



**Collier County
FY 2020
BCC Recommended
Budget**

**June 20, 2019 Budget
Workshop**

Integration of Strategic and Budget Planning



Strategic Planning

Operational Planning

Budget Planning

**Strategic, Operating
And Budget
Performance Management**

TIME

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.

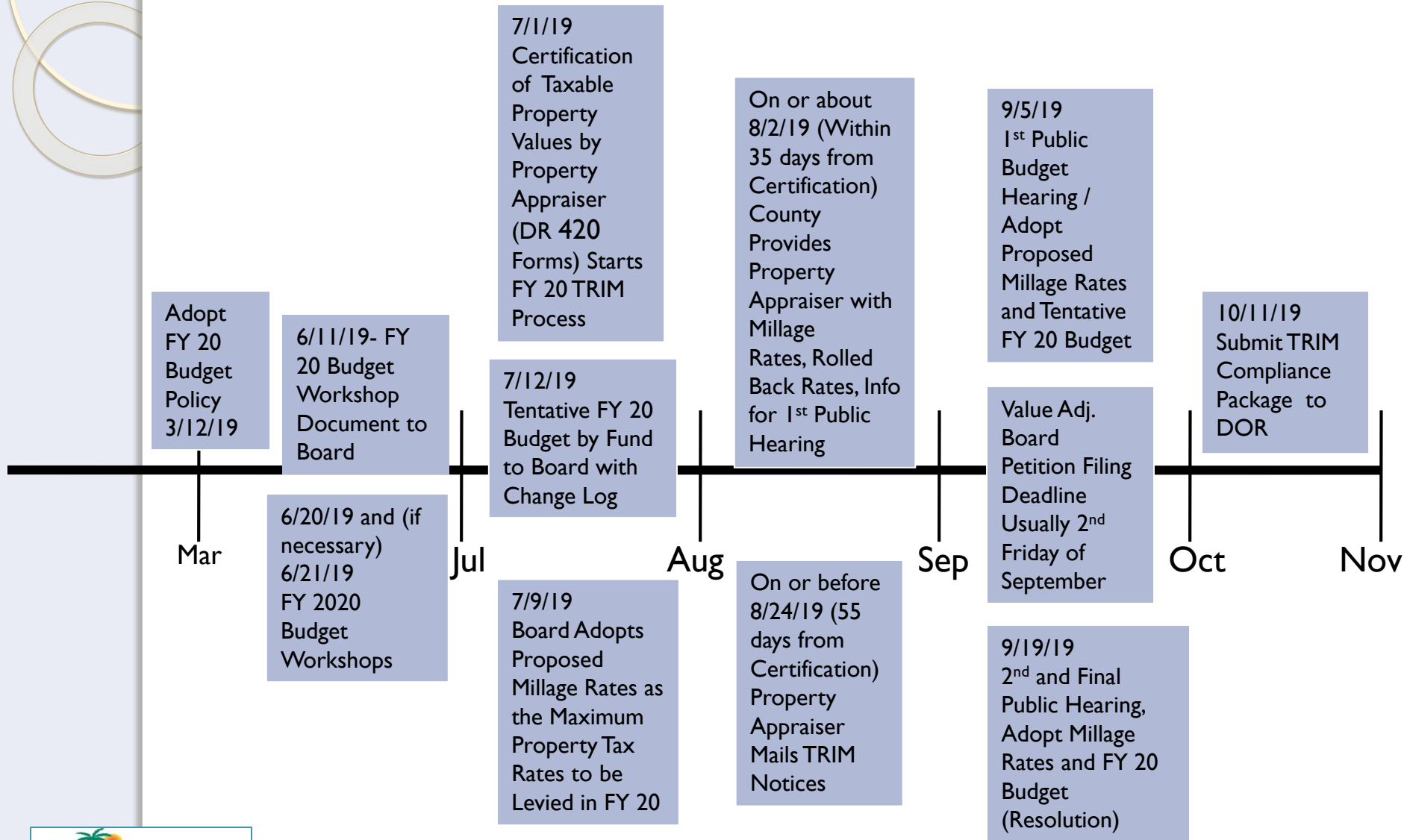
V: Economic Development

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 2020 Collier County Budget Timeline



FY 2020 Economic Landscape

- Countywide taxable value increase of 5.69% - eighth (8th) consecutive year of tax base growth. County-wide taxable value now \$93.3 billion but notably the new taxable value component reflecting new growth and development is down \$960.5 million which may be a signal of moderating growth.
- Collier County taxable sales (consumer spending) for January 2019 increased 4% year over year to \$798.8 million, and 2% over December 2018.
- Sales tax and state shared revenues remain steady under a positive State outlook for all sales and general revenue categories.
- Median home price reported as \$440K in March 2019 which is a slight drop from February. Median home prices have consistently reached the low to mid \$400K value during the past year.
- April 2019 destination visitation is up 7.3% year over year and the January to April period showed visitation up 4.5% over the same 2018 period. Total economic impact for April 2019 was \$234.6 million a 9.8% increase over April 2018.
- New construction permitting and inspection activity for 2019 remains strong.
- March 2019 unemployment rate of 3.3% continues below the State and National averages.
- While positive economic measures continue to 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 2020 Recommended Budget Outcomes

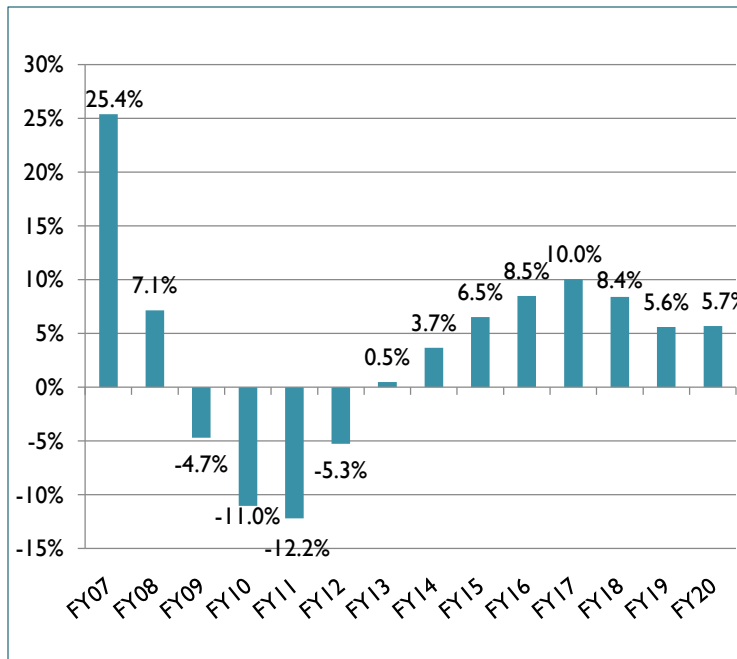
- **Budget guidance essentially met** for the ad valorem supported County Manager's Agency operations with exceptions noted for Board approved service level enhancements, new capital facilities impacts, and strategic initiatives.
- Millage neutral operating tax rate for General Fund at \$3.5645 per \$1,000 of taxable value.
- Maintain the Unincorporated Area General Fund tax rate at \$.8069 and devoted the marginal increase above the current rate or \$.0908 to continue the median landscape program.
- General Fund and Unincorporated Area General Fund reserves increase.
- Budget positioned to issue new credit funding potential acquisition of the Golden Gate Golf Course and other strategic capital initiatives like storm-water capital, bridges, roads and phase 2 of the Big Corkscrew regional park not covered by the local option infrastructure sales tax.
- Expanded service FTE's and Dollars once again appropriated in certain governmental areas to support new capital facilities, execute capital projects and meet our commitment to front line services enjoyed by our residents and visitors.
- Budget continues to program considerable discretionary resources to the transportation network, storm-water system, park infrastructure and other general governmental facilities and programs with a total of \$43.2 million in new money for FY 2020.
- Continued emphasis on capital facility repair and replacement with an annual initial \$5 million set aside in a future long term capital reserve recognizing the County's mounting future general governmental asset maintenance responsibility.
- Maintain \$75,000 allocated for wild fire mitigation through the State Forestry Service.
- General Fund loans to the impact fee trust funds due to insufficient impact fee revenue to pay growth related debt service decreased from \$4,174,900 to \$2,251,000.
- Dollars appropriated for employee compensation adjustment to keep pace with the change in CPI.
- No Health Insurance Premium or Plan Benefit changes for the seventh (7) consecutive year due to excellent claims history and healthy reserves.

