

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 10, 2020

SUBJECT: Consideration of Fiscal Year 2020-2021 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 .0311 of a mill for Fiscal Year 2020-2021 and authorize staff to present it for final adoption at the public hearing on the budget to be held on September 24, 2020, via teleconference call.

Staff recommends the Governing Board adopt the District’s Tentative Budget for Fiscal Year 2020-2021 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 24, 2020, via teleconference call.

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 .0311 of a mill for Fiscal Year 2020-2021. The revenues generated by the .0311 millage are necessary to fund District operations as identified in the Tentative Budget for Fiscal Year 2020-2021.

The proposed millage rate is the rolled-back rate of .0311, which is less than the .0327 millage assessed in Fiscal Year 2019-2020 and 37.8 percent below the legally authorized rate of .0500.

Staff has considered all known fiscal activity for the 2020-2021 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, 2020.

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
TENTATIVE BUDGET SUMMARY
OCTOBER 1, 2020 - SEPTEMBER 30, 2021**

Proposed Ad Valorem Millage Rate 0.0311 of a mill

37.8% below the legally authorized rate of .0500 of a mill
 0.0016 of a mill less than the rate in the current year
 Ad valorem budgeted in the Tentative is \$3,587,899 or \$58,319
 more than the amount in the current year (budget is 95.1 percent of
 the TRUTH IN MILLAGE estimate of \$3,771,865, to align closer
 with historical collections)
 Rolled-back rate is 0.0311 of a mill

Total Expenditure Budget \$89,609,657

8.3% higher than the Current Year Amended Budget,
 including \$48,991,784 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 \$86,502,280

\$32.5 million in new revenue
 \$54.0 million in carryover from prior years

Estimated Use of Fund Balance/Reserves \$3,107,377

Budget By Program Area

1.0 Water Resources Planning and Monitoring	\$ 7,233,145	8.1%
2.0 Land Acquisition, Restoration and Public Works	\$69,227,458	77.3%
3.0 Operation and Maintenance of Lands and Works	\$ 7,048,616	7.9%
4.0 Regulation	\$ 3,880,386	4.3%
5.0 Outreach	\$ 136,457	0.2%
6.0 District Management and Administration	\$ 2,083,595	2.3%
	<u>\$89,609,657</u>	

Figures above and in the following charts reflect proposed edits to the Tentative Budget submitted August 1. Edits are identified in the following chart.

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
PUBLIC HEARING ON CONSIDERATION OF FY 2020-2021 TENTATIVE BUDGET
SEPTEMBER 10, 2020, 5:05 P.M. CDT, TELECONFERENCE CALL
9/10/2020 PROPOSED CHANGES
SUMMARY**

Budget Item	Revenue Type	Expense Type	FY 2020-21 Tentative		
			8/1/2020 Original Submittal	9/10/2020 1st Public Hearing	9/10/2020 Over/(Under) 8/1/2020
FY 2019-20 FEMA Advance Funding - Carried Forward Available Funds into FY 2020-21	Shared: Fed/State/ District Match using Fund Balance	Contracted Services Operating Expense Operating Capital Outlay	0 0 0	740,990 172,852 100,000	740,990 172,852 100,000
Dept. of Financial Services Rule 69I-73.002 Threshold for Recording Property - Increased from \$1,000 to \$5,000	Ad Valorem, Federal, State, Local, Misc, and Fund Balance	Operating Expense (OE) Operating Capital Outlay (OCO)	0 208,056	208,056 0	208,056 (208,056)
Water Supply Development Assistance Grants - Available Ad Valorem due to OCO to OE Changes	Ad Valorem	Grants	0	10,941	10,941
Efficient Transportation Decision Making Agreement with FI DOT - Technical Correction	Federal State	Personnel Personnel	14,644 0	0 14,644	(14,644) 14,644
				Increase:	1,024,783
		FY 2020-21 Economic Stabilization Fund Changes due to Above:		Increase:	\$169,312

