



BOARD OF COUNTY COMMISSIONERS

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TO: THE BOARD OF COUNTY COMMISSIONERS

FROM: FRANK ABBATE, COUNTY MANAGER 

SUBJ: FISCAL YEAR 2017-2018 ADOPTED BUDGET

DATE: NOVEMBER 27, 2017

INTRODUCTION

I am pleased to present the Adopted Fiscal Year 2017-2018 budget, which begins October 1, 2017 and concludes September 30, 2018. This budget has been prepared in accordance with Florida Statutes and the Brevard County Charter. In addition to its function as Brevard County's primary financial plan, the annual operating and capital budget also serves as a policy document, an operational guide, and a communication tool, making it one of the most important documents for our organization.

The top priorities for the County Manager's Office during this budget year will be to provide organizational leadership to effectively and efficiently implement Board of County Commissioner's policies and directives. To that end, organizational initiatives will focus on:

- Promoting inclusiveness/responsiveness
- Addressing funding for maintenance and enhancement of the County's road system
- Accelerating Indian River Lagoon restoration by leveraging local sales tax dollars with matching funds from local, State and Federal partners
- Addressing employee compensation and benefits
- Employee development, executive leadership training, succession planning and Lean Six Sigma Improvement efforts

BUDGET GUIDELINES

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

During the months of March, April, and May of 2017, the Board of County Commissioners participated in seven Budget Workshops which provided guidance, direction and priorities for the development of the Fiscal Year 2017-2018 budget. Ultimately, the County's budget is a reflection of the goals and priorities for our community and organization as envisioned by the Board of County Commissioners. The adopted balanced budget addresses those priorities and goals for Brevard County government in a fiscally responsible manner while also recognizing developing trends in preparation for future budgets.

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

Property Tax Revenues

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 from the preceding calendar year, as measured in accordance with section 193.155(1) (b) Florida Statutes, which is 1.26% for FY 2017-2018. This limitation excludes ad valorem revenues associated with new construction and is not applicable to voter approved millage rates. The adopted FY 2017-2018 millage rates have been established in accordance with the Brevard County Charter, and tax rates associated with voter approved referendums are set within the mandated rate structures.

Funding for Road Maintenance

Budget Workshops this year highlighted the continuing concern regarding deferred road maintenance in Brevard County. Undertaking initiatives to enable the County to maintain the necessary 55 miles of road resurfacing per year and begin to tackle the large backlog of roads in need of resurfacing (589 miles) and reconstruction (145 miles) was a key priority in the development of this budget. In the FY 2016-2017 Adopted Budget, the Board identified roads as a critical need, and allocated an additional \$1.26 million in General Fund dollars for an additional 15 miles of road resurfacing. On April 11, 2017, the Board approved an internal loan and allocated additional resources in order to eliminate resurfacing backlog growth and reduce reconstruction backlog growth, gradually improving the average condition of roads.

The FY 2017-2018 Adopted Budget further addresses the ongoing challenge related to road resurfacing and reconstruction by appropriating an additional \$2.3 million in General Fund resources to fund road needs. This will allow the Public Works Department to commence work on numerous critical reconstruction projects that are currently only partially funded.

Service Level and other Budget Reductions and Shifting of Expenditures

During the seven Budget Workshops held between March and May, the Board directed the following budget reductions:

- Community Based Organizations are reduced by 20%, (\$102,040) and will be phased out over the next five years.
- Direct Client Emergency Services were reduced by 50%, (\$184,942) in the proposed budget; however at the Tentative Budget Hearing on September 19th, the Board voted to restore this funding for one year only for Hurricane Irma related assistance.
- Reductions were made to General Government for LEAD Brevard (\$40,700), Memberships (\$28,500), and the Brevard Cultural Alliance, (\$20,000 or 20%).
- The adopted budget reallocates the \$40,000 veterans support grant provided to the City of Palm Bay in FY 2016-2017. For FY 2017-2018, \$20,000 will remain in the General Fund, and \$20,000 will be dedicated to Brevard County's Veterans Services Office to provide a pilot program extending coverage to meet service demands for veterans residing in the Palm Bay area. The City of Palm Bay staff has indicated they will fund the position previously covered by the grant, however, veterans' services benefit claims would no longer be a function of that position. City staff also indicated a willingness to provide infrastructure support for County Veterans' staff at their facilities two to three days per week in support of this pilot program.
- Agencies also sought to reduce budget requests in a variety of areas including travel, training, operating supplies, cell phones, and capital equipment.

In addition to these budget reductions, when appropriate, expenditures were shifted from the General Fund to other funding sources. In FY 2017-2018, the Law Library and Historic Commission will be funded by the Library District, reducing the burden on the General Fund by \$188,286 and \$22,900 respectively. Similarly, a portion of the Space Coast Government Television Social Media Specialist position that was previously funded by the General Fund will be absorbed by Fire Rescue.

Cost of Living Adjustment

As the economy continues to improve and expand, Brevard County faces increasing challenges with employee retention as higher salaries are offered elsewhere in the market.. During budget workshops, direction was provided concerning the Board's desire and interest to address employee salaries, and on August 8, 2017, the Board approved including a 3.5% Cost of Living Adjustment (COLA) in the FY 2017-2018 budget.

