

NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Governing Board

THROUGH: Brett Cyphers, Executive Director
Lyle Seigler, Chief of Staff

FROM: Wendy Dugan, Division of Administration Director

DATE: September 23, 2021

SUBJECTS: Adoption of the Millage Rate for Fiscal Year 2021-2022
Adoption of the Budget for Fiscal Year 2021-2022

Recommendation

Staff recommends the Governing Board approve the ad valorem tax millage rate of 0.0294 of a mill for Fiscal Year 2021-2022 by adoption of Resolution Number 896.

Background

During the first public hearing on September 9, 2021, the Governing Board adopted the Northwest Florida Water Management District's tentative ad valorem tax millage rate of 0.0294 of a mill and the Tentative Budget for Fiscal Year (FY) 2021-2022, and authorized staff to present the ad valorem millage rate and budget for final adoption by resolution on September 23, 2021, at this final public hearing at Gulf Coast State College in Panama City.

Using the 2021 gross taxable value for operating purposes of \$131,683,477,803 and the proposed 0.0294 of a mill, which is the rolled-back rate, the 2021 Truth-In-Millage (TRIM) estimated total taxes to be levied in FY 2021-2022 is \$3,871,494. Compared to the 2020 TRIM estimate of \$3,771,865, there is a \$99,629 or 2.6 percent increase in estimated tax revenues for the upcoming fiscal year. This tax data is based on property value estimates furnished by the 16 counties in the District. Because the District has historically collected slightly less than the amount estimated, ad valorem is budgeted at \$3,687,899. This budgeted amount for FY 2021-2022 is 95.3 percent of the property appraiser estimate of \$3,871,494 and \$100,000 or 2.8 percent more than the amount budgeted in FY 2020-2021.

After formal adoption of the ad valorem tax millage rate, the Governing Board is authorized to adopt a budget for the District's 2021-2022 fiscal year.

Recommendation

Staff recommends the Governing Board adopt Resolution Number 897 adopting the Fiscal Year 2021-2022 budget as presented herein.

Background

The proposed FY 2021-2022 budget is \$94,822,881, which is a \$3,538,286 or 3.9 percent increase from the FY 2020-2021 budget. The increase is attributable to new state appropriated dollars for springs restoration and protection, as well as funding for alternative water supply and water resource development projects. The proposed budget prioritizes funding on water quality projects that help maximize nutrient reductions, consistent with Executive Order 19-12. Additionally, this budget will provide adequate fiscal resources to effectively implement the District's core mission addressing water quality, water supply, natural systems, and flood

protection, including:

- \$54.0 million for springs projects. This funding will enable the District to implement restoration and protection projects for Wakulla Spring, Jackson Blue Spring, and springs associated with the St. Marks River, Chipola River, Econfina Creek, and Holmes Creek.
- \$10.6 million for alternative water supply development, water supply development assistance, and water resource development. Alternative water supply development funding includes support for cooperative, multijurisdictional efforts to expand reuse of reclaimed water in northwest Florida. Water resource development activities include hydrogeologic investigations in Gulf County and continuing technical assistance for water use efficiency in the Jackson Blue Spring groundwater contribution area.
- \$7.0 million for watershed restoration. This funding will facilitate continued efforts to protect and restore water quality and aquatic habitats through cooperative water quality improvement projects and best management practices. Funded projects include stormwater retrofits and septic tank abatement benefitting St. Joseph Bay, Apalachicola Bay, and St. Andrew Bay; innovative technology to address harmful algal blooms and nutrient enrichment in Lake Munson and the Wakulla Spring contribution area; and a dedicated assessment of water quality and freshwater inflow in St. Joseph Bay, Lake Wimico, and East Bay.
- \$5.0 million for Hurricane Michael recovery efforts and reforestation. This funding will continue debris clean-up on District lands with a focus on those areas deemed catastrophically or severely damaged, reforestation with prescribed burns and tree planting, and repairs and maintenance efforts for public access and recreational amenities on District lands.
- \$2.1 million for data collection and Minimum Flows and Minimum Water Levels technical assessments for Jackson Blue Spring; the Gainer Spring Group; Sylvan Spring Group; and Williford Spring Group.

Attachments:

Resolution Number 896, Resolution Number 897, FY 2021-2022 Budget



Northwest Florida Water Management District

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

Brett J. Cyphers
Executive Director

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

RESOLUTION NO. 896

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 2021-2022 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 0.0294 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 2021-2022 budget is equal to the 0.0294 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 2021-2022 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 23rd day of September 2021, A.D.

