



2013/14 – 2014/15 Budget Process

BCC Workshop

Feb 20, 2013



Agenda

- Overview of Financial Trends
- Budget History
- Preliminary Projection
- Policy Review
- 2013/14 – 2014/15 Budget Process and Calendar
- Strategic Focus Areas



Overview of Financial Trends



Trends

- Revenues
- Expenditures
- Level of Fund Balances
- Property Valuations
- Employees per 1000 Population
- Maintenance Effort

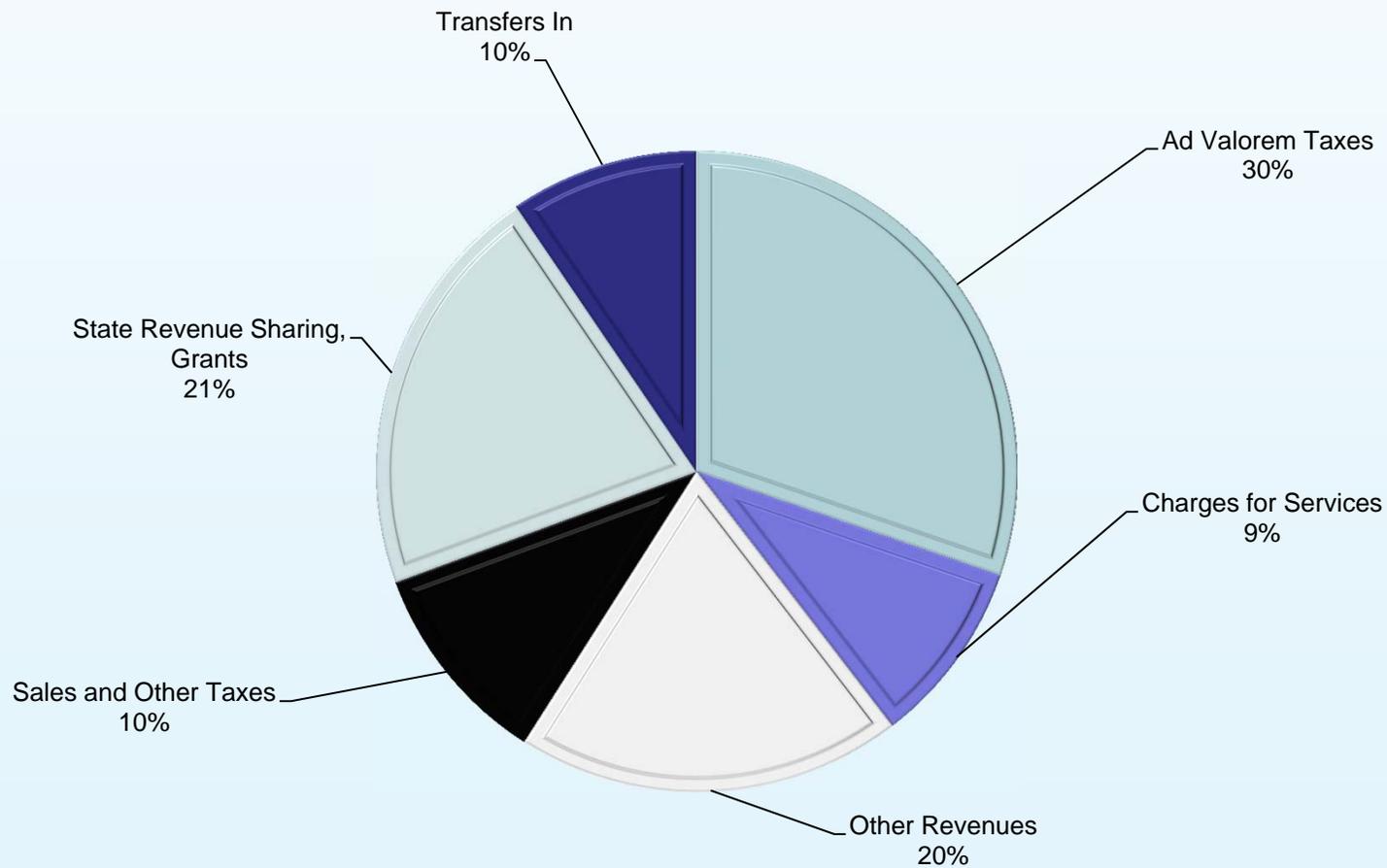
* FY11/12 figures unadited



Revenues



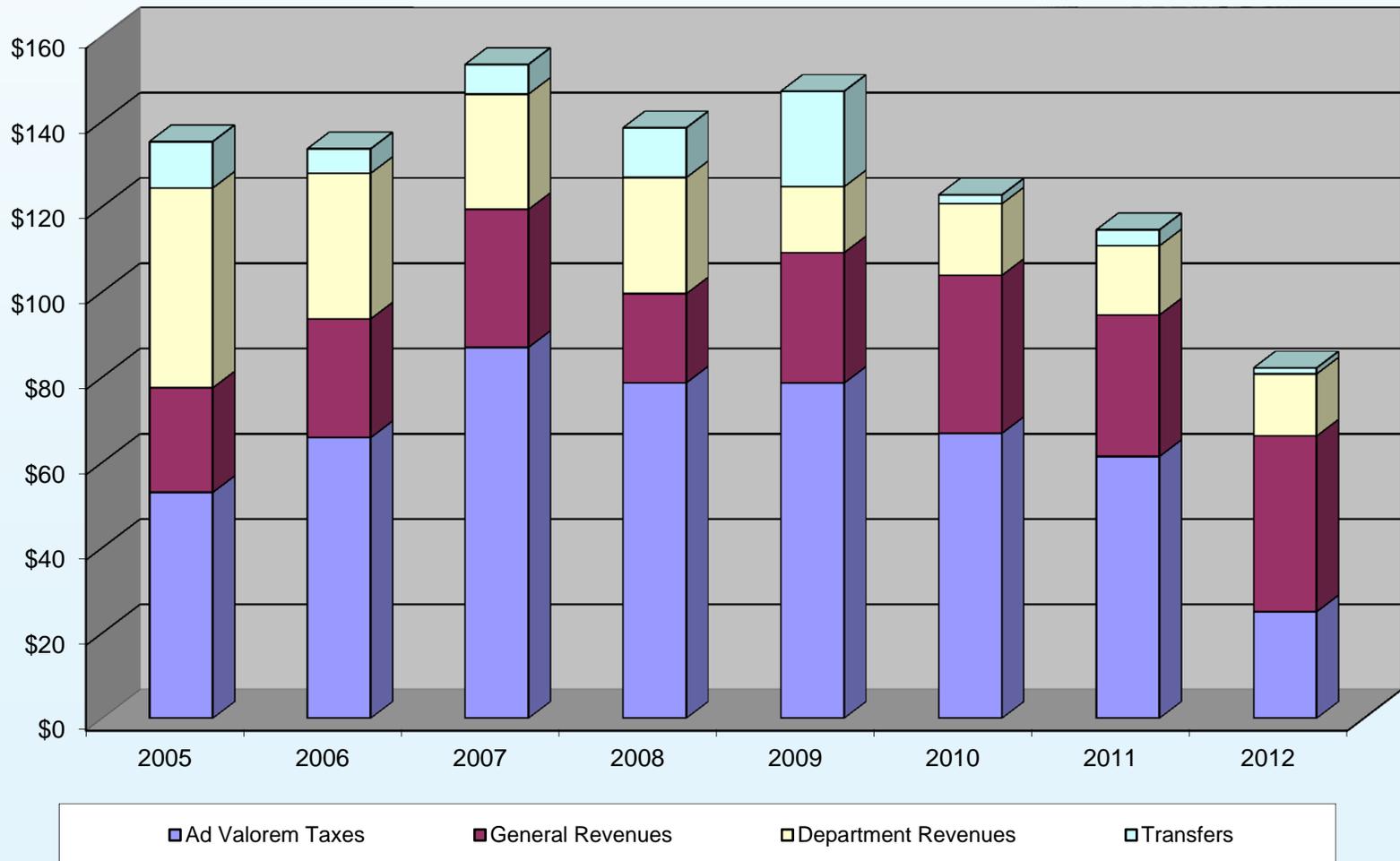
General Fund Source of Funds (FY12/13)





