



Charlotte County 2019/20 - 2020/21 Budget Process

**BCC Workshop
Dec. 18, 2018**



Agenda

- Overview of Budget Process
- Calendar & Assumptions for 2019/20
- Historical Information



What is a Budget?

- A Policy Document – policies, vision, mission, goals
- An Operations Guide – structure, processes, resource allocation
- A Financial Plan – fiscal stability, capital management, debt management
- A Communication Device – user friendly, transparency



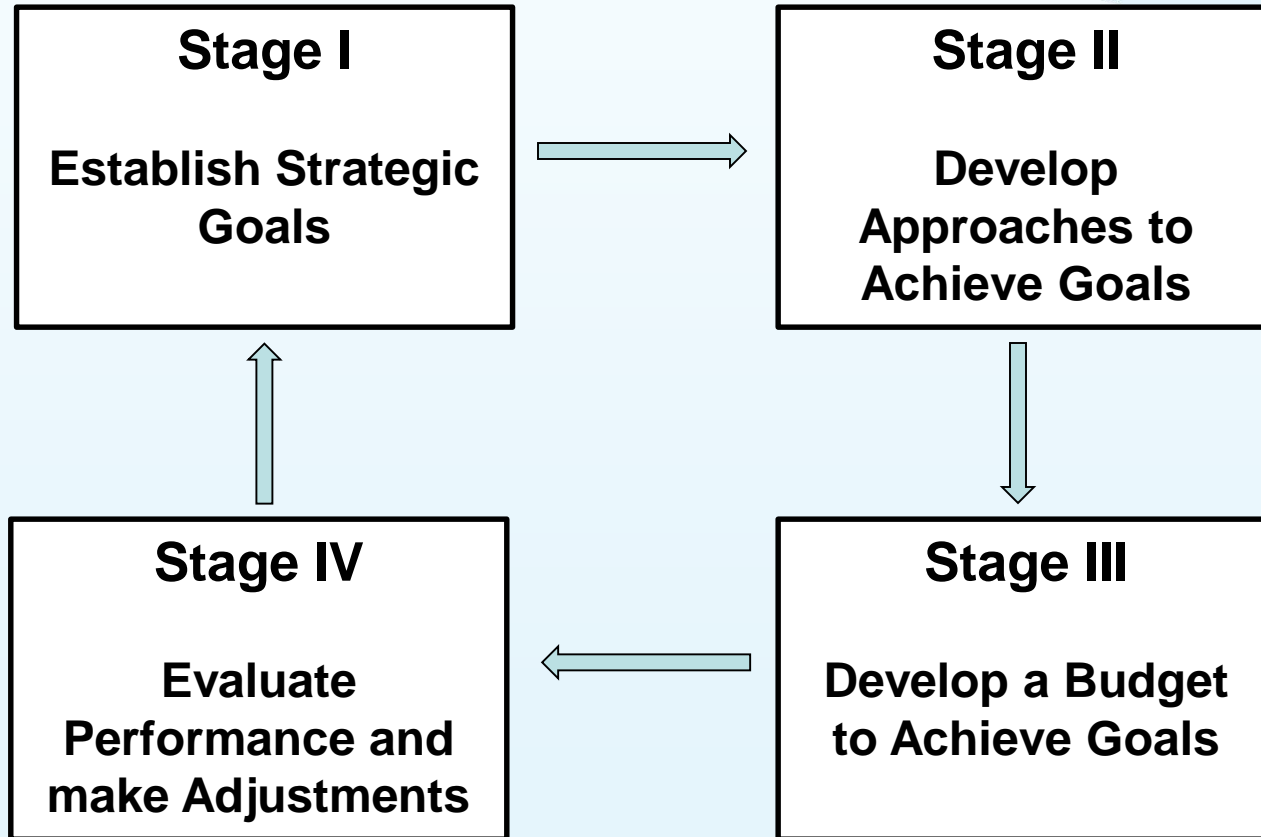
What is a Budget?

