

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 12, 2019

SUBJECT: Consideration of Fiscal Year 2019-2020 Tentative Millage Rate and Tentative Budget – 5:05 p.m. CDT, First Public Hearing

Recommendation

Staff recommends the Governing Board adopt the proposed millage rate of .0327 of a mill for Fiscal Year 2019-2020 and authorize staff to present it for final adoption at the public hearing on the budget to be held on September 26, 2019, at District headquarters in Midway.

Staff recommends the Governing Board adopt the District's Tentative Budget for Fiscal Year 2019-2020 that incorporates the changes resulting from the proposed edits presented today and authorize staff to present this budget for final adoption at the second public hearing on the budget to be held on September 26, 2019, at District headquarters in Midway.

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 .0327 of a mill for Fiscal Year 2019-2020. The revenues generated by the .0327 millage are necessary to fund District operations as identified in the Tentative Budget for Fiscal Year 2019-2020.

The proposed millage rate is the rolled-back rate of .0327, which is less than the .0338 millage assessed in Fiscal Year 2018-2019 and 34.6 percent below the legally authorized rate of .0500.

Staff has considered all known fiscal activity for the 2019-2020 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 deadline of August 1, 2019.

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
TENTATIVE BUDGET SUMMARY
OCTOBER 1, 2019 - SEPTEMBER 30, 2020**

Proposed Ad Valorem Millage Rate .0327 of a mill

34.6% below the legally authorized rate of .0500 of a mill
 .0011 of a mill less than the rate in the current year
 Ad valorem budgeted in the Tentative is \$96,097 more than the amount in the current year (\$72,375 is from mainly new construction and \$23,722 is from increasing the budget closer to the TRUTH IN MILLAGE estimate of \$3,688,171, based on historical collections)
 Rolled-back rate is .0327 of a mill

Total Expenditure Budget \$71,108,502

0.7% lower than the Current Year Amended Budget, provides \$35,254,877 for Interagency Expenditures/Grants
 Provides for 109.4 full-time equivalent positions, 100.0 authorized and 9.4 equivalent OPS, same as current year

Total Revenue Received/Earned \$66,163,530

\$34.5 million in new revenue
 \$31.6 million in carryover from prior years

Estimated Use of Fund Balance/Reserves \$4,944,972

Budget By Program Area

1.0 Water Resources Planning and Monitoring	\$ 7,126,011	10.0%
2.0 Land Acquisition, Restoration and Public Works	\$53,639,393	75.4%
3.0 Operation and Maintenance of Lands and Works	\$ 4,331,326	6.1%
4.0 Regulation	\$ 3,853,337	5.4%
5.0 Outreach	\$ 132,619	0.2%
6.0 District Management and Administration	\$ 2,025,816	2.9%
	<u>\$71,108,502</u>	

Figures above and in the following charts reflect proposed edits to the Tentative Budget submitted August 1. Edits are due to updated budget estimates from the Florida Department of Environmental Protection for the District's allocation of springs restoration funds.

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
PUBLIC HEARING ON CONSIDERATION OF FY 2019-2020 TENTATIVE BUDGET
SEPTEMBER 12, 2019, 5:05 P.M. CDT, PANAMA CITY, FLORIDA
9/12/2019 PROPOSED CHANGES
SUMMARY**

Budget Item	Expense Type	Revenue Type	FY 2019-20 Tentative		
			8/1/2019 Original Submittal	9/12/2019 1st Public Hearing	9/12/2019 Over/(Under) 8/1/2019
FY 2019-20 Springs Restoration Funds to NFWFMD - Updated budget estimate	Grants	State	15,000,000*	8,498,937	(6,501,063)

Decrease: (6,501,063)

* Placeholder

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SEPTEMBER 12, 2019, 5:05 P.M. CDT, PANAMA CITY, FLORIDA
9/12/2019 PROPOSED CHANGES
REVENUE CATEGORIES**

