

# Levy County FY 21-22

---

Budget Workshop 7-20-21

# General Scheduling Notes (subject to change)

- 5/18/21 Workshop – Overview, Trends/Threats, BOCC Dep't Requests & Options
  - 6/22/21 Workshop – Revenue Updates, Constitutional Officer Requests, LARC, UF/IFAS
  - ~~7/6/21 Workshop – Municipal Fire Requests, Prior Meeting Loose Ends, Capital Planning Discussion~~
  - 7/20/21 Workshop – Municipal Fire Requests, Revenue Updates, Cleanup on Undecided Options, Capital Discussions, Etc.
  - 8/3/21 Final Workshop – Required to receive Tentative Budget and set Proposed Millage. Full balancing with Anticipated Reserves here.
  - 9/7/21 – Tentative Hearings
  - 9/21/21 – Final Hearings
  - NOTE: Crucial Assessment discussions/decisions will need to take place throughout the summer – coordinated by **County Staff & NGN**
-

# Things for today:

---

- Consider the tentative staff budget you've been given – follow up on any items that are in the “Built-In/Recommended” section of the “Changes” sheet you're not sure about.
- Give direction with regard to the Municipal Fire Budget Requests.

# Overview – Trends/Good News

---

- Certified values from the Property Appraiser added a net of \$72K after uncollectible allowance & CRA payments
- Health insurance rate increases at lower than original estimates have added back \$137K (spread across multiple funds).
- The following restricted revenues are trending upward:
  1. Gas Taxes (various types); net of \$108K – EDR projects last 2-3 mo's is sustainable
  2. Court Facilities Surcharge: net of \$25K
  3. Court Technology Service Charge: net of \$23K

# Overview – Trends/Causes for Pause

---

- MICRO/LOCAL LEVEL – NO UPDATES FROM LAST DISCUSSION
- MACRO LEVEL – THE INFLATION HYPOTHESIS GAINS STEAM
  - “*Higher Inflation Is Here to Stay for Years, Economists Forecast*” – Wall Street Journal 7/11/21
  - Predictions at this point put inflation through 2023 at rates not seen since *at least* 1993
  - “*Surprise Jump in US Wages Gives Inflation Debate a New Twist*” – Bloomberg 6/9/21
  - As we’ve discussed at length – inflation in Florida, driven by minimum wage law requirements, will be higher than the national average.
  - Additionally, the County, like all employers, will be both directly and indirectly impacted by these trends, and they present an imminent risk to current operating surpluses.

# Built-In Changes Section

---

Major Mandates, Revenue Adjustments, Minor Staff  
Recommendations

# Overview – Offsets/Usage – Major Funds

---

- No significant changes to discuss

# BUILT IN Major Changes to Deficit Summary

1	Adjustment for Lower Growth Rate in Health Insurance Costs	\$	136,600
2	Minor personnel and operating expense corrections	\$	(400)
3	Revenue Adjustments, Activity & EDR Projections	\$	152,900
4	Certified Appraised Taxable Value vs Prelim Estimates	\$	75,741
5	CRA Adjustments for Certified Values vs Prelim	\$	(3,259)
		\$	361,582



# Summary of Additional Funds Included for This Workshop's Budget Version

---

- 102 SHIP Housing Grants
- 104 State Mosquito Control Grant
- 107 Court Technology Funds
- 108 Transit
- 109 E911 Funds
- 113 Court Facilities
- 127 Intergovernmental Communications Fund
- 130 Court Innovations
- 140 EMS Impact Fee Fund
- 141 Parks Impact Fee Fund
- 150-153 Road District Impact Fees

# Misc. Notes on Other Funds

---

- **Transit Fund** – The Federal CARES funding allotted to Levy County Transit through FDOT has been allowed to preempt use of normal Federal “5311” Program monies until completely spent, and extension has been granted on prior 5311 awards. The CARES funding allows 100% reimbursement claims, vs 50% on 5311 program monies. This has essentially given Transit more than a year of operating money and alleviated immediate funding concerns. This was \$1.387M, and it appears roughly \$800K remains to date.
- **E911 Fund** – This fund is utilized in large part for the Sheriff’s 911 transfers, but the revenues have been gradually in decline. We could foreseeably reach a place where the General Fund has to pick up the difference. I think some adjustments to the State’s model have helped as more transitions to wireless, but it’s apparently not enough as revenues are not growing with population.

# BUILT IN Major Changes to Deficit Summary - UGLY DETAIL

BUILT IN Major Changes to Deficit Summary	Integration	General Fund	R&B	Court Technology	Transit	E911	COURT FACILITIES	EMS	Fire	Tourism	Utility	Radio Comm	Building Inspections	Landfill	Total	Notes
<sup>1</sup> Adjustment for Lower Growth Rate in Health Insurance Costs		\$ 36,300	\$ 38,300	\$ -	\$ 7,100	\$ -	\$ -	\$ 29,000	\$ 5,400	\$ 1,200	\$ 900	\$ -	\$ 5,900	\$ 12,500	\$ 136,600	2.4% vs 8%
<sup>2</sup> Minor personnel and operating expense corrections		\$ (400)													\$ (400)	Planning & Procurement Cost Centers
<sup>3</sup> Revenue Adjustments, Activity & EDR Projections			\$ 108,300	\$ 22,500		\$ (10,400)	\$ 25,000					\$ 7,500			\$ 152,900	Restricted Funding Sources
<sup>4</sup> Certified Appraised Taxable Value vs Prelim Estimates		\$ 75,741													\$ 75,741	Values Certified 6/29
<sup>5</sup> CRA Adjustments for Certified Values vs Prelim		\$ (3,259)													\$ (3,259)	CK & Williston
Net Built-In Deficit Reduction/(Addition)		\$ 108,382	\$ 146,600	\$ 22,500	\$ 7,100	\$ (10,400)	\$ 25,000	\$ 29,000	\$ 5,400	\$ 1,200	\$ 900	\$ 7,500	\$ 5,900	\$ 12,500	\$ 361,582	

