

## Transcript

0:05

[music]

0:10

Welcome and thank you for watching the Citizens Budget 101 workshop. My name is Claudia Campos and I am the interim chief financial officer for Manatee

0:18

County. Let's dive right in. Before you is the budget process roadmap where it will outline a brief overview at a high level of the entire budget process.

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Let's get right to it and discuss a little bit about the zerobased budget.

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So Manatee County uses a zero-based budget approach where all revenues minus all expenditures equals zero. We develop

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a biannual cycle and every transaction either revenue or expenditures is recorded in each individual fund. In the

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first year of the biannual budget, we present two years. The first year is the adopted year and the second year is the

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planned year. For example, last year was the first year of the biannual budget and we adopted the first year fiscal year 26

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and presented a planned year for fiscal year 27.

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Currently we are in the second year of the biannual budget. So we will only be presenting fiscal year 27 to review and

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adopt. The first year of the biannual budget is built from the ground up.

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Meaning that every single revenue item as well as expenditure line item must be

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entered into or uploaded into the budget software. Since the second year has already been planned, we're only

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expecting minor changes in this current year. FY27, all new major changes are then

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introduced as new desired decision units per program.

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County departments are broken down into programs and each program is divided into increments

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or as we like to say decision units in ascending levels of service or priority order. The first increment is the base

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level which is the most critical portion of each program ranked at the highest priority.

Think of it as what is the

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bare minimum needed to open up a building or to turn on the lights. The second increment is the continuation

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level and continuations are then added on top of the base level of service in ascending order to increase service

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levels. To further increase services or to add brand new services, a new desired

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decision unit would be submitted for review. Let's discuss going further down

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the road map budget submissions. So this section is more internal in nature where county departments identify the service

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levels within each program. They have to review the budget and identify the needs and submit to the office of management

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and budget for verification for review and for analysis. This process applies to both operating budget as well as capital improvements.

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Moving further down the road map, let's discuss BOCC reviews and flags. This

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section is more uh where the outward-facing items begin to surface and begin to be

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identified by the public. By this point, the budget has already been reviewed by fund, analyzed, and balanced. Now, the

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recommended budget is now ready to be presented to the board of county commissioners where they will have the opportunity to review and flag items in

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the budget to either fund or unfund them. At the end of July, we return before the board to present the reconciliation of the budget. And then

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in September, we hold the first public hearing to adopt the tentative budget and then hold a second public hearing to

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adopt the final budget as well as millages. We will be discussing these two sections in more detail shortly. So,

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moving down the line in the budget process, let's discuss revenues.

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Financial management also oversees and monitors cash management. OMB reviews and analyzes all revenues. We also

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estimate and calculate the budget cash carryover, which is the estimated beginning cash balance at every fund. We

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estimate property tax revenue and all revenues projected to be received such as charges for services, sales tax, state revenue sharing, and so forth.

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Part of cash management also includes forecasting revenues within the multi-year financial plan, which is why

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departments that collect revenue must also submit a 5 to 10year revenue projection plan.

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Moving further along through our road map briefly, let's go over expenditures which we've already discussed in broader

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detail earlier. So the expenditures that are submitted include personnel,

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operating expenses as well as capital expenditures. Now let's discuss the balanced budget. This overview of the

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budget process that we have just discussed produces a balanced budget where total sources equal total uses.

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Now let's dive a little deeper into the budget process and what departments do.

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The first step of the budget process begins at the department level where departments begin by reviewing their

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current year's budget. They analyze all their spending trends, staffing levels, and program performance. They identify

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service needs, operational gaps, capital requirements, and any changes in demand from either the community or through

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commissioner priority. Examples would be equipment replacement or any mandate items. Departments must then align the

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budget and their request with all board priorities, strategic goals and revenue forecasts as well as board policies. Now

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once the budgets are finalized, departments can formally submit their proposed budget to OM for review. The

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next step after submission, the office of management and budget can then begin to review all budget submissions.

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We verify all calculations, staffing counts, revenue estimates, and ensure compliance with county policies. We

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confirm accuracy and compliance with Florida statutes and verify that all funding sources are appropriate.

7:05

Each request is then reviewed for reasonableness, necessity, and scrutinized for fiscal responsibility

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for duplication as well as long-term impact. This re review is done per line

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item by its assigned budget analyst for over 160 funds. Finance then meets with

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departments and administration to discuss requests to clarify assumptions and to explore alternative funding

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sources if needed. This allows all sides to collaborate. Moving on, let's discuss a little bit about the capital improvement preparations by departments.