	FY 2017-18 Actuals	FY 2018-19 Amended Budget	FY 2019-20 Preliminary	FY 2019-20 Tentative	Tentative O/(U) Amended Budget		Tentative O/(U) Preliminary	
Ad Valorem Tax	3,366,092	3,433,483	3,433,483	3,529,580	96,097	2.8%	96,097	2.8%
Federal Revenue	1,412,267	3,257,932	3,047,341	2,690,113	(567,819)	-17.4%	(357,228)	-11.7%
State Revenue	16,359,656	52,791,471	57,766,142	53,909,010	1,117,539	2.1%	(3,857,132)	-6.7%
Local Revenue	106,711	163,519	188,262	160,961	(2,558)	-1.6%	(27,301)	-14.5%
Permit Fees	465,470	396,438	365,000	355,642	(40,796)	-10.3%	(9,358)	-2.6%
Timber Sales	2,387,303	0	0	0	0		0	0.0%
Miscellaneous	848,922	5,487,199	4,617,574	5,518,224	31,025	0.6%	900,650	19.5%
w/o Fund Balance	24,946,421	65,530,042	69,417,802	66,163,530	633,488	1.0%	(3,254,272)	-4.7%
Fund Balance	(1,534,409)	6,063,425	4,608,314	4,944,972	(1,118,453)	-18.4%	336,658	7.3%
w/Fund Balance	23,412,012	71,593,467	74,026,116	71,108,502	(484,965)	-0.7%	(2,917,614)	-3.9%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
PUBLIC HEARING ON CONSIDERATION OF FY 2019-2020 TENTATIVE BUDGET
SEPTEMBER 12, 2019, 5:05 P.M. CDT, PANAMA CITY, FLORIDA
9/12/2019 PROPOSED CHANGES
EXPENDITURE CATEGORIES**

	FY 2017-18 Actuals	FY 2018-19 Amended Budget	FY 2019-20 Preliminary	FY 2019-20 Tentative	Tentative O/(U) Amended Budget		Tentative O/(U) Preliminary Budget	
Salaries & Benefits	7,765,066	8,644,018	8,877,721	8,703,025	59,007	0.7%	(174,696)	-2.0%
Other Personal Services	218,718	346,348	349,506	366,778	20,430	5.9%	17,272	4.9%
Contracted Services	3,655,819	7,870,040	7,723,807	8,508,715	638,675	8.1%	784,908	10.2%
Operating Expense	1,887,859	3,244,823	2,747,337	2,653,842	(590,981)	-18.2%	(93,495)	-3.4%
Operating Capital Outlay	400,829	849,904	734,952	574,214	(275,690)	-32.4%	(160,738)	-21.9%
Operating Categories	13,928,291	20,955,133	20,433,323	20,806,574	(148,559)	-0.7%	373,251	1.8%
Fixed Capital Outlay	719,767	16,207,084	10,780,393	15,047,051	(1,160,033)	-7.2%	4,266,658	39.6%
Grants	8,763,954	34,431,250	42,812,400	35,254,877	823,627	2.4%	(7,557,523)	-17.7%
Non-Operating Categories	9,483,721	50,638,334	53,592,793	50,301,928	(336,406)	(0)	(3,290,865)	0
GRAND TOTAL	23,412,012	71,593,467	74,026,116	71,108,502	(484,965)	-0.7%	(2,917,614)	-3.9%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
PUBLIC HEARING ON CONSIDERATION OF FY 2019-2020 TENTATIVE BUDGET
SEPTEMBER 12, 2019, 5:05 P.M. CDT, PANAMA CITY, FLORIDA
9/12/2019 PROPOSED CHANGES
PROGRAM AND ACTIVITY LEVEL**