# Overview of Major Funds' Surplus(Deficit) Before Options

---

- General Fund: \$120,819 – Includes Transfers Subsidizing Other Funds and Capital Transfers
- Road & Bridge: (\$292,541)
- EMS: (\$373,407)
- ***Fire: (\$618,925) – Before Options***  
***(approving all municipal options results in budget deficit of (\$723K)***
- Landfill: (\$182,121) – Includes \$400,000 of Budgeted Non-cash Expenses related to Depreciation and Closure Costs

# BOCC Options Section

---

Municipal Fire Department Coverage Areas

	<u>2020 Baseline*</u>	<u>2021 Operational</u>	<u>2021 One-Time</u>	<u>2021 Total</u>	<u>2022 Baseline</u>
Cedar Key	\$ 89,286	\$ 15,000	\$ -	\$ 104,286	\$ 104,286
Chiefland	\$ 244,558	\$ 5,212	\$ 13,137	\$ 262,907	\$ 249,770
Fanning Springs	\$ 81,353		\$ 10,000	\$ 91,353	\$ 81,353
Williston	\$ 248,522	\$ 49,143		\$ 297,665	\$ 297,665
Bronson	\$ 102,358	\$ 17,642		\$ 120,000	\$ 120,000
Inglis	\$ 111,592	\$ 9,000		\$ 120,592	\$ 120,592
<b>Total</b>	<b>\$ 877,669</b>	<b>\$ 95,997</b>	<b>\$ 23,137</b>	<b>\$ 996,803</b>	<b>\$ 973,666</b>

\*Less one-time additions

## County and Municipal Fire Department 2022 Requested Budget(with Capital) vs Base Budget for 2022

	**2022 Base Budget	2022 Request*	2021-2022 % Increase
CEDAR KEY FIRE	106,715	116,715	<b>9.37%</b>
CHIEFLAND FIRE	252,199	300,064	<b>18.98%</b>
FANNING SPRINGS FIRE	83,782	116,620	<b>39.19%</b>
WILLISTON FIRE	300,094	300,094	<b>0.00%</b>
BRONSON FIRE	122,429	147,429	<b>20.42%</b>
INGLIS FIRE	123,021	135,021	<b>9.75%</b>
<b>TOTAL</b>	<b>988,240</b>	<b>1,115,943</b>	<b>12.92%</b>
<b>COUNTY FIRE*</b>	<b>1,686,989</b>	<b>2,307,782</b>	<b>36.80%</b>

\* From Prelim Budget 07/13/21

\*\* 2022 Base Budget here equals baseline plus \$2429 in Communications support not directly transferred to City

X:\FINANCE\Budget\Original Budget Process\2022\7-20-21\[Fire History - 2015 thru YTD 2021 - run 070621.xlsx]

# County & Municipal Trends

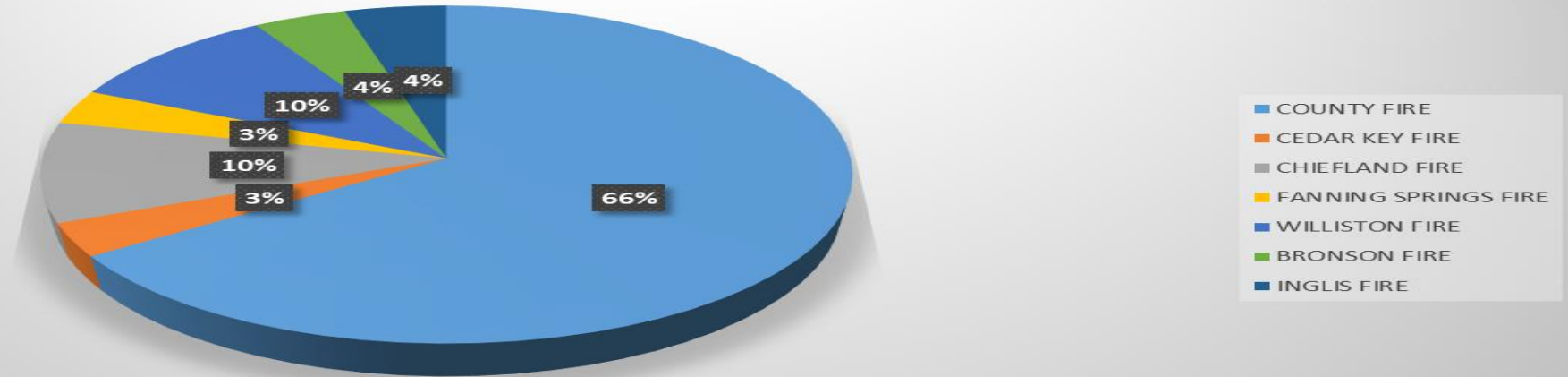
---

- County and Municipal Fire Costs have trended steadily upward over the last several years.
- Proportionate shares of the budget have remained stable across all entities
- County Fire Budget in FY 2022 growth is driven by non-recurring capital replacement that has been deferred several years, and the additional service level of Morriston staffing.

