



SEMINOLE COUNTY

FLORIDA'S NATURAL CHOICE

**FY 2015/16
Financial Update and
Policy Discussions**

March 8, 2016

Financial Update

- **Property Valuation Update**
 - *David Johnson, CFA Property Appraiser*
- **Financial Update**
 - *Major Revenue Sources*
 - *General Fund*
 - *CRA's*
 - *Fire Fund*
 - *Health Insurance*
- **FY 2016/17 Budget Development Goals**
- **Financial Policy Discussion**
- **Board Questions/Discussion/Direction**



FY 2016/17 Budget Worksession

Property Valuation Update

March 8, 2016

Date of Assessment



Why is January 1 Important?

JANUARY 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

Inventory of Homes on the Market in the Orlando Metro Area



2011 – January 2016



Single Family Home Supply in the Metro Orlando MSA



- Number of homes for sale is at a 6 month supply, a 6 month supply is considered a healthy market. However, inventory is increasing, especially in the \$300,000+ range.



Detached Single Family Homes

Median Sales Price of <i>New and Existing</i> Single Family Homes	
<u>Sale Year</u>	<u>Median Sale Price</u>
2006	\$ 293,000
2007	\$ 282,950
2008	\$ 250,000
2009	\$ 220,000
2010	\$ 215,000
2011	\$ 215,000
2012	\$ 206,100
2013	\$ 225,000
2014	\$ 237,000
2015	\$ 240,000



Median Sales Price of <i>NEW</i> Single Family Homes	
<u>Year Built</u>	<u>Median Sale Price</u>
2006	\$ 380,000
2007	\$ 355,300
2008	\$ 312,900
2009	\$ 275,100
2010	\$ 268,700
2011	\$ 261,850
2012	\$ 308,300
2013	\$ 357,750
2014	\$ 375,000
2015	\$ 355,000

Qualified sales only, does not include foreclosures.

Townhouses

Median Sales Price of New and Existing Townhouses

Sale Year	Median Sale Price
2006	\$ 229,750
2007	\$ 214,000
2008	\$ 185,400
2009	\$ 165,000
2010	\$ 163,450
2011	\$ 140,000
2012	\$ 144,200
2013	\$ 157,700
2014	\$ 174,900
2015	\$ 175,000



Median Sales Price of NEW Townhouses

Year Built	Median Sale Price
2006	\$ 239,800
2007	\$ 223,350
2008	\$ 197,150
2009	\$ 167,200
2010	\$ 169,000
2011	\$ 154,000
2012	\$ 152,500
2013	\$ 168,650
2014	\$ 230,000
2015	\$ 267,100

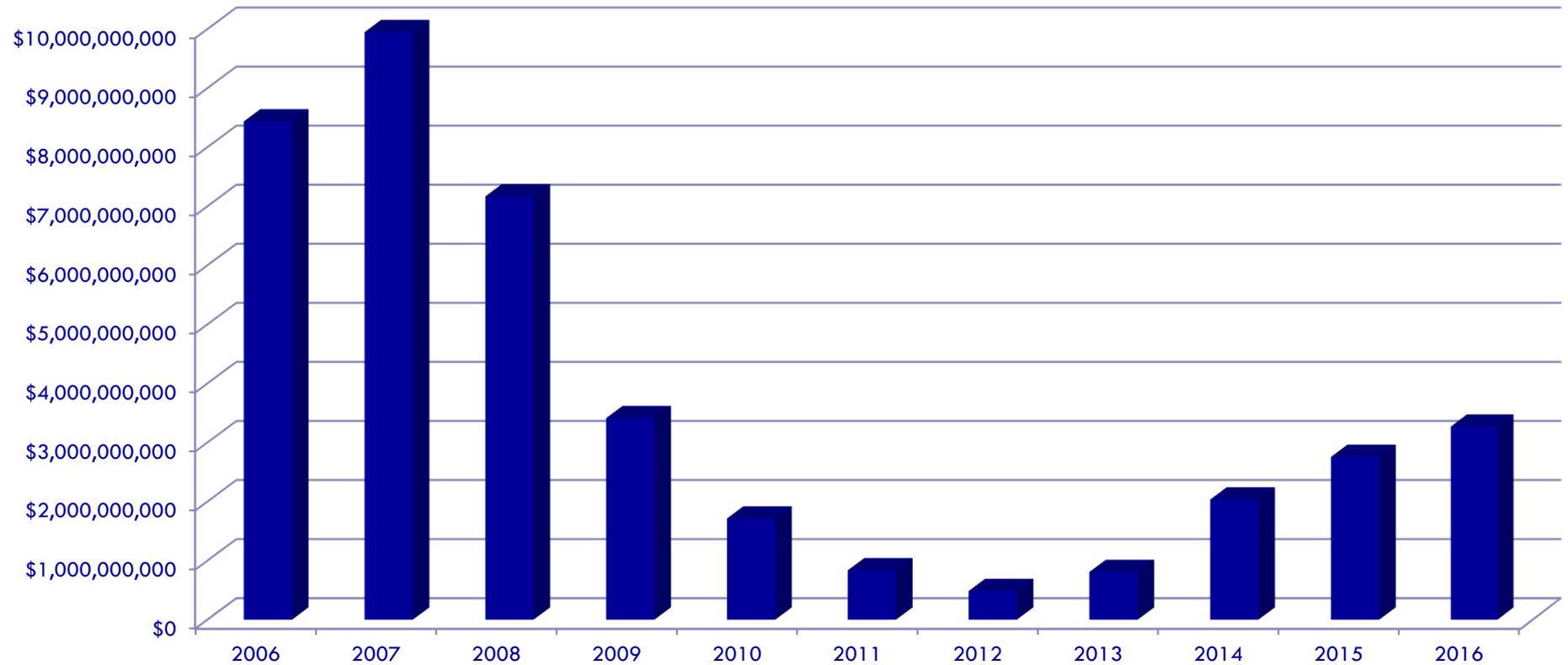
Qualified sales only, does not include foreclosures.

