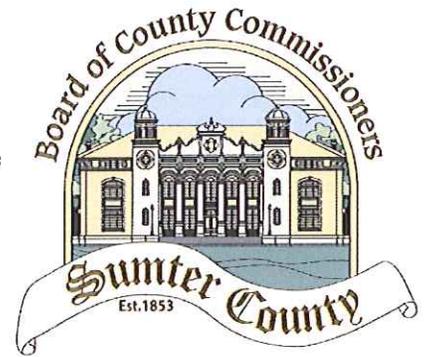


Board of County Commissioners

Sumter County, Florida

7375 Powell Road • Wildwood, FL 34785 • Phone (352) 689-4400 • FAX: (352) 689-4401
Website: <http://sumtercountyfl.gov>



June 22, 2012

Chairman Garry Breeden
Vice Chairman Doug Gilpin
2nd Vice Chairman Randy Mask
Commissioner Don Burgess
Commissioner Richard Hoffman

Reference: Fiscal Year 2012/2013 Proposed Budget

Honorable Chairman, Vice Chairmen and Commissioners:

In accordance with the provisions of Chapter 129 and 200 of the Florida Statutes that governs the budget process, the proposed balanced budget for Sumter County for Fiscal Year 2012/2013 (FY 12/13), based on estimated property values received from the Property Appraiser on June 20, 2012 and internal estimates provided by staff, is hereby submitted for your review and approval.

The budget is prepared to provide the most efficient, effective, and responsive government to achieve economic growth, quality customer service, and a safe community. It meets the adopted Sumter County Financial Policies. Several factors have influenced the decisions and processes for preparing the FY 12/13 budget, specifically in reference to the General Financial Goals it:

- Maintains the financial viability of the County in order to provide adequate levels of county services to the customers
- Maintains financial flexibility in order to continually adapt to local, regional, state, economic, statutory and demographic changes
- Maintains and enhances public infrastructure in order to provide for the health, safety and welfare of the County's citizens
- Meets the test of all of the comparative analysis of the growth indexes to the growth of the expenditures of the General Fund (less grants, Reserve for Contingencies and Reserve for Cash Balance Forward). As can be seen below, budgeted General Fund expenditures are proposed to decline by 1.1% from the Fiscal Year 2011/2012 adopted budget.

- Sumter County Population Change 2011/2012 (3.4% : -1.1%)
Population Source – estimate from the Bureau of Economic & Business Research at the University of Florida (BEBR).

- Consumer Price Index (CPI) which is viewed as:

- CPI-W – April 2012 (2.4% : -1.1%)

Richard "Dick" Hoffman, Dist 1
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Doug Gilpin, Dist 2
Vice Chairman
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Don Burgess, Dist 3
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Garry Breeden, Dist 4
Chairman
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Randy Mask, Dist 5
2nd Vice Chairman
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Bradley S. Arnold,
County Administrator
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

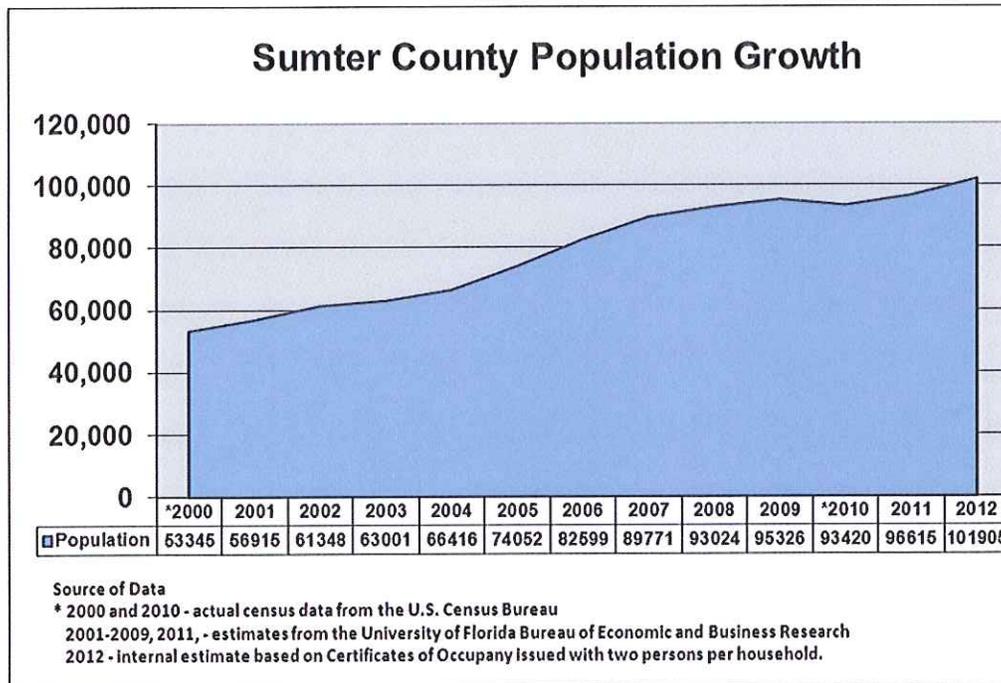
Gloria R. Hayward, Clerk & Auditor
(352) 569-6600
215 East McCollum Avenue
Bushnell, FL 33513

County Attorney
The Hogan Law Firm
Post Office Box 485
Brooksville, Florida 34605

▪ CPI-U – April 2012 (2.3% : -1.1%)
 (Source – U.S. Bureau of Labor Statistics – Unadjusted 12-months ended April 2012)

○ Per capita Florida personal income for 2012 (3.54% : -1.1%)
 (Source – U.S. Department of Commerce, Bureau of Economic Analysis)

The proposed growth of expenditures in the General Fund does not exceed any of the growth indices. Sumter County continues to outpace the growth and property value stability of our neighboring counties and the majority of counties in Florida.