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Departments also prepare requests for capital improvement needs which are long-term investments in infrastructure in facilities and in major equipment.

8:00

This process is accomplished alongside the operating budget process.

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Departments must also identify capital needs based on infrastructure conditions, on service demand, on

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regulatory requirements, and long-term planning. Examples would be road resurfacing and road winding projects,

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which we know that there's a lot of currently throughout the county.

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Departments plan by developing cost estimates, project timelines, and potential funding sources. This includes

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providing engineering estimates, identifying any possible grant opportunities, as well as taking debt consideration

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into effect, and plan out a multi-year CIP. Manatee County plans and presents a

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five-year capital improvement plan. Now, departments must also meet with OM and administration to review every project scope, cost, and priority ranking.

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Capital project requests are then formally submitted for review and inclusion in the proposed

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capital improvement plan. Something noteworthy to add is that submits do

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not guarantee approval. Every single project competes for limited funding.

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Now once items are submitted, capital requests then undergo a structured financial and strategic review process.

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Each project is verified individually by cost estimates by funding sources um for

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eligibility and compliance with county policy. This process ensures accuracy

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underfunding and confirms legal authority of the project. Then each project is also reviewed for community

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impact as well as urgency with board priorities. After finance and administration meet with departments to

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refine scope, to adjust timing or to identify alternative funding strategies. This demonstrates due diligence.

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Finally, we analyze all long-term financial impact including reserves,

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debt capacity, any future operating cost impacts as well as sustainability. So, as you can see, capital projects are

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planned carefully. They are reviewed thoroughly and prioritized based on need on funding availability and on any

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long-term impacts. Now let's move on into the next step. Once operating in

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CIP has been individually reviewed, the next step is for consolidation and full financial analysis at the

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countywide level. OMB must align all departmental and capital requests with available revenues, board priorities,

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statutory requirements, and long-term financial policies. At this stage, we ensure that the entire organization is

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moving in one coordinated financial direction. We conduct a comprehensive um

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financial review to ensure that the proposed budget is balanced, that it is sustainable, and it is compliant with

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Florida law. So remember, the departments build it, financial management reviews it, and the board

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approves it. So once the consolidation is complete, the recommended balance budget is presented to the board for

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review. And this begins in early June. This year we will be holding three work sessions with the board to

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discuss the recommended budget. And they will be on Monday, June 8th, Tuesday, June 9th, and Wednesday, June 10th.

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And the funds and decision units will be presented by the department and reviewed with the board. All constitutional

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officers will also be able to present their budgets and the capital improvement plan will also be presented

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and reviewed with the board. During these budget workshops, commissioners will have the opportunity to flag

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decision units to either fund or unfund them. Every single change will be identified and communicated to staff so

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that we can readjust the budget accordingly. Then on or before July 1st is when the property appraiser certifies

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the property tax value. On July 31st is when we come back to the board to further discuss millage reserves and

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update the board on the certified property tax revenue and provide a reconciliation of the recommended budget. In August, the property

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appraiser mails out the truth and millage or the trim statements to each property owner, advising them of

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the proposed property tax amount, notifying them of the date, the time, and the place of the first public

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hearing. In September, two public hearings are held. The first one is to adopt the tentative budget as well as

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the millage. And the second one is to adopt the final budget as well as the millage. I like to think of the

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budget process as a kind of like giving birth to a baby because it's a very long 9-month process.

13:38

Now before you is our truth and millage trim timeline

13:45

which is the annual schedule required under Florida's truth and millage trim law which governs how counties,

13:53

cities, and taxing authorities set property tax rates and notify taxpayers.

14:00

The timeline begins on July 1st. And so let's go over these really briefly.

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You'll notice that after underneath each major date there are days and that constitutes the long process and the

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equivalent of how many days into the process we are in. July 1st is day one with the certification from the property

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appraiser. August 4th should be around day 35 which is where each taxing authority has to certify their proposed

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millage rates. August 24th or day 55 is when the property appraiser mails out

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the notice of the property of the proposed property taxes.

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The first public hearing is held between days 65 and 80 and it is again to approve the tentative budget and the proposed millage rates.

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Around day 95 is when we have to advertise for the second public hearing and then the second public hearing must

15:01

be held between days 97 to 100 to adopt the final military and the budget. Now

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before you is our most recent adopted budget book and here you can see that we have adopted fiscal year 26 and

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presented a planned budget for fiscal year 27. The QR code before you will allow you to download this book. And I

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highly recommend that you please download the book and read it.

