



FLAGLER COUNTY FY22 TENTATIVE BUDGET SUBMITTAL

Flagler County
Board of County Commission Regular Meeting

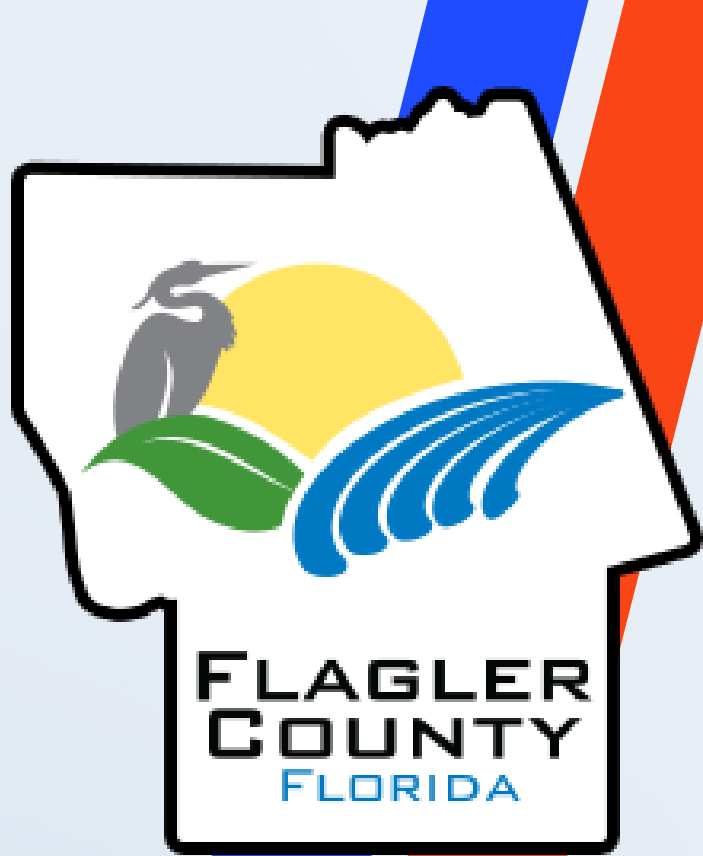
July 12, 2021

Submitted by:
Financial Services Department



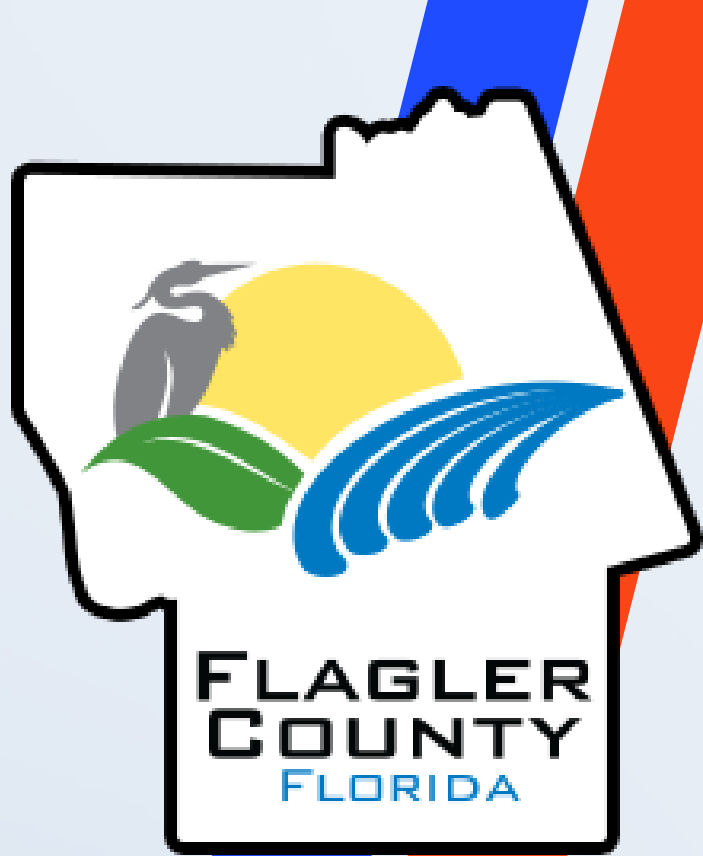
Purpose

- This is to inform the Board of the general guidelines that will be used to create the FY22 Tentative Budget.
- No formal action being requested.
- Board can add, delete, or otherwise amend.



Budget Guidelines

- General Fund millage to remain unchanged.
- Incorporate a 5% (estimated) increase in taxable property value.
 - 1.00% (estimated) CPI for COLA.
 - FRS rates per legislature (SPB-7018)
- **Maintain Reserve for Contingency at 5% of operating rev for GF.**



