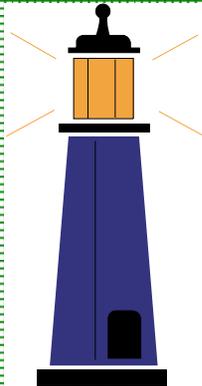


City of Sanibel

Establish 2006 Proposed Tax Rate
and
Review of Working Budget
for Fiscal Year 2006-07

Presented July 25, 2006

City of Sanibel FY 2006-07 Working Budget



<i>Governmental Funds</i>	<u>Fiscal Year 2005-06</u>		FY 2006-07
	<u>Adopted</u>	<u>Amended</u>	<u>Working</u>
Operating Uses	\$28,578,449	\$31,860,751	\$26,599,807
Capital Uses	<u>4,710,100</u>	<u>21,027,268</u>	<u>17,338,919</u>
Total Working Budget:	\$33,288,549	\$52,888,019	\$43,938,726

Tax Rate and Ad Valorem Revenue

Same Rate Proposed

Revenue Increase:

\$2,143,864 from property value increase

\$66,701 from new construction

- Operating Millage Rate
– Tax Year
- 2005 2.4801
- 2006 2.4801

- Operating Ad Valorem Revenue
– Fiscal Year
- 2005-06 \$10,150,871
- 2006-07 \$12,361,436

Proposed rate of 2.4801 is 21.12% more than Rolled-back Rate of 2.0477

What is Rolled-back Rate?

Rolled-back rate means the calculated tax (millage) rate which generates the **same amount** of ad valorem revenue as was received in the previous fiscal year.

If property values increase (not including new construction)
the rolled-back rate decreases

If property values decrease (not including new construction)
the rolled-back rate increases

How is Rolled-back Calculated?

- 2005 Property Values: \$4,092,905,540
 - Times 2005 Mill Rate x 2.4801
 - FY2006 (current year) Revenue \$10,150,815
- Divided by 2006 Property values
without new construction \$4,957,185,155
- Equals 2006 Rolled-back Rate 2.0477

By setting the Rolled-back Tax Rate the City
advertises NO TAX INCREASE

Comparative Millage Rates

<i>CITY OF SANIBEL</i>		<i>Proposed</i>
<i>– Tax Year</i>	<u>2005</u>	<u>2006</u>
• Operating Millage	2.4801	2.4801
• Voted Debt-Land Acq	0.0611	0.0475
• Voted Debt-Sewer	0.2607	0.2363
• Voted Debt-Rec Ctr	<u>-0-</u>	<u>0.1145</u>
– TOTAL	2.8019	2.8784

Taxes paid by Average Residential Taxpayer to City of Sanibel for All City Services

	<u>Millage</u>	<u>Amount</u>
• City of Sanibel		
– Operating	2.4801	\$ 1,537.53
– Voted Debt Land	0.0475	29.45
– Voted Debt Sewer	0.2363	146.49
– Voted Debt-Rec Ctr	<u>0.1145</u>	<u>70.98</u>
– TOTAL	2.8784	\$ 1,784.45

Average Residential Property Value = \$619,946

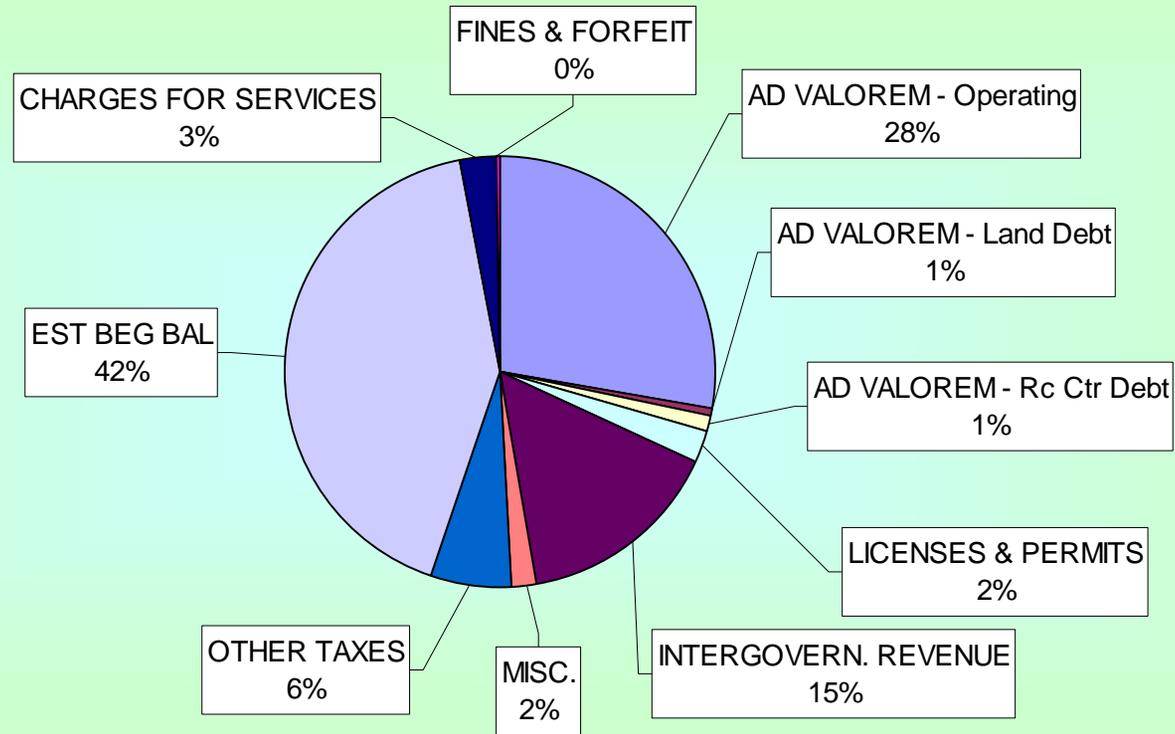
Average Residential Taxes Paid to City of Sanibel-Past 3 Years

