

# NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT

## MEMORANDUM

TO: Lands Committee

THROUGH: Brett Cyphers, Executive Director  
Guy Gowens, Assistant Executive Director  
William O. Cleckley, Director, Division of Land Management and Acquisition

FROM: Tyler L. Macmillan, Chief, Bureau of Land Management Operations

DATE: July 7, 2016

SUBJECT: *Supplement – Lands Committee Item 1, Page 1*  
Consideration of Invitation to Bid 16B-011; Econfina Creek 2016 Sand Pine Timber Sale

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### Recommendation:

Staff recommends the Governing Board approve the bids submitted in response to Invitation to Bid 16B-011, and authorize the Executive Director to enter into an agreement for this timber sale with the high bidder, WestRock, LLC at the bid price of \$15.75 per ton.

### Background

On June 9, 2016, the District posted Invitation to Bid No. 16B-011 for the Econfina Creek 2016 Sand Pine Timber Sale. Background information for this bid can be found on page 1 of the July 14, 2016, Governing Board agenda package.

On July 6, 2016, at 1:00 p.m. EDT, the District opened four sealed bids for the purchase of the sand pine pulpwood. The bids received are listed below.

Company	Per Ton Bid Amount Sand Pine Pulpwood
Nature Coast Timber, LLC	\$ 11.48
Morris Timber Products, Inc.	\$ 11.50
Whitfield Timber Company, Inc.	\$ 15.03
<b>WestRock, LLC</b>	<b>\$ 15.75</b>

WestRock, LLC submitted the highest per-ton bid. At this price, the sale is anticipated to generate approximately \$527,800.

# NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT

## MEMORANDUM

TO: Administration, Budget and Finance Committee  
Governing Board

THROUGH: Brett Cyphers, Executive Director  
Guy Gowens, Assistant Executive Director

FROM: Wendy Dugan, Director, Division of Administration

DATE: July 14, 2016

SUBJECT: *Supplement – Committee of the Whole Item 1*  
Consideration of Fiscal Year 2016-2017 Tentative Budget, Millage Rate and  
Dates, Times, and Locations of Public Hearings on the Budget

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### Recommendation

Staff recommends the Governing Board:

1. Set the ad valorem tax millage for Fiscal Year 2016-2017 at the roll back rate, which as of July 14 is 0.0366.
2. Approve the Fiscal Year 2016-2017 Tentative Budget as presented, allow staff to make recommended adjustments and corrections, including the addition of springs-restoration and protection funding, and submit the Standard Format Tentative Budget to the Governor's Office and Legislature by August 1, 2016.
3. Schedule the public hearings on the budget for Thursday, September 8, 2016, at 5:05 p.m., ET, at the District's Headquarters in Midway and Thursday, September 22, 2016, at 5:05 p.m. CT in Panama City.

### Background

Pursuant to Chapter 373, Florida Statutes, the District is to submit the upcoming fiscal year's tentative budget by July 15 to the Governing Board for consideration followed by submittal to the Governor and Legislature by August 1. The Fiscal Year 2016-2017 Tentative Budget is based on the Fiscal Year 2016-2017 Preliminary Budget, which was approved by the Governing Board on January 14, 2016. The attached spreadsheets provide budget summaries by revenues, expenditures, program, activity, and fund.

Compared to the Preliminary Budget, if the Tentative Budget increases more than 25 percent in any Program, or the sum of expenditures for outreach, district management, and administration is more than 15 percent of the District's total annual budget, the Legislature has authority to object to the portion(s) that exceeds the thresholds.

The District is below the 15 percent threshold, whereby the sum of Program 5 “Outreach” and Program 6 “District Management and Administration” is at 3.6 percent of the total budget.

The District is below the 25 percent threshold for each Program having either increased or decreased from the Preliminary Budget, except for Program 2, “Acquisition, Restoration, and Public Works.” Program 2’s Tentative Budget is higher than in the Preliminary Budget by \$24.9 million or 123.2 percent. This increase consists of \$15.3 million in anticipated new state funding for springs restoration and protection projects and \$9.6 million in unspent budget from prior fiscal years being carried forward into FY 2016-2017.

The Tentative Budget is \$62,099,013, an increase of \$6,323,889 (11.3 percent) from the FY 2015-2016 Current-Amended Budget. Without the anticipated new state funding, the proposed budget is \$9.0 million lower or 16.2 percent less than the current year’s amended budget. The Tentative Budget continues funding priority projects and activities that are vital to support the District’s core mission functions, including:

- Continuing and initiating a variety of projects designed to protect and restore many of the region’s springs systems, including Wakulla Springs, Jackson Blue Spring, as well as springs associated with the Holmes and Econfina creek systems;
- Maintaining an ambitious schedule to develop a meaningful MFL program to ensure the long-term protection and sustainability of regionally significant water resources; and
- Protecting and restoring priority waterbodies — including the Apalachicola River and Bay watershed — through an array of management and restoration activities.

