

**BOARD OF COUNTY COMMISSIONERS**



July 3, 2024

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

Dear Commissioners:

I'm pleased to transmit with this message the recommended budget for Fiscal Year 2024/2025 (FY 2024/2025), as required by Florida Statutes.

The proposed budget represents the general operating framework for providing all County services for the upcoming fiscal year. The budget has been developed collaboratively with a combination of guidance provided by the Board of County Commissioners (BCC), input from departments, direction from the Office of Management & Budget, requests from the Constitutional Officers, community needs identified by State agencies and community non-profits, and my evaluation and assessment of the needs of the organization.

The budget was developed with an emphasis on customer service, employee training, development and implementation of the Strategic Plan, public safety, and ensuring adequate staffing levels while aligning pay with current market values through execution of the recently completed compensation and classification study.

***Major Issues & Priorities Impacting FY 2024/2025 Budget Development***

Employee retention, recruitment, and compensation continues to be at the forefront while developing the FY 2024/2025 budget. Position vacancies continue to challenge County operations and impact Divisions across all Departments. In an effort to retain and attract valuable employees, the proposed budget includes funding for the implementation of the Board approved Employee Compensation and Classification Study. Effective October 1, 2024, non-union employees will be slotted into the newly established pay grades using a methodology that considers time in position as well as pay grade penetration. The implementation of the salary study for Teamsters represented employees will be a subject of negotiations. Employees represented by the International Association of Firefighters (IAFF) will receive the negotiated general wage increase. The cost associated with implementing the Employee Compensation and Classification Study and providing a future negotiated general wage increase for IAFF is \$8,686,151.

The restructuring plan that was included in the FY 2023/2024 budget has been fully executed and all newly created positions have been filled. With the addition of the Community Services Director, Natural Resources Director, Assistant County Administrator and Ombudsman positions, the County is successfully moving forward on its plans for focusing on the areas that need to be addressed. Furthermore, the proposed FY 2024/2025 budget includes the addition of another department, the Building & Facilities Services Department, which will be comprised of Building & Permitting, Fire Prevention, Facilities Management, and Capital Projects divisions. The goal of this department will be to provide more focused leadership to enhance our external and internal customer services related to

permitting and inspections, while improving facilities and internal capital project management.

In order to stay competitive with other counties within the Treasure Coast region and across the State, the proposed budget includes Senior Management retirement classification for all Department Head and Assistant Department Head positions. This retirement classification is consistent with the newly adopted at-will employment policy that has been enacted for the entire Senior Management team. Additionally, several members of the Senior Management team have been diligently working to complete the High-Performance Leadership Academy sponsored by the National Association of Counties in collaboration with the Professional Development Academy. This is a highly regarded leadership development program that enhances and equips our Leadership team in leading change, with an emphasis on organization and supporting a culture of continued improvement and performance. By the end of the current fiscal year, the County will have 15 staff members that have graduated from the program. Training for additional Department Directors and Managers is included in the upcoming fiscal year.

One of the critical focuses of the Strategic Plan is service excellence. Thus, we are proposing to continue investing in developing our employees, especially in customer service and ways to improve our business processes. We've included up to \$25,000 in the proposed budget and are continuing to fund our employee tuition reimbursement program.

Finalization and implementation of the strategic plan will happen over the upcoming fiscal year. Thirty-four thousand five hundred dollars is being requested to fund software that will assist the departments with the monitoring implementation of the Strategic Plan goals, objectives and strategies.

Employee benefit costs continue to rise. The Florida Retirement System employer rate increase totals \$1,254,455 Countywide across all funds, including Constitutional Officers, while Worker's Compensation costs are rising by \$1,135,137.

Enhancing our organization to address staffing level deficiencies has been prioritized in the FY 2024/2025 budget. While unable to accommodate all requested positions in the upcoming fiscal year, we evaluated each Department's request and prioritized needs to promote service excellence. In total, 37 additional Board positions are being proposed at a cost of \$3,450,424. The following table lists the Department/Division requested full-time positions to fulfill the Divisions' current needs versus the full-time positions that are being recommended.

<b>Department/Division</b>	<b>Requested</b>	<b>Recommended</b>	<b>Difference</b>
County Administration	2	2	0
County Attorney	1	1	0
Community Services	3	0	-3
ARP Fund	-1	-1	0
Parks, Recreation & Conservation	11	5	-6
Emergency Services	27	8	-19
Office of Management & Budget	1	1	0
Information Technology	2	1	-1
Human Resources	2	2	0
Natural Resources	3	1	-2
Planning & Development Services	6	0	-6
Building & Facilities Services	6	6	0
Public Works	2	1	-1
Utility Services/SWDD	15	10	-5
<b>Total</b>	<b>80</b>	<b>37</b>	<b>-43</b>

\* Some positions will be transferred and or reclassified during Fiscal Year 2024/2025 related to the reorganization and creation of Building & Facilities Services and once the Compensation Study is completed.

