

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

**MEMORANDUM**

TO: Governing Board

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

FROM: Carol L. Bert, Lands Administrator III

DATE: September 8, 2016

SUBJECT: ***Supplement – Governing Board Item 5. A.***  
Consideration of Contract with Washington County Sheriff's Office for Law Enforcement and Security Services; Choctawhatchee River and Holmes Creek and Econfina Creek WMAs

---

**Recommendation:**

Staff recommends the Governing Board approve renewal of the agreement with the Washington County Sheriff's Office in the amount of \$146,086.80 to provide law enforcement and security services for District lands located in Bay and Washington counties, and authorize the Executive Director to execute the new agreement, subject to approval of the Fiscal Year 2016 - 2017 budget.

**Background:**

As part of our continuing effort to provide the public with a safe and secure recreational experience on District lands in Bay and Washington counties, staff proposes to renew our 12-month contract with the Washington County Sheriff's Office to provide law enforcement and security services. Through an agreement between the Bay and Washington County Sheriffs, the Washington County deputies employed under this contract also patrol District lands in Bay County.

For Fiscal Year 2016-2017, staff is recommending the same level of service that we contracted in the previous year, and the Sheriff's Office has agreed to this proposed scope of work with no change to the rates that we are currently paying for personnel and vehicle use.

The Sheriff's Office will assign two deputies and two vehicles to patrol District lands (Area I and Area II) for the 12-month contract period. The following table contains the number of personnel hours and vehicle days for Areas I and II.

	<b>Personnel Hours/Rate</b>	<b>Vehicle Days/Rate</b>
<b>Area I</b>	1,888 hours x \$30.40 = \$ 57,395.20	236 days x \$65.00 = \$ 15,340.00
<b>Area II</b>	1,904 hours x \$30.40 = \$ 57,881.60	238 days x \$65.00 = \$ 15,470.00
<b>TOTAL</b>	<b>\$115,276.80</b>	<b>\$30,810.00</b>
	<b>GRAND TOTAL (AREAS I and II)</b>	<b><u>\$146,086.80</u></b>

Due to the length of this standard contract, staff has not placed a copy of the contract document in the Governing Board folder. Should you desire a copy of the contract, please contact Carol Bert at the District Headquarters office. We will also have copies available at the Governing Board meeting on September 8, 2016.

cb

**Exhibit Map A1**  
**Econfinia Creek Water Management Area**  
**Law Enforcement Security Services Patrol Area and Sites**

