

**MEMORANDUM**  
FROM  
**OFFICE OF THE COUNTY MANAGER**

DATE: July 28, 2016

To: BoCC

FROM: Roger J. Desjarlais

County Manager

**RE: Maximum Millage Rates (TRIM) – August 2, 2016**

Commissioners:

At your Board Meeting Aug. 2 you will set the maximum millage rates for the TRIM (Truth In Millage) notices.

During your September budget hearings you can reduce the TRIM rates, but not increase them.

Attached (Exhibit A) are the recommended TRIM rates and our analysis is below.

Our recommendation is to keep the Unincorporated MSTU, Library, and All Hazards millage rates the same for these reasons:

- **Unincorporated MSTU** – Still growing out of a structural deficit.
- **Library** – Still collecting revenues for construction of North Fort Myers and Bonita Springs community libraries.
- **All Hazards** – To maintain an adequate reserve for emergencies and disaster preparedness.

**General Fund**

Per Board direction, a General Fund millage rate reduction has been accomplished.

The General Fund budget was balanced by June 21 with enough surplus for a 0.05 mill reduction (from 4.1506 to 4.1006). The July 1 final tax base from the Property Appraiser increased the surplus, allowing for an "up-to" 0.1 mill (one-tenth) reduction (from 4.1506 to 4.0506) while still maintaining a slight surplus for FY16-17 (Attachment B).

The Board has the option to reduce the millage by some amount for TRIM purposes, or reduce it later during the Budget Public Hearings in September (Sep. 6 and 20).

### **MSTU Millage Rates**

The Municipal Services Taxing Units (MSTUs) allow communities to tax themselves to pay for added services, such as street lights, dredging, road paving, and landscaping.

These are community-driven millage rates.

For those units that have citizen committees, the budgets for next year were approved by the committees and the tax rate is a reflection of what is required to pay the annual costs and/or collect funds for future anticipated projects.

For those that don't have committees, the county charges a rate that pays for annual costs while maintaining a small operational reserve for variances in revenues and unanticipated costs.

Some MSTUs are very small so a minor increase in costs can result in a large percentage increase in the millage rates. Also, with FP&L requesting a 9% rate increase later this year, many streetlighting MSTU budgets were increased to account for the anticipated rise in electric costs.

The largest MSTUs (and annual budgets) are: Lehigh Acres Streetlighting (\$1,855,282), City of Cape Coral Solid Waste (\$1,832,372), Burnt Store Fire Protection (\$1,047,252), Useppa Island Fire Protection (\$253,171), Whiskey Creek Improvement (\$198,000), San Carlos Park Special Improvement Unit (\$151,724), Town & River Improvement (\$59,470), and Tanglewood Improvement (\$45,663)

Below are explanations of significant increases:

- **Lehigh Acres Streetlighting** – Increase of \$348,137 primarily for 10 transformers (\$330,000) and electricity for 110 new streetlights. With an average taxable home value in Lehigh Acres of \$51,027, the annual increase would be from \$20 to \$38 for streetlights.
- **City of Cape Coral Solid Waste** – Increase due to countywide increase in solid waste rates.
- **Burnt Store Fire Protection** – Increase of \$316,431 primarily for enhanced fire protection services (due to the City of Cape Coral Fire Department assessment fee) and full costing of overhead expenses.
- **San Carlos Park Special Improvement Unit** – Increase for new median

plantings, signage, and maintenance.

- **Town & River Improvement** – Increase for landscaping costs, new plantings at front entrance, and to build reserves for a future dredging and seawall repairs.
- **Tanglewood Improvement** – Increase for curbing, additional landscaping, and wall repairs.
- **Of note** – Riverdale Shores Improvement millage is increasing 294%. This is a very small unit and the increase represents a \$7,000 increase in the landscaping bid.
- **Streetlighting** – The following units are experiencing increases due to the FP&L rate adjustment and/or new lights: San Carlos Island (3 new lights); Harlem Heights (2 new lights); Fort Myers Villas (2 new lights); North Fort Myers (to build reserves back after a millage rate reduction).

Thank you.