<u><i>Tax Year</i></u>	<u><i>2004</i></u>	<u><i>2005</i></u>	<u><i>2006</i></u>
Avg Residential Tax Value	\$ 518,276	\$ 521,603	\$ 619,946
Operating Millage	2.5000	2.4801	2.4801
Average Tax Dollars paid to City of Sanibel for Operations and Capital	\$ 1,295.70	\$ 1,293.64	\$ 1,537.53
Voted Debt Service-Sewer	0.2268	0.2607	0.2363
Voted Debt Service-Land	0.0625	0.0611	0.0475
Voted Debt Service-Rec Ctr	-	-	0.1145
Total Voted Debt Millages	0.2893	0.3218	0.3983
Average Tax Dollars paid to City of Sanibel for Voted Debt	\$ 149.94	\$ 167.85	\$ 246.92
Total Average Tax Dollars paid to City of Sanibel	\$ 1,445.64	\$ 1,461.49	\$ 1,784.45

Tax (Calendar) Year Millage Rates provide Ad Valorem Tax Revenue for the subsequent Fiscal Year Budget

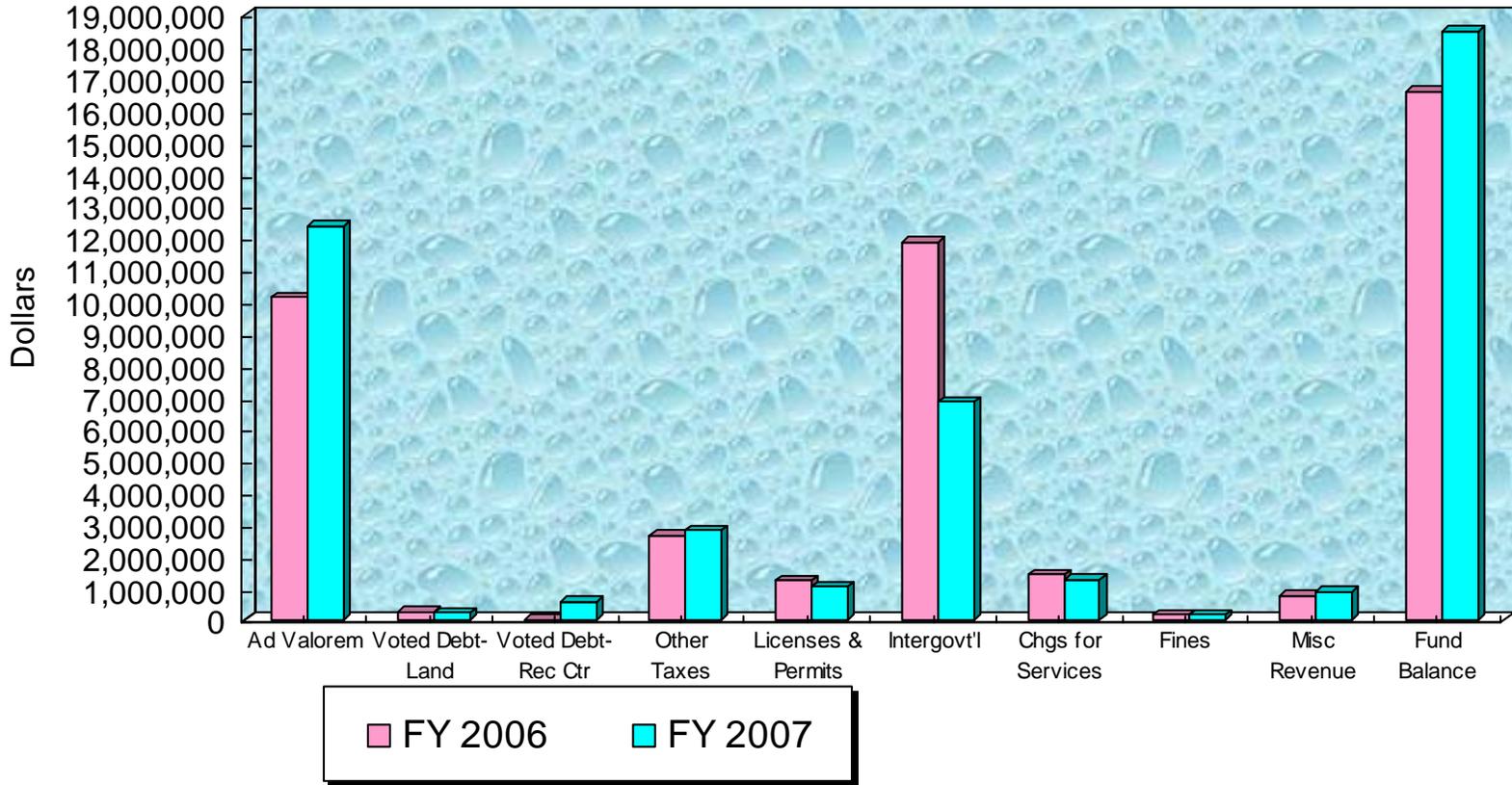
WHERE THE MONEY COMES FROM

Governmental Funds Sources = \$43,938,726

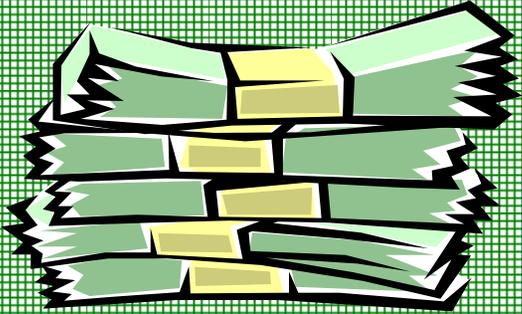


WHERE THE MONEY COMES FROM

Governmental Funds Sources = \$43,938,726



Ad Valorem Taxes-Operating



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
\$ 10,150,871	\$ 12,361,436	\$ 2,210,565	17.9%

- 2006 Value of All Sanibel Properties =
- Real Property \$4,929,816,490
- Personal Property 54,496,590
- TOTAL \$4,984,313,080
