

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

DATE: May 28, 2015

To: BoCC

FROM: Roger J. Desjarlais  
County Manager

**RE: Continuation Budgets – June 2, 2015 Workshop**

Commissioners:

This memo for your June 2 Budget Work Session focuses on the Fiscal Year 2015-16 "Continuation" Budget as well as any outstanding issues outside of the continuation budget.

It is based on the budget policies the Board adopted April 21 and is scheduled to adopt June 2.

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

- June 16 – 2<sup>nd</sup> draft budget review
- August 4 – TRIM tax rates set
- August 18 – 3<sup>rd</sup> and final draft review
- September 3 – 1<sup>st</sup> public hearing
- September 17 – 2<sup>nd</sup> public hearing

**Continuation Budget**

Some key points 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 cost increases over which we have no control – such as price

increases for external goods and services, Florida Retirement System, Medicaid, and Juvenile Justice.

### **General Fund**

Current budgets have the General Fund increasing 3.4% from \$353.7 million to \$365.7 million, as follows:

Constitutionals & Courts (including Sheriff)	+\$7.2 million
BoCC Departments	+\$3.4 million
Other (Primarily vehicle replacement)	<u>+\$1.4 million</u>
<b>TOTAL</b>	<b>+\$12.0 million</b>

This includes no cost of living increases for BoCC departments and backs out pay increases submitted by Constitutional Offices.

Items to note:

- Per the Board's direction, a Growth Increment Fund transfer amount of \$7.9 million has been built into the General Fund Continuation Budget balancing.
- The General Fund is balanced at a 6% growth in tax base.
- Some budgets still are in the review and adjustment process. This will not affect the overall balancing.
- **In the Continuation Budget –**
  - Estero Park funding has been transferred to the General Fund because General Fund dollars were used to partly pay for it and it functions as a regional park. This also takes cost pressure off the Unincorporated MSTU.
  - The county's vehicle replacement fund has not had a cash infusion in 7 years. A \$2 million transfer will provide funding for FY15-16.
  - The Supervisor of Elections' operating budget request is a 31% increase from the prior year. While presidential election years typically result in a one-year spike, this is a significant increase.
- **Not in the Continuation Budget –**
  - The State Attorney and Public Defender have requested additional funding for two jail reduction programs – Early Felony Case Resolution and Drug Court. These requests still are being evaluated and total \$379,271 (which includes a \$37,000 increase for SalusCare).

- The Medical Examiner is requesting an additional physician and administrative assistant due to workload and certification issues. This also is under review for your June 16 work session. The amount of this request is \$185,715.

**Transit** – Additionally, LeeTran is experiencing stagnant ridership and revenues after the January 1 fare increase, combined with a drop in advertising revenues during the recession. This has resulted in an \$86,000 projected deficit before pay increases. LeeTran is formulating an advertising revenue plan to address these issues.

### **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.

Current budgets have the Unincorporated MSTU Fund decreasing 3.3% from \$49.1 million to \$47.5 million (down from \$58.2 million in FY12-13).

The Unincorporated MSTU is the last major fund to be unbalanced, or running a deficit, although it still has adequate reserves. The deficit is estimated at \$8 million. Current projections have Unincorporated MSTU reserves at \$22 million at the end of this year, and \$14 million at September 30, 2016.

Additional pressure is being placed on the Unincorporated MSTU fund due to the Village of Estero incorporation. We currently are negotiating a service delivery contract with the Village to provide its services and recoup lost revenue. If those negotiations are successful, the county will carry the expenses but be reimbursed by the Village.

### **Library Fund**

We still are evaluating the Libraries budget.

The goal is to provide as much funding as possible for concurrent construction of the Bonita Springs and North Fort Myers community libraries and minimize the expected short-term use and amount of an internal loan.

We are applying the Growth Increment Funding concept to this capital need and will report back with more refined numbers during the summer.

All entities pay into the Library Fund except Fort Myers Beach and Sanibel.

### **Further Budget Considerations**

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

1. At your June 16 Work Session, the results of the independent consultant's Solid Waste rates review will be presented and discussed.
2. In March 2015, the Board approved a \$1.4 million increase in the Visitor & Convention Bureau's marketing and advertising budget. We have not included this increase into the VCB's base budget until we can have a discussion about the appropriate allocation of the significant tourist tax revenue increases the VCB has experienced during the last three years.
3. The Supervisor of Elections is requesting \$892,956 to replace poll pads purchased last year (for \$750,000) that are incompatible with the Supervisor's new elections system. Supervisor of Elections Sharon Harrington will be available to answer questions.



