

Collier County FY 2017

BCC Requested Budget

**June 16, 2016 Budget
Workshop**

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 2017 Economic Landscape

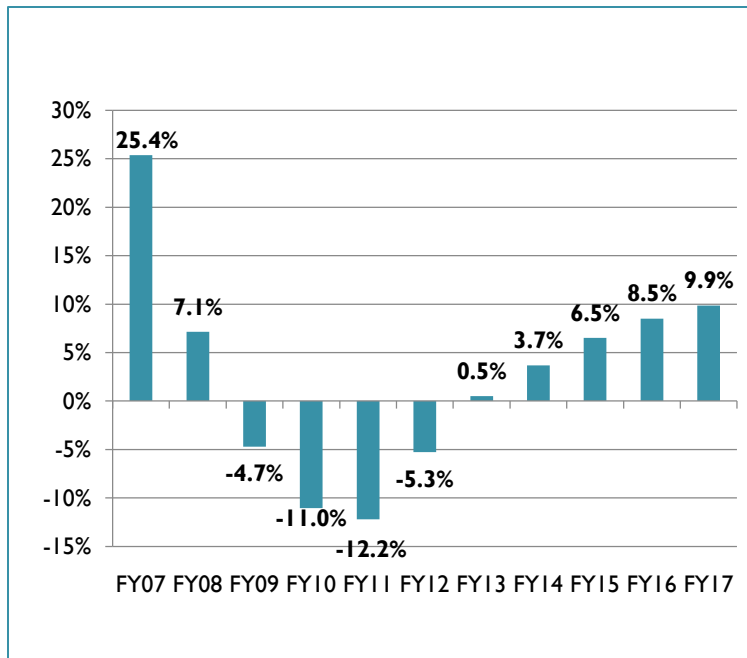
- Countywide taxable value increase of 9.85% - fifth (5th) consecutive year of tax base growth. Still \$5,548,930,561 below FY 2008 taxable value high.
- Collier County taxable sales (consumer spending) for February 2016 continues to increase steadily from \$649 million to \$681 million an increase of 5% over the same month last year.
- Median home price increased 16% from April 2015 to April 2016 from \$375,000 to \$435,000.
- Sales tax and state shared revenues continue strong under a positive State outlook for all sales and general revenue categories
- Peak season April 2016 visitation to our destination while still strong slowed year over year by (-.8%) with visitor spending down slightly -1.4% for the same period to \$207,284,900.
- Generally all categories of permitting activity for May 2016 continue to grow albeit at a slower pace up 5.0% year over year.
- April 2016 unemployment rate dropped 0.5% from April 2015 to 4.9%.
- While positive economic signs exist, dependence upon property taxes and state shared revenues warrant continue fiscal conservatism and regular monitoring of local economic conditions as the County move forward with future financial planning

FY 2017 Budget Outcomes

- Budget guidance essentially met for the ad valorem supported County Manager's Agency operations
- Millage neutral tax rate for General Fund
- Reset the Unincorporated Area General Fund tax rate to \$.8069 and devoted the marginal increase above the current rate or \$.0908 to restart the median landscape capital program
- General Fund and Unincorporated Area General Fund reserves increase
- Principal debt and annual debt service continues to decline; is fully funded and policy compliant; no new debt planned within the adopted budget
- Expanded service FTE's and Dollars once again appropriated in most governmental areas to grow our commitment to front line services enjoyed by our residents and visitors
- State and Federal mandates fully funded
- Increased by \$5M to \$25M the annual commitment of limited existing resources to address capital maintenance and replacement backlog
- Dollars earmarked toward backlog vehicle and heavy equipment replacement as well as future replacements within the Motor Pool Family of Funds
- Dollars appropriated for employee compensation adjustment

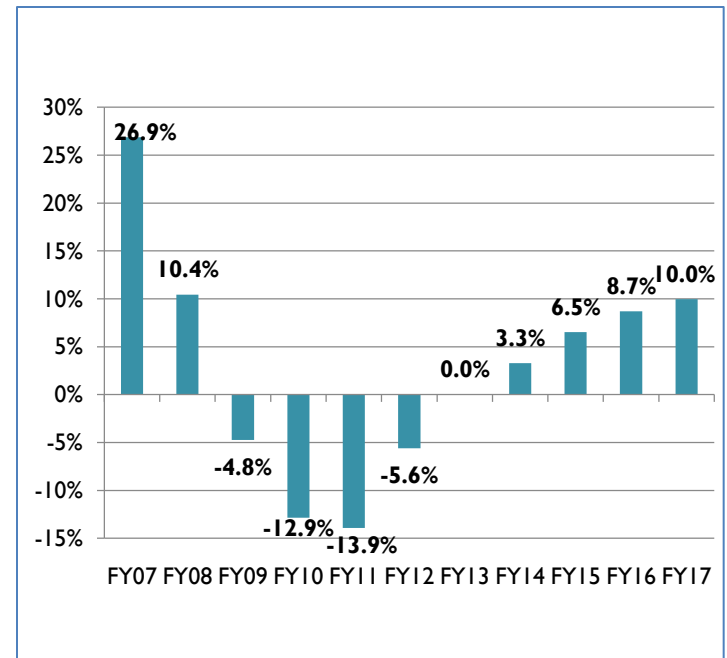
Countywide Taxable Value Trending up for the Fifth (5th) Consecutive Year

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



FY08 \$82,542,090,227
 FY17 \$76,993,159,666
 DIFF (\$ 5,548,930,561)

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

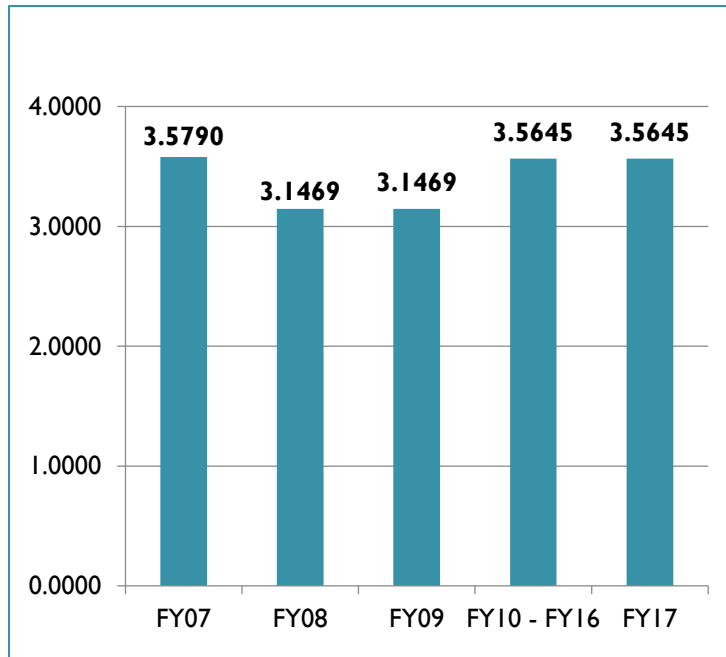


FY08 \$53,397,231,747
 FY17 \$47,373,441,498
 DIFF (\$ 6,023,790,249)