 - Times proposed rate 2.4801 mills
 - Ad Valorem Revenue \$12,361,436

Voted Debt Service Millage Levy- Land Acquisition

November, 2001 Referendum authorized issuance of long-term debt to purchase land at Bailey Road and Periwinkle Way called Pond Apple Park

<u>Tax Year</u>	<u>Fiscal Year</u>	<u>Millage</u>	<u>Revenue</u>
2002	2002-03	0.1063	\$387,892
2003	2003-04	0.0595	\$238,208
2004	2004-05	0.0625	\$264,000
2005	2005-06	0.0611	\$250,000
2006	2006-07	0.0475	\$237,000

Voted Debt Service Millage Levy – Recreation Center Project

April, 2006 referendum authorized issuance of
\$8,350,000 long-term debt to build a new
Recreation Facility

<u>Tax Year</u>	<u>Fiscal Year</u>	<u>Millage</u>	<u>Revenue</u>
2006	2006-07	0.1145	\$570,855

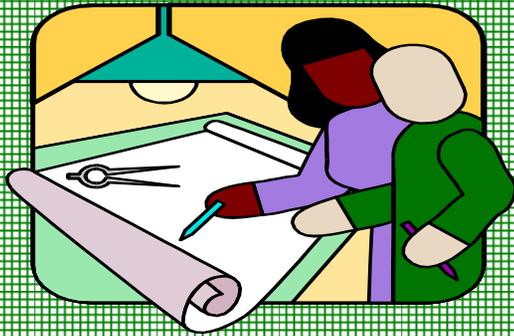
Other Taxes



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
2,647,000	2,797,000	150,000	5.4%

	<u>FY 2006</u>	<u>FY 2007</u>	
• Local Option Gas Taxes	\$1,560,000	\$ 1,660,000	State projections
• Casualty Ins Premium Tax	47,000	47,000	previous year's collections
• Communications Tax	540,000	540,000	State projections
• Franchise Taxes	<u>500,000</u>	<u>550,000</u>	previous year's collections
• TOTAL	\$2,647,000	\$ 2,797,000	

