

ST. LUCIE COUNTY BOARD OF COUNTY COMMISSIONERS

FY 2017-2018 TENTATIVE BUDGET



Agenda

- Our Future
- Accomplishments
- Adjustments to Tentative Budget
- Tentative Budget Overview
- Capital Improvement Plan
- Reserves and Deficit Spending
- Property Values and Millages
- Board Approval
 - Tentative Millage Rates
 - Tentative Budget



Future

- St. Lucie County Population Forecast
 - By 2030 – 394,623
 - By 2040 – 455,371

In the average lifespan of a U.S. citizen (80 years from 1960-2040), St. Lucie's population will have increased by **416,077** residents or **1,056%**

SOURCE: UF/BEER (2014)



Accomplishments



Accomplishments

- 800 MHz Radio System
- FPL Energy Efficiency Projects
- Jail Security System Repair
- Midway Road (Selvitz Road- 25th Street) Widening Project



St. Lucie County Is Leading The Way

- **Economic Development** – streamlining permitting, Business Navigator, building stronger relationships with Realtors, TCBA, Chamber, EDC and Manufacturer’s Association. SLC is the largest investor in the EDC at \$250k/year.
- **Treasure Coast International Airport** – \$11 million in capital projects invested at the County ‘s airport in the next 18 months including a new customs building, runway connector, new hanger, new front entrance. TCI currently has 1,350 people employed with an annual payroll of \$50 million.
- **Fiscal Stewardship**
 - Appropriate Reserve Policies
 - AA Bond Rating



As An Organization, St Lucie County Provides Great Value to Our Citizens

- Working Smarter and More Collaboratively
- With the expansion of the recycling facility, the ROI should be achieved within 4 years (rather than 7 as originally predicted)
- Increased efforts on workplace safety have resulted in injury claims going down 23% and liability claims going down 30%
- Using a blend of staff and outside experts, achieved strong public safety and health gains with plans for All Aboard Florida
- Expedited permitting allowed Maverick Boats to go from application to approval in 8 weeks



Working Smarter & Collaboratively

- New York Mets 25 year extension with \$20 million in funding from the State.
- Partnership with Florida Inland Navigation District for Fort Pierce Beach sand saving the County approximately \$2 million.
- Copas Veterans Nursing Home project in Tradition received final construction phase funding of \$38 million.
- Reclamation of Wesley's Island has been led by Coastal Management and Environmental Resources but largely assisted by and through community volunteers
- *'Listen To The Water'* Series and the Oxbow's Earth Day celebrations have been low to no cost events showcasing our environmental treasures while providing education opportunities from leading scientists and experts



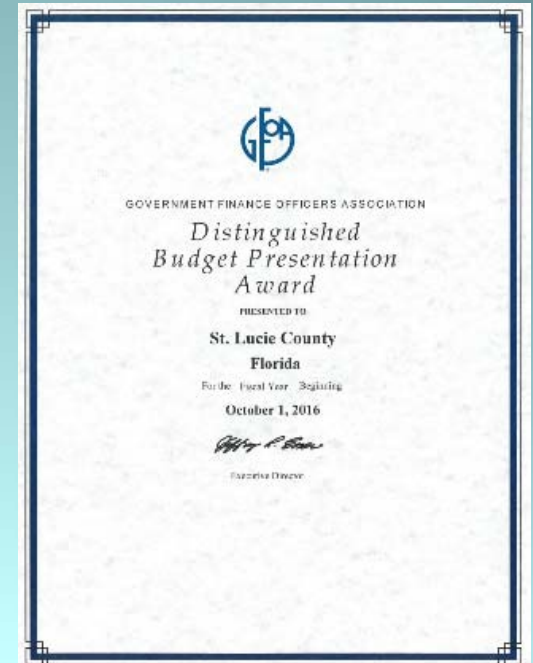
Accomplishments

- **Human Resources** received the following awards:
 - LEAD 2017: Best Use of Team Building Award for the IGNITE Leadership Program
 - LEAD 2017: Innovation in Deployment of Leadership Program for the IGNITE Leadership Program
 - LEAD 2017: Best Experienced/Senior Leaders Program for the IGNITE Leadership Program
- **Cooperative Extension** received the following awards:
 - Achievement Award (Infrastructure, Energy & Sustainability) from the National Association of Counties (NACO) for Air Potato Biological Control Program
 - Innovative Program Award for the Air Potato Biological Control Program from the Association of National Resource Extension Professionals (ANREP)
- **Community Services** received the following awards:
 - Achievement Award (Transportation) for Free transit rides to students summer program with valid library card or school ID from the National Association of Counties (NACO)
 - Potpourri Marketing Category for the Secret Santa Poster from the FL Public Transportation Association (FPTA)
 - Interior/Exterior Signage Category for the Students Ride Free Flyer from FL Public Transportation Association (FPTA)



Accomplishments

- **Office of Management & Budget** received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for meeting nationally-recognized guidelines for effective budget presentation in 2017
- **Communications** received the following awards from the National Association of County Information Officers :
 - Excellence Awards (Best in Class & Superior) for Video PSA Series Single-Stream Recycling
 - Excellence Awards (Excellent) for Electronic Communications Best Facebook Page
 - Electronic Communications: Website Excellence Award
 - Writing: News Releases: Students Ride Transit Free Excellence Awards (Meritorious)
 - Excellence Awards (Meritorious) for Special Projects, Community Events – World Series Watch Party



Accomplishments

- Reduction in Inmate Medical Expense
- Implemented Leadership Training Programs
- Implemented Process Improvement Programs
- Implemented workplace safety projects
- Awarded Best Places to Work



ADJUSTMENTS TO TENTATIVE FY 2018 BUDGET



Why do we adjust the Tentative Budget?

