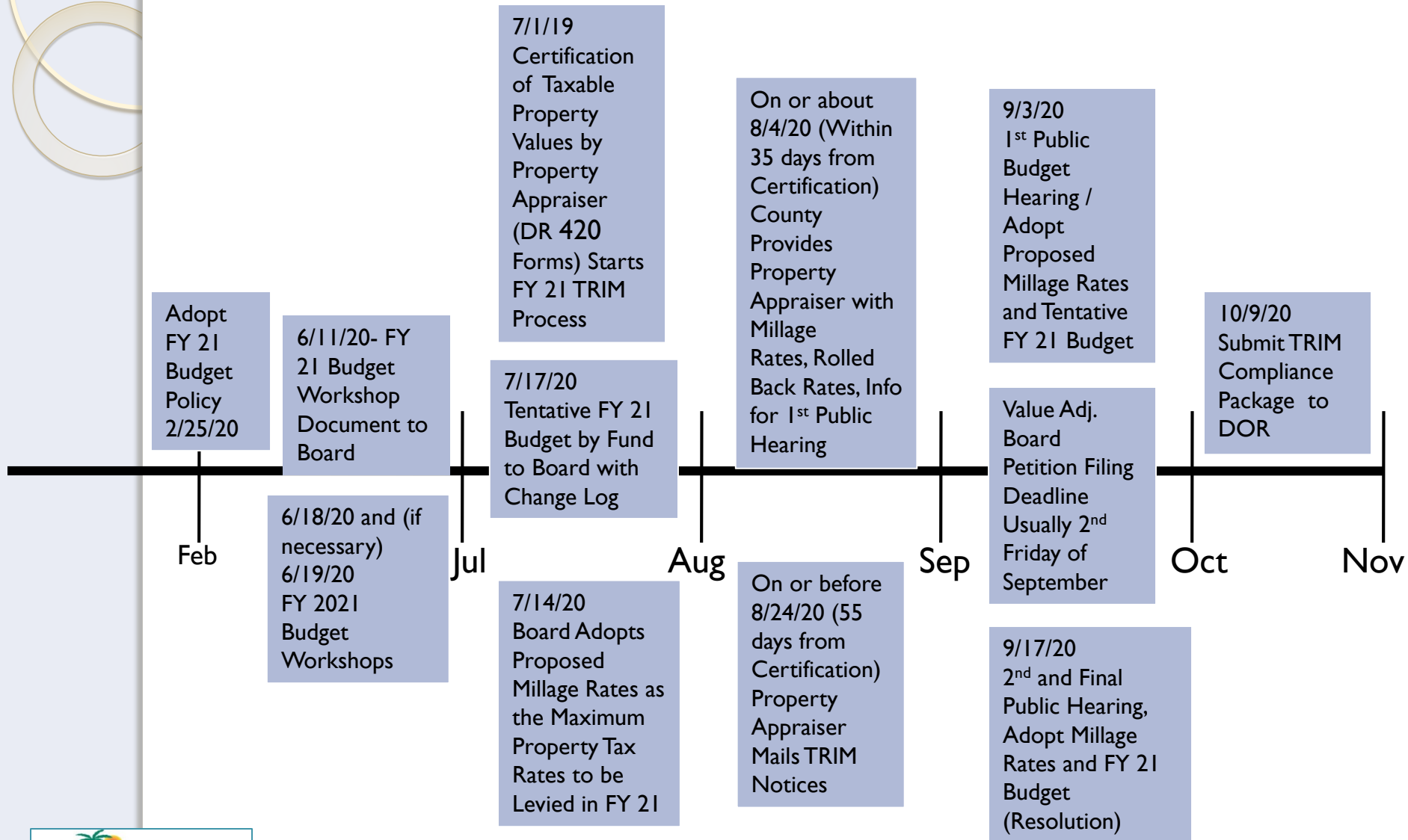




**Collier County
FY 2021
BCC Recommended
Budget**

**June 18, 2020 Budget
Workshop**

FY 2021 Collier County Budget Timeline



FY 2020 and FY 2021 Economic Landscape

- **October through February of FY 20:** Local Economy Thriving
- Employment levels at record highs; Bell-weather industries performing very well; Area median income highest in the State; County general revenues and tourist tax revenues trending above plan.
- Real Estate Industry Strong: New home sales activity and pricing remain strong; Median home prices have consistently reached the mid \$400K value during the past year; luxury home market on pace for record year.
- New construction permitting and inspection activity for 2020 on pace with 2019 averages.
- Countywide taxable value for calendar year 2019 increases 5.70% - ninth (9th) consecutive year of tax base growth. County-wide taxable value now \$98.5 billion but notably the new taxable value component reflecting new growth and development is up \$112 million over the five (5) year rolling average of \$2.13 billion.

FY 2021 Economic Landscape

- **March through May of FY 2020:** Virtual shutdown of the economy due to COVID -19 Pandemic
- Unemployment skyrockets as businesses ordered to close and non-essential personnel are ordered to stay at home.
- **Local Hospitality and Restaurant Sectors Decimated:** April 2020 destination visitation totaled 11,500 down 92.0% year over year and the January to April period showed visitation down 26% over the same 2019 period. Direct visitor spending for April 2020 was \$13.8 million, a 94% decrease over April 2019.
- **County Budgetary Impacts:**
- Regular state redistributed sales tax forecast down \$9 million by year end 9/30/20 with budgeted FY 2021 revenues down \$3 million to \$38 million.
- Regular New Local Option Infrastructure Sales Tax projects on hold since February. Forecast revenue through year ending 9/30/20 \$21.6 million below budget with FY 2021 budgeted revenue down 10% to \$77.9 million.

