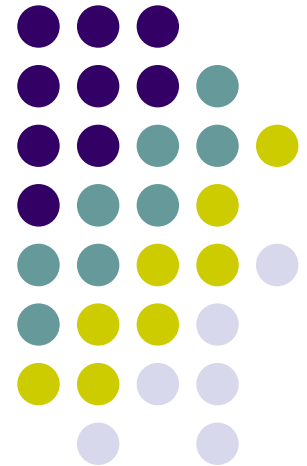


Performance Budgeting

Budget Workshop
Charlotte County Florida
December 12, 2008



We are not alone!



- Most State and Local Governments are struggling with balancing lower revenues with services provided
- Many local governments have taken similar strategies as Charlotte County
 - Personnel cuts
 - Project delays
 - Input from citizen / employee groups
 - Use of reserves to fund services

Defining - Performance Budgeting



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

Prioritizing Services



- Identifying most important services to fund
- Listing of Services; ranked by BCC or Citizen committees

Performance Budgeting – Common Characteristics



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

The Process



Departments identify:

- Major services provided
- Mandated / Concurrency services
- Performance – current levels of service
- Budget for providing each service
- Staffing levels for providing the service
- Alternative strategies

The Process (continued)



Timeline of Performance budget information to the BCC

- January & February – departments develop Performance budgets
- March thru May – Department workshops with BCC for review and direction
- June – Final adjustments made into budget system
- July – Required statutory workshop to deliver tentative Countywide budget to the BCC

Department Workshops

BCC Decision Points



- Should the service be provided?
- Is the current level of service in-line with expectations?
- Consider alternative strategies
 - Outsourcing
 - Lower or higher level of service
 - Other funding

Keys to Success



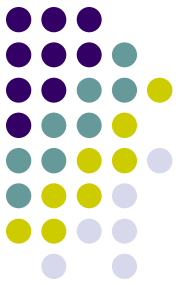
- Requires Honesty and Trust (or Trust but verify)
- Staff presents clear and transparent information with identified decision making points
- Clear direction from the BCC
- On-going revenue shortfall forecasts from Budget staff
- Setting realistic goals aligned with timelines

Keys to Success



- Ensure that Stakeholders (BCC, Public and Staff) don't see Performance budgeting as merely a paper exercise
- Failing to see the value of performance information and continuing to rely on line-item budgeting
- Should all departments participate in the first year
- Longer term consideration of using software to enhance the process

Examples of Forms



- Form 1 – Department Summary
- Form 2 - Performance Results
- Form 3 - Measurement
- Form 4 - Decision Points
- Form 5 - Organization Chart

Budget Office - Summary Form



Mission Statement

To provide the foundation to ensure found fiscal stewardship and substainability through budgeting analysis and consultation to the public and policy makers.

Core Services Provided

1. Budget Development
2. Grant Accountability Oversight
4. Private Utility Oversight
5. FEMA
6. MSBU Database Maintenance
7. Capital Improvement Program (CIP)

Overall Department Budget

Total FY08/09 Budget	\$1,088,426
Staffing	
Full-time	12
Part-time	0

Performance Form



Budget Office - Results

Core Service #1 - Budget Development -
mandated per FL Statutes
Annual Budget - \$452,000
Staffing 4.8

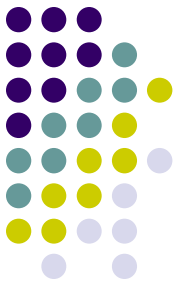
Results: (Describe Current Levels of Service)

- Maintain State Compliance including TRIM (truth in millage)
- Maintenance of Eden Budget Module
- Oversight of entire County Budget Process
- Conduct workshops and Public Hearings to the BCC for effective decision making
- Develop communications to the public to provide maximum understanding and transparency
- Research systematic opportunities that will provide performance budgeting enhancement

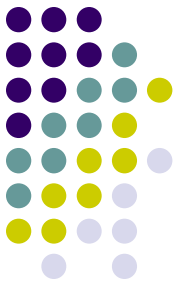
Measurement Form

Core Service #1

Budget Development



- Ensure fiscal resources are budgeted responsibly – good stewards of taxpayers money.
- BCC and Public satisfaction
- Compliance with Statutory requirements
- Revenue / Expense trend reporting (actuals are in-line with budgets)
- Transparency and communications related to fiscal issues
- Accurate and reliable revenue forecasting



