace Street Lighting	\$ 4,664	\$ 9,122	\$ 9,288
Lake County Pollution Recovery	\$ 7,206	\$ 168,314	\$ 75,519
Lake County Code Enforcement Liens	\$ 35,991	\$ 152,688	\$ 211,563
Building Services	\$ 6,159,446	\$ 10,037,009	\$ 8,606,886
County Fire Rescue	\$ 12,283,846	\$ 21,195,130	\$ 23,119,409
Fire Services Impact Fee	\$ 465,810	\$ 3,467,485	\$ 4,081,705
Employees Benefit	\$ 647	\$ 6,989	\$ -
Animal Shelter Sterilization Trust	\$ -	\$ 163,780	\$ 136,080
County Library System	\$ 4,458,709	\$ 5,395,319	\$ 5,801,246

Budget Summary By Fund



All Funds			
	2005 Actual	2006 Amended	2007 Proposed
Pari-Mutuel Revenues Replacement Bonds	\$ 2,115,524	\$ 2,469,002	\$ 2,523,946
Renewal Sales Tax LOC Debt Service	\$ 2,808	\$ 49,869	\$ 51,569
Public Lands Program Debt Service	\$ -	\$ -	\$ 3,634,539
Expansion Projects Debt Service	\$ -	\$ -	\$ 4,014,625
Sales Tax Capital Projects	\$ 888,579	\$ 10,018,784	\$ 986,954
Parks Capital Projects	\$ 11,940	\$ 1,333,654	\$ 6,578,555
Renewal Sales Tax Capital Projects	\$ 5,008,604	\$ 21,609,006	\$ 17,766,006
Landfill Enterprise	\$ 28,511,725	\$ 33,856,803	\$ 30,172,000
Solid Waste Capital Projects (FY 2007 combined with Fund 420)	\$ 304,906	\$ 1,345,128	\$ -
Solid Waste Closure and Care	\$ 513,504	\$ 3,722,632	\$ 4,893,576
Solid Waste Long-Term Capital Projects	\$ 3,328	\$ 5,876,524	\$ 7,249,903
Insurance - Property and Casualty	\$ 2,078,894	\$ 5,810,074	\$ 6,381,756
Insurance - Employee Group Benefits	\$ 7,196,609	\$ 8,971,800	\$ 10,549,639
Fleet Maintenance	\$ 2,369,230	\$ 3,812,654	\$ 4,416,237
TOTAL BUDGET	\$ 248,698,120	\$ 435,248,180	\$ 456,219,687

Beginning Fund Balances



All Funds		
	2006 Amended	2007 Proposed
General Fund	\$ 39,604,662	\$ 40,200,000
Library Impact Fee Trust	\$ 1,600,109	\$ 2,492,829
Park Impact Fee Trust	\$ 1,234,599	\$ 945,249
County Transportation Trust	\$ 7,988,639	\$ 5,984,158
Christopher C. Ford Commerce Park	\$ 2,192,209	\$ 5,418,797
Road Impact Fees	\$ 40,485,034	\$ 29,092,374
Mosquito Management (FY 2007 included in General Fund)	\$ 179,097	\$ -
Law Library	\$ 64,514	\$ 61,489
Aquatic Plant Management (FY 2007 included in General Fund)	\$ 88,732	\$ -
Fish Conservation	\$ 112,107	\$ 44,421
Community Development	\$ 4,392	\$ -
Transportation Disadvantaged	\$ 233,035	\$ 136,067
Lake County Ambulance	\$ 2,646,076	\$ 2,281,085
Stormwater, Parks and Roads MSTU	\$ 6,568,828	\$ 5,486,985
Emergency 911	\$ 1,813,226	\$ 1,770,005
Resort/Development Tax	\$ 2,193,208	\$ 1,007,085
Lake County Affordable Housing	\$ 5,764,370	\$ 2,667,838
Section 8 (County)	\$ 37,142	\$ 213,633
Hurricane Housing Recovery Program	\$ -	\$ 20,000
Greater Hills MSBU	\$ 90,498	\$ 95,166
Law Enforcement Trust	\$ 46,899	\$ 9,000
Greater Groves MSBU	\$ 61,107	\$ 62,572
Infrastructure Sales Tax Revenue	\$ 1,520,643	\$ 515,250
Village Green Street Lighting	\$ 3,797	\$ 1,438
Greater Pines Municipal Services	\$ 157,530	\$ 162,134
Picciola Island Street Lighting	\$ 1,692	\$ 1,471
Valencia Terrace Street Lighting	\$ 3,717	\$ 3,837
Lake County Pollution Recovery	\$ 157,864	\$ 65,069
Lake County Code Enforcement Liens	\$ 126,563	\$ 184,963
Building Services	\$ 3,526,077	\$ 2,113,942
County Fire Rescue	\$ 7,789,317	\$ 6,051,319
Fire Rescue Impact Fee Trust	\$ 2,261,893	\$ 2,985,329
Employees Benefit	\$ 6,859	\$ -
Animal Control Sterilization Trust	\$ 147,280	\$ 114,080
County Library System	\$ 576,930	\$ 321,952
Pari-Mutuel Revenues Replacement Bonds	\$ 2,143,468	\$ 2,225,962

