

# Financial Policy Ethics

Resolution Number 2023-08  
Board Approved: February 28, 2023  
Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions.

## Statement of Ethics

**Purpose:** Professional ethics are the foundation of an organization. Ethics represent our standards that are documented as the principles we believe in, the values to which we adhere to be of benefit to those we serve, those to whom we are accountable, and ourselves.

The Office of Management and Budget embrace the following professional ethics as recommended by the Government Finance Officer Association:

### Integrity

Maintain high standards of personal conduct, practicing honesty in all our professional relationships and endeavors. Be truthful in our actions and words. Let our decisions and deeds be based on the greater good of the County. Actively avoid the occurrence or the appearance of a conflict of interest and exude prudence and integrity in safeguarding County resources. Use fairness, impartiality, and objectivity to guide decisions.

### Respect

Treat those with whom we work and those we serve with civility and consideration. Actively strive to merit the respect, trust, and confidence of colleagues, customers, and the public.

### Diligence

Exercise due professional care in the performance of every aspect of our work. Diligently devote our time, abilities, and energies to our responsibilities and duties.

### Reliability

Perform our professional duties with dependability, being watchful of compliance aspects, fully understand and be responsive to the needs of those we serve while embracing accountability for our work and service.

### Competence

Continually strive to enhance our professional skills so we may improve service to the community. Seek out and participate in professional development opportunities for us and our colleagues, to maintain, as well as enhance, competencies.

AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS  
**RESOLUTION 2023-08, DATED 02/28/2023.**

# Financial Policy Budget Management

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## BUDGET MANAGEMENT

**Purpose:** To establish and maintain practices for the adoption, administration, and amendment of the annual budget in accordance with Florida Statutes Chapter 129.

**Policy:** To exercise the highest level of budgetary control per Florida Statute Chapter 129 with an emphasis on transparency to communicate the County's annual budget process from conception to finality including budget amendments and adjustments made throughout the fiscal year.

The Board of County Commissioners designates the County Manager to be the County Budget Officer pursuant to Florida Statute 129.025(1)

### **Procedure:**

1. Revenues
  - A. The Office of Management and Budget (OMB) will estimate revenues as early as possible in the budget process in order to limit appropriation request. The Board of County Commissioners will establish the County's budget priorities based upon the revenue estimates and expenditure priorities.
  - B. The budget shall be balanced; the total estimated receipts (including balances brought forward) shall equal the total appropriations and reserves in accordance with Florida Statute Chapter 129.01(2)(b).
  - C. In general, current operating revenue should be sufficient to support current operating expenditures, with budget amendments and adjustments made to budgeted fund balance and/or appropriations if necessary.
  - D. "Earmarking" of available revenues that would unnecessarily restrict the full range of potential uses of such revenues will be limited. The use of various funds; however, will be consistent with generally accepted accounting principles and Florida Statute Chapter 129.02. Law Enforcement will be funded 54% from the MSTU-LE taxes and 46% from the General County taxes. State shared half-cent sales tax that are in excess of debt obligation payments will be split 90% to the General Fund and 10% to the MSBU-Fire Fund. Public Service Tax and Communications Service Tax will be split 60% to the General Fund and 40% to the MSBU-Fire Fund.
  - E. One-time revenues will be utilized to fund one-time expenditures wherever possible. If one-time revenues are assigned to pay for recurring expenditures a three-to-five-year plan for transferring the expenditure to a recurring revenue

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source will be adopted by the County as a part of the budget process in the initial year.

- F.** The Board of County Commissioners is authorized to establish and collect fees and charges for certain services rendered by the County. These services are available to all residents of the County but are not needed by the majority of residents, therefore, those utilizing the services are charged for the service.
    - I.** All Proprietary Fees, payments for use of facilities and services, are to be reasonable in relation to the County provided privilege or service to the fee payer that receives the special benefit.
    - II.** All Regulatory Fees, payments, whether designated as license fees, permit fees or by another name, which are required as an exercise of police power and as a part of or as an aid to regulation of an occupation, profession, or business, may not exceed the actual cost to the County of providing the service to the individual fee payer. Additionally, fees are solely based on the actual cost of providing what the user is consuming or are charged per direction from a regulatory authority.
    - III.** All requested changes to the Schedule of Fees during the fiscal year are presented to the Board of County Commissioners for its review and approval.
    - IV.** A fee schedule is therefore adopted and amended by resolution each fiscal year. Annually, fees will be reviewed by Departments and any requested modifications will include the full cost of activities, including direct and indirect costs currently supported by the fees to identify the impact of inflation and other cost increases. Supporting documentation showing calculations for fees changed will be submitted by Departments as part of the annual budget process. Departments shall retain supporting documentation for a period of two (2) years. A thorough review of the countywide fee schedule will be conducted periodically.
- 2.** Expenditures
- A.** The financial impact associated with new programs or program modifications will be analyzed and determined prior to adoption by the Board. When new programs or increased levels of service are proposed, departments will identify any applicable Federal or State mandates; outline client benefits and strategic initiatives; demonstrate alignment to organizational goals, objectives, and agreements; identify related health and safety issues; demonstrate conformance

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to industry/professional standards; and identify all funding sources including fees or tax increases needed to partially or fully fund the program or service. The department will document any offsetting revenue or cost avoidance associated with this issue as well as consequences of not funding the proposal.

- B.** Understanding what a program or activity costs, and what benefits are derived from these programs or activities allows the County to make informed funding decisions. To that end, all expenditures will be analyzed to ensure service alignment with current Board priorities.
- C.** Departments shall utilize performance measures to track performance, support operational improvement, and determine effective use of resources for each program.
- D.** Inflationary factors and changes in population will be considered in preparing cost of service delivery.
- E.** Internal Service Funds will be self-supporting whenever possible. Internal service fees and the direct impact to County operating budgets shall be analyzed annually as part of the budget process and will be budgeted centrally for all departments.
- F.** Grant applications to fund services/programs with state or federal funds will be recommended to the Board upon review by the Office of Management and Budget and the County Manager, with significant consideration given to:
  - I.** The cost of administering the grant relative to the amount of the grant
  - II.** The availability of matching funds
  - III.** The extent to which locally generated funds will be required to support the program when the grant funding is no longer available.
  - IV.** The personnel impact to the department.
  - V.** Time is of the essence with grant applications and should an opportunity for an application submittal arise that does not coincide with established Board of County Commission meetings, the County Manager, or designee shall have authority to submit and sign the grant application and place the item on the next Board of County Commission agenda for an update.

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**VI.** All grant acceptance awards will be placed on Board of County Commission agendas for final approval.

## **3.** Operating Budget

For purposes of budgetary control, expenditures cannot legally exceed the total annual budgeted appropriations at the financial reporting fund level (The Laws of Florida Chapter 65-1236 Sub 1 and County Ordinance 233.01). The County maintains both accounting funds and financial reporting funds defined as:

- A.** Financial Reporting Fund – Also known throughout the County as a “Superfund”, is an accounting entity with a self-balancing set of accounts that whenever possible will include a combination of similar “accounting funds”.
- B.** Accounting Fund – an accounting entity with a self-balancing set of accounts which are segregated for the purpose of detailing compliance with special regulations, restrictions, or limitations.
- C.** A Municipal Services Taxing Unit (MSTU) for Law Enforcement Services is established by ordinance. This fund shall be administered by the Board and follow the established reserve for contingency policy. Current policies for estimating revenues and appropriating expenditures shall be applied to this fund.
- D.** A Municipal Services Benefit Unit (MSBU) for Fire Protection Services is established by ordinance. This fund shall be administered by the Board and follow the established reserve for contingency policy. Current policies for estimating revenues and appropriating expenditures shall be applied to this fund. Stated Shared Half Cent Sales Tax, Public Services Tax, and Communications Service Tax will be shared between the General Fund and MSBU - Fire. This allocation may be reviewed on a periodic basis.

## **4.** Budget Request

The County shall develop a proposed budget to include personal services, operating, capital outlay, debt service, grants and aids, and other uses categories.

- A.** All Board Departments shall submit a budget request in the manner and form prescribed by the County Manager and Office of Management and Budget no later than the date set forth in the budget calendar.

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- B.** The Clerk of Court, Sheriff, and Supervisor of Elections shall submit a budget request in the manner and form prescribed by the Board of County Commissioners through the Office of Management and Budget no later than May 1<sup>st</sup> (F.S. 129.03(2)).
  
- C.** It is requested by Resolution, that the Property Appraiser, Tax Collector, and Judicial Officers submit their budgets no later than May 1<sup>st</sup> of each year.

Example: **001.17.1720.513.31.00**

Function is the 4<sup>th</sup> element in the activity code (513)

Sub-Object Code is the first two numbers in the Object Code. To determine Object Classification, find where this number falls within the following chart.

Code	Object Codes (AKA “Categories”)
<b>10</b>	<b>Personal Services</b> Includes Sub-Object Codes 11-29
<b>30</b>	<b>Operating Expenditures</b> Includes Sub-Object Codes 31-59
<b>60</b>	<b>Capital Outlay</b> Includes Sub-Object Codes 61-68
<b>70</b>	<b>Debt Service</b> Includes Sub-Object Codes 71-73
<b>80</b>	<b>Grants and Aids</b> Includes Sub-Object Codes 81-83
<b>90</b>	<b>Other Uses</b> Includes Sub-Object Codes 91-99

**5.** Budget Appropriations, Amendments and Adjustments – Budgetary levels of authority are as follows:

**A.** Budget Appropriation

- I.** Appropriations will be made at the Fund (Superfund), Functional Category, and Object Classification (AKA “categories”; personal

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services, operating expense, capital outlay, debt service, grants, and aids, and “other use” expenses).

- II.** The Office of Management and Budget will ensure that the application of the indirect charges do not adversely affect the provision of services of the fund receiving the indirect charge.
- III.** A fund for private, not-for-profit outside agencies may be maintained with an annual appropriation as available with consideration of budgetary constraints and Board Policies. All agencies seeking funding from the Board should do so during the annual open application process through the appropriate department, such as Community Support Services Department and the Outside Agency Funding Advisory Board.
- IV.** All requests to fund discretionary court programs, otherwise known as “local requirements,” as defined within Article V of the Florida Constitution and the supporting Florida Statutes (28.24, 29.008) require Board approval during each budget process.