Save Our Homes Cap %



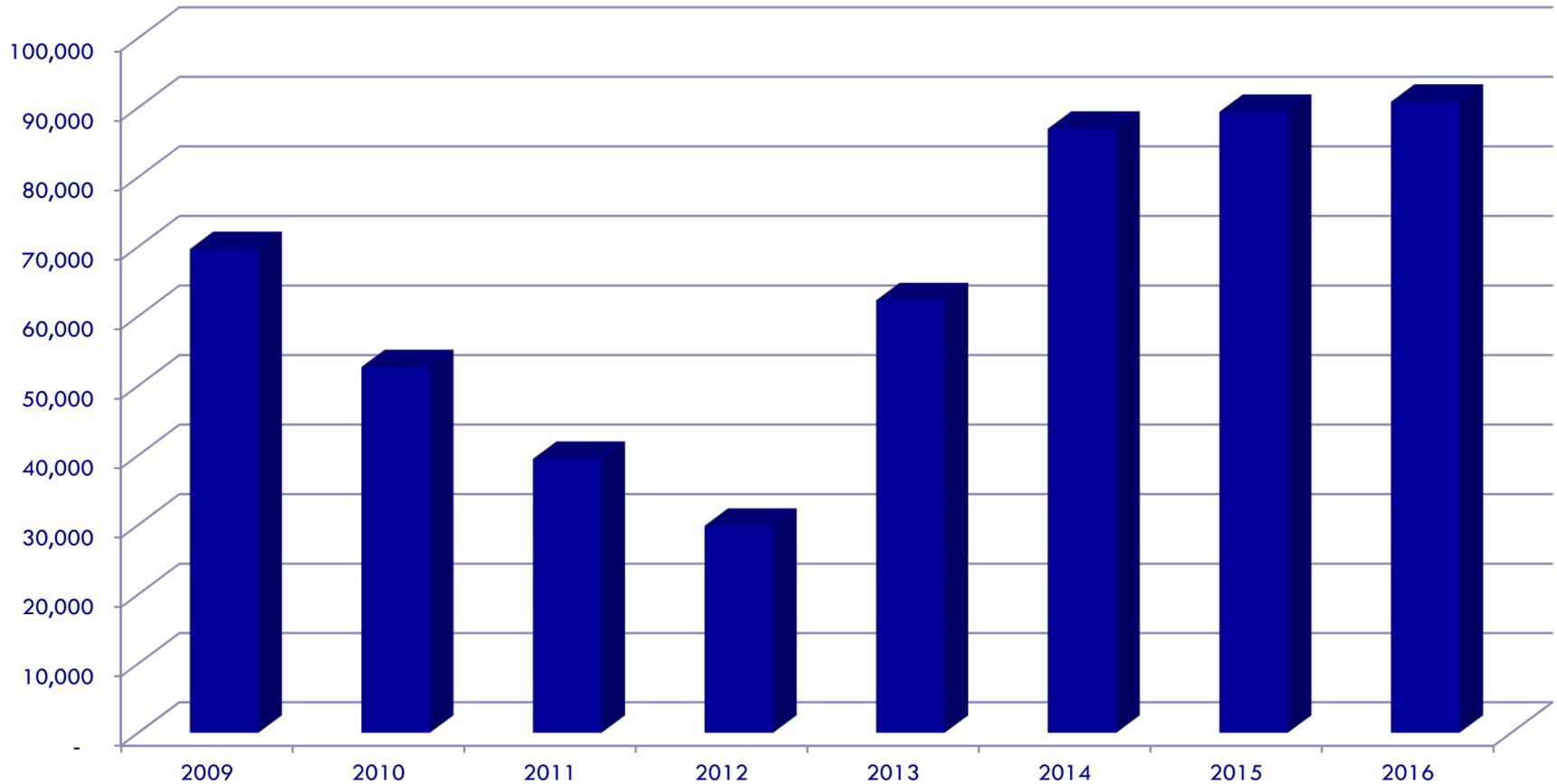
Year	SOH CAP
2005	3.0%
2006	3.0%
2007	2.5%
2008	3.0%
2009	0.1%
2010	2.7%
2011	1.5%
2012	3.0%
2013	1.7%
2014	1.5%
2015	0.8%
2016	0.7%

Value of Save Our Homes Savings 2006-2016*

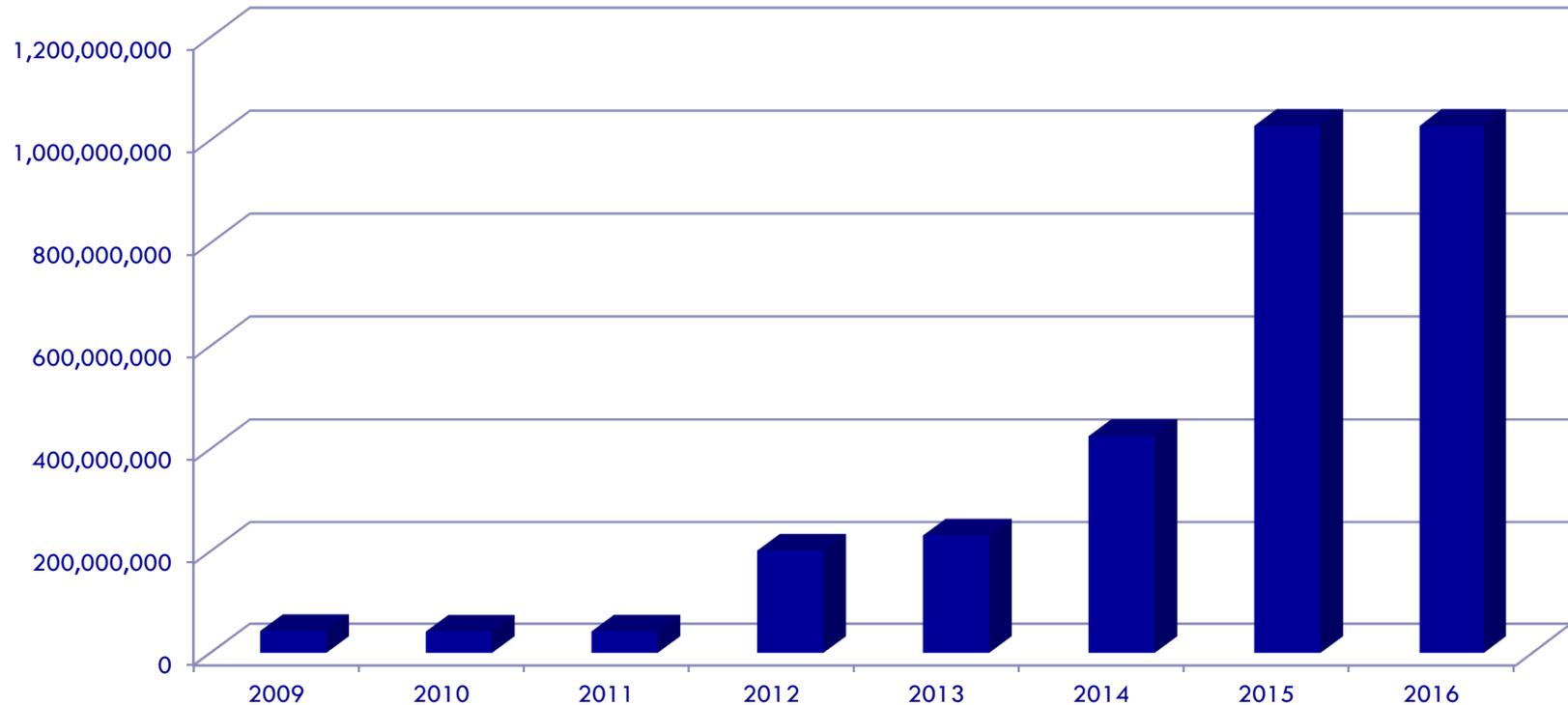


**subject to change due to continued reappraisal work*

Number of Homes with a Save Our Homes Cap, 2009 - 2016



Value of Non-Homestead Cap Savings, 2009 – 2016*



The 2016 non-homestead cap will be determined after reappraisal work for the 2016 tax roll is complete.

Commercial Market Update

- **Anchored Shopping Centers & Class A Office continue to show positive increases in value from 8-11%**



Commercial Market Update

- **Non-Anchored Retail Shopping Centers, Warehouses, Class B & C Office values show small increases year over year of 4-6%.**



Commercial Market Update

- **Apartment Complexes have seen increase in sales activity, rents and lower vacancies in the last 12 months**
- **Values have increased 10-12%**
- **Median Sales Price: \$110,000/unit**
- **Highest Price Paid in 2015: \$178,000/unit**



New Construction for 2016

- Overall new construction continues to make steady improvement throughout the County.
- \$300 million in new construction to be added to the 2016 Tax Roll*

**subject to change due to continued reappraisal work*



Permitted New (Future) Construction

- **\$890 Million Total New Construction in the Pipeline**



Bottom Line.....

- Low CPI Rates
- High Number of Homestead Exemptions
- Small Number of Homes with Homestead selling annually
(6%)

Equals....

