



Executive Summary

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Summary of Major Budgetary Changes

Fiscal Year 2014 Budget vs. 2015 Budget

- ⇒ Beginning FY 2015 the Golf Course and Tennis Center budgets are now being included in the General Fund. In the past, both the Golf Course and Tennis Center funds were enterprise funds but expenditures exceeded revenues and these operations were being supported by General Fund revenues each year.

- ⇒ The FY 2015 Ad Valorem Tax Receipt revenue is being budgeted 6% higher than FY 2014. This is due to an increase in property values as well as City Council action taken to adopt a millage rate of 4.2450 which is 4.19% above the rolled-back rate of 4.0743.

- ⇒ Approximately \$600,000 is being budgeted organization-wide for new positions as well as for position upgrades. The General Fund budget alone includes approximately \$200,000 related to personal services for new positions approved in the fiscal year 2015 budget. A detailed breakdown of these changes can be found on page 116 of this document.

- ⇒ Approximately \$678,000 is being budgeted overall, organization-wide, for fiscal year 2015 for the first time purchases of new fleet. These purchases are related to new equipment and vehicles approved for fiscal year 2015. Included in the \$678,000 is approximately \$300,000 in the General Fund budget. This includes first time fleet purchases only, not the replacement of existing fleet. These purchases are budgeted by departments through a transfer to the Fleet Fund. The actual purchase is made by and budgeted for in the Fleet Fund. More information about the fleet replacement program can be found on pages 242-243 of this document.

Budget Overview

FUND/DEPARTMENT	Proposed FY 15
Total General Fund	\$ 29,189,443
Special Revenue Funds	
CDBG fund	696,439
Police Education Fund	30,000
Police Automation Fund	145,000
Distaster Reserve Fund	2,177,207
Recycling Revenue Fund	249,850
Streets Improvement Fund	21,075,495
Recreation Impact Fee Fund	300,000
Fire Impact Fee Fund	83,447
Development Special Projects Fund	580,000
Transportation Impact Fee Fund	988,000
Neighborhood Stabilization Fund	100,000
Old Kings Road Special Assessment Fund	389,435
BAC Fund	70,225
SR100 Community Redevelopment Fund	1,535,988
Capital Projects Fund	12,382,353
Enterprise Funds	
Utility Fund	33,823,780
Utility Capital Projects Fund	12,919,000
Solid Waste Fund	7,373,520
Stormwater Management Fund	7,762,071
Building Permits Fund	2,730,683
Information Technology Fund	2,563,605
Internal Services Funds	
Self Insured Health Fund	3,381,245
Fleet Management Fund	4,850,129
Subtotal Budget All Funds	\$ 145,396,915
Less: Interfund Transfers	16,290,143
Total	\$ 129,106,772

Budget Summary

By Fund Type

Fund Type	Estimated Revenue	Operating Expenditures & Contingency	Capital Expenditures	Operating Transfers	Total Expenditures
General Fund	\$ 29,189,443	\$ 28,367,643	\$ -	\$ 821,800	\$ 29,189,443
Special Revenue Funds					
CDBG Fund	696,439	410,439	-	286,000	696,439
Police Education Fund	30,000	30,000	-	-	30,000
Police Automation Fund	145,000	145,000	-	-	145,000
Disaster Reserve Fund	2,177,207	2,177,207	-	-	2,177,207
Special Events Fund	249,850	249,850	-	-	249,850
Streets Improvement Fund	21,075,495	550,000	20,525,495	-	21,075,495
Recreation Impact Fee Fund	300,000	-	-	300,000	300,000
Fire Impact Fee Fund	83,447	83,447	-	-	83,447
Development Special Projects Fund	580,000	580,000	-	-	580,000
Transportation Impact Fee Fund	988,000	838,000	-	150,000	988,000
Neighborhood Stabilization Fund	100,000	100,000	-	-	100,000
OKR Special Assessment Fund	389,435	389,435	-	-	389,435
BAC Fund	70,225	70,225	-	-	70,225
SR100 Community Redevelopment Fund	1,535,988	989,988	546,000	-	1,535,988
Capital Projects Fund	12,382,353	-	12,382,353	-	12,382,353
Sub-Total	40,803,439	6,613,591	33,453,848	736,000	40,803,439
Enterprise Funds					
Utility Fund	33,823,780	29,163,105	539,000	4,121,675	33,823,780
Utility Capital Projects Fund	12,919,000	194,000	12,725,000	-	12,919,000
Solid Waste Fund	7,373,520	7,373,520	-	-	7,373,520
Stormwater Management Fund	7,762,071	5,183,571	2,480,000	98,500	7,762,071
Building Permits Fund	2,730,683	1,593,849	-	1,136,834	2,730,683
Information Technology Fund	2,563,605	2,092,528	457,077	14,000	2,563,605
Sub-Total	67,172,659	45,600,573	16,201,077	5,371,009	67,172,659
Internal Service Funds					
Self Insured Health Fund	3,381,245	3,381,245	-	-	3,381,245
Fleet Management Fund	4,850,129	3,194,659	1,655,470	-	4,850,129
Sub-Total All Funds	145,396,915	\$ 87,157,711	\$ 51,310,395	\$ 6,928,809	145,396,915
Less: Interfund Charges and Transfers	16,290,143				16,290,143
Total	\$ 129,106,772				\$ 129,106,772

Budget Summary

By Function

	General Fund	Enterprise Funds	Internal Service Funds	Special Revenue Funds	Total All Funds
<u>CASH BALANCES BROUGHT FORWARD</u>	\$ -	\$ 7,656,502	\$ 80,245	\$ 14,748,370	\$ 22,485,117
<u>ESTIMATED REVENUES</u>					
TAXES: Millage Per \$1,000					
Advalorem Taxes: 4.2450	\$ 15,697,074	\$ 316,403	\$ -	\$ -	\$ 16,013,477
Sales, Use, and Fuel Taxes	425,000	-	-	3,991,500	4,416,500
Telecommunication Service Tax	2,500,000	-	-	-	2,500,000
Local Business Tax	400,000	-	-	-	400,000
Permits, Fees and Special Assessments	785,000	-	-	239,435	1,024,435
Intergovernmental Revenue	3,551,625	1,082,880	-	17,064,397	21,698,902
Charges for Services	4,415,266	52,491,649	35,000	1,529,160	58,471,075
Fines & Forfeitures	559,000	-	-	864,000	1,423,000
Interest Revenue	10,000	380,045	2,000	6,243	398,288
Miscellaneous Revenues	69,478	19,000	120,000	-	208,478
Non Revenues	-	1,909,605	7,451,729	-	9,361,334
Transfers from Other Funds	777,000	3,249,075	542,400	2,360,334	6,928,809
Debt Proceeds	-	67,500	-	-	67,500
Total Revenues and other Financing Sources	\$ 29,189,443	\$ 59,516,157	\$ 8,151,129	\$ 26,055,069	\$ 122,911,798
Total Estimated Revenues and Balances	\$ 29,189,443	\$ 67,172,659	\$ 8,231,374	\$ 40,803,439	\$ 145,396,915
Less: Interfund Transfers					16,290,143
Net Revenues					\$ 129,106,772
<u>EXPENDITURES/EXPENSES</u>					
General Government	\$ 8,270,043	\$ 2,549,605	\$ -	\$ 6,771,353	\$ 17,591,001
Public Safety	10,058,657	1,593,849	-	145,000	11,797,506
Physical Environment	-	43,687,334	-	-	43,687,334
Transportation	5,550,923	-	-	21,075,495	26,626,418
Economic Environment	-	10,000	-	535,439	545,439
Culture/Recreation	4,386,314	-	-	6,421,850	10,808,164
Internal Service	-	-	7,402,094	-	7,402,094
Debt Service	-	13,160,091	-	1,286,923	14,447,014
Transfers to Other Funds	821,800	5,371,009	-	736,000	6,928,809
Total Expenditures/Expenses	\$ 29,087,737	\$ 66,371,888	\$ 7,402,094	\$ 36,972,060	\$ 139,833,779
Reserves	101,706	800,771	829,280	3,831,379	5,563,136
Total Appropriated Expenditures and Reserves	\$ 29,189,443	\$ 67,172,659	\$ 8,231,374	\$ 40,803,439	\$ 145,396,915
Less: Interfund Transfers					16,290,143
Net Expenditures					\$ 129,106,772

