

# **EXECUTIVE SUMMARY**

# 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 FIVE YEAR GOALS AND OBJECTIVES 2006-2010**

## **COMMUNITY CONFIDENCE**

- ❖ Ensure all City Actions Meet a High Standard of Public Trust
  - Provide Training to all Officials and Staff on Ethics and Acceptable Standards of Performance
  - Seek to Receive Awards for Which the City is Eligible
- ❖ Establish by Policy and Practice Active Community Engagement as Citizen Input
  - Conduct Regular Surveys via the Utility Bills
  - Establish Citizen's Advisory Committee on Community Centers
  - Establish Timely Transmittal of City Documents to the Library
  - Institute/Maintain Active Community Outreach & Engagement Programs
  - Keep Information Current Within One Week on Website to Ensure Correct Timely Information
- ❖ Maintain a High Level of Customer Satisfaction
  - Continue Customer Service Training or Equivalent
  - Improve Citizen Satisfaction Scores on Annual Citizens Survey
  - Reduce Citizen Complaints
- ❖ Ensure all City Actions Meet a High Standard of Public Trust
  - Initiate a Council of Governments in Flagler County
  - Seek to Receive Awards for Which the City is Eligible
- ❖ Establish by Policy and Practice Active Community Engagement as Citizen Input
  - Establish Citizen's Advisory Committee on Beautification
  - Institute/Maintain Active Community Outreach & Engagement Programs

## **COMMUNITY QUALITY**

- ❖ Develop Growth Management Options
  - Adopt Growth Management Practices Which Enhance the Quality of Life in the City
- ❖ Enhance Recreation and Leisure
  - Expand Recreation and Aquatic Programs and Special Events
  - Expand the # of Tennis Courts Available for Public Use (Include Clay Courts)
  - Expand Trails System
  - Open a Public Access Golf Course
  - Open Additional Marina Slips and Boat Launch for Public Use
  - Increase Boat Access for Public
- ❖ Expand Open Space
  - Continue Land Acquisition Programs
- ❖ Expand Services for Seniors
  - Encourage Development of "Life Care" Senior Communities
  - Establish a Community Center Citizen's Committee to Examine Options and Approaches
- ❖ Expanded Arts and Culture
  - Implement and Expand Cultural Arts Grant Program
  - Promote an Arts Site at Town Center
  - Support and Enhance Programming at the Florida Agricultural Museum

# **CITY COUNCIL FIVE YEAR GOALS AND OBJECTIVES 2006-2010**

- ❖ Improve Mobility and Transportation
  - Continue Sidewalk Program
  - Develop Increased Public Transportation Capacity
  - Maintain Sign Visibility
  - Provide Sidewalk Maintenance
- ❖ Maintain & Enhance the Visual Attractiveness and Distinctiveness of the City
  - Enforce High Level of Code Enforcement Efforts
  - Maintain Aesthetic Appearance of Rights of Way
  - Maintain and Enhance Selected Medians and Rights of Way Within the City
  - Maintain and Improve the Appearance of City Facilities
  - Maintain Neighborhood and Interchange Signs
  - Complete Decorative Lighting
- ❖ Maintain a Range of Housing Options
  - Encourage Cluster Zoning to Increase Green Space and Promote More Efficient Land Use
  - Encourage Mixed Use Developments In Selected Sites
  - Identify Range of Tools Such as Inclusionary Zoning, Land Trusts, Mitigation Fees, Mortgage Buy-Downs and others
  - Provide Zoning to Encourage Apartment Communities in Appropriate Sites
- ❖ Maintain a Safe Community
  - Decide on Establishment of City Police Force
  - Enhance Fire & Rescue Services
  - Expand City Wide Lighting (Non-Parkways)
  - Increase and Maintain Traffic Enforcement
  - Keep Roadway Safe for Travelers
  - Maintain Disaster Response Readiness

## **EFFICIENT AND EFFECTIVE GOVERNMENT**

- ❖ Ensure Policies, Procedures, Regulations & Technologies are up to date
  - Update & Improve Information & Communication Technology System
  - Update Policies & Procedures
- ❖ Increase the Effectiveness of Public Services
  - Continue Performance Management System
  - Enhance Staff Qualifications and Credentials
  - Increase Effectiveness of Community Development
  - Increase Effectiveness of Customer Services
  - Increase Effectiveness of Engineering Services
  - Increase Effectiveness of Financial Services & Purchasing Services
  - Increase Effectiveness of Fleet Maintenance

# **CITY COUNCIL FIVE YEAR GOALS AND OBJECTIVES 2006-2010**

- Increase Effectiveness of Human Resources
- Increase Effectiveness of Occupational Licensing
- Increase Effectiveness of Records Management
- Increase Effectiveness of Stormwater Services
- Increase Effectiveness of Utility Services
- Increase the Effectiveness of BCAD
- Provide Accurate & Timely Services to Advisory Boards and Council
- ❖ Maintain & Improve Public Infrastructure
  - Continue Road resurfacing Program
  - Ensure the Capital Projects Program is Implemented Effectively & Efficiently
  - Improve Capacity of Utility System
  - Improve Stormwater Facilities
  - Maintain Swales
  - Maintain Utility System
- ❖ Simplify Public Service Delivery
  - Use Technology and Automation to Improve Delivery of Departmental Services

## **ECONOMIC OPPORTUNITY AND FINANCIAL VIABILITY**

- ❖ Continue Business Retention and Attraction Efforts
  - Continue Targeted Retirement Strategy to Maintain Retirement as Part of the Economy
  - Facilitate More Economically Diverse Retail Development
  - Provide Status report on Impact of Business Development Investment and Evaluate Contribution to Enterprise Flagler
- ❖ Continue Targeted Annexation to Provide Business Growth Sites/ Enhanced Property Values
  - Pursue Annexations That Enhance Tax Base & Square off Boundaries
  - Review Annexation Policy With Respect to County Plans and Utility Service Area Agreement
- ❖ Foster Development of an Aquatic Center
  - Pursue the Development of an Aquatic Center

# **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 balanced 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 a period longer 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 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**

February 10, 2006	Budget process initiated by Finance.
March 3	MUNIS budget system opened for Department line-item entries.
March 10	FY 2007 Revenue Estimates prepared by Finance.
March 13	Departments submit additional personnel/program requests for FY 2007.
March 13	Departments submit fleet and technology requests for FY 2007.
March 20	Capital Improvement Program project requests submitted to Finance. (MUST BE IN CONFORMANCE WITH COMP PLAN)
April 3	MUNIS budget system closed for Department line-item entries. Note: Personal services/internal transfers will be projected by Finance.
April 10 - 21	Finance reviews budget requests and Capital Improvement Program (CIP) with department heads. (COPY OF CIP SENT TO DEVELOPMENT SERVICES FOR COMP PLAN REVIEW)
May 1	Finance submits the preliminary budget to the City Manager and department heads.
May 8 - 19	City Manager meets with department heads to discuss departmental needs and requests, including the Capital Improvement Program.
July 18	Proposed Budget and Budget Message presented to Council by City Manager.
July 18	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 21	Property Appraiser distributes "Trim Notices" with date and time of first Public Hearing on Millage Rate.
September 5	Public Hearing to tentatively adopt Millage Rate and Budget. (FINAL ADOPTION MUST BE ADVERTISED WITHIN 15 DAYS).
September 16	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).

## **OPERATING BUDGET CALENDAR**

September 19	Public Hearing to adopt final Millage Rate Resolution and Budget Resolution.
September 22	Forward a copy of the Millage Rate Resolution to the Property Appraiser and the Tax Collector.
October 19 Last Day	Certificate of Conformance sent to State. (MUST BE DONE WITHIN 30 DAYS OF FINAL ADOPTION).

## **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 2007 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 2007 will be 16.8%.

