Collier County FY 2026 Budget Policy

Collier County Board of County Commissioners – March 11, 2025

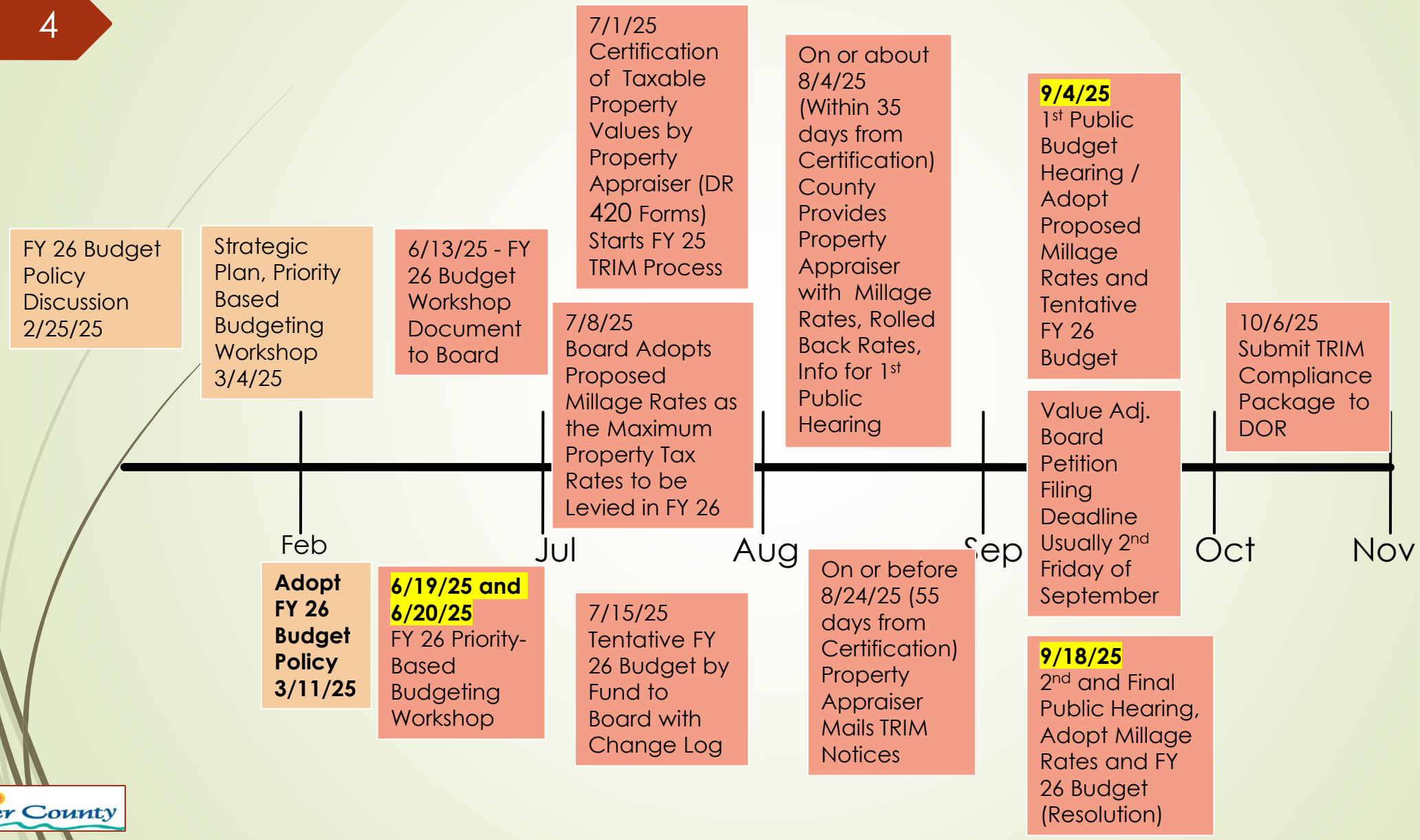
What are we doing today?

- Requested Action
- FY 2026 Budget Schedule
- FY 2025 Budget Overview
- Ad Valorem History
- FY 2026 Budget Policy Highlights
- Recommendation

Requested Action

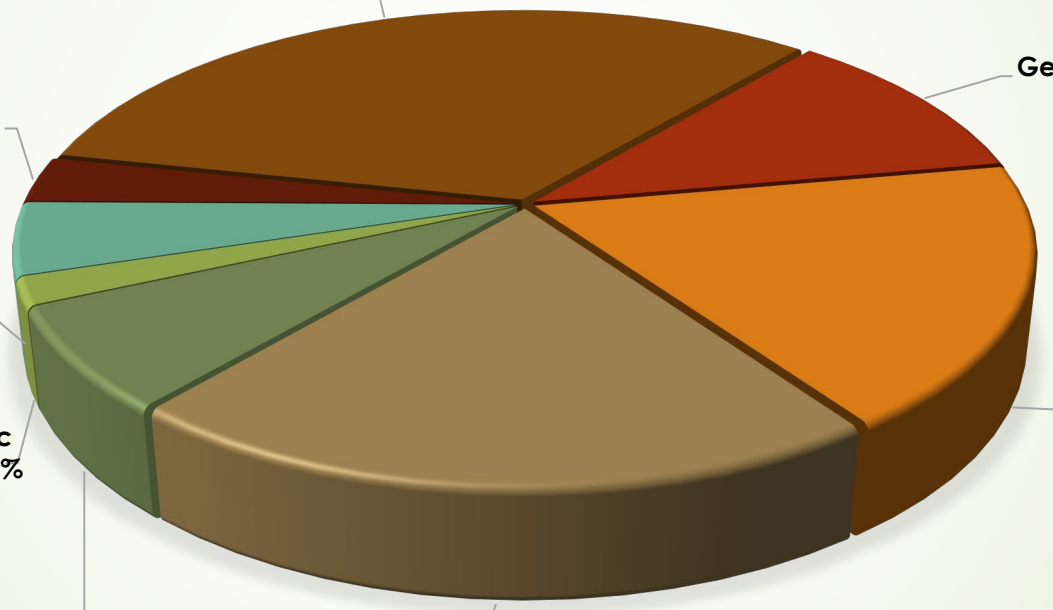
- To Adopt the FY 2026 Budget Policy
- Establish June budget workshop dates and September public hearing dates
- Adopt a Resolution establishing a deadline of May 1, 2025, for budget submittals by the Supervisor of Elections, the Sheriff's Office, and the Clerk.

