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2019/20 – 2020/21 Budget Process

BCC Workshop
Feb 12, 2019

Agenda

- Overview of Financial Trends
- Policy Review
- Preliminary Projection
- BCC Strategic Plan

Calendar

Dec	Review of proposed process with BCC – confirm strategic focus areas Results from Employee Survey Results from Citizen Survey SWOT workshops with Dirs & Managers for each Focus Area On-line solicitation of citizen input
Jan	Public Input meetings on operations and services Prepare review packet for BCC • SWOT analysis • Citizen Survey • Employee Survey BCC Strategic Plan Workshop
Feb	BCC workshop for preliminary review • Assumptions and projected financial status • Confirm direction to organization • Review of policies Departments submit budgets and update Performance Based Budget information

Calendar

Mar	Goals workshop with Dirs & Managers for each Focus Area Departmental meetings with Budget to review operations and programs, confirm requests and prepare for meeting with Admin.
Apr	Departmental budget meetings with Admin
May	BCC workshops • Review of operations, service levels and cost by strategic focus area • Review efforts to advance BCC goals • Update revenue picture
May - June	Internal balancing of budget
July	Presentation of Recommended Budget MSBU Public Hearings
Sept	Public Hearings on Recommended 2019/20 – 2020/21 Budget BCC adoption of 2019/20 – 2020/21 Budget

Overview of Financial Trends

Trends

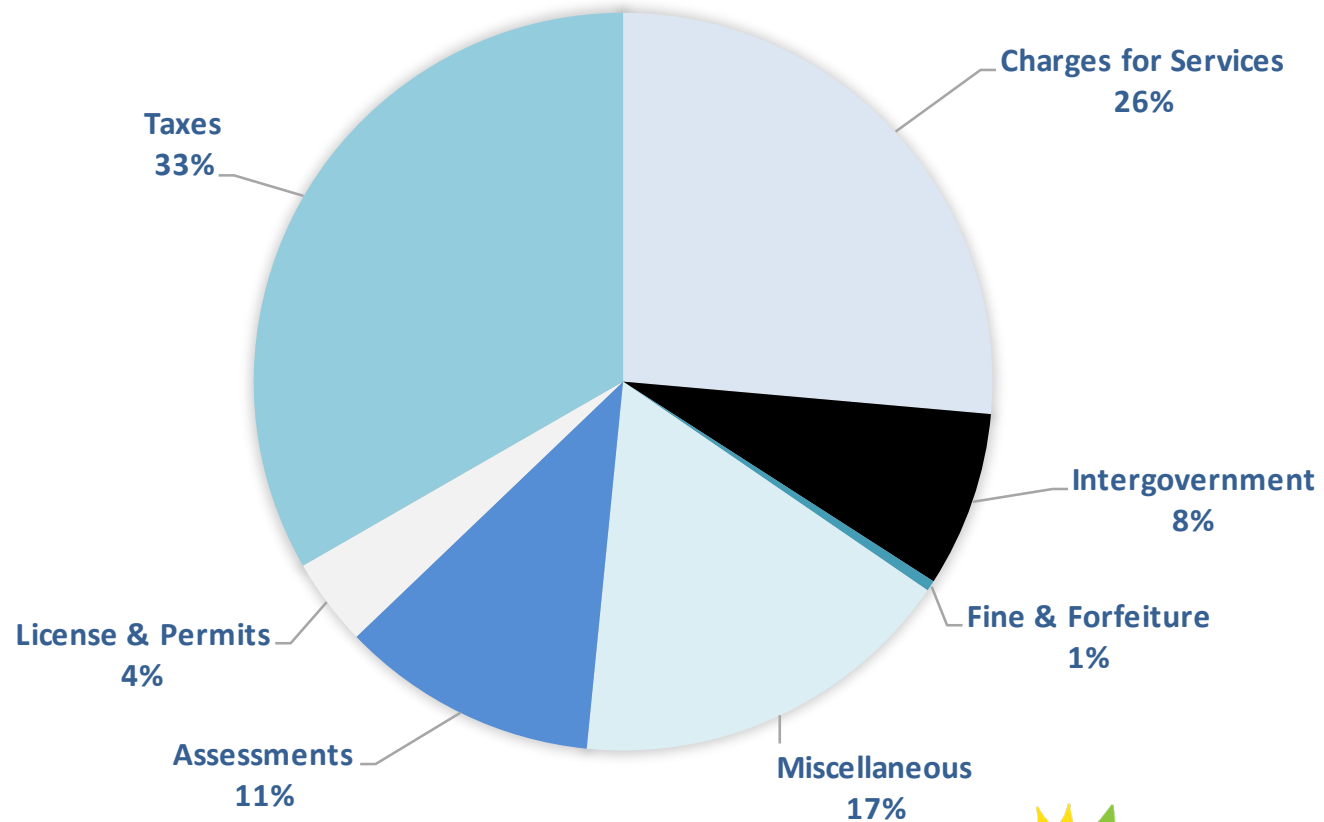
- Revenues
- Expenditures
- Property Valuations
- Employees

