



FY 2013-14 Budget Worksession

*Financial Overview
And Forecasts*

August 1, 2013


FY14 Budget Worksession

- **Ad Valorem Taxes and Property Valuations**
- **FY14 Budget Development**
- **Five Year Forecasts**



2013 Millage Rate Summary

County Millage Rates	Current Budget	Proposed Budget	Rolled Back	HB1B Maximum
Countywide	4.8751	4.8751	4.7630	6.5286
Voted Debt Service (Lands/Trails Program)	0.1700	0.0000	N/A	N/A
Total Countywide	5.0451	4.8751		
Roads District	0.1107	0.1107	0.1078	0.1547
Fire Services District	2.3299	2.3299	2.2670	3.3905
Total BCC Millage	7.4857	7.3157		


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The County levies 4 different millage rates: 3 operating districts & Voted Debt Service for Natural Lands/Trails. Voted Debt is now expired.

Current = 2012 Tax Roll or FY13 rates levied

Proposed = Development of FY14 budget / TRIM Notification

Statutory requirements:

Rolled Back Rates = Rate that would generate the same amount of revenue collected this year (FY13). Under TRIM laws, any rate above this rate would reflect a tax increase. Law looks at revenue collection vs. the rate change when determining a tax increase – excluding new construction and voted millage. Although the proposed total BCC Millage is reduced by the .1700 voted debt millage a tax increase of 1.78% will be noticed based on aggregate tax growth of non-voted millage levied.

HB1B Maximum Millage Rate = Property Tax Reform in 2008 established this rate which sets a ceiling requiring a two-thirds Board vote for approval. Much higher because tax roll has decreased over the last few years and the County tax rates has remained constant. We will start to see this rate go down a bit in the future as property values increase. Annual growth allowed under this rate is based on an adjusted rolled-back rate increased by the change in per capita Florida Personal Income. Note: This year that rate was 1.69%

2013 Change In Taxable Value

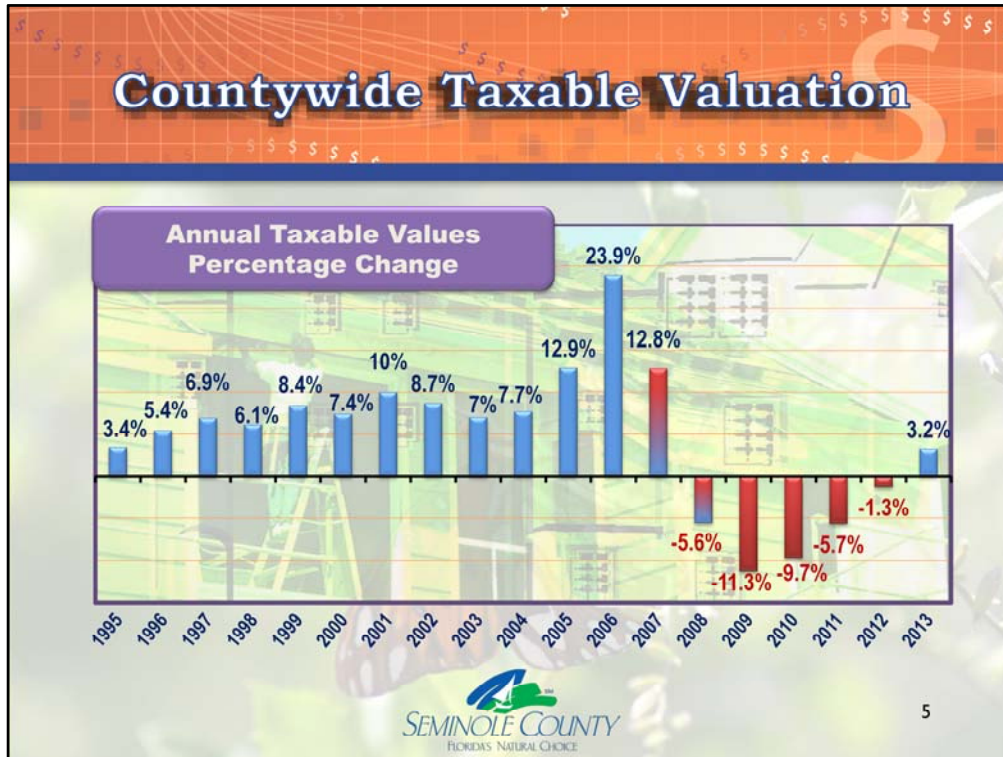
	Existing Property	New Construction	Net Valuation
Countywide	2.42%	0.81%	3.23%
Roads MSTU	2.71%	0.64%	3.35%
Fire Services	2.77%	0.67%	3.44%



