

DOCUMENT FORMAT

For easy use, this budget has been divided into separate functional areas for review as follows:

Introduction: This section contains the table of contents, the transmittal letter, a table of organization, and the GFOA budget award.

Executive Summary: This section provides summaries of the budget on a city-wide basis including revenues, expenditures, and personnel. It also contains the City's goals and objectives and other information.

Budget Detail: This section contains data on individual funds and additional detail is provided by department.

Capital Improvement Program: This section provides summaries of the City's Capital Improvement Program, the effect of the Program on each fund and a detail page for each capital project in the program.

Miscellaneous: This section contains a glossary of terms and miscellaneous information about the City.

CITY COUNCIL VISION, MISSION, AND VALUES

VISION

Palm Coast will be a leadership city with a high 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.

VALUES

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

CITY COUNCIL GOALS AND OBJECTIVES

COMMUNITY QUALITY

- ❖ Improved mobility and transportation
 - Continue sidewalk program
 - Develop increased public transportation capacity
- ❖ Enhance recreation and leisure services
 - Open a public access golf course
 - Expand the number of tennis courts available for public use
 - Open additional marina slips available to the public
 - Increase boat access for the public
 - Ensure all new annexations provide land for recreation and open space requirements
 - Expand trails system
- ❖ Expanded services for seniors
 - Open two senior activity centers
 - Encourage development of “life care” senior communities
- ❖ Expand arts and culture activities
 - Promote a arts site at Town Center
 - Implement the cultural plan
- ❖ Maintain a range of housing options
 - Encourage greater heights and density where appropriate
 - Annex “high-end” housing areas
 - Provide zoning to encourage apartment communities in appropriate sites
 - Encourage mixed-use developments in selected sites
 - Continue requirements for affordable housing
- ❖ Maintain and enhance the visual attractiveness of the City
 - Complete Palm Coast Parkway beautification
 - Update signage
 - Improve gateways
 - Complete decorative lighting
 - Engage in city-wide median beautification
 - Maintain current level of code enforcement
 - Institute updated tree and landscaping codes
- ❖ Maintain public safety
 - Decide on establishment of city police force
 - Maintain disaster response readiness
 - Increase and maintain traffic enforcement
 - Expand city wide lighting
 - Maintain fire and insurance ratings

CITY COUNCIL GOALS AND OBJECTIVES

- ❖ Expand open space
 - Continue park expansion and improvement program
 - Create a “hero’s” park
 - Continue land acquisition programs

ECONOMIC OPPORTUNITY AND FINANCIAL VIABILITY

- ❖ Continue targeted annexation to provide business growth sites and enhanced property valuation
 - Implement existing annexation agreements as appropriate
 - Target Graham swamp as priority annexation areas
 - Seek to annex wellfield and properties if the opportunity arises
 - Pursue other annexations that would square off the boundaries, enhance the tax base or meet City goals as opportunities arise.
- ❖ Continue business retention and attraction efforts
 - Participate in Northeast Florida economic development activities
 - Continue current incentives and update as needed
 - Ensure land is available for expansion
 - Support marketing and development efforts of the County
- ❖ Foster development of an aquatic center
 - Conduct a needs and feasibility study
 - Implement recommendations of the study

EFFECTIVE AND EFFICIENT GOVERNMENT

- ❖ Simplify public service delivery
 - Develop a unified stormwater system
- ❖ Ensure policies, procedures, regulations and technologies are up to date
 - Adopt a new land development code
 - Ensure the information technology capacity of the city is current
- ❖ Maintain and improve public infrastructure
 - Continue road resurfacing
 - Maintain maintenance standards on city property and equipment
 - Develop stormwater facility
- ❖ Increase the effectiveness of public services
 - Initiate a Council of Governments in Flagler County
 - Continue ICMA performance measurement system
 - Make decision on new City Hall
 - Institute document imaging system
 - Enhance staff qualifications and credentials

CITY COUNCIL GOALS AND OBJECTIVES

COMMUNITY CONFIDENCE AND SATISFACTION

- ❖ Maintain a high level of customer satisfaction
 - Improve citizen satisfaction scores annually
 - Continue customer first training or equivalent
 - Institute performance management system that measures and rewards for customer satisfaction
- ❖ Ensure all city actions meet a high standard of public trust
 - Seek to receive awards for which the City is eligible
 - Institute and maintain active community outreach and engagement programs
 - Provide training to all officials and staff on ethics and standards of performance
 - Pursue certifications and awards for staff

FINANCIAL POLICIES

The City Council has taken a conservative approach to the finances of the City while providing for the protection of the health, safety, and welfare of the citizens of Palm Coast through a full range of efficient and effective municipal services. Within the City Council's overall vision for the City, two primary financial policies have been established. The first is to ensure the long term financial viability of the City and the second is to diversify and strengthen the City's economy.

Financial Planning

The City will adopt a balanced budget as required by Florida Statute, Chapter 166. The budget is balance when the amount available from taxation and other sources, including amounts carried over from prior fiscal years, equals the total appropriations for expenditures and reserves.

Revenue

User fees and charges will be sufficient to cover the cost of providing the service for which the fee is charged. Recreation and park fees are not intended to cover the full cost of services. These services will be supplemented so that all citizens have the opportunity to utilize these activities and resources regardless of economic condition.

The City will use one-time revenues for non-recurring expenditures. One-time revenues would include grants, prior year surplus, or other revenues that are not likely to occur in future years. Non-recurring expenditures would include special programs or capital purchases that would not require the same expenditure in future years.

Expenditure

The City will issue debt only for capital expenditures. The term of the debt will not be for period than the expected life of the asset. Debt for a period longer than three years or more than \$15 million may not be issued without voter consent unless the debt is self-funded.

The City will maintain reserves of at least fifteen percent in its four operating funds.

The City Council will receive a monthly comparison of actual expenditures to budget. The City Manager will recommend any adjustments to the budget that may be required during the year.

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 make 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 complement 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

| | |
|----------------|---|
| March 13, 2005 | Budget process initiated by Finance. |
| April 8 | FY 2006 Revenue estimates prepared by Finance. |
| April 8 | MUNIS budget system opened for Department line-item entries. |
| April 11 | Departments submit additional personnel/program requests for FY 2006. |
| April 11 | Departments submit fleet and technology requests for FY 2006. |
| May 2 | MUNIS budget system closed for Department line-item entries. Note: Personal services/internal transfers will be projected by Finance. |
| May 9 - 13 | Finance Director reviews budget requests with department heads. |
| May 20 | Finance Director submits the preliminary budget to the City Manager and department heads. |
| June 1 - 7 | City Manager and Finance Director meet with department heads to discuss departmental needs and requests. |
| July 19 | Proposed Budget and Budget Message presented to Council by City Manager. |
| August 2 | 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 6 | Public Hearing to tentatively adopt Millage Rate and Budget. (FINAL ADOPTION MUST BE ADVERTISED WITHIN 15 DAYS). |
| September 17 | 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 20 | Public Hearing to adopt final Millage Rate Resolution and Budget Resolution. |

OPERATING BUDGET CALENDAR

| | |
|------------------------|--|
| September 23 | Forward a copy of the Millage Rate Resolution to the Property Appraiser and the Tax Collector. |
| October 20 Last Day | Certificate of Conformance sent to State. (MUST BE DONE WITHIN 30 DAYS OF FINAL ADOPTION). |

CAPITAL IMPROVEMENT BUDGET CALENDAR

| | |
|----------------|--|
| March 13, 2005 | Budget process initiated by Finance. |
| April 25 | Capital Improvement Program project requests submitted to Finance Director. (MUST BE IN CONFORMANCE WITH COMP PLAN) |
| May 9 - 13 | Reviews of Capital Improvement Program. (COPY SENT TO DEVELOPMENT SERVICES FOR COMP PLAN REVIEW) |
| June 1 - 7 | City Manager and Finance Director meet with department heads to discuss Capital Improvement Program. |
| July 19 | City Manager distributes Capital Improvement Program to Council. |
| September 20 | City Council adopts Capital Improvement 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 govern 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 changes 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 2005 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, Developer Special Projects 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 were established in conjunction of the utility purchase. The FY05 budget also includes the Solid Waste Fund and the Stormwater Utility Fund.

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 2005 will be 28.9%.

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 increase during the two-year period of approximately \$5,000,000. An anticipated bond issue will generate money for the construction of a city hall and two activity centers. Construction of the city hall will begin in 2006 and the activity centers in 2007. Bond proceeds of about \$9,000,000 will carry over to 2007. Money is accumulating in the current fiscal year for expenditures anticipated in FY06 for capital projects. Therefore some capital project funds will increase while others will decrease. The largest capital expenditures are expected in the Utility Capital Projects Fund. The General Fund will decrease due to capital expenditures and one-time transfers to some special revenue funds.