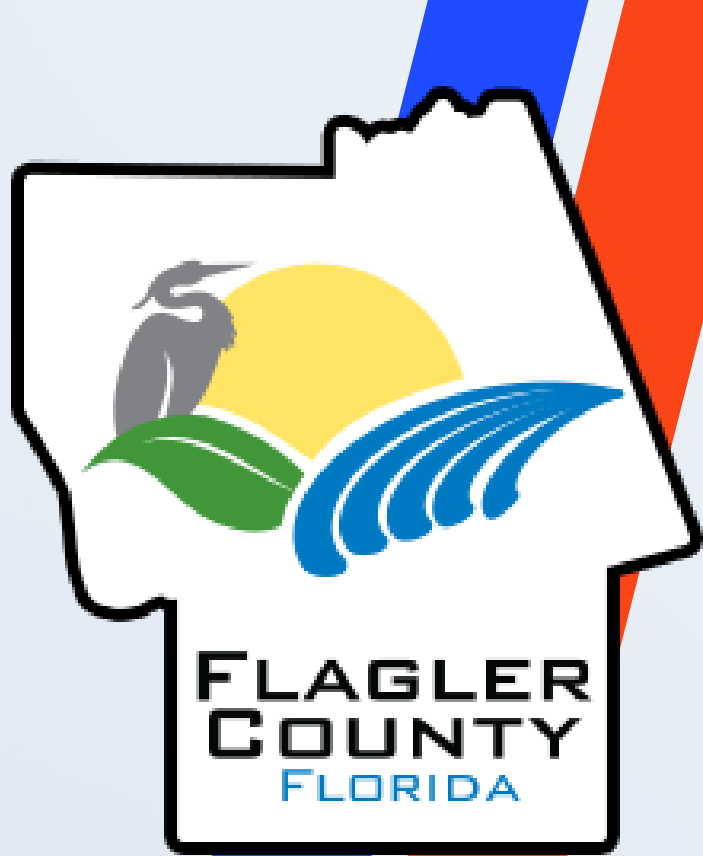
Budget Guidelines

- **Expected to reach our medium-term goal** of maintaining an unrestricted budgetary reserve equal to **2/12** of operating revenue in the General Fund (exclusive of Reserve for Contingency) for stability, large scale emergencies, and to protect liquidity/cash flow.
(At least 2-3 years ahead of our previously optimistic schedule)
- **Ultimate goal is 3/12** given our geographical position (coastal community) and our relatively low annual revenue when compared to other coastal communities.



Budget Guidelines

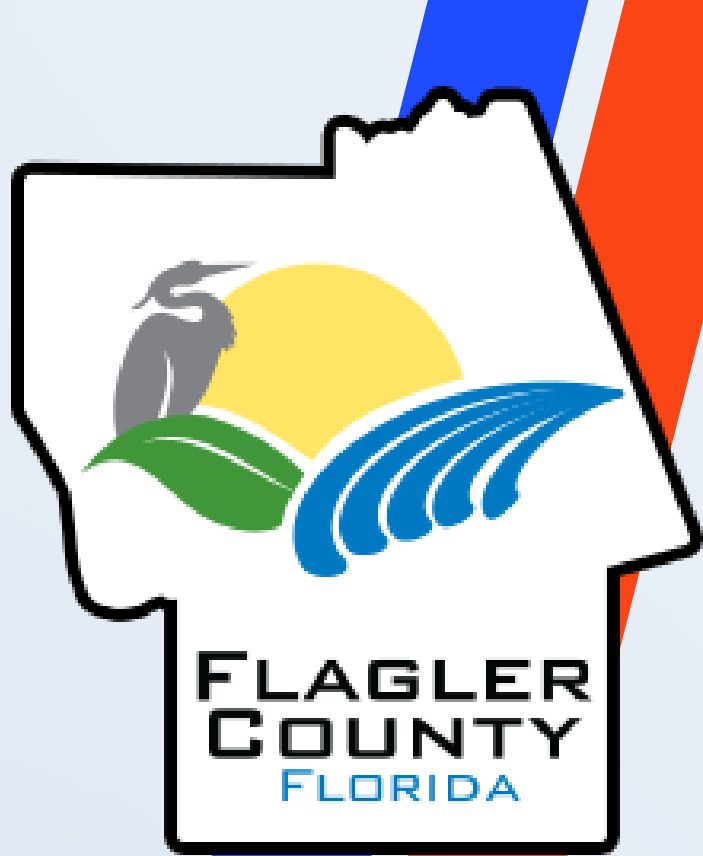
- Create a 5-Year CIP with first year funded and fund at a level that better addresses current needs.
- Fund the Rolling Stock replacement budget at a more realistic level to address the County's aging fleet in a manner that is sustainable for the long-term.



Budget Guidelines

- Continue the practice of the last two years to allocate the expected growth in GF ad valorem revenue based on a pro rata share of the current year's allocation for the BOCC and Constitutional Officers.
- Health insurance Board contribution remaining at \$10,500 (may adjust based on the actuary calcs expected later in the Spring)
- One-time resources will be allocated toward one-time expenditures.
- Continue to present a one-year budget.

Source: February 1, 2021
Board Regular Meeting
FY22 Budget Development
Guidelines Presentation



Funding Considerations

(In no particular Order)

- Implementation strategy to ensure employee compensation remains aligned with market conditions.
- Long-term, sustainable funding for Fire Services.
- Sustainability and funding plan for coastline.

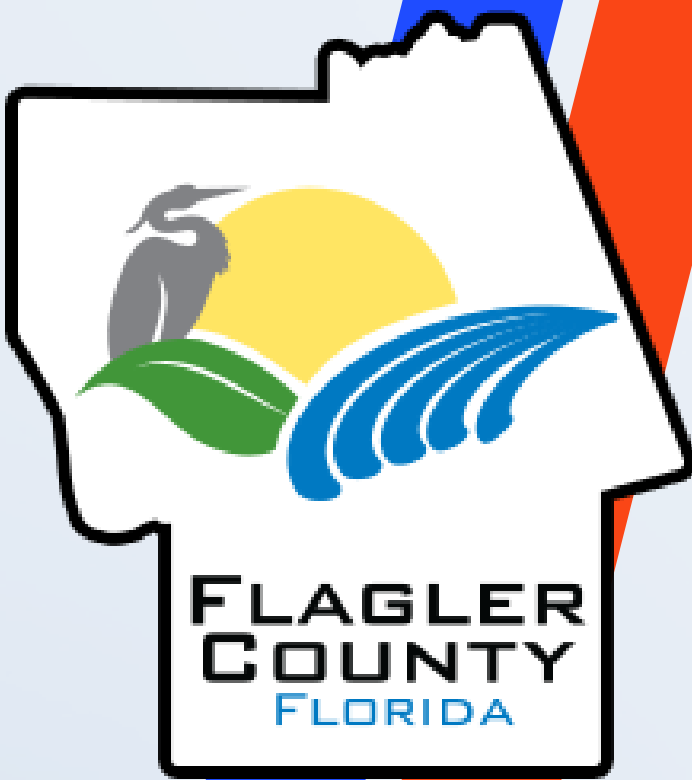


Funding Considerations

(In no particular Order)

