

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

DATE: June 3, 2016

To: BoCC

FROM: Roger J. Desjarlais

County Manager

**RE: Continuation Budgets – June 7, 2016 Workshop**

Commissioners:

This memo for your June 7 Budget Work Session focuses on the Fiscal Year 2016-17 "Continuation" Budget as well as any outstanding issues outside of the continuation budget.

Just to reiterate the timeline, this is the 1<sup>st</sup> draft of your budget:

- June 1 – Preliminary tax base estimate from Property Appraiser
- June 7 – 1<sup>st</sup> draft budget review
- June 21 – 2<sup>nd</sup> draft budget review
- July 1 – Final tax base numbers released
- August 2 – TRIM tax rates set
- August 16 – 3<sup>rd</sup> and final draft review
- September 6 – 1<sup>st</sup> public hearing
- September 20 – 2<sup>nd</sup> public hearing

**Continuation Budget**

Some key assumptions regarding the continuation budget:

1. We requested that all entities the Board funds, including the Constitutionals and Courts, comply;

2. It DOES NOT include service level enhancements;
3. It DOES NOT include cost increases we control – such as salary increases.
4. It DOES include costs over which we have no control – such as price increases for external goods and services, including electricity, Florida Retirement System, Medicaid, and Juvenile Justice.

Overall, all County Departments, including Enterprise Funds (Solid Waste, Utilities, Tolls) and Special Revenue Funds (VCB, tourist taxes), increased 1.5% from \$423.2 million to \$429.5 million (\$6.3 million).

### General Fund

Current budgets have the General Fund increasing 3.1% from \$390.5 million to \$402.6 million, as follows:

#### Constitutionals & Courts:

Sheriff	+\$4.4 million	
Tax Collector	+ 0.1	
Clerk of Court	+ 0.6	
Property Appraiser	+ 0.0	
Supervisor of Elections	+ 0.1	
Courts & Support	<u>+ 0.3</u>	+\$5.5 million
BoCC Departments		+\$1.8 million
Other (Debt, Medicaid, Major Maintenance)		<u>+\$4.8 million</u>

TOTAL +\$12.1 million

This includes no cost of living increases for BoCC departments and backs out pay increases submitted by Constitutional Offices, including a \$6.7 million, 7%, pay increase in the Sheriff's request.

#### Items to note:

- The General Fund's Continuation Budget is balanced at a 6.62% growth in tax base (the Property Appraiser's June 1 preliminary tax base estimate). However, if requested salary increases are included, the fund is out of balance by \$7.7 million.
- The Growth Increment Fund transfer amount is \$9.6 million.
- Some budgets still are in the review and adjustment process.

- **In the Continuation Budget –**

- A 2.8%, \$4.4 million, operating increase for the Sheriff's Office; a 7%, \$560,212, operating increase for the Clerk of Court; and a 1.7%, \$1.8 million operating increase for BoCC departments.
- The BoCC increase is driven primarily by 13 EMS positions (\$1.13 million) that will provide coverage to maintain priority 1 call response times (an airport unit, a 24-hour ambulance in south Lee County, and a 12-hour ambulance in south Cape Coral); and an increase in the Procurement Management Department to manage the increased volume of CIP projects and annual contracts.
- The Clerk's budget increase includes two new Internal Audit positions and \$400,000 for software upgrades, including the financial system.
- Other increases include a \$1.7 million Growth Increment increase; \$1.7 million for major maintenance (primarily chiller and HVAC replacements); \$1.4 million for debt service (temporary increase due to how the debt is structured); and \$500,000 increase in mandated Medicaid.

- **Not in the Continuation Budget –**

- Salary adjustments. With existing requested pay increases, the General Fund would be out of balance by \$7.7 million. We are working to eliminate this shortfall and provide enough of a surplus for Board-instructed millage reduction.

### **Unincorporated MSTU Fund**

This fund pays for services provided only in the unincorporated areas of the county.

The BoCC departments in this fund include DOT, the Community Parks System, Community Development, Hearing Examiner, Animal Services, and a portion of Natural Resources.

As discussed at the May 17 Board Work Session, budgets in this fund are flat at 0.5%, an increase of \$131,661.

