

INTRODUCTION

The Orange County Mayor and the Board of County Commissioners are pleased to present the proposed budget for fiscal year 2022-23, encompassing the period beginning October 1, 2022 and ending September 30, 2023. This is a brief overview of the Orange County budget.



After nearly two years of addressing the human and economic impacts of the COVID-19 pandemic, the County workforce remains resilient and committed to the services this community expects. As our economy continues to rebound, the county's fiscal health remains strong with healthy reserves and outstanding bond ratings. Two multinational credit rating agencies announced the highest-level "AAA" credit rating for Orange County Government. The credit rating reflects the County's low debt, conservative fiscal management, and strong operating flexibility.

The proposed budget for fiscal year 2022-23 is \$6.2 billion. Orange County's most important and largest single revenue source, property tax, is up 13 percent. The revenue collected from property tax is based on the taxable value as of January 1, 2022. According to the Property Appraiser's preliminary tax roll, Orange County's countywide taxable value is \$182 billion, providing property tax proceeds of about \$806 million or a 12.57 percent increase over the current fiscal year. As Orange County continues to emerge from a relatively severe economic crisis, we are fortunately in a position to propose a healthy general fund reserve of \$97.5 million or 7.7 percent of the overall fund. Thanks to prudent planning, fiscal constraints, and continuous monitoring, the reserves is at an appropriate level should the county face any other emergencies requiring immediate funding.

The Hospitality and Tourism Industry are the fuel for our primary economic engine. The Tourist Development Tax is used to pay for the Orange County Convention Center



construction debt, Visit Orlando destination advertising, Orlando sport and entertainment venues, arts and cultural programs, the Orange County Regional History Center, promotion of sports events, and any Convention Center operating shortfalls. In fiscal year 2019-20, TDT collections dropped to \$167 million due to the coronavirus pandemic after a robust \$284 million in the year prior. The proposed TDT revenue estimate for fiscal year 2022-23 is \$275 million. However, the potential is much higher

and may be adjusted upward in the coming months as we continue to welcome back visitors to Orange County in record numbers.

As the economy continues to grow in Orange County, so has our population. The 2020 U.S. Census data indicates Orange County's population increased by 25 percent between 2010 and 2020 to 1.43 million residents. Population growth has strained housing availability for both renters and prospective homeowners. By December 2022, county residents are expected to reach approximately 1.5 million. Our challenges will require us

to remain proactive with our Housing for All 10-year Action Plan to address affordable housing deficiencies. So far, the Housing for All Trust Fund has invested \$33 million in public-private partnerships to increase the supply of affordable and workforce housing. The fiscal year 2022-23 budget includes adding \$20 million to the Housing for All Trust Fund, which is an additional \$6.7 million more than originally planned due to the increase in construction costs and materials.

On April 26, 2022, the Board of County Commission approved the Charter County and Regional Transportation System Surtax referendum to be placed on the November ballot. The penny sales tax is expected to raise over \$600 million annually with more than half or 51 percent of the amount collected being paid by tourists. A dedicated funding source for transportation would allow Orange County to build a true multimodal transit system with improved access, reliability, and connectivity. The plan allocates 45 percent of the monies generated by the additional penny sales tax exclusively to transit beginning with LYNX. There would be more buses, improved connectivity, and express service. It would also allow for Bus Rapid Transit to create dedicated bus lanes on several major thoroughfares. The penny sales tax would also improve SunRail operations, allowing for potential service to and from the Orlando



International Airport, as well as weekend and evening service. The long-term goal would be to expand commuter rail service to Apopka and beyond. The plan also calls for 45 percent of the transportation sales tax collected to upgrade major road intersections, improve existing roadways, and repave older roads sooner. There would be high-tech solutions to move our traffic more efficiently by integrating advanced traffic signal technology shared by local jurisdictions. The referendum would also address the dire state of bicycle and pedestrian safety in Orange County, including increased roadway and pedestrian lighting and the addition of sidewalks and bike lanes. Orange County will also share 10 percent of sales tax revenues with our municipalities to help address their local transportation needs. If the sales tax referendum is approved by the voters, the budget will be amended to include the establishment of a Transportation Trust Fund that would protect monies raised from being used for purposes other than what is promised.

Last year, Orange County Government commissioned the Heart of Florida United Way to lead the analysis of gaps in services for our Mental and Behavioral Health System of Care. Over 200 community stakeholders and mental health providers participated in the gap analysis study that identified a \$49 million gap in funding services. An additional \$10 million has been included in the fiscal year 2022-23 budget to help implement the Orange County Mental and Behavioral Health System report recommendations.

Orange County is proud to invest in tourism, small businesses and entrepreneurs, workforce training, affordable housing, transportation, preservation of our environment, social and behavioral health, public safety, and entertainment and culture. The \$6.2 billion budget plan demonstrates this strategy of fiscal prudence and provides a blueprint for service delivery to the community.

