

# NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT

## MEMORANDUM

TO: Governing Board

THROUGH: Brett Cyphers, Executive Director  
Guy Gowens, Chief of Staff

FROM: Wendy Dugan, Division of Administration Director

DATE: September 19, 2018

SUBJECTS: Adoption of the Millage Rate for Fiscal Year 2018-2019  
Adoption of the Budget for Fiscal Year 2018-2019

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### Recommendation

Staff recommends the Governing Board approve the ad valorem tax millage rate of .0338 of a mill for Fiscal Year 2018-2019 by adoption of Resolution Number 839.

### Background

During the public hearing held at District Headquarters in Havana on September 13, 2018, the Governing Board adopted the Northwest Florida Water Management District's tentative ad valorem tax millage rate of .0338 of a mill and the Tentative Budget for Fiscal Year (FY) 2018-2019, and authorized staff to present the ad valorem millage rate and budget for final adoption by resolution on September 27, 2018, at the final public hearing in Panama City.

Using the 2018 gross taxable value for operating purposes of \$106,899,136,510 and the proposed .0338 of a mill, which is the rolled-back rate, total taxes to be levied in FY 2018-2019 are estimated to be \$3,613,191. Compared to the 2017 adjusted ad valorem proceeds of \$3,540,344, there is a \$72,847 or 2.1 percent increase in tax revenues for the upcoming fiscal year. This tax data is based on the estimates of property values, furnished by the 16 counties in the District. Because the District has historically collected slightly less than the amount estimated (about 96 percent), ad valorem is budgeted at \$3,433,483. This budgeted amount for FY 2018-2019 is \$179,708 or 5.0 percent less than the property appraiser estimate of \$3,613,191 and \$38,266 or 1.1 percent more than the amount budgeted in FY 2017-2018.

After formal adoption of the ad valorem tax millage rate, the Governing Board is authorized to adopt a budget for the District's 2018-2019 fiscal year.

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### Recommendation

Staff recommends the Governing Board adopt Resolution Number 840 adopting the Fiscal Year 2018-2019 budget as presented herein.

### Background

The proposed budget is \$69,458,538, which is a \$4,052,279 or 6.2 percent increase from the FY 2017-2018 budget. The increase is mainly attributable to new non-recurring funds for springs restoration and protection. The proposed budget will provide adequate fiscal resources to effectively implement the District's core mission addressing water supply, water quality, natural systems, and flood protection, including:

- \$42.4 million for Springs Projects. This funding will enable the District to continue restoration efforts for Wakulla Spring; Jackson Blue Spring; and springs associated with the St. Marks River, Chipola River, Econfina Creek, and Holmes Creek. Funded activities include fee simple and less-than-fee land acquisition, agricultural best management practices, septic-to-sewer conversion projects, stormwater treatment, and spring bank habitat restoration.
- \$5.3 million for Watershed Restoration. This funding will facilitate continued efforts to protect water quality and restore estuarine habitats in the Apalachicola River and Bay system through the implementation of cooperative water quality improvement projects and best management practices. This funding will also support stormwater treatment benefitting St. Joseph Bay and Escambia Bay, as well as continued project planning and implementation to benefit watersheds across northwest Florida.
- \$2.9 million for Water Resource and Supply Development. This funding includes water supply development assistance for cooperative grant projects across northwest Florida, including the North Bay Wastewater Reuse Project in Bay County, as well as other water resource development activities that ensure sustainable water resource management.
- \$1.8 million for monitoring and technical assessments to develop MFLs for the St. Marks River Rise; Wakulla Spring; Sally Ward Spring; Jackson Blue Spring; the Floridan aquifer in coastal Okaloosa, Santa Rosa, and Walton counties; the Shoal River system; the Gainer Spring Group; Sylvan Spring Group; Williford Spring Group; Econfina Blue Spring Group; and Devils Hole Spring.

