SURTAX PERFORMANCE AUDIT OF

Hernando County, Florida

DELIVERABLE #6: FINAL REPORT

August 29, 2024

McConnell Jones

Overview of Performance Audit Findings

Hernando County
August 27, 2024

HERNANDO COUNTY REPORT DIGEST

Overall, Across 24 Areas, the County Met Expectations in 14 Areas, Partially Met Expectations in 6 Areas, and Not Met Expectations in 4 Areas.

Issue Area (Number of Subtasks Examined)	Overall Conclusion	Did the County Meet Subtask Expectations?		
		Yes	Partially	No
Economy, efficiency, or effectiveness of the program (6)	Met	5	1	0
Structure or design of the program (2)	Partially Met	1	0	1
Alternative methods of providing program services or products (3)	Met	3	0	0
Goals, objectives, and performance measures (4)	Not Met	0	2	2
Accuracy or adequacy of public documents, reports, and requests prepared by the County (5)	Partially Met	2	2	1
Compliance with appropriate policies, rules, and laws (4)	Partially Met	3	1	0
All Areas (24)		**14**	**6**	**4**

Results in Brief -------------------------

In accordance with s. 212.055(11), F.S., and Government Auditing Standards, McConnell & Jones LLP conducted a performance audit of the Hernando County programs within the administrative unit(s) that will receive funds through the referendum approved by Resolution adopted by the Hernando County Board of Commissioners on March 26, 2024. The performance audit included an examination of the issues identified below.

- The economy, efficiency, or effectiveness of the program.
- The structure or design of the program to accomplish its goals and objectives.
- Alternative methods of providing program services or products.
- Goals, objectives, and performance measures used by the program to monitor and report program accomplishments.

- The accuracy or adequacy of public documents, reports, and requests prepared by the County, or which relate to the program.
- Compliance of the program with appropriate policies, rules, and laws.

Findings for each of the six (6) issue areas were based on the extent to which the programs met expectations established by audit subtasks. Overall, the audit found that Hernando County met expectations in two (2) areas and partially met expectations in three (3) areas and did not meet expectations in one (1) area. Of the 24 total subtasks, the audit determined that the County met 14 subtasks, partially met six (6) subtasks, and not met four (4) subtasks.

A summary of audit findings by issue area is presented below. A more detailed overview of the findings can be found in the Executive Summary.

Findings by Issue Area ----------------

Economy, Efficiency, or Effectiveness of the Program

The MJ Team reviewed County departments associated with the surtax and determined that all program managers use various reports and data on a regular basis and that the information is adequate to monitor program performance and costs. All programs are periodically evaluated using performance information and other reasonable criteria to assess performance and costs. We also reviewed findings and recommendations in relevant internal or external reports on program performance and costs noting that administrators for each program took reasonable and timely actions to address deficiencies in program performance and costs identified in such reports. All program administrators evaluate performance and costs based on reasonable measures, including best practices. The Utilities and Transportation programs established their projects were of reasonable cost, completed well, on time and within budget; the Public Safety program showed two (2) of the four (4) projects were unsuccessful in meeting all the specified criteria. Finally, the County has written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

The structure or design of the program to accomplish its goals and objectives

The organizational structure for each of the program areas assessed has clearly defined units, minimize overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs. However, the County did not provide evidence that it has processes in place to ensure the reasonableness of program staffing levels given the services that are anticipated to be provided should the surtax referendum pass. Examples of best practice benchmarks for determining reasonable staffing levels the County should consider implementing include maintaining and monitoring employee workload productivity statistics, turnover rates, and vacancy rates to ensure staffing levels are optimal.

Alternative methods of providing services or Products

The County demonstrated that program administrators formally evaluate existing in-house services and assess alternative contracting methods to ensure costs are reasonable. This finding is based on the MJ Team's review/assessment of information gathered from interviews and provided data sources. The County utilizes a competitive bidding process managed by the Procurement Department for construction projects and professional services using Consultants Competitive Negotiations Act (CCNA) management practices. The County's program administrators regularly participate in national and regional meetings and collaborate with peer organizations comparing management practices and service delivery methods for operational improvement and cost saving opportunities. The County demonstrated that program administrators formally evaluate existing in-house services and assess alternative contracting methods to ensure costs are reasonable. This finding is based on the MJ Team review/assessment of information gathered from interviews and provided data sources. The County utilizes a competitive bidding process managed by the Procurement Department for construction projects and professional services using Consultants Competitive Negotiations Act

(CCNA) management practices. The County's program administrators regularly participate in national and regional meetings and collaborate with peer organizations comparing management practices and service delivery methods for operational improvement and cost saving opportunities.

Goals, objectives, and performance measures used by the program to monitor and report program accomplishments

Program-level goals and objectives are not formally documented in a policy or departmental strategic plan. The County lacks countywide strategic goals and objectives so that departments may align their goals and objectives with the strategic plan, which is a repeat finding from the prior surtax performance audit in 2022. Performance measures (key performance indicators) provided do not evaluate program cost. Internal controls including project management reports provide reasonable assurance that program goals and objectives will be met except that some policies and procedures are outdated.

The accuracy or adequacy of public documents, reports, and requests prepared by the County which relate to the program

The County has adequate financial and non-financial information systems in place that provide useful, timely, and accurate information to the public. However, the County did not demonstrate it has program performance and cost information that is readily available and easy to locate. The County should develop a formal process for compiling detailed program information that aligns with program cost and ensure that this information is accessible to the public. The County should also increase the coordination of the Public Information

Officer with departments that individually publish public data and revamp its website to improve the ease with which information is located. The County has not documented several critical processes to ensure accuracy and completeness of information provided to the public. The County provided some documentation related to its budget process that ensures the accuracy and completeness of this type of data; however, these processes could be strengthened by implementing a rigorous cross-checking process that involves verifying financial data provided by various staff members along with formal written processes or procedures to facilitate correcting erroneous and incorrect information timely. Lastly, the County demonstrated that it has taken reasonable and timely actions to correct any erroneous and/or incomplete program information, when the need arises.

Compliance of the program with appropriate policies, rules, and laws

The County employs a County Attorney with a full-time legal staff responsible for providing governance and transactional legal advice to the BOCC, County Administrator, County departments, and boards and commissions organized under the BOCC. In this capacity, the attorneys review all contracts, draft ordinances, and resolutions requiring board approval for compliance with legal requirements and board policy. The County stays abreast of federal and state legislative changes through membership in professional associations. The County also contracts with a lobbyist to provide representation at the state level.

Program internal controls are reasonable to ensure compliance with applicable laws, contracts, and local policies and procedures. Internal controls include the annual external

audit, annual internal audits, segregation of duties, and policies and procedures. Internal controls are reasonable to ensure that program administrators take reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means. As a result of not implementing procedures for corrective actions, recommendations for several internal audits and an external audit had not been implemented in over two (2) years.

Finally, the County Attorney drafted and reviewed the surtax ordinance to ensure that it complied with applicable law before it was approved by the BOCC. The County Attorney and county administrator briefed the BOCC regarding the potential for a sales tax referendum and specific projects to be funded with the surtax proceeds in a public board meeting.

TRANSMITTAL LETTER

August 29, 2024

Jeff Rogers, County Administrator
Hernando County Board of County Commissioners
15470 Flight Path Dr.
Brooksville, FL 34604

Dear Mr. Rogers:

McConnell & Jones LLP (the "MJ Team") is pleased to submit our final report of the performance audit of Hernando County. Pursuant to s. 212.055(11), *Florida Statutes,* the Office of Program Policy Analysis and Government Accountability (OPPAGA) selected the MJ Team to conduct a performance audit of the program areas related to Transportation, Utilities, and Public Safety associated with the discretionary sales surtax.

We conducted this performance audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

The objective of the audit was to fulfill the requirements of s. 212.055(11) *Florida Statutes*. This statute requires that Florida local governments with a referendum on the discretionary sales surtax undergo a performance audit conducted of the program associated with the proposed sales surtax adoption. The audit must be conducted at least 60 days before the referendum is held. OPPAGA is charged with procuring and overseeing the audit. The primary county departments that expend Local Option Sales Tax funds are the subject of the performance audit.

The objectives of the audit are consistent with the requirements of the statute, which are to evaluate the program(s) associated with the proposed sales surtax adoption based on the following criteria:

1. The economy, efficiency, or effectiveness of the program

2. The structure or design of the program to accomplish its goals and objectives

3. Alternative methods of providing services or products

4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments

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5. The accuracy or adequacy of public documents, reports, and requests prepared by the County, which relate to the program

6. Compliance of the program with appropriate policies, rules, and laws

We developed a work plan outlining the procedures to be performed to achieve the above audit objectives. Those procedures and the results of our work are summarized in the Executive Summary and discussed in detail in the body of the report.

Based upon the procedures performed and the results obtained, the audit objectives have been met. We conclude that, except for the findings discussed in the report and based upon the work performed, the departments that expend funds have sufficient policies and procedures in place, supported by appropriate documentation, reports, monitoring tools, and personnel to address the statutory criteria defined in s. 212.055(11) *Florida Statutes*.

McConnell & Jones LLP

McConnell & Jones LLP
Houston, Texas

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EXECUTIVE SUMMARY

HERNANDO COUNTY OVERVIEW

Hernando County ("the County") was established in 1843. The County was named for the Spanish explorer Hernando De Soto who led an expedition through what would now be the County. Hernando County covers a 589 square mile area, of which 473 square miles is land and 116 square miles is water. Hernando County has one (1) incorporated city, The City of Brooksville, which serves as the county seat. As of the 2020 United States census, the City of Brooksville had a population of 8,890 people. Hernando county is also comprised of unincorporated areas including Weeki Wachee, Ridge Manor, Bayport, Aripeka, Lake Lindsey, Istachatta, Nobleton, Masaryktown, Hernando Beach, and Spring Hill.

Hernando County is governed by the Board of County Commissioners (BOCC), five (5) elected commissioners, who are elected at-large to serve and represent one (1) of five (5) districts and the County as a whole. Each member must reside within the district for the seat that is held. The Hernando County BOCC also serves as the legislative and policy setting body of Hernando County as established under Section 125 of the *Florida Statutes*. Under *Florida State* law, the County Commission is responsible for funding the budgets of all Hernando County Government, including the independently elected Constitutional Officers and Judicial Officers, as well as the Commission's own departments. *(Source: Hernando County's website at* https://www.hernandocounty.us/*).*

HERNANDO COUNTY BUDGET SUMMARY

The County operates on an October 1 to September 30 Fiscal Year. The General Fund is Hernando County's main operating fund and is the default fund used to account for and report all financial resources not required to be accounted for and reported in another fund. Special Revenue Funds include proceeds from specific revenue sources that are restricted or committed to be spent for specified purposes and include revenue from the state's one-half percent infrastructure tax funds.

Figure ES-1 presents the County's Fiscal Year 2024 budgeted revenue for all funds.
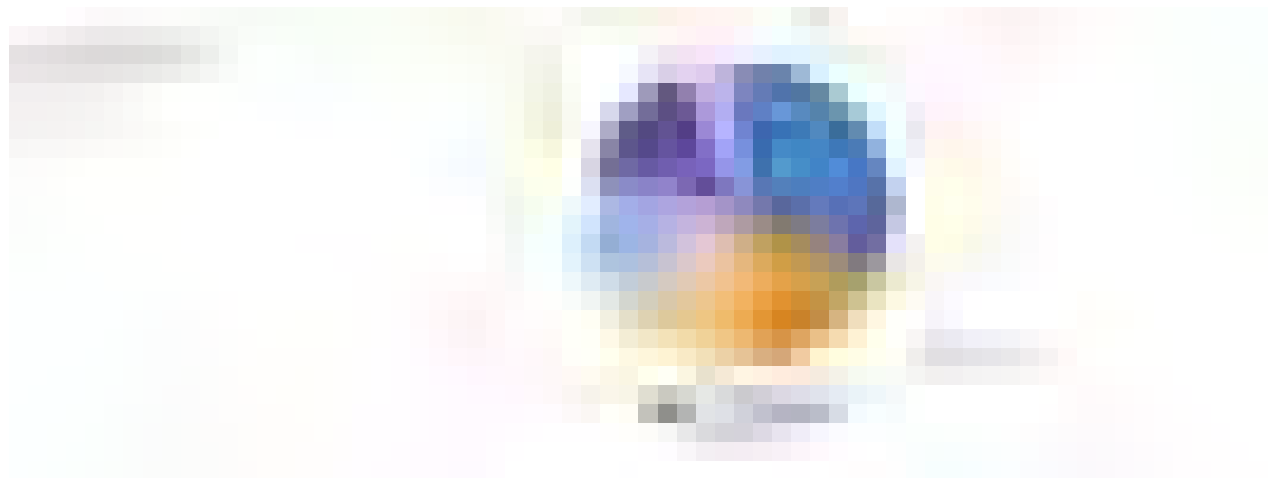

Fund	Amount	Percentage
Other Sources	$306,552,706	44.3%
Taxes	$141,233,077	20.4%
Charges for Services	$112,872,631	16.4%
Licenses and Permits	$59,950,435	8.6%
Intergovernmental	$38,356,840	5.5%
Transfers	$25,198,409	3.6%
Miscellaneous	$6,601,305	0.1%
Fines and Forfeitures	$412,329	>0.1%
Total	**$691,177,731**	**100.0%**

FIGURE ES-1: *44.3 % Revenue is comprised of Other Sources which include Balance Forward Cash, Proprietary Non-Operating, Loan Proceeds and Intragovernmental Transfers.*
Source: Hernando County Fiscal Year 2024 Recommended Budget

Figure ES-2 presents the County's Fiscal Year 2024 Expense Budget by type for all funds.

Fund	Amount	Percentage
Budget Reserves	$220,430,998	32%
Operating Expenses	$118,738,383	17%
Personnel Services	$110,352,921	16%
Capital Outlay	$100,946,142	15%
Non-Operating	$96,254,366	14%
Other	$44,454,921	6%
Total	**$691,177,731**	**100%**

FIGURE ES-2: *Hernando County's Operating and Personnel Services contribute to 33% of the County's expenses. Source: Hernando County Fiscal Year 2024 Recommended Budget.*

DISCRETIONARY SALES SURTAX

According to the State of Florida Department of Revenue website, a half-cent infrastructure tax program funded by a discretionary sales surtax (DSS) may be imposed by Florida counties and applies to most transactions subject to sales tax. The State of Florida Department of Revenue collects and distributes the sales surtax to counties and municipalities based on the state's sales tax formula. Each county is responsible for administering the funds it receives.

In accordance with section s. 212.055(2)(a)1. *Florida Statutes*, (2021), the governing authority in each county may levy a discretionary sales surtax of 0.5 percent or 1 percent. The levy of the surtax shall be pursuant to ordinance enacted by a majority of the members of the county governing authority and approved by a majority of the electors of the county voting in a referendum on the surtax. If the governing bodies of the municipalities representing a majority of the County's population adopt uniform resolutions establishing the rate of the surtax and calling for a referendum on the surtax, the levy of the surtax shall be placed on the ballot and

shall take effect if approved by a majority of the electors of the county voting in the referendum on the surtax.

On March 26, 2024, the Hernando County Board of County Commissioners (BOCC) voted to send to referendum a proposed one-penny sales tax ordinance for voter approval in November 2024.

Figure ES-3 identifies the County departments that will engage with surtax fund programs and how the funds will be used.

Program	Responsible Departments	Surtax Uses
Transportation	Public Works Department • Road & Bridge Division • Engineering Division • Facilities Maintenance • Administration Divisions	To plan, finance, construct, reconstruct, renovate, and improve roads, bridges, and related infrastructure to alleviate transportation bottlenecks and construct alternative transportation facilities. Planned projects include: • Sidewalks, bike paths, and multi-use facilities to be constructed in conjunction with roadway projects • Improvements to County Line Road, Kettering Road, Cortex Oaks Road (SR 50 to Star Road), Lockhart Road, and Anderson Snow Road • Widening Barclay Road • Converting Sunshine Road to four (4) lanes • Airport roadway improvements • Improving pick-up and drop-off lanes for multiple schools
Utilities	Utilities Department • Water Resources Division	To finance, construct, and renovate utilities related infrastructure necessary for improvements to existing utility systems, airport operations, and related economic development projects. Projects include: • Utility (water resources) infrastructure along roads connected to the airport and newly planned economic development projects to be included in its capital improvement plan (CIP).
Public Safety	Fire Rescue Department (HCFR) County Administration Department - Construction Project Coordinator	To fund fire, law enforcement, and public safety facilities. Planned projects include: • Fire Stations • Public Safety Training Complex – Sheriff, Fire, EOC • Sheriff Operations Center Expansion • Emergency Operations Center (EOC) • Mosquito Control Building • Fire Logistics Warehouse

FIGURE ES-3: *Uses of the sales surtax and administering department.*
Source: Surtax Ordinance No. 2024-06, Section 5 Countywide Referendum: Law Enforcement, Public Safety, Transportation, and the MJ Team Interviews.

LAW ENFORCEMENT PROJECTS

Should the referendum pass, the County will use surtax funds to enhance facilities the Sheriff's Office uses to conduct operations and training activities. The Sheriff's Office is a separately elected constitutional office that will use surtax proceeds to expand the Sheriff Operations Center and Public Safety Training Complex, both facilities it shares with the County's Fire and Rescue Department.

The performance audit excludes the Sheriff's Office and related Law Enforcement program area, as the Sheriff's Office will not have custody of proceeds from the 1 percent surtax referendum or administer the surtax funds through its law enforcement function. The Office of Management and Budget (OMB) in collaboration with the County Clerk of Circuit Court and Comptroller will oversee the surtax funds and procurement for the Sheriff Operations Center and Public Safety Training Complex, while the BOCC oversees the construction of all County facilities through the County Administrator.

GOVERNANCE IMPLICATIONS OF SURTAX PASSAGE

Under Florida state law, Hernando County's BOCC is responsible for administration of the surtax funds, if the referendum passes. The referendum provides for the collection, distribution and use of the sales surtax proceeds that will be used for transportation, utilities, and public safety capital projects and related infrastructure.

The County manages its transportation program through the Road & Bridge, Engineering, Facilities Maintenance, and Administration divisions of the Public Works Department. The County manages its utilities program through a separate Utilities Department, which has Capital Improvement, Customer Service, Engineering, Finance, Fleet, Operations, Solid Waste, and Water Resources Divisions. Public Safety is within Hernando County's Fire Rescue Department (HCFR) and the Director of Public Safety also serves as the Fire Chief. The County's Construction Project Coordinator is primarily responsible for planning, overseeing, monitoring, and reporting the status of facilities-related capital improvement projects, including Public Safety and Law Enforcement facilities.

The Public Works and Utilities departments report to the Deputy County Administrator. Public Safety and the Construction Project Coordinator report to the County Administrator.

Hernando County will manage and control the surtax funds through its Office of Management and Budget (OMB), which reports to the OMB Director.

AUDIT OBJECTIVE

In accordance with s. 212.055(11), *Florida Statutes*, and Government Auditing Standards, a certified public accountant must conduct a performance audit of the Hernando County program areas within the administrative unit(s) that will receive funds through the referendum.

Audit fieldwork must include interviews with program administrators, review of relevant documentation, and other applicable methods to complete the assessment of the six (6) research tasks.

PROJECT SCOPE

Figure ES-3 provides an overview of the County departments that were included in the audit scope as well as surtax fund uses. The performance audit was conducted in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. Those standards require that the audit be conducted in a manner to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. The MJ team believes that the evidence obtained provides a reasonable basis for our observations and conclusions.

METHODOLOGY

The MJ Team began fieldwork with a kickoff meeting on June 11, 2024, where the MJ Team discussed the project scope, process, timeline, and priorities. Audit team members conducted a total of 38 interviews or focus groups with management and executive-level staff during the fieldwork period. Most of the interviews included multiple management team members in attendance depending on their involvement with a particular research subtask.

During the interviews, management team members' roles were discussed along with processes and procedures the County follows to address the six (6) research tasks and underlying subtasks. The MJ Team initiated multiple follow-up contacts with nearly all County management team members to clarify information outlined in processes, procedures, and management reports the County provided to address the research tasks. Performance audit team members reviewed and analyzed extensive, relevant operational and financial data to document and report findings and conclusions.

SUMMARY OF RESULTS

Figure ES-4 through **Figure ES-9** present a summary of the overall results of the performance audit required by statute. As required in the contract between OPPAGA and the MJ Team, this report includes an analysis of six (6) research tasks, containing 24 subtasks. The MJ Team's assessment of the subtasks revealed that fourteen (14) of the 24 were met, six (6) were partially met, and four (4) were not met.

RESEARCH TASK 1 **–** The Economy, Efficiency, or Effectiveness of the Program.

Finding Summary: Overall, Hernando County met Task 1

Overall, Hernando County meets expectations for Research Task 1.

The MJ Team reviewed County departments associated with the surtax and determined that all program managers use various reports and data on a regular basis and that the information is adequate to monitor program performance and costs. All programs are periodically evaluated using performance information and other reasonable criteria to assess performance and costs. We also reviewed findings and recommendations in relevant internal or external reports on program performance and costs noting that administrators for each program took reasonable and timely actions to address deficiencies in program performance and costs identified in such reports. All program administrators evaluate performance and costs based on reasonable measures, including best practices. The Utilities and Transportation programs established their projects were of reasonable cost, completed well, on time and within budget; the Public Safety program showed two (2) of the four (4) projects were unsuccessful in meeting all the specified criteria. Finally, the County has written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

FIGURE ES-4
SUMMARY OF HERNANDO COUNTY RESEARCH RESULTS

RESEARCH RESULTS					
1. The Economy, Efficiency, or Effectiveness of the Program.					
Research Subtask	**Public Safety**	**Transportation**	**Utilities**	**Overall Conclusion**	**Recommendation**
1.1	Met	Met	Met	Met	None.
1.2	Met	Met	Met	Met	None.
1.3	Met	Met	Met	Met	None.
1.4	Met	Met	Met	Met	None.
1.5	Partially Met	Met	Met	Partially Met	Public Safety should develop and implement a formal process for management oversight of current projects, ensuring that they are completed in a cost-effective manner. Public Safety should consider the best practices of Utilities and Transportation in this improvement.
1.6	Met	Met	Met	Met	None.

RESEARCH TASK 2 – The Structure or Design of the Program to Accomplish its Goals and Objectives.

Finding Summary: Overall, Hernando County partially meets Task 2

Overall, Hernando County partially meets expectations for Research Task 2.

The organizational structure for each of the program areas assessed has clearly defined units, minimize overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs. However, the County did not provide evidence that it has processes in place to ensure the reasonableness of program staffing levels given the services that are anticipated to be provided should the surtax referendum pass. Examples of best practice benchmarks for determining reasonable staffing levels the County should consider implementing include maintaining and monitoring employee workload productivity statistics, turnover rates, and vacancy rates to ensure staffing levels are optimal.

FIGURE ES-5
SUMMARY OF HERNANDO COUNTY RESEARCH RESULTS

RESEARCH RESULTS				
2. The Structure or Design of the Program to Accomplish its Goals and Objectives.				
Research Subtask	**Public Safety**	**Transportation**	**Utilities**	**Overall Conclusion**	**Recommendation**
2.1	Met	Met	Met	Met	None.
2.2	Not Met	Not Met	Not Met	Not Met	Evaluate program staffing levels on an annual basis by assessing applicable workload statistics, turnover rates, and vacancy rates to ensure staff levels are reasonable and are maximizing productivity.

RESEARCH TASK 3 – Alternative methods of providing services or products.

Finding Summary: Overall, Hernando County meets Task 3

Overall, Hernando County meets expectations for Research Task 3.

The County demonstrated that program administrators formally evaluate existing in-house services and assess alternative contracting methods to ensure costs are reasonable. This finding is based on the MJ Team review/assessment of information gathered from interviews and provided data sources. The County utilizes a competitive bidding process managed by the Procurement Department for construction projects and professional services using Consultants Competitive Negotiations Act (CCNA) management practices. The County's program administrators regularly participate in national and regional meetings and collaborate with peer organizations comparing management practices and service delivery methods for operational improvement and cost saving opportunities. The County demonstrated that program administrators formally evaluate existing in-house services and assess alternative contracting methods to ensure costs are reasonable. This finding is based on the MJ Team review/assessment of information gathered from interviews and provided data sources. The County utilizes a competitive bidding process managed by the Procurement Department for construction projects and professional services using Consultants Competitive Negotiations Act (CCNA) management practices. The County's program administrators regularly participate in national and regional meetings and collaborate with peer organizations comparing management practices and service delivery methods for operational improvement and cost saving opportunities.

FIGURE ES-6
SUMMARY OF HERNANDO COUNTY RESEARCH RESULTS

RESEARCH RESULTS					
3. Alternative methods of providing services or products.					
Research Subtask	Public Safety	Transportation	Utilities	Overall Conclusion	Recommendation
3.1	Met	Met	Met	Met	None.
3.2	Met	Met	Met	Met	None.
3.3	Met	Met	Met	Met	None.

RESEARCH TASK 4 – Goals, Objectives, and Performance Measures used by the Program to Monitor and Report Program Accomplishments.

Finding Summary: Overall, Hernando County does not meet Task 4

Overall, Hernando County does not meet expectations for research Task 4.

Program-level goals and objectives are not formally documented in a policy or departmental strategic plan. The County lacks countywide strategic goals and objectives so that departments may align their goals and objectives with the strategic plan, which is a repeat finding from the prior surtax performance audit in 2022. Performance measures (key performance indicators) provided do not evaluate program cost. Internal controls including project management reports provide reasonable assurance that program goals and objectives will be met except that some policies and procedures are outdated.

FIGURE ES-7
SUMMARY OF HERNANDO COUNTY RESEARCH RESULTS

RESEARCH RESULTS					
4. Goals, Objectives, and Performance Measures used by the Program to Monitor and Report Program Accomplishments.					
Research Subtask	**Public Safety**	**Transportation**	**Utilities**	**Overall Conclusion**	**Recommendation**
4.1	Not Met	Partially Met	Not Met	Partially Met	Develop program goals and objectives and ensure that they are clearly stated, measurable, and address key aspects of the program's performance and cost.
4.2	Not Met	Not Met	Not Met	Not Met	Develop a Countywide strategic plan and departmental strategic plans to document goals, objectives, and performance indicators.
4.3	Partially Met	Not Met	Not Met	Not Met	Develop and report relevant performance measures including a focus on program performance and program cost.
4.4	Met	Partially Met	Met	Partially Met	Strengthen program internal controls by maintaining current and comprehensive policies and procedures.

RESEARCH TASK 5 – The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the County which Relate to the Program.

Finding Summary: Overall, Hernando County partially meets Task 5

Overall, Hernando County partially meets expectations for Research Task 5.

The County has adequate financial and non-financial information systems in place that provide useful, timely, and accurate information to the public. However, the County did not demonstrate it has program performance and cost information that is readily available and easy to locate. The County should develop a formal process for compiling detailed program information that aligns with program cost and ensure that this information is accessible to the public. The County should also increase the coordination of the Public Information Officer with departments that individually publish public data and revamp its website to improve the ease with which information is located. The County has not documented several critical processes to ensure accuracy and completeness of information provided to the public. The County provided some documentation related to its budget process that ensures the accuracy and completeness of this type of data; however, these processes could be strengthened by implementing a rigorous cross-checking process that involves verifying financial data provided by various staff members along with formal written processes or procedures to facilitate correcting erroneous and incorrect information timely. Lastly, the County demonstrated that it has taken reasonable and timely actions to correct any erroneous and/or incomplete program information, when the need arises.

FIGURE ES-8
SUMMARY OF HERNANDO COUNTY RESEARCH RESULTS

	RESEARCH RESULTS	
5. The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the County which Relate to the Program.		
Research Subtask	**Overall Conclusion**	**Recommendation**
5.1	Met	None.
5.2	Partially Met	Develop a formal process for compiling detailed program information that aligns with program cost and ensures this information is accessible to the public. Increase the coordination of the Public Information Officer with departments that individually publish public data and revamp the website to improve the ease in which information is located.
5.3	Partially Met	Develop comprehensive standard operating processes and/or procedures to ensure the accuracy and completeness of budget, program performance, and cost information provided to the public and include specific staff responsibility assignments as part of the documented process.
5.4	Not Met	Develop formal procedures to ensure that reasonable and timely actions are taken by the County to correct erroneous and/or incomplete program information that is published and disseminated to the public.
5.5	Met	None.

RESEARCH TASK 6 – Compliance of the Program with Appropriate Policies, Rules, and Laws.

Finding Summary: Overall, Hernando County partially meets Task 6

Overall, Hernando County partially met expectations for Research Task 6.

The County employs a County Attorney with a full-time legal staff responsible for providing governance and transactional legal advice to the BOCC, County Administrator, County departments, and boards and commissions organized under the BOCC. In this capacity, the attorneys review all contracts, draft ordinances, and resolutions requiring board approval for compliance with legal requirements and board policy. The County stays abreast of federal and state legislative changes through membership in professional associations. The County also contracts with a lobbyist to provide representation at the state level.

Program internal controls are reasonable to ensure compliance with applicable laws, contracts, and local policies and procedures. Internal controls include the annual external audit, annual internal audits, segregation of duties, and policies and procedures. Internal controls are reasonable to ensure that program administrators take reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means. As a result of not implementing procedures for corrective actions, recommendations for several internal audits and an external audit had not been implemented in over two (2) years.

Finally, the County Attorney drafted and reviewed the surtax ordinance to ensure that it complied with applicable law before it was approved by the BOCC. The County Attorney and county administrator briefed the BOCC regarding the potential for a sales tax referendum and specific projects to be funded with the surtax proceeds in a public board meeting.

FIGURE ES-9
SUMMARY OF HERNANDO COUNTY RESEARCH RESULTS

RESEARCH RESULTS		
6. Compliance of the Program with Appropriate Policies, Rules, and Laws.		
Research Subtask	**Overall Conclusion**	**Recommendation**
6.1	Met	None.
6.2	Met	None.
6.3	Partially Met	Document and implement policies and procedures to report and track instances of noncompliance. Require management to provide at least a quarterly corrective action status with supporting documents to the internal auditor. In addition, the internal auditor should maintain a corrective action status log and ensure that recommendations are implemented on a timely basis. Update the 2013 Accounts Payable User Manual and Audit Charter.
6.4	Met	None.

RESEARCH TASK 1

SCOPE

The MJ Team evaluated all six (6) subtasks that comprise Research Task 1.

The MJ Team divided Subtasks 1.1 through 1.5 into separate program areas to assess the economy, efficiency, or effectiveness of each program that will benefit from the surtax proceeds. The program areas include Transportation, Utilities, and Public Safety.

The MJ Team did not divide Subtask 1.6 related to procurement policy and processes into separate programs because procurement policy and related processes applies to the County as a whole.

FINDING SUMMARY

THE ECONOMY, EFFICIENCY, OR EFFECTIVENESS OF THE PROGRAM.

Overall, Hernando County meets Task 1. The MJ Team reviewed County departments associated with the surtax and determined that all program managers use various reports and data on a regular basis and that the information is adequate to monitor program performance and costs. All programs are periodically evaluated using performance information and other reasonable criteria to assess performance and costs. We also reviewed findings and recommendations in relevant internal or external reports on program performance and costs noting that administrators for each program took reasonable and timely actions to address deficiencies in program performance and costs identified in such reports. All program administrators evaluate performance and costs based on reasonable measures, including best practices. The Utilities and Transportation programs established their projects were of reasonable cost, completed well, on time and within budget; the Public Safety program showed two (2) of the four (4) projects were unsuccessful in meeting all the specified criteria. Finally, the County has written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 1.1 – Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.

OVERALL CONCLUSION

Overall, Hernando County (the "County") met expectations for Subtask 1.1. The Transportation, Utilities, and Public Safety programs that will benefit from the surtax met the subtask. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

TRANSPORTATION

The County manages its transportation program in its Public Work Department through the Road & Bridge, Engineering, Facilities Maintenance, and Administration divisions, which includes infrastructure for roadways, rights-of-way trails, bridges, and alternative transportation facilities.

Should the referendum pass, the County will use transportation surtax funds to plan, finance, construct, reconstruct, renovate, and improve roads, bridges, and related infrastructure to alleviate transportation bottlenecks and construct alternative transportation facilities. The County anticipates using transportation surtax funds for the following sample projects:

- Sidewalks, bike paths, and multi-use facilities to be constructed in conjunction with roadway projects
- Improvements to County Line Road, Kettering Road, Cortex Oaks Road (SR 50 to Star Road), Lockhart Road, and Anderson Snow Road
- Widening Barclay Road
- Converting Sunshine Road to four (4) lanes
- Airport roadway improvements
- Improving pick-up and drop-off lanes for multiple schools

To address the requirements of all subtasks related to Transportation, which includes roads, bridges, rights-of-way and trails, and drainage, the MJ Team interviewed the following individuals:

- Director of Public Works/County Engineer
- Public Works Finance Manager
- Public Works Operations Assistant

During the interview, the MJ Team discussed management reports and data that program administrators use regularly to monitor Transportation program performance and costs. The MJ Team requested examples of this information for further review and analysis. The information provided is outlined and discussed below.

Capital Improvement Program

Hernando County's Capital Improvement Plan (CIP) is the foundation for reporting and monitoring the status of improvements to infrastructure, facilities, equipment, and enterprise Resource Planning (ERP) software. According to the Total FY24 CIP and Total FY24 – FY28 CIP adopted by the BOCC on September 5, 2023, the County's CIP consists of all projects of at least $50,000 with a minimum 10-year useful life.

The BOCC adopts a "rolling" five-year plan each fiscal year, which includes all current proposed and approved projects for the ensuing five (5) years. In this instance the County's FY24 – FY28 CIP is the most recent CIP and includes a summary of projects by funding source, with projected funding for each fiscal year during this five-year period. The CIP includes separate pages for each project containing the following information.

- Project description, background, and justification
- Ramifications of an incomplete project
- Project identifying information
- Project phase, area of operations (i.e., Public Works, etc.), and importance
- Funding source and anticipated amount
- Account codes by department to track budgeted cost

Figure 1-1 presents a summary of the FY24 – FY28 CIP by operational area, and **Figure 1-2** presents an excerpt from detailed project pages in the CIP related to a proposed Culbreath Road Resurfacing project in FY24 and FY25.

FIGURE 1-1: *Hernando County adopts a "rolling" five-year CIP each fiscal year and summarizes projected expenditures by area of operation.*
Source: Hernando County FY24 - FY28 Capital Improvement Plan.

FIGURE 1-2: *Hernando County's FY24 – FY28 CIP includes separate pages containing descriptions, justifications, operational area, details, and expected funding for each project as a foundation to monitor performance and cost. Source: Hernando County FY24 – FY28 Capital Improvement Plan.*

Management Data and Reports

The MJ Team reviewed management data related to project management, project costs, budget vs. actual expenditure tracking, and periodic meetings to determine the availability and use of these documents by management to sufficiently assess the performance and cost of the transportation program.

Public Works does not have an automated system for overall project management; however, program administrators use a variety of manual spreadsheets, performance, and expenditure data from the County's financial management system to monitor and assess program performance and cost. For example, Public Works developed a "Weighted Average Cost – Hernando County Bids" spreadsheet of bid prices by category and line-item Public Works recently awarded and paid its contractors to estimate the cost of construction projects. Public Works uses this information as a baseline to confirm the reasonableness of proposed costs bid by general contractors when compared to trending pricing in the market.

