

General Fund Model

Our General Fund is 39% of the total County budget. Our financial projections include the following assumptions:

Revenue Assumptions:

- Property tax went up about 10.7% in 2024 due to property value increases. For FY 2025 through FY 2028, the growth rate is assumed conservatively at 3%. The operating millage rate is projected to remain constant at 7.6414 throughout the five-year forecast.
- Other revenues like utility service taxes, intergovernmental revenue, user charges and transfers will increase 3.4% in FY 2025, 2.4% in FY 2026 and 1.5% for FY 2027 and FY 2028.

Expenditure Assumptions:

- The cost of wages and social security are projected to increase annually by 3.0% for FY 2025 through FY 2028.

- Salary projections include contractual steps and cost-of-living increases as determined in the County’s various collective bargaining agreements.
- Pension costs are projected to grow an average of 5.0% annually over the next five years.
- Health insurance is projected to increase by 6.0% in FY 2024 and FY 2025, and by 5.0% annually for FY 2026 – 2028.
- Operating, capital, and non-operating costs will rise about 1% each year.
- Transfers: We plan for transfers to grow by 3% each year, in line with property tax growth.

The table below shows our financial projections. We aim to keep our spending within our income from FY24 to FY28; yet our projection demonstrates adaptations will need to be addressed starting in FY26.

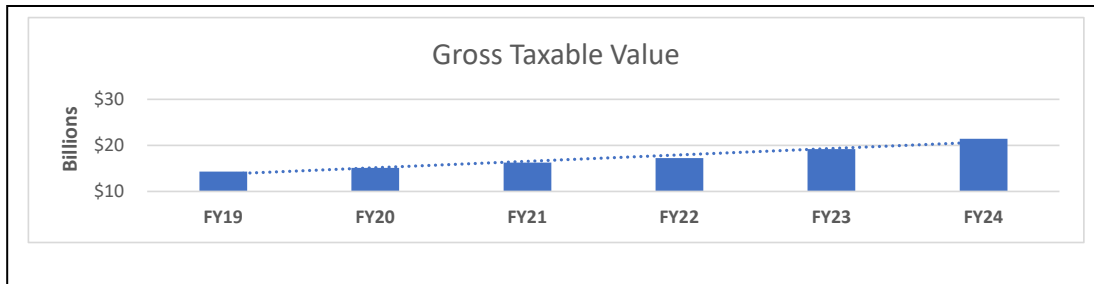
General Fund Revenues	FY22 Actual	FY23 Budget	FY24 Budget	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast
Property Taxes	\$ 129,588,557	\$ 141,585,457	\$ 155,607,366	\$ 160,275,587	\$ 165,083,855	\$ 170,036,370	\$ 175,137,461
Utility Service Taxes	\$ 9,544,193	\$ 8,483,000	\$ 9,544,360	\$ 9,868,868	\$ 10,105,721	\$ 10,257,307	\$ 10,411,166
Licenses & Permits	\$ 1,149,545	\$ 313,500	\$ 338,500	\$ 348,655	\$ 359,115	\$ 369,888	\$ 380,985
Intergovernmental	\$ 9,465,107	\$ 8,370,750	\$ 9,710,725	\$ 10,040,890	\$ 10,281,871	\$ 10,436,099	\$ 10,592,641
User Charges/fees	\$ 23,233,353	\$ 17,543,164	\$ 19,505,882	\$ 20,169,082	\$ 20,653,140	\$ 20,962,937	\$ 21,277,381
Fines & forfeitures	\$ 206,854	\$ 23,000	\$ 93,000	\$ 95,790	\$ 98,664	\$ 101,624	\$ 104,672
Miscellaneous	\$ 2,490,185	\$ 3,733,059	\$ 12,246,205	\$ 12,613,591	\$ 12,991,999	\$ 13,381,759	\$ 13,783,212
Operating Transfers	\$ 13,635,007	\$ 17,786,894	\$ 19,312,271	\$ 19,891,639	\$ 20,488,388	\$ 21,103,040	\$ 21,736,131
Revenue Recovery	\$ -	\$ -	\$ 43,140,260	\$ 33,140,260	\$ 23,140,260	\$ 13,140,260	\$ -
Subtotal	\$ 189,312,801	\$ 197,838,824	\$ 269,498,569	\$ 266,444,362	\$ 263,203,012	\$ 259,789,284	\$ 253,423,649
Fund Balance Target	\$ -	\$ 31,775,776	\$ 27,149,415	\$ 26,644,436	\$ 26,320,301	\$ 25,978,928	\$ 25,342,365
Total General Fund Resources	\$ 189,312,801	\$ 229,614,600	\$ 296,647,984	\$ 293,088,798	\$ 289,523,313	\$ 285,768,212	\$ 278,766,014
General Fund Expenditures	FY22 Actual	FY23 Budget	FY24 Budget	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast
Personnel Expenses	\$ 45,611,633	\$ 57,029,634	\$ 60,948,761	\$ 69,481,588	\$ 79,209,010	\$ 89,506,181	\$ 101,141,985
Operating Expenses	\$ 44,610,012	\$ 49,093,428	\$ 53,323,560	\$ 53,856,796	\$ 54,395,364	\$ 54,939,317	\$ 55,488,710
Capital Outlay	\$ 1,361,595	\$ 1,801,827	\$ 991,533	\$ 1,001,448	\$ 1,011,463	\$ 1,021,577	\$ 1,031,793
Debt Service	\$ 232,515	\$ 3,000	\$ 3,000	\$ 3,030	\$ 3,060	\$ 3,091	\$ 3,122
Grants & Aids	\$ 6,033,426	\$ 6,514,074	\$ 7,078,245	\$ 7,149,027	\$ 7,220,518	\$ 7,292,723	\$ 7,365,650
Other	\$ 84,898,596	\$ 115,172,637	\$ 131,162,625	\$ 132,474,251	\$ 133,798,994	\$ 135,136,984	\$ 136,488,354
ARP Revenue Recovery	\$ -	\$ -	\$ 43,140,260	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 182,747,777	\$ 229,614,600	\$ 296,647,984	\$ 263,966,140	\$ 275,638,408	\$ 287,899,873	\$ 301,519,614
Fund Balance Target	\$ -	\$ -	\$ -	\$ 26,644,436	\$ 26,320,301	\$ 25,978,928	\$ 25,342,365
Total General Fund Expenditures	\$ 182,747,777	\$ 229,614,600	\$ 296,647,984	\$ 290,610,576	\$ 301,958,709	\$ 313,878,802	\$ 326,861,979
Surplus/(Deficit)	\$ 6,565,024	\$ -	\$ -	\$ 2,478,222	\$ (12,435,396)	\$ (28,110,589)	\$ (48,095,964)

