Charlotte County
Budget Process Workshop

March 17th, 2026

Charlotte County
Florida

Agenda

- Policy Review
- Ad Valorem Long Range Projections
- Property Tax Reform

Reserve Policy

Types of Reserves

- Cash Carry Forward Reserves
- Contingency Reserves
- Fiscal Stabilization Reserves
- Future Capital Reserves
- Restricted Reserves

Reserve Policy

<u>Reserve for Contingencies:</u> To mitigate current and future risks such as revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates; and other unforeseen financial situations. A balance not less than 5% and not greater than 10% percent of the total budget.

<u>Cash Carried Forward Reserve:</u> For the purpose of paying expenses from October 1 of the ensuing fiscal year until the time when the revenues for that year are expected to be available. A balance not less than 5% and not greater than 10% percent of the total budget.

<u>Fiscal Stabilization Reserve:</u> To meet unexpected immediate increases in service delivery costs, or to maintain service levels in the event an economic downturn should cause a shortfall in revenues or for expenditures associated **with a major storm or other unforeseen disaster that fundamentally alters the current tax base**. A balance not less than 15% percent of the General Fund.

Charlotte County
FLORIDA

Reserves Policy

SECTION 2 Ad Valorem Reserves

The components of the ad valorem reserve are the combined reserves of the General Fund, Capital Projects Fund, and Law Enforcement Fund and should include, but not be limited to the following:

I. Reserve for Contingencies

The purpose of reserve for contingencies is to maintain adequate levels of fund balance to mitigate current and future risks such as revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates; and other unforeseen financial situations after exhausting all other funding options. The county should strive to maintain a balance not less than 5% and not greater than 10% percent of the total of the budget. Budget is defined as the amount available to spend to include beginning balance and revenues.

II. Cash Carried Forward

A reserve amount for the purpose of paying expenses from Oct. 1 of the ensuing fiscal year until the time when the revenues for that year are expected to be available. The county should strive to maintain a balance not less than 5% or greater than 10% percent of the total revenue receipts and balances (beginning balance) of the budget.

Reserves Policy

III. Fiscal Stabilization Reserve

The county should strive to maintain a balance not less than 15% percent of the total of the General Fund budget. Budget is defined as the amount available to spend to include beginning balance and revenues to meet unexpected immediate increases in service delivery costs, or to maintain service levels in the event that an economic downturn should cause a shortfall in revenues or for expenditures associated with a major storm or other unforeseen disaster that fundamentally alters the current tax base.

IV. Future Capital Outlay Reserve

A reserve amount for the purpose of funding capital project expenditures that are part of the approved Capital Improvement Program and are held within the Capital Projects Fund. These dollars are restricted for approved capital projects using ad valorem revenues. Reserves in this area may be used as contingency on approved capital projects or future planned expenses on projects that are part of the Capital Needs Assessment.

V. Disaster Retention Reserve - A reserve established to fund non-reimbursable expenses resulting from natural disasters, ensuring adequate resources are available for disaster recovery–related costs. The county should strive to maintain a 25-million-dollar balance.

Ad Valorem Reserves

	Total Reserves	% of Budget	Target
Contingency	31,698,311	5.03%	5% - 10%
Cash Carry Forward	33,380,863	5.29%	5% - 10%
Fiscal Stabilization *	45,204,972	14.00%	>15%
Disaster Retention	25,000,000	3.97%	
Total:	135,284,146		

* Percentage of General Fund Only.

Reserves

	Contingency	Cash Carry Forward	Fiscal Stabilization	Future Capital	Restricted		Total
Ad Valorem	31,698,311	33,380,863	45,204,972		25,000,000		135,284,146
Transportation Trust	2,713,122	6,791,542					9,504,664
Building Construction Services		5,099,564		15,000,000			20,099,564
MSBU/TU	37,850,000	30,392,079		89,257,163	3,427,074		160,926,316
Fire Rescue Unit	1,879,636	4,692,990					6,572,626
Capital Projects				135,470,120			135,470,120
Utilities	100,009,849		2,481,182	26,439,431	1,394,038		130,324,500
Landfill	28,533,610			11,235,875	12,359,604	a	52,129,089
All Other*	32,612,427	3,927,568	4,678,732	54,180,313	17,770,541		113,169,581
Hurricane	(94,935,377)						(94,935,377)
	140,361,578	**84,284,606**	**52,364,886**	**331,582,902**	**59,951,257**		**668,545,229**

a Restricted for future landfill closure
* All Other consists of:
Internal Service Funds such as Self Insurance and Vehicle Revolving Fund
Special Revenue Funds such as Tourism Development and Boater Revolving Fund

CHARLOTTE COUNTY FLORIDA

Revised Ad Valorem Reserves

	Total Reserves	% of Budget	Target
Contingency	31,698,311	5.03%	5% - 10%
Cash Carry Forward	33,380,863	5.29%	5% - 10%
Fiscal Stabilization *	55,282,340	17.12%	>15%
Disaster Retention	25,000,000	3.97%	
Total:	145,361,514		

* Percentage of General Fund Only.