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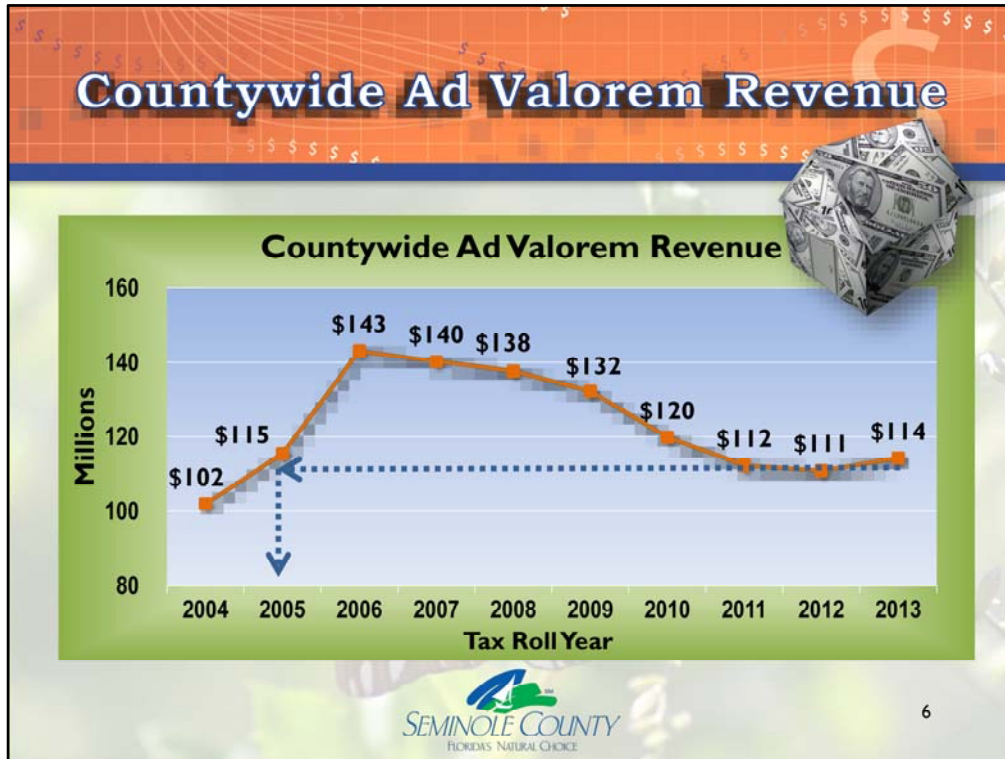
Countywide taxable values grew less than unincorporated values because the Cities of Casselberry, Sanford, and Longwood increased less than 3%.

- School Board – 2.91%
- SJRWMD – 3.19%
- Altamonte – 3.13%
- Casselberry – 2.70%
- Lake Mary – 3.45%
- Longwood – 1.69%
- Oviedo – 3.18%
- Sanford – 2.16%
- Winter Springs – 4.44%



Historical Trend reflects:

- Average **growth** (new construction) of 3%+ from 1999 through 2007 – total of **over 27%**
- Real estate bubble hitting the high in 2006
- Final year of increased valuation in January 1, 2007 (FY08) with HB1B neutralizing revenue (millage rate decreased 13%)
- Decrease in 2008 (FY09) from Amendment 1 vs. Market
- 2009 roll (FY10) 2008 Market correction began and continued into 2012 with reduced valuation for 4 yrs (cumulative of 25%)
- 2013 roll (FY14) hopefully the start of consistent growth
- Our new normal is expected to be around 3% on average.



The market decline for Seminole County bottomed out in 2012, Rolling back revenue / valuations to 2004 - 2005 levels (eight years back)

Population has grown 35,000 people or 8% in that same time span

CPI has increased

2013 (FY 2013/14) growth of \$3M in revenue; mandated costs



Countywide Ad Valorem Revenue

Fiscal Year	Valuation	Legislative / Economic	Tax Rate	Revenue
FY2006/07	+23.9%	Market High	4.9989	\$143.2M
FY2007/08	+12.8%	HB1B	4.3578	\$140.3M
FY2008/09	-5.6%	Amendment 1	4.5153	\$137.7M
FY2009/10	-11.3%	Market Decline	4.9000	\$132.4M
FY2010/11	-9.7%	Market Decline	4.8751	\$119.9M
FY2011/12	-5.7%	Market Decline	4.8751	\$112.3M
FY2012/13	-1.3%	Market Decline	4.8751	\$110.9M
FY2013/14	3.2%	Stabilization	4.8751	\$114.0M

Market Growth and Stabilization: FY14 = \$3.2M Increase





Unincorporated Residence **breakdown by taxing jurisdiction**. Based on proposed millage rates by all entities.

- Total proposed millage: 16.0990 mills of which 7.3157 mills is from the BCC taxing districts generating a total of \$849 for county services. The growth in tax base of about 2.42% is almost entirely offset by the elimination of the voted debt millage. The 2013 estimated taxes for BCC Districts of \$849 represents about a \$1 increase in the proposed tax bill versus actual taxes paid in 2012, less than 1%, to the average unincorporated single family residence.

