

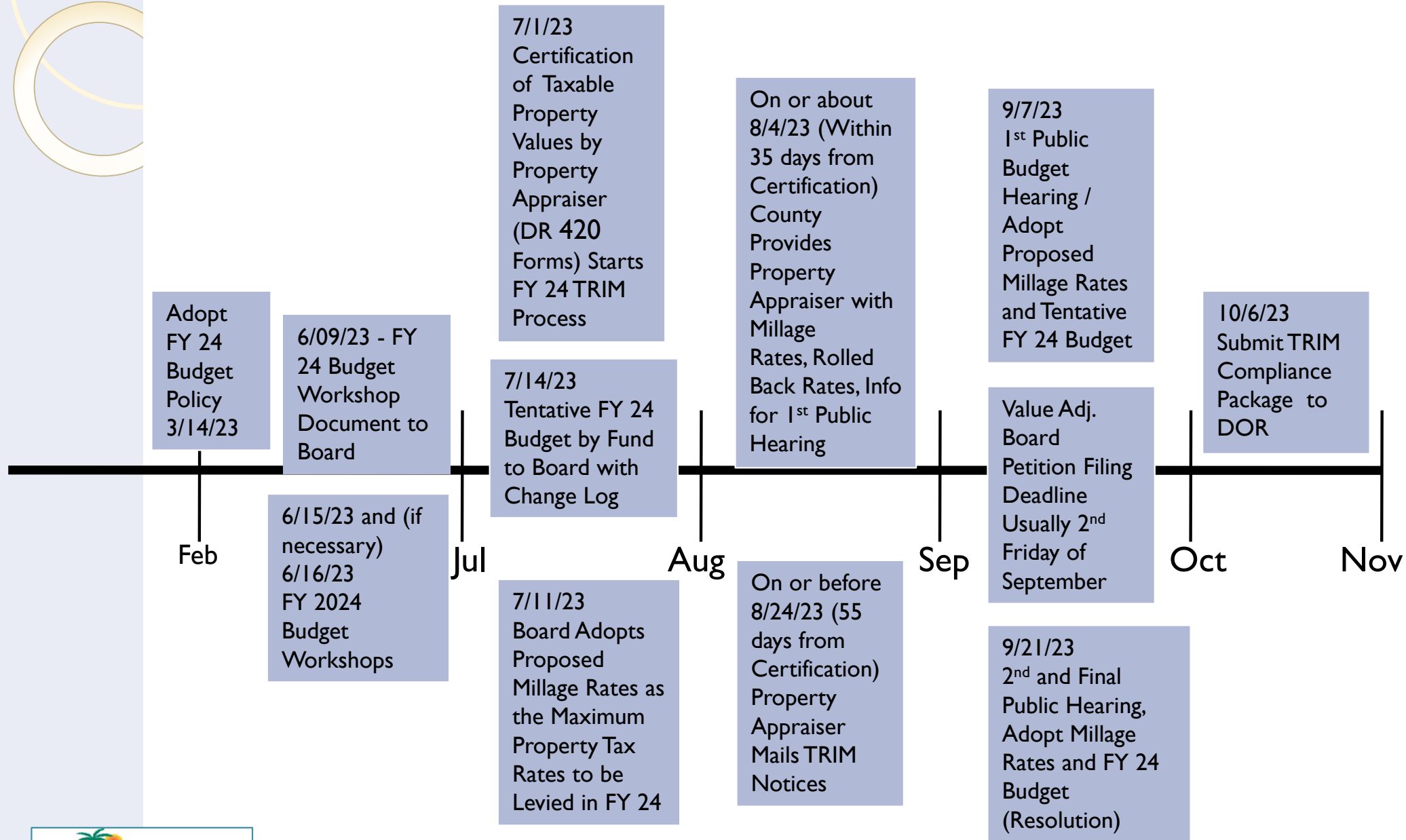


# **Collier County FY 2024**

## **BCC Recommended Budget**

**June 15, 2023, Budget  
Workshop**

# FY 2023 Collier County Budget Timeline



# FY 2024 Budget Characteristics

- Budget process conforms with Chapter 129 FS – “County Annual Budget”
- Budget as presented is balanced
- Flexible planning tool consistent with the County’s financial and budget philosophy over many years
- Provides for execution of the County’s Strategic Plan
- Sufficient budget required to conduct the business of government
- Document reflects the best efforts of your staff and constitutional officers to maintain and, where appropriate, enhance services for the benefits of our residents and visitors

# FY 2024 Budget Characteristics

- County's conservative budgeting and forecasting practices, coupled with strong policy driven reserves, ensures that the agency is positioned to apply all necessary resources to:
  - Prepare and respond to natural disasters;
  - Protect against changing economic conditions;
  - Respond to changing local and state policy positions;
  - Fund operations; and
  - Construct and maintain capital infrastructure.

# FY 2024 Budget Characteristics

- Budget provides the financial approach for the execution the County's Strategic Plan
  - Budgeted Programs link to Strategic Focus Areas
  - Budget contains funding for Board priorities including:
    - Health and Safety
    - Hurricane Preparedness
    - 800MHz Radio Hardening
    - Stormwater Partnership Projects
    - Transportation Projects
    - Affordable Housing
    - Strategic Real Estate Acquisition
    - Mental Health Receiving Facility
    - Employee Recruitment and Retention

# Current Economic Landscape

- Unemployment rate was 2.1% in April 2023, a slight decrease from the 2.3% measured April 2022, and below the State of Florida and United States unemployment rate for April 2023 of 2.6% and 3.4% respectively.
- The median single-family home prices increased in April 2023 to \$922,000 compared to April 2021 of \$ 875,625, an increase of 5%. The single-family home sales numbers declined to 468 units in April 2023 compared to 618 units, a decrease of 24%.
- Visitation to the destination totaled 1,033,800 for the January – April 2023 period which is modestly less than last year yet represents a remarkable recovery from Hurricane Ian.

Sources: FGCU Regional Economic Research Institute – June 2023; FGCU Lutgert College of Business. U.S. Bureau of Labor Statistics Southeast Information Office – April 2023. Downs & St Germain Research Report April 2023 - Naples, Marco Island, Everglades Convention & Visitors Bureau.

# Current Economic Landscape

- Since the beginning of the calendar year, new construction permitting has averaged approximately 205 permits per month down from 290 per month for 2022.
- Countywide taxable value for the 2023 tax year (FY 2024) is up 12.69%  
County-wide taxable value is now \$137.7 billion.
- State ad valorem estimating conference projects continued tax base increases in the range of 5.3% to 7.3% into tax year 2024 through 2025.

Sources: Collier Co. GMD April 2023 Monthly Statistics. Edr.State.fl.us Ad Valorem Estimating Conference March 6, 2023.

# Current Economic Landscape

- In April 2023, the Miami-Fort Lauderdale Consumer Price Index for All Urban Consumers rose 9.0% over the last 12 months to an index level of 333.592 points. Core inflation indexed for all items less food and energy increased 10.5% over the same period.
- Year over Year
  - Electricity prices increased 19.6%;
  - Food costs climbed 7.9%;
  - Cost of goods and services grew 11%;
  - Prices surged 19% for rent of primary residence.

