

Operational Review Meeting One

April 7th, 2008

Agenda

- Process Overview
- Target scenarios
 - Two year picture
- Ad valorem funding and the overall budget
- Ad valorem fund balance
- Baseline operating history
- Tax Reform and Budget Commission
 - Proposal 45
- Master spreadsheet overview

Process Overview

- Most Likely Scenario
 - \$20 Million shortfall
- April – Briefings
 - Ad valorem funding financials
 - Efficiency and level of service adjustments
 - Human Resource policies
 - Other policies
 - Constitutionals
- May – Guidance
 - Efficiency and level of service adjustments
 - Human Resource
 - Other actions
 - Level of Service reductions if needed

Sources of Fiscal Impact

- Base - \$8 million from amendment 1
- Portability - \$4.7 million state estimate, unknown ultimate impact, minimal this year
- Property devaluation - \$1.4 million for each percent of decline
 - 5% - \$7 million
 - 10% \$14 million
 - 12% \$17 million

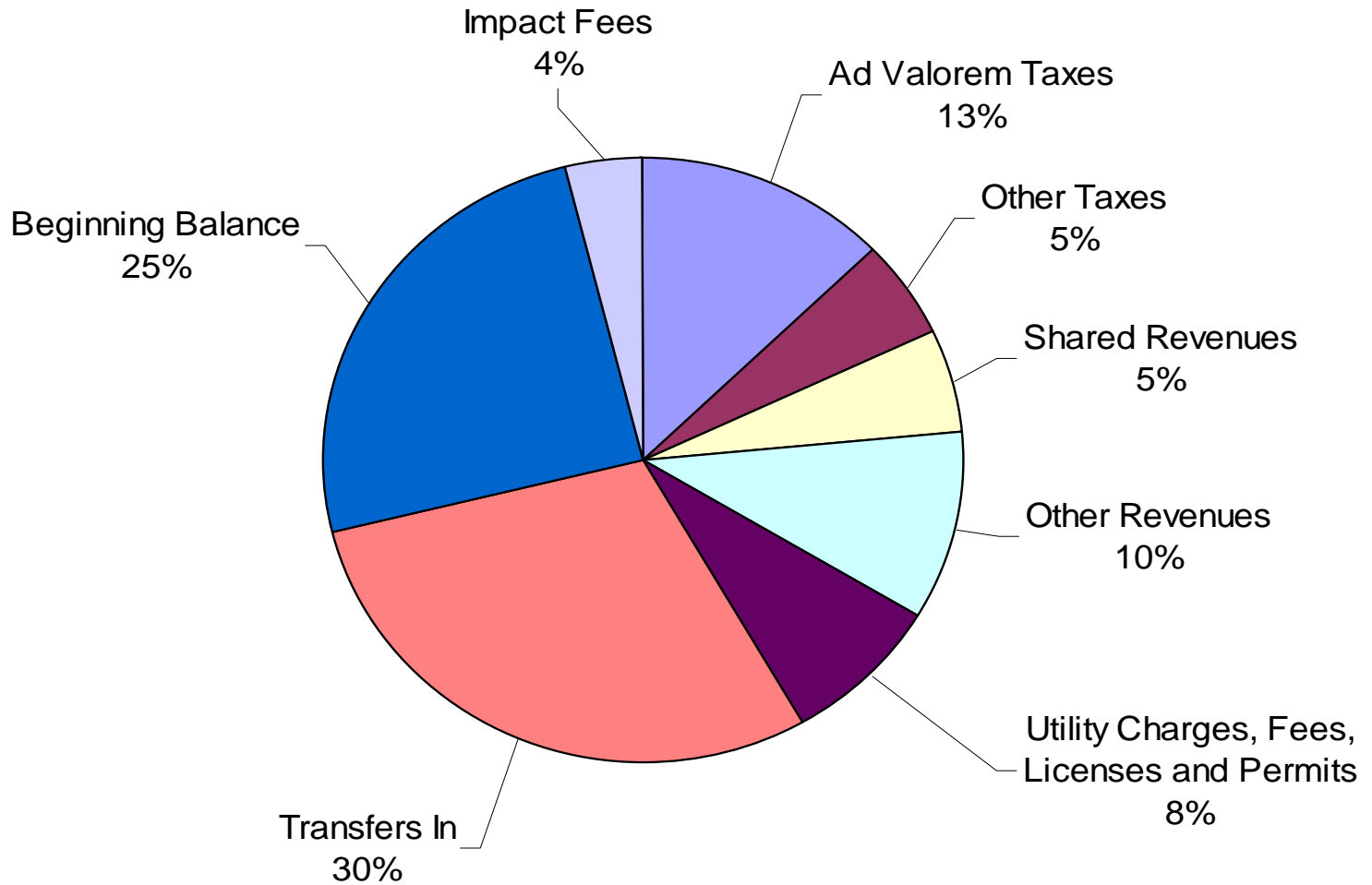


County Budget Review



COUNTY BUDGET

SOURCE OF FUNDS FY 07 / 08



Revenue Sources - budgeted

<u>SOURCE</u>	<u>BUDGET</u>
Ad Valorem Taxes	147,846,058
Other Taxes	62,629,226
Shared Revenues	63,637,918
Other Revenues	115,560,825
Utility Charges, Fees, Licenses and Permits	94,274,514
Transfers In	343,182,602
Beginning Balance	291,340,023
Impact Fees	<u>44,719,568</u>
ALL SOURCES	1,163,190,734