COMPUTATION OF ESTIMATED FUND BALANCES

| Fund Title | Available Fund Balance 09/30/2004 | Estimated Fund Balance 09/30/2005 | Contingency (Appropriated Fund Equity) 10/01/2005 | Estimated Fund Balance 09/30/2006 |
|------------------------------------|--|--|--|--|
| General Fund | \$ 5,849,129 | \$ 6,491,700 | \$ (2,140,245) | \$ 4,351,455 |
| Police Education Fund | 20,931 | 26,525 | - | 26,525 |
| Police Automation Fund | 31,487 | 27,774 | - | 27,774 |
| Disaster Reserve Fund | 1,142,611 | 1,539,530 | 518,400 | 2,057,930 |
| Recycling Revenue Fund | 110,366 | 150,204 | 4,900 | 155,104 |
| Streets Improvement Fund | 973,846 | 861,200 | (320,000) | 541,200 |
| Park Impact Fee Fund | 1,453,441 | 1,897,900 | (1,090,700) | 807,200 |
| Fire Impact Fee Fund | 1,596,980 | - | 200,200 | 200,200 |
| Development Special Projects Fund | 363,924 | 259,500 | 6,900 | 266,400 |
| Transportation Impact Fee Fund | - | 6,899,765 | 133,280 | 7,033,045 |
| SR100 Community Redevelopment Fund | - | 335,900 | (233,911) | 101,989 |
| Capital Projects Fund | 2,633,691 | - | 10,074,222 | 10,074,222 |
| Utility Fund | 3,348,445 | 2,559,285 | (150,000) | 2,409,285 |
| Utility Capital Projects Fund | 5,288,252 | 4,100,845 | (3,966,232) | 134,613 |
| Solid Waste Fund | 216,402 | 225,000 | (60,317) | 164,683 |
| Stormwater Management Fund | - | 586,245 | (191,942) | 394,303 |
| Fleet Management Fund | - | 100,271 | 458,402 | 558,673 |
| Total | \$ 23,029,505 | \$ 26,061,644 | \$ 3,242,957 | \$ 29,304,601 |

BUDGET SUMMARY

| Fund Type | Estimated Revenue | Operating Expenditures & Contingency | Capital Expenditures | Operating Transfers | Total Expenditures |
|---------------------------------------|-----------------------|--|-------------------------|------------------------|-----------------------|
| General Fund | \$ 27,816,222 | \$ 24,208,183 | \$ 883,705 | \$ 2,724,334 | \$ 27,816,222 |
| Special Revenue Funds | | | | | |
| Police Education Fund | 5,900 | 5,900 | - | - | 5,900 |
| Police Automation Fund | 26,700 | 26,700 | - | - | 26,700 |
| Disaster Reserve Fund | 518,400 | 518,400 | - | - | 518,400 |
| Recycling Revenue Fund | 45,900 | 45,900 | - | - | 45,900 |
| Streets Improvement Fund | 4,052,400 | - | 4,052,400 | - | 4,052,400 |
| Park Impact Fee Fund | 4,260,000 | - | 4,260,000 | - | 4,260,000 |
| Fire Impact Fee Fund | 600,200 | 200,200 | 400,000 | - | 600,200 |
| Developer Special Projects Fund | 6,900 | 6,900 | - | - | 6,900 |
| Transportation Impact Fee Fund | 10,783,280 | 133,280 | 10,650,000 | - | 10,783,280 |
| SR100 Community Redevelopment Fu | 1,400,000 | 100,000 | 1,300,000 | - | 1,400,000 |
| Capital Projects Fund | 33,524,222 | 10,074,222 | 23,450,000 | - | 33,524,222 |
| Sub-Total | 55,223,902 | 11,111,502 | 44,112,400 | - | 55,223,902 |
| Enterprise Funds | | | | | |
| Utility Fund | 21,433,846 | 19,370,747 | 251,000 | 1,812,099 | 21,433,846 |
| Utility Capital Projects Fund | 35,281,686 | - | 34,137,800 | 1,143,886 | 35,281,686 |
| Solid Waste Fund | 3,494,917 | 3,494,917 | - | - | 3,494,917 |
| Stormwater Utility Fund | 8,689,942 | 3,672,782 | 5,000,000 | 17,160 | 8,689,942 |
| Sub-Total | 68,900,391 | 26,538,446 | 39,388,800 | 2,973,145 | 68,900,391 |
| Internal Service Funds | | | | | |
| Fleet Management Fund | 4,230,582 | 1,627,625 | 2,428,735 | 174,222 | 4,230,582 |
| Sub-Total All Funds | 156,171,097 | \$ 63,485,756 | \$ 86,813,640 | \$ 5,871,701 | 156,171,097 |
| Less: Interfund Charges and Transfers | 9,535,798 | | | | 9,535,798 |
| Total | <u>\$ 146,635,299</u> | | | | <u>\$ 146,635,299</u> |

BUDGET SUMMARY

| | General Fund | Special Revenue Funds | Enterprise Funds | Internal Service Funds | Total Funds |
|---|----------------------|-----------------------------|----------------------|------------------------------|-----------------------|
| CASH BALANCES BROUGHT FORWARD | \$ 3,134,836 | \$ 1,644,611 | \$ 4,868,491 | \$ - | \$ 9,647,938 |
| ESTIMATED REVENUES | | | | | |
| TAXES: Millage Per \$1,000 | | | | | |
| Ad Valorem Taxes: 3.40000 | 10,246,000 | 4,365,800 | - | - | 14,611,800 |
| Sales, Use, and Fuel Taxes | 15,700 | 3,731,000 | - | - | 3,746,700 |
| Franchise Fees | - | - | 8,000 | - | 8,000 |
| Telecommunication Service Tax | 1,714,300 | - | - | - | 1,714,300 |
| Licenses and Permits | 4,308,800 | - | 290,000 | - | 4,598,800 |
| Intergovernmental Revenue | 3,251,600 | - | - | - | 3,251,600 |
| Charges for Services | 3,193,821 | 14,410,980 | 42,299,460 | 71,500 | 59,975,761 |
| Fines & Forfeitures | 180,400 | 32,200 | - | - | 212,600 |
| Interest Revenue | 109,500 | 265,900 | 362,300 | - | 737,700 |
| Miscellaneous Revenue | 2,100 | - | - | - | 2,100 |
| Non Revenues | 1,000,000 | - | - | 2,664,097 | 3,664,097 |
| Transfers from Other Funds | 659,165 | 1,773,411 | 1,944,140 | 1,494,985 | 5,871,701 |
| Proceeds from Debt | - | 29,000,000 | 19,128,000 | - | 48,128,000 |
| Total Revenues and Other Financing Sources | 24,681,386 | 53,579,291 | 64,031,900 | 4,230,582 | 146,523,159 |
| Total Estimated Revenues and Balances | <u>\$ 27,816,222</u> | <u>\$ 55,223,902</u> | <u>\$ 68,900,391</u> | <u>\$ 4,230,582</u> | 156,171,097 |
| Less: Interfund Transfers and Charges | | | | | 9,535,798 |
| Total | | | | | <u>\$ 146,635,299</u> |
| EXPENDITURES/EXPENSES | | | | | |
| General Government | \$ 12,198,734 | \$ 21,600,000 | \$ - | \$ - | \$ 33,798,734 |
| Public Safety | 5,813,291 | 432,600 | - | - | 6,245,891 |
| Physical Environment | - | 41,000 | 50,407,791 | - | 50,448,791 |
| Transportation | 3,896,073 | 17,452,400 | 8,672,782 | - | 30,021,255 |
| Culture/Recreation | 2,189,199 | 4,760,000 | - | - | 6,949,199 |
| Internal Service | - | - | - | 3,597,958 | 3,597,958 |
| Debt Service | - | - | 6,346,673 | - | 6,346,673 |
| Transfers to Other Funds | 2,724,334 | - | 2,973,145 | 174,222 | 5,871,701 |
| Total Expenditures/Expenses | 26,821,631 | 44,286,000 | 68,400,391 | 3,772,180 | 143,280,202 |
| Reserves | 994,591 | 10,937,902 | 500,000 | 458,402 | 12,890,895 |
| Total Appropriated Expenditures and Reserves | <u>\$ 27,816,222</u> | <u>\$ 55,223,902</u> | <u>\$ 68,900,391</u> | <u>\$ 4,230,582</u> | 156,171,097 |
| Less: Interfund Transfers and Charges | | | | | 9,535,798 |
| Total | | | | | <u>\$ 146,635,299</u> |

BUDGET SUMMARY

| FUND/DEPARTMENT | Actual FY 03 | Actual FY 04 | Estimated FY 05 | Proposed FY 06 |
|---|-------------------|-------------------|--------------------|-------------------|
| General Fund | | | | |
| Mayor & Council | \$ 34,095 | \$ 64,865 | \$ 45,798 | \$ 57,398 |
| City Manager | 204,404 | 319,282 | 384,230 | 410,883 |
| Community Relations | - | - | 547,352 | 606,543 |
| City Attorney | 396,676 | 271,714 | 200,000 | 400,000 |
| City Clerk | 109,823 | 103,595 | 207,182 | 252,932 |
| General Services | | | | |
| Finance | 374,821 | 409,734 | 690,267 | 885,146 |
| Human Resources | 411,727 | 480,219 | 289,371 | 271,495 |
| Total General Services | 786,548 | 889,953 | 979,638 | 1,156,641 |
| Information Technology and Communications | 299,803 | 417,216 | 1,279,778 | 2,138,145 |
| Planning and Zoning | | | | |
| Planning and Zoning Administration | 246,152 | 278,090 | 220,181 | 377,033 |
| Planning | 801,180 | 1,067,569 | 1,070,412 | 1,097,190 |
| Total Planning and Zoning | 1,047,332 | 1,345,659 | 1,290,593 | 1,474,223 |
| Building and Code Administration | | | | |
| Building Permits & Inspections | 2,763,149 | 4,155,107 | 4,286,537 | 2,319,213 |
| Code Enforcement | 453,110 | 626,309 | 925,647 | 1,263,573 |
| Total Building and Code Administration | 3,216,259 | 4,781,416 | 5,212,184 | 3,582,786 |
| Fire | 1,776,327 | 2,546,963 | 2,895,016 | 4,040,791 |
| Law Enforcement | 926,363 | 1,119,188 | 1,347,258 | 1,938,500 |
| Public Works | | | | |
| Public Works Administration | 342,862 | 412,153 | 381,526 | 371,978 |
| Solid Waste | 82,196 | 103,977 | - | - |
| Streets & Drainage | 3,453,499 | 4,533,944 | 3,026,158 | 4,414,135 |
| Facilities Maintenance | 148,801 | 299,477 | 401,163 | 583,402 |
| Total Public Works | 4,027,358 | 5,349,551 | 3,808,847 | 5,369,515 |
| Recreation and Parks | | | | |
| Parks/Facilities | 245,016 | 483,643 | 857,776 | 1,262,209 |
| Recreation/Athletics | 370,147 | 538,025 | 844,388 | 998,775 |
| Total Recreation and Parks | 615,163 | 1,021,668 | 1,702,164 | 2,260,984 |
| Engineering | 831,620 | 1,084,808 | 1,233,792 | 1,300,541 |
| Non-Departmental | 1,867,871 | 1,283,654 | 2,037,877 | 2,826,340 |
| Total General Fund | 16,139,642 | 20,599,532 | 23,171,709 | 27,816,222 |

