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TO: THE BOARD OF COUNTY COMMISSIONERS
FROM: FRANK ABBATE, COUNTY MANAGER
SUBJ: FISCAL YEAR 2019-2020 ADOPTED BUDGET
DATE: DECEMBER 5, 2019

INTRODUCTION

I appreciate the opportunity to present the Fiscal Year 2019-2020 Adopted Budget. This budget was developed consistent with the Board of County Commissioner's highest priorities, and continues our strong focus on managing and addressing infrastructure needs.

During the budget year, 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 cornerstone initiatives:

- Promoting inclusiveness and responsiveness
- Enhancing funding for maintenance, drainage, resurfacing and reconstruction of the County's road system
- Addressing countywide infrastructure maintenance and repair needs, including deferred facilities maintenance
- Restoring the Indian River Lagoon through community partnerships and leveraging local sales tax dollars with matching funds from local, State and Federal agencies
- Supporting critical public safety needs
- Addressing employee compensation, recruitment and retention with a continued focus on employee development, succession planning, and Lean Six Sigma improvement efforts

BUDGET DEVELOPMENT

The Board of County Commissioners Budget Workshop, held on February 21, 2019, provided guidance, direction and priorities for the development of the Fiscal Year 2019-2020 budget. This budget proposal reflects the goals and priorities of our community as envisioned by the Board of County Commissioners. This adopted balanced budget addresses those priorities in a fiscally responsible manner while also recognizing developing trends in preparation for future budgets.

Continued Focus on Funding Infrastructure

As we move into Fiscal Year 2019-2020, this Adopted Budget aims 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

The County is continuing a long-term funding initiative to address the backlog of roads classified as at-risk or failing. While undertaking an initial five-year commitment to achieve 55 miles of road resurfacing annually, staff persistently looks for opportunities to augment this initiative. Despite the rising cost of asphalt and construction materials, which have increased six to thirteen times higher than the Consumer Price Index, 61 miles of road resurfacing will be accomplished in the current fiscal year. The Fiscal Year 2019-2020 budget continues to build on this success by allocating an additional \$1.23 million in General Funds to complete 63 miles of road resurfacing, bringing the total funding for road resurfacing to \$9.6 million, and assuring additional roads do not fall into reconstruction.

An additional \$900,000 in General Funds were allocated in FY 2019-2020 to road reconstruction to accomplish an additional two miles of road reconstruction, for a total of eight miles of road reconstruction. With this funding, since the beginning of this initiative, the backlog of roads needing reconstruction will be reduced from 145 miles to 122 miles, a reduction of 15.9% by September 30, 2020.

Approximately \$13.5 million in State grants and partnerships have been leveraged to assist the County with the funding of infrastructure improvement projects such as the Cone Road improvements, Pineda Overpass and St. Johns Heritage Parkway.

Drainage Improvements

The Adopted Budget will enhance the maintenance of countywide drainage systems by adding and funding a third drainage crew, which will enhance the current service level and allow drainage maintenance to be on a three to five-year cleaning cycle. This third additional drainage crew will increase the number of ditches and swales being maintained throughout the year by 61%, thereby reducing cycle times and the risk of flooding during heavy rainfall.

Countywide Facilities

Facilities Management continues to focus on prioritizing the replacement of deteriorating building components with newer and more efficient systems. The Fiscal Year 2019-2020 Adopted Budget continues to tackle the County's deferred facilities maintenance and repairs by allocating approximately \$2.5 million of General Funds to Facilities Management for capital repairs and maintenance projects such as roof replacement at the Harry T. and Harriette V. Moore Justice Center, Melbourne Courthouse parking lot and access road improvements, heating and air conditioning repairs at the Titusville and Melbourne Central Service Complex, as well as exterior building repairs and drainage improvements.

Brevard County Fire Rescue continues to work on funding station renovations. Last year EMS stations 67 and 84 received modular replacements, and renovations have been completed at stations 40, 42, and 86. With station maintenance continuing to be a focus, an additional General Repair Technician has been included to further address fire station facilities issues in a timely manner, increase preventative maintenance, and ultimately increase facilities' life cycles. Fire Rescue has also planned for the replacement of the Live Burn Training Building (\$300,000), which is integral to improving operational effectiveness, ensuring training objectives are met, and maintaining certification as a State of Florida approved training site.

