FY2027 Subsidy Update and Budget Update

EMS • Fire • Solid Waste

Why the General Fund is being asked to support non-ad valorem assessment funds — and what options the Board has to reduce that support.

Current state of Budget

Driving factors and overview of current state.

Budget Workshop #5

Summary of Subsidies

FY27 requested General Fund support to EMS, Fire, and Solid Waste totals $13.74 million.

$2.57M

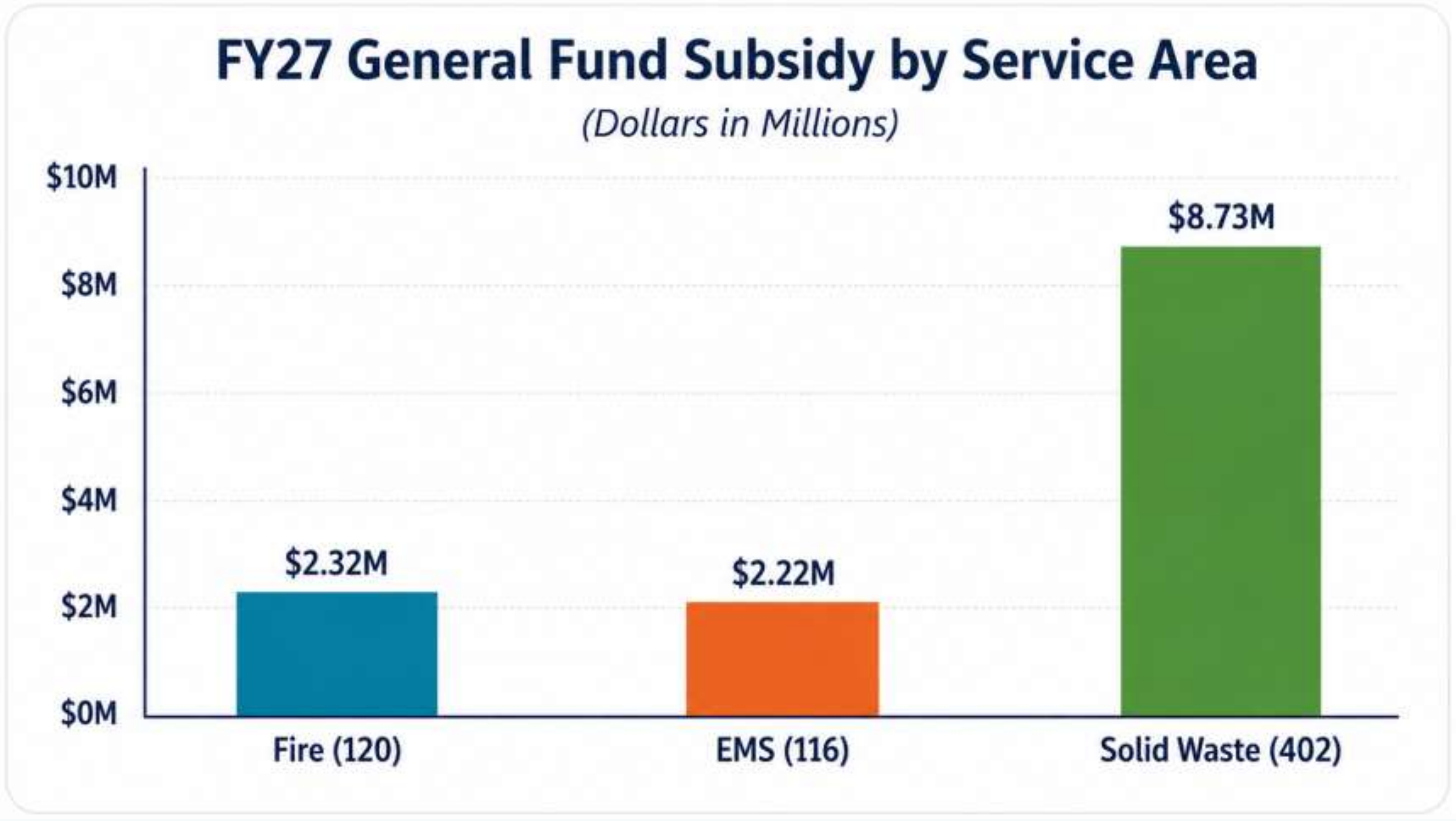
General Fund subsidy to EMS

$2.45M

