

A large, stylized graphic in the background. It features a yellow sun with several rays on the left, a green leaf with a white vein on the right, and a blue wave-like shape at the bottom. The text "Policy Review" is overlaid in the center of the sun.

Policy Review

BCC Workshop
March 19, 2024



CHARLOTTE COUNTY
FLORIDA

Reserves Debt & Position Management



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.

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 General Fund.

Reserve Policy

Revisions

IV. Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the county, or to other governmental units, on a cost-reimbursement basis. These funds are generally intended to operate on a break- even basis. There shall be appropriated, in each of the internal service funds, a reserve for cash balance to be carried over in an amount necessary to ensure that balances in the fund as of the end of each fiscal year is greater than or equal to zero. ~~This reserve shall be in addition to all other, including but not limited to amounts reserved for claims incurred but not paid.~~ In any fiscal year when it is projected that the actual amount of balances will be less than or equal to zero at year end, it will be necessary to either increase the rates charged or reduce expenses or both. In any fiscal year when it is projected that the actual amount of balances will be greater than zero at year end, consideration will be given to reducing the rates charged, or to using the accumulated surplus for any legal purpose.

Reserve Policy

Revisions

SECTION 6 Enterprise Funds

I. Charlotte County Utility

The Utility should strive to maintain a minimum balance in the renewal and replacement fund equal to the lesser of 5% of the prior year's gross revenue or \$2,000,000. The Utility shall strive to maintain an unrestricted operating reserve fund balance equal to an average of ~~90 to~~ 120 days of the Utilities operating and maintenance expenses as established during its annual budget.

Ad Valorem Reserves

As presented on 9/7/23

	<u>Total Reserves</u>	% of Budget	Target
Contingency	\$ 25,428,374	5.76%	5% - 10%
Cash Carry Forward	\$ 24,749,420	5.61%	5% - 10%
Fiscal Stabilization	<u>\$ 30,527,466</u>	13.28%	>15% *
Total:	\$ 80,705,260		

* Percentage of General Fund Only.



Reserves

As presented on 9/7/23

	Contingency	Cash Carry Forward	Fiscal Stabilization	Future Capital	Restricted	Total
Ad Valorem	25,428,374	24,749,420	30,527,466	-	-	80,705,260
Transportation Trust	-	-	-	-	-	-
Building Construction Services	-	1,524,990	-	10,000,000	-	11,524,990
MSBU/TU	25,891,378	22,567,641	-	79,686,987	2,095,026	130,241,032
Fire Rescue Unit	3,541,946	3,541,946	-	-	-	7,083,892
Capital Projects	149,604	-	-	106,953,643	-	107,103,247
Utilities	67,412,579	-	2,481,182	15,715,243	19,230,892	a 104,839,896
Landfill	8,974,499	-	-	9,208,407	14,850,072	b 33,032,978
All Other *	35,623,915	3,163,260	3,125,235	17,810,656	10,992,753	70,715,819
Hurricane	(73,290,070)					(73,290,070)
	93,732,225	55,547,257	36,133,883	239,374,936	47,168,743	471,957,044

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



Reserves

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Ad Valorem	25,428,374	24,749,420	30,527,466	-	-	80,705,260
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Fire Rescue Unit	3,541,946	3,541,946	-	-	-	7,083,892
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Landfill	8,974,499	-	-	9,208,407	14,850,072 b	33,032,978
All Other *	35,623,915	3,163,260	3,125,235	17,810,656	10,992,753	70,715,819
Hurricane	(113,455,619)	-	-	-	-	(113,455,619)
	53,566,676	55,547,257	36,133,883	239,374,936	47,168,743	431,791,495