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
PUBLIC HEARING ON CONSIDERATION OF FY 2020-2021 TENTATIVE BUDGET
SEPTEMBER 10, 2020, 5:05 P.M. CDT, TELECONFERENCE CALL
REVENUE CATEGORIES**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21	Tentative O/(U)		Tentative O/(U)	
	Actuals	Amended Budget	Preliminary	Tentative	Amended Budget		Preliminary	
Ad Valorem Tax	3,455,534	3,529,580	3,529,580	3,587,899	58,319	1.7%	58,319	1.7%
Federal Revenue	1,502,088	3,834,012	2,541,250	3,255,873	(578,139)	-15.1%	714,623	28.1%
State Revenue	16,119,465	63,395,171	61,112,623	74,176,132	10,780,961	17.0%	13,063,509	21.4%
Local Revenue	109,086	160,961	152,971	151,580	(9,381)	-5.8%	(1,391)	-0.9%
Permit Fees	506,480	355,642	437,500	437,500	81,858	23.0%	0	0.0%
Timber Sales	199,238	0	0	0	0	0.0%	0	0.0%
Miscellaneous	1,558,853	5,681,697	4,885,326	4,893,296	(788,401)	-13.9%	7,970	0.2%
w/o Fund Balance	23,450,744	76,957,063	72,659,250	86,502,280	9,545,217	12.4%	13,843,030	19.1%
Fund Balance	(919,331)	5,792,078	4,612,543	3,107,377	(2,684,701)	-46.4%	(1,505,166)	-32.6%
w/Fund Balance	22,531,413	82,749,141	77,271,793	89,609,657	6,860,516	8.3%	12,337,864	16.0%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
PUBLIC HEARING ON CONSIDERATION OF FY 2020-2021 TENTATIVE BUDGET
SEPTEMBER 10, 2020, 5:05 P.M. CDT, TELECONFERENCE CALL
EXPENDITURE CATEGORIES**

	FY 2018-19 Actuals	FY 2019-20 Amended Budget	FY 2020-21 Preliminary	FY 2020-21 Tentative	Tentative O/(U) Amended Budget		Tentative O/(U) Preliminary	
Salaries & Benefits	8,101,686	8,703,025	8,786,123	8,818,687	115,662	1.3%	32,564	0.4%
Other Personal Services	248,978	366,778	345,567	356,240	(10,538)	-2.9%	10,673	3.1%
Contracted Services	3,430,746	14,148,883	8,139,411	13,994,294	(154,589)	-1.1%	5,854,883	71.9%
Operating Expense	2,173,884	3,093,457	2,645,986	3,025,308	(68,149)	-2.2%	379,322	14.3%
Operating Capital Outlay	572,608	778,939	618,552	584,498	(194,441)	-25.0%	(34,054)	-5.5%
Operating Categories	14,527,902	27,091,082	20,535,639	26,779,027	(312,055)	-1.2%	6,243,388	30.4%
Fixed Capital Outlay	1,192,916	15,176,578	13,698,845	13,838,846	(1,337,732)	-8.8%	140,001	1.0%
Grants	6,810,595	40,481,481	43,037,309	48,991,784	8,510,303	21.0%	5,954,475	13.8%
Non-Operating Categories	8,003,511	55,658,059	56,736,154	62,830,630	7,172,571	12.9%	6,094,476	10.7%
GRAND TOTAL	22,531,413	82,749,141	77,271,793	89,609,657	6,860,516	8.3%	12,337,864	16.0%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
PUBLIC HEARING ON CONSIDERATION OF FY 2020-2021 TENTATIVE BUDGET
SEPTEMBER 10, 2020, 5:05 P.M. CDT, TELECONFERENCE CALL
PROGRAM LEVEL**

Program	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21	Tentative O/(U)		Tentative O/(U)		
	Actuals	Amended Budget	Preliminary	Tentative	Amended Budget	Preliminary Budget ¹			
1 Water Resource Plan/Monitoring	4,221,297	7,121,491	6,668,346	7,233,145	111,654	1.6%	564,799	8.5%	8.1%
2 Land Acq/Restoration/Public Works	9,622,355	61,455,780	60,545,810	69,227,458	7,771,678	12.6%	8,681,648	14.3%	77.3%
3 Operations & Maint of Lands & Works	3,523,610	8,085,098	3,974,090	7,048,616	(1,036,482)	-12.8%	3,074,526	77.4%	7.9%
4 Regulation	3,145,179	3,883,337	3,892,880	3,880,386	(2,951)	-0.1%	(12,494)	-0.3%	4.3%
5 Outreach	127,574	128,219	136,040	136,457	8,238	6.4%	417	0.3%	0.2%
6 District Management & Admin	1,891,398	2,075,216	2,054,627	2,083,595	8,379	0.4%	28,968	1.4%	2.3%
GRAND TOTAL	22,531,413	82,749,141	77,271,793	89,609,657	6,860,516	8.3%	12,337,864	16.0%	

Combined Outreach and Management & Administration as a Percent of Total Budget² 2,220,052 2.5%

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

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
PUBLIC HEARING ON CONSIDERATION OF FY 2020-2021 TENTATIVE BUDGET
SEPTEMBER 10, 2020, 5:05 P.M. CDT, TELECONFERENCE CALL
PROGRAM AND ACTIVITY LEVEL**

