
General Information

GENERAL INFORMATION

Background

Orange County, Florida (the "County") is a charter government as enacted by the voters in November 1986. This means the County has its own constitution and is self-governing. Having a charter gives the County the ability to respond to a changing environment and meet local needs. In November 1988, voters approved major revisions to the county's home rule charter. The revisions, effective with the General Elections of 1990, included:

1. Increasing the number of commission districts from five to six.
2. Changing to single-member districts. Voters will elect commissioners from six individual districts. Commissioners were previously elected from five districts but voting was at-large. The commissioners' terms of office remain at four years.
3. Creating a County Chairman position. Until the November 1988 revisions, the Board of County Commissioners elected one of its members to serve as chairman. The chairman presided over official meetings and served as the ceremonial head of county government.

Under the newly enacted charter, a County Chairman, elected at-large, exercises direct authority over the day-to-day operations of Orange County government. The County Chairman is eligible for only two consecutive four-year terms. The County Chairman casts one vote with the County Commission, giving him the ability to break ties of the six Commissioners, however there is no veto power granted to the Chairman.

The County Chairman, with the approval of the Board of County Commissioners, appoints a County Administrator to assist with the daily management of county government. This official is directly responsible to the County Chairman for the administration and operation of all eight administrative departments under the Board and for execution of all Board policies.

Additionally, in November 1992, voters approved an amendment to the Charter which effectively created the Office of Property Appraiser, Office of the Tax Collector and Office of Sheriff as Charter offices which are elective and are governed by all sections of the Charter except that the County's personnel policies do not apply to the law enforcement officers employed by the Office of the Sheriff. The Supervisor of Elections, the Clerk of Court, and the Comptroller all remained as non-Charter Offices created and governed by the Florida Constitution. Prior to the November 1992 Charter Amendment, all six offices mentioned above were Constitutional Offices. In November 1996, Orange County voters amended the Charter once again. The charter offices of the Property Appraiser, Tax Collector and Sheriff were abolished. The Property Appraiser, Tax Collector and Sheriff shall not be governed by the Charter but instead be governed by the Constitution and laws of the State of Florida.

Roles and Responsibilities of the County Chairman

- Appoints and dismisses heads of County Departments, Divisions and other agencies under the jurisdiction of the Board except that all such appointments shall be made annually and shall be subject to confirmation by the Board.
- Executes all contracts and legal documents, but this authority may be delegated.
- Prepares and publishes agendas for all meetings of the Board.
- Prepares and submits the annual budget per Chapter 129.025 of the Florida Statutes including delivery of a "State of the County" address setting forth programs and recommendations to the Board.
- Signs ordinances, resolutions and documents for the Board.
- Calls the Board into regular and special sessions.
- Supervises the daily activities of employees.
- Assures the faithful execution of all ordinances, resolutions and orders of the Board of County Commissioners and all laws of the State which are subject to enforcement by the County Chairman, or by officers who are subject under the Charter to the Chairman's direction and supervision.
- Votes upon all matters before the Board.
- Carries other powers and duties as required by the Charter or that may be prescribed by the Board of County Commissioners.

Powers and Responsibilities of the Board of County Commissioners

The powers and responsibilities of the Board of County Commissioners are those prescribed by the State Constitution, or by the Legislature, and those that are necessary to carry out these powers and duties.

These powers and responsibilities are as follows:

Powers

- To pass ordinances.
- To build and keep in repair county buildings, roads, and bridges.
- To insure county buildings.
- To represent the county in legal causes.
- To care and provide for the indigent of the county.
- To alter, lay out, establish, vacate or discontinue any road, highway, or bridge in the county.
- To fix and appoint bonds of county officers, as provided by law.
- To issue bonds for the purpose of erecting county buildings and constructing roads, and to fund the outstanding indebtedness and prescribe the rate of interest thereon.
- To apportion and order the levy of all county taxes in accordance with the law, either for specific or general purpose.
- To approve accounts against the county, and the budget requests of all divisions under their authority.
- To issue revenue certificates against expected returns such as sewage liens and leases on county property.
- To perform all other acts and duties, which may be authorized by, law.

Responsibilities

- To be responsive to and represent the wishes of the citizens.
- To establish goals and determine priorities through approval of objectives, plans, and budgets.
- To consider, evaluate, and establish laws, policies, regulations, and procedures.
- To act as a judicial body in matters of appeal properly presented according to laws, policies, regulation, and procedures.
- To ensure that direction given to the County Administrator is clear and explicit and represents the desires of a majority of the Board and not individual Commissioners.
- To refrain from directing individual staff members except through the County Administrator.