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Everything that I have just discussed can be found in this book. And I'm going to break it up to you into for the three

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main sections that you have to worry about. You don't have to read the whole book. The first section first two sections are found at the very beginning

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of the book and that is the introduction and the budget and brief. Now towards the back of the book you will find our financial structure and policy. Again

15:56

these sections are the main sections that will explain in greater detail everything that I have just discussed.

16:05

The next slide shows our most recent adopted capital improvement plan for years 26 to 30. Again I highly recommend

16:14

that you use this QR code to download this book. In here, you'll be able to find every single project that the

16:23

county currently has active or is planned. Again, I highly recommend that you visit our website and please

16:32

download the book for your reading pleasure.

16:35

This document is your trim notice and is and it is created and mailed out in mid- August by the property appraisers office, not Manatee County. We are

16:44

presenting it for informational purposes only. The top portion of the trim notice and announces the following key items.

16:53

So number one is the owner's information, name, and address. Number two is the parcel ID, location address,

17:01

as well as legal description. Three is the market value, which is the most probable sales price for your property

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in a competitive open market. It also includes last year and this year's information.

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Number four is the assessment reduction.

17:18

Any reduction such as save homes cap which has limits of the annual increases in assessed value of homestead exemption

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maximum at 3% as well as some might have agricultural land depicted here. Five

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are exemptions specific dollar or percent reduction in the value based on qualifications.

In this case, it has the

17:43

homestead exemption. Six, this area shows taxable value, showing you the

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comparison of last year and this year of the assessed value and total exemptions.

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Fun fact, notice here that under the exceptions area, you have last year that has whole numbers, but this year you

18:04

have a little bit more increments. This is because this year it includes a cost of living adjustment due to inflation.

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Now, in the middle portion of your trim notice, this shows you an overall comparison of last year property taxes

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and this year's property taxes. Columns within sections 7 and 8 discuss last year's information. Section seven shows

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taxable value and section 8 shows tax rate and tax amount. columns within sections 9, 10, and 11 discuss property

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tax information for this year. Section 9 shows taxable value. Section 10 shows

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the tax rates and taxes due this year if the proposed budget is adopted. Section

18:53

11 shows the tax rates and taxes due this year if no budget change is

18:58

adopted. Now sections 12, 13, 14, and 15 show all the different taxing

19:05

authorities. Section 12 shows millages levied for countywide operations.

19:12

Section 13 shows millages levied for public school operations which are controlled by the school board. Section

19:20

14 shows millages levied by parcel inside incorporated boundaries such as the city of Bradenton and Lombok Key.

19:30

Section 15 shows millages levied that are controlled by independent special districts which are approved by

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their respective board not by Manatee County.

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This portion here is the back of the trim notice where it contains the name of all taxing authority found on your

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trim notice. It has the public hearing location, the contact phone number, the hearing date and time. At the very

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bottom, you will see any non-advalorem assessment information such as fire districts. Fun fact, ad valorem are assessments based on property value.

20:12

nonadvalorem are local government fees.

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Usually, they're flat rate charges or their unit-based or special assessments.

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Now, this document before you is your actual property tax bill, and it is created and mailed out in November by the tax collector, not Manatee County.

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We are presenting it for informational purposes only. This bill announces your final taxable value. the adopted millit

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rates and the actual amount due. These are your final numbers since the budget has already been adopted. Another fun

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fact, an orange tax bill equals or means that it is a an account that is in

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escrow and a blue bill means that there is no escrow on the account. The top portion sections 1 through six show the following. One, the property ID.

21:10

Two, the escrow company information should there be any. Three, I have another fun fact regarding the tax district.

21:19

This is a specific legally defined geographical area such as the county, the city, the school

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district, or the special district that determines which local governments receive your tax payments. Four is any

21:37

unpaid taxes from prior year. Five, location address with legal description.

21:45

Six, name and mailing address of owner.

21:49

The middle section of the bill consists of the following. Seven, the taxing authority. It lists out each separate

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millage that is levied by every taxing authority. Eight is the assessed value and this is the taxable value used to

22:05

calculate tax due. Nine exemptions specific dollar amount or percent that

22:13

reduces the taxable value. 10 taxable value. This is the calculation of assessed value minus exemptions. The

22:22

amount used for the final calculation of taxes due. 11. Millage rate. the taxable

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rate based on the adopted budget by each taxing authority. 12 taxes levied is the

22:37

total amount levied for each taxing authority. The bottom portion shows the following.

22:45

13 is a description of all qualifying exemptions. Those are listed here. 14 is

22:52

a cumulative ad valorem millage. The total for all of the taxing authorities is listed here.

