



FY24 Budget Message



Investing in Our Future

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June 13, 2023

INTRODUCTION

To the Honorable Alachua County Board of County Commissioners:



The presentation of the FY24 Tentative Budget and Budget Message is my honor and one of my essential and fundamental duties. As Florida law mandates, I am presenting a balanced budget.

I am pleased to report that the state of Alachua County government is strong, our finances are in order, and my talented staff is up to the opportunities and challenges of the coming year. Our many years of responsible financial planning have built the strong foundation that allows us to deliver the high-quality services our residents have come to expect.

I am very excited about our investments in our community in the coming years. Due to the passage of the 10-year one-penny Wild Spaces Public Places/Infrastructure Surtax, we will experience profound budget impacts in FY24 and beyond. We will continue conserving lands and investing in parks and recreation, but we now have the resources to invest in affordable housing projects and to impact our roads dramatically. When adding 70% of the second half penny to other funding sources, we are dedicating nearly a quarter of a billion dollars to our road challenges. I am grateful to voters for giving us the resources to tackle these issues.

In response to the continuing effects of inflation, the substantial increase in property values, and the dramatic revenue increase from the surtax, for the seventh year in a row I am recommending a decrease in our General Fund property tax millage rate from 7.7662 mils to 7.6414. I recommend no increase to the MSTU Law Enforcement millage, having its rate remain at 3.5678 mils, and I recommend no increase to the Fire Assessment. Tier 1 will remain at \$90.69, and Tier 2 at \$8.31.

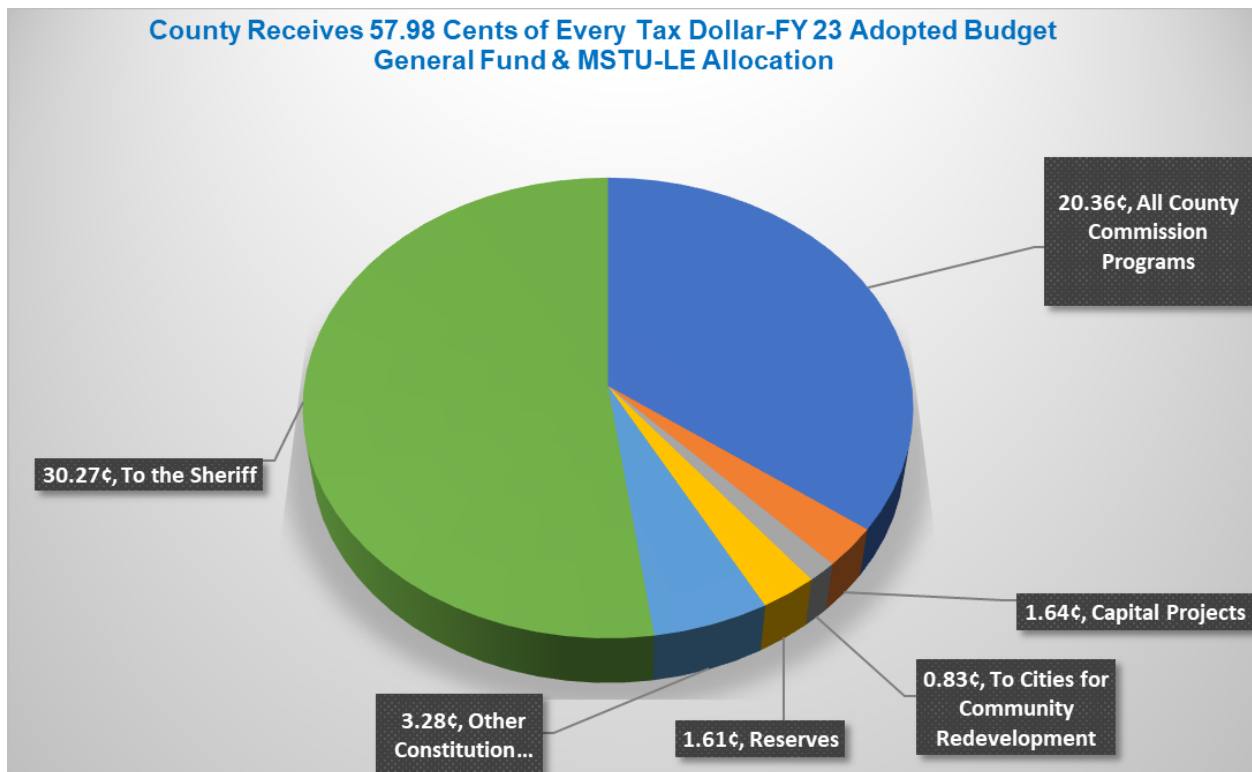
I recommend a \$10 increase in the County's Stormwater Fee due to increases in personal services and inflation costs related to repairs and maintenance for projects addressing stormwater runoff. This increase includes the cost of three heavy-duty pumps to prepare for and recover from flooding events.