* FY17/18 Actuals

Revenues

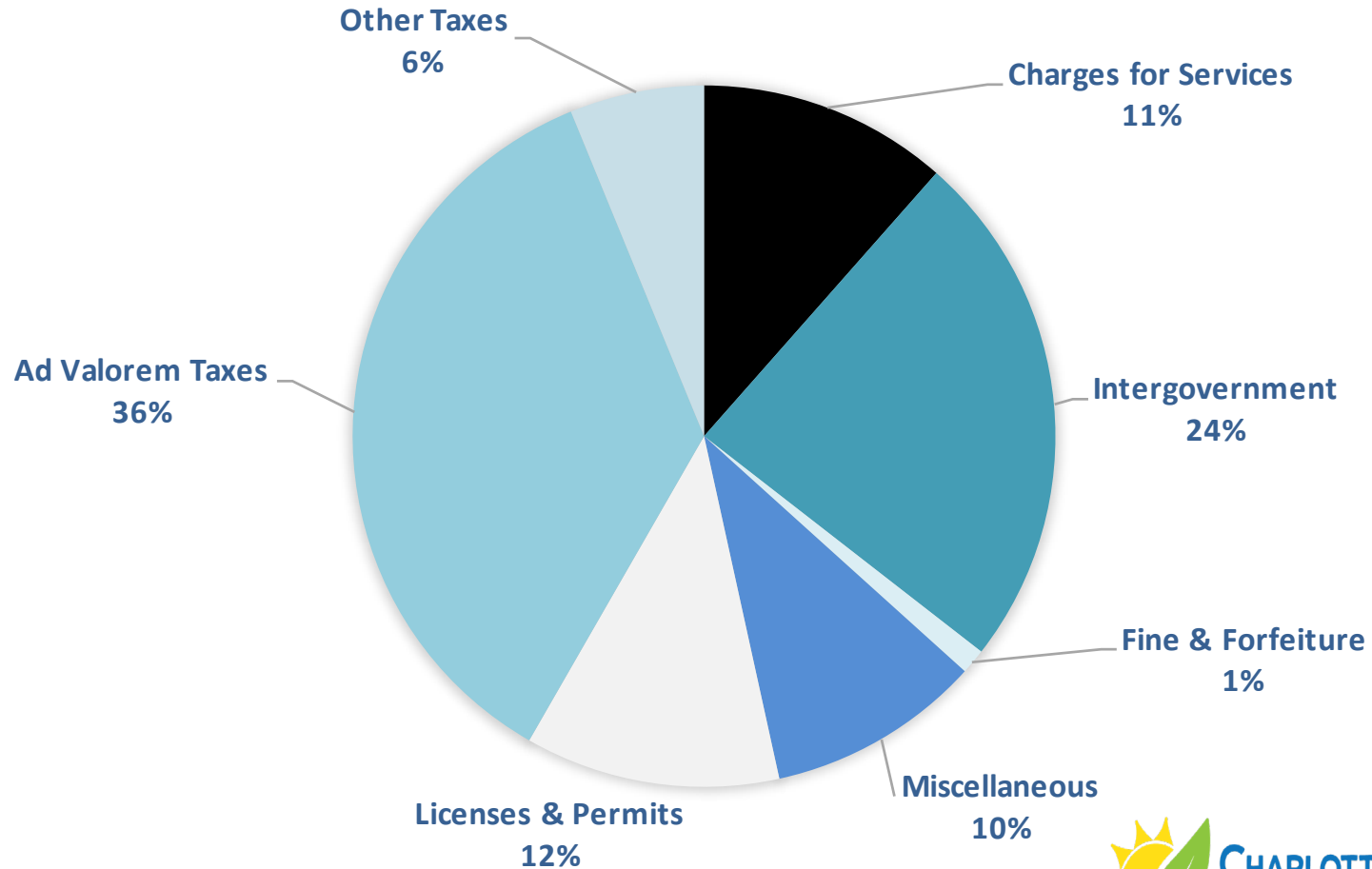
All Funds

Source of Funds (FY17/18)



General Fund

Source of Funds (FY17/18)



Major Revenues

(FY17/18 Actuals)

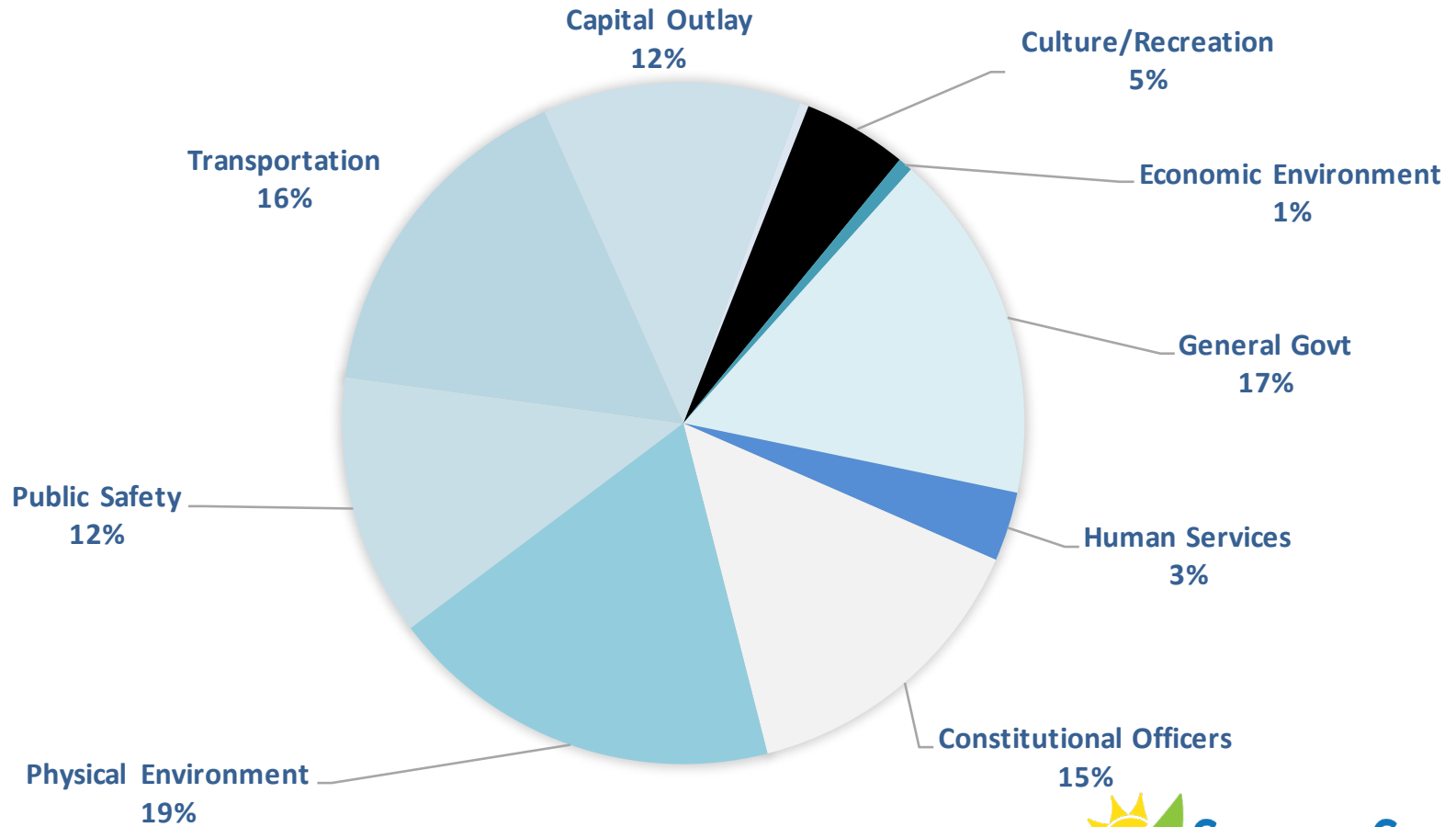
Ad Valorem Tax	132,022,595
Water & Sewer Charges	67,790,326
Assessments	60,449,014
Local Sales Tax	27,099,032
State Revenue Sharing	21,478,911
Gasoline Tax	13,592,584
Franchise Fees	9,447,366
Ambulance Service Fees	7,622,818
Landfill Fees	6,505,454
Communication Services Tax	4,892,322
Interest Earnings	4,844,714
Tourist Development Tax	4,159,690