Revenue Trends

The major revenue sources of the FY24 General Fund budget are as follows:

Gross Taxable Value - \$21,428,611,827

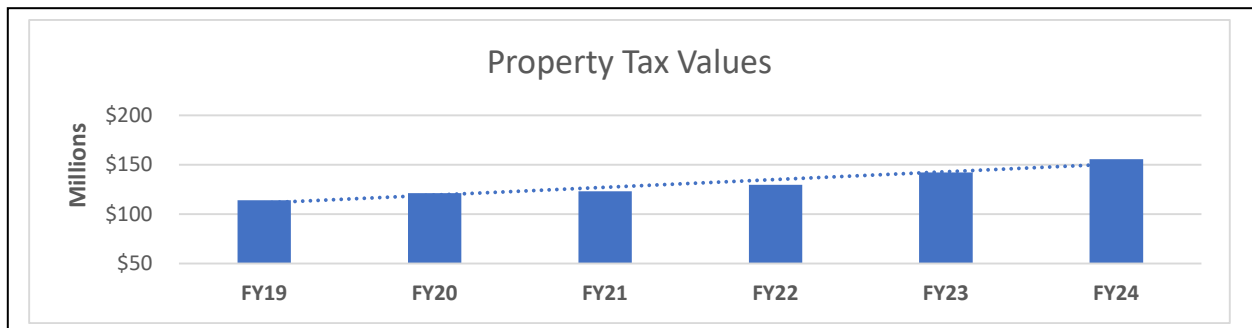
The Property Appraiser determines the taxable value of real property, personal property and centrally assessed property which combines to provide the gross taxable value used to calculate the amount received as property tax.



Property Taxes - \$155,607,366

Property taxes are a specific tax on property, paid by the owners of real and personal property located within the County. The County's adopted millage rate is applied as one dollar of revenue for each \$1,000 of estimated taxable assessed value provided by the Alachua County Property Appraiser. This amount is valued at 95% to account for estimates for discounts and uncollectible taxes.