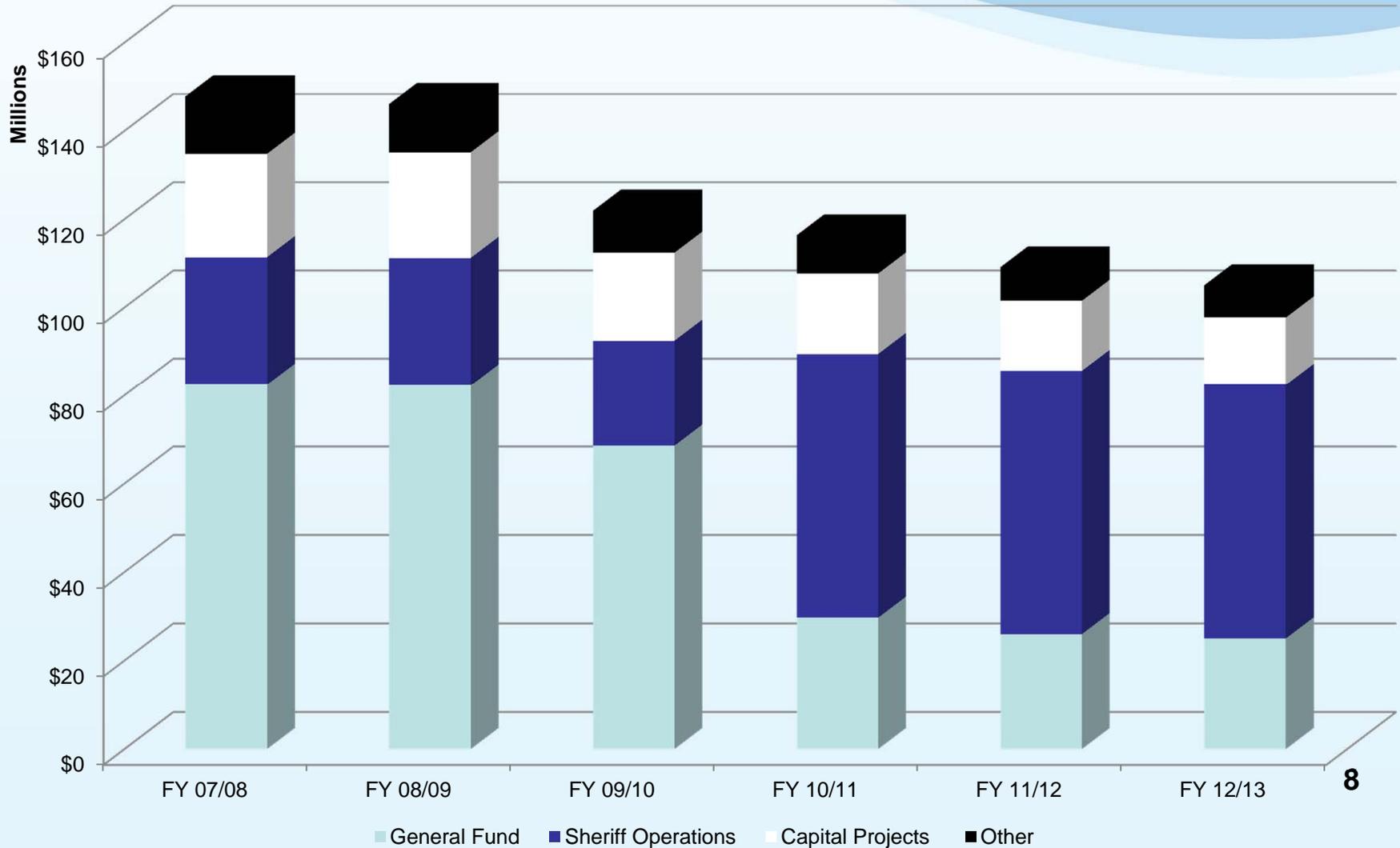
General Fund Revenues

Millions





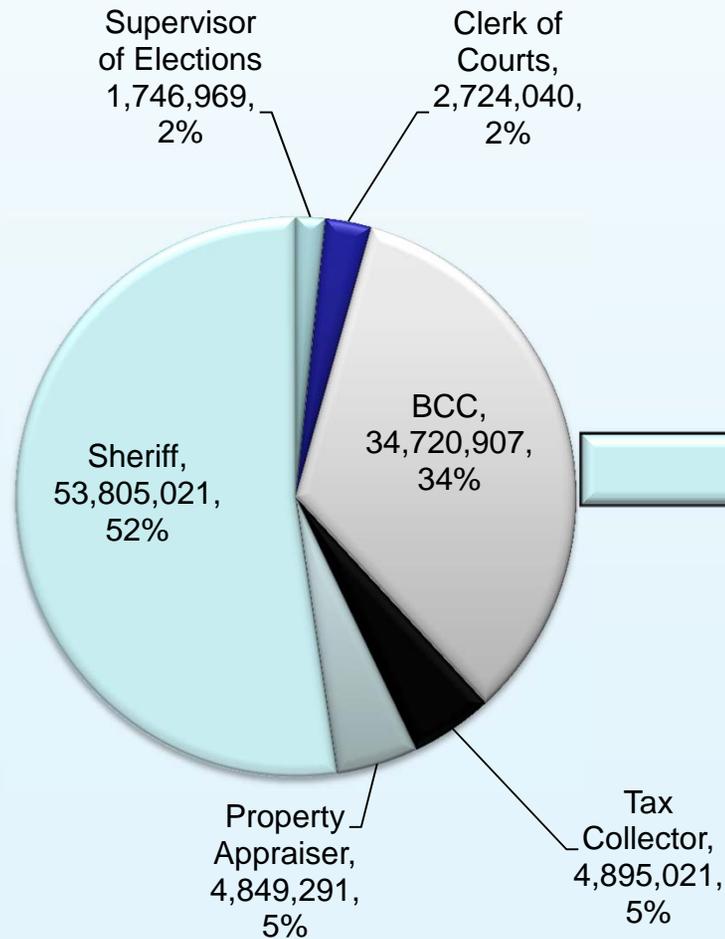
Ad Valorem Taxes



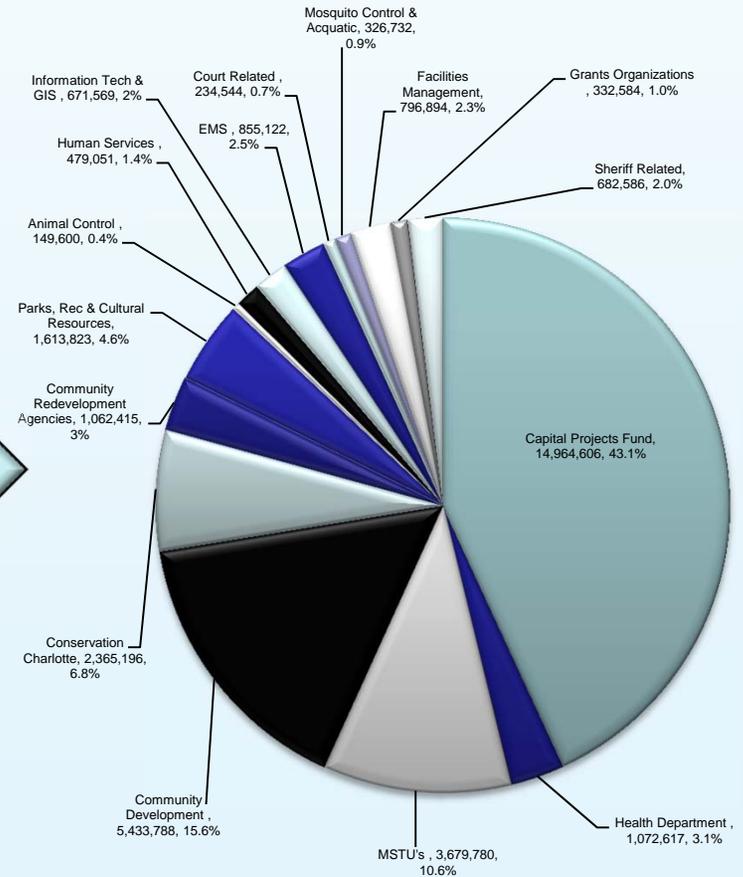
DISTRIBUTION OF AD VALOREM TAXES FOR FY2012/13



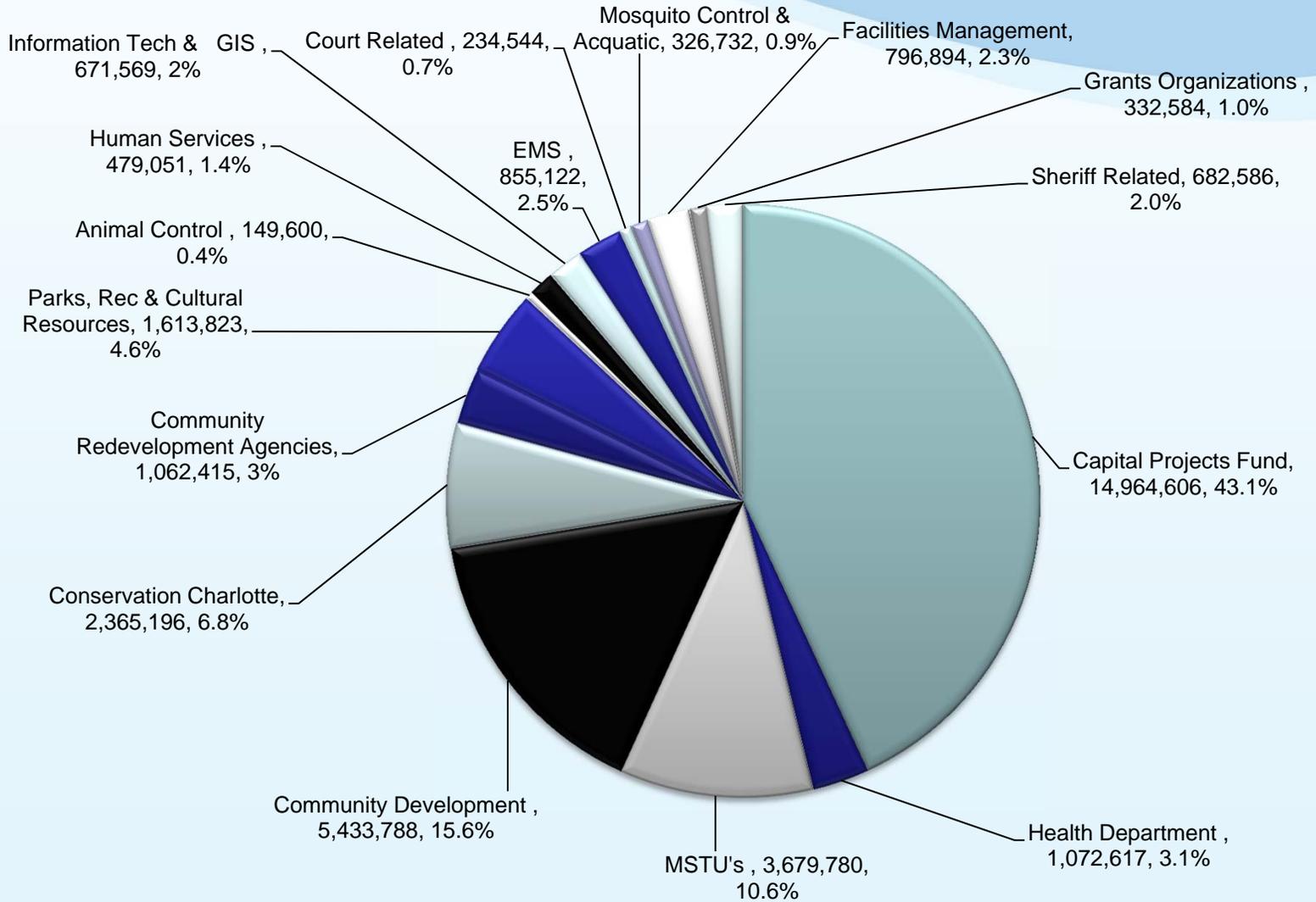
Distribution by Constitutional Office



Distribution of BCC Portion



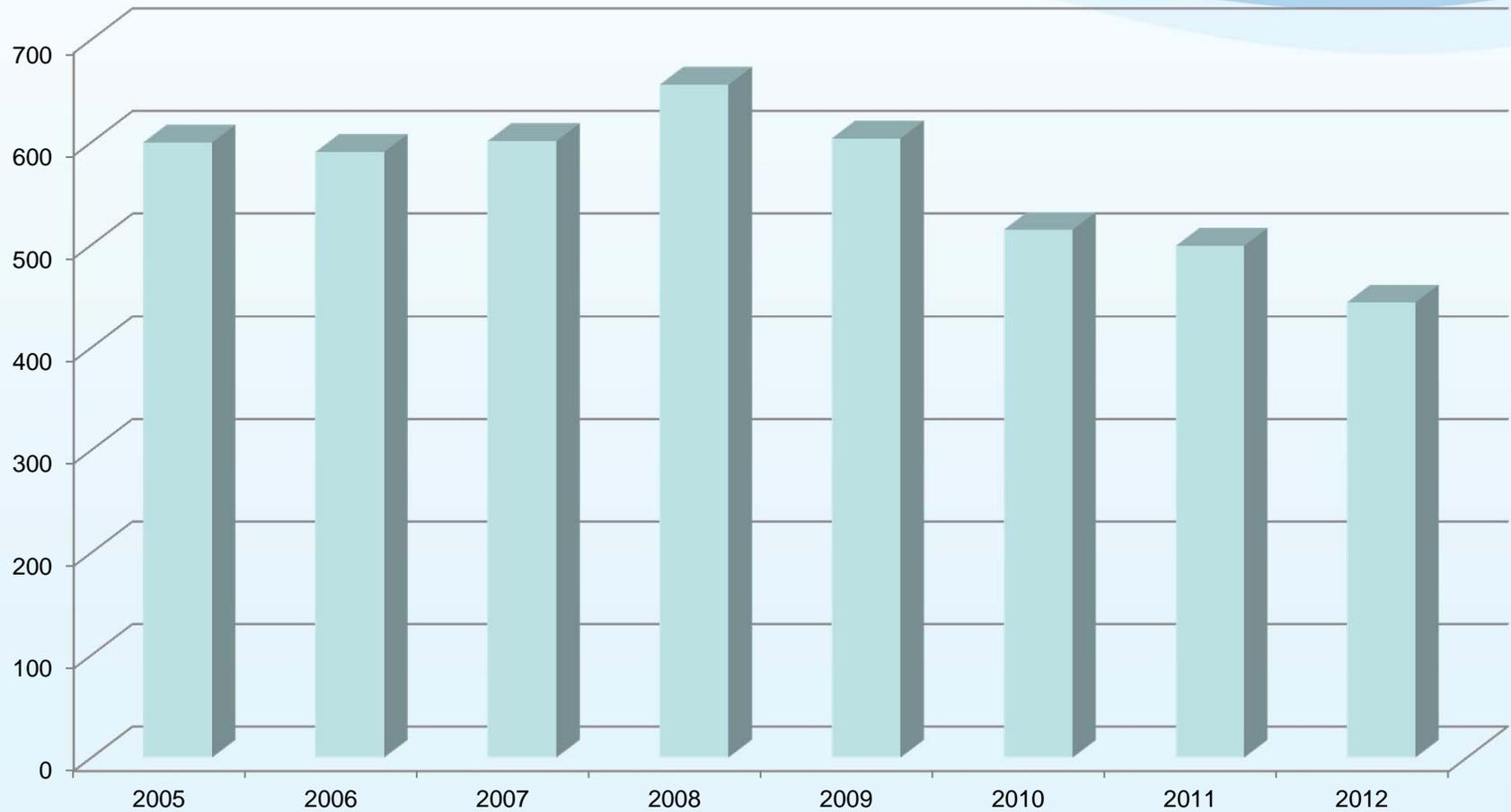
DISTRIBUTION OF BCC AD VALOREM TAXES FOR FY2012/13