Expenditures

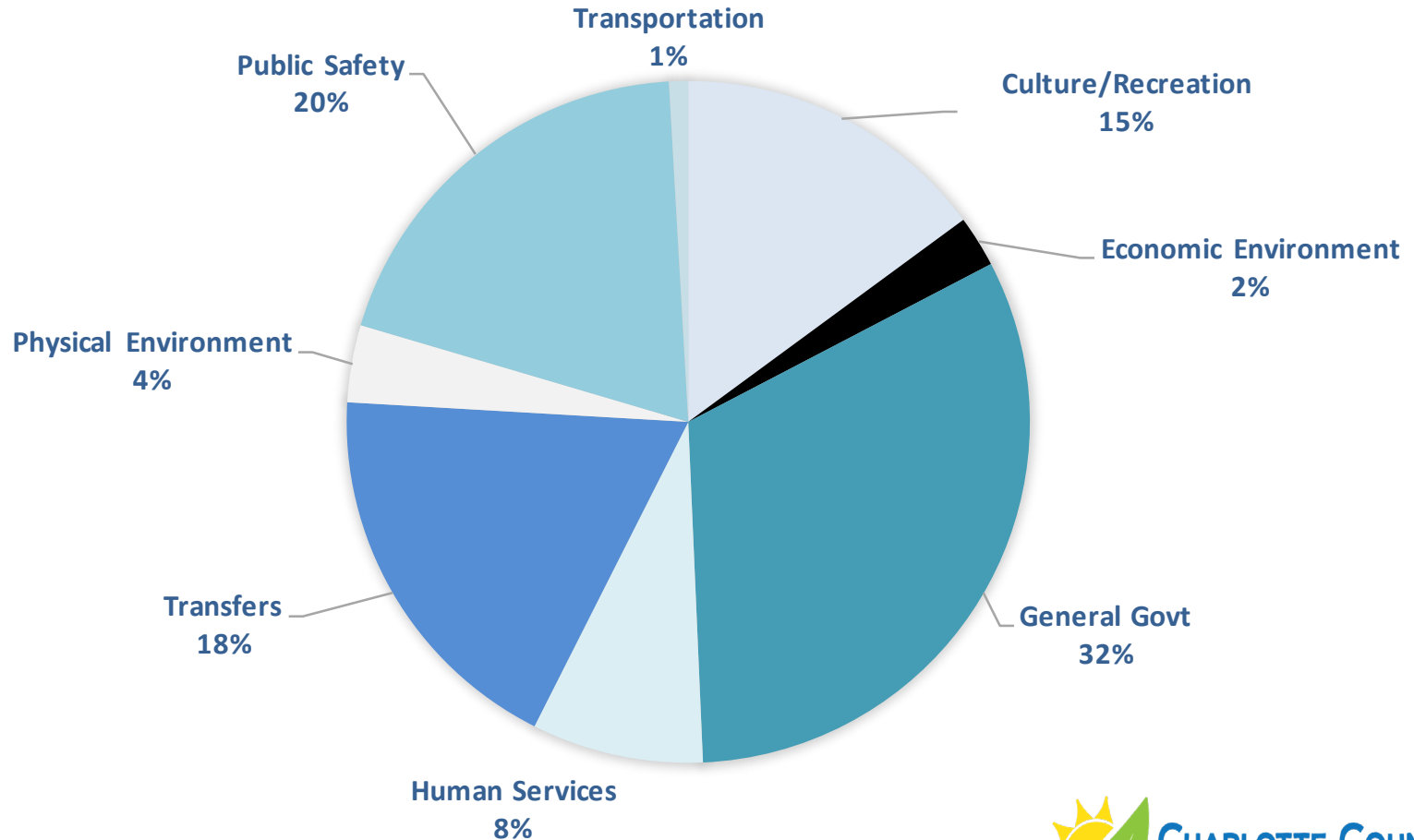
All Funds Expenditures

FY17/18



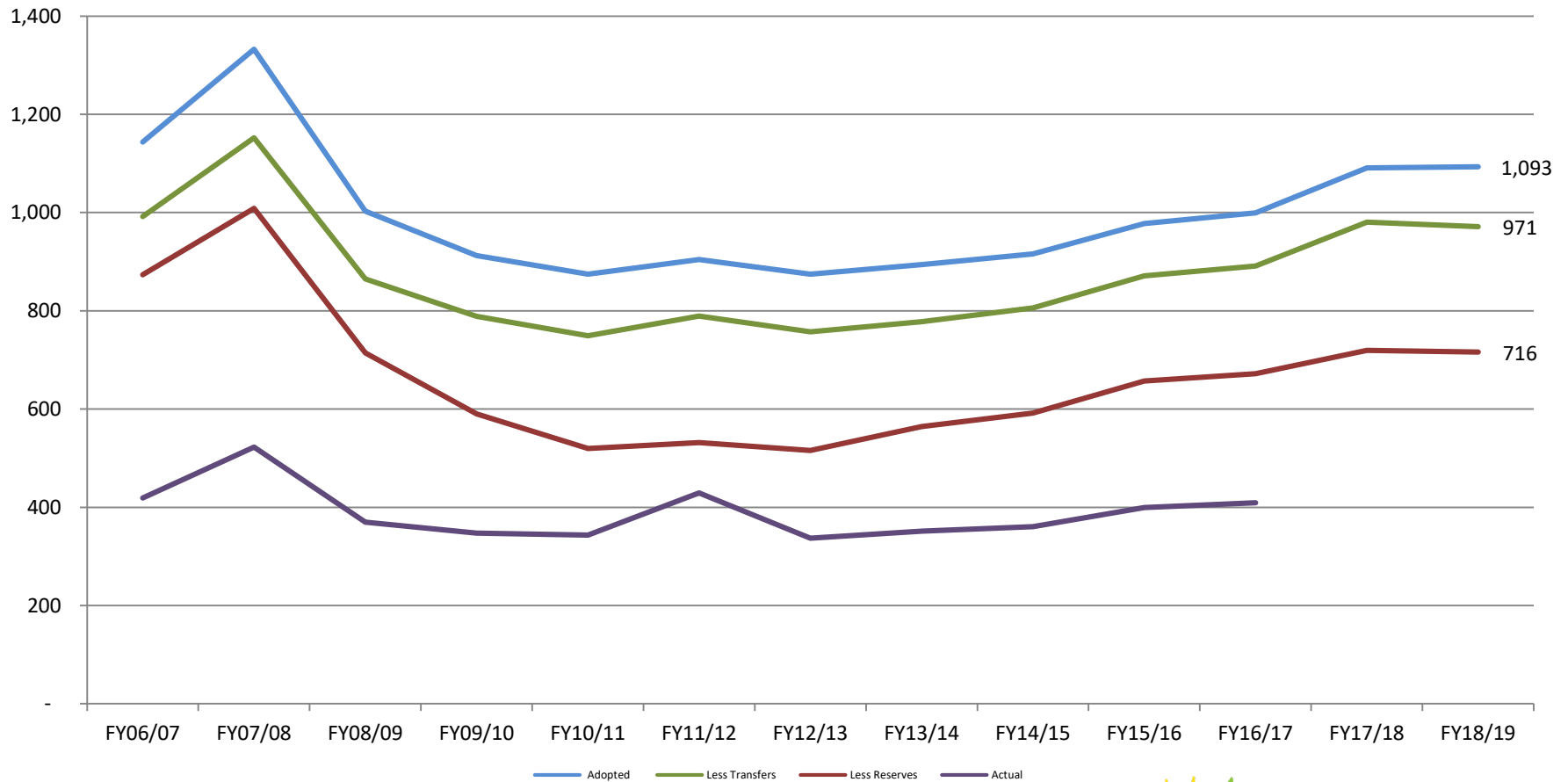
General Fund Expenditures

FY17/18



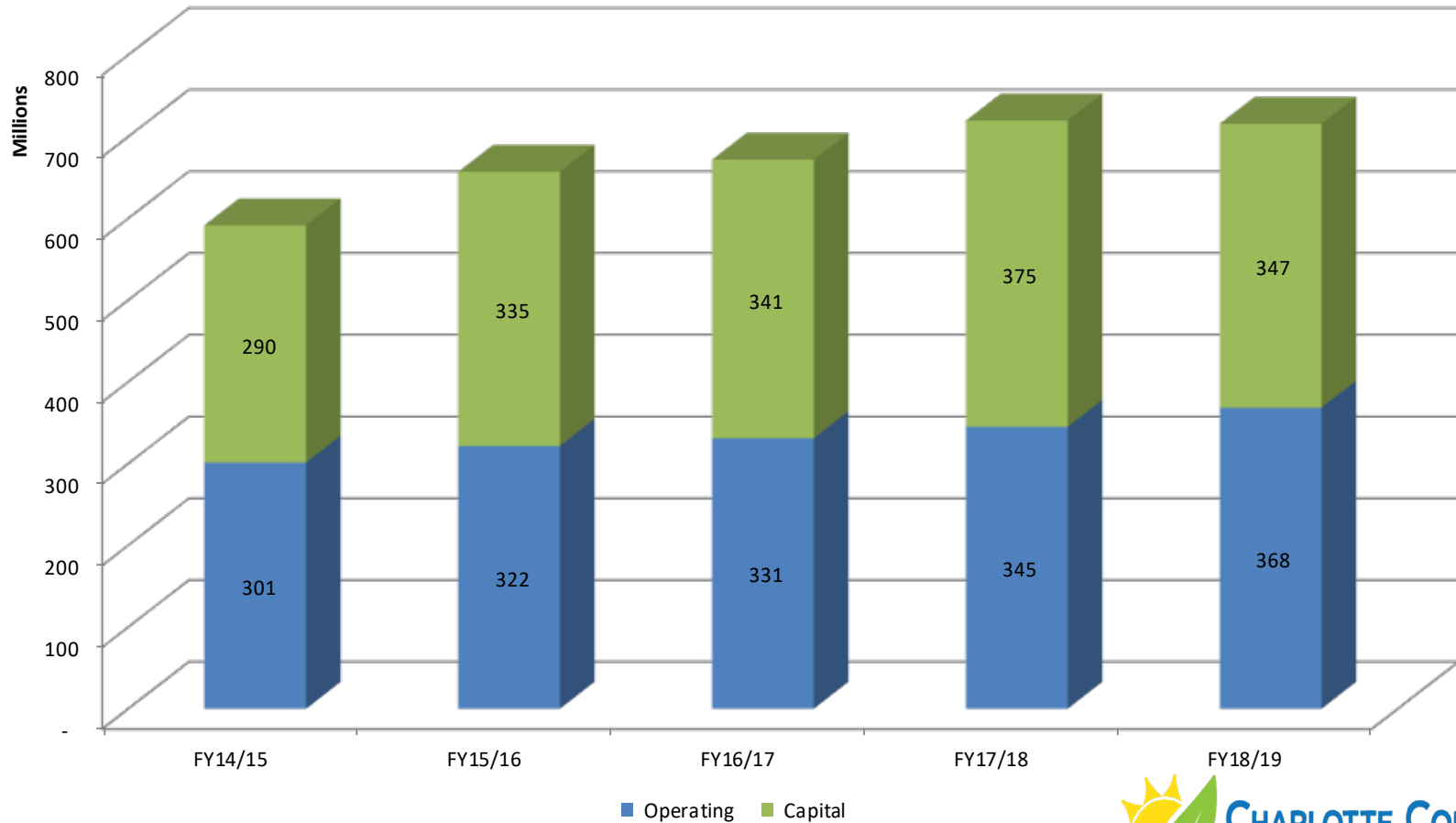
Net Amended Budgets

(in millions)



