

A Look at the Sarasota County Budget From 3 Perspectives

January 23, 2007

The 3 Perspectives



- High level metrics used for management control
- “Where the Money Goes”
- Tax base that supports part of it

My Intention



To have a conversation with you today about the FACTS surrounding the Sarasota County budget, the problems surrounding the current property tax system which support (in part) that budget, and the “productive solutions” that may arise all within an atmosphere of:

- Shared Responsibility
- Working Together on the Basis of Reality
- Working Together Toward Shared Understandings of reality
- Working Together Toward Shared Solutions
- Working Together to Define Compromises
- Working Within a Sustainable Context

We are in “the Boat” together, government and business; together we are part of the problem and part of the solution.

A Thought to Build Upon



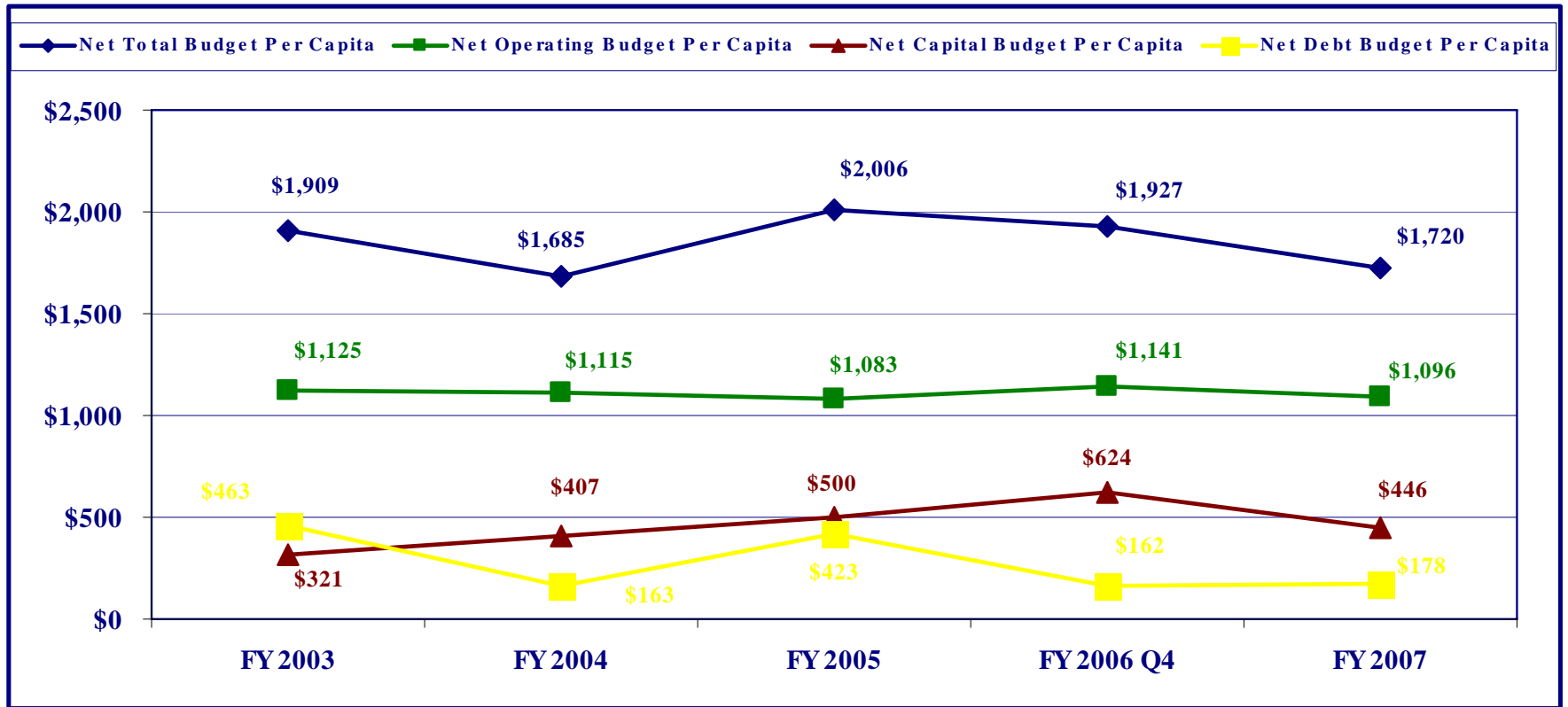
“It is not the critic who counts, nor the man who points out where the strong man stumbled, nor where the doer of deeds could have done them better.

On the contrary, the credit belongs to the man who is actually in the arena – whose vision is marred by the dust and sweat and blood; who strives valiantly; who errs and comes up again and again; who knows the great devotions, the great enthusiasms; who at best knows in the end the triumph of his achievement.

However, if he fails, if he falls, at least he fails while daring greatly so that his place shall never be with those cold and timid souls who know Neither victory or defeat.”

Theodore Roosevelt

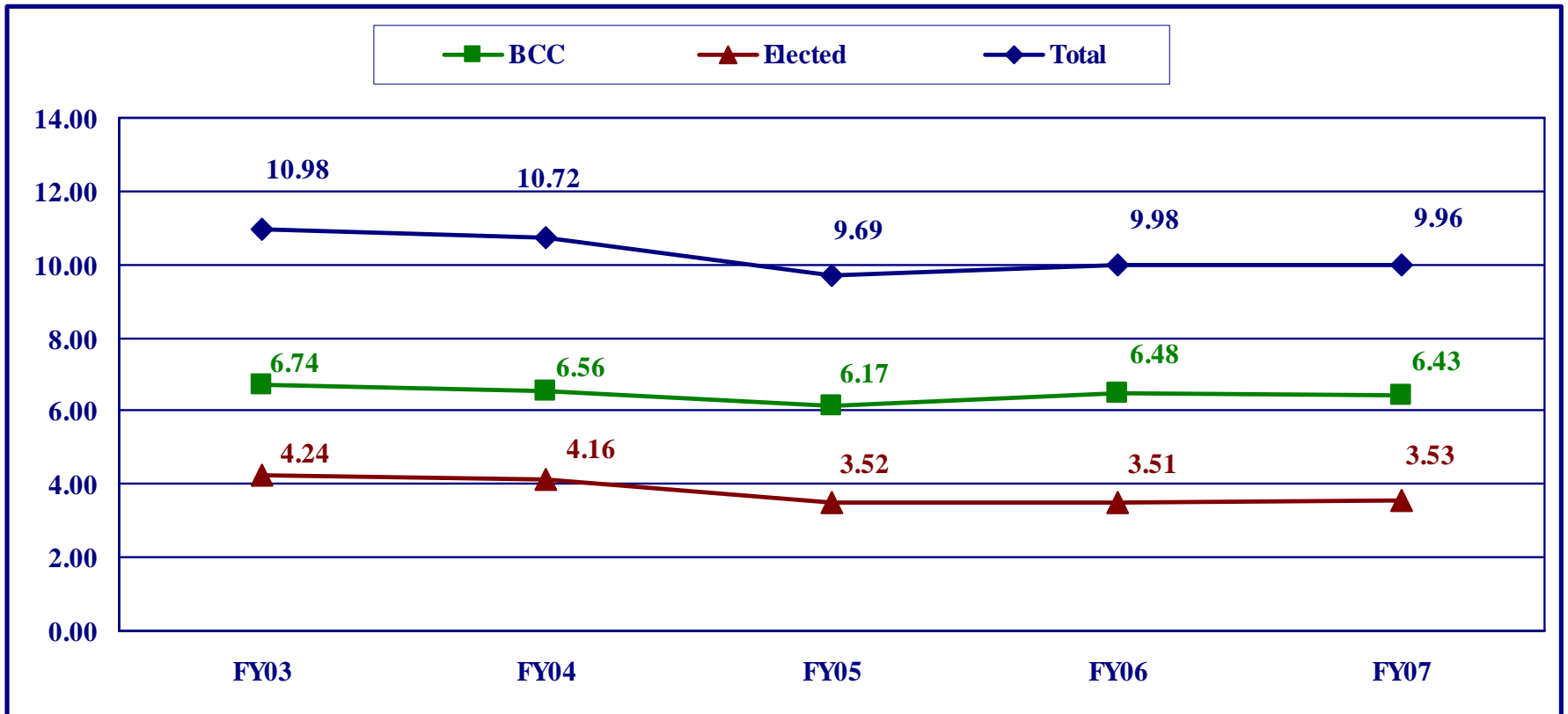
Cost of Government: Net Amended Budgets Per Capita (Adjusted for Inflation)



FY2003 – FY2006 Q4 are Amended figures

FY2007 is the Adopted figure

FTE's Per 1,000 Population



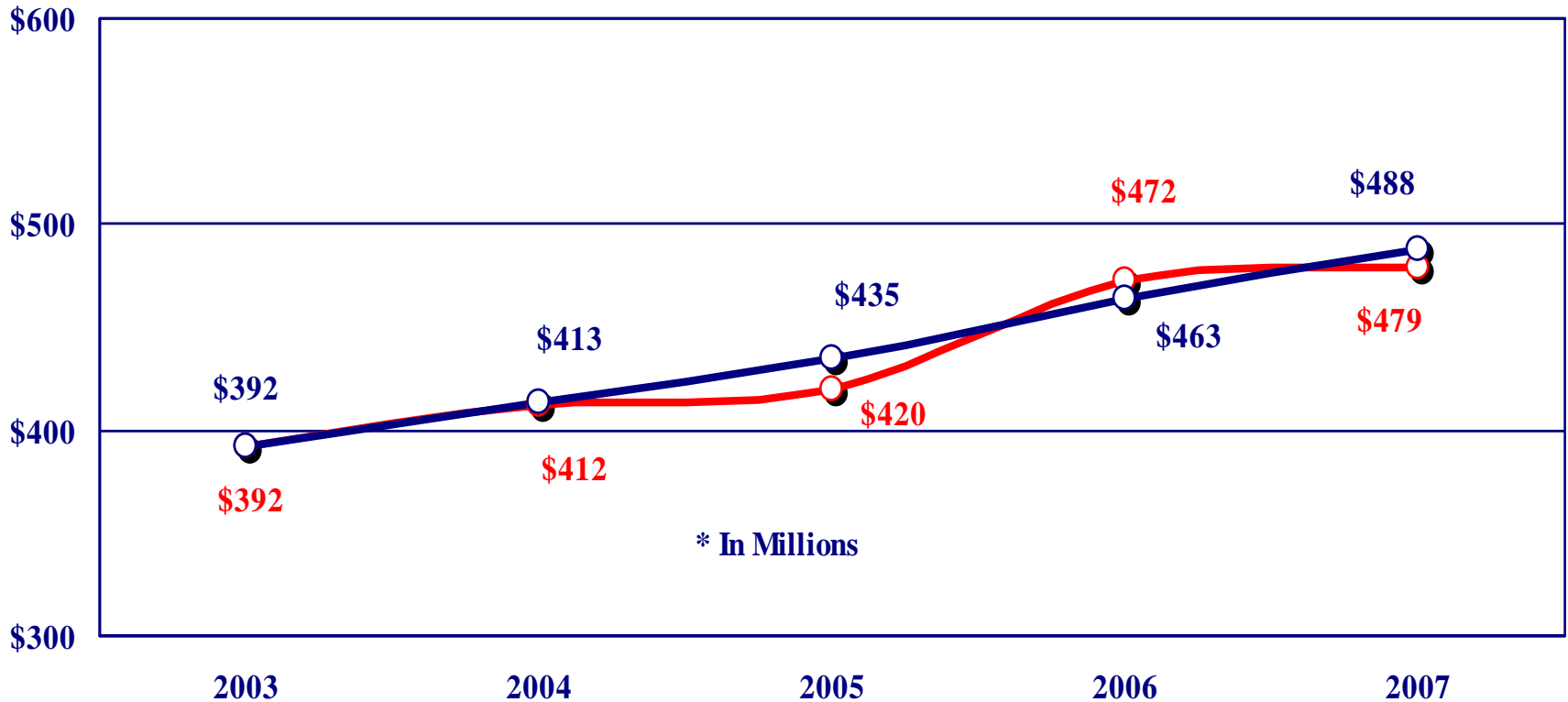
Notes: (1) Amended FY2006; Includes amendments for SKUA (19), Fire (17), ICMA Fellows (5) and SCAT (50);

(2) Adopted FY2007; Includes 27 additional FTEs for Fire and 15 for Sarasota County Sheriff.