FY 2025/2026 Collier County Budget Timeline



FY 2025 Budget Overview

FY 2025 Net Adopted Budget
$2,110,076,100



Reserves; $691,529,700 ; 33%

General Government Serv.; $233,053,300 ; 11%

Constitutional Officers; Facilities Mgt; Risk Mgt, Fleet, IT, Courts, Admin Serv.

Public Safety; $382,331,100 ; 18%

Sheriff; EMS; Code Enforcement; Permitting/Zoning

Physical Environment; $442,554,500 ; 21%

Water/Sewer District; Solid Waste; Stormwater; Beach Renourishment & Dredging

Transportation; $148,694,200 ; 7%

Human Services & Economic Environment; $39,963,400 ; 2%

Comm & Human Serv; Eco Dev; Domestic Animal Ctrl; Public Health; CRA's

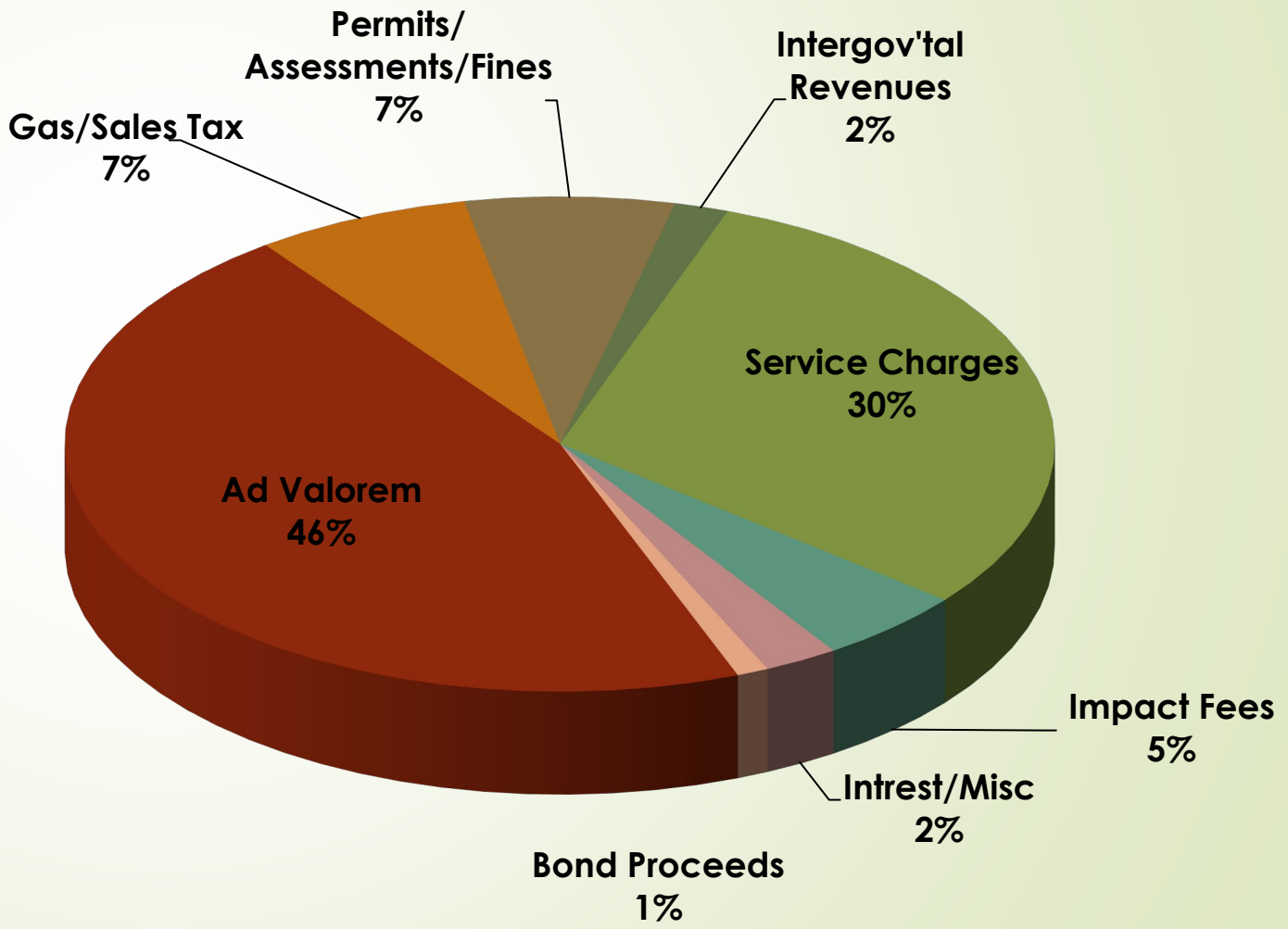
Culture & Recreation; $105,398,300 ; 5%

Parks, Library, Museums; TDC Beaches

Debt Service; $66,551,600 ; 3%

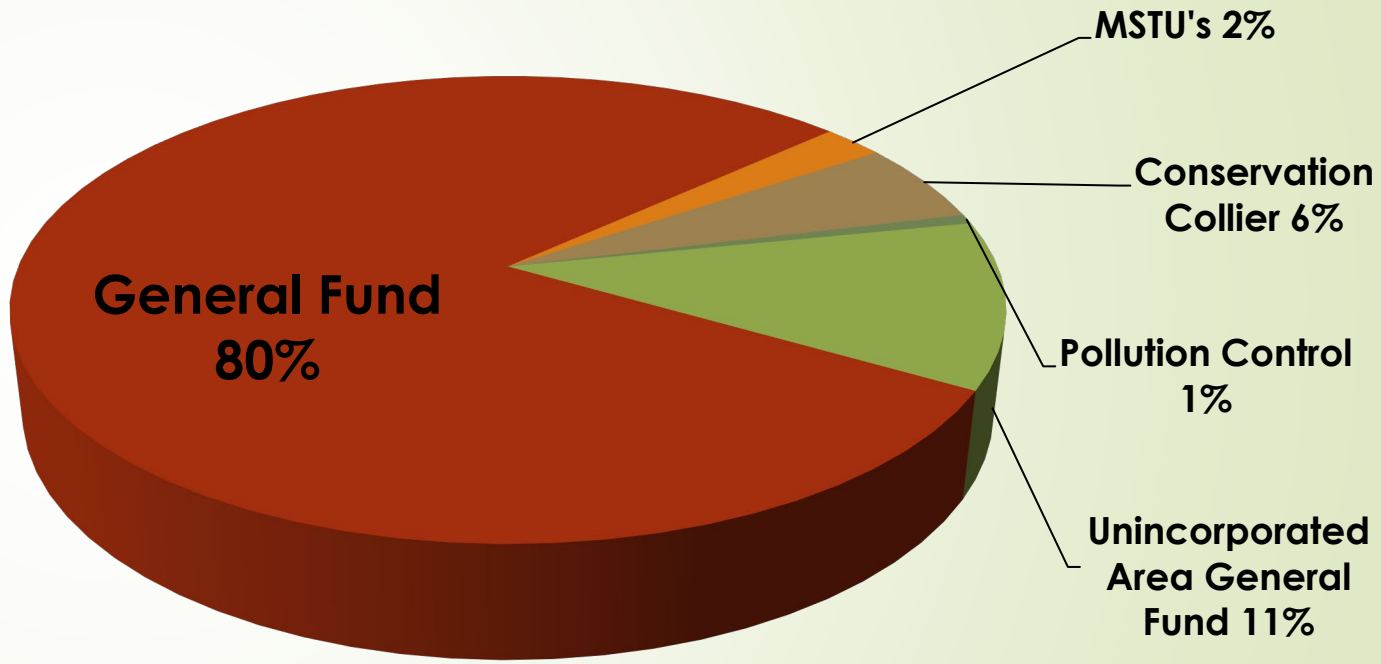
Sources of Current County Government Operating Revenues all Funds

Source	Budget
Ad Valorem	$ 573,558,700
Gas/Sales Tax	$ 88,375,000
Permits/ Assessments/Fines	$ 85,944,800
Intergov'tal Revenues	$ 22,080,800
Service Charges	$ 381,013,700
Impact Fees	$ 61,011,000
Intrest/Misc	30,434,800
Bond Proceeds	$ 13,021,500
Total Revenue	$ 1,255,440,300



