

# Introduction to Government Budgeting:

## A Big-Picture Perspective

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# Introduction to Budgeting in Local Government

- Budgeting is fundamental for Florida local governments as it determines how public funds are appropriated and managed each fiscal year.
- Budgets are policy documents, financial plans, management tools, and transparency devices all at once—showing how cities plan to collect and spend taxpayer money.



# Goals of this session

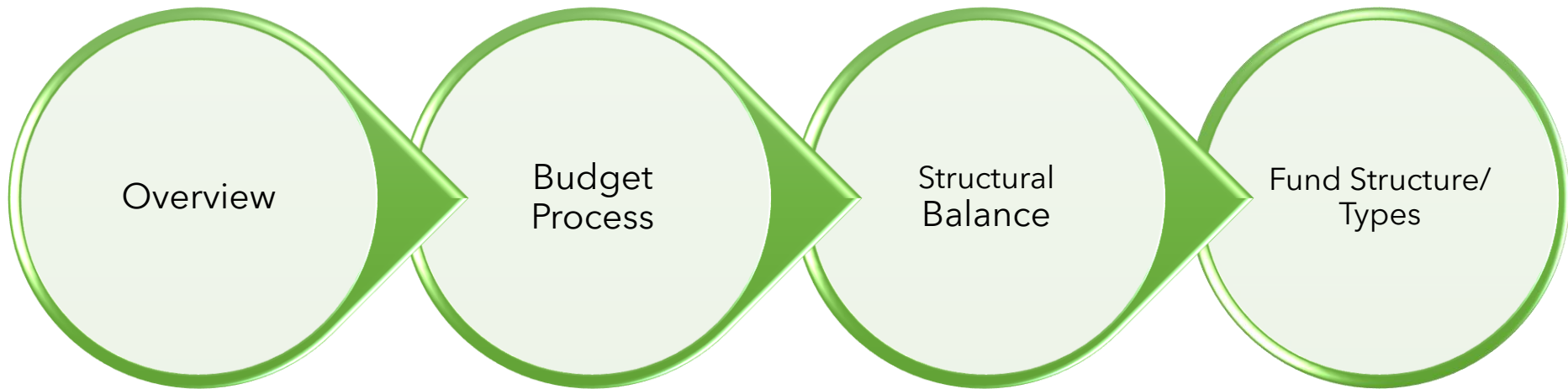
-  The purpose of a government budget and its connection to public service
-  How budgeting supports planning, accountability, and transparency
-  The relationship between elected officials, public agencies, and the budget
-  The importance of public input and civic engagement in budget decisions
-  How budgets shape the delivery of programs, infrastructure, and service



# A Big-Picture Perspective



# Building a Budget





## Purpose of the Budget

It is:

A financial plan outlining projected revenues and expenditures for a given period ensuring resources are allocated wisely and financial obligations and goals are met.

State Statutes

Pursuant to Florida Statutes, the budget is the legal authorization to expend funds during a fiscal year.



# Government Finance Officers Association Best Practices in Budgeting

1. Achieving a Structurally Balanced Budget
2. Adopting Financial Policies
3. Fund Balance Guidelines for the General Fund
4. Working Capital Targets for Enterprise Funds
5. Recommended Budget Best Practices
6. Recommended Budget Practices from the National Advisory Council on State and Local Budgeting (NACSLB)





# Understanding the Budget

1. Policy Document
2. Operations Guide
3. Financial Plan
4. Communications Device





# Budget Overview- Key Facts



1. Governmental entities operate on a fiscal year



2. A Balanced Budget is required by Florida Statute utilizing the State Chart of Accounts for Revenues and Expenditures



3. Revenues - Identify the sources of funds (Where the money comes from - recurring and non-recurring)



4. Expenditures - Identify the planned uses of funds (How will the money be spent)



5. A budget is developed in accordance with a set of policies and should tie to an adopted/approved strategic plan



# Budget Cycle



# Mission of the Budget Process

*'The mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.'* (NACSLB)

## **Principles & Elements**

1. Establish Broad Goals to Guide Government Decision Making
2. Develop Approaches to Achieve Goals
3. Develop a Budget Consistent with Approaches to Achieve Goals
4. Evaluate Performance and Make Adjustments



# Budget Process

## **Definition:**

*The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets. (NACSLB)*

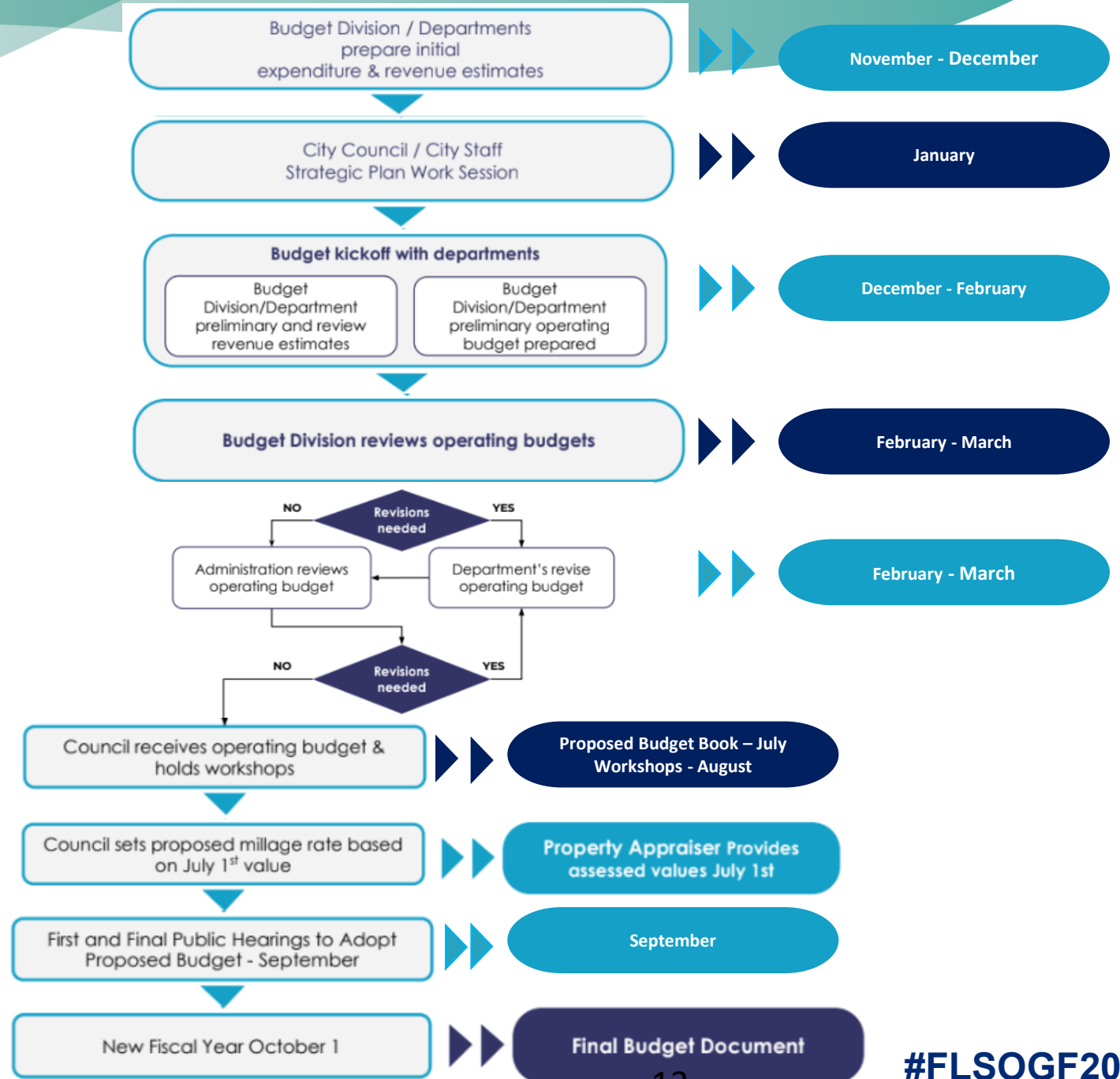
A good budget process will incorporate several essential features

