



BOARD OF COUNTY COMMISSIONERS


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TO: THE BOARD OF COUNTY COMMISSIONERS

FROM: FRANK ABBATE, COUNTY MANAGER 

SUBJ: FISCAL YEAR 2020-2021 PROPOSED BUDGET

DATE: JULY 15, 2020

The development of the Fiscal Year 2020-2021 Proposed Budget has presented unique challenges for Brevard County Government. Recognizing the unprecedented operational and economic impacts of the COVID-19 public health emergency, our mission is to remain on course with priorities established by the Board of County Commissioners and to meet the needs of the community.

As our organization continues to rise and meet the challenges that Brevard County faces due to the COVID-19 public health emergency, the County Manager's Office will continue to diligently implement Board of County Commissioner's policies and directives by providing organizational leadership and a vision that focuses on these foundational initiatives:

- Promoting inclusiveness and responsiveness
- Supporting critical public safety needs
- Addressing employee compensation, recruitment and retention with a continued focus on employee development, and succession planning
- Preventative road and bridge maintenance, needed road reconstruction, and enhanced drainage efforts
- Continuing to address countywide infrastructure maintenance and repair needs, including sanitary sewer improvements and deferred facilities maintenance
- Restoring the Indian River Lagoon through community partnerships and leveraging local sales tax dollars with local, State and Federal agencies

COVID-19 RESPONSE

The COVID-19 public health emergency prompted national, state, and local states of emergency, resulting in significant unplanned community and organizational economic impacts. County response demonstrated the resiliency and ability of staff to safely and effectively adapt to meet the needs of the public. Adhering to federal and state guidance, including CDC recommendations, and minimizing disruptions of county government services, has been and remains a priority.

While developing this budget, staff actively monitored various economic forecasts and available webinars. According to the Florida Gulf Coast University, Regional Economic Research Institute, Brevard is ranked #2 in Florida for industry diversification, which provides more employment opportunities for our workforce, that may lead to a quicker recovery. This information, along with sound financial decisions over the past several years, has allowed us to move forward developing this budget with cautious optimism.

More than five months into this public health emergency, there is still uncertainty regarding the depth and duration of economic impacts affecting Brevard County. With that said, the following major revenues are anticipated to experience significant declines during Fiscal Year 2020-2021:

- Local ½ Cent Sales Tax - Decrease of \$4.4M or 14.26%
- State Shared Revenue - Decrease of \$1.7M or 12.53%
- SOIRL Sales Tax- Decrease of \$4.4M or 9.28%
- Tourism Development Tax – Decrease of \$5.6M or 33.73%
- Fuel Taxes – Decrease of \$1.5M or 6.3%

Revenue declines experienced in the current fiscal year are being offset by a number of factors, including vacancies, a soft hiring freeze, and shifting operational decisions. Revenues received in earlier months were higher than anticipated, which also helped mitigate projected declines. These factors minimized the need for drastic cuts to the budget, allowing time to develop a better understanding and adapt to changes in our community's economic situation, as well as the fiscal impact to County government.

On April 23, 2020, Brevard County received a direct allocation of \$105 million in Coronavirus Aid, Relief and Economic Security (CARES Act) Funds from the U.S. Department of Treasury to fund expenses due to the public health emergency related to COVID-19. These federal funds must be spent on specific COVID-19 eligible impacts, including public safety needs and economic support to our community. Additionally, other parts of our organization have received CARES Act direct funding; Transit Services, (\$18M); Housing and Human Services, (\$1.8M), Fire Rescue, (\$462K), Sheriff's Office, (\$177K), Valkaria Airport, (\$30K). As such, these funds

have a significant impact not only on how this budget was prepared and is presented, but also on how this budget is viewed in comparison to prior and future budgets.

BUDGET HIGHLIGHTS

On February 20, 2020, the Board of County Commissioners held a Budget Workshop to provide guidance, direction and priorities for the development of the Fiscal Year 2020-2021 budget. Ultimately, the County's budget reflects the goals and priorities for our community and organization as directed by the Board of County Commissioners. This proposed balanced budget addresses those priorities and goals for Brevard County Government in a fiscally responsible manner. Taking into account upcoming organizational needs and developing trends, this proposed budget also enables the County to be strategically prepared to address future budget needs.

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

Budget Development Guidelines

In response to the projected revenue declines related to the COVID-19 public health emergency, the following guidance was provided to departments as they developed their Fiscal Year 2020-2021 Requested Budgets:

- Develop budgets within existing revenue streams while maintaining current service levels
- Maintain Fiscal Year 2019-2020 level of General Fund support
- Budget a 2% Cost of Living Adjustment for employee salaries
- Maintain current employer and employee health insurance contribution rates
- Prioritize and address critical capital and deferred maintenance needs to the degree reasonably possible

Employee Retention and Compensation

As a result of the COVID-19 public health emergency, many employers including Brevard County have faced intensified employee retention challenges for a variety of reasons. These reasons include economic downturns in revenue, increased expenses, and employee health-related concerns for themselves and vulnerable family members. Recognizing the value of our employees, steps have been taken to maintain the current workforce and avoid layoffs or furloughs, which would also further negatively impact the local economy. These adjustments were implemented in a thoughtful manner to minimize service level reductions while following state and federal guidance, including CDC recommendations. The overriding consideration has

been and continues to be the safety of our community and our employees.