The Role of the Staff to the Board of County Commissioners

- To implement the goals of the Board of County Commissioners.
- To suggest objectives, plans, and budgets for approval by the Board of County Commissioners consistent with approved goals.
- To implement Board approved objectives, plans and budgets.

- To provide the Board with adequate, competent information and professional recommendations upon which the Board may rely in making decisions and to refrain from criticism of those decisions once made.
- To manage the day-to-day affairs of county government.
- To suggest to the Board new laws, regulations, and policies or modifications to existing ones.

Fiscal Policy Statement

Orange County has an important responsibility to its citizens to correctly account for public funds, to manage municipal finances wisely, and to plan for adequate funding of services desired by the public. With the change in federal policies toward local government and the rapid rate of growth in our area, Orange County needs to ensure that it is capable of adequately funding and providing local government services needed by the community.

Sound fiscal policies that are realistic and consistent provide useful guidance for the long-term programming of services and facilities. They also provide a set of assumptions under which budget and tax decisions should be made. While established for the best management of governmental resources, generally accepted fiscal policy also helps set the parameters for government's role in the broader economy of the community.

Financial Structure

To provide proper accountability for the different kinds of resources, "funds" are established. Each fund is a separate entity with its own resources, liabilities and residual balance. Some homogeneous funds have been consolidated for budget presentation. Funds with similar objectives, activities and legal restrictions are, for reporting purposes, placed in one of three groups:

Governmental Funds: Governmental Funds account for general governmental activities, such as law enforcement, which are largely supported by taxes and fees. They are accounted for on a "spending" or financial flow basis.

Governmental Funds include the following:

- a. The General Fund accounts for all resources not reported in other funds. Most countywide activities are accounted for in this fund.
- b. Special Revenue Funds account for resources received from special sources, dedicated or restricted to specific uses.
- c. Debt Service Funds account for the accumulation of resources for, and the payment of, interest, principal and other costs of long-term debt.

d. Capital Projects Funds account for the accumulation and use of resources for the acquisition of buildings, infrastructure and other capital facilities such as parks.

Proprietary Funds: Proprietary Funds account for those activities, which are provided, on a basis consistent with private enterprise. They are accounted for on a cost of service or "capital maintenance" basis.

Proprietary Funds fall into two groups:

a. Enterprise Funds account for activities, such as water and sewer service, which are similar to those provided by private enterprise and whose costs are paid from user charges or from revenue sources other than general governmental revenue.

b. Internal Service Funds account for operations through which the County provides itself with data processing and other essential services, which would otherwise be purchased from commercial suppliers. The governmental departments or funds using the services pay costs of operation of these funds.

Fiduciary Funds: Fiduciary Funds account for assets belonging to others, such as escrow deposits, which are under County control for administration. Agency and expendable trust funds are accounted for like governmental funds. Nonexpendable trust funds are accounted for like proprietary funds.

Fiduciary Funds consists of two groups:

a. Expendable Trust Funds account for assets held by the County in trust for administration and disbursement for specific purposes.

b. Agency Funds account for assets belonging to others, which are held pending disposition.

Budgetary Basis

The County uses the same basis for budgeting and accounting. The County adopts budgets for all Government Funds and Expendable Trust Funds on a modified accrual basis. The budgets for Proprietary Funds are adopted on an accrual basis. Depreciation expense is not budgeted; however, expenditures for capital outlays are budgeted. These outlays are capitalized into fixed assets and eliminated from the results of operations on a GAAP basis.

Fund balance allocations (residual unappropriated liquid assets resulting from prior years' operations) are budgeted and included as revenue on a budgetary basis but are eliminated on a GAAP basis for financial reporting.

Capital Budgeting

Orange County maintains a Capital Improvement Program (CIP) which covers a five-year period and is updated every two years. The Office of Management and Budget determines the amount of funds available for capital projects. Proposed projects are prioritized and the available funds are allocated accordingly. The Capital Improvement Projects detail is included in Section 15 of this document, but the funding for these projects is included in the budget in each appropriate division. Projects in the CIP for FY 99-00 and 00-01 are funded; however, out years are estimated needs and may exceed future available revenues.

