

FY 17-18 Budget Policy Decisions

Lee County Board of County Commissioners
Workshop – March 7, 2017



Agenda

Item 1

Item 2

Review Financial Policies

Item 3

Operational Reviews & LeeStat

Item 4

Status Update(Multi-Year)

Item 5

Current Assumptions

Do you want to make any changes?
Add Policies?



Strategic Priority: Financial Strategies

2013

Internal Loan Write-Offs / Repayment

2014

Continuation Budgeting
Minimum Reserve Level & Excess Reserves Definition
Most Efficient Use of Revenues Policy

2015

Growth Increment Funding
Conservation 20/20 Funding Parameters

2016

Transportation Priorities
Use of Excess Reserves
Strategic Debt Repayment
Tourist Tax Common Reserve
Tax Rate Reduction



Operational Reviews

Budget-to-Actual

November thru February		
17 Departments Presented to Senior Team		
How Did Budget Compare to Actual Spending?	How Did Revenues Compare to Budget?	What Issues are on the Horizon?
Budgeting Accuracy	Adherence to Continuation Budget	



Performance Roadmap Reviews

Pilot groups:

- DOT, Solid Waste, Public Safety, Utilities, VCB

Quantification of Performance Measures

Quarterly Reviews of How Goals are Tracking



DOT Roadmap

Department of Transportation Roadmap 3-Year Goals

Fiscal Years 2016-2017 to 2018-2019

GOAL
1

Reduce the time it takes to develop a Request for Action response plan from 7 to 4 days (or by 40%).

GOAL
2

Maintain or Improve Arterial Travel Time Index Relative to Traffic Growth.

GOAL
3

Maintain or Improve Pavement Rating:
a) Maintain Arterial/Collector at 74%
b) Improve Local Roads by 2 pts per year



2



DOT Goals: Goal 3

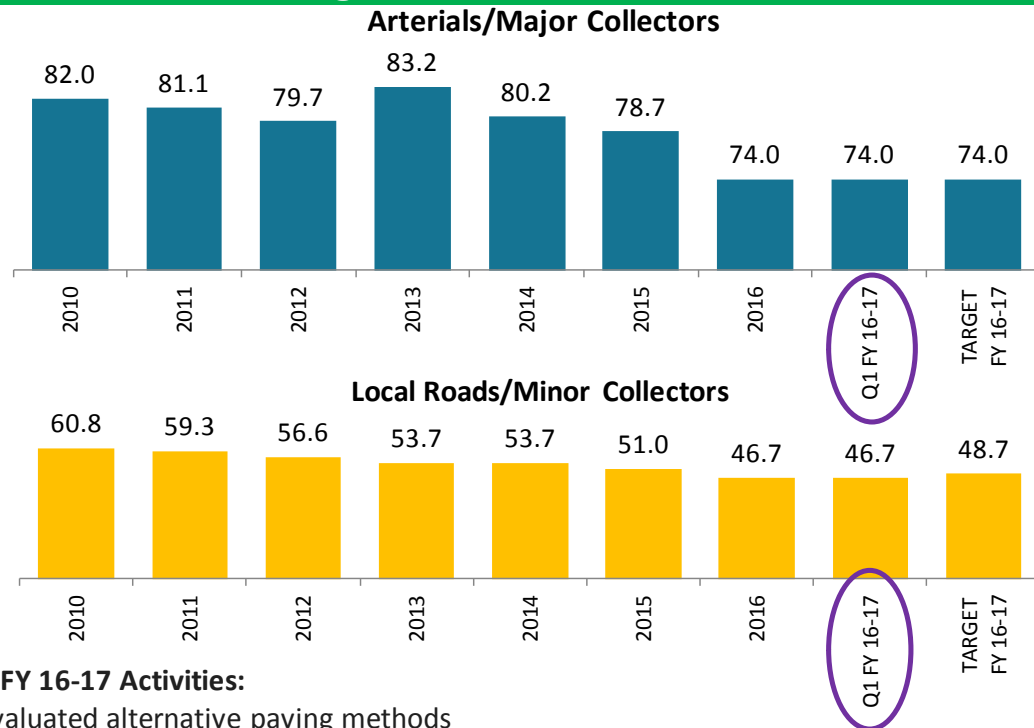
GOAL 3

Maintain or Improve Pavement Rating:

- a) Maintain Arterial/Collector at 74
- b) Improve Local Roads by 2 pts per year

3A. Develop Lee County's roadway resurface or rehabilitation program to maintain or improve pavement rating on Lee County roadways in order to preserve existing assets and provide the public safe and smooth ride in a cost effective manner.

Pavements Ratings



Q1 FY 16-17 Activities:

- Evaluated alternative paving methods
- Chose micro-surfacing as viable local road option
- Paved 73 miles in 1st quarter

Lee County DOT Roadmap Review – Fiscal Year 2016-17, Q1

9



Continuation Budget

Definition: What it costs to provide the exact same level of services next year.