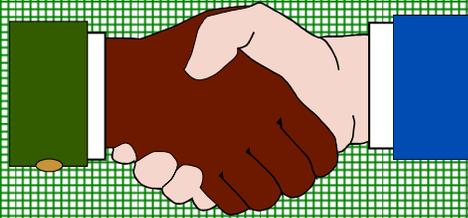
Licenses & Permits



		AMOUNT OF	
FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	INCREASE (DECREASE)	PERCENT CHANGE
1,218,261	1,035,171	(183,090)	-17.7%

	<u>FY 2006</u>	<u>FY 2007</u>	
• Building-type Permits	\$ 640,481	\$ 623,681	Less hurricane repairs
• Plans Review Fees	77,062	111,500	per current year collections
• Dog, and Other Licenses	11,718	19,991	per current year collections
• Vehicle Weight Permits	220,000	-0-	County no longer permit use
• Occupational Licenses	<u>269,000</u>	<u>280,000</u>	per current year collections
• TOTAL	\$1,218,261	\$1,035,171	

Intergovernmental Revenue



		AMOUNT OF	
FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	INCREASE (DECREASE)	PERCENT CHANGE
11,865,055	6,841,513	(5,023,542)	-73.4%

	<u>FY 2006</u>	<u>FY 2007</u>
• Hurricane Charly Grants	\$ 810,595	-0- Project complete
• Hurricane Wilma Grants	908,782	-0- Project complete
• State Revenue Sharing	151,200	200,000 State projections
• Alcoholic Beverage Tax	20,000	20,000 State projections
• Half-cent Sales Tax	600,000	660,000 State projections
• Lee Co-Sanibel Library	2,060,000	-0- Change to Spl Taxing Dst
• Other Govt'l Shared Rev	21,000	22,500 Previous yr collections
• Municipal Solid Waste	32,000	45,000 Previous yr collections
• Pymts in Lieu of Taxes	60,000	50,000 Previous yr collections
• Weigh Stn & Ball Park	171,167	138,072 Contracts
• Grants	<u>7,030,311</u>	<u>5,705,941</u> Grant Awards
• TOTAL	\$ 11,865,055	\$6,841,513

Charges for Services



		AMOUNT OF	
FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	INCREASE (DECREASE)	PERCENT CHANGE
1,417,912	1,269,328	(148,585)	-11.7%

	<u>FY 2006</u>	<u>FY 2007</u>
• Gen'l Gov't Charges	\$ 474,862	303,166 Less Develop Permits
• Public Safety Charges	5,000	11,000 Prior Yr collections
• Solid Waste Tip Fee	210,000	150,000 Prior Yr collections
• Historical Committee Sales	4,000	5,000 Prior Yr collections
• Culture/Recreation Charges	93,500	100,162 Prior Yr collections
• Indirect Cost Chgs to Other Funds	<u>630,550</u>	<u>700,000</u> Estimated Cost Study
• TOTAL	\$1,417,912	\$1,269,328

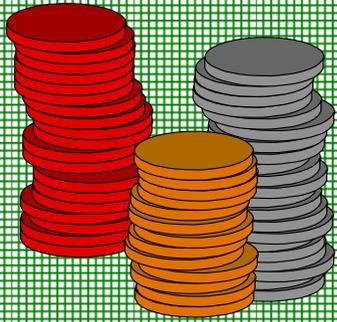
Fines & Forfeitures



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
164,650	149,243	(15,407)	-10.3%

	<u>FY 2006</u>	<u>FY 2007</u>	
• Court Fines	\$ 50,000	\$ 44,743	Current Yr collections
• Parking Violations	80,000	70,000	Current Yr collections
• Local Ordinance Fines	<u>32,000</u>	<u>34,500</u>	Current Yr collections
• TOTAL	\$164,650	\$ 149,243	

Miscellaneous Revenue



		AMOUNT OF	
FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	INCREASE (DECREASE)	PERCENT CHANGE
770,781	896,122	125,341	14.0%

	<u>FY 2006</u>	<u>FY 2007</u>	
• Interest	\$ 401,193	\$553,269	Higher interest rates
• Rents & Royalties	59,996	25,660	No Lee Co Weight Rev
• CHR Rents	50,000	50,000	Per contract
• Contributions	138,256	78,000	Special contrib not anticipated
• Impact Fees	100,000	140,000	Current Yr collections
• Special Assessment	14,336	24,193	Per terms of Project
• Other Miscellaneous	<u>7,000</u>	<u>25,000</u>	Current Yr collections
• TOTAL	\$ 770,781	\$896,122	

