



2017

Annual
Budget Report



city of
PALM COAST



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City Officials

CITY COUNCIL



Council Members (left to right)

Mayor, Jon Netts (center)

District 3 Jason DeLorenzo, District 2 Heidi Shipley, District 4 Steven Nobile, District 1 Robert Cuff

APPOINTED OFFICIALS

City Manager, Jim Landon

City Attorney, William E. Reischmann, Jr.

City Clerk, Virginia Smith

Admin. Services & Econ. Dev. Director, Beau Falgout

Finance Director, Christopher M. Quinn

Information Technology Director, Steve Viscardi

Utility Director, Richard H. Adams

Fire Chief, Michael C. Beadle

Parks & Recreation Director, Alex Boyer

Community Development Director, Stephen Flanagan

Public Works Director, Nester Abreu

Human Resources Director, Wendy Cullen

CONTACT INFO

www.palmcoastgov.com

City Offices 386-986-3700

Customer Service 386-986-2360

Code Enforcement 386-986-3764

Animal Control 386-986-2520

Building Services 386-986-3780

Parks & Recreation 386-986-2323



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Distinguished Budget Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **City of Palm Coast, Florida** for the Annual Budget beginning October 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This is the 13th consecutive year that the City of Palm Coast has received this award.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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city of PALM COAST

our vision

To be recognized as one of Florida's premier cities in which to live, work and play

our mission

To provide our residents, visitors, and business community with exceptional government services in order to improve the quality of life, grow the local economy, and protect the natural environment through a planned, integrative approach using available technology

our values

Pride - Passion in working together for a better tomorrow
Accountability - Accept responsibility for our actions and decisions
Leadership - Courage to shape our City today and into the future in a transparent manner
Motivated - Seek continuous improvement in all services
Collaborative - Dedicated to building partnerships that address community concerns and needs
Ownership - Responsible for our actions and inactions
Achievement - Seek excellence in all that we do
Stewardship - Protectors of our natural environment
Trust - Mindful of our responsibility, we pledge to use taxpayer resources (time, talent, money) efficiently

CORE BELIEFS



Find Your Florida



City of PALM COAST

HELPFUL HINT!

For a detailed look at the Strategic Action Plan [CLICK HERE](#)

LONG TERM GOALS

Goal 1 - Expansion

To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment

Goal 2 - Economic

To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values

Goal 3 - Finance

To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses

Goal 4 - Environmental

To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife

Goal 5 - Quality of Life

To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events

Goal 6 - Workforce Talent

To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities

Find Your Florida



City of PALM COAST



City and Region Make Our City Attractive and Competitive

Let the Secret Out

Ongoing

- Coordinate and Promote Local Events
- Geocaching Program
- Pedestrian/Bicycle Master Plan Implementation
- Florida Agricultural Museum Support
- Designation of Great Florida Birding Trail
- Non-Governmental Website w/Social Media
- Branding/Marketing Strategy & Program
- Sporting Events Attraction/Marketing

New

- Secure Large Venue for Special Events
- Blueways Map and Guide
- Trail Wayfinding and Signage

Celebrate our Diversity

Ongoing

- Cultural Grants
- Annual Multi-Cultural Event for All Groups
- Minority Business Assistance

Invest in Capital Projects

Ongoing

- Aggressively Pursue Grants
- Expand Fiber Optic Network
- Water Reuse System Expansion
- Coquina Coast Desalination Project
- Expand Transportation Network

New

- Wireless Access Program
- Promote Natural Gas Availability

Assist our Small Businesses

Ongoing

- Support our Partners (SCORE and SBDC)
- Business Assistance Center
- Business Services Web Portal
- Business Spotlight

Make Business Sense (Cents)

Ongoing

- Simplify and Streamline Development Processes
- Flexible Impact Fee Payment Program
- Local Preference Purchasing Policy
- Procurement Outreach and Assistance

Encourage Job Creation

Ongoing

- Comprehensive Incentive Program (Multiple Incentives)
- Airport Area Master Plan and Incentive Zoning Overlay
- Partnership with Flagler County Economic Opportunity Dept.
- Involvement with Regional EDOs (Conerstone)

New

- Impact Fee Deferral/Forgiveness Program
- Economic Gardening
- "Incentivization"
- Form Development Agreement for Business Parks
- Business Park Partnership Program

Neighborhoods Our Primary Focus

Keep Palm Coast Beautiful

Ongoing

- Responsive Code Enforcement
- Rental Registration Program
- Foreclosed and Abandoned Properties Program
- Beautification Recognition Program

New

- Neighborhood Signs, Gateways, and Medians
- Neighborhoods Assessment and Plan

Encourage Home Ownership and Reinvestment

Ongoing

- Neighborhood Stabilization Program
- Community Development Block Grant Program

New

- Get a Neighbor, Get a Perk Program
- Welcome Home Program

Provide Quality Services

Ongoing

- Quality Water and Wastewater Utility Services
- Quality Fire, Police, and Emergency Medical Services
- Quality Schools
- Stormwater Services
- Road Resurfacing Program

Districts Create Great and Vibrant Places

Downtown District

Ongoing

- Continue to use as Venue for Public and Special Events
- Additional Central Park Improvements

New

- Identify Alternate Options for Venues as Downtown Develops
- Future Trolley/Transit Links
- CRA Funds to Incentivize Job Growth/Entertainment Uses

Commercial Districts

Ongoing

- Brownfields Program
- Continue to Engage Property Owners
- Continue FiberNet Expansion
- Continue to Promote Trail Network

New

- Engage Business/Property Owners
- Utilize Pole Banners to Establish Identity
- Upgrade Entrance at U.S. Highway 1
- Pedestrian Improvements
- Redevelopment Planning
- Old Kings Road Projects
- Engage Daytona State College about Growth Opportunities
- Form Business Park Development Agreement/Special Overlay
- Marketing Assistance for Economic Development

Business Districts

Ongoing

- Brownfields Program
- Assist with Wetland Mitigation Permitting
- Dialogue with Property Owners
- Airport Area Master Plan and Incentive Regulations

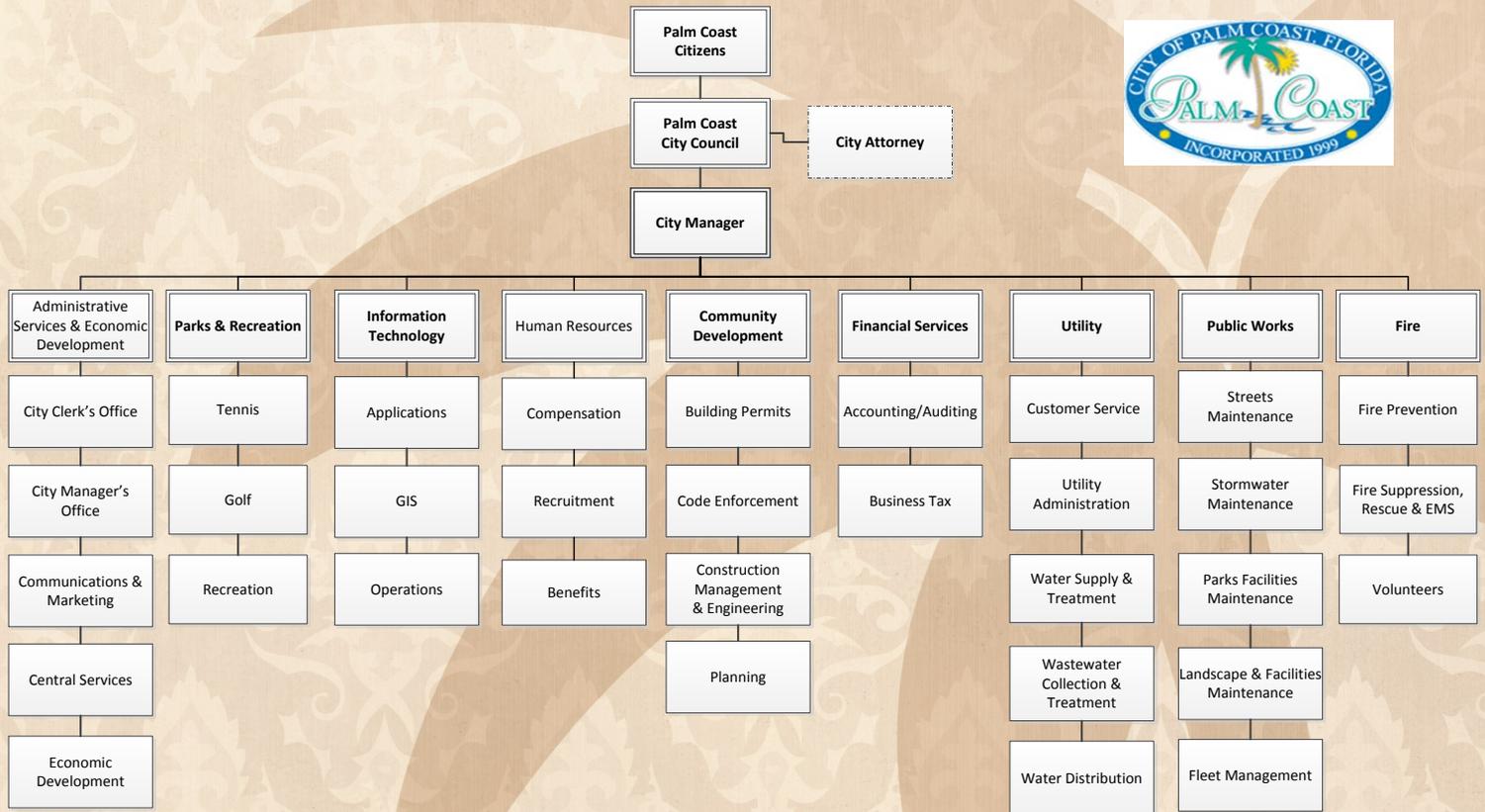
New

- Form Business Park Development Agreement/Special Overlay
- Pursue Heavy Industrial Zoning of Additional Areas
- Pursue Creation of Master Drainage Facilities
- Pursue CDBG Grants for Infrastructure
- Marketing Assistance for Economic Development
- Extend FiberNet
- Special Area Master Plan



Organizational Chart

City-Wide



Please Note: Police protection is provided by contract with the Flagler County Sheriffs Office.



Budget Book Highlights

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

Introduction

This section contains the transmittal letter, a table of the organization and our 2016-2017 strategic action plan. It also includes statistical information and history about the city.

Measuring Results

This section provides a look at our performance management process and highlights of our previous year's performance.

Budget Overview

This section provides an overview of the budget process as a whole providing information about our revenue sources, fund types and our long range financial planning process.



Executive Summary

Summaries of the budget on a city-wide basis including revenues, expenditures and personnel can be found within this section.

Budget Detail

This section provides the reader more detail on the budget on a fund by fund and department by department basis. The reader can learn about our departments and their objectives in this section.

Capital Improvement Program

In this section the reader is provided an outline of the City's Capital Improvement Program as well as the effect of the program on each fund.

Workforce Talent

This section highlights our workforce teams that work diligently to address City needs for executive leadership and to develop additional capacity within the City organization. These teams provide leadership for projects and issues not normally accomplished as part of the routine functions of the organization.

Awards and Special Recognition

We are proud of what our City has accomplished and in this section we showcase some of our past years awards and other special recognition received.

Financial Policies

Within this section the financial policies are provided. This includes our purchasing, investment and debt management policy.

Glossary and Acronyms

This section provides the reader a glossary of terms and acronyms used in this document.





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HELPFUL HINT!

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Introduction

Find Your Florida



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September 30, 2016

CITY MANAGER'S LETTER

I am honored to present to you the adopted budget of \$154,321,423 for Fiscal Year 2017, which promotes City Council's Strategic Action Plan mission statement, operating values, and goals. The adopted budget for Fiscal Year 2017 outlines the programs and projects that support the Strategic Action Plan and reflects a commitment to invest, not only in our capital infrastructure, but also our human infrastructure, with programs to retain and attract workforce talent, so that we are able to continue to serve the citizens of Palm Coast now and in the future. This letter highlights areas of emphasis related to each goal of the Strategic Action Plan.

ECONOMIC OUTLOOK

In 2016, the economic conditions and trends in Palm Coast continued to improve. Here are a few examples:

-  **Growth** – A total of 481 single-family permits were issued in FY2016, 132 more than FY2015 representing a 38% increase. Palm Coast is projected to be the second fastest growing area over the next five years.
-  **Employment** – Palm Coast had 5,086 more people employed than five years ago and the unemployment rate dropped from 11.4% five years ago to 5.5% at the end of FY2016.
-  **Taxable Sales** – Palm Coast's taxable sales grew 7% this past fiscal year and has grown 37%, or \$188 million, since 2010.
-  **Tourism** – Tourism has grown significantly with bed tax collections up 2.8% over FY2016.
-  **Capital Investment** – \$231 million was invested during last fiscal year in private construction.
-  **Real Estate Values** – Palm Coast's median selling price is up 9.2% from FY2016.
-  **Economic Outlook** – Palm Coast was ranked by IHS Global Insight Economists as one of 21 U.S. metro areas to grow at a rate above 4% through 2020. In addition, Palm Coast was named as one of America's Best Cities to Live by 24/7 Wall St.

While we continue to conservatively estimate revenues, the improving economy will likely lead to revenue sources coming in slightly higher than expectations. In the future, growth in our revenue sources should

afford the City with the ability to keep up with rising costs to provide existing services and programs. Without additional revenue sources, increased fees or tax rates, or shifting funding from existing projects, programs, or services, the City will be limited in its ability to fund additional projects, programs, or services that might be desired by the community.

Two areas that could be negatively affected by improving economic conditions is the City's ability to retain and attract the necessary workforce talent and rising construction costs for capital projects. The City has made significant strides in implementing programs and changes to ensure our salaries, benefits, and employee development and training programs remain competitive in the marketplace. I believe these actions will assist in retaining and attracting a talented workforce. If rising construction costs cause capital projects to exceed the project budget allocated, we may have to adjust the capital improvement plan to dedicate additional funding sources, delay projects, or eliminate capital projects in the future. We will need to continue to monitor both these issues and respond accordingly.

STRATEGIC ACTION PLAN

Following the extensive effort to develop the Strategic Action Plan, this past year the City Council reaffirmed the long-term vision and made minor adjustments. With new City Council members elected in 2016, the upcoming budget cycle for FY2018 will provide the new City Council an opportunity to reevaluate the City's Strategic Action Plan.

City Council Mission Statement

"To provide our residents, visitors, and business community with exceptional government services in order to improve the quality of life, grow the local economy, and protect the natural environment through a planned, integrative approach using available technology."

The Strategic Action Plan is the guiding policy document for City Council and City staff. This budget is driven by the mission statement and goals contained within the Strategic Action Plan. Highlights of initiatives related to each of the City Council's goals are included below along with points of emphasis in this year's budget.

Goal 1 Expansion

To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

In the upcoming fiscal year, we will continue rehabilitating our older infrastructure and installing new infrastructure needed to accommodate anticipated growth. The City continues to experience an increase in population and we anticipate this growth to continue. The University of Florida Bureau of Economic and Business Research projects that by 2035, the City of Palm Coast will almost double in population,



exceeding 150,000 people. During the past fiscal year, City Council made prudent financial decisions to ensure the City maintains a strong financial position and ability to fund necessary projects to keep up with growth and maintain aging infrastructure.

Old Kings Road Widening Design – This past fiscal year several transportation projects in the Northeast Corridor were completed, including the I-95 Interchange at Matanzas Wood Parkway, Old Kings Road North Extension, and Palm Harbor Parkway Extension. In the upcoming fiscal year, the City through grant funding from the Florida Department of Transportation will complete the design for the Old Kings Road Widening Project. This is an important project to provide a parallel road to I-95 and also provide capacity for future growth.

Belle Terre Safety Improvements – This past fiscal year, City staff presented findings from the Belle Terre Parkway/Boulevard Corridor Intersection Study to City Council. Based on the results of this study, City Council has provided funding this fiscal year to begin making some of the necessary improvements to improve safety and add capacity along this major roadway in Palm Coast.

Wastewater Treatment Plant #2 – The City began planning for Wastewater Treatment Plant #2 in order to keep pace with growth and ensure that this important facility is ready in the future. This plant will be an advanced wastewater treatment (AWT) facility capable of treating wastewater to reuse standards. In the coming fiscal year, funds are budgeted to continue construction of this important project.

**Goal 2
Economic**

To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.

In the upcoming fiscal year, the City will continue to implement programs and projects outlined in Prosperity 2021 to develop and maintain a strong economy. The improving local economy enables the City and its partners to maintain our neighborhoods, support existing businesses, and encourage investment by attracting residents, visitors and businesses.

Prosperity 2021 – The City is now in the sixth year of implementing *Prosperity 2021: Plan for Growing our Local Economy*, which was integrated into the City's Strategic Action Plan. The City and its partners are making great strides and realizing many successes, such as an increased number of visitors due to additional sports tournaments and business relocations to Palm Coast. The improvement in the local economy is now visible, but there is still more work to be done. City staff will continue to focus on projects and programs within Prosperity 2021 to help our local economy.

Business Assistance Center – The Palm Coast Business Assistance Center (BAC) was established in May 2011 to help our existing businesses grow through a unique partnership with the Florida Small Business Development Center at the University of Central Florida (FSBDC at UCF). Since its inception, the BAC has helped businesses invest approximately \$28.5 million in our local economy through capital investment,



increased sales, and salaries. Because of the continued positive economic impact of the Palm Coast BAC, City Council has continued the grant funding with the FSBDC at UCF in the FY2017 budget for these important services.

State Road 100 CRA – Consistent with the City’s retail recruitment strategy to help grow the local economy, this past year the State Road 100 Community Redevelopment Agency issued a Request for Proposal for redevelopment of both public and private property. If redevelopment occurs, the economic impact will result in additional private investment and tax revenue to the CRA. In the upcoming fiscal year, the City will continue to work on attracting capital investment to the CRA and our future downtown, known as Town Center.



**Goal 3
Finance**

To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

During the budget process, the City Council was able to sustain existing levels of service, while also maintaining the millage rate. In the upcoming year, City staff will explore even more ways to strengthen our financial position while delivering value to our citizens.

Maintained Millage Rate – During the budget process, the City Council maintained the City millage rate of 4.2450, which will result in an additional \$830,526 of property taxes collected over the previous year due to rising property values. This allowed the City to maintain the same level of service to the citizens of Palm Coast and continue to invest in capital projects, while maintaining the 2nd lowest millage rate for cities our size (population 70,000-100,000) in Florida. When considering other local taxes, such as electric franchise fees and utility taxes, which other cities have in place, the City of Palm Coast has the lowest tax burden for a City our size.

Fund Balance Reserve Policy – Also this past year, the City was able to improve its combined fund reserve balance (general fund and utility fund) to \$22.5 million and exceed compliance with the individual fund balance reserve requirements. The improvement of fund balance reserves, in addition to the \$2.2 million in the disaster reserve fund, will provide the City with financial stability and a fund reserve to use if unexpected emergencies arise, or fund needed capital projects.

Debt Refinancing – This past fiscal year, City Council approved refinancing the City’s 2007 Utility Revenue Bonds that resulted in a significant interest rate reduction and long-term savings of \$12 million. This will provide the City with the ability to continue to invest and maintain our utility system while stabilizing rates in the future. In the upcoming fiscal year, the City intends to continue to review outstanding debts and possible refinance options.

**Goal 4
Environmental**

To blend our residential and commercial properties with our “City of Parks and Trails” image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife.

The City’s commitment to environmental sustainability has been recognized by our re-designation this fiscal year as a Gold Level Green City by the Florida Green Building Coalition and numerous other awards and recognitions. In this upcoming fiscal year, City staff will look for even more opportunities to conserve natural resources and become more efficient with the resources currently in use.

City Hall LEED Certification – Palm Coast City Hall was awarded LEED certification at the Silver level for design and construction that demonstrates high performance in sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. The LEED (Leadership in Energy and Environmental Design) rating system, developed by the U.S. Green Building Council (USGBC), is the foremost program for buildings, homes and communities that are designed, constructed, maintained and operated for improved environmental and human health performance. Palm Coast’s City Hall is the fifth City Hall in Florida to be LEED-certified.

LED Lighting – Light Emitting Diode (LED) lighting reduces the amount of electricity used compared to traditional lighting, which is more environmentally friendly and also saves money. During this past fiscal year and continuing this fiscal year, City staff will continue to upgrade facilities with LED fixtures when the cost/benefit makes financial sense.

Reuse Improvements – Use of lower quality water sources for irrigation, such as reuse water, continues to be a focus of the City in order to make better use of all available water resources. In the upcoming fiscal year, the City with the assistance of St. Johns River Water Management District cost-share funding will continue to install reclaimed water mains along US1 to connect to Wastewater Treatment Plant #2 (under construction) and to provide additional opportunities for customers to use reuse water instead of potable water.

**Goal 5
Quality of Life**

To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events.

The important services the City provides and the City’s numerous amenities, such as parks, trails, events and activities make our community truly a special place. In the upcoming year, City staff will continue to maintain and improve these facilities, in addition to looking for ways to help residents and visitors “Find their Florida” here in Palm Coast.

Indian Trails Sports Complex and Cultural Arts Facility Restrooms – In the upcoming fiscal year, the City has included funding to construct a restroom facility as well as the lighting of sports fields at the Indian



Trails Sports Complex (ITSC) / Indian Trails Middle School (ITMS). In addition, the City has included funding to construct a restroom facility at the City-owned property leased to the Palm Coast Arts Foundation. Both of these projects will aid these facilities in attracting events that generate local economic impact through tourism.

Community Center – The Palm Coast Community Center was originally built from 1975-1977 by ITT and has served as the community’s primary public gathering space. Currently, the facility has several deficiencies, yet continues to be a popular venue for community activities and meetings. During the upcoming fiscal year, the construction phase for the renovation and expansion project will be started and expected to continue through FY2018.

Seminole Woods Multi-Use Paths – With assistance from the Community Development Block Grant (CDBG) and River to Sea Transportation Planning Organization(TPO), the City will be continuing the multi-use path improvements in the Seminole Woods Neighborhood started several years ago. This upcoming fiscal year includes \$845,000 to complete the final sections of the trail network in this area.



**Goal 6
Workforce
Talent**

To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

The Strategic Action Plan adopted by City Council includes a goal specifically focused on employee development, which represents a strong commitment to maintain a dedicated and skilled workforce. In the upcoming fiscal year, City staff will work toward this goal by continuing to develop our workforce, so the City can continue to retain and attract a talented workforce to continue to provide a high level of service to citizens.

Internship Program – With approximately 14 paid internship positions available to college students for summer 2017, the City of Palm Coast and Flagler Schools hope to bring our talent back home following their high school graduation. The City internship positions will give qualified candidates the opportunity to build their resume, explore career interests, engage in professional networking, and make a difference in their community. In addition, the City is hoping to recruit a multitude of strong candidates to fulfill identified needs within City departments.

Pay Plan Review and Adjustments – As the economy improves, the City will be challenged to retain our talented workforce. This past year, the pay plan was adjusted for several positions, especially at the lower end of the pay scale, to identify areas where the City was no longer competitive in the changing labor market. These changes, reflected in this year’s budget, along with continued maintenance of our pay plan and Palm Coast U, our employee development and training program, should aid in retaining our skilled workforce.

Palm Coast U – This past fiscal year, Palm Coast U, the City’s Employee Training and Development Program was improved with different course offerings. Specialized training in customer service and management



skills was offered through a partnership with Daytona State College. In addition, this past fiscal year, the Employee Academy continued with three sessions offered. The FY2017 budget includes funding to continue to offer these type of valuable training programs. Palm Coast U and these efforts are all aimed at meeting the City Council goal focused on workforce talent.

MAKING OUR FUTURE

I am encouraged and excited about the future of Palm Coast. This past fiscal year, City staff met the challenge of delivering quality services to our residents. I am optimistic we will continue to meet new challenges while maintaining high citizen satisfaction with City programs and services.

The City will have the ability to invest this fiscal year in needed infrastructure projects due to our strong financial position and prudent City Council fiscal policy. Major projects in this year's budget include: Community Center Renovation and Expansion (multi-year), Restrooms at Town Center and Indian Trails Sports Complex, Seminole Woods Path, Old Kings Road Widening Design, Belle Terre Safety Improvements, Bridge Rehab and Renewal, Wastewater Treatment Plant #2 Design and Construction, and various Utility and Stormwater Projects. In addition, City Council appropriated funds this past fiscal year to invest in maintaining our pay plan, employee training and development programs, and the Internship Program, which will aid in retaining and attracting a talented workforce as the economy grows.

With a strong City Council vision, mission statement and goals as our guide, along with investments in both physical and human infrastructure, I have no doubt that 2017 will provide continued economic growth and prosperity. On behalf of all City employees, we look forward to a prosperous and successful 2017, as we continue to make Palm Coast Florida's premier city in which to live, work and play.

Sincerely,



Jim Landon
City Manager





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The Perfect Place to Live...

Before 1969, land that would eventually become the City of Palm Coast was considered by some as nothing more than a “big pine-covered swamp.” But when the corporate eyes of ITT/Levitt looked upon the virtually uninhabited land, they saw 22,000 acres of golf courses, marinas, oceanfront motels, scenic drives, and house lots awaiting the arrival of sun-seeking “pioneers.” Marketing strategies targeting urban residents in the north and Midwest offered slices of land cut out of miles of forests, and soon a 500-mile infrastructure of roads, utilities, and sewer lines bound Palm Coast to a future that included becoming the largest planned unit development in Florida history.

