

**AGENDA**  
**EAST FLAGLER MOSQUITO CONTROL DISTRICT**  
**FINAL BUDGET HEARING**  
**SEPTEMBER 24, 2018**

If any person decides to appeal any decision made by the district board with respect to any matter considered at this public meeting, such person will need a record of the proceedings and for such purpose, such person may need to ensure that a verbatim record of the proceeding is made, including the testimony and evidence upon which the appeal is to be based.

Board of Commissioners: Julius Kwiatkowski (JK), Barbara Sgroi (BS), Dr. Florence Fruehan (FF) Director: Mark Positano (MP), Board Attorney: Noah McKinnon (NM), Part-time Chief Financial Officer: Steve Barnier (SB).

*A three (3) minute public comment period may be provided at the end of the meeting*

1. Open meeting (5:01 pm).
  
2. Discuss the percentage increase in millage over the rolled-back rate needed to fund the budget.
  - The increase is 10.25% from rolled-back .2284 to proposed .2518 per thousand.
  - Increases Ad Valorem revenue by \$147,302 for a total of \$1,952,665. This is an 8.16% increase in revenue.
  
3. Discuss the reasons Ad Valorem revenues are increasing:

The budget for any government entity should not only be balanced but also sustainable (see article here <http://www.governing.com/finance101/gov-what-is-a-sustainable-budget-vs-a-balanced-budget.html>). This current budget year we have made efforts to reduce spending with minimal impact on services. Next year, expenditures have been reduced by 5% in the proposed budget. However, so that the budget is balanced, an additional 5% in revenue is required so that revenues are equivalent to expenditures.

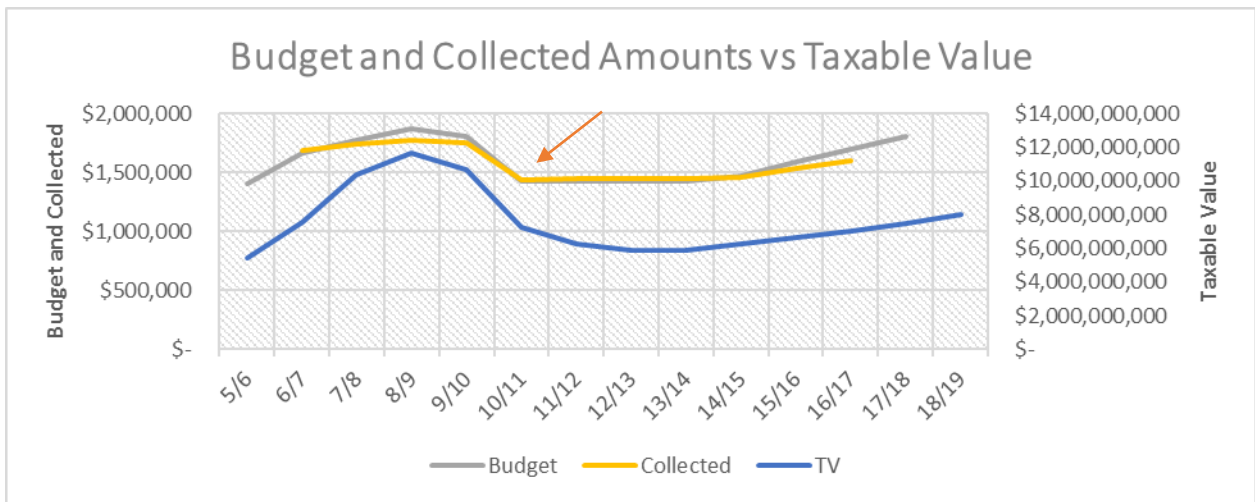
A voter initiative will appear on the ballot this fall that, if passed, would significantly impact the budgets of all government agencies reliant on ad valorem. To compensate for this potential reduction, an additional \$60,000 in revenue above the 5% increase is also proposed. This is approximately half the amount that would be lost the following budget year. However, **expenditures would not increase**. Spending would still be reduced 5% and the additional funds would be allocated to reserve accounts.

Below is how the revenues and expenditures would change in this scenario.

