Board of County Commissioners
Leon County, Florida

FY 2025
Budget Workshop

Tuesday
April 23, 2024
9:00 a.m.

Leon County Courthouse
Commission Chambers, 5th Floor
301 S. Monroe Street   Tallahassee, Florida 32301

The media and the public can access the meeting in real time on Comcast channel 16, the Leon County Florida channel on Roku, the County's Facebook page, YouTube channel, Twitter, and County web site.

Board of County Commissioners
Leon County, Florida

Fiscal Year 2025 Budget Workshop

April 23, 2024

9:00 a.m.

Item Number	Workshop Item Title
1	Fiscal Year 2025 Preliminary Budget Overview
2	Consideration of Increases to the CareNet Provider Reimbursement Rates for Dental and Mental Health Visits
3	Update on the Green Fleet Conversion Plan
4	Consideration of Revisions to the County's Parental Leave Policy
5	Update on the County Employer/Employee Health Insurance Premiums
6	Consideration of Enhancements to Volunteer Fire Department Response Readiness and Fire Service Delivery

Leon County
Board of County Commissioners

Notes for Workshop
Agenda Item #1

Leon County Board of County Commissioners

Budget Workshop Item #1

April 23, 2024

To: Honorable Chair and Members of the Board

From: Vincent S. Long, County Administrator

Title: Fiscal Year 2025 Preliminary Budget Overview

Review and Approval:	Vincent S. Long, County Administrator
Department/ Division Review:	Ken Morris, Assistant County Administrator Wanda Hunter, Assistant County Administrator Shington Lamy, Assistant County Administrator Ben Pingree, Assistant County Administrator
Lead Staff/ Project Team:	Roshaunda Bradley, Budget Director

Statement of Issue:

This budget discussion item seeks Board guidance on the development of the FY 2025 Preliminary Budget.

Fiscal Impact:

This item has a fiscal impact based on Board direction in developing the FY 2025 Preliminary Budget.

Staff Recommendation:

Option #1: Accept the report on the Preliminary Budget overview.

Option #2: Approve the FY 2024 Budget Amendment allocating $5,000 from general fund contingency to support the 2024 Shoes4Schools event (Attachment #1).

Option #3: Authorize the County Administrator to solicit bids through the County's Financial Advisor to finance the County's $10 million local match for the Northwest Florida Water Management District Springs Restoration Grant to construct the second phase of the Woodville Sewer project, upon notification of grant award.

In addition, this item seeks any other direction the Board wishes to provide in the development of the FY 2025 Preliminary Budget.

Report and Discussion

Executive Summary:

The development of the FY 2025 budget reflects a continued focus on annual budget constraint and the continuous year-round internal efforts that drive innovation, produce efficiencies, and realize cost savings and cost avoidances. Leon County recognizes that budgeting is not only a year-round process, but an ongoing multiyear process that reflects the Board's longer term fiscal policies and priorities for the community, and requires necessary decision making through the annual budget adoption process. Each budget is interdependent on prior actions and influences the future financial condition of the County as well as the options available to address conditions in future budgets.

Through this multiyear process, the County has made strategic investments to address our most pressing issues of the day, as well as addressing our long-term goals for the community. We have done so by keeping taxes and fees as low as possible to keep the community affordable, while demonstrating agility and stability to handle numerous significant unforeseen issues including natural disasters, the great recession, and the pandemic. These unforeseen challenges are further complicated by recurring threats from the Legislature to impose unfunded mandates, reduce the tax base of local governments, and restrict the Board's Home Rule authority to realize additional revenues.

Leon County's budget process is designed to seek early Board input and guidance on policy matters which then inform the development of a transparent and fiscally responsible budget through a series of agenda items and budget workshops. This approach allows the Board to make incremental decisions throughout the process and build the budget in a deliberate manner.

While the County narrowly avoided the most significant impacts proposed by the Legislature which would have resulted in a $23 million impact to the County budget over the next two years (via an additional homestead exemption and increases to Florida Retirement System cost-of-living adjustments), the Legislature did approve a separate proposal to modify homestead exemptions that will be placed on the statewide ballot for voters in November 2024. The proposed constitutional amendment, if approved by voters, would provide an annual inflationary adjustment to the exempt value of Homestead properties which would have an initial negative impact to the County budget of approximately $354,000 in FY 2026. Unlike the additional $25,000 Homestead exemption proposal that would have created a much more drastic but one-time reduction in revenue, the annual inflationary adjustment will continue to grow the exempt value of Homestead properties so that the County is unable to fully realize the year-over-year growth in property values.

Due to these ongoing factors, the development of the FY 2025 tentative budget will require a continued fiscally responsible and conservative approach to continue providing high quality, essential services to our citizens. This approach is necessary since legislation regarding the Florida Retirement System (FRS) and additional homestead exemptions will likely occur next session which could have enormous fiscal impacts. In addition, forecasts for the FY 2025 budget anticipate very modest property tax and general revenue growth, continued high inflation for capital improvement projects, and increased resource demands on County Departments and the

Constitutional Offices to meet the growing community needs. As such, constraining discretionary growth in the FY 2025 Budget is essential to put the Board in the best position to address the anticipated impact of foreseeable increases in expenses and anticipated additional limitations on the ability to increase revenues in the current and future fiscal years.

The following provides several highlights of the Preliminary FY 2025 Budget which reflects continued investment in the highest needs of the community while constraining increases in costs to the smallest levels necessary to ensure stable funding for our most critical services:

- 13th consecutive year with no increase in the Countywide millage rate;
- No new tax or fee increases of any kind;
- No new general revenue supported positions;
- Support for the Sheriff's budget, including funding for the pay plan for sworn officers to achieve and maintain recruitment and retention efforts;
- Continued funding for primary health care with increases in patient visit reimbursement rates for community health service partners;
- Continued funding for human services agencies including the establishment of line-item funding for emergency homeless shelters;
- Capital funding to maintain safe and functioning infrastructure; and
- Funding to support the County's annual performance increases at 0 - 5%, with an average of 3%.

Economy Snapshot

While the economy rebounded more quickly than expected from the impacts of COVID, pent-up consumer demand led to increased spending before the global supply chain returned to normal output. The rapid increase in consumer spending, along with an expanding economy, an increased demand for petroleum products, the large amount of federal funds infused into the economy, and the Russian invasion of Ukraine caused a surge in inflation.

From May 2022 when inflation was 0.03%, the annual rate of inflation increased to its peak of 9.1% in June 2022. This drastic increase in inflation was caused by post COVID pent-up consumer demand and a supply chain that struggled to regain pre-COVID capacity to align with the increased demand. Inflation has declined over the past two years to the current 3.5% posted for March 2024; however, this is an increase from February's 3.2% release. Additionally, according to data released by Moody's Analytics in April 2024, Florida's 3.99% inflation rate is the highest in the nation. The historic position of the Federal Reserve (Fed) is to maintain inflation at a rate of 2%.

In response to the historic spike in inflation, the Fed started aggressively increasing interest rates by quarter and half percent intervals in March and April 2022. The Fed's interest rate strategy attempts to reduce inflation by increasing borrowing costs to reduce consumer spending while not triggering a recession. To accomplish this, the Fed increased the rate 11 times since March 2022 by quarter and half percent intervals until the Federal Fund rate target range reached 5.25% -5.5%.

While inflation has decreased dramatically from the immediate post-COVID peak of 9.1%, it continues to remain above the 2% target. These inflationary pressures continue to impact the County budget, most visibly in the costs of construction bids. Not only are essential materials and skilled labor significantly more expensive, but supply chain pressures and shortages are making it harder to secure needed construction materials which is placing additional pressures on pricing. Recently, at the April meeting of the Fed's Open Market Committee, the Committee reiterated its goal of achieving a 2% inflation rate and maintained the current interest rate. However, the Fed did indicate they may still lower interest rates possibly two to three times later this year as it continues to monitor economic data for unemployment and inflation before it begins to lower rates.

In addition to inflationary pressures, over the past two fiscal years the County also had to address the impacts of an extremely competitive job market where local unemployment averaged 3%. To remain an employer of choice, the FY 2023 Budget included funding to implement the findings of a compensation study for County employees and support for the Sheriff's pay plan. Furthermore, to assist existing employees with the impacts of inflation, the Board provided 5% across the Board pay increases for all employees in FY 2023 and FY 2024.

Legislative Outlook

Each year, the preliminary budget is developed while addressing significant challenges associated with newly adopted legislation and the recurring threat of proposed legislation to shift costs to local governments while restricting revenues. Unlike the budget development process last year, the County has the benefit of the legislative session having already concluded prior to the Board's first budget workshop. While the County narrowly avoided the most significant impacts proposed by the 2024 Legislature which would have resulted in a $23 million impact to the County budget over the next two years (via an additional $25,0000 homestead exemption and increases to FRS cost-of-living adjustments), the Legislature did approve a separate proposal to modify Homestead exemptions that will be placed on the statewide ballot for voters in November 2024.

The proposed constitutional amendment, if approved by voters, would provide an annual inflationary adjustment to the exempt value of Homestead properties which would have an initial negative impact to the County budget of approximately $354,000 in FY 2026. Unlike the additional $25,000 Homestead exemption proposal that would have created a much more drastic but one-time reduction in revenue, the annual inflationary adjustment will continue to grow the exempt value of Homestead properties so that the County is unable to fully realize the year-over-year growth in property values. Legislative efforts like this have become the norm and should be expected with greater impacts at the local level as long as this trend continues.

As previously reported to the Board, there were a number of other bills filed during the legislative session this year that presented major financial implications for Leon County. Though many of these bills were not approved in 2024, legislators remain committed to reintroducing legislation targeting local governments next year. Once again, the Florida Legislature considered significant changes to FRS to restore cost-of-living adjustment (COLA) for certain pension plan members that would have increased costs for FRS employers. The COLA adjustment was estimated to a have a statewide impact of $692 million, including a $9.6 million impact for Leon County in the next fiscal year. During budget reconciliations, the proposed restoration of the COLA for eligible

FRS pension plan members was ultimately removed from the legislation, thereby reducing the budgetary pressures to local governments.

In addition to these FRS changes, the County's budgetary pressures would have been further exacerbated by an additional $25,000 homestead exemption considered by the Legislature. The additional $25,000 homestead exemption, as proposed under HB 7015, was estimated to eliminate approximately $1.18 billion in value from the County's tax roll, resulting in an $11 million reduction in revenue in FY 2026 if approved by voters on the 2024 ballot. While HB 7015 was not approved to be placed on the ballot this year, the County must plan for the impacts associated with the Legislature's approval of HB 7017 to place a different constitutional amendment on the 2024 ballot for Homestead properties. If approved by voters, HB 7017 would take effect on January 1, 2025, providing an annual inflationary adjustment to the exempt value of Homestead properties. The constitutional amendment would eliminate approximately $44 million from the County's tax roll, resulting in a $354,000 reduction in revenue in FY 2026.

Finally, another significant measure considered this session was HB 1277 which would have limited municipal utility providers from imposing a surcharge greater than 25% for serving customers outside their municipal boundaries. HB 1277, in effect, would have impacted the County's Water and Sewer Interlocal Agreement with the City of Tallahassee which authorizes the City to assess a surcharge of 50% on customers receiving water and sewer services outside of its boundaries. In exchange, the City provides non-City residents with full and complete access to City parks and recreational facilities at the same rate as City residents. Had this legislation been approved in 2024, it may have had up to an estimated impact of $2.6 million to the County in FY 2026 to offset the mandated reduction in the water and sewer surcharge.

Due to these ongoing factors, the development of the FY 2025 tentative budget will require a continued fiscally responsible and conservative approach to continue providing high quality, essential services to our citizens. This approach is necessary since legislation regarding the FRS and additional homestead exemptions will likely occur next session which could have enormous fiscal impacts. In addition, forecasts for the FY 2025 budget anticipate very modest property tax and general revenue growth, continued high inflation for capital improvement projects, and increased resource demands of County Departments and the Constitutional Offices to serve the growing needs of the community. Constraining discretionary growth in the FY 2025 Budget is essential to put the Board in the best position and to provide maximum flexibility to address the anticipated impact of mandated increases in expenses and additional limitations on the ability to increase revenues in the current and future fiscal years.

Taking into consideration the current state of the economy and the legislative outlook, the following analysis section provides a detailed overview of the preliminary budget.

Analysis:

Initial FY 2025 Policy Guidance

Leon County recognizes that budgeting is not only a year-round process, but an ongoing multiyear process that reflects the Board's longer term fiscal policies and priorities for the community, and requires necessary decision making through the annual budget adoption process. Additionally, as reflected below, throughout the fiscal year the Board establishes priorities and provides policy guidance to direct the development of the Preliminary Budget.

Funding for Human Services & Community Human Services Partnerships

In preparation for the next two-year Community Human Services Partnerships (CHSP) funding cycle (FY 2025 – FY 2026) and the development of the FY 2025 budget, the Board held a Workshop on Human Services and the CHSP process on November 28, 2023, and subsequently ratified its actions on December 12, 2023. Recommendations were presented to the Board to better position the County and CHSP in addressing the human service needs of the community through the enhancement of CHSP, strategic investments, and strengthened partnerships. These proposals included:

- the realignment of CHSP categories to reflect the establishment of the Childrens Services Council (CSC);
- the establishment of line-item funding for emergency homeless shelters;
- and a strengthened partnership with 2-1-1 Big Bend.

At the Workshop, the Board approved the establishment of a subcategory in the CHSP Homeless Services Category for the line-item funding of emergency homeless shelter services and annual outside agency line-item funding to 2-1-1 Big Bend for the 24-hour Helpline and Lyft Transportation Program as part of the FY 2025 budget process.

The Board directed staff to bring back additional information for the January 2024 meeting on the CSC funding process, the impact of the proposed realignment to the funded partner agencies, and include a transition plan on available funding opportunities through the CSC. On January 23, 2024, following the Board's consideration of human service agency needs and the roles of the County and CSC to make human service funding available, the Board directed staff to continue to work with the CSC and the City to develop a proposal to replicate and fund the CHSP process for children's services through the CSC for FY 2027, and to continue funding all CHSP categories for the FY 2025-FY 2026 two-year cycle. Again, this is an example of the County's collaborative efforts with community partners to ensure the most pressing, long-term needs of the community are addressed with the most efficient use of community resources.

As described in a later section, in March the Board established the FY 2025 maximum discretionary funding levels for outside agencies including CHSP, and allocated funding from the American Rescue Plan Act for emergency homeless shelters for the FY 2025 and FY 2026 funding cycle. An item will be brought back to the Board at the June budget workshop with line-item funding recommendations for the emergency shelters, including the Kearney Center, in coordination with the City and CSC.

January 2024: Board Retreat & Approval of Annual Budget Calendar

The Board held a retreat on January 22, 2024 to establish the priorities for the upcoming fiscal year and revisions to the FY 2022-FY 2026 Strategic Plan. Through the budget development process, funding/policy options to support adopted strategic initiatives related to homelessness, access to human services, and supporting the Sheriff's budget are presented to the Board including this item providing a preliminary overview of the FY 2025 budget.

During the Retreat, the Board also requested budgetary information and analyses on several issues to be brought back during the budget development process. An analysis of these items will be presented later in this Budget Overview or in a separate Budget Discussion Item:

- Analysis of whether a millage reduction is advisable or feasible for the development of the FY 2025 Budget.
- Analysis of the County's current debt service obligations and anticipated retirement schedule.
- Analysis and fiscal impact of increasing the employer contribution for the County's health care insurance plan to a 90-10 split (separate Budget Discussion Item).

To ensure the budget is developed in a strategic and transparent manner, the Board annually adopts a Budget Calendar. On January 23, 2024, the Board adopted the FY 2025 budget calendar which included the establishment of maximum discretionary funding levels in March and scheduled budget workshops in April and June (and a third if necessary) to provide fiscal and policy direction. During the January meeting, the Board also requested an analysis of the County's Paid Parental Leave Policy to be included in the budget development process. This analysis is provided as a separate Budget Discussion Item.

March 2024: Establishment of the FY 2025 Maximum Discretionary Funding Levels

On March 19, 2024, an item was presented to the Board to establish the FY 2025 maximum discretionary funding levels for outside agencies including CHSP pursuant to the County's Discretionary Funding Ordinance and the FY 2025 Budget Calendar adopted by the Board. The Board provided initial policy direction by establishing FY 2025 maximum discretionary funding levels for outside agencies, including:

- Established the Community Human Services Partnership funding level for FY 2025 at $1.445 million.
- Allocated $834,000 in one-time funding from the American Rescue Plan Act (ARPA) for homelessness for the FY 2025 and FY 2026 funding cycle ($417,500 each year).
- Established the non-departmental maximum discretionary funding level for FY 2025 at $74,500 for special events funding, which includes a new sponsorship for the Shoes4Schools event in the amount of $5,000. The Board's direction at the March meeting did not include funding to sponsor the FY 2024 Shoes4Schools event to be held on August 11th at the Civic Center. An FY 2024 Budget Amendment allocating $5,000 from general fund contingency to support the FY 2024 event is included for Board consideration (Attachment #1).
- Established the FY 2025 Outside Agency Contracts in the amount of $820,434 as follows:
    - 2-1-1 Big Bend: $112,500
    - DISC Village: $222,759

  - Domestic Violence Coordinating Council: $25,000
  - St. Francis Wildlife Association: $71,250
  - Tallahassee Senior Citizens Foundation: $179,000
  - Tallahassee Trust for Historic Preservation: $63,175
  - United Partners for Human Services: $40,000
  - Oasis Center: $68,750
  - Whole Child Leon: $38,000
- Provided $125,000 in funding for Legal Services of North Florida as part of the County's statutory Article V obligation above the $132,500 base funding.

In addition to this initial policy guidance, during the March meeting the Board also requested the fiscal impact of a 5% COLA for all County and Constitutional employees. This analysis is presented later in the personnel section of this item.

While the April 23, 2024 workshop is conducted early in the budget process, revenue projections and expenditure details are still being developed and reviewed by staff. Several additional key budget elements will occur prior to the Board's June 18, 2024 Budget Workshop:

- May 1, 2024, Constitutional Officer budget submissions.
- June 1, 2024, Property Appraiser provides preliminary property values.
- County departments have submitted initial operating and capital budget requests to the Office of Management (OMB) for review. OMB is analyzing preliminary budget requests for final review by the County Administrator prior to presentation at the June workshop.

In addition, the Board may wish to provide additional policy guidance at this workshop for use in preparing the FY 2025 Preliminary Budget to be presented at the June 18, 2024 Budget Workshop.

Cost Avoidance and Savings

The County systematically and strategically identifies efficiencies and cost savings year-round. This deliberate approach occurs throughout the year and has a significant positive impact on the development of the preliminary budget. Through specific and targeted practices, such as LEADs listening sessions, and the Employee Innovation Awards Program - I2 (squared), employees are continuously empowered to seek and implement cost saving measures throughout the organization. During FY 2024, County employees have created over $11.9 million in cost savings or avoidances as detailed below.

Current savings and cost avoidances include:

- **Sheriff Space Leasing ($11.3 million)** - Due to the implementation of new reentry and crime prevention programs, LCSO required additional space to ensure these programs and other law enforcement functions are adequately served in a location near LCSO's primary location on Municipal Way. County staff in coordination with LCSO identified office space within proximity to LCSO's Municipal Way location that is anticipated to meet their space needs over the next five years and prevent the County from having to construct new office space for LCSO. Net the cost of the five-year lease term, the County avoided approximately $11.3 million in costs that would have been required to construct a like sized facility.

- **Building Automation Savings ($396,000)** – Facilities Management oversees routine maintenance and repair of nearly two million square feet of County buildings which includes Heating, Ventilation, and Air Conditioning (HVAC) systems. Through diligent efforts to negotiate with the vendor to get the service costs down, Facilities Management identified areas of preventative maintenance and certain repairs that could be performed in house. This resulted in a significant costs savings, reducing the annual services quote from $357,000 per year to $225,000 per year for a total three-year contract savings of $396,000.
- **Street Lighting Design Savings ($120,000)** – In 2023, the Board expanded the Street Lighting Program to include school bus stops. Street lighting design had traditionally been handled by the respective electric service providers in charge of the installation. However, due to staff turnover within the City's Electric Department, the County was asked to produce the street lighting design to ensure street lighting installations were not delayed. After evaluating the options, the County's Engineering Services Division completed the design for 18 intersections and 15 school bus stops in-house, avoiding approximately $120,000 in consultant fees.
- **ExaGrid Data Backup Hardware ($114,000) –** Due to the use of a cooperative purchasing agreement, the Office of Information Technology (OIT) was able to purchase two ExaGrid data backup hardware devices for the County's growing technology data retention needs to ensure data is properly secured, backed-up, and maintained. If the County were to independently seek bids for the hardware devices, the cost was anticipated to be $137,000 per unit or $274,000. By utilizing a cooperative agreement, the purchase of the two data backup hardware devices was $160,000 for the two devices resulting in $114,000 in savings to the County.
- **Mobile Device Buyback Program ($13,000)** – In an effort to streamline the process for disposal of retired County mobile devices, OIT researched companies to identify a program for disposal that included a potential buyback program for the retired devices. A vendor was identified that would purchase the old mobile devices as well as destroy them when applicable. Through this outside vendor, the program has resulted in $13,000 in buyback revenue for the County. This program has a varied annual cost avoidance based on buyback revenue generated as the County retires and replaces mobile devices.

In summary, including the above, since 2013 the County has saved or avoided costs totaling more than $75.7 million (Attachment #2). These cost saving efforts occur prior to any new taxes, fees, positions, equipment, etc. being brought to the Board for consideration.

Preliminary FY 2025 Budget

After the economy rebounded following the lifting of COVID stay-at-home orders, County revenues have now returned to modest incremental growth. To assist state and local governments during the COVID crisis and to offset the dramatic decline in revenue, the federal government provided ARPA funding of which the County received $57 million. This revenue allowed for revenue replacement of lost general revenue and funding for capital projects. Without this funding, Leon County would have had to drastically reduce expenses by eliminating programs and capital projects. FY 2025 will be the final year that a small amount of ARPA funds ($1.95 million) will be available to assist in balancing the budget. These ARPA revenue replacement funds are in addition to the $834,000 of accrued interest on ARPA funds previously approved by the Board to support emergency homeless shelters over the next two years. This year and in subsequent budget cycles, Leon County will have to constrain expenditure growth to normal growth in property tax and other general revenues to balance the budget.

Normal expense growth includes Leon County Government and Constitutional Officers personnel costs (e.g., retirement, health insurance), contractual increases, mandatory state payments, and materials and supplies. To offset these increases, the County relies on average revenue growth in property, state shared and local sales taxes, fees, and gas taxes. This revenue growth allows Leon County government to avoid increasing millage rates or fees to maintain adequate service levels. When revenue growth does not align with expense growth, this strategy is not attainable. Federal assistance provided through ARPA was used to offset the revenue loss associated with COVID in balancing the FY 2021 - FY 2024 budgets. This federal assistance helped mitigate the need to consider other options including the use of fund balance, increasing millage rates or fees, or reducing/eliminating programs and services during the COVID economic recovery.

In addition, anticipated expenditure increases related to mandatory state payments (e.g., Medicaid, the Department of Juvenile Justice), interlocal agreements and contracts are included in this analysis. Furthermore, given the volatile nature of the post-pandemic economic recovery, current geopolitics and continued future economic uncertainty regarding inflation, the analysis presumes a conservative revenue forecast that contemplates moderate economic growth through FY 2025. This conservative forecast is in keeping with the Fed signaling that additional interest rate decreases may be appropriate if inflation continues to subside.

As previously stated in the Executive Summary, this workshop is a policy workshop that is being held very early in the budget process. Leon County Government Departments submitted their operating and capital budget requests in March which are currently being reviewed by OMB. Constitutional budget requests, including the Sheriff's Office, are not due until May 1. Also, the Property Appraiser does not provide preliminary property values until the statutorily required June 1 date.

The following section presents the early estimates of the anticipated growth in general revenue related revenues and expenses. The entire budget including funds that receive no general revenue support (e.g., Tourism and Building Inspection Services) will be provided at the June 18, 2024 Budget Workshop. Based on Board direction at this workshop, a complete presentation of a preliminarily balanced budget will be presented for Board consideration at the June 18, 2024 workshop.

Estimated Revenue and Expenditure Changes to the County Budget

Table #1 details the preliminary forecasts for major general revenue and expenditure changes from FY 2024 to FY 2025.

Table #1: Preliminary FY 2025 Estimated Change in Revenues and Expenditures Over FY 2024

Preliminary Estimated Changes in Revenues	Change from Fiscal Year 2024 (In Millions)
Property Taxes with current millage rate (8.3144)	$11.84
American Recovery Program Act Remaining Revenue Loss Funding	$1.95
1/2 Cent Sales, State Revenue Sharing, CST, PST	$1.81
Solid Waste Fees	$0.34
DSEM Fees	$0.07
Other General Revenue	($0.10)
Gas Taxes	($0.38)
General Revenue Fund Balance	($0.57)
Total Change in Revenue	**$14.96**
Preliminary Estimated Changes in Expenditures	
Sheriff Personnel and Operating Expenses	$9.86
Contractual Obligations, Repairs and Maintenance, Utilities, other Operating	$2.47
County Government Personnel Costs	$1.29
Solid Waste General Revenue Transfer	$0.74
Other Constitutional Offices	$0.58
Intervention & Detention Alternatives General Revenue Transfer	$0.47
DSEM General Revenue Transfer	$0.30
Community Redevelopment Agency (CRA) Payment	$0.24
City Interlocal Agreements (Animal Control, Planning, CDA, etc.)	$0.22
800 MHz Radio Communications	$0.15
Medicaid	$0.10
Fuel and Vehicle Repair	$0.10
Baker/Marchman Act	$0.06
Supervisor of Elections Election Cycle Reduction	($1.62)
Total Change in Expenses	**$14.96**
Budget Shortfall	**$0**

The following is an analysis of the revenues and expenditures outlined in Table #1.

Preliminary Estimated Changes in Revenues

As reflected in Table #1, the following section provides a summary of the projected changes to major general revenues between the current fiscal year (FY 2024) and next fiscal year (FY 2025).

Property Taxes ($11.84 million): Property tax collections are calculated based on the countywide millage rate times the taxable value of all property in Leon County. Taxable values are established by the Property Appraiser and the millage rate is established by the Board. Last year, property values increased 7.87%. For budget planning purposes, this year values are estimated to increase

6.5%. Using this projected percentage increase, maintaining the current 8.3144 millage rate would result in an additional $11.84 million in property tax revenues. In FY 2025, homesteaded property values can increase no more than 3% based on this year's Save-Our-Homes cap.

Initial discussions with the Property Appraiser's Office indicate that property values will moderate due to a reduction in the sale of homes to new owners and a slowdown in commercial construction. This reduction in sales is caused by current homeowners that have low interest loans being hesitant to purchase a new home due to higher home prices and interest rate loans. These market conditions have also reduced the number of first-time Florida home purchases in Leon County which allows the Save-Our-Homes taxable value to be reset and provides more property tax revenue to local government.