NEED FOR CONTINUED ECONOMIC DEVELOPMENT OF NON-HOMESTEADED PROPERTIES



- Manufacturing
- Multi-Family
- Offices
- Hotels
- Retail



Taxable Value History & Projections



Year	% Change in Taxable Value
2006	23.90%
2007	12.77%
2008	-5.58%
2009	-11.30%
2010	-9.69%
2011	-5.66%
2012	-1.00%
2013	3.12%
2014	5.40%
2015	5.87%
2016	6.00%
2017	6.00%
2018	5.50%
2019	5.50%

Revenue per mill and Projections*



Year	
2006	\$29.7 million
2007	\$33.5 million
2008	\$31.6 million
2009	\$28.1 million
2010	\$25.3 million
2011	\$23.9 million
2012	\$23.6 million
2013	\$24.3 million
2014	\$25.6 million
2015	\$27.2 million
2016	\$28.8 million
2017	\$30.6 million
2018	\$32.2 million
2019	\$34.0 million

*estimated at 100%



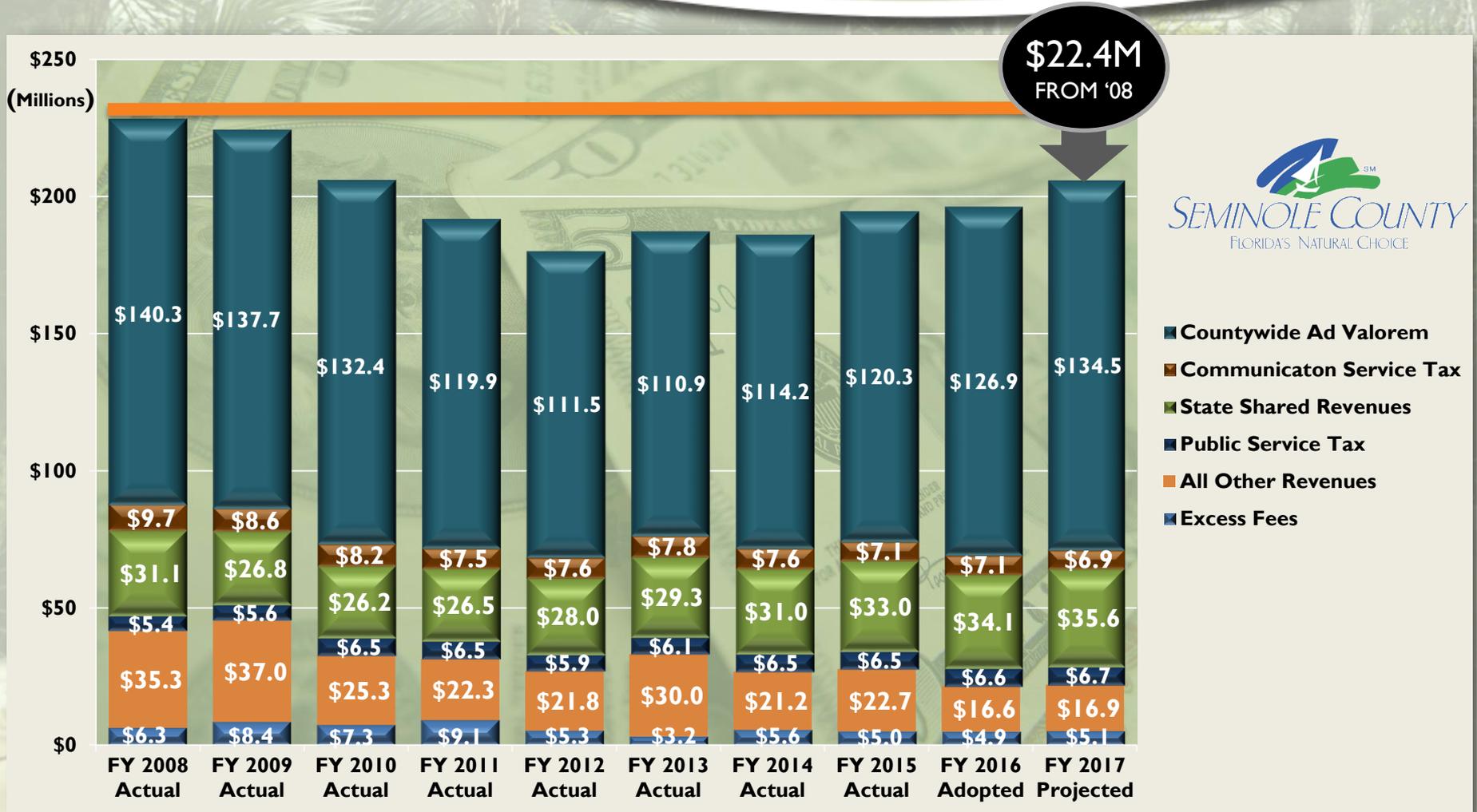
QUESTIONS?

Financial Update

MAJOR REVENUE SOURCES – 10 Year History

- **Ad Valorem Taxes**
- **State Shared Sales Taxes**
- **Communication Service Taxes**
- **Fuel Taxes**
- **Tourist Development Taxes**
- **2014 Infrastructure Sales Tax**