CHARLOTTE COUNTY FLORIDA

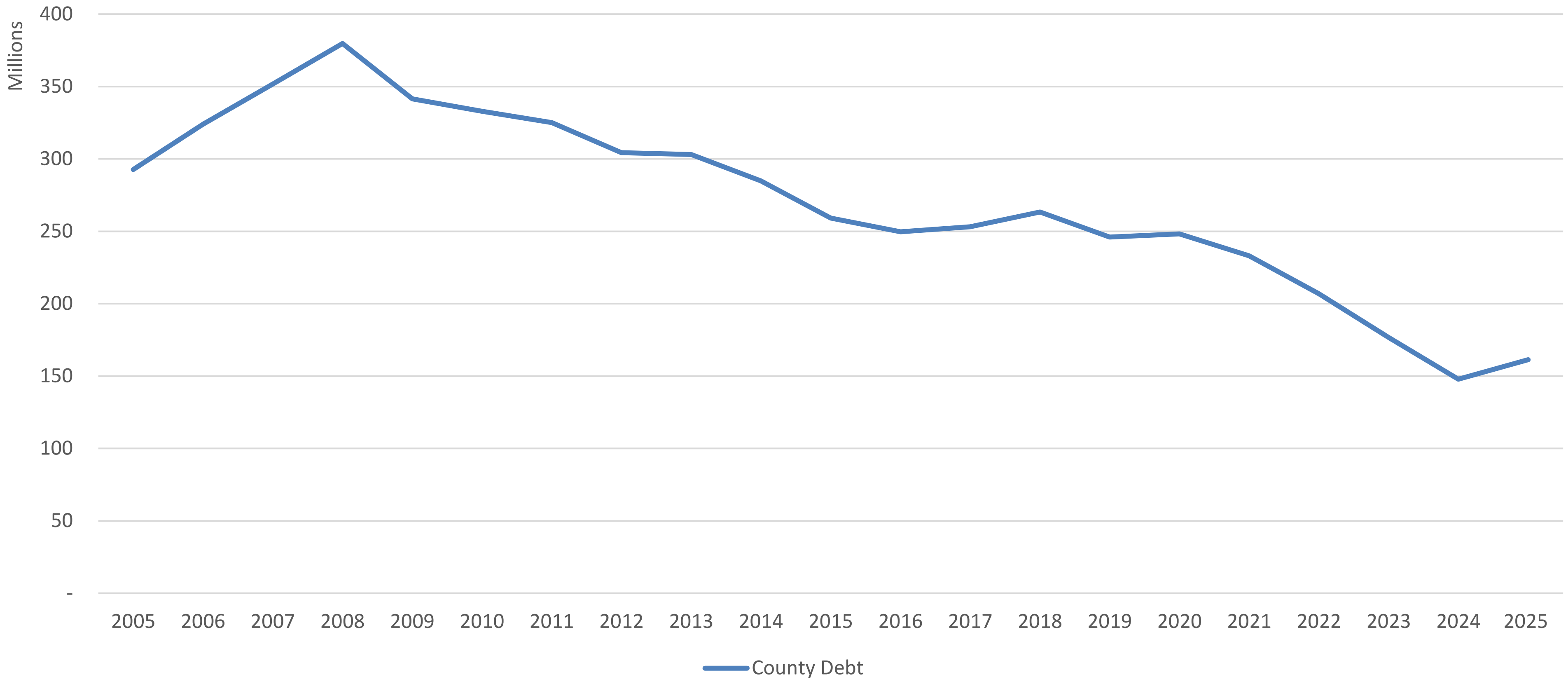
Debt Policy

Debt Policy

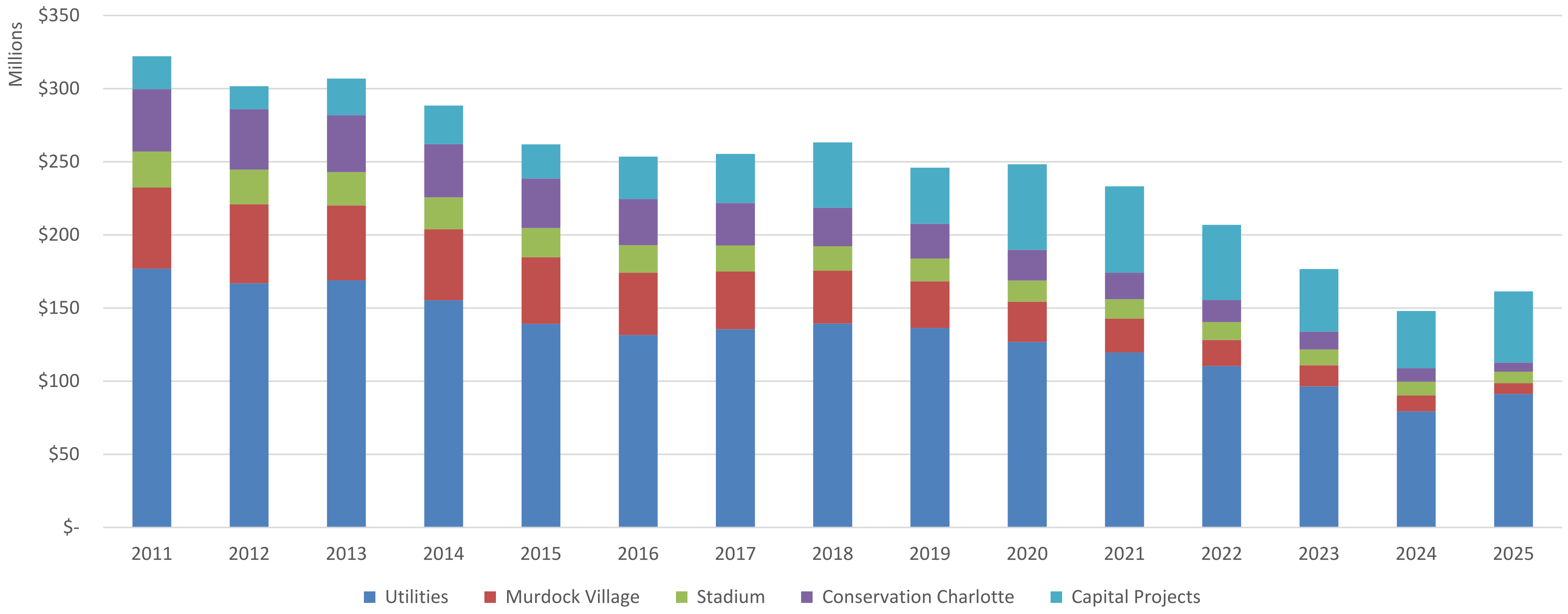
The objective of Charlotte County's Debt Policy is to maintain the County's ability to incur present and future debt at the most advantageous circumstances to the County and its citizens, for purposes of financing or refinancing approved elements of its capital improvements program and other County projects.

Charlotte County

20 Year Debt Position



Charlotte County
Debt Breakdown



Ad Valorem Long Range Projections

Charlotte County Millage History

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
County-wide	**6.3007**	**6.3007**	**6.3007**	**6.3007**	**6.3007**	**6.3007**	**6.3007**	**6.1687**	**6.1687**	**6.0519**	**6.0394**
General Fund	2.0707	2.0707	2.0707	2.0707	2.0707	2.1614	2.1614	2.1614	2.1614	2.2142	2.2142
Sheriff Operations	2.8739	2.8739	2.8739	2.8739	2.8739	2.8739	2.8739	2.7419	2.7419	2.5723	2.5723
Capital Projects Fund	1.2654	1.2654	1.2654	1.2654	1.2654	1.2654	1.2654	1.2654	1.2654	1.2654	1.2529
Health Unit	0.0907	0.0907	0.0907	0.0907	0.0907	0	0	0	0	0	0
Environmentally Sensitive Land Program	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Greater Charlotte Street Lighting District	0.3250	0.3250	0.3250	0.3250	0.3250	0.3250	0.3250	0.2925	0.2925	0.2543	0.1907
Charlotte Public Safety Unit	2.5855	2.5855	2.5855	2.5855	2.5855	2.5855	2.5855	2.4232	2.4232	2.1449	2.1449
Don Pedro/Knight Island Street/Drainage	1.8012	1.8012	1.4410	1.4410	1.4410	1.4410	1.4410	1.4410	1.4410	1.4410	1.4410
Manasota Key Street & Drainage Unit	0.7798	0.7798	0.7798	0.7798	0.7798	0.7798	0.7798	0.7798	0.7798	0.7798	0.7798
Stump Pass Dreding Unit	0.1978	0.1978	0.1978	0.1978	0.1978	0.1978	0.1978	0.1978	0.1978	0.1978	0.1978
Sandhill Municipal Service Taxing Unit	0.7062	0.7062	0.7062	0.7062	0.7062	0.7062	0.7062	0.7062	0.7062	0.7062	0.7062
Total Millage:	**12.8962**	**12.8962**	12.5360	**12.5360**	**12.5360**	**12.5360**	**12.5360**	12.2092	**12.2092**	11.7759	11.6998

CHARLOTTE COUNTY
FLORIDA

Long Range Projection

- Reduction in millage
- Updated with FY25 Actuals
- Ad Valorem increase of **8%** for FY27; 6.5% for Future Years

CHARLOTTE COUNTY
FLORIDA

General Fund

As presented at 1st Budget Hearing 9.4.25

General Fund

Five Year Financial Plan – Revenue/Expenditures

(Thousands)

