

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 2007-2011

COMMUNITY QUALITY

Develop growth management options

- Adopt growth management practices which enhance the quality of life in the City
 - Adopt new Land Development Code
 - Evaluate the Development Review and Approval process
 - Hold a specific item/issue review of Comprehensive Plan Workshop
 - Review & consider Urban Service Boundary plan

Enhance recreation and leisure services

- Consider development of an aquatics center
- Continue park expansion and improvement program
- Expand Community Center capacity for all residents
- Expand recreation program capacity
- Expand the number of public tennis courts
- Expand trails system
- Increase boat access for public
- Increase use of school facilities for recreation programs
- Open a public access golf course
- Open additional public marina slips

Expand arts and culture activities

- Continue support of efforts to develop Town Center Arts Center
- Continue support of Florida Agriculture Museum
- Expand cultural arts grant program

Expand open space

- Continue land acquisition programs
- Review ratios of pervious versus impervious surfaces

Expand services for seniors

- Encourage development of 'life care' senior communities
- Explore and support senior day care and other services
- Support senior volunteer transportation services

Improve mobility and transportation

- Continue sidewalk program
- Develop increased public transportation capacity
- Maintain sign visibility

Maintain a range of housing options

- Continue requirements for affordable housing
- Encourage cluster zoning to increase green space and promote more efficient land use
- Encourage mixed use developments in selected sites
- Identify planning tools to develop attainable housing
- Provide zoning to encourage apartment communities in appropriate sites
- Pursue efforts for CDBG/SHIP requirements for 2010 census

CITY COUNCIL FIVE YEAR GOALS AND OBJECTIVES 2007-2011

Maintain and enhance the visual attractiveness and distinctiveness of the City

- Complete decorative lighting
- Encourage County C&D landfill
- Ensure enforcement of City codes at high level of professional quality
 - Evaluate more expeditious handling of Code Board Cases
 - Examine establishment of COPs program
- Formalize architectural design guidelines for City buildings
- Institute updated tree and landscaping codes
- Maintain and enhance City identification signs
- Maintain and improve the appearance of City facilities
- Maintain aesthetic appearance of rights of way
- Maintain and enhance selected medians and rights of way within the City

Maintain a safe community

- Decide on law enforcement services
- Enhance fire & rescue services
- Expand citywide lighting
- Increase traffic enforcement
- Keep roadways safe for travelers
- Maintain disaster response readiness

ECONOMIC OPPORTUNITY & FINANCIAL VIABILITY

Continue targeted annexation to provide business growth sites and enhanced property valuation

- Pursue annexations that enhance tax base and square off boundaries
- Review annexation policy with respect to county plans and utility service area agreement

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

EFFECTIVE & EFFICIENT GOVERNMENT

Ensure policies, procedures, regulations and technologies are up to date

- Update and improve Information, Technology and Communication System
- Update Policies & Procedures

Increase the effectiveness of public services

- Continue Performance Management System
- Enhance staff qualifications and credentials
- Increase effectiveness of Building/Code Administrative Department
- Increase effectiveness of City Council
- Increase effectiveness of Community Development
- Increase effectiveness of Customer Services
- Increase effectiveness of Engineering

CITY COUNCIL FIVE YEAR GOALS AND OBJECTIVES 2007-2011

- Increase effectiveness of Financial & Purchasing Services
- Increase effectiveness of Fleet Management
- 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
- Provide accurate & timely services to advisory boards and Council

Maintain and improve public infrastructure

- Continue road resurfacing program
- Develop plans for municipal services facilities with conceptual design and financing options
- Ensure the Capital Projects Program is implemented effectively & efficiently
- Improve capacity of Utility system
- Improve Stormwater facilities
- Maintain Stormwater facilities
- Maintain swales
- Maintain utility system
- Pursue continued State financing of Palm Coast Parkway widening
- Review Impact Fees

Simplify public service delivery

- Use technology and automation to improve cash collections, cash disbursements and delivery of departmental services

COMMUNITY CONFIDENCE & SATISFACTION

Ensure all city actions meet a high standard of public trust

- Promote Intergovernmental coordination and cooperation
- 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 in the form of citizen input and public education

- Continue timely transmittal of documents to the library
- Expand and promote City Information on Channel 99 and AM station
- Maintain active community outreach and engagement programs
- Keep website current and informational

Maintain a high level of customer satisfaction

- Continue customer first training or equivalent
- Improve citizen satisfaction scores
- Reduce citizen complaints

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.

BUDGET CALENDAR

March 12, 2007	Budget process initiated by Financial Services.
March 26	MUNIS budget system opened for Department line-item entries.
March 26	FY 2008 Revenue Estimates prepared by Financial Services.
March 26	Departments submit additional personnel/program requests for FY 2008.
March 26	Departments submit fleet and technology requests for FY 2008.
April 16	Capital Improvement Program project requests submitted to Financial Services. (MUST BE IN CONFORMANCE WITH COMP PLAN)
April 23	MUNIS budget system closed for Department line-item entries. Note: Personal services/internal transfers will be projected by Financial Services.
May 7 - 11	Financial Services reviews budget requests and Capital Improvement Program (CIP) with department heads. (COPY OF CIP SENT TO DEVELOPMENT SERVICES FOR COMP PLAN REVIEW)
May 18	Financial Services submits the preliminary budget to the City Manager and department heads.
June 1 - 8	City Manager meets with department heads to discuss departmental needs and requests, including the Capital Improvement Program.
July 24	Proposed Budget and Budget Message presented to Council by City Manager.
July 24	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 20	Property Appraiser distributes "Trim Notices" with date and time of first Public Hearing on Millage Rate.
September 4	Public Hearing to tentatively adopt Millage Rate and Budget. (FINAL ADOPTION MUST BE ADVERTISED WITHIN 15 DAYS).
September 15	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).

BUDGET CALENDAR

September 18	Public Hearing to adopt final Millage Rate Resolution and Budget Resolution.
September 21	Forward a copy of the Millage Rate Resolution to the Property Appraiser and the Tax Collector.
October 18 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 2008 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, Development 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 budget also includes the Solid Waste Fund and the Stormwater Management Fund. The Tennis Center Fund was added during fiscal year 2007.

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 2008 will be 17.3%.

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 \$34.3 million. The General Fund is expected to decrease by \$7.5 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, Capital Projects Fund, and the Utility Capital Projects Fund are all expected to have fund balance decreases due to construction of projects scheduled for fiscal year 2008. The Transportation Impact Fee Fund is expected to increase because of bond proceeds and impact fee revenues. Projects are scheduled for fiscal years 2009 and 2010 which will reduce the balance.

COMPUTATION OF ESTIMATED FUND BALANCES

Fund Title	Available Fund Balance 09/30/2006	Estimated Fund Balance 09/30/2007	Contingency (Appropriated Fund Equity) 10/01/2007	Estimated Fund Balance 09/30/2008
General Fund	\$ 14,232,418	\$ 6,224,645	\$ (572,585)	\$ 5,652,060
CDBG Fund	-	-	-	-
Police Education Fund	28,568	42,988	15,700	58,688
Police Automation Fund	72,041	128,941	62,600	191,541
Disaster Reserve Fund	1,168,033	1,787,033	80,000	1,867,033
Recycling Revenue Fund	363,532	123,813	(8,100)	115,713
Streets Improvement Fund	1,945,511	3,238,211	(2,642,900)	595,311
Park Impact Fee Fund	5,111,877	4,176,212	(2,292,600)	1,883,612
Fire Impact Fee Fund	3,414,632	2,323,457	(2,285,880)	37,577
Development Special Projects Fund	942,726	869,093	46,800	915,893
Transportation Impact Fee Fund	22,239,910	18,504,302	7,340,410	25,844,712
SR100 Community Redevelopment Fund	507,160	43,134	(20,313)	22,821
Capital Projects Fund	6,796,644	10,175,934	(9,067,305)	1,108,629
Utility Fund	12,153,588	14,209,292	(2,907,698)	11,301,594
Utility Capital Projects Fund	13,981,728	29,594,097	(29,528,536)	65,561
Solid Waste Fund	(441,238)	(392,748)	46,907	(345,841)
Stormwater Management Fund	675,825	2,856	39,000	41,856
Tennis Center Fund	-	35,000	2,546	37,546
Fleet Management Fund	1,561,967	1,755,625	(700,452)	1,055,173
Total	\$ 84,754,922	\$ 92,841,885	\$ (42,392,406)	\$ 50,449,479