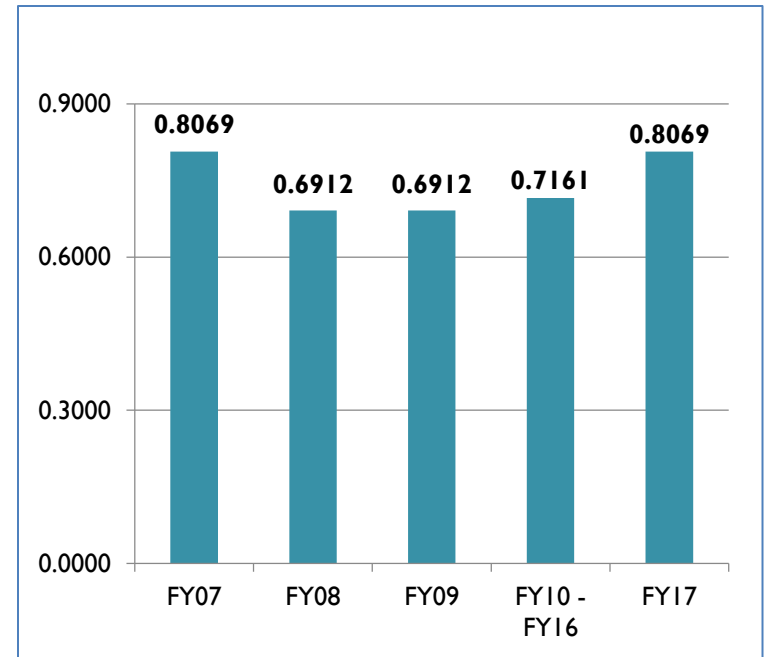


Millage Rate History

Property Tax Rates General Fund



Property Tax Rates Unincorporated Area General Fund



FY 2017 Requested Budget Highlights

- Millage neutral tax rate resulted in a \$24,373,100 increase in General Fund property tax receipts.
- Unincorporated Area General Fund tax dollars grew \$7,336,800 under a reset of the millage rate to \$.8069 with \$3,035,300 devoted to operations and capital transfers and \$4,301,500 earmarked to restarting the Median Landscape Capital Program pursuant to Board direction.
- Planned growth in front line services with expanded County Manager operations totaling \$5,136,900 including 78.25 new FTE's of which 22.25 were job bank and part time conversions with these conversions resulting in minimal budgetary impact.
- General governmental new capital and replacement spending in excess of \$40.2 million.
- Emphasis on improving/maintaining the transportation network; storm-water system; park infrastructure; and governmental facilities while continuing to fund priority public safety infrastructure needs such as the 800 MHz system, ambulances, and helicopter set aside.

General Fund & Unincorporated General Fund Supported Capital

<u>Category</u>	<u>FY 2016 Adopted Budget</u>	<u>FY 2017 Proposed Budget</u>
<u>Backlog Capital</u>		
Sheriff Facilities & Jail Repairs	664,200	1,059,500
Bldg Repair and Maintenance	1,500,000	4,090,500
Library Books	350,000	450,000
Park & Recreation Capital (306)	1,250,000	2,350,000
Helicopter (491)	2,000,000	2,000,000
Vehicles (523)	2,050,000	2,050,000
Roads & Bridges (313)	10,437,100	9,600,000
Stormwater Capital (325)	1,762,700	3,492,200
Subtotal of Backlog Capital Funding	20,014,000	25,092,200
<u>Current Capital</u>		
Sheriff Orange Tree Sub-Station	900,000	260,000
Sheriff Accounting System	1,000,000	-
800 MHz Replacement	6,200,000	3,525,000
Misc Capital*	963,300	1,572,500
Park & Recreation (306)	320,000	320,700
Museum (314)	200,000	200,000
Airport Capital (496-499)	313,100	300,000
Replacement Ambulances and Radios (491)	1,140,000	1,500,000
Road & Bridge (313, 310)	1,746,700	2,160,000
Stormwater Capital (325)	2,893,200	2,383,200
Loans to Impact Fee Funds	5,376,500	2,916,900
Subtotal of Current Capital Funding	21,052,800	15,138,300
	41,066,800	40,230,500

FY 2017 Position Count Changes

Agency	Adopted FY 2016	Changes FY 2016	Changes FY 2017	Expanded FY 2017	Total FY 2017
BCC	10.00			1.00	11.00
Co Attorney	18.00				18.00
Co Mgr Offices	75.75	1.00	3.00	0.75	80.50
Admin/Emergency Services	425.00		(8.00)	9.00	426.00
Public Services	365.00		(0.20)	23.50*	388.30
Public Utilities	413.00		(2.00)	30.00	441.00
Growth Mgt	487.00	15.00	(4.00)	12.00	510.00
Subtotal BCC Agency	1,793.75	16.00	(11.20)	76.25	1,874.80
					-
Courts	32.00	-	-		32.00
Clerk of Courts	86.62	-	(2.36)	-	84.26
Sprvr of Elections	22.00	-	-	-	22.00
Property App	56.00	-	-	-	56.00
Sheriff	1,387.50	-	2.00	-	1,389.50
Tax Collector	149.00	-	-	-	149.00
Subtotal Const Officers	1,701.12	-	(0.36)	-	1,700.76
Grand Total	3,526.87	16.00	(11.56)	76.25	3,607.56

* Plus 2 grant FTE's have been funded.

FY 2017 Requested Budget Highlights

Funding for a 3% General Wage Adjustment in an effort to remain competitive in a highly aggressive labor market and recognize existing employees for their continued commitment, service and loyalty to the agency.

Fund	General Wage Adjustment
General Fund (001) and General Fund Supported Operations	\$ 1,592,400
Unincorporated General Fund MSTU (111)	\$ 321,900
All other Enterprise and Operating Funds	\$ 1,527,800
Total	\$3,442,100