Operating Revenues	Actual FY22/23	Actual FY23/24	Projected FY24/25	Adopted Budget FY24/25	Proposed Budget FY25/26	Planned Budget FY26/27
Ad Valorem Taxes	47,303	53,178	62,085	64,818	69,774	76,751
State Shared Revenues	30,648	30,551	31,180	30,050	29,446	30,905
Franchise Fees-FPL	13,926	13,677	14,032	12,500	14,397	14,771
Charges for Services	14,695	16,063	16,432	13,367	14,868	14,964
Less 5%-FS 129.01(2)(C)				-6,799	-6,805	-7,240
Other Revenues & Fees	11,551	15,248	15,949	6,527	10,206	10,011
Central Service Charges	20,041	23,995	25,555	23,415	27,215	28,985
Transfers In	24,511	21,212	13,212	8,366	12,416	11,672
Total Revenues	**162,674**	**173,923**	**178,445**	**152,243**	**171,517**	**180,818**
Expenditures						
Personal Services	41,480	42,518	50,595	51,949	58,092	61,540
Fringe Benefits	20,239	21,862	21,539	27,686	29,231	30,694
Operating Expenses	40,295	46,231	41,967	41,823	53,384	55,320
Capital Outlay	2,878	1,450	2,015	1,980	4,939	3,530
Grants and Aids	4,828	5,797	4,493	3,325	3,543	3,549
Constitutional Offices	22,151	19,887	21,279	22,491	22,927	22,978
Transfers	12,641	20,682	21,716	18,493	17,028	17,185
Total Expenditures	**144,512**	**158,427**	**163,604**	**167,748**	**189,144**	**194,798**
Use of Reserves	-18,162	-15,496	-14,841	15,504	17,627	13,979

General Fund

Five Year Financial Plan – Revenue/Expenditures

(Thousands)

Operating Revenues	Actual FY22/23	Actual FY23/24	Actual FY24/25	Adopted Budget FY24/25	Adopted Budget FY25/26	Planned Budget FY26/27
Ad Valorem Taxes	47,303	53,178	62,413	64,818	69,792	76,751
State Shared Revenues	30,648	30,551	29,742	30,050	29,446	30,905
Franchise Fees-FPL	13,926	13,677	14,147	12,500	14,397	14,771
Charges for Services	14,695	16,063	15,592	13,367	14,868	14,964
Less 5%-FS 129.01(2)(C)				-6,799	-6,805	-7,240
Other Revenues & Fees	11,551	15,248	16,530	6,527	10,206	10,011
Central Service Charges	20,041	23,995	23,351	23,415	27,215	28,985
Transfers In	24,511	21,212	21,910	8,366	12,416	11,672
Total Revenues	**162,674**	**173,923**	**183,686**	**152,243**	**171,536**	**180,818**
Expenditures						
Personal Services	41,480	42,518	48,444	51,949	58,092	61,540
Fringe Benefits	20,239	21,862	24,594	27,686	29,231	30,694
Operating Expenses	40,295	46,231	47,002	41,823	53,384	55,320
Capital Outlay	2,878	1,450	1,069	1,980	4,939	3,530
Grants and Aids	4,828	5,797	5,139	3,325	3,543	3,549
Constitutional Offices	22,151	19,887	20,922	22,491	22,927	22,978
Transfers	12,641	20,682	22,438	18,493	17,028	17,185
Total Expenditures	**144,512**	**158,427**	**169,609**	**167,748**	**189,144**	**194,798**
Use of Reserves	-18,162	-15,496	-14,077	15,504	17,608	13,979

Revised Ad Valorem Reserves

FY25 Variance

Revenue

Interest	5,479,013
Sheriff	9,315,218

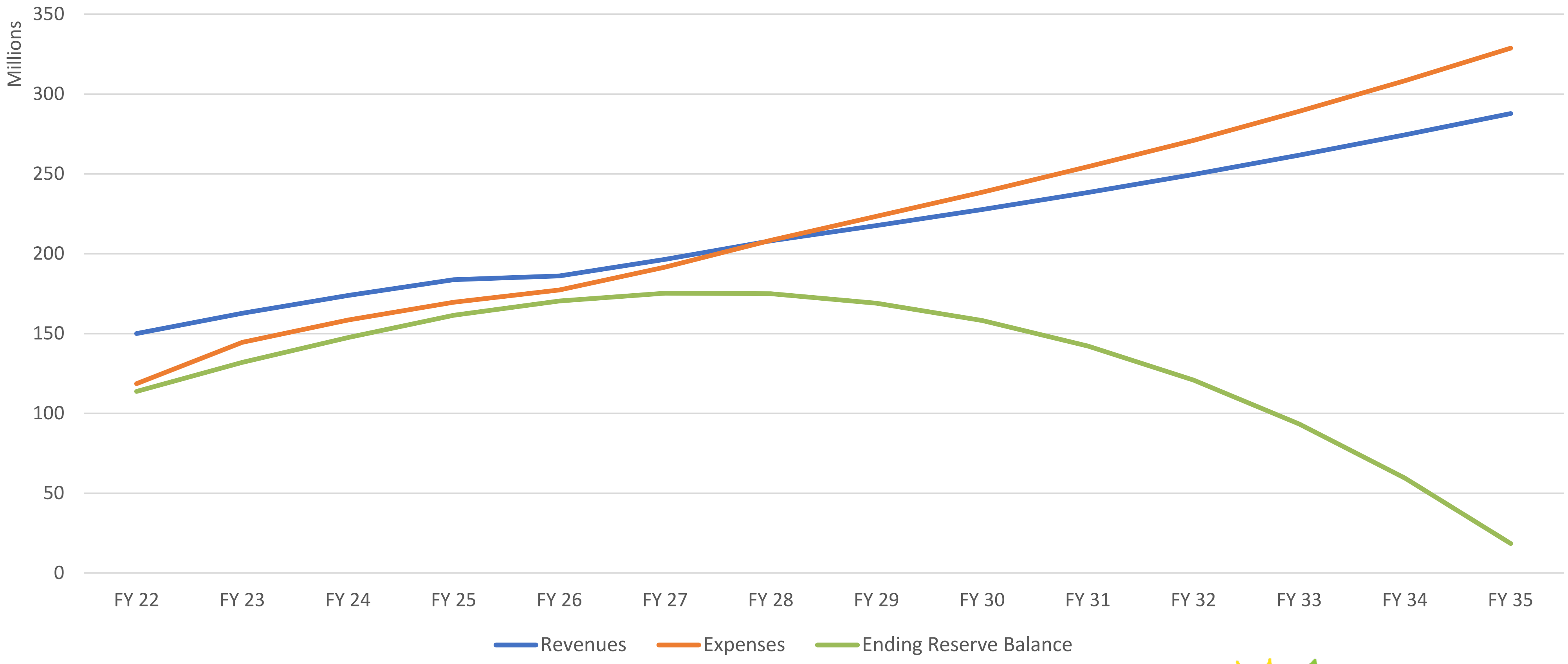
Expenditures

Salaries & Fringe	(7,122,258)
Capital Outlay	(2,336,602)