BCC – Decision Points

Core Services Provided

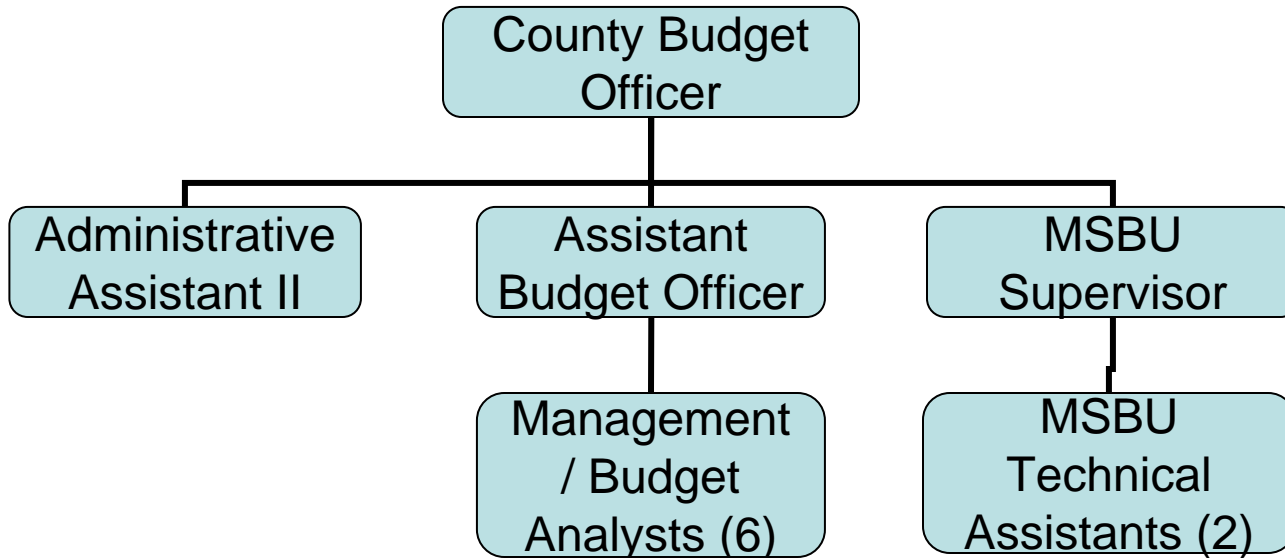
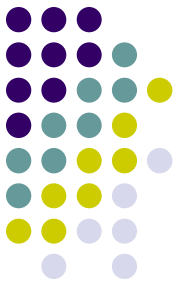
1. Budget Development

Decision Points

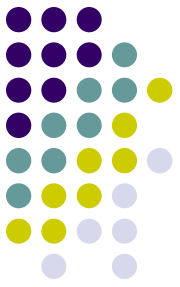
1. Should we continue to fund this service?
2. Is current level of service at acceptable level?
 - discussion on level of service changes
3. Should we consider outsourcing this service?
4. Opportunities for other funding sources?

Board Comments:

Organization Chart

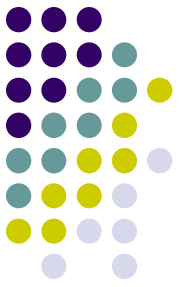


Board Direction



- Does Performance Budgeting (as defined) meet the expectations of the Board?
- If not, please provide suggestions for refinement
- What additional information should be presented?
- Should all departments participate in year one?
- Should a Citizen Focus Group be formed to provide input into the process?

Next Steps – Addressing the revenue shortfall

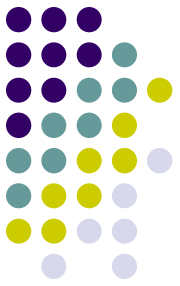


Note: The revenue shortfall is likely not to be addressed by just Performance Budgeting.

Other Considerations:

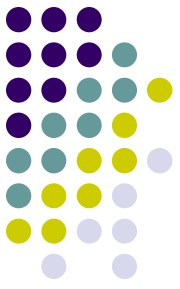
- Cutting “Essential Services”
- Delaying Capital Projects
- Identifying Outsourcing opportunities
- Using the Fiscal Stabilization Reserve

MSBU's – Work Programs



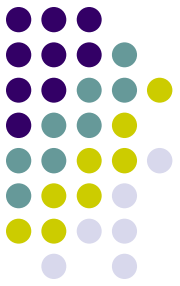
- Local maintenance of roads & drainage
- Repair and maintenance of signs
- Major stormwater Issues
- Road resurfacing
- Dredging projects
- Beautification Projects

MSBU - Issues



- Mixed effectiveness of the system
- Mixed citizen views of the system
- Focus on local neighborhoods rather than the County system
- Measuring community approval of recommend programs and assessments
- High Assessments – for major road and dredging projects

MSBU - Options



1. Regional MSBU Approach

- Researched this approach last year
- required equal road and drainage to be brought to a standard level
- Meeting the standard level resulted in high assessments

MSBU - Options

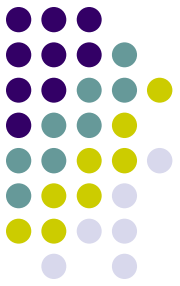


2. Single Assessment Approach

- Countywide MSBU
- One assessment amount per property

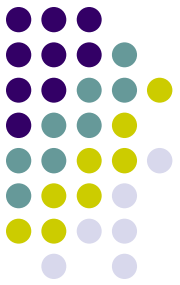
While this was one of the most favorable options – the equal benefit test would not be met.

MSBU - Options



3. More traditional approach
 - Everyone pays for the entire system
 - Easy to administer with lowering of overhead costs
 - Use of a referendum – let the citizens decide

Example: FY08/09 total MSBU Assessments was approximately \$35 Million – which would equate to 1.8 mills or \$250 annually for a Charlotte County home valued at \$160,000.



Board Discussion / Comments