Budget Summary

By Department

FUND/DEPARTMENT	Actual FY 12	Actual FY 13	Projected FY 14	Proposed FY 15
General Fund				
<i>City Council</i>	\$ 90,860	\$ 96,341	\$ 95,462	\$ 95,317
<i>City Manager</i>	356,106	358,763	361,923	371,254
<i>Communications and Marketing</i>	210,824	178,320	345,212	353,363
<i>Purchasing and Contracts Management</i>	279,917	266,364	249,392	260,977
<i>Economic Development</i>	172,696	171,346	224,723	294,049
<i>City Clerk</i>	130,688	121,475	139,986	148,116
<i>Human Resources</i>	291,274	341,306	376,044	454,022
<i>Law Enforcement</i>	2,599,691	2,599,691	2,599,691	2,623,433
<i>City Attorney</i>	377,896	383,490	394,276	393,678
<i>Financial Services</i>	675,221	678,107	699,756	735,725
<i>Fire</i>	7,016,955	7,316,620	7,566,311	7,435,224
<i>Engineering</i>	463,107	478,325	544,114	458,630
<i>Tennis Center</i>	-	-	-	326,575
<i>Golf Course</i>	-	-	-	1,510,746
<i>Parks and Recreation</i>	1,079,444	1,035,005	1,325,908	1,286,993
<i>Non-Departmental</i>	644,452	638,214	7,855,274	742,706
<i>Planning</i>	1,359,748	1,388,622	1,598,375	1,688,497
<i>Code Enforcement</i>	2,066,449	2,096,419	2,183,229	2,223,899
<i>Streets</i>	4,842,993	5,226,111	5,463,148	5,797,223
<i>Facilities Maintenance</i>	648,837	639,126	644,540	674,516
<i>Parks/Facilities</i>	1,031,197	1,108,836	1,188,573	1,314,500
Total General Fund	\$ 24,338,357	\$ 25,122,483	\$ 33,855,937	\$ 29,189,443
Utility Fund				
<i>Utility Customer Service</i>	1,206,817	1,223,480	1,316,941	1,449,659
<i>Utility Administration</i>	1,130,618	1,092,027	1,150,077	1,228,639
<i>Utility Maintenance</i>	571,037	552,047	660,011	709,454
<i>Wastewater Collection</i>	2,193,422	2,242,091	2,370,522	2,611,693
<i>Wastewater Treatment</i>	1,686,157	1,699,410	1,707,138	1,787,156
<i>Water Plant #1</i>	1,621,554	1,674,711	1,733,078	1,773,667
<i>Water Plant #2</i>	1,126,986	1,044,503	1,249,249	1,526,027
<i>Water Plant #3</i>	822,924	898,629	956,587	1,011,446
<i>Water Quality</i>	447,216	429,769	468,011	476,912
<i>Water Distribution</i>	2,596,390	2,796,652	2,886,743	3,081,666
<i>Non-Departmental</i>	19,690,891	44,038,658	17,992,393	18,167,461
Total Utility Fund	\$ 33,094,010	\$ 57,691,977	\$ 32,490,750	\$ 33,823,780

Budget Summary

By Department (cont....)

FUND/DEPARTMENT	Actual FY 12	Actual FY 13	Projected FY 14	Proposed FY 15
CDBG Fund	50,533	342,469	943,007	696,439
Police Education Fund	-	20,045	14,000	30,000
Police Automation Fund	-	103,520	76,500	145,000
Distaster Reserve Fund	-	-	2,206,117	2,177,207
Recycling Revenue Fund	291,245	252,211	210,585	249,850
Streets Improvement Fund	5,198,313	3,789,348	10,071,100	21,075,495
Recreation Impact Fee Fund	200,000	-	700,000	300,000
Fire Impact Fee Fund	-	-	80,167	83,447
Development Special Projects Fund	266,770	723,196	150,000	580,000
Transportation Impact Fee Fund	-	572,435	950,000	988,000
Neighborhood Stabilization Fund	1,376,367	1,285,801	810,100	100,000
Old Kings Road Special Assessment Fund	211,439	53,020	320,000	389,435
BAC Fund	6,078	20,840	65,225	70,225
SR100 Community Redevelopment Fund	771,246	1,191,767	13,294,638	1,535,988
Capital Projects Fund	13,639,606	731,331	9,357,336	12,382,353
Utility Capital Projects Fund	-	-	13,952,000	12,919,000
Solid Waste Fund	7,533,636	7,154,429	7,400,000	7,373,520
Stormwater Management Fund	4,091,623	4,331,661	7,575,133	7,762,071
Building Permits Fund	1,305,955	1,226,810	1,530,904	2,730,683
Golf Course Fund	1,841,407	1,784,635	1,503,442	-
Tennis Center Fund	268,841	296,279	328,783	-
Information Technology Fund	2,660,861	2,749,162	2,888,310	2,563,605
Self Insured Health Fund	2,352,885	3,037,716	3,244,000	3,381,245
Fleet Management Fund	3,281,688	3,472,117	4,616,844	4,850,129
Total All Funds	\$ 102,780,861	\$ 115,953,252	\$ 148,634,878	\$ 145,396,915
Less: Interfund Transfers	23,977,984	34,819,470	22,366,907	16,290,143
Total	\$ 78,802,877	\$ 81,133,781	\$ 126,267,971	\$ 129,106,772

*Beginning in FY 2015 the Golf Course and Tennis center budgets are now included in the General Fund.

Revenues

REVENUE DESCRIPTIONS:

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. Ad valorem 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. The Flagler County Tax Collector collects and distributes the taxes to each taxing authority. This is considered to be general revenue for general purposes of the government entity.

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.

COMMUNICATIONS SERVICES TAXES: This tax is collected by the State. The tax revenues, less the DOR’s administrative cost deduction are distributed monthly to the appropriate jurisdictions. The tax is charged on telecommunications, video, direct-to-home satellite and related services. This tax may be used for any public purpose.

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.

JUDGMENTS, FINES & FORFEITS: This revenue comes from code enforcement fines, red light camera violations and settlement of criminal cases taken to court. It includes a portion of monetary penalties and recovery of costs incurred by the City.

LOCAL OPTION, USE, AND FUEL TAXES: These are local option taxes, including gas tax and the Small County Surtax collected within the county by retailers and paid to the State. The proceeds are distributed monthly by the Department of Revenue based on a State mandated formula or an inter-local agreement between the cities and the county.

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, as well as contributions towards the Self Insured Health Fund.

OTHER FINANCING SOURCES: This is most often an appropriation of previous surplus, and proceeds from issuing debt.

PERMITS, FEES AND SPECIAL ASSESSMENTS: According to Section 205.042, Florida Statutes, a municipality may levy a local business tax receipt for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction. This revenue also includes the Old King's Road special assessment and animal licenses.

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.

MAJOR REVENUE TRENDS:

There are 11 major revenue sources that account for 77 percent of the City's estimated revenues for fiscal year 2014, not including debt proceeds. Appropriated fund balance accounts for another 20 percent of the revenue. The following is a more detailed analysis of the trends for these major revenue sources.

AD VALOREM TAXES: Over the past three years, there has been an average decrease in property values of approximately 7% per year. In 2014 and for the first time since 2008, property values showed a slight increase, rising approximately .37% from 2013 to 2014. Once again in fiscal year 2015, property values have shown a promising increase.

TELECOMMUNICATION SERVICES TAX: Decreases in this revenue have averaged about 4% over past years. Recent changes in the delivery of these services have decreased collections and the taxable base. We expect additional decreases of 1% to 2% in future years.

HALF-CENT SALES TAX: This revenue source had previously been declining slightly, however fiscal year 2010 through 2013 saw an average increase of approximately 4%. We expect to see continued improvement over the next few years and should see increases of at least 1% to 2%.

LOCAL OPTION FUEL TAX: This funding source has seen significant fluctuations from year to year and even month to month. Since the beginning of fiscal year 2013 this revenue has decreased 2%.

SMALL COUNTY SURTAX

The Small County Surtax is levied at the rate of .5 percent pursuant to an ordinance enacted by a majority vote of the county's governing body. The proceeds are currently being allocated to the Capital Projects Fund. This tax replaced the Discretionary Sales Surtax which expired in December 2012.

STATE REVENUE SHARING

This revenue source has been fairly consistent month to month. Overall from fiscal year 2009 to 2012 it has seen an increase of more than 22%.

SOLID WASTE CHARGES: This charge is expected to mirror the population growth of about 1% to 2%. During fiscal year 2013 a rate reduction was possible due to the conversion of our solid waste trucks to natural gas.

STORMWATER UTILITY FEES: This fee is charged on developed and undeveloped property. A rate increase of approximately 46% took place in fiscal year 2013. These additional fees are to fund an aggressive capital improvement program. In subsequent years, a 1% to 2% growth rate is anticipated.

TRANSPORTATION IMPACT FEES: Building permits issued declined through 2012, but started increasing in 2013. The number of building permits has a direct impact on this revenue source. All construction related revenues are expected to increase 4% annually for the next three years.

WATER AND WASTEWATER SALES: This is a revenue source related to the utility system. As a result of a new rate schedule, this revenue source increased 8% in 2013, with additional 4% increase scheduled for 2014. Rates will increase another 4% in October 2014 in anticipation of future bond issues for infrastructure improvements.

WATER AND WASTEWATER IMPACT FEES: Like transportation impact fees this revenue source is expected to increase 4% annually for the next three years.

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.

- Ad Valorem Taxes
 - ⇒ Approved millage multiplied by tax roll, less 4% for assumed non-collection and/or discounts taken for early payment.
- Local Option, Use, and Fuel Taxes
 - ⇒ State's forecast (based on city and county population and lane miles), adjusted for historical trend analysis.
- Communications Services Taxes
 - ⇒ State's forecast adjusted for historical trend analysis.
- Permits, Fees and Special Assessments
 - ⇒ Historical trend analysis. Economic conditions. Residential building permit activity. Estimate of growth rate for next year.
- 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. Utility rate study results. City Council rate discussions. Area home sales, new construction and vacancies.
- Solid Waste Fees
 - ⇒ Historical trend analysis. Contract negotiations with Waste hauling contractor.
- Stormwater Management Fees
 - ⇒ Historical trend analysis. City Council rate discussions
- Other Charges for Services
 - ⇒ Historical trend analysis. City Council rate discussions.
- Judgments, Fines & Forfeits
 - ⇒ Historical trend analysis.
- Interest and Other Earnings
 - ⇒ Historical trend analysis. Current market conditions.
- Miscellaneous Revenues
 - ⇒ Historical trend analysis.
- Non Revenues
 - ⇒ Amounts billed to departments for usage.
- Transfers from Other Funds
 - ⇒ Capital needs and allocation of common costs.

