



BOARD OF COUNTY COMMISSIONERS

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TO: THE BOARD OF COUNTY COMMISSIONERS

FROM: FRANK ABBATE, COUNTY MANAGER 

SUBJ: FISCAL YEAR 2018-2019 ADOPTED BUDGET

DATE: DECEMBER 7, 2018

INTRODUCTION

I am pleased to present the Adopted Fiscal Year 2018-2019 Budget, which begins October 1, 2018, and concludes September 30, 2019. This budget has been prepared in accordance with Florida Statutes and the Brevard County Charter. In addition to its function as Brevard County's primary financial plan, the annual operating and capital budget also serves as a policy document, an operational guide, and a communication tool, making it one of the most important documents for our organization.

During the upcoming budget year, the County Manager's Office will continue to provide organizational leadership to effectively and efficiently implement Board of County Commissioner's policies and directives by focusing organizational initiatives on:

- Promoting inclusiveness and responsiveness. Nurturing and providing a transparent environment.
- Further addressing funding for maintenance, drainage, reconstruction and enhancement of the County's road system.
- Undertaking critical countywide infrastructure maintenance and repair needs, including deferred facilities maintenance.
- Accelerating Indian River Lagoon restoration by leveraging local sales tax dollars with matching funds from local, State and Federal partners.
- Addressing employee compensation as it relates to recruitment and retention efforts. Continuing focus on employee development, succession planning, and Lean Six Sigma improvement efforts.

BUDGET DEVELOPMENT

The development, approval, and execution of the budget involves analyzing and understanding past expenditures, financial forecasts and legislative impacts, reviewing property valuations and aligning all of these factors with the Board of County Commissioners' priorities and direction.

On February 15, 2018, the Board of County Commissioners held a Budget Workshop to provide guidance, direction and priorities for the development of the Fiscal Year 2018-2019 budget. Ultimately, the County's budget is a reflection of the goals and priorities for our community and organization as envisioned by the Board of County Commissioners. This adopted balanced budget addresses those priorities and goals for Brevard County government in a fiscally responsible manner while also recognizing developing trends in preparation for future budgets.

Guided by the Board's direction, along with requirements set forth by the State of Florida and the Brevard County Charter, this Adopted Budget was built utilizing the following major guidelines and assumptions.

Continued Focus on Funding Infrastructure and Critical Needs

As we move into Fiscal Year 2018-2019, this Adopted Budget is aimed at building on the success of infrastructure improvements made in recent fiscal years by continuing to invest in critical infrastructure needs, which will avoid increased costs if further deferment occurs.

- **Road Infrastructure**

In 2017, the Board committed to a long-term funding initiative to address the backlog of roads classified as at-risk or failing. This initiative, which commits to achieving a minimum of 55 miles of road resurfacing per year, remains a key priority in the development of this budget. Despite the rising cost of asphalt, the Fiscal Year 2018-2019 budget is built on allocating funds to achieve 60 miles of road resurfacing, which is similar to what is being achieved in Fiscal Year 2017-2018. This five-year plan of resurfacing at-risk roads will address 72% of the current road resurfacing backlog.

As a result of successfully negotiated Interlocal agreements with Community Redevelopment Agencies, additional resources have been redirected to road infrastructure improvements in municipalities and unincorporated Brevard. Additionally, the County was able to leverage approximately \$49 million in grant funding to support construction of projects including the St. John's Heritage Parkway, Pineda Overpass, and Cone Road infrastructure.

- **Drainage Improvements**

Countywide flooding that occurred subsequent to Hurricanes Matthew and Irma brought increased awareness to the impact of deferred drainage maintenance. Proper drainage system maintenance ensures that the County's watercourses are in the best condition to handle heavy rainfall and helps reduce the risk of flooding. The Fiscal

Year 2018-2019 Adopted Budget appropriates \$867,118 to fund an additional countywide drainage crew and related capital equipment required to properly maintain a network of drainage conveyance systems comprised of more than 1,000 miles of canals, ditches and swales countywide. The additional drainage crew will increase the number of ditches and swales being maintained throughout the year thereby reducing cycle times. Moreover, this crew will address the backlog of ditches that have been on a typical six- to eight-year cleaning cycle, and roadside swales that have been on a ten- to fifteen-year reshaping cycle.

- **Facilities Management**

Facilities Management continues to focus on prioritizing the replacement of deteriorating building components with newer and more efficient systems. In Fiscal Year 2017-2018, an additional \$773,631 was appropriated from the General Fund to increase annual repair and maintenance and to fund critical building repairs at countywide buildings. During mid-year adjustments, funding for building maintenance was further enhanced by an additional \$560,000 to fund critical sanitary and safety issues.

This Fiscal Year 2018-2019 Adopted Budget establishes the \$560,000, as well as an additional \$261,513, as an annual appropriation to further assist in funding the significant amount of deferred critical building infrastructure needs at numerous countywide facilities. At this level of funding, during Fiscal Year 2018-2019, Facilities Management will undertake approximately \$2.78 million in projects including completion of the Detention Center electronic cell door replacements; Harry T. and Harriette V. Moore Justice Center air-conditioning upgrades; and installation of new chilled water lines at the Vassar B. Carlton Historic Titusville Courthouse.