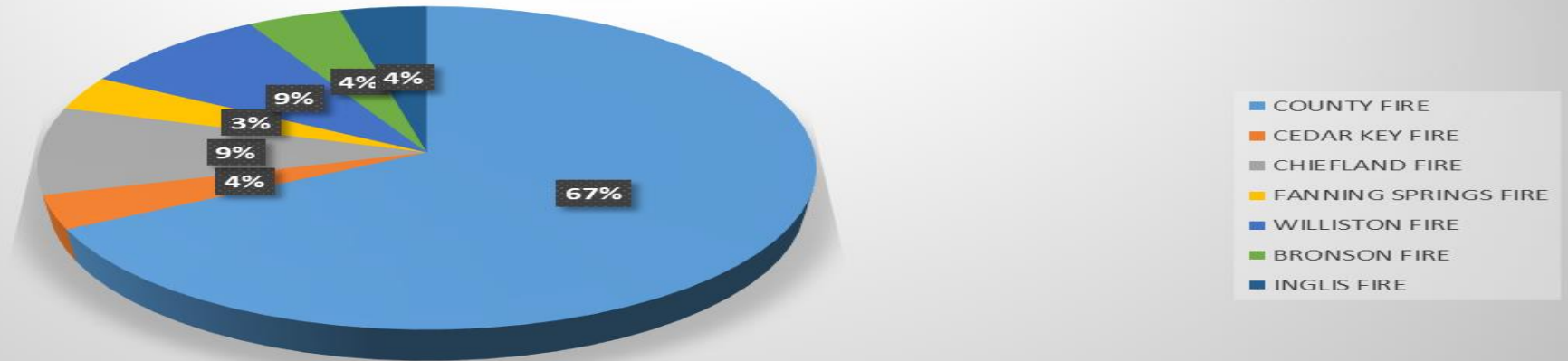


# Percentage of Budget by County and Municipality (2022 represents at requested levels)

## Percentage of Total 2017 Budget by County and Municipality with Capital

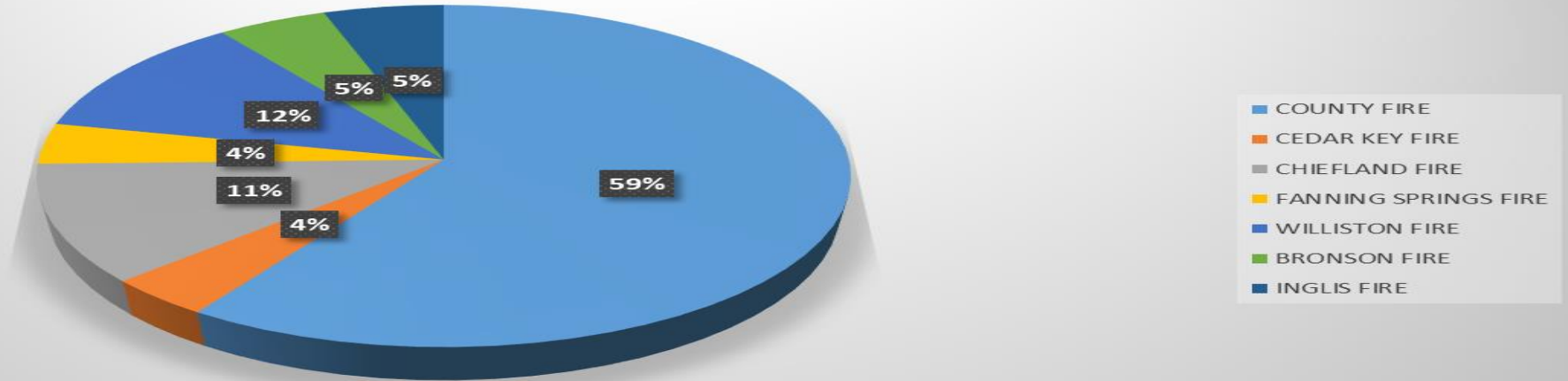


## Percentage of Total 2022 Budget by County and Municipality with Capital

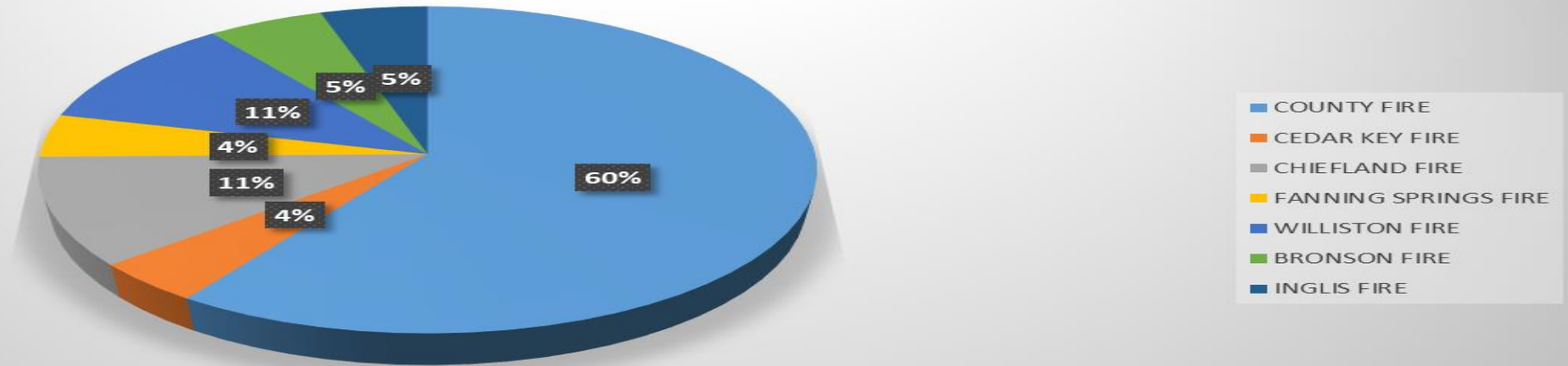


