

Collier County FY 2015

Tentative July Budget

Integration of Strategic and Budget Planning

Strategic Planning

Operational Planning

Budget Planning

**Strategic, Operating
And Budget
Performance Management**



TIME

Vision and Mission Statements

Vision: We strive to be the best community in America to live, work, and play.

Mission: To deliver high quality, best-value, public services, programs, and facilities to our residents and visitors.

Strategic Focus Areas

I. Quality of Place

To preserve and enhance the safety, quality, value, character, and heritage of our neighborhoods, communities and region.

II. Growth Management

To responsibly plan and manage community growth, development, redevelopment and protect the natural environment.

III: Community Health, Wellness and Human Services

To improve the quality of life and promote personal wellness, self-reliance and independence.

IV: Infrastructure and Capital Asset Management

To responsibly plan, construct and maintain the County's critical public infrastructure and capital assets to ensure sustainability for the future.

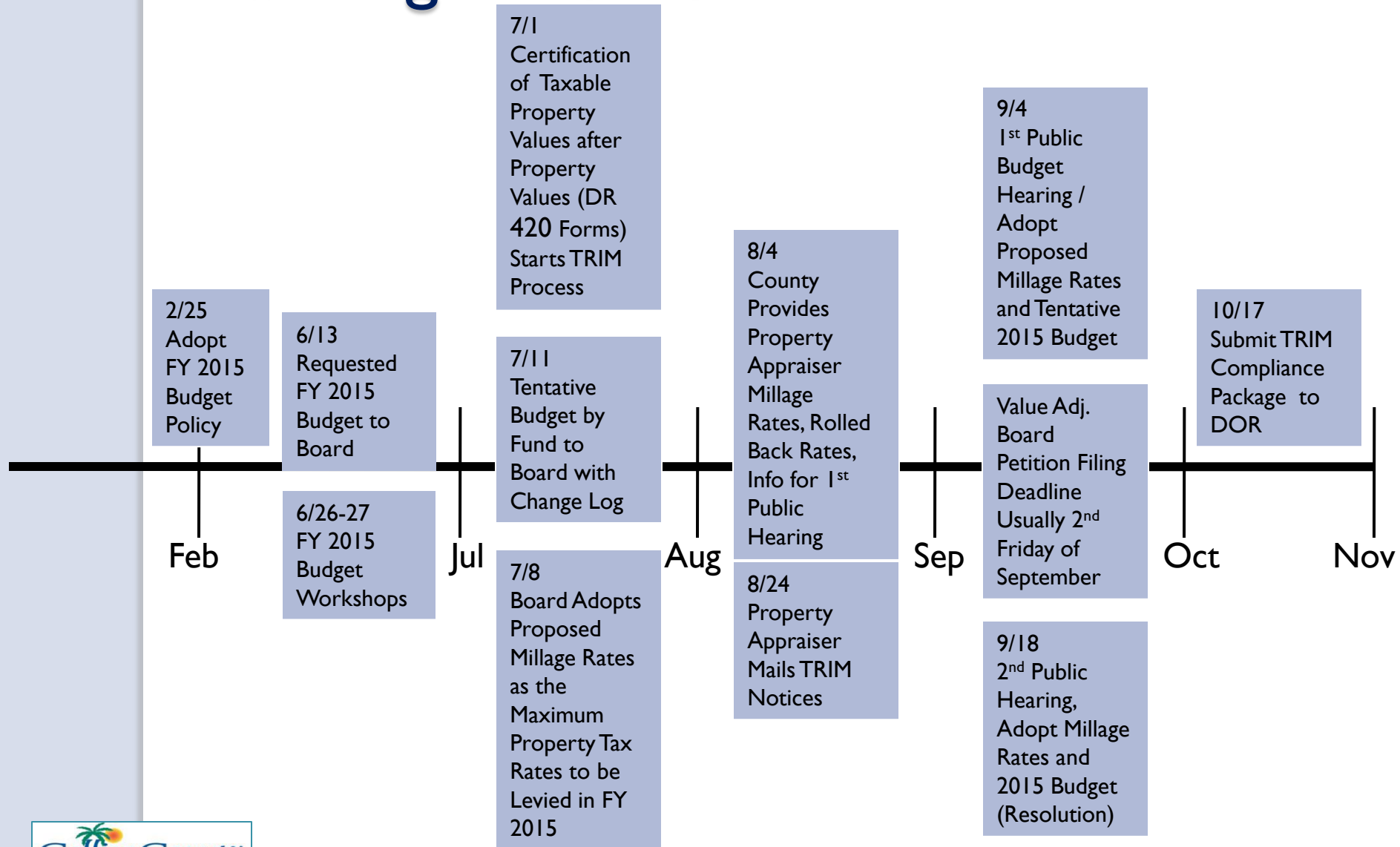
V: Economic Development

To support a business climate that promotes a sustainable, diversified and growing economy.

VI: Governance

To sustain public trust & confidence in County government through sound public policy, professional management and active citizen participation.

FY 2015 Collier County Budget Planning Timeline



FY 2015 Economic Landscape

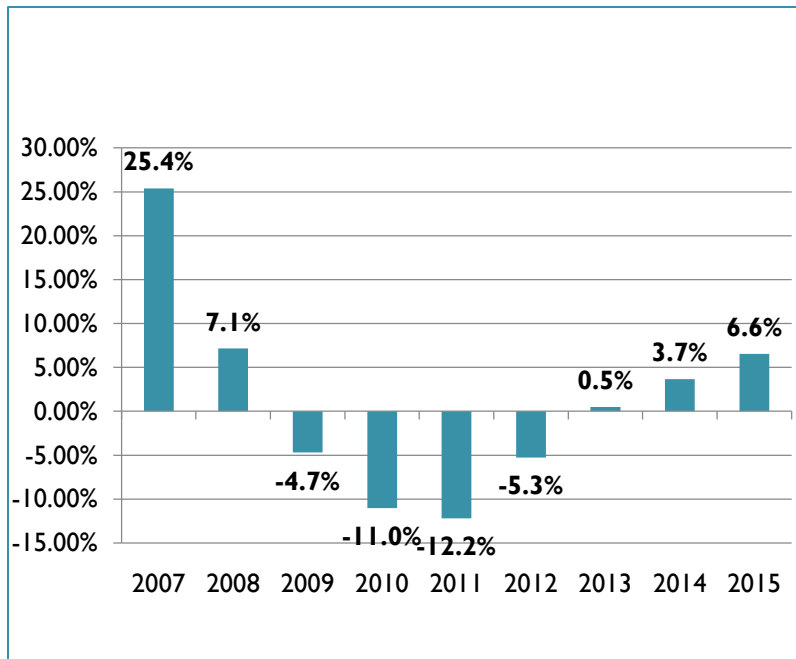
- Countywide taxable value increase of 6.55% - third consecutive year of tax base growth
- Taxable sales for Collier County rose sharply to \$732.3 million for February 2014, up 13% over February 2013
- Median home price increased from \$302,400 in April 2013 to \$375,000 in April 2014
- Sales tax and State shared revenues increasing under a positive State outlook for all sales and general revenue categories
- Peak season April 2014 visitation to our destination is up year over year by 4.4%
- Generally all categories of permitting activity for April 2014 continue to grow up 13.9% year over year
- Unemployment rate dropped 1.6% from April 2013 to 5.5%
- While these are very positive economic signs, fiscal conservatism must co-exist with funding for priority service, program and infrastructure replacement and maintenance as the County move forward with future financial planning
- Still \$17,931,073,595 below FY 2008 taxable value high which equates to foregone property tax revenue totaling \$63,915,300 under a millage neutral guidance

