Board of Supervisor's Meeting
Pine Tree Water Control District
Special Meeting

Wellington City Hall
12300 Forest Hill Blvd.
Wellington, FL 33414

Monday, September 12, 2016
6:00 p.m.

AGENDA

I. **Call to Order**

II. **Pledge of Allegiance**

III. **Attorney's Report**
   a. SFWMD Budget Information

IV. **Board Comments**

V. **Next Meeting – Monday, November 7, 2016 at 6:00 p.m. (Optional)**

VI. **Adjourn**

ATTORNEY'S REPORT

Pine Tree Water Control District

MEMORANDUM

DATE	**August 31, 2016**
TO:	**TANYA QUICKEL, DISTRICT ADMINISTRATOR**
FROM:	**JEFFREY S. KURTZ, ATTORNEY FOR PTWCD**
CC:	**BOARD OF SUPERVISORS OF PINE TREE WATER CONTROL DISTRICT** **BOB HIGGINS, DISTRICT ENGINEER**
RE:	**SFWMD Information**

The South Florida Water Management District (SFWMD) held their Governing Board Meeting on August 11, 2016. Their agenda included their Fiscal Year 20162017 Tentative Budget Update. The presentation is attached. Please see page 6 of the presentation, Item #7.

Also, the link below goes to their website recording of the meeting:
http://my.sfwmd.gov/webapps/publicMeetings/viewFile/10027

In the video, please go to 1:37:34 (1 hour, 37 minutes, 34 seconds), where Item #7 of the presentation is discussed.

The summary of this item is that the SFWMD FY 2017 Tentative Budget includes removing of funding for Chapter 298 District non ad-valorem assessments previously paid. Their position discussed by their Executive Director is that SFWMD is taking the position to exercise their governmental immunity from taxation.

Mr. Kurtz and Ms. Quickel are attending the upcoming September 8, 2016 Governing Board Meeting where they are holding their FY 2017 Tentative Millage & Budget Public Hearing. Their Final Millage & Budget Public Hearing is scheduled for September 20, 2016.

This information is brought forward as advisement of the potential ramifications resulting from their non-payment of the PTWCD assessment of $49,100. PTWCD has Fund Balance of $166,117 as of September 30, 2015. This is not projected to change significantly for the upcoming September 30, 2016 fiscal year end.

Staff is seeking direction regarding this potential change.

PINE TREE WATER CONTROL DISTRICT
AMENDED BUDGET FOR FY 2017 and PROPOSED FY2018

	ADOPTED FY 2017 BUDGET			POTENTIAL IMPACT TO FY 2017 BUDGET			POTENTIAL IMPACT TO FY 2018 BUDGET PRELIMINARY DRAFT		
	Units	Assessment	Total	Units	Assessment	Total	Units	Assessment	Total
REVENUES									
Rustic Ranch Assessment (PAM)	638.92	85.00	$ 54,310	638.92	$85.00	$ 54,310	638.92	$144.50	$ 92,320
Agricultural Assessment (PBM)	223.03	25.00	5,580	223.03	$25.00	5,580	223.03	$75.20	16,770
Water Management (PCM)	2,805.45	17.50	49,100			-			-
Less collection allowance (5%)			(5,400)			(3,000)			(5,500)
Use of Reserves			16,210			62,910			16,210
Total Revenues	3,667.41		**$ 119,800**	861.96		**$ 119,800**	861.96		**$ 119,800**
EXPENDITURES									
Canal weed control			$ 15,500			$ 15,500			$ 15,500
Drainage improvements and maintenance			20,000			20,000			20,000
Swale mowing			51,000			51,000			51,000
Supervisor meeting fees			500			500			500
Engineering and Legal			10,000			10,000			10,000
Administrative cost			22,800			22,800			22,800
Total Operating Expenditures			**$ 119,800**			**$ 119,800**			**$ 119,800**

Est Fund Balance 9/30/16	149,907
FY2017 Use of reserves	(62,910)
Estimated FB 9/30/2016	86,997

Est Fund Balance 9/30/16	86,997
Use of reserves	(16,210)
Estimated FB 9/30/2018	70,787

