



# Executive Summary



## SHORT TERM INITIATIVES FOR FISCAL YEAR 2024

- Continued Living Wage - The Alachua County Commission continued to take the lead among agencies in paying a Living Wage increasing our Local Minimum Wage to \$16.00 in FY23 and Alachua County plans to continue addressing the living wage by raising it to \$17.00 in FY24. Alachua County far exceeds the current Florida Department of Labor's Minimum Wage of \$11.00 and it's increasing by \$1.00 until the Minimum Wage reaches \$15.00 per hour on September 30, 2026.
- American Rescue Plan Act (ARPA) is an economic support tool to assist state and local governments and this program allows local governments to use Federal funding to replace revenues lost because of the pandemic. Alachua County has received \$52.25 million in one-time ARPA funding and has initiatives underway to meet Board goals.
- Redevelopment of the Alachua County Apartments to provide housing to vulnerable county residents utilizing the Department of Economic Opportunity - Housing and Urban Development grant.
- Implement the Affordable Housing Trust Fund programming and provide a continuing, non-lapsing fund to create and sustain affordable housing throughout Alachua County for renters and homeowners and increase workforce housing opportunities.
- Continued development of Central Receiving Program to provide adults experiencing crisis a point of entry into the mental health and substance abuse system for immediate assessment and referral ensuring equity.
- Unveiled the Climate Change Action Plan with efforts to engage stakeholders and the community to continue reducing the county's carbon footprint protecting existing flood plains and natural resources and addressing climate-vulnerable areas.
- Continue public-private economic sustainability with the development of Sports Event Center, Eastside Clinic and building and redevelopment of county buildings and road infrastructure.
- Provide integrated sustainability and equity through food, economic, criminal justice, housing, and employment programming.

## LONG-TERM INITIATIVES

### Public Safety

- Reduce jail population by prevention, treatment, and diversion.
- Maintain welfare and protection of the public (law enforcement, fire/rescue, code enforcement).
- Disaster planning, mitigation, and recovery.

### Natural Resources

- Review and implement adopted energy and water conservation plans.
- Implementation of Comprehensive Plan regarding natural resources.
- Stewardship of land conservation inventory – including maintenance and access.
- Guide community planning and growth.
- Manage waste sources responsibly.

### Economic Opportunities

- Support efforts to provide a diversity of job opportunities (reduce poverty and unemployment rates).
- Work with Chamber of Commerce to review policies and regulations that will make the County attractive to business or identify areas that hinder business operations.
- Continue to support the Qualified Target Industry program.
- Promote cultural and environmental tourism.
- Continue to improve collaboration with municipalities, the University of Florida, and Santa Fe College to leverage job creation and share successes.

### Governance

- Ensure fiscal stewardship through policy development and financial management.
- Provide for a qualified and engaged workforce through policy initiatives, such as competitive compensation and benefits.
- Provide a system to respond, address and track citizen requests and concerns.
- Use alternative tax and fee methods to shift burden from property tax.

### Social Strength & Wellbeing

- Financially support community programs that address the needs of pre-school children and their families.
- Expand internship and apprenticeship programs in the county to give students “real world” experience.
- Conduct needs assessment to identify services needed for senior citizens.
- Provide information and ensure assistance, advocacy, and support are available.
- Ensure safe and affordable housing options.

For more information see the strategic guide

## LONG TERM FINANCIAL PROJECTIONS

### Overview

The financial forecast serves as a critical tool to allow the County to evaluate current and future fiscal conditions to inform policy decisions in the budget process.

The financial forecast reflects the OMB's analysis of historic trends, actual performance to date, and other analyses that take into consideration economic factors, the policy environment, and other relevant factors. The forecast is also used to evaluate the long-term fiscal health of the County, allowing the county to identify potential funding challenges and the County's ability to reach its long-term financial and strategic goals.

### Elements

**Time Horizon:** Preliminary financial forecasts include an overview of the prior-year performance; expectations for the current year; and revenue estimates for the budget year. A further 3–5-year forecast projection will be developed.

**Frequency:** OMB works with each County department to develop expense requests and revenue estimates. OMB also works with departments to identify repurposing opportunities and provide advice based on the County's overall revenue and expense outlook. OMB monitors financial performance and economic conditions underlying the financial forecast. Forecasts are reviewed annually during the budget process as well as monitored due to economic conditions impacting revenue collections.

**Visibility:** The OMB has enhanced this section of the budget book to provide a summary of the projections while including details in the Appendix of the book.

**Scope:** For FY23 the plan focused on the General Fund, MSTU-Law Enforcement and Gas Tax Fund. Further appropriated funds will continue to be developed.

**Content:** Development will include analysis of the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance and plan monitoring mechanisms.

## Mobilization Phase

- Alignment of Resources
- Preliminary Analysis
- Identification of Service Policies and Priorities
- Validation and Promulgation of Financial Policies
- Definition of Purpose and Scope of Planning

## Analysis Phase

- Information Gathering
- Trend Projection
- Analysis

## Decision Phase

- Decide How to Use the Information Provided
- Participative Process
- Review with Stakeholders
- Process for Executing the Plan

## Execution Phase

- Strategies Become Operational Through:
- The Budget
- Performance Measures
- Action Plans
- Monitoring

## FY24 BUDGET PROCESS CALENDAR

Dates and Time	Activity	Participants
October 2022 – February 2023	Departmental Budget and Capital Improvement Plan Preparation	County Manager, Departments, Office of Management and Budget (OMB)
Thursday, February 23, 2023 5:00 PM	Departmental Budgets Submitted to OMB	Departments, Office of Management and Budget (OMB)
Tuesday, February 28, 2023 11:30 AM	<u>BoCC Regular Board Meeting</u> FY24 Adoption of Calendar Resolution for Constitutional Officers FY24 Adoption of Budget & Financial Policies Strategic Guide	BoCC, County Manager, County Attorney, OMB
Thursday, March 2, 2023 5:00 PM	Internal Service Estimates Due to OMB	Departments, Office of Management and Budget (OMB)
Thursday, March 9, 2023 1:30 PM	<u>BoCC Special Meeting</u> Deep Dive – Community Support Services	BoCC, County Manager, County Attorney, OMB
Tuesday, March 14, 2023 11:30 AM	<u>BoCC Regular Board Meeting</u> Board Focus Historical Trends	BoCC, County Manager, County Attorney, OMB
Tuesday, April 11, 2023 11:30 AM	<u>BoCC Regular Board Meeting</u> Level of Service Performance Matrix Breakout By Focus Area	BoCC, County Manager, County Attorney, OMB
Monday, May 1, 2023 5:00 PM	Judicial and Constitutional Officers submit budget requests to Board of County Commissioners	
Thursday, May 4, 2023 10:00 AM	<u>BoCC Special Budget Meeting</u> Judicial Offices <ul style="list-style-type: none"> <li>· Court Administration</li> <li>· Guardian Ad Litem</li> <li>· Public Defender</li> <li>· State's Attorney</li> <li>· Regional Conflict Council</li> </ul> Constitutional Officers <ul style="list-style-type: none"> <li>· Tax Collector</li> <li>· Property Appraiser</li> <li>· Clerk of Courts</li> <li>· Supervisor of Elections</li> <li>· Sheriff</li> </ul>	BoCC, County Manager, County Attorney, OMB
Thursday, June 1, 2023	Preliminary Property Value Estimates are delivered	Property Appraiser

## FY24 BUDGET PROCESS CALENDAR

Dates and Time	Activity	Participants
Tuesday, June 13, 2023 5:00 PM	<b><u>BoCC Special Meeting</u></b> <i>County Manager Budget Presentation</i>	BoCC, County Manager, County Attorney, OMB
By Saturday July 1, 2022	Preliminary Tax Roll is Certified	Property Appraiser
Tuesday, July 11, 2023 9:00 AM	Capital Improvement Plan Review	Financial Oversight Workgroup
Tuesday, July 11, 2023 5:01 PM	<b><u>BoCC Regular Meeting</u></b> Action Items: Set Proposed Millage Rates Set Initial Assessment Rates Fire Stormwater Solid Waste Sugarfoot	BoCC, County Manager, County Attorney, OMB
Friday, July 14, 2023	County Manager advises Alachua County Property Appraiser of proposed millage and assessment rates	
Tuesday, August 1, 2023 10:00 AM	<b><u>BoCC Special Budget Meeting</u></b> Deputy County Manager Animal Resources Community Support Services Court Services Office of Sustainability, Equity, Economic and Strategic Development (SEEDS)  Assistant County Manager, Budget and Fiscal Services Budget & Fiscal Services Facilities	BoCC, County Manager, County Attorney, Assistant County Manager, OMB
	Assistant County Manager Growth Management Solid Waste Public Works Office of Code Administration  Capital Improvement Plan	BoCC, County Manager, County Attorney, Assistant County Manager, OMB
Tuesday, August 1, 2023 1:30 PM	<b><u>BoCC Special Budget Meeting</u></b> Assistant County Manager – Chief of Staff Community and Administrative Services Department Accreditation and Agenda Office Career Source Equal Opportunity Office UF/IFAS/AG Extension Office Visit Gainesville, Alachua County FL Information and Telecommunications Services Department Parks and Open Spaces Department	BoCC, County Manager, County Attorney, Assistant County Manager- Chief of Staff, OMB

## FY24 BUDGET PROCESS CALENDAR

Dates and Time	Activity	Participants
<p>Thursday, August 10, 2023 1:30 PM</p>	<p><u>BoCC Special Budget Meeting</u>                      County Attorney                      County Manager                      General Government                      Commission Services                      County Manager's Office                      Communications Office                      Environmental Protection Department &amp; Lands                      Fire Rescue                      Human Resources and Training</p> <hr/> <p>Review &amp; Finalize:                      County Wide Impacts                      Revenue Projections                      Fee Schedule Review                      Personnel-FTE Review                      Review CIP                      Changes from Tentative Budget                      Budget Decisions Finalized                      Tax Rates Finalized                      Assessments Finalized                      Millage Chart Finalized</p> <p>Action Items:                      Adopt Fee Schedule                      Adopt Personnel/FTE Chart                      Adopt CIP                      Finalize Millage Rates                      Finalize Assessment Rates                      Final Budget Decisions</p>	<p>BoCC, County Manager, County Attorney, OMB</p>
<p>Thursday, August 17, 2023</p>	<p>TRIM Notices mailed by this date</p>	<p>Property Appraiser</p>
<p>Tuesday, September 5, 2023 10:00 AM</p>	<p><u>BoCC Special Budget Meeting</u></p>	<p>BoCC, County Manager, County Attorney, OMB</p>
<p>Tuesday, September 12, 2023 5:01 PM</p>	<p>1st Public Budget Hearing  <u>Action Items:</u>                      Adopt FY24 Adjusted Tentative Millage Rate                      Adopt FY24 Adjusted Tentative Budget                      Adopt FY24 Final Assessments</p>	<p>BoCC, County Manager, County Attorney, OMB</p>
<p>Tuesday, September 26, 2023 5:01 PM</p>	<p>Final Public Budget Hearing  <u>Action Items:</u>                      Adopt FY24 Final Millage Rate                      Adopt FY24 Final Budget</p>	<p>BoCC, County Manager, County Attorney, OMB</p>



## BALANCED BUDGET PROCESS AND STRUCTURE

The County budget is a financial plan utilizing established financial policies, long term financial planning, statutory budget processes and standardized budget structures combined with best practices to present information to the Board of County Commissioners and Alachua County citizens. These approaches strive to ensure proper fiscal stewardship. This section provides information on how the budget development is achieved.



### BALANCED BUDGET PROCESS


INVOLVES

EVERYONE

### BUDGET PROCESS

## ALACHUA COUNTY FINANCIAL POLICY SUMMARY

Alachua County Board of County Commissioners and its staff have a fiduciary responsibility to its citizens to be stewards of public funds and plan for adequate funding to carry out public services. Public funds are collected through taxes, fees, borrowing and other legal means to provide for County programs and operations. Alachua County has established and maintains sound financial and budgeting policies and procedures which comply with all applicable state and federal laws.



***THE BUDGET MUST BE BALANCED, SO THAT THE TOTAL OF THE ESTIMATED RECEIPTS AVAILABLE FROM TAXATION AND OTHER SOURCES, INCLUDING BALANCES BROUGHT FORWARD FROM PRIOR FISCAL YEARS, EQUALS THE TOTAL OF APPROPRIATIONS FOR EXPENDITURES AND RESERVES.***

Florida Statute 129.01 2 (b)

The Alachua County Board of County Commissioners approved by Resolution the financials policies listed below for development of the current year Budget and reviews these policies again during the budget process, approving all modifications.