1. Long-term perspective
2. Linkages to broad organizational goals (strategic plan)
3. Focuses budget decisions on results and outcome
4. Involves and promotes effective communication with stakeholders
5. Provide incentives to government management and employees

(NACSLB)



# Budget Process Overview



Note: Council has 11 opportunities to discuss/review budget throughout the budget cycle



# Budget Communication and Involvement

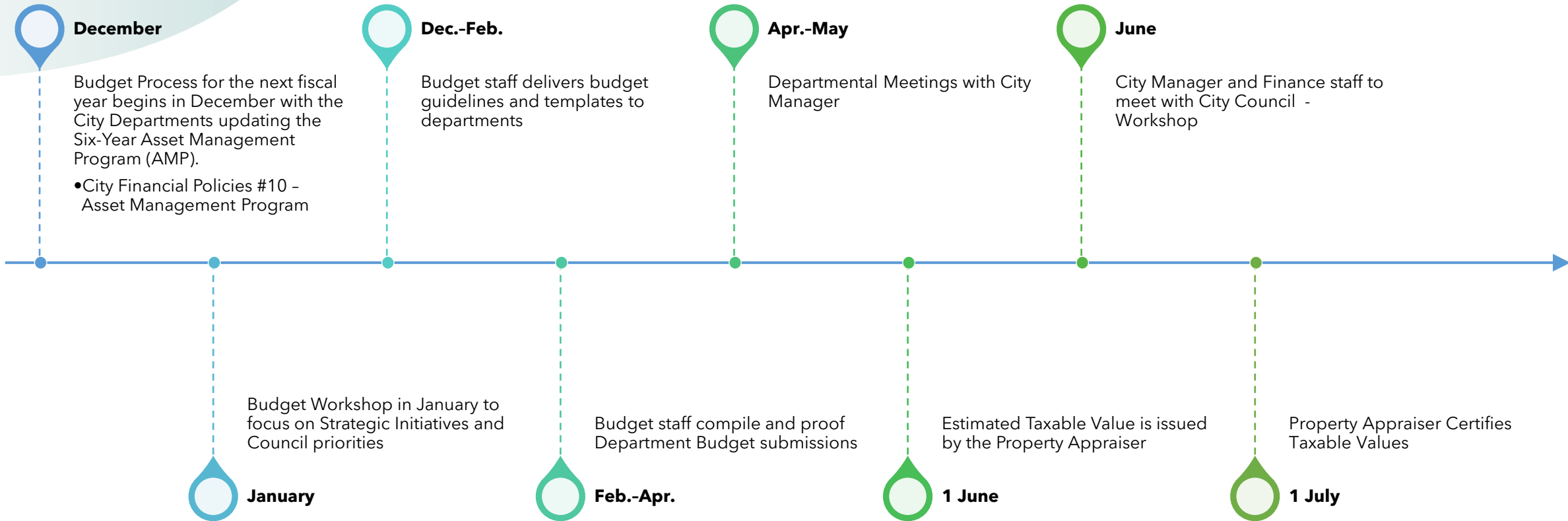
The budget process should accomplish the following:

1. Involve stakeholders,
2. Identify stakeholder issues and concerns,
3. Obtain stakeholder support for the overall budgeting process,
4. Achieve stakeholder acceptance of decisions related to goals, services, and resource utilization.
5. Report to stakeholders on services and resource utilization and serve generally to enhance the stakeholders' view of government. (NACSLB)

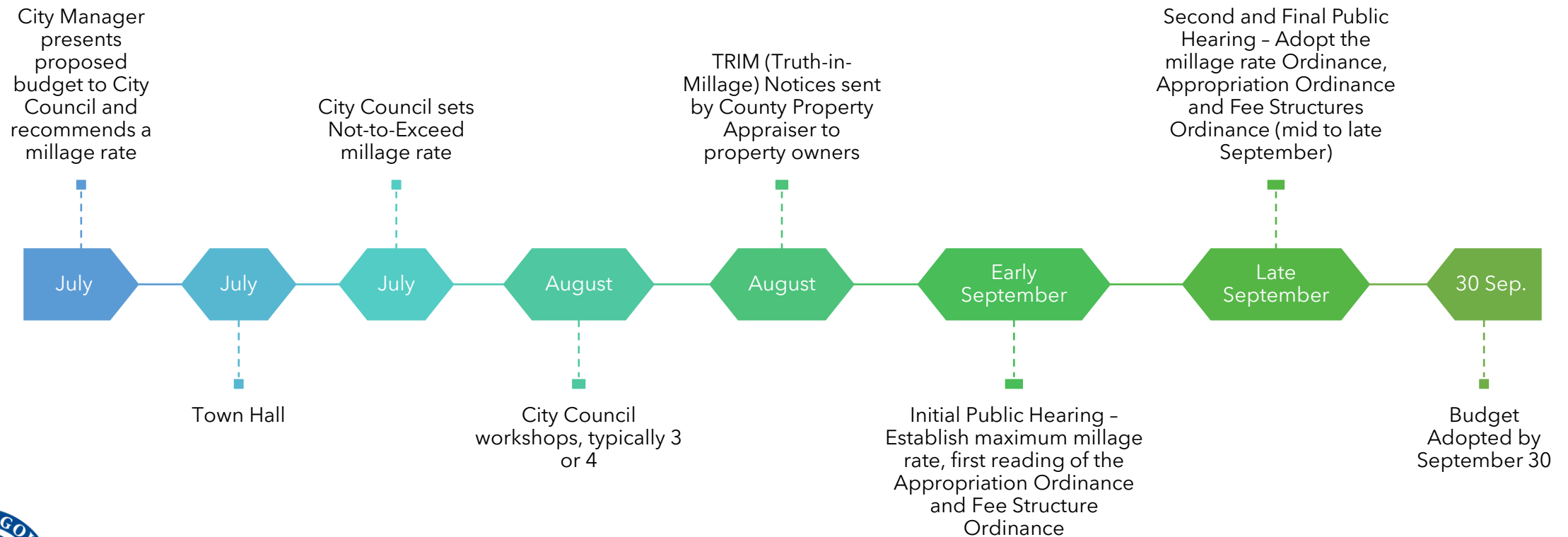




# Preparation and Planning



# Deliberation and Adoption



# Structural Balance

Florida Statute 166.241 - Fiscal years, budgets, appeal of municipal law enforcement agency budget, and budget amendments

1. The governing body of each municipality shall adopt a budget each fiscal year. The budget must be adopted by ordinance or resolution unless otherwise specified in the respective municipality's charter. The amount available from taxation and other sources, including balances

## City Financial Policies - Budget Management

3. Policy #1 - Structurally Balanced Budget. The City of Cape Coral shall commit to and develop and maintain a structurally balanced budget, whereby current revenues equal current expenditures for the current and forecasted years, to support the high-quality services provided to our residents consistent with the needs of the City.