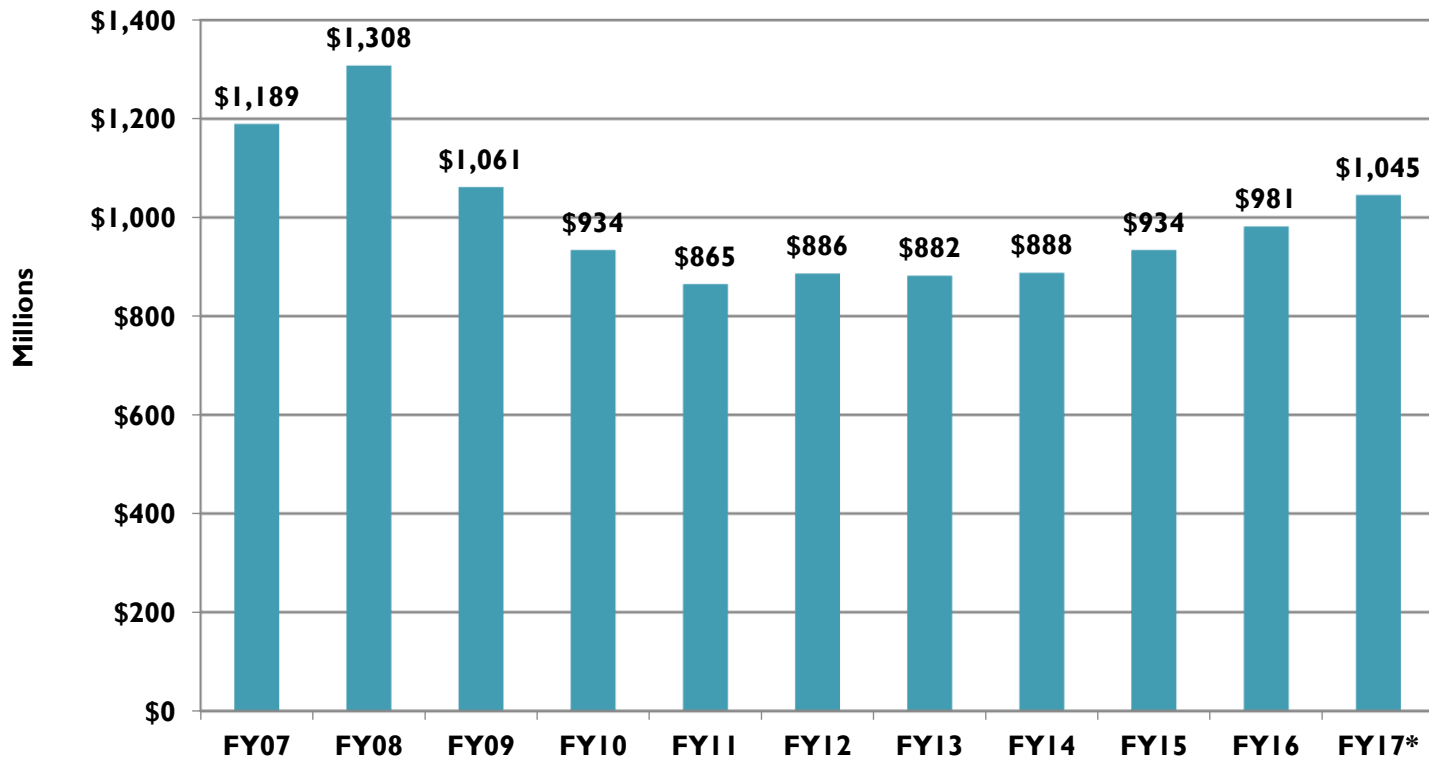
County government will have increasing challenges recruiting and retaining its best talent as an improving economy drives a highly competitive job market.

FY 2017 Requested Budget Highlights

- Health Care Program

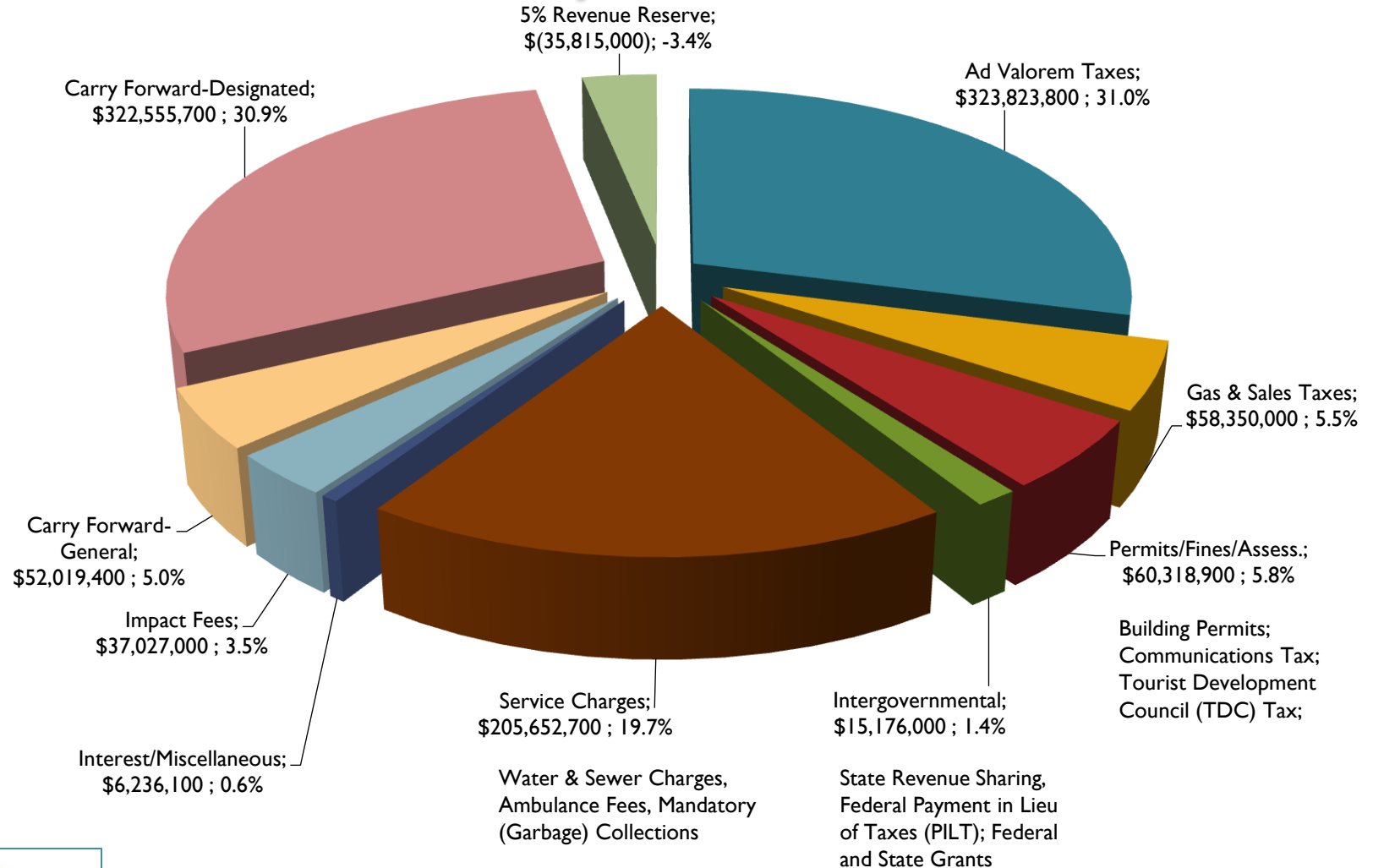
- Fully funded at actuarially determined premium level for FY 2017. No Premium increase proposed
- Board directed premium cost share target achieved for BCC/CM, COC and SOE personnel
 - 80% employer paid
 - 20% employee paid