- School = 57% - (Extra 1 mil = \$141)**
- General Service = 27% \$566
- Fire Protection = 13% \$270
- Roads = 0.6% \$13
- St. Johns Water Mgt = 2% \$38**
- Natural Lands = Prior year cost \$20

Reminder that the additional \$25K homestead exemption under Amendment 1 does not apply to School taxes.

Resident in Incorporate City limits would pay on differing millage rates in total because they would pay the City millage. A comparison of Tax bills among the various jurisdictions based on updated countywide millage rates and 2012 municipal rates is on Pg30 of the proposed budget. Municipal rates were not available at the time the book was prepared. **Note: Lake Mary is proposing a decrease of .4060 mills/all others are at the same the rates.** School mil = \$25.8M and County Mil = \$23.4 – difference of \$2.4M

FY14 Budget Development

- Major Cost Drivers
- Countywide Budget
- General Fund



FY14 Budget Development Major Cost Drivers

Cost Summary

<u>Major Costs</u>	<u>Increase</u>
FRS - Retirement	\$ 5.4
Health Insurance	3.3
Lynx	1.9
Medicaid	0.8
Salary Increase	4.3
TOTAL	\$ 15.7

Cost estimates include Constitutional Officers
Costs in millions

[By Fund](#)



FY14 Budget Development Countywide Budget


- Overall Budget Comparison
- Revenue & Expenditures
- Reserve Summary



FY14 Budget Development Budget Comparison

	FY 2012/13	FY 2013/14	Incl/(Dec)	%
Sources				
Total Budget	\$ 780.2	\$ 714.6		
Less: Transfers	48.2	43.7		
Beginning Fund Balance	362.8	304.3		
Revenue	\$ 369.2	\$ 366.6	(\$ 2.6)	(0.7%)
Uses				
Total Budget	\$ 780.2	\$ 714.6		
Less: Transfers	48.2	43.7		
Reserves	279.4	228.1		
Expenditures	\$ 452.6	\$ 442.8	(\$ 9.8)	(2.2%)

Amounts in millions



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FY 2012/13 represents FY 2012/13 Adopted Budget
 FY 2013/14 represents FY 2013/14 Proposed Budget

Countywide Expenditures include capital projects for Public Works, Public Safety, and Environmental Services which are funded through previous year revenues.

FY14 Budget Development Revenues and Expenditures

Funds	Revenues	Expenditures	Result
General Revenue Funds	\$ 197.0	\$ 214.1	\$ -17.1
Transportation Infrastructure & Impact	2.6	33.4	-30.8
Fire Funds	42.3	51.5	-9.2
Other Gov't Funds / Adj	30.7	34.2	-3.5
Water & Sewer	56.6	72.3	-15.7
Solid Waste	12.5	11.7	0.8
Self Insurance	24.9	25.6	-0.7
Total	\$ 366.6	\$ 442.8	\$ -76.2


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Transfers from one group of funds to another are treated as expenditures in the group transferring the funds and as revenue in the group receiving the funds.

General Revenue Funds include the General Fund, Sub Funds of the General Fund and Special Revenue Funds supported by general revenue:

General Fund, Renewal and Replacement Funds (Fleet, Facilities, Technology), Transportation Trust Fund, Ninth-Cent Fuel Tax Fund, Stormwater Fund, Economic Development Fund, Building Fund

Transportation Infrastructure & Impact includes the Transportation Sales Tax Funds and the Transportation Impact Fee Funds

The Fire Funds include the Fire Fund, the Fire Renewal and Replacement Fund, and the Fire Impact Fee Fund.

Other Gov't Funds / Adj include all other funds not included in any other group and adjustments due to transfers from between groups.

The Water & Sewer group includes all Water and Sewer Funds.

The Solid Waste group includes all Solid Waste Funds.

The Self Insurance group includes all of the Self Insurance Funds.

FY14 Budget Development Countywide Reserve Summary

Funds	FY 12/13 Adopted	FY 13/14 Budget	Change
General Revenue Funds	\$ 62.7	\$ 51.7	\$ -11.0
Transportation Infrastructure & Impact	56.2	34.5	-21.7
Fire Funds	37.7	26.4	-11.3
Other Gov't Funds	25.7	20.5	-5.2
Water & Sewer	40.9	41.2	0.3
Solid Waste	43.7	41.4	-2.3
Self Insurance	12.5	12.4	-0.1
Total	\$ 279.4	\$ 228.1	\$ -51.3



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General Fund, Renewal and Replacement Funds (Fleet, Facilities, Technology), Transportation Trust Fund, Ninth-Cent Fuel Tax Fund, Stormwater Fund, Economic Development Fund, Building Fund

- The Transportation Trust Fund maintains \$4.5M of General Fund reserves for fund stability

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The Fire Funds include the Fire Fund, the Fire Renewal and Replacement Fund, and the Fire Impact Fee Fund.

Other Gov't Funds include all other funds not included in any other group.

The Water & Sewer group includes all Water and Sewer Funds.