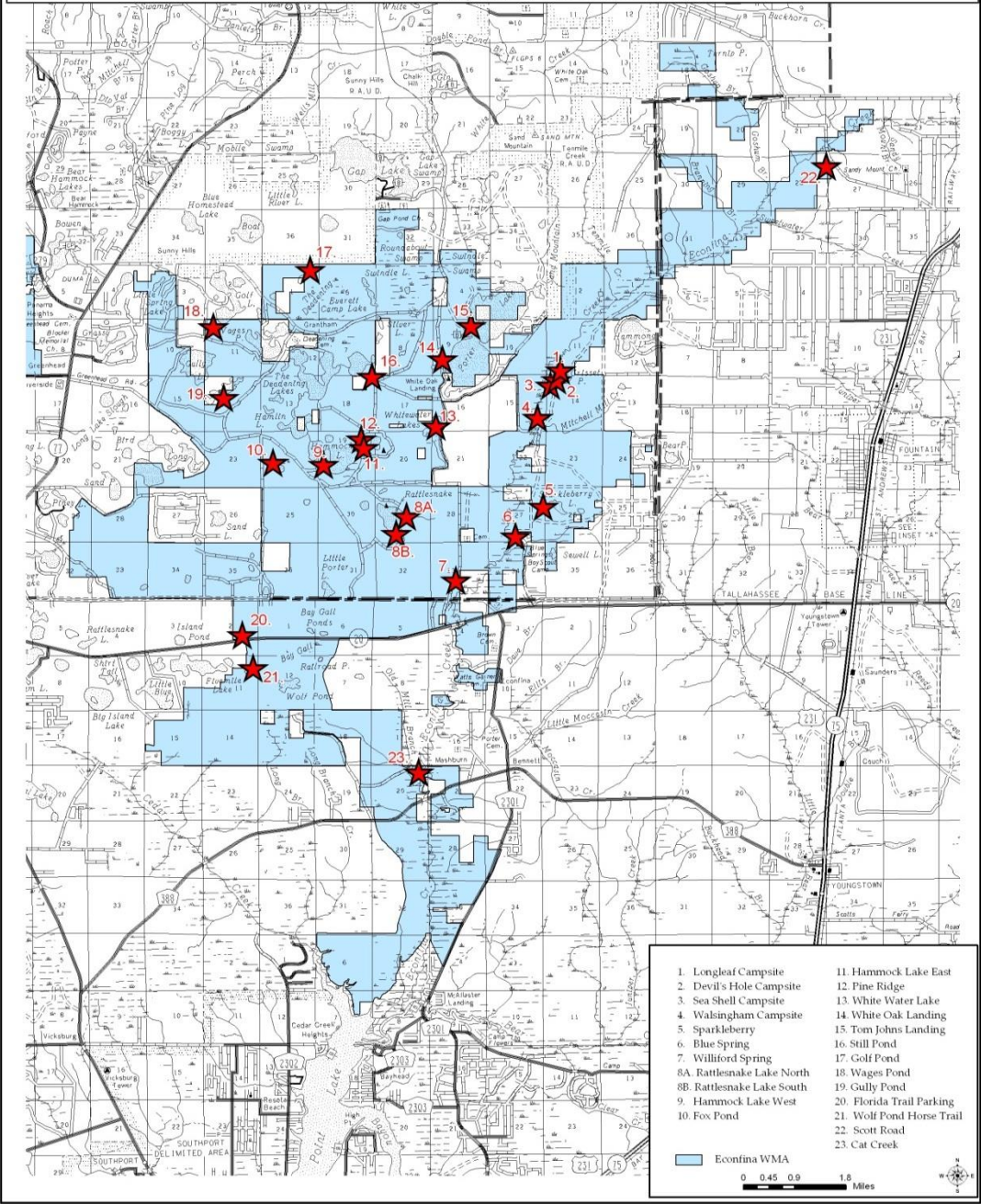
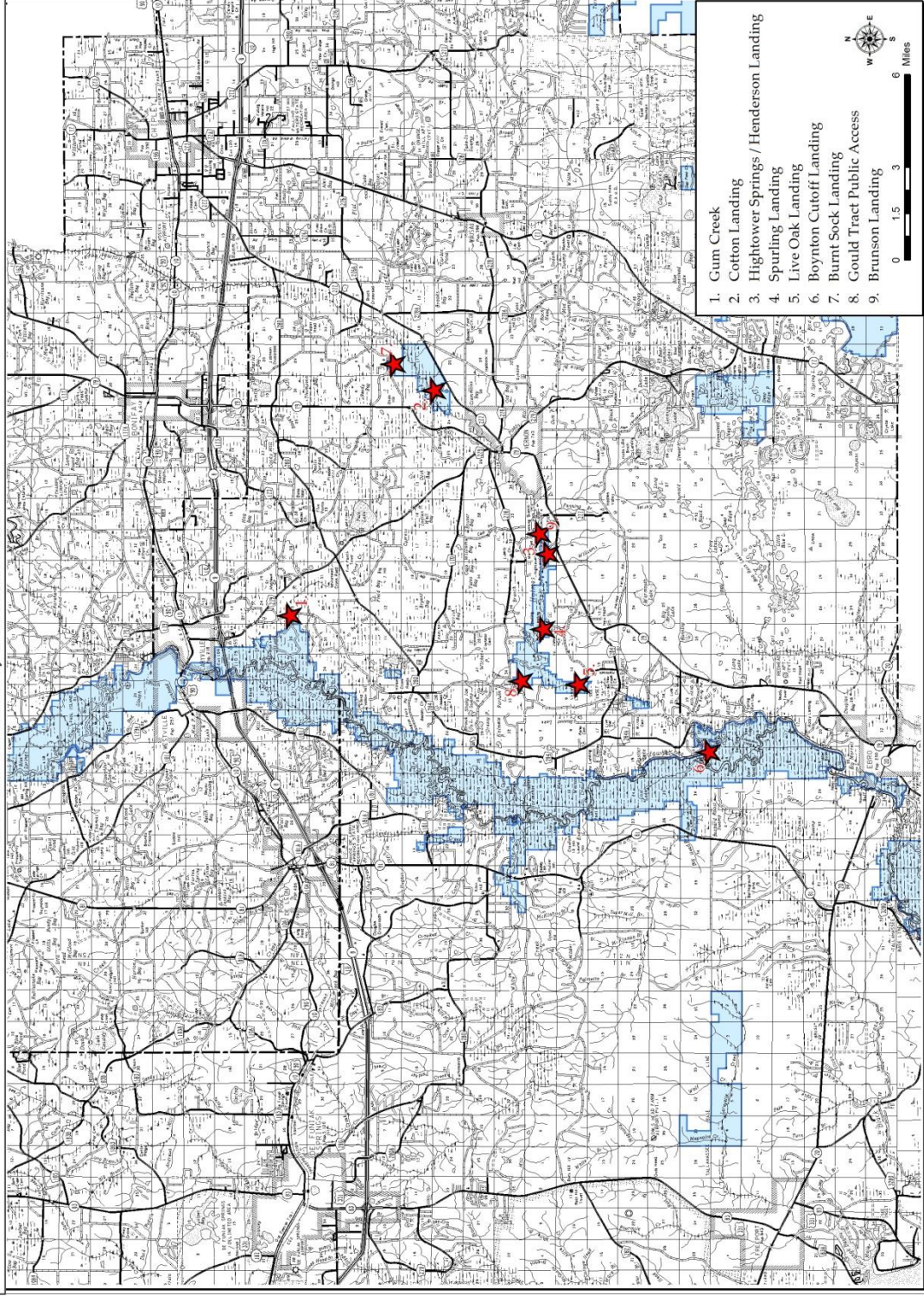