Collier County Net Budget

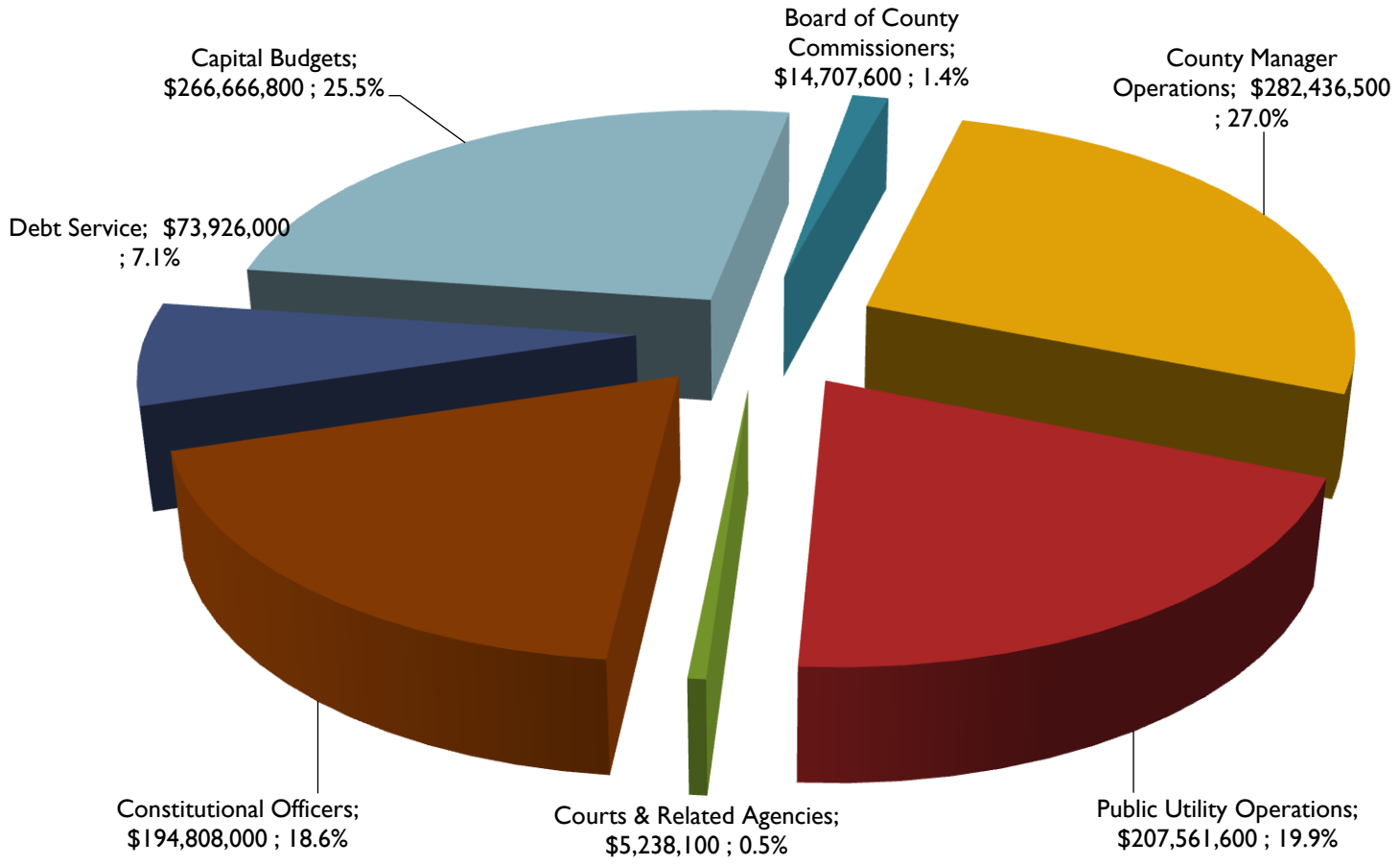


* Does not include tax collector budget which is submitted August 1st pursuant to Statute.

FY 2017 Net Requested Budget Where the Money Comes From



FY 2017 Net Requested Budget Where the Money Goes



General Fund Budget Highlights

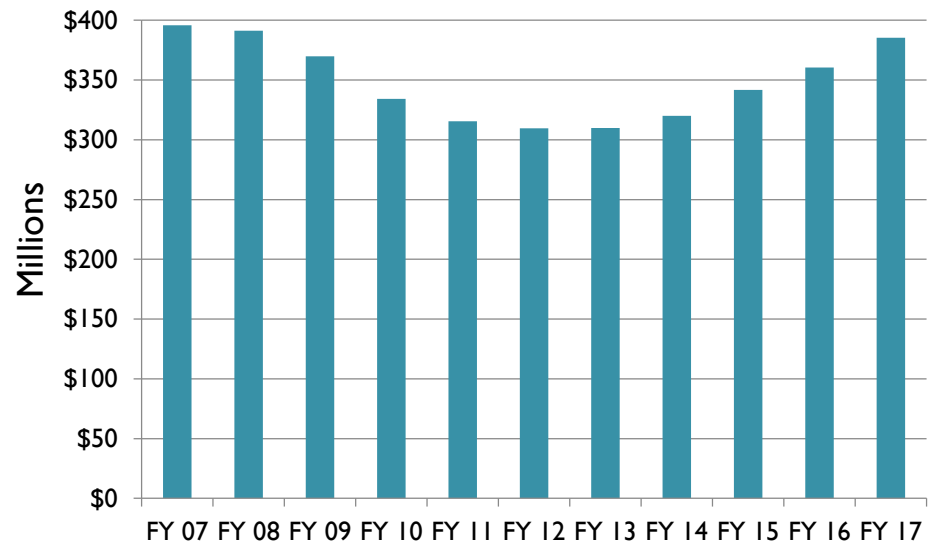
- FY 2017 Requested General Fund Budget

\$385,423,400

**6.9% Increase from
FY 2016**

**Decrease of \$10,407,600
(2.6%) since FY 2007**

General Fund - Total Budget



General Fund Proforma FY 2017

Expense Category Changes	Amount
BCC Operations and Other G&A	\$ 518,400
County Mgr Agency Operations***	10,644,300
Courts	48,000
Transfers to Debt Service	(4,500)
Transfers to Capital Fd	(2,242,000)
Transfer to Stormwater/Roads Capt	559,500
Constitutional Officer Transfers	12,009,200
Reserves	5,924,700
Total Increase from FY16	\$ 24,008,100

Expense category changes do not include expanded requests.

***Includes Deepwater Horizon Settlement transfer of \$1,981,700 into it's own Fund (757).

Revenue Category Changes	Amount
*Property Tax	\$ 24,373,100
Sales Tax	1,800,000
State Revenue Sharing	800,000
Departmental Revenues	(73,700)
**Other Revenues	50,400
Carryforward (Fund Balance)	(2,941,700)
Total Increase from FY16	\$ 24,008,100

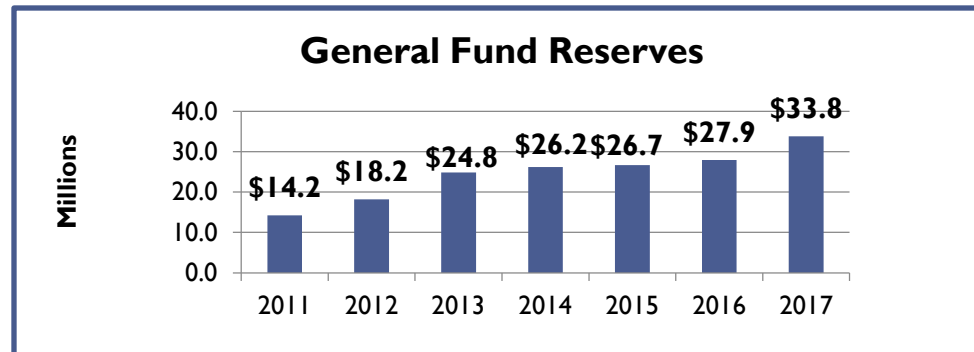
*Collier County Property Tax base is primarily residential in nature, exceeding 90.0% of all taxable value. Commercial and Industrial categories comprise 8.4% of County-Wide taxable value.