BUDGET SUMMARY

Fund Type	Estimated Revenue	Operating Expenditures & Contingency	Capital Expenditures	Operating Transfers	Total Expenditures
General Fund	\$ 31,823,804	\$ 30,603,922	\$ 808,000	\$ 411,882	\$ 31,823,804
Special Revenue Funds					
Police Education Fund	58,688	58,688	-	-	58,688
Police Automation Fund	191,541	191,541	-	-	191,541
Disaster Reserve Fund	1,867,033	1,867,033	-	-	1,867,033
Recycling Revenue Fund	198,713	198,713	-	-	198,713
Streets Improvement Fund	8,575,000	-	8,575,000	-	8,575,000
Park Impact Fee Fund	3,410,000	-	3,410,000	-	3,410,000
Fire Impact Fee Fund	2,700,000	-	2,700,000	-	2,700,000
Development Special Projects Fund	915,893	915,893	-	-	915,893
Transportation Impact Fee Fund	61,190,410	7,340,410	53,850,000	-	61,190,410
SR100 Community Redevelopment Fu	814,200	100,000	714,200	-	814,200
Capital Projects Fund	14,717,305	100,000	14,537,000	80,305	14,717,305
Sub-Total	94,638,783	10,772,278	83,786,200	80,305	94,638,783
Enterprise Funds					
Utility Fund	33,338,139	27,371,629	1,939,950	4,026,560	33,338,139
Utility Capital Projects Fund	52,002,256	-	49,842,000	2,160,256	52,002,256
Solid Waste Fund	7,559,200	7,559,200	-	-	7,559,200
Stormwater Management Fund	14,638,100	4,328,000	10,310,100	-	14,638,100
Tennis Center Fund	260,000	260,000	-	-	260,000
Sub-Total	107,797,695	39,518,829	62,092,050	6,186,816	107,797,695
Internal Service Funds					
Fleet Management Fund	3,604,213	1,844,593	1,759,620	-	3,604,213
Sub-Total All Funds	237,864,495	\$ 82,739,622	\$ 148,445,870	\$ 6,679,003	237,864,495
Less: Interfund Charges and Transfers	9,221,564				9,221,564
Total	<u>\$ 228,642,931</u>				<u>\$ 228,642,931</u>

BUDGET SUMMARY

	General Fund	Special Revenue Funds	Enterprise Funds	Internal Service Funds	Total Funds
CASH BALANCES BROUGHT FORWARD	\$ 1,072,585	\$ 19,260,866	\$ 32,936,234	\$ 700,452	\$ 53,970,137
ESTIMATED REVENUES					
TAXES: Millage Per \$1,000					
Ad Valorem Taxes: 2.96234	14,984,700	5,075,200	-	-	20,059,900
Sales, Use, and Fuel Taxes	-	4,195,100	-	-	4,195,100
Franchise Fees	549,800	-	-	-	549,800
Telecommunication Service Tax	2,661,200	-	-	-	2,661,200
Licenses and Permits	2,923,600	-	170,000	-	3,093,600
Intergovernmental Revenue	2,094,000	2,335,400	-	-	4,429,400
Charges for Services	4,488,929	7,635,630	56,145,935	206,900	68,477,394
Fines & Forfeitures	1,449,400	72,000	-	-	1,521,400
Interest Revenue	810,700	1,666,400	1,365,600	79,300	3,922,000
Miscellaneous Revenue	75,000	-	-	-	75,000
Non Revenues	-	-	-	2,542,561	2,542,561
Transfers from Other Funds	713,890	398,187	5,491,926	75,000	6,679,003
Proceeds from Debt	-	54,000,000	11,688,000	-	65,688,000
Total Revenues and Other Financing Sources	30,751,219	75,377,917	74,861,461	2,903,761	183,894,358
Total Estimated Revenues and Balances	\$ 31,823,804	\$ 94,638,783	\$ 107,797,695	\$ 3,604,213	237,864,495
Less: Interfund Transfers and Charges					9,221,564
Total					<u>\$ 228,642,931</u>
EXPENDITURES/EXPENSES					
General Government	\$ 15,249,142	\$ 1,075,000	\$ -	\$ -	\$ 16,324,142
Public Safety	7,960,623	6,752,000	-	-	14,712,623
Physical Environment	-	83,000	76,622,395	-	76,705,395
Transportation	5,285,917	66,014,200	13,982,604	-	85,282,721
Culture/Recreation	2,416,240	10,145,000	257,454	-	12,818,694
Internal Service	-	-	-	3,604,213	3,604,213
Debt Service	-	-	10,159,973	-	10,159,973
Transfers to Other Funds	411,882	80,305	6,186,816	-	6,679,003
Total Expenditures/Expenses	31,323,804	84,149,505	107,209,242	3,604,213	226,286,764
Reserves	500,000	10,489,278	588,453	-	11,577,731
Total Appropriated Expenditures and Reserves	\$ 31,823,804	\$ 94,638,783	\$ 107,797,695	\$ 3,604,213	237,864,495
Less: Interfund Transfers and Charges					9,221,564
Total					<u>\$ 228,642,931</u>

BUDGET SUMMARY

FUND/DEPARTMENT	Actual FY 05	Actual FY 06	Estimated FY 07	Proposed FY 08
General Fund				
City Council	\$ 46,149	\$ 60,183	\$ 69,310	\$ 85,834
City Manager	447,936	469,940	672,908	510,829
Community Relations	466,871	539,647	562,774	581,029
Purchasing and Contracts Management	-	-	-	375,312
City Clerk	207,053	251,990	327,676	333,099
Personnel Management	286,615	282,770	374,713	379,022
Law Enforcement	1,324,201	1,782,773	2,394,410	2,300,266
Facilities Maintenance	394,561	519,850	586,962	589,270
City Attorney	365,183	632,098	346,916	243,293
Financial Services	786,235	926,657	1,050,964	804,395
Information Technology and Communications	1,258,781	2,169,233	2,535,812	2,798,414
Community Development				
Planning	1,239,364	1,048,707	1,444,567	1,730,003
Building Permits and Inspections	2,062,927	2,048,482	1,862,683	1,970,508
Code Enforcement	968,897	1,687,771	2,252,372	2,820,316
Total Community Development	4,271,188	4,784,960	5,559,622	6,520,827
Fire	3,142,990	4,643,799	5,098,588	5,735,357
Streets	2,600,914	5,305,509	5,582,537	5,285,917
Engineering	1,190,638	918,634	1,327,111	1,519,818
Recreation and Parks				
Parks/Facilities	893,611	928,404	1,253,847	1,096,877
Recreation/Athletics	721,119	1,104,959	1,119,885	1,319,363
Total Recreation and Parks	1,614,730	2,033,363	2,373,732	2,416,240
Non-Departmental	1,133,798	977,160	7,212,242	1,344,882
Total General Fund	19,537,843	26,298,566	36,076,277	31,823,804

