

# **FY 13 Proposed Budget Update & Adoption of Millage Rates**

Items 41 and 42

July 12, 2012

# Today's Presentation

- **FY13 expenditure budget update**
- **Review millage rates**
- **Request Governing Board approval of proposed millage rates for certification to property appraisers**
- **Next Steps**



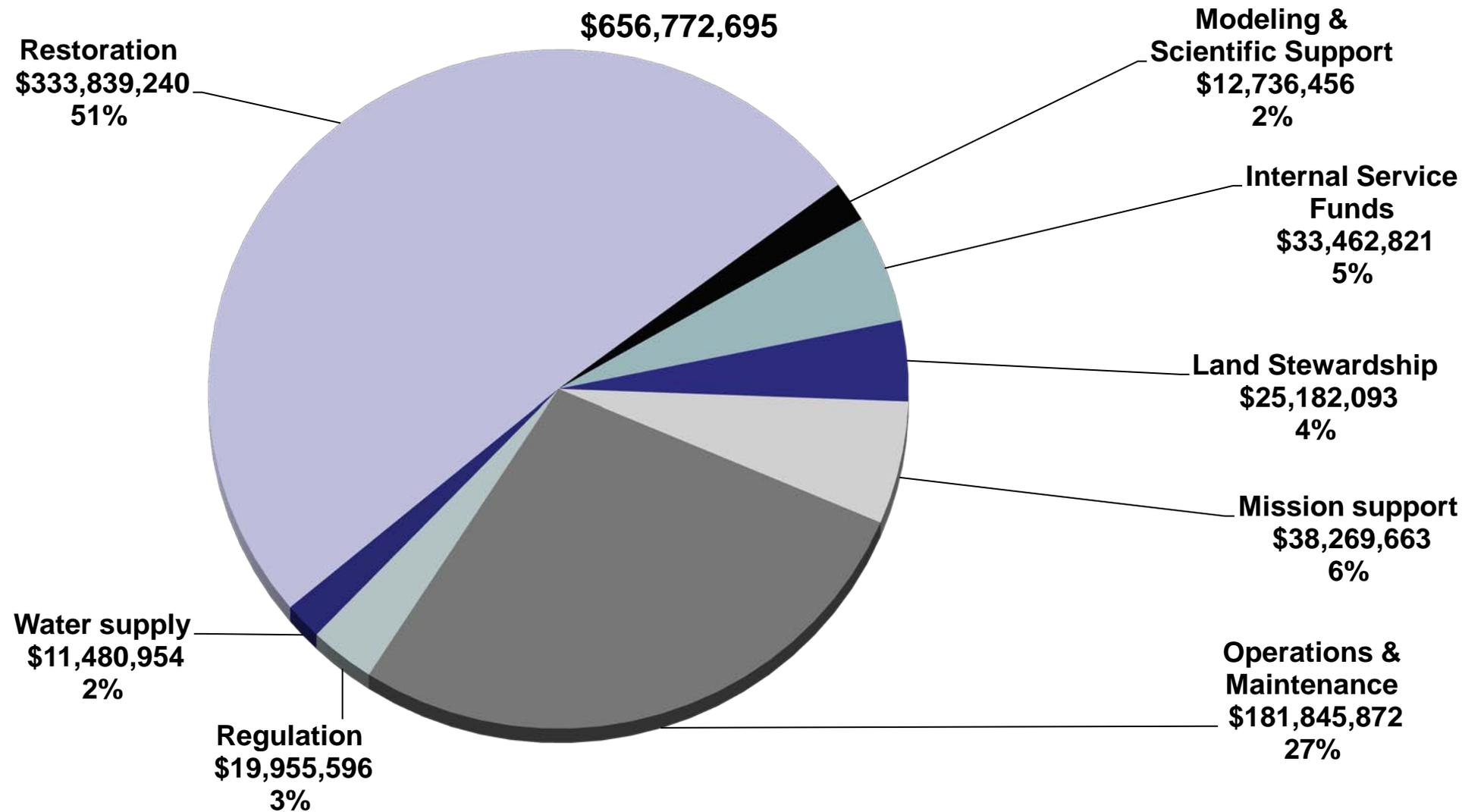
# FY13 Expenditure Budget Update

# Proposed expenditure changes

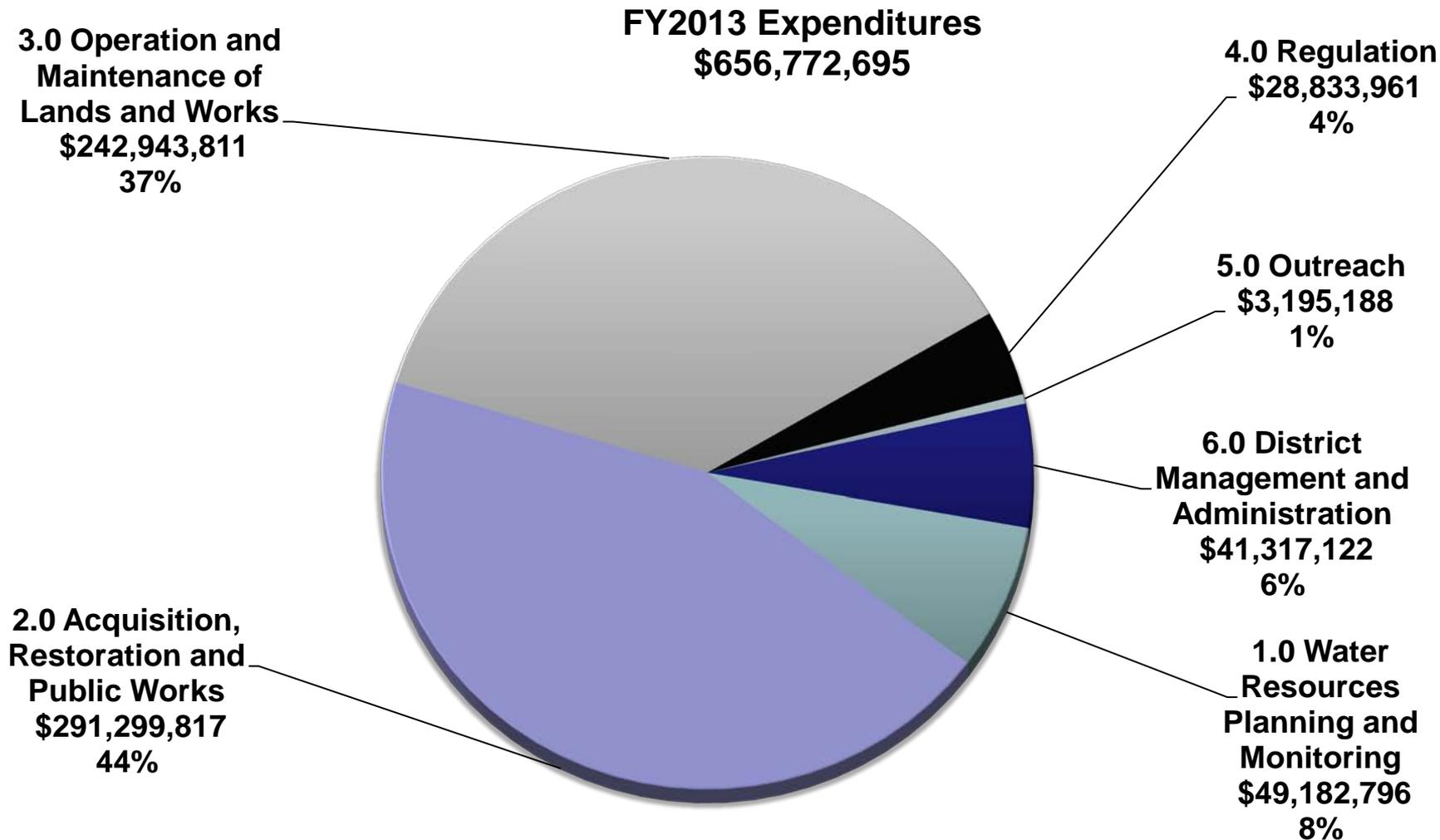
<b>June Proposed Budget</b>	<b>\$ 654.1</b>
<b>July Update</b>	<b>\$ 656.8</b>
<b>Change</b>	<b>\$ 2.7</b>
<b>Components:</b>	
<b>C-44 project</b>	<b>\$ (1.1)</b>
<b>Big Cypress Basin</b>	<b>\$ 1.3</b>
<b>State Appropriations</b>	<b>\$ 1.5</b>
<b>Science/Modeling Support</b>	<b>\$ 1.0</b>

# FY13 Updated Expense Budget

**FY2013 Expenditures**  
**\$656,772,695**



# FY13 Updated Expense Budget- State Programs



# Proposed FY13 Millage Rates

# Updated Ad Valorem Estimates

<b>Revenue Category</b>	<b>Planned</b>	<b>Updated</b>	<b>Variance</b>
<b>Baseline</b>	<b>270.7</b>	<b>266.0</b>	<b>-4.7</b>
<b>New Construction</b>	<b>2.1</b>	<b>2.1</b>	<b>0.0</b>
<b>Total</b>	<b>272.8</b>	<b>268.1</b>	<b>-4.7</b>

Updated estimates reflect an \$11B decrease in prior year property values, resulting in an ad valorem revenue deficit projected at \$4.7M at rolled back millage rates