- Continue our transparency initiative. Focus on budgeting the true cost of operations.
- Continue adjustments in organizational structure and “the way we do business” to address our migration from a small county to a mid-sized one.
- Maintain flexibility to address new unfunded mandates. (e.g. full implementation of a \$15/hour minimum wage)

Source: February 1, 2021
Board Regular Meeting
FY22 Budget Development
Guidelines Presentation



Flagler County FY22 Budget Development Calendar

FY2021-22 Tentative Budget Calendar

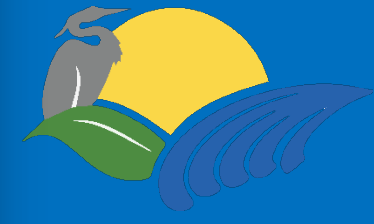
Budget Module Open for entry	2/8
Departments must enter FY 22 Budgets Operating & Capital Outlay. Decision Units due	3/8
All estimates must be entered in budget module	3/15
All performance measures due	3/22
CIP Year 1 due 3/19	3/19
Year 2-5 due 4/16	4/16
Constitutional Officers submit their Certified Budget to the BOCC (5/1) (Tax Collector and PA requested by 5/1, however no later than 6/1).	5/1
County Administrator's Budget Hearings with all Departments for open discussion	5/18-5/20
Preliminary estimate of Property Tax Value due from Property Appraiser 6/1	6/1
Tentative Budget Workshops with BOCC	6/7, 6/21
Certification of Taxable Value by the Property Property Appraiser	7/1
Tentative Budgets Presented to BOCC	7/12
Set Proposed Millage Rates and Initial Assessment Rates. Announce 1st Public Hearing	7/12
Tentative Budget Workshops with BOCC	8/2, 8/16
First TRIM Public Hearing to Adopt Millage Rates, Adopt Assessment Fees, to Adopt Tentative Budget, and to set Final Public Hearing Date, Time, and Place.	9/8
Final Public Hearing to Adopt Final Millage Rates and Approved Budget	9/20
Submit Budget Adoption Resolutions to Property Appraiser and Tax Collector	9/21

2021 Calendar

BOCC Agenda Meeting Dates in Red - Holidays in Purple

January	February	March
S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
April	May	June
S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
July	August	September
S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
October	November	December
S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W TH F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Source: February 1, 2021
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FY22 Tentative Budget



Annual Budget Process Continues

Today – The Tentative Budget and millage used to create it is presented to the Board of County Commissioners

Throughout the Summer – The Board has the option to make changes to the Tentative Budget and the millage used to create it

September – The proposed millage rate and Adjusted Tentative Budget and, subsequently, the final millage rate and budget are adopted

BUDGET PROCESS



ADJUSTMENTS TO INITIAL GUIDELINES



5% INCREASE IN PROPERTY VALUES

Per July 1st Certified
Property Values received
from our Property
Appraiser, the increase in
taxable values calculates to
9.21%

1.00% CPI FOR COLA

The passing of Amendment
2 last November mandated
the state's minimum hourly
wage to be incrementally
increased to \$15.00 per
hour by September 30th,
2026. The County has
planned to implement this in
4 years beginning in FY22.
AMOUNT apx \$800,000

FRS RATES PER LEGISLATURE

Mandated increases in the
various FRS rates totals
\$235,067



ADJUSTMENTS TO INITIAL GUIDELINES



HEALTH INSURANCE REMAINING AT \$10,500

No increases to current employees or to the Board. Premiums for COBRA and Retirees increasing 5.44%

MAINTAIN RESERVE FOR CONTINGENCY AT 5% OF OPER REVENUE

This is the minimum level. Statutes allow for up to 10%, we were able to budget 6% for FY22

ONE-TIME RESOURCES ALLOCATED TOWARD ONE-TIME EXPENDITURES

Audited fund balance allowed for significant budget allocations for large capital projects



ADJUSTMENTS TO INITIAL GUIDELINES



EXPECTED TO REACH OUR MEDIUM-TERM GOAL OF MAINTAINING AN UNRESTRICTED BUDGETARY RESERVE EQUAL TO 2/12 OF OPERATING REVENUE IN THE GENERAL FUND (EXCLUSIVE OF RESERVE FOR CONTINGENCY) FOR STABILITY, LARGE SCALE EMERGENCIES, AND TO PROTECT LIQUIDITY/CASH FLOW

2/12 goal was achieved much sooner than expectations



ULTIMATE GOAL IS 3/12 GIVEN OUR GEOGRAPHICAL POSITION (COASTAL COMMUNITY) AND OUR RELATIVELY LOW ANNUAL REVENUE WHEN COMPARED TO OTHER COASTAL COMMUNITIES

Working towards this level. Assuming current trends continue, the County will meet this goal much sooner than originally projected



