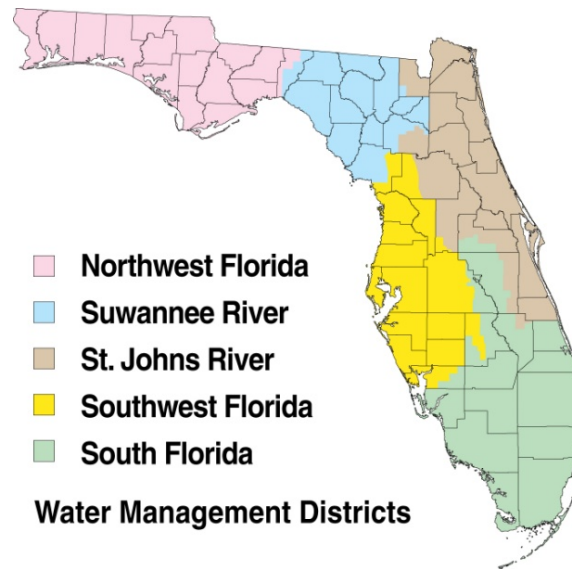


# SFWMD Fiscal Year 2016-17 Budget Update

## Standard Format Tentative Budget

August, 2016



# Budget in Brief

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- ✓ **Tentative Fiscal Year 2016-17 budget \$34.6M or 5% higher than January Preliminary Submission**
- ✓ **Increases primarily due to:**
  - State Revenues increased \$21.7million
  - District Revenues increased \$2.1 million
  - Federal Revenues increased \$1.2 million
  - Designated reserves increased \$9.0 million
  - Local Revenues increased \$0.6 million



# Budget in Brief

## ✓ Revenues

- Ad Valorem Taxes \$269.5M or 37% of sources
  - Governing Board adopted rolled-back millage rates (no tax increase) in July
  - Ad Valorem tax revenue is \$1.4M higher than preliminary due to new construction
- State Sources \$253.2M or 35%
- Reserves without Restriction \$56.6M or 8% of sources
  - Includes Restoration Strategies of \$14.1M
  - Lake Hicpochee Hydrologic Enhancement of \$9.8M
  - Cooperative Funding of \$9.0M
  - CFWI Funding of \$3.2M
- Reserves with Restriction \$78.9M or 11%
  - Includes Hurricane/Emergency Reserve of \$60.0M
  - Lakebelt/Wetland Mitigation \$13.8M

# Budget in Brief

## ✓ Use of 2016 Legislative Session State Revenues

- Everglades \$131.5 million
  - Restoration Strategies \$32 million
  - C-44 Reservoir/STA \$60 million
  - C-43 West Storage Reservoir \$37 million
  - CERP Planning & Design \$2.5 million\*
- Land Acquisition \$27.7 million
  - Lake Hicpochee North \$16.9 million
  - Biscayne Bay Coastal Wetlands \$5.8 million
  - Picayune Strand \$5 million

*\*Received \$469,460 prior to October 1 through budget amendment*

## Budget in Brief

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- ✓ **Use of 2016 Legislative Session State Revenues (continued)**
  - Northern Everglades \$9 million (continue Lakeside Ranch Phase II)
  - Alligator Alley Tolls \$7 million
  - Dispersed Water Management (existing operations) \$5 million
  - Land Management \$3.85 million
  - C-51 Activities \$2 million
  - Dispersed Water Management (new capital improvements) \$47.8 million
    - 1590A Implement Northern Everglades and Estuaries Protection Program

# Budget in Brief

## ✓ Expenditures

- Commitment to Governor's Restoration Strategies Initiative - \$54.1M
- Highlights include:
  - \$23.0 million to increase capacity at Stormwater Treatment Area (STA) 1 West
  - \$12.8 million for Bolles Canal (G-341)-related conveyance improvements construction
  - \$8.3 million for future land acquisition needs on STA1-W Expansion 2
  - \$6.2 million to continue implementation of the Science Plan to help improve the water cleaning performance of the STAs

# Budget in Brief

## ✓ Expenditures

- \$55.9 million for continued refurbishment of South Florida's flood control system
- \$67.8 million to benefit the Caloosahatchee River and Estuary, including continuing construction of the massive Caloosahatchee River (C-43) Reservoir to ensure enough water flow to the river during dry months
- \$60.3 million for construction progress on the C-44 Reservoir and STA allowing the storage and treatment of local runoff headed for the St. Lucie Estuary in Martin County
- \$17.6 million to continue construction progress towards Lakeside Ranch STA phase II
- \$4 million to increase pumping capacity at S-199 and S-200 pump stations
- \$9 million in cooperative funding to promote environmental, resource and community benefits through stormwater management, alternative water supply and conservation construction projects

# Budget in Brief

## ✓ Legislative Thresholds

- A single land purchase > \$10 million, except land exchanges
  - \$27.7M appropriated during 2016 Legislative Session
    - Lake Hicpochee - \$16.9M
    - Biscayne Bay Coastal Wetlands - \$5.8M
    - Picayune Strand Restoration - \$5M
- No cumulative land purchase during one FY > \$50 million
- No issuance of debt planned
  - Advance refund of District's series 2006 COPs by issuing the series 2015 refunding of COPs, resulting in a \$98.9M savings over the remaining life of the debt
- Outreach & Management/Administration < 15% of total annual budget
  - Totals \$37M or 5.1%
- Individual program variances > 25% between preliminary and tentative submissions
  - Outreach reduction of 47% - Work performed by staff categorized as Outreach more appropriately belonged in Administrative Support (6.1.4)



# Budget in Brief

## ✓ Cost Savings, Efficiencies, and Avoidance Initiatives

- Positions eliminated over five years from Fiscal Year 2011-12 to 2016-17
  - 458 FTE positions
  - 122 full-time contract workers
- Refinancing outstanding COP debt service-estimated savings of \$4.1M per year
- New Works updated timeline and estimates
- Elimination of Tax Payments to 298 Districts
- Insurance Premium Reductions from Deductible Updates (Property)
- Reduction of District Contribution for Health Insurance Premiums for Managers – alignment with State Managers contribution schedule
- District Contribution for Retirees (under review)
- Reduction of Pre-Employment Physicals to Specified Labor Force Positions Only
- Fleet size reduced by 174 over five years from Fiscal Year 2011-12 to 2016-17
- Reduced Information Technology budget by \$652,348 by eliminating contractors, software maintenance, and reducing the number of licenses
- Leasing available space in District offices resulting in more than \$745K in revenue