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

General Fund Reserves

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

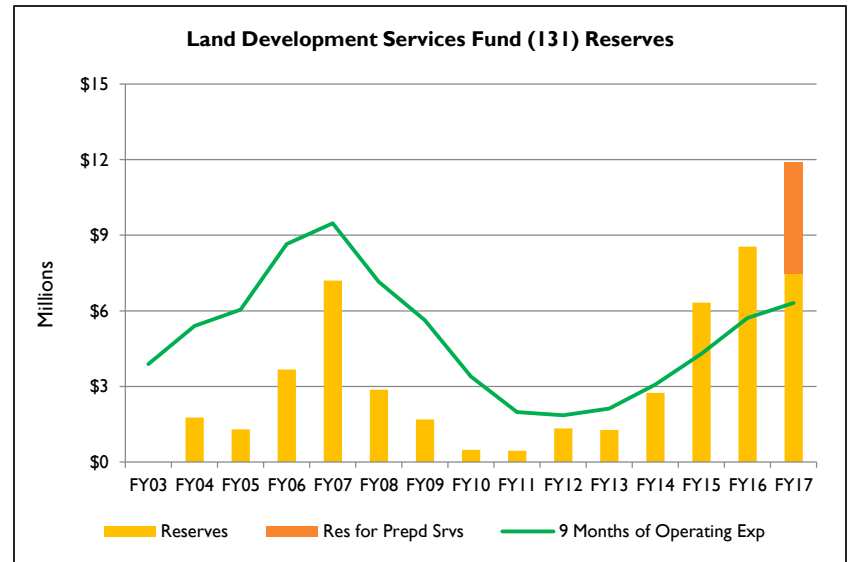
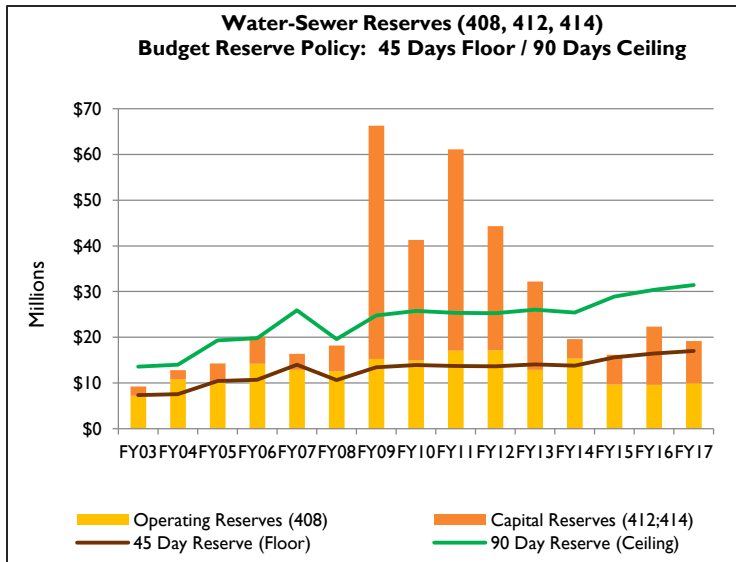
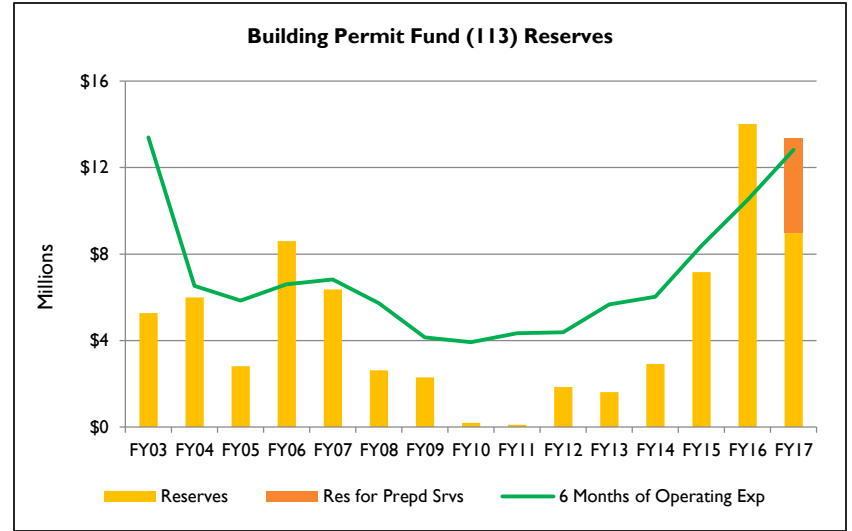
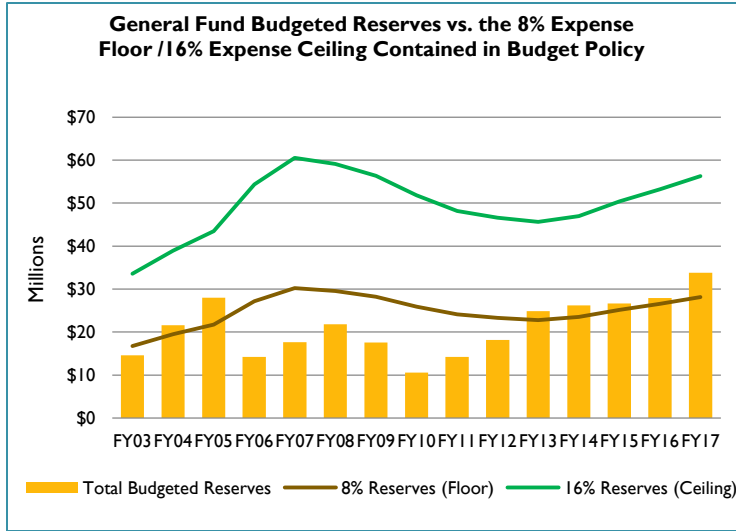
FY 2011	FY2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
•\$14,210,000	•\$18,180,900	•\$24,844,400	•\$26,217,400	•\$26,670,700	•\$27,890,800	•\$33,815,500



