

NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Governing Board

THROUGH: Lyle Seigler, Executive Director
Caitlin Brongel, Chief of Staff

FROM: Jack Furney, Director, Division of Administration

DATE: September 22, 2022

SUBJECTS: Adoption of the Millage Rate for Fiscal Year 2022-2023
Adoption of the Budget for Fiscal Year 2022-2023

Recommendation

Staff recommends the Governing Board approve the ad valorem tax millage rate of 0.0261 of a mill for Fiscal Year 2022-2023 by adoption of Resolution Number 909.

Background

During the first public hearing on September 8, 2022, the Governing Board adopted the Northwest Florida Water Management District's tentative ad valorem tax millage rate of 0.0261 of a mill and the Tentative Budget for Fiscal Year (FY) 2022-2023. Staff was authorized to present the ad valorem millage rate and budget for final adoption by resolution on September 22, 2022, at this final public hearing at Gulf Coast State College in Panama City.

Using the 2022 gross taxable value for operating purposes of \$152,455,086,220 and the proposed 0.0261 of a mill, which is the rolled-back rate, the 2022 Truth-In-Millage (TRIM) estimated total taxes to be levied in FY 2022-2023 is \$3,979,078. Compared to the 2021 TRIM estimate of \$3,872,627, there is a \$106,451 or 2.7 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 \$3,792,899. This budgeted amount for FY 2022-2023 is 95.3 percent of the property appraiser estimate of \$3,979,078 and \$105,000 or 2.8 percent more than the amount budgeted in FY 2021-2022.

After formal adoption of the ad valorem tax millage rate, the Governing Board is authorized to adopt a budget for the District's 2022-2023 fiscal year.

Recommendation

Staff recommends the Governing Board adopt Resolution Number 910 adopting the Fiscal Year 2022-2023 budget as presented herein.

Background

The proposed FY 2022-2023 budget is \$107,249,547, which is an increase of \$250,000 from the first public budget hearing on September 8, 2022. These funds from the Land Acquisition Trust Fund will be used for anticipated project funding from the Florida Department of Environmental Protection (DEP).

The proposed FY 2022-2023 budget of \$107,249,547 is a \$2,878,582 or 2.6 percent decrease from the FY 2021-2022 budget. The decrease is primarily attributed to progress on or completion of water supply

development, watershed improvement, and springs 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:

- \$61.7 million for Springs Projects. This funding will enable the District to implement or continue 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. The budget includes continuing support for septic-to-sewer projects that will improve water quality in Wakulla Spring and Jackson Blue Spring and cost-share funding for agricultural best management practices.
- \$14.6 million for alternative water supply development, water supply development assistance, and water resource development. Funded projects include support for major reclaimed water construction projects in Santa Rosa, Okaloosa, and Bay counties.
- \$6.7 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; and a dedicated assessment of freshwater inflows in St. Joseph Bay, Lake Wimico, and East Bay.
- \$4.8 million for Hurricane Michael recovery efforts and reforestation. This funding will continue debris cleanup 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.
- \$1.8 million for data collection and Minimum Flows and Minimum Water Levels technical assessments for Jackson Blue Spring, the Gainer Spring Group, Sylvan Spring Group, Williford Spring Group, and the Floridan aquifer in coastal Bay County.

Attachments:

Resolution Number 909, Resolution Number 910, FY 2022-2023 Budget



Lyle Seigler
Executive Director

Northwest Florida Water Management District

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

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

RESOLUTION NO. 909

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 2022-2023 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 0.0261 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 2022-2023 budget is equal to the 0.0261 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 2022-2023 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 22nd day of September 2022, A.D.

Time Adopted _____PM

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

ATTEST:

Chair

Secretary-Treasurer

GEORGE ROBERTS
Chair
Panama City

JERRY PATE
Vice Chair
Pensacola

NICK PATRONIS
Secretary
Panama City

JOHN W. ALTER
Malone

GUS ANDREWS
DeFuniak Springs

TED EVERETT
Chipley

KELLIE RALSTON
Tallahassee

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RESOLUTION NO. 910

Adoption of Fiscal Year 2022-2023 Budget

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

WHEREAS, the ensuing 2022-2023 fiscal year of the Northwest Florida Water Management District shall extend from October 1, 2022, through September 30, 2023; 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 909, which establishes the millage-levy for Fiscal Year 2022-2023; 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 2022-2023 budget of \$107,249,547.

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

1. The Fiscal Year Final 2022-2023 budget be adopted; and
2. This resolution will take effect immediately upon the adoption.

DULY ADOPTED at a public hearing this 22nd day of September 2022, A.D.