CHARLOTTE COUNTY
FLORIDA

General Fund

Revenues vs Expenditures Updated Projection

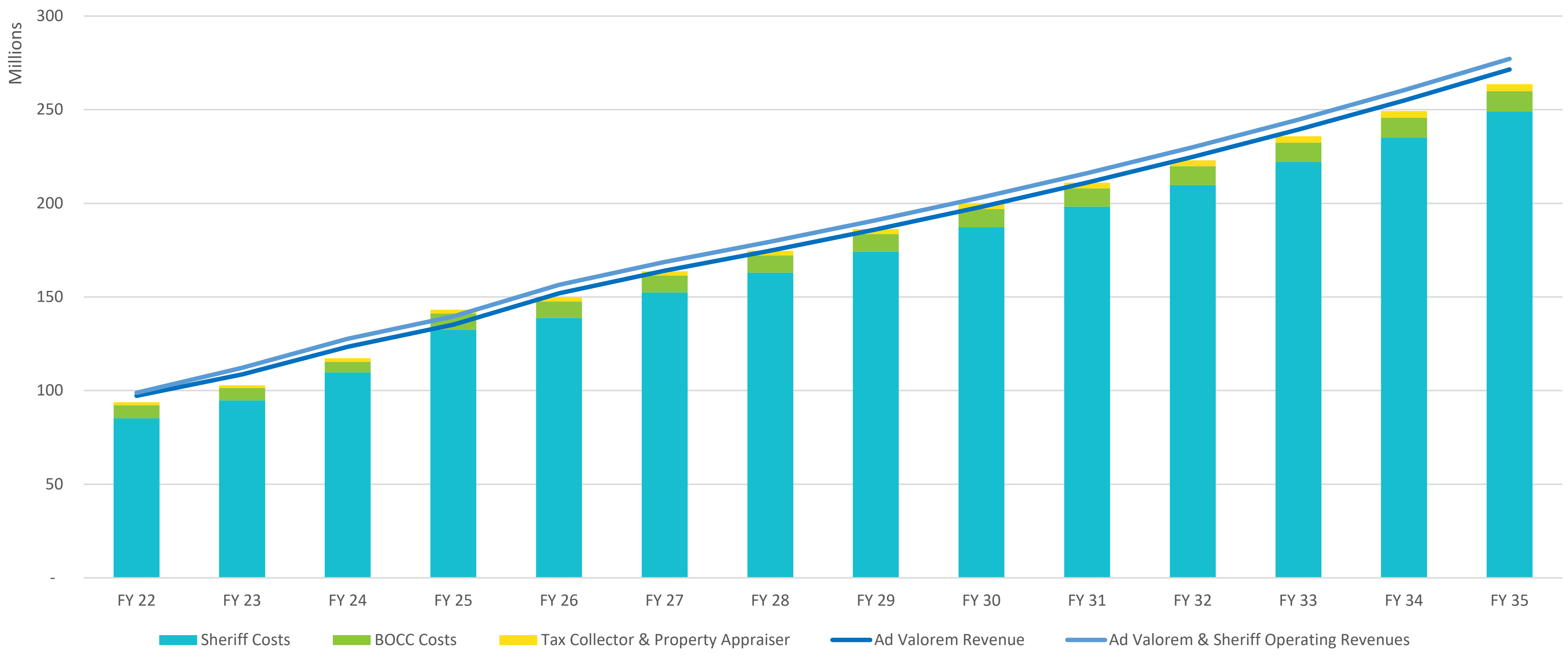


CHARLOTTE COUNTY FLORIDA

Law Enforcement Fund

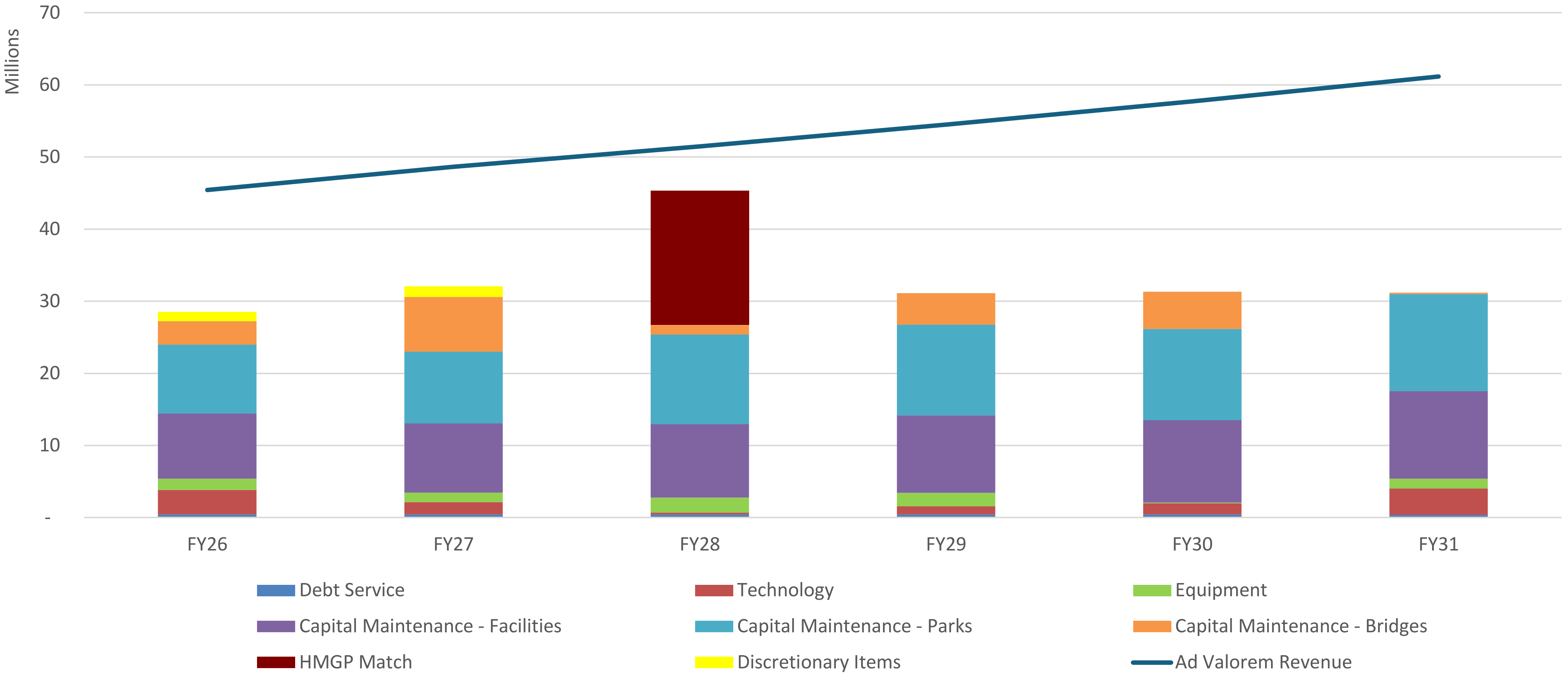
Law Enforcement Fund

Projection



Capital Projects Fund

Capital Projects Fund
Projection



General Government
(Thousands)

	FY26	FY27	FY28	FY29	FY30	FY31	Total
Surplus from All Other	327	15,198	20,787	22,184	13,380	28,738	100,614
Surplus from HMGP	-	-	(12,868)	-	-	-	(12,868)
Shortfall after Sales Tax	-	(15,021)	(100,392)	(86,068)	(17,518)	(2,638)	(221,637)
Total Surplus / Shortfall	327	177	(92,473)	(63,884)	(4,138)	26,100	(133,891)