BUDGET SUMMARY

FUND/DEPARTMENT	Actual FY 05	Actual FY 06	Estimated FY 07	Proposed FY 08
CDBG Fund	-	-	475,000	-
Police Education Fund	-	10,000	-	58,688
Police Automation Fund	65,486	-	-	191,541
Distaster Reserve Fund	892,957	416,838	41,400	1,867,033
Recycling Revenue Fund	62,209	120,099	313,119	198,713
Streets Improvement Fund	2,816,533	3,946,811	4,507,000	8,575,000
Park Impact Fee Fund	1,104,932	2,421,968	2,770,034	3,410,000
Fire Impact Fee Fund	44,628	66,544	2,145,651	2,700,000
Development Special Projects Fund	86,642	144,007	573,923	915,893
Transportation Impact Fee Fund	1,835,941	4,232,091	8,986,000	61,190,410
SR100 Community Redevelopment Fund	132,653	1,279,008	4,519,168	814,200
Capital Projects Fund	2,141,452	1,374,567	4,192,857	14,717,305
Utility Fund				
Utility Customer Service	983,249	1,472,184	930,290	1,064,386
Utility Administration	845,050	995,700	1,244,864	1,386,330
Utility Maintenance	581,151	619,738	583,445	646,456
Wastewater Collection	1,847,654	2,241,016	2,516,451	2,511,499
Wastewater Treatment	1,505,088	1,620,831	1,872,592	1,998,842
Water Plant #1	1,141,319	1,695,321	1,843,367	2,064,089
Water Plant #2	1,177,868	1,432,563	1,773,981	1,891,502
Water Plant #3	-	-	-	487,874
Water Quality	472,192	798,671	514,062	467,257
Water Distribution	2,609,482	2,557,784	4,029,130	4,265,136
Non-Departmental	8,835,501	11,079,758	10,913,139	16,554,768
Total Utility Fund	19,998,554	24,513,566	26,221,321	33,338,139
Utility Capital Projects Fund	1,143,886	1,154,553	42,964,250	52,002,256
Solid Waste Fund	3,732,714	4,326,166	6,286,810	7,559,200
Stormwater Management Fund	1,632,662	3,675,475	6,128,969	14,638,100
Tennis Center Fund	-	-	15,000	260,000
Fleet Management Fund	1,482,844	2,214,358	3,825,981	3,604,213
Total All Funds	56,711,936	76,194,617	150,042,760	237,864,495
Less: Interfund Transfers	5,652,180	7,900,626	11,042,309	9,221,564
Total	\$ 51,059,756	\$ 68,293,991	\$ 139,000,451	\$ 228,642,931

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 3.44% 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	Historical trend analysis.
Solid Waste Fees	Historical trend analysis.
Stormwater Management 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

There are 13 major revenue sources that account for 38 percent of the City's estimated revenues for fiscal year 2008. Debt proceeds account for another 28 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 24% 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 11%. Growth has slowed during 2007 and future ad valorem revenue increases of 4% to 8% are expected.

FUEL TAXES: This revenue source increased on average about 4% during the last three years. A 2% to 3% annual increase is expected for future years.

LOCAL GOVERNMENT INFRASTRUCTURE SURTAX: FY2003 was the first year that the new half-cent surtax was collected. This tax was approved by the voters for a period of ten years. Growth of this revenue is expected to closely parallel the half-cent sales tax.

TELECOMMUNICATION SERVICE TAX: Increases in this revenue have averaged about 13% over the past 3 years. With the slowing population growth we should see an increase of about 2% to 4% per year going forward.

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 next couple of years.

HALF-CENT SALES TAX: This revenue source has grown at about a 13% 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 4% to 6% rate.

WATER AND WASTEWATER SALES: This is a revenue source related to the utility system. It is expected that this revenue source will mirror other development related revenue trends and should increase by 4% to 6% annually.

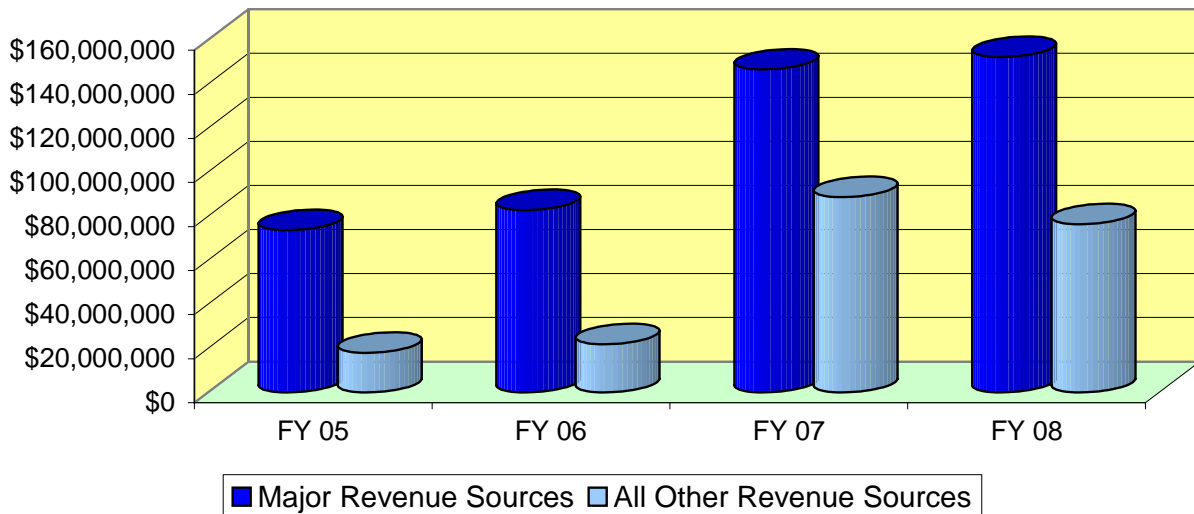
WATER AND WASTEWATER IMPACT FEES: Like building permits this revenue source is expected to level off.

SOLID WASTE CHARGES: This is a charge is expected to mirror the population growth of about 3% to 4%.