International Telephone and Telegraph Corporation (ITT) began as an international communications firm in the 1930s. It grew to become a multinational corporation by 1968 with an income estimated over \$7 billion. From the outset ITT provided the financial muscle to purchase large tracts of land and pay the enormous cost of constructing an infrastructure to create a huge development in rural Flagler County, Florida. The man in charge of the Palm Coast development from its inception until 1975 was Levitt and Son's Dr. Norman Young whose marketing group planned and named this project.

In a February 1970 report to the Flagler Chamber, Dr. Young projected the completion of a sales/model center, a golf course, and homes for the residents by the end of the year. The first building erected, the Welcome Center, served as the hub for sales activities and was surrounded by pleasant walkways leading to a dozen model

homes. The 64-foot high observation tower provided panoramic views of the surrounding woods, lakes, streams, Intracoastal Waterway (ICW), and Atlantic Ocean. It presided over a golf course, model homes, canals, and early home construction that was to become the “core area” of Palm Coast.



At first there were no public roads. Earliest visitors came from Route A1A to a small dock on the east side of the ICW and proceeded by boat to the Welcome Center on the main canal. When the prospective buyers arrived, they were taken by elevator to the top of the tower. Much of the land was sold sight unseen from a platted map for as low as \$3,500 by the sales person, pointing away from the tower and saying, “It’s out there somewhere.”

The Welcome Center was the only public building in Palm Coast for almost two years after the earliest “pioneers” occupied their homes in January 1972. In later years the building, models, boat docks, and road access were updated. The center hosted a continuous stream of visitors and buyers who received their first look at an area being advertised as possibly “the perfect place to live.”

Much of the tremendous growth in Palm Coast through the early 1990s came from sales generated at the Welcome Center. It was sold after ITT left the community in 1995 and the building was torn down.

From their start in 1969 until ITT withdrew in 1995, the corporation essentially provided most of the services and leadership in Palm Coast. They planned, built, and maintained a model environmental community. In a unique private/government relationship, ITT had financed Palm Coast's most necessary improvements. The interchange at I-95 and the Hammock Dunes bridge were funded at relatively unnoticeable cost to local taxpayers and the state.



The complicated and often contentious process of incorporation began. Flagler County residents' opposition groups debated. The county authorized a feasibility study, the state legislative delegation sponsored incorporation, and the Florida state government approved the referendum.

On September 21 1999, one week after Hurricane Floyd postponed the vote, more than 60% of the nearly 12,000 voters casting ballots in the referendum had opted to turn the unincorporated population center of Flagler County into a city. On December 31, 1999 residents of Palm Coast not only celebrated the end of a millennium and a century, but a new year and a new city.

The City of Palm Coast's population on January 1, 2000 is estimated at 29,360. The mayor, city council, and city manager all seemed to agree that this first year's emphasis should be on planning rather than forging ahead without giving sufficient thought to the complicated problems facing a new city.

Originally, city business was done in two-and-a-half rooms of the Community Center. In March, newly chosen city manager Richard Kelton arranged to rent office space at the former ITT headquarters building at One Corporate Drive. By May, the Flagler County Commission turned over the former county library to be renovated and used by the city as its first "permanent" city hall. A public opening celebration was held on October 26, 2000.

In 2001, providing residents with essential government services and promoting the community's economic growth were two major goals. As a result of joint meetings of Palm Coast City Council and Flagler County Commissioners, the county turned over many parcels of land to the city benefiting fire, public works, recreation and parks, and the locating of new schools by the board of education. The city also began studying the acquisition of its water sources.

In 2003, Palm Coast purchased their own water company, relocated their city hall after selling their building to bring in a new business and annexed 5,800 acres in the northwest corner of Flagler County near the St. John's County line. Most significant to the city's future was the approval of a large site for Town Center which would provide the city with 1 million feet of office space, 2 million feet of retail/commercial space, 750,000 feet of institutional buildings, a 2,400-seat movie theater, and 240 nursing home beds.

By 2004, Palm Coast residents numbered 50,000 and its designation as a micropolitan city was announced.

By the end of 2005, Palm Coast was officially designated as the "fastest growing micropolitan area" in the country by the United States Census Bureau. The population had more than doubled to over 64,500 in the six years since incorporation

In 2006 Palm Coast was named "Tree City USA" by the National Arbor Day Foundation. The city also saw an increase in the amount of commercial activity, especially in the new Town Center. Town Center is to be the "heart of Palm Coast."

Palm Coast started the year 2013 with approximately 76,450 residents. Newspapers reported a 2% drop in the unemployment rate and home sales were reported to be at a seven-year high.

In Oct 29th 2014, we commemorated the groundbreaking for Palm Coast's City Hall in Town Center. The very first City Hall in Town Center, completed in October 2015, has become a gather-

ing place for residents and future generations and a one-stop shop for everything city-related.



City Hall will stand out as an outstanding example of green building, being LEED certified by the US Green Building Council as environmentally sustainable and energy efficient. .

Today, Palm Coast has approximately 81,184 residents. Vibrant lifestyle and the natural environment go hand-in-hand, with 13 beautiful parks, 125+ miles of connecting trails and paths for walking/bicycling, abundant fishing and boating, a year-round Running Series, and world-class tennis and golf. The community offers excellent schools, a business assistance center that promotes local businesses, and extensive City services that continue to make Palm Coast the perfect place to live, work and play. We invite you to join us – Find Your Florida in Palm Coast!

-Adapted from "The Brief History of Palm Coast," by City Historian Arthur E. Dycke, author of "Images of America: Palm Coast" and "Alan Smolen: Father of Palm Coast, 1975-85."

About Palm Coast



INITIAL INCORPORATION:	December 31, 1999
FORM OF GOVERNMENT:	Council / Manager
CITY POPULATION:	81,184
AREA: Square Miles	89
LEISURE SERVICE FACILITIES:	
Community Centers	1
Swimming Pools	1
Baseball / Softball Fields	7
Basketball Courts	5
Bocce Ball Courts	3
Handball / Racquetball Courts	6
Shuffleboard Courts	2
Soccer/Lacrosse Fields	10
Tennis Courts	17
Volleyball Courts (Sand)	2
Playgrounds	8
PUBLIC SAFETY:	
Fire Stations	5
Firefighters / Volunteers	51 / 25
Law Enforcement (Contract Service)	-
FACILITIES:	
Miles of Paved Streets	550
Miles of Unpaved Streets	0.5
Miles of Sidewalks, Walkways, and Bikepaths	96
Number of Street Lights	2,942
Number of Traffic Signals	53
CITY UTILITIES:	
Water Customers	39,059
Wastewater Customers	37,168
Solid Waste Customers	33,686
Stormwater Customers	50,420
SCHOOL ENROLLMENT: K-12	12,671

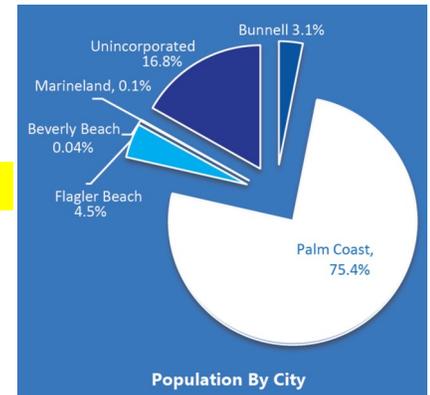


Population

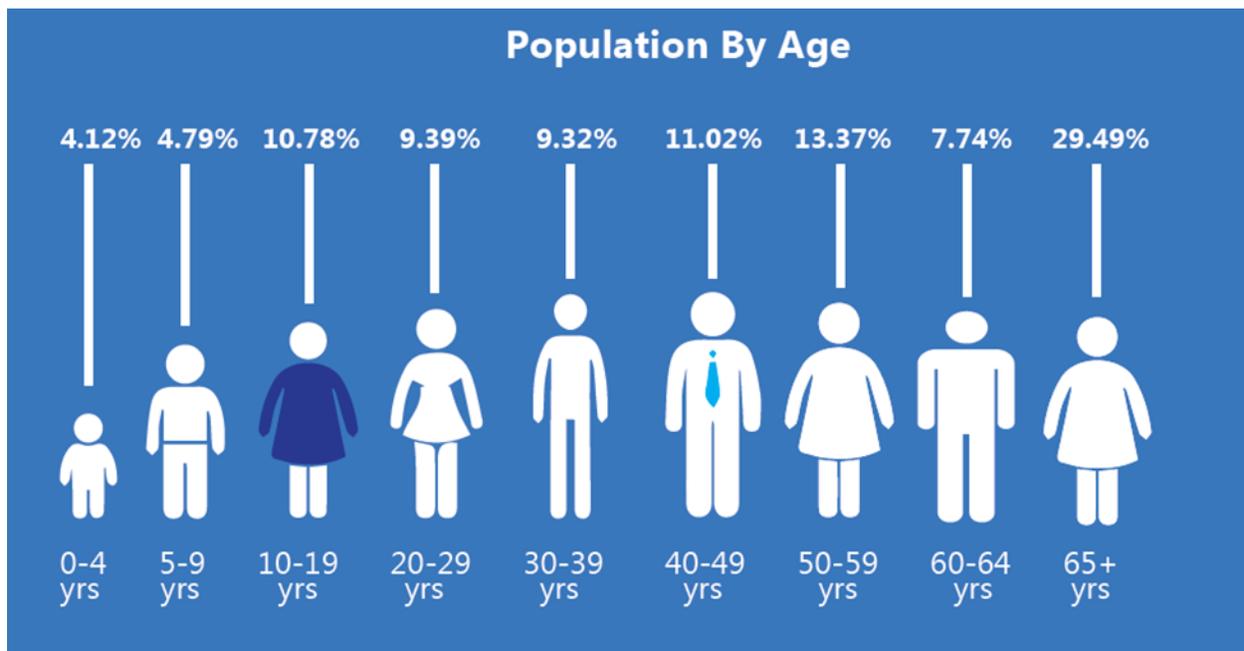


Flagler County Population

County/City	April 1 2010 (Census)	April 1 2016 (Estimate)	Total Change	% Change
Flagler County	95,696	103,095	7,399	8%
Beverly Beach	338	369	31	9%
Bunnell	2,676	2,921	245	9%
Flagler Beach (part)	4,424	4,642	218	5%
Marineland (part)	16	6	(10)	-63%
Palm Coast	75,180	81,184	6,004	8%
UNINCORPORATED	13,062	14,035	973	7%

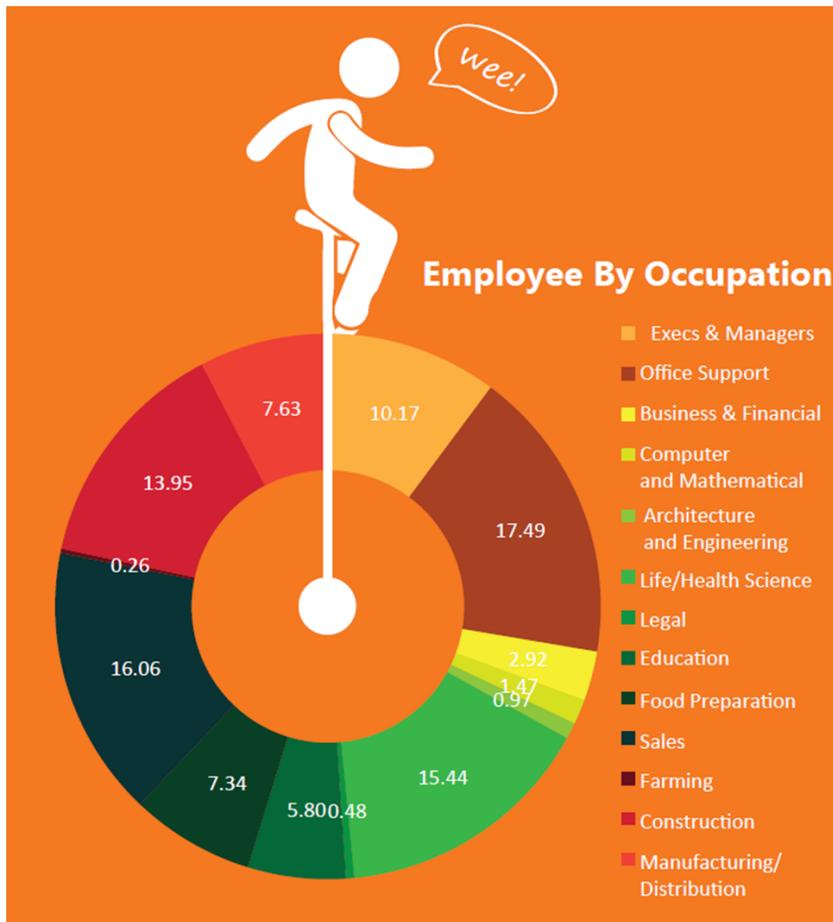


Flagler County Population by Age

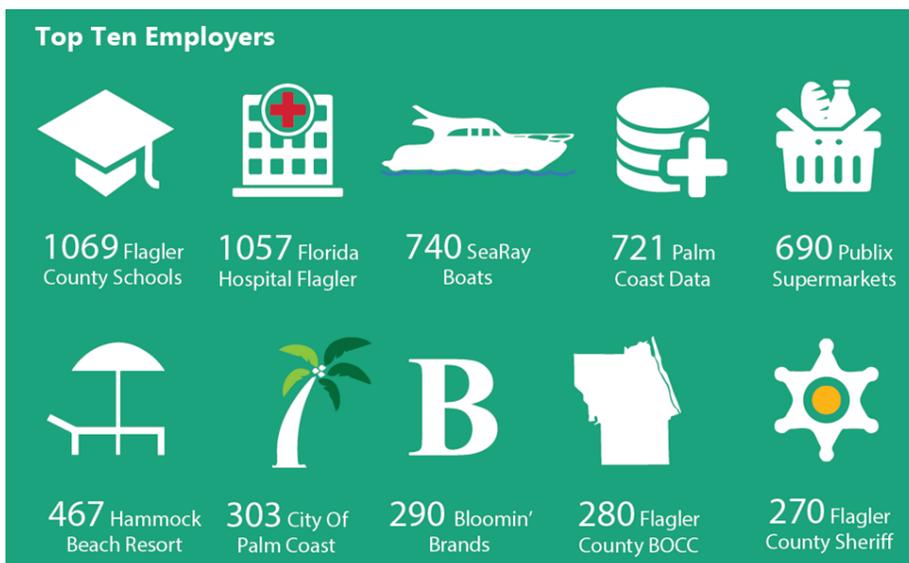


Employment

Flagler County Employment



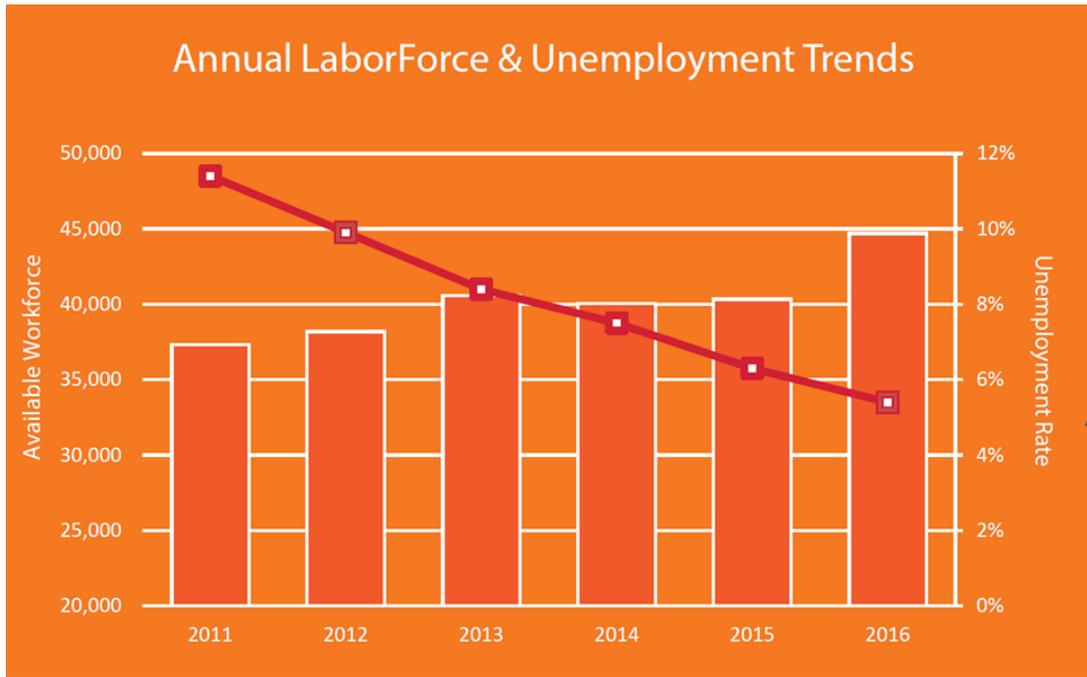
Flagler County Top Employers



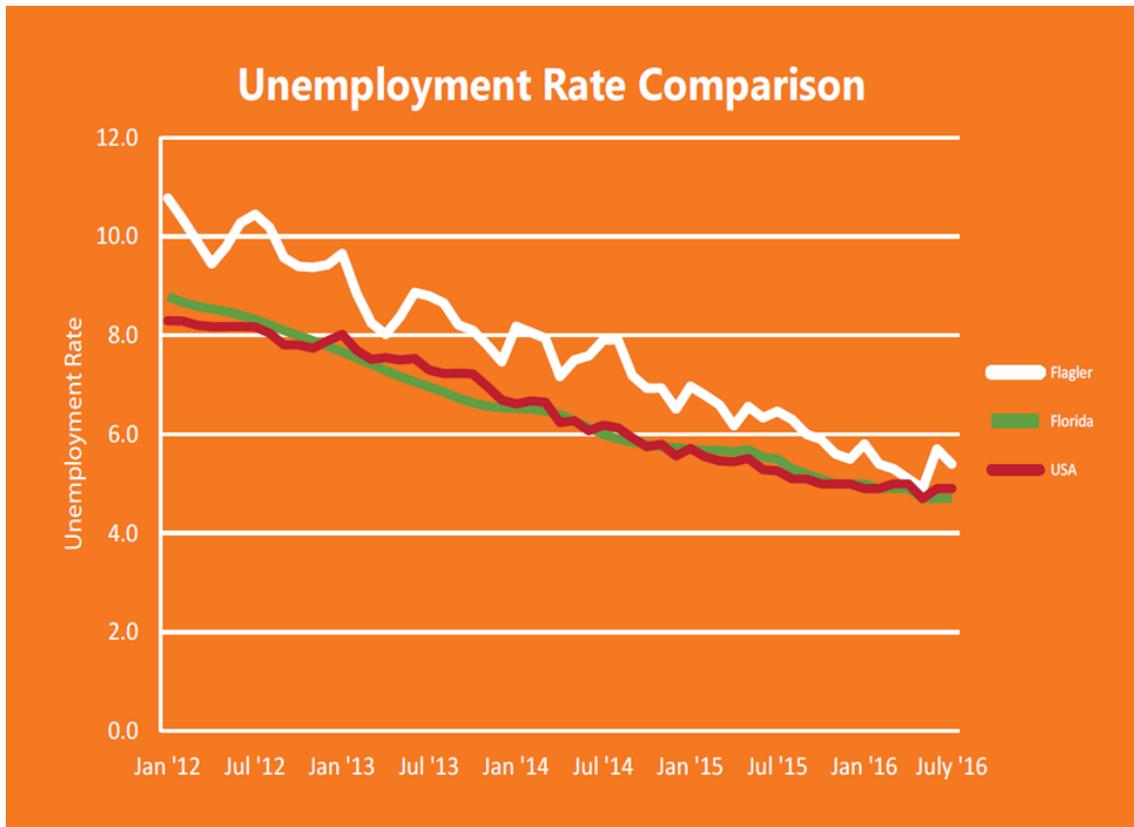
Source: Flagler County Florida, Department of Economic Opportunity, September 2016 Quarterly Report



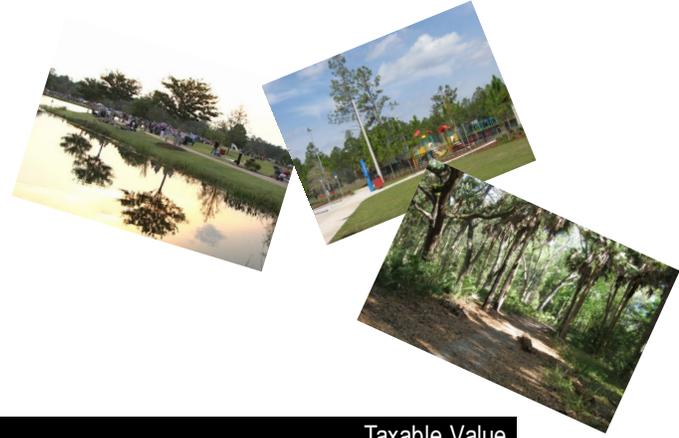
Labor Force & Unemployment Trends



Unemployment Rate



Property Information



Property Value by Class

Tax Roll Recapitulation

Class of Property	# of Parcels	Assessed Value	Just Value	Exempt	Taxable	Taxable Value per Parcel
Agriculture	131	\$ 7,024,092	\$ 79,533,227	\$ 14,000	\$ 7,010,092	\$ 53,512
Centrally Assessed	1	5,061,098	5,061,098	-	5,061,098	5,061,098
Government	930	297,467,570	297,964,296	292,190,601	5,276,969	5,674
Commercial Improved	835	340,854,457	343,902,580	11,268,117	329,586,340	394,714
Commercial Vacant	317	90,796,319	95,637,285	2,012,718	88,783,601	280,074
Institutional	97	80,660,233	80,798,869	49,727,810	30,932,423	318,891
Other Real Property	261	9,309,953	9,413,921	1,156,049	8,153,904	31,241
Personal Property	-	411,958,731	411,958,731	245,991,647	165,967,084	-
Residential Mobile Home	2	35,427	36,094	18,521	16,906	8,453
Residential Other	2,863	361,728,167	390,624,160	34,493,970	327,234,197	114,298
Residential Vacant Land	17,573	230,510,094	258,011,208	159,739	230,350,355	13,108
Residential Single Family	32,036	4,364,797,586	4,813,334,799	1,279,460,976	3,085,333,610	96,308
Industrial Other	45	35,161,653	37,875,453	480,047	34,681,606	770,702
Industrial Vacant	46	6,065,575	6,494,683	-	6,065,575	131,860
Total	55,137	\$ 6,241,430,955	\$ 6,830,646,404	\$ 1,916,974,195	\$ 4,324,453,760	\$ 78,431

Property Value Per Capita

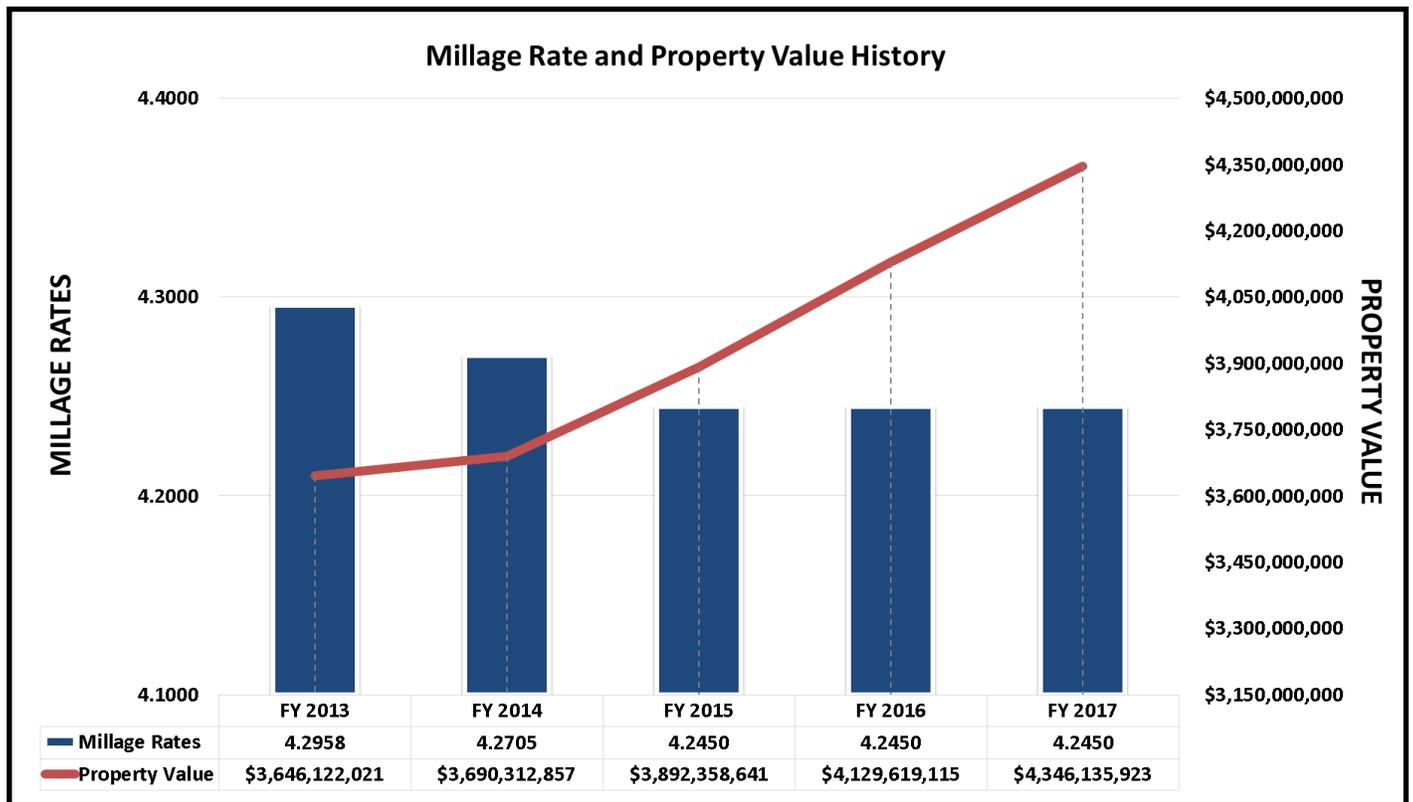
Fiscal Year	Property Value	Percent Change	Population	Percent Change	Property Value Per Resident	Percent Change
2017	4,346,135,923	5.24%	81,184	1.71%	53,534	3.48%
2016	4,129,619,115	6.10%	79,821	2.27%	51,736	3.74%
2015	3,892,358,641	5.48%	78,046	1.27%	49,873	4.15%
2014	3,690,312,857	1.21%	77,068	0.81%	47,884	0.40%
2013	3,646,122,021	-6.31%	76,450	1.10%	47,693	-7.33%
2012	3,891,594,126		75,617		51,465	

The property value per capita (per resident) is calculated by dividing this fiscal year's gross taxable value (property value) by the population.