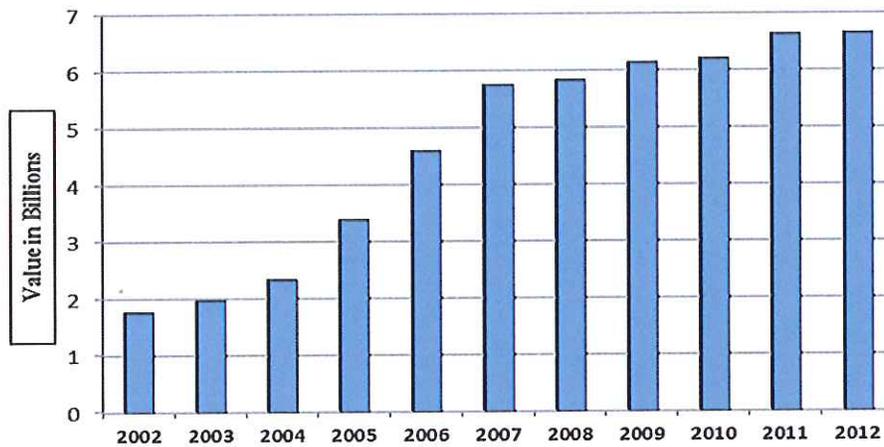


The proposed budget provides for the continuation of capital construction projects and increases in service levels. Increases in services are associated with the following:

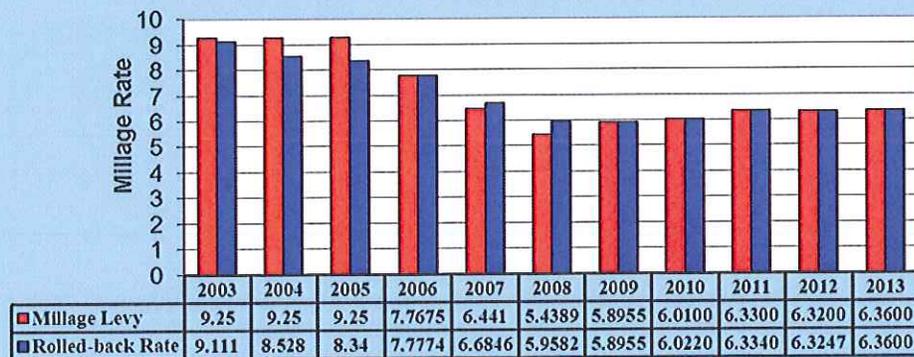
- Migration from a non-compliant very high frequency (VHF) public safety and public works radio system to a compliant P25 digital radio system for both public safety and public works operations which will reduce the failure rate of communications, increase the coverage area for radio communications (elimination of “dead spots”), provide encryption capabilities for public safety, increase the building penetration of radio communications of critical facilities, and provide greater radio interoperability with the surrounding counties and the State of Florida.
- Sumter County Fire District Fire Protection and Emergency Medical Services - adding fifteen full time firefighter positions to provide coverage for the South Wildwood and Webster Fire Stations, previously unmanned as well as increasing the number of Advanced Life Support (ALS) units from one to three.
- The Villages Public Safety Department - providing funding for staffing and opening of Fire Station #7 located on Buena Vista Blvd and therefore increasing the coverage area of full time fire fighters and ALS for the area East of Signature Drive to the Lake County Line and South to the Florida Turnpike to include Continental County Club.
- Migration from a complaint-driven code enforcement operation to providing support to the code enforcement inspectors to address the area rather than just the specific complaint.

Based on preliminary taxable values from the Property Appraiser, the rolled-back rate millage rate is 6.36 representing no tax increase. The tentative millage rate, expected to be between 6.32 and 6.36 mills, will be calculated once final taxable values are received from the Property Appraiser in July. This is the eighth year in a row the County has been able to prepare a budget at or below the projected calculated rolled-back rate and thereby meeting the legal test of no tax increase. Due to the fiscal responsibility Sumter County showed in recent years as well as the continued growth due to the residential and commercial construction focused in or around The Villages, service levels are increasing to meet the demand of the influx of residents. Due to the decline in existing taxable property values and the decline in new construction the rolled-back rate is higher than the millage rate set last year; however, new taxable property added to the overall value provided the necessary funds, coupled with areas of reduced recurring expenditures that allow for the continued and increase in level of service. The Truth in Millage (TRIM) legislation once again allows a simple majority to approve the rolled-back rate.

County Taxable Value Growth



Sumter County Millage Rate History - Fiscal Year



Year of Tax Levy

The budget increase/decrease by fund type is outlined below:

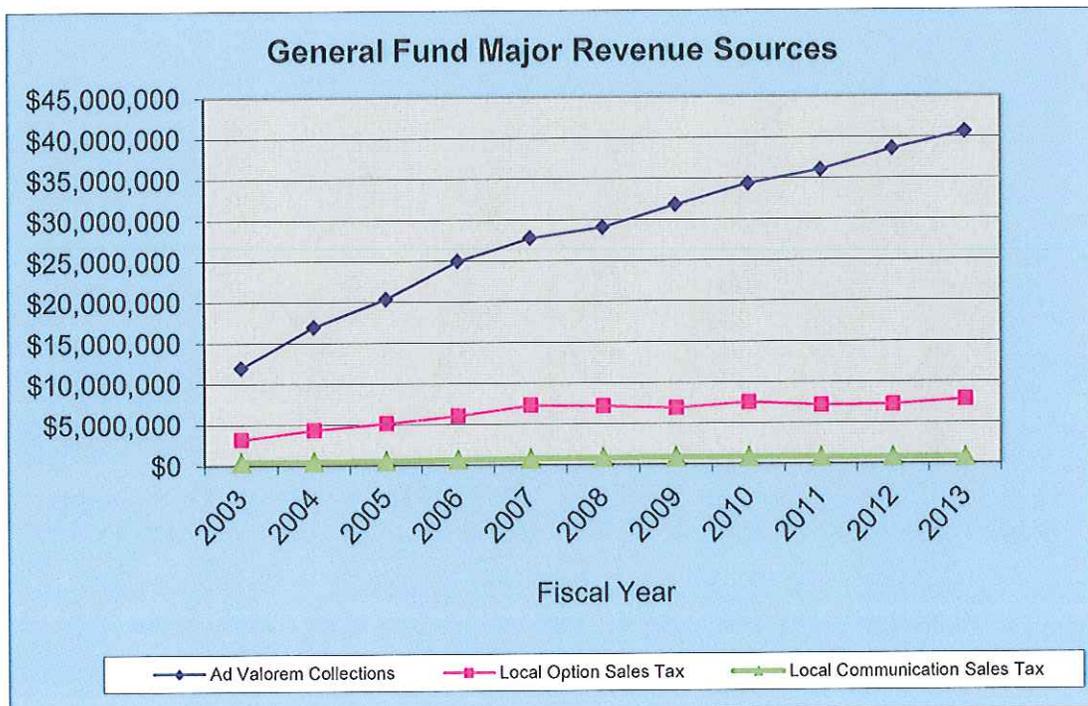
Fund Title	FY 11/12 Amended Budget*	FY 12/13 Proposed Budget	Increase/ Decrease
General Fund	72,423,361	71,622,586	-1.11%
Special Revenue Funds	71,639,189	73,482,228	2.57%
Debt Service Fund	6,727,927	6,923,623	2.91%
Capital Projects Funds	15,567,498	12,993,985	-16.53%
Internal Services Funds	9,270,957	11,060,109	19.30%
Health Trust	656,040	680,479	3.73%
Total of All Funds	176,284,972	176,763,010	0.27%