As a result of continued favorable plan experience in the County's group health insurance program, these COLA adjustments are partially offset by a decrease of 8% in annual employer paid health insurance premiums.

Employees are making better educated choices in how they purchase health care, positively impacting overall program expenditures. More employees are using urgent care versus emergency rooms, opting for generic prescriptions versus name brands, avoiding unnecessary or duplicate procedures, and are putting emphasis on personal wellness and disease prevention. These actions have helped control health care costs, allowing the Board of County Commissioners the opportunity to shift some employer funding from health care to salaries. Also noteworthy, is that this favorable plan experience means employees won't see an increase in premiums for group health insurance during calendar year 2018.

For IAFF rank and file 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.

Significant Funding Priorities

During our budget process, unfunded needs were analyzed and prioritized by Department Directors and staff. Subsequently, at meetings with the County Manager, Assistant County Managers and Budget Office staff, decisions were made on how to best utilize available funds throughout the County to begin meeting some of these needs. The FY 2017-2018 budget includes the following General Fund increases to begin addressing some of the most important challenges Brevard County government faces. In addition to roads, priority was given to items which will avoid increased costs if further deferment occurs.

- Public Works funding increased by \$2,299,658 to supplement partially funded road reconstruction needs.
- Facilities Management funding is increased by \$773,631 to increase the level of annual repair and maintenance by the 1.26% change in CPI, and to fund critical building repairs for the Detention Center electronic cell door replacements, Brevard County Government Center North elevator upgrades and generator replacement, and the Harry T. and Harriette V. Moore Justice Center window weather-stripping.
- Parks and Recreation funding is increased by \$510,000 to manage safety issues and deteriorating buildings in the north and central areas. This includes repairs to boardwalks, the Gibson Center, and the Travis Community Center roof replacement.
- Funding for Fire Rescue is being increased by \$294,798 in accordance with the 1.26% change in CPI, as well as for the purchase of an additional EMS rescue unit.
- An increase in funding to the Medical Examiner's Office of \$341,030 is necessary to address the increase in the number of autopsies, which has resulted in the need for a second Associate Medical Examiner and two additional Forensic Technicians.

- Court Administration’s budget includes an increase of \$58,919 for the addition of a Family Case Manager, which will enable the Family Court division to review and expedite family cases more quickly and efficiently.

General Government Operating Reserves

Operating Reserves are set-aside to provide options for responding to unexpected issues and risks, as well as working capital to provide necessary cash flow. Budget and Financial Policy establishes it shall be the goal of the Board that the operating or unrestricted reserves be budgeted at no less than 10% of projected operating revenues. The adopted budget establishes General Government operating reserves at 10.49% of projected operating revenue, which represents an increase of \$1,777,977.

BUDGET SUMMARY

Brevard County’s FY 2017-2018 adopted budget is **\$1,170,704,359**. When compared to the FY 2016-2017 adopted budget of \$1,055,314,889, the proposed FY 2017-2018 budget represents an increase of 10.93% or \$115,389,470. Revenues associated with The Save Our Indian River Lagoon half cent sales tax, approved by 62.4% of the voters in November 2016, in the amount of approximately \$34.0 million annually were not part of the adopted budget for FY 2016-2017. Taking those funds into account, and the other amendments to the 2016-2017 budget throughout the year for a variety of reasons, including the recognition of grants, and funding carried-forward for multi-year projects the adopted FY 2017-2018 budget represents a decrease of 4.80% or (\$58,978,448) when compared to the final FY 2016-2017 budget of \$1,229,682,807.

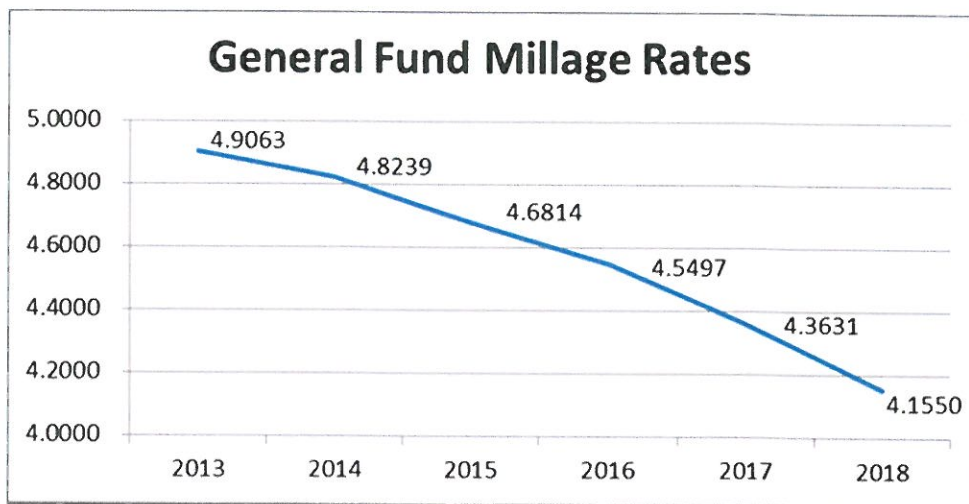
Property Valuations and Property Tax Revenue

From 2008 to 2013, Brevard County experienced significant revenue reductions associated with significantly declining property values. The past four years have shown positive signs of economic recovery, as property valuation increased for the fifth consecutive year. Despite this increase, property values are still below the FY 2007-2008 peak of \$40.8 billion, which does not include the \$4.9 billion in new construction that has been added since FY 2007-2008.