- Recommended departmental budgets were completed in March
 - Project completion/balance forward estimates compiled six months before year end
 - Grant availability as anticipated in March
 - Major Revenues prior to the availability of estimates from the Department of Economic & Demographic Research
 - Departments continue to review project status/balance forward impact through September



CHANGES IN THE TENTATIVE BUDGET BY FUND

Fund Name	FY 2018 Recommended	FY 2018 TRIM Budget	FY 2018 Tentative	FY 2018 Change
Gen. Fund & Fine and Forfeiture Fund	217,136,836	\$217,536,185	\$218,059,971	\$523,786
Special Revenue Fund	124,100,148	\$117,508,062	\$113,443,954	-\$4,064,108
Debt Service Fund	22,092,009	\$22,092,009	\$22,092,009	\$0
Capital Improvement Fund	126,700,596	\$126,700,596	\$119,962,185	-\$6,738,411
Enterprise Fund	54,627,284	\$54,627,284	\$55,201,754	\$574,470
Internal Service Fund	29,871,239	\$29,871,239	\$29,871,239	\$0
Special Trust Fund	3,512,566	\$3,512,566	\$3,496,128	-\$16,438
Total	578,040,678	\$571,847,941	\$562,127,240	-\$9,720,701



Budget Overview



Budget Summary

The FY 2017-18 tentative budget is \$562,127,240 . The current fiscal year's amended budget (FY2016-17) is \$608,391,298. When comparing the tentative 2017-18 budget with the current year amended budget, the 2017-18 budget is a -7.6 percent decrease over the previous year.

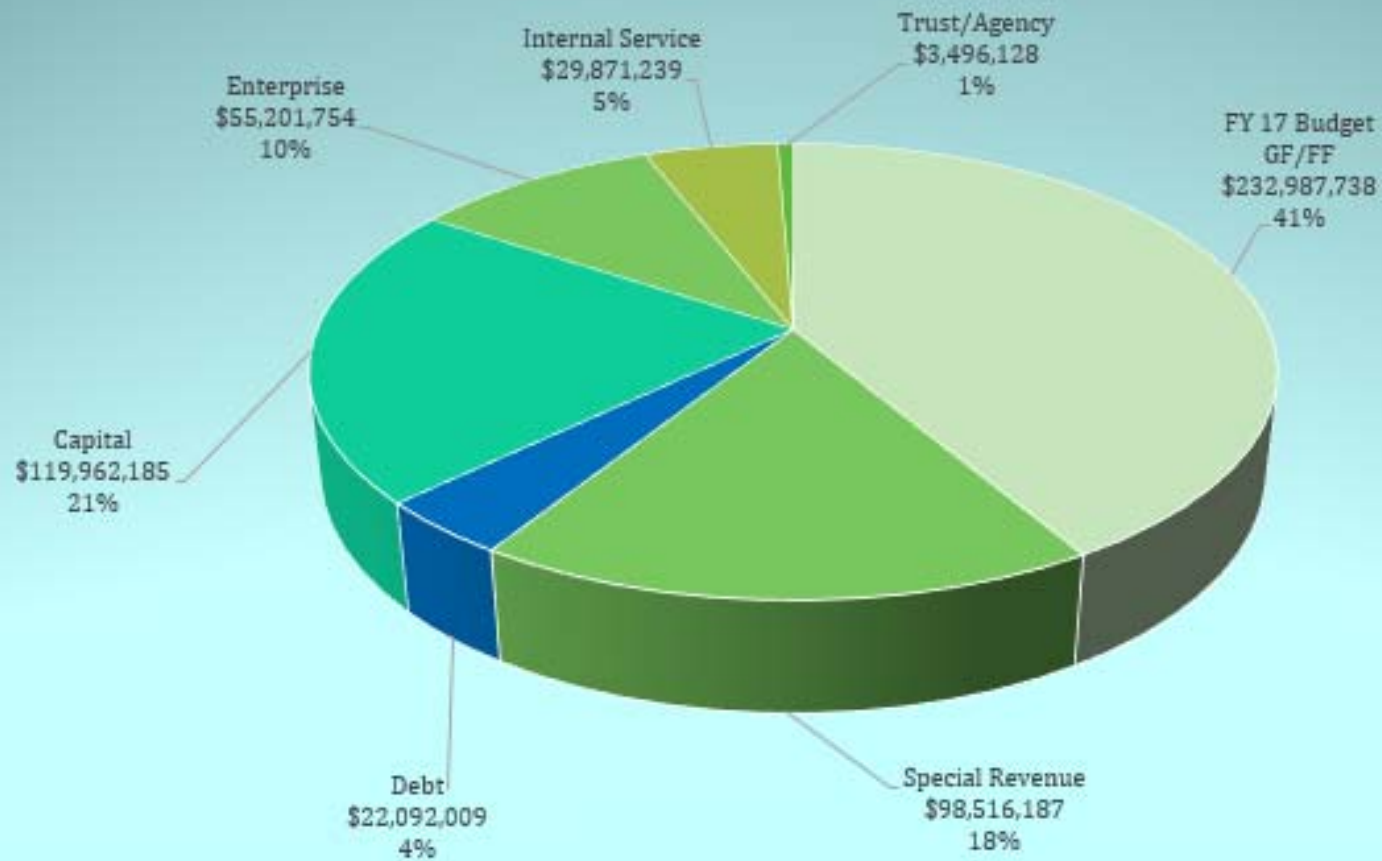


The Budget Structure

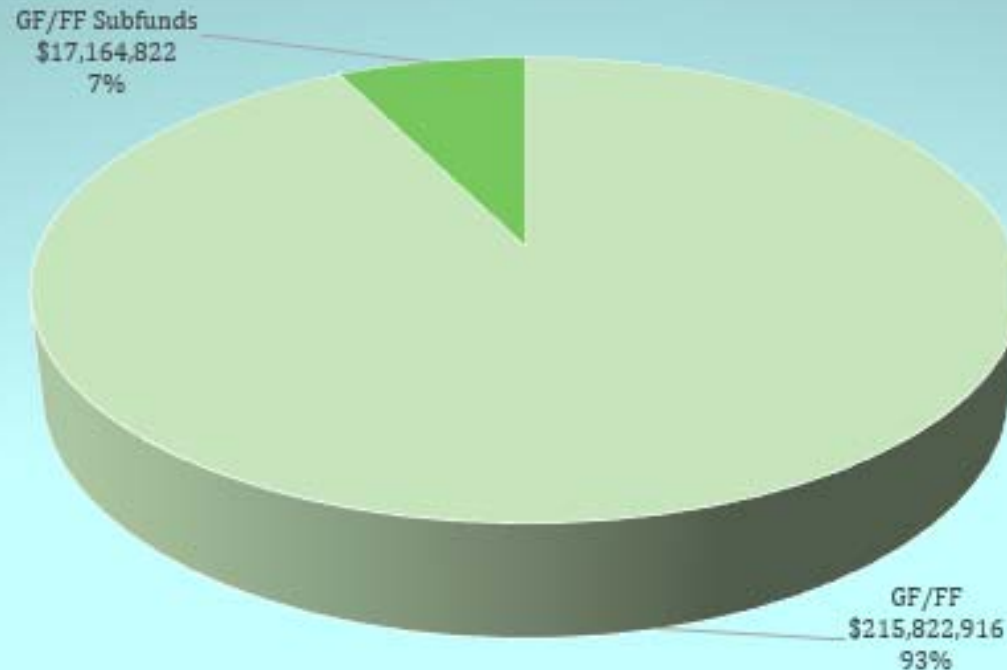
- Government accounting subdivides the budget into “funds”
- Fund Accounting allows a government to budget and account for funds restricted by law or policy.
- Each fund must balance, meaning that the revenues must equal the expenditures in each fund.