*As of May 31, 2012

GENERAL FUND

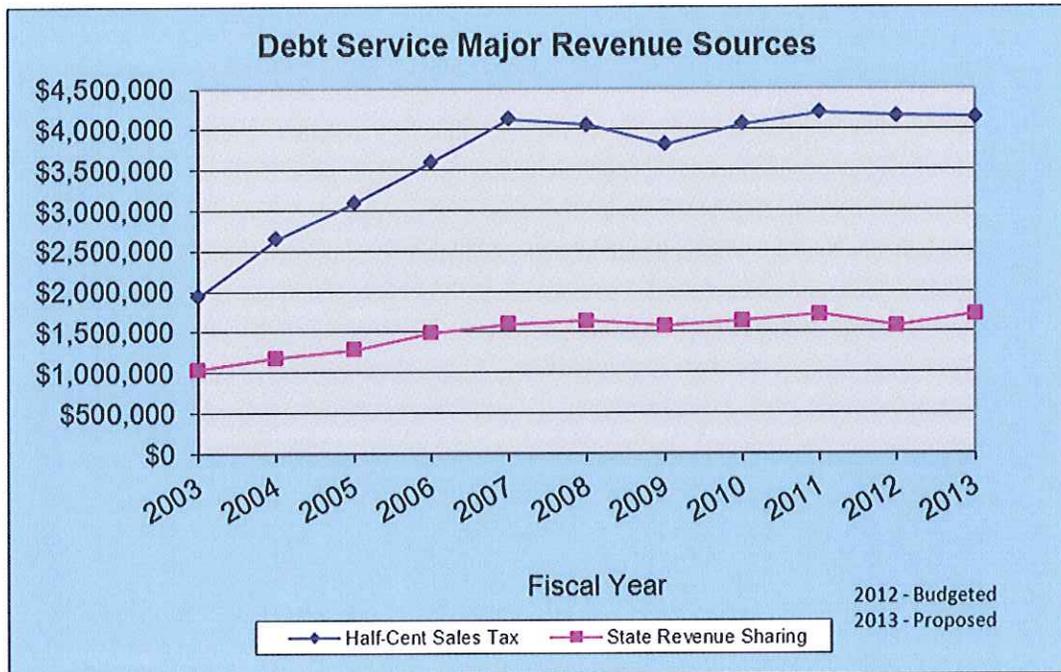
Projected Revenues

There are forty-six (46) revenue sources which comprise the total projected revenue for the General Fund for FY 12/13. The largest single revenue source is derived from property taxes (Ad Valorem). The other revenue sources include local option sales tax, intergovernmental transfers, charges for services, and other sources. The total projected General Fund Revenue for FY 12/13 is \$71,622,586, a decrease from FY 11/12 amended budget of \$478,038. The proposed budget for FY 12/13 is balanced using the unreserved fund balance (cash balance forward) of \$14,457,226 which is \$3,512,128 less than the amended FY 11/12 budget. It should also be noted that the cash balance forward cannot be considered a recurring revenue source. The 2012 proposed Property Tax Levy accounts for \$40,661,627 or 56% of all General Fund Revenue. The only major increase in estimated revenue for the General Fund is Ad Valorem at \$2,158,837.



DEBT SERVICE FUND:

The half-cent sales tax and state revenue sharing revenue are pledged to the 2003 and 2006 bond debt service. When there is a surplus after satisfying the bond debt payments, the excess is transferred to the General Fund.



GENERAL FUND

Projected Expenditures

The Sumter County Financial Policies are specific in regard to the budgeting of the Reserve for Contingencies and the Reserve for Cash Balance Forward (also known as Cash Balance Forward or Unreserved Fund Balance). The Proposed FY 12/13 budget has the Reserve for Contingencies in excess of the minimum 5.00% of the General Fund Operating Budget at \$3,082,418 or 5.21%, but below the maximum of 10.00%. The basis for maintaining the Reserve for Contingencies is to provide funds for unforeseen circumstances such as weather events.

A separate reserve for economic development incentives is maintained to set aside funding to support the 2012 Sumter County Schedule of Incentives in the amount of \$100,000.

To mitigate the Governmental Standards Accounting Board (GASB) Statement 45 requirements, a separate reserve is maintained per the financial policy of the BOCC. The funding proposed in this reserve is an increase beyond the “pay as you go” mitigation of the liability due to other post-employment benefits (OPEB) other than pension transactions, including the amount paid or contributed by the government. Post-employment healthcare benefits are the most common form of OPEB and a very significant financial commitment. Funding of the benefits is not required; however, the mitigation of eliminating the insurance premium subsidy at retirement for all new personnel hired after September 30, 2009 regardless of retirement date was approved by the BOCC on July 28, 2009. The amount of this reserve increased \$22,639 from FY 11/12 to the proposed \$311,639.

