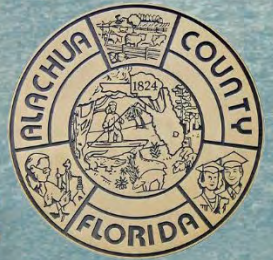




ALACHUA COUNTY 1824 - 2024 FY25 BUDGET MESSAGE



Honoring



Alachua County Courthouse



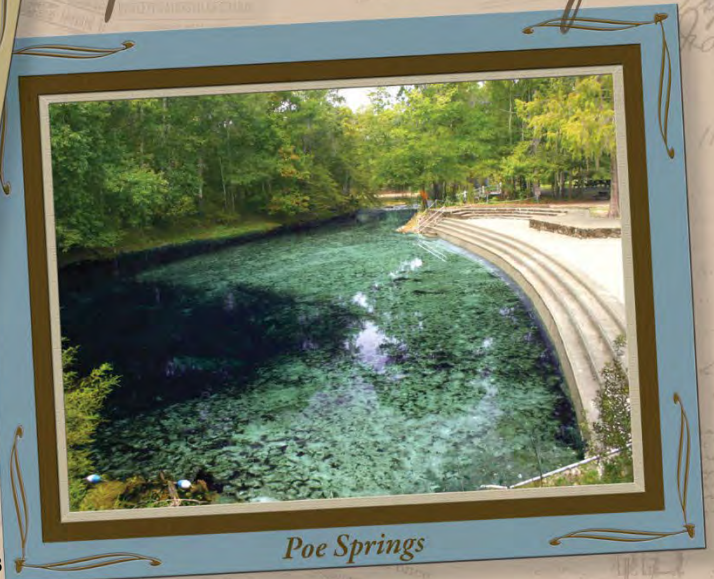
Alachua County Courthouse

the Past

Planning



Poe Springs



Poe Springs

the Future

June 11, 2024

INTRODUCTION

To the Alachua County Commission:

I am honored to present the Tentative Budget for your consideration. The FY25 Tentative Budget is particularly significant as we approach celebrating the 200th anniversary of Alachua County's founding on December 29, 2024.

As I look ahead to commemorating the bicentennial, I am reminded of our rich and storied history, including the dark chapters and the progress we have made. This milestone offers us a unique opportunity to both honor and reconcile our past while looking forward to a future filled with promise and potential.

The 2025 budget underscores our commitment to fiscal responsibility while addressing the dynamic needs of our rapidly growing county. Because of our commitment to the responsible stewardship of taxpayer dollars, I recommend a general fund millage rate reduction for the eighth consecutive year.

We recognize and embrace the unique challenges and opportunities that lie ahead. Thoughtful budgetary decisions will ensure that Alachua County remains resilient and adaptable in the face of evolving circumstances. By leveraging innovative solutions and building solid partnerships, we intend to enhance our service delivery and programs and create a more sustainable and equitable community for all.

In line with our vision for a thriving community, we have strategically allocated resources to bolster essential services such as housing, public safety, transportation infrastructure, parks, environmental stewardship, and economic development.