Time Adopted _____PM

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

ATTEST:

Chair

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Panama City

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ANNA UPTON
Tallahassee

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
FY 2022-2023 TENTATIVE BUDGET SUMMARY
OCTOBER 1, 2022 - SEPTEMBER 30, 2023**

Proposed Ad Valorem Millage Rate 47.8% below the legally authorized rate of 0.0500 of a mill, and .0033 of a mill less than the rate in the current year Ad valorem budgeted in the Tentative is \$3,792,899 or \$105,000 more than the amount in the current year (budget is 95.3 percent of the TRUTH IN MILLAGE estimate of \$3,979,078, to align closer with historical collections) Rolled-back rate is 0.0261 of a mill	0.0261 of a mill
Total Expenditure Budget 2.6% lower than the Current Year Amended Budget, including \$67,236,091 for Interagency Expenditures/Grants Provides for 112.4 full-time equivalent positions, 108.0 authorized & 4.4 OPS	\$107,249,547
Total Revenue Received/Earned \$33.5 million in new revenue \$70.2 million from prior years	\$103,680,065
Estimated Use of Cash Carryover/Reserves	\$3,569,482

Budget by Program Area

1.0 Water Resources Planning and Monitoring	\$ 6,095,261	5.7%
2.0 Land Acquisition, Restoration and Public Works	\$86,734,666	80.9%
3.0 Operation and Maintenance of Lands and Works	\$ 7,518,827	7.0%
4.0 Regulation	\$ 4,378,607	4.1%
5.0 Outreach	\$ 145,141	0.1%
6.0 District Management and Administration	\$ 2,377,045	2.2%
	<u>\$107,249,547</u>	

The combined Outreach and Management and Administration budget is 2.35% of the total District Budget.

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
FY 2022-2023 TENTATIVE BUDGET COMPARISON
BY FUND**

DESCRIPTION	General Fund	Capital Improv & Lands Acq	Special Projects	Lands Management	Regulation	Mitigation	TOTAL
Cash Balances Brought Forward	17,064,178	303,345	3,161,127	2,550,849	3,729,424	2,651,029	29,459,952
<u>ESTIMATED REVENUES:</u>							
Ad Valorem Taxes 0.0261 mills	1,297,151		2,495,748				3,792,899
Water Management Land Trust Fund			762,427				762,427
Land Acquisition Trust Fund	158,931	11,160,237	49,367,553	5,428,462	4,095,148		70,210,331
Water Protection & Sustain. Pgm. Trust Fund			2,847,880				2,847,880
Ecosystem Management and Restoration Trust Fund			71,975				71,975
Permitting and Licensing					655,000		655,000
Federal Grants			5,297,905				5,297,905
State Funds			12,731,261	90,000	15,670	1,605,011	14,441,942
Local Government Units			155,882	278			156,160
Timber Sales				600,000			600,000
Miscellaneous Revenues		813,798	3,668,783	319,965	6,000	35,000	4,843,546
Interfund Transfers	2,062,260	0	1,083,226				3,145,486
Total Estimated Revenues, Transfers and Balances	<u>20,582,520</u>	<u>12,277,380</u>	<u>81,643,767</u>	<u>8,989,554</u>	<u>8,501,242</u>	<u>4,291,040</u>	<u>136,285,503</u>
<u>ESTIMATED EXPENDITURES:</u>							
Salaries & Benefits	2,374,911	97,872	2,900,816	1,631,120	3,408,448	308,812	10,721,979
Other Personal Services	0	0	21,992	72,424	69,558	3,317	167,291
Contractual Services	299,051	310,991	7,464,976	4,124,217	166,941	1,104,831	13,471,007
Operating Expenses	518,922	1,300	524,025	1,146,830	620,038	38,363	2,849,478
Capital Outlay	201,851	11,542,497	196,411	632,800	113,622	116,520	12,803,701
Grants and Aids	500,000	0	66,736,091	0	0	0	67,236,091
Reserves	15,401,807	303,345	3,161,127	1,010,109	3,363,053	2,651,029	25,890,470
Interfund Transfers	1,285,978	21,375	638,329	372,054	759,582	68,168	3,145,486
Total Operating Expenditures, Transfers and Reserves	<u>20,582,520</u>	<u>12,277,380</u>	<u>81,643,767</u>	<u>8,989,554</u>	<u>8,501,242</u>	<u>4,291,040</u>	<u>136,285,503</u>