**ORANGE COUNTY
BUDGET SUMMARY
FISCAL YEAR 2022-23**

CLASSIFICATION	General Revenue Fund	Transportation Trust Fund	Grant Funds	Fire & EMS District Funds
REVENUES :				
Ad Valorem Taxes	\$ 734,954,977	\$ 0	\$ 0	\$ 216,179,919
Other General Taxes	2,509,000	1,200,000	0	0
Permits and Fees	1,156,200	2,000,000	0	3,100,000
Grants	2,748,120	0	74,005,770	0
Shared Revenues	1,266,500	7,625,000	0	360,000
Service Charges	50,274,879	1,100,000	0	38,943,449
Fines and Forfeitures	1,064,225	4,200,000	0	0
Interest and Other	13,180,625	137,050	7,609,000	1,150,500
Total Revenues	807,154,526	16,262,050	81,614,770	259,733,868
Less: Statutory Deduction	-41,582,727	-813,103	0	-13,080,693
Net Revenues	<u>\$ 765,571,799</u>	<u>\$ 15,448,947</u>	<u>\$ 81,614,770</u>	<u>\$ 246,653,175</u>
NON-REVENUES:				
Bond/Loan Proceeds	123,000	0	0	0
Interfund Transfers	322,159,795	102,600,000	3,540,000	0
Fund Balance	207,399,512	42,534,778	0	46,522,917
Other Sources	24,500,000	0	0	1,880,000
TOTALS	<u>\$ 1,319,754,106</u>	<u>\$ 160,583,725</u>	<u>\$ 85,154,770</u>	<u>\$ 295,056,092</u>
EXPENDITURES/EXPENSES:				
General Government	\$ 327,398,208	\$ 0	\$ 0	\$ 0
Public Safety	544,636,242	0	1,534,528	266,993,071
Physical Environment	15,449,815	11,001,394	0	0
Transportation	66,050,074	132,967,873	0	0
Economic Environment	51,248,046	0	40,034,427	0
Human Services	153,678,893	0	41,252,679	0
Internal Services	0	0	0	0
Culture and Recreation	5,538,497	0	0	0
Total Expenditures/Expenses	<u>\$ 1,163,999,775</u>	<u>\$ 143,969,267</u>	<u>\$ 82,821,634</u>	<u>\$ 266,993,071</u>
NON-EXPENSE DISBURSEMENTS:				
Debt Service	0	0	0	0
Reserves	97,476,688	16,494,458	0	28,063,021
Interfund Transfers	58,277,643	120,000	2,333,136	0
TOTALS	<u>\$ 1,319,754,106</u>	<u>\$ 160,583,725</u>	<u>\$ 85,154,770</u>	<u>\$ 295,056,092</u>

**ORANGE COUNTY
BUDGET SUMMARY
FISCAL YEAR 2022-23**

CLASSIFICATION	Special Tax Equalization Fund	Debt Service Funds	Capital Construction Funds	Other Revenue Funds
REVENUES :				
Ad Valorem Taxes	\$ 173,911,253	\$ 0	\$ 40,890,401	\$ 44,353,915
Other General Taxes	17,000,000	87,003,399	0	26,600,000
Permits and Fees	0	0	42,555,577	292,954,902
Grants	0	0	0	0
Shared Revenues	0	270,090,595	0	21,404,000
Service Charges	0	0	0	79,797,206
Fines and Forfeitures	0	0	0	4,547,000
Interest and Other	20,000	120,000	1,608,302	7,081,517
Total Revenues	190,931,253	357,213,994	85,054,280	476,738,540
Less: Statutory Deduction	-9,579,063	-17,860,700	-4,252,715	-23,837,348
Net Revenues	<u>\$ 181,352,190</u>	<u>\$ 339,353,294</u>	<u>\$ 80,801,565</u>	<u>\$ 452,901,192</u>
NON-REVENUES:				
Bond/Loan Proceeds	0	0	0	0
Interfund Transfers	69,298,011	0	149,700,000	52,390,981
Fund Balance	3,507,947	558,900,028	388,055,947	394,177,409
Other Sources	650,000	0	0	8,393
TOTALS	<u>\$ 254,808,148</u>	<u>\$ 898,253,322</u>	<u>\$ 618,557,512</u>	<u>\$ 899,477,975</u>
EXPENDITURES/EXPENSES:				
General Government	\$ 0	\$ 315,275	\$ 73,382,138	\$ 19,973,948
Public Safety	0	0	62,994,441	72,434,042
Physical Environment	0	0	2,480,000	94,202,870
Transportation	0	0	98,737,263	107,219,163
Economic Environment	0	0	2,700,000	25,498,962
Human Services	0	0	2,299,000	260,990,669
Internal Services	0	0	0	0
Culture and Recreation	0	0	19,222,240	59,198,597
Total Expenditures/Expenses	<u>\$ 0</u>	<u>\$ 315,275</u>	<u>\$ 261,815,082</u>	<u>\$ 639,518,251</u>
NON-EXPENSE DISBURSEMENTS:				
Debt Service	0	38,543,148	0	0
Reserves	0	491,943,062	356,742,430	256,561,701
Interfund Transfers	254,808,148	367,451,837	0	3,398,023
TOTALS	<u>\$ 254,808,148</u>	<u>\$ 898,253,322</u>	<u>\$ 618,557,512</u>	<u>\$ 899,477,975</u>

**ORANGE COUNTY
BUDGET SUMMARY
FISCAL YEAR 2022-23**

CLASSIFICATION	Enterprise Funds	Internal Service Funds	Total
REVENUES :			
Ad Valorem Taxes	\$ 0	\$ 0	\$ 1,210,290,465
Other General Taxes	275,000,000	0	409,312,399
Permits and Fees	37,602,041	0	379,368,720
Grants	0	0	76,753,890
Shared Revenues	0	0	300,746,095
Service Charges	340,541,151	205,256,892	715,913,577
Fines and Forfeitures	32,998	0	9,844,223
Interest and Other	9,474,750	7,351,100	47,732,844
Total Revenues	662,650,940	212,607,992	3,149,962,213
Less: Statutory Deduction	-33,132,547	-367,555	-144,506,451
Net Revenues	<u>\$ 629,518,393</u>	<u>\$ 212,240,437</u>	<u>\$ 3,005,455,762</u>
NON-REVENUES:			
Bond/Loan Proceeds	149,000,000	0	149,123,000
Interfund Transfers	666,209	0	700,354,996
Fund Balance	554,957,602	138,036,456	2,334,092,596
Other Sources	0	0	27,038,393
TOTALS	<u>\$ 1,334,142,204</u>	<u>\$ 350,276,893</u>	<u>\$ 6,216,064,747</u>
EXPENDITURES/EXPENSES:			
General Government	\$ 0	\$ 0	\$ 421,069,569
Public Safety	0	0	948,592,324
Physical Environment	433,940,873	0	557,074,952
Transportation	0	0	404,974,373
Economic Environment	250,489,172	0	369,970,607
Human Services	0	0	458,221,241
Internal Services	0	282,948,852	282,948,852
Culture and Recreation	7,710,000	0	91,669,334
Total Expenditures/Expenses	<u>\$ 692,140,045</u>	<u>\$ 282,948,852</u>	<u>\$ 3,534,521,252</u>
NON-EXPENSE DISBURSEMENTS:			
Debt Service	111,576,314	0	150,119,462
Reserves	516,459,636	67,328,041	1,831,069,037
Interfund Transfers	13,966,209	0	700,354,996
TOTALS	<u>\$ 1,334,142,204</u>	<u>\$ 350,276,893</u>	<u>\$ 6,216,064,747</u>

GENERAL INFORMATION

Orange County was founded in 1824, and at that time it was named Mosquito County. It was renamed Orange County in 1845 for the fruit that constituted the county's main product. At its peak in the early 1970's, there were some 80,000 acres of citrus.