	FY 2018-19 Actuals	FY 2019-20 Amended Budget	FY 2020-21 Preliminary	FY 2020-21 Tentative	Tentative O/(U) Amended Budget		Tentative O/(U) Preliminary	
1.0 Water Resources Planning and Monitoring								
1.1 - District Water Management Planning								
1.1.1 Water Supply Planning	162,439	126,428	154,629	126,956	528	0.4%	(27,673)	-17.9%
1.1.2 Minimum Flows & Levels	982,681	2,098,860	1,345,107	1,945,763	(153,097)	-7.3%	600,656	44.7%
1.1.3 Other Water Resources Planning	561,921	554,349	562,451	555,605	1,256	0.2%	(6,846)	-1.2%
1.2 - Rsch, Data Collec. /Analysis / Monitor.	762,700	1,043,554	1,439,604	1,330,353	286,799	27.5%	(109,251)	-7.6%
1.3 - Technical Assistance	1,277,876	2,688,305	2,610,502	2,576,487	(111,818)	-4.2%	(34,015)	-1.3%
1.5 - Technology & Information Services	473,680	609,995	556,053	697,981	87,986	14.4%	141,928	25.5%
Total	4,221,297	7,121,491	6,668,346	7,233,145	111,654	1.6%	564,799	8.5%
2.0 Acquisition, Restoration and Public Works								
2.1 - Land Acquisition	1,066,102	12,431,694	12,325,594	12,142,197	(289,497)	-2.3%	(183,397)	-1.5%
2.2 - Water Source Development								
2.2.1 Water Resource Development Projects	177,241	1,313,788	1,364,982	1,245,722	(68,066)	-5.2%	(119,260)	-8.7%
2.2.2 Water Supply Development Assistance	1,008,582	3,200,689	2,987,882	6,421,691	3,221,002	100.6%	3,433,809	114.9%
2.3 - Surface Water Projects	6,621,028	40,611,171	41,497,666	46,867,595	6,256,424	15.4%	5,369,929	12.9%
2.5 - Facilities Constr. and Major Renov.	151,833	75,000	75,000	0	(75,000)	-100.0%	(75,000)	-100.0%
2.6 - Other Acquisition and Restor. Activities	532,179	3,748,428	2,212,486	2,468,178	(1,280,250)	-34.2%	255,692	11.6%
2.7 - Technology & Information Service	65,389	75,010	82,200	82,075	7,065	9.4%	(125)	-0.2%
Total	9,622,355	61,455,780	60,545,810	69,227,458	7,771,678	12.6%	8,681,648	14.3%

**PROGRAM AND ACTIVITY LEVEL
(Continued)**

	FY 2018-19 Actuals	FY 2019-20 Amended Budget	FY 2020-21 Preliminary	FY 2020-21 Tentative	Tentative O/(U) Amended Budget		Tentative O/(U) Preliminary	
3.0 Operation and Maintenance of Lands and Works								
3.1 - Land Management	2,731,517	7,162,742	3,019,341	6,148,599	(1,014,143)	-14.2%	3,129,258	103.6%
3.2 - Works	3,473	9,320	5,391	6,847	(2,473)	-26.5%	1,456	27.0%
3.3 - Facilities	322,297	394,056	355,395	359,917	(34,139)	-8.7%	4,522	1.3%
3.6 - Fleet Services	57,130	64,159	98,907	29,444	(34,715)	-54.1%	(69,463)	-70.2%
3.7 - Technology & Information Services	409,192	454,821	495,056	503,809	48,988	10.8%	8,753	1.8%
Total	3,523,610	8,085,098	3,974,090	7,048,616	(1,036,482)	-12.8%	3,074,526	77.4%
4.0 Regulation								
4.1 - Consumptive Use Permitting	463,439	433,853	559,525	485,651	51,798	11.9%	(73,874)	-13.2%
4.2 - Water Well Constr. Permitting and Contractor Licensing	818,601	921,287	867,140	920,422	(865)	-0.1%	53,282	6.1%
4.3 - Env. Resource and Surface Water Permitting	1,121,684	1,572,068	1,474,353	1,452,319	(119,749)	-7.6%	(22,034)	-1.5%
4.4 - Other Reg. and Enforcement Activities	217,766	268,152	261,379	260,496	(7,656)	-2.9%	(883)	-0.3%
4.5 - Technology & Information Services	523,689	687,977	730,483	761,498	73,521	10.7%	31,015	4.2%
Total	3,145,179	3,883,337	3,892,880	3,880,386	(2,951)	-0.1%	(12,494)	-0.3%

