

# **Proposed Budget**

## **Fiscal Year 2020-2021**



September 3<sup>rd</sup>, 2020 Proposed Budget Public Hearing

Per FS 189.418 the proposed FY 2020 – 2021 tentative budget is hereby submitted to the Board of Fire Commissioners for consideration during the first budget hearing on September 3<sup>rd</sup>, 2020.

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# Acknowledgements

## **Board of Fire Commissioners**

Kevin Kenney	Chairman
Jim Dalrymple	Vice Chairman
Randy Burr	Treasurer
David Root	Secretary
Tom McQueen	Commissioner At Large

## **District Administration**

Fire Chief	Tom Jamison
Deputy Chief	Jason Gennaro
Assistant Chief	George Bessler
Division Chief	Greg Godwin
Division Chief	Doug Stryjewski
Division Chief	Mike Porch

## Commissioners:

In accordance with FS 189.418, I herewith submit the tentative budget for Fiscal year 2020 – 2021. This tentative budget is balanced and presents an all – inclusive plan for the District’s funding requirements in the coming fiscal year.

Capital Projects funding is comprised of ad valorem tax revenue of \$58,500 for the acquisition of the following:

1. Utility Terrain Vehicle (Off road search and rescue)
2. Fire Engine Communication system (intracom) upgrade
3. Disinfection systems for stations / vehicles

The General Fund revenue is comprised of ad valorem tax generating \$5.868 million at the proposed millage of 1.965, EMS First Responder funding from Pinellas County at a contractually agreed upon amount of \$1.825 million, contractual funding from Pinellas County for Brooker Creek Preserve protection of \$12 thousand, contractual funding from Pinellas County for maintenance and training for the dive team of \$5 thousand, and additional miscellaneous income for a total of \$7.964 million.

Operating expenditures will continue to increase due to contractual obligations and the impact of inflation. Property values are continuing to rise, with the District’s administration conservatively estimating an ongoing annual 3.0 percent increase in taxable value.

The goal of administration is to provide the District with sustainable funding moving forward. We will continue to explore alternatives for funding in our commitment to provide the highest possible level of protection for life, property and the environment within our budgetary means.

Tom Jamison, Fire Chief

# Fire Millage Rates in Pinellas County

<b>Taxing Authority</b>	<b>2019-2020</b>	<b>2020-2021(Proposed)</b>
S. Pasadena	0.4500	0.4203
Gandy Fire	1.2000	1.1512
Belleair Bluffs	1.6227	1.6227
Tierra Verde	1.9118	1.9118
Seminole	1.9581	1.9581
<b>East Lake Fire</b>	<b>1.9650</b>	<b>1.9650</b>
Palm Harbor	2.0000	2.0000
Tarpon Springs	2.3745	2.3745
Dunedin	2.7031	2.5215
High Point Fire	2.6700	2.6700
Safety Harbor	2.4808	2.6743
Clearwater	2.9775	2.7938
Largo	3.3179	3.0833
Pinellas Park	3.1976	3.1976
Lealman	5.7500	5.7500

# East Lake Tarpon Special Fire Control District

## Ad Valorem Income and Millage Rate History

<u>Budget Year</u>	<u>Ad Valorem (Millions)</u>	<u>Millage</u>
2009 – 2010	3.552	1.3900
2010 – 2011	3.627	1.3900
2011 – 2012	3.676	1.5100
2012 – 2013	4.083	1.7000
2013 – 2014	4.350	1.9800
2014 – 2015	4.567	1.9800
2015 – 2016	4.749	1.9650
2016 – 2017	4.967	1.9650
2017-2018	5.193	1.9650
2018-2019	5.407	1.9650
2019-2020	5.634	1.9650
2020-2021	5.868	1.9650

## **BUDGET GUIDE**

The budget document is prepared to provide the reader with financial, policy, organizational and operational information about the District's operating plan for a period referred to as Fiscal Year and is mandated by Florida Statutes. The East Lake Tarpon Special Fire Control District's Fiscal Year begins October 1<sup>st</sup> and ends September 30<sup>th</sup>. The Fiscal Year beginning October 1<sup>st</sup>, 2020 is referred to as "FY 2020 – 2021". The District's Board of Fire Commissioners is required to adopt the budget on or before September 30<sup>th</sup> each year for the upcoming Fiscal Year.

The District cannot spend money unless appropriated within the budget. An appropriation is the legal approval given by the District's Board of Fire Commissioners to the District staff to spend money. The budget also contains an estimate of revenues to be received by the District during the same fiscal year time period. The legal authorization to collect revenues, such as property tax, is established by State Statutes and the District's Charter and is enacted by the District Board of Fire Commissioners by resolution. Also included in the budget is the estimate of monies remaining from prior fiscal periods, called fund balance, which can be appropriated in a current fiscal year. The District Charter and State law require that expenditures not exceed the combination of available fund balance and revenues. The District may borrow money for major capital projects, such as the purchase of land, equipment or the construction of buildings, but cannot borrow money for general operational expenditures of the District.