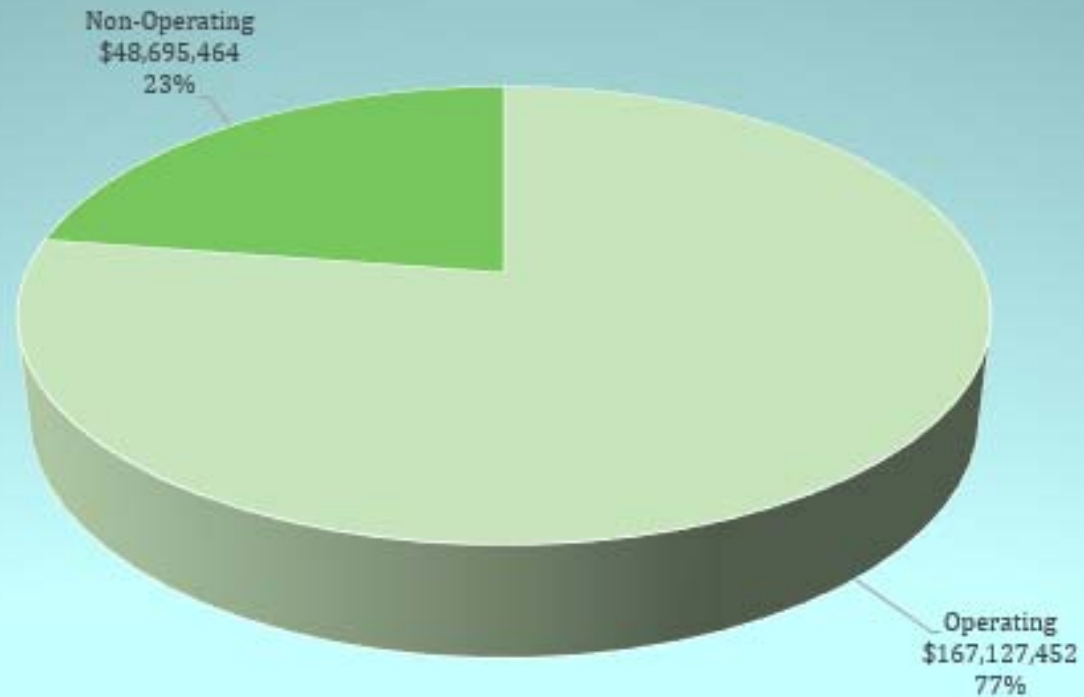
FY 2018 Total Tentative Budget \$562.1 Million



FY 2018 General Fund/ Fine & Forfeiture Fund Budget \$233 Million



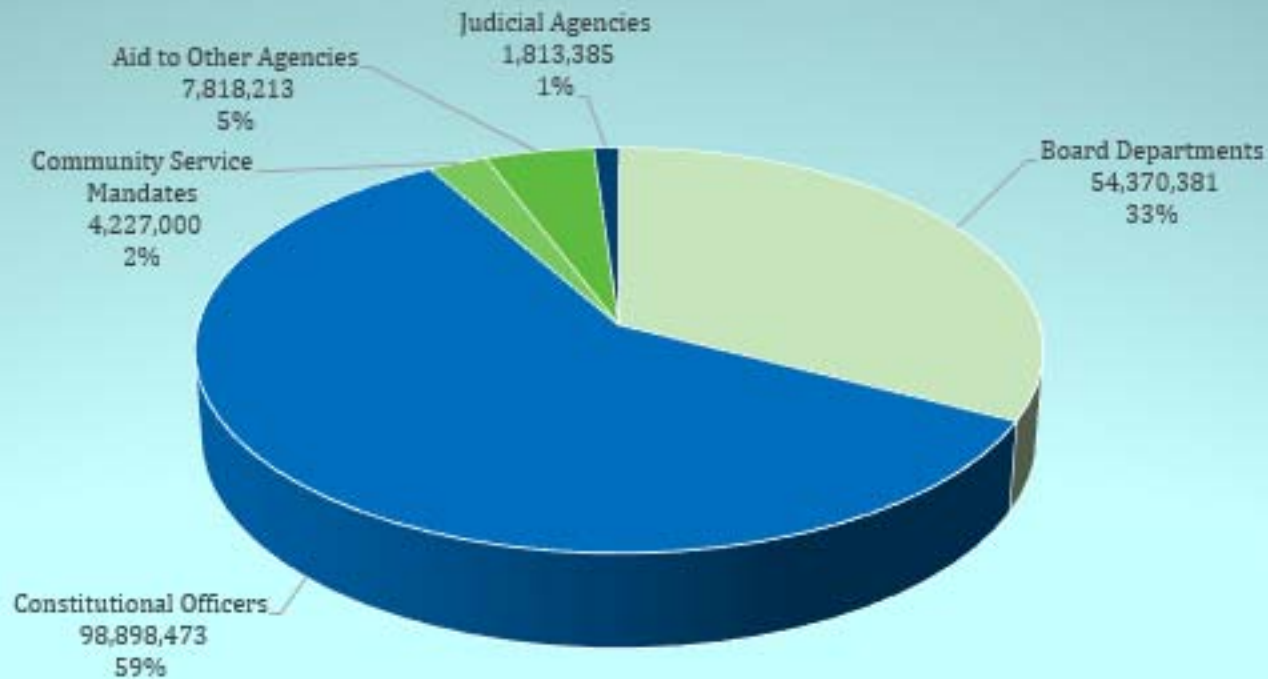
FY 2018 General Fund/ Fine & Forfeiture Fund Budget \$215.8 Million



Note: Operating excludes all Reserves and Transfers, except for transfers to the Constitutional Officers



FY 2018 General Fund / Fine & Forfeiture Fund Operating Expenses \$167.1 Million



General Fund/Fine & Forfeiture Fund Projected FY 2018 Incremental Changes

Incremental Recurring Revenues

Property Taxes (from 7.33% value increase)	\$9.57M
Property Taxes (from Millage Increase)	\$5.90M
State Shared	\$0.25 M
<u>Half Cent Sales Tax</u>	<u>\$0.52 M</u>
Total Increment	\$16.24 M

Reallocate Local Communications Services

Tax to Transportation Trust (\$0.81 M)

Total Available \$15.43 M



Sheriff Funding

Revenue Available	\$15,430,000
• Sheriff Budget Increase	\$5,904,354
Net Revenue	\$9,525,646

\$Includes \$873,576 for annual vehicle lease payments, \$724,480 for insurance increases, and \$732,939 for FRS increases.