**GENERAL FUND  
FY 2015-2016**

(in millions)	ADOPTED FY 12-13	ADOPTED FY 13-14	ADOPTED FY 14-15	CONTINUATION FY 15-16
<b>Constitutionals &amp; Courts</b>				
Sheriff	\$ 137.0	\$ 140.9	\$ 145.2	\$ 150.2
Tax Collector	13.0	12.8	13.1	12.9
Property Appraiser	7.6	8.0	7.6	6.9
Courts	6.8	7.6	7.7	8.2
Clerk	7.5	7.5	7.6	7.7
Supervisor of Elections	6.2	6.4	6.8	8.9
Medical Examiner	2.4	2.5	2.7	3.1
State Attorney Support	0.9	0.9	1.0	1.0
Public Defender Support	0.6	0.6	0.7	0.8
Legal Aid	0.5	0.5	0.5	0.5
Guardian Ad Litem Support	0.2	0.2	0.2	0.2
Support All Others	11.2	11.4	10.1	10.0
	<u>\$ 193.9</u>	<u>\$ 199.3</u>	<u>\$ 203.2</u>	<u>\$ 210.4</u>
<b>BoCC Operating Departments</b>				
Public Safety	\$ 36.8	\$ 35.4	\$ 37.1	\$ 38.8
Human Services	22.1	19.5	18.0	18.1
Parks (Regional)	12.6	12.8	13.5	15.1
Facilities	11.6	12.2	12.5	14.2
Other (13 depts.)	20.2	19.2	19.4	17.7
	<u>\$ 103.3</u>	<u>\$ 99.1</u>	<u>\$ 100.5</u>	<u>\$ 103.9</u>
Debt Service	\$ 13.4	\$ 12.3	\$ 12.3	\$ 11.6
Transit Transfer	10.4	10.3	10.6	10.6
20/20 Management	0.0	0.0	5.6	5.9
Vehicle Replacement	0.0	0.0	0.0	2.0
Medicaid	8.2	7.0	7.1	7.7
Major Maintenance	11.9	4.2	7.4	6.0
Juvenile Justice	4.2	0.5	2.6	2.6
Non-departmental/Transfers	3.6	3.8	4.4	5.0
	<u>\$ 51.7</u>	<u>\$ 38.1</u>	<u>\$ 50.0</u>	<u>\$ 51.4</u>
<b>TOTAL GENERAL FUND</b>	<u><u>\$ 348.9</u></u>	<u><u>\$ 336.5</u></u>	<u><u>\$ 353.7</u></u>	<u><u>\$ 365.7</u></u>



GENERAL FUND  
FY15-16 BUDGET  
1st Draft

6.00% Property Value Increase

Continuation	Millage	3.7506	3.8506	3.9506	4.0506	4.1506
	Revenue	355,828,629	361,719,230	367,609,832	373,500,433	379,391,035
	Expense	365,700,000	365,700,000	365,700,000	365,700,000	365,700,000
	Surplus/(Deficit)	(9,871,371)	(3,980,770)	1,909,832	7,800,433	13,691,035
	Growth Increment to Infrastructure Fund	(7,856,910)	(7,856,910)	(7,856,910)	(7,856,910)	(7,856,910)
	Continuation Budget Surplus/(Deficit)	(17,728,281)	(11,837,680)	(5,947,078)	(56,477)	5,834,125
Outstanding Recurring	Outstanding Issues (Recurring):					
	3% Pay Increase (Constitutionals/Courts)	3,465,133	3,465,133	3,465,133	3,465,133	3,465,133
	3% Pay Increase (BoCC)	1,555,560	1,555,560	1,555,560	1,555,560	1,555,560
	Drug Court / Early Case Resolution	379,271	379,271	379,271	379,271	379,271
	Medical Examiner Staffing	185,715	185,715	185,715	185,715	185,715
	Total	5,585,679	5,585,679	5,585,679	5,585,679	5,585,679
Expenses including Outstanding Issues and Growth Increment for Infrastructure	379,142,589	379,142,589	379,142,589	379,142,589	379,142,589	
Surplus/(Deficit)	(23,313,960)	(17,423,359)	(11,532,757)	(5,642,156)	248,446	
One-Time Non-Recurring	Current Reserves	78,886,040	84,776,641	90,667,243	96,557,844	102,200,000
	Expenses paid from Reserves (Non-Recurring):					
	Second Floor Justice Center Renovations	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	Alva Boat Ramp/Dock Replacement	300,000	300,000	300,000	300,000	300,000
	Matlacha, Bat House Park (parking lot)	223,500	223,500	223,500	223,500	223,500
	Supervisor Poll Pads	892,956	892,956	892,956	892,956	892,956
	Sheriff Capital Outlay Request	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
	Total Non-Recurring	9,916,456	9,916,456	9,916,456	9,916,456	9,916,456
Adjusted Reserves	68,969,584	74,860,185	80,750,787	86,641,388	92,283,544	
Reserves at 20%	73,000,000	73,000,000	73,000,000	73,000,000	73,000,000	
Remaining Excess	(4,030,416)	1,860,185	7,750,787	13,641,388	19,283,544	



