

# **BUDGET MESSAGE**



## BOARD OF COUNTY COMMISSIONERS



July 9, 2021

Board of County Commissioners  
Indian River County  
1801 27<sup>th</sup> Street  
Vero Beach, FL 32960

Dear Commissioners:

As required by Florida Statutes, transmitted with this message is the recommended budget for Fiscal Year 2021/2022 (FY 2021/22).

The proposed budget represents the general operating framework for providing all County services for the forthcoming year. As presented, it reflects the County Administrator's plan of implementing and funding the recommended service levels. The budget has been developed with a combination of guidelines provided by the Board of County Commissioners (BCC) throughout the year, critical input from all departments, Budget Department guidance, the Administrator's perception of needs, responses from the community, and requests from the Constitutional Officers.

### ***Major Issues Impacting FY2021/22 Budget Development***

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As the COVID-19 health crisis has improved, the County has continued to see recovery of revenues initially impacted by the pandemic. Although there was some initial uncertainty regarding how the pandemic would impact the community, the local economy and real estate markets have rebounded quite well, with record real estate sales reported in 2020. The County received a CARES Act allocation in 2020 that helped to offset costs related to combating the COVID-19 virus, and to provide funding to municipalities, constitutionals, local agencies, small businesses and individuals. In addition, the County received a \$31M allocation from the American Rescue Plan Act (ARP) which will reimburse the County for expenses incurred as a result of responding to the pandemic, provide community assistance, and funding for water/sewer and broadband infrastructure. Because 50%, or \$15.5M, in ARP funding will not be distributed until May of 2022, the FY 2021/22 budget will need to be adjusted accordingly. Another recent concern has been an increase in prices of various goods and services over the last few months. This has impacted construction costs, but also the cost of many supplies needed to provide services to the public. Many experts have stated that these price increases are transitory. The proposed budget includes funding to address these increases, but there remains uncertainty regarding longer-term price levels.

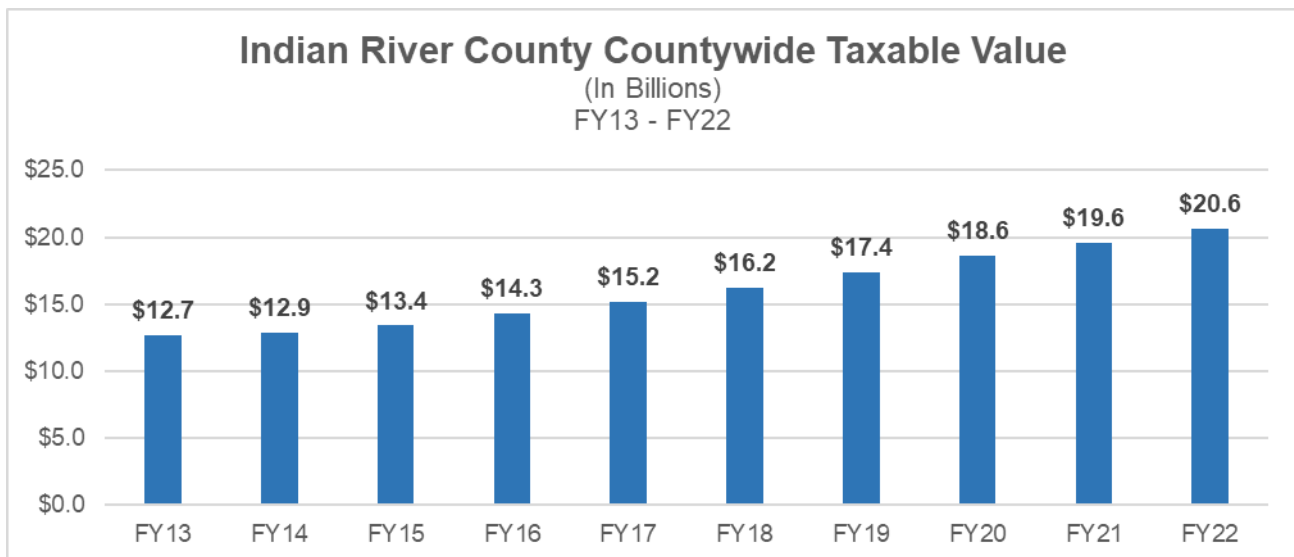
Another major issue affecting local governments is the passage of Senate Bill (SB) 712. This bill places a specific focus on sanitary sewer overflows (SSOs) and inflow and infiltration (I&I), and requires the Florida Department of Environmental Protection (FDEP) to submit an annual report to the Governor detailing all wastewater treatment facilities (WWTFs) that experience SSOs. The report will detail any deviation of annual expenditures from identified system needs related to I&I studies and plans for pipe assessment repair and replacement. Substantial compliance with this bill will be considered evidence to be used in mitigation when assessing penalties. The proposed Utilities budget contains \$1,482,716 in additional funding to effectively operate and maintain the wastewater collection system and comply with SB 712. These resources will assist in identifying problem areas and efficiently direct maintenance activities aimed to eliminate and prevent SSOs caused by I&I and other blockages.

The County continues to focus on catching up on deferred maintenance and capital item replacement in the proposed budget. Funding for these items was drastically reduced to absorb the funding reduction during the previous economic downturn. While a concerted effort has been made to catch up on these items over the last several years, a substantial amount of work remains. The proposed budget, which is the third year into the original five-year plan, includes \$8,607,144 in funding for these projects. In total, \$4,418,272 has been spent through September 30, 2020 on deferred maintenance and capital projects, with \$12,818,099 planned to be spent through September 30, 2021. Staff will continue to prioritize these projects until the plan is completed.

### ***FY 2021/22 Budget Highlights***

The total proposed budget is \$428,052,912, a decrease of \$56,043,112 or 11.58% from the current year. It should be noted that this is an increase of \$34,418,097 or 8.74% from the beginning budget of \$393,634,815 for the current year. However, this is still 9.39% below the approved FY 2006/07 amount of \$472,420,328. A detailed all - fund expense summary is contained in the exhibits following this message (pages 25 and 26).

The chart below illustrates the 10-year trend in the County tax roll. The FY 2021/22 taxroll is approximately \$1 billion or 5.19% higher than the previous fiscal year. Although the current change in taxable values is positive, there is some uncertainty regarding future years' taxroll growth as the world continues to recover from the negative impacts of COVID-19.



### ***Highlights of the FY2021/22 Budget:***

- Tax roll Increase – 5.19% countywide; 5.09% unincorporated area.
- Sheriff Funding – Recommended \$2.9 million increase as agreed by Sheriff (reduction from initial request of \$3.6 million increase) Continued funding of School Resource Officers at 50%/50% split with School District
- SB 712 Utilities Impact - \$1,482,716 in additional expenses
- Proposed Building Division Permit Fee Changes – net revenue increase of \$278,400
- Children’s Services Funding – increase of \$116,162 or 5.3%; full 0.125 mill funding
- Retirement Rate Increase - \$770,895 Countywide
- Continued focus on deferred maintenance, capital and renewal & replacement. Total countywide expense - \$8.6 million
- Full-time Position changes - BCC reflects a net increase of 16 full-time positions; addition of 8.35 FT Constitutional Officers; 24.35 total increase in FT positions.

The largest individual expense in the budget is Personnel Services. In total, an increase of 24.35 net full-time (FT) positions is being proposed for FY 2021/22; BCC departments are increasing 16 FT positions, while Constitutional Officers reflect a net increase of 8.35 FT positions.