**The Office of Management and Budget embraces professional ethics as recommended by the Government Finance Officers Association and has adopted a Statement of Ethics defining the standards we hold in the course of our duties.**

**Budget Management:** Policy to exercise the highest level of budgetary control per Florida Statute Chapter 129 with an emphasis on transparency to communicate the County's annual budget process from conception to finality including amendments throughout the fiscal year.

**Capital Program:** The Capital Program provides the means through which Alachua County plans a programmed approach to utilize financial resources to meet the County's service and facility needs. A five-year plan for capital improvements is developed and updated annually.

**Debt Management:** Policy to recognize the capital improvement needs of the County and utilize debt to maximize the County's ability to provide the highest-level services and infrastructure considering existing legal, economic, financial and debt market considerations while balancing the taxpayers' ability and desire to pay.

**Energy Conservation Investment:** Policy which annually funds capital projects meeting the Board of County Commissioners' energy and utility objectives as found in the comprehensive plan and financial policies.

**Financial Management:** Policy to establish the framework for the County's overall financial planning and management which also demonstrates for the citizenry, credit rating industry and prospective investors the County's commitment to sound financial management and fiscal integrity.

**Health Insurance Management Policy:** The County's Self-Insurance Review Committee has reviewed and recommended a Procedure for Fund 507 Reserve Management.

**Municipal Services Benefit Unit Citizen-Initiated Program:** Policy for the creation of citizen-initiated Municipal Services Benefit Units (MSBUs) along with the procedures for levying, collecting, adjusting, supporting, and enforcing the units. The policy outlines the administration of non-ad valorem assessments levied for publicly owned roads, road related capital improvements, and periodic maintenance of included roads.

Statutory authority is given to the Alachua County Board of County Commissioners by Florida Statute 125.01(1)(q) and Alachua County Code Chapter 37 to create a Municipal Services Benefit Unit (MSBU) Program, driven by citizen request, within the unincorporated area of Alachua County. This Administrative Procedure is intended to supplement the established Florida Statutes and Alachua County Code; therefore, any perceived contradictions or omissions shall cede to these controlling entities.

**Performance Management:** This policy establishes the framework for the County's commitment to performance management. Performance Management has specific guidelines and best practices documented by the Government Finance Officers Association (GFOA) and the International City/County Management Association (ICMA).

Performance Management related to Federal and State requirements is described in the Federal OMB Circular (2CFR Chapter 1 and Chapter 2 Part 200) Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and in Florida State Statute 212.055(11) Performance Audit relating to discretionary sales surtax referendum.

Alachua County's performance program is managed by Budget and Fiscal Services. The program ensures performance results support identified strategies and requires regular reporting of the County's performance efforts and outcomes.

**Public Purpose:** Revenues received by the County are public funds and as such their use must serve a public purpose. Public Purpose is defined as a county action or direction, the primary purpose for which provides a declared public benefit. The Board hereby declares that the following objectives support the County's overall mission and serve a valid public purpose.

A. Educate, inform, and maximize the involvement and participation of citizens in County government, including increased partnerships and economic development ventures with the private sector.

B. Recognize employees to improve and enhance morale resulting in increased efficiency and effectiveness.

C. Recognize employees for retirement, length of service or other milestone achievements.

D. Recognize and encourage the continued participation of volunteers in various County programs.

E. Promote tourism within the County. This policy establishes the framework for the County's use of taxpayer's money for public purposes.



COMPLETE VERSIONS OF THE ALACHUA COUNTY FINANCIAL POLICIES ARE LOCATED IN THE APPENDICES SECTION.

WEBSITE LINK WILL TAKE YOU DIRECTLY TO THEIR MAIN PAGE

[HTTPS://ALACHUACOUNTY.US/DEPTS/OMB/BUDGETINFORMATION/PAGES/FINANCIALPOLICIES.ASPX](https://alachuacounty.us/depts/omb/budgetinformation/pages/financialpolicies.aspx)

## LONG TERM FINANCIAL PLANNING

The Government Finance Officers Association best practices for long term financial planning go beyond the annual budget cycle and multi-year capital plan. Long-term financial planning involves projecting revenues, expenses, and key factors that have a financial impact on the organization. Understanding long-term trends and potential risk factors that may impact overall financial sustainability allows the community to proactively address these issues.

Long-term financial planning:

- Creates a long-term outlook into other planning processes like budgeting, capital planning, and revenue forecasting
- Help to diagnose potential risks and causes of fiscal distress
- Stimulates “big-picture thinking”
- Provides a tool for evaluating long-term compliance with financial policies
- Allows for pre-emptive action to mitigate forecasted financial distress
- Defines parameters for decision-making
- Communicates long-term financial position to residents and other stakeholders, including rating agencies and bond investors

The Office of Management and Budget has begun developing a more formal process of long-term financial planning.

Development will include:

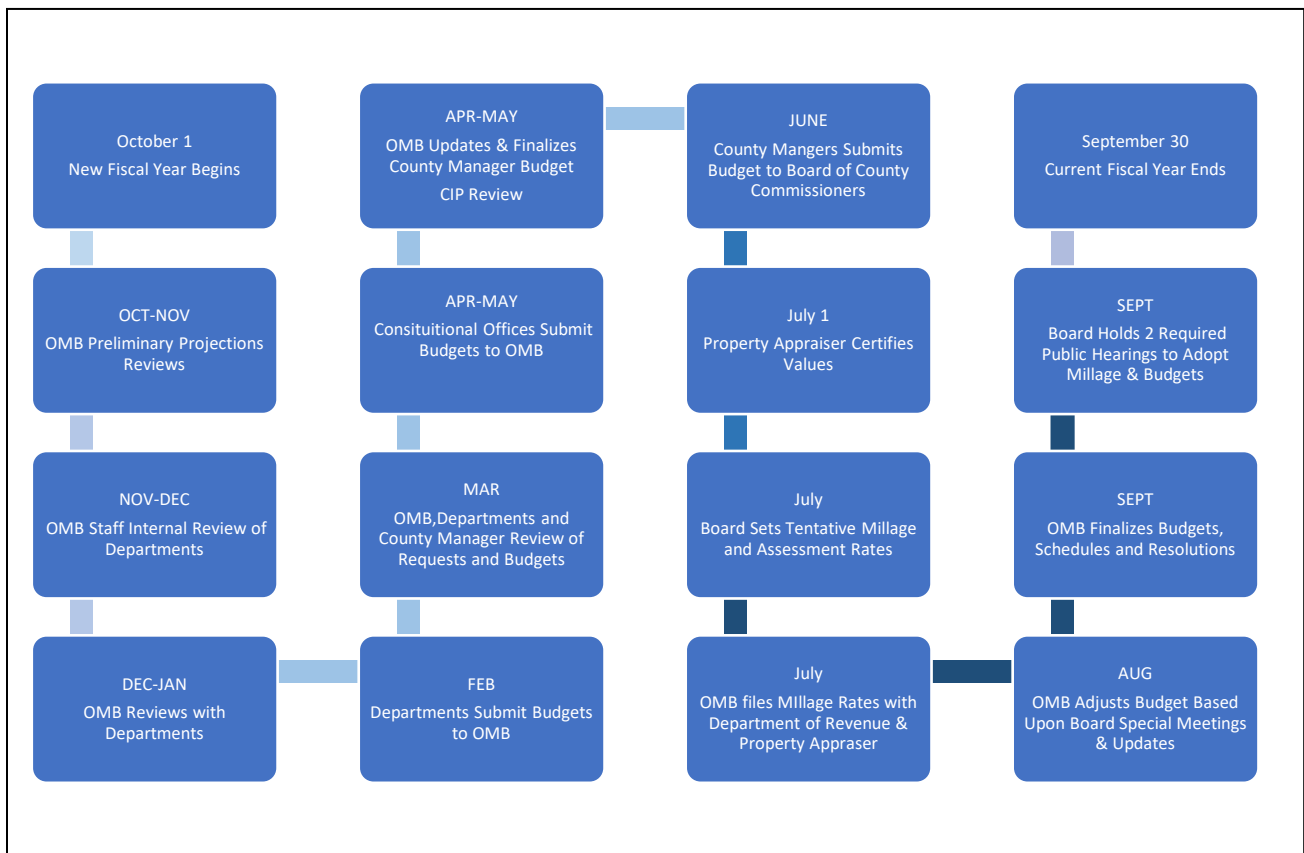
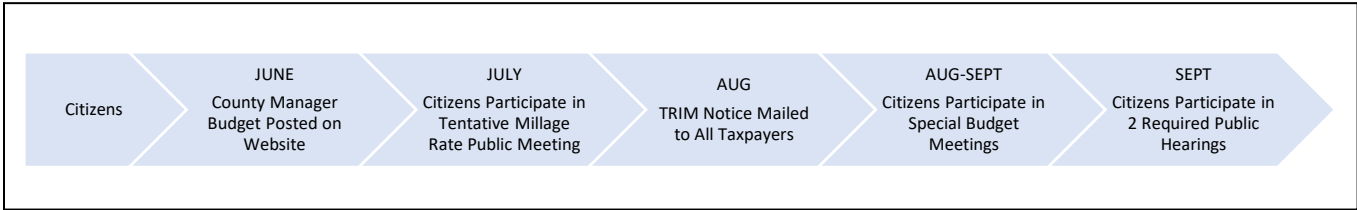
**Length of the Forecast** - Forecast revenues, expenses, and financial position at least five years into the future.

**Frequency of Forecasting** - Updated before the budget process to inform decision-makers of financial position going into budget discussions. It will also be updated after the budget has been created to show decision-makers how the financial path has changed as result of the decisions made.

**Assumptions and Analysis** - Staff will prepare a forecast that is based on assumptions that best reflect the status quo condition. The forecast will not assume any major changes in policy where such change is speculative. Included in the projection will be assumed growth rates in revenues and expenses. It also includes assumptions about forces that impact revenues and expenses.

Long-term financial planning is a tool used to make budget and financial decisions. The estimates and projections are created only for planning and discussion purposes.


## BUDGET TIMELINES



## PROCESS OF ADOPTING THE BUDGET

An annual budget, including all such funds as required by law, shall be prepared, approved, and adopted for each fiscal year. The budget shall control the County's expenditures and document the revenue sources for all County purposes during the ensuing fiscal year. The budget process shall be conducted in accordance with Chapters 125, 129, 193, 200, and 218 of the Florida Statutes, as amended.

**IN 1980, THE FLORIDA LEGISLATURE PASSED THE TRUTH IN MILLAGE (TRIM) ACT. THIS LAW IS DESIGNED TO INFORM TAXPAYERS WHICH GOVERNMENTAL ENTITY IS RESPONSIBLE FOR THE TAXES LEVIED AND THE AMOUNT OF TAX LIABILITY TAXPAYERS OWE TO EACH TAXING AUTHORITY. THE PROPERTY APPRAISER SENDS THIS INFORMATION, KNOWN AS THE TRIM NOTICE, TO THE PROPERTY OWNER.**



TRUTH IN MILLAGE ESTABLISHED THE STATUTORY REQUIREMENTS THAT ALL TAXING AUTHORITIES LEVYING A MILLAGE MUST FOLLOW, INCLUDING ALL NOTICES AND BUDGET HEARING REQUIREMENTS. THE TRIM REQUIREMENTS ALSO PROVIDE FOR MAXIMUM MILLAGE LEVIES FOR COUNTIES.

Florida Department of Revenue

## SPECIFIC REQUIREMENTS

By July 1, the Property Appraiser must complete his or her value assessment of all property within the County. The Property Appraiser shall then certify the taxable value of property within each taxing authority's jurisdiction. The budget is developed using the best estimates available, and depending upon timelines utilize certified values.

Within 35 days of the Property Appraiser's certification of taxable property value, the Board of County Commissioners approves a resolution setting the proposed millage rates necessary to fund the Tentative Budget. The proposed millage rates, along with other key information listed in Florida Statute 200.065(2)(b) are then communicated to the Property Appraiser to be utilized in preparing the "notice of proposed property taxes" as part of the Truth in Millage (TRIM) requirements. These notices are then mailed to each property owner.