Fiscal Year	Certified Property Valuation	Valuation Change \$	Yearly Change %
2017-2018	\$34,478,856,166	\$2,572,359,712	8.06%
2016-2017	\$31,906,496,454	\$2,209,989,200	7.44%
2015-2016	\$29,696,507,254	\$1,676,907,266	5.98%
2014-2015	\$28,019,599,988	\$2,256,261,660	8.76%
2013-2014	\$25,763,338,328	\$1,140,053,204	4.63%

Brevard County is the Taxing Authority of 25 individual Taxing Districts, which includes twenty (20) operating districts and five (5) voter-approved debt millages. Millage rates have been established in compliance with the Brevard County Charter, Florida Statutes, and voter-approved rate structures. The aggregate millage rate which represents all operational millages is 6.3268, which represents a 4.02% decrease from the FY 2016-2017 aggregate rate of 6.5919.

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 fifth consecutive year, the adopted general countywide property tax rate has been reduced from the prior year rate as depicted in the graph below. The FY 2017-2018 rate of 4.1550 is a 4.77% decrease from the FY 2016-2017 rate of 4.3631. 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 \$3.3 million for FY 2017-2018.



The chart below depicts the change in all 25 taxing district millage rates, along with the property tax revenue variances from FY 2016-2017 to FY 2017-2018. While the majority of operating millage rates are adopted at the rate that increases ad valorem revenue by the 1.26% change in CPI (with the exception of new construction), the following voter-approved taxing districts have been proposed as follows:

- **Recreation District 4 O&M** – The voter-approved cap is 0.9000; the millage rate was adopted in accordance with state imposed simple majority maximum rate of 0.7114.
- **Environmentally Endangered Lands ('04)** – The voter-approved cap is 0.2085; the millage rate was adopted in accordance with state imposed super majority maximum rate of 0.0617 for the operating millage, and 0.0908 for the debt millage based on debt service requirements.
- **N. Brevard Special Recreation District** – The voter-approved cap is 0.8000; the millage rate was adopted in accordance with this cap, with 0.5770 for the debt millage based on debt service requirements, and the remaining 0.2230 for operations and maintenance.

- **Merritt Island Recreation MSTU** - The voter-approved cap is 0.8000; the millage rate was adopted in accordance with this cap, with 0.4777 for the debt millage based on debt service requirements, and the remaining 0.3223 for operations and maintenance.
- **S. Brevard Special Recreation District** - The voter-approved cap is 0.6000; the millage rate was adopted in accordance with this cap, with 0.3044 for the debt millage based on debt service requirements, and the remaining 0.2956 for operations and maintenance.

Tax District or Unit	FY 2016- 2017 Adopted Millage Rates	FY 2017- 2018 Adopted Millage Rates	FY 2017-2018	
			Adopted Millage Rates Compared to FY 2016-2017	FY 2017-2018 Revenue Compared to FY 2016-2017
General Revenue - Countywide	4.3631	4.1550	(4.77%)	\$3,341,722
Library District	0.5232	0.4982	(4.78%)	\$401,284
Mosquito Control District	0.2067	0.1968	(4.79%)	\$157,725
Fire Control MSTU	0.7145	0.6816	(4.60%)	\$274,307
Recreation District #1 MSTU	0.6445	0.6308	(2.13%)	\$58,047
Recreation Dist. #4 O & M	0.7200	0.7114	(1.19%)	\$113,004
TICO Airport Authority	-	-		\$0
Law Enforcement MSTU	1.1970	1.1438	(4.44%)	\$411,593
Road & Bridge Dist. #1 MSTU	0.6899	0.6870	(0.42%)	\$34,868
Road & Bridge Dist. #2 MSTU	0.2712	0.2597	(4.24%)	\$15,436
Road & Bridge Dist. #3 MSTU	0.2856	0.2715	(4.94%)	\$8,547
Road & Bridge Dist. #4 MSTU	0.2971	0.2782	(6.36%)	\$46,748
Road & Bridge Dist. #5 MSTU	0.4207	0.3979	(5.42%)	\$9,743
Rd & Brdge Dist #4 MSTU N Beaches	0.2818	0.2667	(5.36%)	\$2,078
Rd & Brdge Dist #4 MSTU MISo.	0.1362	0.1327	(2.57%)	\$416
Environ. Endangered Land ('04)	0.0582	0.0617	6.01%	\$263,425
PSJ/CanGroves Recreation MSTU	0.3394	0.3509	3.39%	\$6,804
N. Brevard Special Recreation Dist.	0.1841	0.2230	21.13%	\$139,713
Merritt Island Recreation MSTU	0.3144	0.3223	2.51%	\$75,645
S. Brevard Special Recreation Dist.	0.2456	0.2956	20.36%	\$1,387,219
Sub - Total Operating				\$6,748,325
Environ. Endangered Land ('04)	0.1036	0.0908	(12.36%)	(\$178,769)
PSJ/CanGroves Recreation MSTU	-	-		\$0
N. Brevard Special Recreation Dist.	0.6159	0.5770	(6.32%)	\$16,517
Merritt Island Recreation MSTU	0.4856	0.4777	(1.63%)	\$57,820
S. Brevard Special Recreation Dist.	0.3544	0.3044	(14.11%)	(\$382,671)
Sub - Total Debt Service				(\$487,103)
Total Operating and Debt Service				\$6,261,222