Attachments:

Resolution Number 839, Resolution Number 840, FY 2018-2019 Budget



*Executive Director*

# Northwest Florida Water Management District

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

Brett J. Cyphers

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

## **RESOLUTION NO. 839**

### **AUTHORIZATION OF AD VALOREM TAX ASSESSMENT**

**WHEREAS**, the Florida Legislature created the Northwest Florida Water Management District under Chapter 373, Florida Statutes; and

**WHEREAS**, the Northwest Florida Water Management District is authorized by the Constitution of the State of Florida and Chapter 373, Florida Statutes, to assess ad valorem tax revenues to support the Water Management District's operations; and

**WHEREAS**, programs and projects which are of District benefit will be supported with ad valorem tax revenues as reflected in the Fiscal Year 2018-2019 budget; and

**WHEREAS**, the Northwest Florida Water Management District held a Public Hearing as required by Section 200.065, Florida Statutes;

**NOW, THEREFORE BE IT RESOLVED**, by the Governing Board of the Northwest Florida Water Management District, that the District will implement its authorized ad valorem tax assessment at .0338 of a mill for Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Leon, Liberty, Okaloosa, Santa Rosa, Wakulla, Walton, Washington, and western portions of Jefferson County. Based on the available estimates of property values, furnished by the various counties in the District, said millage rate to be levied to fund the District's Fiscal Year 2018-2019 budget is equal to the .0338 mill rolled-back rate.

**BE IT FURTHER RESOLVED** that the ad valorem revenues will be used by the District, by adoption of the Fiscal Year 2018-2019 budget to initiate and support projects of local or District significance as needed, requested, or required throughout the District as determined by the District's Governing Board.

**DULY ADOPTED** at a public hearing this 27<sup>th</sup> day of September, 2018, A.D.

Time Adopted \_\_\_\_\_PM

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

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George Roberts, Chair

**ATTEST:**

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John W. Alter, Secretary-Treasurer



*Executive Director*

# Northwest Florida Water Management District

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*(U.S. Highway 90, 10 miles west of Tallahassee)*

Brett J. Cyphers

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

## **RESOLUTION NO. 840**

### **ADOPTION OF FISCAL YEAR 2018-2019 BUDGET**

**WHEREAS**, the Florida Legislature created the Northwest Florida Water Management District under Chapter 373, Florida Statutes; and

**WHEREAS**, the ensuing 2018-2019 fiscal year of the Northwest Florida Water Management District shall extend from October 1, 2018, through September 30, 2019; and

**WHEREAS**, the Northwest Florida Water Management District is authorized by Chapter 373, Florida Statutes, to adopt a budget in accordance with the provisions of Section 200.065, Florida Statutes; and

**WHEREAS**, the Northwest Florida Water Management District held a Public Hearing as required by Section 200.065, Florida Statutes; and

**WHEREAS**, programs and projects which are of District benefit will be supported with ad valorem tax revenues and other funding sources as reflected in the sixty-nine million four hundred fifty-eight thousand five hundred thirty-eight dollar Fiscal Year 2018-2019 budget.

**NOW THEREFORE BE IT RESOLVED**, by the Governing Board of the Northwest Florida Water Management District, that:

1. The Fiscal Year Final 2018-2019 budget be adopted
2. This resolution will take effect immediately upon the adoption.

**DULY ADOPTED** at a public hearing this 27<sup>th</sup> day of September, 2018, A.D.

Time Adopted \_\_\_\_\_PM

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

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George Roberts, Chair

**ATTEST:**

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John W. Alter, Secretary-Treasurer

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2018-2019 TENTATIVE BUDGET SUMMARY  
OCTOBER 1, 2018 - SEPTEMBER 30, 2019**