- **Parks and Recreation**

In Fiscal Year 2017-2018, Parks and Recreation funding increased by \$1,261,643 to manage safety issues, deteriorating buildings, boardwalks, and boat ramp repairs. The Adopted Fiscal Year 2018-2019 budget augments this as recurring funding, with an additional \$80,000 allocated to meet ADA restroom requirements at McLarty Park. Planned projects include additional infrastructure improvements at the Gibson Complex; repairs at various beach crossovers; Long Point Park water and pump upgrades; air-conditioning unit replacements at Cocoa West and Port St. John Community Centers; Fox Lake Park kitchen upgrades; Kiwanis Island Park parking lot resurfacing; and updates for more efficient lighting systems at various County athletic fields. An internal loan of \$12 million approved in Fiscal Year 2017-2018 will also be utilized to continue addressing repairs at parks facilities that were damaged as a result of Hurricanes Matthew and Irma.

- **Technology Upgrades**

The Fiscal Year 2018-2019 Adopted Budget includes initiatives to upgrade critical technology requirements to achieve ADA compliance and provide significant security enhancements to the County network. To that extent, General Fund support to the Information Technology Department has increased by \$388,588 or 17.91%, to address

document compatibility with ADA on the County website and upgrade the Microsoft Enterprise Agreement and SharePoint. Space Coast Government Television production equipment upgrades are also included in the amount of \$250,000, to include installation of Closed-Captioning hardware for ADA compliance, high-definition for live production, and meeting room equipment upgrades.

- **Additional Critical Needs Funding**

In addition to the funds allocated to address the above referenced critical needs, resources have also been allocated to fund previously unfunded critical needs including the Flake Road underground fuel tank replacement, security upgrades, repair and maintenance at fire stations, and critical capital equipment replacements needed to maintain existing service levels.

Maintaining Programs and Services

With infrastructure and critical needs at the forefront during budget development, these needs must be balanced in order to maintain existing program and service levels for the citizens of Brevard County. This is accomplished by carefully reviewing expenditures, managing and prioritizing operating and capital needs within existing resources, and thoughtfully examining travel, training, memberships, and overtime. The Fiscal Year 2018-2019 Adopted Budget maintains existing program and service levels, with the exception of funding for Community Based Organizations, which has been reduced 20% from its current level in accordance with the five-year program phase out previously directed by the Board. Subsequent to the approved phase out of Community Based Organizations, in Fiscal Year 2017-2018, the Board approved a recurring appropriation of \$60,000 to Aging Matters for the Meals-on-Wheels program, which is included in this budget proposal.

Employee Compensation

With unemployment rates down to 2.9% as of September, 2018, Brevard County faces increasing challenges with employee recruitment and retention as higher salaries are offered elsewhere in the market. The Fiscal Year 2017-2018 budget set aside funding for a pay and classification study, which is currently underway. This comprehensive evaluation will benchmark Brevard County's pay and classification plan against its competitive market within the context of Brevard's financial position, and is reviewing turnover and vacancy data to identify positions that have become increasingly difficult to fill and recruit. Upon completion and review, recommendations will be made for a multi-year implementation, as necessary, with an emphasis on positions that have become difficult to recruit and retain due to competitive market conditions.

In the Fiscal Year 2018-2019 Adopted Budget, departmental salary budgets have been increased by 2%, which will fund a 1.5% Cost of Living adjustment for employees and sets aside funds to begin addressing pay study recommendations. In addition to this, \$375,000 has been earmarked in General Government to be allocated as needed for implementation of pay and classification study recommendations that are funded by the General Fund. Pay and classification study recommendations for positions within Special Revenue and Enterprise programs will be funded within those available resources.

For bargaining unit employees, any salary increases will be developed and implemented in accordance with Florida's collective bargaining laws, procedures and the processes provided for under applicable Florida statutes.

General Government Operating Reserves

Operating Reserves are set aside to provide options for responding to unexpected issues and risks, as well as working capital to provide necessary cash flow before ad valorem taxes are collected. The Budget and Financial Policy establishes a goal to maintain an operating reserve of no less than 10% of projected operating revenues. The Adopted Budget establishes General Government operating reserves at 10.17% of projected operating revenue or \$21,049,961, which represents an increase of \$263,299.

In addition to operating reserves, \$1.2 million has been set aside in restricted reserves for potential future expenses associated with the obligation to fund emergency shelter operations at School Board facilities. On April 27, 2018, the Federal Emergency Management Agency (FEMA) determined that only local emergency management agencies are eligible to apply for reimbursements associated with emergency sheltering.

BUDGET SUMMARY

Brevard County's Adopted Fiscal Year 2018-2019 Budget is **\$1,302,977,360**. When compared to the Fiscal Year 2017-2018 final amended budget of \$1,286,857,427, the Fiscal Year 2018-2019 Adopted Budget represents an increase of 1.25%, or \$16,119,933.

During Fiscal Year 2017-2018, the budget was amended by approximately \$116.2 million for a variety of reasons including debt proceeds of \$46.7 million primarily associated with refinancing existing loans to achieve more favorable terms; funds of \$30 million being carried-forward for multi-year projects; the recognition of grants of \$21.7 million; and anticipated increases in the Save Our Indian River Lagoon (SOIRL) one-half cent sales tax and Tourist Development Taxes of \$11.5 million.

The Adopted Fiscal Year 2018-2019 Budget represents an increase of 11.30% or \$132,273,001 when compared to the Fiscal Year 2017-2018 Adopted Budget. Approximately 45% of this increase, \$59.4 million, is attributable to the SOIRL Trust Fund.

Property Valuations and Property Tax Revenue

In the Brevard County Charter, property tax revenues are limited to an increase that is the lesser of 3% or the percentage change in the Consumer Price Index which is 2.13% for Fiscal Year 2018-2019. This limitation excludes ad valorem revenues associated with new construction and is not applicable to voter-approved millage rates. The adopted Fiscal Year 2018-2019 millage rates have been established in accordance with the County's Charter, and tax rates associated with voter-approved referendums are set within the mandated rate structures.