The Sumter County Financial Policy requires a minimum of two (2) months cash flow (16.67% of the General Operating Budget) in the area of the Reserve for Cash Balance Forward (RCBF) for each fiscal year. The amount needed to meet this requirement for FY 12/13 is \$9,861,002; however, the policy does provide for a recovery to this amount by requiring a minimum increase of 0.50% of the RCBF per year until the requirement is reached. This is the course taken in each of the recent past fiscal years and is proposed for FY 12/13. The Reserve for Cash Balance Forward (RCBF) for the Adopted FY 11/12 Budget was \$8,440,000 (via formula (RCBF/ (General Fund Total Operating Expenditures – RCBF – Reserve for Contingencies)) or 15.37% (1.84 months of cash flow). Based on the progress in FY 11/12 and the recovery rate, the proposed RCBF for FY 12/13 is \$9,389,645 required to increase to 15.87% (1.9 months of cash flow); therefore, the proposed RCBF amount exceeds the recovery minimum. The secondary benefit of increasing the Reserve for Cash Balance Forward is to reduce the fluctuation due to and reliance on Cash Balance Forward as a one-time operating revenue source proposed for FY 12/13 as \$14,457,226.

A Cost of Living Allowance (COLA) increase is included in the amount of \$1,090,895 for employees of the Board of County Commissioners and Constitutional Officers. Due to efforts by the BOCC in reducing its operations through re-organization and privatizing services, sufficient funding is available to provide the desired goal of 3.60% increase to employees. This provides full funding per the BOCC financial policy for the provision of COLA increases for employees.

Benefit changes for implementation effective October 1, 2012 are:

- Maintain total health plan premium rates for all participants
- Increase employee share of health plan premiums from \$30.00 to \$40.00 per month, thereby reducing the employer share by the same amount. This resulted in a savings to the BOCC of approximately \$65,000.
- Streamlined the benefit management process by the BOCC assuming responsibility for the employer share of benefits for the Constitutional Officers (CO). The CO budgets were reduced and the transfer from General Fund to the Group Health Fund was increased for the amount of employer insurance premium contributions resulting in a net zero increase to the budget.

During the budget process, departments were asked to justify their proposed expenditures. The budget contained herein provides a 5-year operational budget (Proforma), a summary comparison to FY 11/12; and a detailed line item budget. These details include the salary and benefit information for each BOCC employee for transparency purposes with the public. A 5-year Capital Improvement Plan/Budget is also provided. The three main expenditure components of the proposed budget are Personnel, Operations and Capital. Significant changes in these three components for fund including the General Fund are outlined under the respective heading.

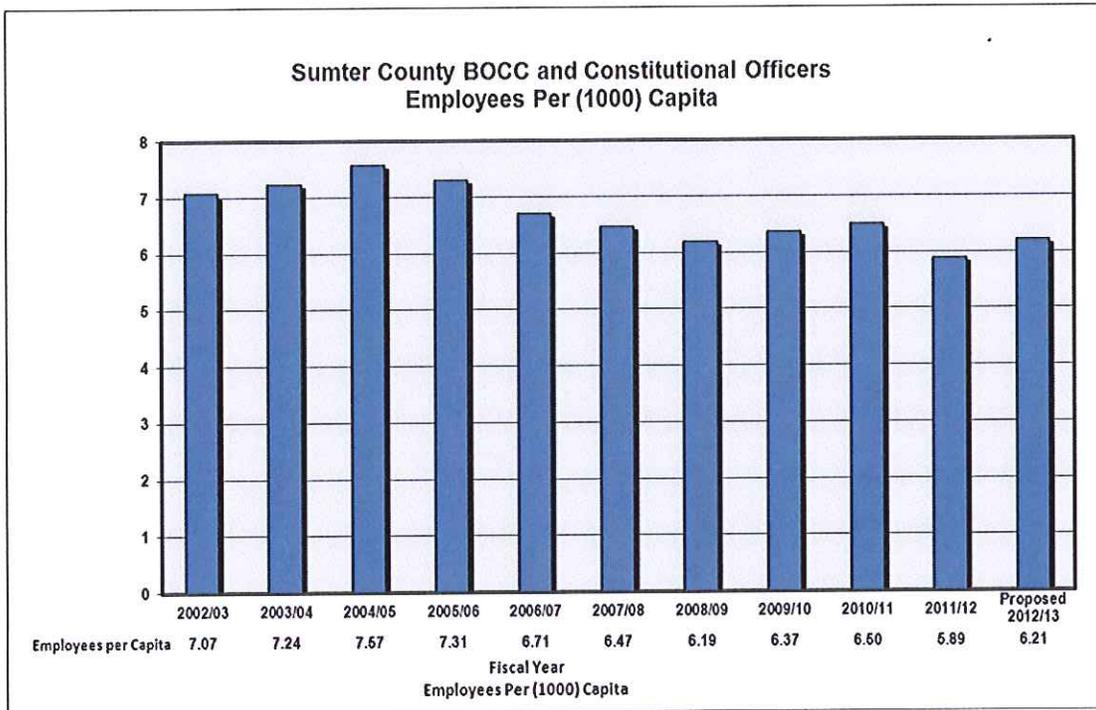
Personnel:

Comparing FY 12/13 funds to that of the adopted FY 11/12 funds, there is a net increase of 67 positions for the BOCC and a net decrease of 3 positions for the Clerk of the Circuit Courts. All other Constitutional Officers remain constant. Please note that 50 Fire and EMS Other Personnel Services (OPS) Firefighters were reclassified to part-time status during FY 11/12; therefore, the net increase of full-time BOCC positions proposed for FY 12/13 compared to the amended FY 11/12 budget is 17 positions. The 17 additional positions are: 15 Firefighters, one IT Systems Administrator and one Staff Engineer – Stormwater position. These positions are described more in the specific department personnel summary below.

The single largest operational expenditure in a local government's budget is its personnel, which includes employee salaries and benefits. Excluding the Constitutional Officers, the total FY 12/13 budget includes 265 BOCC (215 full-time, 50 part-time) positions. The number of full-time positions

is similar to FY 04/05. The FY 12/13 budget includes 11 positions with the Supervisor of Elections which is the same as funded in FY 02/03, 53 positions with the Clerk of Circuit Court which is the same as FY 04/05, 19 positions with Property Appraiser which is the same as FY 06/07, 25 positions with two OPS with the Tax Collector which is the same as FY 09/10, and 260 positions with the Sheriff similar to that of FY 09/10.