Between 65 and 80 days from the date of certification of taxable property value, the Board of County Commissioners must hold a public hearing, after 5:00 p.m., to hear public testimony and discuss the tentative budget, amend the tentative budget if desired, and ultimately adopt the tentative/amended tentative budget. The proposed millage rates, whether they remained the same or changed, shall be publicly announced and include any percentage increase in the proposed aggregate millage rate over the rolled-back rate as defined within Florida Statute 200.065(2)(a)1 (a simplified definition of rolled-back millages may be found in the glossary). That percentage shall be characterized as the percentage increase in property taxes tentatively adopted by the Board of County Commissioners (regardless of whether millage rates have changed).

Within fifteen days of the first public hearing, the County must again advertise, in a newspaper of general circulation in the County, its intent to finally adopt the millage rates and the “adopted” tentative/adjusted tentative budget previously described. The advertisement summarizes the tentative budget, showing each budget the total of all budgets, the proposed millage rates, balances, reserves, and major revenues and expenditures classifications. Specific size, placement, and wording requirements apply, as set forth in Florida Statute 200.065(3).

Within two to five days after the advertisement is published, the second public hearing is held to hear public testimony and to adopt the final budget and final millage rates identifying any percentage increase in millage rates in relation to the computed roll-back rate. If, for any reason, the adoption of the final budget is delayed beyond the start of the next fiscal year, the Board of County Commissioners can expend monies as outlined in Chapter 200.065(2)(g) of the Florida Statutes, as amended.

Copies of the resolutions adopting the final millages are forwarded to the Property Appraiser and the Tax Collector within 3 days.

Not later than 30 days following adoption of an ordinance or resolution establishing a property tax levy, the Board of County Commissioners shall certify, to the Florida Department of Revenue, compliance with the provisions of Florida Statute 200.068. The certification will include a statement of compliance, a certification package including a copy of the adopted millage resolution or ordinance, a copy of the budget advertisements including proof of publication, and a copy of the Certification of Taxable Value forms.

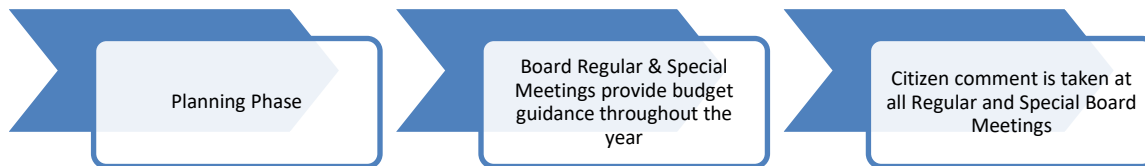
Upon final adoption, the budget regulates the expenditures of the County, and it shall not be amended except as provided for in Florida Statute 129.06. Pursuant to Chapter 129.07, Florida Statutes, it is unlawful for the Board of County Commissioners to expend or contract for expenditures in any fiscal year more than the amount budgeted in each fund. Every appropriation shall lapse at the close of the fiscal year. Unexpended funds for grants, enterprise funds, internal service funds, and capital projects at the close of the fiscal year may be re-appropriated in the succeeding fiscal year.

**COPIES OF THE BUDGET SHALL BE FILED WITH THE CLERK OF THE BOARD OF COUNTY COMMISSIONERS AS PUBLIC RECORDS.**

## THE PROCESS FOR ADOPTING THE BUDGET FOR ALACHUA COUNTY CONSISTS OF FOUR DISTINCT PHASES:

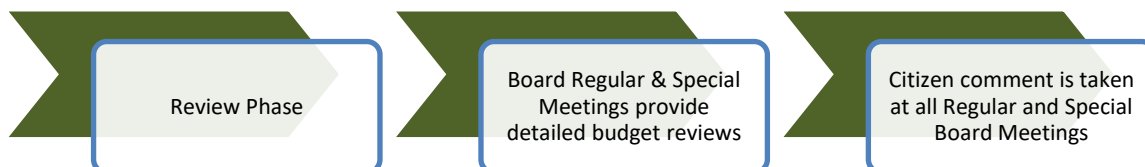
**The Planning Phase** began in October with in-house review of the previous year's budget process including consideration of comments from the Government Finance Officers Association's (GFOA) review of the previous fiscal year's budget book. The planning phase continued with preparation of budget instructions, examples, and training materials.

The Board of County Commissioner departments and agencies submit their budget packages to the Office of Management and Budget including any budget enhancements at the end of February. The Constitutional Officers budgets are submitted on May 1st, as allowed by Florida Statute, along with the Judicial Offices.



**The Review Phase** consisted of scheduled budget work sessions between the County Manager, Department Directors, and budget staff to review and discuss the departmental budget submittals. These sessions occurred in April and May. Reviews included analysis of performance measurements in addition to supplemental budget requests (Budget Proposals).

In addition to the departmental budget meetings, there were and will be formal budget workshops conducted with the Board of County Commissioners. These workshops are scheduled so that the Board can be more involved in the budget process and provide input into the prioritization of issues that lead to the development of the tentative budget. The Board of County Commissioners departments and Constitutional Officers are included in the workshops. Some of the meetings were through video and some information was emailed to the Commissioners prior to meetings, because of the social distancing guidelines.





**The Public Adoption Phase** begins with the formal presentation of the County Manager’s recommended budget (Tentative Budget) in June. The Board’s review of the budget and the public process of review, change, and formal adoption continues through September when the final budget will be formally adopted.

**Citizen Input**

The second milestone of this phase involves setting the proposed millage rates for the proposed budget. This is accomplished at the first public meeting in July.

TRIM notices advise County taxpayers of how tax rates proposed by all local taxing authorities, combined with current information on assessed value of real property, will affect the taxes on each taxed parcel of land. The TRIM notice also serves as the official notification of the time and place of the first public hearing for adoption of both the proposed millage rates and a tentative budget by each taxing authority.

**Citizen Input**

The third milestone in this phase is two Florida Statute required public budget hearings. The first public budget hearing is in September. After receiving public testimony at the hearing, the Board of County Commissioners will adopt millage rates and an Adjusted Tentative budget.

**Citizen Input**

The final milestone in this phase is the adoption of the budget and millage rates at the second public hearing in September. The second public hearing will be advertised as required by State Statute as a published notice with detailed information of the proposed millage rates and the adjusted tentative budget.

**The Implementation Phase** will begin on October 1, the effective date of the Adopted Budget.

**PROCEDURE FOR AMENDING THE BUDGET**

After the formal adoption of the budget by the Board of County Commissioners (BoCC) in September for the fiscal year beginning October 1, changes may be made as prescribed within Florida Statute 129.06. At no time can the budget be amended so that it is no longer balanced.

Items requiring action by the Board of County Commissioners are usually initiated by the individual department affected by the item. These items are accompanied by an agenda item initiated by the agenda management software. This form is also used to request approval to amend the budget. The following additional information is required for budget amendments:

- The subject section of the agenda item is to state “Request for Budget Amendment” and identify the subject of the amendment and the fiscal year. This action may be combined with other actions on the same agenda item. In this case, the agenda item title must include the budget amendment as part of the title and description.
- The recommendation section of the summary must state where funds are coming from and where funds are going; justification for why the action is needed; and the amount of the increase or decrease.
- The financial impact section of the summary must state the impact on the current year’s budget as well as the recurring impact on future year’s budgets, if any. Any increase or decrease in a reserve account will reflect the balance of the reserve after the action requested in the budget amendment by the attachment of the Fund Reserve Balance Worksheet showing the original budget and all adjustments to the Reserves Balance since October 1.
- A separate file entitled “Budget Amendment” showing the specific accounts affected must accompany the Agenda Item Summary.
- Each department director is responsible for initiating agenda items. The completed Agenda Item Summary with the Budget Amendment, including the estimated impact on future fiscal years and any other appropriate information, is forwarded for review through the organization. Review and approval are performed in the following sequence:
  - Department Director
  - Office of Management and Budget
  - County Attorney’s Office (concurrent with review and approval by OMB)
  - County Manager

All budget amendments, approved by the above referenced organizations/staff, are processed by the Agenda Office of the County Manager’s Office for final coordination and preparation of the Board’s agenda.

The Office of Management and Budget (OMB) reviews the request for accuracy, availability of funds, completeness, compliance with Board of County Commissioners policies, and other matters considered appropriate for good financial management. If changes or corrections to an agenda item and/or Budget Amendment are required, the item is returned to the originating department by the approving authority that is requesting the change or correction.

Upon approval by the Board of County Commissioners, the Budget Amendment is signed by the Chair of the Board of County Commissioners and forwarded to the Clerk’s Office for incorporation into the County’s financial record keeping system and the County’s budget.


## BUDGET STRUCTURE

### BASIS OF BUDGETING AND ACCOUNTING

#### Background

There are three basic categories of differences between the basis of accounting and the basis of budgeting that follows generally accepted accounting principles (GAAP) for state and local government:

1. Basis of Accounting – “Cash plus encumbrances” and “modified accrual” are two of the different ways to define revenue and expenditures.
2. Perspective – The budget and accounting reports may have different fund reporting structures, e.g., a budget may account for debt services in the Local Funds, while GAAP principles require that debt service be recorded in a separate fund.
3. Reporting Component – Alachua County’s Annual Financial Report may present “reporting components” and funds in different ways than the budget document.



**Budget Amendments** are the mechanism used to revise the working budget of the County to reflect changes that occur throughout the fiscal year.

#### Basis of Accounting

The accounts of the County are organized based on funds and account groups, each of which constitutes a separate accounting entity. A fund is a group of functions combined into a separate accounting entity (corresponding to a corporation in the private sector) having its own assets, liabilities, equity, revenues, and expenditures and/or expenses. The types of funds used are determined by GAAP. The number of funds established within each type is determined by sound financial administration. The various funds are the result of the diverse nature of the County’s operations and compliance with legal provisions. These funds have been grouped by type to facilitate understanding of the financial statements.

**Governmental funds** are those through which most governmental functions of the County are financed.

**Proprietary funds** are accounted for using the accrual basis of accounting. Their revenues are recognized when earned, and their expenses are recognized when incurred. The measurement focuses upon determination of net income.

**Fiduciary Funds** account for assets held by the County as agent or trustee for individuals, private organizations, other governmental units and/or other funds. Account groups establish accounting control and accountability for the County’s general fixed assets and the unmatured principal of its long-term debt.

## Internal Control

Management of Alachua County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

1. the cost of control should not exceed the benefits likely to be derived; and
2. the valuation of costs and benefits requires estimates and judgments by management.

## Basis of Budgeting

The basis of budgeting refers to the conversions for recognition of costs and revenue in budget development and in establishing and reporting appropriations, which are the legal authority to spend or collect revenues.

**Governmental Funds** for Alachua County use a modified accrual basis for budgeting governmental funds. Revenues are generally recognized during the fiscal year when they are quantifiably measurable and there is a reasonable expectation that they will be collected during that period. In most cases, expenditures are recorded when the good or service is delivered, regardless of when the funds are disbursed. As a budgetary control measure, the funds are encumbered or “reserved” when the good or service is ordered.

**Proprietary Funds** include the Internal Service Funds and the Enterprise Funds. Under the accrual basis, revenues are budgeted based on the measurable amount expected to be “earned” during the fiscal year. Expenditure estimates are developed for all expenses anticipated to be “incurred” during the fiscal year. Revenue is recognized when earned and expenditures are recognized when incurred. Transactions are recorded when they occur - regardless of when cash is received or disbursed. This is essentially the same method used in the private sector; however, there are a few differences:

Essential elements of the accrual accounting method include:

1. Deferral of expenditures and subsequent amortization of deferred costs (pre-paid expenses, supplies.)
2. Deferral of revenues until they are earned
3. Capitalization of certain expenditures and subsequent depreciation of capitalized assets (depreciation of vehicle costs)
4. Accrual of revenues that have been earned and expenses that have been incurred
5. Capital expenditures and debt principal are budgeted as appropriations
6. Compensated absence accruals are not budgeted

**Fund Balance** is the result of the previous fiscal year’s beginning cash balance plus revenues received minus actual expenditures. It includes unallocated resources that may be used to fund new projects/programs as well as unspent allocated funds, which will be

carried forward to fund those existing projects/programs. Fund balance is adjusted for inventory and other non-cash assets and liabilities.

