

**Marion County
Board of County Commissioners**



**Strategic Planning Workshop
Financial Projection**

Wednesday, January 29, 2025



GREGORY C. HARRELL
 CLERK OF COURT AND COMPTROLLER – MARION COUNTY, FLORIDA
 BUDGET DEPARTMENT

CLERK OF COURT
 RECORDER OF OFFICIAL RECORDS
 CLERK AND ACCOUNTANT OF THE BOARD OF COUNTY COMMISSIONERS
 CUSTODIAN OF COUNTY FUNDS AND COUNTY AUDITOR

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Commissioners,

Prepared for you today is an overview of the historical, projected and forecasted revenues for the countywide and major funds of the Board of County Commissioners. The last several years have seen challenges such as the shut-down of businesses for covid, economic recovery with the influx of Federal resources and then the inflationary impacts on the cost of doing business. Fiscal Year 2025-26 is anticipated to bring with it the return of revenues to pre-covid growth rates and stabilization of inflation. Population growth will continue to exert pressures on managing resources as limited revenue increases may need to be prioritized to maintain services levels.

Population Growth Trends

Marion County continues to expand its economy while attracting a mix of both working and retired citizens. The average five-year trend for growth has increased to 2.86% from the 2024 five-year trend of 2.06%. This trend is anticipated to continue, thereby increasing demands for public goods and services in future years.

BEER 2020	BEER 2021	BEER 2022	BEER 2023	BEER 2024	Estimate 2025	Estimate 2025	Estimate 2026	Estimate 2027	Estimate 2028
368,135	381,176	387,232	398,552	413,951	425,590	437,556	449,859	462,508	475,512
2.14%	3.54%	1.59%	2.92%	3.86%	2.81%	2.81%	2.81%	2.81%	2.81%

This population increase has resulted in the number of homestead parcels increasing by 6.1% and non-homestead residential with a capped value of 10.3%* from 2021 to 2024.

*Calculated from DR-403v 2021 to 2024 reports Marion County Property Appraiser

Taxable Property Value

The State of Florida analyzes and projects property tax rolls as part of its mandate to determine the Required Local Effort (RLE) for school district millages. The projected taxable value increases as reported during the July 31, 2024 revenue estimating conference did not include taxable losses that would be attributable to non-school districts for the voter referendum that would increase the 2nd Homestead exemption by the CPI. As the amendment was passed by the voters in November 2024, Homestead increase for FY 2025 will be \$725 per parcel with approximately 95,000 parcels receiving the increase for an additional exemption of \$68.8 million. As such the increase to taxable value has conservatively been reduced by 1% from the EDR's estimates and are projected in this presentation as follows:

FY 2025-26	8.6%
FY 2026-27	7.8%
FY 2027-28	6.8%
FY 2028-29	5.9%

Consumer Price Index

The Consumer Price Index, as reported by the US Department of Labor, Bureau of Labor Statistics for all urban consumers, US City average from December to December, serves as an important metric for revenue drivers for the county budget. The CPI determines the maximum allowable increase to Homesteaded properties where the increase will be the CPI or 3% whichever is less. As of November 2024, the 2nd homestead exemption will now be increased annually by the CPI. Unlike Save our Homes, the exemption does not have a maximum increase, and it compounds from the prior year. December 2024 marks the first time that the CPI has been less than 3% since December 2020.

Twelve Months Ending	Unadjusted 12- month percent change CPI-U	Save our homes %	In effect for FY Begin	2nd Homestead Exemption Amount
December 2015	0.7	0.7	2016	\$ 25,000
December 2016	2.1	2.1	2017	25,000
December 2017	2.1	2.1	2018	25,000
December 2018	1.9	1.9	2019	25,000
December 2019	2.3	2.3	2020	25,000
December 2020	1.4	1.4	2021	25,000
December 2021	7.0	3.0	2022	25,000
December 2022	6.5	3.0	2023	25,000
December 2023	3.4	3.0	2024	25,000
December 2024	2.9	2.9	2025	25,725

Federal Reserve Rates

The philosophy of the Federal Reserve is to maintain inflation at 2% to meet its mandate for maximum employment and price stability. When households and businesses can reasonably expect inflation to remain low and stable, they are able to make sound decisions regarding saving, borrowing and investing which contributes to a functioning economy. The Federal rates influence consumers' access to credit and purchasing power for mortgages and they directly influence the returns on the county's cash investments for the short term. Rates were stagnant for 14 months until September of 2024 whereby the Federal reserve board started making small decreases.

Federal Reserve Interest Rate

Effective Date	Target Range	Effective Date	Target Range
Dec 19, 2024	4.25% - 4.50%	Mar 16, 2020	0.00% - 0.25%
Nov 8, 2024	4.50% - 4.75%	Mar 4, 2020	1.00% - 1.25%
Sept 19, 2024	4.75% - 5.00%	Oct 31, 2019	1.50% - 1.75%
July 27, 2023	5.25% - 5.50%	Sept 19, 2019	1.75% - 2.00%
May 4, 2023	5.00% - 5.25%	Aug 1, 2019	2.00% - 2.25%
Mar 23, 2023	4.75% - 5.00%	Dec 20, 2018	2.25% - 2.50%
Feb 2, 2023	4.50% - 4.75%	Sept 27, 2018	2.00% - 2.25%
Dec 15, 2022	4.25% - 4.50%	June 14, 2018	1.75% - 2.00%
Nov 3, 2022	3.75% - 4.00%	Mar 22, 2018	1.50% - 1.75%
Sept 22, 2022	3.00% - 3.25%	Dec 14, 2017	1.25% - 1.50%
July 28, 2022	2.25% - 2.50%	June 15, 2017	1.00% - 1.25%
June 16, 2022	1.50% - 1.75%	Mar 16, 2017	0.75% - 1.00%
May 5, 2022	0.75% - 1.00%	Dec 15, 2016	0.50% - 0.75%
Mar 17, 2022	0.25% - 0.50%	Dec 17, 2015	0.25% - 0.50%