General Fund subsidy to Fire

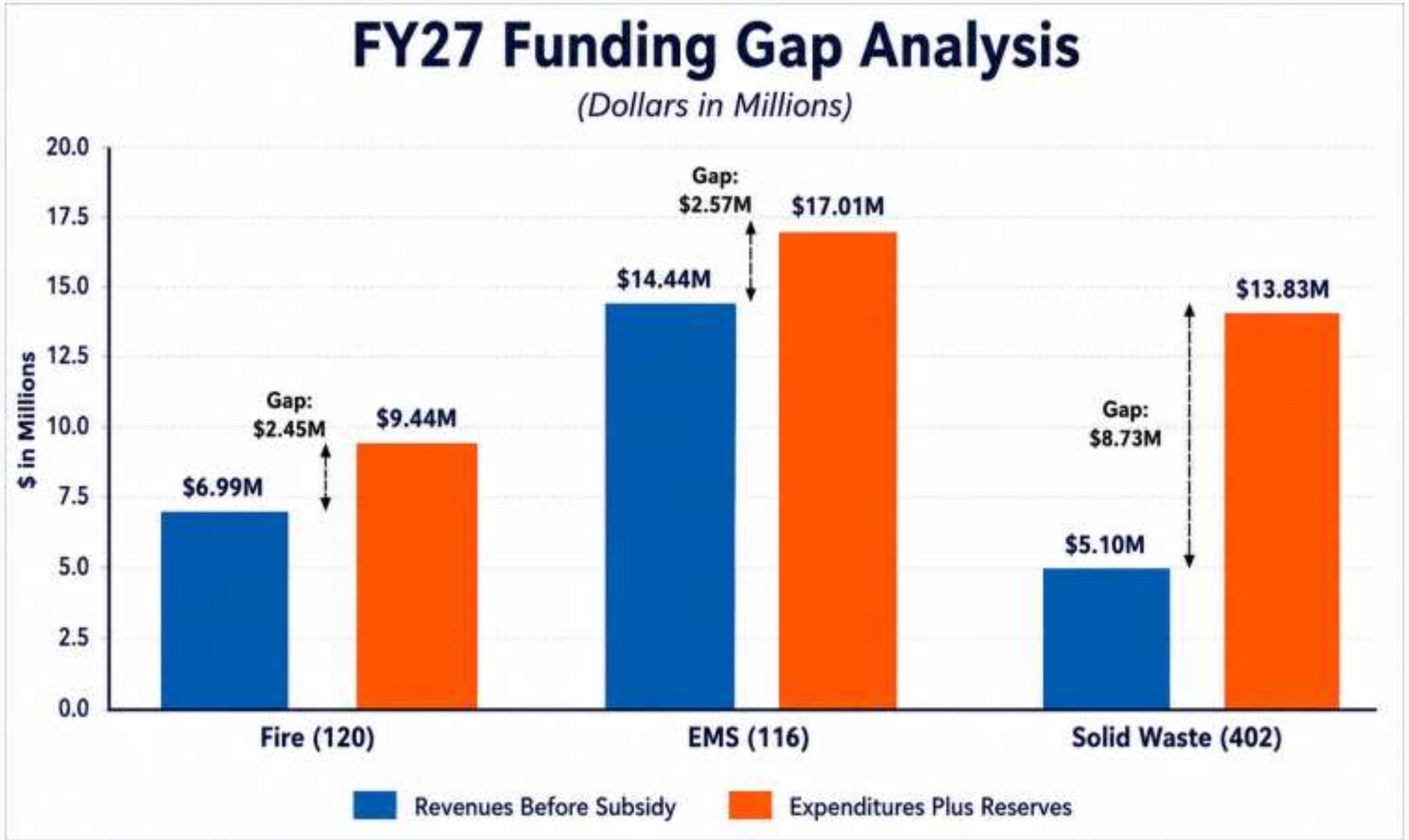
$8.73M

General Fund subsidy to Solid Waste



Why These Funds Need Subsidy

The assessments help, but they do not fully cover FY27 service costs, capital, and reserve requirements.



The subsidy is not just covering day-to-day operations; it is also helping preserve minimum reserves and fund capital needs.

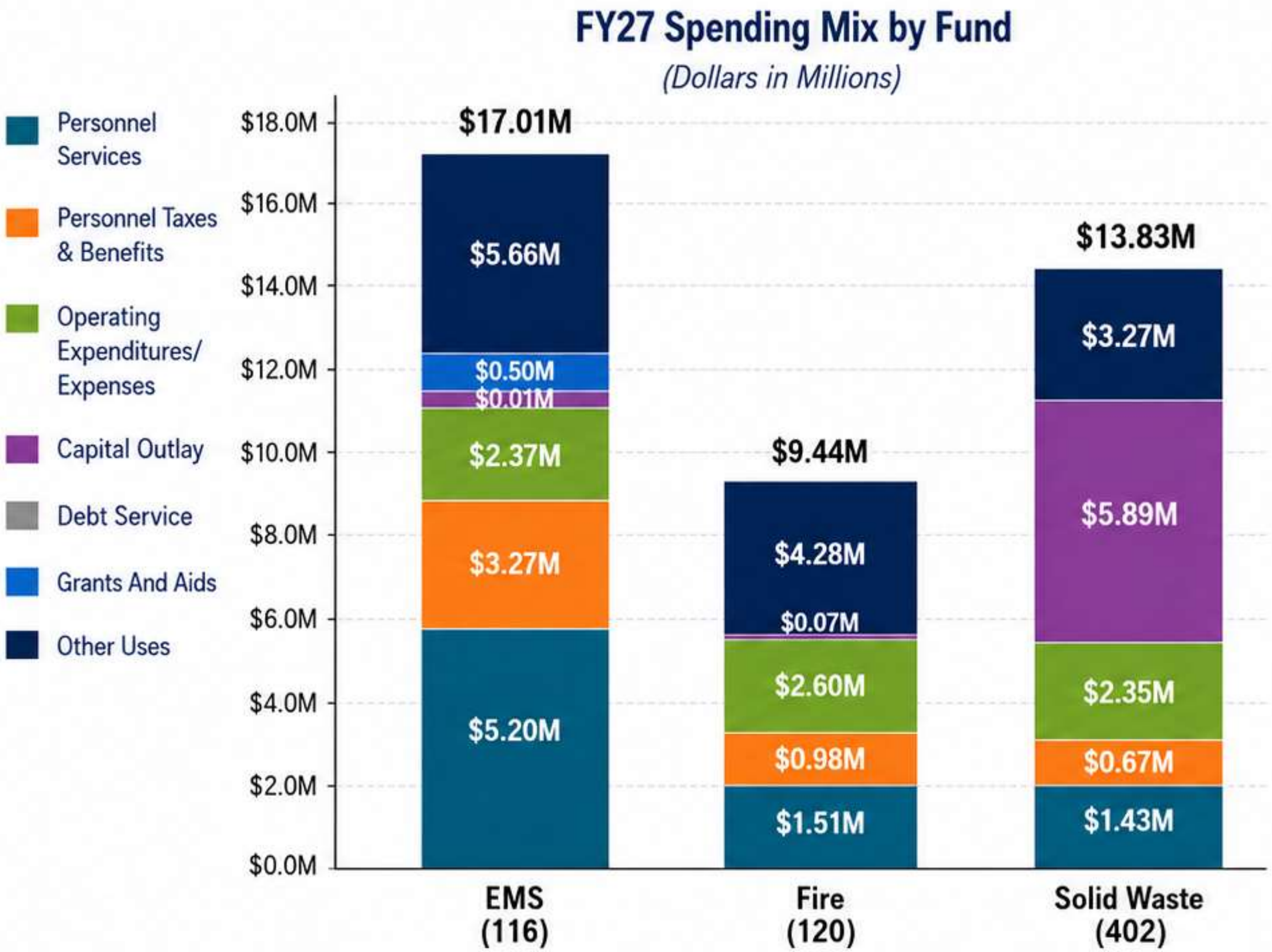
EMS and Fire are driven by personnel expansion, operating costs, and transfers to the Capital Fund.