We are monitoring this fund closely, but current projections are a \$2.9 million deficit (down from \$18 million in 2012) with \$22.9 million in reserves.

## **Library Fund**

The Library budget increased 1.2% (\$303,747).

The goal continues to be to provide as much funding as possible for concurrent construction of the Bonita Springs and North Fort Myers community libraries and minimize any short-term use of an internal loan. Projections are for at least \$20 million in the construction fund by the end of FY16-17.

## **Further Budget Considerations**

We would like to make the Board aware of the following issues:

1. We are continuing to work with the Sheriff's Office, the Supervisor of Elections, and BoCC budgets in the General Fund to provide further reductions.
2. Our work between now and the 2<sup>nd</sup> Draft Budget on June 21, as well as the final tax base numbers on July 1, will give us a better indication of recommended adjustments.

**BoCC OPERATING DEPARTMENTS**

**Proposed 16-17 Budget**

**ALL FUNDS**

Department	Proposed Budget 16-17	Adopted Budget 15-16	Actual To-Date FY15-16	Actual FY14-15	Actual 13-14	Actual 12-13	Actual 11-12	Actual 10-11	Actual 09-10	Actual 08-09	Actual 07-08	Actual 06-07
Animal Services	5,421,347	5,289,085	3,294,915	4,715,246	4,598,371	4,533,510	4,609,741	4,107,274	3,880,684	3,850,618	4,045,029	4,256,627
Community Development	18,623,607	17,563,040	9,912,441	14,255,791	13,481,421	14,317,442	14,672,198	16,227,902	19,692,982	23,297,085	29,450,018	29,174,513
Construction & Design	0	0	0	2,132,274	1,797,387	1,807,358	2,047,654	2,025,821	1,174,097	1,203,745	1,272,211	1,269,867
County Administration	3,650,774	3,878,803	2,126,777	2,480,422	2,114,768	2,608,978	2,724,586	3,649,191	3,049,436	3,632,294	3,716,284	3,496,910
County Attorney	3,055,177	3,055,177	1,914,076	2,815,458	2,625,215	2,861,074	2,964,451	3,169,629	3,392,124	3,574,342	3,752,576	4,193,064
County Commissioners	1,425,742	1,423,048	931,294	1,380,608	1,304,503	1,218,777	1,146,048	1,173,727	1,132,340	1,209,777	1,238,129	1,179,071
County Lands	1,065,686	1,069,856	680,355	926,038	830,505	933,090	955,806	958,644	1,057,202	1,115,319	1,163,567	1,155,719
Economic Development	1,166,697	1,195,852	739,445	915,728	995,745	1,219,361	1,810,482	2,870,903	2,241,503	1,671,040	1,770,568	1,607,371
Environmental Policy Mgmt	0	0	0	518,485	302,745	273,389	212,747	154,374	166,294	274,199	220,650	218,417
Facilities Services	15,382,684	14,873,214	9,714,956	11,869,246	12,006,986	11,931,752	11,705,012	11,473,916	12,982,158	14,587,627	15,577,235	16,261,209
Fleet Management	11,349,811	12,283,020	6,722,085	9,763,974	8,511,820	9,185,768	9,906,639	8,882,834	10,469,382	9,680,748	11,003,287	10,351,858
GIS Operations	740,943	743,668	471,121	605,186	565,811	674,010	681,034	757,683	0	0	0	0
Hearing Examiner	759,692	778,044	487,810	727,212	702,573	646,775	593,663	642,324	727,351	755,806	767,026	766,850
Human Resources	2,636,675	2,591,461	1,545,881	1,919,895	1,931,619	1,983,776	1,897,889	1,967,789	2,099,003	2,263,353	2,379,432	2,479,758
Human Services	22,495,960	22,037,007	13,938,211	22,552,830	25,165,362	25,517,838	35,144,431	37,646,030	44,179,553	28,758,589	29,107,232	25,890,395
Internal Services	853,340	692,706	453,935	619,637	1,581,150	1,636,727	1,701,980	1,563,621	2,063,530	2,235,651	2,281,840	2,256,380
Library	26,090,345	25,786,598	17,840,626	25,378,120	25,054,945	24,147,519	23,231,802	23,652,286	25,360,259	27,131,882	28,489,530	27,767,369
Natural Resources	5,398,917	5,480,345	3,329,880	4,916,057	4,773,638	4,755,734	4,808,230	4,724,054	5,356,866	5,863,806	6,002,288	5,902,226
Parks & Recreation	32,436,222	33,004,318	19,622,469	30,910,895	29,736,502	27,236,798	28,074,149	25,294,155	25,649,588	30,102,593	31,425,053	30,297,894
Procurement Management	1,503,583	926,865	692,994	744,254	732,324	787,838	887,271	1,015,690	688,181	714,083	787,663	827,191
Public Resources	0	0	44	1,130,104	1,298,902	1,349,206	1,327,139	1,648,229	1,810,665	1,948,638	2,330,986	2,508,100
Public Safety	48,672,681	47,364,752	31,624,099	45,241,809	43,625,543	45,440,132	44,080,164	46,599,992	44,293,322	48,873,516	50,638,597	48,907,496
Solid Waste	71,168,063	71,450,569	37,100,309	65,039,795	60,402,595	63,024,782	59,111,190	57,309,623	57,608,085	57,870,310	54,359,397	50,113,871
Sports Development	1,232,462	1,185,060	695,047	1,003,082	1,015,734	736,669	783,502	784,346	723,920	713,643	639,825	780,856
Technology Services	13,218,738	13,288,524	7,466,260	11,642,922	11,774,599	11,883,139	10,966,963	11,388,071	11,994,339	13,588,678	14,251,672	15,650,826
Transportation	39,339,095	39,106,080	23,820,923	36,720,348	37,077,094	37,513,546	37,313,785	37,753,783	44,207,777	47,190,596	50,238,221	51,396,199
Transit	28,070,909	24,694,353	16,451,805	22,686,282	21,876,677	35,852,783	20,515,833	24,629,899	24,866,185	23,334,724	22,678,444	20,616,166
Utilities	55,524,457	55,433,450	30,072,878	51,953,821	51,202,104	51,508,657	51,690,258	51,346,741	52,355,541	55,521,555	53,812,632	54,875,516
VCB	18,250,886	18,012,009	11,563,768	17,356,042	15,711,267	14,062,285	12,811,742	12,199,933	12,939,406	11,974,074	11,063,367	10,584,042
<b>TOTAL</b>	<b>429,534,493</b>	<b>423,206,904</b>	<b>253,214,404</b>	<b>392,921,562</b>	<b>382,797,905</b>	<b>399,648,713</b>	<b>388,376,388</b>	<b>395,618,465</b>	<b>416,161,773</b>	<b>422,938,292</b>	<b>434,462,761</b>	<b>424,785,761</b>