# Updated Ad Valorem Estimates (in Millions)

10

<b>Ad Valorem Revenue Category</b>	<b>Fiscal Year 2016-2017 Preliminary</b>	<b>Fiscal Year 2016-2017 Preliminary</b>	<b>Variance</b>
Baseline	\$264.3	\$264.7	\$0.4
New Construction	\$3.8	\$4.8	\$1.0
<b>Total</b>	<b>\$268.1</b>	<b>\$269.5</b>	<b>\$1.4</b>

# Ad Valorem Trend

<b>Budgeted Revenue (Discounted)</b>	<b>Fiscal Year 2014-15</b>	<b>Fiscal Year 2015-16</b>	<b>Fiscal Year 2016-17</b>
<b>Baseline Revenue</b>	<b>\$266.6</b>	<b>\$265.9</b>	<b>\$266.9</b>
<b>Change in Baseline (Due to Value Adjustment Board Activity)</b>	<b>(\$3.5)</b>	<b>(\$2.9)</b>	<b>(\$2.2)</b>
<b>Updated Baseline</b>	<b>\$263.1</b>	<b>\$263.0</b>	<b>\$264.7</b>
<b>New Construction</b>	<b>\$2.8</b>	<b>\$3.8</b>	<b>\$4.8</b>
<b>Total</b>	<b>\$265.9</b>	<b>\$266.9</b>	<b>\$269.5</b>

# Adopted Millage Rates – Current Rolled-Back Rate Calculations

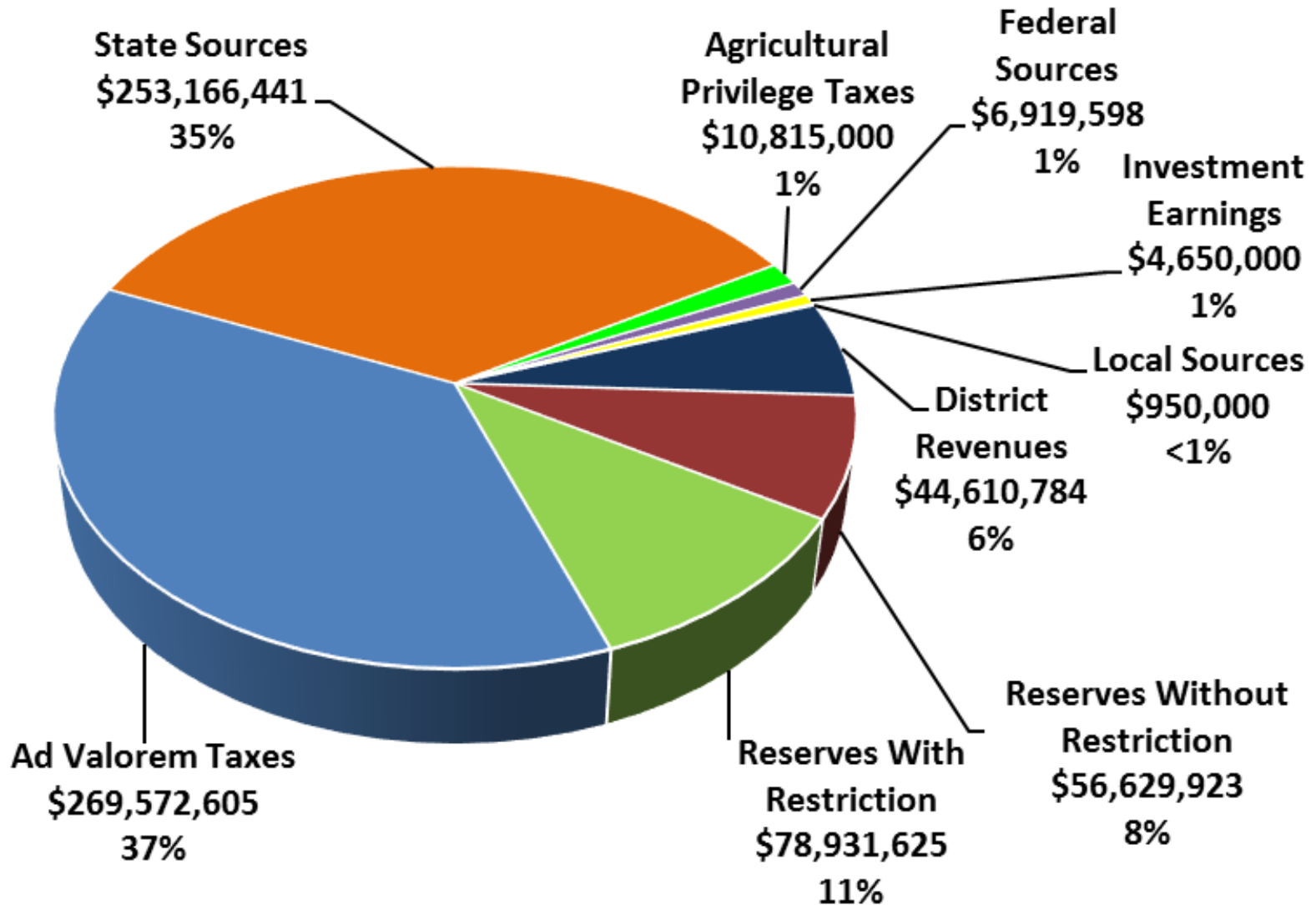
<b>Millage Rate</b>	<b>Fiscal Year 2015-16 Adopted</b>	<b>Fiscal Year 2016-17 Rolled-Back</b>	<b>Recommended</b>	<b>% Change from Rolled Back</b>	<b>Change from Fiscal Year 2015-16 Adopted</b>
<b>District-wide</b>	<b>0.1459</b>	<b>0.1359</b>	<b>0.1359</b>	<b>0.00%</b>	<b>(0.0100)</b>
<b>Okeechobee Basin</b>	<b>0.1586</b>	<b>0.1477</b>	<b>0.1477</b>	<b>0.00%</b>	<b>(0.0109)</b>
<b>Everglades Construction Project</b>	<b>0.0506</b>	<b>0.0471</b>	<b>0.0471</b>	<b>0.00%</b>	<b>(0.0035)</b>
<b>Total Okeechobee Basin</b>	<b>0.3551</b>	<b>0.3307</b>	<b>0.3307</b>	<b>N/A</b>	<b>(0.0244)</b>