Prior Commitments

Revenue Available	\$9,525,646
<ul style="list-style-type: none">• Medical Examiner portion for position full year• FRS Increase (w/o Sheriff)• Health Insurance Increases (w/o Sheriff)• Medicaid• SOE Rent• Tax Collector (Fee based)• Additional CRA Payments• 800 MHz Debt• <u>Deficit Reduction</u>	<ul style="list-style-type: none">\$ 41,000\$ 254,740\$ 723,070\$ 317,680\$ 62,524\$ 255,000\$ 582,000\$ 409,187\$ 2,000,000
Committed Needs	\$ 4,645,201
Net Revenue	\$4,880,445



FY 18 Allocations

Revenue Available

\$4,880,445

• Property Appraiser	\$ 246,567
• Supervisor of Elections Vehicles	\$ 161,300
• Medical Examiner	\$ 106,116
• Non-profits	\$ 235,765
• COLA/Salary Adjustment	\$ 1,000,000
• Airport Equipment	\$ 209,000
• Information Technology	\$ 169,200
• Community Services	(\$ 300,000)
• Facilities	\$ 1,609,274
• Parks & Recreation	\$ 372,725
• Public Safety	\$ 7,840
• Heavy Equipment Loan Payment	\$ 500,000
• Arts in Public Places	\$ 150,000
• Job Growth Incentive Grants	\$ 65,314
• <u>Miscellaneous</u>	\$ 51,936
Total	\$ 4,585,037

Net Available

\$295,408



FY 2018 Capital Improvement Plan



TENTATIVE FY 2018 CIP: \$135.31 MILLION, PROJECTS WITH HIGHEST COST IMPACT

First Data Field Improvements \$55 M

Kings Highway and Indrio Rd Widening \$19 M

800MHz Radio Infrastructure Upgrade \$8.9 M

Tax Collector Building \$6.5 M

Landfill Phase 4 Cell Construction \$6.2 M

MRO Hangar \$3.7 M

North Entrance to Port of Ft. Pierce \$3.4 M

Redevelopment of Fisherman's Wharf \$2.7 M

Airport Parallel Runway Connector \$2.2 M



FY 2018 CIP Projects – By Dept.

Department	FY 2018 CIP - Funded Projects	Funded Project Distribution by Percent
Parks and Recreation	\$58.57	43.3%
Public Works	\$36.38	26.9%
Public Safety and Communications	\$8.97	6.6%
Public Utilities	\$8.87	6.6%
County Administration	\$11.73	8.7%
Constitutional Officers (BOCC)	\$6.50	4.8%
Facilities	\$0.57	0.4%
Environmental Resources	\$2.74	2.0%
Library Services	\$0.13	0.1%
Mosquito Control and Coastal Management	\$0.46	0.3%
Community Services	\$0.39	0.3%
Total CIP Budget - Funded Projects	\$135.31	100.0%



Approximately \$600 Million Deferred Request & Capital Needs

Category	Description	Amount
Public Safety	Projects that improve public safety services to the resident of St. Lucie County	\$12,800,000
Environmental	Projects which enhance our natural environment either through preservation or mitigation of our natural resources air, land or water	\$79,350,000
Transportation Infrastructure	Projects that improve our transportation system of roads, intersections and bridges	\$283,700,000
Economic Development	Projects that improve our ability to retain or attract businesses and increase employment in the region	\$217,900,000



Reserves and Fund Balance



Budget Stabilization Fund

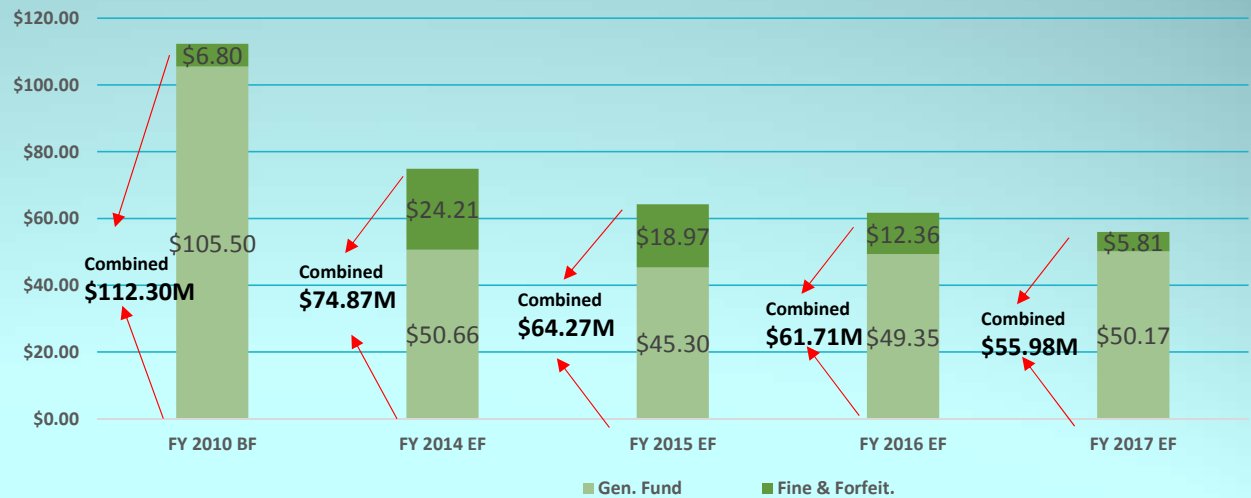
(Reserves and Deficit Spending)

- **Current Conditions.** Operating expenses in the General Fund/Fine & Forfeiture Fund are exceeding operating revenues.
 - FY 2010 thru FY 2016 the County has utilized \$50 million of the General Fund and Fine Forfeiture fund balance.
 - Expenses exceed revenue annually during the same period of time, averaging \$7.08 million.
 - FY 2017/18 recommended budget includes \$2M toward deficit reduction
- **Future Direction.** Changing our condition requires continued discipline through fiscal year 2020. If we remain disciplined, it is possible that we can reverse the trend so that our operating revenues cover our operating expenses.