Solid Waste is different: the FY27 request is driven primarily by the Class III trench, heavy equipment replacement, and minimum reserve levels.

Without General Fund support, these funds cannot meet the requested FY27 budget while maintaining reserves.

What Is Driving the “Overage”?

Capital and reserves are the major policy drivers beyond routine operating costs.



Driver	EMS (116)	Fire (120)	Solid Waste (402)
Personnel Services	$5,196,600	$1,514,500	$1,427,800
Personnel Taxes & Benefits	$3,270,620	$975,280	$674,300
Operating Expenditures/ Expenses	$2,370,410	$2,599,610	$2,351,320
Capital Outlay	$5,500	$66,000	$5,886,100
Debt Service	-	-	-
Grants And Aids	$500,000	-	-
Other Uses	$5,662,100	$4,284,600	$3,267,190
Grand Total	**$17,005,230**	**$9,439,990**	**$13,830,909**

Reserve policy: 8% contingency + 12% cash carry-forward.
This is prudent, but it increases the amount needed to balance the fund when dedicated revenues do not keep pace.

EMS Fund: Why General Fund Support Is Needed

EMS has a FY27 operating/capital budget that exceeds assessment and service revenue.

$4.87M
Beginning Fund Balance

$9.57M
Revenue before GF subsidy

$14.7M
FY27 Expenditures

$2.29M
Reserve target

$2.57M
GF subsidy needed

EMS FY27 Category	Amount
Salaries	$5.20M
Benefits	$3.27M
Operating	$2.37M
Transfer to Capital Fund	$3.37M
Grants & Aids	$0.50M

Assessment revenue is projected at $4.35M in the forecast, while ambulance and other fees add roughly $5.15M.

The $3.373M transfer to the Capital Fund is a major FY27 pressure point.

The fund still needs to preserve $2.29M in reserves after all FY27 costs.

EMS: Main Cost Drivers

FY27 reflects service-level expansion, capital planning, personal services, and reserve rebuilding.

EMS FY27 Budget – Major Funding Requirements

(Dollars in Thousands)

CAPITAL PROJECTS	FY27 BUDGET
6507 Power Pro 2 Stretcher	$85,000.00
Fleet Barn	$125,000.00
Generator R10	$50,000.00
Generator ST 11 (split funded)	$25,000.00
Heart monitors	$272,000.00
LUCAS 3 Chest Compression System	$81,000.00
Maintenance Truck (split funded)	$35,000.00
New Ambulances	$800,000.00
New DPS Facility	$350,000.00
Remount ambulance	$300,000.00
Station (split funded)	$1,250,000.00
TOTAL CAPITAL PROJECTS	**$3,373,000.00**
MINIMUM RESERVES (County Policy)	**FY27 BUDGET**
Uses - Reserve For Contingencies (8%)	$915,600.00
Uses - Reserve For Ending Cash To Be Carried Forward (12%)	$1,373,500.00
TOTAL MINIMUM RESERVES	**$2,289,100.00**
OPERATING COST INCREASES	**FY27 BUDGET**
3% COLA	$154,972.00
Health Insurance Increase (approximate)	$76,032.00
TOTAL OPERATING COST INCREASES	**$231,004.00**
GRAND TOTAL OF MAJOR FY27 FUNDING REQUIREMENTS	**$5,893,104.00**

Takeaway: EMS is closer to being balanced than in FY26, but the current assessment rate is not enough to cover FY27 costs and reserve policy without General Fund support.

EMS Options to Reduce the General Fund Subsidy

The EMS maximum rate is sufficient to eliminate the FY27 GF subsidy, based on current/max resolution estimates.

EMS Rate Option	Est. Assessment Revenue	Est. GF Subsidy Remaining
$200 current	$5,145,817	$2,566,680
$250 scenario	$6,432,114	$1,280,383
~$300 break-even	$7,718,412	$0
$339 maximum	$8,721,724	$0

Options:

- Shift or Eliminate Capital Projects
- Address Shortfall in EMS Rates
- Reduce Reserves Below Budget Policy

Changes to Personal Services are insufficient to address the entire shortfall.

The maximum rate of $339 would generate roughly $3.58M more than the current rate.

Fire Fund: Why General Fund Support Is Needed

Fire assessment revenue increased, but FY27 capital transfers and personnel growth require General Fund support.