# Adopted Millage Rates – Current Rolled-Back Rate Calculations

<b>Millage Rate</b>	<b>Fiscal Year 2015-16 Adopted</b>	<b>Fiscal Year 2016-17 Rolled-Back</b>	<b>Recommended</b>	<b>% Change from Rolled Back</b>	<b>Change from Fiscal Year 2015-16 Adopted</b>
<b>District-wide</b>	<b>0.1459</b>	<b>0.1359</b>	<b>0.1359</b>	<b>0.00%</b>	<b>(0.0100)</b>
<b>Big Cypress Basin</b>	<b>0.1429</b>	<b>0.1336</b>	<b>0.1336</b>	<b>0.00%</b>	<b>(0.0093)</b>
<b>Total Big Cypress Basin</b>	<b>0.2888</b>	<b>0.2695</b>	<b>0.2695</b>	<b>N/A</b>	<b>(0.0193)</b>

# Fiscal Year 2016-17 Tentative Budget

Revenues \$726,245,976



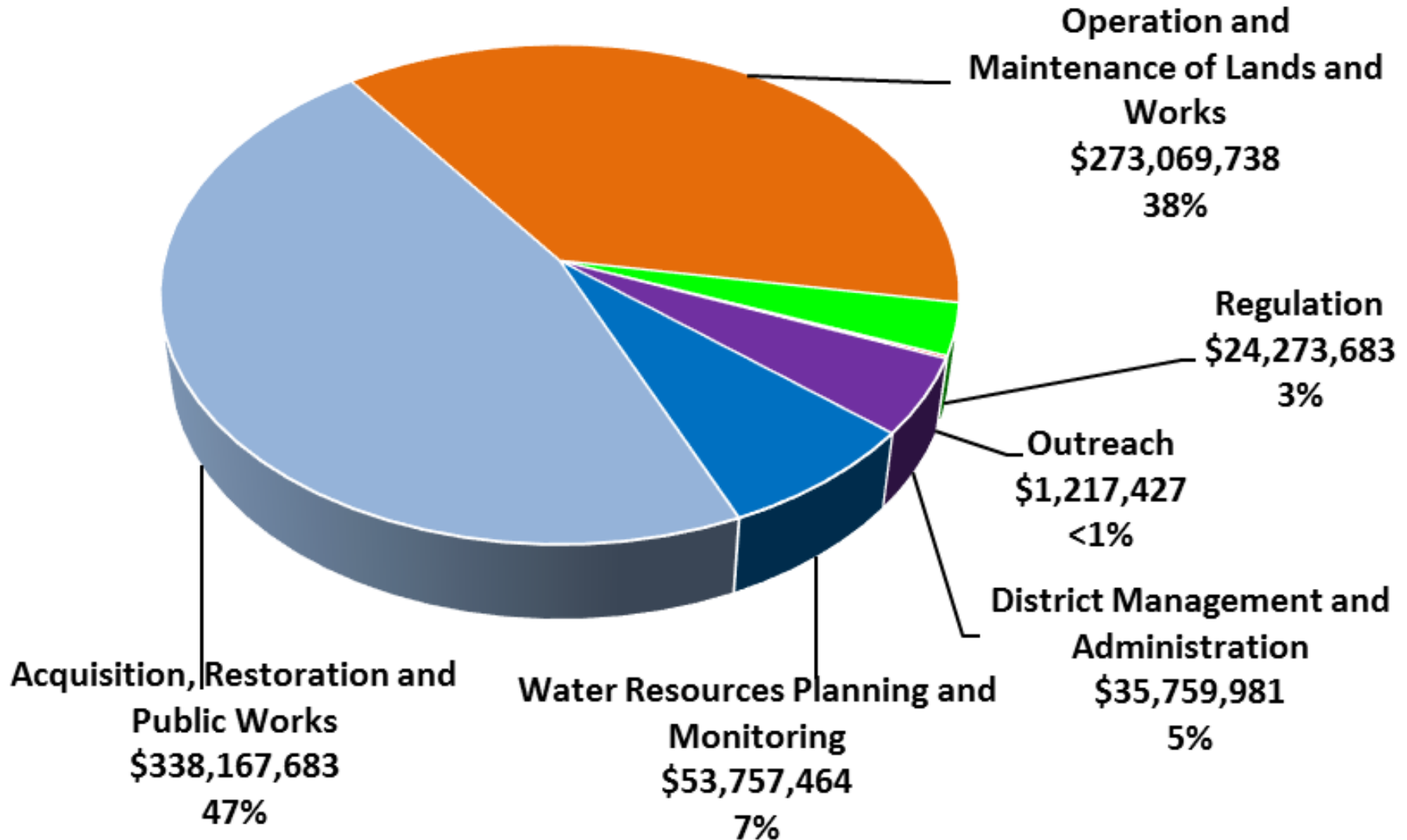
# Fiscal Year 2016-17

## Preliminary to Tentative Variance - Revenue

Revenue Category	Fiscal Year 2016-17 Preliminary	Fiscal Year 2016-17 Tentative	Variance
Ad Valorem	\$268,147,973	\$269,572,605	\$1,424,632
Agricultural Privilege Taxes	\$10,950,000	\$10,815,000	(\$135,000)
Other District Revenue	\$44,830,965	\$44,610,784	(\$220,181)
Investment Earnings	\$3,650,000	\$4,650,000	\$1,000,000
Local Sources	\$330,000	\$950,000	\$620,000
State Sources	\$231,459,570	\$253,166,441	\$21,706,871
Federal Sources	\$5,736,741	\$6,919,598	\$1,182,857
Reserves – Without Restrictions	\$27,464,860	\$56,629,923	\$29,165,063
Reserves – With Restrictions	\$99,072,695	\$78,931,625	(\$20,141,070)
<b>Total Revenues</b>	<b>\$691,642,804</b>	<b>\$726,245,976</b>	<b>\$34,603,172</b>

