

**BAY COUNTY BOARD OF COUNTY COMMISSIONERS
TENTATIVE FY 2008 BUDGET**

TOTAL BUDGET - \$280,811,473

DECREASE OF 2.65%

MILLAGE RATES:	<u>Current</u>	<u>Tentative</u>	W/Cedar Grove CRA
GENERAL FUND	4.1620	3.7712	3.7759
MOSQUITO CONTROL	.1852	.1520	.1524
MSTU – FIRE SERVICES	.7500	.7238	.7238

<u>Ad Valorem Revenue</u>	<u>2007</u>	<u>2008</u>
General Fund	Budget \$73,377,285	Budget \$67,419,260
	Collected \$69,947,688	
Mosquito Control	Budget \$1,154,509	Budget \$1,084,515
	Collected \$1,131,640	
MSTU - Fire Services	Budget \$6,327,298	Budget \$5,950,712
	Collected \$5,998,988	

CAPITAL PROJECTS: \$65,158,579

(Jail \$30,237,488 – Admin \$10,000,000 – EOC \$7,000,000 – Library \$2,500,000 – Courthouse \$1,300,000 – Pier \$750,000 – Parks \$1,280,000 – TDC \$760,000 – Wholesale Water \$4,060,696 – Ind. Wastewater \$1,228,575 – Roads \$2,591,820 – Part. Paving \$70,000 – Stormwater \$750,000 – Impact Fees Roads \$2,000,000)



July 15, 2007

**BOARD OF COUNTY
COMMISSIONERS**

www.co.bay.fl.us

POST OFFICE BOX 1818
PANAMA CITY, FL 32402

COMMISSIONERS:

MIKE NELSON
DISTRICT I

GEORGE B. GAINER
DISTRICT II

WILLIAM T. DOZIER
DISTRICT III

JERRY L. GIRVIN
DISTRICT IV

MIKE THOMAS
DISTRICT V

EDWIN L. SMITH
COUNTY MANAGER

**The Honorable Board of County Commissioners
Bay County, Florida**

The County Manager, Budget Office and Departments are pleased to present the Fiscal Year 2008 Budget for Bay County, Florida totaling \$280,811,473. This document presents a financial plan for the fiscal year of 2008 with the goal of providing quality services to the citizens of this community. The management philosophy is for government to operate as a business while maintaining a customer first attitude as we strive to provide services in a friendly, fair, respectful, and *cost-effective* manner.

Last year property owners of Bay County were provided the largest tax reduction of any in the State of Florida, moving from 5.6620 mills to 4.1620 mills. This major reduction, over \$26 million in ad valorem revenue, was not able to off-set the impact of property values that reflected double and triple increases over prior year values. The Board of County Commissioners further reduced the Municipal Services Taxing Unit (MSTU) Fire Services millage from one (1) mill to .7500 of a mill, providing an additional reduction of over \$2 million. The Board approved on April 3rd of this year to increase the exemptions for low income seniors to \$50,000 above the already standard homestead exemption of \$25,000. The number of Value Adjustment Board petitions, property owners filing for correction of assessed values, moved from approximately 100 in years past to over 4,000 this year and hearings for these are not concluded as yet. Even with all of these "cuts" many property owners are still suffering from the major increase in property values, and not much relief has been realized from the legislature's efforts on property insurance as many homeowners are still receiving "cancellation letters" and forcing them to seek coverage with another insurance group.

The State legislature, reacting to these issues across the state, enacted laws that will force a further reduction to the millage rate for Bay County Board of County Commissioners and all of the Constitutional Officers funded by this revenue source to 3.7712 for the FY2008 budget. This legislation has, however, failed to address the concerns of many property owners in our community. The State's first phase of tax reform legislation forces local governments to use the roll-back millage rates and for Bay County a further reduction of 9% is required, with an allowance for new construction. The second phase is to be addressed by a referendum in January 2008 and will, if approved, provide the opportunity for each homesteaded property owner the choice of moving from "Save our Homes", which caps property increases in taxable value at 3% per year, to a tiered system of taxable values for homesteaded properties only which could have a much larger impact on local government revenues. *Nothing* has been done to provide relief for commercial and non-homesteaded property owners which are of equal concern in Bay County.

Reduction of the millage rate, coupled with the Community Redevelopment Agencies (CRAs) which are growing in number each year, is a concern for future year revenue streams generated from ad valorem taxes. The CRA payments cost the General Fund 14% of the total ad valorem revenue in FY 2007 and with the addition of three (3) new CRAs this year the impact has increased to 16%. These increases are anticipated to continue to grow over the coming years as has happened with the Pier Park CRA due to the inclusion of undeveloped or partially developed properties within CRAs. Front Beach Road, however, has had the biggest impact with the sale of small motels to create multi-story condominiums.

