



BCC Worksession #1

MAJOR REVENUE FORECAST, BUDGET PRIORITIES, & INVESTMENT POLICY

Fiscal Year 2020/2021

March 10, 2020

FINANCIAL UPDATE

- **Property Valuation Update**
 - *David Johnson, CFA Property Appraiser*

- **Resource Management Financial Update**
 - *Major Revenue Sources*
 - *General Fund Forecast*
 - *Budget Priorities*
 - *FY 2020/21 Budget Development Timeline*
 - *Investment Policy Portfolio Caps*

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FY 2020/21 Budget Worksession *Property Valuation Update*

March 10, 2020

Seminole County at a Glance



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- 344 Square miles; 3rd Smallest Geographically in the State
- Total county population – 475,000
 - 3rd in population density
- 176,559 real estate parcels / 14,812 TPP accounts / 36,598 apartment units
- **Total Market Value – 2019 \$50.7 Billion, 2007 \$49 Billion**
- **Taxable Value – 2019 \$35.7 Billion, 2007 \$33.7 Billion**



Date of Assessment



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Why is January 1 Important?

2020 JANUARY						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Seminole County Population



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2030 Projection: 526,400

Age Distribution	
0-17	21.5%
18-24	8.8%
25-54	42.3%
55-64	12.9%
65 & up	14.4%

Median Age: 39.1



Population by City	
Altamonte Springs	44,947
Casselberry	29,778
Lake Mary	16,746
Longwood	15,279
Oviedo	39,739
Sanford	59,033
Winter Springs	37,639
Unincorporated	220,399

Median Income: \$60,739

Market Overview for Seminole



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Market continues to move from 'red hot' to hot



Macro and micro economic indicators are positive for Seminole County over the next several years:

- Continued Population Growth
- Economic Development
- Top Rated Schools
- Airport
- Wekiva Parkway Extension

Challenges in Seminole County



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Supply & Demand



Attainable Housing



Commercial vs Residential



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Total Value of Tax Roll:

68% Residential

32% Commercial

Total 2019 Sales Volume

Residential: \$2.8 billion

Commercial: \$440 million



Top 10 Taxpayers



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#	Taxpayer	Type	Assessed Value	Estimated Total Taxes
1	DUKE ENERGY FLORIDA	Utilities	348,761,807	5,315,568
2	FLORIDA POWER & LIGHT	Utilities	156,360,897	2,522,445
3	PRIMERA TOWERS	Class A Office, Int'l Pkwy	111,431,264	1,653,529
4	F7 CCO LLC	Class A Office, Int'l Pkwy	111,383,129	1,573,298
5	ALTAMONTE MALL	Retail	110,955,894	1,898,944
6	UNITED DOMINION REALTY	Apartments	105,404,971	1,805,713
7	STARWOOD CAP GROUP	Class A Office, Int'l Pkwy	103,747,539	1,520,006
8	HCA	Hospital	86,761,377	1,467,949
9	WALMART	Retail	82,360,748	1,387,082
10	MAA ALLOY	Apartments	79,052,590	1,173,061

Inventory of Homes on the Market in the Orlando Metro Area



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2014 – January 2020



Average Mortgage Interest Rate



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January 2018	4.07%
January 2019	4.32%
January 2020	3.55%

Detached Single Family Homes



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Median Sales Price of Existing Single Family Homes

Sale Year	Median Sale Price	% Change
2016	\$ 248,000	-
2017	\$ 259,000	4.4%
2018	\$ 273,000	5.4%
2019	\$ 296,000	8.4%



Median Sales Price of NEW Single Family Homes in 2019: \$378,600

Townhomes



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Median Sales Price of Existing Townhomes

Sale Year	Median Sale Price	% Change
2016	\$ 166,000	-
2017	\$ 182,000	9.6%
2018	\$ 215,000	18.1%
2019	\$ 213,000	-0.9%



Median Sales Price of NEW Townhomes in 2019: \$305,600

Apartments, 2,100+ Units in 2020



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Value Range: \$225,000-\$250,000 per unit

- Lake Monroe Apartments, Sanford – 280 units
- Azul at Lake Howell, Casselberry – 384 units
- Allure on Parkway, (Intl Pkwy) county – 290 units
- Sanctuary at CenterPointe, Altamonte Springs – 300 units
- Alta of Longwood – 251 units
- Broadstone Reserve, county (Intl Pkwy/46) – 260 units
- Primera Apartments, Lake Mary – 300 units
- Warley Park, Sanford – 81 units



Commercial Snapshot



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□ **Industrial Market Summary**

- Total Inventory 24.33 million sq. ft.
- Vacancy Rate 6%
- Large Warehouses: \$4/sq.ft.
- Smaller properties w/office space: \$10/sq.ft.