8/31/2016

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

South Florida Water Management District Budget Summary

August 11, 2016

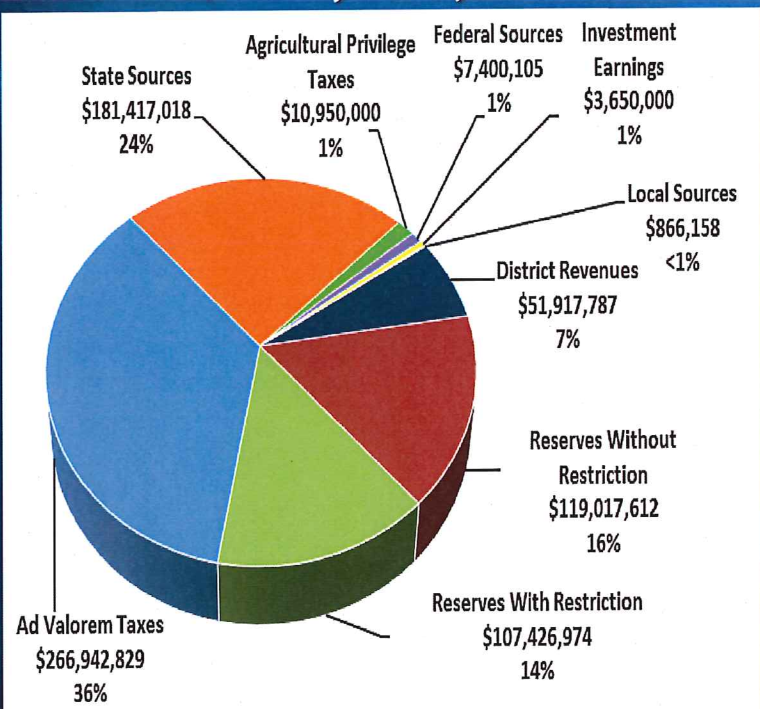
sfwmd.gov

Today's Presentation

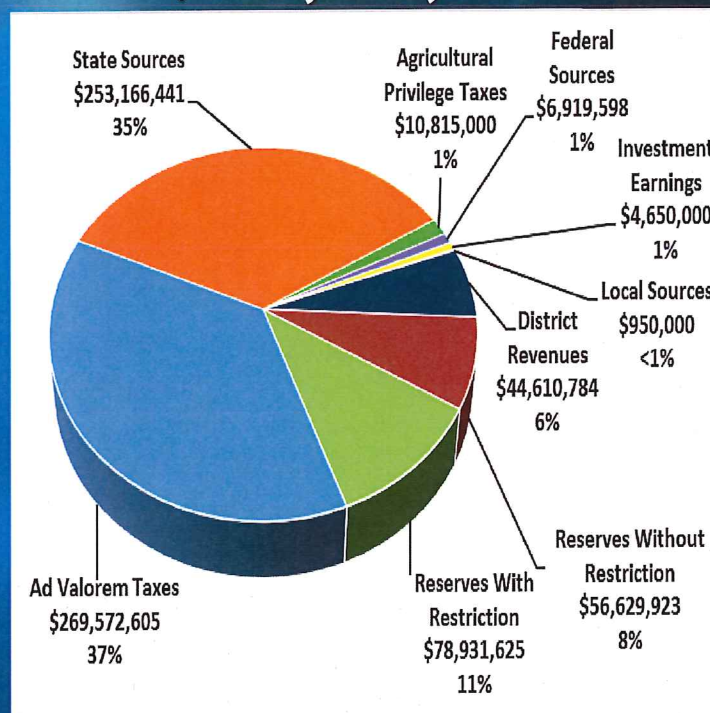
- ➢Fiscal Year 2016-17 Proposed Budget Update
- Revenues Summary
- Expenditures Summary
- Budget Predicates
- Reserves 5-Year Spend down Plan
- Budget Highlights
- Next Steps