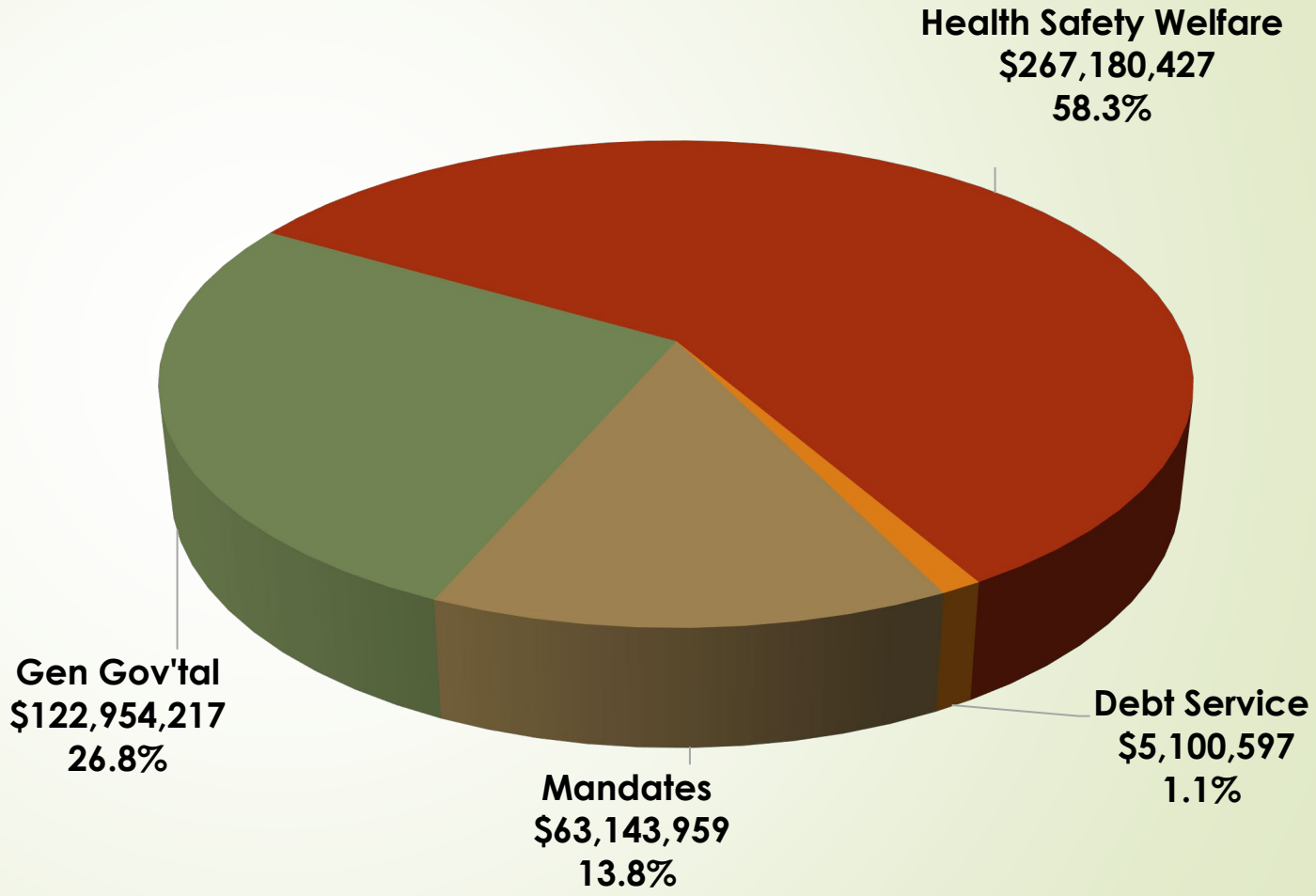
FY 2025 Ad Valorem Property Tax by Fund

Fund	Budget
General Fund	$ 458,379,200
MSTU's	$ 13,476,700
Conservation Collier	$ 31,911,600
Pollution Control	$ 3,745,400
Unincorporated Area General Fund	$ 66,045,800
Total Ad Valorem	$ 573,558,700



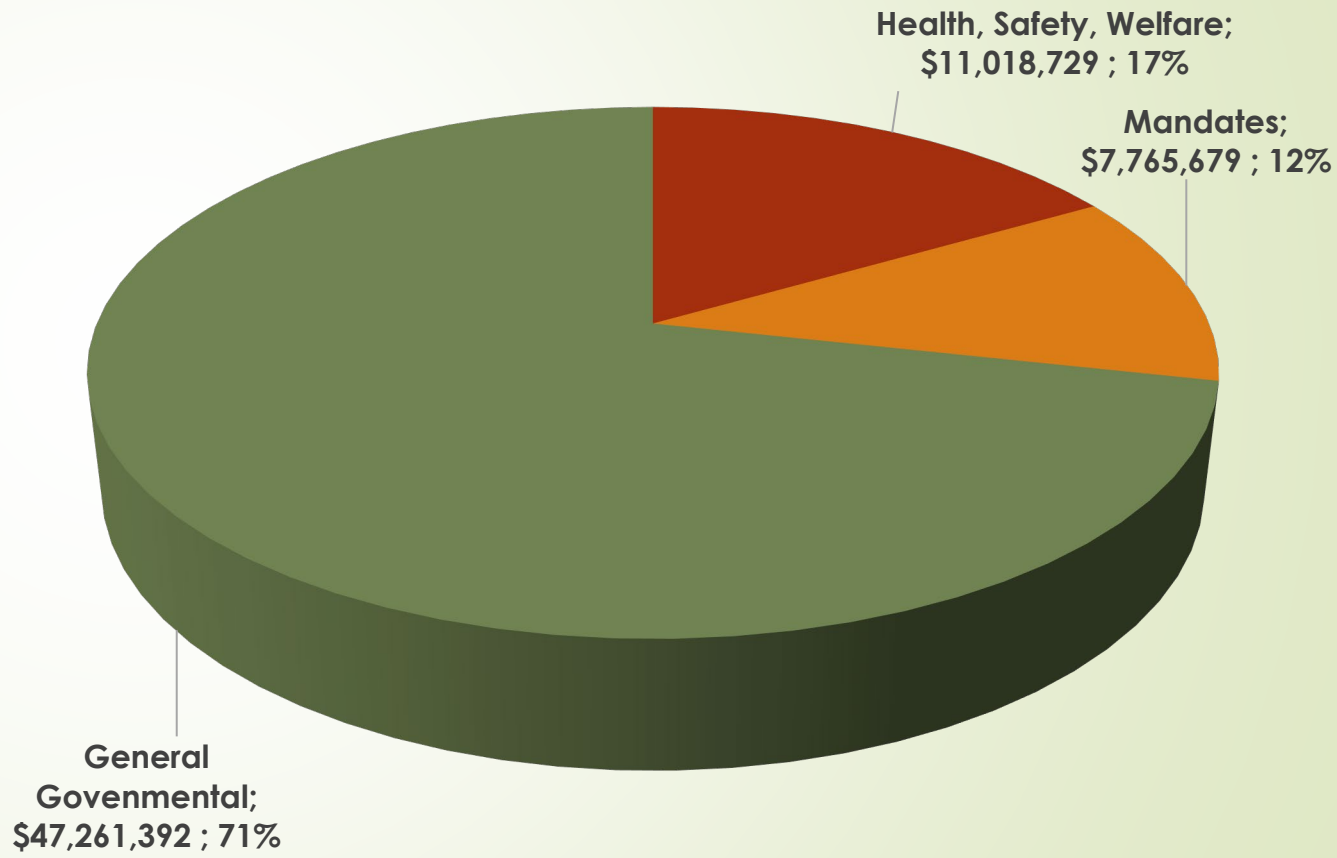
FY 2025 General Fund (0001) Ad Valorem by Category Total $458,379,200