## **B.** Amendments and Adjustments:

- I.** Budget amendments between reporting funds that change the fund’s total appropriation require the approval of the Board of County Commissioners and an advertised public hearing. The Board, at any time within a fiscal year, may amend a budget for that year, and may within the first 60 days of a fiscal year amend the budget for the prior fiscal year.
- II.** Budget adjustments between Functions, as defined by the Uniform Chart of Accounts (AKA Uniform Accounting System Manual for Florida Local Governments), up to and including \$50,000 can be approved by the County Manager. Budget adjustments between Functions over \$50,000 require approval of the Board of County Commissioners. Budget adjustments between categories that do not impact Function or Accounting Fund totals can be approved by the County Manager. A quarterly report of budget adjustments will be generated and published in the Board agenda with the quarterly Financial Reports.
- III.** Per F.S 129.06(2), appropriations related to prior year non-operating encumbrances, grants, and capital projects not completed will be

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submitted to the Board of County Commissioners as a budget amendment no later than the deadline set by OMB or November 15<sup>th</sup> of each fiscal year whichever is earlier. This is considered the “Carry-Forward” budget amendment. Transfers from the Reserve for Contingency in the General Fund, MSTU Law Enforcement and MSBU Fire Funds require Board of County Commission approval.

- IV. Establishing a budget for revenues that were not anticipated during the annual budget process requires that the Board of County Commissioners adopt a resolution to recognize the revenue, appropriate the revenue, and establish a new fund if appropriate (F.S. 129.06(2) (d) and(e)).
- V. Upon completion of the prior fiscal year’s Annual Comprehensive Financial Report, the operating budget may be adjusted to reflect actual beginning fund balances if deemed necessary by the Office of Management and Budget. Audited fund balances will be adjusted during this “Mid Year” budget amendment process to prevent spending of resources not available (F.S. 129.06(2)(f)).
- VI. Amendments not specifically authorized in Florida Statute Chapter 129.06(2) (a-e) require the amendment be authorized by resolution or ordinance of the Board of County Commissioners and adopted following a public hearing. The public hearing must be advertised at least two (2) days, but not more than five (5) days, before the date of the hearing. The advertisement and adoption procedures are similar to those required for adoption of the annual budget (F.S. 129.06(2)(f)).
- VII. Pursuant to F.S. 129.06(2)(f)2, budget amendments must be posted to the County’s official website within 5 days of adoption/approval.

## 6. Fund Balance

### A. Minimum Fund Balances

- I. General Fund – The budgeted Estimated Ending Fund balance will be at a minimum 10% of projected revenue.
- II. MSTU Law Enforcement, MSBU Fire Fund and Gas Tax Fund – The budgeted Estimated Ending Fund Balance will be at a minimum 5% of projected revenue.



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- III.** All Other Operating Funds – The amount of ending fund balance to be budgeted shall be analyzed and determined during the annual budget process; the Assistant County Manager for Budget and Fiscal Services and the Finance Director will jointly agree upon the ending fund balances.
  - IV.** To the extent feasible, the actual unassigned plus assigned ending fund balances for the County’s General Fund, MSTU Law Enforcement and MSBU Fire Funds will be at least 2 months of the appropriations.
- B.** During Carry Forward and Midyear budget amendments, fund balance may be used for:
- I.** Appropriations related to prior year non-operating encumbrances, grants, and capital projects not completed. The total carry-forward amounts will be reported in the prior year Annual Comprehensive Financial Report as assigned fund balances.
  - II.** Funding for authorized mid-year increases that will provide for a level of service that was not anticipated during the budget process.
  - III.** Funding for unexpected increases in the cost of providing existing levels of service.
  - IV.** Temporary and nonrecurring funding for unanticipated projects.
  - V.** Funding of a local match for public or private grants.
  - VI.** Funding to off-set losses in revenue caused by actions of other governmental bodies and/or unanticipated economic downturns.
  - VII.** Funding to accommodate unanticipated program mandates from other governmental bodies.
  - VIII.** Funding for emergencies, whether economic, natural disaster or acts of war.
  - IX.** Funding for market and economic fluctuations in enterprise and internal service funds.
  - X.** Funding for contamination remediation.

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## **XI. Funding for rate stabilization.**

### **7. Budgeted Reserve for Contingency**

**A.** Reserve for contingency requests in the General Fund, MSTU Law Enforcement and MSBU Fire Funds and Gas Tax Fund must be approved by the Board of County Commissioners. The Board will use the procedures and evaluation criteria set forth in this, and other policies. Such requests will be evaluated as to the:

**I.** Urgency of the request

**II.** Scope of services to be provided.

**III.** Short and long-term fiscal impact of the request

**IV.** Potential for alternative methods of funding or providing the service(s)

**V.** Review for duplication of service(s) with other agencies

**VI.** Review of efforts to secure non-County funding.

**VII.** Discussion of why funding was not sought during the normal budget cycle.

**VIII.** Review of the impact of not funding or delaying funding to the next fiscal year.

**B.** A reserve for contingency shall be calculated and budgeted by the Office of Management and Budget at a level not less than 5% of the General Fund, MSTU Law Fund, and MSBU Fire Fund and Gas Tax Fund operating revenues, respectively, and an amount not greater than 10% of the total budget and in accordance with Florida Statute Chapter 129.01(2)(c) for each operating fund. If the reserve for contingency falls below 50% of the minimum level, the reserves shall be reestablished over a period not to exceed three fiscal years.

**C.** The reserve for contingency shall be separate from any unallocated fund balances.

**D.** The County's budget will be amended at such time as the Board of County Commissioners authorizes the use of contingency reserves (F.S. 129.06(2)(b)). All requests for the use of any reserve for contingency as referenced in 7.B. shall be accompanied by information prepared by the Office of Management

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and Budget showing the year-to-date activity of the reserve account as well as the current account balance and the net effect on the account balance.

- E.** Self-Insurance Risk Fund will be maintained at a level that, together with purchased insurance policies, will adequately indemnify the County's property and liability risks in accordance with Chapter 28 of the Alachua County Code.
  - I.** A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels.
  - II.** The Self-Insurance Risk Program will be funded at a confidence level of a minimum of 75 percent, based on an annual Cost of Risk Allocation Study and may include use of accumulated retained earnings to maintain this confidence level. Changes and budget for the Self-Insurance Risk Program are made by Board approval as stated in Alachua County Code Chapter 28.
  - III.** The County shall maintain two months of anticipated claims for a Reserve for Contingency/ Catastrophic Loss in the Self-Insurance Risk Fund. In the event that retained earnings fall below these designated levels due to a catastrophic loss, a recommendation to replenish retained earnings will be prepared by the Risk Management Division for the County Manager's review and submitted for Board approval.
  - IV.** The Self-Insurance Risk Fund shall be analyzed as part of the annual budget process.
- F.** Health Insurance Fund will be maintained at a level that will, together with purchased insurance policies, adequately fund medical claims risk in accordance with Chapter 28 of the Alachua County Code, as outlined in the Health Insurance Management Policy.
  - I.** A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels.
  - II.** The Florida Office of Insurance Regulation strongly encourages at least 60 days of anticipated claims, as set by an actuary. An actuarial best practice is to establish 120 days of anticipated claims as a reserve, and as such will be the requirement for the fund.
  - III.** For both Board of County Commission (BoCC) departments and non-BoCC departments (Constitutional and Legislative Offices), any excess budgetary dollars remaining in the health insurance line item of a

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department's budget at the end of the fiscal year, will be returned to the Health Insurance Fund.

- IV.** The Health Insurance Fund shall be analyzed as part of the annual budget process.
  
- G.** Retained Earnings in the Solid Waste Fund shall be maintained at a beginning balance of \$2,500,000. If Retained Earnings are depleted during a fiscal year, a plan will be developed and presented to the Financial Oversight Committee to restore Retained Earnings in its entirety the following year. If it is not feasible, the Department will present a plan to the Financial Oversight Committee which will be forwarded to the Board of County Commissioners for their approval during the budget process.

AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS  
RESOLUTION 2023-08 DATED 2/28/2023.

History: Resolution 20-07 10/01/2020

# Financial Policy Capital Budget & Financial Plan

Resolution Number 2023-08

Board Approved: February 28, 2023.

Effective for the FY24 Budget 10-01-2023

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## **Capital Budget & Financial Plan**

### **Purpose:**

To promote fiscal responsibility in the funding of projects as adopted by the Board through the budget process and prepared work plans related to capital planning and infrastructure aligned with the objectives and level of service addressed in the “Comprehensive Plan 2019-2040, Capital Improvements Element (CIE)”. The following financial policy is established for Alachua County’s Capital Budget and Financial Plan (CBFP). As a matter of general policy, the goals of the CBFP are to:

1. Prioritize and align funding to create capital and infrastructure project budgets.
2. Properly identify and record capital assets related to the physical and economic development of the community.
3. Promote financial stability and focus attention on the County’s long term financial capacity to meet capital needs.
4. Recommend funding mechanisms and long-term financing of infrastructure.
5. Effectively communicate the County’s priorities and plans for undertaking capital projects to internal and external stakeholders, including Citizens, County staff, Constitutional Officers, and Judicial Officers.

### **Formulation:**

#### ***Process***

The CBFP consists of cross departmental activities designed to identify, plan, finance, and undertake acquisition of long-lived capital assets necessary to meet service level goals and objectives as identified in the CIE. The CBFP functions as:

1. A multi-year projection of the County’s major capital needs.
2. A formal mechanism for decision making related to planning and budgeting for major capital acquisitions.
3. A link to the County’s long-range plans concerning the economic and physical development of the community, and the provision of public services.
4. A financial management tool identifying future financing requirements for major capital acquisitions over the planning period.
5. A communications device for reporting to internal and external stakeholders the County’s capital priorities, and plans for implementing capital projects.

The major output of the program is the annually updated Capital Budget. The CBFP plans for the allocation of existing and anticipated financial resources to replace, renew, expand, or acquire new capital stock, facilities, and infrastructure. The CBFP is a five (5) year funding plan identifying

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the priority, scheduling, and financing of major capital projects to be undertaken over the planning period. The CBFP represents a management and financial plan to guide capital financing and acquisition activities and is subject to annual review and modification by County staff, and approval by the Board of County Commissioners as part of the budget process.

## *Definition Statement of a Capital Project*

Notwithstanding the definition of capital items and fixed assets established for capital budgeting and accounting, capital projects shall be defined for the purposes of the CBFP as follows:

A capital project is an outlay that results in or contributes to the acquisition of or addition to a capital asset with an anticipated cost equal to or exceeding one hundred and fifty thousand dollars (\$150,000) **and** with an anticipated useful life equal to or exceeding ten (10) years. This definition includes, but is not limited to, capital projects undertaken to:

1. Acquire new or expand existing physical facilities or infrastructure.
2. Acquire large scale renewal, improvement, or replacement of physical facilities or infrastructure that is not routine maintenance. Renewal and improvement expenditures are those that improve an asset's productivity, significantly extend its useful life, change the character of the asset, or be an element of the larger project which enhances or contributes to its functionality.
3. Acquire major pieces of equipment, vehicles, and other capital stock, including expenditures when aggregated or consolidated into a single project meet both criteria set forth above.
4. Procure engineering or architectural studies and services related to public improvements.
5. Acquire land or make improvements to land.