6,327,589  
1.5%

**GENERAL FUND**  
**FY 2016-2017**

(in millions)	Adopted FY 12-13	Adopted FY 13-14	Adopted FY 14-15	Adopted FY 15-16	Continuation FY 16-17
<b>Constitutionals &amp; Courts</b>					
Sheriff	\$ 137.0	\$ 140.9	\$ 149.2	\$ 160.2	\$ 164.6
Tax Collector	13.0	12.8	13.1	13.3	13.4
Property Appraiser	7.6	8.0	7.6	7.1	7.1
Courts	6.8	7.6	7.7	8.2	6.7
Clerk	7.5	7.5	7.6	8.0	8.6
Supervisor of Elections	6.2	6.4	6.8	8.9	9.0
Medical Examiner	2.4	2.5	2.7	3.4	3.4
State Attorney Support	0.9	0.9	1.0	1.2	1.2
Public Defender Support	0.6	0.6	0.7	0.9	1.0
Legal Aid	0.5	0.5	0.5	0.5	0.6
Guardian Ad Litem Support	0.2	0.2	0.2	0.2	0.3
Support All Others	11.2	11.4	10.1	10.4	11.8
	<b>\$ 193.9</b>	<b>\$ 199.3</b>	<b>\$ 207.2</b>	<b>\$ 222.3</b>	<b>\$ 227.7</b>
<b>BoCC Operating Departments</b>					
Public Safety	\$ 36.8	\$ 35.4	\$ 37.1	\$ 40.1	\$ 41.3
Human Services	22.1	19.5	18.0	18.5	18.3
Parks (Regional)	12.6	12.8	13.5	16.0	16.1
Facilities	11.6	12.2	12.5	14.6	15.0
Other (13 depts.)	20.2	19.2	19.4	17.9	18.3
	<b>\$ 103.3</b>	<b>\$ 99.1</b>	<b>\$ 100.5</b>	<b>\$ 107.1</b>	<b>\$ 109.0</b>
Debt Service	\$ 13.4	\$ 12.3	\$ 12.3	\$ 10.7	\$ 12.1
Transit Transfer	10.4	10.3	10.6	11.7	11.7
Growth Increment for Infrastructure	0.0	0.0	0.0	7.8	9.6
20/20 Management	0.0	0.0	5.6	6.3	6.3
Vehicle Replacement	0.0	0.0	0.0	2.0	2.0
Medicaid	8.2	7.0	7.1	7.7	8.2
Major Maintenance	11.9	4.2	12.3	7.5	9.2
Juvenile Justice	4.2	0.5	2.6	2.4	1.8
Non-departmental/Transfers	3.6	3.8	4.4	5.0	5.0
	<b>\$ 51.7</b>	<b>\$ 38.1</b>	<b>\$ 54.9</b>	<b>\$ 61.1</b>	<b>\$ 65.9</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 348.9</b>	<b>\$ 336.5</b>	<b>\$ 362.6</b>	<b>\$ 390.5</b>	<b>\$ 402.6</b>