General Governmental	Health, Safety, Welfare
Roads	Sheriff
Stormwater	Mental Health
Parks & Rec.	Health Dept.
County Atty	Emergency Svcs
County Manager	State Attorney
Budget/Mgmt/Grants	Public Defender
Corp Comp & Internal Review	Judges
Domestic Animal Svcs	**Mandates**
Library	BCC
Museum	Dept of Juv Justice
Veteran Services	Medicaid Payment to State
General Administration	Facilities (Utilities)
Social Servs/Seniors	Reg. Planning Council
Affordable Housing	CRAs/Eco Dev & Innov Zones
Extension Svcs	Beach Parking
Sports Complex	Supervisor of Elections
Facilities Mgmt	Property Appraiser
Capital Projects	Tax Collector
Real Estate Svcs	Clerk of Courts
Info Technology	Courts
Contribution C-ARP Grants	**Debt Service**
Employee Svcs	Special Obligation Bond
Purchasing	
Dept Admins	
Transp. Disadvant.	
CAT	
Econ. Dev/Impact Fees	
Com Planning & Resiliency	



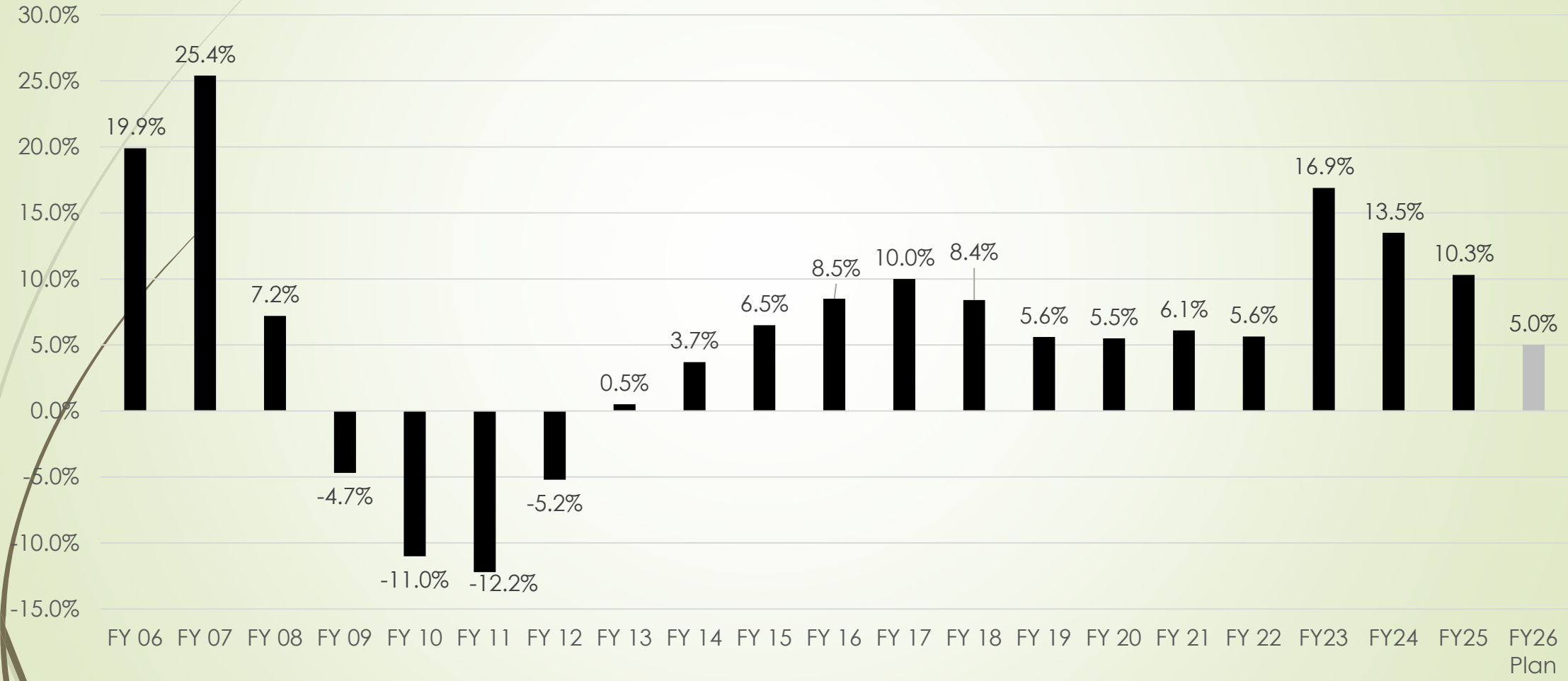
FY 2025 Unincorporated General Fund (1011) Ad Valorem by Category Total $66,045,800