**Depreciation**, for budget purposes, is recognized in a designated reserve only to the extent that it is funded.

**Grants Budgeting** accounts for grant funds awarded to Alachua County by the federal government, state agencies, or other organizations to finance projects such as capital improvements, cultural and educational activities, environmental projects, economic development, planning and research, etc. Grant revenues are received into governmental or proprietary funds related to the project. Each grant is individually budgeted as a sub-fund subordinate to its hierarchy governmental or proprietary fund. Transfers of grant local matches, interest monies and residual cash between a grant and its hierarchy fund are not permitted without Board approval.

## MAJOR FUNDS AND DESCRIPTIONS

**The General Fund** budget is prepared on the modified accrual basis of budgeting consistent with generally accepted accounting principles (GAAP), as required by Florida Statutes. This fund is used for the County's general operations on behalf of both the Board of County Commissioners and Constitutional Officers. The majority of revenues are collected as ad valorem taxes and other revenues include fines, fees, and licenses. Generally, all departments are supported by the General Fund. However, more than half is dedicated to Public Safety which includes the County Jail, County Sheriff, Emergency Medical Services and Court Services.

**Special Revenue Funds** are used to account for specific types of revenue that are legally restricted to specific expenditures. Municipal Service Taxing Unit (MSTU), Municipal Service Benefit Unit (MSBU), County Gas Tax, CHOICES and grants are in this category and are examples of special revenues that have legally restricted expenditures.

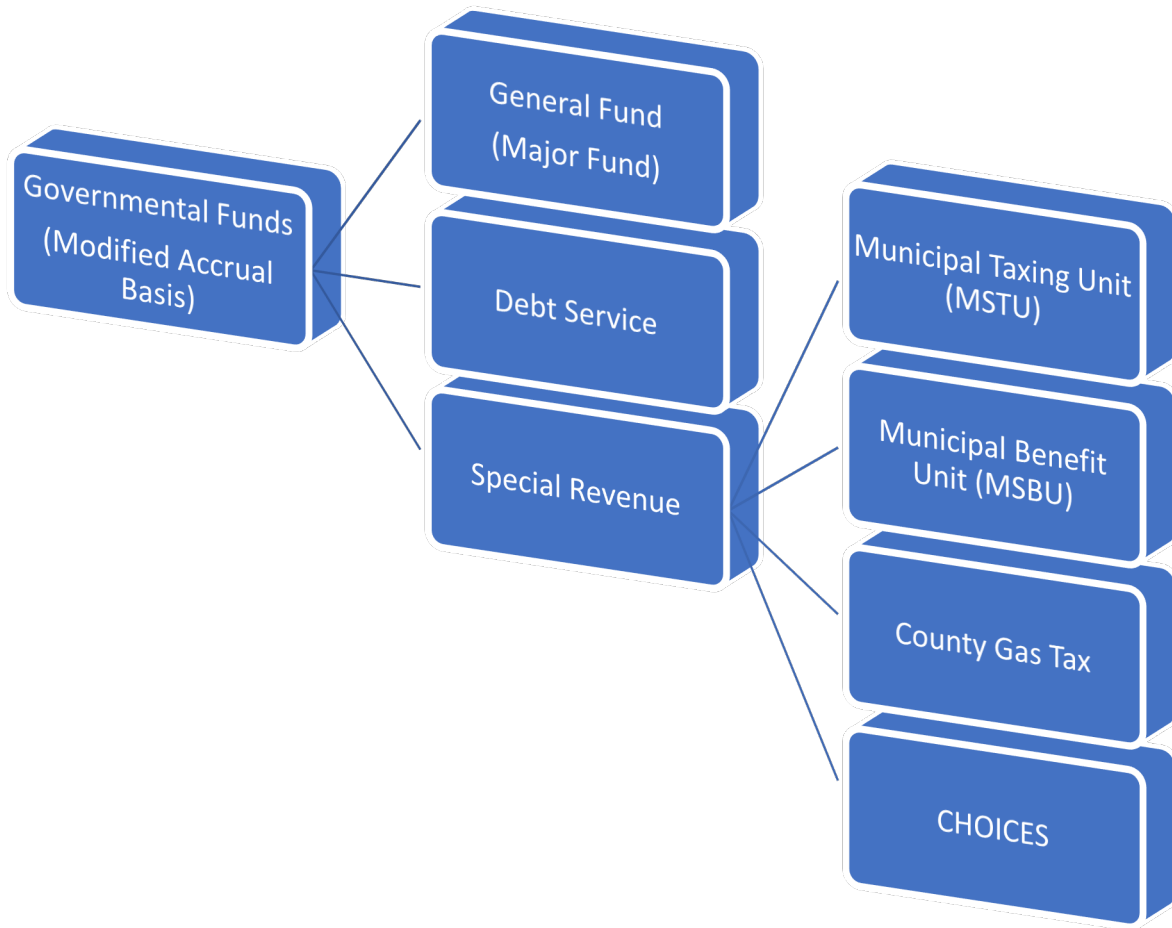
**Debt Service Funds** are used to account for accumulation of financial resources with which to pay principal, interest and other costs related to the County's long-term debt.

**Capital Project Funds** are used to account for financial resources to be used for the acquisition or construction of major capital projects. Projects may include roads, drainage, parks, buildings, or major equipment.

**Major Funds - Fund Number, Fund Name & Description:**

### GOVERNMENTAL FUNDS

**001 - General Fund** - Records all assets and liabilities of the County that are not assigned to a special purpose fund. It provides the resources necessary to sustain the day-to-day activities and thus pays for all administrative and operating expenses.



### *SPECIAL REVENUE FUNDS*

**008 - Municipal Service Benefit Unit Unincorporated (MSBU)** - This fund pays for County services (excluding Sheriff) dedicated to the unincorporated area of the County.

**009 - Municipal Service Taxing Unit (MSTU) Law Enforcement** - This fund pays for the majority of the Sheriff's patrol in the unincorporated area of the County through transfers to the Sheriff.

**010 - CHOICES Program Fund** - This fund was approved by the voters on August 31, 2004. The program is funded by a ¼ cent sales tax which was approved through December 2011. It provides health care services to the County's working citizens who need help.

**011 - Municipal Service Benefit Unit (MSBU) Fire Protection** - This fund provides firefighting and related services to citizens in the unincorporated area of the County.

**021 - Wild Spaces Public Places** - On November 8, 2016, Alachua County voters passed the Wild Spaces Public Places surtax, an eight-year, half-cent sales tax to acquire and improve conservation lands and create, improve, and maintain parks and recreational facilities within Alachua County. Among its provisions was a requirement for citizen's

oversight of the expenditures. On March 28, 2017, the County Commission adopted Resolution 17-36 establishing the Wild Spaces Public Places Citizens Oversight Board.

Expenditure uses are only to: a. Acquire and improve environmentally sensitive lands to protect drinking water sources, water quality, and wildlife habitat, and, b. Create, improve, and maintain parks and recreational facilities as permitted by Florida Statutes, the referendum ballot language, and ordinances. c. Notwithstanding the above, Alachua County may utilize a portion of its proceeds to establish a fund for the purpose of providing matching grants to the municipalities within the County for projects that meet the requirements of subsections (a) or (b), and which, in the sole discretion of Alachua County, have countywide significance.

**140 & 142 Wild Spaces Public Places, Road Repair, Fire Stations and Affordable Housing One Percent Sales Tax** - On November 8, 2022, Alachua County voters passed this ten-year one-cent sales tax to acquire and improve lands for conservation, wildlife habitat, water quality, and recreation; operate and maintain parks and recreation facilities; repair roads and improve road safety; construct and renovate fire stations and other public facilities; acquire lands for affordable housing; fund economic development projects pursuant to Florida Statute 212.055(2)(d) (3); provide citizen oversight and independent audit.

**144 - Combined Communication** - Fees and fines collected by the Sheriff, pursuant to Section 121.37 of the Code of Ordinances of Alachua County, shall be deposited by the Sheriff into a special revenue fund.

**146 - Stormwater Management** - To improve stormwater management in unincorporated Alachua County, the Board of County Commissioners adopted a stormwater assessment; this is a user fee for stormwater services. The stormwater assessment provides a dedicated funding source to allow the County to better measure and manage the County's stormwater system, improve the condition of stormwater infrastructure, provide pollution prevention education, monitor water quality, eliminate illegal connections and discharges, and enforce stormwater codes more proactively.

**148 - Municipal Service Benefit Unit (MSBU) Refuse** - This fund accounts for all revenues and expenditures related to refuse/garbage collection within the mandatory designated County collection areas in accordance with Florida Statute 403.706(1). The Refuse Collection Center is run by the County.

**149 - Gas Tax Uses Fund** - The primary operating fund of Public Works – Road & Bridge Department. The primary revenue source for this fund is fuel taxes as well as transfers in from the General Fund and Gas Tax Revenue Bonds.

#### *DEBT SERVICE FUNDS*

**287 - 2016 Series Public Improvement (Bond)** - To finance the costs of acquisition and construction of certain capital improvements within the County and to finance the costs of refunding certain Public Improvement Bonds.

**288 - 2016 Series Gas Tax Refunding (Bond)** - To finance the costs of acquisition and construction of certain road improvements within the County.



## *CAPITAL PROJECTS FUND*

**300 - Capital Projects Fund** - Accounts for bond proceeds and other allocations for general facilities improvements.

**Enterprise Funds** account for operations financed and operated in the manner of a private business. The intent is that the costs of providing goods or services to the public should be recovered or financed through user charges. Alachua County has two such funds: Solid Waste; and Permits & Development.

**Internal Service Funds** account for the financing of goods or services provided by one governmental department to other departments or agencies on a cost reimbursement basis. The County uses internal service funds to account for Computer Replacement, Vehicle Replacement, Telecommunications, Fleet Management, Self-Insurance, and Self-Funded Health Insurance.

**Fiduciary Funds** (Trust & Agency Funds) are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. For instance, the Alachua County Housing Authority and the Law Library are two such funds.

## *ENTERPRISE FUNDS*

**400 - Solid Waste System Fund** - This fund accounts for revenues and expenses associated with refuse/garbage disposal, recyclable reclaiming, care of closed landfills, and collection activities outside the mandated designated Alachua County collection area.

**403 - Collection Centers** - Accounts for the revenues and expenditures associated with the rural collections centers that collect solid waste, yard trash, bulk items, household hazardous waste and recycling items.

**405 - Waste Management Assessment** - Accounts for the revenues and expenditures associated with Alachua County's Waste Management Assessment.

**406 - Closure/Post-Closure** - This fund is maintaining the liability related to the closure of the Southwest Landfill.