Property Tax Reform

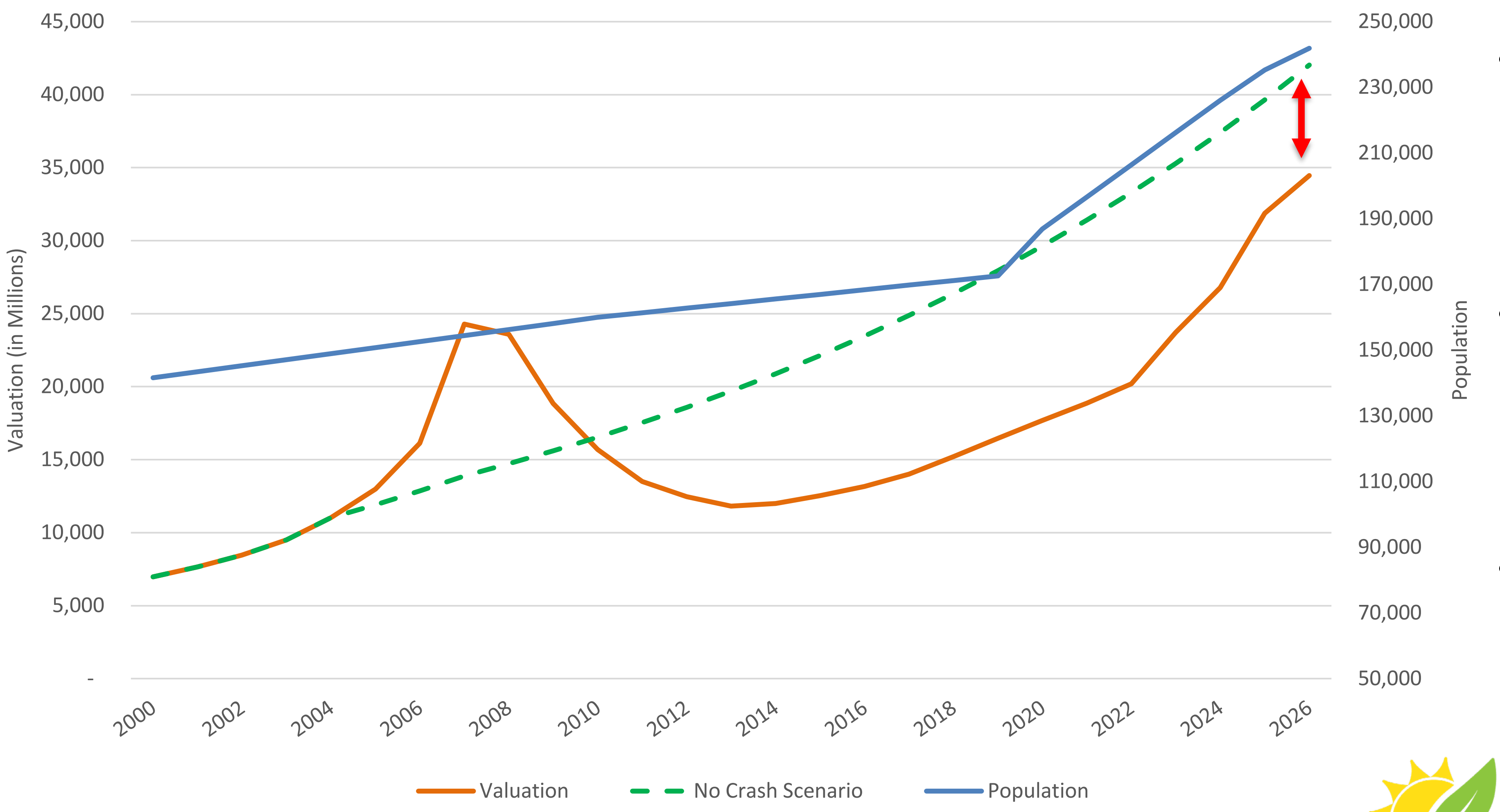
Reasons Why

Florida House Property Tax Reform

- Rising property values and tax bills have made homeownership more expensive for many Floridians
- Local property tax collections have grown dramatically, and some residents feel they are being taxed out of their homes
- Cutting property taxes is being pitched as a way to address the affordability crisis

CHARLOTTE COUNTY FLORIDA

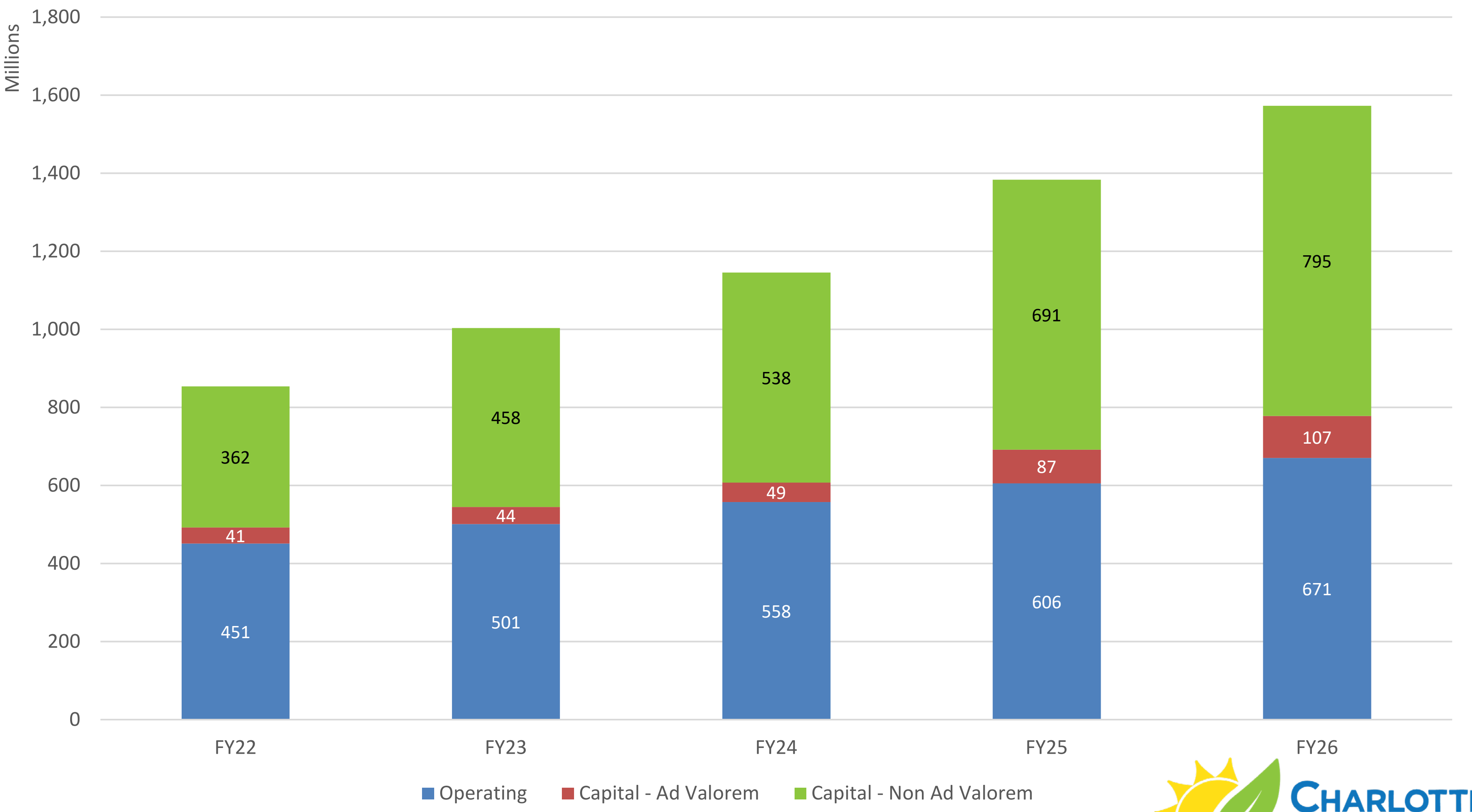
Population & Valuation



- Population continued to rise throughout the cycle, accelerating after 2020
- The post-crash decline lasted longer and was deeper than the rise that preceded it
- Current growth reflects delayed recovery, not overvaluation

CHARLOTTE COUNTY FLORIDA

Net Budget - Capital Breakdown



Proposed Property Tax Reform

Florida House Property Tax Reform

- Ongoing statewide focus on **property tax relief**; House created the **Select Committee on Property Taxes** last session.
- **Multiple proposals filed this session** and already being heard in Committees.
- **Voters will decide** from multiple options on the **2026 ballot**; voters may approve **some, all, or none** of the options presented.
- All proposals:
  - **Prohibit reduction of law enforcement funding**
  - **Exempt school taxes**
- No implementing bills now—framework will be set **after** voter decisions.