Reserve History FY 2010 – FY 2017

- 36.5 million is set aside as part of our reserve balance
 - \$16.5 million for emergency reserves
 - \$14 million for budget stabilization
 - \$6 million for Transportation Infrastructure reserves



Source: Banner Financial System



Additional \$25,000 Exemption

- Currently, property owners that are eligible for homestead exemption receive an exemption up to the assessed valuation of \$25,000. An additional \$25,000 exemption applies to the property value between \$50,000 and \$75,000. This additional \$25,000 exemption does not apply to taxes levied by school districts.
- House Joint Resolution (HJR) 7105 proposed an amendment to the Florida Constitution, which is effective January 1, 2019. The proposed amendment would increase the homestead exemption to also exempt the assessed valuation greater than \$100,000 and up to \$125,000 for all levies other than school districts.
- A referendum for a Constitutional Amendment will be on the November 2018 ballot.
- Estimated impact of at least \$6 million.
- If adopted, this will impact our budget beginning in FY 2020.



Adopted Budget and St. Lucie County Population



Source: US Census

Property Values & Millages





Florida TaxWatch

2016 Report: How Florida Compares

- Florida ranks 49th in per capita state revenue collections, lowest ranking since TaxWatch has been monitoring

“Florida’s local governments (tax) rankings are generally much higher than the state government rankings due to the fact that Florida relies more heavily on local governments to fund public services than almost all other states.”