Sumter County Employee per 1000 persons of population (per capita) per year comparison is at a level below the 1995 benchmark of 7.43 employees per capita.



The following position changes (elimination of positions, addition of positions, and pay range changes both increases/decreases) are recommended:

Board of County Commissioners (BOCC):

The BOCC made several changes to its organization during FY 11/12 that are referenced below in an effort to provide the connection and overview purpose related to those additional changes proposed for FY 12/13. A comprehensive review of the pay ranges for the BOCC occurred in conjunction with the reorganization efforts implemented in FY 11/12.

Administrative Services/Employee Services and Financial Services

During FY 11/12, the BOCC approved the Support Services Director position which was filled on January 10, 2012. Upon evaluating the long-term needs of the Financial Services Department, the Procurement Coordinator position (Pay Range (PR) 19) was reclassified to Staff Accountant (PR 24) and the Financial Services Coordinator position (PR 24) was reclassified to Financial Support Specialist (PR 17).

Information Technology

During FY 11/12, the BOCC approved reclassifying the position of IT QA/QC Contract Manager Position (PR 24) to Information Technology Manager (PR 30). An IT Systems Administrator position is being added in FY 12/13 to provide redundancy to the IT Manager’s position and to further the

support mission of IT to the operational divisions. In FY 11/12, IT transitioned from the Development Services Division to the Support Services Division. The department provides consolidated services to the Sumter County BOCC and the Supervisor of Elections.

Road & Bridge/Facilities Maintenance/Facilities Development

Proposed for FY 12/13 is the reclassification of the following positions: Maintenance Technician II (PR 17) to Maintenance Technician (PR 17); Working Foreman – EO (PR 20) to Field Supervisor (PR 20); PW Administrative Coordinator (PR 24) to Staff Accountant (PR 24); Shop Foreman (PR 22) to Shop Supervisor (PR 22); Maintenance Technician III (PR 19) to Maintenance Technician (PR 17); Maintenance Technician IV (PR 21) to Senior Maintenance Technician (PR 20); Maintenance Supervisor (PR 22) to (PR 23) due to change in job responsibilities; and Working Foreman (PR 17) to Field Supervisor (PR 20). These changes were overdue to bring the position in line with the current and future needs of the organization as well as to situate each appropriately within the comparable position with the pay and compensation plan.

Stormwater

Proposed for FY 12/13 is to add a Staff Engineer – Stormwater (PR 24).

Development Services

During FY 11/12, the Director of Development Services position (PR 34) was reassigned to Pay Range 33 due to revised job responsibilities. The Planner position (PR 22) was reassigned to Pay Range 24 to recognize the new duties and responsibilities the position had assumed. These changes also bring each position into conformity with the pay and compensation plan for comparable positions.

Parks

The Parks Operations Coordinator (PR 19) was reclassified to Field Supervisor (PR 20). This is a comparable change as noted in the change of the Working Foreman to Field Supervisor.

Mosquito Control

To more accurately reflect the essential functions of the position, the Operations Coordinator position is reclassified to Mosquito Control Operations Supervisor with no change in pay range.

Community Services

In FY 11/12, the Community Services Administrative Coordinator (Pay Range 21) was reclassified to Staff Assistant III (PR 17). The Finance Coordinator position is proposed to be reclassified to Financial Support Specialist with no change in pay grade (PR 17) in FY 12/13.

Library Services

In FY 11/12, the Library Assistant (PT) and Clerk/Driver (PT) positions were reclassified to full time status due to employee benefit changes in eligibility. The Technical Services Support Technician (PR 10) is proposed to be reclassified as a Technical Services Assistant (PR 15).

Sumter County Fire & Emergency Medical Services

In FY 11/12, the BOCC approved the elimination of the volunteer/reserve/OPS call pay process and created the 50 part time positions to comply with standards prescribed by federal law. Also in FY 11/12, the Staff Assistant I (PT) position was reclassified to a full time position to satisfy employee benefit changes in eligibility and the Firefighter position was reclassified to Firefighter – EMT with no change in pay range. The FY 12/13 budget includes the addition of fifteen positions to provide staffing for the South Wildwood and Webster Fire Stations, previously unmanned. Also proposed is the reclassification of the Administrative Assistant – FS (PR 20) to Staff Assistant III (PR 17) to also bring this position into conformity with the pay and compensation plan for comparable positions.

Emergency Management

The BOCC has the statutory responsibility to provide Emergency Management Services. In FY 11/12, the Emergency Management Specialist position was reclassified to Staff Assistant III to more accurately reflect the functions of the position.

Sheriff

Although no increase in the net number of employees is proposed by the Sheriff, a focus of two new detectives (one on gathering intelligence from arrested individuals as they enter the jail and one to focus on the "pill mill" problem in Sumter County), one additional 911 call-taker, and an additional IT support position. In regard to the last position, the Sheriff is committed to doing a comprehensive review of his IT system and operation to look for areas to upgrade and improve efficiency that may supplant the current or future need of this proposed position.

Operations:

Sumter Fire District Fund

The General Fund Transfer to the Sumter Fire District Fund is \$2,556,945. The current assessment rate of \$106.00 per year per improved parcel is proposed to remain the same for FY 12/13. Due to the anticipation of an increase in call volume for the contracted ambulance provider, Rural/Metro, a reduction in the general funds subsidy for this service is reflected in the overall general fund transfer to the Sumter Fire District Fund.

Villages Public Safety Fire District Fund

The General Fund Transfer to the Villages Public Safety Fire District Fund is \$2,600,000. This is an increase of \$860,116 over FY 11/12. The current assessment rate of \$81.00 per year per improved parcel is proposed to remain the same for FY 12/13. Following the completion of the build-out of The Villages it will be important to note that the BOCC should consider indexing an increase to the assessment rate within the Villages Public Safety Fire District to maintain the level of service of its operation and its personnel costs and operational costs are impacted due to inflation.