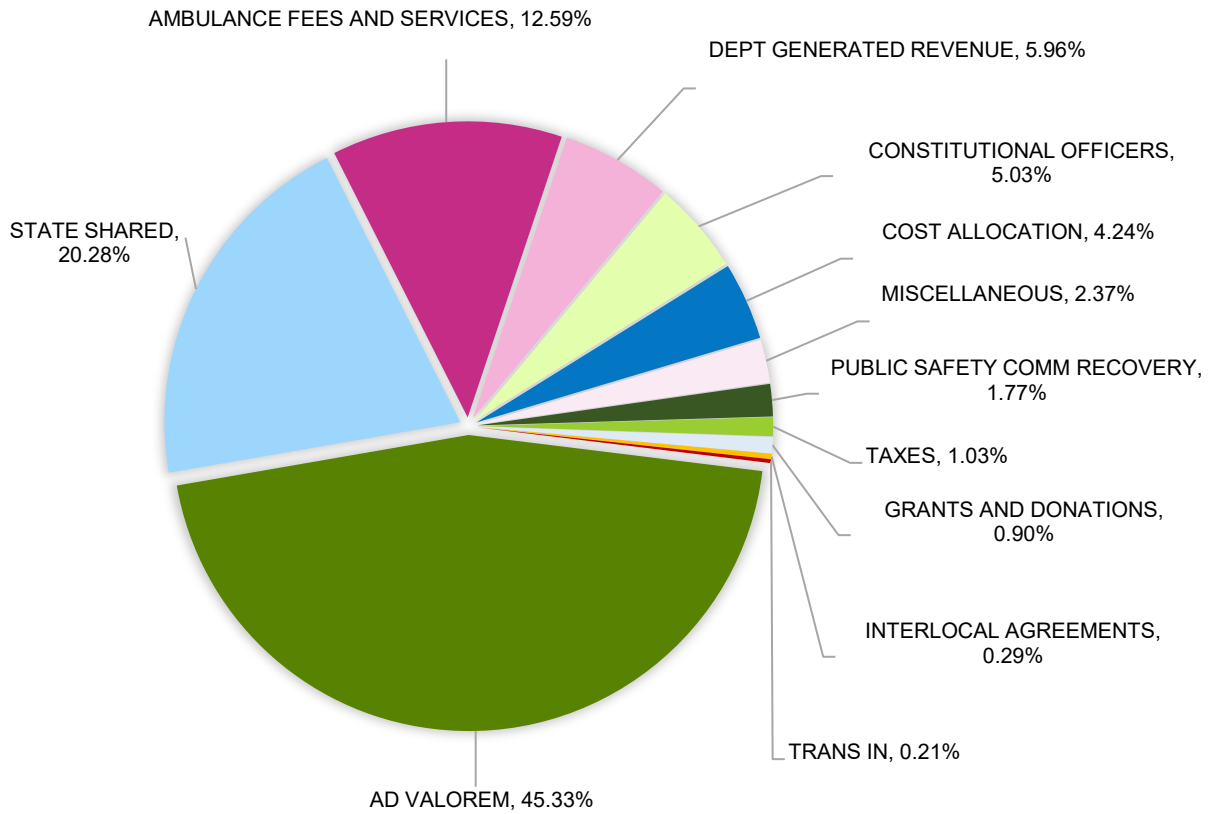
Fund Balance Requirement

In accordance with GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definition*" Marion County has established a Fund Balance target of 20% of operational expenditures for the General Fund. In December of each year, the Finance Department performs a test to determine the appropriate reserve and compliance. This calculation is then used to set the unassigned Cash Carry Forward for the forthcoming budget. The calculated Fund Balance requirement for FY 2026 is \$21,752,000 and is projected accordingly.

Marion County Board of County Commissioners Fiscal Year 2025 Projected

Prepared by: Marion County Clerk of Court and Comptroller - Budget Department

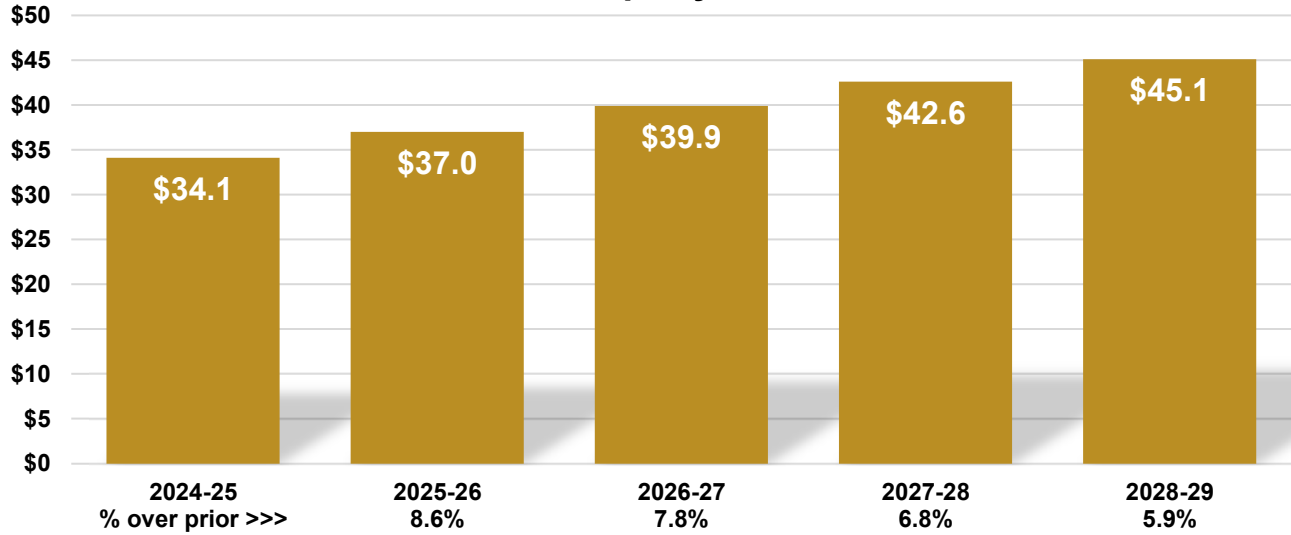
GENERAL FUND FY 2025 REVENUE BY CATEGORY