Amended Net Operating Growth vs. CPI & Population Growth

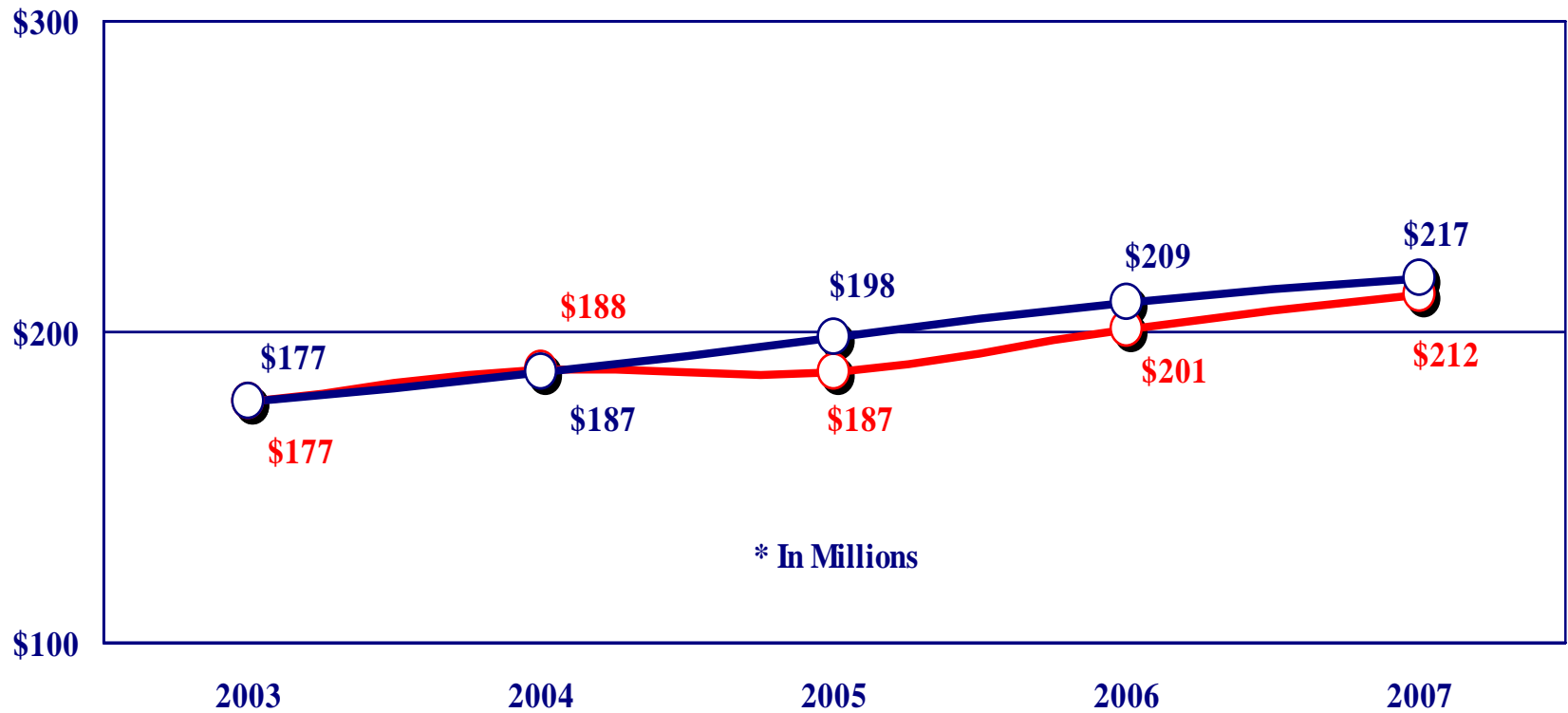
—○— Amended Net Operating Budget

—○— Amended Budget if increased @ rate of CPI+ Growth (2003 Base yr)



Budgeted General Fund Expenditure Growth vs. CPI & Population Growth

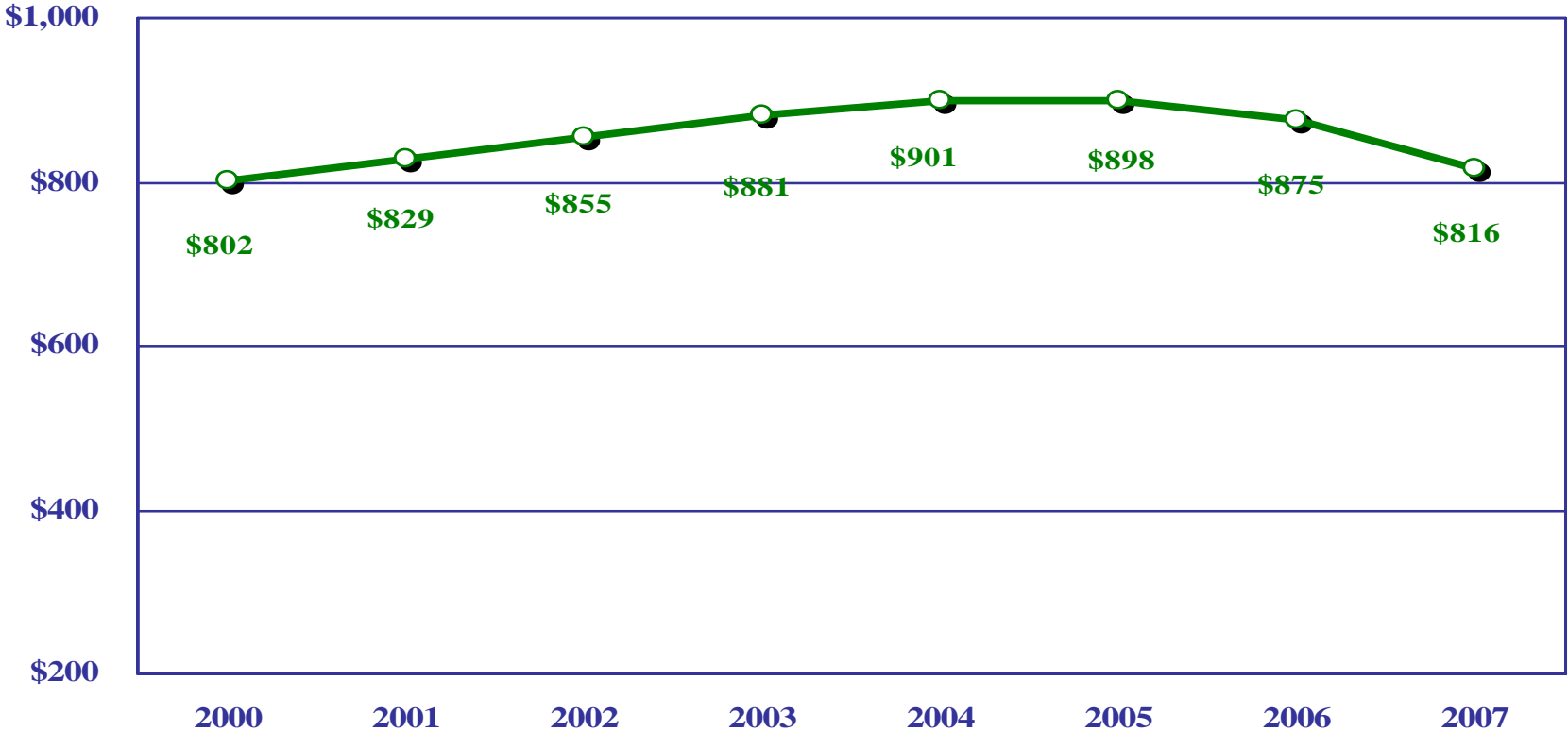
—○— Net General Fund Budget —○— Net General Fund Budget if increased @ rate of CPI+ Growth (2003 Base yr)



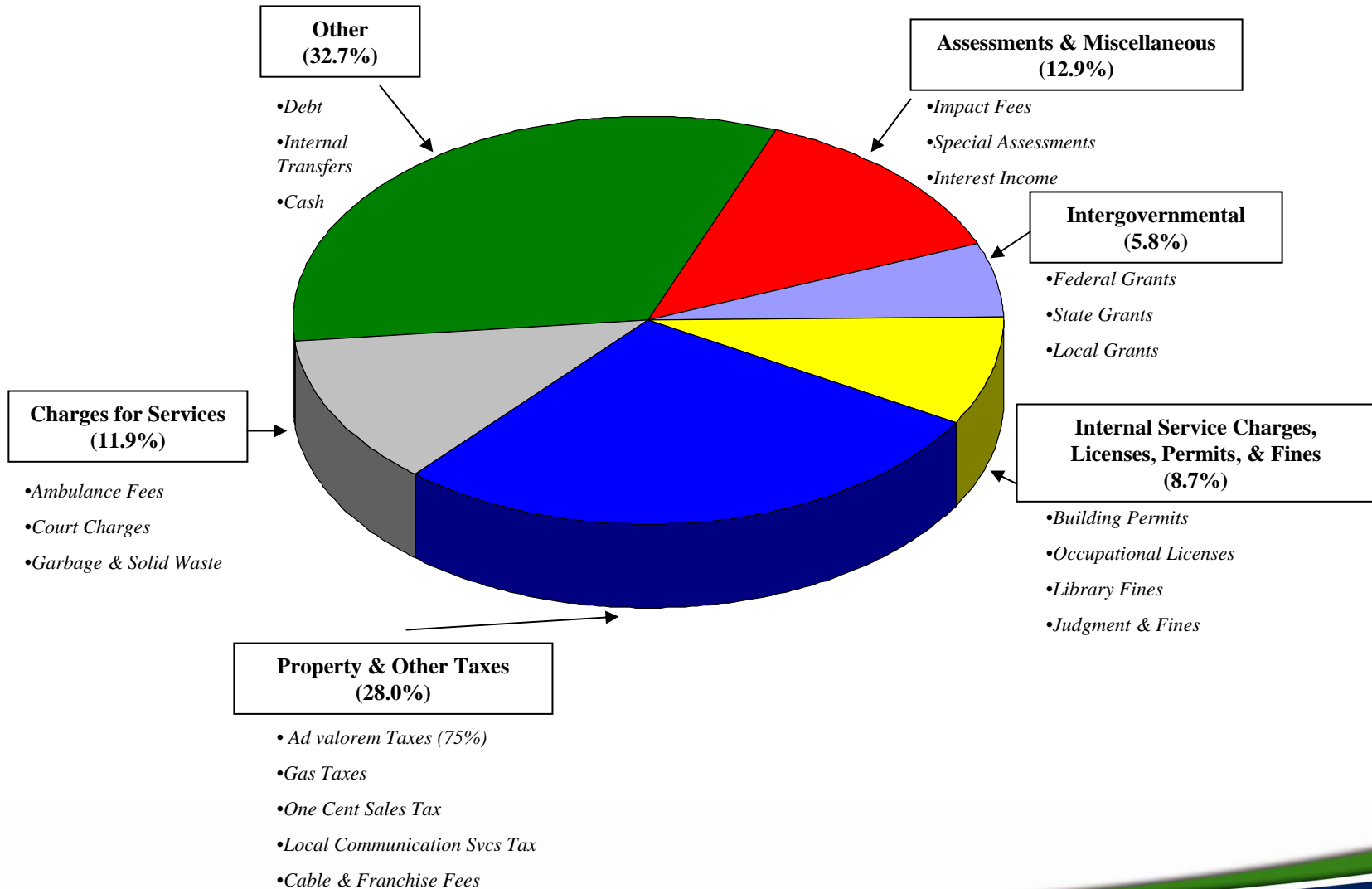
Property Tax Bill Comparison 2000-2007



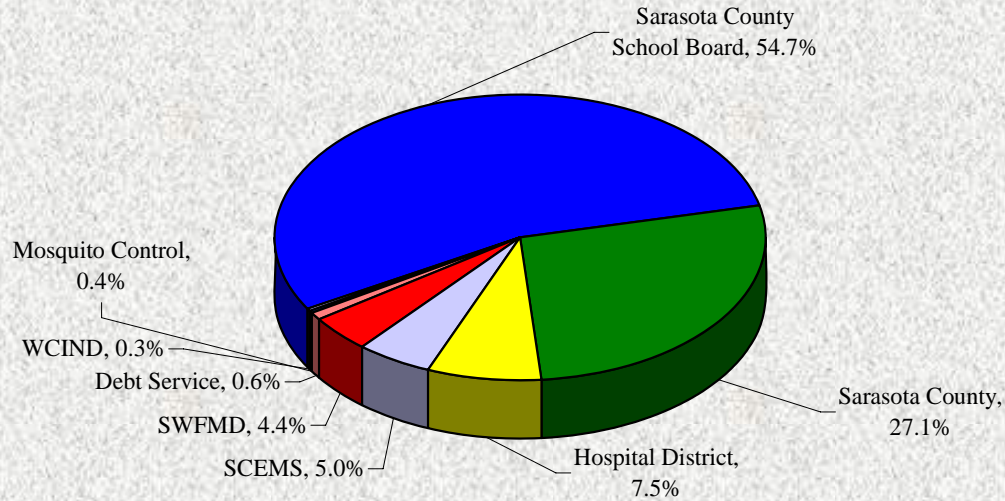
○ Homesteaded Property Tax Bill (\$200,000 with annual 3% valuation growth)