The Save-Our-Homes cap limits the increase of homestead residential property values to the change in CPI or 3%, whichever is lower. In January 2024, the CPI change resulted in homesteaded property reaching the 3% cap for valuations used for the FY 2025 budget. Without the cap, the annual CPI adjustment would be 3.4%. During the 2024 legislative session, the Legislature approved a proposal to modify homestead exemptions that will be placed on the statewide ballot for voters in November 2024. The proposed constitutional amendment, if approved by voters, would provide an annual inflationary adjustment to the exempt value of Homestead properties which would have an initial negative impact to the County budget of approximately $354,000 in FY 2026. Unlike the additional $25,000 Homestead exemption proposal that would have created a large one-time reduction in revenue, the annual inflationary adjustment will continue to grow the exempt value of Homestead properties so that the County is unable to fully realize the year-over-year growth in property values.

As statutorily required, the Property Appraiser's Office provides preliminary property values on June 1. These values will be used for the June Budget Workshop. As required by Florida Statutes, final property values will be provided on July 1.

During the "Great Recession" which resulted in sharply declining property values, the Board did not raise, but maintained the millage rate resulting in less property tax collections and correspondingly passed on property tax savings to the community. Coming out of the "Great Recession," and as part of the County's deliberate and reasoned multiyear fiscal planning, the budget continued to maintain a constant millage rate to restore reserves, mitigate inflationary pressures, and to support necessary and critical cost increases. This same approach is recommended for the FY 2025 budget.

For five years following the Great Recession, Leon County did not experience any property valuation growth until a modest 3.0% increase occurred in FY 2015 and again in FY 2016. From there, values gradually increased to 6.8% in FY 2021. These increased values provided funds that generally covered the inflationary costs of basic government service levels and allowed for increasing the recurring revenue to the capital program. Due to the impacts of COVID, the property tax growth rate moderated to 4.05% in FY 2022. Subsequently, after the COVID pandemic and the strong construction economy in FY 2023, values increased by 9.33%. This increase assisted the County in funding the inflationary costs related to personnel and operating expenses to maintain service levels and fund Board initiatives related to the library, homelessness, and food insecurity. Values grew by 7.87% in FY 2024 and are anticipated to be further in line with historical growth in FY 2025 with a projected growth rate of 6.5%.

Millage Rate Reduction Analysis

At the January retreat, the Board requested that the impact of reducing the millage rate be presented as part of the development of the FY 2025 budget. As reflected above, the County relies heavily on annual property tax growth to cover the inflationary costs of basic government service levels and to just "open the doors" each year. Any reduction in the millage rate, while providing minimal relief to individual homeowners and businesses, will result in a significant cumulative decrease in revenues, and could significantly limit funds available for providing current operating service levels and future capital projects.

While the County has maintained the 8.3144 millage rate for 12 consecutive years, it has not been easy. Through years of economic recession, unfunded mandates and cost shifts, increased demand for services, hurricane response and recovery, a global pandemic, and record inflation, Leon County has positioned itself to remain viable and responsible to our citizenry. The County has been guided by consistent leadership of the Board of County Commissioners which balanced the needs of our community with sensitivity to the taxpayer and has benefited from strong and strategic fiscal and operational management. For more than a decade, during the hardest economic times, the County maintained fees and the millage rate and passed on significant property tax savings to taxpayers. The County has been deliberate in constraining budgetary growth, while balancing the needs of the community without a millage increase. The recent projections of modest growth in property tax and other major revenues continues to present challenges in balancing the budget, and any additional reductions would have dramatic impacts to the County's ability to maintain current service levels.

In preparing this analysis, the impact of a tenth of a mill (0.1) reduction in the millage rate was considered for demonstrative purposes. Using the projected growth rate of 6.5%, a reduction in each tenth of a mill would reduce property tax revenue by $2.33 million. As reflected in Table #1 and discussed later in this item, the projected increase in general revenue related expenditures is $14.96 million, of which, $2.47 million is related to inflationary increases associated with contractual obligations and repair and maintenance. Without this additional recurring revenue, budget cuts would be required to offset the reduction in revenue to ensure the County is able to continue providing the basic level of services.

Based on the preliminary growth in expenditures as presented later in this item, and the County's history of taxpayer sensitivity and constraining budgetary growth to the greatest extent possible to maintain the current millage rate for over a decade, reducing the current millage rate of 8.3144 is not recommended for the FY 2025 budget.

As previously mentioned, a proposal to provide an annual inflationary adjustment to the exempt value of Homestead properties will be on the November 2024 ballot. If approved, over $354,000 in savings will be passed on to taxpayers beginning in FY 2026 which will continue to grow annually. Due to these ongoing factors and modest projections in property tax and other general revenue growth, the FY 2025 preliminary budget is being prepared in a very conservative manner with no new general revenue positions and increases in costs are being constrained to the smallest levels necessary to ensure adequate funds are available to address the most pressing needs of the community such as supporting our human service agencies and maintaining the County's core infrastructure. In light of current and anticipated budgetary pressures, any reduction in the millage rate will result in a deeper budget hole to fill in the following budget and will likely require a tax increase to simply maintain a consistent level of County services.

American Rescue Plan Act Revenue Replacement (ARPA) ($1.95 million): The FY 2025 budget includes the remaining $1.95 million in projected ARPA revenue loss funds to support general government services. While most revenues have returned to pre-COVID levels, the County has not fully recovered to the level of projected revenue growth if the pandemic had not occurred. These federal revenues are intended to partially offset this revenue loss.

The Federal Government requires all ARPA funds to be obligated by December 31, 2024 and expended by December 31, 2026. If the recipient does not obligate funds by December 31, 2024, the unobligated funds must be returned to the federal government. Under revised U.S. Treasury guidance, for ARPA funds to be properly obligated, recipients must create a contract, subaward, or similar transaction requiring payment. However, if used for revenue replacement to fund general government services, as proposed for FY 2025, there is more flexibility and the contract/subaward rule does not apply. This strategy will ensure the County is in compliance with all federal guidelines and not risk having to return any funds to the federal government.

These revenue replacement funds are in addition to the $834,000 in ARPA funds previously approved by the Board to support emergency homeless shelters over the next two years. As presented to the Board at the March meeting, these funds were available due to increased interest earnings as a result of the Federal Reserve increasing rates to combat high inflation during the COVID pandemic. An item will be brought back to the Board to approve funding recommendations and associated contracts at the June Budget Workshop to meet the federal obligation deadline.

State Shared Revenue, ½ cent Sales Tax, Communications Services Tax (CST) and Public Service Tax (PST) ($1.81 million): County governments receive certain revenues from the State of Florida which are largely based on sales tax collections. Sales tax related revenues have rebounded over the past three years from the precipitous decline in FY 2020. Nominal growth is projected for the CST and PST.

Solid Waste Fees ($344,500): Most of this increase is related to the projected increase in the hauling rate of $3.75/ton in FY 2025. The tip fee at the Transfer Station is adjusted annually to recover most of these costs for waste processed at the facility. As approved by the Board during the FY 2024 budget development process, Waste Management's hauling rate was increased to $18.80 in FY 2024 and $22.55 in FY 2025 (effective October 1, 2024).

DSEM Fees ($70,000): As part of the post-COVID economic recovery, development services and environmental permitting fees increased as development permitting increased including the new Amazon facility. The pace of the permitting activity has returned to more sustained levels, resulting in the collection of fewer development and permitting fees.

Other General Revenues (-$100,000): These decreases are primarily related to a decline in court fees, warrants, prisoner room and board, surplus auction sales and camping fees. These revenues can fluctuate based on differing levels of activity year over year.

Gas Taxes (-$375,000): Gasoline taxes are estimated to decrease by 3.0%. In FY 2022, as the economy rebounded from the effects of COVID and travel dramatically increased, gas tax collections increased over 8%. Prior to COVID, gas taxes, which are consumption based (taxes are per gallon, not a percentage of cost), were only slightly increasing year-over-year due to better vehicle fuel efficiencies and an increase in the use of hybrid and electric vehicles. In FY 2023, gas taxes collections declined by 4%, and this trend is projected to continue in FY 2024 and FY 2025. This is largely due to the continued fluctuations in the market for crude oil and the shift in consumers driving more fuel-efficient or electric cars and trucks. While owners of electric vehicles use the road network, they do not pay gas taxes which support the maintenance of the local transportation system.

General Revenue Fund Balance (-$571,290): At the Board's direction during last year's budget process, in support of providing all employees a 5% COLA increase, $571,290 in general fund reserves were used to balance the FY 2024 budget. To continue to adequately maintain general fund reserves, the use of fund balance is not currently being considered to balance the FY 2025 budget.

Preliminary Estimated Changes in Expenses

The following sections provide a summary of the proposed increases and decreases in expenditures.

Sheriff Personnel and Operating Expenses ($9.86 million): As stated previously, in accordance with Florida Statutes, most of the Constitutional Officers submit their budget requests on May 1st. Historically, the Sheriff's budget has trended consistent with property tax growth. The estimated growth in the Sheriff's budget is currently higher (9.52%) than the projected property tax growth rate. This increase is largely associated with the costs to increase the base pay for sworn officers to $60,000 and the final implementation of the officer step plan.

County staff continues to work closely with the Sheriff's Office on developing their budget request and scenarios to mitigate overall cost increases.

Contractual Obligations, Repairs and Maintenance, Utilities ($2.47 million): All projected increases are associated with contractual and inflationary adjustments and include:

- County software maintenance licensing agreements including: the NEOGOV Human Resources management system, Microsoft Office 365 licensing, Banner Document Management, GovMax budgeting software and network security applications.
- Annual contractual and operating supplies increase in Facilities Management for security, custodial, HVAC, and building and grounds maintenance services.
- Utilities costs are projected to increase due to CPI adjustments for City of Tallahassee rates.
- Workers' compensation and insurance premiums.

- Parks and Recreation mowing, trail, playground, and ballfield maintenance.
- Public Works stormwater maintenance.
- Other miscellaneous increases related to rentals and leases, operating supplies.

Leon County Employee General Revenue Related Expenses ($1.29 million): The largest operating expense in the Leon County Government budget is associated with personnel costs. These costs include performance raises, health insurance, retirement contributions and workers' compensation. The budget contemplates continuing to support the County's annual performance-based increase of 0 - 5%, with an average of 3%. Also included are health care costs estimated to increase by $286,000 ($965,000 for all County and Constitutional employees). As requested by the Board during the January Retreat, a separate budget discussion item provides an update on the County's employee/employer health insurance premiums including an analysis of increasing the County's share of health care premiums to a 90-10 split with employees. This change would result in a $1.7 million increase in personnel costs for all County and Constitutional employees in FY 2025. This is not recommended.

Fiscal Impact of a 5% COLA for All County Employees

On March 19, 2024, the Board requested the FY 2025 preliminary budget overview include an analysis and fiscal impact for providing a 5% across the board COLA increase to all employees. As previously mentioned, the budget currently contemplates supporting the County's performance increases at 0 - 5%, with an average of 3%. The fiscal impact to provide an additional 2% increase for all County and Constitutional employees is $1.3 million.

To provide employees incentive and recognize individual differences in performance, the County has traditionally evaluated employees performance to determine annual increases within an established range (0 – 5%) rather than an across-the-board approach. This strategy has been and will continue to be essential to the County's ability to maintain a high performing workforce long term.

During the FY 2023 and FY 2024 budget development processes, due to the surge of high inflation the Board determined that a 5% across the board COLA increase was warranted for all County and Constitutional employees. Given the extraordinary inflation levels, the increase in pay included employees that were already at the top of their respective pay scale. Should the Board find this practice is still warranted, Option #4 would direct the County Administrator to include a 5% pay raise for all Leon County Government and Constitutional Officer employees in the FY 2025 Preliminary Budget to be provided by the appropriation of fund balance.

The use of fund balance would be consistent with how the County funded the 5% COLAs over the last two years. While not recommended as a long-term practice to support recurring expenditures, the Board may determine the temporary use of fund balance to be appropriate given the constraints placed on County resources. If approved, consistent with FY 2023 and FY 2024, the 5% COLA would be provided to all Leon County Government and Constitutional employees.

Solid Waste General Revenue Transfer ($740,000): This increased transfer to solid waste is directly related to the projected cost increase for the waste hauling contract and the annual inflationary costs of operating the transfer station. As detailed later in the analysis, to eliminate this general revenue subsidy and correspondingly increase the solid waste assessment to an appropriate level, a fee study will begin later this summer with the results being available for consideration as part of the FY 2026 budget process.

Other Constitutional Officers ($583,000): Constitutional budget requests are not due until May 1st. Based on past trends, the Clerk of Court's budget is estimated to increase by $129,000 and the Property Appraiser by $300,000. Funding for the Tax Collector is paid through commissions. These commissions are a percentage of property tax collected on behalf of the County and the statutory requirements that the County pay commissions for the Leon County School Board's property tax collections. Based on the estimated 6.5% increase in property values, the Tax Collector's commissions are projected to increase by $154,000.

Intervention & Detention Alternatives General Revenue Transfer ($471,000): The Probation and Pretrial Release programs continue to see a decline in fees resulting in the increased need for general revenue support. The decline in fees is related to fee waivers by the courts or the non-payment of fees by those sentenced to the programs offered by Probation and Pretrial Release. In addition, the Courts are now letting Pretrial participants' fees accrue until final adjudication. Depending on the adjudication, the fees may be waived partially or in their entirety. Based on current revenue estimates and early expenditure forecasts, an additional $471,000 in general revenue and or/dedicated fund balance use is forecasted. Final recommendations to balance the fund will be provided at the June Budget Workshop after a review of available Probation special revenue fund balances.

Development Support & Environmental Management (DSEM) General Revenue Transfer ($300,000): As mentioned in the Revenue section, the pace of permitting activity has returned to more sustained levels, resulting in the collection of fewer development and permitting fees. This decline in fees will require increased general revenue support to support the program. A portion of DSEM fund balance may be utilized to help offset the general revenue transfer.

Community Redevelopment Agency (CRA) ($224,000): The increase in FY 2025 is attributed to projected increases in the Frenchtown CRA payment and the County's Tax Increment Finance payment for the Capital Cascades properties. The County will receive preliminary values from the Property Appraiser on June 1st which may adjust next year's required payment. Pursuant to an interlocal agreement with the City of Tallahassee, the County's funding for the Downtown CRA terminated in FY 2023.

Interlocal Agreements ($220,000): Funding includes annual budgetary increases related to County interlocal agreements with the City of Tallahassee for the Consolidated Dispatch Agency, Parks and Recreation, Planning, and Animal Control.

800MHz Radios ($153,560): Radio Communications will increase $153,560 due to a scheduled replacement of the virtual prime site, which is the redundancy server for all the 800 MHz radios. The current prime site has been in operation since 2009. Due to the age of the equipment and end-of-life support in 2015, the site needs to be replaced to continue quality radio service for all public safety agencies including the Leon County Sheriff's Office and Leon County Emergency Medical Services. The total replacement is $921,363 and will be split evenly with the City of Tallahassee ($460,682 each) over a three-year period. This amount represents the County's portion of the first-year payment.

Medicaid ($103,000): The County is required by Section 409.915, Florida Statutes, to contribute to the State's share of matching funds for the Medicaid Program. Initial estimates released by the Social Services Revenue Estimating Conference indicate that the overall state share of Medicaid will increase Leon County's cost share by an estimated $103,000. The State is required to provide counties final cost share amounts by June 1, 2024.

Fuel and Vehicle Repair Costs ($105,000): This cost increase is associated with the inflationary growth in the cost of parts to maintain the County fleet and a modest increase in the overall projected cost of fuel.

Baker Marchman Act ($63,800): Leon County allocates annual funding to Apalachee Center, Inc. for the provision of mental health care services for residents who meet the Baker Act and Marchman Act criteria. The Florida Mental Health Act, also known as the Baker Act under Chapter 394, Florida Statutes, provides an individual with emergency services and temporary detention for mental health evaluation and treatment, either on a voluntary or involuntary basis. The Department of Children and Families has identified Apalachee as the District's public receiving facility for individuals experiencing a mental health and/or substance abuse crisis. The District includes the counties of Leon, Gadsden, Wakulla, Jefferson, Franklin, Liberty, Madison and Taylor. Annually, each county contracts with Apalachee to pay the state-mandated costs. In FY 2024, due to increased costs to operate the Baker/Marchman Act program and statutory requirements for local governments to pay for a portion of these costs, Apalachee requested the County provide an additional $191,442 in funding phased in over a three-year period with an increase of $63,800 per year. The FY 2025 increase represents the second year of the County's increased funding commitment.

Supervisor of Elections (SOE) Presidential Preference Election Cycle (-$1.62 million): The SOE's budget varies year to year depending on the election cycle. The budget increases for the presidential preference primary (held in FY 2024) and decreases in general election and off year election cycles. This is an initial estimate of the decrease; the SOE budget is due to the County by May 1st.

Preliminary Staffing Discussion

Leon County government continues to approach the annual budget process by identifying opportunities to constrain budgetary growth and to ensure the limited resources of the County continue to be aligned with the Board's highest priorities. The same efforts continue during the annual position review to ensure the organization is optimizing personnel resources. Prior to recommending adding positions to the budget, an organizational review occurs to determine if there are available efficiency measures Departments could make before adding positions. This includes whether other positions, especially vacant positions are still needed.

Except for EMS public safety positions, currently no new general revenue supported positions are recommended for FY 2025. To assist with ever increasing call volume, six new EMS positions (half a crew) will be recommended to assist in filling the current ambulance schedule. Four additional positions and an ambulance are planned for FY 2026 to complete the addition of a full crew and ambulance.

Due to Leon County's low unemployment rate of 3.3% (February 2024), the local job market is highly competitive, and there are currently many vacant positions throughout the organization. Instead of recommending the creation of new positions, Leon County Government will continue to focus on filling these vacant positions to maintain service delivery. Positions that cannot be filled will be considered for realignment within the organization to meet increased service demands in specific program areas.

Debt Service

As requested at the January 22, 2024 Board Retreat, this section provides an update on the current County debt service obligations. Debt service is defined as the amount of principal and interest that a local government pays each year on net direct bonded long-term debt, plus the interest on direct short-term debt. As a best practice, debt is generally issued for large capital expenses where recurring revenues and fund balances are not available to support a large capital outlay. For financial surety, Leon County maintains level debt service to ensure the payments on outstanding debt are equal each year. As debt increases, expenditure flexibility is reduced by adding to the County's financial obligations.

Currently, all the Leon County debt issued is backed by two revenue streams, the state shared revenue and the half-cent sales tax. Upon approval by the Board, this debt can be issued without holding a voter referendum. For very large projects, some counties may issue general obligation bonds that are backed by property tax revenue. However, this type of debt issuance must be approved by voter referendum.

As part of the FY 2017- FY 2021 Strategic Plan, one of the Board's five-year targets was to reduce the outstanding debt of the County by 60%. This target was achieved in FY 2021 as the County's debt was reduced from $48.6 million to $13.5 million, or 73.7%. Since FY 2017, the County has also reduced its annual debt payment from $8.5 million to $5.2 million in FY 2024. Maintaining a low debt service allows the County flexibility in meeting unanticipated emergencies such as hurricane recovery or the economic shutdown (COVID), fund recurring operating expenses and to delay tax or fee increases.

As debt was retired and new debt was issued during the low interest environment, Leon County has used debt savings to delay tax and fee increases (Emergency Medical Services MSTU and Fire Services) while slowly increasing the annual transfer to the capital program. This increase to support capital projects is important to adequately maintain critical infrastructure - primarily buildings, stormwater and parks. Most recently in FY 2020, an additional $4.3 million in debt service was retired and these funds were used to delay increasing the EMS MSTU and the fire services fee.

Table #2 shows the County's current outstanding debt. A complete breakdown of each debt issuance and the purpose of the debt is provided in Attachment #3.

Table #2 - Outstanding Debt Service Payments

Project/Debt	Final Maturity Date	Original Principal & Interest	Outstanding Principal	Outstanding Interest	Total Remaining
Debt Refinancing	2025	$17,830,391	$3,203,000	$67,583	$3,270,583
Sheriff Helicopter	2026	$1,372,450	$324,967	$4,415	$329,382
800 MHz Radios	2029	$3,579,590	$2,460,000	$96,041	$2,556,041
Energy Savings	2036	$18,980,838	$13,580,000	$1,484,523	$15,064,523
Voting Operations Ctr.	2036	$6,223,898	$4,475,000	$556,018	$5,031,018
Total		**$47,987,167**	**$24,042,967**	**$2,208,580**	**$26,251,547**

At the end of FY 2024, the County will have a remaining debt service of $26.25 million. Prior to the increase in interest rates, the County took advantage of historically low interest rates and refinanced previous debt (FY 2017), purchased a helicopter for the Sheriff's Office (FY 2020), implemented the energy savings project involving the replacement of aged mechanical systems at the Courthouse and Detention Facility (FY 2021), purchased and renovated the building where the Supervisor of Elections Voting Operations Center is located (FY 2022), and replaced the 800 MHz radios for the Sheriff, Emergency Medical Services, Animal Control and the Volunteer Fire Departments (FY 2023).

Table #3 shows the County's annual debt service payments for FY 2025 – FY 2036 and the associated savings as debt is retired.

Table #3: Annual Leon County Long-Term Debt Service Savings

Debt Service Year	Savings (millions)	Payment (millions)
FY 2025	N/A	$5.7
FY 2026	$3.45	$2.26
FY 2027	$0.07	$2.19
FY 2030	$.51	$1.67
FY 2037	$1.67	N/A

As reflected above, Leon County will see a reduction in debt service beginning in FY 2026 by $3.45 million when the 2017 refinancing is complete. The $73,000 in debt service savings in FY 2027 shows the completion of the debt for the Sheriff's helicopter. The savings of $510,000 in FY 2030 reflects the completion of payments for the 800 MHz radios. Lastly, the final payments for the energy savings project and the purchase for the Voting Operation Center building will be completed in FY 2036, resulting in $1.67 million in savings for FY 2037.

As has been the County's standard practice, beginning in FY 2026 these debt service savings are anticipated to be used to offset potential reductions in general revenue, address inflationary increases related to contractual services and the cost of materials and supplies, offset unanticipated expenditures and costs shifts from the Legislature, support the capital improvement program, and mitigate future tax increases as determined by the Board through the annual budget process.

Woodville Sewer

On February 20, 2024, an update on the County's septic-to-sewer projects was presented to the Board and the Board approved the submission for a Northwest Florida Water Management District (District) Springs Restoration Grant for $10 million to construct the second phase of the Woodville Sewer System project. If awarded, the grant will require an equal $10 million local match from the County. A short-term loan backed by future Blueprint water quality funds ($2.1 million per year) will be necessary to provide the County's match requirements. This is a dedicated funding source for water quality projects that has supported the County's septic-to-sewer projects and will not have an impact on general revenue.

The design and property acquisition of the second phase of the Woodville Sewer project is anticipated to be complete in Fall 2024. Notification of the grant award is anticipated by late 2024. Should the County's grant application be successful, and the Board wish to proceed with constructing the second phase of the Woodville Sewer project in FY 2025, the County would need to finance the local match to be paid with water quality sales tax revenue.

To ensure the County receives the most favorable financing terms, this item recommends authorizing using the County's Financial Advisor to solicit bids for financing the County's $10 million match upon notification of the grant award. The lowest responsive bid would be brought back to the Board for approval as part of the grant acceptance. This would position the second phase of the Woodville Sewer project to be fully funded and construction ready by next summer (2025).

The design for the third and fourth (final) phases of the Woodville Sewer project will be complete by the end of 2025. Additional wastewater and springs grant opportunities are anticipated this summer through FDEP, which in recent years have included funding for septic-to-sewer projects. The County will continue to pursue these grant opportunities to leverage state and federal funding for the three remaining phases of the Woodville Sewer project which are estimated to cost more than $90 million.

Fund Balances

Consistent with best governmental financial practices, Leon County Policy 07-2 "Reserves" establishes fund balance policy levels sufficient for cash flow and emergency purposes (Attachment #4). As property tax revenues are received two months after the start of the fiscal year, fund balances allow the County adequate cash flow to eliminate the need for short-term borrowing in October and November to cover payroll and required budget transfers to the Constitutional Officers.

As recognized by bond rating agencies like Fitch and Moody's, sufficient fund balances are considered a sign of fiscal stability and influence bond ratings. In addition, as noted in Policy No. 07-2, the use of fund balance more than the policy minimums should support one-time capital project funding and/or other one-time expenditures to address unforeseen revenue shortfalls.

Moving toward the elimination of using recurring fund balance aligns with industry best practices, is consistent with County policy, and provides greater long-term financial stability for the County.

Even with the continued economic uncertainty surrounding COVID, due to long-term fiscal planning, before and during this unparalleled challenge, Leon County government has maintained its fiscal viability. As recognized by Moody's Investor Service, the County has maintained an extremely high Aa2 credit rating.

General Fund

The planned budget currently anticipates using no general revenue fund balance for balancing the budget. However, depending on final revenue and expenditure estimates, the amount of recommended fund balance could change. As previously discussed, the budget is being developed in an environment of modest projections for property tax and general revenue growth and continued inflation for materials and supplies, contractual obligations, and capital improvement projects. Expenditures will continue to be constrained to the greatest extent possible to mitigate any fund balance use recommendations.

Last year, due to the surge of high inflation the Board approved appropriating $571,290 in fund balance to provide 5% COLAs to employees instead of the performance-based pay increases which would have provided an average pay increase of 3% to employees. Should the Board still find the high inflationary environment warrants continuation of this practice to include a 5% pay raise for all Leon County Government and Constitutional Officer employees, fund balance will be appropriated in the FY 2025 Preliminary Budget to cover these increased costs.

Appropriating no fund balance will allow for the continued replenishment of general revenue reserves which can be used for emergencies such as hurricanes and future capital projects. Increasing the reserves will also allow Leon County to continue to receive high financial ratings from Moody's and Fitch. Comparatively, Leon County used $5 million in fund balance in FY 2013 to support the budget and manage the impacts of the Great Recession.

The County's general revenue fund balances grow at a rate of $3 to $4 million a year. This is due to State budget requirements that counties budget 95% of expected revenues, and the nominal under expenditure of Board and Constitutional Officer budgets. Hence, $3 to $4 million has not been an unreasonable amount to budget given the constraints placed on County resources. However, when this level of fund balance is used to offset the operating budget, fund balances do not grow year over year, but rather stay at the same level. When fund balance use is reduced (as contemplated in the FY 2025 Preliminary Budget), fund balances can start to grow. When the fund balances grow, they accumulate, and can be used as part of a "fund balance sweep" to fund one-time capital projects (e.g., Consolidated Dispatch Center and Branch Libraries). Alternatively, without general fund balance accumulation, the County would need to consider issuing debt to support future capital project needs.