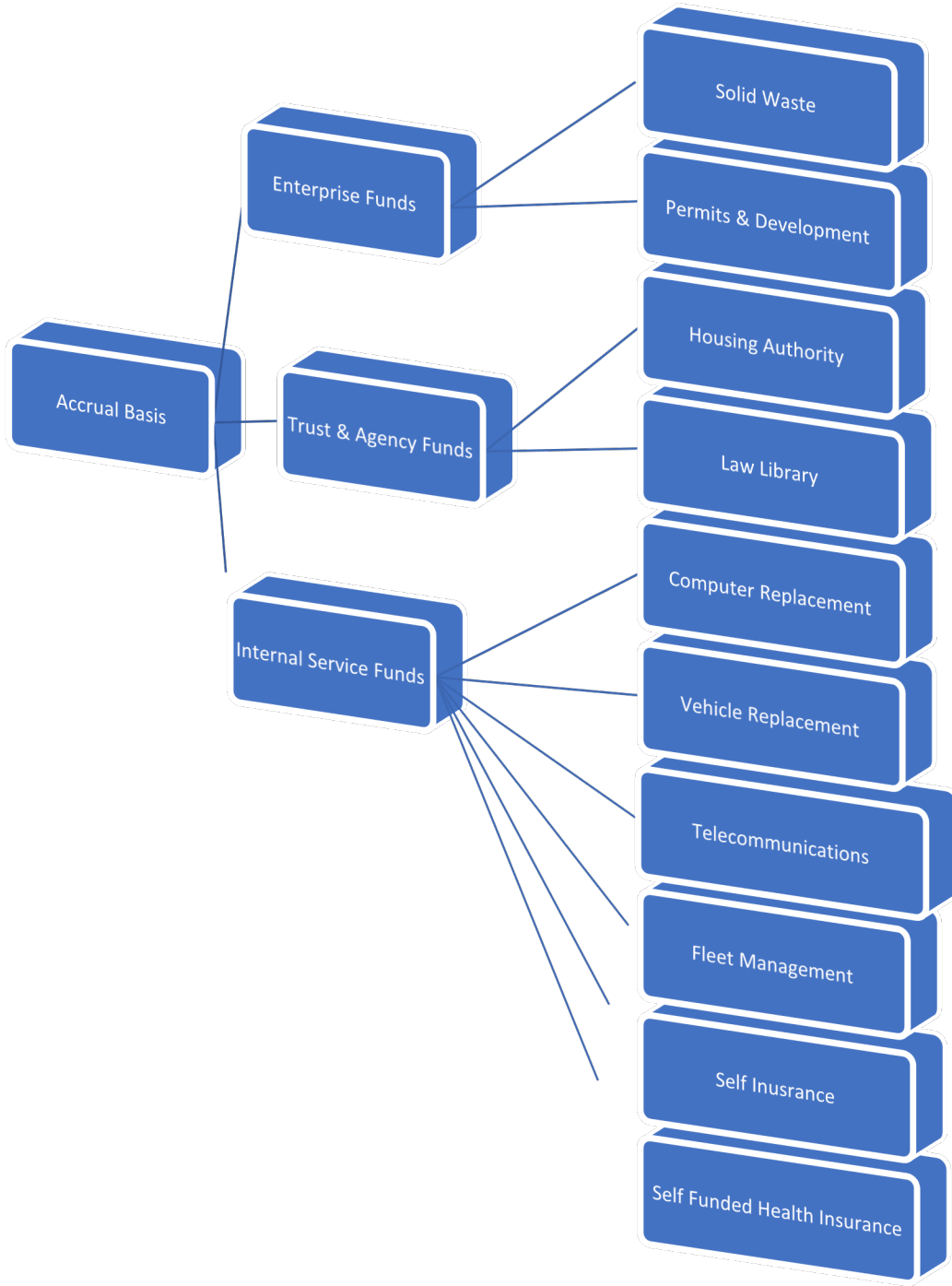
## *INTERNAL SERVICE FUNDS*

**501 - Self Insurance Fund** - This fund was established for the purpose of self-insuring the County's Workers' Compensation and Liability exposures.

**503 - Fleet Management** - Encompasses all the costs associated with purchasing and maintaining Alachua County's Fleet.

**507 - Health Insurance** - Self funded insurance plan funded by County employees. This fund was established in accordance with Section 112.08 of Florida Statutes.





## BASIC INFORMATION ON PROPERTY TAXES

The calculation of assessed value of real and tangible personal property and how much of this value is subject to ad valorem taxation varies from state to state. In Florida, each county has an elected Property Appraiser whose office supervises the property valuation process following the appropriate state laws, regulations, and professional guidelines.

### EXEMPTIONS

Florida law provides specific exemptions to reduce the value of property subject to taxation. Some of the more frequently used exemptions are:

- Homestead Exemption (Section 196.031, F.S.)
- Homestead Exemption Portability (Section 196.031, F.S.)
- Disabled Veterans Homestead Property Tax Discount (Section 193.461, F.S.)
- \$500 Widow's Exemption (Section 196.202, F.S.)
- \$500 Widower's Exemption (Section 196.202, F.S.)
- \$500 Disability Exemption (Section 196.202, F.S.)
- \$5000 Disabled Veteran (Section 196.24, F.S.)
- \$500 Exemption for blind persons (Section 196.202, F.S.)
- Service-Connected Total and Permanent Disability Exemption (Section 196.081, 196.24 F.S.)
- Exemption for totally and permanently disabled persons (Section 196.101 F.S.)
- Local Option Homestead for Persons 65 and Older (Section 196.075 (4)(d), F.S.)
- Deployed Military Exemption (Section 196.173, F.S.)
- Religious, Literary, Scientific or Charitable Exemption (Sections 196.195 - 196.197, 196.2001, 196.2002 F.S.)
- Charter School Facilities Exemption (Section 196.1983 F.S.)
- Hospitals, Nursing Homes, and Homes for Special Services (Section 196.197 F.S.)
- First Responder Total and Permanent Disability Exemption
- Homestead Property Tax Exemption for Surviving Spouse of Military Veteran or First Responder



**Full Details on Exemptions are found in the Appendices.  
Section of this book.**

**Exemptions are filed with the Alachua County Property Appraiser**

**Phone: (352) 374-5230 <https://www.acpafl.org/>**

## COMPUTING PROPERTY TAXES

To compute the property tax on a parcel, you need to know three factors: the assessed value as determined by the Property Appraiser; the amount of the assessed value not subject to taxation due to the application of exemptions; and the millage rate authorized by the appropriate taxing authority. For example:

- Start with the **ASSESSED PROPERTY VALUE** = \$200,000
- Minus the amount of any **EXEMPTIONS**
  - For example, Homestead Exemption is \$25,000; additional Homestead Exemption under Constitutional Amendment 1 is another \$25,000.
- This results in a **TAXABLE PROPERTY VALUE** = \$150,000

Then divide the TAXABLE VALUE BY \$1,000 = \$150. Multiply this answer by the levied millage. For instance, using the FY23 Adopted countywide millage rate of 7.7662 (\$7.7662 per thousand dollars of taxable value), the countywide property tax would be: \$150 X 7.7662 = \$1,164.93.

## THE AGGREGATE ROLLED-BACK RATE

Historically, much of the legislation in Florida governing the setting of millage rates has been centered on the concept of the “rolled-back rate”. The “rolled-back rate” is that millage rate which, when applied to the taxable value after excluding new construction, additions to structures, deletions, and property added due to geographic boundary changes, would provide the same ad valorem tax revenue as was levied during the previous year.

The “rolled-back rate” is used as a standardized point of comparison to show how millage rates are changing from one year to the next. The purpose of the “rolled-back rate” calculation is to allow local governments to identify when they are drawing more tax revenue from existing property.

For example, an increase in the assessed value of existing property draws more tax revenue for governments even when those governments keep the same millage rates as the previous year. The aggregate “rolled-back rate” varies significantly from the total millage rate because the combined ad valorem revenue from the General Fund and the MSTU – Law Enforcement Fund is divided by the countywide taxable value in calculating the “aggregate rolled-back rate” even though ad valorem revenue from the MSTU millage is generated from a much smaller tax base.

At the public hearings in September, the County is required to show how proposed millage rates compare to the “aggregate rolled-back rate” and then identify why the proposed rate differs from the “aggregate rolled-back rate”.

## **ASSESSMENTS AND FEES**

### **SOLID WASTE ASSESSMENT**

The Solid Waste Assessment is a non-ad valorem assessment lawfully imposed by the County against every residential property to provide solid waste management and the provision of collection and disposal services and facilities including the generation of Revenues necessary to pay all or any portion of the solid waste cost.

### **STORMWATER ASSESSMENT**

The Stormwater Assessment is a non-ad valorem assessment lawfully imposed as the Florida Legislature mandated local governments, which includes Alachua County, have the responsibility for developing mutually compatible storm water management programs consistent with the rules and regulations of the Florida Department of Environmental Protection, the water management districts, and the storm water management programs established and maintained by other local governments.

The stormwater charges provide an equitable method of funding the capital cost of stormwater improvements and the storm water service cost, by fairly and reasonably allocating such costs to specially benefitted property classified based on the stormwater burden expected to be generated by the physical characteristics and use of such property. Stormwater Assessments shall be collected pursuant to the Uniform Assessment Collection Act, and the County shall comply with all applicable provisions thereof. Florida law provides specific exemptions to reduce the value of property subject to stormwater taxation exemptions.

### **MUNICIPAL SERVICE BENEFIT UNIT (MSBU) – FIRE ASSESSMENT**

The Alachua County Municipal Service Benefit Unit for Fire Protection Services was created to include all the unincorporated area of the County and the incorporated areas of the Cities of Alachua, Archer, Hawthorne and Waldo, the governing bodies of which have consented by ordinance to inclusion in the MSBU as required by section 125.01 (1)(q), Florida Statutes. The MSBU-Fire Assessment is utilized to fund the provision of fire protection services, facilities, and programs to all Assessed Property therein.

Fire Protection Assessments shall be imposed against property located within the MSBU, the annual amount of which shall be computed for each Tax Parcel. When imposed, the Fire Protection Assessment for each Fiscal Year shall constitute a lien upon Assessed Property equal in rank and dignity with the liens of all state, county, district, or municipal taxes and other non-ad valorem assessments until paid, as provided in the Assessment Ordinance.

### **FEES**

Fees or Charges for Service are assessed directly to the user of the service. Regulatory Fees follow all statutory requirements. The Fee Schedule is reviewed at a minimum annually during the budget process.

## GRANTS AND TRANSFERS

### GRANTS

A grant is a way the government funds ideas and projects to provide public services. Federal programs are listed in the Catalog of Federal Domestic Assistance (CFDA).

There are four grant types:

- Competitive Grant – Based on the Merits.
- Formula Grant – Based on Predetermined Award.
- Continuation – Renewal Grants.
- Pass-Through Grants – Issued by an Agency, such as the Federal Government or the State of Florida.

The County researches and monitors available funding opportunities. The County must meet all eligibility requirements set forth by the granting agency. Review of the application also determines if a “Match Requirement” is a condition. “Match” is either cash or in-kind value of the cost sharing made by the County, or our partners to help fund a project. “In-kind” match is defined as the value of any real property, equipment, goods, or services contributed to a program grant that would have been eligible costs under the program if the recipient/subrecipient were required to pay for such costs with program grant funds.

### TRANSFERS

**Interfund or Operating Transfers** are transactions between funds of a government (including legally separate blended component units). An example of an interfund transfer is the legally authorized transfer from a fund receiving revenues to a fund through which disbursements will be or have already been made.

**Interfund Reimbursements** are a repayment from the fund responsible for a particular expenditure or expense to a fund that initially paid for them. Reimbursement situations can result because of errors, or routine administrative transactions or may occur when a government is not able to determine proper fund allocation of an expenditure at the time it is incurred. An example includes reimbursements to allocate payments for pooled activities such as distribution of telephone bills among the departments and funds after one department has paid the bill.

**Residual Equity Transfers** are nonrecurring or nonroutine transfers of equity between funds (e.g., contribution) of Enterprise Fund or Internal Service Fund capital by the General Fund, subsequent return of all or part of such contribution to the General Fund, and transfers of residual balances of discontinued funds to the General Fund or a Debt Service Fund.

**Interfund Loans (Advances)** are between funds. Inter-fund loans may be necessary to provide adequate cash flow for reimbursable grants and contractual obligations with deferred revenues.

## Economic Conditions to Consider

Note: State revenue estimates will publish in July

Major revenue assumptions included in the financial forecast reflect a positive but modest growth trend as the economy continues to recover.

For the FY24 budget revenue rates over FY23 adopted are roughly forecasted as follows:

**General Fund: (Fund 001 and Fund 008) Overall 115.79% Increase**

This increase is primarily generated by an increase in property values and sales tax.

**MSTU Law Enforcement: (Fund 009) Overall 29.74% Increase**

This increase is primarily generated by an increase in property values and charges for service.

**Gas Tax Fund: (Fund 149) Overall 6% Increase**

This increase anticipates vacation and work travel increases due to the lifting of stay-at-home restrictions and vaccinations.

### Forecast Results

OMB correspondingly analyzed revenue models including sales and gas tax activity. The post-pandemic economic impacts are rebounding yet there is still economic uncertainty, particularly with consumer spending so the County Manager's proposed budget presumes a conservative revenue forecast.

While the economy continues to rebound, County revenues are returning to FY22 Actuals yet are growing at rates slower than normal. Current revenue projections anticipate that FY23 sales tax related revenue collections will increase due to rising prices, yet may slow based upon consumer disposable income shrinking. Property tax growth rates continue to rise. We are monitoring multiple factors such as home sales, inflation, and mortgage rates to determine impacts to future property values.

Growth in expenses includes Alachua County Government and Constitutional Officers personnel cost (e.g., retirement, health insurance), contractual increases, and materials and supplies. Continuation budgets for the most have been presented and to offset these increases, the County relied on average revenue growth in property, state shared and local sale taxes, and gas taxes. This revenue growth allowed Alachua County government to avoid increasing taxes to cover expense growth necessary to maintain adequate service levels.