$2.00M
FY27 Beginning Fund Balance

$4.99M
Revenue before GF subsidy

$8.14M
FY27 Expenditures

$2.45M
GF subsidy needed

$1.30M
Reserve target

Fire FY27 Category	Amount
Salaries	$1.51M
Benefits	$0.98M
Operating	$2.60M
Transfer to Capital Fund	$2.98M
Capital Outlay	$0.07M

The Fire Fund has $4.87M in special assessment revenue, but total expenditures are $8.14M.

A $2.985M transfer to the Capital Fund is the largest non-operating pressure.

The fund needs $1.30M in reserves to comply with minimum reserve policy.

Fire: Main Cost Drivers

The FY27 Fire budget combines staffing, municipal coverage, and capital funding needs.

Fire FY27 Budget – Major Funding Requirements

(Dollars in Thousands)

CAPITAL PROJECTS	FY27 BUDGET
Fire Engine	$800,000.00
Fleet Barn	$125,000.00
Generator ST 11 (split funded)	$25,000.00
Maintenance Truck (split funded)	$35,000.00
New DPS Facility	$350,000.00
Station (split funded)	$1,250,000.00
Tanker	$400,000.00
TOTAL CAPITAL PROJECTS	**$2,985,000.00**
MINIMUM RESERVES (County Policy)	**FY27 BUDGET**
Uses - Reserve For Contingencies (8%)	$519,800.00
Uses - Reserve For Ending Cash To Be Carried Forward (12%)	$779,800.00
TOTAL MINIMUM RESERVES	**$1,299,600.00**
OPERATING COST INCREASES	**FY27 BUDGET**
3% COLA	$44,718.00
Health Insurance Increase (approximate)	$8,448.00
TOTAL OPERATING COST INCREASES	**$53,166.00**
GRAND TOTAL OF MAJOR FY27 FUNDING REQUIREMENTS	**$4,337,766.00**

Takeaway: the Fire subsidy is driven less by day-to-day operations and more by capital funding and the need to maintain a minimum financial cushion.

Fire Options to Reduce the General Fund Subsidy

The Fire maximum rate nearly matches the FY27 subsidy need.

Fire Rate Option	Est. Assessment Revenue	Est. GF Subsidy Remaining
$250 current	$5,123,564	$2,445,600
$300 scenario	$6,152,672	$1,416,492
$350 scenario	$7,181,779	$387,385
$374 maximum	$7,675,751	$0

Options:

- Shift or Eliminate Capital Projects
- Address Shortfall in Fire Rates

Subsidy exceeds the minimum reserve levels for the fund.

Changes to Personal Services are insufficient to address the entire shortfall.

Raise the Fire rate to approximately $369 to eliminate the $2.45M FY27 subsidy.

The maximum rate of $374 could generate roughly $2.55M more than the current rate.

If rates remain unchanged, the major budget lever is the $2.985M transfer to the Capital Fund.

Solid Waste Fund: Why General Fund Support Is Needed

Solid Waste is the largest subsidy because one-time capital needs far exceed assessment revenue.

$900K
FY27 Beginning Fund Balance

$4.20M
Revenue before GF subsidy

$11.0M
FY27 Expenditures

$8.73M
GF subsidy needed

$2.64M
Reserve target

Fire FY27 Category	Amount
Salaries	$1.43M
Benefits	$0.67M
Operating	$2.35M
Non-Operating (Compensated Absences + Depreciation)	$0.63M
Capital Outlay	$5.89M

The $5.0M Class III trench is the largest single capital item in the focused funds.

FY27 also includes heavy equipment replacement: knuckle booms, trailers, semi, truck, and small equipment.

Maximum solid waste assessment rate adds only about $673K — helpful, but not enough to close a $9.17M subsidy.

Solid Waste: Main Cost Drivers

The subsidy is mainly capital-driven, not primarily recurring operating costs.

SOLID WASTE FY27 BUDGET – MAJOR FUNDING REQUIREMENTS

Investing in Infrastructure, Equipment, Reserves & Operational Sustainability

CAPITAL PROJECTS	FY27 BUDGET
4 x 4, 1/2 ton truck	$55,000
48' live bottom trailers	$216,000
Class III Trench	$5,000,000
Knuckle Boom	$440,000
Semi	$170,000
Small Items	$5,100
TOTAL CAPITAL PROJECTS	$5,886,100

MINIMUM RESERVES	FY27 BUDGET
Uses - Reserve For Contingencies	$808,100
USES - RESERVE FOR ENDING CASH TO BE CARRIED FORWARD	$1,212,200
RESERVE RESTRICTED FOR LANDFILL CLOSURE	$620,790
TOTAL MINIMUM RESERVES	$2,641,090

PERSONAL SERVICES	FY27 BUDGET
3% COLA	$38,778
Health Insurance Increase (approximate)	$21,120
TOTAL PERSONAL SERVICES	$59,898

NON-OPERATING	FY27 BUDGET
Loss of Assets (Depreciation)	$621,100
TOTAL NON-OPERATING	$621,100

TOTAL MAJOR FUNDING REQUIREMENTS – FY27 **$9,208,188**

These investments are essential to maintain service levels, protect the environment, and plan for the future.

Figures represent estimated FY27 budget impacts and are subject to change.

Takeaway: rate increases can help Solid Waste, but the General Fund subsidy is mostly a capital financing decision. Without changing the capital plan, the subsidy remains large.

Solid Waste Options to Reduce the General Fund Subsidy

Unlike EMS and Fire, the maximum SW assessment rate cannot come close to eliminating the subsidy.