Increasing the use of the general fund balance annually is an unsustainable practice. If the use of fund balance grew by only $2 million each year (e.g., $2.8 million FY 2024, $4.8 million FY 2025, $6.8 million, etc.), it would only take four or five years to deplete the entire fund balance. This occurs because the use rate would be much higher than the replenishment rate. This practice would further diminish the County's ability to provide fund balances for future capital projects or to maintain the catastrophe reserves which were used in three consecutive years to fund the debris removal related to Hurricanes Hermine, Irma, Michael, and most recently for Hurricane Idalia.

Other Fund Balance Use

For the June Budget Workshop, depending upon final revenue and expenditure forecasts, the budget may include additional recommendations for fund balance usage in special revenue funds that receive general revenue support. These funds include the Probation/Pre-Trial, Transportation, and Development Services and Environmental Management as examples.

Capital Program

Like the operating budget, capital project funding requests are currently being reviewed by the County Administrator and the OMB to determine final recommended funding levels. A recommended capital program will be presented as part of the June Budget Workshop. While project funding requests are still being evaluated, it is anticipated that the capital program will continue to focus on the long-term maintenance of the County's extensive existing infrastructure, some of which includes over 2 million square feet of facilities, hundreds of miles of roads, and thousands of acres of parks, greenways, and trails.

As a financial best practice and to avoid the cost associated with borrowing, Leon County annually evaluates fund balance levels to determine the availability of funds to support the capital program. Using available fund balance for one-time expenditures for capital projects is considered a best practice. As previously noted, it is not considered a best practice to use reserves for recurring expenses.

Over the past three fiscal years, Leon County has used $12 million in American Recovery Program Act (ARPA) funds to support the County general capital program and $17.4 million to fund sewer projects in the Primary Springs Protection Zone. The use of these funds has allowed for a reduced level of recurring general revenue funds to support the capital program.

As part of the FY 2024 budget process, the Board approved the use of $15.68 million in available fund balances that were above policy minimums to support the capital program for FY 2024 and FY 2025. Specifically, $10.86 million was available in non-countywide general revenue and $946,212 from the stormwater fund. Also, $3.88 million in transportation reserves was available to support the transportation capital program. This appropriation of reserves for one-time capital expenses and using $2.1 million in ARPA revenue replacement funds offset the need to increase the general revenue transfer to the capital program in FY 2024. Even with this use of one-time fund balance to support capital, outyears contemplated an average of $16.6 million in general revenue support to adequately fund the general capital program.

To maintain this capital program, which is largely focused on maintaining the existing County infrastructure (buildings, IT systems and stormwater), a consistent amount of recurring general revenue would be required to fund these projects. From FY 2020 – FY 2024, the recurring general revenue support for the capital program has ranged from $5.0 million - $8.2 million. One-time

ARPA revenues were used over the past several years to provide additional revenues to support the capital program.

Funding requests for capital projects are currently under review. Final recommendations for project funding and the five-year capital program will be presented at the June 18, 2024 Budget Workshop.

Multiyear Fiscal Planning

The County engages in multiyear fiscal planning to ensure the long-term fiscal viability of the County and to ensure the resources available to the County are used in the most prudent manner. Through these efforts, the County has deliberately been able to save taxpayers millions of dollars by deferring increases in property taxes and fees. In addition, during this time, guided by the Strategic Plan, the County has increased its investment in areas such as public safety, human services, park amenities, etc. At the same time, the County has also maintained hundreds of miles of road, hundreds of thousands of square feet of building space, and thousands of acres of parks while paying down debt and maintaining adequate levels of reserves.

While no fiscal plan can accommodate the significant $23 million impact of the recently proposed FRS and homestead exemption legislation, this unanticipated fiscal shock did reinforce the limitations of the County's existing revenue diversification. Currently, the County provides general revenue support to several programs, such as Solid Waste and Stormwater, that with the appropriate level of fees or assessments would be self-supporting. This approach is consistent with the County's "Fiscal Guiding Principles" and fiscal policies that state fees charged in enterprise operations will be calculated at a level which will support all direct and indirect costs of the enterprise. As was the case with Fire and EMS, the existing fees and assessments for Solid Waste and Stormwater have been deliberately suppressed for many years to provide millions in relief to taxpayers.

However, to ensure the continued long-term fiscal viability of the County, it is critical to reduce and eliminate these general revenue subsidies. The elimination of these subsidies allows the County to rebuild reserves and provides additional resources to address future unanticipated expenditure increases without drastic cuts to operating and capital budgets or increases to property tax rates.

As presented during the FY 2024 budget process last year, the Solid Waste residential non-ad valorem assessment of $40 per year has remained unchanged since 1994, or almost 30 years. This fee is intended to pay for the cost of disposing of solid waste brought to the transfer station. This fee no longer pays the full cost of providing this service. In addition, the County does not charge residents to use the rural waste service centers. To offset these costs, the County provides millions in annual general revenue to the Solid Waste fund. An increase to the non-ad valorem assessment could eliminate this general revenue support. Based on the Board's previous direction to eliminate this general revenue subsidy and correspondingly increase the assessment to an appropriate level, a Request for Proposals has been initiated to select a firm to conduct the Solid Waste assessment study. The fee study will begin late Summer with the results being available for consideration as part of the FY 2026 budget process.

Like Solid Waste, Leon County's Stormwater program is also supported by a non-ad valorem assessment. This assessment was last increased in 2013. The Stormwater assessment provides revenues to pay for the operation and maintenance of the County's stormwater system. However, the non-ad valorem assessment is not adequate to support the program and millions in general revenue are annually used to augment the program's funding. Like the other assessments, a study would need to be conducted to establish recommended fees. Continuing to provide for taxpayer sensitivity, the Stormwater fee study is intended to be conducted in FY 2027 and will be considered as part of the FY 2028 budget process. This will be two years after any Solid Waste fee adjustment in FY 2026.

Leon County has deliberately demonstrated continuous fiscal constraint by mitigating any tax and fee increases until such time as all other approaches have been exhausted. This includes maintaining a budget per capita at one of the lowest rates of any County in Florida, judiciously adding only the most critical positions to the budget, leveraging millions in state and federal grants, and paying down outstanding debt while taking advantage of historically low interest rates when they were available. With a reasoned and deliberate approach to increasing the Solid Waste and Stormwater assessments over a period of several years, the County will be better positioned to remain a fiscally viable organization into the foreseeable future.

Conclusion

Due to a long history of rigorous fiscal planning, Leon County has been able to continue to provide high quality essential services, while perennially being one of the most efficient and affordable county governments in Florida. By reducing spending at the beginning of the pandemic, constraining budget growth in previous budgets, and the targeted and intentional use of Federal ARPA funding, the County is positioned to consider an FY 2025 budget with no millage or fee increases; restoring reserves; maintaining high quality service delivery; maintaining strategic, long-term investments in infrastructure; ensuring a high performing workforce with fair pay and equitable practices; and continuing to invest in making the community stronger by leveraging partnerships and supporting those most in need.

The sudden and persistent rise in inflation has added additional stresses on the economy, including local government. Through best fiscal practices, the County's strong financial foundation was established over many previous budget cycles by using budget discipline, sound financial planning and an organization-wide focus on innovation, cost avoidance and efficiency. During previous recessions and downturns in the economy, the County maintained fees and passed on significant property tax savings to citizens.

In the same way the County came out of the Great Recession, the County again is addressing significant fiscal issues in a deliberate and fiscally constrained manner. It bears repeating that these recommended actions provide the necessary resources to continue maintaining the County as a financially viable organization with the ability to withstand the impacts and rebound from the COVID-19 pandemic and the current inflation that is adding more pressures to local government expenses, especially related to cost of material, supplies and the cost of capital projects.

Even with the continued economic uncertainty, due to this long-term fiscal planning, before and during this unparalleled challenge, Leon County Government's fiscal resilience has not gone unrecognized. As acknowledged by Moody's Investor Service, the County has maintained an extremely high Aa2 credit rating.

With the continued leadership of the Board, the dedication of our talented employees and the active engagement of citizens and partners, the FY 2025 budget will continue to strive to best position the organization and provide the Board of County Commissioners with the maximum fiscal options and flexibility to continue to meet the current and foreseeable (and unforeseeable) challenges and opportunities facing our organization and community.

To prepare the FY 2025 June Budget Workshop, several policy discussion items are presented for Board consideration:

- Consideration of Increases to the CareNet Provider Reimbursement Rates for Dental and Mental Health Visits.
- Update on the Green Fleet Conversion Plan.
- Consideration of Revisions to the County's Parental Leave Policy.
- Update on the County Employer/Employee Health Insurance Premiums.
- Consideration of Enhancements to Volunteer Fire Department Response Readiness and Fires Service Delivery.

The remainder of this workshop presents these discussion items.

Options:

1. Accept the report on the Preliminary Budget overview.
2. Approve the FY 2024 Budget Amendment allocating $5,000 from general fund contingency to support the 2024 Shoes4Schools event (Attachment #1).
3. Authorize the County Administrator to solicit bids through the County's Financial Advisor to finance the County's $10 million local match for the Northwest Florida Water Management District Springs Restoration Grant to construct the second phase of the Woodville Sewer project, upon notification of grant award.
4. Direct the County Administrator to include a 5% pay raise for all Leon County Government and Constitutional Officer employees in the FY 2025 Preliminary Budget to be provided by the appropriation of fund balance.
5. Board direction.

Recommendation:

Options #1, #2, #3, and any other direction the Board wishes to provide in the development of the FY 2025 Preliminary Budget.

Attachments:

1. Resolution and Budget Amendment Request for the Shoes4School Event Sponsorship
2. Cost Savings and Avoidance Summary
3. Debt Service Analysis
4. Leon County Policy 07-2 “Reserves”

FISCAL YEAR 2023/2024
BUDGET AMENDMENT REQUEST

No: BAB24028
Date: 4/11/2024

Agenda Item No:
Agenda Item Date: 4/23/2024

County Administrator

Vincent S. Long

Assistant County Administrator

Ken Morris

Request Detail

Revenues

Fund	Org	Acct	Prog	Title	Current Budget	Change	Adjusted Budget
				Subtotal:		-	

Expenditures

Fund	Org	Acct	Prog	Title	Current Budget	Change	Adjusted Budget
001	990	59900	599	Budgeted Contingency	155,000	(5,000)	150,000
001	820	58200	519	Aid to Private Organizations	174,500	5,000	179,500
				Subtotal:		-	

Purpose of Request

This budget amendment appropriates $5,000 from general fund contingency to provide County sponsorship for the 2024 Shoes4Schools Event.

Division/Department
2308/23

Roshaunda Bradley, Budget Director

Approved By: **Resolution** ☐ **Motion** ☒ X **Administrator** ☐

BUDGET "OPERATING" CONTINGENCY RESERVES
CONTINGENCY FUND UPDATE (FY 2023/24)

			GENERAL FUND 001-990-59900-599	Beginning Balance: **$200,000.00**
No.	APPROVAL DATE	AGENDA DATE	AMENDMENT TITLE	BALANCE
1	24-Oct-23	24-Oct-23	50 Years of Hip Hop Celebration Sponsorship	$25,000
2	12-Dec-23	12-Dec-23	Demp Week Celebration Sponsorship	$5,000
3	23-Jan-24	23-Jan-24	Teaching Our Own History Symposium Sponsorship	$15,000
4	*23-Apr-24*	*23-Apr-24*	*Shoes4Schools Event Sponsorship*	*$5,000*
		Bold, Italic items are pending Board Approval		
			USAGE TO DATE (TOTAL AMENDMENTS)	**$50,000.00**
			ENDING BALANCE	**150,000.00**
			END BALANCE AS % OF BEGIN BALANCE	**75%**
			USAGE BALANCE AS % OF BEGIN BALANCE	**25%**

 Posted April 16, 2024

Consolidated List of County Cost Avoidance and Savings FY 2013 to Present

Cost Avoidance Efforts	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Summary
ExaGrid Data Backup Hardware												$ 114,000	$ 114,000
Sheriff Spacing Lease												$ 11,327,419	$ 11,327,419
Fire Sprinkler System at Evidence Facility											$ 250,000		$ 250,000
Boat Landing and Pier Replacements										$ 1,350,000			$ 1,350,000
Courthouse Switchgear										$ 625,000			$ 625,000
J. Lee Vause Boardwalk										$ 600,000			$ 600,000
J. Lee Vause Retaining Wall										$ 50,000			$ 50,000
St. Marks Phase II Low Water Crossing										$ 400,000			$ 400,000
Rebuild of Mowers										$ 75,000			$ 75,000
Public Works Building and Parking Lot Safety Improvements										$ 55,000			$ 55,000
Main Library Parking Lot Lighting										$ 18,500			$ 18,500
Tharpe Street Demolition										$ 65,000			$ 65,000
Public Safety Complex Logistics Door Repair										$ 26,000			$ 26,000
Utility Savings										$ 133,196			$ 133,196
Courthouse Sealant and Softwash									$ 13,000,000				$ 13,000,000
Public Works Building Roof Repair									$ 375,000				$ 375,000
Sheriff Evidence Building								$ 10,000,000					$ 10,000,000
Boat Ramp Maintenance by State DEP								$ 400,000					$ 400,000
Sheriff Training Facility							$ 800,000						$ 800,000
Capital Building Maintenance Approach avoidance						$ 3,100,000							$ 3,100,000
Career Source Partnership						$ 84,000							$ 84,000
Insurance Savings						$ 54,253							$ 54,253
EMS Billing Savings						$ 100,000							$ 100,000
Landscape Mulching						$ 6,600							$ 6,600
PSC Regulate Water Utilities						$ 100,000							$ 100,000
Orchard Pond Parkway Multi-Use Trail						$ 615,000							$ 615,000
Landfill dirt hauling, closing cells, stormwater						$ 3,600,000							$ 3,600,000
Chaires Ballfield						$ 1,000,000							$ 1,000,000
IDA Credit Cards						$ 25,000							$ 25,000
Evidence Vault						$ 50,000							$ 50,000
County Financial System Replacement Avoidance					$ 5,000,000								$ 5,000,000
Homeland Cyber Security Program					$ 75,000								$ 75,000
Fuel Savings				$ 318,000									$ 318,000
Debt Savings(refinance)			$ 170,000	$ 300,000									$ 470,000
Utility Savings			$ 500,000										$ 500,000
Co-locate Probation and Pre-Trial Programs			$ 75,000										$ 75,000
Cross Training of Environmental and Engineering Inspectors			$ 110,980										$ 110,980
Facilities Management Maintenance Reorganization		$ 105,825											$ 105,825
Reduce Library Book Mobile and Courier Services		$ 72,353											$ 72,353
Cross Departmental Team Equipment Sharing		$ 250,000											$ 250,000
Mahan Drive Right of Way Maintenance		$ 290,000											$ 290,000
Centralized Printing		$ 52,293											$ 52,293
Construction of Consolidated Supervisor of Elections Office	$ 10,000,000												$ 10,000,000
Opening Expanded Branch Libraries with Existing Staff	$ 260,978												$ 260,978
Human Services/Veteran's Services Reorganization	$ 51,597												$ 51,597
Realignment of Solid Waste Staff to Parks and Recreation	$ 82,503												$ 82,503
Purchasing Division Reorganization	$ 60,000												$ 60,000
Consolidation of Administrative Functions	$ 92,414												$ 92,414
Veteran's Direct Emergency Assistance	$ 10,000												$ 10,000
Consolidation of Community and Media Relations F	$ 53,135												$ 53,135
	$ 10,610,627	**$ 770,471**	**$ 855,980**	**$ 618,000**	**$ 5,075,000**	**$ 8,734,853**	**$ 800,000**	**$ 10,400,000**	**$ 13,375,000**	**$ 3,397,696**	**$ 250,000**	**$ 11,441,419**	**$ 66,329,046**

I squared to date	**$ 9,329,509**
Total Cost Avoidance and I squared savings	**$ 75,658,555**

I^2 Award - Cost Savings Breakdown (Since Inception)

Fiscal Year	Project Title	Annual Cost Savings*	One Time Cost Savings
FY24	Let's Balance! - FSU Student Government Association Adaptation	$ -	$ -
FY24	Plantation Boundaries Mapping to Cemetery Revelations: The Workflow that is Uncovering the Past	$ -	$ -
FY24	Creation and Implementation of a Global Human Resources Events Calendar	$ -	$ -
FY24	Bicentennial Kiosk "Leading the Way": 200 Years of Representation and Progress in Leon County	$ -	$ -
FY24	Lighting the Ft. Braden Community Center Walking Trail	$ -	$ 22,000
FY24	HR Investment Week	$ -	$ -
FY24	Building Automation Savings	$ -	$ 396,000
FY24	Mobile Device Buyback Program	$ -	$ 13,000
FY23	Online Junior Apprentice Application Portal	$ -	$ -
FY23	Med Vault Upgrades	$ -	$ 53,055
FY23	Street Lighting Program Design Savings	$ -	$ 120,000
FY23	Leon County's Hazardous Waste 'SUPER'intendent	$ 7,000	$ -
FY23	Community Resource Specialist One-On-One Assistance	$ -	$ -
FY23	Particulate Filter Reconditioning Program	$ -	$ 13,000
FY23	Creation of HR News to Know Newsletter and Enhancement of the HR Calendar Process	$ -	$ -
FY23	Safety Team Revitalization, Safety Manual Revamp and Training Roll Out	$ -	$ -
FY23	Visitor Information Center - Amtrak Building Renovations	$ -	$ -
FY23	Stormwater Inventory Mapping	$ -	$ 152,800
FY23	Leon County Community Insurance Savings	$ -	$ 117,500
FY23	Transfer Station Tipping Floor High Bay Lights	$ -	$ 93,000
FY23	J. Lee Vause Boardwalk Replacement Project **	$ -	$ -
FY23	New Virtual Portal for Benefits and Well-Being Fair	$ 5,800	$ -
FY22	Courthouse Switchgear **	$ -	$ -
FY22	World Athletic 2026 Cross County Championship Bid	$ -	$ -
FY22	Recycling Propane Tanks is a Win-Win	$ -	$ -
FY22	Facilities DECON Team Provides Critical Service	$ -	$ -
FY22	Exit Sign Retrofit Project	$ -	$ 63,200
FY22	Script for Supporting 911 Addressing	$ -	$ -
FY22	#PlantWildflowers	$ -	$ -
FY22	Hybrid Disaster Preparedness Workshop for County Employees	$ -	$ -
FY22	Celebrating Life, Understanding Death Program Series	$ -	$ -
FY22	Apalachee Audubon Society Grant - Easter Screech Owl Boxes	$ -	$ 488
FY22	Everbridge Support for TFD Staff Scheduling	$ -	$ -
FY22	Staff Initiative = Big Savings for Leon County	$ -	$ 56,000
FY22	Dementia Resources for First Responders	$ -	$ -
FY22	FWC Invasive Plan Management Section (IMPS) Grant	$ -	$ 28,119
FY22	Budget 101, Activating a Team Approach	$ -	$ -
FY22	Risk Management Claims Module	$ 6,856	$ -
FY22	2021 Leon County Hiring Fair "Lead Team"	$ -	$ -
FY21	Virtual Health Fair	$ -	$ -
FY21	In-house Printing of BoCC Envelopes	$ 4,984	$ -
FY21	(In-house) Business Card Printing	$ 6,700	$ -
FY21	(In-house) BoCC Letterhead Savings	$ 475	$ -
FY21	Pilot Program - Ambulance On-Board Battery System	$ 11,000	$ -
FY21	Nonprofit Assistance Grant Program - Internal Implementation	$ -	$ 975,000

I^2 Award - Cost Savings Breakdown (Since Inception)

Fiscal Year	Project Title	Annual Cost Savings*	One Time Cost Savings
FY20	Leon CARES Rollout	$ -	$ -
FY20	Leon CARES Individual Assistance Program Citizen Outreach and Payment Process	$ -	$ -
FY20	Census 2020	$ -	$ -
FY20	Physical Distancing Gator Graphic	$ -	$ -
FY20	Sign Truck Cost Savings	$ -	$ 21,000
FY20	Woodville Branch Library Renovation	$ -	$ 10,088
FY20	Leon County Historical Scavenger Hunt	$ -	$ -
FY20	Launch of Virtual Learning and NEOGOV Learn	$ -	$ -
FY20	Deep Cleaning	$ -	$ 75,545
FY20	"Always Open" Web page	$ -	$ 6,312
FY20	Leon County HSCP - Neighborly Online Platform Integration	$ 10,671	$ -
FY20	COVID-19 Work from Home Technology Team	$ -	$ -
FY20	Radio Control Airfield Relocation	$ -	$ 180,000
FY20	Sunset Landing	$ -	$ 3,290
FY20	Virtual Commission Meeting Team	$ -	$ -
FY20	County Staging for Coronavirus Response	$ -	$ -
FY20	Launch of the NEOGOV Perform Appraisal System	$ -	$ -
FY20	Step Up Challenge	$ -	$ -
FY20	Right Sizing the Library's Collection, Creating Local and Regional Benefits	$ -	$ -
FY20	Solid Waste Liner Repair	$ -	$ 262,518
FY20	Big Picture Planning	$ -	$ -
FY20	Equitable Fire Services Billing	$ 185,000	$ -
FY19	CosmicCon 2019	$ -	$ -
FY19	Operation Millings Savings	$ 100,000	$ -
FY19	Collaborative Reuse with Habitat for Humanity/Smarter Sorting	$ -	$ -
FY19	Expanded IDA Alcohol Testing Hours	$ 4,878	$ -
FY19	Transfer Station Power Loss	$ -	$ 15,850
FY19	Storm Damage Fee Refund Program	$ -	$ -
FY19	Going the Extra Mile for Those in Need	$ -	$ -
FY19	DSEM DBPR Internship for Inspectors and Plans Examiners	$ -	$ -
FY19	Protecting Our Most Vulnerable Population Before Hurricane Season	$ -	$ -
FY19	Outlook and Employee ID Photo Project	$ -	$ 4,000
FY19	Stay and Play	$ -	$ -
FY19	Vermicomposting Pilot Project	$ -	$ -
FY19	Citizens Committee Tracking Application	$ 18,000	$ -
FY19	Building Permit ICU	$ -	$ -
FY19	Natural Bridge Sidewalk Project	$ -	$ 11,122
FY19	Campground Reservation System	$ 35,379	$ 50,000
FY19	Developing an Alternative for the Library Card Digitization Project	$ -	$ 27,800
FY19	Permit Routing Consistency Manual	$ -	$ -
FY19	Sidewalk Inventory & ADA Compliance Reporting	$ -	$ -
FY19	#WOWWednesday	$ -	$ -
FY19	Disaster Technology	$ -	$ -
FY19	Souper Bowl	$ -	$ -

I^2 Award - Cost Savings Breakdown (Since Inception)

Fiscal Year	Project Title	Annual Cost Savings*	One Time Cost Savings
FY18	Ambulance Refurbishment Project	$ 135,000	$ -
FY18	Class 3 East and Class 3 West Closure Project	$ -	$ 176,969
FY18	Bike Month 2018	$ -	$ -
FY18	Record Household Hazardous Waste Collection Season	$ -	$ -
FY18	Created Equal	$ -	$ -
FY18	Emergency Mapping of Northeast Multi-Use Trail	$ -	$ -
FY18	Initial Damage Assessment Tools	$ -	$ -
FY18	IV vs. IO Research Project by EMS	$ -	$ -
FY18	Leon County LINK Contract with Democrat	$ 53,763	$ -
FY18	Oracle Licensing Savings	$ -	$ 282,150
FY18	Partnership w/ CareerSource for Summer Youth Training Program	$ 40,000	$ -
FY18	ReNew Latex Paint Program	$ 3,200	$ -
FY18	Separating the Landfill Closure contract	$ -	$ 3,600,000
FY18	Solid Waste Stormwater Pond Construction (Landfill Closure)	$ -	$ 313,000
FY18	Developing Apalachee Regional Park Signage In-House	$ -	$ 10,000
FY18	IDA Employment and Community Resource Fair	$ -	$ -
FY18	Renovation of Refuge House	$ -	$ 133,349
FY18	Local Update of Census Addresses	$ -	$ -
FY18	Bluecat DNS Server	$ 2,500	$ 14,937
FY18	Leon Learns Training Portal	$ -	$ -
FY17	Citizen Rescue at Miles Johnson Road	$ -	$ -
FY17	Leon County Kickball	$ -	$ -
FY17	EMS Safety Fair	$ -	$ -
FY17	Reducing Costs for Public Notifications	$ 13,200	$ -
FY17	2017 Leon County Disaster Survival Guide	$ -	$ -
FY17	Enhanced Citizens Connect App - Emergency Info Push Notifications	$ -	$ -
FY17	EOC Mini-Video Wall	$ -	$ 12,500
FY17	Creative Space Utilization - Sheriff's Office	$ 19,200	$ 75,000
FY17	DSEM Digital Signage	$ -	$ 10,000
FY17	Development Proposal Notification Sign Purchases	$ 1,200	$ -
FY17	Clerk Phone System Upgrade	$ -	$ -
FY17	Library Telescope Lending Program	$ -	$ -
FY16	Wakulla Bus Crash	$ -	$ -
FY16	Orchard Pond Parkway	$ -	$ -
FY16	Natural Bridge Replacement	$ -	$ -
FY16	Library Tree	$ -	$ -
FY16	Intervention and Detention Alternatives Point of Sale Solution	$ -	$ -
FY16	Intersection Safety Improvement	$ -	$ -
FY16	Leachate Treatment and Disposal Overbilling Correction	$ 432,000	$ -
FY16	Hazardous Waste Program	$ -	$ -
FY16	Leon Trees Cost Avoidance	$ 46,000	$ -
FY16	Green Infrastructure	$ -	$ -
FY16	Animal Control Schedule Modifications Cost Savings	$ 108,706	$ -
FY16	Water Consumption Analysis - Overbilling Correction	$ 6,120	$ 21,528
FY16	Operation Save - Overbilling Correction	$ -	$ 6,700
FY16	Special Event Grant Online Application Staff Time Savings	$ 11,000	$ -
FY16	Kinhega Roundabout - Signal Maintenance Cost Avoidance	$ 6,000	
FY16	9/11 Day of Remembrance	$ -	$ -

I^2 Award - Cost Savings Breakdown (Since Inception)

Fiscal Year	Project Title	Annual Cost Savings*	One Time Cost Savings
FY15	Bucket List Book Club	$ -	$ -
FY15	Library Public PC Refresh Project Cost Avoidance	$ 277,605	$ -
FY15	Printer Consolidation and Copier Management	$ 195,879	$ -
FY15	Waste Stream Tire Elimination	$ 108,000	$ -
FY15	DV,SV,Stalking Workplace Training	$ -	$ -
FY15	Chaires Park Drainage Project - Schedule Cost Savings	$ -	$ 36,573
FY15	William Campground Renovations	$ -	$ -
FY15	Killearn Lakes-Pitter Partnership Mobilization Cost Avoidance	$ -	$ 10,000
	Subtotal	$ 1,856,116	$ 7,473,393
	Total Cost Savings	$ 9,329,509	

***Note: Annual Cost Savings is adjusted to reflect total annual cost savings since the date it was awarded.**
****Note: I^2 nomination submitted but costs reflected under Cost Avoidance and Savings.**

Leon County Debt Service Schedule

Description	Purpose	Original Principal & Interest Amount	Outstanding Principal Amount	Outstanding Interest Amount	Total Remaining	Final Maturity Date
Series 2017 - Refinance	In FY 2017, the bank loan obtained to refund the non-taxable portion of Bond Series 2005 was refinanced.	$17,830,391	$3,203,000	$67,583	$3,270,583	2025
Series 2020 - Sheriff Helicopter	The Bond Series 2020 Fund is a debt service fund established to account for the debt service associated with the financing of the purchase of a new helicopter for the Sheriff's office. Funding for the repayment of the debt service will be split evenly between the County and the City of Tallahassee.	$1,372,450	$324,967	$4,415	$329,382	2026
Series 226 - 800 MHz Radios	The Bond Series 226 is for the replacement of the County's 800 MHz radios. This is due to very favorable interest terms in the market and proposed financing that defers the first-year payment until FY 2023, and the planned use of EMS and Volunteer Fire special revenue fund balances.	$3,579,590	$2,460,000	$96,041	$2,556,041	2029
ESCO Lease	Through this program the County financed $16.5M to pay for energy savings projects. All $16.5M will be recouped by the County through energy savings over the life of the projects, approximately 25 years. The financing of the project is over a 15-year term to take advantage of competitive interest rates. As such, the financing will be serviced through a combination of energy savings and $650,000 in general revenue annually.	$18,980,838	$13,580,000	$1,484,523	$15,064,523	2036
Series 2021 - Supervisor of Elections Building	The Bond Series 2021 is for the purchase of the Supervisor of Elections building accordance with the Board's Real Estate Policy. The property was purchased for $5.4 million and financing for the purchase and repairs, including the roof, will be paid back over a 15-year period.	$6,223,898	$4,475,000	$556,018	$5,031,018	2036
	TOTAL	**$47,987,167**	**$24,042,967**	**$2,208,580**	**$26,251,547**	

Board of County Commissioners
Leon County, Florida

Policy No. 07-2

Title:	Reserves
Date Adopted:	September 16, 2008
Effective Date:	September 16, 2008
Reference:	N/A
Policy Superseded:	Policy No. 94-11, "Contingency Reserves and Mid-Fiscal Year Funding Requests from Outside Agencies" adopted September 1994; Policy No. 99-3, "Use of Contingency Reserves" adopted November 23, 1999; Policy No. 07-2, "Reserves" adopted July 10, 2007

It shall be the policy of the Board of County Commissioners of Leon County, Florida, that Policy No. 07-2, "Reserves", adopted by the Board of County Commissioners on July 10, 2007, is hereby superseded, and a revised policy is hereby adopted in its place, to wit:

1. Emergency Reserves

a. The general revenue emergency reserves will be maintained at an amount not to be less than 3% and to not exceed 8% of projected general fund and fine and forfeitures fund operating expenditures for the ensuing fiscal year.

b. A Catastrophe Reserve will be maintained at 2% of the general fund and fine and forfeiture fund operating expenditures for the ensuing fiscal year. The Catastrophe Reserve will provide immediate cash flow for staff overtime, equipment, contractual support and materials/supplies in the event of a natural disaster.