CHARLOTTE COUNTY
FLORIDA

Proposed Property Tax Reform

Governor DeSantis

- Dismissed the concept of multiple ballot options
- Wants proposal to **benefit full-time residents**
- Not interested in a proposal for residents aged 65+, as it does not help newer homeowners
- Has **not yet produced a plan on property taxes**, but will introduce when ready
- Indicated would call a **Special Session** if necessary

Charlotte County
Florida

House Proposals

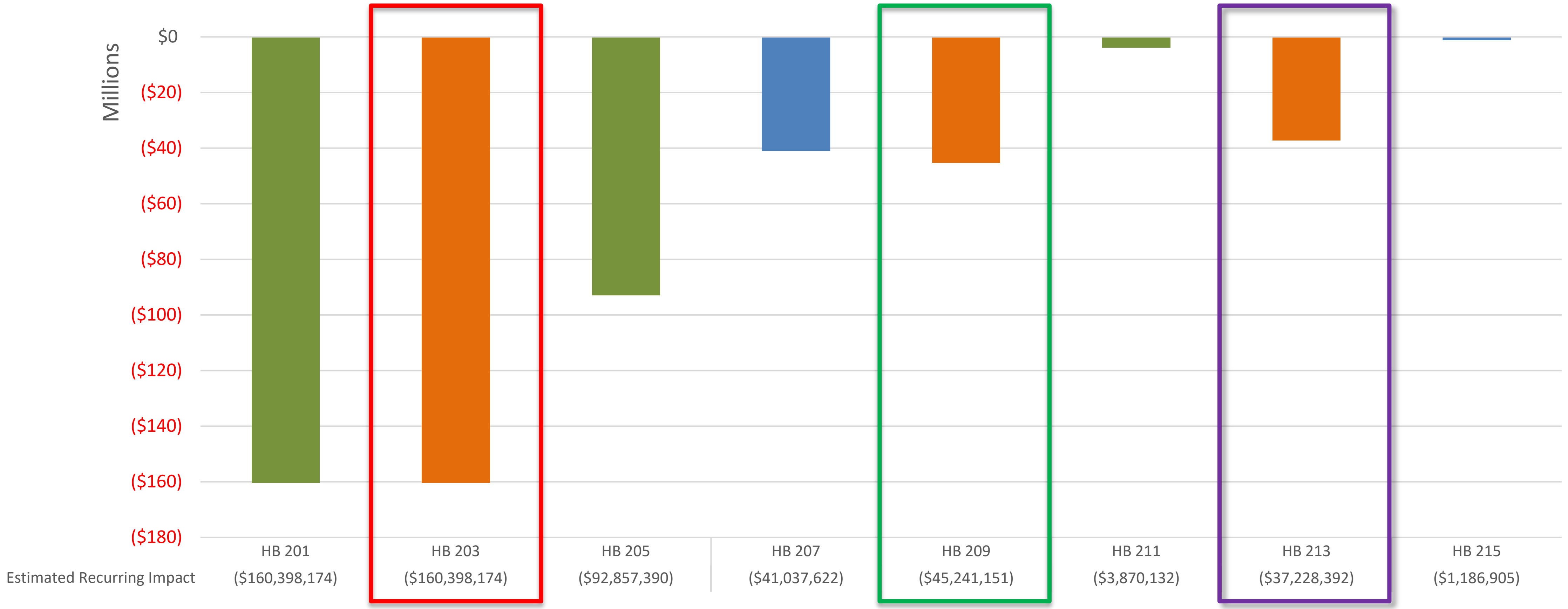
Bill	Title	Description
HB 201	Elimination of Non-school Property Tax for Homestead	Exempts homestead property from all ad valorem taxes other than school district levies.
HB 203	Phased Out Elimination of Non-school Property Tax for Homesteads	Updated to exempt homestead property from all ad valorem taxes other than school district levies and prohibits lowering total funding for law enforcement, firefighters and other first responders.
HB 205	Elimination of Non-School Property Tax for Homesteads for Persons Age 65 or Older	Exempts homestead property of persons age 65 or older from all ad valorem taxes other than school district levies.
HB 207	Assessed Home Value Homestead Exemption of Non-school Property Tax	Adds new 25% homestead exemption for Non School Homestead Value. Excludes this 25% exemption from the annual inflation adjustment provision.

House Proposals

Bill	Title	Description
HB 209	Property Insurance Relief Homestead Exemption of Non-school Property Tax	Increases the homestead exemption from non-school ad valorem taxes by $200,000 for insured properties.
HB 211	Accrued Save-Our-Homes Property Tax Benefit for Non-school Property Tax	Removes the $500,000 cap on the transferrable Save-Our-Homes for non-school ad valorem levies, allowing the full accrued benefit to apply upon establishing a new homestead.
HB 213	Modification of Limitations on Property Assessment Increases	Raises the maximum permissible non-homestead property assessment increase from 10% to 15%, applying once every three years. Adjusts assessment caps to 3-year intervals.
HB 215	Ad Valorem Taxation	Allows for Combined Save-Our-Homes differential for Married Couples, up to a combined $500,000 limit.

CHARLOTTE COUNTY
FLORIDA

Impacts to Charlotte County



*Indicates passed two of three Committee hearings – Select Committee on Property Taxes and State Affairs Committee. Now in Ways and Means Committee.

*Indicates passed all three Committee hearings – Select Committee on Property Taxes, State Affairs Committee , and Ways and Means Committee. Ready for House floor.

CHARLOTTE COUNTY
FLORIDA

Next Steps

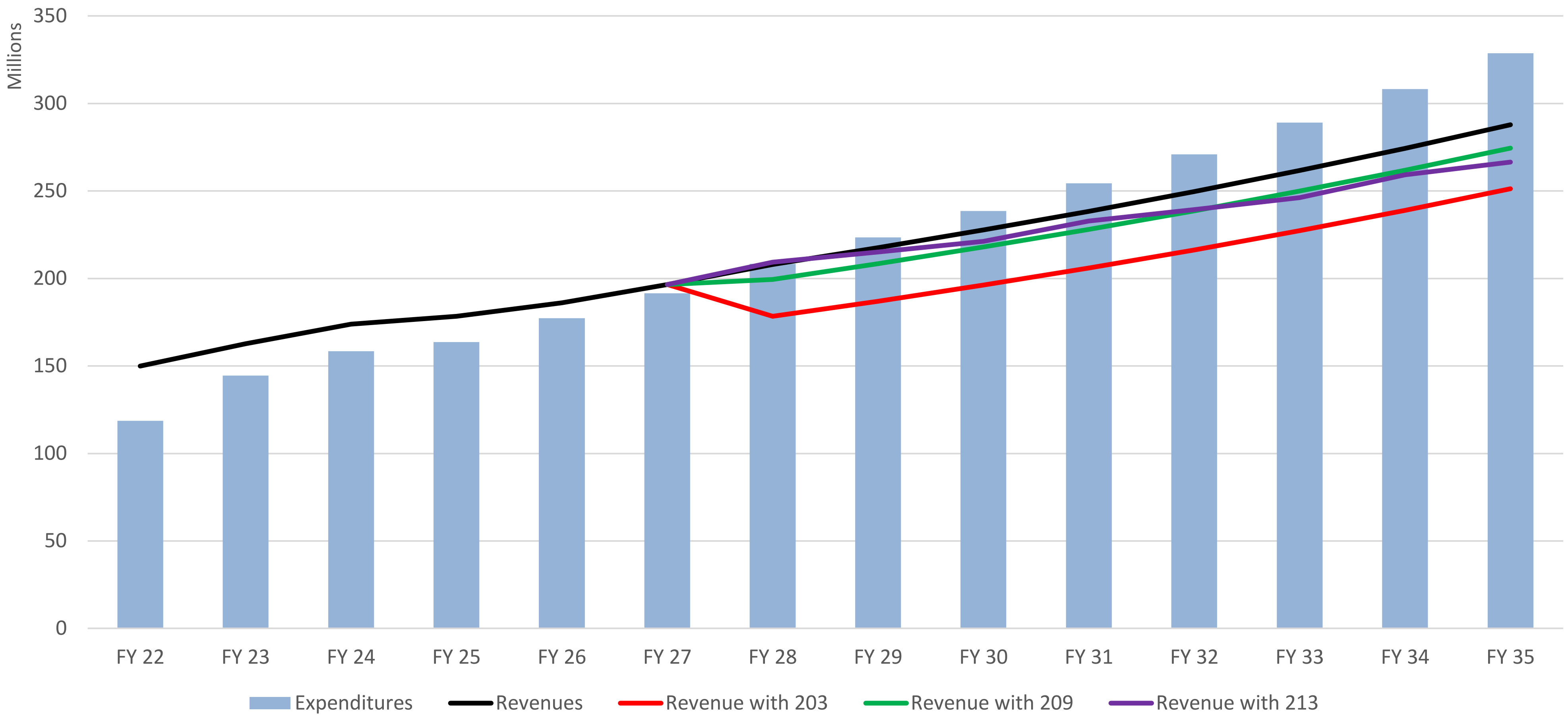
- Preliminary analysis underway to inform future decisions
- Need to educate citizens on expectation gaps and provide stability to workforce.
- Time to respond — earliest potential impact: FY2028 budget.
- Financial preparedness through reserves, LOS planning, and prior surpluses.
- Any adjustments can be phased in gradually.