All Funds Revenue

Millions



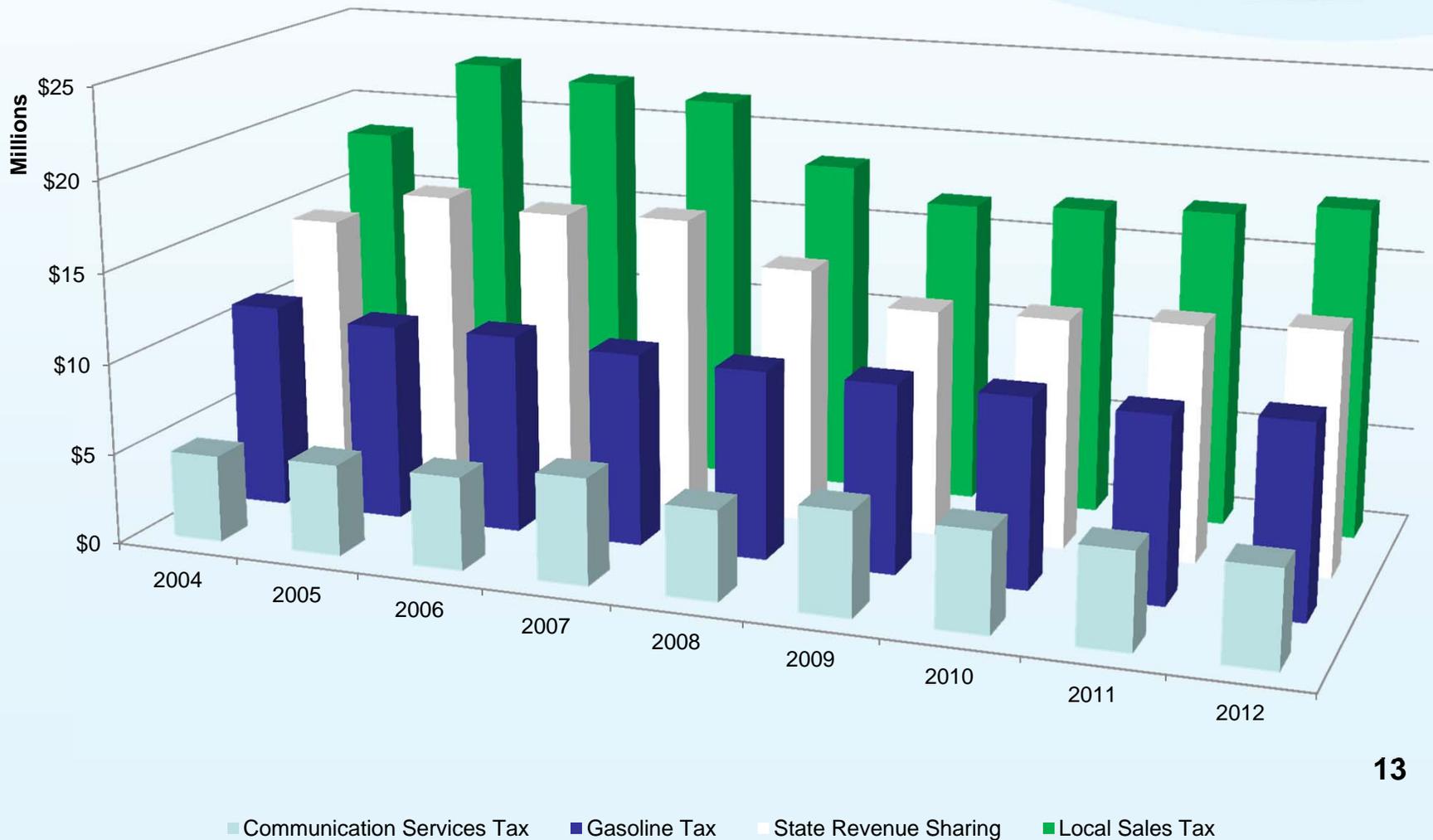


Major Revenues (FY11/12 Actuals)

Ad Valorem Tax	105,049,541
Communication Services Tax	5,261,632
Gasoline Tax	10,485,655
State Revenue Sharing	13,341,010
Local Sales Tax	18,171,866
Tourist Development Tax	2,461,026
Assessments	48,763,907
Franchise Fees	8,098,035
Interest Earnings	4,291,532
Ambulance Service Fees	7,858,275



