

# **2009 State of the County Address**

Presented By: Supervisor Manly Barton, 2009 Board President

## **➤ Introductions**

Good afternoon, it is my honor to be presenting the State of the County to the Pascagoula Rotary Club again. I had the pleasure of standing before you four years ago as Board president. Little did I know, or any of us know, how much was going to change by Sept. 2005. One of the first obligations for the Board's president each year is to report the State of the County. I can tell you with confidence the state of our County government is good going into 2009. That's not to say there aren't challenges ahead but the foundation of our County government is solid.

Our County is made up of many parts and before I go any further I want to acknowledge my fellow supervisors; from District 2 Melton Harris, from District 3 Mike Mangum, from District 4 Tommy Brodnax and from District 5 John McKay. We have just finished our first year in office together as a Board and I'm looking forward to building on the relationships we have developed in our first year. Our Board, or any organization, is only as good as its employees. I want this Rotary Club to know, we have 700 of the Coast's hardest working full time employees. I want to acknowledge the County employees here with us today including: Alan Sudduth, County Administrator; Michele Coats, Planning Department Director; and Janet Krebs, Human Resources Director.

I'm going to focus my time today and this address on three areas:

- The County Finances
- Major Budgeted Projects for 2009
- Accomplishments in 2008

It's important to remember when we discuss the "Major Projects for 2009" category, that these are projects the Board's been discussing, planning, and budgeting for at least a year. I'm always surprised how many residents believe we approve a project the week before it breaks ground.

## **➤ Finances**

Let's start with the financial numbers that have shaped this year's budget. We knew going into FY 2009 the county-wide reappraisal of property values was going to impact our residents financially. Reappraisal is required by the State and had not been done in six years because of Hurricane Katrina. Knowing values for most property would be going up, and in turn forcing taxes to increase, the Board cut the millage rate to help offset

the increase. This graph shows the County's millage rate over the last 11 years. As you can see, this millage cut of 1.5 mills followed five straight years of **no** millage increases.

Because the County operates on a fiscal year which runs from October to September, the Board starts meeting in late May and throughout the summer working on the budget. This pie chart shows how the millage is divided. More than half, 53 percent, goes directly to the County's day-to-day activities including: the entire Sheriff's Department, the ADC, Recreation, and so on. The Road Department came in second this year followed by the Community College. I'll talk more about Sheriff and Road departments in a moment.

It's important to remember the County's millage on average makes up only one-third of most city residents overall tax bill. For example, a homeowner in Pascagoula with a \$100,000 house and Homestead Exemption pays \$1,100 in property taxes. Of that, 37 percent goes to the County and the remaining 63 percent is divided up between the city and the school district.

The County's overall Assessed Value in 2009 is more than \$1.3 billion, this is up more than \$170 million as the bar chart shows. I want to be clear, an increase of \$170 million in assessed value is not going to bring in 10's of millions of dollars' to the County. The County will receive about \$8.0 million more in ad valorem tax receipts this year. Of that \$8.0 million, a portion does come from reassessment on real property but the remainder is from other types of property. An example is Pascagoula's Chevron Refinery, which is an industrial property. Chevron's taxes are up about \$6 million this year with about \$3 million going to the County and about \$3 million going to the Pascagoula School System. This chart shows how we allocated these funds:

<b>Road/Bridge</b> (incl. \$275K in salaries)	<b>\$4,500,000</b>
<b>Sheriff's Dept</b> (incl. \$925K in salaries)	<b>\$1,700,000</b>
<b>Salary/Benefits</b> (not incl. Sheriff or Roads)	<b>\$1,300,000</b>
<b>Fuel</b>	<b>\$ 360,000</b>
<b>Utilities</b>	<b>\$ 250,000</b>
<b>Other</b>	<b><u>\$ 90,000</u></b>
<b>TOTAL</b>	<b>\$8,200,000</b>

As you can see we have used these additional funds for the basics. Every year the County needs a small percent increase in ad valorem tax receipts from new growth just to maintain the same level of service.

One area I'm proud to say that's been cut is our debt. This year's Board decreased our debt by \$3.4 million. This action builds on several years of reducing the County's debt payments. For comparison, in FY 2000 the County's debt payments consumed 20 percent of the budget. Here in FY 2009, debt services makes up only six

percent while at a much lower millage rate. This hard work has resulted in the County earning a *Double A* bond rating.

