

A large graphic featuring a yellow sun with rays, a green leaf, and a blue wave-like shape at the bottom. The text is overlaid on this graphic.

Charlotte County 2025/26 – 2026/27 Budget Process

BCC Workshop
Dec. 17, 2024



CHARLOTTE COUNTY
FLORIDA

Budget Overview



What is a Budget?

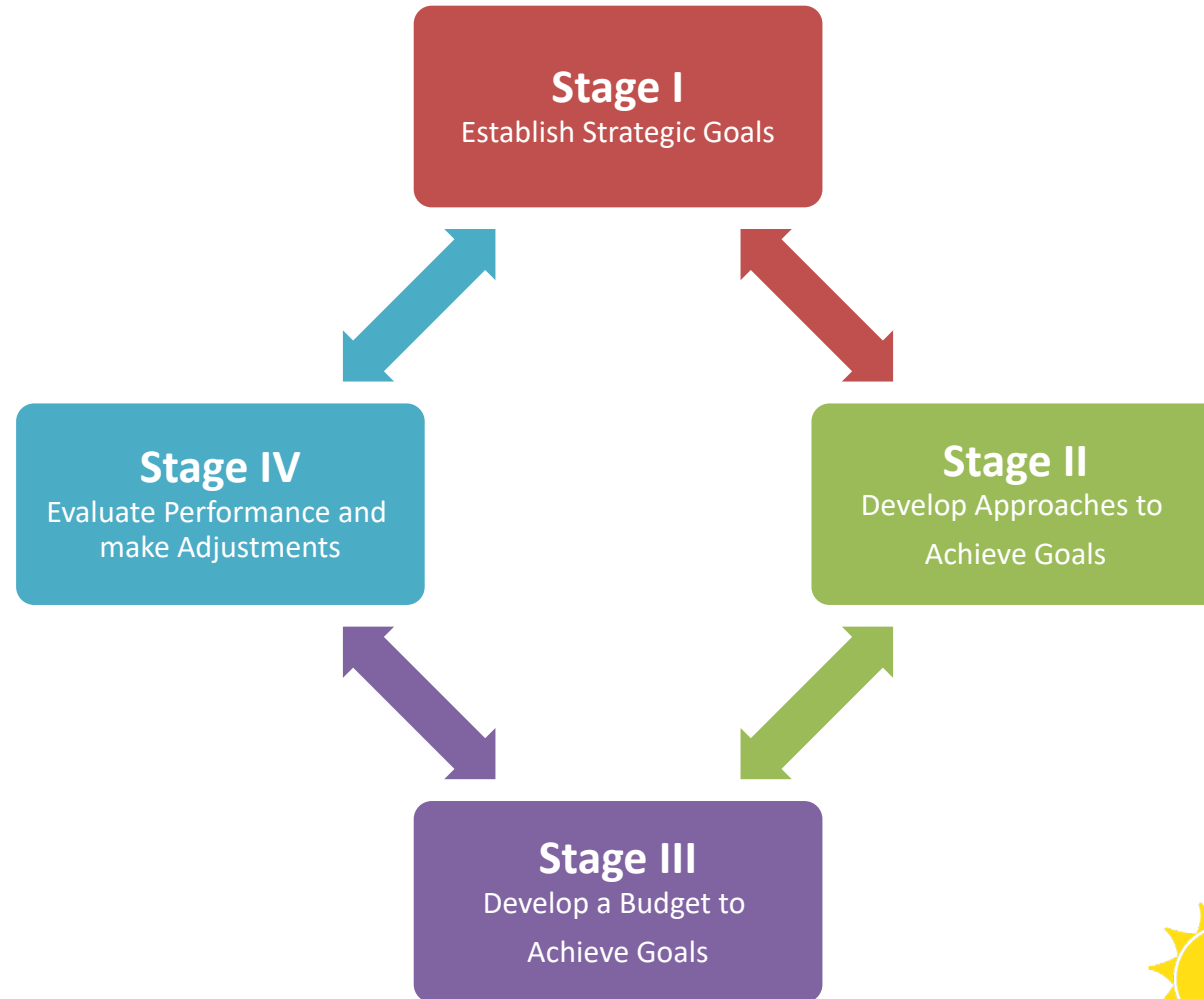
- A Policy Document – policies, vision, mission, goals
- An Operations Guide – structure, processes, resource allocation
- A Financial Plan – fiscal stability, capital management, debt management
- A Communication Device – user friendly, transparency