Time Adopted _____ PM

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

ATTEST:

Chair

Secretary-Treasurer



Northwest Florida Water Management District

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

Brett J. Cyphers
Executive Director

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

RESOLUTION NO. 897

Adoption of Fiscal Year 2021-2022 Budget

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

WHEREAS, the ensuing 2021-2022 fiscal year of the Northwest Florida Water Management District shall extend from October 1, 2021, through September 30, 2022; 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, the Governing Board of the District has adopted Resolution 896, which establishes the millage-levy for Fiscal Year 2021-2022; 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 Fiscal Year 2021-2022 budget of \$94,822,881.

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

1. The Fiscal Year Final 2021-2022 budget be adopted; and
2. This resolution will take effect immediately upon the adoption.

DULY ADOPTED at a public hearing this 23rd day of September 2021, A.D.

Time Adopted _____PM

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

ATTEST:

Chair

Secretary-Treasurer

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
 FY 2021-2022 TENTATIVE BUDGET SUMMARY
 OCTOBER 1, 2021 - SEPTEMBER 30, 2022**

<p>Proposed Ad Valorem Millage Rate</p> <ul style="list-style-type: none"> Proposed rate is equal to the rolled-back rate of 0.0294 of a mill, is 41.2% below the legally authorized rate of 0.0500 of a mill, and .0017 of a mill less than the 0.0311 millage rate in FY 2020-2021 Truth-In-Millage estimated ad valorem proceeds: 2020 DR-420 tax form: \$3,771,865 2021 DR-420 tax form: \$3,871,494 An increase of \$99,629 or 2.6% Ad valorem budgeted: FY 2020-2021: \$3,587,899 FY 2021-2022: \$3,687,899 An increase of \$100,000 or 2.8% (amounts differ from tax form figures, based on historical collections) 	<p>0.0294 of a mill</p>
<p>Total Expenditure Budget</p> <ul style="list-style-type: none"> \$3,538,286 or 3.9% higher than FY 2020-2021 Amended Budget Includes \$55,108,803 for Interagency Expenditures/Grants Provides for 109.4 full-time equivalent positions, 100.0 authorized & 9.4 OPS; same as in FY 2020-2021 	<p>\$94,822,881</p>
<p>Total Revenue Received/Earned</p> <ul style="list-style-type: none"> \$32.4 million in new revenue \$59.0 million from prior years 	<p>\$91,400,989</p>
<p>Estimated Use of Cash Carryover/Reserves</p>	<p>\$3,421,892</p>

Budget by Program Area

1.0 Water Resources Planning and Monitoring	\$ 6,850,917	7.2%
2.0 Land Acquisition, Restoration and Public Works	\$74,787,432	78.9%
3.0 Operation and Maintenance of Lands and Works	\$ 6,914,154	7.3%
4.0 Regulation	\$ 3,988,739	4.2%
5.0 Outreach	\$ 135,236	0.1%
6.0 District Management and Administration	\$ 2,146,403	2.3%
	\$94,822,881	

The combined Outreach and Management and Administration budget is 2.4% of the total District Budget.

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
FY 2021-2022 TENTATIVE BUDGET COMPARISON
BY FUND**

DESCRIPTION	General Fund	Capital Improv & Lands Acq	Special Projects	Lands Management	Regulation	Mitigation	TOTAL
Cash Balances Brought Forward	15,584,311	310,879	4,010,550	3,205,135	3,765,177	2,617,899	29,493,951
<u>ESTIMATED REVENUES:</u>							
Ad Valorem Taxes (rolled back rate) 0.0294 mills	1,311,546		344,290		2,032,063		3,687,899
Water Management Land Trust Fund			820,303				820,303
Land Acquisition Trust Fund	70,323	11,271,981	46,028,674	1,443,819	1,913,377		60,728,174
Water Protection & Sustain. Pgm. Trust Fund			280,000				280,000
Internal Improvement Trust Fund				4,000,000			4,000,000
Ecosystem Management and Restoration Trust Fund			71,975				71,975
Permitting and Licensing					537,000		537,000
Federal Grants			2,978,493				2,978,493
State Funds			11,247,737	40,000	14,698	1,659,851	12,962,286
Local Government Units			154,808	278			155,086
Timber Sales				600,000			600,000
Miscellaneous Revenues		813,798	3,422,583	303,392	10,000	30,000	4,579,773
Interfund Transfers	<u>1,818,425</u>	<u>50,000</u>	<u>1,021,000</u>				<u>2,889,425</u>
Total Estimated Revenues, Transfers and Balances	<u>18,784,605</u>	<u>12,446,658</u>	<u>70,380,413</u>	<u>9,592,624</u>	<u>8,272,315</u>	<u>4,307,750</u>	<u>123,784,365</u>
<u>ESTIMATED EXPENDITURES:</u>							
Salaries & Benefits	2,019,603	85,401	2,597,503	1,376,953	2,879,414	298,834	9,257,708
Other Personal Services			21,453	44,375	280,033	2,884	348,745
Contractual Services	295,829	310,991	8,482,922	4,406,323	157,491	1,280,538	14,934,094
Operating Expenses	517,071	1,300	539,818	1,159,370	612,179	39,758	2,869,496
Capital Outlay	91,851	11,719,598	125,711	304,733	59,622	2,520	12,304,035
Grants and Aids	600,000		54,508,803				55,108,803
Reserves	14,063,311	310,879	3,537,222	1,943,159	3,599,589	2,617,899	26,072,059
Interfund Transfers	<u>1,196,940</u>	<u>18,489</u>	<u>566,981</u>	<u>357,711</u>	<u>683,987</u>	<u>65,317</u>	<u>2,889,425</u>
Total Operating Expenditures, Transfers and Reserves	<u>18,784,605</u>	<u>12,446,658</u>	<u>70,380,413</u>	<u>9,592,624</u>	<u>8,272,315</u>	<u>4,307,750</u>	<u>123,784,365</u>