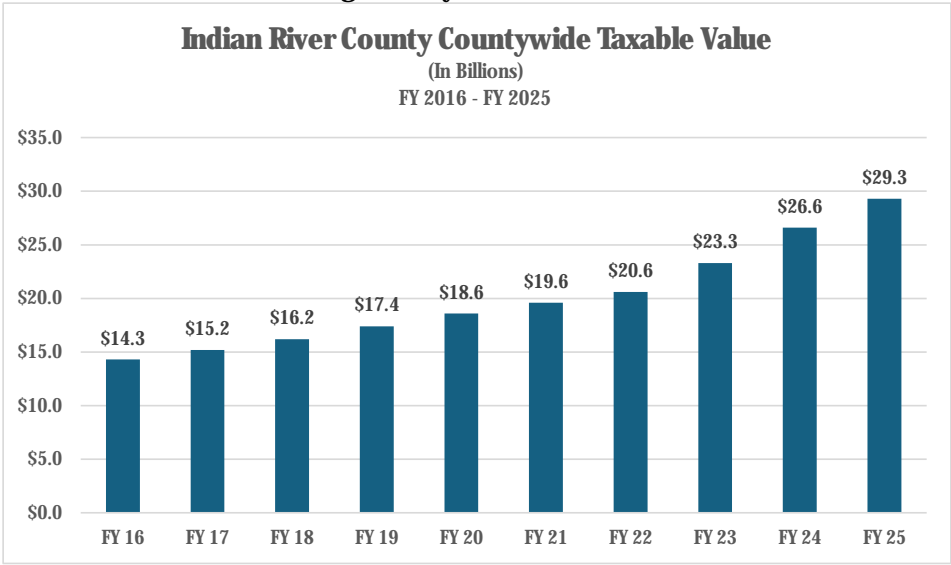
Public Safety continues to be at the forefront of services provided to the community, through both the Sheriff's Office and Emergency Services (Fire Rescue and Emergency Management). Sheriff Eric Flowers originally submitted his budget request which contained an 11.9% or \$8,841,569 increase in funding. County Staff met with the Sheriff and agreed to a \$4,782,112 or 6.5% increase over last year's funding, for a total budget request of \$78,911,955. This increase will provide substantial additional funding while minimizing the need for a tax rate increase for the residents of Indian River County. Staff supports the Sheriff's amended budget given the importance of providing adequate resources for the vital function of law enforcement, and his efforts in reducing the original request are appreciated. Notwithstanding the foregoing, continued increases in the Sheriff's budget at the levels of the past few fiscal years are fiscally unsustainable. County Administration will continue to work with the Sheriff's Office in this regard.

Due to the increased volume of calls for service in specific areas of the County, the Emergency Services District includes the addition of four (4) Fire-Medics and three (3) Rescue Sergeants solely dedicated to running a second, "Bravo" unit. Once Station 16 is built, these employees will be stationed there. I am pleased to report County and Emergency Services Administration has identified a location for Fire Station 15. While we are working with the property owner to finalize land acquisition, Staff is prepared to accelerate the design, engineering, and construction of this site to enhance fire protection services and emergency medical response to the north-central neighborhoods of the County. The site prioritizes the needs of our residents in terms of being near neighborhoods leading to faster response times.

***FY 2024/2025 Budget Highlights***

The total proposed budget is \$524,719,875, a decrease of \$107,923,737 or 17.1% from the current year. Although, it should be noted this is an increase of \$17,818,335 or 3.5% from the beginning budget of \$506,901,540 for the current fiscal year. A detailed all – fund expense summary is contained in the exhibits following this message (pages 17 and 18).

The following chart illustrates the 10-year trend in the County tax roll. The FY 2024/2025 General Fund tax roll is approximately \$2.74 billion or 10.3% higher than the previous fiscal year. Although the current change in taxable values is positive, there is still uncertainty regarding future years' tax roll growth with many economists, while no longer forecasting a recession in 2024, still predict economic growth slowing in 2025. To wit, the County continues to experience a decrease in building activity.