15 is the cumulative

23:02

ad valorem taxes total for all of the taxing authorities. Now remember we said earlier that these are assessment based

23:11

on property value 16. This section shows all non-advelorum assessments which we

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said earlier these are local government fees usually flat rate charges or

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unitbased or special assessment and 17 is a total of all taxes and assessments

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levied such as ad valorem and not ad valorem. We have created interactive

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forms which can be found at [mymanatee.org/org/tax](http://mymanatee.org/org/tax).

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So, the trim notice shows what your taxes could be, while the property tax bill shows what you actually owe.

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So, when the tax collector processes your annual property tax bill, only some of the revenue collected goes towards

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Manatee County. This illustration titled, "Where does your dollar go?" shows you what an average tax dollar

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bill how it is divided. Immediately you can see that half or 50 50% or 50 cents

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goes directly to the school board. Three cents goes to other taxing authorities which Manatee County does not control.

24:28

These are the independent special districts such as Southwest Water, Florida Water Management, Mosquito Control, West Coast Inland Navigation.

24:39

29 cents goes directly to the sheriff and 4 cents goes towards constitutional

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officers. This leaves us with only 14 cents left for county operations. Now,

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let's deep dive into these 14 cents. The slide before you breaks down the

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remaining 14 cents which consists of board approved millages and voter approved millages. We must subtract the

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voter approved millages because the board does not control them. Rather to make changes the board must add these

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items on a referendum and the voters the citizens must vote to either approve or

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deny them. This leaves us with 10 cents remaining. However, we must continue to

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peel back that onion one last time and subtract two more mandated driven items.

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They are 1 cent for the judicial programs and two cents for public safety.

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We now have seven cents remaining of true discretionary funds that can be

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used for countywide use. You might be wondering how all of this comes together and how we can apply it to our homes or

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to our property. Let's watch the following video that will show us.

26:06

Ever wonder what millage actually means? Millage is the tax rate used to calculate property taxes that are

26:13

[music] used to fund public safety, parks and preserves, and the roads and bridges we use every day.

26:20

1 mill equals \$1 for every \$1,000 of taxable property value. That's it. It's [music] just the math behind how some

26:28

local services are funded. For example, if your home's taxable property value is \$300,000, one mill represents \$300 of

26:36

the overall tax levied. You can find Manatee Countywide Millage represented on your property tax bill under the ad

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valorem taxes section of your property tax bill. Step one in your property tax bill happens before the county is involved. The property appraiser

26:53

determines your property's assessed value. They do not set tax rates or millage.

26:59

Step two is exemptions. Exemptions like homestead or senior 65 plus benefits reduce the amount of your property that

27:07

gets taxed. Assessed value minus exemptions equals taxable value. Now the math. Take your taxable value, divide by 1,000, and multiply by the millage rate.

27:20

That's how the county portion of your property tax is calculated. Your property tax bill [music] isn't just one tax. It's made up of several local

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government agencies, each with their own millage. The county is one piece of the total bill with each taxing authority having its own rate. The

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county millage rate is set by the board of county commissioners. [music] It happens during the public budget process each year. Residents can see it, attend hearings, and provide input.

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Here's the part that surprises people.

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Even if millage stays the same, [music] taxes can go up or down if property values change. The millage rate didn't

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change. Your home's value minus any exemptions changed. Let's go back to our example. If your home's taxable property

28:06

value increases from \$300,000 to \$400,000, the taxes levied would also increase.

28:13

[music]

28:14

That's why exemptions are important.

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They safeguard drastic increases in taxable property value and decrease the taxes levied on your home. Likewise, a

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decrease in millage will also impact the overall taxes levied. Let's say the board of county commissioners dropped the millage by 1/2 mil. A reduction

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on taxes would occur, but that reduction would also impact the funding available for county services supported by those taxes.

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Services like library hours, [music] park maintenance, and free beach parking increase and decrease based on the availability of funds that the

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millage brings in. The challenge is finding the right balance, providing tax relief while maintaining the level of services our community relies on.

29:08

Now, let's do a quick video summary. So, millage is the tax rate used to calculate property taxes. Property taxes

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fund countywide services. One mil equals \$1 for every \$1,000 of taxable value.

29:26

The property appraiser determines the value only, nothing else. Exemptions reduce

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taxable value. Adalorum taxes is made up of multiple local government agencies

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with separate millages and only the county millage is set by the board. The calculation is taxable value divided by

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1,000 multiplied the millage rate in our case countywide is 6.0326

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gives you your property tax due. The final portion of the video highlights the impact of a reduction in millage.