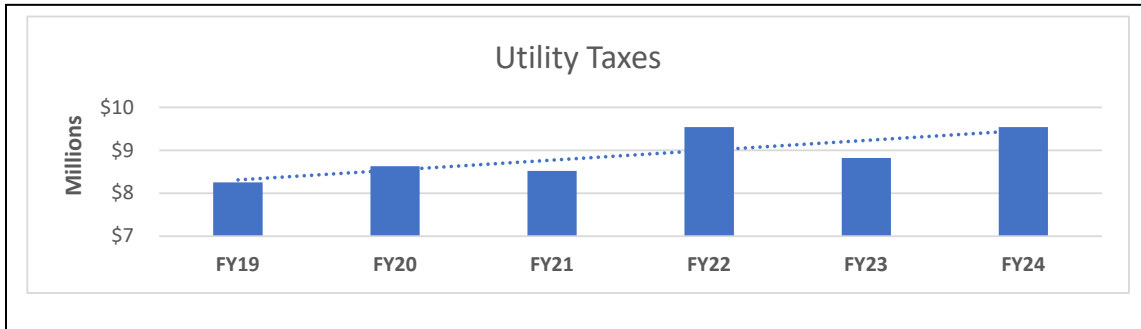
The taxable assessed value represents the total assessed value adjusted for growth caps on homesteads (Save our Homes) less allowable and qualified exemptions such as two (2) \$25,000 Homestead exemptions, additional Senior Homestead exemption, and the Disability exemption. The maximum allowed rate is ten mills. The County's FY 2024 operating millage rate was reduced to 7.6414. Property taxes account for 57.74% of the General Fund resources.



Utility Service Tax and Communication Service Tax - \$9,544,360

These are excise taxes levied on the purchase of electricity, gas and water services within the County. This revenue is calculated as a percent of taxable amounts charged by the service provider and is estimated based on experience. Current Rates: 10%

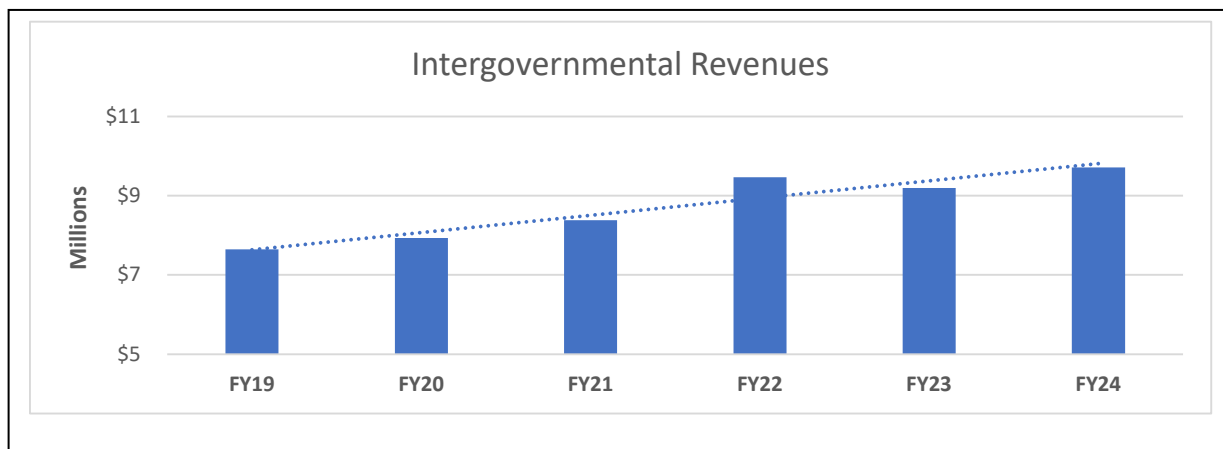
These taxes grow with the economy and overall economic and population growth within the County. Utility Service Taxes represents 3.54% of the total General Fund revenues.



