

BUDGET PHILOSOPHY AND DEVELOPMENT PROCESS

Budget Philosophy and Development Process

General Philosophy

The Brevard County government is committed to enhancing and improving the quality of life of residents by funding governmental services which meet the needs of the community. Great effort is made to maximize the use of available resources and to fund these services through existing County revenues before considering increasing ad valorem taxes or user fees.

Statutory Requirements

Brevard County's Budget is based upon a fiscal year beginning October 1 and ending September 30. Fiscal Year 2011-2012 begins October 1, 2011, and ends September 30, 2012.

The County's Budget is developed in accordance with Chapters 129 and 200 of the Florida Statutes. Chapter 129, Florida Statutes, provides general and some specific directions for budget development; and Chapter 200, Florida Statutes, provides specific direction for the annual levy of property taxes. Additionally, the County complies with Brevard County's Charter.

Budget Composition - Funds Included

The County's Budget is a combined budget representing the planned disposition of all available financial resources within all governmental and proprietary funds. The total budget is adopted by the Board of County Commissioners as the financial plan for the County's operational and capital needs for the fiscal year.

Basis of Accounting, Budget Development and Control

The accounting for County programs and services is organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures.

The County's basis for accounting for its Governmental Funds (General, Special Revenue, Debt Service, and Capital Projects) is the modified accrual basis. Revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which services or goods are received and liabilities are incurred. The Budget is developed on this same basis except as discussed below.

The County's Proprietary Funds (Enterprise and Internal Service) use the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenditures are recognized in the accounting period in which they are incurred. The budget for these funds is developed on the same basis except that acquisitions of assets and payments of liabilities are budgeted in the same manner as expenditures. Depreciation and other non-cash expenses are not budgeted.

Budget control is maintained by an encumbrance system wherein purchase orders or contracts reduce budget balances prior to the release of funds to vendors. Purchase orders or contracts which exceed account balances are not released until budget adjustments are made and approved. All appropriations, including encumbrances, lapse at the end of the fiscal year.

Provision is made in the budget on a fund-by-fund basis for a five percent reduction in the estimated revenue of Governmental Funds as required by Florida Statutes before such estimated revenue is deemed available for appropriation.

Florida Statutes, Chapter 129, requires that 100% of each fund's net expendable assets be recognized on the receipt side of the budget. Any net expendable assets to be retained by that fund at the end of the budget year must be reserved on the appropriation side of the budget. This has the effect of requiring that fund balances are included in the budget on the receipt side as "balance forward" and on the appropriation side as a reserve.

STRATEGIC FRAMEWORK, BUDGET DEVELOPMENT AND IMPLEMENTATION

Strategic Framework, Budget Development and Implementation

Strategic Framework

The budget is the ultimate policy document. It is, in its simplest form, the application of resources to the priorities of the organization. The development, approval, and execution of Brevard County's Annual Budget is essentially a year-round process that involves understanding of the financial forecasts and legislative impacts; reviewing the impacts of property valuations; aligning the Boards' priorities and direction from workshops and discussions; receiving community feedback through public engagement forums and a town hall meeting; and understanding the service needs and requests from the County's stakeholders and Charter Officers.

The development of the budget includes the aligning of the resources not only meet the Boards' priorities, but to also achieve the mission and vision of the organization.

As part of the budget development process, the County's various services are broken down into strategic operational areas that include Public Safety; Health, Community & Economic Services; Infrastructure, Transportation & Environment; Culture and Recreation; and Management Services. The most efficient organizations are those who have their strategic operational areas aligned with the Vision, and here in Brevard County, we do this through the County's Strategy Map.

The strategy map shows the County's overall business strategy in focus areas, which allows the County to meet the goals in its operational areas that ultimately lead to achieving the Vision. The focus areas are read from bottom to top and start appropriately with **Financial Management** as the key to building a successful foundation for the organization. Next is investing in our most important asset – our people through **Employee Development & Innovation**. With an appropriately trained and motivated workforce, we focus our energies on finding greater **Operational Effectiveness and Efficiencies**. And all of these areas together allow the County to meet (and hopefully exceed) the expectations of our **Customers**, and communicate performance and illustrate the value of services that are provided by Brevard County Board of County Commissioners.