CHARLOTTE COUNTY
FLORIDA

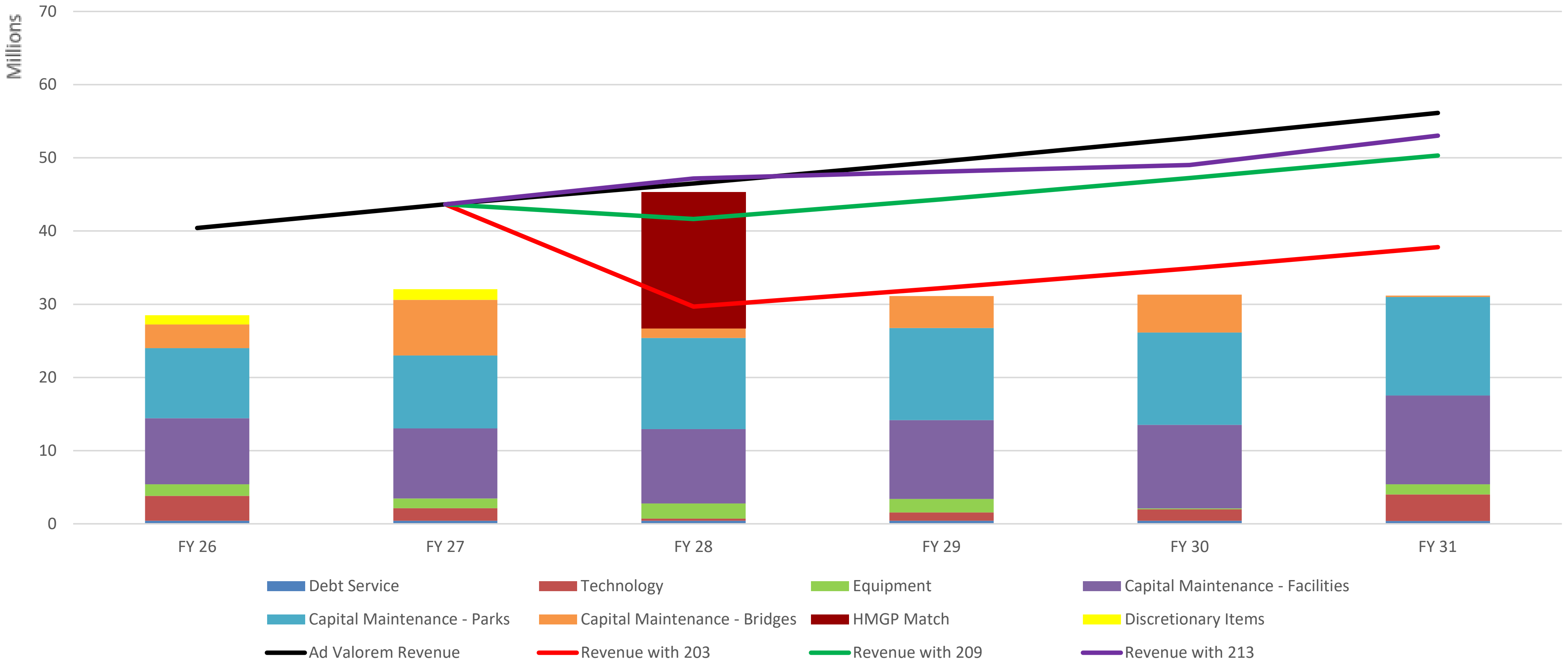
General Fund FY26

	Expense	Revenue	NET	% Paid by Revenue
Administration	2,955,408	-	2,955,408	0.00%
Admin BCC Control	7,328,289	-	7,328,289	0.00%
Budget and Administrative Services	21,303,575	(570,000)	20,733,575	2.68%
Commission	1,611,292	-	1,611,292	0.00%
Communications/PIO	1,589,791	(5,000)	1,584,791	0.31%
Community Development	8,723,766	(1,873,976)	6,849,790	21.48%
Community Services	33,975,752	(1,859,937)	32,115,815	5.47%
County Attorney	2,320,505	-	2,320,505	0.00%
Economic Development	1,263,972	(350,000)	913,972	27.69%
Emergency Management	1,614,045	(229,655)	1,384,390	14.23%
Facilities Management	14,820,274	(1,439,198)	13,381,076	9.71%
Human Services	6,320,904	(5,500)	6,315,404	0.09%
Fines & Forfeiture	4,000,817	-	4,000,817	0.00%
Charlotte County Health	1,554,865	-	1,554,865	0.00%
Charlotte Harbor Event Center	1,185,585	-	1,185,585	0.00%
People Operations	2,054,366	-	2,054,366	0.00%
Public Safety	32,805,509	(15,472,805)	17,332,704	47.17%
Public Works	16,702,904	(4,804,094)	9,126,810	28.76%
	162,131,619	**(26,610,165)**	**132,749,454**	**16.41%**