## ➤ **Budget Breakdown**

With these basic numbers in mind, I'd now like to breakdown the budget and highlight some of the projects and services those funds are providing for our residents. In Sept. 2008 the Board approved an operating budget of almost \$127 million for FY 2009. As you can see this is down from our 2008 budget, which both included installments of Hurricane Katrina financial aid.

New construction costs always play a major role in putting a budget together. The Board is planning on three such projects. The first is a new County Services Complex. The County has talked about this project since the 90's but Hurricane Katrina made it a necessity. We still have almost 100 employees working out of FEMA portable classrooms and double wide trailers at the Fairgrounds. We are now midway through the design phase and earlier this month received a rendering of the complex's exterior. The design calls for a raised one-story building with employee parking underneath and 60,000 square feet of work space. We've asked for the preliminary floor plan to be ready by mid-February that way we can go out for bids this spring.

A project of this size would have a huge impact on any County's budget. But we have secured two federal grants through HUD's "Downtown Revitalization" program totaling \$12 million which will cover all construction cost. I need to stress that building projects like this rarely, if ever, qualify for HUD grants. It was the combined efforts of our Board, the State's MDA and the Governor's Office that got this approved. The Services Complex will go in Downtown Pascagoula just south of the EOC building to meet the grant's location requirement.

Another major construction project the Board is working on is a new Health Department Office in Pascagoula. Hurricane Katrina severely damaged the original office on Hospital Street and made the building unusable. Plans call for the new office to be built on Vega Street behind Singing River Hospital. We're in the final stages of the design work and we hope to break ground this summer. The new office will be at least 5,000 square feet larger than the original building. The County received a \$4 million federal block grant from HUD for the project.

A possible construction the Board is compelled to keep planning for is replacing our aging and over burdened Adult Detention Center. Last night 425 inmates stayed in the jail. The jail only has room for 296 beds. The need is still there and very real.

Although a majority of residents (54 percent) approved the County using low interest bonds to fund the replacement project, we did come up just six percent short of the required votes. The Board is now considering other sources of funding for the ADC. Right now, estimates for those options are several million dollars more expensive than using bonds.

At the same time, I'm watching a proposed bill in the State Legislature allowing jails to be moved outside the County seat. Only time will tell. The Board is also looking at other possible locations both inside Pascagoula and the County. We are trying to keep all options on the table. The most important thing to remember, the jail issue isn't going away in 2009.

Construction is just one part of this year's budgeted projects. Transportation, as always, is a major priority. This year the Board allocated \$14 million to the Road Department for projects. This officially marks a \$4.5 million increase on the line chart. This chart is a little misleading since \$3 million of that is a carry over from the FY 2008 budget. The rest of the increase is to cover the dramatic cost increase in asphalt, which has more than doubled in three years as you can see. Asphalt crews will stay busy this year; they're scheduled to lay more than **30** miles of pavement. Along with paving our Road Department is managing seven improvement projects, which are listed on the screen.

- Hwy 57 extension (Old Spanish Trail)
- Bluff Road – Phase II
- Old River Road – Hwy. 614 to Hwy. 57
- Yellow Jacket Intersection
- Old Biloxi Rd – Phase III (2 miles south of Vestry Rd)
- Stateline Hwy 614 to North end
- Vestry Rd from Hwy 57 to county line

The County will also use “bond money” for a major drainage project on Daisy Vestry Road and to replace 10 bridges across the County. (On Screen)

- |                                    |                        |
|------------------------------------|------------------------|
| • Bay Avenue                       | • Coventry Drive       |
| • Old Spanish Trail (Bayou Pierre) | • Shingle Mill Landing |
| • Robert Hiram                     | • Beach Blvd.          |
| • Hickory Lane                     | • Orchard Road         |
| • Grand Bature                     | • Hospital Road        |

I want too quickly highlight the three Pascagoula bridges listed- Beach, Orchard, and Hospital. The Hospital Road Bridge is just a few blocks from where you sit right now. I know Mike will be watching these projects closely. Since 2000, our Road Department and its contractors have replaced **74** bridges county-wide. In just a moment, I'll go over some of the Road Department's accomplishments in 2008.