Property Valuations

Tax Year 2020

\$9,824,806,225

Tax Year 2021

\$10,729,809,625

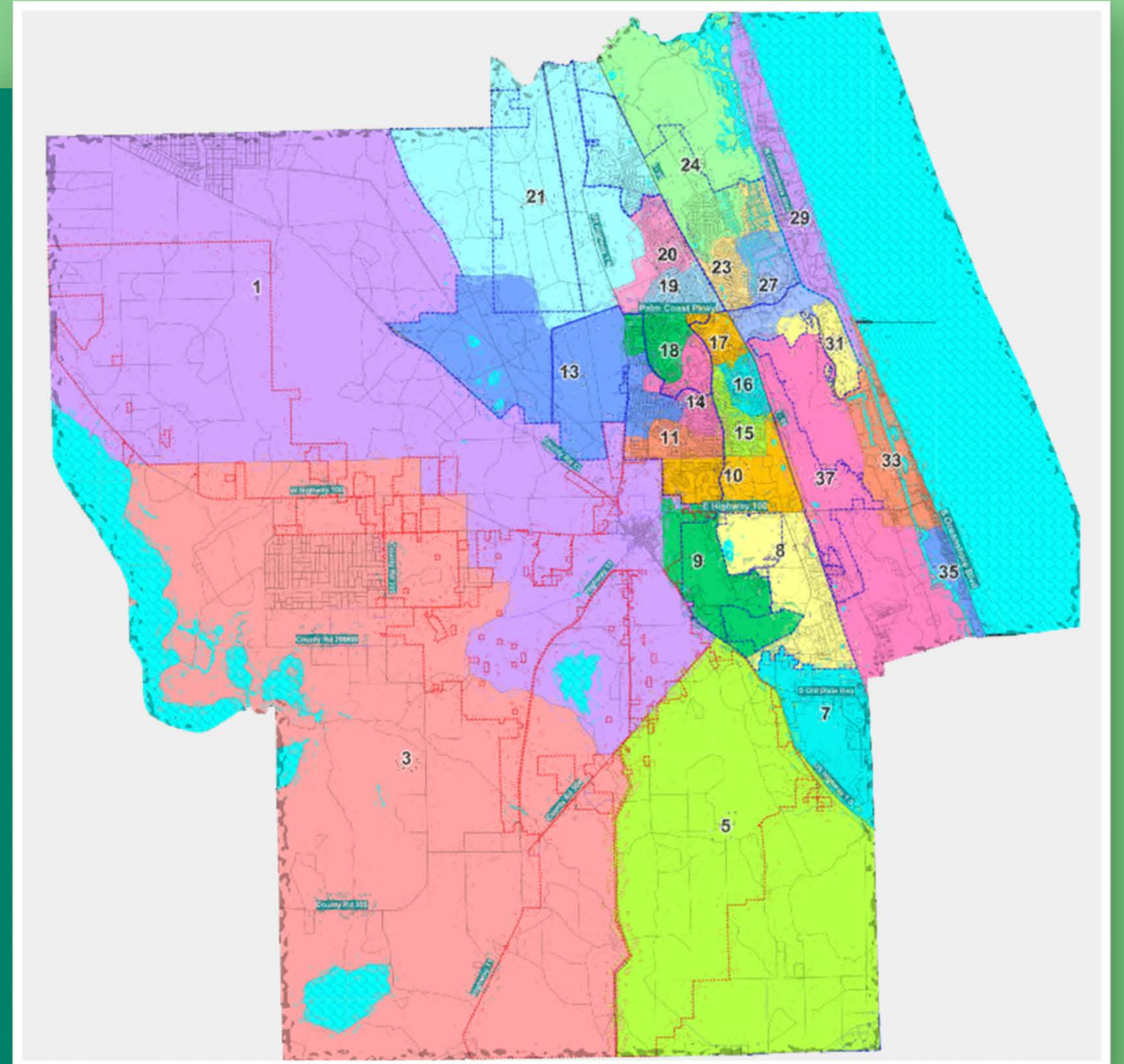
Millage Rates

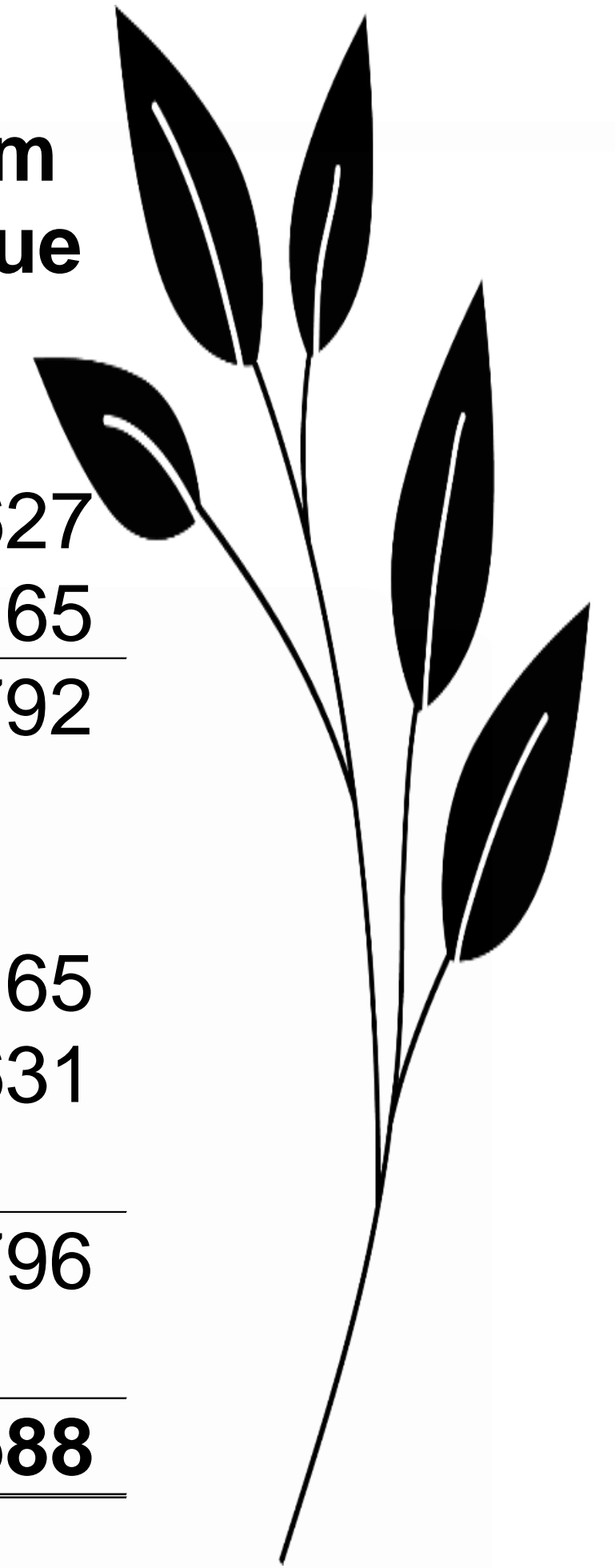
Tax Year 2020

8.5847

Tax Year 2021

8.5847





	Adopted Millage Rate FY 20-21	Proposed Millage Rate FY 21-22	Ad Valorem Tax Revenue @ 95%
Operating Millage Levies:			
General Fund (Fund 001)	8.1297 mills	8.1297 mills	\$ 82,868,627
Remainder of ESL (Fund 119)	0.1250 mills	0.1250 mills	\$ 1,274,165
Total Operating Millage	8.2547 mills	8.2547 mills	\$ 84,142,792
Voted Debt Service Levies:			
Series 2016 ESL (Fund 219)	0.1250 mills	0.1250 mills	\$ 1,274,165
2015 GO Refunding Bonds (Fund 211)	0.2050 mills	0.2050 mills	\$ 2,089,631
Total Voted Debt Service Millage	0.3300 mills	0.3300 mills	\$ 3,363,796