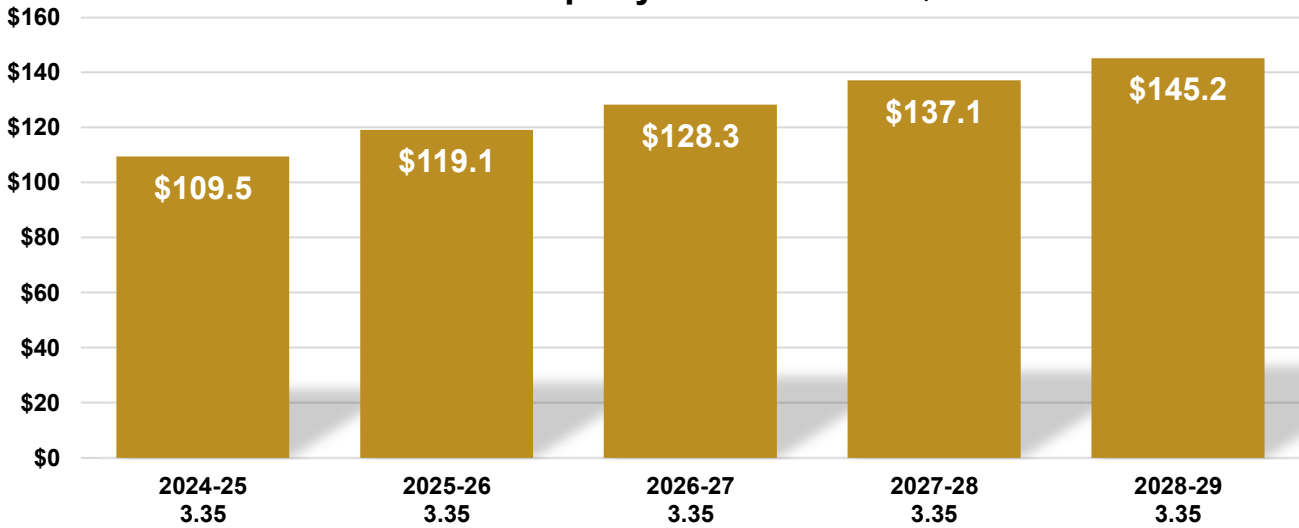
Marion County Board of County Commissioners Taxable Property Value and Property Tax Revenue Fiscal Years 2024-25 through 2028-29 Projected