GENERAL GOVERNMENT HIGHLIGHTS

The significant issues affecting the General Government for the FY 2017-2018 adopted budget include the following:

General Government Current Ad Valorem Taxes and other Major Revenues increase by \$3,341,722 and \$1,669,892 respectively, when compared with FY 2016-2017. Balance Forward is anticipated to increase by \$2,251,609, however these increases are mitigated by decreases in other general fund revenue (\$1,842,856), which is primarily associated with a reduction in excess fees received from Charter Offices, shifting revenues associated with Planning and Zoning activities to the respective program, and an increase in the statutorily required five percent revenue offset.

Appropriations change accordingly, with the highest increase being allocated to Public Safety, Roads, and Infrastructure.

GENERAL GOVERNMENT SUMMARY OF REVENUES AND EXPENDITURES

	FY 2016-2017 Final Budget	FY 2017-2018 Adopted Budget	Variance	% Variance
REVENUE:				
General Fund Current Year Ad Valorem Taxes	139,917,925	143,259,647	\$3,341,722	2.39%
Half Cent Sales Tax	26,356,546	28,784,941	\$2,428,395	9.21%
State Shared Revenue	12,059,280	12,381,936	\$322,656	2.68%
FPL Franchise Fee	10,666,482	10,345,324	(\$321,158)	-3.01%
Communications Svc Tax	6,735,130	5,975,129	(\$760,001)	-11.28%
Other Operating Revenue	9,620,486	8,480,208	(\$1,140,278)	-11.85%
5% Statutory Reduction	(10,267,792)	(10,461,360)	(\$193,568)	1.89%
Balance Forward	22,438,526	24,690,135	\$2,251,609	10.03%
Non-Operating Revenue	6,863,981	6,354,971	(\$509,010)	-7.42%
TOTAL GENERAL GOV REVENUES:	224,390,564	229,810,931	5,420,367	2.42%
EXPENDITURES:				
Mandates	20,873,437	20,792,518	(80,919)	-0.39%
Charter Offices	104,731,117	105,788,247	1,057,130	1.01%
Court Operations	2,703,191	2,535,045	(168,146)	-6.22%
General Government Reserves	19,068,685	20,846,662	\$1,777,977	9.32%
General Government Debt	5,593,275	5,221,760	(\$371,515)	-6.64%
TIF Payments	7,586,596	7,817,071	\$230,475	3.04%
Public Safety, Roads & Infrastructure	19,789,899	22,759,417	2,969,518	15.01%
County Agency Transfers	44,044,364	44,050,211	5,847	0.01%
TOTAL GENERAL GOV EXPENDITURES	224,390,564	229,810,931	5,420,367	2.42%

ONGOING FOCUS AREAS

Unfunded Critical Needs

While the FY 2017-2018 adopted budget achieves progress in allocating funds to address some of Brevard County's most pressing issues including additional road maintenance and building repairs, there remains a significant backlog in unfunded critical needs throughout Brevard County.

In addition to the now funded annual resurfacing needs, other unfunded roadway maintenance and capacity concerns remain. The estimated unfunded cost to resolve the roadway reconstruction backlog is approximately \$86 million. Reoccurring sidewalk, traffic signal, signage, and drainage pipe replacement needs are estimated at \$2 million per year. Also, identified unfunded capacity needs are estimated at \$389 million.

During development of this budget, \$47.9 million in other unfunded critical needs were identified by departments and agencies. These necessary and urgent needs include additional road maintenance and reconstruction, equipment repair and replacement, facilities maintenance and repair, technology improvements, an Emergency Operations Center, and other various capital projects. These items are highlighted and detailed in the individual departments' trends and issues, capital outlay, and CIP sections.