<p><b>Proposed Ad Valorem Millage Rate</b></p> <ul style="list-style-type: none"> <li>• Proposed rate is equal to the rolled-back rate of .0338 of a mill, is 32.4% below the legally approved rate of .05 of a mill, and .0015 of a mill less than the .0353 rate in FY 2017-2018</li> <li>• Ad valorem proceeds from the 2018 DR-420 tax form: 2017: \$3,540,344 2018: \$3,613,191 An increase of \$72,847 or 2.1%</li> <li>• Ad valorem budgeted: FY 2017-2018: \$3,395,217 FY 2018-2019: \$3,433,483 An increase of \$38,266 or 1.1% (amounts lower than tax form figures to align closer to percentage historically collected)</li> </ul>	<p>.0338 of a mill</p>
<p><b>Total Expenditure Budget</b></p> <p>6.2% higher than the FY 2017-2018 Amended Budget, provides \$34,525,527 for Interagency Expenditures/Grants Provides for 109.4 full-time equivalent positions, 100.0 authorized &amp; 9.4 equivalent OPS; 1.0 FTE less than in FY 2017-2018</p>	<p>\$69,458,538</p>
<p><b>Total Revenue Received/Earned</b></p> <p>\$32.8 million in new revenue \$33.4 million in carryover from prior years</p>	<p>\$66,187,582</p>
<p><b>Estimated Use of Cash Carryover/Reserves</b></p>	<p>\$3,270,956</p>

**Budget By Program Area**

1.0 Water Resources Planning and Monitoring	\$ 6,731,966	9.7%
2.0 Land Acquisition, Restoration and Public Works	\$52,879,766	76.1%
3.0 Operation and Maintenance of Lands and Works	\$ 3,909,865	5.6%
4.0 Regulation	\$ 3,853,031	5.5%
5.0 Outreach	\$ 133,559	0.2%
6.0 District Management and Administration	\$ 1,950,351	2.8%
	\$69,458,538	

The combined Outreach and Management and Administration budget is 3.0% of the total District Budget.

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2018-2019 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>	11,847,873	280,442	5,155,249	1,703,759	1,925,521	1,712,189	22,625,033
<b>ESTIMATED REVENUES:</b>							
Ad Valorem Taxes <b>.0338 mills</b>	1,149,027			480,125	1,804,331		3,433,483
DEP - WML Trust Fund				1,189,576			1,189,576
DEP - Land Acquisition Trust Fund		14,454,370	1,467,847	27,964,538			43,886,755
Florida Forever Trust Fund		372,480					372,480
Permitting and Licensing					396,438		396,438
Federal Grants				3,095,929	14,492		3,110,421
State Funds	86,674	309,000	130,000	3,479,694	2,260,005	1,054,414	7,319,787
Local Government Units			340	163,179			163,519
Timber Sales			2,000,000				2,000,000
Miscellaneous Revenues		324,390	60,079	3,820,654	10,000	100,000	4,315,123
Interfund Transfers	1,653,401	100,000		688,829			2,442,230
Total Estimated Revenues, Transfers and Balances	<u>14,736,975</u>	<u>15,840,682</u>	<u>8,813,515</u>	<u>42,586,283</u>	<u>6,410,787</u>	<u>2,866,603</u>	<u>91,254,845</u>
<b>ESTIMATED EXPENDITURES:</b>							
Salaries & Benefits	1,810,085	63,365	1,252,118	2,421,820	2,790,224	306,406	8,644,018
Other Personal Services	155		41,000	55,934	247,788	1,471	346,348
Contractual Services	190,600	422,901	1,326,082	4,581,466	166,036	637,181	7,324,266
Operating Expenses	583,498	3,600	1,082,899	403,350	562,923	140,371	2,776,641
Capital Outlay	145,608	15,057,186	295,860	202,110	136,060	4,914	15,841,738
Grants and Aids	1,705,000		25,000	32,795,527			34,525,527
Reserves	9,454,044	280,442	4,421,449	1,610,432	1,875,521	1,712,189	19,354,077
Interfund Transfers	847,985	13,188	369,107	515,644	632,235	64,071	2,442,230
Total Operating Expenditures, Transfers and Reserves	<u>14,736,975</u>	<u>15,840,682</u>	<u>8,813,515</u>	<u>42,586,283</u>	<u>6,410,787</u>	<u>2,866,603</u>	<u>91,254,845</u>