The Weighted Average Cost – Hernando County spreadsheet categorizes each line item for materials and services, including the quantity of items recently awarded and completed, and the amount actually paid for each line item. Using the quantities and amounts Public Works recently paid for materials and services, Public Works calculates a weighted average per line item in each category to establish a reasonable cost range for similar work when soliciting bids for future projects. **Figure 1-3** depicts a page from an actual Weighted Average Cost – Hernando County bid tracking spreadsheet.

FIGURE 1-3: *The Weighted Average Cost – Hernando County bid tracking spreadsheet establishes cost expectations for bid categories and line items based on recent contracts awarded and completed.*
Source: Hernando County Public Works Department.

Public Works also uses an Expenditure Transaction Analysis Report created within the County's FinancePlus financial management system, available in real time, to track and monitor budget vs. actual expenditures by project. FinancePlus captures all accounting transactions by fund, department, and project for capital and non-capital expenditures. As a result, the Expenditure Transaction Analysis Report generates budgeted and actual expenditures by project, fund, and department including encumbrances, following the Florida Uniform Accounting System for Local Governments, thereby establishing an audit trail ensuring detailed cost and expenditures can be traced to the appropriate project.

Public Works program administrators leverage the County's Grant Management System (GMS) to generate Grant Project Cost Analysis reports for grant-funded projects allowing them to track and monitor costs related to grant awards for capital projects. The Grant Project Cost Analysis reports capture and record budgeted grant awards, actual expenses, grant reimbursements, and unused awards by project and fiscal year along with explanatory notes as necessary. **Figure 1-4** presents an excerpt from a Grant Project Cost Analysis report used by Public Works program administrators.

FIGURE 1-4: *The Grant Project Cost Analysis report allows Public Works program administrators to track and monitor costs associated with grant awards for specific capital projects.*
Source: Hernando County Public Works Department.

Public Works administrators routinely monitor all construction projects from land acquisitions (i.e., if needed) through design and completed construction. The Director of Public Works and his staff conduct monthly meetings to review the status of all active projects. The Director of Public Works requires Engineering and Public Works Finance staff to attend the monthly meetings to address issues such as project delays, quality concerns, change orders affecting cost, and proposed resolution.

Public Works captures notes and updates from monthly status meetings in an Engineering Projects Report spreadsheet. The Engineering Projects Report spreadsheet is color coded and categorizes each project by phase (i.e., design, bid, and construction). All projects are included in this report until the County makes the final payment at project close-out. **Figure 1-5** presents a sample of pages included in the Department of Public Works - Engineering Projects Report for Public Works's monthly meeting held on May 29, 2024.

FIGURE 1-5: *The Department of Public Works – Engineering Projects Report captures information from monthly meetings to review the status of all active capital projects within the Public Works Department.*
Source: Hernando County Public Works Department.

UTILITIES

The County manages its Utilities program through a separate Utilities Department ("HCUD"), which has Capital Improvement, Customer Service, Engineering, Finance, Fleet Operations, Solid Waste, and Water Resources Divisions. Although separate from the County's Public Works Department, the department works closely with Public Works to construct, renovate, and improve utilities infrastructure projects throughout the County.

Should the referendum pass, the County will use surtax funds allocated for utilities infrastructure to finance, construct, and renovate utilities related infrastructure necessary for improvements to existing utility systems, airport operations, and related economic development projects. The County anticipates using utilities surtax funds primarily for utility infrastructure along roads connected to the airport and newly planned economic development projects to be included in its capital improvement plan (CIP).

To address the requirements of all subtasks related to Utilities, the MJ Team interviewed the following individuals:

- Director of Utilities
- Capital Program Manager
- Finance Manager

During the interview, the MJ Team discussed management reports and data that program administrators regularly use to monitor Utilities program performance and how HCUD coordinates its utility infrastructure capital programs with Public Works. The MJ Team requested examples of this information for further review and analysis. The information provided is outlined and discussed below.

The Department's Capital Improvement Division provides overall management of utility infrastructure projects through the capital program manager with the support of project managers, inspectors, and staff from the Engineering and Finance Divisions. Once HCUD identifies the need for new or upgraded utility infrastructure projects such as water and sewer access for the airport and future economic development, they include the project in the CIP or the state's rate analysis study to match available funding sources with HCUD's needs. HCUD ranks its projects included in the CIP in order of importance based on the Office of Management and Budget's project importance scale of 1 to 40, with 1 being the most important and 40 being the least important. HCUD projects included in the CIP have never scored less than ten (10) on the project importance scale.

The MJ Team reviewed the spreadsheets, reports, and documents included in **Figure 1-6** as evidence of detailed information available for HCUD to adequately assess program performance and cost.

Report or Data Source	Content of Report or Data Source	The MJ Team Comments after Review
CIP Project Detail Spreadsheet – *Hydro Tank Replacements*	• Project name and area of operations. • Importance of project (1-40): 1. • Projected budget FY25 – FY29. • Cost information by category. • Source of funding.	• Spreadsheet contains enough detail to track project performance and cost. • Project cost budgeted for FY25 and FY26 and will be included in the upcoming CIP FY25 – FY29. • Costs segregated by category (i.e., design, construction).
HCUD Open Engineering Purchase Orders – *Spreadsheet*	• Open engineering purchase orders by project, by vendor with amounts funded, date funded, and expiration dates. • Closed Purchase orders by project, by vendor, by fiscal year.	• HCUD uses this report to track and monitor all open, pending, and closed engineering purchase orders. • Report tracks purchase orders for professional services (i.e., design, etc.) for projects included in CIP and operating budget.
HCUD Open Construction Purchase Orders – *Spreadsheet*	• Open construction purchase orders by project, by Fund/Division/Account, by contractor with amounts funded, and purchase order balances remaining. • Designated project manager and estimated completion date/purchase order expiration date. • Closed Purchase orders by project, by contractor, by fiscal year including completion dates and amounts.	• HCUD uses this report to track all open, pending and closed construction-related purchase orders. • Spreadsheet summarizes information pertinent to monitor expiration dates and amounts ensuring HCUD processes contracts according to budgeted cost parameters. • Spreadsheet identifies funding sources, accounts and divisions for contractor costs to track to proposed budget based on initial bids and change orders increasing purchase order amounts.
FinancePlus – *Expenditure Transaction Analysis Report*	Budgeted and actual expenditures by project, fund, and department including encumbrances.	Same report used by the Public Works Department to track and monitor costs by project.
FinancePlus – *Revenue Audit Trail*	• Budget vs. actual revenue by fund, department, account, and project. • Receivables for grant reimbursements and cumulative balance over the life of the grant.	Report captures and tracks budgeted vs. actual revenue and grant reimbursements by fund, department, account, and project.
FinancePlus – *Expenditure Audit Trail*	Budget vs. actual expenditures by fund, department, account, and project with encumbrances and cumulative grant balance remaining.	Report captures and tracks budgeted vs. actual expenditures by fund, department, account, and project.
Grants Management System (GMS) – *Life to Date Financial Reporting Summary*	• Revenues and expenditures by fiscal year over the life of grants for construction projects by fund, department, and project. • Classifies grant revenue and expenditures by fiscal year over the life of grants for construction projects by federal, state, or local funding source.	Report captures and tracks grant awards, revenues, expenditures, grant reimbursements, and remaining grant balance over the life of the construction project.

FIGURE 1-6: *Hernando County's Utilities Department effectively uses management reports and spreadsheets to capture, track, and monitor program costs.*
Source: Hernando County Utilities Department and the MJ Team's analysis.

The County Administrator conducts bi-weekly meetings with the County's senior leadership team where the team discusses "hot topics" related to specific construction projects, including utility engineering and construction projects managed by HCUD for other County departments. The County Administrator, Deputy County Administrator, Director of HCUD, Director of the Office of Management and Budget, and all other department heads comprise the senior leadership team.

In addition to senior leadership team meetings, HCUD's Capital Projects Manager, Senior Project Manager, and Engineering Division Manager attended a monthly CIP meeting with directors of all County departments and procurement officials. Also, HCUD Senior Project Manager attends Public Works Department meetings as a liaison to update and discuss issues related specifically to utilities projects within the Public Works Department.

HCUD's Engineering Division prepares an Active Engineering Project List report to review and discuss during the monthly CIP meetings with all departments. The Active Engineering Project List summarizes the status of HCUD projects in each department, project schedule with deadlines and key dates, and issues of to be aware of. **Figure 1-7** presents an excerpt from the Active Engineering Project List.

FIGURE 1-7: *Hernando County's Utilities Department's Active Engineering Projects List summarizes the status of HCUD projects in each county department for discussion in monthly CIP meetings.*
Source: Hernando County Utilities Department.

Based on the MJ Teams analysis and assessment of data provided by the Utilities Department, the County's Utilities program met the objectives of this subtask.

PUBLIC SAFETY

Public Safety is within Hernando County's Fire Rescue Department (HCFR) and the director of Public Safety also serves as the Fire Chief. HCFR is primarily responsible for overseeing public safety, fire and emergency services, emergency management, and mosquito control. HCFR shares an operations center and a training complex with the Sheriff's Office.

The County has a Construction Project Coordinator who reports directly to the County Administrator and is primarily responsible for planning, overseeing, monitoring, and reporting the status of facilities-related capital improvement projects, including Public Safety and Law Enforcement facilities. The Construction Project Coordinator also works closely with the Sheriff's Office, following the same project management process and management reporting system for construction of buildings and public safety facilities.

Should the surtax referendum pass, the County will use surtax proceeds to fund the projects included in **Figure 1-8** below.

HCFR Project	Intended Use of Project
Fire Station 9	Facility to provide fire and emergency medical services to be added in the future in the Northern area of Hernando County along U.S. 41. The facility will house a fire engine and 12 personnel.
Fire Station 16	Facility to provide fire and emergency medical services in the Northwest area of Hernando County along U.S. 19. The facility will house a fire engine, ambulance, and 21 personnel.
Fire Station 17	Facility to provide fire and emergency medical services in the Northwest area of Hernando County along U.S. 98. The facility will house a fire engine, ambulance, and 21 personnel.
Fire Station 18	Will provide fire and emergency medical services in the Northwest area of Hernando County along U.S. 19. The facility will house a fire engine, ambulance, and 21 personnel.
Public Safety Training Complex	Training complex used by the Sheriff and Fire Department to train personnel in specialized areas. The complex will include burn buildings, training tower, driving range, and classroom/office facilities.
Emergency Operations Center (EOC)	Facility designated for Emergency Management administration and operations during emergency events/disasters to provide planning and recovery for Hernando County.
Mosquito Control Building	Facility will include administrative offices, warehouse for chemicals, laboratory, and agricultural facility.
Logistics Warehouse	Facility is a centralized warehouse for medical supplies, uniforms, janitorial supplies, bunker gear, etc. stored and distributed to all fire stations as needed.

FIGURE 1-8: *The County will use proceeds from the surtax to fund fire and public safety facilities.*
Source: Hernando County Fire Rescue Department.

To address the requirements of all subtasks related to Public Safety, the MJ Team interviewed the following individuals:

- Fire Chief and Director of Public Safety
- Fire Finance Manager
- Construction Project Coordinator

During the interviews the MJ Team determined that the construction project coordinator and a senior project manager from HCFR oversee all capital projects for HCFR and work closely with the director of Public Safety and fire finance manager. The MJ Team discussed management reports and other relevant data that Public Safety Department administrators and the construction project coordinator use regularly to monitor public safety performance and costs. HCFR, in conjunction with the construction project coordinator provided the management reports and relevant information discussed below.

Construction Management Software

The County's Raken construction management software is used as a digital tool for managing construction projects in the field. Raken is a cloud-based application the construction project coordinator and senior project manager use for daily progress reporting, time tracking, quality management, safety, and document management. The software captures data using a mobile app and cloud storage.

The construction project coordinator, at least twice weekly, completes a "Raken Report" that provides weather conditions, work logs describing the status of projects, hours expended to date, photos of the job site each week, and a survey of findings at the site and related attachments. The construction project coordinator reviews the Raken Report with the director of Public Safety and County Administrator to update the status of projects and any concerns as to scope of work, schedule, or budget in correspondence to the executive leadership team. Attachments to the report can include notes from meetings with the contractor or emails. **Figure 1-9** below presents an actual Raken Report for the construction of Fire Station 2.
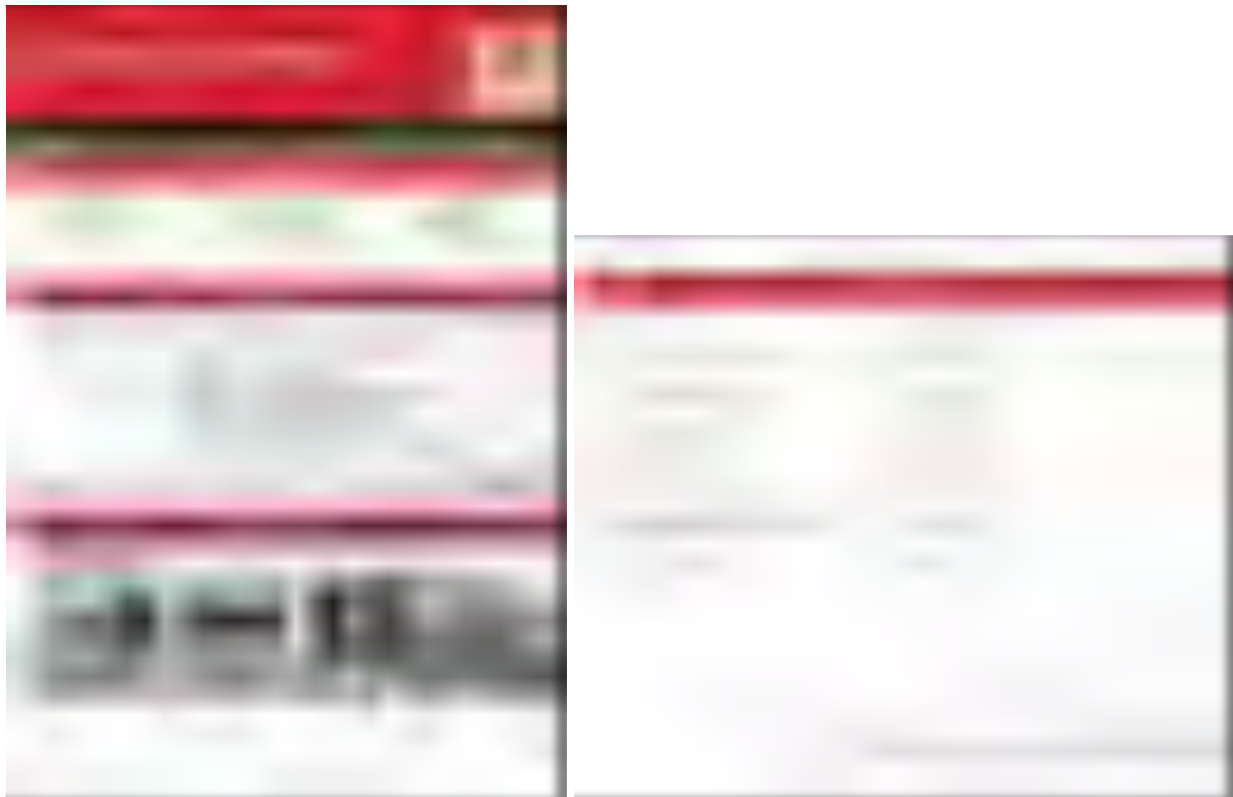
FIGURE 1-9: *The County's construction project coordinator prepares a "Raken Report" weekly to monitor and report on the status of facilities construction projects in the County's approved Capital Improvement Plan (CIP) and CIP Budget.*
Source: Raken Construction Management System and construction project coordinator on behalf of Hernando County Fire and Rescue Department.

Facilities Construction Project-Specific Reporting

The construction project coordinator also prepares a spreadsheet for each facilities project to ensure the projects are on budget and contractors address any issues that the construction project coordinator identifies in the weekly Raken Report. The construction project spread sheet includes all tasks from design through construction and close-out for specific projects. It tracks and monitors actual contract cost by element, the cost of change orders, expenditures to date, and remaining balance on the contract based on actual contract price. **Figure 1-10** below depicts a sample project spreadsheet for Fire Station 2 included in the sample Raken Report.
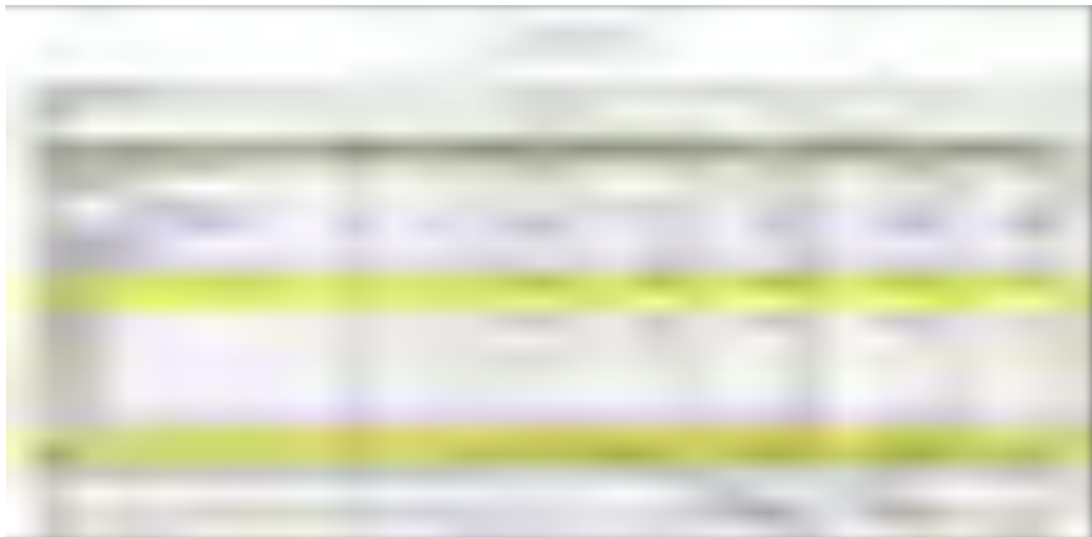
FIGURE 1-10: *The County's construction project coordinator uses a project spreadsheet to monitor the cost of individual facilities construction projects by task.*
Source: Construction project coordinator on behalf of the Hernando County Fire and Rescue Department.

The director of Public Safety, construction project coordinator, and HCFR's Senior project manager meet bi-weekly with the architect and general contractor to review the status of related projects based on findings in the Raken Report and budget status included in the project spreadsheets.

Based on the MJ Teams analysis and assessment of data provided by Hernando County Fire and Rescue Department, the County's Public Safety program met the objectives of this subtask.

> **SUBTASK 1.2 – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.**

OVERALL CONCLUSION

Overall, Hernando County met expectations for Subtask 1.2. The Transportation, Utilities, and Public Safety programs that will benefit from the surtax met the subtask. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. We determined that all programs are periodically evaluated using performance information and other reasonable criteria to assess performance and costs. Each relevant area is analyzed below.

ANALYSIS

TRANSPORTATION

During the Transportation interview, the MJ Team discussed how Transportation is periodically evaluated using performance information and other reasonable criteria to assess program performance and costs. The information the County provided is outlined and discussed below. In addition to information provided by the County, the MJ Team reviewed reports containing performance information from external sources such as the Florida Department of Transportation (FDOT) and the American Society for Testing and Material International (ASTM).

Florida Department of Transportation Bridge Assessment

FDOT, through its bridge management system, inspects all bridges in Florida that are on the National Bridge Inventory (NBI) every two (2) years. The NBI is a database, compiled by the Federal Highway Administration (FHWA), with information on all bridges and tunnels in the United States. All bridges in Hernando County are classified as "county bridges," and included in the NBI. Accordingly, FDOT inspects the County's bridges every two (2) years. FDOT performed Hernando's most recent bridge inspection in 2024.

FDOT is responsible for inspecting and rating most of the bridges in Florida. County governments are the next largest group responsible for bridge maintenance. FDOT hires consulting engineers to inspect and rate county bridges, while the responsibility for maintaining

the bridges remains with the County government. FDOT uses the following terminology and ratings to define a bridge's condition.

Structurally Deficient – bridge should undergo a series of repairs or replacement within the next six (6) years. FDOT's policy is to repair or replace all the structurally deficient state-owned bridges during that time. FDOT recommends that local governments follow the same schedule for their structurally deficient bridges. According to FDOT's 2024 Quarterly Report, no Hernando County bridges were structurally deficient.

Functionally Obsolete – bridge does not meet current road design standards. For example, some bridges are "functionally obsolete" because they were built at a time when lane widths were narrower than the current standard. According to FDOT's 2024 Quarterly Report, one (1) Hernando County bridge was functionally obsolete.

Sufficiency Rating – used to help determine whether a bridge that is structurally deficient or functionally obsolete should be repaired or just replaced. A rating of 100 represents a perfect bridge (entirely sufficient for its current use). A rating of 0 is the worst possible bridge (entirely insufficient for its current use). The sufficiency ratings for bridges are part of a formula used by the FHWA when it allocates federal funds to the states for bridge replacement. According to FDOT's 2024 Quarterly Report, 90 percent of Hernando County's bridges had a sufficiency rating between 75 - 100, with 68 percent of the County's bridges assigned a sufficiency rating greater than 90.

Health Index – measures the overall condition of a bridge. The health index typically includes 10 to 12 different elements that FDOT evaluates. A lower health index means that more work would be required to improve the bridge to an ideal condition. A health index below 85 generally indicates that some repairs are needed, although it doesn't mean the bridge is unsafe. A low health index may also indicate that it would be more economical to replace the bridge than to repair it. According to FDOT's 2024 Quarterly Report, 73 percent of Hernando County's bridges had a health index between 75 - 100, with 63 percent of the County's bridges assigned a health index greater than 85.

FDOT maintains bridge information for all Florida counties on its website. **Figures 1-11A** through **1-11D** provide an overview of Hernando County's bridges from FDOT's Third Quarter 2024 report and demonstrates that the County's bridges are periodically evaluated.

The tables show that the age of Hernando County's bridges is relatively balanced between 21 and 50+ years old. FDOT inspected nearly all of Hernando County's NBI bridges in 2024 and assigned a high sufficiency rating to 89 percent of the County's bridges. FDOT also assigned a high health index rating to nearly 75 percent of the County's NBI bridges.

Hernando County does not own and maintain all bridges within its borders. For example, FDOT owns and maintains some bridges while municipalities own and maintain others. Only those bridges designated "County Highway Agency" are included in the analysis below.

Hernando County Bridge Age		
Range	Number	Percent
0-10 Years	0	0%
11-20 Years	2	11%
21-30 Years	4	21%
31-40 Years	5	26%
41-50 Years	4	21%
>50 Years	4	21%
Total	**19**	**100%**

FIGURE 1-11A: *Forty-two percent of Hernando County's bridges are more than 40 years old.*
Source: Florida Bridge Information-2024 3rd Quarter Report.

FDOT Inspections of Hernando County Bridges		
Year	Number	Percent
2022	1	5%
2023	0	0%
2024	18	95%
Total	**19**	**100%**

FIGURE 1-11B: *FDOT inspected nearly all of Hernando County's bridges in 2024.*
Source: Florida Bridge Information-2024 3rd Quarter Report.

Hernando County Bridges Sufficiency Rating		
Rating	Number	Percent
0-25	0	0%
25.1-50	1	5%
50.1-75	1	5%
>75	17	90%
Total	**19**	**100%**

FIGURE 1-11C: *FDOT assigned a high sufficiency rating to nearly 90 percent of Hernando County's bridges.*
Source: Florida Bridge Information-2024 3rd Quarter Report.

Hernando County Bridges Health Index		
Rating	Number	Percent
0-25	0	0%
25.1-50	2	11%
50.1-75	3	16%
>75	14	73%
Total	**19**	**100%**

FIGURE 1-11D: *FDOT assigned a high health index rating to nearly 75 percent of Hernando County's bridges.*
Source: Florida Bridge Information-2024 3rd Quarter Report.

Pavement Condition Assessment

Public Works uses the Pavement Condition Index (PCI) to assess the condition of all roads within the County. The PCI is a numerical index between 0 and 100 used to assess the general condition of roadway pavement, with "0" representing failed pavements and "100" representing pavements in good condition. Many municipalities use the PCI to measure the condition of their road infrastructure. Originally developed by the Army Corps of Engineers to rate the condition of airfield pavement, the PCI was later modified by the American Society for Testing and Material International (ASTM), which is an international standards organization that develops technical standards for a wide range of materials, products, systems, and services.

Each year Public Works staff examine the County's roads to assess pavement conditions and enter pavement condition data for its road inventory into PAVER, its pavement management system. PAVER calculates the score used to assign PCI ratings and prioritize repaving or replacements to continuously improve the condition of the County's road infrastructure.

Figure 1-12 provides road condition categories by PCI rating used to assess road pavement conditions.
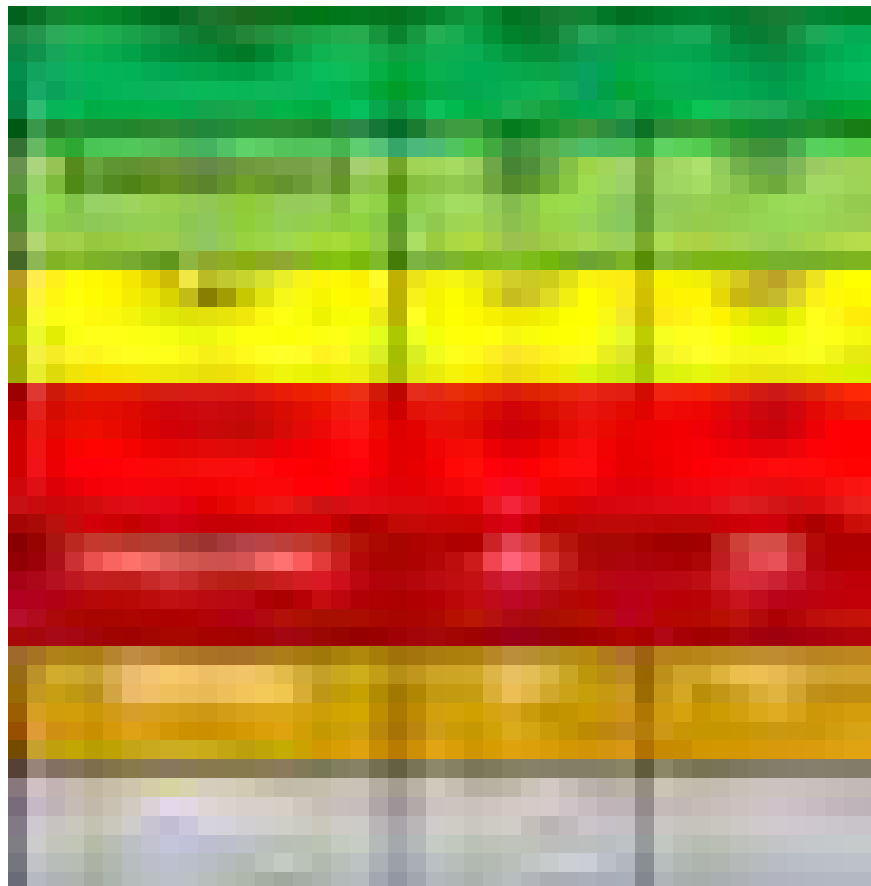

FIGURE 1-12: *The pavement condition index (PCI) enables Public Works program administrators to rate pavement conditions.*
Source: Internet search for Industry standard PCI rating chart.

The MJ Team reviewed the PCI scores for County roads for six (6) assessments of inspections between fiscal years 2020 through 2024, noting a low score of 64 and a high score of 69, for an average PCI score 66, indicating the overall pavement condition of the County's roads is fair. Public Works prioritized road resurfacing projects and included them in the FY24-FY28 CIP.

Annual Local Government Mileage Report

Public Works prepares an Annual Mileage Report the County submits to FDOT. The report records the change in paved and unpaved mileage within the County throughout the previous calendar year. FDOT and the County use this report to assess the performance of Public Works in maintaining paved roads. The MJ Team reviewed the County's Annual Mileage Report for the calendar year ended December 31, 2022, submitted to FDOT on January 6, 2023, noting the report includes the following performance indicators and considers new construction, transfers to/from other jurisdictions, and previously unpaved mileage paved in the year reported:

- Paved and unpaved mileage at the beginning of the year
- Paved and unpaved mileage added during the year
- Paved and unpaved mileage subtracted during the year
- Paved and unpaved total mileage at the end of the year

UTILITIES

During the interview with representatives from the Utilities Department ("HCUD"), the MJ Team discussed how utilities projects are periodically evaluated using performance information and other reasonable criteria to assess program performance and costs. Inspectors, project managers, program managers, and the finance manager are responsible for assessing program performance and cost, with the director of Utilities as the ultimate decision maker.

HCUD regularly evaluates utilities projects based on contractual provisions, including scope of work, schedule, and budget. **Figure 1-13** presents the areas evaluated, a description of HCUD's performance/cost information/criteria, and frequency of the evaluation.

Project Area Evaluated	Performance/Cost Information/Criteria	Frequency of Evaluation
Scope of Work (SOW)	• Inspections comparing SOW to actual project activities. • Compare contractor pay applications to SOW in contract.	• Daily inspection reporting. • Bi-weekly meetings to review all capital projects and issues related to SOW, including change orders.
Project Schedule	• Inspection reports tracking actual days with scheduled days included in the contract. • Extensive delays related to inclement weather. • Number of complaints from contractors inconveniencing the public traveling through the County.	• Daily Construction Report documenting results of inspection. • Monthly meetings with departments to review status, deadlines, key dates, and issues related to schedule by project and contractor.

Project Area Evaluated	Performance/Cost Information/Criteria	Frequency of Evaluation
	• Number of complaints for disrupting traffic flow for County residents.	
Project Budget	• Verification of quantities and related pricing. • Number of and amount of change orders increasing project budget. • Budget vs. actual expenditures by project.	• Realtime budget vs. actual expenditure analysis, daily.

FIGURE 1-13: *HCUD regularly evaluates utilities projects to ensure project activities conform to the scope of work, remain on schedule, and are within budget.*
Source: HCUD interviews and review of HCUD Engineering Division Standard Operating Procedure, Daily Construction Reports, HCUD Active Engineering Projects List, and Expenditure Transaction Analysis Report.

HCUD monitors and evaluates performance through its Engineering Division – Standard Operating Procedure that provides guidance for daily inspection reporting in the Daily Construction Report, including documenting daily activities each inspector must perform to ensure that all contractors' work meets specifications included in construction contracts.

The Daily Construction Report includes the date of the inspection, identifies the project name and number, contractor, weather conditions, site conditions, and an assessment of whether a half day of work was lost because of rain. It also includes comments related to complaints about contractors' performance reported by residents. This report is a useful tool to evaluate Contractor compliance with the SOW and schedule and provides essential schedule-related information and issues included in the HCUD Active Engineering projects List, which the capital program manager and project managers review with County departments in monthly CIP meetings.

As reported in the Transportation section above, HCUD uses the Expenditure Transaction Analysis Report to monitor budget vs. actual cost and includes the cost of change orders necessary if HCUD inspectors or program managers identify work contractors perform outside the SOW.

PUBLIC SAFETY

During the Public Safety interview, the MJ Team discussed how Public Safety is periodically evaluated using performance information and other reasonable criteria to assess performance and costs. HCFR, through the County's construction project coordinator, uses a variety of techniques and reports to evaluate and assess Public Safety program performance and cost from the solicitation of bids through contract close-out. The MJ Team requested various information for further review and analysis. The relevant information the County provided is outlined and discussed below.

Bid Review

HCFR adopted a design/build model for construction of vertical facilities throughout the County. In this model, a design team comprised of architects and engineers who develop the specifications for all buildings, layout, and materials. Once the design team develops the specifications for HCFR Public Safety facilities, the County conducts a bid process in accordance with County procurement policies and procedures to select a contractor through a competitive bidding process.

After contractors submit their bids, the design architects conduct a formal bid review to ensure bids meet the specifications and work with a cost consultant to determine the reasonableness of the contractors' proposed cost as compared to the County's estimated project cost. Before the County enters negotiations with the contractor, the architects provide items for further discussions with the contractor during negotiations.

The MJ Team reviewed a sample bid review prepared by MASON BLAU & Associates, Inc. confirming the bid review enables the County to negotiate a fair price with the construction contractor for specifications outlined in the scope of work, which is used as the baseline for assessing performance and cost over the life of the project.

Architect's Field Report

The design architect prepares an Architect's Field Report ("Field Report") monthly to monitor, assess, and evaluate Public Safety construction projects such as fire stations, training facilities, mosquito control facilities, etc. The Field Report includes the date, time, weather conditions, estimated percentage of completion, work in progress, and an assessment as to whether the project is on schedule based on the work in progress.

The County's construction project coordinator, director of Public Safety, and project manager, along with the architect, and representatives from the contractor meet monthly at the construction site to evaluate the performance of the contractor as to schedule and quality. The MJ Team reviewed a sample Field Report for Fire Station 2, which listed 25 observations (21 of which were deficiencies) and 15 items to verify with the contractor and architect, including photographs of construction deficiencies. This report is sufficient as a tool to assess program performance.

Pay Application

Contractors prepare and submit an Application and Certification for Payment monthly. The County links this pay application to the original purchase order, plus or minus change orders by line item. The original purchase order and pay applications are the basis for budget vs. actual expenditures by project captured in the Expenditure Transaction Analysis Report. The architect signs an Architect's Certificate for Payment which includes the amount of the payment certified. The contractor signs and notarizes the Application and Certification for Payment.

The MJ Team reviewed a sample Application and Certification for Payment for Hernando Judicial Renovations, dated May 31, 2024, noting that the document, when used with the Expenditure Transaction Analysis Report and purchase order, includes sufficient information to enable the County to periodically evaluate and assess contractors' performance and cost.

> **SUBTASK 1.3 – Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, internal and external reviews, audits, etc.**

OVERALL CONCLUSION

Overall, Hernando County met expectations for each program for Subtask 1.3. The Transportation, Utilities, and Public Safety programs that will benefit from the surtax met the subtask. As a result, this subtask is deemed to be met. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

TRANSPORTATION

To address the requirements of this subtask related to Transportation, the MJ Team requested internal or external reports and corrective action plans to determine whether program administrators have taken reasonable actions to address deficiencies in program performance and/or costs included in the reports. Public Works provided FDOT Bridge Inspection Reports, Local Agency Program (LAP) performance evaluations, and Construction Contract Compliance for the MJ Team to review.

Our interviews and reviews provided evidence that Public Works administrators have taken reasonable and timely actions to address deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, and audits. The details of our review and analysis are presented below.

Bridge Inspection Report – Pine Island Drive over Pine Island Canal

As discussed under Transportation in Subtask 1.1, every two (2) years, FDOT inspects the County's bridges that are on the NBI and issues a report of deficiencies noted. Engineering firms inspect bridges on behalf of the FDOT and issue Bridge Inspection Reports for the County's bridges. The reports include inspection activities and deficiencies noted, along with evidence supporting corrective actions taken by the County.

The MJ Team reviewed a Bridge Inspection Report for Pine Island Drive over Pine Island Canal, inspected by Volkert on March 1, 2022. The inspection report includes the FDOT bridge number, location of the bridge, ground-level and aerial images of the bridge, and any

deficiencies noted. Volkert identified embankment erosion along the northwest guardrail asphalt mowing strip and recommended repairing and restabilizing the erosion. **Figure 1-14** and **Figure 1-15** depict excerpts from the inspection report with images of the bridge location and images of the deficiency noted and accompanying repair recommendation.