Millage Rate & Property Value History

Fiscal Year	Property Value	% Change over Prev. Year	Operating Millage	Capital Millage	Total Millage	Ad Valorem Receipts
2008	7,009,877,421	12.34%	2.2123	0.75	2.9623	20,184,340
2009	6,131,965,169	-12.52%	2.6123	0.35	2.9623	17,602,781
2010	5,246,998,187	-14.43%	3.15	0.35	3.5	17,828,406
2011	4,463,085,550	-14.94%	3.5	-	3.5	15,048,300
2012	3,891,594,126	-12.80%	3.54	0.45	3.99	15,000,700
2013	3,646,122,021	-6.31%	4.1502	0.1456	4.2958	15,120,750
2014	3,690,312,857	1.21%	4.1932	0.0773	4.2705	15,203,633
2015	3,892,358,641	5.48%	4.1609	0.0841	4.245	15,963,477
2016	4,129,619,115	6.10%	4.0828	0.1622	4.245	16,973,093
2017	4,346,135,923	5.24%	4.112	0.133	4.245	17,803,620
Change 2008-2017	-2,663,741,498	-7%	1.8997	-0.617	1.2827	-2,380,720





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Measuring Results

Find Your Florida



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Citizen Survey

BACKGROUND

The citizen survey is conducted every other year by the International City/County Management Association (ICMA) and National Research Center, Inc. (NRC). The survey is customized and developed in coordination with City staff. The survey is mailed out randomly to 1,200 households and the typical response rate is 39% or 426 responses. The results are statistically weighted to reflect demographic composition and a 5% margin of error is used to compare results.

In previous years the citizen survey was conducted annually. In fiscal year 2016, City Council made the decision to move the citizen survey to every other year and pursue other methods of citizen engagement in the years in between.

PURPOSE

The citizen survey helps to assist with the assessment of the Strategic Action Planning process and to provide a statistically valid overview of resident opinions about the quality of life, City services, civic participation and issues of local interests. Benchmark comparisons are used to compare results with other municipalities and Year to Year Comparison is used to identify “strategically significant” changes. The results of the survey are one of the many tools used to develop the annual budget.

GOALS

The goal of the citizen survey is to identify strengths and weaknesses and to assist the City in planning, allocating resources and evaluating programs for improved services, more civic engagement, better community, quality of life and stronger public trust.

FOCUS

- √ Community Quality
- √ Community Design
- √ Environmental Sustainability
- √ Public Safety
- √ Recreation and Wellness
- √ Community Inclusiveness
- √ Civic Engagement
- √ Public Trust

Performance Management Process

PERFORMANCE MEASURES

Through a team approach, a group of employees developed a performance measurement and reporting system to align department services and programs with City Council's Strategic Action Plan (SAP). The electronic system was developed in-house and allows departments to measure, track and report results in order to make operational changes during the year to ensure success.

Performance measures were created to track departments on an individual basis and to show the progress (or lack-of) being made towards the six goals established by City Council in the Strategic Action Plan. These measures can range from monitoring operational efficiency to completing a project.

PROGRESS REPORTS

Departments meet with the City Manager on a quarterly basis to review budget results and performance measures. Departments are required to provide a progress report discussing the state of the department and to highlight progress made during the previous quarter. These quarterly reviews provide an opportunity to discuss the direction of the department and to make operational adjustments if needed to ensure the City's success in achieving the six goals set forth in the Strategic Action Plan.

ANNUAL STRATEGIC ACTION PLAN REVIEW

An annual review of the Strategic Action Plan (SAP) is conducted each year by City Council . This evaluation is done prior to the preparation of the next year's budget. Priorities are identified and adopted by City Council through a resolution. After the review, departments meet with the City Manager to identify performance measures for the next fiscal year. Budgetary impacts resulting from new priorities are then included by departments in the next year's budget.

END OF YEAR REPORT

Departments provide an end of year progress report to the City Manager highlighting accomplishments from the year as a whole. The report also discusses the year end budget results. This end of year report serves as a "report card" for departments and shows City Council the progress that was made towards the goals and objectives in the SAP. This report also plays a large role in the Department Director's annual evaluation.

2016 Results & Highlights

Before looking forward to the next year staff believes it's important to look back at the results of the previous year. This approach allows departments to plan accordingly and to ensure that City Council goals will be met. The annual results of the performance measures are one of the many tools used to develop the annual budget. A comprehensive report is published each year titled "Measuring Results" which contains a detailed look at performance by goal and by department. This report is available in the finance section of the City's website at www.palmcoastgov.com. The "Measuring Results" document is also used by City Council during the annual strategic action plan review which takes place before the annual budget is developed allowing departments to plan accordingly in the next year's budget.

A closer look at departmental objectives, tied to City Council goals, can be found in the "Budget Detail by Department" section of this document. Below is a summary of performance measurement progress by goal and how it compares to the previous year.



Goal 1 Infrastructure

To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

2015 Results: 84.59% Complete

2016 Results: 87.03% Complete



Goal 2 Economic

To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values

2015 Results: 93.27% Complete

2016 Results: 92.66% Complete



Goal 3 Finance

To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses

2015 Results: 83.19% Complete

2016 Results: 85.90% Complete



Goal 4 Environmental

To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife

2015 Results: 87.05% Complete

2016 Results: 82.10% Complete



Goal 5 Quality of Life

To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events

2015 Results: 86.44% Complete

2016 Results: 87.77% Complete



Goal 6 Workforce Talent

To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities

2015 Results: 90.49% Complete

2016 Results: 94.73% Complete



City of PALM COAST

Administration Department
Office of the City Manager

160 Lake Avenue
Palm Coast, FL 32164
386-986-3710

To: Mayor and City Council
From: Jim Landon, City Manager
Subject: 2016 End of Year Report

The City of Palm Coast utilizes an innovative Strategic Action Plan (SAP) that emphasizes a team approach to implement a Vision for the City through long-term Goals and short-term Objectives and Strategies. Through performance management, the SAP Process is a comprehensive and systematic approach to improving results through evidence-based decision making, continuous organizational learning, and a focus on accountability. Each year the Palm Coast City Council evaluates the organization's progress within a multitude of service areas inclusive of areas of accomplishment and concern. City Council has an opportunity to align action areas into budget commitments and, ultimately, adopt a budget that supports the City's Vision.

Our Vision is to be recognized as one of Florida's premier cities in which to live, work and play.

The Strategic Action Plan is comprised of six long-term Goals – Expansion, Economic, Financial, Environmental, Quality of Life and Workforce Talent.

Each of the Goals has dozens of objectives and strategies that serve as a roadmap for City staff. To ensure that projects, activities and initiatives stay on-course toward success, City departments, divisions and teams have “performance measures” that are tracked throughout the year. Some of our performance measures continue from year-to-year, while others are added or updated as City Council sets new priorities.

As one of many steps in the SAP process, a report is compiled at the end of each fiscal year, and details all of the great accomplishments, achievements and progress we made as a City this past year. Reflecting on this success is a good place to start as we embark on a new year of Strategic Action Planning.

These are some highlights of our greatest accomplishments, by Goal.

Goal 1: Expansion – To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services and employment.

A major highlight for expansion in Palm Coast this year was the extensions of Palm Harbor Parkway and Old Kings Road to complement the new Interstate 95 interchange at Matanzas Woods Parkway. Palm Coast now has three I-95 interchanges, more convenient transportation routes for residents and visitors, and new economic development opportunities in the northern part of the City. Both Palm Harbor and Old Kings Road North were realigned for safety improvements to bypass Forest Grove Drive and Matanzas High School in preparation for the new interchange. Other projects supporting Goal 1: Expansion included:

- Major renovation of Fire Station 22, the City's oldest fire station.
- Complete rehabilitation of the bunkers at the municipal Palm Harbor Golf Club.
- Median beautification on State Road 100, from Interstate 95 to Roberts Road.
- Start of construction on the City's second Wastewater Treatment Plant.



- Construction of the Colechester Bridge improvements.
- Construction of a utility force main and master pump station on Old Kings Road.
- Rehabilitation of a major roadway crossing on Boulder Rock Drive for stormwater.
- Construction of reuse water lines for both Matanzas phase 1 & 2 and Seminole Woods phase 1, with design work for phase 2.
- Start of a new automated traffic control system utilizing the City's FiberNET fiber optic network.

Goal 2: Economic – To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.

The Business Assistance Center and Community Development Department strengthened their coordination this year to better assist new businesses locating in Palm Coast as part of the City's economic efforts. Community Development and the BAC are working together to make sure prospective new businesses are given important information on City procedures and receive quick answers to any questions they have during their search for the right Palm Coast location. Other initiatives supporting Goal 2: Economic include:

- Complete update of the City's building permit fees that included lowering some fees.
- Professional technical review and facilitation of permits and development orders, with the fiscal year ending with new home construction up 39 percent and new commercial construction up by 28 percent. Permitting increased overall by 8 percent from the previous year.
- Production of 10.5 percent more water within Palm Coast, supporting new growth and development; in addition, 601 new water meters were installed (compared to 525 the year before) and 169 new PEP tanks (compared to 114 the previous year).
- Multiple projects for economic development in cooperation with the Flagler County Department of Economic Opportunity to attract and retain/expand business in Palm Coast. A major success for City staff, in cooperation with Flagler County, was retention of Designs for Health in Palm Coast.
- Hosting of 25 sporting events welcoming more than 74,000 visitors, who spent an estimated \$5.7 million on lodging, food, gas and retail – a significant increase over the year before.
- Addition of new way-finding signage, featuring the City's brand logo, for City facilities and other landmarks, along with new monument-style signs for the Utility Department and Long Creek Nature Preserve.
- Winning the 2015 Innovation & Design Award by the Surfcoast Chapter of the Florida Planning and Zoning Association for the Island Walk shopping center redevelopment project.
- Partnership with the Palm Coast and the Flagler Beaches Tourist Development Council to create a birding rack card featuring the Birds of a Feather Fest to be distributed to birders and at the Florida Welcome Centers on I-95 and I-75.

Goal 3: Financial – To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

A major initiative within the Financial Goal this year was for the Finance Department, in coordination with the City's Financial Adviser, to take advantage of a dip in long-term interest rates to refinance the 2007 Utility Revenue Bonds in the amount of \$42 million. The refinancing

greatly reduced the interest rate, resulting in over \$12 million in savings for the remaining 20 years of the debt. Other accomplishments supporting Goal 3: Financial include:

- Presentations on the City's innovative employee retirement plan changes at the annual conferences of both the Florida City and County Management Association and the Florida Government Finance Officers Association.
- Implementation of a new exercise (stretching) program, ergonomic evaluations and a new incident review process to reduce employee injuries; worker's compensation claims dropped 42 percent compared to 2015.
- Creation of a new Fraud, Waste and Abuse reporting hotline through which citizens and City employees can report concerns of fraud, waste or abuse anonymously, online or by phone.
- For the 13th consecutive year, earning the Government Finance Officers Association Distinguished Budget Presentation Award.
- Completion of the fiscal year 2015 audit results with no audit comments received.
- Earning the GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY2015 Comprehensive Annual Financial Report; the City has received this award for 15 straight years.
- For the third year in a row, receiving the GFOA Award for Outstanding Achievement for Popular Annual Financial Reporting for the FY2015 Popular Annual Financial Report.
- Being recognized for the third straight year by the ICMA Center for Performance Analytics for the City's performance management efforts. Palm Coast is among eight jurisdictions receiving the Certificate of Distinction, and one of 52 recognized overall.

Goal 4: Environmental – To blend our residential and commercial properties with our “City of Parks and Trails” image to create a sustainable framework of visual appeal while caring for our land, water, air and wildlife.

A major achievement for the City's commitment to environmental sustainability this year was attaining LEED certification at the Silver level for the new Palm Coast City Hall. The U.S. Green Building Council's LEED certification is based on design and construction that demonstrates high performance in sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. Other initiatives supporting Goal 4: Environmental include:

- Installation of 17 residential LED streetlights as part of a new initiative to use LED for all new residential streetlights.
- Update of the Local Mitigation Strategy (LMS), in coordination with Flagler County Emergency Management Services and other community stakeholders, as part of the City's comprehensive Floodplain Management Program; City is currently awaiting new Community Rating System (CRS) class rating.
- FEMA Open House event that invited the public to review the proposed Flood Insurance Rate Study and associated Flood Insurance Rate Map (FIRM) revisions for Flagler County; proposed FIRM update is expected in late 2017.
- Public outreach through programs and events including the Christmas Tree Recycling Event, Arbor Day, the Intracoastal Waterway Cleanup and the Battery Recycling Program.
- Conversion to LED lighting at two Water Treatment Plants, the Wastewater Treatment Plant and a fire station, as recommended by the Energy Audit.
- Environmental education for Flagler schoolchildren through the C.H.I.R.P. program, which also was featured in the Florida League of Cities' *Quality Cities* magazine.
- Participation in National Mayor's Challenge for Water Conservation, in which Palm Coast placed fifth in the nation.

Goal 5: Quality of Life – To enhance the quality of life for our citizens by providing safe, affordable and enjoyable options for cultural, educational and leisure-time events.

Frieda Zamba Swimming Pool was the “cool” place to be this year, with more than 22,000 guests during pool season – a major contribution to the City’s quality of life. Thanks to strong growth in swim lessons, Palm Coast ranked fourth in the American Red Cross Learn to Swim program for our territory. The pool welcomed summer camps, the Special Olympics Swim Team, the Masters Swim Club, Daytona Beach Speed Swim Team and the Matanzas High School Swim Team. Other activities supporting Goal 5: Quality of Life include:

- Continued progress on the next phase of the Seminole Woods Multi-Use Path Project, with construction started from Sesame Boulevard to U.S. 1, and design work under way on the two remaining phases along Sesame Boulevard.
- Comprehensive update to the Unified Land Development Code Chapter 11 – Tree Protection, Landscaping, Buffers and Irrigation based on input from residents, design professionals, business owners and the Flagler County Association of Responsible Development (FCARD).
- Addition of two new fire pumpers to the Palm Coast Fire fleet.
- A full schedule of special events including Food Truck Tuesdays, Senior Games, Arbor Day, Halloween Boo Bash, the Hall of Terror, Eggstravaganza, the U.S.T.A. Men’s Futures tennis tournament, Birds of a Feather Fest, International Festival, Fireworks in the Park, sporting events, the Starlight Event & Parade, patriotic ceremonies, the Tour de Palm Coast and more.
- A popular Summer Camp program averaging 119 campers per week; the traditional summer camp was supplemented with specialty camps in golf, tennis and the Firefighter, Junior Lifeguard and CSI Camps.
- Continued work on renovation and expansion of Holland Park, the City’s oldest park, with expected completion in FY2017, and completion of design of renovation and expansion of the Palm Coast Community Center.
- Expansion of the City’s social media outreach during weather and fire emergencies and the addition of an Instagram account (@DiscoverPalmCoast).

Goal 6: Workforce Talent – To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

Ongoing training and performance management to develop our workforce talent is a key focus to help the City achieve all of its other Goals. With comprehensive training, our employees have the knowledge and skills to complete many projects in-house; some of the projects completed in-house this year were the Palm Harbor Extension Irrigation and Beautification Project, the two new monument signs, the Rowing Club boat launch site, bicycle stations at Long Creek Nature Preserve and Central Park, and renovation of Indian Trails Sports Complex Field 3. Our employees converted lighting fixtures to LED at two Water Treatment Plants, the Wastewater Treatment Plant and a fire station. We also have an in-house team that provides all of our branding as Palm Coast grows as a City and improves its services, programs and amenities for residents. Having highly trained crews has the added bonus of providing greater coverage during hurricanes and other weather emergencies. Other highlights for Goal 6: Workforce Talent include:

- Winning both the State and the National Top-Ops competitions for water operators by Palm Coast Utility’s Water Buoys team.
- Implementation of a staff retention and compensation program that includes automatic promotion for employees who achieve training and certification in various positions.

- Successful conversion to an improved “New Utility Customer Application” process. Morale-building programs including the first Employee Fun and Fit Day, Employee Appreciation Week and the 2nd Annual Pumpkin Carving Contest.
- Launch of a new performance evaluation system tied to employee performance.
- Creation of a City Council Academy to supplement ongoing Employee Academy and Citizens Academy programs.
- Recognition of Wastewater Treatment Plant Chief Operation Pat Henderson as a new member of the Water Environment Federation’s Quarter Century Operators Club.
- Expansion of the City’s college internship program, with six interns in summer 2016 and 14 slots for summer 2017.
- Winning a 2016 Bronze Telly Award for the Zombie Survival Guide to Bicycle Safety video.

As you can see from these highlights, FY2016 was a successful year of growth and progress for the citizens of Palm Coast and the future of our beautiful City overall. Palm Coast has long been recognized nationally and internationally as a premier place to live. We are proud now to also be recognized in the region, state and nation for our innovative and quality programs. We are committed to providing a high level of service to our citizens and continuing to invest in capital projects, while also maintaining the lowest taxes for cities our size (population between 70,000 and 100,000) in Florida.

Now it’s time to build on our progress. Through the annual Strategic Action Planning process, these efforts will be revisited and look toward the future on keeping the City of Palm Coast on a strong course as the best place in Florida to live, work and play.



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Budget Overview





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Budget Process

Focusing on the Outcome

BUDGETARY BASIS

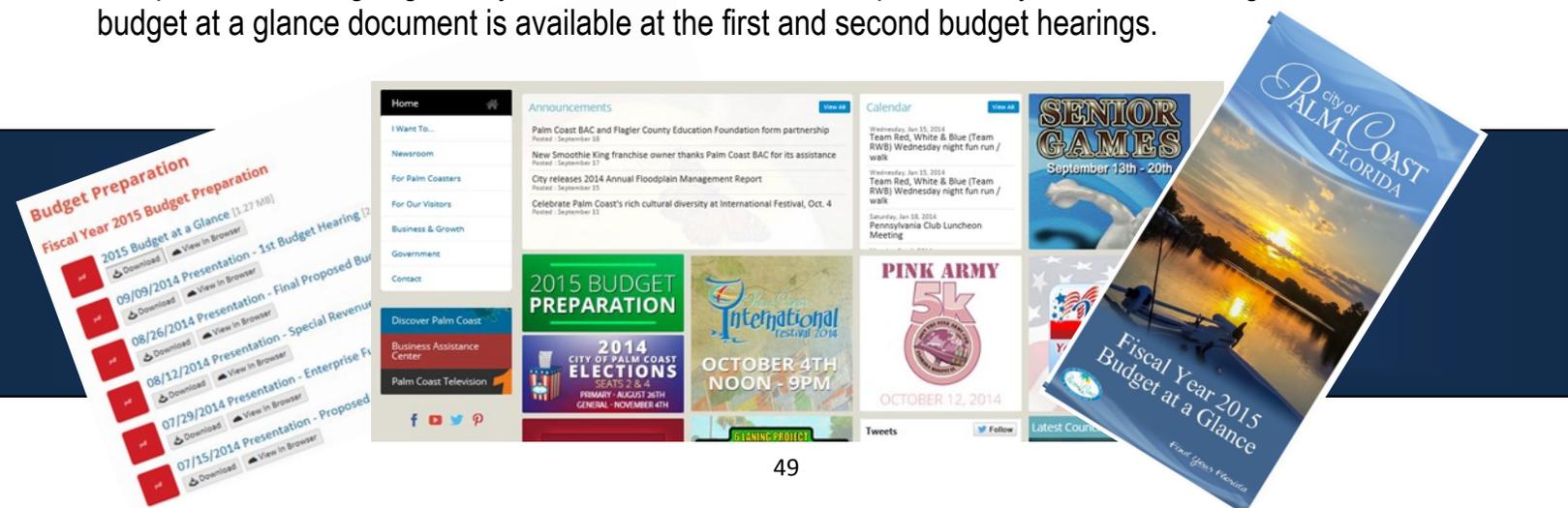
Governmental Funds are budgeted using the modified accrual basis of accounting. Revenues are recognized when they become available and measurable. An example would be sales tax or state revenue sharing that is measurable but may not be received until after the end of the fiscal year. Expenditures are 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 expensed when they are incurred.

METHODOLGY

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.

PUBLIC PARTICIPATION

Ensuring ample opportunity for public input is an important part of the budget preparation process. A series of presentations over the course of six months are provided to City Council in public workshops where citizens can not only view the information at the workshop but also can obtain copies of all presentations and other helpful documents on the City website by clicking on the "Budget Preparation" link on the City's homepage. During the fiscal year 2017 budget adoption process, 10 public presentations were made to City Council regarding the overall process. To further assist the public with this process a budget glossary is available at all workshops and City Council meetings. In addition, a budget at a glance document is available at the first and second budget hearings.



PREPARATION

Budgeting with an outcome in mind requires a direct link between departmental spending and the Strategic Action Plan (SAP). The SAP is reviewed on an annual basis and adjustments are made according to City Council direction. This review is done just prior to the departmental budget preparation period and after the presentation to City Council of the Annual Progress Report. This allows staff time to budget accordingly in order to meet City Council goals for the following year. This approach helps to bridge the gap between the SAP and the annual budget.

During budget preparation time, each department first outlines functions and goals to accomplish in the coming fiscal year. A detailed estimate of monies and personnel required to provide these services is then prepared by the department. These requests are then reviewed by the City Manager and Finance staff. Upon completion of this review, and matching with the projected revenues available, a balanced budget, where revenues are equal to expenditures, is prepared.

During the months of July and August the City Manager presents the proposed budget to the City Council. This takes place over the course of several City Council workshop sessions. During each session the City Council reviews the proposed budgets by department and by fund.

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.



REVIEW

Once the budget is approved, departments begin meeting with the Finance Department and the City Manager on a quarterly basis to review the year to date budget and overall performance results. These quarterly reviews provide an opportunity for the department to highlight achievements from the previous quarter and to discuss progress to date. This process allows management to make adjustments during the year to ensure success towards meeting City Council goals. Each department head provides a formal report which is made available to both City Council and to the public each quarter via the City's website. This report gives City Council a birds eye view of the progress being made throughout the fiscal year.



The end of year performance and budget results are reviewed in December. These results provide the foundation for the Annual Progress report which is presented to City Council in February. In January, each Department Director receives their annual performance evaluation. The evaluation includes a review of the previous fiscal year's budget results, Citizen Survey results, the Annual Progress Report and a self-evaluation. The timing of this evaluation provides the Department Director with an opportunity to plan for the upcoming fiscal year prior to the start of the budget preparation period. This final step brings the overall strategic planning process full circle again.



For the third consecutive year the International City/County Management Association has recognized the City of Palm Coast's performance management process which aligns department spending with the City Council's Strategic Action Plan. The ICMA certificates are awarded at three levels, Achievement, Distinction, and Excellence. Palm Coast is among eight jurisdictions receiving the Certificate of Distinction, and one of 52 recognized overall in 2016.

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Budget Calendar

Focusing on the Outcome

HELPFUL HINT!

Click here to be taken to the City's website where budget preparation documents can be found.