SW Rate Option	Est. Assessment Revenue	Change
$116 Current	$2,471,612	$0
$120	$2,530,174	$58,562
$130	$2,676,579	$146,405
$140	$2,822,983	$146,404
$150	$2,969,388	$146,405
$160	$3,115,793	$146,405
$162 Maximum	$3,145,074	$29,281

Increase the assessment reduces the subsidy, but is not capable of offsetting the cost of the new Class III Cell.

Defer or debt-finance the Class III Cell: potential $5.0M subsidy reduction in FY27.

Reduce services (Close certain days of the week)

Grant funding is possible, but not guaranteed.

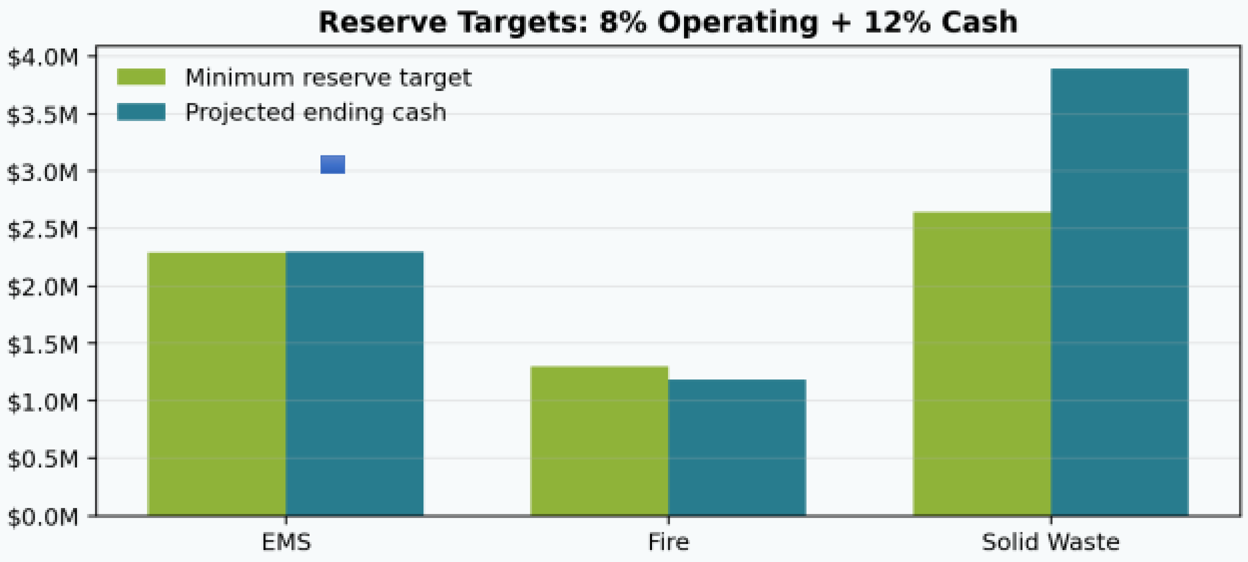
Lease or phase heavy equipment: potential $1.25M+ reduction.

Review tipping and recycling fees through a cost-of-service lens.

Key point: increasing the Solid Waste assessment helps, but the real decision is capital financing.

Reserve Requirement Matters

Reserve targets make the subsidy larger, but they also prevent funds from operating paycheck-to-paycheck.



Fund	8% Contingency	12% Cash	Total Reserve Target
EMS	$0.92M	$1.37M	$2.29M
Fire	$0.52M	$0.78M	$1.30M
Solid Waste	$0.81M	$1.21M	$2.64M

The reserve policy is a financial stability tool, not a spending program.

Cutting reserves lowers the transfer request in the short term but increases risk in emergencies, cash-flow cycles, and capital failures.

If the Board changes reserve targets, the decision should be explicit and temporary.

FY27 Reserve Levels

Strategic Use of Fund Balance to Maintain Essential Services

FY26 General Fund Reserves

$25.47M

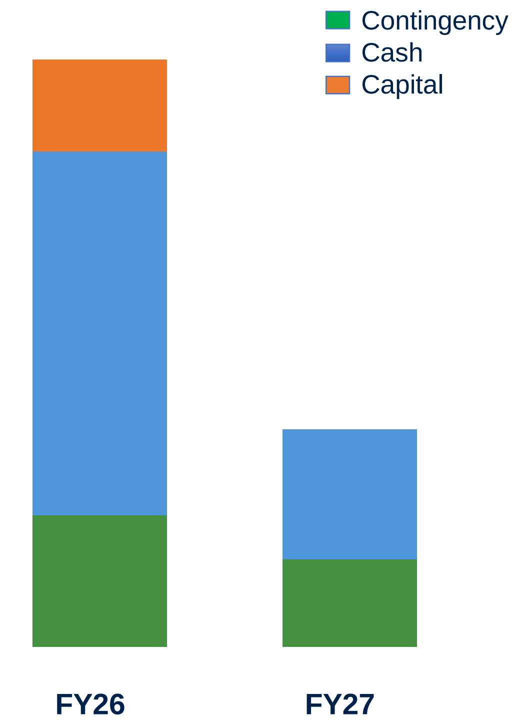
FY27 General Fund Reserves

$9.45M

Net Change

-$16.02M

General Fund Reserve Composition



Primary Drivers

- EMS Subsidy
  $2.57M
- Fire Subsidy
  $2.45M
- Solid Waste Subsidy
  $8.73M
- One-time Capital Investments
- Maintain minimum reserve policy

Key Message

General Fund reserves decline in FY27 primarily because the County is using fund balance to support essential public safety services and enterprise operations while funding strategic capital investments.

This approach is intended as a bridge strategy while long-term funding solutions are developed.

