

CITY COUNCIL VISION, MISSION, AND VALUES

VISION

Palm Coast will be a leadership city with a quality of life, access to nature, and professional services unsurpassed in Northeast Florida.

MISSION

Protect the health, safety, and welfare of the citizens of Palm Coast through a full range of efficient and effective municipal services while advancing the quality of life and the City's interests.

VALUES

**Responsiveness
Integrity and Trustworthiness
Financial Responsibility
Civility and Respect
Pragmatic Solutions
Customer Friendly
Leadership
Professionalism
Citizenship**

CITY COUNCIL GOALS AND OBJECTIVES

Tier A

- ❖ Enhance the visual distinctiveness and attractiveness of the City.
 - Enhance appearance and maintenance on high visibility points.
 - Continue high quality lighting and banners on key sections of Palm Coast Parkway.
 - Enhance codes for physical attractiveness.
 - Continue median beautification.
 - Enhance City gateways.
 - Maintain a minimum of 6 mowings per year on residential streets.
 - Complete signage plan.
- ❖ Ensure long term financial viability.
 - Develop a five-year financial plan.
 - Determine alternative funding sources.
 - Develop strategies for broadening the tax base.
- ❖ Diversify and strengthen the economy.
 - Aggressively pursue strategies to obtain water and sewer ownership.
 - Proactively promote annexation of commercial, industrial, and high-end residential properties.
 - Develop an internal economic development plan.

Tier B

- ❖ Enhance street maintenance.
 - Continue pavement management system.
 - Develop and adopt criteria for road overlay priorities prior to a street maintenance contract.
- ❖ Maintain and improve the stormwater system.
 - Review and expand the stormwater master plan.
 - Identify funding sources.
 - Continue discussions with the Palm Coast Community Service Corporation about system unification and other city functions.
 - Commit funding sources.
- ❖ Improve recreation and park programs and facilities.
 - Complete soccer and ball fields at North Belle Terre.
 - Evaluate City participation in teen activities.
 - Pursue outside grant funding for parks.
 - Continue improvements to the Community Center, Holland Park, Belle Terre Park, and the St. Joe/ICW Trail.
 - Examine public-private partnerships for recreation.
- ❖ Maintain and enhance public safety services.
 - Develop comprehensive lighting plan and provide options.

Tier C

- ❖ Become recognized as an innovative leader in public services.
 - Continue developing plans for Palm Coast City Hall.
 - Institute a customer first/citizen culture.
 - Expand certifications and awards.
 - Effectively use performance and customer service data.

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 the modified accrual basis of accounting. Revenues are recognized when they become available and measurable. An example would be sales tax or state revenue sharing that is measurable but may not be received until after the end of the fiscal year. Expenditures are recognized when the liability has occurred and is measurable. This would be charges for work that has been completed and invoiced but not paid at year-end. Estimated expenditures for capital outlay and debt service payments are budgeted in all funds; however, the actual expenditure for capital and principal on debt is applied to balance sheet accounts and is not expensed in the proprietary funds. Depreciation is not budgeted in any fund but is recorded in proprietary funds. Revenue in the proprietary funds is recognized when due and expenses when they are incurred.

OPERATING BUDGET CALENDAR

February 7, 2003	Budget packets distributed to Departments by Financial Services.
March 3	Departments submit additional personnel/program requests for FY 2004.
March 10	Departments submit fleet and technology requests for FY 2004.
March 17	FY 2004 Revenue Estimates prepared by Financial Services.
March 31	MUNIS budget system opened for Department line-item entries.
April 28	MUNIS budget system closed for Department line-item entries. Note: Personal services/internal transfers will be projected by Financial Services.
May 12 - 16	Finance Director reviews budget requests with department heads.
May 26	Financial Services submits the preliminary budget to the City Manager and department heads.
June 9 - 13	City Manager and Finance Director meet with department heads to discuss departmental needs and requests.
July 15	Proposed Budget and Budget Message presented to Council by City Manager.
July 15	Budget workshop and establish proposed Millage Rate (TRIM Rate). (MUST BE DONE PRIOR TO AUGUST 4).
August 1 – 31	City Council Budget Workshops as needed.
August 22	Property Appraiser distributes "Trim Notices" with date and time of first Public Hearing on Millage Rate.
September 9	Public Hearing to tentatively adopt Millage Rate and Budget. (FINAL ADOPTION MUST BE ADVERTISED WITHIN 15 DAYS).
September 12	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 16	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 15 Last Day	Certificate of Conformance sent to State. (MUST BE DONE WITHIN 30 DAYS OF FINAL ADOPTION).

CAPITAL IMPROVEMENT BUDGET CALENDAR

February 7, 2003	Budget packets distributed to Departments by Financial Services.
March 31	CIP Project requests submitted to Finance Director. (MUST BE IN CONFORMANCE WITH COMP PLAN)
May 12 - 16	Reviews of Capital Improvement Program. (COPY SENT TO DEVELOPMENT SERVICES FOR COMP PLAN REVIEW)
July 15	City Manager distributes CIP to Council.
September 16	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 2004 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. The Utility Fund and the Utility Capital Projects Fund are being established in anticipation of the utility purchase.

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 5% to 20% of the annual budget. The estimated unreserved-undesignated fund equity for the beginning of fiscal year 2004 will be 14.2%.

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 \$1.0 million dollars. The \$1.0 million decrease in the fund balance in the General Fund between September 30, 2002 and September 30, 2004 is the result of capital expenditures such as facilities expansion, the addition of street lights, and stormwater improvements. The decreases in the Park Impact Fee Fund and the Capital Projects Fund are the result of capital expenditures for the construction of North Belle Terre Park, Fire Station #3 construction, and the renovation of existing parks. The Utility Fund and the Utility Capital Projects Fund should have positive fund balances at the end of the first year of operations.