## ***Highlights of the FY 2024/2025 Budget:***

- Tax roll Increase – 10.3% countywide; 10.0% unincorporated area.
- First year of the Environmentally Sensitive Land Acquisition Bond, Series 2024 millage levy – 0.0639, which carries an AA+ rating from S&P Global Ratings
- Sheriff Funding – Recommended \$4.78 million increase as agreed by Sheriff (reduction from initial request of \$8.84 million increase). Continued funding of School Resource Officers at 50%/50% split with School District.
- Compensation Study implementation cost \$8,686,151.
- Retirement Rate Increase – \$1,254,455 Countywide including Constitutional Officers.
- OPEB Savings – \$506,170; plan is now fully funded.
- Worker's Compensation Increase – \$1,135,137 Countywide including Constitutional Officers.
- Full-time Position changes – BCC reflects a net increase of 37 full-time positions; increase of 1.9 FT Constitutional Officers; 38.9 total increase in FT positions.

The proposed budget includes funding for salary increases for County employees due to the outcome of the completed Compensation Study. These increases will help account for the increase in the cost of living and the need to remain competitive to recruit and retain qualified workers to provide a high level of service to County residents. In addition to negotiating with the IAFF, Staff continues to negotiate with the Teamsters Union as well.

As noted previously, the Strategic Planning process is still underway, as the Board of County Commissioners recently adopted a new mission statement, “***Dedicated to Indian River County through service excellence.***” The County's adopted Core Values (listed below) build on our mission and declare what the public, our customer, and others can expect how the affairs of the County will be managed.

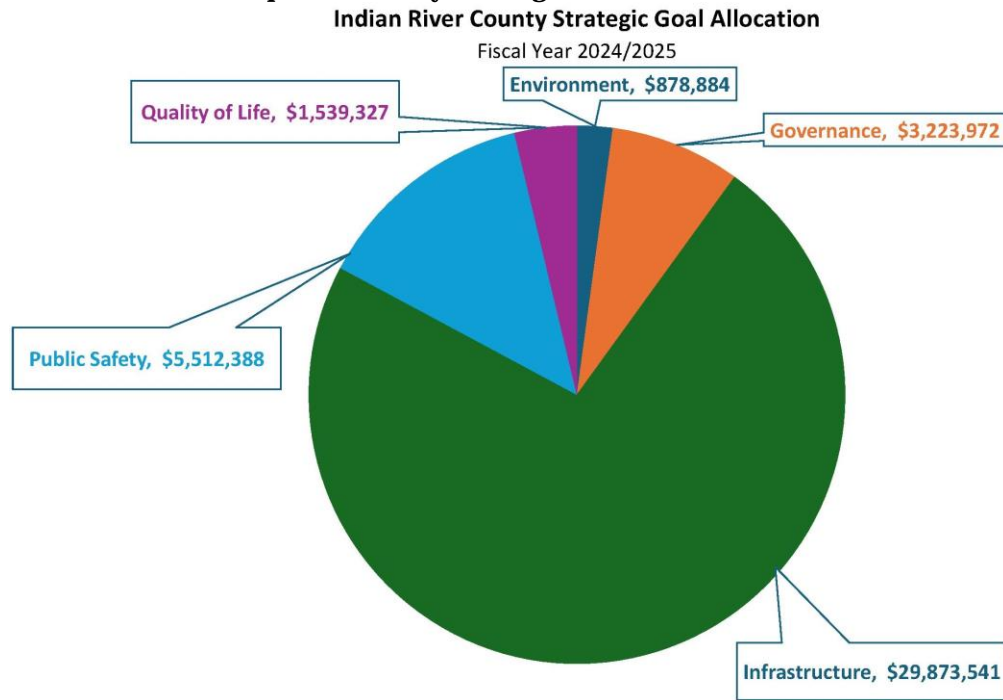
- **Integrity:** We conduct ourselves in the highest ethical manner in all that we do, with a commitment to respect, accountability, and transparency.
- **Responsiveness:** We provide excellent customer service by being accessible, approachable, receptive, helpful, and innovative.
- **Collaboration:** We work together cooperatively, united in our purpose to serve the community.

Our Strategic Goals (listed below) have also been adopted by the Board and our Strategic Planning Team is working to develop specific, measurable, achievable, relevant, and time-bound (SMART) objectives and strategies.