- General state shared revenues reduced by the state by 50% from \$1 million to \$500K monthly resulting in a year end revenue \$2 million below forecast.
- Total Tourist Tax revenue forecast below the FY 2020 budget by \$8.2 million to \$20.2 million due to various stay at home orders. Tourist Tax family of funds has a strong cash and reserve position with the Board maintaining flexibility to re-appropriate existing budget and use reserves if necessary in the interest of promoting tourism as the economy recovers.
- Department revenues from operations like parks and libraries down \$1.2 million through year ending FY 2020 due to facility closures.
- County government projected to incur additional \$1M+ of expenditures in FY 2020 for additional services and equipment related to COVID -19
- Corresponding expenditure budget reductions have been made in the FY 20 budget to offset projected revenue losses.
- County positioned financially to absorb this sudden economic shutdown due to years of sound fiscal policies, millage neutral tax rate positions, adequate reserves, regular budget management and flexible budget planning.

- **June through September FY 2020:** Phase 2 Recovery Plan Issued
- Governor issues Executive Order on June 5th allowing most employees to return to work; loosens travel restrictions into the State and provides additional latitude for reopening businesses, including retail, restaurants & bars, entertainment and personal services businesses.
- Billions in aid from the Coronavirus Aid, Relief and Economic Security (CARES) Act, as well as other federal and State relief programs, continues to mitigate the direct impacts of the COVID -19 pandemic to the local economy.
- As the regional economy slowly reopens, the County must continue to be cautious and structure the budget with a great degree of flexibility given the fiscal uncertainty which still exists.
- **Outlook for FY 2021:**
- Barring a surge in confirmed coronavirus cases or a significant natural disaster, the outlook for local economic recovery remains positive.
- County population continues to grow; local economic fundamentals are strong; County public infrastructure investments are positioned to accommodate economic growth and the State's Revenue Estimating Conference projects continued growth in County-wide taxable values for the next 3 years.

FY 2021 Recommended Budget Highlights

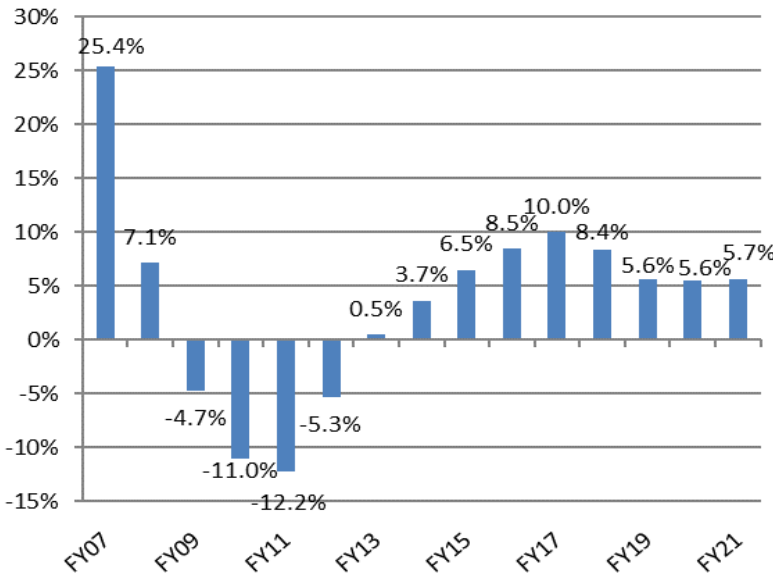
- **Budget guidance essentially met** for direct County Manager Agency General Fund and Unincorporated Area General Fund budgeted operations and transfers based upon net cost impact.
- **Tax Rate:**
- Millage neutral operating tax rate for General Fund at \$3.5645 per \$1,000 of taxable value.
- Maintain the Unincorporated Area General Fund tax rate at \$.8069 per \$1,000 of taxable value with a dedicated portion of the rate earmarked to continue the median landscape program.
- **Expanded service requests:**
- No budgeted expanded services for the County Manager Agency with exception of previously Board authorized Big Corkscrew Island Regional Park operations. Expanded service requests for Sheriff's Office, Clerk of Courts and Supervisor of Elections outlined in respective budget request.
- **Reserves:**
- General Fund and Unincorporated Area General Fund reserves increase.
- Additional \$5 million set aside added to the future long term capital reserve recognizing the County's substantial infrastructure investment and future responsibility to maintain and replace this important investment.

FY 2021 Recommended Budget Highlights

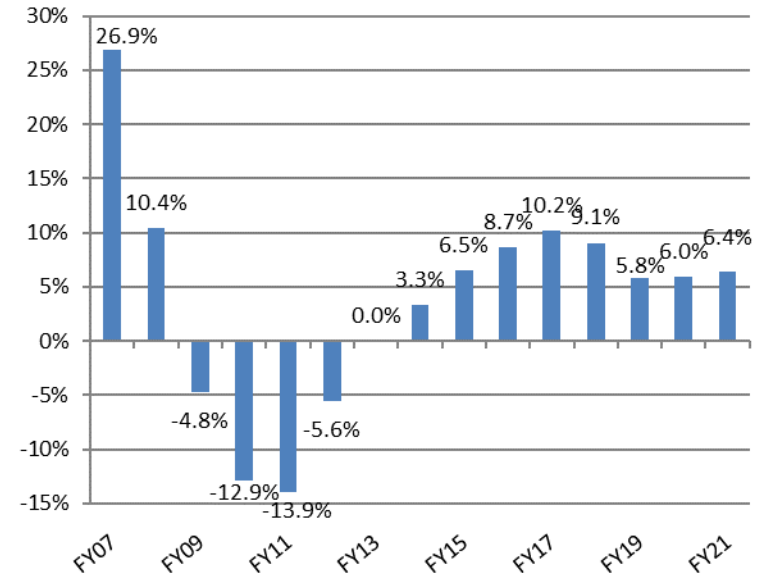
- **Capital Expenditures:**
 - Budget continues to program considerable discretionary resources to the transportation network, storm-water system, park infrastructure, Constitutional Officer capital and other general governmental facilities and programs with a total of \$52.4 million in new money for FY 2021.
- **Debt Issuance:**
 - Budget positioned to issue new credit funding strategic and approved property acquisitions; and other targeted capital initiatives like storm-water improvements, replacement bridges, parks aquatic, systems and parks facilities, roads and intersection rehabilitation and any portion of Big Corkscrew regional park phase two construction not covered by the local option infrastructure sales tax and existing cash.
 - Any new debt service funded from existing cash and carry capital transfers.
- **Workforce Investment:**
 - Dollars appropriated for employee compensation adjustment to keep pace with the change in CPI.
 - No health insurance premium increase or plan benefit changes for the eight (8) consecutive year due to excellent claims history and healthy reserves.