● Incorporated into FY14-15 Continuation Budget:

Restoration of FY13-14 Transit Cuts	\$358,168
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● Incorporated into FY15-16 Continuation Budget:

Growth Increment for Infrastructure	\$7,856,910
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LeeTran ADA Passport Service Expansion	\$301,674
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Partnering for Transportation Results Program	\$321,900
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Drug Court/Early Case Resolution Expansion	\$528,476
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Medical Examiner Staffing (new Assistant ME)	\$185,715
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● Incorporated into FY16-17 Continuation Budget:

Growth Increment for Infrastructure	\$9,569,017
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Additional Investment

Description	Amount	FY	Sending Fund	Ultimate Receiving Fund
GIF	\$ 7,856,910	15-16	GF Operations	307 Transportation
BP Settlement	\$ 4,182,689	15-16	GF Reserve	307 Transportation
	\$ 12,039,599			
GIF	\$ 9,569,017	16-17	GF Operations	307 Transportation
GF Reserves	\$ 11,501,354	16-17	GF Reserves	307 Transportation
GF Reserves	\$ 6,000,000	16-17	GF Reserves	301 Water Quality
Loan Repayment	\$ 4,280,881	16-17	Tourist Tax	307 Transportation
	\$ 31,351,252			
GIF	\$ 11,079,859	17-18	GF Operations	307 Transportation
Total	\$ 54,470,710			



Revenue Assumptions

8.3%



Predicted Lee County
Property Tax Base Increase

State Revenue Estimating Conference
(December 2016)

Other General Fund Revenues Showing Moderate Growth

State Sales Tax Sharing

County Revenue Sharing

LCEC Franchise Fee Revenues

Ambulance Fee Revenues

Exception: FPL Franchise Fees (Estero Impact)



Expense Assumptions

Continuation
Budget Only

Growth Increment
Funding for FY17-18

\$11,079,859

(Compared to \$9,569,017 in FY15-16)

Major Maintenance:
Priority for Maintenance of
Existing Assets
&
5-Year Plan



Non-Recurring Expenses History

Expenses Paid from Reserves (Non-Recurring)

FY 14-15	
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	\$100,000
Total	\$8,920,000

FY 15-16	
Second Floor Justice Center Renovation	\$1,000,000
Alva Boat Ramp	\$300,000
Matlacha, Bat House Park (Parking Lot)	\$223,500
Sheriff Capital Outlay Request	\$4,500,000
Total	\$6,023,500



General Fund History

Expenses

Revenues

FY 12-13	\$349M	\$312M
FY 13-14	\$337M	\$338M
FY 14-15	\$363M	\$360 + \$9M from Reserves
FY 15-16	\$391M	\$385 + \$6M from Reserves
FY 16-17	\$400M	\$401M
FY 17-18	Continuation Budget	\$422M