FY2007 “Where the Money Comes From”



Sarasota County A Typical FY2007 Tax Bill

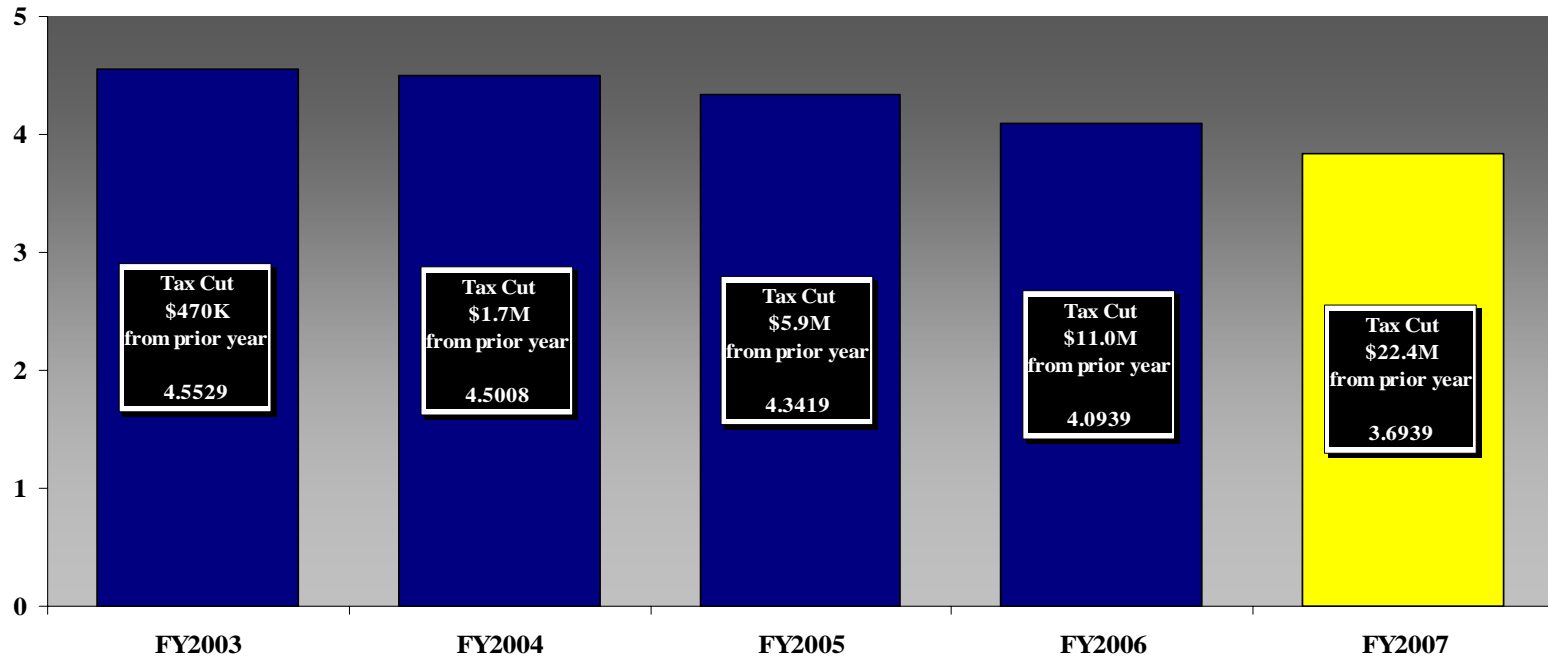


A typical Sarasota County property owner, with a primary residence assessed at \$200,000 and who has taken the homestead exemption of \$25,000, would expect to pay \$2,307.53 for his tax bill in FY2007, not including special assessment districts*.

<u>Taxing Authority</u>	<u>Adopted Millage Rates</u>	<u>Tax Bill</u>
Sarasota County Operating Millage	3.5691	\$ 624.59
Mosquito Control	0.0499	\$ 8.73
Debt Service	<u>0.0749</u>	<u>\$ 13.11</u>
Sarasota County Government Total	3.6939	\$ 646.43
Sarasota County Emergency Medical Services	0.6600	\$ 115.50
Sarasota Memorial Hospital	1.0000	\$ 175.00
West Coast Inland Navigation	0.0400	\$ 7.00
Public School Board	7.2100	\$ 1,261.75
South West Florida Water Management	<u>0.5820</u>	<u>\$ 101.85</u>
Other Jurisdictions Total	9.4920	\$ 1,661.10
Total Tax Bill		\$ 2,307.53

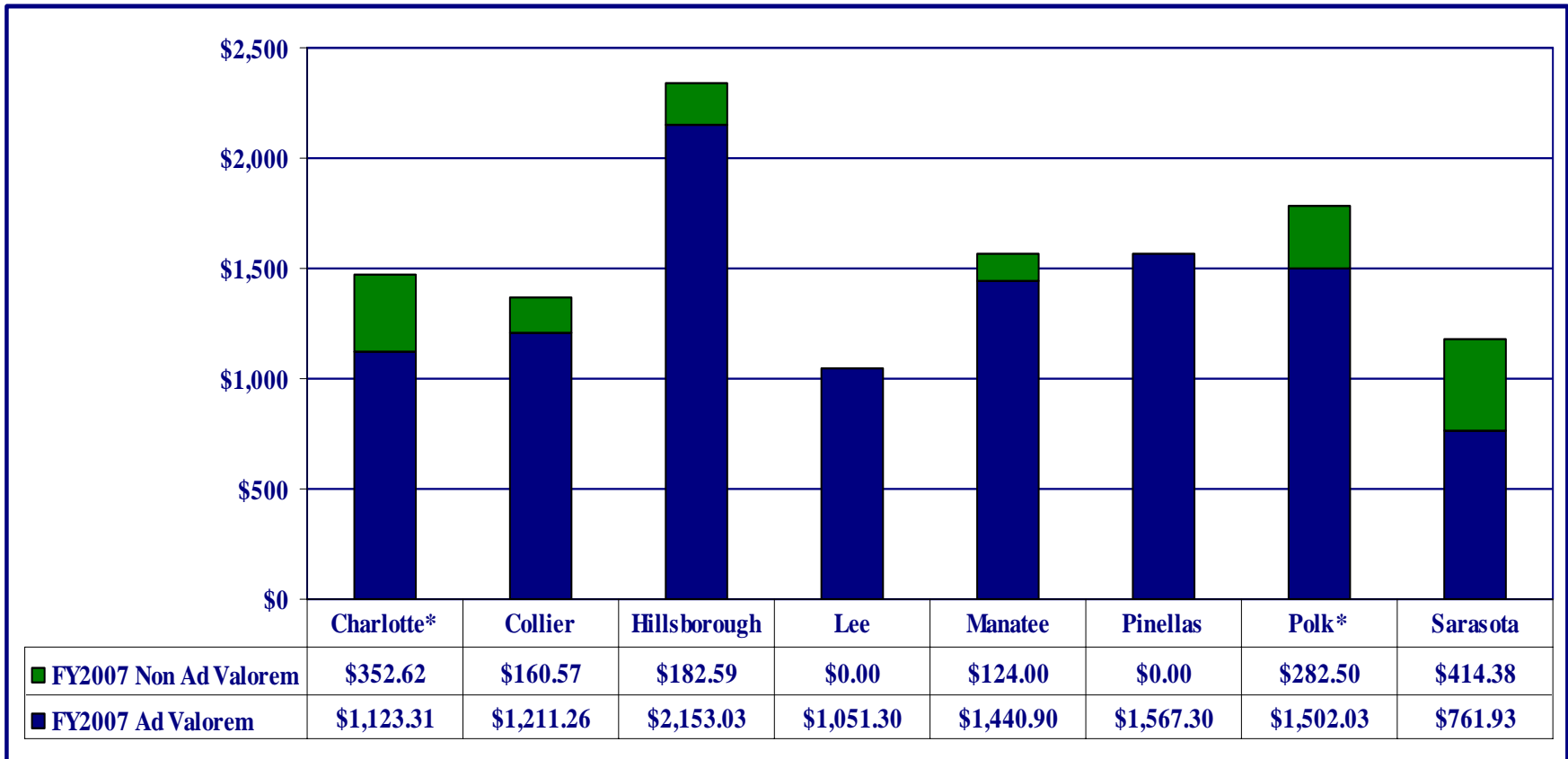
* Special Assessment Districts may include assessments for Fire, Lighting, Water, Sewer, Solid Waste, and Stormwater.

Property Tax Aggregate Millage Rate FY03-FY07



Note: Represents tax cuts to the General Fund and Health and Human Services.

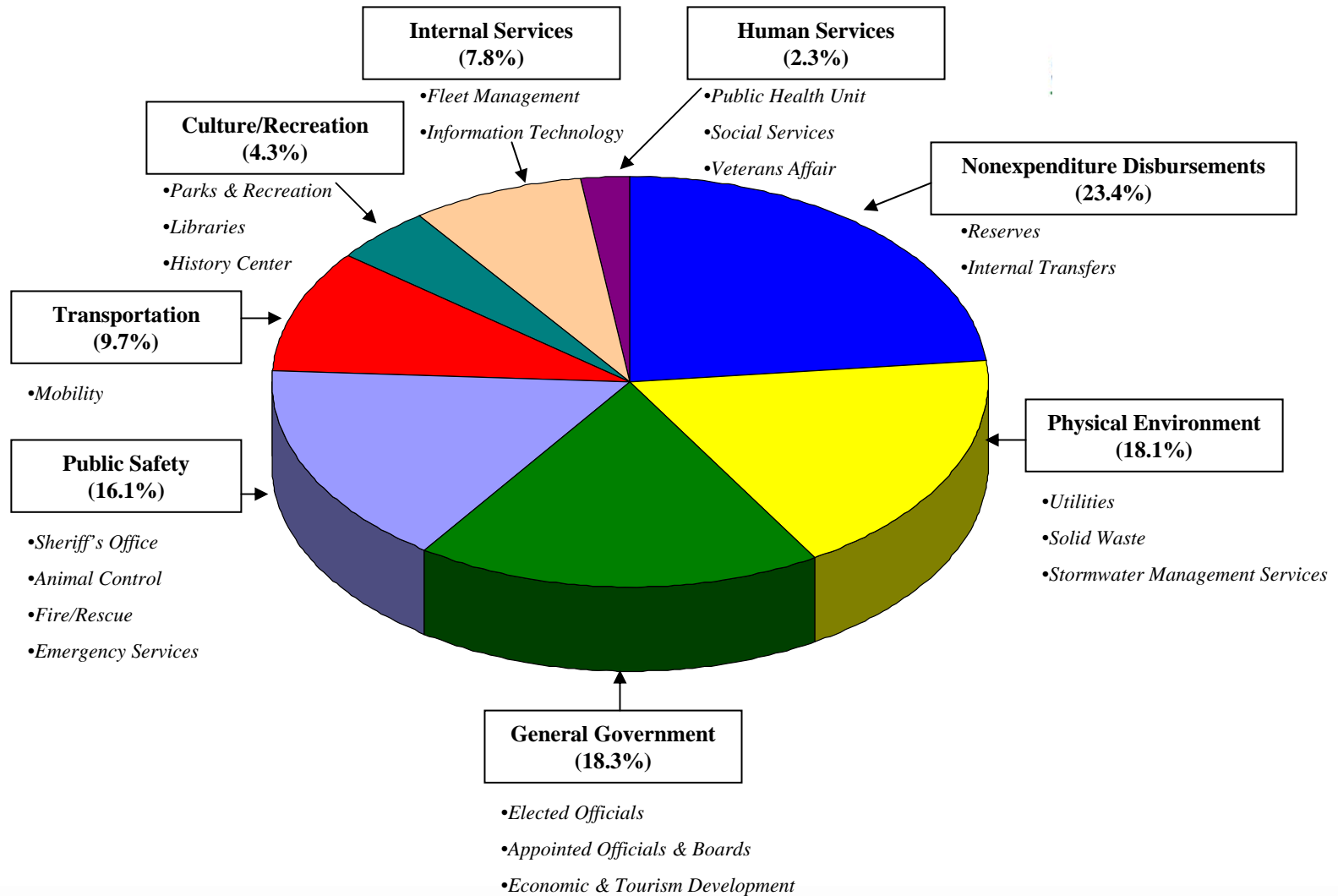
8-County Tax Bill Comparison



Note: Charges represent a residence valued at \$200,000 with \$25,000 Homestead Exemption.

