

Finance/Outreach and Planning Committee July 25, 2023

Discussion Item

Fiscal Year (FY) 2024 Budget Development

- 1. Adoption of Proposed Millage Rate for FY2024**
- 2. FY2024 Budget Update and *Tentative Budget Submission***

Purpose

1. Report the results of the July 1 certifications of taxable value from the District's 16 county property appraisers and recommend adoption of a proposed FY2024 millage rate.
2. Provide an update on budget changes that have been made since the FY2024 Recommended Annual Service Budget (RASB) and request approval to submit the District's Tentative Budget to the Executive Office of the Governor (EOG), Department of Environmental Protection (DEP), Florida Legislature, and other parties, as required by statute, for delivery by August 1, 2023.

Background

In June, staff submitted the FY2024 RASB to the Governing Board for consideration. The RASB document included underlying revenue and expenditure tables, variance analysis, and detailed project descriptions for all District projects. On June 27, staff provided an overview of the RASB to the Governing Board including revenues by source and expenditures by category, program, and area of responsibility. Following discussion of the budget, the Governing Board took action to authorize staff to (1) prepare the *Tentative Budget Submission* for FY2024 based on the RASB as presented; (2) adjust for Governing Board actions at the meeting; (2) reflect the final estimated ad valorem revenue based on the July 1 certifications of taxable value; and (3) add any additional funding provided by the state.

On July 25, staff will provide a budget update to the Governing Board including the certifications of taxable value and the proposed FY2024 millage rate for adoption, which must be certified to the county property appraisers by August 4. The proposed millage rate is the rate that will be used for Truth in Millage (TRIM) *Notices of Proposed Property Taxes*. Prior to the July 25 Governing Board meeting, staff will provide Board members with a draft of the *Tentative Budget Submission* for FY2024 for consideration to approve for submission by August 1 pursuant to s. 373.536 Florida Statutes (F.S.).

The District's FY2024 budget will be adopted in September following two public TRIM hearings. The first hearing is scheduled for September 12, 2023 at 5:01 p.m. at the Tampa Office. Written disapproval of any portion of the budget must be received from the EOG or the Legislative Budget Commission at least five business days prior to the final budget adoption hearing. The second and final hearing is scheduled for September 26, 2023 at 5:01 p.m., also at the Tampa Office.

Discussion

- 1. Adoption of Proposed Millage Rate for FY2024**

Staff will present the certifications of taxable value and the proposed FY2024 District millage rate, in compliance with s. 373.503, F.S., and s. 200.065, F.S. Overall taxable property values in the District increased by 13.73 percent. Of the increase, 10.52 percent is related to existing property values and 3.21 percent is related to new construction. The rolled-back millage rate, based on s. 200.065, F.S., equates to 0.2043, which is 9.6 percent less than the rate of 0.2260 adopted for FY2023. Based on the July 1 certifications of taxable value and the rolled-back

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millage rate, staff has reduced ad valorem revenue by \$47,941 to \$125,990,030. Staff will recommend the Governing Board adopt Resolution No. 23-05, *Adoption of Proposed Millage Rate for Fiscal Year 2024*.

An exhibit of the draft Resolution No. 23-05 is attached to this Item.

2. **FY2024 Budget Update and Tentative Budget Submission**

Staff will review proposed budget changes that have occurred since June 27. In total, the budget changes to be presented at the July 25, 2023 Governing Board meeting will increase the recommended budget from \$220,800,464 to \$224,800,464. Staff requests approval of the changes, which have been incorporated in the draft of the *Tentative Budget Submission* for FY2024, as well as authorization to submit the *Tentative Budget Submission* to the EOG, DEP, Florida Legislature, and other parties, as required by statute, for delivery by August 1, 2023.

Proposed changes for the July 25 meeting:

Expenditure Budget:

- District Grants increased by \$4,000,000 for Water Supply and Water Resource Development Grant Program based on an increase of \$4,000,000 in anticipated funding from the DEP for a total of \$20,000,000 from a specific State Appropriation for alternative water supply projects.

Revenue Budget:

- State revenue increased by \$5,200,000 based on:
 - \$4,000,000 increase in anticipated funding from the DEP from a specific State Appropriation for alternative water supply projects.
 - \$1,200,000 from the DEP for the District's Structure S-160 Cathodic Protection for the Statewide Flooding and Sea Level Rise Resilience Plan.
- Ad valorem tax revenue decreased by \$47,941 based on July 1 certifications of taxable value from the 16 county property appraisers and a rolled-back rate of 0.2043 mill.
- Use of Reserves decreased by \$1,152,059 to balance the budget.

An exhibit of the draft *Tentative Budget Submission* for FY2024 will be provided separately.

Staff Recommendation:

See Exhibits

1. Approve Resolution No. 23-05, *Adoption of Proposed Millage Rate for Fiscal Year 2024*.
2. Approve the budget changes presented, adjusted for any modifications made by the Governing Board on July 25, and authorize staff to submit the *Tentative Budget Submission* for FY2024.

Presenter: Brandon Baldwin, Division Director, Business and IT Services