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 & Employee Surveys
- Strategic Focus Area Review
- Benchmarking with Other Communities
- Update Financial Trends & Projections
- Review of Organizational & Community Plans
- Compilation of Materials



BCC Strategic Plan Workshop

VISION

MISSION

VALUES

STRATEGIC FOCUS AREAS

Public Services

Economic & Community
Development

Infrastructure

Efficient & Effective
Government

BOLD GOALS



STRATEGIC INITIATIVES



RESULTS / MEASURES

Next Big Things

On November 3, 2016, over 40 senior county staff participated in the exercise, followed by local representatives from various industries (banking, real estate, non-profits, etc.). While the results were similar, notable differences emerged, as outlined below.

| County Staff | Rank |
|-------------------------|------|
| Infrastructure overhaul | 1 |
| Elder expense | |
| Fiscal uncertainty | 2 |
| Citizen Engagement | 3 |
| Climate Change | |
| Technology | 4 |

| Business Community | Rank |
|-------------------------------------|------|
| Infrastructure overhaul | 1 |
| Elder expense | 2 |
| Water shortages & access | |
| Digital Citizens / Direct Democracy | 3 |
| Technology | 4 |

Next Big Things

On August 12, 2024, senior county staff revisited the exercise, ranking the seven items below as the most significant. They then analyzed how these issues would affect society, the local community, and service delivery.

| 2017 Ranking | | 2024 Ranking | |
|-------------------------|---|--------------------------|-----|
| Infrastructure Overhaul | 1 | Growth/Population | + 1 |
| Elder Expense | | Infrastructure Overhaul | ↓ 2 |
| Fiscal Uncertainty | 2 | Cost of Living/Inflation | + 3 |
| Citizen Engagement | 3 | Affordable Housing | + 4 |
| Climate Change | | Climate Change | ↓ 5 |
| Water Shortages | 4 | Transportation | + 6 |
| Digital Citizens | 5 | Water Shortages | ↓ 7 |

Next Big Things

Future Impacts of AI

Impact on Service Delivery:

- **Automation and Efficiency:** AI is expected to enhance service delivery by automating tasks, improving efficiency, and allowing more focus on personalized customer service.
- **Ethical Decision-Making:** AI could aid in making ethical decisions and disseminating regulated information more effectively.
- **Adaptation and Personalization:** AI might allow for better anticipation of community needs and reshaping of services to meet those needs.
- **Workplace Restructuring:** The integration of AI into workplace operations is likely, potentially reducing the number of jobs but also creating new opportunities for efficiency and innovation in service delivery.

Stage II

Develop Approaches to Achieve Goals

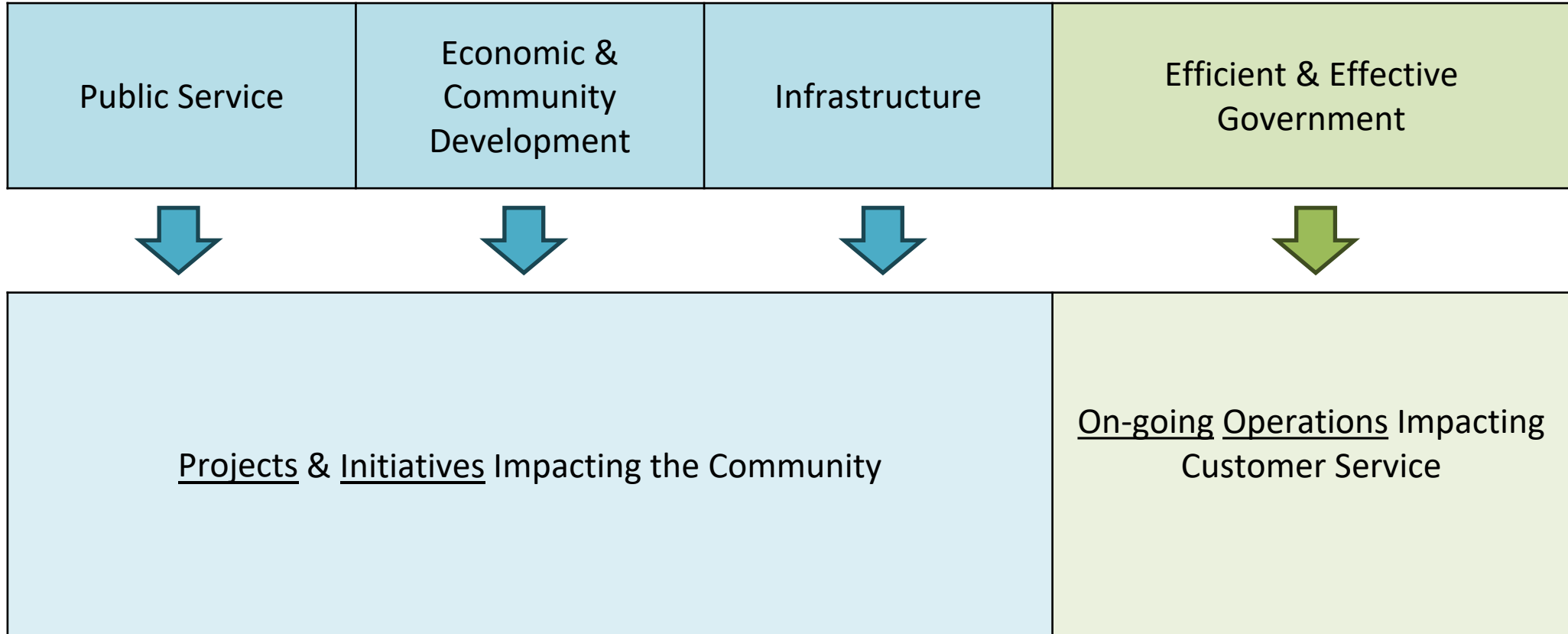
- Departments update Performance Based Budgeting Information (PBB)
- Assessment of Capabilities: Services & Programs, Capital, Management Structures
- Follow up to BCC Strategic Plan & BCC Goals
- Department Programmatic & Fiscal Review
- Compilation of Materials



