

**13****AGENDA ITEM  
ST. JOHNS COUNTY BOARD OF COUNTY COMMISSIONERS***Deadline for Submission - Wednesday 9 a.m. – Thirteen Days Prior to BCC Meeting***7/19/2022****BCC MEETING DATE****TO:** Hunter S. Conrad, County Administrator **DATE:** July 1, 2022**FROM:** Jesse Dunn, Director, Office of Management & Budget **PHONE:** 904 209-0568**SUBJECT OR TITLE:** Fiscal Year 2023 Recommended Budget**AGENDA TYPE:** Business Item, Workshop**BACKGROUND INFORMATION:**

The annual County budget process requires a number of steps, ranging from its preparation through adoption. Florida Statutes (F.S. 129.03(3) and F.S. 200.065, Truth in Millage (“TRIM”) requirements) specify that a balanced Recommended Budget must be submitted to the Board of County Commissioners as the next step in the budget process. The Fiscal Year 2023 Recommended Budget has been balanced with expenditures and adequate reserves within each County fund equal to projected fund revenues. County Administration's Recommended Budget represents a funding level that can reasonably assure the achievement of St. Johns County's operational needs while minimizing the tax impact on its citizenry. A Fiscal Year 2023 Recommended Budget Workbook will be provided to the County Commission. In addition, an electronic version of the workbook may be found on the County's website at: [www.sjcfl.us/OMB](http://www.sjcfl.us/OMB). As part of their regular meeting on August 2, 2022, the County Commission will establish the tentative Millage rates for the County's TRIM mailing and establish a date, time and place of the first public hearing for the adoption of the Fiscal Year 2023 Annual Budget. This information is placed on Department of Revenue DR-420 forms and forwarded to the Property Appraiser. Those forms provide the basis for the “TRIM” notice mailed by the Property Appraiser to property owners in St. Johns County. For practical purposes, once the tentative Millage rates are set, they can still be decreased but not increased.

**1. IS FUNDING REQUIRED?**   No   **2. IF YES, INDICATE IF BUDGETED.**   No    
**IF FUNDING IS REQUIRED, MANDATORY OMB REVIEW IS REQUIRED:**  
**INDICATE FUNDING SOURCE:**

**SUGGESTED MOTION/RECOMMENDATION/ACTION:**

Presentation and discussion only on the Fiscal Year 2023 Recommended Budget: no Board action is required.

**For Administration Use Only:**  
**Legal:** Lex Taylor 7/1/2022 **OMB:** N/A **Admin:** Brad Bradley 7/5/2022

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## Fiscal Year 2023 Recommended Budget

**St. Johns County Board of County Commissioners  
July 19, 2022**

**Jesse Dunn, Director  
Office of Management & Budget**

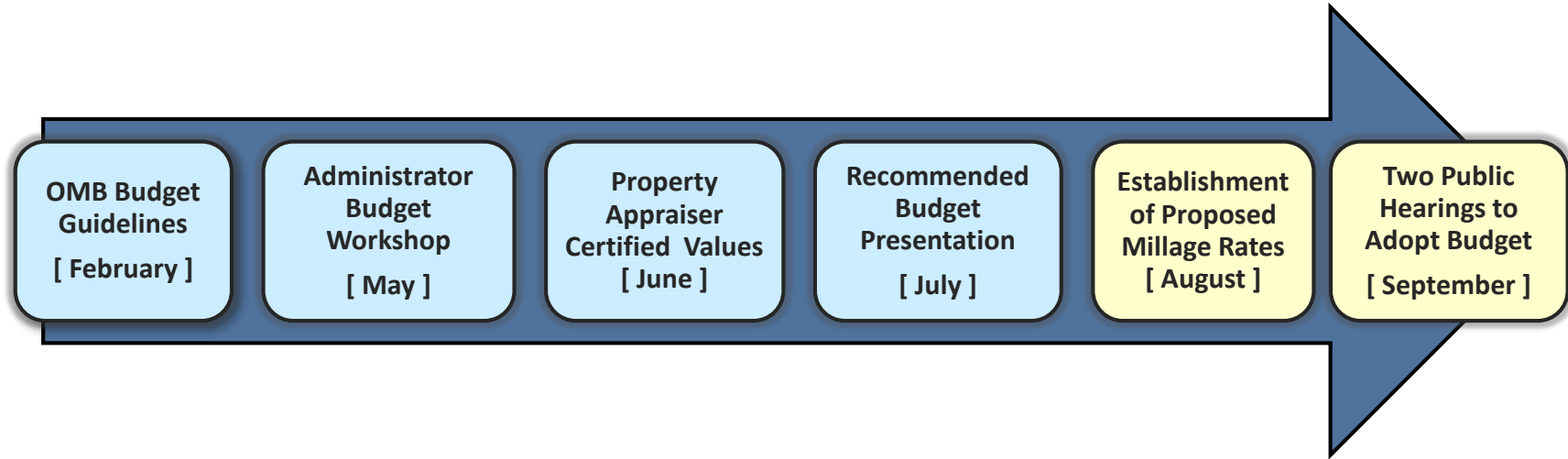


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## Fiscal Year 2023 Budget Process

St. Johns County annual budget process encompasses seven-months from mid-February to mid-September.