Beginning Fund Balances



All Funds		
	2006 Amended	2007 Proposed
Renewal Sales Tax LOC Debt Service	\$ 49,869	\$ 51,569
Sales Tax Capital Projects	\$ 10,018,784	\$ 986,954
Parks Capital Projects	\$ 228,904	\$ 36,442
Renewal Sales Tax Capital Projects	\$ 10,934,825	\$ 10,683,756
Landfill Enterprise	\$ 9,964,346	\$ 5,520,000
Solid Waste Capital Projects (FY 2007 combined with Fund 420)	\$ 48,882	\$ -
Solid Waste Closure and Care	\$ 3,115,075	\$ 3,196,972
Solid Waste Long-Term Capital Projects	\$ 1,526,092	\$ 5,289,903
Insurance - Property and Casualty	\$ 3,760,613	\$ 3,514,455
Insurance - Employee Group Benefits	\$ 1,188,464	\$ 846,839
Fleet Maintenance	\$ 389,966	\$ 352,318
TOTAL BEGINNING FUND BALANCES	\$ 172,657,933	\$ 143,214,707

Reserves and Contingencies

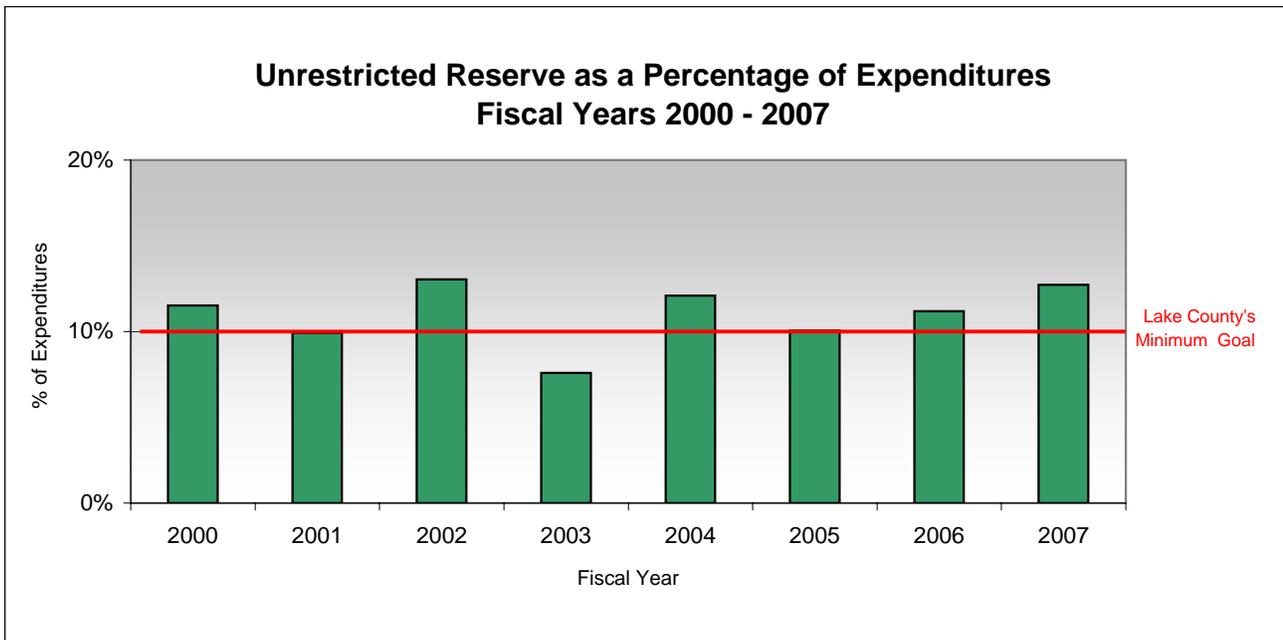


All Funds	2006 Amended	2007 Proposed
General Fund	\$ 30,044,307	\$ 27,055,695
Library Impact Fee Trust	\$ 2,322,793	\$ 2,823,034
County Transportation Trust	\$ 2,075,758	\$ 897,516
Christopher C. Ford Commerce Park	\$ 2,980,709	\$ 622,897
Mosquito Management (FY 2007 combined with General Fund)	\$ 55,517	\$ -
Law Library	\$ 7,738	\$ -
Aquatic Plant Management (FY 2007 combined with General Fund)	\$ 9,514	\$ -
Fish Conservation	\$ 34,432	\$ -
Community Development Block Grant	\$ 20,937	\$ 20,000
Transportation Disadvantaged	\$ 71,821	\$ 200,000
Lake County Ambulance	\$ 2,273,454	\$ 2,128,539