January

- ◆ Current year 1st quarter results provided to City Council

February

- ◆ Fiscal year 2016 Audit Report and final operating results submitted to City Council

March

- ◆ 2016 Annual Progress Report and Citizen Survey Results provided to City Council
- ◆ 10 Year Infrastructure Capital Improvement Program (CIP) project schedule and funding report submitted to City Council

April

- ◆ Strategic Action Plan Annual Evaluation
- ◆ Year to Date budget presentation to City Council
- ◆ Budget planning meeting (refresher) with staff
- ◆ Budget system opened for department input
- ◆ Current year 2nd quarter results provided to City Council

May

- ◆ Fund Accounting Overview presentation provided to City Council
- ◆ Budgets prepared by departments and reviewed with Finance Department
- ◆ Long Term Financial Planning presentation provided to City Council

June

- ◆ Revenue Source Overview presentation provided to City Council
- ◆ Budgets reviewed with City Manager
- ◆ Property Tax Overview presentation provided to City Council

July

- ◆ Preliminary General Fund budget and Maximum Millage Rate presentation to City Council
- ◆ Maximum Millage Rate (TRIM rate) adopted
- ◆ Current year 3rd quarter results provided to City Council
- ◆ 5 Year Capital Improvement Program (CIP) finalized

August

- ◆ TRIM notices issued by Flagler County Property Appraiser
- ◆ Proprietary, Internal Services, Special Revenue and Capital Projects funds budget workshops
- ◆ Final Budget presentation to City Council

September

- ◆ Public hearings to adopt tentative and final budget and millage rate

December

- ◆ Finalize year-end budget results
- ◆ Fiscal year 2017 end of year review for departments with the City Manager
- ◆ Fiscal year 2017 end of year results provided to City Council

Budget Amendment Process

SUPPLEMENTAL APPROPRIATION AMENDMENTS AFTER ADOPTION

If, during the fiscal year the City Manager certifies that there are revenues in excess of those estimated in the budget, available for appropriation, 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 un-appropriated 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 appropriation 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.

Long Term Financial Plan

PLANNING PROCESS

The long-term financial plan is the foundation of the strategic planning process. The plan provides direction for the allocation of resources and ensures fiscal responsibility. The long-term plan is reviewed and revised each year after the annual financial audit and during the annual budget preparation. The timing of the review allows staff an opportunity to evaluate existing policies in order to implement new strategies before fiscal constraints impact the budget. This practice allowed the City to remain fiscally sound during the past recessionary period.

The General Fund, Utility Fund and Stormwater Fund are the City's main operating funds and therefore a priority when evaluating the long-term financial plan. Long-range planning for capital funds are discussed in the Capital Improvement Program section later in this document.

PERSONNEL

As economic conditions improve, the job market is becoming more competitive. This has been apparent over the past two years as long-time employees have left employment with the City to pursue new endeavors. In an effort to mitigate the loss of talented staff, and to remain competitive in the current job market, the fiscal year 2017 budget includes a base salary adjustment of 2% as well as provisions for merit increases not to exceed an average of 2% department wide. For the second year, City Council also approved an additional 1% merit increase in the fiscal year 2017 budget to recognize high performing employees.

IN-HOUSE PROJECTS

One way that the City continues to maintain lean operating costs, while raising the bar on the level of service being provided, is by evaluating all project needs before using an outside contractor. Whenever possible, our talented staff is used to complete projects that would have otherwise be outsourced. During the planning stage, staff completes a cost-benefit analysis to make a determination as to whether work should be completed by staff or be outsourced.



In fiscal year 2013, landscaping services were brought in-house allowing the City to reduce its costs for maintaining city facilities while increasing the level of service. In fiscal year 2015 the Fleet Management division took over the maintenance of Fire fleet. Over the last several years City crews have completed the construction of many miles of popular multi-use paths within the city.

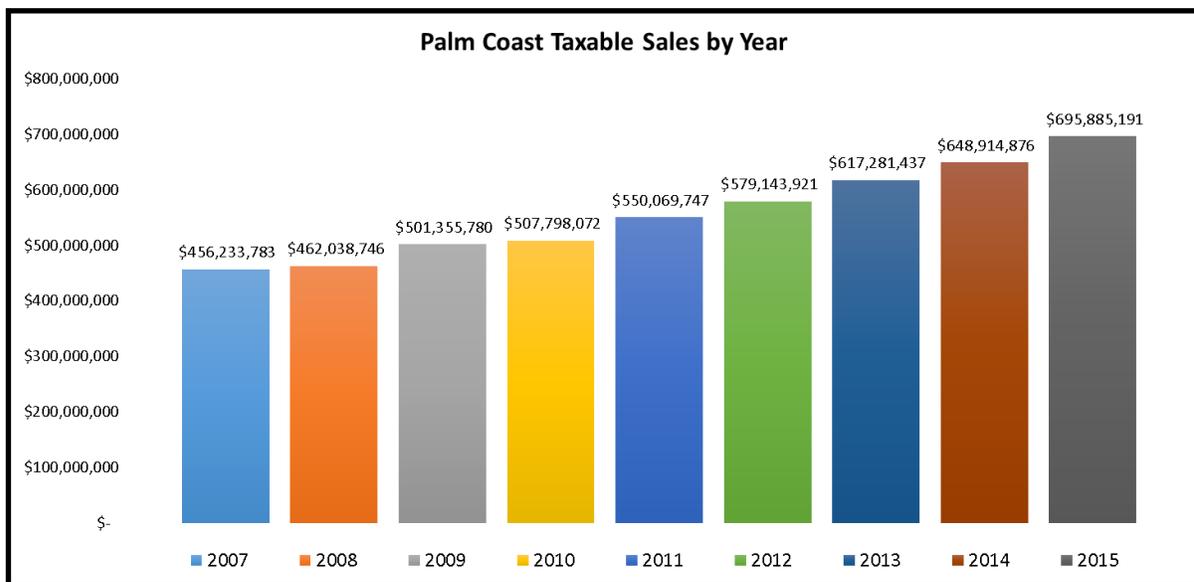
These changes continue to produce cost savings while boosting morale among employees. Staff continues monitoring in-house programs closely to ensure the changes made continue to produce a cost savings while providing citizens with a high level quality of services.

REVENUE

In an ongoing effort to keep City Council well informed, staff provides an annual review of all funding sources. This includes information about restrictions on revenue sources and funding options available for future needs. There are two funding sources which are not currently in use and are available for future funding. These include the Public Service Tax and Utility Franchise Fees. Both of these funding sources represent the potential for nearly \$8 million of new revenue annually. This discussion takes place each year during the budget preparation process.

LOCAL ECONOMY

A strong economic environment is critical to the long range financial health of the city. Taxable sales continue to rise and have indicated that tourism efforts as described in City Council's goal 2 of the strategic action plan have had a positive impact on the community.



New home construction continues to increase and the number of single family residential permits are at an all time high since 2009. After several years of declining property values during the recession, property values have increased for the fourth consecutive year and the trend is expected to continue. Improving economic conditions as well as City Council's focus on beautification and strengthening neighborhoods is believed to have contributed to the continuing increase in property values.

As with many municipal golf courses in the area, the City's golf course is seeing declining revenues and is being subsidized by General Fund revenue. The Parks and Recreation Department however, is seeing an increase in rentals and participation in recreational activities offered by the City. At the end of fiscal year 2016, summer camp registration was at an all time high since 2010. Community Center reservations also continue to climb and have more than doubled since 2012. The growing number of athletic tournaments being held in Palm Coast are having a positive impact on sales tax collections within the county. The economic impact in the community of sporting events since 2011 is estimated to have increased from \$1.6 million in 2011 to \$5.7 million in 2016.

FORECAST ASSUMPTIONS

<u>Statistical Data</u>	<u>Source</u>
POPULATION	Based on Bureau of Economic Business Research (BEBR) annual estimates
CONSUMER PRICE INDEX (CPI)	US Bureau of Labor statistics, www.bls.gov, based on 10-year avg.
MARKET VALUE CHANGE	Estimated increase in assessed value in addition to new construction for current fiscal year
TAXABLE SALES	State of Florida, Department of Revenue

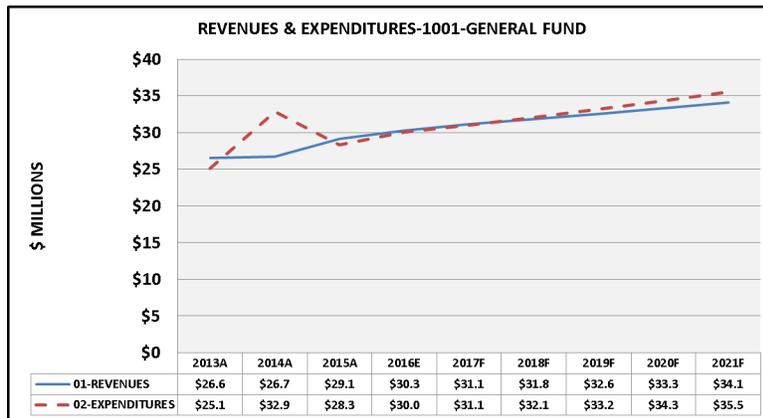
<u>Revenue Source</u>	<u>Assumption</u>
AD VALOREM TAXES	Assume average increase of new construction of 1.25% over prior year, 1% annual market value change, and flat millage rate
SMALL COUNTY SURTAX	Based on historical data increase 4% per year
LOCAL OPTION FUEL TAX	Based on historical data keep flat
COMMUNICATION SERVICE TAX	Due to a continuing decline in this revenue source, assume decrease of 1% per year
PERMITS, FEES AND SPECIAL ASSESSMENTS	Increase 3% per year based on residential permitting trend
STATE REVENUE SHARING	Based on historical data, increase 4% per year
1/2 CENT SALES	Based on historical data, increase 4% per year
CHARGES FOR SERVICES	Based on historical data, increase 4% per year
STORMWATER FEES	A .5% increase per year has been assumed based on an estimate of potential commercial properties being developed each year.

<u>Expenditures Type</u>	<u>Assumption</u>
PERSONNEL SERVICES	4% increase per year based on currently approved staffing level
PROFESSIONAL AND CONTRACT SERVICES	Increase by CPI
OPERATING EXPENDITURES	Increase by CPI
STREET LIGHTS EXPENSES	Based on historical data, increase by 5% per year
CAPITAL OUTLAY	Based on 5 year CIP and 10 year infrastructure funding plan which is revised annually
PROPERTY, LIABILITY AND AUTO INSURANCE	Based on historical data, increase by 15% per year

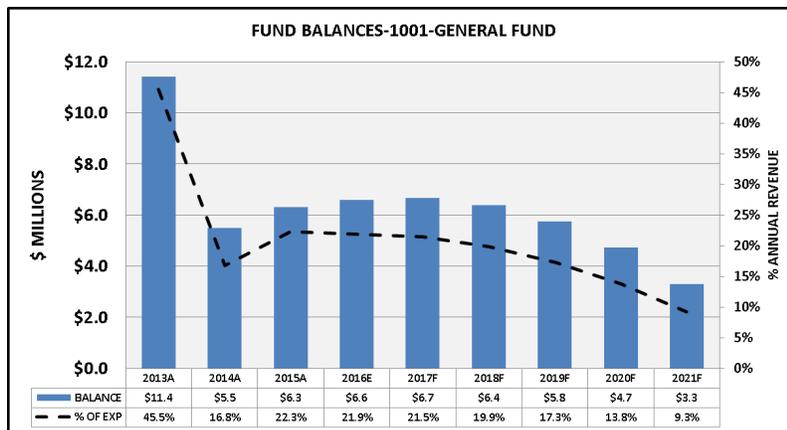
GENERAL FUND

This year City Council adopted a millage rate of 4.2450 for the third consecutive year. This was possible because of gross taxable property values increasing 4.9% from \$4,142,103,986 in fiscal year 2016 to \$4,346,135,923 in 2017. This is the fourth consecutive year that taxable values have increased.

Property taxes account for approximately 12% of the total City revenue. However, it is the largest single revenue source for the General Fund. City Council is sensitive to the public's desire to maintain level property taxes, but inflationary pressure and future infrastructure needs will inevitably have an effect on future millage rates. Residents also continue to request additional services. Without significant and continuing growth in the taxable value of property, keeping the millage rate flat is not sustainable.



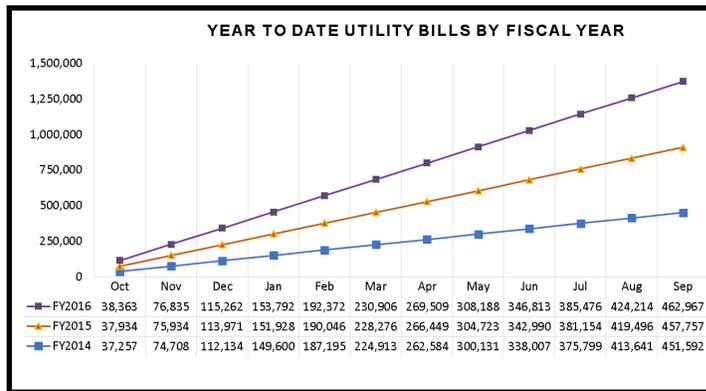
Other major sources of tax revenue for the General Fund include the Communication Services Tax and the Half-Cent Sales Tax. Although sales tax revenue has been increasing, the Communications Services Tax has been steadily declining. Continued pressure on General Fund revenue raises concerns about the ability to remain in compliance with the fund balance policy in future years.



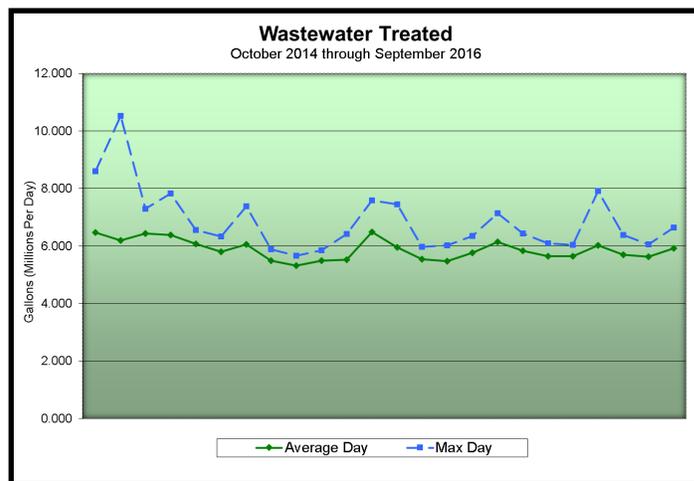
Personal services, totaling \$17.4 million of the \$32 million fiscal year 2017 General Fund budget, accounts for more than half of the total expenditures in the General Fund. Public safety is the largest function supported by the General Fund with general government being the next largest followed by transportation and recreation.

UTILITY FUND

During the recent recession, growth within the Utility service area decreased significantly. Growth is at an all time high since the recession and the Utility Fund is now feeling the impact of increased needs in utility services. Based on recent trends for new utility service accounts, residential building permits and population projections, an increase in growth in the current water and wastewater customer base is expected.



In order to continue to meet capacity needs, construction of a second Wastewater Treatment facility has begun. This \$30 million project is being funded through state loan program proceeds at an interest rate of only .67%. This will save over \$6 million in interest costs over the life of the loan. The facility is expected to be operating at the end of fiscal year 2018.



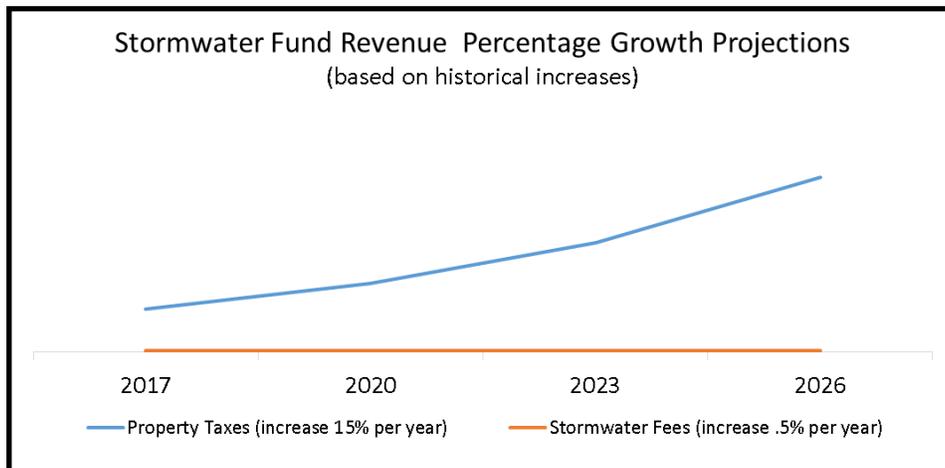
In 2013 the City refunded its 2003 Utility Revenue Bonds which produced a present value debt service savings of over \$6 million. The City also issued an additional \$20 million for immediate capital needs. Due to the debt service savings, the additional borrowing only netted an overall annual increase in debt service of approximately \$500,000.

As a result of a 2013 rate study, a series of rate increases took place ending in October 2014. This allowed for contributions to the Utility Capital Projects fund to be increased from 5% of gross revenues to 10% for the repair and renewal (R&R) of aging infrastructure. These rate increases have helped stabilize the fund balance in the Utility Fund and will support future debt service resulting from the additional Wastewater Treatment facility without increasing utility rates. To stay ahead of rising operating costs and capital infrastructure needs, City Council has instituted a new program of updating the rate study every few years. Long-range planning for utility capital projects is further discussed in the Capital Improvement Program section of this document.

STORMWATER FUND

In 2004, the City of Palm Coast established the Stormwater Fund in order to support the maintenance and improvement needs of the City's stormwater system. Residential developed properties within the stormwater service area are currently billed a flat fee monthly while residential undeveloped properties are billed annually. For commercial and larger parcels, the fee is calculated based on a combination of factors including impervious and pervious area, the size of the parcel and the property's use. Some of these properties may also qualify for a reduced service credit.

Revenue generated by the stormwater fee is used solely for the maintenance and rehabilitation of the stormwater drainage system. Improvements and maintenance of the system is supported primarily by charges for service however, due to constricted revenue in this fund, a small portion of property taxes are used to help support the fund as well. This contribution has historically been increased 15% each year. Because both developed and undeveloped property being charged a stormwater fee, revenue increases resulting from an increase in stormwater fees as a result of new development has historically been less than 1% per year. As operating costs continue to increase, the fund's ability to support the current level of service without additional revenue is diminishing.



Funding to support the stormwater system is discussed each year during the annual budget process. Pressure from citizens to keep stormwater rates flat makes it difficult to address funding needs without decreasing the current level of service. City Council will be deliberating on indexing the stormwater fee to keep pace with inflationary pressure on construction costs. To date, major revenue sources that are used for construction purposes in other funds have automatic increases tied to various indexes. By indexing the stormwater fee, the erosion of purchasing power can be mitigated. Keeping a flat stormwater fee will decrease program results over time and is not sustainable.

CONCLUSION

Maintaining a conservative long range financial plan is a critical component of the City's long term planning process. To ensure financial sustainability, staff regularly looks for ways to expand the use of grants, maintain lean operating costs and manage long-term fixed costs. With rising demands for City services, coupled with the continued increase in the cost of services, an annual evaluation of the long-term financial plan is key to the long term fiscal sustainability of the City.



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Executive Summary





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Summary of Major Budgetary Changes

Fiscal Year 2016 Budget vs. 2017 Budget

- ⇒ The FY 2017 Ad Valorem Tax Receipt revenue is budgeted 5% or \$830,000 higher than FY 2016. This is due to an increase in property values of \$204,031,937.
- ⇒ A ninth department, Human Resources, was created for Fiscal Year 2017. Previously, Human Resources was a division of the Administrative Services department.
- ⇒ The Administrative Services department, now called Administrative Services & Economic Development, is now under a separate director. This department was previously under the immediate direction of the City Manager.
- ⇒ The Purchasing & Contracts Management division of the Administrative Services & Economic Development department has been changed to Central Services. This division now includes purchasing, contracts management and budget functions.
- ⇒ Approximately \$250,000 is being budgeted organization-wide for fiscal year 2017 for first time purchases of new fleet. These purchases are new equipment and vehicles approved for fiscal year 2017. This amount 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.
- ⇒ Construction of a second Wastewater Treatment Plant began during fiscal year 2016. This project is expected to be completed before the end of fiscal year 2017. Therefore, an operating budget is included for the second Wastewater Treatment Plant, for fiscal year 2017.
- ⇒ In an effort to mitigate employee turn-over and retain talented staff, an auto-promote program has been implemented. This new program, which mostly affects our Public Works and Utility divisions, provides eligibility for immediate promotion based on their certification levels.

Budget Overview

FUND/DEPARTMENT	Proposed FY 17
Total General Fund	\$ 31,987,472
Special Revenue Funds	
CDBG fund	979,900
Police Education Fund	14,035
Distaster Reserve Fund	2,212,265
Special Events Fund	165,460
Streets Improvement Fund	6,853,000
Park Impact Fee Fund	955,000
Fire Impact Fee Fund	118,600
Development Special Projects Fund	-
Transportation Impact Fee Fund	1,800,000
Neighborhood Stabilization Fund	16,407
Old Kings Road Special Assessment Fund	487,030
BAC Fund	38,630
SR100 Community Redevelopment Fund	1,858,057
Capital Projects Fund	7,911,000
Enterprise Funds	
Utility Fund	36,513,099
Utility Capital Projects Fund	32,707,343
Solid Waste Fund	7,537,466
Stormwater Management Fund	7,994,288
Building Permits Fund	1,731,650
Information Technology Fund	2,329,540
Internal Services Funds	
Self Insured Health Fund	4,580,750
Fleet Management Fund	4,616,988
Fleet Communication Fund	293,400
Facilities Maintenance Fund	620,043
Subtotal Budget All Funds	\$ 154,321,423
Less: Interfund Transfers	18,800,440
Total	\$ 135,520,983

Budget Summary

By Fund Type

Fund Type	Operating		Capital Expenditures	Operating Transfers	Total Expenditures
	Estimated Revenue	Expenditures & Contingency			
General Fund	\$ 31,987,472	\$ 31,242,550	\$ 99,000	\$ 645,922	\$ 31,987,472
Special Revenue Funds					
CDBG Fund	979,900	448,675	-	531,225	979,900
Police Education Fund	14,035	14,035	-	-	14,035
Disaster Reserve Fund	2,212,265	2,212,265	-	-	2,212,265
Special Events Fund	165,460	165,460	-	-	165,460
Streets Improvement Fund	6,853,000	2,028,000	4,825,000	-	6,853,000
Recreation Impact Fee Fund	955,000	-	725,000	230,000	955,000
Fire Impact Fee Fund	118,600	118,600	-	-	118,600
Development Special Projects Fund	-	-	-	-	-
Transportation Impact Fee Fund	1,800,000	190,000	750,000	860,000	1,800,000
Neighborhood Stabilization Fund	16,407	16,407	-	-	16,407
OKR Special Assessment Fund	487,030	487,030	-	-	487,030
BAC Fund	38,630	38,630	-	-	38,630
SR100 Community Redevelopment Fund	1,858,057	1,083,057	200,000	575,000	1,858,057
Capital Projects Fund	7,911,000	-	7,911,000	-	7,911,000
Sub-Total	23,409,384	6,802,159	14,411,000	2,196,225	23,409,384
Enterprise Funds					
Utility Fund	36,513,099	31,575,601	577,500	4,359,998	36,513,099
Utility Capital Projects Fund	32,707,343	567,343	32,140,000	-	32,707,343
Solid Waste Fund	7,537,466	7,537,466	-	-	7,537,466
Stormwater Management Fund	7,994,288	5,792,609	2,060,000	141,679	7,994,288
Building Permits & Inspections Fund	1,731,650	1,701,650	-	30,000	1,731,650
Information Technology Fund	2,329,540	2,170,205	144,000	15,335	2,329,540
Sub-Total	88,813,386	49,344,874	34,921,500	4,547,012	88,813,386
Internal Service Funds					
Self Insured Health Fund	4,580,750	4,580,750	-	-	4,580,750
Fleet Management Fund	4,616,988	2,292,488	2,324,500	-	4,616,988
Fleet Communications Fund	293,400	281,400	12,000	-	293,400
Facilities Maintenance Fund	620,043	620,043	-	-	620,043
Sub-Total All Funds	154,321,423	\$ 94,262,821	\$ 51,756,000	\$ 7,389,159	154,321,423
Less: Interfund Charges and Transfers	18,800,440				18,800,440
Total	\$ 135,520,983				\$ 135,520,983

Budget Summary

By Function

	General Fund	Enterprise Funds	Internal Service Funds	Special Revenue Funds	Total All Funds
<u>CASH BALANCES BROUGHT FORWARD</u>	\$ -	\$ 5,029,021	\$ -	\$ 8,204,374	\$ 13,233,395
<u>ESTIMATED REVENUES</u>					
TAXES: Millage Per \$1,000					
Advalorem Taxes: 4.2450	\$ 17,283,759	\$ 418,442	\$ -	\$ 141,418	\$ 17,843,619
Sales, Use, and Fuel Taxes	325,000	-	-	4,675,000	5,000,000
Telecommunication Service Tax	2,373,966	-	-	-	2,373,966
Local Business Tax	375,000	-	-	-	375,000
Permits, Fees and Special Assessments	876,000	-	-	327,030	1,203,030
Intergovernmental Revenue	3,976,531	2,182,960	-	4,743,440	10,902,931
Charges for Services	5,496,066	56,036,501	18,000	2,396,975	63,947,542
Fines & Forfeitures	366,000	-	-	125,000	491,000
Interest Revenue	20,000	318,500	10,000	5,000	353,500
Miscellaneous Revenues	55,000	22,000	195,000	-	272,000
Non Revenues	-	1,742,100	9,669,181	-	11,411,281
Transfers from Other Funds	840,150	3,538,862	219,000	2,791,147	7,389,159
Debt Proceeds	-	19,525,000	-	-	19,525,000
Total Revenues and other Financing Sources	\$ 31,987,472	\$ 83,784,365	\$ 10,111,181	\$ 15,205,010	\$ 141,088,028
Total Estimated Revenues and Balances	\$ 31,987,472	\$ 88,813,386	\$ 10,111,181	\$ 23,409,384	\$ 154,321,423
Less: Interfund Transfers					18,800,440
Net Revenues					\$ 135,520,983
<u>EXPENDITURES/EXPENSES</u>					
General Government	\$ 9,258,113	\$ 2,170,205	\$ -	\$ 1,021,539	\$ 12,449,857
Public Safety	10,653,399	1,688,050	-	10,000	12,351,449
Physical Environment	-	66,161,923	-	-	66,161,923
Transportation	6,089,370	-	-	7,653,000	13,742,370
Economic Environment	342,682	10,000	-	476,175	828,857
Culture/Recreation	4,997,986	-	-	8,090,460	13,088,446
Internal Service	-	-	9,632,531	-	9,632,531
Debt Service	-	12,459,293	-	1,306,148	13,765,441
Transfers to Other Funds	645,922	4,547,012	-	2,196,225	7,389,159
Total Expenditures/Expenses	\$ 31,987,472	\$ 87,036,483	\$ 9,632,531	\$ 20,753,547	\$ 149,410,033
Reserves	-	1,776,903	478,650	2,655,837	4,911,390
Total Appropriated Expenditures and Reserves	\$ 31,987,472	\$ 88,813,386	\$ 10,111,181	\$ 23,409,384	\$ 154,321,423
Less: Interfund Transfers					18,800,440
Net Expenditures					\$ 135,520,983