Radio Communications

This fund is responsible for the payment of the debt service, tower leases, and maintenance associated with the Digital Public Safety Radio Network Project due to be completed by January 1, 2013 to meet the Federal Communications Commission (FCC) narrow-banding requirements for public safety frequencies. The debt service for this project is approximately \$1,836,600 a year for seven years. Tower lease payments total \$178,600. The General Fund transfer to support this fund totals \$1,992,862.

Mosquito Control

Operations include servicing of the ponds in The Villages. It is noted that the State of Florida reduced its annual funding support for the provision of mosquito control to all of the local jurisdictions including Sumter County from \$35,000 to \$18,500.

Stormwater Fund

Due to anticipated Cash Balance Forward from FY 11/12, the General Fund subsidy was decreased for FY 12/13. Additional funding is planned in future years to plan and execute improvements in the stormwater infrastructure of Sumter County. The process will continue to inventory and identify priority improvements as well as to meet the future federal Clean Water Act requirements promulgated through the National Pollutant Discharge Elimination System (NPDES).

Building Services Fund

Due to continued privatization efforts, online permitting, and streamlining the administrative support, all building permit fees were reduced by 10% for the period starting July 1, 2012 and continuing through September 30, 2014. These fees apply to the unincorporated areas and the City of Wildwood only per the respective Interlocal Service Boundary Agreements.

Welfare

In FY12, the total budgeted for 220 increased by \$505,417 as a direct result of the passage of HB 5301, Section 409.915, which changed the method of payment for the county's contribution to Medicaid expenses accrued by eligible residents. Prospective billing will not allow for denial of bills, only retrospective refund request. Therefore, the budget anticipates full payment of the bill submitted to the County by the Florida Agency for Health Care Administration. The increase in hospital (3403) and nursing home (3404) payments are based on average monthly billings rather than average monthly payments during the past 4 years. This approach will ensure sufficient funds within the budget to pay total monthly Medicaid bill without expectation of refund. The decrease in Health Care Responsibility Act (34060) is based on \$4 per county resident.

Transit

The Florida Legislature passed sweeping reform of the Medicaid program in 2011, which will likely impact Medicaid transportation services provided by the BOCC as the Community Transportation Coordinator (CTC). Transportation is a mandatory Medicaid service currently being coordinated by the Agency for Health Care Administration (AHCA) through a legislated relationship with the Commission for Transportation Disadvantaged (CTD) and its network of CTC's. Under Medicaid Reform the CTD is no longer the named coordinator for Medicaid transportation; therefore, the local CTC is no longer ensured of remaining the provider of this service when Medicaid reform is implemented. The state will choose one "test" region to begin Phase 1 to consist of Long Term Care; primary impact will be Nursing and Assisted Living Facilities, full statewide implementation of April 2014. Phase 2 consists of Managed Medical Assistance; primary impact will be the network of CTC's with full statewide implementation of April 1, 2015. The consensus from the regions' CTC's is to present our efficiencies through coordination to the brokers who will be contracting with the award winning HMO's and PSN's contracted with the state. Federal waivers are required to fully implement the Medicaid legislation, and the State has submitted waivers yet to be approved.

The contract for July 1, 2012-June 30, 2013 between BOCC /CTC and CTD was reduced by 1.6 percent (\$4,016) from the previous year. Medicaid transportation requires no local match. Medicaid funding supports approximately 20 percent of the transit services provided by Sumter County. The BOCC has been designated the CTC for Sumter County through June 2013. By then, the plan for implementing Medicaid reform and the position on the CTD and the CTC network should be clear.

Economic Development

The focus and current progress by Sumter County in economic development is its manufacturing sector. The BOCC executed in FY 11/12 a manufacturing job tax credit agreement with one firm and has one pending with another. Additional focus on infrastructure and compilation of data related to support of the manufacturing sector occurred in FY 11/12 which included hiring an Economic Development Coordinator. Discussion with TECO for greater access to natural gas to the South Wildwood Industrial Park and the industry along C-470 are occurring with the hope that no County funding will be necessary to support the expansion of gas lines. In the proposed FY 12/13 budget \$400,000 is allocated for the design and construction of a water line from the City of Bushnell system in Sumterville along C-470 to CR 529 thereby providing access for fire protection and potable water to Eagle Roofing Products, United Agriculture Services, and ACMS. Depending on the cost of construction access to Great Southern Wood may be accomplished as well. CR 529A will be paved by the end of the calendar year to support United Agriculture Services in addition to the business activities of ACMS. An allocation of \$200,000 is also included in FY 12/13 as payment to the City

of Webster for the construction of a master sewage pumping station to be completed by September 30, 2013 at the Fairgrounds which will provide better access to the commercial development of Beville's Corner and the industrial/commercial properties to the North of the City of Webster. A focus of the Economic Development Coordinator will be the pooling of grant and other resources as well as the partnering with the City of Bushnell with the City of Center Hill and/or the City of Webster to provide cost effective sewer service to Central Beef to support their latest expansion as well as their next phase of expansion.

General Fund

Miscellaneous Services

The service entities funded in this category are not statutorily required. The BOCC continues to reduce its contributions to private not-for-profit and non-profit entities that provide services in Sumter County. The basis of the reduction is to allow self-determination of charitable contributions by the citizens and to limit funding only to those entities that provide a direct relationship service that Sumter County would have otherwise provided. The Sheriff, for example, contracts directly with The Haven and the Children's Advocacy Center to which these entities receiving funding via the Transfer to the Sheriff in lieu of a fund allocation from the BOCC as in past years. For FY 12/13 the recommended funding levels and entities are as follows:

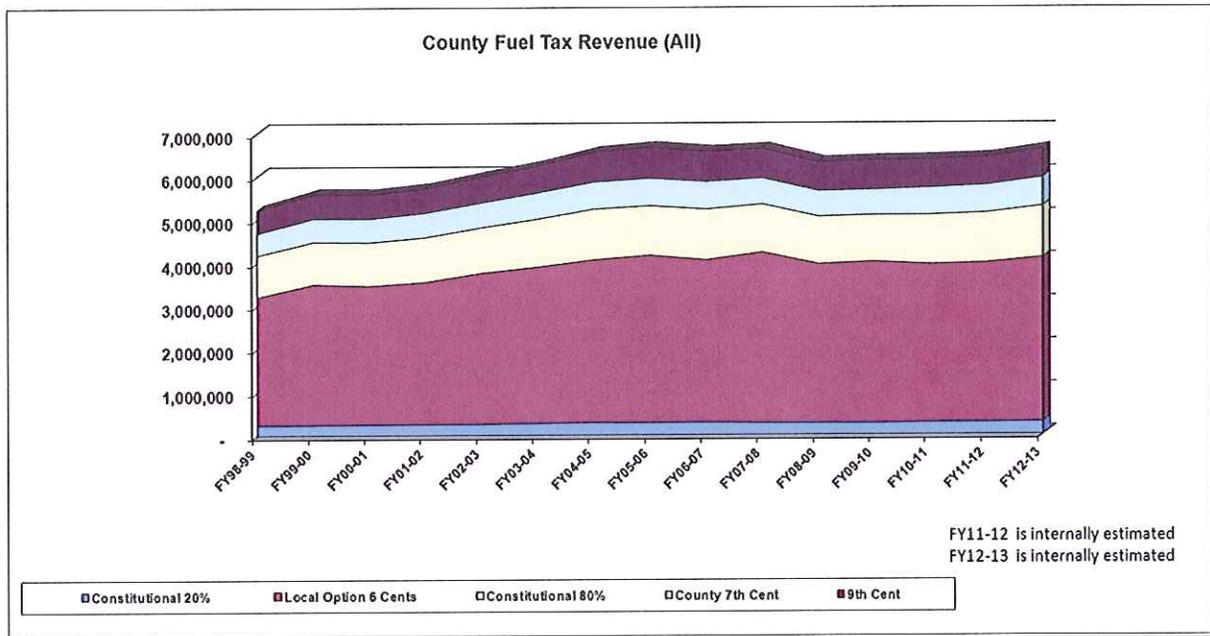
- Mid-Florida Community Services \$1,040 (Requested \$1,040)
 - Case Management – Senior Services and Family Self-sufficiency programs
- SCARC, Inc. \$40,000 (Requested \$45,000)
 - Developmental Disabilities Support
 - The rationale to continuing the existing funding level rather than the amount requested is due to the fact that the Sumter County BOCC provided support to offset the reduction in funding support by the State of Florida. The State of Florida assumed the role in development disabilities support and therefore should provide for the funding required of that decision rather than continue to look for the local government to fund its obligation.

Court Technology Fund

This fund receives its revenue solely from \$2 per recorded page in the official records of the Clerk of Circuit Court. The fund is intended to support the technology needs of the court (judges) and the offices of Guardian Ad Litem, the State Attorney, and the Public Defender. The annual revenue is remaining fairly steady, but the available Cash Balance Forward combined with current revenues is being consumed to meet the intended demand. By FY 2014/15, the Cash Balance Forward will be virtually depleted resulting in available funds being reduced by 70% from the FY 11/12 level. In the near future, it will be necessary to strategize how reduced available resources should be allocated.

County Transportation Trust Fund (CTT)

CTT suffers in its primary revenue stream of gas tax revenues due to the fact that it significantly lags behind the demand curves from road usage and associated population growth. As noted in the graphic below the gas taxes maintained a flat to shallow growth that is due in part to the internal capture ratio of The Villages, more fuel efficient vehicles, and the decline in visitors to Florida. With the modifications to the capital improvement portion of the financial policies, clarification was provided related to the definition of capital projects but more specifically resurfacing. Secondary Trust Fund (ST) will be available to make the capacity and resurfacing improvements needed on the backlog of non-road impact fee funded roads. The larger capacity improvement projects occur in the Road Impact Fee Fund. The Pavement Management Program that annually evaluates the actual condition of the road coupled with type of treatment for lifecycle cost purposes also provides a recommendation for prioritization of work on the roads.



Capital:

Capital expenditures are found predominantly in the following funds: Capital Outlay Reserve Fund, Bond Construction Fund, Boating Improvement Fund, County Transportation / Secondary Trust Funds, Road Impact Fee Funds, Stormwater and Fire Impact Fee Funds. The highlights of the FY 12/13 significant funds are listed below:

Capital Outlay Reserve Fund (Fund 305)

Projects funded in the Capital Outlay Reserve Fund are scheduled in the BOCC Capital Improvement Plan from contributions from General Fund, Court Improvement Fund, Sumter County Government Building Fund, Tourist Development Fund and other revenues to fund the projects.

Projects	Description/Location	FY12/13 Budget
Historic Courthouse / 1988 Jail / Jail Corrective Action	Bushnell	5,463,552
Citizens Drop-Off Area/Animal Control Joint Use Facility	Panasoffkee	1,292,800
Library Expansion & Parking	Lake Panasoffkee	1,226,350
New Fire Station 12	Webster	1,131,000
Webster Library	Webster	916,000
Fire Station 21 Expansion	Lake Panasoffkee	772,000
Sumter Fairgrounds "Cow Palace"	Webster	573,000
Judicial Building Renovation (1st Floor with minor repairs to 2nd Floor)	Bushnell	246,000
Health Department Generator	Bushnell	132,000
Sewer to Fairgrounds	Webster	50,000
Tourist Development Wayfinding Signage	Tourist Development	40,000
FY 2012/2013 Funding Total		\$11,842,702

Bond Construction Fund (Fund 307)

Project Description		FY 12/13 Budget
1988 Jail Renovation	Addition of a criminal courtroom, public secure access, and modifications of spaces vacated to the new jail area.	\$636,353
FY 2012/2013 Funding Total		\$636,353

(Road Projects) County Transportation Trust (CTT)/Secondary Trust (ST)/Road Impact Fee Funds
 This budget contains the following significant road projects through County Transportation Trust (CTT), Secondary Trust (ST), Small County Outreach Program (SCOP), Small County Resurfacing Program (SCRAP), Road Impact Fees and other grant revenues:

Summary		Description	FY 12/13
CTT	C-48 from SR471	Widening, resurfacing and rehabilitation of C-48	580,000
CTT	Unpaved to Paved Road Mgmt.	Resurface county maintained unpaved roadways with asphalt throughout the county.	375,000
CTT	CR Resurfacing	Treatment, Overlays, and other Resurfacing activities based on the Pavement Management priority list	2,520,000
ST	CR 542	Rehabilitation starts at US 301 and continues west to C-475 a total distance of .4 miles	388,000
ST	C-469	Existing section will be widened four feet on each side to have a 12-foot travel lane and 2-foot paved shoulder in each direction	2,730,000
ST	C Resurfacing	Treatment, Overlays, and other Resurfacing activities based on the Pavement Management priority list	400,000
Road Impact Fees	C-468	Construct interchange at the Florida Turnpike and C-468.	1,566,000
Road Impact Fees	C-462	Improve level of service and capacity this section will be widened to a 3 lane roadway with one north/west bound lane, one south/east bound lane, dual left turn lane, and closed drainage.	900,000
Road Impact Fees	C-466	Improve level of service and capacity this section will be widened to three lane roadway with one westbound, one eastbound lane and dual left turn lane and closed drainage.	450,000
Road Impact Fees	C-470	Construct earthen berm and outfall structures to create natural enhanced wetland areas on the TG Lee site	100,000
Road Impact Fees	C-466A Phase III	Expand the existing 2 lane C-466A from US 301 to C-462/Powell Road	2,468,438
FY 2012/2013 Funding Total			\$12,477,438

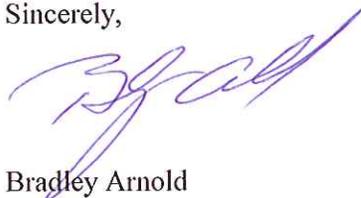
SUMMARY

The proposed budget for FY 12/13 provides funding to maintain and increase the current level of service. It provides for a millage rate that is at the rolled back rate and therefore constitutes no legal tax increase.

All departments within the budget have been identified by one of the following designations: Public Safety, Essential Services, and Quality of life. These designations will assist the BOCC in making funding decisions going forward and are included within the budget document.

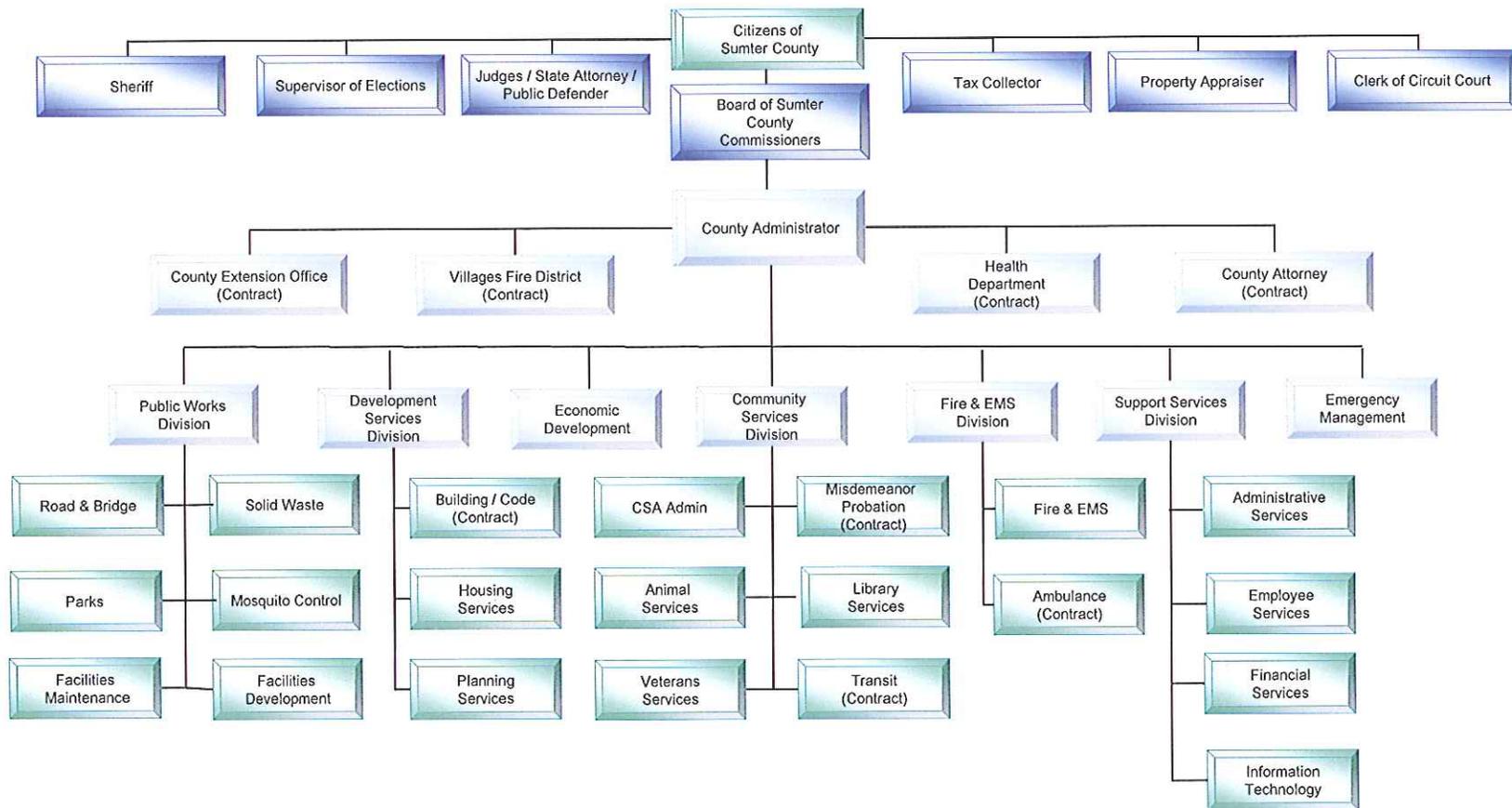
I am grateful for the tremendous effort by Division Directors, Department Heads, Elected and Appointed Officials in developing the FY 12/13 Final budget. I am especially thankful for the support of Mr. Art Bisner, Support Services Division Director in the preparation of this budget document.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Bradley Arnold', is written over a faint, larger version of the same signature.

Bradley Arnold
County Administrator

FY 12/13 Sumter County Organization



(Contract) – Represents full or partial services by third party provider