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
FY 2022-2023 TENTATIVE BUDGET COMPARISON
REVENUE CATEGORIES**

	FY 2020-21 Actuals	FY 2021-22 Amended Budget	FY 2022-23 Tentative	Tentative O/(U) Amended Budget	
Ad Valorem Tax	3,606,253	3,687,899	3,792,899	105,000	2.8%
Federal Revenue	1,626,748	5,478,493	5,297,905	(180,588)	-3.3%
State Revenue	17,891,590	91,572,618	88,334,555	(3,238,063)	-3.5%
Local Revenue	124,004	155,086	156,160	1,074	0.7%
Permit Fees	730,680	537,000	655,000	118,000	22.0%
Timber Sales	1,044,751	20,000	600,000	580,000	2900.0%
Miscellaneous	333,148	4,579,773	4,843,546	263,773	5.8%
w/o Fund Balance	25,357,175	106,030,869	103,680,065	(2,350,804)	-2.2%
Fund Balance	(2,871,996)	4,097,260	3,569,482	(527,778)	-12.9%
w/Fund Balance	22,485,179	110,128,129	107,249,547	(2,878,582)	-2.6%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
FY 2022-2023 TENTATIVE BUDGET COMPARISON
EXPENDITURE CATEGORIES**

	FY 2020-21	FY 2021-22	FY 2022-23	Tentative O/(U)	
	Actuals	Amended Budget	Tentative	Amended Budget	
Salaries & Benefits	8,319,529	9,257,708	10,721,979	1,464,271	15.8%
Other Personal Services	228,584	348,745	167,291	(181,454)	-52.0%
Contracted Services	7,752,493	15,007,694	13,471,007	(1,536,687)	-10.2%
Operating Expense	2,257,519	2,749,171	2,849,478	100,307	3.6%
Operating Capital Outlay	293,438	593,562	1,176,204	582,642	98.2%
Operating Categories	18,851,563	27,956,880	28,385,959	429,079	1.5%
Fixed Capital Outlay	443,553	11,777,198	11,627,497	(149,701)	-1.3%
Grants	3,190,063	70,394,051	67,236,091	(3,157,960)	-4.5%
Non-Operating Categories	3,633,616	82,171,249	78,863,588	(3,307,661)	-4.0%
GRAND TOTAL	22,485,179	110,128,129	107,249,547	(2,878,582)	-2.6%

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
FY 2022-2023 TENTATIVE BUDGET COMPARISON
PROGRAM LEVEL**

Program	FY 2020-21 Actuals	FY 2021-22 Amended Budget	FY 2022-23 Preliminary	FY 2022-23 Tentative	Tentative O/(U) Amended Budget		Tentative O/(U) Preliminary	
1 Water Resource Plan/Monitoring	4,266,304	6,905,619	6,378,888	6,095,261	(810,358)	-11.7%	(283,627)	-4.4%
2 Land Acq/Restor- ation/Public Works	6,763,515	89,891,508	100,205,822	86,734,666	(3,156,842)	-3.5%	(13,471,156)	-13.4%
3 Operations & Maint Land & Works	5,963,527	7,158,230	6,400,126	7,518,827	360,597	5.0%	1,118,701	17.5%
4 Regulation	3,425,854	3,910,343	4,012,136	4,378,607	468,264	12.0%	366,471	9.1%
5 Outreach	128,094	138,511	138,769	145,141	6,630	4.8%	6,372	4.6%
6 District Management & Admin	1,937,884	2,123,918	2,131,074	2,377,045	253,127	11.9%	245,971	11.5%
GRAND TOTAL	22,485,179	110,128,129	119,266,815	107,249,547	(2,878,582)	-2.6%	(12,017,268)	-10.1%

Combined Outreach and Management &
Administration as a Percent of Total Budget²

2,522,186
2.35%

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

MEMORANDUM

TO: Governing Board

THROUGH: Lyle Seigler, Executive Director
Caitlin Brongel, Chief of Staff

FROM: Jack Furney, Division of Administration Director

DATE: September 22, 2022

SUBJECT: Authorization to Enter into Related Agreements and Amendments

Recommendation

Staff recommends the Governing Board authorize the Executive Director to enter into agreements or amendments with the Florida Department of Environmental Protection (DEP) for anticipated project funding from the Land Acquisition Trust Fund in an amount up to \$250,000.

Background

For the Fiscal Year 2022-23 budget, the District has included an additional \$250,000 from the Land Acquisition Trust Fund for anticipated project funding from the DEP. The District will receive these funds in amounts and a manner agreed to by the Department. This will typically include an agreement, such as a memorandum of understanding or funding agreement.

Therefore, in accordance with the District's Policies and Procedures Manual, Governing Board approval is requested for the Executive Director to enter into agreements that exceed \$65,000 to use these funds.