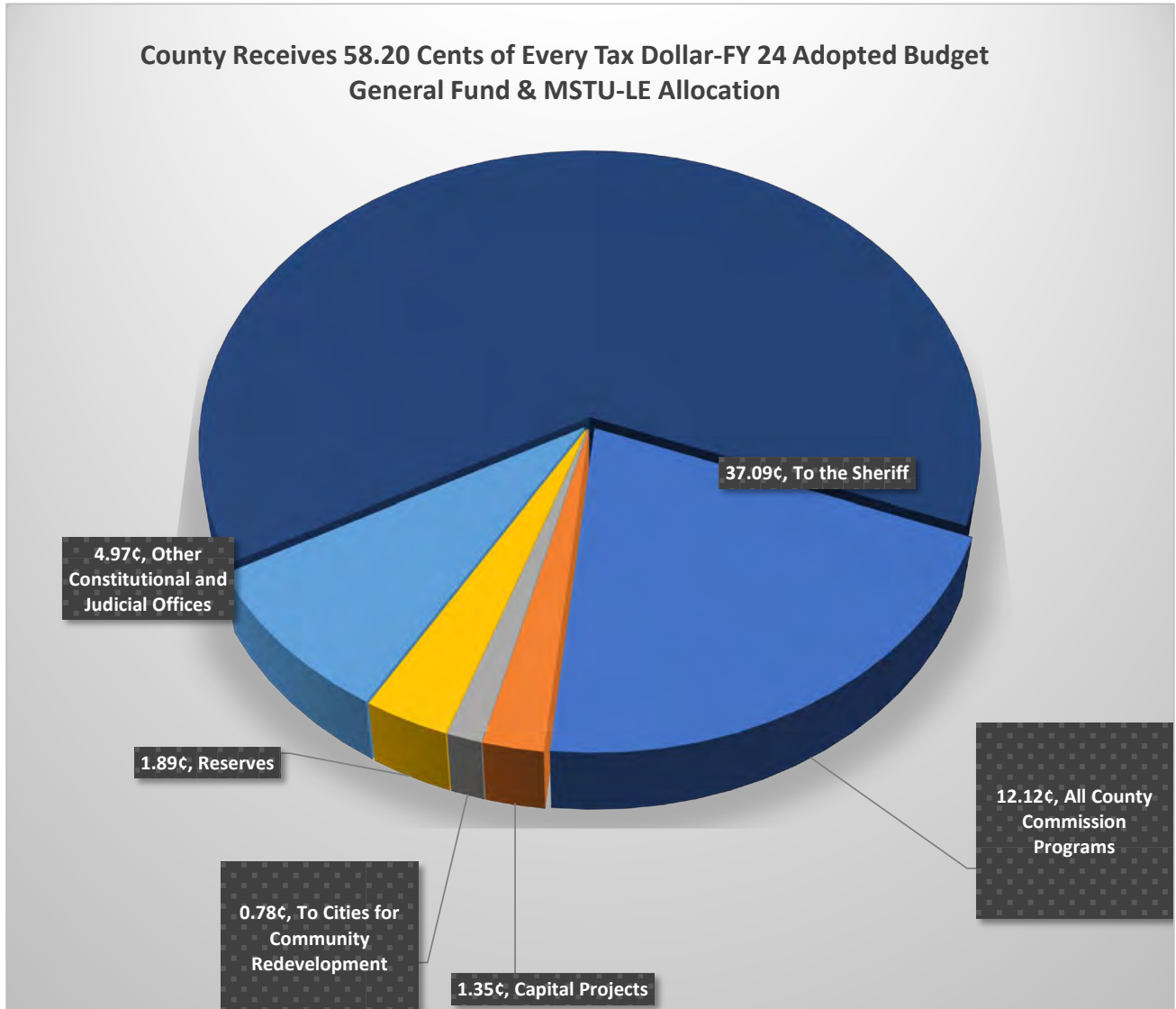
This budget emphasizes the importance of operating a healthy, sustainable workplace with realistic and reasonable expectations of our employees. Workforce retention is essential to our organization and our goal of achieving the Commission's strategic priorities. In recent years, we have expanded existing programs and services and established new ones to serve our residents. We must be mindful of growing programs and services faster than staff's ability to adjust and that we provide the training and resources required for expansion.

Thank you for your support and engagement throughout this budgeting process. Together, we will continue to build a future that reflects our community's shared values and aspirations.



ALACHUA COUNTY'S SHARE OF PROPERTY TAX DOLLARS

In FY24, the County received 58.20 cents of every County controlled property tax dollar. Of this amount, 12.12 cents were used for County departmental operations, and 1.35 cents funded capital projects. The remaining 44.73 cents were distributed as follows: 37.09 cents to the Sheriff; 4.97 cents to other Constitutional and Judicial offices; .78 cents to cities for community redevelopment; and 1.89 cents were held in reserves. The following chart illustrates how the Commission allocated its property tax dollars.