Transfers – 343 Million budgeted

- Loans Budgeted – (example – Midway & Winchester road projects)
- Excess Fees received (example – Tax Collector fees returned)
- Transfers between departments

Reserves – \$144 million

- 12% of total Budget
- Required vs. Choice

- **Choice**
 - Cash Carried Forward (to run operations until new revenue is received)
 - Contingency (remembering Hurricane Charley)
- **Required**
 - Debt service (Landfill & Utility)
 - Landfill – future closure costs

Reserves

■ General Fund	11 M
■ Building Const. Srvs	8 M
■ Public Works	6 M
■ Vehicle Replacement	2 M
■ MSBU's	34 M
■ Landfill	23 M *
■ Capital Projects	4 M
■ Utility	29 M **
■ Self / Health Insurance	8 M

* Debt service, closure, contingency, long term landfill

** rate stabilization, debt service, future capital

Beginning Balance

- Un-expended funds carried forward from the previous fiscal year
- Are these extra funds?
- Capital Projects – timing of expenditures
- Which funds have the larger beginning balances?
 - Capital Project Funds (Jail, Events Center, Sports Park)
 - Utilities and other Enterprise
 - MSBU's, Public Works - Roads, Sales tax,

Types of Revenues

- Ad Valorem Tax
- Non Ad Valorem Tax
- Constitutional Fuel Tax
- Special Assessments
- Impact Fees
- Franchise Fees
- User Fees and Service Charges
- Utility Fees



Countywide Millage

- There are 3 funds included in the countywide millage rate
 - General Fund 3.4830
 - Capital Project Fund 0.9887
 - County Health Unit 0.0709