FY 2015 Budget Outcomes

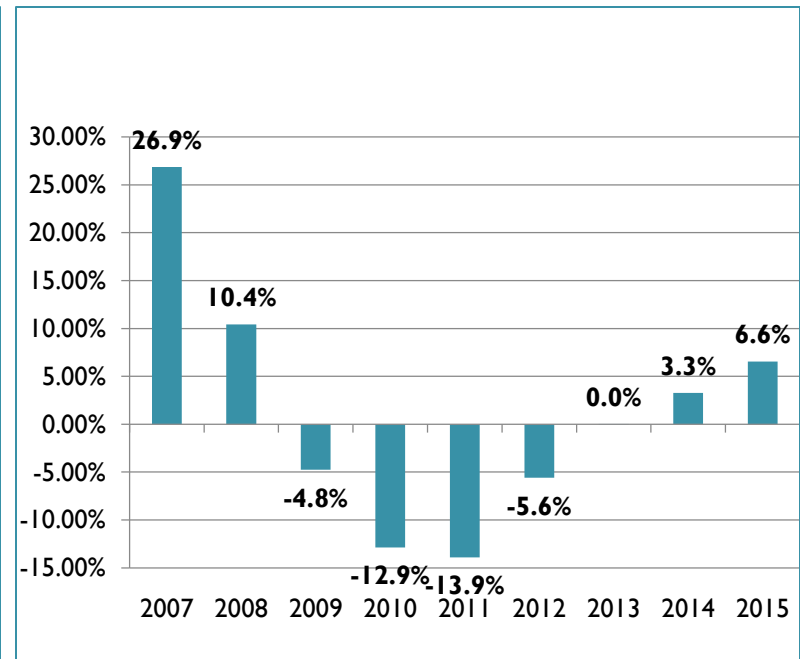
- Budget guidance essentially met for the County Manager's Agency
- Millage neutral tax rates for General Fund and Unincorporated Area General Fund
- General Fund and Unincorporated Area General Fund reserves increase
- Principal debt and annual debt service continues to decline; is fully funded and policy compliant
- Expanded service requests funded for the second consecutive year
- Unfunded mandates fully funded
- General Fund and Unincorporated Area General Fund supported capital asset spending up substantially
- Dollars appropriated for employee compensation adjustment

Countywide Taxable Value Trending up for the Third (3rd) Consecutive Year

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



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

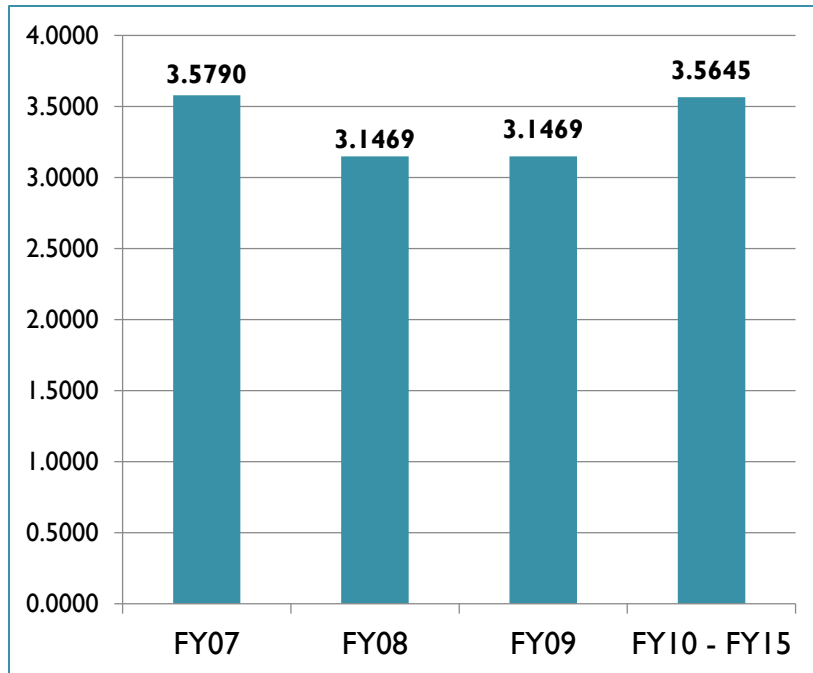


Taxable Value History

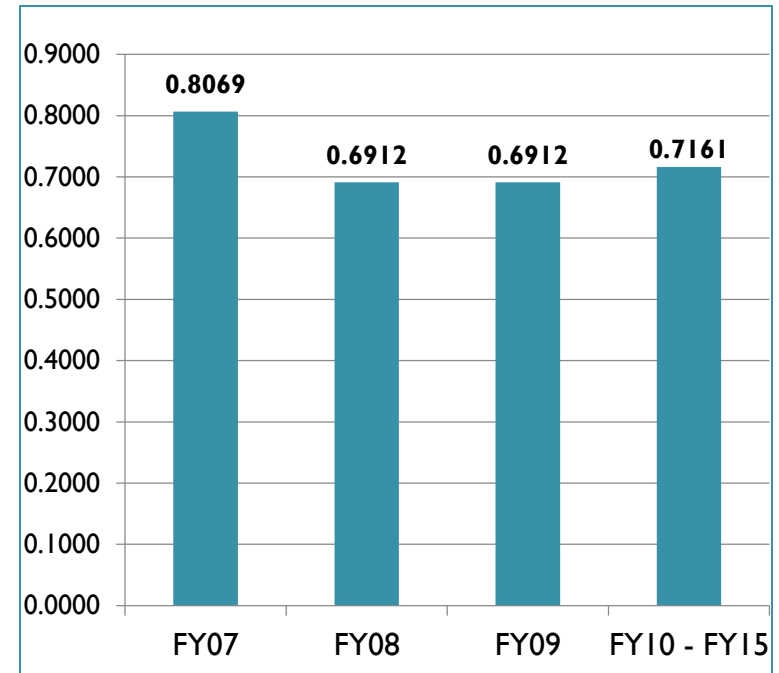
Tax Year	General Fund Taxable Values	Percent Change	Unincorporated Area General Fund Taxable Values	Percent Change
2007 (FY08)	\$82,542,090,227		\$53,397,231,747	
2008 (FY09)	\$78,662,966,910	(4.7%)	\$50,860,023,424	(4.8%)
2009 (FY10)	\$69,976,749,096	(11.0%)	\$44,314,951,279	(12.9%)
2010 (FY11)	\$61,436,197,437	(12.2%)	\$38,146,886,403	(13.9%)
2011 (FY12)	\$58,202,570,727	(5.3%)	\$36,013,774,963	(5.6%)
2012 (FY13)	\$58,492,762,303	0.50%	\$36,026,786,779	0.04%
2013 (FY14)	\$60,637,773,315	3.67%	\$37,207,018,234	3.28%
2014 (FY15) (July 1 st)	\$64,611,016,632	6.55%	\$39,646,810,731	6.56%
Variance FY08 - FY15	(\$17,931,073,595)	(21.7%)	(\$13,750,421,016)	(25.7%)

Millage Rate History

**Property Tax Rates
General Fund**



**Property Tax Rates
Unincorporated Area General Fund**



FY 2015 Tentative Budget Highlights

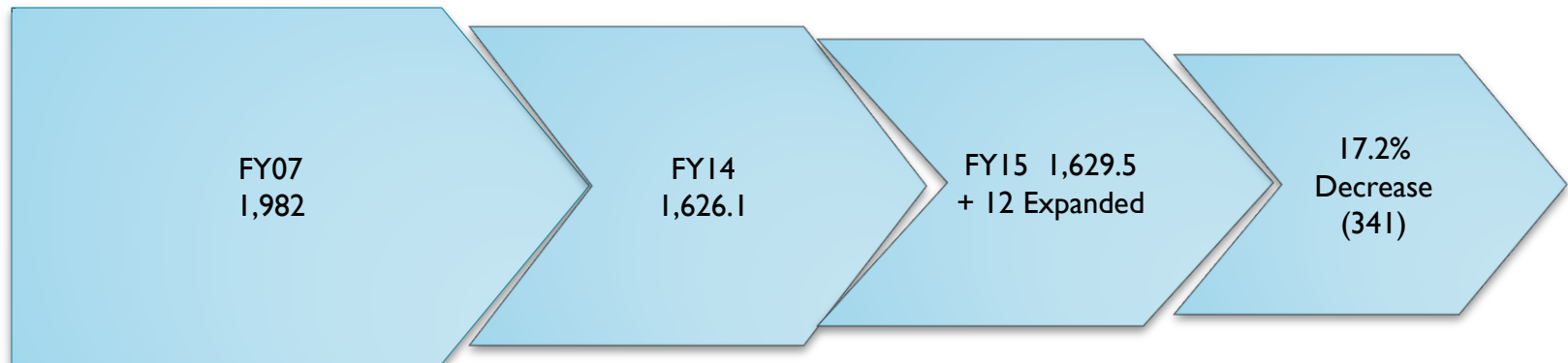
- Millage neutral tax rate resulted in a \$13,859,400 increase in General Fund property tax receipts and a \$1,698,800 increase in Unincorporated Area General Fund property tax receipts
- Planned growth in front line services with expanded operations totaling \$1,583,300
- General governmental new capital and replacement spending in excess of \$40.8 million
- Public safety capital component over \$13.0 million and includes funding for Sheriff Orange Tree Sub-Station; Logan Blvd EMS Facility; and 800 MHz System