PROPERTY VALUES AND MILLAGE RATES

FY25 represents the eighth consecutive year Alachua County's property values are rising and the General Fund Millage is lowered. This Tentative Budget demonstrates an 8.68% increase in General Fund Values and a 9.24% increase in the Municipal Service Taxing Unit – Law Enforcement Values. The increases are based on estimated taxable values provided to us by the Property Appraiser on June 1, 2024.

The Property Appraiser will submit certifiable values on July 1, 2023; revenue estimates will be adjusted accordingly. At their July 9, 2024, meeting, the Commission will be asked to set the tentative millage rates at the evening public hearing.

FY25 Proposed Millage Rates June 1, 2024		
Property Tax Revenue Only	General Fund	MSTU Law Enforcement
Tax Year 2024 Projected Taxable Value	23,250,000,000	9,590,000,000
Tax Year 2023 Final Gross Taxable Value	21,393,215,066	8,779,022,502
Current Millage	7.6414	3.5678
FY25 Projected Revenue	168,779,423	32,504,442
FY24 Projected Revenue	155,300,408	29,755,707
Difference	13,479,015	2,748,735
Simple Majority Cap	9.4903	3.4486
Millage Change	1.8489	-0.1192
FY25 Projected Revenue	209,617,001	31,418,470
FY24 Projected Revenue	155,300,408	29,755,707
Difference	54,316,593	1,662,764
Super Majority Cap	10.0000	3.7935
Millage Change	2.3586	0.2257
FY25 Projected Revenue	220,875,000	34,560,682
FY24 Projected Revenue	155,300,408	29,755,707
Difference	65,574,592	4,804,975
Rollback Rate	7.2207	3.3534
Millage Change	-0.4207	-0.2144
FY25 Projected Revenue	159,487,211	30,551,151
FY24 Projected Revenue	155,300,408	29,755,707
Difference	4,186,803	795,444
Recommended	7.6180	3.5678
Millage Change	-0.0234	0.0000
FY25 Projected Revenue	168,262,576	32,504,443
FY24 Projected Revenue	155,300,408	29,755,707
Difference	12,962,168	2,748,736

GENERAL FUND

I recommend reducing the General Fund Millage rate, for the eighth consecutive year, to 7.6180 mills. The General Fund provides resources for most County departments and Constitutional offices. The FY25 General Fund sum of all property tax revenues is \$168,262,576. The total of all General Fund revenue sources is \$245,785,239.

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

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

MSTU Law Enforcement

I recommend no increase to the MSTU Law Enforcement Fund millage rate of 3.5678. The FY25 MSTU Law Enforcement total from property tax revenue is \$32,504,443. The total from all MSTU law Enforcement revenue sources is \$39,045,736.

MSBU Fire Protection

We fund Fire Protection through an MSBU assessment fee. I am not recommending an increase to the Fire Assessment. It will remain at \$90.69 for Tier 1 and \$8.31 for Tier 2. Further evaluations and discussions of the Fire Assessment Fee Study will continue. The total budget for this fund is \$35,013,678.

MSBU Stormwater

We fund Stormwater through an MSBU assessment fee and I am recommending a \$10.00 per unit increase. Stormwater management is vital for preventing flooding, protecting water quality, preserving natural habitats, supporting public health, and maintaining infrastructure integrity. While initial investments and ongoing maintenance are costly, the long-term benefits, environmental protection, public health, and infrastructure resilience justify these costs. With the increase, the total fund budget would be \$3,608,594.

MSBU Refuse Collection

I recommend raising the tipping fee for FY25 from \$57.00 to \$65.00, which represents an increase that will significantly impact our ability to manage and improve waste disposal services. This increase per ton is critical to ensure we can continue providing reliable, environmentally responsible waste management services while preparing for future challenges, including reserves, to manage any unexpected expenses or revenue shortfalls without compromising service. The total budget for all waste funds will be \$38,061,918.

Gas Tax Fund

The projected Gas Tax revenue for FY25 is \$15,586,158. The cost of providing transportation system services has outpaced Gas Tax revenues. Although the Gas Tax includes an annual increase of 5.67%, it fails to keep pace with inflation. To offset this deficiency, General Fund transfers, including 20% of the Communication Service Tax and the WSPP Surtax, will dramatically increase our level of service.