### **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 \$8.6 million. The General Fund is expected to decrease by \$3.6 million due to capital expenditures and one-time transfers to some special revenue funds. The Streets Improvement Fund, Park Impact Fee Fund, Fire Impact Fee Fund, Transportation Impact Fee Fund, and the Capital Projects Fund are all expected to have fund balance decrease due to construction of projects scheduled for fiscal year 2007. The Utility Capital Projects Fund is expected to increase because of bond proceeds and impact fee revenues. Projects are scheduled for fiscal years 2008 and 2009 which will reduce the balance.

## COMPUTATION OF ESTIMATED FUND BALANCES

Fund Title	Available Fund Balance 09/30/2005	Estimated Fund Balance 09/30/2006	Contingency (Appropriated Fund Equity) 10/01/2006	Estimated Fund Balance 09/30/2007
General Fund	\$ 9,168,444	\$ 9,411,012	\$ (3,860,854)	\$ 5,550,158
Police Education Fund	28,836	35,489	-	35,489
Police Automation Fund	-	26,700	-	26,700
Disaster Reserve Fund	793,827	1,151,694	-	1,151,694
Recycling Revenue Fund	119,031	171,150	23,500	194,650
Streets Improvement Fund	1,363,348	1,041,589	(961,600)	79,989
Park Impact Fee Fund	3,821,570	2,795,676	(850,700)	1,944,976
Fire Impact Fee Fund	2,299,860	437,235	(318,740)	118,495
Development Special Projects Fund	501,596	262,122	10,000	272,122
Transportation Impact Fee Fund	6,894,749	12,475,596	(8,682,500)	3,793,096
SR100 Community Redevelopment Fund	-	5,504	98,664	104,168
Capital Projects Fund	2,656,158	2,342,594	(2,279,454)	63,140
Utility Fund	9,473,324	4,193,200	118,284	4,311,484
Utility Capital Projects Fund	7,733,922	7,467,750	9,854,931	17,322,681
Solid Waste Fund	-	-	52,327	52,327
Stormwater Management Fund	-	1,300,000	(867,821)	432,179
Fleet Management Fund	-	816,660	13,573	830,233
Total	\$ 44,854,665	\$ 43,933,971	\$ (7,650,390)	\$ 36,283,581

## BUDGET SUMMARY

Fund Type	Estimated Revenue	Operating Expenditures & Contingency	Capital Expenditures	Operating Transfers	Total Expenditures
General Fund	\$ 33,191,124	\$ 28,424,164	\$ 1,381,255	\$ 3,385,705	\$ 33,191,124
Special Revenue Funds					
Police Education Fund	8,700	8,700	-	-	8,700
Police Automation Fund	34,000	34,000	-	-	34,000
Disaster Reserve Fund	540,000	540,000	-	-	540,000
Recycling Revenue Fund	64,500	64,500	-	-	64,500
Streets Improvement Fund	6,825,000	-	6,825,000	-	6,825,000
Park Impact Fee Fund	4,394,000	-	4,394,000	-	4,394,000
Fire Impact Fee Fund	965,000	-	965,000	-	965,000
Development Special Projects Fund	10,000	10,000	-	-	10,000
Transportation Impact Fee Fund	38,250,000	-	38,250,000	-	38,250,000
SR100 Community Redevelopment Fu	2,198,664	198,664	2,000,000	-	2,198,664
Capital Projects Fund	9,467,876	200,000	9,250,000	17,876	9,467,876
Sub-Total	62,757,740	1,055,864	61,684,000	17,876	62,757,740
Enterprise Funds					
Utility Fund	27,127,421	22,581,677	2,348,550	2,197,194	27,127,421
Utility Capital Projects Fund	64,198,669	9,854,931	52,421,488	1,922,250	64,198,669
Solid Waste Fund	4,572,100	4,572,100	-	-	4,572,100
Stormwater Utility Fund	8,207,521	4,127,221	4,080,300	-	8,207,521
Sub-Total	104,105,711	41,135,929	58,850,338	4,119,444	104,105,711
Internal Service Funds					
Fleet Management Fund	4,012,039	1,535,708	2,302,109	174,222	4,012,039
Sub-Total All Funds	204,066,614	\$ 72,151,665	\$ 124,217,702	\$ 7,697,247	204,066,614
Less: Interfund Charges and Transfers	10,280,069				10,280,069
Total	<u>\$ 193,786,545</u>				<u>\$ 193,786,545</u>

# BUDGET SUMMARY

	General Fund	Special Revenue Funds	Enterprise Funds	Internal Service Funds	Total Funds
CASH BALANCES BROUGHT FORWARD	\$ 4,360,854	\$ 13,092,994	\$ 1,235,537	\$ -	\$ 18,689,385
ESTIMATED REVENUES					
TAXES: Millage Per \$1,000					
Ad Valorem Taxes: 3.25000	14,993,100	4,486,300	-	-	19,479,400
Sales, Use, and Fuel Taxes	-	4,387,000	-	-	4,387,000
Franchise Fees	-	-	20,000	-	20,000
Telecommunication Service Tax	2,231,300	-	-	-	2,231,300
Licenses and Permits	4,943,900	-	290,000	-	5,233,900
Intergovernmental Revenue	47,600	4,971,500	400,000	-	5,419,100
Charges for Services	4,596,330	32,287,060	50,537,190	217,000	87,637,580
Fines & Forfeitures	896,300	41,000	-	-	937,300
Interest Revenue	401,600	672,200	812,065	3,500	1,889,365
Miscellaneous Revenue	33,765	-	75,000	-	108,765
Non Revenues	-	-	-	2,582,822	2,582,822
Transfers from Other Funds	686,375	2,819,686	2,982,469	1,208,717	7,697,247
Proceeds from Debt	-	-	47,753,450	-	47,753,450
Total Revenues and Other Financing Sources	28,830,270	49,664,746	102,870,174	4,012,039	185,377,229
Total Estimated Revenues and Balances	\$ 33,191,124	\$ 62,757,740	\$ 104,105,711	\$ 4,012,039	204,066,614
Less: Interfund Transfers and Charges					10,280,069
Total					\$ 193,786,545
EXPENDITURES/EXPENSES					
General Government	\$ 14,371,336	\$ 800,000	\$ -	\$ -	\$ 15,171,336
Public Safety	7,241,420	5,857,700	-	-	13,099,120
Physical Environment	-	1,081,000	73,898,970	-	74,979,970
Transportation	5,400,871	49,275,000	7,932,025	-	62,607,896
Culture/Recreation	2,291,792	5,594,000	-	-	7,885,792
Internal Service	-	-	-	3,824,244	3,824,244
Debt Service	-	-	7,748,014	-	7,748,014
Transfers to Other Funds	3,385,705	17,876	4,119,444	174,222	7,697,247
Total Expenditures/Expenses	32,691,124	62,625,576	93,698,453	3,998,466	193,013,619
Reserves	500,000	132,164	10,407,258	13,573	11,052,995
Total Appropriated Expenditures and Reserves	\$ 33,191,124	\$ 62,757,740	\$ 104,105,711	\$ 4,012,039	204,066,614
Less: Interfund Transfers and Charges					10,280,069
Total					\$ 193,786,545