BCC Strategic Focus Area Workshops



Budget Process Alignment



Stage III

Develop a Budget to Achieve Strategic Goals

- Calculation of Salaries, Fringe Benefits & Internal Costs
- Revenue Projections
- Updating Capital Asset Schedules
- Aligning Cashflow for Capital Projects
- Development of Line-Item Budgets: 135+ funds; 500+ unique budgets
- Develop MSBU Work Programs, Budgets & Rates
- Preparation & Publication of Materials



BCC Budget & CIP Workshops



Performance Based Budgeting

In Performance Based Budget (PBB)

- Expenditures grouped to *Services* rather than line items

Departments Identify:

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

Significant Considerations

Impacts of Helene and Milton:

- Over 2,000 properties classified destroyed or majorly damaged; Approximate impact to FY26 taxable valuation is \$653,893,475 with an estimated Ad Valorem Impact of \$3,957,298.

Significant Considerations

Impacts of Storms:

| Storm Name | Actual County Expenses | Reimbursement Received | Net Cost |
|-------------------|-------------------------------|-------------------------------|--------------------|
| Hurricane Ian | 181,336,750 | -81,064,789 | 100,271,961 |
| Hurricane Idalia | 76,381 | -23,208 | 53,174 |
| Hurricane Debby | 85,502 | - | 85,502 |
| Hurricane Helene | 846,000 | - | 846,000 |
| Hurricane Milton | 612,902 | - | 612,902 |
| | 182,957,535 | -81,087,997 | 101,869,539 |

Significant Considerations

Annual Adjustment to Homestead Extension Value

Charlotte County Ad Valorem Tax Impact

| | | | | |
|--|----------------|----------------|----------------|----------------|
| 25,000 Homestead Exemption | 1,615,847,374 | 1,615,847,374 | 1,615,847,374 | 1,615,847,374 |
| CPI Percentage | 2% | 3% | 4% | 5% |
| CPI Additional Exemption | 32,316,947 | 48,475,421 | 64,633,895 | 80,792,369 |
| BCC Countywide Millage Rate | 6.0519 | 6.0519 | 6.0519 | 6.0519 |
| County wide Ad Valorem Tax Impact | 195,579 | 293,368 | 391,158 | 488,947 |