   In the event of a declared local state of emergency, the County Administrator is authorized to utilize the Catastrophe Reserve to pay Leon County solid waste and Leon County building/growth fees for eligible residents for the purpose of debris removal and home restoration/reconstruction. To be eligible, residents must demonstrate that all other means (including, but not limited to: FEMA Individual Assistance, property insurance) have been exhausted prior to seeking County assistance.

c. The reserve for contingency is separate from the reserve for cash balances.

d. Annually the Board will determine an appropriate amount of reserve for contingency to be appropriated as part of the annual budget. Any funds not included in the budget under this category will be included as part of the unreserved fund balance.

2. Reserve for Cash Balances

a. The County will maintain an annual unappropriated reserve for cash balance at a level sufficient to maintain adequate cash flow and to eliminate the need for short-term borrowing.

b. The unappropriated fund balance shall be no less than 10% and no greater than 20% of projected general fund and fine and forfeiture fund operating expenditures.

c. The reserve for cash balance shall be separate from the emergency reserves.

d. All major funds will retain sufficient cash balances to eliminate the need for short-term borrowing.

3. Utilization of Fund Balance

a. As part of the annual budget process, a determination will be made of the minimum and maximum amounts of fund balance available based on the requirements set forth in Sections 1 and 2.

b. Funds in excess of the minimums established can be utilized to support one time capital project funding and /or other one-time expenditures to address unforeseen revenue shortfalls.

4. Budgeted Contingency Reserve

Budgeted Reserve for Contingency reserves, are established to provide the following:

a. Funding for authorized mid-year increases to adopted levels of service.

b. Funding for unexpected increases in the cost of providing existing levels of service.

c. Temporary and nonrecurring funding for unexpected projects.

d. Funding of a local match for public or private grants.

e. Funding to offset losses in revenue caused by actions of other governmental bodies.

f. Funding to accommodate unexpected program mandates from other governmental bodies.

5. Procedures

a. The County Administrator is authorized to develop forms and procedures to be used by outside agencies or individuals or County agencies in submitting their requests for use of contingency reserves.

b. County agencies, including County departments and Constitutional Officers, requesting additional funding from the Board shall first submit their requests in writing to the County Administrator for full review and evaluation.

c. After evaluation, all requests will be brought to the Board for consideration at a regularly scheduled meeting.

d. Requests for use of reserves for contingency may be approved only by the Board of County Commissioners.

e. The County's budget will be amended at such time the County Commission, by majority vote, authorizes reserves for contingency. All requests to the County Commission for the use of any reserves for contingency shall be accompanied by a “contingency statement” prepared by OMB showing the year-to-date activity on the reserves account as well as the current account balance and the net effect on the account of approving the use of reserves.

6. Evaluation Criteria

a. The Board will use the procedures and evaluation criteria set forth in this policy. The evaluation of funding requests shall include, but not be limited to the following:

- consistency with other Board policy;
- the urgency of the request;
- the scope of services to be provided;
- the short-term and long-term fiscal impact of the request;
- a review of alternative methods of funding or providing the services,
- a review for duplication of services with other agencies;
- a review of efforts to secure non-County funding;
- a discussion of why funding was not sought during the normal budget cycle; and
- a review of the impact of not funding or delaying funding to the next fiscal year.

7. Exceptions

a. This policy is not intended to limit regular mid-year salary adjustment transfers from the salary adjustment contingency account, which is reviewed separately by the Board of County Commissioners on an annual basis.

Revised 9/16/2008

Leon County
Board of County Commissioners

Notes for Workshop
Agenda Item #2

Leon County Board of County Commissioners

Budget Discussion Item #2

April 23, 2024

To: Honorable Chair and Members of the Board

From: Vincent S. Long, County Administrator

Title: Consideration of Increases to the CareNet Provider Reimbursement Rates for Dental and Mental Health Visits

Review and Approval:	Vincent S. Long, County Administrator
Department/ Division Review:	Ken Morris, Assistant County Administrator Shington Lamy, Assistant County Administrator
Lead Staff/ Project Team:	Abigail G. Sanders, Health & Human Services Manager

Statement of Issue:

This item seeks Board approval to increase the County's CareNet Provider Reimbursement rates for dental and mental health services provided by health care partners to low-income residents in Leon County. This item recommends an increase in the dental reimbursement rate from $125 to $175 to include diagnostic and ancillary costs such as laboratory and X-ray services; and an increase in the mental health reimbursement rate from $80 to $210 for mental health professionals (e.g., psychiatrists, psychologists, psychotherapists, etc.) to align with Medicaid rates.

Fiscal Impact:

This item has a fiscal impact. The County allocates approximately $1.3 million annually in the CareNet Provider Reimbursement Pool Program for primary care, dental, and mental health services. If approved, the existing funding is anticipated to be sufficient to cover the recommended increases to the current reimbursement rates for dental and mental health services visits.

Staff Recommendation:

Option #1: Approve an increase in the dental reimbursement rate of the CareNet Provider Reimbursement Pool from $125 to $175 per visit beginning in FY 2025 to include diagnostic and ancillary costs such as laboratory and X-ray services.

Option #2: Approve an increase in the mental health reimbursement rate of the CareNet Provider Reimbursement Pool from $80 to $210 per visit for mental health professionals (e.g. psychiatrists, psychologists, psychotherapists, etc.) beginning in FY 2025 to align with Medicaid rates for reimbursement.

Report and Discussion

Background:

This item seeks Board approval to increase the reimbursement rates of the County's CareNet Provider Reimbursement Pool Program (Competitive Pool) for dental and mental health services provided by health care partners to low-income residents in Leon County. This item recommends an increase in the dental reimbursement rate from $125 to $175 to include diagnostic and ancillary costs such as laboratory and X-ray services; and an increase in the mental health reimbursement rate from $80 to $210 for mental health professionals (e.g., psychiatrists, psychologists, psychotherapists, etc.) to align with Medicaid rates.

This item advances the following FY2022-FY2026 Strategic Initiative:

- *Evaluate the reimbursement structure of the Leon County Health Care Program to better reflect the cost for diagnostic and ancillary costs such as laboratory and X-ray services and ensure continued access to affordable health care for low-income individuals and families. (2023-12)*

This particular Strategic Initiative aligns with the Board's Quality of Life Strategic Priority:

- *(Q4) Support and promote access to basic healthcare, mental health, affordable housing, and homeless prevention services to our community members most in need.*

For more than two decades, the County's Health Care Program, also known as CareNet, has provided access to health care for uninsured and underinsured low-income Leon County residents. The program is tailored for residents that do not have and/or do not qualify for private insurance or government-supported insurance such as Medicaid. The County's Health Care Program is an essential service in the community since Medicaid, which is a federal and state-funded program that provides health care coverage to low-income individuals, is generally limited to pregnant women, disabled residents, and seniors in the State of Florida. The County's Health Care Program provides access to health care to the low-income population that is not eligible for Medicaid.

In coordination and collaboration with local health care partners, the County contracts annually with Bond Community Health Center Inc. (Bond), Neighborhood Medical Center Inc. (NMC), Apalachee Center, Inc. (Apalachee), Capital Medical Society Foundation Inc./We Care Network (We Care), and Florida A&M University College of Pharmacy and Pharmaceutical Sciences, Institute of Public Health (FAMU Pharmacy) to provide primary care, dental, mental health, specialty care and pharmaceutical services to those who otherwise would not have access to comprehensive health care services. The County invests $1.7 million annually in the Health Care Program. This includes approximately $1.3 million in the Competitive Pool in which the County contracts directly with Bond, NMC, and Apalachee for primary care, dental, and mental health.

Through the Competitive Pool, Bond, NMC, and Apalachee are reimbursed for costs incurred to provide health care services to eligible County residents. To be eligible, a patient of Bond, NMC, or Apalachee must be a Leon County resident, 18 years old or older, with a household income of 100% or below the Federal Poverty Level, and uninsured or underinsured. The reimbursement rates have traditionally aligned with Medicaid rates. Currently, the providers are reimbursed for services rendered at a rate of $175 for each primary care visit. At the April 2023 Budget Workshop, the Board approved and subsequently ratified at its May 9, 2023, meeting, an increase for primary care visits from $125 per visit to $175 per visit for the current fiscal year and $225 per visit starting in FY 2025. The increase in reimbursement for primary care visits reflects the cost for diagnostic and ancillary costs such as laboratory and X-ray services that the providers were absorbing for eligible patients.

This item seeks Board approval to adjust the Competitive Pool reimbursement rates for dental and mental health patient visits to align with Medicaid rates.

Analysis:

The reimbursement rates provided to the health care partners as part of the Competitive Pool are regularly evaluated to ensure consistency with the reimbursements provided through Medicaid. The Board approved an increase for primary care visits from $125 per visit to $175 per visit for the current fiscal year and $225 per visit starting in FY 2025. The increase in reimbursement for primary care visits reflects the cost for diagnostic and ancillary costs such as laboratory and X-ray services that the providers were absorbing for eligible patients.

The Competitive Pool currently reimburses providers $125 per patient visit for dental care and $80 per patient visit with a mental health professional (e.g., psychiatrists, psychologists, psychotherapists, etc.) or a mental health case manager. Until recently, the County's dental and mental health reimbursement rates aligned with the Medicaid reimbursement rates. In 2022, the Florida Legislature increased the Medicaid reimbursement for office visits from $125 to $133. In 2023, the Florida Legislature increased the reimbursement for Medicaid mental health visits from $80 to $210 in recognition of the shortage of mental health professionals in the medical industry. Over the past several years, Bond, NMC, and Apalachee have also shared the challenges of recruiting and retaining mental health professionals due to the low Medicaid reimbursement rate. However, the Florida Legislature maintained the reimbursement rate for mental health visits for case management services at $80. Mental health case management evaluates the social determinants of health for each patient and provides referrals to wrap around services (e.g., housing, food, job, etc.).

In order to ensure that the Competitive Pool continues to support the collective effort with our partners to provide low-income individuals and families access to affordable health care, in alignment with Medicaid, the following is recommended:

- Dental Visits: Increase the reimbursement rate for dental visits from $125 to $175 beginning in FY 2025 to reflect the increase in the Medicaid reimbursement rate, and the inclusion of diagnostic and ancillary costs associated with patient visits, to be funded through the Competitive Pool. Medicaid provides a separate reimbursement to providers for diagnostic and ancillary costs associated with office visits. The recommended County reimbursement rate provides adequate funding for dental patient visits along with the diagnostic and ancillary expenses such as laboratory and X-ray services that are incurred by Bond and NMC.

- Mental Health Visits: Increase the reimbursement rate for mental health visits from $80 to $210 beginning in FY 2025 to align with the increase in Medicaid reimbursement rates for patient visits with mental health professionals (e.g., psychiatrists, psychologists, psychotherapists, etc.). However, the reimbursement for mental health visits for case management services would remain at $80 consistent with the Medicaid reimbursement rate.

Based on the average number of visits and reimbursements reported by the health care providers over the past three fiscal years, the existing annual funding allocated for the Competitive Pool is anticipated to be sufficient to cover the recommended increases for dental and mental health visits in FY 2025. Upon the Board's approval, the annual agreements with the health care providers would be brought back for Board consideration in the fall reflecting the increases in the reimbursement rates.

Options:

1. Approve an increase in the dental reimbursement rate of the CareNet Provider Reimbursement Pool from $125 to $175 per visit beginning in FY 2025 to include diagnostic and ancillary costs such as laboratory and X-ray services.
2. Approve an increase in the dental reimbursement rate of the CareNet Provider Reimbursement Pool from $125 to $175 per visit beginning in FY 2025 to include diagnostic and ancillary costs such as laboratory and X-ray services.
3. Do not approve an increase in the dental reimbursement rate of the CareNet Provider Reimbursement Pool from $125 to $175 per visit beginning in FY 2025.
4. Do not approve an increase in the mental health reimbursement rate of the CareNet Provider Reimbursement Pool from $80 to $210 per visit beginning in FY 2025.
5. Board direction.

Recommendation:

Options #1 and #2

Leon County
Board of County Commissioners

Notes for Workshop
Agenda Item #3

Leon County Board of County Commissioners

Budget Discussion Item #3

April 23, 2024

To: Honorable Chair and Members of the Board

From: Vincent S. Long, County Administrator

Title: Update on the Green Fleet Conversion Plan

Review and Approval:	Vincent S. Long, County Administrator
Department/ Division Review:	Ken Morris, Assistant County Administrator Ben Pingree, Assistant County Administrator
Lead Staff/ Project Team:	Maggie Theriot, Resource Stewardship, Director Brent Pell, Public Works, Director Josh McSwain, Fleet Management, Director

Statement of Issue:

As requested by the Board, this item provides an analysis of the County's goal to convert 30% of light-duty fleet to fully electric vehicles by 2030, the ongoing investments in fleet replacement and charging infrastructure at County facilities, and the long-term potential to further expand the EV goal.

Fiscal Impact:

This item has a fiscal impact. Current and proposed out-year funding is adequate to continue advancing the County's goal of transitioning 30% of the light-duty fleet to fully electric by the year 2030. In addition to the fleet replacement cost, funding for the necessary charging infrastructure is programmed over the next five years.

Staff Recommendation:

Option #1: Accept the status update on the green fleet conversion plan.

Report and Discussion

Background:

As requested by the Board, this item provides an analysis of the County's goal to convert 30% of light-duty fleet to fully electric vehicles (EV) by 2030, the ongoing investments in fleet replacement and charging infrastructure at County facilities, and the long-term potential to further expand the EV goal.

The Integrated Sustainability Action Plan (ISAP) is the County's strategic plan to institutionalize sustainability action into operations, protocol, and policy. The ISAP has three specific goals relating to the County's vehicle fleet:

- Reduce total fuel consumption by County Fleet by 30% by 2030.
- Convert 30% of light-duty vehicles in County Fleet to fully electric by 2030.
- Ensure that all employees driving County vehicles receive "Green Driving Training."

On January 23, 2024, the Board requested an analysis of the County's goal to convert 30% of light-duty fleet to fully electric vehicles by 2030, and potential to further accelerate or enhance the goal. The Board did not provide specific guidance as to a target year or conversion goal; however, this item provides an analysis for accelerating the 30% goal and the potential to achieve 75% conversion of the fleet to fully electric by 2040. The current budget plan will convert 30% of light-duty vehicles to fully electric by 2030. Going beyond this target would require the County to replace existing vehicles that still have useful life and do not meet the replacement eligibility standards.

The County achieved its 2008 sustainability strategic plan goals in 2017. This achievement was met in part by reducing vehicle emissions 16%. Following these successes, the Board approved the ISAP in 2019, laying out steps for the next decade of progress. Across the ISAP's 18 goals and 91 supporting action items, the overarching goal of the ISAP is to reduce County greenhouse gas (GHG) emissions by 30% by the year 2030. The three fleet-specific goals in the ISAP are intended to complement one another. This item details current efforts to convert the County's fleet to electric and reduce dependence of fuel, meeting the County's adopted ISAP goals including 30% EV by 2030. As requested by the Board, an analysis is also provided regarding the acceleration or enhancement of the County's 30% EV goal by 2030.

Analysis:

The following outlines the composition of existing vehicle fleet and criteria to advance the electrification of the fleet and further increase fuel efficiency while reducing GHG to meet the County's ISAP goals. The County operates and maintains 354 vehicles in its fleet, of which 114 are classified as light-duty. Collectively, this fleet contributes 17% of the overall environmental impact of County operations, with buildings being attributed to three-quarters of GHG emissions. As outlined herein, the County takes a multi-prong approach to managing the existing fleet, while actively transitioning the makeup of these vehicles.

Fleet Composition

The County operates and maintains 354 vehicles in its vehicle fleet in addition to large equipment such as tractors, and small equipment such as mowers. Additional vehicles are purchased and maintained for Constitutional Offices of Property Appraiser, Supervisor of Elections, Clerk of Courts, and the Tax Collector, with the Sheriff's Office responsible for its own purchase and maintenance. The County's ISAP focuses only on Board of County Commission vehicle fleet due to the limited authority to dictate fleet make up of Constitutional offices.

Vehicle fleet falls into three categories: light, medium and heavy duty. These categories are in alignment with Federal Highway Administration (FHWA) standards based upon vehicle weight and towing capacity. For example, light-duty is any vehicle within FHWA Class 1 or 2 with a gross vehicle weight up to 10,000 pounds. Light-duty vehicles include automobiles (e.g., Chevrolet Malibu), sport utility vehicles (e.g., Toyota Highlander), vans (e.g., Dodge Caravan), and small pick-up trucks (e.g., Ford F-150).

Of the County's 354 total vehicles, there are 114 light-duty vehicles in operation. The 30% goal applies only to light-duty vehicles as the market for medium and heavy duty is not established. To achieve the 30% conversion goal, 34 vehicles will need to be fully electric by 2030. To date, the County operates 10 fully electric vehicles (4 Chevrolet Bolts, and 6 Ford F-150 Lightnings). Three additional Ford trucks are on order, for a total of 13 EVs anticipated by the end of Fiscal Year 2024. The County also operates 24 light-duty hybrid vehicles which contribute to the ISAP fuel reduction goal, complimenting the 30% EV goal. Most of these hybrid vehicles were purchased prior to the adoption of the 30% EV goal and reflect the market at that time for reduced emissions vehicles.

Increasing electric vehicles involves a continuous evaluation of the existing fleet. Considerations are made to identify candidate vehicles for replacement, then identify available vehicles in the market that can meet the operational needs of the work area, while also evaluating the required charging infrastructure. As outlined in the Green Fleet Policy, to purchase County vehicles in a more fuel-efficient, cost-effective, and environmental-friendly manner, specific criteria are employed when considering replacements for County vehicles. These criteria are intended to serve as methodology for need analysis when a vehicle is eligible for replacement, and to downsize vehicles when appropriate. Prior to the purchase of any replacement vehicle, the following will be considered:

- Replacement eligibility: Existing vehicles will be prioritized for replacement in light of several factors with repair costs which exceed 2/3 of the acquisition cost as the primary driver for replacement. Secondary factors include significant faulty or major repair history (large amount of down time), high mileage, and age of the vehicle. Budget availability is also considered, aiming to avoid dramatic fiscal variations from one year to the next.
- Vehicle size and type: Of vehicles which are deemed eligible for replacement, a determination of the appropriate replacement vehicle is the next step. Referenced as "right sizing" vehicles may be downsized to smaller, fuel-efficient units at the time of replacement where functional use allows.

The opportunity to adopt a fully electric vehicle is also evaluated at this step. It is through this attrition of existing vehicles, that electric alternatives can be introduced into the County fleet. In addition to staff evaluation, the County utilizes a software tool to evaluate the financial viability and environmental impact of fleet electrification. The software examines the total cost of ownership, and best fit for EV deployment. County staff then ensure an EV can meet the operational needs of the work area, while also evaluating the required charging infrastructure. Should these factors not align, opportunities to trade vehicles with another work area are explored, providing the EV in an alternate area while replacing the initial eligible vehicle.

- Total Cost: As the initial purchase price of electric vehicles is higher than traditional fuel vehicles, it is important to consider the total cost of ownership. Information on purchase costs, operating costs such as fueling/charging and maintenance, and state/federal incentives are also considered. The total cost of ownership, however, does not consider the up-front cost associated with deploying necessary charging infrastructure.
- Charging Infrastructure: A notable challenge to transitioning a fleet to EVs is establishment of adequate charging infrastructure. Historically, the County operates a centralized fueling station for County Fleet, ensuring reliable 24/7 availability. Adoption of EVs requires a decentralized model, providing vehicle chargers at the respective County facility for the associated vehicle.

  By the end of the 2024, there will be 22 charging ports across 11 County sites to support the existing County EV fleet. Beyond the purchase of the charging unit, significant resources go towards ensuring connectivity to an adequate power source. Although the charging equipment cost is relatively steady, the installation cost varies based on site location factors such as trenching, existing wiring, and required electrical upgrades. Based on these factors, installation costs for Leon County have varied from $5,000 to upwards of $100,000 per site. Fortunately, this is mostly a one-time expense, with scalable capacity for additional charging units available at a fraction of the original installation cost.
- Funding: Current and proposed out-year funding is adequate to continue advancing the County's goal of transitioning 30% of light-duty fleet to fully electric by the year 2030. In addition to the fleet replacement cost, funding for the necessary charging infrastructure is programmed over the next five years.

To attain the ISAP goal of transitioning 30% of light-duty fleet to EV, a total of 34 vehicles will be fully electric by 2030. For context, over the past five years the County has acquired a total of 29 new light-duty vehicles (16 fuel and 13 EV). Utilizing the replacement eligibility standards contained in the Green Fleet Policy, such as repair cost and mileage, approximately 30 vehicles are projected to be replaced in the coming five years, requiring 21 of these to be exchanged with an EV. As detailed above, in-depth review occurs before each replacement in order to identify opportunities to select EVs. Depending on those numerous factors, the number of EV eligible vehicles vary from year to year. For example, in Fiscal Year 2025, a total of 6 light-duty vehicles are proposed for replacement, with all 6 being well suited for electric vehicles. Whereas in other years, there may be only one light-duty vehicle eligible for replacement.

In summary, to achieve the 30% conversion goal, 34 vehicles will need to be fully electric by 2030. By the end of Fiscal Year 2024 the County will operate 13 EVs. The preliminary FY 2025 budget contemplates an additional 6 EVs as numerous light-duty fleet will be eligible for replacement. Purchasing an additional 6 EVs in FY 2025 would bring the County to a total of 19 EVs, or 56% of the EV goal for 2030.

Conversion Plan

In support of the three ISAP goals for Transportation (Attachment #1), the County has enacted steps to achieve the following:

- Control fleet size - conduct usage assessment, identify under-used vehicles, limit fleet creep (the acquisition of new vehicles without getting rid of the old ones).
- "Right-sizing" – prior to procuring new vehicles, ensure that each one is as compact and fuel-efficient as possible, while still fulfilling intended operational functions.
- Reduce miles traveled – eliminate most all take-home vehicles, support virtual meeting options, examine route optimization.
- Implement telematics – equip vehicles with onboard GPS and diagnostics allowing for data capture and trend analysis.
- Provide driver education – general education to avoid hard breaking, rapid acceleration, and idling, in addition to targeted driver outreach based upon telematics.
- Vehicle optimization – ensure routine maintenance to maximize lifecycles and evaluate acquisition process.

These elements are further institutionalized within the County's Green Fleet Policy which is collaboratively implemented by the Office of Sustainability and the Fleet Management Division. In April 2012, the Green Fleet Policy was adopted with the purpose of creating a framework and procedure for ensuring the County operates the most sustainable, efficient fleet possible. The Policy was updated in 2020 providing for the integration of the recent ISAP goals and action items, also adding language regarding fleet monitoring software, and updated green driver education content (Attachment #2).

As stipulated in the County's ISAP and Green Fleet Policy, steps are underway to convert light-duty vehicles to electric and reduce total fuel consumption, 30% each by the year 2030. As with all goals of the ISAP, the evaluation of an appropriate conversion rate to electric vehicles was set purposefully and thoughtfully. The target was selected in light of present market conditions and the anticipated market advancement of vehicle selection, price, and availability, along with the creation of required charging infrastructure.