Hurricane Irma Budgetary Impacts

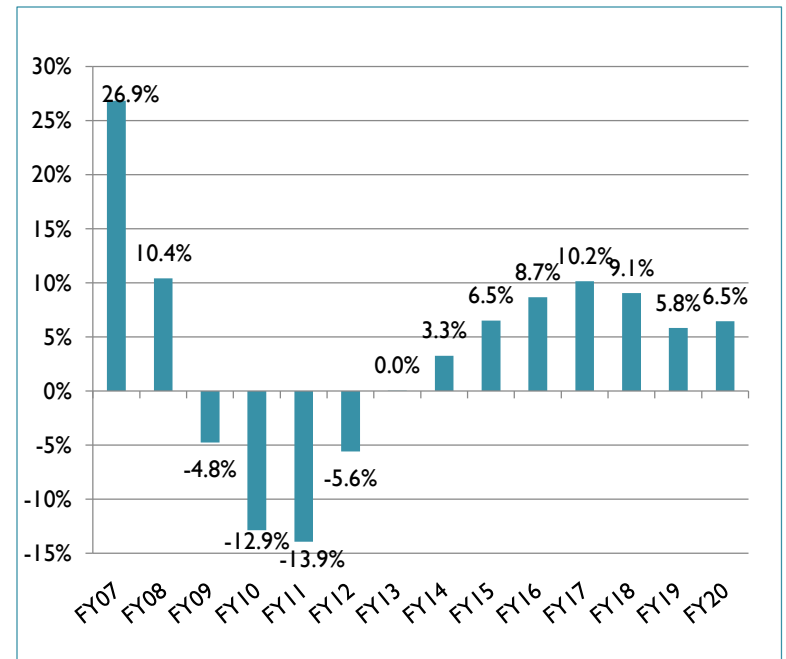
- Twenty (20) months after Hurricane Irma, the County has spent exclusive of salaries \$115,003,200 as of May 22nd restoring the community and facilities. Of this amount \$64,757,700 or 56% was spent removing debris from the right-of-way.
- Remaining available FY 2019 hurricane budget totals \$23,209,100 and most of this budget appropriation is allocated toward removal of debris from canals.
- Reimbursements thru May 22nd from FEMA and insurance proceeds total \$77,411,800. Unreimbursed expenses paid to date total \$37,591,400.
- Storm management and related recovery should an event occur prior to any final reimbursements will require a more significant reserve reduction in lieu of capital project deferrals.
- FY 2020 budget is programmed appropriately to fund any natural disaster should the need arise.