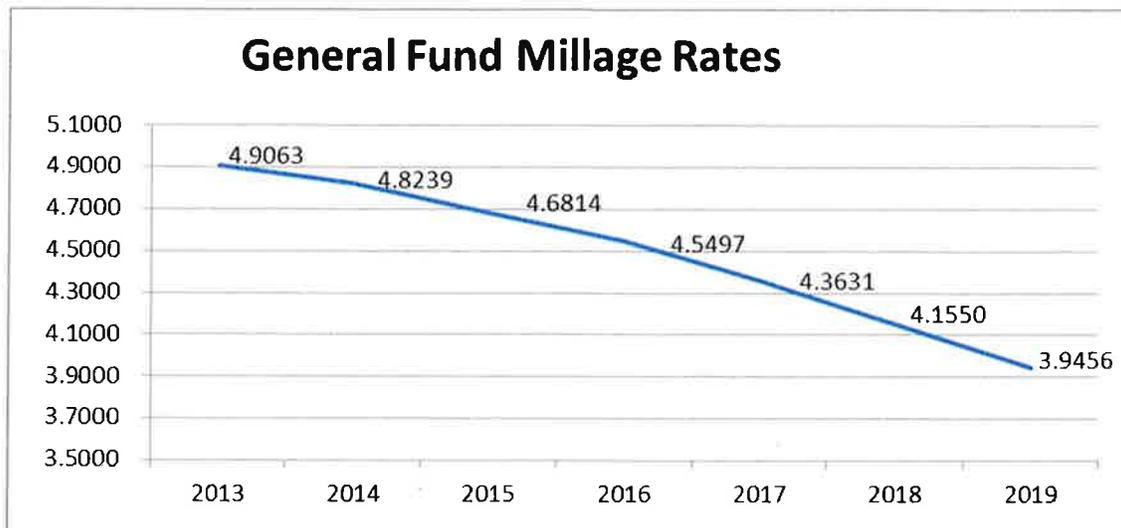
From 2008 to 2013, Brevard County experienced significant revenue reductions associated with drastically declining property values caused by the Great Recession. The past five years

have shown positive signs of economic recovery, as property valuation increased for the sixth consecutive year. Despite this increase, property values are still below the Fiscal Year 2007-2008 peak of \$40.8 billion, which does not include the \$5.5 billion in new construction that has been added since Fiscal Year 2007-2008.

Fiscal Year	Certified Property Valuation	Valuation Change \$	Yearly Change %
2018-2019	\$37,664,300,444	\$3,100,078,958	8.97%
2017-2018	\$34,564,221,486	\$2,657,725,032	8.33%
2016-2017	\$31,906,496,454	\$2,209,989,200	7.44%
2015-2016	\$29,696,507,254	\$1,676,907,266	5.98%
2014-2015	\$28,019,599,988	\$2,256,261,660	8.76%
2013-2014	\$25,763,338,328	\$1,140,053,204	4.63%
2007-2008	\$40,771,915,416	\$1,619,641,274	4.14%

Brevard County is the Taxing Authority of 25 individual Taxing Districts, which includes twenty operating districts and five voter-approved debt districts. The aggregate adopted millage rate which represents all operational millages is 6.0349, which represents a 4.61% decrease from the Fiscal Year 2017-2018 aggregate rate of 6.3268. The aggregate adopted millage rate of 6.0349 is equal to the aggregate rolled-back rate. Therefore, under this proposal, according to Truth in Millage (TRIM) requirements established by the State of Florida, the final Budget Hearing will not be advertised as a tax increase.

While property values increase, a reduction in millage rates is required in order to comply with the limitation in ad valorem revenue growth set forth in the Brevard County Charter. For the sixth consecutive year, the adopted general countywide property tax rate has been reduced from the prior year rate as depicted in the graph below. The adopted Fiscal Year 2018-2019 millage rate of 3.9456 is a 5.04% decrease from the Fiscal Year 2017-2018 millage rate of 4.1550. The combined effect of increased property values, new construction, and the reduction in the general countywide property tax rate has resulted in increased general ad valorem revenue of \$5.3 million for Fiscal Year 2018-2019.



The following chart depicts the change in all 25 taxing district millage rates, along with the property tax revenue variances from Fiscal Year 2017-2018 to Fiscal Year 2018-2019. While the majority of operating millage rates are adopted at the rate that increases ad valorem revenue by the 2.13% change in CPI (with the exception of new construction), the following voter-approved taxing districts have been adopted:

- **Recreation District 4 O&M** – The voter-approved cap is 0.9000; the millage rate is being adopted in accordance with state-imposed simple majority maximum rate of 0.6892.
- **Environmentally Endangered Lands ('04)** – The voter-approved cap is 0.2085; the millage rate is being adopted in accordance with state-imposed super majority maximum rate of 0.0641 for the operating millage, and 0.0843 for the debt millage based on debt service requirements.
- **N. Brevard Special Recreation District** – The voter-approved cap is 0.8000; the millage rate is being adopted in accordance with this cap, with 0.5575 for the debt millage based on debt service, and the remaining 0.2425 for operations and maintenance.
- **Merritt Island Recreation MSTU** - The voter-approved cap is 0.8000; the millage rate is being adopted in accordance with this cap, with 0.4613 for the debt millage based on debt service, and the remaining 0.3387 for operations and maintenance.
- **S. Brevard Special Recreation District** - The voter-approved cap is 0.6000; the millage rate is being adopted in accordance with this cap, with 0.2884 for the debt millage based on debt service, and the remaining 0.3116 for operations and maintenance.