Major Revenues

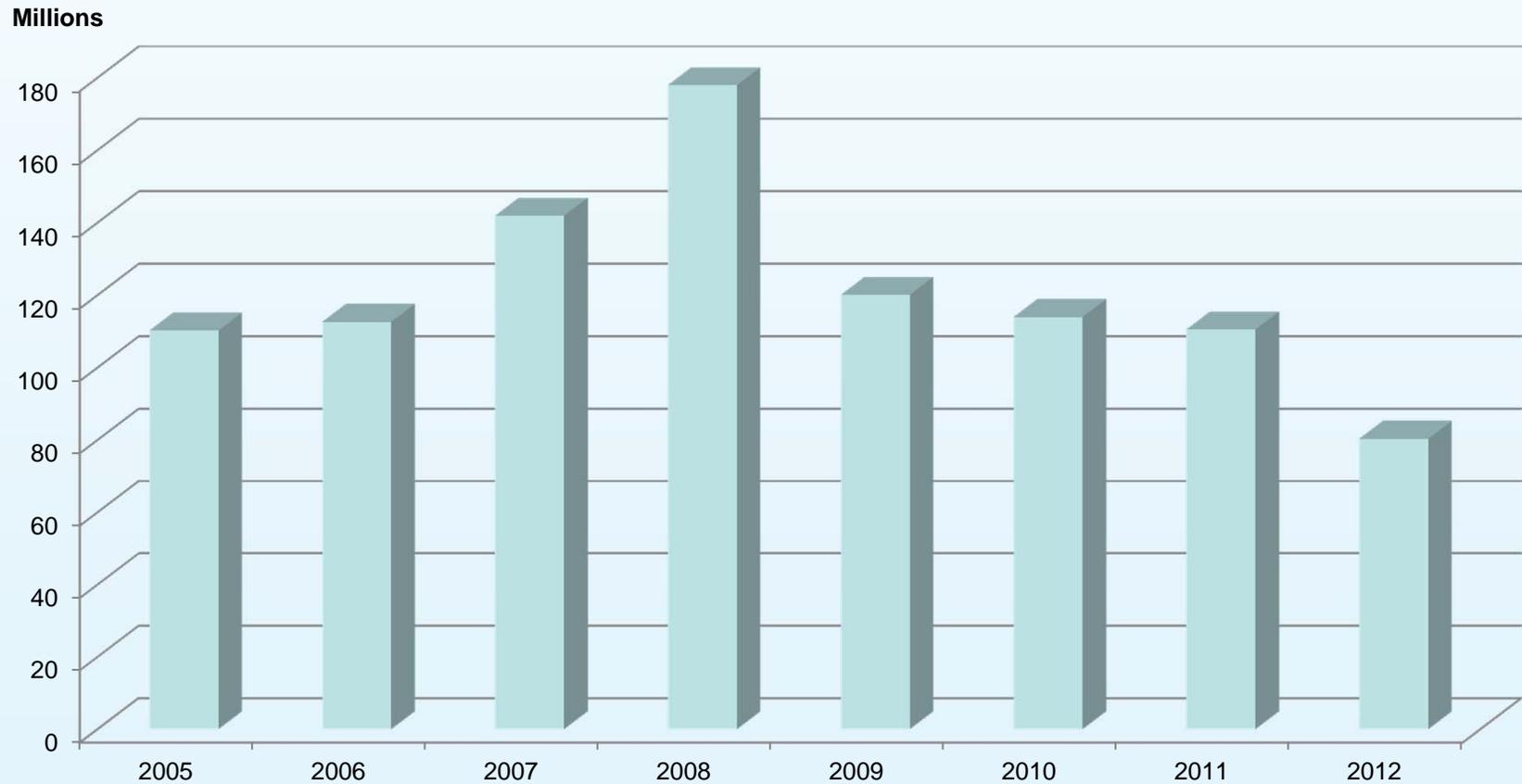




Expenditures

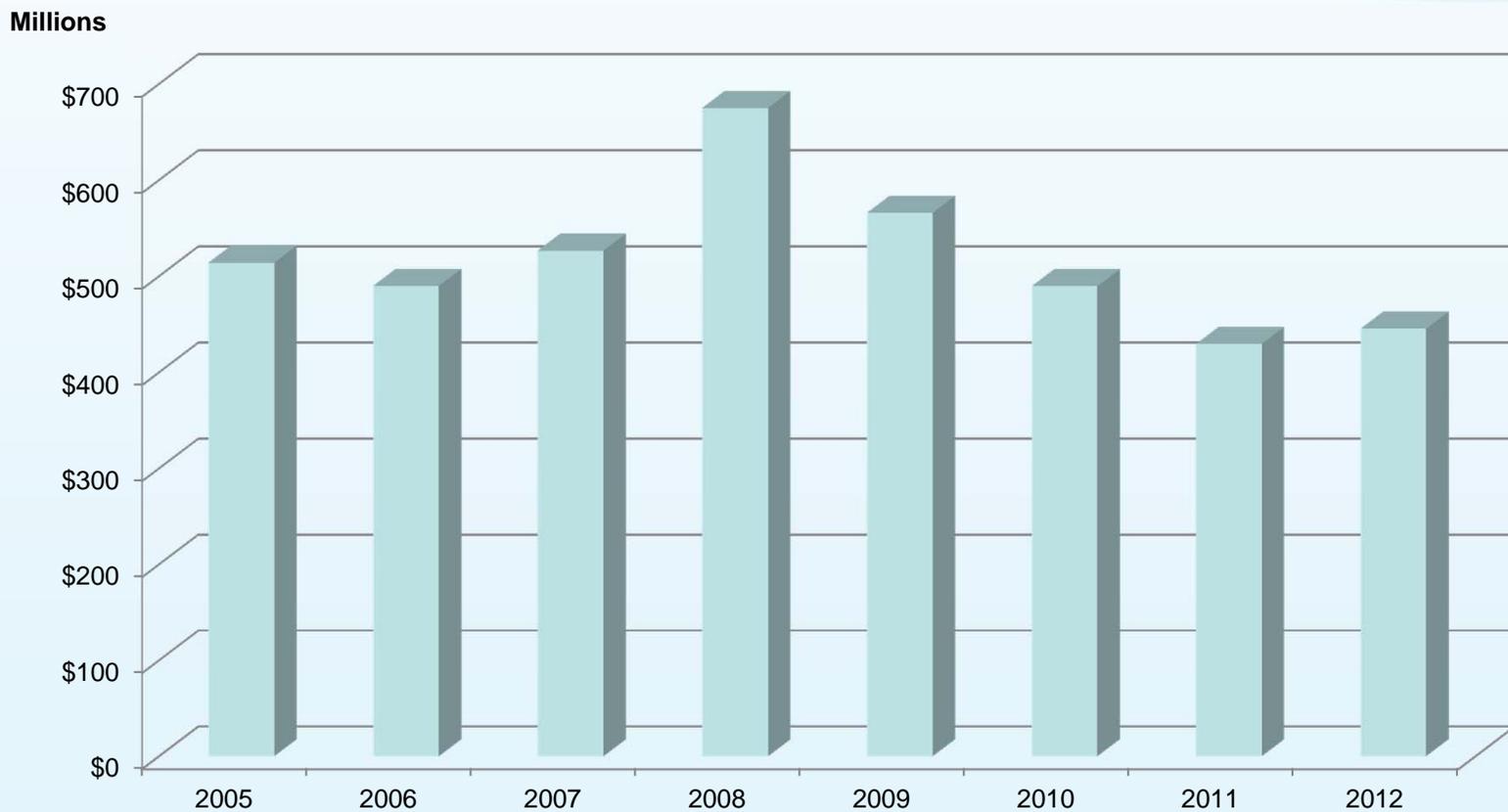


General Fund Expenditures





All Funds Expenditures

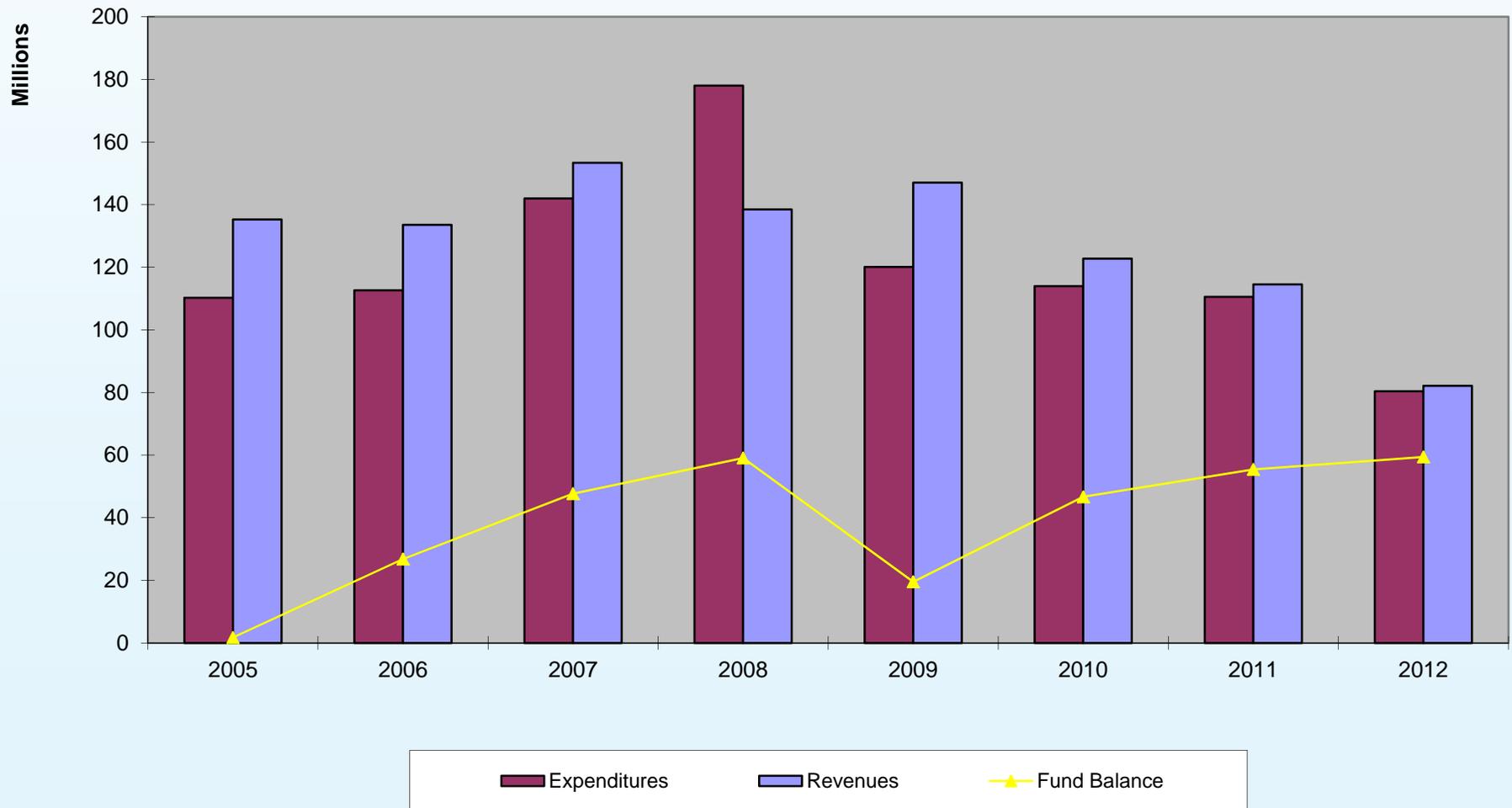




Fund Balances

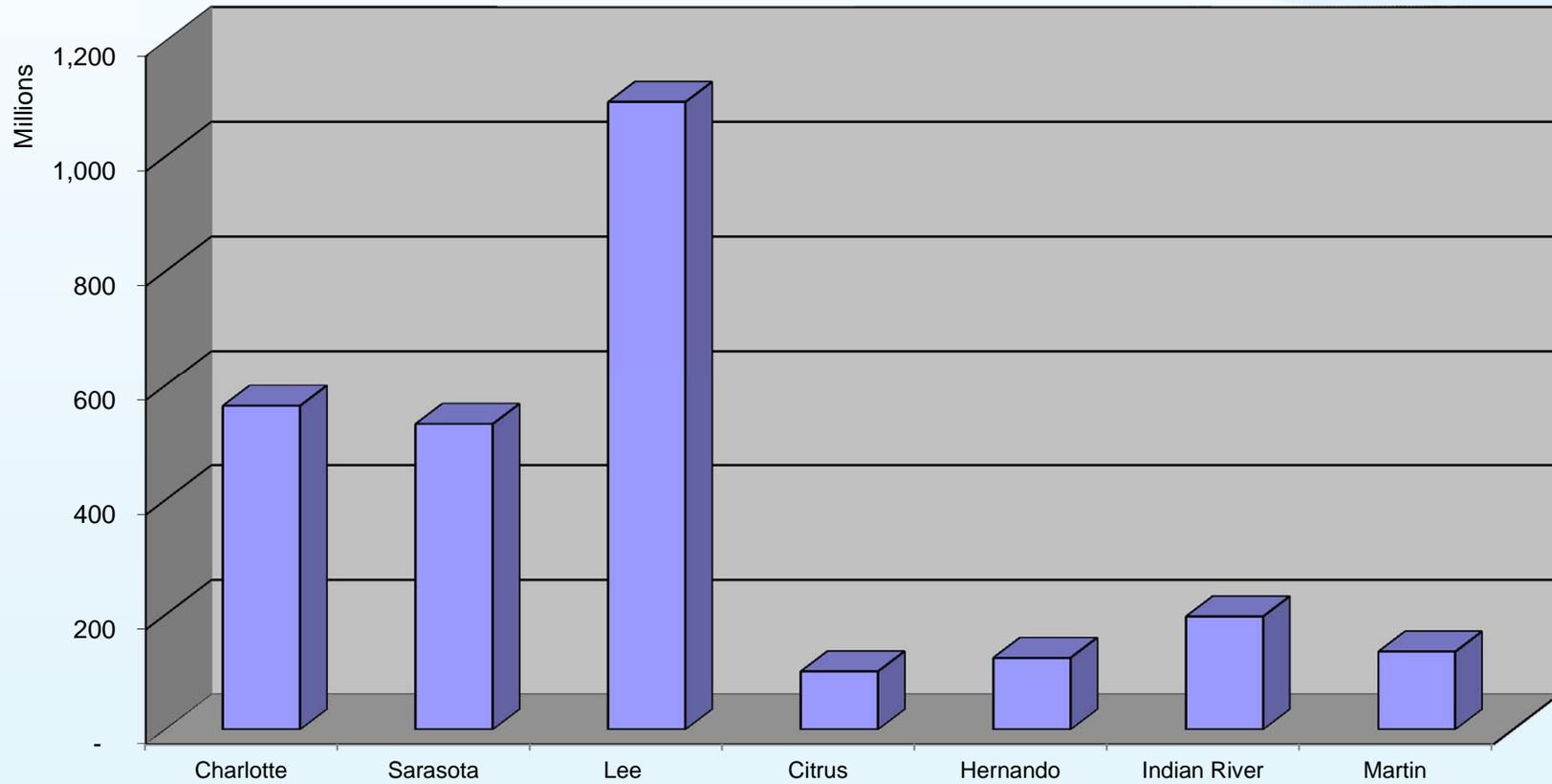


General Fund Balances



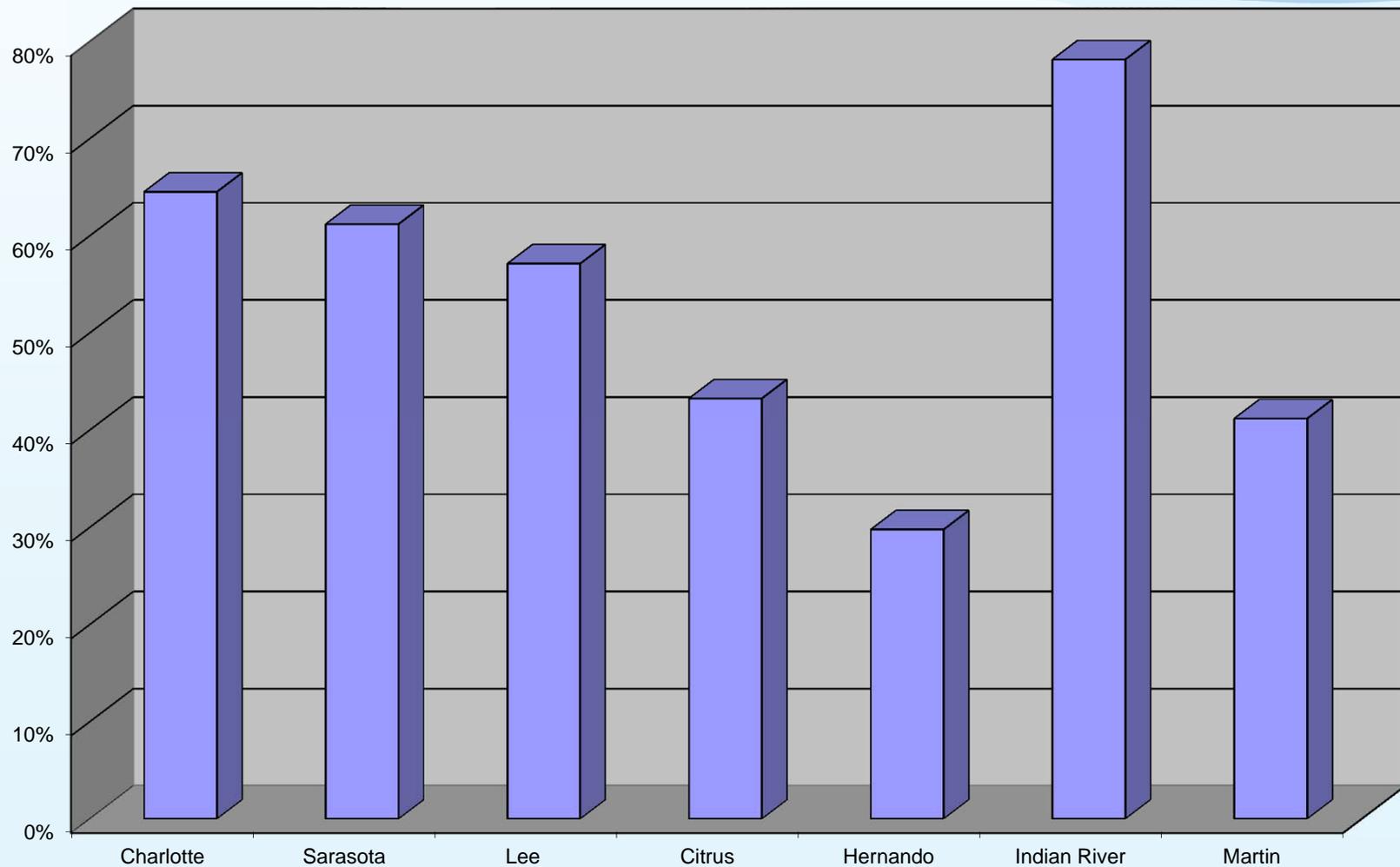


Fund Balance - Other Counties Compared





Fund Balance as % of Budget - Other Counties Compared

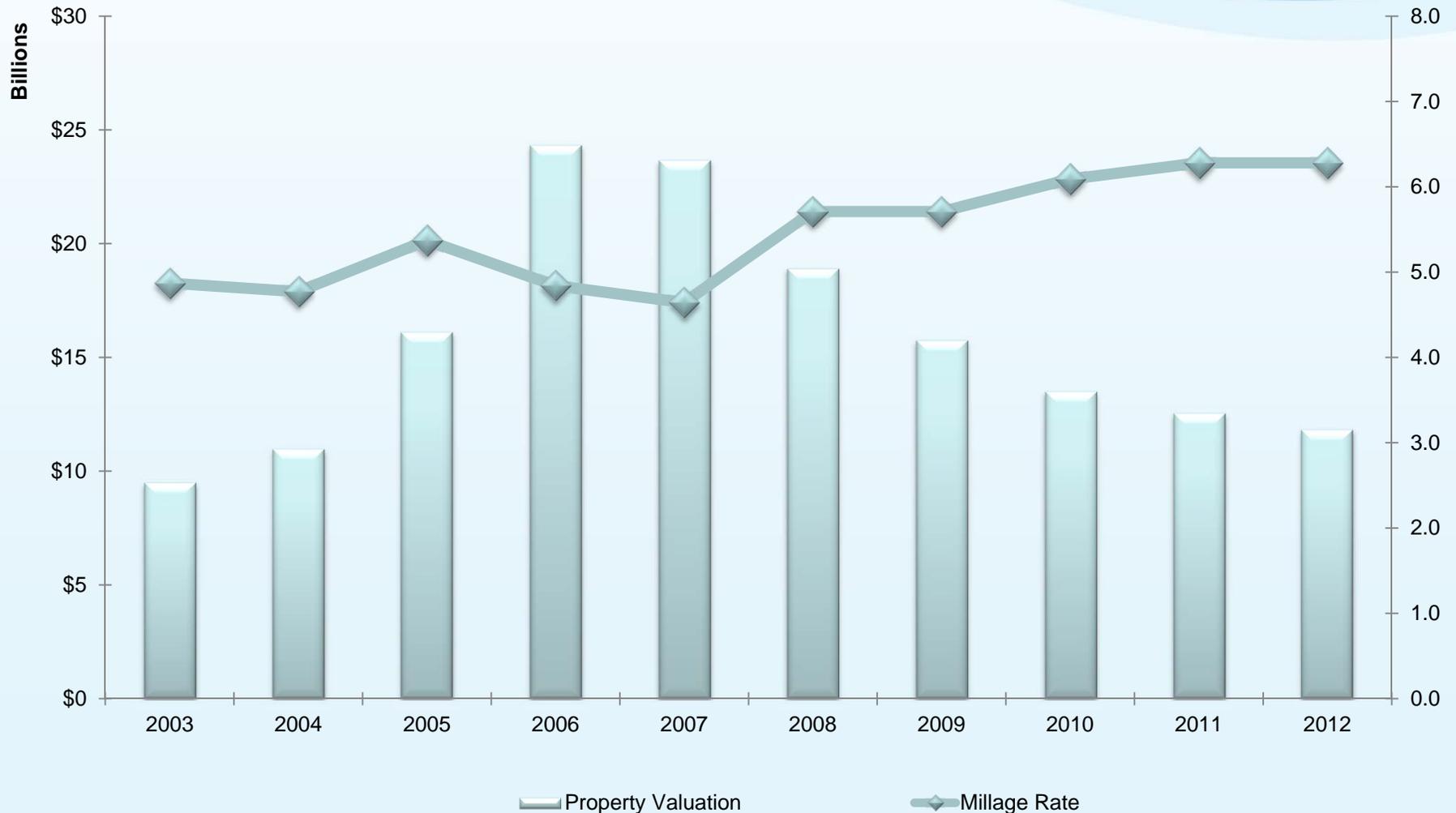




Property Valuations

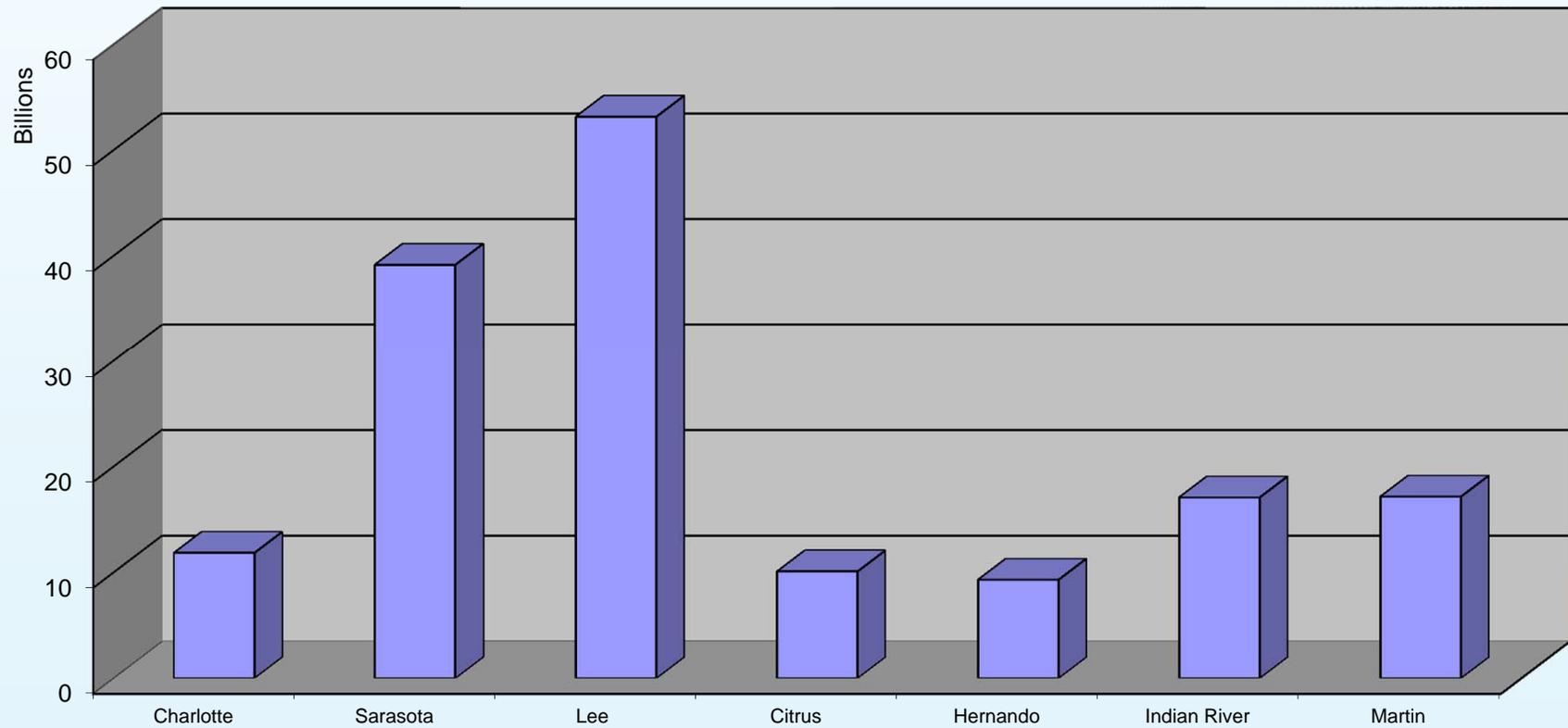


Property Valuations vs Millage Rate





Property Valuations – Other Counties Compared

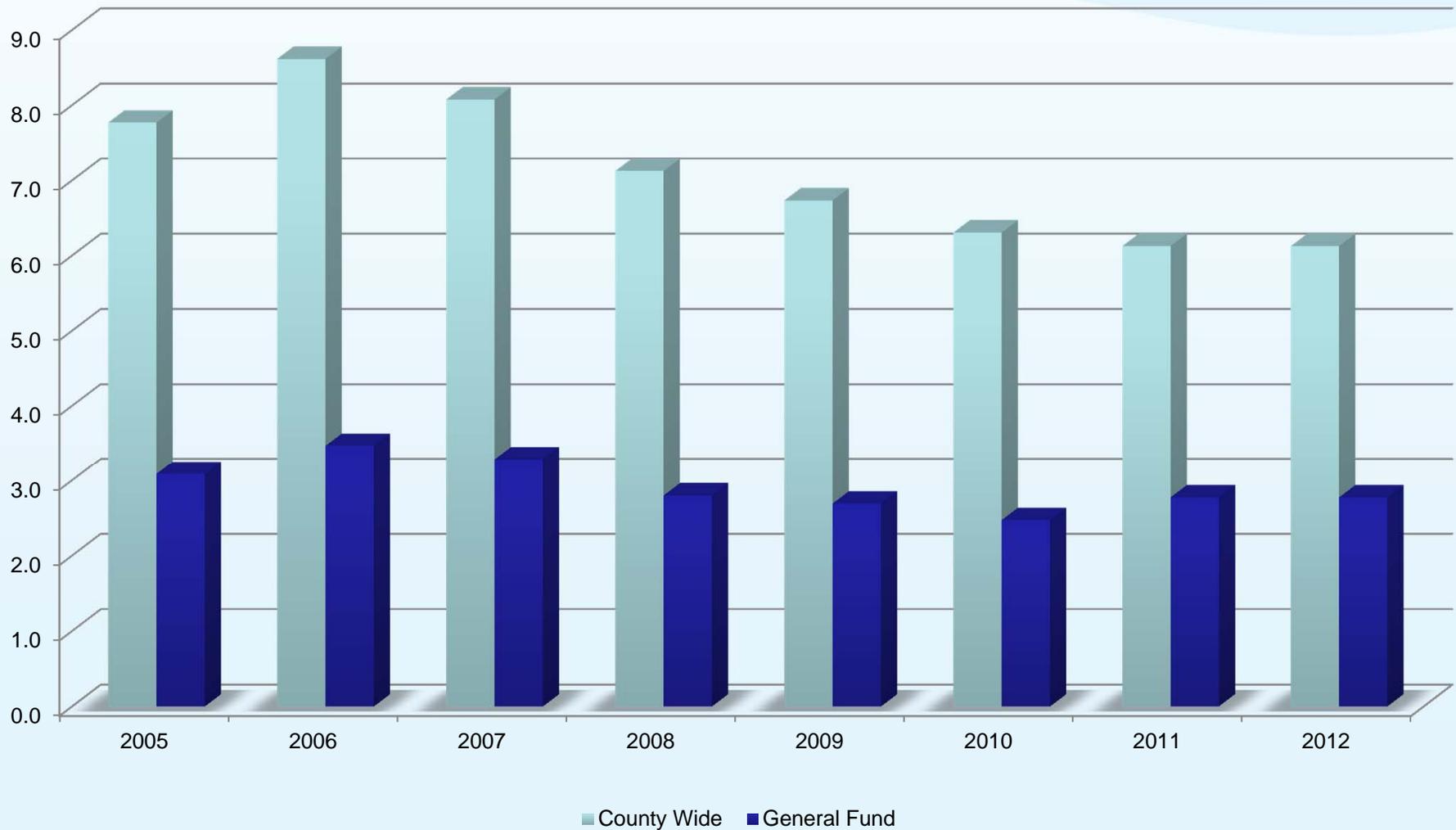




Employees

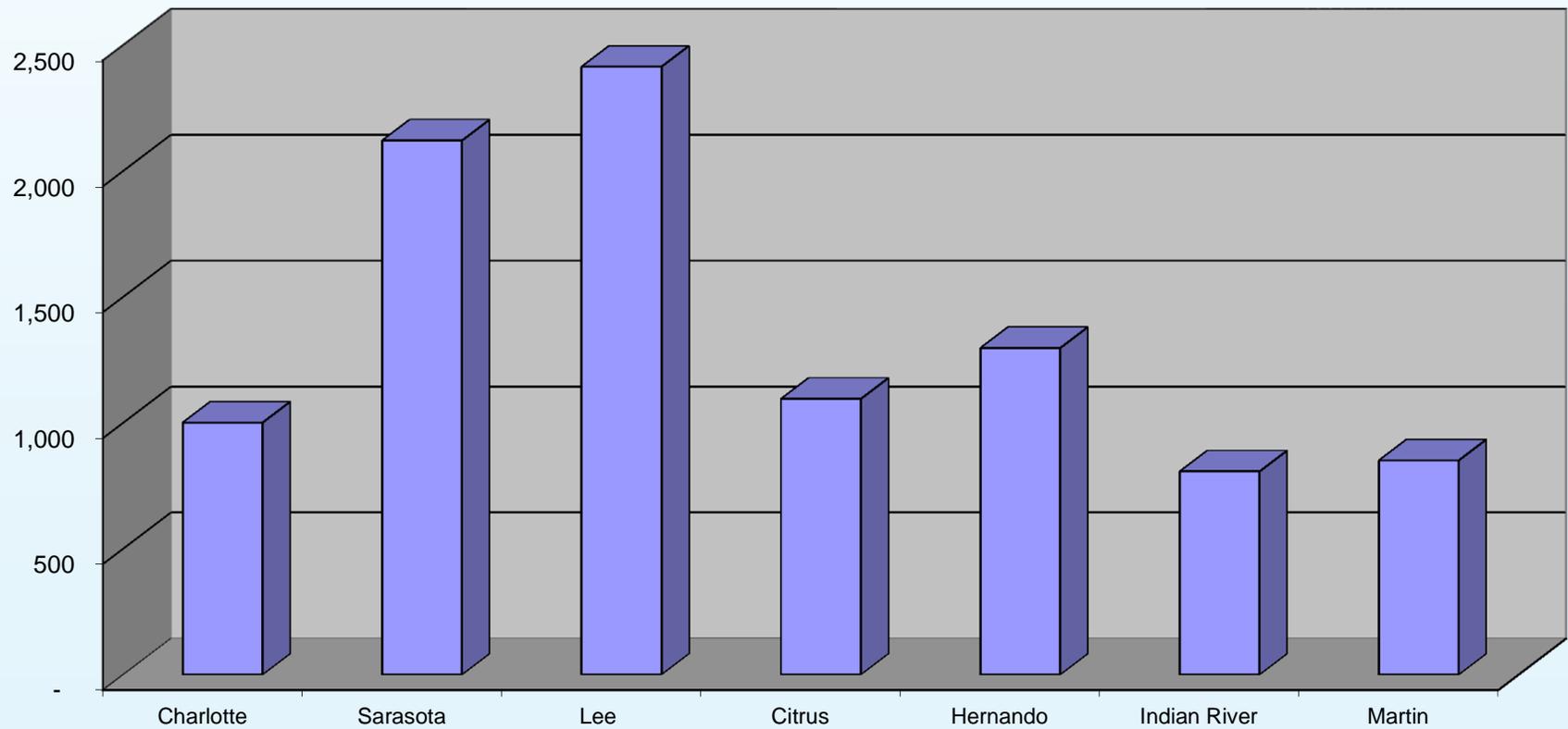


Employees / Thousand Population



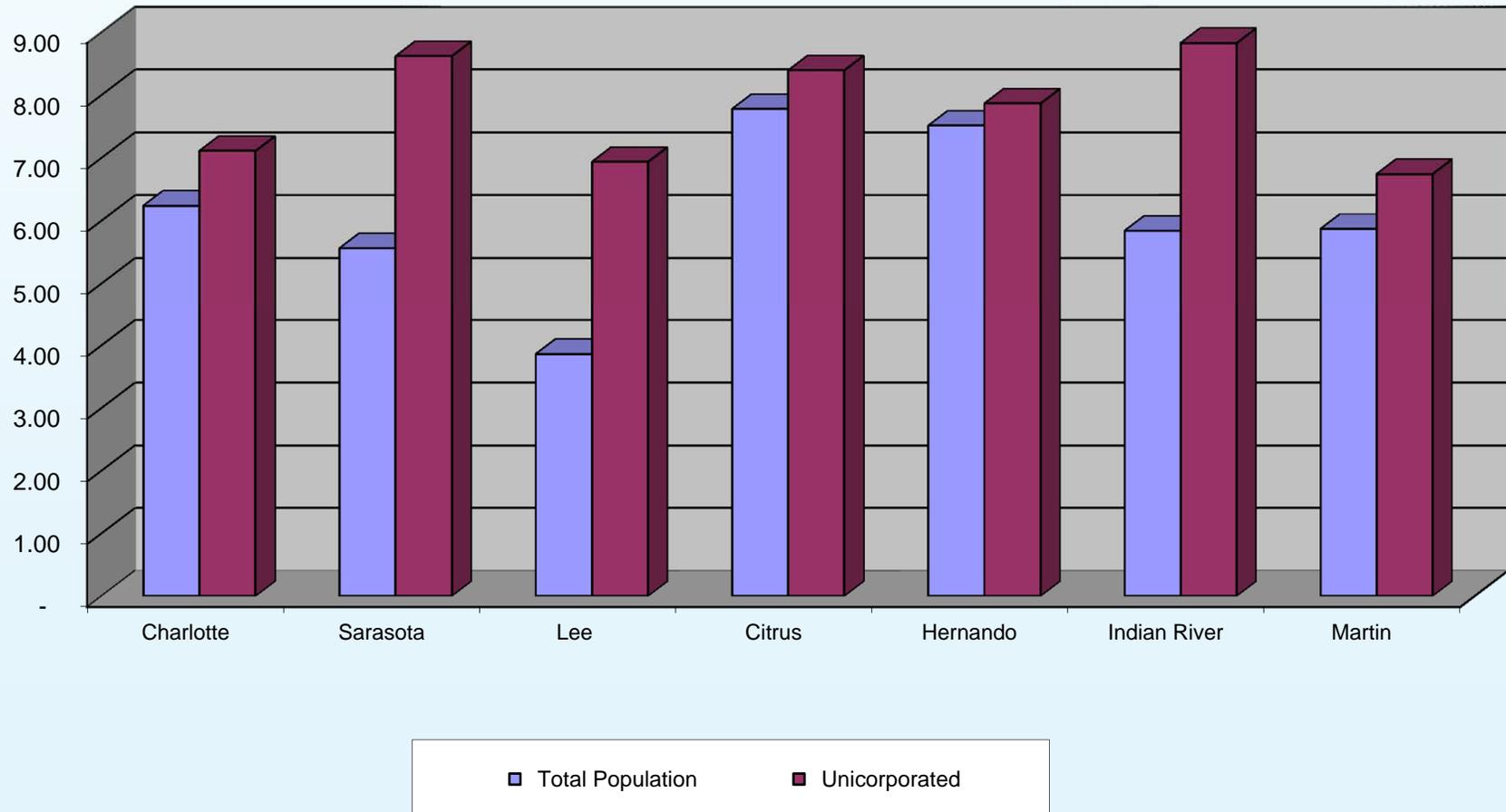


of Employees Other County Comparison





Employees / Thousand Population Other County Comparison

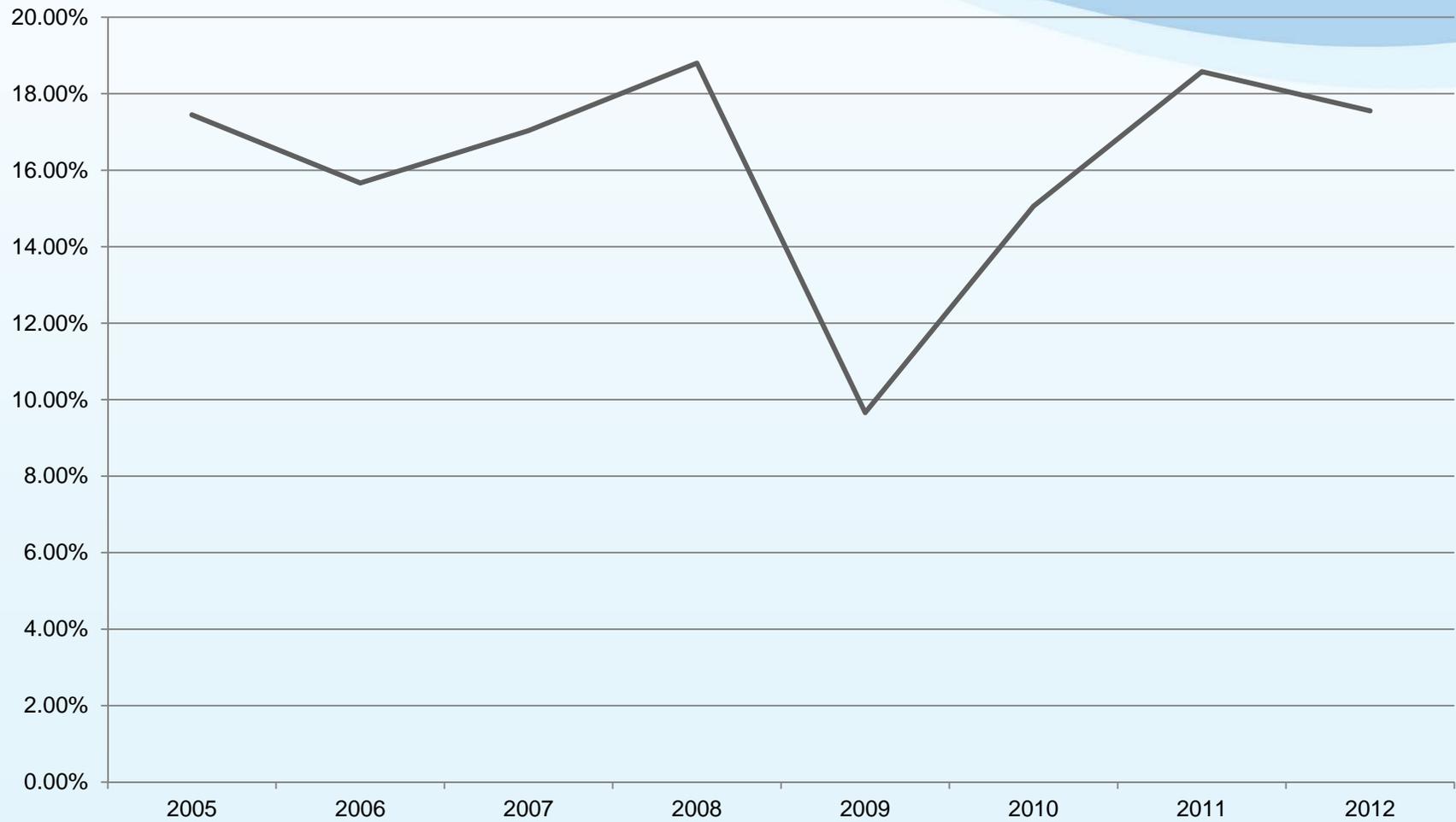




Maintenance Effort

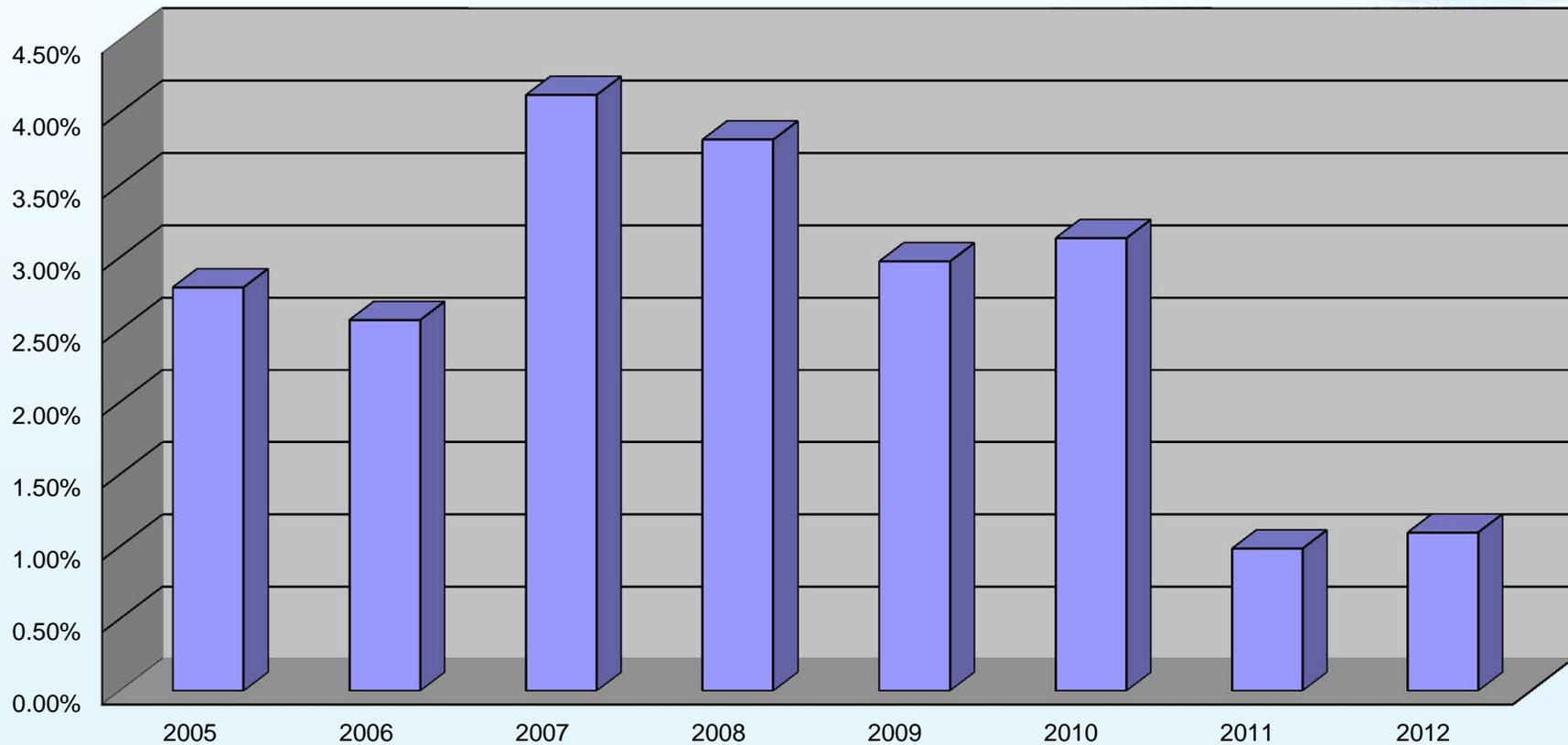


Capital Outlay % of All Exp.





Building Exp. % of Total Budget





Budget History



Budget History – Crisis #1

FY04/05 – FY05/06

Clean up and Rebuilding after Hurricane Charley

- \$48.6 million in damages to County facilities