Orange County is approximately 1,003.3 square miles of which 903.4 square miles are land and 99.9 square miles are water. The county is at the approximate geographic center of the state. Four (4) counties border it: Lake County to the west, Brevard County to the east, Seminole County to the north, and Osceola County to the south. Orange County has a population of 1,457,940 based on 2021 estimates from the University of Florida Bureau of Economic and Business Research.



Orange County is a leading center for tourism and a premier business center. The Orange County Convention Center is now the second largest convention facility in the country. Orange County is also the first destination in the country that can say it has welcomed 75 million visitors in a single year in 2019. However, due to the COVID-19 pandemic, the number of visitors lowered to 35 million in 2020 and now tourism has increased to 59 million in 2021. It is home to seven (7) of the ten (10) most visited theme parks in the United States, including Walt Disney World's Magic Kingdom, which is the most visited theme park in the world. Some of the leading tourist attractions located in Orange County includes Walt Disney World, Sea World, and the Universal Orlando Resort. In addition to tourism, some other major businesses include: Orlando Health, AdventHealth, Publix, Orlando Regional Healthcare, Darden Restaurants, and Lockheed Martin.

GOVERNMENT STRUCTURE

In 1986, Orange County became a charter government. A charter form of government has its own constitution and is self-governing. Having a charter gives the county the ability to respond to a changing environment and meet local needs. It enables the county to adopt laws without the need for prior authorization of the Florida state legislature. Orange County established a Charter Review Commission that is appointed every four (4) years to study the charter, propose amendments and revisions, which are then placed on ballots and voted on. The charter was revised first in November 1988, when voters approved major revisions to the county's home rule charter. Subsequent revisions occurred in November 1992, when the charter was amended to create the offices of the Property Appraiser, the Tax Collector, and the Sheriff as charter offices. In 1996, voters amended the charter again to abolish the offices of the Property Appraiser, the Tax Collector, and the Sheriff thereby creating Constitutional Officers governed by the Constitution and the laws of the state of Florida rather than the charter.

In November 2004, the charter was revised as follows:

1. To allow terms of office for the Board of County Commissioners to begin as late as the first Tuesday after the first Monday in January. Require temporary substitutes for board members absent for military service or temporary incapacity. Provide for board-member succession during war, terrorism, and other emergencies. Change the title of "County Chairman" to "County Mayor" (with no change in powers).
2. Created an Orange County/City of Orlando Consolidation of Services Study Commission consisting of citizen volunteer members, who have been charged with conducting a comprehensive study of the consolidation of services between the City of Orlando and Orange County. The commission provided a report to both governments on June 27, 2006.
3. To allow enactment of an ordinance requiring that rezonings or comprehensive-plan amendments (or both) that increase residential density in an overcrowded school zone and for which the school district cannot accommodate the expected additional students but will only take effect upon approval by each local government located within the boundaries of that school zone.

In November 2008, the following amendments were approved:

1. All future Charter Review Commissions must include, in their reports to the Board of County Commissioners, an analysis and financial impact statement of the estimated increase or decrease in any revenues or costs to county or local governments and the citizens, resulting from the proposed amendments or revisions to the Orange County Charter and that a summary of such analysis be included on the ballot.
2. The Orange County Charter was amended to require that a Local Code of Ethics be adopted that among other things, shall contain provisions requiring the disclosure of financial and business relationships by elected officials and certain county employees, restricting gifts to the Mayor and Board of County Commissioners,

restricting post-county employment for certain employees, providing for enforcement provisions and providing that the board and certain employees receive annual educational sessions on ethics.

3. The Orange County Charter was also amended to provide citizens the right to appear before the Board of County Commissioners for presentations on issues within the county's authority, to require the Board to set aside at least 15 minutes before each meeting for citizens to speak on any matter regardless of whether the item is on the board's agenda and to allow the board to adopt rules for the orderly conduct of meetings.

In November 2012, the following amendments were approved:

1. The Orange County Charter must place proposed amendments and revisions of the charter on the ballot at general elections only, providing a report of the proposed changes has been delivered to the clerk of the Board of County Commissioners no later than the last day for qualifying for election to county office under general law.
2. The Orange County Charter was amended to prescribe, when authorized under Florida law, a method for locally filling offices of Commissioner and Mayor during vacancy or suspension, providing generally for appointment by the Board of County Commissioners to fill vacant and suspended offices until the next general election, and for special election to fill the vacant office of Mayor where the mayor's remaining term exceeds one (1) year.
3. The Orange County Charter was also amended to provide that Orange County ordinances shall be effective within municipalities and prevail over municipal ordinances when Orange County sets stricter minimum standards for prohibiting or regulating simulated gambling or gambling.

In November 2014, the following amendments were approved:

1. The Orange County Charter was amended to require petition initiatives to have signatures verified at least 150 days prior to the primary, general, or special election.
2. The Orange County Charter was also amended to limit initiative, and the enactment, amendment or repeal of ordinances where the initiative concerns the regulation of employer wages, benefits, or hours of work; or the encumbrance or allocation of tax revenues not authorized by law or conditioned upon a prospective change in law; and, to impose prohibitions on the Board of County Commissioners.
3. The Orange County Charter was also amended for the purpose of establishing term limits and nonpartisan elections for the Orange County Clerk of the Circuit Court, Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. This amendment provides for County Constitutional Officers to be elected on a nonpartisan basis and subject to term limits of four (4) consecutive full 4-year terms.