# Fiscal Year 2016-17 Tentative Budget

Expenditures \$726,245,976





# Fiscal Year 2016-17

## Preliminary to Tentative Variance – by State Program

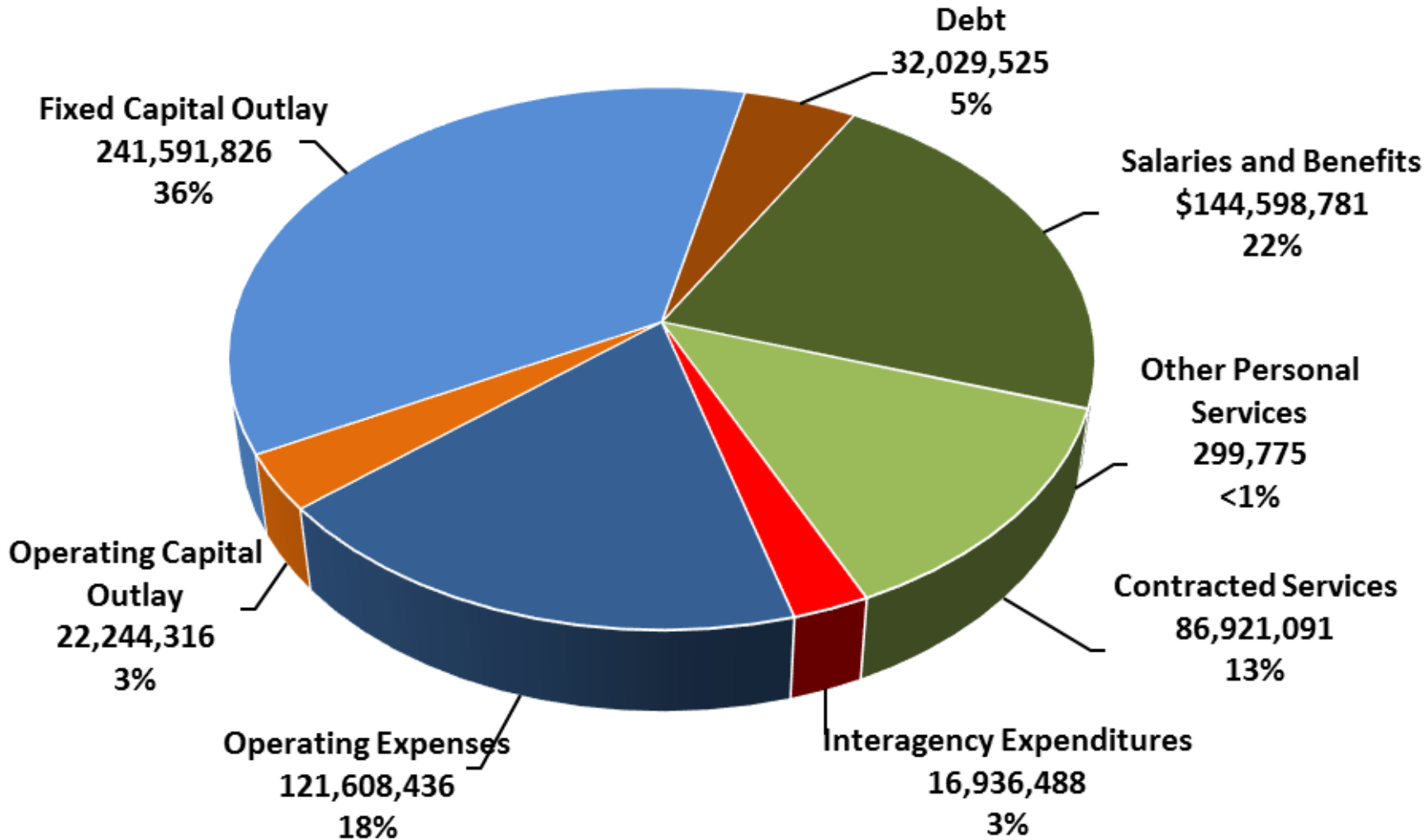
17

Program	Preliminary	Tentative	Change	% Change
Water Resources Planning and Monitoring	\$45,307,155	\$53,757,464	\$8,450,309	18.65%
Acquisition, Restoration and Public Works	\$322,319,087	\$338,167,683	\$15,848,596	4.92%
Operation and Maintenance of Lands and Works	\$263,421,610	\$273,069,738	\$9,648,128	3.66%
Regulation	\$24,287,276	\$24,273,683	(\$13,593)	-0.06%
Outreach	\$2,293,970	\$1,217,427	(\$1,076,543)	-46.93%
District Management and Administration	\$34,013,706	\$35,759,981	\$1,746,275	5.13%
<b>Total</b>	<b>\$691,642,804</b>	<b>\$726,245,976</b>	<b>\$34,603,172</b>	<b>5.00%</b>

Outreach & District Management and Administration = 5.0% of Tentative Budget

# Fiscal Year 2016-17 Tentative Budget

## Expenditures \$726,245,976



# Fiscal Year 2016-17 Preliminary to Tentative Variance – by Expense Category

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Expense Category	Preliminary	Tentative	Change	% Change
Salaries and Benefits	\$139,438,287	\$144,598,781	\$5,160,494	3.70%
Other Personal Services	\$253,263	\$299,775	\$46,512	18.37%
Contracted Services	\$30,509,602	\$86,921,091	\$56,411,489	184.90%
Interagency Expenditures	\$7,261,706	\$16,936,488	\$9,674,782	133.23%
Operating Expenses	\$116,112,564	\$121,608,436	\$5,495,872	4.73%
Operating Capital Outlay	\$17,772,952	\$22,244,316	\$4,471,364	25.16%
Fixed Capital Outlay	\$285,136,266	\$241,591,826	(\$43,544,440)	-15.27%
Debt	\$35,142,426	\$32,029,525	(\$3,112,901)	-8.86%
Reserves	\$60,015,738	\$60,015,738	\$0	0.00%
<b>Total</b>	<b>\$691,642,804</b>	<b>\$726,245,976</b>	<b>\$34,603,172</b>	<b>5.00%</b>

## \$306.3 Million Reserves Spend Down Summary

20

- The following two slides show a list of the reserves with and without restrictions.
- The reserves without restriction (\$153.7 million) is broken out into “existing” and “proposed.”
- The “existing” are projects that have been on the reserves spend down plan. The “proposed” are new proposed usages of the additional reserves.
- There remains a \$21 million “future project” balance available for allocation.
- The reserves with restrictions (\$152.6 million) are detailed according to their allowable usages. This includes the \$60 million hurricane/emergency reserve that will be reallocated yearly and remain available, if not used.
- All reserves are subject to amendment based on Governing Board decisions.