Mosquito Control is planning to request an internal loan in order to replace its aircraft hangar as well as the biology lab modular at an estimated cost of \$1.7M and \$1.3M, respectively. Mosquito Control is currently housing aircraft in a 60-year-old deteriorating hangar and has to rely on outside sources for housing in the event a hurricane arises. A new aircraft hangar would allow better protection of the expensive equipment owned by Mosquito Control. Additionally, replacing the existing biology lab single-wide trailer with a permanent building will enable Mosquito Control to better utilize and protect the biology lab and equipment housed within.

Parks and Recreation continues to focus on improving infrastructure with \$12.5 million of budgeted capital improvement projects planned for FY 2019-2020. In FY 2018-2019, Parks and Recreation completed all of the hurricane repairs in the Central Area including Kiwanis Island Boat Ramp and Veterans Memorial Park Boardwalk. In the North Area, six hurricane repair projects were completed including the Parrish Park and the Port St. John Boat Ramps, with the five remaining hurricane repairs budgeted to be completed in FY 2019-2020. Approximately \$1.2 million in General Fund dollars have been allocated towards infrastructure repairs for FY 2019-2020 in the North and Central Area for projects including Fox Lake Park Road, Sand Point Park Road, Cuyler Park's Civic Room, and to complete remaining dune crossover repairs.

Brevard County Library Services is addressing major infrastructure defects on building envelopes, such as roofs and air conditioning. With the completion of the new Mims Library, the re-roofing of multiple libraries, multiple HVAC repairs and replacements, and the

renovation of the Titusville Library, Library Services is now focusing on exterior paint, flooring replacements, restroom renovations and interior paint projects across all seventeen libraries.

Maintaining/Enhancing Programs and Services

With infrastructure and critical needs at the forefront during budget development, these priorities 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 2019-2020 Adopted Budget maintains existing program and service levels while also providing several enhancements:

- **Enhanced Paratransit Service** - Transit Services will begin operation of two paratransit routes in Fiscal Year 2019-2020, which are needed to support the growing demand in the Viera and South areas of the County. The new paratransit routes provide transportation to medical appointments, work, school, shopping and other activities for transportation disadvantaged individuals. These routes will be funded with grant funds and an additional \$150,000 in recurring General Fund dollars. It is estimated that these routes will provide an additional 32 trips per day.
- **Opioid Hotline Staffing** - Brevard County is the tenth most populated county in Florida but currently has the sixth highest rate of opioid related deaths in the State. Funding in the amount of \$44,800 has been allocated this year to 211 Brevard supporting an Opioid Hotline to help those suffering from addiction, as well as their friends and family, by connecting them with local services.
- **Other Staffing Enhancements** – Utility Services is funding additional staffing to support accelerating capital and infrastructure project timelines. Planning and Development is increasing engineers and inspection scheduling staff in order to maintain the level of service demanded by local developers and builders. Human Resources is adding additional staff to further support recruitment and pay/classification issues.

Employee Compensation

The Evergreen study implemented in Fiscal Year 2018-2019 was designed to enhance employee recruitment and retention by increasing the County's ability to compete with salaries offered elsewhere. By retaining current employees and attracting new employees, the County will be able to continue to provide service levels consistent with the demands of our citizens by addressing inefficiencies associated with vacant positions and other staffing shortfalls. The objective for this study was to produce a surgical/targeted approach to the compensation challenges facing the County. Its implementation represents just a small step toward addressing the many complex compensation issues our organization is faced with. Even after implementation of the Evergreen recommendations it will be necessary to continue our efforts addressing many of the remaining compensation challenges the County faces in a hard labor

market. These efforts will include the use of career ladders, reclassifications, onboarding new hires above the minimum for their pay grade when experience, education, and market demands justify such action, and additional salary adjustments for current employees where appropriate.

In the Fiscal Year 2019-2020 Adopted Budget, departmental salary budgets have been increased by 2%, which will fund a cost of living adjustment for employees. 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 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 10.19% of projected operating revenue or \$22,150,248, which represents an increase of \$1,100,287. In addition to operating reserves, the Adopted Budget anticipates a reimbursement from FEMA related to Hurricane Irma sheltering expenses in the amount of \$1,340,736, which will be set-aside in restricted reserves to re-establish funding for potential future expenses associated with the obligation to fund emergency shelter operations at School Board facilities.