Projects meeting the above definition shall be eligible for consideration and inclusion in the annually updated CBFP. All expenditures meeting the criteria for fixed assets as defined by the County's Fixed Asset Policy shall continue to be budgeted and accounted for as capital expenditures, however, will not be eligible for inclusion in the CBFP unless they meet the above definition of a capital project. Staff questions regarding the definition of a capital project should contact the Office of Management and Budget.

## *CBFP Development Responsibility*

The Office of Management and Budget shall have lead responsibility in coordinating the tasks and activities, necessary to successfully develop and administer the CBFP, including but not limited to establishing policies, procedures, schedules, and deadlines for formulation, defining roles and responsibilities of participants, obtaining relevant and reliable documentation and information for capital projects, establishing project evaluation criteria and rating systems, developing the Capital

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Budget document for governing body approval, and monitoring implementation of capital planning efforts.

## ***Project Requests and Consideration***

The basis of project identification will mainly be formulated from the Board approved or adopted “Master Plans” for County Facilities, Transportation, Parks and Recreation and Conservation Lands. To evaluate the merits of capital project requests and to allow each project due process in evaluations, capital projects proposed during the annual CBFP process shall be accompanied, at a minimum, by the following information:

1. Project Title, Physical Description, and Definition of Scope
2. Demonstration/Justification of Need – Classification of Asset & Service Expectations
3. Alignment with Level of Service in the CIE
4. Project Schedule
5. Capital Cost Estimate
6. Statement of Impact on the Operating Budget
7. Relationship to other Planned Projects
8. Project’s Department Rank Priority
9. Recommended/Anticipated Funding Sources

The Office of Management and Budget shall establish forms, instructions, deadlines, and procedures for project submittal and review.

## ***Service Expectations***

- A. Desired level of service of the asset. This includes the desired life span, functionality, and efficiency.
- B. Required or desired components, amenities and enhancements of the asset or components of the asset. This includes sustainability enhancements, energy conservation measure, or certification requirements.
- C. Identify options to augment life span or use consistent with the desired efficiency or level of service. This includes reviewing options for replacement, renovation, repair, or rehabilitation of the asset to meet desired service level, based on the cost of effectiveness of those options.

## **Needs Determination and Prioritization**

Through a review of the condition assessment, level of service needs, and Board direction, each department can identify their needs and prioritize these needs for consideration in developing the 5 Year Capital Budget.

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## Project Prioritization:

### Step #1: Policy considerations for each asset.

The objective of this step is to determine the priority of asset improvements necessary and how they are affected by or are related to other assets. This is also the point to review potential policy updates that would drive changes to the asset or improvement considerations, such as location, energy efficiency, or relationship to other assets.

- Are there required system needs, improvements, or enhancements needed to meet code and legal requirements?
- Are there improvements, renovations, rehabilitation, or enhancements needed to meet the desired level of service to be provided by the asset?
- Are the ancillary or interrelated systems or assets to be considered?
- What is the mission critical systems or back up needs associated with the asset?

### Step #2: Classification of Asset

Classify assets according to the following:

**ADEQUATE:** There is a high level of confidence that the asset is performing as designed and is reasonably meeting original design or engineering parameters and industry standards. There is limited to no probability that any degraded conditions are affecting operations or resulting in a loss of service.

**PROBABLY ADEQUATE:** The system is still performing and generally achieving the desired outcomes and level of service, but may not be meeting the design or engineering parameters. There is limited to low probability that any degraded conditions are resulting in significant loss of efficiency or degradation in level of service.

**PROBABLY INADEQUATE:** There is low level of confidence the system is performing as designed and as originally intended. Even though the asset is performing, it is not to the desired efficiency or level of service. The asset does not meet current design or engineering standards or parameters. The asset is resulting in inefficient operations and degradation of level of service.

**INADEQUATE:** There is a high level of confidence that the asset will not perform as design or originally intended. The asset is not performing regularly and requires attention to address repeated deficiencies. The asset does not meet current design or engineering standards or parameters. The asset is resulting in inefficient operation and degradation of level of service.



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**FAILED:** The asset is not operational or is operating without any sustainable predictability. The asset experiences regular and random loss of operation and does not meet any current design or engineering parameters.

## **Step #3: Develop Cost Estimates**

The goal is to develop the most accurate cost estimate for the project as possible, considering all aspects of delivering project from inception to completion of the project. This project estimate would include all necessary design, property needs, construction, and project support. The cost estimate should be itemized by component by the best method possible and address project synergies, interdependence, and interaction of critical asset types.

There are many factors to developing an estimate, including but not limited to architecture/engineering design estimates, unit cost, historical background for similar projects, as well as inflation and other economic factors. All relevant information known and available should be used to validate the cost estimate.

## **Step #4: Funding and Program Development**

Funding options should be developed with the goal of optimizing the number of priority projects to be completed during the funded year. The funding should be identified and applied to project priorities to the extent the funds are available.

Program development for the next fiscal year shall start during the first/second quarter of the current fiscal year. Staff will review all projects underway or planned to be underway during the current fiscal year, as well as all anticipated projects in the next fiscal year proposed for adoption and the four years that follow the proposed year.

For projects underway or planned for the current fiscal year, a review of funding necessary to complete the project will be conducted, resulting in positive or negative funding adjustments for each project. Once a project is underway, the project progress and cash flow should be monitored allowing for funding adjustments. Adding to the overall scope of the project because of available funding reviews is not permitted without County Manager or Board of County Commissioner approval.

Each review period, the proposed year and the following four years will be programmed and fiscally balanced for the proposed fiscal year, as well as for the 5-year funding program.

Project estimates will be programmed by phase of the project (i.e., design, property/rights of way, construction, and project support) for the year the funds are to be anticipated to be needed.

# Financial Policy Capital Budget & Financial Plan

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Board Approved: February 28, 2023.

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions.

The current year and proposed year estimate will be based on the best estimation available at the time. The last four planned years of the Capital Budget will also be programmed with the best estimation available for the year being programmed. Consideration should be given to the change in costs expected due to the date of the project phase.

During the Board's budget workshops, staff will present the proposed fiscal year to be adopted and the planned projects for the next four years. The Board's review will result in adopting or revising staff recommendations for the proposed fiscal year as part of the budget approval in September of each year.

## **Other considerations in developing the CBFP include:**

1. Capital expenditures for court-related facility needs should be funded first from revenue generated through the collection of a traffic citation surcharge as provided for by F.S. 318.18(13)(a) and Section 123.20 of the Alachua County Code. Revenues from this surcharge may also be used to fund Court Facilities, including office space leases and utilities.
2. The County shall utilize a combination of debt and pay-as-you-go financing for capital projects. The funding mechanism for each project will be determined and included in the CBFP, and the annual budget.
3. The Financial Oversight Committee, consisting of the Assistant County Manager for Budget and Fiscal Services, Assistant County Manager for Public Works and Growth Management, Budget Manager from OMB, Senior Administrative Support Manager for Fiscal Services, an attorney from the County Attorney's office and financial staff representatives from the Clerk of the Court's office, Tax Collector's office, Sheriff's Office, and Judicial Offices, will review the CBFP for financial feasibility and funding availability.
4. Project Budgeting  
In addition to the actual cost of a project, the following budgets shall be included:
  - A. Energy and Water Considerations for Capital Projects
    - I. Energy usage and costs shall be considered as part of the life cycle analysis required for capital project decisions by the County.
    - II. An energy and water conservation component shall be included for consideration by the Board.
    - III. Energy components shall include:
      1. Energy conservation power down plans that ensure all unnecessary energy consumption ends after business hours.
      2. Building envelope weatherization where possible

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3. Efficiency improvements to the building equipment and machinery
4. Renewable energy additions for all new county construction and where possible existing buildings
5. Water conservation and efficiency improvements

## B. Art in Public Places

- I. Art in Public Places funds will be used in accordance with Alachua County Code Chapter 29.
- II. Any original construction or major renovation of a County building, facility, park, or space (excluding transportation and land conservation projects) of at least \$300,000 shall include in its budget 1%, up to \$100,000, of the construction costs for architectural enhancements, special landscape treatments, paintings, sculpture, engravings, murals, mobiles, photographs, drawings and/or works in fabric for the project.
- III. The County will use the Alachua County Arts Council to assist in the selection of art from capital projects of \$1.0 million and above. For projects under \$1.0 million, staff may make recommendations, consistent with Alachua County Code Chapter 29. The Board may make the final selection from those options presented or any option upon its own motion.

## C. Project Audit

- I. A construction manager-at-risk contract audit shall be performed on all capital projects with budgets of \$5 million or more.
- II. A contract audit for unit cost bids shall be performed on all capital projects with a budget of \$5 million or more.
- III. Cost for the audit shall be included in the project's budget.
- IV. Audits will be conducted in coordination with the Office of Management & Budget upon completion.

## **Annual Capital Budget:**

The CBFP represents the County's multi-year projection of capital needs and is a picture of future financing requirements, plans, and project scheduling. The CBFP does not impart spending authority for capital projects, but rather constitutes the primary basis upon which the annual capital budget is formulated. While the CBFP is a management plan, the annual capital budget is the current year spending authorization for capital expenditures, including capital projects identified in the CBFP.

The following policies apply to the relationship between the CBFP and the annual capital budget, and the formulation of the annual capital budget:

# Financial Policy Capital Budget & Financial Plan

Resolution Number 2023-08

Board Approved: February 28, 2023.

Effective for the FY24 Budget 10-01-2023

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1. The County shall enact an annual capital budget based on capital project priorities and schedules as established in the multi-year CBFP.
2. The annual capital budget shall be developed and adopted concurrently with the annual operating budget. Operating impacts of capital expenditures shall be projected and included in operating budget forecasts.
3. Transition of a capital project from a planned expenditure in the CBFP to an appropriated one in the annual capital budget shall be achieved through the annual budget process by which staff submit capital outlay requests as part of their overall budget requests for the upcoming fiscal year.

## **Project Financing:**

The County recognizes that an effective capital funding strategy requires consideration of a broad mix of funding mechanisms, including but not limited to pay-as-you-go, capital leases, and traditional debt. The County will maintain a balanced mix of financing sources without excessive reliance on any one source, and shall consider the following factors in evaluating the suitability of funding options for projects:

1. Legality
2. Equity
3. Effectiveness
4. Acceptability
5. Affordability
6. Ease of Administration
7. Efficiency

## ***Pay-as-you-go and Pay-as-you-use Financing***

Pay-as-you-go financing refers to the use of current financial resources to fund capital projects, including current revenues, fund balances, grants, and donations. Pay-as-you-use financing refers to the issuance of various debt instruments to fund capital projects. In considering which funding method to utilize for projects, the County shall strive to match benefit streams to cost streams as closely as possible over the anticipated useful life of the project and across constituency groups to achieve intergenerational and intra-jurisdictional equity respectively in project financing arrangements.