**UNINCORPORATED MSTU FUND  
FY 2015-2016**

(in millions)	ADOPTED FY 12-13	ADOPTED FY 13-14	ADOPTED FY 14-15	CONTINUATION FY 15-16
<b>Operating Budgets</b>				
Parks (Community)	\$ 12.4	\$ 12.6	\$ 13.2	\$ 11.8
Community Development	10.1	8.2	8.5	8.7
Animal Services	4.1	4.4	4.8	4.9
Hearing Examiner	0.6	0.7	0.7	0.8
Other	1.8	1.1	0.1	0.1
	<u>\$ 29.0</u>	<u>\$ 27.0</u>	<u>\$ 27.3</u>	<u>\$ 26.3</u>
<b>Transfers and Other</b>				
School Resource Officers	\$ 0.7	\$ 0.7	\$ -	\$ -
Major Maintenance	2.5	1.6	1.2	1.2
Other Transfers	4.9	-	-	-
Transfer to DOT	16.0	16.5	15.5	16.0
Transfer of Nat. Res./DOT	3.5	3.5	2.7	3.2
Transfer for Dispatch	1.6	1.6	1.6	-
Other	-	-	0.8	0.8
	<u>\$ 29.2</u>	<u>\$ 23.9</u>	<u>\$ 21.8</u>	<u>\$ 21.2</u>
<b>TOTAL</b>	<u><u>\$ 58.2</u></u>	<u><u>\$ 50.9</u></u>	<u><u>\$ 49.1</u></u>	<u><u>\$ 47.5</u></u>

**BoCC OPERATING DEPARTMENTS**  
**Proposed 15-16 Budget**  
**ALL FUNDS**

Department	Proposed Budget 15-16	Adopted Budget 14-15	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	5,182,470	4,980,499	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	18,961,647	14,571,303	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	2,165,888	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	3,683,220	2,723,472	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	2,974,422	2,974,422	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	1,396,771	1,407,322	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	976,127	1,002,155	830,505	933,090	955,806	958,644	1,057,202	1,115,319	1,163,567	1,155,719
Economic Development	1,104,993	1,246,854	995,745	1,219,361	1,810,482	2,870,903	2,241,503	1,671,040	1,770,568	1,607,371
Facilities Services	14,473,684	12,460,463	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	12,214,937	11,156,408	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	720,290	624,410	565,811	674,010	681,034	757,683	0	0	0	0
Hearing Examiner	765,281	749,184	702,573	646,775	593,663	642,324	727,351	755,806	767,026	766,850
Human Resources	2,524,050	2,177,588	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	21,733,629	21,021,478	25,165,362	25,517,838	35,144,431	37,646,030	44,179,553	28,758,589	29,107,232	25,890,395
ITG	12,809,429	11,848,589	11,774,599	11,883,139	10,966,963	11,388,071	11,994,339	13,588,678	14,251,672	15,650,826
Internal Services	672,660	665,893	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	25,629,135	24,785,448	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	5,208,834	5,119,046	4,773,638	4,755,734	4,808,230	4,724,054	5,356,866	5,863,806	6,002,288	5,902,226
Environmental Policy Management	467,307	705,704	302,745	273,389	212,747	154,374	166,294	274,199	220,650	218,417
Parks & Recreation	29,326,687	29,126,215	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	901,606	874,027	732,324	787,838	887,271	1,015,690	688,181	714,083	787,663	827,191
Public Resources	463,565	1,212,487	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	46,130,615	44,360,925	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	66,831,319	65,271,893	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	1,170,178	996,552	1,015,734	736,669	783,502	784,346	723,920	713,643	639,825	780,856
Transportation	38,498,325	38,356,066	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	23,630,824	23,707,860	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	54,780,685	56,132,590	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	17,926,650	16,375,816	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>411,159,340</b>	<b>398,800,557</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>