<b>6.62% Property Value Increase</b>
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<b>Continuation</b>	<b>Millage</b>	<u>3.7506</u>	<u>3.8506</u>	<u>Roll Back 3.8929</u>	<u>3.9506</u>	<u>4.0506</u>	<u>4.1506</u>
	<b>Revenue</b>	378,009,894	384,359,305	387,044,512	390,708,717	397,058,128	403,407,539
	<b>Expense</b>	402,578,988	402,578,988	402,578,988	402,578,988	402,578,988	402,578,988
	<b>Continuation Surplus/(Deficit)</b>	<u>(24,569,094)</u>	<u>(18,219,683)</u>	<u>(15,534,476)</u>	<u>(11,870,271)</u>	<u>(5,520,860)</u>	<u>828,551</u>

<b>Outstanding Recurring</b>	<b>Outstanding Issues (Recurring):</b>						
	Pay Increases (Constitutionals/Courts)	6,821,012	6,821,012	6,821,012	6,821,012	6,821,012	6,821,012
	3% Pay Increase (BoCC)	1,662,649	1,662,649	1,662,649	1,662,649	1,662,649	1,662,649
	<b>Total</b>	<u>8,483,661</u>	<u>8,483,661</u>	<u>8,483,661</u>	<u>8,483,661</u>	<u>8,483,661</u>	<u>8,483,661</u>
	<b>Expenses including Outstanding Issues</b>	<u>411,062,649</u>	<u>411,062,649</u>	<u>411,062,649</u>	<u>411,062,649</u>	<u>411,062,649</u>	<u>411,062,649</u>
<b>Surplus/(Deficit)</b>	<u>(33,052,755)</u>	<u>(26,703,344)</u>	<u>(24,018,137)</u>	<u>(20,353,932)</u>	<u>(14,004,521)</u>	<u>(7,655,110)</u>	
<b>Projects from Excess Reserves</b>	<b>Current Reserves</b>	105,700,000	105,700,000	105,700,000	105,700,000	105,700,000	105,700,000
	<b>Expenses paid from Excess Reserves:</b>						
	Transportation Projects	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
	<b>Total</b>	<u>17,501,354</u>	<u>17,501,354</u>	<u>17,501,354</u>	<u>17,501,354</u>	<u>17,501,354</u>	<u>17,501,354</u>
	<b>Adjusted Reserves</b>	55,145,891	61,495,302	64,180,509	67,844,714	74,194,125	80,543,536
<b>Reserves at 20%</b>	80,500,000	80,500,000	80,500,000	80,500,000	80,500,000	80,500,000	
<b>Remaining Excess</b>	<u>(25,354,109)</u>	<u>(19,004,698)</u>	<u>(16,319,491)</u>	<u>(12,655,286)</u>	<u>(6,305,875)</u>	<u>43,536</u>	