COMPUTATION OF ESTIMATED FUND BALANCES

Fund Title	Available Fund Balance 09/30/2002	Estimated Fund Balance 09/30/2003	Contingency (Appropriated Fund Equity) 10/01/2003	Estimated Fund Balance 09/30/2004
General Fund	\$ 3,610,836	\$ 3,588,333	\$ (954,615)	\$ 2,633,718
Police Education Fund	10,408	14,441	-	14,441
Police Automation Fund	26,543	7,454	-	7,454
Disaster Reserve Fund	616,000	937,000	-	937,000
Recycling Revenue Fund	16,775	72,765	35,000	107,765
Streets Improvement Fund	-	132,400	-	132,400
Park Impact Fee Fund	1,224,289	351,907	-	351,907
Fire Impact Fee Fund	-	836,000	300,000	1,136,000
Public Works Impact Fee Fund	71,965	95,000	-	95,000
Capital Projects Fund	7,763,079	4,533,761	(2,410,000)	2,123,761
Utility Fund	-	-	713,125	713,125
Utility Capital Projects Fund	-	-	3,395,394	3,395,394
Fleet Management Fund	187,066	21,206	6,266	27,472
Total	\$ 13,526,961	\$ 10,590,267	\$ 1,085,170	\$ 11,675,437

BUDGET SUMMARY

Fund Type	Estimated Revenue	Operating Expenditures	Capital Expenditures	Operating Transfers	Total Expenditures
General Fund	\$ 17,287,332	\$ 15,231,692	\$ 1,242,660	\$ 812,980	\$ 17,287,332
Special Revenue Funds					
Police Education Fund	5,600	5,600	-	-	5,600
Police Automation Fund	22,200	22,200	-	-	22,200
Disaster Reserve Fund	15,000	15,000	-	-	15,000
Recycling Revenue Fund	35,000	35,000	-	-	35,000
Streets Improvement Fund	1,210,000	1,210,000	-	-	1,210,000
Park Impact Fee Fund	1,013,600	-	1,013,600	-	1,013,600
Fire Impact Fee Fund	350,000	-	350,000	-	350,000
Public Works Impact Fee Fund	-	-	-	-	-
Capital Projects Fund	3,239,700	-	2,739,700	500,000	3,239,700
Sub-Total	5,891,100	1,287,800	4,103,300	500,000	5,891,100
Enterprise Funds					
Utility Fund	13,270,700	12,570,806	-	699,894	13,270,700
Utility Capital Projects Fund	3,395,394	3,395,394	-	-	3,395,394
Sub-Total	16,666,094	15,966,200	-	699,894	16,666,094
Internal Service Funds					
Fleet Management Fund	1,738,095	584,136	1,153,959	-	1,738,095
Total All Funds	\$ 41,582,621	\$ 33,069,828	\$ 6,499,919	\$ 2,012,874	\$ 41,582,621

BUDGET SUMMARY

	General Fund	Special Revenue Funds	Enterprise Funds	Internal Service Funds	Total Funds
CASH BALANCES BROUGHT FORWARD	\$ 1,364,615	\$ 2,410,000	\$ -	\$ -	\$ 3,774,615
ESTIMATED REVENUES					
TAXES: Millage Per \$1,000					
Advalorem Taxes: 3.40000	7,795,100	-	-	-	7,795,100
Sales, Use, and Fuel Taxes	1,128,600	1,210,000	-	-	2,338,600
Franchise Fees	97,000	-	-	-	97,000
Utility Services Taxes	-	-	-	-	-
Telecommunication Service Tax	1,440,000	-	-	-	1,440,000
Licenses & Permits	2,409,908	-	-	-	2,409,908
Intergovernmental Revenue	1,896,200	200,000	-	-	2,096,200
Charges for Services	910,309	1,182,400	15,990,700	82,100	18,165,509
Fines & Forfeitures	130,800	27,500	-	-	158,300
Interest Revenue	85,300	72,220	-	-	157,520
Miscellaneous Revenues	5,000	-	-	-	5,000
Non Revenues	-	-	-	1,131,995	1,131,995
Transfers from Other Funds	24,500	788,980	675,394	524,000	2,012,874
Other Financing Sources	-	-	-	-	-
Total Revenues and Other Financing Sources	15,922,717	3,481,100	16,666,094	1,738,095	37,808,006
Total Estimated Revenues and Balances	<u>\$ 17,287,332</u>	<u>\$ 5,891,100</u>	<u>\$ 16,666,094</u>	<u>\$ 1,738,095</u>	<u>\$ 41,582,621</u>
EXPENDITURES/EXPENSES					
General Government	\$ 6,996,359	\$ 1,300,000	\$ -	\$ -	\$ 8,296,359
Public Safety	3,615,750	27,800	-	-	3,643,550
Physical Environment	96,530	-	6,904,431	-	7,000,961
Transportation	4,251,823	2,560,000	-	-	6,811,823
Culture/Recreation	1,103,890	1,453,300	-	-	2,557,190
Internal Service	-	-	-	1,731,829	1,731,829
Debt Service	-	-	4,953,250	-	4,953,250
Transfers to Other Funds	812,980	500,000	699,894	-	2,012,874
Total Expenditures/Expenses	16,877,332	5,841,100	12,557,575	1,731,829	37,007,836
Reserves	410,000	50,000	4,108,519	6,266	4,574,785
Total Appropriated Expenditures and Reserves	<u>\$ 17,287,332</u>	<u>\$ 5,891,100</u>	<u>\$ 16,666,094</u>	<u>\$ 1,738,095</u>	<u>\$ 41,582,621</u>