General Governmental	Health, Safety, Welfare
Parks & Rec. Ops	Code Enforcement
Parks & Rec. Cap	Division of Forestry
Road Maintenance Ops	Ochopee Fire District
Road Maintenance Cap	Reserves
Stormwater Ops	**Mandates**
Stormwater Cap	Other G&A (Beach Pking & Ins)
IT Capital	Zoning, Land Devel, Comp Plan
Other Gen & Admin	Cable Admin
Public Information	Coastal Zone
Clam Pass	Natural Resources
Improvement Districts	Pelican Bay
	MPO
	CRA's & Innov Zones
	Property Appraiser
	Tax Collector

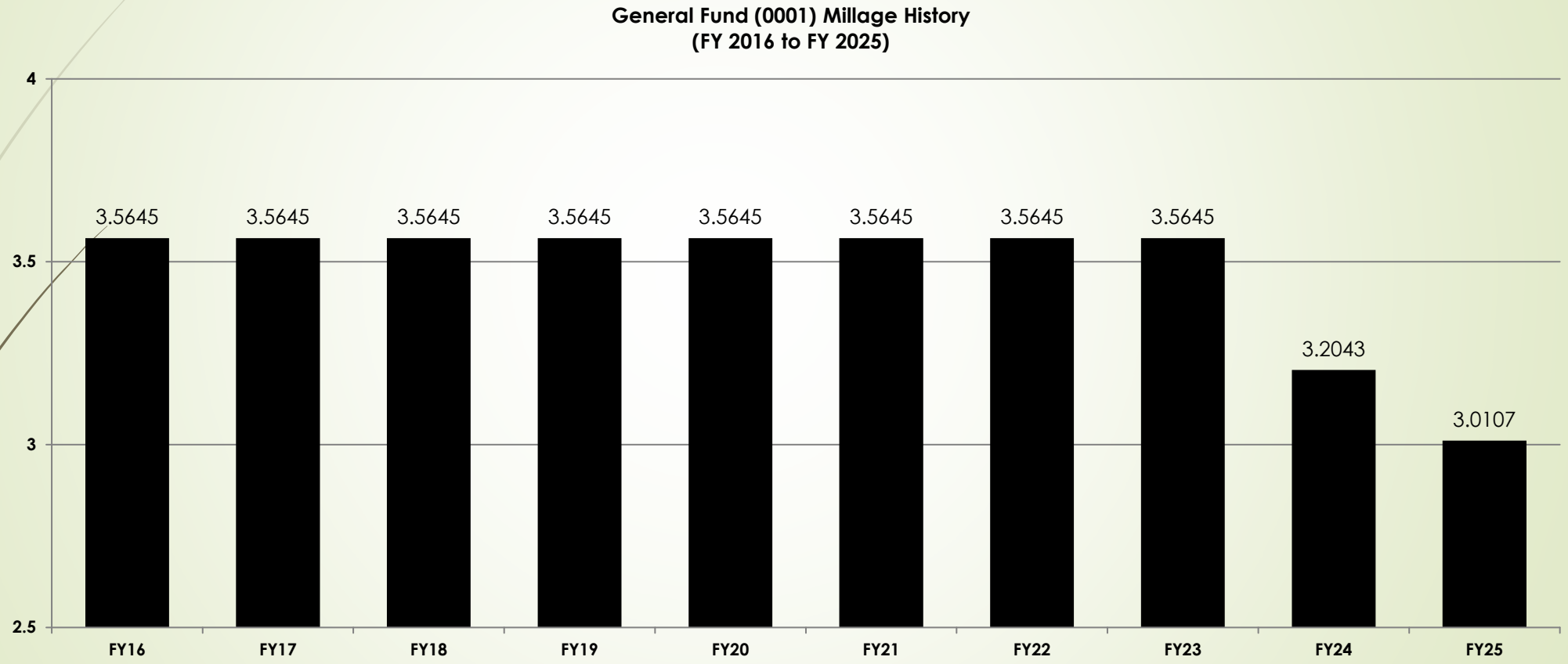


Ad Valorem History

Historical Changes in Collier County General Fund Taxable Value



Property Tax Rate History



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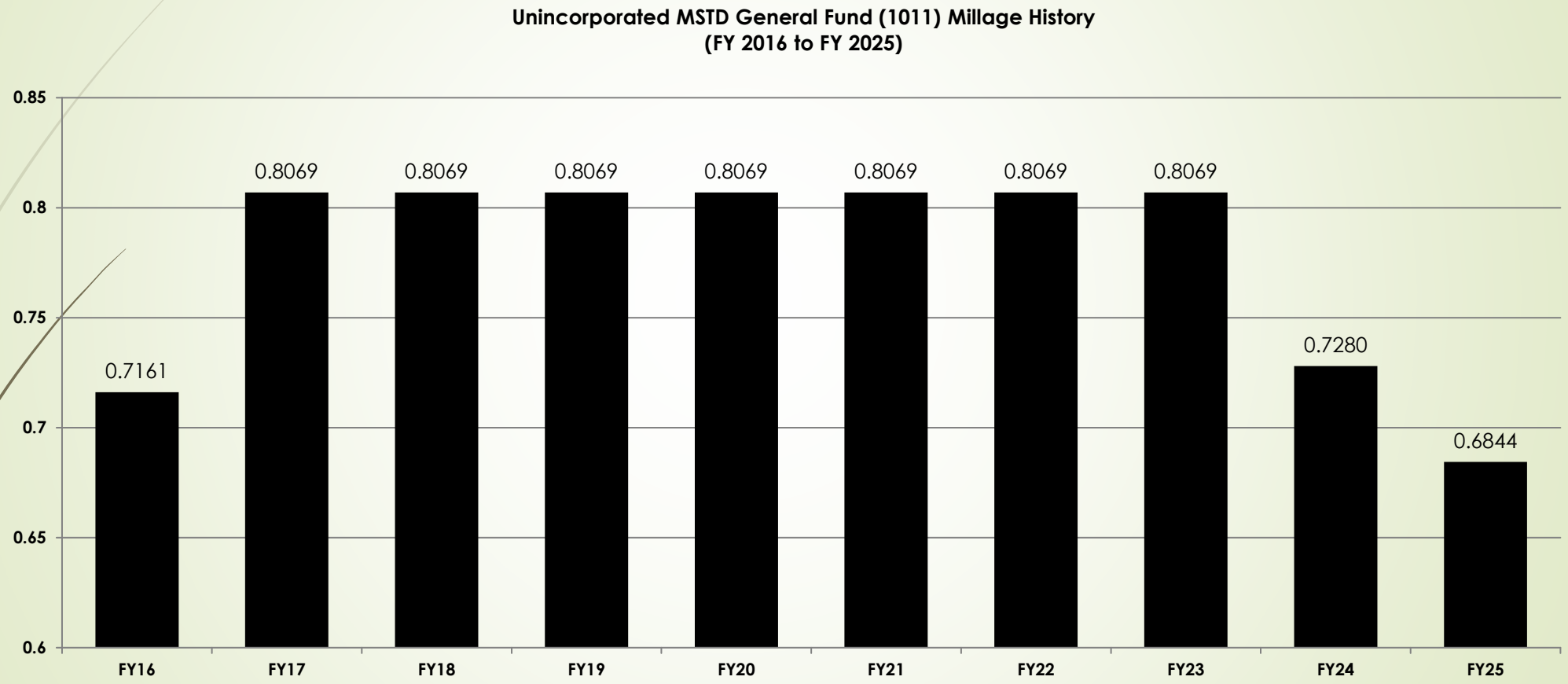

General Fund and Unincorporated General Fund Taxpayer Savings

(Compared to the FY 2023/Tax Year 2022 Rates)

Tax Year 2023	$49,704,016	$6,889,887	$56,593,903
Tax Year 2024	$84,316,065	$11,821,458	$96,137,523
Total	$134,020,081	$18,711,345	$152,731,426

	General Fund (0001)	Unincorporated General Fund (1011)	Total
Tax Year 2025 Est*	$ 88,531,868	$ 12,412,531	$ 100,944,399

*Millage Neutral, Planning Scenario 5% TV Increase

FY 2026 Budget Policy Highlights

- Priority Based Budgeting
- Operating Control Lines
- Capital Allocations
- Mission Critical Program Enhancements
- Millage Rate Policy
- Employee Compensation
- Health Insurance
- Reserves

Priority-Based Budgeting

- **Recommended Policy:**
  - Utilize a Priority-Based Budgeting approach allocating resources based on strategic importance and impact of individual programs.
  - Year two will involve continued implementation of cost-saving and revenue-generating program insights and a deeper dive into the program process, utilizing benchmarking to ensure efficiency and cost-effectiveness.