Budget Calendar

Budget formulation, adoption, and execution in Orange County involves the year-round interaction of many people at various levels within the County. The purpose of the process is to identify service needs, develop strategies for meeting these needs, and develop detailed revenue and expenditure plans to carry out the strategic plans. As such, the budget process incorporates the following activities:

<u>Date</u>	<u>Activity</u>
January-Feb.	Development of the budget reference manual and the design and printing of budget forms. Staff meetings with the County Administrator and Board of County Commissioners to determine priorities for FY 99-00 and FY 00-01 budget years. Preliminary revenue projections performed. Distribution of budget packages to operating units and constitutional officers. Meetings between County Chairman, County Administrator, Board of County Commissioners and Department Directors to communicate budget policies and priorities for both budget years.
March	Departments prepare two-year budgets and input the information into the County's Budget Preparation computer system. The Office of Management and Budget (OMB) conducts Budget Preparation computer training classes and reviews early departmental budget submissions.
April-May	OMB reviews and tabulates operating budgets and capital improvement projects as well as updates revenue projections.
May 1	Deadline for submission of budgets from the Sheriff, Clerk of the Courts, Comptroller, Supervisor of Elections, Court Administrator, Public Defender and State Attorney.

May-June	Compilation of the budgets -- operating and capital improvement.
June 1	Deadline for Property Appraiser's estimate of tax roll.
June	Department budget meetings with the County Chairman and County Administrator. Property Appraiser submits budget request.
July 1	Deadline for delivery of certified tax roll from Property Appraiser.
July	Distribution of proposed budget to the Board of County Commissioners (BCC). Budget review worksessions.
July 25	BCC certifies proposed millage rates and public hearing dates to the Property Appraiser.
August 1	Statutory deadline for the Tax Collector to submit budget request.
August	Notice of proposed property taxes ("TRIM"* Notice) mailed to taxpayers.
September	Two public hearings on proposed budget and millage rates. An advertisement is placed in a newspaper of general circulation noting the proposed budget and millage rates. The advertisement is placed 2-5 days prior to the second public hearing.
October 1	Implementation of the adopted budget.
October	Value Adjustment Board meets to hear taxpayers' protests of taxable value assessments.
	Property Appraiser issues final certification of taxable value.
Revenue.	Certification of "TRIM"* compliance with Florida Department of
November	OMB issues adopted budget document. Submits to GFOA for judging in Distinguished Budget Presentation Award program.
	Finance issues final results of prior fiscal year. OMB reconciles final fund balances with budget.

* "TRIM" refers to "Truth in Millage"; the requirements, set forth in the Florida Statutes, for adopting budgets by local governments.

This calendar complies with the requirements set forth in Florida Statutes Chapter 200, "Determination of Millage." This calendar is subject to revision throughout the budget process due to changing needs of the Board or County Administration.

Budget Process

This is the second multi-year budget process for Orange County. It covers the period from October 1, 1999 to September 30, 2001. Multi-year budgeting requires county departments and divisions to engage in long-term fiscal planning. This allows for better financial planning with an eye on the fiscal implications of current policies, programs, and economic assumptions. At the same time, it allows for a greatly reduced manpower effort during the second year of the budget cycle since proposed adjustments are held to a minimum.

In February the Office of Management and Budget projects revenues and expenditures for the next two fiscal years using a financial projection model. This model provides the County with a clear vision of the level of financial control needed to develop upcoming fiscal year budgets. Based on the model's results, target expense levels for FY 99-00 and FY 00-01 were provided to operating departments.

In late February, meetings were held with the County Chairman and County Administrator to obtain direction for the upcoming multi-year budget process. Departments/divisions were challenged to prepare a program budget with a focus on maximizing services while maintaining a budget within the County's fiscal capacity.

In April 1999, the departments/divisions submitted their proposed budgets to OMB for review. In May, meetings were held with departments to discuss budget issues and to obtain additional information. Unresolved budget issues were discussed in department meetings with the County Chairman and County Administrator. These meetings provide department directors with the opportunity to discuss their budget and the programs/services that are provided. From these meetings, expenditure levels to be recommended to the Board of County Commissioners are determined.

Board worksessions in July are a forum for finalizing spending plans, establishing proposed millage rates, and for formalizing policy issues. Copies of the proposed budget are distributed to department directors and made available for inspection by the general public prior to the final budget hearing in September. Following Board approval of the final spending plan, OMB staff prepared the approved budget for distribution to departments and other interested parties. The budget for the upcoming year becomes effective October 1 and the spending

plan as authorized by the Board will be implemented throughout both fiscal years.