General Fund FY16-17

(in millions)	Adopted FY 12-13	Adopted FY 13-14	Adopted FY 14-15	Adopted FY 15-16	Continuation FY 16-17	\$ Change Since FY12-13	% Change Since FY12-13
Constitutionals & Courts							
Sheriff	\$ 137.0	\$ 140.9	\$ 149.2	\$ 160.2	\$ 166.5	\$ 29.5	21.5%
Tax Collector	13.0	12.8	13.1	13.3	13.4	0.4	3.1%
Property Appraiser	7.6	8.0	7.6	7.1	7.1	(0.5)	-6.6%
Courts	6.8	7.6	7.7	8.2	6.7	(0.1)	-1.5%
Clerk	7.5	7.5	7.6	8.0	8.6	1.1	14.7%
Supervisor of Elections	6.2	6.4	6.8	8.9	8.0	1.8	29.0%
Medical Examiner	2.4	2.5	2.7	3.4	3.4	1.0	41.7%
State Attorney Support	0.9	0.9	1.0	1.2	1.2	0.3	33.3%
Public Defender Support	0.6	0.6	0.7	0.9	1.0	0.4	66.7%
Legal Aid	0.5	0.5	0.5	0.5	0.6	0.1	20.0%
Guardian Ad Litem Support	0.2	0.2	0.2	0.2	0.3	0.1	50.0%
Support All Others	11.2	11.4	10.1	10.4	11.6	0.4	3.6%
	\$ 193.9	\$ 199.3	\$ 207.2	\$ 222.3	\$ 228.4	\$ 34.5	17.8%
BoCC Operating Departments							
Public Safety	\$ 36.6	\$ 35.3	\$ 37.0	\$ 40.0	\$ 42.1	\$ 5.5	15.0%
Public Safety (Grants)	0.2	0.1	0.1	0.1	0.1	(0.1)	-50.0%
Human Services	15.9	15.5	15.7	16.1	16.8	0.9	5.7%
Human Services (Grants)	6.2	4.0	2.3	2.4	1.5	(4.7)	-75.8%
Parks (Regional)	12.6	12.8	13.5	16.0	16.3	3.7	29.4%
Facilities	11.6	12.2	12.5	14.6	15.2	3.6	31.0%
Other (13 depts.)	20.2	19.2	19.4	17.9	18.7	(1.5)	-7.4%
	\$ 103.3	\$ 99.1	\$ 100.5	\$ 107.1	\$ 110.7	\$ 7.4	7.2%
Debt Service	\$ 13.4	\$ 12.3	\$ 12.3	\$ 10.7	\$ 12.1	\$ (1.3)	-9.7%
Transit Transfer	10.4	10.3	10.6	11.7	11.7	1.3	12.5%
Growth Increment for Infrastructure	0.0	0.0	0.0	7.8	9.6	9.6	N/A
20/20 Management	0.0	0.0	5.6	6.3	3.5	3.5	N/A
Vehicle Replacement	0.0	0.0	0.0	2.0	2.0	2.0	N/A
Medicaid	8.2	7.0	7.1	7.7	8.2	0.0	0.0%
Major Maintenance	11.9	4.2	12.3	7.5	7.0	(4.9)	-41.2%
Juvenile Justice	4.2	0.5	2.6	2.4	1.8	(2.4)	-57.1%
Non-departmental/Transfers	3.6	3.8	4.4	5.0	5.0	1.4	38.9%
	\$ 51.7	\$ 38.1	\$ 54.9	\$ 61.1	\$ 60.9	\$ 9.2	17.8%
TOTAL GENERAL FUND	\$ 348.9	\$ 336.5	\$ 362.6	\$ 390.5	\$ 400.0	\$ 51.1	14.6%



Fiscal Considerations

\$20 MILLION Excess General Fund Reserves
(\$100M Compared to Min. 20% Level of \$80M)

Growth Increment Funding Estimates:

FY 15-16	\$7.9 M (actual)
FY 16-17	\$9.6 M (actual)
FY 17-18	\$11.1 M (actual)
FY 18-19	\$12.5 M
FY 19-20	\$13.7 M
FY 20-21	\$15.1 M
FY 21-22	\$16.6 M

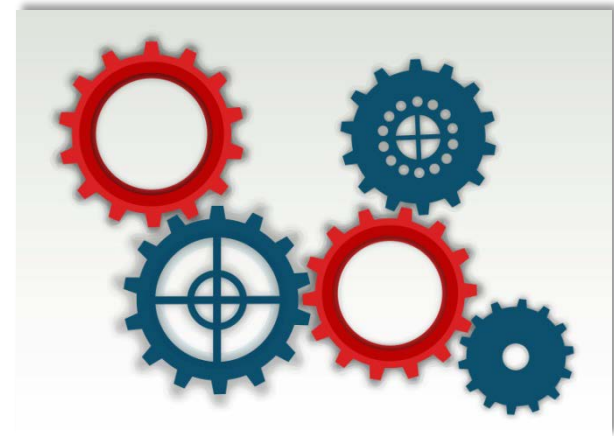
Details:

- Major Maintenance
- Water Quality Projects Funding (TMDLs)
- Unincorporated MSTU- Still Operates at a Deficit
- Sheriff's South District Station



Debt Reduction

Debt - 2012 vs. 2017		
	2012	2017
Internal Loans	\$71 M	\$0
External Debt	\$840 M	\$667 M
Refinance Savings	\$41 Million	