Maximizing opportunities for flexible employee work scheduling to address personal and family needs during the public health emergency will continue to be an area of focus. Other initiatives have been undertaken and, in some cases, will be further enhanced including:

- Telecommuting – especially for the medically vulnerable where service levels and County operations are maintained
- Enhanced Online Services – permit application and review, inspection scheduling, increased e-book collection, on-line training courses
- Services by Scheduled Appointment
- Curbside Services – where applicable upon request
- Workplace and Public Safety Accommodations – plexiglass, sanitization crew, public meeting adjustments, personal protective equipment

These efforts will continue in combination with close scrutiny on filling vacant positions. Together, such actions will provide us with the best opportunity to maintain and protect our existing workforce while serving the public.

This proposed budget was developed to include a 2% cost of living adjustment for employees beginning with the first pay period in Fiscal Year 2020-2021. However, due to the uncertainty of future revenue levels, we do not recommend implementing this adjustment in October. A delay in the implementation will provide the Board additional flexibility until there is a greater degree of confidence in favorable economic conditions and the County's financial outlook.

On July 7, 2020, the Board approved the adoption of Brevard County Fire Rescue's Article 13 wage opener for Fiscal Year 2020-2021. Through collaboration between management and union personnel, an agreement was reached where 96% of voting union members ratified the agreement. This approved pay plan that will be implemented in October is funded in part with resources set aside in Fiscal Year 2019-2020 for the Fire Rescue bargaining unit as part of the Evergreen pay study. Due to ongoing collective bargaining negotiations, those resources were set aside until negotiations were successfully concluded. The Evergreen study was implemented, with the exception of the Fire Rescue Bargaining Unit, in Fiscal Year 2018-2019. The study was designed to enhance employee recruitment and retention by increasing the County's ability to compete with salaries offered elsewhere through a targeted approach to the compensation challenges facing the County. This implementation represents a step toward addressing the many complex compensation issues our organization faces.

Infrastructure

The Fiscal Year 2020-2021 Proposed Budget continues to make important investments in critical infrastructure, ensuring that the goals and priorities established by the Board of County Commissioners remain funded.

The Road Ahead – The County’s road network is the primary infrastructure for all modes of travel. Recognizing this, the Board places the operation and maintenance of roads as one of its highest funding priorities. Significant progress has been made addressing the backlog of roads in need of resurfacing and reconstruction. Fiscal Year 2020-2021 marks the fourth year of a five-year commitment to achieve a minimum of 55 miles of road resurfacing annually. The Public Works Department continuously looks for opportunities to augment this initiative, exceeding the goal of 55 miles by an average of 10 miles per year. This has been achieved even in the face of construction cost increases that exceed the Consumer Price Index.

Implementation of the five-year resurfacing program has resulted in improved roadway conditions, as evidenced in the county-wide Pavement Condition Index (PCI) Report Card, resulting in an improved score of 79 (Satisfactory) from the previous score of 66 (Fair). Continuation of this program will ensure further improvement of the County’s road network.

Figure 1

PCI Rating by District				
District	Average PCI 2011 PCA*	Average PCI 2019 PCA	2019 Total Miles	2019 Percent of Miles
District 1	66	79	382.59	34%
District 2	68	78	255.95	23%
District 3	62	78	119.56	11%
District 4	59	84	229.90	20%
District 5	58	75	137.82	12%
Total			1125.82	100%

* PCA values represent weighted averages. [Go to table in appendix](#)

Planned transportation infrastructure improvements include a commitment to reconstruct eight miles of road per year until the existing backlog is fully addressed. In addition,

opportunities are sought to accelerate the completion of needed reconstruction and begin addressing unfunded road capacity issues.

Figure 2

5 YEAR RECONSTRUCTION PLAN ~ FISCAL YEAR 2018 TO 2022								
	FY 17-18		FY 18-19		FY 19-20	FY 20-21	FY 21-22	TOTALS
	YEAR 1		YEAR 2		YEAR 3	YEAR 4	YEAR 5	
District	PROPOSED MILES	ACTUAL MILES	PROPOSED MILES	ACTUAL MILES	PROPOSED MILES	PROPOSED MILES	PROPOSED MILES	PROJECTED ACTUALS
1	0.43	0.43	3.76	3.72	1.84	1.46	2.05	9.50
2	0.33	0.33	0.96	0.91	0.87	1.74	0.92	4.77
3	1.02	3.17	0.00	0.00	1.63	1.27	1.08	7.15
4	0.85	0.85	3.01	3.01	0.37	1.32	2.04	7.59
5	2.00	2.00	1.11	1.11	3.32	2.23	1.95	10.61
Total	4.63	6.78	8.84	8.75	8.03	8.02	8.04	39.62
Funding		\$3.40M		\$3.66M	\$4.905M	\$3.75M	\$4.18M	

[Go to table in appendix](#)

As Public Works nears the end of the County’s five-year road program, the Road and Bridge program will begin transitioning from 71 miles of annual resurfacing and reconstruction to enhanced preventative maintenance and pavement preservation. This is projected to significantly extend the life expectancy of a road, further protecting the taxpayers’ investment in transportation infrastructure.