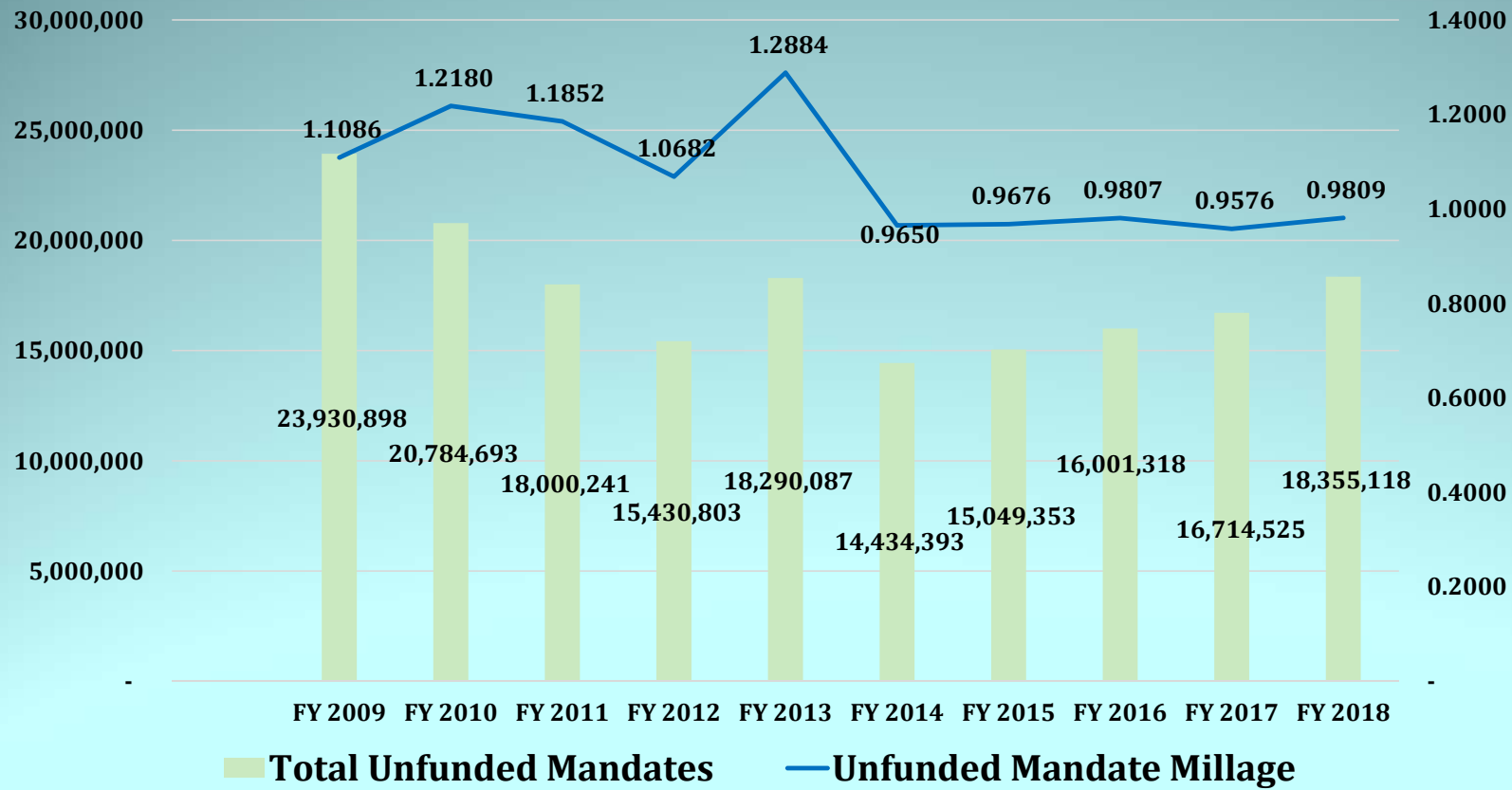


Mandates

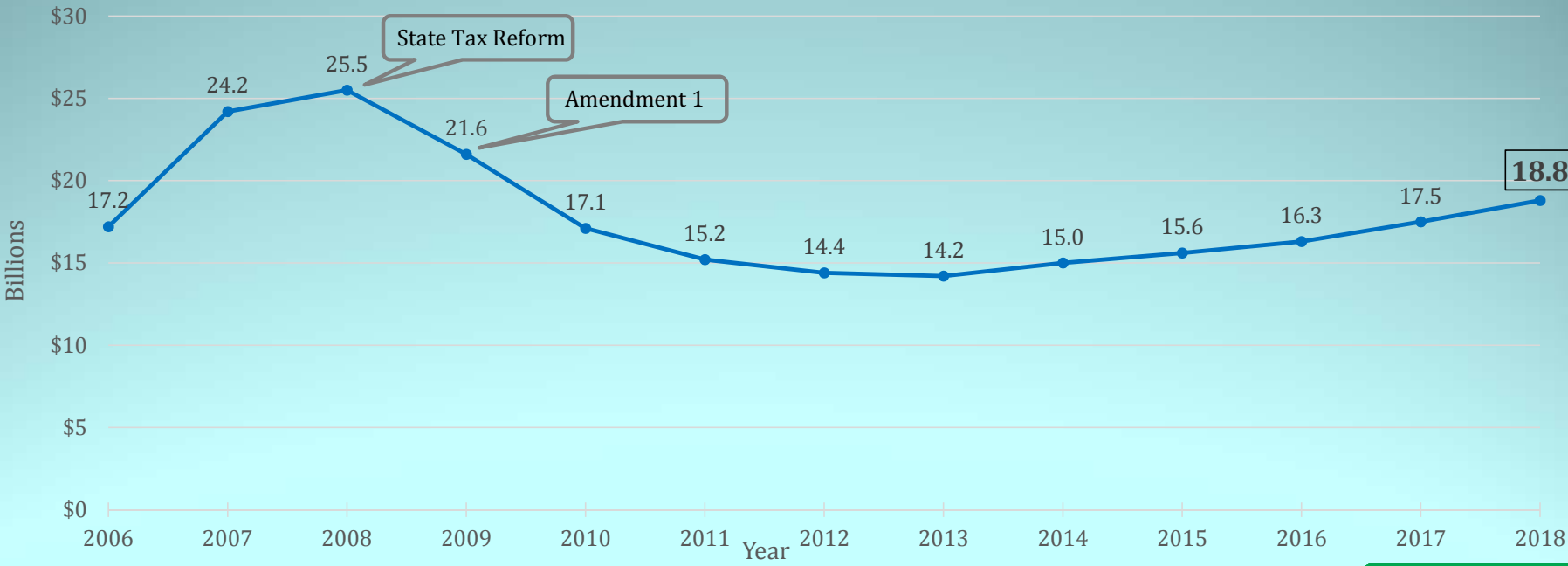
St Lucie County										
Unfunded Mandates										
Fiscal Year Budgets	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Health Department	964,782	964,785	868,295	868,295	868,295	868,295	922,647	922,647	1,122,647	1,122,647
New Horizons	673,606	673,606	673,606	673,606	673,606	673,606	687,078	687,078	687,078	712,843
Community Services Mandates	1,955,000	1,935,000	1,591,230	1,592,000	5,237,062	3,207,248	3,275,000	3,555,683	3,909,320	4,227,000
Community Redevelopment Agency (CRA'S)										
City of Port St Lucie	2,000,000	1,400,000	1,015,000	1,005,000	900,000	805,800	903,000	1,083,000	1,210,000	1,421,142
City of Ft Pierce	4,200,000	3,200,000	2,450,000	2,400,000	2,100,000	2,050,200	2,140,000	2,350,000	2,700,000	3,038,216
Total CRA'S	6,200,000	4,600,000	3,465,000	3,405,000	3,000,000	2,856,000	3,043,000	3,433,000	3,910,000	4,459,358
Other Mandates and Non County Agencies*	3,968,755	4,005,651	3,968,555	2,743,451	2,755,562	1,986,622	2,039,314	1,984,955	3,175,480	3,373,912
Total Unfunded Mandates	23,930,898	20,784,693	18,000,241	15,430,803	18,290,087	14,434,393	15,049,353	16,001,318	16,714,525	18,355,118

* Includes Juvenile Detention, Medical Examiner, Court Admin (Innovations), State Attorney Admin, Public Defender Admin, & Public Defender