Process is as important as the product:

The mission 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



Stages of the Budget Process





Stage I - Establish Strategic Goals

- Citizen engagement
- Citizen survey
- Employee survey
- Strategic focus area Strengths, Weaknesses, Opportunities and Threats (SWOT)
- Benchmarking with other communities



Stage I - Establish Strategic Goals

- Update financial trends and projections
- Review of organizational and community plans
- Compilation of materials

- BCC Strategic Goal Setting Workshop



Stage II - Develop Approaches to Achieve Strategic Goals

- Departments update Performance Based Budgeting information (PBB)
- Assessment of capabilities
 - Services & Programs
 - Capital
 - Management structures
- Follow up to SWOT analysis and BCC Goals



Stage II - Develop Approaches to Achieve Strategic Goals

- Department programmatic and fiscal review with Budget
- Department programmatic and fiscal review with Admin
- Compilation of materials
- BCC Strategic Focus Area Workshops



Stage III - Develop a Budget to Achieve Strategic Goals

- Calculation of salaries, fringe benefits and internal costs
- Revenue projections
- Updating capital asset schedules
- Aligning cashflow for capital projects
- Development of line item budgets
 - 135+ funds
 - 500+ unique budgets



Stage III - Develop a Budget to Achieve Strategic Goals

- Develop MSBU work programs, budgets and rates
- Preparation and publication of materials
- BCC Budget and CIP Workshops

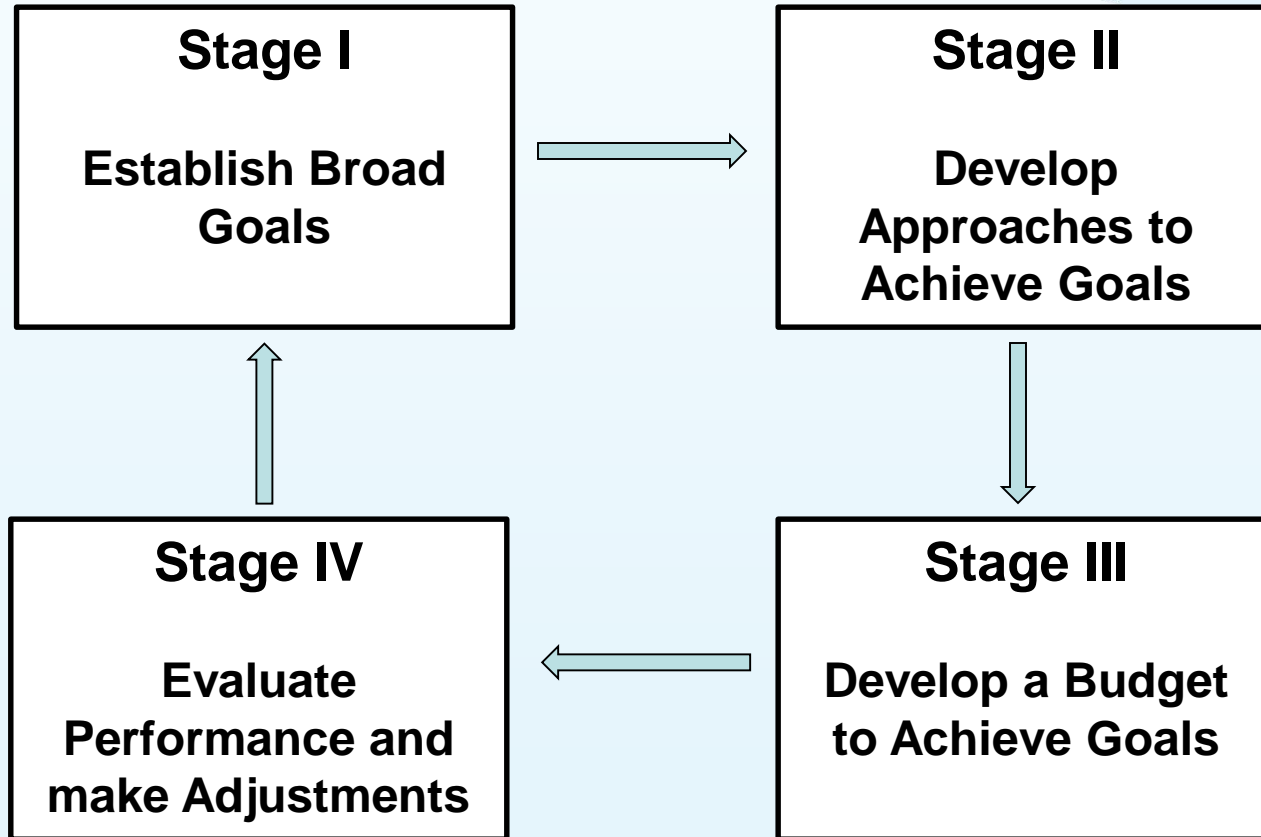


Stage IV - Evaluate Performance and make Adjustments

- Monthly projections and monitoring of budgets
- Quarterly business meetings
- Review of goals and initiatives
- Update and review metrics
- Update community scorecard