Revenue Comparison

Fiscal Year 2015-16 Adopted Budget $749,588,483

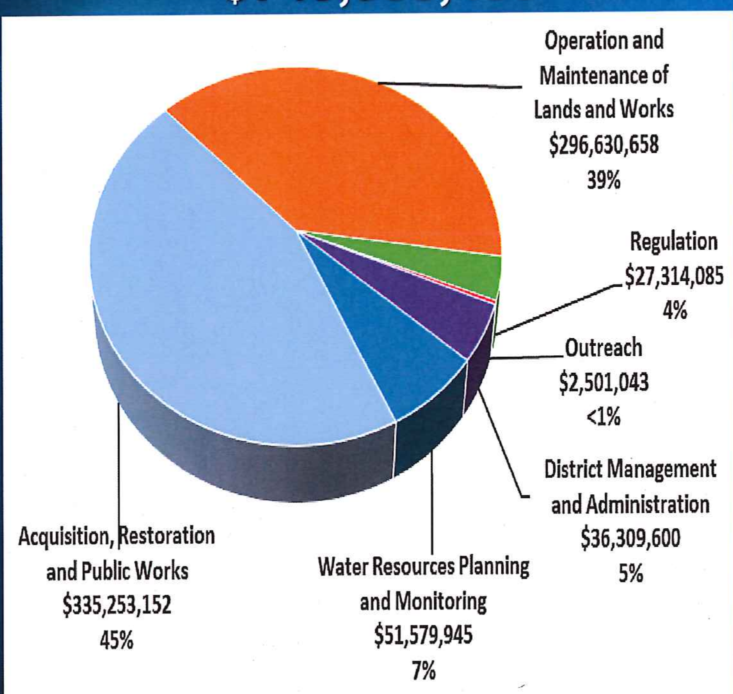


Fiscal Year 2016-17 Proposed Budget $726,245,976



Expenditure Comparison

Fiscal Year 2015-16 Adopted Budget $749,588,483



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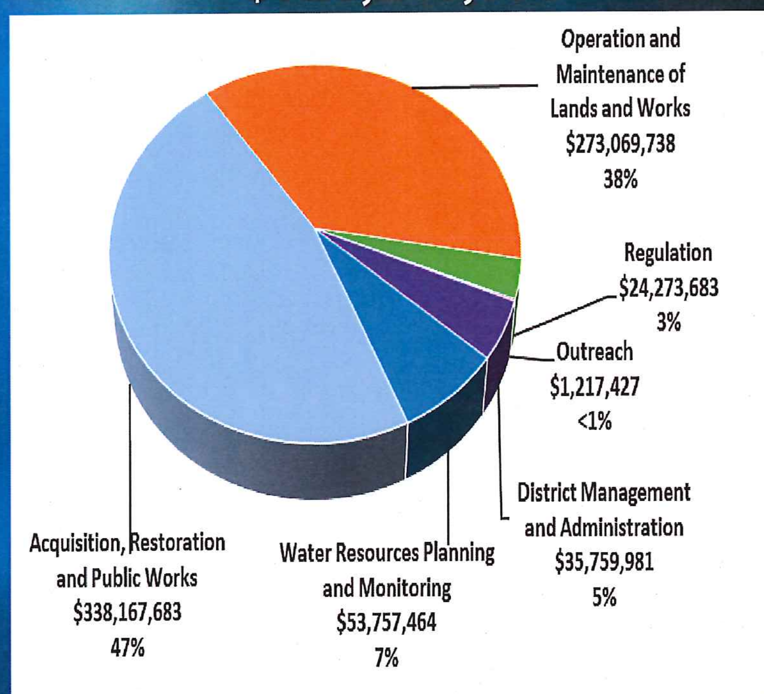

Cost Avoidance and Initiatives Estimate

1	Current 2016 Budget Year Personnel One-Time Savings - Savings from holding vacant positions open at full budgeted authority of 1530 complement.	$ 6,700,000
2	Current 2016 Budget Year One-Time Savings for New Works Projects Operations - These savings are due to L-8 FEB not being fully operational for the entire year as well as Site 1 not being transferred from the USACE to the District as planned in the 2016 budget.	$1,100,000
3	2017 Budget Year Personnel Recurring Savings - With a reduction of staff complement to 1475 positions.	$7,100,000
4	Debt Service Interest Payment Reduction Payment - 2017 Debt service payment due to refinancing is $3.1M less than the 2016 payment. - $1M of Certificates of Participation (COPS) Proceeds Unused Balance that supplements the Ad Valorem budget for the debt service payment.	$4,100,000
5	2017 Budget Year Operations & Maintenance of 2016 New Works on Line	$1,300,000

Cost Avoidance and Initiatives Estimate - Continued

6	Property, Crime And Property Insurance Premium Reductions Due to Change in Deductible	$46,000
7	298 Districts "Tax" Payments	$800,000
8	Managers Health Insurance Participation - Currently 88 managers are not contributing and the District is funding 100% of their premiums. The proposal is for managers to pay the premiums amount paid by State senior managers.	$170,000
9	Discontinue the Retiree 2% Subsidy - Proposal to eliminate the 2% subsidy that the District is funding for employees that retired between 2007-2011. The $275,000 represents implementation for January 2017-September 2017. Full budget year is estimated at $370,000.	$ 275,000
10	Retiree Health Insurance Participation at Full Cost - Overall the District is subsidizing 271 retirees' and 134 dependents medical insurance premiums in addition to the 2% subsidy. The District has no obligation to subsidize retiree's premiums. The only obligation the District has is to provide access for retirees to the same medical insurance as regular employees. This proposal is for retirees to pay their full medical insurance premiums. The $676,000 represents implementation for January 2017-September 2017. Full budget year is estimated at $1,000,000. Non-Management employees will pay premiums at current levels.	$ 676,000

