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## **Fiscal Year 2013-14 Budget Summary**

### **General Conditions**

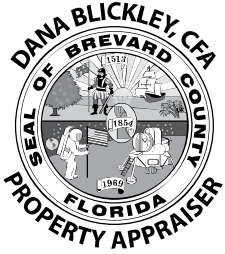
**Geographic/Market Conditions:** The unique geography affects almost all planning and operations of the public agencies and businesses in the County. For example, a field evaluator based in the Property Appraiser's Palm Bay office must travel 34 miles—12 miles north, 9 miles east and then 13 miles south—to inspect a property that is only 10 miles directly east of the office. This circuitous travel requirement occurs quite frequently. This challenge exists to a lesser extent up the entire east coast of the State, but circumstances are generally more extreme in Brevard.

The length of the County and the dispersion of population/housing centers throughout the County's length—Titusville in the north, Merritt Island and Cocoa Beach in north-central, Viera in central and Melbourne/Palm Bay in the south—create the necessity to maintain satellite offices in addition to the main office in Titusville. This practice is in keeping with Brevard County, the county court system, and other County Constitutional Officers in Brevard. County, court and Constitutional offices presently either share or co-locate offices in Titusville, Merritt Island, Viera, Melbourne and Palm Bay. The Property Appraiser occupies space in County-owned and operated facilities in each of these locations, with the shortest distance between offices being 13.4 miles along streets between Melbourne and Viera and the longest distance being 53.1 miles from the Titusville (northernmost) to Palm Bay (southernmost) along I-95.

The operation of several satellite offices creates an additional staffing requirement. For example, each Taxpayer Services office, including Titusville, must have a satellite manager for the division at that office to ensure schedule management and quality control. This division represents the front line for walk-in services or telephone contacts for the public and therefore requires quality local supervision and training. Several departments have staff in satellite offices as well due to the distances involved and the lower operational costs that result. Field evaluators are based in both Titusville and Palm Bay offices; Valuation Services has personnel based in Viera, Melbourne and Palm Bay; and, Homestead Investigations has personnel based in Viera and Merritt Island.

**Growth and Workload Factors:** Increased activity in the real estate market has caused a corresponding increase in workload for this Office.

Our deeds department processed almost 55,000 transactions for 2012, and we are currently on track to almost double this number by December 2013. The increase in deeds translated into a higher workload for our sales verification department resulting in a 10% increase in number of sales verified for the first quarter of 2013.



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The increase in sales activity was felt in our mapping department who logged 17,169 separate mapping tasks in FY 2012. The mapping department has already completed 8,500 tasks for the first seven months of FY 2013.

The valuation staff is required to review all qualified sales as part of the appraisal process and the increase in sales has affected this department significantly. The valuations department has, for the first seven months of FY 2013, completed 8% more splits/combines than the same time period in FY 2012, and reviewed 8,450 properties along with the annual re-evaluation of approximately 325,000 real estate parcels.

The previous administration stopped on-site reviews of sales and strictly used aerial imaging for desktop reviews. The new administration has put an emphasis on on-site inspections especially for those properties that have recently sold. Based on the increase in sales activity, it is projected that the field staff will add an additional 400 -500 inspections per month.

### **Budget Preparation and Goals**

The requested budget of the Brevard County Property Appraiser's Office addresses the obligations of the Office under the Constitution of the State of Florida and the Brevard County Charter. The budget also addresses the core goals of the Office:

- 1) Provide quality service to the public;
- 2) Promote accuracy, taxpayer equity, accountability, transparency and professionalism;
- 3) Acknowledge the ongoing economic challenges in Brevard County and the State of Florida by thoroughly vetting expenditures, personnel and future needs; and,
- 4) Move the Office forward by embracing new best practices, process improvements, personnel development and investment in the technology and training necessary to perform the work with which the Office is tasked.

The arrival of new leadership in January 2013 signaled that ongoing methods, practices and expenditures would be challenged and that significant changes in philosophy and management style would be readily apparent. The requested budget is indicative of the beginning of those changes.

### **GOAL: Service Delivery**

Initial efforts included a review of all personnel, roles and locations. Our front-line and technical employees have participated in the development of the Office's revised organizational structure, which reduces the emphasis on administrative/management/executive employees and refocuses on the Office's core service delivery tasks:



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**Serve the public:** After reviewing the location of satellite offices necessary to cover Brevard County's 72-mile length, it was decided to close a part-time office in the Barefoot Bay community in South Brevard (5,000 households otherwise served by the Palm Bay office 12 miles away) and re-open the Merritt Island office surrounded by 40,000 households that for years have had to endure a commute of up to 2 hours to the nearest BCPAO office locations in Titusville and Viera. In addition to providing easier access to Merritt Island and central Brevard beachside residents, the opening of the Merritt Island office in June 2013 will immediately reduce demand on the Titusville and Viera offices, allowing for faster, higher quality service at all locations. The Merritt Island office is located in available space in the Brevard County Merritt Island Customer Service Center.

