

CITY COUNCIL GOALS AND OBJECTIVES

Short-Term

Continue to identify and seek funds to obtain additional environmental lands.
Build soccer and ball fields at North Belle Terre Park.
Evaluate City participation in teen activities.
Complete the design of Indian Trails Park.
Annex parcels deeded to the City from the County.
Initiate an Advanced Life Support (ALS) program.
Consider a fire impact fee.
Complete the sidewalk on Pine Cone Drive.
Update sidewalk plan.
Provide contingency funding for street maintenance.
Continue with median beautification.

Long-Term

Identify future projects for environmental land acquisition.
Examine public/private partnership model for recreation programs and facilities.
Pursue outside funding for parks.
Construct cultural arts facilities.
Construct Indian Trails Park.
Maintain readiness for annexation.
Complete the annexation of Graham Swamp.
Promote the annexation of additional commercial and industrial parcels as opportunities arise.
Expand street lighting at the minimum rate of 7 miles per year along parkways and at intersections.
Complete a minimum of one sidewalk project per year.
Pursue the purchase of the water and sewer utility system.
Construct a city hall facility.
Resurface 50 miles of streets per year.
Enhance City gateways and overall City appearance.
Identify funding sources to improve the City stormwater drainage system.

BUDGET PROCESS

Methodology

The preparation and adoption of the Annual Budget is one of the most important actions carried out by the City Council, citizens and staff of Palm Coast. To achieve the best results in the planning and delivery of community services, key financial decisions must be made. The budget process provides a forum to accumulate financial and performance information concerning local services into a common format; analyze and debate the merits of each service; and makes decisions about the level and cost of service which will be provided. The budget is designed to provide the citizens of Palm Coast with the full compliment of municipal services. This budget aims at providing the highest quality municipal service to the community in an efficient and effective manner.

Review

Early in the budget process, each department outlines functions and goals to accomplish in the coming fiscal year. They then prepare a detailed estimate of monies and personnel required to provide these services. These requests are reviewed by the City Manager and the Finance Director. Upon completion of this review and matching with the projected revenues available, the budget is compiled by the Finance Department. During the month of July of each year, the City Manager submits the proposed budget to the City Council. The City Council reviews the proposed budget and conducts public workshops to obtain preliminary direction as to the probable approval levels of the budget.

Adoption

During the month of September, in accordance with the timing specified in State Law (F.S. 200.065), two public hearings are held. The time of the first hearing is advertised on the "Notice of Proposed Property Taxes" sent to property owners and by the usual procedure for advertising a public hearing. The first meeting is to tentatively adopt the budget and millage rate. For the second hearing, in addition to normal advertising procedure, a general summary of the proposed budget is advertised in the newspaper along with a date for the statutory public hearing to adopt the budget and millage rate. The City's fiscal year is October 1 through September 30.

Public Participation

The public is invited and encouraged to attend and participate in all work sessions and public hearings.

Budgetary Basis

Governmental funds are budgeted using a modified accrual basis, with certain intergovernmental revenues being accrued. Compensated absences are not budgeted in governmental funds. Proprietary funds use an accrual basis for budgeting, with the exception of depreciation, which is not budgeted.

OPERATING BUDGET CALENDAR

March 21, 2002	Budget packets distributed to Departments by Financial Services.
March 29	FY 2003 Revenue Estimates prepared by Financial Services.
April 1	MUNIS budget system opened for Department line-item entries.
April 12	Departments submit additional personnel/program requests for FY 2003.
April 26	MUNIS budget system closed for Department line-item entries. Note: Personal services/internal transfers will be projected by Financial Services.
April 29	Departments submit goals and objectives and written justification for line-item budget increases.
May 20 - 24	Finance Director reviews budget requests with department heads.
June 10	Financial Services submits the preliminary budget to the City Manager and department heads.
June 17 - 21	City Manager and Finance Director meet with department heads to discuss departmental needs and requests.
July 16	Proposed Budget and Budget Message presented to Council by City Manager.
July 30	Budget workshop. City Council establishes proposed Millage Rate at Budget Workshop. (MUST BE DONE PRIOR TO AUGUST 4).
August 1 – 31	City Council Budget Workshops as needed.
August 23	Property Appraiser distributes "Trim Notices" with date and time of first Public Hearing on Millage Rate.
September 3	Public Hearing to tentatively adopt Millage Rate and Budget. (FINAL ADOPTION MUST BE ADVERTISED WITHIN 15 DAYS).
September 13	Place meeting notice and budget summary advertisements. (PUBLIC HEARING MUST BE NO LESS THAN 2 DAYS OR MORE THAN 5 DAYS AFTER ADVERTISEMENT OR MORE THAN 20 DAYS AFTER FIRST HEARING).
September 17	Public Hearing to adopt final Millage Rate Resolution and Budget Resolution.