Net Budget

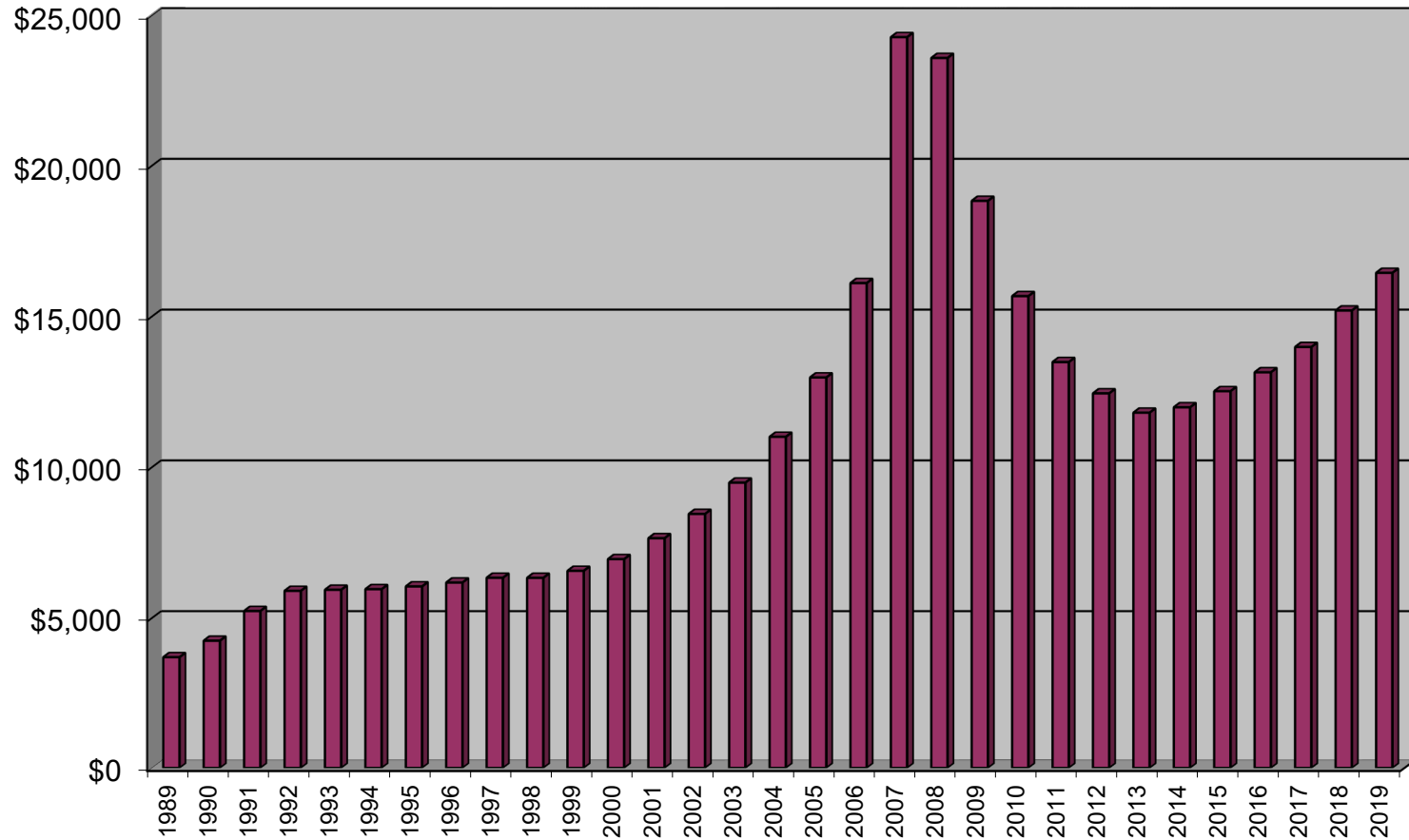
Capital vs Operating



Property Valuations

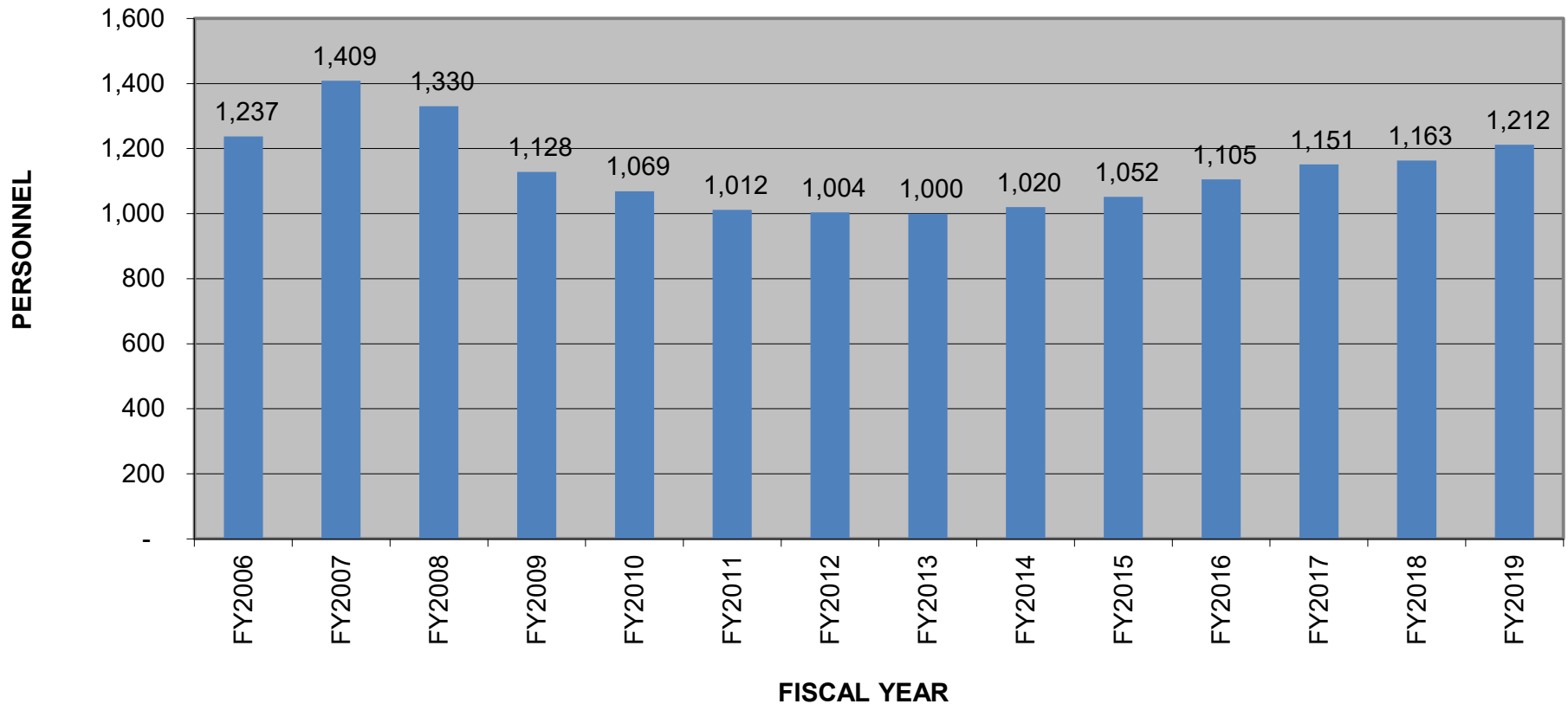
Assessed Valuation

Millions

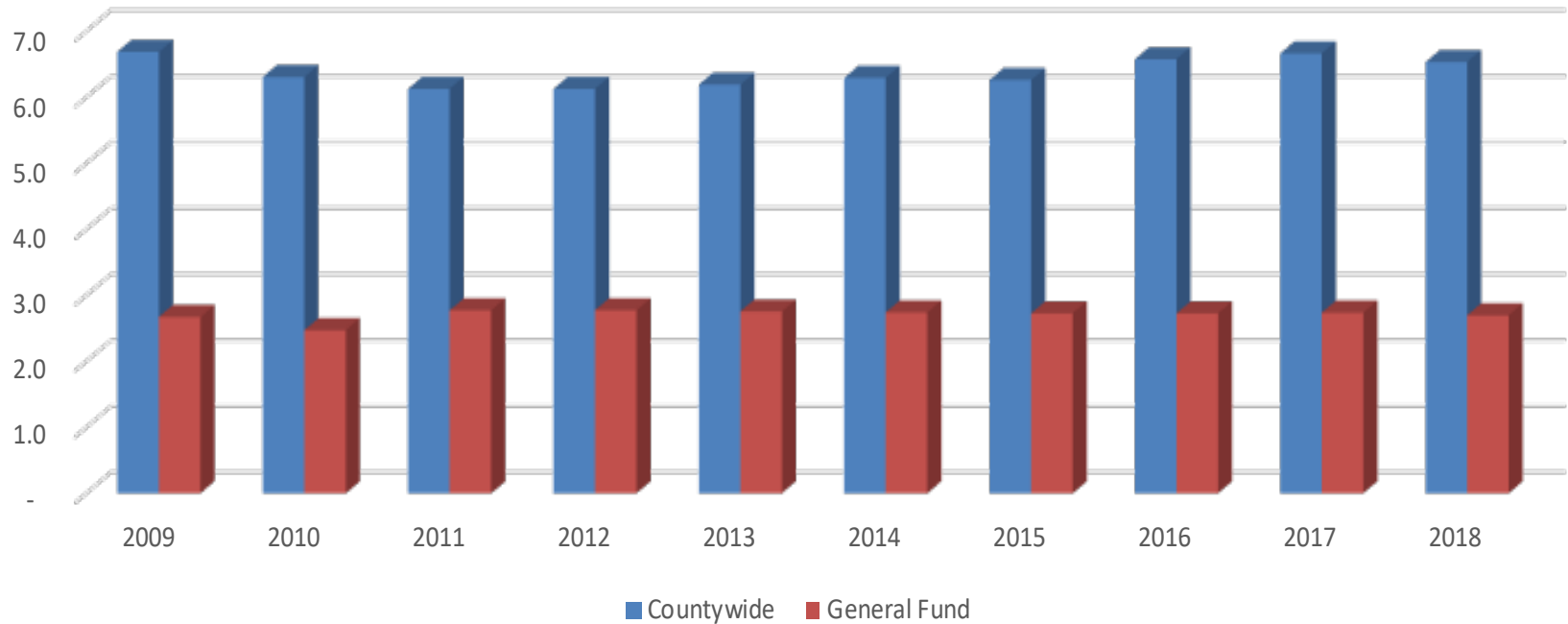


Employees

BCC Countywide Full Time Personnel Count

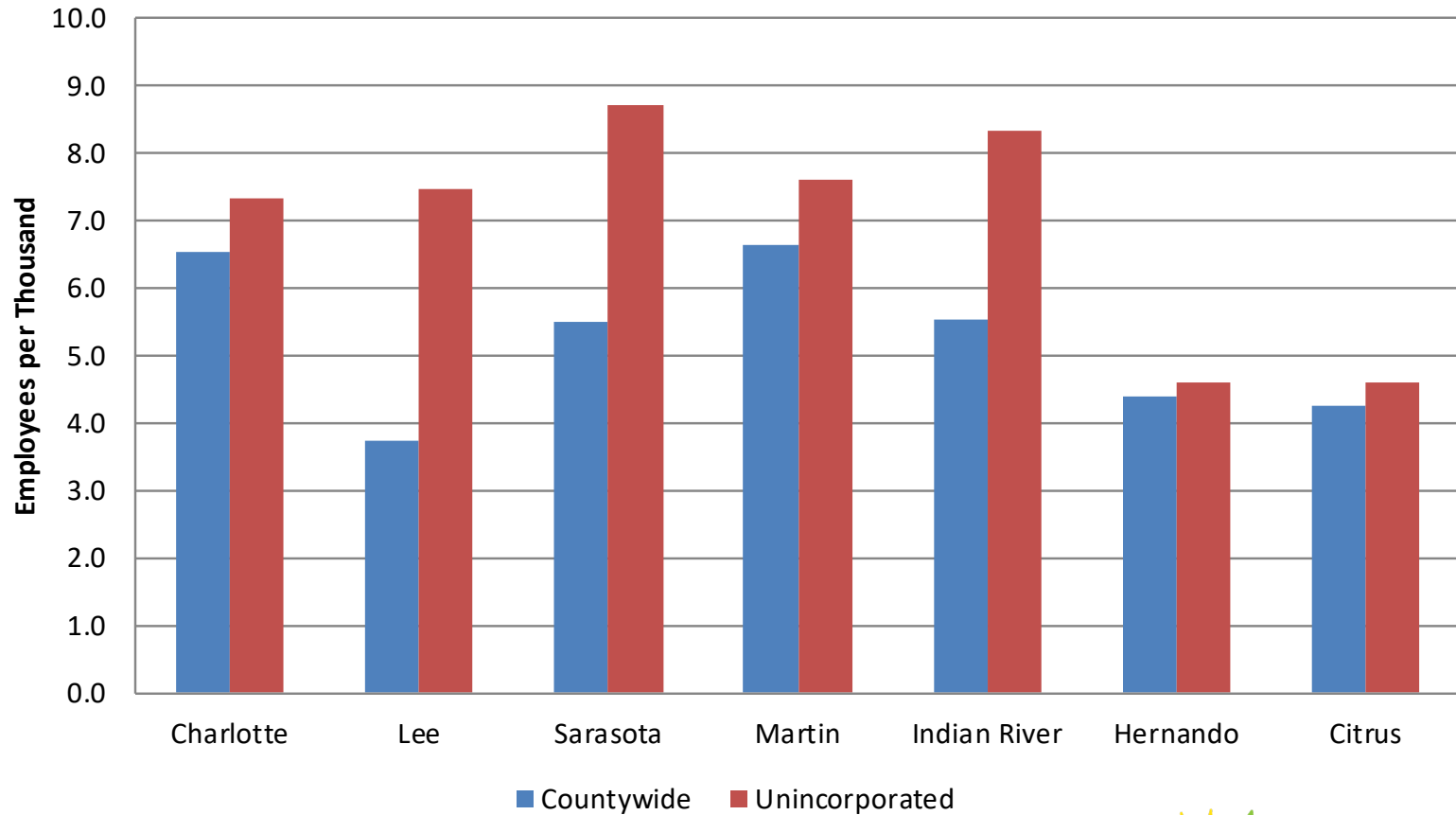


Employees / Thousand Population



Employees / Thousand Population

Other County Comparison



Policy Review

Reserves & Debt

Types of Reserves

- Cash Carry Forward Reserves
- Contingency Reserves
- Fiscal Stabilization Reserves
- Future Capital Reserves
- Restricted Reserves

Reserve Policy