Prepared by: Marion County Clerk of Court and Comptroller - Budget Department

General Fund - Property Value: \$Billions



General Fund - Property Tax Revenue: \$Millions

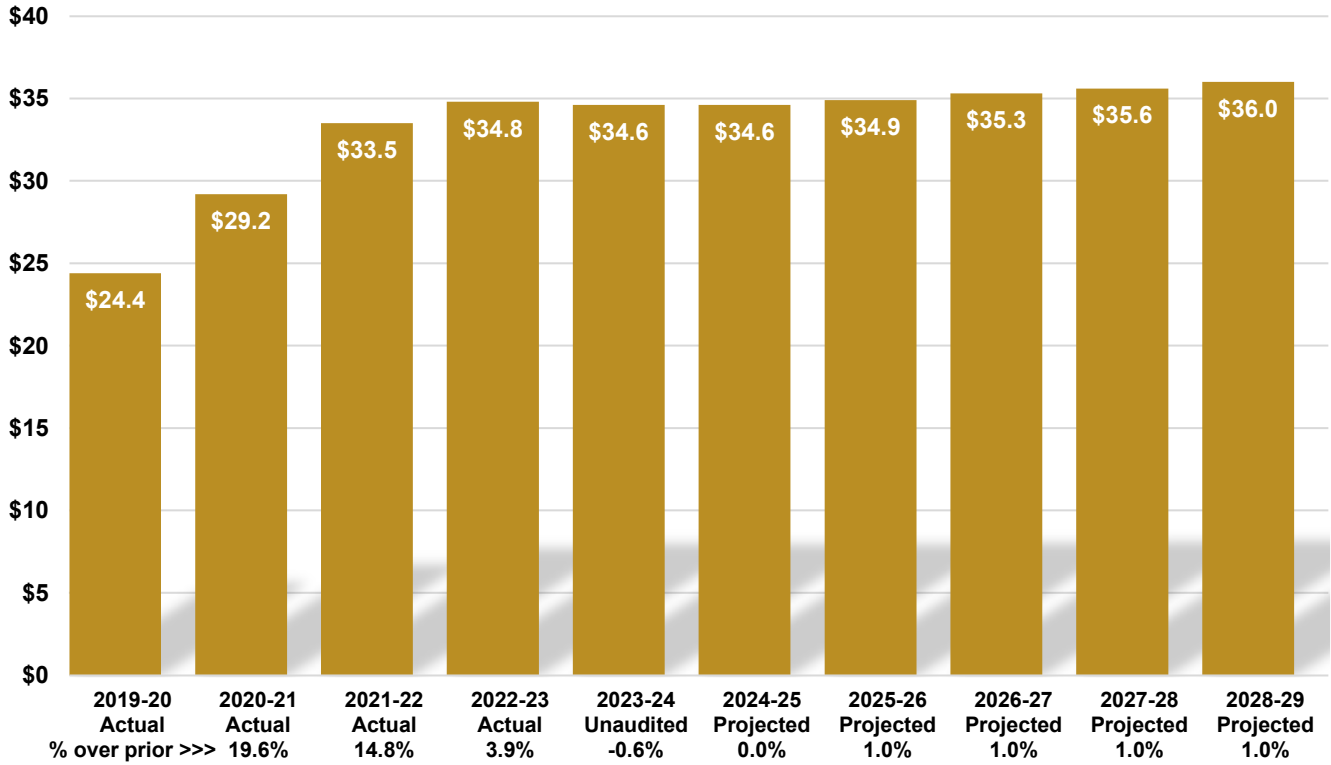


Notes: The projected millage rate presented for Fiscal Years 2025-26 through 2028-29 is for illustrative purposes only. Projected increase in taxable property values for Fiscal Year 2025-26 forecasts 8.6% is based on countywide estimates Less 1% for additional homestead exemption from State Office of Economic and Demographic Research, Revenue Estimating Conference, July 31, 2024.

Marion County Board of County Commissioners Fiscal Years 2019-20 through 2028-29 Projected

Prepared by: Marion County Clerk of Court and Comptroller - Budget Department

1/2 Cent Sales Tax - State Shared Revenue: \$Millions

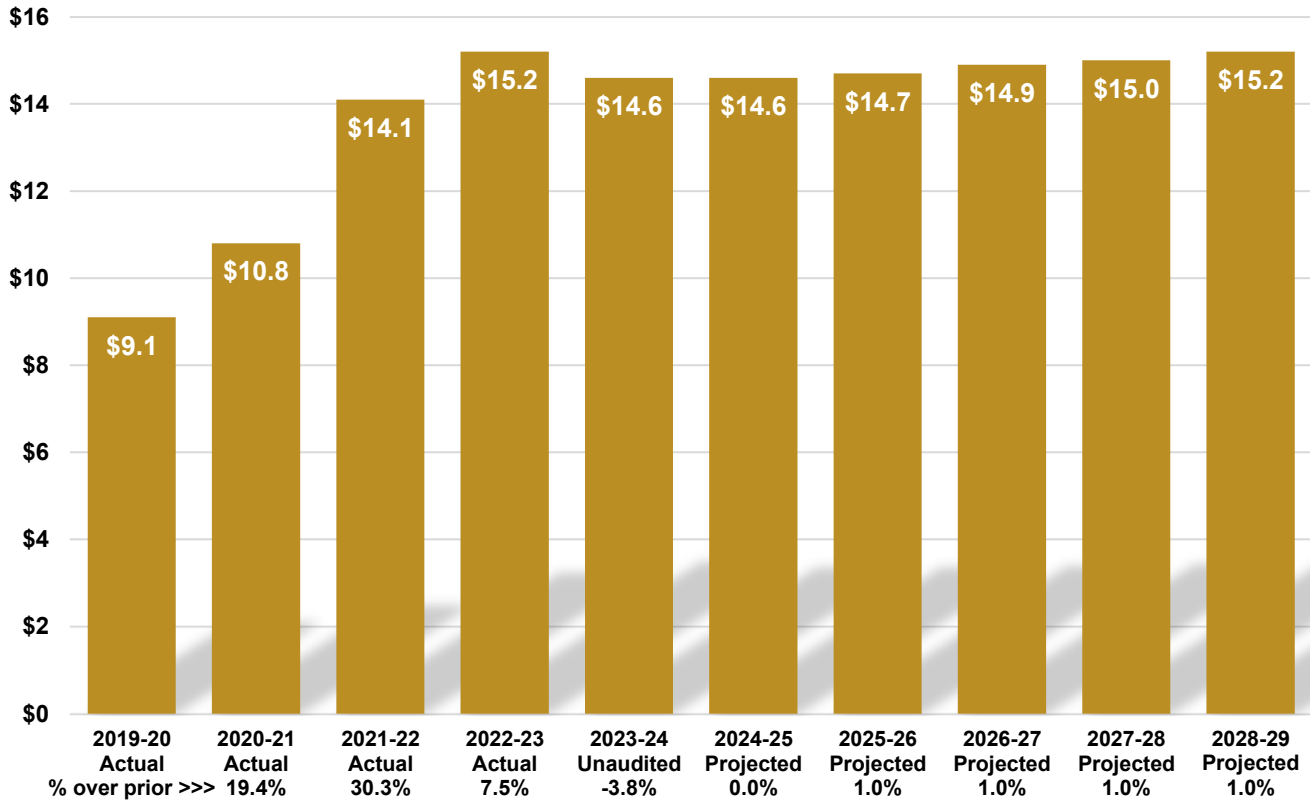


Notes: Projected collections for future years are presented with 1% annual increases representing growth and inflation utilizing FY 2024-25 state forecasted revenues as the base year.