Countywide Taxable Value Trending up for the eighth (8th) Consecutive Year

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

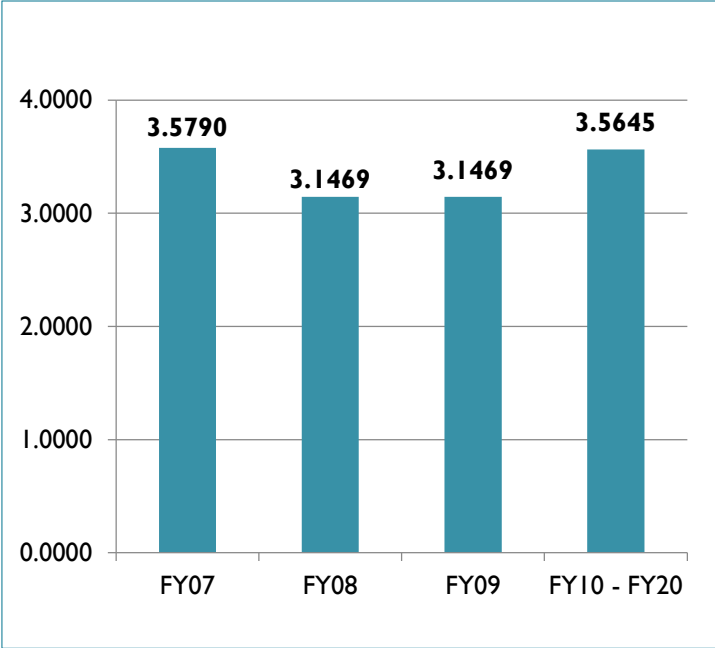


Historical Changes in Unincorporated Area General Fund (111) Taxable Values

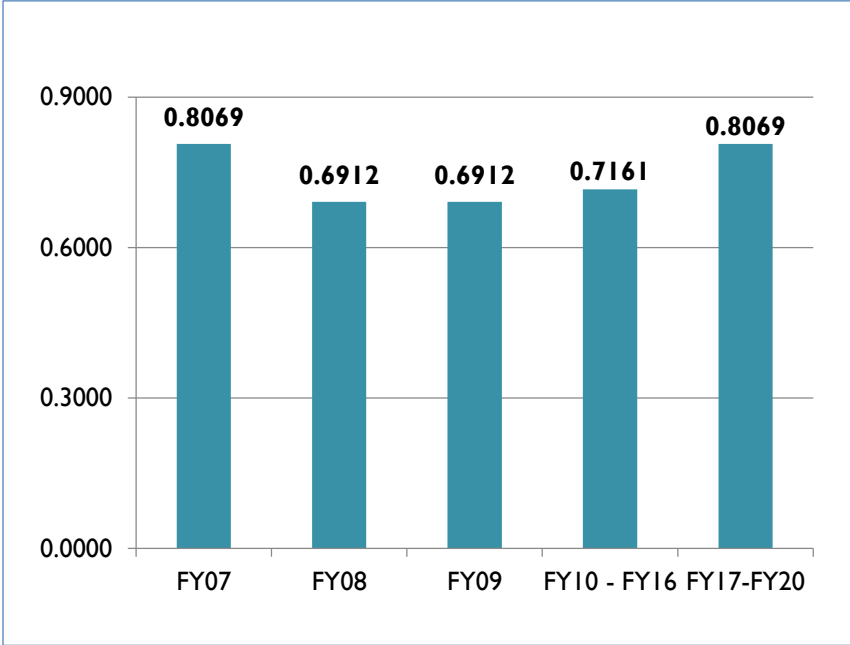


Millage Rate History

Property Tax Rates General Fund



Property Tax Rates Unincorporated Area General Fund



FY 2020 Recommended Budget Highlights

- Millage neutral operating tax rate resulted in a \$17,849,300 increase in the General Fund (GF) property tax levy to \$332,622,900.
- Millage neutral Unincorporated Area General Fund tax rate resulted in a levy totaling \$47,049,300 the components of which are \$41,754,900 for operations and capital transfers and \$5,294,400 for continuing the median landscape program and required landscape maintenance. The respective marginal increase over the FY 2019 levy total \$2,840,400.
- Planned growth in front line services and capital facilities support with expanded County Manager operations totaling \$5,598,600 including 13.00 new FTE's of which 10 FTE's and \$4,912,400 are associated with new operating components appropriated for an industry standard Storm-Water maintenance program.
- Constitutional Officer expanded requests include 10 FTE's requested by the Sheriff supporting efforts to staff the School Resource Officer Program in all District and Charter schools. The Clerk of Courts and Property Appraiser are requesting three (3) FTE's and four (4) FTE's respectively.
- General governmental new dollars programmed for capital initiatives total in excess of \$43 million and include the new long term capital recovery reserve funded initially at \$5 million; Board approved storm-water enhanced programming totaling \$13.5 million – a \$5.4 million increase over FY 2019; dollars for continued improvements to the transportation network and parks system; continued facility repair support not covered by the local option sales tax; initial set aside to upgrade the financial and accounting system; library books and; museum capital and; improvements to the County's web site.
- Contributions from the General Fund to the Naples CRA increased \$418,200 to \$3,614,000 while; contributions from the General Fund and Unincorporated Area General Fund to the two County CRA's; Ave Maria Innovation Zone and; two new Innovation Zones increased a combined \$1,513,100. General Fund Advance to the Vanderbilt Waterway's MSTU is also programmed.
- Water /Sewer user rates have been adjusted 2.9% based in part upon CPI pursuant to Board action and as contained within budget policy; Landfill tipping fees are programmed to increase 2.9%; the mandatory solid waste residential assessment fee for District I is set to increase 2.0% or \$4.26 to \$217.50 annually (\$.36 per month); Building permit fees are budgeted to decrease pursuant to the revised fee schedule approved by the Board.
- Items not specifically appropriated in the document but can be programmed pending any Board direction include; purchase of Pine Ridge Road Station 40; Mile Marker 63 funding match; social service funding increases for the David Lawrence Center and other Agencies where state funding has been reduced.
- Recommended budget plan is a fluid document one that is flexible by design and provides the structure necessary to address mid year policy and/or service level shifts; access to the credit market if necessary; as well as unforeseen emergencies.

Collier County Storm-Water Funding Enhancements

- Programmed within the General Fund and Unincorporated Area General Fund is \$13,500,000 – representative of a \$.1500 millage equivalent - to fund an industry standard maintenance program and allocate modest dollars for cash and carry capital improvements.
- Shown below are the recommended FY 2020 net personnel, operating and capital appropriations for the enhanced program as contained within operating fund (103) and capital fund (325).
- Part of the storm-water reserve allocation could be set aside for debt service leveraging the low interest rate environment to raise substantially greater capital dollars at the appropriate time when planning, engineering and utility collaboration are properly coordinated.

Category	FY 2020
Personnel	\$1,956,600
Operating	4,252,600
Operating Capital Equipment	1,113,900
Facilities Capital	3,960,300
Transfers	20,000
Reserves	<u>2,196,600</u>
Total	\$13,500,000

General Fund & Unincorporated General Fund Supported Capital

General Fund and Unincorporated Area General Fund Supported Capital Recap:

	FY 2019 Adopted Budget	FY 2020 Recommended Budget
Capital Projects:		
Sheriff Facilities & Jail Repairs	\$1,000,000	\$1,000,000
Building Repair and Maintenance	\$6,000,000	\$5,000,000
Library Books	\$850,000	\$950,000
Accounting System (SAP) Upgrade/Replacement	\$0	\$2,750,000
Voting Machines	\$350,000	\$400,000
Capital Recovery Reserve	\$0	\$5,000,000
Cashflow FEMA Consultant Contract	\$1,883,800	\$0
Website Improvements & Other Software	\$277,000	\$258,200
Park & Recreation Repairs & Maintenance – Regional Pks (306)	\$1,100,000	\$2,600,000
Park & Recreation Repairs & Maintenance – Community Pk (306)	\$2,750,000	\$2,500,000
Transportation Capital (310)	\$12,805,800	\$13,388,900
Stormwater Capital (325)	\$5,500,000	\$5,994,400
Misc. Capital	\$800,000	\$233,300
Museum (314)	\$200,000	\$200,000
Airport Capital (496-499)	\$445,000	\$1,425,600
Loans to Impact Fee Funds	<u>\$4,174,900</u>	<u>\$1,540,200</u>
 Grand Total	 <u>\$38,136,500</u>	 <u>\$43,240,600</u>

FY 2020 Position Count Changes

Permanent Positions Agency	Adopted FY 2019	Changes	Expanded FY 2020	Total FY 2020
BCC	10.00	-	-	10.00
Co Attorney	18.00	-	-	18.00
Co Mgr Offices	83.50	3.00	1.00	87.50
Admin/Emergency Services*	359.75	-	1.00	360.75
Public Services	414.30	-	1.00	415.30
Public Utilities	548.00	-	-	548.00
Growth Mgt	536.20	9.80	10.00	556.00
Subtotal BCC Agency	1,969.75	12.80	13.00	1,995.55
Courts	34.00	1.00	-	35.00
Clerk of Courts	96.00	(-0.19)	3.00	98.81
Sprvr of Elections	23.00	-	-	23.00
Property App	60.00	-	4.00	64.00
Sheriff	1,394.00	3.00	10.00	1,407.00
Tax Collector	161.00	-	-	161.00
Subtotal Const Officers	1,734.00	2.81	17.00	1,753.81
Grand Total	3,737.75	16.61	30.00	3,784.36

Compensation Adjustment

Funding for a flat \$1,200 base wage adjustment to all classifications representing on average a 2.2% increase; plus a .5% or \$565,000 pay plan maintenance component designed to strengthen certain targeted lower pay grades is programmed to remain competitive in a highly aggressive labor market and recognize existing employees for their continued commitment, service and loyalty to the agency.

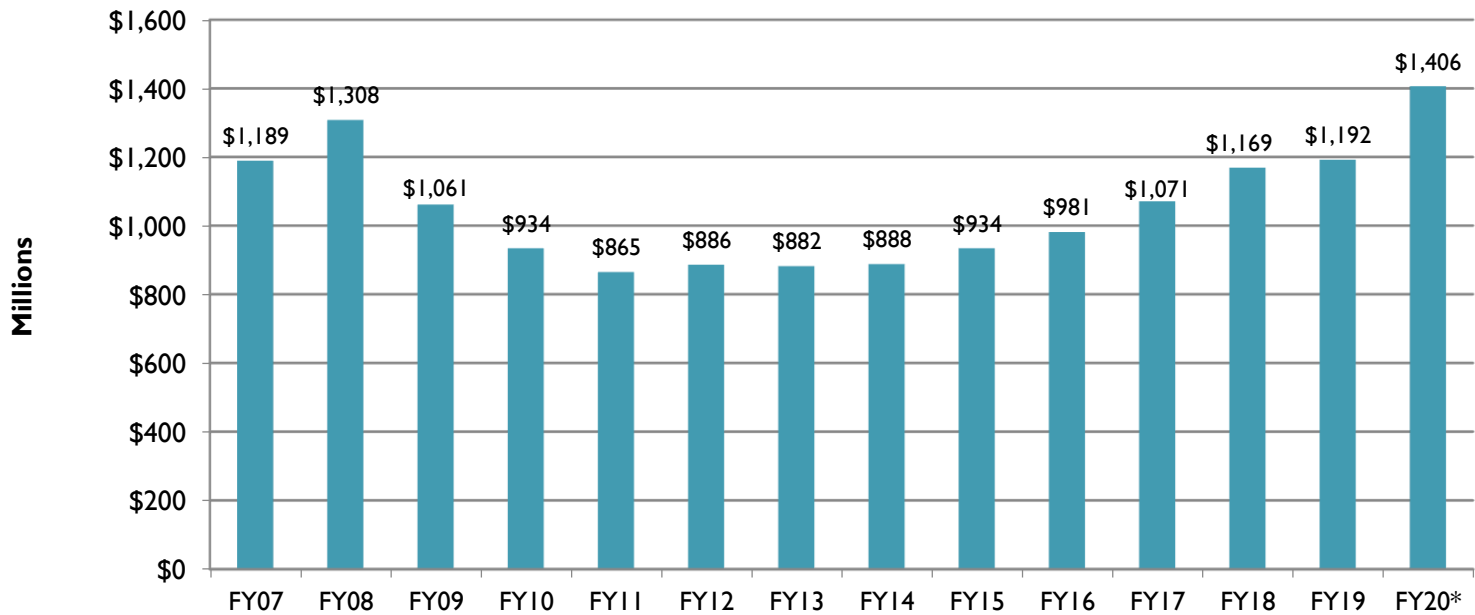
Fund	General Wage Adjustment
General Fund (001) and General Fund Supported Operations	\$ 1,702,600
Unincorporated General Fund MSTU (111)	\$ 395,800
All other Enterprise and Operating Funds	\$ 1,650,700
Total	\$ 3,749,100

County government will continue to face difficult challenges in recruiting and retaining its best talent as the local and regional job market remains highly competitive.