30:03

Now, during the presentation to the board on February 11th, it was noted that since fiscal year 25, the general

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fund has seen an overall millage decrease of .70 mills, resulting in a cumulative revenue

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loss of approximately 116.7 million.

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This means that any further reduction to the millage will have a direct impact on countywide services at the current level that we are serving the community.

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Now, let's talk about what the board can control. Well, they can control the total budget.

They approve and adopt the

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countywide millage, MSTUs, and any special districts under county authorities such as the port and the

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housing authority. They can control department service levels by either approving, denying, or reducing funding for any of the 15 county departments.

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This includes how many positions are funded, what programs are prioritized, and what services are expanded, reduced,

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or even eliminated. They can also control capital priorities.

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They make debt service decisions such as approving or denying taking out any additional debt. The board can establish

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and maintain policies that protect the county's financial stability and bond rating.

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Now, let's briefly discuss what the board cannot control. The board cannot

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control constitutional officers budget allocation for the sheriff, the clerk's

31:52

office, for the property appraiser, for supervisor of elections, or for the tax

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collector. However, what they can do is they can approve or reduce funding. They

32:07

can also choose to fund at a different level. This means that they can choose to not only fund with general fund but rather use alternative funding sources.

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One example of the part of this portion that fits is the adopted budget for last year FY26 of the constitutional officer's budget.

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It totaled 315.3 million and it's equivalent to about 23%

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of the net budget. The board cannot redirect restricted revenues or use

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other sources. These revenues must be used for their legally intended purpose

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only. The allowed use is determined by the revenue source. For examples, utilities cannot pay for roads, parks

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cannot pay for libraries, um beach renourishment cannot pay for playgrounds.

33:03

To put things in perspective, special revenue funds were made up of 277

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million last year, which is equivalent of 20% of the net budget. Transportation

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trust funds was made up of 62.6 million, which is about 5% of the net

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budget, and enterprise funds were made up of 405.8 8 million, roughly about 30% of the overall net budget.

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Once the budget is approved, commissioners do not approve the day-to-day spending, meaning that they

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do not approve all of the daily invoices and expenditures that happen. This is left to the county administrator and

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department directors which authorize staff with spending limits per procurement policies with the oversight

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of financial management and this is done for compliance.

34:03

The adopted FY26 budget for all county departments equals \$75.8 million which is 52% of the net budget.

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So the board sets the financial framework and spending limits.

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Administration manages the operations within those limits. Now this year the board has directed staff to inform

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citizens to inform you and allow you to provide input on the budget for this next coming year FY27.

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Should you, the citizens of Manatee County, decide to ask for a millage reduction, I would like to show you a

34:48

few potential impacts of services that could be affected. One of these services could be seen as the reduction of

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operating hours at GT Bray Park, at John Marble, and at Premiere. You would see a noticeable reduction in appearance with

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reduced maintenance at all county parks, all county preserves, as well as all beaches. You would see a reduction

35:13

of information of education and of community resources that are found at all county libraries. You would also see an increase in 311 operator wait times.

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You could possibly see an elimination of all beach lifeguards, even an elimination of pool lifeguards.

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Furthermore, you could see a reduction in road maintenance, a reduction of traffic operations, and a reduction of

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countywide projects, administration, and engineering services. So one example of

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project management and engineer services are pro project managers are those that oversee projects from conception to

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completion while engineers design the projects.

36:02

You might be wondering why there aren't any dollar amounts in any of these possible reductions? Well, and it

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is because we are currently in the process of reviewing the FY27 budget and since it's not properly aligned yet, we

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don't want to give out incorrect information. Well, we could have also provided FY26 adopted numbers, but

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current fiscal year 26 is already halfway. So again, we don't really have the full data.

However, we were able to

36:36

identify some services that will immediately be felt by the community.

36:42

So, some of the services that were easily accessible are the following.

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Now, before I show you, I want to note that these numbers are estimates only.

36:54

Some of the immediate service impacts that we could easily identify um as estimated are the increase in 311 time

37:02

311 wait times and they are for about 186,219 for the year. The elimination of pool

37:10

lifeguards equals \$1.5 million for the year. The elimination of road maintenance could equal \$2.8 million for

37:20

the year. and a reduction of traffic operations total 952,000 for it for the year. In total, I

37:28

have just identified a rough estimate of \$5.5 million.

37:34

This equals a \$158 savings on your tax bill and it is

37:42

equivalent to a millage of 07 ms. Thank you for watching and for [music] more

37:50

information please visit [mymanate.org/tax](http://mymanate.org/tax).

37:59

[music]