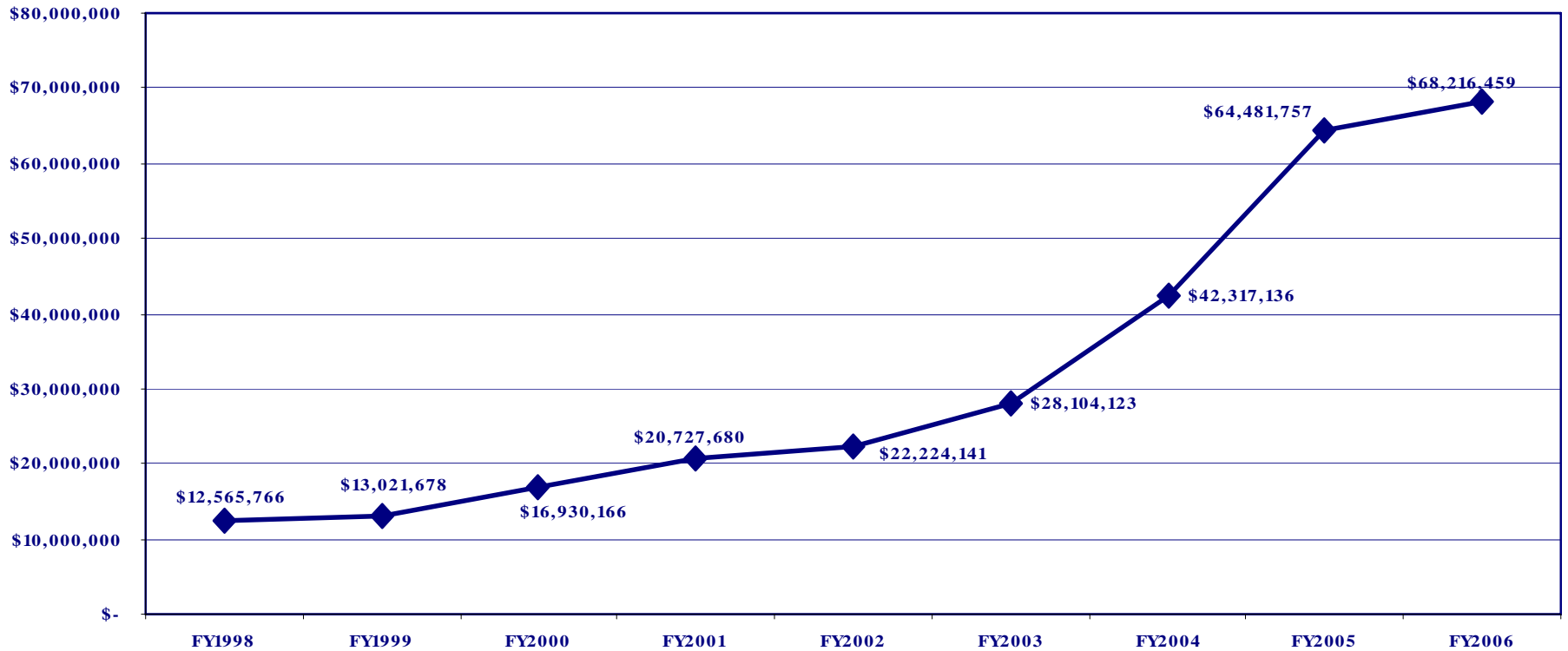
*Rates have not been verified by counties.

FY2007 “Where the Money is Spent”



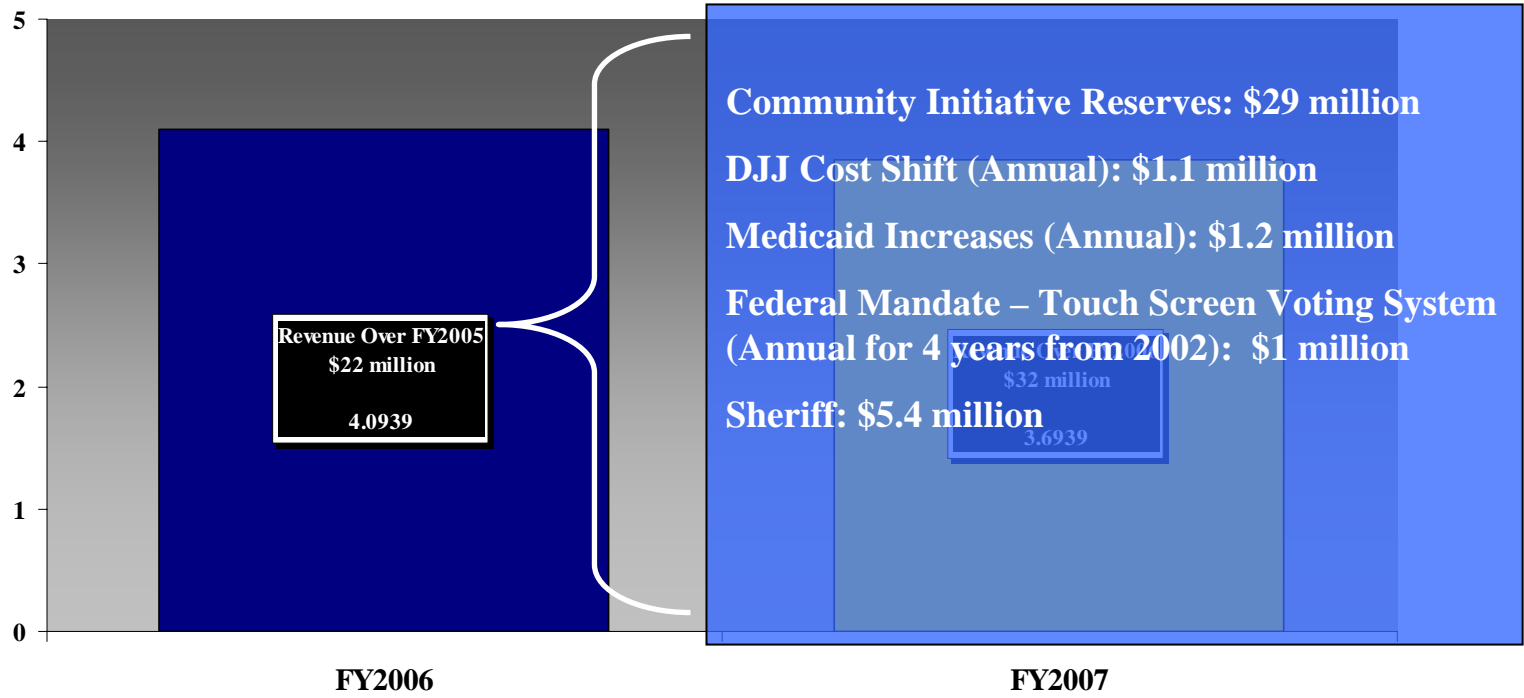
Growth of General Fund Unreserved Fund Balance

“Preparing for the Unexpected”



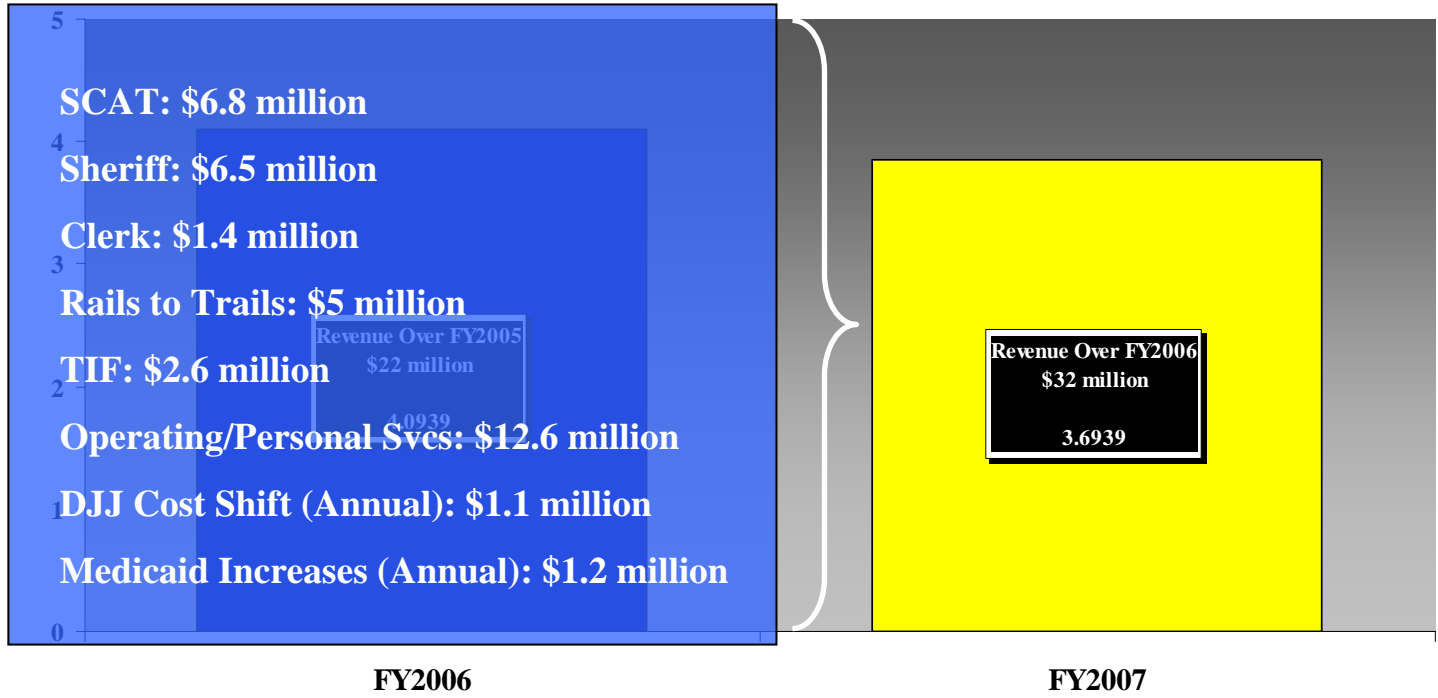
Property Tax Aggregate Millage Rate FY06-FY07

“Where did the Money Go?”