Exhibit Map A2  
Choctawhatchee River Water Management Area  
Law Enforcement Security Services Patrol Sites



**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

**MEMORANDUM**

TO: Governing Board

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

FROM: Wendy Dugan, Division of Administration Director

DATE: September 8, 2016

SUBJECT: *Supplement – Governing Board Item 6*  
Consideration of Resolution No. 815 Committing Fiscal Year 2015-2016 Fund Balances as Required By GASB Statement No. 54

---

**Recommendation**

Staff recommends the Governing Board adopt Resolution No. 815 to commit fund balances for Fiscal Year 2015-2016 as follows:

- Commit \$8,951,127 of the General Fund Balance and \$1,034,056 of the Lands Management Fund for Water Supply Development Assistance Grants;
- Commit the amount of the General Fund Balance for an Economic Stabilization Fund pursuant to District policy;
- Commit the remaining ending fund balance in the Lands Management Fund for land management of District-owned lands; and
- Commit the remaining ending fund balance in the Capital Improvement & Land Acquisition Fund for land acquisition and capital construction and improvement on District-owned lands.

**Background**

Beginning with the Fiscal Year 2010-2011 financial statements, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes classifications to which government entities report their fund balances.

Under GASB 54, the Board is required to commit fund balances prior to September 30 each year.

Fund balances are reported under a hierarchy of five classifications:

- Non-spendable – Represents assets that are nonliquid (such as inventory) or legally or contractually required to be maintained intact (such as the principal amount of an endowment).
- Restricted – When constraints are placed on the use of resources for a specific purpose by enabling legislation (legally enforceable), external parties or constitutional provisions.
- Committed – When constraints are created by the governing body on how it will spend its resources. These are enacted via legislation or resolution by the Board and are in place as of the end of the fiscal period. The restraints remain binding until rescinded or changed by the same method the constraints were created.
- Assigned – Designation of amounts by either the governing body or staff (if authorized) to be used for a specific purpose narrower than the purpose of the fund. Only used for General Fund reserves.
- Unassigned – The excess of total ending fund balance not otherwise restricted. Only the General Fund has an unassigned category since money remaining in any other fund is automatically designated or assigned to the purpose of the fund.