With bridges being a critical component of the County’s transportation network, the County is adding to our focus by investing in a structured County Bridge Maintenance and Replacement Action Plan of \$3.8 million in Fiscal Year 2020-2021. This plan includes a 2020 bridge condition evaluation with maintenance and repair assessments. It also includes developing and training four County inspectors whose responsibilities will include inspecting bridges before and after hurricanes.

Facilities Management continues to focus on prioritizing the replacement of antiquated building components with newer and more efficient systems. Over the past five years, funding levels have increased by approximately 30%, from \$8 million in Fiscal Year 2015-2016 to \$10.4 million in the Fiscal Year 2020-2021 Proposed Budget. Upcoming projects include replacement of all air handling units at the Brevard County Government Center North, (\$1.6M); Elevator replacements at the Harry T. and Harriette V. Moore Justice Center, (\$675K); Roof replacements at two courthouses, (\$2M); Cell security door controls at the Brevard County Detention Center, (\$750K); Replacement chiller and upgraded controls at the Timothy J Mills Fire Rescue Center, (\$250K).

Utilities Services – Beginning with Fiscal Year 2019, additional staff has been added each fiscal year to improve emergency repairs and perform more preventative

maintenance. During this time period, including Fiscal Year 2021, a total of twenty-five additional field maintenance staff will be in place. This is part of a multi-faceted approach to improve infrastructure and reduce sewage spills. Other aspects include smoke testing, lateral repairs, lift station rehabilitation, relining of sewer mains, treatment plant upgrades, and efforts to improve customer maintenance of privately-owned laterals.

The Parks and Recreation Department continues to focus on improving infrastructure with \$12.9 million of budgeted capital improvement projects planned for Fiscal Year 2020-2021, including: Wickham Park facility upgrades; Canova Beach Park crossover replacements; Long Point Campground structure replacements; Provost Park and Max K. Rodes Park athletic field lighting; Woody Simpson gym floor and roof replacement; Sand Point Park pavilion roof replacement; and playground equipment replacements in multiple parks throughout the County.

Brevard County Library Services continues to address major infrastructure in its buildings including: seven Library HVAC replacement/repairs, repaving parking lots and upgrading meeting rooms. Library Services is focusing on exterior paint, flooring replacements, restroom renovations and interior paint projects across all seventeen libraries.

Emergency Operations Center will be receiving additional funding through the state. Approximately \$1 million was allocated in the state's budget to finalize sitework and drainage requirements for the new EOC facility. This funding allows for completion of Phase 1, which included planning, design, and sitework at a cost of \$5.4 million. Approximately \$12 million remains unfunded to finish the project.

Fire Assessment

The Fire Assessment is one of two funding sources that funds fire operations. On March 10, 2020, the Board of County Commissioners granted approval for Brevard County Fire Rescue to hire a consultant with the purpose of advising on an updated future fire assessment. This consultant will review personnel, infrastructure, capital and reserve funding requirements based on varying models. We expect the consultant to begin work in October 2020, with the goal of presenting its report to the Board in 2021.

Save Our Indian River Lagoon

Each year, the County updates the Save Our Indian River Lagoon Project Plan to respond to new scientific information, technologies, project opportunities and needs of the Indian River Lagoon. This process includes partnering with municipalities and other community partners to

accelerate restoration efforts.

The 2020 Save Our Indian River Lagoon Project Plan Update added funding for 43 new projects, septic to sewer conversions, added a new project type - vegetative harvesting, refined stormwater project area priorities and muck dredging benefit data, and included information on the future potential use of super clams to restore filtration in central and north Brevard. The 2020 Plan Update allocates \$488 million to projects that will reduce annual pollution by 1.3 million pounds of excess nitrogen. To date, 28 projects have been completed, 15 are currently under construction and 34 more are in design or permitting.

Transit Services

Transit Services will begin operation of three new fixed bus routes in Fiscal Year 2020-2021, which are needed to support demand and provide larger service area coverage, along with reducing time between buses. The new routes will provide service to: the DeLeon Avenue and Barna Avenue area in Titusville; Port St. John area west of U.S.1; and adding a new route from Melbourne Airport to South Beaches and Eau Gallie areas, improving Route 26 to hourly service.

General Government 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 Proposed Budget establishes General Government operating reserves at 10.44% of projected operating revenue or \$22,550,248, which is equal to the current reserve level.

New guidance has been issued by the Florida Department of Emergency Management related to the reimbursement process for sheltering. This has allowed for the elimination of a restricted reserve for expenses associated with a prior state mandated obligation for the County to fund School Board emergency shelter operational costs until reimbursements are received.

BUDGET SUMMARY

Brevard County's Proposed Fiscal Year 2020-2021 Budget is **\$1,462,019,259**. When compared to the Fiscal Year 2019-2020 current amended budget of \$1,566,760,685, the Fiscal Year 2020-2021 Proposed Budget represents a decrease of 6.69%, or (\$104,741,426).

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 1.81% for Fiscal Year 2020-2021. This limitation excludes ad valorem revenues associated with new construction and is not applicable to voter-approved millage rates. The proposed Fiscal Year 2020-2021 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 seven years have shown positive signs of economic recovery, as property valuations have increased each consecutive year. While property values have finally exceeded the Fiscal Year 2007-2008 peak of \$40.77 billion, the total values for properties that were on the tax roll during that period are still lower when considering the \$7.2 billion in new construction that has been added since Fiscal Year 2007-2008.