REVENUE DIVERSIFICATION:

Each year during the early stages of budget discussions City Council receives an update on the current year revenues. The presentation also includes an educational aspect focusing on revenue diversification options and keeping our City Council informed not only on the current revenue conditions but on future needs as well. Staff also provides City Council with a look at what the impact would be to property tax revenue if additional revenue sources were put in place.

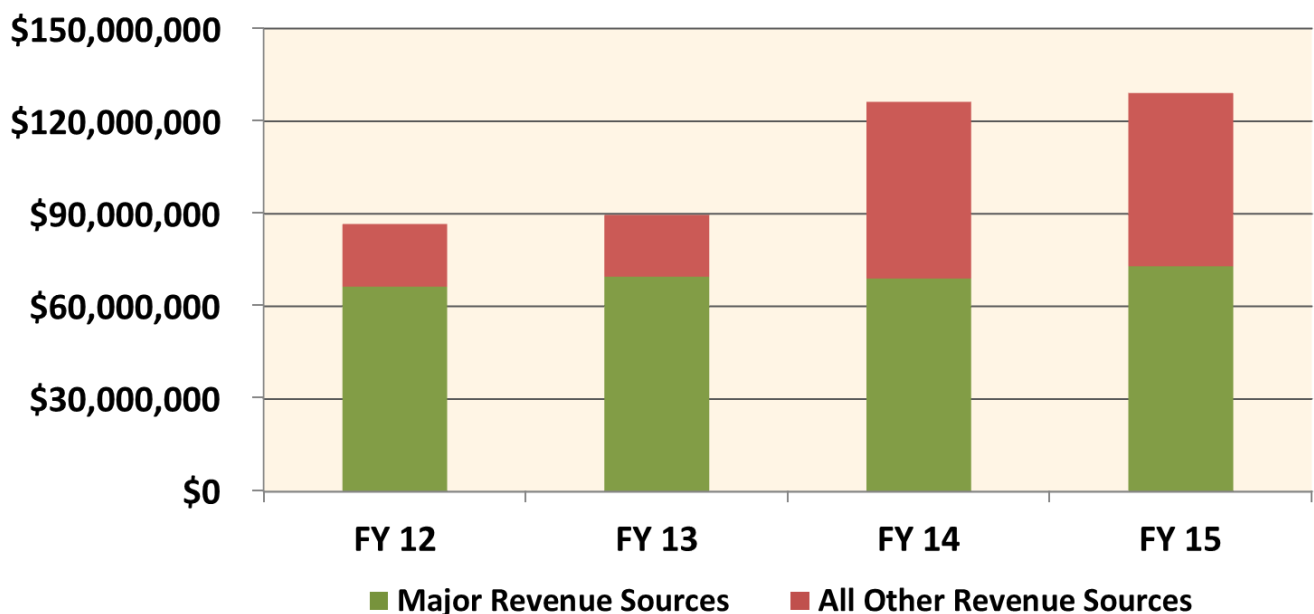
Some revenue sources which the City currently does not use but are available for future use include the following:

- Electric Franchise Fee
- Electric Utility Tax
- Fire Assessment Fee

Major Revenue Sources

SOURCE	Actual FY 12	Actual FY 13	Projected FY 14	Proposed FY 15
Ad Valorem Taxes	\$ 15,067,848	\$ 15,027,541	\$ 15,253,633	\$ 16,013,477
Local Option, Use and Fuel Taxes	4,730,538	4,651,211	4,370,000	4,416,500
Telecommunication Service Tax	2,696,547	2,680,645	2,560,000	2,500,000
Half-Cent Sales Tax	1,947,655	2,074,462	2,178,185	2,230,000
Transportation Impact Fees	581,068	885,271	950,000	1,024,435
Water Sales	17,445,894	17,789,590	17,675,000	18,200,000
Wastewater Charges	10,421,240	11,817,305	10,453,500	12,975,750
Water Impact Fee	191,818	697,513	460,175	506,193
Wastewater Impact Fee	199,766	480,546	439,825	479,807
Solid Waste Charges	7,655,877	7,227,081	7,400,000	7,373,520
Stormwater Utility Fee	5,468,797	6,316,147	7,300,000	7,300,000
Debt Proceeds	-	2,088,000	11,706,529	67,500
Appropriated Fund Balance	-	-	18,288,979	22,485,117
All Other Sources	44,259,250	52,717,849	49,599,052	49,824,616
TOTAL	\$ 110,666,298	\$ 124,453,159	\$ 148,634,878	\$ 145,396,915
Less: Interfund Transfers	23,977,984	34,819,470	22,366,907	16,290,143
	\$ 86,688,315	\$ 89,633,688	\$ 126,267,971	\$ 129,106,772

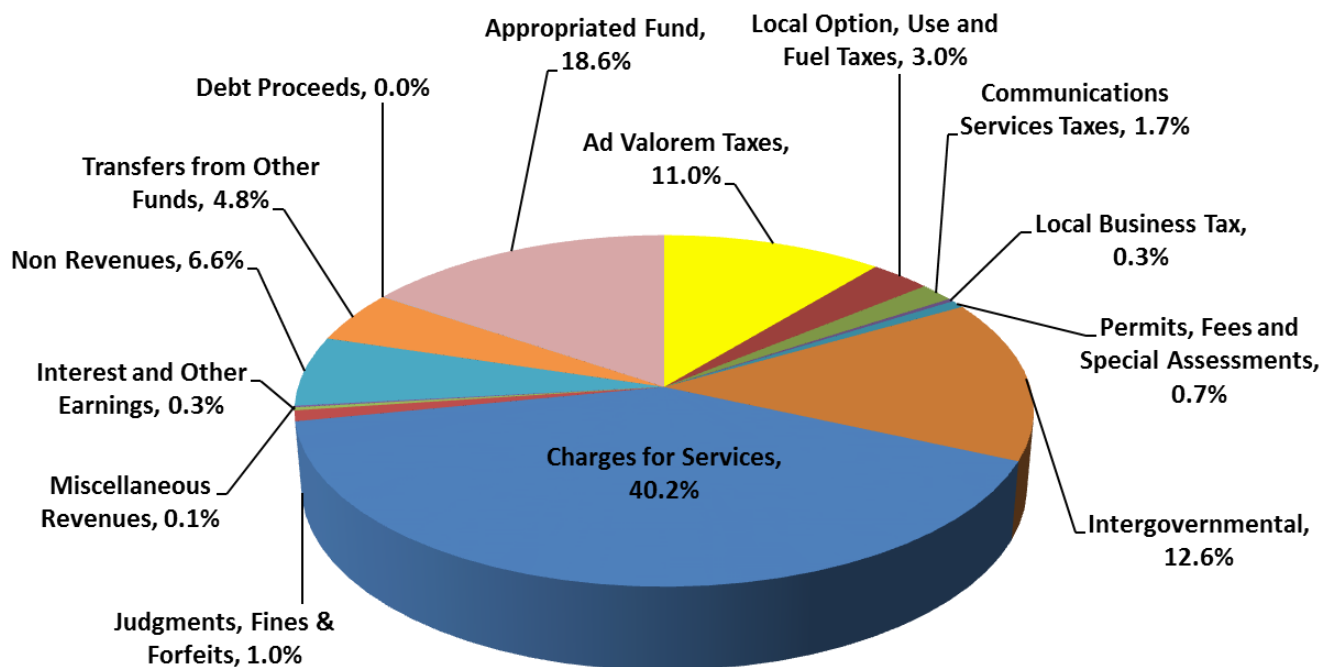
Major Revenue Sources	66,407,049	69,647,310	69,040,318	73,019,682
All Other Revenue Sources	20,281,266	19,986,379	57,227,653	56,087,090
	\$ 86,688,315	\$ 89,633,688	\$ 126,267,971	\$ 129,106,772