FIGURE 1-14: *FDOT Bridge Inspection Reports include ground-level and aerial images of County bridges inspected. Source: Public Works Department.*

FIGURE 1-15: *FDOT Bridge Inspection Reports document specific deficiencies noted, capture the deficiencies in photographs, and include recommendations to repair the deficiency for the County to take corrective action. Source: Public Works Department.*

Public Works created a workorder on August 16, 2022, to correct the deficiency as a "Priority 3 – Customer Request" and completed the repairs on May 30, 2023. **Figure 1-16** presents the actual work order detail from the County's asset management system.

FIGURE 1-16: *Public Works prioritizes bridge repairs and issues formal work orders to take timely corrective action to repair deficiencies noted in FDOT Bridge Inspection Reports.*
Source: Public Works Department.

Local Agency Program (LAP) Performance Evaluations

FDOT annually assesses the County's compliance with each phase of projects funded through its LAP Agreement by performing a LAP Performance Evaluation to determine areas where compliance is satisfactory or less than satisfactory as measured by designated performance evaluation ratings in Section 2.6.2 of the LAP Manual. The LAP Performance Evaluation groups project compliance attributes into four (4) phases:

- Professional Services Procurement Phase
- Design Phase
- Construction Advertisement and Award Phase
- Construction and Construction Administration Phase

Performance Evaluation ratings in each phase result in one (1) of the three (3) ratings:

- **Unsatisfactory Performance, Rating of 1** – The Local Agency failed to develop the project in accordance with applicable federal and state regulations, standards, and procedures, required excessive FDOT involvement/oversight, or required corrective actions by FDOT to complete the project.

- **Satisfactory Performance, Rating of 2** – The Local Agency developed the project in accordance with applicable federal and state regulations, standards, and procedures, with minimal FDOT involvement/oversight.

- **Above Satisfactory Performance, Rating of 3** – The Local Agency developed the project in accordance with applicable federal and state regulations, standards, and procedures and FDOT did not have to exceed the minimum oversight and monitoring requirements identified for the project.

FDOT assigns an average score, based on a numerical performance rating from 1-3, to each phase of the LAP-funded project based on predetermined compliance criteria, and provides general comments identifying specific instances of non-compliance. These specific instances of non-compliance offer opportunities for the Local Agency to improve its program and maintain its LAP certification. The County uses these performance evaluations to assess where improvements in its project management may be needed, as satisfactory performance evaluations are part of the criteria for the County to maintain its LAP certification.

The MJ Team reviewed the five (5) most recent county projects funded through its LAP agreement and subsequently evaluated by FDOT. The projects reviewed and their respective average LAP ratings follow in **Figure 1-17**.

Project	Date	Average Rating	Phases Evaluated (Rating)
Brooksville Elementary Sidewalk	02/14/2023	3.18	Professional Services Procurement (2.8), Construction Advertisement and Award (3), Construction and Construction Administration (3.75)

Project	Date	Average Rating	Phases Evaluated (Rating)
Linden Drive	09/27/2022	3.38	Construction Advertisement and Award (3), Construction and Construction Administration (3.75)
Westside Elementary	09/08/2021	3.0	Professional Services Procurement (3), Construction Advertisement and Award (3), Construction and Construction Administration (3)
J D Floyd	09/08/2021	2.83	Professional Services Procurement (2.5), Construction Advertisement and Award (3), Construction and Construction Administration (3)
Explorer K8	09/08/2021	2.61	Professional Services Procurement (2), Construction Advertisement and Award (2.83), Construction and Construction Administration (3)

FIGURE 1-17: *Local Agency Performance Evaluation Ratings for LAP projects.*
Source: FDOT Local Agency Performance Evaluations.

Figure 1-17 shows the County achieved a rating of "3 – Above Satisfactory Performance" for three (3) of the five (5) LAP projects examined. FDOT rated the County just below three (3) for the remaining two (2) projects primarily because of findings in Professional Services Procurement, which FDOT describes in the General Comments section of the performance evaluation. FDOT cited the County for not following properly following the federal process related to procuring Continuing Construction Engineering & Inspection (CEI) Services for the J D Floyd and Explorer K8 projects, resulting in ineligible funding for each project.

The deficiencies FDOT noted in the County's procurement of CEI services were minor and resulted in a rating of "2 – Satisfactory Performance." Although the County achieved a Satisfactory Performance rating, FDOT reported that the County had implemented internal procedures to ensure consultants are adhering to the federal preprocess in the General Comments section LAP Performance Evaluation.

Construction Contract Compliance Assessment

FDOT conducted an electronic Construction Contract Compliance Assessment (CCCA) of the Westside Elementary – Kenlake, Applegate, Airmont, Tyler, and Halstea construction projects. FDOT reported findings related to noncompliance in payroll and Equal Employment Opportunity (EEO) to Public Works on September 15, 2020, when the review was 80 percent complete. These findings included:

- Late submittal of weekly payrolls from contractors
- Failure to meet EEO compliance deadlines

Public Works responded with a corrective action letter detailing corrective actions implemented to ensure payrolls were submitted timely and its Resident Compliance Specialist (RCS) met all EEO compliance deadlines as follows:

- Reviewed the County's process for monitoring payroll submittals to identify process gaps and collaborated with the County's Grants Compliance Team to improve the process.
- Ongoing cross-training of Public Works staff to assist with EEO compliance.
- Setting calendar reminders for key due dates at the beginning of projects.
- Adding discussion points related to EEO compliance deadlines in pre-construction meetings.

Figures 1-18 and **1-19** is an image of the actual corrective action letter Public Works submitted to FDOT's LAP Oversight, Contract Compliance Specialist on February 2, 2021, demonstrating timely implementation of corrective actions to address findings noted in the CCCA.

FIGURE 1-18: *Revised Corrective Action Letter to resolve FDOT's Construction Contract Compliance (Page 1). Source: Public Works Department.*
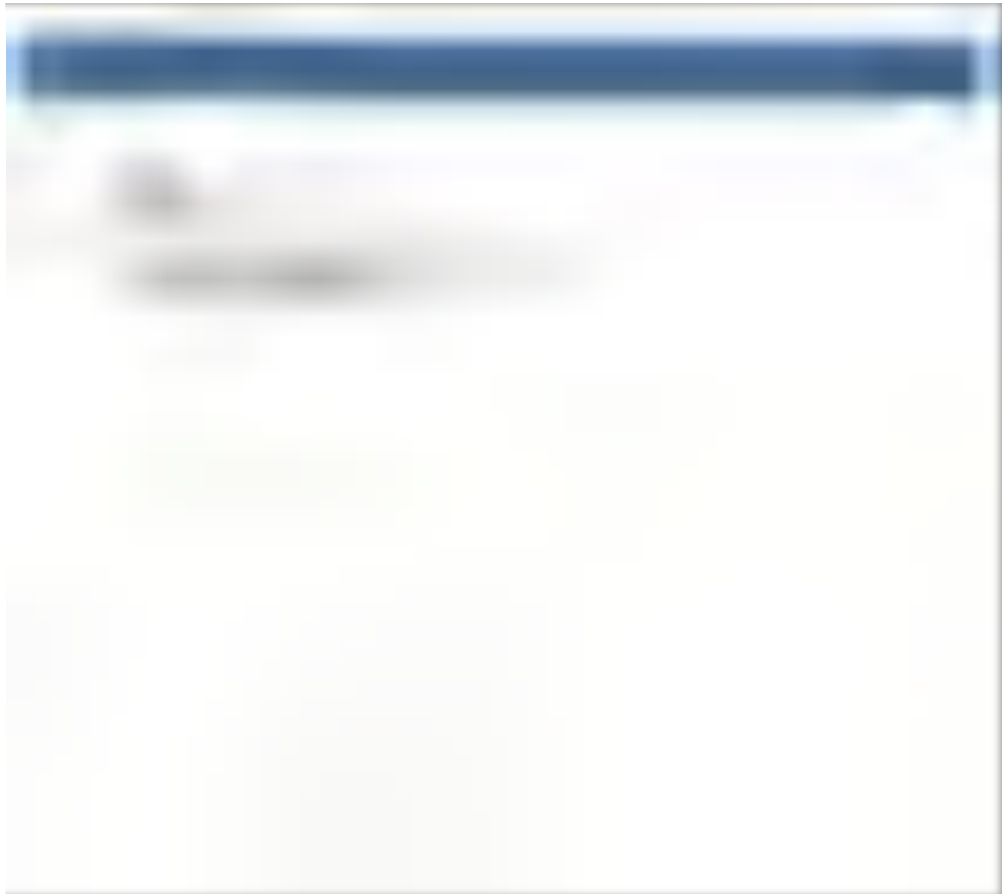
FIGURE 1-19: *Revised Corrective Action Letter to resolve FDOT's Construction Contract Compliance (Page 2). Source: Public Works Department.*

UTILITIES

To address the requirements of this subtask related to Utilities, the MJ Team requested internal and external reports and corrective action plans to determine whether HCUD program administrators have taken reasonable actions to address deficiencies in program performance and/or costs included in the reports.

The County Clerk of Circuit Court Audit Services Department (ASD) is the internal audit function for the County and routinely conducts follow-up audits to determine the status of implementation of recommendations for improvement and management's corrective actions. This independent internal audit function provides the BOCC and management with independent, objective analyses, recommendations, counsel, and information concerning the activities reviewed in the follow-up audit. The follow-up audit is a tool to help management discern and implement specific improvements.

HCUD provided a sample Follow-Up Audit of the Utilities Billing and Collections Audit dated September 4, 2018. The Follow-Up Audit is dated June 7, 2021, and reports the status of recommendations as presented in **Figure 1-20** below.

Recommendation	Implementation Status
Billing System Permission Rights	
1.1 – The ASD recommends that management periodically review system permission rights to ensure that they are in alignment with staff members' job responsibilities and adequately segregate incompatible duties.	Fully Implemented
1.2 – The ASD recommends that transferred and terminated staff members' access to the Central Square Billing System be disabled on the effective date of the transfer/termination.	Fully Implemented
1.3 – The ASD recommends that HCUD discontinue the use of generic IDs and disable them by removing the permission rights associated with them.	Partially Implemented
Verification of Meter Read Reports	
2.1 – The ASD recommends that Hernando County Utilities Customer Service Department implement procedures such as hash total, to verify that all accounts are included in the Meter Read Reports.	Fully Implemented

FIGURE 1-20: *Hernando County's Audit Services Department conducts Follow-Up Audits of HCUD programs to ensure management timely implements corrective actions related to recommendations included in internal audit reports.*
Source: Hernando County Clerk of Circuit Audit Services Department Follow-Up Audit Report of Utilities Billing and Collections, June 7, 2021.

ASD determined HCUD fully implemented three (3) of the four (4) recommendations in the Utilities Billing and Collections Audit, and partially implemented the fourth recommendation, prompting ASD to commend management for the full implementation of recommended improvements. ASD also encouraged management to fully implement all recommendations.

PUBLIC SAFETY

To address the requirements of this subtask related to Public Safety, the MJ Team requested internal and external reports and corrective action plans to determine whether HCFR program administrators have taken reasonable actions to address deficiencies in program performance and/or costs included in the reports.

The County Clerk of Circuit Court Audit Services Department (ASD) is the internal audit function for the County and conducts follow-up audits as discussed in the Utilities program area above.

HCFR provided a sample Follow-Up Audit of the Emergency Medical Services (EMS) & Animal Services Drug Inventory Controls Audit dated April 17, 2019. The Follow-Up Audit is dated December 30, 2022, and reports the status of recommendations as presented in **Figure 1-21** below.

Recommendation	Implementation Status
1. Document PAR values for non-controlled medications.	Fully Implemented
2. Implement proper segregation of duties for the ordering, receiving, and counting of medication, such that no one (1) person participates in all three (3) activities.	Fully Implemented
3. Limit access to the Logistics Department's warehouse.	Fully Implemented
4. Implement software to accurately track medical supply inventory (Hernando County Fire and Emergency Services)	Partially Implemented
5. Review Controlled Substance logs for accuracy and completeness and reconcile entries to a completed Accountability Form.	Partially Implemented
6. Implement periodic reviews of Engine and Rescue Units' inventory of medications for adherence to PAR quantities of non-controlled substances by all paramedics and EMTs.	Partially Implemented
7. Implement software to accurately track medical supply inventory (Animal Services).	Not Implemented

FIGURE 1-21: *Hernando County's Audit Services Department conducts Follow-Up Audits of HCUD programs to ensure management timely implements corrective actions related to recommendations included in internal audit reports.*
Source: Hernando County Clerk of Circuit Audit Services Department Follow-Up Audit Report of EMS & Animal Services Drug Inventory Controls, December 30, 2022.

ASD determined HCFR fully implemented three (3) of the seven (7) recommendations in the EMS & Animal Services Drug Inventory Controls Audit, partially implemented three (3) recommendations, and did not implement one (1) recommendation, prompting ASD to encourage management to fully implement recommended improvements.

> **SUBTASK 1.4 – Evaluate program performance and cost based on reasonable measures, including accepted industry standards and best practices, when available.**

OVERALL CONCLUSION

Overall, Hernando County met expectations for Subtask 1.4. The Transportation, Utilities, and Public Safety programs that will benefit from the surtax met the subtask. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

To address the requirements of this subtask, the MJ Team interviewed Public Works staff responsible for administering the County's Transportation program. During the interview we discussed specific "best-in-class," industry recognized techniques the County uses and requested relevant information to facilitate our evaluation of program performance and cost based on reasonable measures. We also conducted a peer analysis from data we obtained from FDOT's publicly available National Bridge Inventory to determine how the County's bridge infrastructure compared to surrounding counties. The information the County provided is discussed below, including the analysis we performed to evaluate the Transportation program.

Peer County Bridge Comparisons

As discussed in Subtask 1.2, every two (2) years, FDOT inspects every bridge in Florida listed in the NBI. FDOT maintains a bridge inventory on its website. Each quarter FDOT publishes bridge information for Florida counties. The MJ Team used data from FDOT's third quarter 2024 report to compare Hernando County bridge conditions to those of selected peer counties.

People use bridges. Therefore, a reasonable inference can be made that there is a direct correlation between population (i.e., bridge use) and bridge condition. This relationship forms the basis of our peer county selection methodology.

We obtained FDOT's bridge inventory of all Florida counties and calculated a bridges per capita factor for each county. We then sorted the list in descending order and identified the five (5) counties with the closest per capita factor to Hernando County's factor. We selected these counties as peers. **Figure 1-22** presents the results of the peer selection.

County	Number of Bridges	2023 Population	Bridges per 10,000 capita	Deviation from Hernando	Selected for Peer Comparison
Hernando	19	212,807	0.89	0.00	Y
Pasco	55	632,996	0.87	-0.02	Y
Volusia	50	590,357	0.85	-0.05	Y
Miami-Dade	225	2,686,867	0.84	-0.06	Y
Orange	105	1,471,416	0.71	-0.18	Y
St. Lucie	26	373,586	0.70	-0.20	Y

FIGURE 1-22: *The MJ Team selected Hernando County peers based on bridge and population counts. Sources: Bridge count: Third Quarter FDOT Bridge Report-2024. Population: U.S. Census Bureau, Population Division -Annual Estimates of the Resident Population for Counties in Florida: April 1, 2020 to July 1, 2023.*

Figure 1-23 presents a comparison of Hernando County's bridge statistics with its peer counties and shows the following:

- The County's bridges rank 4th highest in average age.
- Structural sufficiency is the 2nd highest among the five (5) peers.
- Average bridge health is the next to last among the peers.
- The County has the smallest number and percentage of functionally obsolete (FO) bridges.
- The County has no structurally deficient (SD) bridges.

These rankings indicate that the County's bridges compare relatively favorably with bridges in peer counties.

Factors	Hernando	Pasco	Volusia	Mami-Dade	Orange	St. Lucie	Hernando Ranking
Average Bridge Age in Years	39	33	42	46	28	44	4
Average Bridge Sufficiency	88.9	89.7	81.0	75.2	87.7	79.2	2
Average Bridge Health	84.2	81.6	88.5	91.3	91.3	88.1	5
Functionally Obsolete	1	7	10	56	11	6	6
Percentage FO	5%	13%	20%	25%	10%	23%	6
Structurally Deficient	0	2	3	35	0	0	4
Percentage SD	0%	4%	6%	16%	0%	0%	4

FIGURE 1-23: *Hernando County has the highest percentage of structurally deficient bridges and the second highest percentage of functionally obsolete bridges among its peer counties.*
Sources: Third Quarter FDOT Bridge Report-2024.

Pavement Condition Index

The Pavement Condition Index (PCI) previously discussed in Subtask 1.2 is the "best-in-class" industry standard used to rate pavement surface conditions and to provide an objective and rational basis for determining maintenance and repair needs and priorities. Each year, Public Works uses PCI scores to prioritize road resurfacing projects, with projects scoring lowest assigned the highest priority and included in the County's rolling five-year Capital Improvement Plan.

MicroPAVER Program

The MicroPAVER Program (PAVER) is state-of-the art technology in pavement management used in the public works industry for pavement maintenance management. The U.S. Army Corps of Engineers developed this software for road and airfield maintenance management. It uses inspection data and a PCI rating to measure/assess a pavement's condition and for predicting pavement maintenance and repair needs into the future. The American Public Works Association (APWA) recognizes MicroPAVER as the industry standard.

Public Works uses PAVER to assess all county roads on a three-year rotation, using a combination of visual inspections from Public Works field staff and roads with a PCI rating from 0 to 100 to consistently describe road pavement conditions and prioritize deteriorating roads for maintenance and repair.

Vendor Performance Evaluations – Construction Contractors

Vendor performance evaluations are considered a best practice for public works projects, including transportation infrastructure construction contracts. The evaluation helps ensure that contractors meet the project's requirements and quality standards, and it provides a basis for future contract awards.

The Procurement Excellence Network in the Harvard Kennedy School Government Performance Lab (GPL) describes best practices for assessing and tracking vendor performance, including construction contractors. The GPL recommends vendor performance evaluations as part of a comprehensive vendor performance evaluation system to enable governments to track important data about a vendor's performance over time and to support vendors in improving how they deliver goods and services.

Best practices for evaluating contractor performance include using clear, relevant information and objective facts to assess factors such as quality of construction, cost control, schedule/ timeliness, safety, response to changes in scope, and regulatory compliance (e.g., Occupational Safety and Health Administration guidelines).

The County's Purchasing Department uses Vendor Performance Evaluation Forms (i.e., Form 13B) to assess the quality of contractors' performance and cost after construction contracts are completed. Public Works Department staff with knowledge of the contractor's performance and cost complete Form 13B after each construction project is completed and closed out. The County reviews each Vendor Performance Evaluation to determine if the contractor will be eligible for future contracts with the County. **Figures 1-24A** and **1-24B** present a sample Form 13B - Vendor Performance Evaluation for Construction Projects.

FIGURE 1-24A: *Hernando County regularly measures and assesses the performance of construction contractors and related cost through Vendor Performance Evaluations.*
Source: Public Works Department, Form 13B – Vendor Performance Evaluation, Construction Projects (Page 1).

FIGURE 1-24B: *Hernando County regularly measures and assesses the performance of construction contractors and related cost through Vendor Performance Evaluations.*
Source: Public Works Department, Form 13B – Vendor Performance Evaluation, Construction Projects (Page 2).

UTILITIES

HCUD uses the same Form 13B – Vendor Performance Evaluation to assess the quality of contractors' performance and cost after utilities infrastructure construction contracts are completed. However, HCUD project managers also complete the Hernando County Construction Contract Final Payment Checklist ("Final Payment Checklist") for each construction project as an additional measure to evaluate program performance and cost. HCUD's capital

program manager or director of Utilities sign the Final Payment Checklist authorizing the County to release the contractors' final payment.

The use of a Final Payment Checklist is considered a best practice for construction contracts, especially in public works projects. Best practices for final payment in construction contracts include having a detailed checklist that covers substantial completion, retainage, punch list items, disputed work, and ensuring that all financial obligations have been met before releasing the last payment.

The County Construction Contract Final Payment Checklist records the contractor's original and final contract prices (including all change orders), and a list of performance- and cost-related items verified as completed or not completed. These items are attached to the Final Payment Checklist and include, but are not limited to punch list items, contractor warranty, final payment certification affidavit from contractor, and release of liens. **Figures 1-25A** and **1-25B** present a sample of the County's Construction Contract Final Payment Checklist.

FIGURE 1-25A: *Hernando County's Construction Contract Final Payment Checklist ensures contractor performance and financial obligations are met before releasing final payment.*
Source: Hernando County Utilities Department, Hernando County Construction Contract Final Payment Checklist Projects (Page 1).

FIGURE 1-25B: *Hernando County's Construction Contract Final Payment Checklist ensures contractor performance and financial obligations are met before releasing final payment.*
Source: Hernando County Utilities Department, Hernando County Construction Contract Final Payment Checklist Projects (Page 2).

PUBLIC SAFETY

HCFR uses the same Form 13B – Vendor Performance Evaluation Included in the Transportation section and the same Construction Contract Final Payment Checklist included in the Utilities section to assess the quality of contractors' performance and cost after public safety facilities construction contracts are completed.

HCFR contracted with Emergency Services Consulting International (ESCI) to conduct a Fire Station Location Study in June 2022, which evaluated the conditions of fire stations throughout the County and recommended strategic placement of additional fire stations to enhance public safety.

The National Fire Academy's Executive Fire Officer Program published a study titled "A Procedure for Evaluation of Fire Station Location and Deployment, December 1999," which outlines best practices for determining fire station locations and deployment of fire companies and personnel. Throughout the industry, conducting a fire station location study is considered a best practice for public safety operations. A fire station location study helps determine the optimal placement of fire stations to ensure efficient response times, coverage, and resource allocation for emergency services. Optimal placement of fire stations enables the County to achieve its Fire and EMS performance goals, and meet the community's needs, considering factors like response times, population density, and risk assessment.

Figure 1-26 presents current and proposed fire stations within the County's jurisdiction presented to the BOCC for approval. Red stars indicate current fire stations and blue stars indicate proposed fire stations.

FIGURE 1-26: *Hernando County's Fire Station Location Study determined optimal placement of fire stations throughout the County to achieve HCFR's public safety performance goals and meet the needs of residents. Source: HCFR, Hernando County Fire Station Location Study, Emergency Services Consulting International, June 2022.*

> **SUBTASK 1.5 – Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.**

OVERALL CONCLUSION

Overall, Hernando County (the "County") partially met expectations for Subtask 1.5. The Utilities and Transportation programs met the requirements of this subtask, however, the Public Safety program partially met, the requirements of this subtask. The Utilities and Transportation programs established their projects were of reasonable cost, completed well, on time and within budget; the Public Safety program showed two (2) of the four (4) projects were unsuccessful in meeting all the specified criteria.

To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

The MJ Team received the supporting procurement and project information requested to assess whether a sample of projects were of reasonable cost and completed well, on time, and within budget. In addition, the MJ Team conducted interviews for the capital projects program areas.

The MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is discussed separately below.

PUBLIC SAFETY

Public Safety plans to use surtax funds for construction and capital project improvements including fire stations, public safety training complex-Fire and Emergency Operations Center (EOC), mosquito control building, medical and mental health facilities, renovations to visitation building, and land acquisition.

To address the requirements of this subtask, the MJ Team interviewed individuals in the following positions:

- Deputy County Administrator
- Fire Chief/Director
- Fire Finance Manager
- Director of Office Management and Budget
- Chief Procurement Officer
- Construction Project Coordinator

During the interview, the MJ Team discussed the procurement process and key records maintained by departments to document the procurement and project completion processes to monitor if projects are completed well, within budget, and timely.

Examples of reports and information are outlined below:

- Vendor bid tabulations
- Excel spreadsheets for tracking and monitoring project and contractor costs
- Contractor task orders
- Inspection reports
- Closeout reports

Figures 1-27 and **1-28** present the sample of projects selected for review.

Public Safety	West Side Gov Ctr / Sheriff Parking Lot Restoration	Clerk of Court Renovation	Jail Alpha Soffit Renovation Construction
Type	Facilities	Facilities	Facilities
Budget	$650,330	$200,000	$817,711
Fiscal Year	FY24	FY22	FY22
Spent	$696,870	$194,733	$834,445
Status	Complete	Complete	Complete
Basis for Vendor Selection	Lowest responsive bidder per bid tabulation	Only responsive bidder; awarded contract because of price, experience and past performance per bid tabulation	Lowest responsive bidder per bid tabulation
Original Contract	$655,075	$199,589	$817,711
Net Change Order / Additional Services	Ten (10) change orders resulted in an increase of the contracted amount by $41,795 and 45 days to 05/22/2024	Three (3) change orders resulted in a decrease in the contracted amount of $4,856.25 and an increase of 57 days to the completion dates of the project to 06/24/2022.	Eleven (11) change orders resulted in an increase in the contracted amount by $41,934 and an increase of one 166 days to the completion date of the project to 02/23/2023.
Contract Sum	$696,870	$194,733	$859,645
Notice to Proceed By	01/08/2024	02/28/2022	01/22/2022
Date Approved by Board	08/22/2023	12/14/2021	07/13/2021
Completion Date	05/21/2024	06/28/2022	10/22/2023
Target Completion Date	One hundred five (105) days after NTP (60 days per contract and 45 days per change orders) 05/22/2024	One hundred seventeen (117) days after NTP – (60 days per contract and 57 days per change orders) 06/24/2022	Three hundred seventy-six (376) days after NTP (210 days per contract and 166 days per change order) – 02/23/2023
Certificate of Substantial Completion Date	04/19/2024	06/25/2022	09/23/2023
Final Completion Date per Certification of Completion Letter	05/21/2024	06/28/2022	The certification of final completion was not provided by the County
Reason for Liquidated Damages	N/A	Missed substantial completion date	Missed substantial completion date
Liquidated Damages Start Date / End Date	N/A	06/24/2022 - 06/25/2022	12/31/2022 – 06/17/2023

Public Safety	West Side Gov Ctr / Sheriff Parking Lot Restoration	Clerk of Court Renovation	Jail Alpha Soffit Renovation Construction
Assessment			
Reasonable Costs?	Yes, per estimate methodology provided in narrative	Yes, County qualified this project as under $200,000	No, the engineering estimate was not provided by the County
Completed within Budget?	Yes, the project was completed within 25 percent of approved contract value, per procurement manual.	Yes. Final contract price was $4,856.25 less than the contract price per County final payment checklist.	Yes, the project was completed within 25 percent of approved contract value, per procurement manual.
Completed Timely?	Yes, per final payment checklist which verified final completion date of 05/21/2024. Letter of Substantial completion dated 04/19/2024.	The substantial completion date of 06/24/2022 was missed by the contractor. The County levied $100 in liquidated damages per contract	The substantial completion date, documented as 12/30/2022, was not met. The County levied $25,200 in liquidated damages per contract.
Completed Well?	Yes, per the final checklist	Yes, per vendor performance evaluation	No, per vendor performance evaluation 08/07/2024

FIGURE 1-27: *Source: Project files provided by Hernando County.*

Public Safety	Station 16 - Land Purchase to use to construct a new fire station at Commercial Way and Atlanta Avenue
Type	Land Acquisition
Budget	$608,147
Fiscal Year	FY23
Spent	$608,147
Status	Complete
Value per Sales Comparables reports for current market values	The County reported that multiple lots were purchased, and the Property Appraiser's website is used as a valuation estimate for land purchases, generally. The County also partners with a local realtor to get an educated opinion on a proposed sale price; however, no formal report is provided, it is usually a discussion about potential lot(s).
Original Contract	$604,650
Additional Services	Contracted services for $4,497

Public Safety	Station 16 - Land Purchase to use to construct a new fire station at Commercial Way and Atlanta Avenue
Contract Sum	$608,147
Date Approved by Board	09/26/2023
Completion Date	11/07/2023 per electronic funds requisition
Value per Appraisal (if done)	No appraisal exists per ESA Report
Value per Purchase Agreement	Pending County verification of value
Property Acquisition Request – Date and Purpose	09/26/2023 for new fire station
Due diligence was performed, including title search, possible environmental assessments, and line checks.	ESA Report was provided by the County
Documents for the closing process which show transferring ownership to the county	County provided closing documents
Assessment	
Reasonable Costs?	No, appraisal was not completed per report provided by the County
Completed within Budget?	Yes, per electronic funds requisition provided
Completed Timely?	Yes, payment received prior to closing date, verified by electronic funds requisition provided
Completed Well?	Yes, per title documents provided

FIGURE 1-28: *Source: Project files provided by Hernando County.*

The following information was requested:

- Documents to determine if the projects were completed well, for reasonable costs, timely, and within budget including the initial budget/engineering estimates, notices to proceed, vendor bid tabulation, change orders, certificate of substantial completion, and letter of acceptance of final completion.

- For property acquisitions, documents to determine if the projects were completed well, for reasonable costs, timely, and within budget included policies and procedures, sales comparables, appraisals, title searches, environmental assessments and closing processes.

Based on the information provided, the MJ Team determined that the West Side Gov Ctr / Sheriff Parking Lot Restoration and Clerk of Court Renovation project were completed at reasonable cost, within budget, and well. The Clerk of Court Renovation project went past the scheduled date, but the County took the appropriate measures to address this by collecting liquidated damages. The Jail Alpha Soffit Renovation only met the budget criteria for this subtask; the original contract exceeded the probable cost estimate of $700,000 by $117,111. This estimate was stated in the project bid specifications document provided; no official engineering document was provided for this project. While the County collected liquidated damages in the amount of $25,200 for the missed completion date, the final pay documents

stated an estimated revenue loss of $756,000. Subsequently, the County evaluated the selected contractor as poor and did not issue a recommendation for future consideration.

The final sample project was the land acquisition for the County's Fire Station 16. The County established the purchase was completed on time, well, and within budget but did not provide documentation to support their narrative of reasonable cost. In the provided Environmental Site Assessment, it stated that the County was not aware of a formal appraisal.

In sum, two (2) of the projects met all the criteria for the assessment and two (2) did not. Therefore, Public Safety partially met expectations for this subtask.

TRANSPORTATION

Public Works plans to use surtax funds for construction and capital project improvement including road construction and widening, roadway improvements, improving pickup/drop-off lanes for schools and associated infrastructure.

To address the requirements of this subtask, the MJ Team conducted interviews with individuals in the following positions:

- Deputy County Administrator
- Public Works Director
- Public Works Finance Manager
- Director of Office Management and Budget
- Chief Procurement Officer
- Construction Project Coordinator

During the interview, the MJ Team discussed the procurement process and key records maintained by departments to document the procurement and project completion processes to monitor if projects are completed well, within budget, and timely.

Examples of reports and information are outlined below:

- Vendor bid tabulations
- Excel spreadsheets for tracking and monitoring project and contractor costs
- Contractor task orders
- Inspection reports
- Closeout reports

Figure 1-29 presents the sample of projects selected for review.

Transportation Project	Design Risk Assessment (DRA) to Mitigate Road Flooding	Right of Way Barclay Rd	County Line Road Widening Project= Acquisition
Public Works Project	Transportation Stormwater	Transportation	Transportation
Budget	$525,000	$2,275,000	$7,500
Fiscal Year	FY23	FY24	FY22
Spent	$232,000	$2,274,560	$7,477
Status	Complete	Complete	Complete
Value per Sales Comparables reports for current market values	County did not provide sales comparables	County did not provide sales comparables	County did not provide sales comparables
Original Contract	$195,000	$2,271,560	$7,000
Additional Services	None were provided by the County	None were provided by the County	None were provided by the County
Contract Sum	$195,000	$2,271,560	$7,000
Date Approved by Board	12/12/2023	3/26/2024	10/26/22
Completion Date	No verification that the sale was completed was provided by the County	No verification that the sale was completed was provided by the County	No verification that the sale was completed was provided by the County
Value per Appraisal (if done)	12.2 acres were appraised at $582,831 in 2023 per BOCC. County agreed to purchase 3.95 acres, with a prorated appraisal of $188,558	No appraisal provided by the County	No appraisal provided by the County
Value Per Purchase Agreement	No verification provided by the County	No verification provided by the County	No verification provided by the County
Property Acquisition Request – Date and Purpose	12/12/2023 for floodplain compensation pond for future road elevation	3/26/2024 for road improvements	11/29/2022 for future road widening
Due Diligence was performed, including title search, possible environmental assessments, and lien checks.	No due diligence documents were provided by the County	No due diligence documents were provided by the County	No due diligence documents were provided by the County
Documents for the closing process which show transferring ownership to the county	No closing documents were provided by the County	No closing documents were provided by the County	No closing documents were provided by the County

Transportation Project	Design Risk Assessment (DRA) to Mitigate Road Flooding	Right of Way Barclay Rd	County Line Road Widening Project= Acquisition
Assessment			
Reasonable Costs?	Yes, per expenditure report	No; no documents were provided to demonstrate the County's costs were reasonable	No; no documents were provided to demonstrate the County's costs were reasonable
Completed within Budget?	Yes, per expenditure report	Yes, per expenditure report	Yes, per expenditure report
Completed Timely?	No; no documentation was provided to demonstrate timeliness	No; no documentation was provided to demonstrate timeliness	No; no documentation was provided to demonstrate timeliness
Completed Well?	No; no closing documents were provided by the County	No; no closing documents were provided by the County	No, no closing documents were provided by the County

FIGURE 1-29: *Selected Transportation projects reviewed by the MJ Team.*
Source: Project files provided by the County.

The following information was requested:

Documents to determine if the projects were completed well, for reasonable costs, timely, and within budget including policies and procedures, sales comparables, appraisals, title searches, environmental assessments and closing processes.

The Transportation program projects were completed well, on time and within the allotted budget. Both the Design Risk Assessment and Right of Way Barclay Rd projects demonstrated reasonable costs comparative to their value. The MJ team did not receive any value documentation for the County Line Road Widening project; however, the County is not required to have an appraisal for a property purchased for $7,000 with Board approval. The *Florida Statute* 125.355 (b) states:

> "The governing body may, by ordinary vote, exempt a purchase in an amount of $100,000 or less from the requirement for an appraisal."

Hernando County provided the Board approval for the County Line Road Widening project. Thus, all the Transportation program projects met the expectations for this subtask.

UTILITIES

Utilities plans to use surtax funds for construction and capital project improvement including sewer and water lines and associated infrastructure.

To address the requirements of this subtask, the MJ Team conducted interviews with individuals in the following positions:

- Deputy County Administrator
- Utilities Director
- Finance Director
- Director of Office Management and Budget
- Chief Procurement Officer
- Construction Project Coordinator

Examples of reports and information are outlined below:

- Vendor bid tabulations
- Excel spreadsheets for tracking and monitoring project and contractor costs
- Contractor task orders
- Inspection reports
- Closeout reports

Figure 1-30 presents the sample of projects selected for review.

Utilities	Airport WRF Expansion
Utilities Project	Sewer
Budget	$19,946,263
Fiscal Year	FY23
Spent	$19,946,263
Status	Complete
Basis for Vendor Selection	Lowest responsive bidder from bid tabulation
Original Contract	$24,262,000
Net Change Order	Twenty-four (24) change orders were issued for a reduction in cost of $4,315,737.
Contract Sum	$19,946,263
Notice to Proceed By	01/20/2021
Date Approved by Board	11/17/2020
Completion Date	07/17/2023
Target Completion Date	730 days after NTP – 1/202/2021
Certificate of Substantial Completion Date	Yes
Final Completion Date per Certification of Completion Letter	Yes

Utilities	Airport WRF Expansion
Assessment	
Reasonable Costs?	Yes, below engineering estimate of $26,765,000
Completed within Budget?	Yes, final contract amount remained at $19,946,263 per final pay agreement PO.
Completed Timely?	Yes, per approved change orders
Completed Well?	Yes

FIGURE 1-30: *Source: Project files provided by the County*

The following information was requested:

Documents to determine if the projects were completed well, for reasonable costs, timely, and within budget including the initial budget/engineering estimates, vendor bid tabulation, change orders, certificate of substantial completion, and letter of final completion acceptance.