- **Environment:** Advancing responsible environmental stewardship by protecting, conserving, and managing natural resources and by fostering environmental awareness.
- **Governance:** Delivering high quality local government services and managing resources in a financially responsible and sustainable manner, embracing accountability, transparency, innovation, performance, customer service, and community engagement; the hallmarks of good governance.
- **Infrastructure:** Planning, constructing, managing, and maintaining critical public infrastructure in response to our current needs, future demands, and the expectations of our community; embracing innovation, technology, and resiliency.
- **Public Safety:** Protecting residents and property through effective and responsive fire rescue, emergency medical services, and emergency management. Promoting the safety and well-being of the community through effective planning and enforcement of community and life-safety standards.
- **Quality of Life:** Enhancing the quality of life to foster a thriving community for Indian River County residents

by advancing programs and policies directed toward children, seniors, economic opportunity, attainable housing, community health, recreation, and public mobility.

With these strategic goals in mind, all new services and capital expenditures over \$5,000 that were requested as part of the budget were analyzed and evaluated to align with the County's mission and strategic goals. The following graph illustrates the breakdown of expenditures by Strategic Goal:



\* It should be noted some expenditures address multiple strategic goals, such as several infrastructure projects also address Environmental and Quality of Life goals but in the above graph they are classified by their primary strategic goal. Additionally, the County is scheduled to close on \$24.8 million of bonds for environmental lands acquisition and these expenditures are not reflected in the above graph.

### ***Revenue Outlook***

The tax roll increase provides additional funding for next fiscal year's budget in the amount of \$15,628,265, with the most significant revenue impacts detailed below:

- Half Cent Sales Tax is increasing by \$211,888, or 1.5%.
- State Revenue Sharing is increasing by \$675,907 or 13.8%.
- Optional Sales Tax is increasing by \$1,070,000 or 4.0%.
- Gas taxes are increasing \$119,679 or 1.9% collectively.

### ***Proposed Ad Valorem Tax Rates***

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

### Comparison of Adopted Millage Rates to Proposed

Fund Description	FY 2023/24 Adopted Millage	FY 2024/25 Proposed Millage	# Difference	% Difference
General Fund	3.5475	3.5475	0.0000	0.00 %
Land Acquisition Bond 2024	0.0000	0.0639	0.0639	n/a
<b>Subtotal Countywide Millage</b>	<b>3.5475</b>	<b>3.6114</b>	<b>0.0639</b>	<b>1.80 %</b>
MSTU Fund	1.1506	1.1506	0.0000	0.00 %
Emergency Services District	2.3531	2.3531	0.0000	0.00 %
Aggregate Millage	6.1307	6.1198	(0.0109)	(0.18) %

The FY 2024/25 proposed millage rates remain unchanged from the previous year's rates for the existing funds; however, an additional millage is being added for the Land Acquisition Bond 2024. The proposed Aggregate Millage rate is decreasing by 0.0109 mills or 0.18% to 6.1198 mills. This specific rate is not paid by any taxpayer but is rather an average millage rate required to be shown for comparative purposes.

According to the Florida TaxWatch (2023 How Florida Counties Compare, May 2023), the *average total property tax millage rates* for Indian River County (includes all jurisdictions and the School District) ranked 54<sup>th</sup> for FY 2022/2023 at 14.0775, compared with the statewide average at 16.5408. For *growth in total property tax levies*, from FY 2007/2008 to FY 2022/2023, Indian River County ranked 51<sup>st</sup> at 21.7%. For the *total property tax levies per \$1,000 of personal income for FY 2022/2023*, Indian River County ranked 51<sup>st</sup> at \$22.07 per \$1,000 of personal income. Finally, according to the Florida Department Revenue (Millage Rates by County) for Fiscal Year 2023/2024 Indian River County's General Fund millage rate ranks as the 6<sup>th</sup> lowest in the state.

For illustrative purposes, the effect of the proposed millage rates on a home with an assessed value of \$345,755<sup>(1)</sup> and a homestead exemption of \$50,000 is shown in the following table.

#### Typical House Comparison – Proposed vs. Current with 3.0% CPI Increase & \$50,000 Homestead Exemption

Proposed Millage Compared to Current	FY 2023/24 Adopted Millage	FY 2024/25 Proposed Millage	\$ Inc/(Dec)	% Inc/(Dec)
Taxable Value	\$345,755	\$356,128	\$10,373	3.00%
General Fund	\$1,049.19	\$1,085.99	\$36.80	3.51%
Land Acquisition Bond 2024	\$0.00	\$19.56	\$19.56	n/a
<b>Subtotal – Indian River Shores</b>	<b>\$1,049.19</b>	<b>\$1,105.55</b>	<b>\$56.36</b>	<b>5.37%</b>
Emergency Services District	\$695.94	\$720.35	\$24.41	3.51%
<b>Subtotal-All Other Incorporated Areas</b>	<b>\$1,745.13</b>	<b>\$1,825.90</b>	<b>\$80.77</b>	<b>4.63%</b>
M.S.T.U. Fund	\$340.30	\$352.23	\$11.93	3.51%
<b>Total – Unincorporated Area</b>	<b>\$2,085.43</b>	<b>\$2,178.13</b>	<b>\$92.70</b>	<b>4.45%</b>

<sup>(1)</sup> Based on the average assessed value of all homestead properties in Indian River County as of June 2024.