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

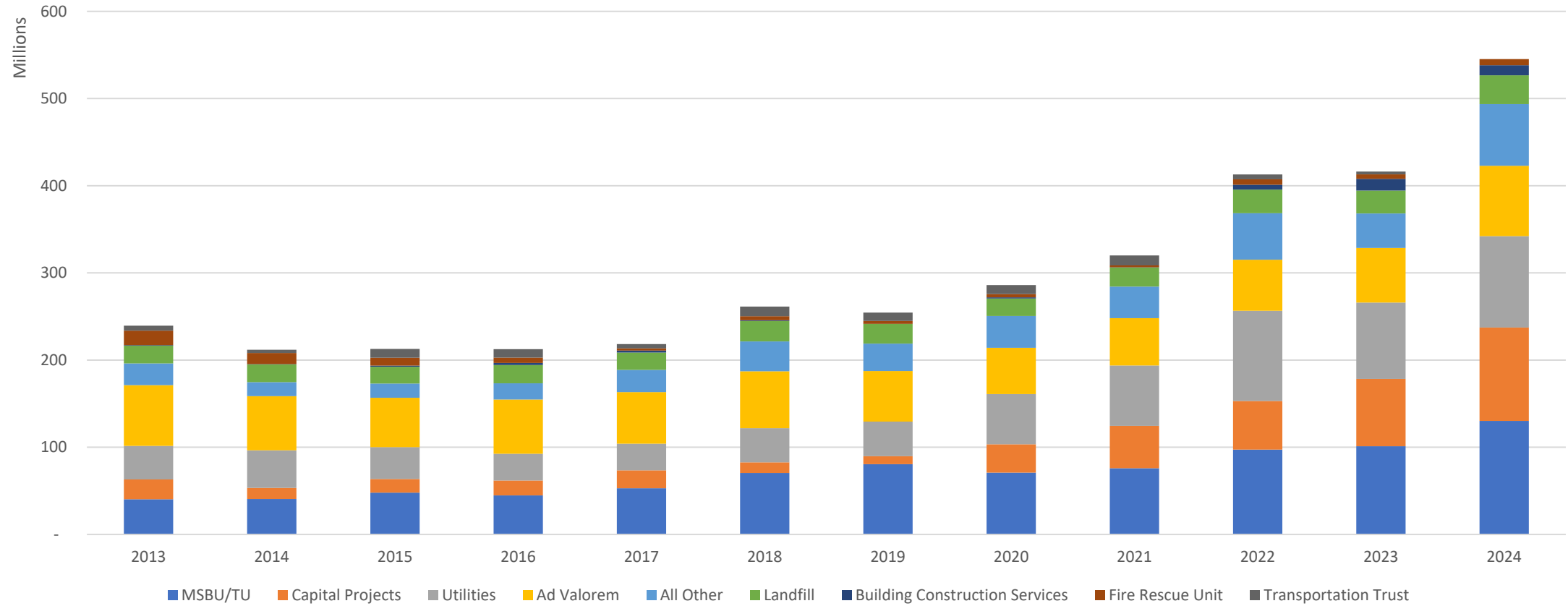
Special Revenue Funds such as Tourism Development and Boater Revolving Fund