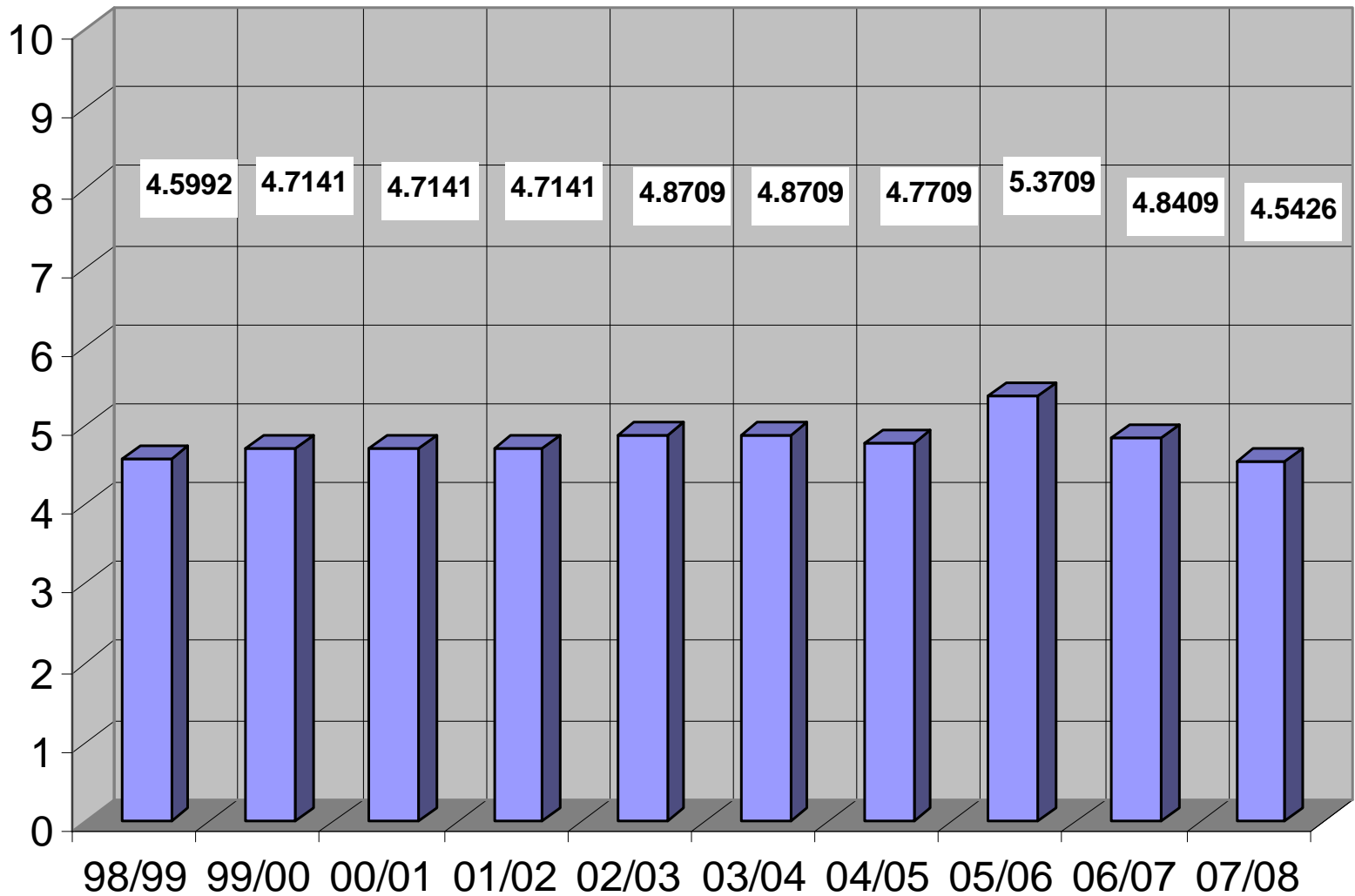


Rollback / Rollup Rates

- Rolling the rate up or down to equal the same amount of ad valorem revenue as the previous year.
- If property values increase – The Commission could rollback the millage rate
Or
- If property values decrease – The Commission could rollup the millage rate.

Millage Rate History

Millage Rate (per \$1,000 taxable value)



Other Fees/ Taxes

■ Communications Taxes

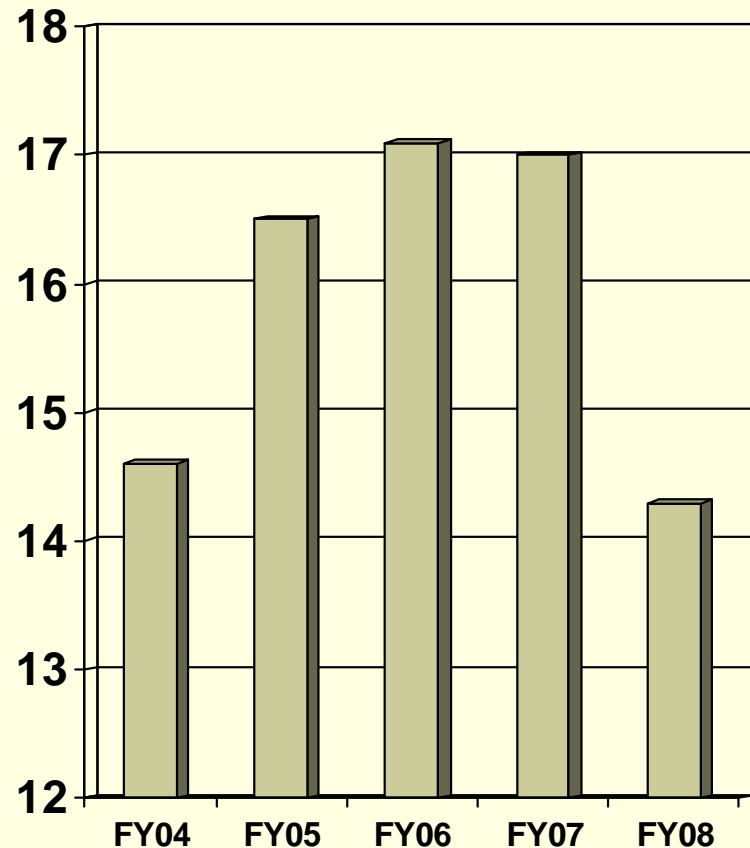
- 5.22% local tax on all telephone, cable, satellite, cell phone usage.
- Used to fund general operations
- Budgeted - \$6.2 million this year - *but trend shows declining revenue*

■ FPL Franchise fee

- 5.0% charge on FPL bills -can be used for any public purpose, used now to fund General Operations
- FPL pays the county to use the right of ways. The charge is based on the amount of revenue FPL collects
- Budgeted \$9.6 million this year - *but trend shows declining revenue*

State Shared Sales Tax

- **The County receives from the state a share based upon formulas that weigh population and sales taxes collected from the county.**
- **Hurricane Charley impacts**