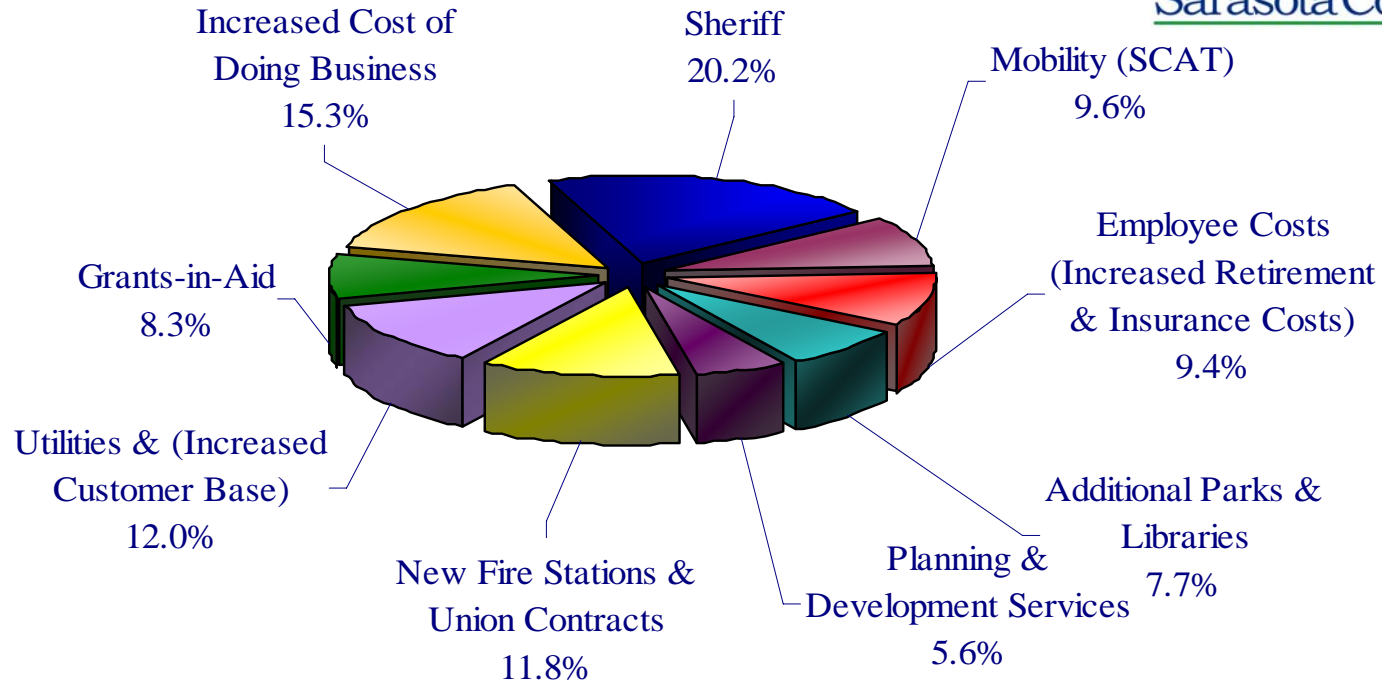


Property Tax Aggregate Millage Rate FY06-FY07

“Where did the Money Go?”

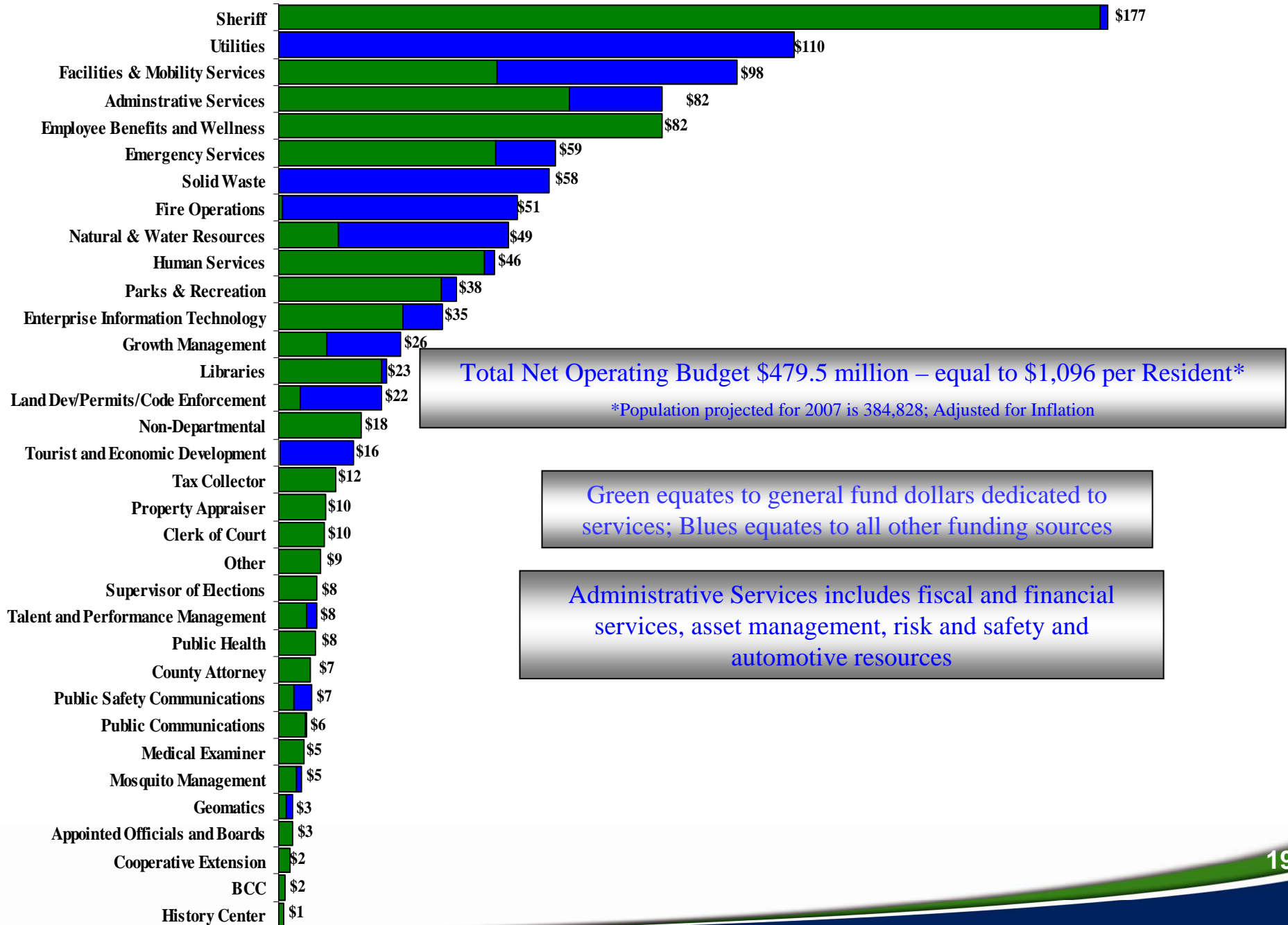


Distribution of Additional Funding (Increase to net budget from FY2003-FY2007)



Sheriff	\$ 20,454,389	New Fire Stations & Union Contracts	\$ 11,942,695
Mobility (SCAT)	\$ 9,725,012	Utilities & (Increased Customer Base)	\$ 12,167,811
Employee Costs (Increased Retirement & Insurance Costs)	\$ 9,556,491	Grants-in-Aid	\$ 8,394,793
Additional Parks & Libraries	\$ 7,828,120	Increased Cost of Doing Business	\$ 15,526,429
Planning & Development Services	\$ 5,668,079	TOTAL	\$ 101,263,819

Annual Cost Per County Resident of FY2007 Net Operating Budget



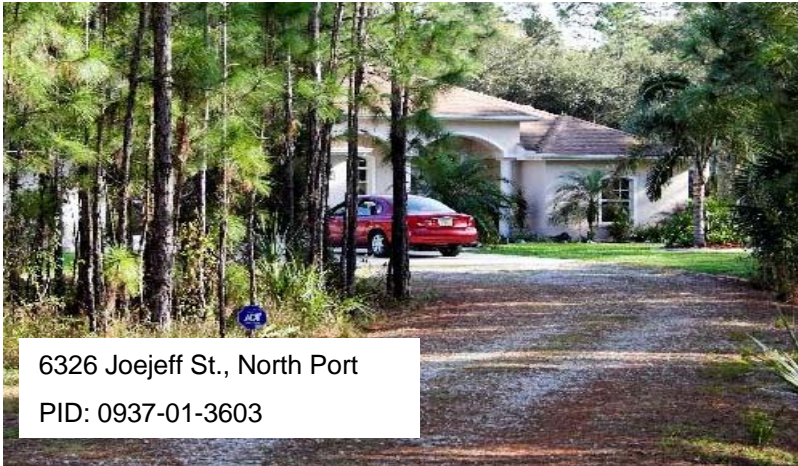
Total Net Operating Budget \$479.5 million – equal to \$1,096 per Resident*
 *Population projected for 2007 is 384,828; Adjusted for Inflation

Green equates to general fund dollars dedicated to services; Blues equates to all other funding sources

Administrative Services includes fiscal and financial services, asset management, risk and safety and automotive resources

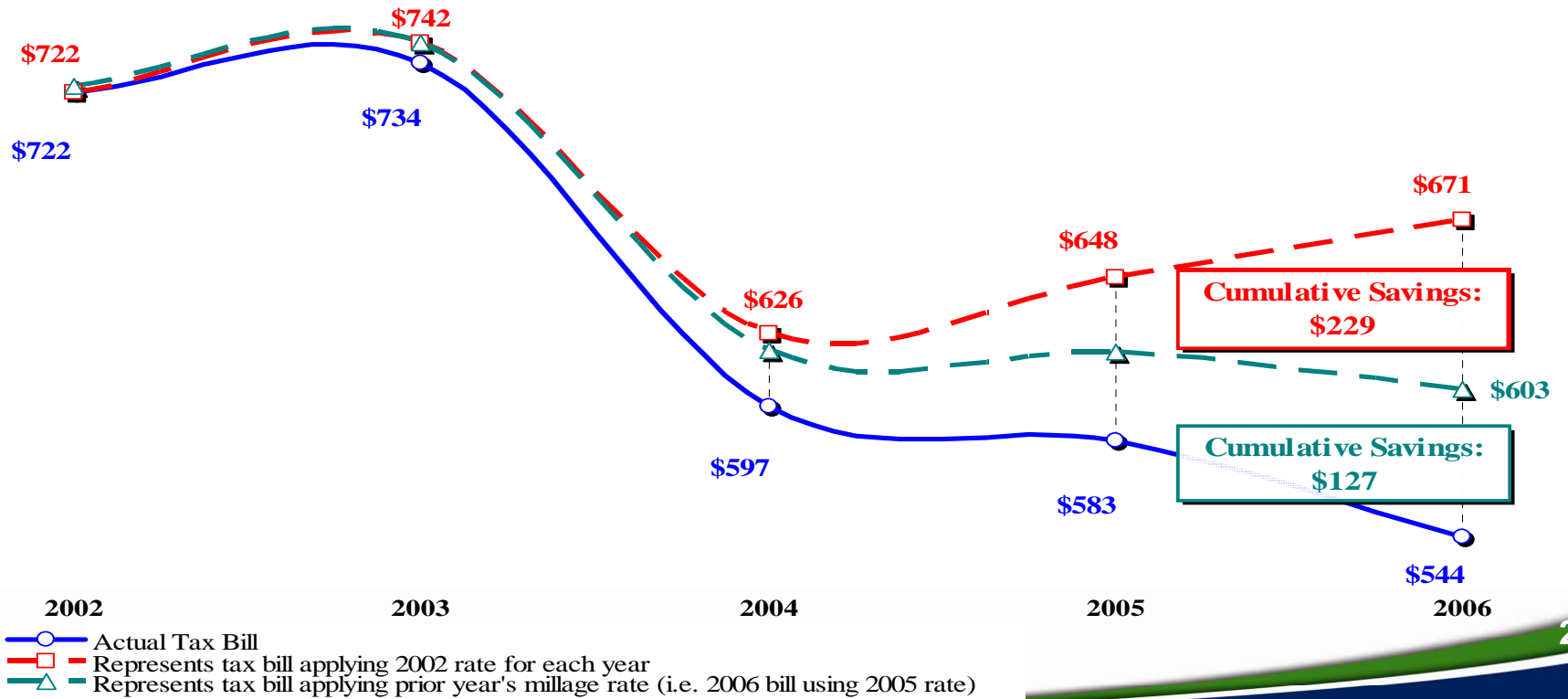
Signs of a Broken Property Tax System

Property with Homestead (Purchased 2001 – North Port)