**PROGRAM AND ACTIVITY LEVEL
(Continued)**

	FY 2018-19 Actuals	FY 2019-20 Amended Budget	FY 2020-21 Preliminary	FY 2020-21 Tentative	Tentative O/(U) Amended Budget		Tentative O/(U) Preliminary	
5.0 Outreach								
5.1 - Water Resource Education	0	0	0	0	0		0	
5.2 - Public Information	122,199	122,419	125,840	126,257	3,838	3.1%	417	0.3%
5.4 - Lobbying / Legis. & Cabinet Affairs	5,375	5,800	10,200	10,200	4,400	75.9%	0	0.0%
Total	127,574	128,219	136,040	136,457	8,238	6.4%	417	0.3%
6.0 District Management and Administration								
6.1 - Administrative and Operations Support								
6.1.1 - Executive Direction	628,663	685,959	675,827	687,220	1,261	0.2%	11,393	1.7%
6.1.4 - Administrative Support	833,985	884,607	906,980	895,818	11,211	1.3%	(11,162)	-1.2%
6.1.7 - Human Resources	113,004	124,399	123,465	135,256	10,857	8.7%	11,791	9.6%
6.1.9 - Technology & Information Services	259,097	323,501	290,605	307,551	(15,950)	-4.9%	16,946	5.8%
6.4 - Other (Tax Collector/Property Appraiser Fees)	56,649	56,750	57,750	57,750	1,000	1.8%	0	0.0%
Total	1,891,398	2,075,216	2,054,627	2,083,595	8,379	0.4%	28,968	1.4%
Total District Expenditure Budget	22,531,413	82,749,141	77,271,793	89,609,657	6,860,516	8.3%	12,337,864	16.0%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
PUBLIC HEARING ON CONSIDERATION OF FY 2020-2021 TENTATIVE BUDGET
SEPTEMBER 10, 2020, 5:05 P.M. CDT, TELECONFERENCE CALL
COMPARISON BY FUND**

DESCRIPTION	General Fund	Capital Improv & Lands Acq	Special Projects	Lands Management	Regulation	Mitigation	TOTAL
Cash Balances Brought Forward	14,357,942	307,364	3,434,563	3,251,408	2,922,404	2,426,204	26,699,885
<u>ESTIMATED REVENUES:</u>							
Ad Valorem Taxes (rolled back rate) .0311 mills	1,048,784		560,560		1,978,555		3,587,899
DEP - WML Trust Fund			1,118,440				1,118,440
DEP - Land Acquisition Trust Fund		12,867,848	39,049,008	1,586,943			53,503,799
Water Protection & Sustain. Pgm. Trust Fund			280,000				280,000
Florida Forever Trust Fund		264,135					264,135
Permitting and Licensing					437,500		437,500
Federal Grants			2,495,491	760,382			3,255,873
State Funds	349,531	84,008	11,523,604	4,029,377	1,930,080	1,093,158	19,009,758
Local Government Units			151,302	278			151,580
Miscellaneous Revenues		813,798	3,662,488	72,010	45,000	300,000	4,893,296
Interfund Transfers	<u>1,738,544</u>	<u>175,000</u>	<u>1,061,425</u>				<u>2,974,969</u>
Total Estimated Revenues, Transfers and Balances	<u>17,494,801</u>	<u>14,512,153</u>	<u>63,336,881</u>	<u>9,700,398</u>	<u>7,313,539</u>	<u>3,819,362</u>	<u>116,177,134</u>
<u>ESTIMATED EXPENDITURES:</u>							
Salaries & Benefits	1,948,890	57,682	2,407,155	1,321,483	2,787,173	296,304	8,818,687
Other Personal Services	236		43,216	37,583	273,210	1,995	356,240
Contractual Services	183,308	310,991	8,273,572	4,105,393	144,595	976,435	13,994,294
Operating Expenses	536,933	1,300	623,810	1,171,865	640,108	51,292	3,025,308
Capital Outlay	22,942	13,822,346	105,970	434,140	35,300	2,646	14,423,344
Grants and Aids	639,741		48,352,043				48,991,784
Reserves	12,924,867	307,364	3,001,386	2,161,129	2,771,558	2,426,204	23,592,508
Interfund Transfers	<u>1,237,884</u>	<u>12,470</u>	<u>529,729</u>	<u>468,805</u>	<u>661,595</u>	<u>64,486</u>	<u>2,974,969</u>
Total Operating Expenditures, Transfers and Reserves	<u>17,494,801</u>	<u>14,512,153</u>	<u>63,336,881</u>	<u>9,700,398</u>	<u>7,313,539</u>	<u>3,819,362</u>	<u>116,177,134</u>