**\$306.3 Million Reserves Spend Down Summary**

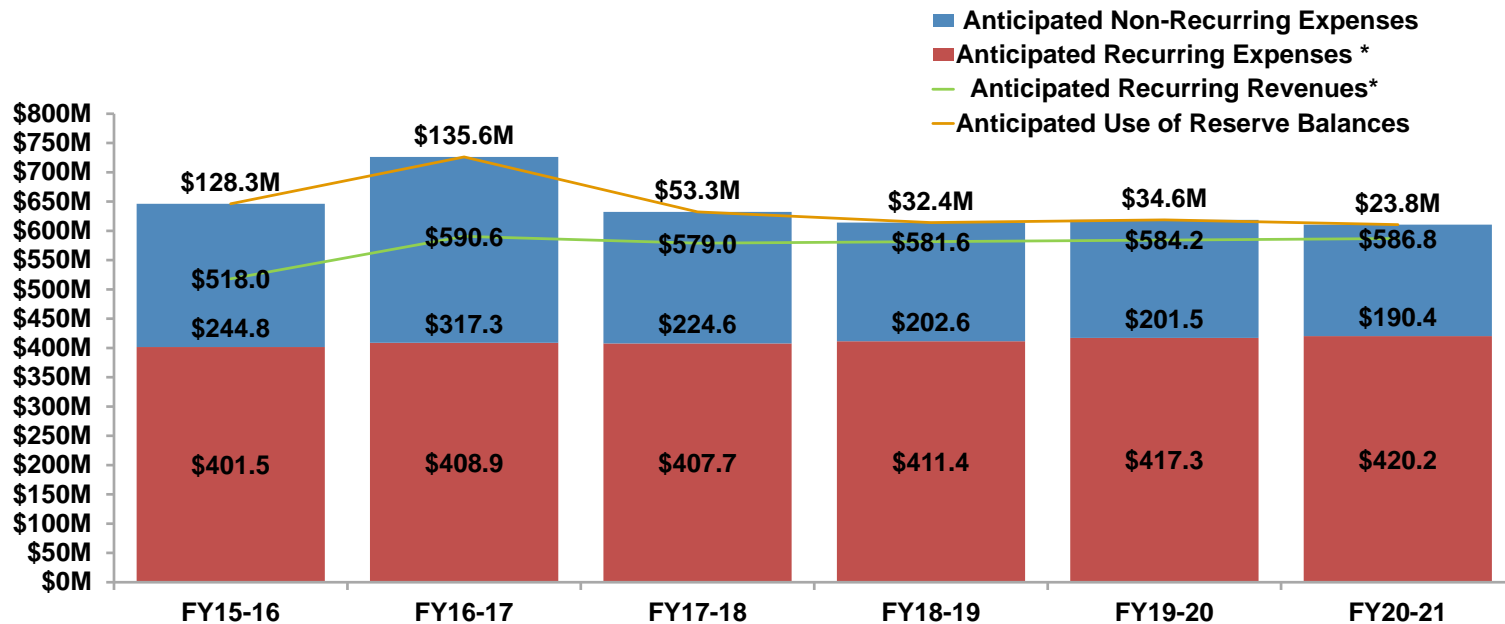
21

	Description	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Remaining Balance	Total
1	<b>Reserves Without Restrictions - Existing</b>							
2	Restoration Strategies	\$14,071,043	\$33,228,600	\$11,366,747	\$10,588,445			\$69,254,835
3	Lake Hicpochee Hydrologic Enhancement	\$9,773,686						\$9,773,686
4	Cooperative Funding Program	\$9,000,000						\$9,000,000
5	Central Florida Watershed Initiative (CFWI)	\$3,080,649						\$3,080,649
6	Tax Collector & Property Appraiser Fees	\$2,716,308						\$2,716,308
7	Everglades Restoration	\$828,077	\$350,000	\$95,000				\$1,273,077
8	C-43 WQ Testing Facility (BOMA)	\$430,941						\$430,941
9	Land Management	\$90,500						\$90,500
10	NEEPP Source Control	\$30,000						\$30,000
11	NEEPP & EFA Source Controls	\$20,000	\$40,000	\$120,000				\$180,000
12	Budget Stabilization						\$5,589,905	\$5,589,905
13	<b>Reserves Without Restrictions - Existing Total</b>	<b>\$40,041,204</b>	<b>\$33,618,600</b>	<b>\$11,581,747</b>	<b>\$10,588,445</b>		<b>\$5,589,905</b>	<b>\$101,419,901</b>
14	<b>Reserves Without Restrictions - Proposed</b>							
15	Lakeside Ranch STA Phase II	\$7,500,000						\$7,500,000
16	S-199/S-200 Pump Capacity Increase	\$4,000,000						\$4,000,000
17	C-111 South Dade Study	\$3,000,000						\$3,000,000
18	Heavy Equipment Replacement	\$1,050,719						\$1,050,719
19	IRL National Estuary Program Projects	\$500,000	\$500,000	\$500,000	\$500,000			\$2,000,000
20	NEEPP Support (Outside Counsel)	\$250,000						\$250,000
21	Central Florida Watershed Initiative - SFWMD share of Outreach, Technical Editing, Bureau of Economic & Business Research)	\$120,000						\$120,000
22	Caloosahatchee Statement of Estimated Regulatory Costs	\$60,000						\$60,000
23	Caloosahatchee Minimum Flows & Levels (MFLs) Peer Review	\$60,000						\$60,000
24	IRL Seagrass Monitoring	\$28,000						\$28,000
25	Kissimmee Statement of Estimated Regulatory Costs	\$20,000						\$20,000
26	Future Land Management		\$682,172	\$568,377				\$1,250,549
27	Future O&M New Works			\$1,327,021	\$5,082,158	\$5,440,907		\$11,850,086
28	Future Projects						\$21,092,982	\$21,092,982
29	<b>Reserves Without Restrictions - Proposed Total</b>	<b>\$16,588,719</b>	<b>\$1,182,172</b>	<b>\$2,395,398</b>	<b>\$5,582,158</b>	<b>\$5,440,907</b>	<b>\$21,092,982</b>	<b>\$52,282,336</b>
30	<b>Without Restrictions Total</b>	<b>\$56,629,923</b>	<b>\$34,800,772</b>	<b>\$13,977,145</b>	<b>\$16,170,603</b>	<b>\$5,440,907</b>	<b>\$26,682,887</b>	<b>\$153,702,237</b>