6326 Joejeff St., North Port
PID: 0937-01-3603

	Millage Rate	Just Value	Assessed Value	Taxable Value
2002	4.5529	183,600	183,600	158,600
2003	4.5008	209,300	188,006	163,006
2004	4.3419	191,500	162,456	137,456
2005	4.0939	247,000	167,330	142,330
2006	3.6939	342,900	172,350	147,350



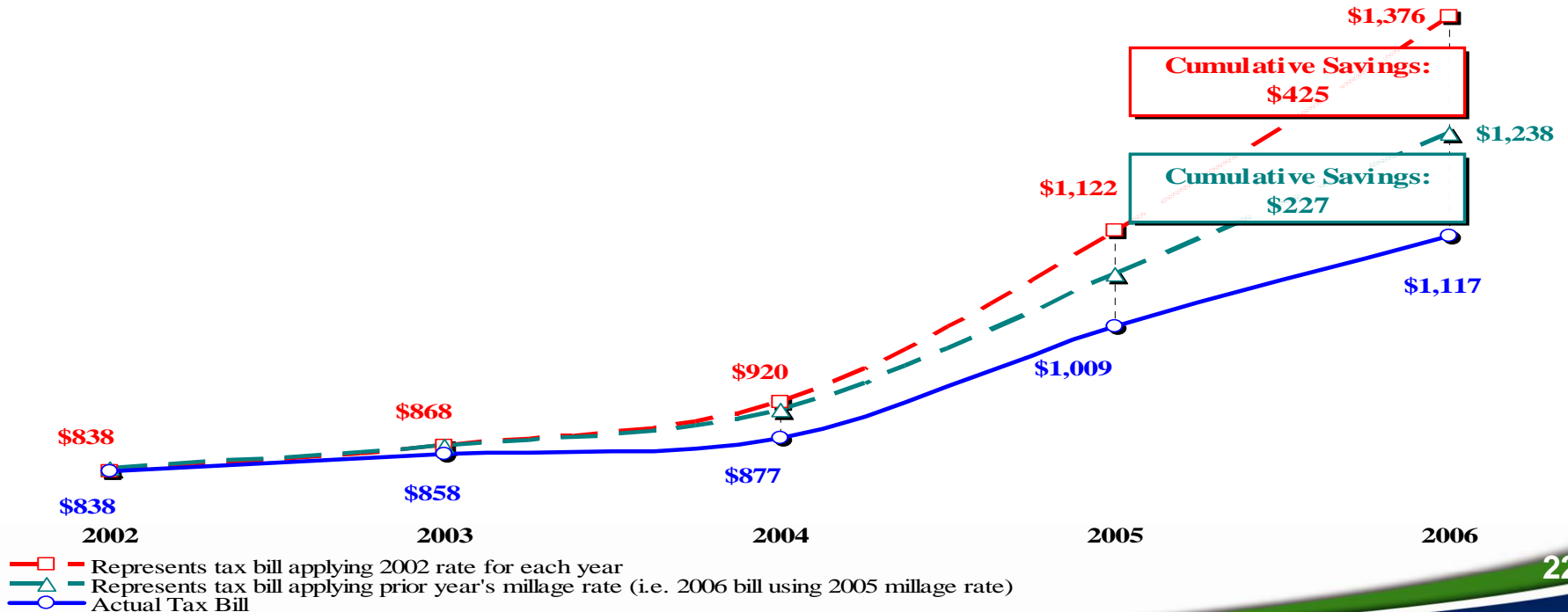
Property without Homestead (Purchased 2001 – North Port)



5306 White Ibis Dr., North Port
PID: 0991-03-0290

	Millage Rate	Just Value	Assessed Value	Taxable Value
2002	4.5529	184,100	184,100	184,100
2003	4.5008	190,600	190,600	190,600*
2004	4.3419	202,100	202,100	202,100
2005	4.0939	246,500	246,500	246,500
2006	3.6939	302,300	302,300	302,300

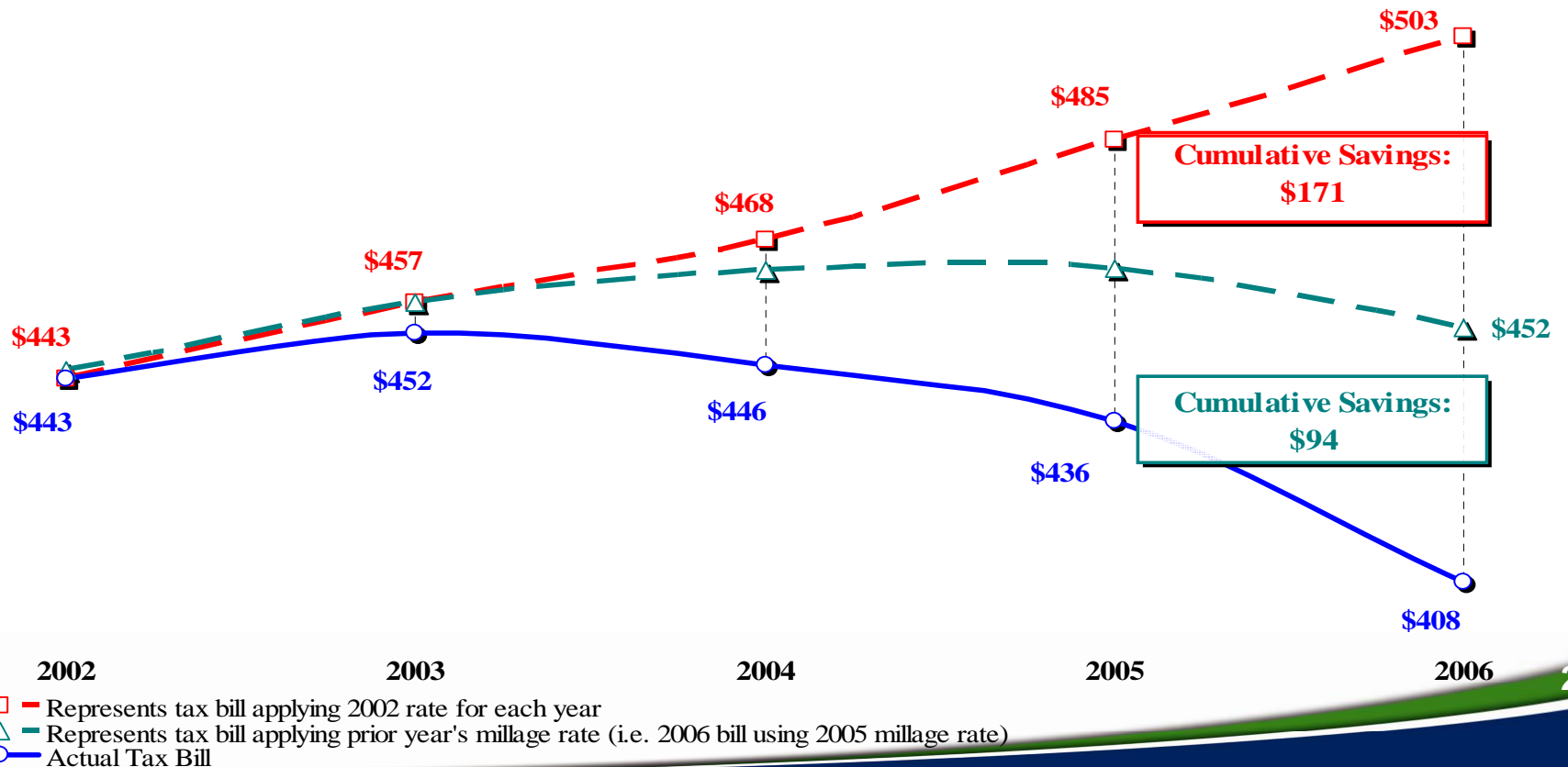
*This property claimed homestead during 2003, taxable value has been changed to reflect what it would have been without that exemption



Property with Homestead (Purchased 2001 - Unincorporated)



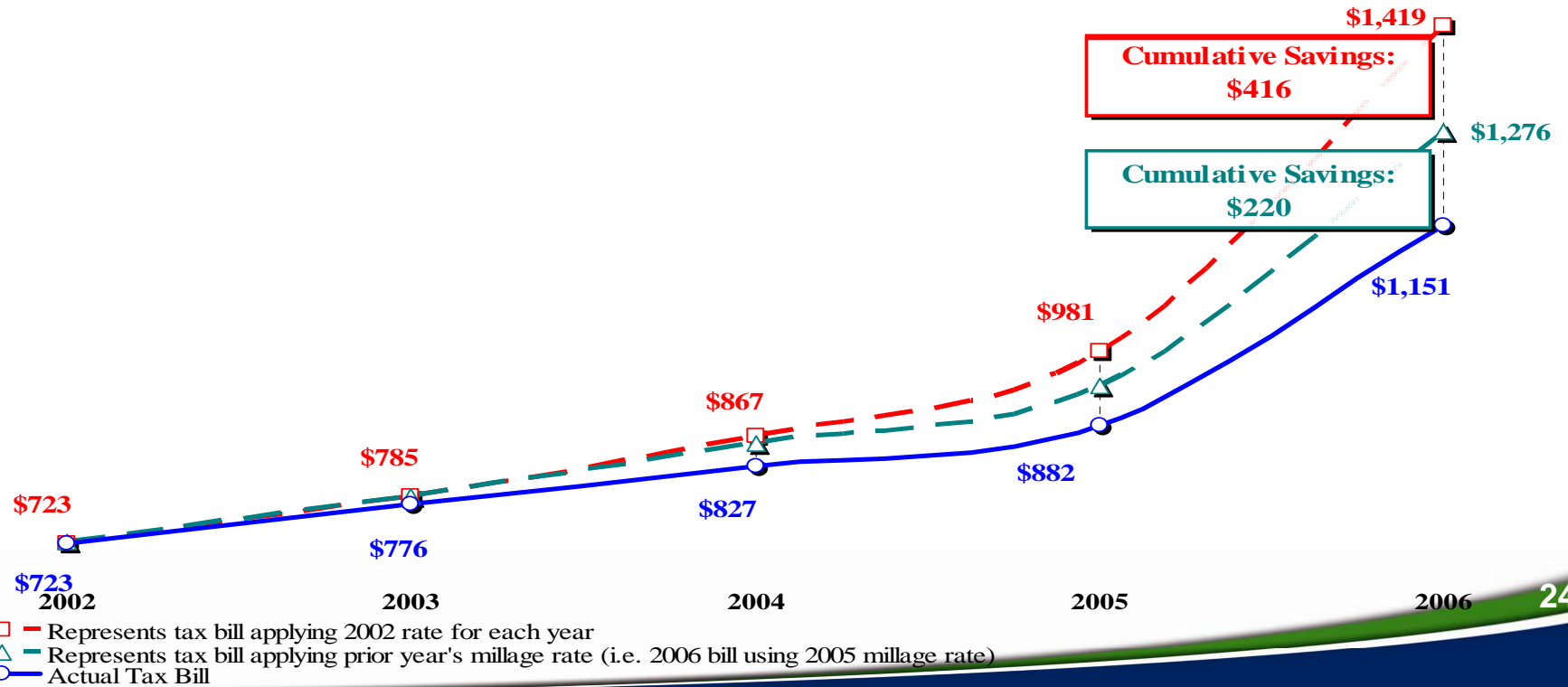
	Millage Rate	Just Value	Assessed Value	Taxable Value
2002	4.5529	122,400	122,400	97,400
2003	4.5008	133,800	125,338	100,338
2004	4.3419	147,600	127,719	102,719
2005	4.0939	166,800	131,551	106,551
2006	3.6939	246,900	135,498	110,498



Property without Homestead (Purchased 2001 - Unincorporated)