Marion County Board of County Commissioners Fiscal Years 2019-20 through 2028-29 Projected

Prepared by: Marion County Clerk of Court and Comptroller - Budget Department

State of Florida - Revenue Sharing: \$Millions

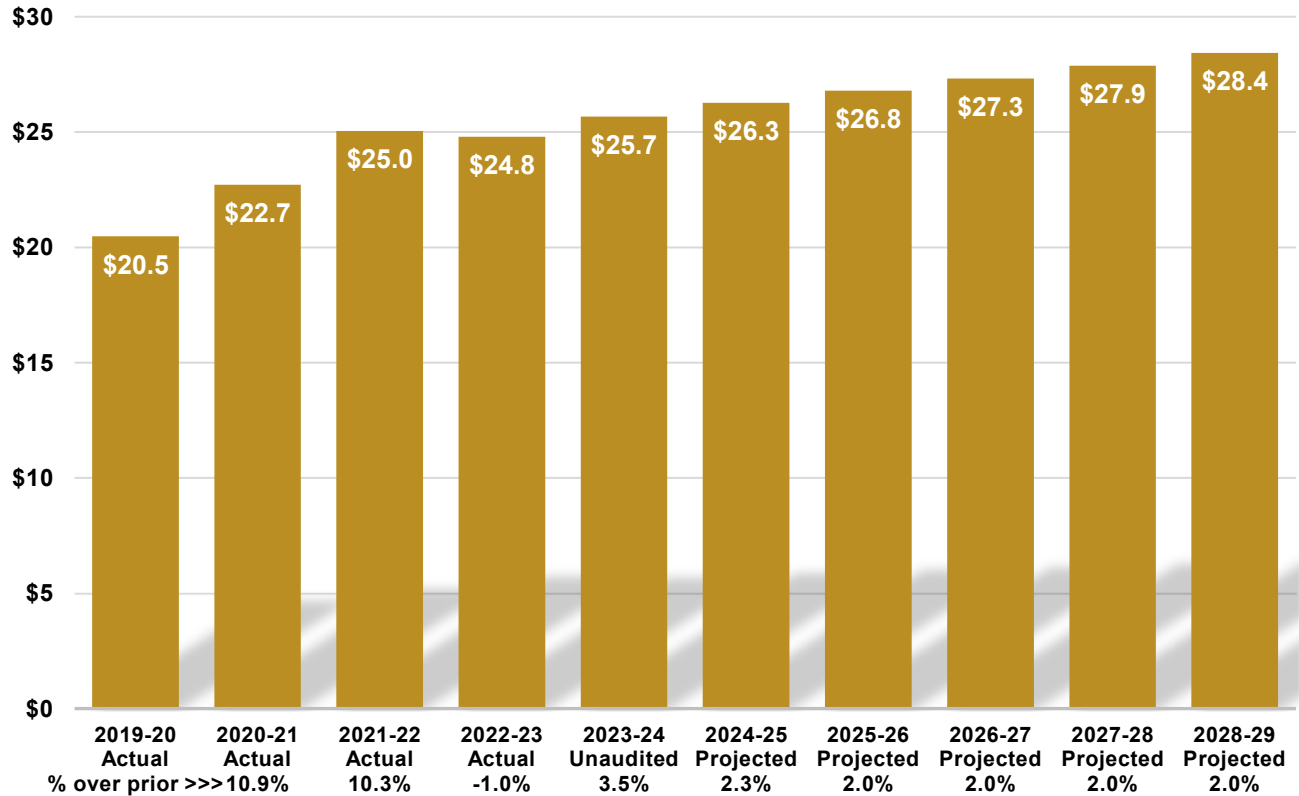


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Marion County Board of County Commissioners Fiscal Years 2019-20 through 2028-29 Projected

Prepared by: Marion County Clerk of Court and Comptroller - Budget Department

Ambulance Fees: \$Millions



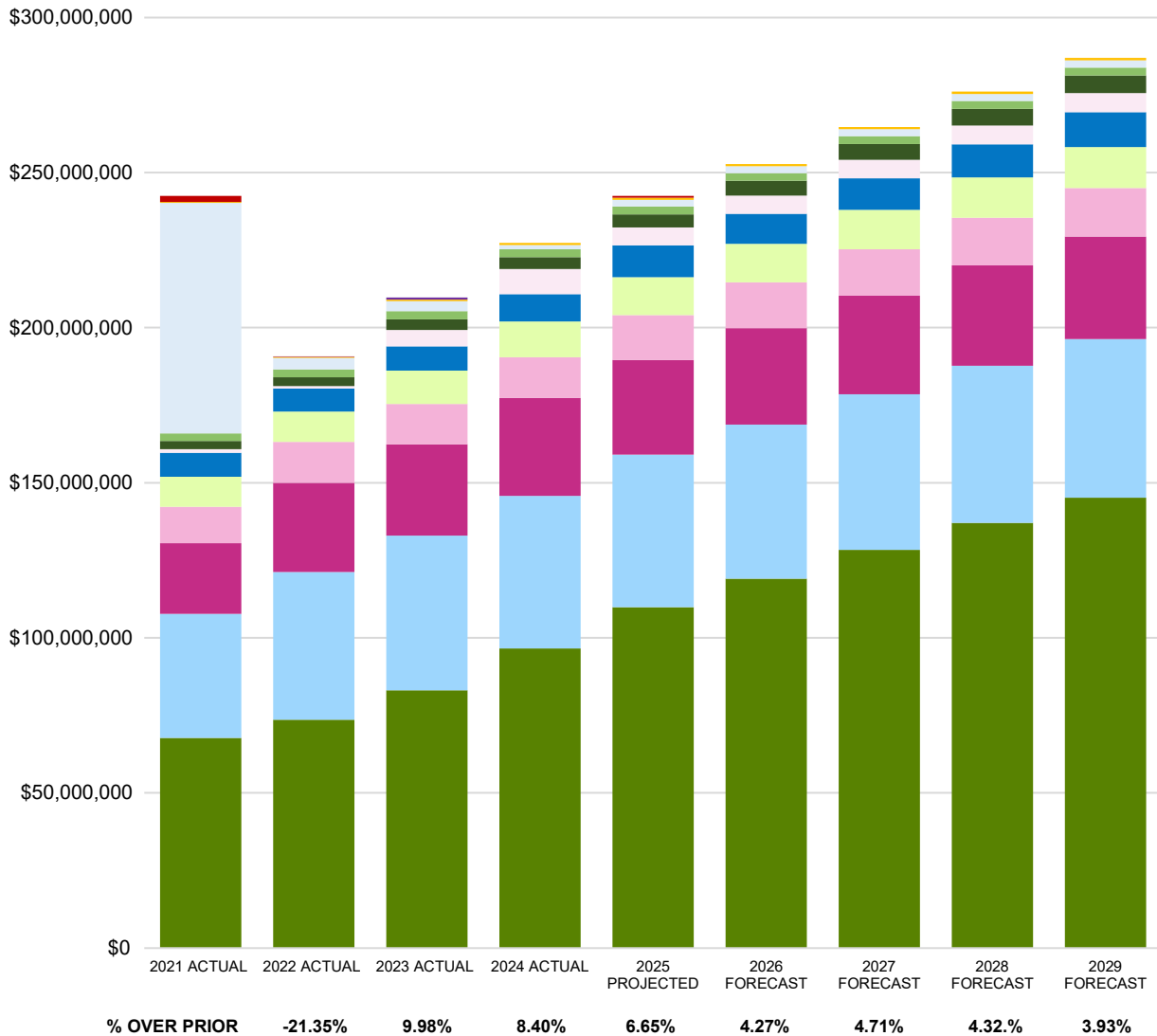
Notes: Projected revenues for FY 2024-25 reflect current trending receipts. Future years are estimated at a 2% growth rate. A higher target growth rate should be pursued to maintain pace with the increases in costs for providing ambulance service. Maintaining effective billing operations and pursuing adjustments to the revenue rate structure to maintain pace with inflation should be continuing priorities.