Beginning Fund Balance



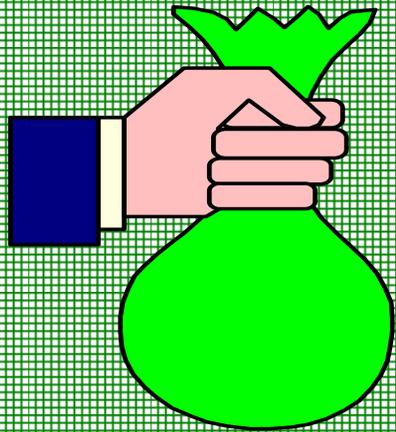
FY 2006

Operating Capital
 \$7,755,586 \$10,738,335

FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
16,602,959	18,493,922	1,890,963	10.2%

- **Carry-forward of previous year's planned Ending Fund Balance plus/minus revenue/expenditure variances and due to timing of Capital Project completion**
- **Per Fund Balance Policy, 17% of General Fund Operating Expenditures is used to meet operational expenditures for the first months of the fiscal year until the Ad Valorem tax revenue is received in early December**

Debt Proceeds



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
\$ 8,350,000	\$ -	\$ (8,350,000)	N/A

- FY 2006 had \$8,350,000-Bond Proceeds for Recreation Facility Capital Project
- No debt issuance planned for FY 2007

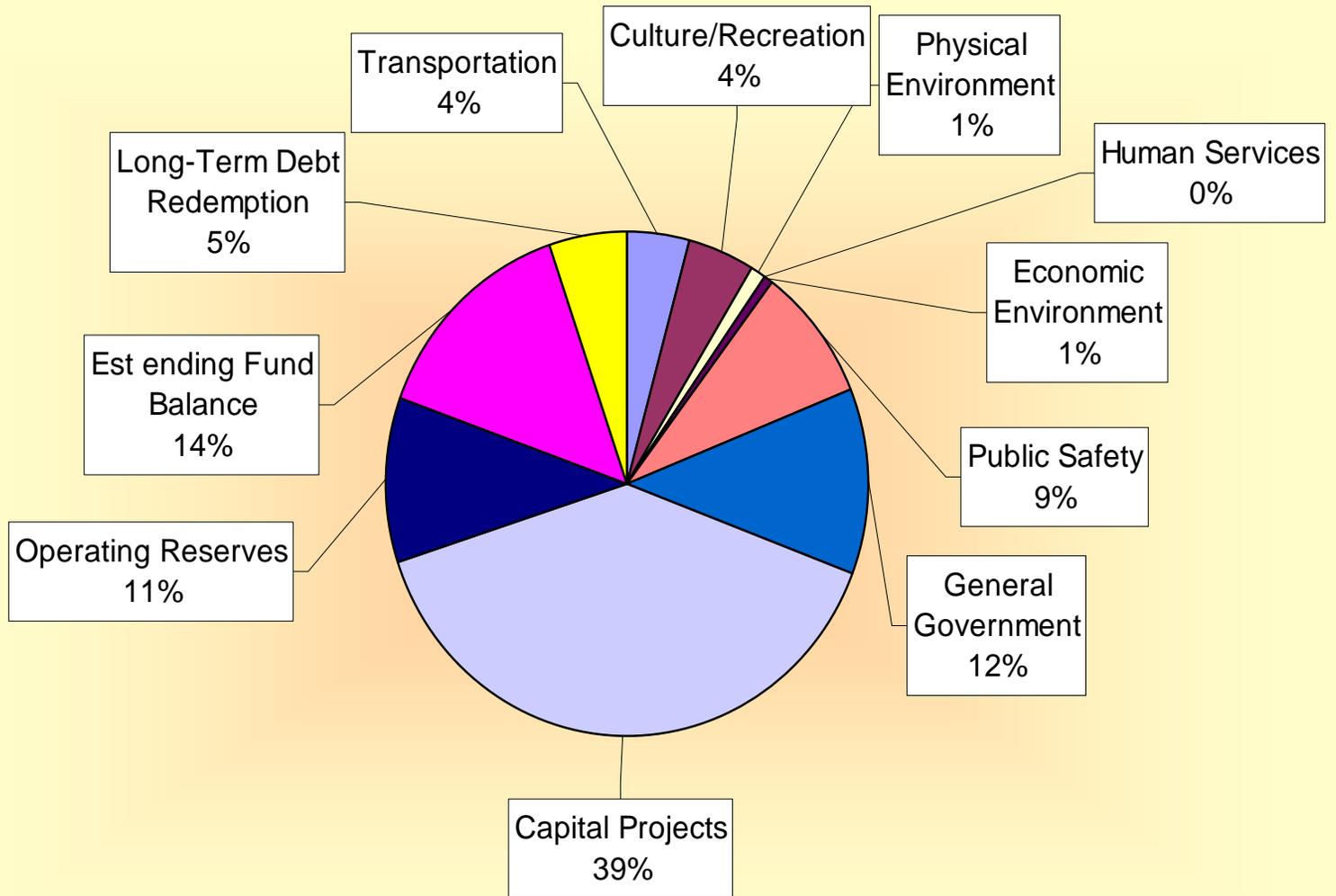
Reserve for Undercollection



- Recognizes that taxpayers take advantage of the discount for paying ad valorem taxes in months of November through February
- \$712,862 is reserved in the Operating Budget