# Percentage of Budget by County and Municipality (2022 represents at requested levels)

## Percentage of Total 2017 Budget by County and Municipality without Capital

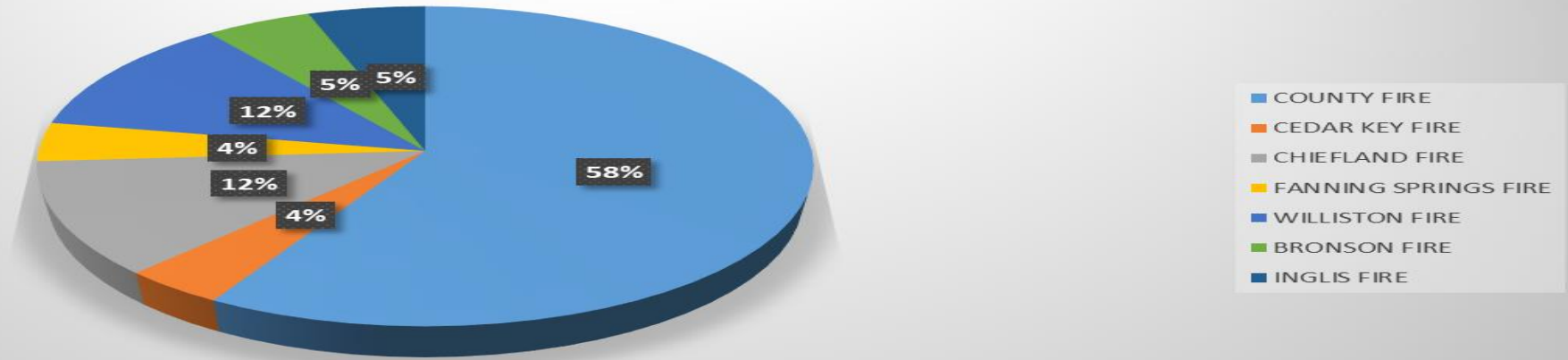


## Percentage of Total 2022 Budget by County and Municipality without Capital

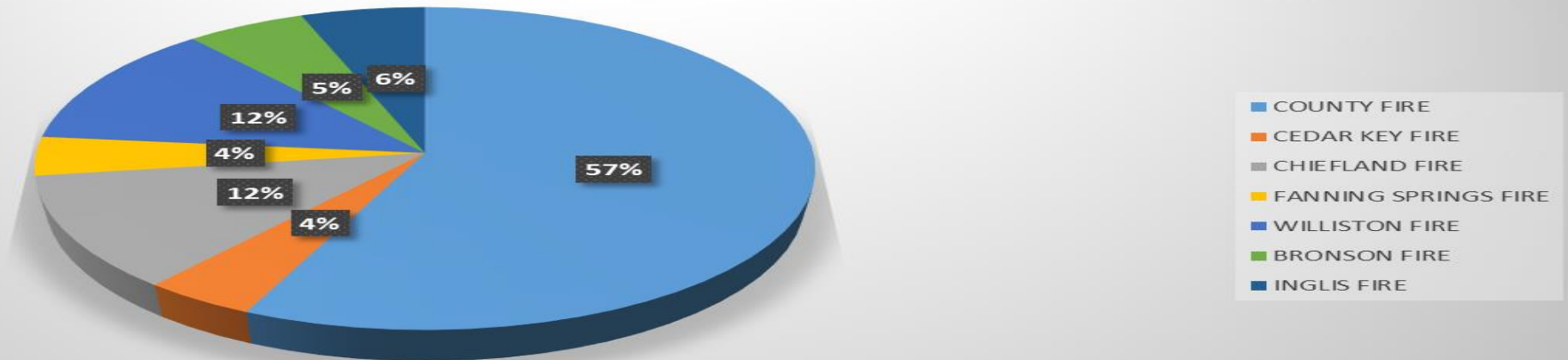