# \$306.3 Million Reserves Spend Down Summary (Continued)

	Description	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Remaining Balance	Total
31	<b>Reserves With Restrictions</b>							
32	<b>Hurricane/Emergency Reserves*</b>	\$60,015,738	*	*	*	*	*	\$60,015,738
33	Mitigation - Lakebelt/Wetland	\$13,798,354	\$9,947,082	\$9,947,082	\$9,947,082	\$9,947,082		\$53,586,680
34	Big Cypress Basin Fund Balance	\$2,033,961	\$2,173,129	\$2,173,129	\$2,173,129	\$2,173,129		\$10,726,475
35	COPS Debt Service	\$974,057						\$974,057
36	ISF - Internal Service Funds	\$626,262	\$2,668,323	\$2,668,323	\$2,668,323	\$2,668,323		\$11,299,553
37	Everglades Restoration (Alligator Alley Tolls, Everglades License Tag)	\$623,190	\$193,363	\$173,674	\$173,674	\$173,674		\$1,337,576
38	Land Management (Lease Revenue)	\$401,759	\$2,403,053	\$2,343,665	\$2,343,665	\$2,343,665		\$9,835,807
39	BOMA Improvements (Cost to Cure; Surplus Land Sales Rev)	\$316,300						\$316,300
40	Indian River Lagoon Estuarine Projects (IRL Tag)	\$92,004	\$15,981					\$107,985
41	L-31 East Flow Way	\$50,000	\$370,519	\$370,518	\$370,518	\$370,518		\$1,532,071
42	Future Land Acquisition (Surplus Land Sales Revenues)		\$729,680	\$729,277	\$729,277	\$729,277		\$2,917,512
43	<b>Reserves With Restrictions Total</b>	<b>\$78,931,625</b>	<b>\$18,501,129</b>	<b>\$18,405,667</b>	<b>\$18,405,667</b>	<b>\$18,405,667</b>		<b>\$152,649,754</b>
44	<b>Grand Total</b>	<b>\$135,561,548</b>	<b>\$53,301,901</b>	<b>\$32,382,812</b>	<b>\$34,576,270</b>	<b>\$23,846,574</b>	<b>\$26,682,887</b>	<b>\$306,351,991</b>
	<b>* Assumes Hurricane/Emergency Reserves are re-appropriated each fiscal year unless needed</b>							

# Long-Term Funding Plan of Anticipated Revenues and Expenses



**Reserves Remaining:**

Projected Reserves without Restrictions Surplus/(Deficit)	\$147.0M	\$97.0M	\$62.2M	\$48.2M	\$32.0M	26.6M**
Projected Reserves with Restrictions Surplus/(Deficit)	\$152.6M	\$73.7M	\$55.2M	\$36.8M	\$18.4M	\$0.0M
Total Projected Surplus/(Deficit) - Excluding Non-Spendable	\$299.6M	\$170.7M	\$117.4M	\$85.0M	\$50.4M	26.6M**

As illustrated in the graph above, District Reserves are primarily directed toward the completion of priority projects. The District's future outlook is fiscally sound.

\* Anticipated recurring revenues & expenses increase illustrated in the above table assumes no tax increase. The growth in recurring revenues is from New Construction and dedicated to the Governor's Restoration Strategies.

\*\*Assumes Hurricane/Emergency Reserves of \$60 million will be re-appropriated within each Fiscal Year and remain available in addition to the \$26.6 million, unless needed.

# Next Steps

24

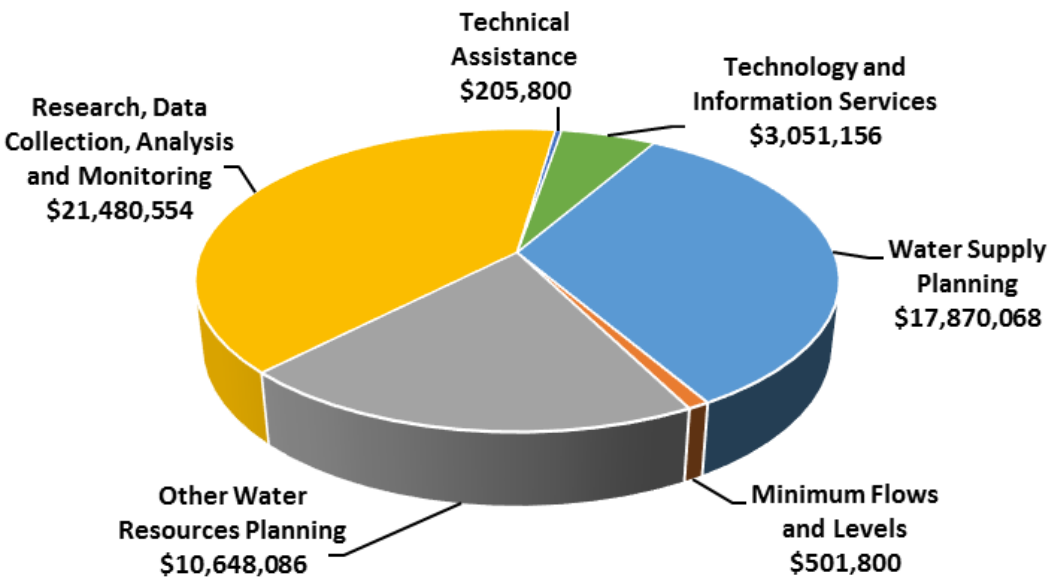
- **August 25**
  - Big Cypress Basin millage rate and budget finalized
- **September 5**
  - Comments due on tentative submission
- **September 8**
  - Public hearing to adopt tentative millage rates, budget and agricultural privilege tax roll
- **September 20**
  - Public hearing to adopt final millage rates and budget
- **September 30**
  - Statutory submittal of adopted budget within 10 days