Total – All Millage Levies	8.5847 mills	8.5847 mills	\$ 87,506,588



Revenue Increase Due to Taxable Property Value Increase

Tax Year 2020 Budgeted Ad Valorem Revenue (at 95%)

\$75,938,738

Tax Year 2021 Budgeted Ad Valorem Revenue (at 95%)

\$82,868,627

Difference of Ad Valorem Revenue (at 95%)

\$6,929,889

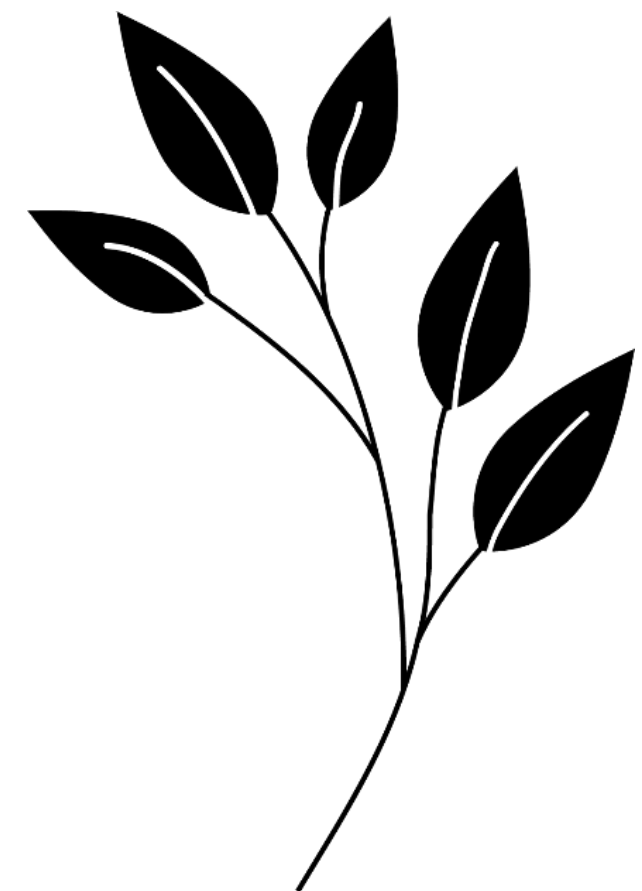
PRO RATA SHARE

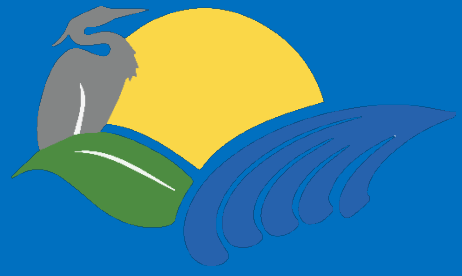


THIRD CONSECUTIVE YEAR FOR PRO RATA SHARE



	FY 21 Adopted General Fund (%)	FY 22 Tentative General Fund (%)	FY 22 Tentative Pro Rata Share (\$)
BOCC	60.76%	60.76%	\$ 4,210,601
Sheriff	29.98%	29.98%	\$ 2,077,581
Prop Appraiser	2.70%	2.70%	\$ 187,107
Tax Collector	2.90%	2.90%	\$ 200,967
Clerk	2.06%	2.06%	\$ 142,756
SOE	1.60%	1.60%	\$ 110,878
Total	100%	100%	\$ 6,929,889