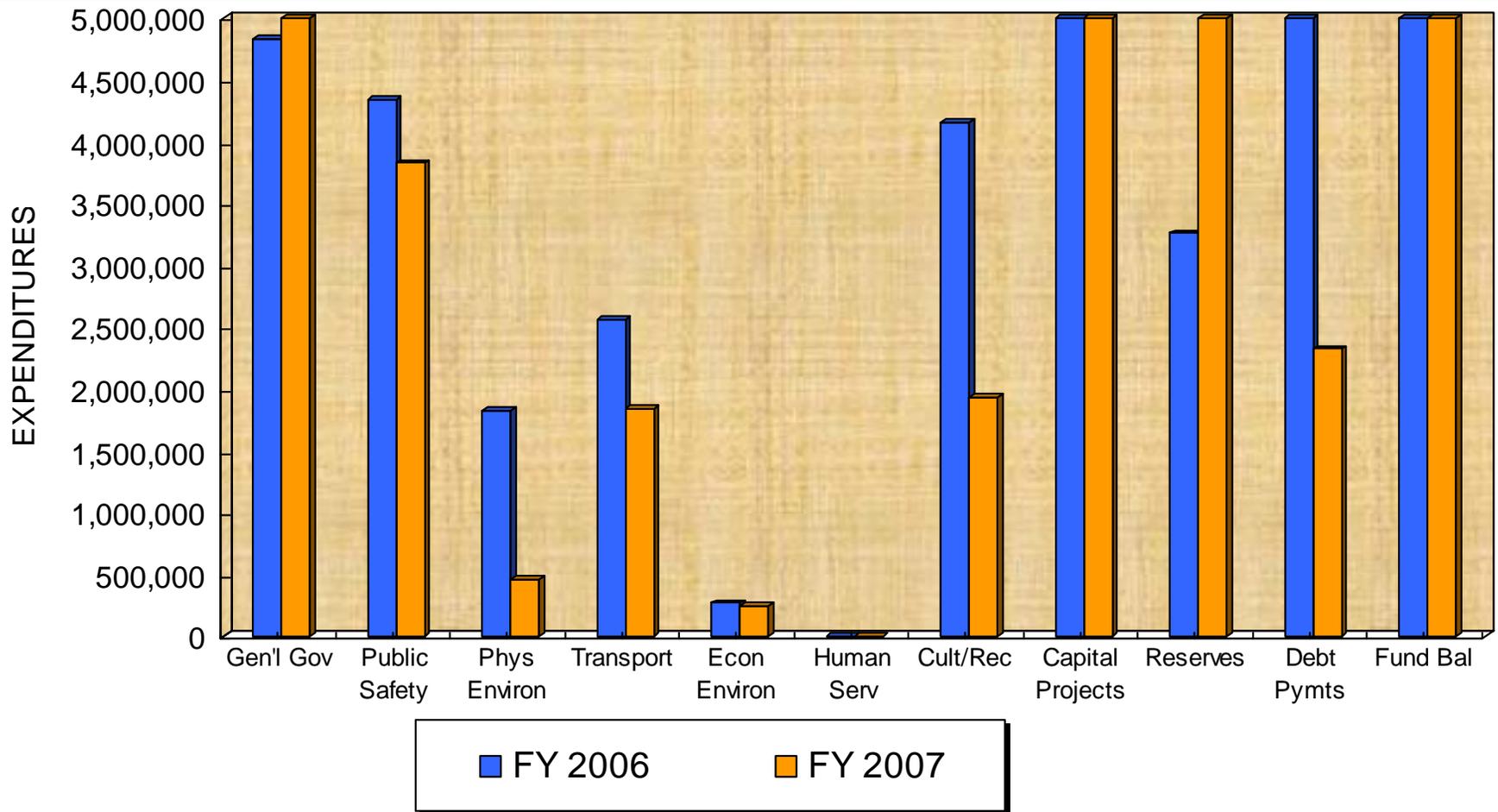
WHERE THE MONEY GOES

Governmental Funds Uses = \$43,938,726



WHERE THE MONEY GOES

Governmental Funds Uses = \$43,938,726



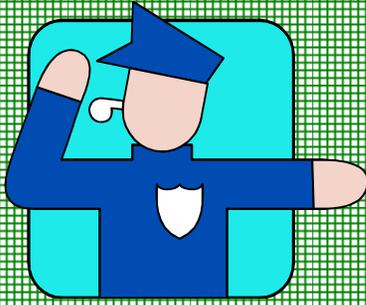
General Government-Overview



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
\$ 4,836,260	\$ 5,194,845	\$ 358,585	6.9%