Source: US Bureau of Labor Statistics, dated 6/12/2023



# FY 2024 Recommended Budget Highlights

- **Budget guidance of 4.25% essentially met** for direct County Manager Agency General Fund and Unincorporated Area General Fund budgeted operations and transfers based upon net cost impact. With inflation of 9.0%, in many cases year over year operating budgets required reductions to meet guidance.
- **Tax Rate:**
  - ✓ Millage neutral operating tax rate for General Fund at \$3.5645 per \$1,000 of taxable value.
  - ✓ Conservation Collier tax rate at \$.2500 per \$1,000 of taxable value; \$34.4M County-Wide.
  - ✓ Maintain the Unincorporated Area General Fund tax rate at \$.8069 per \$1,000 of taxable value.
- **Expanded service requests:**
  - ✓ Budgeted expanded services include 22 new FTE's plus vehicles and operating increases for Road and Bridge, Stormwater, Parks, Domestic Animal Services, Traffic Operations, Risk Management, Community Development and the Airport. County Manager agency requests total \$4,047,000.
  - ✓ Budget expanded services for Clerk of Courts include Court funding not supported by the state's funding allocation.
- **Reserves:**
  - ✓ General Fund and Unincorporated Area General Fund reserves increase.
  - ✓ \$21.2 million to reestablish the future long-term capital reserve which was utilized to cash flow Hurricane Ian related expenditures. This reserve recognizes the County's substantial infrastructure investment and future responsibility to maintain and replace this important investment and provides flexibility for response to natural disasters

# FY 2024 Recommended Budget Highlights

- **Capital Expenditures:**

- ✓ Budget continues to program resources like general revenue, user fees, impact fees and remaining bond proceeds to the transportation network, stormwater system, park infrastructure, Constitutional Officer capital, and other general governmental facilities and programs like public utility infrastructure. Total capital budget for FY 2024 \$706 million.

- **Debt Issuance:**

- ✓ It is expected that part of FY 2024 will be spent planning for and refining cost and execution schedules in advance of any funding and/or financing recommendations connected with the transportation improvements east of CR 951, stormwater improvements, and further utility infrastructure expansion servicing the Northeast service area.

- **Workforce Investment:**

- ✓ Per budget policy, for FY 2024, the recommended budget includes a 5 % wage increase to all classifications plus 1.5% to implement a merit-based incentive program and a .5% pay plan maintenance component to strengthen certain targeted classification pay grades where market balance exists. The total cost of the compensation plan for FY 2024 is approximately \$11.9 million.

# FY 2024 Recommended Budget Highlights

- **General Government Operations:**

- ✓ Millage neutral operating tax rate resulted in a year-over-year increase of \$54,681,200, in the General Fund (GF) property tax levy. The resulting General Fund levy totals \$490,657,200.
- ✓ Millage neutral Unincorporated Area General Fund tax rate resulted in a levy totaling \$70,508,000. The respective increase over the FY 2023 levy total \$8,326,500.
- ✓ Millage neutral Conservation Collier tax rate resulted in a levy totaling \$34,412,800. The respective increase over the FY 2023 levy total \$5,058,300.

# FY 2024 Recommended Budget Highlights

- ✓ Funding to restore the future long term capital/Emergency reserve recognizing the County's substantial infrastructure investment and future responsibility to maintain and replace this important investment as well as provide flexibility for response to natural disasters.
- ✓ Provide funding for policy driven affordable housing incentives.
- ✓ Expanded funding for the implementation of a swale maintenance program within the Road and Bridge Division.
- ✓ Funding for hardening of the Countywide 800MHz radio system.
- ✓ Provide general governmental funding to support the stormwater/utility partnership projects.
- ✓ Funding for the replacement of end-of-life security equipment.
- ✓ Funding for upgrades to the Medical Examiners facility.
- ✓ General governmental new dollars programmed for capital initiatives total \$90.6 million, a \$4.5 million reduction from FY 2023.

# FY 2024 Recommended Budget Highlights

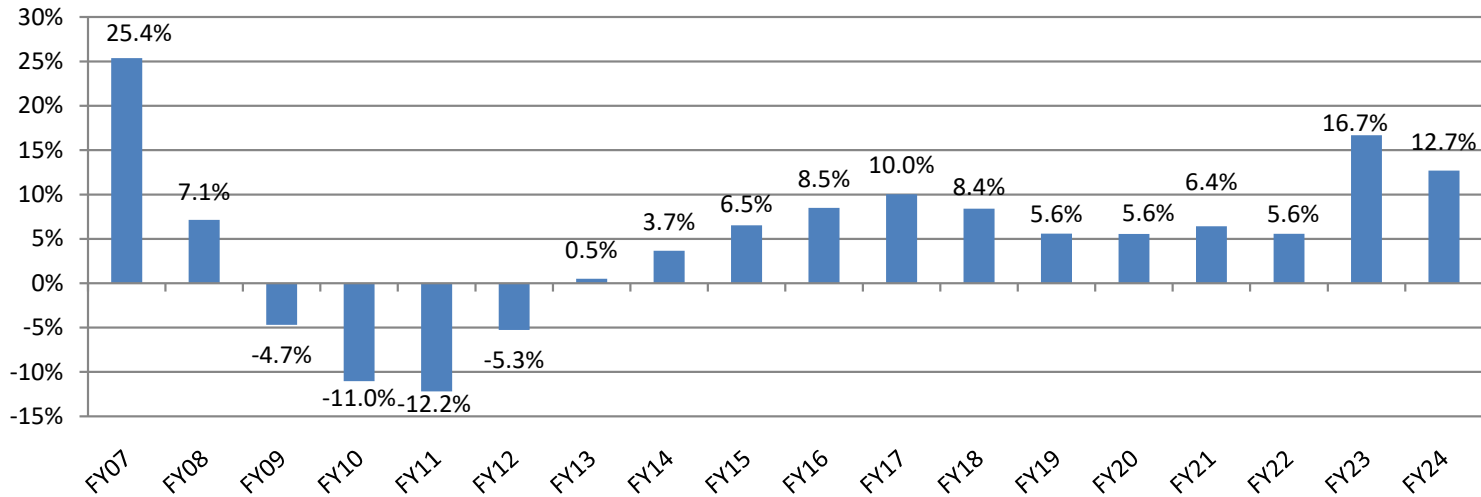
- ✓ Support for economic initiatives and policy driven development including funding the Golden Gate Golf Course property and Great Wolf Lodge.
- ✓ Contributions from the General Fund to the Naples CRA increased \$1,195,700 to \$6,957,900; contributions from the General Fund and Unincorporated Area General Fund to the two County CRA's; Ave Maria Innovation Zone; Golden Gate City Economic Dev Zone and I-75/951 Innovation Zone increased a combined \$1,450,900.