□ **Office Market Summary**

- Total Inventory 16.81 million sq. ft.
- Vacancy Rate 10%
- Class A Office Space: \$22-\$24/sq.ft.

□ **Retail Market**

- Vacancy Rate 5-10%
- Unanchored Retail: \$18-\$35/sq.ft. rent
- Anchored Retail: \$7-\$12/sq.ft. rent & Strip Space: \$14-\$25 sq.ft.



New Construction



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Total New Construction (Residential & Commercial)

2018

\$950 Million

2019

\$840 Million

2020 & Beyond

\$1.07 Billion in the pipeline



New Construction for 2020



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- Overall new construction continues to make steady improvement throughout the County.
- \$550 million in new construction to be added to the 2020 Tax Roll*

**subject to change due to continued reappraisal work*



Save Our Homes



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Value of Save Our Homes Savings

2017: \$4.1 Billion

2018: \$5 Billion

2019: \$5.8 Billion

Average SOH Cap per Home

2017: \$40,500

2018: \$49,000

2019: \$57,000

Year	SOH CAP
2017	2.1%
2018	2.1%
2019	1.9%
2020	2.3%



10% Cap, Non-Homesteaded Properties



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Value of the 10% Cap

2017: \$1 Billion

2018: \$1.1 Billion

2019: \$1.3 Billion

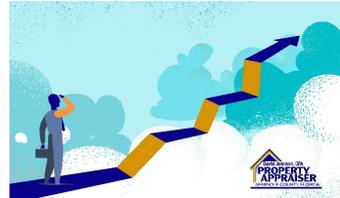


Taxable Value History & Projections



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Year	% Change in Taxable Value
2018	7.92%
2019	8.25%
2020	6.50%*
2021	6.00%*
2022	5.5%*



*Projections

Value of a Mil (Calculated at 96%)



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Year	Value of 1 Mil- General Fund
2017	\$ 29.3 Million
2018	\$ 31.7 Million
2019	\$ 34.3 Million
2020	\$ 36.5 Million
2021	\$ 38.7 Million
2022	\$ 40.8 Million



Value of a Mil (Calculated at 96%)



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Year	Value of 1 Mil- Fire Fund
2017	\$ 21.1 Million
2018	\$ 22.7 Million
2019	\$ 24.5 Million
2020	\$ 26.0 Million
2021	\$ 27.7 Million
2022	\$ 29.1 Million



Value of a Mil (Calculated at 96%)



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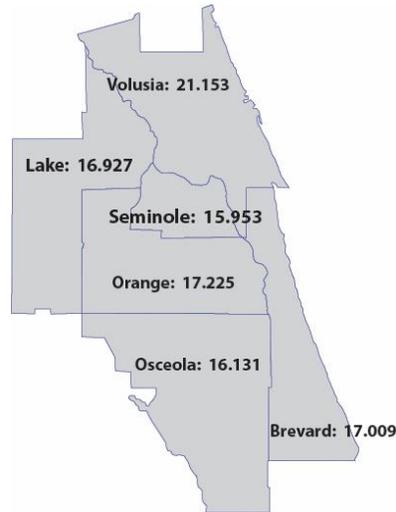
Year	Value of 1 Mil- Road
2017	\$ 15.0 Million
2018	\$ 15.9 Million
2019	\$ 17.2 Million
2020	\$ 18.3 Million
2021	\$ 19.4 Million
2022	\$ 20.5 Million



Central FL County Millage Rates



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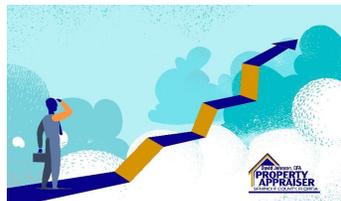


Taxable Value 2020 Estimate



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	2019 Final Taxable	2020 Taxable Estimate
General Fund	35,703,639,522	38,024,376,090
Fire	25,513,702,342	27,172,092,994
Road	17,901,863,596	19,065,484,729





QUESTIONS?