**Table 1  
Full-Time Positions – All Funds**

<b>Fund Description</b>	<b>Current 2020/2021</b>	<b>Recommended 2021/2022</b>	<b>Difference Rec./ Approved</b>
Clerk of Court <sup>(1)</sup>	13.05	13.40	0.35
Tax Collector	61.00	61.00	0.00
Property Appraiser	39.00	39.00	0.00
Sheriff	511.00	519.00	8.00
Supervisor of Elections	11.00	11.00	0.00
<b>Subtotal-Constitutional Officers</b>	<b>635.05</b>	<b>643.40</b>	<b>8.35</b>
General Fund – BCC	144.15	148.45	4.30
M.S.T.U.	50.68	51.68	1.00
Transportation Fund	140.90	139.90	(1.00)
Emergency Services District	302.50	305.50	3.00
Solid Waste Disposal District	11.00	12.00	1.00
Additional Impact Fee Fund	1.00	1.00	0.00
Rental Assistance	5.00	5.00	0.00
Secondary Road Construction	5.10	5.10	0.00
911 Fund	2.75	2.75	0.00
SHIP Program	1.00	1.00	0.00
Metro Planning Organization	3.62	3.62	0.00
Beach Restoration Fund	3.00	3.00	0.00
Golf	3.00	3.00	0.00
Building Department	35.00	37.00	2.00
Utilities	141.00	147.00	6.00
Fleet Management	8.00	8.00	0.00
Risk Management	2.30	2.00	(0.30)
Employee Health Insurance	1.00	1.00	0.00
IT Department	21.00	21.00	0.00
<b>Subtotal-BCC Depts.</b>	<b>882.00</b>	<b>898.00</b>	<b>16.00</b>
<b>Grand Total</b>	<b>1,517.05</b>	<b>1,541.40</b>	<b>24.35</b>

(1) Number of Clerk of Court positions funded by BCC. Other positions are funded through the court system.

The proposed budget includes funding for modest salary increases for County employees, per the collective bargaining agreements with the Teamsters and the International Association of Firefighters (IAFF). Teamsters and Non-Union employees are scheduled to receive merit increases, while IAFF employees will advance one step on their respective pay plans. Staff continues to negotiate with both the IAFF and Teamsters Unions regarding a General Wage Increase (GWI) for the upcoming fiscal year.

## Revenue Outlook

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The taxroll increase provides additional funding for the budget (\$6.0 million total). The local economy continues to recover from COVID-19, and most revenue streams are increasing from the reductions experienced in 2020. The most significant revenue impacts are detailed below:

- Half Cent Sales Tax is increasing by \$2,835,248, or 32.0%
- State Revenue Sharing is increasing by \$551,565 or 17.6%
- Optional Sales Tax is increasing by \$3,000,000 or 17.5%
- Gas taxes are remaining constant at \$5,818,883
- Tourist Taxes are increasing by \$230,000 or 9.1%
- Interest Income is decreasing by \$117,415 or 12.7%

Staff continues to closely monitor these revenues most likely to be impacted by COVID-19 in order to ensure budgets are conservatively estimated.

## Proposed Ad Valorem Tax Rates and Fees

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Based on the preliminary rolls and recommended expenses, the proposed millage rates are as follows:

**Table 2**  
**Comparison of Adopted Millage Rates to Proposed**

<b>Fund Description</b>	<b>2020/2021 Adopted Millage</b>	<b>2021/2022 Proposed Millage</b>	<b>Difference</b>	<b>% Difference</b>
General Fund	3.5475	3.5475	0.0000	0.00%
<b>Subtotal Countywide Millage</b>	<b>3.5475</b>	<b>3.5475</b>	<b>0.0000</b>	<b>0.00%</b>
MSTU Fund	1.1506	1.1506	0.0000	0.00%
Emergency Services District	2.3531	2.3531	0.0000	0.00%
Aggregate Millage	6.1195	6.1226	0.2035	3.44%

The FY 2021/22 proposed millage rates remain unchanged from the previous year's rates. The General Fund proposed millage rate is 3.5475, the M.S.T.U. millage rate is proposed at 1.1506, and the Emergency Services District proposed millage rate is 2.3531. The proposed Aggregate Millage rate is increasing 0.2035 mills or 3.44% to 6.1226 mills. This specific rate is not paid by any taxpayer, but is rather an average millage rate required to be shown for comparison purposes.

For illustrative purposes, the effect of the preceding proposed rates on a home with an assessed value of \$250,000 and a homestead exemption of \$50,000 is shown in the following table.

**Table 3  
Typical House Comparison – Proposed vs. Current with 1.4% CPI Increase**

<b>Proposed Millage Compared to Current</b>	<b>2020/2021 Adopted Millage</b>	<b>2021/2022 Proposed Millage</b>	<b>Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
Taxable Value	\$200,000	\$203,500	\$3,500.00	1.75%
General Fund	\$709.50	\$721.92	\$12.42	1.75%
<b>Subtotal – Indian River Shores</b>	<b>\$709.50</b>	<b>\$721.92</b>	<b>\$12.42</b>	<b>1.75%</b>
Emergency Services District	\$470.62	\$478.86	\$8.24	1.75%
<b>Subtotal-All Other Incorporated Areas</b>	<b>\$1,180.12</b>	<b>\$1,200.78</b>	<b>\$20.66</b>	<b>1.75%</b>
M.S.T.U. Fund	\$230.12	\$234.15	\$4.03	1.75%
<b>Total – Unincorporated Area</b>	<b>\$1,410.24</b>	<b>\$1,434.93</b>	<b>\$24.69</b>	<b>1.75%</b>

Within the Solid Waste Fund, proposed residential assessment rates are increasing by \$10.23 or 8.2% to \$135.62 per Equivalent Residential Unit. Commercial rates are increasing by \$3.12 or 7.0% to \$47.64 per Waste Generation Unit (W.G.U). The proposed readiness-to-use fee is \$29.51 per W.G.U., an increase of \$2.09 or 7.6% from last fiscal year.

As recommended in the Comprehensive Water, Wastewater, and Reclaimed Water Rate Study, an annual CPI adjustment which is 3.0% for FY 2021/22 is being recommended in the Utilities Fund. In addition, five Streetlighting District assessments are decreasing as a result of Florida Power & Light’s lower electric rates when compared to those of the City of Vero Beach.