Countywide Taxable Value Trending up for the ninth (9th) Consecutive Year

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

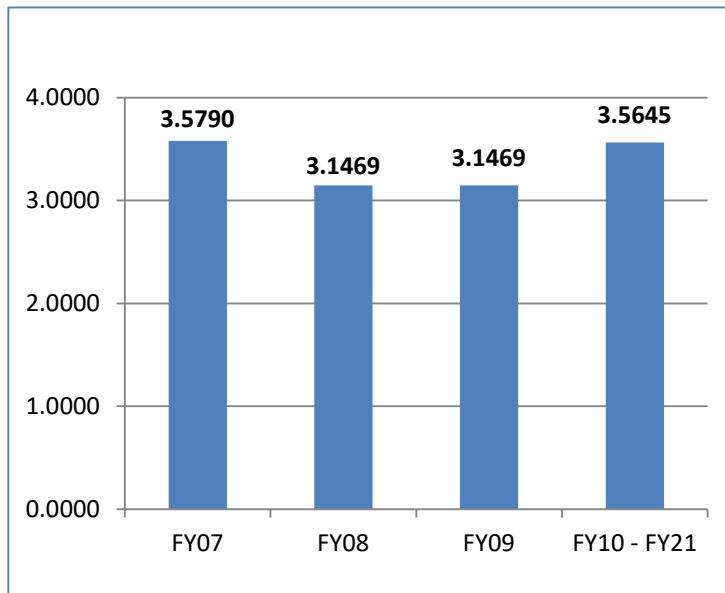


Historical Changes in Unincorporated Area General Fund (111) Taxable Values

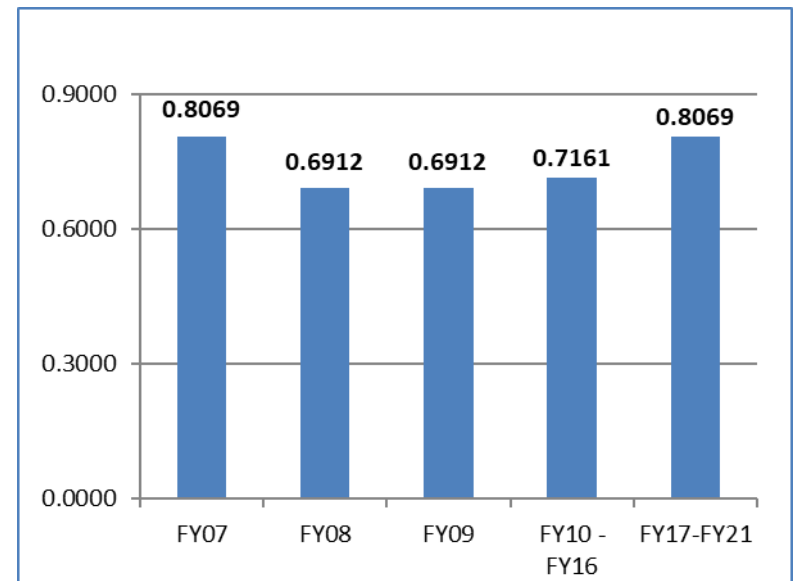


Millage Rate History

Property Tax Rates General Fund



Property Tax Rates Unincorporated Area General Fund



FY 2021 Recommended Budget Highlights

- **General Government Operations:**
- Millage neutral operating tax rate resulted in a \$19,294,200 increase in the General Fund (GF) property tax levy to \$351,755,800.
- Millage neutral Unincorporated Area General Fund tax rate resulted in a levy totaling \$49,834,200 the components of which are \$44,226,400 for operations and capital transfers and \$5,607,800 for continuing the median landscape program and required landscape maintenance. The respective marginal increase over the FY 2020 levy total \$2,962,100.
- Growth in front line services and capital facilities support within the County Manager Agency will be presented to the Board through case by case Executive Summaries and incorporated as part of the September adopted budget or amended budget after the fiscal year begins as appropriate.
- 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. This is the third year of this enhanced funding initiative. The Clerk of Courts is requesting 5.7 growth related FTE's in the areas of accounting, payable transactions and satellite operations. One FTE is requested by the Supervisor of Elections.

FY 2021 Recommended Budget Highlights

- General governmental new dollars programmed for capital initiatives total \$52.4 million and include the new long term capital recovery reserve funded initially at \$5 million; storm-water enhanced programming totaling \$15.5 million – a \$2.0 million increase over FY 2020; dollars for continued improvements to the transportation network and parks system; continued facility repair support not covered by the local option sales tax; continued set aside to upgrade the financial and accounting system; medical examiner facility renovation; campus facility relocation and upgrades; renovation of the Senior Center; library books; improvements to the County's web site; and constitutional capital.
- Contributions from the General Fund to the Naples CRA increased \$661,700 to \$4,373,100 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 \$957,200.
- **Enterprise Operations:**
- Water /Sewer user rates have been adjusted 2.9% based in part upon CPI pursuant to previous 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 1 and District 2 is scheduled to increase 2.0%.
- Building permit inspection and reinspection fees were reduced in FY 2020 by Board action with no changes planned in FY 2021.

Collier County Storm-Water Funding Enhancements

- Programmed transfer from the General Fund and Unincorporated Area General Fund is \$15,500,000 - an increase of \$2 million over FY 2020 - to fund an industry standard maintenance program and allocate dollars for cash and carry capital improvements.
- The table below depicts how general governmental transfer funding is programmed within this recommended budget.
- If certain stormwater system improvements are recommended for financing, debt service would be paid from a portion of the annual capital set aside. For example, annual debt service on a \$60 million tax exempt borrowing over 15 years at 2.5% totals about \$4.8 million.