# Percentage of Actuals by County and Municipality (2020 vs 2017)

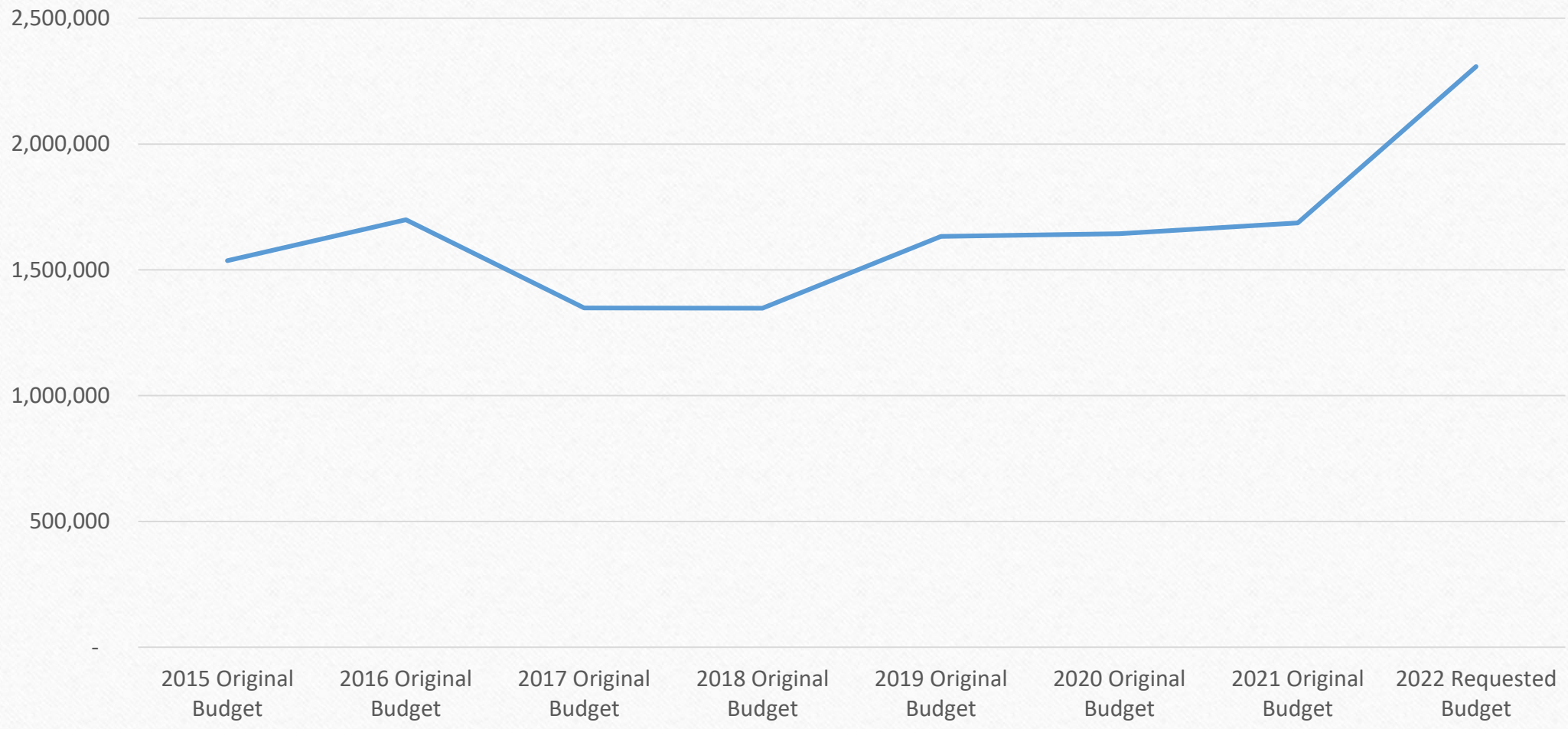
## Percentage of Total 2017 Actuals by County and Municipality without Capital



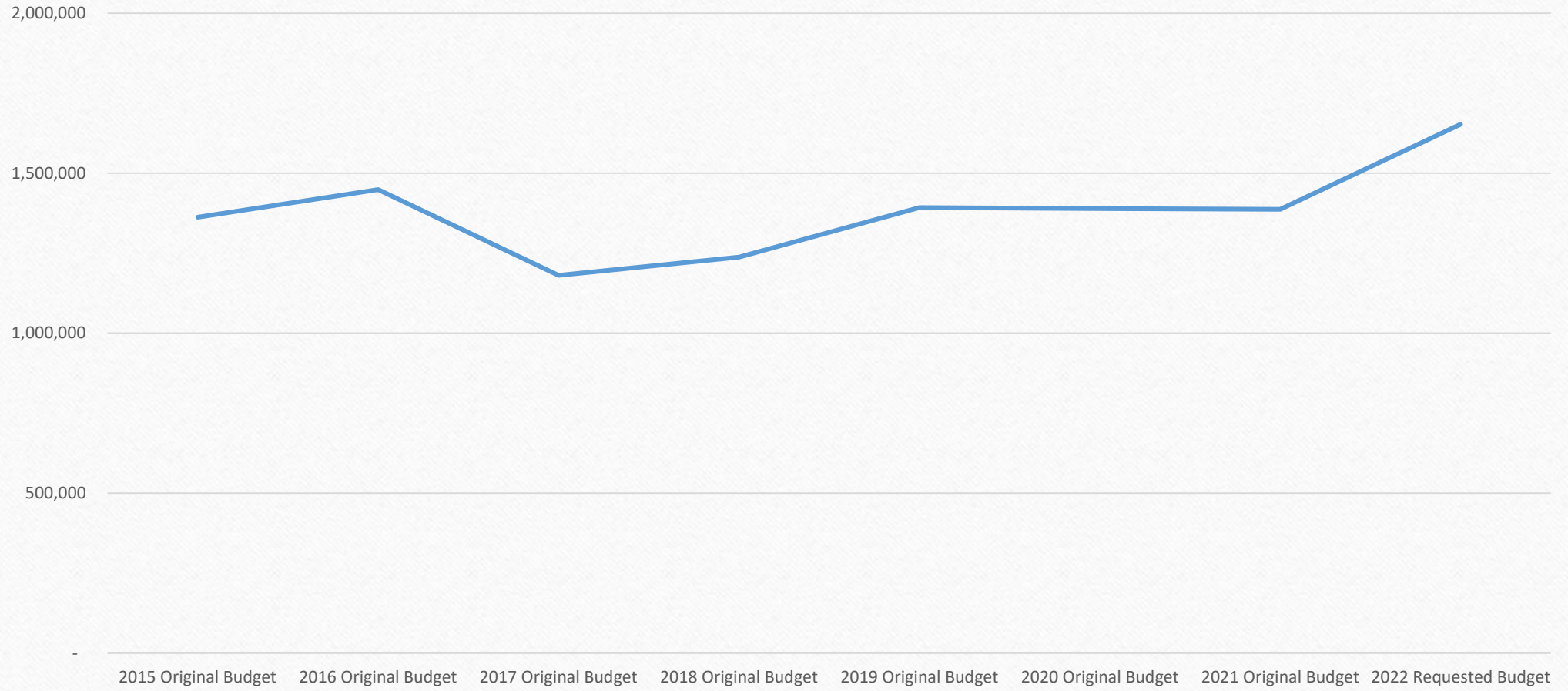
## Percentage of Total 2020 Actuals by County and Municipality without Capital