# Fund Structure

## Governmental Funds

General Fund

Special Revenue

Debt Service

Capital Projects

Permanent

## Proprietary Funds

Internal Service

Enterprise

## Fiduciary Funds

Pension Trust

Investment

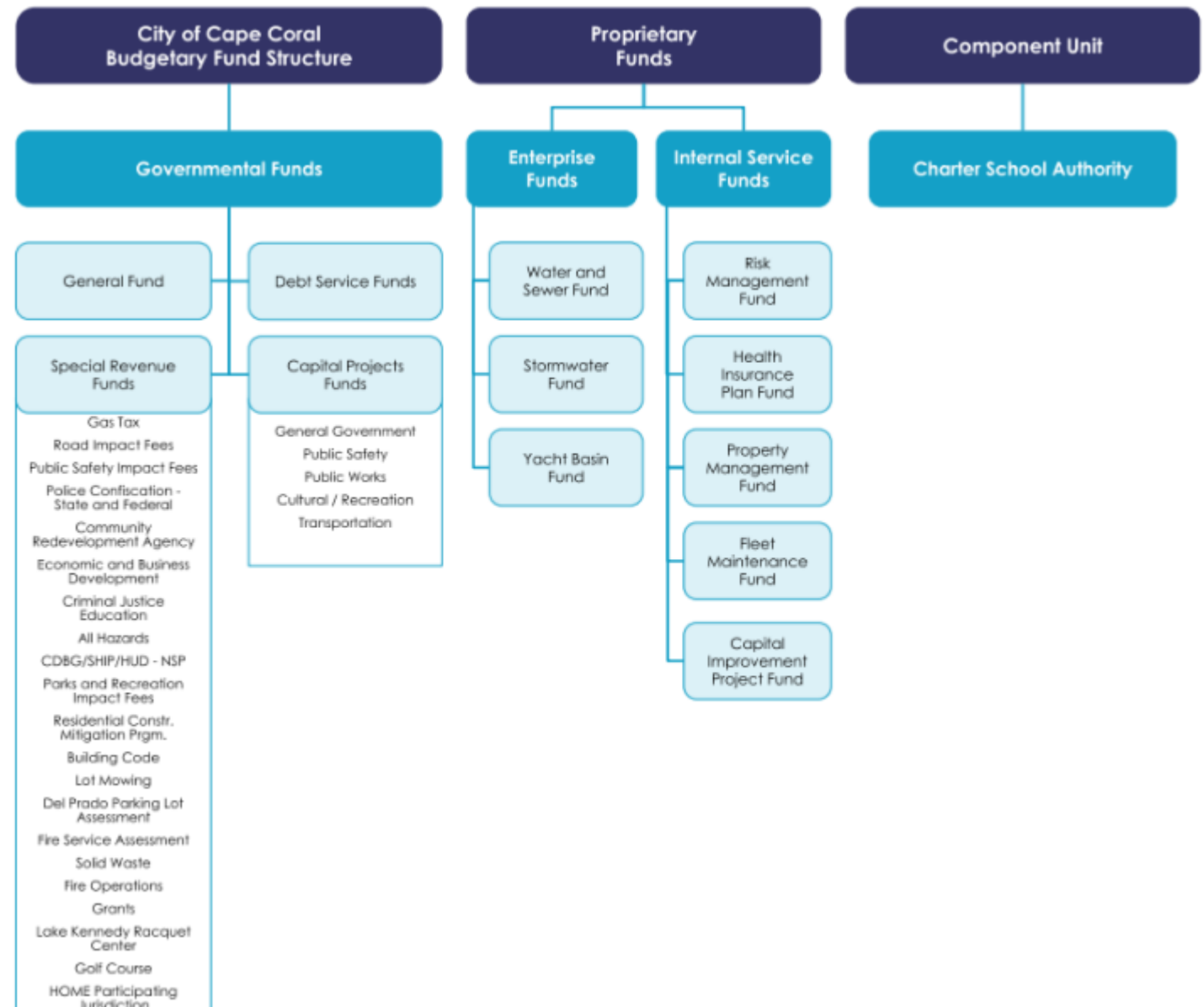
Private-Purpose  
Trust

Agency

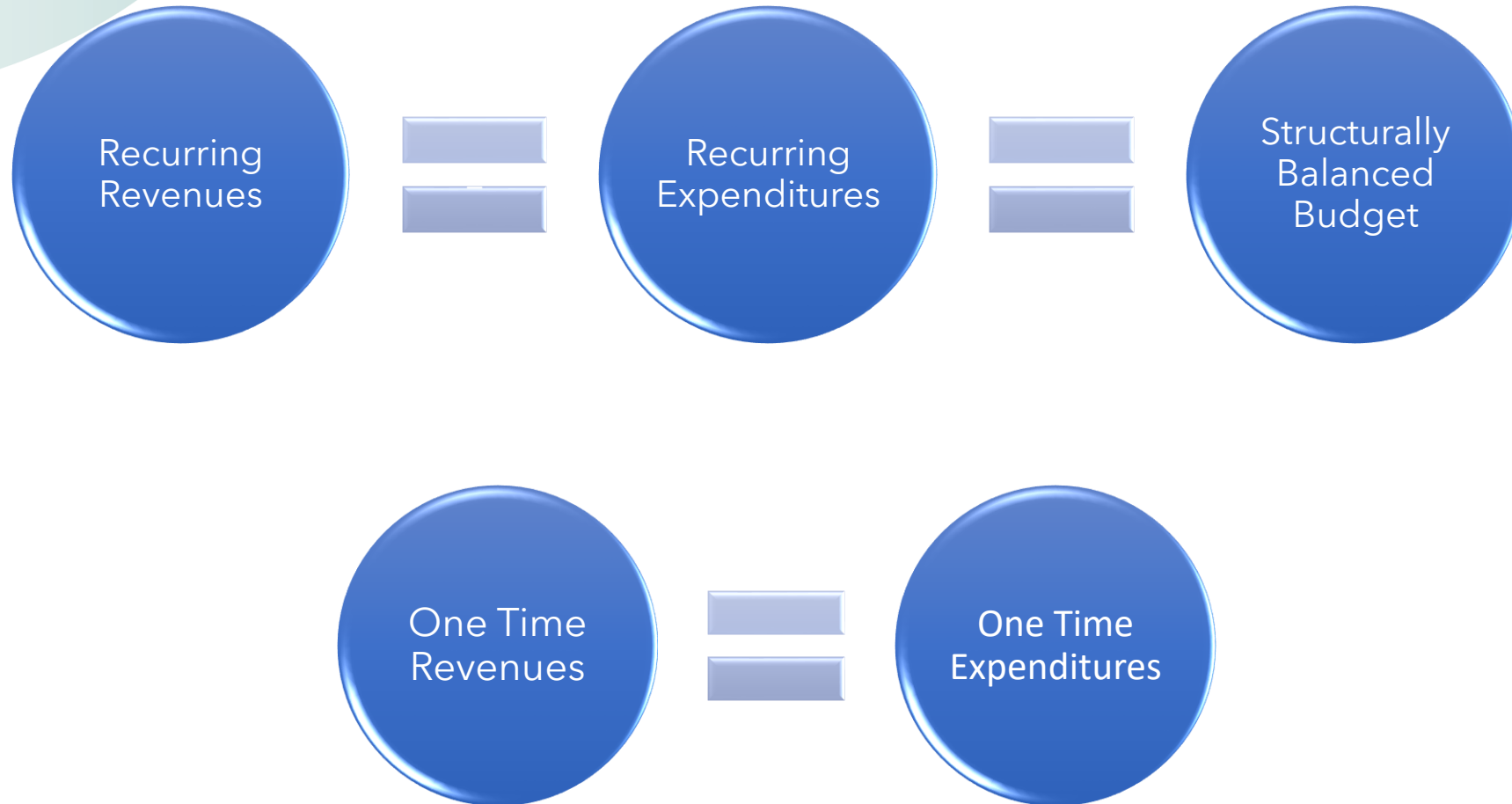


# City of Cape Coral All Funds Budgetary Fund Structure

# of Funds	Fund Type
1	General Fund
38	Special Revenue Funds
1	Debt Service Fund
16	Capital Funds
22	Enterprise Funds
10	Internal Service Funds
88	Total Funds

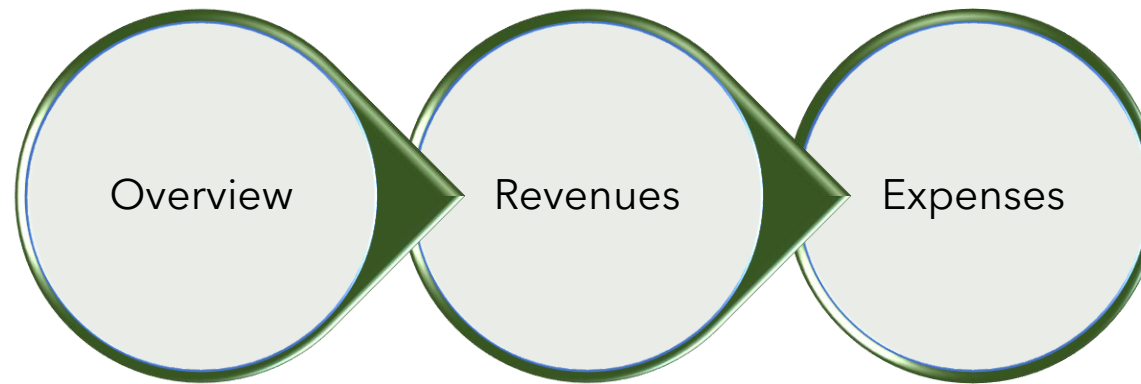


# Budget Management





# Major Revenues and Expenditures in the Development of a Budget



# Budget Management - Revenues

1. Revenue Estimating - Art, Science or both
  - A. Revenue estimates underpin budget decisions and fiscal planning; they must balance accuracy, transparency, and practicality.
  - B. Methods range from averaging past growth rates to complex econometric models; often, multiple methods and data sources are reconciled or adjusted through collaboration and expert review.
  - C. A good estimate provides a reasonable, unbiased projection to support responsible government budgeting, recognizing the inherent uncertainties in forecasting the future.



# Budget Management - Revenues

1. Common revenue types in local government
  - A. Property Taxes
  - B. State shared revenues
  - C. Local Revenues



# Revenue Sources

## Ad Valorem Taxes



## Ad Valorem Taxes (Property Taxes)

Ad Valorem Taxes are charges levied by a local unit of a government against property owners based on the value of their real property

A millage rate of one mil produces one dollar of tax revenue on each \$1,000 of taxable property values as provided by the Lee County Property Appraiser



# Revenue Sources

Half Cent Sales Tax

Municipal Revenue Sharing Program

## State Shared Revenues

Revenues received from Federal, State and other local governmental sources in the form of shared revenues

Half Cent Sales Tax and the Municipal Revenue Sharing Program are two significant shared revenues for the City

Office of Economic & Demographic Research - [Local Government](#)



# Revenue Sources

Business License Tax

Fire Service Assessment

Public Service Tax

## Local Revenues

Local revenue are another source to help fund operations and services provided.

Business license taxes, charges for service, sales and use taxes, and special assessments are examples of locale revenue sources.

