

Wakulla County BOCC

Revenue Monitoring Report

For Period Ending September 30, 2007

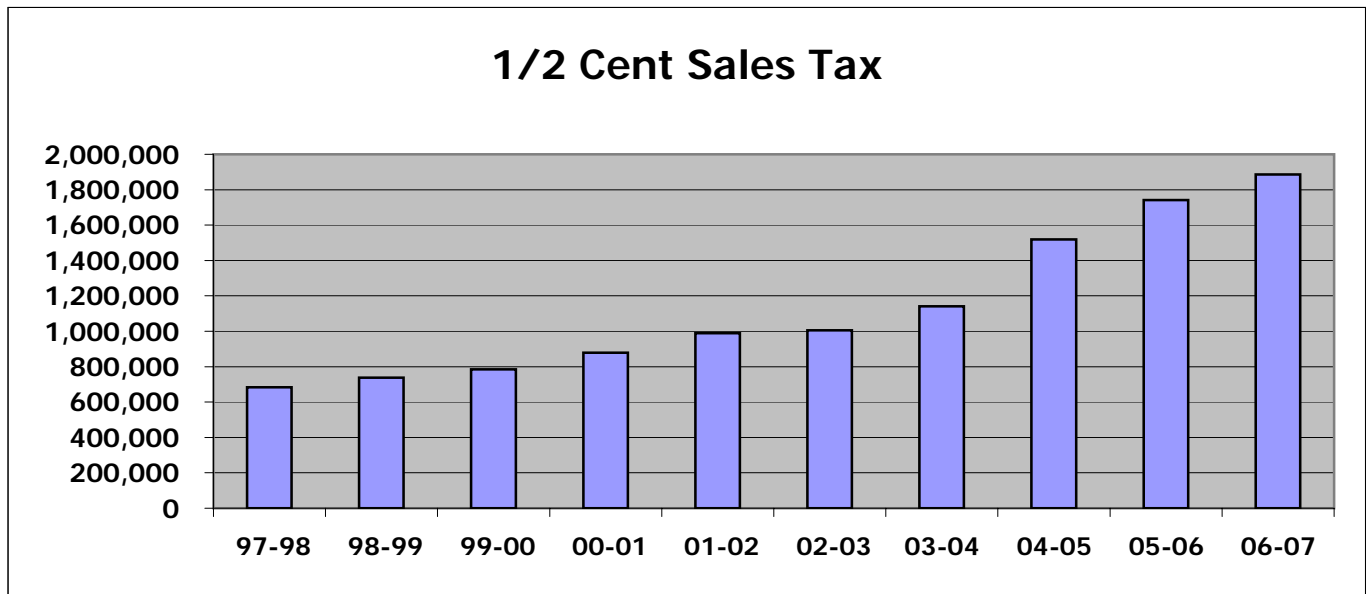


Category	Annual Budget	Actual	Variance Favorable (Unfavorable)	Percent Increase (Decrease)
STATE REVENUES				
Half - Cent Sales Tax	1,820,238	1,885,704	65,466	3.60%
State Revenue Sharing	587,346	595,477	8,131	1.38%
Communication Service Tax	275,359	297,546	22,187	8.06%
Gas / Fuel Taxes	1,967,909	2,040,307	72,398	3.68%
1 Cent Sales Tax	1,530,210	1,925,430	395,220	25.83%
LOCAL REVENUES				
Ad Valorem Tax	10,626,744	10,601,179	(25,565)	-0.24%
Tourist Development Tax	35,000	43,283	8,283	23.67%
Ambulance Fee Revenue	531,020	463,141	(67,879)	-12.78%
Building Permits & Fees	796,784	529,778	(267,006)	-33.51%
Planning & Zoning Fees	165,200	126,608	(38,592)	-23.36%
Fire Dept. MSBU Revenue	742,857	796,238	53,381	7.19%
Impact Fees	917,754	586,973	(330,781)	-36.04%
Sewer / Water Fees	1,147,192	1,248,164	100,972	8.80%
Solid Waste Disposal	617,629	1,098,508	480,879	77.86%

Category	FY07 Actual	FY06 Actual	Variance Favorable (Unfavorable)	Percent Increase (Decrease)
STATE REVENUES				
Half - Cent Sales Tax	1,885,704	\$ 1,741,649	\$ 144,055.00	7.64%
State Revenue Sharing	595,477	590,103	\$ 5,374.00	0.90%
Communication Service Tax	297,546	267,764	\$ 29,782.00	10.01%
Gas / Fuel Taxes	2,040,307	1,934,954	\$ 105,353.00	5.16%
1 Cent Sales Tax	1,925,430	1,671,466	\$ 253,964.00	13.19%
LOCAL REVENUES				
Ad Valorem Tax	10,601,179	\$ 9,035,124	\$ 1,566,055.00	14.77%
Tourist Development Tax	43,283	33,787	\$ 9,496.00	21.94%
Ambulance Fee Revenue	463,141	547,329	\$ (84,188.00)	-18.18%
Building Permits & Fees	529,778	787,043	\$ (257,265.00)	-48.56%
Planning & Zoning Fees	126,608	157,560	\$ (30,952.00)	-24.45%
Fire Dept. MSBU Revenue	796,238	407,391	\$ 388,847.00	48.84%
Impact Fees	586,973	912,675	\$ (325,702.00)	-55.49%
Sewer / Water Fees	1,248,164	1,193,204	\$ 54,959.38	4.40%
Solid Waste Disposal	1,098,508	795,995	\$ 302,513.00	27.54%
Total	\$ 22,238,336	\$ 20,076,044	\$ 2,162,291	10.77%