Budget Summary

By Department

FUND/DEPARTMENT	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17
General Fund				
<i>City Council</i>	\$ 92,073	\$ 97,005	\$ 105,024	\$ 107,730
<i>City Manager</i>	357,155	349,058	367,989	370,188
<i>Communications and Marketing</i>	319,294	350,623	349,105	415,401
<i>Purchasing and Contracts Management</i>	243,660	259,263	315,950	329,718
<i>Economic Development</i>	151,419	255,273	313,826	342,682
<i>City Clerk</i>	128,152	130,965	138,462	149,522
<i>Human Resources</i>	368,031	426,104	478,141	519,386
<i>Law Enforcement</i>	2,599,691	2,623,433	2,720,287	2,720,287
<i>City Attorney</i>	390,280	375,543	448,054	453,284
<i>Financial Services</i>	683,226	716,125	778,620	928,183
<i>Fire</i>	7,397,056	7,844,398	7,866,839	7,933,112
<i>Engineering</i>	511,460	433,312	1,486,193	1,728,658
<i>Tennis Center</i>	-	257,847	286,025	285,000
<i>Golf Course</i>	-	1,536,675	1,594,208	1,605,000
<i>Parks and Recreation</i>	1,362,139	1,016,646	1,412,221	1,476,011
<i>Non-Departmental</i>	7,617,398	612,178	1,574,819	1,105,603
<i>Planning</i>	1,472,080	1,640,951	1,425,723	1,492,399
<i>Code Enforcement</i>	2,029,095	2,039,788	2,171,904	2,252,963
<i>Streets</i>	5,401,793	5,476,269	5,654,984	6,130,370
<i>Facilities Maintenance</i>	609,815	636,032	-	-
<i>Parks/Facilities</i>	1,126,992	1,244,126	1,531,818	1,641,975
Total General Fund	\$ 32,860,809	\$ 28,321,616	\$ 31,020,192	\$ 31,987,472
Utility Fund				
<i>Utility Customer Service</i>	1,262,852	1,292,798	1,372,687	1,479,203
<i>Utility Administration</i>	1,115,763	1,102,586	791,845	848,423
<i>Utility Maintenance</i>	652,292	638,599	739,379	790,885
<i>Wastewater Collection</i>	2,352,953	2,466,052	2,882,031	2,958,647
<i>Wastewater Treatment Plant #1</i>	1,685,591	1,727,254	1,867,528	1,973,124
<i>Wastewater Treatment Plant #2</i>	0	0	0	137,443
<i>Water Plant #1</i>	856,132	975,471	1,107,984	1,247,396
<i>Water Plant #2</i>	1,592,644	1,692,810	1,880,132	2,010,635
<i>Water Plant #3</i>	1,150,342	1,413,584	1,642,884	1,736,597
<i>Water Quality</i>	449,292	465,132	476,696	485,195
<i>Water Distribution</i>	2,866,739	2,699,300	3,063,888	3,299,839
<i>Non-Departmental</i>	20,472,175	20,618,229	20,187,563	19,545,712
Total Utility Fund	\$ 34,456,775	\$ 35,091,815	\$ 36,012,617	\$ 36,513,099

FUND/DEPARTMENT	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17
CDBG Fund	660,513	680,084	223,870	979,900
Police Education Fund	10,039	9,880	19,035	14,035
Police Automation Fund	76,380	135,000	10,577	-
Distaster Reserve Fund	27,005	-	2,208,688	2,212,265
Special Events Fund	170,784	189,320	281,108	165,460
Streets Improvement Fund	7,924,670	11,370,459	8,231,617	6,853,000
Recreation Impact Fee Fund	697,649	500,000	354,800	955,000
Fire Impact Fee Fund	-	-	114,800	118,600
Development Special Projects Fund	150,000	352,341	19,950	-
Transportation Impact Fee Fund	138,831	188,747	1,800,000	1,800,000
Neighborhood Stabilization Fund	619,676	89,970	16,407	16,407
Old Kings Road Special Assessment Fund	262,505	260,625	330,335	487,030
BAC Fund	14,175	17,522	56,130	38,630
SR100 Community Redevelopment Fund	7,130,265	1,847,995	1,601,455	1,858,057
Capital Projects Fund	2,875,245	10,447,015	5,420,000	7,911,000
Utility Capital Projects Fund	3,818	93,383	17,257,783	32,707,343
Solid Waste Fund	7,290,268	7,239,055	7,452,000	7,537,466
Stormwater Management Fund	4,971,568	5,134,192	7,556,893	7,994,288
Building Permits & Inspections Fund	1,282,662	2,429,062	1,686,000	1,731,650
Golf Course Fund	1,811,215	-	-	-
Tennis Center Fund	310,891	-	-	-
Information Technology Fund	2,528,831	2,295,526	2,605,262	2,329,540
Self Insured Health Fund	3,027,057	3,440,231	4,381,500	4,580,750
Fleet Management Fund	4,458,045	3,310,764	4,872,394	4,616,988
Communications Fund	-	-	510,855	293,400
Facilities Maintenance Fund	-	-	640,732	620,043
Total All Funds	\$ 113,759,677	\$ 113,444,603	\$ 134,685,000	\$ 154,321,423
Less: Interfund Transfers	22,435,306	17,591,731	17,613,716	18,800,440
Total	\$ 91,324,371	\$ 95,852,872	\$ 117,071,284	\$ 135,520,983

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, vehicle maintenance, facilities maintenance and communications 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 56 percent of the City's estimated revenues for fiscal year 2017. Appropriated fund balance accounts for another 7 percent of the revenue. The following is a more detailed analysis of the trends for these major revenue sources.

AD VALOREM TAXES: After several years of decreases, property values increased in fiscal year 2014 a modest 1.21%. Values have since increased 5.48% in 2015 and 6.42% in 2016. We anticipate a continuing increase in the next several years.

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 has increased 14%, or \$299,302, since 2013. We expect to continue to see increases over the next few years 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. When compared to fiscal year 2013 this revenue has increased 2% and we expect this trend to continue.

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. Since fiscal year 2014, the first full year for this revenue, there has been an increase of 3% or \$79,496. This increase is expected to continue.

STATE REVENUE SHARING

This revenue source has been fairly consistent. Overall from fiscal year 2013 to 2015 this revenue source increased 6% or \$93,907.

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. Our current contract ends in 2017 and the new contract will increase 8.25% over the previous amount.

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 have increased by 41% since 2013. The increase in 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 revenue source is related to the utility system. As a result of a new rate schedule, this revenue source increased 8% in 2013, with additional 4% increases in 2014 and 2015. Rates are indexed annually based on the June 30th C.P.I. each year.

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

REVENUE DIVERSIFICATION:

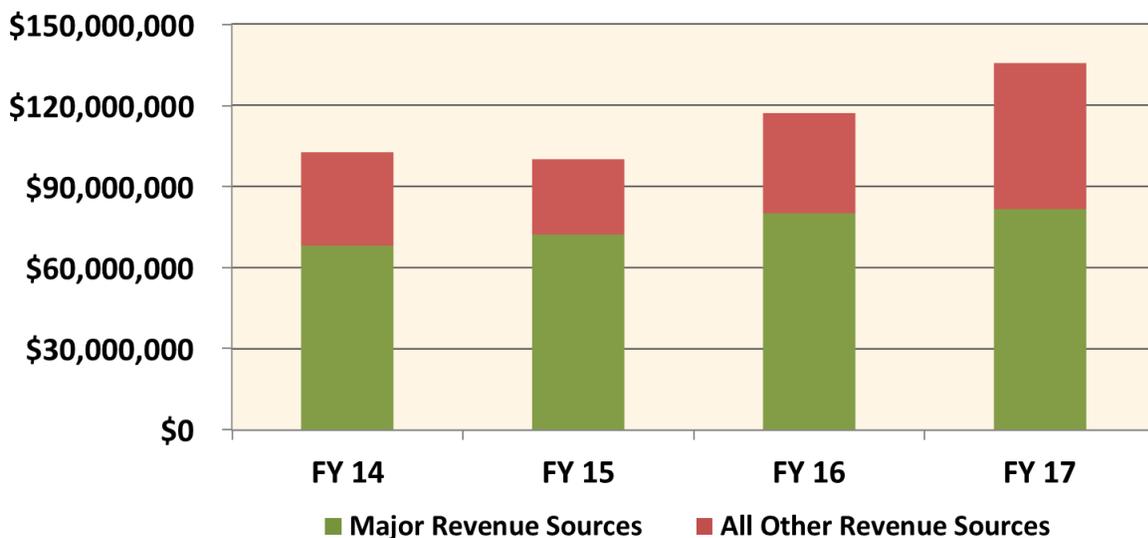
Some revenue sources which the City currently does not use but are available for future use include the following:

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

Major Revenue Sources

SOURCE	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17
Ad Valorem Taxes	\$ 15,226,390	\$ 15,978,534	\$ 17,013,093	\$ 17,843,619
Local Option, Use and Fuel Taxes	4,466,995	5,253,461	4,665,000	5,000,000
Telecommunication Service Tax	2,522,865	2,529,845	2,425,000	2,373,966
Half-Cent Sales Tax	1,947,655	2,074,462	2,600,000	2,760,864
Transportation Impact Fees	1,127,165	1,246,201	1,800,000	1,203,030
Water Sales	17,445,894	17,789,590	20,260,000	20,563,900
Wastewater Charges	10,421,240	11,817,305	14,421,526	14,637,849
Water Impact Fee	191,818	697,513	1,200,000	1,200,000
Wastewater Impact Fee	199,766	480,546	1,100,000	1,250,000
Solid Waste Charges	7,420,478	7,349,016	7,450,000	7,537,466
Stormwater Utility Fee	7,154,316	7,047,910	7,150,000	7,240,846
Debt Proceeds	5,839,000	-	9,130,000	19,525,000
Appropriated Fund Balance	-	-	7,558,120	13,233,395
All Other Sources	51,084,245	45,344,423	37,912,261	39,951,488
TOTAL	\$ 125,047,827	\$ 117,608,805	\$ 134,685,000	\$ 154,321,423
Less: Interfund Transfers	22,435,306	17,591,731	17,613,716	18,800,440
	\$ 102,612,521	\$ 100,017,075	\$ 117,071,284	\$ 135,520,983

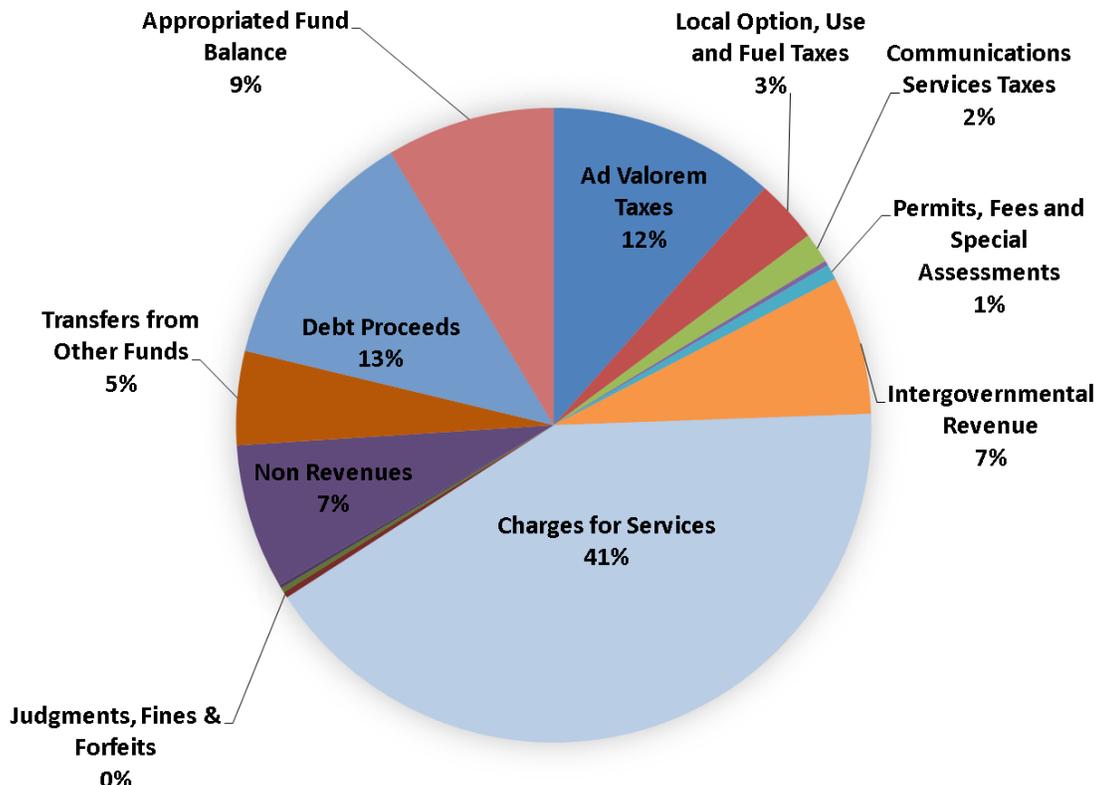
Major Revenue Sources	68,124,582	72,264,383	80,084,619	81,611,540
All Other Revenue Sources	34,487,939	27,752,692	36,986,665	53,909,443
	\$ 102,612,521	\$ 100,017,075	\$ 117,071,284	\$ 135,520,983



Revenues by Source

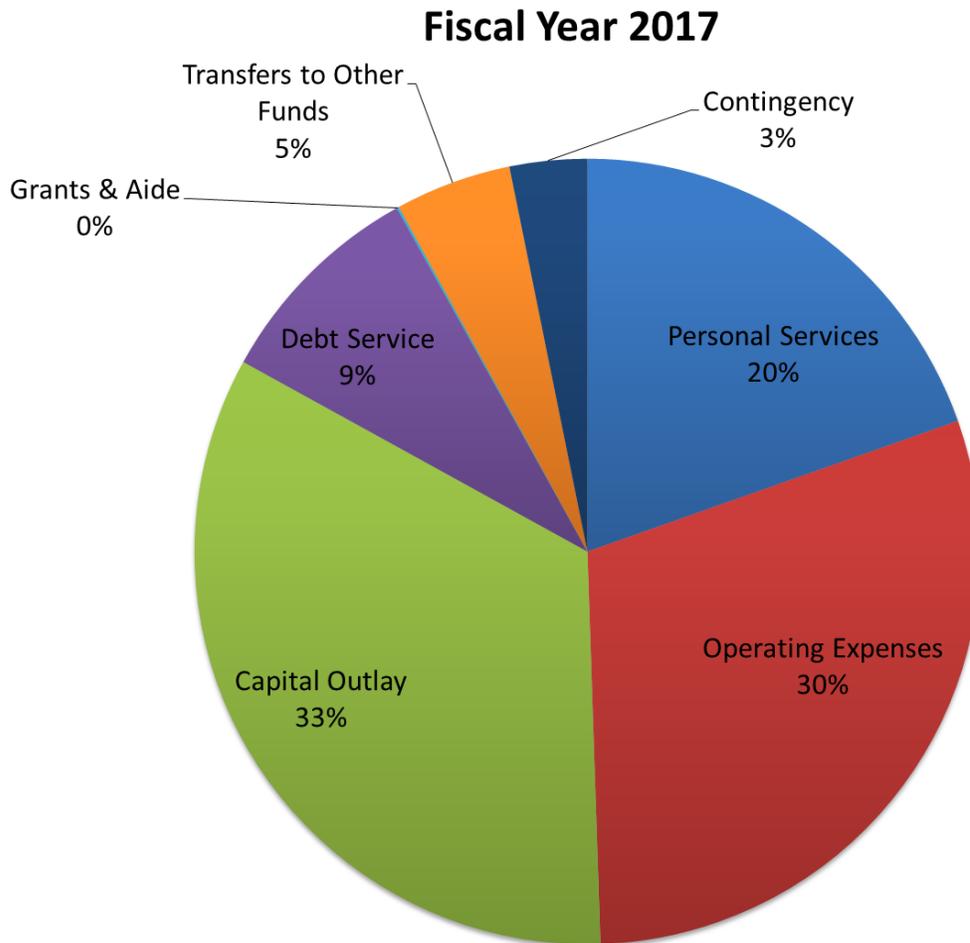
SOURCE	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17
Ad Valorem Taxes	\$15,226,390	\$15,978,534	\$17,013,093	\$17,843,619
Local Option, Use and Fuel Taxes	4,466,995	5,253,461	4,665,000	5,000,000
Communications Services Taxes	2,522,865	2,529,845	2,425,000	2,373,966
Local Business Tax	346,157	448,611	375,000	375,000
Permits, Fees and Special Assessments	1,284,987	1,204,441	1,014,935	1,203,030
Intergovernmental Revenue	11,318,298	13,336,575	11,041,370	10,902,931
Charges for Services	59,413,108	59,719,026	62,403,161	63,947,542
Judgments, Fines & Forfeits	1,556,456	877,295	621,000	491,000
Interest and Other Earnings	277,714	374,715	451,100	353,500
Miscellaneous Revenues	360,550	294,570	373,505	272,000
Non Revenues	9,242,941	9,378,565	10,784,818	11,411,281
Transfers from Other Funds	13,192,365	8,213,166	6,828,898	7,389,159
Debt Proceeds	5,839,000	-	9,130,000	19,525,000
Appropriated Fund Balance	-	-	7,558,120	13,233,395
TOTAL	\$ 125,047,827	\$ 117,608,805	\$ 134,685,000	\$ 154,321,423
Less: Interfund Transfers	22,435,306	17,591,731	17,613,716	18,800,440
	\$ 102,612,521	\$ 100,017,075	\$ 117,071,284	\$ 135,520,983

Fiscal Year 2017



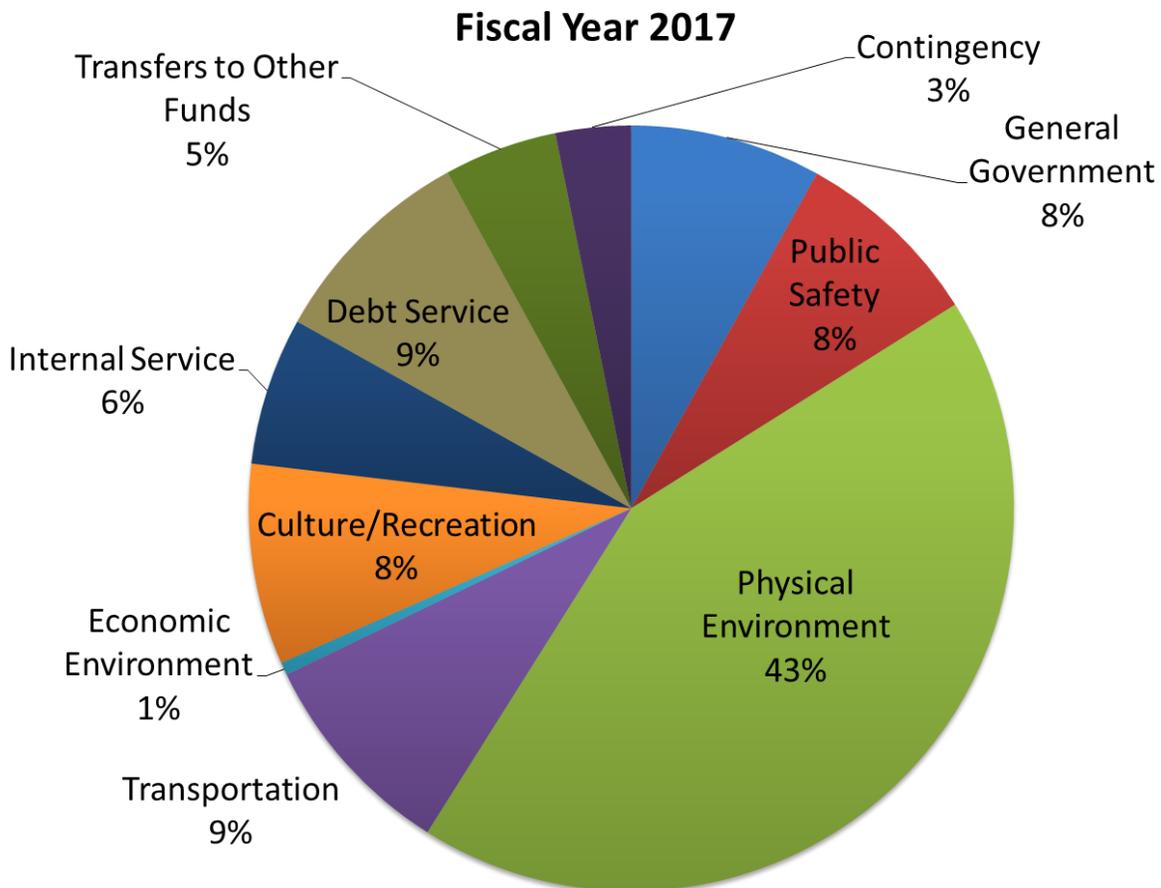
Expenditures by Category

CATEGORY	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17
Personal Services	\$23,715,902	\$26,025,035	\$28,461,839	\$30,252,953
Operating Expenses	50,148,962	48,096,775	43,386,300	46,091,480
Capital Outlay	19,008,177	23,836,664	34,531,930	51,768,000
Debt Service	7,327,927	7,202,418	14,007,764	13,765,441
Grants & Aide	366,344	67,783	118,000	143,000
Transfers to Other Funds	13,192,365	8,215,927	6,828,898	7,389,159
Contingency	-	-	7,350,269	4,911,390
TOTAL	\$113,759,677	\$113,444,603	\$134,685,000	\$154,321,423
Less: Interfund Transfers	22,435,306	17,591,731	17,613,716	18,800,440
	\$91,324,371	\$95,852,872	\$117,071,284	\$135,520,983



Expenditures by Function

FUNCTION	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17
General Government	\$9,652,865	\$17,324,722	\$12,727,542	\$12,449,857
Public Safety	11,692,833	11,920,889	12,357,748	12,351,449
Physical Environment	36,545,650	37,644,386	48,899,303	66,161,923
Transportation	19,965,592	17,157,800	13,911,601	13,742,370
Economic Environment	1,183,673	653,950	570,196	828,857
Culture/Recreation	6,713,669	6,573,515	9,125,380	13,088,446
Internal Service	7,485,101	6,750,995	8,906,299	9,632,531
Debt Service	7,327,927	7,202,418	14,007,764	13,765,441
Transfers to Other Funds	13,192,365	8,215,927	6,828,898	7,389,159
Contingency	-	-	7,350,269	4,911,390
TOTAL	\$113,759,677	\$113,444,603	\$134,685,000	\$154,321,423
Less: Interfund Transfers	\$22,435,306	\$17,591,731	\$17,613,716	\$18,800,440
	\$91,324,371	\$95,852,872	\$117,071,284	\$135,520,983



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 09/30/16
Lease Purchases	2019	\$ 479,015	\$ 50,517
Bank Loans	2025	61,120,000	53,924,000
State Revolving Fund Loans	2030	69,361,296	53,413,575
Utility System Revenue Bonds	2036	89,600,000	84,120,000
Totals:		\$ 220,560,311	\$ 191,508,091

Fund	Outstanding Principal as of 09/30/16
Utility Fund	\$ 172,220,315
Stormwater Fund	10,212,259
Information Tech Fund	50,517
SR100 CRA Fund	9,025,000
Totals not including interfund loans:	\$ 191,508,091
Utility interfund loan to the OKR Special Assessment District	4,788,658
Total:	\$ 196,296,749

Year	Principal	Interest	Total
2017	\$ 4,685,140	\$ 5,789,629	\$ 10,474,769
2018	7,816,143	5,516,260	13,332,403
2019	9,539,002	5,437,123	14,976,125
2020	9,820,707	5,131,943	14,952,650
2021	10,128,690	4,814,861	14,943,551
2022-2026	53,653,121	18,917,886	72,571,007
2027-2031	48,416,494	10,002,615	58,419,109
2032-2036	40,346,768	2,635,376	42,982,144
2037-2041	7,102,026	27,429	7,129,455
Totals:	\$ 191,508,091	\$ 58,273,121	\$ 249,781,212

Budget Detail by Fund

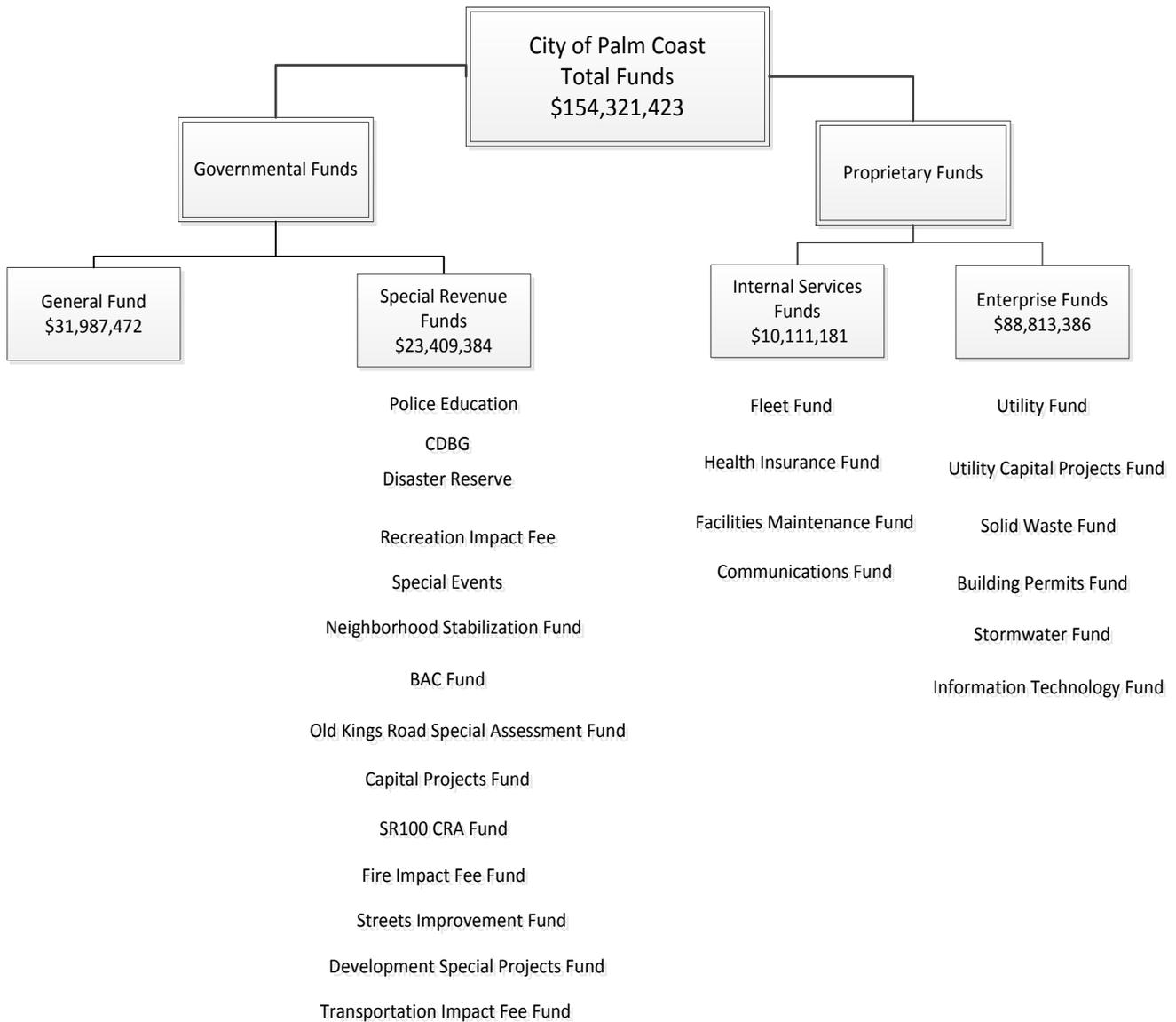




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Funds

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 which is 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.