Marion County Board of County Commissioners Fiscal Years 2021 through 2029 Forecast

Prepared by: Marion County Clerk of Court and Comptroller - Budget Department

GENERAL FUND RECURRING REVENUES

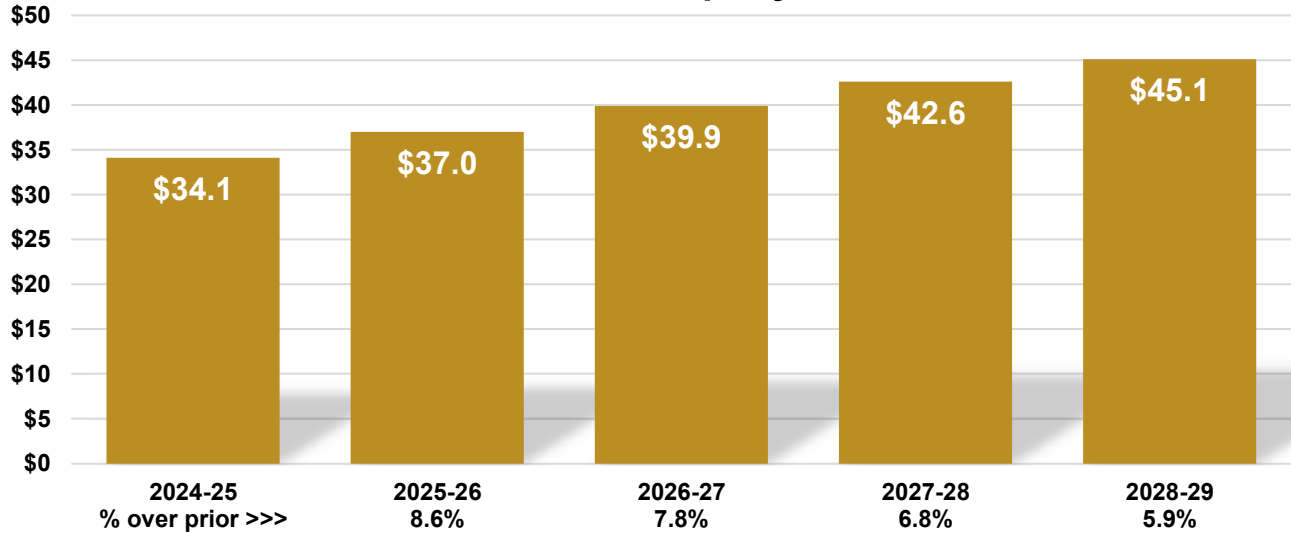
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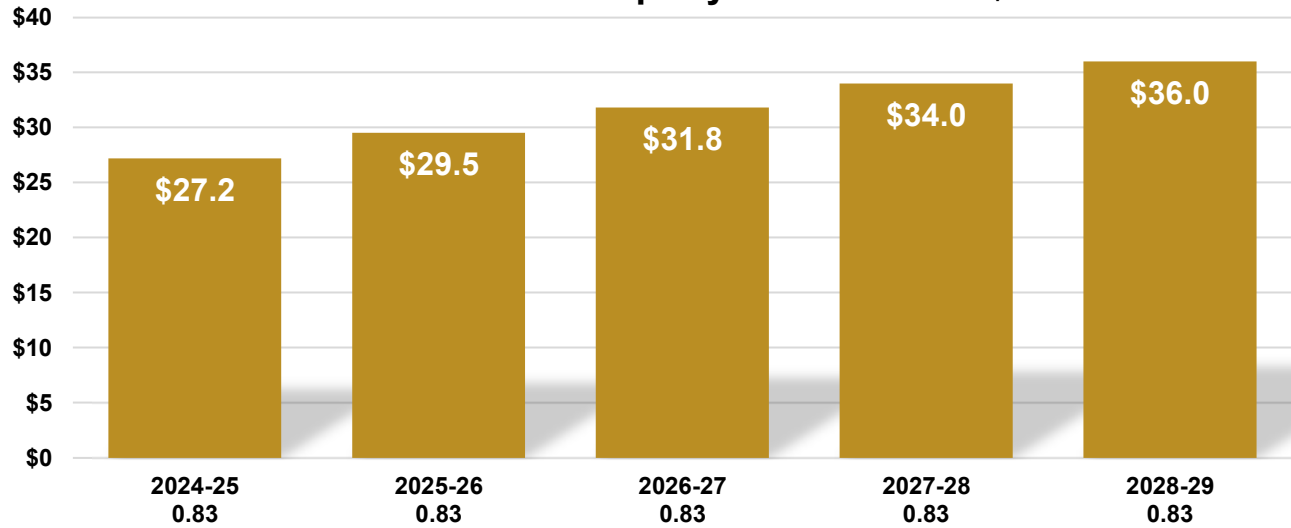
Marion County Board of County Commissioners Taxable Property Value and Property Tax Revenue Fiscal Years 2024-25 through 2028-29 Projected