General Fund



Capital Projects Fund



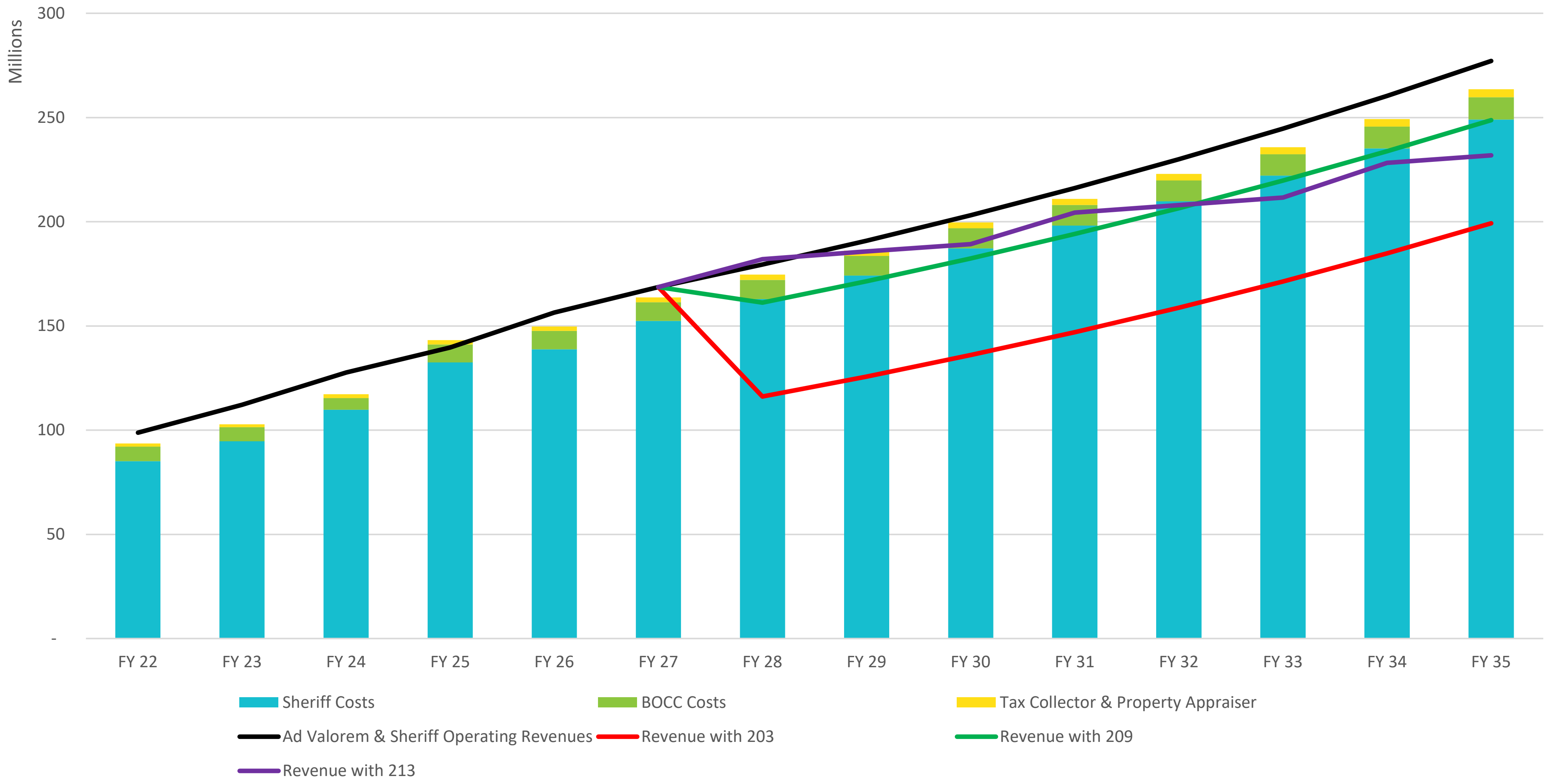
General Government
(Thousands)

	FY26	FY27	FY28	FY29	FY30	FY31	Total
Surplus from All Other	327	15,198	20,787	22,184	13,380	28,738	100,612
Surplus from HMGP	-	-	(12,868)	-	-	-	(12,868)
Shortfall after Sales Tax	-	(15,021)	(100,392)	(86,068)	(17,518)	(2,638)	(221,637)
Total Surplus / Shortfall	327	177	(92,473)	(63,884)	(4,138)	26,100	(133,891)

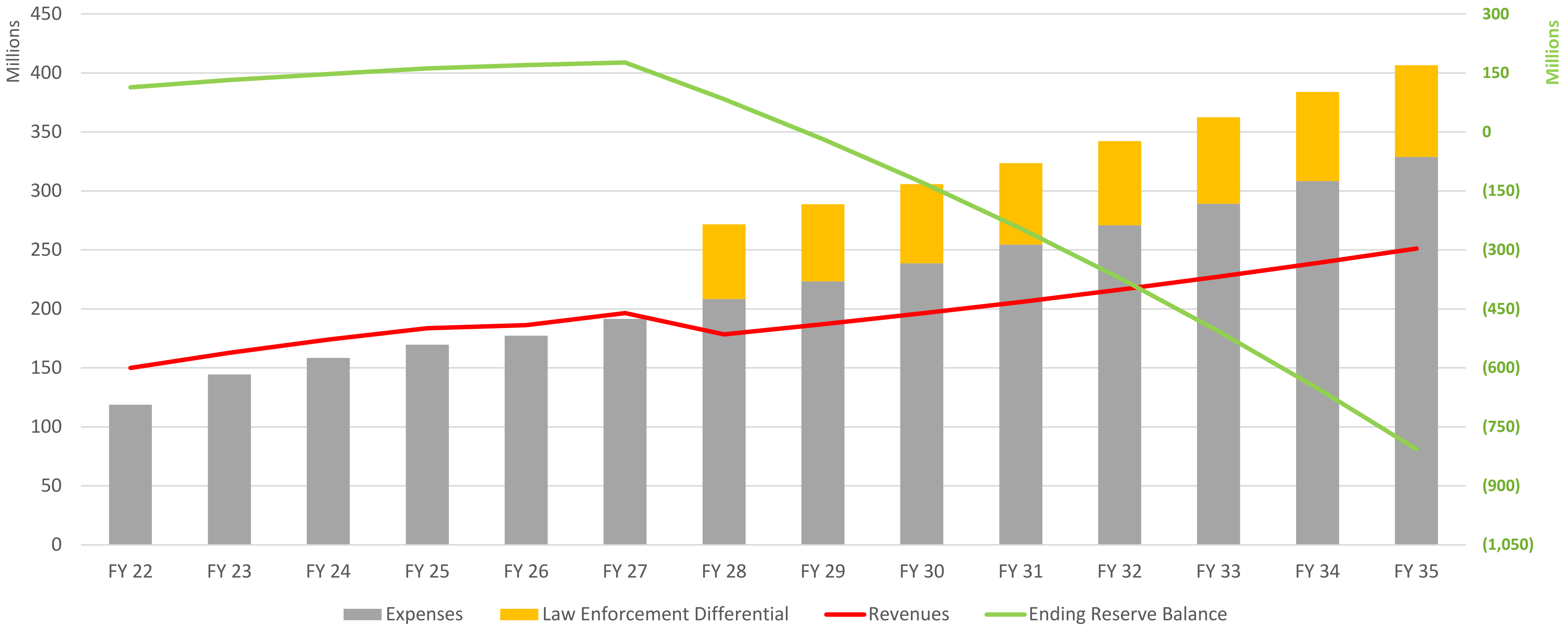
Surplus / Shortfall HB 203	327	177	(127,911)	(81,197)	(21,971)	7,733	(199,301)
Surplus / Shortfall HB 209	327	177	(115,946)	(69,043)	(9,633)	20,248	(150,329)
Surplus / Shortfall HB 213	327	177	(112,083)	(80,583)	(23,769)	3,328	(189,062)

CHARLOTTE COUNTY
FLORIDA

Law Enforcement Fund



Compounded Impact
HB 203



CHARLOTTE COUNTY
FLORIDA

**Projections based on current assessed valuation information from Property Appraiser

What's In Progress

- Core Service Analysis – Mandated, Critical, Discretionary
- Review current Levels of Service
- Countywide Fee Study
- Impact Fee Study
- Sales Tax Initiative
- Pursuit of other funding sources i.e. Grants

Timeline of Key Events

March 13, 2026 — Legislative Session Ended

November 1, 2026 — FY28 & FY29 Budget Process Begins

November 3, 2026 — Election (Property Tax Reform Determination)

November 2026 — Citizen Survey Conducted

Timeline of Key Events

January 2027 — Property Reform Goes Into Effect

January 2027 — Citizen Input on Budget Process

February 2027 — Strategic Plan Workshop

March 2027 — Budget / Financial Update Workshop

July 2027 — Ad Valorem Revenue Adjusted in Tentative Budget for FY28 & FY29

October 2027 – FY28 Budget is adopted with impacts of property tax reform

Questions?