OPERATING BUDGET CALENDAR

September 19	Forward a copy of the Millage Rate Resolution to the Property Appraiser and the Tax Collector.
October 16 Last Day	Certificate of Conformance sent to State. (MUST BE DONE WITHIN 30 DAYS OF FINAL ADOPTION).

CAPITAL IMPROVEMENT BUDGET CALENDAR

March 6, 2002	Budget packets distributed to Departments by Financial Services.
April 29	CIP Project requests submitted to Finance Director. (MUST BE IN CONFORMANCE WITH COMP PLAN)
May 20 - 24	Reviews of Capital Improvement Program. (COPY SENT TO DEVELOPMENT SERVICES FOR COMP PLAN REVIEW)
July 16	City Manager distributes CIP to Council.
September 17	City Council adopts CIP Program as part of the annual budget.

BUDGET AMENDMENT PROCESS

Supplemental Appropriation Amendments After Adoption

If during the fiscal year the City Manager certifies that there are available for appropriation, revenues in excess of those estimated in the budget, the City Council by resolution may make supplemental appropriations for the year up to the amount of such excess.

Emergency Appropriations

To meet a public emergency affecting, life, health, property, or the public peace, the City Council may make emergency appropriations. Such appropriations may be made by emergency ordinance to the extent that there are no available unappropriated revenues to meet such appropriations.

Reduction Of Appropriations

If at any time during the fiscal year it appears probable to the City Manager that the revenues available will be insufficient to meet the amount appropriated, he shall report to the City Council without delay, indicating the estimated amount of the deficit, any remedial action taken by him, and his recommendations as to any other steps to be taken. The City Council shall then take such further action as it deems necessary to prevent or minimize any deficit and for that purpose it may by resolution reduce one or more appropriations.

Transfer Of Appropriations

At any time during the fiscal year the City Manager or his designee may transfer part or all of any unencumbered appropriations balance among programs within a department. The City Council may by resolution transfer part or all of any unencumbered appropriation balance from one department to another.

Limitations; Effective Date

No appropriation may be reduced below that amount required by law to be appropriated, if any. No appropriation may be reduced below the amount of the encumbered balance. The supplemental and emergency appropriations and reduction or transfer of appropriations authorized may be made effective immediately upon adoption.

Lapse Of An Appropriation

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned.

FUND DESCRIPTION

The City of Palm Coast utilizes a fund structure as outlined in the accounting regulations that governs units of local government. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and change therein, which are segregated for the purpose of conducting specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds are divided into various types according to the legal restrictions imposed upon them or by their uses. Following is the fund structure contained in the fiscal year 2003 budget for the City of Palm Coast:

I. Governmental Funds

Accounted for on a “spending” or “financial flow” measurement focus. Accordingly, the budgeted fund balances provide an indicator of available, spendable, or appropriate resources.

A. General Fund

The general fund of a government unit serves as the primary reporting vehicle for current government operations. The general fund is used to account for all current financial resources, with the exception of those required to be accounted for in another fund.

B. Special Revenue Funds

The special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. These include Police Education Fund, Police Automation Fund, Parks Impact Fee Fund, Public Works Impact Fee Fund, and various capital project funds.

II. Proprietary Funds

Proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. Accordingly, all assets and liabilities are included on their balance sheets and the reported fund equity provides an indication of the economic net worth of the fund. Operating statements for proprietary fund types report increases and decreases in total economic net worth.

A. Enterprise Funds

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises. There are no enterprise funds included in this budget.

B. Internal Service Funds

The internal service funds account for financing goods or services provided by one department to other City departments or to other governments on a cost-reimbursement basis. The internal service fund in this budget is the Fleet Management Fund.

FUND BALANCES

Fund balances/retained earnings referred to on the following page of this document do not necessarily represent cash and investment balances in the respective funds. It does, however, represent the net of the total fund assets, less total fund liabilities and contributed capital in the respective fund types.

GENERAL FUND:

In the General Fund, the primary purpose of reserve retention is to fund unforeseen occurrences. These unforeseen occurrences are funded only upon specific appropriation by the City Council. It is generally recommended that a City have reserves of 10% to 20% of the annual budget. The estimated unreserved-undesignated fund equity for the beginning of fiscal year 2003 will be 15.7%.

ENTERPRISE FUNDS:

In the Enterprise Funds, reserves are planned to meet operating expenses and future capital needs. Each enterprise fund has a separate rate structure. These rates are reviewed annually to insure that adequate funding will be available to meet the needs of the individual enterprise's budgetary requirements.

INTERNAL SERVICE FUNDS:

Internal Service Funds differ from other fund types, in that funds remaining at year-end are normally redistributed back to the originating funds. An exception to this rule is made when timing differences exist and/or reserves for capital purchases are maintained.

SPECIAL REVENUE FUNDS:

There are no fund equity reserve requirements for Special Revenue Funds. The purpose of these funds is to fund specific programs and capital improvement projects included in the City's budget. Funding sources include fines and forfeitures, impact fees, interest earnings, and fund equity.