	<u>FY 2006</u>	<u>FY 2007</u>	
Legislative	\$ 386,941	324,271	No City-sponsored Independence Day picnic
Administrative	673,039	683,210	Vital record storage
MIS	515,051	512,007	Less contractual with 2006 hire of staff
Finance	698,268	767,983	OT, auction and audit costs for grants
Legal	678,403	685,252	Includes \$300,000 for Water Quality counsel
Planning	1,270,795	1,568,372	Redevelopment Study cost increase
Insurance	295,800	653,750	Increased Prop/Liab/Flood/Wind Premiums
Hurricane Charley/Wilma	<u>317,963</u>	<u>-0-</u>	Recovery costs paid off in 2006
TOTAL:	\$4,836,260	5,194,845	

Public Safety-Overview



		AMOUNT OF	
FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	INCREASE (DECREASE)	PERCENT CHANGE
4,340,141	3,826,045	(514,096)	-13.4%

	<u>FY 2006</u>	<u>FY 2007</u>	
Police	\$3,236,844	3,161,865	Less OT, No M&E
Weigh Stn	71,993	41,830	Closing operations
SEMP	29,550	35,840	Hurricane Hang-tag program
Building	613,130	586,510	Reduce .5 FTE & Travel limited to certifications
DCA & CLEAN Grants	156,024	-0-	Projects completed in 2006
Hurricane Wilma	<u>232,600</u>	<u>-0-</u>	Recovery costs paid in 2006
TOTAL:	\$4,340,141	\$3,826,045	

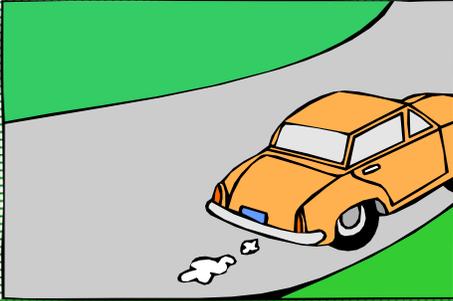
Physical Environment-Overview



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
1,827,115	459,806	(1,367,309)	-297.4%

	<u>FY 2006</u>	<u>FY 2007</u>
Garbage-Recycling	\$ 134,674	141,644 Add'l service @ Center
Natural Resources Mgt	320,860	318,162 No change
Hurricane Charley/Wilma	1,226,671	-0- Recovery costs paid
Environmental/Water Quality	18,100	-0- Projects completed
WCIND-Tarpon Bay Dredging	<u>126,810</u>	<u>-0-</u> Project completed
TOTAL:	\$ 1,827,115	\$ 459,806

Transportation-Overview



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
2,564,449	1,837,094	(727,355)	-39.6%

	<u>FY 2006</u>	<u>FY 2007</u>	
Public Works	\$ 1,817,975	\$1,837,094	Increasing fuel costs
Hurricane Charley	691,009	-0-	Recovery costs paid
Hurricane Wilma	<u>55,465</u>	<u>-0-</u>	Recovery costs paid
TOTAL:	\$ 2,564,449	\$ 1,837,094	

Economic Environment- Overview



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
269,170	245,904	(23,266)	-9.5%

	<u>FY 2006</u>	<u>FY 2007</u>
Below Market Rate Housing:		
Operating Expenses	\$ 4,500	\$ 5,500 per CHR Contract
CHR Administrative Exp	233,400	240,404 per CHR Contract
Hurricane Wilma	<u>31,270</u>	<u>-0-</u> Project complete
TOTAL:	\$ 269,170	\$245,904

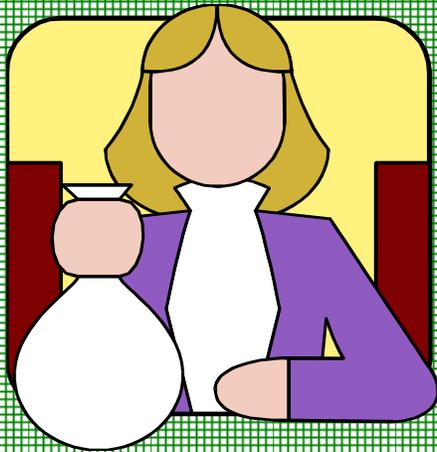
Culture/Recreation-Overview



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
4,149,954	1,936,886	(2,213,068)	-114.3%