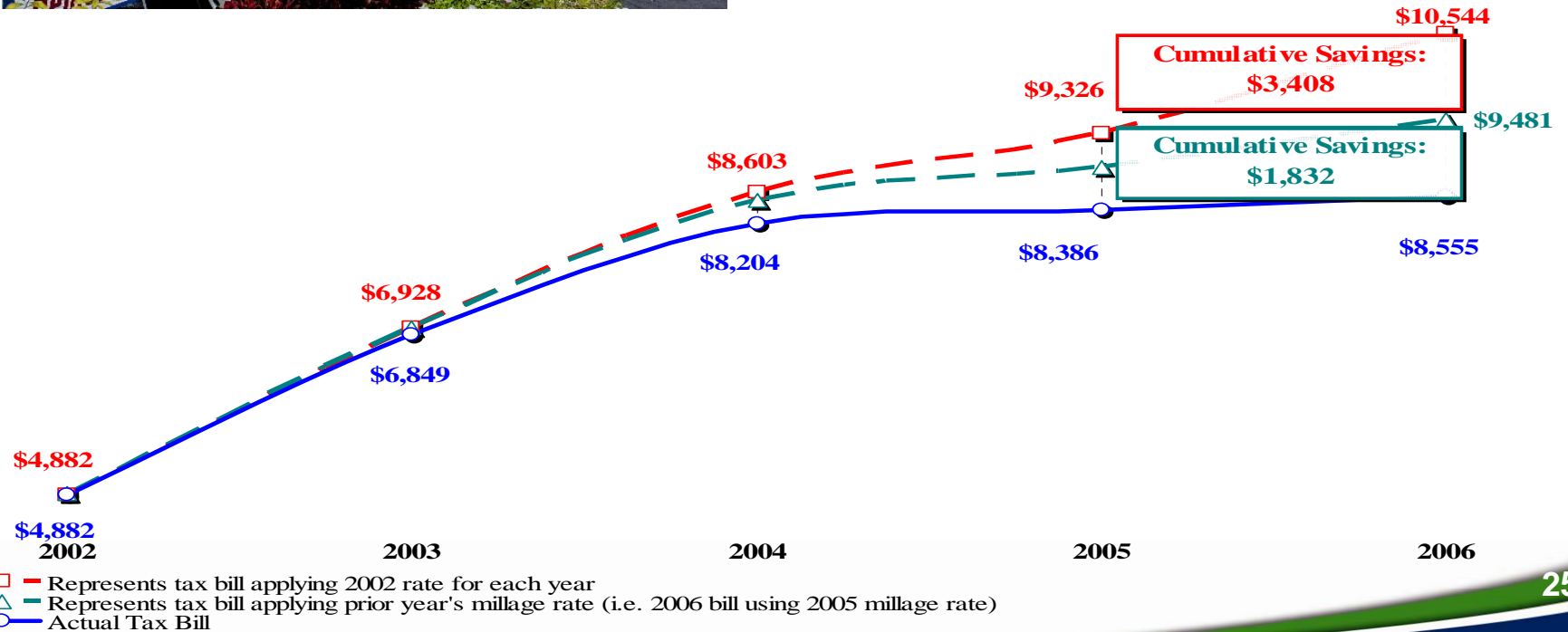
	Millage Rate	Just Value	Assessed Value	Taxable Value
2002	4.5529	158,700	158,700	158,700
2003	4.5008	172,500	172,500	172,500
2004	4.3419	190,400	190,400	190,400
2005	4.0939	215,400	215,400	215,400
2006	3.6939	311,700	311,700	311,700



Working Water Front (Turtle Beach Marina)



	Millage Rate	Assessed Value	Taxable Value
2002	4.5529	1,072,193	1,072,193
2003	4.5008	1,521,679	1,521,679
2004	4.3419	1,889,591	1,889,591
2005	4.0939	2,048,462	2,048,462
2006	3.6939	2,315,950	2,315,950



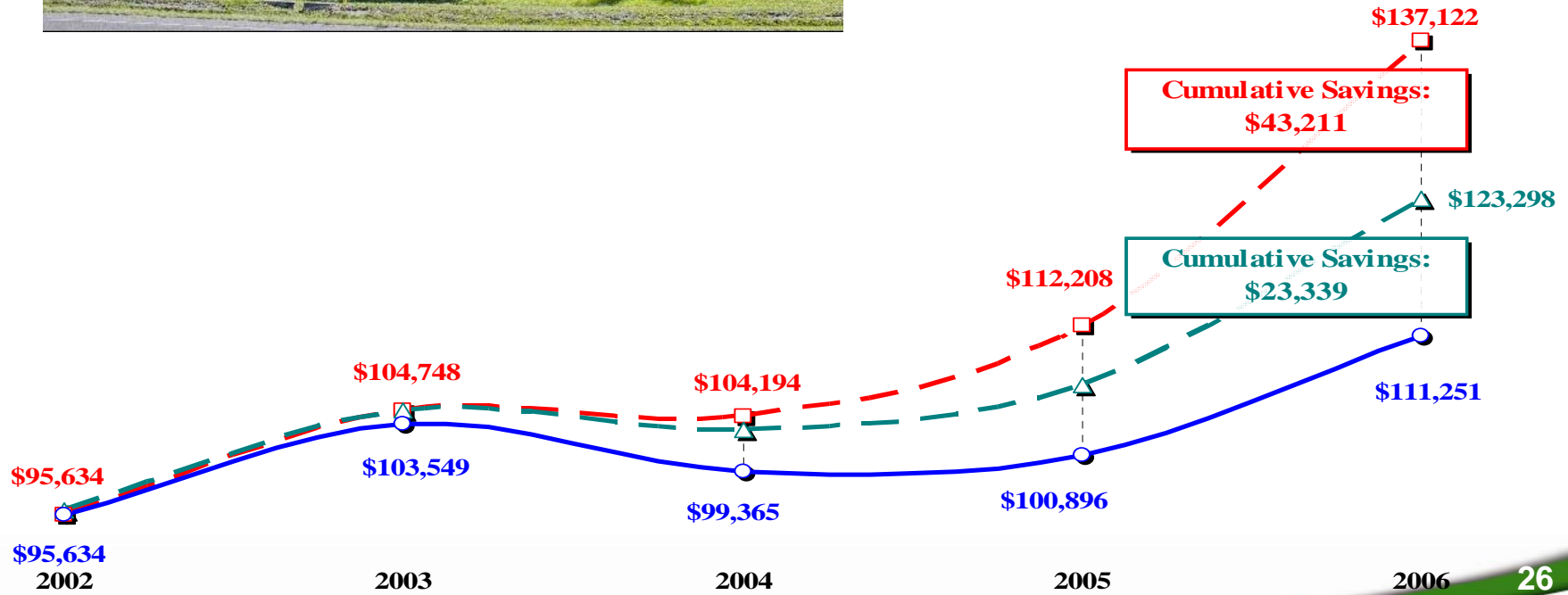
Apartment Complex (Tuscany Apartments)

6001 Medici Court, Sarasota

PID: 0016-02-0004, 0016-02-0003, B02001.0576 (Tangible Personal Property Tax), B00980.0194 (Tangible Personal Property Tax)



	Millage Rate	Assessed Value	Taxable Value
2002	4.5529	21,004,990	21,004,990
2003	4.5008	23,006,881	23,006,881
2004	4.3419	22,885,169	22,885,169
2005	4.0939	24,645,362	24,645,362
2006	3.6939	30,117,452	30,117,452

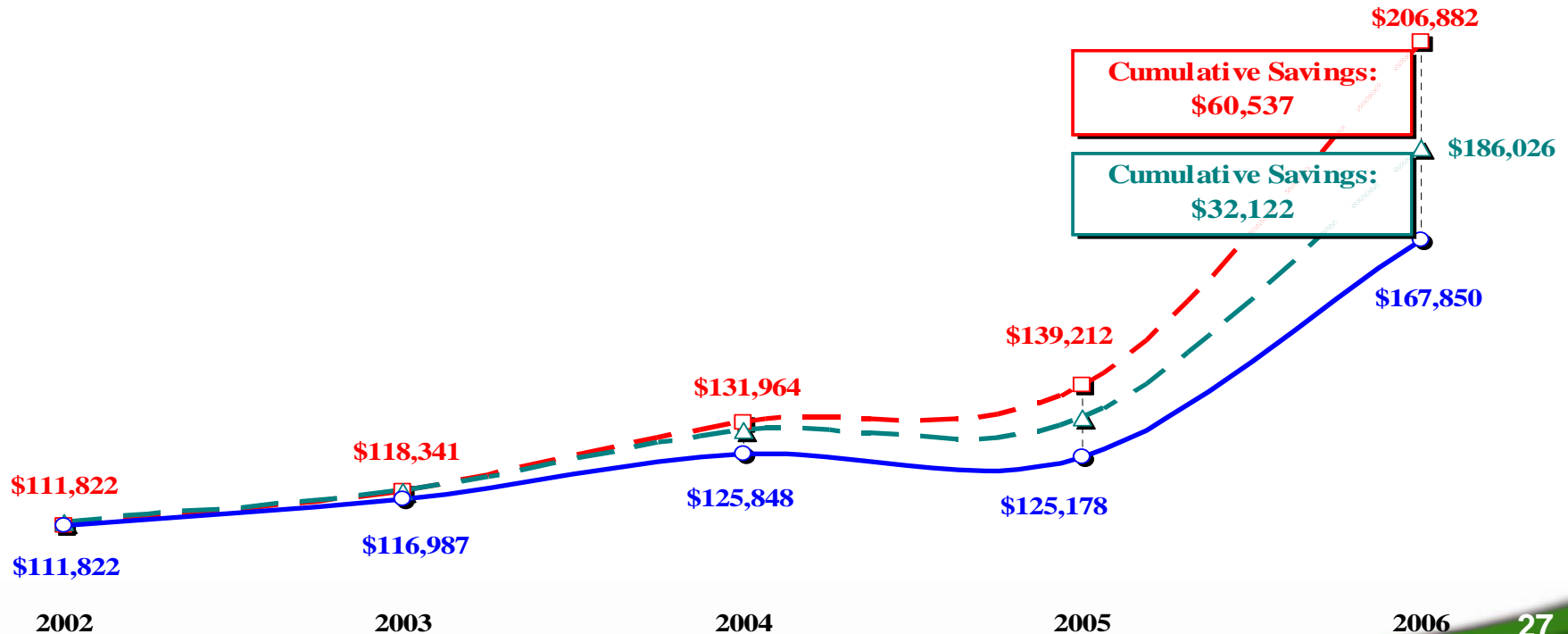


- Represents tax bill applying 2002 rate for each year
- △— Represents tax bill applying prior year's millage rate (i.e. 2006 bill using 2005 millage rate)
- Actual Tax Bill

Value Added Property (PGT Industries Inc.)