Tax District or Unit	FY 2017-2018	FY 2018-2019	FY 2018-2019
	Adopted	Adopted	Revenue
	Millage Rates	Millage Rates	Compared to FY 2017-2018
General Revenue - Countywide	4.1550	3.9456	\$5,348,617
Library District	0.4982	0.4731	\$641,580
Mosquito Control District	0.1968	0.1869	\$254,010
Fire Control MSTU	0.6816	0.6504	\$425,113
Recreation District #1 MSTU	0.6308	0.5995	\$112,106
Recreation Dist. #4 O & M	0.7114	0.6892	\$106,314
TICO Airport Authority	-	-	\$0
Law Enforcement MSTU	1.1438	1.0925	\$608,876
Road & Bridge Dist. #1 MSTU	0.6870	0.6554	\$61,593
Road & Bridge Dist. #2 MSTU	0.2597	0.2472	\$28,363
Road & Bridge Dist. #3 MSTU	0.2715	0.2592	\$11,788
Road & Bridge Dist. #4 MSTU	0.2782	0.2664	\$59,040
Road & Bridge Dist. #5 MSTU	0.3979	0.3811	\$14,137
Rd & Brdge Dist #4 MSTU N Beaches	0.2667	0.2545	\$2,918
Rd & Brdge Dist #4 MSTU MISo.	0.1327	0.1235	\$637
Environ. Endangered Land ('04)	0.0617	0.0641	\$288,580
PSJ/CanGroves Recreation MSTU	0.3509	0.3377	\$12,864
N. Brevard Special Recreation Dist.	0.2230	0.2425	\$123,664
Merritt Island Recreation MSTU	0.3223	0.3387	\$132,101
S. Brevard Special Recreation Dist.	0.2956	0.3116	\$925,479
Sub - Total Operating			\$9,157,778
Environ. Endangered Land ('04)	0.0908	0.0843	\$39,036
PSJ/CanGroves Recreation MSTU	-	-	\$0
N. Brevard Special Recreation Dist.	0.5770	0.5575	\$111,218
Merritt Island Recreation MSTU	0.4777	0.4613	\$62,600
S. Brevard Special Recreation Dist.	0.3044	0.2884	\$229,442
Sub - Total Debt Service			\$442,295
Total Operating and Debt Service			\$9,600,073

GENERAL GOVERNMENT HIGHLIGHTS

The significant issues affecting the General Government for the Fiscal Year 2018-2019 Adopted Budget include the following:

General Government Current Ad Valorem Taxes and other Major Revenues increase by \$5,348,617 and \$1,864,849 respectively, when compared with Fiscal Year 2017-2018. Appropriations change accordingly, with the highest increase being allocated to Charter Offices, followed by Public Safety, Roads, and other Infrastructure.

GENERAL GOVERNMENT SUMMARY OF REVENUES AND EXPENDITURES				
	FY 2017-2018	FY 2018-2019		
	Current Budget	Adopted Budget	Varlance	% Varlance
REVENUE:				
General Fund Current Year AV Taxes	143,259,647	148,608,264	5,348,617	3.73%
Half Cent Sales Tax	28,784,941	29,785,699	1,000,758	3.48%
State Shared Revenue	12,381,936	12,847,792	465,856	3.76%
FPL Franchise Fee	10,345,324	10,869,919	524,595	5.07%
Communications Svc Tax	5,975,129	5,848,769	(126,360)	-2.11%
Other Operating Revenue	9,257,955	9,882,734	624,779	6.75%
5% Statutory Reduction	(10,500,248)	(10,892,159)	(391,911)	3.73%
Balance Forward	25,905,022	26,129,369	224,347	0.87%
Non-Operatng Revenue	6,354,971	6,975,364	620,393	9.76%
TOTAL GENERAL GOV REVENUES:	231,764,677	240,055,751	8,291,074	3.58%
EXPENDITURES:				
Charter Offices	105,788,247	108,488,135	2,699,888	2.55%
Mandates	20,819,577	21,518,560	698,983	3.36%
Court Operations	2,743,284	2,792,266	48,982	1.79%
General Government Reserves	20,786,662	22,249,961	1,463,299	7.04%
TIF Payments	7,817,071	8,520,907	703,836	9.00%
General Government Debt	4,423,006	4,156,673	(266,333)	-6.02%
Public Safety, Roads & Infrastructure	34,080,319	35,602,171	1,521,852	4.47%
County Agency Transfers	35,306,511	36,727,078	1,420,567	4.02%
TOTAL GENERAL GOV EXPENDITURES	231,764,677	240,055,751	8,291,074	3.58%

ONGOING FOCUS AREAS

Utilities Reprioritization of 10-Year Capital Improvement Plan

The Utilities Services Department is half way through its approved ten-year Capital Improvements Plan. As a part of that plan priorities associated with the scheduled projects are re-evaluated bi-annually. As a part of each re-evaluation, projects are reprioritized based on emerging critical needs. This has recently occurred, focusing more immediately available funds and project resources to accelerate pipe lining in the South Beaches Service Area (SBSA) in response to severe wet weather sewage discharges in that area.

Additionally, the Board approved a State Revolving Loan application to fund the replacement of a failing force main in the SBSA. This replacement will prevent raw sewage discharge into the lagoon. Staff is continually working to identify other potential options to address wet weather-related discharges in all County service areas. Also, they are collaborating with the SOIRL program effort and municipalities to more efficiently meet these challenges.