Cost Avoidance and Initiatives Estimate - Continued

11	Eliminate Retiree Life Insurance Subsidy. - Currently the District is paying retirees' life insurance premiums. Proposal is for retirees to pay their life insurance premium.	$ 27,000
12	Pre-employment Physicals - Specified labor force staff will require physicals. All other staff will not.	$14,000
13	Reduction in Fleet & Surplus Sales - 40 Vehicles & 10 Airboats - 40 vehicles and 10 Airboats will go to auction and will not be replaced.	$ 1,650,000

Income Initiatives Estimate

1	Amend Investment Strategy	$1,000,000
2	Environmental Resource Permit Revenues - Staff reviewed a 3 year trend of revenues and estimate an increase in permit income.	$ 170,000
3	Leasing Space to PBSO - 2017 will be 150,000 for May - September. A full year will yield $360,000	$ 150,000
4	Day Care Lease	$ 101,000
5	Radio Towers Sub-Lease Rental (estimate)	$ 200,000

Reserves Summary - $306.3 million

- The next couple of slides provides a line item list of the reserves without restrictions and with restrictions.
- The reserves without restriction ($153.7 million) is broken out into "existing" and "proposed".
- The "existing" are projects that have been on the reserves spend down plan. The "proposed" are new proposed usages of the additional reserves.
- There remains a $21 million "future project" balance available for allocation.
- The reserves with restrictions ($152.6 million) are detailed out according to their allowable usages. This includes the $60 million hurricane/emergency reserve that will be reallocated yearly and remain available, if not used.
- All reserves are subject to amendment based on Governing Board decisions.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Reserves Spend Down Summary Without Restrictions - $153.7 Million

	Description	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Remaining Balance	Total
1	**Reserves Without Restrictions - Existing**							
2	Restoration Strategies	$14,071,043	$33,228,600	$11,366,747	$10,588,445			$69,254,835
3	Lake Hicpochee Hydrologic Enhancement	$9,773,686						$9,773,686
4	Cooperative Funding Program	$9,000,000						$9,000,000
5	Central Florida Watershed Initiative (CFWI)	$3,080,649						$3,080,649
6	Tax Collector & Property Appraiser Fees	$2,716,308						$2,716,308
7	Everglades Restoration	$828,077	$350,000	$95,000				$1,273,077
8	C-43 WQ Testing Facility (BOMA)	$430,941						$430,941
9	Land Management	$90,500						$90,500
10	NEEPP Source Control	$30,000						$30,000
11	NEEPP & EFA Source Controls	$20,000	$40,000	$120,000				$180,000
12	Budget Stabilization						$5,589,905	$5,589,905
13	**Reserves Without Restrictions - Existing Total**	**$40,041,204**	**$33,618,600**	**$11,581,747**	**$10,588,445**		**$5,589,905**	**$101,419,901**
14	**Reserves Without Restrictions - Proposed**							
15	Lakeside Ranch STA Phase II	$7,500,000						$7,500,000
16	S-199/S-200 Pump Capacity Increase	$4,000,000						$4,000,000
17	C-111 South Dade Study	$3,000,000						$3,000,000
18	Heavy Equipment Replacement	$1,050,719						$1,050,719
19	IRL National Estuary Program Projects	$500,000	$500,000	$500,000	$500,000			$2,000,000
20	NEEPP Support (Outside Counsel)	$250,000						$250,000
21	Central Florida Watershed Initiative - SFWMD share of Outreach, Technical Editing, Bureau of Economic & Business Research)	$120,000						$120,000
22	Caloosahatchee Statement of Estimated Regulatory Costs	$60,000						$60,000
23	Caloosahatchee Minimum Flows & Levels (MFLs) Peer Review	$60,000						$60,000
24	IRL Seagrass Monitoring	$28,000						$28,000
25	Kissimmee Statement of Estimated Regulatory Costs	$20,000						$20,000
26	Future Land Management		$682,172	$568,377				$1,250,549
27	Future O&M New Works			$1,327,021	$5,082,158	$5,440,907		$11,850,086
28	Future Projects						$21,092,982	$21,092,982
29	**Reserves Without Restrictions - Proposed Total**	**$16,588,719**	**$1,182,172**	**$2,395,398**	**$5,582,158**	**$5,440,907**	**$21,092,982**	**$52,282,336**
30	**Without Restrictions Total**	**$56,629,923**	**$34,800,772**	**$13,977,145**	**$16,170,603**	**$5,440,907**	**$26,682,887**	**$153,702,237**