Sheriff's Office Critical Needs

The Sheriff's Office Fiscal Year 2019-2020 Adopted Budget outlined a number of critical needs. In 2018, the Governor signed the Marjory Stoneman Douglas High School Public Safety Act, a new State legislation that requires significant changes in school security, resulting in an increase in School Resource Deputies from 10 to 37. The state's reimbursement program funds a portion of this cost, however the unfunded Fiscal Year 2019-2020 fiscal impact to the Sheriff's Office is \$1,002,511, which does not include \$650,000 in associated equipment and vehicle costs. Additional critical needs identified in the Sheriff's Requested Budget include: challenges in recruitment and retention due to non-competitive starting pay; a growing population and shortage of deputies; and deferred vehicle and equipment replacements.

The Sheriff's Office Fiscal Year 2019-2020 Adopted Budget includes a Law Enforcement Municipal Service Taxing Unit (MSTU) millage rate that exceeded the rate calculated under the County's "Charter Cap," and required a finding of critical need and a supermajority vote.

BUDGET SUMMARY

Brevard County's Adopted Fiscal Year 2019-2020 Budget is **\$1,334,915,547**. When compared to the Fiscal Year 2018-2019 final amended budget of \$1,334,688,417, the Fiscal Year 2019-2020 Adopted Budget represents an increase of 0.02%, or \$227,130. The Adopted Fiscal Year

2019-2020 Budget represents an increase of 2.45% or \$31,938,187 when compared to the Fiscal Year 2018-2019 Adopted Budget.

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 2.44% for Fiscal Year 2019-2020. This limitation excludes ad valorem revenues associated with new construction and is not applicable to voter-approved millage rates. The adopted Fiscal Year 2019-2020 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 six years have shown positive signs of economic recovery, as property valuation increased for the seventh consecutive year. Despite this increase, property values are still below the Fiscal Year 2007-2008 peak of \$40.77 billion, when considering \$6.3 billion in new construction that has been added since Fiscal Year 2007-2008.

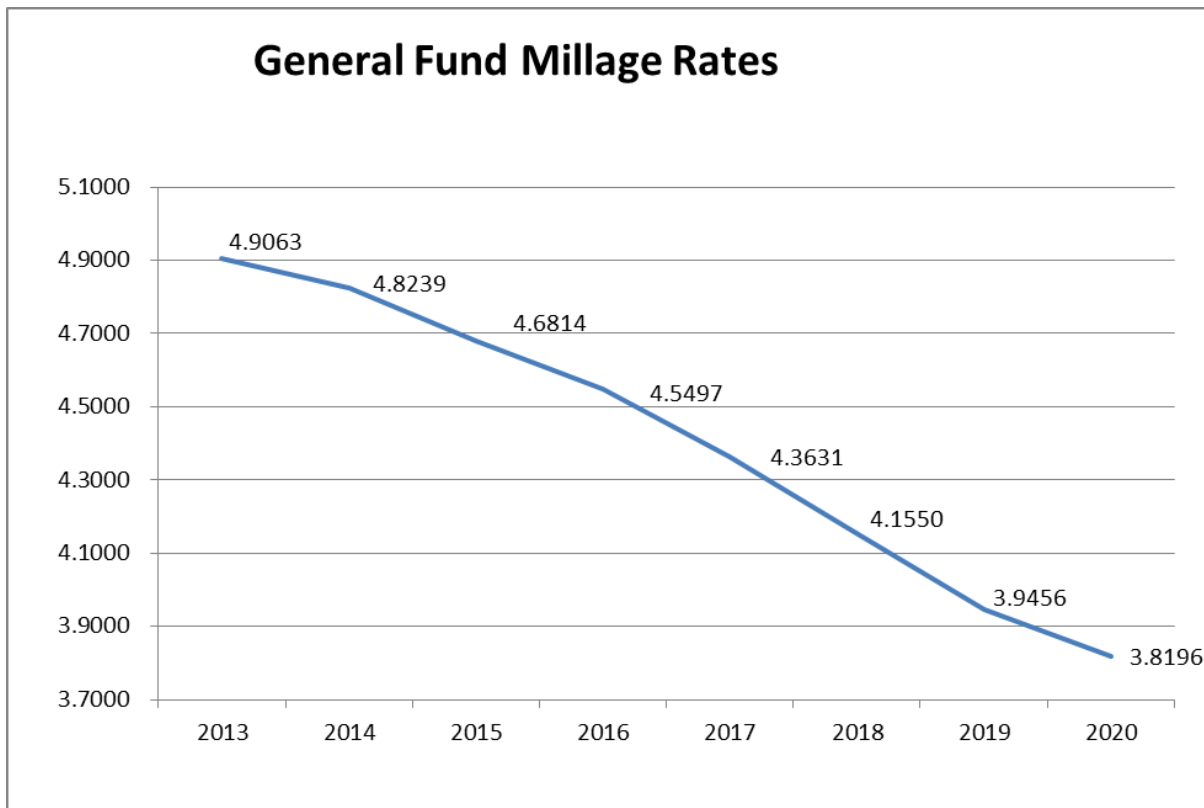
Fiscal Year	Certified Property Valuation	Valuation Change \$	Yearly Change %
2019-2020	\$40,644,928,032	\$2,946,429,423	7.82%
2018-2019	\$37,698,498,609	\$3,134,277,123	9.07%
2017-2018	\$34,564,221,486	\$2,657,725,032	8.33%
2016-2017	\$31,906,496,454	\$2,255,316,317	7.61%
2015-2016	\$29,651,180,137	\$1,718,811,732	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%