Future considerations will adjust to involve post pandemic changes to revenue trends along with adjusting fluctuating economics toward expenditure costs and overall sustainability.

<b>Items</b>	<b>Impact</b>	<b>Strategy</b>
<b>Property Values</b> Increase in property values over the past three years has been and average of 9.11%	Increased property values have provided the County the ability to reduce millage rates	Monitoring of home sales throughout the year to determine stability of property values as well as concern for plateau
<b>Property Values</b> Concern that housing market will slow or plateau	Lower property values affect baseline to calculate millage rates.	Monitor trends and evaluate service levels to determine impacts
<b>Property Values</b> Foreclosures	Increased foreclosures can result in lower property values	Monitor foreclosure and home value rate
<b>State Revenue Sharing</b>	Consistent – return to pre-pandemic levels but cautious due to rising food and fuel prices	Monitor monthly trends to watch for mix of purchasing goods and services, savings and inflation levels
<b>Gas Tax Revenues</b>	Increased gas price does not directly increase gas tax revenue	Monitor monthly revenues taking into account seasonal adjustments for trend analysis
<b>Supply Chain</b>	Impacts on project timelines, vendor hesitancy to commit due to fluctuating labor and materials costs	Review of vehicle and technology assets will occur to determine supply chain delay impacts as well as future project related cost updates
<b>Energy Costs</b>	Rising cost of Gasoline and Diesel	Quarterly review of gasoline and diesel pricing to monitor the impact on County operational expenses
<b>Employment</b>	Multiple impacts, Job Recruitment & Retention, Remote Work, Hybrids, Work-Life Balance	Monitor employment industry changes and unemployment rates

## MAJOR COUNTY REVENUES

Alachua County relies on a variety of revenue sources to finance operations and capital activities. These sources include taxes, special assessments, fees, intergovernmental funding, and service charges. Examples of revenue sources include user fees that finance court services and animal services, gasoline taxes that finance roadway construction and maintenance, and permit fees supporting building permit and inspection programs.

There are several major factors that impact revenues: changes in taxable property values and millage rates, changes in overall county-wide population, changes in specific service populations and their demands, increases or decreases in real disposable income (which measures residents' after-tax buying power adjusted for inflation), and inflation. One or more of these factors, or “drivers”, impact revenues directly or indirectly.

Estimates of revenues for budgetary purposes are gathered from a variety of sources. Based on past trends of current and future conditions, operating departments, agencies, and Constitutional Officers provide estimates of revenue from program-related fees (charges for services), state and federal grants, licenses and permits, and fines. The Florida Department of Revenue provides estimates of revenues from the Local Government Half-Cent Sales Tax, various state-collected gasoline taxes, and the State

Revenue Sharing program. Ad valorem tax revenue, the remaining major revenue source, is estimated from taxable property values provided by the Property Appraiser by July 1st of each year in conjunction with applicable millage rates.

The following sections discuss major revenues and how they have changed over time.

### AD VALOREM TAXES

Property taxes, also called ad valorem taxes, have traditionally been the major source of revenue for local governments in the State of Florida. For Alachua County, these taxes comprise about 24.51%.

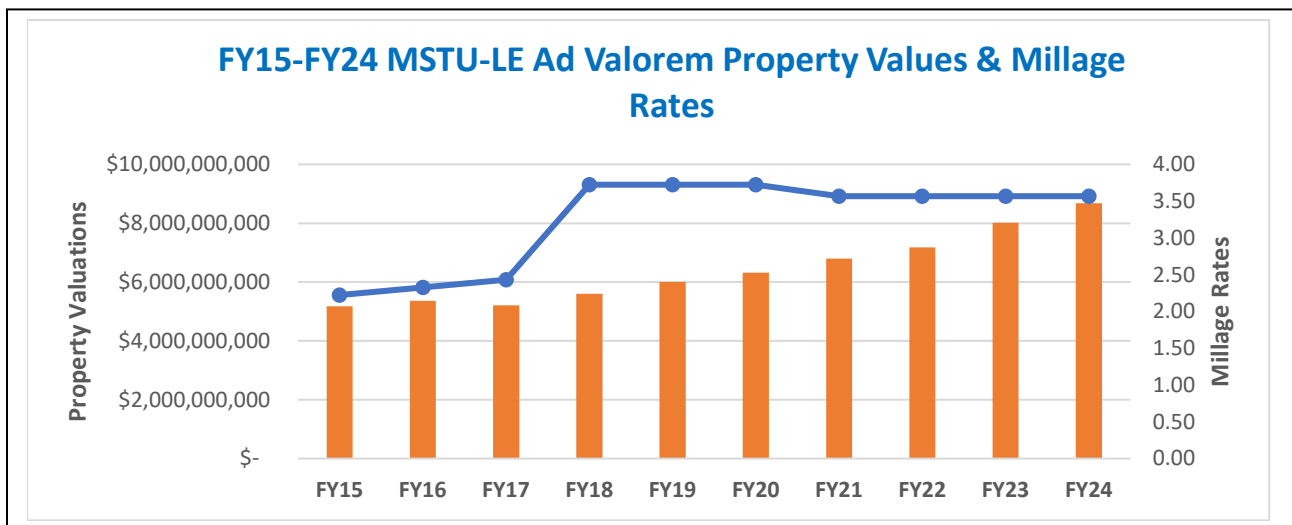
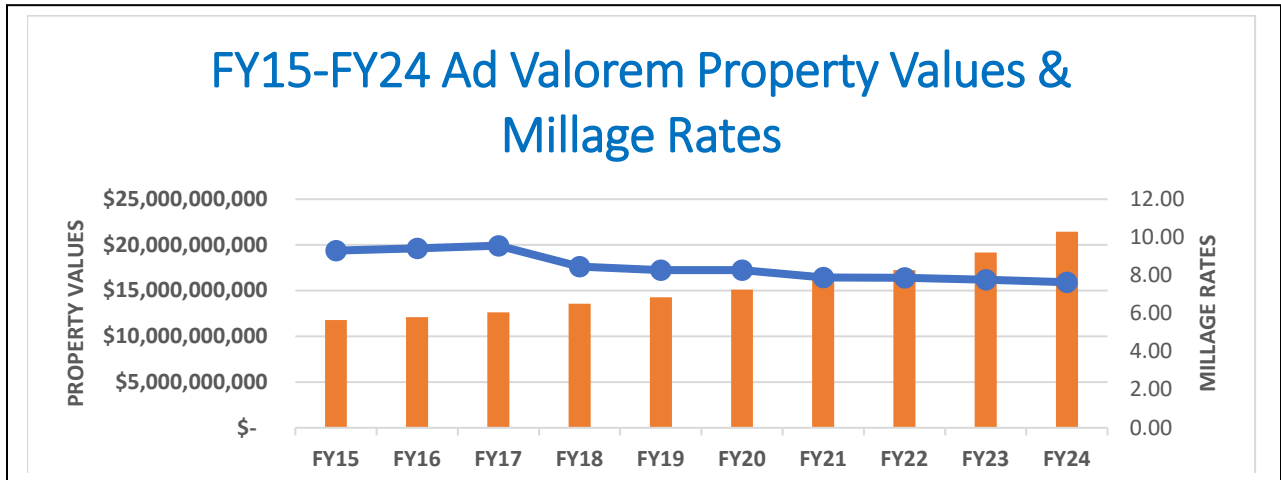
Alachua County levies a property tax on all non-exempt property within the County, including that within municipalities, for services provided throughout the County. This tax is referred to as the Countywide Property tax and is deposited into the General Fund. Alachua County also levies a Municipal Services Taxing Unit (MSTU) Property Tax to fund Law Enforcement services in the unincorporated areas of the County.

In addition to the Board of County Commissioners of Alachua County, other jurisdictions in the county have the authority to levy their own property taxes. Entities such as the cities, St. John’s River Water Management District, Suwannee River Water Management District, Alachua County Library District, Children’s Trust, and the Alachua County School District all levy ad valorem taxes. Each of these tax levies is listed on a consolidated tax bill sent to individual taxpayers.

2022 Millage Rates		Total Millage if Suwannee	Total Millage if St Johns
County	7.7662		
MSTU-Law	3.5678		
Library	1.0565		
Children's Trust	0.4612		
Suwannee Water Mgt.	0.3368		
St Johns Water Mgt.	0.1974		
School Discretionary	0.0000		
School Required Local	6.4980		
Alachua	5.3900	21.5087	
Archer (includes MSTU Law)	5.5203	25.2068	
Gainesville	5.5000	21.6187	21.4793
Hawthorne (includes MSTU Law)	5.8594		25.4065
High Springs	5.9900	22.1087	
Lacrosse	6.5410	22.6597	
Micanopy	5.2281		21.2074
Newberry	5.9244	22.0431	
Waldo (includes MSTU Law)	6.4000	26.0865	25.9471
Unincorporated		19.6865	19.5471



The Adopted FY24 Millage Rate for the County is 7.6414 and the Adopted FY24 MSTU Law Enforcement Millage Rate which supports the Sheriff's expenses in the unincorporated areas of the County is 3.5678. The tables below show the property taxable values and millage rates assessed.



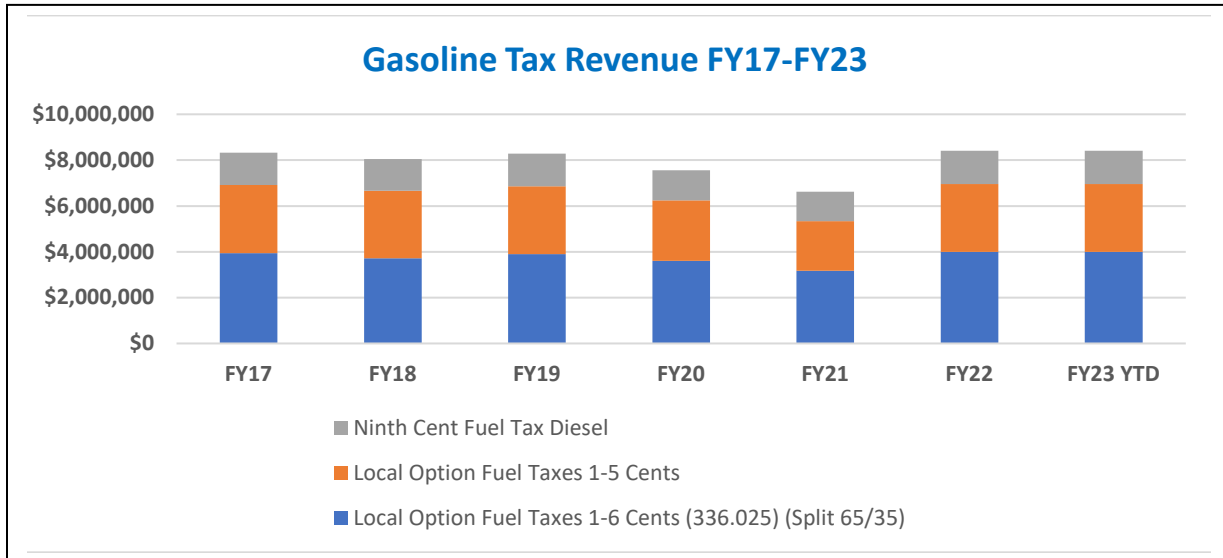
## OTHER TAXES

The Other Taxes category includes receipts from non-ad valorem sources such as certain types of locally imposed gasoline and sales taxes, and tourist development taxes. Other taxes make up approximately 8.98% of all revenues.