## •Enterprise Operations:

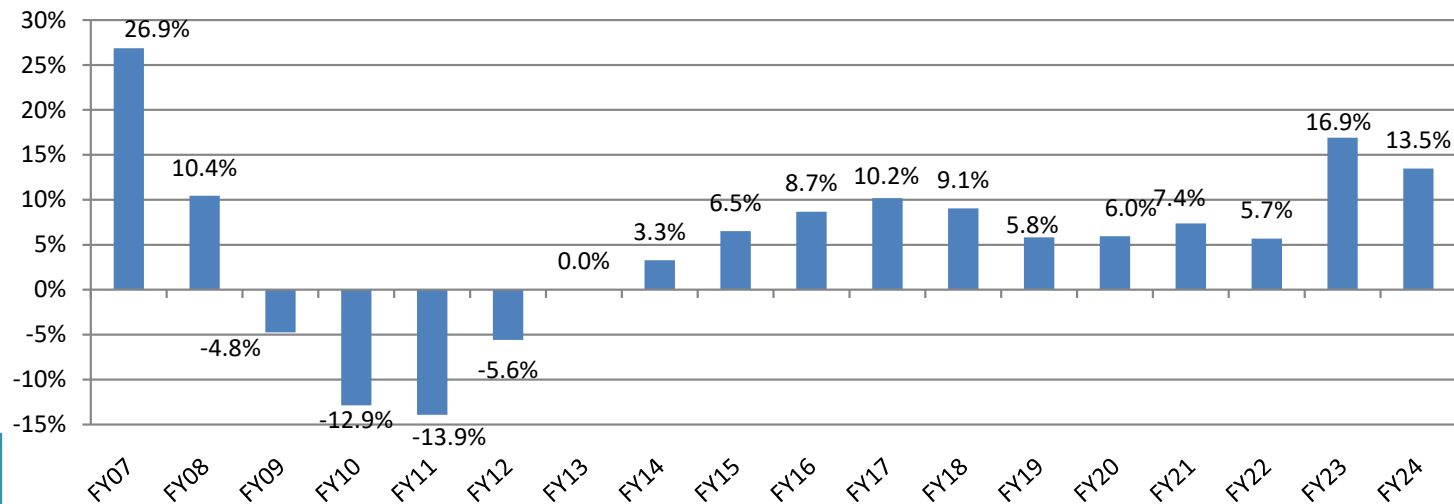
- ✓ Water user rates up 4%; Wastewater rates up 5%; tipping fees up 8.0%; waste collection fees for District 1 up 8% to \$249.29 and for District 2 up 9.2% to \$249.29 annually.

# Countywide Taxable Value Trending up for the Twelfth (12th) Consecutive Year

## Historical Changes in County-Wide General Fund (001) Taxable Values

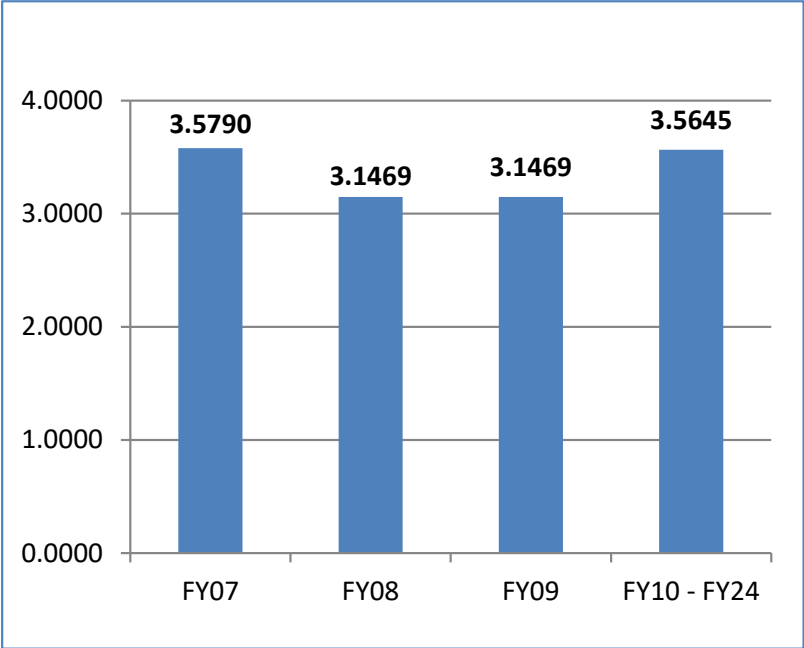


## Historical Changes in Unincorporated Area General Fund (111) Taxable Values

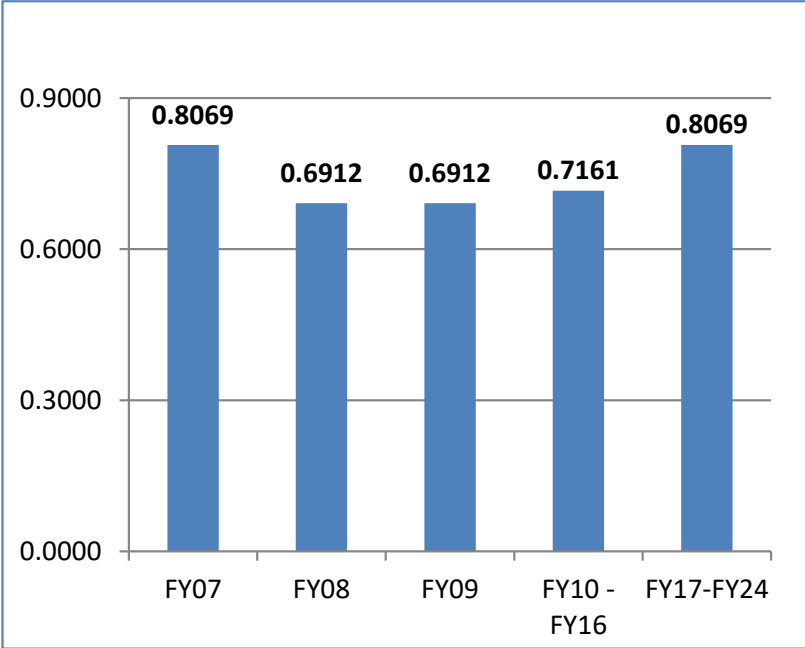


# Millage Rate History

### Property Tax Rates General Fund



### Property Tax Rates Unincorporated Area General Fund



# General Fund & Unincorporated General Fund Supported Capital

## General Fund (001) and Unincorporated Area GF (111) Supported Capital Recap

	FY 2023 Adopted Budget	FY 2024 Recommended Budget
Countywide Capital Fund (301) Capital Recovery Reserve	\$18,300,000	\$20,397,700
Countywide Capital Fund (301) Projects	\$29,918,600	\$29,883,300
Park & Recreation Repairs & Maintenance - Regional Pks (306)	\$3,177,500	\$3,000,000
Park & Recreation Repairs & Maintenance - Community Pk (306)	\$3,450,000	\$3,900,000
Museum (314)	\$200,000	\$200,000
Transportation Capital (310)	\$14,425,900	\$22,800,000
Landscape Capital Fund (112)	\$10,600,000	\$0
Pelican Bay (322)	\$520,000	\$520,000
Stormwater Capital (325)	\$13,659,400	\$8,500,000
Loans to Impact Fee Funds	<u>\$757,700</u>	<u>\$1,383,900</u>
<b>Grand Total - Capital Transfers from General Funds (001 &amp; 111)</b>	<b><u>\$95,009,100</u></b>	<b><u>\$90,584,900</u></b>