# Additional Information

## Program Pie Charts

# Water Resources Planning and Monitoring - \$53,757,464



### District Water Management Planning (\$29.0M)

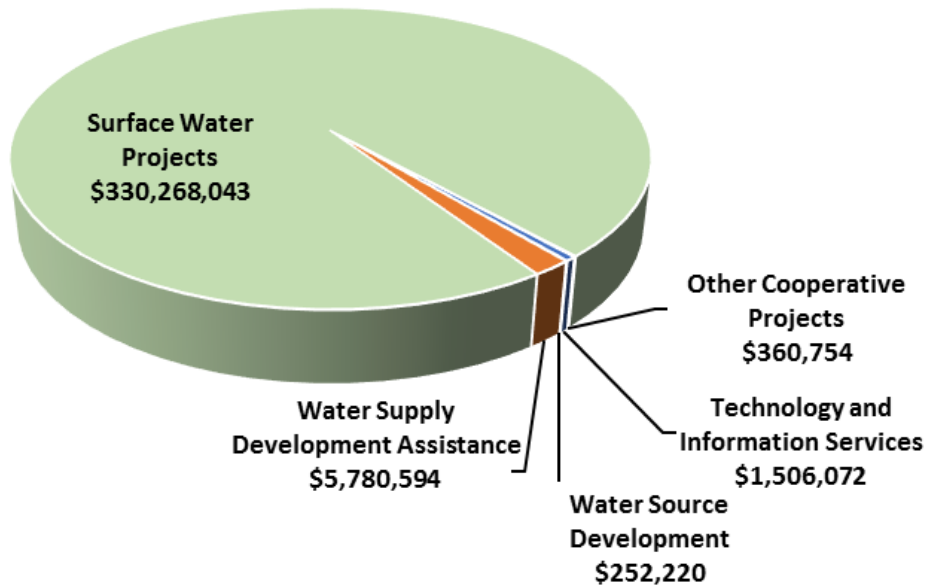
- Central FL Water Initiative (CFWI)
- Cooperative Funding Program – Stormwater Projects
- Water supply plan development
- Hydrogeologic data collection
- Caloosahatchee peer review
- Nutrient Budget Analysis for St. Lucie Watershed
- Research and monitoring in support of St. Lucie and Caloosahatchee Rivers Watershed Protection plan implementation
- Florida Bay trend assessments and modeling
- Water quality improvement and stormwater projects in BCB/Naples Bay
- Indian River Lagoon National Estuary Program

### Research, Data Collection, Analysis & Monitoring (\$21.5M)

- On-going C&SF project monitoring and assessment
- Flood protection level of service modeling and analysis
- Water Quality monitoring
- Adaptive Assessment and Monitoring contracts and support
- STA operations monitoring
- Everglades research and evaluation
- Lake Okeechobee Watershed Protection plan including in-lake assessment projects

### Technical Assistance and Technology & Information Services (\$3.2M)

# Acquisition, Restoration and Public Works - \$338,167,683



### Surface Water Projects (\$330.3M)

- Restoration Strategies
- C-44 Reservoir/STA
- Picayune Strand
  - **New Works** - OTMP Faka Union & Merritt
- C-43 West Storage Reservoir
- C-111 South Dade
- Lakeside Ranch – Phase II
- Dispersed Water Management
- Kissimmee River Restoration & Watershed
- Caloosahatchee River & Estuary Projects
- Debt Service

### Other Cooperative Projects (\$0.4M)

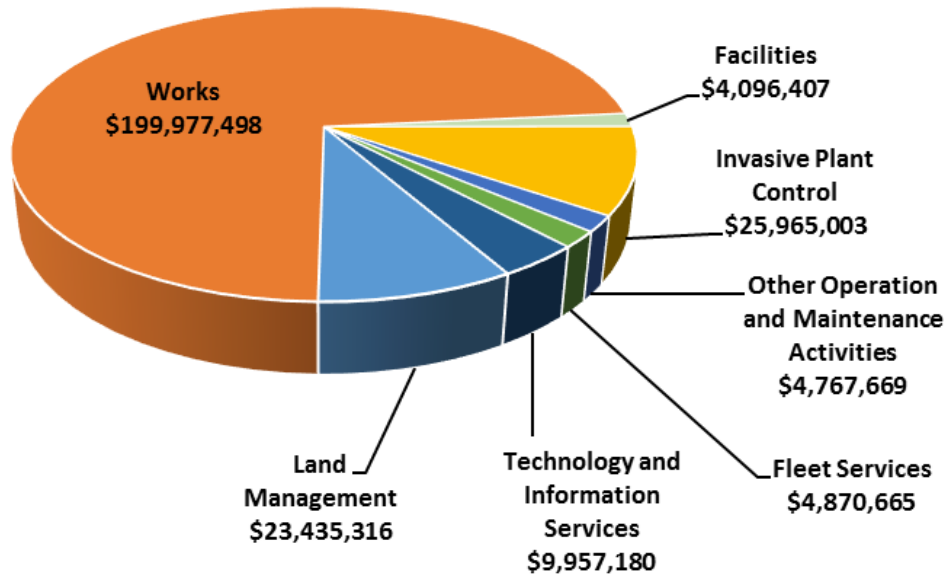
### Technology & Information Services (\$1.5M)

### Water Source Development (\$0.3M)

- Cooperative Funding Program
- BCB Alternative Water Supply Projects

### Water Supply Development Assistance (\$5.8M)

# Operation and Maintenance of Lands and Works - \$273,069,738



### Works (\$200.0M)

- Oversight of 4,098 miles of canals and levees
- 692 water control structures & weirs; 618 smaller project culverts
- 71 pump stations
- O&M capital refurbishment program
- Hurricane/Emergency Reserves
- STA and C&SF operations & maintenance

### Invasive Plant Control (\$26.0M)

- Exotic animal management
- Terrestrial and aquatic plant control – C&SF & STA
- Bio-control exotic plant control
- Upland and aquatic program with FWC

### Land Management (\$23.4M)

- Land Stewardship of conservation lands
- Restoration and monitoring, prescribed burns, public use and security, vegetation management
- Leasing, Inspections, PILT
- Lake Belt and Wetlands Mitigation

### Technology & Information Services (\$10.0M)

- Microwave hardware end of life replacement
- Computer hardware/software maintenance & support costs

### Fleet Services (\$4.9M)

- Vehicle fuel
- Vehicle Maintenance & Repairs (oil changes, parts replacements)