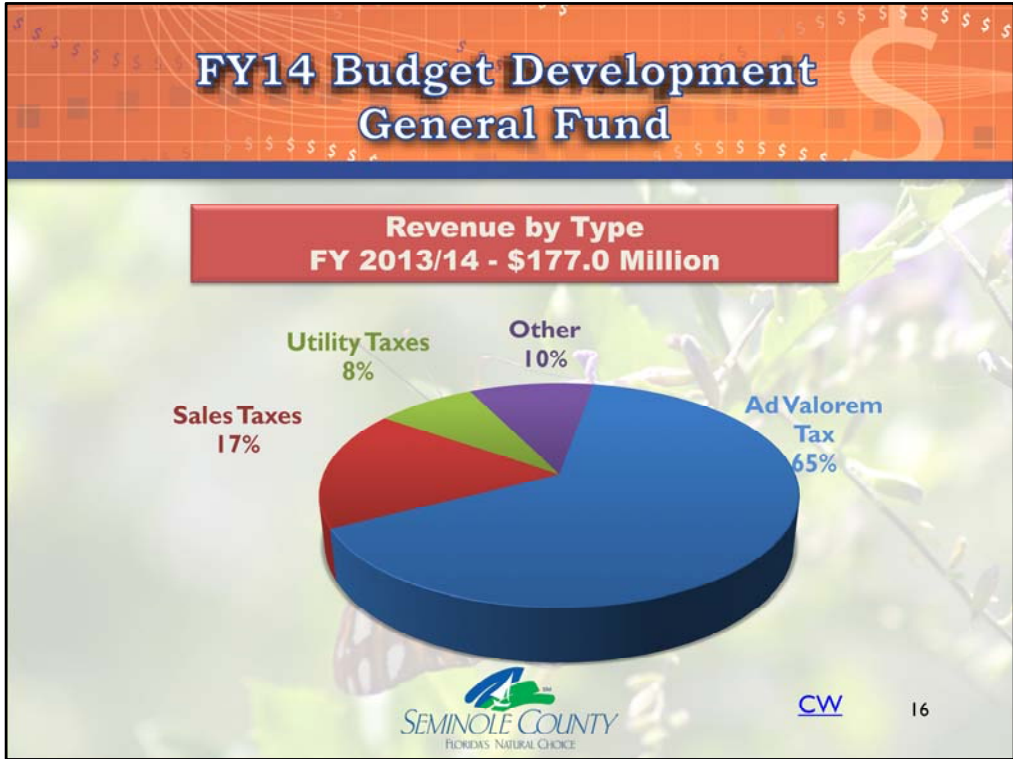
The Solid Waste group includes all Solid Waste Funds.

The Self Insurance group includes all of the Self Insurance Funds.

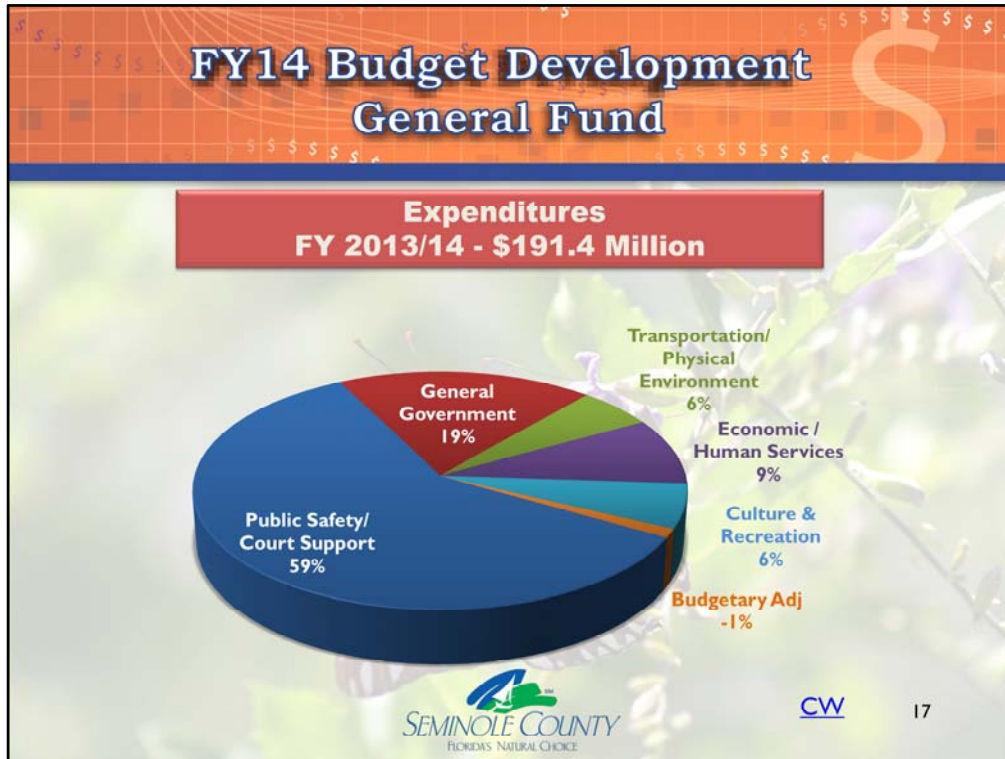
FY14 Budget Development General Fund

- Revenues/Expenditures
- Summary of Uses
- Budget Adjustments
- Reserves





Ad Valorem Taxes - \$114.3M
 Sales Taxes - \$30.7M
 Utility Taxes - \$14.2M
 Other - \$17.8M