# BUDGET SUMMARY

FUND/DEPARTMENT	Actual FY 04	Actual FY 05	Estimated FY 06	Proposed FY 07
General Fund				
Mayor & Council	\$ 64,865	\$ 46,149	\$ 57,398	\$ 69,020
City Manager	319,282	447,937	411,083	505,349
Community Relations	-	466,871	687,006	624,113
City Attorney	271,714	365,183	400,000	399,215
City Clerk	103,595	207,054	259,303	331,808
General Services				
Finance	409,734	786,235	895,146	979,986
Human Resources	480,219	286,612	271,706	412,746
Total General Services	889,953	1,072,847	1,166,852	1,392,732
Information Technology and Communications	417,216	1,258,781	2,245,539	2,628,529
Community Development				
Community Development Administration	278,090	218,825	379,649	219,053
Long Range Planning	-	-	-	623,510
Current Planning	1,067,569	1,020,538	1,141,504	946,863
Total Community Development	1,345,659	1,239,363	1,521,153	1,789,426
Building and Code Administration				
Building Permits & Inspections	4,155,107	2,062,927	2,523,346	2,190,076
Code Enforcement	626,309	968,897	1,275,912	2,049,535
Total Building and Code Administration	4,781,416	3,031,824	3,799,258	4,239,611
Fire	2,546,963	3,142,990	4,265,474	4,888,251
Law Enforcement	1,119,188	1,324,201	1,938,500	2,765,669
Public Works				
Public Works Administration	412,153	369,185	381,339	394,920
Solid Waste	103,977	-	-	-
Streets & Drainage	4,317,412	2,231,728	5,021,187	4,104,948
Facilities Maintenance	299,477	394,561	608,992	660,141
Traffic Engineering	216,532	-	141,281	1,170,803
Total Public Works	5,349,551	2,995,474	6,152,799	6,330,812
Engineering	-	-	548,971	645,881
Recreation and Parks				
Parks/Facilities	483,643	893,611	1,267,211	1,171,462
Recreation/Athletics	538,025	721,119	1,006,648	1,225,630
Total Recreation and Parks	1,021,668	1,614,730	2,273,859	2,397,092
Capital Projects	1,084,808	1,190,639	737,461	804,528
Non-Departmental	1,283,654	1,133,799	2,814,577	3,379,088
Total General Fund	20,599,532	19,537,842	29,279,233	33,191,124

# BUDGET SUMMARY

FUND/DEPARTMENT	Actual FY 04	Actual FY 05	Estimated FY 06	Proposed FY 07
Police Education Fund	-	-	34,700	8,700
Police Automation Fund	-	65,486	26,700	34,000
Disaster Reserve Fund	532,257	892,957	1,535,200	540,000
Recycling Revenue Fund	-	62,209	175,900	64,500
Streets Improvement Fund	1,344,465	2,816,533	5,859,200	6,825,000
Park Impact Fee Fund	2,886,819	1,104,932	8,562,400	4,394,000
Fire Impact Fee Fund	55,000	44,628	2,926,800	965,000
Development Special Projects Fund	24,672	86,642	508,400	10,000
Transportation Impact Fee Fund	-	1,835,941	21,131,180	38,250,000
SR100 Community Redevelopment Fund	-	132,653	1,563,500	2,198,664
Capital Projects Fund	4,777,047	2,141,452	7,932,322	9,467,876
Utility Fund				
Utility Customer Service	962,615	983,249	766,469	917,733
Utility Administration	1,095,977	845,050	1,056,363	1,158,403
Utility Maintenance	89,539	581,151	594,306	703,537
Wastewater Collection	824,333	1,847,654	1,887,368	2,625,964
Wastewater Treatment	2,161,078	1,505,088	1,718,264	1,694,791
Water Plant #1	1,685,351	1,141,319	1,599,355	1,906,536
Water Plant #2	573,372	1,177,868	1,642,383	1,653,770
Water Quality	361,297	472,192	651,427	439,840
Water Distribution	1,791,950	2,609,482	2,882,198	4,613,708
Non-Departmental	17,003,894	8,835,501	9,737,082	11,413,139
Total Utility Fund	26,549,406	19,998,554	22,535,215	27,127,421
Utility Capital Projects Fund	-	1,143,886	54,628,486	64,198,669
Solid Waste Fund	1,234,108	3,732,714	3,497,460	4,572,100
Stormwater Utility Fund	-	1,632,662	11,845,139	8,207,521
Fleet Management Fund	899,260	1,482,844	4,585,978	4,012,039
Total All Funds	58,902,566	56,711,935	176,627,813	204,066,614
Less: Interfund Transfers	13,262,436	5,652,180	8,205,798	10,280,069
Total	\$ 45,640,130	\$ 51,059,755	\$ 168,422,015	\$ 193,786,545

## 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.

<b><u>Revenue Source</u></b>	<b><u>Forecast Methodology</u></b>
Ad Valorem Taxes	Approved millage multiplied by tax roll, less 3.48% 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 43 percent of the City's estimated revenues for fiscal year 2007. Debt proceeds account for another 25 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.

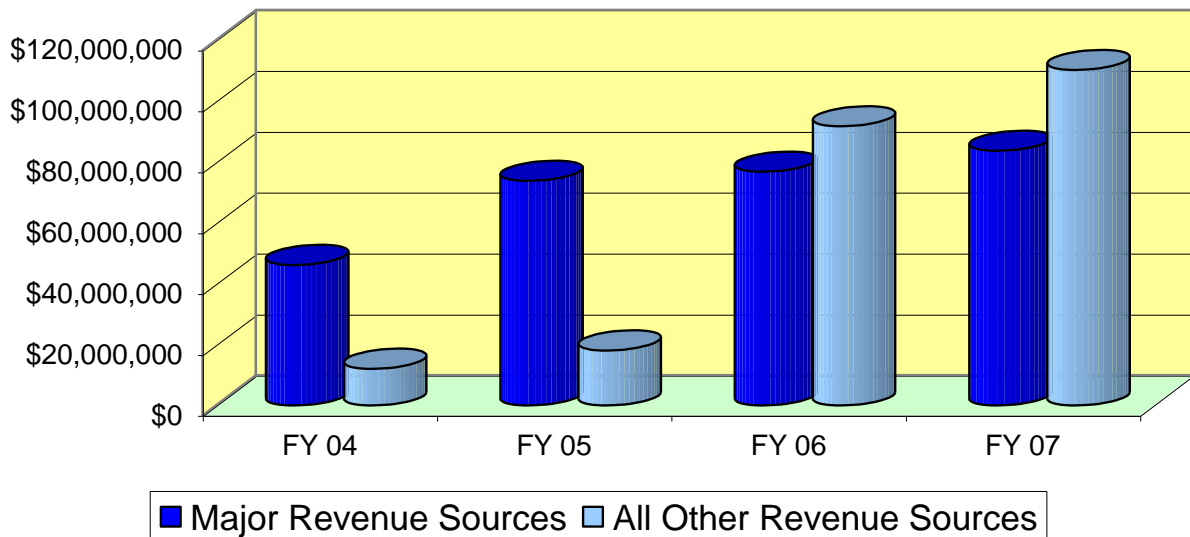
**WATER AND WASTEWATER IMPACT FEES:** Like building permits this revenue source is expected to level off and eventually decline.