### Other Operation & Maintenance Activities (\$4.8M)

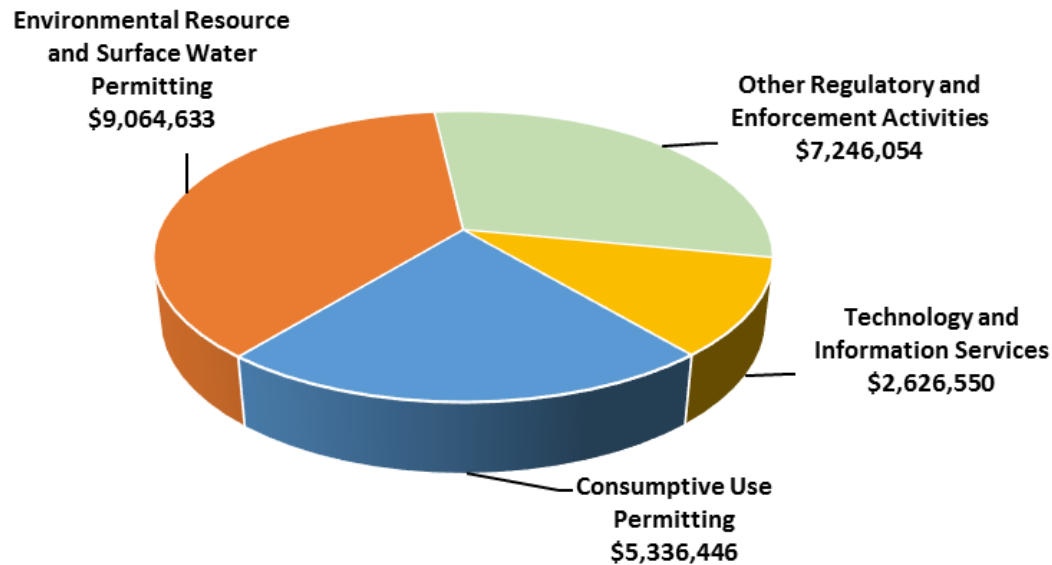
- Emergency & Safety Management
- STA & C&SF right-of-way compliance/enforcement & permitting

### Facilities (\$4.1M)

- Preventative building & grounds maintenance & replacements
- Building operational support

# Regulation - \$24,273,683

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## Regulation & Consumptive Use Permitting (\$5.3M)

- Review, issuance, renewal, compliance, and enforcement
- Statewide rulemaking/consistency effort for Consumptive Use Permitting
- Central Florida Water Initiative
- Primarily personnel services

## Environmental Resource Permitting (\$9.1M)

- Review, issuance, compliance, and enforcement
- Statewide rulemaking/consistency effort for Environmental Resource Permitting
- Primarily personnel services

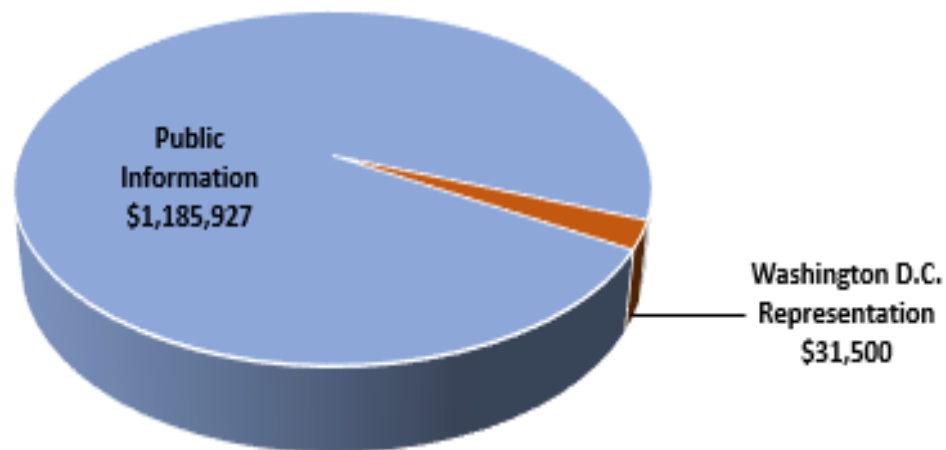
## Other Regulatory & Enforcement Activities (\$7.2M)

- Northern and Southern Everglades Nutrient Source Control Program
- Monitoring to meet mandated source control requirements

## Technology & Information Services (\$2.6M)

# Outreach - \$1,217,427

30



## Public Information (\$1.19M)

- Provide clear, concise, and consistent information regarding District mission, structure, functions, programs, projects and other operational aspects.
- Environmental activities designed to reach broad audiences in an effort to provide increased awareness of flood control and water management resource issues and the roles/responsibilities of the District among the 8 million residents in South Florida.

## Washington D.C. Representation (\$0.03M)

- DEP contract providing information and support to state and federal officials and staff regarding water management issues.

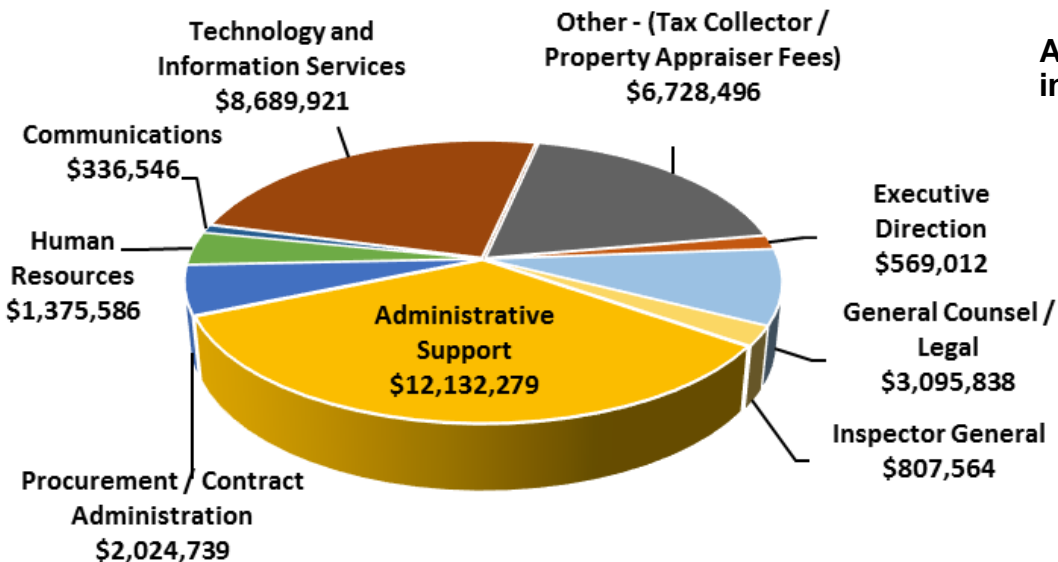
# District Management and Administration - \$35,759,981

Represents 4.9% of the total budget

**Administrative and Operations Support (\$29.0M) includes:**

- Executive Direction
- General Counsel/Legal
- Inspector General
- Technology & Information Services
- Human Resources and Risk Management
- Finance
- Procurement
- Records Management
- Office Support
- Property Management

**Property Appraiser/Tax Collector Fees (\$6.7M)**



# Discussion