Stormwater, Parks and Roads MSTU	\$ 5,125,493	\$ 4,917,138
Emergency 911	\$ 1,692,763	\$ 1,802,110
Resort/Development Tax	\$ 765,792	\$ 245,723
Section 8 (County)	\$ 30,206	\$ 187,611
Hurricane Housing Recovery Program	\$ 8,783	\$ 28,388
Greater Hills MSBU	\$ 90,498	\$ 95,166
Greater Groves MSBU	\$ 61,183	\$ 62,647
Village Green Street Lighting	\$ 1,306	\$ 1,379
Greater Pines Municipal Services	\$ 157,532	\$ 162,134
Picciola Island Street Lighting	\$ 1,492	\$ 916
Valencia Terrace Street Lighting	\$ 3,573	\$ 3,337
Lake County Pollution Recovery	\$ 63,519	\$ 74,969
Building Services	\$ 2,349,394	\$ 1,235,517
County Fire Rescue	\$ 1,089,742	\$ 2,491,452
Fire Rescue Impact Fee Trust	\$ 91,169	\$ 1,705
Animal Control Sterilization Trust	\$ 163,780	\$ 62,580
County Library System	\$ 52,084	\$ 68,505
Sales Tax Capital Projects	\$ 164,298	\$ -
Parks Capital Projects	\$ 49,155	\$ 42,801
Renewal Sales Tax Capital Projects	\$ 1,193,868	\$ 377,766
Landfill Enterprise	\$ 4,668,512	\$ 1,971,709
Solid Waste Capital Projects	\$ 49,876	\$ -
Solid Waste Closure and Care	\$ 3,196,224	\$ 3,188,544
Solid Waste Long-Term Capital Projects	\$ 5,280,335	\$ 246,903
Insurance - Property and Casualty	\$ 3,033,545	\$ 3,584,197
Insurance - Employee Group Benefits	\$ 1,137,387	\$ 1,500,783
Fleet Maintenance	\$ 250,520	\$ 235,430
TOTAL RESERVES AND CONTINGENCIES	\$ 70,669,009	\$ 56,337,091