Public Safety / Court Support - \$116.0M
 General Government - \$36.9M
 Transportation / Physical Environment - \$11.0M
 Economic / Human Services - \$17.8M
 Culture & Recreation - \$12.0M
 Budgetary Adjustment – (\$2.3M)

General Fund Summary of Uses

Service Area	BCC	Mandatory	Constitutional Officers	Reserves	Total
General Government Services	\$ 17.6	\$ 8.7	\$ 10.6	\$ -	\$ 36.9
Public Safety	6.3	0.6	100.8	-	107.7
Physical Environment	1.4	-	-	-	1.4
Transportation	9.6	-	-	-	9.6
Economic Environment	1.7	3.5	-	-	5.2
Human Services	5.8	6.8	-	-	12.6
Culture & Recreation	12.0	-	-	-	12.0
Court Related	0.5	3.2	4.7	-	8.3
Budgetary Adjustment	(2.3)	-	-	-	(2.3)
Total Expenditures	52.6	22.8	116.1	-	191.4
Reserves	-	-	-	39.9	39.9
TOTAL Budget	\$ 52.6	\$ 22.8	\$ 116.1	\$ 39.9	\$ 231.3

Amounts in millions. Individual amounts rounded to nearest \$100,000. Please review handout for breakdown by program and non-rounded amounts.

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This represents the proposed budgeted expenditures of the General Fund (00100) segregated into Service Area and the amount of immediate control the Board of County Commissioners has upon the expenditure.

The Service Areas are based upon the Function Codes defined by the State of Florida within the *Expenditure Account Codes for FY12-13 Reporting*, available on the myfloridacfo.com web site. Individual business units (org codes) within the Seminole County accounting system are assigned a specific Service Area. Expenditures budgeted within the Central Charges business unit are broken out into separate Services Areas. Programs may include one or more Service Areas.

Transfers from the General Fund to a separate fund are assigned to the Service Area most indicative of the other funds expenditures.

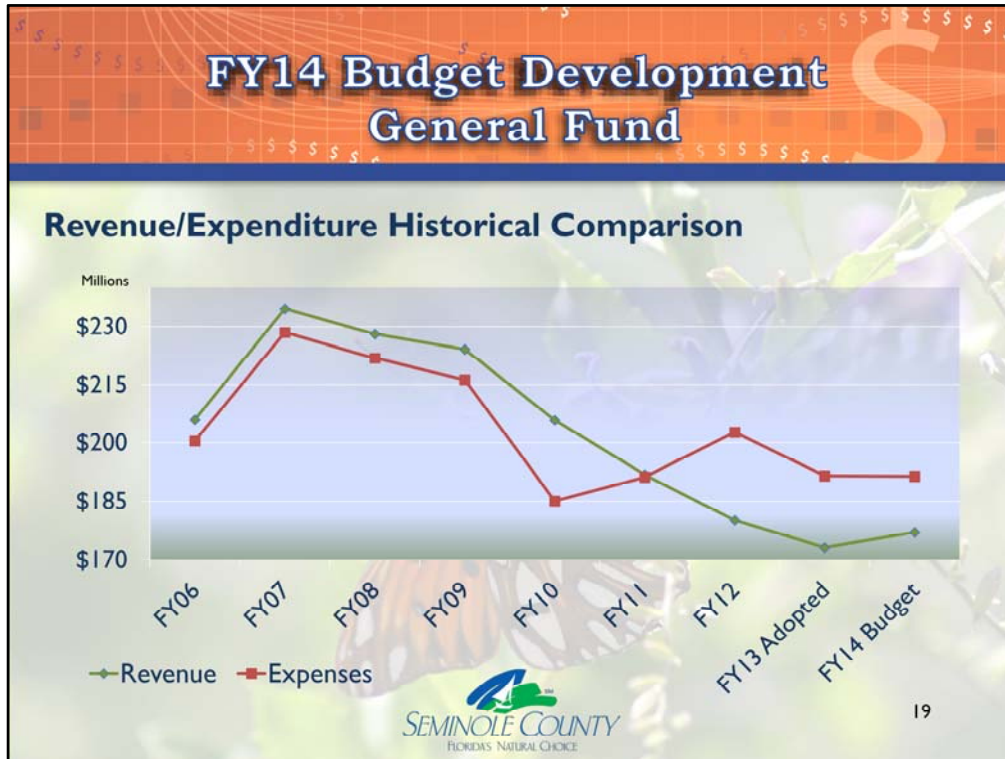
Mandatory costs include mandates from the State of Florida (such as Medicaid and Article V services), Community Redevelopment Agency commitments, and transfers for debt service costs and Job Growth Incentive/Qualified Target Incentive award commitments. In some cases, the level of funding is also mandated.