Health Care Program

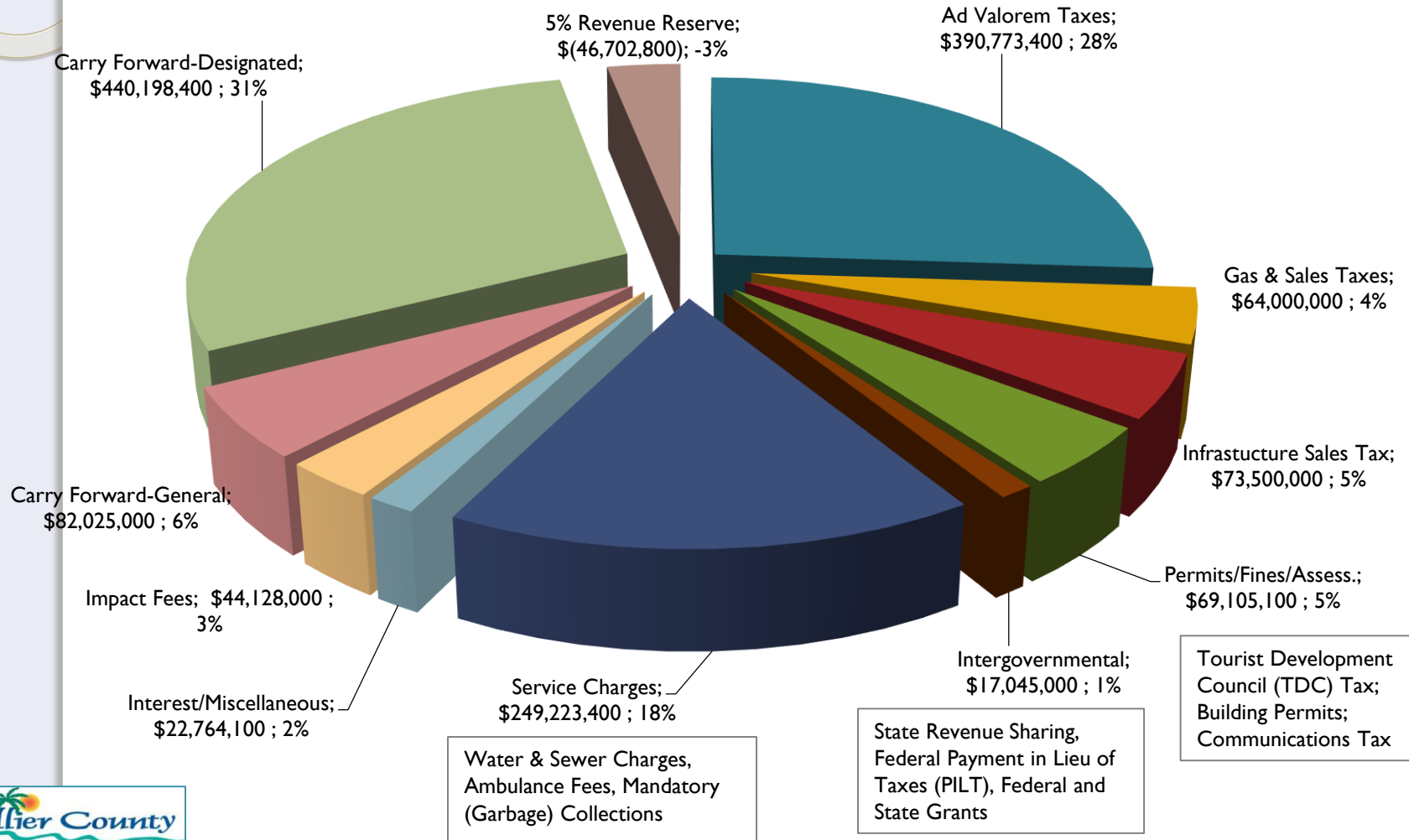
- Fully funded at actuarially determined premium level for FY 2020. No Premium increase proposed
- Seventh (7) consecutive year of no premium increase
- Board directed premium cost share target achieved for BCC/CM, COC and SOE personnel only
 - 80% employer paid
 - 20% employee paid

Collier County Net Budget

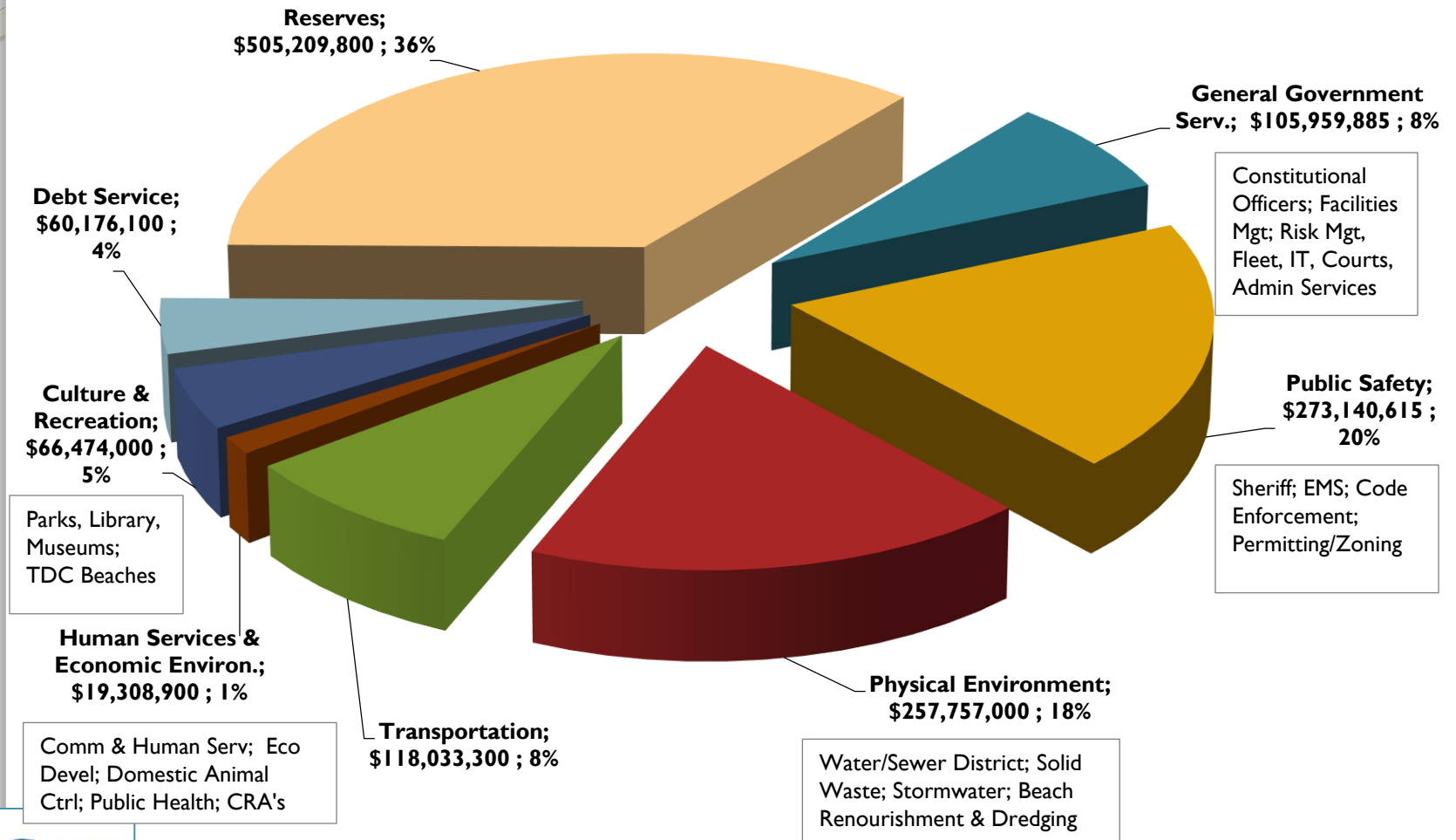


* Does not include tax collector budget which is submitted August 1st pursuant to Statute.