BUDGET SUMMARY

| FUND/DEPARTMENT | Actual FY 03 | Actual FY 04 | Estimated FY 05 | Proposed FY 06 |
|------------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| Police Education Fund | - | - | 26,500 | 5,900 |
| Police Automation Fund | 34,175 | - | 53,500 | 26,700 |
| Distaster Reserve Fund | - | 532,257 | 1,657,600 | 518,400 |
| Recycling Revenue Fund | - | - | 152,500 | 45,900 |
| Streets Improvement Fund | 658,425 | 1,344,465 | 3,764,323 | 4,052,400 |
| Park Impact Fee Fund | 22,019 | 2,886,819 | 4,888,835 | 4,260,000 |
| Fire Impact Fee Fund | - | 55,000 | 2,504,600 | 600,200 |
| Development Special Projects Fund | - | 24,672 | 533,761 | 6,900 |
| Transportation Impact Fee Fund | - | - | 5,200,000 | 10,783,280 |
| SR100 Community Redevelopment Fund | - | - | 500,000 | 1,400,000 |
| Capital Projects Fund | 3,797,414 | 4,777,047 | 5,664,347 | 33,524,222 |
| Utility Fund | | | | |
| Utility Customer Service | - | 962,615 | 594,686 | 752,504 |
| Utility Administration | - | 1,095,977 | 936,410 | 978,070 |
| Utility Maintenance | - | 89,539 | 487,117 | 556,766 |
| Wastewater Collection | - | 824,333 | 1,423,004 | 1,740,846 |
| Wastewater Treatment | - | 2,161,078 | 1,463,364 | 1,438,194 |
| Water Plant #1 | - | 1,685,351 | 1,194,108 | 1,539,054 |
| Water Plant #2 | - | 573,372 | 1,352,843 | 1,494,820 |
| Water Quality | - | 361,297 | 389,601 | 508,176 |
| Water Distribution | - | 1,791,950 | 2,622,360 | 2,688,334 |
| Non-Departmental | - | 17,003,894 | 8,334,570 | 9,737,082 |
| Total Utility Fund | - | 26,549,406 | 18,798,063 | 21,433,846 |
| Utility Capital Projects Fund | - | - | 39,592,390 | 35,281,686 |
| Solid Waste Fund | - | 1,234,108 | 2,916,000 | 3,494,917 |
| Stormwater Utility Fund | - | - | 5,577,400 | 8,689,942 |
| Fleet Management Fund | 326,866 | 899,260 | 3,357,942 | 4,230,582 |
| Memorial Fund | 3,000 | - | - | - |
| Total All Funds | 20,981,541 | 58,902,566 | 118,359,470 | 156,171,097 |
| Less: Interfund Transfers | 1,557,822 | 13,262,436 | 6,192,833 | 9,535,798 |
| Total | <u>\$ 19,423,719</u> | <u>\$ 45,640,130</u> | <u>\$ 112,166,637</u> | <u>\$ 146,635,299</u> |

REVENUE EXPLANATIONS

AD VALOREM TAXES: The property tax is based on the value of real and personal property. Each year the county property appraiser determines the total assessed value of each parcel of property in Palm Coast. After subtracting all lawful exemptions, the remaining value is the taxable value. Advalorem property taxes are based on the taxable value. The property tax is calculated by multiplying the taxable value by .001 and then multiplying this number by the rate of taxation, or the millage rate.

SALES, USE, AND FUEL TAXES: These are local option taxes, including gas tax and the Local Government Infrastructure Surtax. The proceeds are distributed based on a State mandated formula or an interlocal agreement between the cities and the county.

TELECOMMUNICATION SERVICE TAX: This tax is collected and distributed by the State. It replaced the franchise tax and utility tax that were charged for telephone and cable television services.

LICENSES AND PERMITS: According to Section 205.042, Florida Statutes, a municipality may levy an occupational license tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction. This revenue also includes building permits and animal licenses.

INTERGOVERNMENTAL REVENUE: These revenues are collected by one government and shared with other governmental units. This includes state sales tax, revenue sharing, grants, and various other state taxes and licenses.

CHARGES FOR SERVICES: These are also called "user fees." They are defined as "voluntary payments based on direct, measurable consumption of publicly provided goods and services." User fees are derived from charges for water and wastewater services, solid waste collection, recreation and athletic activities, and various other City services.

FINES & FORFEITURES: This revenue comes from code enforcement fines and settlement of criminal cases taken to court. It includes a portion of monetary penalties and recovery of costs incurred by the City.

INTEREST REVENUE: Revenue derived from the investment of cash receipts and idle funds are an important source of revenue. The City of Palm Coast recognizes the importance of establishing effective cash management and restructuring their government operations to accelerate revenues, promote aggressive collections, and maximize cash flow.

MISCELLANEOUS REVENUES: These are revenues that do not fit into one of the other revenue categories.

NON REVENUES: These are Internal Service Fund revenues that are derived from other City funds where they are shown as operating expenditures. They include fleet leases and vehicle maintenance.

TRANSFERS FROM OTHER FUNDS: Transfers are made from one fund to another for various reasons. Some transfers are simply contributions and some are based on services provided by another fund. Still others are based on need, such as transfers to a capital fund.

OTHER FINANCING SOURCES: This is most often an appropriation of previous surplus.

REVENUE FORECAST METHODOLOGY

The purpose of detailing forecast methodologies for revenues is to determine the validity of the forecast over time and to utilize the information in making future forecasts. The following are assumptions concerning revenues, covering all funds.

| <u>Revenue Source</u> | <u>Forecast Methodology</u> |
|------------------------------------|---|
| Ad Valorem Taxes | Approved millage multiplied by tax roll, less 3.68% for assumed non-collection and/or discounts taken for early payment. |
| Sales, Use, and Fuel Taxes | State's forecast (based on city and county population and lane miles), adjusted for historical trend analysis. |
| Telecommunication Service Tax | State's forecast adjusted for historical trend analysis. |
| Licenses & Permits | Historical trend analysis. |
| State Revenue Sharing | State's forecast (based on city and state population), adjusted for historical trend analysis. |
| Half-Cent Sales Tax | State forecast (based on city population), adjusted for historical trend analysis. |
| Grants | Amount on application approved by granting agency. |
| Other Intergovernmental Revenue | Historical trend analysis. |
| Water Sales and Wastewater Charges | This is the third year of utility revenues. Estimates were based on historical data supplied to the City during the acquisition process and growth. |
| Solid Waste Fees | Historical trend analysis. |
| Other Charges for Services | Historical trend analysis. |
| Fines & Forfeitures | Historical trend analysis. |
| Interest Revenue | Historical trend analysis. |
| Miscellaneous Revenues | Historical trend analysis. |
| Non Revenues | Amounts billed to departments for usage. |
| Transfers from Other Funds | Capital needs and allocation of common costs. |

MAJOR REVENUE TRENDS

With just four full years of City operations, no long-term revenue trends have been established. Being one of the highest growth areas in the nation, overall revenue increases should continue for at least the next few years. There are 13 major revenue sources that account for 44 percent of the City's estimated revenues for fiscal year 2006. Debt proceeds account for another 31 percent of revenue. These are listed and shown graphically on the following page. The following is a more detailed analysis of the trends for these 13 major revenue sources.

AD VALOREM TAXES: There has been an average increase in property values of over 31% over the past three years. The increases have been a combination of property value increases, new construction, and annexations. Population has been increasing at about 10%. Future ad valorem revenue increases of 10% to 11% are expected.

FUEL TAXES: This revenue source increased on average about 9% during the last three years. A 5% to 7% annual increase is expected for future years.

LOCAL GOVERNMENT INFRASTRUCTURE SURTAX: FY2003 was the first year that the new half-cent surtax was collected. Percentage increases have been high in the first two years but should begin to closely parallel the growth of the half-cent sales tax.

TELECOMMUNICATION SERVICE TAX: Increases in this revenue have averaged about 12% over the past 3 years. We should see an increase of about 7% per year as the growth of the City continues.

BUILDING PERMITS: With the phenomenal growth of the area, we have seen large increases in permit revenue. Permits issued have declined some recently and we expect this revenue source to remain flat for the future with periodic declines.

HALF-CENT SALES TAX: This revenue source has grown at about a 14% rate over the past 3 years. It is affected by the economy and distributed based on population. The revenue from this source should increase at a 7% to 8% rate.

WATER AND WASTEWATER SALES: This is a new revenue source related to the purchase of the utility system. It is expected that this revenue source will mirror other development related revenue trends and should increase by 6% to 8% annually.