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

MAJOR REVENUE SOURCES

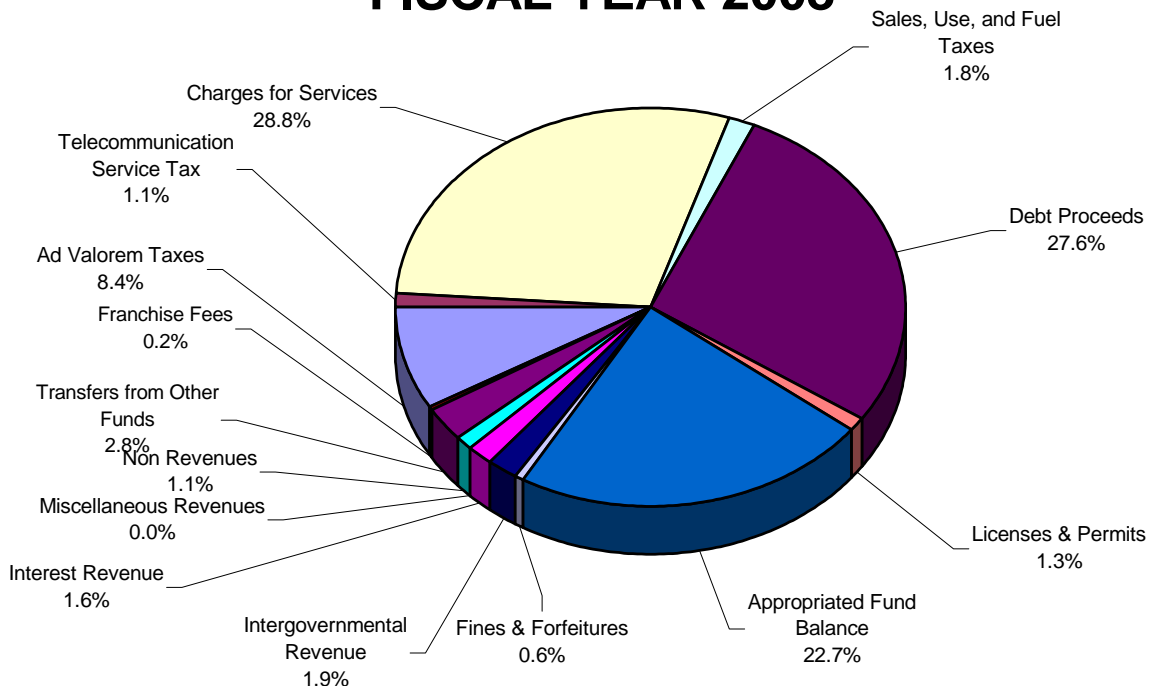
SOURCE	Actual FY 05	Actual FY 06	Estimated FY 07	Proposed FY 08
Ad Valorem Taxes	\$10,207,899	\$14,632,296	\$19,603,806	\$20,059,900
Fuel Taxes	1,315,662	1,709,974	1,613,200	1,606,000
Local Infrastructure Surtax	2,649,771	2,617,198	2,494,700	2,589,100
Telecommunication Service Tax	1,980,363	2,430,169	2,341,100	2,661,200
Building Permits	5,038,657	5,121,925	2,129,700	2,152,500
Half-Cent Sales Tax	1,955,536	2,137,254	2,168,200	2,036,400
Transportation Impact Fee	10,705,562	15,212,296	4,211,000	6,553,610
Water Sales	12,056,113	15,198,781	15,800,000	16,374,000
Wastewater Charges	7,219,350	8,112,823	8,573,700	8,838,000
Water Impact Fee	8,920,498	4,538,761	2,986,700	5,142,150
Wastewater Impact Fee	6,430,471	4,277,775	3,243,200	6,563,700
Solid Waste Charge	3,667,701	3,982,553	6,320,300	7,559,200
Stormwater Management Fee	1,591,243	2,824,323	3,680,000	4,468,100
Debt Proceeds	-	-	71,477,750	65,688,000
All Other Sources	23,681,315	29,816,388	99,724,821	85,572,635
TOTAL	97,420,141	112,612,516	246,368,177	237,864,495
Less: Interfund Transfers	5,652,180	7,900,626	11,042,309	9,221,564
TOTAL NET REVENUE	\$ 91,767,961	\$ 104,711,890	\$ 235,325,868	\$ 228,642,931



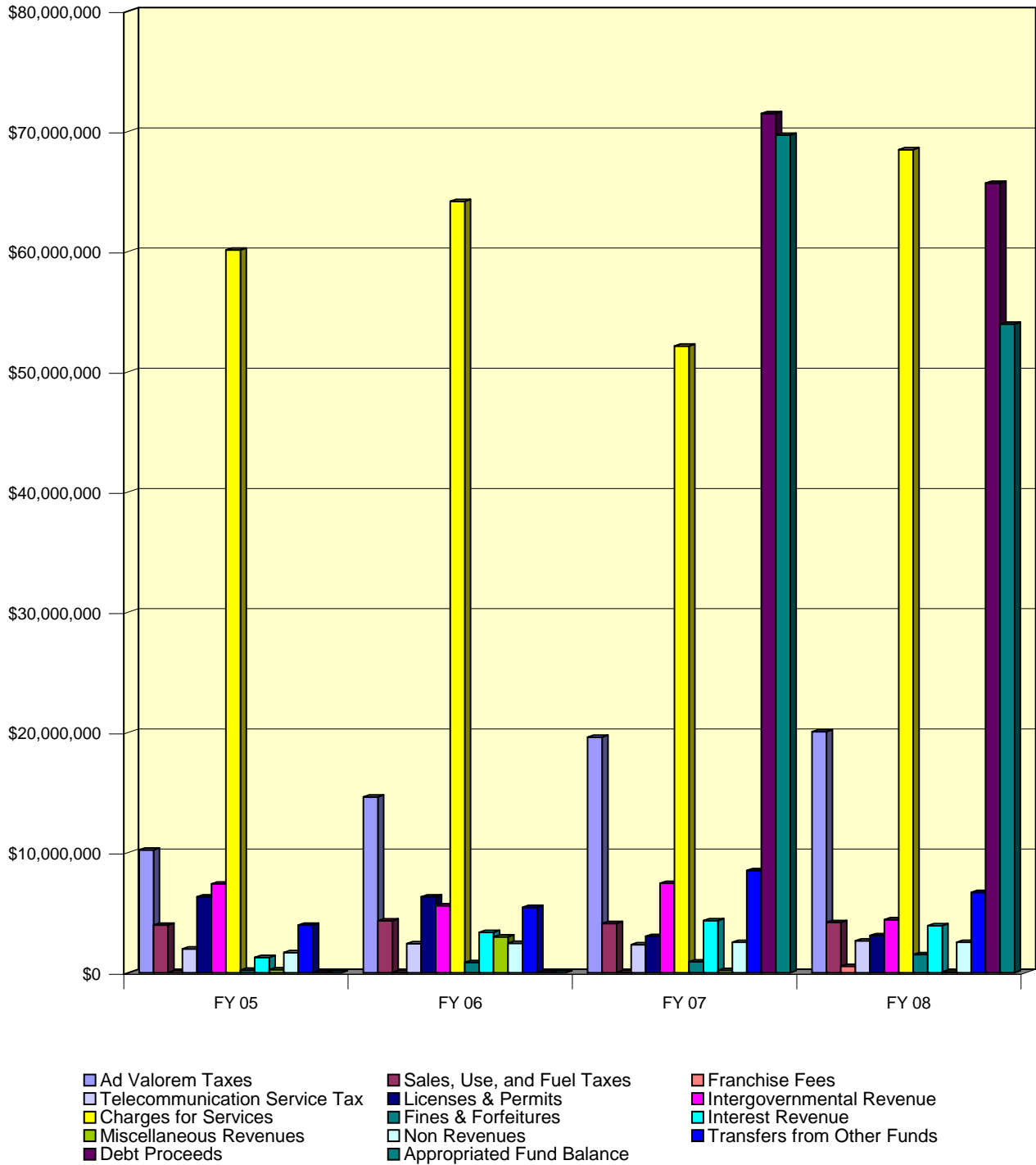
REVENUES BY SOURCE

SOURCE	Actual FY 05	Actual FY 06	Estimated FY 07	Proposed FY 08
Ad Valorem Taxes	\$ 10,207,899	\$ 14,632,296	\$ 19,603,806	\$ 20,059,900
Sales, Use, and Fuel Taxes	3,965,434	4,327,172	4,107,900	4,195,100
Franchise Fees	9,651	21,208	15,000	549,800
Telecommunication Service Tax	1,980,363	2,430,169	2,341,100	2,661,200
Licenses & Permits	6,318,572	6,314,133	3,033,800	3,093,600
Intergovernmental Revenue	7,388,554	5,579,653	7,446,242	4,429,400
Charges for Services	60,134,178	64,177,728	52,143,331	68,477,394
Fines & Forfeitures	227,706	868,469	915,400	1,521,400
Interest Revenue	1,281,348	3,358,939	4,342,620	3,922,000
Miscellaneous Revenues	254,256	3,002,123	206,215	75,000
Non Revenues	1,682,228	2,464,310	2,535,822	2,542,561
Transfers from Other Funds	3,969,952	5,436,316	8,506,487	6,679,003
Debt Proceeds	-	-	71,477,750	65,688,000
Appropriated Fund Balance	-	-	69,692,704	53,970,137
TOTAL	97,420,141	112,612,516	246,368,177	237,864,495
Less: Interfund Transfers	5,652,180	7,900,626	11,042,309	9,221,564
NET TOTAL REVENUE	\$ 91,767,961	\$ 104,711,890	\$ 235,325,868	\$ 228,642,931