Prepared by: Marion County Clerk of Court and Comptroller - Budget Department

Fine & Forfeiture Fund - Property Value: \$Billions



Fine & Forfeiture Fund - Property Tax Revenue: \$Millions



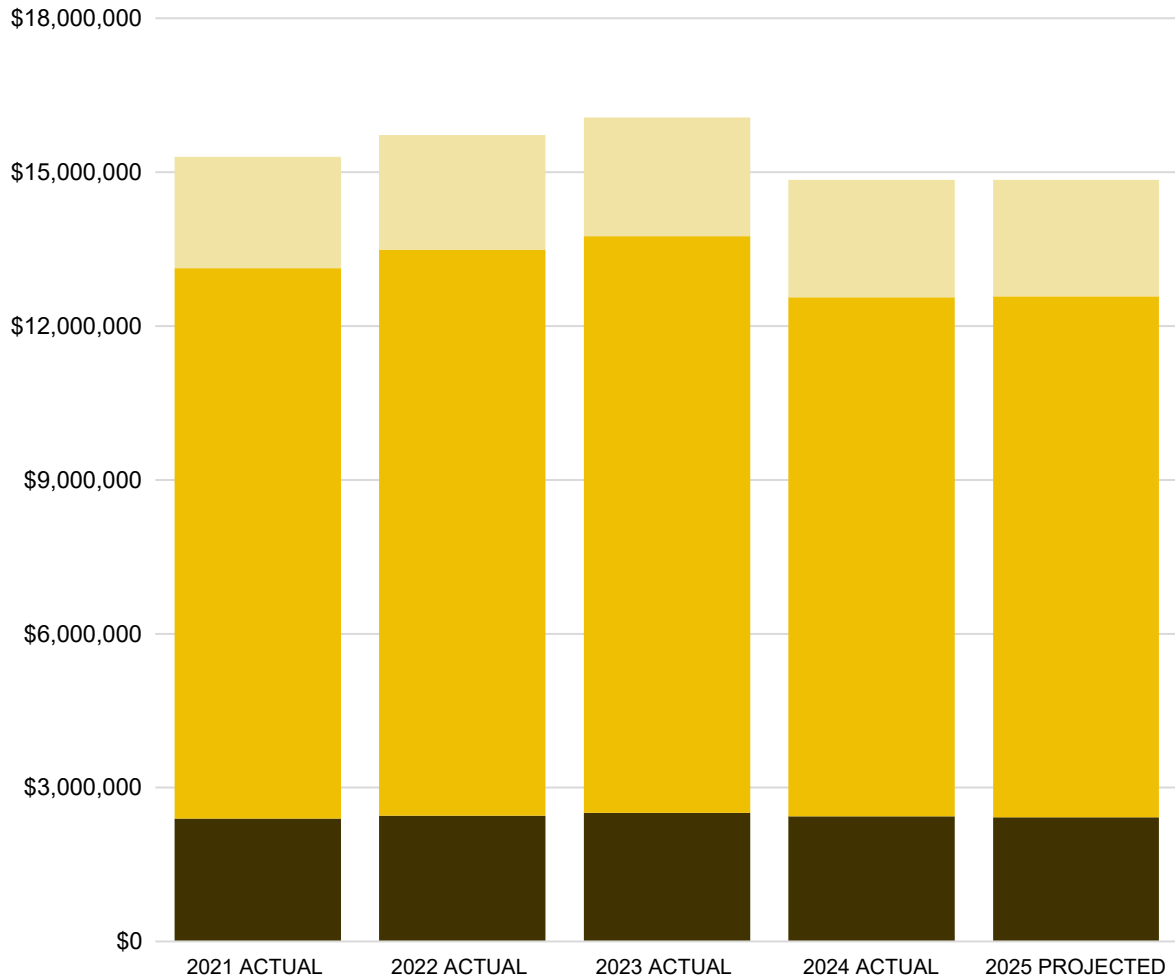
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Marion County Board of County Commissioners Fiscal Years 2021 through 2025 Projected