Reserve for Contingencies: To mitigate current and future risks such as revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates; and other unforeseen financial situations. A balance not less than 5% and not greater than 10% percent of the total budget. **Currently @ 7.04%**

Cash Carried Forward Reserve: For the purpose of paying expenses from October 1 of the ensuing fiscal year until the time when the revenues for that year are expected to be available. A balance not less than 5% and not greater than 10% percent of the total budget.

Currently @ 5.37%

Fiscal Stabilization Reserve: To meet unexpected immediate increases in service delivery costs, or to maintain service levels in the event that an economic downturn should cause a shortfall in revenues or for expenditures associated with a major storm or other unforeseen disaster that fundamentally alters the current tax base. A balance not less than 15% percent of the General Fund.

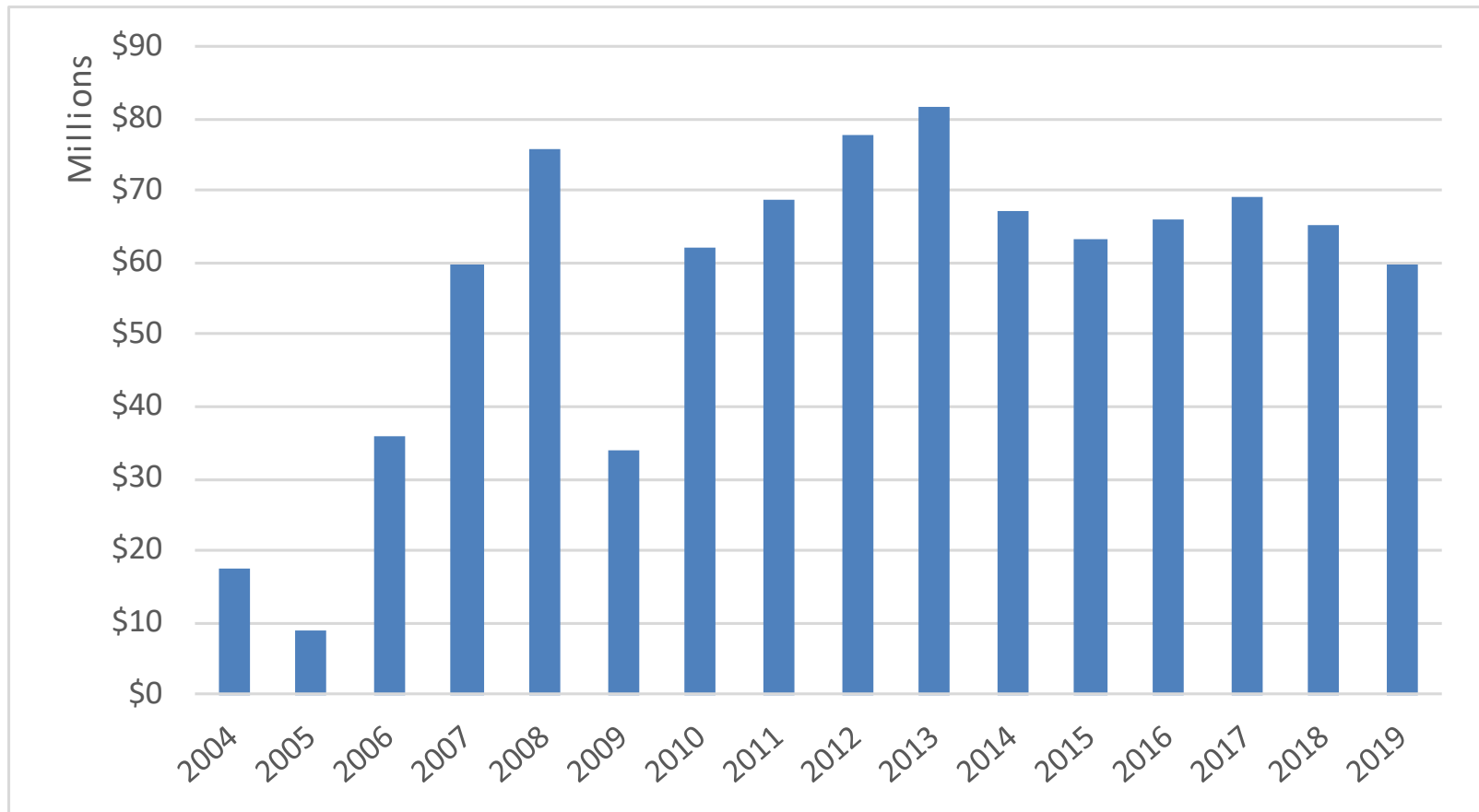
Currently @ 14.07%

Ad Valorem Reserves

	<u>Total Reserves</u>	<u>% of Budget</u>	<u>Target</u>
Contingency	\$ 21,230,649	7.04%	5% - 10%
Cash Carry Forward	\$ 16,193,560	5.37%	5% - 10%
Fiscal Stabilization	<u>\$ 22,507,592</u>	14.07%	> 15% *
Total:	\$ 59,931,801		

* Percentage of General Fund only.