FISCAL YEAR 2008



REVENUES BY SOURCE



PROPERTY INFORMATION

PROPERTY VALUES, MILLAGE RATES, AND AD VALOREM RECEIPTS FISCAL YEAR 2001 THROUGH FISCAL YEAR 2008

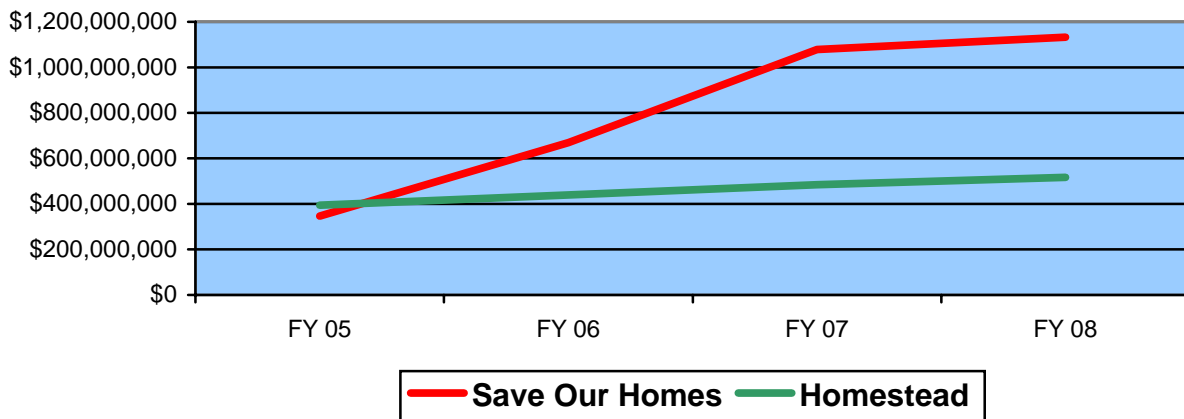
Fiscal Year	Gross Taxable Valuations (1)	Change from Previous Year	% Change	Millage Levy	Change from Previous Year	% Change	Ad Valorem Tax Revenues	Change from Previous Year	% Change
2008	\$ 7,008,091,283	\$ 768,096,794	12.31%	2.96234	-0.28766	-8.85%	\$ 20,059,900	\$ 456,094	2.33%
2007	\$ 6,239,994,489	\$ 1,795,139,561	40.39%	3.25000	-0.15000	-4.41%	19,603,806	\$4,971,510	33.98%
2006	\$ 4,444,854,928	\$ 1,337,273,838	43.03%	3.40000	0.00000	0.00%	14,632,296	\$4,424,397	43.34%
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, 2007

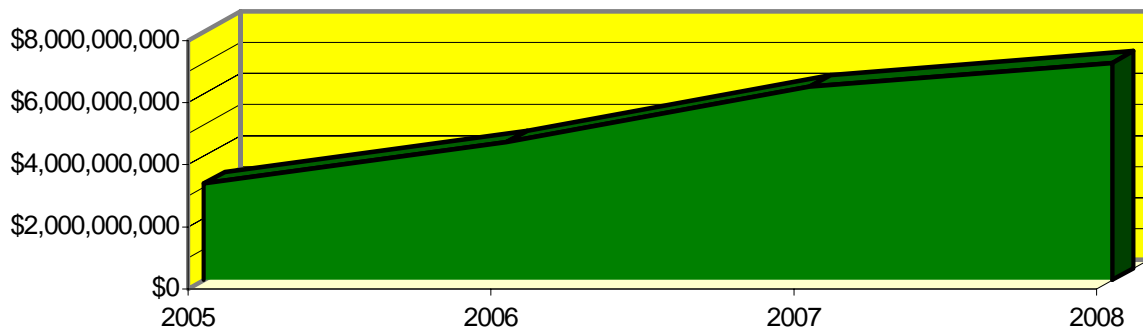
Class of Property	Number of Parcels	Just Value	Assessed Value	Exempt	Taxable Value	Taxable Value Per Parcel
Residential Vacant Land	19,160	\$ 1,267,834,827	\$ 1,267,834,827	\$ 1,226,417	\$ 1,266,608,410	\$ 66,107
Residential Single Family	29,898	6,132,178,844	5,021,617,560	634,570,185	4,387,047,375	146,734
Residential Mobile Homes	23	2,495,778	2,229,191	178,984	2,050,207	89,139
Residential Other	2,453	566,560,877	545,255,816	20,398,066	524,857,750	213,966
Commercial Vacant Land	320	184,047,891	184,047,891	629,550	183,418,341	573,182
Commercial Other	621	351,215,274	351,215,274	4,834,558	346,380,716	557,779
Industrial Vacant Land	16	2,326,037	2,326,037	19,081	2,306,956	144,185
Industrial Other	38	42,892,626	42,892,626		42,892,626	1,128,753
Agriculture	52	18,824,111	2,432,582	25,000	2,407,582	46,300
Institutional	35	45,226,465	45,226,465	37,486,211	7,740,254	221,150
Government	287	287,380,826	287,380,826	280,493,574	6,887,252	23,997
Other Real Property	559	73,786,952	73,786,952	13,113,731	60,673,221	108,539
Personal Property	-	289,472,725	289,472,725	119,203,778	170,268,947	
Centrally Assessed Property	-	4,551,646	4,551,646		4,551,646	
TOTAL	53,462	\$ 9,268,794,879	\$ 8,120,270,418	\$ 1,112,179,135	\$ 7,008,091,283	\$ 131,085