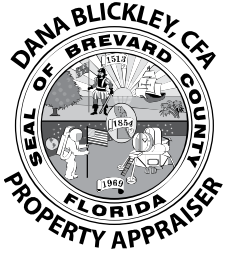
**Focus limited resources:** Following the Office's reorganization, 14 administrative personnel present in the prior administration were reduced to 8 at present. The introduction of new skill sets and abilities resulting from high turnover in administrative positions preceding the change in elected officials, as well as targeted investments to increase productivity, have provided several benefits already. As an example, new finance and HR personnel, combined with the abandoning the legacy payroll and financial systems and replacing them with modern systems, allowed the Office to reduce the number of finance, facility and human resources generalist positions from 5 to 2.5. The salary savings from these and similar changes, as well as the additional benefit from having more "working managers", resulted in the Office's ability to direct resources to technical and front-line positions, including new hires in Field Operations, Taxpayer Services (including the new Merritt Island satellite), Information Systems, Cadastral Services and Systems Administration.

### **GOAL: Accuracy, Taxpayer Equity, Accountability, Transparency and Professionalism**

The Office received significant feedback from the public and employees about the need to respond and produce results faster and with a higher degree of accuracy, taxpayer equity, reliability and systems durability. As a result, several ongoing projects and their benefits incorporated into this budget include:

**Improved alignment of skills with positions:** Particularly in the Valuation, Systems Administration and Information Systems aspects, numerous position reclassifications are proposed to better align employee skillsets with Office functions. This reorganization is already producing results that have garnered positive feedback from the using public and our employees. The effort and the commitment the Office has made to improve service delivery and provide a more open and results-based culture for employees has been recognized.

**Bringing the Office out into the public:** By participating in numerous public forums, producing refreshed and readable materials for distribution via print, electronic and social medias, and encouraging employee participation in public events and activities, the Office is present and



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available for more questions and discussion with the public. Our mission, with the support of the Florida Department of Revenue and Brevard County, is clearer than ever. The costs of participating in public events not core to the Office's function are borne by the management and volunteer employees of the Office, not the taxpayer.

**Challenging existing processes and habits:** Numerous processes have been and are continuing to be reviewed. Any process that requires multiple steps and multiple personnel can quickly become a roadblock as transaction volumes and regulatory changes increase. Staffing of the Office peaked in FY2006-07 with 146 full-time positions (not including part-time and contract employees), versus the 107 positions proposed within this budget. As processes are improved—particularly with the introduction of a new Computer Assisted Mass Appraisal (CAMA) System that is anticipated in FY2015-16—it can be projected with great confidence that, should transaction volumes and activity return to the peak 2006 levels, staffing levels would be considerably lower in comparison and service delivery and responsiveness will be vastly improved as a result.

**Investing in BCPAO employees:** Our employees, represented by Personnel Costs in this budget, represent 88% of total expenditures and 100% of our activities in the service of the public. We are proud to report in this budget that more than 30 of our employees have earned basic and/or advanced certifications in their specific field of work. The benefits of these certifications are readily apparent in the quality of work and high level of professionalism demonstrated by our employees. After several years of a neglected education and training budget, an increase of approximately \$32,300 is proposed for training and related travel, representing less than four-tenths of one percent of the proposed budget. That funding request is inclusive of a benefit made to employees for years, but seldom funded, to provide tuition assistance to eligible employees who are pursuing post-secondary education in topics that are directly related to their work in the Office. In addition, the Office has adopted the State of Florida's salary adjustment plan for the upcoming fiscal year, providing a reasonable fixed-dollar increase to employees (\$1,400 for employees earning less than \$40,000, and \$1,000 for those earning over \$40,000). It is proposed that all employees who have completed their 90-day probationary period and are in good standing October 1, 2013 would be eligible for the salary adjustment as well as the non-recurring performance-based payment of up to \$600 made available by the State guideline and included in this budget. The Office intends to return to a regular schedule of employee reviews (discontinued since 2007) to serve as the basis of determining the amount of each one-time payment.