# General Fund & Unincorporated General Fund Supported Capital

<b>Countywide Capital Fund (301) Projects:</b>	
<b>Capital Projects</b>	<b>FY 24 Recommended Budget</b>
Fire Life Safety	\$750,000
IM Gov't Ctr Renov	\$150,000
SOE Parking Lot Repairs	\$50,000
Sheriff Facilities Repair & Replacement	\$2,865,000
Sheriff's Capital Improvements	\$500,000
Jail Windows	\$500,000
Sheriff Substations	\$400,000
Accounting System (SAP) Upgrade/Replacement	\$1,000,000
Misc. Capital (301)	\$285,000
800 MHz Equipment Repair & Replacement	\$6,000,000
Medical Examiner Renovation & Expansion	\$2,200,000
Water Quality- Coastal Zone	\$50,000
Security Equipment Replacement	\$1,500,000
Campus Transformer	\$1,300,000
Government Facility Master Plan	\$300,000
Golden Gate Estates Government Services Center	\$500,000
Strategic Land Purchases	\$500,000
Exterior Building Improvements	\$500,000
Camp Keais	\$585,500
Building Repair and Maintenance	\$8,000,000
Golden Gate Golf Course	\$2,500,000
Library Improvements & Books	\$1,000,000
Residual & Other Funding Sources (301)*	(\$1,552,200)
<b>Grand Total - Transfer to Countywide Capital Fund (301)</b>	<b>\$29,883,300</b>

\*Negative amount is created when residual funding in completed projects and un-used reserves for contingencies and other funding sources such as interest are reappropriated into the new year to help fund future projects reducing the need of a General Fund transfer.

# Collier County Stormwater Funding

- Programmed transfer from the General Fund and Unincorporated Area General Fund is \$16,563,800, to support maintenance program and allocate dollars for cash and carry capital improvements.
- \$2.2M annual debt service on the \$60 million stormwater improvement bond. (Special Obligation Revenue Bond, series 2020A)
- The table below depicts how general governmental transfer funding and related revenues (\$1,840,000) are programmed within this recommended budget.

<b>Category</b>	<b>FY 2024</b>
<b>Personnel</b>	\$3,532,600
<b>Operating</b>	6,093,000
<b>Operating Capital Equipment</b>	101,600
<b>Reserves</b>	176,600
<b>Stormwater Capital (325)</b>	8,500,000
<b>Debt Service on \$60M CIP Bond</b>	2,206,000
<b>Total</b>	\$20,609,800

# FY 2024 Position Count Changes

Permanent Positions Agency	Adopted FY 2023	Changes	Expanded FY 2024	Total FY 2024
BCC	10.00	-	-	10.00
Co Attorney	18.00	-	-	18.00
Co Mgr / Emergency Services	481.00	2.00	1.00	484.00
Public Services	446.25	(2.75)	2.00	445.50
Public Utilities	619.00	10.05	-	629.05
Growth Mgt	304.05	3.95	-	308.00
Transportation	292.00	1.00	19.00	312.00
<b>Subtotal BCC Agency</b>	<b>2,170.30</b>	<b>14.25</b>	<b>22.00</b>	<b>2,206.55</b>
<b>Courts</b>	<b>35.00</b>	<b>-</b>	<b>-</b>	<b>35.00</b>
Clerk of Courts	118.72	4.49	-	123.21
Sprvr of Elections	24.00	-	-	24.00
Property App	64.00	-	-	64.00
Sheriff	1,433.00	2.00	-	1,435.00
Tax Collector	167.00	-	-	167.00
<b>Subtotal Const Officers</b>	<b>1,806.72</b>	<b>6.49</b>	<b>-</b>	<b>1,813.21</b>
<b>Grand Total</b>	<b>4,012.02</b>	<b>20.74</b>	<b>22.00</b>	<b>4,054.76</b>

# Compensation Adjustment

Per budget policy, for FY 2024, the recommended budget includes the following:

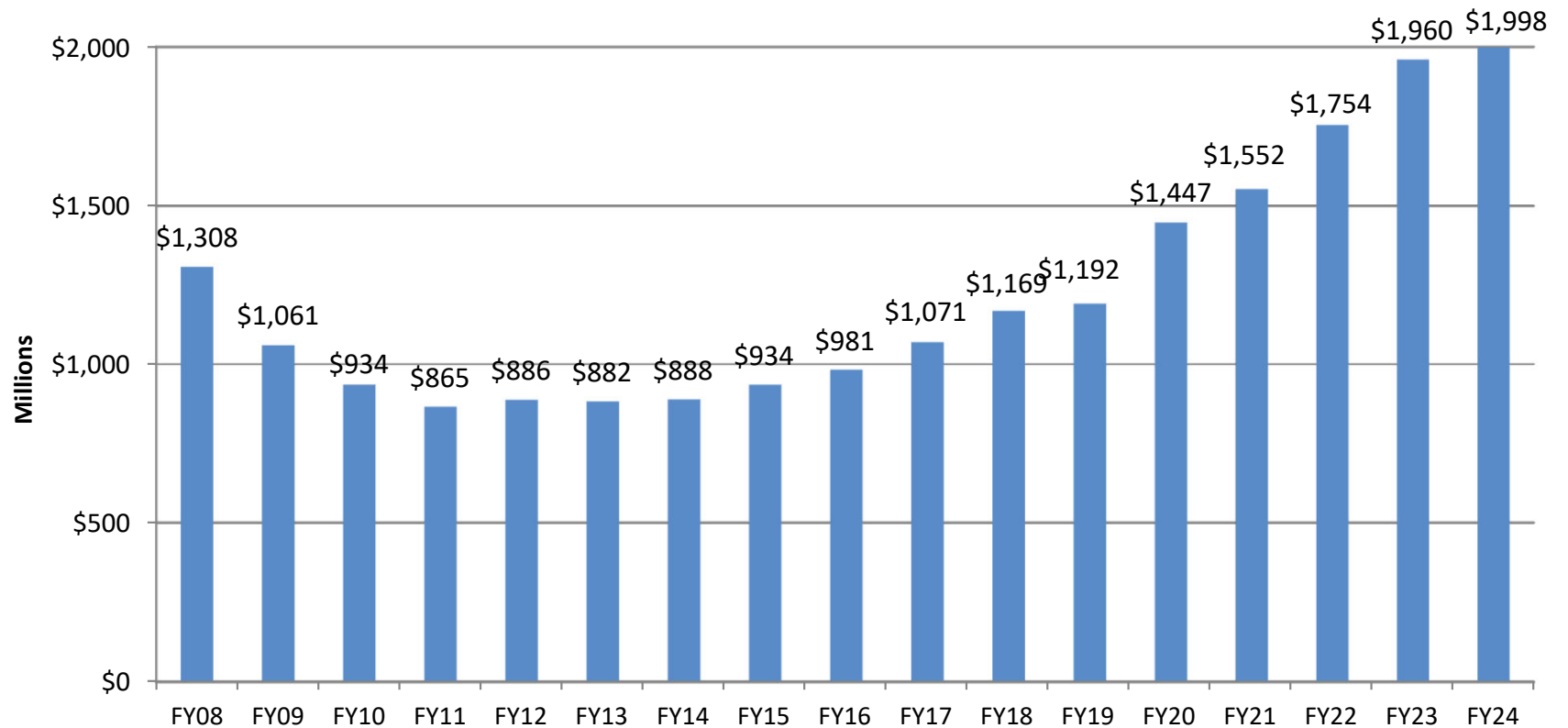
- 5% increase to base salaries within each paygrade classification.
- An additional 1.5% allocation for a merit-based incentive program.
- In addition, a .5% allocation is recommended to strengthen certain targeted classification pay grades where market imbalances exist.