Ad Valorem Reserves



Reserves

	Contingency	Cash Carry Forward	Fiscal Stabilization	Future Capital	Restricted	Total
Ad Valorem	21,230,649	16,193,560	22,507,592			59,931,801
Transportation Trust	4,828,263	4,741,224				9,569,487
Building Const Services	17,924					17,924
MSBUs	13,459,720	14,087,006		30,346,785	2,159,553	60,053,064
Fire Rescue Unit	1,064,452	2,180,195				3,244,647
Capital Projects	3,313,838			10,566,957		13,880,795
Utilities	18,782,916		2,481,182	3,500,000	14,977,778 a	39,741,876
Landfill	5,527,518	2,055,780		2,892,500	12,292,664 b	22,768,462
All Other *	11,954,479	4,980,652	554,739	19,531,128	8,928,643	45,949,641
	80,179,759	44,238,417	25,543,513	66,837,370	38,358,638	255,157,697

a Restricted by Bond Covenant to guarantee debt service

b Restricted for future landfill closure

* All Other consists of:

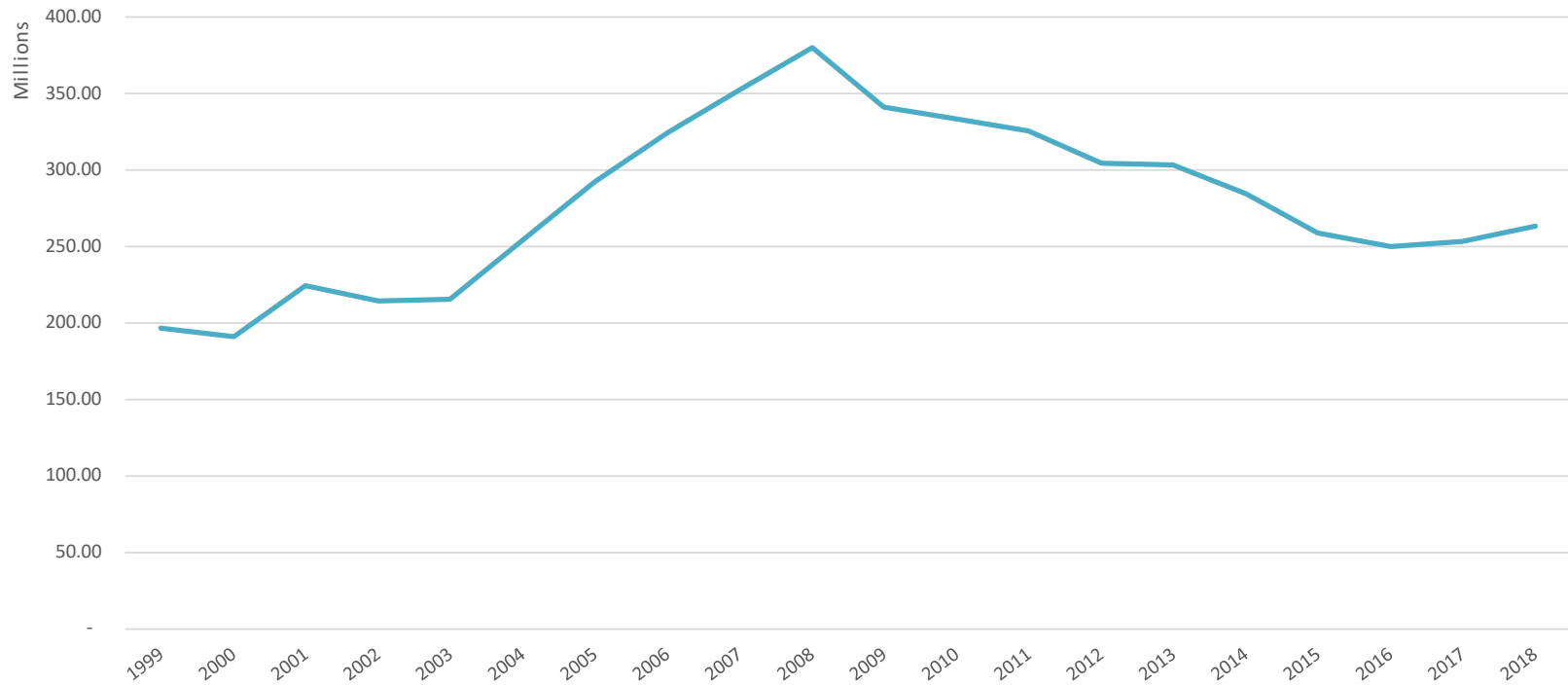
- Internal Service Funds such as Self Insurance and Vehicle Revolving Fund
- Special Revenue Funds such as Tourism Development and Boater Revolving Fund