But transportation along the Coast is more than just roadways; the Board is also investing in our waterways. The County recently started \$2.5 million worth of dredging in six local waterways. (List on screen- Lake Mars, Cumbest Bluff, Sandalwood, Tarpon Road Bayou, Gulf Haven, Porteaux Bayou). Through the wise use of “match funds grants” we are only using \$1.4 million in County funds.

The Mars Lake dredging, just south of the Gulf Park Estate community, is the first project which began in November. The next will be Porteaux Bayou. These dredging projects are separate from the Hurricane Katrina dredging we completed in 2008, more on those projects in a moment. Dredging is a project the Board has to look at on a year-by-year basis because of permitting and funding. We are pleased to be doing this amount of maintenance dredging in 2009.

Virtually on par with the Road Department’s budget is the Sheriff’s Department’s total budget, including the ADC, at \$13.6 million. The Board increased the Sheriff’s budget by \$1.5 million this year. This extra funding is going towards re-alignment of the entire department’s salaries to be more competitive, four new deputies, 10 new vehicles with cameras, and a new dispatch system. Almost \$5 million of the Sheriff’s budget goes towards the day-to-day operations at the ADC.

With our decrease in millage, we did have to decrease several departments’ budgets such as Recreation. We lowered Recreation’s budget by almost \$1 million but we feel the projects scheduled will still make a big splash with children. Projects like installing splash-pads at Lum Cumbest Park south of Hurley, Eddie Khayat Park in Moss Point, and the new St. Andrews Park. I want to mention, Melton made sure Eddie Khayat Park was going to be one of the first parks to get a splash pad. We have selected a contractor, work begins next month and all three pads should be ready by summer. Total cost is \$415,000. These splash pads are just one part of our master plan to upgrade existing and new parks to have more “Family Recreation Opportunities.” If we just have baseball and soccer fields it naturally limits the parks appeal to certain age groups and personal interest. But when we add walking tracks, playground equipment, or a splash pads it opens the park up to the entire family.

Another activity the County is investing in is tennis. The demand for tennis courts is on the rise, but not just from retirees looking for some exercise. There is steady demand from residents to form leagues and many of the County’s high school tennis teams need courts for practice and to host tournaments. To meet this need the Recreation Department is serving up 20 new courts.

The first of these new courts to open will be in Lum Cumbest Park next week (Feb. 3). Six additional courts will open in Vancleave this spring at the County's Park on Ball Park Road. Along with being open to the public these courts will also double as the practice and tournament courts for the East Central and Vancleave High School Tennis Teams. Both of these tennis projects were funded out of the 2008 budget.

This year we have set aside \$203,000 to build a new tennis complex in St. Martin. It will have eight courts and be located on Yellow Jacket Blvd., a few blocks away from St. Martin High School.

One surprising bright spot in this year's budget is fuel. This summer we estimated gasoline cost at \$4.25 a gallon for every vehicle in 30 County departments. No one predicted that cost would be cut in half through our first quarter of the fiscal year. As long as gas doesn't shoot up more than \$2 a gallon by September, we estimate the County will save almost \$1 million dollars.

This is just an example of the type of work Mike, Melton, and the rest of us will be addressing with this year's budget. Another staple for any State of the County Address is a brief look backwards over the work from the previous year.

## ➤ **2008 Accomplishments**

### **Port Authority**

One of the County's biggest contributors to sustained development is the Jackson County Port Authority. The Port Authority ended 2008 reaching two important milestones. Gulf LNG Energy held a groundbreaking ceremony for its \$1.1 billion liquefied natural gas terminal in the Port of Pascagoula. Construction on the site officially began in February 2008. Pilings are currently being driven for the two storage tanks and the wharf area. The project is on schedule to be operational in 2011. During each year of construction the County receives a \$233,000 construction lease payment.

The Port Authority also retained the title of "Mississippi's Largest Port" with more than **36** million tons of cargo passing through both the public and private terminals. Cargo through the public facilities is up 27 percent from last year, with increases in frozen foods, forest products, and components associated with local construction projects.

## **Dredging**

Staying with waterfront projects... As Katrina's flood waters receded an estimated 100,000 cubic yards of silt was dumped into six of the County's most traveled and used bayous - Chicot, Fort Bayou, Graveline, Morton, Ocean Springs Harbor, and St. Martin. On average, this siltation lowered water depth two to three feet.