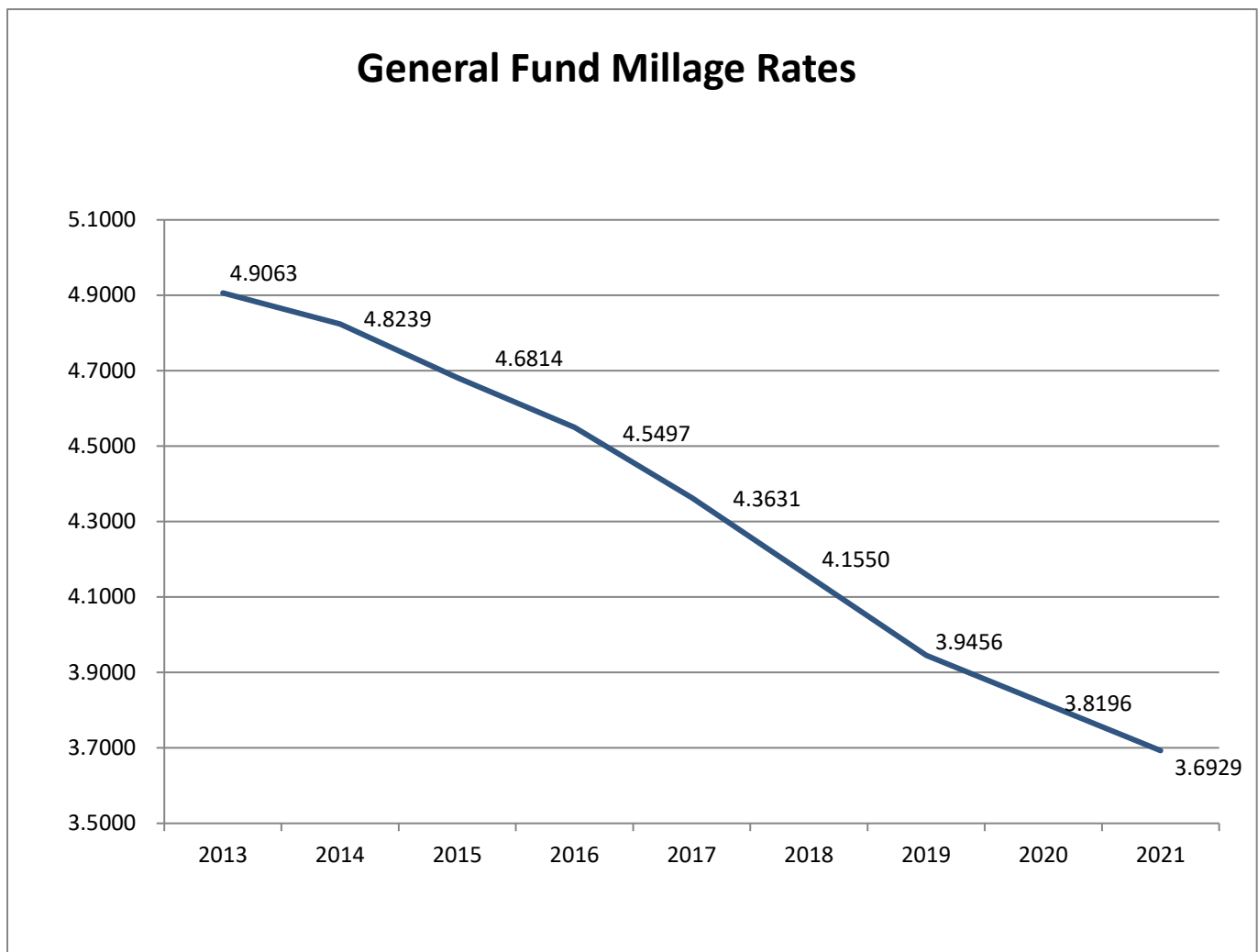
Table 1

Fiscal Year	Certified Property Valuation	Valuation Change \$	Yearly Change %
2020-2021	\$43,680,399,262	\$3,035,471,230	7.47%
2019-2020	\$40,644,928,032	\$2,946,429,423	7.82%
2018-2019	\$37,698,498,609	\$3,134,277,123	9.07%
2017-2018	\$34,564,221,486	\$2,657,725,032	8.33%
2016-2017	\$31,906,496,454	\$2,255,316,317	7.61%
2015-2016	\$29,651,180,137	\$1,718,811,732	6.15%
2014-2015	\$27,932,368,405	\$2,192,931,324	8.52%
2013-2014	\$25,739,437,081	\$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 20 operating districts and five voter-approved debt districts. The aggregate proposed millage rate which represents all operational millages is 5.6404, which represents a 3.5% decrease from the Fiscal Year 2019-2020 aggregate rate of 5.8447. For homesteaded property owners with a taxable value of \$200,000, this equates to a decrease of approximately \$41.00 on their Brevard County property tax bill. Additionally, debt services requirements associated with voter-approved referendums have enabled us to lower debt millage rates.

The aggregate proposed millage rate of 5.6404 is less than the aggregate rolled-back rate of 5.7176. Therefore, 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 under this proposal. 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 seventh consecutive year, the proposed General Countywide property tax rate has been reduced from the prior year rate as depicted in the graph below. The proposed Fiscal Year 2020-2021 General Fund millage rate of 3.6929 is a 3.32% decrease from the Fiscal Year 2019-2020 millage rate of 3.8196. 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 \$6.1 million for Fiscal Year 2020-2021.