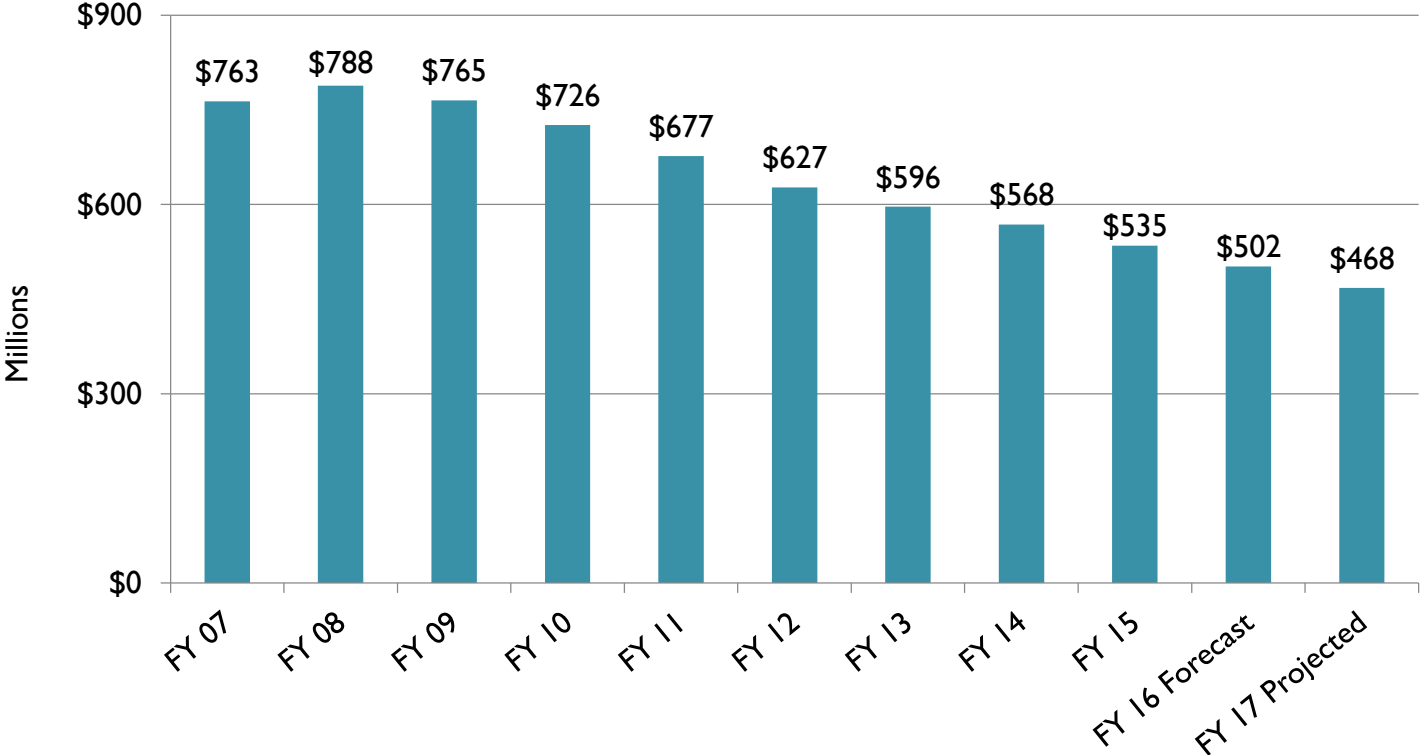
Why Strengthen General Fund Reserves

- The Rating Agencies are Smiling
(Investment Grade Corporate Credit Rating – AAA from Standard and Poor's)
- The General Fund is the Cash Flow Engine
- Protects Beginning Cash Balance
- Funds Unforeseen Mandates and Emergencies
- Funds Constitutional Officer Reserves

Reserves



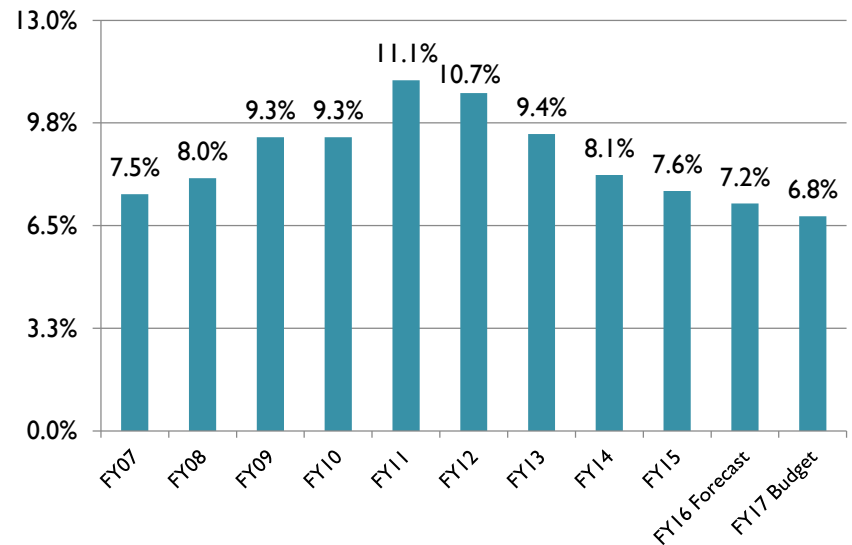
Total Audited Outstanding Principal Debt



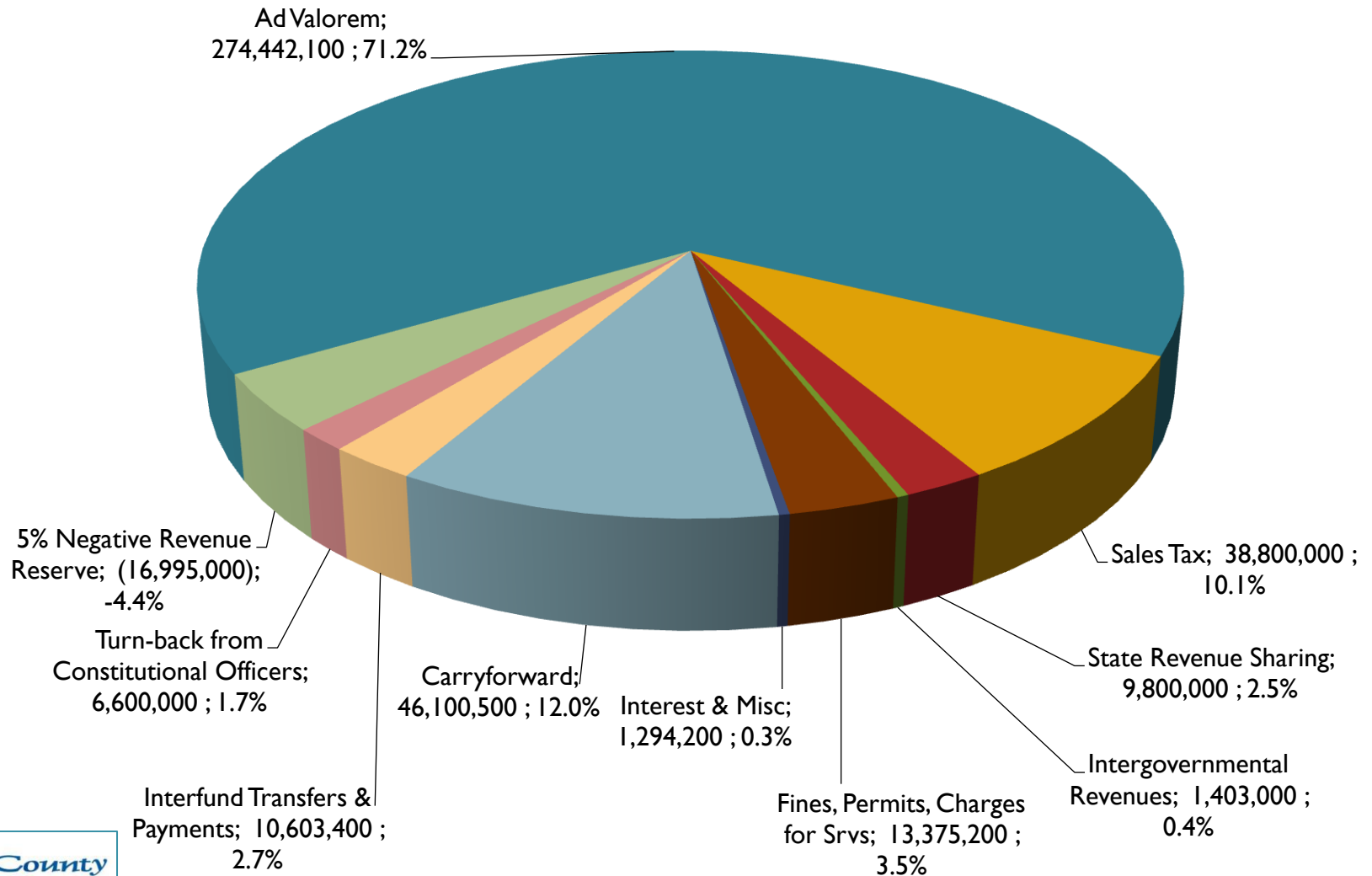
Audited General Governmental Debt Service compliant with BCC Debt Management Policy

