

BUDGETING FOR RESULTS

Projections, Priorities & Assumptions Workshop

March 6, 2017

Major Revenues

Budget to Actual

	FY 2014 Budget	FY 2014 Actual	FY 2015 Budget	FY 2015 Actual	FY 2016 Budget	FY 2016 Actual	FY 2017 Budget
Millage Rate	3.4474		3.5974		3.5974		3.4770
Property Taxes		8,073,073		9,203,451		10,053,675	
Change in Value	8,044,105		9,195,420		9,828,840		10,502,175
Net New Construction	128,145		164,970		249,930		504,715
Delinquencies	100,000	28,949	50,000	25,255	30,000	33,349	30,000
Property Taxes-Total	8,272,250	8,102,022	9,410,390	9,228,706	10,108,770	10,087,024	11,036,890
Communication Services Tax	1,951,750	1,886,925	1,876,220	1,863,757	1,847,240	1,809,323	1,834,900
FP&L Franchise Fee	2,675,000	2,810,119	2,750,000	2,918,342	3,100,000	2,941,991	3,275,000
Half-Cent Sales Tax	4,394,980	4,598,533	4,801,320	5,028,895	5,425,390	5,378,559	5,749,410
Municipal Revenue Sharing	1,505,600	1,660,627	1,729,590	1,923,208	1,497,920	1,570,847	1,700,730
District Assessments	24,651,290	25,198,814	24,845,960	25,073,663	25,956,870	26,312,106	26,512,750
Gas Taxes	2,534,510	2,648,684	2,628,800	2,722,094	2,781,870	2,857,991	2,939,440
Impact Fees	520,700	434,020	993,300	1,181,968	2,239,220	3,042,176	3,042,430
Infrastructure Sales Surtax	6,868,530	7,424,336	7,633,240	8,172,571	8,139,640	8,679,097	9,106,080
TOTALS	53,374,610	54,764,080	56,668,820	58,113,204	61,096,920	62,679,114	65,197,630

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 2014					
Beginning Fund Balance	10,358,311	8,537,175	1,614,557	3,797,275	444,178
Revenues	28,940,898	15,335,597	8,836,196	8,239,981	1,913,430
Expenditures	(29,312,422)	(13,242,602)	(7,618,758)	(10,133,781)	(1,016,720)
Ending Fund Balance	9,986,787	10,630,170	2,831,995	1,903,475	1,340,888
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 (unaudited)	11,573,307	12,398,605	4,306,499	3,136,753	4,275,740

FY 2017 Fund Balance Analysis

Major Operating Fund Balance Analysis	General Fund	Road & Drainage District	Fire Rescue District	Solid Waste District	Building Fund
Fiscal Year 2017					
Beginning Fund Balance	11,573,307	12,398,605	4,306,499	3,136,753	4,275,740
Budgeted (Use) or Reserve of Fund Balance (as amended)	(274,420)	(35,840)	(331,680)	(461,700)	667,620
Committed Fund Balance- Re-appropriated Projects & Encumbrances	(397,246)	(5,599,576)	(200,000)	(185,515)	-
Maximum Fund Balance Policy	(8,452,010)	(3,723,010)	(2,121,670)	(2,135,730)	(547,970)
Projected "Available" Fund Balance	2,449,631	3,040,179	1,653,149	353,808	4,395,390

**NOTE: Maximum Fund Balance Policy does not include funding set aside for transfer to the Capital Acquisition Fund.
Does not include any funding of Fiscal Sustainability policy.**

Economic Indicators

❑ Unemployment Rate:

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

Dec 2015: Sarasota County 5.3%, State 4.8%, National 4.8%

❑ Permit Activity:

FY 2017 Single Family Residences estimated at 820, on track to meet or exceed projection

FY 2017 Commercial square feet estimated at 110,000, approximately 33,390 to-date, on target to meet projection

❑ Home Sales: Sales in 2016 in Sarasota County: 11,428 in total sales – 7,825 single family homes and 3,603 condominiums. Median sale price: \$250,000 for single family homes and \$210,000 for condos

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

Economic Indicators

Population Trends:

City of North Port

2012 BEBR –	58,674
2013 BEBR –	59,231
2014 BEBR –	60,295
2015 BEBR –	62,325
2016 BEBR –	64,472

Average Annual Growth –
2.18%

Source: Florida Department of Economic &
Demographic Research

Per Capita Income

State of Florida

2012 Actual -	\$40,968
2013 Actual -	\$42,137
2014 Actual -	\$42,965
2015 Actual -	\$44,597
2016 Estimate -	\$45,846
2017 Forecast -	\$47,407
2018 Forecast -	\$49,253

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 – **3% decrease**
- ❑ Local Business Tax* – No change
- ❑ Electric Franchise Fee – 5% increase
- ❑ Half Cent Sales Tax – 8% increase
- ❑ Municipal Revenue Sharing – 8% increase

*Pending current State legislation.

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	550,870
Electric Utility Tax	5.00%	Increase	42,020
Communication Service Tax	-3.00%	Decrease	(55,050)
Local Business Tax	0%	No change	0
Electric Franchise Fees	5.00%	Increase	155,000
Half Cent Sales Tax	8.00%	Increase	459,950
Municipal Revenue Sharing	8.00%	Increase	136,060
Total			\$ 1,288,850

General Fund/Operating Costs

- ❑ Forecasting model includes 3% expenditure growth to address inflation/salary growth of existing level of service (LOS) and personnel (not additional)
- ❑ Prior decisions have future impacts
 - ❑ Pension Costs:
 - Plan 175 (IAFF) – **\$26,380 decrease**
Resulting in a total reduction of **\$70,580** (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	\$ 561,080
Pension - Plan 175	2.00%	Decrease	(26,380)
Electricity	2.80%	Increase	23,390
Health Insurance	10.00%	Increase	134,310
Total Projected Expenditure Decrease			\$ 692,400

General Fund Projections

As of September 2016

GENERAL FUND - Projected Revenues & Expenditures						
	BUDGET FY17	PROJECTED FY18	FORECASTED FY19	FORECASTED FY20	FORECASTED FY21	FORECASTED FY22
Revenue	\$33,600,630	\$ 35,011,540	\$ 36,449,300	\$ 38,050,620	\$ 39,766,110	\$41,606,990
Budgeted Fund Balance	274,420	232,880	(66,810)	502,430	(76,960)	(295,150)
Revenue	\$33,875,050	\$ 35,244,420	\$ 36,382,490	\$ 38,553,050	\$ 39,689,150	\$41,311,840
Expenditures	\$33,875,050	\$ 35,244,420	\$ 36,382,490	\$ 38,553,050	\$ 39,689,150	\$41,311,840

ASSUMPTIONS					
	PROJECTED FY18	FORECASTED FY19	FORECASTED FY20	FORECASTED FY21	FORECASTED FY22
Property Taxes	5.00%	4.00%	4.00%	4.00%	4.00%
Franchise Fees	5.00%	5.00%	5.00%	5.00%	5.00%
Sales Tax	7.00%	7.00%	7.00%	7.00%	7.00%
Expenditures %	4.04%	3.23%	5.97%	2.95%	4.09%

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 2018 - 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**
- ❑ **Funding Fiscal Sustainability policy**
- ❑ **Other**

Discussion