Figure 3



[Go to table in appendix](#)

The following chart depicts the change in all 25 taxing district millage rates, along with the property tax revenue variances from Fiscal Year 2019-2020 to Fiscal Year 2020-2021.

Table 2

Tax District or Unit	FY 2019-2020 Adopted	FY 2020-2021 Proposed	FY 2020-2021 Revenue Change
General Revenue - Countywide	3.8196	3.6929	\$6,059,979
Library District	0.4463	0.4264	\$481,121
Mosquito Control District	0.1809	0.1728	\$193,524
Fire Control MSTU	0.6321	0.6141	\$533,456
Recreation District #1 MSTU	0.5678	0.5379	\$74,289
Recreation Dist. #4 O & M	0.6662	0.6346	\$77,845
TICO Airport Authority	Not Applicable	Not Applicable	\$0
Law Enforcement MSTU	1.1142	1.0832	\$846,345
Road & Bridge Dist. #1 MSTU	0.6390	0.6105	\$66,806
Road & Bridge Dist. #2 MSTU	0.2376	0.2303	\$28,392
Road & Bridge Dist. #3 MSTU	0.2524	0.2468	\$12,324
Road & Bridge Dist. #4 MSTU	0.2600	0.2555	\$101,476
Road & Bridge Dist. #5 MSTU	0.3714	0.3618	\$17,229
Rd & Brdge Dist #4 MSTU N Beaches	0.2486	0.2420	\$3,738
Rd & Brdge Dist #4 MSTU MISo.	0.1222	0.1206	\$690
Environ. Endangered Land ('04)	0.0619	0.0592	\$69,371
PSJ/CanGroves Recreation MSTU	0.3234	0.3148	\$11,099
N. Brevard Special Recreation Dist.	0.2281	0.2137	\$20,419
Merritt Island Recreation MSTU	0.3180	0.3069	\$24,189
S. Brevard Special Recreation Dist.	0.2938	0.2804	\$196,667
Sub - Total Operating			\$8,818,959
Environ. Endangered Land ('04)	0.0804	0.0522	(\$1,002,091)
PSJ/CanGroves Recreation MSTU	Not Applicable	Not Applicable	\$0
N. Brevard Special Recreation Dist.	0.5719	0.5211	(\$143)
Merritt Island Recreation MSTU	0.4820	0.4553	\$128
S. Brevard Special Recreation Dist.	0.3062	0.2842	(\$83)
Sub - Total Debt Service			(\$1,002,189)
Total Operating and Debt Service			\$7,816,769

Critical taxing districts, including General Revenue – Countywide, Law Enforcement MSTU, Fire Control MSTU, and seven Road and Bridge District MSTUs are proposed at the charter cap rates, increasing ad valorem revenue by the 1.81% change in CPI (with the exception of new construction).

The Library District, Mosquito Control District, and voter-approved Parks and Recreation taxing districts are proposed at rates below the charter cap, which allow these departments to meet organizational initiatives including employee compensation and infrastructure needs by providing revenues that slightly exceed Fiscal Year 2019-2020 revenues due to new construction.

GENERAL GOVERNMENT HIGHLIGHTS

While General Government Current Ad Valorem Taxes increase by \$6.1 million, this increase is offset by reductions in other General Government operating revenues of \$6 million. An increase in Balance Forward is the result of vacancies and a soft hiring freeze implemented to help mitigate anticipated revenue shortfalls in the current fiscal year.

Table 3 **GENERAL GOVERNMENT SUMMARY OF REVENUES AND EXPENDITURES**

REVENUE/EXPENDITURES	FY 2019-2020 Adopted Budget	FY 2020-2021 Proposed Budget	Variance	% Variance
REVENUE:				
General Fund Current Year AV Taxes	155,247,367	161,307,346	6,059,979	3.90%
Half Cent Sales Tax	30,846,100	26,448,368	(4,397,732)	-14.26%
State Shared Revenue	13,510,338	11,817,891	(1,692,447)	-12.53%
FPL Franchise Fee	11,177,736	10,869,195	(308,541)	-2.76%
Communications Svc Tax	5,741,838	5,832,740	90,902	1.58%
Other Operating Revenue	12,292,311	11,146,865	(1,145,446)	-9.32%
5% Statutory Reduction	(11,443,284)	(11,371,121)	72,163	-0.63%
Balance Forward	26,611,920	29,614,395	3,002,475	11.28%
Non-Operating Revenue	6,293,173	7,069,533	776,360	12.34%
TOTAL GENERAL GOV REVENUES:	250,277,499	252,735,212	2,457,713	0.98%
EXPENDITURES:				
Charter Offices	112,945,301	113,979,871	1,034,570	0.92%
Mandates	22,840,444	22,064,873	(775,571)	-3.40%
Court Operations	3,014,572	3,070,635	56,063	1.86%
General Government Reserves	22,150,248	22,550,248	400,000	1.81%
TIF Payments	9,478,456	10,040,984	562,528	5.93%
General Government Debt	3,700,045	3,717,712	17,667	0.48%
Public Safety, Roads & Infrastructure	38,997,173	39,420,180	423,007	1.08%
County Agency Transfers	37,151,260	37,890,709	739,449	1.99%
TOTAL GENERAL GOV EXPENDITURES	250,277,499	252,735,212	2,457,713	0.98%

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 Fiscal Year 2020-2021 Proposed 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, UF/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 Fiscal Year 2020-2021 Proposed Operating and Capital Budget for the General Funds are \$298,418,761. This represents a \$12,220,541 decrease, or (3.93%), from the Fiscal Year 2019-2020 Current Budget of \$310,639,302.