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## Total County Recommended Budget



The Recommended Budget does not yet include multi-year capital and grant carryforwards that will be incorporated in September into the FY 2023 Adopted Budget.



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## Fiscal Year 2023 Budget at Recommended Budget

- ✓ Salary recommendation of 3.0% plus \$1.50 with considerations for recruitment and retention.
  - *Further considerations for licensures, industry market watch, and promotions.*
- ✓ Current budget reflects Health Insurance Committee recommendation of a 9.1% employer increase to address pent-up demand affecting health care claims costs.
- ✓ Retirement rates as mandated by the State. Maintain existing Workers Compensation rates.
- ✓ Reviewed recurring operating budgets with considerations for inflation, notably fuel and utility appropriations.
- ✓ Continue funding for capital repair and replacement, 5-year computer replacement, and equipment.
- ✓ Replacement vehicles reduced with recommendation to respond when market conditions improve.
- ✓ Incorporate Capital Improvement Plan projects where funding is available.
- ✓ Maintain healthy reserves and credit ratings.
- ✓ Continually monitor/update revenues including half-cent sales tax, gas taxes, tourist development taxes, and impact fees.
- ✓ \$6 combined Solid Waste assessment increase for residential recycling and collection cost.
- ✓ Two new millage levies for South Ponte Vedra Beach & Serenata Beach & Dune Restoration.

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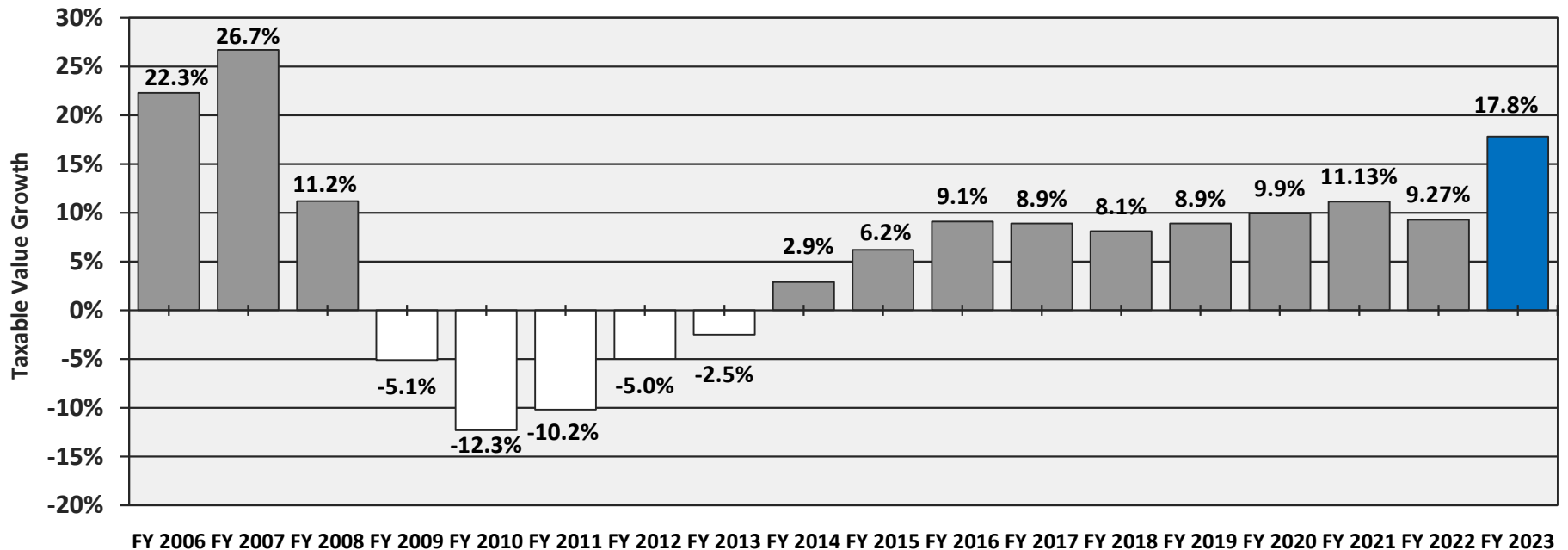
**FY 2023 Recommended Revenues**

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## Growth in St. Johns County Taxable Value

The Property Appraiser's current uncertified valuation determination reflects an approximate 17.8% taxable value growth increase for FY 2023 (over FY 2022).