- Projected Sept 30, 2016 total bondable revenue **increased** by \$22 million from FY 2015 while debt service **remained flat** from FY 2015
- Represents 6.8% of total bondable general governmental revenues, well within 13% cap

Ratio of General Governmental Debt to Bondable Revenues
Year Ending FY 07 to FY15 (audited) and FY16-FY17 (unaudited)

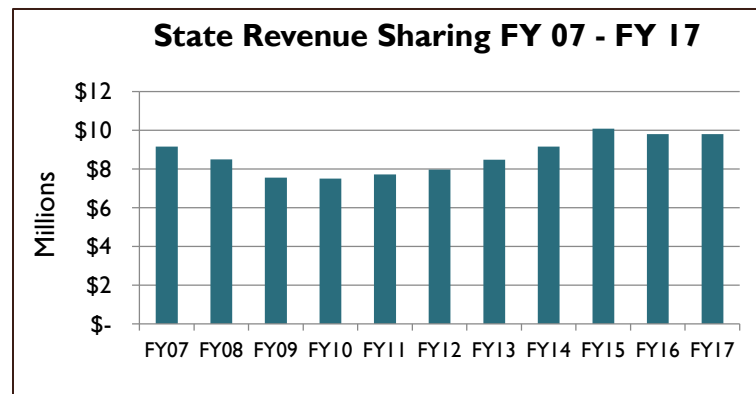
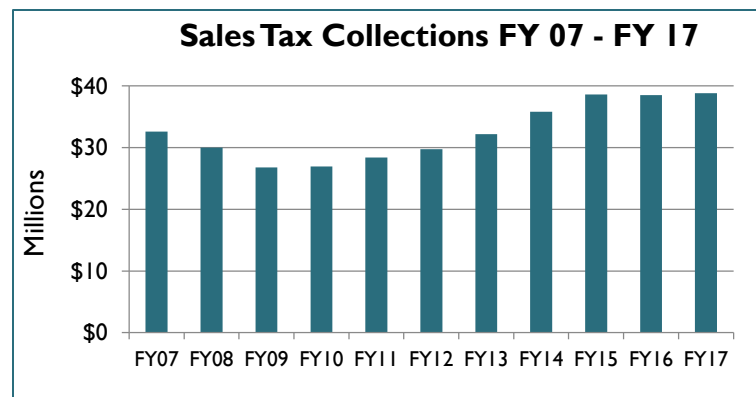
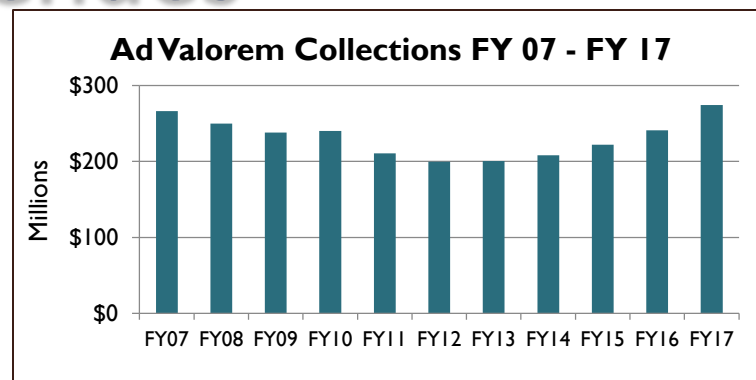


FY 2017 Revenues Sources General Fund (001)



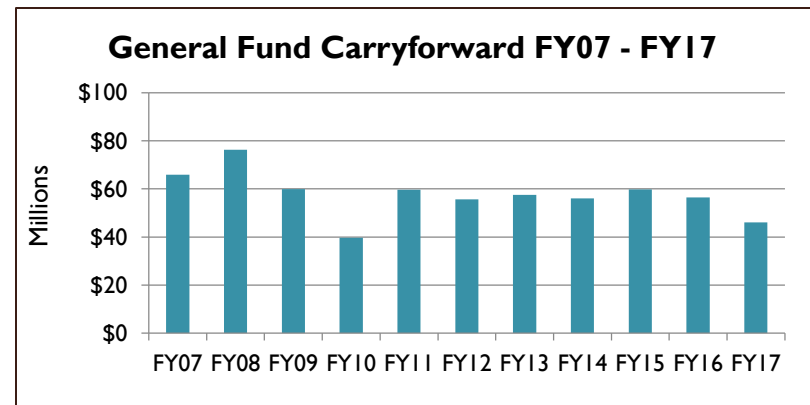
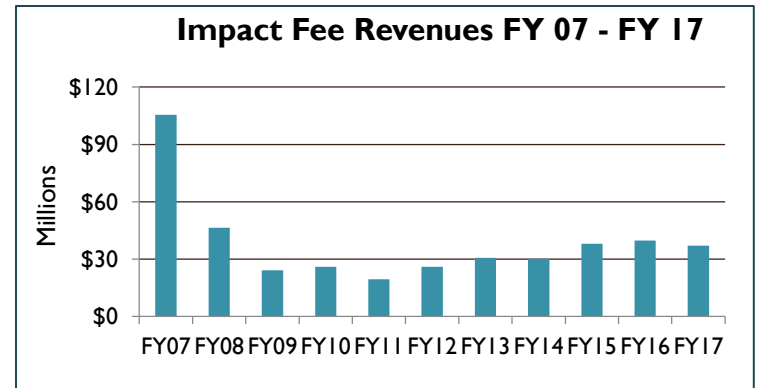
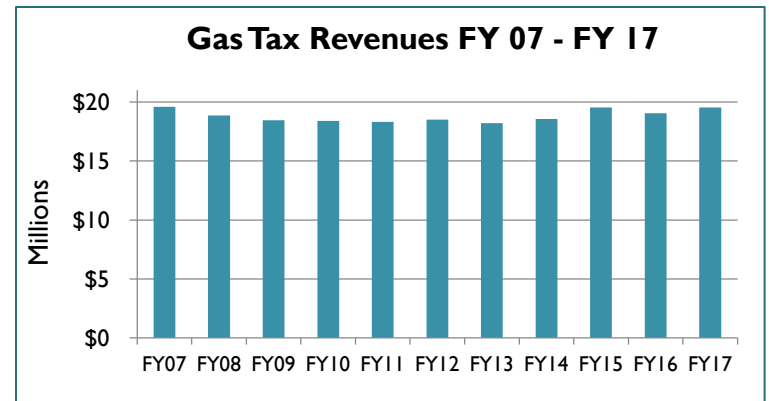
General Fund Revenues

- Ad Valorem budget is up \$24,373,100 in FY 2017
- Sales Tax budget is up \$1,800,000 in FY 2017
- State Revenue Sharing budget is up \$800,000 in FY 2017



Other Revenues

- Gas Tax estimates are up slightly \$1,105,000 from FY 2016
- Impact Fees are up \$6.8 million due to an improving economy, however 65% less than FY 2007
- General Fund budgeted beginning fund balance (Carryforward) is \$45.6 million, 13.7% of Forecasted FY 2016 expenses.