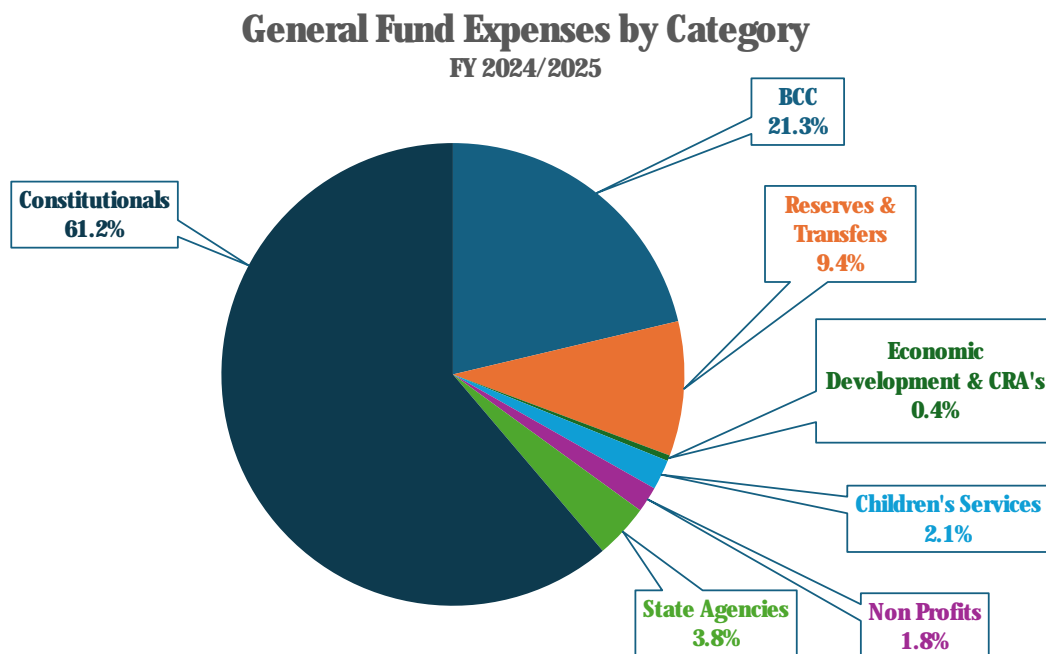
### General Fund

The proposed General Fund budget is \$145,834,204, an increase of \$2,476,638 or 1.7%. Specific departmental, Constitutional, and agency budget summaries are contained in the exhibits following this message (pages 21-23). Major factors impacting the General Fund budget are presented below:

- Ad valorem tax roll increase – 10.3%, \$9,249,438 in additional revenue, assuming 95% collections at same millage rate.
- Millage rate - 3.5475, no change from last fiscal year.
- Constitutional Officers increases - \$5,305,930 or 6.3%.
- State Mandates/Constitutional Officers – constitute 73.0% of the total General Fund budget.

- **Children's Services Funding** – increase of \$233,415 or 8.4%.
- **State-Mandated Retirement Rate Impact** – increase of \$340,069 or 17.9% (including Constitutionals).
- **Worker's Compensation Rate Impact** – increase of \$226,608 or 24.3%
- **OPEB Contribution Impact** – savings of \$267,430 or 49.0%
- **Compensation Study Implementation** - \$1,443,406
- **15.9 Net FT Positions** – 14 FT BCC positions for \$1,234,530, and 1.9 FT Constitutionals.

The following graph illustrates the breakdown of expenditures by agency in the General Fund, of which the Board of County Commissioners comprises 21.3% and our Constitutional Offices 61.2%. The Sheriff's Office budget alone comprises 53.3% of the General Fund.



The Clerk of the Circuit Court has requested a \$56,515 or 3.9% increase from the current year's budget. The budget request includes a cost-of-living increase for employees, along with the State-mandated retirement rate increases. This request also includes an additional 0.34 part-time position and a reduction of 0.10 full-time positions.