Why It Matters: FY27 strategically uses reserves to preserve service levels. Continued General Fund subsidies for EMS, Fire, and Solid Waste will require long-term funding solutions.

Decision Framework for the Board

Each option has a clear tradeoff: taxpayer rate impact, service impact, capital risk, or General Fund risk.

Question	What It Means for the Budget
Should EMS and Fire move closer to cost recovery?	Reduces recurring GF subsidy, but increases non-ad valorem assessments.
Should Solid Waste capital be paid all at once?	Large FY27 subsidy; avoids pushing capital costs into later years.
Should capital be phased, leased, or financed?	Reduces FY27 subsidy, but may add financing costs and future obligations, pushes capital costs into later years.
Should reserve targets be reduced?	Immediate budget relief, but weaker cash flow and lower emergency cushion.
Should the General Fund absorb the full request?	Maintains fund plans, but reduces GF flexibility amid tax reform risk.

SECTION 2

FY2027 Budget Update

Current Budget • Key Changes • Capital Investment • Financial Outlook

From funding challenges to the County's overall financial picture...

FY27 Levy County Budget Snapshot

Gross budget includes interfund transfers; net budget removes duplicate revenue and expenditures.

Gross FY27 Budget	Interfund Transfers	Net FY27 Budget
$214,465,756	$22,987,540	$191,478,216

Gross-to-Net Budget Reconciliation

Budget by Major Fund Group

Largest FY27 Funds

001	General Fund	$73.4M
301	Capital Projects & Equipment Re...	$40.7M
363	Road Improvement & Restoration ...	$18.8M
116	Emergency Medical Services Fund	$17.0M
402	Landfill Operations Fund	$14.0M
120	Fire Control Fund	$9.4M
101	Road & Bridge Fund	$8.2M
115	Grants Fund	$5.6M

Net Budget: $191.5M after removing $23.0M in interfund transfers counted on both sides of the budget.

FY27 Budget Changes by Major Expenditure Category

Category	FY26	FY27	Change	Major Factors
Personnel Services	$15,847,712	$16,943,700	+1,095,988 (+6.9%)	25% Fire staffing, EMS positions, 3% COLA
Personnel Taxes & Benefits	$8,415,864	$9,097,700	+681,836 (+8.1%)	Health insurance, retirement, payroll taxes
Operating Expenditures	$30,260,037	$32,439,087	+2,179,050 (+7.2%)	Inflation, fuel, utilities, contractual services
Capital Outlay	$49,900,702	$55,788,795	+5,888,093 (+11.8%)	Fleet, landfill trench, ambulances, stations & CIP
Debt Service	$463,950	$0	-463,950 (-100.0%)	No FY27 debt service budgeted
Grants & Aids	$3,039,190	$2,645,172	-394,018 (-13.0%)	Lower grant appropriations
Other Uses	$99,388,939	$97,551,302	-1,837,637 (-1.8%)	Reserves, Constitutional Funding, and interfund transfers

Overall FY27 budget increases by $7.15 million (3.45%). Capital Outlay drives most of the increase through major infrastructure and equipment investments, while Personnel and Operating costs rise from staffing growth, COLAs, health insurance, and inflation. Other Uses declines primarily due to reserve and interfund transfer adjustments.

FY27 Budget – Other Uses

Major components driving the 'Other Uses' budget category

Constitutional Officers

Department	FY26	FY27	Variance
Sheriff's Office	$23.64M	**$28.13M**	+ $4.49M
Clerk	$1.40M	**$1.39M**	- $3K
Property Appraiser	$1.45M	**$1.45M**	+ $3K
Supervisor of Elections	$0.99M	**$1.11M**	+ $120K

FY26 Total: $27.47M

FY27 Total: $32.08M

Increase: +$4.61M

97% of the increase in Constitutional Officer funding is attributable to the Sheriff's Office.

Interfund Transfers - FY27

- General Fund Support – Solid Waste **$9.17M**
- EMS Capital Projects **$3.37M**
- Fire Capital Projects **$2.99M**
- General Fund Support – EMS **$2.57M**
- General Fund Support – Fire **$2.45M**
- Road Fund **$0.91M**
- Public Safety (911) **$0.35M**
- Utilities **$0.27M**

FY26 Total: $12.01M

FY27 Total: $22.49M

Increase: +$10.47M

What Changed?

- New $9.17M General Fund support for Solid Waste
- New $2.45M General Fund support for Fire
- EMS Capital transfer of $3.37M
- Fire Capital transfer of $2.99M
- EMS operating subsidy reduced by $2.42M
- Grants transfer reduced by $2.60M
- Road transfer reduced by $1.58M

Why It Matters: 'Other Uses' is primarily made up of Constitutional Officer funding and transfers that support County operations, capital improvements, and enterprise funds.

Why Do Interfund Transfers Inflate the Budget?

Interfund transfers are not new revenue—they simply move existing dollars from one County fund to another.

Example: General Fund transfers $1,000,000 to the Capital Fund

GENERAL FUND → $1,000,000 → CAPITAL FUND

General Fund Expense: Transfer Out

+$1,000,000

Capital Fund Revenue: Transfer In

+$1,000,000

The same $1,000,000 appears:

- Once as an expenditure in the General Fund
- Again as revenue in the Capital Fund

No new money was created.

Impact on Levy County's FY27 Budget

Gross Budget

$214,465,756

Includes every transfer in and every transfer out.