Due to increasing costs of contractual agreements, equipment, labor, transportation, and materials, I recommend increases to the Solid Waste assessments. Universal Collection, which utilizes a 64-gallon cart, would go from \$264.56 to \$276.86. Rural Collection would go from \$110.58 to \$132.02. Solid Waste Management Assessment Residential (Mandatory and Municipal) would increase from \$20.78 to \$25.27; Commercially Collected Residential would increase from \$19.29 to \$25.27, and Non-mandatory Residential would increase from \$12.08 to \$15.81.

In addition to the fund and fee information, this Budget Message highlights many of the most important recommendations in your FY24 Tentative Budget.

Alachua County's Share of Each Property Tax Dollar

In FY23, the County received 57.98 cents of every property tax dollar. Of this amount, 20.36 cents were used for County departmental operations, and 1.64 cents funded capital projects. The remaining 35.99 cents were distributed as follows: 30.27 cents to the Sheriff; 3.28 cents to other Constitutional and Judicial offices; .83 cents to cities for community redevelopment; and 1.61 cents were held in reserves. The following chart illustrates how the Commission allocated its property tax dollars.



PROPERTY VALUES AND MILLAGE RATES

For the ninth consecutive year, Alachua County's property values are rising. This Tentative Budget demonstrates a 10.68% increase in the General Fund and a 9.05% increase in the Municipal Service and Law Enforcement Taxing Unit. The increases are based on estimated values provided to us by the Property Appraiser on June 1, 2023.

The Property Appraiser will submit certifiable values on July 1, 2023; revenue estimates will be adjusted accordingly. The Commission will be asked to set the tentative millage rates at the public hearing on July 11, 2023, BoCC evening meeting.

FY24 Proposed Millage Rates 06-01-23		
Property Tax Revenue Only	General Fund	MSTU Law Enforcement
Tax Year 2023 Projected Taxable Value	21,075,000,000	8,675,000,000
Tax Year 2022 Final Gross Taxable Value	19,040,742,417	7,955,323,457
Current Millage	7.7662	3.5678
FY24 Projected Revenue	155,489,032	29,403,132
FY23 Projected Revenue	140,480,503	26,963,853
Difference	15,008,529	2,439,279
Simple Majority Cap	10.0000	3.6630
Millage Change	2.2338	0.0952
FY24 Projected Revenue	200,212,500	30,187,699
FY23 Projected Revenue	140,480,503	26,963,853
Difference	59,731,997	3,223,846
Super Majority Cap	10.0000	4.0293
Millage Change	2.2338	0.4615
FY24 Projected Revenue	200,212,500	33,206,469
FY23 Projected Revenue	140,480,503	26,963,853
Difference	59,731,997	6,242,616
Rollback Rate	7.2153	3.3410
Millage Change	-0.5509	-0.2268
FY24 Projected Revenue	144,459,325	27,534,016
FY23 Projected Revenue	140,480,503	26,963,853
Difference	3,978,822	570,163
Recommended	7.6414	3.5678
Millage Change	-0.1248	0.0000
FY24 Projected Revenue	152,990,381	29,403,133
FY23 Projected Revenue	140,480,503	26,963,853
Difference	12,509,878	2,439,280
These Values are based upon estimates of non-exempt values for the County and MSTU-Law Enforcement. July 1 the Property Appraiser will deliver the Certification of Taxable Values and revenue estimates will be adjusted accordingly.		

GENERAL FUND

As I previously mentioned, I recommend reducing the millage rate to 7.6414 mills. The General Fund provides resources for most County departments and Constitutional offices. The FY24 General Fund sum of all property tax revenues is \$152,990,381. The total of all General Fund revenue sources is \$216,127,738.

The General Fund budget totals include many revenue sources such as Ad Valorem Tax, State Sales Tax, Communications Service Tax, and Public Service Tax.

MUNICIPAL SERVICES TAXING UNIT (MSTU), MUNICIPAL SERVICES BENEFIT UNITS (MSBU) & GAS TAX

MSTU Law Enforcement

I recommend no increase to the MSTU Law Enforcement Fund rate of 3.5678. The FY24 MSTU Law Enforcement total from property tax revenue is \$29,403,133. The total from all MSTU law Enforcement revenue sources is \$33,762,845.