Stages of the Budget Process





VISION

MISSION

VALUES

STRATEGIC FOCUS AREAS

Public Services

Economic &
Community
Development

Infrastructure

Efficient & Effective
Government

Bold Goals

Strategic Initiatives

Results / Measures



Citizen Engagement

- CDBIA
- EDP
- Board of Realtors
- PG, CC, EW Chambers
- Together Charlotte
- Youth Sports Council
- Graduates of Charlotte County Citizen Academy



Community Trends / Issues

Population Growth Technology

Development

Econ & Community Development

- Hospital needs
- Education and workforce development
- Need for workforce housing

Infrastructure

- Greater use of sidewalks and bike paths
- Evacuation considerations
- Renewal of aging infrastructure – utilities, roads, bridges
- Hardening / codes / sea level rising
- Building automation and energy efficiency

Public Service

- Aging population
 - isolation
 - mental health
- Service workers and the working poor



Economic & Community Development

- Hospital needs
 - Education and workforce development
 - Need for workforce housing
-
- Traffic / Public transportation
 - Water and sewer
 - Zoning – particularly rural
 - Economic diversification



Infrastructure

- Sidewalks and bike paths
- Evacuation considerations #3
- Renewal of aging infrastructure #1
- Hardening / addressing codes
- Sea level rising

- Water and sewer #2
- Growth plan / Traffic #3
- Aesthetics #3



Public Services

- Aging population #2
- Service workers and the working poor #1
- Population growth #2
- Technology
- Development patterns



Performance Based Budgeting



Budget Process Alignment

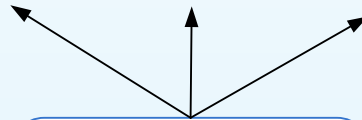
Community Impact

Public Service

Economic & Community
Development

Infrastructure

Projects & Initiatives



Customer Service

Efficient & Effective
Government

On-going Operations





Performance Budgeting

- Focuses on results
- Sets objectives and performance targets
- Flexible and inclusive
- Has a long term perspective – a continuous process



Performance Budgeting

- Link to strategic goals (Set by BCC)
- Development of performance measures
- Expenditures grouped to *Services* rather than line items



In Performance Based Budget (PBB)

Departments identify:

- Major services provided
- Distinguish between Mandated / Concurrency / Discretionary services
- Performance – current levels of service
- Budget for providing each service
- Staffing levels for providing the service



Proposed Calendar

Dec	Review of proposed process with BCC – confirm strategic focus areas Results from Employee Survey Results from Citizen Survey SWOT workshops with subject matter experts On-line solicitation of citizen input
Jan	Prepare review packet for BCC <ul style="list-style-type: none">• SWOT analysis• Citizen Survey• Employee Survey BCC Strategic Plan Workshop
Feb	BCC workshop for preliminary review <ul style="list-style-type: none">• Assumptions and projected financial status• Confirm direction to organization• Review of policies Departments update PBB information



Proposed Calendar

Mar	<p>Goals workshop 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 Hearings</p>
Sept	<p>Public Hearings on Recommended 2015/16 – 2016/17 Budget</p> <p>BCC adoption of 2015/16 – 2016/17 Budget</p>



General Fund

Five Year Financial Plan - Revenue/Expenditures (Thousands)

	Actual FY15/16	Actual FY16/17	Projected 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	20,645	20,708	21,743	22,396	23,068
Franchise Fees - FPL	8,948	9,212	9,265	9,000	9,090	9,181	9,273
Charges for Services	9,989	9,451	10,525	10,165	10,266	10,369	10,473
Other Revenues & Fees	3,788	5,402	5,771	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	8,116	7,745	8,365	8,783	9,222
Total Revenues	92,949	93,856	102,580	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	28,959	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	13,449	8,282	8,530	8,786	9,050
Total Expenditures	95,110	96,776	104,348	105,568	110,261	113,463	116,778
Use of Reserves	2,161	2,921	1,767	6,827	7,174	7,370	7,552