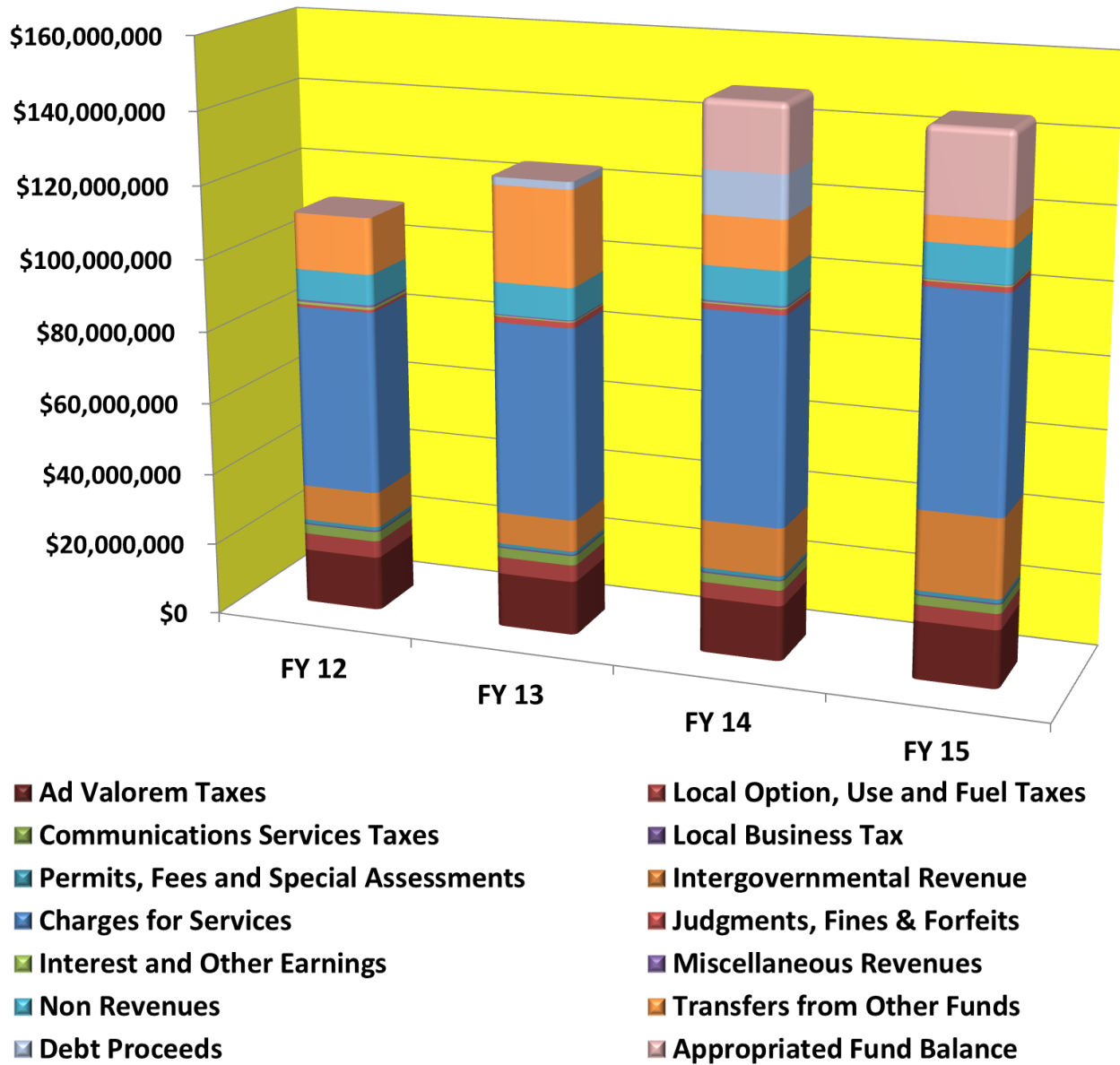
Revenues by Source

SOURCE	Actual FY 12	Actual FY 13	Projected FY 14	Proposed FY 15
Ad Valorem Taxes	\$15,067,848	\$15,027,541	\$15,253,633	\$16,013,477
Local Option, Use and Fuel Taxes	4,730,538	4,651,211	4,370,000	4,416,500
Communications Services Taxes	2,696,547	2,680,645	2,560,000	2,500,000
Local Business Tax	378,989	404,686	395,000	400,000
Permits, Fees and Special Assessments	991,224	891,028	1,024,000	1,024,435
Intergovernmental Revenue	9,910,317	8,713,086	13,136,642	21,698,902
Charges for Services	50,903,639	52,954,061	57,125,482	58,471,075
Judgments, Fines & Forfeits	739,412	1,578,139	1,536,723	1,423,000
Interest and Other Earnings	675,430	293,840	376,763	398,288
Miscellaneous Revenues	594,369	351,451	494,220	208,478
Non Revenues	8,440,350	8,676,671	9,136,976	9,361,334
Transfers from Other Funds	15,537,633	26,142,799	13,229,931	6,928,809
Debt Proceeds	-	2,088,000	11,706,529	67,500
Appropriated Fund Balance	-	-	18,288,979	22,485,117
TOTAL	\$ 110,666,298	\$ 124,453,159	\$ 148,634,878	\$ 145,396,915
Less: Interfund Transfers	23,977,984	34,819,470	22,366,907	16,290,143
	\$ 86,688,315	\$ 89,633,688	\$ 126,267,971	\$ 129,106,772

