

A large graphic featuring a yellow sun with rays on the left and a green leaf on the right, both with white outlines. A thick, curved cyan ribbon-like shape is positioned below the leaf.

# Charlotte County 2025/26 – 2026/27 Budget Process

BCC Workshop

Dec. 17, 2024



**CHARLOTTE COUNTY**  
FLORIDA

# Budget Overview



# What is a Budget?

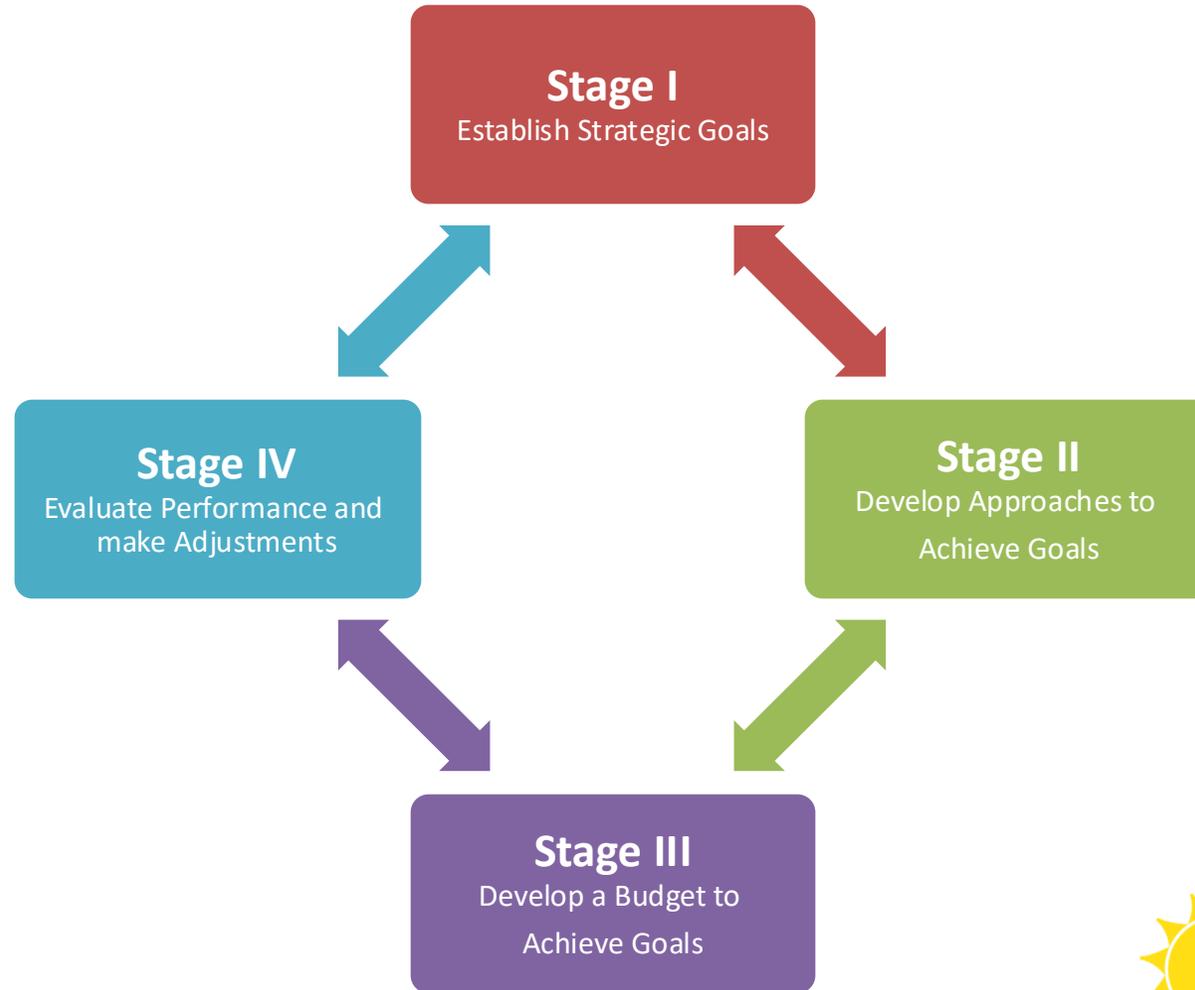
- A Policy Document – policies, vision, mission, goals
- An Operations Guide – structure, processes, resource allocation
- A Financial Plan – fiscal stability, capital management, debt management
- A Communication Device – user friendly, transparency