Category	FY 2021
Personnel	\$2,109,300
Operating	5,709,600
Operating Capital Equipment	9,000
Stormwater Capital	7,652,100
Transfers	20,000
Total	\$15,500,000

General Fund & Unincorporated General Fund Supported Capital

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

	FY 2020 Adopted Budget	FY 2021 Recommended Budget
Capital Projects:		
Voting Machines	\$400,000	\$550,000
Sheriff Facilities & Helicopter	\$1,000,000	\$2,000,000
Clerk of Courts move to Annex	\$0	\$1,800,000
Accounting System (SAP) Upgrade/Replacement	\$2,750,000	\$2,000,000
Medical Examiner Renovation & Expansion	\$0	\$2,500,000
Senior Center	\$0	\$500,000
Golden Gate Golf Course – Zoning & Site Devel	\$500,000	\$1,000,000
Building Repair and Maintenance	\$5,000,000	\$5,000,000
Library Books	\$950,000	\$1,000,000
Website Improvements & Other Software	\$258,200	\$50,000
Misc. Capital (301)*	(\$266,700)	(\$2,059,100)
Cashflow FEMA Consultant Contract pending Reimbursement	\$0	\$3,326,500
Capital Recovery Reserve	\$5,000,000	\$5,000,000
Park & Recreation Repairs & Maintenance – Regional Pks (306)	\$3,200,000	\$3,350,000
Park & Recreation Repairs & Maintenance – Community Pk (306)	\$2,500,000	\$2,950,000
Transportation Capital (310)	\$13,388,900	\$11,817,300
Stormwater Capital (325)	\$5,994,400	\$7,994,000
Museum (314)	\$200,000	\$0
Airport Capital (496-499)	\$1,425,600	\$1,426,500
Loans to Impact Fee Funds	\$1,040,200	\$2,192,100
Grand Total – Transfer from General Funds (001 & 111)	\$43,340,600	\$52,397,300

FY 2021 Position Count Changes

Permanent Positions Agency	Adopted FY 2020	Changes	Expanded FY 2021	Total FY 2021
BCC	10.00	-	-	10.00
Co Attorney	18.00	-	-	18.00
Co Mgr Offices	87.50	-	-	87.50
Admin/Emergency Services	360.75	4.00	-	364.75
Public Services	417.30	(1.00)	-	416.30
Public Utilities	548.00	-	-	548.00
Growth Mgt	560.00	(3.00)	-	557.00
Subtotal BCC Agency	2,001.55	-	-	2,001.55
Courts	35.00	1.00	-	36.00
Clerk of Courts	98.81	(0.88)	5.71	103.64
Sprvr of Elections	23.00	-	1.00	24.00
Property App	64.00	-	-	64.00
Sheriff	1,407.00	-	10.00	1,417.00
Tax Collector	161.00	-	-	161.00
Subtotal Const Officers	1,753.81	(0.88)	16.71	1,769.64
Grand Total	3,790.36	0.12	16.71	3,807.19

Compensation Adjustment

Funding for a 2% or \$1,200 base wage adjustment whichever is greater to all classifications plus a .86% or \$1.2 million pay plan maintenance component designed to strengthen certain targeted lower pay grades is programmed to recognize existing employees for their continued commitment, service and loyalty to the agency and position the organization from a market standpoint as the economy rebounds from the COVID 19 pandemic.

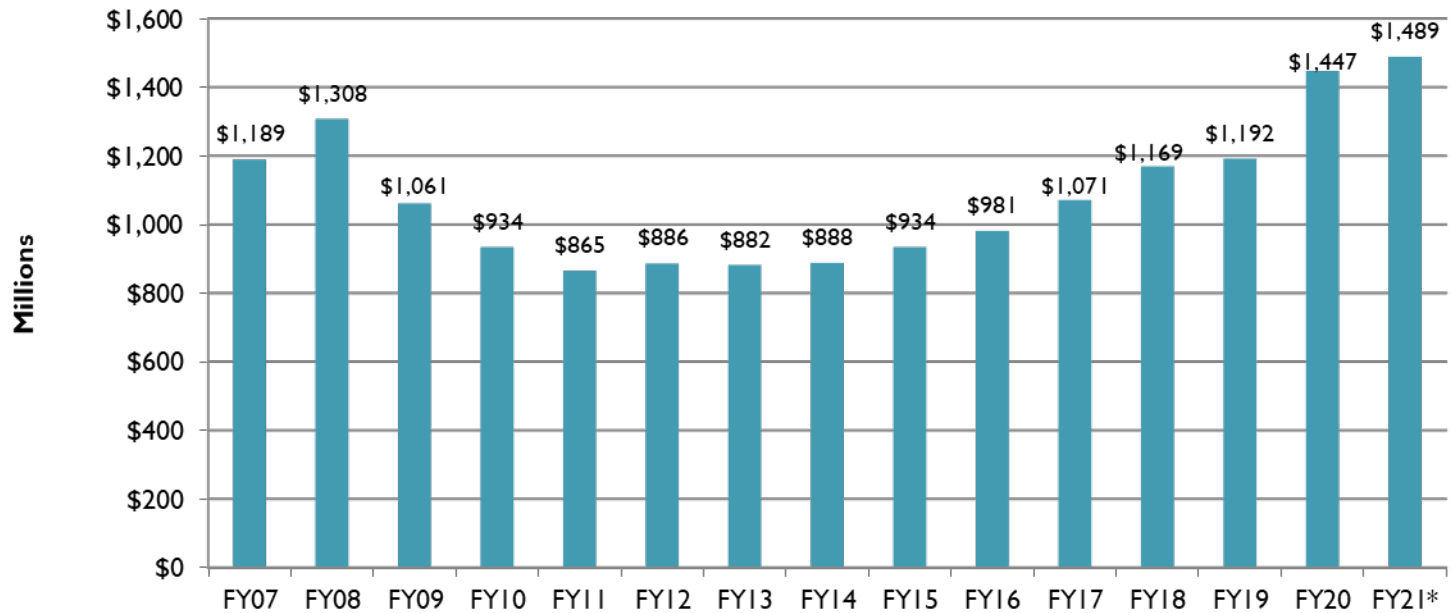
Fund	General Wage Adjustment	Pay Plan Maintenance	Total
General Fund (001) & General Fund Supported Operations	\$ 1,491,900	\$ 524,200	\$ 2,016,100
Unincorporated General Fund MSTU (111)	\$ 384,000	\$ 123,400	\$ 507,400
All other Enterprise and Operating Funds	\$ 1,479,500	\$ 546,200	\$ 2,025,700
Total	\$ 3,355,400	\$1,193,800	\$ 4,549,200