FY 2020 Net Recommended Budget Where the Money Comes From



FY 2020 Net Requested Budget Where the Money Goes

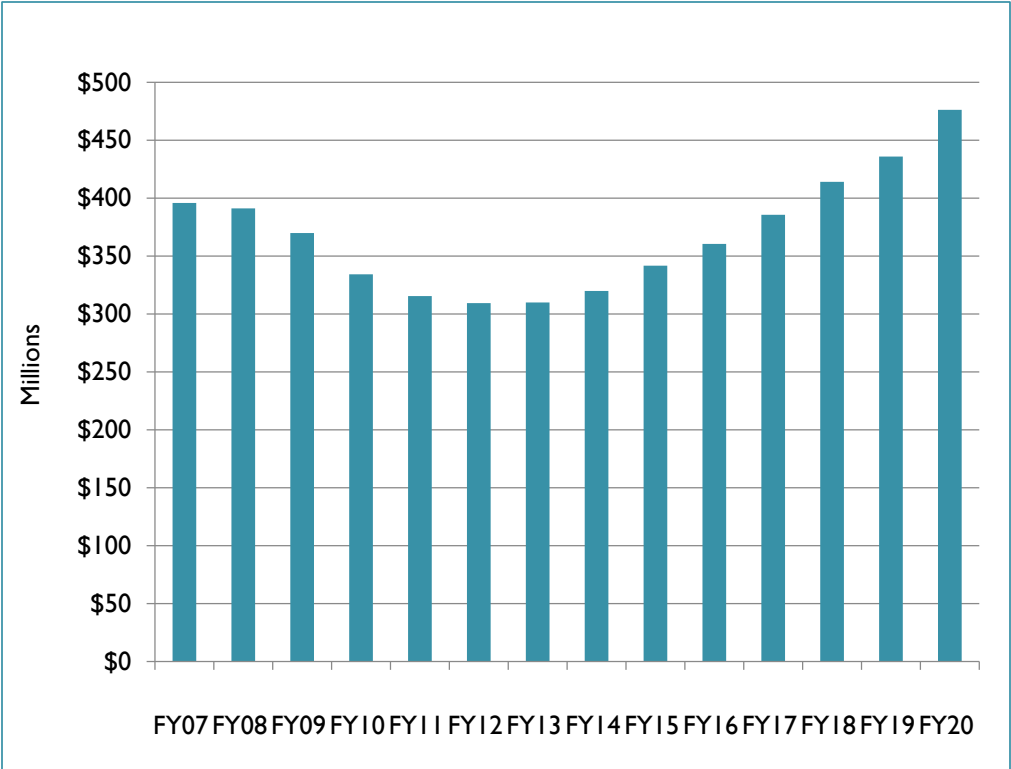


General Fund Budget Highlights

FY 2020 Recommended General Fund Budget

Total Budget \$476,087,700

9.2% increase from FY 2019



General Fund Proforma FY 2020

Expense Category Changes	Amount
BCC Operations and Other G&A	\$ 1,201,700
County Mgr. Agency Operations	2,040,400
County Mgr. Operating Transfers	7,433,600
Courts	28,600
Transfers to Debt Service	214,800
Transfers (Loans) to Impact Fee Fds	(2,634,700)
Transfer to Stormwater Capital (325)	2,194,400
Transfer to Capital Funds	7,744,400
Constitutional Officer Transfers	13,176,900
Reserves	8,784,900
Total Increase from FY19	\$ 40,185,000

Revenue and Expense category changes **include** expanded requests.

Revenue Category Changes	Amount
*Property Tax	\$ 17,849,300
Board Interest	250,000
Departmental Revenues	53,200
Repay H. Irma Loans	(11,700,000)
**Other Revenues	1,838,900
Carryforward (Fd Balance)	32,796,100
Less 5% Required by Law	(902,500)
Total Increase from FY19	\$ 40,185,000

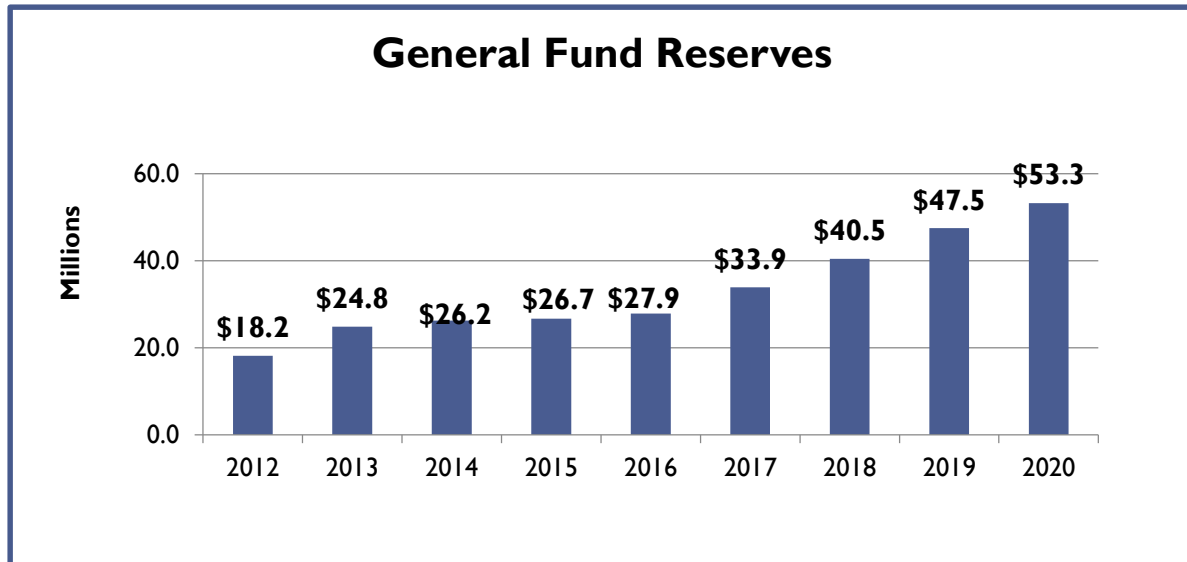
*Collier County Property Tax base is primarily residential in nature, exceeding 90.0% of all taxable value. Commercial and Industrial categories comprise about 8.4% of County-Wide taxable value.