Since FY 2007-2008, the District has assessed a millage rate less than the 0.0500 set by Florida Statute and the State Constitution. The rate assessed in FY 2015-2016 is 0.0378. The proposed millage rate for the FY 2016-2017 Tentative Budget is 0.0366, or 26.8 percent below the maximum authorized. The proposed millage rate reflects the current year roll back rate, which is the millage rate that would produce the same tax revenue as the previous year (\$3.4 million). Given the tax collection information received so far, a higher millage than 0.0366 would constitute a tax increase. All certifications of taxable value have been received from the 16 counties, but if there are any corrections, the District will make the ad valorem adjustment to the budget prior to the August 1 submission date.

Proposed dates for the public hearings on the budget are Thursday, September 8, 2016, at 5:05 p.m., ET, at the District’s Headquarters in Midway, and Thursday, September 22, 2016, at 5:05 p.m. CT in Panama City at a location to be determined.

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2016-2017 TENTATIVE BUDGET COMPARISON  
REVENUE CATEGORIES**

	FY 2014-15 Actuals	FY 2015-16 Amended Budget	FY 2016-17 Preliminary	FY 2016-17 Tentative	Tentative O/(U) Amended Budget	Percent Change	Tentative O/(U) Preliminary	Percent Change
Ad Valorem Tax	3,258,534	3,433,785	3,433,785	3,433,785	0	0.0%	0	0.0%
Federal	1,700,980	3,097,801	2,658,078	2,879,250	(218,551)	-7.1%	221,172	8.3%
State	10,352,547	29,532,581	17,127,289	41,253,161	11,720,580	39.7%	24,125,872	140.9%
Mitigation	610,267	1,371,078	1,144,687	1,182,784	(188,294)	-13.7%	38,097	3.3%
Local Revenues	205,398	146,840	141,580	142,417	(4,423)	-3.0%	837	0.6%
Permit Fees	396,205	332,500	405,250	393,250	60,750	18.3%	(12,000)	-3.0%
Timber Sales	3,034,678	1,500,000	2,000,000	1,500,000	0	0.0%	(500,000)	-25.0%
Miscellaneous	346,764	791,302	490,874	770,935	(20,367)	-2.6%	280,061	57.1%
w/o Fund Balance	19,905,373	40,205,887	27,401,543	51,555,582	11,349,695	28.2%	24,154,039	88.1%
Fund Balance	5,473,482	15,569,237	9,299,285	10,543,431	(5,025,806)	-32.3%	1,244,146	13.4%
w/Fund Balance	25,378,855	55,775,124	36,700,828	62,099,013	6,323,889	11.3%	25,398,185	69.2%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2016-2017 TENTATIVE BUDGET COMPARISON  
EXPENDITURE CATEGORIES**

	FY 2014-15 Actuals	FY 2015-16 Amended Budget	FY 2016-17 Preliminary	FY 2016-17 Tentative	Tentative O/(U) Amended Budget	Percent Change	Tentative O/(U) Preliminary	Percent Change
Salaries & Benefits	7,994,942	8,370,365	8,249,949	8,356,900	(13,465)	-0.2%	106,951	1.3%
Other Personal Services	270,647	359,720	351,544	354,920	(4,800)	-1.3%	3,376	1.0%
Contracted Services	3,538,455	7,960,282	6,891,510	7,647,839	(312,443)	-3.9%	756,329	11.0%
Operating Expense	2,027,368	2,812,876	2,687,534	2,636,832	(176,044)	-6.3%	(50,702)	-1.9%
Operating Capital Outlay	688,610	777,774	616,853	626,666	(151,108)	-19.4%	9,813	1.6%
Operating Categories	14,520,022	20,281,017	18,797,390	19,623,157	(657,860)	-3.2%	825,767	4.4%
Fixed Capital Outlay	1,331,788	5,785,068	180,000	10,619,068	4,834,000	83.6%	10,439,068	5799.5%
Grants	9,527,045	29,709,039	17,723,438	31,856,788	2,147,749	7.2%	14,133,350	79.7%
Non-Operating Categories	10,858,833	35,494,107	17,903,438	42,475,856	6,981,749	19.7%	24,572,418	137.2%
GRAND TOTAL	25,378,855	55,775,124	36,700,828	62,099,013	6,323,889	11.3%	25,398,185	69.2%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2016-2017 TENTATIVE BUDGET COMPARISON  
PROGRAM LEVEL**