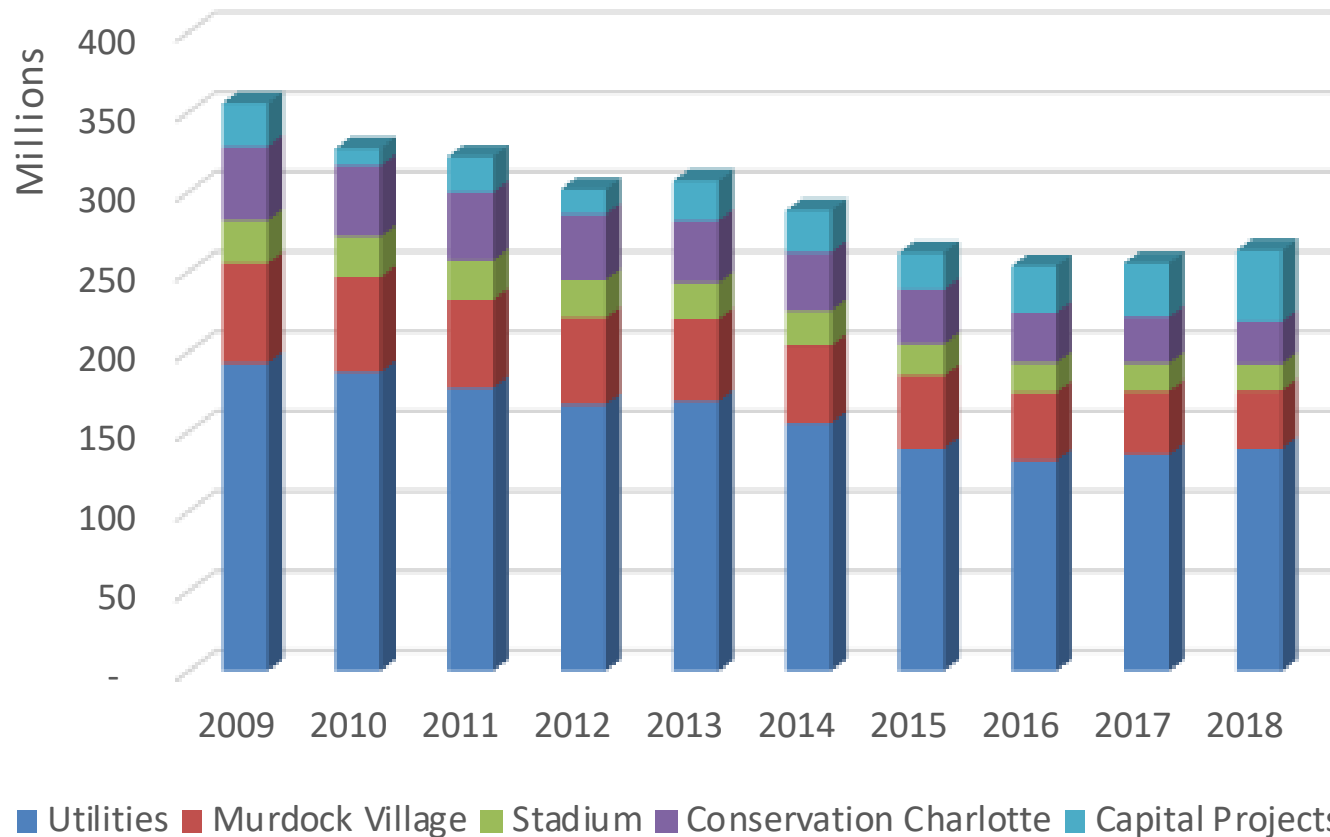
Debt Policy

The objective of Charlotte County's Debt Policy is to maintain the County's ability to incur present and future debt at the most advantageous circumstances to the County and its citizens, for purposes of financing or refinancing approved elements of its capital improvements program and other County projects.

Charlotte County 20 Year Debt Position



Charlotte County Debt Breakdown



2019/20 Preliminary Projection

General Fund - Five Year Financial Plan

Revenue/Expenditures (Thousands)

	Actual FY15/16	Actual FY16/17	Actual FY17/18 *	Budget FY18/19	Projected Budget FY19/20	Projected Budget FY20/21	Projected Budget FY21/22
Operating Revenues							
Ad Valorem Taxes	26,351	28,182	30,572	34,091	36,818	38,659	40,592
State Shared Revenues	17,940	19,145	20,280	20,708	21,743	22,396	23,068
Franchise Fees - FPL	8,948	9,212	9,447	9,000	9,090	9,181	9,273
Charges for Services	9,989	9,451	10,348	10,165	10,266	10,369	10,473
Other Revenues & Fees	3,788	5,402	5,696	3,590	3,626	3,663	3,699
Less 5%-FS 129.01(2)(B)				-3,814	-4,077	-4,213	-4,355
Internal Charges	15,632	14,250	17,686	17,256	17,256	17,256	17,256
Transfers In	10,301	8,214	7,632	7,745	8,365	8,783	9,222
Total Revenues	92,949	93,856	101,662	98,741	103,087	106,092	109,227
Expenditures							
Personal Services-Excluding Health	29,396	30,864	32,128	35,380	36,795	38,267	39,797
FRS Rates	3,180	3,518	3,808	3,871	3,987	4,107	4,230
Health & Life Insurance Costs	6,343	6,706	7,328	9,002	9,452	9,924	10,420
Operating Expenses	26,297	27,084	28,752	29,331	31,242	31,554	31,870
Capital Outlay	1,183	3,548	1,644	1,276	1,276	1,276	1,276
Grants & Aid	2,615	2,830	2,860	3,632	3,741	3,853	3,969
Constitutional Offices	13,545	13,800	14,171	14,794	15,238	15,695	16,166
Transfers	12,552	8,426	13,349	8,282	8,530	8,786	9,050
Total Expenditures	95,110	96,776	104,041	105,568	110,261	113,463	116,778
Use of Reserves	2,161	2,921	2,380	6,827	7,174	7,370	7,552

* Unaudited – 2/12/19

Assumptions

	Projected Budget FY19/20	Projected Budget FY20/21	Projected Budget FY21/22
AdValorem Increase	8.00%	5.00%	5.00%
Sales Tax projects operating costs	2,226,505	2,471,498	2,471,498
Manasota Key renourishment	1,450,000	1,450,000	1,450,000
	3,676,505	3,921,498	3,921,498

Unknowns

Hurricanes Irma and Charley
Update MSBU methodology
Funding HCP alternative

BCC Strategic Plan

Confirmation of Goals and initiatives
from Jan. 15th BCC Workshop

VISION

MISSION

VALUES

STRATEGIC FOCUS AREAS

Public Services

Economic & Community
Development

Infrastructure

Efficient & Effective
Government

Bold Goals

Strategic Initiatives

Results / Measures

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Economic & Community Development

To create a business climate that promotes a diversified, growing economy consistent with sustainable growth management plans, environmental stewardship and enhanced quality of life.



CHARLOTTE COUNTY
FLORIDA

Economic & Community Development

Bold Goals

- Add 3,650 affordable housing units by 2024
- Improve water quality by 5%
- Increase enrollment in secondary education by 5% (including trades and vocational)

Economic & Community Development Housing

- Subsidies, partnerships, and co-ownerships
- Land use changes
- Federal programs
- Habitat for Humanity
- How can we assist private sector

Economic & Community Development

Water Quality

- Septic to sewer
- Work with state officials on funding
- Restoration efforts (sea grass, shellfish)
- Fertilizer usage
- Monitor water quality
- Consider expanding wetland areas

Economic & Community Development

Secondary Education

- What role can we play?
- Monitor movement of students from secondary education to workforce
- Opportunities for early exposure
- Internships / apprenticeships

Infrastructure



To build and maintain countywide infrastructure that meets our evolving needs and enhances our community appearance, improves public safety and protects our natural resources.

Infrastructure

Bold Goals

- Funding and completion of Capital Needs Assessment through 2026.
- Define and maintain balance between Capital and Operating budgets.

Infrastructure Capital Needs

- Expand cashflow projections
- Build on our track record
- Local Sales Tax extension
- Harbor View and Edgewater
- Distinguish between expansion and maintenance budgets
- Asset management system

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Public Services

To maintain a safe and healthy community by delivering essential services from skilled, professional and dedicated public servants.

Public Services

Bold Goals

- Define levels of service for both quality and quantity by 2020.

Public Services

Levels of Service

- Overall satisfaction with current levels
- Safeguard accreditations and certifications
- Levels may vary based on usage
- Incorporate into Performance Based Budget (PBB) information
- Focus on customer service
- Review services with low customer satisfaction

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Efficient & Effective Government

To manage fiscally sound county operations
with a culture of transparency, accountability,
citizen engagement and innovation.

Efficient & Effective Government

Bold Goals

Positioning technology for the future

- Increase % of services provided online
- Target % of budget spent on run, grow, transform

Efficiencies

- Each department identify core processes by 2020
- Identify process improvement targets by 2020

Culture (Great place to work)

- Update and integrate Mission, Vision and Values

Questions?



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