Save Our Indian River Lagoon

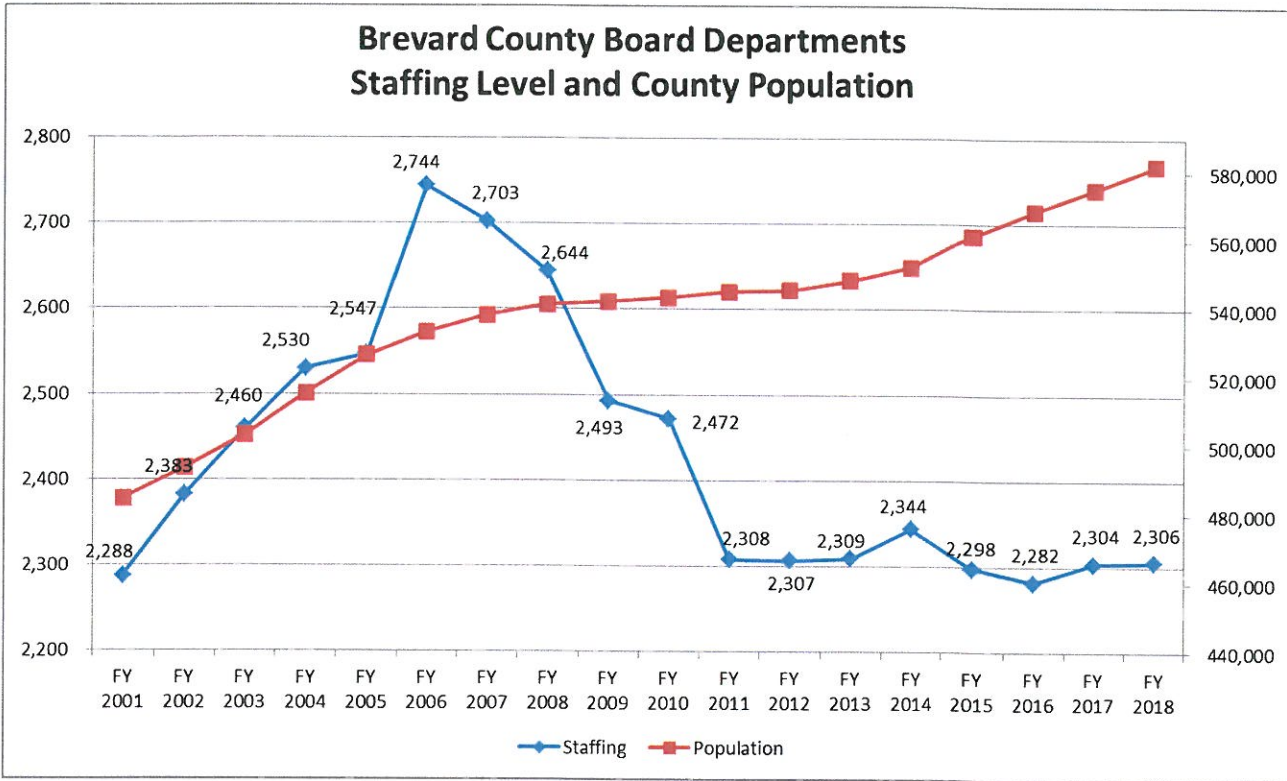
On November 8, 2016, Brevard County voters approved a referendum to impose a one half cent discretionary sales tax to implement the "Save Our Indian River Lagoon Project Plan," after a massive fish kill occurred in March, 2016. The plan outlines local projects to meet water quality targets and improve the health, productivity, aesthetic appeal and economic value of the lagoon. Measures have been taken to ensure transparency and fiscal stewardship of revenues received to fund this plan. The Save Our Indian River Lagoon Trust Fund has been established, guaranteeing that all funds received from the ½ cent sales tax are spent in accordance with the plan. A Citizen's Oversight Committee has also been formed to ensure compliance with the intent of the referendum.

Additional Homestead Exemption

During the recent legislative session, the Florida Legislature approved a constitutional amendment to place an additional \$25,000 homestead exemption on the ballot in 2018, which if passed may have long-term fiscal implications on future budgets. The Florida Association of Counties projected the revenue impacts to local governments. Assuming millage rates remain level, General Countywide tax revenues could decrease by \$7.3 million annually, and an additional \$4.8million decrease in revenue to Brevard County Dependent Special Districts and MSTUs.

Employee Compensation and Staffing

Science, Technology, Engineering and Math (STEM) positions continue to be among the most significant areas causing recruitment and retention challenges. To partially address this issue, and for other positions where recruitment and retention pose the most significant challenges, staff is continuing to develop career ladder initiatives within Board approved pay plans. It is also worthy to note that the gap between staffing levels compared to the County's growing population continues to increase as depicted by the following graph:



This increasing gap continues to place significant additional pressure on existing staff and their ability to meet increasing service demands, within existing resources, necessary to maintain current service levels.

Operational Efficiencies and Lean Six Sigma

In various ways, County staff has been focused on improving efficiencies to better serve the public and departmental customers, and to reduce costs. Improved building permit issuance performance is an example of this. The County issued over 18,000 permits in 2016 with an average three to four week turnaround time. In just six months of 2017, the County has issued over 11,000 permits with a turnaround time averaging less than one week. This and other efficiency gains are the result of improved technology as well as process improvements largely driven by the Lean Six Sigma initiatives.

FINANCIAL COMPOSITION

The County's annual budget is comprised of numerous funds which are categorized according to their function and organized within six different fund groups. The following briefly describes the services provided by these fund categories and the highlights included in the County's FY 2017-2018 Adopted Budget.