This decrease is primarily due to a decline in General Government Revenues related to the Local Half Cent Sales Tax and the State Revenue Sharing Program as a result of the impacts of COVID-19. This decrease is also attributable to a reduction in FEMA reimbursements related to Hurricane Irma, and other federal grants. The decreases are offset by an increase in Ad Valorem Tax revenue in Fiscal Year 2020-2021.

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), the North Brevard Economic Development Zone (NBEDZ) and COVID-19 relief efforts associated with CARES Act funding, which was received in Fiscal Year 2019-2020.

Revenues – The total revenues and other sources of funds in the County's Fiscal Year 2020-2021 Proposed Operating and Capital Budget for Special Revenue Funds are \$733,439,683. This represents a \$69,308,767 decrease, or (8.63%), from the Fiscal Year 2019-2020 Current

Budget of \$802,748,450.

This decrease is primarily due to the utilization of \$35 million of CARES Act funding in Fiscal Year 2019-2020. Additionally, this decrease is attributable to the progression of projects in Fiscal Year 2019-2020 resulting in reductions to the Countywide Grant Fund (\$16.5 million) and reductions in Tourism Development funds (\$9.4 million) primarily related to anticipated decreases in Tourist Development Tax revenue as a result of COVID-19 as well as reductions in Local Option Gasoline Tax funds associated with the refinancing of debt in Fiscal Year 2019-2020 (\$23.9 million). These decreases are offset by an increase in the Save Our Indian River Lagoon Trust Fund of \$37.5 million, due to multi-year projects being carried-forward

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 Fiscal Year 2020-2021 Proposed Operating and Capital Budget for Debt Service Funds are \$28,925,253. This represents a decrease of \$11,558,762 or (28.55%), from the Fiscal Year 2019-2020 Current Budget of \$40,484,015. This decrease is primarily due to debt proceeds received in Fiscal Year 2019-2020 associated with refinancing certain County debt to achieve lower interest rates. Additionally, debt millage rates associated with voter-approved referendums have been reduced, utilizing available debt service funds.

Capital Project Funds:

Capital Project Funds account for the financial resources that are allocated to capital projects. However, the majority of the County’s capital projects are funded through Enterprise Funds and Special Revenue Funds. Capital Project Funds are used to budget funds for Parks and Recreation, Facilities Management and Valkaria Airport.

Revenues – The total revenues and other sources of funds in the County’s Fiscal Year 2020-2021 Proposed Operating and Capital Budget for Capital Project Funds are \$3,758,916. This represents a \$888,228 decrease, or (19.11%), from the Fiscal Year 2019-2020 Current Budget of \$4,647,144. This decrease is primarily due to the progression of projects associated with Parks and Recreation Referendum Funds, (\$671K).

Enterprise Funds:

Enterprise Funds account for operations that are financed and operated in a manner similar to

private businesses, 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 Fiscal Year 2020-2021 Proposed Operating and Capital Budget for Enterprise Funds are \$262,872,084. This represents a \$6,318,842 decrease, or (2.35%), from the Fiscal Year 2019-2020 Current Budget of \$269,190,926. This decrease is primarily the result of decreases in the Utility Services of \$6.1 million resulting from higher debt proceeds in Fiscal Year 2019-2020 as well as decreases in Transit Services, \$2.3 million, associated with less reliance on annual federal and state grants as a result of CARES Act funding awarded in Fiscal Year 2019-2020. This decrease is offset by increases of \$4.7 million in Solid Waste primarily associated with increased charges for services related to collections.

Internal Service Funds:

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 Fiscal Year 2020-2021 Proposed Operating and Capital Budget for Internal Service Funds are \$134,604,562. This represents a decrease of \$4,446,286, or (3.20%), from the Fiscal Year 2019-2020 Current Budget of \$139,050,848. This is primarily due to decreases in the Employee Benefits Fund (\$4 million).

BUDGET BY AGENCY

The following information is being provided to communicate the change from the Fiscal Year 2019-2020 Current Budget to the Fiscal Year 2020-2021 Proposed Budget by agency. A more detailed explanation of the changes may be found in the Fiscal Year 2020-2021 Proposed Budget 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 Fiscal Year 2020-2021 Proposed Budgets of the five Commission Offices and the common appropriations for all offices total \$1,763,251, a 2.59% increase, or \$44,588, 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 Fiscal Year 2020-2021 Proposed Budget is \$612,531, a 2.17% decrease, or (\$13,567), due primarily to position reclassifications.

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 Fiscal Year 2020-2021 Proposed Budget is \$4,423,317, a 10.17% decrease, or (\$500,939), primarily due to the fuel site management project in the prior year and reductions in fuel costs and usage based on market trends and projected impacts of COVID-19.