Based on the information requested, the MJ Team has concluded that the Airport WRF Expansion was completed for reasonable cost, completed within budget, on time, and well. Therefore, Utilities met the expectations for this subtask.

> **RECOMMENDATION 1.5 – Ensure all county projects include value assessments, have their results documented, and are evaluated upon completion to determine if they were cost-effective. Public Safety should consider the best practices of Utilities and Transportation in this improvement.**

> **SUBTASK 1.6 – Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.**

OVERALL CONCLUSION

Overall, Hernando County met expectations for Subtask 1.6. To reach this conclusion, the MJ Team examined purchasing policies and procedures and related procurement documentation. We did not divide Subtask 1.6 into separate program areas because the County's procurement policies and procedures are universal and apply to all County departments.

ANALYSIS

To address the requirements of this subtask, the MJ Team interviewed the County's chief procurement officer. Based on information obtained from the initial data request, the County has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. The information the County provided is outlined and discussed below.

- Procurement Manual
- Purchasing Cooperatives

The County's procurement manual was recently updated and is dated April 23, 2024. The manual contains provisions that ensure goods and services are obtained competitively at the most advantageous prices in accordance with applicable purchasing laws and County policies. An excerpt from the purpose statement is shown below:

- To deal fairly and equitably with all vendor/contractors wishing to do business with Hernando County.
- To ensure adherence to all purchasing laws, regulations, and procedures.
- To maximize competition for all procurements.
- To administer the contracting function with internal efficiency.
- To purchase goods and services at the lowest price, consistent with quality, performance, and delivery requirements from capable vendor/contractors meeting the County's needs.

The manual also describes the "how" of the procurement process. Below are excerpts from the manual that are consistent with the requirements of the subtask:

- The Procurement Department shall have the authority to purchase from and join with other units of governments in cooperative purchasing ventures when the best interest of the County would be served thereby. It is standard policy of the County to cooperate with other government agencies in the purchase of commodities, equipment and services required by the County.
- When any other government agency had competitively procured and awarded any contract for any commodities or service, the County may purchase that commodity or service from the awarded vendor at the awarded price if the original bid specifications and award allow it.

The Purchasing Cooperatives document identified all the BOCC approved partnerships for the County, establishing a written policy on volume discounts and pricing agreements.

RESEARCH TASK 2

SCOPE

The MJ Team evaluated all two (2) subtasks that comprise Research Task 2.

The MJ Team divided Subtasks 2.1 and 2.2 into separate program areas to assess the structure or design of the program to accomplish its goals and objectives of each program area that will benefit from the surtax proceeds. The program areas include Transportation, Utilities, and Public Safety.

FINDING SUMMARY

> ### THE STRUCTURE OR DESIGN OF THE PROGRAM TO ACCOMPLISH ITS GOALS AND OBJECTIVES.
>
> **Overall, Hernando County partially meets Task 2. The organizational structure for each of the program areas assessed has clearly defined units, minimize overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs. However, the County did not provide evidence that it has processes in place to ensure the reasonableness of program staffing levels given the services that are anticipated to be provided should the surtax referendum pass. Examples of best practice benchmarks for determining reasonable staffing levels the County should consider implementing include maintaining and monitoring employee workload productivity statistics, turnover rates, and vacancy rates to ensure staffing levels are optimal.**

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

> **SUBTASK 2.1 – Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.**

OVERALL CONCLUSION

Overall, Hernando County (the "County") met expectations for Subtask 2.1. The Public Safety, Utilities, and Transportation programs that will benefit from the surtax met the subtask. The Transportation, Public Safety, and Utilities programs all demonstrated organizational structures that have clearly defined units, minimize overlapping functions and excessive administrative layers, and have lines of authority that minimize administrative costs. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

Based on the MJ Team's review and analysis, the program areas below have clearly defined organizational units and minimize overlapping functions. Each is a distinct department with no overlapping functions. Based on the organizational charts provided, program areas have no excessive administrative layers and have appropriate lines of authority that minimize administrative costs.

ORGANIZATION STRUCTURE

Key Personnel Primary Job Functions and Managerial Span of Control

The MJ Team also compared the recommended span of control ratio for higher-level directors and managers and lower-level manager and supervisory levels using the Society of Human Resource Management (SHRM) guidelines. The recommended span of control ratio for higher-level directors and managers is between 1:2 and 1:9 or slightly higher. The span of control ratio for lower-level managers and supervisors is 1:15 to 1:20. Several factors influence span of control guidelines, as described below:

- **Organizational size.** Large departments tend to have a narrow span of control, whereas smaller departments often have a wider span of control. This difference is usually due to the costs involved with more managers and the financial resources available to an organization.

- **Workforce skill level.** The complexity or simplicity of the tasks performed by the employees will affect the number of desirable direct reports. Routine tasks involving repetition will require less supervisory control of a manager, allowing a wider span of control, whereas complex tasks or dynamic workplace conditions may be best suited for a narrower span of control, where managers can provide more individualized attention.

- **Director's and Manager's responsibilities.** Departments and organizational units' expectations allow managers to be effective with the number of direct reports they have, especially related to individual responsibilities, departmental planning, and training. For example, executives often have fewer direct reports than other managers in the organization.

In addition to reviewing the County's organizational structure, the MJ Team interviewed the leadership of the County's Office of Management and Budget (management administrative support) functions, which include finance and budgeting, and procurement.

TRANSPORTATION

The County manages the Transportation program through the Road & Bridge, Engineering, Facilities Maintenance, and Administration divisions of the Public Works Department, which includes infrastructure for roadways, rights-of-way trails, bridges, and alternative transportation facilities.

To address the requirements of all subtasks related to the Transportation program, the MJ Team conducted a joint interview with individuals in the following positions:

- Public Works Director
- Construction Project Coordinator
- OMB Director

Span of Control – Transportation

Figure 2-1 presents the organizational structure for the Transportation program. The organizational structure shows that the Transportation program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.
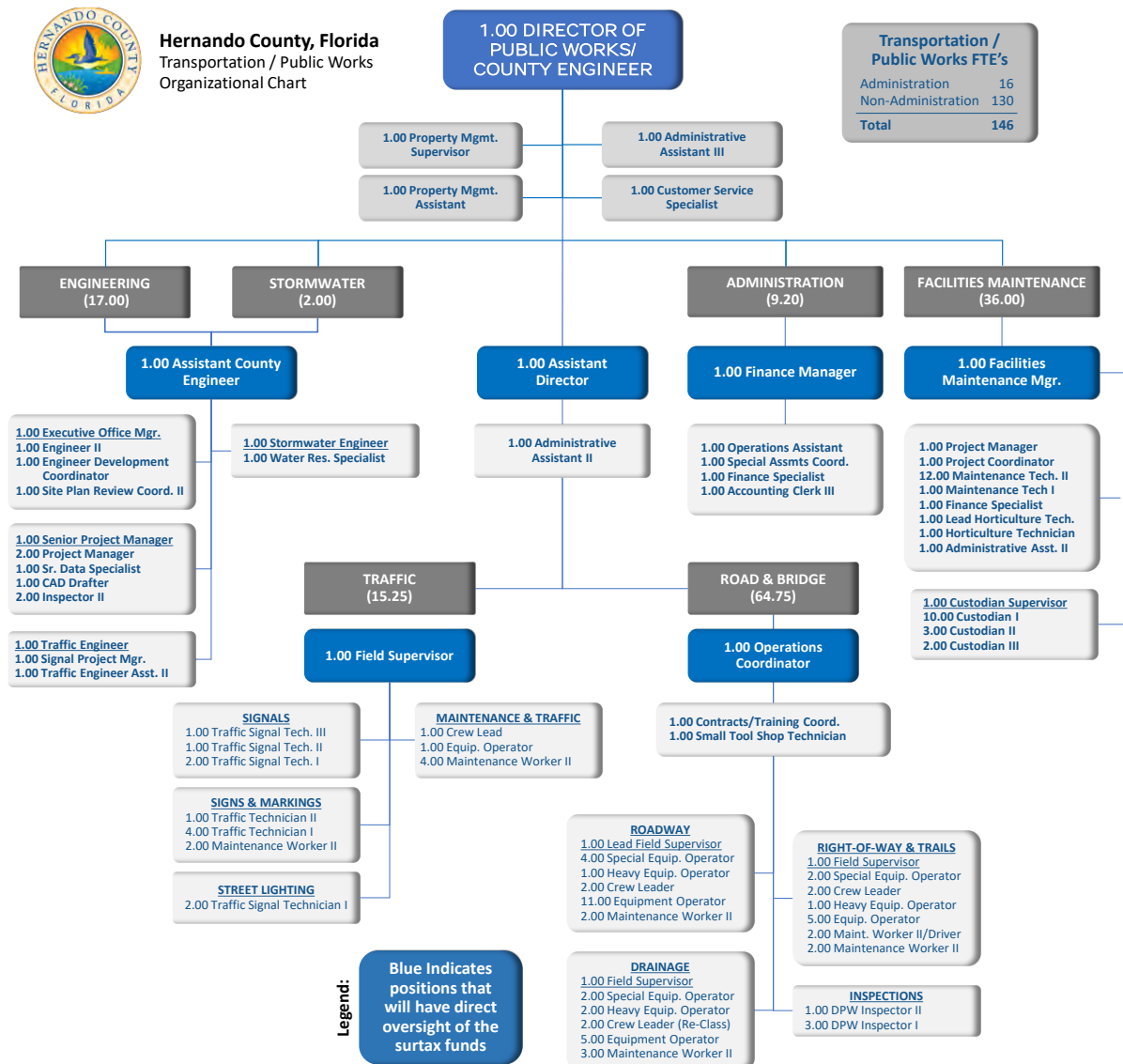

Hernando County, Florida
Transportation / Public Works Organizational Chart

1.00 DIRECTOR OF PUBLIC WORKS/ COUNTY ENGINEER

Transportation / Public Works FTE's

Administration	16
Non-Administration	130
Total	**146**

1.00 Property Mgmt. Supervisor
1.00 Property Mgmt. Assistant
1.00 Administrative Assistant III
1.00 Customer Service Specialist

ENGINEERING (17.00) — **STORMWATER (2.00)** — **ADMINISTRATION (9.20)** — **FACILITIES MAINTENANCE (36.00)**

1.00 Assistant County Engineer

1.00 Assistant Director

1.00 Finance Manager

1.00 Facilities Maintenance Mgr.

1.00 Executive Office Mgr.
1.00 Engineer II
1.00 Engineer Development Coordinator
1.00 Site Plan Review Coord. II

1.00 Stormwater Engineer
1.00 Water Res. Specialist

1.00 Administrative Assistant II

1.00 Operations Assistant
1.00 Special Assmts Coord.
1.00 Finance Specialist
1.00 Accounting Clerk III

1.00 Project Manager
1.00 Project Coordinator
12.00 Maintenance Tech. II
1.00 Maintenance Tech I
1.00 Finance Specialist
1.00 Lead Horticulture Tech.
1.00 Horticulture Technician
1.00 Administrative Asst. II

1.00 Senior Project Manager
2.00 Project Manager
1.00 Sr. Data Specialist
1.00 CAD Drafter
2.00 Inspector II

TRAFFIC (15.25) — **ROAD & BRIDGE (64.75)**

1.00 Custodian Supervisor
10.00 Custodian I
3.00 Custodian II
2.00 Custodian III

1.00 Traffic Engineer
1.00 Signal Project Mgr.
1.00 Traffic Engineer Asst. II

1.00 Field Supervisor

1.00 Operations Coordinator

1.00 Contracts/Training Coord.
1.00 Small Tool Shop Technician

SIGNALS
1.00 Traffic Signal Tech. III
1.00 Traffic Signal Tech. II
2.00 Traffic Signal Tech. I

MAINTENANCE & TRAFFIC
1.00 Crew Lead
1.00 Equip. Operator
4.00 Maintenance Worker II

SIGNS & MARKINGS
1.00 Traffic Technician II
4.00 Traffic Technician I
2.00 Maintenance Worker II

ROADWAY
1.00 Lead Field Supervisor
4.00 Special Equip. Operator
1.00 Heavy Equip. Operator
2.00 Crew Leader
11.00 Equipment Operator
2.00 Maintenance Worker II

RIGHT-OF-WAY & TRAILS
1.00 Field Supervisor
2.00 Special Equip. Operator
2.00 Crew Leader
1.00 Heavy Equip. Operator
5.00 Equip. Operator
2.00 Maint. Worker II/Driver
2.00 Maintenance Worker II

STREET LIGHTING
2.00 Traffic Signal Technician I

DRAINAGE
1.00 Field Supervisor
2.00 Special Equip. Operator
2.00 Heavy Equip. Operator
2.00 Crew Leader (Re-Class)
5.00 Equipment Operator
3.00 Maintenance Worker II

INSPECTIONS
1.00 DPW Inspector II
3.00 DPW Inspector I

Legend: Blue Indicates positions that will have direct oversight of the surtax funds

FIGURE 2-1: *Hernando County, Public Works Organizational Chart.*
Source: Hernando County, Florida.

Key Personnel Primary Job Functions

In addition to reviewing the program's high-level organizational structure, we assessed the primary position responsibilities and tenure with the County for key personnel who will have oversight of the surtax funds. Based on the table shown in **Figure 2-2** below, current staff reporting relationships are in line with SHRM span-of-control guidelines. SHRM best practice guidelines recommend a maximum span of control of nine (9) direct reports to each managerial director and twenty (20) or less direct reports for low-level managers managers/supervisors. The average tenure with the County for key personnel who will have oversight of the surtax funds is 19 years and the average time key staff have been in their current role is eight (8) years.

Position Title	Tenure with County	Tenure in Current Role	Major Position Responsibilities	Span of Control
Director of Public Works / County Engineer	6.5 years	6.5 years	• Monitors and oversees the physical facilities of the local community or area. • Creates and plans long term programs that will develop the growth of the community. • Oversees performance management process, including performance evaluations, ensuring employees follow policies and procedures and maintain a healthy and safe working environment.	1:6
Assistant County Engineer	3.5 years	3.5 years	• Plans, reviews and coordinates transportation engineering in-house and consultant studies, reports, plans, specifications and other documents including, but not limited to, stormwater, traffic studies, MSBUs, LAPs, pavement management, etc., working as required with consultants, regulatory agencies, other governmental agencies and/or the public. • Reviews development projects for conformance with Hernando County standards. Coordinates departmental review of developed projects, schedules meetings of engineering review staff, establishes agendas and provides feedback to developers and consulting engineering firms. Manages, coordinates and provides review of development proposals as they pertain to subdivision review, re-zonings, master plans and Developments of Regional Impact. • Prepares and professionally seals, as requested, department plans, specifications and permit applications for engineering projects.	1:2
Assistant Director	9 years	2.5 years	• Oversees staff and their functions related to project delivery. • Monitors and evaluates the efficiency and effectiveness of service delivery methods and procedures; assesses and monitors workload, administrative and support systems, and internal reporting relationships; identifies	1:2

Position Title	Tenure with County	Tenure in Current Role	Major Position Responsibilities	Span of Control
			• opportunities for improvement; and assists in directing the implementation of changes. • Assists in managing the development and implementation of department goals, objectives, policies, and priorities; establishes appropriate service and staffing levels and allocates resources accordingly.	
Finance Manager	35 years	13 years	• Oversees and evaluates financial projects and their implications for the County. • Manages, plans, and directs, the development, preparation, control, and administration of the county operating and capital budgets, and five-year Capital Improvement Program. • Monitors items of operating budget including revenue, expenditure control of personnel, operating, capital, and budget transfers. • Reviews and develops information on fiscal conditions and problems related to the budget.	1:4
Facilities Maintenance Manager	38 years	3 years	• Plans, organizes, controls, integrates, and evaluates the work of the Facilities Division. • Assigns work activities and projects; monitor the workflow, develop and implement policies and procedures; establish, direct and communicate the strategic direction for the division functions. • Manages and coordinates division work activities; through subordinate supervisors and staff, develop and monitor work plans to achieve the division's mission and goals. • Plans, manages, and organizes the Capital Improvement Program for county facilities. Collaborate with county staff and executive management to identify current and future, construction, renovation and major repair needs, plan and budget for short- and long-term and capital programs. • Directs the development and administration of the division's budget; forecast the need for funding, staff, equipment, materials and supplies based on facility programming; administer approved budget by authorizing and monitoring expenditures to control the budget; evaluate budget and financial data to determine areas needing cost reduction and program improvement.	1:19
Field Supervisor	30 years	20.5 years	• Plans, coordinates, and directs the activities of employees within the County who are engaged in providing city utility services, which includes: performing repairs on distribution systems lines, repairing fire hydrants, locating and operating valves, installation of insertion valves, performing preventative maintenance, leak detection, and restoring work sites. • Reviews operations policies and procedures; recommends changes to increase efficiency and implements approved changes.	1:19

Position Title	Tenure with County	Tenure in Current Role	Major Position Responsibilities	Span of Control
			• Oversees preventive maintenance of assigned vehicles, equipment, and tools. Observes safety regulations and ensures that teams do the same.	
Operations Coordinator	10 years	10 years	• Assists in the management of assigned resources through administration of approved District policies, practices, and programs. • Plans, schedules, and assigns work for the floor and project crews. Coordinates the scheduling of both short- and long-term substitutes for site-based programs. • Oversees routes and schedules for deliveries of supplies, mail, and other items.	1:2

FIGURE 2-2: *Department direct reports and primary job functions.*
Source: Hernando County, Transportation Department management.

PUBLIC SAFETY

The County's Public Safety Organization is within the County's Fire Rescue Organization, which includes the Emergency Management, Mosquito Control, and Community Risk Reduction divisions, and the Fire Department. The Fire Chief is the director of Public Safety and is responsible for all Public Safety functions.

To address the requirements of all subtasks related to fire, the MJ Team interviewed individuals in the following positions:

- Fire Chief and Public Safety Director
- Construction Project Coordinator
- OMB Director

Span of Control – Public Safety

Figure 2-3 presents the organizational structure for the Public Safety program. The organizational structure shows that the Public Safety program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.
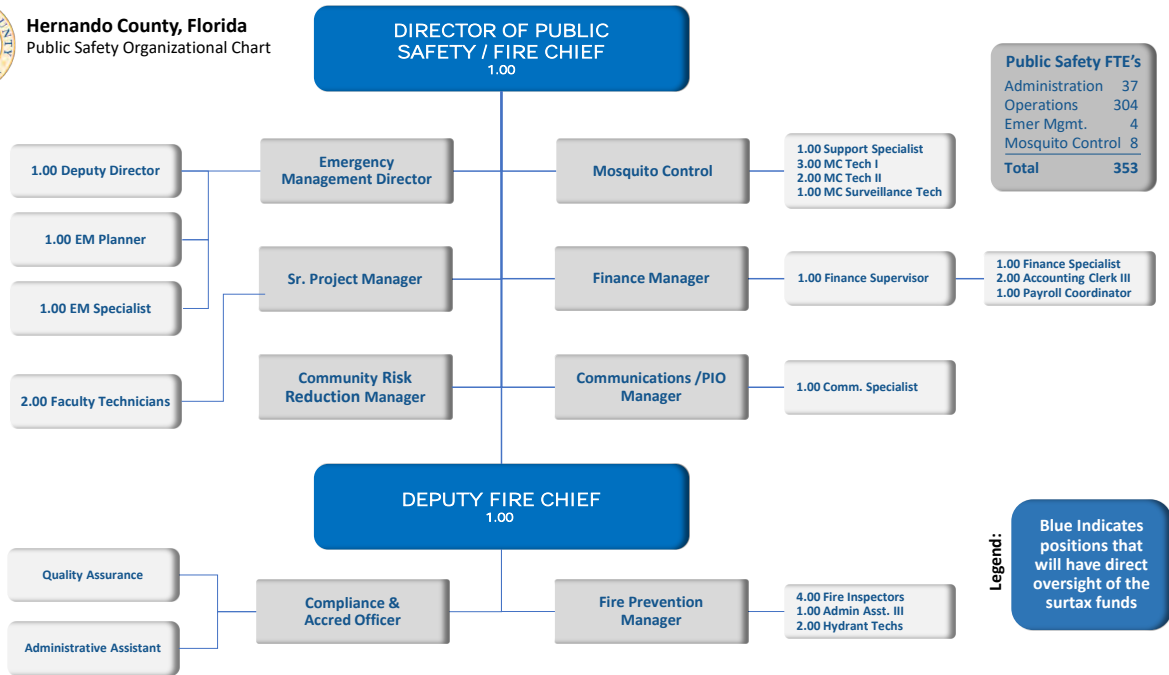
FIGURE 2-3: *Hernando County, Public Safety Organizational Chart-Administration division only. Source: Hernando County, Florida.*

Key Personnel Primary Job Functions

In addition to reviewing the program's high-level organizational structure, we assessed the primary position responsibilities and tenure with the County for key personnel who will have oversight of the surtax funds. Based on the table shown in **Figure 2-4** below, the Public Safety program's current staff reporting relationships are in line with SHRM span-of-control guidelines. SHRM best practice guidelines suggest a maximum span of control of nine (9) direct reports to each managerial director. The average tenure with the County for key personnel who will have oversight of the surtax funds is 17 years and the average time key staff have been in their current role is two (2) years.

Position Title	Tenure with County	Tenure in Current Role	Major Position Responsibilities	Span of Control
Director of Public Safety / Fire Chief	2 years	2 years	• Directs and coordinates department activities through the supervision of officers and review of their activities. • Develops department policies, procedures, and regulations, including those pertaining to firefighting, fire prevention, inspection fire investigation, advanced life support, and basic life support operating standards within the limitation of applicable laws, regulations, and policies. • Prepares and administers department's annual budget, including recommendations for increases in	1:6

Position Title	Tenure with County	Tenure in Current Role	Major Position Responsibilities	Span of Control
			facilities, such as additional fire stations, equipment, and personnel. • Selects and promotes training development, safety, appraisal, and discipline of departmental employees.	
Deputy Fire Chief	32 years	2 years	• Assists the Fire Chief with identifying, establishing, and implementing best practices related to departmental activities with a focus on continuous improvement, efficiency and cost effectiveness. • Performs research and statistical analysis of department's program toward the goal of accreditation. • Drafts and maintains policies and/or standard operating procedures. • Develops and implements best practices for attaining and maintaining accreditation.	1:2

FIGURE 2-4: *Department direct reports and primary job functions.*
Source: Hernando County, Utilities Department management.

UTILITIES

The County manages its Utilities program through a separate Utilities Department, which has Capital Improvement, Customer Service, Engineering, Finance, Fleet, Operations, Solid Waste, and Water Resources Divisions. Although separate from the County's Public Works Department, the department works closely with Public Works to construct, renovate, and improve utilities infrastructure projects throughout the County.

To address the requirements of all subtasks related to Utilities, the MJ Team interviewed the following individuals:

- Utility Director
- Capital Program Manager
- Utilities Business Manager
- Engineering Division Manager
- Finance Manager

Span of Control – Utilities

Figure 2-5 presents the organizational structure for the Utilities program. The organizational structure shows that the Utilities program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.
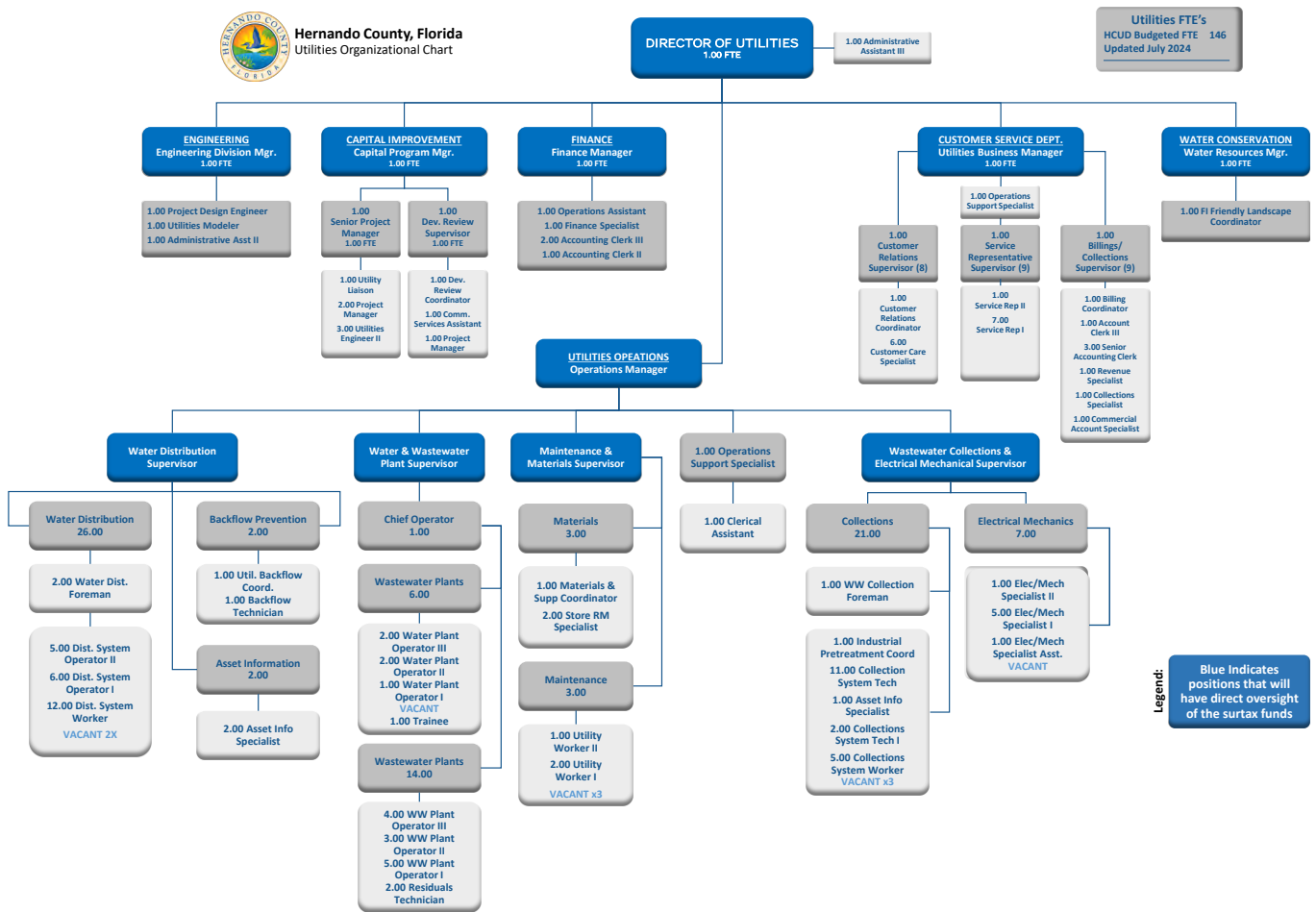
Hernando County, Florida
Utilities Organizational Chart

DIRECTOR OF UTILITIES 1.00 FTE — 1.00 Administrative Assistant III

Utilities FTE's
HCUD Budgeted FTE 146
Updated July 2024

ENGINEERING Engineering Division Mgr. 1.00 FTE
- 1.00 Project Design Engineer
- 1.00 Utilities Modeler
- 1.00 Administrative Asst II

CAPITAL IMPROVEMENT Capital Program Mgr. 1.00 FTE
- 1.00 Senior Project Manager 1.00 FTE
  - 1.00 Utility Liaison
  - 2.00 Project Manager
  - 3.00 Utilities Engineer II
- 1.00 Dev. Review Supervisor 1.00 FTE
  - 1.00 Dev. Review Coordinator
  - 1.00 Comm. Services Assistant
  - 1.00 Project Manager

FINANCE Finance Manager 1.00 FTE
- 1.00 Operations Assistant
- 1.00 Finance Specialist
- 2.00 Accounting Clerk III
- 1.00 Accounting Clerk II

CUSTOMER SERVICE DEPT. Utilities Business Manager 1.00 FTE
- 1.00 Operations Support Specialist
- 1.00 Customer Relations Supervisor (8)
  - 1.00 Customer Relations Coordinator
  - 6.00 Customer Care Specialist
- 1.00 Service Representative Supervisor (9)
  - 1.00 Service Rep II
  - 7.00 Service Rep I
- 1.00 Billings/Collections Supervisor (9)
  - 1.00 Billing Coordinator
  - 1.00 Account Clerk III
  - 3.00 Senior Accounting Clerk
  - 1.00 Revenue Specialist
  - 1.00 Collections Specialist
  - 1.00 Commercial Account Specialist

WATER CONSERVATION Water Resources Mgr. 1.00 FTE
- 1.00 FI Friendly Landscape Coordinator

UTILITIES OPEATIONS Operations Manager

Water Distribution Supervisor
- **Water Distribution 26.00**
  - 2.00 Water Dist. Foreman
  - 5.00 Dist. System Operator II
  - 6.00 Dist. System Operator I
  - 12.00 Dist. System Worker VACANT 2X
- **Backflow Prevention 2.00**
  - 1.00 Util. Backflow Coord.
  - 1.00 Backflow Technician
- **Asset Information 2.00**
  - 2.00 Asset Info Specialist

Water & Wastewater Plant Supervisor
- **Chief Operator 1.00**
- **Wastewater Plants 6.00**
  - 2.00 Water Plant Operator III
  - 2.00 Water Plant Operator II
  - 1.00 Water Plant Operator I VACANT
  - 1.00 Trainee
- **Wastewater Plants 14.00**
  - 4.00 WW Plant Operator III
  - 3.00 WW Plant Operator II
  - 5.00 WW Plant Operator I
  - 2.00 Residuals Technician

Maintenance & Materials Supervisor
- **Materials 3.00**
  - 1.00 Materials & Supp Coordinator
  - 2.00 Store RM Specialist
- **Maintenance 3.00**
  - 1.00 Utility Worker II
  - 2.00 Utility Worker I VACANT x3

1.00 Operations Support Specialist
- 1.00 Clerical Assistant

Wastewater Collections & Electrical Mechanical Supervisor
- **Collections 21.00**
  - 1.00 WW Collection Foreman
  - 1.00 Industrial Pretreatment Coord
  - 11.00 Collection System Tech
  - 1.00 Asset Info Specialist
  - 2.00 Collections System Tech I
  - 5.00 Collections System Worker VACANT x3
- **Electrical Mechanics 7.00**
  - 1.00 Elec/Mech Specialist II
  - 5.00 Elec/Mech Specialist I
  - 1.00 Elec/Mech Specialist Asst. VACANT

Legend: Blue Indicates positions that will have direct oversight of the surtax funds

FIGURE 2-5: *Hernando County, Utilities Organizational Chart.*
Source: Hernando County, Florida.

Key Personnel Primary Job Functions

In addition to reviewing the program's high-level organizational structure, we assessed the primary position responsibilities and tenure with the County for key personnel who will have oversight of the surtax funds. Based on the table shown in **Figure 2-6** below, the Utilities program's current staff reporting relationships are in line with SHRM span-of-control guidelines. SHRM best practice guidelines suggest a maximum span of control of nine (9) direct reports to each managerial director The average tenure with the County for key personnel who will have oversight of the surtax funds is nearly 10 years and the average time key staff have been in their current role is nearly five (5) years.

Position Title	Tenure with County	Tenure in Current Role	Major Position Responsibilities	Span of Control
Director of Public Utilities	8 years	8 years	• Directs the activities of all employees of the city's water, wastewater, administrative staff and related facilities, and is responsible for ensuring the city's water supply is safe and in accordance with State and federal regulations. • Manages overall department activities including budget research, preparation of revenue forecasts and annual operations budget, and budget monitoring to ensure cost effectiveness. • Oversees, and evaluates outside consultants on engineering, financial and legal matters.	1:4
Capital Program Manager	20 years	7 months	• Oversees department wide responsibility for all department functions and services. • Communicates program performance, needs and challenges. • Ensures all functions have necessary resources and training to ensure performance.	1:2
Utilities Business Manager	1 month	1 month	• Oversees department's accounting functions including revenue adjustments, payments and refunds, cash processing, financial and statistical reporting, and the balancing and reconciliation of the Customer Information System (Accounts Receivable sub-ledger) to the integrated accounting system. • Oversees the department's business technology systems including department specific databases and GIS, and direct ongoing system support functions as well as design and implementation of new technology solutions, and improvements to existing systems. • Prepares financial analyses in support of management initiatives and evaluation of policy options, ensuring compliance with County rules and regulations. Directs research, analysis and proposed recommendations to solve complex operational and financial issues.	1:1
Engineering Division Manager	2 years	2 years	• Develops annual capital construction budgets for the department. Manages and tracks project budgets and construction costs. Documents progress of the projects and provides status updates to County staff, elected officials, and the public. • Performs field inspections to ensure full compliance with plans and specifications. Assists in performing field surveys and drafting legal descriptions and exhibits. • Supervises the work of assigned personnel, including assigning and reviewing work, providing guidance, and conducting performance evaluations.	1:1

Position Title	Tenure with County	Tenure in Current Role	Major Position Responsibilities	Span of Control
Finance Manager	18 years	12 years	• Oversees the accounting and internal control procedures within the department. • Prepares monthly financial reports and reconciliation to County Auditor's reports. • Develops internal control policies, guidelines, and procedures for activities such as budget administration, cash and credit management, and accounting.	1:1

FIGURE 2-6: *Department direct reports and primary job functions.*
Source: Hernando County, Utilities Department management.

> **SUBTASK 2.2 – Assess the reasonableness of current program staffing levels given the nature of the services provided, program workload, and accepted industry standards and best practices.**

OVERALL CONCLUSION

Overall, Hernando County (the "County") does not meet expectations for Subtask 2.2. The Transportation, Utilities, and Public Safety programs that will benefit from the surtax did not meet the subtask. The Transportation, Public Safety, and Utilities programs had no workload productivity management data for FY 2023-2024. The Public Safety and Utilities programs have vacancy rates higher than suggested industry guidelines in FY 2023-2024. Turnover rates were not provided for any of the programs. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

The County provided information related to staffing levels and vacancy rates. No information was provided for program workloads or turnover rates.

TRANSPORTATION

To address the requirements of this subtask, the MJ Team conducted a joint interview with individuals in the following positions: Public Works Director, Construction Project Coordinator, OMB Director and reviewed the data that was provided.

Workload and Vacancy Rate Analysis

Figure 2-7 shows the staffing count comparison for the Transportation program for FY 2023-2024 and FY 2022-2023. The number of staff increased by one (1) employee and no workload or productivity management reports were provided to support the staffing levels. **Figure 2-8** shows the vacancy rate for the same period. SHRM guidelines suggest vacancy rates of 10 percent or less and vacancy rates for the Transportation program were in line with SRHM guidelines for both FY 2023-2024 and FY 2022-2023.

Program Area	Leadership	Change FY2024 vs FY2023	FTE Per Adopted Budget FY2023-2024	FTE Per Adopted Budget FY2022-2023
Transportation	Director of Public Works / County Engineer	+1	145.20	144.20

FIGURE 2-7: *Staffing levels comparisons for Hernando County's Transportation program.*
Source: Hernando County, FY 2024-2023, and FY 2022-2023 Adopted Budgets.