CHANGES IN FUND BALANCES:

There is an overall decrease during the two-year period of approximately \$3.0 million dollars. The \$1.4 million decrease in the fund balance in the General Fund between September 30, 2001 and September 30, 2003 is the result of capital expenditures such as street resurfacing, sidewalk construction, and parkway beautification. The decrease in the Capital Projects Fund is the result of environmental land purchases and capital expenditures.

COMPUTATION OF ESTIMATED FUND BALANCES

Fund Title	Available Fund Balance 09/30/2001	Estimated Fund Balance 09/30/2002	Contingency (Appropriated Fund Equity) 10/01/2002	Estimated Fund Balance 09/30/2003
General Fund	\$ 2,949,816	\$ 2,088,066	\$ (599,621)	\$ 1,488,445
Community Development Block Grant Fund	4,195	-	-	-
Police Education Fund	5,347	9,440	5,100	14,540
Police Automation Fund	17,796	28,601	20,300	48,901
Storm Reserve Fund	310,240	620,240	321,000	941,240
Streets Improvement Fund	-	-	132,400	132,400
Park Impact Fee Fund	-	988,292	(957,600)	30,692
Public Works Impact Fee Fund	-	71,553	1,000	72,553
Capital Projects Fund	4,246,865	1,470,592	224,730	1,695,322
Fleet Management Fund	227,673	227,673	82,292	309,965
Total	\$ 7,761,932	\$ 5,504,457	\$ (770,399)	\$ 4,734,058

BUDGET SUMMARY

Fund Type	Estimated Revenue	Operating Expenditures	Capital Expenditures	Operating Transfers	Total Expenditures
General Fund	\$ 13,943,300	\$ 11,380,011	\$ 1,588,959	\$ 974,330	\$ 13,943,300
Special Revenue Funds					
Police Education Fund	5,100	5,100	-	-	5,100
Police Automation Fund	20,300	20,300	-	-	20,300
Storm Reserve Fund	321,000	321,000	-	-	321,000
Streets Improvement Fund	882,400	132,400	750,000	-	882,400
Park Impact Fee Fund	-	-	1,500,000	-	1,500,000
Public Works Impact Fee Fund	882,400	1,000	-	-	1,000
Capital Projects Fund	1,500,000	664,330	1,050,000	-	1,714,330
Sub-Total	3,611,200	1,144,130	3,300,000	-	4,444,130
Internal Service Funds					
Fleet Management Fund	519,259	190,050	329,209	-	519,259
Total All Funds	\$ 18,073,759	\$ 12,714,191	\$ 5,218,168	\$ 974,330	\$ 18,906,689



BUDGET SUMMARY

	General Fund	Special Revenue Funds	Internal Service Funds	Total Funds
CASH BALANCES BROUGHT FORWARD	\$ 1,100,000	\$ 1,397,200	\$ -	\$ 2,497,200
ESTIMATED REVENUES				
TAXES: Millage Per \$1,000				
Advalorem Taxes: 3.40000	6,453,500	-	-	6,453,500
Sales, Use, and Fuel Taxes	1,000,000	1,462,800	-	2,462,800
Franchise Fees	78,000	-	-	78,000
Telecommunication Service Tax	900,000	-	-	900,000
Licenses & Permits	1,439,600	-	-	1,439,600
Intergovernmental Revenue	1,840,000	-	-	1,840,000
Charges for Services	923,600	532,400	-	1,456,000
Fines & Forfeitures	94,200	25,000	-	119,200
Interest Revenue	109,500	52,400	3,000	164,900
Miscellaneous Revenues	4,900	-	-	4,900
Non Revenues	-	-	516,259	516,259
Transfers from Other Funds	-	974,330	-	974,330
Other Financing Sources	-	-	-	-
Total Revenues and Other Financing Sources	12,843,300	3,046,930	519,259	16,409,489
Total Estimated Revenues and Balances	\$ 13,943,300	\$ 4,444,130	\$ 519,259	\$ 18,906,689
EXPENDITURES/EXPENSES				
General Government	\$ 5,455,179	\$ 700,000	\$ -	\$ 6,155,179
Public Safety	2,921,651	100,000	-	3,021,651
Physical Environment	77,982	-	-	77,982
Transportation	3,347,846	1,000,000	-	4,347,846
Culture/Recreation	665,933	1,500,000	-	2,165,933
Internal Service	-	-	436,967	436,967
Debt Service	-	-	-	-
Other Financing Uses	974,330	-	-	974,330
Total Expenditures/Expenses Reserves	13,442,921 500,379	3,300,000 1,144,130	436,967 82,292	17,179,888 1,726,801
Total Appropriated Expenditures and Reserves	\$ 13,943,300	\$ 4,444,130	\$ 519,259	\$ 18,906,689