**Indirect Cost Reimb, PILT, Operating Transfers, Constitutional Officer's Turn-back,

General Fund Reserves

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

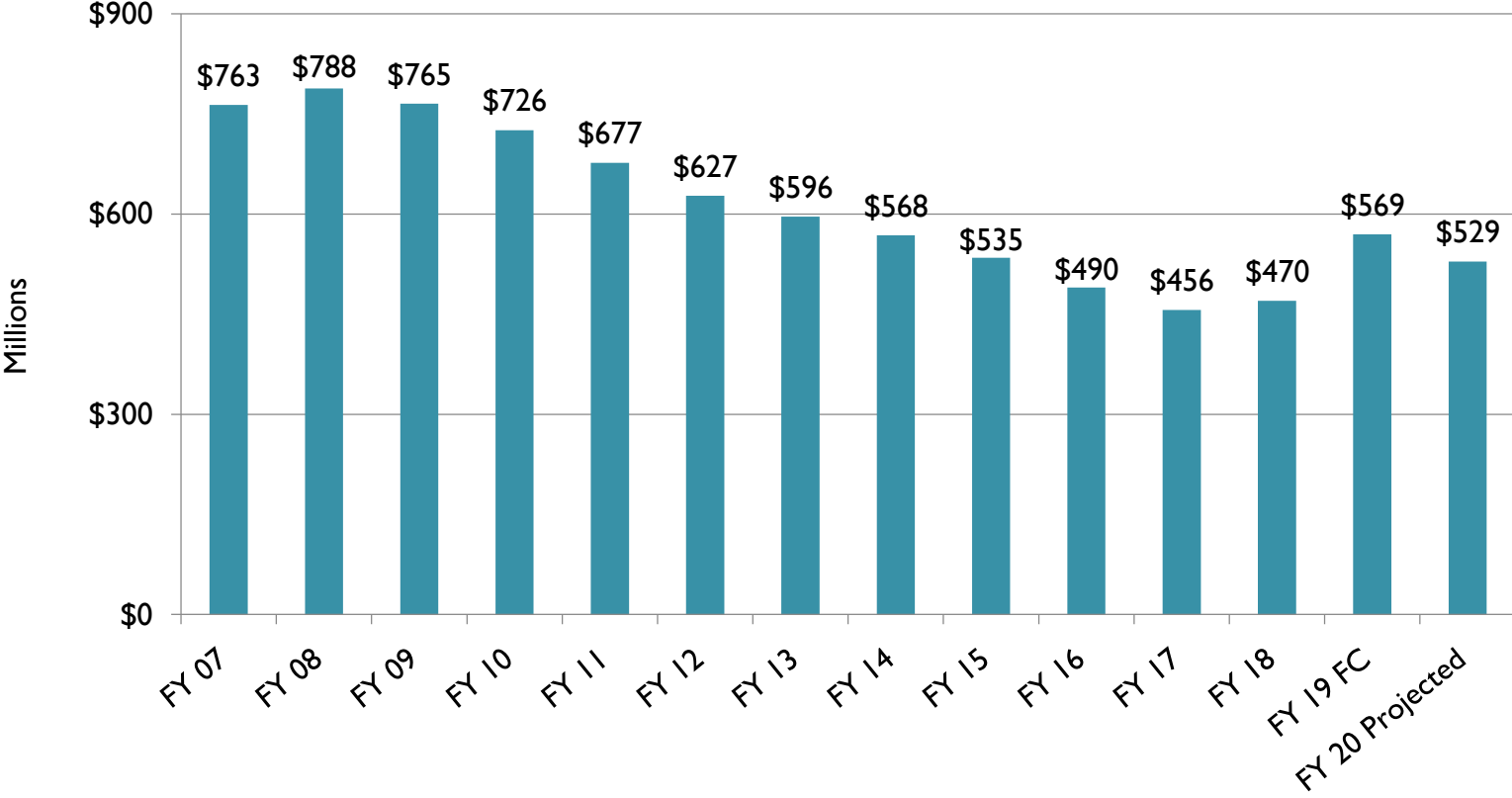
FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
• \$18,180,900	• \$24,844,400	• \$26,217,400	• \$26,670,700	• \$27,890,800	• \$33,899,700	• \$40,450,300	• \$47,480,200	• \$53,266,100



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

Total Audited Outstanding Principal Debt

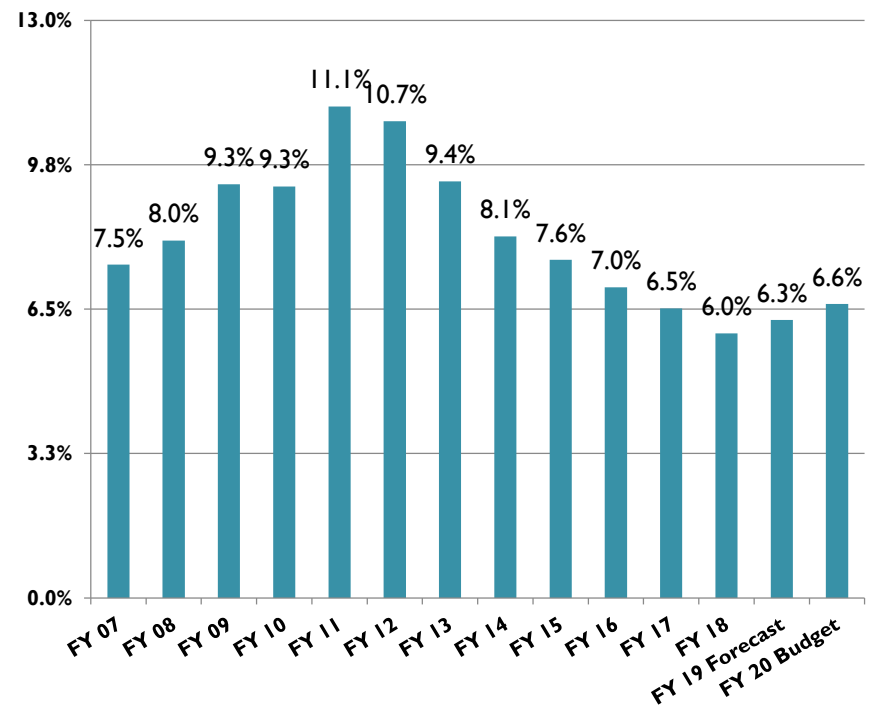


FY19 Forecast includes \$62.9m Bond for Sports Complex and \$76.2m Bond for Water / Sewer Expansion

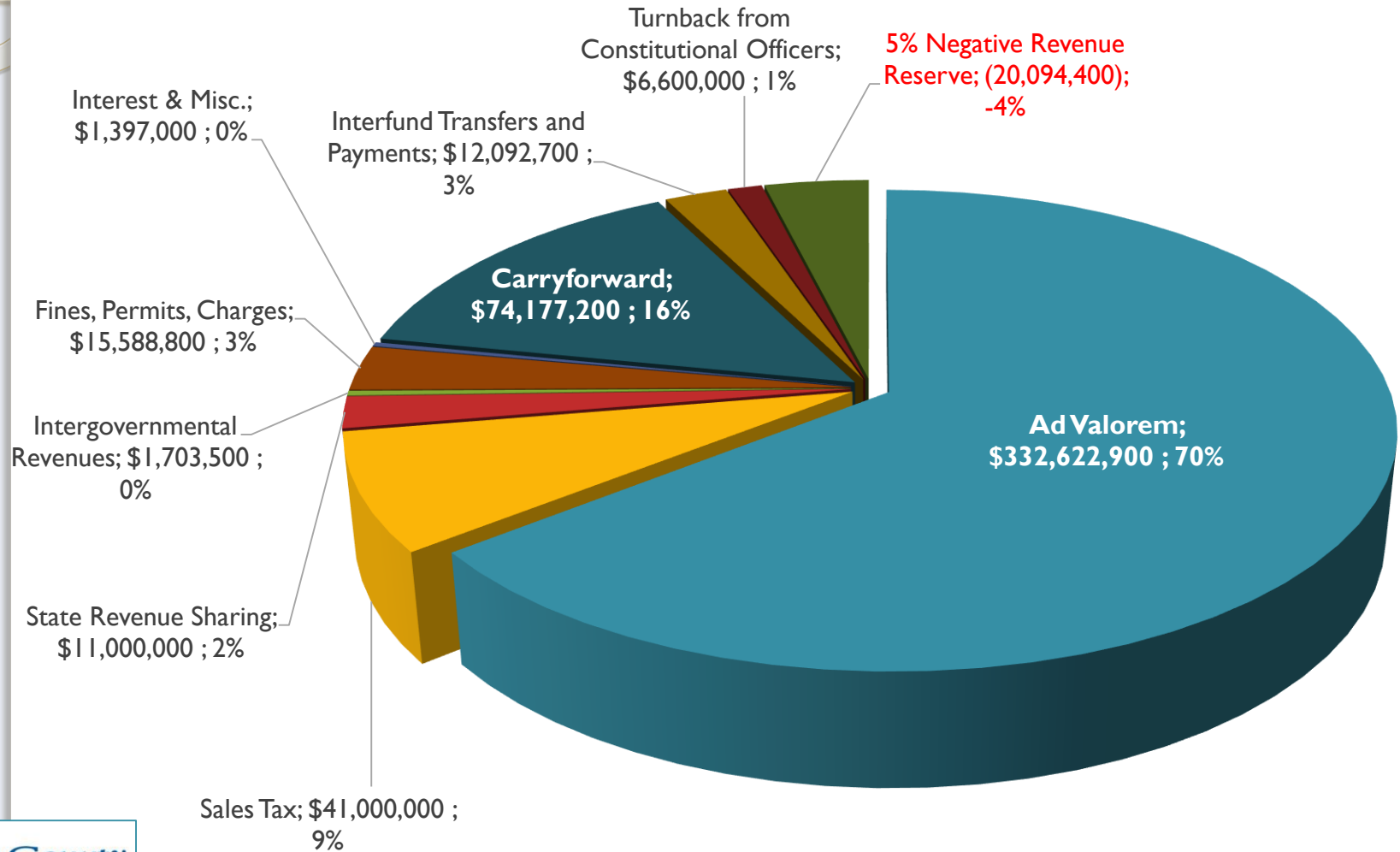
Audited General Governmental Debt Service compliant with BCC Debt Management Policy