- Construction of 17 new facilities
- 360 FEMA projects
- Total reimbursements of \$126 million
- Staff turnover



Budget History – Crisis #2

FY06/07 – FY07/08

Housing Boom and rapid development

- Assessed value doubled
- Rapid expansion of construction related services
- Rapid expansion of recreational and environmental projects and services
- Workforce expand by 40%
- Budget grew by 102%



Budget History – Crisis #3

FY07/08 – FY09/10

Real Estate Crash and Economic Downturn

- 51% drop in Assessed Value
- 40% reduction in positions
- \$100 million in operating reductions
- Deferral of capital projects and equipment
- Multiple realignments going from 17 to 10 departments



Budget History – Stabilization

FY10/11 – FY12/13

Focus on Efficiencies and Cost Containment

- Flat or declining revenues
- Organizational realignments to adjust to previous reductions
- Realigned funding for Sheriff's budget
- Reinstated capital asset replacement schedules
- Efficiencies through automation and process improvement
- Built strategic reserves



What's Next

FY13/14 – FY14/15

Gearing for the Future

- Growth will return to Charlotte County
- Focus on long range planning
- Ordinances, regulations and standards that advance Charlotte 2050
- Efficient processes adaptable to increased volume
- Safeguarding our infrastructure
- Employ enabling technologies
- Retain and develop our great asset - employees



VISION

It's hard to move forward
when you are looking back



2013/14 Preliminary Projection



Assumptions

- Maintain current levels of service
- Maintain flat personnel costs
- Continue to identify efficiencies – target of 1.5%
- Sustainable replacement of capital assets
- Long range planned use of Fiscal Stabilization Reserve
- Prepare reduction scenarios - for Plan B



General Fund
Five Year Financial Plan - Revenue/Expenditures
(Thousands)

	Actual FY11/12	Adopted Budget FY12/13	Projected Budget FY13/14	Projected Budget FY14/15	Projected Budget FY15/16	Projected Budget FY16/17
Operating Revenues						
Ad Valorem Taxes	25,001	24,488	23,753	23,753	24,347	24,956
State Shared Revenues	13,445	13,471	13,606	13,742	13,879	14,018
Franchise Fees - FPL	8,098	7,750	7,750	7,828	7,906	7,985
Carges for Services	8,098	7,531	7,606	7,682	7,759	7,837
Other Revenues & Fees	9,043	7,261	7,333	7,407	7,481	7,555
Less 5%-FS 129.01(2)(B)		-2,927	-3,002	-3,021	-3,069	-3,118
Subtotal Central Svs. Chgs	11,129	12,759	12,759	12,759	12,759	12,759
Subtotal Transfers In	7,086	7,692	7,692	7,692	7,692	7,692
Total Revenues	81,900	78,025	77,497	77,842	78,755	79,685