FY 2012 Strategy Map



STRATEGIC FRAMEWORK, BUDGET DEVELOPMENT AND IMPLEMENTATION

Balanced Scorecard Management System

Brevard County utilizes a Balanced Scorecard Management System to properly communicate performance measures throughout the organization. Each measurement in the system is linked directly to the strategic direction of the organization. With the inclusion of the Balanced Scorecard Management System, Brevard County will continue managing business processes that are geared toward meeting customer requirements and continuous improvement.

Brevard County's Balanced Scorecard Management System allows for the following to be accomplished:

- Clear understanding and communication of performance measures throughout the organization
- Strategy maps that provide a critical link between a complex strategic plan and a clear, concise balanced scorecard or dashboard
- Reporting on an initial corporate balanced scorecard or dashboard
- A distributed management team to deploy customized, cascaded balanced scorecards downward and across business units and functions
- Personalized performance information delivered to specific individuals managing the key strategy-related activities within the organization
- Management of key improvement initiatives and verification of alignment to key strategic measures and objectives
- Linkage of the strategic objectives from top management to front-line employees, while also aligning and managing those employees' personal goals

Development

The FY 2011-2012 Budget Manual and other budget development instructions were delivered to all County agencies in February 2011. During February through May, all operating agencies developed their FY 2011-2012 requested budgets. Brevard County utilizes a hybrid approach to budget development that incorporates multiple budgeting methodologies, thus mitigating the weakness of each method. The budgeting methods that are utilized are as follows – program, performance, line-item and zero based budgeting. The development of budgets include reviewing historical data and current service levels provided by County agencies, requested program changes, requests for new or reduction in positions, requests for travel appropriations, requests for capital outlay and capital improvement projects, and implementation of program/mission information along with outcome measurements.

Public Engagement Sessions were held in February and March 2011 in easily accessible facilities by citizens in the North, Central and South parts of the County. Additionally, an on-line session (the E-town hall), available to all citizens, was held in July 2011. The purpose of these sessions was to allow for additional input from Brevard County residents on the budget, including, but not limited to, taxes, expenditures, efficiencies, current status and future projections.

Simultaneously, the Budget Office reviewed and established revenue estimates for all major sources of revenue not directly related to specific programs.

The County Manager, as head of the Executive Department, and County Budget Officer, conducted a review of all requested budgets on an agency-by-agency basis in May and June. After adjustments, updating revenue estimates and other changes as required, a proposed balanced budget was delivered to the Board of County Commissioners on June 15, 2011, within the guidelines as required by Chapter 129, Florida Statutes. Included in this "Tentative" Budget were recommended ad valorem tax rates based on the Property Appraiser's estimations of taxable property values, which were received on June 24, 2011.

The Board reviewed the Proposed FY 2011-2012 Budget during workshops between February and July 2011. The Board of County Commissioners approved proposed ad valorem tax rates on August 2, 2011. A copy of the proposed tax rates were provided to the Property Appraiser, along with a schedule of the public hearings on the Budget that were conducted in September of this year. In late August, the Property Appraiser provided a notice of proposed taxes and scheduled public hearings on the Budget to each taxpayer.

Refinements in revenue estimates and program appropriations continued through September. The Board held its first public hearing on September 13, 2011, during which the Board approved a tentative budget and millage rates. On September 27, 2011, the Board held its final public hearing, at which time the final FY 2011-2012 property tax rates, operating and capital budgets were adopted.

The FY 2011-2012 "Adopted" Budget became effective October 1, 2011.

STRATEGIC FRAMEWORK, BUDGET DEVELOPMENT AND IMPLEMENTATION

Budget Changes after Adoption and Implementation

Florida Statutes direct that adoption of the Budget provides for regulation of the expenditures for, and by the County, and that the itemized expenditures have the effect of fixing the appropriations. The Budget shall not be amended, altered or exceeded except as provided by Florida Statutes.