Recommendation Aligned with Responsible Governance Strategic Objective

"Safeguard Taxpayer Money by Promoting Fiscal Stewardship and Sound Budget Oversight"

General Fund and Unincorporated Area General Fund Operating Control Lines

- **Recommended Policy:**
  - Establish a control line of 3% for operational increases at the department level.
    - This means that department operations for FY 2026, which rely on the General Fund and Unincorporated Area General Fund for dollars, will be restricted to a 3% increase for current programs, services, and operating transfers.
  - Establish a control line of 5% for General Fund and Unincorporated Area General Fund capital maintenance transfers.
  - Subject to Prioritization

Recommendation Aligned with Responsible Governance Strategic Objective

"Safeguard Taxpayer Money by Promoting Fiscal Stewardship and Sound Budget Oversight"

Planned General Fund Capital Allocations

Category General Fund	Non-Growth Debt	Investment for Impact Fee Funds - Debt	County Wide Capital	Transfer for Other Capital	Transfer to Parks	Transfer to Road Network	Transfer to Storm-Water Capital	Long Term Replacement Capital Reserve	Total
FY 2026	$8,080,000	$2,124,100	$27,276,100	$8,578,400	$3,307,500	$10,143,000	$3,087,000	$5,000,000	**$67,596,100**

Recommendation Aligned with Infrastructure and Asset Management Strategic Objective

"Optimize the Useful Life of All Public Infrastructure and Resources through Proper Planning and Preventative Maintenance"

Planned Unincorporated Area General Fund Capital Allocations

Unincorporated Area General Fund	Transfer to Parks	Transfer to Roads	Transfer to Storm-Water Capital	Total
FY 2026	$4,299,800	$14,994,800	$6,284,300	**$25,578,900**