EV Projected Fleet Conversion

As previously detailed, the evaluation of an appropriate conversion rate to electric vehicles was set purposefully in light of numerous factors such as market conditions, availability, and the installation of required charging infrastructure. The goal to convert 30% of light-duty vehicles in the County's fleet to fully electric by 2030 is both actionable and achievable. Going beyond this target will require the County to replace existing vehicles that still have useful life and do not meet the replacement eligibility standards set forth in the Green Fleet Policy such as repair costs, mileage, and age. A multifaceted approach is in place to ensure the 30% goal is achieved, focusing not only on investment in new equipment but enriching the operations and behavior around driving.

By the end of the current Fiscal Year, there will be 13 EVs in operation with a projected need to acquire 21 replacement EV vehicles through FY 2030. Through the annual budget process, funding will be made available for the acquisition of EV vehicles and related charging infrastructure; posturing the County to meet the existing goal of 30% (34 total EV vehicles). Achieving a higher percentage such as 50% by 2030 would require the County to replace existing vehicles that still have useful life and is not recommended. However, as the fleet continues to age and the County furthers its investment in fully electric vehicles, the total percentage of the fleet will steadily advance. In alignment with the County's fleet replacement standards and the continued growth of the EV market, approximately 75% of the fleet may eventually be fully electric by 2040. This would represent the full conversion of vehicles that are appropriate for electric use.

Leon County is adequately funded and on target to achieve the 30% EV conversion goal by 2030, with further investment in electric vehicles continuing to advance the percentage of fleet into the future as vehicles become eligible for replacement. Staff will continue to monitor the electric vehicle market for the emergence of a reliable market for medium and heavy-duty vehicles to position the County for additional EV fleet conversions in FY 2030 – FY 2040. Medium and heavy-duty fleet will require additional investment in Level III charging infrastructure, which will also benefit fast-charging of light-duty fleet.

<u>Summary</u>

In the Integrated Sustainability Action Plan, the County committed to a GHG emissions reduction goal of 30% by 2030. These initiatives support goals to reduce fuel consumption, procure electric vehicles, and employ strategies to support efficient driving behavior. A multifaceted approach is in place to ensure that both the 30% electrification goal and 30% fuel reduction goals are achieved by 2030. Building on prior actions, the County is positioned to achieve the goal and will continue to invest in electric vehicles beyond 2030, advancing the proportion of fleet that will be EV as vehicles become eligible for replacement.

The County has policy standards to guide the process of identifying existing vehicles eligible for replacement. It is through this attrition of existing vehicles, that electric alternatives are introduced into the County fleet. The preliminary FY 2025 budget contemplates an additional 6 EVs as numerous light-duty fleet vehicles will be eligible for replacement. Purchasing an additional 6 EVs in FY 2025 would bring the County to a total of 19 EVs, or 56% of the EV goal for 2030. Current and proposed out-year funding is adequate to continue advancing the County's goal of transitioning 30% of light-duty fleet to fully electric by the year 2030. The ongoing and planned investments contemplate the additive EV vehicle purchase cost (over 30 percent more than conventional fuel vehicles) and the installation of charging infrastructure at County facilities.

The aspiration of achieving an even higher percentage such as 50% or 75% in the next five years would require the County to deviate from Policy, replace existing vehicles that still have useful life, and require additional funding for the extra vehicles and charging infrastructure. In alignment with the County's existing fleet replacement standards, the attrition of existing vehicles along with the continued growth of the EV market may eventually support the conversion of approximately 75% of the fleet to fully electric by 2040. However, this is a preliminary projection, and this item does not recommend establishing a new goal for 2040 or accelerating the existing 2030 goal. The County's goal to convert 30% of light-duty vehicles to fully electric by 2030 remains both ambitious and achievable in light of the limited attrition of the existing light-duty fleet and funding necessary to support required charging infrastructure.

Options:

1. Accept the status update on the green fleet conversion plan.
2. Do not accept the status update on the green fleet conversion plan.
3. Board direction.

Recommendation:

Option #1

Attachments:

1. Integrated Sustainability Action Plan - Transportation section excerpt
2. Green Fleet Policy

LEON COUNTY ISAP

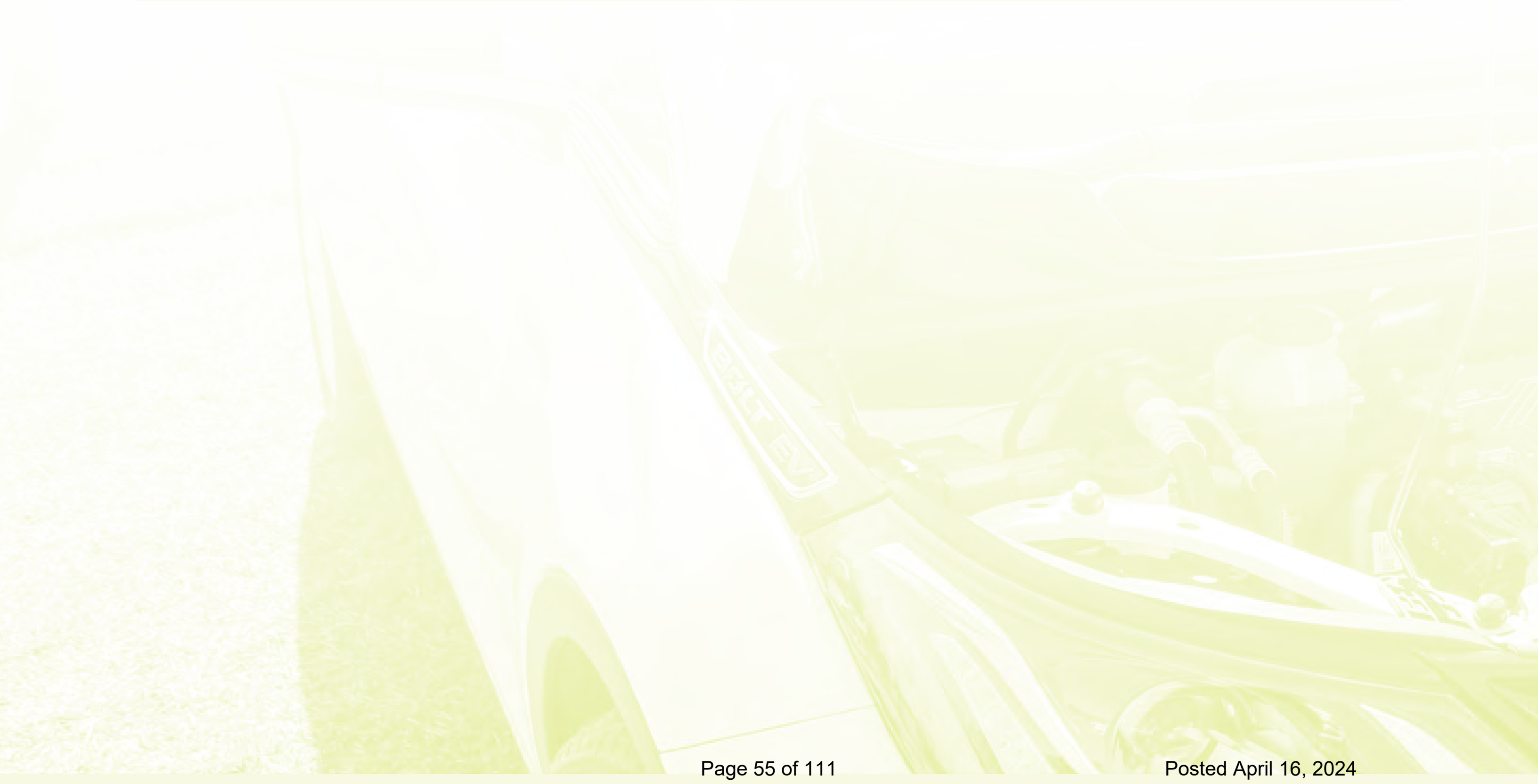
INTEGRATED SUSTAINABILITY ACTION PLAN

ADOPTED APRIL 2019

TRANSPORTATION

#	Goals	County Operations	Community-facing	Progress	GHG Reduction Potential	Primary Work Area	Secondary Work Area
G11	Reduce total fuel consumption by County fleet by 30% by 2030	☑			🍃🍃🍃🍃🍃	Fleet	Sustainability
G12	Convert 30% of light-duty vehicles in County fleet to fully electric by 2030	☑			🍃🍃🍃🍃🍃	Fleet	Sustainability
G13	Ensure that all employees driving County vehicles receive "Green Driving Training"	☑		☑	🍃🍃	Fleet	Sustainability

#	Action Item	County Operations	Community-facing	Progress	GHG Reduction Potential	Primary Work Area	Secondary Work Area
4A	Pilot fuel saving technologies, including monitoring idle time	☑			🍃🍃🍃🍃🍃	Fleet	Sustainability
4B	Continue to follow the Leon County Green Fleet Policy, and consider future modifications to policy as appropriate	☑		☑	🍃🍃🍃🍃	Fleet	Sustainability
4C	Expand procurement of electric vehicles and alternative or duel fuel vehicles	☑		☑	🍃🍃🍃🍃	Fleet	Sustainability
4D	Consider the adoption of a no-idling policy for County vehicles	☑			🍃🍃🍃🍃	All Depts	Fleet



#	Action Item	County Operations	Community-facing	Progress	GHG Reduction Potential	Primary Work Area	Secondary Work Area
4E	Install FuelMaster 2.0 in all County vehicles for more accurate monitoring	☑			🍃🍃🍃	Fleet	Sustainability
4F	Offer County employees free bus passes				🍃🍃	Sustainability	
4G	Use "green chemicals" in County Fleet shop	☑		☑	🍃🍃	Fleet	Sustainability
4H	Analyze the potential for an "EV Ready Ordinance" for community development		☑		🍃🍃	Sustainability	Admin
4I	Expand the installation of EV charging stations at County facilities for use by employees and the public	☑	☑		🍃	Sustainability	Facilities
4J	Conduct an analysis of carpooling opportunities among employees who live near one another	☑			🍃	Sustainability	HR
4K	Educate the community on alternative transportation options and technology				🍃	Sustainability	
4L	Ensure County facilities have a bike rack outside of the facility		☑		🍃	Sustainability	Facilities

2.14

Board of County Commissioners
Leon County, Florida

Policy No. 12-1

Title:	Green Fleet Policy
Date Adopted:	December 8, 2020
Effective Date:	December 8, 2020
Reference:	N/A
Policy Superseded:	Policy No. 93-20 “Vehicle Replacement Policy” adopted on January 12, 1993; Policy No. 12-1 “Green Fleet Policy” adopted April 24, 2012

It shall be the policy of the Board of County Commissioners of Leon County, Florida, that Policy No. 12-1, “Green Fleet Policy” adopted by the Board of County Commissioners on April 24, 2012, is hereby amended, and a revised Policy is hereby adopted in its place, to wit:

In order to purchase County vehicles and equipment in a more fuel-efficient, cost-effective, and environmental-friendly manner, the criteria, which is incorporated into this Policy, will be employed by all County departments when considering replacements for County vehicles or equipment. These criteria are intended to serve as methodology for need analysis when a vehicle replacement is requested, and to downsize vehicles when appropriate. After the vehicle requested has met the criteria, the evaluation will be made by the Fleet Management Division of Public Works, with recommendations from the Green Fleet Committee. In certain categories, sub-compacts and/or compacts will replace full size units. Vehicles, which primarily transport only one driver, may be downsized to smaller, fuel-efficient units at the time of replacement where functional use allows. The State contract will be utilized as a pricing guideline.

1. Purpose

Leon County appreciates the benefits of operating the most functional, fuel efficient, and least polluting fleet available to support county operations, while at the same time being fiscally prudent in vehicle purchase and operational costs. It is important to evaluate the size and make-up of the fleet to ensure it is efficiently supporting county operations on a regular basis. It is recognized that a transition to smaller, more efficient vehicles as well as alternative fuels, hybrid or electric vehicles are options for achieving these goals.

Accordingly, it is the intent of this Policy to establish a green fleet through a process of consideration of all aspects of fleet operations that will contribute to the goals and action items set forth in the County's Integrated Sustainability Action Plan, including the following:

1) improved fuel efficiency;
2) use of cleaner technology with reduced emissions;
3) lowered or contained fuel costs; and,
4) reduced dependency on any particular energy source.

Leon County is committed to accomplish, through the implementation of this Policy, the transition of the current fleet to an environmentally, efficient "green" fleet which will make it more self-sufficient, reduce or contain fleet costs and be environmentally best for our community.

This Policy covers all Departments and Divisions under the Board of County Commissioners that have vehicles or metered equipment that operate on gasoline, diesel, or other types of fuel or energy.

2. Definitions

a. Alternate Fuel: Any fuel other than gasoline, diesel, and other substantially petroleum-based fuels that is less polluting than gasoline or diesel fuel. Alternate fuel will include, but is not limited to, natural gas, propane, ethanol (E-85), biodiesel (B5 or higher), and electricity, etc.

b. Alternate Fuel Vehicle: Any motor vehicle powered in whole or in part by nonpetroleum-based fuels.

c. Bi-Fuel Vehicle: Also known as a duel-fuel vehicle. Any motor vehicle designed to operate on two distinct fuels (including "Flex-Fuel" vehicles), one of which is an alternative fuel.

d. Biodiesel: Fuel refined from agriculturally (including vegetable and animal) derived oils that is suitable for use in diesel engines. Often blended with traditional petroleum-based diesel in amounts connoted by the letter "B" and number (e.g., B20=20% Biodiesel and 80% petroleum diesel).

e. Carbon Dioxide (CO_2): A standard component of conventionally powered vehicle emissions and a principal greenhouse gas.

f. Carbon Monoxide (CO): A standard component of conventionally powered vehicle emissions.

g. Compressed Natural Gas (CNG): Natural gas under pressure; vehicles can use natural gas as either a liquid or a gas; most vehicles use the gaseous form.

h. Green Driving: Driving best practices that reduce fuel consumption, GHG emissions, and accident rates.

i. Electric Vehicle: Any vehicle that uses one or more electric motors for propulsion.

j. Emergency Medical Services Fleet: Ambulances and other vehicles used by Leon County's Emergency Medical Services Department

k. Fleet: Leon County's inventory of motorized vehicles and metered equipment.

l. Fleet Management: Division of Leon County, Public Works Department

m. GHG: stands for Greenhouse Gas: Any of the atmospheric gases that contribute to the greenhouse effect by absorbing infrared radiation produced by solar warming of the Earth's surface. They include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (NO_2), and water vapor.

n. Green Vehicles: Vehicles that emit low or zero emissions; typically powered by fuels other than gasoline or diesel

o. Heavy Duty Vehicle: Any vehicle, licensed for use of roadways within FHWA Class 6-8, having a manufacturer's gross vehicle weight of 19,501 pounds and above. Heavy-duty vehicles include construction equipment, tractors, and dump trucks.

p. Hybrid Vehicle: A motor vehicle that draws propulsion energy from onboard sources of stored energy that are both an internal combustion/heat engine that runs on combustible fuel, and a rechargeable energy storage system.

q. Idling: The practice of keeping a vehicle or equipment engine running, without moving the vehicle or not using the equipment.

r. Incremental Cost: The difference in the acquisition cost between a conventionally powered vehicle and a comparable alternative fuel vehicle.

s. Light Duty Vehicle: Any vehicle within FHWA Class 1 or 2 with a gross vehicle weight up to 10,000 pounds. Light duty vehicles include automobiles, sport utility vehicles (SUV), vans, and small pick-up trucks.

t. Life-Cycle Environmental Impacts: Life cycle assessment determines the environmental impacts of products, processes, or services, through production, usage, and disposal.

u. Low Emission Vehicle (LEV): Any motor vehicle that meets or exceeds the standards set forth by the US Environmental Protection Agency for Low Emission Vehicles.

v. Medium Duty Vehicle: Any vehicle within FHWA Class 3-5 with a gross vehicle rating of 10,001 pounds through 19,500 pounds. Medium duty vehicles include diesel powered pick-up trucks.

w. Metered Equipment: Any powered implement that is metered for hours of use.

3. Green Fleet Team

a. The County Administrator established a Green Fleet Team with the adoption of the Green Fleet Policy in 2012. The Team shall be comprised of, at a minimum, one representative from the following work areas: Facilities Management, Fleet Management, Department of Development Support & Environmental Management, Office of Management and Budget, Office of Resource Stewardship, and Public Works Operations.

The Team will meet as appropriate during the budget development process in the second quarter. They will meet, at a minimum, annually. The team's responsibilities include:

1) Remain knowledgeable of new technologies, fuels, and current fleet operation.
2) Consider the potential application of alternative technology or fuels for the county's fleet
3) Offer recommendations for improvements and replacements.

b. The Green Fleet Team will work towards advancing the following goals and action items, consistent with the Integrated Sustainability Action Plan (ISAP), and supported by a quarterly review of the fleet inventory and telematics data generated by Fleet Management:

1) Transition the fleet inventory towards right-sized and electric vehicles and convert 30% of light-duty vehicles to fully electric based on the replacement policy in Section 6.
2) Reduce total fuel consumption by 30% by FY 2030 from the FY 2015 baseline
3) Ensure that all employees driving County vehicles receive green driver education, including anti-idling and fleet telemetrics.
4) Monitor idle time and safe driving performance using fleet telemetrics

c. The Green Fleet Team will continually evaluate the merits of and pilot fuel saving technologies to identify appropriate adoption by the County. Consideration will be given to opportunities to retrofit existing equipment to improve efficiency and emissions.

4. Establishing a Baseline Inventory

a. Leon County will establish and maintain a complete inventory of the vehicles in its fleet. The inventory will include not only the type and number of fleet vehicles, but also the amount and types of fuel used, the costs associated with their use, and the corresponding emissions.

b. The baseline year for the inventory and for the Green Fleet Policy will be Fiscal Year 2012.

c. The baseline inventory metrics should include, at minimum, for each vehicle class and fuel or energy type the following information:

1) Number of vehicles
2) Average miles per gallon (mpg)
3) Average time spent idling
4) Annual miles driven (or annual hours of metered equipment)
5) GHG emissions (i.e. carbon dioxide equivalent) 6) Quantity of fuel consumed by fuel type 7) Cost of fuel consumed by fuel type.
6) Average vehicle trip length

d. The baseline inventory will include the Metrics 1-6 for each vehicle class rating for Leon County on road fleet or metered-equipment class, and fuel or energy type, including, but not limited to:

1) Gasoline
2) E-85
3) Diesel
4) Biodiesel
5) Compressed natural gas
6) Electricity (i.e. kWh taken from the grid)

5. Implementation Strategies

a. Vehicle Purchase: The goal of purchasing low emitting fuel efficient vehicles and equipment for both vehicle replacement and additions to the fleet where practicable and reasonably cost competitive.

b. Optimum Fleet Size: Only vehicles that have a recognized need and demonstrated use will be maintained. There will be periodic reviews with recommendations to the County Administrator.

c. Vehicle Specifications: Prior to the purchase of any new vehicle or equipment, the user department will develop specifications with the Fleet Manager and fill out a vehicle survey to ensure appropriateness for its mission. Life cycle costs, standardization, ease of use, vehicle size, and emissions quality are several of the issues that need to be addressed.

d. Vehicle Maintenance: There will be evaluation of the maintenance practices for all types of equipment. This includes consideration of frequency, supplies, fluids, and tires. This has important impact on the equipment's efficiency, miles per gallon, costs of fuel, and reduced emissions.

e. Vehicle Technology: A primary goal of this Policy is to change fleet equipment from high pollution, low-mileage petroleum-based fuel equipment to clean, more efficient, higher mileage, and alternative fuel use equipment. Currently, technology is transitioning to hybrid, full electric, and hydrogen equipment. Research will refine these and offer others in the future.

f. Fuel: A primary goal is to use a highly efficient, clean readily available fuel(s) to operate all types of equipment in the fleet. There is merit in the use of several alternative fuel types to avoid reliance on one source and, possibly, disruptions in the supply chain.

Among fuel or energy sources to be considered for the fleet are biodiesel, E-85, CNG (compressed natural gas), propane, hybrid, electric, and combinations. The intent is to phase out or "retire" conventional, fossil-fuel vehicles.

g. Fuel Sources: To secure reliable and cost contained fuel sources.

6. Vehicle Acquisition & Replacement Guidelines

a. Prior to the acquisition of any replacement vehicle, the following purchasing values will be considered and carefully examined by the Green Fleet Team:

1) Repair costs exceed 2/3 of the acquisition cost
2) Life cycle cost
3) Frequency of use (utilization)

4) Justification for the vehicle
5) Safety and repair record
6) Impact on technician's workload
7) Electric, hybrid or alternative fuel vehicle availability or preference

b. Prior to the acquisition of any new vehicle, the following purchasing values will be considered and carefully examined by the Green Fleet Team:

1) Frequency of use (utilization)
2) Suitability for intended job
3) Fuel efficiency and vehicle size
4) Electric, hybrid, or alternative fuel vehicle availability or preference
5) Initial and long-term cost

c. For each vehicle class there will be a minimum efficiency standard in miles per gallon established by Fleet Management. This will be used during the consideration of vehicle replacements as well as for new vehicle acquisitions.

d. Fleet Management will make every effort to purchase and use the lowest emission vehicle or equipment item possible, while taking into account the vehicle's lifecycle costs, miles per gallon, life cycle environmental impacts, and ability to support Leon County's operation and services. This will be achieved through the utilization of the green fleet committee and the monitoring of the objectives.

7. Green Driving and Driver Education

a. <u>Green Driving</u>

1) Leon County will implement an anti-idling policy that will apply to County vehicles operated by Leon County. Performance shall be measured by County vehicle telemetric software. The objectives of this Policy are:

a) To eliminate unnecessary idling of vehicles in order to reduce the community's exposure to exhaust from gasoline and diesel engines and reduce unnecessary consumption of fuel and emission of greenhouse gases.

b) To educate and inform County employees about the health and environmental effects of gasoline and diesel exhaust.

c) Employee idling times should be routinely reviewed by managers using fleet telemetrics software. Employees with high idle times should be addressed through the established HR policy regarding the telemetrics software.

2) It will be the policy of Leon County to minimize unnecessary idling of County vehicles and equipment to reduce CO_2 and other greenhouse gas emissions, conserve fuel, and reduce maintenance and fuel expenses associated with excessive idling.

All County employees will take actions to reduce fuel consumption as follows:

a) When employees arrive at a job site, they are required to turn off their vehicles as soon as practical to eliminate idling time and reduce excess consumption of fuel.

b) Vehicles will not be restarted until all passengers are ready to depart, or work is ready to resume.

c) Equipment will be turned off when inactive or not in use.

d) No driver of a County owned vehicle will cause or allow the vehicle to idle for a period of more than five (5) minutes.

e) Exemptions: this idling policy shall not apply when:

i. A vehicle is forced to remain motionless because of traffic or adverse weather conditions affecting the safe operation of the vehicle.

ii. A vehicle is being operated for emergency purposes.

iii. The primary propulsion engine of a vehicle is being operated to supply heat or air conditioning necessary for passenger comfort/safety.

iv. The primary propulsion engine of a vehicle meets all of the following criteria:

a. Is providing a power source necessary for mechanical operations other than propulsion; and

b. Involves a power take off (PTO) mechanism, or other mechanical device performing the same function as a PTO; and

c. Is powered by the engine for:

1. Loading and unloading cargo, or

2. Mixing or processing cargo, or
3. Controlling cargo temperature, or
4. Providing a mechanical extension to perform work functions

f) Vehicles will not idle for purposes of "warming up" the engine, except where the manufacturer's operating instructions require or recommend it, or where it is necessary to defrost windows and make the vehicle safe for driving and occupancy.

g) EMS/Public Safety vehicles are exempt from this Policy.

b. Driver Education

Leon County will develop an employee education program designed to instruct drivers of county vehicles in best green driving practices. The topics will include fuel usage/conservation, maintenance, using alternatives to driving, defensive driving, and education on vehicle idling. Driver education will also include a description of fleet telemetrics, including vehicle speed, idle time, direction, and safe driving metrics. The use of this program will reduce incidents, which in turn will reduce the cost of vehicle insurance.

8. Exemptions

a. The County Administrator or designee may grant an exemption from the requirements of this Policy under any one of the following circumstances:

b. Where the analysis demonstrates to the satisfaction of Fleet Management that any amortized additional incremental cost of purchasing a lower emission vehicle that complies with the requirements of this Policy cannot be recovered over the operational life of the vehicle or metered equipment through a reduction in fuel, maintenance, and other costs incurred during the operating life of such vehicle or equipment; and

c. New emergency vehicles purchased under this Policy must provide comparable performance, safety, and fuel availability during emergencies as conventionally powered emergency vehicles.

Revised December 8, 2020

Leon County
Board of County Commissioners

Notes for Workshop
Agenda Item #4

Leon County Board of County Commissioners

Budget Discussion Item #4

April 23, 2024

To: Honorable Chair and Members of the Board

From: Vincent S. Long, County Administrator

Title: Consideration of Revisions to the County's Parental Leave Policy

Review and Approval:	Vincent S. Long, County Administrator
Department/ Division Review:	Ken Morris, Assistant County Administrator Candice Wilson, Director, Human Resources
Lead Staff/ Project Team:	Anitra Thomas, Employee Engagement & Performance Manager

Statement of Issue:

This item seeks Board approval of proposed revisions to the paid leave criteria of the Leon County Personnel Policies and Procedures, Section VII, Subsection 7.20 – Parental Leave policy, to provide six weeks of paid leave at 100% of the employee's rate of pay following the birth or adoption of a child. At this time, the County provides full compensation for the first two weeks of parental leave followed by incremental reductions through week six.

Fiscal Impact:

This item has a fiscal impact; however actual costs will fluctuate each year based on the number of employees utilizing the paid parental leave benefit, their rate of pay, and potential overtime costs to cover absent personnel (if necessary). Based on past utilization of the paid parental leave benefit, it is anticipated that costs can continue to be absorbed within the respective personnel departmental budgets.

Staff Recommendation:

Option #1: Adopt the proposed revisions to the Leon County Personnel Policies and Procedures, Section VII, Subsection 7.20 – Parental Leave, to provide six weeks of paid leave at 100% of the employee's rate of pay following the birth or adoption of a child (Attachment #1).

Report and Discussion

Background:

This item seeks Board approval of proposed revisions to the paid leave criteria of the Leon County Personnel Policies and Procedures, Section VII, Subsection 7.20 – Parental Leave policy, to provide six weeks of paid leave at 100% of the employee's rate of pay following the birth or adoption of a child. At this time, the County provides full compensation for the first two weeks of parental leave followed by incremental reductions through week six.

On January 23, 2024, the Board requested a review of the Parental Leave Policy to compare the County's paid leave benefit following childbirth and/or adoption to the recent benefit changes adopted by the State of Florida for State employees. At that time, the Board also directed staff to seek input from the Commission on the Status of Women & Girls on the County's Parental Leave Policy.