Program Area	FY 2023-2024	FY2022-2023
Transportation Vacancy Rates	8.55%	7.69%

FIGURE 2-8: *Staffing levels comparisons for Hernando County's Transportation program.*
Source: Hernando County Office of Management and Budget.

PUBLIC SAFETY

To address the requirements of this subtask, the MJ Team conducted a joint interview with individuals in the following positions: Fire Chief and Public Safety Director, construction project coordinator, OMB Director and reviewed the data that was provided.

Workload and Vacancy Rate Analysis

Figure 2-9 shows the staffing count comparison for the Public Safety program for FY 2023-2024 and FY 2022-2023. The number of staff increased by 21 employees and no workload or productivity management reports were provided to support a staff increase of that significance. The MJ Team was told by County management that the increase in positions was associated with the staffing for two (2) additional ambulances to be on the road and dedicated staff for an airport fire truck, which was also needed to mitigate response time concerns.

Figure 2-10 shows the vacancy rate for the same period. SHRM guidelines suggest vacancy rates of 10 percent or less. Vacancy rates for the Public Safety program increased from 17.67% in FY 2022-2023 to 24.66% in 2023-2024. Vacancy rates for both fiscal years were substantially higher than SRHM suggested guidelines.

Program Area	Leadership	Change FY2024 vs FY2023	FTE Per Adopted Budget FY2023-2024	FTE Per Adopted Budget FY2022-2023
Public Safety Staffing/Workload	Public Safety Director / Fire Chief	+21	324.21	303.2

FIGURE 2-9: *Staffing levels comparisons for Hernando County's Public Safety program.*
Source: Hernando County, FY 2023-2024, and FY 2022-2023 Adopted Budgets.

Program Area	FY 2023-2024	FY2022-2023
Public Safety Vacancy Rates	24.66%	17.67%

FIGURE 2-10: *Staffing levels comparisons for Hernando County's Public Safety program.*
Source: Hernando County, FY 2023-2024, and FY 2022-2023 Adopted Budgets.

The MJ Team reviewed the County's Public Safety program workload related data and vacancy rates. Turnover rates were not available.

UTILITIES

To address the requirements of this subtask, the MJ Team interviewed the Utility Director and reviewed the data that was provided.

Workload and Vacancy Rate Analysis

Figure 2-11 shows the staffing count comparison for the Utilities program for FY 2023-2024 and FY 2022-2023 and no increase in staff was noted. **Figure 2-12** shows the vacancy rate for the same period. SHRM guidelines suggest vacancy rates of 10 percent or less. Vacancy rates for the Utilities program increased from 11.80% in FY 2022-2023 to 29.16% in 2023-2024. Vacancy rates for 2023-2024 were substantially higher than SRHM suggested guidelines.

Program Area	Leadership	Change FY2024 vs FY2023	FTE Per Adopted Budget FY2023-2024	FTE Per Adopted Budget FY2022-2023
Utilities	Director of Utilities	0	147.95	147.95

FIGURE 2-11: *Staffing levels comparisons for Hernando County's Utilities program.*
Source: Hernando County, FY 2024-2023, and FY 2022-2023 Adopted Budgets.

Program Area	FY 2023-2024	FY2022-2023
Utilities Vacancy Rates	29.16%	11.80%

FIGURE 2-12: *Staffing levels comparisons for Hernando County's Utilities program.*
Source: Hernando County Office of Management and Budget.

Workload Productivity - Best Practices

The strategies below are best practices that organizations can implement to maximize workload productivity:

- Establish specific, measurable goals for each position. This helps align productivity measures with the overall objectives of the position roles.
- Identify relevant Key Performance Indicators (KPIs) that reflect productivity levels, such as output per employee and/or project completion rates. Select KPIs that are quantifiable based on position responsibilities.

- Assess work patterns and behaviors to identify trends in productivity. Identify peak performance times and workflows that may hinder efficiency.

- Assess both output quantity and quality. High-quality output is a key indicator of effective productivity.

- Benchmark against industry standards for other governmental agencies, particularly peer county agencies.

- Measure productivity at the team level to encourage collaboration and collective performance. Assess how well teams work together to achieve common goals.

Turnover Rates - Best Practices

Turnover is the major driver for vacancy rates. The reasons for high employee turnover vary and can be caused by several factors. Primary reasons include lack of advancement opportunities, compensation factors, insufficient feedback on job performance, job dissatisfaction, unmet job expectations, and unsatisfactory job performance (i.e., related to involuntary turnover).

The County should consider implementing the best practices below:

- Offer ongoing training and development opportunities to help employees grow in their positions and advance their careers.

- Provide employees with clear pathways for advancement within the organization.

- Promote work life balance by offering flexible hours, remote work options, or compressed workweeks to help employees balance personal and professional commitments.

- Regularly review and adjust salaries to ensure competitiveness in the market.

- Demonstrate a commitment to improvement by acting on the feedback received and communicating changes to employees.

Vacancy Rates - Best Practices

Consistent staffing levels convey stability and reliability in the organization's workforce. Low vacancy rates ensure that tasks and responsibilities are consistently managed, reducing disruptions in workflow. Low vacancy rates help organizations maintain high service levels and enable organizations to better meet customer's expectations. High vacancy rates often lead to increased recruitment and training expenses. Keeping vacancies low minimizes these costs.

The County should consider implementing the best practices below:

- Assess workforce planning needs regularly. Continuously evaluate staffing needs based on staff growth needs, turnover rates, and employee workloads.

- Analyze patterns and trends in turnover to anticipate vacancies and prepare for them.

- Create a clear and efficient recruitment process that minimizes delays and keeps candidates engaged.

- Implement an effective employee tracking system to manage applications and track candidates effectively.

- Implement a referral program that rewards employees for bringing in qualified candidates, leveraging their networks to find talent.

- Include current employees in the recruitment process to enhance engagement and promote a sense of ownership.

- Provide attractive benefits packages that include health insurance, retirement plans, and wellness programs.

- Conduct exit interviews to gather insights from departing employees to identify reasons for vacancies and areas needing improvement.

RECOMMENDATION 2.2 – Evaluate program staffing levels on an annual basis by assessing applicable workload statistics, turnover rates, and vacancy rates to ensure staff levels are reasonable and are maximizing productivity.

RESEARCH TASK 3

SCOPE

The MJ Team evaluated all three (3) subtasks that comprise Research Task 3. Subtask 3.1 determined whether program administrators formally evaluated existing in-house services to assess the feasibility and cost savings of alternative methods for providing services. Subtask 3.2 determined whether program administrators assessed any contracted services to verify effectiveness and achieved cost savings. Subtask 3.3 identified possible opportunities for alternative service delivery methods that had the potential to reduce program costs.

FINDING SUMMARY

ALTERNATIVE METHODS OF PROVIDING SERVICES OR PRODUCTS.

Overall, Hernando County (the County) meets Research Task 3.

The County demonstrated that program administrators formally evaluate existing in-house services and assess alternative contracting methods to ensure costs are reasonable. This finding is based on the MJ Team review/assessment of information gathered from interviews and provided data sources. The County utilizes a competitive bidding process managed by the Procurement Department for construction projects and professional services using Consultants Competitive Negotiations Act (CCNA) management practices. The County's program administrators regularly participate in national and regional meetings and collaborate with peer organizations comparing management practices and service delivery methods for operational improvement and cost saving opportunities.

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 3.1 – Determine whether program administrators have formally evaluated existing in-house services to assess the feasibility and cost savings of alternative methods of providing services, such as outside contracting and privatization, and determine if services were outsourced when the evaluations found that doing so could result in improved performance or cost savings.

OVERALL CONCLUSION

Overall, Hernando County (the "County") meets expectations for Subtask 3.1. The Public Safety, Utilities, and Transportation programs that will benefit from the surtax met the subtask. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

Based on information obtained through interviews and data sources provided the MJ Team has determined that program administrators have reasonable processes in place to formally evaluate existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and our assessment is that this subtask is met.

To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is discussed separately below.

PUBLIC SAFETY

To address the requirements of this subtask related to Public Safety, the MJ Team interviewed the Fire Chief/Director and assessed relevant data sources.

During the Fire Chief/Director interview, the MJ Team discussed formal processes used by Public Safety to evaluate whether services will be performed in-house or outsourced. Public Safety uses the formal County procurement process to determine sources for services and products. All outside contractors are vetted through procurement. The Fire Chief/Director indicated that the County has several formal mutual aid agreements with neighboring counties preventing the County from having to build fire stations, which saves cost. All emergency medical services are performed in-house. Some outsource services within Public Safety are:

- Ladder testing
- AED maintenance
- Fire hose testing and repair
- Lawn service for fire stations

The Fire Chief/Director indicated that the major challenge facing the County's emergency medical services is not having an adequate training center. Currently training is provided at Pasco County's training facility resulting in increased overtime and travel costs. This is the rationale for surtax funds to be used to build a county training center. **Figures 3-1A** through **3-1E** shows Hernando County training center requirements.

Training Center Requirements

FIGURE 3-1A: *Hernando County Training Center Requirements.*
Source: Hernando County Public Safety.

FIGURE 3-1B: *Hernando County Training Center Requirements.*
Source: Hernando County Public Safety.

FIGURE 3-1C: *Hernando County Training Center Requirements.*
Source: Hernando County Public Safety.

FIGURE 3-1D: *Hernando County Training Center Requirements.*
Source: Hernando County Public Safety.

FIGURE 3-1E: *Hernando County Training Center Requirements.*
Source: Hernando County Public Safety.

Public Safety uses the County's centralized fleet management replacement process to provide fire and emergency medical vehicles. This provides the opportunity to take advantage of volume pricing for cost savings. **Figure 3-2** shows several key components of the County's Fleet Management Operating Guidelines.

Fleet Management Operating Guidelines

FIGURE 3-2: *Fleet Management Operating Guidelines.*
Source: Hernando County Public Safety.

Based on the Fire Chief/Director interview and review and assessment of provided information, the MJ Team has concluded this subtask is met for Public Safety.

TRANSPORTATION

To address the requirements of this subtask related to Transportation, the MJ Team interviewed the following individuals:

- Public Works Director
- Public Works Finance Manager
- Chief Engineer

During the interview, the Public Works representatives indicated that a formal design, bid, and build process is used for projects. Public Works hires consultants to assist with major projects. They use continuing service contracts for outside consultants, rotating between 7-8 consulting firms evaluated through the procurement process following *Florida Statues*, Chapter 287.

Public Works uses outsource contracts to do sidewalk repairs and maintenance. The County has been awarded a Florida grant for sidewalk improvements. **Figures 3-3A** through **3-3B** provide an example of an outsourced sidewalk repair contract specifications and scope of work.

Sidewalk Repair Contract

FIGURE 3-3A: *Example Sidewalk Repair Contract.*
Source: Hernando County Public Works.

FIGURE 3-3B: *Example Sidewalk Repair Contract.*
Source: Hernando County Public Works.

Based on Public Works representative interviews and review/assessment of provided information, the MJ Team has concluded this subtask is met for transportation.

UTILITIES

To address the requirements of this subtask related to Utilities, the MJ Team interviewed the Director of Utilities and assessed relevant data sources.

The Director of Utilities indicated during the interview a contract bidding cost analysis is performed to determine whether to do a project or service in-house or outsource. If the decision is to outsource, the procurement competitive bid process is used to identify and select a contractor. The design, bid, build process is used for most construction projects. To assist with the design and bidding process one (1) of five (5) rotating consultants is used based on expertise and size of project. Engineering bids are based on Florida's Consultant's Competitive Negotiations Act (CCNA).

Outsourced Utilities projects are:

- Mowing at lift stations
- Customer bill printing and mailing
- Payment remittance processing
- Utility rate consultants – experts in determining rates and performing revenue efficiency analysis

Based on the Director of Utilities interview and review/assessment of provided information, the MJ Team has concluded this subtask is met for utilities.

> **SUBTASK 3.2 – Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and, when appropriate, made changes to improve the performance or reduce the cost of any outsourced services.**

OVERALL CONCLUSION

Overall, Hernando County (the "County") meets expectations for Subtask 3.2. The Public Safety, Utilities, and Transportation programs that will benefit from the surtax met the subtask. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

Based on interviews and information provided by the County, the MJ Team has determined that County program administrators evaluate the effectiveness of contracted and privatized services and potential cost savings, where applicable.

Therefore, the MJ Team has determined that this subtask is met. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is discussed separately below.

PUBLIC SAFETY

To address the requirements of this subtask related to Public Safety, the MJ Team interviewed the Fire Chief/Director.

The Fire Chief/Director indicated that the County's Procurement Policy is used to evaluate performance and cost effectiveness of Public Safety projects. **Figure 3.4** shows the best practice Public Safety uses for contracted projects evaluation.

Project Evaluation Best Practice

FIGURE 3-4: *Public Safety Project Evaluation Best Practice.*
Source: Hernando County Public Safety.

Evaluating the cost of overtime and travel for training at an adjacent county's facility justifies building a training center in the County. It will result in improved operational effectiveness and cost savings. It will also enhance recruitment and retention.

Based on the Fire Chief/Director interview and review/assessment of information provided, the MJ Team has concluded this subtask is met for Public Safety.

TRANSPORTATION

To address the requirements of all subtasks related to Transportation, the MJ Team interviewed the following individuals:

- Public Works Director
- Public Works Finance Manager
- Chief Engineer

Public Works hires an inspection firm to assist with project evaluations to ensure effectiveness and cost-savings. Grant funded sidewalk projects are evaluated to ensure they meet grant requirements. The MJ Team reviewed several outsourced and grant funded sidewalk contracts to assess that the necessary information is included to evaluate contractor performance. **Figure 3-5** shows the agenda where a Florida sidewalk repair grant contract was awarded. **Figure 3-6** shows the Florida sidewalk grant contract compliance checklist.

Agenda for Florida Sidewalk Repair Grant Contract Award
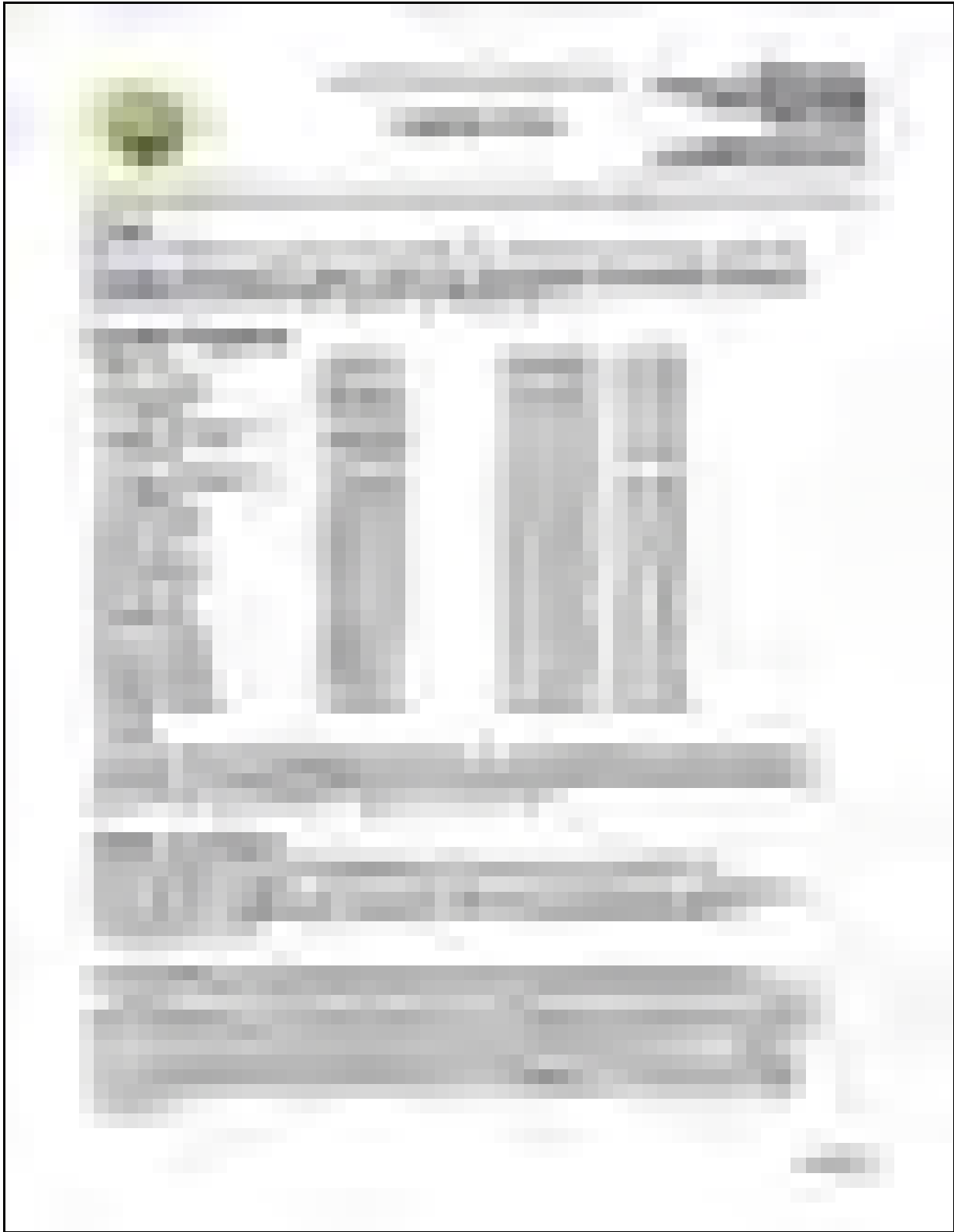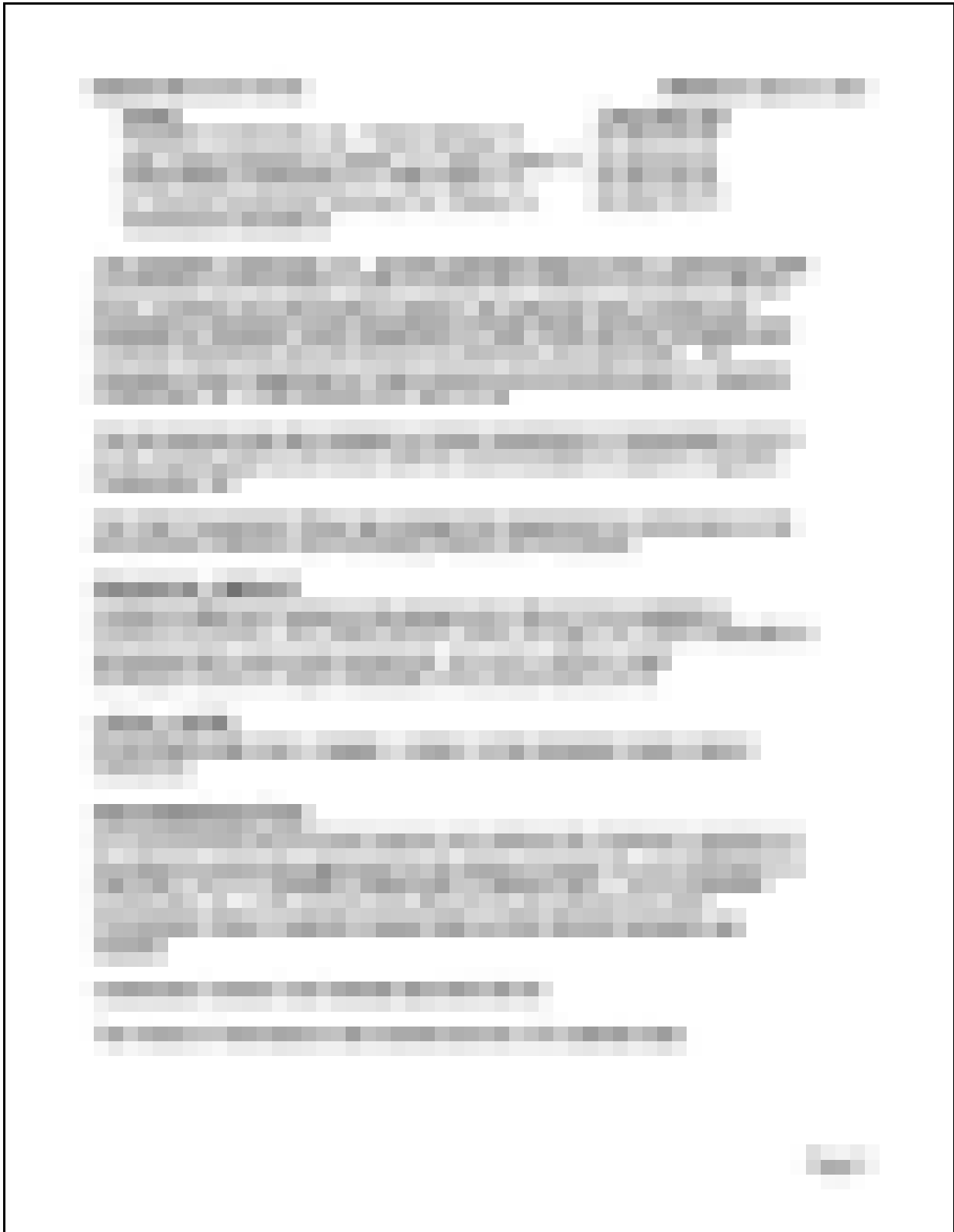
FIGURE 3-5: *Agenda for Florida Sidewalk Repair Grant Contract Award.*
Source: Hernando County Public Works.

Florida Sidewalk Repair Grant Contract Compliance Checklist

FIGURE 3-6: *Florida Sidewalk Repair Grant Contract Compliance Checklist.*
Source: Hernando County Public Works.

Based on Public Works Program Administrator's interviews and a review/assessment of information provided, the MJ Team has concluded that tis subtask is met for Transportation.

UTILITIES

To address the requirements of this subtask related to Utilities, the MJ Team interviewed the director of Utilities and assessed relevant data sources.

The director of Utilities indicated that projects are evaluated against the scope of work outlined in the contract. For example, a physical inspection of the mowing contract performance and if noncompliance is found, a cure notice is issued. **Figure 3-7** shows a mowing contract scope of work and specifications.

Mowing Contract Scope of Work and Specifications

FIGURE 3-7: *Mowing Contract Scope of Work and Specifications.*
Source: Hernando County, Utilities Department.

Based on the director of Utilities interview and review/assessment of information provided, the MJ Team has concluded that this subtask is met for Utilities.

> **SUBTASK 3.3 – Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities.**

OVERALL CONCLUSION

Overall, Hernando County (the "County") meets expectations for Subtask 3.3. The Public Safety, Utilities, and Transportation programs that will benefit from the surtax met the subtask. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

Based on interviews and information provided by the County, the MJ Team has determined that program administrators have processes in place to make changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.

Therefore, the MJ Team's assessment is that this subtask is met. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is discussed separately below.

PUBLIC SAFETY

To address the requirements of this subtask related to Public Safety, the MJ Team interviewed the Fire Chief/Director.

The Fire Chief/Director indicated during the interview that Public Safety continuously seek to identify possible opportunities for alternative service delivery methods that reduce cost and/or improve operational effectiveness.

To identify possible opportunities for alternative service delivery methods, the Fire Chief/Director participates in quarterly lunch meetings with the fire chiefs of the following surrounding counties:

- Citrus
- Sumter
- Pasco
- Hillsborough

These meetings produced opportunities for EMS to take advantage of neighboring counties' contracts for equipment acquisitions and improved routine maintenance procedures.

The Fire Chief/Director attends and presents at the Congressional Fire Chiefs Institute. The County is engaged in an automatic response EMS mutual aid agreement with Pasco County providing operational effectiveness and cost savings.

Based on the information garnered during the Fire Chief/Director interview, the MJ Team has concluded that this subtask is met for Public Safety.

TRANSPORTATION

To address the requirements of this subtask related to Transportation, the MJ Team interviewed the following individuals:

- Public Works Director
- Public Works Finance Manager
- Chief Engineer

The Public Works program administrators indicated during the interviews that Transportation constantly seeks to identify opportunities for alternative methods for delivery of services that have the potential to reduce cost without affecting the quality of service.

Public Works program administrators participate in the Florida Association of Counties roundtable discussion with 30 counties to garner new ideas for operational improvement and cost saving opportunities.

Public Works program administrator's participation with the American Public Works Association led to the adoption of a pavement management system consisting of rejuvenation and double surfacing. These methods of road repair resulted in cost-savings for the County.

Public Works program administrators are evaluating Charlotte County's roadside maintenance process using flagging machines to improve operational efficiency and provide cost savings

Based on the Public Works program administrator's interviews, the MJ Team has concluded this subtask is met for Transportation.

UTILITIES

To address the requirements of this subtask related to Utilities, the MJ Team interviewed the director of Utilities.

The director of Utilities indicated during the interview that Utilities is continuously pursuing opportunities for alternative methods of providing services to improve effectiveness and provide cost savings. Utilities uses the Sourcewell contract to take advantage of the combined buying power of more than 50,000 government, education, and non-profit organizations to save time and money. The Sourcewell contract provides a cooperative purchasing program that manages the solicitation requirements and offers members easy access to an established network of awarded contracts.

Utilities program administrators participate with Florida Rural Water Association where new opportunities for providing services are explored. They also participate in the National Water Summit to meet vendors and service providers. During the Summit, the attendees discussed the outsourcing of customer service. Based on their feedback and the anticipated inefficiencies of outsourcing customer service, the decision was made to keep it in-house.

The director of Utilities collaborates and explores ideas with Utilities directors of the following neighboring entities:

- Pasco County
- Citrus County
- City of Brooksville

The County shares a contract with the City of Gainesville to purchase sodium hydrochloride (chlorine) at a reduced cost.

The County is engaged in a major contracted services project with BlueConduit to begin analyzing water lines using predictive modeling. Predictive modeling uses statistical techniques to predict future behavior. These techniques reduced having to read 30,000 meters and service lines to 500. Utilities estimate it costs $40 - $50 to individually inspect each meter. Therefore, the County will realize cost savings of $1,180,000 to $1,475,000 through this project.

The County's anticipated savings calculation:

30,000 x $40 = $1,200,000	30,000 x $50 = $1,500,000
500 x $40 = $20,00	500 x $50 = $25,000
$1,200,000 - $20,000 = **$1,180,000**	$1,500,000 - $25,000 = **$1,475,000**

Based on the director of Utilities interview and the review/assessment of the information provided, the MJ Team concludes this subtask is met for Utilities.

RESEARCH TASK 4

SCOPE

The MJ Team evaluated all four (4) subtasks that comprise Research Task 4.

FINDING SUMMARY

GOALS, OBJECTIVES, AND PERFORMANCE MEASURES USED BY THE PROGRAM TO MONITOR AND REPORT PROGRAM ACCOMPLISHMENTS.

Overall, Hernando County does not meet this research objective. Program-level goals and objectives are not formally documented in a policy or departmental strategic plan. The County lacks countywide strategic goals and objectives so that departments may align their goals and objectives with the strategic plan, which is a repeat finding from the prior surtax performance audit in 2022. Performance measures (key performance indicators) provided do not evaluate program cost. Internal controls including project management reports provide reasonable assurance that program goals and objectives will be met except that some policies and procedures are outdated.

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 4.1 – Review program-level goals and objectives to determine whether they are clearly stated, measurable and address key aspects of the program's performance and cost.

OVERALL CONCLUSION

Overall, Hernando County (the "County") partially meets expectations for Subtask 4.1. The Public Safety and Utilities program areas do not meet expectations for this subtask, while the Transportation program area partially meets this subtask. The County did not provide documented goals and objectives for Public Safety and Utilities. Also, the goals and objectives for the Transportation program do not address program cost and thus transportation is partially met.

To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

PUBLIC SAFETY

Public Safety plans to use surtax funds for construction and capital project improvements including fire stations, public safety training complex-Fire and EOC, mosquito control building, medical and mental health facilities, renovations to visitation building, and land acquisition.

To address the requirements of this subtask, the MJ Team interviewed individuals in the following positions:

- Deputy County Administrator
- Fire Chief/Director
- Fire Finance Manager
- Director of Office Management and Budget
- Chief Procurement Officer
- Construction Project Coordinator

The MJ Team reviewed the Fire Rescue Department's Policy Manual. Although the manual's Table of Contents lists a section titled "Philosophy and Goals", the section only documents the department's values and mission.

Department management indicated the primary goal is response time as indicated in the June 2022 Station Location Study conducted by an independent consultant. The study indicates that total response time can be broken down into five (5) elements. Many of these elements coincide with a National Fire Protection Association (NFPA) standard.

1. The first element is call processing time, which is the time between when a call is answered at the 911 center to when resources are dispatched.

2. The second element is turnout time. Turnout time is defined as the time between when the unit is dispatched to the time the unit begins to respond. NFPA 1710 recommends a turnout time of 80 seconds for fire and special operation incidents and 60 seconds for all other incidents, 90% of the time.

3. The third element is the time it takes from when the apparatus begins its response until the arrival on the scene, known as travel time. NFPA 1710 recommends a travel time of 4 minutes, 90% of the time. This element is extremely important in a fire location study because the proper placement of fire stations greatly influences travel time.

4. The fourth element is often looked at most by fire departments because it is the one they have the most control over since it does not take call processing time into account, it is known as response time. HCFES refers to response time as "Total Reflex Time"

5. Response time is the sum of turnout time and travel time. There is not a NFPA standard for response time, but by adding the standards for turnout time and travel time, there is a 5-minute, 20 seconds goal for fire and special operation incidents and a 5 minute goal for all other incidents, 90% of the time.

The final element is total response time. Total response time combines call processing time, turnout time, and travel time. There is not a standard for total response time but by combining the standard for the three (3) elements that make up total response time there is a goal of 6 minutes, 20 seconds for fire and special operations incidents, and 6 minutes for all other incidents.

Since the documentation provided does not represent an approved comprehensive list of the department's program goals and objectives, this subtask is not met for Public Safety.

TRANSPORTATION

Should the referendum pass, Public Works plans to use surtax funds for construction and capital improvement projects including road construction and widening, roadway improvements, improving pickup/drop-off lanes for schools and associated infrastructure.

To address the requirements of this subtask, the MJ Team conducted interviews with individuals in the following positions:

- Deputy County Administrator
- Public Works Director
- Public Works Finance Manager
- Director of Office Management and Budget
- Chief Procurement Officer
- Construction Project Coordinator

The MJ Team reviewed the transportation goals and objectives included in the County's 2045 Long-Range Transportation Plan. The Hernando/Citrus 2045 Long-Range Transportation Plan serves as the primary guidance in the development of transportation improvements in both Hernando and Citrus counties over the next 25 years. The Hernando/Citrus Metropolitan Planning Organization (MPO) presented the Long-Range Transportation Plan Adoption Report during the MPO Board meetings in October 2019 and November 2019. The MPO Board adopted the Plan in the December 2019 MPO Board meeting.

As shown in **Figure 4-1** below, the MPO established six (6) goals and associated objectives and performance measures consistent with the guidance and requirements of the Fixing America's Surface Transportation Act (FAST-Act), current federal transportation planning requirements, and the Florida Transportation Plan. The MJ Team reviewed transportation goals and objectives to determine whether they are clearly stated, measurable and address key aspects of the program's performance and cost.

Example of Transportation Program Objective	Performance Indicator	Clearly Stated?	Measurable?	Addresses Program Performance (Yes or No)	Addresses Program Cost (Yes or No)
GOAL 1 - SAFETY: Increase safety of the counties' transportation system.					
Reduce transportation-related crashes, injuries and fatalities using current design standards, advanced technologies, and education	Does the plan use crash data to prioritize projects in CMP and LRTP?	Yes	Yes	Yes	No
GOAL 2 - ECONOMY: Support economic development in the two (2) counties.					

Example of Transportation Program Objective	Performance Indicator	Clearly Stated?	Measurable?	Addresses Program Performance (Yes or No)	Addresses Program Cost (Yes or No)
Improve access and connections to port, rail, and airport facilities.	Lane miles of projects that improve access and connections to the port, rail and airport facilities.	Yes	Yes	Yes	No
GOAL 3 - MOBILITY: Provide for mobility needs of the community.					
Ensure that existing bicycle and pedestrian systems are enhanced and protected and provide for the safety of their users.	Percent of major road networks with bicycle facilities. Percent of major road network with sidewalk facilities.	Yes	Yes	Yes	No
GOAL 4 - SUSTAINABILITY: Maintain the existing transportation system.					
Accommodate the safe and efficient movement of goods via highway, airport, port and rail systems.	Percent of vehicles miles traveled (VMT) below adopted standard on roads designated as truck routes. Average weighted volume-to-capacity ratio on roads designated as truck routes. Percent of truck miles severely congested.	Yes	Yes	Yes	No
GOAL 5 - LIVABILITY: Preserve, and where possible, enhance social, cultural, physical and natural environmental values.					
Sensitivity to preserving the quality of the environment and in responding to air quality and energy conservation consistent with required federal regulations.	Percent of miles severely congested.	Yes	Yes	Yes	No
Goal 6 – SYSTEM PRESERVATION: Preserve and maintain transportation infrastructure and transit assets.					
Maintain pavement conditions.	Percent of interstate pavements in good condition. Percent of interstate pavements in poor condition.	Yes	Yes	Yes	No
Maintain bridge condition.	Percent of NHS bridges by deck area in good condition. Percent of NHS bridges by deck area in poor condition.	Yes	Yes	Yes	No

FIGURE 4-1: *Goals and Example Objectives for Transportation Program.*
Source: County's 2045 Long-Range Transportation Plan, Chapter 6 Performance Measurement.

Transportation's goals and objectives are clearly stated and measurable and addresses program performance. However, the goals and objectives do not focus on program cost. Thus, this subtask is partially met for transportation.

UTILITIES

The Utilities Department plans to use surtax funds for construction and capital project improvement including sewer and water lines and associated infrastructure.

To address the requirements of this subtask, the MJ Team conducted interviews with individuals in the following positions:

- Deputy County Administrator
- Utilities Director
- Finance Director
- Director of Office Management and Budget
- Chief Procurement Officer
- Construction Project Coordinator

The MJ Team reviewed the County's Potable Water Plan. Since the documentation provided does not include program goals and objectives, this subtask is not met for utilities.

> **RECOMMENDATION 4.1 – Develop program goals and objectives and ensure that they are clearly stated, measurable and address key aspects of the program's performance and cost.**

> **SUBTASK 4.2 – Review program-level goals and objectives to ensure that they are consistent with the county's strategic plan.**

OVERALL CONCLUSION

Overall, Hernando County (the "County") does not meet expectations for Subtask 4.2 for all program areas. This subtask is not met for the Transportation, Utilities, and Public Safety programs because Hernando County has not developed a comprehensive strategic plan to ensure that program goals and objectives are consistent with countywide goals and objectives. The latest version of a strategic plan is incorporated in the County's 2017 Annual Report. The 2022 performance audit report recommended the County develop a countywide strategic plan to which program-specific goals and objectives can be applied. The County responded that it was in the process of engaging the employees to develop a solidified vision that would help drive a strategic type of plan.

To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

Hernando County has not developed a comprehensive strategic plan which defines countywide goals and objectives. The latest version of a strategic plan is incorporated in the County's 2017 Annual Report. County management indicated that a strategic plan is currently in the budget to update for Fiscal Year 2025.