Reserves Detail

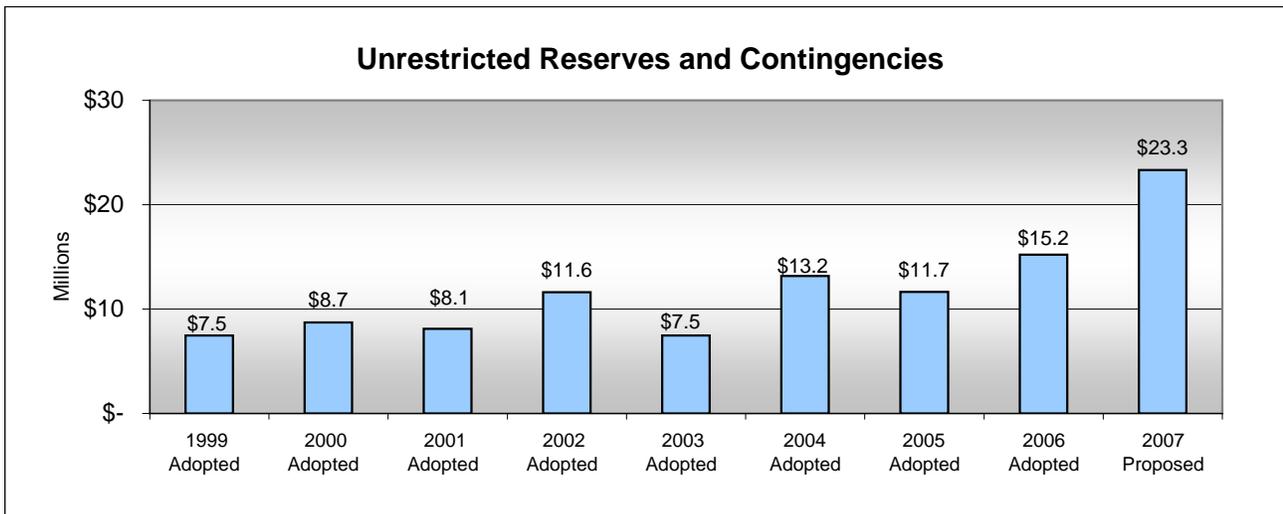


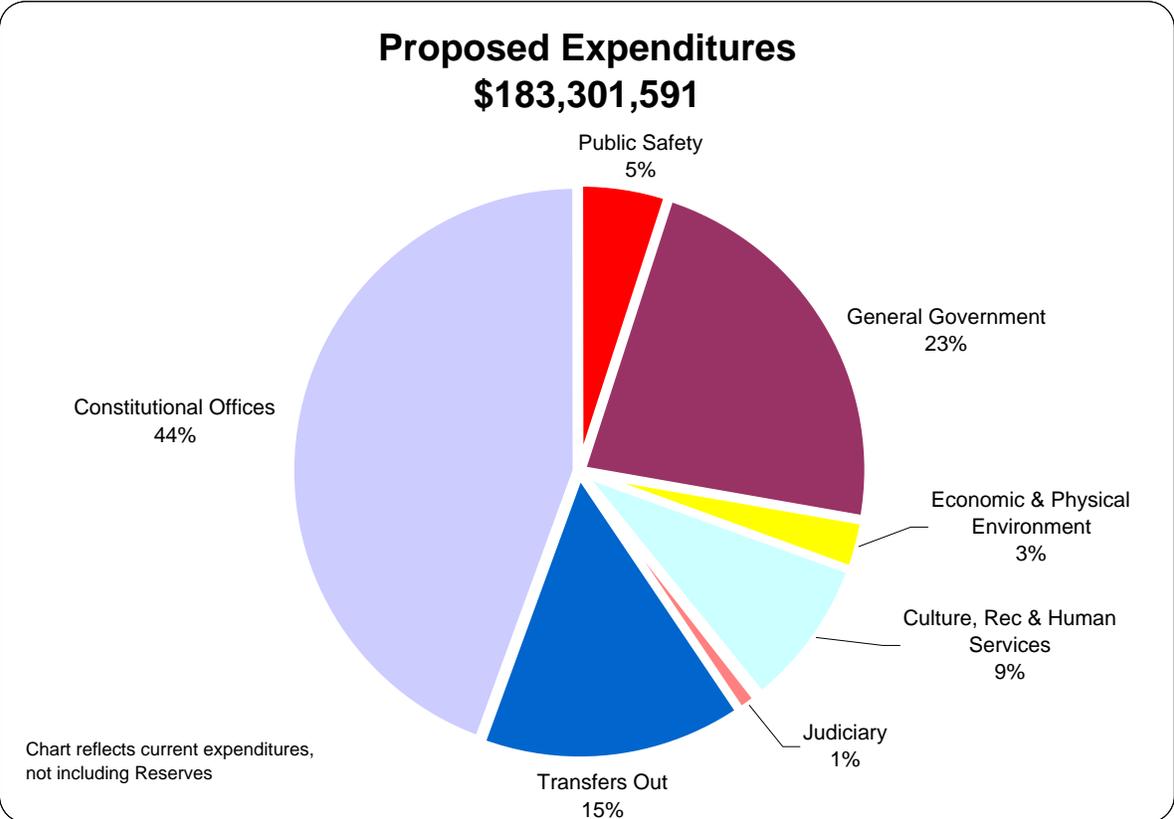
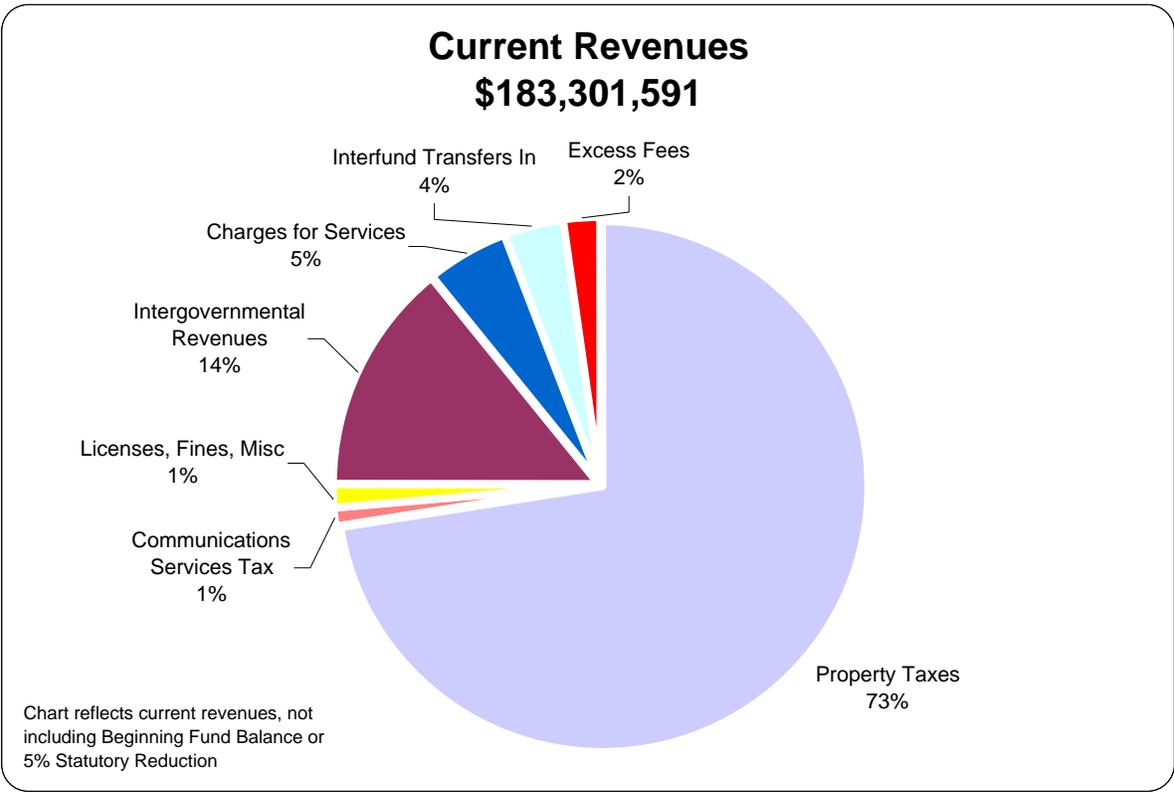
General Fund		
	2006 Amended	2007 Proposed
<i>Cash and Contingency Reserves</i>		
Reserve for Pay Plan Implementation	\$ 100,000	\$ 1,800,000
Reserve - Capital Purchases	\$ 887,000	\$ 1,200,000
Reserve - Reprographics	\$ 177,921	\$ 227,544
Contingency - Sheriff/Development	\$ 104,674	\$ 104,674
Reserve - Fair Market Value	\$ 200,000	\$ 200,000
Contingency - Sheriff	\$ 200,000	\$ 200,000
Designated Reserves	\$ 1,669,595	\$ 3,732,218
Reserve for Contingency	\$ 13,158,122	\$ 3,493,317
Economic Stabilization Reserve	\$ 15,210,327	\$ 18,330,160
Reserve for Operations	\$ 6,263	\$ 1,500,000
Undesignated Reserves	\$ 28,374,712	\$ 23,323,477
Total Reserves and Contingencies	\$ 30,044,307	\$ 27,055,695