Fiscal Year 2015



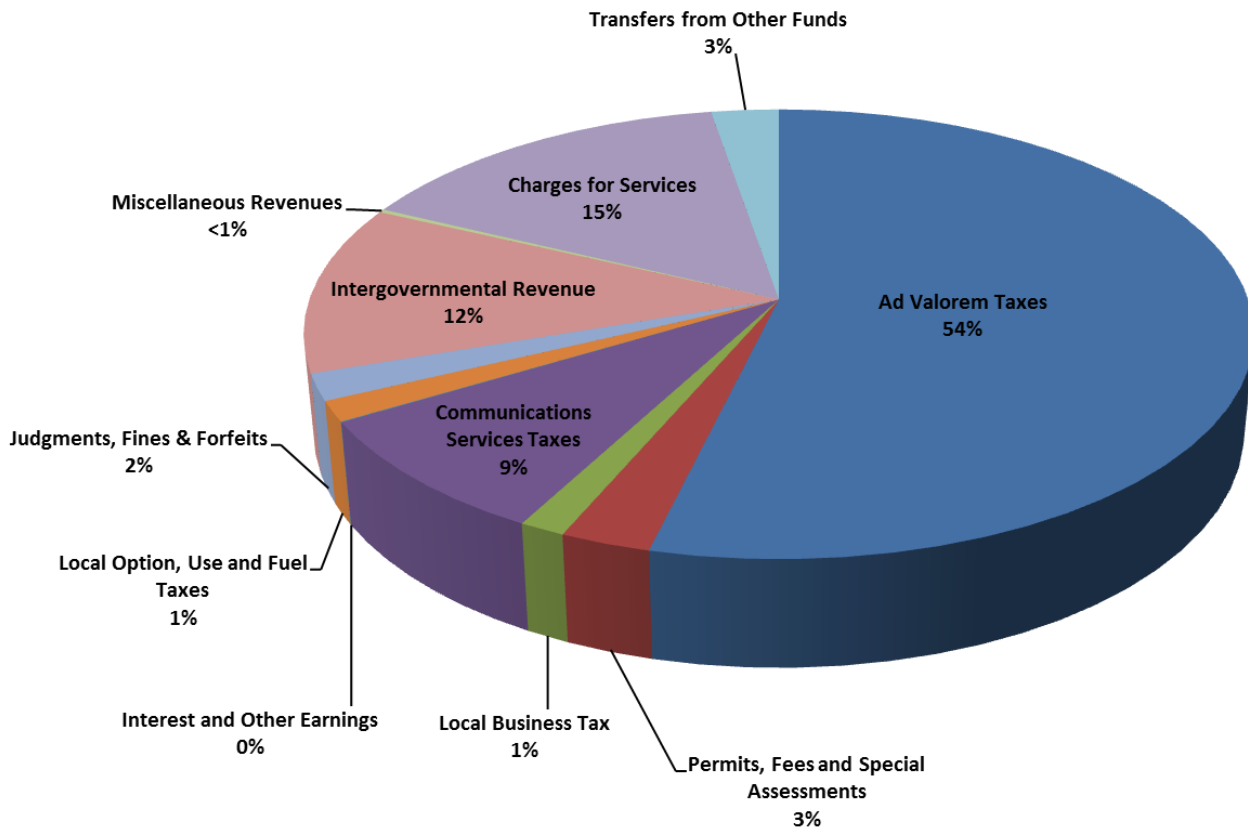
Historical Revenues by Source



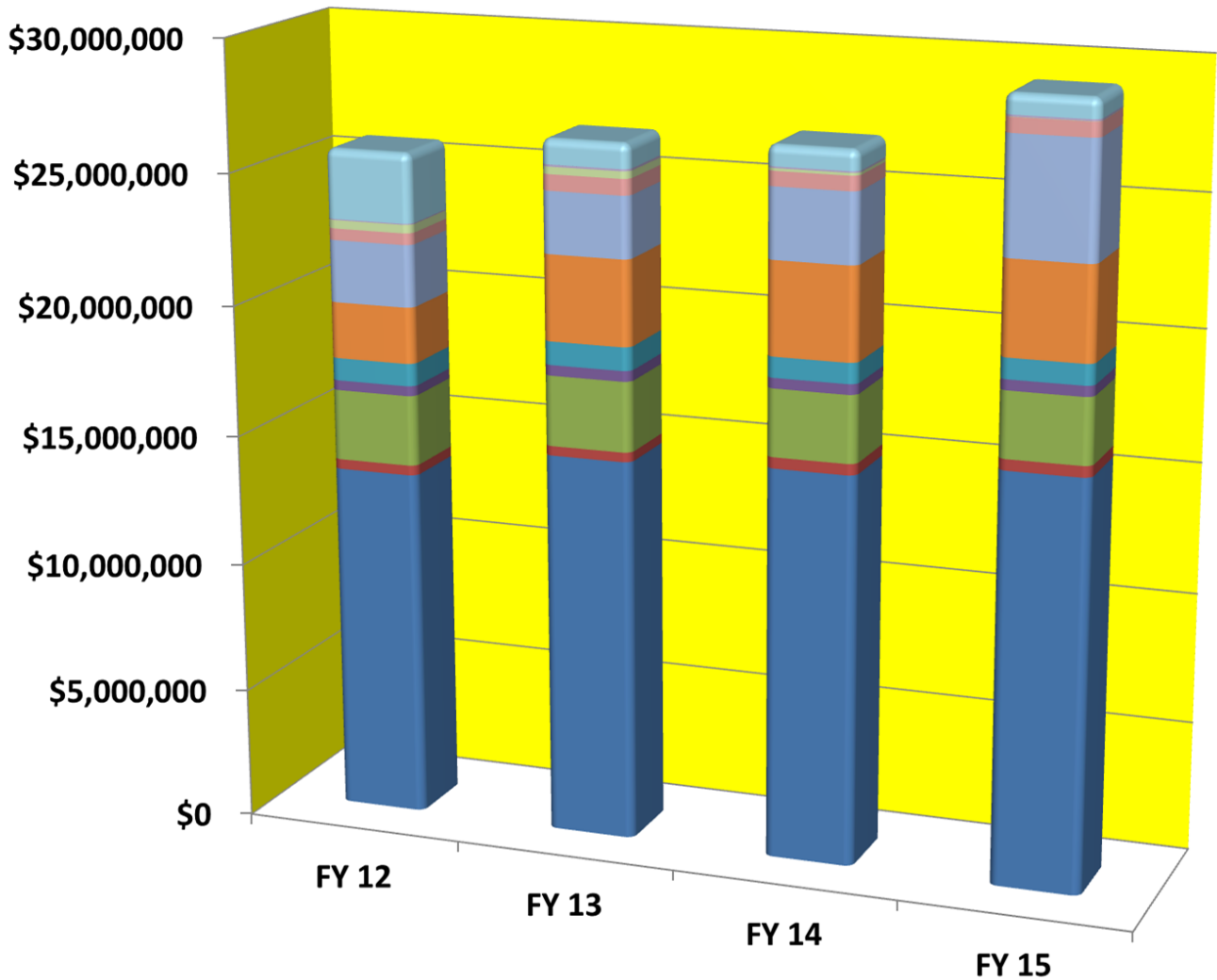
General Fund Revenues by Source

SOURCE	Actual FY 12	Actual FY 13	Projected FY 14	Proposed FY 15
Ad Valorem Taxes	\$13,381,748	\$14,681,791	\$14,978,500	\$15,697,074
Local Option, Use and Fuel Taxes	377,962	364,571	425,000	425,000
Communications Services Taxes	2,696,547	2,680,645	2,560,000	2,500,000
Local Business Tax	378,989	404,686	395,000	400,000
Permits, Fees and Special Assessments	861,325	891,028	784,000	785,000
Intergovernmental Revenue	2,150,005	3,265,203	3,544,895	3,551,625
Charges for Services	2,373,144	2,351,350	2,664,793	4,415,266
Judgments, Fines & Forfeits	441,728	612,347	559,000	559,000
Interest and Other Earnings	321,197	278,344	100,000	10,000
Miscellaneous Revenues	38,972	77,206	60,220	69,478
Transfers from Other Funds	2,660,404	961,976	792,000	777,000
Debt Proceeds	-	-	5,792,529	-
Appropriated Fund Balance	-	-	1,200,000	-
TOTAL	\$25,682,022	\$26,569,147	\$33,855,937	\$29,189,443

Fiscal Year 2015



Historical General Fund Revenues by Source

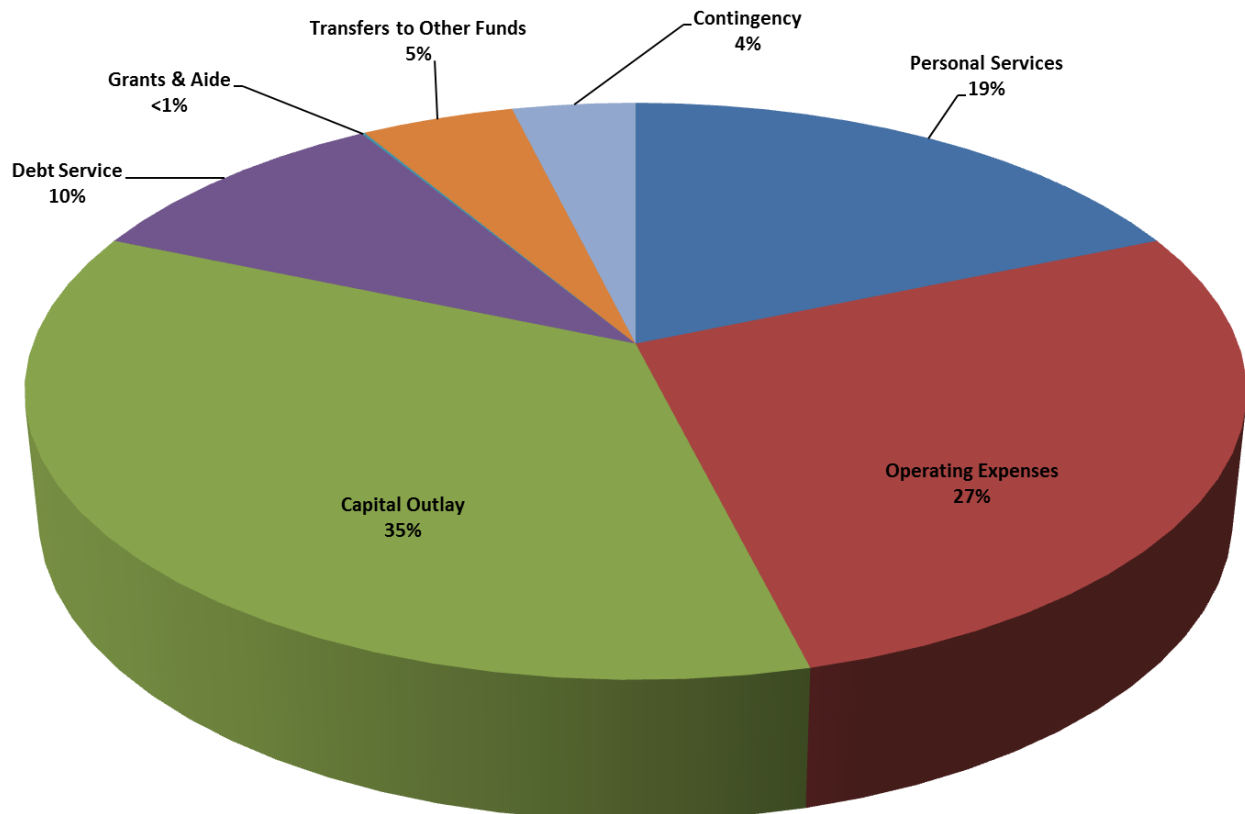


- Ad Valorem Taxes
- Communications Services Taxes
- Permits, Fees and Special Assessments
- Charges for Services
- Interest and Other Earnings
- Transfers from Other Funds
- Local Option, Use and Fuel Taxes
- Local Business Tax
- Intergovernmental Revenue
- Judgments, Fines & Forfeits
- Miscellaneous Revenues