# 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

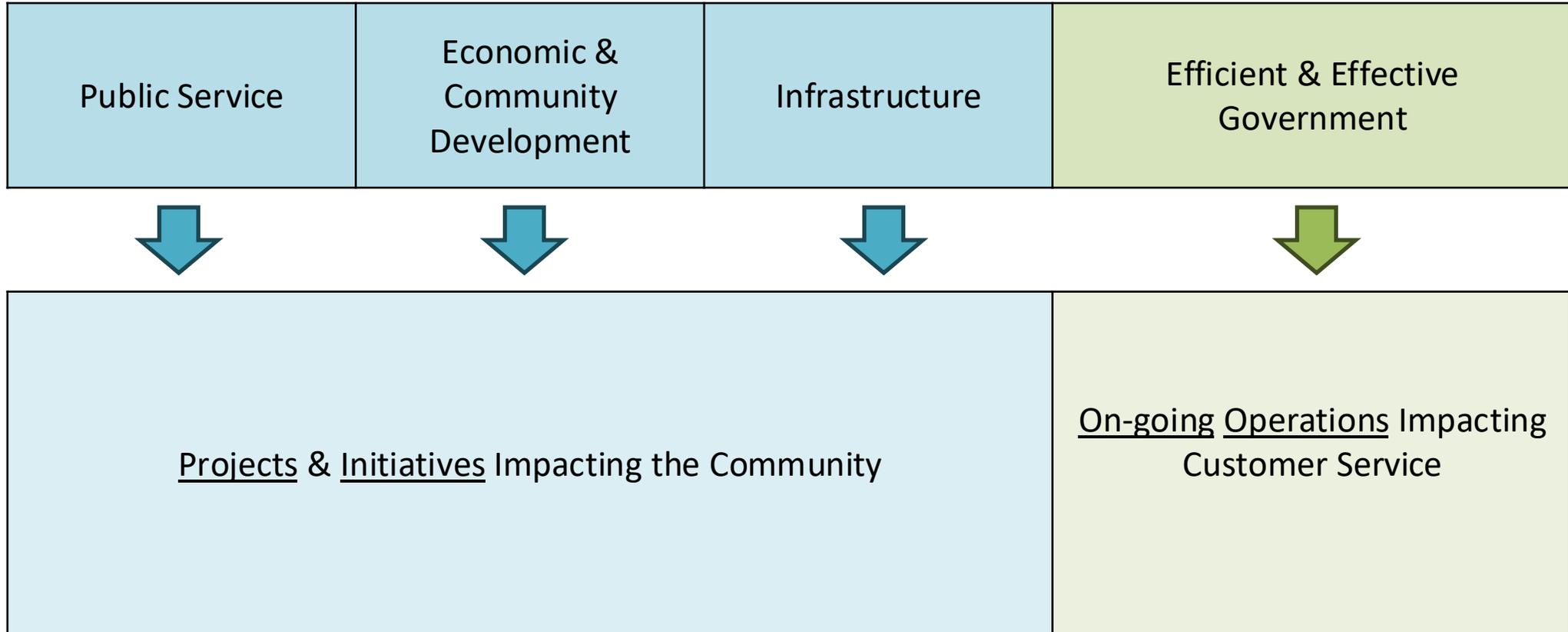
- Departments update Performance Based Budgeting Information (PBB)
- Assessment of Capabilities: Services & Programs, Capital, Management Structures
- Follow up to BCC Strategic Plan & BCC Goals
- Department Programmatic & Fiscal Review
- Compilation of Materials



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:

<b>Storm Name</b>	<b>Actual County Expenses</b>	<b>Reimbursement Received</b>	<b>Net Cost</b>
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
	<b>182,957,535</b>	<b>-81,087,997</b>	<b>101,869,539</b>



# 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
<b>County wide Ad Valorem Tax Impact</b>	<b>195,579</b>	<b>293,368</b>	<b>391,158</b>	<b>488,947</b>

# 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"> <li>• Employee Survey</li> <li>• Financial Trends and Projections</li> <li>• Organization and Community Plan</li> </ul>
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"> <li>• Assumptions and projected financial status</li> <li>• Confirm direction to organization</li> <li>• Review of Policies</li> </ul> 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	BCC Workshop <ul style="list-style-type: none"> <li>• Review of operations, service levels and cost by strategic focus area</li> <li>• Review efforts to advance BCC Goals</li> <li>• Update Revenue Picture</li> </ul>
June	Internal balancing of budget
July	Presentation of Recommended Budget MSBU Public Hearings
September	Public Hearings on Recommended 2025/26 – 2026/27 Budget BCC adoption of 2025/26 - 2025/27 Budget

# Budget Status



# General Fund

Presented Sept. 5, 2024

## Five Year Financial Plan – Revenue/Expenditures

(Thousands)

	Actual	Actual	Actual	Adopted	Projected	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
<b>Operating Revenues</b>							
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
<b>Total Revenues</b>	<b>120,014</b>	<b>131,081</b>	<b>162,675</b>	<b>144,145</b>	<b>164,141</b>	<b>146,624</b>	<b>152,244</b>
<b>Expenditures</b>							
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
<b>Total Expenditures</b>	<b>111,759</b>	<b>118,689</b>	<b>144,512</b>	<b>158,405</b>	<b>157,241</b>	<b>156,500</b>	<b>167,763</b>
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>
<b>Contingency</b>	<b>25,278,702</b>	<b>5.08%</b>	<b>5% - 10%</b>
<b>Cash Carry Forward</b>	<b>25,687,466</b>	<b>5.16%</b>	<b>5% - 10%</b>
<b>Fiscal Stabilization *</b>	<b>12,702,181</b>	<b>5.68%</b>	<b>&gt;15%</b>
<b>Total:</b>	<b>63,668,349</b>		

\* 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
<b>Operating Revenues</b>						
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
<b>Total Revenues</b>	<b>131,081</b>	<b>162,674</b>	<b>168,997</b>	<b>164,141</b>	<b>144,144</b>	<b>146,624</b>
<b>Expenditures</b>						
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
<b>Total Expenditures</b>	<b>118,690</b>	<b>144,513</b>	<b>156,354</b>	<b>157,241</b>	<b>158,404</b>	<b>156,501</b>
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%
<b>Total:</b>	<b>69,411,349</b>		

\* Percentage of General Fund Only.