THIRD CONSECUTIVE YEAR FOR PRO RATA SHARE



	FY 21 Adopted Budget	Less: FY 21 One-Time Enhancements	FY 22 Base Budget	Plus: FY 22 Pro Rata	Tentative FY 22 Budget	* Current 1/2 Cent Sales Tax	Requested FY 21-22 Budget	Difference (short of request)	Additional 1/2 Cent Sales Tax **	Difference (short of request)
BOCC(Including Judicial)	\$ 61,609,972	\$ -	\$ 61,609,972	\$ 4,210,601	\$ 65,820,573	\$ -			\$ -	\$ -
Sheriff	26,700,608	-	26,700,608	2,077,581	28,778,189	3,000,000	32,440,681	(662,492)	1,125,000	462,508
Prop Appraiser	2,712,207	-	2,712,207	187,107	2,899,314	-	2,845,655	53,659	-	53,659
Tax Collector	3,115,065	-	3,115,065	200,967	3,316,032	-			-	
Clerk	2,273,393	(250,000)	2,023,393	142,756	2,166,149	-	2,473,393	(307,244)	-	(307,244)
SOE	1,709,407	(138,302)	1,571,105	110,878	1,681,983	-	1,842,697	(160,714)	-	(160,714)
Total	\$ 98,120,652	\$ (388,302)	\$ 97,732,350	\$ 6,929,889	\$ 104,662,239	\$3,000,000	\$ 39,602,426	\$ (1,076,791)	\$ 1,125,000	\$ 48,209

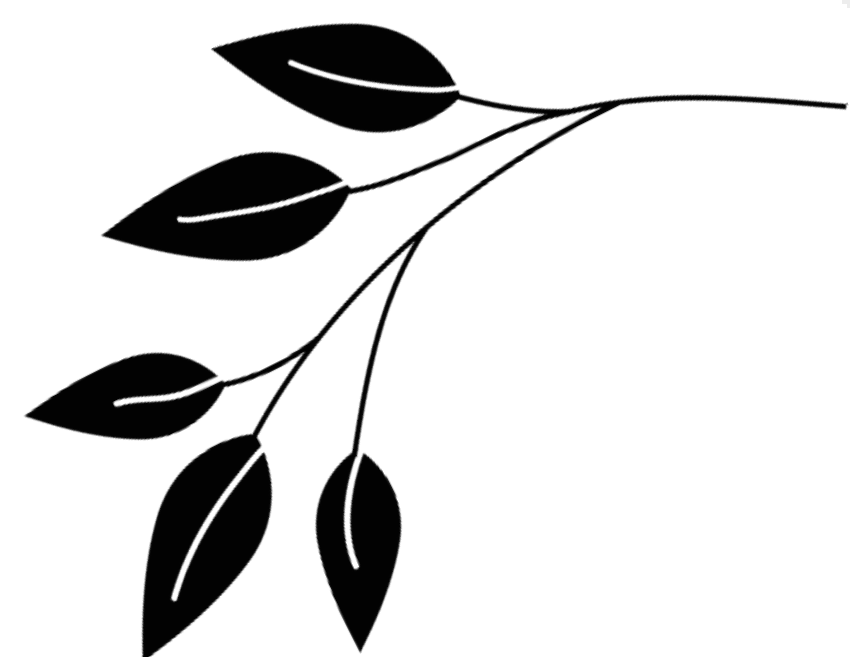
* \$3 million funding for the Jail from the current 1/2 Cent Small County Surtax

* \$1.125 million additional funding for public safety from the possible addition of the remaining 1/2 Cent Small County Surtax not currently levied

The 3 Previous Tentative Budgets – Each office stayed within their previous year’s budget (minus any one-time enhancements) plus the respective pro rata share to fund their budgets, including any wanted increases to service delivery or mandated increases from a higher authority.

During the FY21 Adjusted Tentative Phase the Board was asked to fund additional needs:

- Clerk – Requested a one-time increase to stabilize operations/workforce due to the COVID related decrease in fee revenue
- Supervisor of Elections – Requested a one-time increase due to the additional needs derived from the 2020 Presidential Election





BOARD'S PRO RATA SHARE



Board's Pro Rata Share of Ad Valorem Growth	4,210,601
(Less) FRS	(235,067)
(Less) Additional CIP	(356,642)
(Less) Additional Rolling Stock	(64,759)
(Less) Additional Operating (Including CRAs)	(701,650)
(Less) Personnel Adjustments FY 21 Mid-Year	(100,000)
(Less) Begin Impl. of Amendment 2 (\$15/hr) and COLA	(825,090)
(Less) New Department Funding needs	(1,927,393)
Available/ (Not Available-Over)	0





CONSTITUTIONAL OFFICER'S PRO RATA SHARE



August 2, 2021

	FY 21 Adopted Budget	Less: FY 21 One-Time Enhancements	FY 22 Base Budget	Plus: FY 22 Pro Rata	Tentative FY 22 Budget	* Current 1/2 Cent Sales Tax	Requested FY 21-22 Budget	Difference (short of request)	Additional 1/2 Cent Sales Tax **	Difference (short of request)
BOCC(Including Judicial)	\$ 61,609,972	\$ -	\$ 61,609,972	\$ 4,210,601	\$ 65,820,573	\$ -			\$ -	\$ -
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Tax Collector	3,115,065	-	3,115,065	200,967	3,316,032	-			-	
Clerk	2,273,393	(250,000)	2,023,393	142,756	2,166,149	-	2,473,393	(307,244)	-	(307,244)
SOE	1,709,407	(138,302)	1,571,105	110,878	1,681,983	-	1,842,697	(160,714)	-	(160,714)
Total	\$ 98,120,652	\$ (388,302)	\$ 97,732,350	\$ 6,929,889	\$ 104,662,239	\$3,000,000	\$ 39,602,426	\$ (1,076,791)	\$ 1,125,000	\$ 48,209

* \$3 million funding for the Jail from the current 1/2 Cent Small County Surtax

* \$1.125 million additional funding for public safety from the possible addition of the remaining 1/2 Cent Small County Surtax not currently levied

Constitutional Officer's have been added to the Board's next meeting on August 2nd to discuss their budgets if they choose to do so.