Mandates



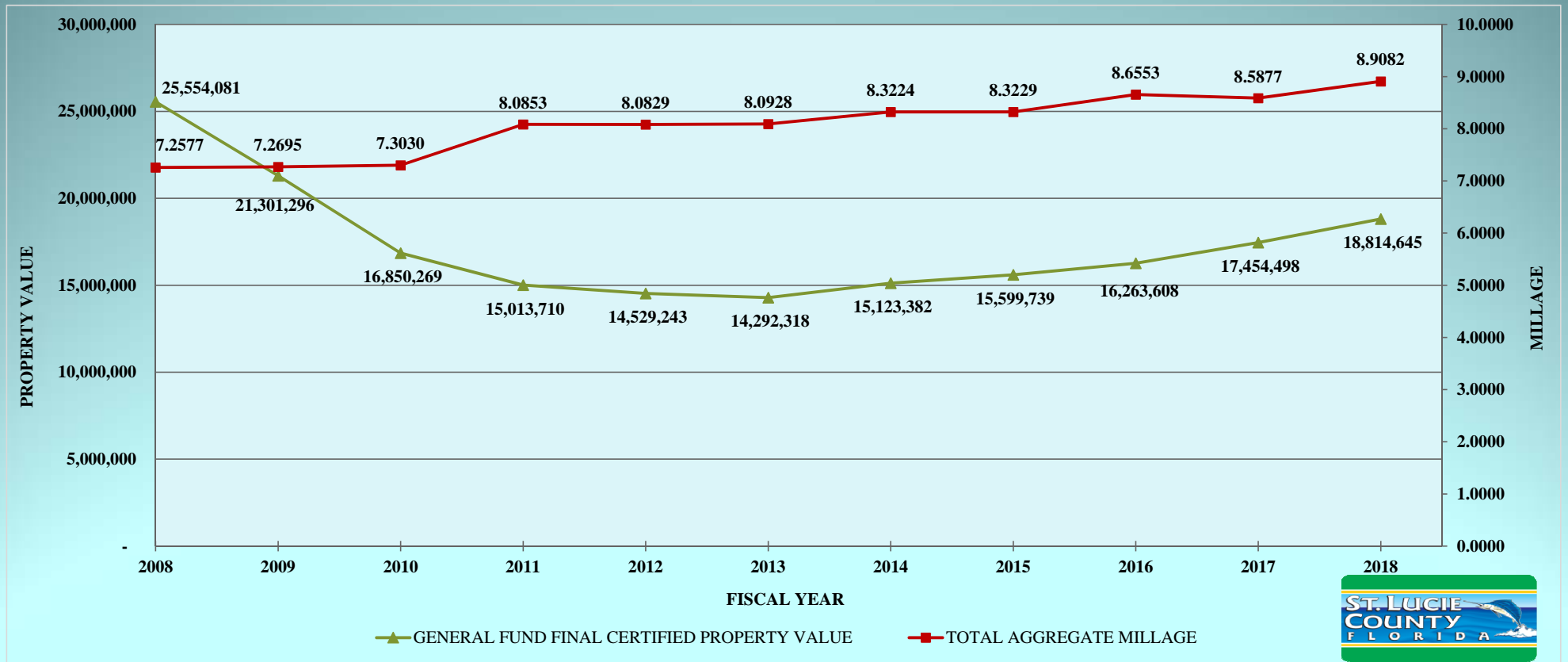
Taxable Property Values



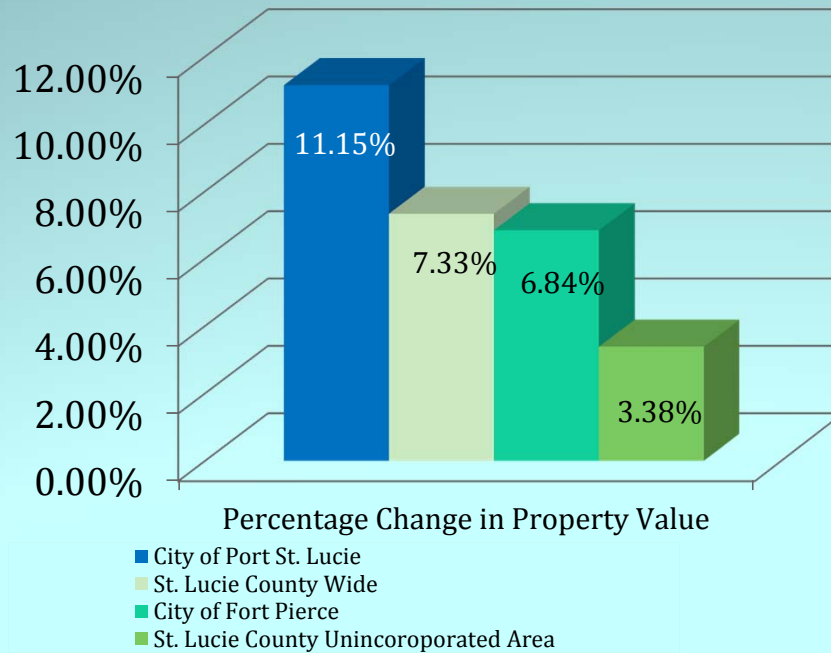
Source: St. Lucie County Property Appraiser



Property Value & Millage History FY 2008 - 2018



FY18 % Change in Property Valuation



Taxing Authority	Property Value
City of Port St. Lucie	\$8.7 Billion
St. Lucie County - County Wide	\$18.8 Billion
City of Fort Pierce	\$2.2 Billion
St. Lucie County - Unincorporated	\$7.8 Billion



Source: St. Lucie County Property Appraiser

Proposed millage funds . . .

- Sheriff's \$5.9 increase funded through a millage increase.
 - 50% Law Enforcement MSTU
 - 50% GF/FF
 - Impact on a homesteaded city resident's \$200,000 home would be \$58.65.
 - Impact on a homesteaded unincorporated resident's \$200,000 home would be \$123.77.



Proposed millage funds . . .

- Move Additional Public Works Infrastructure Costs (Stormwater/Roads) At \$5.1 million) To A Sales Tax Initiative For 2018.
- The Transportation Emergency Reserve Will Need To Be Available To Public Works To Work On Needed Repairs And Maintenance During Fiscal Year 2017-18



Proposed budget funds . . .

- Heavy Equipment
 - \$500,000 internal loan to cover new equipment requests for Public Works.



Proposed budget funds . . .

- Budget Stabilization
 - \$2,000,000 as per the plan
 - For FY2018/19 through FY2020/21, reserve \$2,000,000 in market growth to address additional homestead exemption.



Proposed budget funds . . .

- No New County Positions
- Funding for required increases in Florida Retirement System, as well as increases in Health Insurance and compensation is adequate.



Proposed budget funds . . .

- An October 1st implementation for pay plan adjustments. These adjustments are funded from:
 - Salary and reserve budgets allocated for salary increases within the budget
 - Insurance Savings
- Human Resources has conducted a compensation review of selected positions.
- St Lucie County BOCC pay plan ranges are approximately 25% lower than surrounding governmental agencies across the board.
- In order to attract, retain and build a greater workforce, administration must increase pay ranges and establish a multiyear plan to bring our pay ranges to a competitive rate.



Impact of Tax Increase on a Homestead Property Located within a City

Property Value	Millage Rate Change	FY 17 Taxes	FY 18 Taxes	Tax increase as from:			Potential FY 20 Impact of Add'l Homestead Exemption
				Valuation Increase @ 2.1 % CPI	Millage Increase	FY 18 Increase	
\$100,000	0.1700	\$386.36	\$411.43	\$16.57	\$8.50	\$25.07	\$0
\$200,000	0.1700	\$1,175.64	\$1,234.29	\$33.15	\$25.50	\$58.65	(\$206)
\$300,000	0.1700	\$1,964.93	\$2,057.16	\$49.72	\$42.50	\$92.23	(\$206)



Note: The median value of a home in St. Lucie County is approximately \$200,000.