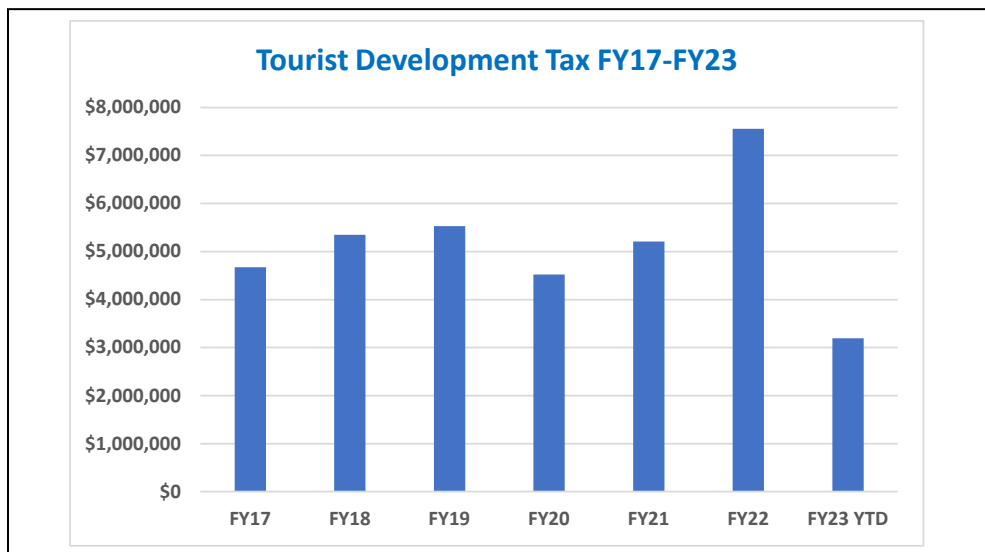
Notation: FY23 Year-to-Date as of May 2023 for all charts

**Fuel Taxes** – This revenue classification includes, the Voted (9th Cent) Gasoline Tax and two Local Option taxes, the 1-6 cent Local Option Fuel Tax and the 1-5 cent Local Option Fuel Tax was approved by the County Commission in 2007. The 1-5 cent Local Option Fuel Tax went into effect on January 1, 2008, along with a two-cent constitutional tax and 1 cent county tax. Fuel taxes collected within Alachua County are distributed among the County and its nine municipalities.

Fuel taxes are an important source of funds for road network improvement, maintenance, and road resurfacing. Gasoline tax revenues have slightly decreased over the last several fiscal years. It is important to note that this tax is per gallon of gasoline and is not based upon the price of the fuel. Increases to fuel prices do not increase the revenue to the County.

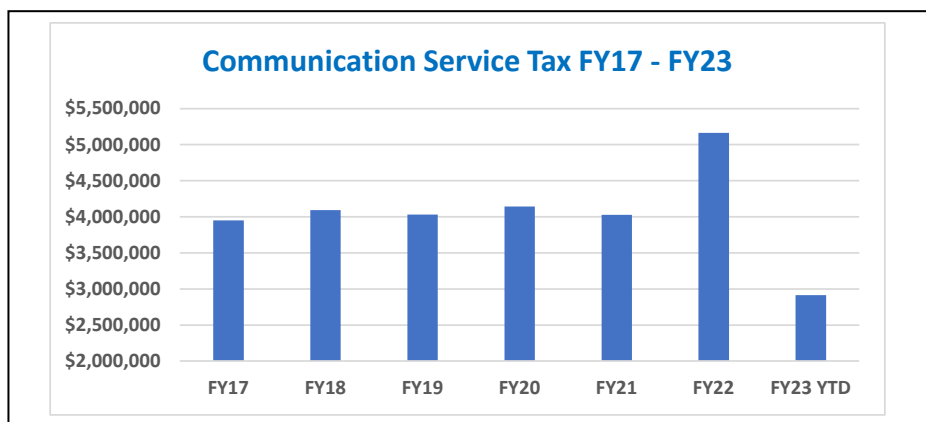


**Local Option Tourist Development Tax** – This tax is imposed primarily on tourist-related resorts and facilities and provides funding for tourist enhancement activities. Changes in this revenue are largely dependent on fluctuations in the hotel occupancy rate, which in turn depends on the performance of the state economy in general. A 1st and 2nd cent tax has been imposed and is used to fund capital projects and marketing. A 3rd cent tax funds the Tourism Grant Program. A 4th and 6th cent Tourist Development Tax was imposed during FY10; this revenue is used to fund operations of the Alachua County Visitors and Convention Bureau, known as Visit Gainesville, Alachua County, FL.

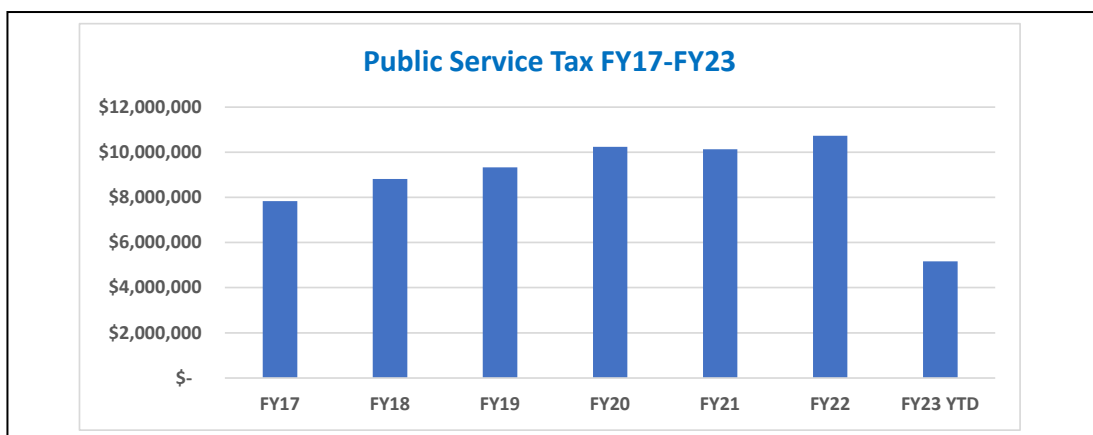


**Communications Services Tax** – In 2001, the State of Florida established the Communications Services Tax. The law replaced and consolidated several different state and local taxes with a single tax comprised of two parts: the Florida communications services tax and the local communications services tax. Currently, Alachua County has a rate of 6.90%. This tax is levied in the unincorporated area only. The nine municipalities levy their own communications services tax.

The Communications Services Tax revenues are likely to reflect the rapid and comprehensive change occurring in the communications industry. New technologies, particularly internet and wireless, are changing the way we use telephones, computers, and television. These changes will continue to complicate the forecasting of this revenue. The Office of Management and Budget will continue to use state government forecasts for this revenue source.



**Public Service Tax** – The public service tax is a 10% surcharge on utilities including electric, water, diesel, and propane. This is tied to consumption and given the reduction in recent commercial activity resulting from COVID-19, revenues were slightly lower in FY21 than expected. The FY22 actuals were higher than estimated. However, in FY23 we took a more conservative approach but in future years, this revenue is likely to grow along with the rates charged by local utilities.



**Wild Spaces Public Places - 0.5% Infrastructure Surtax** – In November 2016, Alachua County voters approved a 0.5 percent local government infrastructure surtax, to be effective for eight years, from January 1, 2017, through December 31, 2024. The total is split among the municipalities within the county and Alachua County receives 57% of the total. These funds are to be used to acquire and improve conservation lands, and create, improve, and maintain parks and recreational facilities. After a few expenses were accounted for separately, the balance of the revenue is split 90% for land conservation and 10% for parks and recreational locations.

On November 8, 2022, the ballot referendum was approved to extend and amend the surtax. This infrastructure tax ended December 31, 2022, and the County will spend the remainder of unspent funds that have been collected to that date.

**1.0% Infrastructure Surtax** – In November 2022, Alachua County voters approved a 1.0 percent local government infrastructure surtax, to be effective for ten years, from January 1, 2023, through December 31, 2032. The total is split among the municipalities within the county and Alachua County receives 57% of the total.

One half of revenues from this surtax is be used to acquire and improve conservation lands, and create, improve, and maintain parks and recreational facilities. This portion is split 80% for land conservation and 20% for parks and recreational locations. The other half of revenues is to be used for other infrastructure, including repaving, and repairing roads and acquiring or building affordable housing. This portion is split 70% for roads and 30% work force housing.

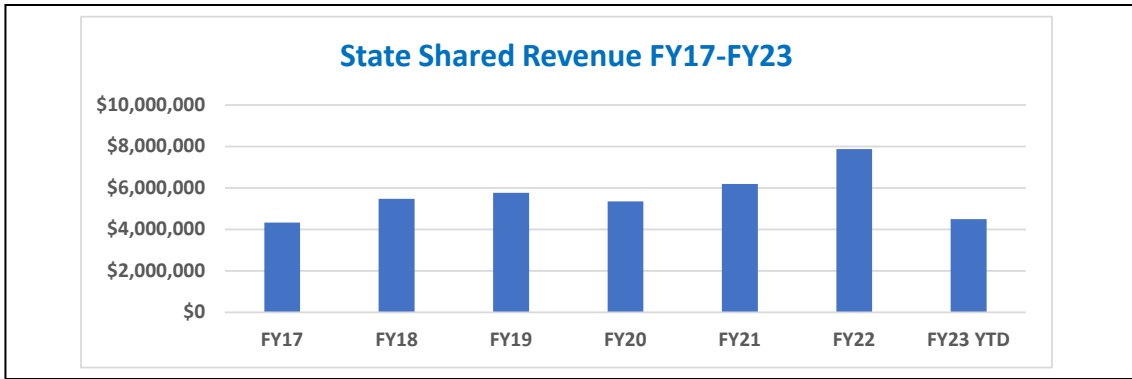
<b>One Cent Infrastructure Surtax</b>			
	<b>FY23 Budget</b>	<b>Actual YTD</b>	<b>FY24 Budget</b>
<b>Land</b>	\$ 4,814,693	\$ 3,150,531	\$ 13,332,374
<b>Parks</b>	\$ 1,203,673	\$ 787,633	\$ 3,333,093
<b>Roads</b>	\$ 4,212,856	\$ 2,756,715	\$ 11,665,827
<b>Housing</b>	\$ 1,805,510	\$ 1,181,449	\$ 4,999,640
<b>Totals</b>	\$ 12,036,732	\$ 7,876,328	\$ 33,330,934

## **INTERGOVERNMENTAL REVENUES**

The County receives 4.76% of its revenue from intergovernmental sources, including federal and state grants.

**Grants** – Major grants received by the county include funding for Foster Grandparents, Victims of Crime Advocacy (VOCA), anti-drug and mental health programs, environmental issues, and housing grants for community development and housing rental.

**State-Shared Revenues** – The County Revenue Sharing and Local Government Half-Cent Sales Tax Programs are important sources of funding for the County.

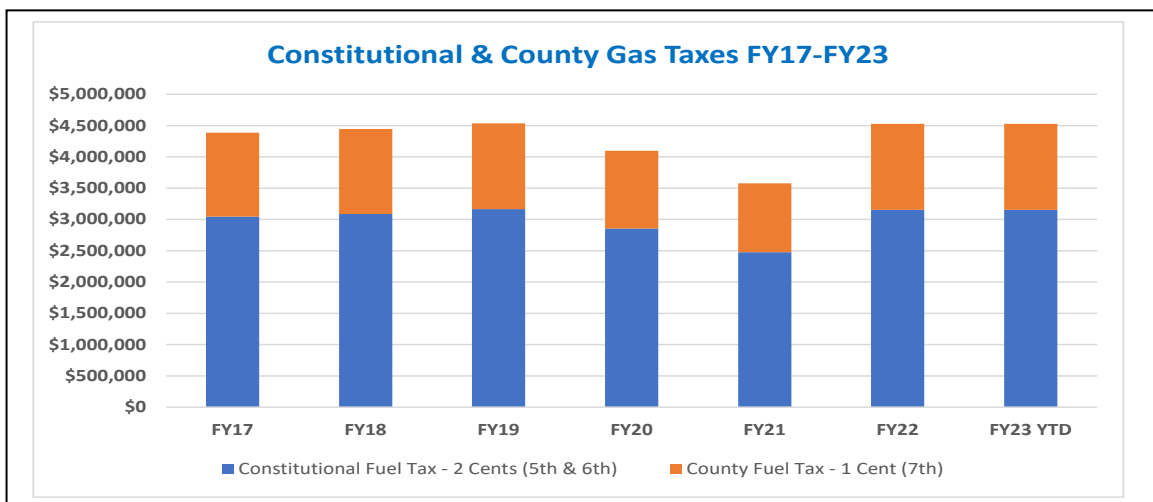


**County Revenue Sharing Program** created through The Florida Revenue Sharing Act of 1972 was an attempt to ensure a minimum level of revenue parity across units of local government. This program is funded by net cigarette tax and sales and use tax collections.

**Local Government Half-Cent Sales Tax Program** was authorized in 1982, this program generates the largest amount of revenue for local governments among the state-shared revenue sources. It distributes a portion of state sales tax revenue, and a portion of communications services tax revenue. This program’s primary purpose is to provide relief from ad valorem and utility taxes in addition to providing revenues for local programs.