Save Our Indian River Lagoon

The Natural Resource Management Department is continuing to ramp up the SOIRL program efforts to implement science-based lagoon cleanup efforts. The condition of the lagoon is expected to be an ongoing challenge for many years. The largest aspect of the SOIRL plan is the removal of muck deposits (environmental dredging) that have accumulated over decades and require long lead start times. Three dredging projects are underway with more planned. Muck removal projects will provide significant benefits to the lagoon but are not the only important efforts underway. Twenty-nine projects are under contract to either reduce pollutant loading or restore habitat.

Recent modifications to the plan provide funding for added stormwater treatment, oyster bed creation, septic-to-sewer infrastructure extensions, improved sewage treatment at existing waste water treatment facilities and repairs to privately owned sewer laterals as an effort to reduce the severity of Inflow and Infiltration. This is expected to help reduce wet weather sewer discharges as well as reduce ground water contamination to benefit the lagoon.

Unfunded Critical Needs

The Fiscal Year 2018-2019 Adopted Budget achieves progress in allocating funds to continue addressing the County's most critical needs including road and drainage improvements, deferred infrastructure and capital needs. However, a significant backlog in unfunded critical needs remains. Many of these items are highlighted and detailed in the individual departments' trends and issues, capital outlay, and Capital Improvement Plan (CIP) sections.

Operational Efficiencies and Lean Six Sigma

County staff remains focused on improving efficiencies to better serve the public and departmental customers, and to reduce costs. In April 2018, twenty-three County employees were recognized for their involvement and successes achieved in Lean Six Sigma initiatives, including a standardized camp registration process, a reduction in processing time for development applications, quality control methods which have increased consistency in the building application process, and payroll statement optimization. To date, six projects have been completed, seventeen projects are currently underway, three new projects have been assigned to green belt candidates, and four projects are pending.

FINANCIAL COMPOSITION

The County's annual budget is comprised of numerous funds which are categorized according to their function and organized within six different fund groups. The following briefly describes the services provided by these fund categories and the highlights included in the County's FY 2018-2019 Adopted Budget.

General Funds:

General Funds represent funds that can be used for any government purpose. Services provided by General Funds include the Clerk of Courts Board Finance and Board Minutes sections, Sheriff's Office, Supervisor of Elections Office, Tax Collector's Office, Property

Appraiser's Office, Court Administrative Services, County Commissioners, County Attorney, County Manager, Legislative Affairs, Roads and Bridges, Surveying Services, Parks and Recreation, University of Florida Extension Services, Emergency Medical Services, Family and Children Services, Veterans Services, Medicaid, Code Enforcement, Natural Resources Management, Engineering and Traffic Engineering, Probation, Pretrial Diversion and Release, Dispute Resolution, Alternative Sentencing Services, Medical Examiner, Ocean Lifeguards, School Crossing Guards, and Emergency Management Services, Facilities Management, Personnel, Purchasing and Contracts Administration, Budget, and Asset Management.

Revenues – The total revenues and other sources of funds in the County's FY 2018-2019 Adopted Operating and Capital Budget for the General Funds are \$287,160,529. This represents an \$8,731,897 increase, or 3.14%, from the FY 2017-2018 Final Budget of \$278,428,632.

This increase is primarily due to an increase in General Government Revenues of \$8.3 million, which is the result of increases in the General Countywide Property Tax of \$5.3 million, as well as increases in Major Revenue of \$1.9 million. Additionally, Central Area Parks fund increases by \$1.7 million due primarily to the internal loan established for hurricane repairs.

Special Revenue Funds:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. These funds are legally restricted, either by Federal requirements, Florida Statutes or County Ordinances. Services provided by Special Revenue Funds include Save Our Indian River Lagoon, Road Construction, Road and Bridge Maintenance Districts, Storm Water Improvements, Mosquito Control, Library Services, Fire Rescue Operations, Fire Rescue Dispatch Services, Fire Prevention, Transportation Planning, Law Enforcement's unincorporated area road patrol deputies, Court Operations, Tourism Development, the Merritt Island Redevelopment Agency (MIRA) and the North Brevard Economic Development Zone (NBEDZ).

Revenues – The total revenues and other sources of funds in the County's FY 2018-2019 Adopted Operating and Capital Budget for Special Revenue Funds are \$611,159,493. This represents a \$54,449,747 increase, or 9.78%, from the FY 2017-2018 Final Budget of \$556,709,746.

This increase is primarily due to an increase in the SOIRL Trust Fund of \$42.7 million due to funds being carried-forward and anticipated increase in revenue received from the one-half cent sales tax. Other significant increases to Special Revenue Funds include Educational Impact Fees, \$12 million; Countywide Grant Fund, \$2.8 million; and Building Code Compliance, \$4 million. These increases are offset by decreases in other Special Revenue funds primarily due to project completion: LOGT Bond Fund, (\$8.8 million); and North Brevard Economic Development Zone, (\$2.4 million).

Debt Service Funds:

Debt Service Funds account for financial resources that are restricted for principal and interest payments and debt service reserves. Debt Funds are used to budget debt payments for the General Government, Parks and Recreation and Environmentally Endangered Lands.

Revenues – The total revenues and other sources of funds in the County's FY 2018-2019 Adopted Operating and Capital Budget for Debt Service Funds are \$23,395,065. This represents a decrease of (\$20,762,690) or 47.02%, from the FY 2017-2018 Final Budget of \$44,157,755. This decrease is primarily due to the recognition of funds received in FY 2017-2018 associated with refinancing various debts to achieve more favorable terms.