As previously mentioned, the Sheriff and County Staff have agreed to a revised budget of \$78,911,955 which is an increase of \$4.78 million or 6.5% over the current year's budget. As part of the request, \$1,679,764 in Optional Sales Tax is being used to fund replacement vehicles and other eligible capital in the Sheriff's FY 2024/2025 budget request to further minimize the impact on the ad valorem tax supported funds. The proposed FY 2024/2025 budget includes a fifth year of funding for 50% of the School Resource Officers expense. The State continues to provide no funding for this mandate on School Districts.

The Supervisor of Elections has requested an increase of \$83,876 or 3.8%. This request includes conducting the Presidential General Election and the implementation of a new operating system for the ballot tabulation system. A two-card ballot is also included, as there are six (6) amendments, one (1) County referendum, and one (1) School Board referendum, in addition to Federal, State, multicounty, countywide, and special district races. Court mandates require the ballot to be printed bilingual, which will essentially double the length. Postage will also increase due to the heavier mail-weight of the ballots.

A modest increase has been included for the Tax Collector's budget in the General Fund. It is important to note that this is simply a Staff estimate as the Tax Collector's budget is not due until August 1<sup>st</sup>.

The Property Appraiser has requested an increase of \$371,493 or 7.6% 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 \$329,501 or 8.1%. The budget request includes funding for employee raises.

The BCC departmental funding amount reflects an increase of \$2,506,083 or 8.8%. There is an increase of 14 full-time positions in various departments including County Administration (2), County Attorney (1), Human Resources (2), Parks (4), Conservation Lands (1), and Building & Facilities Services (4). Two items I would like to highlight:

- We are creating an Economic Development Specialist position. Currently, the County contracts with the Indian River County Chamber of Commerce to serve as the County's Economic Development Organization to assist in business attraction, recruitment, relocation, and expansion. The Chamber's Senior Economic Development Practitioner is retiring, and their former Business and Retention position was not funded last year (at the Chamber's request). County Administration has met with the Chamber's Leadership Team and the County will continue to partner with the Chamber to provide these services in a more collaborative manner.
  - The County performs many Economic Development activities currently and the opportunity exists to expand the role in concert with the Chamber. Moreover, the County is conducting an economic study to develop an Economic Development Plan, of which the County's Economic Development Specialist will be responsible to coordinate and implement the plan.
- The County's commitment to service excellence applies to our external and internal customers. I am recommending the creation of a new department, the Building & Facilities Services Department. This department will reorganize Building & Permitting and Fire Prevention under one department to enhance integration and collaboration of the building review and inspection process. As part of this, I am proposing the addition of a Chief Plans Examiner, Chief Building Inspector, and Applications Specialist. Fire Prevention Staff will still retain the responsibility of conducting annual inspections for compliance with the Florida Fire Prevention Code.
  - Additionally, there is a need to better manage our existing facilities and assets and dedicated Staff to manage the County's capital projects (from a facilities standpoint). This reorganization requires a Department Director, Capital Project Managers (1 new, 1 transferred from the Public Works Department), and Staff Assistant.

Recommended State agency budgets total \$5,592,949, which is an increase of \$464,410 or 9.1%. This is principally due to a \$227,031 or 17.2% increase in Medicaid and a \$126,227 or 134.9% increase in State Attorney expenses. The Court Technology Fund and Court Innovation Fund were intended to cover Court Administration expenses; however, once again these expenses cannot be supported. Thus, a total of \$610,584 for the Court Administrator's and the State Attorney's budget request is being funded from the General Fund.

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

The M.S.T.U. recommended budget is \$54,368,135, an increase of \$2,338,366, or 4.5% (pages 24-25). Transfers out to the Transportation Fund are increasing by \$1,146,902 and transfers for Law Enforcement are increasing by \$1,868,296. As transfers out comprise 77.2% 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 are shown below:

- Ad valorem tax roll – 10.0% increase, generating \$1,628,486 in additional revenue, assuming 95% collections at proposed millage rate.



- Millage rate – 1.1506, no change from last fiscal year.
- Transfers Out – \$9,403,139 to fund transportation; \$32,591,706 to fund law enforcement.
- Compensation Study Implementation - \$628,622
- Recreational Facilities Fee Increase – additional revenue of \$320,421 or 27.3%

Various capital improvements are budgeted at the Recreational Facilities including new and replacement vehicles, pool covers and vacuum, lightening detection equipment, storage shed, camera system server, and a commercial refrigerator totaling \$212,773.