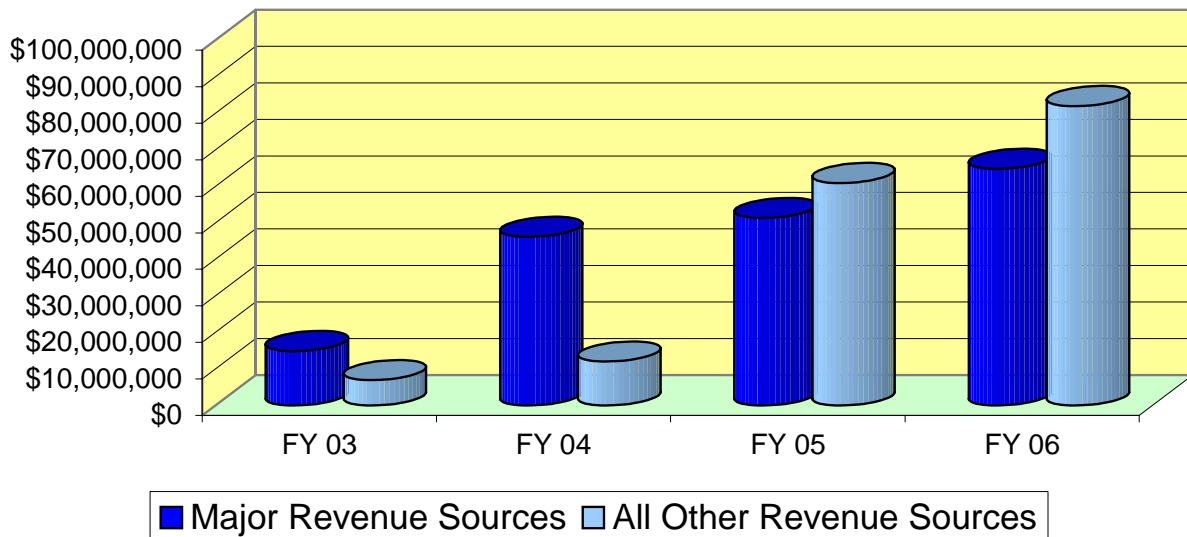
WATER AND WASTEWATER IMPACT FEES: Like building permits this revenue source is expected to level off and eventually decline.

SOLID WASTE CHARGES: This is a new charge that is expected to mirror the population growth of about 8% to 10%.

STORMWATER FEES: This fee is charged on developed and undeveloped property. A 3% to 4% growth rate is anticipated.

MAJOR REVENUE SOURCES

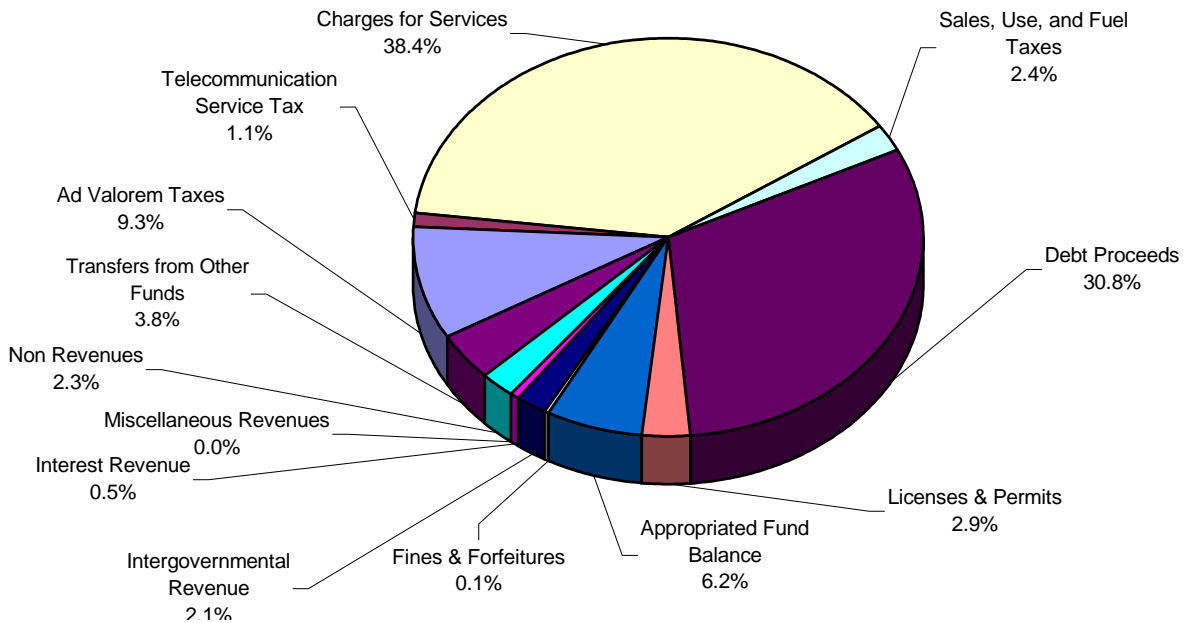
| SOURCE | Actual FY 03 | Actual FY 04 | Estimated FY 05 | Proposed FY 06 |
|-------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| Ad Valorem Taxes | \$6,539,567 | \$7,855,523 | \$10,179,600 | \$14,611,800 |
| Fuel Taxes | 1,314,939 | 1,604,301 | 1,349,600 | 1,553,500 |
| Local Infrastructure Surtax | 978,020 | 2,000,004 | 1,450,000 | 2,177,400 |
| Telecommunication Service Tax | 1,500,863 | 1,757,582 | 1,649,700 | 1,714,300 |
| Building Permits | 3,295,936 | 4,817,927 | 3,405,010 | 3,464,300 |
| Half-Cent Sales Tax | 1,235,682 | 1,663,020 | 1,434,300 | 2,069,400 |
| Water Sales | - | 8,584,475 | 9,900,000 | 10,800,000 |
| Wastewater Charges | - | 6,377,118 | 6,100,000 | 6,880,000 |
| Water Impact Fee | - | 6,614,184 | 5,515,000 | 6,718,400 |
| Wastewater Impact Fee | - | 3,383,959 | 5,765,000 | 8,211,400 |
| Solid Waste Charge | - | 1,450,787 | 2,916,000 | 3,426,300 |
| Stormwater Utility Fee | - | - | 1,628,000 | 3,200,000 |
| All Other Sources | 8,482,426 | 25,273,492 | 67,067,260 | 91,344,297 |
| TOTAL | 23,347,433 | 71,382,372 | 118,359,470 | 156,171,097 |
| Less: Interfund Transfers | 1,557,822 | 13,262,436 | 6,192,833 | 9,535,798 |
| TOTAL NET REVENUE | \$ 21,789,611 | \$ 58,119,936 | \$ 112,166,637 | \$ 146,635,299 |