Recommendation that the County Manager develop options regarding determine the amount, type and timing of any compensation adjustment with the final package submitted to the Board for approval prior to the final budget hearing.

Health Care Program

- Fully funded at actuarially determined premium level for FY 2021. No Premium increase proposed
- Eighth (8) 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



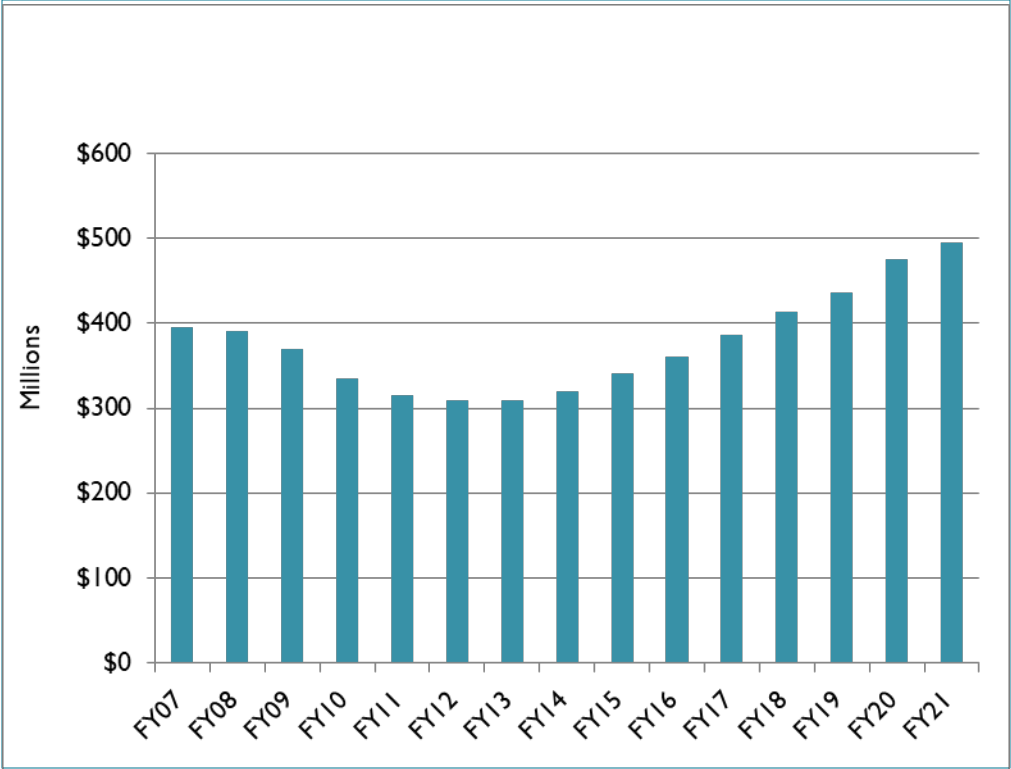
* Does not include tax collector budget which is submitted August 1st pursuant to Statute.

General Fund Budget Highlights

FY 2021 Recommended General Fund Budget

Total Budget \$495,612,100

4.2% increase from FY 2020



General Fund Proforma FY 2021

Expense Category Changes	Amount
BCC Operations and Other G&A	\$ 369,200
County Mgr. Agency Operations	144,200
County Mgr. Operating Transfers	(3,818,700)
Courts	327,600
Transfers to Debt Service	(43,800)
Transfers (Loans) to Impact Fee Fds	1,151,900
Transfer to Stormwater Capital (325)	174,400
Transfer to Capital Funds	6,455,200
Constitutional Officer Transfers	10,247,100
Reserves	5,123,000
Total Increase from FY20	\$ 20,130,100

Revenue Category Changes	Amount
*Property Tax	\$ 19,294,200
State Revenues	(3,000,000)
Departmental Revenues	(384,600)
Constitutional Officers Turnback/Excess Fees	(4,000,000)
**Other Revenues	1,143,000
Carryforward (Fd Balance)	7,718,000
Less 5% Required by Law	(640,500)
Total Increase from FY20	\$ 20,130,100