Regarding intergovernmental grants and private donations, the County will seek to leverage such resources whenever available, provided those capital projects identified are consistent with capital planning and infrastructure plans and County priorities, and whose operating impact have been documented in operating budget forecasts.

# Financial Policy Capital Budget & Financial Plan

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## **Post Project Evaluation:**

### ***Capital Inventory***

The County shall maintain its capital asset inventory at a level adequate to protect the County's capital investment, avoid disruption of service delivery, and to minimize future maintenance and replacement costs. To that end, the County shall conduct and prepare a capital assets inventory biannually to report on the age, condition, and replacement cost of major capital assets.

### ***Recording and Controlling Capitalizable Assets***

The Clerk of the Court has been delegated the responsibility to develop administrative guidelines in determining Capitalization thresholds and proper financial recording of assets. These guidelines include:

1. Capitalization of buildings, infrastructure, and equipment
2. Depreciation methodology and application
3. Procedures for control over items that are not capitalized

### ***Project Progress Reporting***

The Office of Management and Budget (OMB) shall establish procedural guidelines for project progress reporting as part of the annual capital budget and CBFP development processes.

AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS

RESOLUTION 2023-08 DATED 02/28/2023.

History: Resolution 20-42 Dated 06/09/2020

# Financial Policy Debt Management

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions.

## DEBT MANAGEMENT

**Purpose:** To provide a comprehensive and viable debt management policy which recognizes the capital improvement needs of the County.

**Policy:** Utilize debt to maximize the County's ability to provide the highest-level services and infrastructure taking into account existing legal, economic, financial, and debt market considerations while balancing the taxpayers' ability, and desire, to pay.

### **Procedure:**

1. No County debt issued for the purpose of funding capital projects shall be authorized by the Board of County Commissioners unless it has been included in the Capital Budget and Financial Plan or until the Board of County Commissioners have modified the plan.
2. The County shall issue long-term debt only for:
  - A. The purpose of constructing or acquiring capital facilities and other capital assets as defined by the Statement of Governmental Accounting Standards 34 (SGAS 34) (specifically, the approved schedule of capital improvements)
  - B. Making major renovations to existing capital facilities and other capital assets per SGAS 34
  - C. Refunding outstanding debt when sufficient cost savings can be realized, or it is advantageous to do so.
3. The County may enter long-term leases for the acquisition of major equipment or other capital assets when it is cost justifiable to do so.
4. Conduit debt, including bank eligible conduit bonds, may be issued/sponsored for activities (such as economic development, housing, or health facilities) that have a general public purpose and are consistent with the County's overall service and policy objectives. All conduit financings must insulate the County completely from any credit risk or exposure and must be approved by the County's bond counsel and financial advisor before being submitted to the Board of County Commissioners for authorization and implementation.
  - A. No conduit bonds shall be issued in any year if such conduit bonds constitute obligations ("bank eligible obligations") which would be taken into account in determining whether Alachua County, Florida is a "qualified small issuer" within

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the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for such year, unless (A) a bank eligible obligation issuance fee, in addition to the amounts imposed by the County in connection with any TEFRA approval of the obligations, has been remitted to the County with respect to such bank eligible obligations, or (B) the County Manager shall determine that the County has no intent to issue bank qualified bonds during such calendar year.

- B.** At the beginning of each calendar year, the County’s Finance Director shall calculate, based on then-current market rates and assuming a \$10 million issue of bonds maturing in 10 years, (A) the difference between interest rates on bank eligible obligations and non-bank eligible obligations of the County (the “differential”) and (B) the net present value amount determined by applying said differential over the projected 10 year period and based on the principal amount described above (the “bank eligible obligation issuance fee”).
  - C.** If the bank eligible obligations are to be part of a single plan of finance for the issuance of multiple installments of bank eligible obligations during a calendar year, the bank eligible obligation issuance fee shall nonetheless be due upon the first installment issued.
  - D.** All bank eligible obligation issuance fees collected shall be held in trust by the County until the end of the calendar year in which they are collected. Notwithstanding the foregoing, if after a bank eligible obligation issuance fee shall be paid by one entity a second entity requests County approval of bank eligible obligations, the amount that would otherwise be paid by the second entity shall be one-half the bank eligible obligation fee paid by the first entity, and such payment when received by the County shall be paid over to the first entity. If a subsequent entity, then requests County approval of bank eligible obligations, the same process would be repeated except that one third of the fee would be paid to the County, which would distribute the same equally to the first two entities, and so on. If the County did not issue any county debt during such calendar year that would have been bank qualified but for the fact that that conduit bonds constituting bank qualified obligations were issued during such calendar year, the bank eligible obligation issuance fees shall be returned in proportionate amount to the entities that paid them; otherwise, said fees shall be retained by the County.
- 5. Financing Requirements**
- A.** Capital improvements related to enterprise fund operations should be financed solely by debt to be repaid from user fees and charges and other legally available sources generated from the respective enterprise fund’s operation.

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- B.** Capital improvements not related to enterprise fund operations shall be financed by debt to be repaid from legally available revenue sources able to be pledged for same.
  - C.** Cash surpluses, to the extent available and appropriable, shall be used to finance scheduled capital improvements if it is deemed to be the best financing method for that particular improvement.
  - D.** Revenue sources shall be pledged for debt only when legally available and, in those situations where they have previously been used for operation and maintenance expenses and/or general operating expenditures, they shall be pledged for debt only when other sufficient revenue sources are available to replace operation and maintenance expenses and/or general operating expenditures as deemed appropriate by the Board of County Commissioners.
  - E.** Where possible, capital expenditures shall be funded through pay-as-you-go programs, debt restructuring, and alternative financing mechanisms, such as grants, state loan programs or federal pilot projects.
- 6.** Maturity Limitations
  - A.** All capital improvements financed through the issuance of debt shall be financed for a period not to exceed the useful life of the improvements, but in no event to exceed 30 years.
  - B.** All capital improvements financed through lease-purchase obligations shall be financed for a period not to exceed the useful life of the improvements.
- 7.** General Debt Limitations
  - A.** Rapid debt repayment is a goal of the County's debt management policies. Each borrowing shall be structured to repay principal as rapidly as the amount of the pledged revenue source will allow. Adjustment in repayment time frames may be modified to reflect changes in the interest rate environment, which may argue for shorter or longer retirement plans.
  - B.** The County shall manage its debt and sustain its financial position in order to seek and maintain the highest credit rating possible.
  - C.** The County shall strive to maintain debt ratios within the median range of benchmarks (performed by the County's Financial Advisor).



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- D. The County shall not construct or acquire a public facility if it is unable to adequately provide for the identifiable annual operation and maintenance costs of the facility.
  - E. The County shall consider coordinating with other local government entities, to the fullest extent possible, so as to minimize the overlapping debt burden to citizens.
  - F. The County shall ensure that an adequate system of internal control exists so as to provide reasonable assurance as to compliance with applicable laws, rules, regulations, and covenants associated with outstanding debt.
8. Debt Issuance Restrictions
- A. The County shall market its debt through the use of competitive bid whenever deemed feasible, cost effective, and advantageous to do so. However, it is recognized that, in some situations, certain complexities and intricacies of a particular debt issue are such that it may be advantageous to market the debt via negotiated sale.
  - B. The County shall use the services of outside finance professionals selected using competitive bid.
  - C. Credit enhancements (insurance, letters of credit, etc.) shall be used only in those instances where the anticipated present value savings in terms of reduced interest expense exceeds the cost of the credit enhancement.
  - D. In order to maintain a stable debt service burden, the County shall attempt to issue debt that carries a fixed interest rate. However, it is recognized that certain circumstances may warrant the issuances of variable rate debt. In those instances, the County should attempt to stabilize debt service payments through the use of an appropriate stabilization arrangement.
9. Refunding
- A. The County shall continually monitor its outstanding debt in relation to existing conditions in the debt market and shall refund any outstanding debt when sufficient cost savings can be realized.
  - B. Outstanding debt shall be refunded as long as the net present value savings between the refunded bonds and the refunding bonds is equal to or greater than three (3) percent without extending the maturity of the debt being refunded, unless extenuating circumstances would justify a smaller percentage savings (e.g., historically low interest rates).

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- C. The County may also refund existing debt for the purpose of revising existing bond covenants to meet particular organizational and/or strategic needs of the County when it is advantageous to do so.
- 10. Disclosure Requirements – It is the policy of the County to endeavor to provide full and fair disclosure in connection with the initial sale and distribution of its publicly marketed debt instruments and to provide appropriate ongoing secondary market information, in compliance with the requirements of applicable federal and state securities laws, rules, and regulations, including Securities and Exchange Commission Rule 15c2-12.
- 11. Arbitrage Reporting – Finance and Accounting shall establish a system of record keeping and reporting (or procure the services of a company specializing in arbitrage) to meet the arbitrage rebate compliance requirements of the federal tax code. This includes tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebate earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the County’s outstanding and future debt issues.
- 12. Investment of Bond Proceeds – The investment of bond proceeds shall be governed by the County’s Investment Policy and any applicable bond covenants. In the event of conflicting policies, the more restrictive policy shall be enforced.
- 13. Short-Term and Interim Financing
  - A. Bond Anticipation Notes – Where their use is judged by the County/Clerk staff, County’s bond counsel and financial advisor to be prudent and advantageous to the County, the County may choose to issue Bond Anticipation Notes as a source of interim construction financing. Before issuing such notes, takeout financing for such must be planned for and determined to be feasible by the Financial Advisor.
  - B. Tax (Revenue) Anticipation Notes – Where their use is judged by the County/Clerk staff, County’s bond counsel and financial advisor to be prudent and advantageous to the County, the County may choose to issue Tax or Revenue Anticipation Notes as a source of interim operating financing.
  - C. Other – Where their use is judged by the County/Clerk staff, County’s bond counsel and financial advisor to be prudent and advantageous to the County, the County may choose to use other short-term financing tools such as a line of credit or pooled commercial paper programs.

# Financial Policy Debt Management

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## 14. Debt Affordability Assessment

- A. Article VII Section 12 of the Florida Constitution requires that long-term debt pledged by the full faith and credit of the County can only be approved by voter referendum. For debt issues to be placed on the ballot, the Board must approve both the capital and financing proposals. There is no statutory limit on the amount of debt and corresponding tax levy the voters can approve.
- B. The Finance Team implements debt management policies throughout all funds. The Team consists of members including the Assistant County Manager for Budget and Fiscal Services, Finance Director, County Attorney or designee, and the County's Financial Advisor. The Team is responsible for planning all debt issuance for the County including the use of short-term and long-term financing. The County shall not enter into financing agreements without first having the alternatives reviewed by the Team and a recommendation forwarded to the County Manager.
- C. The Finance Team shall be responsible for determining reasonable debt levels for the County as part of the annual budget process and capital improvement plan. Each year, the Team shall review the County's ability to absorb and pay for long-term obligations (including new bond issues). The review process shall include recommendations on how much new debt can be afforded by the County. The Team's recommendations shall be based on an analysis of the following measures using the below definitions:

The terms "Direct Debt" and "Revenue Debt" are defined in Government Finance Officers Association's Recommended Practice for Debt Management Policies as follows:

"Direct Debt" – Debt payable from general revenues, including General Obligation (G.O.) Bonds, capital leases, and notes payable.