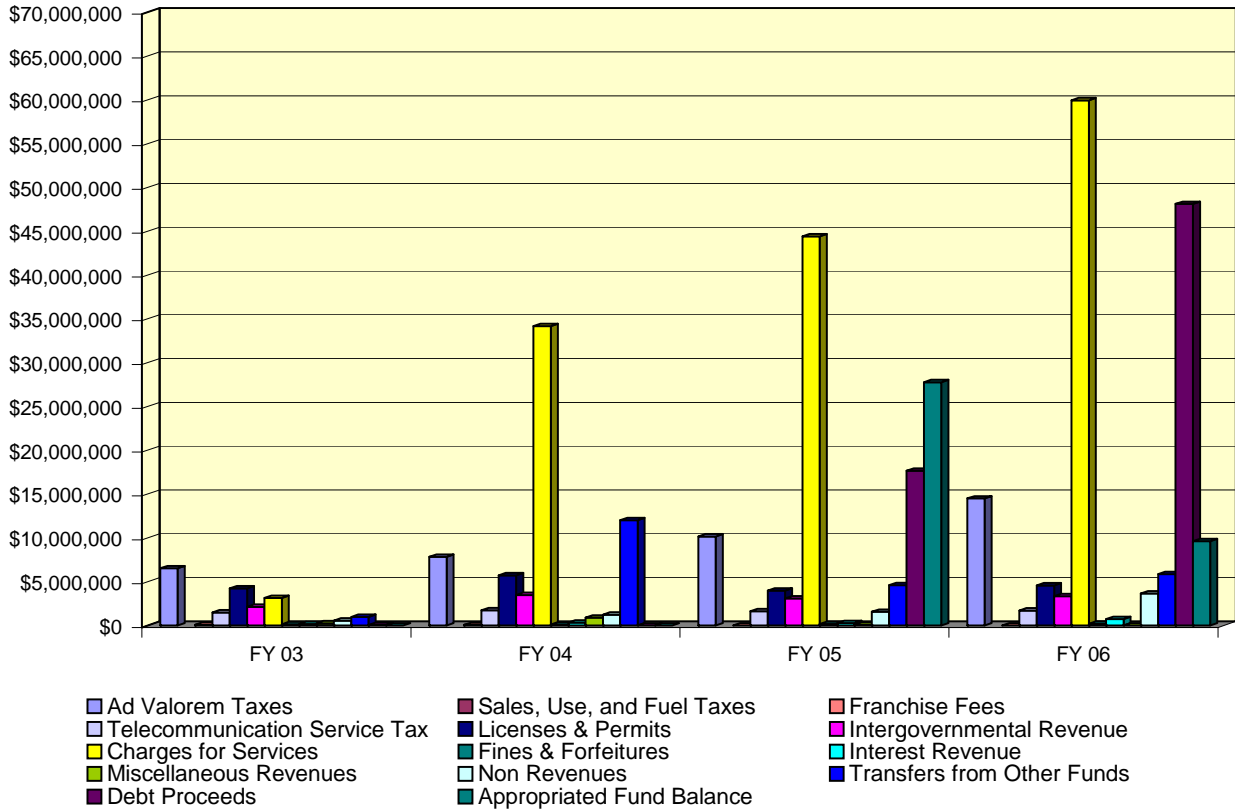
REVENUES BY SOURCE

| SOURCE | Actual FY 03 | Actual FY 04 | Estimated FY 05 | Proposed FY 06 |
|-------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| Ad Valorem Taxes | \$ 6,539,567 | \$ 7,855,523 | \$ 10,179,600 | \$ 14,512,700 |
| Sales, Use, and Fuel Taxes | 3,427,606 | 3,604,305 | 2,799,600 | 3,746,700 |
| Franchise Fees | 103,024 | 79,730 | - | 8,000 |
| Telecommunication Service Tax | 1,500,863 | 1,757,582 | 1,649,700 | 1,714,300 |
| Licenses & Permits | 4,259,048 | 5,744,418 | 3,990,710 | 4,598,800 |
| Intergovernmental Revenue | 2,140,974 | 3,501,989 | 3,105,400 | 3,350,700 |
| Charges for Services | 3,144,554 | 34,180,598 | 44,448,525 | 59,975,761 |
| Fines & Forfeitures | 159,381 | 129,910 | 172,700 | 212,600 |
| Interest Revenue | 186,404 | 345,863 | 279,023 | 737,700 |
| Miscellaneous Revenues | 253,190 | 920,018 | 104,000 | 2,100 |
| Non Revenues | 574,200 | 1,239,300 | 1,569,490 | 3,664,097 |
| Transfers from Other Funds | 983,622 | 12,023,136 | 4,623,343 | 5,871,701 |
| Debt Proceeds | 75,000 | - | 17,662,400 | 48,128,000 |
| Appropriated Fund Balance | - | - | 27,774,979 | 9,647,938 |
| TOTAL | 23,347,433 | 71,382,372 | 118,359,470 | \$ 156,171,097 |
| Less: Interfund Transfers | 1,557,822 | 13,262,436 | 6,192,833 | 9,535,798 |
| NET TOTAL REVENUE | \$ 21,789,611 | \$ 58,119,936 | \$ 112,166,637 | \$ 146,635,299 |

FISCAL YEAR 2006



REVENUES BY SOURCE



PROPERTY INFORMATION

PROPERTY VALUES, MILLAGE RATES, AND AD VALOREM RECEIPTS FISCAL YEAR 2001 THROUGH FISCAL YEAR 2006

| Fiscal Year | Gross Taxable Valuations (1) | Change from Previous Year | % Change | Millage Levy | Change from Previous Year | % Change | Ad Valorem Tax Revenues | Change from Previous Year | % Change |
|-------------|------------------------------|---------------------------|----------|--------------|---------------------------|----------|-------------------------|---------------------------|----------|
| 2006 | \$ 4,430,635,603 | \$ 1,323,054,513 | 42.58% | 3.40000 | 0.00000 | 0.00% | \$ 14,545,900 | \$4,366,300 | 42.89% |
| 2005 | 3,107,581,090 | 703,341,979 | 29.25% | 3.40000 | 0.00000 | 0.00% | 10,179,600 | 2,324,077 | 29.59% |
| 2004 | 2,404,239,111 | 420,498,483 | 21.20% | 3.40000 | 0.00000 | 0.00% | 7,855,523 | 1,315,956 | 20.12% |
| 2003 | 1,983,740,628 | 210,361,763 | 11.86% | 3.40000 | -0.10000 | -2.86% | 6,539,567 | 557,740 | 9.32% |
| 2002 | 1,773,378,865 | 179,164,662 | 11.24% | 3.50000 | 0.35000 | 11.11% | 5,981,827 | 1,098,888 | 22.50% |
| 2001 | 1,594,214,203 | N/A | N/A | 3.15000 | N/A | N/A | 4,882,939 | N/A | N/A |

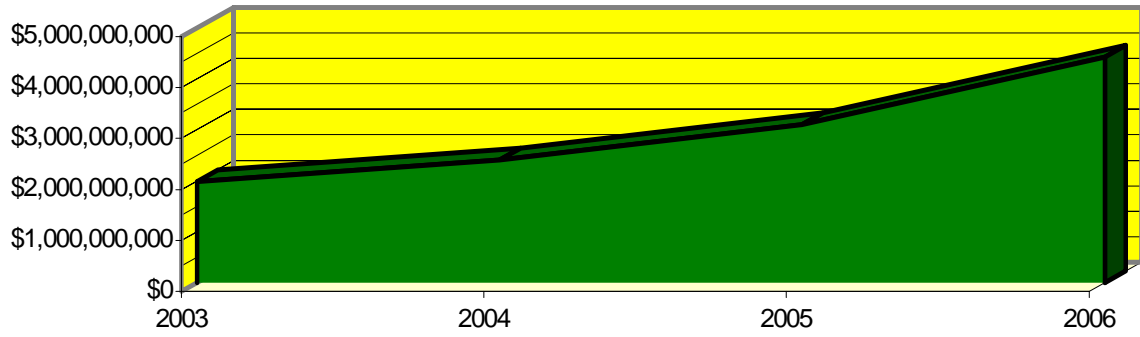
(1) From DR420 - Certificate of Taxable Value

TAX ROLL RECAPITULATION JULY 1, 2005

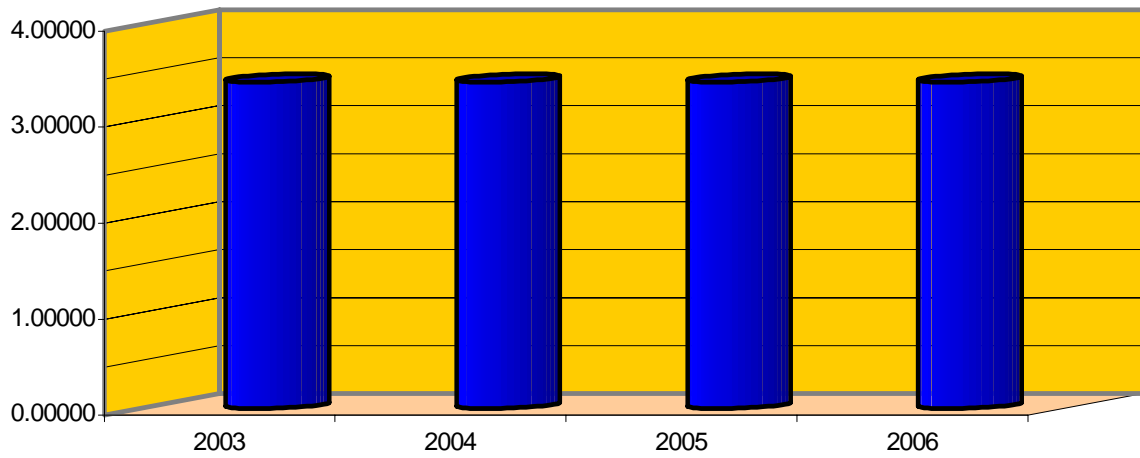
| Class of Property | Number of Parcels | Just Value | Assessed Value | Exempt | Taxable Value | Taxable Value Per Parcel |
|-----------------------------|-------------------|-------------------------|-------------------------|-----------------------|-------------------------|--------------------------|
| Residential Vacant Land | 24,854 | \$ 1,056,826,169 | \$ 1,056,684,784 | \$ 230,207 | \$ 1,056,454,577 | \$ 42,506 |
| Residential Single Family | 23,785 | 3,747,814,302 | 3,093,577,767 | 491,891,054 | 2,601,686,713 | 109,384 |
| Residential Mobile Homes | 24 | 1,817,172 | 1,011,769 | 269,786 | 741,983 | 30,916 |
| Residential Other | 1,846 | 289,960,365 | 276,594,620 | 16,494,087 | 260,100,533 | 140,900 |
| Commercial Vacant Land | 216 | 57,801,575 | 57,801,575 | 67,448 | 57,734,127 | 267,288 |
| Commercial Other | 234 | 244,545,566 | 244,545,566 | 6,189,327 | 238,356,239 | 1,018,616 |
| Industrial Vacant Land | 11 | 1,554,339 | 1,554,339 | | 1,554,339 | 141,304 |
| Industrial Other | 38 | 36,062,480 | 36,062,480 | | 36,062,480 | 949,013 |
| Agriculture | 37 | 7,240,989 | 1,064,141 | | 1,064,141 | 28,761 |
| Institutional | 34 | 36,470,253 | 36,470,253 | 30,113,490 | 6,356,763 | 186,964 |
| Government | 277 | 189,284,385 | 189,284,385 | 185,513,149 | 3,771,236 | 13,615 |
| Other Real Property | 585 | 52,762,307 | 52,762,307 | 6,044,218 | 46,718,089 | 79,860 |
| Personal Property | - | 220,458,993 | 220,458,993 | 103,602,800 | 116,856,193 | |
| Centrally Assessed Property | - | 3,178,190 | 3,178,190 | | 3,178,190 | |
| TOTAL | 51,941 | \$ 5,945,777,085 | \$ 5,271,051,169 | \$ 840,415,566 | \$ 4,430,635,603 | \$ 85,301 |