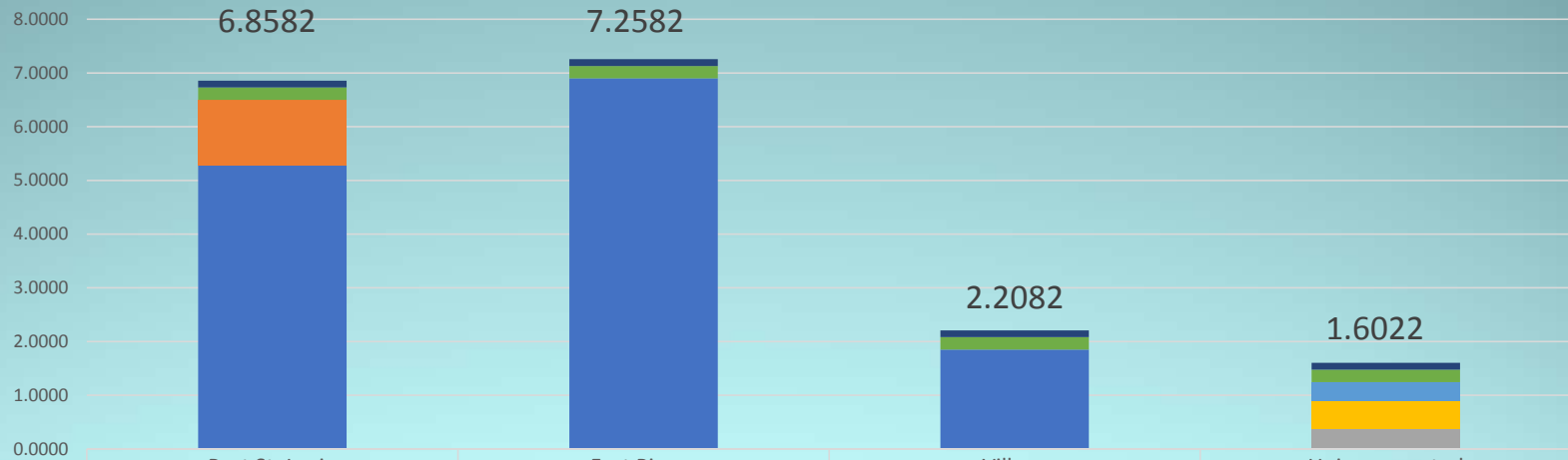
Impact of Tax Increase on a Homestead Property Located within the Unincorporated Area

Property Value	Millage Rate Change	FY 17 Taxes	FY 18 Taxes	Tax increase as from:		FY 18 Increase	Potential FY 20 Impact of Add'l Homestead Exemption
				Valuation Increase @ 2.1 % CPI	Millage Increase		
\$100,000	0.5700	\$446.00	\$493.63	\$19.13	\$28.50	\$47.63	\$0
\$200,000	0.5700	\$1,357.12	\$1,480.89	\$38.27	\$85.50	\$123.77	(\$247)
\$300,000	0.5700	\$2,268.25	\$2,468.15	\$57.40	\$142.50	\$199.90	(\$247)



Note: The median value of a home in St. Lucie County is approximately \$200,000.

Municipal Services in FY 2017



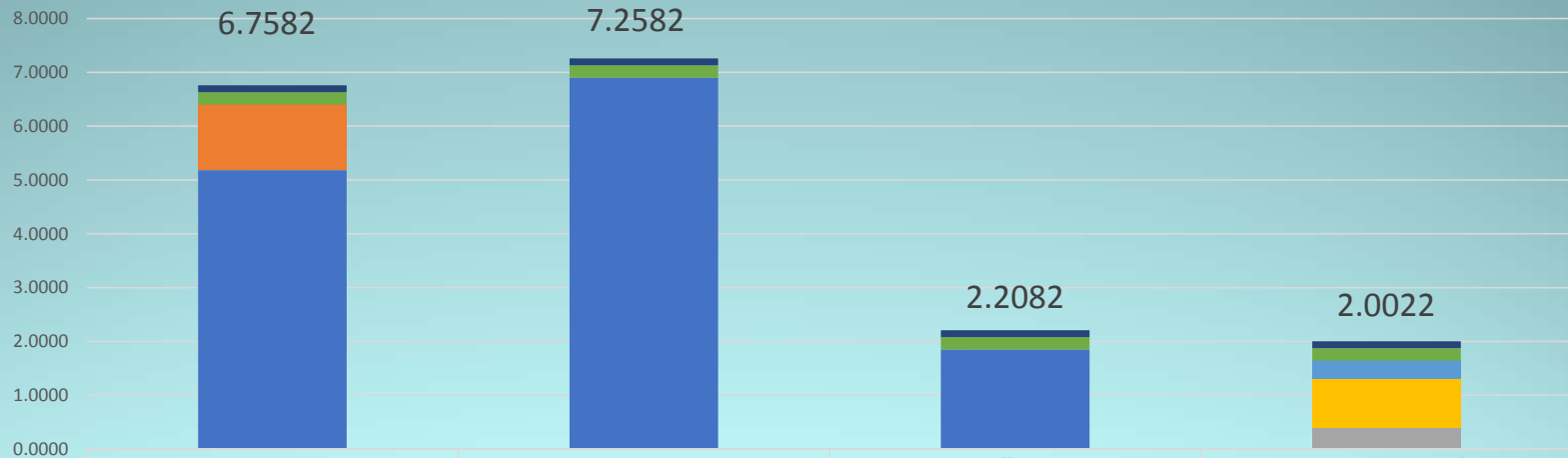
	Port St. Lucie	Fort Pierce	Village	Unincorporated
Transit MSTU	0.1269	0.1269	0.1269	0.1269
Parks MSTU	0.2313	0.2313	0.2313	0.2313
Stormwater Management MSTU	0.0000	0.0000	0.0000	0.3497
Law Enforcement MSTU	0.0000	0.0000	0.0000	0.5103
Unincorporated Services MSTU	0.0000	0.0000	0.0000	0.3840
City Voted Debt	1.2193	0.0000	0.0000	0.0000
City Millage	5.2807	6.9000	1.8500	0.0000

* The unincorporated MSTU, Law Enforcement MSTU, and Stormwater MSTU provide services that a City would provide. These millage rates total 1.644.

Source: St. Lucie County Property Appraiser



Municipal Services – FY 2018



	Port St. Lucie	Fort Pierce	Village	Unincorporated
Transit MSTU	0.1269	0.1269	0.1269	0.1269
Parks MSTU	0.2313	0.2313	0.2313	0.2313
Stormwater Management MSTU	0.0000	0.0000	0.0000	0.3497
Law Enforcement MSTU	0.0000	0.0000	0.0000	0.9103
Unincorporated Services MSTU	0.0000	0.0000	0.0000	0.3840
City Voted Debt	1.2193	0.0000	0.0000	0.0000
City Millage	5.1807	6.9000	1.8500	0.0000

- The unincorporated MSTU, Law Enforcement MSTU, and Stormwater MSTU provide services that a City would provide. These millage rates would total 1.644



Next Steps

- Adoption of Tentative Budget and Millage Rates
- Final Budget Hearing -
September 26, 2017, 5:01 p.m.



ST. LUCIE COUNTY BOARD OF COUNTY COMMISSIONERS

FY 2017-2018 TENTATIVE BUDGET