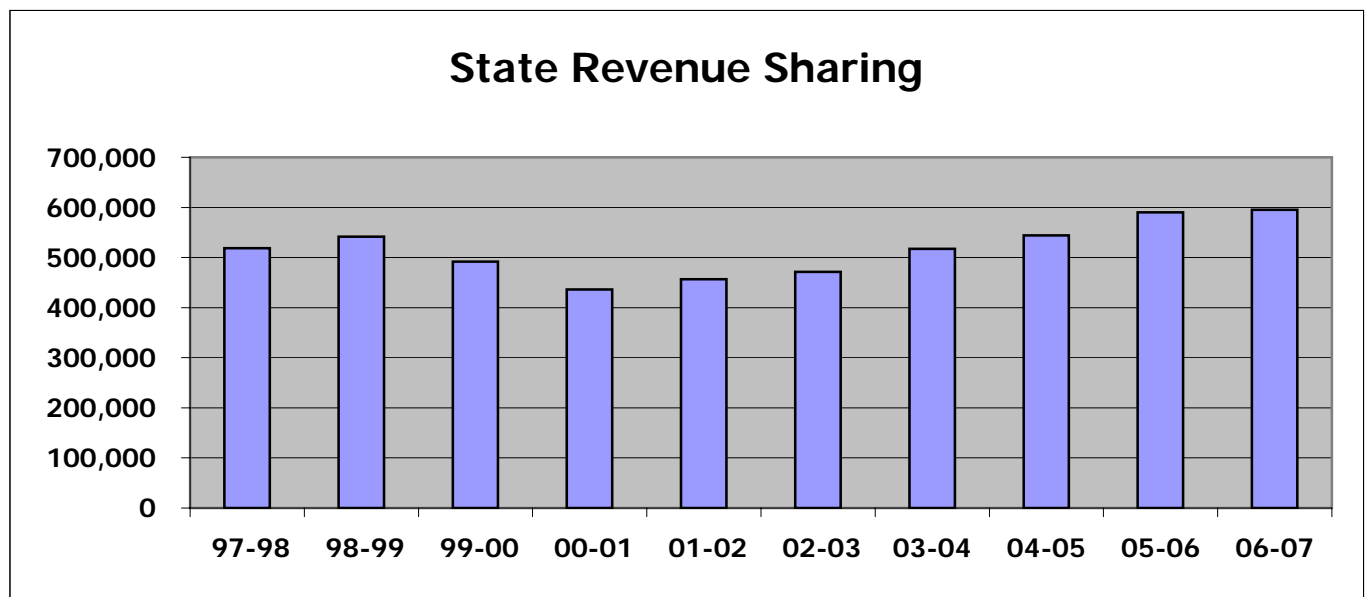
HALF - CENT SALES TAX:

Sections 212.20(6) and 218.60-.66 of the Florida Statutes authorized the establishment of the Local Government Half-Cent Sales Tax Program. Sales taxes are imposed on the retail sale or rental of items of tangible personal property, which includes most consumer items. There are numerous exemptions for various purchases including necessities (such as food and medicine) and certain services. The Department of Revenue administers the tax and distributes the revenue monthly to the county based on a population formula. There are three parts to this tax and Wakulla County meets the requirements for two: the ordinary and small county kicker (emergency). The third portion is a "supplemental distribution" to qualifying counties. **To qualify, counties must have an inmate population greater than 7 % of the total county population.** The Half-Cent Sales Tax is received in the Board's **General Fund** and the expenditures of the proceeds are minimally restricted.



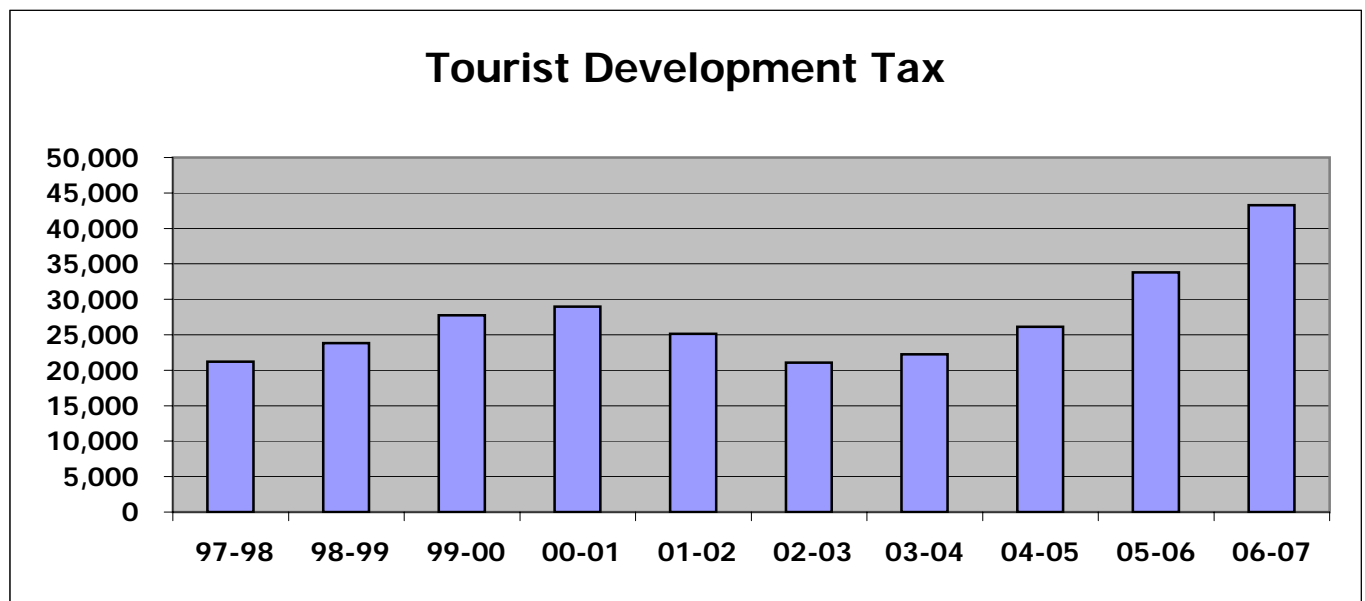
STATE REVENUE SHARING:

Section 218.215 of the Florida Statutes provides authority for the State to share revenues from sales and use tax and cigarette tax with counties. Sales and use tax collections represent approximately 97% of the amount shared with counties. The sales and use tax consists of a tax (2.25%) which is authorized by Section 212.20, Florida Statutes. The cigarette tax (2.9%, Section 212.20, F.S.) makes up the remaining 3% of collections. The Department of Revenue administers the revenue sharing program and distributes the funds monthly to counties. Distributions are based on a three factor formula. The formula consists of county population, unincorporated population, and county sales tax collections. The State's distributions are based on 95% of their revenue projections net of collection and administrative costs. The revenue is broken into three entitlements: First Guaranteed, Second Guaranteed, and Growth Money. The County receives the Revenue Sharing into its **General Fund**. There are no use restrictions on these revenues but there are some statutory limitations regarding their use as a pledge for indebtedness. Counties are allowed to bond the guaranteed entitlements but not the growth money.