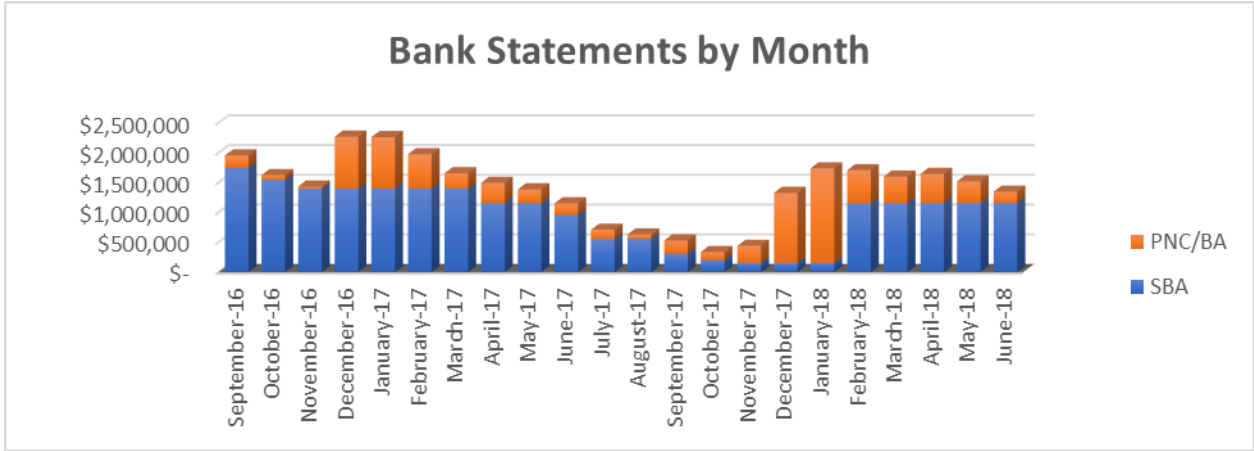
<b>Estimated Revenues</b>	<b>17/18</b>	<b>18/19</b>	<b>Percent Change</b>
Ad Valorem	\$ 1,805,363	\$ 1,952,665	<b>8.16%</b>
Interest Earnings	\$ 2,500	\$ 10,000	<b>300.00%</b>
Misc. refunds	\$ 3,000	\$ 3,000	
Equipment and Other Sales	\$ 311,998	\$ -	
<b>Total Sources</b>	<b>\$ 2,122,861</b>	<b>\$ 1,965,665</b>	<b>-7.40%</b>
Fund Balances/Reserves/Net Assets	\$ 542,188	\$ 651,211	<b>20.11%</b>
<b>Total Revenues, Transfers &amp; Balances</b>	<b>\$ 2,665,049</b>	<b>\$ 2,616,876</b>	<b>-1.81%</b>
<b>Expenditures</b>			
Operating Budget	\$ 2,013,838	\$ 1,905,665	<b>-5.37%</b>
Contingency	\$ 200,000	\$ 200,000	
<b>Total Expenditures</b>	<b>\$ 2,213,838</b>	<b>\$ 2,105,665</b>	<b>-4.89%</b>

The proposed tax rate would cost the median home valued at \$175,000 with \$50,000 Homestead Exemption \$31.48 next year, up from \$30.04 paid this year.

After the recession hit, in budget year 10/11, the Board voted to reduce spending significantly and reduce taxes by 21%. The red arrow on the chart below shows -18.45% cut to the rolled back rate for FY 2010-2011. Five years of no increases to revenue followed. The current fiscal year 17/18 is the first-time funding was restored to 2008 levels.

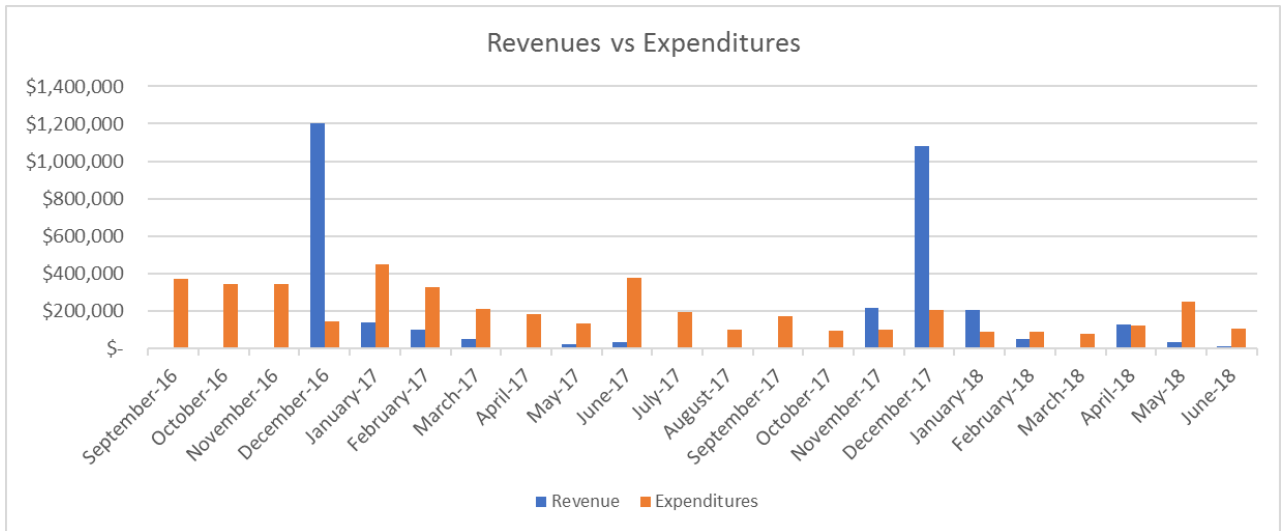


Expenditures for the new facility and two consecutive years with hurricanes reduced our fund balance to reserves only.



To compensate we sold property at 24 Utility DR to the City of Palm Coast for the Appraised value, negotiated exchange of hangar at the airport in exchange for reduced lease fees at our new facility and curbed spending where possible while maintaining operational effectiveness.

From the graph below expenditures are much reduced this year.



- Estimated Taxable Value has increased 7.5% but that does not translate into a similar increase to our revenues using the rolled-back rate.
- Proposed reductions in expenditures and increases in revenue would still leave vacant positions.

- Most of our fog trucks were purchased in 2004, 6 out of 8, will be 15 years old.
- Other equipment is showing its age and has increased downtime and maintenance costs.

4. Allow public comment and questions.

5. Adopt millage rate.

6. Execute Resolution 2018/2019-4, adopting the final millage rate.

7. Adopt tentative budget.

8. Execute Resolution 2018/2019-5, adopting the tentative budget.

9. Adjourn.