* Unaudited - Dec. 18, 2018



Assumptions

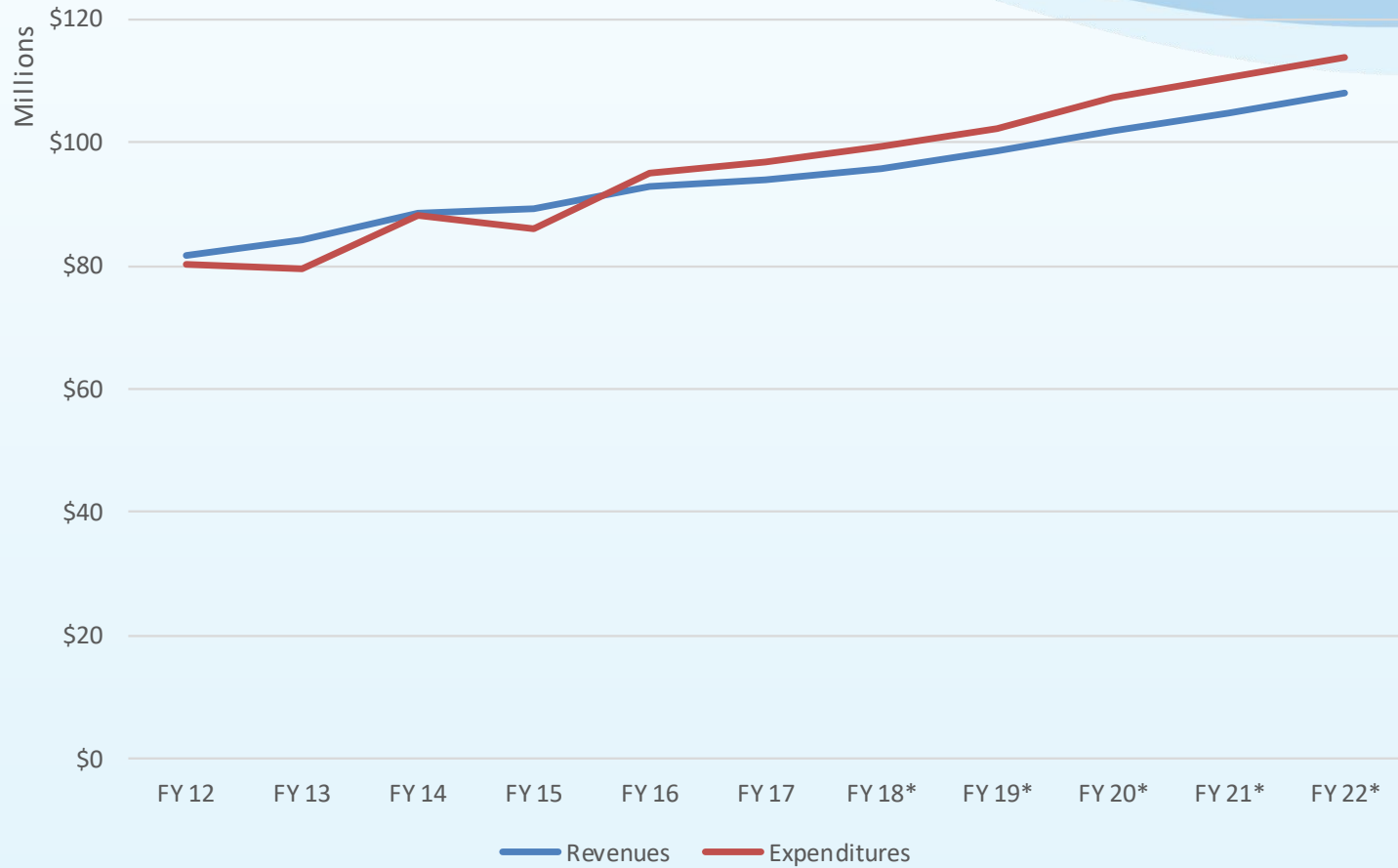
	Projected Budget FY19/20	Projected Budget FY20/21	Projected Budget FY21/22
AdValorem Increase	8.00%	5.00%	5.00%
Additional Homestead Exemption	1,202,871	1,202,871	1,202,871
Sales Tax projects operating costs	2,226,505	2,471,498	2,471,498
Manasota Key renourishment	1,450,000	1,450,000	1,450,000
	4,879,376	5,124,369	5,124,369