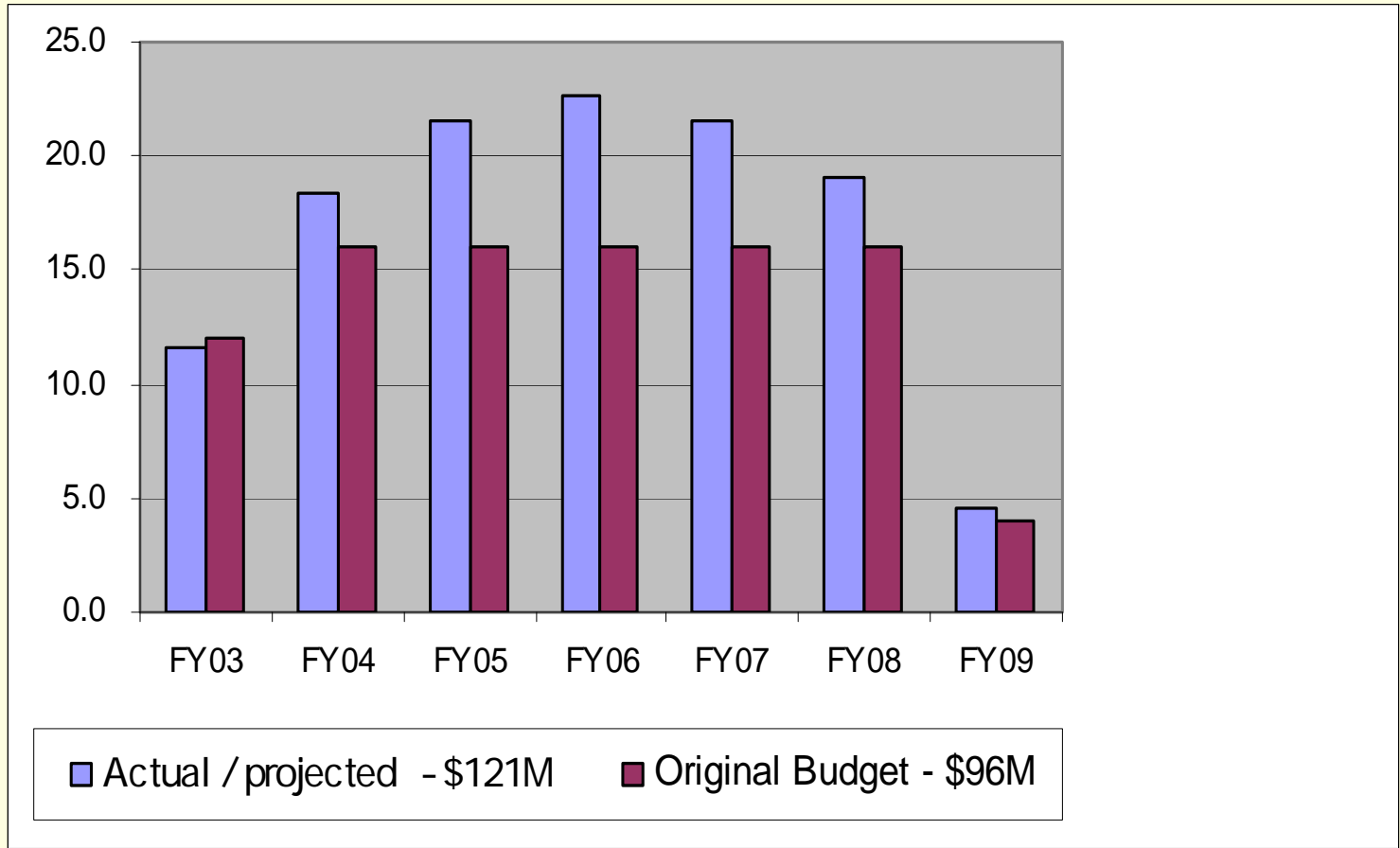
Gas Tax

- \$12.4 million budgeted annually in gas taxes
- Current revenue trends this year – \$1M shortfall
- All available gas taxes are being levied.
- Gas taxes fund:
 - Major road construction projects
 - Road Maintenance Operations