MILLAGE RATE OPTIONS  
FY16-17

Exhibit A

Taxing Authority	Current Year Millage Rate (FY 15-16)	Rolled-Back Rate (FY 16-17)	Proposed Millage Rate (FY 16-17)	Proposed vs. Rolled-Back
<b>County-wide Millage</b>				
Lee County General Revenue	4.1506	3.9184	4.1506	5.93%
<b>Non County-wide Millage</b>				
Lee County All Hazards - Unincorporated	0.0693	0.0652	0.0693	6.29%
Lee County Library Fund	0.5956	0.5616	0.5956	6.05%
Lee County Unincorporated - MSTU	0.8398	0.7898	0.8398	6.33%
<b>Dependent Districts - MSTU's</b>				
Alabama Groves Light - MSTU	0.8592	0.7596	0.9033	18.92%
Bayshore Estates Light - MSTU	2.1912	1.9288	2.1910	13.59%
Billy Creek Comm Ctr Light - MSTU	0.3371	0.3286	0.3930	19.60%
Birkdale Street Light - MSTU	0.4335	0.3646	0.3723	2.11%
Burnt Store Fire - MSTU	2.0214	1.8908	2.8588	Unanimous 51.20%
Charleston Park Light - MSTU	1.8746	1.7330	2.0675	19.30%
City of Cape Coral Solid Waste MSTU	0.1170	0.1101	0.1602	45.50%
Cypresss Lake Light - MSTU	0.4995	0.4501	0.5000	Two-thirds 11.09%
Daughtrey Creek Light - MSTU	0.8124	0.8018	0.8641	Two-thirds 7.77%
Flamingo Bay Light - MSTU	0.4428	0.4058	0.3986	-1.77%
Fort Myers Shores Light - MSTU	0.3220	0.2882	0.3216	Two-thirds 11.59%
Fort Myers Villas Light - MSTU	0.3392	0.3099	0.3889	25.49%
Harlem Heights Light - MSTU	1.0301	0.9542	1.2291	Unanimous 28.81%
Heiman/Apollo St Lt Unit - MSTU	2.5194	2.2618	2.6325	16.39%
Hendry Creek Light - MSTU	0.3854	0.3609	0.4162	Two-thirds 15.32%
Iona Gardens Light - MSTU	0.8059	0.7397	0.8595	Two-thirds 16.20%
Lehigh Acres Light - MSTU	0.3921	0.3586	0.7455	Unanimous 107.89%
Lochmoor Village Light - MSTU	0.7856	0.7344	0.7628	3.87%
Maravilla Fire District - MSTU	4.0000	3.5339	4.0000	13.19%
McGregor Isles O&M Special Imp Unit	0.3614	0.3423	0.3995	Two-thirds 16.71%
Mid-Metro Ind Park O&M Spec Imp Unit	0.2287	0.2125	0.2388	12.38%
Mobile Haven Light - MSTU	0.8638	0.8437	0.8598	1.91%
Morse Shores Light - MSTU	0.4953	0.4650	0.4923	5.87%
NE Hurricane Bay MSTU	0.4570	0.4294	0.4151	-3.33%
North Fort Myers Light - MSTU	0.1569	0.1499	0.1958	30.62%
Page Park Light - MSTU	0.4814	0.4617	0.4606	-0.24%
Palm Beach SIU MSTU	0.0000	0.0000	0.0000	0.00%
Palmetto Point Light - MSTU	0.2788	0.2657	0.1456	-45.20%
Palmona Park Light - MSTU	1.6259	1.5388	1.7499	Two-thirds 13.72%
Pine Manor Light - MSTU	1.0762	0.9121	0.9046	-0.82%
Port Edison Light - MSTU	0.6409	0.5920	0.5595	-5.49%
Riverdale Shores Improv - MSTU	0.2017	0.1842	0.7270	294.68%
Russell Park Light - MSTU	0.9735	0.8613	0.9268	7.60%
Saint Jude Harbor Light - MSTU	0.3236	0.3139	0.2835	-9.68%
San Carlos Improvement - MSTU	0.2025	0.1818	0.2678	47.30%
San Carlos Island Lighting Unit - MSTU	0.0549	0.0518	0.0650	25.48%
Skyline Light - MSTU	0.1975	0.1842	0.1498	-18.68%
Tanglewood Improvement - MSTU	0.8673	0.8248	1.0000	Two-thirds 21.24%
Town & River Improvement - MSTU	0.2947	0.2911	0.3899	Unanimous 33.94%
Trailwinds Light - MSTU	0.7371	0.6437	0.7399	14.94%
Tropic Isles Light - MSTU	0.9783	0.8565	0.8111	-5.30%
Useppa Island Fire - MSTU	2.7931	2.7043	2.6424	-2.29%
Villa Palms Light - MSTU	0.8392	0.8168	0.8866	8.55%
Villa Pines Light - MSTU	0.3003	0.2832	0.2907	2.65%
Waterway Estates Light - MSTU	0.4368	0.3998	0.3066	-23.31%
Waterway Shores Light - MSTU	1.0249	0.8990	0.9227	2.64%
Whiskey Creek Improvement - MSTU	0.9999	0.9390	0.9999	6.49%



GENERAL FUND  
FY16-17 BUDGET  
TRIM Setting

8.51% Property Value Increase

Continuation		Roll Back						
		3.9006	3.9184	3.9506	4.0006	4.0506	4.1006	4.1506
Millage		3.9006	3.9184	3.9506	4.0006	4.0506	4.1006	4.1506
Revenue		391,758,727	392,908,244	394,987,707	398,216,687	401,445,667	404,674,647	407,903,627
Expense *		400,028,197	400,028,197	400,028,197	400,028,197	400,028,197	400,028,197	400,028,197
Continuation Surplus/(Deficit)		(8,269,470)	(7,119,953)	(5,040,490)	(1,811,510)	1,417,470	4,646,450	7,875,430

Projects from Excess Reserves		Roll Back						
		3.9006	3.9184	3.9506	4.0006	4.0506	4.1006	4.1506
Current Reserves		105,700,000	105,700,000	105,700,000	105,700,000	105,700,000	105,700,000	105,700,000
Expenses paid from Excess Reserves:								
Transportation Projects		11,501,354	11,501,354	11,501,354	11,501,354	11,501,354	11,501,354	11,501,354
Water Quality Projects		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total		17,501,354	17,501,354	17,501,354	17,501,354	17,501,354	17,501,354	17,501,354
Adjusted Reserves		79,929,176	81,078,693	83,158,156	86,387,136	89,616,116	92,845,096	96,074,076
Reserves at 20%		80,500,000	80,500,000	80,500,000	80,500,000	80,500,000	80,500,000	80,500,000
Remaining Excess		(570,824)	578,693	2,658,156	5,887,136	9,116,116	12,345,096	15,574,076

\*Includes BoCC 3% pay increase. Constitutionals have incorporated pay adjustments between 3% and 4% into their budget requests.