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 Fiscal Year 2020-2021 Proposed Budget is \$1,683,800, a 2.03% increase, or \$33,554, 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 proposed outcomes, and facilitates visioning for enhancing and ensuring Brevard's quality of life. The Fiscal Year 2020-2021 Proposed Budget is \$1,071,627, which reflects no change from the Fiscal Year 2019-2020 Current Budget.

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 Fiscal Year 2020-2021 Proposed Budget is \$11,818,081, a 15.39% decrease, or (\$2,149,484), which is primarily due to site work associated with the Emergency Operations Center, along with completion of the Public Safety Radio System Expansion project and the transition to a new E 9-1-1 service.

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 Fiscal Year 2020-2021 Proposed Budget is \$70,862,526, a 0.72% increase, or \$507,713, which is primarily due to a projected decrease of \$1.3 million in Emergency Medical Services billing offset by an increase in Balance Forward from anticipated Medicaid and Medicare funds, an increase in Fire Assessment revenue of \$906,401, an increase in property tax revenue of \$548,106, and an

increase in Public Emergency Medical Transport of \$529,900 based on historical collection rates.

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 Fiscal Year 2020-2021 Proposed Budget is \$83,532,069, a 4.95% decrease, or (\$4,350,143), which includes anticipated decreases in the Local ½ Cent Sales Tax and State Shared Revenue as a result of COVID-19 impacts; **Long-Term Debt**, represents the County debt obligations funded by general revenues. For Fiscal Year 2020-2021, the Proposed Budget is \$6,141,103, a 68.56% decrease, or (\$13,390,551) due to refinancing of debt in Fiscal Year 2019-2020; **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 Fiscal Year 2020-2021, the Proposed Budget is \$22,195,640, a 3.39% decrease, or (\$778,017), which is primarily due to the elimination of the disaster reserve (\$1.3M), offset by increased commissions paid to the Tax Collector and Property Appraiser on behalf of the School Board and municipalities, \$375K; increases in Medicaid, \$59K; increases in Pre-Trial Detention of Juveniles, \$35K; **Coronavirus Aid, Relief, and Economic Security** represents funding received directly from U.S. Department of the Treasury to the County in order to respond to the COVID-19 public health emergency. For Fiscal Year 2020-2021, the Proposed budget is \$70,000,000, a 33.36% decrease, or (\$35,034,237) due to anticipated Coronavirus Relief Fund program spending levels in Fiscal Year 2019-2020.

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 Fiscal Year 2020-2021 Proposed Budget is \$18,391,834, a 24.92% increase, or \$3,669,438, primarily due to an expected increase in grant funding.

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 Fiscal Year 2020-2021 Proposed Budget is \$128,244,411, a 3.20% decrease, or (\$4,236,521), primarily the result of expected claims exceeding premiums.

Information Technology Department: The Information Technology Department supports the information and communication needs of the County. The Fiscal Year 2020-2021 Proposed Budget is \$7,075,714, a 3.28% decrease, or (\$240,057), primarily due to the purchase of laptops in the prior year for additional remote capabilities as a result of COVID-19 as well as the completion of the SAP HANA software project.

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 Fiscal Year 2020-2021 Proposed Budget is \$27,570,979, a 5.91% decrease, or (\$1,731,200), primarily due to completed capital projects.

Mosquito Control Department: The Mosquito Control Department protects public health through effective and environmentally safe methods of mosquito and aquatic plant control. The Fiscal Year 2020-2021 Proposed Budget is \$10,743,485, a 2.10% increase, or \$220,592, primarily due to ad valorem revenue associated with new construction.

Natural Resources Management Department: The Natural Resources Management Department promotes sustainable and balanced economic and ecologic stewardship of Brevard County's shared natural resources through cost effective and science-based management. The Fiscal Year 2020-2021 Proposed Budget is \$252,830,467, a 15.74% increase, or \$34,388,169, primarily due to funds being carried-forward in the Save Our Indian River Lagoon Trust Fund, offset by anticipated decreases in the sales tax revenue collection of 9.28%, (\$4.4 million).

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 Fiscal Year 2020-2021 Proposed Budget is \$75,818,647, an 8.07% decrease, or (\$6,652,468), primarily due to completion of hurricane repair projects as well as other capital improvement projects.

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 Fiscal Year 2020-2021 Proposed Budget is \$57,672,202, a 10.25% decrease, or (\$6,585,397), primarily due to anticipated decreases in impact fee collections.

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 Fiscal Year 2020-2021 Proposed Budget is \$4,526,895, a 4.08% decrease, or (\$192,448), due to completed capital purchases.

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 Fiscal Year 2020-2021 Proposed Budget is \$129,728,014, a 27.40% decrease, or (\$48,970,683), due to a reduction in Balance Forward associated with the completion of capital improvements associated with roads and facilities and a reduction in debt service due to refinancing LOGT bonds.

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 Fiscal Year 2020-2021 Proposed Budget is \$118,895,334, a 4.10% increase, or \$4,683,292, which is primarily associated with an increase in the current Collections contract.

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 Fiscal Year 2020-2021 Proposed Budget is \$322,451, a 0.49% decrease, or (\$1,590).