"Revenue Debt" – Debt payable from a specific pledged revenue source.

### Debt Limitations

1. Total current debt service on "Direct Debt" less any dedicated limited ad valorem debt service measured as a percent of the current total General Fund revenue less any General Fund ad valorem revenue (resulting in the Covenant to Budget and Appropriate (CBA) amount/limit). The current debt service costs without the dedicated limited ad valorem debt service shall not exceed 35% of the total General Fund CBA revenue.

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Board Approved: February 28, 2023

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2. Total current debt service on “Direct Debt” measured as a percent of current General Fund *revenue*. Debt service costs on “Direct Debt” shall not exceed 5% of total General Fund *revenue*.
3. Total current debt service on “Direct Debt” measured as a percent of General Fund *operating expenditures*. Debt service costs on “Direct Debt” shall not exceed 10% of total General Fund *operating expenditures*.
4. Total debt includes “Direct Debt” and “Revenue Debt” as a percent of *assessed value*. Total net direct indebtedness shall not exceed 3% of the full valuation of taxable property in the County.
5. Total debt includes “Direct Debt” and “Revenue Debt” *per capita*. Total net direct indebtedness shall not exceed \$500 per capita.
6. Per capita debt as a percentage of per capita income. Per capita debt shall not exceed 5% of per capita income.

AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS  
**RESOLUTION 2023-08 DATED 02/28/2023.**

History: Resolution 18-26 Dated 05/03/2018.

# Financial Policy Energy Conservation

Resolution Number 2023-08

Board Approved: February 14, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions

## Energy Conservation Investment Program

**Purpose:** To promote capital investments which conserve resources and reduce utility costs. The policy is intended as an annual investment in projects that promote utility conservation, efficiency and or renewable energy.

**Policy:** The Energy Conservation Investment Program (E-CIP) will annually fund capital projects that meet the Board's energy and utility objectives as found in the Comprehensive Plan and Financial Policies. Any E-CIP funds not expended at the end of each fiscal year shall return to the account the following year. Procedure: The County Manager or his/her designee shall annually recommend a prioritized list E-CIP Eligible capital projects to the Master Capital Improvement Program. This policy is effective upon adoption by the Board.

At a minimum, projects shall be documented for their:

1. estimated return on investment;
2. project life and cost;
3. estimated utility and cost avoidance;
4. potential rebates, other funding sources; and
5. projected start date.

AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS  
RESOLUTION 2023-08 DATED 2/28/2023.

History: Resolution 19-37 Dated 10/01/2019.

# Financial Policy Financial Management

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions

## FINANCIAL MANAGEMENT

**Purpose:** To establish the framework for the County's overall financial planning and management.

**Policy:** To show the citizens, credit rating industry and prospective investors (bond buyers) the County's commitment to sound financial management and fiscal integrity. To improve the County's fiscal stability by helping County officials plan fiscal strategy in a consistent manner.

### **Procedure:**

#### 1. Financial Goals

- A. To maintain the financial viability of the County to ensure adequate levels of County services.
- B. To maintain financial flexibility to continually adapt to local and regional economic and demographic changes.
- C. To maintain and enhance public infrastructure to provide for the health, safety, and welfare of the County's citizens.

#### 2. Inter-fund Loan Policy –

Inter-fund Loan Policies are intended to provide parameters and guidance for the management of loans between funds. Inter-fund loans may be necessary to provide adequate cash flow for reimbursable grants and contractual obligations with deferred revenues.

- A. Repayment of any loan shall not exceed one year without approval of the Board of County Commissioners. Loans outstanding at fiscal year-end will be reported to the Board of County Commissioners.
- B. Any fund may receive an interfund loan of up to and including \$100,000 with approval from the Clerk of the Courts, Finance Director, and the Assistant County Manager for Budget and Fiscal Services or County Manager.
- C. Any fund may receive an interfund loan in excess of \$100,000 with the approval from the Board of County Commissioners.
- D. Due to the receipts of ad-valorem taxes not being sufficiently received until the end of November, the County may not have sufficient cash to maintain an adequate cash flow in the beginning of the fiscal year. Therefore, upon the approval from the Clerk of the Courts, Finance Director, Assistant County Manager for Budget and Fiscal

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Services, and the County Manager, the General Fund, MSTU for Law Enforcement and MSBU – Fire Service Funds may borrow, short-term, from other appropriate funds until the receipts of ad-valorem tax or special assessment revenue provide adequate cash flow. In no instance, without approval of the Board of County Commissioners, shall the loan remain unpaid past December 31 of the year the loan is made.

### 3. Replacement Funds

- A. The County shall maintain the replacement plan and the internal service funds that provide for the acquisition/replacement of fleet, computers, and other designated equipment. The replacement plan and funds will be maintained in such a way as to minimize the impact on other funds. It is the intent of the funds to capitalize as many purchases as appropriate under the County's capitalization guidelines.
- B. A Vehicle/Fleet Replacement Fund will be maintained to ensure adequate systemic replacement of fleet vehicles. Operating departments will be charged for fleet operating costs per vehicle and replacement costs spread out over the useful life of the vehicles. Fleet vehicles and equipment being purchased may be excluded from the vehicle replacement fund as recommended by the Assistant County Manager for Budget and Fiscal Services.
- C. A Gas Tax Vehicle/Fleet Replacement Fund shall be maintained to ensure adequate resources are available for the systematic replacement of rolling stock and fleet vehicles. Annual contributions will be based upon the replacement schedules developed and maintained by the Division of Fleet Management.
- D. Vehicle/Fleet Replacement surplus sale proceeds, insurance claims, and investment income will be maintained within the applicable Vehicle Replacement Fund to help offset future vehicle and equipment costs.
- E. A Rolling Stock Reserve shall be maintained in the Solid Waste Management Fund to ensure adequate resources are available for the systematic replacement of rolling stock and fleet vehicles. Annual contributions will be based upon the replacement schedules developed and maintained by the Division of Fleet Management.
- F. An E-911 Equipment Replacement Reserve shall be maintained in the Emergency Communications E-911 System Fund to ensure adequate resources are available for the replacement and/or upgrade of equipment at the primary and back-up PSAP's (Public Safety Answering Point) as allowed by F.S. 365.172. Annual contributions will be made in accordance with F.S. 365.173 which restricts the amount of E-911 carryover revenues.

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Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions

## 4. Fund Balance

- A. The County will report Fund Balance in accordance with Governmental Accounting Standards Board Statement No. 54 Fund Balance Reporting and Government Fund Type Definitions. Each financial reporting fund's Fund Balance shall be composed of non-spendable, restricted, committed, assigned, and unassigned amounts.
- B. The unassigned plus assigned fund balance for the MSTU Law Enforcement and MSBU Fire Funds, at each fiscal year end, shall not be less than 5% of the following year's projected operating revenue and the unassigned plus assigned fund balance of the General Fund shall be 10%. In any fiscal year where the County is unable to maintain the minimum fund balance as required in this section, the County shall reestablish the minimum amount over a period not to exceed 3 years. During the reestablishment period, the County shall not appropriate any amounts of such fund balance for the purpose of balancing the budget until the minimum is reached.

## 5. Reporting and Audits

- A. Balanced revenue and expenditure forecasts will be prepared to examine the County's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements.
- B. The County's accounting and financial reporting systems will be maintained in conformance with all state, federal and local laws, generally accepted accounting principles as required in Florida Statutes Chapters 129 and 200.
- C. An annual audit will be performed by an independent public accounting firm, as required by Florida Statute. The results of the audit will be reported to the Board of County Commissioners and the audit opinion included in the County's Annual Comprehensive Financial Report.
- D. The Clerk's Office will be asked to submit the Annual Comprehensive Financial Report to the Government Finance Officers Association (GFOA)'s Certificate of Achievement for Excellence in Financial Reporting Program.
- E. The Office of Management and Budget will submit the County's Budget to the GFOA's Distinguished Budget Presentation Program.
- F. Financial information including the Annual Comprehensive Financial Report and the Budget will be published on the Clerk's and County's websites, respectively.



# Financial Policy Financial Management

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions

- G.** Secondary market disclosures will be included in the Annual Comprehensive Financial Report.
- H.** The Office of Management and Budget will perform quarterly reviews to determine if the budgetary plan is being followed and if budgetary expectations are being achieved. Any problems discovered in this process will be corrected at the appropriate level of budgetary control.
- I.** Property control shall be applied to all assets valued at the level required by State Statute, the current minimum monetary threshold for capitalization and the item shall be tagged and identified by asset number when appropriate. Each item is physically identified and assessed as to its condition at least once per fiscal year.
- J.** Travel reimbursement will be in accordance with administrative procedures adopted in compliance with Florida Statute 112.061 (14).

## **6.** Annexation

- A.** The Office of Management and Budget will be responsible for providing to the County's Annexation Team a fiscal analysis of the impact related to proposed annexations. The analysis will be performed, upon receiving a request from the Annexation Team, using the following criteria:
  - I.** Unincorporated area population reduction between 1% and 3%- base analysis.
  - II.** Unincorporated area taxable property value reduction between 1% and 3% - base analysis.
  - III.** Unincorporated area population reduction greater than 3% - countywide analysis.
  - IV.** Unincorporated area taxable property value reduction greater than 3% - countywide analysis.
- B.** A base analysis will include projections for all major revenues and expenditures that are impacted by unincorporated area population changes. A report on the base analysis will be sent to the Annexation Team within 5 business days of the request.
- C.** A countywide analysis will include a base analysis as well as a review by all departments of service delivery impacts in the area being annexed. A report on the countywide analysis will be sent to the Annexation Team within 30 days of the receipt of the request. A review checklist sent to all departments will be completed

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Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

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and returned within 14 days. OMB will also analyze the fiscal impact of annexations related to Constitutional Offices.

- D.** The Annexation Team has the discretion of requesting an analysis from OMB for annexations that do not meet the criteria listed above. Such requests may be used to address annexations that fall below the 1% thresholds or to address the cumulative impact of annexations over a certain time period.

AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS

RESOLUTION 2023-08 DATED 02/28/2023.

History: Resolution 22-06 Dated 10/01/2019.

# Financial Policy – Health Insurance Management

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions.

## HEALTH INSURANCE MANAGEMENT

**Purpose:** The Health Insurance Fund is an Internal Service Fund, created by Chapter 28 of the Alachua County Code, to account for health insurance transactions of the County where the County retains risk. The fund accounts for Health, Wellness, Prescriptions, Dental and Vision insurance coverage for employees and retirees of the County, Library, and Constitutional Officers. This document serves to establish the framework for the fund.