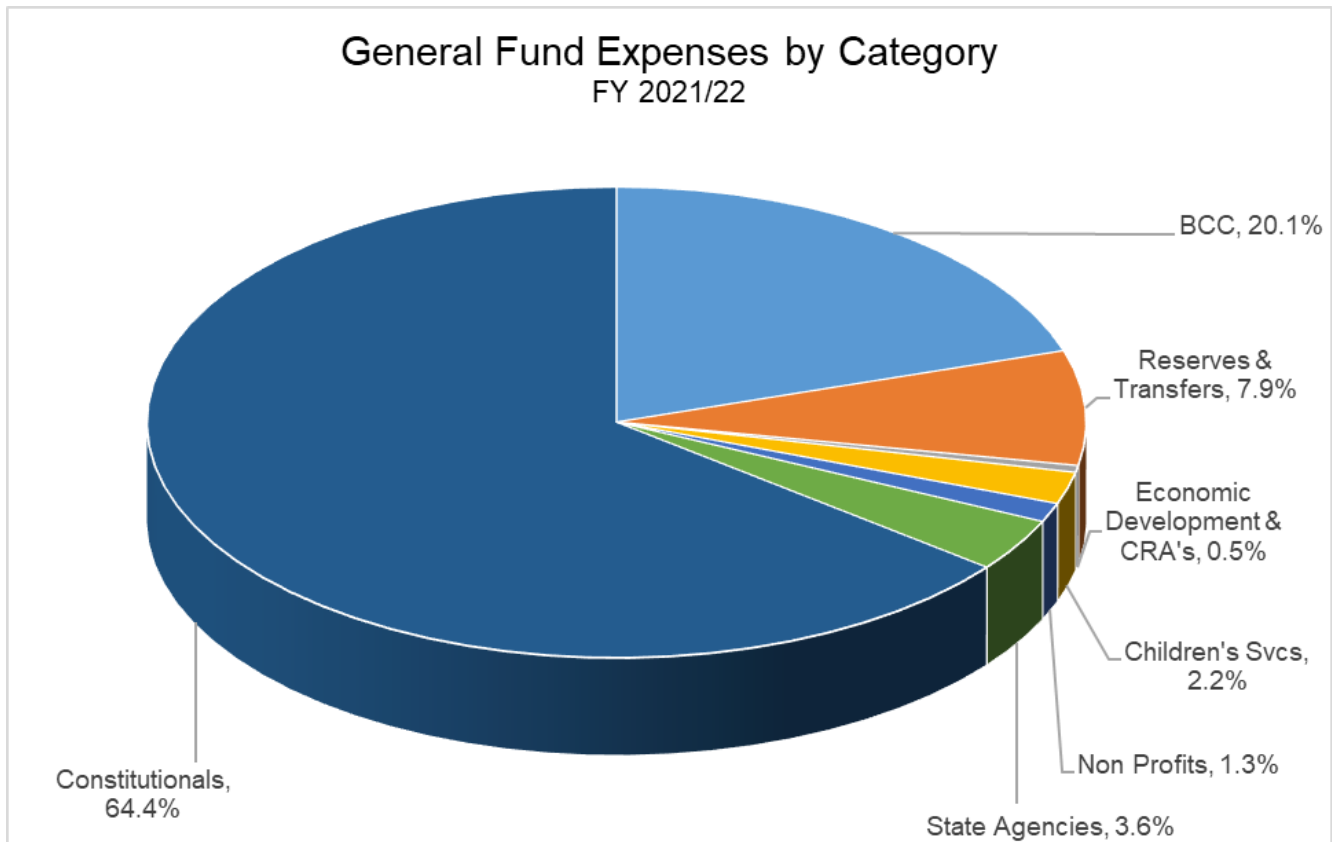
**General Fund**

The proposed General Fund budget is \$105,771,570, a decrease of \$6,491,591 or 5.78%. Specific departmental, Constitutional, and agency budget summaries are contained in the exhibits following this message (pages 31-33). Major factors impacting the General Fund budget are presented below:

- Ad valorem tax roll increase – 5.19%, \$3,424,311 in additional revenue, assuming 95% collections at same millage rate.
- Millage rate - 3.5475, no change from last fiscal year.
- Constitutional Officers increases - \$4,069,043 or 6.3%
- State Mandates/Constitutional Officers – constitute 74.9% of the total General Fund budget
- Children’s Services Funding – increase of \$116,162 or 5.3%; full 0.125 mill funding
- Deferred Maintenance and Capital - \$337,261 total includes repairs at various County Parks and Public Buildings
- 12.35 Additional FT Positions – 4 FT BCC positions for \$232,408, and 8.35 FT Constitutionals



The following graph illustrates the breakdown of expenditures by agency in the General Fund.



It should be noted that State Mandates and Constitutional Officers account for about 74.9% of the total fund expenditures. BCC departments represent 20.1% of the total General Fund budget. Constitutional Officers' budgets represent 64.4% of the total budget.

The countywide tax roll has increased 5.19% from last year. New construction added 1.67% while existing values increased 3.52%. This provides additional revenue of approximately \$3.4 million for the General Fund, assuming 95% collections and the proposed millage rate. The millage rate to fund the recommended General Fund budget is 3.5475 which is unchanged from last fiscal year.

The Clerk of the Circuit Court has requested a \$25,789 or 2.12% increase from the current year's budget. The budget request includes a 3% pay increase for employees. The request also includes an additional 0.35 FT positions.

The Sheriff's Office initially requested a budget increase of \$3.6 million or 6.2% from the current year. After the preliminary taxroll was released, staff met with the Sheriff in an effort to arrive at a budget that could be supported by the current millage rate. The Sheriff and County staff have agreed to a revised budget of \$60,003,897 which is an increase of \$2.9 million or 5.1% over the current year's budget. The request includes an additional 8 FT employees. The request does not include the 25% portion of the additional 9 positions that are being applied for under the Community Oriented Policing Services (C.O.P.S.) Hiring Program Grant. If the grant is approved, a budget amendment may be necessary to fund the shortfall. In addition, \$815,155 in Optional Sales Tax is being used to fund replacement vehicles in the Sheriff's FY 2021/22 budget request to further minimize the impact on the ad valorem tax

supported funds. The proposed FY 2021/22 budget includes the fourth year of funding for 50% of the School Resource Officers expense. The State has still not provided adequate funding for this mandate on School Districts.

The Supervisor of Elections has requested an increase of \$141,809 or 8.9%. This increase is largely due to various mandates per Florida Election Code which include Vote-By-Mail drop boxes, redistricting, mapping, and new voter registration cards for every registered voter in the County. In an effort to lessen the impact on the General Fund millage, staff is proposing \$46,378 in COVID-19 related expenses be funded by the American Rescue Plan (ARP) Act in FY 2021/22.

The Tax Collector's budget is not due until August 1<sup>st</sup> and has been budgeted at last year's amount in the General Fund.

The Property Appraiser has requested an increase of \$192,355 or 5.0% for the County funded portion of the budget. General Fund dollars support the bulk of the Property Appraiser's budget, and the General Fund impact is an increase of \$155,296 or 4.8%. The budget request includes funding for employee raises.

The BCC departmental funding amount reflects a decrease of \$200,709 or 0.9%. There is an increase of four full-time positions in various departments including Human Resources (1), Facilities Management (2) and Animal Control (1). The majority of this decrease is due to the reduction in Brightline Trains expenses in the County Attorney's budget that will no longer be needed with the settlement agreement approved in June, and various Parks-Conservation Lands capital projects at Ansin, Hallstrom & Krogel Homestead that were budgeted last fiscal year.

Addressing deferred maintenance and capital projects that accumulated during the downturn continues to be a priority in the upcoming fiscal year. The Parks division budget includes \$167,261 for various Fairground and Victor Hart Park improvements, while the Facilities division budget includes \$170,000 for Library, Courthouse and Administration Building maintenance. Staff continues to prioritize these projects in an effort to complete the deferred maintenance and capital schedule over the remaining three years.

Recommended State agency budgets total \$3,834,917, which is a decrease of \$103,287 or 2.6%. This is principally due a \$90,884 decrease in the Circuit Court Expenses, a \$52,853 decrease in the County's Medicaid share, and a \$36,934 increase in the State Health Department's request. In addition, the Court Technology Fund which was intended to cover Court Administration expenses, again cannot support these expenses. A total of \$207,338 for the Court Administrator's budget request is being funded from the General Fund.