In November 2016, the following amendments were approved:

1. The Orange County Charter was amended to reform the charter's initiative process to provide clarity, accountability and transparency; and, ensure equal treatment of voters.
2. The Orange County Charter was also amended to change County Constitutional Officers to Charter Officers and provide for nonpartisan elections and term limits.
3. The Orange County Charter was also amended to preserve the term limits and nonpartisan elections for County Constitutional Officers and Charter Officers.

In November 2020, the following amendments were approved:

1. The Orange County Charter was amended to establish definitions, create natural rights for the waters of Orange County, the right to clean water, and private right of action and standing for citizens of Orange County to enforce these rights and injunctive remedies.
2. The Orange County Charter was also amended to include additional protections for the wildlife, vegetation, and environment of Split Oak Forest by restricting the Board of County Commissioners' ability to amend, modify, or revoke the current restrictions and covenants limiting the use of Split Oak Forest.
3. The Orange County Charter was also amended to provide petitioners a full 180 days to gather necessary signatures during mandatory reviews and procedures and set a 10-day deadline for the Supervisor of Elections to provide a 1% notification to the Board of County Commissioners, Comptroller, and Legal Review Panel.

The charter establishes the separation between the legislative and executive branches of county government. The legislative branch (the Board of County Commissioners) is responsible for the establishment and adoption of policy and the executive branch (County Mayor) is responsible for the execution of established policy. Additional information on the Orange County Charter is available at the following website: <http://www.orangecountyfl.net/> by clicking on the “Residents” tab, selecting “Open Government”, then “Boards and Special Districts” and finally “Charter Review Commission.”

COUNTY MAYOR & BOARD OF COUNTY COMMISSIONERS

The office of the County Mayor (formerly County Chairman) was first created in 1988. The County Mayor is elected on a countywide basis and serves for a term of four (4) years. The County Mayor serves as the chair of the Board of County Commissioners and manages the operations of all elements of county government under the jurisdiction of the board, consistent with the policies, ordinances, and resolutions enacted by the board. The duties of the County Mayor include appointment of the County Administrator, supervision of the daily activities of employees, convene all regular and special meetings of the board, and prepare and submit the county budget as prescribed by state statute.

The Board of County Commissioners (BCC) consists of the mayor and six (6) members. Each member is elected by district. The term of office for Board members is four (4) years. The powers, duties, and responsibilities of the BCC are defined by the Orange County Charter and by state statute. The board has the power to originate, terminate and regulate legislative and policy matters including but not limited to adoption or enactment of ordinances and resolutions it deems necessary and proper for the good governance of the county. The board also adopts and amends as necessary the county administrative code to govern the operation of the county and adopts such ordinances of county wide force and effect as are necessary for the health, safety, and welfare of the residents. For more information regarding the Orange County Charter, powers and responsibilities of the County Mayor and the Board of County Commissioners, go to the Orange County website at www.orangecountyfl.net/.

STRATEGIC GOALS AND STRATEGIES

When Mayor Jerry Demings took office, he selected 37 diverse and accomplished citizens who examined some of the issues facing Orange County to assess the existing organization’s structure and capacity to deal with them. The task force focused on four (4) strategic areas the county should focus on to enhance the community for generations to come. Below is a summary of the strategic goals.

Included on the Orange County website <http://www.ocfl.net/BoardofCommissioners/Mayor/InitiativesResources.aspx> is the detailed plan titled Transition Team Report along with other reports, such as the Sustainable Operations and Resilience Action Plan that provide specific action plans and strategies in how these goals will be established.

INNOVATION & TECHNOLOGY TASK FORCE

- Create a Culture of Innovation within Orange County.
- Grow, Attract and Retain Tech Talent.
- Encourage and Support a Culture of Entrepreneurialism
- Update the Orange County “Brand.”
- Establish the new position of Chief Technology Officer.
- Ensure Adequate Technology Infrastructure.

CUSTOMER SERVICE & BUSINESS DEVELOPMENT TASK FORCE

- Implement Strategic Structural Changes to the Organization.
- Invest in Training, Research and Technology.
- Encourage Consistent Outreach and Engagement.
- Foster a Business Development Culture.

SUSTAINABILITY & SMART GROWTH TASK FORCE

- Create an Office of Sustainability and Smart Growth.
- Dramatically expand the county’s clean energy production.
- Lead by example through Green Buildings and Green Infrastructure.
- Cultivate a Local Food Economy through promotion and reducing regulatory barriers.
- Adopt a Sustainable & Smart Growth Vision.
- Implement recommendations from the Regional Affordable Housing Initiative Report, through the Smart Growth Vision.
- Address regional multimodal transportation by refocusing Orange County’s transportation planning toward enhancing transit use, through the Smart Growth Vision.
- Reduce Solid Waste to extend current life of the landfill through education and improved methods.
- Conserve water and improve water quality through Low Impact Development and Florida Friendly Landscaping.

BUILDING A COMMUNITY THAT WORKS FOR EVERYONE TASK FORCE

- Implement the Regional Affordable Housing Initiative Report.
- Review Funding Sources for Orange County's Primary Care Access Network (PCAN).
- Increase Awareness and Communication of Orange County's PCAN Network.
- Pursue Strategies for Telehealth with PCAN partners.
- Advocate and Support Mental Health and Homeless Funding.
- Create a Re-Entry Pilot Program for Inmates at the Work Release Center.
- Enhance Community Collaboration to Further Orange County Heroin Task Force Recommendations.
- Review Corrections Department Facilities Masterplan and Inmate Management System.
- Work with Community Partners to Expand Re-Entry Programs and Transitional Services at Orange County Corrections Department.
- Explore Dedicated Source of Funding for Transportation System.
- Continue to Fund Pedestrian Safety Improvements and Education.
- Monitor and Measure Children's Services and Programs.
- Adopt Organizational Structure Changes.
- Review County and Community Task Forces, Studies and Needs Assessments.
- Engage in Resource Mapping of Health and Social Services.
- Re-establish a County Community Dashboard.