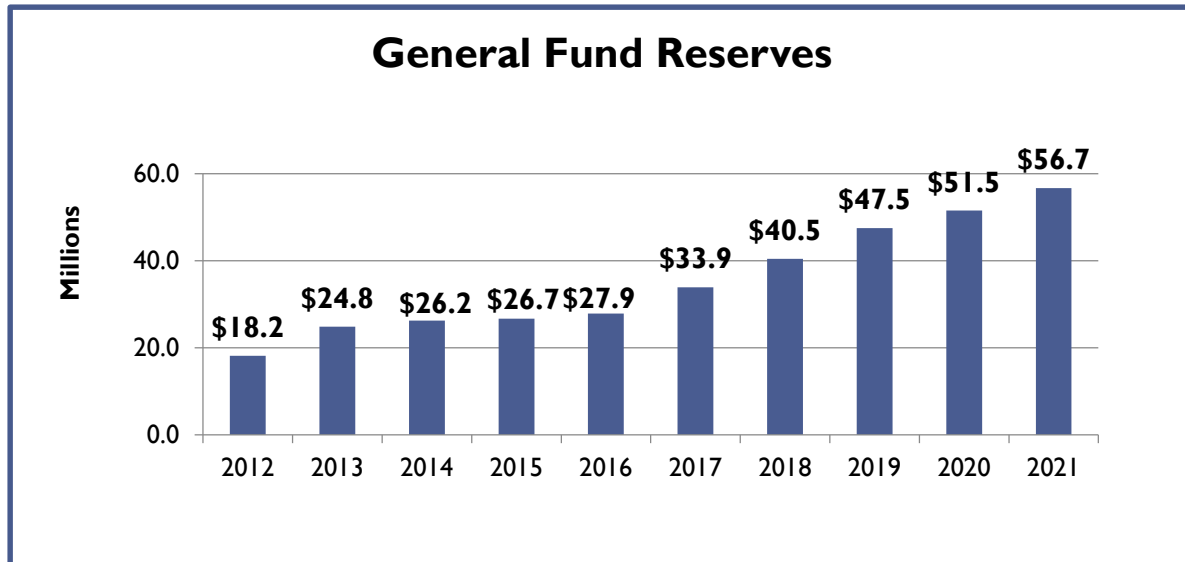
*Collier County Property Tax base is primarily residential in nature, exceeding 90.0% of all taxable value. Commercial and Industrial categories comprise about 8.4% of County-Wide taxable value.

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

General Fund Reserves

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

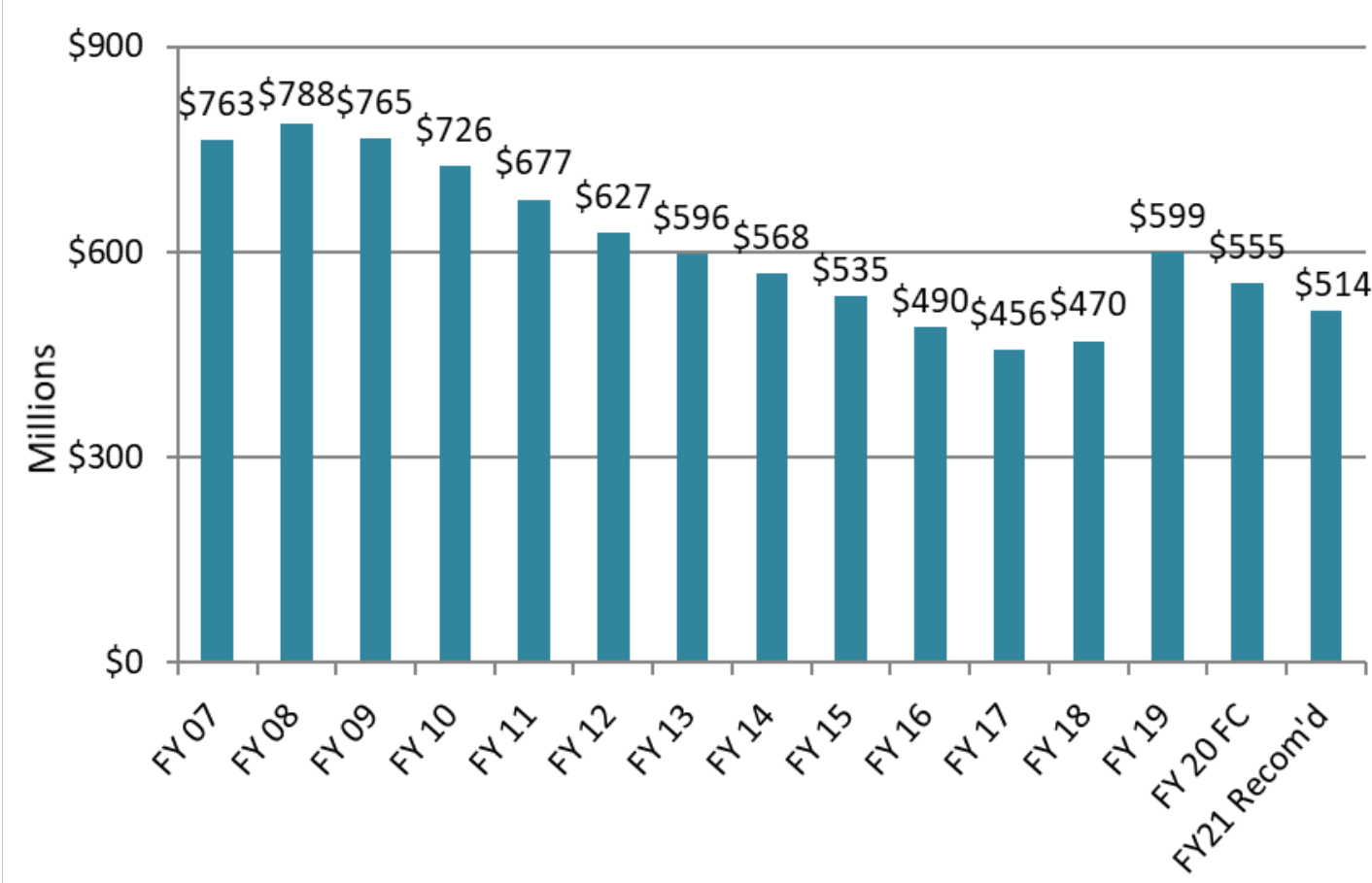
FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
• \$18,180,900	• \$24,844,400	• \$26,217,400	• \$26,670,700	• \$27,890,800	• \$33,899,700	• \$40,450,300	• \$47,480,200	• \$51,532,900	• \$56,655,900