Tourism Development Office: The Tourism Development Office promotes tourism-related growth to the local economy. The Fiscal Year 2020-2021 Proposed Budget is \$31,813,488, a 28.15% decrease, or (\$12,461,119), primarily due to a reduction in projected Tourist Development Tax revenue and the completion of beach renourishment 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 Fiscal Year 2020-2021 Proposed Budget is \$34,966,278, a 6.13% decrease, or (\$2,282,039), primarily due to the completion of several bus purchases as well as CARES act funding in the prior year.

UF/Brevard County Extension Services: The UF/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 Fiscal Year 2020-2021 Proposed Budget is \$954,810, a 11.48% decrease, or (\$123,791) primarily due to non-recurring capital improvements in Fiscal Year 2019-2020.

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 Fiscal Year 2020-2021 Proposed Budget is \$104,398,835, a 5.50% decrease, or (\$6,078,345) primarily due to completion of the capital projects in the prior year including the South Central Plant Expansion.

Valkaria Airport: Valkaria Airport provides a safe, well-maintained General Aviation Airport facility for use by the public for recreational activities. The Fiscal Year 2020-2021 Proposed Budget is \$1,394,495, a 28.92% decrease, or (\$567,464), primarily due to completion of capital projects in the prior year.

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 Fiscal Year 2020-2021 Proposed Budget is \$2,100,000, which represents a 1.45% increase, or \$30,000.

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 Property Appraiser's Fiscal Year 2020-2021 budget request is \$9,287,582, which represents a 0.3% increase over the prior year budget. The estimated General Fund portion of the Property Appraiser's budget is represented in the Fiscal Year 2020-2021 Proposed Budget at \$2,089,645.

Sheriff's Office: The Fiscal Year 2020-2021 Sheriff's Office Proposed Budget is \$140,684,870, a 0.26% increase, or \$363,331.

Supervisor of Elections: The Supervisor of Elections' Fiscal Year 2020-2021 Proposed Budget is \$5,676,094, a 14.25% decrease, or (\$942,995).

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 Fiscal Year 2020-2021 Proposed Budget is \$3,177,161, a 4.01% increase, or \$122,545, 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 Fiscal Year 2020-2021 Proposed Budget is \$520,753, a 4.97% increase, or \$24,633.

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 Fiscal Year 2020-2021 Proposed Budget is \$5,063,068, a 3.90% decrease, or (\$205,208).

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 Fiscal Year 2020-2021 Proposed Budget is \$383,743, a 3.81% decrease, or (\$15,202), 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 Fiscal Year 2020-2021 Proposed Budget is \$307,089, a 30.68% decrease, or (\$135,921).

Outside Agencies:

Melbourne-Tillman Water Control District: The Fiscal Year 2020-2021 Proposed Budget is \$4,293,717, a 3.98% decrease, or (\$177,795).

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 Fiscal Year 2020-2021 Proposed Budget is \$5,712,129, a 16.64% increase, or \$814,969, 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 Fiscal Year 2020-2021 Proposed Budget is \$10,657,634, a 10.56% increase, or \$1,017,827, based on less than anticipated incentive awards paid out in Fiscal year 2019-202 based on performance benchmarks.

Titusville-Cocoa Airport Authority: The Titusville-Cocoa Airport Authority (TICO) Fiscal Year 2020-2021 Proposed Budget is statutorily required to be submitted by September 1, 2020.

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 2020-2021 Proposed Budget is \$1,901,072, a 16.35% decrease, or (\$371,703).

CONCLUSION

The Fiscal Year 2020-2021 Proposed Budget represents a fiscally responsible plan that aligns resources with the Board's key priorities, public policy direction, and long-term fiscal strategy.

I would like to recognize the Budget Office staff, Assistant County Managers, Department and Office Directors and their management and financial personnel for their dedication in developing this Proposed Budget for Fiscal Year 2020-2021.

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

Appendix

Table for Figure 1
PCI Rating by District

District	Average PCI 2011 PCA*	Average PCI 2019 PCA	2019 Total Miles	2019 Percent of Miles
District 1	66	79	382.59	34%
District 2	68	78	255.95	23%
District 3	62	78	119.56	11%
District 4	59	84	229.9	20%
District 5	58	75	137.82	12%
Total			1125.82	100%

[Back to Figure 1](#)

Table for Figure 2
5 Year Reconstruction Plan – Fiscal Year 2018 to 2022

District	FY17-18 Year 1 Proposed Miles	FY 18-19 Year 2 Actual Miles	FY18-19 Year 2 Proposed Miles	FY18-19 Year 2 Actual Miles	FY19-20 Year 3 Proposed Miles	FY 20-21 Year 4 Proposed Miles	FY 21-22 Year 5 Proposed Miles	Totals Projected Actuals
1	0.43	0.43	3.76	3.72	1.84	1.46	2.05	9.50
2	0.33	0.33	0.96	0.91	0.87	1.74	0.92	4.77
3	1.02	3.17	0.00	0.00	1.63	1.27	1.08	7.15
4	0.85	0.85	3.01	3.01	0.37	1.32	2.04	7.59
5	2.00	2.00	1.11	1.11	3.32	2.23	1.95	10.61
Total Funding	N/A	\$3.40M	N/A	\$3.66M	\$4.905M	\$3.75M	\$4.18M	

[Back to Figure 2](#)

Table for figure 3
General Fund Millage Rates

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
Rate	4.9063	4.8239	4.6814	4.5497	4.3631	4.1550	3.9456	3.8196	3.6929

[Back to Figure 3](#)