FY 2015 General Governmental Supported Capital Asset Spending Highlights

Capital Asset	FY 2014 Adjusted Budget	FY 2015 Budget
Ambulance Replacements	\$ 880,000	827,600
Helicopter Replacement Set Aside	0	2,000,000
Orange Tree Sheriff Substation	1,050,000	1,350,000
Sheriff Accounting System	0	1,000,000
EMS Station	50,000	1,630,000
800MHz System Upgrades – Year 2 of Funding	1,500,000	3,900,000
General Vehicle and Heavy Equipment Replacement	2,299,000	3,231,600
General Building Maintenance	750,000	1,000,000
Jail A/C Replacement – Final Phase	1,300,000	2,310,000
Intersection Safety/Capacity Enhancements	3,591,700	2,500,000
Bridge Repair/Construction	4,800,000	5,948,000
Road Repair/Resurfacing	2,000,000	7,212,200
Traffic Signals & Signs	1,200,000	995,000
Other Road Improvements	2,700,000	1,025,100
Lely Area Stormwater Improvements (LASIP)	1,667,900	3,305,000
Golden Gate City Outfall Replacement	1,000,000	950,000
General Storm-water Improvements	2,475,000	430,000
Museum Capital	0	250,000
Parks Capital	0	1,000,000
Total	\$27,263,600	\$40,864,500

FY 2015 Tentative Budget Highlights

- Funded Positions in County Manager's Agency increased by 60.4 FTE's during FY 2014; Added – EMS and MM63 Fire Station (31.4); Growth Management (28); Grants Compliance(1); and Board approved 3 EMS positions for FY 2015.



- 12 expanded position requests in County Manager's Agency in FY 2015; Parks (1), Libraries (3), DAS (1), Veterans (1), Housing (1), Water/Sewer (1), Solid Waste (1), Growth Mgt (3)
- Continued review of all hiring exceptions by County Manager's Office

FY 2015 Position Count Changes

Agency	Adopted FY 2014	Changes FY 2014	Changes FY 2015	Expanded FY 2015	Total FY 2015
BCC	11.00				11.00
Co Attorney	20.00		(2.00)		18.00
Co Mgr Offices	67.00	1.00			68.00
Admin/Emergency Services	370.20	31.40	3.40		405.00
Public Services	350.00			7.00	357.00
Public Utilities	369.00			2.00	371.00
Growth Mgt	409.50	28.00		3.00	440.50
Subtotal BCC Agency	1,596.70	60.40	1.40	12.00	1,670.50
					-
Courts	31.00	-	-	-	31.00
Clerk of Courts	80.16	(0.42)	-	2.46	82.20
Sprvr of Elections	22.00			-	22.00
Property App	56.00			-	56.00
Sheriff	1,373.00	6.00		-	1,379.00
Tax Collector	149.00			-	149.00
Subtotal Const Officers	1,680.16	5.58	-	2.46	1,688.20
Grand Total	3,307.86	65.98	1.40	14.46	3,389.70

FY 2015 Tentative Budget Highlights

Funding for a modest general wage adjustment (GWA) valued at \$1,000 or two (2) percent which ever is greater to increase employee earnings which have eroded due to consumer price increases, prior year health insurance increases and State pension contributions.

Fund	2.0% GWA
General Fund (001) and General Fund Supported Operations	\$ 1,160,800
Unincorporated General Fund MSTU (111)	\$ 263,400
All other Funds	\$ 1,096,700
Total	\$2,520,900

FY 2015 Tentative Budget Highlights

- Health Care Program

- Fully funded at actuarially determined premium level for FY 2015. No Premium increase proposed
- Board directed premium cost share target achieved for BCC/CM, COC and SOE personnel
 - 80% employer paid
 - 20% employee paid

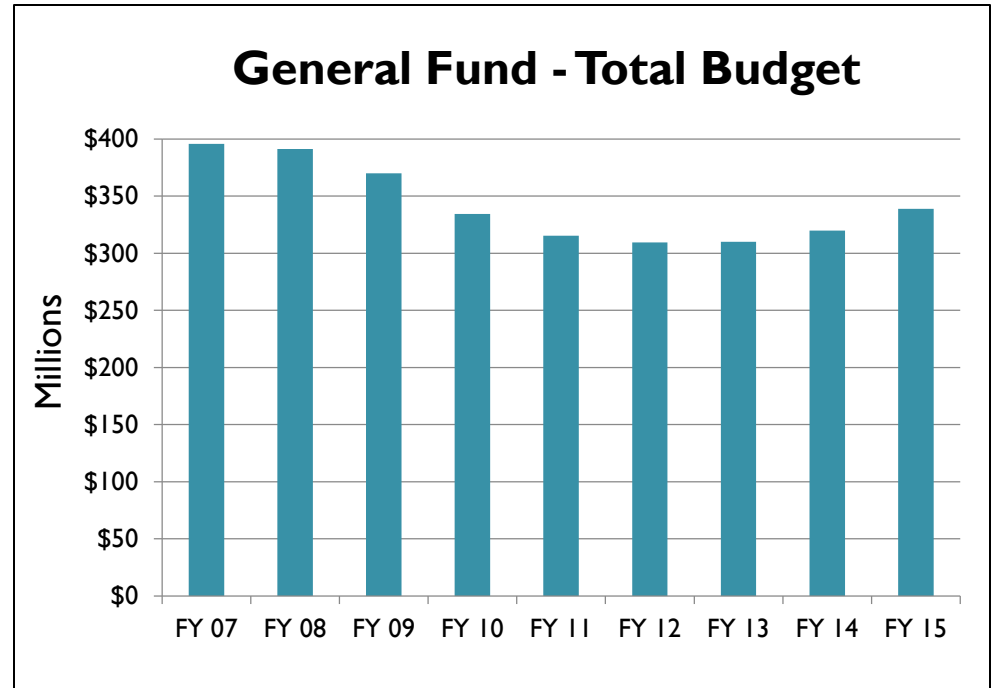
General Fund Budget Highlights

- FY 2015 Tentative General Fund Budget

\$338,970,400

**6.0% Increase from
FY 2014**

**Decrease of \$56,860,600
(14.4%) since FY 2007**



General Fund Proforma FY 2015

Expense Category Changes	Amount
BCC Operations	\$ (540,200)
County Mgr Agency Operations	2,627,000
Courts	71,000
Transfers to Debt Service	(578,100)
Transfers to Capital Fd	4,955,100
Transfer to Stormwater/Roads Capt	628,600
Constitutional Officer Transfers	9,989,300
Reserves	1,338,900
Total Increase from FY14	\$ 18,491,600

Expense category changes do not include expanded requests

Revenue Category Changes	Amount
*Property Tax	\$ 13,859,400
Sales Tax	3,320,000
State Revenue Sharing	680,000
Departmental Revenues	(175,300)
**Other Revenues	244,600
Carryforward (Fund Balance)	562,900
Total Increase from FY14	\$ 18,491,600

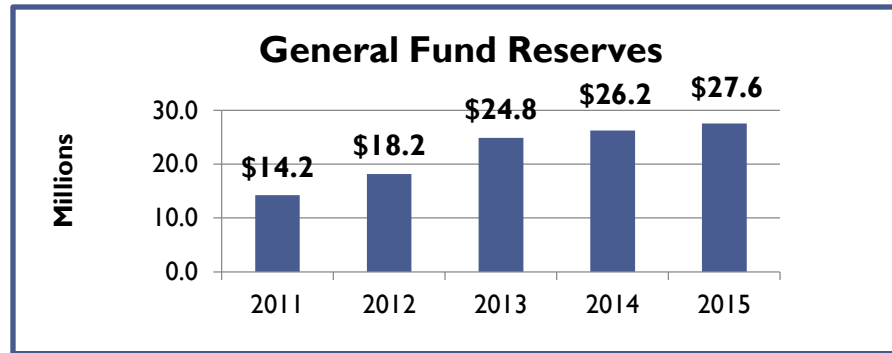
*Collier County Property Tax base is primarily residential in nature, accounting for 90.0% of all taxable value. Commercial and Industrial categories comprise 9.6% of County-Wide taxable value.