**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.

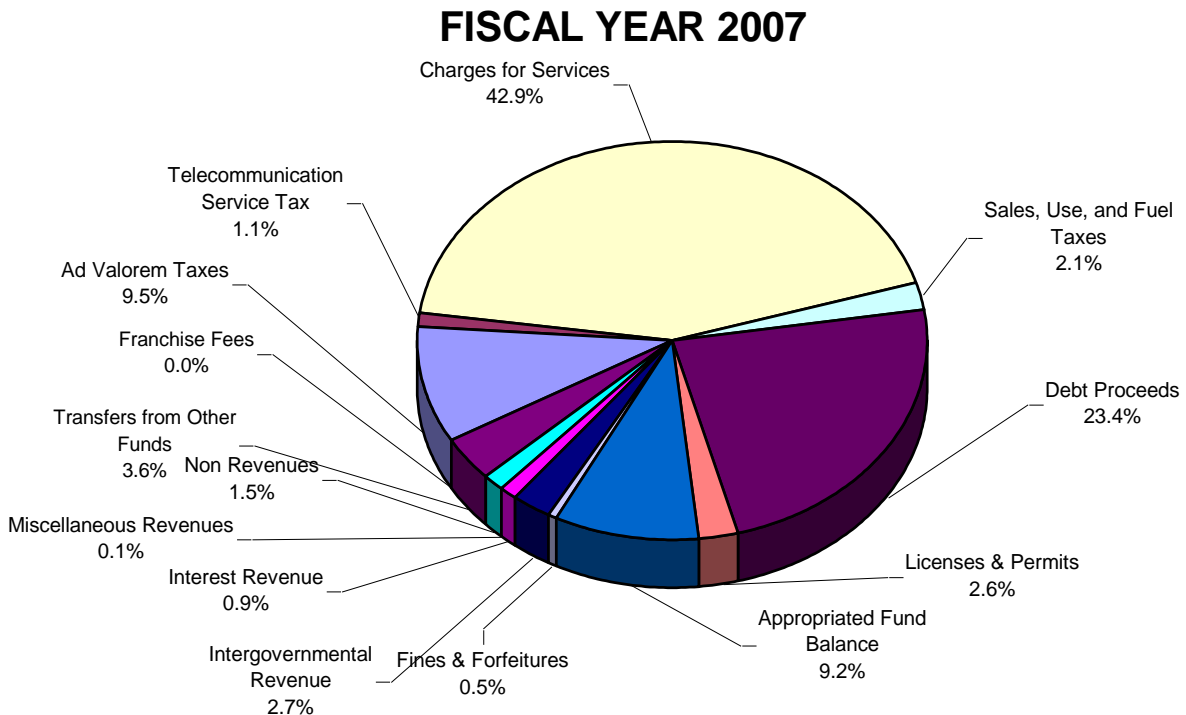
## MAJOR REVENUE SOURCES

SOURCE	Actual FY 04	Actual FY 05	Estimated FY 06	Proposed FY 07
Ad Valorem Taxes	\$7,855,523	\$10,207,899	\$14,512,700	\$19,479,400
Fuel Taxes	1,604,301	1,315,662	1,569,300	1,611,400
Local Infrastructure Surtax	2,000,004	2,649,771	2,177,400	2,747,600
Telecommunication Service Tax	1,757,582	1,980,363	1,714,300	2,231,300
Building Permits	4,817,927	5,038,657	3,464,300	3,814,900
Half-Cent Sales Tax	1,663,020	1,955,536	2,069,400	2,284,900
Transportation Impact Fee	-	10,705,562	10,783,280	8,167,500
Water Sales	8,584,475	12,056,113	10,800,000	13,619,705
Wastewater Charges	6,377,118	7,219,350	6,880,000	8,366,015
Water Impact Fee	6,614,184	8,920,498	6,220,800	5,598,700
Wastewater Impact Fee	3,383,959	6,430,471	9,926,400	7,853,700
Solid Waste Charge	1,450,787	3,667,701	3,426,300	4,552,100
Stormwater Utility Fee	-	1,591,243	3,200,000	3,300,000
All Other Sources	25,273,329	23,681,315	99,883,633	120,439,394
<b>TOTAL</b>	<b>71,382,209</b>	<b>97,420,141</b>	<b>176,627,813</b>	<b>204,066,614</b>
Less: Interfund Transfers	13,262,436	5,652,180	8,205,798	10,280,069
<b>TOTAL NET REVENUE</b>	<b>\$ 58,119,773</b>	<b>\$ 91,767,961</b>	<b>\$ 168,422,015</b>	<b>\$ 193,786,545</b>

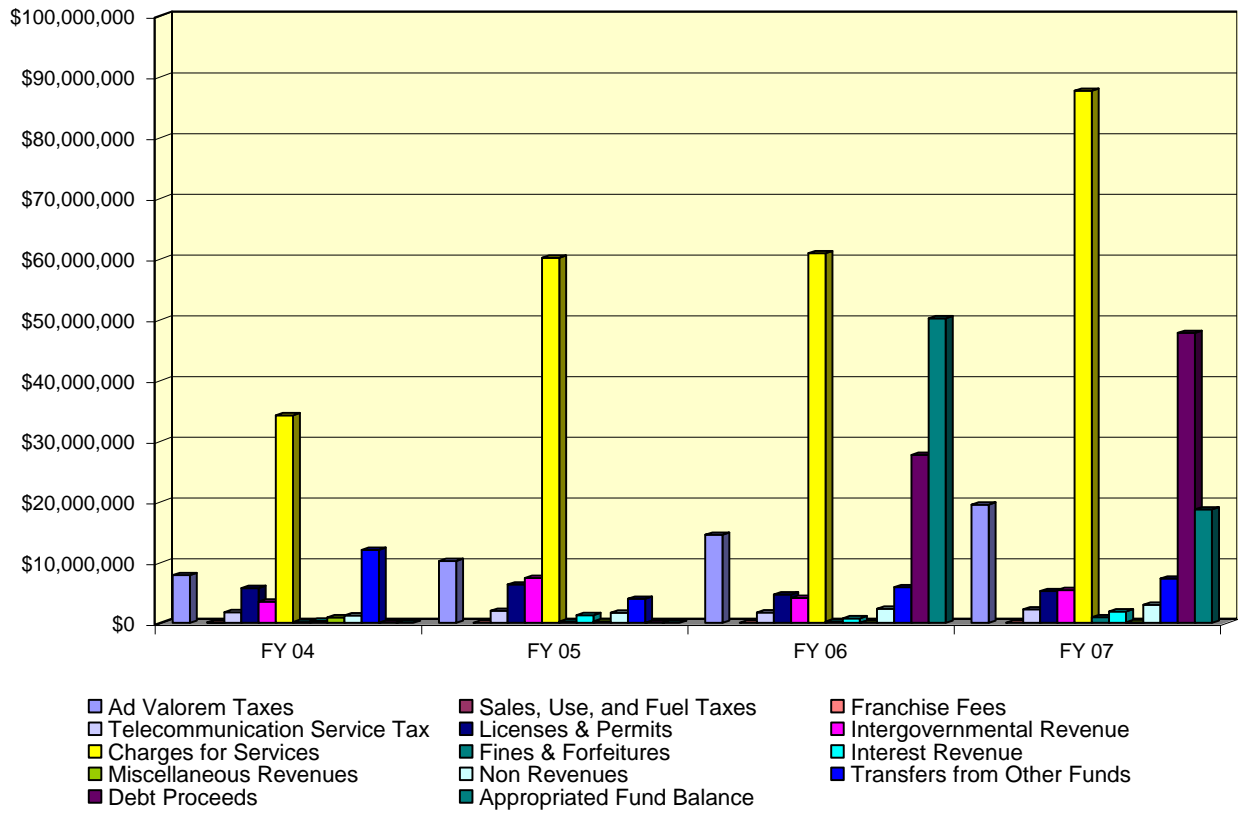


## REVENUES BY SOURCE

SOURCE	Actual FY 04	Actual FY 05	Estimated FY 06	Proposed FY 07
Ad Valorem Taxes	\$ 7,855,523	\$ 10,207,899	\$ 14,512,700	\$ 19,479,400
Sales, Use, and Fuel Taxes	3,604,305	3,965,434	3,746,700	4,387,000
Franchise Fees	79,730	9,651	8,000	20,000
Telecommunication Service Tax	1,757,582	1,980,363	1,714,300	2,231,300
Licenses & Permits	5,744,418	6,318,572	4,686,800	5,233,900
Intergovernmental Revenue	3,501,989	7,388,554	4,106,000	5,419,100
Charges for Services	34,180,598	60,134,178	60,887,761	87,637,580
Fines & Forfeitures	129,910	227,706	212,600	937,300
Interest Revenue	345,700	1,281,348	737,700	1,889,365
Miscellaneous Revenues	920,018	254,256	2,100	108,765
Non Revenues	1,239,300	1,682,228	2,334,097	2,978,822
Transfers from Other Funds	12,023,136	3,969,952	5,871,701	7,301,247
Debt Proceeds	-	-	27,660,655	47,753,450
Appropriated Fund Balance	-	-	50,146,699	18,689,385
<b>TOTAL</b>	<b>71,382,209</b>	<b>97,420,141</b>	<b>176,627,813</b>	<b>\$ 204,066,614</b>
Less: Interfund Transfers	13,262,436	5,652,180	8,205,798	10,280,069
<b>NET TOTAL REVENUE</b>	<b>\$ 58,119,773</b>	<b>\$ 91,767,961</b>	<b>\$ 168,422,015</b>	<b>\$ 193,786,545</b>