The total value of the recommended compensation adjustments to the County Manager's Agency is approximately \$11.9 million.

# Health Care Program

- Per policy, In FY 2024, a 5% rate increase to the existing rate structure is included.
- This rate increase will result in an employer portion funding increase of approximately \$1.1 million for the County Manager's Agency.
- Bi-monthly employee cost increases will be between \$3 and \$8 for employees with single coverage and \$6 and \$14 for employees with family coverage.
- Current employer/employee cost share maintained for BCC/CM, COC and SOE personnel.

# Collier County Net Budget



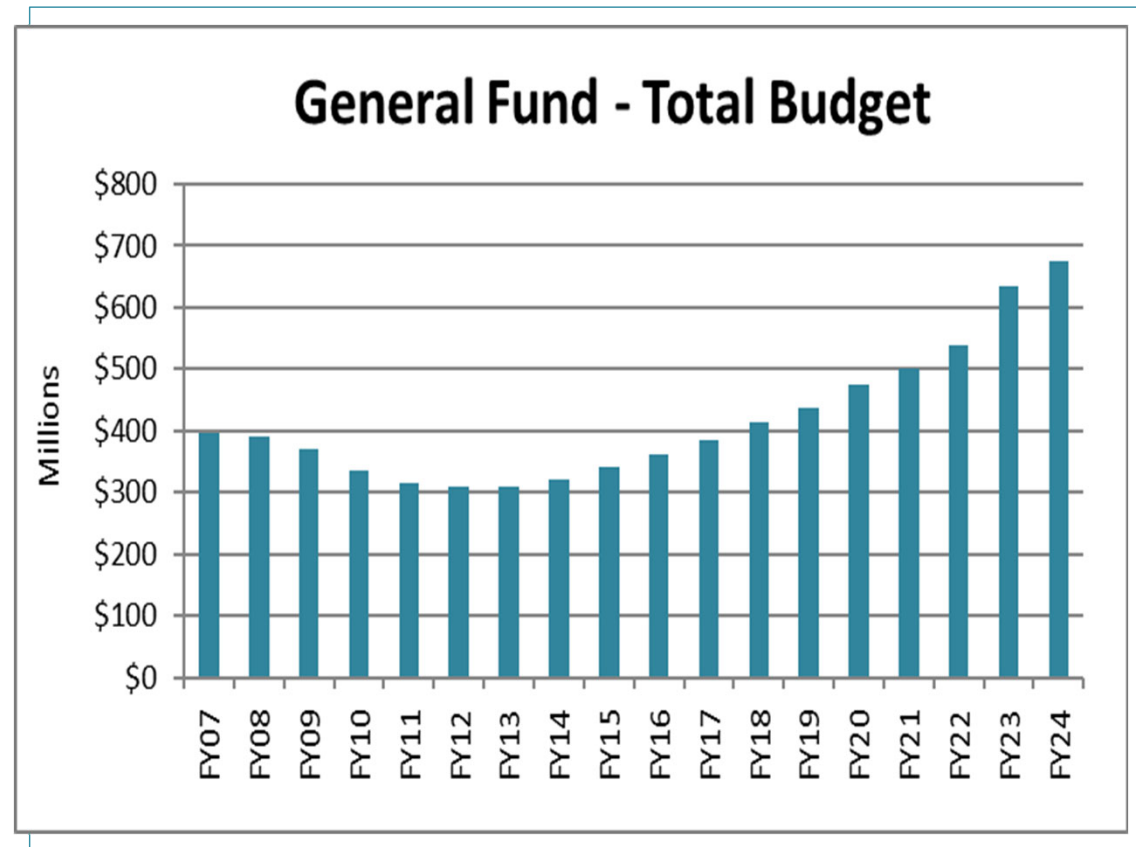
\* Does not include tax collector budget which is submitted August 1<sup>st</sup> pursuant to Statute.