TOURIST DEVELOPMENT TAX:

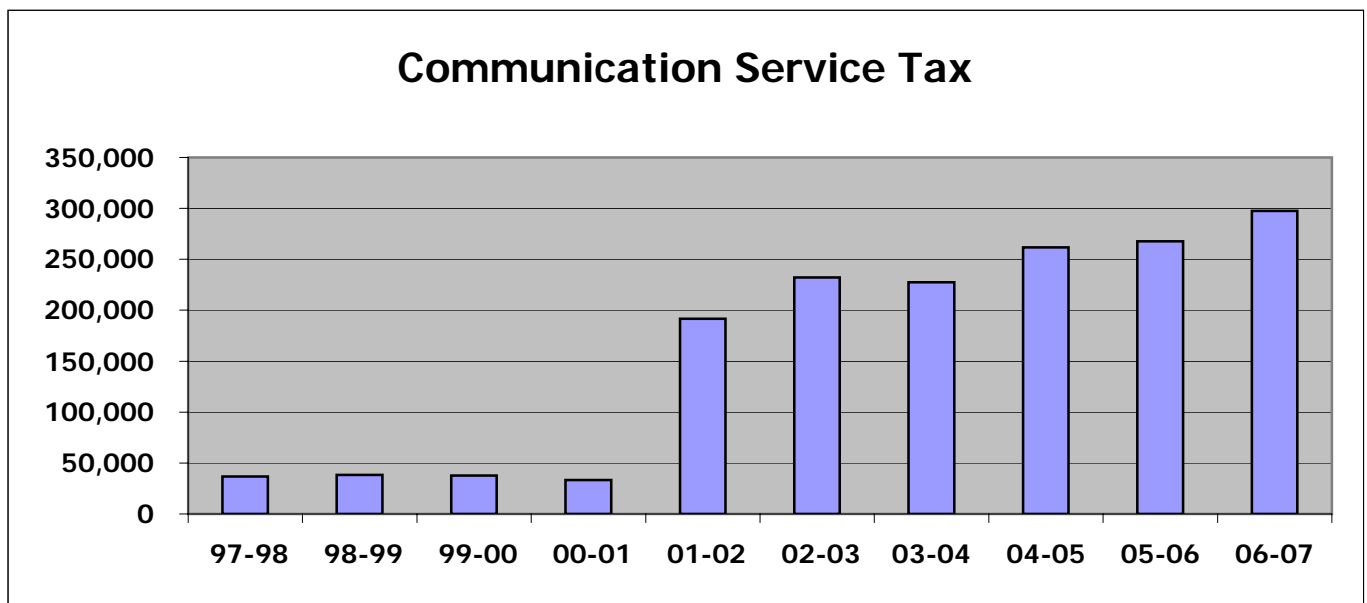
Section 125.0104 of the Florida Statutes authorizes counties like ours to levy tourist development taxes of up to 3% on any rental or lease of 6 months or less for living accommodations in hotels, motels, or other temporary living quarters. Wakulla County has imposed a 2% tax and **has the authority to impose an additional 1% tax**. The revenues may be used for the financing and operation of tourist-related facilities, promotion of tourism and beach or shoreline maintenance. The Clerk of Court collects the tax revenue and distributes the proceeds, less a 3% administrative, on a monthly basis. The County receives this money into one of its **Special Revenue Funds**. The Clerk has entered into a RISE (Registration Information Sharing & Exchange) Agreement with the State so collection enforcement can be tightened. Enforcement consists of penalties and interest, and assessments and liens. Bonnie Holub of the Tourist Development Council has budget oversight of these funds.



COMMUNICATIONS SERVICES TAX:

Chapter 202 of the Florida Statutes established this tax to simplify the complex structure of taxes on telecommunications, cable, satellite and related services. This tax has two parts: the state and local communications services tax. The State portion is comprised of several taxes: a 6.8% tax on telecommunications used by private and substitute businesses, a 2.37% gross receipts tax imposed on all consumers of these services and a 13.17% tax imposed on direct home satellite services. The local communications services tax is a combination of various taxes that individual counties imposed. For Wakulla County, **this tax has replaced the cable television franchise fee**. Wakulla County adopted a tax rate of 1.94% for the first year (increased by DOR to 2.54% to "catch up" on lost revenue during implementation) and 1.84% for following years. **Wakulla County chose not to impose a .12% "permit add-on fee"**. The Department of Revenue administers the revenue and no restrictions exist on their use. The revenue is collected into the County's **General Fund**.

Years 97-98 thru 00-01 shows the Cable Franchise Fee
The Communication Service Tax has brought in nearly 7 times the Cable Franchise Fee average