FUND TYPES:

Funds described on the pages that follow are consistent with the Comprehensive Annual Financial Report.

GOVERNMENTAL FUNDS

Accounted for on a “spending” or “financial flow” measurement focus. Accordingly, the budgeted fund balances provide an indicator of available spendable, or appropriated resources.

1. 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. Historically, less than 1% of the total expenditures in the General Fund are allocated for capital purchases. The largest impact to this fund as it relates to expenditures is in operating costs.
2. 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 funds for Police Education, the CDBG program, Recreation Impact Fees, Special Events, the Business Assistance Center, our Disaster Reserve, funding of the Streets Improvement program as well as several others.

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. The City’s proprietary funds include groups of both enterprise (business-type) and internal services funds. The largest budgetary contributor among all funds is the Utility Fund, which is an enterprise fund.

1. 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 with the utility purchase. Other funds include Solid Waste, Stormwater Management, Building Permits and Information Technology.
2. 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 funds in this budget are the Fleet Management, Facilities Maintenance, Communications and the Self Insured Health 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. City policy is to maintain General Fund reserves between 10% and 20% of the annual budget.

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 taxes, grants, fines and forfeitures, impact fees, interest earnings, and fund equity.

Computation of Estimated Fund Balances

FUND	Available Fund Balance 09/30/15	Estimated Fund Balance 09/30/16	Net Annual Revenues (Expenditures)	Available Fund Balance 09/30/17
General	\$ 5,750,918	\$ 6,100,594	\$ -	\$ 6,100,594
CDBG	39,425	-	-	-
Police Education	13,985	8,324	(5,000)	3,324
Police Automation	10,577	-	-	-
Disaster Reserve	2,200,605	2,244,922	5,000	2,249,922
Special Events	400,853	297,539	(39,785)	257,754
Streets Improvement	4,529,564	2,819,225	(1,850,460)	968,765
Recreation Impact Fee	417,494	569,452	(437,300)	132,152
Fire Impact Fee	367,628	518,329	118,600	636,929
Development Special Projects	226,599	342,217	-	342,217
Transportation Impact Fee	-	1,063,773	140,000	1,203,773
Neighborhood Stabilization	16,407	16,407	-	16,407
Old Kings Road Special Assessment	190,511	295,853	153,400	449,253
BAC	55,221	33,918	(22,500)	11,418
SR 100 Community Redevelopment	198,843	165,965	(123,135)	42,830
Capital Projects	4,760,593	5,432,117	(3,487,357)	1,944,760
Utility	12,487,251	16,131,950	1,466,992	17,598,942
Utility Capital Projects	14,275,925	9,176,427	(5,029,021)	4,147,406
Solid Waste	1,118,764	1,410,454	-	1,410,454
Stormwater Management	1,309,793	1,427,175	233,911	1,661,086
Building Permits & Inspections	1,794,531	2,268,676	13,600	2,282,276
Information Technology & Communication	814,784	489,004	(426,194)	62,810
Health Insurance	838,400	2,055,455	79,757	2,135,212
Facilities Fund	-	65,698	40,847	106,545
Communications Fund	-	511,014	265,400	776,414
Fleet Management	5,909,465	5,638,385	86,646	5,725,031
	\$ 57,728,136	\$ 59,082,873	\$ (8,816,599)	\$ 50,266,274

CHANGES IN FUND BALANCES

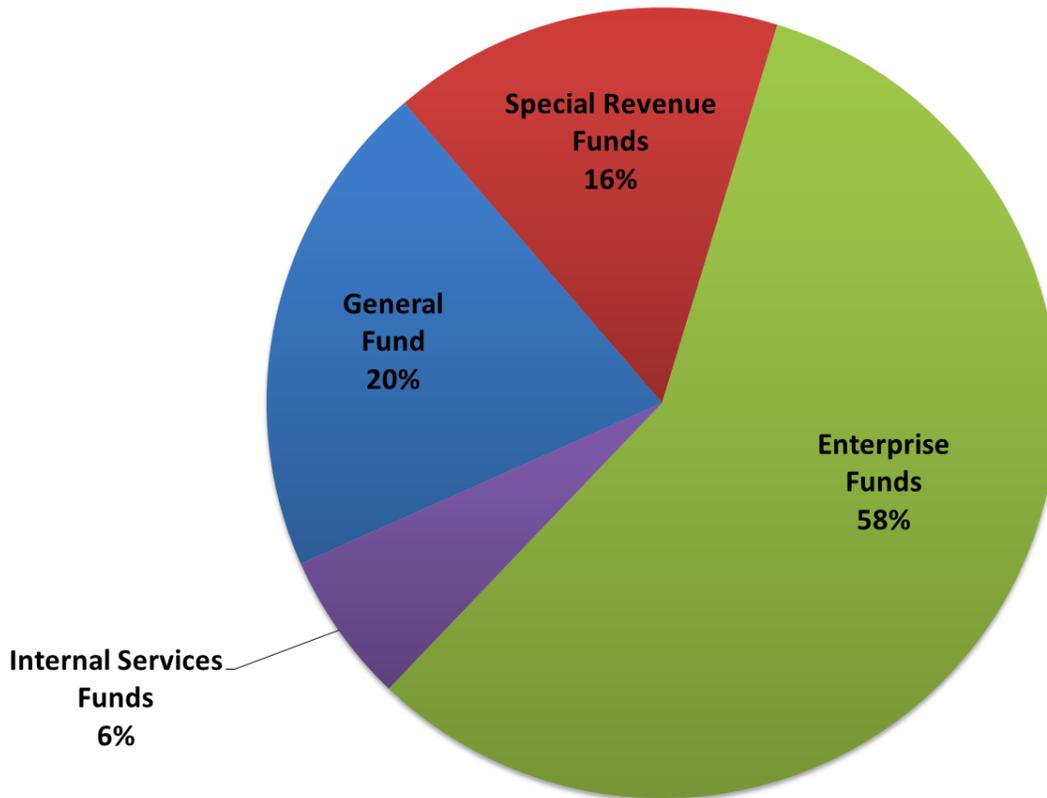
There is an overall decrease of approximately \$8.8 million projected from fiscal year 2016 to 2017. This is primarily due to an increase in capital spending as a result of higher collections of impact fees and other revenues fueled by development. The Streets Improvement and the Capital Projects funds combined are expected to decrease approximately \$5 million due to planned use of accumulated revenues for various construction and renewal projects. The General Fund is estimated to remain relatively level however healthy reserves in the General Fund lead to a decision by City Council to transfer fund balance to the Capital Projects fund at the end of fiscal year 2016.

Budget Overview by Fund Type

Total All Funds
\$154,321,423

General Fund	Special Revenue Funds	Enterprise Funds	Internal Services Funds
\$ 31,987,472 20%	\$ 23,409,384 15%	\$ 88,813,386 58%	\$ 10,111,181 6%

Fiscal Year 2017



General Fund

The City of Palm Coast's primary governmental fund is the General Fund. The largest impact to this fund as it relates to expenditures is in personnel and operating costs. The single largest revenue source is ad valorem taxes.

REVENUES

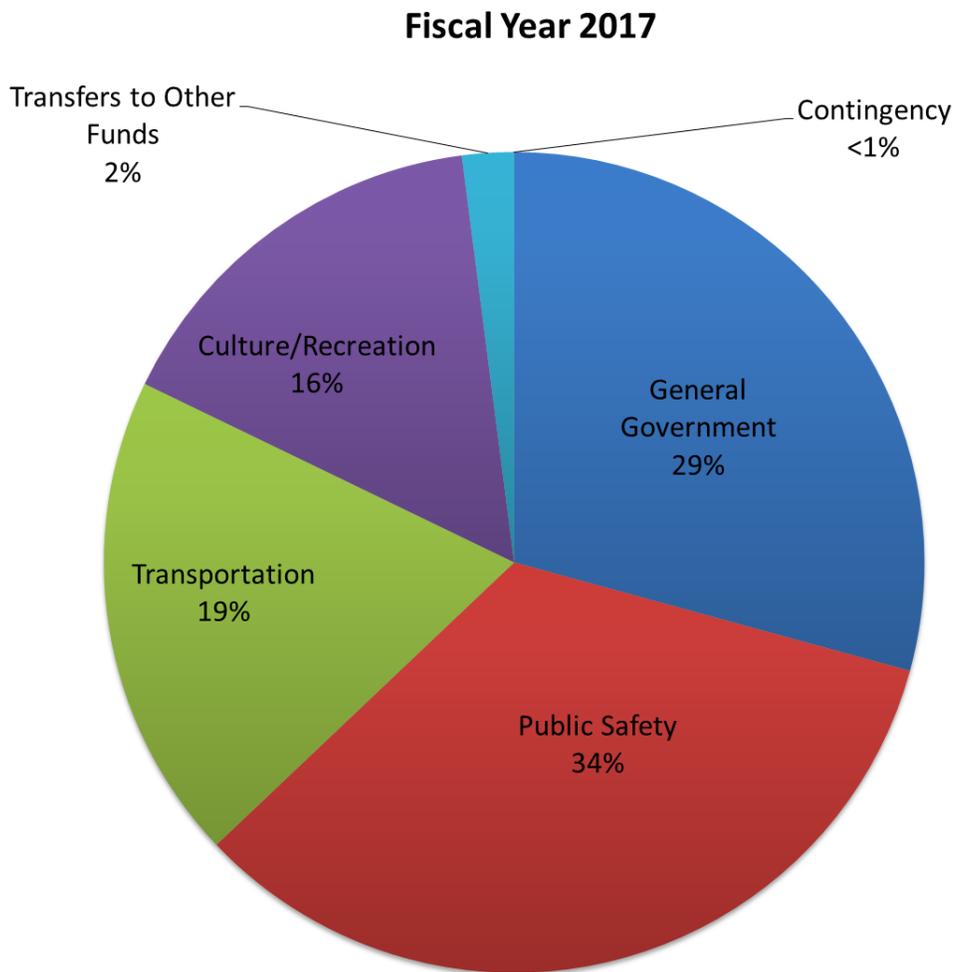
SOURCE	Actual FY 14	Actual FY 15	Estimated FY 16	Proposed FY 17
Ad Valorem Taxes	\$14,951,257	\$15,662,131	\$16,364,630	\$17,283,759
Local Option, Use and Fuel Taxes	381,967	324,642	325,000	325,000
Communications Services Taxes	2,522,865	2,529,845	2,425,000	2,373,966
Local Business Tax	346,157	448,611	375,000	375,000
Permits, Fees and Special Assessments	1,036,908	956,882	775,500	876,000
Intergovernmental Revenue	3,410,393	3,909,053	3,840,125	3,976,531
Charges for Services	2,578,161	3,924,953	4,901,938	5,496,066
Judgments, Fines & Forfeits	555,544	560,509	441,000	366,000
Interest and Other Earnings	81,602	3,092	20,000	20,000
Miscellaneous Revenues	40,778	41,427	63,680	55,000
Transfers from Other Funds	789,875	767,000	813,319	840,150
Appropriated Fund Balance	-	-	675,000	-
TOTAL	\$26,695,507	\$29,128,145	\$31,020,192	\$31,987,472

EXPENDITURES

CATEGORY	Actual FY 14	Actual FY 15	Estimated FY 16	Budget FY 17
Personal Services	\$13,947,400	\$15,606,756	\$16,640,957	\$17,489,029
Operating Expenses	10,768,722	11,817,922	13,050,939	13,620,521
Capital Outlay	73,667	31,324	29,600	99,000
Grants & Aide	-	-	-	-
Transfers to Other Funds	56,344	57,783	108,000	133,000
Contingency	8,014,676	807,832	1,044,000	645,922
	-	-	146,696	-
TOTAL	\$32,860,809	\$28,321,616	\$31,020,192	\$31,987,472

General Fund Expenditures by Function

FUNCTION	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17
General Government	\$ 6,705,984	\$ 7,259,117	\$ 8,449,288	\$ 9,258,113
Public Safety	9,996,747	10,467,831	10,587,126	10,653,399
Economic Environment	151,419	255,273	313,826	342,682
Transportation	5,937,852	5,476,269	5,654,984	6,089,370
Culture/Recreation	2,054,131	4,055,294	4,824,272	4,997,986
Transfers to Other Funds	8,014,676	807,832	1,044,000	645,922
Contingency	-	-	146,696	-
TOTAL	\$32,860,809	\$28,321,616	\$31,020,192	\$31,987,472



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.

Capital Projects Fund

The purpose of this fund is to account for revenues provided for major capital projects and to track the expenditures of those funds.

REVENUES

SOURCE	REVENUES			Proposed
	Actual FY 14	Actual FY 15	Estimated FY 16	Budget FY 17
Ad Valorem Taxes	\$ -	\$ -	\$ 284,600	\$ 141,418
Local Option, Use and Fuel Taxes	2,392,638	2,587,863	2,650,000	2,800,000
Intergovernmental Revenue	167,843	5,589	400,000	146,000
Interest and Other Earnings	2,025	5,973	8,000	-
Transfers from Other Funds	6,706,764	2,608,574	1,275,000	1,336,225
Appropriated Fund Balance	-	-	802,400	3,487,357
TOTAL	\$ 9,269,270	\$ 5,207,999	\$ 5,420,000	\$ 7,911,000

EXPENDITURES

SOURCE	EXPENDITURES			Proposed
	Actual FY 14	Actual FY 15	Estimated FY 16	Budget FY 17
Capital Outlay	\$ 2,875,245	\$ 10,447,015	\$ 5,420,000	\$ 7,911,000
Contingency	-	-	-	284,600
TOTAL	\$ 2,875,245	\$ 10,447,015	\$ 5,420,000	\$ 7,911,000

CDBG Fund

The purpose of this fund is to account for expenditures for the CDBG entitlement program.

REVENUES

SOURCE	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Intergovernmental Revenue	\$ 660,513	\$ 719,509	\$ 669,500	\$ 174,445	\$ 979,900
Appropriated Fund Balance	-	-	49,425	49,425	-
TOTAL	\$ 660,513	\$ 719,509	\$ 718,925	\$ 223,870	\$ 979,900

EXPENDITURES

CATEGORY	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Operating Expenses	\$ 388,403	\$ 281,186	\$ 409,765	\$ 223,870	\$ 448,675
Transfers to Other Funds	272,110	398,898	309,160	-	531,225
TOTAL	\$ 660,513	\$ 680,084	\$ 718,925	\$ 223,870	\$ 979,900

Police Education Fund

The purpose of this fund is to account for the revenue and expenditures associated with police officer education. Revenues represent a portion of the collections from fines and forfeitures.

REVENUES

SOURCE	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Judgments, Fines & Forfeits	\$13,072	\$6,058	\$10,000	\$ 5,000	\$ 5,000
Interest	-	-	-	50	-
Appropriated Fund Balance	-	-	16,000	13,985	9,035
TOTAL	\$13,072	\$6,058	\$26,000	\$ 19,035	\$ 14,035

EXPENDITURES

CATEGORY	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Operating Expenses	\$10,039	\$9,880	\$10,000	\$ 10,000	\$ 10,000
Contingency	-	-	16,000	9,035	4,035
TOTAL	\$10,039	\$9,880	\$26,000	\$ 19,035	\$ 14,035

Police Automation Fund

The purpose of this fund is to account for the revenue and expenditures associated with the acquisition and upgrade of the technology of existing police equipment. Revenues represent a portion of the collections from fines and forfeitures. Flagler County is currently retaining this revenue for use towards the county-wide emergency communication system.

REVENUES

SOURCE	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Judgments, Fines & Forfeits	\$ 13,723	\$ -	\$ -	\$ -	\$ -
Appropriated Fund Balance	-	-	10,000	10,577	-
TOTAL	\$ 13,723	\$ -	\$ 10,000	\$ 10,577	\$ -

EXPENDITURES

CATEGORY	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Operating Expenses	\$ 76,380	\$ 135,000	\$ -	\$ -	\$ -
Transfer to other Funds	-	-	-	10,577	-
Contingency	-	-	10,000	-	-
TOTAL	\$ 76,380	\$ 135,000	\$ 10,000	\$ 10,577	\$ -

Disaster Reserve Fund

The purpose of this fund is to establish a reserve to cover the potential costs of a hurricane or other disaster.

REVENUES

SOURCE	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Intergovernmental Revenue	\$ -	\$ 26,401	\$ -	\$ 26,481	\$ -
Interest and Other Earnings	-	534	-	5,000	5,000
Appropriated Fund Balance	-	-	2,177,207	2,177,207	2,207,265
TOTAL	\$ -	\$ 26,936	\$ 2,177,207	\$ 2,208,688	\$ 2,212,265

EXPENDITURES

CATEGORY	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Operating Expenses	\$ 27,005	\$ -	\$ -	\$ -	\$ -
Contingency	-	-	2,177,207	2,208,688	2,212,265
TOTAL	\$ 27,005	\$ -	\$ 2,177,207	\$ 2,208,688	\$ 2,212,265

Shortly after the adoption of the Fiscal Year 2017 budget, Palm Coast was affected by Hurricane Matthew. The hurricane was primarily a wind event, causing widespread power outages and significant tree damage. Estimated repair and debris removal costs are \$2 million, to be funded by the disaster reserve. We anticipate to recover approximately 90% of those costs from insurance and FEMA reimbursements.

Special Events Fund

The purpose of this fund is to account for the receipt and expenditure of money received from the sale of recyclable materials collected as a part of the solid waste program. This fund is also used to account for the results of special events within the community.

REVENUES

SOURCE	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Intergovernmental Revenue	\$ 20,000	\$ 22,500	\$ 22,500	\$ 20,000	\$ 20,000
Charges for Services	127,529	134,285	149,770	144,906	105,675
Miscellaneous Revenues	-	-	-	325	-
Appropriated Fund Balance	-	-	72,559	115,877	39,785
TOTAL	\$ 147,529	\$ 156,785	\$ 244,829	\$ 281,108	\$ 165,460

EXPENDITURES

CATEGORY	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Operating Expenses	\$ 170,784	\$ 189,320	\$ 244,829	\$ 266,108	\$ 165,460
Capital Outlay	-	-	-	15,000	-
TOTAL	\$ 170,784	\$ 189,320	\$ 244,829	\$ 281,108	\$ 165,460

Streets Improvement Fund

The Streets Improvement Fund is used to track revenue associated with Gas Taxes and the expenditures of those funds on the street improvement program. State Revenue Sharing monies have also been placed in this fund. Approximately 30% of State Revenue Sharing comes from fuel taxes. Grants related to roadway expansion are also accounted for in this fund.

REVENUES

SOURCE	Actual	Actual	Estimated	Proposed
	FY 14	FY 15	FY 16	Budget FY 17
Local Option, Use and Fuel Taxes	\$ 1,692,390	\$ 2,340,956	\$ 1,690,000	\$ 1,875,000
Intergovernmental Revenue	4,694,147	6,864,800	4,810,759	2,307,540
Judgments, Fines & Forfeits	974,117	310,728	175,000	120,000
Interest and Other Earnings	-	-	5,000	-
Transfers from Other Funds	-	300,000	-	700,000
Appropriated Fund Balance	-	-	1,550,858	1,850,460
TOTAL	\$7,360,654	\$9,816,484	\$8,231,617	\$ 6,853,000

EXPENDITURES

SOURCE	Actual	Actual	Estimated	Proposed
	FY 14	FY 15	FY 16	Budget FY 17
Operating Expenses	\$ 658,831	\$ 169,125	\$ 1,720,000	\$ 2,028,000
Capital Outlay	7,265,839	11,201,334	6,511,617	4,825,000
TOTAL	\$ 7,924,670	\$ 11,370,459	\$ 8,231,617	\$ 6,853,000

Recreation Impact Fee Fund

The purpose of this fund is to account for revenues from recreation impact fees and the expenditures of those funds. Recreation impact fees may be used to acquire land for parks and to construct parks. It may not be used for the operation of the parks. An impact fee study was completed in fiscal year 2014. This fund was previously known as the Park Impact Fee Fund.

REVENUES

SOURCE	Proposed			
	Actual FY 14	Actual FY 15	Estimated FY 16	Budget FY 17
Intergovernmental Revenue	\$ 150,000	\$ -	\$ -	\$ 150,000
Charges for Services	446,225	346,587	353,600	367,700
Interest and Other Earnings	-	135	1,200	-
Appropriated Fund Balance	-	-	-	437,300
TOTAL	\$596,225	\$346,722	\$354,800	\$955,000

EXPENDITURES

SOURCE	Proposed			
	Actual FY 14	Actual FY 15	Estimated FY 16	Budget FY 17
Operating Expenses	\$ -	\$ -	\$ 20,000	\$ -
Capital Outlay	197,649	-	-	725,000
Transfers to Other Funds	500,000	500,000	225,000	230,000
Contingency	-	-	109,800	-
TOTAL	\$697,649	\$500,000	\$354,800	\$955,000

Fire Impact Fee Fund

The purpose of this fund is to account for revenues from fire impact fees and the expenditures of those funds. Fire impact fees may be used to acquire land for fire stations, to construct stations, or to purchase additional equipment. It may not be used for operations or to replace existing facilities or equipment.

REVENUES

SOURCE	REVENUES			Proposed
	Actual FY 14	Actual FY 15	Estimated FY 16	Budget FY 17
Charges for Services	\$93,827	\$ 106,431	\$ 114,000	118,600
Interest and Other Earnings	-	228	800	-
TOTAL	\$93,827	\$106,659	\$114,800	\$118,600

EXPENDITURES

SOURCE	EXPENDITURES			Proposed
	Actual FY 14	Actual FY 15	Estimated FY 16	Budget FY 17
Contingency	\$ -	\$ -	\$ 114,800	\$ 118,600
TOTAL	\$ -	\$ -	\$ 114,800	\$ 118,600

Development Special Projects Fund

The purpose of this fund is to account for revenues from developer contributions and the expenditures of those funds. Developer contributions are for specific purposes such as traffic signals, street lights, or sidewalks, and may not be used to cover other expenditures.

