

MEMORANDUM
FROM
OFFICE OF THE COUNTY MANAGER

DATE: June 13, 2014

To: BoCC

FROM: Roger J. Desjarlais
County Manager

RE: Second Workshop, FY14-15 Budget – June 17, 2014

Commissioners:

The attached spreadsheets incorporate the budget assumptions discussed at the Board's May 27 Work Session and approved at the June 3 regular Board meeting. They are:

1. Of the 0.5 mills previously dedicated to Conservation 20/20, retain 0.1 mills in the General Fund to pay for FY14-15 Conservation 20/20 maintenance expenses.
2. Reduce the General Fund tax rate by the remaining 0.4 mills (from 4.15 mills to 3.75 mills). For the purposes of this exercise, calculate revenues based on the 3.75 mills; compare to the Continuation Budget; and, calculate the gap.
3. Calculate the amount of General Fund reserves that exist above a 20% level.
4. Provide the Board a list of outstanding budget Issues, including the cost for each.
5. Identify a list of non-recurring expenses that should be funded with excess (above 20%) reserves. These projects do not cause an increase in annual expenses.

Conservation 20/20 Maintenance

Attached (pg. 3) is the FY14-15 General Fund continuation budget highlighting the \$5.5 million (0.1 mill equivalent) to be used for 20/20 maintenance.

20% Reserves

September 30, 2014 General Fund reserves are projected at \$94 million, a \$22 million excess compared to a 20% level of \$72 million.

Outstanding Budget Issues

The following outstanding budget issues are not included in the continuation budget:

3% Pay Increase (all General Fund entities)	\$3,931,546 (recurring)
Restore Transit's FY13-14 Cuts	<u>\$ 358,168 (recurring)</u>
TOTAL	\$4,289,714

Non-Recurring Expenses

The following non-recurring expenses could be taken from the \$22 million of excess reserves:

Consolidate Public Defender's Offices	\$2,500,000
Expand Clerk of Courts Jury Room	\$1,250,000
Brooks Park Ballfield Lighting Replacement	\$ 420,000
Kelly Park Irrigation Upgrade	\$ 450,000
Sheriff's Capital Outlay Request	\$2,500,000
Other Sheriff's Equipment	\$1,500,000
FEMA Coastal Remapping Consultant	\$ 200,000
Sanibel Community Park lights replacement	<u>\$ 100,000</u>
TOTAL	\$8,920,000*

*Ambulances are being purchased with a combination of existing revenues from helicopter sale proceeds, the self-insurance loss fund, and the vehicle replacement fund.

Gap/Surplus Scenarios

Pages 4 and 5 represent two gap scenarios:

1. One at the June 1 preliminary tax base estimating an increase of 5.48%
2. Another at 6.48%, assuming the July 1 final assessment increases another 1%.

The gap in each scenario is shown at 1/10 millage rate intervals using the above assumptions.

Additionally, the rollback tax rate is inserted in each scenario to demonstrate what the gap would be without using property tax base growth revenues. The rollback is the tax rate required to collect the exact same amount of property tax revenues next year as this year.

Thank you.

**GENERAL FUND
FY 2014-2015**

(in millions)	ADOPTED FY 12-13	ADOPTED FY 13-14	CONTINUATION FY 14-15
Constitutionals & Courts			
Sheriff	\$ 137.0	\$ 140.9	\$ 147.3
Tax Collector	13.0	12.8	13.1
Property Appraiser	7.6	8.0	7.4
Courts	6.8	7.6	7.6
Clerk	7.5	7.5	7.6
Supervisor of Elections	6.2	6.4	6.8
Medical Examiner	2.4	2.5	2.7
State Attorney Support	0.9	0.9	1.0
Public Defender Support	0.6	0.6	0.7
Legal Aid	0.5	0.5	0.5
Guardian Ad Litem Support	0.2	0.2	0.2
Support All Others	11.2	11.4	10.1
	<u>\$ 193.9</u>	<u>\$ 199.3</u>	<u>\$ 205.0</u>
BoCC Operating Departments			
Public Safety	\$ 36.8	\$ 35.4	\$ 36.5
Human Services	22.1	19.5	17.9
Parks (Regional)	12.6	12.8	13.3
Facilities	11.6	12.2	12.3
Other (13 depts.)	20.2	19.2	19.0
	<u>\$ 103.3</u>	<u>\$ 99.1</u>	<u>\$ 99.0</u>
Debt Service	\$ 13.4	\$ 12.3	\$ 12.3
Transit Transfer	10.4	10.3	10.3
Transfer for 20/20 Maintenance	0.0	0.0	5.5
Medicaid	8.2	7.0	7.1
Major Maintenance	11.9	4.2	12.1
Juvenile Justice	4.2	0.5	2.6
Non-departmental/Transfers	3.6	3.8	4.2
	<u>\$ 51.7</u>	<u>\$ 38.1</u>	<u>\$ 54.1</u>
TOTAL GENERAL FUND	<u><u>\$ 348.9</u></u>	<u><u>\$ 336.5</u></u>	<u><u>\$ 358.1</u></u>