Recommendation Aligned with Infrastructure and Asset Management Strategic Objective

"Optimize the Useful Life of All Public Infrastructure and Resources through Proper Planning and Preventative Maintenance"

Mission Critical Program Enhancements (Expanded) Requests

- **Recommended Policy:**
  - Expanded requests will be limited to Board-approved capital facility openings, priority-based service level adjustments, historically strained mission-critical imperatives, and new capital projects with final County Manager recommendations presented at the June budget workshop.
  - Subject to Prioritization

Recommendation Aligned with Responsible Governance Strategic Objective

"Safeguard Taxpayer Money by Promoting Fiscal Stewardship and Sound Budget Oversight"

Millage Rates Policy

- **Prioritized Operating/Capital Maintenance Budget**
  - Millage rate to be calculated with preliminary taxable value based on budget requirements within established control lines.
  - Program adjustments or funding alignment may result in changes to the millage rate.
- **Expanded General Governmental Capital and Operating Budget Proposals**
  - Proposals will include funding sources and the required incremental millage if applicable.

Recommendation Aligned with Responsible Governance Strategic Objective

"Safeguard Taxpayer Money by Promoting Fiscal Stewardship and Sound Budget Oversight"

MSTU Millage

- **Recommended Budget Policy**:
  - For FY 2026, it is suggested that MSTUs be limited to a millage rate sufficient to cover current budget year operations and planned capital program allocations.
    - FY 2026 operational budgets will be determined utilizing pertinent historical data.
  - Program adjustments or funding realignment may result in changes to the millage rate.

Recommendation Aligned with Responsible Governance Strategic Objective

"Safeguard Taxpayer Money by Promoting Fiscal Stewardship and Sound Budget Oversight"

Employee Compensation

- **Recommended Budget Policy**:
  - Appropriate dollars equivalent to a 2.5% base wage increase to all classifications and a 0.5% pay plan maintenance component to strengthen certain targeted classification pay grades where market balance exists.

Recommendation Aligned with Board Strategic Priority
"Human Resources Recruitment and Retention to Position Collier County as an Employer of Choice"

Employee Health Insurance

- **Recommended Budget Policy**:
  - For FY 2026, a 9% rate increase to the existing rate structure is recommended.
  - Potential one-time fund-level allocation.
  - Bi-monthly non-smoker employee cost increases will be between $5 and $9 for single coverage and $14 and $21 for family coverage. Smokers will see bi-monthly cost increases between $10 and $16 for single coverage and $18 and $29 for family coverage.

Recommendation Aligned with Quality of Place Strategic Objective
"Support Access to Health, Wellness, and Human Services"

General Governmental Reserves

General Fund - floor; 8% of operating revenues or $50.1 million – Ceiling; 16% of operating revenues or $100.2 million for FY 2026; FY 2025 budgeted reserve is $77.6 million.

Unincorporated Area General Fund – Target 8% of operating expenses or one month of expenses, approximately $6.5 million. FY 2025 budgeted reserve is $ 6.2 million.

Other general governmental funds that receive transfer revenue from the GF will have reserves sized to cover the first month of operations or until the first GF/UAGF transfer is scheduled.

Recommendation Aligned with Responsible Governance Strategic Objective

"Safeguard Taxpayer Money by Promoting Fiscal Stewardship and Sound Budget Oversight"

Enterprise Fund Reserves

CCWSD user fee reserves established minimally between 5% and 15% of revenues with working capital resources set between 45 days and 90 days.

Solid Waste reserves set between 45 days and 90 days based on FY 2025 operating expenses. Continue re-establishment of a solid waste restricted reserve for disaster response.

Targeted reserves within the GMD building permit fund (1013) and planning fund (1014) set at 3 months and 9 months of total budget appropriations, respectively.

Recommendation Aligned with Responsible Governance Strategic Objective

"Safeguard Taxpayer Money by Promoting Fiscal Stewardship and Sound Budget Oversight"

County-Wide Capital Reserve

County-Wide Capital Reserve History							
	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Recommended FY2026
Adopted Budget	$ 5,000,000	$ 9,000,000	$ 17,500,000	$ 35,800,000	$ 22,467,300	$ 7,617,100	$ 12,617,100
YOY Variance	$ 5,000,000	$ 4,000,000	$ 8,500,000	$ 18,300,000	$ (13,332,700)	$ (14,850,200)	$ 5,000,000

- Established in 2020
- FY2023 Approved Transfers to FEMA Fund (1813) to Cashflow Hurricane IAN Recovery
- FY2025 Reserve Utilized to Support Capital Budget
- Current FY2025 Balance $7.6 Million
- FY 2025 Recommended Contribution $5 Million

Recommendation Aligned with Infrastructure and Asset Management and Responsible Governance Strategic Objectives

"Prepare for the Impacts of Natural Disasters on our Critical Infrastructure and Natural Resources"
"Optimize the Useful Life of All Public Infrastructure and Resources through Proper Planning and Preventative Maintenance"
"Safeguard Taxpayer Money by Promoting Fiscal Stewardship and Sound Budget Oversight"

Recommendation

- To Adopt the FY 2026 Budget Policy, establish June budget workshop dates and September public hearing dates, and adopt a Resolution establishing a deadline of May 1, 2025, for budget submittals by the Supervisor of Elections, the Sheriff's Office, and the Clerk.

Thank You