REVENUES

SOURCE	Actual	Actual	Estimated	Proposed
	FY 14	FY 15	FY 16	Budget FY 17
Charges for Services	\$ 148,770	\$ -	\$ 19,525	\$ -
Interest and Other Earnings	-	-	425	-
TOTAL	\$ 148,770	\$ -	\$ 19,950	\$ -

EXPENDITURES

SOURCE	Actual	Actual	Estimated	Proposed
	FY 14	FY 15	FY 16	Budget FY 17
Transfers to Other Funds	\$ 150,000	\$ 352,341	\$ -	\$ -
Contingency	-	-	19,950	-
TOTAL	\$ 150,000	\$ 352,341	\$ 19,950	\$ -

Transportation Impact Fee Fund

The purpose of this fund is to account for revenues from transportation impact fees. Prior to October 1, 2004 these fees were administered by Flagler County. Transportation impact fees may be used to increase transportation capacity and may not be used for maintenance or repairs.

REVENUES

SOURCE	Actual	Actual	Estimated	Proposed
	FY 14	FY 15	FY 16	Budget FY 17
Charges for Services	\$ 1,127,165	\$ 1,246,201	\$ 1,800,000	\$ 1,800,000
Interest and Other Earnings	4,641	1,771	-	-
TOTAL	\$ 1,131,806	\$ 1,247,972	\$ 1,800,000	\$ 1,800,000

EXPENDITURES

SOURCE	Actual	Actual	Estimated	Proposed
	FY 14	FY 15	FY 16	Budget FY 17
Operating Expenses	\$ -	\$ -	\$ 25,000	\$ 50,000
Capital Outlay	-	-	-	750,000
Transfers to Other Funds	138,831	188,747	90,000	860,000
Contingency	-	-	1,685,000	140,000
TOTAL	\$ 138,831	\$ 188,747	\$ 1,800,000	\$ 1,800,000

Neighborhood Stabilization Fund

The purpose of this fund is to track the revenue and expenditures associated with amounts received from federal grants for housing programs.

REVENUES

SOURCE	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Intergovernmental Revenue	\$ 632,695	\$ 26,500	\$ -	\$ -	\$ -
Appropriated Fund Balance	-	-	12,000	16,407	16,407
TOTAL	\$ 632,695	\$ 26,500	\$ 12,000	\$ 16,407	\$ 16,407

EXPENDITURES

CATEGORY	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Operating Expenses	\$ 619,676	\$ 89,970	\$ 12,000	\$ -	\$ -
Contingency	-	-	-	16,407	16,407
TOTAL	\$ 619,676	\$ 89,970	\$ 12,000	\$ 16,407	\$ 16,407

Business Assistance Center Fund

This fund accounts for the activities of the Palm Coast Business Assistance Center (BAC). The BAC was started in 2011 through a unique partnership between the City of Palm Coast and the University of Central Florida Small Business Development Center. The Center's mission is to help grow local businesses.

REVENUES

SOURCE	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Charges for Services	\$ 7,465	\$17,900	\$ 5,000	\$ -	\$ 5,000
Interest	-	27	-	125	-
Appropriated Fund Balance	-	-	55,225	56,005	33,630
TOTAL	\$ 7,465	\$17,927	\$60,225	\$ 56,130	\$ 38,630

EXPENDITURES

CATEGORY	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Operating Expenses	\$14,175	\$17,522	\$27,500	\$ 22,500	\$ 27,500
Contingency	-	-	32,725	33,630	11,130
TOTAL	\$14,175	\$17,522	\$60,225	\$ 56,130	\$ 38,630

Old Kings Road Special Assessment Fund

The purpose of this fund is to account for revenues from assessments to property owners and the expenditures of those funds to four-lane Old Kings Road from Palm Coast Parkway south to State Road 100.

REVENUES

SOURCE	Actual	Actual	Estimated	Proposed
	FY 14	FY 15	FY 16	Budget FY 17
Permits, Fees and Special Assessments	\$ 248,079	\$ 247,559	\$ 239,435	\$ 327,030
Interest and Other Earnings	53	746	900	-
Transfer from Other Funds	-	188,747	90,000	160,000
TOTAL	\$ 248,132	\$ 437,052	\$ 330,335	\$ 487,030

EXPENDITURES

SOURCE	Actual	Actual	Estimated	Proposed
	FY 14	FY 15	FY 16	Budget FY 17
Operating Expenses	\$ 14,426	\$ 13,573	\$ 5,000	\$ 6,600
Debt Service	248,079	247,053	239,941	327,030
Contingency	-	-	85,394	153,400
TOTAL	\$ 262,505	\$ 260,625	\$ 330,335	\$ 487,030

SR100 Community Redevelopment Fund

The City established a redevelopment area in June 2004. This fund will track revenues and expenditures related to redevelopment.

REVENUES				
SOURCE	Actual FY 14	Actual FY 15	Estimated FY 16	Proposed Budget FY 17
Intergovernmental Revenue	\$ 960,615	\$ 947,538	\$ 1,017,125	\$ 1,140,000
Interest and Other Earnings	-	-	2,200	-
Miscellaneous Revenues	-	18,900	-	-
Transfers from Other Funds	1,713,391	523,000	544,000	594,922
Debt Proceeds	5,839,000	-	-	-
Appropriated Fund Balance	-	-	38,130	123,135
TOTAL	\$ 8,513,006	\$ 1,489,438	\$ 1,601,455	\$ 1,858,057

EXPENDITURES				
SOURCE	Actual FY 14	Actual FY 15	Estimated FY 16	Proposed Budget FY 17
Operating Expenses	\$ 51,014	\$ 17,397	\$ 67,100	\$ 103,939
Capital Outlay	6,088,644	304,617	5,000	200,000
Debt Service	990,607	979,981	979,355	979,118
Transfers to Other Funds	-	546,000	550,000	575,000
TOTAL	\$ 7,130,265	\$ 1,847,995	\$ 1,601,455	\$ 1,858,057

Utility Fund

The Utility Fund is an enterprise fund used to account for the City's water and wastewater utility activities. The Utility provides services to all city residents and some portions of the surrounding county.

REVENUES

SOURCE	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Water Sales	\$ 17,445,894	\$ 17,789,590	\$ -	\$ 20,260,000	\$ 20,563,900
Sewer Service	10,421,240	11,817,305	-	14,421,526	14,637,849
Other Charges for Service	6,554,830	6,027,436	35,820,886	1,301,091	1,311,350
Interest and Other Earnings	-	-	-	30,000	-
TOTAL	\$ 34,421,964	\$ 35,634,331	\$ 35,820,886	\$ 36,012,617	\$ 36,513,099

EXPENDITURES

CATEGORY	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Personal Services	\$ 6,994,869	\$ 7,410,219	\$ 7,716,037	\$ 7,733,542	\$ 8,352,825
Operating Expenses	17,773,522	17,793,648	9,874,064	9,692,642	10,585,366
Capital Outlay	-	-	630,100	563,930	577,500
Debt Service	5,787,685	5,702,373	11,652,601	11,433,227	11,098,018
Grants & Aide	10,000	10,000	10,000	10,000	10,000
Transfers to Other Funds	3,890,699	4,175,575	4,324,695	4,430,673	4,359,998
Contingency	-	-	1,613,389	2,148,603	1,529,392
TOTAL	\$ 34,456,775	\$ 35,091,815	\$ 35,820,886	\$ 36,012,617	\$ 36,513,099

Utility Capital Projects Fund

This fund is used to record revenues and expenditures related to impact fees, renewal and replacement transfers from the Utility Fund, and bond proceeds.

REVENUES

SOURCE	Actual	Actual	Estimated	Proposed
	FY 14	FY 15	FY 16	Budget FY 17
Intergovernmental Revenue	\$ 620,797	\$ 813,569	\$ 752,435	\$ 1,847,960
Charges for Service	1,892,172	1,527,402	2,300,000	2,450,000
Interest and other Earnings	189,175	353,258	350,000	316,500
Transfers from other Funds	3,160,226	3,249,075	3,503,824	3,538,862
Debt Proceeds	-	-	9,130,000	19,525,000
Appropriated Fund Balance	-	-	1,221,524	5,029,021
TOTAL	\$ 5,862,370	\$ 5,943,305	\$ 17,257,783	\$ 32,707,343

EXPENDITURES

SOURCE	Actual	Actual	Estimated	Proposed
	FY 14	FY 15	FY 16	Budget FY 17
Operating Expenses	\$ 3,818	\$ 93,383	\$ 31,000	\$ 567,343
Capital Outlay	3,587,739	5,354,357	17,226,783	32,140,000
TOTAL	\$ 3,591,557	\$ 5,447,740	\$ 17,257,783	\$ 32,707,343

Stormwater Management Fund

In July 2004 the City Council approved the establishment of a stormwater utility, effective October 1, 2004. In June 2005, the Palm Coast Community Service Corporation's responsibilities for a portion of the stormwater system were brought under the City as the Stormwater Management Department and unified the entire system.

REVENUES

SOURCE	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Ad Valorem Taxes	\$ 275,133	\$ 316,403	\$ 363,863	\$ 363,863	\$ 418,442
Intergovernmental Revenue	1,296	1,116	-	-	335,000
Charges for Services	7,154,316	7,047,910	7,400,000	7,150,000	7,240,846
Interest and Other Earnings	72	942	-	2,200	-
Miscellaneous Revenues	100	90	-	-	-
Appropriated Fund Balance	-	-	75,761	40,830	-
TOTAL	\$ 7,430,916	\$ 7,366,461	\$ 7,839,624	\$ 7,556,893	\$ 7,994,288

EXPENDITURES

CATEGORY	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Personal Services	\$ 781,923	\$ 928,094	\$ 1,472,217	\$ 1,476,106	\$ 1,596,910
Operating Expenses	3,701,250	3,839,677	2,562,925	2,599,305	2,600,513
Capital Outlay	1,573,437	1,688,950	2,228,000	1,910,000	2,060,000
Debt Service	299,346	268,522	1,355,241	1,355,241	1,361,275
Transfers to Other Funds	189,049	97,900	221,241	216,241	141,679
Contingency	-	-	-	-	233,911
TOTAL	\$ 6,545,005	\$ 6,823,142	\$ 7,839,624	\$ 7,556,893	\$ 7,994,288

Solid Waste Fund

The City contracts for solid waste services. This fund is used to track the revenues and contract costs for this service. In 2017 a new contract will take effect raising the monthly rate from \$18.62 per household to \$20.16.

REVENUES

SOURCE	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Charges for Services	\$ 7,420,478	\$ 7,349,016	\$ 7,400,000	\$ 7,450,000	\$ 7,537,466
Interest and Other Earnings	-	626	-	2,000	-
TOTAL	\$ 7,420,478	\$ 7,349,642	\$ 7,400,000	\$ 7,452,000	\$ 7,537,466

EXPENDITURES

CATEGORY	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Operating Expenses	\$ 7,290,268	\$ 7,239,055	\$ 7,292,826	\$ 7,362,995	\$ 7,537,466
Contingency	-	-	107,174	89,005	-
TOTAL	\$ 7,290,268	\$ 7,239,055	\$ 7,400,000	\$ 7,452,000	\$ 7,537,466

Building Permits Fund

This is a fund that was created during fiscal year 2010 to track revenues and expenses for the Building Permits Department. Previously this function was recorded in the General Fund.

REVENUES

SOURCE	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Charges for Service	\$ 1,586,198	\$ 1,695,623	\$ 1,632,747	\$ 1,660,000	\$ 1,709,650
Interest and Other Earnings	-	388	-	4,000	-
Miscellaneous Revenues	22,622	21,680	18,500	22,000	22,000
TOTAL	\$ 1,608,820	\$ 1,717,691	\$ 1,651,247	\$ 1,686,000	\$ 1,731,650

EXPENDITURES

CATEGORY	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Personal Services	\$ 964,307	\$ 1,008,081	\$ 1,200,635	\$ 1,170,704	\$ 1,290,932
Operating Expenses	318,355	286,347	340,201	480,318	397,118
Transfers to Other Funds	-	1,134,634	-	-	30,000
Contingency	-	-	110,411	34,978	13,600
TOTAL	\$ 1,282,662	\$ 2,429,062	\$ 1,651,247	\$ 1,686,000	\$ 1,731,650

Information Technology Fund

Information Technology was moved from the General Fund to an enterprise fund to begin operation of the City's fiber optic network. Capacity on the network will be marketed to service providers with the revenue being used for the maintenance and expansion of the network, and general technology operations.

REVENUES

SOURCE	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Charges for Services	\$ 677,563	\$ 669,141	\$ 535,500	\$ 508,575	\$ 585,440
Interest and Other Earnings	-	1,603	-	2,000	2,000
Miscellaneous Revenues	-	-	-	25,000	-
Non Revenues	2,225,110	1,909,605	1,646,475	1,646,475	1,742,100
Appropriated Fund Balance	-	-	426,194	423,212	-
TOTAL	\$ 2,902,673	\$ 2,580,349	\$ 2,608,169	\$ 2,605,262	\$ 2,329,540

EXPENDITURES

CATEGORY	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Personal Services	\$ 742,500	\$ 738,656	\$ 874,377	\$ 856,480	\$ 948,465
Operating Expenses	1,246,552	1,205,188	1,367,140	1,446,130	1,221,740
Capital Outlay	223,569	333,192	352,000	288,000	144,000
Debt Service	2,210	4,490	-	-	-
Grants & Aide	300,000	-	-	-	-
Transfers to Other Funds	14,000	14,000	14,652	14,652	15,335
TOTAL	\$ 2,528,831	\$ 2,295,526	\$ 2,608,169	\$ 2,605,262	\$ 2,329,540

Self Insured Health Fund

The Self Insured Health Fund is an Internal Service Fund that is designed to accumulate employer and employee insurance premiums for the purpose of funding health benefits for eligible participants. Transfers from the user departments provide the revenue necessary to accomplish this task.

REVENUES

SOURCE	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Non Revenues	\$ 3,174,499	\$ 3,567,875	\$ 3,400,000	\$ 4,335,000	\$ 4,551,750
Miscellaneous Revenues	12,988	-	-	42,500	25,000
Interest and Other Earnings	-	-	-	4,000	4,000
TOTAL	\$ 3,187,487	\$ 3,567,875	\$ 3,400,000	\$ 4,381,500	\$ 4,580,750

EXPENDITURES

CATEGORY	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Operating Expenses	\$ 3,027,057	\$ 3,440,231	\$ 3,232,000	\$ 4,281,660	\$ 4,500,993
Contingency	-	-	168,000	99,840	79,757
TOTAL	\$ 3,027,057	\$ 3,440,231	\$ 3,400,000	\$ 4,381,500	\$ 4,580,750

Fleet Management Fund

The Fleet Management Fund is an Internal Service Fund that is designed to maintain the City's fleet of vehicles and equipment and to accumulate reserves for the acquisition of replacements for the fleet when the useful life has expired. Transfers from the user departments provide the revenue necessary to accomplish this task.

REVENUES

SOURCE	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Charges for Services	\$ 294,743	\$ 19,247	\$ 35,000	\$ 18,000	\$ 18,000
Interest and Other Earnings	-	5,391	-	11,000	-
Miscellaneous Revenues	280,593	208,563	120,000	220,000	170,000
Non Revenues	3,770,282	3,901,085	4,133,823	3,913,711	4,221,988
Transfers from Other Funds	248,278	576,770	351,500	343,000	207,000
Appropriated Fund Balance	-	-	323,947	366,683	-
TOTAL	\$ 4,593,895	\$ 4,711,056	\$ 4,964,270	\$ 4,872,394	\$ 4,616,988

EXPENDITURES

CATEGORY	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Personal Services	\$ 284,903	\$ 333,229	\$ 368,504	\$ 375,107	\$ 452,540
Operating Expenses	1,889,578	1,458,352	1,941,966	1,695,532	1,753,302
Capital Outlay	1,109,805	1,176,782	2,653,800	2,554,000	2,324,500
Transfers to Other Funds	-	-	-	247,755	-
Contingency	-	-	-	-	86,646
TOTAL	\$ 3,284,287	\$ 2,968,363	\$ 4,964,270	\$ 4,872,394	\$ 4,616,988

Facilities Maintenance Fund

The Facilities Maintenance Fund was created in fiscal year 2016 and is an internal service fund that is designed to provide maintenance services to City facilities. Transfers from the user departments support this fund.

REVENUES

SOURCE	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Non Revenues	\$ -	\$ -	\$ 640,532	\$ 640,532	\$ 620,043
TOTAL	\$ -	\$ -	\$ 640,532	\$ 640,532	\$ 620,043

EXPENDITURES

CATEGORY	Actual	Actual	Original	Estimated	Proposed
	FY 14	FY 15	Budget FY 16	FY 16	Budget FY 17
Personal Services	\$ -	\$ -	\$ 197,304	\$ 208,943	\$ 122,252
Operating Expenses	-	-	390,638	376,601	456,944
Capital Outlay	-	-	7,000	8,000	-
Contingency	-	-	45,590	47,188	40,847
TOTAL	\$ -	\$ -	\$ 640,532	\$ 640,732	\$ 620,043

Communications Fund

The Communications Fund is an internal service fund that was created in fiscal year 2016 and is designed to secure future funding for the 800 MHz communication system. Transfers from the user departments support this fund.

REVENUES

SOURCE	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Interest	\$ -	\$ -	\$ -	\$ 2,000	\$ 6,000
Non Revenues	-	-	249,100	249,100	275,400
Transfers from Other Funds	-	-	12,000	259,755	12,000
TOTAL	\$ -	\$ -	\$ 261,100	\$ 510,855	\$ 293,400

EXPENDITURES

CATEGORY	Actual FY 14	Actual FY 15	Original Budget FY 16	Estimated FY 16	Proposed Budget FY 17
Operating Expenses	\$ -	\$ -	\$ 9,600	\$ 9,600	\$ 10,000
Capital Outlay	-	-	18,000	-	12,000
Contingency	-	-	233,500	501,255	271,400
TOTAL	\$ -	\$ -	\$ 261,100	\$ 510,855	\$ 293,400

Budget Detail by Department





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Personnel

2017 Pay Plan

This plan has a salary range established for each position in the City with the exception of the City Manager. The 2017 pay plan includes an annual base salary adjustment of 2% that occurs on January 1.

Merit increases, based on employee performance, range from 0% to 5%, with a department average not to exceed 2%. In the fiscal year 2016 budget City Council also approved additional funding in order to reward employees who perform at a high level.

	SALARIED		HOURLY	
	2017 Minimum	2017 MAX	2017 Minimum	2017 MAX
Paygrade 4	\$26,742	\$39,076	\$12.8566	\$18.7866
Paygrade 5	\$28,163	\$41,011	\$13.5398	\$19.7166
Paygrade 6	\$29,582	\$42,558	\$14.2223	\$20.4607
Paygrade 7	\$31,824	\$44,671	\$15.3000	\$21.7897
Paygrade 8	\$32,885	\$47,561	\$15.8100	\$22.8658
Paygrade 9	\$33,946	\$49,556	\$16.3200	\$23.8248
Paygrade 10	\$35,464	\$52,012	\$17.0498	\$25.0059
Paygrade 11	\$37,219	\$54,589	\$17.8938	\$26.2449
Paygrade 12	\$39,092	\$57,286	\$18.7944	\$27.5411
Paygrade 13	\$41,082	\$60,199	\$19.7508	\$28.9421
Paygrade 14	\$44,007	\$64,462	\$21.1571	\$30.9912
Paygrade 15	\$47,050	\$68,944	\$22.6203	\$33.1463
Paygrade 16	\$50,328	\$73,763	\$24.1962	\$35.4631
Paygrade 17	\$53,839	\$78,919	\$25.8842	\$37.9417
Paygrade 18	\$57,584	\$84,411	\$27.6844	\$40.5821
Paygrade 19	\$61,681	\$90,358	\$29.6544	\$43.4412
Paygrade 20	\$66,012	\$96,641	\$31.7364	\$46.4620
Paygrade 22	\$79,822	\$116,928	\$38.3759	\$56.2152

2756 HOURS PER YEAR -- FIRE DEPARTMENT

Paygrade 11	\$37,218	\$54,589	\$13.5044	\$19.8072
Paygrade 12	\$39,092	\$57,286	\$14.1844	\$20.7802
Paygrade 13	\$41,082	\$60,199	\$14.9060	\$21.8428
Paygrade 14	\$44,007	\$64,462	\$15.9675	\$23.3833
Paygrade 16	\$50,328	\$73,763	\$18.2610	\$26.7644
Paygrade 17	\$53,839	\$78,919	\$19.5351	\$28.6351
Paygrade 19	\$61,681	\$90,358	\$22.3803	\$32.7855

Summary of Fiscal Year 2017 Personnel Changes

All approved positions for the Fiscal Year 2017 budget must also go through the normal approval process through Human Resources as well as the City Manager's approval process. The changes below simply reflect that the budgetary impact of these changes has been included in the adopted budget. It does not guarantee that the position will be filled.

New Positions:

Department	Position	Fund	**Estimated impact to the budget	
Public Works	Mechanic	Fleet Fund	\$ 58,000	
Public Works	Equipment Operator*	General Fund	55,000	
Community Development	Landscape Architect	General Fund	83,000	
Community Development	Construction Inspector*	General Fund	43,000	Budgeted for 75% of the year
Community Development	Survey Technician*	General Fund	53,000	
Finance	Chief Accountant	General Fund	87,000	
Utility	Utility Systems Operator	Utility Fund	103,000	Budgeted for 75% of the year
	Trainee (3)*			
Utility	Utility Systems Technician*	Utility Fund	52,000	

*An increase in economic growth has spurred the need for these additional positions.

**Estimated impact to the budget includes benefits.

Reclassifications:

Department	Position	Fund	Description of Change
Public Works	Equipment Operator (2)	From Facilities to General Fund	Move from Facilities Maintenance to Streets
Community Development	Traffic Engineer	General Fund	Move from Planning to Construction Management & Engineering

Other Noteworthy Changes:

Human Resources, previously a division of Administrative Services is now the City's ninth department. The Administrative Services department is now called Administrative Services & Economic Development (ASED) and is under a separate department head. This department was previously under the City Manager. Purchasing & Contracts Management, a division of ASED is now the Central Services division. This new division includes purchasing, contracts management and the budget function.