Prepared by: Marion County Clerk of Court and Comptroller - Budget Department

GAS TAX REVENUES

1 CENT VOTED GAS TAX
 LOCAL OPTION GAS TAX
 7TH CENT GAS TAX

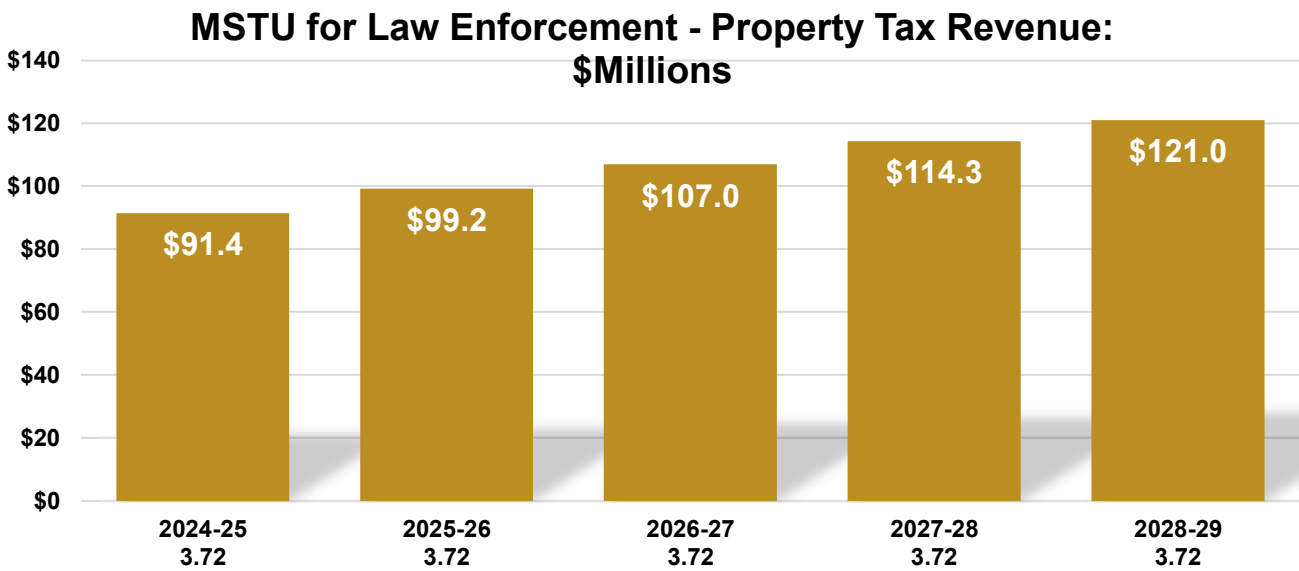
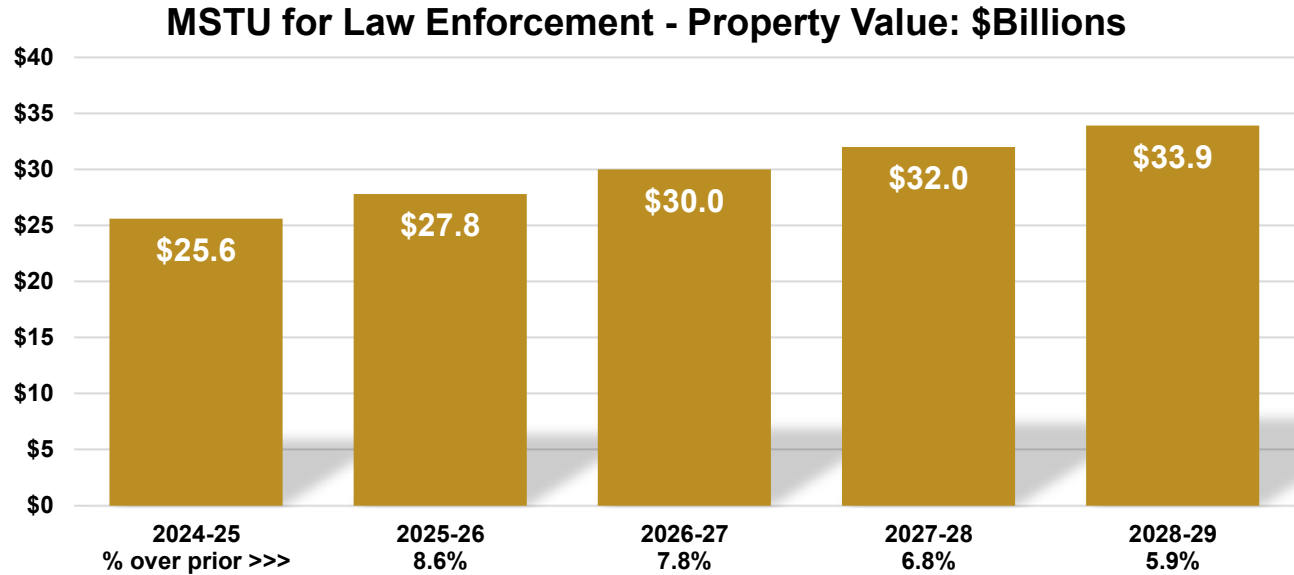


	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 ACTUAL	2025 PROJECTED
1 CENT VOTED GAS TAX	2,398,346	2,453,024	2,505,025	2,437,312	2,421,701
LOCAL OPTION GAS TAX	10,732,133	11,036,720	11,250,803	10,127,099	10,162,166
7TH CENT GAS TAX	2,169,140	2,235,814	2,314,988	2,287,766	2,266,481
Grand Total (\$)	15,299,619	15,725,558	16,070,816	14,852,177	14,850,348

\$ Change over prior		425,939	345,258	(1,218,639)	(1,829)
% Change over prior		2.78%	2.20%	-7.58%	-0.01%

Marion County Board of County Commissioners Taxable Property Value and Property Tax Revenue Fiscal Years 2024-25 through 2028-29 Projected

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