Significant Considerations

| | | Accelerated Growth | Extended Inflation | Storm Recovery |
|----------------------------------|---|--------------------|--------------------|----------------|
| Public Services | Define Levels of Maintenance (LOM) by 2024 | | | |
| | Optimize organization based on Levels of Service | | | |
| Infrastructure | Funding and Completion of Capital Needs Assessment (CNA) through 2029 | | | |
| | Define and maintain balance between Capital and Operating Budgets | | | |
| Economic & Community Development | Add 200 new affordable housing units per year over next five years | | | |
| | Increase college internships to 20 students for FY 24-25 | | | |
| | Implement One Charlotte, One Water management plan before end of FY2024 | | | |
| Efficient & Effective Government | Ensure Culture as "Great Place to Work" | | | |
| | Ensure Culture of continuous improvement | | | |
| | Increase "Line of Sight" | | | |
| | Strengthening the resiliency of the organization and communication | | | |

Significant Considerations

Additional Uncertainties:

- Federal Administration & Agency Changes
- Strategic Land Acquisitions
- Hazard Mitigation Grant Program Matching Funds
- Hurricane Out of Pocket Costs

Stage IV

Evaluate Performance & Make Adjustments

- Monthly projections and monitoring of budgets
- Quarterly business meetings
- Review of goals and initiatives
- Update and review metrics / levels of service

Proposed Calendar

| | |
|----------|--|
| December | Review of proposed process with BCC Results from Employee Survey |
| January | Prepare review packet for BCC <ul style="list-style-type: none"> • Employee Survey • Financial Trends and Projections • Organization and Community Plan |
| February | BCC Strategic Plan Workshop (BCC Retreat) Board Workshop for Capital Projects Department to update PBB Information |
| March | Budget Process Update <ul style="list-style-type: none"> • Assumptions and projected financial status • Confirm direction to organization • Review of Policies Goals Workshop each Focus Area Department budget submission Due Department meetings with Budget to review operations and programs, confirm requests and prepare for meeting with Admin |

Proposed Calendar

| | |
|-----------|--|
| April | Departmental Budget meetings with Admin |
| May | <p>BCC Workshop</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 |
| June | Internal balancing of budget |
| July | <p>Presentation of Recommended Budget</p> <p>MSBU Public Hearings</p> |
| September | <p>Public Hearings on Recommended 2025/26 – 2026/27 Budget</p> <p>BCC adoption of 2025/26 - 2025/27 Budget</p> |

Budget Status



General Fund

Presented Sept. 5, 2024

Five Year Financial Plan – Revenue/Expenditures

(Thousands)

| | Actual | Actual | Actual | Adopted | | Planned | Proposed |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | FY20/21 | FY21/22 | FY22/23 | Budget | Projected | Budget | Budget |
| | FY20/21 | FY21/22 | FY22/23 | FY23/24 | FY23/24 | FY24/25 | FY24/25 |
| Operating Revenues | | | | | | | |
| Ad Valorem Taxes | 38,080 | 40,703 | 47,303 | 55,309 | 53,092 | 57,831 | 64,818 |
| State Shared Revenues | 23,635 | 27,964 | 30,648 | 30,050 | 30,940 | 30,050 | 30,050 |
| Franchise Fees-FPL | 10,257 | 12,257 | 13,926 | 12,500 | 12,331 | 12,500 | 12,500 |
| Charges for Services | 11,524 | 13,863 | 14,695 | 13,017 | 17,375 | 13,367 | 13,367 |
| Less 5%-FS 129.01(2)(B) | | | | -5,356 | | -5,670 | -6,799 |
| Other Revenues & Fees | 5,400 | 6,724 | 11,551 | 4,963 | 12,902 | 5,088 | 6,527 |
| Central Service Charges | 18,676 | 20,680 | 20,041 | 24,034 | 24,241 | 25,222 | 23,415 |
| Transfers In | 12,442 | 8,890 | 24,511 | 9,628 | 13,260 | 8,236 | 8,366 |
| Total Revenues | 120,014 | 131,081 | 162,675 | 144,145 | 164,141 | 146,624 | 152,244 |
| Expenditures | | | | | | | |
| Personal Services-Excluding Health | 37,980 | 39,184 | 44,667 | 50,220 | 45,919 | 52,403 | 56,256 |
| FRS Rates | 5,191 | 5,833 | 6,653 | 8,130 | 7,840 | 8,479 | 8,940 |
| Health & Life Insurance Costs | 9,427 | 9,846 | 10,399 | 13,127 | 10,137 | 13,345 | 14,439 |
| Operating Expenses | 29,092 | 35,860 | 40,295 | 43,310 | 43,256 | 44,062 | 44,063 |
| Capital Outlay | 795 | 953 | 2,878 | 3,239 | 3,253 | 1,980 | 1,980 |
| Grants and Aids | 4,111 | 4,619 | 4,828 | 5,409 | 5,447 | 5,617 | 3,325 |
| Constitutional Offices | 16,486 | 16,498 | 22,151 | 20,061 | 19,636 | 21,425 | 21,266 |
| Transfers | 8,677 | 5,896 | 12,641 | 14,909 | 21,753 | 9,189 | 17,494 |
| Total Expenditures | 111,759 | 118,689 | 144,512 | 158,405 | 157,241 | 156,500 | 167,763 |
| Use of Reserves | -8,255 | -12,392 | -18,163 | 14,260 | -6,900 | 9,876 | 15,519 |