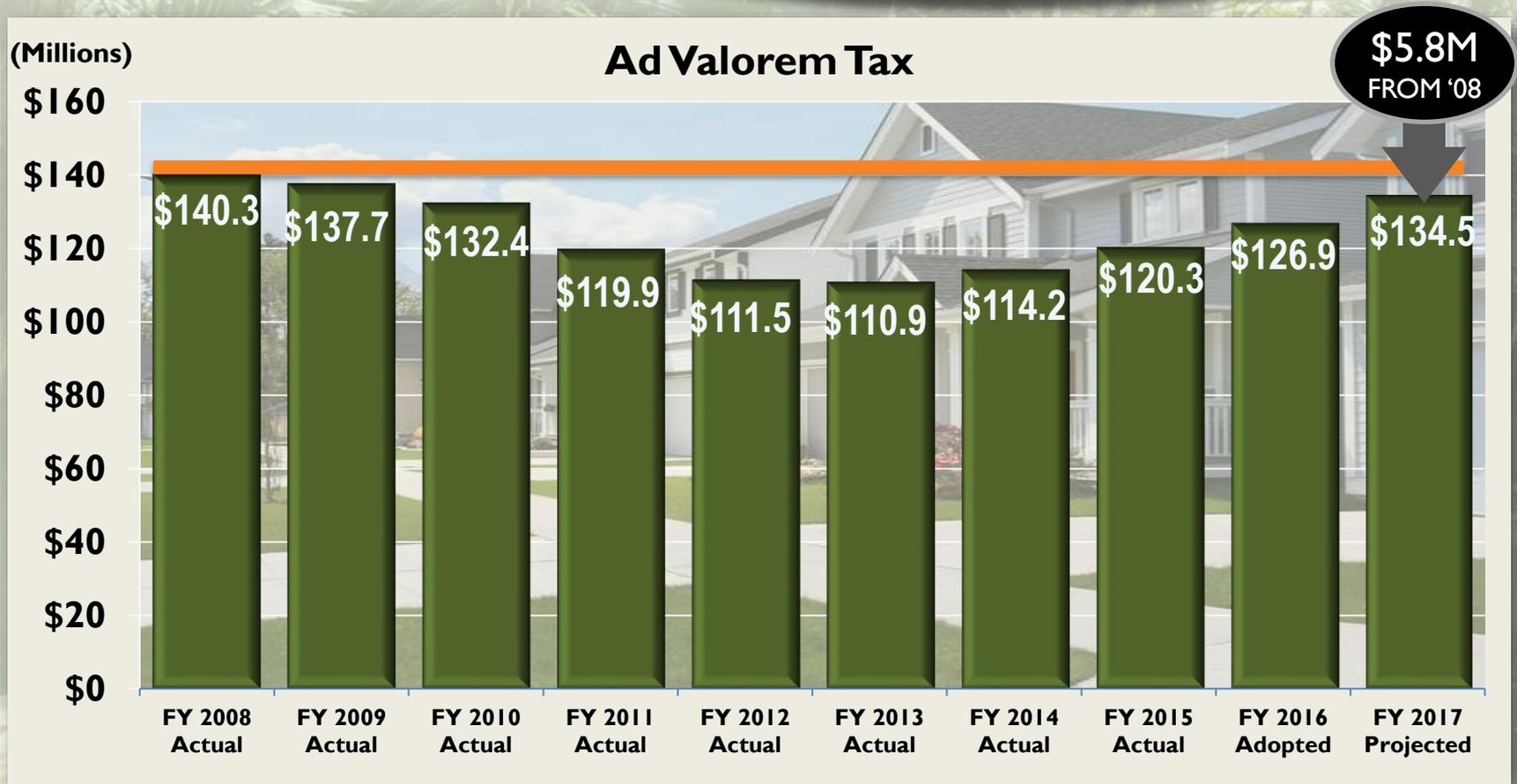
General Fund Revenue Sources



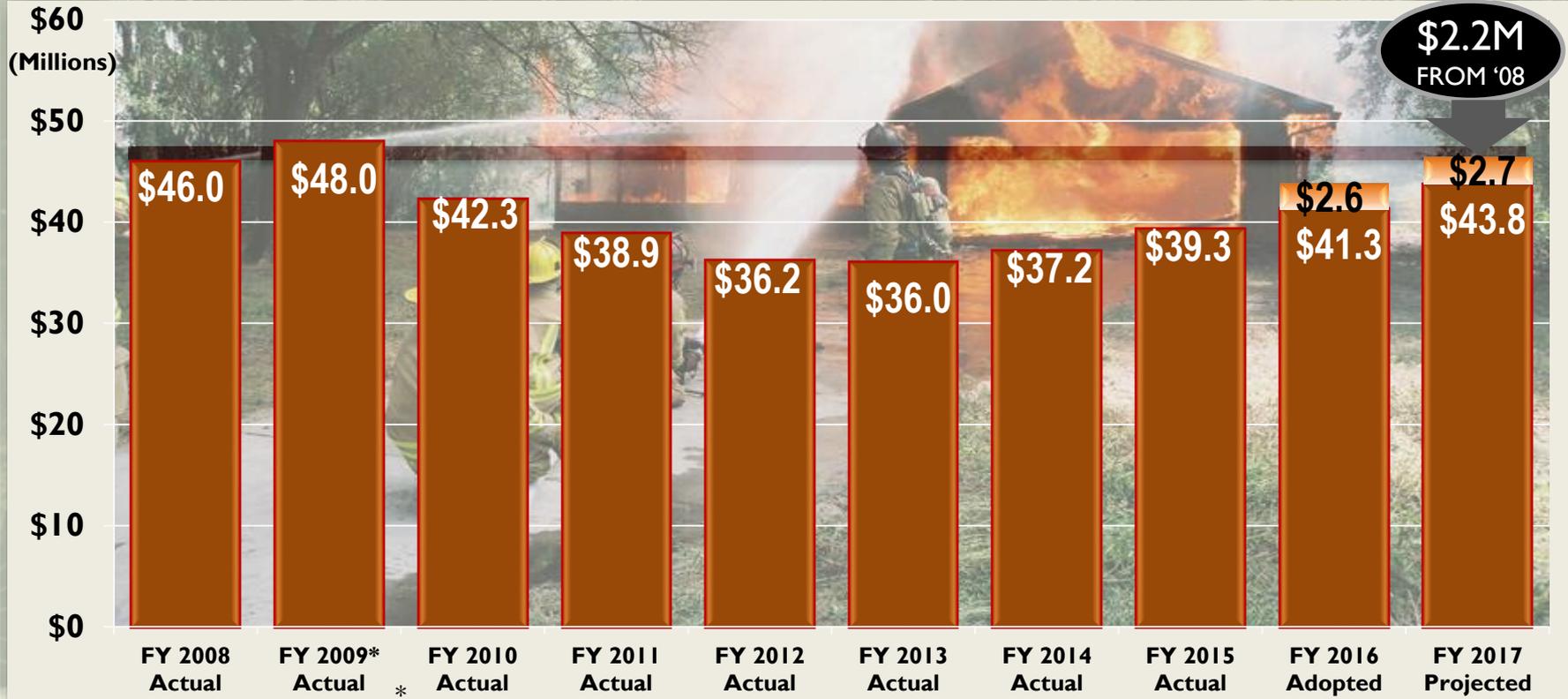
General Fund Revenue Sources



Countywide Property Tax



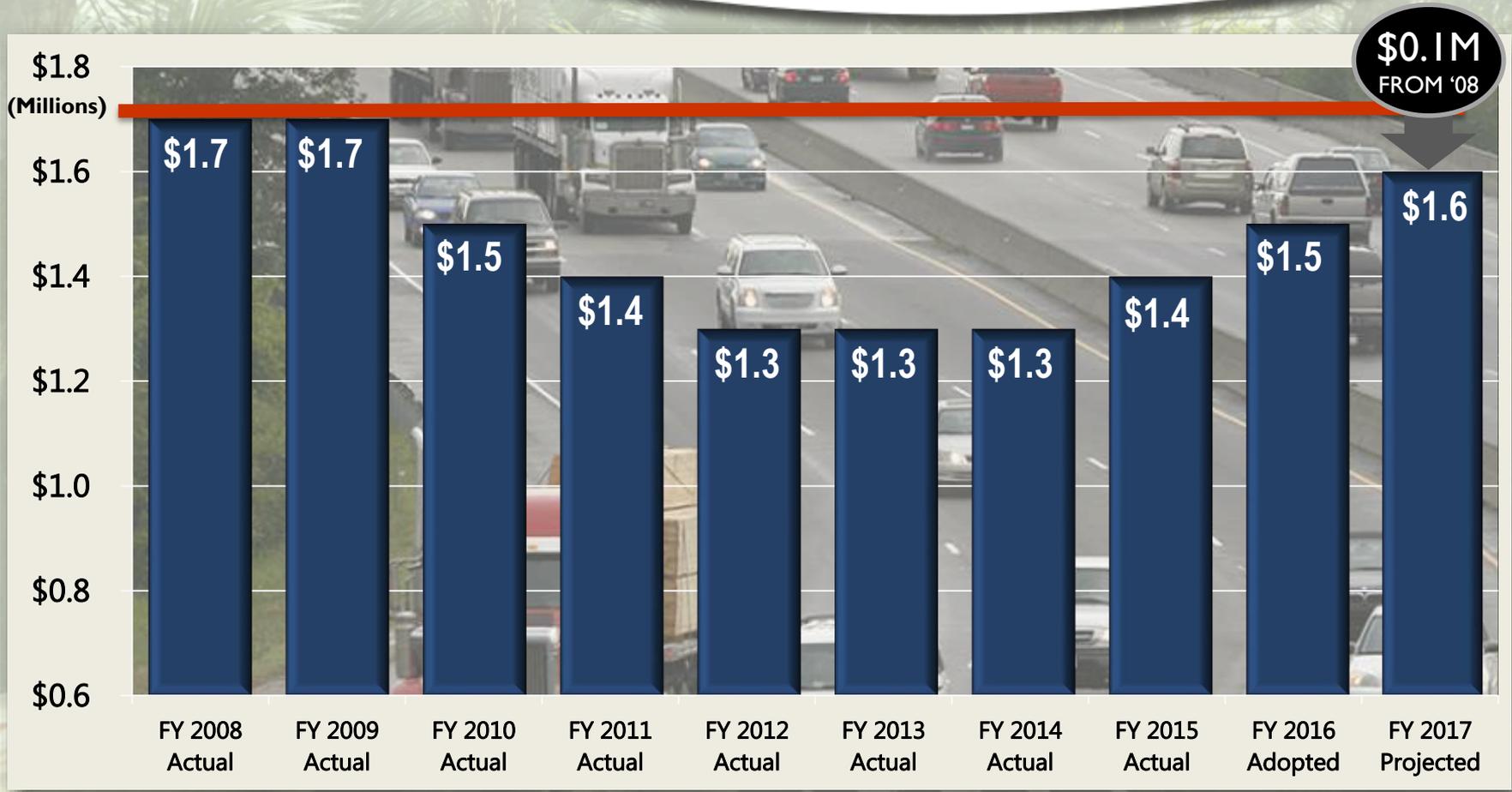
Fire District Property Tax