General Funds:

Description and Services - General Funds represent funds that can be used for any government purpose, and are not restricted. 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, maintenance of Roads and Bridges, Surveying Services, Parks and Recreation, University of Florida Extension Services, Family and Children Services, Veterans Services, Medicaid, Code Enforcement, Site Plan and Subdivision Review, Planning and Development, Law Library, 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. The General Funds also support service functions that benefit all County agencies, Charter Offices, and Courts. These include Facilities Management, Personnel, Purchasing and Contracts Administration, Budget, and Asset Management.

Revenues – The total revenues and other sources of funds in the County's FY 2017-2018 Adopted Operating and Capital Budget for the General Funds are \$270,485,551. This represents a \$1,747,497 increase, or 0.65 %, from the FY 2016-2017 Final Budget of \$268,738,054.

This increase is primarily due to an increase in General Government Revenues of \$5.4 million, which is the result of increases in the General Countywide Property Tax of \$3.3 million, as well as increases in Major Revenue of \$1.7 million and a Balance Forward of \$2.2 million. Increases are partially offset by a decrease in the South Parks fund of (\$2.3 million) due to funds associated with the South Brevard Special Recreation District being reclassified as Special Revenue, as well as a decrease in the 800 MHZ Operating Fund of (\$983K) due to progress associated with capital projects.

Special Revenue Funds:

Description and Services - 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 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, Emergency Medical Services, Law Enforcement's unincorporated area road patrol deputies, Court Operations, Tourism Development, the Merritt Island Redevelopment Agency (MIRA) and the North Brevard Economic Development Zone (NBEDZ).

Revenues – The total revenues and other sources of funds in the County's FY 2017-2018 Adopted Operating and Capital Budget for Special Revenue Funds are \$502,488,648. This represents a \$44,000,637 decrease, or (8.05%), from the FY 2016-2017 Final Budget of \$546,489,285.

This decrease is primarily due to a decrease in the LOGT Bonds fund of \$51.1 million due to the FY 2016-2017 LOGT bond refunding. The Grants Fund decreases \$19.2 million, while 4th Cent Tourist Tax Fund decreases by \$7.8 million due to funds being expended on Stadium renovations. These decreases are offset by an increase in the Save Our Indian River Lagoon Trust Fund of \$36.4 million due to anticipated increases in the ½ cent sales tax, as well as funds being brought forward for projects associated with the plan.

Debt Service Funds:

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

Revenues – The total revenues and other sources of funds in the County's FY 2017-2018 Adopted Operating and Capital Budget for Debt Service Funds are \$24,448,797. This represents a (\$188,777) decrease, or (0.77%), from the FY 2016-2017 Final Budget of \$24,448,797. This decrease is primarily due to the retirement of the 2009 Subordinate Sales Tax Bonds.

Capital Project Funds:

Description and Services - Capital Project Funds account for the financial resources that are restricted to capital projects. The majority of capital projects are funded through Enterprise Funds and Special Revenue Funds. Capital Project Funds are used to budget funds for the Emergency Management Office, Parks and Recreation, Facilities Management and Valkaria Airport.

Revenues – The total revenues and other sources of funds in the County's FY 2017-2018 Adopted Operating and Capital Budget for Capital Project Funds are \$7,019,806. This represents a (\$2,944,166) decrease, or (29.55%), from the FY 2016-2017 Final Budget of \$9,963,972. This decrease is primarily due to progress made in projects associated with the South Parks Referendum, (\$1.3 million), 800MHZ Improvements, (\$635K), Environmentally Endangered Lands, (\$443K), and the Valkaria Airport, (\$348K).

Enterprise Funds:

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

Revenues – The total revenues and other sources of funds in the County's FY 2017-2018 Adopted Operating and Capital Budget for Enterprise Funds are \$239,101,247. This represents a \$20,625,288 decrease, or (7.94%), from the FY 2016-2017 Final Budget of \$259,726,535. This decrease is primarily due to a decrease in the Solid Waste Collection Fund revenues of \$10.9 million due to Federal and State reimbursements for Hurricane Matthew debris collection being recognized in FY 2016-2017, as well as a decrease in the Utility Services Bond Project Fund of \$9.9 million due to the completion of projects.

Internal Service Funds:

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

Revenues – The total revenues and other sources of funds in the County's FY 2017-2018 Adopted Operating and Capital Budget for Internal Service Funds are \$127,160,310. This represents a \$7,032,923 increase, or 5.85%, from the FY 2016-2017 Final Budget of \$120,127,387. This increase is primarily due to increases in the Employee Benefits Fund of \$6.4 million and the Risk Management Fund of \$826K, due to favorable claims experience in FY 2016-2017.

Additional detail on the changes in funds can be found in the Summaries section and in the individual analyses provided in this budget book.

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BUDGET BY AGENCY

The following information is being provided to communicate the change from the FY 2016-17 Final Budget to the FY 2017-2018 Adopted Budget by agency. A more detailed explanation of the changes may be found in the FY 2017-2018 Adopted Budget Book in the respective agency section.

Board Departments:

Board of County Commissioners (Combined Offices): The Board of County Commissioners, as established by the County Charter, is elected by the citizens to serve as the policy making and legislative body for Brevard County, Florida. The FY 2017-2018 Adopted Budgets of the five Commission Offices and the common appropriations for all offices total \$1,623,098, a 0.29% increase, or \$4,711.