**GOAL: Improving service, processes and people while managing costs**



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The entire management team and each of the Office’s employees recognize the continuing financial challenges ongoing in Brevard County and across the State of Florida. That recognition, and the concern that prudent financial practices be in place—even as efforts take hold to improve service and provide a better overall experience for the public—are acknowledged in this proposed budget.

**Personnel services** cost increases are limited, on a net basis for the Brevard County Board of County Commissioners, to the pass-through cost increases incurred by the Office for health insurance (managed by Brevard County) and retirement (the Florida Retirement System, administered by the State of Florida). The proposed \$336,899 increase in personnel costs can be attributed to:

County-managed health insurance increase (up 4.5%):	\$ 78,236
State-managed retirement plan increase (up 25-139%):	\$181,116
State guideline pay increase (\$1,400/\$1,000):	\$118,000
State guideline one-time performance pay (\$600 max):	\$ 21,600

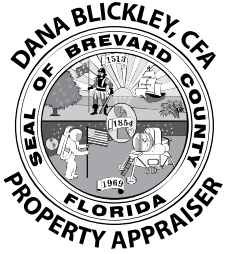
Significant offsets/cost reductions proposed in this budget include:

Salary reduction to Office reorganization:	\$ (35,223)
Eliminated use of temporary labor:	\$ (47,000)
Anticipated reduction in unemployment expenses:	\$ (15,000)

It is important to note that included in the salary reduction of \$35,223 is the repositioning of personnel out of administration and into front-line and key technical roles. The Office fully staffs a new location, Merritt Island, adds resources to Homestead Investigations, Field Operations, Systems Administration, and Information Systems. The proposed budget provides a higher degree of service and responsiveness in almost every function—and does so with a moderately lower salary cost, due to the elimination of numerous high wage, low product/service producing positions in administration under the previous leadership.

**Operating Expenses are contained** with a minimal increase of \$2,193 even while funding aerial imagery as new expense in this budget.

The Operating Expenses portion of the budget absorbed almost all of this “new” cost of aerial imagery after a close evaluation of previous budgets and actual expense trends indicated several object codes that could be budgeted more accurately and with better fiscal stewardship. In addition, almost all of the Office’s service contracts have been reviewed to ensure that pricing for products and services are as competitive or better contracts secured by procurement teams from Brevard County and the State of Florida. Several contracts have been adjusted downward after negotiating with vendors, and several other expenses have been reviewed and targeted for elimination due to obsolescence or minimal value.



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The Office has engaged Pictometry International to provide annual aerial imagery updated for the past 6 years, but the contract has been funded by another service contract the Office has with Brevard County, outside the scope of this presentation. This year, in order to properly align expenses where they belong (aerial imagery predominantly supports the valuation effort, not the secondary programs funded separately by Brevard County), the full cost of the Pictometry contract is transferred into this budget. This is a net-zero change from the County's perspective, as the separate service agreement between BCPAO and the County will be reduced by a similar amount.

The net resulting change in operating expenses is a minimal \$2,193 this year as proposed—a solid effort, considering the aerial imagery expense of \$166,000 is added this year.

**Operating capital outlay**, at \$39,621, represents a reasonable expenditure toward a project of great importance to BCPAO and Brevard County—a new CAMA system—and addresses critical technology infrastructure issues in a limited, responsible way.

The level of funding proposed allows for purchase of a new CAMA production server and test server on which a new CAMA system will be installed in FY2013-14. The CAMA system itself will be funded from remaining funds in the current fiscal year as well as future progress payments to be made from other funding sources, primarily mapping/services revenue. This expenditure, along with a proposed new storage array, 15 user PC's and replacement of the GIS system server, is necessary to introduce, develop and bring into production new CAMA and GIS environments over the next several years.

In each case, the systems being replaced have exceeded their useful life and have become significant reliability concerns for the Office. The current CAMA system was installed in 1992 and the servers and PC's scheduled for replacement are all 7+ years old and technically obsolete.

### **Moving Forward**

With a major reorganization completed, numerous process improvement efforts underway, significant service delivery improvements now in place, and the cornerstones for our next evolution in technology now pending in this proposal, the Brevard County Property Appraiser is pleased to present this proposed budget. We believe this budget is an affirmation of our stakeholders' expectations of this Office, whether it is the public at large, our funding partners from Brevard County and other public agencies, and the Florida Department of Revenue. This budget, at \$8,637,629, remains 27.7%, or \$3,370,092, lower than the highest expenditure peak of \$12,007,721 in FY2006-07. As proposed, the budget is equivalent to FY2003-04 levels, not including inflation.