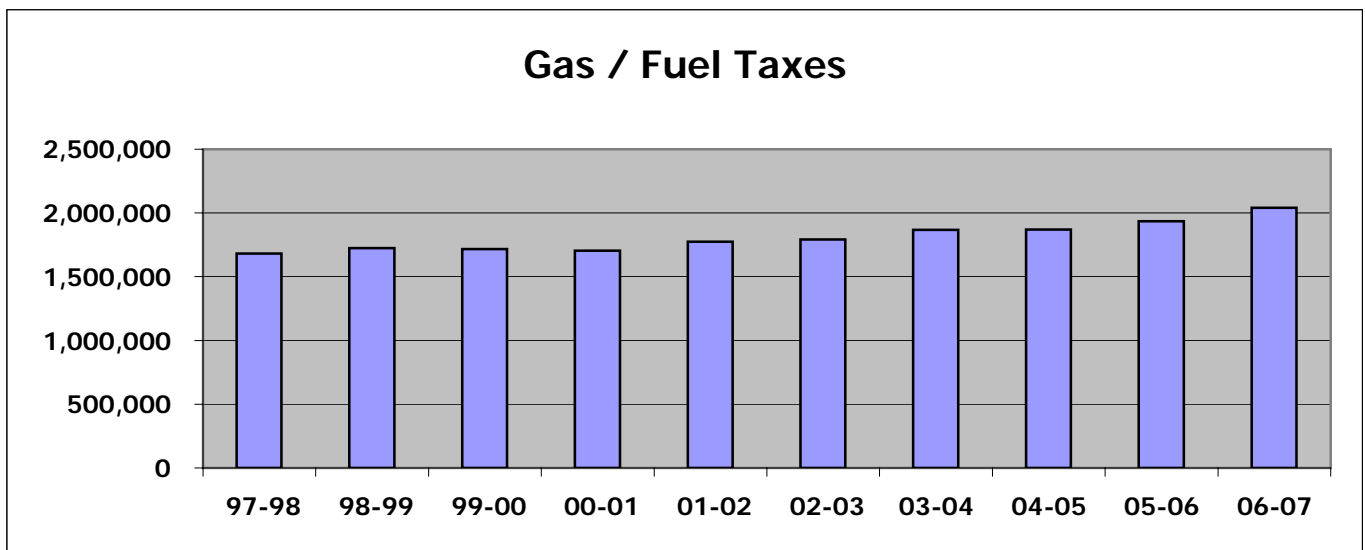
GAS / FUEL TAXES:

Wakulla County receives 10 cents in gas and fuel taxes from the State:

5th & 6th Cent Constitutional Gas Tax	2 Cents
7th Cent County Gas Tax	1 Cent
9th Cent Local Option Gas Tax	1 Cent
10th - 15th Cent Local Option Gas Tax	6 Cents

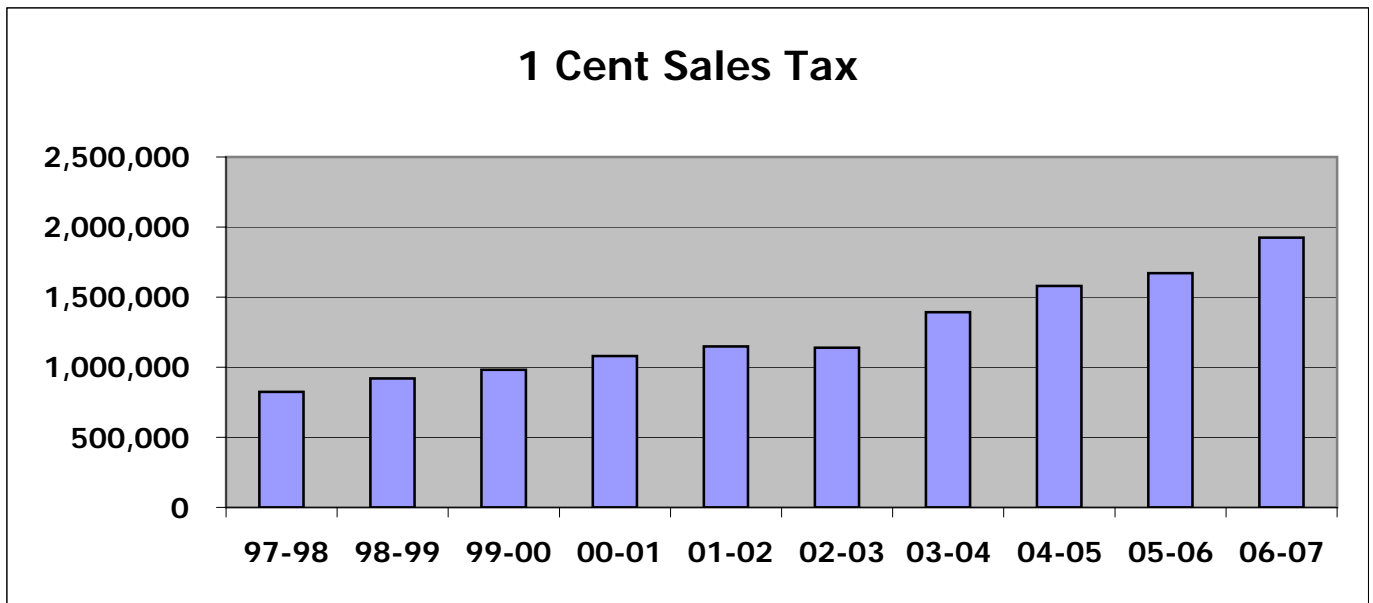
These revenues are collected and segregated into the County's Road & Bridge **Special Revenue Fund** and used to operate the Road & Bridge Department administered by contractual agreement with ESG.

The **5th & 6th Cent Constitutional Gas Tax** is authorized by Florida Statute Section 206.41. It is a 2 cent tax levied at the wholesale level of the first sale of each gallon of motor and diesel fuel. **Use of the proceeds is restricted to the acquisition, construction and maintenance of roads.** The tax is administered by the State which distributes the proceeds based on a weighted formula including geographic area, population, and gas tax collections. The **7th Cent County Gas Tax** is authorized by Florida Statute Section 206.60. It is a 1 cent tax levied at the wholesale level on the first sale of each gallon of motor and diesel fuel. **Use of the proceeds is restricted to purchase of right of way, construction, reconstruction, operation, maintenance and repair of transportation facilities and other transportation expenditures.** The gas tax can also be used to reduce bond indebtedness. The tax is administered by the State which distributes the proceeds based on a weighted formula including geographic area, population and gas tax collections. The **9th Cent Local Option Gas Tax** is authorized by Florida Statute Section 336.021. It is a 1 cent tax levied on the retail sale of each gallon of motor and diesel fuel sold in the County. Use of the proceeds is restricted in general as defined in F.S. 336.025. **Wakulla County informally designated this gas tax for road maintenance.** The tax is administered by the State which distributes the proceeds based on a complex distribution formula. The **10th - 15th Local Option Gas Tax** is authorized by Florida Statute Section 336.025. It has authorized the County to levy a 6 cent tax on every gallon of motor and diesel fuel sold at the wholesale level. Use of the proceeds is restricted to transportation related expenditures as defined in Section 336.025. **Wakulla County has designated 2 cents to capital outlay expenses for road equipment and 4 cents for general transportation expenses.** The tax is administered by the State and distributed based on an inter-local agreement at the County level. **There is another group of gas taxes the County does not impose but could.** Section 336.025 also allows the County to impose 1 to 5 cents tax on every gallon of motor fuel sold within the county. Diesel is excluded from this tax. It is administered and distributed as those described above.