−

Interfund Transfers

$22,987,540

=

Net Budget

$191,478,216

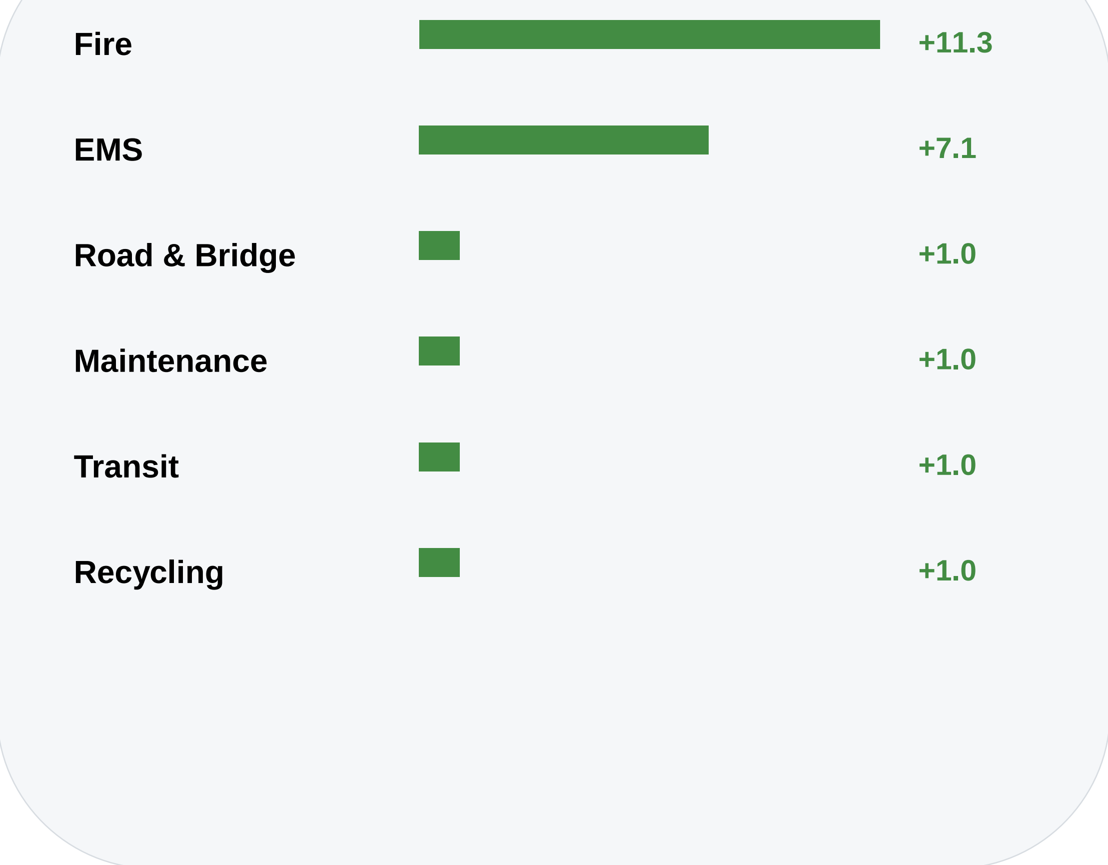
Key Takeaway: Interfund transfers do NOT increase County resources. They only move money between funds, causing the same dollars to be counted twice in the gross budget.

FY27 Staffing Changes

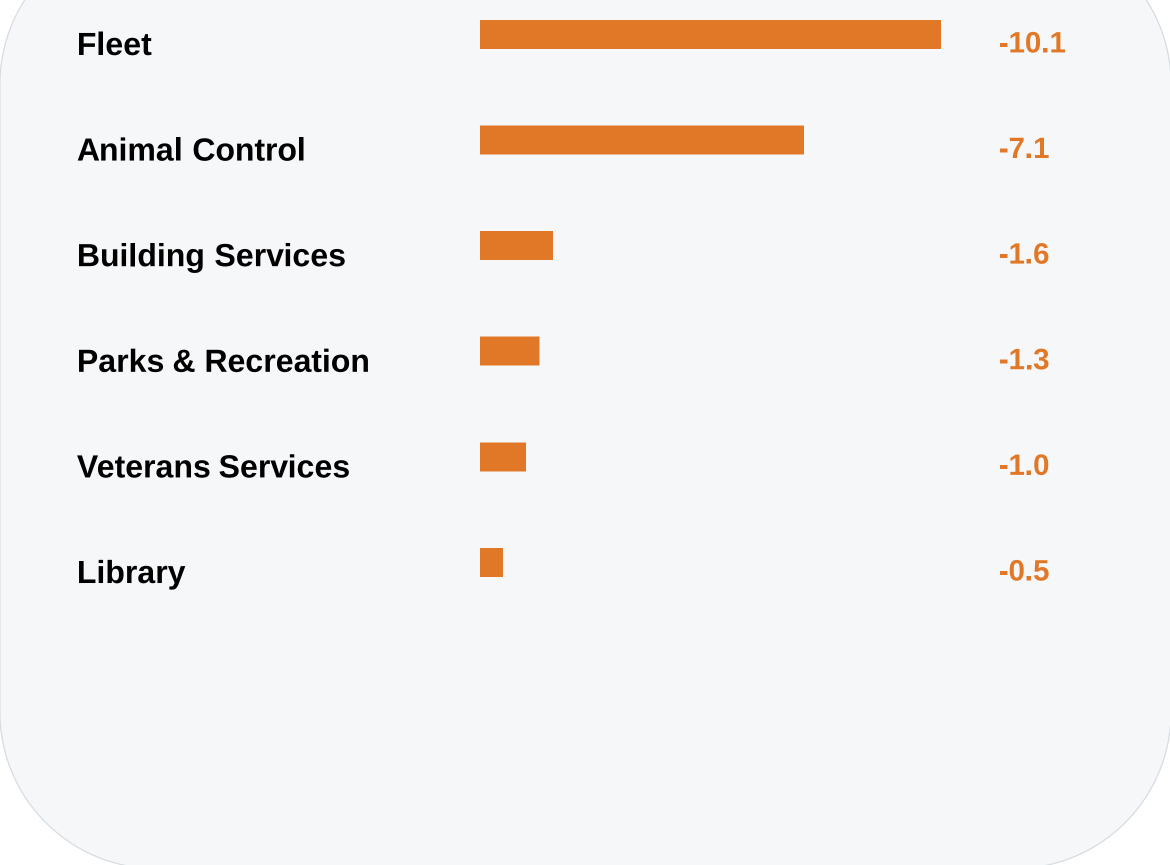
Full-Time Equivalents (FTEs) by Department