Leon County's Parental Leave Policy

As a part of the County's benefits package, the County provides health coverage to employees and their dependents, retirement cash match savings plans, tuition reimbursement, staff training and development assistance, disability salary continuation, along with annual, sick, personal, and compensatory leave. Following the birth or adoption of a child, employees may be eligible for up to 12 weeks of leave in accordance with the Family Medical Leave Act (FMLA) and may use accrued annual, sick, personal, and compensatory leave to maintain their income during that time. On July 11, 2017, the Board approved a paid Parental Leave Policy for eligible employees following childbirth or adoption which aligned with its Governance Strategic Priority to attract and retain a highly skilled, diverse, and innovative County workforce (Attachment #2). The adoption of the Parental Leave Policy broadened the scope of the County's benefits to further enhance our position as an ideal place to maintain a career and raise a family. Prior to the Board's adoption of the Paid Parental Leave Policy, employees relied upon accumulated sick and/or annual leave during their parental leave.

Based on the analysis of industry best practices and adopted policies among Florida local governments in 2017, the County's Parental Leave Policy provides a structure for the eligibility and use of parental leave including the duration of paid time off, employee compensation, and the use of paid parental leave by married employees or two employees that welcomed a new child. Leon County's current Parental Leave Policy provides eligible regular full time and regular part time employees, who meet the hours and service eligibility requirements under FMLA, regardless of gender, with paid parental leave. This provision includes registered domestic partnerships. An employee must have worked for the County for at least 12 months and worked at least 1,250 hours during the 12-month period preceding the leave.

Paid parental leave may be up to six weeks long and must be utilized continuously within the first twelve weeks following the birth or adoption. The County's incremental compensation coverage was designed to serve as a subsidy to prevent the depletion of sick and leave balances during parental leave periods. During the current parental leave period, the employee is paid for their normal work schedule based on the following:

- Week 1 and 2: 100% of base hourly rate of pay
- Week 3 and 4: 75% of base hourly rate of pay
- Week 5 and 6: 50% of base hourly rate of pay

Employees may use any accrued Annual, Sick, Personal and Compensatory Leave in order to receive compensation up to 100 percent of base pay during the weeks paid at the rates of 75% and 50%. In accordance with FMLA, employees may be eligible for up to 12 weeks of leave and can utilize leave accruals to maintain their income.

Analysis:

Leon County is among numerous local governments throughout the nation and state that has already implemented paid parental leave benefits. These benefits ease the financial burden incurred by employees, further enhancing the County's healthy and supportive work-life balance environment. Since adoption in 2017, 71 employees have utilized the paid parental leave benefits which averages to be approximately nine employees per calendar year. Employees supplement the incremental pay benefit with accumulated sick or annual time to obtain six weeks of 100% base salary coverage. As more local governments, and recently the State of Florida, adopt paid parental leave benefits to compete for employees, there is an opportunity for Leon County to revise its parental leave benefits to better align with current industry standards.

As directed by the Board, staff conferred with and sought input from the Commission on the Status of Women & Girls (CSWG) on the County's Parental Leave Policy. Human Resources provided the CSWG with a copy of the County's current Policy, the State's new Paid Parental Leave Policy, and the practices of other Florida local governments. Since the initial outreach in February 2024, the CSWG expressed interest in conducting its own independent research and analysis to determine its recommendation for the County's Parental Leave Policy. In preparing this item for the Board's consideration, CSWG informed Human Resources that it is still in the initial stages of gathering information on alternative leave policies. Given the Board's adopted Budget Calendar for FY 2025 to provide policy and budgetary guidance, and the direction to analyze employee pay and benefits as part of the budget development process, this item provides a recommendation to enhance paid parental leave benefits for County employees based on findings presented herein.

State of Florida's Paid Parental Leave Policy

In December 2023, Governor DeSantis approved two paid parental leave benefits for State employees (Attachment #3). Eligibility requirements for years of service, the number of hours worked, and prorated benefits for part-time employees are similar to Leon County's requirements as they are aligned with FMLA standards for parental leave. However, the State's new Paid Parental Leave Policy provides a Maternity Leave Benefit that only applies to mothers following childbirth and a Care and Bonding Leave Benefit that applies to a legal parent, regardless of gender, as follows:

- <u>Maternity Leave Benefits</u> (*Mothers only*) – Up to seven consecutive weeks at full pay for an employee's recovery period immediately following childbirth. Such leave begins on the first full calendar day following the birth. This benefit does not provide leave associated with the adoption of a child.

- Care and Bonding Leave Benefits – Up to two weeks leave for a legal parent within one year following the birth or adoption of a child.

Under the State's new Paid Parental Leave Policy, only mothers can utilize the seven weeks of paid leave, and it can only be used following the birth of a child. New mothers may also use two paid weeks of Care and Bonding Leave within the first year of the birth or adoption of a child including immediately following Maternity Leave. Combined, these two programs allow a mother to receive nine weeks of paid leave immediately following the birth of her child. New fathers employed by the State are only eligible for two weeks of paid leave under the Care and Bonding Leave Benefit.

Prior to Governor DeSantis implementing this new policy, the State of Florida did not have a maternity or parental leave policy that sustained the pay of State employees following childbirth or adoption. State employees were required to use accrued leave if they wanted to be paid while on parental leave.

Best Practices Among Florida Local Governments

Based on the Board's direction in 2017 to determine the feasibility of a paid parental leave policy, staff analyzed the industry best practices and adopted policies among Florida local governments at that time. The review of Florida local governments specifically examined jurisdictions that had already adopted paid parental leave policies to determine how best to structure a parental leave policy for Leon County. Nine local governments with paid parental leave policies were identified at that time, with most being municipal governments located in South and Central Florida (Palm Beach County, Miami-Dade County, City of Coral Gables, City of Doral, City of Miami Beach, City of St. Petersburg, City of Tampa, City of West Palm Beach, and the Village of Wellington). In preparing this item, staff reexamined the policies of the nine local governments surveyed in 2017, the parental leave policies recently adopted by the State, and surveyed county governments and the City of Tallahassee. Attachment #4 provides the comparative data for Leon County, the State of Florida, and 18 Florida local governments as summarized below. Of the 18 local governments surveyed, the survey found:

- 6 local governments do not have a paid parental leave policy.
- 12 local governments offer paid parental leave benefits.
    - Nearly all (10) offer up to six consecutive weeks of paid leave. One city offers four weeks, and another city offers eight weeks.
    - Only one local government (City of Tampa) offers paid parental leave benefits that differentiate between men and women.
- Of the 12 local governments that offer paid parental leave benefits, three jurisdictions provide a tiered compensation structure identical to Leon County.
    - 9 local governments provide employees full compensation during parental leave.

In the local employment market, the County often competes with the State of Florida and the City of Tallahassee to attract high performing employees. Current and prospective employees take many factors into consideration when assessing employment opportunities including the wages, health insurance, retirement package, and ancillary benefits. With this in mind, the City of Tallahassee (City) was included in the survey and comparison data. The City has the same eligibility criteria as the County for parental leave and offers up to six consecutive weeks at full pay. Though the State of Florida offers mothers up to seven weeks of full pay following childbirth, the same benefits are not afforded to mothers following an adoption. In addition, men are only eligible for two weeks of Care and Bonding Leave following a childbirth or adoption.

Based on the analysis of industry best practices and Leon County's commitment to providing competitive wages and benefit packages to attract high-performing employees, this item recommends revising Leon County's parental leave benefits to provide employees their full pay for up to six weeks following the birth or adoption of a child. Providing 100% coverage reflects a more competitive benefits and leave package for prospective and current employees, and will reduce the amount of sick and annual leave used by employees, deferring the use of these balances to a later date. The deferred use of sick and annual leave may increase the overall length of time taken off by employees in addition to the six weeks provided through paid parental leave. Providing employees with the ability to defer utilizing accrued leave to supplement paid parental leave offers increased bonding time benefits between parent and child; and encourages fathers to take leave to assist as caregivers, which has many positive impacts.

No changes are recommended for the eligibility or duration of parental leave benefits including the provisions related to married employees or two employees that welcome a new child. The two parents would be allowed to stagger their six-week periods as long as the combined leave does not extend beyond 12 weeks following childbirth or adoption. The following summarizes the proposed paid parental leave benefits with the recommended changes to the County's Policy:

- Provides leave with pay for the purpose of caring for and bonding with a newborn or newly adopted child for up to 6 weeks following the birth or adoption.
- During the leave period, the employee will be paid for their normal work schedule 100% of base hourly rate of pay (part-time employees will be prorated based on the number of regularly scheduled hours of work in the workweek or work period).
- Paid Parental Leave must be utilized continuously within the first twelve weeks following the birth or adoption. Any unused paid Parental Leave shall be forfeited at the end of the allowed period.
- After the paid parental leave benefit is exhausted, the balance of FMLA leave, if any, will be compensated through employee's accrued sick, vacation, personal and compensatory time if available. Upon exhaustion of accrued sick, vacation, personal and compensatory time, any remaining leave will be unpaid leave.
- Employees are only eligible for one (1) six week leave period in a rolling 12-month period, regardless of whether more than one birth or adoption occurs within that 12-month time frame.

- If both parents work for the County, under FMLA, there is a combined 12-week limit. Additionally, each employee is entitled to a 6-week paid parental leave period. The two 6-week parental leave periods cannot be shared between each spouse; however, spouses are permitted to overlap and/or stagger the start of their continuous six-week periods as long as the combined leave does not extend past twelve weeks.

Based on past utilization of the paid parental leave benefit, it is anticipated that costs can continue to be absorbed within the respective personnel departmental budgets. Beyond the six-week paid leave benefit, employees would remain permitted to use their sick and annual leave to compensate 100% of their wages for an additional six weeks following childbirth or adoption in accordance with FMLA.

If approved, the new Policy will become effective upon ratification of the actions taken at the April Budget Workshop at the May 14, 2024, Board meeting.

Options:

1. Adopt the proposed revisions to the Leon County Personnel Policies and Procedures, Section VII, Subsection 7.20 – Parental Leave, to provide six weeks of paid leave at 100% of the employee's rate of pay following the birth or adoption of a child (Attachment #1).
2. Do not adopt the proposed revisions to the Leon County Personnel Policies and Procedures, Section VII, Subsection 7.20 – Parental Leave.
3. Board direction.

Recommendation:

Option #1

Attachments:

1. Proposed Revisions to Leon County Personnel Policies and Procedures, Section 7.20 – Parental Leave – Six Weeks at 100% Pay
2. July 11, 2017, Agenda Item #25 – Provision of Paid Parental Leave
3. State of Florida's Paid Parental Leave Policy
4. Parental Leave Policy Comparison Chart

7.20 Parental Leave

Purpose:
Paid Parental Leave provides leave with pay for the purpose of caring for and bonding with a newborn or ~~newly adopted~~newly adopted child for 6 weeks following the birth or adoption.

Eligibility:
Regular full time and regular part time employees, regardless of gender, who meet the hours and service eligibility requirements under the FMLA, are eligible for Parental Leave. This provision includes registered domestic partnerships. An employee must have worked for the County for at least 12 months and worked at least 1,250 hours during the 12~~-~~-month period preceding the leave.

Benefit:
Paid Parental Leave may be up to 6 weeks long and must be utilized continuously within the first twelve weeks following the birth or adoption. Any unused paid Parental Leave shall be forfeited at the end of the allowed period.

If a multiple birth or adoption occurs, the total amount of paid parental leave granted for that event will not be increased.

During the leave period, the employee will be paid for their normal work schedule ~~based on the following:~~100% of their base hourly rate of pay (part-time employees will be prorated based on the number of regularly scheduled hours of work in the workweek or work period).

- ~~For Week 1 and 2: 100% of base hourly rate of pay~~
- ~~For Week 3 and 4: 75% of base hourly rate of pay~~
- ~~For Week 5 and 6: 50% of base hourly rate of pay~~

Parental Leave will not be counted as time worked for purposes of calculating overtime and will not be eligible for any shift differential or premium pay.

~~Employees must use any accrued Annual, Sick, Personal and Compensatory Leave in order to receive compensation up to 100 percent of base pay during the weeks paid at the rates of 75% and 50%.~~

If a Holiday occurs during paid parental leave, the employee will receive Holiday Pay instead of paid Parental Leave, but a holiday does not extend the duration of the leave.

Coordination with FMLA:
Paid Parental Leave runs concurrently with leave under the FMLA. The leave will be counted toward the 12 weeks available FMLA leave per a 12-month period. All other requirements and provisions under the FMLA will apply.

After the paid parental leave benefit is exhausted, the balance of FMLA leave, if any, will be compensated through employee's accrued sick, vacation, personal and compensatory time if available. Upon exhaustion of accrued sick, vacation, personal and compensatory time, any remaining leave will be unpaid leave.

Employees eligible for paid parental leave will not be able to participate in the Disability Salary Continuation.

Duration/Limitation of Leave
Employees are only eligible for one (1) six week leave period in a rolling 12- month period, regardless of whether more than one birth or adoption occurs within that 12-month time frame.

If both employees work for the County, under FMLA, there is a combined 12-week limit. Additionally, each employee is entitled to a 6-week paid parental leave period. The two 6-week parental leave periods cannot be shared between each spouse; however, spouses are permitted to overlap and/or stagger the start of their continuous six-week periods as long as the combined leave does not extend past twelve weeks.

Employee Benefits
Annual leave and sick leave will continue to accrue during the period of paid Parental Leave.
The employee's payroll deductions for all employee benefits will continue during the duration of the leave.

Conditions of Repayment of Paid Parental Leave
If the Director of Human Resources determines that an employee has abused or falsified information or was otherwise not eligible for leave, the employee will be required to repay any leave previously approved and will be subject to disciplinary action including termination.

Any employee who fails to return to work due to a voluntary termination following a paid parental leave (or following the conclusion of FMLA leave) shall reimburse the County in an amount equivalent to the value of the paid parental leave taken directly by check, or through deduction from his or her final pay check if the balance is sufficient to cover the amount owed, or through a combination thereof.

7.20.1 Procedure: Parental Leave

Employees will notify their supervisors with as much advance notice as possible under the circumstances.

Employees must notify Human Resources for the Request of the FMLA packet at least 30 days prior to the anticipated date of the leave if possible.

The FMLA Certification by Health Care Provider for Employee's Serious Health Condition or Family Member's Serious Health Condition Form must be completed and submitted to Human Resources for review and approval.

An employee will be required to furnish applicable documentation for a newly adopted child such as letter from respective adoption agency, attorney handling adoption, Petition of Adoption, Adoption Decree.

Leon County Board of County Commissioners

Agenda Item #25

July 11, 2017

To: Honorable Chairman and Members of the Board

From: Vincent S. Long, County Administrator

Title: Revisions to County Policy for the Provision of Paid Parental Leave

Review and Approval:	Vincent S. Long, County Administrator
Department/ Division Review:	Alan Rosenzweig, Deputy County Administrator Candice Wilson, Director, Human Resources
Lead Staff/ Project Team:	Nicki Paden, Management Analyst

Statement of Issue:

This agenda item seeks Board approval to modify existing County human resource policies to provide paid parental leave to eligible employees following child birth or adoption.

Fiscal Impact:

This item has a fiscal impact, however, actual cost projections are difficult to forecast. For the initial year, staff anticipates that paid parental leave can be paid for from existing personnel budgets. Staff will track the fiscal impact over the first year and if costs exceed personnel budgets, staff will provide a funding recommendation as part of next year's budget development cycle.

Staff Recommendation:

Option #1: Adopt proposed revisions to the "Leon County Human Resources Policies and Procedures" authorizing paid parental leave to eligible employees following child birth or adoption (Attachment #1).

Report and Discussion

Background:

During the June 20, 2017 Budget Workshop, the Board directed staff to provide the feasibility and fiscal impact of providing paid parental leave to Leon County employees. In accordance with the newly adopted five-year Strategic Plan, the Board has remained committed to attracting and retaining a highly skilled, diverse, and innovative County workforce (Governance Strategic Priority, G4) by providing competitive wages and benefit packages to employees. As a part of the County's benefits package, the County provides health coverage to employees and their dependents, retirement cash match savings plans, tuition reimbursement, staff training and development assistance, and disability salary continuation. Broadening the scope of the County's benefits to include paid parental leave further enhances the County's efforts to position Leon County as an ideal place to maintain a career and raise a family.

Analysis:

Leon County is among numerous local governments throughout the nation and state that have already implemented or are considering paid parental leave benefits. Within the past two years, at least nine local governments in Florida have revised their policies to provide paid parental leave for their employees. To determine current industry trends and best practices, staff reviewed the recently adopted policies of Palm Beach County, Miami-Dade County, the City of Coral Gables, the City of Doral, the City of Miami Beach, the City of St. Petersburg, the City of Tampa, the City of West Palm Beach, and the Village of Wellington (Attachment #2). In addition, staff researched best practices and policies from several jurisdictions through-out the country.

In reviewing the County's existing human resources policies, employees are currently required to utilize accumulated sick and/or annual leave during their parental leave. The current parental leave policy is consistent with the federal Family and Medical Leave Act (FMLA), and grants 12 weeks of job protected leave to employees who have worked at least 1,250 hours during the 12 months preceding the leave. However, employees may not have the accumulated sick or annual leave available to cover their entire time off which causes some employees to take unpaid leave or return to work without adequate time to bond with their child. Many employees therefore return to work with little or no accumulated leave balances, which can cause additional hardships when time off is needed for future needs. Revising the current policy to include paid parental leave eases the financial burden incurred by employees, further enhancing the County's healthy and supportive work-life balance environment.

Based on the analysis of industry best practices and recently adopted policies (Attachment #2), the following sections provide recommendations on how to structure a Leon County parental leave policy, including: the duration of paid time off, married employee benefits, employee eligibility and compensation structure.

Duration

Consistent with industry standards, staff recommends providing six weeks of paid leave that can be taken on a continuous, consecutive basis immediately following the birth or adoption of a child. As reflected in Attachment #2, paid parental leave durations generally ranged from four to eight weeks; however, the most common duration was six weeks. Consistent with FMLA, an additional six weeks of unpaid, job protected leave will still be available to employees in need of additional time. Employees will remain permitted to utilize their accumulated sick or annual leave to compensate any unpaid parental leave taken in addition to the paid six weeks of parental leave. In addition to the six weeks, Palm Beach County was the only jurisdiction that also granted birthing mothers who required additional time to recover from a cesarean section delivery and/or other associated complications an additional two weeks of paid leave.

Married Employee Benefits

Under the proposed policy, employees will be provided six weeks of paid parental leave to be taken on a consecutive basis immediately following birth or adoption of a child. However, in the instance that two spouses, both employed by Leon County, seek paid parental leave at the same time, staff recommends permitting spouses to consecutively stagger their six week periods as long as the combined leave does not extend beyond 12 weeks following child birth or adoption.

The majority of policies recognized both parents, if both employed by the organization, as eligible for the same paid leave benefits. Only the City of Tampa's policy differed by granting eight weeks of paid leave for the primary parent and two weeks of paid leave for the secondary parent. Further, the policies that granted the same benefit to both parents employed by the organization also allowed both employees to stagger their leave periods within the initial twelve weeks following birth or adoption.

Eligibility

Consistent with FMLA and the majority of the policies reviewed, to be eligible for the paid parental leave, staff recommends that an employee have completed one year of service and worked at least 1,250 hours during the 12 month period prior to the parental leave. In addition, consistent with FMLA, staff recommends providing one six-week period of parental leave per rolling 12 month period to each eligible employee.

Level of Coverage

Staff recommends providing a percentage of the employee's base salary during the six week paid parental leave period. In balancing the benefit to the employee and the financial impact to the County, paid leave would be provided as follows:

- Week 1 and Week 2: 100% coverage of base salary
- Week 3 and Week 4: 75% coverage of base salary
- Week 5 and Week 6: 50% coverage of base salary

Several local governments in Florida, Ohio, Massachusetts, and Georgia provide incremental coverage for employees that can be supplemented with accumulated sick or annual time to obtain six weeks of 100% base salary coverage. As employees will remain permitted to use their sick and annual leave to compensate 100% of wages, incremental coverage serves as a subsidy to prevent the depletion of sick and leave balances during parental leave periods.

Alternatively, the County could provide 100% coverage of base salaries to employees. Providing 100% coverage of base salaries will reduce the amount of sick and annual leave used by employees, deferring the use of these balances to a later date. Subsequently, the deferred use of sick and annual leave may increase the overall length of time taken off by employees in addition to the six weeks provided through paid parental leave.

Fiscal Impact
As the cost projections of providing paid parental leave are difficult to accurately forecast, staff will track the fiscal impact over the first year. Staff anticipates existing departmental personnel budgets will be sufficient to fund paid parental leave. During the first year, if costs do exceed personnel budgets staff will provide a funding recommendation as a part of next year's budget development cycle. Various factors and associated costs will be included in the analysis, including the number of births per year and potential overtime costs to cover absent personnel. As these factors are difficult to predict, the majority of local governments included in the comparison were unable to determine an accurate fiscal impact.

Based on the preceding analysis, staff recommends the Board approve a paid parental leave policy by adopting Attachment #1. The policy would become effective upon adoption by the Board.

<u>Options:</u>

1. Adopt proposed revisions to the "Leon County Human Resources Policies and Procedures" authorizing paid parental leave to eligible employees following child birth or adoption (Attachment #1).
2. Do not adopt proposed revised to the "Leon County Human Resources Policies and Procedures" authorizing paid parental leave to eligible employees following child birth or adoption.
3. Board direction.

<u>Recommendation:</u>
Option #1.

<u>Attachments</u>:

1. Proposed revised Leon County Human Resources Policies and Procedures, Section VII - Attendance and Leave – Parental Leave
2. Paid Parental Leave Policies Comparison Chart

DEPARTMENT OF MANAGEMENT SERVICES
DIVISION OF STATE HUMAN RESOURCE MANAGEMENT
POLICY GUIDELINE

STATE PERSONNEL SYSTEM	
SUBJECT: *Administration of Parental Leave Benefits for State Personnel System (SPS) Employees Following the Birth or Adoption of a Child*	
POLICY GUIDELINE: *HRM #2023-009*	**EFFECTIVE DATE:** *December 11, 2023*
SUPERSEDES: *N/A*	
STATUTES/RULES/REGULATIONS/LAWS: *Section 110.1522, Florida Statutes (F.S.), Model rule establishing family support personnel policies* *Section 110.221, F.S., Parental or family medical leave* *Section 110.131, F.S., Other-personal-services employment* *Chapter 20, F.S., Organizational Structure* *Section 110.219, F.S., Attendance and leave; general policies.* *Section 382.002, F.S., Vital Statistics* *Rule 60L-34.0051, F.A.C., Florida Administrative Code (F.A.C.), Family Supportive Work Program* *Rule 60L-34.00421, F.A.C., Paid Parental Leave Following the Birth or Adoption of a Child* *Rule 60L-34.0042, F.A.C., Sick Leave* *Rule 60L-34.0041, F.A.C., Annual Leave*	
FORMS: *Interagency Leave Transfer for Parental Leave Only – Request to Use Template and Interagency Leave Transfer for Parental Leave Only – Request to Donate Template*	
ADDITIONAL REFERENCE MATERIALS: Provisions Governing the State Personnel System's Sick Leave Transfer (Donation) Plan, Selected Exempt Service & Senior Management Service Proration/Payment Guidelines for Annual Leave, Definitions of Family Members for use of Leave under the Family Supportive Work Program, Family and Medical Leave Act, and Accrued Family Sick Leave, Processing Leaves of Absence Under the Federal Family and Medical Leave Act (FMLA) Program Manual, Parental Leave Benefits for State Personnel System Employees, Employee Communication Template, Paid Parental Leave Instructional Guide for People First, and Paid Parental Leave Process in People First	

SCOPE AND PURPOSE:

Effective December 11, 2023, eligible SPS employees shall be granted paid parental leave benefits following the birth or adoption of a child. Additionally, eligible employees may receive annual leave and sick leave transfers under certain conditions following the birth or adoption of a child. These guidelines clarify the administration of these different parental leave benefits for eligible SPS employees.

BACKGROUND:

The SPS has an established Family Supportive Work Program (FSWP) with provisions under section 110.1522, F.S., section 110.221, F.S., and Rule 60L-34.0051, F.A.C. The program provides six months of protected leave (paid or unpaid leave) for use within one year following the birth or adoption of a child. Additionally, the SPS is required to comply with the provisions of the federal FMLA, which provides up to 12 workweeks of protected leave (paid or unpaid leave) to employees following the birth or adoption of a child or for employees with a serious health condition (including recovery from childbirth or other serious health conditions related to pregnancy). If a disability occurs due to pregnancy, the leave of absence may begin prior to childbirth. In addition to protected leave under FSWP and FMLA, SPS agencies shall now provide paid parental leave for recovery following childbirth and care and bonding following the birth or adoption of a child to eligible employees in accordance with Rule 60L-34.00421, F.A.C. When employees are eligible, leave used under the FSWP, FMLA, and paid parental leave are concurrent.

POLICY:

Effective December 11, 2023, Chapter 60L-34, F.A.C., was modified to provide new benefits related to parental leave. Only births or adoptions occurring on or after December 11, 2023, qualify for the modified parental leave benefits contained in this Rule Chapter. These benefits are not retroactive.

A. To be eligible for paid parental leave in accordance with Rule 60L-34.00421, F.A.C., salaried employees within the SPS must:

   - Have at least one year of cumulative service within the last seven years;
   - Have a minimum of 1,250 hours worked in the 12-month period preceding the first date of leave within the SPS; and
   - Provide documentation in accordance with the requirements in paragraphs 60L-34.00421(3)(a) and (b), F.A.C.

   Note: Part-time employees must meet the eligibility requirements above to qualify. If part-time employees are eligible, the benefits will be prorated based on the number of regularly scheduled hours of work in the workweek or work period.

B. Eligible employees shall be approved for paid parental leave in accordance with Rule 60L-34.00421, F.A.C, as follows:

   Maternity Leave:

   - Leave shall be granted for a period of seven consecutive calendar weeks for an employee's recovery period immediately following childbirth. Such leave begins on the first full calendar day following the birth.

   Care and Bonding Leave:

   - Leave shall be granted to a legal parent for a period of up to two weeks within one year following the birth or adoption of a child and may be granted on an intermittent basis.

C. Sick leave may be used by an employee in accordance with paragraph 60L-34.0042(3)(d), F.A.C., for care and bonding within one year following a documented birth or adoption of the employee's child. Leave used in accordance with paragraph 60L-34.0042(3)(d), F.A.C., and subsection 60L-34.00421(3), F.A.C., cannot exceed a combined total of 16 weeks.