The most relevant planning document maintained is the Hernando County 2040 Comprehensive Plan (Plan). The Plan encompasses strategies providing a foundation for the expectations of property owners and private property rights, yet it does not represent a countywide strategic plan. It is a legislative document that primarily guides future land use decisions and future development. The Plan was initially adopted by the BOCC via Ordinance 2018-16 on September 25, 2018.

The BOCC are the ultimate decision makers in determining Plan consistency. The Plan defines the community's vision and establishes the associated goals, objectives, and policies that direct the decision-making process to help achieve that vision.

As shown in **Figure 4-2** below, the Plan includes the following elements focused on land use and facilities.

Plan Element	Related Surtax Program Area
Chap 1 Future Land Use Element	
Chap 2 Intergovernmental Coordination Element	
Chap 3 Economic Development Element	
Chap 4 Housing Element	
Chap 5 Transportation Element	*Transportation*
Chap 6 Utilities Element	*Utilities*
Chap 7 Recreation and Open Space Element	
Chap 8 Public School Facilities Element	
Chap 9 Capital Improvement Element	*Capital Projects*
Chap 10 Conservation Element	
Chap 11 Coastal Management Element	
Chap 12 Property Rights Element	

FIGURE 4-2: *Chapters included in 2040 Comprehensive Plan.*
Source: Hernando County 2040 Comprehensive Plan.

PUBLIC SAFETY

Public Safety plans to use surtax funds for construction and capital project improvements including fire stations, public safety training complex-Fire and EOC, mosquito control building, medical and mental health facilities, renovations to visitation building, and land acquisition.

To address the requirements of this subtask, the MJ Team reviewed the County's 2040 Comprehensive Plan noting there is no section dedicated to public safety. Since the County does not maintain a strategic plan, this subtask is not met for Public Safety.

TRANSPORTATION

To address the requirements of this subtask, the MJ Team reviewed the transportation section of the County's 2040 Comprehensive Plan and included an example link to the County's 2045 Long-Range Transportation Plan as shown in **Figures 4-3** and **4.4** below.

Chapter 5: Transportation Element – Goals and Objectives	
GOAL 5.01 – TRANSPORTATION AND FUTURE LAND USE: Hernando County's transportation system is designed to encourage economic growth and quality development through staging and coordination of local and regional transportation infrastructure and amenities.	
05.01A	**Multi-Modal System:** A multi-modal transportation network shall be designed to accommodate the future development anticipated within the planning horizon based on the Future Land Use Map. The Hernando/Citrus Metropolitan Planning Organization Long Range Transportation Plan (LRTP) is the primary guiding document for programming improvements to the transportation network. Maps will maintain consistency with the LRTP. *Strategy 5.01A(2), (3):* The Long-Range Bicycle Facilities Plan and Pedestrian Facilities Plan of the LRTP are coordinated with the 2040 Roadway Plan Map to provide safe and functional connectivity. *Alignment with Goal in County's 2045 Long-Range Transportation Plan:* **Goal 4: Sustainability**
05.01B	**Road Network – Frontage Roads:** Maintain and expand a system of frontage roads and cross-access easements parallel to County arterial and collector roads. The frontage road network is designed to enable the creation of shared drives, shared easements, and alternative routes. Frontage road configuration is intended to optimize corridor and roadway network function, maintain capacity on the functionally classified network, and provide aesthetic, safe and convenient access to multiple properties and business sites. *Strategy 5.01B(5):* Provide for the completion of missing gaps in the frontage road network by incorporating these projects into the MPO work program and County Capital Improvements Program.
05.01C	**Transportation Network – Design Standards:** Hernando County shall establish and maintain standards for transportation related design and construction including roadways, bicycle and pedestrian facilities, transit accommodations and site parking/circulation. *Alignment with Goal in County's 2045 Long-Range Transportation Plan:* **Goal 6: System Preservation**
05.01D	**Road Network – Right of Way Needs:** The County shall plan for the procurement and protection of sufficient rights of way to accommodate the multi-modal transportation network of roadways, bicycle and pedestrian traffic, and transit as outlined in the land development regulations, adopted Facilities Design Guidelines, adopted MPO plans and the 2040 Roadway Plan Map.
05.01E	**Bicycle and Pedestrian Network:** Provide safe bicycle and pedestrian facilities as an integral element of the planning and design for planned improvements and reconstruction of the roadway network where appropriate. *Alignment with Goal in County's 2045 Long-Range Transportation Plan:* **Goal 1: Safety: Increase safety of the transportation system.**
05.01F	**Transit System:** Incorporate a transit system component into the transportation network that provides for the immediate and long-term mobility needs of all segments of the County's population. *Alignment with Goal in County's 2045 Long-Range Transportation Plan:* **Goal 3: Mobility**

	Chapter 5: Transportation Element – Goals and Objectives
05.01G	**Goods Movement:** Protect intermodal routes and coordinate with state, regional and private entities to optimize efficiency and ensure that these routes serve as an asset for economic development.
	GOAL 5.02 – TRANSPORTATION MANAGEMENT **Hernando County's transportation system is designed to promote economic growth and quality development through the use of proactive and diverse transportation management strategies.**
05.02A	**Congestion Management Process:** The County will participate in the Hernando/Citrus Metropolitan Planning Organization's annual update of the Congestion Management Process (CMP) consistent with the Long- Range Transportation Plan (LRTP). *Alignment with Goal in County's 2045 Long-Range Transportation Plan:* **Goal 4: Sustainability**
	GOAL 5.03 – TRANSPORTATION LEVELS OF SERVICE **Public investment in transportation infrastructure shall ensure adequate capacity to accommodate projected growth and should incentivize growth areas. New development shall contribute proportionally to its impact on the roadway network.**
05.03A	**Level of Service Standards:** Level of Service (LOS) standards for roadways shall be adopted as part of this Plan. *Alignment with Goal in County's 2045 Long-Range Transportation Plan:* **Goal 4: Sustainability and Goal 5: Livability**
	GOAL 5.04 – AIRPORT **Hernando County should promote its public airport as an economic hub through land use protection and compatibility, the development of an employment base, airport facility improvements, and promoting aviation compatible development.**
05.04A	**Hernando County should promote the continuation and expansion of aviation, aviation-related and aviation-compatible facilities at the County-owned airport and surrounding area and shall coordinate planning of land use and infrastructure that enables efficient aviation-related economic development.** *Strategy 5.04A(5):* Major infrastructure improvements at the Airport shall be coordinated with, and incorporated into the County's Capital Improvements Plan and should address: • central sewer and water service to be made available to all development areas within the airport consistent with master utilities planning of the Hernando County Utilities Department; • coordination with private utility providers to plan and facilitate the provision of natural gas, electricity, media, and other services; • implementation of a master stormwater management plan for airport property in coordination with the Southwest Florida Water Management District; • roadway improvements needed to serve the airport growth and business development. *Alignment with Goal in County's 2045 Long-Range Transportation Plan:* **Goal 2: Economy: Support economic development including access to port, rail, and airport facilities.**

FIGURE 4-3: *Transportation program goals and example objectives in 2040 Comprehensive Plan.*
Source: Hernando County 2040 Comprehensive Plan.

Chapter 9: Capital Improvement Element – Goals and Objectives	
GOAL 9.01 – PUBLIC FACILITIES PROVISION **Hernando County shall provide needed public facilities to all residents within its jurisdiction in a manner which protects public and private investments in existing facilities, maximizes the use and value of existing facilities, and discourages urban sprawl.**	
9.01A	**Capital Improvements:** Capital improvements shall be provided to correct existing deficiencies, to accommodate anticipated future growth, and to replace worn-out or obsolete facilities. *Strategy 9.01A(3):* Hernando County shall prioritize capital improvement projects identified as deficiencies in the 5-Year schedule of capital improvements.
9.01B	**Adequate Facilities**: Adequate capital facilities must be assured in order to support future development at the time needed at adopted levels of service for each facility mandated by this Plan.
9.01C	**Capital Facilities Planning:** Hernando County shall identify and manage available fiscal resources to ensure the timely provision of needed capital improvements for previously issued development orders and to accommodate future growth.

FIGURE 4-4: *Capital improvements program goals and example objectives in 2040 Comprehensive Plan.*
Source: Hernando County 2040 Comprehensive Plan.

As indicated in **Figure 4-3**, there is alignment between the County's 2040 Comprehensive Plan and 2045 Long-Range Transportation Plan. However, since the Comprehensive Plan does not substitute for a countywide strategic plan, this subtask is not met for transportation.

UTILITIES

To address the requirements of this subtask, the MJ Team reviewed the County's 2040 Comprehensive Plan section with utilities goals and objectives.

As shown in **Figure 4-5**, the following table presents goals and objectives provided in the Hernando County 2040 Comprehensive Plan.

Chapter 6: Utilities Element – Goals and Objectives	
GOAL 6.01 – UTILITIES OPERATIONS AND SERVICES **Hernando County shall ensure the provision of utilities services to meet the needs of the unincorporated population. Utilities services include water for consumptive use, wastewater disposal, stormwater drainage, and solid waste disposal.**	
6.01A	**Utilities Services:** Hernando County Government intends to provide potable water supply, wastewater disposal, drainage and solid waste disposal systems.
6.01B	**Water Distribution Utility:** Hernando County shall provide a water distribution system that meets the consumption demands of residential, institutional, industrial and commercial uses and provides for adequate fire protection.
6.01C	**Water Shortage Regulations:** The County shall adopt appropriate water shortage regulations that meet the minimum State requirements and address designated emergencies. More restrictive regulations may be adopted by the BOCC as needed to meet water conservation goals.
6.01D	**Wastewater Supply Utility:** Hernando County shall maintain and expand a wastewater collection and treatment system that meets the demands of residential, industrial and commercial customers.

	Chapter 6: Utilities Element – Goals and Objectives
6.01E	**Solid Waste Utility:** Hernando County shall maintain and expand a solid waste system or utility that meets the demands of residential, industrial and commercial development.
GOAL 6.02 – LONG-TERM UTILITIES PLANNING	Hernando County shall engage in long-term planning for the construction of new facilities required to serve existing and new development consistent with local and regional population projections, sustainable demand projections, discouragement of urban sprawl, and maintenance of groundwater and natural systems.
6.02A	**Utilities Supply Planning:** Utilities supply planning shall be coordinated with long-term land use planning as outlined in this Comprehensive Plan.
6.02B	**Water Supply Planning:** Hernando County shall implement a coordination and analytical framework for water supply planning and scheduled updates covering at least a ten-year planning period.
6.02C	**Work Plan:** Hernando County shall prepare and implement a water supply work plan.
6.02D	**Wellfield Sitting:** Maintain established wellfield siting criteria and procedures to ensure the provision of potable water to meet future needs, maintain adequate quality, and prevent the degradation of natural systems.
6.02E	**Wastewater Facilities Plan:** Hernando County shall prepare a wastewater disposal work plan and maintain a framework for implementation and updates.
6.02F	**Drainage Planning:** Hernando County in coordination with the Southwest Florida Water Management District shall maintain and update its countywide drainage basin study and flood maps and shall develop and implement a countywide program that seeks to protect natural drainage features and restore modified features where feasible.
6.02G	**Master Plan:** The County shall develop an integrated stormwater master plan utilizing a comprehensive basin management approach.
6.02H	**Solid Waste Planning:** The County will explore new technologies as an alternative to traditional landfill facilities. The County intends to maintain a long-term plan for solid waste that anticipates construction needs and evaluates methods for maximizing the efficiency and useful life of solid waste disposal facilities.
GOAL 6.03 – ENVIRONMENTAL PROTECTION	Prevent negative impacts on the quantity and quality of Hernando County's groundwater and natural resources through the use of operational and treatment efficiencies, design and technology advances, restriction of harmful activities, and protection of resource integrity.
GOAL 6.04 – UTILITIES LEVEL OF SERVICE	Hernando County shall ensure that new development is compatible with available local water supplies, wastewater service capacity supplies, drainage and stormwater handling capacity and solid waste disposal service capacity and shall ensure that acceptable levels of service are provided.

FIGURE 4-5: *Utilities' program goals and example objectives in 2040 Comprehensive Plan.*
Source: Hernando County 2040 Comprehensive Plan.

Since program goals and objectives were not provided for Utilities and the County does not maintain a strategic plan this subtask is not met for utilities.

> **RECOMMENDATION 4.2 – Develop a Countywide strategic plan and departmental strategic plans to document goals, objectives and performance indicators.**

> **SUBTASK 4.3 – Review the measures and standards the county uses to evaluate program performance and cost, and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.**

CONCLUSION

Overall, Hernando County (the "County") does not meet expectations for Subtask 4.3. The Transportation and Utilities programs areas did not meet expectations based on insufficient supporting documentation, while Public Safety partially met this subtask.

To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

PUBLIC SAFETY

To address the requirements of this subtask, the MJ Team reviewed the following information.

- **Fire Station Location Study, June 2022** included response performance measures. From the perspective of the citizen, their judgment of the local fire department is often based on how quickly units arrive to assist when the citizen calls 911. Response standards are identified in NFPA 1225 and 1710 to assess the response time performance for career fire departments. Such response times include the following.
  - **Call Processing Time**: The amount of time between when a call is answered by the 911 Primary Public Safety Answering Point (PSAP) or dispatch center, and when resources are dispatched.
  - **Turnout Time**: The time interval between when response units are notified of the incident and when the apparatus begins to respond.
  - **Travel Time**: The time the responding unit spends on the road traveling to the incident until arrival at the scene. This is a function of speed and distance.
  - **Response Time**: The time from initial alerting of an incident until arrival on the scene. Response Time equals the sum of "Turnout Time" and "Travel Time."
  - **Total Response Time**: This is the most apparent time to the caller requesting emergency services, as the time from when the emergency call is placed until units arrive on the scene.
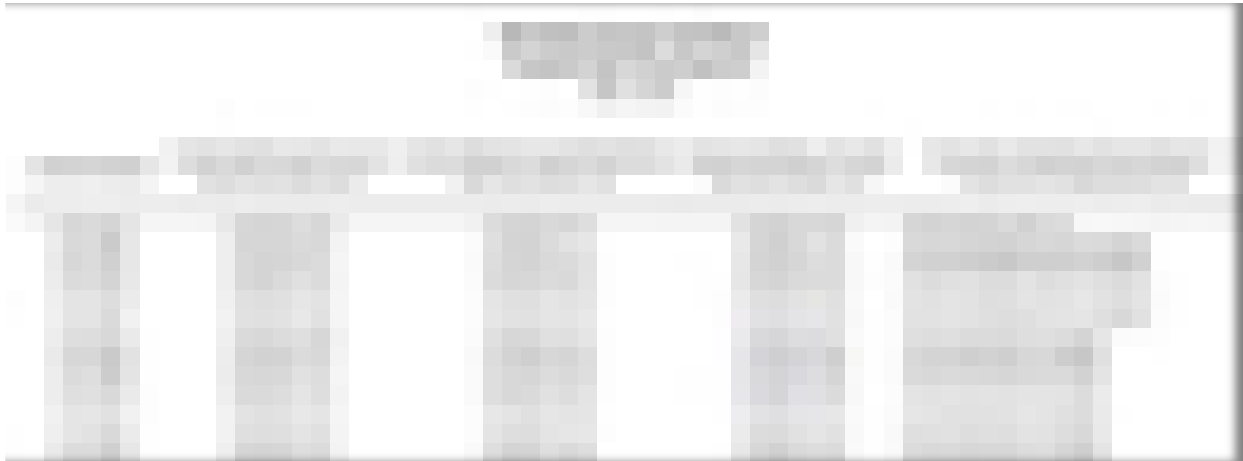- Hospital Wait Time Reports as shown in **Figure 4-6** below.

FIGURE 4-6: *Hospital Wait Time Reports.*
Source: Hernando County, Florida.

- Response and Reaction Times by Station as shown in **Figure 4-7** below.

FIGURE 4-7: *Response and Reaction Times by Station.*
Source: Hernando County, Florida.

The performance measures do not address program cost and department goals and objectives are not formally documented. Thus, this subtask is partially met for Public Safety.

TRANSPORTATION

To address the requirements of this subtask, the MJ Team reviewed the following information.

- Example Road Inventory and Condition List as shown in **Figure 4-8** below.
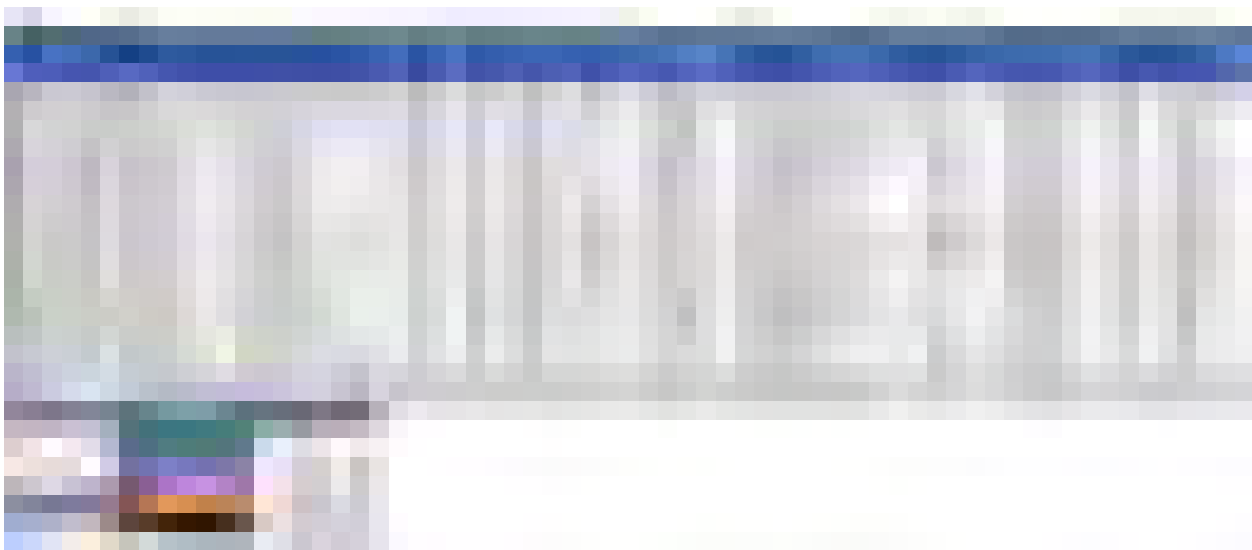
FIGURE 4-8: *Example Road Inventory and Condition List.*
Source: Hernando County, Florida.

Examples of relevant performance measures include:

1. **Project Completion Rate**: Measures the percentage of work completed against the planned schedule.
2. **Cost Variance**: Tracks the difference between the budgeted cost and the actual cost.
3. **Schedule Variance**: Compares the planned project timeline with the actual progress.
4. **Safety Incident Rate**: Monitors the number of safety incidents or accidents on the construction site.
5. **Equipment Utilization**: Assesses how effectively construction equipment is being used.
6. **Labor Productivity**: Evaluates the efficiency of the workforce in completing tasks.

The performance measures do not sufficiently address program performance and cost. Thus, this subtask is not met for Transportation.

UTILITIES

To address the requirements of this subtask, the MJ Team requested performance measures documentation which was not provided.

For a county utilities department, performance measures or key performance indicators are crucial for monitoring performance, ensuring efficient service delivery, and maintaining customer satisfaction. Performance measures help the utilities department track performance, identify areas for improvement, and ensure they are providing reliable and efficient services to the community. Examples of performance measures follow.

1. **Customer Service:**
   o Customer Satisfaction Score: Measures overall satisfaction with utility services.

o Average Response Time: Time taken to respond to customer inquiries or complaints.

2. **Operational Efficiency:**

   o System Reliability: Metrics like SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) to measure power outage frequency and duration.

   o Water Loss Percentage: Amount of water lost due to leaks or inefficiencies in the system.

3. **Financial Performance:**

   o Revenue Collection Rate: Percentage of billed revenue successfully collected.

   o Operating Cost per Customer: Average cost to provide services to each customer.

4. **Safety and Compliance:**

   o OSHA Incident Rate: Number of workplace injuries per 100 employees.

   o Regulatory Compliance Rate: Adherence to environmental and safety regulations.

5. **Infrastructure Management:**

   o Asset Condition Index: Health and condition of infrastructure assets.

   o Maintenance Backlog: Volume of pending maintenance tasks.

6. **Sustainability and Environmental Impact:**

   o Energy Efficiency: Amount of energy saved through efficiency programs.

   o Carbon Footprint: Total greenhouse gas emissions from utility operations.

7. **Service Delivery:**

   o Service Connection Time: Average time to connect new customers to the utility services.

   o Outage Duration: Average duration of service interruptions.

8. **Water Quality:**

   o Compliance with Water Quality Standards: Percentage of water samples meeting regulatory standards.

   o Customer Complaints about Water Quality: Number of complaints related to water quality issues.

The County did not provide the additional information requested to identify all performance measures and program goals and objectives are not formally documented. Thus, this subtask is not met for Utilities.

> **RECOMMENDATION 4.3 – Develop and report relevant performance measures including a focus on program performance and program cost.**

SUBTASK 4.4 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.

OVERALL CONCLUSION

Overall, the internal control environment in Hernando County (the "County") partially meets expectations for Subtask 4.4 as a result of outdated policies and procedures which represent a key component in the internal control environment. The Transportation program area partially meets expectations for this subtask, whereas the Public Safety and Utilities program areas met expectations. The County has not updated some of the policies and procedures for the Transportation programs in over five (5) years.

To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. Each relevant area is analyzed below.

ANALYSIS

COUNTYWIDE

Overall, the County's internal controls including the Board of County Commissioners (BOCC) and financial policies and procedures, and citizen oversight provide reasonable assurance that program goals and objectives will be partially met. To address the requirements of this subtask, the MJ Team reviewed internal controls at the County level.

In addition to the project management controls to provide reasonable assurance that program goals and objectives will be met, the internal control environment begins with the Board of County Commissioners.

The BOCC and the County Clerk and Comptroller authorized proposed Ordinance No. 2024-3-26 ("Ordinance") on March 26, 2024. This ordinance recommended the levy of a local government infrastructure sales surtax subject to approval by a majority of the voters in the referendum to be held for this purpose on November 5, 2024. The Ordinance documented program areas for which the surtax may be expended. In accordance with section 5(c) of the ordinance, surtax funds are authorized only for law enforcement, public safety, and transportation infrastructure and facilities improvements.

The ordinance also provides for an independent review and monitoring by representatives of the community. In accordance with Section 7 of the Ordinance, the Board shall establish a three-member citizen oversight advisory committee ("Oversight Committee") to provide for citizen review of its expenditures of the surtax's proceeds no later than the date on which the Board first expends proceeds from the surtax. The Oversight Committee shall serve as an advisory and reporting body to the Board and provide an annual report on the Board's expenditure of the surtax's proceeds.

The capital improvement planning process provides reasonable assurance that all approved projects for the program areas are accounted for. Hernando County's Capital Improvement Plan (CIP) reports and monitors the status of projects which are at least $50,000 and at least a 10-year useful life. The CIP shows the expenditures to date and anticipated expenditures by project and by year. The CIP also includes separate pages for each project including the project description, justification, funding source and anticipated amount. The approved CIP is posted to the County's website.

Procurement and contracting processes provide reasonable assurance that capital projects for the program areas will be evaluated and properly approved. The County's purchasing policies and procedures includes delegations of authority, approval requirements for purchases, requirements for competitive bidding and vendor selection, requirements for purchase orders, contracts, contract amendments, and change orders. Contracts require legal review and approval by the BOCC in Board meetings.

Section 1(d), Article VIII, State Constitution, provides that the Clerk of the Circuit Court shall be ex officio clerk of the BOCC, auditor, recorder, and custodian of all County funds. The Finance Department of the Clerk of Circuit Court fulfills this role by safeguarding all assets of Hernando County. In carrying out these responsibilities, the Finance Department performs the following functions:

1. Maintains a County-wide financial reporting system ensuring integrity of financial transactions, and transparency for all user departments.
2. Pre-Audits, properly records, and disburses all County funds to ensure all expenditures are legal, budgeted, and in compliance with County policies and procedures.

The County's internal controls, including BOCC oversight and financial policies and procedures, along with citizen oversight provide reasonable assurance that program goals and objectives will be met.

PUBLIC SAFETY

To address the requirements of this subtask, the MJ Team interviewed County staff and reviewed relevant supporting documents. Public Safety is within Hernando County's Fire Rescue Department (HCFR) and the director of Public Safety also serves as the Fire Chief. The County's construction project coordinator is primarily responsible for the project management of facilities-related capital improvement projects, including Public Safety and Law Enforcement facilities.

Internal controls used to provide reasonable assurance that program goals and objectives will be met include policies and procedures and project management tools.

Project Management

Public Safety also uses various reports and methods to monitor and report on project status and performance as follows.

- **Construction Project Reporting**: The construction project coordinator prepares a spreadsheet for each facilities project to monitor whether projects are on budget and on schedule. The construction project spreadsheet includes all tasks from design through construction and close-out for specific projects and tracks actual contract amount, change orders, expenditures to date, and remaining balance on the contract.

- **Architect's Field Report:** report prepared by the design architect monthly to monitor and evaluate construction projects monthly such as fire stations and other facilities. The report includes the estimated percentage of completion, work in progress, and schedule status.

- **Construction Management Software:** project management software used by the construction project coordinator and project manager to report project status, store photos of the job site and document other critical project information.

Policies and Procedures and Studies

Public Works uses long-term planning documents and policies and procedures to manage and conduct its transportation programs including the following documents.

- **Hernando County Fire Rescue Department Policy Manual, June 17, 2024:** manual to affirm the legal authority of the department and the individual members pursuant to Florida and local law. Contents of the manual includes an overview of the organization and administration, general operations, fire prevention, and emergency medical services and other procedures.

- **Hernando County Fire Rescue Department Procedure Manual, June 17, 2024:** manual to affirm the legal authority of the department and the individual members pursuant to Florida and local law. Contents of the manual includes an overview of the organization and administration, general operations, fire prevention, and emergency medical services and other procedures.

- **Fire Station Location Study, June 2022:** study to evaluate the current status of the Fire and Emergency Services (HCFES) Department, future service delivery needs, and recommendations and strategies to address future needs.

Based on the MJ Team's analysis and assessment of data provided by the department, the County's Public Safety program met the objectives of this subtask. Thus, this subtask is met for Public Safety.

TRANSPORTATION

To address the requirements of this subtask, the MJ Team interviewed County staff and reviewed relevant supporting documents. The County manages its Transportation program in its Public Work Department through the Road & Bridge, Engineering, Facilities Maintenance, and Administration divisions, which includes infrastructure for roadways, rights-of-way trails, bridges, and alternative transportation facilities.

Internal controls used to provide reasonable assurance that program goals and objectives will be met include policies and procedures and project management tools.

Long-Range Planning Documents and Policies and Procedures

Public Works uses long-term planning documents and policies and procedures to manage and conduct its Transportation programs including the following documents.

- 2045 Long Range Transportation Plan (LRTP) which addresses no less than a 20-year planning horizon. The LRTP is required by Federal and State Laws and regulations to encourage and promote the safe and efficient management, operation, and development of cost-feasible intermodal transportation. Regulations require the LRTP to conform to the requirements of the Fixing America's Surface Transportation (FAST) Act and previous Moving Ahead for Progress in the 21st Century Act (MAP-21) rule making by establishing measurable performance targets.

- Facility Design Guidelines, October 2008.

- Engineering Standard Operating Procedures (no date; only provided Table of Contents).

Project Management Tools

Public Works also uses various reports and methods to monitor and report on project status and performance as follows. The department uses an Expenditure Transaction Analysis Report created within the County's FinancePlus financial management system, available in real time, to track and monitor budget versus actual capital and non-capital expenditures by project. The report generates budgeted and actual expenditures by project, fund, and department including encumbrances.

In addition, Public Works captures notes and updates from monthly status meetings in an Engineering Projects Report spreadsheet. The spreadsheet categorizes each project by phase (i.e., design, bid, and construction) until the County makes the final payment at project close-out. An excerpt from Public Works' Engineering Projects Status Reports is shown in **Figure 4-9** below.
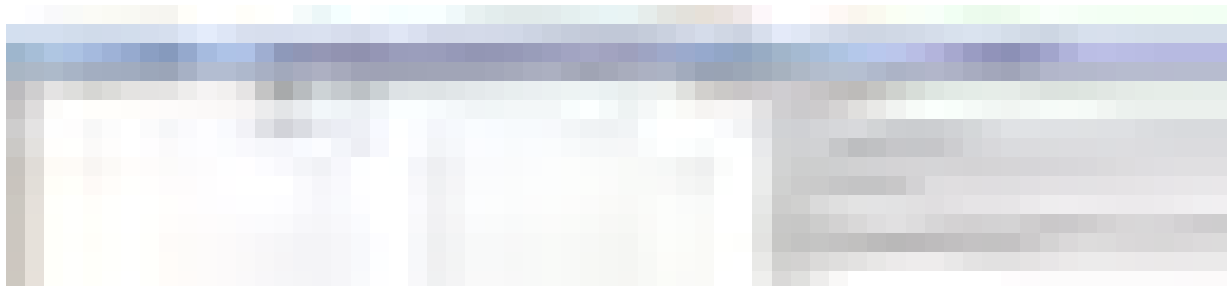

FIGURE 4-9: *DPW-Engineering Project Report, June 13, 2024.*
Source: Hernando County, Florida.

Public Works staff examine the County's roads to assess pavement conditions and enter pavement condition data for its road inventory into PAVER, its pavement management system.

PAVER calculates the score used to assign PCI ratings and prioritize repaving or replacements to continuously improve the condition of the County's road infrastructure.

Although the department utilizes project management tools and maintains policies and procedures, Facility Design Guidelines have not been updated since 2008 and the date of the Engineering Standard Operating Procedure has not been provided. These documents may not represent current practices to achieve program goals and objectives. Thus, the County's Transportation program partially meets the objectives of this subtask.

UTILITIES

To address the requirements of this subtask, the MJ Team interviewed County staff and reviewed relevant supporting documents. The County manages its Utilities program through a separate Utilities Department ("HCUD"), which has Capital Improvement, Customer Service, Engineering, Finance, Fleet, Operations, Solid Waste, and Water Resources Divisions. The County anticipates using utilities surtax funds primarily for utility infrastructure along roads connected to the airport and newly planned economic development projects to be included in its capital improvement plan (CIP).

Internal controls used to provide reasonable assurance that program goals and objectives will be met include policies and procedures and project management tools.

Long-Range Planning Documents and Policies and Procedures

Utilities' Water Resources Division uses long-term planning documents and policies and procedures to manage and conduct its utilities program including the following documents.

- **Potable Water Master Plan, July 2021:** As part of the Master Plan, planning level evaluations of the County's existing water supply and treatment systems were performed to identify improvements recommended for the 20-year planning period.

- **Wastewater Master Plan, September 2021:** Includes a Feasibility Analysis to reduce pollution to the springs by converting septic to sewer within the priority focus areas (PFAs) to assist in sustaining the quality of the county's natural water resources, ensure a safe water supply, provide a recreational haven, and protect an environmental resource.

- **Water, Reclaimed Water and Wastewater Construction Specifications Manual, January 2013:** Represents a guide for use in the planning, design and construction of water, wastewater and reclaimed water systems, or systems extensions that shall be installed in the Hernando County Water and Sewer District area and administered by the Hernando County Utilities Department (HCUD). Utilities' staff stated although the department plans revise the language in the 2013 specifications manual, the manual's details (which provide the most important construction standards), were recently updated in June of 2023 and available on the website in the engineering section. **Figure 4-10** presents an excerpt from the June 2023 updated construction standards.
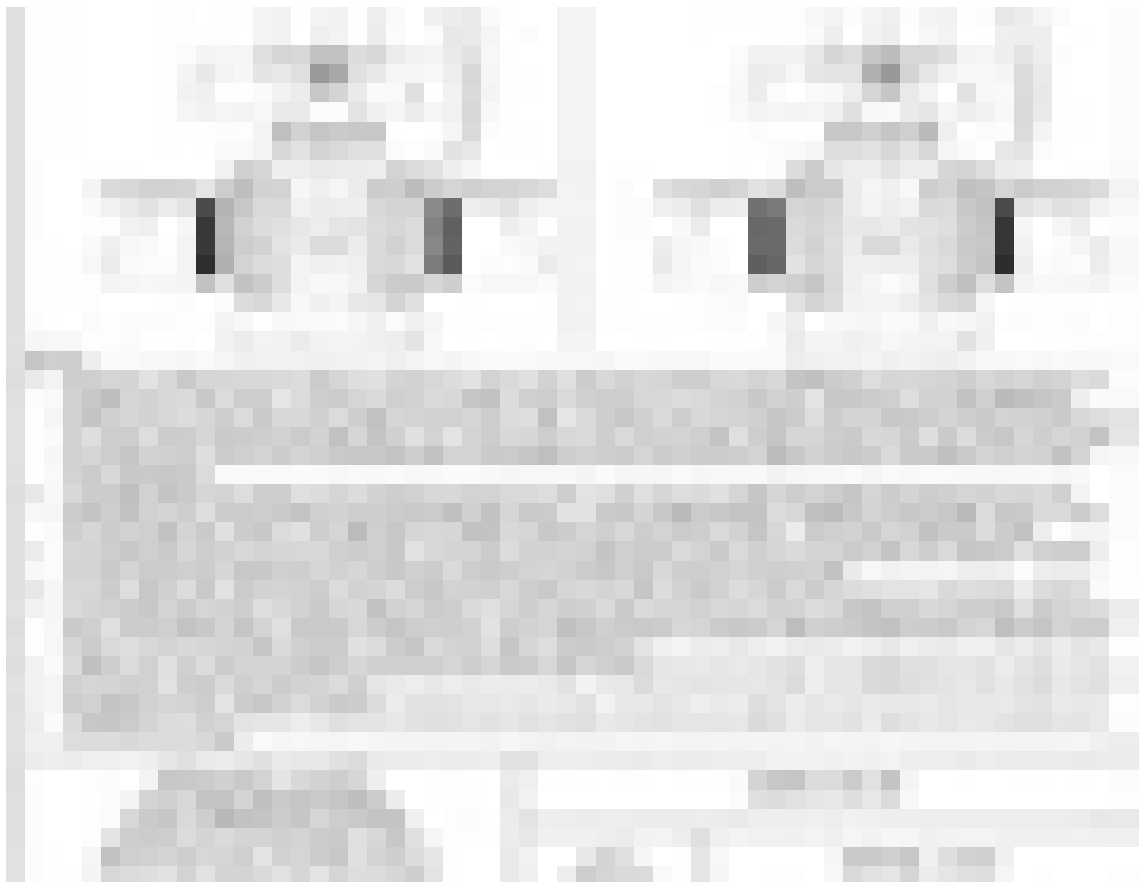
FIGURE 4-10: *Excerpt from June 2023 Construction Standards.*
Source: Hernando County's Utilities Department and Website,
https://www.hernandocounty.us/home/showpublisheddocument/9297.

Project Management Tools

The department also uses various reports and methods to monitor and report on project status and performance as follows.

- **Expenditure Transaction Analysis Report:** created within the County's FinancePlus financial management system, available in real time, to track and monitor budget versus actual capital and non-capital expenditures by project. The report generates budgeted and actual expenditures by project, fund, and department including encumbrances.

- **HCUD Open Construction and Engineering Purchase Orders Spreadsheets:** spreadsheets used to track all open, pending and closed purchase orders. The spreadsheets summarize information pertinent to monitor expiration dates and amounts ensuring HCUD processes contracts within budgeted parameters. The spreadsheets provide a tool to track contractor costs to the proposed budget based on initial bids, change orders which increase purchase order amounts, open and closed purchase orders by project and by contractor, estimated completion date and purchase order expiration date.