	FY 2017-18 Actuals	FY 2018-19 Amended Budget	FY 2019-20 Preliminary	FY 2019-20 Tentative	Tentative O/(U) Amended Budget		Tentative O/(U) Preliminary Budget	
1.0 Water Resources Planning and Monitoring								
1.1 - District Water Management Planning								
1.1.1 Water Supply Planning	136,525	184,575	190,417	176,428	(8,147)	-4.4%	(13,989)	-7.3%
1.1.2 Minimum Flows & Levels	1,074,802	1,648,263	1,987,537	2,148,083	499,820	30.3%	160,546	8.1%
1.1.3 Other Water Resources Planning	534,380	558,924	576,733	550,869	(8,055)	-1.4%	(25,864)	-4.5%
1.2 - Rsch, Data Collec. /Analysis / Monitor.	731,391	948,767	1,072,137	1,002,331	53,564	5.6%	(69,806)	-6.5%
1.3 - Technical Assistance	1,440,685	2,720,043	2,677,285	2,688,305	(31,738)	-1.2%	11,020	0.4%
1.5 - Technology & Information Services	408,713	664,559	523,502	559,995	(104,564)	-15.7%	36,493	7.0%
Total	4,326,496	6,725,131	7,027,611	7,126,011	400,880	6.0%	98,400	1.4%
2.0 Acquisition, Restoration and Public Works								
2.1 - Land Acquisition	738,566	13,659,135	9,155,831	12,404,694	(1,254,441)	-9.2%	3,248,863	35.5%
2.2 - Water Source Development								
2.2.1 Water Resource Development Projects	179,907	903,512	969,470	860,788	(42,724)	-4.7%	(108,682)	-11.2%
2.2.2 Water Supply Development Assistance	2,868,325	1,722,011	471,873	650,689	(1,071,322)	-62.2%	178,816	37.9%
2.3 - Surface Water Projects	6,854,079	33,989,459	43,557,808	35,946,257	1,956,798	5.8%	(7,611,551)	-17.5%
2.5 - Facilities Constr. and Major Renov.	5,022	233,664	100,000	75,000	(158,664)	-67.9%	(25,000)	-25.0%
2.6 - Other Acquisition and Restor. Activities	140,964	3,269,015	2,432,063	3,626,955	357,940	10.9%	1,194,892	49.1%
2.7 - Technology & Information Service	53,171	72,677	72,650	75,010	2,333	3.2%	2,360	3.2%
Total	10,840,034	53,849,473	56,759,695	53,639,393	(210,080)	-0.4%	(3,120,302)	-5.5%

**PROGRAM AND ACTIVITY LEVEL
(Continued)**

	FY 2017-18 Actuals	FY 2018-19 Amended Budget	FY 2019-20 Preliminary	FY 2019-20 Tentative	Tentative O/(U) Amended Budget	Tentative O/(U) Preliminary Budget		
3.0 Operation and Maintenance of Lands and Works								
3.1 - Land Management	2,411,931	4,042,184	3,229,932	3,373,970	(668,214) -16.5%	144,038	4.5%	
3.2 - Works	1,470	18,784	10,423	9,320	(9,464) -50.4%	(1,103)	-10.6%	
3.3 - Facilities	343,854	399,358	423,989	394,056	(5,302) -1.3%	(29,933)	-7.1%	
3.6 - Fleet Services	23,762	64,159	56,030	64,159	0 0.0%	8,129	14.5%	
3.7 - Technology & Information Services	396,240	526,911	485,349	489,821	(37,090) -7.0%	4,472	0.9%	
Total	3,177,258	5,051,396	4,205,723	4,331,326	(720,070) -14.3%	125,603	3.0%	
4.0 Regulation								
4.1 - Consumptive Use Permitting	539,336	581,118	575,045	558,853	(22,265) -3.8%	(16,192)	-2.8%	
4.2 - Water Well Constr. Permitting and Contractor Licensing	698,091	833,371	854,875	821,287	(12,084) -1.5%	(33,588)	-3.9%	
4.3 - Env. Resource and Surface Water Permitting	1,102,660	1,447,172	1,437,407	1,481,718	34,546 2.4%	44,311	3.1%	
4.4 - Other Reg. and Enforcement Activities	239,338	315,051	291,502	283,502	(31,549) -10.0%	(8,000)	-2.7%	
4.5 - Technology & Information Services	532,965	679,159	698,129	707,977	28,818 4.2%	9,848	1.4%	
Total	3,112,390	3,855,871	3,856,958	3,853,337	(2,534) -0.1%	(3,621)	-0.1%	

