

Nearly half of county budget is for capital projects

By Gordon Burger

Charlotte County government began its 2021/22 Fiscal Year on Oct. 1, but the development of that budget began almost a year ago. For local governments the budget is far more than just a list of line items of what is going to be spent. The budget is how strategic direction, policy and priorities are set, it's a long-range financial plan and an operations guide. And as important as the budget is, the process is just as important. The purpose of the budget process is to help decision-makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.

Charlotte County operates a two-year budget process, meaning we plan on a two-year cycle but the board adopts two one-year budgets. This process begins with the County Commission updating its strategic plan. Starting with the board's strategic goals helps ensure we are keeping a long-range perspective and allocate resources based on what we are trying to accomplish rather than just what we have done in the past.

The board has four Strategic Focus Areas: Public Services, Economic and Community Development, Infrastructure, and Efficient and Effective Government. All are important but I want to focus on infrastructure because it is such a large portion of the budget. Our total net budget for fiscal year 2022 is \$854 million; \$408 million (48%) is designated for capital projects or capital maintenance.

There are a couple of reasons our capital budget is so large. First, in Florida any infrastructure that lies outside an incorporated area is the responsibility of the county. We have only one incorporated area, Punta Gorda, so 90% of the geographic area and population fall under the auspices of the county. Second, we have a lot of infrastructure. Charlotte County was developed by digging 137 miles of canal, constructing 2,000 miles of road, hundreds of miles of water and sewer lines and laying out 220,000 platted lots. The developers are long gone but the infrastructure remains and must be maintained. In addition, the county maintains 2.3 million square feet of buildings and 986 acres of parks.

As part of the budget process, we update our capital needs assessment, a planning document that is essentially a 20-year schedule of our projected capital needs by year with estimated costs. The next step is to zero in on the next six years and develop a funding plan, this is our Capital Improvement Program. Finally, we incorporate the next two years of projects into the adopted budget. Concurrently, we also update our 20-year maintenance plan and include the next two years in the budget.

We are fortunate to have a wide range of revenue sources to meet these needs. Water and sewer projects are covered by customer rates. Road and canal maintenance is funded through gas tax and special assessments. Maintenance of our buildings and parks are primarily funded through a small capital projects millage (1.2654 mills).

However, for expansionary projects or building replacements our largest single source of capital funding is our 1% local option sales tax. Examples of past projects funded are Piper Road,

Midway Boulevard widening, Ann and Chuck Dever Regional Park recreation center and Centennial Park recreation center and pool. In November 2020, we the citizens of Charlotte County voted to extend the 1% local option sales tax for an additional six years, which will finance an estimated \$130 million in capital projects. A complete list of the projects to be constructed can be found on the county website at www.CharlotteCountyFL.gov/departments/administration/sales-tax.

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