The District accounts for all financial resources through a General Fund, the District's primary operating fund, and four Special Revenue Funds and a Capital Projects Fund used to account for revenue sources that are limited to expenditures for specific purposes. Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. If the balance of a Special Revenue Fund is not formally restricted or committed by fiscal year end, then it must be reported as part of the General Fund for year-end audited financial statement purposes. A Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Special Revenue Funds include these four funds:

- Regulation Fund - Provides for all regulatory permitting, licensing and enforcement activities including the Environmental Resource Permitting Program, which is statutorily required to be funded by the State. (Fund balance is restricted.)
- Special Projects Fund –
  - Accounts for all resource management projects and activities funded through dedicated revenue sources from grants and contracts with state, federal or local government entities or water utility authorities. Revenues are provided from the Florida Department of Transportation (DOT), Florida Department of Environmental Protection (DEP), Federal Emergency Management Agency (FEMA), Land Acquisition Trust Fund and local government sources.
  - Accounts for revenue and expenditure of state and local funds legally restricted for restoration and preservation of surface waters under the Surface Water Improvement and Management (SWIM) Act. Revenues are primarily provided by State

appropriation from the Ecosystem Management Trust Fund and Land Acquisition Trust Fund.

- Lands Management Fund - Accounts for activities associated with the management, improvement and maintenance of District-owned lands. State appropriations from the Water Management Lands Trust Fund (terminated in FY 2015-2016) have historically provided the primary funding source for the District's land management activities. Current funding is from the Land Acquisition Trust Fund, timber sales, and use of fund balance.
- Mitigation Fund - Accounts for all District mitigation projects and activities funded primarily through the DOT. As part of their surface water management programs, the districts administer the DOT stormwater management program. Expenditures include land acquisitions, restorations, monitoring and other water resource related activities. (Fund balance is restricted.)

Capital Projects Funds include one fund:

Capital Improvement & Land Acquisition Fund - Accounts for the acquisition of fixed assets and construction of major capital projects. The District uses the Capital Improvement & Land Acquisition Fund for all land acquisitions and capital construction and improvements.



Brett J. Cyphers  
Executive Director

# Northwest Florida Water Management District

81 Water Management Drive, Havana, Florida 32333-4712  
(U.S. Highway 90, 10 miles west of Tallahassee)

Phone: (850) 539-5999 • Fax: (850) 539-2777

## RESOLUTION NO. 815

### COMMITTING FUND BALANCE RESERVES FOR FISCAL YEAR 2015-2016 AS REQUIRED BY GASB Statement No. 54

**WHEREAS**, the 2015-2016 fiscal year of the Northwest Florida Water Management District extends from October 1, 2015, through September 30, 2016; and

**WHEREAS**, the Governmental Accounting Standards Board (GASB) has adopted Statement No. 54 (GASB 54), a standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010; and

**WHEREAS**, the Northwest Florida Water Management District implemented GASB 54 requirements, to apply to its financial statements beginning with the October 1, 2010, through September 30, 2011 fiscal year and prior to the end of each fiscal year thereafter; and

**WHEREAS**, the Northwest Florida Water Management District implemented a fund balance policy beginning in Fiscal Year 2010-2011, amended in Fiscal Year 2011-2012, which follows:

Fund balance measures the net financial resources available to finance expenditures of future periods.

The District's General Fund Balance will be Committed and Assigned to provide the District with sufficient working capital and a margin of safety to address unanticipated needs and emergencies without borrowing. The General Fund Balance may only be appropriated, by the Governing Board, by Resolution adopting a budget or amendment to the Adopted Budget.

Fund Balances of the District may be committed for a specific source by Resolution of the Governing Board. Amendments or modifications of the committed fund balance must also be approved by the Governing Board by rescinding the Resolution or adopting a new Resolution.