**The Constitutional Fuel Tax** is a 2-cent levy shared with counties only. Eighty percent of the revenue can be used for debt service, if any, to be managed by the State Board of Administration. Any remainder of the 80 percent portion is then distributed to the County. The other 20 percent is given to the County for the acquisition, construction, and maintenance of roads. This revenue will remain a continuous source of income.

**The County (1 Cent) Fuel Tax** is considered a State-Shared Revenue since its distribution is based on a State-set formula – not based solely on total collections within the county of collection. This revenue, along with other gasoline taxes and road network impact fees, is used to finance road network improvements and maintenance.



**The Documentary Stamp Tax** is levied at the rate of \$.70 per \$100 (or portion thereof) on documents that transfer interest in Florida real property, such as warranty deeds and quit claim deeds. This tax is paid to the Clerk of Court when the document is recorded. The Clerk of Court sends the money to the Department of Revenue which then distributes the funds according to law. Portions of the documentary stamp tax are transferred into the Local Government Housing Trust Fund for distribution to eligible county and municipal governments to fund the implementation of local housing assistance plans.

### **CHARGES FOR SERVICES**

Charges for Services comprise approximately 12.23% of budgeted revenue and include receipts from such services as ambulance transports, pet adoptions, parking fees at Poe Springs Park, internal service charges, fees for housing federal prisoners, and municipal, commercial and franchise solid waste disposal fees. In preparing the County's annual budget, the departments whose operations are supported by these fees provide the estimates of anticipated revenue. Departments rely upon past trends and their accumulated expert knowledge to construct these estimates.

**Solid Waste Residential Assessments** are non-ad valorem assessments, which appear on the ad valorem tax bill, fund residential solid waste collection and disposal as well as provide a stable revenue source. Solid waste assessments began in the mid- 1980s. All residents of the County pay for refuse disposal and the fee is determined by residency in an incorporated town, the "mandatory collection urban area" or in the rural areas of the County. Additionally, a management assessment is charged. The majority of the residents are charged for the quantity of refuse. Franchise haulers are also required to purchase a franchise license. All parties utilizing the transfer station pay a tipping fee.

**Enhanced 911 Fee** is a fee paid by landline telephone subscribers within Alachua County to fund the 911 emergency service programs. The monthly rate is 40 cents per access line. There is a similar fee imposed by the State of Florida on cellular telephone subscribers to fund the electronic 911 system. Part of this levy is shared with the Counties.

### **MISCELLANEOUS REVENUES**

Miscellaneous Revenues account for approximately 1.44% of total revenues. Interest, special assessments, and impact fees account for the majority of revenues in this category. In addition to the revenues detailed below, this category also includes rental income, sale of surplus equipment, property and land, and contributions and donations. The County does not currently budget for unrealized changes in the value of its investments, but they are reflected in its financial statements, and they impact future years' budgets through changes in the fund balance brought forward.

**Fines and Forfeitures** consist mainly of court and local ordinance violation fines.

**Interest Earnings** are revenues earned from the County's investments. The majority of the County's investments are with the State Board of Administration. All interest earned is remitted to the County.

**Impact Fees** on new construction were implemented to finance capital facilities needed to maintain service levels in areas of growth, including roads, parks, and fire.

### **FIRE PROTECTION ASSESSMENT**

Tier 1 – Based on the simple availability of Fire Protection service which is available equally to all parcels of all types within the County by virtue of the continued state of fire protection readiness provided and maintained by the County. This tier is equal for all parcels.

Tier 2 – In order for the assessment to be fairly and reasonably apportioned among the properties that receive the special benefit, Tier 2 is based on the level of improvement related to each parcel. Thus, the higher the level of improvement, the higher the Tier 2 Assessment that would be charged. This tier is based on Equivalent Benefit Units (EBUs). Each EBU is representative of each \$5,000 of structure value. For example, a structure with a value of \$15,000 would equate to 3 EBUs.

Exempt from the Fire Protection Assessment include government, agricultural, faith based, and charitable properties.

<b>Fire Protection Assessment</b>			
	<b>Unit Type</b>	<b>FY23 Assessment (Per Unit)</b>	<b>FY24 Adopted Assessment (Per Unit)</b>
<b>Tier 1 - Response Readiness</b>	<b>Per Parcel</b>	<b>\$90.69</b>	<b>\$90.69</b>
<b>Tier 2 - Structure Loss Protection</b>	<b>Per EBU</b>	<b>\$8.31</b>	<b>\$8.31</b>

### **STORMWATER ASSESSMENT**

The Florida Legislature has mandated that local governments in the State of Florida, including the County, have the responsibility for developing mutually compatible storm water management programs consistent with the rules and regulations of the Florida Department of Environmental Protection, the water management districts, and the storm water management programs established and maintained by other local governments.

The County maintains a system of storm water and surface water management facilities, including but not limited to inlets, conduits, manholes, channels, ditches, drainage easements, retention and detention basins, infiltration facilities, and other components as well as natural waterways.

Those elements of the County storm water and surface water management system that provide for the collection, storage, treatment, and conveyance of storm water are of benefit and provide services to Benefitted Property within the County.

The cost of operating and maintaining the storm water management system and the financing of existing and future repairs, replacements, improvements, and extensions thereof should, to the extent practicable, be allocated in relationship to the benefits enjoyed, services received, or burden caused therefrom.

Public health, safety, and welfare are adversely affected by poor water quality and flooding resulting from inadequate storm water management practices.

Benefitted Property either uses or benefits from the presence and operation of the storm water management system. Those benefits include, by way of example and not limitation, (1) the provision of storm water management services and the availability and use of facilities or improvements by owners and occupants of such property to properly and safely detain, retain, convey or treat storm water discharged from such property, (2) stabilization of or the increase of property values, (3) increased safety and better access to property, (4) improved appearance, (5) rendering property more adaptable to a current or reasonably foreseeable new and higher use, (6) alleviation of the burdens caused by storm water runoff and accumulation attendant with the present or projected use of property, and (7) fostering the enhancement of environmentally responsible use and enjoyment of the natural resources within the County.

The storm water charges provide an equitable method of funding the capital cost of storm water improvements and the storm water service cost, by fairly and reasonably allocating such costs to specially benefitted property classified based on the storm water burden expected to be generated by the physical characteristics and use of such property.

Storm Water Assessments shall be collected pursuant to the Uniform Assessment Collection Act, and the County shall comply with all applicable provisions thereof.

### **STORMWATER EXEMPTIONS**

Florida law provides specific exemptions to reduce the value of property subject to taxation exemptions. The Storm Water Assessment exemptions include the property taxation exemptions as well as:

[Hardship Exemption](#) – To qualify for a hardship exemption, the owner of Residential Property shall meet the following criteria: (1) the owner shall occupy the Residential Property and be entitled to a homestead exemption pursuant to Chapter 196, Florida Statutes, (2) for the twelve (12) months immediately prior to the date the application for a hardship exemption is filed, the owner and all other occupants of the Residential Property on the date of such application shall have a combined income less than the Income Exemption Standard for the number of occupants of the Residential Property or the owner shall have received Aid to Families with Dependent Children (AFDC), Supplemental



Security Income or is currently certified for any service offered by the Office of Social Services, within the twelve month period preceding the adoption of the Annual Assessment resolution; and (3) the owner shall have the present intent to maintain the Residential Property as his/her permanent place of residence during the entire Fiscal Year for which the Solid Waste Assessment to be imposed is exempted.

Entities also exempt from the Storm Water Assessments include charitable and religious non-profit organizations, burial grounds, and Disabled Veterans.

<b>Stormwater Assessment</b>			
	<b>Unit Type</b>	<b>FY23 Assessment (Per Unit)</b>	<b>FY24 Adopted Assessment (Per Unit)</b>
<b>Equivalent Residential Unit (ERU)</b>	<b>ERU</b>	<b>\$40.00</b>	<b>\$50.00</b>

### **SOLID WASTE ASSESSMENT**

The Solid Waste Assessment is a non-ad valorem assessment lawfully imposed by the County against residential property to provide solid waste management and the provision of collection and disposal services and facilities including the generation of Revenues necessary to pay all or any portion of the solid waste cost.

Solid waste cost is (1) the amount necessary in any fiscal year to fund and provide solid waste management to residential property in the County, which shall include recycling activities undertaken by the County or mandated by any other governmental entity, and the provision of collection and disposal services and facilities; and (2) the estimated cost to be incurred during any fiscal year relating to the collection of the Solid Waste Assessments, including any service charges of the Tax Collector and Property Appraiser and any amounts necessary to offset the maximum discounts available for early payment of non-ad valorem assessments pursuant to applicable law.

The regulation of the collection and disposal of solid waste generated within the County provides a public purpose and promotes the health, safety, and welfare of the citizens of Alachua County.

### **SOLID WASTE EXEMPTIONS**

Florida law provides specific exemptions to reduce the value of property subject to taxation exemptions. The Solid Waste Assessment exemptions include those of the property taxation exemptions, as well as:

[Hardship Exemption](#) – To qualify for a hardship exemption, the owner of Residential Property shall meet the following criteria: (1) the owner shall occupy the Residential

Property and be entitled to a homestead exemption pursuant to Chapter 196, Florida Statutes, (2) for the twelve (12) months immediately prior to the date the application for a hardship exemption is filed, the owner and all other occupants of the Residential Property on the date of such application shall have a combined income less than the Income Exemption Standard for the number of occupants of the Residential Property or the owner shall have received Aid to Families with Dependent Children (AFDC), Supplemental Security Income or is currently certified for any service offered by the Office of Social Services, within the twelve month period preceding the adoption of the Annual Assessment resolution; and (3) the owner shall have the present intent to maintain the Residential Property as his/her permanent place of residence during the entire Fiscal Year for which the Solid Waste Assessment to be imposed is exempted.

Exemption for Inaccessibility- Residential property in the Mandatory Area, which is inaccessible to a contractor, may apply for a partial exemption from the Solid Waste Assessment.

<b>Universal Collection Assessment</b>			
	<b>Code</b>	<b>FY23 Current Rates</b>	<b>FY24 Adopted Rates</b>
<b>Residential Mandatory Collection Area</b>			
appx. 20 gal cart	0120	\$184.73	\$203.89
35 gal cart	0135	\$210.49	\$227.08
64 gal cart	0164	\$264.56	\$276.86
96 gal cart	0196	\$322.68	\$330.00
<b>Multi-Family Residential</b>			
appx. 20 gal cart	0220	\$184.73	\$203.89
35 gal cart	0235	\$210.49	\$227.08
64 gal cart	0264	\$264.56	\$276.86
96 gal cart	0296	\$322.68	\$330.00
<b>Condo - Residential</b>			
appx. 20 gal cart	0320	\$184.73	\$203.89
35 gal cart	0335	\$210.49	\$227.08
64 gal cart	0364	\$264.56	\$276.86
96 gal cart	0396	\$322.68	\$330.00
<b>Rural Collection Assessment</b>			
	<b>Code</b>	<b>FY23 Current Rates</b>	<b>FY24 Adopted Rates</b>
Rural Collection Area	501	\$110.58	\$132.01
<b>Solid Waste Management Assessment</b>			
	<b>Code</b>	<b>FY23 Current Rates</b>	<b>FY24 Adopted Rates</b>
<b>Residential</b>			
Residential (Mandatory and Municipal)	710	\$20.78	\$25.27
Commercially Collected Residential	720	\$19.29	\$25.27
Non-Mandatory Residential	730	\$12.08	\$15.81
<b>Commercial</b>			
0-4.9 tons	801	\$20.47	\$23.61
5-9.9 tons	802	\$62.26	\$71.78
10-19.9 tons	803	\$124.93	\$144.05
20-29.9 tons	804	\$208.50	\$240.40
30-39.9 tons	805	\$292.06	\$336.76
40-49.9 tons	806	\$375.63	\$433.11
50-74.9 tons	807	\$521.87	\$601.73
75-99.9 tons	808	\$730.78	\$842.61
100-149.9 tons	809	\$1,044.16	\$1,203.94
150-199.9 tons	810	\$1,461.99	\$1,685.71
200-499.9 tons	811	\$2,924.39	\$3,371.90
500-999.9 tons	812	\$6,267.03	\$7,226.05
1000-1899.9 tons	813	\$12,116.64	\$13,970.82
1900 < tons	814	\$18,384.50	\$21,197.84