### ***Transportation Fund***

The recommended budget for the Transportation Fund is \$25,881,721, reflecting an increase of \$1,985,043 or 8.3% (page 26). Some of the major factors impacting the Transportation Fund budget are presented below:

- Increased Retirement Cost – additional \$75,940 or 6.2%.
- Increased Worker's Compensation Cost – additional \$73,689 or 24.5%.
- Compensation Study Implementation -\$1,097,528.
- Gas Tax revenue totals \$2,685,000 – staying flat.
- Transfers from the General and M.S.T.U. funds, which account for 77.5% of the total fund's revenues, are increasing by \$2,445,420 or 13.9%.
- Pavement Conditions Evaluation complete – index number to prioritize repaving based upon the condition of the roadway.
- ADA Sidewalk Study – \$200,000.

A replacement Cab Tractor, two (2) Zero Turn Mowers, two (2) rotary cutters, an excavator, two (2) wheel loaders, and a cab dozer are being requested in Road & Bridge for a combined \$1,206,638, along with a large traffic signal network upgrade and electronic key access system for traffic signal cabinets for a combined \$173,000. These network and access changes will help with efficiency and security. Traffic Engineering is requesting a Bucket Truck for \$215,000 due to aging and continuous costly repairs to older bucket trucks. County Engineering is requesting a replacement truck and GPS equipment, due to damage, age, and obsolescence.

A GIS Technician and Traffic Engineer I have been added to the budget in response to the increasing complexity of managing the County's traffic infrastructure and demands. There is also a Stormwater Inspector being added to develop a more comprehensive plan to ensure the County is correctly and appropriately compliant with National Pollutant Discharge Elimination System (NPDES) requirements and the County's Municipal Separate Storm Sewer Systems (MS4) permit. These positions cost \$247,680, including benefits.

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

The total budget proposed for next fiscal year is \$66,824,334, reflecting a decrease of \$3,498,330 or 5.0% (page 27). A summary of the major impacts on the Emergency Services District (ESD) is provided as follows:

- Ad valorem tax roll – 9.7% increase, generating \$4,750,341 in additional revenue, assuming 95% collections at proposed millage rate.
- Millage rate – 2.3531, no change from last fiscal year.

- Additional eight (8) FT positions – \$777,238.
- Increased Retirement Cost – \$430,295 or 4.6%.
- Increased Worker’s Compensation Cost – \$378,976 or 33.4%.
- Capital budget of \$2,781,275.
- Prioritizing Training and Career Advancement – \$44,000 for an on-demand learning module & online learning library subscription, as well as a \$16,288 increase in Travel & Registration Fees for educational opportunities in addition to the IAFF Contract mandated \$50,000 allotted for employee tuition reimbursement.

The proposed District budget includes the addition of eight (8) full-time positions for a total cost of \$777,238. This includes the addition of four (4) Fire-Medics and three (3) Rescue Sergeants solely dedicated to running a second, “Bravo”, unit due to the increased volume of need in specific areas of the County. Once Station 16 is built, these employees will be moved there. Additionally, Fire Rescue’s fleet has now expanded to include over 110 vehicles. One (1) Equipment Mechanic II is budgeted to allow for faster turnaround times and increased efficiency. Although not specifically appropriated, Staff has included funding for overall salary and benefit increases, as the County and IAFF are still currently engaged in negotiations on wages. The proposed budget also includes funding for \$2,781,275 in budgeted capital outlay including four (4) Staff vehicles (\$192,000), pumper (\$870,000), boat replacement (\$550,000), laptops (\$100,350), fire station upgrades (\$355,325), and various other equipment (\$713,600).

### ***Proposed Non-Ad Valorem Rate Changes***

Nine (9) of the following streetlighting district’s non-ad valorem rates have been increased, primarily due to the increased electric rates of Florida Power & Light.

<b>Streetlighting Districts</b>	<b>FY 2023/24 Parcel/Acre</b>	<b>FY 2024/25 Parcel/Acre</b>	<b>Variance</b>
Laurelwood	\$38.00	\$44.00	\$6.00
Vero Highlands	\$43.00	\$47.00	\$4.00
Laurel Court	\$46.00	\$48.00	\$2.00
Tierra Linda	\$48.00	\$55.00	\$7.00
Vero Shores	\$29.00	\$34.00	\$5.00
Ikora Park	\$29.00	\$32.00	\$3.00
Royal Poinciana	\$44.00	\$51.00	\$7.00
Roseland	\$1.00	\$3.00	\$2.00
Whispering Pines	\$16.00	\$25.00	\$9.00

The SWDD budget has been impacted by CPI increases in the Waste Management, Republic Services, and Atlas Organics contracts, and overall tonnage increases due to the growing population. Long Term Care and Closure costs also continue to rise, with a \$1,720,000 or 82.7% increase on the budget. The budget also includes \$1,200,000 for C&D operations improvements, \$1,425,000 for a dedicated right turn lane, auto-entry gate, and license plate cameras into the Landfill, and \$400,000 for fiber and cameras at Customer Convenience Centers.