**Policy:** To show the citizens, elected officials, employees, unions, actuarial providers, health care providers and prospective investors (bond buyers) the County's commitment to sound financial management and fiscal integrity related to maintaining the county's health-insurance fund. To improve the County's fiscal stability by helping County officials plan fiscal strategy in a consistent manner.

**Background:** The County self-insures for the following employee benefits: health, primary care clinic, wellness program, and prescriptions. The County offer "off the shelf" policies for dental and vision. The County pays the premiums for the benefits as provided for in the union contracts and Board adopted shared rates. The employees pay a portion of the related costs and have the option to select and pay for additional benefits. Retirees and former employees and dependents covered by Consolidated Omnibus Budget Reconciliation Act (COBRA) may also purchase these benefits.

### **Procedure:**

#### **1) Financial Goals**

- a) To maintain the financial viability of the Fund in order to ensure adequate levels to support the employee benefit.
- b) To maintain financial flexibility in order to continually adapt to claims and economic changes.
- c) To maintain and enhance appropriate levels of reserve to provide for the health, safety and welfare of the County's employees participating in the health plans.
- d) The Health Insurance Fund will be maintained at a level that will, together with purchased insurance policies, adequately fund medical claims risk in accordance with Chapter 28 of the Alachua County Code.
- e) A qualified actuarial firm shall be retained on an annual basis in order to recommend appropriate funding levels.

# Financial Policy – Health Insurance Management

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions.

- f) The Health Insurance Fund shall be analyzed as part of the annual budget process.

## 2) Premiums

- a) Annually, the Risk Management Division shall recommend premium rates for each type of health benefit for single, employee+1, and family coverage. The rate shall be determined using current market data and the County's claims history.
- b) The Self Insurance Fund premiums charged to the various funds and departments will be the illustrated rate for the benefits selected by the employees assigned to them.
- c) Various credits and savings may be offered to offset premiums and employee cost, such as, wellness programs, vaccination programs, and HSAs for high deductible plans.

## 3) Reserve Funds

- a) The Florida Office of Insurance Regulation strongly encourages at least 60 days of anticipated claims, as set by an actuary. An actuarial best practice is to establish 120 days of anticipated claims as a reserve, and as such will be the requirement for the fund.
- b) No additional premiums will be charged to establish the reserve without County Commission approval.
- c) An annual evaluation will be made during the annual budget process to identify health insurance industry trends and projections to develop long range planning to fund reserves and premium costs to adequately support the funds claims and expenditures.
- d) In any fiscal year where the County is unable to maintain the minimum reserve as required in this section, Risk Management will present a strategy to comply within two (2) fiscal years.

## 4) Consultant Reviews

- a) An actuary will be retained to evaluate the position of the funds and project future costs to assist in establishing premium rates.

# Financial Policy – Health Insurance Management

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

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- b) The County may retain health consultants to review plan details, evaluate cost of changes, review programs such as the clinic or wellness efforts, notify and recommend changes based on industry activity, and assist with acquiring excess coverage or specialty insurances.
- 5) Reporting and Audits**
- a) Balanced revenue and expenditure forecasts will be prepared to examine the County’s ability to maintain health insurance benefits and control of premium increase.
  - b) The financial accounting of the fund will be included with the Annual Comprehensive Financial Report of the County and will be a part of the annual audit.
  - c) Annual budget and actual reports will be presented to the Self-Insurance Review Committee (SIRC) to assist the committee in making recommendations to the Board of County Commissioners.
  - d) As a part of the annual budget process, the County Manager will recommend appropriate premiums and funding levels to the Board of County Commissioners in conjunction with SIRC’s recommendations.

**AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS  
RESOLUTION 2023-08 DATED 02/28/2023.**

History: Resolution 22-06 Dated 01/25/2022.

# Financial Policy

## Citizen Initiated MSBU Publically Owned Roads

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions.

### CITIZEN-INITIATED MSBU PROGRAM FOR CAPITAL IMPROVEMENTS AND MAINTENANCE FOR PUBLICALLY OWNED ROADS

**Purpose:** To provide Alachua County Citizens and the Board of County Commissioners (Board) a mechanism to receive and provide municipal services and improvements for benefitting properties within the unincorporated area of Alachua County.

The Program is responsible for coordinating the public services and capital improvements funded by non-ad valorem assessments requested by the property owners of the benefitting properties. Administration of each assessment district (MSBU) shall include financial management of the fund; ensuring assessments are levied accurately per local and state requirements; monitoring service contracts; maintaining records for active and closed MSBUs, and responding to property owner interests and inquiries.

The Citizens-Initiated MSBU Program outlines the administration of non-ad valorem assessments levied for publically owned roads, road related capital improvements, and periodic maintenance of included roads.

**Policy:** To provide an orderly and efficient method for utilizing the statutory authority given to the Alachua County Board of County Commissioners by Florida Statue 125.01(1)(q) and Alachua County Code Chapter 37 to create a Municipal Services Benefit Unit (MSBU) Program, driven by citizen request, within the unincorporated area of Alachua County. It is the intention of this Administrative Procedure to supplement the established Florida Statutes and Alachua County Code; therefore, any perceived contradictions or omissions shall cede to these controlling entities.

This hereby establishes a policy for the creation of citizen initiated MSBU's along with the procedures for levying, collecting, adjusting, supporting, and enforcing created MSBU's.

#### **Definitions:**

**Assessment Roll** – Area or group of properties assigned a pro-rata amount to fund an essential public service or improvement offering benefit to those properties.

**Benefit** – Direct or indirect assistance or advantage.

**Assessment/Benefit Unit** – Equitable base or measure used for allocating cost, such as parcel, acreage, or dwelling.

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Capital Improvement Assessment/Assessable Cost – Amount levied for a constructed improvement for which the amount is levied once but may be repaid in annual installments over a period of years.

Fee (Petition) – A non-refundable amount which must be included with the initial Citizen-Initiated MSBU Petition for administration and review of the request.

Liaison – Applicant or person that voluntarily serves as a spokesperson for the community during the various phases of the MSBU process. The liaison acts as a go-between for the benefitting property owners and the County and is authorized to request or approve minor changes in services or project(s) scope (increase in annual cost and/or assessments of no more than 10%) without Board action.

Lien – A legal claim upon property to secure the payment of a debt or obligation.

Municipal Service – Assistance or improvement provided by a local government to serve a public purpose.

Municipal Services Benefit Unit (MSBU) – An assessment district created to fund a localized public service.

Non-Ad Valorem Assessment – Amount levied on a property by criteria other than property value; typically assigned by units of benefit.

Ordinance – An authoritative order or legislation enacted by a municipal authority such as the Alachua County Board of County Commissioners.

Petition (MSBU Petition) – Document originated by citizens in the form of a request for an MSBU which should include general scope of services or project(s), a map depicting the proposed Unit boundaries, and the level of benefitting property owner’s support for its creation. The Petition is then further processed within the MSBU Program to determine a “honed” MSBU scope and cost including:

- Project analysis
- Engineering/design
- Construction
- Contracted services.
- Equipment Installation
- Utilities
- Administration
- Financing
- Reserves
- Contingencies
- Other direct and indirect costs

Pro-rata – A proportionate allocation.

# Financial Policy

## Citizen Initiated MSBU Publically Owned Roads

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Public Purpose – Available or pertinent to the people as a whole; open to all members of a community; may be provided by local authorities and supported by money from taxes, fees, or assessment.

Public Hearing – A special meeting which allows the public to comment on proposed plans and projects before the local government makes a final decision.

Public Service – Essential service provided by a government to people living within its jurisdiction.

Special Assessment District (SAD) – Also known as MSBU.

Unincorporated Area – A region of land outside the taxing boundary of a city; governed by the County.

Variable Rate Assessment – An amount levied annually to fund an ongoing service for which the service cost may change each year.

### Procedure:

1. Creating and establishing an MSBU
  - A. It shall be the policy of the Board of County Commissioners to require an MSBU Petition and associated fee for consideration of a new MSBU. Such petition will define the general parameters of the MSBU, however; the Board, at its discretion, may establish a minimum service area requirement.
  - B. Petitions must be submitted by February in the year prior to the targeted beginning of MSBU revenue collections.
  - C. A petition process is used in establishing MSBUs to ensure community awareness and involvement in the decision-making process. This also increases recognition of the public nature of the improvements and the responsibility of property owners for payment of the assessments.
  - D. MSBUs must be created and utilized to provide road related services and/or infrastructure in accordance with Florida Statute 125.01(1)(q).
  - E. The Board will determine the best course of financing, including whether to provide initial internal or external funding, on a case-by-case basis.



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- F.** If it is determined that outside funding (e.g., loans and bonds) is necessary to fund a requested MSBU the Board will absorb any issuance costs.
  - G.** Each MSBU shall be maintained and managed individually in accordance with established “best practices” and Generally Accepted Accounting Principles (GAAP).
- 2.** Processing requests
- A.** Citizen requests should be sent to the County Manager (CM) in the form of a Petition for initial recording and collection of the associated fee. The County Manager shall then forward the request to County staff (“staff”) to continue formulating the MSBU request. It is the responsibility of the citizens to:
    - I.** Organize support for the MSBU.
    - II.** Develop a general scope of work and/or services.
    - III.** Prepare the petition for submittal to the Board via the Deputy CM
    - IV.** Designate a liaison.
  - B.** Once the completed petition and associated fee is submitted, staff will prepare a cost estimate for the proposed improvements using current County standards. Estimates may also include eventual replacement and ongoing maintenance costs. Estimate(s) will then be presented to the Board no later than May in the year prior to the targeted beginning of MSBU revenue collections.
  - C.** The Board may choose to conduct a Property Owner Interest Poll and send a letter and vote card, via First Class Mail, to the benefitting property owners. The letter shall describe the proposed improvement, the area to be specially benefitted, the estimated improvement cost, and the allocation of the cost to each property owner.
  - D.** The vote card must be signed and returned within 45 days of the date of the letter. The vote cards will be verified to determine that at least 50% of the responding benefitting property owners within the proposed unit boundaries signed in favor of the petition. For proposed improvements to unpaved roads owners representing at least 60% of the benefitting property must respond and of those responses at least 75% must be in support of creating the MSBU.