**Indirect Cost Reimb, PILT, Operating Transfers, Constitutional Officer's Turnback

General Fund Reserves

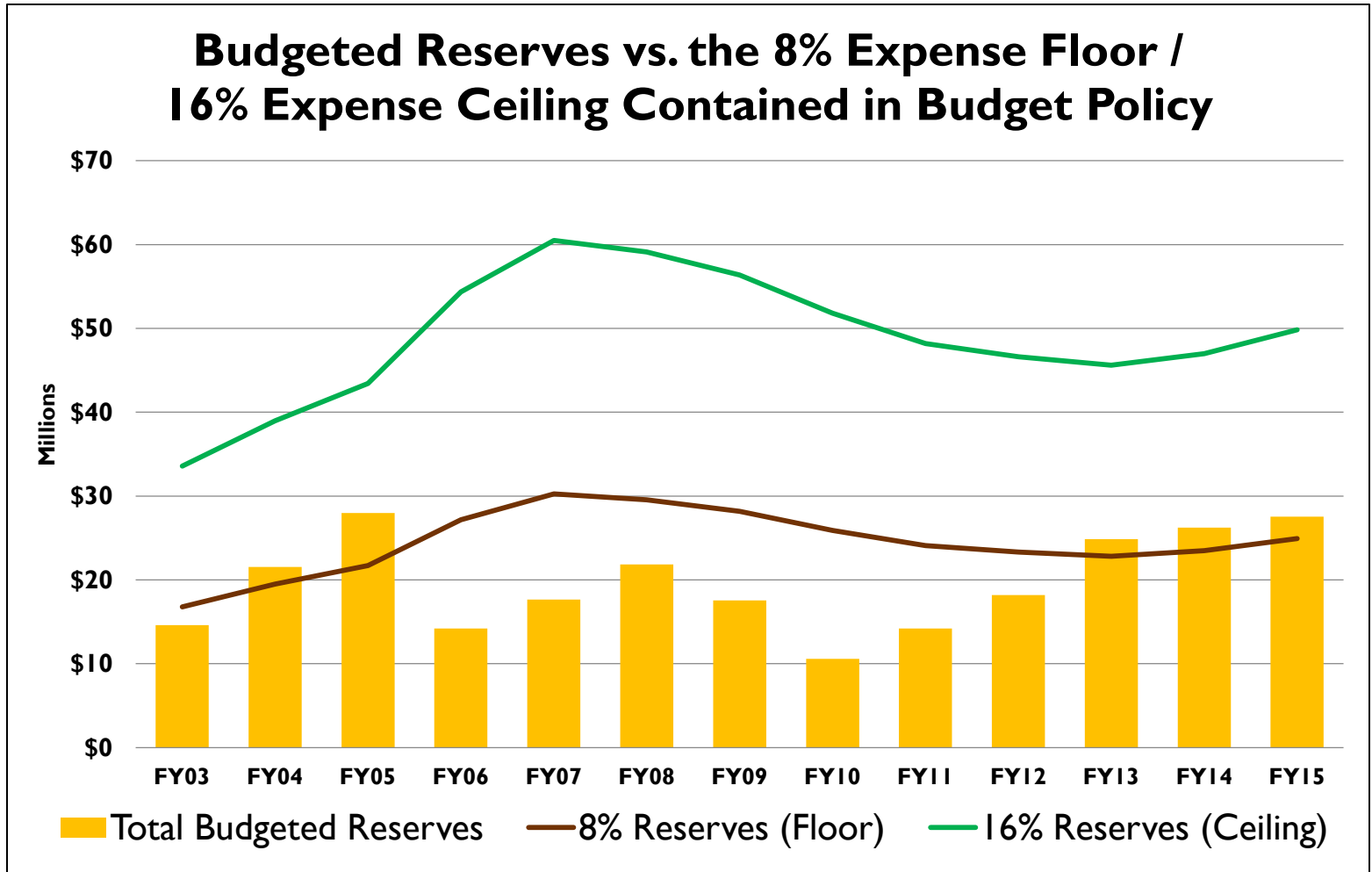
Total General Fund Reserves (includes contingency and cash flow reserves)

FY 2011	FY2012	FY 2013	FY 2014	FY 2015
• \$14,210,000	• \$18,180,900	• \$24,844,400	• \$26,217,400	• \$27,556,300



Contingency reserves set at 2.5% of operating expenses per budget policy.