Wild Spaces Public Places (WSP), Infrastructure Surtax

On November 8, 2022, Alachua County voters passed the ten-year one-penny surtax. The distribution is one-half penny for conservation lands and parks and one-half penny for roads and affordable housing. The associated dollars in this budget are \$13,865,668 for land conservation, \$3,466,417 for parks, \$12,132,459 for roads, and \$5,199,626 for housing.

COUNTY INITIATIVES AND IMPERATIVES

COLA and Minimum Wage Increase

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

I recommend providing County Commission employees with a 6% Cost-of-Living Adjustment (COLA). This recommendation includes an equivalent level of funding for Constitutional and Judicial Officers' employees. Regarding a health insurance increase, I recommend shifting more of the cost to the employers and relieving more of the burden of premiums from the employees. This shift will make the County and Constitutional Officers more competitive in hiring and retaining talent.

Continuing the effort to reach a living wage, the FY25 Tentative Budget recommends increasing the County Minimum Wage from \$17.00 to \$18.00 an hour. I recommend this increase for all County, Constitutional, and Judicial employees funded by the County.

Public Safety

The majority of County funds continue to be directed towards improving public safety. Increases in Law Enforcement, additional Fire Rescue Stations, and a commitment to modernized fleet and equipment remain ongoing priorities. The FY25 budget reflects a commitment of \$128 million to Law Enforcement and \$81 million to Fire Rescue services.

Pavement Management Plan

Between the WSPP surtax, Gas Tax, and the Commission's commitment of General Fund resources, the FY25 budget includes \$44 million to maintain and improve

the road system. The recently approved pavement management plan prioritizes the timing and location of road paving throughout the County. Through a combination of WSPP, grants, gas tax, and general fund dollars, a quarter of a billion dollars is available to address road projects of the surtax ten-year period.

Housing Initiatives

Housing remains a priority moving into FY25, as demonstrated by various ongoing housing projects. The Budget Inn, currently under renovation, is scheduled for completion and ready for move-in before the end of FY25. This project will bring 36 one-bedroom furnished apartments to the forefront. Similarly, the purchase of the Scottish Inn will add 30 one-bedroom apartments, introducing a new dynamic to housing in Alachua County. A unique pilot program on this property will feature container homes, with an estimated 20-30 units, potentially revolutionizing affordable housing.

Looking ahead, Alachua County is reviewing the Sunrise Apartments, currently owned by the Saint Francis organization.

Additionally, the Infrastructure Sales Surtax, approved by voters, will fund the development of single-family homes on 13 acres on the east side of Gainesville. This initiative aims to provide housing and ensure generational retainage and wealth, supporting long-term community stability and prosperity.

The Housing Trust has been actively providing housing vouchers and is working on a pilot program for Copeland as a blighted area initiative. The County continues receiving SHIP funding for home purchase assistance, repairs, and housing needs. Annually, \$1.5 million from the general fund is allocated to house individuals and families, further underscoring the commitment to creating diverse housing opportunities and fostering generational wealth through single-family home ownership.

Economic Development and Tourism

To enhance Alachua County's economic vitality and continued tourism promotion, we are excited to announce the combination of the Economic Development Office and the Tourism Office. This move will create a focused strategy to attract both businesses and visitors. By combining efforts, we effectively showcase our County's opportunities to promote sustainable economic growth while continuing to increase tourism for the benefit of our businesses and attractions.

Revenue Recovery

The FY25 Budget includes unfinished Revenue Recovery projects approved by the Board, including Broadband Deployment assistance, Santa Fe Hills Water System improvements, Public Health support with the development of the Central Receiving Facility and Eastside Clinic, relief from adverse economic impacts with continued food security projects, and housing initiatives that align with the Commission's strategic initiatives.

Addressing the County’s Critical Building Needs

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

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

CONCLUSION

The FY25 Tentative Budget demonstrates a commitment to addressing the community's evolving needs. It emphasizes fiscal responsibility, strategic resource allocation, the value of our workforce, and building a sustainable and equitable community.