Total Reserves

History by Fund

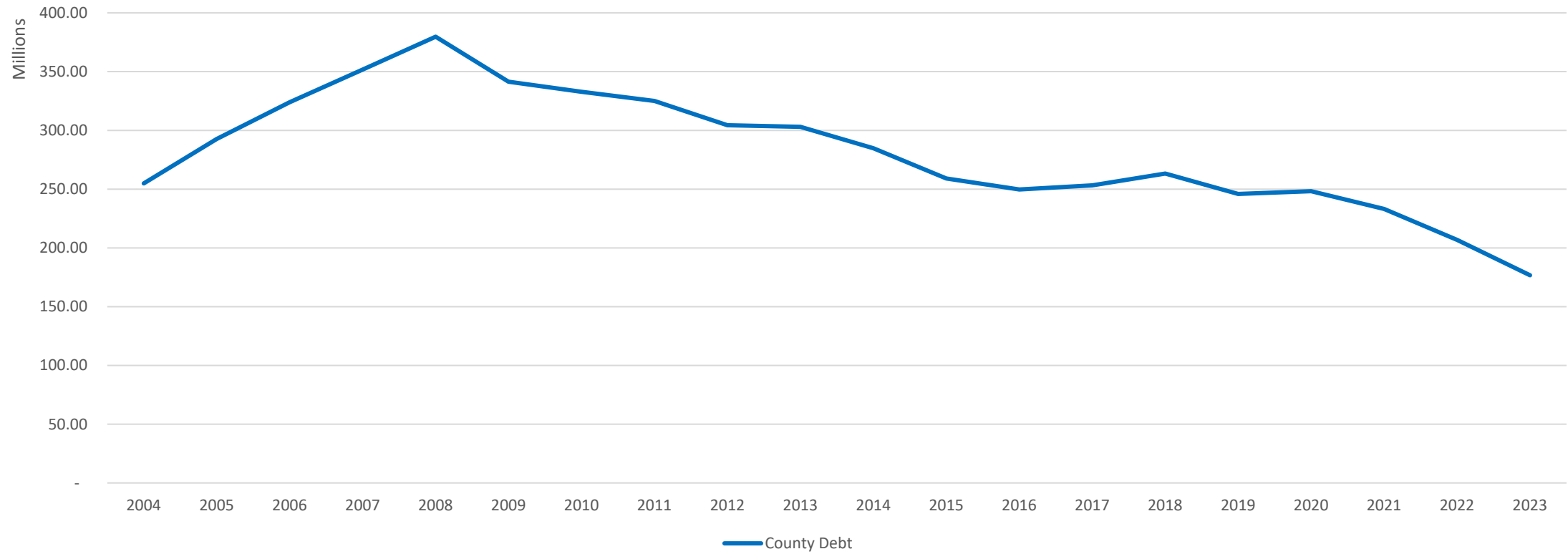
As presented on 9/7/23



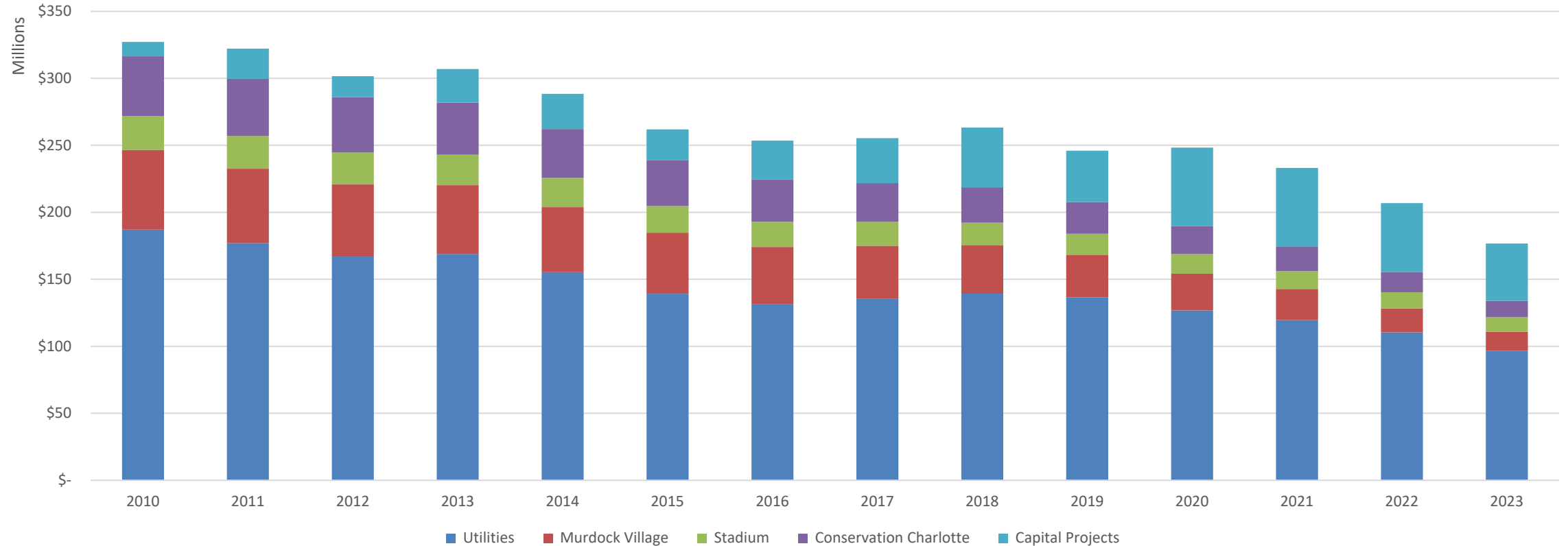
Debt Policy

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



Position Management Policy

Revisions

4.06 POSITION MANAGEMENT

Board of County Commissioners (BCC) Approved Positions:

The County Administrator, through the ~~Director of Human Resources~~ Director of Budget and Administrative Services, shall maintain the official record of all regular full-time and part-time positions within the County's Financial/HR Management system, which have been established under the provisions of this policy for the organization and the respective departments.