This is the annual opportunity to have a definitive date/meeting for the C.O.s to address the Board.

Although this is the one scheduled opportunity, the C.O.s can certainly attend any of the Board's meetings.



One-time resources allocated toward one-time expenditures

Additional Fund Balance due to FY20 Audit

1
**Library
Construction**

\$5 Million

Plus \$600 Thousand
from
Ad Valorem

2
**Fire Station
Construction**

\$4 Million

Plus \$600 Thousand
from
Ad Valorem

3
**Deferred
Maintenance**

\$85 Thousand



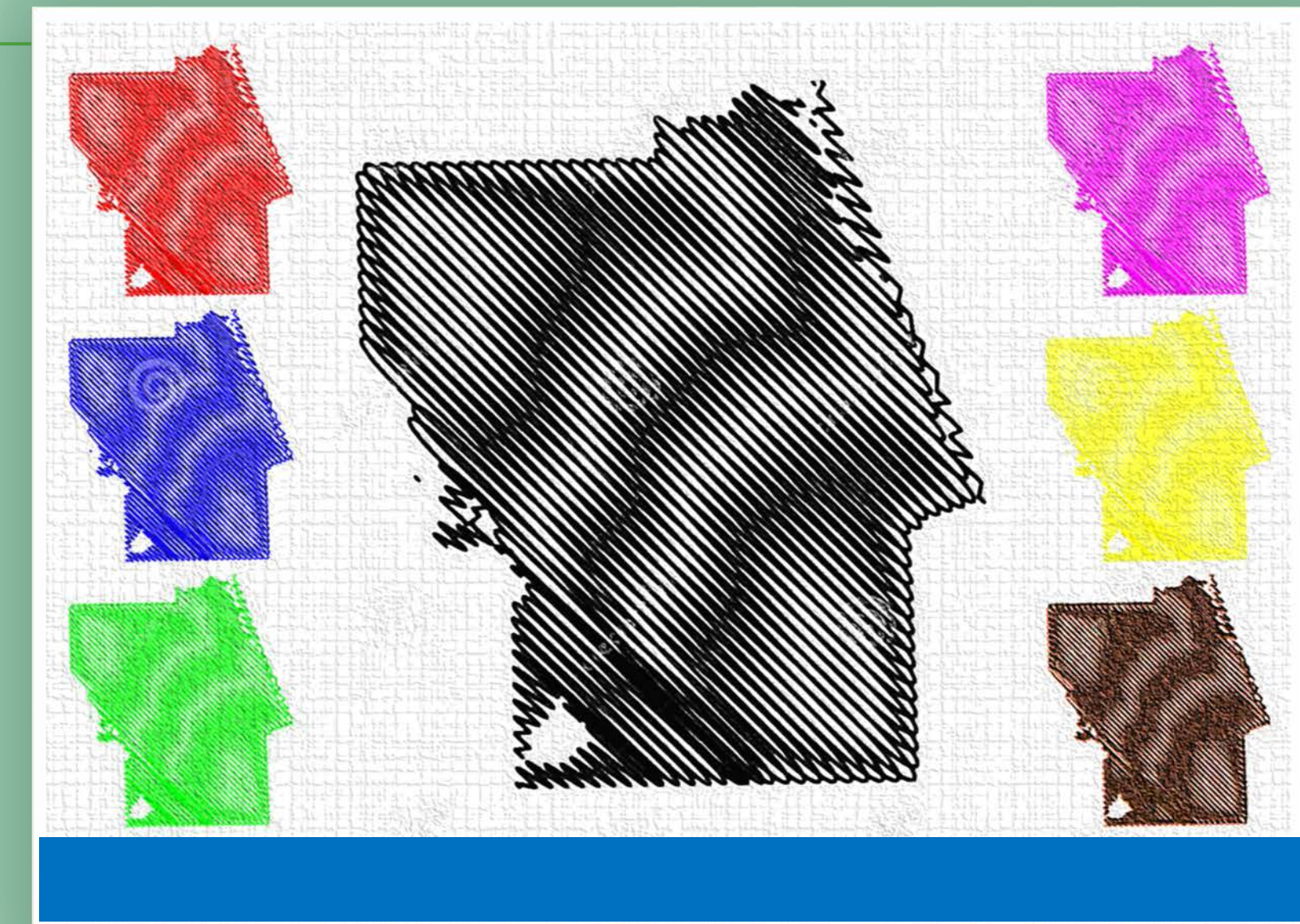
Recurring Resources for Recurring Expenditures

General Fund revenues not fund balance and/or other one-time proceeds

Largely comprised of Ad Valorem revenue

Used for existing recurring costs (e.g. salaries and contracts)

Used for any new recurring costs (e.g. new FTEs and FRS increases)