2002 Sales Tax Extension

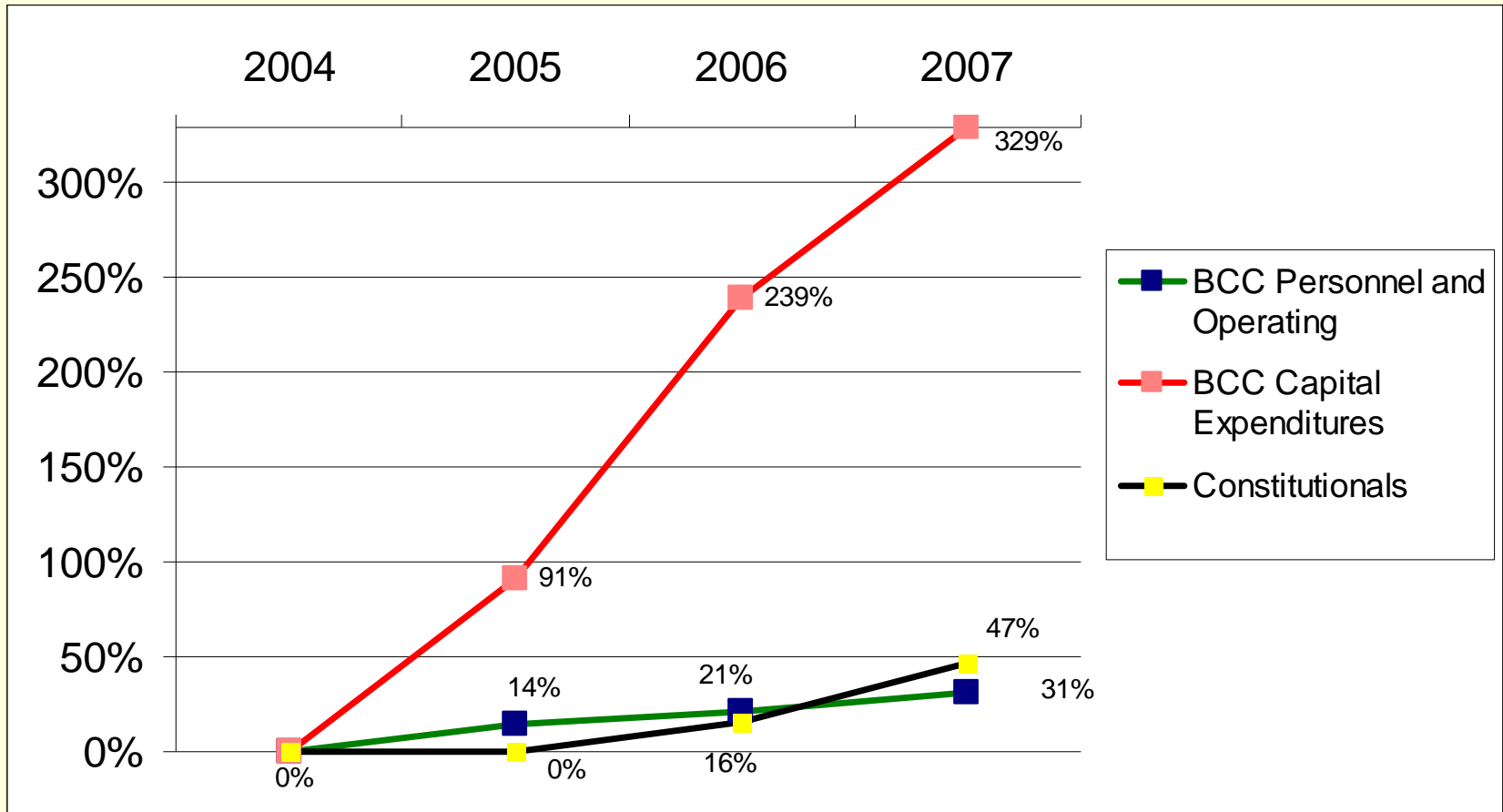
- Six year program – passed by the voters of Charlotte County.
- Total Revenue over six years - \$121 million
- Important to the community and the future of Charlotte County
- Provides additional revenue source for major infrastructure.
- Current collections are significantly declining but still projected to generate \$121 million