# General Fund Budget Highlights

## FY 2024 Recommended General Fund Budget

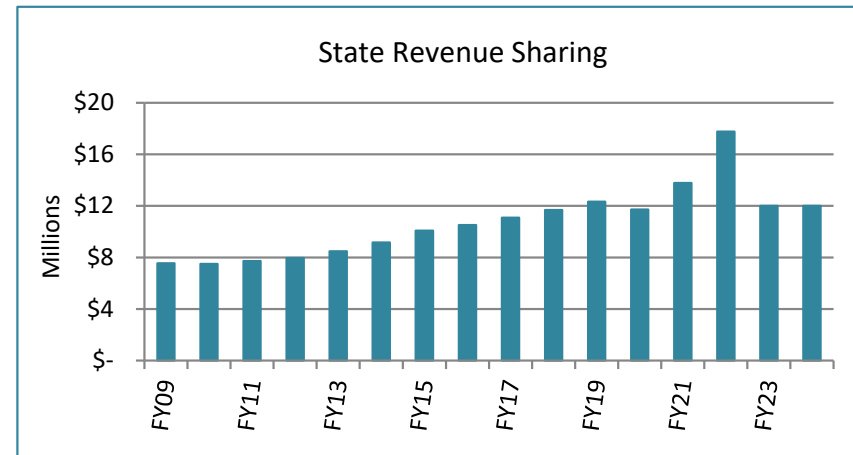
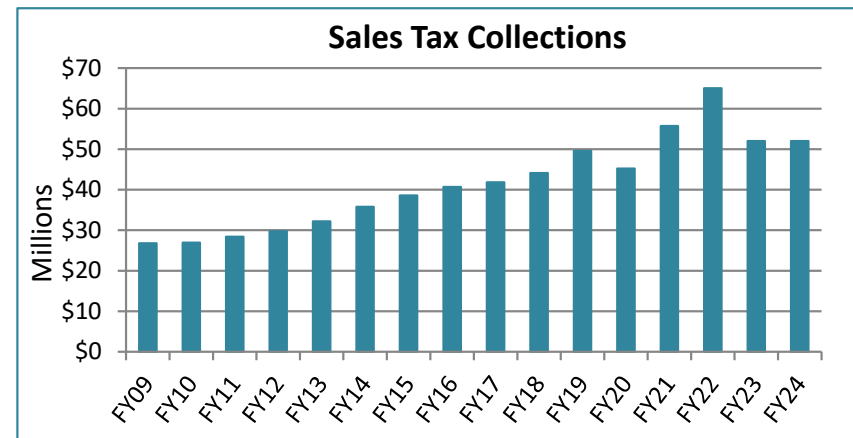
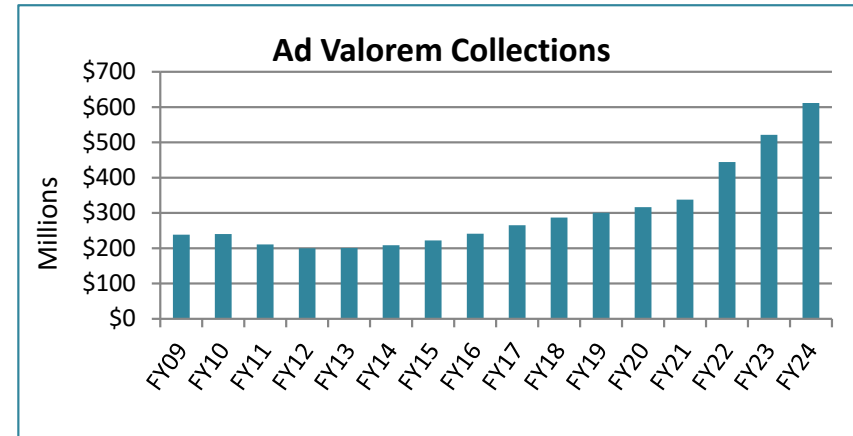
Total Budget  
\$674,681,400

6.2% increase over  
FY 2023



# General Fund Revenues

- Ad Valorem dollars up \$68,564,000 in FY 2024 when compared to FY 2023 Adopted Budget.
- FY 2023 Forecast and FY 2024 Sales Tax dollars up \$4 million to \$52 million when compared to FY 2023 Budget.
- FY 2023 Forecast and FY 2024 State Revenue Sharing remain the same at \$12 million when compared to FY 2023 Budget.



FY 09-FY22 reflects actual proceeds collected; FY23 is the Forecasted amounts; FY 24 is the Recommended Budget amount.



# General Fund Pro Forma FY 2024 YOY

Expense Category Changes	Amount
Constitutional Officer Transfers	\$ 24,231,400
Transfer to Transportation (101)	5,131,800
Transfer to EMS (490)	4,075,900
Transfer to IT Security Enhance (506)	(680,500)
Transfer/Loan to CRA/Zone	3,500,000
BCC Operations and Other G&A	3,086,400
County Mgr. Agency Operations	6,486,000
County Mgr. Operating Transfers	(2,540,700)
Courts	(162,200)
Transfers to Debt Service	(345,900)
Transfers (Loans) to Impact Fee Fds	626,200
Transfer to Capital Funds	(7,773,400)
Reserves	3,533,600
<b>Total Increase from FY23</b>	<b>\$ 39,168,600</b>

Revenue Category Changes	Amount
Property Tax	\$ 54,681,200
Half Cent Sales Tax	4,000,000
Departmental Revenues	\$1,790,600
**Other Revenues	(1,387,000)
Carryforward (Fd Balance)	(15,958,300)
Less 5% Required by Law	(3,957,900)
<b>Total Increase from FY23</b>	<b>\$ 39,168,600</b>

\*\*Indirect Cost Reimb, PILT, Operating Transfers, & Board Interest.

# General Fund Pro Forma FY 2024 to Policy

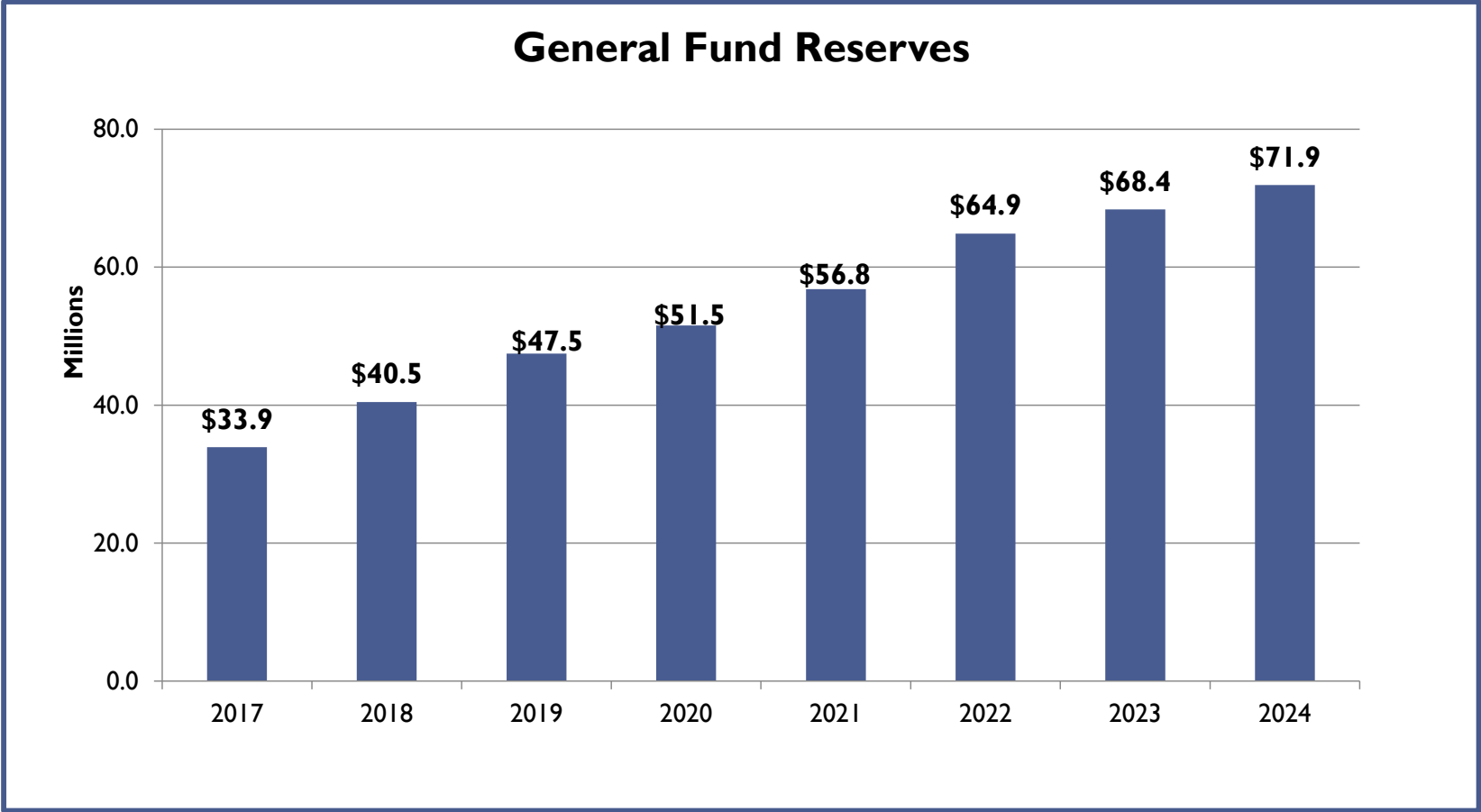
Expense Category Changes	Amount
County-Wide Capital Reserve (301)	\$16,197,700
Other Capital Transfers Projects	4,041,900
Transfer/Loan to CRA/Zones	1,430,000
Road and Bridge Fund (101)	263,300
Transfer to IT Security Enhance (506)	(1,080,500)
Transfer to Property (516)	2,000,000
Transfer/Loan to CRA/Zone	500,000
Transfer to Constitutional Officers	4,289,200
Expanded Level of Service Requests	3,564,500
TD/CAT (424-429)	(249,900)
Transfer to Debt (298)	(1,040,200)
Transfer to Parks Impact Fee Capital	1,139,100
Other Dept Ops & Transfers	(203,700)
Reserves	41,800
<b>Total Increases from Approved Policy FY24</b>	<b>\$ 30,893,200</b>