Intergovernmental Revenues - \$9,710,725

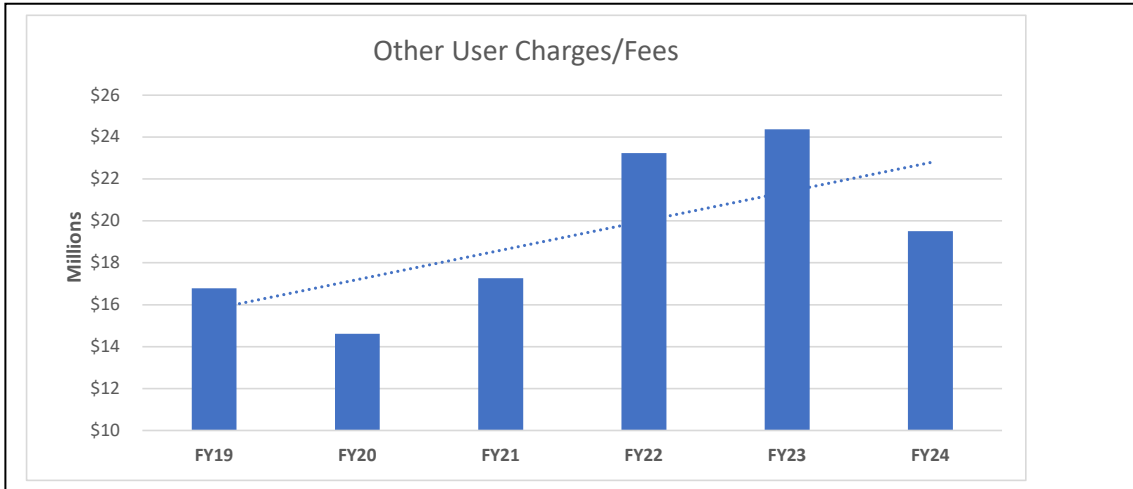
- State Shared Revenue - \$7,873,000
- Insurance Agency Licenses - \$76,000
- Mobile Home Licenses - \$36,225
- Alcoholic Licenses - \$110,000
- Pari-Mutuel Tax - \$446,500
- Fire Suppression - \$29,000

The State uses formulas to determine an annual share of the fund. In FY 2024, state shared revenue represents 3.18% of total General Fund revenue.



Other User Charges/Fees - \$19,505,882

Other User Charges and Fees represent revenues collected for services that are charged to the individual or group that benefits from the service (or incurs the service), rather than being charged to the community at large. Included in this group are recreation fees, public safety fees, rent, and other governmental fees. Revenues from user charges/fees represent 7.24% of the total General Fund revenues for FY 2024.



Gas Tax Model

Staff has created a Gas Tax Revenue Model based upon FY21 and FY22 Actual revenues. The model utilizes a 5% growth estimate forecast for the Constitutional Fuel Tax, County Fuel Tax and Local Option Fuel Taxes 1-6 Cent and utilizing a 6% growth estimate forecast for the Local Option Fuel Tax 1-5 Cents and 9th Cent Tax.

These projections are further supported by the County being a destination for travelers utilizing the University of Florida and its athletic activities, The Annual Gatornational Race Series and the County's enhancement of nature, community, and sporting events along with the increases to our Tourist Destination Tax which continue to be strong.

Gas Tax Revenues Projection	FY22 Actual	FY23 Actual YTD 11-13	FY24 Budget	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast
Constitutional Fuel Tax - 2 Cents (5th & 6th)	\$ 3,152,551	\$ 3,206,655	\$ 3,475,687	\$ 3,649,471	\$ 3,831,945	\$ 4,023,542	\$ 4,224,719
County Fuel Tax - 1 Cent (7th)	\$ 1,375,566	\$ 1,426,121	\$ 1,516,562	\$ 1,592,390	\$ 1,672,010	\$ 1,755,610	\$ 1,843,391
Local Option Fuel Taxes 1-6 Cents (336.025) (Split 65/35)	\$ 4,001,209	\$ 4,031,840	\$ 4,411,333	\$ 4,631,900	\$ 4,863,495	\$ 5,106,669	\$ 5,362,003
Local Option Fuel Taxes 1-5 Cents	\$ 2,957,666	\$ 2,906,620	\$ 3,745,440	\$ 3,970,166	\$ 4,208,376	\$ 4,460,879	\$ 4,728,532
Ninth Cent Fuel Tax Diesel	\$ 1,456,101	\$ 1,442,973	\$ 1,605,351	\$ 1,701,672	\$ 1,803,772	\$ 1,911,999	\$ 2,026,719
Total Gas Tax Pennies	\$ 12,943,093	\$ 13,014,208	\$ 14,754,373	\$ 15,545,600	\$ 16,379,598	\$ 17,258,699	\$ 18,185,363

Future Challenges and Final Comments

Our financial model is flexible and things can change quickly. We can control some aspects but not everything. That's why we need to keep enough money in our reserves, as our policy says. The projections help us see how different choices can affect our finances.

Looking into the future, the County, like the State and other local governments, must continue to plan for a stable and sustainable future for coming generations by maintaining its Reserves, addressing infrastructure needs, and monitoring economic impacts. The financial forecast assumes that the economy continues to grow through the forecast period and does not include potential impacts that may result from possible federal or State policy changes or impacts of a recession or current year discretionary revenue declines. While some growth is assumed in forecasted years, it is not enough to cover increases in costs for current levels of staffing and services.