VALUE OF EXEMPTIONS

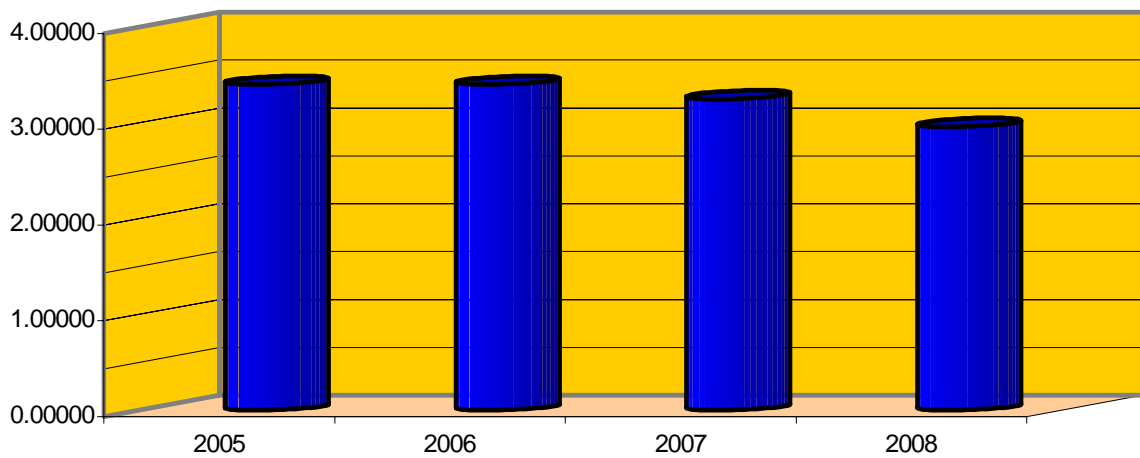


PROPERTY VALUE AND MILLAGE RATES

ASSESSED VALUE



MILLAGE RATES



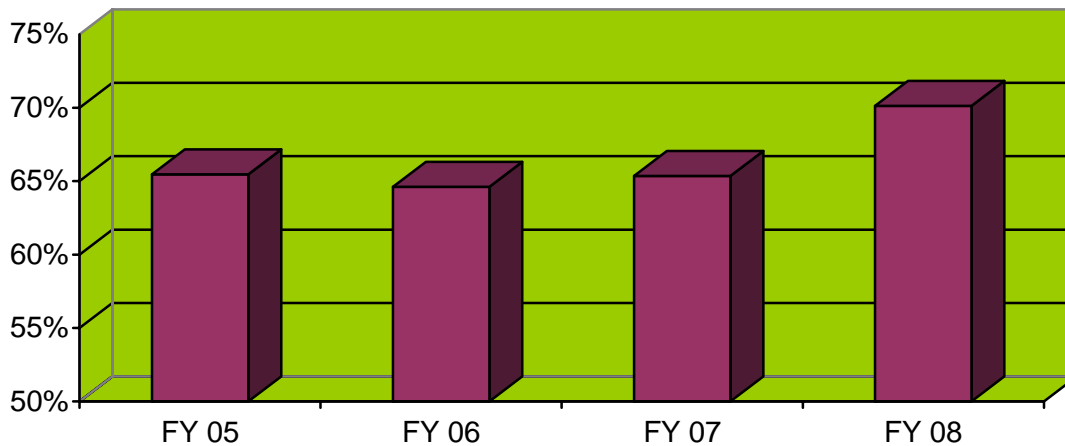


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PROPERTY VALUE PER CAPITA

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	6,239,994,489	40.39%	67,832	16.52%	91,992	20.49%
2008	7,008,091,283	12.31%	70,376	3.75%	99,581	8.25%

RESIDENTIAL PROPERTY AS A % OF ALL PROPERTY

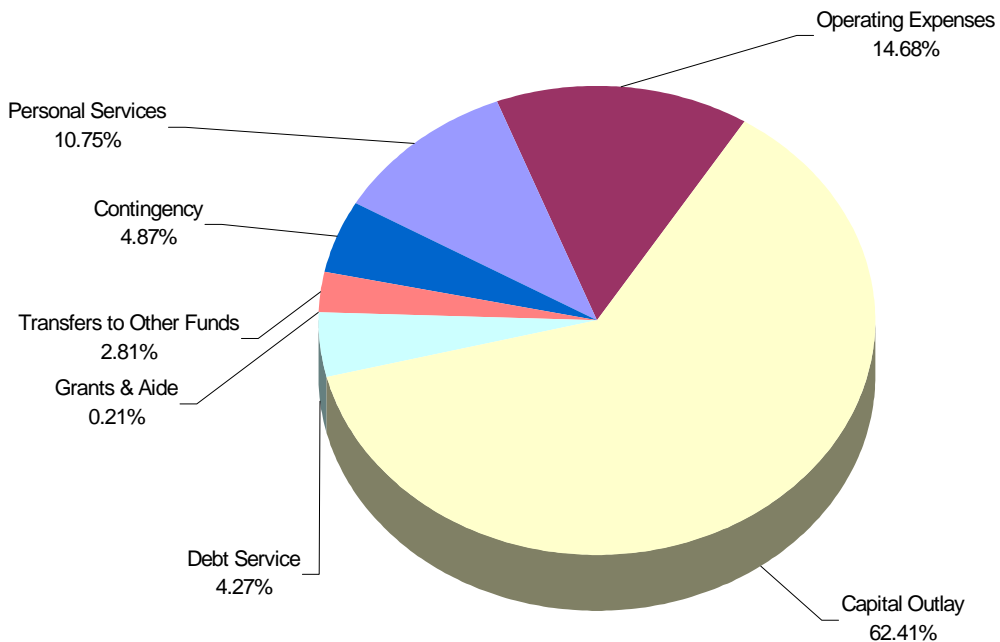


A declining percentage of residential property value compared to total property value within the city would indicate that residential is carrying less of the tax burden for city operations. Palm Coast had been experiencing a decline, however the last two years have shown an increase. As residential growth remains flat and commercial projects begin to come on line, the declining trend should return.

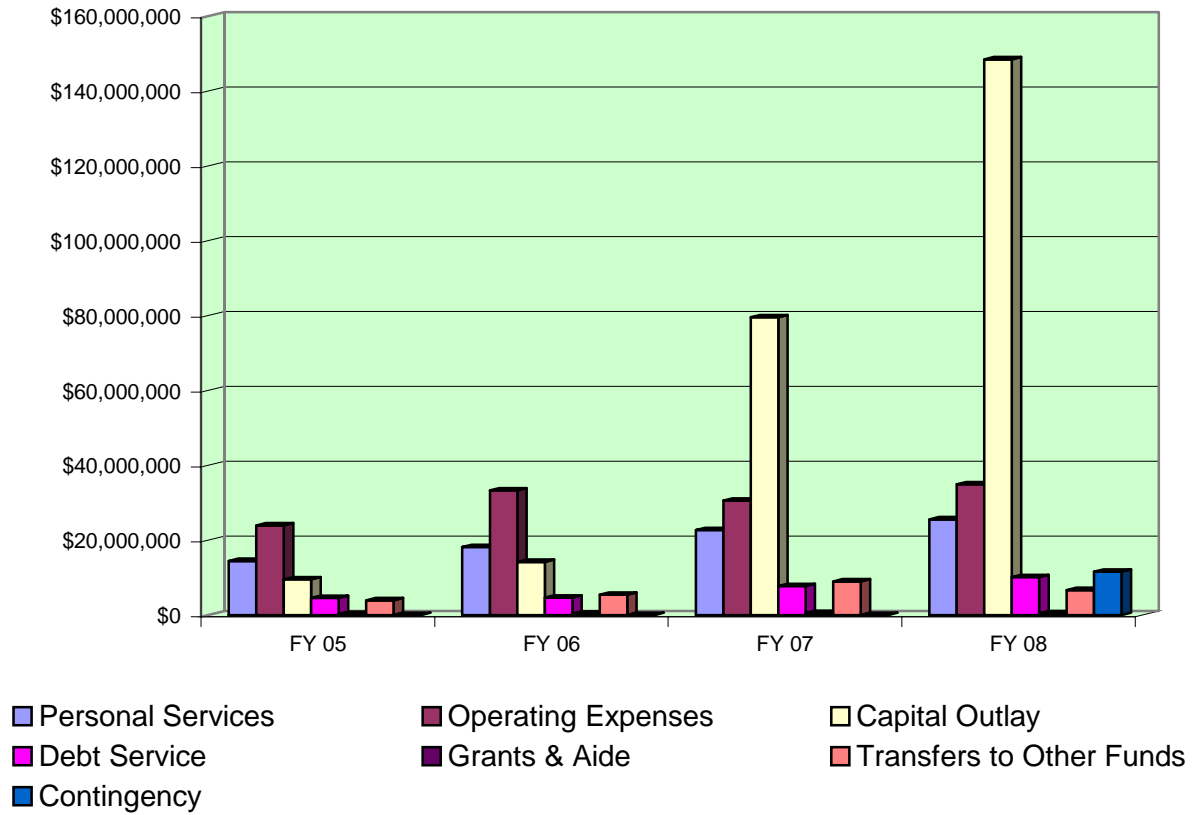
EXPENDITURES BY CATEGORY

CATEGORY	Actual FY 05	Actual FY 06	Estimated FY 07	Proposed FY 08
Personal Services	\$ 14,435,425	\$ 18,181,186	\$ 22,704,565	\$ 25,581,374
Operating Expenses	23,934,911	33,296,602	30,546,862	34,917,544
Capital Outlay	9,519,140	14,209,231	79,511,469	148,445,870
Debt Service	4,571,248	4,677,068	7,748,014	10,159,973
Grants & Aide	303,154	409,510	565,864	503,000
NonOperating Expenses	-	-	-	-
Transfers to Other Funds	3,948,059	5,421,020	8,965,986	6,679,003
Contingency	-	-	-	11,577,731
TOTAL	56,711,937	76,194,617	150,042,760	237,864,495
Less: Interfund Transfers	5,652,180	7,900,626	11,042,309	9,221,564
NET TOTAL EXPENDITURES	\$ 51,059,757	\$ 68,293,991	\$ 139,000,451	\$ 228,642,931