Expenditures						
Personal Services-Excluding Health	26,039	26,687	26,687	26,687	27,221	27,766
FRS Rates	1,805	1,859	1,915	1,972	2,031	2,092
Health & Life Insurance Costs	5,314	5,161	5,419	5,690	5,974	6,572
Operating Expenses	34,375	34,582	35,619	36,688	37,788	38,922
Capital Outlay	1,126	1,044	1,044	1,044	1,044	1,044
Grants & Aid	4,554	5,087	5,087	5,087	5,240	5,397
Transfers	9,492	6,951	7,159	7,374	7,595	7,823
1.5% Budget Reduction (Cummulative)				-1,244	-2,493	-3,759
Total Expenditures	82,705	81,371	82,931	83,298	84,401	85,856
Use of Reserves		3,346	4,189	4,207	4,380	4,884



Potential Financial Impacts

- Medicaid
- Communication Service Tax
- ROW Purchases
- Union Negotiations
- Department of Juvenile Justice
- Department of Corrections
- Affordable Health Care Act
- State funding of Public Health
- Sheriff's Budget
- RESTORE
- Local Sales Tax extension



Policy Review

Reserves & Debt



Reserve Policy - Adopted 9/8/09

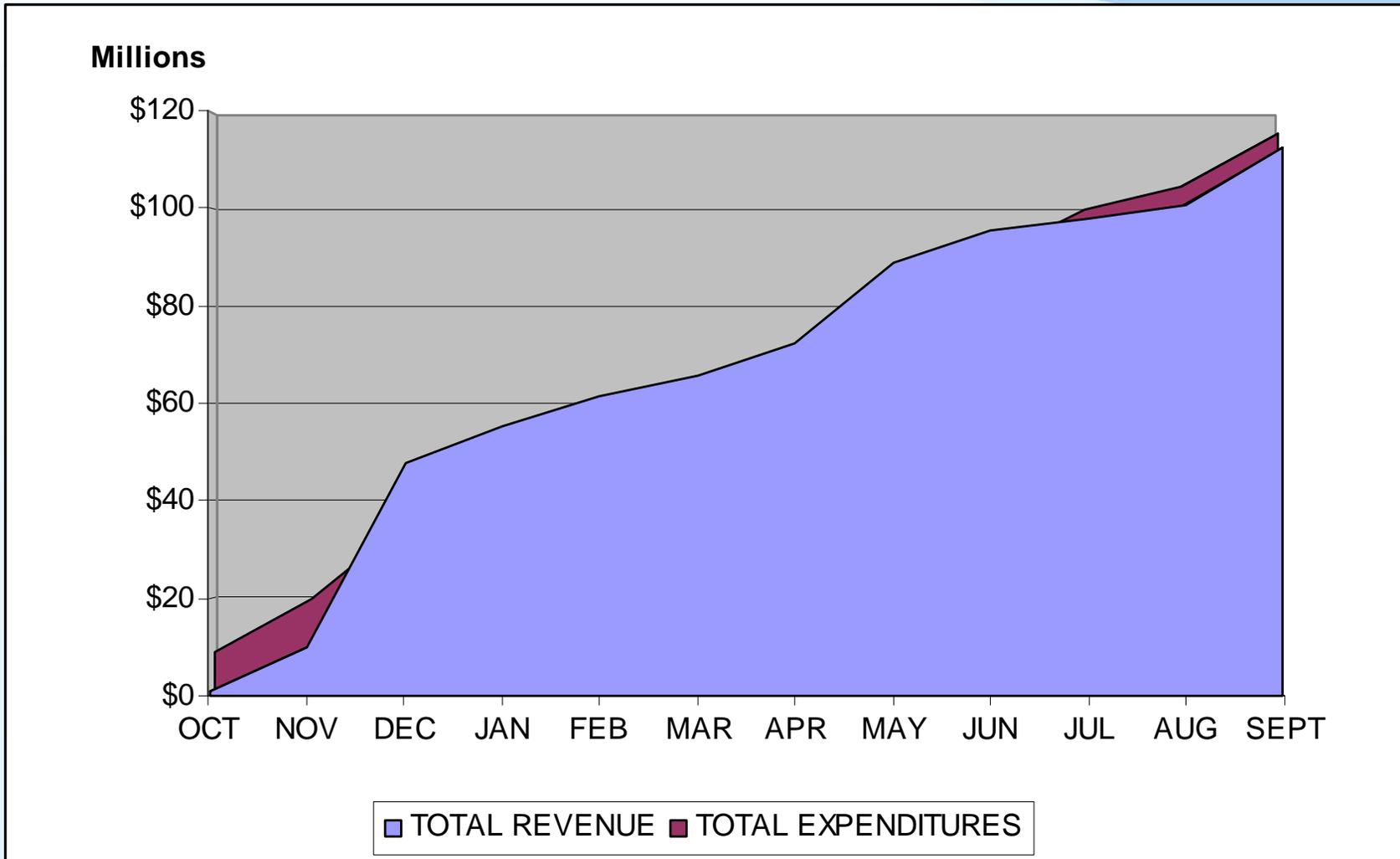
Reserve for Contingencies: To mitigate current and future risks such as revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates; and other unforeseen financial situations. A balance not less than 5% and not greater than 10% percent of the total budget.