FY26 FTE	FY27 FTE	Net Change
264.34	274.73	+10.39

Largest FTE Increases



Largest FTE Reductions



Why It Matters: FY27 adds 10.39 FTEs primarily to expand Fire and EMS operations. Most reductions reflect organizational restructuring rather than service reductions.

Understanding Positions vs. FTEs

Why Position Counts Are Higher Than Full-Time Equivalents

Authorized Positions

317 → 312

Full-Time Equivalents

264.34 → 272.73

Why They're Different

- A Position is an authorized job in the budget.
- An FTE measures the amount of labor provided.
- Part-time and seasonal jobs count as Positions but contribute less than 1.0 FTE.

Examples:

1 Full-Time Employee = 1 Position = 1.0 FTE

2 Half-Time Employees = 2 Positions = 1.0 FTE

1 Seasonal Employee = 1 Position = 0.5 FTE

Key Takeaway

Levy County has 312 authorized positions but 274.73 FTEs because not every position is budgeted as a full-time employee. Part-time, seasonal, and shared positions count toward the position total while contributing less than one full-time equivalent.

FY27 Capital Investment Program

Investing in Levy County's Future

FY27 Capital Budget	Largest Project	Public Safety	Infrastructure
$55.8M	$5.0M	$6.4M	$49.4M

Major Investments

EMS
- Ambulances
- Heart Monitors
- Stretchers
- EMS Station

Fire
- Fire Engine
- Tanker
- Fire Station

Solid Waste
- Class III Trench
- Knuckle Boom
- Trailers
- Semi

Facilities & Infrastructure

Road Equipment
Fleet Replacement
Fleet Barn
Public Safety Facility
Building Improvements
Generators
Technology & Security

Projects emphasize long-term asset preservation and service expansion.

How Projects Are Funded

- Grants
- Impact Fees
- Special Assessments
- Enterprise Funds
- Capital Projects Fund
- General Fund

Projects are matched with the most appropriate funding source to minimize General Fund impact and maximize grants and dedicated revenues.

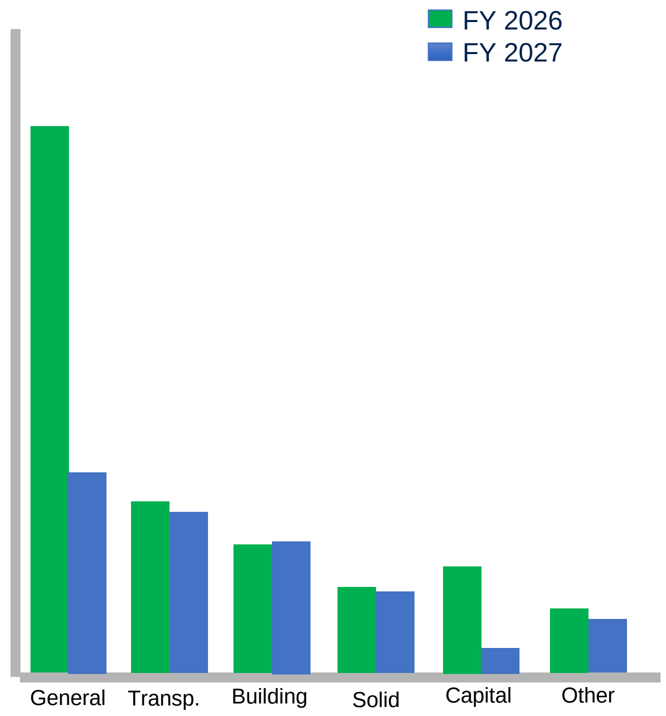
Why It Matters: FY27 includes one of the County's largest capital investment programs, strengthening public safety, infrastructure, and long-term financial sustainability.

FY27 Total Reserve Levels

Strategic Use of Fund Balance to Maintain Essential Services

FY26 Total Fund Reserves	FY27 Total Fund Reserves	Net Change
$59.7M	$42.0M	-$17.7M

General Fund Reserve Composition



Primary Drivers

- EMS Subsidy
  $2.57M
- Fire Subsidy
  $2.45M
- Solid Waste Subsidy
  $8.73M
- One-time Capital Investments
- Maintain minimum reserve policy

Key Message

- Countywide reserves decline from $59.7M to $42.0M.
- General Fund reserves experience the largest reduction.
- Restricted reserves remain available only for their intended purposes.
- Reserve policy will be critical as subsidy demands continue.

Why It Matters: FY27 strategically uses reserves to preserve service levels. Continued General Fund subsidies for EMS, Fire, and Solid Waste will require long-term funding solutions.

Board Topics of Conversation

Subsidies

1. Rate recovery
2. Capital timing
3. Reserve policy
4. General Fund risk

Budget

1. Capital Investments
2. Operating Reductions
3. Levels of Service
4. Legislative Changes

The FY27 Budget will change moving forward, the question is, how.