When it is appropriate for fund balances to be assigned, the Board will assign funds or delegate authority to the Executive Director.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

GEORGE ROBERTS  
Chair  
Panama City

JERRY PATE  
Vice Chair  
Pensacola

JOHN W. ALTER  
Secretary-Treasurer  
Malone

GUS ANDREWS  
DeFuniak Springs

JON COSTELLO  
Tallahassee

MARC DUNBAR  
Tallahassee

TED EVERETT  
Chipley

NICK PATRONIS  
Panama City Beach

BO SPRING  
Port St. Joe



**NOW THEREFORE BE IT RESOLVED**, by the Governing Board of the Northwest Florida Water Management District that fund balances will be committed for Fiscal Year 2015-2016 as follows:

Commit \$8,951,127 of the General Fund and \$1,034,056 of the Lands Management Fund for Water Supply Development Assistance Grants.

Commit the amount of the General Fund Balance for an Economic Stabilization Fund, pursuant to District policy.

Commit the remaining ending fund balance in the Lands Management Fund for land management of District-owned lands.

Commit the remaining ending fund balance in the Capital Improvement & Land Acquisition Fund for land acquisition and capital construction and improvement on District-owned lands.

**PASSED AND ADOPTED** this 8<sup>th</sup> day of September, 2016, A.D.

The Governing Board of the  
**NORTHWEST FLORIDA WATER  
MANAGEMENT DISTRICT**

---

George Roberts, Chair

**ATTEST:**

---

John W. Alter, Secretary-Treasurer

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

**MEMORANDUM**

TO: Governing Board

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

FROM: Wendy Dugan, Division of Administration Director

DATE: September 8, 2016

SUBJECT: *Supplement – Governing Board Item 17*  
Consideration of Fiscal Year 2016-2017 Tentative Budget

---

**Recommendation**

Staff recommends that the Governing Board adopt the proposed millage rate of .0366 of a mill for Fiscal Year 2016-2017 and authorize staff to present it for final adoption at the public hearing on the budget to be held on September 22, 2016, at the Gulf Coast State College in Panama City.

Staff recommends that the Governing Board adopt the District's Tentative Budget for Fiscal Year 2016-2017 that incorporate the changes resulting from the proposed edits presented today in the supplement, and authorize staff to present this budget for final adoption at the 2nd public hearing on the budget to be held on September 22, 2016, at the Gulf Coast State College in Panama City.

**Background**

The District is authorized by the Constitution of the State of Florida and Chapter 373, Florida Statutes, to assess ad valorem tax revenues to support water management district operations. The District proposes to levy a millage rate of .0366 of a mill for Fiscal Year 2016-2017. The revenues that the .0366 millage levy will generate are necessary to fund District operations as identified in the Tentative Budget for Fiscal Year 2016-2017.

The proposed millage rate is the rolled-back rate of .0366, which is less than the .0378 assessed in Fiscal Year 2015-2016 and 26.8 percent below the legally authorized rate of .0500.

Staff has considered all known fiscal activity for the 2016-2017 fiscal year and has completed the preparation of the District's Tentative Budget. The Tentative Budget has been provided to the Executive Office of the Governor and the Florida Legislature in the report format required by law and by the required August 1, 2016, deadline.

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
TENTATIVE BUDGET SUMMARY  
OCTOBER 1, 2016 - SEPTEMBER 30, 2017**

**Proposed Ad Valorem Millage Rate** .0366 of a mill  
 26.8% below the legally approved rate of .05 of a mill  
 .0012 of a mill less than the rate in the current year  
 Ad valorem budgeted in the tentative is the same amount as in the current year  
 Rolled-back rate is .0366

**Total Expenditure Budget** \$62,233,759  
 11.6% higher than the Current Year Amended Budget Provides  
 \$31,856,788 for Interagency Expenditures/Grants  
 Provides for 110.4 full-time equivalent positions, 101.0 authorized & 9.4 equivalent OPS

**Total Revenue Received/Earned** \$51,690,328  
 \$33.04 million in new revenue  
 \$18.65 million in carryover from prior years