Florida Statutes provide that the Budget may be amended at any time within the fiscal year at any regular meeting of the Board, as follows:

1. Appropriations may be decreased in any fund or specific appropriations may be increased, provided there is a corresponding decrease in another appropriation within the same fund so that the total appropriations for that fund are not increased.
2. Appropriations for a reserve account may be decreased and the appropriations for expenditures increased by a corresponding amount in the same fund.
3. A reserve for future construction, acquisition or improvement may be decreased and the funds specifically appropriated for the purpose for which the reserve was established.
4. A receipt from a source not anticipated in the Budget and received for a particular purpose, including but not limited to grants, donations, gifts or reimbursement for damages, may be appropriated by the Board and expended for that purpose. This may be in addition to the appropriations already provided for in the Budget for that fund. Such receipts and appropriations shall be added to the budget of the proper fund.
5. Increases to the receipts of enterprise or internal service funds may be appropriated by the Board and expended for any lawful purpose of that fund. This may be in addition to the appropriations already provided for in the Budget for that fund.

Other changes which increase the appropriations for any fund are referred to as “budget supplements.” These increases in appropriations are approved by the Board after one public hearing. This procedure is generally followed by the County shortly after the mid-year point in the fiscal year and before the end of the fiscal year.

FISCAL YEAR 2011-2012 BUDGET DEVELOPMENT CALENDAR

DATE	ACTIVITY
NOVEMBER 2010	
3	Discuss strategy and budget development process with County Management
DECEMBER	
10	CIP Forms Review with Departments
JANUARY 2011	
3	Begin reviewing revenue and developing projections
FEBRUARY	
4	Budget Kick-off to discuss budget guidelines, strategy development process, performance measurement and budget worksheets with Departments
10	Board of County Commissioner Budget Workshops and Goal Setting
23	Public Engagement Sessions (Employee - Viera)
MARCH	
2	Public Engagement Sessions (Public Meeting – Cocoa BCC)
4	Departments submits new or modified fee changes to the Budget Office
10	Public Engagement Sessions (Public Meeting – Palm Bay BCC)
15	CIP Budget is submitted to the Budget Office
17	Public Engagement Sessions (Public Meeting – Titusville BCC)
APRIL	
8	Distribution of the Final Cost Allocation Plan Results
14	All Departments, Clerk of Courts, Court Administration, Public Defender and State Attorney complete SAP Budget entry and submit appropriate documentation to the Budget Office
MAY	
2	Submission of Supervisor of Elections Budget
27	Distribute Budget Information to County Manager and Assistance County Managers
JUNE	
1	Submission of the Property Appraiser and Sheriff's Office Budget
1	Preliminary Certified tax roll is received from the Property Appraiser
1-10	Department Budget Meetings with County Manager and Assistant County Managers
8	Budget Meetings with Constitutional Officers (Sheriff, Clerk of Courts, Tax Collector and Supervisor of Elections)
8	Changes to CIP and Operating Budgets completed in SAP and appropriate documentation submitted to the Budget Office (Revenue, Balance Forward, Transfers and Expenditures)
15	Proposed Budget Submitted to Board of County Commissioners
JULY	
1	Certified tax roll from Property Appraiser
19-21	Budget work sessions with the BCC
28	Public Engagement Meeting (E-Town hall)
AUGUST	
2	Submission of Tax Collector Budget
2	BCC certifies proposed millages rates and public hearing dates to the Property Appraiser
12	Changes to CIP and Operating Budgets completed in SAP and appropriate documentation submitted to the Budget Office (Revenue, Balance Forward, Transfers and Expenditures)
16	Approval of Melbourne-Tillman WC District Budget
23	Last day to submit agenda reports (fee and assessment resolutions) to Budget Office for first public hearing
24	Notice of proposed taxes ("TRIM) notice mailed to taxpayers
SEPTEMBER	
2	Distribution of Revised Proposed Operating and Capital Improvement Budget
13	First Public Hearing (Adoption of Tentative Budget and Millage Rates)
16	Changes to CIP and Operating Budgets completed in SAP and appropriate documentation submitted to the Budget Office (Revenue, Balance Forward, Transfers and Expenditures)
19-23	Prepare Ad for County's Second Public Budget Hearing to be published on September 23, 2011
27	Second Public Hearing
30	Last date to send millage resolutions to Property Appraiser, Tax Collector and Florida Department of Revenue
OCTOBER	
1	Implementation of the adopted budget

Updated: February 3, 2011