Unincorporated Area General Fund Budget Highlights

- Tentative FY 2017 Budget
 - \$53,208,200
 - 16.4% Increase from FY 2016
- MSTD Unincorporated General Fund changes included:
 - Unincorporated Area General Fund TV increased 9.98% and resetting the millage rate to \$.8069 (the FY 07 rate), raises an additional \$7,36,800 of which \$3,035,300 is devoted to operations and \$4,301,500 is earmarked to restart the median landscape capital program
 - Increase operating appropriations for landscaping; parks; and other GMD and PS functions
 - Capital transfers up substantially by \$1,282,900
 - Reserves increased by \$534,800

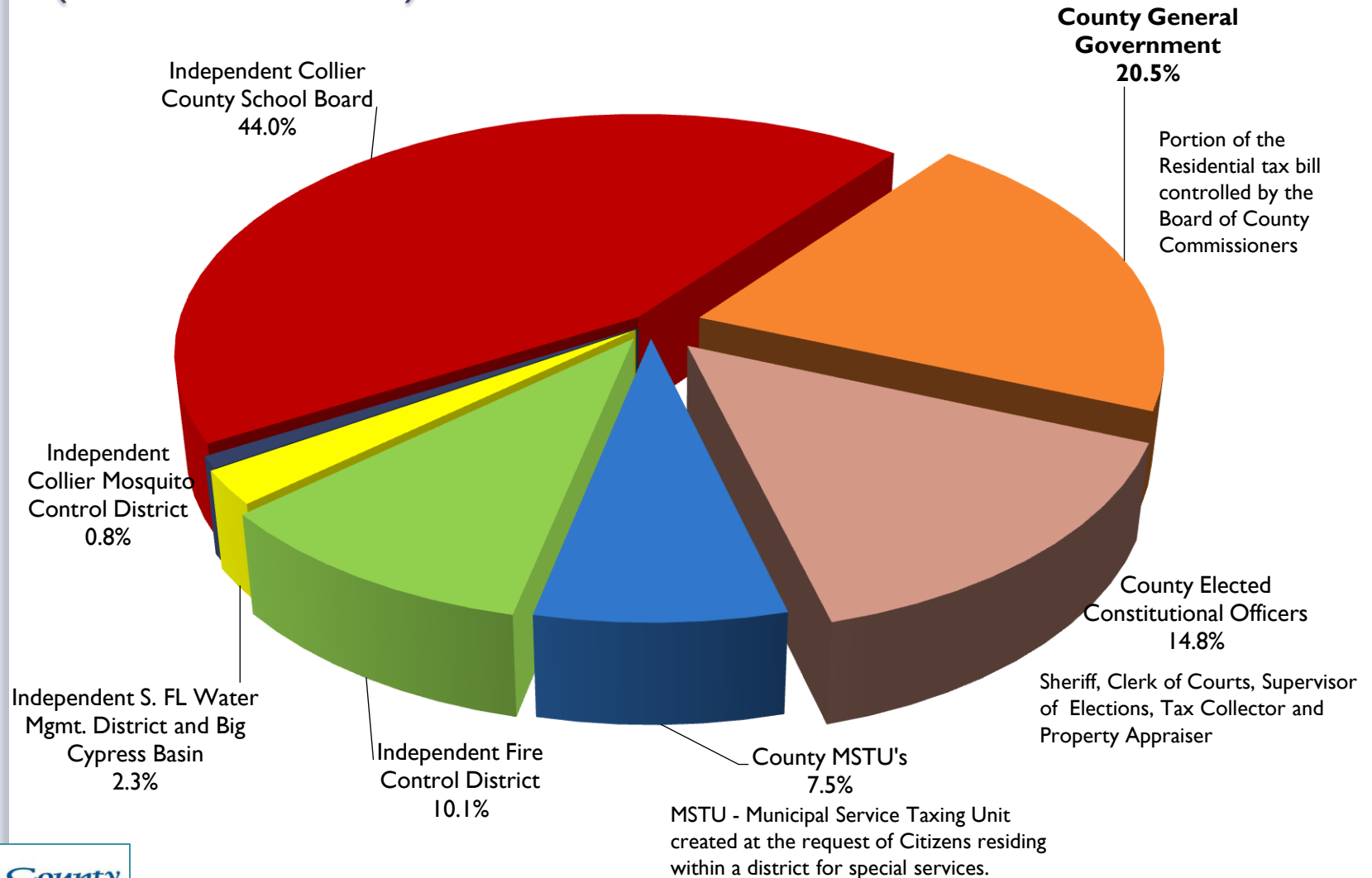
MSTD General Fund Pro-forma FY 2017

Expense Category Changes from FY 2016	Amount
Landscape Operations & Maintenance	\$109,000
Road Maintenance	62,500
Parks	366,600
Other GM and Public Service Ops	94,900
Transfer to Median Landscape Capital (112)	4,301,500
Transfer to Parks Capital (306)	250,000
Transfer to Transportation Cap (313)	872,700
Transfer to Stormwater Cap (325)	160,200
Replacement (Deferred) Vehicles (523)	100,000
Other Transfers	233,100
Transfer to Tax Coll./Property Appr.	30,500
Reserves	534,800
Total Increases from FY16	\$7,115,800

Revenue Category Changes from FY 2016	Amount
Ad Valorem Taxes - Operations	\$3,035,300
Ad Valorem Taxes – Median Capital Landscape Restart	4,301,500
Communication Service Tax	150,000
Department Revenue	3,500
Interfund Transfers	51,300
Interest and Other Misc Revenue	60,000
Carryforward (Fund Balance)	(108,300)
Less 5% Required by Law	(377,500)
Total Increases from FY16	\$7,115,800

Revenue and Expense category changes do not include expanded requests

Breakdown of Typical Unincorporated Area Residential Tax Bill Preliminary for FY 2017 (2016 Tax Year)



Budget Challenges

- Significant reliance upon property tax and state shared revenue will require continued caution and diligent analysis of local and regional economic indicators
- Balancing competing priorities for capital investment, asset management, and service delivery will continue to pose a healthy and welcome challenge
- Timing of any capital financing must coincide with projects which are ready for implementation, have accurate cost estimates, and can be executed in accordance with appropriate debt regulations
- Position Collier County to remain competitive in the employment market as economic conditions continue to improve
- Strive for equity in employer/employee health insurance contributions between all agencies of County Government

Budget Challenges

- Continued State unfunded mandates and cost shifting initiatives (Medicaid, DJJ, etc.)
- Future capital burden 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 asset management