- Projected Sept 30, 2020 total bondable revenue **increased** by \$25 million from FY 2019 while debt service increased by only \$4.0 million from FY 2019
- Represents 6.6% of total bondable general governmental revenues, well within 13% cap

Ratio of General Governmental Debt to Bondable Revenues
Year Ending FY 07 to FY 18 (audited) and
FY 19-FY 20 (unaudited)

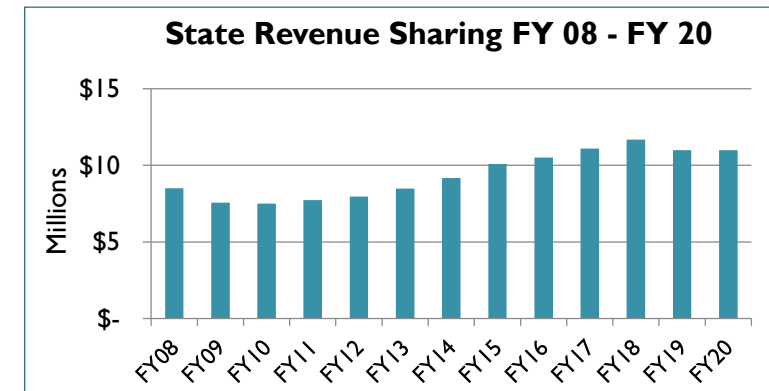
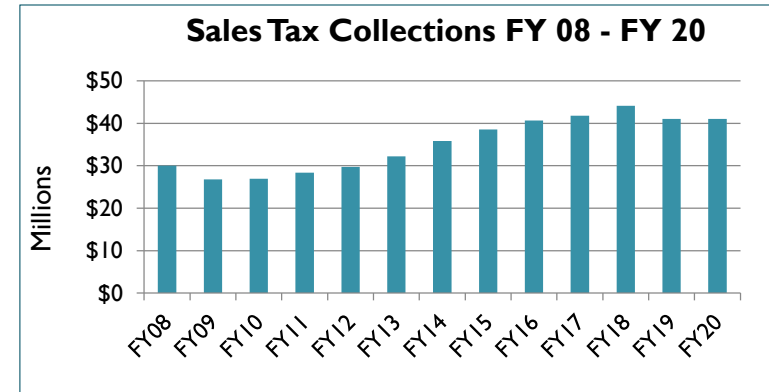
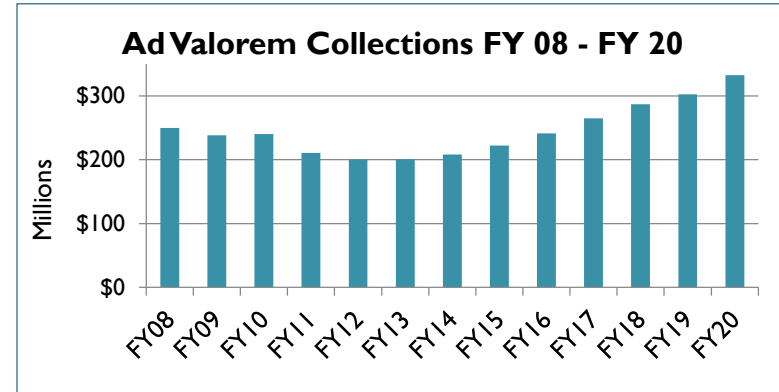


FY 2020 Revenues Sources General Fund (001)



General Fund Revenues

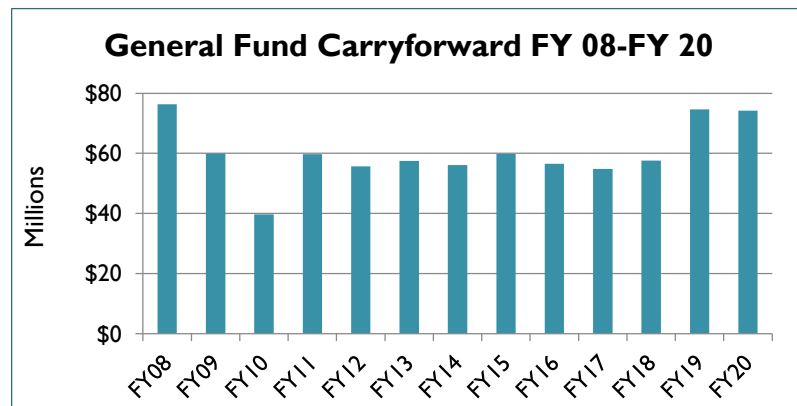
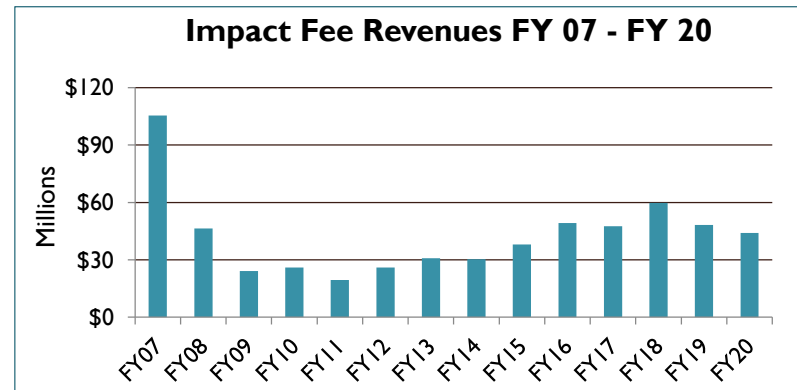
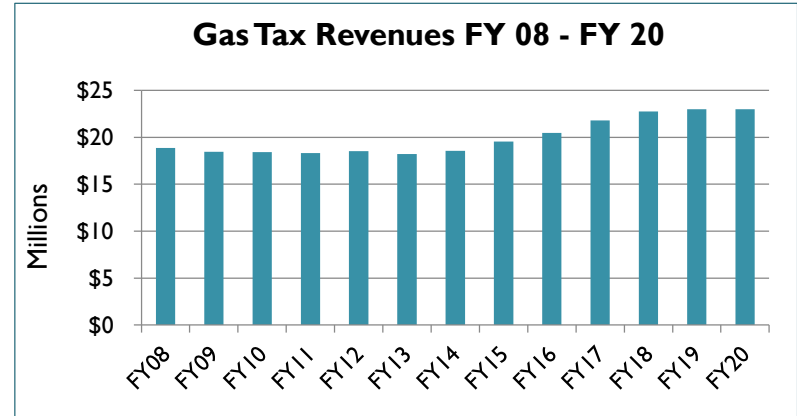
- Ad Valorem dollars up \$17,849,300 in FY 2020 when compared to FY 2019 Adopted Budget.
- Sales Tax dollars remain the same in FY 2020
- State Revenue Sharing dollars remain the same in FY 2020



FY 06-FY18 reflects actual proceeds collected; FY19 is the Forecasted amounts; FY 20 is the Recommended Budget amount.