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

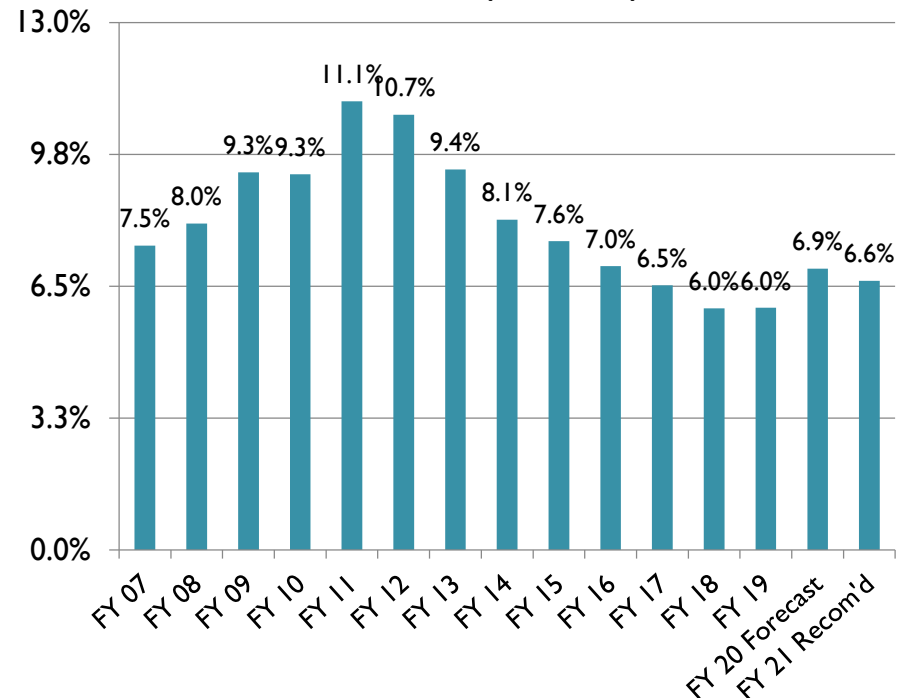
Total Audited Outstanding Principal Debt



Audited General Governmental Debt Service compliant with BCC Debt Management Policy

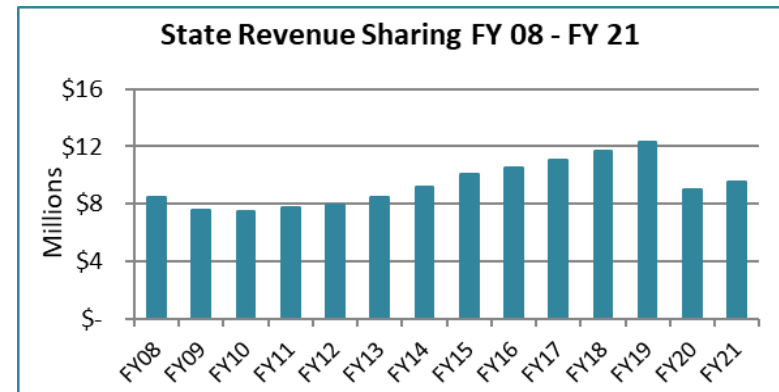
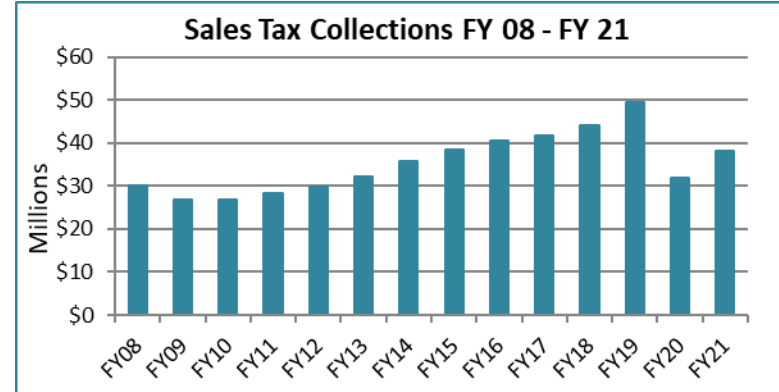
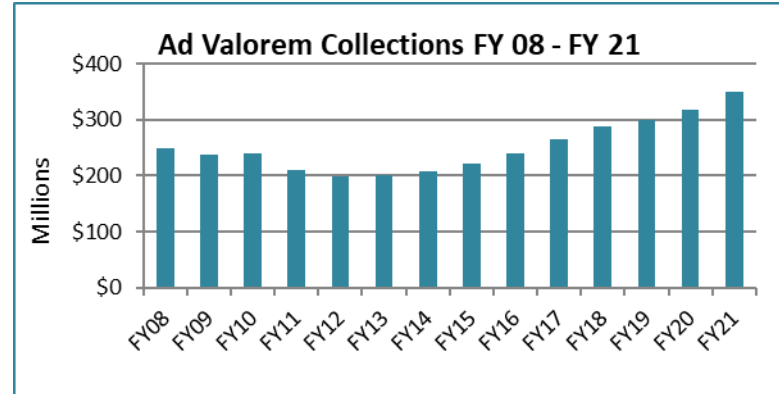
- Projected Sept 30, 2020 total bondable revenue decreased by \$32 million from FY 2019 while debt service increased by \$3.1 million from FY 2019
- Represents 6.6% of total bondable general governmental revenues, well within 13% cap

Ratio of General Governmental Debt to Bondable Revenues
Year Ending FY 07 to FY 19 (audited) and
FY 20-FY 21 (unaudited)