	Millage Rate	Assessed Value	Taxable Value
2002	4.5529	24,560,509	24,560,509
2003	4.5008	25,992,447	25,992,447
2004	4.3419	28,984,548	28,984,548
2005	4.0939	30,576,611	30,576,611
2006	3.6939	45,439,690	45,439,690

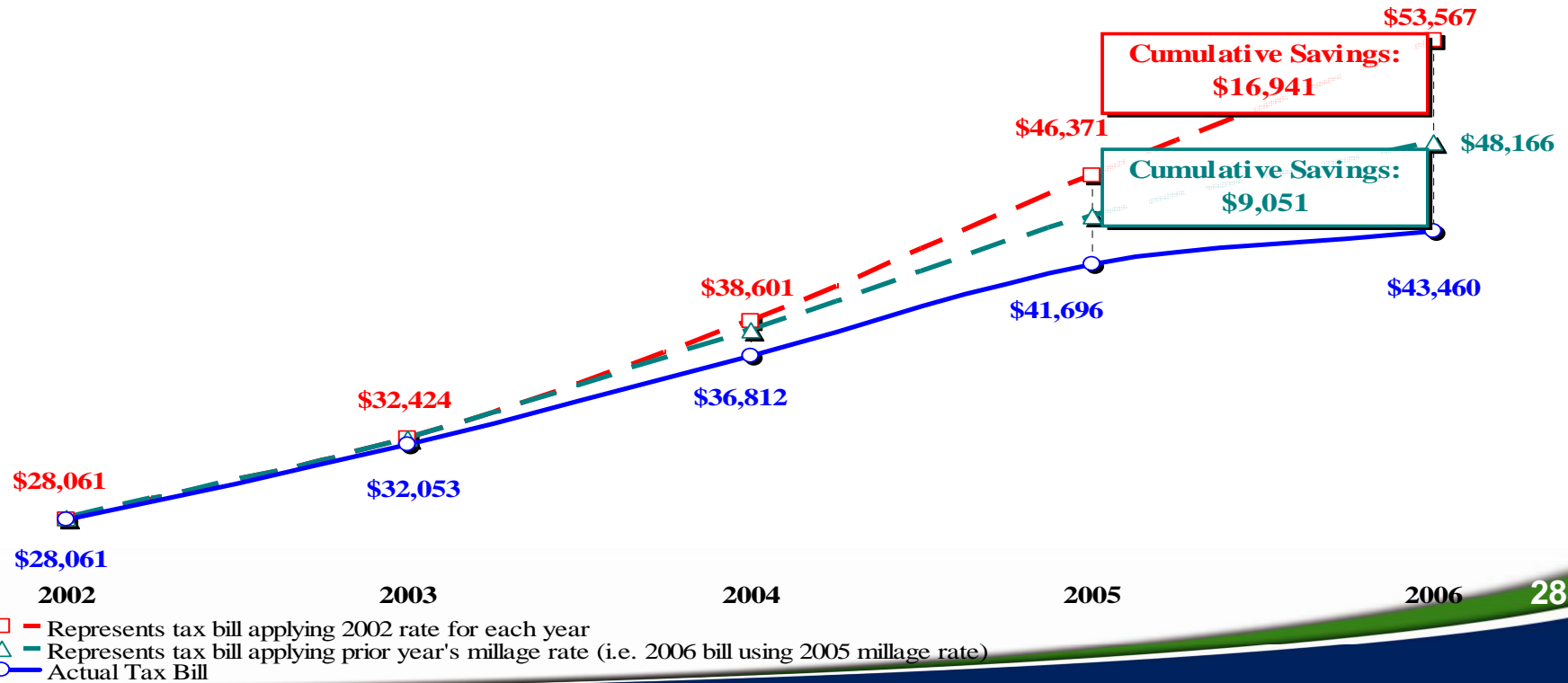


- Represents tax bill applying 2002 rate for each year
- △— Represents tax bill applying prior year's millage rate (i.e. 2006 bill using 2005 millage rate)
- Actual Tax Bill

Office Building (Williams Parker)



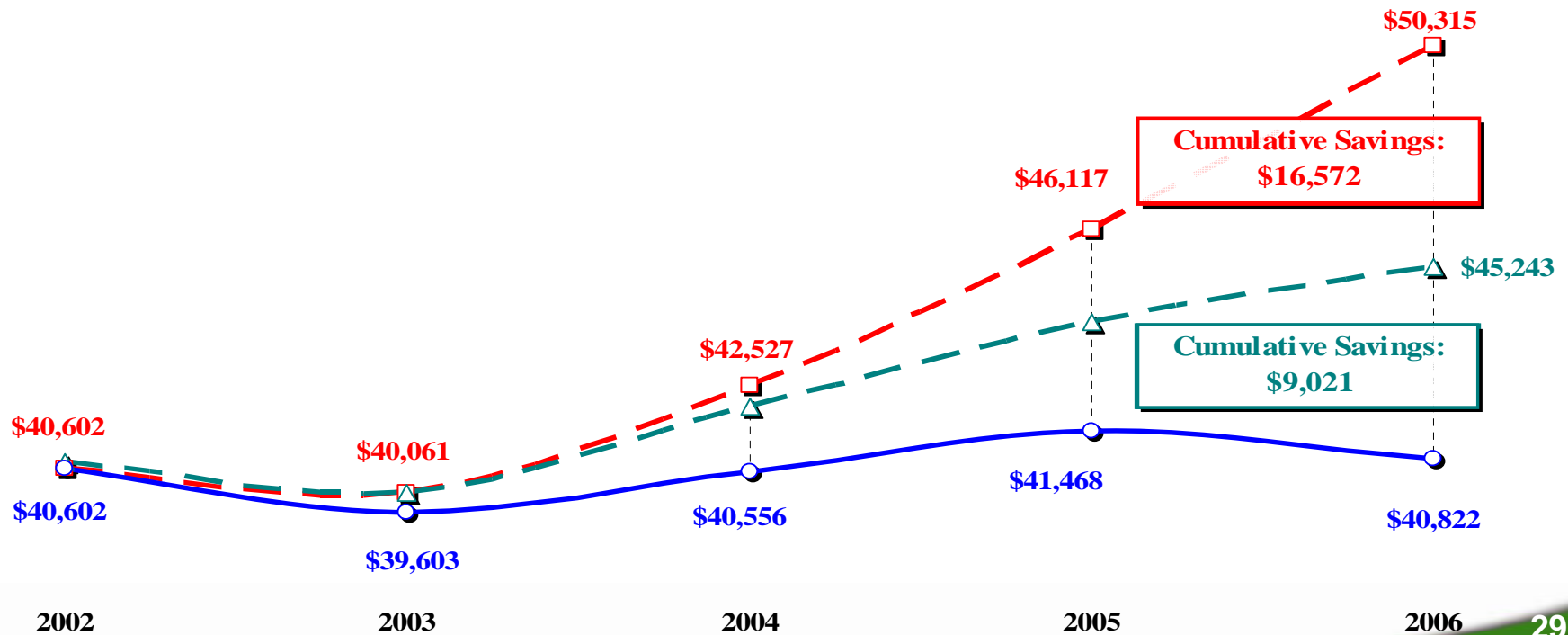
	Millage Rate	Assessed Value	Taxable Value
2002	4.5529	6,163,405	6,163,405
2003	4.5008	7,121,560	7,121,560
2004	4.3419	8,478,376	8,478,376
2005	4.0939	10,185,004	10,185,004
2006	3.6939	11,765,404	11,765,404



Large Commercial (Target on Fruitville)



	Millage Rate	Assessed Value	Taxable Value
2002	4.5529	8,917,779	8,917,779
2003	4.5008	8,799,080	8,799,080
2004	4.3419	9,340,568	9,340,568
2005	4.0939	10,129,225	10,129,225
2006	3.6939	11,051,268	11,051,268



Cumulative Savings:
\$16,572

Cumulative Savings:
\$9,021

- Represents tax bill applying 2002 rate for each year
- △— Represents tax bill applying prior year's millage rate (i.e. 2006 bill using 2005 millage rate)
- Actual Tax Bill

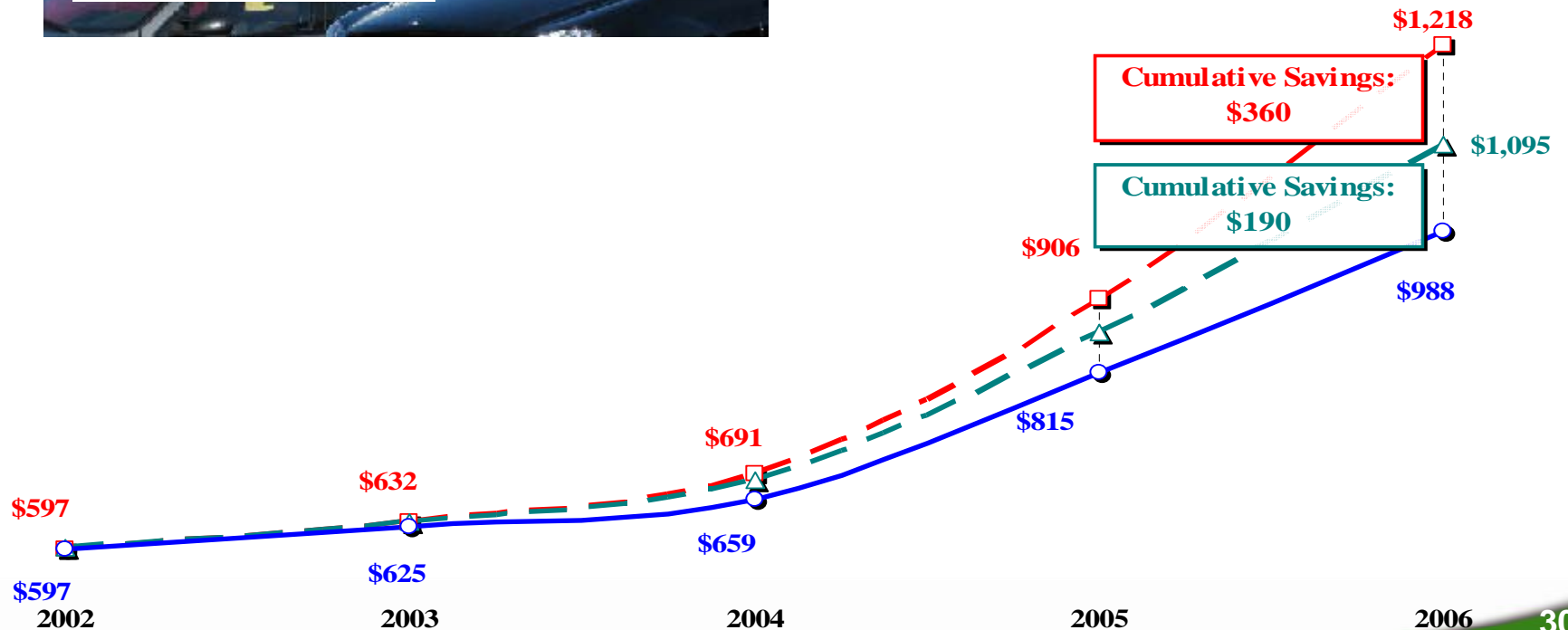
Small Commercial (Sarasota Trophy & Awards)



6601 Superior Ave, Sarasota

PID: 0104-08-0082

	Millage Rate	Assessed Value	Taxable Value
2002	4.5529	131,100	131,100
2003	4.5008	138,800	138,800
2004	4.3419	151,800	151,800
2005	4.0939	199,000	199,000
2006	3.6939	267,500	267,500



- Represents tax bill applying 2002 rate for each year
- △— Represents tax bill applying prior year's millage rate (i.e. 2006 bill using 2005 millage rate)
- Actual Tax Bill

Possibilities

Taxpayers Bill of Rights



Memorializes commitments as follows:

- **Cost Control** - Control of County General Fund operating revenues and expenditures at a rate at or below the combined rate of population increase and inflation as measured by the consumer price index
- **Tax Rate** - Set County tax rates at their current levels or lower
- **Financial and Rate Stability** - Maintenance of the Budget Stabilization and Economic Uncertainty Reserve and the Contingency/Emergency/Disaster Relief Reserve in the General Fund, and financial reserves in other County funds as described in Resolution No. 2006-130, Re: *The Sarasota County Financial Reserves Policy*
- **Employee Costs** - Merit based personnel system and true market based salaries for County employees comparable to the private sector. Merit increases or bonuses reserved for truly meritorious service and for departments maintaining high service levels while also demonstrating cost-effectiveness. Employees per thousand population flat to decreasing unless required to address voter approved projects.
- **Collaborative Cost Sharing** - Pursuit of opportunities with governmental counterparts to identify potential areas for cost-effective consolidation and sharing of services
- **Facilities Management** - Consolidation of operations and optimization of facilities to reduce the cost of real estate needed by the County, manage life cycle costs by building energy efficient, green and carbon neutral facilities.

Balanced Property Tax Reform Plan



- **Property Tax Reform** – Support a system that Improves equity and fairness among classes of taxpayers as well as individual taxpayers.
- **Business Relief** - Establish exemption of \$25,000 of value per taxpayer from Tangible Personal Property Taxes.
- **Non-Homestead Property Relief** - Establish annual assessment limitation for non-homestead property of ten percent with revaluation upon change of ownership or use of the property.
- **Portability Relief** – Allow a one time transfer of Save Our Homes Exemption with subsequent portability contingent on a phased reduction in the Save Our Homes cap until it matches that for non-homesteaded properties.
- **Renter’s Relief** - Assess affordable rental property that offers and covenants to continue to offer rents that meet HUD fair rent standards based upon the actual rental income of the property.
- **Commercial and Recreational Working Waterfronts Relief** – Allow commercial and recreational working waterfront real property to be value based upon the current use of the property by local option with recapture of three years property taxes once converted from this category.
- **Truth in Millage** - Revise Truth in Millage process to allow the expenditures of constitutional officers to be individually stated and to provide better information on functional expenditures.