To restore these bayous and waterways, the Board began a massive dredging project in mid-April 2008. The \$2.9 million project is being fully reimbursed by FEMA public assistance funds. Dredging is now completed on five out of the six bayous including Singing River Yacht Club's bayou in August 2008. That project also included a rock jetty to slow future siltation. Crews will resume dredging in Graveline Bayou in Gautier this spring.

## **Road Dept.**

Our Road Department is in a never ending struggle to maintain, replace or build new roads. In 2008, our Road Department oversaw the paving of 25.8 miles of road ways. The County also managed eight road improvement and drainage projects throughout the County (on screen). Projects like the Second Street Road project in Supervisor Harris's district. The County's contractor replaced three small metal culverts, which couldn't handle storm water drainage demands, with a 14 foot wide concrete box culvert.

Altogether, we spent almost \$3 million on those eight major projects and about \$1.7 million on maintenance paving. As you can see the County's road work isn't limited to the unincorporated areas. The County invested \$2.6 million into road projects inside the four municipalities through both labor and direct funding. We also provided over \$157,000 dollars worth of paving work to the four school districts in the county. Our total spending for projects and paving was more than \$7 million.

## **Sheriff's Dept.**

One of the most visible reminders of Katrina's damage was removed in 2008. Katrina's flood waters pushed more than four feet of water through the Sheriff's Department Offices. After one full year of remodeling and rebuilding the Sheriff's Department was able to move back into their offices in summer 2008.

Another important accomplishment in 2008 also involves the Sheriff's Department. The non-violent offenders' wing was opened in late February 2008 at the Adult Detention Center. The expansion moved 116 inmates out of the main facility into this secondary building. This addition expanded the ADC's capacity to 296 beds.

## **Discount Prescription Cards**

Since the program started in April 2008, residents have saved more than **\$159,000** off their prescription drugs using this card. On average, users are saving **26** percent on each prescription that's not covered by insurance. The card primarily helps those who are underinsured or have no health insurance. Currently, 26 local pharmacies are accessing the cards. The cards are free to all County residents and the County doesn't pay anything to participate.

## **St. Andrews Park**

There are almost a dozen important recreational projects that were accomplished in 2008. We don't have time today to talk about each one but I do want to highlight one, the new St. Andrews Park which opened this summer. It's the County's largest public park south of Highway 90 covering more than 17 acres. Its location might be its greatest asset. It's a just short drive for families in the St. Andrews, Fontainebleau, and Gulf Park communities.

Along with its location, the new park offers a family's worth of activities including a three tier playground set, sand boxes, swing sets, a stretching/warm-up station, ½ mile mulch walking track, restrooms, parking lot and a gable-style pavilion.

The park's land was donated from the developer of the South Point subdivision. Chevron's Pascagoula Refinery donated the warm-up station and Mississippi Power provided the funds for the playground equipment. A group of 200 volunteer college students from Nebraska laid-down and filled-in the walking track.

## **Planning Dept.**

Our Planning Department opened a second office on the west side of the county in July 2008. The new office is located in the County's Road Department Building on Highway 609. The additional office was opened to meet the growing needs of residents on the west side. In just the last three months we've served 284 people out of the Ocean Springs Office. That's about 20 percent of the total number of people served by the entire Planning Department.

## **Fair Booths**

One major project the entire Board watched closely throughout 2008 was the construction of the new Food Booths at the Fairgrounds. After repair estimates came in for the old food booths the Board knew building a new food pavilion was the best long term option. Crews were on a tight schedule. Demolition began the week after the 2007 fair. The new booths were officially opened one week before the Fair and have received great reviews from cooks and diners alike.

The new pavilion houses 10 individual food booths but still keeps the atmosphere of outdoor eating and window service. The biggest advantages are the food pavilion is entirely covered and storm water drainage is much improved. The booths are now available throughout the year for public rental. Might I suggest this would be an ideal location for this Rotary Club's "Red Bean and Rice" cook-off or the Jackson County Chamber's Chili Cook-Off in 2009?

➤ **Question and Answer**

Obviously, this is just an overview of the County's 2008 accomplishments and goals for 2009. I want to thank you for this opportunity to speak about our County and continue this tradition of delivering the State of the County to the Pascagoula Rotary Club. I'm going to pause here to take some questions and comments.