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## Property Tax Revenue for St. Johns County BCC

A 17.8% increase in property valuation results in an incremental \$39.5 million increase in property tax revenue for FY 2023.

### Fiscal Year 2023 Property Taxes (in \$Millions)

Fund	Current Millage Rates	Incremental 17.8% in Property Taxes	Tentative Fiscal Year 2023 Property Taxes
General Fund	4.6537	\$26.9	\$178.6
Fire District Fund	1.3813	7.6	50.3
Transportation Trust Fund	0.8444	4.9	32.8
Health Dept. Fund	0.0160	0.1	0.6
<b>Total New Property Taxes</b>		<b><u>\$39.5</u></b>	<b>\$262.3</b>

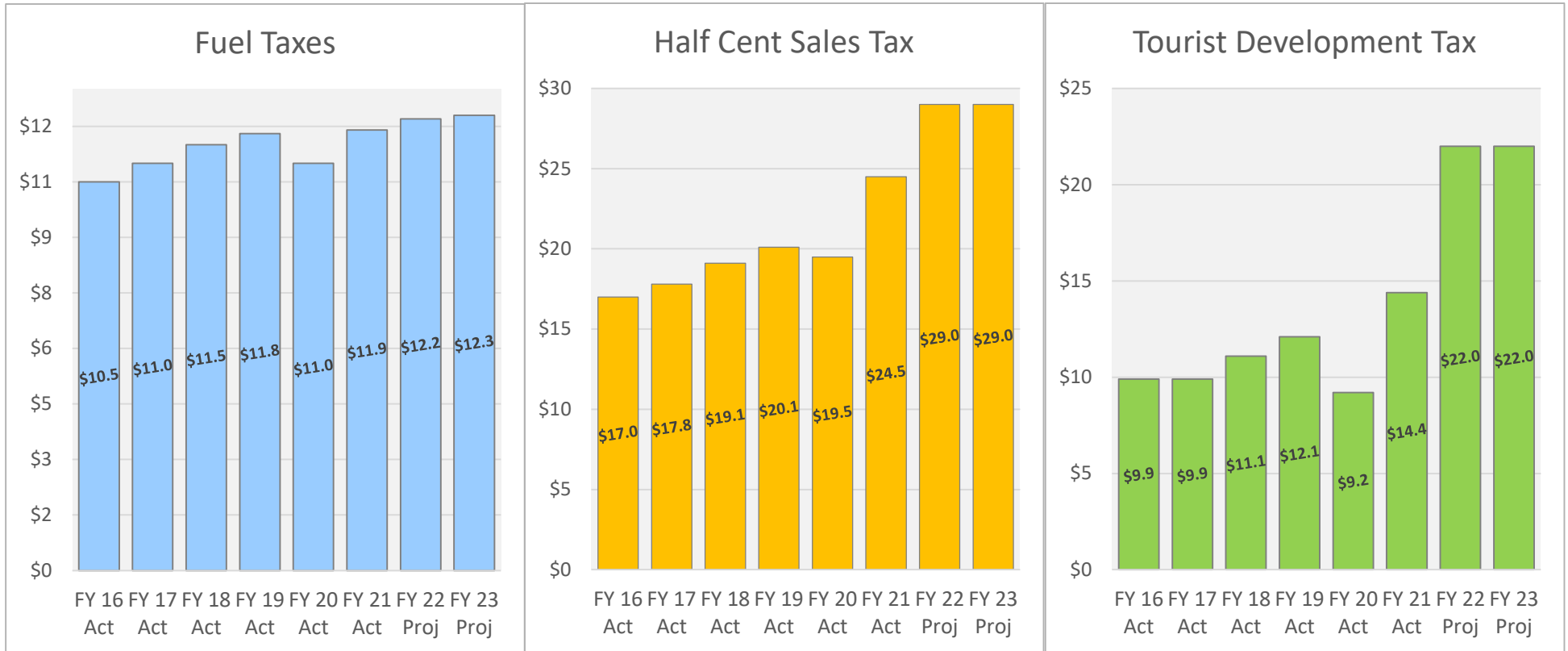
Property taxes are reflected at 95% Statutory budgeting requirement.



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## Other Select Revenue Trends (in \$ millions)



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**FY 2022 Recommended Budget Expenditures**

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## Noteworthy Items at the FY 2023 Recommended Budget

- ✓ Since the Administrator's Workshop, Gas, Oil, & Lube and Utility expenditure appropriations have been updated.
- ✓ General Fund reflects Constitutional Officer requests and is balanced at the Recommended Budget.
- ✓ Major investment into recreation maintenance increase.
- ✓ Campus building maintenance to respond actively throughout the year to ongoing maintenance.
- ✓ Space analysis programmed for the BCC and Constitutional Officers.
- ✓ Addressing short-term space needs for Constitutional Officers.