Ad Valorem Reserves

| | <u>Total Reserves</u> | <u>% of Budget</u> | <u>Target</u> |
|-------------------------------|-----------------------|--------------------|-----------------|
| Contingency | 25,278,702 | 5.08% | 5% - 10% |
| Cash Carry Forward | 25,687,466 | 5.16% | 5% - 10% |
| Fiscal Stabilization * | 12,702,181 | 5.68% | >15% |
| Total: | 63,668,349 | | |

* Percentage of General Fund Only.



General Fund

* Unaudited figures (12/04/24)

Five Year Financial Plan – Revenue/Expenditures

(Thousands)

| | Actual FY21/22 | Actual FY22/23 | Actual FY23/24 | Projected FY23/24 | Adopted Budget FY23/24 | Adopted Budget FY24/25 |
|------------------------------------|-------------------|-------------------|-------------------|----------------------|------------------------------|------------------------------|
| Operating Revenues | | | | | | |
| Ad Valorem Taxes | 40,703 | 47,303 | 53,176 | 53,092 | 55,309 | 57,831 |
| State Shared Revenues | 27,964 | 30,648 | 29,706 | 30,940 | 30,050 | 30,050 |
| Franchise Fees-FPL | 12,257 | 13,926 | 13,677 | 12,331 | 12,500 | 12,500 |
| Charges for Services | 13,863 | 14,695 | 16,357 | 17,375 | 13,017 | 13,367 |
| Less 5%-FS 129.01(2)(B) | | | | | -5,356 | -5,670 |
| Other Revenues & Fees | 6,724 | 11,551 | 13,693 | 12,902 | 4,963 | 5,088 |
| Central Service Charges | 20,680 | 20,041 | 23,995 | 24,241 | 24,034 | 25,222 |
| Transfers In | 8,890 | 24,511 | 18,393 | 13,260 | 9,628 | 8,236 |
| Projected Beginning Balance | | | | | 85,815 | 71,554 |
| Total Revenues | 131,081 | 162,674 | 168,997 | 164,141 | 144,144 | 146,624 |
| Expenditures | | | | | | |
| Personal Services-Excluding Health | 39,184 | 44,667 | 45,765 | 45,919 | 50,220 | 52,403 |
| FRS Rates | 5,833 | 6,653 | 7,968 | 7,840 | 8,130 | 8,479 |
| Health & Life Insurance Costs | 9,846 | 10,399 | 10,648 | 10,137 | 13,127 | 13,345 |
| Operating Expenses | 35,860 | 40,295 | 45,164 | 43,256 | 43,310 | 44,062 |
| Capital Outlay | 953 | 2,878 | 1,450 | 3,253 | 3,239 | 1,980 |
| Grants and Aids | 4,619 | 4,828 | 5,797 | 5,447 | 5,409 | 5,617 |
| Constitutional Offices | 16,498 | 22,151 | 19,886 | 19,636 | 20,061 | 21,425 |
| Transfers | 5,896 | 12,641 | 19,676 | 21,753 | 14,909 | 9,189 |
| Total Expenditures | 118,690 | 144,513 | 156,354 | 157,241 | 158,404 | 156,501 |
| Use of Reserves | -12,390 | -18,161 | -12,643 | -6,900 | 14,260 | 9,878 |

Revised Ad Valorem Reserves

| | <u>Total Reserves</u> | <u>% of Budget</u> | <u>Target</u> |
|------------------------|-----------------------|--------------------|---------------|
| Contingency | 25,278,702 | 5.08% | 5% - 10% |
| Cash Carry Forward | 25,687,466 | 5.16% | 5% - 10% |
| Fiscal Stabilization * | 18,445,181 | 8.24% | >15% |
| Total: | 69,411,349 | | |

* Percentage of General Fund Only.