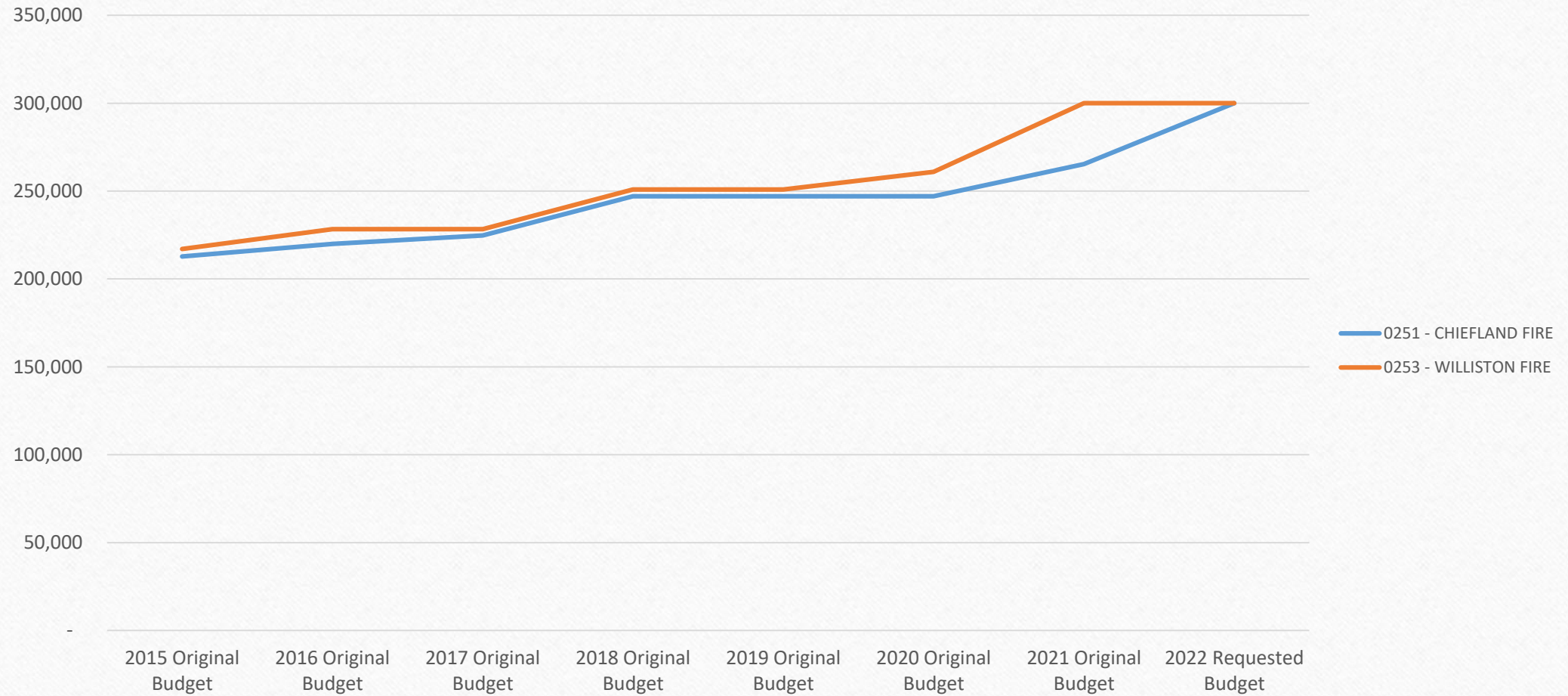
### 0215 - COUNTY FIRE



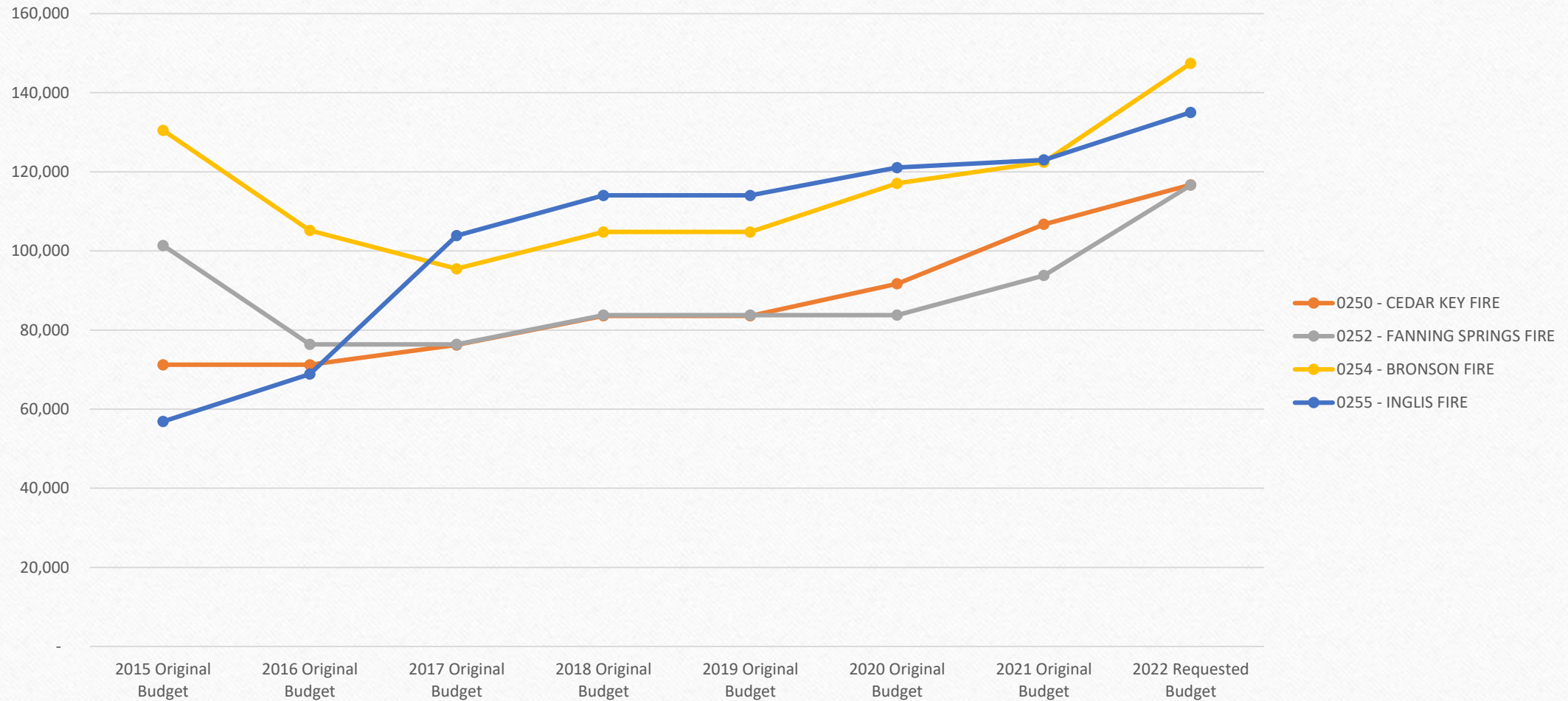
### 0215 - COUNTY FIRE WITHOUT CAPITAL



# Municipal Fire Trends 2015-2022



# Municipal Fire Trends 2015-2022



## County & Municipal Trends (2)

---

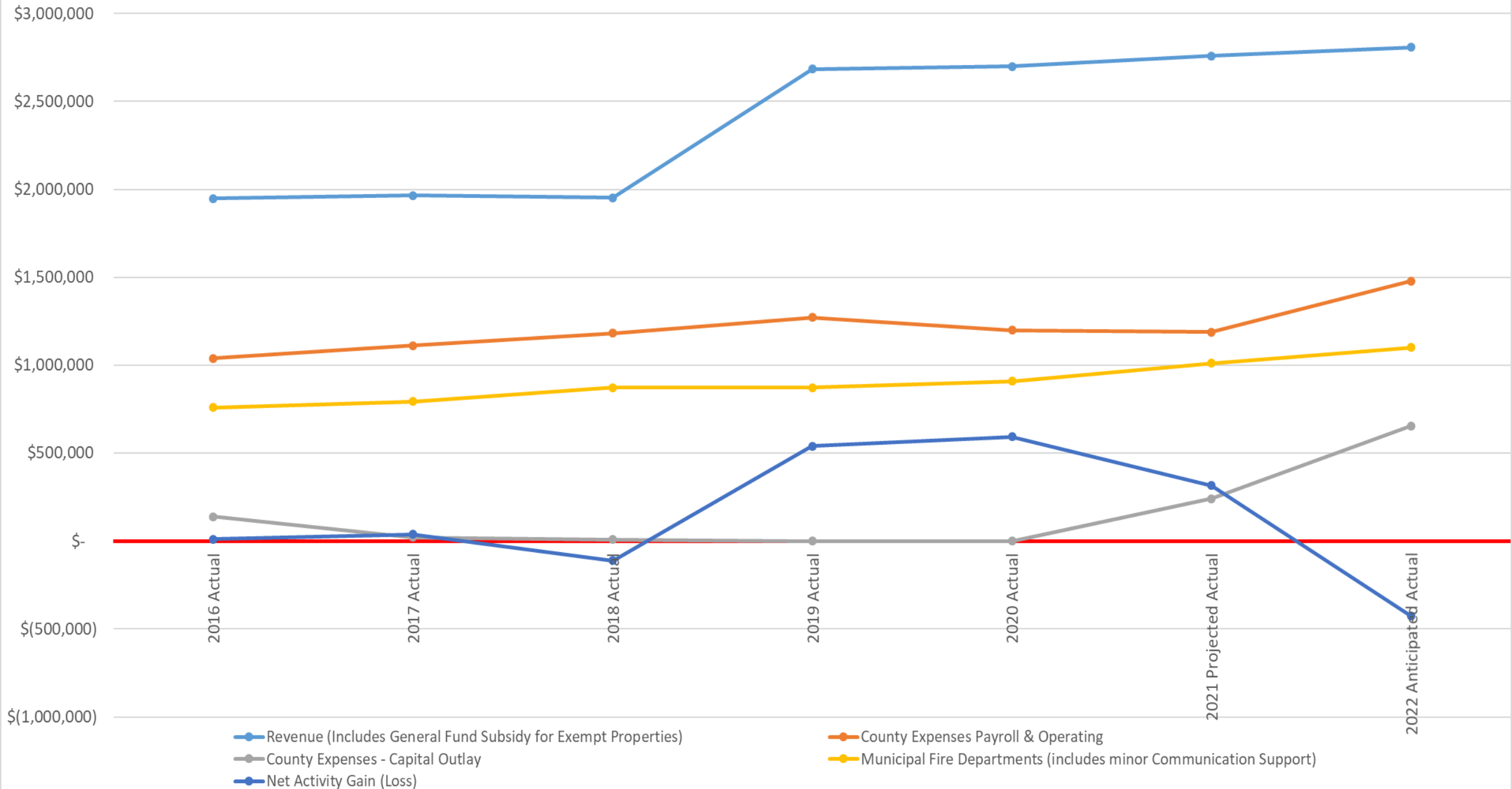
- County Fire Actuals tend to end up considerably lower than Budget by Year-end, allowing rollover of unspent funds. Municipal Departments do not revert money, so their expenditures are considered to be 100% of budgeted transfers.
- Since increasing Fire Assessments, the Fire Fund has built Reserves sufficient to allow for some backlogged capital replacement.