## REVENUES BY SOURCE





# PROPERTY INFORMATION

## PROPERTY VALUES, MILLAGE RATES, AND AD VALOREM RECEIPTS FISCAL YEAR 2001 THROUGH FISCAL YEAR 2007

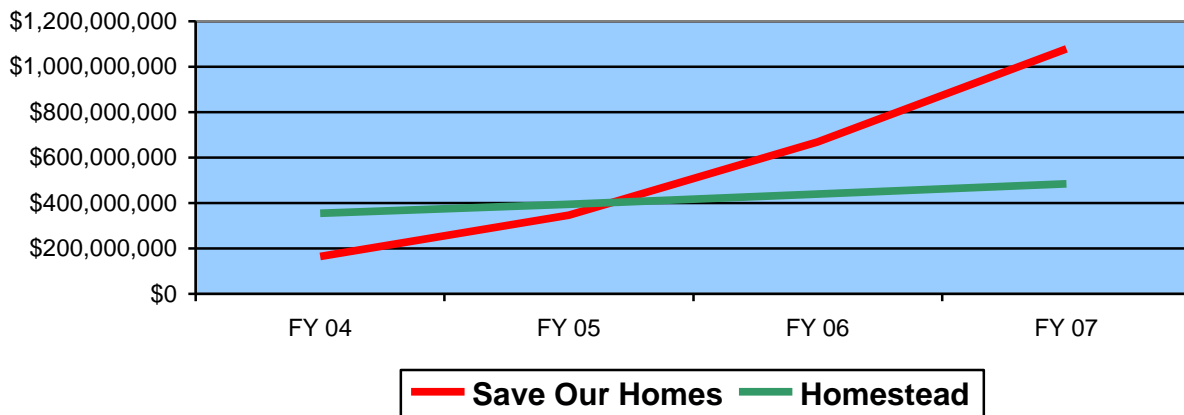
Fiscal Year	Gross Taxable Valuations (1)	Change from Previous Year	% Change	Millage Levy	Change from Previous Year	% Change	Ad Valorem Tax Revenues	Change from Previous Year	% Change
2007	\$ 6,197,476,311	\$ 1,752,621,383	39.43%	3.25000	-0.15000	-4.41%	\$ 19,479,400	\$4,966,700	34.22%
2006	\$ 4,444,854,928	\$ 1,337,273,838	43.03%	3.40000	0.00000	0.00%	\$ 14,512,700	\$4,304,801	42.17%
2005	3,107,581,090	703,341,979	29.25%	3.40000	0.00000	0.00%	10,207,899	2,352,376	29.95%
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, 2006

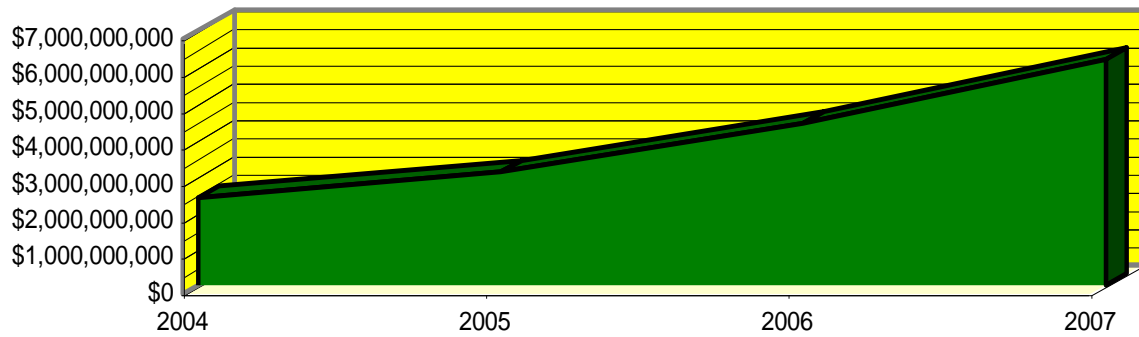
Class of Property	Number of Parcels	Just Value	Assessed Value	Exempt	Taxable Value	Taxable Value Per Parcel
Residential Vacant Land	22,002	\$ 1,545,719,415	\$ 1,545,719,415	\$ 625,351	\$ 1,545,094,064	\$ 70,225
Residential Single Family	27,255	5,244,724,099	4,185,808,237	550,810,871	3,634,997,366	133,370
Residential Mobile Homes	24	2,096,752	1,938,447	257,734	1,680,713	70,030
Residential Other	2,130	451,461,543	431,240,902	18,097,922	413,142,980	193,964
Commercial Vacant Land	261	70,125,782	70,125,782	800,555	69,325,227	265,614
Commercial Other	441	274,638,814	274,638,814	6,468,464	268,170,350	608,096
Industrial Vacant Land	17	3,466,671	3,466,671	15,841	3,450,830	202,990
Industrial Other	37	35,560,974	35,560,974		35,560,974	961,107
Agriculture	49	24,359,769	3,112,956		3,112,956	63,530
Institutional	33	38,818,702	38,818,702	31,413,136	7,405,566	224,411
Government	286	198,372,816	198,372,816	190,919,419	7,453,397	26,061
Other Real Property	557	62,459,636	62,459,636	9,774,039	52,685,597	94,588
Personal Property	-	270,580,407	270,580,407	119,097,024	151,483,383	
Centrally Assessed Property	-	3,912,908	3,912,908		3,912,908	
<b>TOTAL</b>	<b>53,092</b>	<b>\$ 8,226,298,288</b>	<b>\$ 7,125,756,667</b>	<b>\$ 928,280,356</b>	<b>\$ 6,197,476,311</b>	<b>\$ 116,731</b>