The budget may be amended in two ways: an informal budget expenditure reallocation, approved by the Fire Chief, that transfers dollars between line items within an adopted budget category group and a formal budget amendment that transfers dollars between adopted budget category groups or increases expenditures of a specific group or increases the spending level of a fund, as requested by the Fire Chief and approved by the Board of Fire Commissioners.

## **HOW THE BUDGET IS PREPARED AND ADOPTED**

The budget development is a year-round process and major responsibility that claims the full attention of the Fire Chief and staff, and the Board of Commissioners through the appointed Treasurer. The budget's principal aim is to deliver a straightforward account of government finances and a blueprint for the upcoming new fiscal year. Pertinent documentation and detailed expenditure analysis records are maintained to monitor spending activities on a year-over-year basis identifying one-time occurrences, bi-annual transactions and economic trends that aid in predicting future operational and capital requirements for the creation of an executable budget plan. Accuracy in budget expenditure forecasting is paramount in establishing sufficient revenue streams to fund all operating and capital expenditure strategies that represent the Fire Chief, Staff and Commission's best efforts at aligning our resources and priorities to uncompromisingly serve the communities we are sworn to protect.

The process moves through four basic stages: Preparation, Adoption, Execution and Review.

The Fire Chief must submit a tentative new fiscal year budget to the Board of Fire Commissioners prior to the end of September during two public hearings to review their budget proposals and answer questions from the Commission. Changes to the budget are made and the Board of Fire Commissioners formally adopts the new fiscal year's budget by resolution during the second public hearing. On September 30<sup>th</sup> of each year the existing fiscal year budget closes and the new fiscal year budget begins on October 1<sup>st</sup>.



## **BUDGET and ACCOUNTING BASIS**

The East Lake Fire District's annual budget is legally adopted for the General Fund. Revenues and expenditures are recognized in the accounts and reported in the financial statements on the modified accrual basis of accounting. Revenues are recognized in the accounting period they become measurable rather than receipt of payment. Expenditures for goods and/or services received are recognized at the time liabilities are incurred as opposed to the time of payment. In summary, revenues are recognized when earned and expenditures are recognized when incurred.

The Comprehensive Annual Financial Report (CAFR) shows the status of the district's finances based on "generally accepted accounting principles" (GAAP). In most cases this conforms to the way the district prepares and manages its budget.

## **BUDGET FORMAT**

The presentation, or format, of the budget is the key to what it ultimately communicates to the public. The District has elected to use a broad category budget format. Such a format provides resilient management spending controls focused on categorical expenditures, efficient budget administration of specific category groups and ensures a high level of transparency through supporting line item details in financial statement presentations.

## **FUND BALANCES**

In accordance with Governmental Accounting Standards Board (GASB) regulation 54, the Fund Balance is defined as the difference between assets and liabilities reported in the government Fund. The Fund Balance is designated into five categories: Non-Spendable, Restricted, Committed, Assigned and Unassigned.

### **GASB 54 2020**

**Fund Balance September 30<sup>th</sup>, 2018: \$2.867 Million\***

Non-Spendable:	\$153,797
Restricted:	415,002
Committed:	1,139,000
Assigned:	850,000
Unassigned:	<u>309,511</u>
	\$2,867,310

**General Fund Balance (estimated) Sept 30<sup>th</sup>, 2020: \$4 Million**

\*East Lake Tarpon Special Fire Control District Comprehensive Annual Financial Report for the Fiscal Year Ended September 30<sup>th</sup>, 2018 – Saltmarsh, Cleaveland & Gund, Certified Public Accountants.

## Proposed Fiscal Year 2020-2021 Budget

### Income:

Ad Valorem	\$5,868,758
Grant Revenue	5,000
Brooker Creek Contract	12,000
Water Rescue Contracts	5,000
Tax Fee excess	32,500
ALS Contract	1,825,920
ALS Allowable Costs	18,259
Reserves	138,805
CPR Class Revenue	3,500
Interest Income	25,000
East Lake CERT Grant	10,000
Fire Prevention / Impact Fees	3,000
State of Florida	<u>16,560</u>
	<b>\$7,964,302</b>

### Expenses:

Salary and Benefits:	\$6,515,402
Capital Outlay:	58,500
Debt Service:	233,086
Operations:	975,724
Reserves:	181,590
	<b>\$7,964,302</b>

### Importance of Reserves:

Reserve funds are necessary for two primary purposes:

1. Fiscal stability during economic downturns.
2. Smoothing of the budget for large known periodic expenses identified in the Fire District's 10-year capital improvement plan.