**FIRE FUND REVENUE, EXPENSE, AND NET GAIN (LOSS) TRENDS**

<u>Activity</u>	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Projected Actual</u>	<u>2022 Budget Request</u>	<u>2022 Anticipated Actual</u>
Revenue (Includes General Fund								
Subsidy for Exempt Properties)	\$ 1,948,673	\$ 1,964,981	\$ 1,951,125	\$ 2,683,756	\$ 2,699,342	\$ 2,758,284	\$ 2,700,234	\$ 2,808,243
County Expenses Payroll & Operati	\$ 1,039,339	\$ 1,112,483	\$ 1,181,661	\$ 1,272,498	\$ 1,198,807	\$ 1,188,061	\$ 1,652,782	\$ 1,478,000
County Expenses - Capital Outlay	\$ 138,601	\$ 20,825	\$ 8,124	\$ -	\$ -	\$ 242,000	\$ 655,000	\$ 655,000
Municipal Fire Departments (includes minor Communication Support)	\$ 759,033	\$ 793,230	\$ 872,282	\$ 872,282	\$ 908,378	\$ 1,011,377	\$ 1,101,369	\$ 1,101,369
<u>Net Activity Gain (Loss)</u>	<u>\$ 11,700</u>	<u>\$ 38,443</u>	<u>\$ (110,942)</u>	<u>\$ 538,976</u>	<u>\$ 592,157</u>	<u>\$ 316,845</u>	<u>\$ (708,917)</u>	<u>\$ (426,126)</u>

### FIRE FUND REVENUE, EXPENSE, AND NET GAIN (LOSS) TRENDS



# County & Municipal Fire Conclusions/Advice

---

- As noted in the last charts, the Fire Fund is moving towards reaching a balance of recurring revenues to expenses within the next year or two, particularly as we see inflation ramping up.
- Replacement of old trucks will take large bites from Reserves more quickly.

## County & Municipal Fire Conclusions/Advice (2)

---

- While some growth in costs has been, and will be, necessary to keep up with population growth, continuing the growth rates we have seen the last few years in expenses will require some moderate adjustments of Fire Assessments to avoid the scenario of “digging out” all at once that we encountered a few years ago.
- I will note that, although we are replacing equipment and the Board has approved staffing Morriston, County Fire’s total original request to the Budget Office was not built into this budget, as Chief Harrell made some operating concessions prior to the June meeting.

## Options for BOCC to Consider Summary

	Total INCREASE	Fund(s)
<b>Municipal Fire Budget Requests (Increase)Reduction from Baseline</b>		
<sup>1</sup> Bronson – requesting \$145,000	\$ (25,000)	Fire
<sup>2</sup> Cedar Key – requesting \$114,286	\$ (10,000)	Fire
<sup>3</sup> Chiefland – requesting \$297,635	\$ (47,865)	Fire
<sup>4</sup> Fanning Springs – requesting \$114,192	\$ (32,838)	Fire
<sup>5</sup> Inglis – requesting \$132,592	\$ (12,000)	Fire
<sup>6</sup> Williston – requesting \$297,665	\$ (0)	Fire
<b>Total (Increase) Reduction to Deficit</b>	<b>\$ (127,703)</b>	

The end

Next Meeting: August 3<sup>rd</sup>:

- Set Proposed Millage (Next to last possible day to do so)
- Receive remainder of Tentative Budget with all funds balanced.