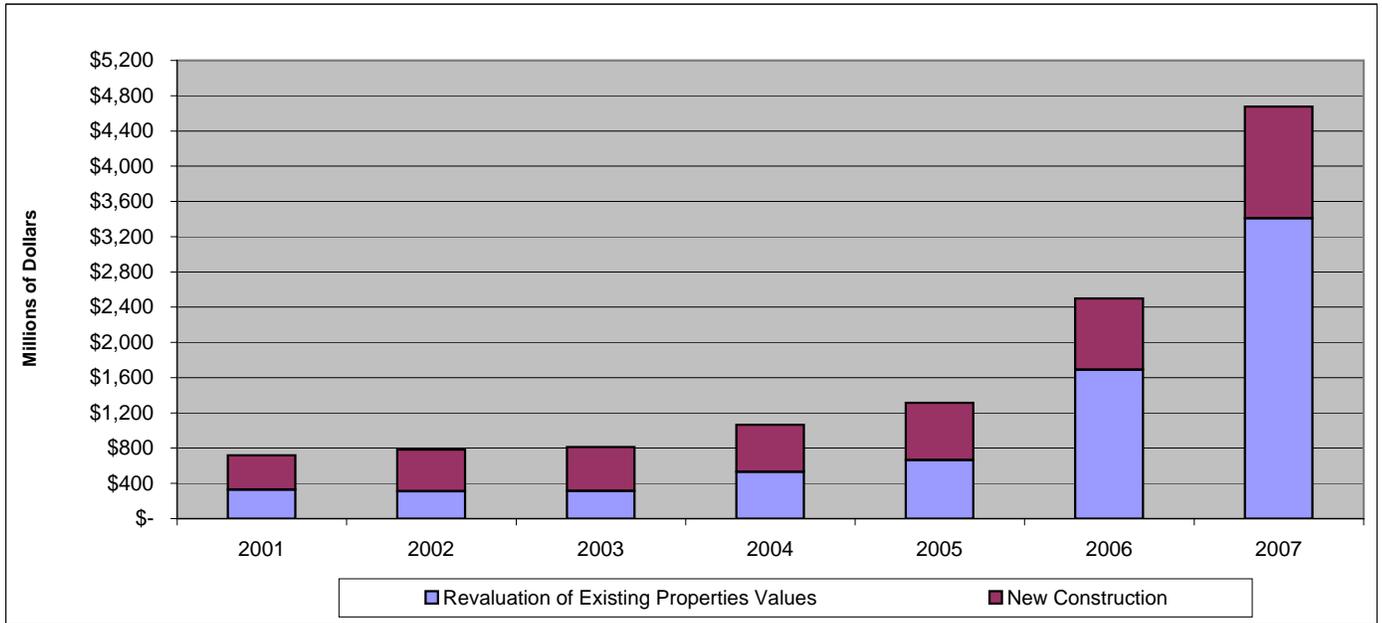
Unrestricted Reserves as a Percentage of Expenditures								
Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007
Unrestricted Reserves	11.5%	9.9%	13.0%	7.6%	12.1%	10.05%	11.19%	12.72%