## VALUE OF EXEMPTIONS

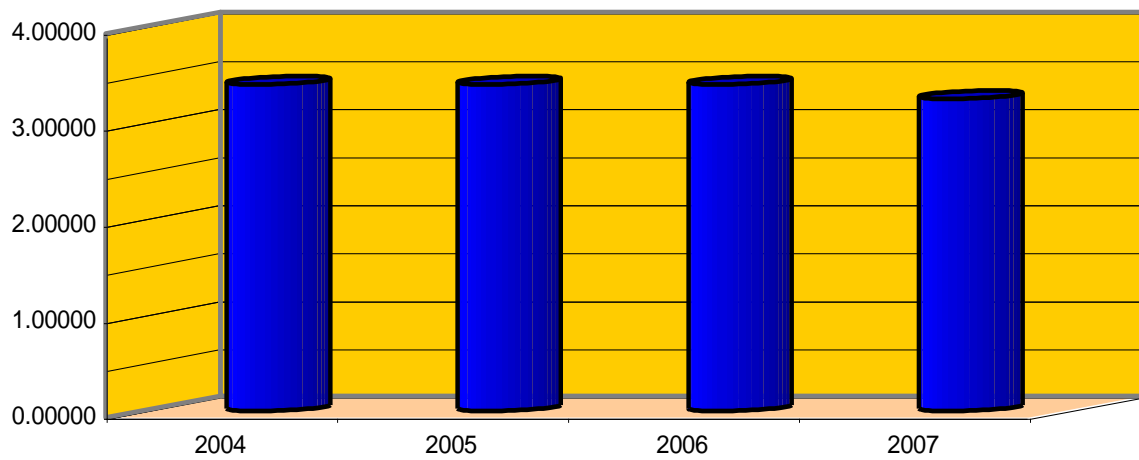


# PROPERTY VALUE AND MILLAGE RATES

## ASSESSED VALUE



## MILLAGE RATES



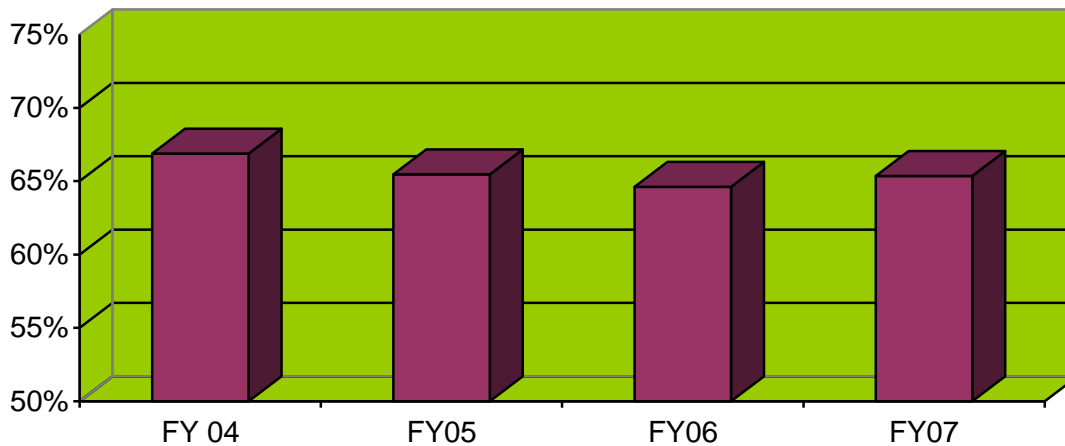


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## PROPERTY VALUE PER CAPITA

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	4,444,854,928	43.03%	58,216	15.32%	76,351	24.04%
2007	6,197,476,311	39.43%	65,018	11.68%	95,319	24.84%

## RESIDENTIAL PROPERTY AS A % OF ALL PROPERTY

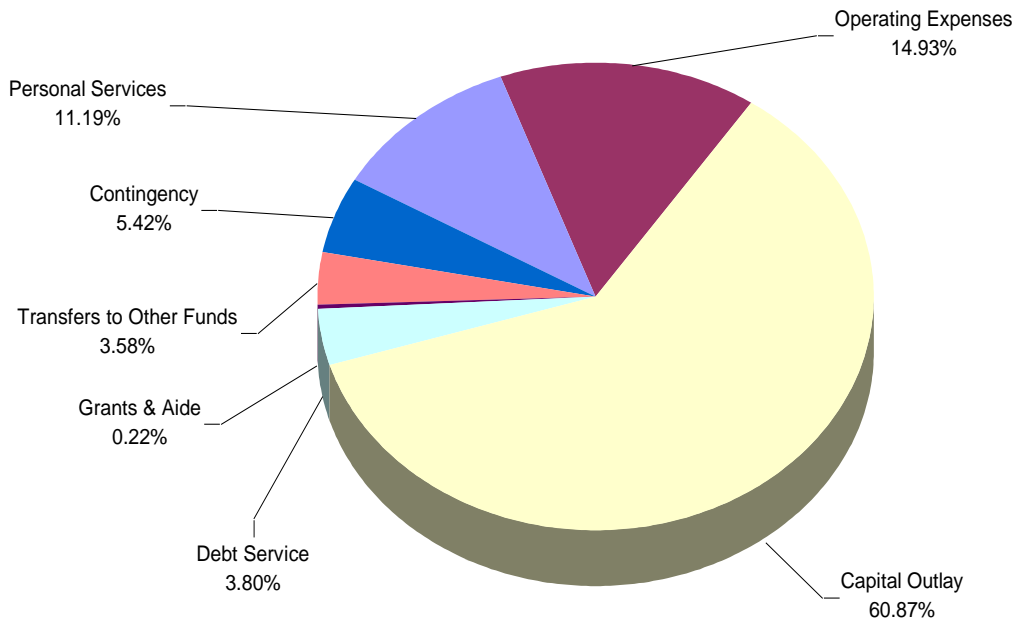


A declining percentage of residential property value compared to total property value within the city would indicate that residential is carrying less of the tax burden for city operations. Palm Coast had been experiencing decline for the past three year, however this year shows a small increase. As residential growth slows and commercial projects begin to come on line, the declining trend should return.

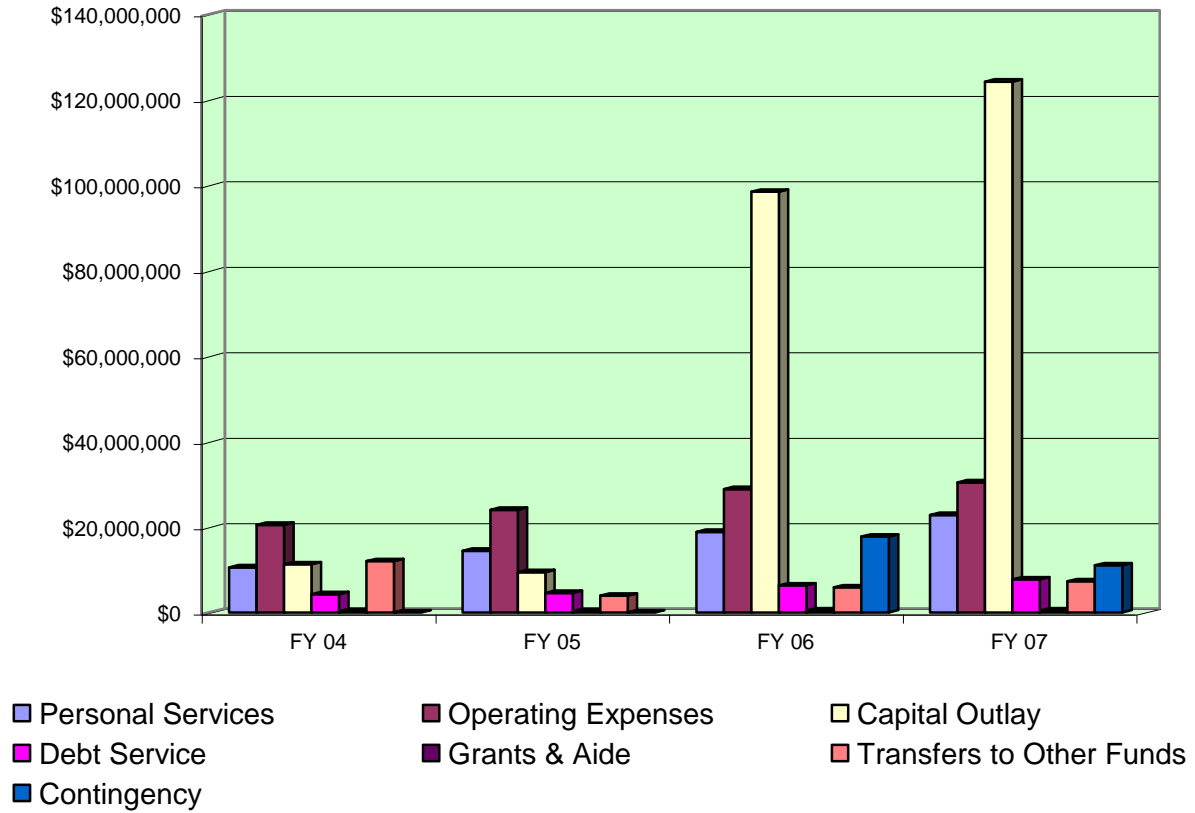
## EXPENDITURES BY CATEGORY

CATEGORY	Actual FY 04	Actual FY 05	Estimated FY 06	Proposed FY 07
Personal Services	\$ 10,550,641	\$ 14,435,425	\$ 18,869,924	\$ 22,831,774
Operating Expenses	20,486,274	24,014,603	28,872,190	30,460,882
Capital Outlay	11,260,891	9,439,448	98,440,126	124,217,702
Debt Service	4,273,530	4,571,249	6,346,673	7,748,014
Grants & Aide	308,090	303,154	446,060	454,000
NonOperating Expenses	-	-	-	-
Transfers to Other Funds	12,023,136	3,948,059	5,871,701	7,301,247
Contingency	-	-	17,781,139	11,052,995
<b>TOTAL</b>	<b>58,902,562</b>	<b>56,711,938</b>	<b>176,627,813</b>	<b>204,066,614</b>
Less: Interfund Transfers	13,262,436	5,652,180	8,205,798	10,280,069
<b>NET TOTAL EXPENDITURES</b>	<b>\$ 45,640,126</b>	<b>\$ 51,059,758</b>	<b>\$ 168,422,015</b>	<b>\$ 193,786,545</b>