PROPERTY VALUE AND MILLAGE RATES

ASSESSED VALUE



MILLAGE RATES

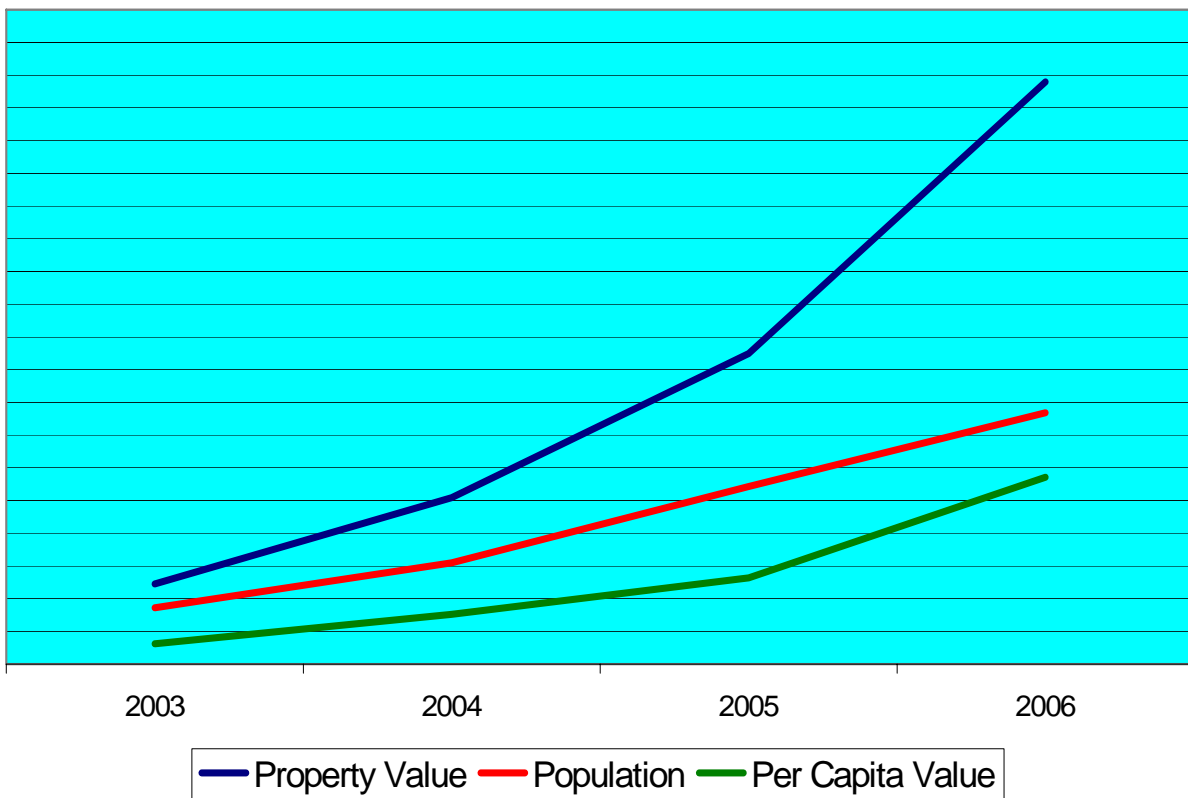




This page intentionally left blank.

PROPERTY VALUE PER CAPITA

| Year | Property Value | Percent Change | Population | Percent Change | Property Value Per Resident | Percent Change |
|------|------------------|----------------|------------|----------------|-----------------------------|----------------|
| 2001 | \$ 1,594,214,203 | | 32,732 | | \$ 48,705 | |
| 2002 | 1,773,378,865 | 11.24% | 35,443 | 8.28% | 50,035 | 2.73% |
| 2003 | 1,983,740,628 | 11.86% | 38,348 | 8.20% | 51,730 | 3.39% |
| 2004 | 2,404,239,111 | 21.20% | 42,850 | 11.74% | 56,108 | 8.46% |
| 2005 | 3,107,581,090 | 29.25% | 50,484 | 17.82% | 61,556 | 9.71% |
| 2006 | 4,430,635,603 | 42.58% | 57,885 | 14.66% | 76,542 | 24.35% |

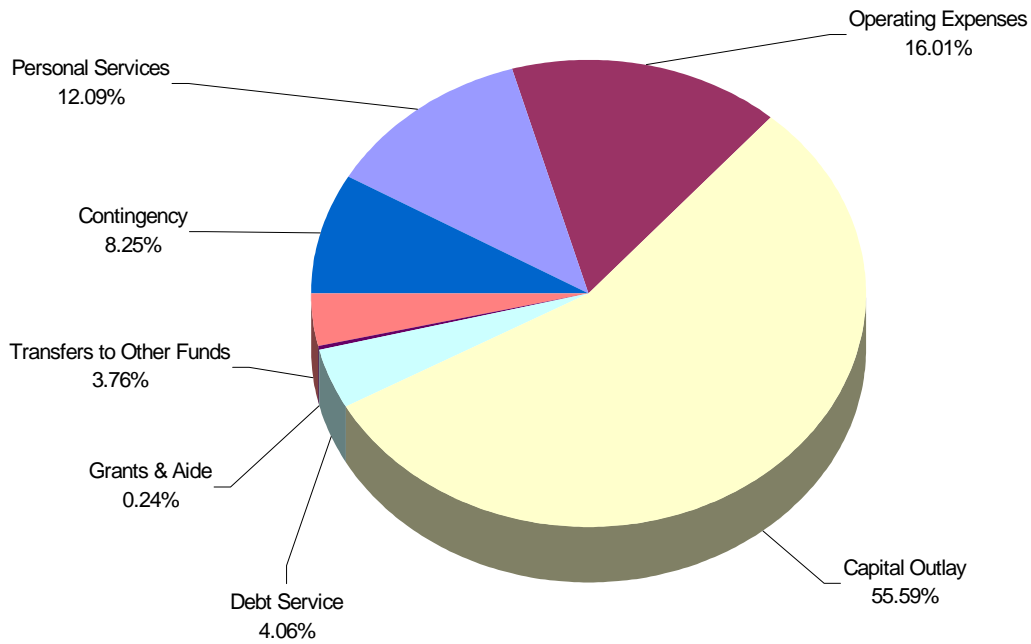


This graph illustrates that property value in Palm Coast is experiencing strong growth. Using fiscal year 2003 as the base year it also shows that per capita value is growing at a slower pace. This means that most of the growth is related to residential development. A balanced property tax base would have property value and per capita value growing at about the same rate.

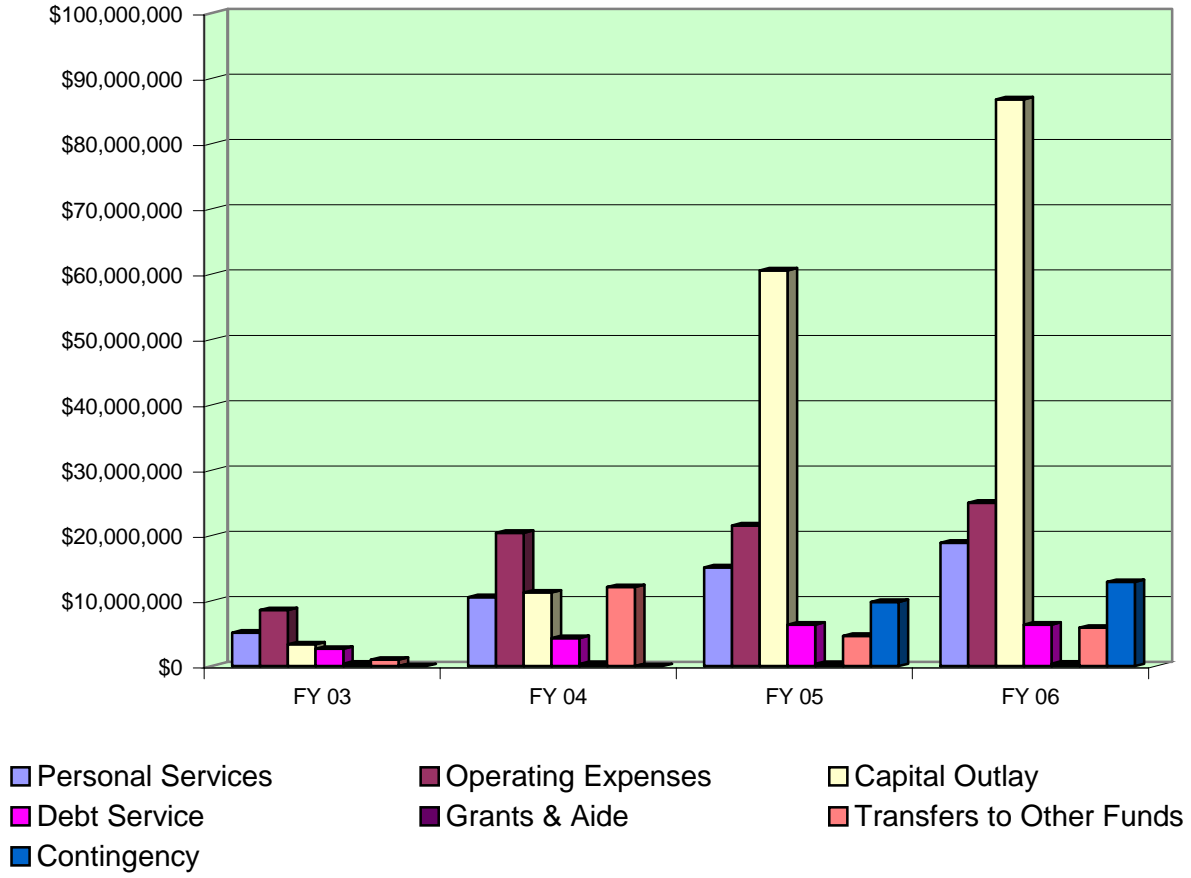
EXPENDITURES BY CATEGORY

| CATEGORY | Actual FY 03 | Actual FY 04 | Estimated FY 05 | Proposed FY 06 |
|-------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| Personal Services | \$ 5,124,596 | \$ 10,550,641 | \$ 15,107,365 | \$ 18,877,924 |
| Operating Expenses | 8,562,418 | 20,414,974 | 21,535,447 | 24,996,204 |
| Capital Outlay | 3,322,945 | 11,260,891 | 60,587,685 | 86,813,640 |
| Debt Service | 2,631,970 | 4,273,530 | 6,338,073 | 6,346,673 |
| Grants & Aide | 355,991 | 308,090 | 338,900 | 374,060 |
| NonOperating Expenses | - | - | - | - |
| Transfers to Other Funds | 983,622 | 12,094,436 | 4,623,343 | 5,871,701 |
| Contingency | - | - | 9,828,657 | 12,890,895 |
| TOTAL | 20,981,542 | 58,902,562 | 118,359,470 | 156,171,097 |
| Less: Interfund Transfers | 1,557,822 | 13,262,436 | 6,192,833 | 9,535,798 |
| NET TOTAL EXPENDITURES | \$ 19,423,720 | \$ 45,640,126 | \$ 112,166,637 | \$ 146,635,299 |