Proposed funding for Children's Services is \$2,322,074, which is an increase of \$116,162 or 5.3%. This funding was previously approved by the Board, at the 0.125 mill funding limit.

General fund transfers to other funds are increasing \$682,619 or 10.2%, primarily due to increased expenditures in the Transportation Fund.

## ***Municipal Service Taxing Unit (M.S.T.U.) Fund***

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The M.S.T.U. recommended budget is \$38,727,142, an increase of \$2,894,259, or 8.1% (pages 34-35). Transfers out to the Transportation Fund are increasing by \$597,043 and transfers for Law Enforcement are increasing by \$2,965,600. As transfers out comprise 79.1% of the M.S.T.U. expense budget, any change causes a significant impact on the total fund budget.

A summary of major factors impacting the M.S.T.U. Fund is shown below:

- Ad valorem tax roll – 5.09% increase, generating \$603,177 in additional revenue, assuming 95% collections at proposed millage rate.
- Millage rate – 1.1506, no change from last fiscal year.
- Transfers Out - \$6,302,500 to fund transportation; \$24,332,347 to fund law enforcement.
- Recreational User Fee – revenue increase of \$89,267 or 8.0% - returning to pre-COVID-19 budgeted estimates
- Increased Retirement Cost - \$30,953 or 8.16%
- Net increase of 1 full-time position – Community Development Assistant Director

As the County continues to recover from the negative impacts of COVID-19, various revenue sources are improving and returning to pre-pandemic levels. The proposed FY 2021/22 budget raises Recreational User Fees \$89,267 or 8.0% to revenue levels achieved before the pandemic. Also affected were Half-Cent Sales Tax and State Revenue Sharing, as these revenue sources are partially impacted by taxpayers' discretionary income and thus were reduced by 15% in the current fiscal year. These revenues, which are also shared with the General Fund, are anticipated to increase in total by 28.2% in the upcoming fiscal year.

A Community Development Assistant Director is needed to support administration in planning, supervising and directing activities of the various Community Development departments and assist with increased workload at a cost of \$132,592.

Based on the July 1 certified tax roll, the assessed value increased 5.09%; new construction added 2.28%, while existing values increased 2.81%. The proposed millage rate for the M.S.T.U. Fund is 1.1506, which remains unchanged from the current fiscal year. This is 2.81% above the rolled back rate.

## ***Transportation Fund***

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The recommended budget for the Transportation Fund is \$18,513,052, reflecting an increase of \$883,177 or 5.0% (page 36). Some of the major factors impacting the Transportation Fund budget are presented below:

- Staffing decrease – net -1 full-time positions, \$55,016 savings after the deletion of 4 full-time positions, and the addition of 3 full-time positions

- Increased Retirement Cost - \$45,720 or 5.77%
- Gas Tax revenue remains flat - \$2,423,633
- Deferred Capital and Maintenance - \$214,000 including leak repairs, headworks piping, pump and sunshade installations at Egret Marsh, sunshade installation at Main Screening System, as well as replacement gates at Road & Bridge

Gas Taxes, the largest revenue generator outside of transfers received from the General and M.S.T.U. Funds, are anticipated to remain flat over the upcoming fiscal year. Transfers from the General and M.S.T.U. funds, which account for 72.6% of total fund's revenues, are increasing by \$1,273,012 or 10.5%.

There are four (4) full-time position eliminations recommended in the Transportation Fund budget. These positions are (2) vacant Senior Maintenance Worker positions and (2) vacant Tradesworker I positions in the Road & Bridge division. Staff is proposing this reduction due to enhanced efficiencies in the mechanical process used to regrade and mow 90 miles of ditch banks in the southern portion of the County each fiscal year and increased contracted labor services. One (1) Stormwater Maintenance Worker is requested to keep up with the needs of Osprey Marsh, ongoing weed control, and Moorhen Marsh which is scheduled to become operational in late spring of 2022. One (1) additional Staff Assistant III is being requested in the Public Works division to assist in necessary duties for public awareness of construction projects, prepare for and facilitate workshops and prepare public notices. In order to keep up with the pace of new development throughout the County, one (1) additional Engineering Inspector position is needed in the Engineering division to support land development inspection activities.

### ***Emergency Services District Fund***

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The total budget proposed for next fiscal year is \$45,833,727, reflecting a decrease of \$1,981,111 or 4.1% (page 37). A summary of the major impacts on the Emergency Services District (ESD) is provided as follows:

- Ad valorem tax roll – 5.42% increase, generating \$1,947,887 in additional revenue, assuming 95% collections and millage decrease
- Millage rate – 2.3531, no change from last fiscal year
- Additional 3 FT positions - \$242,534
- Increased Retirement Cost - \$435,050 or 8.29%
- Budgeted ALS charges increasing \$38,876 or 0.6%
- Capital budget of \$2,518,894

Based on the certified tax roll, the taxable value in the Emergency Services District increased 5.42%. New construction provides an increase of 1.90%, while the change in existing values is 3.52%. The tax roll increase provides about \$2 million in additional revenues at same millage rate as last year, assuming 95% collections. The proposed millage rate is the same as last year's at 2.3531. This represents a 3.52% increase above the rolled back millage rate.

The proposed District budget proposes the net addition of three (3) full-time positions for a total cost of \$265,203. The addition of a full-time Fire Chief and Staff Assistant III will help meet the current needs of the department and provide administrative control and planning into the future. A part-time Courier will be reclassified to full-time to keep up with the increased workload and an additional part-time Parts Clerk will help maintain inventory. Step increases have been programmed into the budget per the third year of the three-year collective bargaining agreement between the County and the IAFF. The proposed budget also includes funding for \$2,518,894 in budgeted capital outlay. This includes \$118,200 for three (3) replacement sets of hydraulic extrication tools, multiple station upgrades and repairs totaling \$204,000 along with many other training and safety equipment items totaling \$206,694. Budgeted vehicles/fire apparatus include a replacement fire pumper - \$1,200,000, a replacement ambulance - \$375,000, a replacement brush truck - \$245,000, four (4) replacement staff vehicles - \$140,000 and a UTV response vehicle - \$27,000.

## ***Solid Waste Disposal District (SWDD)***

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*NOTE: The Solid Waste Disposal District and Enterprise budgets are presented in accordance with Generally Accepted Accounting Principles (GAAP). As a result, depreciation is included as a budgeted expense, while capital outlay and debt service principal payments are excluded.*

The total proposed SWDD budget is \$19,375,997, which is an increase of \$980,330 or 5.3% (page 41). Proposed residential assessment rates are increasing by \$10.23 or 8.2% to \$135.62 per Equivalent Residential Unit. Commercial rates are increasing by \$3.12 or 7.0% to \$47.64 per Waste Generation Unit (W.G.U). The proposed readiness-to-use fee is \$29.51 per W.G.U, an increase of \$2.09 from last fiscal year.

Programmed into the FY 2021/22 budget request is the annual operating cost of \$1.1M for the leachate pretreatment system. This system will reduce the nutrient loading from the Landfill leachate which currently exceeds the Industrial Pre-Treatment Standards. This will help with regulatory compliance at the West Regional Wastewater Treatment Facility and assist with the overall impact to the lagoon.

