

BUDGETING FOR RESULTS

Projections, Priorities & Assumptions Workshop

March 6, 2018

Major Revenues

Budget to Actual

	FY 2015 Budget	FY 2015 Actual	FY 2016 Budget	FY 2016 Actual	FY 2017 Budget	FY 2017 Actual	FY 2018 Budget
Millage Rate	3.5974		3.5974		3.4770		3.4070
Property Taxes		9,203,451		10,053,675		10,981,013	
Change in Value	9,195,420		9,821,110		10,502,175		11,589,930
Net New Construction	164,970		257,660		504,715		554,890
Delinquencies	50,000	25,255	30,000	33,349	30,000	36,046	30,000
Property Taxes-Total	9,410,390	9,228,706	10,108,770	10,087,024	11,036,890	11,017,059	12,174,820
Communication Services Tax	1,876,220	1,863,757	1,847,240	1,809,323	1,834,900	1,895,026	1,946,040
FP&L Franchise Fee	2,750,000	2,918,342	3,100,000	2,941,991	3,275,000	3,121,470	3,275,000
Half-Cent Sales Tax	4,801,320	5,028,895	5,425,390	5,378,559	5,749,410	5,630,639	5,997,420
Municipal Revenue Sharing	1,729,590	1,923,208	1,963,200	2,061,300	2,231,930	2,299,527	2,385,040
District Assessments	24,845,960	25,073,663	25,956,870	26,312,106	26,512,750	27,049,508	27,692,240
Gas Taxes	2,628,800	2,722,094	2,781,870	2,857,991	2,939,440	2,980,577	3,034,220
Impact Fees	993,300	1,181,968	2,239,220	3,042,176	3,042,430	2,882,438	4,771,400
Infrastructure Sales Surtax	7,633,240	8,172,571	8,139,640	8,679,097	9,106,080	9,106,080	9,893,410
TOTALS	56,668,820	58,113,204	61,562,200	63,169,567	65,728,830	65,982,324	71,169,590

Actual Changes in Fund Balance

3-Year Review

Major Operating Fund Balance Analysis	General Fund	Road & Drainage District	Fire Rescue District	Solid Waste District	Building Fund
Fiscal Year 2015					
Beginning Fund Balance	\$ 9,986,787	\$ 10,630,170	\$ 2,831,995	\$ 1,903,475	\$ 1,340,888
Revenues	30,523,223	15,818,606	8,196,922	8,386,029	2,656,727
Expenditures	(29,730,473)	(15,837,488)	(7,757,286)	(7,621,587)	(1,224,376)
Ending Fund Balance	\$ 10,779,537	\$ 10,611,288	\$ 3,271,631	\$ 2,667,917	\$ 2,773,239
Fiscal Year 2016					
Beginning Fund Balance	\$ 10,779,537	\$ 10,611,288	\$ 3,271,631	\$ 2,667,917	\$ 2,773,239
Revenues	31,591,708	16,566,593	8,860,194	8,708,346	2,952,873
Expenditures	(30,797,938)	(14,779,276)	(7,825,326)	(8,239,510)	(1,450,372)
Ending Fund Balance	\$ 11,573,307	\$ 12,398,605	\$ 4,306,499	\$ 3,136,753	\$ 4,275,740
Fiscal Year 2017					
Beginning Fund Balance	\$ 11,573,307	\$ 12,398,605	\$ 4,306,499	\$ 3,136,753	\$ 4,275,740
Revenues	33,896,014	16,525,181	9,154,760	9,001,876	3,276,784
Expenditures	(32,873,175)	(16,190,185)	(8,990,188)	(9,515,298)	(1,979,028)
Ending Fund Balance (unaudited)	\$ 12,596,146	\$ 12,733,601	\$ 4,471,071	\$ 2,623,331	\$ 5,573,496

FY 2018 Fund Balance Analysis

Major Operating Fund Balance Analysis	General Fund	Road & Drainage District	Fire Rescue District	Solid Waste District	Building Fund
Fiscal Year 2018					
Beginning Fund Balance	\$ 12,596,146	\$ 12,733,601	\$ 4,471,071	\$ 2,623,331	\$ 5,573,496
Budgeted (Use) or Reserve of Fund Balance (as amended)	(440,350)	(2,308,750)	225,870	(168,490)	784,290
Committed Fund Balance- Re-appropriated Projects & Encumbrances	(873,609)	(5,037,291)	(229,546)	-	(603,000)
Maximum Fund Balance Policy	(8,968,030)	(4,519,040)	(2,099,650)	(1,706,550)	(591,840)
Projected "Available" Fund Balance	\$ 2,314,157	\$ 868,520	\$ 2,367,745	\$ 748,291	\$ 5,162,946

NOTE: Maximum Fund Balance Policy calculation does not include funding set aside for transfers to any other fund.

