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Collier County eyeing 5 percent across-the-board cuts this year

By I.M. STACKEL

Originally published 07:14 p.m., January 12, 2010
Updated 07:15 p.m., January 12, 2010

NAPLES — Collier County will scramble for every penny it can capture in the upcoming year.

Anticipating a 10 percent decrease in money from property tax, Collier County budget staff told commissioners Tuesday that the year ahead might call for an across-the-board 5 percent reduction in operating costs.

Taxable value continues to decline. Construction and development is on hold so Collier's collection of impact fees has decreased in the past few years, as has the county's debt structure.

Consequently, finances in 2011 will once again challenge management and elected leadership, Mark Isaackson told commissioners.

Formerly working out of the county's Office of Budget and Management under John Yonkosky's leadership, Isaackson heads up the new corporate financial and management services office in County Manager Leo Ochs Jr.'s office.

Fiscal years start Oct. 1, and the county routinely adopts a budget in late September. Preliminary taxable values for use in preparing next year's budget will be released by Property Appraiser Abe Skinner in June.

In 2007-08, the county's tax base was $85.54 billion. The following year, it dropped to $78.66 billion. For the current budget, the tax base is expected to be $69.996 billion. For the budget that commissioners will begin working on this spring, the tax base is expected to drop to $62.997 billion.

If the county retained the current primary property tax rate of $3.56 per $1,000 worth of property, it would produce $26.6 million less in general fund money than this year.

Likewise, the county's second property tax rate of about 72 cents per $1,000 worth of property would result in a $3.39 million loss, Isaackson told commissioners.

When the 2009 budget closed Sept. 30, the county's principal outstanding debt totaled $765 million.

"The debt load has increased in recent years, primarily due to the necessity to subsidize certain capital facilities debt," Yonkosky and Isaackson wrote to commissioners in a memo. That was due to insufficient impact fee money, the memo stated.

One of the most immediate reactions to the report was last week's layoff of the county's most senior planners in the Community Development and Environmental Services division. County officials estimated that that decision will save the county $1 million in the next year.

But as a result of Tuesday's presentation, commissioners decided to stall on a pending contract with LeanBreakThru Consulting Group. Commissioners asked Ochs on Sept. 29 to find a firm that could provide the county with a comprehensive study to reduce costs and improve efficiency and effectiveness.

Of the 125 firms requesting a full solicitation package from Ochs, only LeanBreakThru came back with a proposal. It would have cost the county about $150,000.

Watching commissioners' faces during the discussion, Ochs jumped in and noted that they could defer the decision to a future date.

"You hit the nail right on the head," Commissioner Jim Coletta told Ochs. Bring this back after preliminary budget discussions begin this spring.

Commissioner Donna Fiala, who had just handed over the gavel to new Chairman Fred Coyle, suggested that the county's productivity committee could also be studying some of these issues.

Coyle said it was the productivity committee that proposed the county use an independent, outside contractor, but he, too was leery.

Get a budget outline first, Coyle told Ochs.

In a report to commissioners on who responded to the request for proposals, Kim Grant, senior management and operations consultant in Isaackson's new office, included notes from firms that declined to get involved.

One firm stated that based on the published timeline, it didn't think the commission was ready to move at the pace required, Grant reported in an executive summary. Another firm stated that contingency-based contracts are inherently risky for consultants, Grant wrote.

In other action, commissioners sent a revised so-called "dangerous dog" or "tether" ordinance back to Domestic Animal Services, asking for some reasonable options.

The new rule would have placed responsible pet owners in an odd position of not being able to tether a pet dog to a post to run into a store for a fast purchase.

Animal lovers liked the new rule, saying that tethering is animal abuse, causing dogs to become more aggressive and more territorial. They are also left defenseless against attacks by other dogs, they said.

Commissioners generally rejected that sentiment.

“Temporary tethering does not make dangerous dogs,” Coyle said.