2002 Sales Tax Extension - Revenues

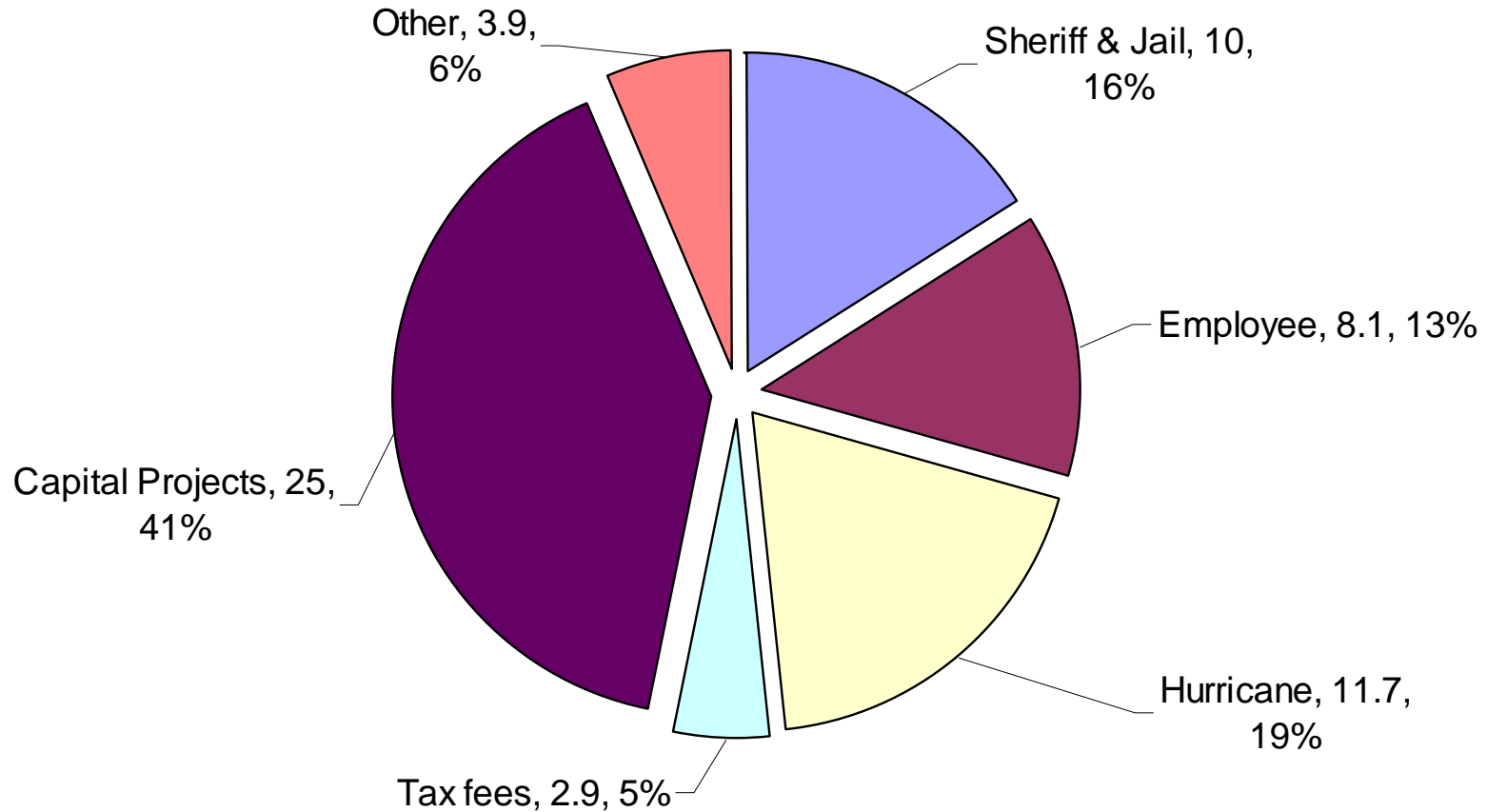


Additional Ad Valorem Taxes – uses by %

2004 – 2007



Where Did The Money Go?