D. Eligible employees may be approved to receive transferred leave credits in accordance with subsections 60L-34.0041(7) and 60L-34.0042(7), F.A.C, as follows:

- Annual leave credits may be transferred to or from current legal spouses within the SPS and other Executive Branch agencies within one year following a documented birth or adoption in accordance with subsection 60L-34.0041(7), F.A.C. Annual leave may only be transferred for an employee's:

    - Absences, as documented by the treating physician, for recovery or medical complications resulting from childbirth and not covered by the recovery period provided in paragraph 60L-34.00421(3)(a), F.A.C.; and

    - Absences for care and bonding with the child, documented in accordance with paragraph 60L-34.00421(3)(b), F.A.C.

- Sick leave credits may be transferred to or from employees within the SPS and other Executive Branch agencies within one year following a documented birth or adoption of an employee's child for care and bonding, in accordance with subsection 60L-34.0042(7), F.A.C.

- To receive annual leave or sick leave transfers under these subsections, employees must first use all eligible paid parental leave benefits under subsection 60L-34.00421(3), F.A.C., all sick leave accrued under subsections 60L-34.0042(1) and (2), F.A.C., and all types of compensatory leave. Employees are not required to exhaust their annual leave accrued under subsections 60L-34.0041(1) and (2), F.A.C., before receiving these leave transfers.

E. Paid Parental Leave, FSWP, and FMLA:

Paid parental leave benefits provided in subsection 60L-34.00421(3), F.A.C., are granted in addition to benefits granted under the FSWP and FMLA. However, when employees are eligible, leave used under the FSWP, FMLA, and paid parental leave run concurrently.

F. Establishing Eligibility for Paid Parental Leave:

In determining whether the employee has the required length of service and work hours to qualify for paid parental leave, agencies shall include employment <u>only with SPS agencies</u> and within the following Pay Plans:

- Career Service (CS) (Pay Plan 01)

- CS Comparable in the Executive Office of the Governor (Pay Plan 07)

- Selected Exempt Service (SES) (Pay Plan 08)

- Senior Management Service (SMS) (Pay Plan 09)

Note: Other Personal Services (OPS) employment does not count towards the required length of service and work hours to qualify for paid parental leave.

When determining if an SPS employee has exhausted their paid parental leave entitlement with the employer (i.e., the SPS) for a particular 12-month period, agencies must consider any paid parental leave used in a CS, CS Comparable, SES, or SMS position, at an SPS agency during such period.

Note: When an SPS employee moves to a position in another SPS agency during a period for which paid parental leave was previously approved, the Human Resource office at the employee's new agency may request copies of the paid parental leave documentation from employee's former agency Human Resource office. By requesting copies, the new agency will be able to appropriately document the employee's need for paid parental leave, including medical/physician certifications, birth certificates, and court orders. This exchange of information will allow the employee to continue using paid parental leave for the previously approved deduction period without having to obtain and furnish additional supportive documentation. Upon receipt of the documentation by the employee's new agency, the appropriate agency management and/or Human Resource office staff should notify the employee and confirm that paid parental leave will continue to be available at the new agency.

QUESTION AND ANSWER:

Paid Parental Leave Following the Birth or Adoption of a Child

Question 1:

If an employee becomes the legal parent of more than one child during a childbirth or adoption event (e.g., birth of twins or adoption of siblings), is the employee eligible for seven weeks of paid maternity leave and two weeks of paid parental care and bonding leave for each child?

Answer:

No. Paragraphs 60L-34.00421(3)(a) and (b), F.A.C., specify that leave is granted for the specified time period within one year of the event. Leave is therefore not granted per child.

Note: Please see Question 5 if multiple qualifying events occur in a one-year period.

Question 2:

Does an employee have to be eligible for FMLA and/or FSWP to be eligible for the new paid parental leave?

Answer:

No. An employee who has exhausted FMLA and/or FSWP for the applicable 12-month period and meets eligibility requirements for paid parental leave shall be approved in accordance with Rule 60L-34.00421, F.A.C.

Question 3:

If an employee does not meet the eligibility requirements for paid parental leave when the birth or adoption occurs on or after December 11, 2023, but later becomes eligible within one year of the birth or adoption, should the agency approve any requests for paid parental leave?

Answer:

Yes. The agency shall approve an employee's request for care and bonding, not to exceed two weeks of paid parental leave, within one year following the birth or adoption. If an employee becomes eligible for paid maternity leave within the first seven weeks immediately following the birth, the agency shall approve the leave only for the portion of the seven-week period remaining. The seven-week period begins on the first full calendar day following the birth.

Question 4:

What Hours Type must eligible employees record in People First for the seven weeks of maternity leave provided in accordance with paragraph 60L-34.00421(3)(a), F.A.C.?

Answer:

Hours Type 0010 (Paid Parental-Maternity)

Question 5:

What Hours Type(s) must eligible employees record in People First for the two weeks of care and bonding leave provided in accordance with paragraph 60L-34.00421(3)(b), F.A.C.?

Answer:

It is possible for parents to have more than one qualifying event (separate birth and/or adoption events) in a one-year period. If that occurs, multiple Hour Types may be necessary to provide two weeks of care and bonding leave for each event. As a result, four Hour Types are available in People First for care and bonding. When necessary, these Hour Types should be used in sequence as follows:

- Hours Type 0011 (Paid Parental-Care/Bond 1)
- Hours Type 0012 (Paid Parental-Care/Bond 2)
- Hours Type 0013 (Paid Parental-Care/Bond 3)
- Hours Type 0014 (Paid Parental-Care/Bond 4)

Note: Please see Question 1 above if an employee becomes the legal parent of more than one child at the same time.

Question 6:

Are OPS employees eligible for paid parental leave?

Answer:

No. Pursuant to section 110.131(3), F.S., OPS employees are not eligible for paid parental leave or any other leave benefits provided in Chapter 60L-34, F.A.C.

Annual Leave Transfers and Sick Leave Transfers Following the Birth or Adoption of a Child

Question 7:

May an employee who works in the SPS or another Executive Branch agency donate annual leave to their child's parent if that parent is an employee, but is not the employee's current legal spouse?

Answer:

No. Annual leave credits are only permitted between current legal spouses within the SPS or another Executive Branch agency.

Question 8:

Do any of the sick leave transfer provisions in subsection 60L-34.0042(5), F.A.C., apply to employees donating or receiving sick leave transfer credits under subsection 60L-34.0042(7), F.A.C.?

Answer:

Yes. The only provision from subsection 60L-34.0042(5), F.A.C., which applies to employees donating or receiving sick leave transfer credits under subsection 60L-34.0042(7), F.A.C., is subparagraph 60L-34.0042(5)(e)4., F.A.C. This subparagraph states the employee cannot use "more than 1,040 hours of transferred sick leave credits in the preceding twelve-month period." As a result, sick leave credits received and used under subsections 60L-34.0042(5) and (7), F.A.C., both count toward the 1,040-hour limit.

Note: For additional information on sick leave transfers under subsection 60L-34.0042(5), F.A.C., please see the Policy Guideline on Provisions Governing the State Personnel System's Sick Leave Transfer (Donation) Plan.

Question 9:

Are agencies required to allow annual leave transfers and sick leave transfers to and from eligible employees as authorized in subsections 60L-34.0041(7) and 60L-34.0042(7), F.A.C.?

Answer:

Yes. Agencies must allow annual and sick leave transfers authorized in subsections 60L-34.0041(7) and 60L-34.0042(7), F.A.C., for employees who meet eligibility and documentation requirements. However, agencies have the option to provide or not provide sick leave transfer plans authorized in subsection 60L-34.0042(5), F.A.C., and sick leave pools authorized in subsection 60L-34.0042(6), F.A.C.

Question 10:

May an employee receive annual leave and sick leave transfers authorized in subsections 60L-34.0041(7) and 60L-34.0042(7), F.A.C., following the birth or adoption of a child even if the employee does not qualify for paid parental leave?

Answer:

Yes. Employees receiving annual and sick leave transfers do not have the same eligibility requirements as employees receiving paid parental leave. As a result, some employees will qualify for annual and sick leave transfers and not qualify for paid parental leave.

Question 11:

Under what conditions may an eligible employee who is separating from employment donate annual leave or sick leave to an employee who has been approved to receive donated hours in accordance with subsections 60L-34.0041(7) or 60L-34.0042(7), F.A.C.?

Answer:

Consistent with the Policy Guideline on Provisions Governing the State Personnel System's Sick Leave Transfer (Donation) Plan and for prudent fiscal management:

- A recipient must use donated hours from a separating employee by the end of the pay period in which the donor is separating. Leave credits of a separating employee have no value once the separation occurs, and as a result, cannot be carried forward for any purpose post-separation.

- If the donor is eligible for an annual leave or sick leave payment, the donated hours are to be deducted first and the remaining balance is to be used for purposes of calculating the payable hours.

Note: For SES and SMS employees who donate or receive annual leave transfers on or after their last anniversary date and then separate or retire from state government, please see the Policy Guideline on Selected Exempt Service & Senior Management Service Proration/Payment Guidelines for Annual Leave for further instructions.

Question 12:

Are agencies required to return unused annual leave and sick leave credits to an employee who donates leave under the transfer provisions of subsections 60L-34.0041(7) and 60L-34.0042(7), F.A.C.?

Answer:

Yes. If an employee does not use annual leave and/or sick leave credits transferred under the provisions of subsections 60L-34.0041(7) and 60L-34.0042(7), F.A.C., the agency must return the unused leave credits to the donor.

Question 13:

What state entities are SPS agencies required to transfer annual leave and sick leave to and from employees pursuant to subsections 60L-34.0041(7) and 60L-34.0042(7), F.A.C.?

Answer:

SPS agencies are required to allow annual leave and sick leave transfers under the subsections stated above with other SPS agencies and other Executive Branch entities listed in Chapter 20, F.S. Other Executive Branch entities include but may not be limited to the State Board of Administration and the Florida Lottery. These annual and sick leave transfers with other Executive Branch entities are also contingent on their transfer rules.

Note: The Board of Governors, the Florida Commission on Human Relations, the Florida Gaming Control Commission, the Office of Financial Regulation, the Office of Insurance Regulation, the Public Employees Relations Commission, and the Public Service Commission are part of the SPS.

Documentation Requirements and Leave Requests

Question 14:

What documents may employees submit for care and bonding leave to prove they are the legal parent of a child for the purposes of administering paragraph 60L-34.00421(3)(b), F.A.C., subparagraph 60L-34.0041(7)(a)2., F.A.C., and subsection 60L-34.0042(7), F.A.C.?

Answer:

Employees may submit any one of the following documents:

- A birth certificate
- An amended birth certificate based on a court order
- A court order

Question 15:

What documents may employees submit for paid maternity leave to prove a documented birth of a child for the purposes of administering paragraph 60L-34.00421(3)(a), F.A.C.?

Answer:

Employees may submit any one of the following documents:

- A birth certificate
- Medical certification including discharge papers from the hospital

Question 16:

What is the process an employee should follow when requesting leave for care and bonding within one year of the birth or adoption of the child?

Answer:

In addition to documentation requirements above, agencies may require the employee to follow an established process for requesting leave. Agencies should encourage employees to submit leave request(s) for care and bonding in advance to assist the supervisor in minimizing the impact on the work unit.

Question 17:

If an employee turns in documentation that requires a recovery period following childbirth which is greater than seven weeks, does sick leave used for recovery after the seven weeks of paid maternity leave count towards the 16-week limitation regarding combined use of sick leave and paid parental leave contained in paragraph 60L-34.0042(3)(d), F.A.C.?

Answer:

No. Only sick leave used for care and bonding and paid parental leave count towards the 16-week limitation contained in paragraph 60L-34.0042(3)(d), F.A.C.

APPLICABLE STATUTORY AND RULE CITATIONS:

Section 110.1522, F.S., Model rule establishing family support personnel policies

The Department of Management Services shall develop a model rule establishing family support personnel policies for all executive branch agencies, excluding the State University System. “Family support personnel policies,” for purposes of ss. 110.1521-110.1523, means personnel policies affecting employees’ ability to both work and devote care and attention to their families and includes policies on flexible hour work schedules, compressed time, job sharing, part-time employment, maternity or paternity leave for employees with a newborn or newly adopted child, and paid and unpaid family or administrative leave for family responsibilities.

Section 110.221, F.S., Parental or family medical leave

(1) As used in this section, the term “family” means a child, parent, or spouse, and the term “family medical leave” means leave requested by an employee for a serious family illness including an accident, disease, or condition that poses imminent danger of death, requires hospitalization involving an organ transplant, limb amputation, or other procedure of similar severity, or any mental or physical condition that requires constant in-home care. The term “parental leave” means leave for the father or mother of a child who is born to or adopted by that parent.

(2) The state shall not:

(a) Terminate the employment of any employee in the career service because of the pregnancy of the employee or the employee’s spouse or the adoption of a child by that employee.

(b) Refuse to grant to a career service employee parental or family medical leave without pay for a period not to exceed 6 months. Such leave shall commence on a date that is determined by the employee in consultation with the attending physician following notification to the employer in writing, and that is approved by the employer.

(c) Deny a career service employee the use of and payment for annual leave credits for parental or family medical leave. Such leave shall commence on a date determined by the employee in consultation with the attending physician following notification to the employer in writing.

(d) Deny a career service employee the use of and payment for accrued sick leave or family sick leave for any reason deemed necessary by a physician or as established by policy.

(e) Require that a career service employee take a mandatory parental or family medical leave.

(3) Upon returning at the end of parental or family medical leave of absence, such employee shall be reinstated to the same job or to an equivalent position with equivalent pay and with seniority, retirement, fringe benefits, and other service credits accumulated prior to the leave period. If any portion of the parental or family medical leave is paid leave, the employee shall be entitled to accumulate all benefits granted under paid leave status.

Section 110.131, F.S., Other-personal-services employment

(3) Unless specifically provided by law, other-personal-services employees are not eligible for any form of paid leave, paid holidays, a paid personal day, participation in state group insurance or retirement benefits, or any other state employee benefit. Other-personal-services employees may be included in that part of an agency’s recognition and reward program that recognizes and rewards employees who submit innovative ideas that increase productivity, eliminate or reduce state expenditures, improve operations, or generate additional revenue or who meet or exceed the agency’s established criteria for a project or goal.

Chapter 20, F.S., Organizational Structure

Section 110.219, F.S. – Attendance and leave; general policies

(5) Rules shall be adopted by the department in cooperation and consultation with the agencies to implement the provisions of this section; however, such rules must be approved by the

Administration Commission prior to their adoption. Such rules must provide for, but need not be limited to:

(e) Annual leave provisions.

(f) Sick leave provisions.

(g) Parental leave provisions.

Section 382.002, F.S., Vital Statistics

(12) "Live birth" means the complete expulsion or extraction of a product of human conception from its mother, irrespective of the duration of pregnancy, which, after such expulsion, breathes or shows any other evidence of life such as beating of the heart, pulsation of the umbilical cord, and definite movement of the voluntary muscles, whether or not the umbilical cord has been cut or the placenta is attached.

Rule 60L-34.0051, F.A.C., Family Supportive Work Program

(4) Agencies shall approve absences for parental or family medical leave purposes as authorized in section 110.221, F.S., to assist employees in meeting family needs, subject to the following:

(a) Within one year following birth or adoption of a child, leave shall be granted for up to six months for the parent;

(b) Leave shall be granted for up to six months for a family member's serious health condition, as defined in the FMLA and implementing regulations; and

(c) The agency shall acknowledge to the employee in writing the period of leave to be granted and the date the employee will return to duty.

(7) An employee granted leave under paragraph (4)(a) of this rule may request to use:

(a) Accrued leave subject to the provisions contained in Chapter 60L-34, F.A.C.;

(b) Paid parental leave in accordance with Rule 60L-34.00421, F.A.C.;

(c) Annual leave credits transferred in accordance with subsection 60L-34.0041(7), F.A.C.; and

(d) Sick leave credits transferred in accordance with subsection 60L-34.0042(7), F.A.C.

(8) An agency may place an employee on leave without pay if the employee is granted leave for purposes under subsections (4) or (5) of this rule and the employee does not request the use of specific leave type(s).

Rule 60L-34.00421, F.A.C., Paid Parental Leave Following the Birth or Adoption of a Child

(1) Paid parental leave following the birth or adoption of a child counts as hours of pay but does not count as hours of work for overtime purposes.

(2) Approval of paid parental leave following the birth or adoption of a child, under subsection (3) of this rule is limited to an amount necessary to bring the employee to full pay for the number of

scheduled hours of work in the workweek, extended work period, or regular work period for excluded employees. In no case shall the approval of this paid leave cause the employee to exceed scheduled hours during the workweek, extended work period, or regular work period for excluded employees.

(3) An agency shall provide paid parental leave for the following:

(a) Maternity Leave:
Leave granted for absences from the workplace for an employee's recovery period immediately following childbirth, which shall have the meaning of the defined term set forth in section 382.002(12), F.S. Such leave shall be granted for a period of up to seven consecutive calendar weeks, which begins on the first full calendar day following a documented birth.

(b) Care and Bonding Leave:
Leave granted for an absence from the workplace following a documented birth or adoption of an employee's child to care for and bond with the child. The documentation shall identify the employee as a legal parent to the child. Such leave shall be granted for a period of up to two weeks within one year following the birth or adoption and may be granted on an intermittent basis.

(4) To qualify for paid parental leave benefits under subsection (3) of this rule, an employee shall have within the State Personnel System:

(a) At least one year of cumulative service within the last seven years; and

(b) A minimum of 1,250 hours worked in the 12-month period preceding the first date of leave.

(c) Part-time employees must meet the requirements of this subsection to qualify. If qualified, the benefit will be prorated based on the number of regularly scheduled hours of work in the workweek or work period.

Rule 60L-34.0042, F.A.C., Sick Leave

(3) Sick leave shall be authorized for the following purposes:

(d) Care and bonding within one year following a documented birth or adoption of the employee's child. The documentation provided shall be in accordance with paragraph 60L-34.00421(3)(b), F.A.C. Leave used for care and bonding in accordance with this rule and paid parental leave in accordance with subsection 60L-34.00421(3), F.A.C., cannot exceed a combined total of 16 weeks.

(7) Sick leave credits may be transferred to or from employees within the State Personnel System and other Executive Branch agencies within one year following a documented birth or adoption of an employee's child for care and bonding. The documentation provided shall be in accordance with paragraph 60L-34.00421(3)(b), F.A.C.

(a) The following requirements apply to an employee receiving sick leave credits under this subsection:

1. The employee has used all eligible paid parental leave benefits under subsection 60L-34.00421(3), F.A.C., all sick leave accrued under subsections 60L-34.0042(1) and (2), F.A.C., and all types of compensatory leave; and

2. Sick leave credits used in accordance with this subsection are subject to the limitations in paragraph (3)(d) and subparagraph (5)(e)4.

(b) For purposes of this subsection, Executive Branch agency is defined as those entities specified in Chapter 20, F.S.: Executive Branch Organizational Structure.

(c) Transfer of sick leave credits to and from employees of Executive Branch agencies outside of the State Personnel System is contingent on the transfer rules of the applicable agency.

Rule 60L-34.0041, F.A.C., Annual Leave

(7)(a) Annual leave credits may be transferred to or from current legal spouses within the State Personnel System and other Executive Branch agencies within one year following a documented birth, which shall have the meaning of the defined term set forth in section 382.002(12), F.S., or adoption of an employee's child. Annual leave may only be transferred for an employee's:

1. Absences, as documented by the treating physician, for recovery or medical complications not covered by the recovery period provided in paragraph 60L-34.00421(3)(a), F.A.C.; and

2. Absences for care and bonding with the child, documented in accordance with paragraph 60L-34.00421(3)(b), F.A.C.

(b) An employee may receive annual leave credits under this subsection provided the employee has used all eligible paid parental leave benefits under subsection 60L-34.00421(3), F.A.C., all sick leave accrued under subsections 60L-34.0042(1) and (2), F.A.C., and all types of compensatory leave.

(c) For purposes of this subsection, Executive Branch agency is defined as those entities specified in Chapter 20, F.S.: Executive Branch Organizational Structure.

(d) Transfer of annual leave credits to or from employees of Executive Branch agencies outside of the State Personnel System is contingent on the transfer rules of the applicable agency.

PREPARER'S INITIALS: *LTF/JDA/SMB*
FILE PATH: S:\Workforce\HRM\HRM Policy Communication\Policy Guideline\FINAL

Parental Leave Policy Comparison Chart

Counties/City/State Reviewed:	Parental Leave Policy	Percentage Paid	Number of Weeks Provided
Leon County	Yes	Weeks 1&2 – 100% Weeks 3&4 – 75% Weeks 5&6 – 50%	Up to ***6 weeks*** within the first 12 weeks following the birth or adoption of a child(ren).
State of Florida	Yes	100%	Up to ***7 weeks*** **Maternity Leave** (**<u>mothers only</u>**) immediately following childbirth for recovery. Up to ***2 weeks*** **Care & Bonding Leave** for either parent within 1 year of childbirth, adoption, or foster care placement which can be taken intermittently.
City of Tallahassee	Yes	100%	Up to ***6 weeks*** within the first 12 weeks following the birth or adoption of a child(ren).
Alachua	Yes	100%	Up to ***6 weeks*** within first 6 months of the birth, adoption, foster care placement or legal guardianship of a child(ren).
Hillsborough	Yes	100%	Up to ***6 weeks*** to begin on the date of birth, adoption, or foster care placement or a child(ren).
Palm Beach County	Yes	100%	Up to ***6 weeks*** of leave to begin on the date of the birth, adoption, foster care placement or legal guardianship of child(ren); additional ***2 weeks*** for **<u>birthing mother</u>** if medically necessary.
Miami Dade County	Yes	Same as Leon County	Up to ***6 weeks*** during the first year after birth, adoption or foster care intake of child(ren).
City of Coral Gables	Yes	Same as Leon County	Up to ***6 weeks*** within first 12 weeks following the birth, adoption, or foster care of a child(ren).
City of Doral	Yes	100%	Up to ***4 weeks*** during the first 12 weeks after the birth, adoption, or placement of child(ren).
City of Miami Beach	Yes	Same as Leon County	Up to ***6 weeks*** within the first year after birth, adoption, or foster care placement of child(ren).
City of St. Petersburg	Yes	100%	Up to **8 weeks** <u>intermittent</u> leave within first 8 weeks after birth, adoption, or foster care intake of employee's child(ren).
City of Tampa	Yes	100%	Up to ***6 weeks*** **Pregnancy-Related Medical Leave of Absence** (**<u>mothers only</u>**) following the birth of a child(ren). Up to ***2 weeks*** consecutive **Parental Leave** following the birth, adoption, or foster care placement of a child(ren).
City of West Palm Beach	Yes	100%	Up to ***6 weeks*** following the first six weeks birth, adoption, or foster care intake of the employee's child(ren).
Village of Wellington	Yes	100%	Up to ***6 weeks*** within first 12 weeks following the birth, adoption, or foster care of a child(ren).
Escambia/Marion/Manatee/ Pinellas/St. Johns/St. Lucie Counties	No	N/A	N/A

Revised 4/15/2024

Leon County
Board of County Commissioners

Notes for Workshop
Agenda Item #5

Leon County Board of County Commissioners

Budget Discussion Item #5

April 23, 2024

To: Honorable Chair and Members of the Board

From: Vincent S. Long, County Administrator

Title: Update on the County Employer/Employee Health Insurance Premiums

Review and Approval:	Vincent S. Long, County Administrator
Department/ Division Review:	Ken Morris, Assistant County Administrator Candice Wilson, Human Resources Director
Lead Staff/ Project Team:	Siara Johnson, Compensation Analyst

Statement of Issue:

This item provides an update on the County's health insurance premiums including an analysis of the cost impacts to increase the County's health insurance cost share to a 90/10 employer/employee split. This item recommends maintaining the current employer/employee cost share for health insurance premiums in FY 2025 as supported by the analysis provided.

Fiscal Impact:

This item has a fiscal impact. Maintaining the current employer/employee health insurance premium cost share, the FY 2025 budget would include a $965,000 increase from FY 2024 for all County and Constitutional employees. Changing the employer/employee cost share percentage to 90/10 would result in approximately a $1.7 million increase.

Staff Recommendation:

Option #1: Maintain the current Employer/Employee Health Insurance cost share splits for the development of the FY 2025 Preliminary Budget.

Report and Discussion

Background:

During the January 22, 2024, meeting, the Board requested staff bring back an item regarding the cost impacts of changing the health insurance strategy to a 90/10 employer/employee split for all employees regardless of family status. This item recommends maintaining the current employer/employee cost share for health insurance premiums in FY 2025.

Leon County currently contracts with Capital Health Plan (CHP) and Florida Blue for employee health insurance services. The health insurance program covers Board and Constitutional Office employees, dependents, COBRA participants, and retirees. The County uses a blended rate strategy based on three types of coverages (Single, Employee + 1, and Family). The employer/employee contribution strategy for Single employee coverage is 87.5/12.5; Employee + 1 is 85/15; and Family coverage is 80/20.

The County has maintained a commitment of providing a competitive, comprehensive, and affordable benefits program that provides employees several options to select the benefits that are best suited for them and their families. The County's benefit program includes medical, dental, vision, life insurance, health care and dependent care flexible spending accounts, paid parental leave, long-term disability, wellness initiatives, retirement plans and a variety of voluntary supplemental benefits.

Over the years, the County has modified its health insurance strategy to mitigate both employer and employee costs to stay competitive with other local jurisdictions around the State, and to ensure the County maintains compliance with Federal health care guidelines. This includes the implementation of a Value Based Design (VBD) program which integrated employee well-being into the health insurance program and encouraged employee participation in wellness by providing a 2.5% discount in employee contributions as an incentive for their participation. The County assesses its health insurance plan each year to ensure the premiums and benefits are competitive in the marketplace to attract and retain its workforce with sensitivity to the taxpayer.

Analysis:

The County's health insurance plan and contribution strategy was designed to be competitive with local, state, and national trends. The following analysis presents data on how the County currently benchmarks among other local jurisdictions around the State along with the recurring fiscal impact of changing to a 90/10 employer/employee contribution share. Table #1 reflects the County's 2024 health insurance contribution rates and associated premiums including the 2.5% VBD incentive.

Table #1: FY 2024 - Current Health Insurance Premium Rates

Value-Based Plan	Contribution Strategy Percentage	Total Premium	Per Month Employer	Per Month Employee
Single	87.5/12.5	$877	$775	$102
Employee + 1	85/15	$1,808	$1,537	$271
Family	80/20	$2,311	$1,848	$462

For comparison purposes, staff reviewed health insurance contribution strategies from a cross section of government employers including the City of Tallahassee and other county governments such as Escambia, Pinellas, St. Johns, Sarasota, Manatee, Alachua, Marion, St. Lucie, and Hillsborough Counties (Attachment #1). As reflected in the data, all ten of the local governments surveyed share the cost of health insurance premiums with their employees based on the number of plan participants. In general, employees pay a greater share of the premiums for additional dependent coverages. The survey results also show that the County's contribution levels for the Single employee category remains competitive among other jurisdictions around the State and that Leon County employee contribution rates remain comparatively low in the Employee + 1 and Family categories.