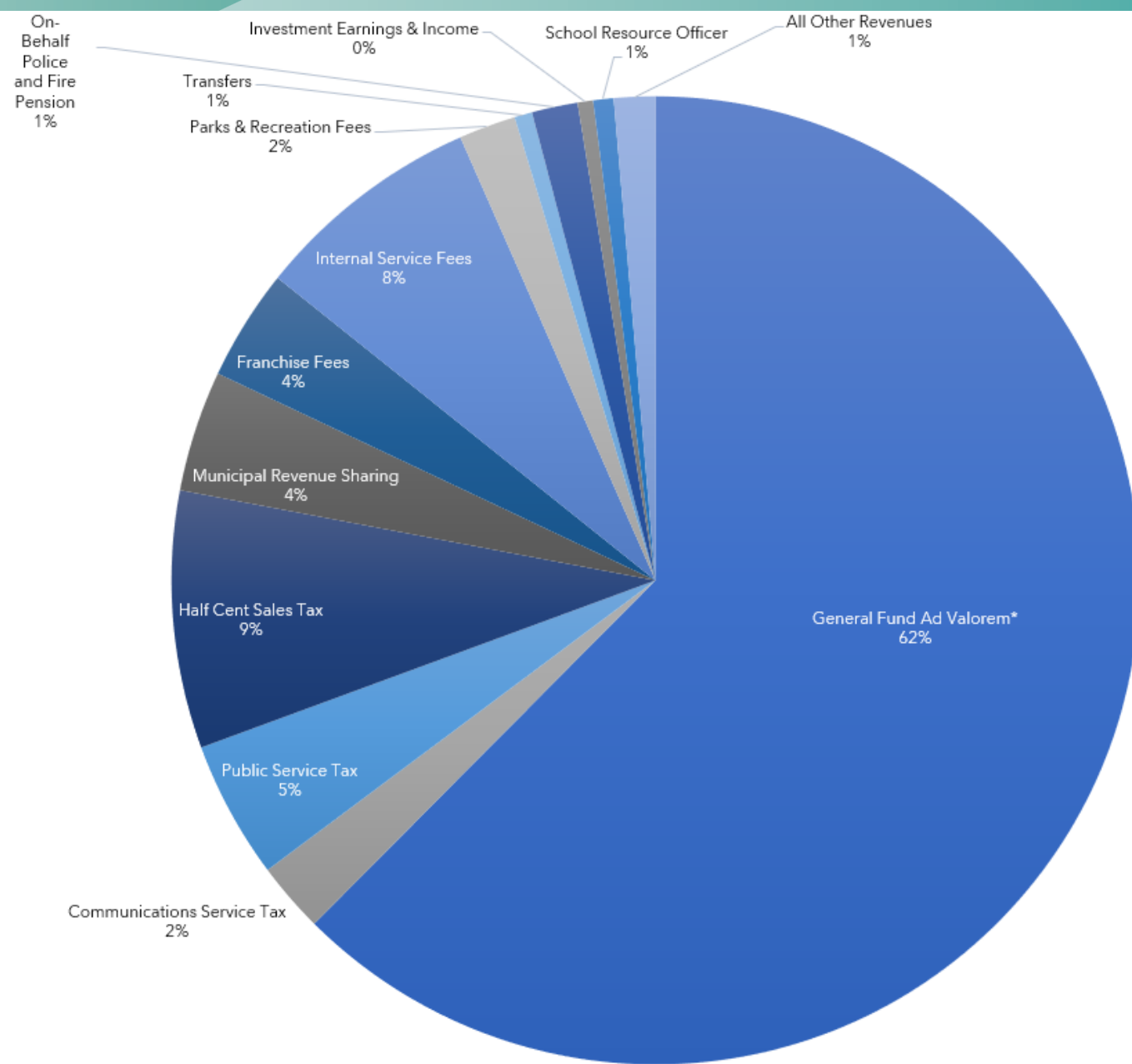




# Cape Coral General Fund Revenue Sources



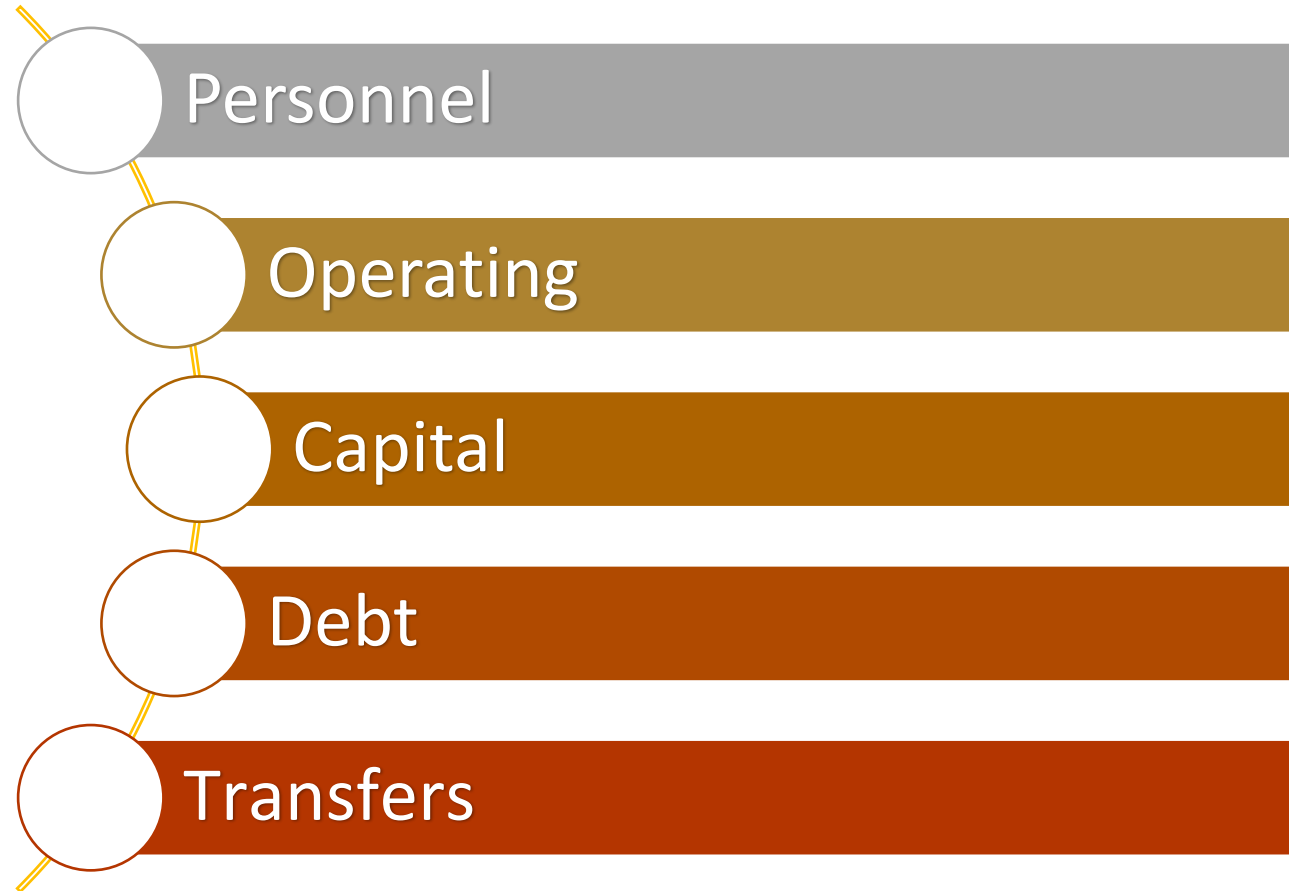
Note: All other funds have dedicated revenue sources



# Expenditure Categories

The current operations needs to provide service.

Future planning to achieve goals and objectives.



# Expenditure Categories

## Personnel



Personnel expenditures may include:

1. Salary
2. Overtime
3. Taxes
4. Health Insurance
5. Pension Contributions
6. Worker's Compensation



# Expenditure Categories

## Operating

Operating expenditures may include:

1. Maintenance
2. Outside Services
3. Professional Services
4. Fleet and Facilities Expenditures
5. Fuel
6. Operating Materials and Supplies
7. Training
8. Small Equipment/Tools
9. Office Supplies
10. Utility Expenses



# Expenditure Categories

## Capital

Capital expenditures may include:

1. Building Improvements
2. Equipment
3. Vehicles
4. Land
5. Park Improvements
6. Utility Infrastructure
7. Sidewalks
8. Median Landscaping
9. Roads, Curbs and Gutters
10. Other Infrastructure



# Expenditure Categories

## Debt

Debt service for annual principal and interest payments.