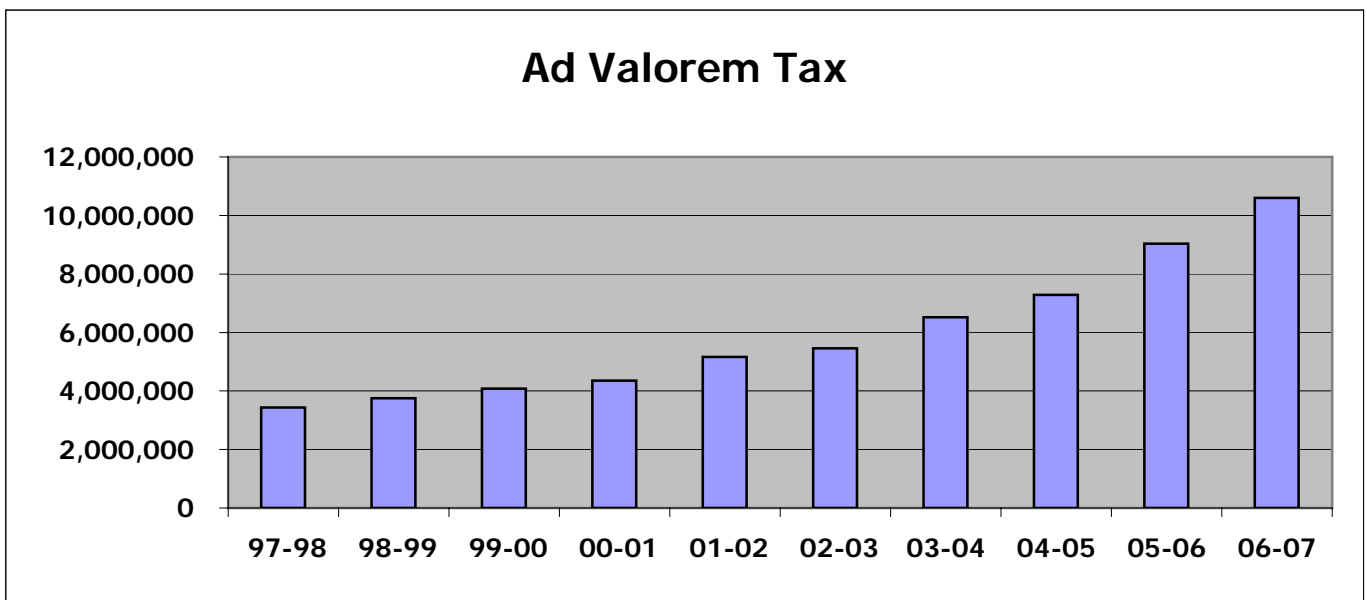
ONE CENT SALES TAX:

Section 212.054 authorizes counties to impose a local discretionary one cent sales tax on all transactions subject to the state tax imposed on sales, use, services rentals, admissions, and other authorized transactions pursuant to Chapter 202 & 212. Limitations and exemptions do exist as outlined in these chapters. The Dept. of Revenue administers the tax and distributes it to the County where the selling dealer is located. The funds are distributed using a complex distribution factor which is then multiplied by the amount available for distribution. The One Cent Sales Tax was approved by voters in 1987 for 15 years and in September 2002 voters renewed it for another 15 years. The statute and the new ordinance have placed limitations on expenses. New funds are allocated based upon a formula of 60% for roads infrastructure, 20% for public facility infrastructure, 15% public safety infrastructure and 5% parks and recreation infrastructure. Expenses must be for fixed capital outlay with a life of 5 years or more. The County receives these revenues into a **Special Revenue Fund**.



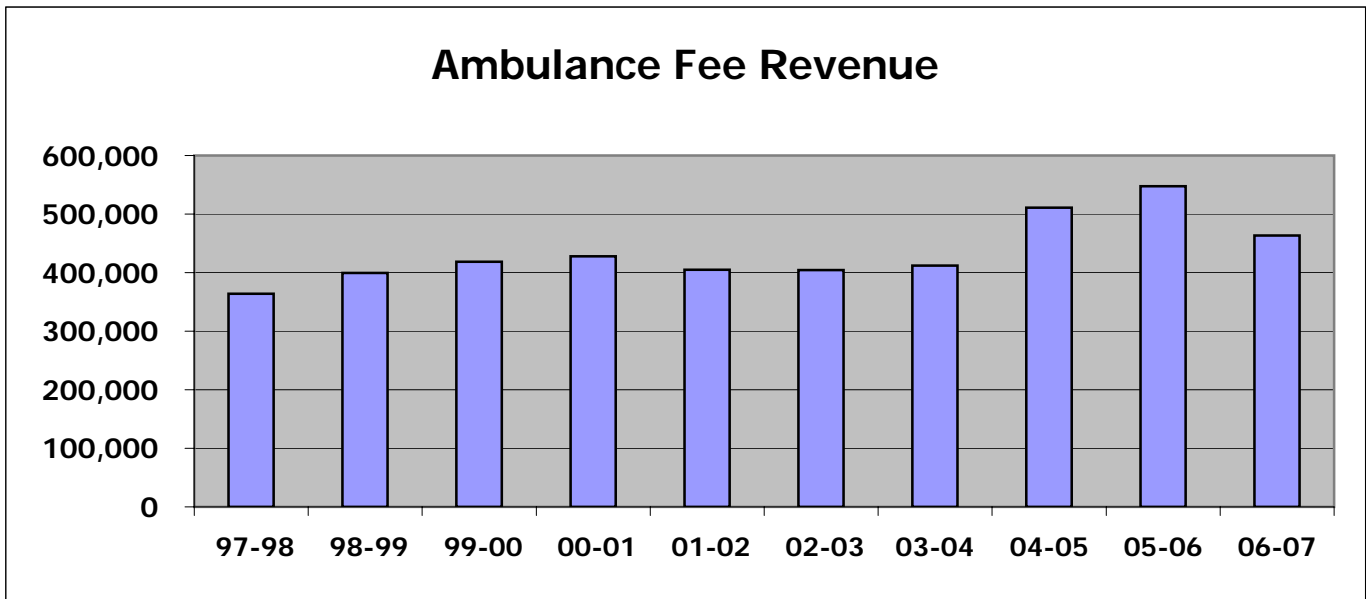
AD VALOREM TAX:

Article VII, Section 9 of the Florida Constitution, Chapters 192-197 & 200 of the Florida Statutes authorizes local governments to raise revenue by levy of ad valorem tax up to ten mills for county purposes. The ad valorem taxable base is the fair market value of locally assessed real estate, tangible personal property and state assessed railroad property, less certain exclusions, differentials, exemptions and credits. Exclusions are specific types of property constitutionally or statutorily removed from ad valorem taxation. Differentials are reductions in assessments that result from a valuation standard other than fair market value. Exemptions are deductions from the assessed value that are typically specified as a dollar amount. Credits are deductions from the tax liability of a particular taxpayer and usually take the form of discounts. Deferrals do not reduce the taxpayers tax liability but allow for changes in the timing of payments. Ad Valorem taxes are considered **general revenue** for general-purpose local governments as well as school districts.



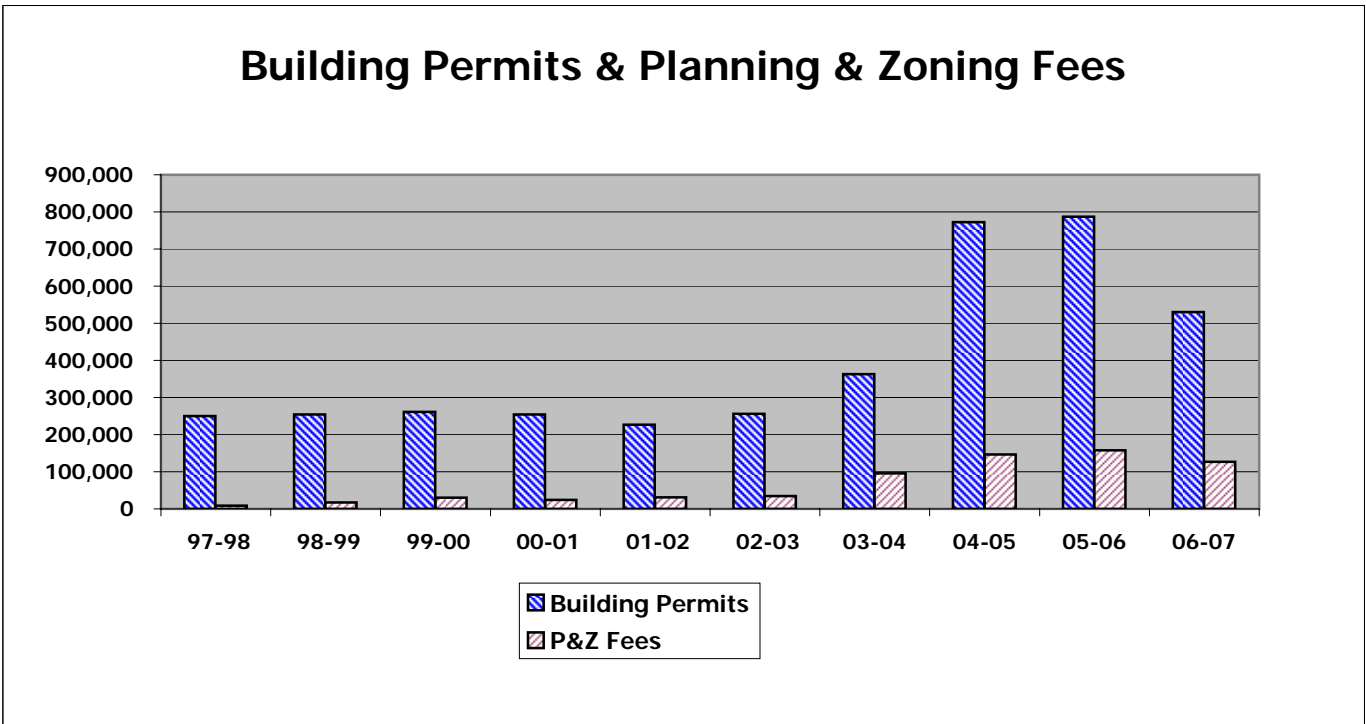
AMBULANCE FEES:

At one time, the Ambulance Department was operated as a **Special Revenue Fund** under the authority of Section 401, F.S. and Ordinance 98-6. When operated as a Special Revenue Fund it was partially funded by MSBU dollars, therefore the graph below includes MSBU funding. Since the Florida Supreme Court found the MSBU to be an unallowable charge for ambulance services, the **General Fund** is now covering any excess expenses over the revenues generated by the fees. Fee revenue is broken down into 3 generic categories: (1) a base rate, (2) mileage, (3) charges for medical products, medicines, and services. There are two base rates: \$355 for actual runs and \$100.00 for "dry runs". Mileage is calculated at \$12 per mile. Medical products, medicines and services rendered are charged as they are provided.