**GENERAL FUND
FY14-15 BUDGET**

5.48% Property Value Increase

Millage	3.7506	3.8506	Roll Back			4.1506
			3.9326	3.9506	4.0506	
Revenue	334,967,741	340,440,808	345,470,363	345,913,875	351,386,942	356,860,009
Expense	358,051,015	358,051,015	358,051,015	358,051,015	358,051,015	358,051,015
Surplus/(Deficit)	<u>(23,083,274)</u>	<u>(17,610,207)</u>	<u>(12,580,652)</u>	<u>(12,137,140)</u>	<u>(6,664,073)</u>	<u>(1,191,006)</u>
Outstanding Issues (Recurring):						
3% Pay Increase (All General Fund Entities)	3,931,546	3,931,546	3,931,546	3,931,546	3,931,546	3,931,546
Restore Transit FY13-14 Cuts	358,168	358,168	358,168	358,168	358,168	358,168
Total	<u>4,289,714</u>	<u>4,289,714</u>	<u>4,289,714</u>	<u>4,289,714</u>	<u>4,289,714</u>	<u>4,289,714</u>
Expenses including Outstanding Issues	362,340,729	362,340,729	362,340,729	362,340,729	362,340,729	362,340,729
Surplus/(Deficit) including Outstanding Issues	<u>(27,372,988)</u>	<u>(21,899,921)</u>	<u>(16,870,366)</u>	<u>(16,426,854)</u>	<u>(10,953,787)</u>	<u>(5,480,720)</u>
Expenses paid from Reserves (Non-Recurring):						
Consolidate Public Defender's Offices	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Expand Clerk of Courts Jury Room	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Brooks Park Ballfield Lighting Replacement	420,000	420,000	420,000	420,000	420,000	420,000
Kelly Park Irrigation Upgrade	450,000	450,000	450,000	450,000	450,000	450,000
Sheriff's Capital Outlay Request	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Other Sheriff's Equipment	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
FEMA Coastal Remapping Consultant	200,000	200,000	200,000	200,000	200,000	200,000
Sanibel Community Park Lights Replacement	100,000	100,000	100,000	100,000	100,000	100,000
Total	<u>8,920,000</u>	<u>8,920,000</u>	<u>8,920,000</u>	<u>8,920,000</u>	<u>8,920,000</u>	<u>8,920,000</u>
Surplus/(Deficit) if Reserves used	<u>(18,452,988)</u>	<u>(12,979,921)</u>	<u>(7,950,366)</u>	<u>(7,506,854)</u>	<u>(2,033,787)</u>	<u>3,439,280</u>

**GENERAL FUND
FY14-15 BUDGET**

6.48% Property Value Increase

Millage	3.7506	3.8506	Roll Back			4.1506
			3.8956	3.9506	4.0506	
Revenue	336,921,559	342,446,720	345,470,363	347,971,880	353,497,041	359,022,202
Expense	358,103,907	358,103,907	358,103,907	358,103,907	358,103,907	358,103,907
Surplus/(Deficit)	(21,182,348)	(15,657,187)	(12,633,544)	(10,132,027)	(4,606,866)	918,295
Outstanding Issues (Recurring):						
3% Pay Increase (All General Fund Entities)	3,931,546	3,931,546	3,931,546	3,931,546	3,931,546	3,931,546
Restore Transit FY13-14 Cuts	358,168	358,168	358,168	358,168	358,168	358,168
Total	4,289,714	4,289,714	4,289,714	4,289,714	4,289,714	4,289,714
Expenses including Outstanding Issues	362,393,621	362,393,621	362,393,621	362,393,621	362,393,621	362,393,621
Surplus/(Deficit) including Outstanding Issues	(25,472,062)	(19,946,901)	(16,923,258)	(14,421,741)	(8,896,580)	(3,371,419)
Expenses paid from Reserves (Non-Recurring):						
Consolidate Public Defender's Offices	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Expand Clerk of Courts Jury Room	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Brooks Park Ballfield Lighting Replacement	420,000	420,000	420,000	420,000	420,000	420,000
Kelly Park Irrigation Upgrade	450,000	450,000	450,000	450,000	450,000	450,000
Sheriff's Capital Outlay Request	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Other Sheriff's Equipment	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
FEMA Coastal Remapping Consultant	200,000	200,000	200,000	200,000	200,000	200,000
Sanibel Community Park Lights Replacement	100,000	100,000	100,000	100,000	100,000	100,000
Total	8,920,000	8,920,000	8,920,000	8,920,000	8,920,000	8,920,000
Surplus/(Deficit) if Reserves used	(16,552,062)	(11,026,901)	(8,003,258)	(5,501,741)	23,420	5,548,581