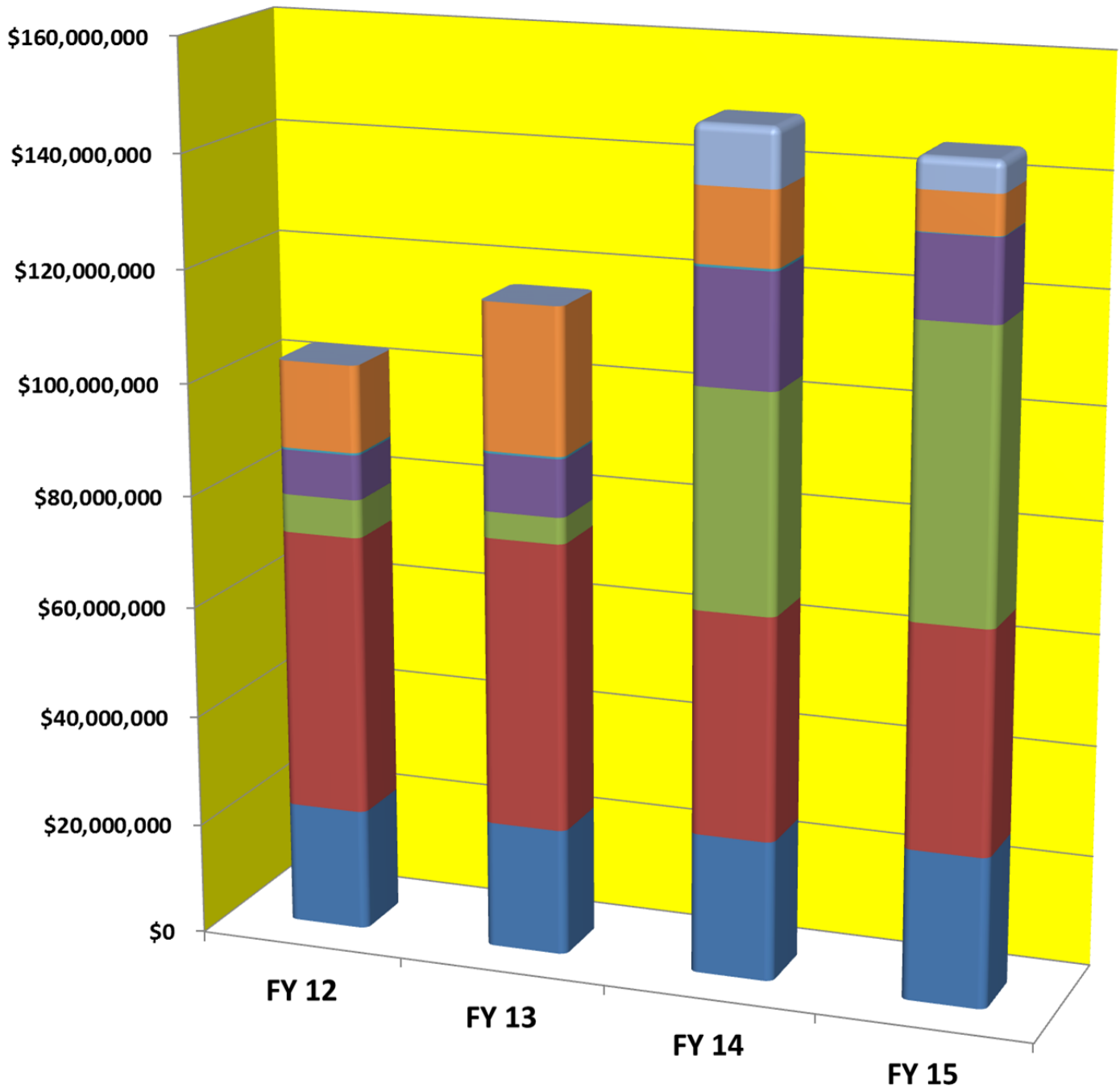
Expenditures by Category

CATEGORY	Actual FY 12	Actual FY 13	Projected FY 14	Proposed FY 15
Personal Services	\$21,764,882	\$22,756,149	\$25,236,600	\$27,070,683
Operating Expenses	50,253,026	51,672,994	40,050,017	39,938,878
Capital Outlay	6,821,804	4,713,736	38,916,971	51,310,395
Debt Service	8,030,639	10,295,802	20,331,372	14,447,014
Grants & Aide	372,877	371,773	417,556	138,000
Transfers to Other Funds	15,537,633	26,142,799	13,229,931	6,928,809
Contingency	-	-	10,452,431	5,563,136
TOTAL	\$102,780,860	\$115,953,252	\$148,634,878	\$145,396,915
Less: Interfund Transfers	23,977,984	34,819,470	22,366,907	16,290,143
	\$78,802,876	\$81,133,782	\$126,267,971	\$129,106,772

Fiscal Year 2015



Historical Expenditures by Category

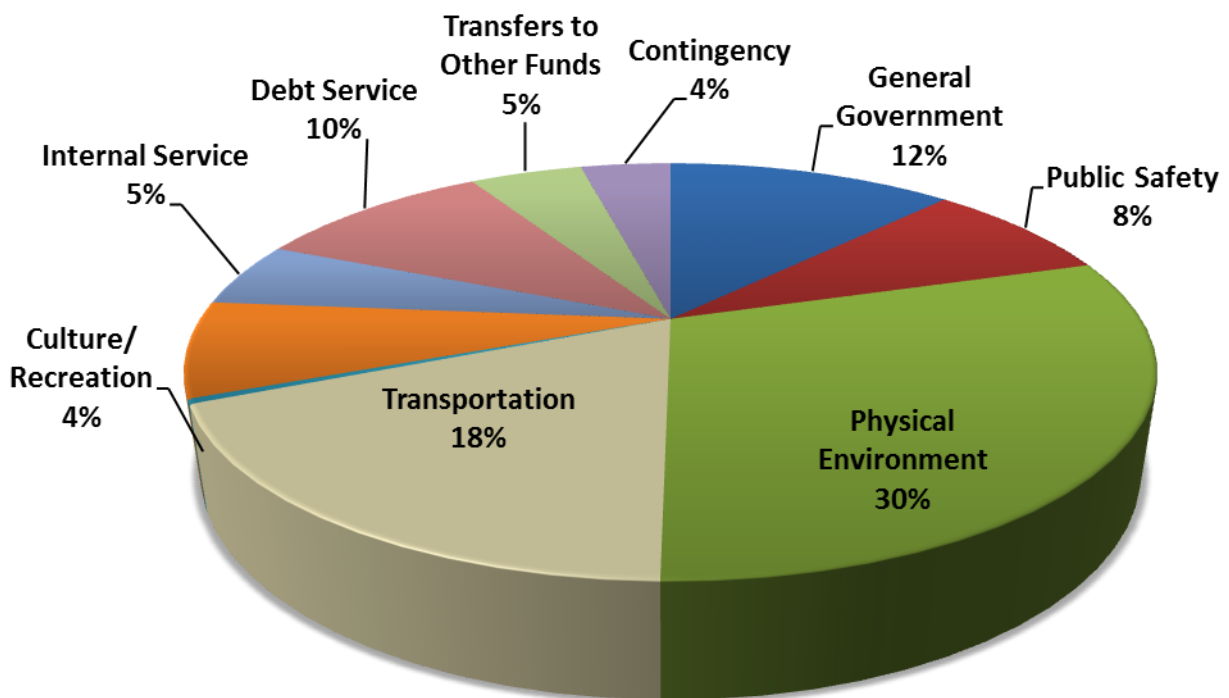


- Personal Services
- Operating Expenses
- Capital Outlay
- Debt Service
- Grants & Aide
- Transfers to Other Funds
- Contingency

Expenditures by Function

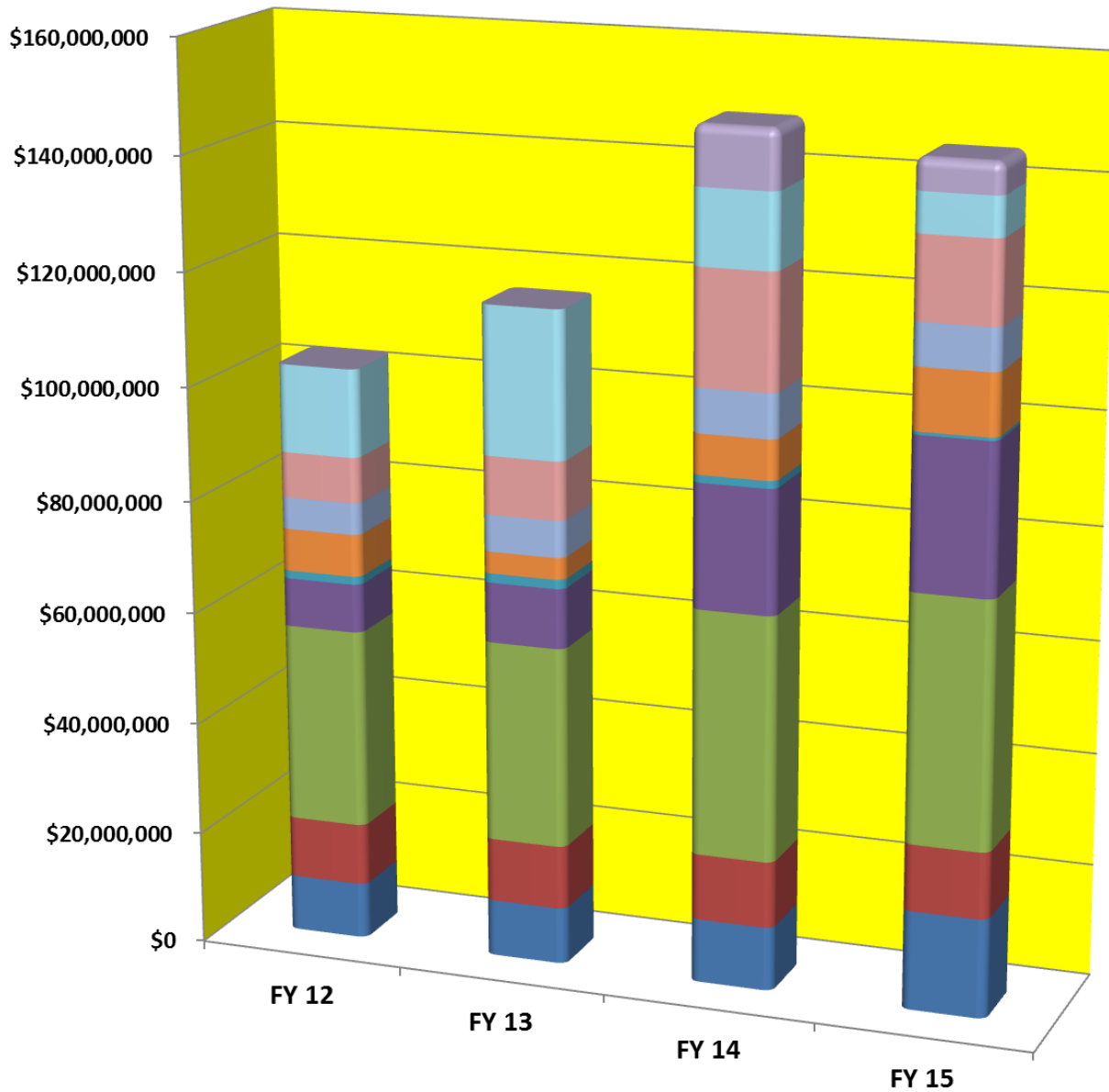
FUNCTION	Actual FY 12	Actual FY 13	Projected FY 14	Proposed FY 15
General Government	\$9,911,054	\$10,056,739	\$11,325,543	\$17,591,001
Public Safety	10,922,601	11,271,980	11,735,689	11,797,506
Physical Environment	35,233,864	35,580,552	43,414,366	43,687,334
Transportation	8,600,974	10,611,270	21,918,492	26,626,418
Economic Environment	1,432,978	1,649,110	1,345,100	545,439
Culture/Recreation	7,476,545	3,835,167	7,072,598	10,808,164
Internal Service	5,634,574	6,509,833	7,809,356	7,402,094
Debt Service	8,030,639	10,295,802	20,331,372	14,447,014
Transfers to Other Funds	15,537,633	26,142,799	13,229,931	6,928,809
Contingency	-	-	10,452,431	5,563,136
TOTAL	\$102,780,860	\$115,953,252	\$148,634,878	\$145,396,915
Less: Interfund Transfers	\$23,977,984	\$34,819,470	\$22,366,907	\$16,290,143
	\$78,802,876	\$81,133,782	\$126,267,971	\$129,106,772

Fiscal Year 2015



Physical Environment continue to serve as the largest function as it relates to city-wide expenditures. This includes expenses related to Utility services, Streets and Drainage and Stormwater.