Program	FY 2014-15 Actuals	FY 2015-16 Amended Budget	FY 2016-17 Preliminary	FY 2016-17 Tentative	Tentative O/(U) Amended Budget	Percent Change	Tentative O/(U) Preliminary	Percent Change <sup>1</sup>
1 Water Resource Plan/Monitoring	4,588,035	7,097,878	6,614,644	7,096,643	(1,235)	0.0%	481,999	7.3%
2 Acq/Restoration/Public Works	11,988,570	38,672,135	20,246,433	45,192,383	6,520,248	16.9%	24,945,950	123.2%
3 Operations & Maint Land & Works	3,241,158	3,905,175	3,728,521	3,724,883	(180,292)	-4.6%	(3,638)	-0.1%
4 Regulation	3,471,274	3,882,130	3,833,353	3,874,432	(7,698)	-0.2%	41,079	1.1%
5 Outreach	154,303	180,324	175,760	178,215	(2,109)	-1.2%	2,455	1.4%
6 District Management & Admin	1,935,515	2,037,482	2,102,117	2,032,457	(5,025)	-0.2%	(69,660)	-3.3%
<b>GRAND TOTAL</b>	<b>25,378,855</b>	<b>55,775,124</b>	<b>36,700,828</b>	<b>62,099,013</b>	<b>6,323,889</b>	<b>11.3%</b>	<b>25,398,185</b>	<b>69.2%</b>

Combined Outreach and Management &	2,210,672
Administration as a Percent of Total Budget <sup>2</sup>	3.6%

The Legislative Budget Commission may reject the District's budget proposals:

<sup>1</sup>In any individual variance in the Tentative Budget that exceeds 25% of the Preliminary Budget

<sup>2</sup>In these two programs that exceed 15% of the total Tentative Budget

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2016-2017 TENTATIVE BUDGET COMPARISON BY FUND**

<b>DESCRIPTION</b>	<b>General Fund</b>	<b>Capital Improv &amp; Lands Acq</b>	<b>Lands Management</b>	<b>Special Projects</b>	<b>Regulation</b>	<b>Mitigation</b>	<b>TOTAL</b>
<b>Cash Balances Brought Forward</b>	17,998,876	395,702	3,551,868	1,335,414	1,523,663	1,479,399	26,284,922
<b><u>ESTIMATED REVENUES:</u></b>							
Ad Valorem Taxes <b>.0366</b>	1,155,095		406,432	7,510	1,864,748		3,433,785
State Water Management Lands TF				978,978			978,978
Land Acquisition Trust Fund		10,161,786	1,484,782	16,725,530			28,372,098
State Florida Forever Trust Fund		372,480					372,480
State Ecosystem Trust Fund				155,313			155,313
Permitting and Licensing					393,250		393,250
Federal Grants				2,879,250			2,879,250
Other State Funds	99,363	300,000		8,738,437	2,236,492	1,182,784	12,557,076
Local Government Units-Monitoring				142,417			142,417
Timber Sales			1,500,000				1,500,000
Miscellaneous Revenues			111,225	605,960	13,750	40,000	770,935
Revenue	1,254,458	10,834,266	3,502,439	30,233,395	4,508,240	1,222,784	51,555,582
Interfund Transfers	2,702,436	144,499		680,101			3,527,036
Total Estimated Revenues, Transfers and Balances	<u>21,955,770</u>	<u>11,374,467</u>	<u>7,054,307</u>	<u>32,248,910</u>	<u>6,031,903</u>	<u>2,702,183</u>	<u>81,367,540</u>
<b><u>ESTIMATED EXPENDITURES:</u></b>							
Salaries & Benefits	1,858,689	26,985	1,237,766	2,231,200	2,651,425	350,835	8,356,900
Other Personal Services	13,090		37,159	42,339	256,453	5,879	354,920
Contractual Services	210,327	75,750	926,718	5,545,041	186,121	703,882	7,647,839
Operating Expenses	617,425	3,600	849,485	434,003	653,511	78,808	2,636,832
Capital Outlay	135,772	10,494,068	222,961	260,381	126,922	5,630	11,245,734
Grants and Aids (Gen Fund is from reserves)	8,985,183	372,480	8,000	22,491,125			31,856,788
Total Operating Expenditures	11,820,486	10,972,883	3,282,089	31,004,089	3,874,432	1,145,034	62,099,013
Administrative Overhead Allocation	187,535	5,882	271,129	492,276	633,808	77,750	1,668,380
Interfund Transfers	680,101		1,178,555				1,858,656
Operating Expenditures and Transfers	12,688,122	10,978,765	4,731,773	31,496,365	4,508,240	1,222,784	65,626,049
Reserves	9,267,648	395,702	2,322,534	752,545	1,523,663	1,479,399	15,741,491
Total Operating Expenditures, Transfers and Reserves	<u>21,955,770</u>	<u>11,374,467</u>	<u>7,054,307</u>	<u>32,248,910</u>	<u>6,031,903</u>	<u>2,702,183</u>	<u>81,367,540</u>