FISCAL POLICY STATEMENT

Orange County has an important responsibility to its citizens to correctly account for public funds, to manage municipal finances wisely, and to plan for adequate funding of services desired by the public. Orange County shall collect public funds through taxes, fees, borrowing, and other legal means to provide for the needs and desires of its citizens. Orange County shall establish and maintain sound financial and budgeting systems to accurately account for all public funds collected and expended for the public good. Orange County shall establish sound fiscal policies and procedures that comply with all applicable state and federal laws.

Annual Budget: The annual operating budget prepared by the County Mayor and approved by the Board of County Commissioners is the basis for all expenditures necessary for conducting daily county business. The budget is a fund budget structured to provide departmental appropriations in conformance with Florida Statutes Chapter 129 and the Uniform Accounting System prescribed by the Florida Department of Financial Services and Generally Accepted Accounting Principles (GAAP) for governments. Orange County shall operate under a unified and uniform budget system. The County Administrator shall be responsible for developing appropriate budgetary procedures consistent with Florida Statutes, which shall be followed by all departments or divisions submitting budgets to the Board of County Commissioners for approval.

Capital Improvement Program and Budget: The Orange County capital improvements program shall include any expenditure for the acquisition, construction, installation and/or renovation of facilities that are expected to be in service for at least 10 years and have a value in excess of \$25,000. Capital projects are relatively large in scale, nonrecurring projects that may require multi-year financing. The capital improvement budget may have large fluctuations from year-to-year due to project schedules. Revenues for capital projects come from diverse sources, including long-term bonds, impact fees, taxes, and grants.

The Capital Improvements Program and Budget provide the means through which Orange County Government takes a planned and programmed approach to utilize its financial resources in the most responsible and efficient manner to meet the service and facility needs of Orange County. All Orange County capital improvements will be made substantially in accordance with the adopted Capital Improvements Program, and as outlined in the Growth Management Policy. A five-year plan for capital improvements will be developed and updated annually. Orange County will enact an annual capital budget based on the five-year capital improvements plan. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base will be calculated and included in capital budget projections. The Office of Management and Budget will coordinate development of the capital improvement budget and development of the operating budget. Future operating costs associated with new capital improvement will be projected and included in operating budget forecasts. Orange County will finance only those capital improvements that are consistent with the Capital Improvements Program and county priorities, and that have operating, and maintenance costs included in operating budget forecasts. Orange County will attempt to maintain all assets at a level adequate to protect Orange County's capital investment, and to minimize future maintenance and replacement costs. The maintenance of existing assets is Orange County's primary capital expenditure consideration. Orange County will project its equipment replacement and maintenance needs for the next several years and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed. Orange County will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted for approval. Orange County will determine the least costly financing method for all new projects.

General Operating Budget: The County Mayor shall plan and prepare a balanced budget that conforms to the uniform classification of accounts as prescribed by the Florida Department of Financial Services. The budget shall include operating revenues that equal 95% of all receipts anticipated from all sources including taxes. The budget shall include provisions for balances brought forward, which shall equal total appropriations (expenditures) and reserves. The Office of Management and Budget, under the direction of the County Mayor, shall be responsible for the preparation and monitoring of the Annual County Budget and for ensuring department compliance with this policy. It is unlawful for the county to expend or contract for the expenditures of more than the amount budgeted in any fund's annual appropriation for any fiscal year. An exception may be made for multi-year construction contracts where funding has been approved in the five-year Capital Improvements Program plan and sufficient monies are available in the current year's budget to meet the progress payments within the current fiscal year. The fiscal year of Orange County shall commence October 1 and end September 30 in accordance with Florida Statutes.

Reserves: Sound fiscal policy dictates some level of reserves for a governmental entity. Reserves serve the following purposes: ensures that funds are available to provide citizens with services and assistance following a natural disaster, such as a hurricane; debt service reserves are a mechanism that ensures there will be no interruption in bond payments should the county experience an unexpected dip in revenues. (These reserves are also required by bond covenants.); and, reserves are used for fiscal management, some because of legal requirements, and some simply to provide a safety net for unexpected expenses.

Budget Amendments and Transfers: Orange County's budgeting process must be dynamic and flexible enough to meet the changing needs of the departments and divisions throughout the fiscal year. A means must be provided through which these changing needs can be accommodated within the framework of applicable Florida Statutes and local ordinances and resolutions. Changes may be made to the budget at any time throughout the fiscal year and up to 60 days after fiscal year end or as permitted by Florida Statute in accordance with the procedures outlined in this regulation.

For Orange County policies in Issuance of Revenue Bonds, Continuing Disclosure for Debt Issues, and Bond Waiver Procedures, please refer to the Debt Management section.

Orange County's Budget complies with all relevant financial policies. For a more in-depth explanation of all Orange County Government's Financial Policies, please see Orange County's Administrative Regulations or contact the Office of Management and Budget at 407-836-7390.

FINANCIAL STRUCTURE

To provide proper accountability for different kinds of resources, "funds" are established. Each fund is a separate entity with its own resources, liabilities, and residual balance. Some homogeneous funds have been consolidated for budget presentation.

Funds with similar objectives, activities and legal restrictions are, for reporting purposes, placed in one (1) of three (3) groups:

- I. **Governmental Funds:** Governmental Funds account for general governmental activities, such as law enforcement, which are largely supported by taxes and fees. They are accounted for on a "spending" or current financial resources basis. Governmental Funds include the following five (5) fund types:
 1. The General Fund reflects all county revenues and expenditures that are not required to be accounted for in another fund. Most countywide activities are accounted for in this fund.
 2. Special Revenue Funds account for resources received from special sources, dedicated or restricted to specific uses.
 3. Debt Service Funds account for the accumulation of resources for, and the payment of, interest, principal, and other costs of debt.
 4. Capital Projects Funds account for the accumulation and use of resources for the acquisition of major buildings and other capital facilities where a specific project is designated or required.
 5. Permanent Funds account for legally restricted resources where only the earnings and not principal, may be used for the benefit of the county or its citizenry.