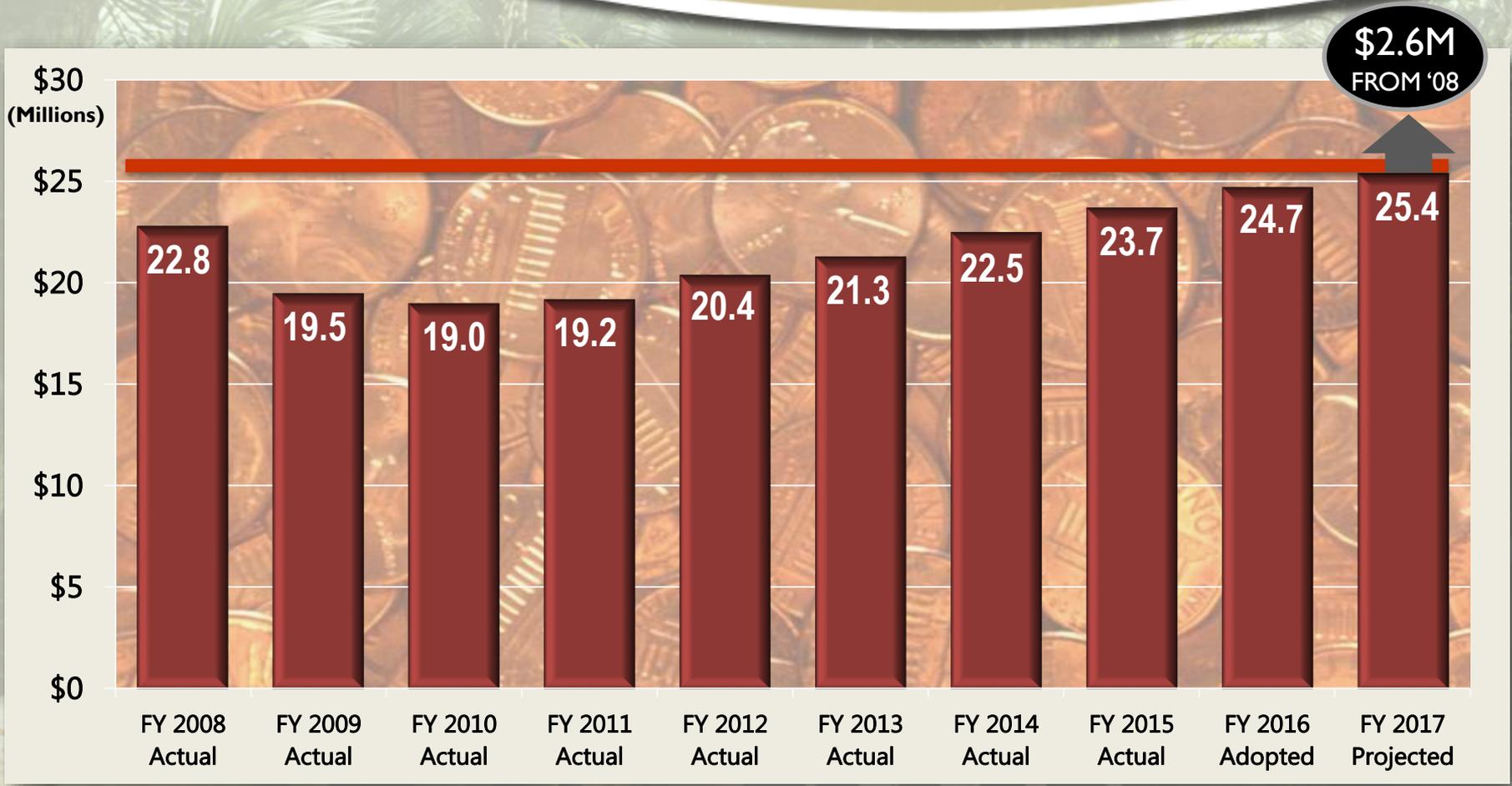
*Added Winter Springs

 **Casselberry**

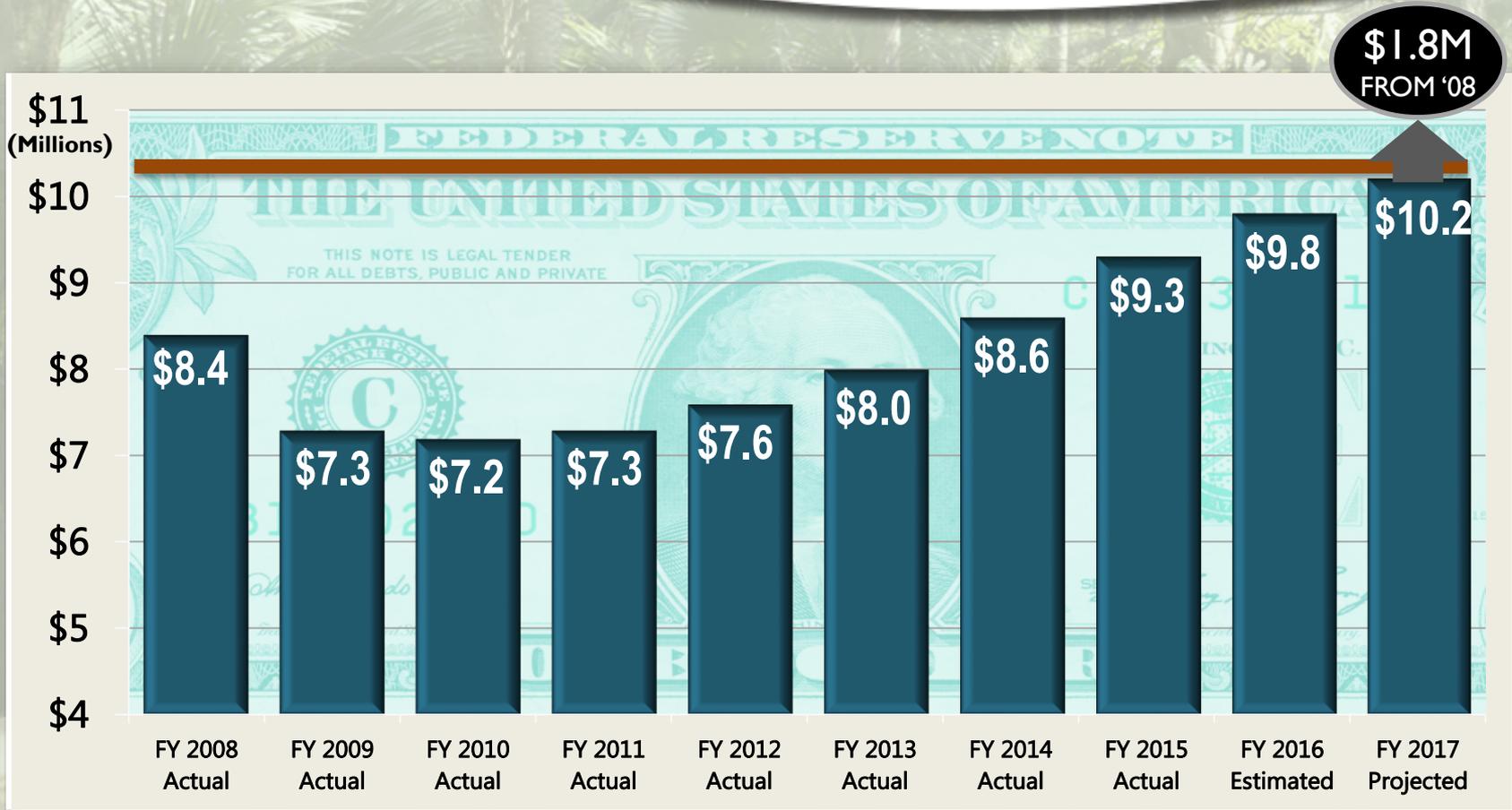
Road District Property Tax



State Shared Half Cent Sales Tax



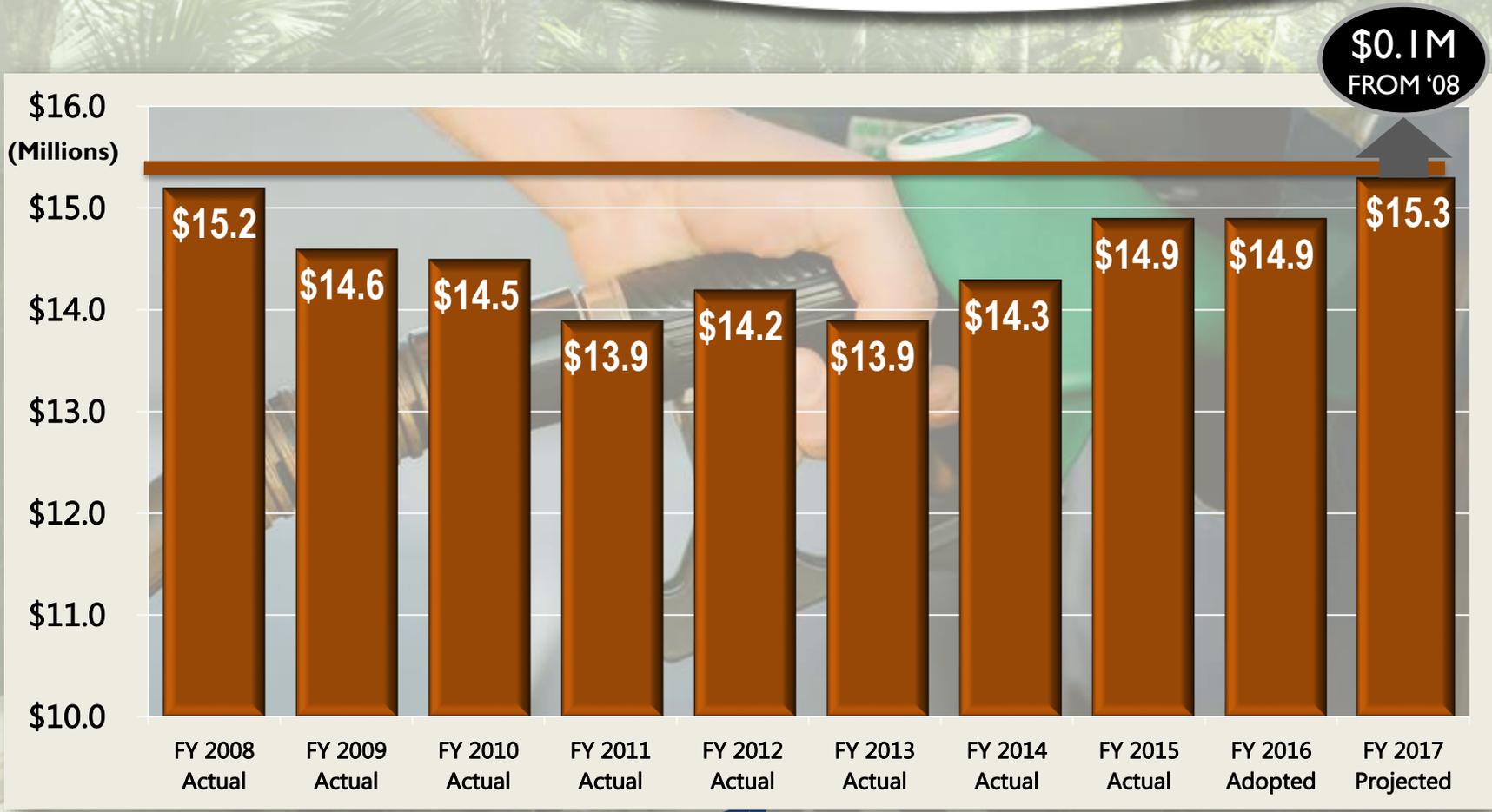