Constitutional Officers represents the amounts included in the proposed budget as the General Fund transfers to the individual Constitutional Officers. This amount represents the requested budgets submitted by the individual Constitutional Officers net of an estimated return of unused funds.

Reserves represents the proposed budgeted ending Reserves for the General Fund.

The remaining amount (in the first column) represents the proposed budgeted amounts of programs which are not mandated in totality as well as a budgeted negative expenditure representing a conservative estimate of the amount of budgeted funds for the General Fund which will remain unexpended and uncommitted at the end of FY 2013/14. However, it is possible that a small portion of a program included within this column is either contractually obligated or included on an interlocal agreement which cannot be unilaterally cancelled or modified by the Board of County Commissioners.

A detailed breakdown of the Service Areas by Program can be found within the Supplemental Schedules, along with a historical comparisons.



➤ Chart provides a historical comparison of prior year actuals to the current adopted and next year's proposed budget.

FY 05/06 Revenue \$206.0M / Expenditures = \$200.5M

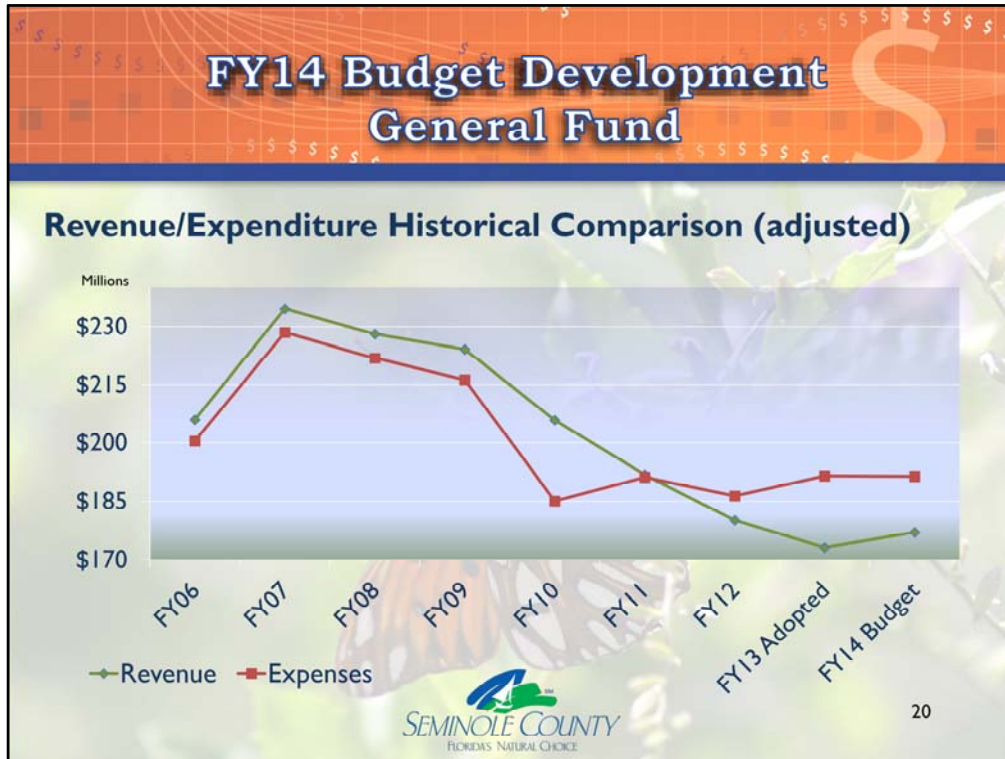
FY 13/14 Revenue \$177.0M / Expenditures = \$191.4M

➤ Explanation for FY 08/09 to FY 09/10 decrease (below base budget) and FY12 (above base budget)

- ✓ FY 09/10 Delays \$9.8M transfers to Transportation Trust (utilized fund balance) & Stormwater, \$1.1M Economic Development decrease, initiated IT Chargebacks approximately \$8.5M savings

- ✓ FY10/11 Reinstated approx \$10M transfers to other funds

- ✓ FY 11/12 Expenditures include \$9.9M transfer for P25 System Loan, \$6.4M payoff of Gas Tax Revenue Bonds



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FY 05/06 Revenue \$206.0M / Expenditures = \$200.5M

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- ✓ FY 11/12 Expenditures exclude \$9.9M transfer for P25 System Loan, \$6.4M payoff of Gas Tax Revenue Bonds

General Fund Adopted Budget Comparison

FY2012/13 Expenditure Budget	\$191.5M
Operating Budget Reductions	-4.9M
Operating Budget Increases	9.8M
Transfers: Net Reductions (Mass Transit, Renewal & Replacement, etc.)	-5.0M
FY2013/14 Expenditure Budget	\$191.4M