General Fund Revenues

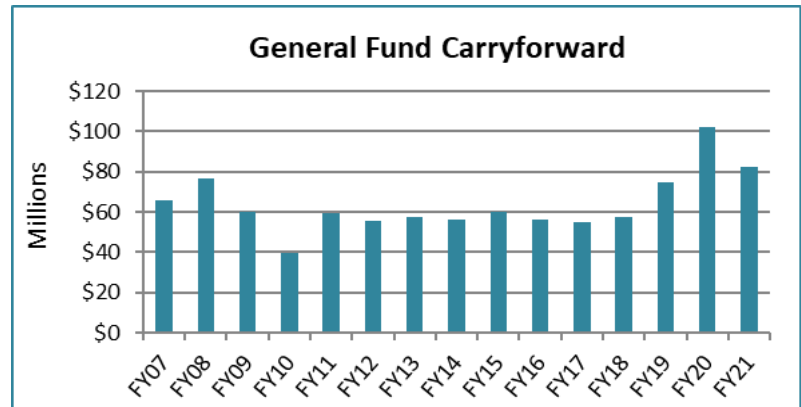
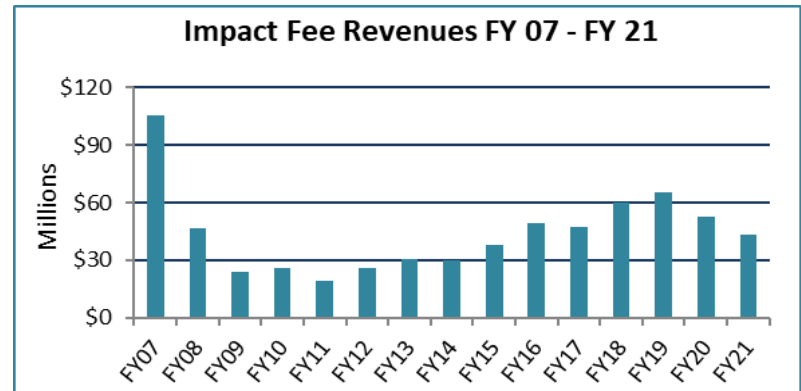
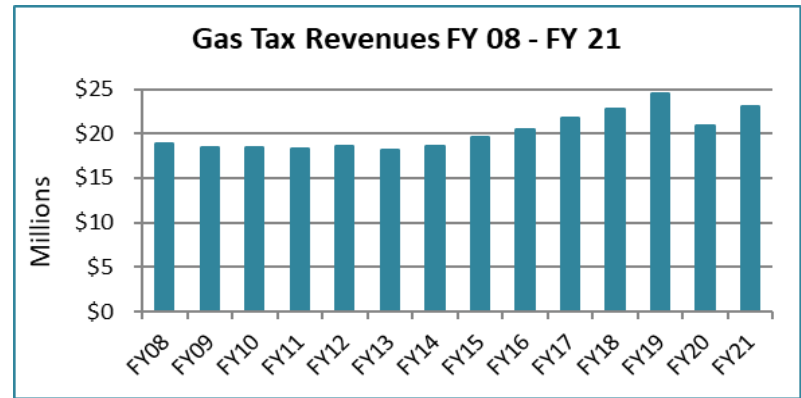
- Ad Valorem dollars up \$19,294,200 in FY 2021 when compared to FY 2020 Adopted Budget.
- FY20 Forecast Sales Tax dollars dropped \$9M to \$32 million due to COVID-19 with FY21 budget at \$38 million.
- FY20 Forecast State Revenue Sharing dollars dropped \$2 million due to COVID-19 with FY21 budget at \$9.5 million.



FY 06-FY19 reflects actual proceeds collected; FY20 is the Forecasted amounts; FY 21 is the Recommended Budget amount.

Other Revenues

- Gas Tax estimates remain the same in FY21.
- Impact Fees budget projected to decrease by \$785,000; when compared to FY 2020 Adopted Budget.
- General Fund budgeted beginning fund balance (Carryforward) is \$82.1 million, 19.8% of Forecasted FY 2020 expenses.



FY08-FY19 reflects actual proceeds collected; FY20 is the Forecasted amounts; FY21 is the Recommended Budget amount.

Unincorporated Area General Fund Budget Highlights

- Recommended FY 2021 Budget
 - \$63,774,400
 - 2.4% Increase from FY 2020
 - Funds operations like; road maintenance, landscape operations, 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 \$49,834,200 of which \$44,226,400 is programmed to support operations and capital transfers; and \$5,607,800 is earmarked to continue the median landscape program maintenance effort.
 - Increase in storm-water capital funding by \$1,825,200 primarily supporting enhanced system maintenance and project engineering.
 - Capital transfers supporting the transportation network and parks system continues.
 - Budget plan positioned to fund adjustments if any to maintaining County's landscape medians, which includes internal crews.
 - Reserves increased modestly by \$110,100

MSTD General Fund Pro-forma FY 2021

Expense Category Changes	Amount
Landscape Operations & Maintenance	\$52,200
Transfer to Median Landscape Capital (112)	141,000
Parks Operations	(175,100)
Other GM and Public Service Ops	(80,900)
Transfer to Community Parks Capital (306)	450,000
Transfer to Transportation Cap (310)	0
Transfer to Stormwater Operations (103)	400
Transfer to Stormwater Capital (325)	1,825,200
Road Maintenance	(5,000)
Other Transfers	(889,200)
Transfer to Tax Coll./Property Appr.	45,500
Reserves	110,100
Total Increases from FY20	\$1,474,200

Revenue Category Changes	Amount
Ad Valorem Taxes - Operations	\$2,628,800
Ad Valorem Taxes – Median Capital Landscape Restart	333,300
Communication Service Tax	(500,000)
Department Revenue	(61,900)
Interfund Transfers	(11,700)
Interest and Other Misc Revenue	250,000
Carryforward (Fund Balance)	(1,031,800)
Less 5% Required by Law	(132,500)
Total Increases from FY20	\$1,474,200

Collier County School Resource Officer Funding

- Current Youth Relations Bureau funding by the Sheriff is \$13,615,500 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.
- Year Three of providing an additional \$3,000,000 is appropriated for FY 2021 staffing the program and funding an additional 10 sworn school resource officers.
- Board continues to fund this program with only limited funding reimbursement from the State, subject to annual appropriation.
- School District has sent funding received from the State to the County totaling \$1.8 million in FY 2020.
- Amount allocated by the State is insufficient to cover the School Districts choice to place a certified deputy in every public school.

Budget Challenges

- Understanding and accurately predicting future general governmental and special revenue loss in FY 2021; and any property tax impacts in FY 2022.
- Significant reliance upon property tax and state shared revenue requires 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.
- 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.