On April 20, 2021, the Board of County Commissioners approved the request to expand SWDD recycling education services in-house. As a result, an FT Recycling Specialist is being proposed at a cost of \$52,124, with additional one-time expenses of \$3,800, and ongoing expenses of \$13,400 annually. The addition of this position will allow SWDD to expand the recycling education services currently provided while directly engaging with residents and commercial customers in an effort to increase the County's recycling rate. Staff is no longer recommending funding Keep Indian River Beautiful, as these services will shift to being offered in-house going forward.

Inflationary adjustments are proposed in each of the landfill operation, recycling collection, and yard waste processing contracts. Republic Services has requested a CPI increase of 1.64%, which carries an additional cost of approximately \$100,000. The County's contract with Republic Services has a CPI

adjustment effective January of each year while Waste Management and Atlas Organics' contract's CPI is adjusted in April. Staff is currently working on an agenda item to bring before the Board which will propose all contracts' CPI adjustments be processed in the same month. Waste Management has requested a CPI increase of 3.0%, which is the maximum amount allowed per the contract. The total CPI adjustment was for a 3.68% increase, less the 0.44% decrease the County received credit for from FY 2021/21. The net increase of these proposed changes is 3.24%, which still exceeds the 3.0% maximum amount allowed. This increase equates to an approximate budgetary impact of \$80,000. Atlas Organics has proposed a CPI increase of 3.0% which carries a budgetary increase of \$50,000. The proposed CPI increase does reflect the 0.44% credit the County received for not implementing a negative CPI adjustment in FY 2020/21.

As the Board is aware, SWDD has undergone a rate comparison study which reflects the need for multiple rate increases when compared to surrounding counties. A full evaluation of SWDD's rate assessment model was programmed into the FY 2020/21 budget, however due to COVID-19 and the associated impact on commercial waste generation units specifically, the rate study has not been completed. An additional \$135,000 is being requested in the upcoming fiscal year to complete the full rate study. This evaluation is crucial in order to ensure SWDD's revenue generating model is adequately structured to reflect operational changes that have been implemented since the last rate study was completed in 1995. Implementation of any rate changes will be proposed in the FY 2022/23 budget.

## Special Revenue and Capital Projects Funds

Five of the following streetlighting districts non-ad valorem rates have been reduced, primarily due to the lower electric rates of Florida Power & Light.

Streetlighting Districts	2020/2021 Parcel/Acre	2021/2022 Parcel/Acre	Variance
Gifford	\$23.00	\$21.00	(\$2.00)
Laurelwood	\$36.00	\$35.00	(\$1.00)
Rockridge	\$5.00	\$3.00	(\$2.00)
Vero Highlands	\$34.00	\$34.00	\$0.00
Porpoise Point	\$7.00	\$7.00	\$0.00
Laurel Court	\$39.00	\$39.00	\$0.00
Tierra Linda	\$39.00	\$39.00	\$0.00
Vero Shores	\$24.00	\$24.00	\$0.00
Ixora Park	\$20.00	\$20.00	\$0.00
Royal Poinciana	\$39.00	\$39.00	\$0.00
Roseland Road	\$1.00	\$1.00	\$0.00
Whispering Pines	\$16.00	\$16.00	\$0.00
Moorings	\$9.00	\$9.00	\$0.00
Walker's Glen	\$20.00	\$20.00	\$0.00
Glendale Lakes	\$40.00	\$40.00	\$0.00
Floralton Beach	\$46.00	\$45.00	(\$1.00)
West Wabasso	\$19.00	\$18.00	(\$1.00)
Oceanside (per lot)	\$51.00	\$51.00	\$0.00
Oslo Park (per lot)	\$15.68	\$15.68	\$0.00
Other M.S.B.U.'s	2020/2021 Parcel/Acre	2021/2022 Parcel/Acre	Variance
Vero Lake Estates	\$50.00	\$50.00	\$0.00
E. Gifford Stormwater	\$10.00	\$10.00	\$0.00

The proposed Beach Restoration Fund budget includes the renourishment of Sector 3, Phase 2 for a total estimated cost of \$15 million. Although the County has been awarded multiple grants and FEMA project worksheets to cover a significant portion of these expenses, due to the length of time this reimbursement process takes, an interfund loan will become necessary in the interim. Staff will keep the Board informed as to when the interfund loan is needed.

## Optional Sales Tax

The Optional Sales Tax (OST) Fund budget is \$30,063,393 reflecting a decrease of \$28,330,782 or 48.5% from the current year. This is due largely to the fluctuation in capital projects from year to year. The annual revenue allocation for OST is anticipated to increase by \$3,000,000 or 17.5% when compared to last year. This increase is due to the positive revenue trends the fund is experiencing as the recovery from COVID-19 continues. Also impacting the budget is the passage of SB 50 which requires out-of-state retailers and marketplace providers with no physical presence in Florida to collect Florida Sales Tax. Staff estimates the passage of this bill will generate an additional \$1M in revenue.

The largest component of budgeted projects is for road construction, totaling \$14,959,698 along with \$4,125,000 for Stormwater projects for FY 2021/22. These projects include improvements at multiple Parks and Conservation areas for \$150,000, construction of replacement Traffic Operation Building and Health Department AC repair for \$1.2M, road projects totaling \$15M as mentioned above, and various other capital improvements. The 20% allocation of OST to fund Indian River Lagoon improvement projects is also budgeted totaling \$4,395,576.

## ***Golf Course***

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The proposed Golf Course budget totals \$3,389,323, reflecting an increase of \$161,230 or 5.0%. No change in rates is currently proposed and the courses remain self-supporting. Additionally, COVID-19 has had a dramatic impact on Golf Course revenue. Because the Golf Course is an open-air sport where social distancing is easily achievable, Sandridge has experienced a \$187,196 or 30.9% increase in net income when comparing October through February of FY2019/20 (pre-pandemic) to October through February of FY2020/21. The increase in usage has resulted in the need for one (1) additional part-time Attendant and (1) additional budgeted temp Attendant resulting in a cost of \$20,791.

## ***Building Division***

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The proposed budget is \$5,564,289, reflecting an increase of \$328,537 or 6.3%.

The FY 2021/22 Building Division budget is being greatly impacted by a number of House Bills (HB) that have recently been passed including HB 1059 Construction Permits, HB 667 Building Inspections, and HB 735 Preemption of Local Occupational Licensing. These bills will place strict timelines on the building permit issuance process, place additional requirements on Building Inspectors, and decrease revenues previously collected by the Building Division. In order to offset these additional costs and offset a current operating loss, staff is proposing to increase the building permit multiplier by 10%, and decrease the Private Provider Permit discount to 25% for Plan Review and 10% for Inspections which are expected to generate a combined \$285,000. Also included in the budget request are two (2) additional FT positions which consist of a Senior Building Support Specialist and a Building Administrative Assistant at a total cost \$117,112. These positions will assist the Building Inspectors with the increased workload and strict permit approval timelines the Building Division is now required to comply with.

As noted in previous years, the Building Division continues to struggle with the ability to recruit Building Inspector and Plans Examiner positions. That recruitment issue is a common problem statewide and in growing areas nationally. We have successfully used contracted inspectors to keep daily inspections per inspector down to a manageable level and will continue working to improve customer service through reduced inspector loads. The FY 2021/22 budget includes \$850,000 for this contracted expense. Utilizing contracted inspectors also helps preserve Building Division positions in the event of an economic downturn, as contracted labor services will be eliminated before permanent positions

Uncertainty regarding building activity remains a concern as we continue to navigate the COVID-19 pandemic. Although permit activity has remained relatively strong, staff will continue to monitor building activity levels and make mid-year adjustments to the budget if necessary.