Capital Project Funds:

Capital Project Funds account for the financial resources that are allocated to capital projects. The majority of capital projects are funded through Enterprise Funds and Special Revenue Funds. Capital Project Funds are used to budget funds for the Viera Regional Park Project, 800 MHz Improvements, Parks and Recreation, Facilities Management and Valkaria Airport.

Revenues – The total revenues and other sources of funds in the County's FY 2018-2019 Adopted Operating and Capital Budget for Capital Project Funds are \$5,789,583. This represents a (\$7,075,901) decrease, or (55.00%), from the FY 2017-2018 Final Budget of \$12,865,484. This decrease is primarily due to progress made in projects associated with the Viera Regional Park Project, (\$5 million); South Parks Referendum, (\$1.2 million); and the Valkaria Airport, (\$675,000).

Enterprise Funds:

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprise, where costs are funded through user fees. Enterprise Funds are used to budget for the Utility Services Department, Solid Waste Department, and Transit Services. The Titusville-Cocoa Airport Authority (TICO), the Melbourne-Tillman Water Control District (Special Dependent Districts of the County), and the Barefoot Bay Water and Sewer District are also a part of this category.

Revenues – The total revenues and other sources of funds in the County's FY 2018-2019 Adopted Operating and Capital Budget for Enterprise Funds are \$235,929,395. This represents a (\$31,447,030) decrease, or (11.76%), from the FY 2017-2018 Final Budget of \$267,376,425. This decrease is primarily due to a decrease in the Barefoot Bay Debt Fund of (\$11 million) due to debt proceeds received in FY 2017-2018 as a result of refinancing outstanding debt to achieve a lower interest rate. Solid Waste Collection Fund decreases (\$7.7 million) which is attributed to FEMA and State Hurricane Irma reimbursements being recognized as a receivable in FY 2017-2018. Additional decreases occurred in the following Enterprise Funds: South Central Treatment Plant Expansion, (\$6.2 million); Water Resources CIP, (\$4.3 million); Space Coast Area Transit Capital (\$3.8 million); and Parks Golf Courses, (\$2.8 million). These decreases are offset by increases in other Enterprise Funds, primarily the Water Resources Operating & Maintenance and Improvement Funds, \$3.7 million.

Internal Service Funds:

Description and Services – Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis. Internal Service Funds are used to budget for Employee Benefits Administration, Risk Management and Information Systems.

Revenues – The total revenues and other sources of funds in the County’s FY 2018-2019 Adopted Operating and Capital Budget for Internal Service Funds are \$139,543,295. This represents a \$12,223,910 increase, or 9.60%, from the FY 2017-2018 Final Budget of \$127,319,385. This is primarily due to increases in the Employee Benefits Fund of \$12.4 million due to receipt of approximately \$3.7 million recovered as a result of favorable audit findings in the group health insurance and pharmacy management programs, an additional \$400,000 in performance guarantees related to group health plan performance, and a favorable claim utilization trend, resulting in lower than projected claims expenses.

BUDGET BY AGENCY

The following information is being provided to communicate the change from the FY 2017-2018 Final Budget to the FY 2018-2019 Adopted Budget by agency. A more detailed explanation of the changes may be found in the FY 2018-2019 Adopted Budget Book in the respective agency section.

Board Departments:

Board of County Commissioners (Combined Offices): The Board of County Commissioners, as established by the County Charter, is elected by the citizens to serve as the policy making and legislative body for Brevard County, Florida. The FY 2018-2019 Adopted Budgets of the five Commission Offices and the common appropriations for all offices total \$1,669,583 a 2.86% increase, or \$46,485, due primarily to cost-of-living adjustments.

Budget Office: The Budget Office administers the fiscal management and budget development for the Board of County Commissioners. The FY 2018-2019 Adopted Budget is \$605,624, a 3.27% increase, or \$19,202, due primarily to cost-of-living adjustments.

Central Services Office: The Central Services Office provides support services to county departments and agencies, ensuring the best value and most efficient performance of asset management, fleet services and purchasing services. The FY 2018-2019 Adopted Budget is \$5,387,048, a 9.67% increase, or \$474,978, primarily due to rising fuel costs and the replacement of an underground fuel tank.

County Attorney’s Office: The County Attorney serves as legal advisor to, and representative of, the Board of County Commissioners and those agencies under its jurisdiction. The FY 2018-2019 Adopted Budget is \$1,620,440, a 1.18% increase, or \$18,948, due primarily to cost-of-living adjustments.

County Manager’s Office: The County Manager provides organizational leadership to effectively and efficiently implement County Commission policies and directives, manages available resources to achieve missions and adopted outcomes, and facilitates visioning for enhancing and ensuring Brevard’s quality of life. The FY 2018-2019 Adopted Budget is \$1,029,612, a 4.19% decrease, or (\$45,037), primarily due to reclassifying and realigning positions.

Emergency Management Office: The Emergency Management Office prepares the public through education on disaster preparedness and organizes countywide response to natural

and manmade disasters. The FY 2018-2019 Adopted Budget is \$13,080,984 a 20.50% decrease, or (\$3,373,096), which is primarily due to the completion of design and engineering associated with the Emergency Operations Center, along with upgrades to microwave connectivity and 800 MHz communication systems.