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Operating Budget Reductions (\$4.9M)

- \$ - 2.3M Lapsed Appropriations
- \$ - 814K Position Eliminations
 - includes – PTO Buyback (-\$113K) and Reduced Salaries & Unemployment(-\$395K)
- \$ - 500K Tax Collector
- \$ - 485K Facilities
- \$ - 369K Community Services
 - includes – County Low Income (-\$219K) and Veterans Services (-\$150K)
- \$ - 202K Grant funded positions
- \$ - 125K Jail Operations
- \$ - 109K Fleet Fuel

Operating Budget Increases (\$9.8M)

- \$ 6.4M Constitutional Officers
- \$ 854K Health Benefits (rate increase)
- \$ 753K Retirement (rate increase)
- \$ 753K Salary Pay Adjustment
- \$ 730K Mandated Medical Services (Medicaid)
- \$ 365K Other
 - includes:
 - Community Redevelopment Agencies (\$110K)
 - Mail Services (\$62K)
 - Comprehensive Planning (\$60K)
 - Capital Outlay/Software (\$130K)

Transfers (-\$5.0M)

- Increases:*
- \$ 2.1M Mass Transit
- Decreases*
- \$ -4.6M Renewal & Replacements (Fleet/Facilities/Tech)
 - \$ - 1.6M Capital Improvements Fund
 - \$ - 616K Net Transfer to Operations
 - include:
 - Transportation & Stormwater (revenue shortfall / PS inc) \$356,987
 - Economic Development (\$355,986)
 - Court Technology (\$276,936)
 - Building (\$78,979)
 - Cost allocations to other funds (\$260,755)
 - \$ - 266K Debt Service

General Fund Projected Fund Balance

FY 2012/13	
Balance 10/1/2012 (adjusted)	\$ 69.3
Operating Deficit <i>(includes Medicaid adjustment)</i>	<u>- 15.6</u>
Projected Fund Balance 9/30/2013	<u>\$ 53.7</u>

Amounts in millions



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FY2012/13 Beginning Fund Balance actual is \$67.0M. It is adjusted to include \$9.8M loan transfer reimbursement for P25 System. The transfer is added to Fund Balance to not overstate revenues.

FY2012/13 Operating Deficit includes increase in Medicaid costs of \$600K.

General Fund Projected Fund Balance

FY 2013/14	
Projected Fund Balance 10/1/2013	\$ 53.7
Operating Deficit	- 14.4
Projected Fund Balance 9/30/2014	<u>\$ 39.3</u>

Amounts in millions



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**General Fund Five-Year Forecast
FY14 - FY18**

**Forecast Assumptions
Five-Year Forecast**



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The image shows the cover of a report. The top section has an orange background with a hand holding several US dollar bills on the left. The title 'General Fund Five-Year Forecast FY14 - FY18' is centered in white text. Below this is a blue horizontal line. The main body of the cover has a light green background with a butterfly on a branch. The subtitle 'Forecast Assumptions Five-Year Forecast' is centered in dark red text. At the bottom center is the Seminole County logo, which includes a stylized green and blue graphic and the text 'SEMINOLE COUNTY FLORIDA'S NATURAL CHOICE'. The page number '24' is in the bottom right corner.

Forecast Assumptions Revenue Growth

- *Maintaining current tax rates and fees*
- *Taxable Valuation Growth 3.5% annually*
- *Sales Tax and Revenue Sharing Growth 4% annually*
- *Other Revenue Growth 1.5% annually*
- *Total Revenue increasing approximately 3.0% annually*


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➤ Anticipated revenue estimates assume we are in a slow economic recovery, the housing market continues to grow, but not at the pre-bubble growth rate, and sales tax collections will continue to increase, but not at the rate experienced over the past two fiscal years.

➤ Assumptions for Revenue Increases:

- ✓ FY14 = 2.0%
- ✓ FY15 = 3.4%
- ✓ FY16 = 3.2%
- ✓ FY17 = 3.2%
- ✓ FY18 = 3.2%

➤ Maintain current tax rates and fees

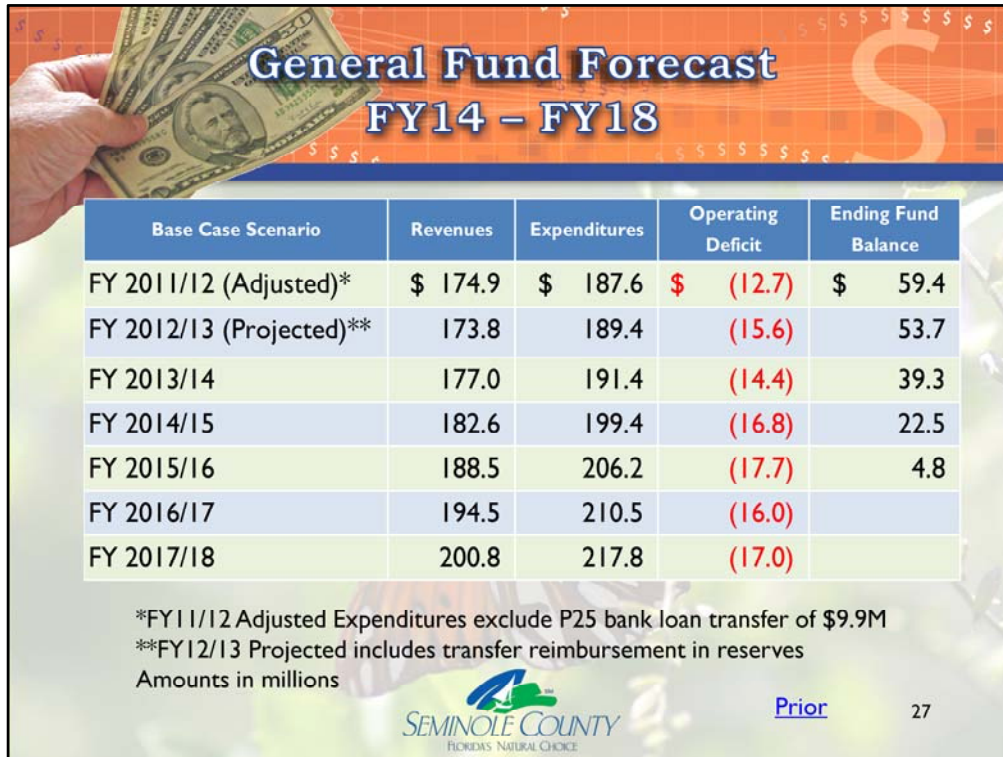
- ✓ Countywide Ad Valorem Tax Rate 4.8751 Mills
- ✓ While not impacting the General Fund forecast, the expiration of the Voted Natural/Lands Trails debt millage of .1700 mills in FY13 will reduce the average single family resident tax bill by \$20 in FY14. (Based on an average SFR taxable value of \$120K)

➤ Fund Balance in future years is based on the carryforward of prior year reserves / Demonstrates consistent use of reserves to support operations



Forecast Assumptions Expenditures

- *Future year Personal Service increases limited to Benefits at average of 1.5% annually*
- *BCC Program Operating Expenditure increases 2% annually*
- *Budgeted Reduction for lapse salary /operating expenses: \$2.3M annually*
- *Reduction of \$2.8M CRA payments in FY17*



General Fund Forecast- Anticipated Revenue

- Expenditures for FY13 are based on projections of actual anticipated expenses (inclusive of Medi
 - ✓ Assumes 100% of carryforward projects from the prior fiscal year are expended in FY13 and no carryforwards in future years
 - ✓ Reduction of expenditures to reflect projected usage through 9/30/13

- Municipal CRA's expire with the 2015 Tax Roll – Savings of \$2.8M in FY17 (Altamonte; Casselberry; and Downtown Sanford)

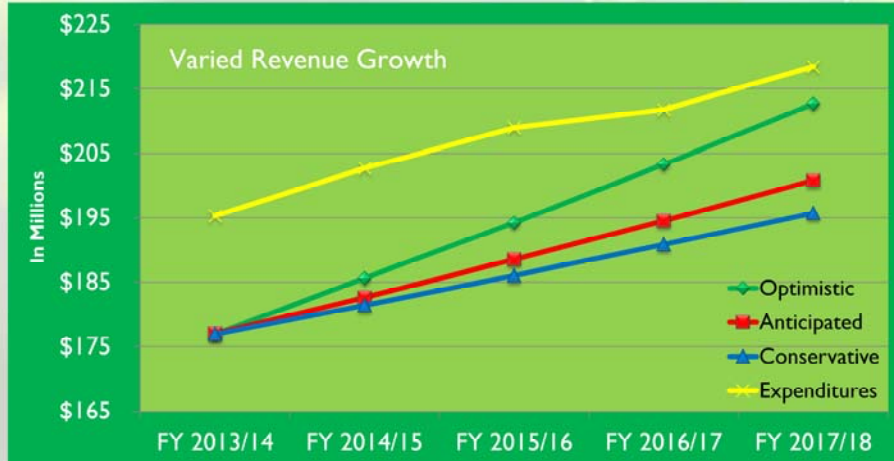
- Estimated Medicaid impacts over next 5 years
 - ✓ Increase in FY15 \$100K to \$4.9M
 - ✓ Decrease in FY16 \$100K to \$4.8M
 - ✓ Decrease in FY18 \$100K to \$4.7M

- Constitutional Officers collectively increase on average 5% in future years
 - ✓ Assumes approximately \$4.8M in FY 2013/14 and \$5.0M annually in excess fees

- Forecast projects an estimated annual reduction of \$2.3M for temporary vacancies and program operations

- Fund Balance in future years is based on the carryforward of reserves / Demonstrates consistent use of reserves to support operations

General Fund Forecast FY14 - FY18



FY2013-14 Budget Worksession

Questions / Board Discussion



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