**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2018-2019 TENTATIVE BUDGET COMPARISON  
REVENUE CATEGORIES**

	FY 2016-17 Actuals	FY 2017-18 Amended Budget	FY 2018-19 Tentative	Tentative O/(U) Amended Budget	
Ad Valorem Tax	3,317,303	3,395,217	3,433,483	38,266	1.1%
Federal	1,062,233	2,993,734	3,110,421	116,687	3.9%
State	12,979,049	47,551,012	51,714,184	4,163,172	8.8%
Mitigation	726,622	950,523	1,054,414	103,891	10.9%
Local Revenues	95,929	128,209	163,519	35,310	27.5%
Permit Fees	444,810	384,569	396,438	11,869	3.1%
Timber Sales	1,568,997	2,000,000	2,000,000	0	0.0%
Miscellaneous	1,000,258	492,183	4,315,123	3,822,940	776.7%
w/o Fund Balance	21,195,201	57,895,447	66,187,582	8,292,135	14.3%
Fund Balance	3,054,424	7,510,812	3,270,956	(4,239,856)	-56.5%
w/Fund Balance	24,249,625	65,406,259	69,458,538	4,052,279	6.2%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2018-2019 TENTATIVE BUDGET COMPARISON  
EXPENDITURE CATEGORIES**

	FY 2016-17	FY 2017-18	FY 2018-19	Tentative O/(U)	
	Actuals	Amended Budget	Tentative	Amended Budget	
Salaries & Benefits	7,627,959	8,511,397	8,644,018	132,621	1.6%
Other Personal Services	241,574	343,417	346,348	2,931	0.9%
Contracted Services	4,433,193	7,565,343	7,324,266	(241,077)	-3.2%
Operating Expense	1,985,977	2,549,413	2,776,641	227,228	8.9%
Operating Capital Outlay	315,809	816,432	678,452	(137,980)	-16.9%
Operating Categories	14,604,512	19,786,002	19,769,725	(16,277)	-0.1%
Fixed Capital Outlay	468,812	12,179,523	15,163,286	2,983,763	24.5%
Interagency Expenditures/Grants	9,176,301	33,440,734	34,525,527	1,084,793	3.2%
Non-Operating Categories	9,645,113	45,620,257	49,688,813	4,068,556	8.9%
<b>GRAND TOTAL</b>	<b>24,249,625</b>	<b>65,406,259</b>	<b>69,458,538</b>	<b>4,052,279</b>	<b>6.2%</b>

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
FY 2018-2019 TENTATIVE BUDGET COMPARISON  
PROGRAM LEVEL**

Program	FY 2016-17	FY 2017-18	FY 2018-19	FY 2018-19	Tentative O/(U)		Tentative O/(U)	
	Actuals	Amended Budget	Preliminary	Tentative	Amended Budget	Preliminary Budget <sup>1</sup>		
1 Water Resources Plan & Monitoring	4,789,983	6,987,078	6,747,040	6,731,966	(255,112)	-3.7%	(15,074)	-0.2%
2 Land Acq, Restoration, Public Works	10,952,872	48,448,578	54,066,009	52,879,766	4,431,188	9.1%	(1,186,243)	-2.2%
3 Operations & Maint of Land & Works	3,284,515	3,909,865	3,555,529	3,909,865	0	0.0%	354,336	10.0%
4 Regulation	3,338,165	3,890,615	3,857,407	3,853,031	(37,584)	-1.0%	(4,376)	-0.1%
5 Outreach	155,401	178,215	133,722	133,559	(44,656)	-25.1%	(163)	-0.1%
6 Management & Administration	1,728,689	1,991,908	1,960,269	1,950,351	(41,557)	-2.1%	(9,918)	-0.5%
<b>GRAND TOTAL</b>	<b>24,249,625</b>	<b>65,406,259</b>	<b>70,319,976</b>	<b>69,458,538</b>	<b>4,052,279</b>	<b>6.2%</b>	<b>(861,438)</b>	<b>-1.2%</b>

Combined Outreach and Management & Administration as a Percent of Total Budget<sup>2</sup> 2,083,910 3.0%

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