- II. Proprietary Funds: Proprietary Funds account for those external and internal business-type activities that are provided on a basis consistent with private enterprise. They are accounted for on a cost of service or "capital maintenance" basis. Proprietary Funds include the following two (2) fund types:
1. Enterprise Funds account for activities such as water and water reclamation services that are similar to those provided by private enterprise, and whose costs are paid from user charges or from revenue sources other than general governmental revenue. Orange County's Enterprise Funds consist of the Convention Center, Solid Waste System, and the Water Utilities System.
 2. Internal Service Funds account for operations in which the county provides itself with essential services, which would otherwise be purchased from commercial suppliers. The governmental departments using the services on a cost reimbursement basis pay costs of operating these funds. Orange County's Internal Service Funds consist of Risk Management, Fleet Management, and the Employee Benefits Fund for Medical Benefits.
- III. Fiduciary Funds: Fiduciary Funds account for assets that do not belong to the county but are under county control for administration. These funds are not available to support county programs. Fiduciary Funds include the following four (4) fund types:
1. Pension Trust Funds account for resources required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post employment benefit plans, or other employee benefit plans.
 2. Investment Trust Funds account for external investment pools where legally separate governments commingle or pool their resources in an investment portfolio for the benefit of all participants.
 3. Private-purpose Trust Funds account for assets held by the county in trust for administration, and for disbursement for specific purposes that are not properly reported in a Pension Trust or Investment Trust Fund
 4. Agency Funds account for assets belonging to others that are held in a custodial capacity pending disposition.

BUDGETARY BASIS

Orange County uses the same basis for budgeting and accounting. Orange County adopts budgets for all Government Funds on a modified accrual basis. Under this method, revenues are recognized in the period they become measurable and available to finance expenditures of the period and expenditures are recorded when incurred, with the exception of principal and interest on long term debt, which are recorded when due. The budgets for Proprietary Funds are adopted on a full accrual basis. Under the full accrual basis, revenues and expenditures are recognized in the period in which the transaction takes place. This method is similar to the accounting used for private businesses. Depreciation expense is not budgeted; however, expenditures for capital outlays are budgeted. These outlays are capitalized into fixed assets and eliminated from the results of operations on a Generally Accepted Accounting Principles (GAAP) basis.

Fund balance allocations (residual unappropriated liquid assets resulting from prior years' operations) are budgeted and included as revenue on a budgetary basis but are eliminated on a GAAP basis for financial reporting.

CAPITAL BUDGETING

Orange County maintains a Capital Improvement Program (CIP), which covers a five-year period. The Office of Management and Budget (OMB) determines the amount of funding available for capital projects. Proposed projects are prioritized and the available funds are allocated accordingly. The CIP projects detail is included in Section 16 of this document; the funding for these projects is also included in the budget within each appropriate department. Projects in the CIP for FY 2022-23 are funded through FY 2026-27 based on estimated revenues and projected annual project costs. Both estimated revenues and expenditures are subject to change, which may require adjustments to the five-year CIP plan.

Three-Year Comparison of Budgeted Fund Structure

Fund Group / Fund	FY 2020 - 21 Actual	FY 2021 - 22 Budget as of 03/31/2022	FY 2022 - 23 Proposed Budget	Percent Change
General Fund and Sub Funds				
General Fund and Subfunds	\$ 964,692,419	\$ 1,261,210,360	\$ 1,319,754,106	4.6%
Total:	\$ 964,692,419	\$ 1,261,210,360	\$ 1,319,754,106	4.6%
Special Revenue Funds				
7000 Level (Federal) Grant - Funds	\$ 85,516,519	\$ 148,794,941	\$ 78,229,872	(47.4)%
8000 Level (State) Grants - Funds	4,534,834	33,507,155	6,197,604	(81.5)%
911 Fee	6,915,315	27,557,362	26,174,059	(5.0)%
Air Pollution Control	1,098,428	1,761,431	1,719,787	(2.4)%
Air Quality Improvement	-	520,583	453,184	(12.9)%
Animal Services Trust Funds	65,495	242,864	214,432	(11.7)%
Aquatic Weed (Non-Tax) Districts	32,144	671,156	619,894	(7.6)%
Aquatic Weed (Tax) Districts	659,968	7,072,205	7,016,604	(0.8)%
Boating Improvement Program	194,218	1,561,484	1,710,421	9.5%
Building Safety	20,673,349	69,704,243	70,286,505	0.8%
Conservation Trust and Subfunds	364,200	5,286,011	4,397,091	(16.8)%
Constitutional Gas Tax	6,361,765	45,445,411	41,158,938	(9.4)%
Coronavirus Grant Funds	143,167,795	216,861,311	727,294	(99.7)%
County/City Pharm. Settlement	-	-	365,851	0.0%
Court Facilities	4,340,356	8,519,058	7,820,500	(8.2)%
Court Technology	5,052,603	7,568,304	7,005,829	(7.4)%
Crime Prevention ORD 98-01	104,151	297,432	270,226	(9.1)%
Cyber Safety	-	1,344	1,057	(21.4)%
Driver Education Safety Trust Fund	464,903	562,102	522,975	(7.0)%
Drug Abuse Trust Fund	254,087	413,296	325,844	(21.2)%
Energy Efficiency Renew Energy & Conservation	-	14,872	14,720	(1.0)%
I-Drive MSTU Funds	8,103,244	7,647,409	8,283,001	8.3%
Inmate Commissary Fund	915,372	6,418,153	5,528,168	(13.9)%
Intergovernmental Radio Communications Funds	-	-	1,140,000	0.0%
International Drive CRA	1,623,221	124,211,604	132,811,824	6.9%
Justice Federal Forfeiture	-	-	959,500	0.0%
Juvenile Court Programs	167,767	461,684	320,163	(30.7)%
Law Enf. Federal Forfeiture Funding	139,600	4,202,556	2,959,500	(29.6)%
Law Enforce Educ-Corrections	121,029	1,006,344	986,229	(2.0)%
Law Enforcement / Education Sheriff	165,562	746,178	739,400	(0.9)%
Law Enforcement/Confiscated Prop	881,910	1,950,535	2,464,250	26.3%
Law Library	238,707	283,998	285,475	0.5%
Legal Aid Programs	1,292,357	1,292,357	1,331,128	3.0%
Local Court Programs	1,220,014	1,508,720	1,585,831	5.1%
Local Housing Asst (SHIP)	3,235,855	10,868,787	18,248,954	67.9%
Local Option Gas Tax	40,933,025	71,893,342	60,358,310	(16.0)%
Mandatory Refuse Collection	49,299,475	78,819,888	87,871,134	11.5%
Municipal Service Districts	142,883,546	236,317,615	219,454,941	(7.1)%
OBT Comm Redev Area Trust Fund	296,139	3,138,111	4,339,369	38.3%
OC Fire Prot & EMS/MSTU	223,773,620	284,717,401	295,056,092	3.6%
Orange Blossom Trail NID 90-24	95,315	282,463	282,463	0.0%
Parks and Recreation Scholarship	49,054	-	-	0.0%
Parks Fund	39,572,228	67,361,168	65,217,869	(3.2)%
Pine Hills Local Govt NID	127,585	390,658	393,490	0.7%
Pollutant Storage Tank	-	32,671	16,678	(49.0)%
Regional Pharm. Settlement	-	-	1,300,925	0.0%
School Impact Fees	58,450,452	109,345,000	95,047,500	(13.1)%
Special Tax MSTU	225,512,000	239,818,652	254,808,148	6.3%
Teen Court	542,576	673,643	741,736	10.1%