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.

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 total budget.

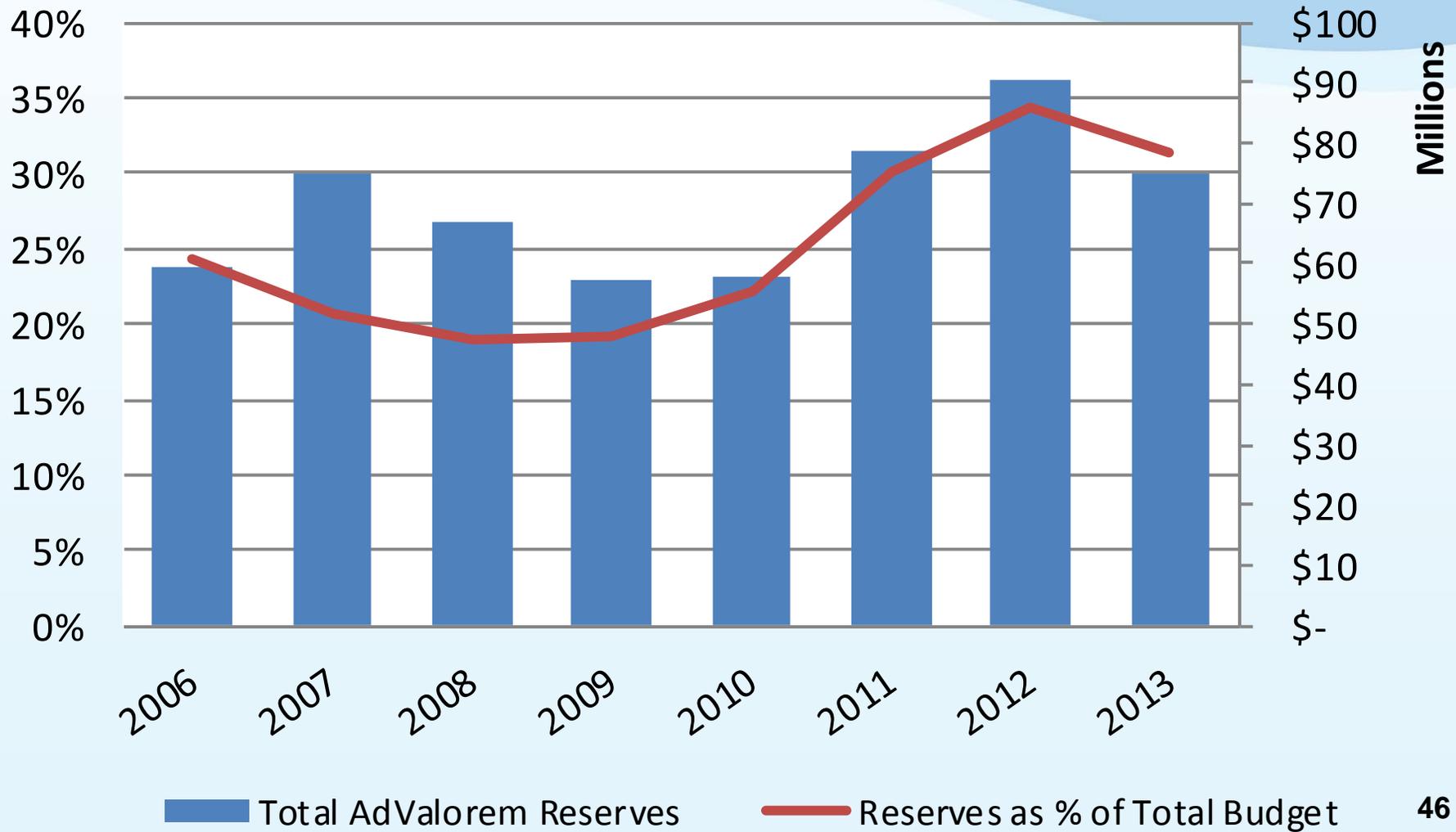


Cash Reserve Needs



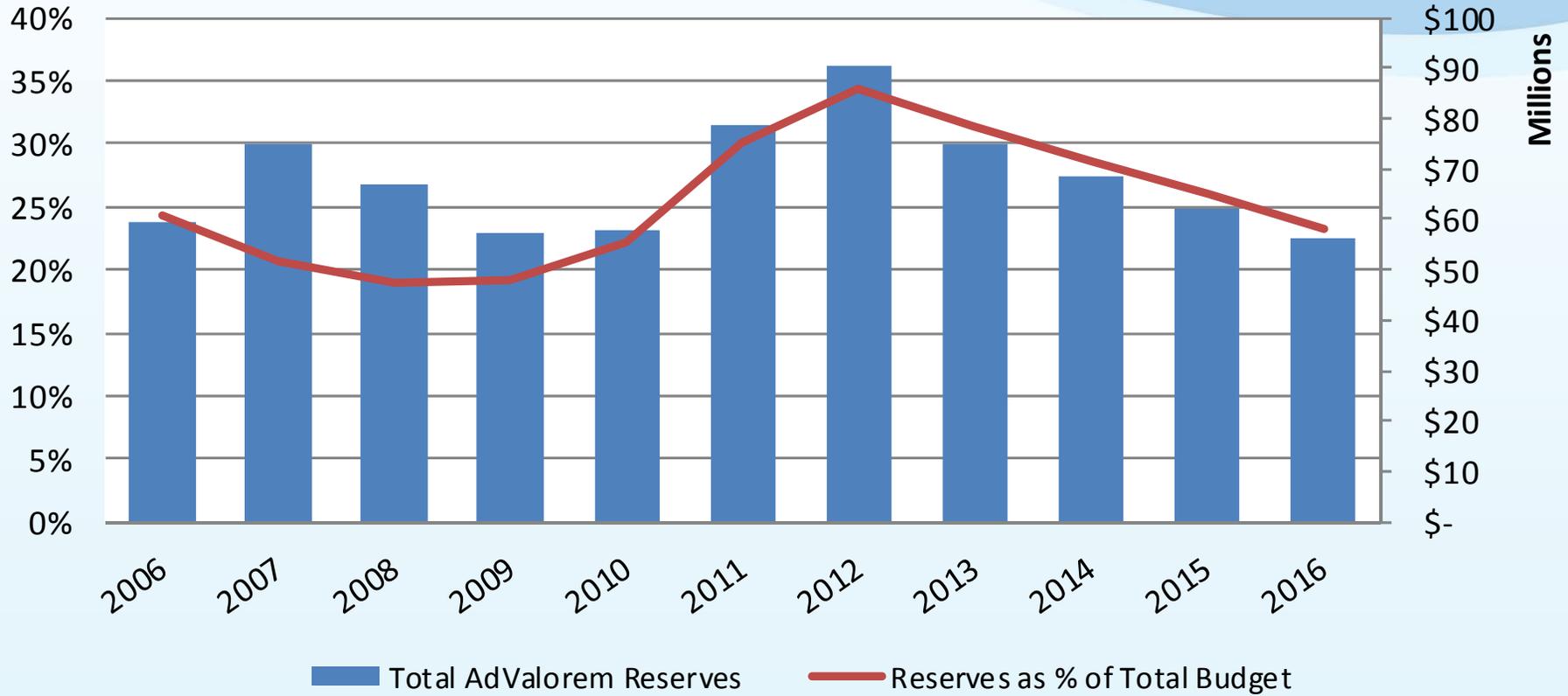


Ad Valorem Reserves





Ad Valorem Reserves





Reserves

• Ad Valorem	74,961,969
• Transportation Trust	12,457,785
• MSBUs	34,464,934
• Fire Rescue Unit	15,338,559
• Road Projects	35,371,312
• CCU	47,022,353
• Landfill	20,583,474



Reserve Policy Recommendation

SECTION 2. Ad Valorem Reserves

The components of the Ad Valorem Reserve are the combined reserves of the General Fund, ***Capital Projects Fund*** and Public Safety Fund and should include, but not be limited to the following:



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.



2013/14 – 2014/15 Budget Process and Calendar



Proposed Calendar

Dec	Review of proposed process with BCC – confirm focus areas SWOT workshops with Dirs & Managers for each Focus Area
Jan	Results from Citizen Survey Public Input meetings on operations and services Prepare review packet for BCC <ul style="list-style-type: none"> • SWOT analysis • Citizen Survey • Employee Survey Budget kick-off meeting
Feb	BCC Focus Area Workshop BCC workshop for preliminary review <ul style="list-style-type: none"> • Assumptions and projected financial status • Confirm budget process and calendar • Confirm direction to organization On-line solicitation of citizen input Departments update PBB information



Proposed Calendar

Mar	<p>Goals workshop with Dirs & Managers for each Focus Area</p> <p>Departmental budget submissions due</p> <p>Departmental meetings with Budget to review operations and programs, confirm requests and prepare for meeting with Admin.</p>
Apr	<p>Departmental budget meetings with Admin</p>
May	<p>BCC workshops</p> <ul style="list-style-type: none"> • Review of operations, service levels and cost by strategic focus area • Review efforts to advance BCC goals • Update revenue picture
May - June	<p>Internal balancing of budget</p>
July	<p>Presentation of Recommended Budget</p> <p>MSBU Public Hearing</p> <p>Capital Improvement Program</p>
Sept	<p>Public Hearings on Recommended 2013/14 – 2014/15 Budget</p> <p>BCC adoption of 2013/14 – 2014/15 Budget</p>



BCC Workshops

- Performance Based Budgets
 - Core Services
 - Service levels with \$ and metrics
- Budgetary Overview of each Focus Area
 - Overall expenditures, % of budget
 - Major sources of funding
 - Historical comparisons
- Advancement of BCC goals
 - Existing efforts and \$
 - Proposed or potential actions
- Questions & Discussion