Due to the continuing need to increase the annual special assessment to keep pace with the increased costs, Staff is proposing the following SWDD rates for FY 2024/2025, which have been reaffirmed by the consultant who performed last year’s rate study:

<b>SWDD Rate</b>	<b>FY 2023/24 Rate</b>	<b>FY 2024/25 Rate</b>	<b>Variance</b>	<b>% Change</b>
Commercial Waste Generation Unit (W.G.U)	\$ 63.70	\$ 68.80	\$ 5.10	8.0%
Residential Waste Generation Unit (W.G.U)	\$ 100.69	\$ 108.75	\$ 8.06	8.0%
Equivalent Residential Unit (E.R.U.)	\$ 151.04	\$ 163.12	\$ 12.08	8.0%
Readiness-to-Use Fee (W.G.U.)	\$ 36.76	\$ 40.30	\$ 3.54	9.6%
Landfill Residue Disposal Fee	\$ 49.23	\$ 50.71	\$ 1.48	3.0%
Number of W.G.U.'s	230,409	230,940	531	0.2%
W.G.U. = One ton of waste annually				

Sandridge Golf Course, the #10 ranked public golf course in the State of Florida, will increase the seasonal rates charged for the 18-hole course by \$4 to \$6, along with ID cards by \$10 each. Sandridge's rates will still remain lower than most courses in the area. However, this rate increase will generate approximately \$550,000 in additional revenue to help fund the new Clubhouse, which is slated to start construction in the upcoming fiscal year. In addition to the increased rates, Sandridge continues to see a record number of golfers. With the growing interest in the sport, along with Sandridge's notoriety, revenues are projected to continue increasing. Staff is currently engaged with our financial advisor and evaluating financing alternatives. At the appropriate time, Staff will present to the Board the recommended financing.

In the past 25 years, the Utility has conducted one rate study. Based on last year's rate adjustment (5.5%), future capital needs of the system, and the overarching need to achieve revenue sufficiency and fiscal sustainability, a comprehensive Utilities Rate Study was conducted this year. A public educational workshop is scheduled for August 22, 2024 and a public hearing on the proposed rate and fee schedule will be held on September 24, 2024. Utility Rates have changed 12% since 1999. During the same time period, the US Water & Sewerage CPI has increased by a staggering 210%. The County's Utility Services Integrated Master Plan is underway. The plan will assess our system and infrastructure to identify needed capital repair and replacement items, as well address system expansion. The County will be faced with considering a more appropriate rate and fee structure to ensure necessary capital investments in our water and sanitary sewer systems are made. Absent an appropriate rate structure, revenues will be insufficient to maintain, operate, and expand the utility system, and the continued use of reserves is unsustainable.

### ***Prospective View***

Although the FY 2024/2025 tax roll has remained quite strong, a level of uncertainty exists with regard to the overall economy and the impact it may have on the County in the upcoming and ensuing fiscal year(s). As noted earlier, while most economists no longer forecast a recession, many still predict a cooling in economic growth. As noted in last year's budget message, the prediction housing starts were expected to decelerate in 2023 and 2024 (which internal County permitting data supports); however, they are expected to pick up in 2025 and 2026.

Regardless of a shallow and extended recession or an economic slowdown, I still believe the County is well positioned to weather either. Staff intends to continue to closely monitor economic trends and community conditions and maintain a cautious and conservative approach with an optimistic outlook.

Moreover, and I repeat from last year, this represents a seminal opportunity for the County to prepare itself to protect and conserve our natural resources and plan for future growth, infrastructure, and the increased demands for services. These opportunities come in the forms of strategic planning, economic development planning, updating the County's Comprehensive Plan (though an evaluation of the plan and informed by an Urban Services Boundary study), implementing the County's Indian River Lagoon Management Plan, completing a Utility Services

Integrated Master Plan, and master planning for our Parks, Recreation, and Conservation areas. All of these initiatives have been started, are nearing completion, or are underway.

I believe the County is being mindful of our current day responsibilities and challenges [opportunities] while remaining focused on being prepared and ready for the future, a future that is bright and limitless.

This message is intended to provide the Board with a general overview of the most significant changes in the proposed FY 2024/2025 budget. A more detailed explanation will be provided during the workshop sessions.

Respectfully submitted,

A handwritten signature in blue ink, reading "John A. Titkanich, Jr." with a stylized flourish at the end.

John A. Titkanich, Jr., ICMA-CM  
County Administrator