Fiscal Year	Certified Property Valuation	Valuation Change \$	Yearly Change %
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 5.8447, which represents a 7.62% decrease from the Fiscal Year 2018-2019 aggregate rate of 6.3268.

The aggregate adopted millage rate of 5.8447 is equal to the aggregate rolled-back rate. Therefore, according to Truth in Millage (TRIM) requirements established by the State of Florida, the final Budget Hearing was not 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 seventh 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 2019-2020 General Fund millage rate of 3.8196 is a 3.19% decrease from the Fiscal Year 2018-2019 millage rate of 3.9456. 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 \$6.6 million for Fiscal Year 2019-2020.



The following chart depicts the change in all 25 taxing district millage rates, along with the property tax revenue variances from Fiscal Year 2018-2019 to Fiscal Year 2019-2020.

In order to support the critical needs outlined in the Sheriff’s budget proposal, the Law Enforcement Municipal Service Taxing Unit (MSTU) is adopted at a rate that exceeds the rate calculated under the County’s “Charter Cap” and required a finding of critical need and a supermajority vote.

Critical taxing districts, including General Revenue – Countywide, Mosquito Control District, Fire Control MSTU, and seven Road and Bridge District MSTUs are adopted at a rate that

increases ad valorem revenue by the 2.44% change in CPI (with the exception of new construction).

The Library District and voter-approved Parks and Recreation taxing districts are adopted at rates which allow these departments to meet organizational initiatives including employee compensation and infrastructure needs by providing revenues that slightly exceed FY 2018-2019 revenues due to new construction.