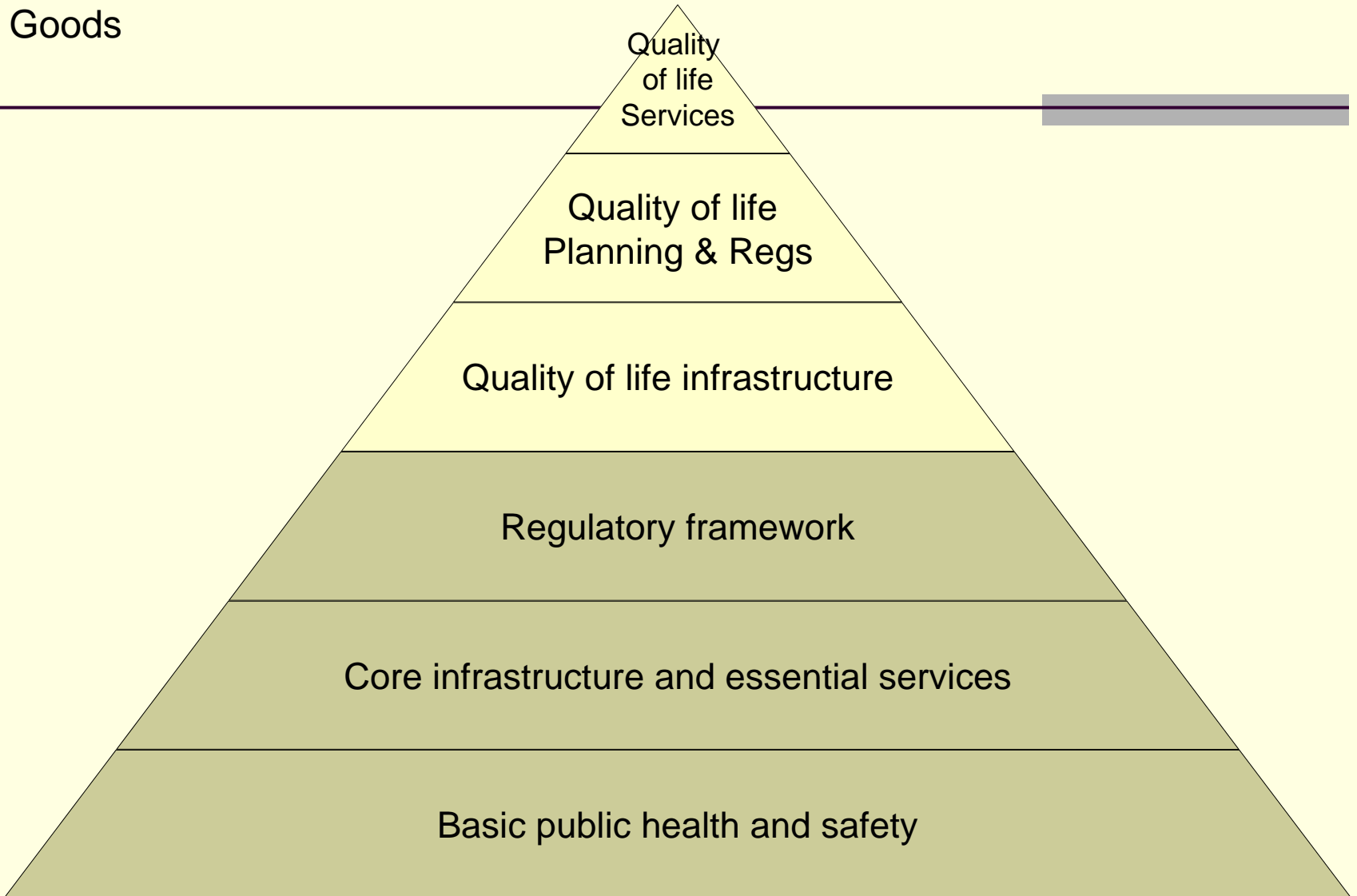


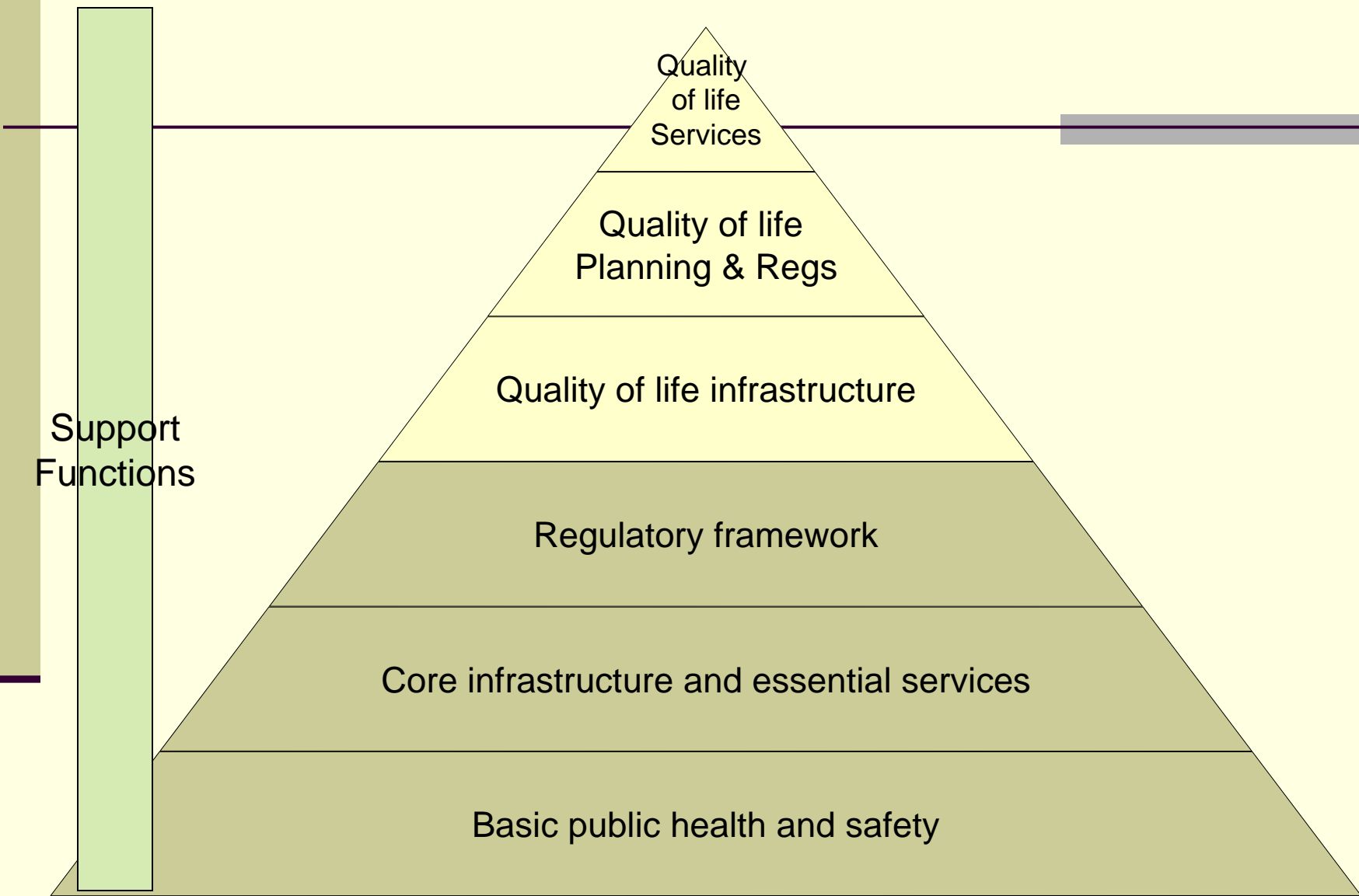
Total additional property tax for 3-year period (FY04/05 thru FY06/07) - \$61.5 million.
All totals in millions.