Revenue Category Changes	Amount
Property Tax	\$ 29,612,600
Departmental Revenues	(361,000)
*Other Revenues & Transfers	(126,700)
Board Interest	3,200
Carryforward (Fd Balance)	4,202,100
Less 5% Required by Law	(2,437,000)
<b>Total Increases from Approved Policy FY24</b>	<b>\$ 30,893,200</b>

\*\*Indirect Cost Reimb, PILT, Operating Transfers, & Board Interest.

# General Fund Reserves

Total General Fund Reserves (includes contingency and cash flow reserves)



# Why Strengthen General Fund Reserves

- Representative of the County's financial health and stability; Investment Grade Issuer Corporate Credit Rating of AAA from Moody's and Standard and Poor's; and Special Obligation Revenue Bond AAA rating (Various Series) from Standard and Poor's
- Contributes to Financial Flexibility
- General Governmental Cash Flow Engine
- Protects Beginning Cash Balance
- Funds Unforeseen Mandates and Emergencies
- Funds Constitutional Officer Reserves

# Why are Reserves so important..

- Hurricane Irma hit Collier County in September 2017 as a Category 3. With wind gusts recorded in excess of 140mph. Five years later Hurricane Ian hit producing unprecedented storm surge devastating the County's coastal communities.
- Damage from Irma was approximately \$115 million. To date the County has spent \$44.2 million on Ian related repairs with another \$49 million encumbered.
- To cash flow these storms, reserves were reduced and particularly for Irma capital projects across the County were postponed.
- Effective with the FY 2023 budget, the Board approved implementing a Capital Recovery/Natural Disaster reserve accumulating to \$35.8 million which has minimized capital project deferrals required to cash flow Hurricane Ian.

# Unincorporated Area General Fund Budget Highlights

- Recommended FY 2024 Budget
  - ✓ Total Budget \$83,611,500
  - ✓ 10.2% Increase from FY 2023
  - ✓ Funds operations like road and median maintenance, zoning and comp planning, code enforcement, natural resources, community parks and substantial capital transfers.
- MSTD Unincorporated General Fund changes included:
  - ✓ Millage neutral tax rate raises \$70,508,000
  - ✓ Capital transfers supporting the transportation network, stormwater, and parks system continue.
  - ✓ Board approved a new interlocal agreement for continued management of Ochopee Fire District (\$2,338,500).
  - ✓ Reserves increased by \$2,704,600

# MSTD General Fund – Pro Forma FY 2024 YOY

Expense Category Changes	Amount
CRA, Dev Zone, Innov Zone	\$267,700
Growth Management Department	733,600
Transfer to Ochopee (146)	2,338,500
Public Services Department	1,821,500
Stormwater Ops (103)	212,800
Transportation Road Maintenance	277,800
Other Division Operations	275,100
Expanded Level of Service Requests	145,000
Transfer to Parks Capital (306)	450,000
Transfer to Transportation Capital (310)	(800,000)
Transfer to Stormwater Capital (325)	312,100
Transfer to Other Projects (301, 322, 506)	(198,100)
Other Departmental Transfers	(802,100)
Reserves	2,704,600
<b>Total Increases from FY23 Budget</b>	<b>\$7,738,500</b>

Revenue Category Changes	Amount
Ad Valorem Taxes - Operations	\$8,326,500
Communication Service Tax	50,000
Department Revenue	695,500
Interfund Transfers	(908,800)
Interest and Other Misc Revenue	(8,000)
Carryforward (Fund Balance)	35,900
Less 5% Required by Law	(452,600)
<b>Total Increases from FY23 Budget</b>	<b>\$7,738,500</b>

# MSTD General Fund – Pro Forma FY 2024 to Policy

Expense Category Changes	Amount
CRA, Dev Zone, Innov Zone	\$187,600
Growth Management Department	(282,600)
Transfer to Ochopee Fire	1,038,500
Public Services Department	802,300
Transportation Road Maintenance	51,400
Other Division Operations	(148,700)
Expanded Level of Service Requests	145,000
Transfer to Stormwater Capital (325)	2,500,000
Transfer to Other Projects (301, 322, 506)	(92,600)
Other Departmental Transfers	86,800
Reserves	1,594,700
<b>Total Increases from Approved Policy FY24</b>	<b>\$5,882,400</b>