**PROGRAM AND ACTIVITY LEVEL
(Continued)**

	FY 2017-18 Actuals	FY 2018-19 Amended Budget	FY 2019-20 Preliminary	FY 2019-20 Tentative	Tentative O/(U) Amended Budget		Tentative O/(U) Preliminary Budget	
5.0 Outreach								
5.1 - Water Resource Education	0	0	0	0	0		0	
5.2 - Public Information	118,119	123,684	125,579	122,419	(1,265)	-1.0%	(3,160)	-2.5%
5.4 - Lobbying / Legis. & Cabinet Affairs	5,375	10,275	10,275	10,200	(75)	-0.7%	(75)	-0.7%
Total	123,494	133,959	135,854	132,619	(1,340)	-1.0%	(3,235)	-2.4%
6.0 District Management and Administration								
6.1 - Administrative and Operations Support								
6.1.1 - Executive Direction	600,848	634,764	642,173	636,559	1,795	0.3%	(5,614)	-0.9%
6.1.4 - Administrative Support	787,453	849,275	877,017	887,607	38,332	4.5%	10,590	1.2%
6.1.7 - Human Resources	110,584	120,907	130,245	121,399	492	0.4%	(8,846)	-6.8%
6.1.9 - Technology & Information Services	277,943	312,691	330,840	323,501	10,810	3.5%	(7,339)	-2.2%
6.4 - Other (Tax Collector/Prop Appr Fees)	55,511	60,000	60,000	56,750	(3,250)	-5.4%	(3,250)	-5.4%
Total	1,832,340	1,977,637	2,040,275	2,025,816	48,179	2.4%	(14,459)	-0.7%
Total District Expenditure Budget	23,412,012	71,593,467	74,026,116	71,108,502	(484,965)	-0.7%	(2,917,614)	-3.9%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
PUBLIC HEARING ON CONSIDERATION OF FY 2019-2020 TENTATIVE BUDGET
SEPTEMBER 12, 2019, 5:05 P.M. CDT, PANAMA CITY, FLORIDA
9/12/2019 PROPOSED CHANGES
COMPARISON BY FUND**

DESCRIPTION	General Fund	Capital Improv & Lands Acq	Special Projects	Lands Management	Regulation	Mitigation	TOTAL
Cash Balances Brought Forward	12,970,029	288,987	3,243,556	3,992,389	2,781,933	2,227,809	25,504,703
ESTIMATED REVENUES:							
Ad Valorem Taxes .0327 mills	1,140,589		428,965	377,257	1,582,769		3,529,580
DEP - WML Trust Fund			1,136,908				1,136,908
DEP - Land Acquisition Trust Fund		13,308,440	30,675,331	1,553,116			45,536,887
Water Protection and Sustain. Pgm. Trust Fund		100,000					100,000
Florida Forever Trust Fund		372,230					372,230
Permitting and Licensing					355,642		355,642
Federal Grants			2,676,341		13,772		2,690,113
State Funds	88,931	326,074	2,945,806	115,000	2,307,960	979,214	6,762,985
Local Government Units			160,693	268			160,961
Timber Sales							0
Miscellaneous Revenues		1,198,212	3,994,872	90,140	35,000	200,000	5,518,224
Interfund Transfers	<u>1,710,895</u>	<u>237,291</u>	<u>843,545</u>				<u>2,791,731</u>
Total Estimated Revenues, Transfers and Balances	<u>15,910,444</u>	<u>15,831,234</u>	<u>46,106,017</u>	<u>6,128,170</u>	<u>7,077,076</u>	<u>3,407,023</u>	<u>94,459,964</u>
ESTIMATED EXPENDITURES:							
Salaries & Benefits	1,907,090	69,467	2,385,555	1,243,860	2,775,349	321,704	8,703,025
Other Personal Services			46,657	45,597	271,754	2,770	366,778
Contractual Services	187,856	415,748	5,197,796	1,837,893	147,536	721,886	8,508,715
Operating Expenses	519,190	1,100	416,006	1,089,448	569,610	58,488	2,653,842
Capital Outlay	160,077	14,940,951	175,382	251,376	89,088	4,391	15,621,265
Grants and Aids	540,763	100,000	34,614,114				35,254,877
Reserves	11,585,721	288,987	2,745,979	1,144,623	2,566,612	2,227,809	20,559,731
Interfund Transfers	<u>1,009,747</u>	<u>14,981</u>	<u>524,528</u>	<u>515,373</u>	<u>657,127</u>	<u>69,975</u>	<u>2,791,731</u>
Total Operating Expenditures, Transfers and Reserves	<u>15,910,444</u>	<u>15,831,234</u>	<u>46,106,017</u>	<u>6,128,170</u>	<u>7,077,076</u>	<u>3,407,023</u>	<u>94,459,964</u>