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- E.** Such verification shall be accomplished by comparing the vote card with the existing tax rolls of the Property Appraiser and voter registration rolls if applicable. The Board may also, at its discretion, increase the required percentage of signatures on a letter/vote card.
  - F.** Upon verification that the appropriate percent of benefitting property owners signed in favor of the MSBU, staff shall proceed with scheduling the MSBU creation.
    - I.** Staff shall abide by Florida Statute 197.3632 and Sections 37.10 thru 37.14 of the Alachua County Code.
    - II.** Staff shall prepare ordinances and resolutions.
    - III.** Staff shall publish required legal and display notices.
    - IV.** Staff shall mail each benefitting property owner a first-class notice advising them of the date and time of the public hearing for the purpose of adopting the ordinance creating the MSBU.
  - G.** If the required percentage is not obtained within the 45-day period, the application will be deemed invalid, and a letter will be mailed to the applicant to notify them that the requested MSBU has not met the signature requirement.
  - H.** The Board of County Commissioners reserves the right to approve, deny, or modify MSBU requests.
- 3.** Adopting MSBU budgets and assessment rolls
- A.** Prior to January 1<sup>st</sup> of each year, the department will submit the proposed non-ad valorem assessment roll as part of a public hearing for adoption of each new MSBU created during the preceding year as prescribed in Florida Statute 197.3632(3)(a) through (4)(b).
  - B.** Prior to January 1 of each year, the Board of County Commissioners may adopt a resolution at a public hearing stating its intent to utilize the uniform method of collection of non-ad valorem assessments for all new MSBU's created during the preceding calendar year.
  - C.** All costs associated with publishing the public hearing notice will be divided equally among the MSBUs being brought to the Board and charged to the

# Financial Policy

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appropriate MSBU Fund and paid for by the non-ad valorem assessment levied against the benefitting property owners and included on the annual tax bill.

- D. The content of the resolution and conduct of the public hearing must be in accordance with F.S. Chapter 197.3632(3)(a).
  - E. First class mail notice shall be sent to each person owning property within the proposed MSBU boundaries.
  - F. A public hearing will be required in following years whenever there are changes in the boundaries or the purpose of the MSBU as outlined in F.S. Chapter 197.3632(4)(a).
  - G. Any proposed revision resulting in an increase or decrease in the services provided by the MSBU shall be reviewed by County staff. If the revision cost is 10% or below the Board approved amount the approval authority is with the MSBU's Citizen Liaison. Any changes above 10% require Board approval via the Public Hearing Process.
  - H. Staff shall prepare the budgets for their MSBUs during the annual budget process. The Office of Management & Budget shall prepare the resolutions documenting the Board's approval of the MSBU budgets at the public hearing adopting the County-wide budget and its corresponding resolutions.
  - I. Staff shall prepare the MSBU assessment rolls annually and submit them to the Office of Management and Budget so they may be included for adoption at the same time as the MSBU and County-wide budget resolutions go before the Board.
  - J. Staff will ensure that the assessment roll certifications are submitted to the Property Appraiser and Tax Collector for billing and collection as set forth by Florida Statute 197.
4. Levying and collecting MSBU assessments
- A. An MSBU may be created at any time during the fiscal year as long as previously described deadlines have been met. However, implementation shall coincide with the adoption of the annual County budget beginning October 1.
  - B. All new MSBUs must be created (resolution adopted) by January 1 of each year in order to be implemented the following October.

# Financial Policy

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**C.** The Board will levy the special assessment to be collected through the Uniform Method of Collection authorized by Florida Statute 197.3632.

**D.** In the case when an individual MSBU is closed out, residual monies remaining in the Fund totaling 5% or more of the original Board approved budget shall be refunded back to the property's current owner of record on a pro rata share as originally assessed. Any residual monies remaining in the fund totaling less than 5% of the original budget will be transferred to the responsible department's primary fund.

**5.** Contract and Purchasing

All contract and purchasing scenarios must be processed and managed by the responsible department in accordance with existing County policies and procedures.

**6.** Property Appraiser

The Property Appraiser will be asked to provide a section map(s) detailing the proposed MSBU area, the benefitting property owner's name, address, property value, and applicable frontage as well as the size and type of property structures.

**7.** Tax Collector

**A.** The Tax Collector is responsible for the annual billing and collection of the non-ad valorem assessments in the same fashion as the tax rolls are billed and collected each year.

**B.** Assessments become delinquent after April 1, and failure to pay may result in a lien levied against the property and may result in the sale of a tax certificate in accordance with Florida Statute 197.432.

**8.** Clerk of Court

The Clerk is responsible for recording and, when required, the administering of liens on unpaid non-ad valorem assessments.

**9.** Processing appeals of assessments.

**A.** Property owners wishing to appeal or request a review of their initial assessment may contact the responsible department to document the nature of the request.

# **Financial Policy**

## **Citizen Initiated MSBU Publically Owned Roads**

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- B.** All requests received prior to the deadline set forth by Florida Statutes (30 days after certification of the tax roll) each year shall be handled so as to allow payment of taxes before they become delinquent.
- C.** Staff shall investigate the request in consultation with the Property Appraiser and make a determination as to whether or not an adjustment is warranted.
- D.** In the event an adjustment to the initial assessment is warranted, staff shall prepare a “Certificate of Correction” and submit it to the Tax Collector and Property Appraiser. If a determination of adjustment is made prior to payment of the current tax bill, a revised tax bill will be sent by the Tax Collector reflecting the adjusted assessment. If a determination of adjustment is made after payment of the current tax bill, the property owner may request a reimbursement for the assessment overpayment; otherwise, the overpayment will be reflected on the following year’s tax bill.
- E.** Adjustments to initial assessments resulting from appeal/review requests received after the deadline will be documented on a “Certificate of Correction” by the responsible department and reflected on the following year’s tax bill.
  - I.** Reimbursement will only be made on assessments paid within the previous three years.
  - II.** Reimbursement will be reviewed and processed by the responsible department with the funding source being the appropriate MSBU Fund.

**AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS**  
**RESOLUTION 2023-08 DATED 02/28/2023.**

History: Resolution 19-37 Dated 10/01/2019.

# Financial Policy – Performance Management

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions.

## PERFORMANCE MANAGEMENT

**Purpose:** To establish the framework for the County’s commitment to performance management.

**Policy:** Performance Management has specific guidelines and best practices documented by the Government Finance Officers Association (GFOA) and the International City/County Management Association (ICMA). Performance Management is mandated to receive any Federal grants and/or pass-through grants as described in the Federal OMB Circular (2CFR Chapter 1 and Chapter 2 Part 200) Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Additionally, Performance Management is considered as part of Florida State Statute 212.055(11) Performance Audit, where any jurisdiction requesting consideration of a discretionary sales surtax referendum would have to submit to a performance audit including program efficiency, effectiveness, goals, objectives, and performance measures used by the program to monitor and report program accomplishments.

Alachua County’s performance program is managed by Budget and Fiscal Services. The program ensures performance results support identified strategies and requires regular reporting of the County’s performance efforts and outcomes.

Performance management improves organizational capacity by providing managers with data on established measures and operational performance. Performance data empowers managers by supplying data and information necessary to make effective, efficient, and timely management decisions to achieve desired results.

Performance management is a powerful tool used to integrate strategic planning, multi-year departmental planning, budgeting, and management with evaluation and reporting in a system that helps create an accountable, transparent, and responsive organization.

### **Department Responsibilities:**

1. Document alignment of the Mission, Values, Board Level Strategic Guide, Comprehensive Plan, and multi-year departmental plans with department/division performance.
2. Set program priorities and ensure organizational priorities match those of the community via the Board’s guidance.
3. Develop meaningful measures, focusing on outcome measures, to gauge program success.
4. Increase organizational coordination to eliminate waste and duplication.

# Financial Policy – Performance Management

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Board Approved: February 28, 2023

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5. Make data available to the public periodically through the annual Adopted Budget documents, presentations to the Board, and the County’s website thereby keeping government accountable and transparent to all stakeholders.

## A. Process

### I. Each Department establishes and updates the following:

- 1) Mission Statement
- 2) Vision Statement
- 3) Executive Summary
- 4) Current Year Accomplishments/Future Year Priorities
- 5) Significant Budget Variances (if applicable)

### II. Divisions and Programs identify and update the following:

- 1) List of Services Provided
- 2) Description of Services Provided
- 3) Quarterly Performance Measures

### III. Division and Program Managers identify and provide quarterly updates to performance measures and targets in the Performance Management (PM) system.

- 1) Establish, review, and update performance measures on a quarterly basis, to ensure the regular collection and reporting of specific information about the effectiveness, the quality, and the efficiency of government services and programs.
- 2) Periodically add or modify existing performance measures as the need arises based upon changes in the Board’s Strategic Guide, Comprehensive Plan, changes to the agency’s objectives, changes in program scope or establishment of new programs, based upon mandated reporting requirements, or where program evaluation results in the need for additional measures.

# Financial Policy – Performance Management

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- 3) Once a measure is established, and annually thereafter, record future projections in the PM system based upon targets identified by staff and/or published benchmarks. Typically, performance measures will have two to three years of targets identified within the system.
- 4) Track and record measures, on a monthly or quarterly basis, as determined by the Department, Division, or program, depending on the reporting frequency needed to effectively and efficiently react to performance changes that are out of line with performance targets. The preferred reporting frequency is quarterly.
- 5) Ensure all performance management components reported within the budget document, performance chapter, website, and all other reporting methods align with Board guidance and departmental plans.
- 6) Establish, maintain, and report comparative benchmark measures.
- 7) Identify and link showcase measures to the department's website.

## **Budget and Fiscal Services Responsibilities:**

1. Prior to the submission of the final budget, Budget and Fiscal Services staff will review all narratives.
2. The Strategic Performance Manager will review all performance measures and reported actuals within the Performance Management system to ensure alignment and consistency within the agency.
3. Publish performance measures, outcomes, and narratives through the Annual Budget Document, Performance Chapter, and/or website, as appropriate.

**AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS  
RESOLUTION 2023-08 DATED 02/28/2023.**

History: Resolution 21-08 Dated 10/01/2021.



# Financial Policy Public Purpose

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions.

## PUBLIC PURPOSE

**Purpose:** To establish the framework for the County's use of taxpayer's money for public purpose.

**Policy:** Revenues received by the County are public funds and as such their use must serve a public purpose. Public Purpose is defined as a county action or direction the primary purpose for which provides a declared public benefit. The Board hereby declares that the following objectives support the County's overall mission and serve a valid public purpose.

- A. Educate, inform, and maximize the involvement and participation of citizens in County government, including increased partnerships and economic development ventures with the private sector.
- B. Recognize employees to improve and enhance morale resulting in increased efficiency and effectiveness.
- C. Recognize employees for retirement, length of service or other milestone achievements.
- D. Recognize and encourage the continued participation of volunteers in various County programs.
- E. Promote tourism within the County.

**Procedure:** A proposed expenditure identified by a Department Director or his/her designee that meets one or more of the above declared objectives and supports the County's overall mission shall be submitted on a Public Purpose Form, with description and backup, for review by the Office of Management and Budget and approval by the County Manager, according to procedures developed by the County Manager.

For any request, the County Manager may request the Board to declare a public purpose.

The Office of Management and Budget will report Public Purpose approved requests to the Board on a quarterly basis.