A hierarchy of public goods

Placing the Ad Valorem Departments

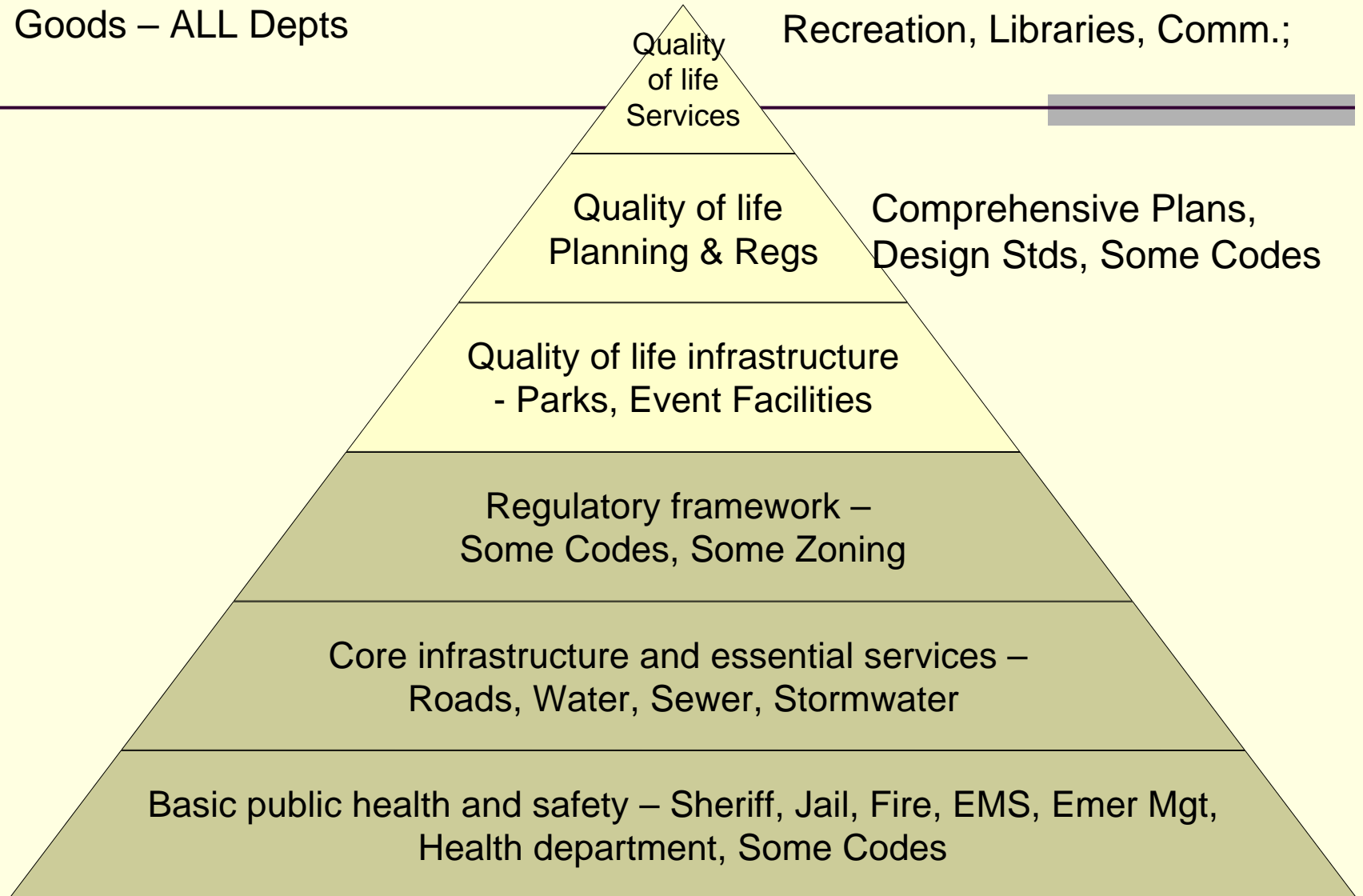
Hierarchy of Public Goods





Hierarchy of Public Goods – ALL Depts

Recreation, Libraries, Comm.;



The Ad Valorem Departments (50%+)

Parks - Admin	74.1%
Parks	74.1%
Recreation	74.1%
Human Services	68.3%
Extension	66.3%
Library	59.8%
Emergency Mgt	59.5%
Growth Management	59.3%
Historical	57.3%
Animal Control	57.0%
Mosquito Control	55.0%

Ad Valorem Departments (<50%)

Emergency Medical	47.5%
PRCR	43.6%
Economic Dev	41.1%
Surveying	34.8%
Communications	22.5%
Human Services Transit	13.7%
Aquatic Weed Control	9.4%

Support Functions Ad Valorem

Telco	64.2%
Attorney	61.9%
Facilities	60.5%
IT/GIS	56.8%
Information Technology	49.7%
Budget	24.9%
Purchasing	23.8%
HR - Lrn & OD	23.4%
HR - employee relations	20.0%
Commission	19.5%
Administration	17.5%
Real Estate	0.0%

Tax Reform and Budget Commission

- TABOR

The Master Spreadsheet

Overview of Starting Points

Tomorrow's Meeting

- Human Resource Policy
 - Compensation
 - Health Care
- Overview of Efficiency and Level of Service Adjustments
- Other policies (time allowing)