- **Active Engineering Project List:** Report used to review and discuss during the monthly capital project meetings with all departments. The list summarizes the status of HCUD projects in each department, project schedule with deadlines and key dates, and potential issues.
- **Daily Construction Report:** form includes the date of the inspection, identifies the project name and number, contractor, weather conditions, site conditions, and other comments. Used to document the evaluation of the contractor's compliance with the statement of work and project schedule.

Based on the MJ Team's analysis and assessment of data provided by the Utilities Department, the County's Utilities program met the objectives of this subtask.

> **RECOMMENDATION 4.4 – Strengthen program internal controls by maintaining current and comprehensive policies and procedures.**

RESEARCH TASK 5

SCOPE

The MJ Team did not divide Research Task 5 into separate program areas because the County's management of public information is universal across all subtasks and applies to all County departments.

FINDING SUMMARY

THE ACCURACY OR ADEQUACY OF PUBLIC DOCUMENTS, REPORTS, AND REQUESTS PREPARED BY THE COUNTY WHICH RELATE TO THE PROGRAM.

Overall, Hernando County partially met Task 5. The County has adequate financial and non-financial information systems in place that provide useful, timely, and accurate information to the public. However, the County did not demonstrate it has program performance and cost information that is readily available and easy to locate. The County should develop a formal process for compiling detailed program information that aligns with program cost and ensure that this information is accessible to the public. The County should also increase the coordination of the Public Information Officer with departments that individually publish public data and revamp its website to improve the ease with which information is located. The County has not documented several critical processes to ensure accuracy and completeness of information provided to the public. The County provided some documentation related to its budget process that ensures the accuracy and completeness of this type of data; however, these processes could be strengthened by implementing a rigorous cross-checking process that involves verifying financial data provided by various staff members along with formal written processes or procedures to facilitate correcting erroneous and incorrect information timely. Lastly, the County demonstrated that it has taken reasonable and timely actions to correct any erroneous and/or incomplete program information, when the need arises.

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 5.1 – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.

OVERALL CONCLUSION

Overall, Hernando County (the "County") met expectations for Subtask 5.1 Countywide and for all programs that will benefit from the surtax funds. Financial and non-financial information systems are in place that provide useful, timely, and accurate information to the public. To reach this conclusion, the MJ Team conducted relevant interviews and reviewed documentation supporting the subtask.

ANALYSIS

The Office of Management and Budget (OMB), the Public Information Office, and the County Clerk's Office are responsible for providing financial and non-financial information to the public. OMB is the main provider of financial information, and the Public Information Office is the main provider of non-financial information.

To address the requirements of this subtask, the MJ Team interviewed the OMB Director, the Public Information Officer, and the County Clerk.

The MJ Team reviewed examples of financial and non-financial information on the County's website and assessed sample information on social media platforms, print, and electronic media and found it to be useful, accurate, and timely. Financial information is posted through the Clerk of Court's Office. Website updates and information such as page views are posted through the Clerk of Court's Information Technology Department, which is also located within the Clerk of Court's Office.

Figure 5-1 provides examples of financial and non-financial information the County makes available to the public.

Sample Documents Available to the Public on the Website	
Financial Information	**Description/Purpose**
Annual Comprehensive Financial Report (ACFR) (2022– 2023)	This report provides a complete set of fiscal year-end financial statements presented in conformity with *generally accepted accounting principles (GAAP)* and audited in accordance with *generally accepted auditing standards* by a firm of licensed certified public accountants.
Annual Report (2023)	This comprehensive document detailed the county's achievements, financial performance, and key initiatives over the past year. It includes sections on departmental accomplishments, budget summaries, and project updates. The report serves as a valuable resource for understanding the county's strategic direction and future goals. chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.hernandocounty.us/home/showpublisheddocument/8993/638473092308584527
Annual Budget Report (2023 – 2024)	This report provides a comprehensive overview of the County's financials, budget allocations, and key initiatives for the fiscal year. The budget is one of the most important documents a county government prepares because it identifies the services to be provided to community members and how they will be financed.
Tax Collector Annual Budget (2023 – 2024)	This document outlines the financial plan for the tax collector's office for the upcoming fiscal year. It includes projections of revenue and expenditures, covering various operational costs. chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.hernandocounty.us/home/showpublisheddocument/8659/638318550403715123

Sample Documents Available to the Public on the Website	
Budget Calendar (2024 – 2025)	This structured timeline is for the planning, preparation, and approval for the County. https://efaidnbmnnnibpcajpcglclefindmkaj/https://www.hernandocounty.us/home/showpublisheddocument/8911/638440124302100000
Budget Update (2023 – 2024)	This information is updated daily to inform the residents about the County's financial situation. https://stories.opengov.com/hernandocountyfl/published/7VBjhpdxY
Municipal Service Benefit Unit (MSBU) (2023 – 2024)	The BOCC, pursuant to *Florida Statutes* and County Ordinance, created a Municipal Services Benefit Unit (MSBU) to serve a specific area of the County. The MSBU may be created for: road paving, sewer lines, street lighting, speed humps, and fire protection, etc. https://stories.opengov.com/hernandocountyfl/published/OYErUASByf
Capital Improvement Plan (2024 – 2028)	This plan consists of all the projects that are at least $50,000 and have a minimum of 10-year useful life. It aims to address the current and future needs of the community by prioritizing projects that enhance the quality of life, support economic growth, and ensure public safety. This plan focuses on areas such as road improvements, public buildings, water and sewer systems, and recreational facilities. https://stories.opengov.com/hernandocountyfl/be730c56-0b12-469b-939f-58c94ae40a89/published/m0MCvHjiP?currentPageId=TOC
Non-Financial Information	**Description/Purpose**
Meeting Agenda and Minutes	These types of agenda typically provide an opportunity for appropriate public participation. This can be used to increase awareness of an issue or proposal, and can be a starting point for, or an ongoing means of engaging, further public involvement. Meeting videos are available to the public to watch at any time. The public can also download meeting agenda and agenda packet. Agendas are available prior to the meetings. Minutes are available following approval. https://hernandocountyfl.legistar.com/Calendar.aspx
Customer Service Website Link	The link is maintained on the County website's homepage so that web visitors can find easy access to the County department staff directory telephone numbers. Users can contact the Customer Service telephone number to receive general information from one (1) central source rather than being routed to multiple departments.
Public Media Center / Video Archives	The website link to live and archived video feeds are available on the County website homepage to keep community members informed of important meeting content. http://hernandocountyfl.iqm2.com/Citizens/Media.aspx

Sample Documents Available to the Public on the Website	
Public Transportation Routes and Schedules	This tool helps with the use of public transportation efficiently. It allows the public to see the path the bus takes and all the stops along the way. The schedule indicates the times the bus will arrive at each stop. https://www.hernandocounty.us/departments/departments-n-z/transit-thebus/routes-and-schedules
Public Notices	Official communications issued by the county government to inform citizens about important events, legal matters, and community updates. These notices allow residents the opportunity to contribute to the decision-making processes that affect their community. https://www.hernandocounty.us/departments/departments-n-z/transit-thebus/routes-and-schedules
Social Media Platforms	The Public Information Office distributes news to the public through a variety of avenues from news releases to social media accounts (primarily Facebook and X, formerly Twitter).
Ordinances and Resolutions	Legal documents adopted by the Municipality that outline new laws and policies enacted by the county. https://library.municode.com/fl/hernando_county/codes/code_of_ordinances
Public Records Request	This document allows the public to request access to additional public records that are not readily available on the county's website. https://www.hernandocounty.us/departments/departments-n-z/public-information/public-records-requests
2040 Comprehensive Plan	Document that defines a community's vision and establishes the goals, objectives and policies related to future land use, transportation, housing, infrastructure, coastal management, conservation, recreation, capital improvements, and intergovernmental coordination. https://www.hernandocounty.us/departments/departments-n-z/planning/comprehensive-plan

FIGURE 5-1: *Current financial and nonfinancial information available on the website and through social media sources.*
Source: Compiled by the MJ Team.

> **SUBTASK 5.2 – Determine whether the public has access to program performance and cost information that is readily available and easy to locate.**

OVERALL CONCLUSION

Overall, Hernando County (the "County") partially met the expectations for Subtask 5.2. Based on the public information reviewed on the County's website, community members have access to transparent cost information that is readily available and easy to locate. However, detailed program information was not available.

To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax.

ANALYSIS

To address the requirements of this subtask, the MJ Team interviewed the OMB Director, the Public Works Director, and the Public Information Officer and reviewed relevant information on the County's website.

Figure 5-2 shows an example of the Anderson Snow & Corporate Boulevard Improvements project which was being executed to provide increased capacity and vehicular safety improvements.

The project consists of widening Anderson Snow Road from two (2) lanes to four (4) lanes from the existing four (4) lane section just south of Spring Hill Drive to approximately 1/4 mile south of the intersection with Corporate Boulevard and adding signalization at the intersection.

Figure 5-2 also shows the anticipated cost of the project for FY 2023 and FY 2024 and justification for the project (i.e., public safety concerns at various locations). Program information (e.g., ramifications of incomplete project) is vague. Users cannot tell what aspect of the project is incomplete by looking at the map. More specific detail regarding stage and/or phase of completion would be required for this to receive a rating of 'met'.
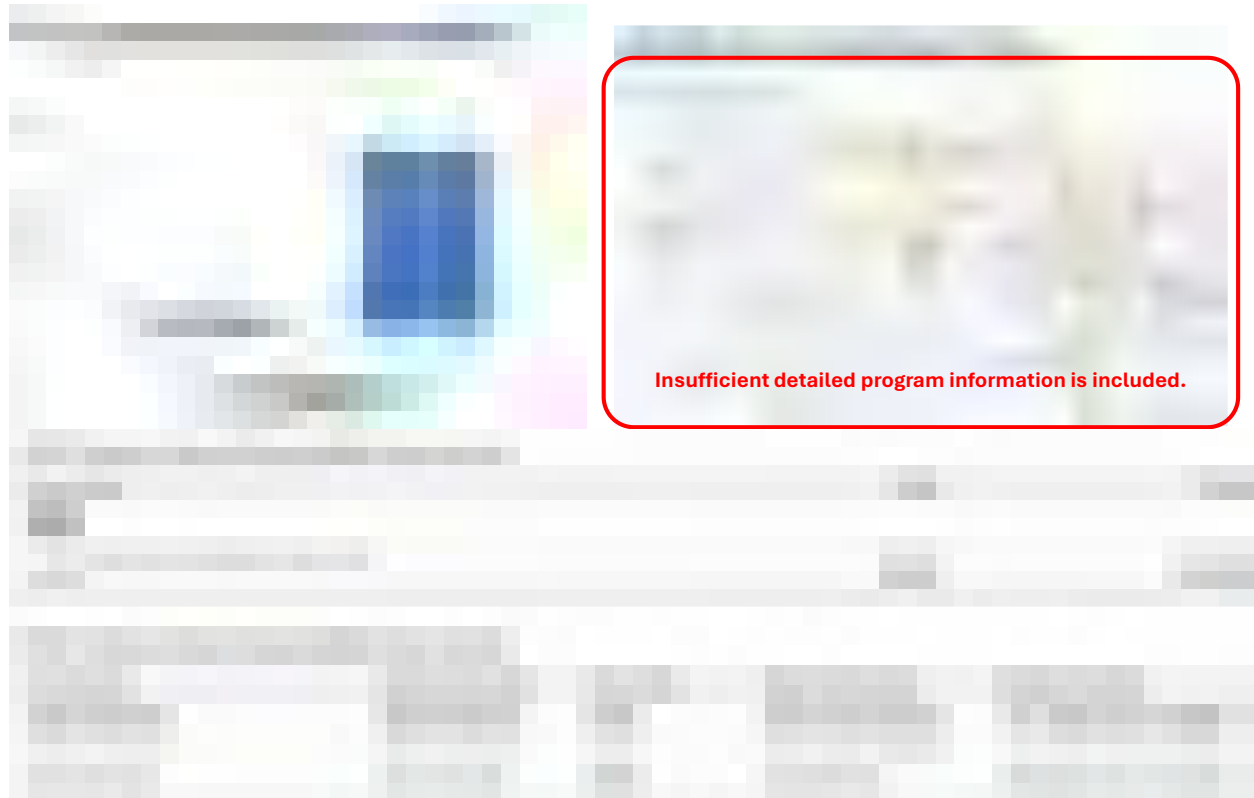

Insufficient detailed program information is included.

FIGURE 5-2: *Example of the Anderson Snow & Corporate Boulevard Improvements project.*
Source: Hernando County website.

The Public Information Officer serves as primary point of contact for media inquiries and monitors coverage; manages the County's social media accounts; manages general website content; and drafts and sends out news releases in a timely manner.

The primary tool the County uses to make program and cost information available to the public is through its website. The County uses a decentralized approach to publishing and disseminating information to the public in that each Hernando County department maintains a separate webpage and department staff design and post information as needed.

Individual departments prepare webpage content with little coordination between the department preparers and the County's Public Information Officer. Because of the decentralized approach the County uses to prepare, publish, and disseminate public information, the County's website seems more difficult to navigate than other websites the MJ Team typically reviews during this type of assessment.

Figure 5-3 shows some key issues the MJ Team noted in the County's website accessibility.

Hernando County Website Issues Noted by the MJ Review Team	Examples
Information on the website that is not logically organized may be difficult for users to locate what they are looking for. Some of the comments the MJ Team received pertaining to the Hernando County website were: • Each department has a different look and feel throughout the site, no consistency. • When certain departments are selected from the main dropdown menu on the homepage, the user is directed to another website outside of the www.hernandocounty.us site	*Economic Development site:*

Hernando County Website Issues Noted by the MJ Review Team	Examples
Slow load times can frustrate users and make navigation feel cumbersome.	When users select the link to the FY24 Adopted Budget, the website redirects them to another site which takes at least a minute to open. The first page on that site is the Budget Overview cover page. There appears to be another link to the Table of Contents which was not found in the budget book.

FIGURE 5-3: *Key issues noted on the Hernando County website which make it difficult for users to navigate. Source: Compiled by the MJ Team.*

The MJ Team also noted that branding standards for presenting the information were often lacking in the documents the MJ Team reviewed.

Branding standards are essential for maintaining a consistent and cohesive brand identity across all public information platforms, including the County's website. Moreover, it is essential that a thorough review of information platforms (i.e., website and social media) be completed so that content meets the County's standards.

Additionally, the County has no formal process in place to evaluate the accessibility of public documents. Steps the County should consider following are outlined below:

- Analyze which types of content perform best on social media and your website to help with creating more engaging and relevant content.
- Use data analytics tools such as Google Analytics for websites or Sprout Social for social media analytics to assist with increasing traffic, improving engagement, or boosting conversions.
- Identify and monitor relevant key performance indicators (KPIs) such as website traffic, bounce rates, conversion rates, social media engagement, and follower growth to measure success against objectives.
- Analyze data by segmenting targeted audience based on demographics, behavior, or the message intent/purposes.
- Use real-time data analytics to track ongoing campaigns and make immediate adjustments to optimize messaging objectives, as needed.
- Use data visualization tools to present analytics clearly and effectively on performance and cost data that may be more difficult for individuals with non-financial backgrounds to understand.

RECOMMENDATION 5.2 – Develop a formal process for compiling detailed program information that aligns with program cost and ensures this information is accessible to the public. Increase the coordination of the Public Information Officer with departments that individually publish public data and revamp the website to improve the ease in which information is located.

> **SUBTASK 5.3 – Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.**

OVERALL CONCLUSION

Overall, Hernando County (the "County") partially met expectations for Subtask 5.3. The County has limited processes in place to ensure the accuracy and completeness of any program performance and cost information provided to the public. However, the County has not documented several critical processes to ensure accuracy and completeness of information provided to the public.

To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax.

ANALYSIS

To address the requirements of this subtask, the MJ Team interviewed the OMB Director, the Public Information Officer, and the County Clerk.

Additionally, the following documents were reviewed.

- Annual Comprehensive Financial Report (ACFR) (2022 – 2023)
- Budget Calendar FY24-25-Approved
- Budget Kick-Off FY25 January 2024
- Budget Related Items Narrative
- Budget-Amendment-Guidelines-Revised-2.23.21
- Budget-Resolution-Guidelines-Revised-2.23.21
- Budget-Transfer-Guidelines-Revised-2.23.21
- FY25-Budget-Assignments-by-Fund-Department

The MJ Team reviewed in detail, the following information:

Budget Amendment

The Budget Amendment (BA) realigns the budget with actual expenditures to correct improper budget account(s). Budget amendments are prepared when the following occurs:

- When the expenditures are over budget.
- When funds are reallocated within the same fund and the total budget for that fund remains unchanged.

Budget amendment forms can be found on the County's website under the Budget Department webpage. A sample Budget Amendment Request form is shown below in **Figure 5-4**.

FIGURE 5-4: *Sample Budget Amendment Request Form.*
Source: Hernando County.

Budget resolutions are used to recognize new revenue in the current fiscal year. Budget resolutions are prepared when the following occurs:

- When new grant funds are awarded for the current fiscal year.

- When funds are transferred from one (1) fund to another fund.

- When actual revenue falls significantly below the budgeted revenue, a reversing resolution will need to be processed.

Below in **Figure 5-5**, is a sample budget resolution form.

FIGURE 5-5: *Sample Budget Resolution Form.*
Source: Hernando County.

Budget transfers are needed to move budgeted dollars between funds or between departments within the same fund. They are prepared when the following occurs:

- When one fund owes another fund for an expense or service provided by another fund.
- When funds are required for a grant match either within the same fund or from one fund to another.

Below in **Figure 5-6**, a sample transfer resolution transfers budgeted dollars within the same fund or between departments within the same fund.

FIGURE 5-6: *Sample Transfer Resolution, steps for transferring budgeted dollars within the same fund (left side) versus transferring budgeted dollars in between two (2) different funds (right side).*
*Source: Hernando County.*

County management indicated that the budget process involves reviewing every line item of the proposed budget, including capital projects. Upon approval, the budget becomes the performance benchmark for that specific program, from a cost perspective. The "actual" financial performance is then compared to budgeted expectations to measure the performance of the project, and the cost associated with that project. Further, the Capital Improvement Plan (CIP) documents provide a "prior year spend" amount that indicates how much has been previously spent and then projects expenditures out for five (5) years. The budget review process is performed by many independent individuals to get complete and accurate information.

However, no formal process is in place to ensure that all cost and program information is accurate. A formal written process or procedure should include the following:

- Implement a rigorous cross-checking process that involves verifying financial data provided by various staff members.
- Maintain thorough documentation of all sources and references used to verify the information.
- Use automated tools such as Excel spreadsheets that are designed for fact-checking and content verification.
- Encourage website visitors to report any inaccuracies they find.

As a best practice example, Martin County uses its FY25 Tentative Budget Timeline to plan how staff will be assigned at various intervals throughout the budget process to ensure the accuracy and completeness of budget, program, and cost information that will be provided to the public, as shown in **Figure 5-7**. This graphic along with other supporting documentation regarding Martin County's financial processes demonstrates that they have multiple steps within their budget process and multiple staff members assigned to ensure the accuracy and completeness of budget, program performance, and cost information provided to the public.
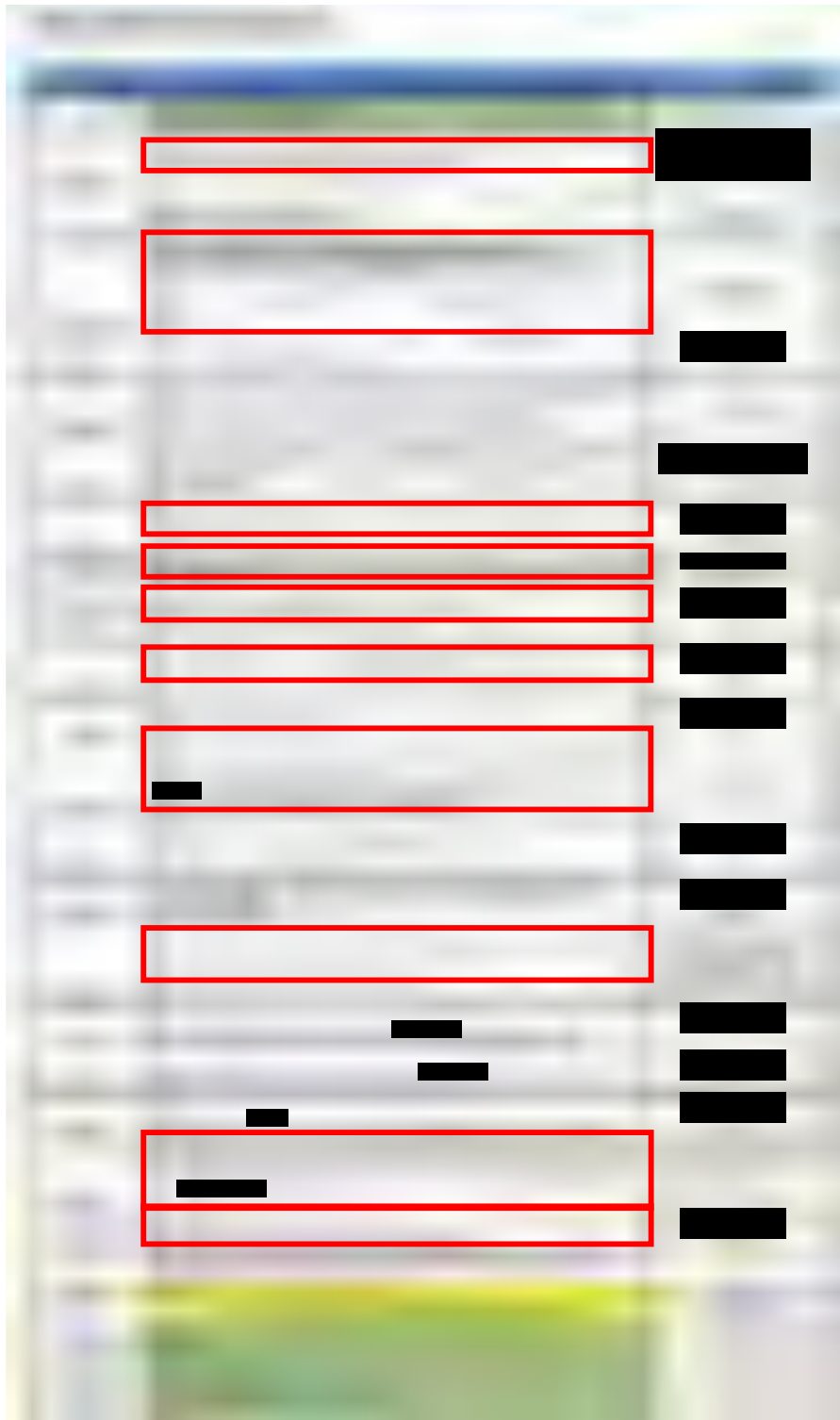
Key Processes where Accuracy Validation Occurs

FIGURE 5-7: *Sample Budget Timeline illustrating processes to ensure accuracy for budget, program, and cost information with associated staff assignments.*
Source: Martin County.

> **RECOMMENDATION 5.3 – Develop comprehensive standard operating processes and/or procedures to ensure the accuracy and completeness of budget, program performance, and cost information provided to the public and include specific staff responsibility assignments as part of the documented process.**

> **SUBTASK 5.4 – Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the County and that these procedures provide for adequate public notice of such corrections.**

OVERALL CONCLUSION

Overall, Hernando County (the "County") did not meet the expectations for Subtask 5.4. The County's Public Information Office takes limited steps to ensure public information is published free of errors. However, the County does not have formal procedures in place to document this process and did not provide relevant examples of public documents that had been corrected.

To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax.

ANALYSIS

To address the requirements of this subtask, the MJ Team interviewed the Public Information Officer and the OMB Director. It was noted during these interviews that each similarly sized departments maintains its own webpage and no standardized procedures are in place so that departments have a uniform procedure or formal written process to ensure that timely actions are taken to correct errors or incomplete information. Sample documentation from Santa Rosa County, a similarly sized county, that would be required to meet the expectations for this subtask is shown below.

Figures 5-8 and **5-9** present examples of documented procedures for drafting and correcting news releases and social media posts used by the Santa Rosa County's Public Information Office.

Writing & Distributing News Releases

News releases will be issued by Santa Rosa County through the public information office. The public information officer will review all news releases for accuracy before scheduling to send out.

Procedures for writing news releases:

- Collect information for the news release from the appropriate department.
- Determine appropriate timing/content for release. If the news release is about an event on a specific date, generally the news release should be sent out at least one week in advance.
- Create a new message in Constant Contact – or if a reoccurring message, copy the last one sent and update necessary information. Include a photo when appropriate.
- News releases should be written in AP style.
- Spell check draft, but do not rely on spell check; proof the news release manually. Have the appropriate department and PIO proof the news release.

Procedures for distributing news releases:

- Distribute through Constant Contact email distribution lists as appropriate. Not every email list will need to receive all news releases. Generally, almost all news releases will be sent to the following lists: General News and Information, Media, and Santa Rosa County Employees.
- In the "subject" field, type an appropriate title related to the subject matter of the release.
- If appropriate, post the news release to the website through NewsFlash under the News Releases category. If related to an emergency management function, check the box for the Emergency Management News category and if related to parks, check the box for the Parks and Recreation category.
- Post to social media on appropriate platform (Facebook, Instagram or Nextdoor) as needed. Not every news release will need to be posted to social media. If district specific, post to the appropriate district Facebook page.

Correcting News Releases

Procedures for correcting news releases:

- Once notified of a correction to a news release that has already been sent out, go into Constant Contact and copy the news release.
- In the subject line, add "CORRECTION:" to the beginning.
- Open up the message and add to the top "Please see correction highlighted below."
- Correct wrong information and highlight it.
- Re-send immediately to pre-determined email distribution lists

FIGURE 5-8: *Sample procedures Hernando County could use for drafting and correcting news releases. Source: The MJ Team's research from the Santa Rosa County Public Information Office.*
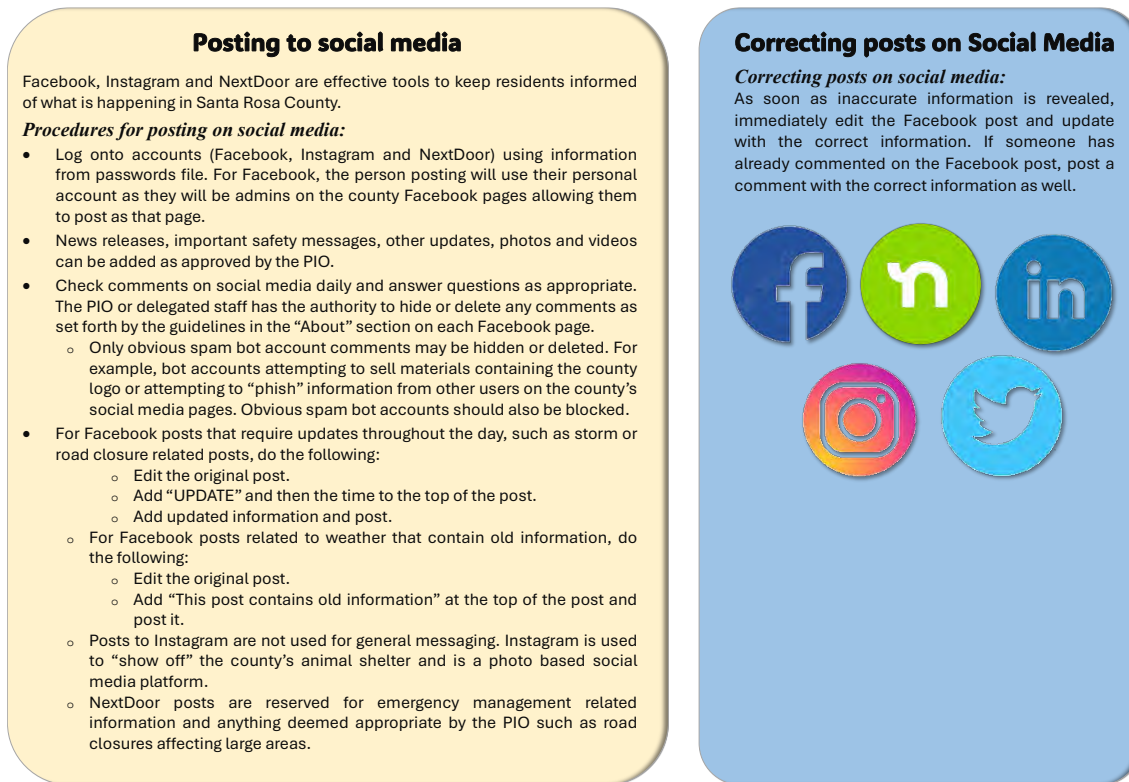
Posting to social media

Facebook, Instagram and NextDoor are effective tools to keep residents informed of what is happening in Santa Rosa County.

Procedures for posting on social media:

- Log onto accounts (Facebook, Instagram and NextDoor) using information from passwords file. For Facebook, the person posting will use their personal account as they will be admins on the county Facebook pages allowing them to post as that page.
- News releases, important safety messages, other updates, photos and videos can be added as approved by the PIO.
- Check comments on social media daily and answer questions as appropriate. The PIO or delegated staff has the authority to hide or delete any comments as set forth by the guidelines in the "About" section on each Facebook page.
  - Only obvious spam bot account comments may be hidden or deleted. For example, bot accounts attempting to sell materials containing the county logo or attempting to "phish" information from other users on the county's social media pages. Obvious spam bot accounts should also be blocked.
- For Facebook posts that require updates throughout the day, such as storm or road closure related posts, do the following:
  - Edit the original post.
  - Add "UPDATE" and then the time to the top of the post.
  - Add updated information and post.
  - For Facebook posts related to weather that contain old information, do the following:
    - Edit the original post.
    - Add "This post contains old information" at the top of the post and post it.
  - Posts to Instagram are not used for general messaging. Instagram is used to "show off" the county's animal shelter and is a photo based social media platform.
  - NextDoor posts are reserved for emergency management related information and anything deemed appropriate by the PIO such as road closures affecting large areas.

Correcting posts on Social Media

Correcting posts on social media:

As soon as inaccurate information is revealed, immediately edit the Facebook post and update with the correct information. If someone has already commented on the Facebook post, post a comment with the correct information as well.

FIGURE 5-9: *Sample procedures Hernando County could use for drafting and correcting social media posts. Source: The MJ Team's research from the Santa Rosa County Public Information Office.*

> **RECOMMENDATION 5.4 – Develop formal procedures to ensure that reasonable and timely actions are taken by the County to correct erroneous and/or incomplete program information that is published and disseminated to the public.**

> **SUBTASK 5.5 – Determine whether the county has taken reasonable and timely actions to correct any erroneous and/or incomplete program information.**

OVERALL CONCLUSION

Overall, Hernando County (the "County") met the expectations for Subtask 5.5. To reach this conclusion, the MJ Team assessed relevant areas of the County that will administer and/or benefit from the sales surtax. The County has taken reasonable and timely actions to correct any erroneous and/or incomplete information provided to the public.

ANALYSIS

To address the requirements of this subtask, the MJ Team interviewed the Public Information Officer and the OMB Director. The County provided and the MJ Team reviewed the information

shown in **Figure 5-10**. An example of a social media error was posted on August 2, 2024, and corrected on the same day within 10 minutes**.**

FIGURE 5-10: *Example of a social media (Facebook) posting error and the correction.*
Source: Hernando County, Public Information Office.

RESEARCH TASK 6

SCOPE

The MJ Team did not divide Subtask 6.1 related to legal compliance into separate program areas because the County's compliance with federal, state, and local laws, rules, and regulations is universal and applies to all County departments. The MJ Team also did not divide Subtask 6.4 related to planned uses of the surtax into separate program areas because planned uses of the surtax and its compliance with applicable state laws, rules, and regulations applies to the County as a whole.

FINDING SUMMARY

COMPLIANCE OF THE PROGRAM WITH APPROPRIATE POLICIES, RULES, AND LAWS.

Overall, Hernando County partially met expectations for Research Task 6.

The County employs a County Attorney with a full-time legal staff responsible for providing governance and transactional legal advice to the BOCC, County Administrator, County departments, and boards and commissions organized under the BOCC. In this capacity, the attorneys review all contracts, draft ordinances, and resolutions requiring board approval for compliance with legal requirements and board policy. The County stays abreast of federal and state legislative changes through membership in professional associations. The County also contracts with a lobbyist to provide representation at the state level.

Program internal controls are reasonable to ensure compliance with applicable laws, contracts, and local policies and procedures. Internal controls include the annual external audit, annual internal audits, segregation of duties, and policies and procedures. Internal controls are reasonable to ensure that program administrators take reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means. As a result of not implementing procedures for corrective actions, recommendations for several internal audits and an external audit had not been implemented in over two (2) years.

Finally, the County Attorney drafted and reviewed the surtax ordinance to ensure that it complied with applicable law before it was approved by the BOCC. The County Attorney and county administrator briefed the BOCC regarding the potential for a sales tax referendum and specific projects to be funded with the surtax proceeds in a public board meeting.

SUBTASK CONCLUSIONS, ANALYSIS AND RECOMMENDATIONS

SUBTASK 6.1 – Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

OVERALL CONCLUSION

Overall, Hernando County (the "County") met expectations for Subtask 6.1. The MJ Team did not divide Subtask 6.1 into separate program areas because the County's compliance with federal, state, and local laws, rules, and regulations is universal and applies to all County departments.

ANALYSIS

To address the requirements of this subtask, the MJ Team interviewed the county administrator, county attorney, director of Financial Services, and the grant and revenue manager. During the interview, the MJ Team discussed the County's process to assess compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. We also requested documentation supporting the County's process.

The MJ Team noted the County has extensive experience in administering and managing funds with various types of restrictions from federal, state, and local laws, rules, and regulations. The County was prepared to assess compliance with surtax applicable laws in the past, as recent as November 2022, when voters did not support a referendum for an optional ½ cent surtax.

The County's compliance program infrastructure includes the following components:

- County attorney serving as in-house counsel
- Legislative updates informing compliance matters
- Advocacy for the County's interest
- Grant compliance

Each component of the County's compliance program infrastructure and corresponding role in the County's process for assessing compliance is discussed below.

In-House Counsel

The BOCC appoints the county attorney who reports directly to the BOCC and is the Chief Legal Officer of the County. According to the County's website, the county attorney and his staff also serve as counsel to the BOCC, County administrator, county departments, boards and commissions organized under the BOCC, and all county departments. The county attorney does not provide private legal advice to individual citizens but is responsible for protecting the legal rights of the general public.

The county attorney as in-house counsel to the BOCC and the County's chief legal officer is pivotal to the compliance process and has the following duties:

- Providing legal advice to the BOCC, county administrator, county departments, and boards and commissions.

- Drafting ordinances, resolutions, contracts, and other legal documents.

- Researching current laws and regulations that govern subject matter for ordinances and interpret how ordinances will be practically implemented to ensure compliance with laws, regulations, and policies.

- Conducting legal reviews of all procurement contracts before BOCC approval.

- Preparing bill analyses and impact statements related to legislation affecting the County.

- Conducting legislative updates in workshops for the BOCC, county administrator, and the executive leadership team.

The county attorney only engages outside counsel to assist with county legal matters when the county attorney is conflicted, which is extremely unusual as the County has an in-house legal staff.