**AS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS**

**RESOLUTION 2023-08 DATED 02/28/2023.**

History: Resolution 19-37 Dated 10/01/2019

# Financial Policy Public Purpose

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## PUBLIC PURPOSE GUIDELINES AND PROCEDURES

**Require submission and all approvals before commitment or purchase.**

**Require available budget be identified prior to submission to Department Director & OMB**

### **EXPENDITURES:**

In considering whether an expenditure is a necessary expense it is important to remember that an expenditure should be more than merely desirable or even important to be approved under the necessary expense doctrine.

In addition, an expenditure should not be approved simply because it is considered a good idea or because it is like a practice engaged in by private businesses or other governmental entity.

County staff **shall not use appropriated funds** (whether from an annual appropriation, multi-year appropriation, appropriated user fee, mandatory appropriation, or reimbursements from such appropriations, etc.) **to purchase food** (whether for conferences or meetings; for meals, light refreshments, or beverages; or for participants) unless the funding source specifically allows for the use of funds for the specific expenditure.

### **GRANTS AND COOPERATIVE AGREEMENTS:**

Public funds garnered from state/federal grants cannot be expended for refreshments/meals unless there is a line item in the approved grant budget expressly detailed for meals/refreshments.

When a grantee conducts a conference as an ancillary effort under its grantor cooperative agreement, food-related costs may be considered allowable as prescribed in OMB Circular A-21 (cost principles applicable to educational institutions), OMB Circular A-122 (cost principles applicable to non-profits), and shall be documented utilizing the Public Purpose Form.

The type and amount of meals/refreshment shall be in concordance with the type of employee function. There should not be any question that the amount/meal type fits the type of the function. Any question on the type and amount of the meals/refreshments can be directed to the Deputy County or Assistant County Managers.

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The intent is to not use public funds to offset a meal that the public / employees would normally consume, but rather to further the public interest by ensuring that County meetings are run efficiently with fewer/shorter breaks for meals. The County Manager or designee will manage and approve all public fund expenditures used for meals/refreshments consumed during public and/or County meetings.

## **DONATION FUNDS:**

Although donated funds may not be subject to all the restrictions applicable to direct appropriations, they are still “public funds” and accounted for according to policy and procedures. When determining whether to use donation funds for food and beverage, sponsoring department should carefully consider the donor’s expectation on how the donation funds would be utilized. The purchase of refreshments should reflect that the purchase:

- (a) carries out the Alachua County mission.
- (b) satisfies the conditions of the donation.
- (c) is consistent with County policy on donations; and
- (d) is a necessary expense.

The recommending official role/responsibility will be at the Department Director or Deputy or Assistant County Manager.

Many donors might not expect that their donations are to be used for food and beverage for meetings, rather, to directly benefit a program or service or operational cost. Before such funds are used planners and approving officials need to consider that sensitivity and recognize that use of these funds for food and beverage, above exceptions notwithstanding, will likely be the subject of increased external scrutiny.

## **PROHIBITED USES:**

1. Alcoholic Beverages: Any beverage containing alcoholic liquor – Alcoholic Beverages are never acceptable as a public purpose or County expense.
2. Food, unless funding source specifically allows, or County Manager provides pre-approval.
3. Political organizations, including events directly or indirectly associated with a political party, campaign, candidate, or group engaged to influence legislation, elections, referenda, or similar activities.

# Financial Policy Public Purpose

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4. Holiday celebrations or meals for employees; Office parties or employee entertainment (both internal and external).
5. Refreshments or meals generally may not be provided in conjunction with ordinary, recurring staff meetings or other regularly scheduled business meeting of employees.
6. Ad-hoc committee meetings and informal meetings consisting solely of employees should not include breakfast, lunch, dinner, or coffee/beverage service expenses (except events paid with pre-approval through the grant budget).

## **PARTICIPANTS:**

**Guest:** Person who renders a service to the County or to whom the County wishes to extend goodwill and who is present at an event or meeting with an underlying business purpose. Typically, guests are visiting speakers, advisory board members, employees of outside Governmental agencies, citizens or other individuals not employed by the County.

**Volunteers:** Individuals assisting with a program, event, or other official function who must remain on site during mealtime.

**County Employee:** Individual who is as an employee selected by the appointing authority for a county department, agency, or office.

## **MEALS, FOOD, BEVERAGE, REFRESHMENTS**

When allowable, prudent judgment for incurring meal and refreshment expenses is essential. Resources are limited, and meals and refreshments are subject to close public examination and audit. Meals and refreshments must be fully necessary, reasonable, and supportable in all instances.

**Alcoholic Beverages:** Any beverage containing alcoholic liquor – Alcoholic beverages are never acceptable as a public purpose or County expense.

**Meals** are defined to include food and non-alcoholic beverages provided at breakfast, lunch, or dinner to attendees of County-sponsored functions.

**Refreshments** are defined to include beverages such as coffee, tea, bottled water, juice, and soda, and food items such as pastries, fruit, chips, cookies, and cake.

# Financial Policy Public Purpose

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

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## **EVENT TYPES:**

### **Public Functions:**

There must be a direct correlation between the event delineated on a calendar, supplanting a normal mealtime, the public benefit, and funding source in the organization/program budget.

A public function is when the majority of attendees are community members rather than County employees.

The type and amount of meals/refreshment shall be appropriate with the type of public event. There should not be any question that the amount/meal type fits the type of the meeting. Any question on the type and amount of the meals/refreshments can be directed to the Deputy County or Assistant County Managers for determination.

### **Department Sponsored Event or Programmatic Activities:**

- Be an event is open to the public.
- Staff or community activities including orientation programs, organization meetings, or similar department & community-centered functions that serve a county business purpose. Attendance is mandatory.
- There is a published agenda.
- The meeting/training has an intended duration of six (6) or more hours.
- The location of the meeting or scheduling conflicts do not lend themselves to a meal recess.
- The meeting's business is furthered by speeches, presentations, or interpersonal exchange that would not normally occur daily; and
- The total cost per attendee per day cannot exceed the partial day per diem allowance for breakfast as established by the County.
- Funding sources must provide for the allowable use of funds.
- Expenditures for sponsored project related activities must comply with the terms and conditions of the sponsored project.
- Must be pre-approved at the Deputy County Manager or Assistant County Manager level or above.

# Financial Policy Public Purpose

Resolution Number 2023-08

Board Approved: February 28, 2023

Effective for the FY24 Budget 10-01-2023

This Financial Policy supersedes and replaces any previous versions.

## ALACHUA COUNTY DECLARATION OF PUBLIC PURPOSE EVENTS AUTHORIZATION FORM

Submission of Public Purpose Form and Backup should be received by the Office of Management and Budget, Budget Manager **at least 2 weeks in advance** of the event to ensure full approvals and signatures are obtained. OMB Recommends submissions come during the first week of each month.

**Section 1** Provide the name of the event, department, event date and event location.

**Section 2** Provide the appropriate Public Purpose Mission Number from the Legend. (You may select more than one)

### Public Purpose Legend:

- 1) Educate, inform, and maximize the involvement and participation of citizens in County government, including increased partnerships and economic development ventures with the private sector
- 2) Recognize employees to improve and enhance morale resulting in increased efficiency and effectiveness
- 3) Recognize employees for retirement, length of service or other milestone achievements.
- 4) Recognize and encourage the continued participation of volunteers in various County programs.
- 5) Promote tourism within the County

Provide a narrative description of the public purpose – **Do not reiterate the information from the legend list.** Provide an explanation.

### Section 3

***Department identifies all related items needed for the event with costs, Reminder All County purchasing policies apply, including quotes and p-card purchases.***

Account line code to be charged, Place current available balance in that line item. A brief description of the items relating to promotional items and miscellaneous supplies.

### Section 4

Signatures – Do not use encrypted signatures The department head signature is obtained and if needed the Deputy County Manager of Assistance County Manager signature.

The form is then submitted to the Budget Manager for Review and Tracking, and it is recorded so information may be compiled for the Board of County Commissioners Once approved it is then forwarded to the County Manager for signature and upon final signatures will be re-routed back to OMB, fiscal services, and the department.

## Multi-Year Financial Forecast

Financial planning is a roadmap for managing our county's money. It helps us create a budget, get ready for unexpected events, and invest in important infrastructure. Here are the main ideas:

1. **Balancing the Budget:** Our expenditures must always match our income; it's the law. We have to be smart with our money and show how we plan to spend it.
2. **Getting Ready for Surprises:** We need to set aside money for emergencies or tough times.
3. **Investing in Infrastructure:** We must have a plan to fund things like roads, parks, and buildings, making sure our community gets suitable services. We also have to keep our finances stable for the long term.

## Introduction

We follow good financial practices from the Government Finance Officers Association. These practices help us understand what's ahead for our county's finances. They also help us make sure we're all on the same page with our expectations. We focus on long-term planning, which means looking beyond just one year.

Our financial model is always changing as we study and adjust our assumptions. It's a tool that shows how our decisions and trends can impact our finances.

We have a set of budget principles to guide us when we make our budget and financial plans:

- Funding ongoing operating expenditures with ongoing revenue sources.
- Using one-time revenues for one-time expenditures (capital projects, for example).
- Maintaining sufficient reserve balances to address unforeseen events.
- Using a conservative approach to revenue estimation to avoid budget shortfalls during the fiscal year.
- Preparing equipment replacement and building maintenance schedules (and providing appropriate funding for these schedules).
- Budgeting Estimated Ending Fund Balances at a minimum 10% of projected revenue.
- Budgeting Estimated Reserve Balances at a level not less than 5% of the General Fund operating revenues and not greater than 10% of the total budget of the General Fund.

## FY24 Projections

### TRIM Process and Taxing Authority Responsibilities

The Florida Legislature made rules in 2007 about how much tax different government entities can collect. The property appraiser gives us an estimate of how much property is worth, which helps us plan our budget. We follow a timeline to make sure we stay on track:

- By July 1, the property appraiser will tell us how much property is worth.
- Within 35 days of this, we present our budget to the County Commissioners, who set the tentative millage rate.
- Within 55 days, property owners get a notice with their tax rates.
- Within 65 to 80 days, we hold public meetings to discuss the millage rates and budget.
- Within 3 days of the final meeting, we give our tax rates to the property appraiser and the Florida Department of Revenue.

For the 2024 budget, the General Fund tax rate is 7.6414 mills, which is 0.1248 mills lower than in 2023. We expect to collect about \$156 million in property tax.

If we had utilized the "rolled-back millage rate", 7.1074, which is the amount of property taxes you would need to pay if the County didn't increase their budget, the County would get about \$145 million in property tax.

The difference between the "adopted millage value" (what the authorities decided to charge) and the "rollback value" (what it would be if they didn't increase their budget) is \$10.9 million more than the County would receive if there was no increase to the budget. This extra money helps fund various things the county needs to do.