2012 Interfund Loans

As of September 30, 2012

Borrowing Fund	Loaning Fund	Start Date	Maturity Date	Principal	Loan Type*	Borrowing Fund Accrued Interest	Borrowing Fund Cash Balance	Project
Imp Fee – Roads – SW District	General Fund	10/07/2008	9/30/2017	13,197,328	I	2,018	148,702	Estero Parkway
MSTU Dist – Fisherman’s Coop	General Fund	10/27/2008	6/30/2026	6,000,000	F	0	0	Fisherman’s Co-op ¹
Impact Fee - Comm Park - Estero	General Fund	10/27/2008	9/30/2014	4,859,450	I	743	127,463	Estero Community Park Project ¹
Impact Fee – Road – SE Dist	General Fund	10/27/2008	9/30/2013	21,180,000	I	3,238	17,656	County Road 951 ¹
Impact Fees – Comm Park – NFM	General Fund	1/4/2010	9/30/2024	421,528	I	64	17,611	N. Ft. Myers Recreation Center
Impact Fees – Regional Parks	General Fund	3/3/2010	9/30/2013	303,047	I	46	211,236	Fisherman’s Co-op
Imp Fee – Roads – SW Dist	General Fund	2/9/2011	9/30/2019	3,750,000	I	7,032	148,702	Bonita Beach Road – Phase II
Sub Total				49,711,353				
MSTU Dist – Palmona Park	MSTBU Restricted	9/27/2012	9/30/2013	15,523	F	0	12,781	Cover Tax Revenue Shortfall
Sub Total				15,523				
Tourist Dev Excess Revenue	Unincorporated Area MSTU	12/14/2010	12/14/2015	2,292,112	I	6,881	3,092,736	Red Sox Stadium
Sub Total				2,292,112				
Tourist Dev Excess Revenue	Capital Improvement	3/14/2011	9/30/2018	4,280,881	I	8,073	3,092,736	Land Purch – Hammond Stadium
Impact Fees – Comm Park – NFM	Capital Improvement	6/13/2012	9/30/2037	8,598,624	I	8,005	17,611	N. Ft. Myers Recreation Center
Sub Total				12,879,505				
Trans Facilities – Sanibel Operating	Transp Capital Impr East/West	11/25/2009	9/30/2016	6,200,000	I	158	1,443,168	Comm Paper Loan Payoff Sanibel Bridge
Sub Total				6,200,000				
Grand Total All Loans				71,098,493				

Interest Rate: .31%

*I – Interest Bearing, F – Interest Fee, S – Special Interest, (1.5% Fixed)

¹ Loans from General Fund that have been treated as transfers to the borrowing funds of 9/30/08 due to the unlikelihood of the borrowing fund generating the revenue to repay the loan.



2017 Interfund Loans

As of January 31, 2017

Borrowing Fund	Loaning Fund	Start Date	Maturity Date	Principal	Loan Type*	Borrowing Fund Accrued Interest	Borrowing Fund Cash Balance	Project
			Subtotal	0				
			Grand Total All Loans	0				
* I – Interest Bearing, F – Interest Free, S – Special Interest								



Current Debt Profile

OUTSTANDING PRINCIPAL DEBT					
	DEBT TYPE	USE	AMOUNT	NEXT CALL DATE	COMMENTS
UTILITIES					
48774	Rev Bond 2011	FL Cities Water/Avatar	54,865,000	2021	Refinanced in 2011
48775	Rev Bond 2012A	FL Cities Water/Avatar	19,190,000	2022	Refinanced in 2012
48776	Rev Bond 2012B	Gulf Env Services	7,490,000	2022	Refinanced in 2012
48777	Rev Bond 2013A	Green Meadows	51,410,000	2023	
48778	Rev Bond 2013B	Gulf Env Services	33,305,000	2023	Refinanced in 2013
48769	SRF Loan	North Lee Co. WTP	15,660,682	Matures 2028	
48773	SRF Loan	Gateway WWTP	24,608,742	Matures 2030	
	SRF Loan	Three Oaks WWTP	29,216,000	2029	
	SRF Loan	AMI Systems	17,637,000	2035	Reduced Loan with Payment
			\$253,382,424		
DOT					
20716	Five Cent Local Gas Tax 2014	Roads	6,420,000	Matures 2021	Will be Repaid Early in 2017
21760	Non Ad Val Rev Bond 2013	Midpoint Bridge	32,725,000	Matures 2022	
42169	Bank Loan 2011	Cape Coral Bridge	5,400,000	Matures 2017	Will be Repaid in 2017
42171	Rev Bond 2014	Midpoint/Sanibel Bridges	99,750,000	2024	Refinanced in 2014
			\$144,295,000		
STADIUMS					
22661	Tourist Rev Bond	Red Sox	42,480,000	2020	
22662	Tourist Rev Bond	Red Sox	37,403,000	2020	
22664	Tourist Rev Bond	Twins Expansion	41,475,000	2023	
			\$121,358,000		
SOLID WASTE					
40164	Rev Bond 2016	W-T-E Facility	\$66,160,000	Matures 2026	Refinanced in 2016
GENERAL FUND					
23560	Non Adv Rev Bond 2012	Justice Center	32,890,000	Matures 2025	Refinanced in 2012
23561	Cap Rev Bond 2015	Jail	48,640,000	Matures 2027	Refinanced in 2015
			\$81,530,000		
	GRAND TOTAL		\$666,725,424		



Upcoming Work Sessions

APRIL 4 CIP / Major Maintenance Work Session

JUNE 6 1st Draft Continuation Budget with Board

JUNE 20 2nd Draft Continuation Budget with Board

AUGUST 1 Set Maximum Tax Rates (TRIM)

AUGUST 15 3rd and Final Draft Continuation Budget with Board

SEPTEMBER 5 1ST Budget Public Hearing

SEPTEMBER 19 Final Budget Public Hearing



Questions?

Do you want to make any changes?

Add Policies?