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
FY 2021-2022 TENTATIVE BUDGET COMPARISON
REVENUE CATEGORIES**

	FY 2019-20 Actuals	FY 2020-21 Amended Budget	FY 2021-22 Tentative	Tentative O/(U) Amended Budget	
Ad Valorem Tax	3,471,828	3,587,899	3,687,899	100,000	2.8%
Federal Revenue	2,023,531	4,464,627	2,978,493	(1,486,134)	-33.3%
State Revenue	14,509,276	74,365,093	78,862,738	4,497,645	6.0%
Local Revenue	116,195	151,580	155,086	3,506	2.3%
Permit Fees	610,170	437,500	537,000	99,500	22.7%
Timber Sales	598,544	0	600,000	600,000	0.0%
Miscellaneous	1,006,109	5,000,396	4,579,773	(420,623)	-8.4%
w/o Fund Balance	22,335,652	88,007,095	91,400,989	3,393,894	3.9%
Fund Balance	(1,344,744)	3,277,500	3,421,892	144,392	4.4%
w/Fund Balance	20,990,908	91,284,595	94,822,881	3,538,286	3.9%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
FY 2021-2022 TENTATIVE BUDGET COMPARISON
EXPENDITURE CATEGORIES**

	FY 2019-20 Actuals	FY 2020-21 Amended Budget	FY 2021-22 Tentative	Tentative O/(U) Amended Budget	
Salaries & Benefits	8,097,697	8,818,687	9,257,708	439,021	5.0%
Other Personal Services	255,729	356,240	348,745	(7,495)	-2.1%
Contracted Services	5,048,356	15,676,257	14,934,094	(742,163)	-4.7%
Operating Expense	2,063,341	3,176,783	2,869,496	(307,287)	-9.7%
Operating Capital Outlay	514,945	385,998	553,837	167,839	43.5%
Operating Categories	15,980,068	28,413,965	27,963,880	(450,085)	-1.6%
Fixed Capital Outlay	2,011,185	13,806,871	11,750,198	(2,056,673)	-14.9%
Grants	2,999,655	49,063,759	55,108,803	6,045,044	12.3%
Non-Operating Categories	5,010,840	62,870,630	66,859,001	3,988,371	6.3%
GRAND TOTAL	20,990,908	91,284,595	94,822,881	3,538,286	3.9%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
FY 2021-2022 TENTATIVE BUDGET COMPARISON
PROGRAM LEVEL**

Program	FY 2019-20	FY 2020-21	FY 2021-22	FY 2021-22	Tentative O/(U)		Tentative O/(U)	
	Actuals	Amended Budget	Preliminary	Tentative	Amended Budget		Preliminary Budget ¹	
1 Water Resource Plan/Monitoring	4,865,312	7,037,285	6,885,701	6,850,917	(186,368)	-2.6%	(34,784)	-0.5%
2 Land Acq/Restoration/Public Works	6,930,458	70,532,410	75,777,668	74,787,432	4,255,022	6.0%	(990,236)	-1.3%
3 Operations & Maint Land & Works	3,905,420	7,509,019	5,718,978	6,914,154	(594,865)	-7.9%	1,195,176	20.9%
4 Regulation	3,218,817	3,999,268	4,050,691	3,988,739	(10,529)	-0.3%	(61,952)	-1.5%
5 Outreach	123,948	136,457	138,801	135,236	(1,221)	-0.9%	(3,565)	-2.6%
6 District Management & Admin	1,946,954	2,070,156	2,144,011	2,146,403	76,247	3.7%	2,392	0.1%
GRAND TOTAL	20,990,908	91,284,595	94,715,850	94,822,881	3,538,286	3.9%	107,031	0.1%

Combined Outreach and Management & Administration as a Percent of Total Budget² 2,281,639 2.4%

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

¹In any individual variance in the Tentative Budget that exceeds 25% of the Preliminary Budget

²In these two programs that exceed 15% of the total Tentative Budget