Tax District or Unit	FY 2018-2019 Adopted Millage	FY 2019-2020 Adopted Millage	FY 2019-2020 Revenue Compared
General Revenue – Countywide	3.9456	3.8196	\$6,639,103
Library District	0.4731	0.4463	\$318,011
Mosquito Control District	0.1869	0.1809	\$313,513
Fire Control MSTU	0.6504	0.6321	\$554,133
Recreation District #1 MSTU	0.5995	0.5678	\$46,645
Recreation District #4 O & M	0.6892	0.6662	\$106,407
TICO Airport Authority	-	-	\$0
Law Enforcement MSTU	1.0925	1.1142	\$1,765,605
Road & Bridge Dist. #1 MSTU	0.6554	0.6390	\$80,569
Road & Bridge Dist. #2 MSTU	0.2472	0.2376	\$33,473
Road & Bridge Dist. #3 MSTU	0.2592	0.2524	\$18,515
Road & Bridge Dist. #4 MSTU	0.2664	0.2600	\$88,264
Road & Bridge Dist. #5 MSTU	0.3811	0.3714	\$16,547
Rd & Brdge Dist #4 MSTU N Beaches	0.2545	0.2486	\$4,303
Rd & Brdge Dist #4 MSTU MISo.	0.1235	0.1222	\$569
Environ. Endangered Land ('04)	0.0641	0.0619	\$101,699
PSJ/CanGroves Recreation MSTU	0.3377	0.3234	\$3,665
N. Brevard Special Recreation Dist.	0.2425	0.2281	\$15,410
Merritt Island Recreation MSTU	0.3387	0.3180	\$7,695
S. Brevard Special Recreation Dist.	0.3116	0.2938	\$143,715
Sub-Total Operating			<u>\$10,257,841</u>
Environ. Endangered Land ('04)	0.0843	0.0804	\$100,346
PSJ/CanGroves Recreation MSTU	-	-	\$0
N. Brevard Special Recreation Dist.	0.5575	0.5719	\$189,545
Merritt Island Recreation MSTU	0.4613	0.4820	\$181,547
S. Brevard Special Recreation Dist.	0.2884	0.3062	\$954,949
Sub-Total Debt Service			<u>\$1,426,387</u>
Total Operating and Debt Service			<u>\$11,684,228</u>

GENERAL GOVERNMENT HIGHLIGHTS

The significant issues affecting the General Government for the Fiscal Year 2019-2020 Adopted Budget include the following:

General Government Current Ad Valorem Taxes and other Major Revenues increase by \$6,639,103 and \$1,923,833 respectively, when compared with Fiscal Year 2018-2019 Adopted Budget. 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

REVENUE:	FY 2018-2019 Adopted Budget	FY 2019-2020 Adopted Budget	Variance	% Variance
General Fund Adopted Year AV Taxes	148,608,264	155,247,367	6,639,103	4.47%
Half Cent Sales Tax	29,785,699	30,846,100	1,060,401	3.56%
State Shared Revenue	12,847,792	13,510,338	662,546	5.16%
FPL Franchise Fee	10,869,919	11,177,736	307,817	2.83%
Communications Svc Tax	5,848,769	5,741,838	(106,931)	-1.83%
Other Operating Revenue	9,882,734	12,292,311	2,409,577	24.38%
5% Statutory Reduction	(10,892,159)	(11,443,284)	(551,125)	5.06%
Balance Forward	26,129,369	26,611,920	482,551	1.85%
Non-Operating Revenue	6,975,364	6,293,173	(682,191)	-9.78%
TOTAL GENERAL GOV REVENUES:	240,055,751	250,277,499	10,221,748	4.26%

EXPENDITURES:	FY 2018-2019 Adopted Budget	FY 2019-2020 Adopted Budget	Variance	% Variance
Charter Offices	108,488,135	112,945,301	4,457,166	4.11%
Mandates	22,718,560	22,840,444	121,884	0.54%
Court Operations	2,792,266	3,014,572	222,306	7.96%
General Government Reserves	21,049,961	22,150,248	1,100,287	5.23%
TIF Payments	8,520,907	9,478,456	957,549	11.24%
General Government Debt	4,156,673	3,700,045	(456,628)	-10.99%
Public Safety, Roads & Infrastructure	35,602,171	38,997,173	3,395,002	9.54%
County Agency Transfers	36,727,078	37,151,260	424,182	1.15%
TOTAL GENERAL GOV EXPENDITURES	240,055,751	250,277,499	10,221,748	4.26%

ONGOING FOCUS AREAS

Utility Services 10-Year Capital Improvement Plan

Utility Services continues with lift station replacements and rehabilitation throughout all areas of the County. The department plans to begin the gravity sewer assessment in South Beaches and Barefoot Bay collection systems in the coming year and has capital improvement projects totaling \$42.7 million planned for Fiscal Year 2019-2020. The department aims to continue with sewer lining throughout the County in order to minimize inflow and infiltration. Utility Services is also collaborating with the Save Our Indian River Lagoon program to more efficiently manage shared challenges.

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 2019 Save Our Indian River Lagoon Project Plan Update shifted significant funding from muck removal to other project types, including septic to sewer, stormwater treatment, and increased reserves for future allocation. Field data collected in 2018 allowed muck areas to be prioritized, eliminating the least cost-effective sites to reduce costs. Septic data analyzed in 2018 identified additional septic to sewer priorities that were added to the plan. To date, 23 projects have been completed and 62 have been contracted.