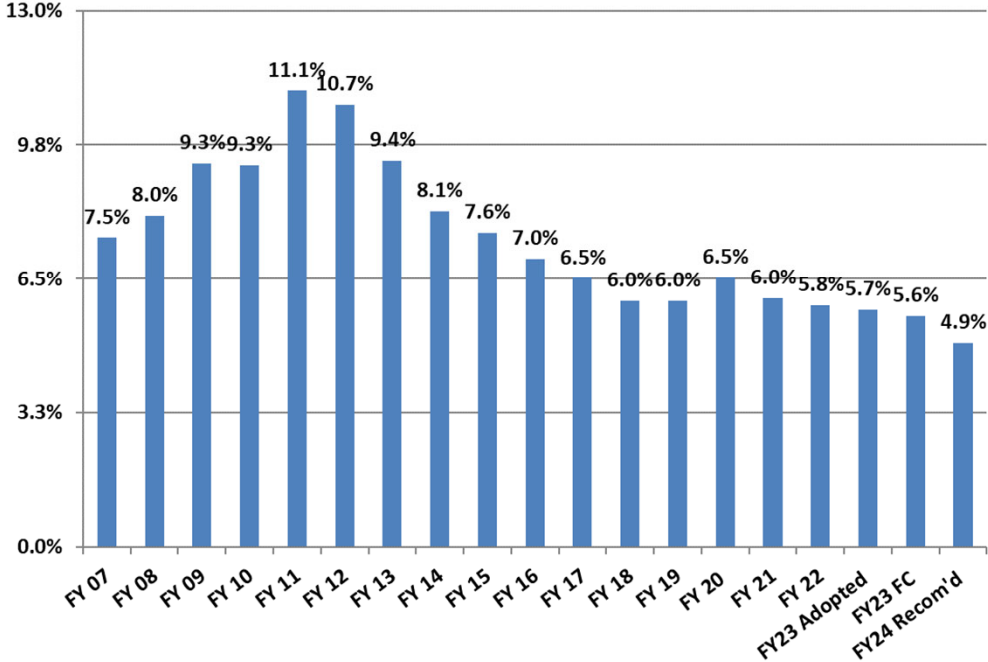
Revenue Category Changes	Amount
Ad Valorem Taxes - Operations	\$4,751,100
Communication Service Tax	50,000
Department Revenue	695,500
Interfund Transfers	(35,300)
Interest and Other Misc Revenue	(8,000)
Carryforward (Fund Balance)	713,000
Less 5% Required by Law	(283,900)
<b>Total Increases from Approved Policy FY24</b>	<b>\$5,882,400</b>



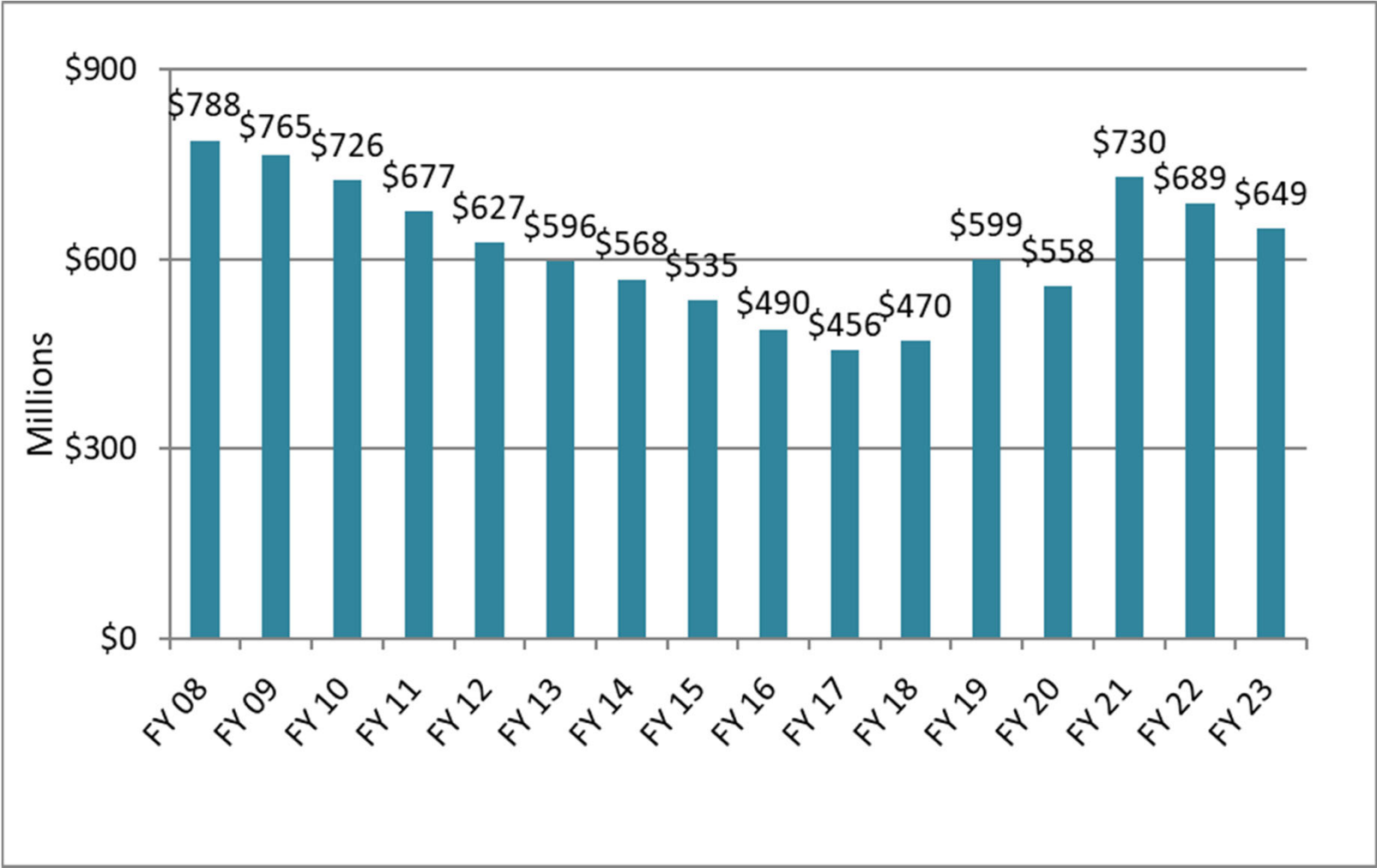
# General Governmental Debt Service compliant with BCC Debt Management Policy

- Projected Sept 30, 2024, total bondable revenue increased by \$138 million from FY 2022 while debt service increased by \$350 thousand from FY 2022
- Represents 4.9% of total bondable general governmental revenues, well within 13% cap
- FY 2023 forecast, bonded revenue increased by \$20.7m, over FY 2023 budget while debt service remained the same causing the % to drop from 5.7% to 5.6%

Ratio of General Governmental Debt to Bondable Revenues  
Year Ending FY 07 to FY 22 (audited) and FY 23 & FY 24 (unaudited)



# Total Outstanding Principal Debt



Above chart includes General Government and Enterprise Debt

# Budget Challenges

- Significant reliance upon property tax and state-shared revenue requires continued caution and diligent analysis of local and regional economic indicators.
- Diversification of general governmental revenue structure.
  - Franchise Fees
  - Future Infrastructure Surtax
- Balancing competing priorities for capital investment, asset management, expanding service delivery, and new programs/initiatives along with perceived public expectations will continue to pose a challenge.
- Monitor continued shift of various program costs to local government.
- Increasing service demand in Unincorporated Area General Fund (III) and potential erosion of the communication services tax (CST).
- Balance the need/desire for reserve growth and growth in operations with future asset management and replacement.

# Unfunded Requests

- Unfunded Request List to be provided at the conclusion of the Department presentations.
- Objective
  - To provide visibility on items that haven't been included in the budget and obtain the Board's sense of prioritization.
- Potential inclusion in the budget:
  - If additional funding becomes available.
  - Reprioritization of recommended items within the budget.