**Estimated Use of Cash Carryover/Reserves** \$10,543,431

**Budget By Program Area**

1.0 Water Resources Planning and Monitoring	\$ 7,096,643	11.4%
2.0 Acquisition, Restoration and Public Works	\$45,192,383	72.6%
3.0 Operation and Maintenance of Lands and Works	\$ 3,879,883	6.2%
4.0 Regulation	\$ 3,874,432	6.2%
5.0 Outreach	\$ 178,215	0.3%
6.0 District Management and Administration	\$ 2,012,203	3.2%
	<u>\$62,233,759</u>	

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2016-2017 TENTATIVE BUDGET – SUPPLEMENT  
9/8/2016 PROPOSED CHANGES  
SUMMARY**

Budget Item	Expense Type	Revenue Type	FY 2016-17 Tentative 8/1/2016	FY 2016-17 Tentative 9/8/2016	9/8/2016 Over/(Under) 8/1/2016
1 FLORIDA FOREST SERVICE PRESCRIBED FIRE PROGRAM Awarded new state funding assistance	Contracted Services, Operating Expense, and Other Capital Outlay	State (DACs)	0	155,000	155,000
2 OVERTIME PAY FOR LAND MANAGEMENT Shifted budget from operating expense to salaries and benefits	Operating Expense and Salaries & Benefits	Land Management Fund	15,000	15,000	0
3 OFFICE OF EXECUTIVE DIRECTOR Deducted \$20,254	Salaries & Benefits	Ad Valorem	20,254	0	(20,254)
			Net Operating Increase		134,746
			Shift in Fund Balances:		
			Economic Stabilization Fund Increase		22,503
			General Fund Deficiencies Decrease		<u>(22,503)</u>
			Total Impact		<u>134,746</u>

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2016-2017 TENTATIVE BUDGET – SUPPLEMENT  
9/8/2016 PROPOSED CHANGES  
REVENUE CATEGORIES**

	FY 2014-15 Actuals	FY 2015-16 Amended Budget	FY 2016-17 Preliminary	FY 2016-17 Tentative 8/1/2016	FY 2016-17 Tentative 9/8/2016	9/8/2016 Over/(Under) 8/1/2016
Ad Valorem Tax	3,258,534	3,433,785	3,433,785	3,433,785	3,413,531	(20,254)
Federal	1,700,980	3,097,801	2,658,078	2,879,250	2,879,250	0
State	10,352,547	29,532,581	17,127,289	41,253,161	41,408,161	155,000
Mitigation	610,267	1,371,078	1,144,687	1,182,784	1,182,784	0
Local Revenues	205,398	146,840	141,580	142,417	142,417	0
Permit Fees	396,205	332,500	405,250	393,250	393,250	0
Timber Sales	3,034,678	1,500,000	2,000,000	1,500,000	1,500,000	0
Miscellaneous	346,764	791,302	490,874	770,935	770,935	0
w/o Fund Balance	19,905,373	40,205,887	27,401,543	51,555,582	51,690,328	134,746
Fund Balance	5,473,482	15,569,237	9,299,285	10,543,431	10,543,431	0
w/Fund Balance	25,378,855	55,775,124	36,700,828	62,099,013	62,233,759	134,746

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2016-2017 TENTATIVE BUDGET – SUPPLEMENT  
9/8/2016 PROPOSED CHANGES  
EXPENDITURE CATEGORIES**

	FY 2014-15 Actuals	FY 2015-16 Amended Budget	FY 2016-17 Preliminary	FY 2016-17 Tentative 8/1/2016	FY 2016-17 Tentative 9/8/2016	9/8/2016 Over/(Under) 8/1/2016
Salaries & Benefits	7,994,942	8,370,365	8,249,949	8,356,900	8,351,646	(5,254)
Other Personal Services	270,647	359,720	351,544	354,920	354,920	0
Contracted Services	3,538,455	7,960,282	6,891,510	7,647,839	7,787,839	140,000
Operating Expense	2,027,368	2,812,876	2,687,534	2,636,832	2,626,832	(10,000)
Operating Capital Outlay	688,610	777,774	616,853	626,666	636,666	10,000
Operating Categories	14,520,022	20,281,017	18,797,390	19,623,157	19,757,903	134,746
Fixed Capital Outlay	1,331,788	5,785,068	180,000	10,619,068	10,619,068	0
Grants	9,527,045	29,709,039	17,723,438	31,856,788	31,856,788	0
Non-Operating Categories	10,858,833	35,494,107	17,903,438	42,475,856	42,475,856	0
<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>62,233,759</b>	<b>134,746</b>