Recurring Resources for Recurring Expenditures

FY22 Existing and Mandated Costs
\$77M

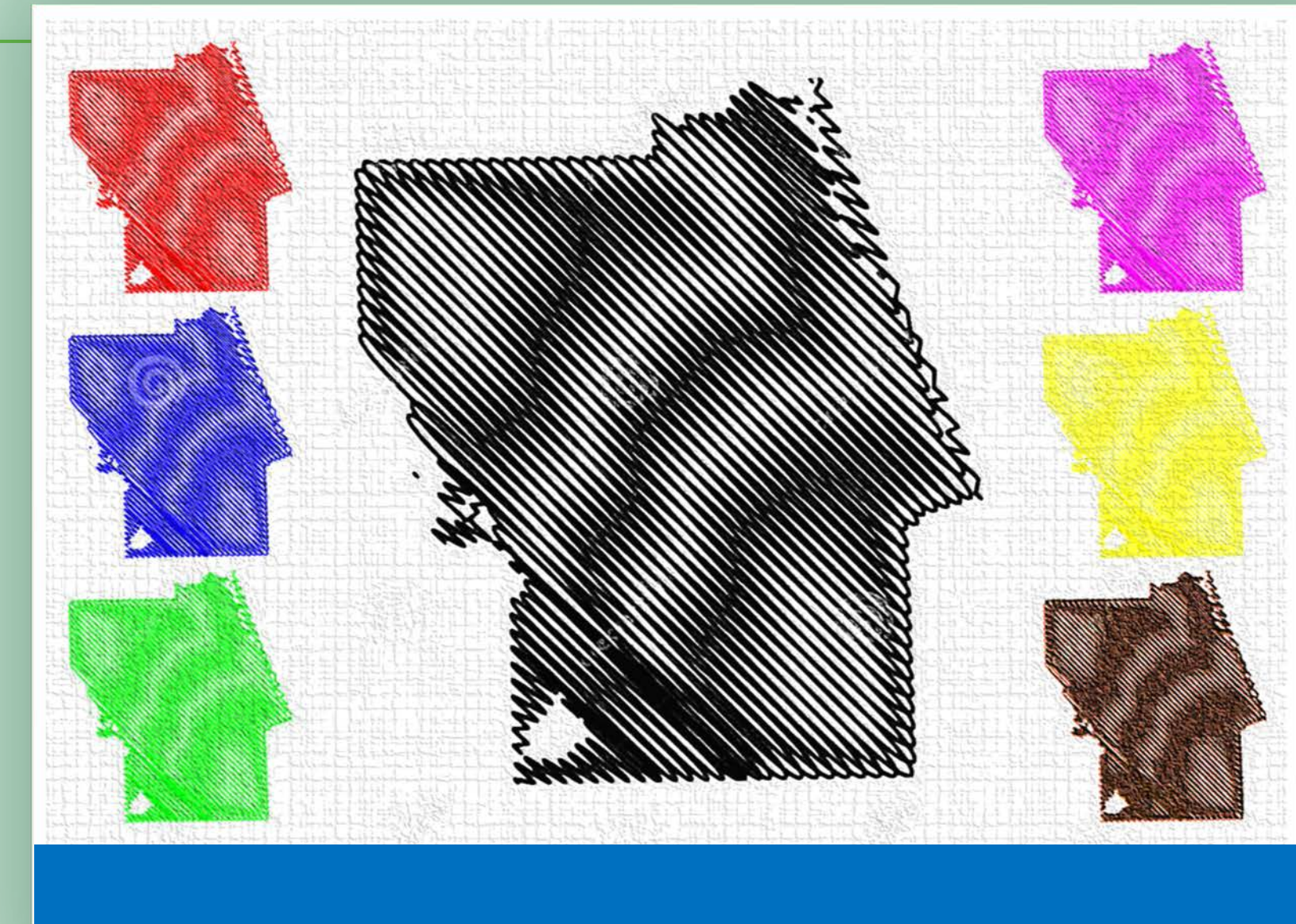
Future New Mandates and Service Delivery Increases
\$2M

Known Future Recurring Costs

Library staffing – Over \$600K per year

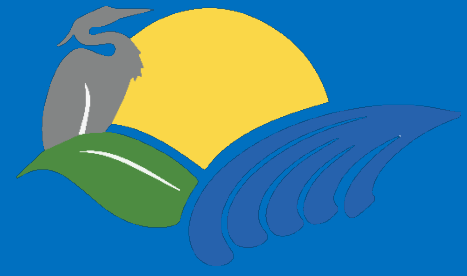
SAFER Grant FTE absorption – Over \$1.3M

Sheriff's Ops Center facility support – Over \$280K



Recurring revenue needs to fund current and future recurring costs, including any annual growth (FRS, COLA, contractual, etc.) for the Board and Constitutional Offices in perpetuity.

Generally, recurring revenue growth of 4% - 5% annually is needed to sustain operations (at current millage rate). This growth would not allow any new positions or increases to customer service without reductions occurring elsewhere in the budget.



- **Millage** – According to the Department of Revenue over 80% of counties have not gone to a rollback millage rate (3 year data set from 2017-2019).
- **General Revenue** – Of the 30 counties that are eligible to levy the Small County Surtax, only Flagler County does not levy the full 1 cent (currently levying ½ cent).
- **Unfunded Mandates** – The Constitutional Amendment 2 that passed in 2020 to increase the minimum wage to \$15/hour by September 30, 2026 will cost Flagler County over \$3.2 million an year when fully implemented.



FY22 ADJUSTED TENTATIVE



Adjustments to the Tentative Budget can occur up to **August 27th**

Meetings and/or workshops can be scheduled as desired until this date in order to allow for any changes to be incorporated into the budget moving forward

September 8th - First public hearing to adopt assessments, proposed millage rates, and Adjusted Tentative Budget

September 20th – Second public hearing to adopt the final millage rates and final budget





CONCLUSION

Flagler County FY22 Tentative Budget Submittal

July 12, 2021

Submitted by:

Financial Services Department

www.flaglercounty.gov