General Fund Reserves

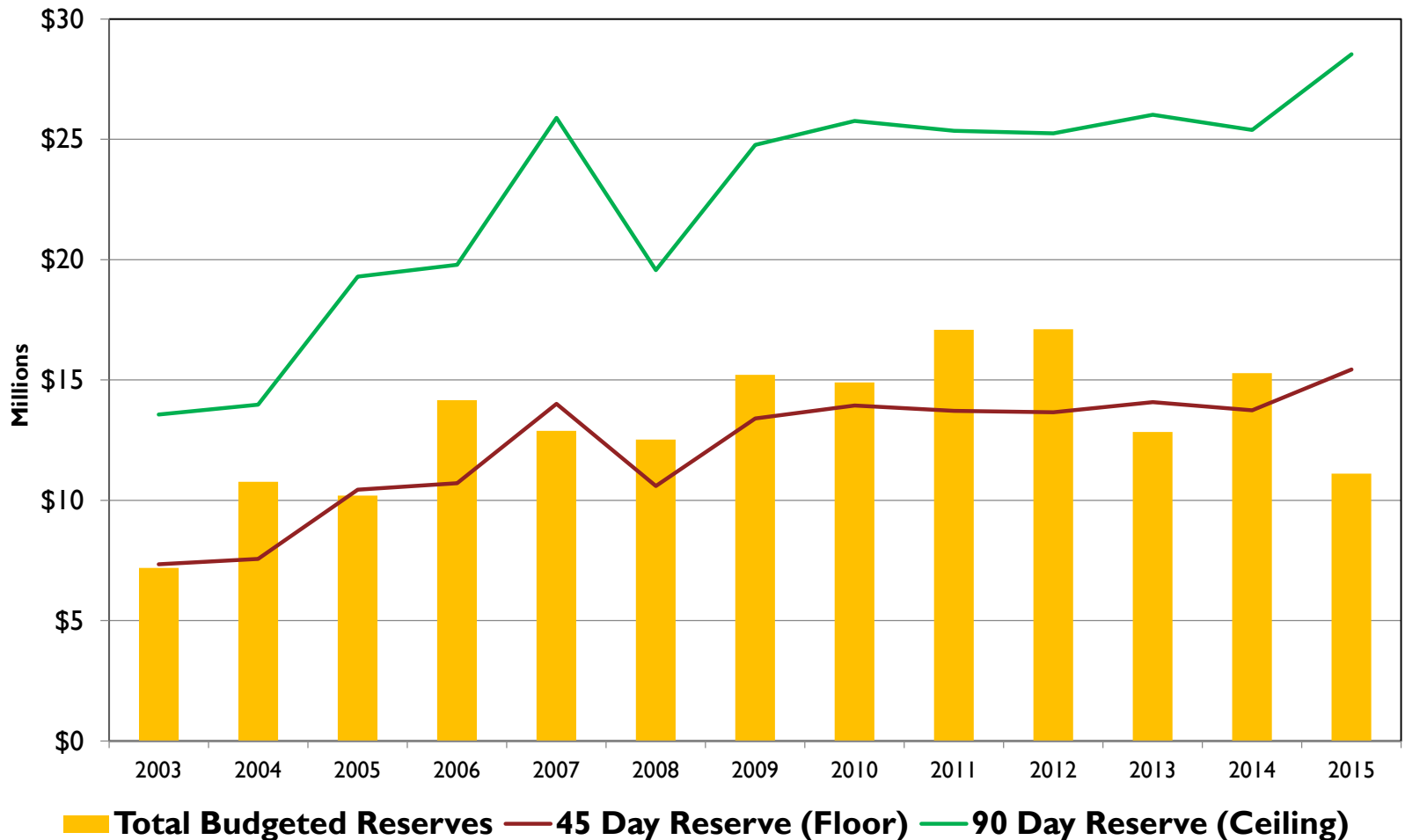


Why Strengthen General Fund Reserves

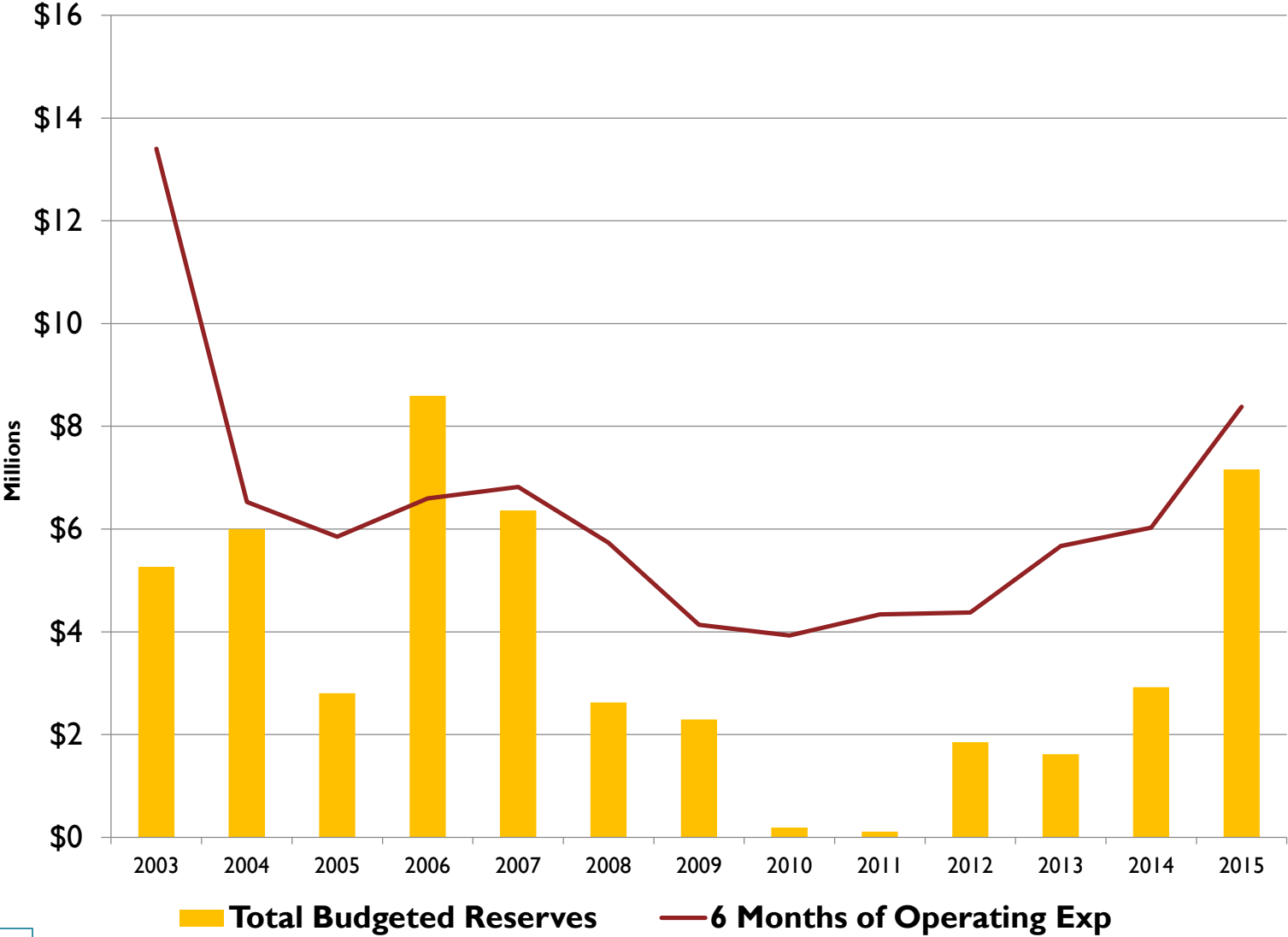
- The Rating Agencies are Smiling
(Investment Grade Corporate Credit Rating - AA)
- The General Fund is the Cash Flow Engine
- Protects Beginning Cash Balance
- Funds Unforeseen Mandates and Emergencies
- Funds Constitutional Officer Reserves

Water/Sewer Operating Reserves

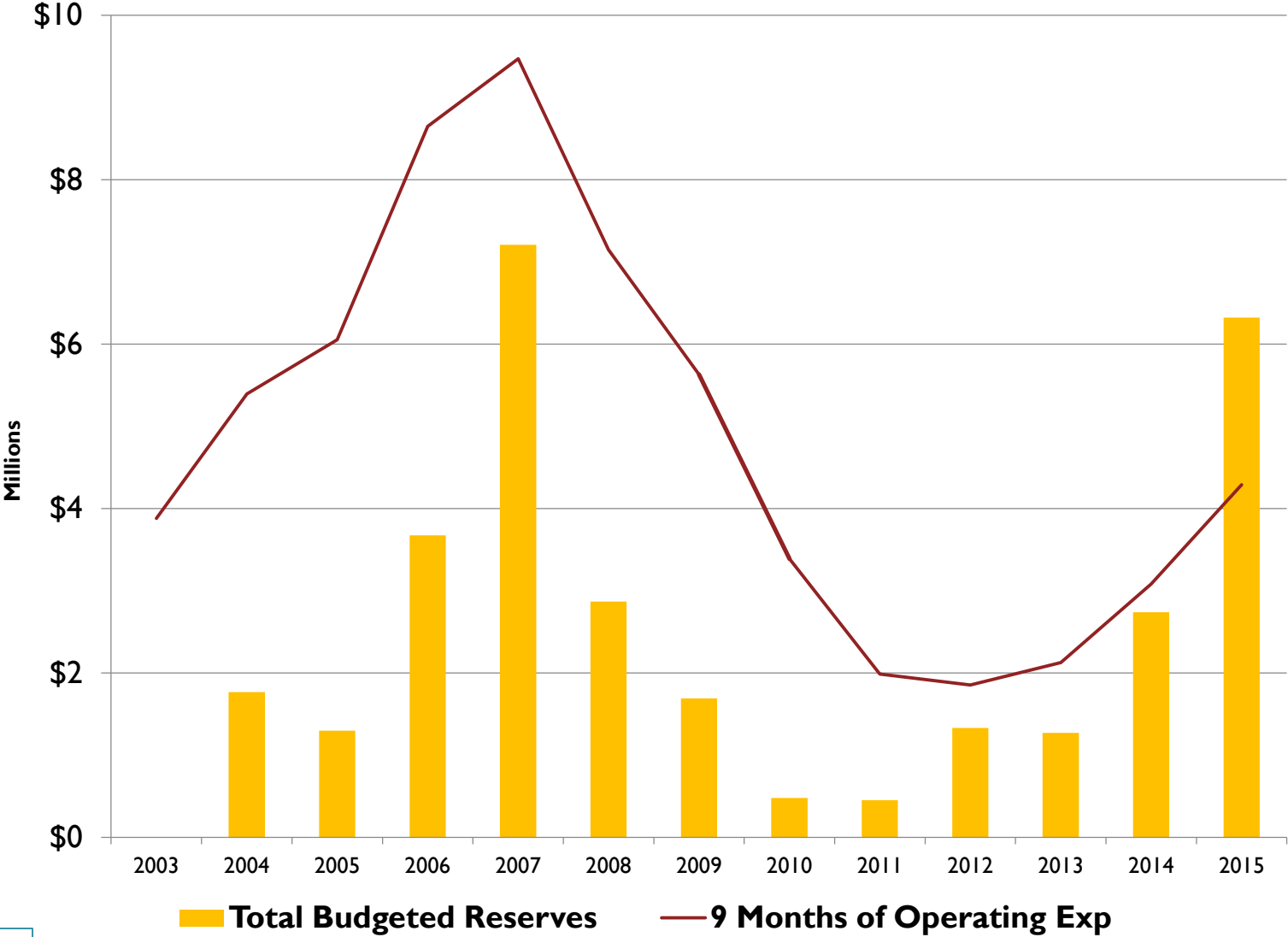
Budget Reserve Policy: 45 Days Floor / 90 Days Ceiling