Historical Expenditures by Function

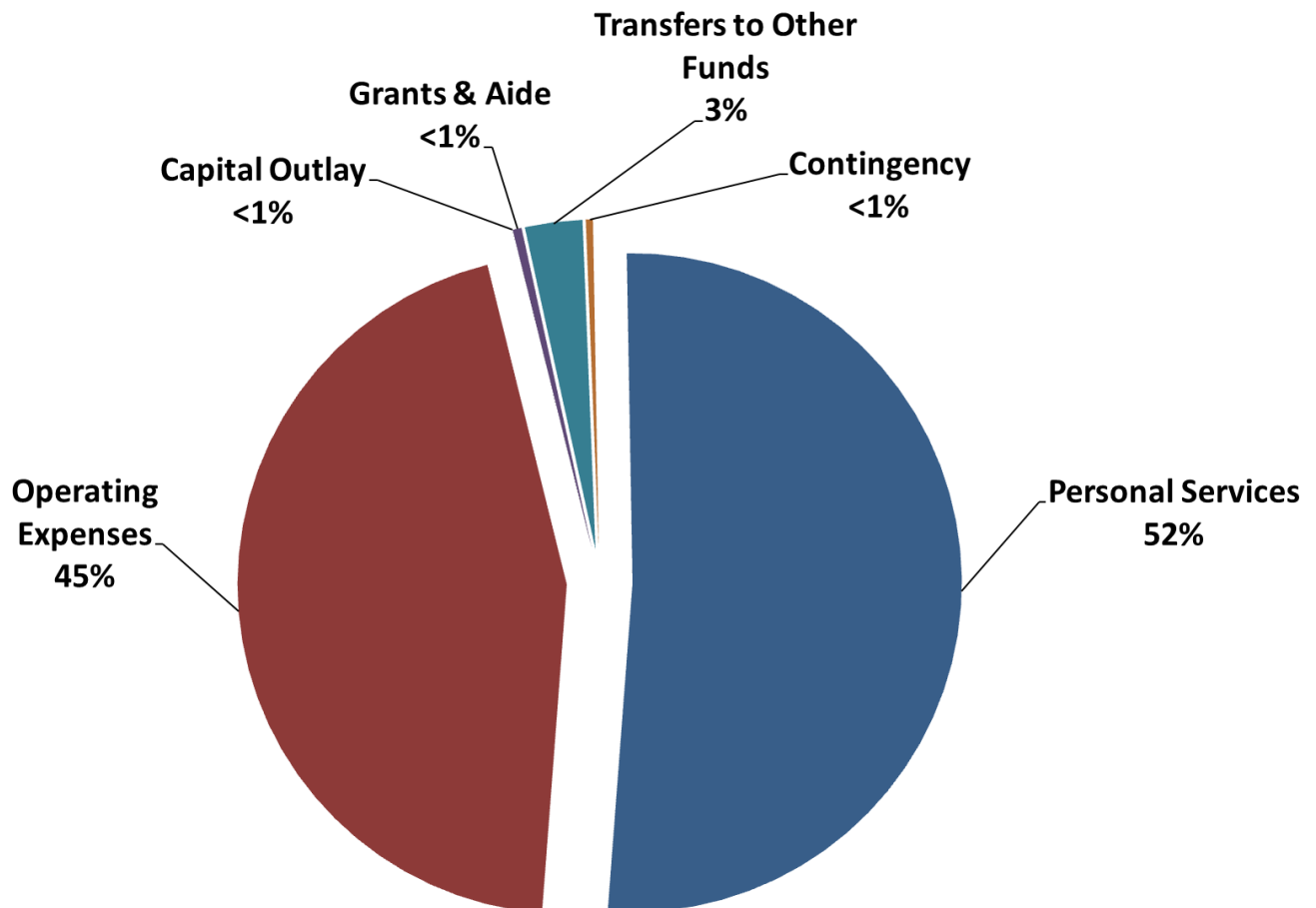


- General Government
- Physical Environment
- Economic Environment
- Internal Service
- Transfers to Other Funds
- Public Safety
- Transportation
- Culture/Recreation
- Debt Service
- Contingency

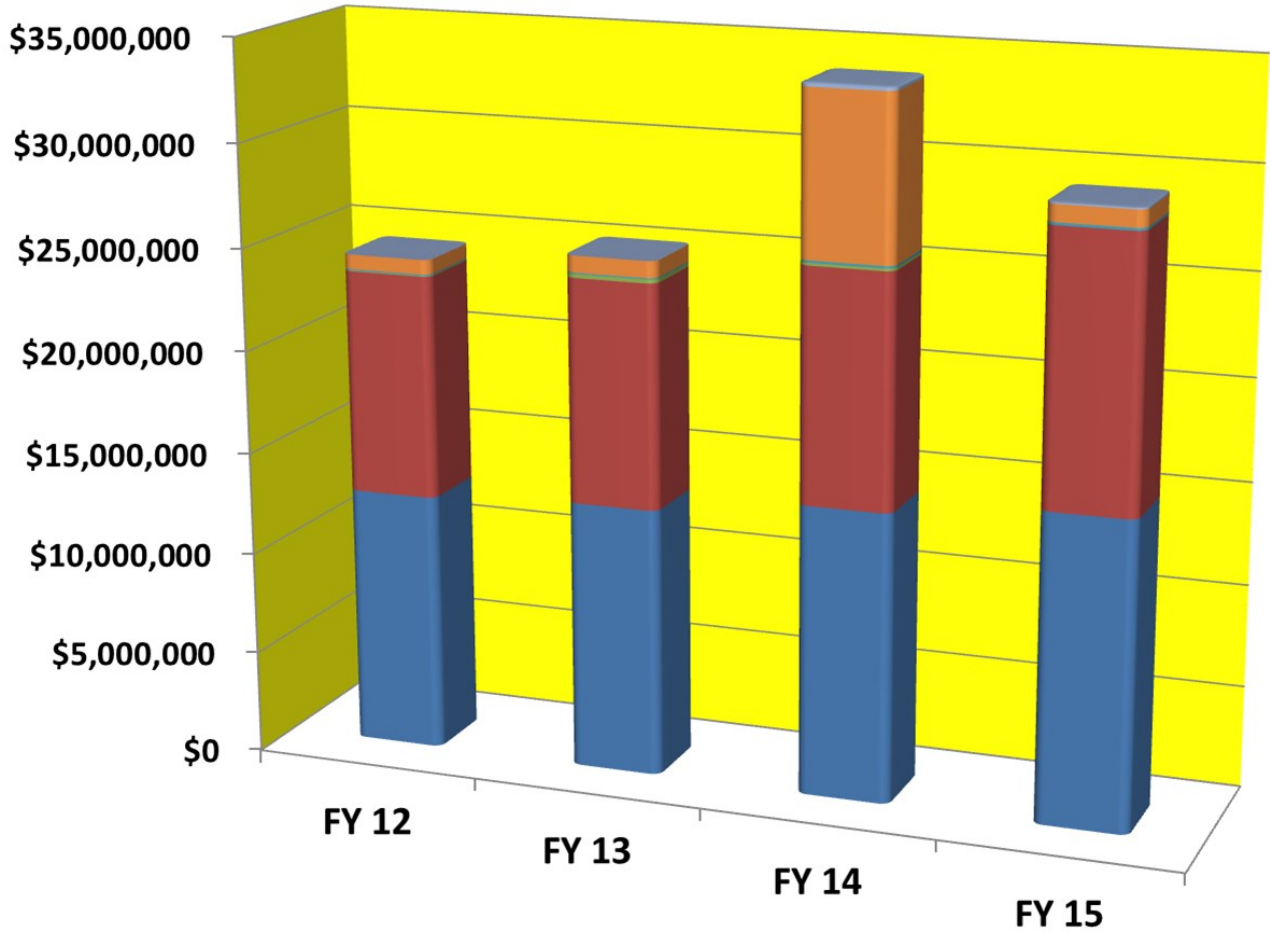
General Fund Expenditures by Category

CATEGORY	Actual FY 12	Actual FY 13	Projected FY 14	Proposed FY 15
Personal Services	\$12,657,098	\$13,142,295	\$14,157,388	\$15,026,444
Operating Expenses	10,871,189	10,918,077	11,327,519	13,111,493
Capital Outlay	36,318	187,451	132,000	-
Debt Service	-	-	-	-
Grants & Aide	62,877	61,773	107,556	128,000
Transfers to Other Funds	710,874	812,887	7,924,676	821,800
Contingency	-	-	206,798	101,706
TOTAL	\$24,338,356	\$25,122,483	\$33,855,937	\$29,189,443