FISCAL YEAR 2006

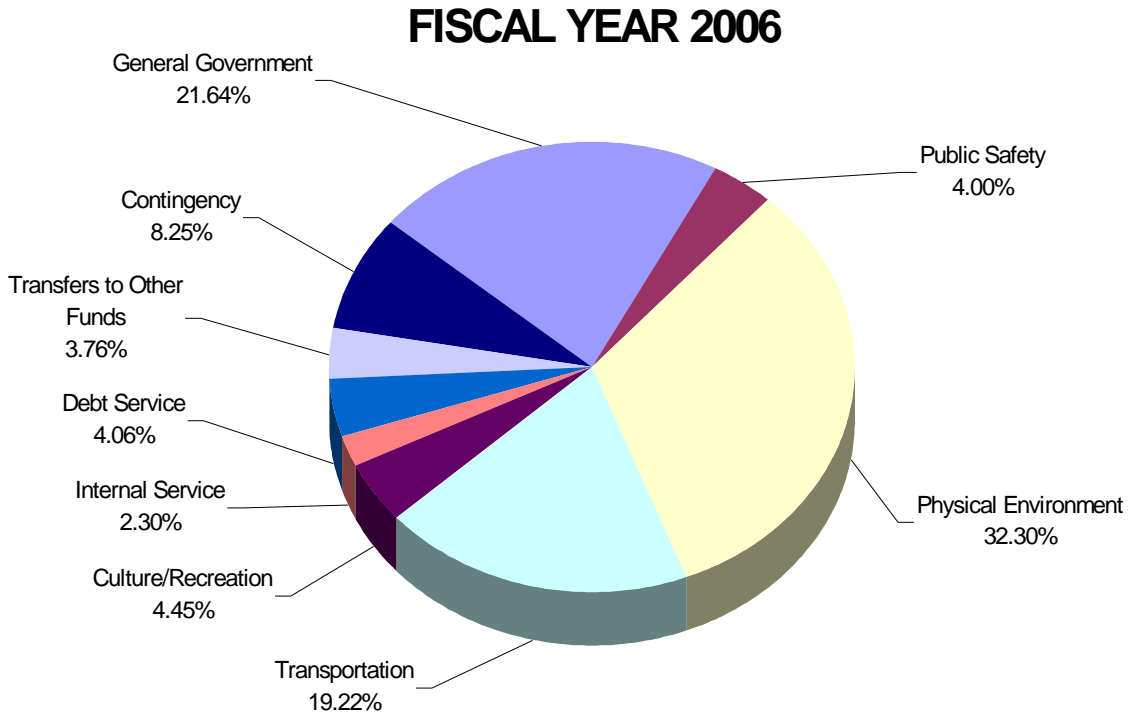


EXPENDITURES BY CATEGORY

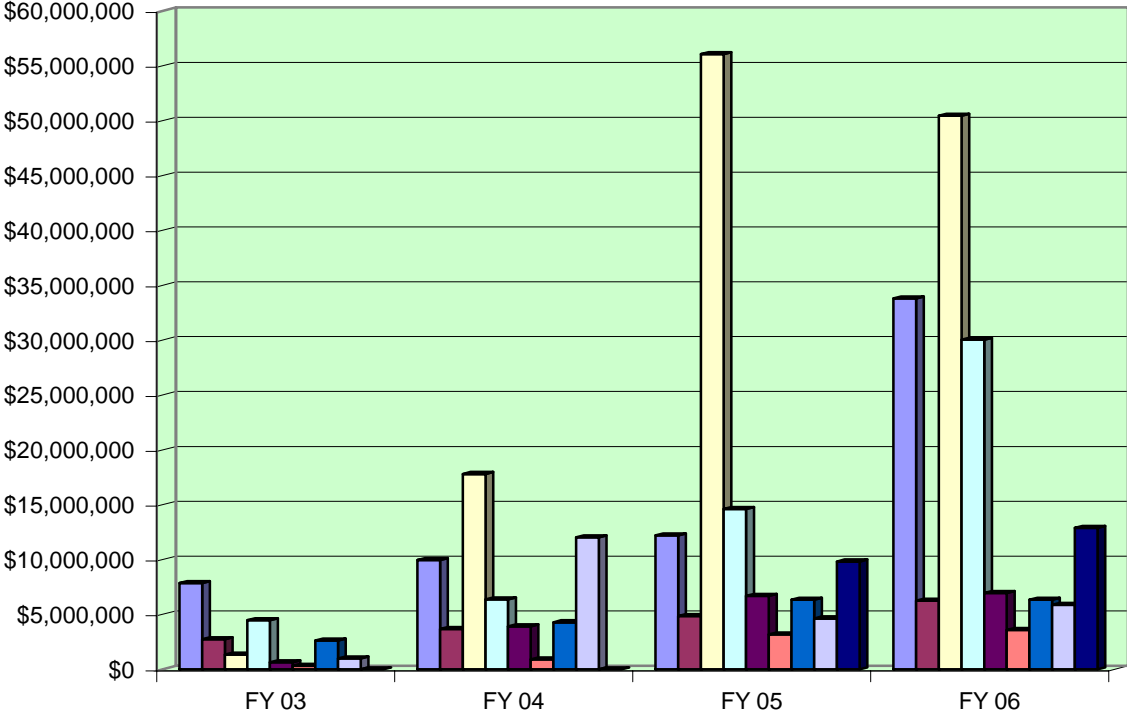


EXPENDITURES BY FUNCTION

| FUNCTION | Actual FY 03 | Actual FY 04 | Estimated FY 05 | Proposed FY 06 |
|-------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| General Government | \$7,866,654 | \$9,957,511 | \$12,196,950 | \$33,798,734 |
| Public Safety | 2,736,865 | 3,666,150 | 4,839,117 | 6,245,891 |
| Physical Environment | 1,343,597 | 17,804,255 | 56,061,967 | 50,448,791 |
| Transportation | 4,454,786 | 6,370,234 | 14,596,507 | 30,021,255 |
| Culture/Recreation | 637,181 | 3,908,486 | 6,691,136 | 6,949,199 |
| Internal Service | 326,866 | 899,260 | 3,183,720 | 3,597,958 |
| Debt Service | 2,631,970 | 4,273,530 | 6,338,073 | 6,346,673 |
| Transfers to Other Funds | 983,622 | 12,023,136 | 4,623,343 | 5,871,701 |
| Contingency | - | - | 9,828,657 | 12,890,895 |
| TOTAL | 20,981,541 | 58,902,562 | 118,359,470 | 156,171,097 |
| Less: Interfund Transfers | 1,557,822 | 13,262,436 | 6,192,833 | 9,535,798 |
| NET TOTAL EXPENDITURES | \$ 19,423,719 | \$ 45,640,126 | \$ 112,166,637 | \$ 146,635,299 |



EXPENDITURES BY FUNCTION



- General Government
- Public Safety
- Physical Environment
- Transportation
- Culture/Recreation
- Internal Service
- Debt Service
- Transfers to Other Funds
- Contingency