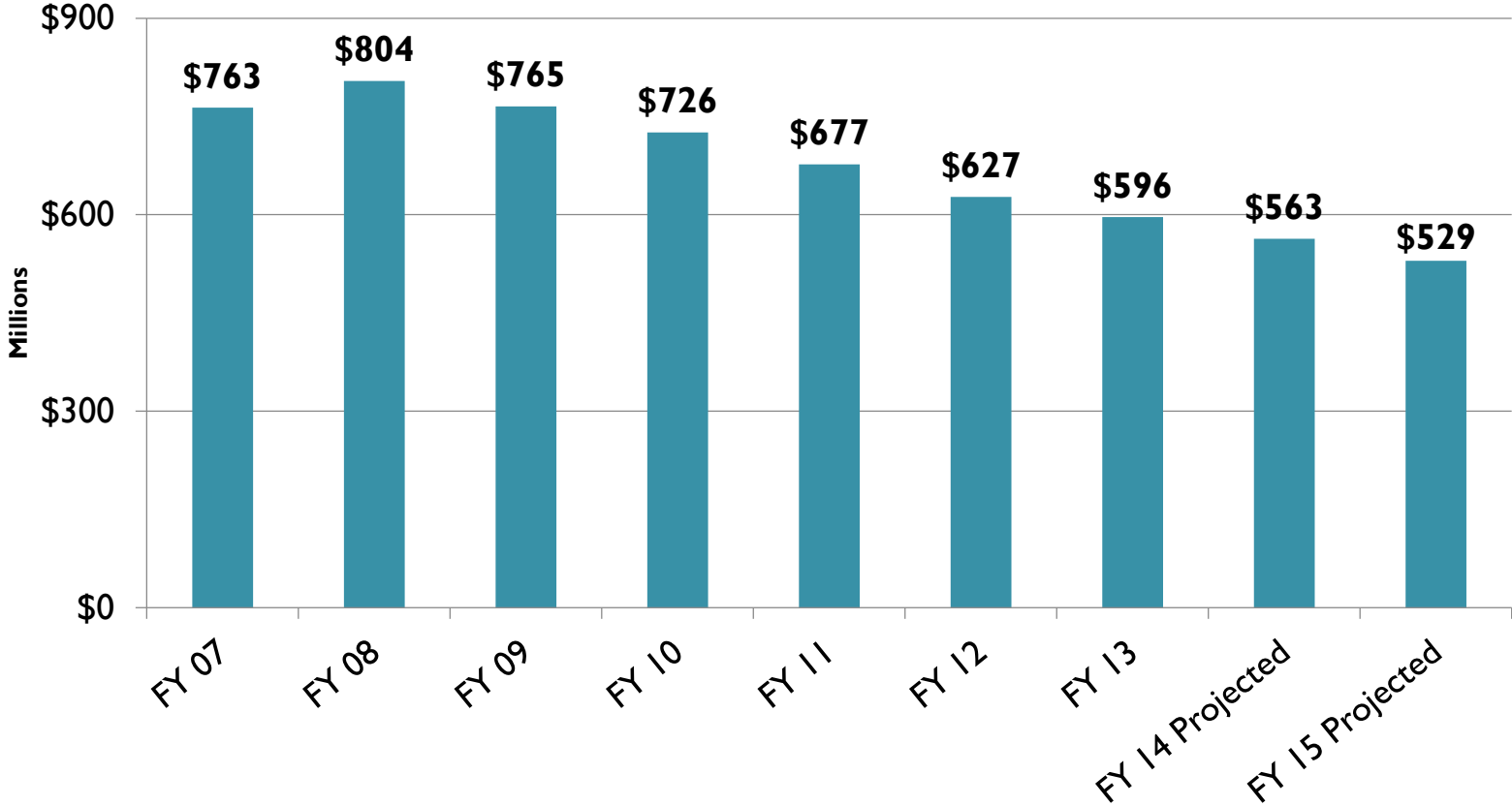
Building Permit Fund (113) Reserves



Land Development Fund (131) Reserves

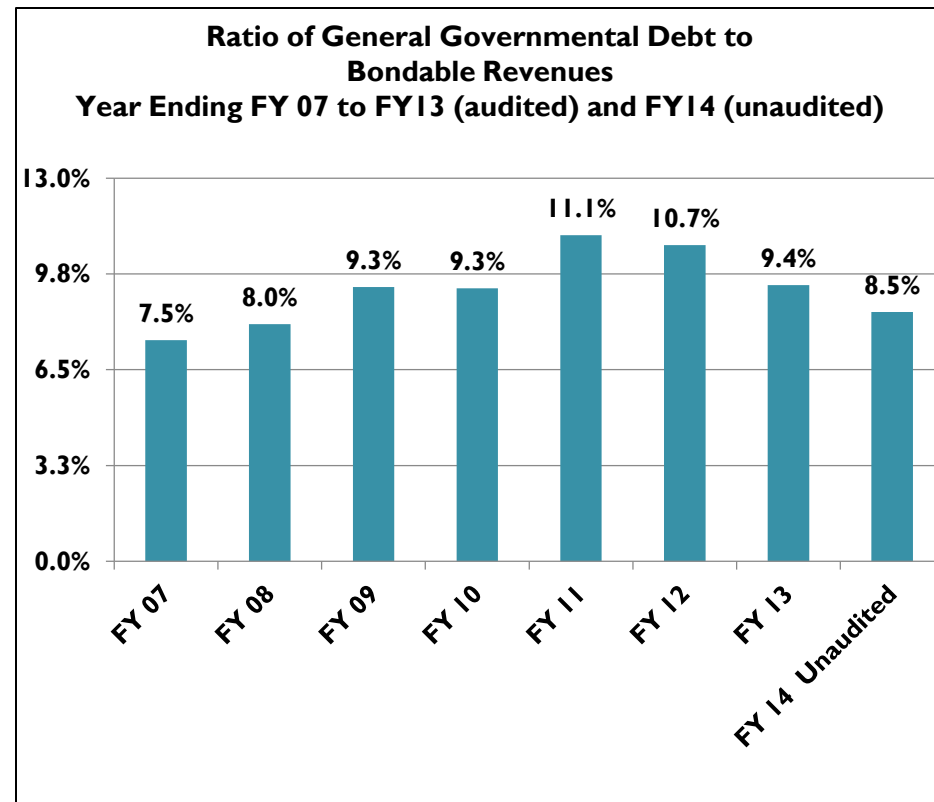


Total Audited Outstanding Principal Debt

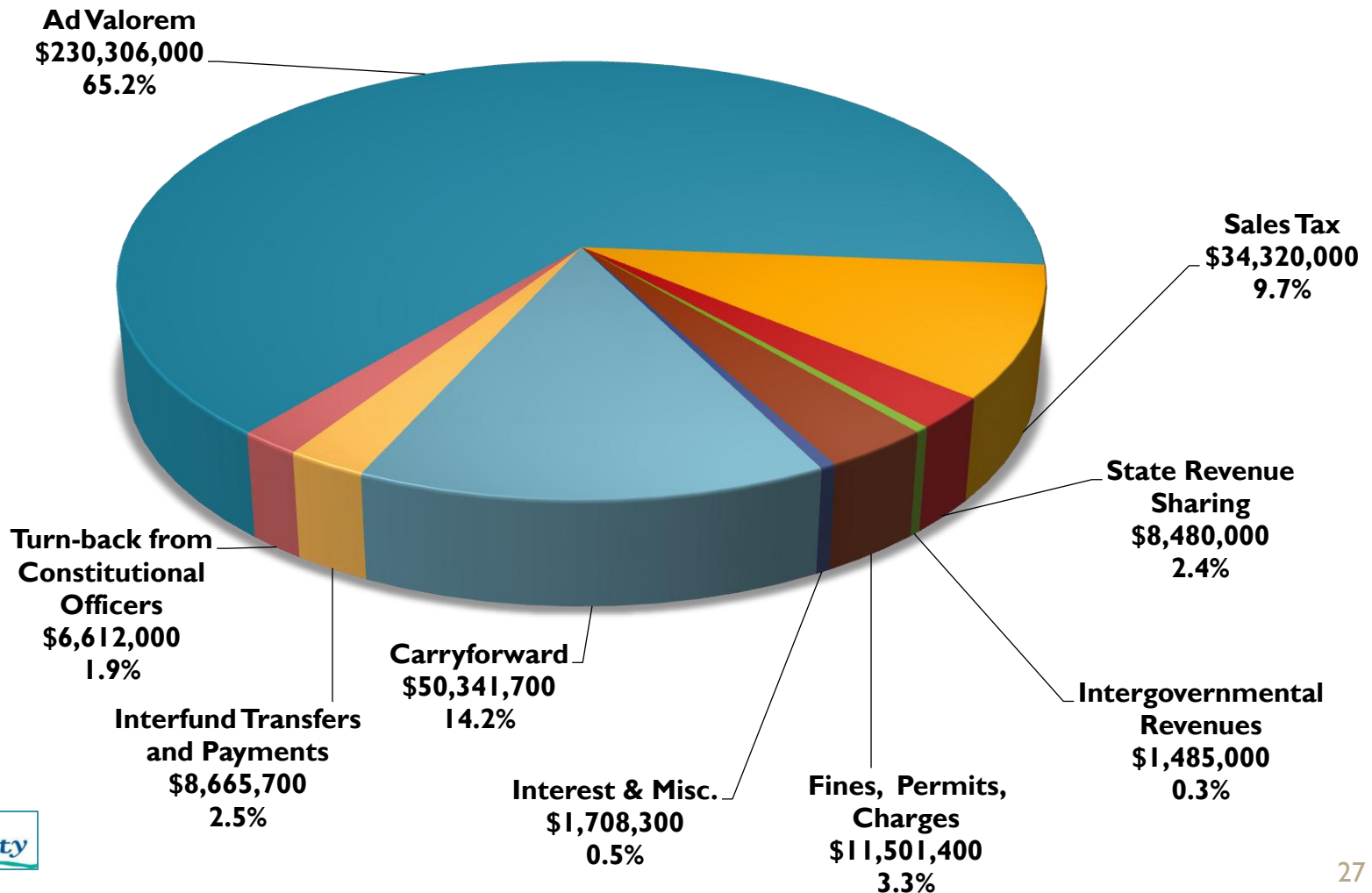


Audited General Governmental Debt Service compliant with BCC Debt Management Policy