Solid Waste

The Sarno landfill is expected to reach capacity between 2021 and 2023, depending on variables such as the potential approval for an increase in the landfill's height, which is regulated by the City of Melbourne. Solid Waste has implemented several initiatives aimed at extending the life of the Sarno Landfill such as steepening slopes, moving the main road, and reconfiguring the stormwater system to provide additional landfill acreage. Under Board direction, Solid Waste is currently exploring options related to the Sarno Road Class III landfill, including potential expansion or transporting landfill related materials to address capacity issues.

Innovations

Mosquito Control is focusing on alternative ways to manage the levels of mosquitoes in our community with a focus on employing strategies that rely on biological control of mosquito populations and avoid the excessive usage of chemicals. Mosquito Control is currently exploring a hatchery and stocking program which will involve hatching and stocking fish that target mosquito populations and ultimately decrease the mosquito concentration in Brevard County. Mosquito Control plans to expand this program to allow for the distribution of these fish to areas of the community that have heavy mosquito population concentrations.

Natural Resources has launched a Harvester program with grant funding which aims to reduce nutrient loads in retention ponds by removing aquatic vegetation that contributes to the overall pollution of retention ponds. This strategy aims to reduce herbicide use by removing the aquatic plants naturally to eliminate the nutrient load they produce which improves the health of these ponds. Through grant funding, Natural Resources has already harvested thirteen ponds with a goal of harvesting thirty, and will allocate \$800,000 to this initiative.

Brevard County Fire Rescue maintains a fleet of Stryker Power Cot stretchers for all thirty front line ambulances, as well as a number of spare units in reserve. These stretchers are used to move and transport over 50,000 patients a year, and this particular model was purchased to help prevent back injuries due to manually lifting patients on stretchers, and to prevent patient injury from instances of manual stretcher failure. The existing manual stretcher fleet is nearing the end of its recommended service life and will be replaced by the purchase of new powered stretchers which will ensure the safety and well-being of not only our patients, but also our paramedics and EMTs in the field for years to come.

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 2019-2020 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, 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 2019-2020 Adopted Operating and Capital Budget for the General Funds are \$298,719,172. This represents a \$974,379 increase, or 0.33%, from the Fiscal Year 2018-2019 Final Budget of \$297,744,793.

This increase is primarily due to an increase in General Government Revenues resulting from increases in the General Countywide Property Tax, as well as increases in Major Revenue. The increases are offset by decreases in Parks and Recreation general funds, which are reduced due to progress made on 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 Fiscal Year 2019-2020 Adopted Operating and Capital Budget for Special Revenue Funds are \$616,870,749. This represents a \$6,379,525 decrease, or (1.02%), from the Fiscal Year 2018-2019 Final Budget of \$623,250,274.

This decrease is primarily due to decreases in the following funds due to the progression of projects in Fiscal Year 2018-2019: Countywide Grant fund (\$30.3 million); Transportation Trust funds, (\$10.9 million); Parks and Recreation funds, (\$5.5 million). These decreases are offset by an increase in the Save Our Indian River Lagoon Trust Fund of \$44.6 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 2019-2020 Adopted Operating and Capital Budget for Debt Service Funds are \$26,147,275. This represents an increase of \$2,311,545 or 9.70%, from the Fiscal Year 2018-2019 Final Budget of \$23,835,730. This increase is primarily due to establishing the recreation debt millages at the voter-approved maximum rates, allowing for the early pay-off of these debts.

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 Parks and Recreation, Facilities Management and Valkaria Airport.

Revenues – The total revenues and other sources of funds in the County's Fiscal Year 2019-2020 Adopted Operating and Capital Budget for Capital Project Funds are \$4,118,357. This represents a (\$3,169,818) decrease, or (43.49%), from the Fiscal Year 2018-2019 Final

Budget of \$7,288,175. This decrease is primarily due to progress made in projects associated with the 800 MHz Improvements, (\$1.2 million); Parks and Recreation, (\$931,000); and the Valkaria Airport, (\$489,000).