	<u>FY 2006</u>	<u>FY 2007</u>
Library	\$ 2,060,000	\$ -0- Became Special Tax District in 2006
Recreation Ctr Opr	925,574	866,098 Less operating exp during construction
Public Facilities	506,966	550,186 Increased OT and Utilities
Seniors	103,041	111,038 Increased contractual for classes
Performing Arts	25,700	11,600 Completed lighting modifications in 2006
Rec Ctr Donations	30,200	31,725 Contributions for new cheerleading program
Historical Comm	170,261	153,704 Completion of "Old Schoolhouse"
Lee Co for Skate Park	99,213	-0- Project completed in 2006
Ball Park Maint	212,925	212,535 No change
Hurricane Charley	16,074	0- Recovery Costs Paid

Debt Service-Overview



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
5,364,345	2,323,491	(3,040,854)	-130.9%

	<u>FY 2006</u>	<u>FY 2007</u>
1997 \$1.25M Paulsen Property Acq	\$ 120,310	120,260
2002 \$3.825M GO Bonds (Pond Apple)	239,908	237,945
1979 \$3.19M Gulfside Park Acq	187,527	187,477
2004 \$10M Hurricane Charley	4,487,348	908,660
2006 \$8.35M GO Rec Ctr Bonds	-0-	542,312
Below Market Rate Housing Debt	<u>329,252</u>	<u>326,837</u>
TOTAL	\$5,364,345	\$2,323,491

Capital Projects



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
\$ 20,269,511	\$ 16,731,263	(3,538,248)	-21.1%

	<u>FY 2006</u>	<u>FY 2007</u>
<i><u>Management Information Systems</u></i>	384,958	193,500
<i><u>Police</u></i>	91,000	115,000
<i><u>Natural Resources</u></i>	2,602,544	1,044,869
<i><u>Recreation</u></i>	13,898,901	13,668,040
<i><u>Public Works/Parks</u></i>		
Public Facilities	507,782	401,854
Vehicles/Equipment	146,000	43,000
Drainage	190,000	170,000
Roads/Bridges/Shared-Use paths	543,326	570,000
Periwinkle Rd & Shared Use Path	820,000	300,000
Other Road Projects	1,075,000	200,000
Canal Trimming Special Assessment	10,000	10,000
Shell Harbor Dredging	-	15,000
Total Public Works	3,292,108	1,709,854
TOTAL CAPITAL PROJECTS FUNDS	\$ 20,269,511	\$ 16,731,263

Capital Reserves



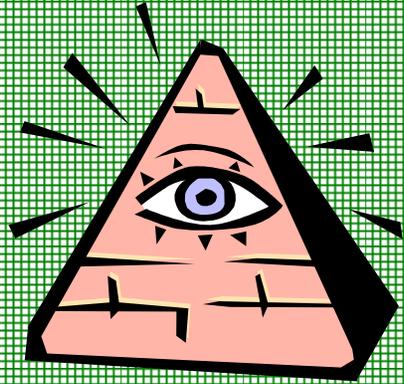
Construction Reserve for Recreation Facility	\$500,000
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Operating Reserves-Overview



Reserve for Contingencies	\$ 350,000
Reserve for Environmental Initiatives	500,000
Reserve for Budget Initiatives & Capital Projects	585,000
Reserve for Pay Adjustments	254,596
Reserve for Recreation Facility	858,249
Reserve for Classification Adjustments	58,255
Reserve for Insurance Deductibles	50,000
Reserve for Disasters	<u>2,000,000</u>
TOTAL:	\$ 4,656,100

Ending Fund Balance



FY 2006 BUDGET AS AMENDED	FY 2007 WORKING BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
6,007,849	6,226,318	218,469	3.5%

Fund Balance Policy is incorporated in the budget as follows:

17% cash flow requirement	\$2,178,530
Designated for Special Revenue Funds	218,279
Designated for Debt Service	521,853
Designated for Capital Project Funds	107,656
Unreserved, Undesignated (available for appropriation in subsequent fiscal year)	<u>3,200,000</u>
TOTAL:	\$6,226,318

In Conclusion



- Maintains tax rate 2.4801 mills
- Maintains current City service level
- Provides flexibility to identify \$585,000 initiatives for funding
- All City services included in the operating budget cost the average residential taxpayer \$1,537.53

First Public Hearing on Tentative Millage Rate and
FY 2006-07 Budget is at 9:30 am
Saturday, September 9, 2006 in MacKenzie Hall