MSBU Fire Protection

Fire Protection will continue to be funded through an MSBU assessment fee, and there will be no increase to the Fire Assessment, which will remain at \$90.69 for Tier 1 and \$8.31 for Tier 2. The total budget for this fund is \$31,008,222.

MSBU Stormwater

Stormwater management will continue to be funded through an MSBU assessment fee for FY24, and I recommend a \$10.00 increase. With the increase, the total fund budget would be \$3,687,597.

MSBU Refuse Collection

As mentioned, I recommend small increases in the Universal Refuse Collection, Rural Collection, and Solid Waste Management Assessment. With the increase, the total budget for all funds would be \$29,021,269.

Gas Tax Fund

The projected Gas Tax FY24 revenue is \$14,749,685. The cost of providing transportation system services, coupled with cars becoming more fuel-efficient and residents continuing to choose alternative modes of transportation, has outpaced revenues from the Gas Tax. To offset this deficiency, General Fund transfers and the Infrastructure Surtax will dramatically bolster our level of service.

Wild Spaces Public Places (WSPP), Infrastructure Surtax

On November 8, 2022, Alachua County voters passed the ten-year one-cent surtax. One-half penny for conservation lands and parks and one-half penny for roads and affordable housing. Surtax funds for the FY24 Tentative Budget include \$13,332,374 for land conservation, \$3,333,093 for parks, \$11,665,827 for roads, and \$4,999,640 for housing.

COUNTY INITIATIVES AND IMPERATIVES

COLA and Minimum Wage Increase

Each of our revenue funds will pay its fair share of the Florida Retirement System (FRS) contributions, health insurance increases, employee compensation increases, and reserves.

I recommend giving all employees a Cost-of-Living Adjustment (COLA). This recommendation includes an equivalent level of funding for employees of the Constitutional and Judicial Officers. A health insurance increase is budgeted at 6%. I recommend that we set aside a comparable level of funding for bargaining unit employees.

Continuing the effort to reach a living wage, the FY24 Tentative Budget recommends increasing the County Minimum Wage from \$16.00 to \$17.00 an hour. I recommend this increase for all County, Constitutional, and Judicial employees funded by the County.

Pavement Management Plan

The Commission has followed through on its commitment to increase road maintenance funding through various sources. The FY24 budget includes \$11.7 million in surtax funds, and the general fund will contribute \$8 million. The recently approved pavement management plan prioritizes the timing and location of road paving throughout the County.

The County Commission has chosen to factor in historical inequities when influencing the output of the pavement management program, particularly in Residential Roadways within Areas of Inequity. Alachua County is one of only a few communities in the Country using equity data in this way, allowing the County to ensure more equitable outcomes in planning for infrastructure and ensuring funding will address the needs of historically disadvantaged communities. In addition, attention will also be given to road segments with 15 or more work orders recorded in Alachua County's Cityworks database.

Affordable Housing Trust Fund

In fulfilling the spirit of the Charter Amendment approved by voters, I recommend that \$1 million be placed in the Affordable Housing Trust Fund. This will seed the non-lapsing fund designed to support affordable housing projects for renters and homeowners and increase workforce housing opportunities. The Commission will review staff presentations on housing initiatives during August budget meetings.

American Rescue Plan Act (ARPA)

In the FY24 Tentative Budget, American Rescue Plan Act dollars are categorized as revenue recovery funds allowing the Board to continue to review and implement approved programs to meet their strategic initiatives.

Addressing the County's Critical Building Needs

This budget continues the planning and execution of Phase 1 of the Facilities Master Plan, which includes a combination of financial and implementation strategies. The Plan aims to consolidate offices, increase building efficiency, and create sustainable, citizen-focused spaces. Phase 1 (2023-2026) includes:

- The incorporation of Court Services into the new Civil Courthouse building
- Finding temporary and permanent space for Environmental Protection Department
- Building a Chill Water Central Energy plant at the court complex
- Moving Fire Rescue Headquarters and the Emergency Operations Center into the Armory site
- Siting Animal Resources
- Relocation of County Administration to the current civil courthouse upon completion of the new civil courthouse

CONCLUSION

FY24 Tentative Budget is now turned over to you. This process will culminate in the budget's final adoption on September 26, 2023. There will be multiple budget meetings between now and then, providing ample opportunity for discussion, citizen input, and final budget direction from the Commission.