Three-Year Comparison of Budgeted Fund Structure

Fund Group / Fund	FY 2020 - 21 Actual	FY 2021 - 22 Budget as of 03/31/2022	FY 2022 - 23 Proposed Budget	Percent Change
<u>Special Revenue Funds (cont.)</u>				
Transportation Trust	97,827,763	173,681,069	160,583,725	(7.5)%
Tree Replacement Trust	630,264	394,843	587,500	48.8%
Water and Navigation Funds	980,539	16,003,961	16,144,720	0.9%
Total:	\$ 1,178,878,350	\$ 2,019,831,375	\$ 1,695,080,710	(16.1)%
<u>Enterprise Funds</u>				
Convention Center Funds	\$ 237,635,652	\$ 512,987,587	\$ 627,567,428	22.3%
Other Enterprise Funds	204,302	590,729	-	(100.0)%
Solid Waste System	53,403,832	118,961,889	128,405,894	7.9%
Water Utilities System	307,412,938	549,695,858	577,499,610	5.1%
Water Utilities System MSTUs	12,208	203,715	669,272	228.5%
Total:	\$ 598,668,931	\$ 1,182,439,778	\$ 1,334,142,204	12.8%
<u>Internal Service Funds</u>				
Employees Benefits	\$ 124,469,730	\$ 215,768,799	\$ 226,000,000	4.7%
Fleet Management Dept	14,504,833	23,669,229	24,258,817	2.5%
Risk Management Program	25,549,285	97,827,261	100,018,076	2.2%
Total:	\$ 164,523,848	\$ 337,265,289	\$ 350,276,893	3.9%
<u>Capital Construction Funds</u>				
Fire Impact Fees	\$ 584,231	\$ 15,943,561	\$ 10,729,497	(32.7)%
Horizons West Village H Adequate Public Facility	-	525,290	520,802	(0.9)%
Lakeside Village Adequate Public Facility	199,381	97,452	95,897	(1.6)%
Law Enforce Impact Fees	5,472,743	8,728,151	10,055,000	15.2%
Misc Construction Projects	49,422,125	399,387,382	388,830,881	(2.6)%
Parks & Recreation Impact Fees	4,191,843	49,849,526	43,094,530	(13.6)%
Transportation - Deficient Segment Funds	2,790,428	20,974,227	22,296,590	6.3%
Transportation Impact Fees	19,792,653	141,595,239	142,934,315	0.9%
Total:	\$ 82,453,403	\$ 637,100,828	\$ 618,557,512	(2.9)%
<u>Debt Service Funds</u>				
Capital Improvement Bonds	\$ 32,760,557	\$ 110,118,519	\$ 159,971,539	45.3%
Orange County Promissory Note Series 2010	1,546,689	1,548,475	-	(100.0)%
Public Service Tax Bonds	81,501,347	182,338,813	188,130,273	3.2%
Sales Tax Trust Fund	136,227,693	596,428,048	550,151,510	(7.8)%
Total:	\$ 252,036,285	\$ 890,433,855	\$ 898,253,322	0.9%
County Total:	\$ 3,241,253,236	\$ 6,328,281,485	\$ 6,216,064,747	(1.8)%

Note: General Fund Subfunds include the Mosquito Control Fund, the Affordable Housing Trust Fund, as well as donations funds. MSBU agency funds and other fiduciary activities may be presented separately.