Multi-year Budgeting

I. What multi-year budgeting IS –

Budget process involving forecasting revenues and expenditures for a period of two fiscal years at one time. An opportunity to foresee financial status in a “future” mode.

II. What multi-year budgeting IS NOT -

- Not a replacement for the annual BCC budget sessions.
- Does not mean budget is set in stone for two years.
- Does not compromise the mandated “Board Approval” process.

III. What are the advantages of a multi-year budgeting process?

- Process enables cost savings through reduced work hours spent preparing an annual budget and paperwork reduction.
- Gives Financial Managers a tool to identify needs in a less pressed environment while increasing fiscal responsibility.
- Focuses on policy decisions and strategic planning, not bean counting.
- Minimizes affect of budget fluctuations on services.
- Allows for flexibility for changes in the second year budget prior to its inception.

IV. How does it work?

- Organizations prepare complete budgets (with detail) for two fiscal years and input requested budget data into Local Government Financial System (LGFS).
- OMB compiles budgets for both years and processes LGFS input for final stages of year one budget and second year adjustments.
- Budget book includes both years and is presented at budget worksessions and public hearings. Year one budget and millages are presented to the Board for approval. Request for year two budget approval in concept.
- Second year budget is opened for modification during the usual budget timeframe.
- Second year budget and millages are presented to the Board for approval during budget worksessions and public hearings prior to start of year two.

Second Year Budget Adjustment Timetable (CIP included)

Process/Procedure	Timeframe	Due
Revise Revenue Forecast	Jan. 00	Feb. 00
Distribute proposed budget adjustment worksheets to departments	Feb. 00	April 00
OMB review/compile changes by departments	April 00	May 00
County Administrator's meetings to discuss issues	May 00	May 00
County Chairman's meetings to discuss issues	June 00	July 00
Deadline for Property Appraiser's estimate of tax roll		July 1
Finalize Budget Document for worksession	June 00	July 00
Budget worksession to tentatively adopt operating and capital budgets and proposed millage rates		July 00
Two Public Hearings to adopt the operating and capital budgets and millage rates		Sept. 00
Implementation of new budgets		Oct. 00

Budget Adoption and Modification

The Board annually adopts the budget by resolution for all funds of the County, exclusive of some Agency Funds. Budgetary authority is legally maintained at the fund level; however, the County's computerized financial system imposes budget controls at the appropriation level, by division.

Amendments to the adopted budget can occur at any time during the fiscal year through action of the Board or the County Administrator in the following manner:

1. Budget Amendments -- Fund revenue and expenditure amounts may be increased or decreased by formal action of the Board following proper public notice as specified in Chapter 129.03(a) of the Florida Statutes. Amendments to adopted budgets normally result from either: (a) the desire to recognize an unanticipated excess amount of an anticipated revenue; or (b) the unanticipated decrease of an anticipated revenue. Fund revenue and expenditure amounts may be increased by the Board without public notification in the event of unanticipated revenue from an unanticipated source, or in the proprietary funds. The purpose of the amendment process is to adjust fund amounts to reflect the level of revenues reasonably anticipated to be received and to balance expenditures to these revenues in accordance with state law and sound fiscal practices.

2. Budget Transfers -- Operating unit budgets may be amended by formal transfer action. Budget transfers which are intradepartmental in nature may be approved by the County Administrator or his designee. A list of such intradepartmental transfers is maintained by the Office of Management and Budget. Budget transfers which are interdepartmental in nature, or which involve fund reserve distributions, must be reviewed and formally approved by the Board prior to execution. See the following exhibit for a flow-chart presentation of this process.

Additions to approved positions during the budget year require Board review and approval. As previously delegated by the Board, personnel reclassifications may be approved by the County Administrator.

The Budget Prioritization Process

Because the amount of funding available is never enough to meet all of the desired requests during a given fiscal year, the budget process is designed to effectively allocate funding for those projects and programs which are determined to be the most needed at the time. Making the determination of what is most needed at the time is the result of several factors.

1. Public Wants and Needs - Orange County conducted a countywide strategic plan initiative. Citizens were surveyed and review and discussion meetings were held with various citizen and government groups. Results were published in a strategic plan that Orange County divisions could use in providing response to public wants and needs in their FY 1999-00 & FY 2000-01 budgets.
2. Assess Needs, Resources, and Service Priorities - Meetings are conducted with the County Chairman, the BCC and the County Administrator to determine priorities for both budget years. Revenue projections are performed in order to assess available resources.
3. Establish Annual Goals - Based on the information above, the County Chairman issues budget instructions, overall policy goals and targeted budget levels.
4. Meet and Prioritize - The departments meet with their divisions and often times with external groups such as advisory boards to determine priorities and allocate funds accordingly.
5. Prepare and Refine Proposed Budget Recommendations - OMB reviews and prepares budget recommendations. The County Chairman, the County Administrator, OMB, and the departments review and discuss the budget proposal in an effort to resolve issues and priorities.