State Revenue Sharing



Communication Service Tax



Fuel Tax

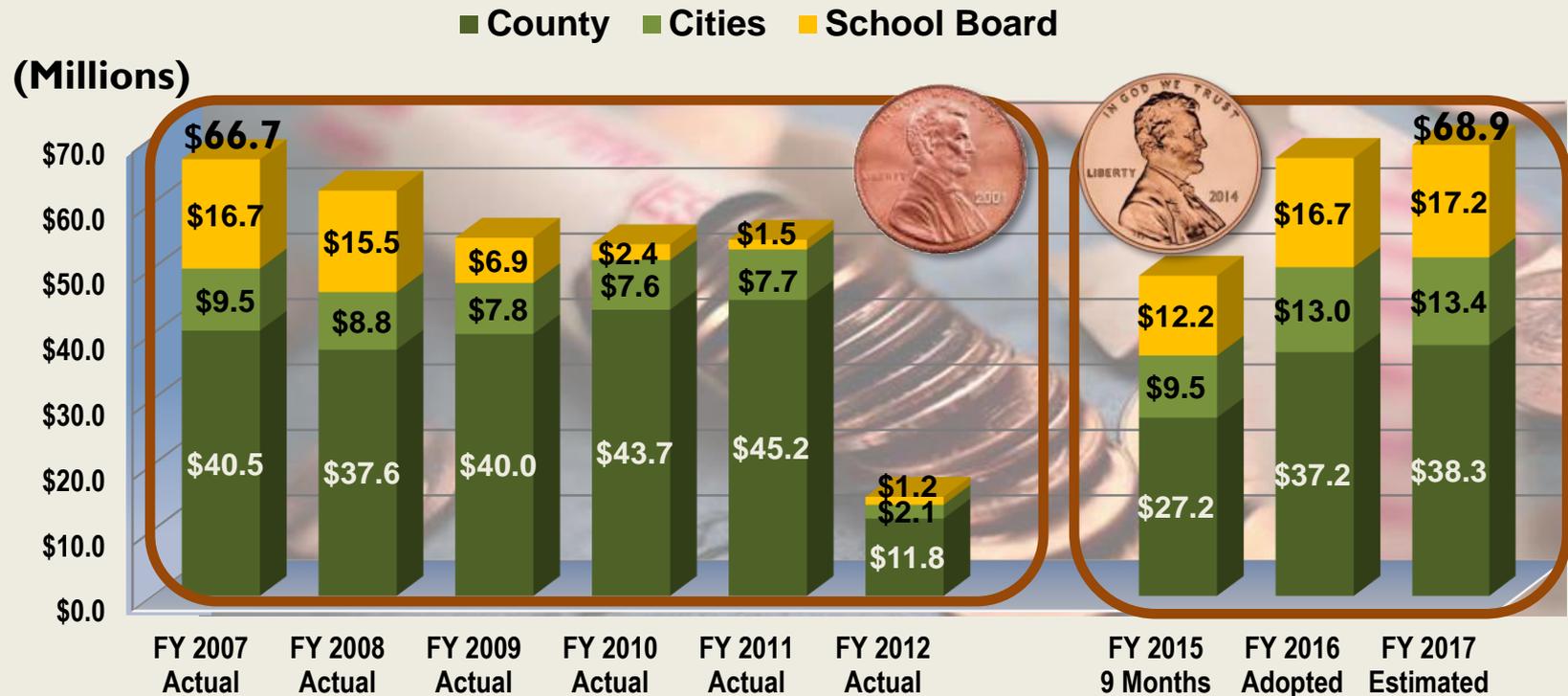


Tourist Development Tax



* Additional 2 cent levy effective: 1 cent January 1, 2009 and 1 cent February 1, 2009