Other Revenues

- Gas Tax estimates are up slightly \$824,600 from FY 2019 Adopted Budget.
- Impact Fees budget projected to increase by \$3,593,000; revenue source is very unpredictable.
- General Fund budgeted beginning fund balance (Carryforward) is \$74.2 million, 18.7% of Forecasted FY 2019 expenses.



FY08-FY18 reflects actual proceeds collected; FY19 is the Forecasted amounts; FY20 is the Recommended Budget amount.

Unincorporated Area General Fund Budget Highlights

- Recommended FY 2020 Budget
 - \$62,468,600
 - 5.9% Increase from FY 2019
- MSTD Unincorporated General Fund changes included:
 - Millage neutral tax rate raises \$47,049,300 of which \$41,754,900 is programmed to support operations and capital transfers; and \$5,294,400 is earmarked to continue the median landscape program maintenance effort.
 - Increase in storm-water funding by \$1,994,300 primarily supporting enhanced system maintenance.
 - Capital transfers supporting the transportation network and parks system continues.
 - Budget plan positioned to fund adjustments to maintaining County's landscape medians, which includes an internal troubleshooting crew.
 - Reserves increased modestly by \$32,800

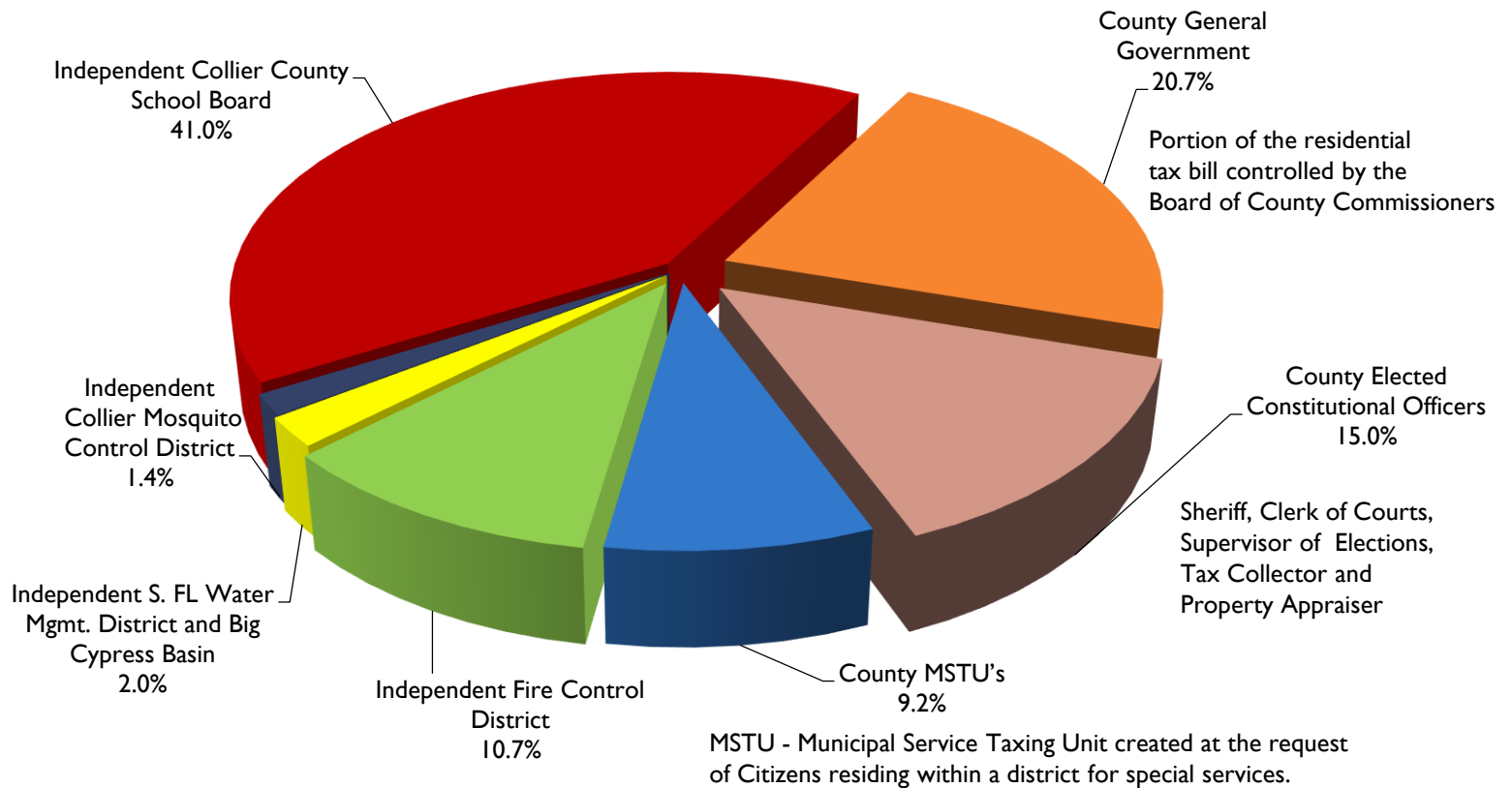
MSTD General Fund Pro-forma FY 2020

Expense Category Changes	Amount
Landscape Operations & Maintenance	(\$5,158,200)
Transfer to Median Landscape Capital (112)	7,001,000
Parks Operations	(87,300)
Other GM and Public Service Ops	130,300
Transfer to Parks Capital (306)	(250,000)
Transfer to Transportation Cap (310)	0
Transfer to Stormwater Operations (103)	3,694,300
Transfer to Stormwater Capital (325)	(1,700,000)
Replacement Vehicles (523)	(144,000)
Other Transfers	(223,600)
Transfer to Tax Coll./Property Appr.	58,200
Reserves	32,800
Total Increases from FY19	\$3,353,500

Revenue Category Changes	Amount
Ad Valorem Taxes - Operations	\$2,520,800
Ad Valorem Taxes – Median Capital Landscape Restart	319,600
Communication Service Tax	0
Department Revenue	(198,200)
Interfund Transfers	89,600
Interest and Other Misc Revenue	30,000
Carryforward (Fund Balance)	724,500
Less 5% Required by Law	(132,800)
Total Increases from FY19	\$3,353,500

Revenue and Expense category changes do not include expanded requests

Breakdown of Typical Unincorporated Area Residential Tax Bill for FY 2019 (2018 Tax Year)



Collier County School Resource Officer Funding

- Current Youth Relations Bureau funding by the Sheriff is \$10,856,200 which includes a sworn deputy in each school district and charter school building; School District has selected the most expensive option provided in the State Law.
- Additional \$3,000,000 is appropriated for FY 2020 staffing the program and funding an additional 10 sworn school resource officers.
- Board continues to fund this program with limited recurring funding participation from the School District at this time.
- School District has sent funding received from the State to the County totaling \$1.6 million in FY 2019.
- Amount allocated by the State is insufficient to cover the School Districts choice to place a certified deputy in every public school.
- Discussions with the Collier County School Superintendent and Sheriff are continuing.

Budget Challenges

- Significant reliance upon property tax and state shared revenue require continued caution and diligent analysis of local and regional economic indicators.
- Balancing competing priorities for capital investment, asset management, expanding service delivery, and new programs and initiatives will continue to pose a healthy challenge.
- Continue to plan for and structure the budget for maximum flexibility.
- Position Collier County to remain competitive in the employment market as economic conditions continue to improve and competition for available talent intensifies.
- Strive for equity in employer/employee health insurance contributions between all agencies of County Government.
- Monitor continued State tendency to shift various program costs to local government.
- 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