## **Utilities**

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The Department of Utility Services recommended budget is \$61,175,212, reflecting an increase of \$8,977,173 or 17.2% (page 51).

As mentioned above, in order to comply with the increased reporting required under SB 712, an additional \$1,482,716 is being requested in the FY 2021/22 proposed budget. These costs include four (4) additional employees, a Vac Truck, a TV Truck, and other miscellaneous equipment necessary to carry out the tasks required to comply with SB 712. These resources will assist in identifying problem areas and efficiently direct maintenance activities aimed to eliminate and prevent SSOs caused by I&I and other blockages.

Two (2) additional FT positions including an Environmental Compliance Technician, a Staff Assistant I, and one (1) PT Customer Service Representative are also being proposed at a cost of \$129,604. Due to the ever-increasing environmental compliance issues, and more stringent Department of Environmental Protection mandates, the addition of the Environmental Compliance Technician has become a necessity.

A large portion of the proposed increase, approximately \$1.9M, is due to the additional depreciation for the Automated Meter Reading (AMR) project. Various renewal and replacement projects are proposed for the upcoming fiscal year: \$6M South RO Water Plant membrane retrofit project, \$1.6M SCADA system improvements at North & South Water Treatments Plants, \$1.1M in lift station replacements, \$750,000 for large line ice pigging to clean the mains, \$430,000 for the Oslo Road valve replacement and \$380,000 for 58<sup>th</sup> Ave Water Treatment Plan and valves related to the ongoing road project, some of which are encompassed in the five-year deferred capital and maintenance plan.

Funding to address deferred capital and maintenance projects is included in the FY 2021/22 budget for a total of \$5,081,000. This is the third year of a five-year plan for the Department of Utility Services to catch up on deferred capital and maintenance projects that went unfunded during the economic downturn. It is anticipated that \$3,828,360 in deferred capital and maintenance will be expended in the current fiscal year, which was year two of the five-year plan. Over the five-year period, the Department of Utility Services plans to spend approximately \$18.4M to address these deferred items in a continued effort to improve the Utility's infrastructure.

As recommended in the Comprehensive Water, Wastewater, and Reclaimed Water Rate Study, an annual CPI adjustment is being recommended for the upcoming fiscal year. The CPI proposed is 3.0% and is expected to generate approximately \$1M in additional revenue. Although the CPI increase for April exceeded 3.0% (4.4%), the maximum adjustment recommended per the rate study is 3.0%. It is anticipated that these increases will be needed on an annual basis going forward.

## **Information Technology Fund**

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The total proposed budget for the Information Technology Fund is \$4,197,621, reflecting an increase of \$448,192 or 12.0%.

Over the past year, the IT Department has made significant changes in the County's cybersecurity posture and improved the County's network infrastructure. These improvements have bolstered the County's ability to defend its network against cyber threats and improved the County's ability to conduct business remotely and electronically. A total of \$1.1M has been allocated from both CARES Act and ARP funding to implement a portion of these improvements. In continuing with those priorities, the proposed FY 2021/22 budget contains professional services to assist with further network infrastructure and security enhancements.

The GIS budget contains professional services expenses to develop a custom address point edit tool for the County's GIS mapping software. The new software will enhance the efficiency and accuracy of the County's GIS address point layer which is used to support E911 services and many other County addressing functions. This tool is anticipated to cost \$50,000 and will be split 50/50 with the County's 911 Surcharge Fund.

## **Prospective View**

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Although COVID-19's impact on County revenues continues to improve, there is still uncertainty regarding longer term impacts. As mentioned previously, costs for many supplies and services are increasing. The impact of these costs is included in the proposed budget, however, it is uncertain what future impacts may be. Staff remains prepared to adjust any budgets mid-year if such need arises. In 2020, Florida voters approved a constitutional amendment to increase the minimum wage to \$15/hour. The phase-in of this increase begins on October 1, with a minimum wage of \$10/hour. This will increase \$1/hour each year until reaching the final \$15/hour rate. There has not been a significant impact on the County for FY 2021/22, but this will continue to be a concern as staff plans to meet the continued increases over the coming years.

The preceding is intended to provide the Board with a general overview of the most significant changes in the proposed budget. A more detailed explanation will be provided during the workshop sessions.

Respectfully submitted,



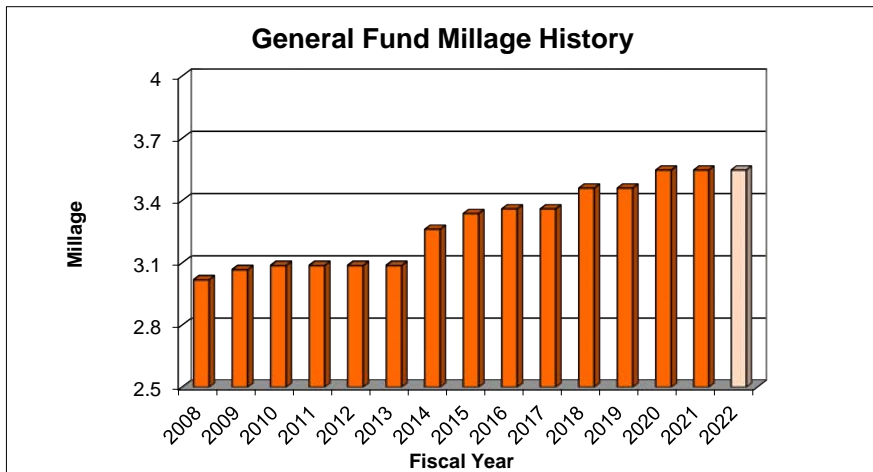
Jason E. Brown  
County Administrator

**OFFICE OF THE COUNTY ADMINISTRATOR  
INDIAN RIVER COUNTY  
1801 27<sup>th</sup> Street, Vero Beach, Fl. 32960-3388  
PHONE: 772-226-1408**