## Transfers

Transfers include Interfund fund transfers:

Example: General Fund to Special Revenue Fund

Transfers must always balance

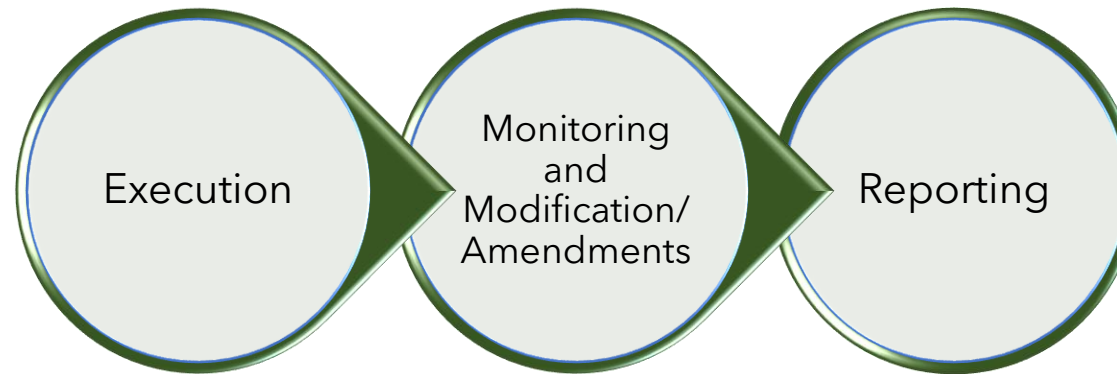
Transfer In = Transfer Out

Transfers are utilized for paying down debt, funding assessments, funding capital projects, etc.

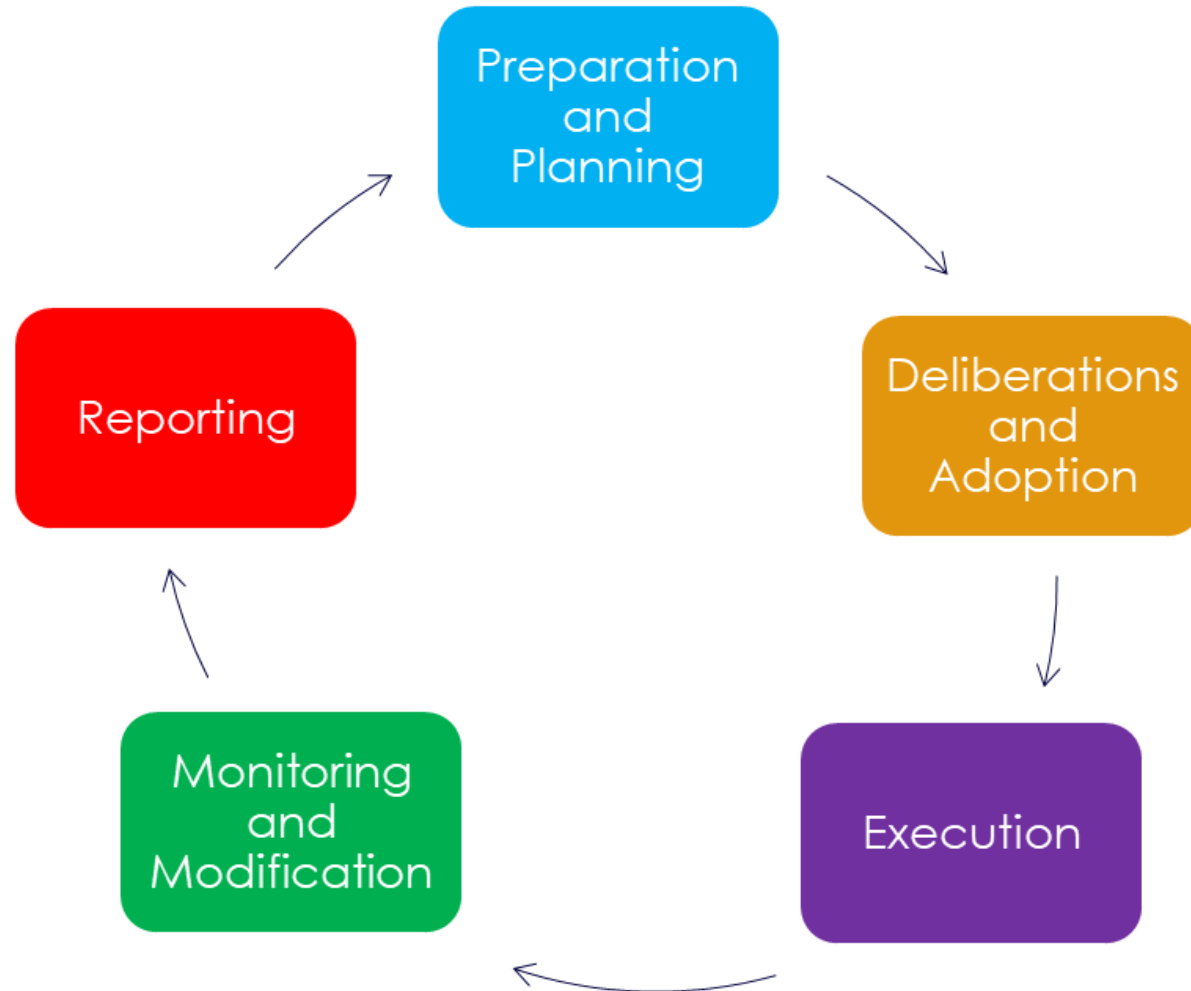




# Monitoring, Modification and Reporting



# Budget Cycle



## Execution

Implementation of the budget plan, through the obligating and spending the funds in accordance with legal appropriations, policies, and objectives set during the budget planning stage.



# Monitoring and Modification

## Monitoring

1. Accountability - The control and monitoring functions of the budget. Focuses on what is recorded into our financial system and concentrates on the total allocation of all funds.
2. Efficiency - Focuses on the process and making sure resources are available and appropriate and in-line with Strategic initiatives.
3. Efficacy - Focuses on the outputs and outcomes, measuring the impact to the Strategic initiatives.



# Monitoring and Modification

## **Monitoring**

The ongoing process of reviewing, tracking, and evaluating actual spending and revenues against the budget plan throughout the fiscal period.

- Ensures spending and revenues align with the approved budget and legal requirements
- Regular financial reviews and updates
- Supports transparency and accountability
- Facilitates timely budget adjustments
- May include performance measurement



# Monitoring and Modification

## **Modification**

1. Budget Amendment Policy
2. Section 166.241, F.S. provides general guidelines regarding amendment policies.
3. Each budget amendment includes previously approved City Council adjustments, other adjustments identified throughout the year and changes to number and classification of personnel.