Based on Board direction, an analysis was conducted to determine the fiscal impact of shifting the County's current contribution strategy to a 90/10 split for all employees regardless of coverage type.

Current Health Insurance Costs & Fiscal Impact of a 90/10 Cost Share

The actual costs for health care can vary from year to year based on a number of factors, including rates provided by CHP and Blue Cross Blue Shield, changes in employee selections (e.g., moving from single to family) and employee turnover. As reflected in Table #2, the total employer costs for health insurance for FY 2024 for Board and Constitutional employees is $24.1 million. Maintaining the current health insurance plan benefits and employer/employee cost share for FY 2025 is projected to cost the County an additional $965,000 in FY 2025. This 4% increase is anticipated and built into the budget considering past trends in health care insurance rates.

Based on Board direction, an analysis was conducted to determine the fiscal impact of a 90/10 employer/employee cost share for Board and Constitutional employees. Based on current employee coverages, moving to 90/10 would result in a $1.7 million (7.2%) increase from the FY 2024 budget; or approximately $761,100 more than the current cost share plan for health insurance premiums.

Table #2: County & Constitutionals Health Insurance Premium Costs

Budget Year	Employer Costs	Increase from FY 2024
FY 2024 Budget	$24,065,869	-
FY 2025 Preliminary – Current Cost Share	$25,030,889	$965,020
FY 2025 Preliminary – 90/10 (All Employees)	$25,791,944	$1,726,075

Leon County continues to offer a competitive health insurance benefits program and the survey results find the County's contribution levels remain competitive among other jurisdictions around the State. The County employee contribution rates remain low compared to other government employers in the Employee + 1 and Family categories among the local governments surveyed and are comparable for the Single category.

Based on the analysis of the County's cost share for health insurance premiums and the survey of contribution strategies among local governments throughout the State, this analysis finds Leon County's health insurance benefits remain competitive in the marketplace to attract and retain its workforce. No changes are recommended to the health insurance premiums cost share with employees. The preliminary budget maintains the current contribution strategy which will cost the County an additional $965,000 (4%) in FY 2025.

Options:

1. Maintain the current Employer/Employee Health Insurance cost share splits for the development of the FY 2025 Preliminary Budget.
2. Board direction.

Recommendation:

Option #1

Attachment:

1. Health Insurance Premiums – Survey of Contribution Strategies

Survey of Employer Sponsored Health Insurance Programs - Local Government Contribution Strategy Comparative Tables

TABLE A - EMPLOYEE ONLY		
Local Governments	**Employee Cost**	**Employer Cost**
Escambia	1.0%	99.0%
Pinellas	2.5%	97.5%
St. Johns	4.0%	96.0%
Sarasota	9.4%	90.6%
Manatee	11.3%	88.7%
Leon	**12.5%**	**87.5%**
Alachua	12.5%	87.5%
Marion	12.5%	87.5%
City of Tallahassee[1]	13.0%	87.0%
St. Lucie	19.0%	81.0%
Hillsborough	28.2%	71.8%
Average	***11.4%***	***88.6%***

TABLE B - EMPLOYEE + 1		
Local Governments	**Employee Cost**	**Employer Cost**
Escambia	11.0%	89.0%
Pinellas	13.6%	86.4%
Leon	**15.0%**	**85.0%**
St. Johns	19.0%	81.0%
Manatee	20.8%	79.2%
City of Tallahassee[1]	21.0%	79.0%
Hillsborough	21.0%	79.0%
St. Lucie	23.0%	77.0%
Sarasota	23.2%	76.8%
Alachua	25.0%	75.0%
Marion	25.0%	75.0%
Average	***19.8%***	***80.2%***

TABLE C - FAMILY		
Local Governments	**Employee Cost**	**Employer Cost**
Escambia	10.0%	90.0%
Pinellas	15.6%	84.4%
Hillsborough	17.0%	83.0%
Manatee	17.9%	82.1%
Leon	**20.0%**	**80.0%**
St. Lucie	23.0%	77.0%
Alachua	25.0%	75.0%
Marion	25.0%	75.0%
Sarasota	25.6%	74.4%
St. Johns	28.0%	72.0%
City of Tallahassee[1]	31.0%	69.0%
Average	***21.6%***	***78.4%***

1.) To offset some of the cost for the employees at the City of Tallahassee, the City implemented a flex buck policy, which is an additional annual allowance to help pay for benefits such as medical, dental, vision, etc. The City of Tallahassee pays $75.70 biweekly on all 26 payroll checks for their employees.

Survey of Employer Sponsored Health Insurance Programs - Contribution Strategy Results

Leon County Government
Capital Health Plan

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	87.5%	12.5%
Employee + 1	85.0%	15.0%
Employee + Family	80.0%	20.0%

State of Florida
Capital Health Plan

Coverage Level	Employer Percentage	Employee Percentage
Employee Only(CS)	94%	6%
Employee+ Family(CS)	90%	10%
Employee+Spouse(CS)	98%	2%
Employee Only(SES/SMS)	99%	10%
Emplyee+Family(SES/SMS)	98%	2%

City of Tallahassee
Capital Health Plan

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	87.0%	13.0%
Employee + 1	79.0%	21.0%
Employee + Family	69.0%	31.0%

Alachua County
Florida Blue

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	87.5%	12.5%
Employee + 1	75.0%	25.0%
Employee + Family	75.0%	25.0%

Escambia County
Florida Blue

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	99.0%	1.0%
Employee + Spouse	89.0%	11.0%
Employee + Children	90.0%	10.0%
Employee+ Family	90.0%	10.0%

St. Lucie County
Florida Blue

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	81.0%	19.0%
Employee + 1	77.0%	23.0%
Employee + Family	77.0%	23.0%

St. Johns County
Florida Blue

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	96.0%	4.0%
Employee + Spouse	81.0%	19.0%
Employee + Children	87.0%	13.0%
Employee+ Family	72.0%	28.0%

Pinellas County
Cigna

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	97.5%	2.5%
Employee + Spouse	86.4%	13.6%
Employee + Children	88.0%	12.0%
Employee+ Family	84.4%	15.6%

Manatee County
Aetna

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	88.7%	11.3%
Employee + Spouse	79.2%	20.8%
Employee + Children	79.2%	20.8%
Employee+ Family	82.1%	17.9%

Hillsborough County
Cigna

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	71.9%	28.2%
Employee + Spouse	79.0%	21.0%
Employee + Children	80.1%	19.9%
Employee+ Family	83.0%	17.0%

Marion County
Florida Blue

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	87.5%	12.5%
Employee + 1	75.0%	25.0%
Employee + Family	75.0%	25.0%

Sarasota County
Aetna

Coverage Level	Employer Percentage	Employee Percentage
Employee Only	90.6%	9.4%
Employee + Spouse	76.8%	23.2%
Employee + Children	75.7%	24.3%
Employee+ Family	74.4%	25.6%

Leon County
Board of County Commissioners

Notes for Workshop
Agenda Item #6

Leon County Board of County Commissioners

Budget Discussion Item #6

April 23, 2024

To: Honorable Chair and Members of the Board

From: Vincent S. Long, County Administrator

Title: Consideration of Enhancements to Volunteer Fire Department Response Readiness and Fire Service Delivery

Review and Approval:	Vincent S. Long, County Administrator
Department/ Division Review:	Ken Morris, Assistant County Administrator Wanda Hunter, Assistant County Administrator Roshaunda Bradley, Budget Director Brent Pell, Public Works Director
Lead Staff/ Project Team:	Chad Abrams, Director, Office of Public Safety & EMS Chief Charles Wu, Director of Engineering Services

Statement of Issue:

This item seeks Board approval to provide enhancements to improve Volunteer Fire Department (VFD) response readiness and fire service delivery including constructing a ground-level water tank at the VFD station on Smith Creek Road and additional funding for the maintenance of firefighting apparatus at VFD stations.

Fiscal Impact:

This item has a fiscal impact. This item recommends including $150,000 in the FY 2025 Budget to construct a ground-level water tank at the VFD station on Smith Creek Road. In addition, amending Board Policy No. 01-03 to provide increased maintenance funding to the volunteer fire departments for the primary engine/tanker will have a $13,800 fiscal impact in FY 2025. There is adequate funding available in the existing Fire Services budget to support these recommendations.

Staff Recommendation:

Option #1: Approve $150,000 in the FY 2025 Budget to construct a ground-level water tank at the Volunteer Fire Department station on Smith Creek Road.

Option #2: Adopt proposed revisions to Board Policy No. 01-03, “Volunteer Fire Department Annual Budget Allocation” to provide additional apparatus-maintenance funding.

Report and Discussion

Background:

This item seeks Board consideration of enhancements to VFD response readiness and fire service delivery including constructing a ground-level water tank at the VFD station on Smith Creek Road. In addition, this item seeks Board approval of revisions to Board Policy No. 01-03, "Volunteer Fire Department Annual Budget Allocation", to provide additional maintenance funding for the primary engine/tanker stationed at the VFD stations (Attachment #1).

Section 125.01, Florida Statutes, authorizes, but does not require, counties to provide fire protection services. In accordance with the Fire Services Agreement with the City of Tallahassee, the Tallahassee Fire Department (TFD) is required to provide primary fire and medical first response services throughout Leon County. The volunteer fire departments (VFDs) complement the services provided by the TFD and provide an Insurance Service Office (ISO) benefit to the community by helping to lower the cost of insurance premiums.

At the June 23, 2023 Budget Workshop, staff provided an update to the Board on the status of the County's initiative to add fire hydrants on current water systems with sufficient infrastructure to support the fire hydrants. Under this program, 117 new hydrants have been installed resulting in 2,546 total hydrants located in the unincorporated area of the County. Talquin Electric Cooperative (TEC) and the City of Tallahassee Water Utilities Department have stated that through the County's program, all locations capable of supporting new hydrants have been completed. Following the presentation and Board discussion during the Workshop, the Board directed staff to continue to work with TEC and City Water Utilities to identify any new areas with sufficient capacity for fire hydrant installations and to identify any possible improvements in fire service delivery that ground-level water storage tanks may provide, and to bring back any policy or funding recommendations to the Board as a part of future budget processes.

The VFDs (Lake Talquin Volunteer Fire & Rescue, Lake Jackson Volunteer Fire Department, Bradfordville Volunteer Fire & Rescue, Miccosukee Volunteer Fire Rescue, Chaires-Capitola Volunteer Fire Department, and the Woodville Volunteer Fire Department) continue to provide firefighting and medical first response services in the unincorporated areas of Leon County. The services provided by the VFDs supplement the services provided by the TFD under the current Fire Services Agreement between the County and the City. Considering the increased costs of apparatus maintenance and the insurance benefits VFD stations provide to residents in unincorporated Leon County, this item recommends investing in additional water storage infrastructure and an increase in annual funding for the costs associated with primary engine/tanker apparatus maintenance.

Analysis:

The County has a long history of providing support to the VFDs through direct funding allocations, as authorized by Board Policy No. 01-03, and through direct support activities as outlined in the Volunteer Fire Services Agreements including the following:

- providing funding for apparatus maintenance
- firefighting-related training programs
- workers compensation insurance coverage for all members
- liability insurance coverage
- VFD station utility payments and maintenance
- dispatch services through the Consolidated Dispatch Agency
- radio and paging communication equipment
- support for volunteer recruitment through the Division of Volunteer Services
- access to purchase supplies and equipment on County and City contracts
- administrative assistance
- medical direction for Emergency Medical Technicians providing medical first response services.

The annual volunteer fire protection budget is $482,479 which is used to support the annual funding allocation, VFD apparatus maintenance, and the direct support items previously listed. Revenue for the volunteer fire protection is generated from the Fire Service Fee Assessment. Additionally, the County budgets $150,000 annually from the volunteer fire protection budget for fire hydrant installation in the unincorporated areas consistent with Board Policy No. 14-2, "Criteria for the Placement of Fire Hydrants on Current Water Systems."

Insurance Service Office (ISO) Ratings

ISO is an independent statistical rating and advisory organization that serves the property and casualty insurance industry. ISO collects information on a community's public fire protection and analyzes data using its Fire Suppression Rating Schedule to assign public protection classifications from 1-10. Class 1 represents the best fire protection and Class 10 indicates that there is no qualifying fire protection in the area. Generally, the rating schedule results in lower ISO classifications in urban communities with significant firefighting capabilities and infrastructure while higher classifications are found in rural areas. Many insurance companies utilize this information in varying manners in the underwriting of homeowners insurance policies. Typically, properties located in lower classification zones have lower insurance premiums.

ISO typically re-evaluates a community's classification on a 10-year cycle. The County's most recent evaluation was completed in 2023. The general criteria used to determine the public protection classifications are the emergency communication system; fire department equipment, staff, training, and the distribution of fire stations; firefighting water supply; and the community efforts to reduce fire risk through building codes and enforcement. Two major factors considered by ISO are 1) whether a property is within five paved road miles of a recognized fire station; and 2) whether the property is within 1,000 feet of a fire hydrant on a qualified water system that has the infrastructure, including the pipe size, water capacity and delivery ability to support sustained firefighting activities.

There are seven VFD fire stations in unincorporated areas of the County which improve fire protection and the Public Protection Classification assigned by the ISO. The seven stations are minimal in nature and consist of a large garage that has a restroom and an area to store a fire truck and equipment. Areas of the County that are within five paved road miles of a fire station, and within 1,000 feet of a fire hydrant or recognized water source are currently classified as Class 3. Areas within five paved road miles of a fire station but further than 1,000 feet from a fire hydrant or recognized water source are classified as Class 3X. All other areas outside of these criteria are classified as Class 10. Nationwide, a Class 3/3X rating is achieved in less than 10% of the communities surveyed by ISO. Eighty-four (84) percent of communities surveyed by ISO receive a Class 4 or higher ratings while 6% of communities received a rating of Class 2 or lower. In Leon County, ninety-five (95) percent of the residential structures located in the unincorporated areas are within 5 road miles of a fire station and rated as Class 3 or 3X. As previously mentioned, lower ISO classifications are typically found in compact urban communities with significant firefighting capabilities and extensive water infrastructure that supports fire hydrants while higher classifications are found in rural areas.

Unincorporated Area Fire Hydrant and Fire Suppression Water Supply

As previously mentioned in this item, Leon County has a long history of providing direct support to the VFDs and funding for fire safety infrastructure. The County has been aggressive in funding and installing fire hydrants in the unincorporated area to fill in existing service gaps. To initiate the installation of fire hydrants, a proactive approach was developed for placing hydrants in areas where the water system infrastructure would support additional hydrants. Not all existing water systems or lines are capable of handling the water flow necessary to support fire suppression. As a result of the $150,000 annual allocation from the fire services fee to pay for the hydrants, the location and installation of fire hydrants under this program were completed in a cooperative manner with the water system utility providers (TEC and the City Water Utilities), the VFD chiefs, the TFD, and Leon County Public Works Engineering.

Under this program, 117 new hydrants have been installed resulting in 2,546 total hydrants located in the unincorporated area of the County. TEC and the City Water Utilities have stated that through the County's program, all locations capable of supporting new hydrants have been completed. The County continues to work with TEC and the City Water Utilities to identify areas where the water system has sufficient capacity for fire hydrant installations. In addition, as existing City and TEC water lines are replaced, they are replaced with piping and infrastructure that can support fire hydrants. Estimates from 2023 show that it would cost more than $135 million to upgrade water lines to provide adequate pressure to support the installation of more fire hydrants in the unincorporated area.

As directed by the Board during the June 23, 2023 Budget Workshop, staff has continued to work with TEC and the City Water Utilities to identify any new areas with sufficient capacity for fire hydrant installations, and identify any possible improvements in fire service delivery that ground-level water storage tanks may provide. Upgrades to the current water system, including adding a large, elevated water storage tank, water well, and other pipe improvements would be necessary prior to the installation of new fire hydrants in that area of the County. It is estimated that adding the elevated water storage tank will cost over $2.5 million plus the cost for site acquisition, with additional funding needed to upgrade water lines which typically cost $90 per linear foot to replace.

Dry Hydrants and Water Storage Tanks

ISO also provides credit for qualifying alternative water sources such as dry hydrants and water storage tanks. Alternative water supplies are treated by ISO similarly to fire hydrants when assessing and rating the fire protection of homes within 1,000 feet of the alternative water source and receive credit for the firefighting water source. There are 10 dry hydrants along the shore of Lake Talquin, Lake Miccosukee, and Lake Iamonia, and two additional dry hydrants on smaller water bodies that receive credit from ISO. Dry hydrants are areas where pipe is extended into the lake providing fire apparatus a connection point to pump water out of the lake and then fill tankers that can deliver the water to the fire scene. In FY 2024, the County utilized a portion of the fire hydrant funding to inspect and repair the dry hydrants located in the unincorporated areas of the County. The TFD also has the capability to deploy floating pumps into any body of standing water and use the water for firefighting purposes.

In areas where the water system is incapable of supporting new fire hydrants, the current fire suppression capabilities of TFD and the VFDs is sufficient for supplying adequate water to fight fires. The system of shuttling water in tankers to the fire scene is a common practice throughout the United States, meets modern firefighting standards, and provides adequate fire protection in areas where the water system infrastructure does not support urban firefighting.

Staff, in consultation with ISO and TFD, analyzed the feasibility of installing ground-level water storage tanks for firefighting purposes in areas without fire hydrants. To meet ISO requirements and lower the cost of homeowner’s insurance, the tank would need to be a minimum of 30,000 gallons. ISO would recognize these tanks as a creditable water source only for those properties within 1,000 feet of the water tank. Given the rural nature and sparce building density of the areas that do not have access to fire hydrants, very few properties would receive an insurance benefit. The water storage tanks and the associated water well and infrastructure necessary to operate the tank is currently estimated to cost over $100,000 plus the cost of property, if not placed on current County property.

There is currently one ground-level water storage tank (10,000-gallons) located at a VFD station in the unincorporated area of the County. The tank is located on Tall Timbers property on Hanna Hammock Road and was built when the VFD station was constructed, at the request of the Bradfordville VFD, to assist in filling its apparatus at the fire station. This tank provides no ISO benefit to the community; however, the VFD reports that the tank has been beneficial in providing a water source to refill the apparatus located at the station as the closest fire hydrant is approximately 8 miles away.

Even though the water storage tanks may provide little to no benefit in reducing the cost of homeowner’s insurance given the rural nature of the unincorporated areas of Leon County, staff in conjunction with TFD evaluated the operational benefits of installing ground-level water storage tanks in areas with limited water supply. Similar to the Bradfordville VFD Station, the Smith

Creek Road VFD station covers largely forested areas with sparse residential structures, and very limited firefighting water supplies. The distance from the Smith Creek Road VFD station to the nearest available water source is approximately 10 miles (20 miles roundtrip). In addition, the Smith Creek Road VFD station is located in a heavily forested area with the possibility of wildland fire that could block access to nearby communities and resources. While placing a ground-level water storage tank at the Smith Creek Road VFD station will provide no ISO benefit, staff recommends installing the tank as it will provide a water supply for large fire incidents such as wildland fires and increase daily operation efficiencies by allowing the VFD to refill the apparatus at the station.

This item recommends including $150,000 in the FY 2025 Budget to construct a ground-level water tank at the VFD station on Smith Creek Road. The VFD station on Smith Creek Road is located on property leased by the County from the United States Forest Service. The Special Use Permit issued by the Forest Service for construction of the VFD station allows for the placement of water tanks to fill engines. Consistent with requirements of the permit related to making improvements to the site, the Forest Service must formally approve the construction of the ground-level water tank prior to commencement of any work. Staff does not anticipate any issues with receiving this authorization from the Forest Service.

Volunteer Fire Department Funding

Pursuant to Policy No. 01-03, "Volunteer Fire Department Annual Budget Allocation", the County provides an annual maintenance allocation for each apparatus that the VFD operates in the normal course of fire suppression, to a maximum of five apparatus per VFD. The intent of the policy is to supplement, not replace, the operational budgets of the VFDs. In addition to County funding, many of the VFDs receive donations from community members and grants to assist in operating the departments.

Each of the VFDs operate apparatus that are owned or leased by the VFD. Fire apparatus utilized by the VFDs includes engine/pumpers, water tankers, brush trucks, first response vehicles, and specialty equipment such as boats, ATVs, and mobile air refill system. Due to the increased costs of apparatus maintenance, the current allocation does not fully cover the cost of maintenance for the engines/tankers that are operated at the VFD stations. Considering the additional equipment maintenance costs, this item recommends updating the apparatus-maintenance allocation base rate in the Policy and establishing a new allocation for the primary engine/tanker operated from the VFD stations.

Consistent with the Policy, the apparatus-maintenance base allocation increases annually by the lower of the Consumer Price Index for All Urban Consumers, Motor Vehicle Maintenance and Repairs, on April 1 or by 3%. The FY 2024 apparatus-maintenance allocation is $5,065 per apparatus for up to five apparatus per VFD, making each VFD eligible to receive a maximum of $25,325 in apparatus-maintenance funding. The proposed Policy is updated to reflect the current FY 2024 apparatus allocation base rate for VFD apparatus with exception to the primary engine/tanker (Attachment #1).

This item recommends establishing a separate base rate for the apparatus-maintenance allocation for the primary engine/tanker stationed at the VFD stations at $7,825. For the VFD fire stations to be recognized by ISO, the apparatus or fire truck operated from the fire station must meet certain criteria related to the pumping capabilities, water capacity, and equipment carried on the apparatus. These engine/pumper or tanker units are generally the largest, most capable, and therefore most expensive apparatus to operate by the VFDs.

The increased cost to the County for the recommended Policy revisions will be $13,800 in FY 2025. There is adequate funding available in the volunteer fire protection budget to support this increase.

Options:

1. Approve $150,000 in the FY 2025 Budget to construct a ground-level water tank at the Volunteer Fire Department station on Smith Creek Road.
2. Adopt proposed revisions to Board Policy No. 01-03, "Volunteer Fire Department Annual Budget Allocation", to provide additional apparatus-maintenance funding.
3. Do not approve $150,000 in the FY 2025 Budget to construct a ground-level water tank at the Volunteer Fire Department station on Smith Creek Road.
4. Do not adopt proposed revisions to Board Policy No. 01-03, "Volunteer Fire Department Annual Budget Allocation" to provide additional apparatus-maintenance funding.
5. Board direction.

Recommendation:

Options #1 and #2

Attachment:

1. Proposed Revisions to Board Policy No. 01-03, "Volunteer Fire Department Annual Budget Allocation".

Board of County Commissioners
Leon County, Florida

Policy No. 01-03

Title:	Volunteer Fire Department Annual Budget Allocation
Date Adopted:	~~December 13, 2016~~ April 23, 2024
Effective Date:	~~December 13, 2016~~ October 1, 2024
Reference:	N/A
Policy Superseded:	Policy No. 01-03 adopted on February 27, 2001; revised September 22, 2009; revised December 13, 2016; revised April 23, 2024

It shall be the policy of the Board of County Commissioners of Leon County, Florida, that Policy No. 01-03 "Volunteer Fire Department Annual Budget Allocation", amended by the Board of County Commissioners on December 13, 2016, is hereby further amended and a new revised policy adopted in its place, to wit:

Given the Board's adoption of a Fire Services Fee as a part of the FY 2009/10 Annual Budget for purposes of funding fire services in the unincorporated County and, in light of the fact that the fee may have an impact on the fundraising ability of the County's Volunteer Fire Departments (VFDs), the Board establishes an annual VFD budget allocation and apparatus maintenance allocation to be funded through the fee.

1. Board Intent

   a. The VFD annual budget allocation is intended to supplement, not replace, the operational budgets of the VFDs. Each qualifying VFD is eligible for an annual budget allocation and an apparatus maintenance allocation from the County.

   b. The disposition of the Board will be to not approve additional funding requests on the part of the VFD's made outside the normal budget process.

   c. If the County Administrator or his designee determines that the procedures herein are not being followed by a VFD, funding shall not be remitted to the VFD until the VFD complies with the requirements of the County.

2. Procedures

   a. Each VFD shall submit an annual budget request to the County no later than March 31. This budget–request shall be for the fiscal year, commencing the following October 1.

   b. The annual budget request shall be in the format approved by the County Administrator or his designee: and shall include a list of total VFD anticipated expenditures and revenues by category for the subsequent fiscal year (October 1 to September 30).

c. The disbursement of the VFDs budget allocation shall occur annually upon the receipt of a payment request from the VFD to the County. ~~The requests shall be made prior to October 1.~~ Funds will not be disbursed without a formal request being processed.

d. Each VFD shall be required to submit an annual report to the County by October 31 for the preceding fiscal year's activity. The report shall be in the format approved by the County Administrator or his designee: and shall include an itemized list of total VFD actual expenditures and revenues by category for the prior fiscal year (October 1 to September 30)

e. The annual report will be reviewed to determine unspent balances. If, over a period of time, a determination is made the VFD is accumulating unbudgeted large balances, subsequent year funding may be reduced to draw down these funds.

3. Criteria

a. Each VFD shall be in good standing, with a valid County ~~Recognition~~ Volunteer Fire Services Agreement and required Mutual Aid Agreement(s) to be eligible for County funding. The following existing six County VFD's shall be eligible for the annual county budget allocation provided that they remain in good standing with active mutual aid agreements with the Tallahassee Fire Department: Chaires-Capitola VFD, Bradfordville VFD, Lake Jackson VFD, Lake Talquin VFD, Miccosukee VFD, and Woodville VFD.

b. All funds shall be expended in accordance with the laws of the State of Florida.

c. The VFD annual budget allocations shall be based on a formula, which has been developed and updated annually by the VFD Chiefs and approved by the County Administrator, or his designee, which considers relevant fire services criteria. The budget allocation shall be established at a base of $~~86,275~~ 112,401 and shall be adjusted annually according to the Consumer Price Index for All Urban Consumers ~~(~~All ~~i~~Items) ~~as of~~on April 1, or three percent (3%), whichever is lower, but shall not decrease below the established base.

d. The apparatus-maintenance allocation shall be provided for each apparatus that the VFD operates in the normal course of fire suppression, to a maximum of five total apparatus per VFD. Eligible apparatus must meet criteria established by the County Administrator or his designee that shall consider ~~National~~ fire protection standards. The apparatus-maintenance allocation for the primary engine/tanker stationed at a recognized VFD station and which meets the Insurance Service Office (ISO) standards is $7,825. The apparatus-maintenance allocation amount for all other apparatus shall be established at a base of $~~3,706~~5,065. ~~, and~~ The apparatus-maintenance allocations shall be adjusted annually according to the Consumer Price Index for All Urban Consumers ~~(m~~Motor ~~v~~Vehicle ~~m~~Maintenance and ~~r~~Repairs~~)~~

on~~as of~~ April 1 or three percent (3%), whichever is lower, but shall not decrease below the established base. ~~Apparatus maintenance funds shall only be used for apparatus maintenance with certification provided to the County annually.~~