

**FY 2004-05
ADOPTED BUDGET
BOARD OF COUNTY COMMISSIONERS
COLLIER COUNTY, FLORIDA**

BOARD OF COUNTY COMMISSIONERS

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David C. Weigel, County Attorney

OFFICE OF MANAGEMENT & BUDGET

Michael Smykowski, OMB Director
Susan Usher, Senior Budget Analyst
Randy Greenwald, Budget Analyst
Mark Isackson, Budget Analyst
Robin Johnson, Budget Analyst
Gary Vincent, Budget Analyst
Patricia Lehnhard, Administrative Assistant



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Collier County
Florida**

For the Fiscal Year Beginning

October 1, 2003

President

Executive Director

*The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Collier County, Florida** for the Annual Budget beginning October 1, 2003. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.*

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



COLLIER COUNTY MANAGER'S OFFICE

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January 20, 2005

Honorable Fred W. Coyle, Chairman,
Members of the Board of County Commissioners,
and Residents of Collier County

It is with pleasure that I submit the \$920,474,200 adopted fiscal year 2005 budget. The budget remains consistent with the County's strategic goals to:

- **Rebuild and maintain public trust**
- **Improve the financial planning, management and reporting processes.**
- **Develop reliable public infrastructure and resource management processes.**
- **Revise the Growth Management Plan and Land Development Code to improve the County's ability to manage and control the rate and quality of future development.**

Budget Policy Development, Adherence and Priorities

A financially sound budget is predicated on strong policy guidance from the Board of County Commissioners. The Board's budget policy direction again included caps on new positions and operating budgets limited to CPI adjustments in the County Manager's Agency, millage neutral tax rates for the General Fund and the Unincorporated Area General Fund, the equivalent of 0.3333 mills allocated for General Fund capital projects, and a limit on FY 05 agency budgets to no more than the percentage their FY 04 budgets represented of total FY 04 General Fund budget appropriations. The budget limitations were imposed to limit the potential for a General Fund millage increase in future years.

Operating budget priorities included funding for: a study to determine the level of infrastructure to provide in the Golden Gate Estates area east of Collier Boulevard (representing the largest remaining, relatively undeveloped land in Collier County), a contracts management section in Purchasing required due to the magnitude of the infrastructure required over the next five years, a Signal System Network Engineer position to maintain the Advanced Traffic Management System (ATMS), and a responsible level of law enforcement within the County.

The prior year budget emphasized law enforcement, preventative maintenance of facilities and operating systems in Public Utilities, Parks and Recreation, and Facilities Management, and customer service functions in Utility Billing.

Limitations on New Positions

The adopted budget policy again limited growth in new positions within the County Manager's Agency to less than 25 positions. This policy was intended to foster innovation in resource allocations within the County Manager's Agency, instead of simply adding expanded positions to meet the demands of a growing population.

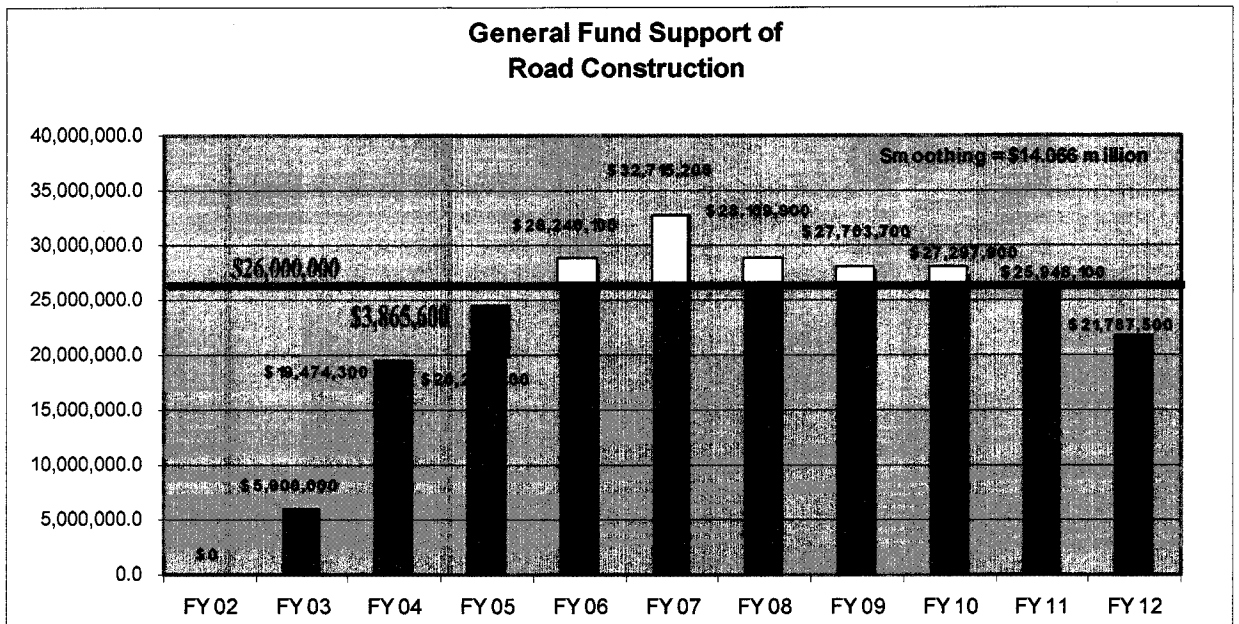
The proposed budget requested a net increase of 20 positions in the County Manager's Agency. During the budget workshops the Board approved the following additional positions: 2 self-supporting Code Enforcement positions to initiate a rental inspection program, 1 contract administration/ review position in Purchasing, 3 enterprise fund positions in Public Utilities, and 5 self-supporting positions added to assume operations at the Pelican Tennis Center and to assume concession operations at Caxambas Park. A net total of 31 new positions were added in the County Manager's Agency in FY 05.