FINANCIAL UPDATE

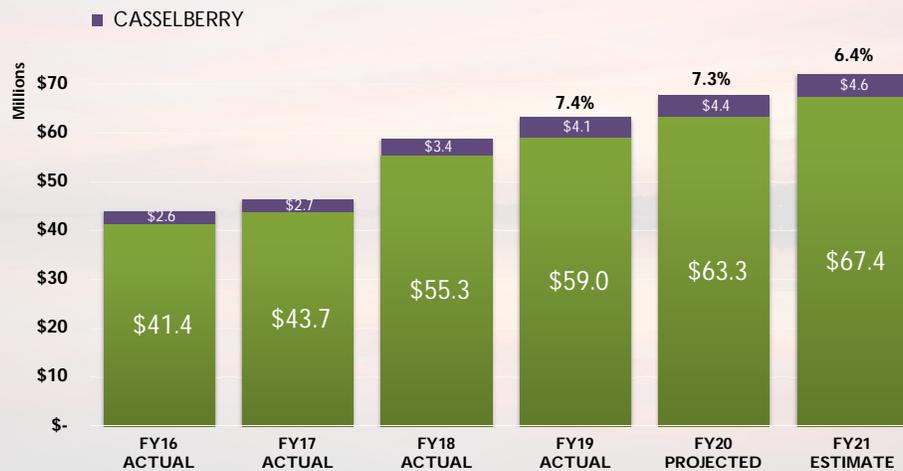
- **Major Revenue Sources – 5 Year Trend**
 - *Property Taxes (General, Fire, Roads)*
 - *Half Cent & State Shared Sales Taxes*
 - *Communication Service Taxes*
 - *Utility Tax*
 - *Excess Fees*
 - *Fuel Taxes*
 - *Tourist Development Taxes*
 - *2014 Infrastructure Sales Tax*

COUNTYWIDE PROPERTY TAX



% EQUALS GROWTH IN TAXABLE VALUES FROM PREVIOUS YEAR

FIRE DISTRICT PROPERTY TAX



% EQUALS GROWTH IN TAXABLE VALUES FROM PREVIOUS YEAR

ROAD DISTRICT PROPERTY TAX



% EQUALS GROWTH IN TAXABLE VALUES FROM PREVIOUS YEAR

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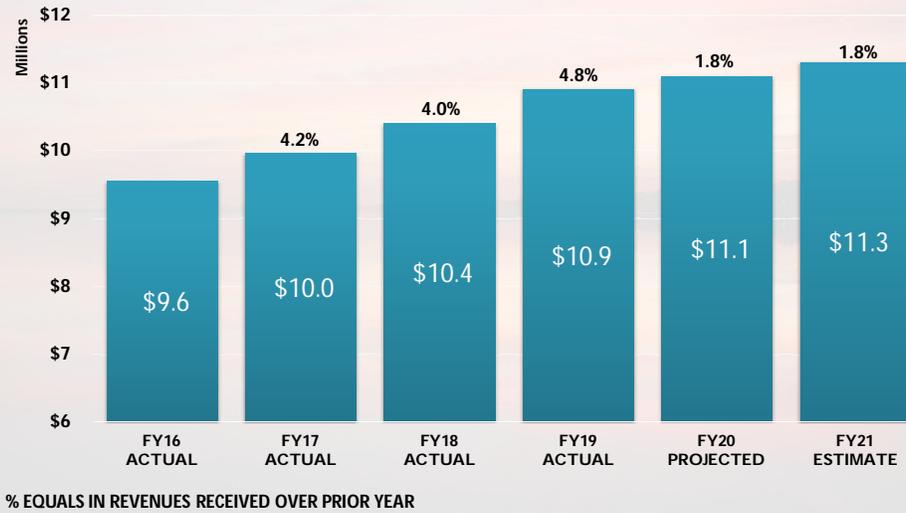
HALF CENT SALES TAX