## FISCAL YEAR 2007

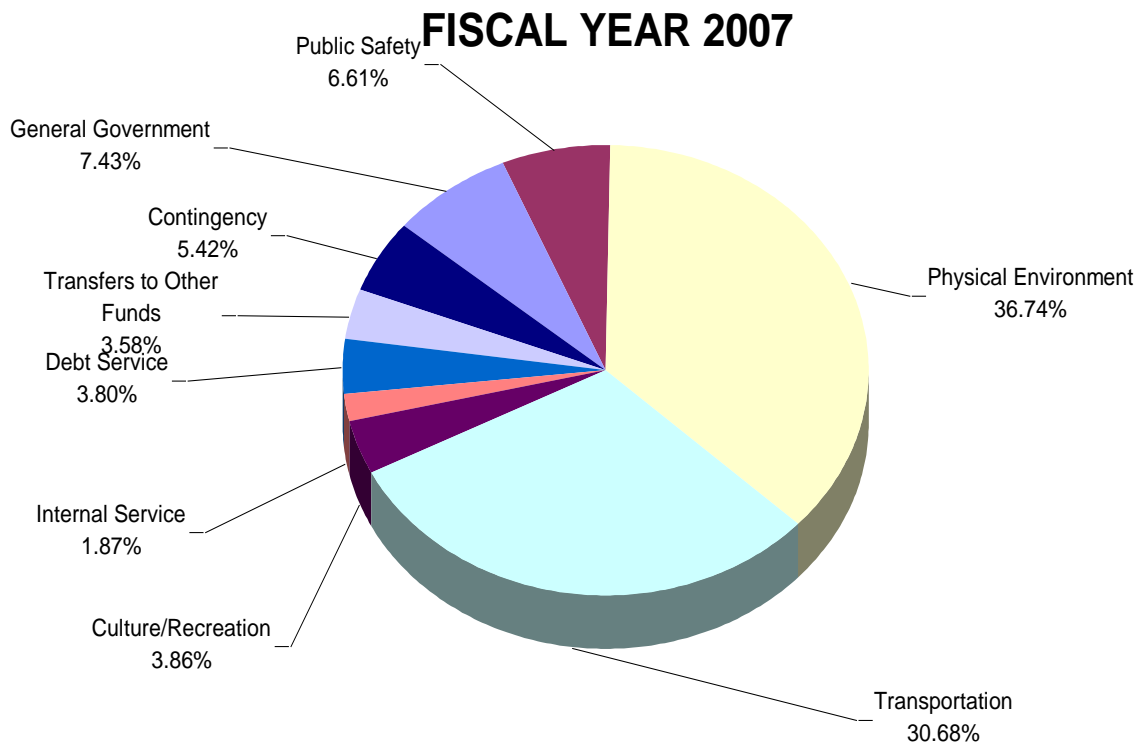


## EXPENDITURES BY CATEGORY

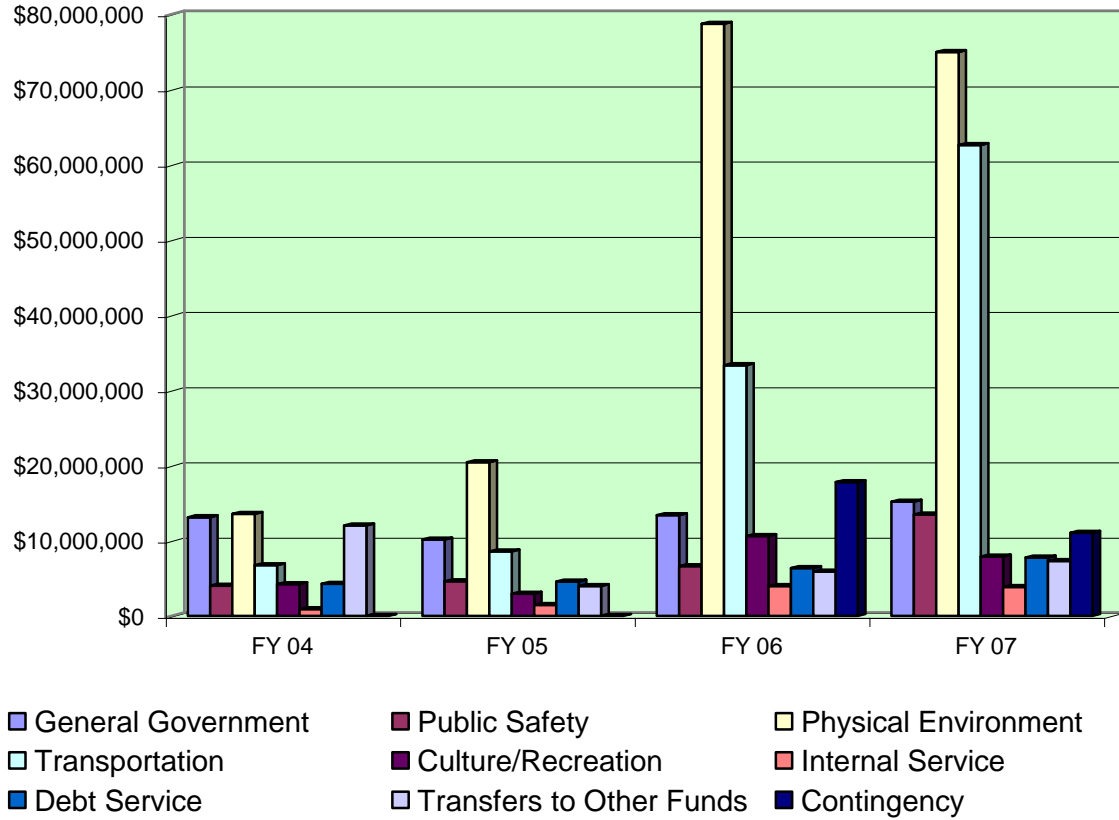


## EXPENDITURES BY FUNCTION

FUNCTION	Actual FY 04	Actual FY 05	Estimated FY 06	Proposed FY 07
General Government	\$13,115,125	\$10,163,346	\$13,388,112	\$15,171,336
Public Safety	4,015,321	4,590,729	6,611,151	13,495,120
Physical Environment	13,582,247	20,435,266	78,713,829	74,979,970
Transportation	6,754,186	8,581,742	33,328,032	62,607,896
Culture/Recreation	4,239,757	2,954,610	10,633,822	7,885,792
Internal Service	899,260	1,466,937	3,953,354	3,824,244
Debt Service	4,273,530	4,571,249	6,346,673	7,748,014
Transfers to Other Funds	12,023,136	3,948,059	5,871,701	7,301,247
Contingency	-	-	17,781,139	11,052,995
<b>TOTAL</b>	<b>58,902,562</b>	<b>56,711,938</b>	<b>176,627,813</b>	<b>204,066,614</b>
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## EXPENDITURES BY FUNCTION