FISCAL YEAR 2008



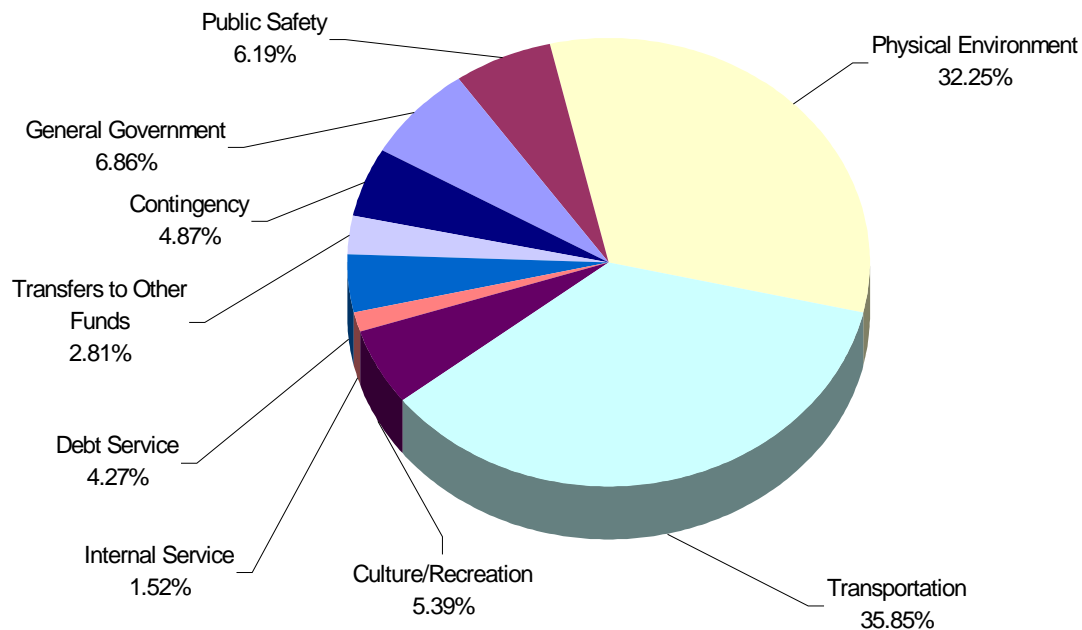
EXPENDITURES BY CATEGORY



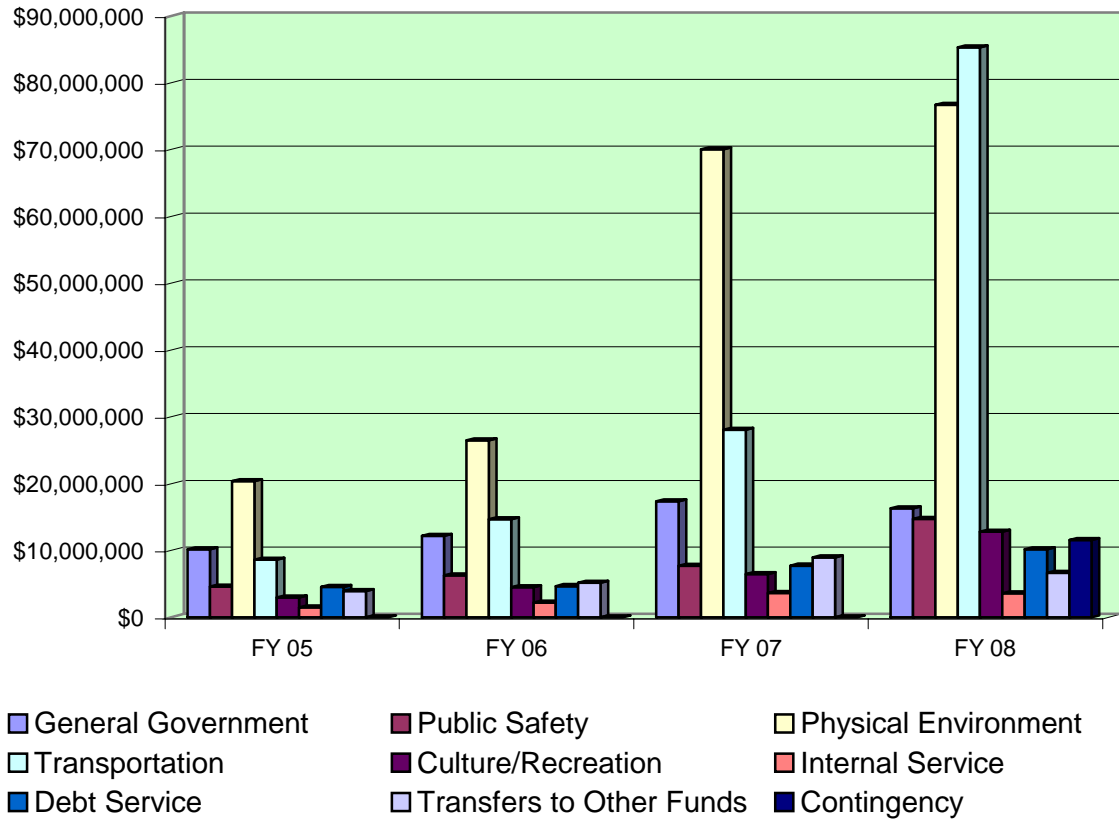
EXPENDITURES BY FUNCTION

FUNCTION	Actual FY 05	Actual FY 06	Estimated FY 07	Proposed FY 08
General Government	\$10,175,551	\$12,184,623	\$17,351,999	\$16,324,142
Public Safety	4,590,729	6,283,339	7,730,198	14,712,623
Physical Environment	20,385,459	26,466,362	70,048,111	76,705,395
Transportation	8,615,049	14,685,992	28,047,387	85,282,721
Culture/Recreation	2,958,904	4,508,161	6,499,306	12,818,694
Internal Service	1,466,937	2,204,784	3,651,759	3,604,213
Debt Service	4,571,249	4,677,068	7,748,014	10,159,973
Transfers to Other Funds	3,948,059	5,184,288	8,965,986	6,679,003
Contingency	-	-	-	11,577,731
TOTAL	56,711,937	76,194,617	150,042,760	237,864,495
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NET TOTAL EXPENDITURES	\$ 51,059,757	\$ 68,293,991	\$ 139,000,451	\$ 228,642,931