**MILLAGE SUMMARY
FISCAL YEAR 2022-2023**

	Prior Millage	Current Year Rolled-Back	Current Year Adopted	Percent Change Over Rolled- Back	Percent Change FY 22 to FY 23
COUNTY-WIDE					
General Fund	4.0441	3.6749	4.0441	N/A	0.00%
Capital Projects Fund	0.2250	0.2233	0.2250	N/A	0.00%
Parks Fund	0.1656	0.1644	0.1656	N/A	0.00%
Total County-Wide	4.4347	4.0626	4.4347	9.16%	0.00%
Special Tax - MSTU					
Service Districts					
Cnty - Unincorporated	1.8043	1.6370	1.8043	10.22%	0.00%
County Fire And EMS	2.2437	2.0356	2.2437	10.22%	0.00%
OBT Corridor Improvements	0.5932	0.5286	0.5932	12.22%	0.00%
OBT Neighborhood Improv.	0.2554	0.2291	0.2554	11.48%	0.00%
Orlando Central Park MSTU	1.1549	1.0216	1.1549	13.05%	0.00%
I-Drive Master Transit	0.2334	0.2120	0.2334	10.09%	0.00%
I-Drive Bus Service	0.7523	0.6885	0.7523	9.27%	0.00%
N. I-Drive Improvement	0.1601	0.1453	0.1601	10.19%	0.00%
Apopka-Vineland Improv.	0.6000	0.5610	0.6000	6.95%	0.00%
Lake Districts					
Bass Lake	1.3872	1.2354	1.3872	12.29%	0.00%
Big Sand Lake	0.1378	0.1262	0.1378	9.19%	0.00%
Lake Holden	2.5337	2.2495	2.5337	12.63%	0.00%
Lake Horseshoe	-	-	-	N/A	N/A
Lake Irma	0.6200	0.5515	0.6200	12.42%	0.00%
Lake Jean	0.1638	0.1474	0.0819	-44.44%	-50.00%
Lake Jessamine	0.6545	0.5356	0.6545	22.20%	0.00%
Lake Killarney	0.8613	0.7824	0.8613	10.08%	0.00%
Lake Mary	3.0000	2.5915	3.0000	15.76%	0.00%
Lake Ola	2.0000	1.8610	2.0000	7.47%	0.00%
Lake Pickett	1.7597	1.6041	1.7597	9.70%	0.00%
Lake Price	1.1910	1.1195	1.1910	6.39%	0.00%
Lake Rose	2.0125	1.9241	2.0125	4.59%	0.00%
Lake Sue	-	-	-	N/A	N/A
Lake Whippoorwill	-	-	-	N/A	N/A
Little Lake Fairview	0.5000	0.4717	0.5000	6.00%	0.00%
South Lake Fairview	0.1707	0.1564	0.1707	9.14%	0.00%
Water And Navigation					
Lake Conway Water & Nav.	0.4107	0.3804	0.4107	7.97%	0.00%
Windermere Navigation	0.2528	0.2314	0.2528	9.25%	0.00%
COUNTY:					
Aggregate Comparison	6.6546	6.2686	6.6596	6.24%	0.08%
Indep. Spec. Dist.-Voted Millage					
Library Operating	0.3748	0.3408	0.3748	9.98%	0.00%

Note: With the exception of Lake Jean, the adopted millage for each entity is the prior year adopted millage.

TAX AND MILLAGE INFORMATION

The five (5) pages that follow provide information on the millages levied by Orange County. Orange County has, in addition to its countywide tax millage, several additional millages, which may be levied in special taxing districts encompassing territory smaller than the overall county. These special taxing districts provide services ranging from cleaning of lakes to provision of law enforcement services by the Sheriff in the unincorporated area.

Under Florida law, counties are required to sum all ad valorem revenues derived from the countywide levy and all special taxing districts (excluding voted levies and taxing districts independent of the county), and divide this revenue by the countywide tax roll. This is called the "aggregate millage" and is the rate that determines whether or not the county is required to advertise its intent to increase taxes.

The millage schedule presents the rolled back millage compared with the prior year's millage and the current year's millage levy.

QUESTIONS AND ANSWERS

1. What is included in the countywide millage?

The countywide millage of 4.4347 consists of three (3) components: 1) General Fund (4.0441), 2) Capital Projects Fund (0.2250), and 3) Parks Fund (0.1656). The General Fund is the backbone of the county's financial structure. The bulk of Orange County's services are paid for out of this fund.

Given the major infrastructure needs in our ever-growing community, the Board of County Commissioners decided in 1985 to levy a separate millage to pay for major capital projects. FY 1997-98 was the first year a portion of the countywide millage was dedicated for Parks & Recreation's operation and capital improvements.

2. Are millage rates changing for FY 2022-23?

The only millage change is for the Lake Jean MSTU (municipal services taxing unit), going down from 0.1638 to 0.0819 mills. All other millages are remaining unchanged.

For FY 2022-23 the Library Operating millage is also remaining unchanged at 0.3748 mills.

3. How are property taxes calculated?

All taxes are computed based upon taxable value.

$(\text{Taxable value} / 1000) * \text{millage rate} = \text{property tax}$

Example:

Assessed value:	\$250,000
Less homestead exemption:	<u>(50,000)</u>
Taxable value:	\$200,000

First, $(\$200,000 / 1000) = \200.00

Then, $\$200.00 * 5.0000 \text{ mills} = \$1,000.00 \text{ property tax}$
(sample millage)

Common Terms used in budgeting:

Millage: The rate charged per \$1,000 of taxable value. (For example: On a house with a taxable value of \$100,000 each mill would equal \$100 in taxes.)

Tax Base: The total value of land and personal property on which a taxing entity, such as the county, can levy property taxes. Because some land is partially or completely exempt from taxes, the tax base is usually smaller than the actual value of the property in the county.

Rolled-Back Rate: The millage which, exclusive of new construction, additions to structures, deletions, increases in the value of improvements that have undergone a substantial rehabilitation which increased the assessed value of such improvements by at least 100%, property added due to geographic boundary changes, total taxable value of tangible personal property within the jurisdiction in excess of 115% of the previous year's total taxable value, and any dedicated increment value, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year less the amount, if any, paid or applied as a consequence of an obligation measured by the dedicated increment value.

Aggregate Millage Rate: That millage rate obtained from the quotient of the sum of all ad valorem taxes levied by the county for countywide purposes plus the ad valorem taxes levied for all districts dependent to the county, divided by the total taxable value of the county.

Exemptions: Exemptions are granted by the state and either lower the taxable value of property or can result in removing it from the tax rolls completely. Available exemptions include the following: Homestead Exemption, Widow/Widower, Disability, Limited Income Senior, Military/Veterans, Fallen Hero, and Total and Permanent Disability.