# Rolled Back Millage Rates

- **Calculation of rolled back rate for FY13 is based on FINAL values from prior year as certified *this July***
  - **Final PY values not known until last week due to Value Adjustment Board process (VAB)**
    - **Appeal process for assessed valuation of property**
  - **Final FY12 property values dropped by \$11B from last fall**

# Rolled Back Millage Rates

## ■ Statutory definition of rolled back rate

- Millage rate which, exclusive of new construction, additions to structures, deletions, .... property added due to geographic boundary changes, total taxable value of tangible personal property within the jurisdiction in excess of 115 percent of the previous year's total taxable value....., will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year
- Department of Revenue forms and calculations do not address a circumstance of prolonged VAB process that results in significantly reduced prior year values
- No provision to adjust rolled back rate for significant changes in prior year value

# Taxroll & Revenue Impacts

<b>2011 Taxable Value Certification</b>	<b>Tax Base (In Billions)</b>	<b>Change (In Billions)</b>	<b>Miami-Dade (In Billions)</b>	<b>Change (In Billions)</b>
<b>July 2011</b>	<b>665.6</b>	<b>N/A</b>	<b>188.7</b>	<b>N/A</b>
<b>September 2011</b>	<b>664.6</b>	<b>(1.0)</b>	<b>188.2</b>	<b>(0.5)</b>
<b>July 2012</b>	<b>654.4</b>	<b>(11.2)</b>	<b>179.4</b>	<b>(9.3)</b>
<b>2011 Taxable Value Certification</b>	<b>Baseline Revenue (Millions)</b>	<b>\$ Change (Millions)</b>		
<b>July 2011</b>	<b>270.7</b>	<b>N/A</b>		
<b>September 2011</b>	<b>270.3</b>	<b>(0.4)</b>		
<b>This July</b>	<b>266.0</b>	<b>(4.7)</b>		

# Proposed Millage Rates – Rolled Back Rate \*

Millage Rate	FY12 Adopted	FY13 Rolled Back	Recommended	% Change from Rolled Back
District-wide	0.1785	0.1757	0.1757	0.00%
Okeechobee Basin	0.1954	0.1919	0.1919	0.00%
Everglades Construction Project	0.0624	0.0613	0.0613	0.00%
Total Okeechobee Basin	0.4363	0.4289	0.4289	N/A
District-wide	0.1785	0.1757	0.1757	0.00%
Big Cypress Basin	0.1633	0.1638	0.1633	-0.31%
Total Big Cypress Basin	0.3418	0.3395	0.3390	N/A

Rolled back rates generate \$268.1M

\* BCB maintains continuation millage

# Addressing the Revenue Gap

- **Utilize \$4.7M of ad valorem one-time cash balance from FY12 projected balances**
  - **Personnel Services Projection (surplus funds from vacant positions)**
- **Reflect this change in August 1 Report**
- **Between now and September identify \$4.7M in reductions or budget items that are appropriate to fund from one time balances**
- **Report back to Governing Board in September**

# Future Revenue Targets to Augment Budget

## ■ State revenue:

- **Dedicated state funding source for Restoration Strategies ~ \$32M/year**
- **Pursue Save Our Everglades funding for Picayune Strand and other CERP efforts**
  - **Priority list to be presented to Governing Board**
- **Legislative appropriations – Water Projects**
  - **Priority list to be presented to Governing Board**

# Future Revenue Targets to Augment Budget

## ■ District revenue:

- **Outdoor public information systems to augment recurring revenues/OMC budget ~ \$5M/year**
- **Mitigation funds (HB377)**
  - **\$2-4M/year**
  - **C-139 Annex Lake Belt Mitigation Plan**
- **Royalties on District/State lands**
  - **\$1M/year, escalating over 25 years**
  - **Miami-Dade focused projects including 8 ½ Square Mile Area, Biscayne Bay Cutler Flowway and C-111 South**

## Key Dates

- **Today: District Governing Board FY13 Budget Update and approval of proposed millage rates**
- **July: Complete county appraiser millage certifications**
- **August 1: Complete and submit FY13 Budget report to Governor and Legislature**
- **September 13 & 25: Two public meetings to adopt tentative and final millage rates & budget**

# Staff Recommendation

- **Adopt the following millage rates for certification to county appraisers for Truth in Millage compliance:**
  - **District-at-large 0.1757 mills (0.00% above rolled back rate)**
  - **Okeechobee Basin 0.1919 mills (0.00% above rolled back rate)**
  - **Everglades Construction Project 0.0613 mills (0.00% above rolled back rate)**
  - **Big Cypress Basin 0.1633 mills (0.31% below rolled back rate)**

# Governing Board Discussion/Guidance