FY 2018 Capital Acquisition Fund Balance Analysis

Capital Acquisition Fund Balance Analysis	General Fund	Road & Drainage District	Fire Rescue District	Solid Waste District	Building Fund
Fiscal Year 2017					
Ending Fund Balance (unaudited)	\$ 267,152	\$ 1,103,652	\$ 1,759,907	\$ 4,189,191	\$ 125,538
Fiscal Year 2018					
Budgeted (Use) or Reserve of Fund Balance	142,900	776,600	(585,850)	513,520	32,180
Committed Fund Balance- Re-appropriated Projects & Encumbrances	(50,000)	(589,715)	(50,000)	-	-
Projected "Available" Fund Balance	\$ 360,052	\$ 1,290,537	\$ 1,124,057	\$ 4,702,711	\$ 157,718

Economic Indicators

❑ Unemployment Rate:

Dec 2017: Sarasota County 3.2%, State 3.7%, National 3.9%

Dec 2016: Sarasota County 4.3%, State 4.7%, National 4.5%

❑ Permit Activity:

FY 2018 Single Family Residences estimated at 1,100, on track to meet or exceed projection

FY 2018 Commercial square feet estimated at 110,000, approximately 85,031 to-date, on target to meet projection

❑ Home Sales: Sales in 2017 in Sarasota County: 11,752 in total sales – 7,912 single family homes and 3,840 condominiums. Median sale price: \$269,000 for single family homes and \$225,000 for condos

Sources: Sarasota County, CONP 2017 Budget and Sarasota Association of Realtors

Economic Indicators

■ Population Trends:

City of North Port

2013 BEBR –	59,231
2014 BEBR –	60,295
2015 BEBR –	62,325
2016 BEBR –	64,472
2017 BEBR –	67,196

Average Annual Growth –
3.47%

Source: Florida Department of Economic &
Demographic Research

■ Per Capita Income

State of Florida

2013 Actual -	\$40,797
2014 Actual -	\$43,064
2015 Actual -	\$45,441
2016 Actual -	\$45,953
2017 Estimate -	\$47,407
2018 Forecast -	\$49,253
2019 Forecast -	\$50,994

Average Annual Growth – 3.0%

Source: Florida Department of Economic &
Demographic Research

General Fund

Key Revenue Projections

- ❑ Utility Service Tax – 5% increase
- ❑ Communication Service Tax – No change
- ❑ Electric Franchise Fee – 5% increase
- ❑ Half Cent Sales Tax – 6% increase
- ❑ Municipal Revenue Sharing – 8% increase

General Fund/Revenue Impact

Revenue Changes	% Change	Description	Estimated Changes
Ad Valorem Tax-This projection assumes a 97% collection and no rate change	5.00%	Increase	\$ 606,310
Electric Utility Tax	5.00%	Increase	42,020
Communication Service Tax	0%	No change	0
Electric Franchise Fees	5.00%	Increase	165,000
Half Cent Sales Tax	6.00%	Increase	359,840
Municipal Revenue Sharing	8.00%	Increase	145,390
Total			\$ 1,318,560

General Fund/Operating Costs

- ❑ Forecasting model includes 2% operating expenditure growth to address inflation and 3% salary growth of existing level of service (LOS) and personnel (not additional)
- ❑ Prior decisions have future impacts
 - ❑ Pension Costs:
 - Plan 175 (IAFF) – **\$25,170 decrease**
Resulting in a total reduction of **\$68,010** (Sum of General Fund & Fire Rescue District)
 - Plan 185 (PBA) no change – pending actuarial valuation report
- ❑ Cost impacts associated with capital projects
 - On-going staffing and operating costs
 - Maintenance
 - Additional enhancements

General Fund

Key Expenditure Changes

Expenditure Changes	% Change	Description	Estimated Changes
Wage Increase of 3%*	3.00%	Increase	\$ 601,940
Pension - Plan 175	2.00%	Decrease	(25,170)
Electricity	4.00%	Increase	10,500
Health Insurance	10.00%	Increase	275,440
Total Projected Expenditure Decrease			\$ 862,710

*Pending Union Contracts

General Fund Projections

GENERAL FUND - Projected Revenues & Expenditures						
	BUDGET FY18	PROJECTED FY19	FORECASTED FY20	FORECASTED FY21	FORECASTED FY22	FORECASTED FY23
Revenue	\$35,748,780	\$ 39,066,240	\$ 42,674,100	\$ 44,378,760	\$ 46,308,820	\$48,284,770
Budgeted Fund Balance	440,350	777,660	(358,830)	(392,710)	(414,550)	(438,100)
Revenue	\$36,189,130	\$ 39,843,900	\$ 42,315,270	\$ 43,986,050	\$ 45,894,270	\$47,846,670
Expenditures	\$36,189,130	\$ 39,843,900	\$ 42,315,270	\$ 43,986,050	\$ 45,894,270	\$47,846,670

ASSUMPTIONS					
	PROJECTED FY19	FORECASTED FY20	FORECASTED FY21	FORECASTED FY22	FORECASTED FY23
Property Taxes	12.00%	18.00%	4.00%	4.00%	4.00%
Franchise Fees	5.00%	5.00%	5.00%	5.00%	5.00%
Sales Tax	6.00%	7.00%	7.00%	7.00%	7.00%
Expenditures %	10.10%	6.20%	3.95%	4.34%	4.25%

Defining Commission Priorities

- ❑ **Protect key services on which public depends**
- ❑ **Continue with vital infrastructure improvements**
- ❑ **Promote an economically sustainable community**
- ❑ **Maintain adequate reserves**

General Fund Assumptions

- ❑ Taxable value estimated increase: 5%
- ❑ Budget ad valorem at 97% collection rate
- ❑ Goal of 2019 - Continue Structurally Balanced General Fund budget

Commission Direction

- ❑ **Capital Improvement Projects**
 - Existing Projects
 - New Projects
- ❑ **Millage rate direction**
- ❑ **Any functions to be analyzed for alternative service providers**
- ❑ **Other**

Discussion