Fire Rescue Department: The Fire Rescue Department safeguards properties through firefighting and educational programs, and supports the health and safety of citizens through engine, ambulance, hazardous material responses, and ocean rescue. The FY 2018-2019 Adopted Budget is \$67,796,710, a 0.55% increase, or \$373,043 primarily due to an increase in operating revenues, offset by a decrease in reserves previously utilized to maintain service levels.

General Government Services: General Government Services is comprised of: **Operations**, which represents the collections of the general revenues of the County and the transfer of these revenues to the front-line service agencies or the expenditures of funds that are not within the responsibility of any specific agency. The FY 2018-2019 Adopted Budget is \$77,138,093, a 6.16% increase, or \$4,477,634; **Long-Term Debt**, represents the County debt obligations funded by general revenues. For FY 2018-2019, the Adopted Budget is \$6,621,570, a 74.43% decrease, or (\$19,277,293); **Mandates** represents those services or programs that the County is required to provide per state or federal directives for which general revenue funding is needed. For FY 2018-2019, the Adopted Budget is \$21,652,592, a 3.24% increase, or \$680,488.

Housing and Human Services Department: The Housing and Human Services Department contributes to Brevard County's quality of life by assisting citizens in meeting their health, social, and housing needs. The FY 2018-2019 Adopted Budget is \$14,486,291, a 4.40% decrease, or (\$667,366), primarily due to the transfer of Medical Examiner's Office, School Crossing Guards, and Community Correction programs to Public Safety.

Human Resources Office: The Human Resources Office supports County agencies in selecting, training and retaining qualified employees, administers the County's insurance programs and provides risk management services. The FY 2018-2019 Adopted Budget is \$134,007,618, a 10.82% increase, or \$13,086,086, primarily the result of favorable audit findings in the group health insurance and pharmacy management programs, performance guarantees related to group health plan performance, as well as lower than projected claims expenses.

Information Technology Department: The Information Technology Department supports the information and communication needs of the County. The Department's FY 2018-2019 Adopted Budget is \$6,252,841, a 11.91% decrease, or (\$845,088), primarily due to a change in the methodology related to the accounting of dedicated technicians which is offset by an increase in the General Fund of \$422,759 or 19.80% to upgrade the Microsoft Enterprise and SharePoint agreements, and address ADA document compatibility on the County website.

Library Services Department: The Library Services Department supports lifelong independent learning and is a center for community and cultural activities to enrich the quality of life of Brevard County citizens. The FY 2018-2019 Adopted Budget is \$27,529,791, a 4.35% decrease, or (\$1,253,172), primarily due to the completion of the Mims/Scottsmoor Library, as well as other capital improvement projects.

Mosquito Control Department: The Mosquito Control Department protects public health through effective and environmentally safe methods of mosquito and aquatic plant control. The FY 2018-2019 Adopted Budget is \$9,765,751, a 1.88% decrease, or (\$187,225), primarily due to the repair of mosquito impoundments that sustained hurricane damage.

Natural Resources Management Office: The Natural Resources Management Office promotes sustainable and balanced economic and ecologic stewardship of Brevard County's shared natural resources through cost effective and science-based management. The FY 2018-2019 Adopted Budget is \$167,076,850, a 40.76% increase, or \$48,380,935, primarily due to an increase in the Save Our Indian River Lagoon Trust Fund.

Parks and Recreation Department: The Parks and Recreation Department contributes to the quality of life in Brevard County by providing leisure activities reflecting the interest and values of its citizens and visitors. The FY 2018-2019 Adopted Budget is \$81,483,035, a 4.59% decrease, or (\$3,915,862), primarily due to refinancing debt and the removal of golf operations as a Parks and Recreation program.

Planning and Development Department: The Planning and Development Department enhances the citizens' quality of life through the review of new development compliance with building, environmental health and land development codes. The FY 2018-2019 Adopted Budget is \$61,600,347, a 49.01% increase, or \$20,261,833, primarily due to increases in the Educational Impact Fee funds of \$12 million, along with revenues associated with increased building and inspection activities.

Public Safety: Public Safety provides wide-ranging community emergency and security services through the Medical Examiner's Office, School Crossing Guards, and Community Corrections. The FY 2018-2019 Adopted Budget is \$4,017,270, which is the initial budget for the Department.

Public Works Department: The Public Works Department enhances quality of life by planning and implementing projects and services that maintain transportation, drainage, and facilities infrastructure. The FY 2018-2019 Adopted Budget is \$159,126,364, a 0.59% decrease, or (\$939,570), which is primarily due to increases in capital improvements associated with roads and facilities and the addition of a drainage crew.

Solid Waste Management Department: The Solid Waste Management Department protects public health by providing an efficient and environmentally sound solid waste management system for the County's customers. The FY 2018-2019 Adopted Budget is \$105,983,178, a 6.88% decrease, or (\$7,830,497), which is primarily associated with hurricane debris cleanup.

Space Coast Government Television (SCGTV): SCGTV provides information about government services and activities, as well as emergency information through the SCGTV cable-access government channel, the internet, the news and electronic social media. The FY 2018-2019 Adopted Budget is \$553,910, an 89.87% increase, or \$262,173, primarily due to critically needed equipment upgrades.

Tourism Development Office: The Tourism Development Office promotes tourism-related

growth to the local economy. The FY 2018-2019 Adopted Budget is \$42,805,257, a 6.97% decrease, or (\$3,206,458), primarily due to a reduction in Balance Forward associated with the completion of beach re-nourishment and capital projects.

Transit Services Department: The Transit Services Department provides quality transportation services that meet the mobility needs of the public and enhance the quality of life of the community. The FY 2018-2019 Adopted Budget is \$21,137,108, a 16.23% decrease, or (\$4,095,857) due to a reduction in capital projects.