General Fund/Unincorporated Area General Fund – Millage Neutral Tax Rates

The Board further recommended millage neutral tax rates (same rates as levied in FY 04) for the General Fund and the Unincorporated Area General Fund.

The adopted General Fund budget is millage neutral, with a tax rate of 3.8772 mills, equivalent to \$387.72 per \$100,000 of taxable value. The Board's priority in allocating General Fund growth dollars remains the road construction program.

In FY 03, the Board placed \$4.2 million in General Fund reserves toward the future commitment to the road construction program. In FY 04, an additional \$6.0 million was placed into reserves to smooth future peaks in required General Fund support of road construction in fiscal years 2006 through 2010 to a manageable \$26.5 million annually. In the FY 05 budget, an additional \$3.9 million (noted in blue – FY 05) was placed into reserves to reduce future peaks in General Fund support of road construction to \$26.0 million annually. (See graph below).



The adopted millage rate in the unincorporated area of the County is also millage neutral, with a tax rate equivalent to \$80.69 per \$100,000 of taxable value.

General Fund Capital Millage

On an annual basis, there are General Fund dollars allocated for capital projects that are either maintenance oriented or for which there is no impact fee in place. The budget policy direction was to allocate the equivalent of 0.3333 mills for General Fund capital projects. The adopted budget allocates \$20,777,400 for General Fund capital projects, equivalent to 0.4041 mills. This includes a renewed emphasis on funding stormwater management projects. However of the available allotment of General Fund dollars for capital projects, \$8.4 million is required to pay existing debt on prior year projects.

To meet the ongoing need for new facilities, staff is recommending the adoption of a law enforcement impact fee. The law enforcement impact fee study is currently underway and is tentatively slated for Board consideration in summer 2005. However, it is important to recognize that impact fees may only be used to fund growth-necessitated capital projects and/or equipment. The ongoing costs of staffing the new facilities must be borne by the general operating budget.

General Fund Budget Allocations

The multi-year budget analysis incorporated into the budget policy document reflected the need for a millage increase in the period from FY 05 through FY 07. The analysis assumes inflationary costs of existing services and incorporates mandated operating budget increases typically associated with the construction of new facilities. To mitigate the projected millage rate increases, the Board adopted a new budget policy limiting FY 05 General Fund agency budgets to no more than the percentage their FY 04 budgets represented of total FY 04 General Fund budget appropriations. Commissioners noted that all agencies would shoulder their proportionate share of the burden of meeting the millage neutral budget target and emphasized "living within our means."

There were only four exceptions to the Board's policy guidance. The first exception was the ongoing commitment to the road construction program and the second exception was the increase in reserves for future smoothing of the peaks in General Fund support of road construction. This funding approach is a proactive means of minimizing the future impact of the road construction program on the General Fund.

The third exception was the General Fund support of capital projects (discussed previously) due to the renewed emphasis on stormwater management projects.

Finally, the Sheriff's budget request was the fourth exception to the Board's policy direction. The initial shortfall between General Fund revenues and expenses was approximately \$5.2 million. However, the Sheriff exceeded his allocation of FY 05 General Fund dollars by approximately \$7.1 million. Changes in the Sheriff's proposed budget include shifting \$406,000 in Corrections capital outlay to the existing Correctional Facilities impact fee fund. There is also a funding shift of \$931,000 in Law Enforcement capital outlay to a law enforcement impact fee account. This is contingent upon the Board's approval of a law enforcement impact fee in FY 05. Should the law enforcement impact fee not be enacted, the Sheriff's Office may need to access General Fund reserves for the capital costs associated with these expanded positions.

Additional changes in the Sheriff's budget involve deferring \$1,109,100 by delaying the hiring of 27 Law Enforcement and Bailiff expanded positions for seven months. There were 60 expanded Correctional Officer positions in the proposed budget. The Sheriff has recommended phasing in 30 of these positions by delaying the start date three months until January 1, 2005. This coupled with phasing the operational costs of the new facility would defer an additional \$1,246,700. At the final public hearing, the Board reduced the Sheriff's FY 05 budget request by \$2,500,000 with an emphasis on reducing Personal Services, primarily overtime. However, the Board later reinstated approximately \$1.7 million in funding, due to higher excess fee distributions from the Constitutional Officers.

Subsequent to the adoption of the FY 05 budget, the Sheriff made the decision to file an appeal of his approved budget with the Governor's Office in Tallahassee. Florida Statutes allow the Sheriff to appeal the level of funding provided by the Board of County Commissioners if the Sheriff believes the funding to be inadequate to perform his constitutional and statutory duties.