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 Fiscal Year 2019-2020 Adopted Operating and Capital Budget for Enterprise Funds are \$252,352,251. This represents a \$9,136,506 increase, or 3.76%, from the Fiscal Year 2018-2019 Final Budget of \$243,215,745. This increase is primarily the result of increases in the Utility Services enterprise funds of \$4.9 million, resulting from increases in charges for services, as well as funds being carried forward for capital projects, and increases in the Solid Waste enterprise funds of \$3.1 million, resulting from increases in charges for service, as well as funds being carried forward in the landfill escrow account.

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 Fiscal Year 2019-2020 Adopted Operating and Capital Budget for Internal Service Funds are \$136,707,743. This represents a decrease of \$2,645,957, or (1.90%), from the Fiscal Year 2018-2019 Final Budget of \$139,353,700. This is primarily due to decreases in the Employee Benefits Fund (\$1.7 million), and the Risk Management Fund (\$864,000) due to anticipated claims exceeding premium revenues.

BUDGET BY AGENCY

The following information is being provided to communicate the change from the Fiscal Year 2018-2019 Final Budget to the Fiscal Year 2019-2020 Adopted Budget by agency. A more detailed explanation of the changes may be found in the Fiscal Year 2019-2020 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 Fiscal Year 2019-2020 Adopted Budgets of the five Commission Offices and the common appropriations for all offices total \$1,708,663, a 2.34% increase, or \$39,080, 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 2019-2020 Adopted Budget is \$626,098, a 3.38% increase, or \$20,474, 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 Fiscal Year 2019-2020 Adopted Budget is \$5,020,068, a 8.58% decrease, or (\$471,049), primarily due to the partial completion of the Flake Road Fuel Site project and the adjustment in re-sale revenues and expenses.

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 2019-2020 Adopted Budget is \$1,650,246, a 1.84% increase, or \$29,806, 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 2019-2020 Adopted Budget is \$1,071,627, a 4.08% increase, or \$42,015, primarily due to cost of living adjustments.

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 2019-2020 Adopted Budget is \$11,047,257, a 28.09% decrease, or (\$4,316,220), which is primarily due to site preparation associated with the Emergency Operations Center, along with completion of the Public Safety Radio System Expansion project.

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 2019-2020 Adopted Budget is \$69,612,623, a 0.62% increase, or \$428,939, which is primarily due to an increase in Operating Revenue of \$1.45 million or 2.71%, an increase in General Fund transfers of \$326,340 or 3.19%, and an increase for the lease of stretcher of \$695,943. These increases are offset by a decrease in Balance Forward of \$2.0 million due to the planned reduction of Reserves.

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 2019-2020 Adopted Budget is \$81,278,058, a 2.84% increase, or \$2,245,049, which includes \$750,000 being allocated to the Clerk of Court for their case management software to be funded over a two-year period; **Long-Term Debt**, represents the County debt obligations funded by general revenues. For Fiscal Year 2019-2020, the Adopted Budget is \$6,221,292, a 6.23% decrease, or (\$413,278); **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 2019-2020, the Adopted Budget is \$22,973,657, a 0.09% decrease, or (\$19,672).

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 2019-2020 Adopted Budget is \$12,740,492, a 24.32% decrease, or (\$4,093,586), primarily due to the completion of Community Development Block Grant projects, as well as the absence of Low-Income Pool Funding which was received in Fiscal Year 2018-2019.

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 2019-2020 Adopted Budget is \$130,709,855, a 1.90% decrease, or (\$2,537,467), primarily the result of expected claims exceeding premium values.

Information Technology Department: The Information Technology Department supports the information and communication needs of the County. The Department's Fiscal Year 2019-2020 Adopted Budget is \$6,713,743, a 1.61% decrease, or (\$109,799), primarily due to the completion of the Microsoft Enterprise and SharePoint upgrades to address ADA document compatibility.

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 2019-2020 Adopted Budget is \$27,904,340, a 0.94% increase, or \$259,279, primarily due to capital outlay needs.

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 2019-2020 Adopted Budget is \$10,698,814, a 5.43% increase, or \$551,484, primarily associated with funds being carried-forward for capital projects.