PERSONNEL BY DEPARTMENT

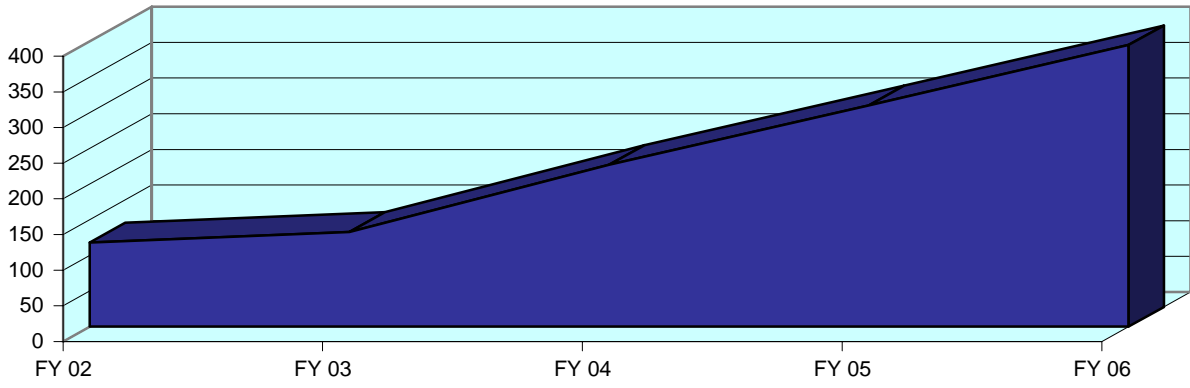
| DEPARTMENT | FY 02 | FY 03 | FY 04 | FY 05 | PROPOSED FY 06 | CHANGE |
|---|---------------|---------------|---------------|---------------|-------------------|--------------|
| GENERAL FUND | | | | | | |
| Mayor and Council | - | - | - | - | - | - |
| City Manager | 2.00 | 2.00 | 3.50 | 3.50 | 3.50 | - |
| Community Relations | - | - | - | 3.00 | 4.00 | 1.00 |
| City Attorney | - | - | - | - | - | - |
| City Clerk | 1.00 | 1.00 | 1.00 | 3.00 | 4.00 | 1.00 |
| General Services | 9.75 | 9.00 | 10.00 | 15.00 | 16.00 | 1.00 |
| Information Technology and Communications | - | 1.00 | 2.00 | 7.00 | 12.00 | 5.00 |
| Planning and Zoning | 29.15 | 22.95 | 16.00 | 14.00 | 16.50 | 2.50 |
| Building and Code Administration | - | 4.00 | 20.80 | 54.50 | 53.50 | (1.00) |
| Fire | 30.00 | 33.00 | 36.00 | 37.00 | 41.00 | 4.00 |
| Law Enforcement | - | - | - | - | 1.00 | 1.00 |
| Public Works | 36.00 | 34.00 | 34.00 | 37.00 | 54.00 | 17.00 |
| Recreation & Parks | 10.13 | 15.13 | 17.13 | 23.03 | 31.63 | 8.60 |
| Engineering | - | 8.60 | 15.60 | 10.00 | 14.00 | 4.00 |
| TOTAL GENERAL FUND | 118.03 | 130.68 | 156.03 | 207.03 | 251.13 | 44.10 |
| UTILITY FUND | - | - | 67.00 | 81.00 | 99.00 | 18.00 |
| SOLID WASTE FUND | - | - | - | 2.00 | 2.00 | - |
| STORMWATER MANAGEMENT FUND | - | - | - | 16.00 | 17.00 | 1.00 |
| FLEET MANAGEMENT FUND | - | 2.00 | 4.00 | 4.00 | 5.00 | 1.00 |
| FULL-TIME EQUIVALENT POSITIONS | 118.03 | 132.68 | 227.03 | 310.03 | 374.13 | 64.10 |

PERSONNEL BY DEPARTMENT PER 1,000 POPULATION

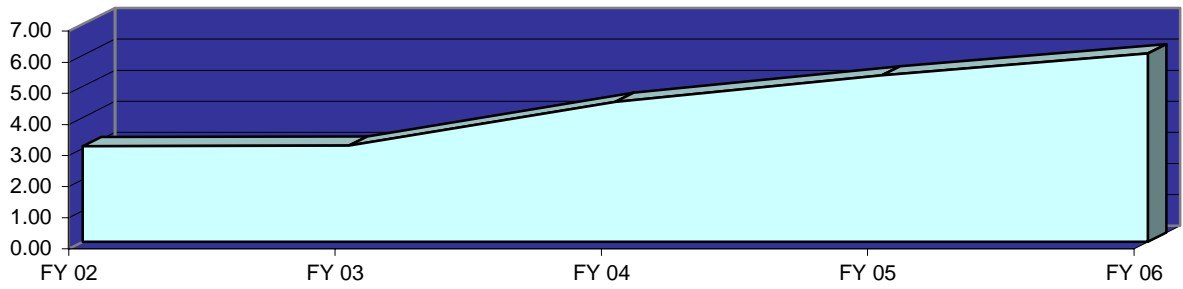
| DEPARTMENT | FY 02 | FY 03 | FY 04 | FY 05 | PROPOSED FY 06 |
|--|-------------|-------------|-------------|-------------|-------------------|
| Population | 38,348 | 42,850 | 50,484 | 57,885 | 65,018 |
| GENERAL FUND | | | | | |
| Mayor and Council | - | - | - | - | - |
| City Manager | 0.05 | 0.05 | 0.07 | 0.06 | 0.05 |
| Community Relations | - | - | - | 0.05 | 0.06 |
| City Attorney | - | - | - | - | - |
| City Clerk | 0.03 | 0.02 | 0.02 | 0.05 | 0.06 |
| General Services | 0.25 | 0.21 | 0.20 | 0.26 | 0.25 |
| Information Technology and Communication | - | 0.02 | 0.04 | 0.12 | 0.18 |
| Development Services | 0.76 | 0.54 | 0.32 | 0.24 | 0.25 |
| Building and Code Administration | - | 0.09 | 0.41 | 0.94 | 0.82 |
| Fire | 0.78 | 0.77 | 0.71 | 0.64 | 0.63 |
| Law Enforcement | - | - | - | - | 0.02 |
| Public Works | 0.94 | 0.79 | 0.67 | 0.64 | 0.83 |
| Recreation & Parks | 0.26 | 0.35 | 0.34 | 0.40 | 0.49 |
| Engineering | - | 0.20 | 0.31 | 0.17 | 0.22 |
| TOTAL GENERAL FUND | 3.07 | 3.04 | 3.09 | 3.57 | 3.86 |
| UTILITY FUND | - | - | 1.33 | 1.40 | 1.52 |
| SOLID WASTE FUND | - | - | - | 0.03 | 0.03 |
| STORMWATER UTILITY FUND | - | - | - | 0.28 | 0.26 |
| FLEET MANAGEMENT FUND | - | 0.05 | 0.08 | 0.07 | 0.08 |
| FULL-TIME EQUIVALENT POSITIONS | 3.07 | 3.09 | 4.50 | 5.35 | 5.75 |

PERSONNEL

TOTAL



PER 1,000 POPULATION



PERSONNEL PAY PLAN

This plan has a salary range established for each position in the City with the exception of the City Manager. An annual adjustment will be made to the pay plan each year on January 1, based on the Consumer Price Index (CPI). This year's budget uses an estimated adjustment of 2.5% for the nine months from January 1 to September 30. It also uses an estimated average of 4% for merit increases.

Below is the pay scale for FY2005. The amounts shown are annual salaries. In the detail section of this budget there is a Personnel Roster for each department. The pay grade for each position is shown on this roster.

| Grade | Minimum | Maximum | Grade | Minimum | Maximum |
|-------|-----------|-----------|-------|-----------|-----------|
| 101 | \$ 14,098 | \$ 21,849 | 119 | \$ 33,947 | \$ 52,621 |
| 102 | 14,811 | 22,953 | 120 | 35,649 | 55,266 |
| 103 | 15,548 | 24,103 | 121 | 37,442 | 58,026 |
| 104 | 16,329 | 25,322 | 122 | 39,305 | 60,924 |
| 105 | 17,158 | 26,587 | 123 | 41,260 | 63,967 |
| 106 | 18,008 | 27,921 | 124 | 43,330 | 67,157 |
| 107 | 18,906 | 29,301 | 125 | 45,492 | 70,515 |
| 108 | 19,848 | 30,772 | 126 | 47,770 | 74,034 |
| 109 | 20,837 | 32,291 | 127 | 50,161 | 77,760 |
| 110 | 21,872 | 33,900 | 128 | 52,668 | 81,624 |
| 111 | 22,976 | 35,602 | 129 | 55,313 | 85,740 |
| 112 | 24,126 | 37,397 | 130 | 58,073 | 90,018 |
| 113 | 25,322 | 39,260 | 131 | 60,972 | 94,503 |
| 114 | 26,587 | 41,215 | 132 | 64,019 | 99,241 |
| 115 | 27,921 | 43,285 | 133 | 67,226 | 104,209 |
| 116 | 29,324 | 45,446 | 134 | 70,584 | 109,407 |
| 117 | 30,796 | 47,723 | 135 | 74,104 | 114,968 |
| 118 | 32,337 | 50,115 | 136 | 77,806 | 120,607 |

LONG-TERM DEBT

The City of Palm Coast has limited debt, both because of City Charter restrictions and a pay-as-you-go philosophy of the City Council. The City Charter states that “unfunded multiyear contracts, the repayment of which: extends in excess of 36 months; or exceeds \$15 million” must be approved by the electorate of the City.

The rate covenant for the Utility System Revenue Bonds provides that net revenues must be sufficient to pay 110% of the bond service requirement for the year or 105% and 120% when impact fees are included.

The City has no other legal debt limits.

Long-Term Debt Outstanding

| Issue | Final Maturity | Original Amount | Principal Outstanding At 09/30/2005 |
|------------------------------|-------------------|----------------------|---|
| Loans (CDBG, SRF) | 2011 | \$ 556,183 | \$ 322,517 |
| Utility System Revenue Bonds | 2033 | 96,650,000 | 96,650,000 |
| Capital Leases | 2006 | 116,901 | 27,032 |
| Totals | | <u>\$ 97,323,084</u> | <u>\$ 96,999,549</u> |

Total Long-Term Debt

| Year | Principal | Interest | Total |
|-----------|----------------------|----------------------|-----------------------|
| 2006 | \$ 1,951,737 | \$ 4,418,283 | \$ 6,370,020 |
| 2007 | 1,970,361 | 4,413,412 | 6,383,773 |
| 2008 | 1,972,748 | 4,373,123 | 6,345,871 |
| 2009 | 1,991,150 | 4,333,203 | 6,324,353 |
| 2010 | 2,037,623 | 4,286,765 | 6,324,388 |
| 2011-2015 | 11,015,930 | 20,448,560 | 31,464,490 |
| 2016-2020 | 13,670,000 | 17,763,527 | 31,433,527 |
| 2021-2025 | 17,610,000 | 13,828,702 | 31,438,702 |
| 2026-2030 | 22,490,000 | 8,946,102 | 31,436,102 |
| 2031-2034 | 22,290,000 | 2,854,500 | 25,144,500 |
| Totals | <u>\$ 96,999,549</u> | <u>\$ 85,666,177</u> | <u>\$ 182,665,726</u> |