- Projected Sept 30, 2014 total bondable revenue **decreased** by \$2.1 million from FY 2013 while debt service **decreased** \$3.5 million from FY 2013
- Represents 8.5% of total bondable general governmental revenues, well within 13% cap

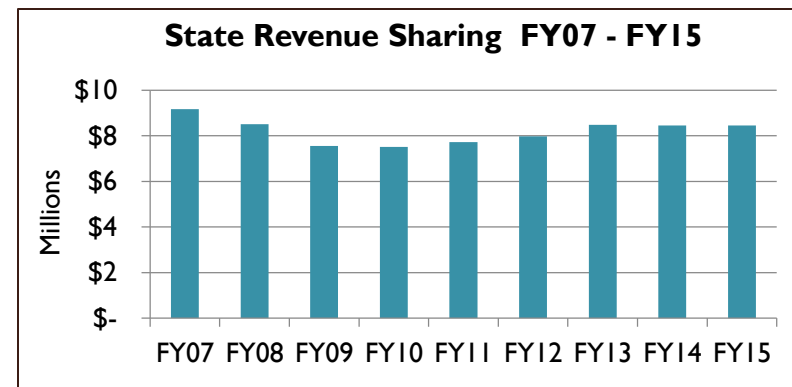
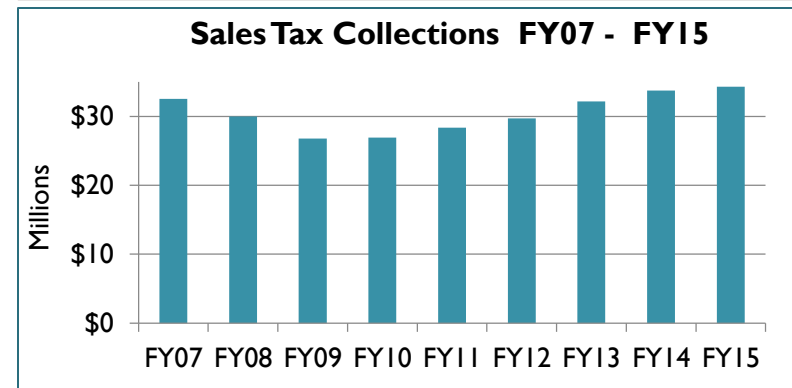
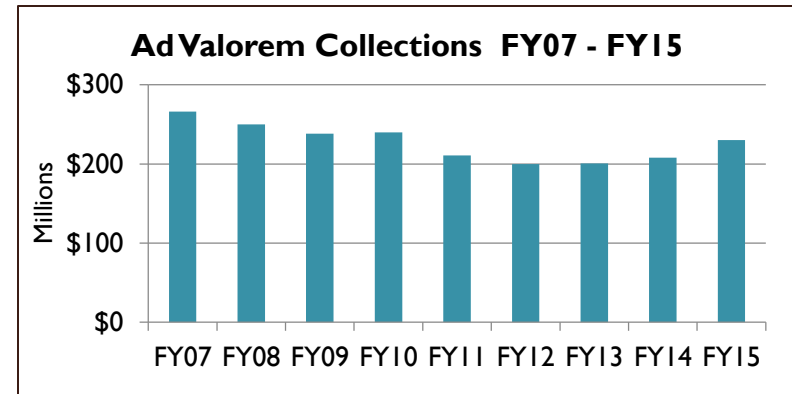


FY 2015 Revenues Sources General Fund (001)