FISCAL YEAR 2008



EXPENDITURES BY FUNCTION



PERSONNEL BY DEPARTMENT

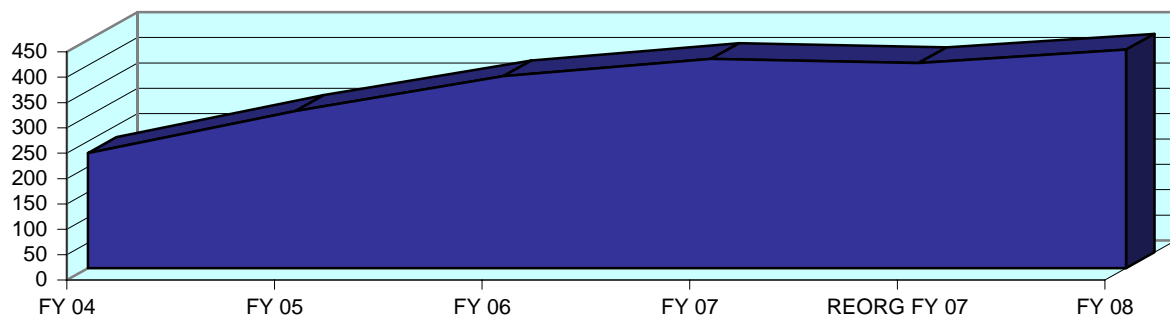
DEPARTMENT	FY 04	FY 05	FY 06	FY 07	REORG FY 07	PROPOSED FY 08	CHANGE
GENERAL FUND							
Mayor and Council	-	-	-	-	-	-	-
City Manager	3.50	3.50	3.50	3.50	3.50	3.50	-
Community Relations	-	3.00	4.00	4.00	5.00	6.00	1.00
Purchasing and Contracts Management	-	-	-	-	5.00	5.00	-
City Clerk	1.00	3.00	4.00	5.00	4.00	4.00	-
Personnel Management	-	-	-	-	4.00	4.00	-
Law Enforcement	-	-	1.00	1.00	1.00	1.00	-
Facilities Maintenance	-	-	-	-	3.00	3.00	-
City Attorney	-	-	-	1.00	1.00	1.00	-
General Services/Financial Services	10.00	15.00	15.00	17.00	10.00	10.00	-
Information Technology and Communications	2.00	7.00	12.00	13.50	14.50	14.50	-
Community Development	16.00	14.00	17.00	19.00	66.00	66.00	-
Building and Code Administration	20.80	54.50	53.50	51.00	-	-	-
Fire	36.00	37.00	44.00	48.00	48.00	72.00	24.00
Public Works	34.00	37.00	55.00	55.00	46.00	46.00	-
Engineering	-	-	6.00	7.00	17.00	17.00	-
Recreation & Parks	17.13	23.03	31.63	40.40	39.40	38.80	(0.60)
Capital Projects	15.60	10.00	7.00	8.00	-	-	-
TOTAL GENERAL FUND	156.03	207.03	253.63	273.40	267.40	291.80	24.40
UTILITY FUND	67.00	81.00	101.00	112.00	115.00	115.00	-
SOLID WASTE FUND	-	2.00	2.00	2.00	-	-	-
STORMWATER MANAGEMENT FUND	-	16.00	17.00	20.00	18.00	18.00	-
TENNIS CENTER FUND	-	-	-	-	1.00	3.00	2.00
FLEET MANAGEMENT FUND	4.00	4.00	5.00	5.00	3.00	3.00	-
FULL-TIME EQUIVALENT POSITIONS	227.03	310.03	378.63	412.40	404.40	430.80	26.40

PERSONNEL BY DEPARTMENT PER 1,000 POPULATION

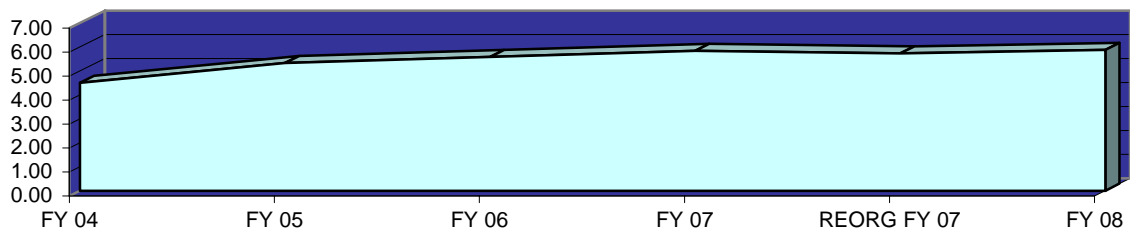
DEPARTMENT	FY 04	FY 05	FY 06	FY 07	REORG FY 08	PROPOSED FY 08
Population	50,484	58,216	67,832	70,376	70,376	73,180
GENERAL FUND						
Mayor and Council	-	-	-	-	-	-
City Manager	0.07	0.06	0.05	0.05	0.05	0.05
Community Relations	-	0.05	0.06	0.06	0.07	0.08
Purchasing and Contracts Management	-	-	-	-	0.07	0.07
City Clerk	0.02	0.05	0.06	0.07	0.06	0.05
Personnel Management	-	-	-	-	0.06	0.05
Law Enforcement	-	-	0.01	0.01	0.01	0.01
Facilities Maintenance	-	-	-	-	0.04	0.04
City Attorney	-	-	-	0.01	0.01	0.01
General Services/Financial Services	0.20	0.26	0.22	0.24	0.14	0.14
Information Technology and Communications	0.04	0.12	0.18	0.19	0.21	0.20
Community Development	0.32	0.24	0.25	0.27	0.94	0.90
Building and Code Administration	0.41	0.94	0.79	0.72	-	-
Fire	0.71	0.64	0.65	0.68	0.68	0.98
Public Works	0.67	0.64	0.81	0.78	0.65	0.63
Engineering	-	-	0.09	0.10	0.24	0.23
Recreation & Parks	0.34	0.40	0.47	0.57	0.56	0.53
Capital Projects	0.31	0.17	0.10	0.11	-	-
TOTAL GENERAL FUND	3.09	3.57	3.74	3.86	3.79	3.97
UTILITY FUND	1.33	1.39	1.49	1.59	1.63	1.57
SOLID WASTE FUND	-	0.03	0.03	0.03	-	-
STORMWATER MANAGEMENT FUND	-	0.27	0.25	0.28	0.26	0.25
TENNIS CENTER FUND	-	-	-	-	0.01	0.04
FLEET MANAGEMENT FUND	0.08	0.07	0.07	0.07	0.04	0.04
FULL-TIME EQUIVALENT POSITIONS	4.50	5.33	5.58	5.83	5.73	5.87

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 3.0% 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 FY2007. 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.

Pay Grade	Minimum	1st Quartile	Mid-Point	3rd Quartile	Maximum
2	\$ 20,500	\$ 23,225	\$ 25,950	\$ 28,675	\$ 31,400
4	22,600	25,600	28,600	31,600	34,600
5	23,800	26,925	30,050	33,175	36,300
6	25,000	28,300	31,600	34,900	38,200
7	26,200	29,675	33,150	36,625	40,100
8	27,500	31,150	34,800	38,450	42,100
9	28,900	32,725	36,550	40,375	44,200
10	30,300	34,325	38,350	42,375	46,400
11	31,800	36,025	40,250	44,475	48,700
12	33,400	37,825	42,250	46,675	51,100
13	35,100	39,750	44,400	49,050	53,700
14	37,600	42,575	47,550	52,525	57,500
15	40,200	45,525	50,850	56,175	61,500
16	43,000	48,700	54,400	60,100	65,800
17	46,000	52,100	58,200	64,300	70,400
18	49,200	55,725	62,250	68,775	75,300
19	52,700	59,675	66,650	73,625	80,600
20	56,400	63,850	71,300	78,750	86,200
21	62,000	70,200	78,400	86,600	94,800
22	68,200	77,225	86,250	95,275	104,300
23	75,000	86,250	97,500	108,750	120,000

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	\$ 22,485,323	\$ 19,859,689
Utility System Revenue Bonds	2033	146,490,000	142,765,000
Totals		<u>\$ 168,975,323</u>	<u>\$ 162,624,689</u>

Total Long-Term Debt

Year	Principal	Interest	Total
2008	\$ 2,859,615	\$ 7,010,379	\$ 9,869,994
2009	3,907,166	6,971,424	10,878,590
2010	4,069,909	6,882,286	10,952,195
2011	4,193,464	6,751,666	10,945,130
2012	4,303,438	6,613,413	10,916,851
2013-2017	24,049,933	30,552,558	54,602,491
2018-2022	29,681,308	24,898,818	54,580,126
2023-2027	35,433,952	17,710,073	53,144,025
2028-2032	37,745,904	9,561,081	47,306,985
2033-2037	16,380,000	1,559,515	17,939,515
Totals	<u>\$ 162,624,689</u>	<u>\$ 118,511,213</u>	<u>\$ 281,135,902</u>