Unknowns

- Hurricanes Irma and Charley
- Update MSBU methodology
- Funding HCP alternative



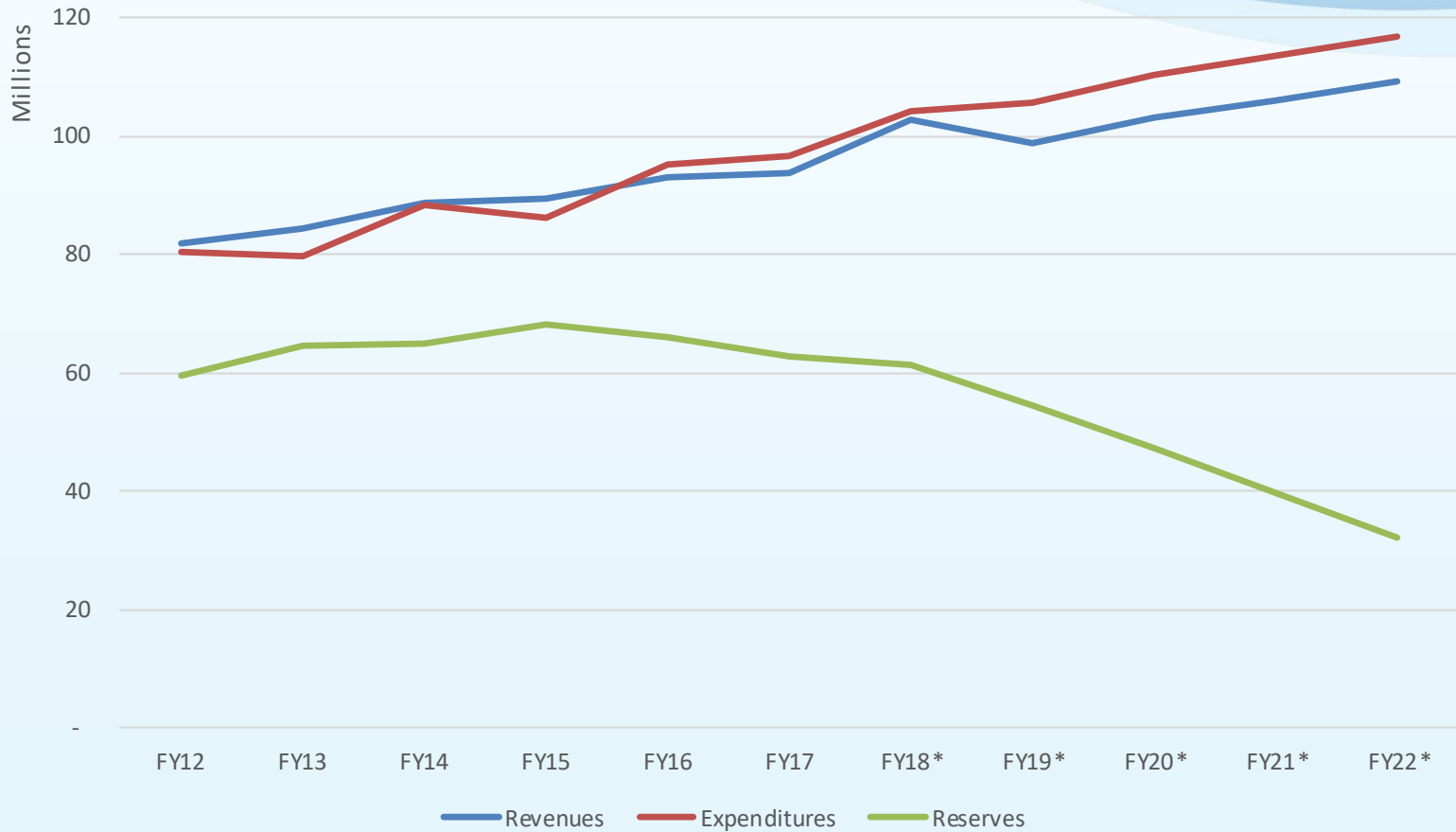
General Fund Revenues vs Expenditures