Budget Office: The Budget Office administers the fiscal management and budget development for the Board of County Commissioners. The FY 2017-2018 Adopted Budget is \$586,422, a 0.88% decrease, or (\$5,226).

Central Services Office: The Central Services Office provides customer service to county departments and agencies, ensuring the best value and most efficient performance of asset management, fleet services and purchasing services. The FY 2017-2018 Adopted Budget is \$4,790,705, a 0.84% decrease, or (\$40,612).

County Attorney's Office: The County Attorney acts as legal advisor to, and representative of, the Board of County Commissioners, and those agencies under its jurisdiction. The FY 2017-2018 Adopted Budget is \$1,601,492, a 4.21% increase, or \$64,671.

County Manager's Office: The County Manager provides organizational leadership to effectively and efficiently implements County Commission policies and directives, manage available resources to achieve missions and proposed outcomes, and facilitate visioning for enhancing and ensuring Brevard's quality of life. The FY 2017-2018 Adopted Budget is \$1,104,943, a 2.94% increase, or \$31,585.

Emergency Management Office: The Emergency Management Office protects the public through an organized preparedness and response to natural and manmade disasters. The FY 2017-2018 Adopted Budget is \$13,490,804, a 11.04% decrease, or (\$1,673,663).

Fire Rescue Department: The Fire Rescue Department safeguards properties through firefighting and educational programs, and supports the health and safety of citizens through engine and ambulance responses, hazardous material responses, and beach lifeguards. The FY 2017-2018 Adopted Budget is \$65,871,663, a 5.39% decrease, or (\$3,751,878).

General Government Services: General Government Services is comprised of: **Operations**, which represents the collections of the general revenues of the County and the transfer of these revenues to the front-line service agencies or the expenditures of funds that are not within the responsibility of any specific agency. The FY 2017-2018 Adopted Budget is \$72,236,174, a 5.19% increase, or \$3,566,242; **Long-Term Debt**, represents the County debt obligations funded by general revenues. For FY 2017-2018, the Adopted Budget is \$6,880,134, a 2.36% decrease, or (\$166,569); **Mandates** represents those services or programs that the County is required to provide per state or federal directives for which general revenue funding is needed. For FY 2017-2018, the Adopted Budget is \$20,945,045, a 0.39% decrease, or (\$81,189).

Housing and Human Services Department: The Housing and Human Services Department contributes to Brevard County's quality of life by assisting citizens in meeting their health, social, and housing needs. The FY 2017-2018 Adopted Budget is \$20,645,618, a 7.40% decrease, or (\$1,650,900).

Human Resources Office: The Human Resources Office assists County agencies in selecting, training and retaining qualified employees, administers the County's insurance programs and provides risk management services. The FY 2017-2018 Adopted Budget is \$120,921,532, a 6.41% increase, or \$7,279,491.

Information Technology Department: The Department meets the information and communication needs of the Board of County Commissioners, Charter, and Court Officers. The Department's FY 2017-2018 Adopted Budget is \$6,938,854, a 2.84% decrease, or (\$203,045).

Library Services Department: The Library Services Department supports lifelong independent learning and is a center for community and cultural activities to enrich the quality of life of Brevard County citizens. The FY 2017-2018 Adopted Budget is \$27,397,849, a 2.77% increase, or \$739,084.

Mosquito Control Department: The Mosquito Control Department protects public health through effective and environmentally safe methods of mosquito and aquatic plant control. The FY 2017-2018 Adopted Budget is \$9,713,403, a 4.54% increase, or \$421,540.

Natural Resources Management Office: The Natural Resources Management Office promotes sustainable and balanced economic and ecologic stewardship of Brevard County's shared natural resources through cost effective and science-based management. The FY 2017-2018 Adopted Budget is \$98,267,347, an 21.42% increase, or \$17,332,444.

Parks and Recreation Department: The Parks and Recreation Department contributes to the quality of life in Brevard County by providing leisure activities reflecting the interest and values of its citizens and visitors. The FY 2017-2018 Adopted Budget is \$64,073,048, a 3.74% decrease, or (\$2,486,049).

Planning and Development Department: The Planning and Development Department enhances the citizens' quality of life through the review of new development compliance with building, environmental health and land development codes. The FY 2017-2018 Adopted Budget is \$41,999,434, a 5.01% increase, or \$2,003,104.

Public Works Department: The Public Works Department enhances Brevard County's quality of life by planning and implementing projects and services that create and maintain a comprehensive transportation and facilities infrastructure. The FY 2017-2018 Adopted Budget is \$157,606,462, a 21.40% decrease, or (\$42,905,958).

Solid Waste Management Department: The Solid Waste Management Department protects public health by providing an efficient and environmentally sound Solid Waste Management system for the County's customers. The FY 2017-2018 Adopted Budget is \$102,937,675, a 7.36% decrease, or (\$8,173,128).

Space Coast Government Television (SCGTV): SCGTV provides information about government services and accomplishments, as well as emergency information through the SCGTV cable-access government channel, the internet, the news and electronic social media. The FY 2017-2018 Adopted Budget is \$290,309, a 3.64% decrease, or (\$10,970).