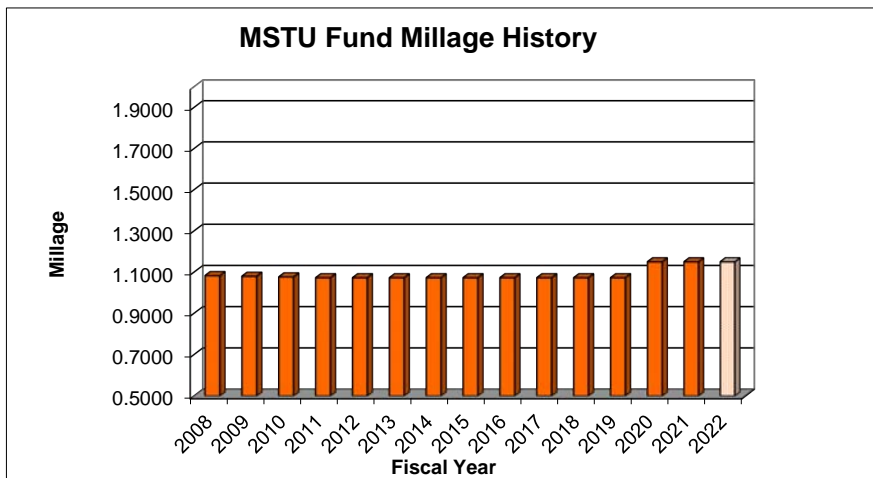
# **HISTORICAL MILLAGE RATES BY FUND**



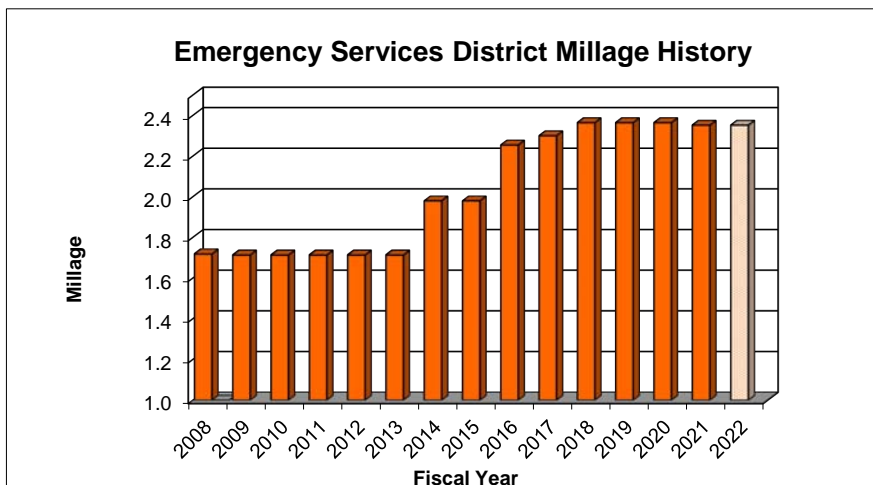
## Historical Millage Rates By Fund



General Fund	
Year	Millage
2008	3.0202
2009	3.0689
2010	3.0892
2011	3.0892
2012	3.0892
2013	3.0892
2014	3.262
2015	3.3375
2016	3.3602
2017	3.3602
2018	3.4604
2019	3.4604
2020	3.5475
2021	3.5475
2022	3.5475



MSTU Fund	
Year	Millage
2008	1.0835
2009	1.0804
2010	1.0774
2011	1.0733
2012	1.0733
2013	1.0733
2014	1.0733
2015	1.0733
2016	1.0733
2017	1.0733
2018	1.0733
2019	1.0733
2020	1.1506
2021	1.1506
2022	1.1506



ESD Fund	
Year	Millage
2008	1.7201
2009	1.7148
2010	1.7148
2011	1.7148
2012	1.7148
2013	1.7148
2014	1.9799
2015	1.9799
2016	2.2551
2017	2.301
2018	2.3655
2019	2.3655
2020	2.3655
2021	2.3531
2022	2.3531



# **FUND SUMMARY AND MILLAGE**





# Proposed Budget Comparison by Fund

Fiscal Year 2020/21 and 2021/22

Fund Number and Description		FY 2020/21 Budget @ 3/31/21	FY 2021/22 Department Requests	FY 2021/22 Proposed Budget	Increase (Decrease)	% Increase (Decrease)
<b>Ad Valorem Taxing Funds:</b>						
001	General Fund	\$112,263,161	\$108,310,461	\$105,771,570	(\$6,491,591)	(5.78)%
004	Municipal Service Taxing Unit Fund	35,832,883	40,192,904	38,727,142	2,894,259	8.08 %
111	Transportation Fund	17,629,875	20,078,539	18,513,052	883,177	5.01 %
114	Emergency Services District	47,814,838	45,765,898	45,833,727	(1,981,111)	(4.14)%
	<b>Total - Ad Valorem Taxing Funds:</b>	<b>\$213,540,757</b>	<b>\$214,347,802</b>	<b>\$208,845,491</b>	<b>(\$4,695,266)</b>	<b>(2.20)%</b>
<b>Solid Waste Disposal District:</b>						
411	Solid Waste Disposal District	\$18,395,667	\$17,510,837	\$19,375,997	\$980,330	5.33 %
<b>Special Revenue Funds:</b>						
102	Traffic Improvement Fund	\$9,312,911	\$8,301,920	\$7,151,920	(\$2,160,991)	(23.20)%
103	Additional Impact Fees	6,294,373	765,714	3,891,185	(2,403,188)	(38.18)%
104	Traffic Improvement Fees 2020	4,053,390	6,846,092	6,846,092	2,792,702	68.90 %
108	Section 8/Rental Assistance	2,673,410	2,815,955	2,834,209	160,799	6.01 %
109	Secondary Road Construction	7,264,805	6,110,860	5,591,673	(1,673,132)	(23.03)%
117	Tree Ordinance Fines	175,000	125,000	200,000	25,000	14.29 %
119	Tourist Development Fund	911,200	1,048,391	1,089,491	178,291	19.57 %
120	911 Surcharge	1,783,573	1,250,864	1,065,227	(718,346)	(40.28)%
121	Drug Abuse Fund	105,990	50,000	50,000	(55,990)	(52.83)%
123	IRCLHAP/SHIP	622,649	1,197,967	1,322,404	699,755	112.38 %
124	Metro Plan Organization	705,068	717,200	608,124	(96,944)	(13.75)%
127	Native Uplands Acquisition	411,216	165,000	50,000	(361,216)	(87.84)%
128	Beach Restoration	26,282,035	28,721,011	16,367,764	(9,914,271)	(37.72)%
129	Neighborhood Stabilization Plan	693,613	10,000	10,000	(683,613)	(98.56)%
130	Neighborhood Stabilization 3 Plan	10,000	10,000	10,000	0	0.00 %
131	SHIP Coronavirus Relief Fund	852,752	0	0	(852,752)	(100.00)%
133	Florida Boating Improvement Prog.	70,000	120,000	120,000	50,000	71.43 %
135	Disabled Access Programs	20,000	20,000	20,000	0	0.00 %
136	Intergovernmental Grants	753,134	700,508	635,508	(117,626)	(15.62)%
137	Traffic Education Program	57,000	49,000	49,000	(8,000)	(14.04)%
139	CARES ACT-Coronavirus Relief	20,755,847	0	0	(20,755,847)	(100.00)%
140	Court Facility Surcharge Fund	183,896	101,163	120,200	(63,696)	(34.64)%
141	Additional Court Costs	93,507	95,583	95,583	2,076	2.22 %
142	Court Technology Fund	338,270	441,043	441,043	102,773	30.38 %
145	Land Acquisition Series 2006	469,231	260,000	260,000	(209,231)	(44.59)%
171	E. Gifford Stormwater M.S.B.U.	940	940	941	1	0.11 %
179	Oceanside Streetlighting	2,399	2,278	2,259	(140)	(5.84)%
180	Oslo Park Streetlighting	62,186	61,984	63,274	1,088	1.75 %
181	Gifford Streetlighting	73,057	73,266	74,395	1,338	1.83 %
182	Laurelwood Streetlighting	8,678	8,526	8,533	(145)	(1.67)%
183	Rockridge Streetlighting	2,445	1,710	1,740	(705)	(28.83)%