6. Budget Discussion - The County Chairman submits the budget recommendation to the BCC. The BCC reviews recommendations during a series of budget worksessions.
7. Deliberate, Revise, and Adopt Budget - The budget is finalized and adopted by the BCC during advertised public hearings where citizens are encouraged to attend.

FY 1999-00 & FY 2000-01 Budget Assumptions

Based on available economic data and the County Chairman's priorities, the FY 1999-00 and FY 2000-01 Revenue and Expenditure budgets were prepared using the following:

Revenues:

- All revenues except for non-operating revenues, internal service funds and grant funds include the 5% statutory deduction required by Florida Statutes.
- There was a reduction in the countywide millage rate and the Fire MSTU of 0.0625 in FY 99-00 and an additional 0.0625 decrease in the countywide millage in FY 00-01.
- There was an increase of .05 mills in the Special Tax MSTU in FY 99-00 to help fund the additional code enforcement efforts.
- Interest income projections reflect maintenance of current interest rates.
- Included in the budgets are indirect cost charges to County Departments (non-general fund) for central services provided by the general fund. The

total of these charges is 8,020,159 in FY 1999-00 and \$8,300,362 in FY 2000-01.

- The budget for state-shared revenues, including sales tax revenue, was prepared based on year-to-date actual figures and various economic and legislative assumptions. These revenues may be revised during FY 1999-00 & FY 2000-01 based on projections from the State or economic changes.

Expenditures:

- Personal Services: A net total of 311 new positions are approved for FY 1999-00 & 158 for FY 2000-01. Most of the new positions for FY 1999-00 are for Corrections (100), Elected Officials, (107), Fire & Emergency Services (51), Growth Management & Environmental Resources (26) and Convention Center (31).

Budgeted figures for salaries include funding for a 3.0% salary increase in FY 1999-00 and 3.5% in FY 2000-01 for all eligible employees. Also, additional funds have been reserved for potential salary adjustments and performance based merit increases along with a 1% broadbanding adjustment for all eligible employees. The Cost of Living Adjustment (COLA) to salaries was eliminated in FY 1991-92.

Employee benefit costs were reduced in FY 1999-00 and FY 2000-01 due to the Florida Legislature lowering the retirement rates for all employees. Depending on the retirement category under the Florida Retirement System, employee retirement contributions were budgeted at the following rates: Regular 10.15%, Elected Officials 17.99%, Special Risk 21.16% and 12.47% for Special Risk Administration.

The rate for FICA (Social Security) contributions is based on a prorated amount due to the calendar year/fiscal year difference and is budgeted at 7.65% of total salaries and overtime.

In an effort to contain rising health care costs, the County is now entering its fourth year of a five year extension of a Health Partnership with various other governmental agencies. The FY 1999-00 & FY 2000-01 budgeted costs are \$2,990 & \$3,080 respectively per employee for life and health insurance.

- Operating Expenses: Departments were requested to submit at least a 3% operating decrease for FY 1999-00 and a maximum 3% operating increase for FY 2000-01.
- Capital Outlay: Departments were requested to provide thorough justifications for all capital equipment needs. All rolling stock purchases (excluding law enforcement) were reviewed by the Vehicle Requirement Utilization Committee (VRUC).

- Capital Improvements: Projects were budgeted according to prioritized needs and funds availability. Major projects include funding for a new 1,600 bed jail facility, expansion of the convention center, and additional funding for stormwater projects and parks. See department sections and the CIP section at the end of this document for a complete listing of projects.
- Internal Services: Charges for departmental internal services such as data processing, graphic reproduction, fleet maintenance, indirect cost and self insurance are based on anticipated needs by the internal service departments and projected usage by County departments. Departmental internal service charges for data processing for the General Fund departments have been budgeted within division's budgets to more accurately reflect the cost of operations for users of this service.

Reserves: Budgeted reserves for most funds are at 5% or higher. Efforts have been made to maintain reserves at a healthy level while providing services to the citizens. For additional information on reserves, see the description in the "Fund Balances" section of the Budget in Brief.