% EQUALS IN REVENUES RECEIVED OVER PRIOR YEAR

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STATE REVENUE SHARING



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COMMUNICATION SERVICE TAX



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UTILITY TAX



% EQUALS IN REVENUES RECEIVED OVER PRIOR YEAR

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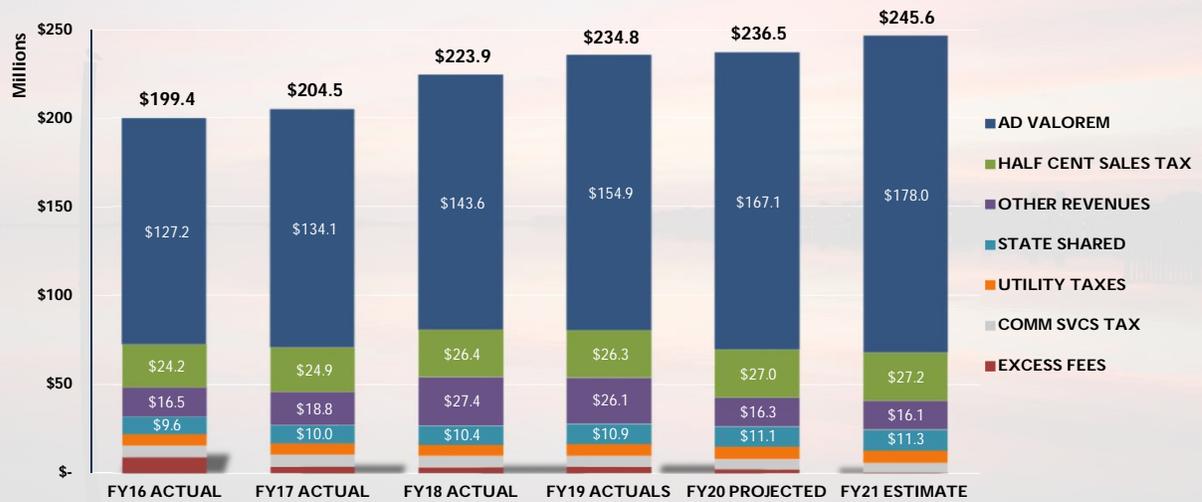
EXCESS FEE TRANSFER HISTORY

EXCESS FEES	FY14 ACTUALS	FY15 ACTUALS	FY16 ACTUALS	FY17 ACTUALS	FY18 ACTUALS	FY19 ACTUALS	FY20 ESTIMATE
00100 GENERAL FUND							
CLERK OF COURT	536,219	511,724	1,021,329	325,879	5,850	2,735	-
SHERIFF	545,014	217,167	710	165,964	321,442	477,335	100,000
TAX COLLECTOR	4,184,558	3,819,873	7,422,492	2,910,151	2,697,504	2,859,947	550,000
PROPERTY APPRAISER	11,093	7,530	20,955	82,839	121,025	14,862	10,000
SUPERVISOR OF ELECTIONS	336,653	451,428	209,914	214,936	154,636	169,165	100,000
	5,613,537	5,007,723	8,675,399	3,699,770	3,300,458	3,524,044	760,000

Excess Fees are unused taxes and fees that are returned to the County by the Constitutional Officers at the end of each fiscal year. Historically, the County has relied on these to maintain essential services.

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GENERAL FUND REVENUE SOURCES



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FUEL TAX



% EQUALS IN REVENUES RECEIVED OVER PRIOR YEAR

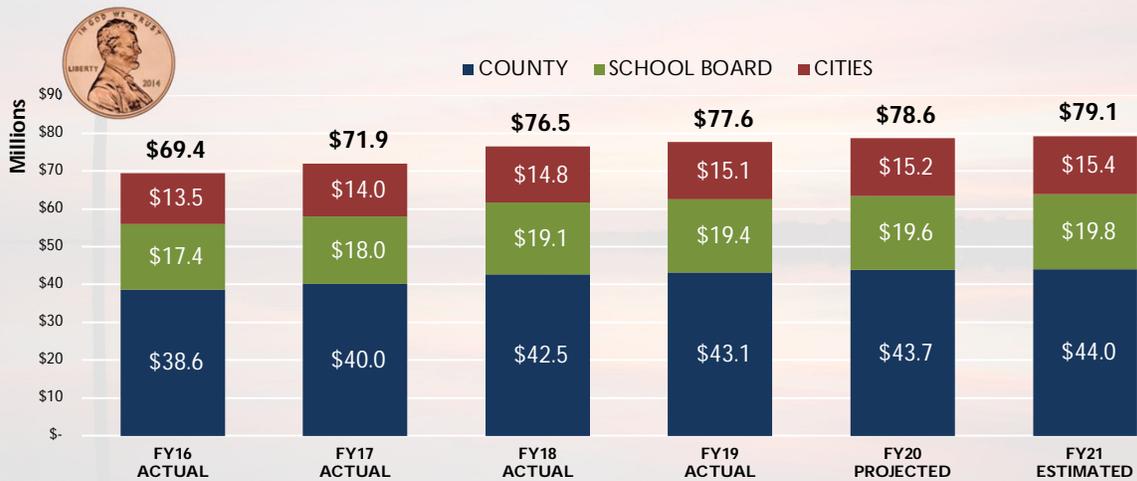
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TOURIST DEVELOPMENT TAX