Reserves Spend Down Summary With Restrictions – $152.6 Million

	Description	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Remaining Balance	Total
31	**Reserves With Restrictions**							
32	**Hurricane/Emergency Reserves***	$60,015,738	*	*	*	*	*	$60,015,738
33	Mitigation - Lakebelt/Wetland	$13,798,354	$9,947,082	$9,947,082	$9,947,082	$9,947,082		$53,586,680
34	Big Cypress Basin Fund Balance	$2,033,961	$2,173,129	$2,173,129	$2,173,129	$2,173,129		$10,726,475
35	COPS Debt Service	$974,057						$974,057
36	ISF - Internal Service Funds	$626,262	$2,668,323	$2,668,323	$2,668,323	$2,668,323		$11,299,553
37	Everglades Restoration (Alligator Alley Tolls, Everglades License Tag)	$623,190	$193,363	$173,674	$173,674	$173,674		$1,337,576
38	Land Management (Lease Revenue)	$401,759	$2,403,053	$2,343,665	$2,343,665	$2,343,665		$9,835,807
39	BOMA Improvements (Cost to Cure; Surplus Land Sales Rev)	$316,300						$316,300
40	Indian River Lagoon Estuarine Projects (IRL Tag)	$92,004	$15,981					$107,985
41	L-31 East Flow Way	$50,000	$370,519	$370,518	$370,518	$370,518		$1,532,071
42	Future Land Acquisition (Surplus Land Sales Revenues)		$729,680	$729,277	$729,277	$729,277		$2,917,512
43	**Reserves With Restrictions Total**	**$78,931,625**	**$18,501,129**	**$18,405,667**	**$18,405,667**	**$18,405,667**		**$152,649,754**
44	**Grand Total**	**$135,561,548**	**$53,301,901**	**$32,382,812**	**$34,576,270**	**$23,846,574**	**$26,682,887**	**$306,351,991**
	*** Assumes Hurricane/Emergency Reserves are re-appropriated each fiscal year unless needed**							

Fiscal Year 2016-17 Proposed Budget Highlights

➢ $16 million in Recurring budget pertaining to supporting budget stability:

- $2.3 million ad valorem increase in new construction growth is funding Restoration Strategies projects.
- $6 million in the recurring budget for Operations to cover new structures that have come on-line fully or partially in this fiscal year 2015-16. These new structures had been funded out of the reserves in the fiscal year 2015-16 budget.
- $1 million to O&M for heavy equipment replacement in the recurring budget. O&M has not had recurring heavy equipment monies since 2010.
- $2 million to support the fiscal year 2015-16 merit base pay increase as a recurring expense.
- $2 million for staff bonuses from recurring funds.
- $2 million for the personnel budget at 100% versus 98%.
- $700,000 of land management has been funded from the recurring budget versus out of the lease revenue reserves.
- $200,000 funded from the recurring budget in support of the leasing and surplus land activities such as appraisals, fence replacements, versus the reserves.

Fiscal Year 2016-17 Proposed Budget Highlights - Continued

- $31 million reserves allocated from the Preliminary to Proposed budget:

- $12 million over the next 4 years (Fiscal Years 2018-2021) has been allocated for future years to cover the Operations, Maintenance and Monitoring requirement of new structures coming on line such as C-44 STA, PS & Reservoir, C-43, BBCW L-31E Flowway, BCWPA C-11 Impoundment & Mitigation area, Lakeside Ranch Ph2, Picayune Strand Faka Union, Miller Pump Stations, STA-1WX etc....
- $7.5 million to continue construction on Lakeside Ranch STA Phase 2.
- $7 million in support of C-111 ($4M for S-199/S-200 increase in pump capacity and $3M for C-111 South Dade study).
- $1 million for O&M Heavy Equipment.
- $2 million for IRL project council ($500K a year for the remaining 4 years of the commitment).
- $1.2 million for future land management due to the estimated decrease in lease revenues and certain lease reserves running out.

Next Steps

- **August 17**
  - Legislative briefing presentation
- **August 25**
  - Big Cypress Basin millage rate and budget finalized
- **September 5**
  - Comments due on tentative submission
- **September 8**
  - Public hearing to adopt tentative millage rates, budget and ag privilege tax roll
- **September 20**
  - Public hearing to adopt final millage rates and budget
  - Submit final budget to Governor, Legislature and DEP.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Discussion