

Budget Process

This is the second multi-year budget process for Orange County. It covers the period from October 1, 2000 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 Approved adjustments are held to a minimum.

In February, the Office of Management and Budget (OMB) 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.

In late February and early March, meetings are held with the County Administrator to discuss the results of the financial model and obtain direction and targeted expense level for the upcoming multi-year budget process. Based on direction from the County Administrator, departments/divisions are challenged to prepare a program budget with a focus on maximizing services while maintaining a budget within the County's fiscal capacity.

In April 2000, 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 allowed department directors the opportunity to discuss their budget and the programs/services provided. From these meetings, the budgets were developed and submitted to the Board of County Commissioners (BCC) for approval.

Board worksessions in July are a forum for discussing the proposed spending plans, establishing proposed millage rates, and for formalizing policy issues. Following Board approval of the budget, OMB prepares the approved budget for distribution to departments and other interested parties. The budget for the upcoming year becomes effective October 1. The BCC can only approve an annual budget, therefore, the second year budget must also go through the approval process.

General Information

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
Finalize Budget Document for worksessions	June 00	July 00
Deadline for Property Appraiser's estimates for tax roll		July 1
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

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 to 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 to determine what their community priorities were. In addition, review and discussion meetings were held with various citizen and government groups. The findings were published in a strategic plan that Orange County departments use in providing response to public wants and needs in their FY 00-01 budgets.
2. **Assess Needs, Resources, and Service Priorities** - Meetings are conducted with the County Chairman, and the County Administrator to determine priorities. Revenue projections are performed in order to assess available resources.
3. **Establish Annual Goals** - Based on the information above, the County Administrator issues budget instructions, overall policy goals and targeted budget levels.
4. **Meet and Prioritize** - Departments meet with their divisions and oftentimes with external groups such as advisory boards to determine priorities and allocate funds accordingly.
5. **Prepare and Refine Proposed Budget Recommendations** - OMB reviews and provides budget recommendations. Meetings are held with the County Chairman, the County Administrator, OMB, and the departments to review and discuss the proposed budget, and resolve any issues and priorities.
6. **Budget Discussion** - The County Chairman submits his proposed budget to the BCC. The BCC reviews and discusses the proposed budget 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 in September where citizens are encouraged to attend.

FY 00-01 Budget Assumptions

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

Revenues:

- All revenues except non-operating revenues, such as, interfund transfers, bond/loan proceeds, and fund balance include the 5% statutory deduction required by Florida Statutes.
- There is a reduction in the countywide millage rate of 0.0625 for FY 00-01.
- Interest income projections reflect adjustment for current and projected interest rates.
- Included in the indirect cost charges to County departments (non-general fund) for central services provided by the general fund. The total of these charges is \$8,300,362 for FY 00-01.
- 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 00-01 based on projections from the State or economic changes.

Expenditures:

- Personal Services: A net total of 48 positions are approved for FY 00-01. The positions changes for FY 00-01 are for the Sheriff (37), Elected Officials (3), Administrative Support (-1), Convention Center (9), Corrections (-20) attributable to transfers out of the department, Fire and Rescue (8), Growth Management (5), and Other Budgets (7). For more information on positions, see *Changes in Authorized Positions* on pages 1-36 and 1-37.

Budgeted figures for salaries include funding for a 4.0% salary increase in FY 00-01 for all eligible employees. Also, a 0.5% broadbanding adjustment for all eligible employees has been included. The Cost of Living Adjustment (COLA) to salaries was eliminated in FY 91-92.

Employee benefit costs are reduced for FY 00-01 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 are budgeted at the following rates: Regular 10.15%, Elected Officials 17.99%, Special Risk 21.16% and 12.47% for Special Risk Administration. Effective July 1, 2000, the new rates were reduced even further: Regular 9.15%, Elected Officials 16.99%, Special Risk 20.29%, and Special Risk Administration 11.68%.

FY 00-01 Life and Health insurance costs are currently budgeted at \$3,080 per employee. The rates for constitutional officers are expected to increase when new health insurance contracts are approved. As with retirement rates, the personal services budget has been adjusted to reflect the actual rates.

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.

- Operating Expenses: Departments were requested to submit a maximum of 3% operating increase for FY 00-01.
- Capital Outlay: Departments were requested to provide thorough justifications for all capital equipment needs. The Vehicle Requirement Utilization Committee (VRUC) reviewed all rolling stock purchases (excluding law enforcement purchases).
- Capital Improvements: Projects are budgeted according to prioritized needs and funds availability. Major projects include funding for 4 new buildings at Corrections that will provide badly needed bed

space, expansion of the convention center, and purchase and renovation of a new building for the Sheriff's Operations Division. 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 their cost of operations.
- Reserves: Budgeted reserves for most funds are at 5% or higher. Efforts have been made to maintain reserves at a healthy level. For additional information on reserves, see the description in the *Fund Balances* section page 1-25.