# Monitoring and Modification

## Modification

### Budget Amendment Breakdown

1. Fund Attachment A
  - A. Break out the Fund and Category changes from previously adopted or amended budget.
  - B. Per Section 166.241, F.S. and Section 7.09, City Charter, any adjustments to the General Fund need to be broken down by department and category. All other funds need amendments for changes between categories.



		BUDGET ORD 70-23		(DECREASE)		BUDGET ORD 1-24	
GENERAL FUND - 001							
REVENUES							
Fund Balance Brought Forward	\$	2,250,000	\$	373,719	12	\$	22,865,970
				95,100	17		
				20,147,151	23a		
Ad Valorem Taxes		132,688,591					132,688,591
Sales and Use Taxes		16,101,802					16,101,802
Licenses, Permits, Franchise Fees & Impact Fees		7,893,878					7,893,878
Charges for Service		9,138,749					9,138,749
Internal Service Charges		15,796,364					15,796,364
Intergovernmental		35,079,474					35,079,474
Fines and Forfeitures		697,838					697,838
Miscellaneous		2,491,623					2,491,623
Interfund Transfers		6,130,987		115,094	14		6,246,081
Total General Fund Revenues	\$	228,269,306	\$	20,731,064		\$	249,000,370
EXPENDITURES							
City Council							
Personnel Services	\$	784,509				\$	784,509
Operating		210,189					210,189
City Attorney							
Personnel Services		2,442,719					2,442,719
Operating		145,199		95,100	17		261,449
				21,150	23a		
City Auditor							
Personnel Services		921,973					921,973
Operating		216,901					216,901
City Manager							
Personnel Services		2,349,534					2,349,534
Operating		787,434					787,434
CITY OF CAPE CORAL							
FY 2024 BUDGET - BY FUND							
ATTACHMENT A TO ORDINANCE 1-24							
		FY 2024 ADOPTED BUDGET ORD 70-23		BUDGET AMENDMENT INCREASE / (DECREASE)	Ref #		FY 2024 ADOPTED BUDGET ORD 1-24
SIX CENT GAS TAX FUND - 106							
REVENUES							
Fund Balance Brought Forward	\$	-	\$	16,964	23c	\$	16,964
Sales & Use Taxes		7,154,163					7,154,163
Total Six Cent Gas Tax Fund Revenues	\$	7,154,163	\$	16,964		\$	7,171,127
EXPENDITURES							
Personnel Services	\$	477,802				\$	477,802
Operating		5,828,630		16,964	23c		5,845,594
Capital Outlay		344,672					344,672
Reserves		503,059					503,059
Appropriations & Reserves Six Cent Gas Tax Fund	\$	7,154,163	\$	16,964		\$	7,171,127
ROAD IMPACT FUND - 110							
REVENUES							
Fund Balance Brought Forward	\$	19,818,743				\$	19,818,743
Licenses, Permits, Franchise Fees & Impact Fees		16,170,026					16,170,026
Total Road Impact Fund Revenues	\$	35,988,769	\$	-		\$	35,988,769
EXPENDITURES							
Operating	\$	242,551				\$	242,551
Transfers Out		35,746,218					35,746,218
Appropriations & Reserves Road Impact Fee Fund	\$	35,988,769	\$	-		\$	35,988,769



# Monitoring and Modification

## Modification

### Budget Amendment Breakdown

1. Narrative Attachment B
  - A. Council approved items are included to identify any adjustments needed for approval via ordinance.
  - B. Other Adjustments
    - i. Adjustments between fund, department and category that have been requested by the department or identified by Budget through continuous monitoring of the budget.

**FY 2024 Budget Amendment #1**  
**Attachment B To Ordinance 1-24**  
**Reference Description**

**Amount**

**Items Previously Approved by City Council**  
**City Council Approved - October 4, 2023**

**1 Enterprise Fund - Stormwater - Increase in Budget**

City Council approved Resolution 262-23 purchasing land for future stormwater management improvements and water quality projects. \$1,147,000 purchase price with closing costs.

Increase Sources: Use of Fund Balance 1,147,000

Increase Uses: Capital Outlay 1,147,000

**2 Special Revenue Fund - Police Confiscation Federal - Increase in Budget**

City Council approved Resolution 269-23 using Police Confiscation Federal funds to purchase rebranding items for the Police department. Purchasing gear and equipment of \$330,500.

Increase Sources: Use of Fund Balance 330,500

Increase Uses: Operating 330,500

**City Council Approved - October 18, 2023**

**3 Special Revenue Fund - Police Grants - Increase in Budget**

City Council approved Resolution 291-23 Acceptance of Edward Byrne Memorial Justice grant in the amount \$23,019 to purchase equipment for the Special Investigations Unit (SIU).

Increase Source: Intergovernmental 23,019

Increase Uses: Operating 23,019

**4 Special Revenue Fund - Police Grants - Increase in Budget**

City Council approved Resolution 292-23 Acceptance of Highway Traffic Safety funds in the amount of \$40,000 for overtime costs related to distracted driving enforcement operations.

Increase Source: Intergovernmental 40,000

Increase Uses: Personnel Services 40,000



# Monitoring and Modification

## Modification

### Budget Amendment Breakdown

1. Personnel Attachment C
  - A. Council approved changes to personnel.
  - B. Identifies new classifications including pay range.
  - C. Identifies reclassifications requiring Council approval.
  - D. Approval of additional Full Time Equivalents (FTE's).

#### FY 2023 Budget Amendment #1 Attachment C To Ordinance 1-24

Full-Time Equivalents as of October 1, 2023


					New Classifications Only		Number of FTEs
					Classification	Pay Range	2,296.51
Classification	Fund	Department	Budget Impact				
Add:							
Existing Classifications:							
New classifications:							
Digital Forensic Technician	General Fund	Police		WC Gen 14	\$43,929.60 - \$68,723.20	-	
Collects, processes, preserves, and analyzes digital data collected from devices recovered during criminal investigations.							
Assistant Assessment and Billing Manager	Water and Sewer	Finance		NB114	\$66,934.4 - \$107,057.60	-	
Assists with the management of the Assessment and Billing Services Division through subordinate supervisors. Ensures timely and accurate calculation, billing and collection of water, sewer and irrigation services fees; contributions in aid of water, sewer and irrigation assessments; and other miscellaneous fees, charges and special assessments.							
Training and Development Coordinator	General Fund	Human Resources		PR Gen 19	\$56,056.00 - \$87,713.60	-	
Performs professional and administrative work providing training to employees and management throughout the City. Coordinates Talent Management System (TMS); collaborates with management staff in needs assessment, review of resources, development strategies, design and implementation methods.							
Classification	Fund	Department	Budget Impact	New Classifications Only			
				Classification	Pay Range		
Reclassifications requiring Council approval:							
Moving all Custodians under 1 Fund:							
-4 Custodians and -2.18 Contract Custodial Workers	General Fund	Parks and Recreation	\$ (327,915)				
-1 Custodian	Stormwater	Public Works	(81,363)				
-2 Custodians	Water and Sewer	Utilities	(147,371)				
7 Custodians and 2.18 Contract Custodial Workers	Property Management	Public Works	556,649				
Subtotal							-
Full-Time Equivalents as of November 30, 2023							2,296.51
FTE means Full Time Equivalent							