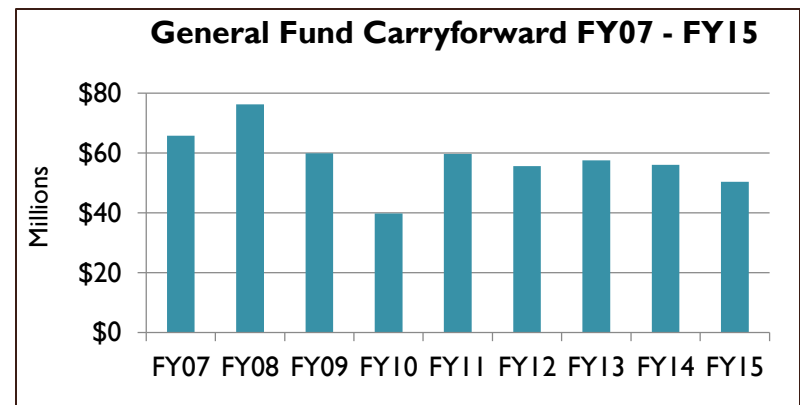
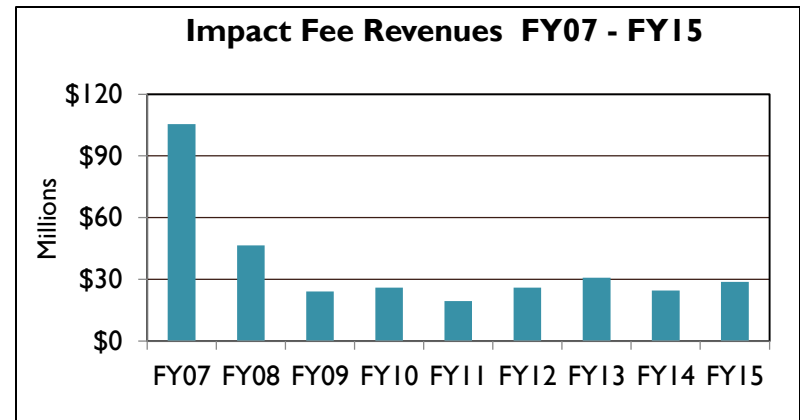
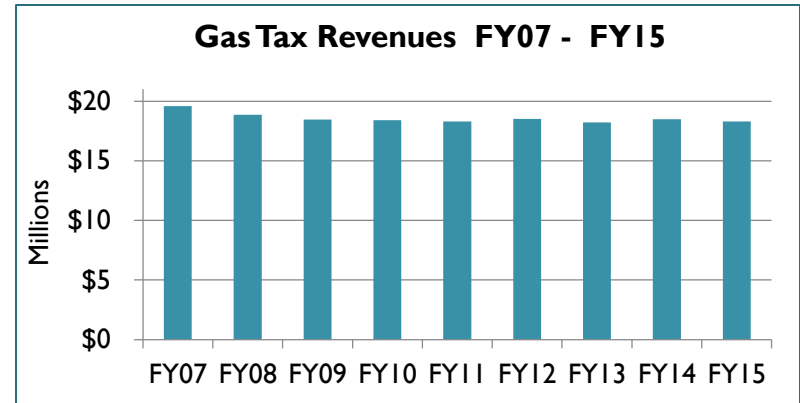
General Fund Revenues

- Ad Valorem budget is up \$13,859,400 in FY 2015
- Sales Tax budget is up \$3,320,000 in FY 2015
- State Revenue Sharing budget is up \$680,000 in FY 2015



Other Revenues

- Gas Tax estimates are down slightly (\$500,000) from FY 2014
- Impact Fees are up \$6.1 million due to an improving economy, however 73% less than FY 2007
- Budgeted beginning fund balance (Carryforward) is \$50.3 million, 17.5% of Forecasted FY 2014 expenses.



Unincorporated Area General Fund Budget Highlights

- Tentative FY 2015 Budget
 - \$42,069,700
 - 6.7% Increase from FY 2014
- MSTD Unincorporated General Fund changes included:
 - Increase operation appropriations for landscaping; parks; and other GMD and PS functions
 - Capital transfers up substantially
 - Reserves increased by \$443,300

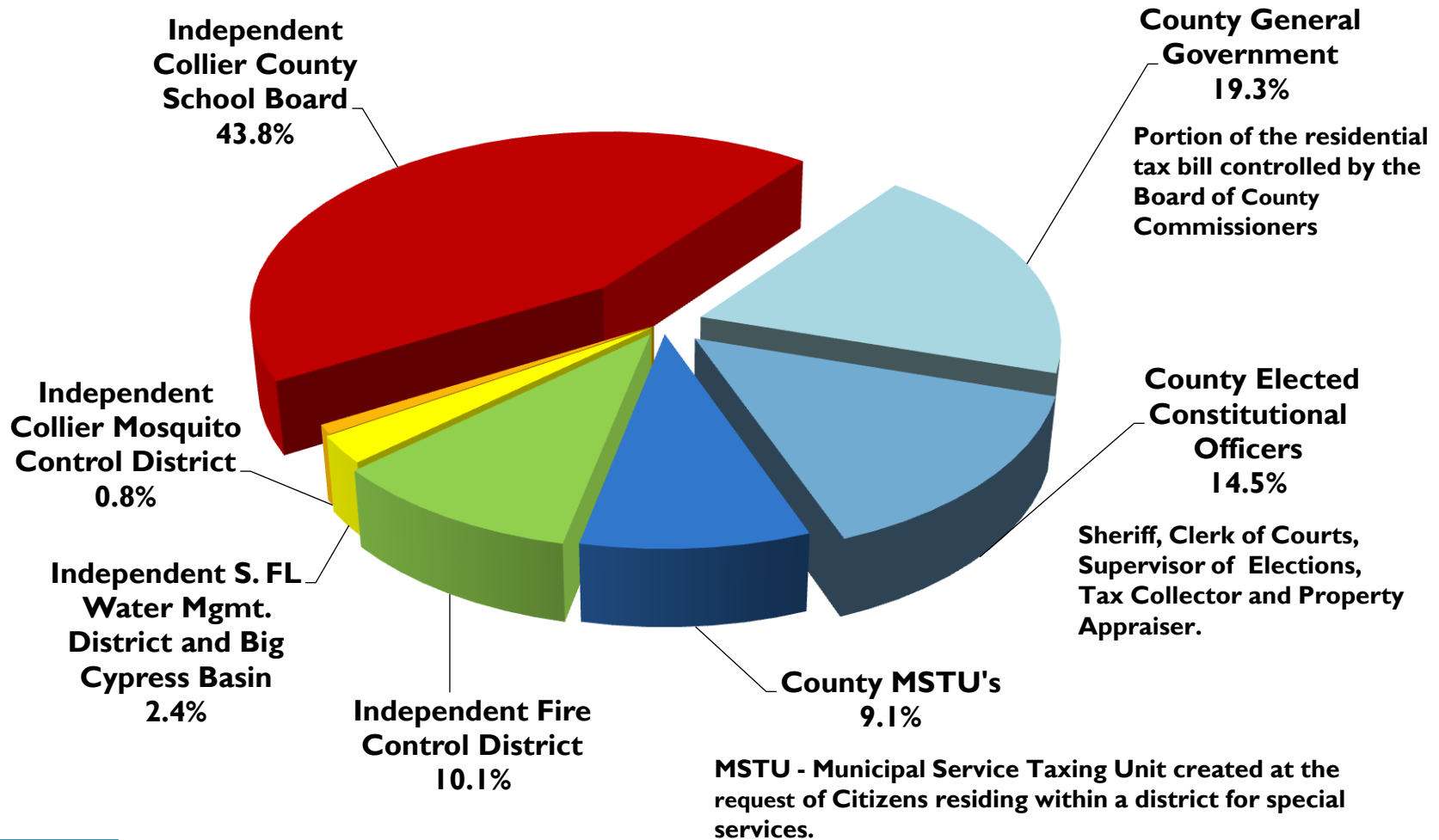
MSTD General Fund Pro-forma FY 2015

Expense Category Changes	Amount
Landscape Operations	\$ 217,300
Road Maintenance	(3,562,100)
Parks	618,800
Other GM and Public Service Ops	312,600
Transfer to Parks Capital (306)	500,000
Transfer to Transportation Capital	3,860,000
Transfer to Stormwater Cap (325)	(250,000)
Other Transfers	(12,400)
Transfer to Tax Coll./Property Appr.	38,700
Reserves	443,300
Total Increases from FY14	\$2,166,200

Expense category changes do not include expanded requests

Revenue Category Changes	Amount
Ad Valorem Taxes	\$1,698,800
Communication Service Tax	(300,000)
Department Revenue	494,300
Interfund Transfers	179,500
Interest and Other Misc Revenue	(10,000)
Carryforward (Fund Balance)	213,000
Less 5% Required by Law	(109,400)
Total Increases from FY14	\$2,166,200

Breakdown of Typical FY 2015 Unincorporated Area Residential Tax Bill



Areas of Ongoing Concern

- Catching up on deferral of fixed asset preventive maintenance and equipment replacement
- Deferrals began 7 years ago
- High priority and general asset maintenance and equipment replacement funding is programmed in FY 2015
- Need to position Collier County to remain competitive in the employment market as economic conditions continue to improve
- Need for equity in employer/employee health insurance contributions between all agencies of County Government

Areas of Ongoing Concern

- Continued State unfunded mandates and cost shifting initiatives (Medicaid, DJJ, etc.)
- General Fund and Unincorporated Area General Fund revenue structure and heavy reliance on property taxes
- Future capital burden in Unincorporated Area General Fund (III) and continued erosion of the communication services tax (CST)
- Balance the need for reserve growth with asset management