Infrastructure Sales Tax



Financial Overview

General Fund FY 2014/15 Results

- *Operating Results*
- *Fund Balance*

General Fund FY 2014/15 Operating Results

(in millions)	Adopted Budget	Amended Budget	Actual (unaudited)	Budget Variance
Revenues	\$ 188.7	\$ 189.4	\$ 194.6	\$ 5.2
Expenditures	(196.0)	(199.2)	(193.4)	5.8
Change in Fund Balance			1.2	
Carryforward Adjustments	-	1.7	0.6	(1.1)
Operating Results	\$ (7.3)	\$ (8.1)	\$ 1.8	\$9.9
Assigned Revenue			(3.7)	
FY15 Reserves Used			\$ (1.9)	

General Fund FY 2014/15 Operating Results

General Fund Reserve Appropriations (BARs):

- **\$ 300K** *Weston Park Parking Garage*
- **\$ 250K** *Civil Courthouse Phone System*
- **\$ 128K** *One Time - Employee Performance*
- **\$ 100K** *Leadership Seminole, Inc. – Homelessness*
- **\$ 83K** *Other (Heroes, JGI, BCBS Audit, EMD)*
- **\$ 58K** *Mosquito Control Chemicals*
- **(\$ 51K)** *Various Project Closeouts at Mid-Year*
- **\$ 868K** *One Time - Increased Operating Costs*

General Fund FY 2014/15 Operating Results

Revenue Increase \$5.2M

- **Operating Revenue** = **\$0.2M**
- **Constitutionals – Excess Fees** = **\$0.9M**
- **Tax Collector – Excess Fees** = **\$2.3M**
- **Land Sale – Sports Complex** = **\$1.5M**
(Montgomery Rd/436)
- **Land Sale – Land** = **\$0.3M**
(Lake Mary)

General Fund FY 2014/15 Operating Results

Operating Budget Savings \$5.8M

- *Personal Services* = \$1.2M
- *Operating Expenses* = \$2.2M
- *Capital* = \$0.1M
- *Grants and Aids* = \$0.8M
- *Transfers* = \$0.4M
- *Carryforwards to FY16* = \$1.1M

\$2.2M in expenditure savings was anticipated in the FY 2015/16 adopted fund balance estimate

General Fund FY 2014/15 Operating Results

**FY2014/15
Year End Results:
Operating Results \$1.2M**

FY2014/15 Results (Unaudited)	
Operating Revenue	\$194.6M
Operating Expenditures	\$193.4M
Change in Fund Balance	\$1.2M
Beginning Fund Balance 10/1/14	\$52.3M
Ending Fund Balance 9/30/15	\$53.5M

Financial Overview

General Fund FY 2015/16 Budget

- *Adopted Budget*
- *Operating Projection*
- *Fund Balance*

General Fund FY 2015/16 Budget

Adopted Budget Summary (in millions)

Beginning Fund Balance (10/1/15)	\$ 44.7
Revenue	196.3
Expenditures (Includes Transfers & Constitutionals)	(197.8)
Operating Deficit	(1.5)
Reserves	\$ 43.2

General Fund FY 2015/16 Projection

FY16 Projected Summary (in millions)		
Beginning Fund Balance (10/1/15)	\$ 53.5	
Less: Committed Project Carryforward	<u>(1.1)</u>	
Uncommitted Fund Balance		\$ 52.4
Revenue	196.4	
Expenditures	(199.2)	
Operating Deficit		\$ (2.8)
Fund Balance (Uncommitted)		\$ 49.6

General Fund FY 2015/16 Reserves

Fund Balance Projection (Uncommitted)	
Contingency 10%	\$ 19.6
Operational Reserve	30.0
Total Reserves	\$ 49.6

Contingency Reserves

- ✓ **10% of Revenues**
- ✓ **Use - Disaster Related Emergencies & BCC Priorities**

Operational Reserve

- ✓ **Economic Recovery**

General Fund FY 2015/16 Financial Overview

Fund Balance Reconciliation		
Actual Ending FB 9/30/15		\$53.5M
Projects Carried Forward	(1.1M)	
Carryforward Adjustment		(1.1M)
Uncommitted Balance		\$52.4M
Budgeted Beg. FB 10/1/15		\$44.7M
Reserve Adjustment		\$7.7M

**Preliminary Close Positive
Reserve Adjustment**

+\$7.7M

Revenue

- ✓ Land Sales
- ✓ Excess Fees

Lapsed Appropriations

- ✓ Position Vacancies
- ✓ Utilities/Maintenance Savings
- ✓ Constitutionals

Community Redevelopment Agencies

CRA	Base Year	Term	Increase Above Base Year	FY16 TIF Payment	Total County Paid
17-92*	1997	20 Years FY 2017/18	86%	\$1.2M	\$16.1M
Altamonte Springs	1985	30 Years FY 2015/16	176%	\$2.3M	\$49.5M
Casselberry	1995	22 Years FY 2017/18	50%	\$0.2M	\$4.0M
Oviedo (50% of TIF)	2010	20 Years FY 2036/37	54%	\$0.1M	\$0.1M
Sanford Downtown	1995	30 Years FY 2025/26	197%	\$0.5M	\$6.2M

*Includes - Road District \$7K;
Fire District \$236K

Total TIF Payments: \$4.3M \$75.9M

General Fund Forecast Assumptions

Revenue Growth:

- Maintaining current tax rates and fees
- Taxable Valuation Growth
 - *FY17 - FY18: 6%*
 - *FY19 – FY20: 5.5%*
- Sales Tax 5%
- Public Service Tax 2%
- Communication Service Tax Flat at \$6.9M
- Total Revenue increasing approximately 5.0%

Expenditures Growth:

- Personnel Services increase 3.5% in FY17 and 5% annually thereafter
- Operating expenditures increasing 2% annually

General Fund Forecast Assumptions

CRA's

- Sanford CRA - 95%; 6.5% Increment Value Growth; Average Cost \$570K Year
- Oviedo - 50%; 14% Increment Value Growth; Average Cost \$150K Year
- Altamonte ending in FY 2015/16; Savings \$2.3M in FY17
- Casselberry CRA - 95%; extended thru FY18; \$500K Savings in FY19
- 17-92 CRA - 95%; ending FY18; Savings \$1.0M in FY19

Transfers

- Transportation Trust - \$3M
- Lynx – 3% annual growth; average transfer \$4.7M
- Economic Development - \$1.5M based on current commitments
- Renewal & Replacements – Facilities \$1M; Fleet \$500K; Technology \$100K
- Debt Service - \$8.3M