# Reporting

1. Monthly or Quarterly Reporting
2. Monthly monitoring with Departments and Budget Analysts
3. Cape Coral Open Finance





CITY OF CAPE CORAL

Quarterly Financial Review

2nd Quarter FY 2024 ending March 31, 2024 (unaudited)

FY 2024 PERFORMANCE AT A GLANCE

CURRENT BUDGET BY FUND TYPE

Fund Type	FY 2024 Adopted	FY 2024 Adjusted	Difference
General	\$ 228,269,306	\$ 249,000,370	\$ 20,731,064
Special Revenue	186,780,982	200,981,230	14,200,248
Debt Service	24,031,651	24,031,651	-
Capital Projects	68,849,935	69,424,045	574,110
Enterprise	472,319,718	488,957,743	16,638,025
Internal Service	68,420,999	69,384,105	963,106
Charter School*	47,005,957	47,005,957	-
<b>Total</b>	<b>\$ 1,095,678,548</b>	<b>\$ 1,148,785,101</b>	<b>\$ 53,106,553</b>

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Fund Dashboard

General Fund

Special Revenue Funds

Enterprise Funds

Internal Service Funds

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\* Charter School amounts reflect 3rd Quarter, from July 1 - March 31 fiscal year

SUMMARY OF REVENUES - ALL FUNDS

Fund Type	FY 2024 Adjusted Budget	To-date Revenues		Remaining Budget \$
		Actual	%	
General	\$ 249,000,370	\$ 182,426,737	73.26%	\$ 66,573,633
Special Revenue	200,981,230	135,174,034	67.26%	65,807,196
Debt Service	24,031,651	13,767,380	57.29%	10,264,271
Capital Projects	69,424,045	21,658,677	31.20%	47,765,368
Enterprise	488,957,743	291,899,375	59.70%	197,058,368
Internal Service	69,384,105	29,694,085	42.80%	39,690,020
Charter School*	47,005,957	35,321,813	75.14%	11,684,144
<b>Total</b>	<b>\$ 1,148,785,101</b>	<b>\$ 709,942,101</b>	<b>61.80%</b>	

\* Charter School amounts reflect 3rd Quarter, from July 1 - March 31 fiscal year

SUMMARY OF EXPENDITURES - ALL FUNDS

Fund Type	FY 2024 Adjusted Budget	To-date Expenditures		Remaining Budget \$
		Actual	%	
General	\$ 249,000,370	\$ 129,914,024	52.17%	\$119,086,346
Special Revenue	200,981,230	110,856,121	55.16%	90,125,109
Debt Service	24,031,651	8,442,564	35.13%	15,589,087
Capital Projects	69,424,045	120,106,244	173.00%	(50,682,199)
Enterprise	488,957,743	420,096,054	85.92%	68,861,689
Internal Service	69,384,105	49,661,824	71.58%	19,722,281
Charter School*	47,005,957	33,065,572	70.34%	13,940,385
<b>Total</b>	<b>\$ 1,148,785,101</b>	<b>\$ 872,142,403</b>	<b>75.92%</b>	

\* Charter School amounts reflect 3rd Quarter, from July 1 - March 31 fiscal year

We Live Where You Vacation

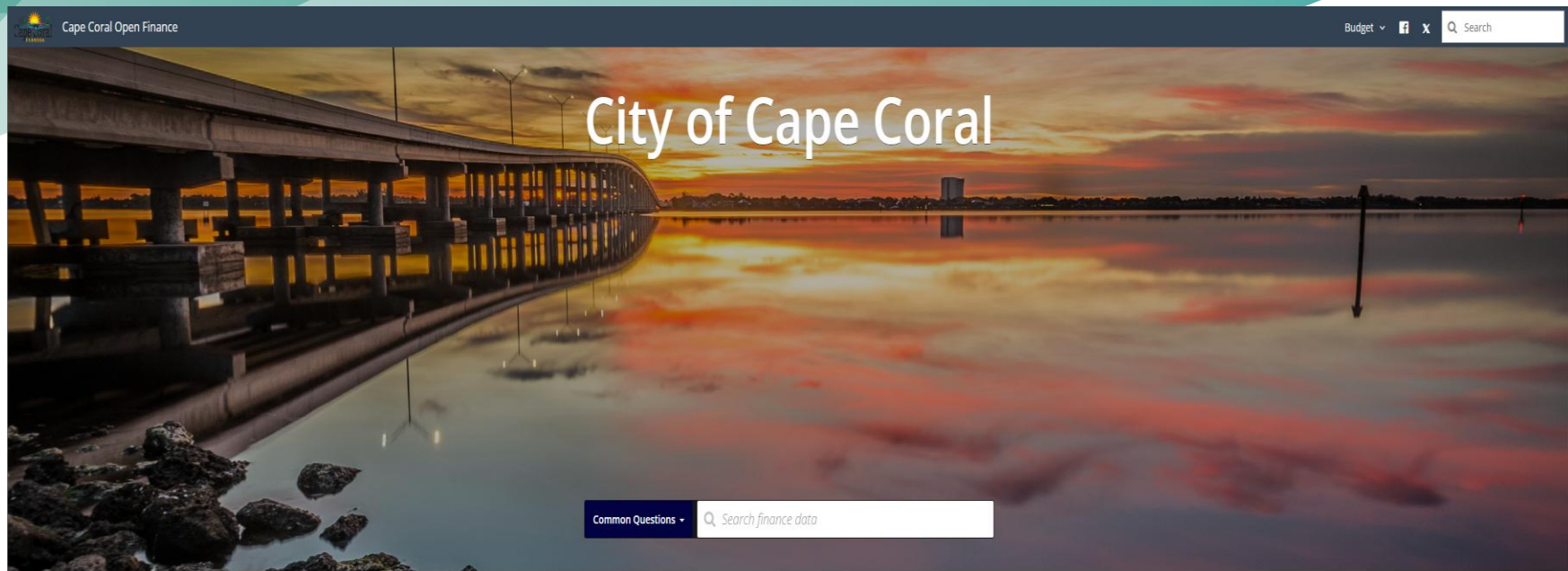
This report provides an update on the City of Cape Coral and Charter School Authority's financial condition as it relates to the operating and sub funds on a budget to actual basis. The data and figures presented reflect information as of March 31, 2024.

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# Reporting

## Cape Coral Open Finance

<https://capecoral.finance.socrata.com/#!/dashboard>



### City Primary Operating Funds

Operating Budget - Revenues

**\$782.59 Million**

2025 Projected Revenues

This section gives the citizens access to more detailed information on the various revenue sources collected by the City to support services provided to the community.

[Explore Primary Operating Funds](#)

Operating Budget - Expenses

**\$782.59 Million**

2025 Expenditure Budget

This section provides detailed data related to the City's operating budget expenditures. These expenditures represent costs of providing services to the community.

[Explore Primary Operating Funds](#)



# Questions?