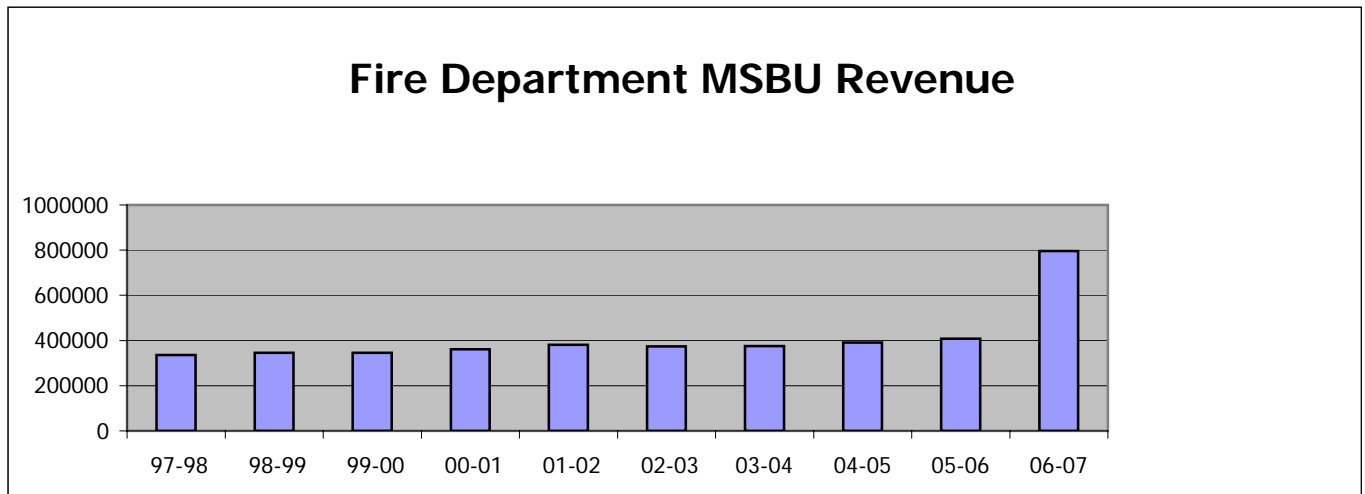
BUILDING PERMITS & PLANNING & ZONING FEES:

Wakulla County has several authorizing documents related to these fees. The Land Development Code was adopted as Ordinance 85-4. Ch. 8 of the LDC is entitled **Building and Construction Code**. Section 8-56 sets forth all building permits, fees and costs are to be set by the BOCC through resolution. Res. 93-16 and 97-38 adopted and described the permits, fees and other related costs associated with building and construction in Wakulla County. Res. 04-37 modified many of the fees. These fees are collected by the Building Dept. and fund its **operation and enforcement of the building and construction codes**. The Building Dept. is operated as a **Special Revenue Fund**. The Planning & Zoning Dept. works closely with this department but it is operated from the **General Fund**. Resolution 94-6 established the various fees related to the Planning & Zoning and Resolution 03-12 modified the fees.



FIRE DEPARTMENT MSBU REVENUE:

Section 125.01, Florida Statutes, authorizes a county who furnishes municipal services to levy additional taxes. The **MSBU** (Municipal Service Benefit Unit) is the mechanism used to fund the county **fire departments** and its **fire protection services**. It was set at \$35 as described by County Resolution 97-19, but then raised to \$65 on Oct 23, 2006. It is a special assessment rather than a tax but is incorporated into the annual ad valorem tax bill. The revenue generated is restricted to expenditures related to the Fire Departments providing **emergency fire and paramedic services**. There are 10 fire stations that operate as one **Special Revenue Fund**. The Fire Departments operate on the revenue generated through the MSBU, County matching and fund raising efforts of the fire departments.

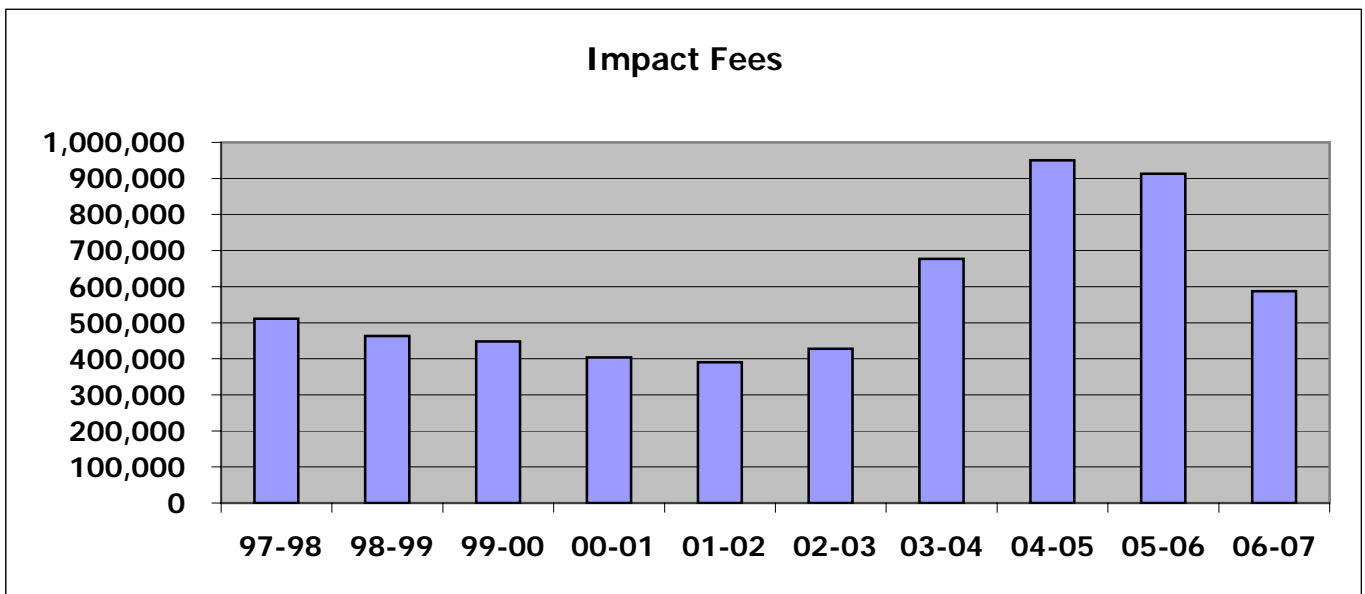


IMPACT FEES:

Impact fees are not authorized by Florida Statutes but by the "Home Rule Authority". The characteristics and limitations of impact fees are found in Florida case law rather than statutory mandates. Impact fees are charges imposed against new development to, either totally or partially, reimburse for the cost of additional facilities or services necessary as a result of the new development. To be legal, impact fees must withstand the "dual rational nexus" test. There must be a reasonable connection between the additional facilities or services and the growth resulting from new development. The County must also show a reasonable connection between the expenditure of impact fees and the benefits to the new growth. So, there are limitations on spending impact fees and they are treated as **Special Revenue Funds. Impact fees must meet 4 criteria: (1) It must be levied on new development or new expansion of existing development, (2) the fee is a one time charge, (3) the fee is earmarked for capital outlay expenses only, and (4) the fee represents a proportional share of the cost of the facilities needed to serve the new growth.** In 1997, the County adopted an ordinance for each of the impact fees. They are outlined below with their respective percentages. The allocation percentages were adopted by ordinance 98-9.

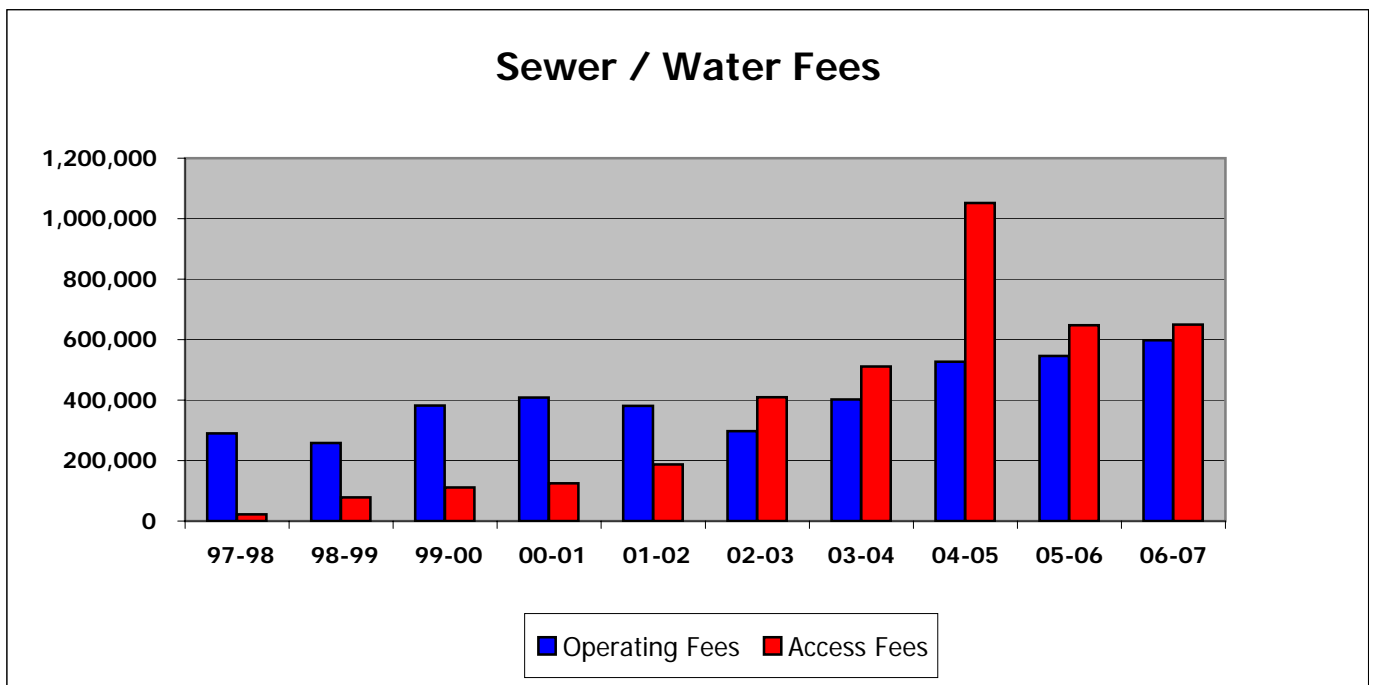
97-1 - Public Buildings	25%
97-2 - Correctional Facilities	11%
97-3 - Law Enforcement	9%
97-4 - Road Facilities	40%
97-5 - Library Facilities	7.50%
97-6 - Parks & Recreation Facilities	7.50%

The impact fee rates for residential and commercial developments were adopted in Resolution 98-42 based on the December 1997 Kimley-Horn & Associates Impact Fee Study. Ordinance 99-7 describes those properties which are exempt from these fees. Based upon an updated Impact Fee study completed in November 2006, impact revenues are expected to increase.



SEWER & WATER FEES:

Section 153, Florida Statutes outlines the regulations regarding Sewer & Water Treatment Facilities. Wakulla County has several authorizing documents related to sewer / water fees. Resolution 2000-5 is the County's authorizing document for the monthly sewer rates, access fees and tap-in fees. Resolutions 2001-04 & -05 modified some of these rates. The authorizing document for the various water fees is Resolution 99-17. These resolutions set different rates for residential and commercial users. A Bond Issue was made in 1987 for the construction of sewer facilities and in 1999 it was refinanced saving the County over \$600,000. The sewer plant was expanded and Crawfordville was added to the service area. **The revenues generated from the sewer and water fees are restricted to the operation, maintenance, repair and capital outlay requirements of the sewer and water facilities.** Any excess revenues are restricted to the payment of the outstanding bond issues. The Sewer & Water Fund is operated as an **Enterprise Fund** and is usually subsidized by the General Fund.



SOLID WASTE DISPOSAL FEES:

Wakulla County's authorizing document for all landfill fees is Resolution 88-24. This resolution has been amended on four different occasions. The fees include charges for the disposal of household garbage, construction debris and other types of refuse, including commercial deposits. The Solid Waste Dept. also operates several functions or services on State Grant money: Small County Grant, Waste Tire Grant and the Recycling Grant. **Annually, the General Fund subsidizes the Solid Waste Department.** The Solid Waste Department operates as an **Enterprise Fund.**