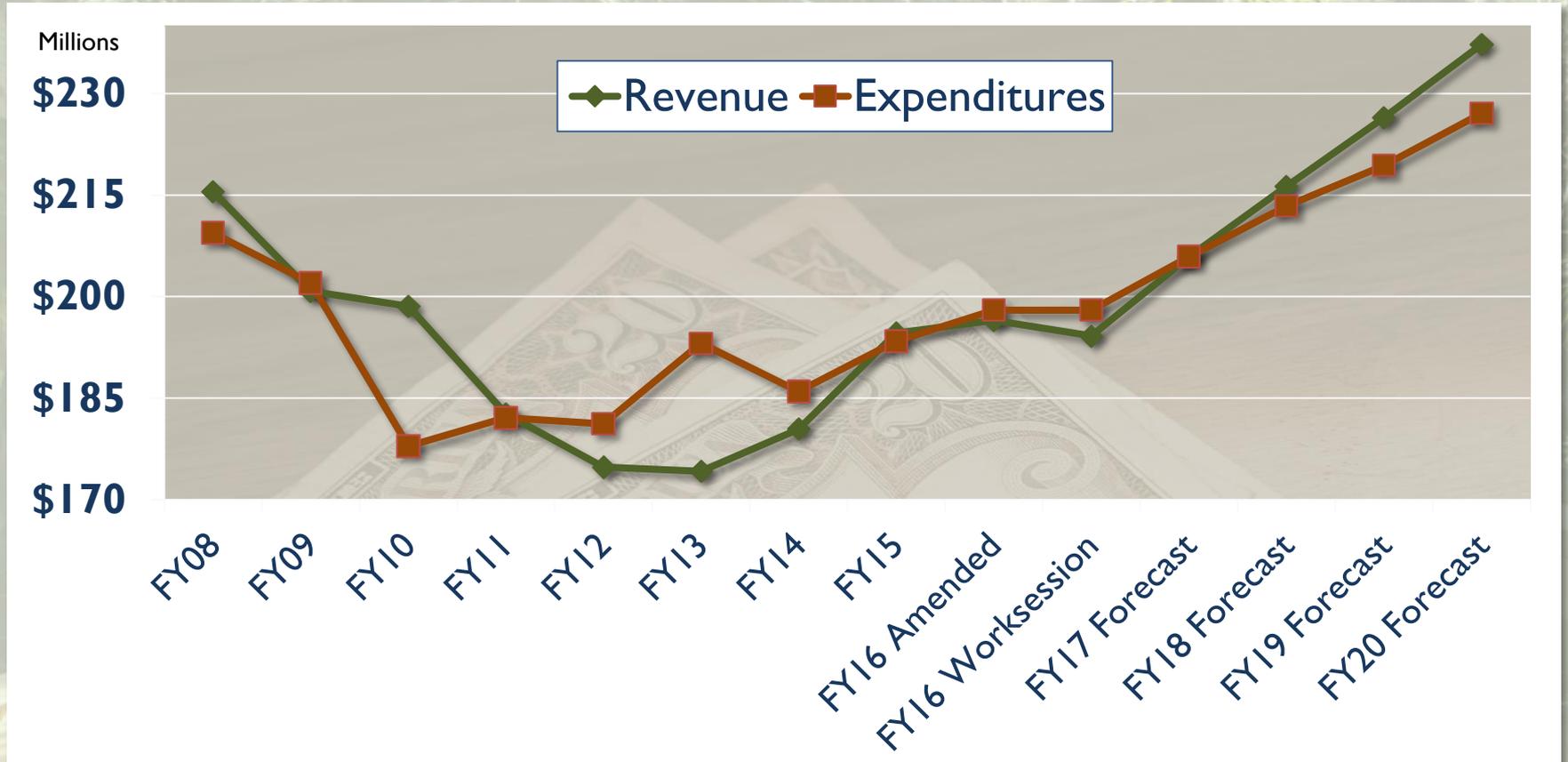
General Fund Forecast as of 3/08/16

Fiscal Year	Revenues	Expenditures	Operating Results	Ending Fund Balance	Fund Balance % of Revenues
FY 2014/15 (Unaudited)	194.6	193.4	1.2	53.5	27%
FY 2015/16 (Amended)*	196.5	198.0	(1.5)	49.6	25%
FY 2015/16 (Estimated)**	194.2	198.0	(3.8)	47.3	24%
FY 2016/17	205.9	205.9	0.0	47.3	23%
FY 2017/18	216.3	213.4	2.9	50.2	23%
FY 2018/19	226.5	219.4	7.1	57.3	25%
FY 2019/20	237.4	227.1	10.3	67.6	28%

*Ending Fund Balance excludes \$2.4M committed to Carryforward projects

**Increased Deficit due to Carryforward Of \$2.3M in Tax Collector -Excess Fees

General Fund Revenue/Expenditure Comparison



Fire Fund

- **FY2014/15 Operating Results**
- **FY2015/16 Financial Update**

Fire Fund FY 2014/15 Operating Results

FY2014/15
Operating Results:
Operating Deficit (\$5.3M)

FY 2014/15 Results (Unaudited)	
Operating Revenue	\$46.5M
Operating Expenditures	\$51.8M
Operating Deficit	(\$5.3M)
Beginning Fund Balance 10/1/14	\$28.3M
Ending Fund Balance 9/30/15	\$23.0M

Fire Fund FY 2015/16 Projection

FY16 Projected Summary (in millions)		
Beginning Fund Balance (10/1/15)	\$ 23.0	
Less: Committed Project Carryforward	<u>\$ (2.1)</u>	
Uncommitted Fund Balance		\$ 20.9
Revenue	56.8	
Expenditures	(61.1)	
Operating Deficit		\$ (4.3)
Fund Balance (Uncommitted)		\$ 16.6

Fire Fund FY 2014/15 Operating Results

Fund Balance Reconciliation	
Actual Ending FB 9/30/15	\$23.0M
Projects Carried Forward	(2.1M)
Uncommitted Balance	\$20.9M
Adopted Beg. FB 10/1/15	\$17.4M
Reserve Adjustment	\$3.5M

**Preliminary Close
Positive Adjustment
+\$3.5M**

■ **Revenue**

- *Ambulance Transport Fees up 15% over budget*

Combined Fire Fund Forecast

as of 3/08/16

Fiscal Year	Revenues	Expenditures	Operating Deficit	Ending Fund Balance	Fund Balance % of Revenues
FY 2014/15 (Unaudited)	46.5	51.9	(5.4)	23.0	49%
FY 2015/16 (Amended)*	55.4	59.7	(4.3)	16.6	30%
FY 2015/16 (Projected)*	55.4	58.7	(3.3)	17.6	32%
FY 2016/17	55.2	58.7	(3.5)	14.1	26%
FY 2017/18	58.0	58.0	0.0	14.1	24%
FY 2018/19	60.8	60.8	0.0	14.1	23%
FY 2019/20	63.4	63.4	0.0	14.1	22%

*Excludes \$2M in Project Carryforward
And assumes a 2% lapse in expenditures

Health Insurance Fund

- **FY2014/15 Operating Results**
- **FY2015/16 Budget & Projections**

Health Insurance Fund

FY2014/15
Year End Results:
Operating
Surplus \$0.9M

Health Ins Fund FY2014/15 Results (Unaudited)	
Operating Revenue	\$18.1M
Operating Expenditures	\$17.2M
Operating Surplus	\$0.9M
Beginning Fund Balance 10/1/14	\$3.6M
Ending Fund Balance 9/30/15	\$4.5M

Health Insurance Fund

FY16 Projected Summary (in millions)

Beginning Fund Balance	\$ 4.5	
Less: IBNR*	<u>(1.1)</u>	
Uncommitted Fund Balance		\$3.4
Revenue	19.9	
Expenditures	(20.1)	
Operating Surplus/Shortfall		\$ (.2)
Fund Balance (Uncommitted) **		\$ 3.2

****Uncommitted should equal minimum 2 months claims (\$2.8M)**

***IBNR** - Claims at year-end "Incurred But Not Reported"

Tentative Budget Timeline

- **Budget Kickoff Meeting** 2/19
- **Financial Update and Policy Discussion** 3/8
- **Department Requests Due** 3/21
- **County Manager Worksessions** May
- **Add'l BCC Worksessions as needed** May-June
- **Deliver CM's Proposed Budget to BCC** 7/8
- **TRIM Adoption** 7/26
- **BCC Worksession Dates** 8/4 & 8/18
- **1st Public Hearing** 9/14
- **2nd Public Hearing** 9/27

Financial Policy Review

- **Accountability**
- **Transparency**
- **Customer service**
- **Financial management**
- **Reporting**
- **Service delivery**
- **Good County governance**

Financial Policies

- **Revenue collection policy**
 - *Electronic payments (Credit Cards/ACH)*
- **Expenditure policy**
 - *BCC Accountability*
 - *P-Cards (rebates)*
 - *Electronic Payment to Vendors*
- **Investment policy**
 - *Clarify Criteria*
 - *Committee*
- **Budget policy**
 - *Reporting Consistency*
 - *Data Management*

Financial Policy

QUESTIONS / DIRECTION



SEMINOLE COUNTY
FLORIDA'S NATURAL CHOICE