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2016-2017 TENTATIVE BUDGET – SUPPLEMENT  
9/8/2016 PROPOSED CHANGES  
COMPARISON BY PROGRAM LEVEL**

Program	FY 2014-15	FY 2015-16	FY 2016-17	FY 2016-17 Tentative			9/8/2016	FY 2016-17
	Actuals	Amended Budget	Preliminary	Original Submittal 8/1/2016	1st Public Hearing 9/8/2016	9/8/2016 Over/ (Under) 8/1/2016	Tentative Over/Under FY 2016-17 Preliminary <sup>1</sup>	
1 Water Resource Plan/Monitoring	4,588,035	7,097,878	6,614,644	7,096,643	7,096,643	0	481,999	7.3%
2 Acq/Restoration/Public Works	11,988,570	38,672,135	20,246,433	45,192,383	45,192,383	0	24,945,950	123.2%
3 Operations & Maint Land & Works	3,241,158	3,905,175	3,728,521	3,724,883	3,879,883	155,000	151,362	4.1%
4 Regulation	3,471,274	3,882,130	3,833,353	3,874,432	3,874,432	0	41,079	1.1%
5 Outreach	154,303	180,324	175,760	178,215	178,215	0	2,455	1.4%
6 District Management & Admin	1,935,515	2,037,482	2,102,117	2,032,457	2,012,203	(20,254)	(89,914)	-4.3%
<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>62,233,759</b>	<b>134,746</b>	<b>25,532,931</b>	<b>69.6%</b>
Combined Outreach and Management & Administration as a Percent of Total Budget <sup>2</sup>				2,210,672 3.6%	2,190,418 3.5%			

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 – SUPPLEMENT  
9/8/2016 PROPOSED CHANGES  
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>ESTIMATED REVENUES:</b>							
Ad Valorem Taxes <b>.0366</b>	1,134,841		406,432	7,510	1,864,748		3,413,531
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	155,000	8,738,437	2,236,492	1,182,784	12,712,076
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	1,234,204	10,834,266	3,657,439	30,233,395	4,508,240	1,222,784	51,690,328
Interfund Transfers	2,702,436	144,499		680,101			3,527,036
<b>Total Estimated Revenues, Transfers and Balances</b>	<b>21,935,516</b>	<b>11,374,467</b>	<b>7,209,307</b>	<b>32,248,910</b>	<b>6,031,903</b>	<b>2,702,183</b>	<b>81,502,286</b>
<b>ESTIMATED EXPENDITURES:</b>							
Salaries & Benefits	1,838,435	26,985	1,252,766	2,231,200	2,651,425	350,835	8,351,646
Other Personal Services	13,090		37,159	42,339	256,453	5,879	354,920
Contractual Services	210,327	75,750	1,066,718	5,545,041	186,121	703,882	7,787,839
Operating Expenses	617,425	3,600	839,485	434,003	653,511	78,808	2,626,832
Capital Outlay	135,772	10,494,068	232,961	260,381	126,922	5,630	11,255,734
Grants and Aids (Gen Fund is from reserves)	8,985,183	372,480	8,000	22,491,125			31,856,788
<b>Total Operating Expenditures</b>	<b>11,800,232</b>	<b>10,972,883</b>	<b>3,437,089</b>	<b>31,004,089</b>	<b>3,874,432</b>	<b>1,145,034</b>	<b>62,233,759</b>
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	12,667,868	10,978,765	4,886,773	31,496,365	4,508,240	1,222,784	65,760,795
Reserves	9,267,648	395,702	2,322,534	752,545	1,523,663	1,479,399	15,741,491
<b>Total Operating Expenditures, Transfers and Reserves</b>	<b>21,935,516</b>	<b>11,374,467</b>	<b>7,209,307</b>	<b>32,248,910</b>	<b>6,031,903</b>	<b>2,702,183</b>	<b>81,502,286</b>