## PERSONNEL BY DEPARTMENT

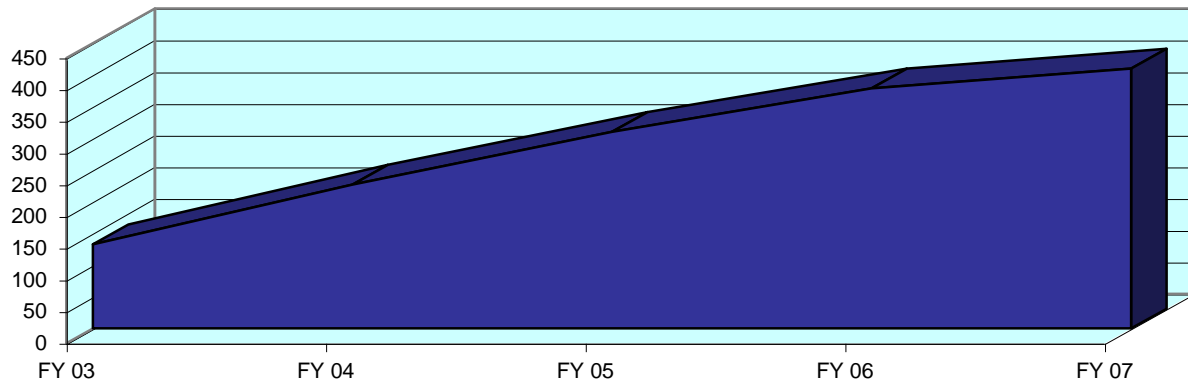
DEPARTMENT	FY 03	FY 04	FY 05	FY 06	PROPOSED FY 07	CHANGE
GENERAL FUND						
Mayor and Council	-	-	-	-	-	-
City Manager	2.00	3.50	3.50	3.50	3.50	-
Community Relations	-	-	3.00	4.00	4.00	-
City Attorney	-	-	-	-	1.00	1.00
City Clerk	1.00	1.00	3.00	4.00	5.00	1.00
General Services	9.00	10.00	15.00	15.00	17.00	2.00
Information Technology and Communications	1.00	2.00	7.00	12.00	13.50	1.50
Community Development	22.95	16.00	14.00	17.00	19.00	2.00
Building and Code Administration	4.00	20.80	54.50	53.50	51.00	(2.50)
Fire	33.00	36.00	37.00	44.00	45.75	1.75
Law Enforcement	-	-	-	1.00	1.00	-
Public Works	34.00	34.00	37.00	55.00	55.00	-
Engineering	-	-	-	6.00	7.00	1.00
Recreation & Parks	15.13	17.13	23.03	31.63	40.40	8.77
Capital Projects	8.60	15.60	10.00	7.00	8.00	1.00
TOTAL GENERAL FUND	130.68	156.03	207.03	253.63	271.15	17.52
UTILITY FUND	-	67.00	81.00	101.00	112.00	11.00
SOLID WASTE FUND	-	-	2.00	2.00	2.00	-
STORMWATER MANAGEMENT FUND	-	-	16.00	17.00	20.00	3.00
FLEET MANAGEMENT FUND	2.00	4.00	4.00	5.00	5.00	-
FULL-TIME EQUIVALENT POSITIONS	132.68	227.03	310.03	378.63	410.15	31.52

## PERSONNEL BY DEPARTMENT PER 1,000 POPULATION

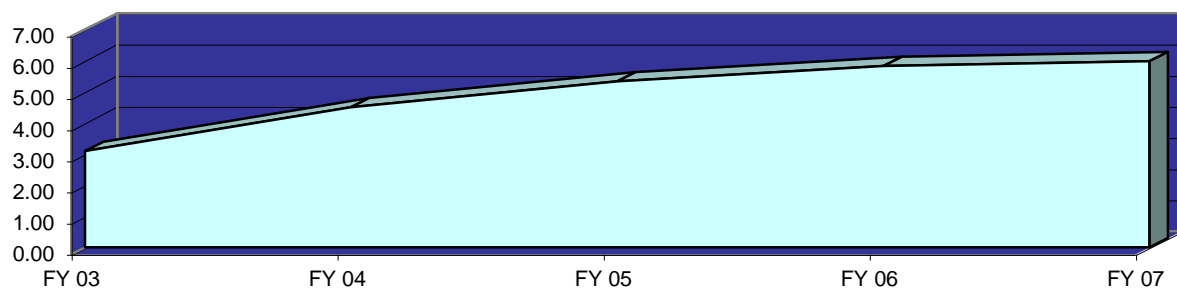
DEPARTMENT	FY 03	FY 04	FY 05	FY 06	PROPOSED FY 07
Population	42,850	50,484	58,216	65,018	68,495
GENERAL FUND					
Mayor and Council	-	-	-	-	-
City Manager	0.05	0.07	0.06	0.05	0.05
Community Relations	-	-	0.05	0.06	0.06
City Attorney	-	-	-	-	0.01
City Clerk	0.02	0.02	0.05	0.06	0.07
General Services	0.21	0.20	0.26	0.23	0.25
Information Technology and Communication	0.02	0.04	0.12	0.18	0.20
Community Development	0.54	0.32	0.24	0.26	0.28
Building and Code Administration	0.09	0.41	0.94	0.82	0.74
Fire	0.77	0.71	0.64	0.68	0.67
Law Enforcement	-	-	-	0.02	0.01
Public Works	0.79	0.67	0.64	0.85	0.80
Engineering	-	-	-	0.09	0.10
Recreation & Parks	0.35	0.34	0.40	0.49	0.59
Capital Projects	0.20	0.31	0.17	0.11	0.12
TOTAL GENERAL FUND	3.04	3.09	3.57	3.90	3.95
UTILITY FUND	-	1.33	1.39	1.55	1.64
SOLID WASTE FUND	-	-	0.03	0.03	0.03
STORMWATER UTILITY FUND	-	-	0.27	0.26	0.29
FLEET MANAGEMENT FUND	0.05	0.08	0.07	0.08	0.07
FULL-TIME EQUIVALENT POSITIONS	3.09	4.50	5.33	5.82	5.98

## 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 3.3% 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 FY2006. 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	\$ 14,797	\$ 22,929	119	\$ 35,944	\$ 55,717
102	15,576	24,136	120	37,746	58,517
103	16,396	25,406	121	39,645	61,440
104	17,258	26,744	122	39,305	61,440
105	18,167	28,151	123	43,687	67,723
106	19,067	29,563	124	45,879	67,724
107	20,018	31,024	125	48,165	74,654
108	21,015	32,583	126	50,580	78,389
109	22,063	34,190	127	53,112	82,334
110	23,161	35,910	128	55,839	86,559
111	24,327	37,696	129	58,567	90,784
112	25,545	39,597	130	61,489	95,314
113	26,812	41,569	131	64,557	100,062
114	28,151	43,639	132	67,785	105,065
115	29,563	45,831	133	71,175	110,319
116	31,049	48,120	134	74,736	115,843
117	32,605	50,549	135	78,473	121,635
118	34,239	53,063	136	82,397	127,717

## 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 09/30/2006
Loans (CDBG, SRF)	2026	\$ 22,434,941	\$ 22,046,569
Utility System Revenue Bonds	2033	96,650,000	94,805,000
Capital Leases	2007	116,901	3,943
Totals		<u>\$ 119,201,842</u>	<u>\$ 116,855,512</u>

### Total Long-Term Debt

Year	Principal	Interest	Total
2006	\$ 2,949,730	\$ 4,970,854	\$ 7,920,584
2007	2,855,296	4,909,243	7,764,539
2008	2,876,477	4,846,816	7,723,293
2009	2,946,154	4,777,174	7,723,328
2010	3,013,274	4,697,894	7,711,168
2011-2015	16,446,348	21,987,276	38,433,624
2016-2020	20,112,610	18,315,605	38,428,214
2021-2025	24,945,623	13,396,550	38,342,173
2026-2030	23,590,000	7,845,738	31,435,738
2031-2034	17,120,000	1,740,000	18,860,000
Totals	<u>\$ 116,855,512</u>	<u>\$ 87,487,148</u>	<u>\$ 204,342,660</u>