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 2019-2020 Adopted Budget is \$207,686,988, a 20.03%

increase, or \$34,657,817, 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 Fiscal Year 2019-2020 Adopted Budget is \$79,373,161, a 7.86% decrease, or (\$6,774,655), 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 2019-2020 Adopted Budget is \$56,909,309, a 21.12% increase, or \$9,924,446, primarily due to increases in the Educational and Transportation Impact Fee funds of \$5.9 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 Fiscal Year 2019-2020 Adopted Budget is \$4,547,718, a 3.99% increase, or \$174,526, primarily due to increased compensation and benefit costs associated with the Medical Examiner's Office.

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 2019-2020 Adopted Budget is \$132,165,039, a 20.75% decrease, or (\$34,599,683), due to a reduction in Balance Forward associated with the completion of capital improvements associated with roads and facilities.

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 2019-2020 Adopted Budget is \$113,221,663, a 2.82% increase, or \$3,109,526, which is primarily associated with an increase in reserves related to anticipated landfill closure.

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 2019-2020 Adopted Budget is \$317,454, a 42.69% decrease, or (\$236,456), primarily due to the completion of the equipment upgrade.

Tourism Development Office: The Tourism Development Office promotes tourism-related growth to the local economy. The Fiscal Year 2019-2020 Adopted Budget is \$41,246,925, a 3.93% decrease, or (\$1,687,491), primarily due to a reduction in Balance Forward associated with 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 2019-2020 Adopted Budget is \$23,079,094, a 6.14% increase, or \$1,335,552, primarily due to the addition of two paratransit routes.

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 2019-2020 Adopted Budget is \$953,601, a 3.36% decrease, or (\$33,129) primarily due to non-recurring capital improvements in FY 2018-2019.

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 2019-2020 Adopted Budget is \$108,815,315, a 4.71% increase, or \$4,899,070 primarily due to capital projects in their approved ten-year plan being carried-forward.

Valkaria Airport: Valkaria Airport provides a safe, well-maintained General Aviation Airport facility for use by the public for recreational activities. The Fiscal Year 2019-2020 Adopted Budget is \$1,343,350, a 68.66% decrease, or (\$2,943,623), primarily due to completion of capital projects including runway rehabilitation, the general administration office and aviation terminal, and additional hangars.

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 2019-2020 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 Property Appraiser's Fiscal Year 2019-2020 budget request is \$9,009,216, which represents a 0.1% increase over the prior year budget. The estimated General Fund portion of the Property Appraiser's budget is represented in the FY 2019-2020 Adopted Budget at \$2,099,160.

Sheriff's Office: The Fiscal Year 2019-2020 Sheriff's Office Adopted Budget is \$136,108,886, a 0.01% decrease, or (\$7,763).

Supervisor of Elections: The Supervisor of Elections' Fiscal Year 2019-2020 Adopted Budget is \$6,616,358, a 16.79% increase, or \$951,268.

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 2019-2020 Adopted Budget is \$3,054,616, a 4.28% increase, or \$125,372, 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 2019-2020 Adopted Budget is \$469,866, a 2.66% decrease, or (\$12,850).

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 2019-2020 Adopted Budget is \$5,100,311, a 4.69% increase, or \$228,314.

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 2019-2020 Adopted Budget is \$398,945, a 0.63% decrease, or (\$2,529), 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 2019-2020 Adopted Budget is \$299,109, a 5.76% increase, or \$16,282.

Outside Agencies:

Melbourne-Tillman Water Control District: The Fiscal Year 2019-2020 Adopted Budget is \$4,471,512, a 1.19% decrease, or (\$53,714).

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 2019-2020 Adopted Budget is \$3,386,236, a 1.72% decrease, or (\$59,357), 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 2019-2020 Adopted Budget is \$6,252,465, a 9.94% decrease, or (\$690,147), based on economic incentives reaching performance measures.

Titusville-Cocoa Airport Authority: The Titusville-Cocoa Airport Authority (TICO) Fiscal Year 2019-2020 Adopted Budget is \$2,463,678, a 3.98% increase, or \$94,223.

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 2019-2020 Adopted Budget is \$2,487,955, a 5.80% increase, or \$136,281.

CONCLUSION

The Fiscal Year 2019-2020 Adopted 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 Adopted Budget for Fiscal Year 2019-2020.

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