Tourism Development Office: The Tourism Development Office enhances the local economy by expanding visitor expenditures and creating jobs. The FY 2017-2018 Adopted Budget is \$35,833,404, a 29.73% decrease, or (\$15,157,595).

Transit Services Department: The Transit Services Department provides quality transportation services that meet the mobility needs of the public and enhance the quality of life of the community. The FY 2017-2018 Adopted Budget is \$25,195,911, a 21.97% increase, or \$4,538,971.

University of Florida Brevard County Extension Service Office: The University of Florida Brevard County Extension Service Office improves the quality of life through family and consumer educational programs; provides leadership to agriculture enterprises in natural resources management by promoting good management practices, water quality improvement, and environmental and conservation education. The FY 2017-2018 Adopted Budget is \$935,703, a 0.11% decrease, or (\$995).

Utility Services Department: The Utility Services Department provides for the protection of the public health through the operation and maintenance of the County-owned water supply, treatment and distribution system and the County-owned wastewater collection, treatment and disposal system. The FY 2017-2018 Adopted Budget is \$102,560,259, a 14.41% decrease, or (\$17,266,948).

Valkaria Airport: Valkaria Airport provides a safe, well-maintained General Aviation Airport facility for use by the public for recreational activities. The FY 2017-2018 Adopted Budget is \$8,802,509, a 33.88% increase, or \$2,227,389.

Charter Officers:

Clerk to the Board: The County's budget contains data only related to the Board's funding of the Clerk's budget. This reflects the funding of Board Finance and Board Minutes. The FY 2017-2018 Adopted Budget is \$2,070,000, a 1.47% 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 FY 2017-2018 Adopted Budget is \$2,032,068, a 3.13% decrease, or (\$65,757).

Sheriff's Office: The FY 2017-2018 Sheriff's Office Adopted Budget is \$125,214,110, a 0.99% decrease, or (\$1,255,721).

Supervisor of Elections: The Supervisor of Elections' FY 2017-2018 Adopted Budget is \$5,100,084, an 6.40% decrease or (\$348,992).

Tax Collector: The Tax Collector Office is required by Florida statutes to submit a budget for review and approval by the Florida Department of Revenue on August 1st of each year. The FY 2017-2018 Adopted Budget is \$2,822,950, a 2.71% increase, or \$74,542.

Court Operations:

Judicial Branch Administration: Judicial Branch Administration supports the operation of the courts of the 18th Judicial Circuit. The FY 2017-2018 Adopted Budget is \$481,486, an 11.99% increase, or \$51,538.

Judicial Support: Judicial Support represents the costs associated with the operation of the courts of the 18th Judicial Circuit which are not assigned to a specific court officer or other operating agency. The FY 2017-2018 Adopted Budget is \$4,399,614, a 0.60% increase, or \$26,050.

Law Library: The Law Library provides and maintains legal research materials that assist in expediting matters before the courts, and provides legal research materials for the judges and officers of the county and circuit courts, attorneys, and the public. The FY 2017-2018 Adopted Budget is \$377,587, a 1.40% increase, or \$5,226.

State Attorney's Office: The Board of County Commissioners provides certain support costs for the State Attorney's Office as required by law. The FY 2017-2018 Adopted Budget is \$262,719, a 39.43% decrease, or (\$171,041).

Outside Agencies:

Melbourne-Tillman Water Control District: The FY 2017-2018 Adopted Budget is \$4,449,127, a 6.97 % decrease, or (\$333,384.)

Merritt Island Redevelopment Agency (MIRA): The Merritt Island Redevelopment Agency's mission is to redevelop the district in order to correct deficient public infrastructure, provide a blueprint for future growth, to promote and recruit businesses into the district, and to partner with the private sector to renovate or rebuild areas in structural decline. The FY 2017-2018 Adopted Budget is \$2,271,838, a 34.69% decrease, or (\$1,206,582).

North Brevard Economic Development Zone (NBEDZ): The NBEDZ seeks to facilitate economic development activities through targeted investments that directly and demonstrably result in the creation and/or retention of quality employment, thereby increasing overall employment in northern Brevard County and aiding in the long-term expansion of the tax base. The FY 2017-2018 Adopted Budget is \$3,275,565, a 21.87% decrease, or (\$917,143).

Titusville-Cocoa Airport Authority: The Titusville-Cocoa Airport Authority (TICO) FY 2017-2018 Adopted Budget is \$2,558,265, a 3.71% increase, or \$91,526.

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 FY 2017-2018 Adopted Budget is \$2,139,149, a 23.48% increase, or \$406,783.

CONCLUSION

The FY 2017-2018 adopted balanced budget represents a fiscally responsible spending plan that is consistent with Florida Statute, Brevard County Charter, and the Board's public policy direction. Significant effort has been made to allocate funding to the Board's highest priority goals. This budget has been designed to be user friendly, providing a clear understanding of how the public's funds are expended to best serve the citizens and visitors of Brevard County.

I would like to recognize the Budget Office staff, Assistant County Managers, Department and Office Directors and their management and financial personnel for their diligent efforts in developing t the FY 2017-2018 Adopted Budget.

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