Note: Budget Recommended Practices indicate that the unrestricted reserve should be 2 months of expenditures (10% - 17%). Board Policy LCC-51 recommends at least 10% in the Economic Stabilization Reserve. That percentage has been met in the FY 2007 Budget.





Increase in Gross Taxable Value Over Prior Year



	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
New Construction	\$ 387,180,497	\$ 473,821,526	\$ 500,201,820	\$ 535,689,696	\$ 648,864,776	\$ 809,784,473	\$ 1,268,616,667
Revaluation of Existing Properties Values	330,381,473	310,401,441	312,551,038	530,602,523	667,230,827	1,688,279,164	3,409,204,435
Total Increase in Gross Taxable Value	\$ 717,561,970	\$ 784,222,967	\$ 812,752,858	\$ 1,066,292,219	\$ 1,316,095,603	\$ 2,498,063,637	\$ 4,677,821,102

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
% Increase Due to New Construction	5.58%	6.17%	5.90%	5.76%	6.25%	6.92%	8.93%
% Increase Due to Revaluation	4.76%	4.04%	3.69%	5.70%	6.42%	14.43%	24.01%
Total % Increase	10.33%	10.21%	9.58%	11.46%	12.67%	21.35%	32.94%

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Millage Rate	5.117	5.117	5.917	5.917	5.817	5.797	5.747
Ad Valorem Taxes	\$ 37,587,262	\$ 41,178,785	\$ 52,239,608	\$ 58,296,739	\$ 64,673,998	\$ 77,925,882	\$ 103,073,567
Net New Dollars	\$ 5,887,315	\$ 3,591,523	\$ 11,060,823	\$ 6,057,131	\$ 6,716,584	\$ 13,251,883	\$ 25,147,684

For FY 2007, 1 mill is expected to net \$17,935,195

Constitutional Offices



General Fund Budget History

	Actual FY 2005	Budget FY 2006	Proposed FY 2007
CLERK			
Net to General Fund	1,958,910	2,763,955	2,892,121
<i>Total Staff (Including Fee Budget)</i>	<i>202</i>	<i>218</i>	<i>229</i>
PROPERTY APPRAISER			
Net to General Fund	1,793,825	2,107,581	2,397,946
<i>Staff</i>	<i>35</i>	<i>38</i>	<i>39</i>
SHERIFF			
Net to General Fund	39,486,286	46,026,572	53,750,785
<i>Staff</i>	<i>627</i>	<i>711</i>	<i>729</i>
SUPERVISOR OF ELECTIONS			
Net to General Fund	1,193,219	1,728,671	1,888,758
<i>Staff</i>	<i>9</i>	<i>9</i>	<i>10</i>
TAX COLLECTOR			
Net to General Fund	597,125	1,668,886	2,864,742
<i>Staff</i>	<i>62</i>	<i>64</i>	<i>64</i>

Net Impact to General Fund From Constitutional Offices