Fiscal Year 2015



Historical General Fund Expenditures by Category

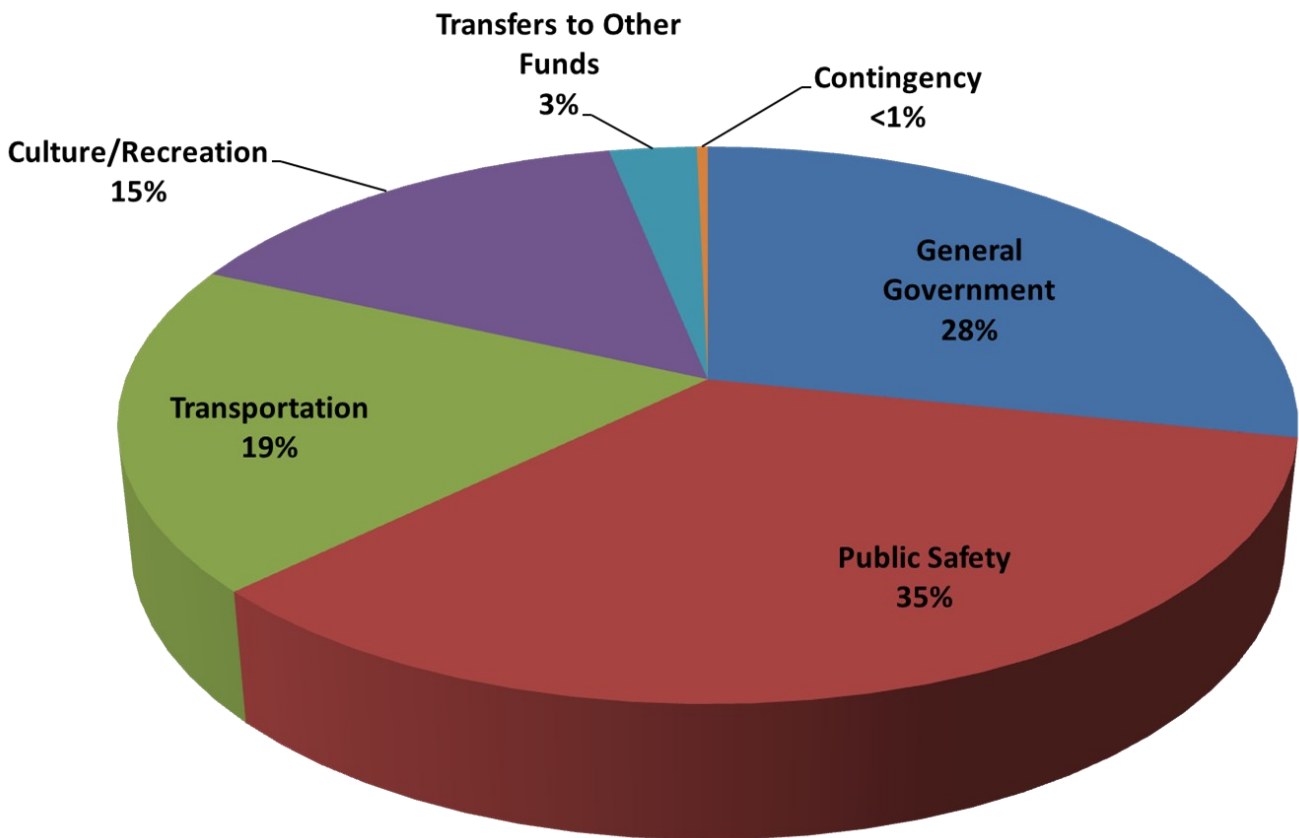


- Personal Services
- Operating Expenses
- Capital Outlay
- Debt Service
- Grants & Aide
- Transfers to Other Funds
- Contingency

General Fund Expenditures by Function

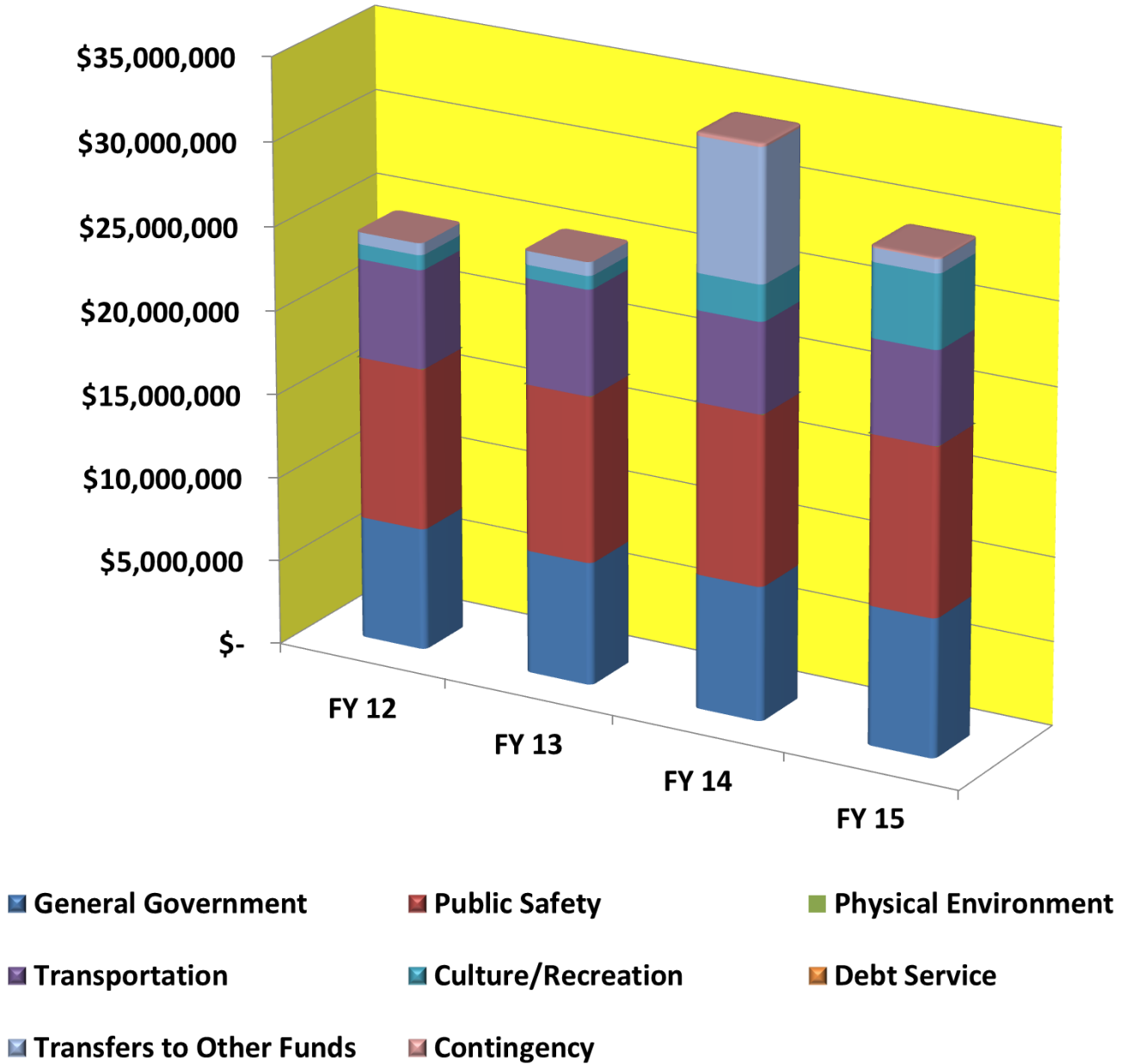
FUNCTION	Actual FY 12	Actual FY 13	Projected FY 14	Proposed FY 15
General Government	\$ 7,252,201	\$ 7,315,220	\$ 7,999,588	\$ 8,270,043
Public Safety	9,616,646	9,916,311	10,166,002	10,058,657
Physical Environment	-	-	-	-
Transportation	5,874,191	6,278,060	5,389,392	5,550,923
Culture/Recreation	884,444	800,005	2,169,481	4,386,314
Debt Service	-	-	-	-
Transfers to Other Funds	710,874	812,887	7,924,676	821,800
Contingency	-	-	206,798	101,706
TOTAL	\$24,338,356	\$25,122,483	\$33,855,937	\$29,189,443

Fiscal Year 2015



Public Safety continues to be the primary use of General Fund revenue. This includes Police protection which is contracted through the Flagler County Sheriffs office as well as the City's Fire Department.

Historical General Fund Expenditures by Function



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 debt service requirement for the year or 105% and 120% when impact fees are included. The City has no other legal debt limits.

Issue	Final Maturity	Original Amount	Outstanding Principal as of 09/30/14
Lease Purchases	2019	\$479,015	\$197,171
Bank Loans	2025	\$20,927,000	\$17,269,000
State Revolving Fund Loans	2030	\$38,402,896	\$25,914,379
Utility System Revenue Bonds	2036	\$139,440,000	\$134,080,000
Totals:		\$199,248,911	\$177,460,550

Fund	Outstanding Principal as of 09/30/14
Utility Fund	\$154,646,612
Stormwater Fund	\$12,327,767
Information Tech Fund	\$197,171
SR100 CRA Fund	\$10,289,000
Totals not including interfund loans:	\$177,460,550
Utility Fund Interfund Loan to OKR Special Assessment Fund	\$4,792,010
Total:	\$182,391,391

Year	Principal	Interest	Total
2015	\$5,590,373	\$7,465,016	\$13,055,389
2016	\$7,104,487	\$7,201,964	\$14,306,451
2017	\$7,313,140	\$6,923,479	\$14,236,619
2018	\$7,587,143	\$6,622,857	\$14,210,001
2019	\$7,885,965	\$6,322,942	\$14,208,907
2020-2024	\$44,176,054	\$26,606,338	\$70,782,392
2025-2029	\$43,718,484	\$17,023,311	\$60,741,795
2030-2034	\$41,524,904	\$7,878,070	\$49,402,975
2035-2039	\$12,560,000	\$1,993,784	\$14,553,784
Totals:	\$177,460,550	\$88,037,761	\$265,498,311

During fiscal year 2014, the SR100 CRA borrowed \$5.8 million in order to repay an inter-fund loan used to purchase blighted properties. There are no new debt issuances expected for fiscal year 2015.