University of Florida Brevard County Extension Services: The University of Florida Brevard County Extension Services improves the quality of life through family and consumer educational programs; provides leadership to agriculture enterprises in natural resources management by promoting good management practices, water quality improvement, and environmental and conservation education. The FY 2018-2019 Adopted Budget is \$938,730, a 0.32% increase, or \$3,027.

Utility Services Department: The Utility Services Department provides for the protection of the public health through the operation and maintenance of the County-owned water supply, treatment and distribution system and the County-owned wastewater collection, treatment and disposal system. The FY 2018-2019 Adopted Budget is \$101,382,952, a 14.04% decrease, or (\$16,555,041), primarily due to completion of the South Central Treatment Plant expansion and other capital projects in their approved ten-year plan.

Valkaria Airport: Valkaria Airport provides a safe, well-maintained General Aviation Airport facility for use by the public for recreational activities. The FY 2018-2019 Adopted Budget is \$2,727,516, a 71.39% decrease, or (\$6,805,287), primarily due to completion of a new airport terminal and debt restructuring.

Charter Officers:

Clerk to the Board: The County's budget contains data only related to the Board's funding of the Clerk's budget. This reflects the funding of Board Finance and Board Minutes. The FY 2018-2019 Adopted Budget is \$2,070,000, which reflects no change.

Property Appraiser: The Property Appraiser is required by Florida statutes to submit a budget for review and approval by the Florida Department of Revenue on June 1st of each year. The FY 2018-2019 Adopted Budget is \$2,078,376, a 2.28% increase, or \$46,308.

Sheriff's Office: The FY 2018-2019 Sheriff's Office Adopted Budget is \$130,097,153, a 0.63% increase, or \$817,509.

Supervisor of Elections: The Supervisor of Elections' FY 2018-2019 Adopted Budget is \$5,182,564, a 1.62% increase, or \$82,480.

Tax Collector: The Tax Collector Office is required by Florida statutes to submit a budget for review and approval by the Florida Department of Revenue on August 1st of each year. The FY 2018-2019 Adopted Budget is \$2,929,244, a 3.77% increase, or \$106,294, which is based on a mandated statutory formula.

Court Operations:

Judicial Branch Administration: Judicial Branch Administration supports the operation of the courts of the 18th Judicial Circuit. The FY 2018-2019 Adopted Budget is \$482,716, a 0.26% increase, or \$1,230.

Judicial Support: Judicial Support represents the costs associated with the County's portion of the operation of the courts of the 18th Judicial Circuit which are not assigned to a specific court officer or other operating agency. The FY 2018-2019 Adopted Budget is \$4,861,197, a 5.74% increase, or \$263,981.

Law Library: The Law Library provides and maintains legal research materials that assist in expediting matters before the courts, and provides legal research materials for the judges and officers of the county and circuit courts, attorneys, and the public. The FY 2018-2019 Adopted Budget is \$401,474, a 4.02% increase, or \$15,508, which is funded through the Library District.

State Attorney's Office: The County provides certain support costs for the State Attorney's Office as required by Florida Statutes. The FY 2018-2019 Adopted Budget is \$282,827, a 12.76% decrease, or (\$41,369), due to prior year capital purchase.

Outside Agencies:

Melbourne-Tillman Water Control District: The FY 2018-2019 Adopted Budget is \$4,525,226, a 1.71% increase, or \$76,099.

Merritt Island Redevelopment Agency (MIRA): The Merritt Island Redevelopment Agency's mission is to redevelop the district in order to correct deficient public infrastructure, provide a blueprint for future growth, to promote and recruit businesses into the district, and to partner with the private sector to renovate or rebuild areas in structural decline. The FY 2018-2019 Adopted Budget is \$4,441,342, an 83.97% increase, or \$2,027,174, due primarily to ongoing capital projects.

North Brevard Economic Development Zone (NBEDZ): The NBEDZ seeks to facilitate economic development activities through targeted investments that directly and demonstrably result in the creation and/or retention of quality employment, thereby increasing overall employment in northern Brevard County and aiding in the long-term expansion of the tax base. The FY 2018-2019 Adopted Budget is \$3,415,351, a 41.02% decrease, or (\$2,375,073), based on economic incentives reaching performance measures.

Titusville-Cocoa Airport Authority: The Titusville-Cocoa Airport Authority (TICO) FY 2018-2019 Adopted Budget is \$2,369,445, a 7.38% decrease, or (\$188,820).

Space Coast Transportation Planning Organization: The Space Coast Transportation Planning Office is tasked with reviewing and administering transportation policies and procedures for the Brevard Urbanized Area in order to be eligible to receive Federal and State transportation funds. The Fiscal Year 2018-2019 Adopted Budget is \$2,363,380, a 0.93% decrease, or (\$22,067).

CONCLUSION

The Fiscal Year 2018-2019 Adopted Budget is balanced and represents a fiscally responsible spending plan that is consistent with Florida Statute, Brevard County Charter, and the Board's public policy direction. Significant effort has been made to allocate funding to the Board's highest priority goals. This budget has been designed to be user friendly, providing a clear understanding of how the public's funds are expended to best serve the citizens and visitors of Brevard County.

I would like to recognize the Budget Office staff, Assistant County Managers, Department and Office Directors and their management and financial personnel for their diligent efforts in developing this Adopted Budget for Fiscal Year 2018-2019.

cc: Charter Officers
County Attorney
Assistant County Managers
Budget Director
All Department and Office Directors