Legislative Updates

The County stays abreast of state legal matters through membership in the Florida Association of Counties (FAC) and the Small County Coalition of Florida (SCCF). These organizations help counties address legal and legislative issues and stay current with respect to litigation and legislation that impacts the County.

The Florida Association of County Attorneys (FACA) emails legislative updates to its members and conducts conference calls with county attorneys throughout the state to discuss legal issues affecting Florida counties with its members. For example, the MJ Team reviewed the county attorney Conference Call Agenda for FACA's June 7, 2024, call providing information about trial court cases litigating a Florida county's practice of charging and collecting interest on liens imposed pursuant to *Florida Statutes*.

The SCCF is a statewide alliance of county commissions in Florida's small and rural counties. Its primary mission is to help Florida's small and rural counties address legislative issues from a small county/rural perspective and work effectively with the leadership of state agencies.

Also, the Florida Legislature's Office of Economic and Demographic Research publishes a Local Government Financial Information Handbook (the Handbook) annually in January. The Handbook identifies all state revenue sources available to local governments, explains how each can be obtained, and outlines legal restrictions on local governments' use of state funds. The Handbook also identifies any legislative changes related to each funding source the Legislature made during its prior legislative session. The MJ Team reviewed an excerpt from the 2023 Handbook related to Local Discretionary Sales Surtaxes delineating specific legal

requirements for referendums and compliance details related to administering the surtax proceeds.

The county attorney uses the Florida Senate Tracker system (Tracker), which is a free service provided by the Florida Senate that allows members to track Senate and House bills as they move through the state legislature. The MJ Team examined a sample tracking report from Tracker noting the system captures House and Senate bills by number with action dates, comparisons to similar bills, and bill notes.

Advocacy

Although the professional associations discussed above provide ongoing advocacy, the County also contracts with a lobbying firm to provide strategic advice, monitor legislation, and provide legislative updates to the BOCC and county administrator. The lobbyist also advocates to advance local initiatives and projects for the County.

Grant Compliance

According to the County's Grant Management Policy 15-01, departments receiving and implementing grant funds are responsible for maintaining compliance with the provisions of the respective grants. Accordingly, each department under the BOCC designates a project administrator to manage grant activities to ensure compliance with all terms and requirements of the grant.

The County has a grants team consisting of the representatives from OMB, the Clerk of Circuit Court & Comptroller – Financial Services who collaborate with departmental grant project administrators to support departments in the successful acquisition and management of grant awards. Representatives from OMB serve as grants and operations performance coordinator and grants coordinator, while the representative from the Clerk of Circuit Court & Comptroller – Financial Services serves as the grant and revenue manager.

In the County's grants compliance process, the grants coordinator from OMB is primarily responsible for monitoring program compliance with specific laws, regulations, and grant terms and conditions, as well as coordinating compliance with grant procurement requirements.

The Grants Team, with concurrence from OMB, approves all grant applications with compliance requirements and forwards to the county administrator for his approval and the county administrator prepares an agenda item for BOCC approval. The county attorney and OMB review all grant awards and associated resolutions before submitting to the BOCC for final approval.

> **SUBTASK 6.2 – Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.**

OVERALL CONCLUSION

The MJ Team did not divide Subtask 6.2 into separate program areas because internal controls to determine compliance with applicable state laws, rules, and regulations apply to the County as a whole. The County met expectations for this subtask.

ANALYSIS

To address the requirements of this subtask, the MJ Team reviewed the findings in the external auditor's Single Audit Report regarding internal controls. The MJ Team also interviewed the Clerk's County Internal Auditor to determine the practices in place to monitor the internal control environment, reviewed key policies and procedures, and reviewed the County's internal control questionnaires related to expenditures.

Annual External Audit

An Annual Comprehensive Financial Report is completed by the Clerk of the Circuit Court and County Comptroller consisting of an independent CPA's firm audit results and evaluation of internal controls. During an audit of a governmental entity, independent auditors perform procedures and issue reports that address the entity's internal controls.

The results of the audit conclusions are summarized in **Figure 6-1** which did not indicate any findings or deficiencies in internals considered to be material weaknesses.

INDEPENDENT AUDITOR REPORTS FINDINGS			
Report Description	**Audited Financial Statements and Supplemental Information Dated June 25, 2024 Year Ended 9/30/2023**	**Audited Financial Statements and Supplemental Information Dated March 29, 2023 Year Ended 9/30/2022**	**Audited Financial Statements and Supplemental Information Dated March 24, 2022 Year Ended 9/30/2021**
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards (GAS)	• No deficiencies in internal controls over financial reporting considered to be material weaknesses. • No instances of noncompliance with certain provisions of laws, regulations, contracts and grant agreements required to be reported under GAS.	• No deficiencies in internal controls over financial reporting considered to be material weaknesses. • No instances of noncompliance with certain provisions of laws, regulations, contracts and grant agreements required to be reported under GAS.	• No deficiencies in internal controls over financial reporting considered to be material weaknesses. • No instances of noncompliance with certain provisions of laws, regulations, contracts and grant agreements required to be reported under GAS.
Single Audit Report: Report on Compliance for Each Major Federal Program and State Project and On Internal Control	• No deficiencies in internal controls over compliance identified considered to be material weaknesses.	• No deficiencies in internal controls over compliance identified considered to be material weaknesses.	• No deficiencies in internal controls over compliance identified

INDEPENDENT AUDITOR REPORTS FINDINGS			
Report Description	**Audited Financial Statements and Supplemental Information Dated June 25, 2024 Year Ended 9/30/2023**	**Audited Financial Statements and Supplemental Information Dated March 29, 2023 Year Ended 9/30/2022**	**Audited Financial Statements and Supplemental Information Dated March 24, 2022 Year Ended 9/30/2021**
Over Compliance Required by the Uniform Guidance and In Accordance with Chapter 10.550, Rules of the Auditor General			considered to be material weaknesses.
Single Audit Report: Schedule of Findings and Responses-Federal Awards and State Financial Assistance	• No findings.	• No findings.	• No findings.
Repeat/Similar Audit Findings?	• Not applicable.	• Not applicable.	• Not applicable.

FIGURE 6-1: *Summary of External Audit Reports Findings – Fiscal Year 2021 through Fiscal Year 2023.*
Source: Hernando County, Annual Comprehensive Financial Report.

Internal Audit

The Audit Services Department (ASD) is an independent appraisal function within the office of the Hernando County Clerk of Circuit Court and Comptroller. The internal auditors report directly to the Clerk and Comptroller and provide independent, objective assurance and consulting services designed to add value and improve the operations of County Departments and the Clerk's Office itself. The ASD is assigned the authority and responsibility to conduct audits and reviews of all departments, programs and functions funded by the BOCC and issue reports thereon.

ASD's charter requires that the department prepare a flexible audit plan for each fiscal year based upon a risk assessment. The plan is approved by the Clerk and presented to the Audit Services Planning and Priorities Committee (ASPPC) and the BOCC for their review. The ASD's scope of work is to determine whether the network of risk management, control and governance processes provides reasonable assurance that business risks are identified and managed appropriately, and that significant financial, managerial, and operating information is accurate, reliable and communicated timely.

The MJ Team reviewed the following:

- ASD's FY2024 Risk Assessment Summary which includes overall risk ratings for Public Works, Utilities, and Fire & Emergency Services.
- Examples of ASPPC meeting agendas to discuss the Audit Plan status. The February 2023 and September 2023 agenda includes the following topics:
  1. Address any current events, immediate concerns or new laws, regulations, processes, etc. that may have a material impact on the County's operations, and/or could be a potential liability.

2. Fiscal Year Accomplishments & Plan

   o Audits Completed

   o Fieldwork Completed

   o Planning in-Progress

   o Audit Plan (List of Projects)

3. Input from Committee Members on audits and prioritizing audits

4. Other Business

FIGURE 6-2: *Review of Internal Audit Report Findings for Selected Report*
Source: County Clerk's Internal Auditor.

Policies and Procedures

The County provided the following policies and procedures as shown in **Figure 6-2**.

POLICIES AND PROCEDURES		
Policy and Procedure Title/Date	**Purpose**	**Key Internal Controls**
Audit Charter May 17, 2013	• Documents the authority, independence, and role of the Audit Services Department.	• The Audit Services Department reports directly to the Clerk and is organizationally independent from those areas which it will be auditing and reviewing. • The Audit Services Department conducts an annual risk assessment.
Accounts Payable User Manual, May 1, 2013	• Provides general direction for processing disbursements of departments.	• Payments made to a vendor may be authorized by the Manager, Department Director or Assistant County Administrator. In general, authorization for payments of goods/services shall adhere to the step-up rule which is defined as the next higher level of management authorization. • Financial Services will update this user manual on a regular basis. • If an invoice is held beyond the 45-day or 20-day limit (for construction services) include a written explanation with the request for payment. • Invoice payment requirements including approved contracts, proof of delivery, and invoice approvers. • Supporting documents required for sole-source purchases.
Procurement Procedures Manual, April 23, 2024	• Guide for procurement policies and procedures.	• Requires authorized approvers for change orders and contract amendments. • Criteria for bidder quotes and request for proposal. • Competitive solicitations requirements. • Emergency and sole source procurements guidelines.

POLICIES AND PROCEDURES		
Policy and Procedure Title/Date	**Purpose**	**Key Internal Controls**
Grant Management Policy 15-01. *Amended October 25, 2022.* *Note: No indication of what information was amended.*	• Establish and define the objectives, responsibilities, internal controls, and authority to maintain compliance with the administration and management of grant awards.	• Departmental responsibility for administering the grants and maintaining compliance and designation of a Project Manager/Administrator. • Departments must use the Grant Management System to provide uniform tracking of grants from application through award and closeout. • The Clerk of Court and Comptroller, Department of Financial Services, is responsible for the safekeeping of financial records to ensure compliance with federal and state accounting and financial reporting requirements for all departments. • Grant Compliance Review Form (not dated).

FIGURE 6-2: *Summary of Key Policies and Procedures.*
Source: Hernando County, OMB Director.

Annual Internal Control Questionnaires

The County completes annual internal control questionnaires (ICQ) as part of their internal auditing process. The ICQs list internal control process and key internal control steps focused on the proper recording of transactions. The MJ Team reviewed the ICQs for non-payroll expenditures grant revenues and expenditures. The key controls reported included:

- Purchase requisitions flow through the approval process in the OnBase system.
- Budgets and purchase orders are pre-entered at the account level. A control feature is set to show a warning if expenditures exceed the budget or available cash.

Since the Accounts Payable User Manual is outdated, the MJ Team inquired of the internal control environment regarding accounts payable. The Clerk of Court & Comptroller (Clerk) is required by *Florida Statutes* to audit the use of County funds to determine the legality of corresponding expenditures. Financial Services is under the jurisdiction of the Clerk to provide a separation of duties and oversight to financial transactions of the County. To help with this audit function, a system called OnBase was implemented to document this process. The following is a general overview of the OnBase system provided by the Clerk.

The County department inputs request into OnBase including all support documentation (e.g., contracts, invoices, receipts, BCC approval, agenda items, etc.).

The applicable department manager with knowledge of the funding being used approves the request. An approval workflow is initiated based upon the request criteria that can include the following:

- Information Technology (IT) for technology items.
- Office of Management and Budget (OMB) for large purchases and budget review.

- Grants when grant funding used.

- Purchasing for contracts/procurement.

- County Attorney for legal review.

Once all required approvals are completed, the request is routed to Financial Services in the Clerk's Office for final review/audit by the Accounts Payable (AP) staff before a payment is made to the vendor after final approval by the AP Supervisor. The overall process indicates segregation of duties and an automated approval workflow.

Based on the documentation review, this subtask is met.

SUBTASK 6.3 – Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means.

OVERALL CONCLUSION

The MJ Team did not divide Subtask 6.3 into separate program areas because taking reasonable and timely actions to address any noncompliance with applicable state laws, rules, and regulations apply to the County as a whole. The County partially met expectations for this subtask.

Based on the supporting documents, the MJ Team determined that program internal controls could be improved by documenting and implementing policies and procedures to report and monitor instances of noncompliance to ensure that management implements reasonable and timely corrective actions. For example, the County Clerk's internal auditor has not established an ongoing process to document and track the status of corrective actions planned by management. The only formal process is to subsequently conduct a follow-up audit to determine the status of management's actions. Some follow up audits have occurred two (2) or more years after the original audit which is timely. Furthermore, the follow-up audits indicated that some recommendations had not been implemented. Although management's responses indicate that corrective actions would be implemented by a certain date, management is not required to periodically submit the status and documentation to confirm that all actions have been implemented by the target date.

Also, the County did not take timely corrective action in response to a 2022 surtax performance audit finding. Additionally, the Accounts Payable User Manual and Audit Charter have not been updated since May 2013.

ANALYSIS

To address the requirements of this subtask, the MJ Team reviewed the status of corrective actions taken for recommendations included in internal and external audit reports and other relevant occurrences requiring timely corrective actions.

Cure Notice Requiring Corrective Action

Based on interviews with program administrators, a cure notice was identified as an example of timely corrective action taken to resolve noncompliance with contractual and regulatory requirements.

The County provided an example of a cure notice issued to a contractor based on noncompliance with contractual or regulatory requirements. The County's Procurement Department took corrective action and issued the notice to the contractor listing the violations on December 27, 2022. The contractor responded by letter on January 3, 2023, acknowledging the violations and actions implemented or in progress to resolve the issues. The Procurement Department followed up and issued a letter dated January 10, 2023, indicating satisfaction with the contractor's response and agreed to ongoing weekly site meetings. Although corrective action was taken, documentation was not provided to determine if the violations were detected and reported to the Procurement Department on a timely basis. However, follow up was conducted timely after the contractor responded.

Follow-Up Internal Audits

Although Hernando County Clerk of Courts' internal auditor issued several audit reports with findings and recommendations, the department lacks a process to log and monitor the status of management's corrective actions. The practice is to schedule follow-up audits to determine the implementation status. There is no set schedule for the follow-up audits which has resulted in untimely resolution of recommendations. As indicated in **Figure 6-3**, follow-up audit reports were issued from two (2) to three (3) years after the original audit and up to 57 percent of the recommendations were not implemented.

Follow Up Audit Project	Number of Recommendations Implemented	Number Months Between Initial Audit and Follow Up Audit	Percent of Recommendations Partially or Not Implemented
FY2023			
EMS and Animal Services Drug Inventory Controls Follow Up (12/30/2022)	1. Follow-up audit to the initial report dated April 17, 2019. 2. Of the seven (7) recommendations, three (3) recommendations were implemented; three (3) recommendations were partially implemented; and one (1) recommendation was not implemented.	3 years	57%

Follow Up Audit Project	Number of Recommendations Implemented	Number Months Between Initial Audit and Follow Up Audit	Percent of Recommendations Partially or Not Implemented
FY2023			
Purchasing Cards Follow Up (12/30/2022)	1. Follow-up audit to the initial report dated August 12, 2020. 2. Of the five (5) recommendations, three (3) recommendations were implemented, and two (2) recommendations were not implemented.	2 years	40%
Parks and Recreation Contract Compliance and Financial Control Environment Follow-Up (4/12/2023)	1. Follow-up audit to the initial report dated November 18, 2019. 2. Of the 18 recommendations, 16 recommendations were implemented; one (1) recommendation was partially implemented; and one (1) recommendation was no longer applicable.	3 years	6%

FIGURE 6-3: *Sample of Internal Audits with Corrective Action Recommendations*
Source: Hernando County.

External Audit Report with Recommendation

The MJ Team reviewed the 2022 surtax performance audit report to determine whether program administrators have taken reasonable and timely actions to address any noncompliance or audit findings. As indicated in **Figure 6-4**, the recommendation to develop a countywide strategic plan is pending implementation.

Per Surtax Performance Audit Report dated August 8, 2022			
Audit Finding	**Recommendation**	**Hernando County Management's Response**	**Implementation Status as of August 26, 2024**
Audit Objective/Subtask 4.1 Countywide Strategic Plan – Partially Met The County maintains program-wide and project specific measurable objectives for roadway infrastructure and project specific but not program-wide measurable objectives for recreation infrastructure. The aforementioned roadway and recreation infrastructure objectives speak to program goals and identify funding sources for budget maintenance however, the program goals and objectives do not speak to larger Countywide strategy.	The County should develop a countywide strategic plan to which program-specific goals and objectives can be applied. The County should consider developing a comprehensive parks management plan which looks at management of the County's recreation infrastructure as a whole.	Hernando County is in the process of engaging the employees to develop a solidified vision that would help drive a strategic type of plan. The County agrees it should develop a parks management plan to help identify the needs of the citizens and strategize the best use of county resources.	Countywide strategic plan not yet developed.

FIGURE 6-4: *External Audit Recommendation Pending Implementation.*
Source: Hernando County and 2022 Surtax Performance Audit Report.

Outdated Policies

As indicated in **Figure 6-2** in **Subtask 6.2** both the internal audit charter and the accounts payable user manual have not been updated since May 2013 representing untimely corrective action. The user manual states that Financial Services will update this user manual on a regular basis which results in noncompliance with the policy. Furthermore, the April 2023 Airport Construction Contracts internal audit report included accounts payable audit findings. Opportunities for improvement included Standard Operating Procedures; pay application line items to be verified to the contract; owner's representative approval of pay applications; and payments not made timely within the prompt payment act.

Without policies and procedures to document and/or follow up the actions taken for noncompliance occurrences; the County is at risk of exceptions not being resolved in a timely manner. Thus, this subtask is partially met.

> **RECOMMENDATION 6.3 – Document and implement policies and procedures to report and track instances of noncompliance. Require management to provide at least a quarterly corrective action status with supporting documents to the internal auditor. In addition, the internal auditor should maintain a corrective action status log and ensure that recommendations are implemented on a timely basis. Update the 2013 Accounts Payable User Manual and Audit Charter.**

> **SUBTASK 6.4 – Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.**

OVERALL CONCLUSION

The MJ Team did not divide Subtask 6.4 into separate program areas because planned uses of the surtax and its compliance with applicable state laws, rules, and regulations applies to the County as a whole. The County met expectations for this subtask. We determined that program administrators took reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations, local laws, rules, and regulations; contracts; grant agreements; and local policies.

ANALYSIS

To address the requirements of this subtask, the MJ Team used information obtained from our interview with the county attorney and county administrator. We learned that the County took the following actions with respect to the surtax that we deem to be reasonable and timely.

- Included discussion/briefing BOCC agenda item regarding the potential for a sales tax referendum and specific projects to be funded with the surtax proceeds in the BOCC's public board meetings on February 27, 2024, and March 26, 2024. **Figures 6-5A** and **6-5B** present excerpts from the BOCC agenda for its February 27, 2024, meeting and **Figure 6-5C** through **Figure 6-5E** present excerpts from the BOCC agenda for its March 26, 2024, meeting.

- Prepared the surtax ordinance (Hernando County Ordinance No 2024-06), which was drafted by the county attorney to ensure that it complied with applicable statutes and approved by the BOCC on March 26, 2024.

- Provided a certified copy of Hernando County Ordinance No. 2024-06 authorizing the surtax to the Office of Program Policy Analysis and Government Accountability (OPPAGA), no later than 180 days before the November 5, 2024, referendum as required by s. 212.055(11), *Florida Statutes*-Local Government Infrastructure Surtax. The County filed the ordinance with OPPAGA on April 4, 2024, well within the 180-day statutory filing requirement.
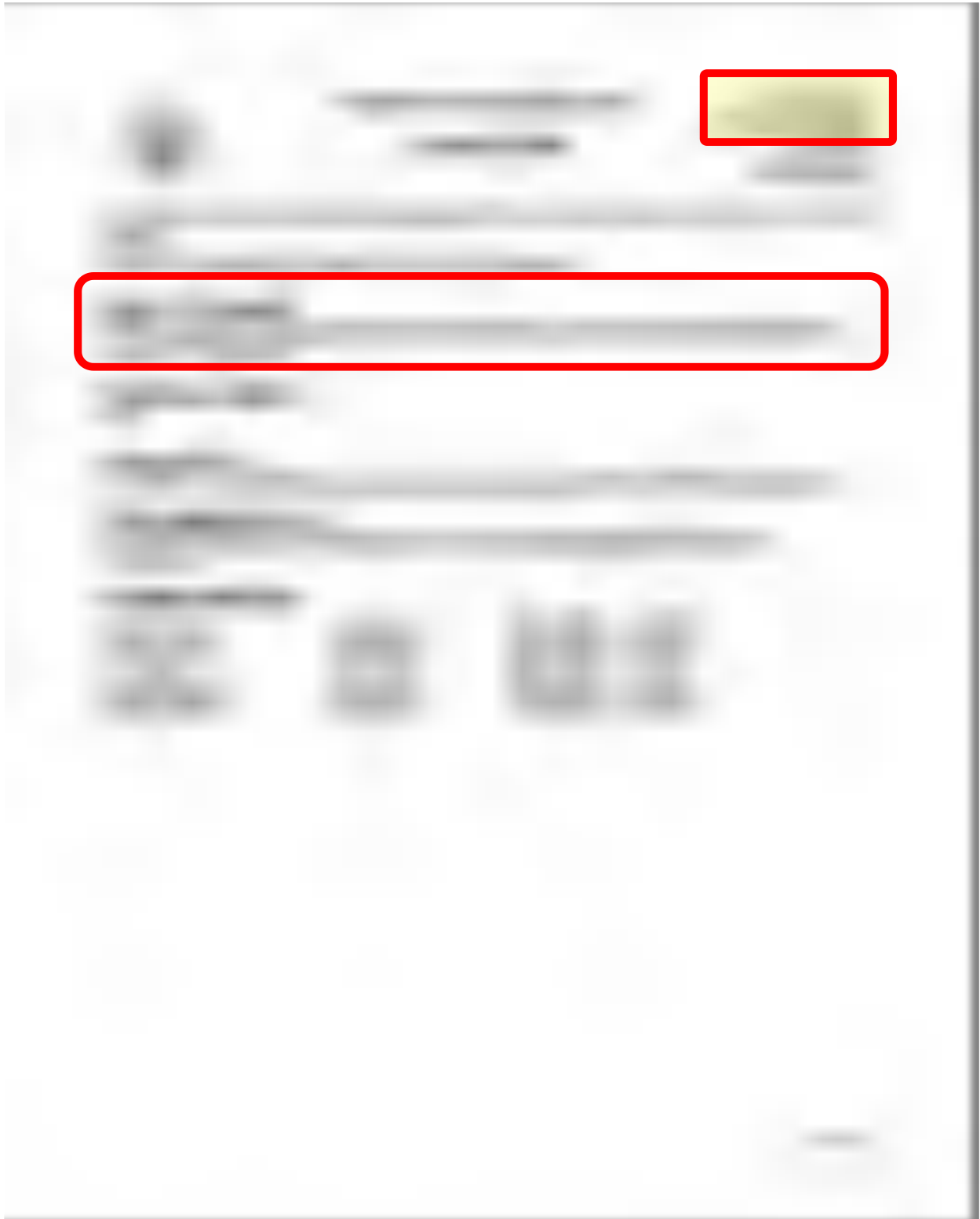
FIGURE 6-5A: *Hernando County staff formally requested a discussion with the BOCC for direction on the potential sales tax referendum.*
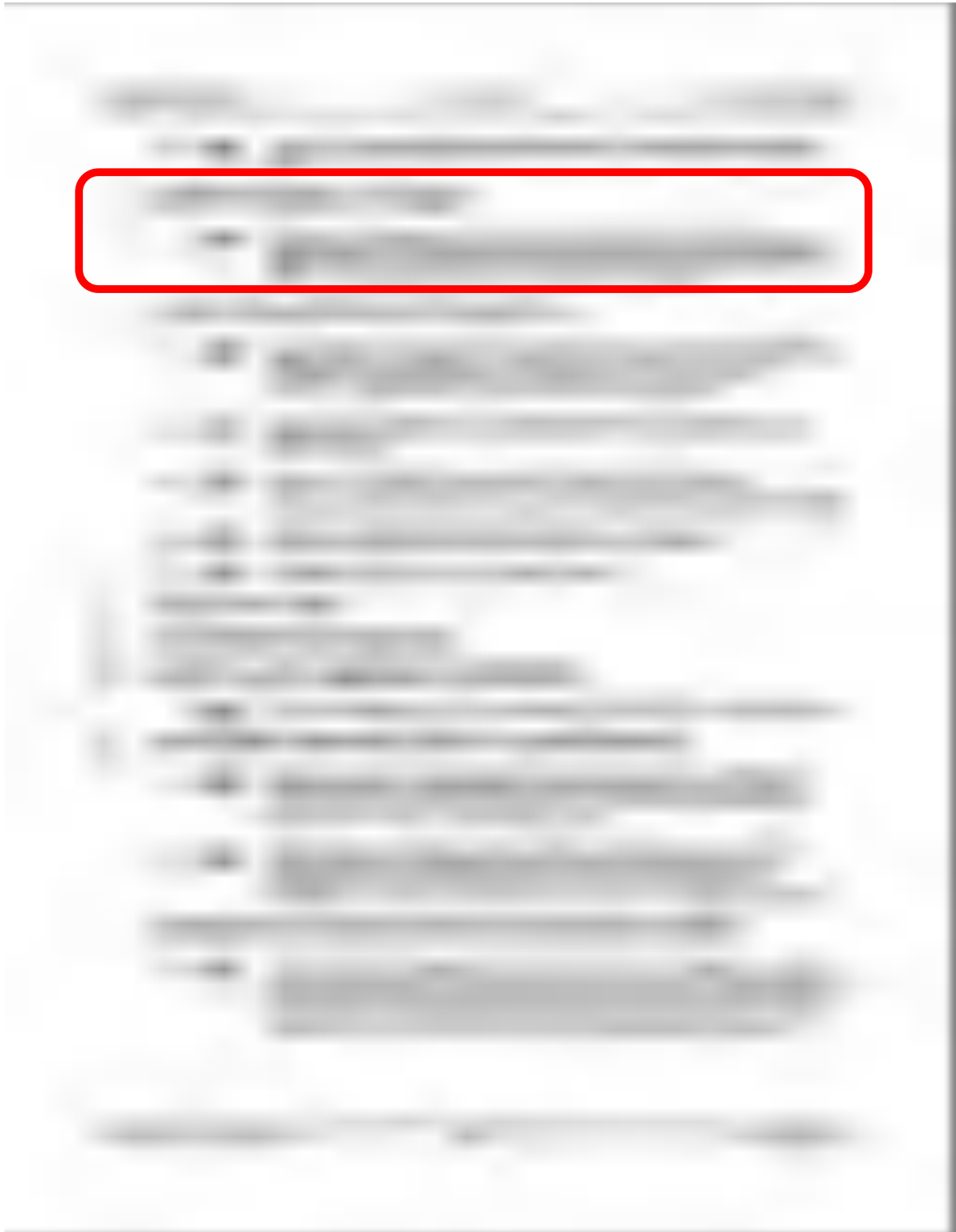*Source: BOCC Agenda for February 27, 2024, BOCC meeting (Page 1) provided by the county attorney.*

FIGURE 6-5B: *Hernando County Attorney presented a formal resolution to include the surtax referendum on the November 5, 2024, election ballot.*
Source: BOCC Agenda for February 27, 2024, BOCC meeting (Page 4) provided by the county attorney.
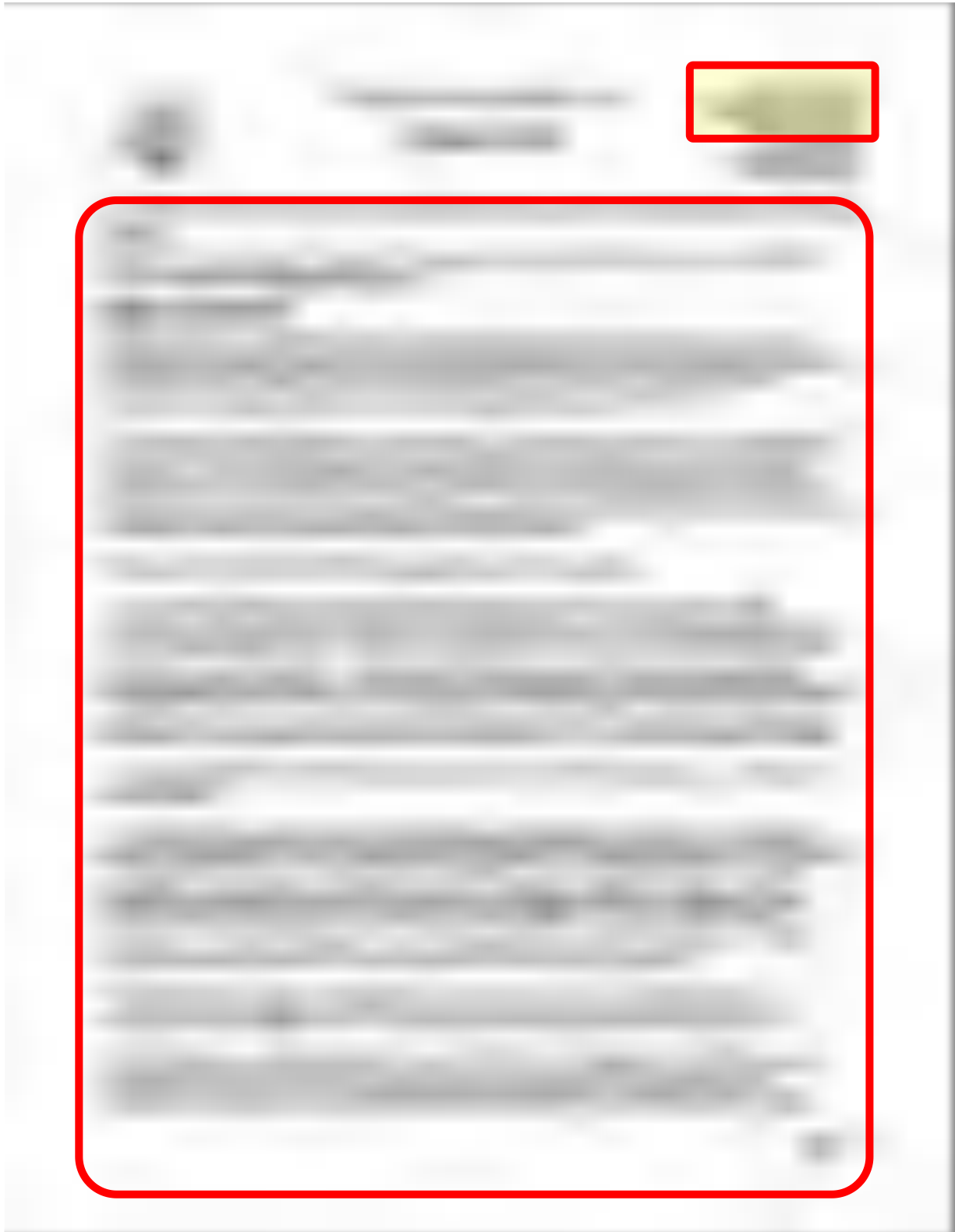
FIGURE 6-5C: *Hernando County Attorney briefed the BOCC on the planned uses for surtax proceeds in compliance with Florida Statutes.*
Source: BOCC Agenda for March26 2024, BOCC meeting (Page 1) provided by the county attorney.
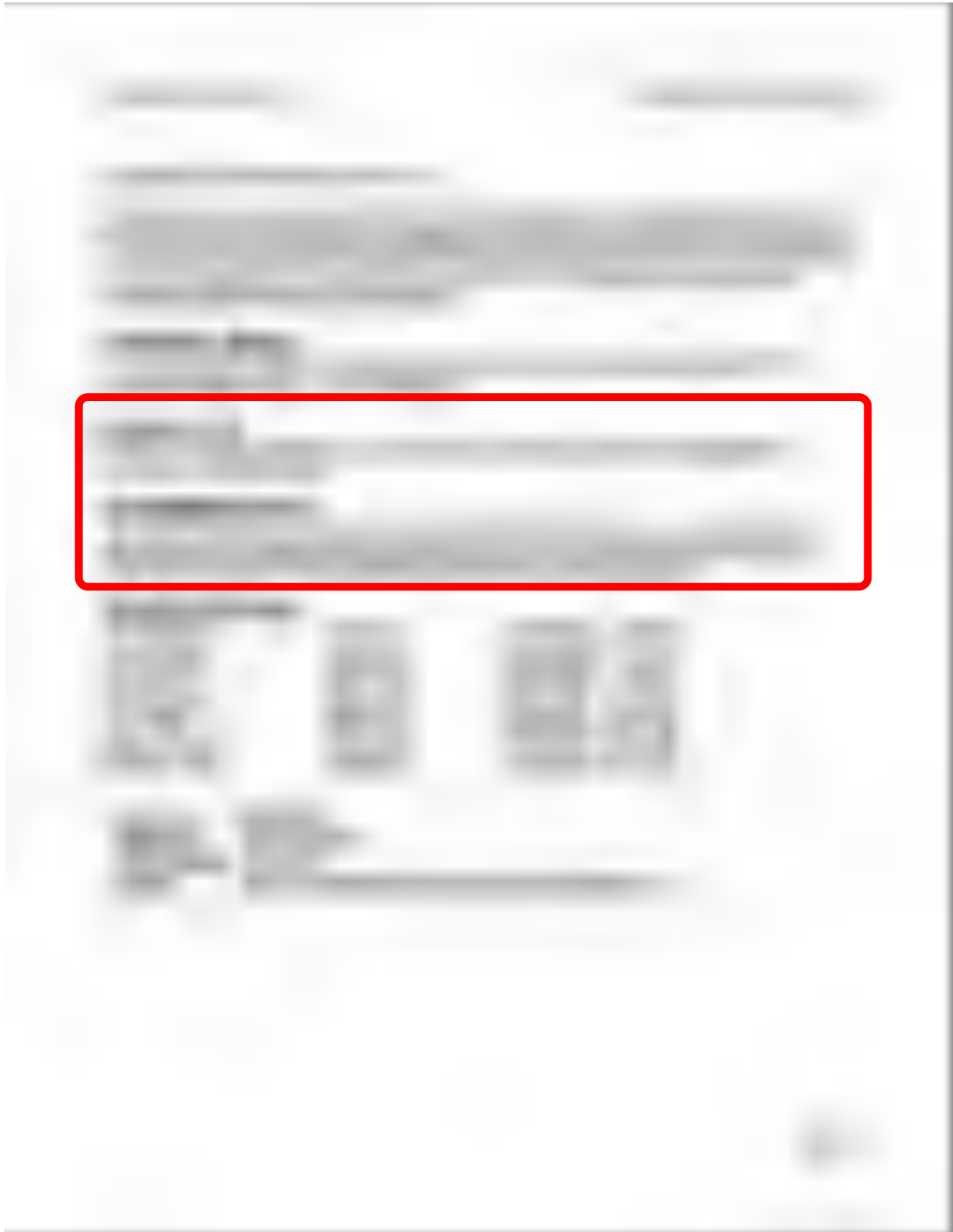
FIGURE 6-5D: *Hernando County Attorney recommended the BOCC adopt a resolution including specific projects to be funded with surtax proceeds.*
Source: BOCC Agenda for March26 2024, BOCC meeting (Page 2) provided by the county attorney.

FIGURE 6-5E: *Hernando County Attorney presented and the BOCC adopted a resolution including specific projects to be funded with surtax proceeds.*
Source: BOCC Agenda for March26 2024, BOCC meeting (Page 3) provided by the county attorney.

HERNANDO COUNTY **–** MANAGEMENT RESPONSE