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## FY 2023 Budget Summaries

Since the Administrator's Budget Workshop in May,

- Department requests for personnel, vehicles, and capital outlay requests are reduced \$2,700,099 or 11.2%.
- The Computer Summary is updated to reflect changes in computer pricing.
- Vehicles continued to be reviewed based upon auto market.

Category	FY 2023 Admin Workshop	FY 2023 Recommended	(Reduction) / Addition
Position Request Summary	\$3,216,556	\$3,216,556	\$ -
Vehicle Summary	5,715,334	3,583,784	(2,131,550)
Capital Summary	3,921,741	3,346,052	(575,689)
Computer Summary	1,587,485	1,594,625	7,140
Maintenance Summary	9,704,761	9,704,761	-
<b>Summary Totals for FY 2022</b>	<b>\$24,145,877</b>	<b>\$21,445,778</b>	<b>(\$2,700,099)</b>

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## Capital Improvement Projects (CIP) FY 2023-2027



CIP Category	FY 2023 Proposed	FY 2024 – 2027 Proposed
Constitutional Officers	\$8,000,000	\$ -
General Government	15,302,000	-
HHS (CDBG-DR funded)	6,911,361	-
Leisure Activities	\$19,901,770	12,600,000
Library Services	-	-
Public Safety	5,027,755	18,475,220
Public Works	63,145,885	110,153,912
Physical Environment (Utility Services)	191,156,814	105,262,534
<b>Total Proposed CIP</b>	<b>\$309,445,585</b>	<b>\$246,491,666</b>

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## FY 2023 Millage Fund Reserves



Cumulative reserves for our millage funds are aligned with BCC policy and remain healthy.

### Millage Fund Reserves in \$ Millions

	Restricted Reserves	Targeted Reserves	Unrestricted Reserves
General Fund Reserves	\$11.2	\$38.2	\$24.5
Transportation Trust Reserves	\$1.8	\$1.1	\$11.2
Fire District Reserves	\$0.0	\$8.3	\$3.9
Health Department Reserves (no requirement)	\$ -	\$ -	\$ -

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**August 2, 2022 BCC Consideration**

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## Recommended Budget and Millage Rates



- ✓ The FY 2023 Recommended Budget is predicated on the proposed millage rates.
- ✓ There is no required action, today, as part of the July 19, 2022 regular agenda.
- ✓ On August 2, 2022, the BCC will take action to set the proposed millage rates, state the calculated rolled-back rate, and establish the date, time, and location of the first public hearing on the Fiscal Year 2023 Tentative Budget. This information will be provided to the Property Appraiser.
- ✓ Proposed millage rates, first public hearing information , and rolled-back rate is used in the TRIM (Truth in Millage) notices mailed to each taxpayer.
- ✓ Once established, proposed millage rates can be reduced but not increased.



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## Rolled Back Rates Effect for FY 2023



### Incremental Property Taxes (in \$ millions)

Fund	Recommended Property Taxes	Rolled Back Rate Property Taxes	Reduction
General Fund (net CRAs)	\$26.9	\$6.4	\$20.5
Fire District Fund	7.6	1.8	5.8
Transportation Trust Fund	4.9	1.1	3.8
Health Dept. Fund	0.1	0.0	0.1
<b>Total New Property Taxes</b>	<b><u>\$39.5</u></b>	<b><u>\$9.3</u></b>	<b><u>\$30.2</u></b>

Property taxes are reflected at 95% Statutory budgeting requirement.

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## August 2, 2022 BCC Agenda: Example



The BCC will consider the following motions as part of the FY 2023 Budget process:

- ✓ Motion to approve proposed millage rates for FY 2023.
- ✓ Motion to authorize the completion and execution of the Fiscal Year 2023 Form DR-420s with the approved tentative millage rates and the establishment of September X, 2022, at 5:01 pm in the County Auditorium, as the first public hearing for the adoption of the St. Johns County Board of County Commissioners Fiscal Year 2023 Budget.

	FY 2023 Proposed Millage Rates
General Fund	4.6537
County Transportation Trust Fund	0.8444
County Health Unit Trust Fund	0.0160
Fire District, Countywide Except City of St. Augustine	1.3813
St. Augustine South Street Lighting District	0.1350
Vilano Street Lighting District	0.0320
Summerhaven MSTU	7.3392
Coastal Highway MSTU	0.5000
S. PV Dune & Beach Restoration MSTU	2.6200
Serenata Beach MSTU	0.5500
Ponte Vedra Beach Dune & Beach Restoration MSTU	-
<b>Aggregate Millage Rate</b>	<b>6.8296</b>
<b>Aggregate Rolled-back Rate</b>	<b>6.0642</b>

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