# Proposed Budget Comparison by Fund

Fiscal Year 2020/21 and 2021/22

Fund Number and Description		FY 2020/21 Budget @ 3/31/21	FY 2021/22 Department Requests	FY 2021/22 Proposed Budget	Increase (Decrease)	% Increase (Decrease)
<b>Special Revenue Funds (continued):</b>						
184	Vero Highlands Streetlighting	\$83,196	\$83,347	\$86,441	\$3,245	3.90 %
186	Porpoise Point Streetlighting	425	354	360	(65)	(15.29)%
188	Laurel Court Streetlighting	1,212	1,150	1,176	(36)	(2.97)%
189	Tierra Linda Streetlighting	2,891	2,840	2,848	(43)	(1.49)%
190	Vero Shores Streetlighting	5,424	5,413	5,679	255	4.70 %
191	Ixora/Eastview Streetlighting	6,903	6,822	7,029	126	1.83 %
192	Royal Poinciana Streetlighting	15,711	15,635	15,694	(17)	(0.11)%
193	Roseland Streetlighting	1,863	2,104	2,119	256	13.74 %
194	Whispering Pines Streetlighting	1,616	1,621	1,623	7	0.43 %
195	Moorings Streetlighting	18,410	23,585	31,464	13,054	70.91 %
196	Walker's Glen Streetlighting	1,627	3,208	1,579	(48)	(2.95)%
197	Glendale Lakes Streetlighting	3,932	3,893	3,895	(37)	(0.94)%
198	Floralton Beach Streetlighting	2,368	2,318	2,318	(50)	(2.11)%
199	West Wabasso Streetlighting	7,318	7,329	7,336	18	0.25 %
185	Vero Lake Estates M.S.B.U.	243,053	21,149	243,053	0	0.00 %
	<b>Total - Special Revenue Funds:</b>	<b>\$85,438,524</b>	<b>\$60,252,745</b>	<b>\$49,393,179</b>	<b>(\$36,045,345)</b>	<b>(42.19)%</b>
<b>Other Debt Service Funds:</b>						
204	Dodger Bonds	\$500,000	\$500,000	\$500,000	\$0	0.00 %
<b>Capital Project Funds:</b>						
308	Jackie Robinson Training Complex (fka Dodgertown Capital Reserve)	\$2,850,000	\$800,000	\$800,000	(2,050,000)	(71.93)%
315	Optional One Cent Sales Tax	58,394,175	22,097,988	30,063,393	(28,330,782)	(48.52)%
	<b>Total - Capital Project Funds:</b>	<b>\$61,244,175</b>	<b>\$22,897,988</b>	<b>\$30,863,393</b>	<b>(\$30,380,782)</b>	<b>(49.61)%</b>
<b>Enterprise Funds:</b>						
418	Golf Course	\$3,228,093	\$3,392,356	\$3,389,323	\$161,230	4.99 %
441	County Building Department	5,235,752	5,579,480	5,564,289	328,537	6.27 %
471	Utilities	52,198,039	65,714,473	61,175,212	8,977,173	17.20 %
472	Utilities-Impact Fee	2,636,831	4,297,793	4,435,175	1,798,344	68.20 %
	<b>Total - Enterprise Funds:</b>	<b>\$63,298,715</b>	<b>\$78,984,102</b>	<b>\$74,563,999</b>	<b>\$11,265,284</b>	<b>17.80 %</b>
<b>Internal Service Funds:</b>						
501	Fleet Management	\$3,755,292	\$3,777,388	\$3,784,753	\$29,461	0.78 %
502	Self-Insurance	6,452,134	6,648,822	6,650,103	197,969	3.07 %
504	Employee Health Insurance	27,721,331	29,807,104	29,878,376	2,157,045	7.78 %
505	Information Technology	3,749,429	4,215,364	4,197,621	448,192	11.95 %
	<b>Total - Internal Service Funds:</b>	<b>\$41,678,186</b>	<b>\$44,448,678</b>	<b>\$44,510,853</b>	<b>\$2,832,667</b>	<b>6.80 %</b>
	<b>Total - All Funds:</b>	<b>\$484,096,024</b>	<b>\$438,942,152</b>	<b>\$428,052,912</b>	<b>(\$56,043,112)</b>	<b>(11.58)%</b>

Enterprise and Internal Service funds are net of capital in accordance with Generally Accepted Accounting Principles (GAAP).

**INDIAN RIVER COUNTY 2021/2022 TAXING DISTRICT SUMMARY**

<b>Ad Valorem Summary</b>				
<b>Ad Valorem Taxing Districts</b>	2020/2021 Millage	2021/2022 Rollback Millage	2021/2022 Proposed Millage	% Above or Below Rollback
General Fund	3.5475	3.4262	3.5475	3.54 %
M.S.T.U.	1.1506	1.1191	1.1506	2.81 %
Emergency Services District	2.3531	2.2730	2.3531	3.52 %
Aggregate Millage	6.1195	5.9191	6.1226	3.44 %

<b>Streetlighting District Assessments</b>				
<b>Streetlighting Districts</b>	2020/2021 Per Parcel/ Acre/Lot Charge	2021/2022 Per Parcel/ Acre/Lot Charge	Increase Decrease	% Increase (Decrease)
Gifford	\$23.00	\$21.00	(\$2.00)	(8.70)%
Laurelwood	\$36.00	\$35.00	(\$1.00)	(2.78)%
Rockridge	\$5.00	\$3.00	(\$2.00)	(40.00)%
Vero Highlands	\$34.00	\$34.00	\$0.00	0.00 %
Porpoise Point	\$7.00	\$7.00	\$0.00	0.00 %
Laurel Court	\$39.00	\$39.00	\$0.00	0.00 %
Tierra Linda	\$39.00	\$39.00	\$0.00	0.00 %
Vero Shores	\$24.00	\$24.00	\$0.00	0.00 %
Ixora Park	\$20.00	\$20.00	\$0.00	0.00 %
Royal Poinciana	\$39.00	\$39.00	\$0.00	0.00 %
Roseland	\$1.00	\$1.00	\$0.00	0.00 %
Whispering Pines	\$16.00	\$16.00	\$0.00	0.00 %
Moorings	\$9.00	\$9.00	\$0.00	0.00 %
Walker's Glen	\$20.00	\$20.00	\$0.00	0.00 %
Glendale Lakes	\$40.00	\$40.00	\$0.00	0.00 %
Floralton Beach	\$46.00	\$45.00	(\$1.00)	(2.17)%
West Wabasso	\$19.00	\$18.00	(\$1.00)	(5.26)%
Oceanside *	\$51.00	\$51.00	\$0.00	0.00 %
Oslo Park*	\$15.68	\$15.68	\$0.00	0.00 %
<b>Other M.S.B.U.'s</b>				
Vero Lake Estates M.S.B.U.	\$50.00	\$50.00	\$0.00	0.00%
E. Gifford Stormwater M.S.B.U.	\$10.00	\$10.00	\$0.00	0.00%

\*Per lot charge

<b>Solid Waste Disposal District</b>				
<b>Proposed Assessment Rates</b>	2020/2021 Waste Generation Unit <sup>(1)</sup>	2021/2022 Waste Generation Unit <sup>(2)</sup>	Increase (Decrease)	% Increase (Decrease)
Residential	\$78.37	\$84.76	\$6.39	8.15 %
Commercial	\$44.52	\$47.64	\$3.12	7.01 %
Readiness-to-use Fee	\$27.42	\$29.51	\$2.09	7.62 %

(1) Equivalent Residential Unit Charge

\$125.39 in 2020/2021

(2) Proposed Equiv. Residential Unit Charge

\$135.62 in 2021/2022