% EQUALS IN REVENUES RECEIVED OVER PRIOR YEAR

INFRASTRUCTURE SALES TAX



% EQUALS IN REVENUES RECEIVED OVER PRIOR YEAR

GENERAL FUND FORECAST

▪ Revenue Assumptions

- *Property Tax Growth 6.5% ~ 6% ~ 5.5% ~ 3% thereafter*
- *Other Major Revenue Growth 0% to 2%*
- *Interest Revenue Estimates reduced*
- *Minimal Excess Fees Budgeted*

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GENERAL FUND FORECAST

▪ Budget Priorities

- *5 Year Fleet Replacement Plan through FY23*
- *Transportation Trust fund support*
- *New Position Requests*
- *Classification Study Consideration*
- *Facilities Maintenance*
- *Base Operations Growth 2% to 4%*
- *Existing Debt Service of \$8M expires in FY27, FY28, & FY32*
- *Excludes SunRail and any new debt payments*

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GENERAL FUND FORECAST (Excludes Sunrail & 5 Points)

#		FY19 ACTUALS	FY20 BUDGET	FY21 BUDGET	FY22 FORECAST	FY23 FORECAST	FY24 FORECAST	FY25 FORECAST
1		DJJ SETTLE \$4.5M		SUNRAIL MAY-SEP UNFUNDED				3RD GEN EXPIRES
3	PROPERTY VALUE GROWTH	7.92%	8.22%	6.50%	6.00%	5.50%	3.00%	3.00%
4	MILLAGE RATE	4.8751	4.8751	4.8751	4.8751	4.8751	4.8751	4.8751
5	VALUE OF 1 MILL	31,804,484	34,312,021	36,529,042	38,714,118	40,842,266	42,066,918	43,328,311
7				0				
41	REVENUES							
43	AD VALOREM	155,050,038	167,274,532	178,082,730	188,735,194	199,110,130	205,080,434	211,229,847
73	OTHER REVENUES SUBTOTAL	84,358,873	69,182,321	67,431,761	67,947,545	68,524,445	69,107,114	70,284,107
75	TOTAL REVENUES	239,408,911	236,456,853	245,514,491	256,682,739	267,634,575	274,187,548	281,513,954
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80	EXPENDITURES							
109	CONSTITUTIONAL OFFICERS SUBTOTAL	146,260,372	149,274,440	155,395,000	161,784,800	168,394,522	175,033,011	181,109,061
134	TOTAL BCC EXPENDITURES	86,086,337	100,014,141	95,685,595	99,069,741	101,546,296	101,093,548	103,569,910
135	TOTAL EXPENDITURES	232,346,708	249,288,582	251,080,595	260,854,541	269,940,818	276,126,558	284,678,971
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140	RESERVES	48,232,497	46,887,322	47,433,896	46,400,601	47,355,040	48,790,290	49,767,171
141	RESERVE %	20.1%	19.8%	19.3%	18.1%	17.7%	17.8%	17.7%

This Forecast is based on the best information available as of 3/2/2020.

BUDGET TIMELINE

- Budget Kickoff Meeting** **DEC**
- Department Requests Submitted** **MAR**
- BCC Worksessions**
 - 5/19, 6/2, 6/30, 8/13
- Deliver Worksession Document to BCC** **JUN**
- TRIM Adoption** **JUL**
- 1st Public Hearing** **9/9**
- 2nd Public Hearing** **9/22**

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INVESTMENT POLICY

<u>Security Type</u>	<u>Portfolio Limitations</u>
State Board of Administration	30 percent
Total Investment Pools	40 percent
Money Market Funds	100 percent
U.S. Treasuries	100 percent
U.S. Treasury Strip Coupons (Zeros)	5 percent
Federal Agencies and Federal Instrumentalities	80 percent
Certificates of Deposit	20 percent
Term Repurchase Agreements	10 percent
Mortgage Backed Securities	30 percent
Commercial Paper	20 percent
Municipal Bonds	20 percent
Corporate Bonds	10 percent

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FY 2020/21 BUDGET DEVELOPMENT

**BOARD
DISCUSSION**

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