* Projected



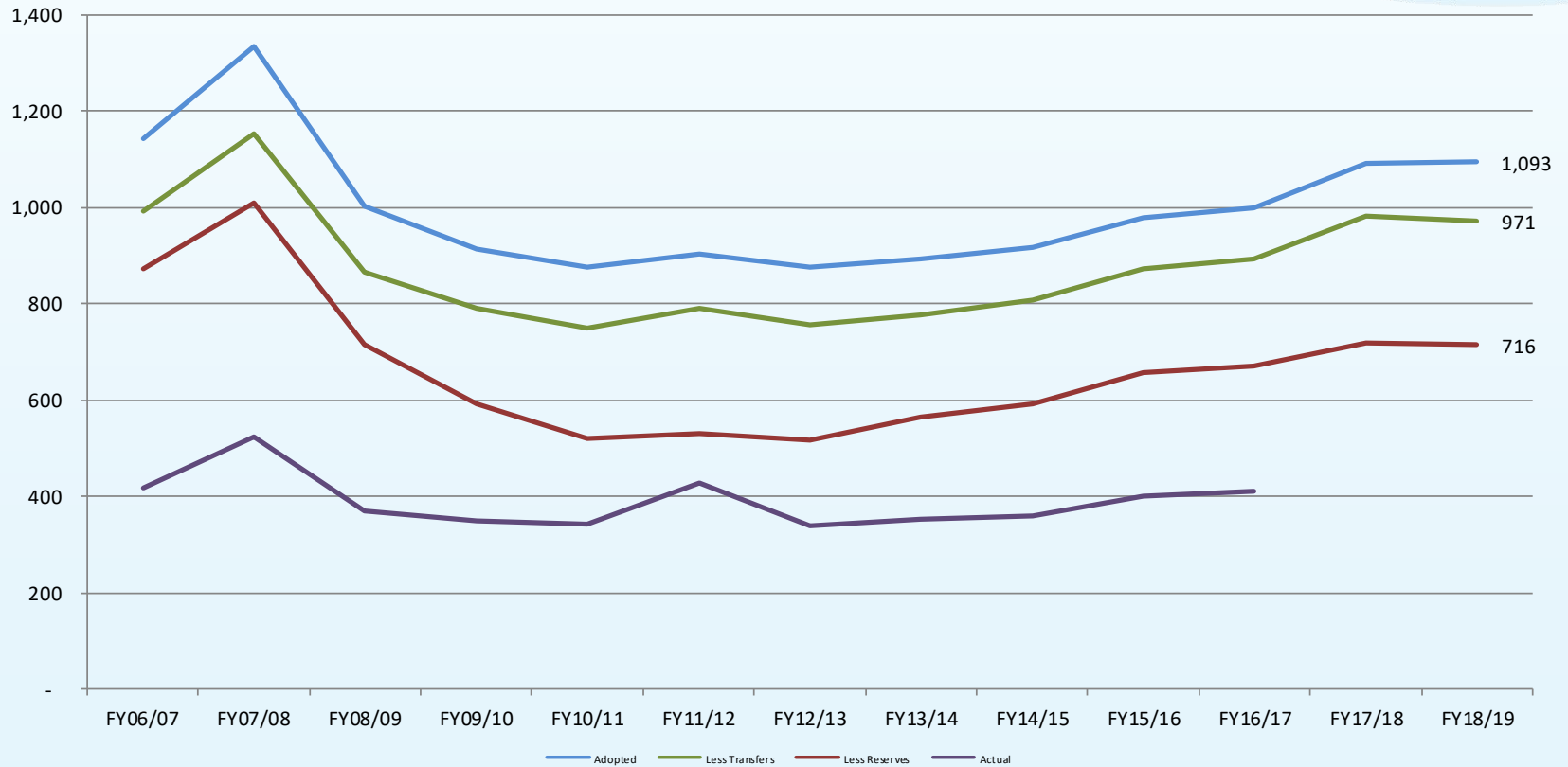
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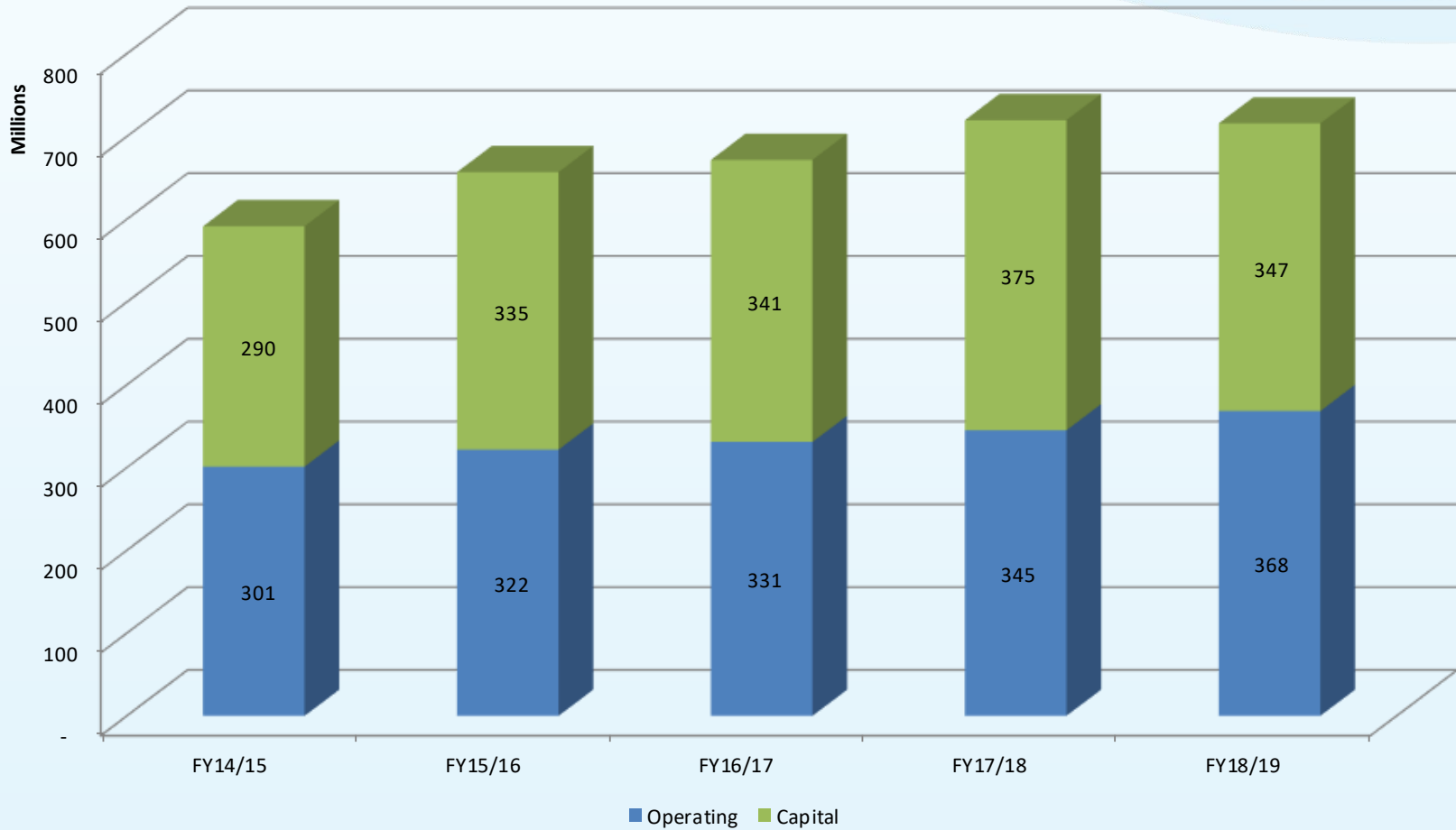
Net Amended Budgets (in millions)





Net Budget

Capital vs Operating





Next Steps

- Adopt Budget Calendar for 2019/20 at Dec 13th BCC Meeting
- BCC Strategic Plan Workshop - January 15, 2019