

**Lake 100 Lake County Budget**

**Interim Findings**

**Concluded: May 19, 2021**

Lake 100 organized a panel of members to research and evaluate whether the organization should support a recommendation to roll back mileage rates in the current budget development cycle of Lake County and its cities. The panel conducted research of historical budgeting practices of Lake County to understand any trends in the fiscal management of the County.

The panel also discussed concerns regarding Lake County’s recent ability to deliver roadway operations and other infrastructure maintenance.

As a result of the panel’s deliberations, a set of interim findings have been determined. These findings are characterized as interim because the panel believes more research and evaluation is warranted before final recommendations can be determined.

* Lake County has the lowest effective property tax rate in the nine (9) County central Florida region. The median total government debt per capita for Florida Counties is $1,354. Lake County’s total government debt per capita is well below the median at $299. No other Florida County of its size or larger has less per capita total property taxes levied than Lake County.
* The review of recent budget data from Lake County indicates that the increase in funding of the Constitutional Officers has far outpaced the funding of general operations of Lake County. The number of employees serving general BCC operations has largely remained equal to staffing levels in 2003-2005. General fund revenue levels are still lower than general fund revenues collected prior to the Great Recession. Lake County’s population has grown by approximately 100,000 people since 2005.
* The panel believes that the County has fallen behind in the ability to fund roadway capacity improvements and roadway maintenance operations necessary to maintain the quality of life in Lake County and to keep Lake County economically competitive. Despite Lake County being the 4th fastest growing County in Florida, Lake County ranks 54th out of 67 Counties in transportation spending per capita.
* The Lake 100 Rollback Study Panel urges further study and collaboration and expresses opposition to reactionary and politically motivated moves to either “roll back” or raise the current Lake County property tax rate. Low taxes, while admirable, are not the sole factor in determining the overall climate for small business and community desirability for residents. Based on data, Lake County appears to be playing catch-up on roads. The County has expressed a strong desire to attract and keep high-wage jobs and small business. Furthermore, the vision of Lake County expressed by many seems to support investment in attainable housing, trails, and water and natural resource protection. These goals are cited by Commissioners at nearly every meeting in one form or another and will require a serious commitment to fund. A more robust analysis of the equity in funding between the Constitutional Officers and the County should be undertaken in time for the FY22-23 budget cycle.
* Any future examination of equity in funding should consider all available tools including MSTUs and MSBUs to more closely tie the beneficiaries of service delivery to those that are paying for services. A good example is a recent zoning application in the Four Corners area where a condition for approval required the implementation of an MSBU on the development to fund in perpetuity the O&M costs associated with paving, sidewalks, and water infrastructure.
* As a business advocacy group, Lake 100 seeks to partner with Lake County government and its cities to collaboratively conduct the research. There is enough time ahead of the FY22-23 budget cycle to construct a new study group to complete this research.
* Suggestions for future consideration should include:

1. Funding roads starting at 2% general fund, then annual increase to 8%, per the One Lake Transportation Initiative suggestions.
2. Institute MSBUs for all future subdivision development and collector roads.
3. Increase outsourcing to private sector. Areas to consider can include additional roads maintenance, libraries and EMT transfers, as well other services.
4. Consider issuing a one-to-five year contract to a local contractor to construct trails and sidewalks.
5. Address loss of gas tax revenues due to electric vehicles by instituting a fee at charging stations.
6. Explore better use of TDT dollars for facilities.
7. Consider implementing an additional penny sales tax (2 cent is max) while lowering property taxes in a revenue neutral move.