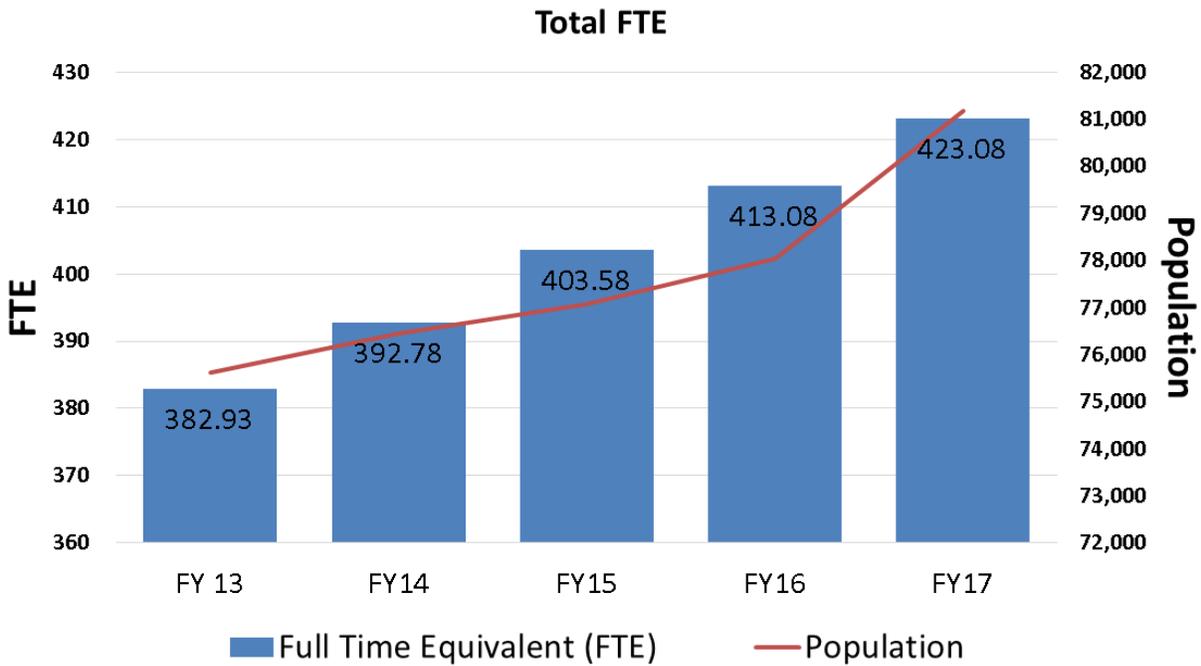
Full Time Equivalent Positions (FTE)

DEPARTMENT	Actual FY 13	Actual FY14	Actual FY15	Actual FY16	Proposed FY17	CHANGE
City Manager	2.00	2.50	2.50	2.50	2.50	0.00
Communications & Marketing	2.00	3.50	3.50	3.50	3.50	0.00
Purchasing and Contracts Management	4.00	3.00	3.00	4.00	4.00	0.00
Economic Development	1.25	0.50	1.00	1.00	1.00	0.00
City Clerk	1.50	1.50	1.50	1.50	1.50	0.00
Human Resources	4.00	4.00	5.00	5.00	5.00	0.00
City Attorney	0.50	0.50	0.50	0.50	0.50	0.00
Financial Services	8.00	8.00	8.00	8.00	9.00	1.00
Planning	14.90	16.00	16.30	14.25	14.25	0.00
Code Enforcement	26.30	25.80	25.50	25.45	25.45	0.00
Fire	59.00	59.00	58.00	58.00	58.00	0.00
Streets	43.30	50.30	52.30	50.30	53.30	3.00
Facilities Maintenance	2.00	2.00	2.00	0.00	0.00	0.00
Parks Maintenance	13.00	13.00	14.00	16.50	16.50	0.00
Engineering	5.95	5.95	3.95	0.00	0.00	0.00
Construction Management & Engineering	0.00	0.00	0.00	16.25	19.25	3.00
Parks & Recreation	19.08	19.08	20.08	21.08	21.08	0.00
GENERAL FUND	206.78	214.63	217.13	227.83	234.83	7.00
UTILITY FUND	116.20	118.20	121.20	120.20	124.20	4.00
STORMWATER MANAGEMENT FUND	30.05	30.05	32.05	27.00	27.00	0.00
BUILDING PERMITS & INSPECTIONS	13.40	15.40	16.70	16.55	16.55	0.00
INFORMATION TECHNOLOGY FUND	12.50	10.50	10.50	11.50	11.50	0.00
FACILITIES MANAGEMENT FUND	0.00	0.00	0.00	4.00	2.00	(2.00)
FLEET MANAGEMENT FUND	4.00	4.00	6.00	6.00	7.00	1.00
FULL-TIME EQUIVALENT POSITIONS (FTE)	382.93	392.78	403.58	413.08	423.08	10.00

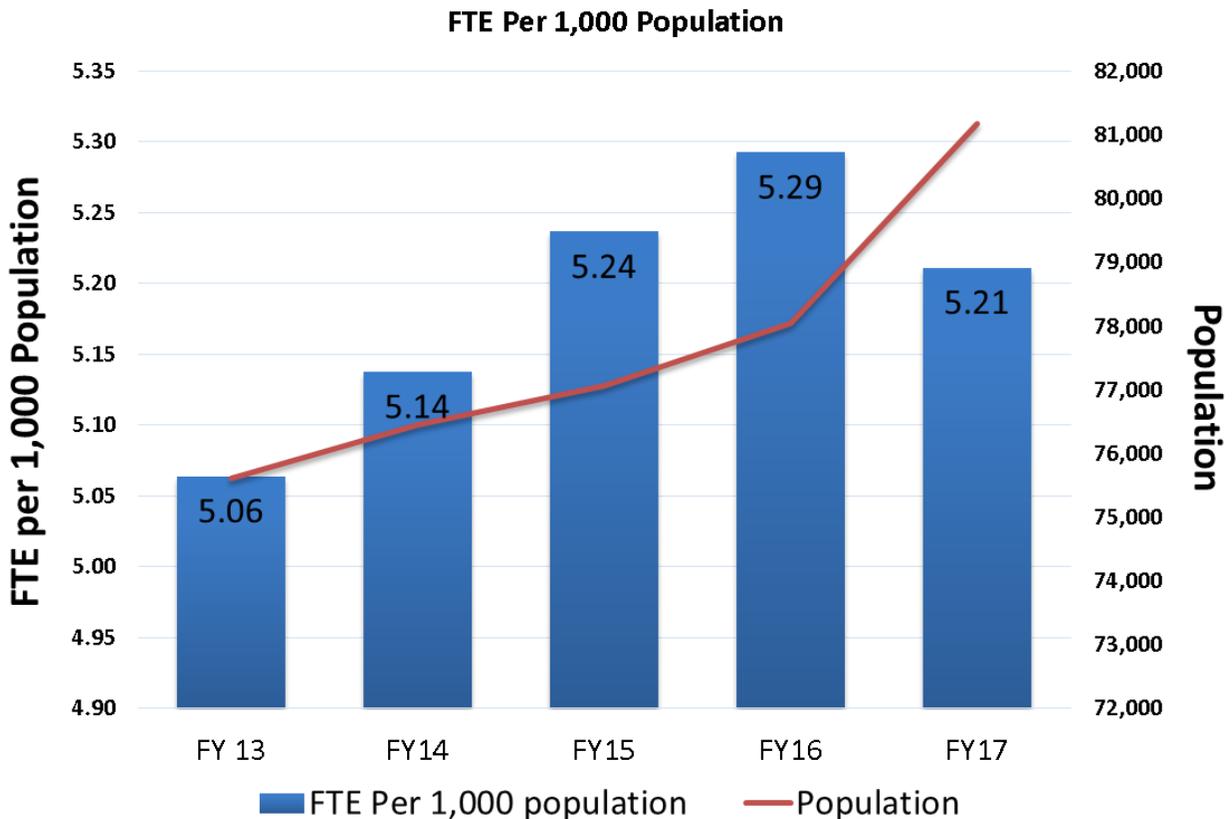
Personnel (FTE) Per 1,000 Population

DEPARTMENT	Actual FY 13	Actual FY14	Actual FY15	Actual FY16	Proposed FY17
Population	75,617	76,450	77,068	78,046	81,184
City Manager	0.03	0.03	0.03	0.03	0.03
Communications & Marketing	0.03	0.05	0.05	0.04	0.04
Purchasing and Contracts Management	0.05	0.04	0.04	0.05	0.05
Economic Development	0.02	0.01	0.01	0.01	0.01
City Clerk	0.02	0.02	0.02	0.02	0.02
Human Resources	0.05	0.05	0.06	0.06	0.06
City Attorney	0.01	0.01	0.01	0.01	0.01
Financial Services	0.11	0.10	0.10	0.10	0.11
Planning	0.20	0.21	0.21	0.18	0.18
Code Enforcement	0.35	0.34	0.33	0.33	0.31
Fire	0.78	0.77	0.75	0.74	0.71
Streets	0.57	0.66	0.68	0.64	0.66
Facilities Maintenance	0.03	0.03	0.03	0.00	0.00
Parks Maintenance	0.17	0.17	0.18	0.21	0.20
Engineering	0.08	0.08	0.05	0.00	0.00
Construction Management & Engineering	0.00	0.00	0.00	0.21	0.24
Recreation	0.25	0.25	0.26	0.27	0.26
TOTAL GENERAL FUND	2.73	2.81	2.82	2.92	2.89
UTILITY FUND	1.54	1.55	1.57	1.54	1.53
STORMWATER MANAGEMENT FUND	0.40	0.39	0.42	0.35	0.33
BUILDING PERMITS	0.18	0.20	0.22	0.21	0.20
INFORMATION TECHNOLOGY	0.17	0.14	0.14	0.15	0.14
FACILITIES MAINTENANCE FUND	0.00	0.00	0.00	0.05	0.02
FLEET MANAGEMENT FUND	0.05	0.05	0.08	0.08	0.09
FULL-TIME EQUIVALENT POSITIONS	5.06	5.14	5.24	5.29	5.21

Total Full Time Equivalent (FTE)



Total FTE Per 1,000 Population



Department Funding

As shown below and on the following page, some departmental responsibility may cross funds.

Department / Division	General Fund	Enterprise Funds	Capital Project Funds	Internal Service Fund	Special Revenue Funds
City Council	\$ 107,730	\$ -	\$ -	\$ -	\$ -
Administration					
City Manager	370,188	-	-	-	-
Community Relations	415,401	-	-	-	-
Purchasing and Contracts Managements	329,718	-	-	-	-
Solid Waste		7,537,466	-	-	-
Economic Development	342,682	-	-	-	-
City Clerk	149,522	-	-	-	-
Human Resources	519,386	-	-	-	-
Self Insured Health	-	-	-	4,580,750	-
Non-Departmental	1,105,603	-	-	-	-
Law Enforcement	2,720,287	-	-	-	-
Police Education	-	-	-	-	14,035
Police Automation	-	-	-	-	-
Disaster Reserve	-	-	-	-	2,212,265
Special Events Revenue	-	-	-	-	165,460
City Attorney	453,284	-	-	-	-
Financial Services	928,183	-	-	-	-
Community Development					
Building Permits and Inspections	-	1,731,650	-	-	-
Planning	1,492,399	-	-	-	-
Code Enforcement	2,252,963	-	-	-	-
Construction Management & Engineering	1,728,658	-	-	-	-
CDBG	-	-	-	-	979,900
Neighborhood Stabilization	-	-	-	-	16,407
Business Assistance Center (BAC)	-	-	-	-	38,630
SR100 Community Redevelopment	-	-	-	-	1,858,057
Capital Projects	-	-	7,911,000	-	-
Development Special Projects	-	-	-	-	-
Transportation Impact Fee	-	-	-	-	1,800,000
Old Kings Road Special Assessment	-	-	-	-	487,030
Fire					
Fire	7,933,112	-	-	-	-
Fire Impact Fee	-	-	-	-	118,600

Department / Division	General Fund	Enterprise Funds	Capital Project Funds	Internal Service Fund	Special Revenue Funds
Utility					
Customer Service	-	1,479,203	-	-	-
Administration	-	848,423	-	-	-
Utility Maintenance	-	790,885	-	-	-
Wastewater Collection	-	2,958,647	-	-	-
Wastewater Treatment Plant #1	-	1,973,124	-	-	-
Wastewater Treatment Plant #2	-	137,443	-	-	-
Water Plant #1	-	2,010,635	-	-	-
Water Plant #2	-	1,736,597	-	-	-
Water Plant #3	-	1,247,396	-	-	-
Water Quality	-	485,195	-	-	-
Water Distribution	-	3,299,839	-	-	-
Non-Departmental	-	19,545,712	-	-	-
Utility Capital Projects	-	-	32,707,343	-	-
Public Works					
Streets	6,130,370	-	-	-	-
Parks / Facilities	1,641,975	-	-	-	-
Streets Improvement	-	-	-	-	6,853,000
Stormwater Maintenance	-	7,994,288	-	-	-
Facilities Maintenance	-	-	-	620,043	-
Fleet Management	-	-	-	4,616,988	-
Recreation and Parks					
Parks & Recreation	1,476,011	-	-	-	-
Tennis Center	285,000	-	-	-	-
Golf Course	1,605,000	-	-	-	-
Recreation Impact Fee	-	-	-	-	955,000
Information Technology					
Information Technology	-	2,329,540	-	-	-
Communications	-	-	-	293,400	-
Total	\$ 31,987,472	\$ 56,106,043	\$ 40,618,343	\$ 10,111,181	\$ 15,498,384
			Total	\$	154,321,423

City Council

Department Summary

The City Council is the elected legislative and policy body for the City of Palm Coast. City Council establishes policies that will provide for the protection, safety, and general welfare of the citizens of Palm Coast. These policies help create a quality environment, insure that municipal services are provided at an economic cost and that future needs of the City can be met. The City Council appoints the City Manager, City Attorney, and the external auditors who perform the annual audit of the City finances.

Jon Netts, Mayor

Upon his retirement in 1992, Mr. Netts moved to Palm Coast from New Jersey. When Palm Coast first incorporated, Mr. Netts was appointed to the City's Code Enforcement Board where he served as Chairman. In 2001 he was elected as District #2's representative on the City Council. He was chosen as Vice Mayor in 2003 and again in 2007. Mr. Netts was successful in his 2007 candidacy to become the City of Palm Coast's second Mayor and he was elected again in 2011.

Robert Cuff, City Council Member, District #1

Mr. Cuff is a practicing attorney with 40 years of experience in real estate, land use, business development and estate planning. He served as a member of the City's Planning and Land Development Review Board from 2009 until 2016, helping oversee major commercial and residential developments in Palm Coast.

Heidi Shipley, City Council Member, District #2

Heidi Shipley was elected to the District 2 seat of the Palm Coast City Council in November 2014. Shipley is a 14-year resident of Palm Coast who moved here from Revere, Massachusetts. Her most recent professional experience was as lead mammographer at a Central Florida hospital.

Jason DeLorenzo, City Council Member, District #3

The youngest candidate ever to be selected as a Palm Coast City Council Member, Mr. DeLorenzo was elected in 2011 as the District #3 representative to the Council. He is also known throughout the community as the Government Affairs Director for the Flagler Homebuilders Association, working as an advocate for small business.

Steven Nobile, Council Member – District #4

Steven Nobile was elected to the District 4 seat of the Palm Coast City Council in November 2014. Nobile has lived in Palm Coast for 33 years, coming here from Brooklyn, New York. He works in the Information Technology field, providing senior systems engineering service support for Florida corporations, the U.S. Navy and the U.S. Air Force.

City Council

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 64,964	\$ 65,086	\$ 65,072	\$ 65,081	\$ 9
Operating Expenditures	27,109	31,919	39,952	42,649	2,697
Total Expenditures	\$ 92,073	\$ 97,005	\$ 105,024	\$ 107,730	\$ 2,706

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					-
N/A		-	-	-	-
Total Full-time		-	-	-	-
<u>Part-time/Temporary</u>					
Mayor *		1.00	1.00	1.00	-
Vice - Mayor **		1.00	1.00	1.00	-
Council Member **		3.00	3.00	3.00	-
Total Part-time/Temporary		5.00	5.00	5.00	-
Total Personnel		5.00	5.00	5.00	-

* Budgeted at \$11,400 per year.

** Budgeted at \$9,600 per year.

City Manager's Office

Department Summary

The City Manager's office is responsible for implementation of all policies established by the City Council and for directing the operations of the City government. The City Manager's office also provides guidance to all City departments and clerical services for the Mayor and Council.

In addition, the City Manager's office is responsible for overseeing the strategic action planning process. The Strategic Action Plan (SAP), which is evaluated on an annual basis by City Council, sets the foundation for city operations. City Council goals are identified in the SAP and provide direction to departments to ensure the City's vision to be recognized as one of Florida's premier cities in which to live, work and play becomes a reality.

Jim Landon, City Manager

Jim Landon became City Manager of the City of Palm Coast in January 2007. Before coming to Palm Coast, Landon served as city manager of Lancaster, Texas, for nearly five years and previously held city manager positions in Missouri and Oregon. He began his career as a land use planner for Clark County (Las Vegas), Nevada, then held planning positions in Colorado and Oklahoma.

With a strong background in planning, Landon now specializes in development, infrastructure and planning – all important issues for fast-growing Palm Coast. In May 2013, Landon received the Florida City and County Management Association's Award for Career Excellence. He also received the Credentialed Manager designation from the International City/County Management Association. Landon is one of more than 1,300 local government management professionals currently credentialed through the ICMA Voluntary Credentialing Program.

A native of Arizona, he grew up in Klamath Falls, Oregon. He received his undergraduate degree in geography from Oregon State University and earned a Master of Public Administration from the University of Colorado Denver. He and his wife, Tresea, have two grown children and a granddaughter.



City Manager's Office

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 13	Actual FY 14	Projected FY 15	Proposed FY 16	Net Change FY15-FY16
Personal Services	\$ 322,412	\$ 318,485	\$ 334,066	\$ 336,973	\$ 2,907
Operating Expenditures	36,351	38,670	37,465	30,081	(7,384)
Capital Outlay	-	-	-	-	-
Transfers	-	-	-	-	-
Contingency	-	-	-	-	-
Total Expenditures	\$ 358,763	\$ 357,155	\$ 371,531	\$ 367,054	\$ (4,477)

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 14	Approved FY 15	Proposed FY 16	Net Change FY15-FY16
<u>Full-time</u>					
City Manager	52	1.00	1.00	1.00	-
Executive Assistant to the City Manager	13	1.00	1.00	1.00	-
Total Full-time		2.00	2.00	2.00	-
<u>Part-time/Temporary</u>					
Customer Service Rep	6	1.00	1.00	1.00	-
Total Part-time/Temporary		1.00	1.00	1.00	-
Total Personnel		3.00	3.00	3.00	-

City Attorney

Department Summary

The City utilizes the services of a legal firm, which in accordance with the City Charter, is directly responsible to the City Council and is the City's legal representative. The City's legal representative shall be responsible for advising and representing the City Council, the City Manager and all City departments, officers and advisory boards and agencies of City government in all legal matters relating to their official responsibilities.

The City's legal representative serves as general counsel to the City and handles its legal matters. The legal representative defends and prosecutes for the City in civil litigation, ordinance violations and administrative proceedings. Litigation in State and Federal courts includes, but is not limited to, eminent domain, civil rights actions, inverse condemnations, mortgage and lien foreclosures, property assessment disputes, challenges to City codes and ordinances, appeals for review of City Council decisions, and code enforcement lien foreclosures. Administrative proceedings include, but are not limited to, internal hearings of the Planning and Land Development Regulation Board; Code Enforcement Board hearings; and hearings before State administrative law judges in growth management, labor cases and environmental cases.

The City's legal representative is responsible for conducting legal research, drafting, reviewing and revising ordinances, resolutions, contracts, real property instruments, and proposed legislation. The City's legal representative is an integral part of the City's Land Development Code process and the City's comprehensive planning program. The City's legal representative assists City staff in bankruptcy cases; assists in the collection of code enforcement fines, costs, fees and special assessments; and files claims when necessary.

The City's legal representative continues to reduce the costs associated with representation of the City by keeping to a minimum the reliance on outside counsel for both litigated and non-litigated matters. The City's legal representative is also working on a system of standard City legal forms to be used by City staff and the public.

The Paralegal position was created to assist city staff with the preparation of ordinances, resolutions and other legal documents that are then reviewed and approved by the city attorney.

City Attorney

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	*Net Change FY16-FY17
Personal Services	\$ 36,565	\$ 39,085	\$ 42,442	\$ 44,329	\$ 1,887
Operating Expenditures	353,715	336,458	405,612	408,955	3,343
Total Expenditures	\$ 390,280	\$ 375,543	\$ 448,054	\$ 453,284	\$ 5,230

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-FY17
<u>Full-time</u>					
Paralegal	17	0.50	0.50	0.50	-
Total Full-time		0.50	0.50	0.50	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		0.50	0.50	0.50	-

Law Enforcement

General Fund

The Flagler County Sheriff's Office has the solemn duty of serving and protecting the citizens of our great county. Additional law enforcement services are provided to the City of Palm Coast citizens through a contract with the Flagler County Sheriff's Office (FCSO). FCSO is dedicated to providing full-time law enforcement services to the city of Palm Coast, and all unincorporated areas of Flagler County. The Uniform Patrol Section is the backbone of the agency and is the most visible section at the Sheriff's Office. These deputies are specially trained and equipped with cutting edge technology allowing them to handle all situations which may affect our community. The Sheriff's Office prides itself on providing our citizens with the highest level of law enforcement services.



1001 Justice Lane
Bunnell, FL 32110
(386) 437-4116
FAX: (386) 586-4820

Flagler County Sheriff's Office
James L. Manfre
Accountability – Integrity - Respect



Law Enforcement

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	2,599,691	2,623,433	2,720,287	2,720,287	-
Total Expenditures	\$ 2,599,691	\$ 2,623,433	\$ 2,720,287	\$ 2,720,287	\$ -

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
N/A		-	-	-	-
Total Full-time		-	-	-	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		-	-	-	-

Law enforcement services are provided through a contract with the Flagler County Sherriff's Office.

Administrative Services & Economic Development

Department Summary

The Administrative Services & Economic Development Department consists of Communications and Marketing, the City Clerk's Office, Central Services and Economic Development.

Communications and Marketing Division

The Communications and Marketing Division oversees a variety of communications including public relations, media relations, video, graphic design, social media, reports and presentations to City Council, as well as operating and managing PCTV, the City's local government cable television channel. The team supports special events, coordinates the Palm Coast Citizens Academy, and handles many aspects of community relations for the City. All Division staff have an active role on the Branding Team, whose mission is to promote the city's "Find Your Florida" brand.

City Clerk's Office

This division is responsible for records management, land management and oversees the City's elections. The division prepares the agendas and minutes for City Council meetings, and processes all City ordinances, resolutions, and proclamations adopted and/or approved by City Council. The City Clerk's office is the official record keeper for all City documents setting guidelines for the management and retention of these documents and also handles citizens' requests for public information and records.

Central Services Division

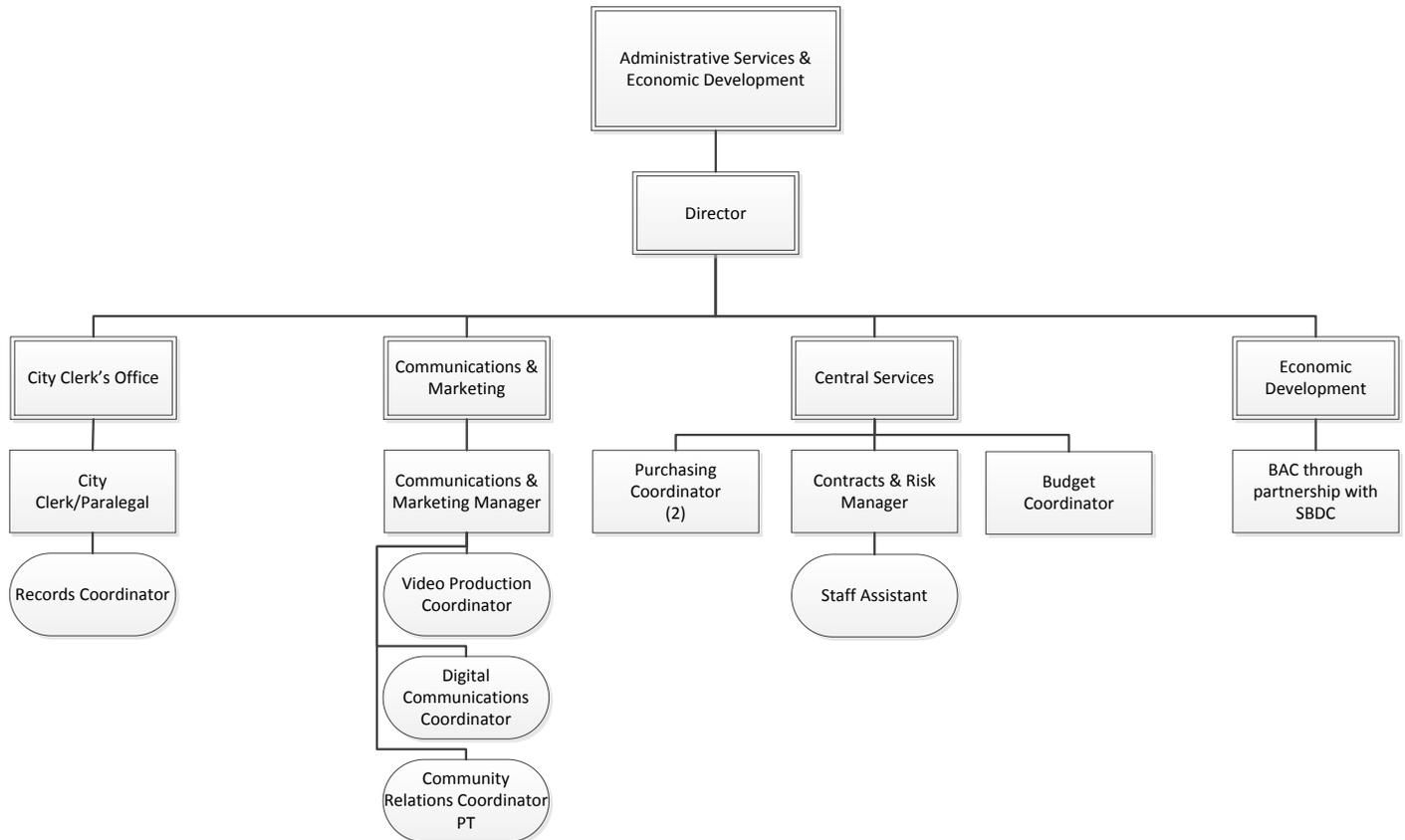
The Central Services division is responsible for overseeing a decentralized purchasing process in addition to contract and risk management. The division is also responsible for the coordination of the budget and performance management process .

Economic Development

This division is responsible for the development and implementation of the City Economic Development and Incentive Policy, in an effort to grow the City's economy. The division partners with other public and private entities to identify funding sources, create a branding and marketing strategy for the City, to coordinate and promote local events, and to improve the economic well-being of our community through efforts that include job creation, job retention and quality of life.

This division also oversees the Business Assistance Center (BAC) which provides information and guidance to local businesses through a partnership with the Small Business Development Center at the University of Central Florida. The BAC serves as a liaison between essential resources and also assists with training, growth, expansion and navigating regulatory requirements for all companies who are looking for help. The BAC is housed in City Hall however, services are implemented by the SBDC UCF Area Manager with support from community partners.

Administrative Services & Economic Development Organizational Chart



Administrative Services & Economic Development Department Objectives

Goal 2 Economic - To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.

- Assess Prosperity 2021 Plan Progress
- Evaluate Private/Public Partnerships for public benefit and equity
- Strengthen City's involvement support in economic efforts
- Strengthen the brands of both the BAC and SBDC to demonstrate the unique partnership that exists and the capabilities that are available to all small businesses through this partnership
- Become a destination for high tech startups and create an environment that foster high tech companies
- Evaluate and report on existing focus of the BAC

Goal 3 Finance - To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

- Deliver Purchasing and Contract services in an efficient, cost - effective manner
- Deliver services in an efficient, cost-effective manner
- Prepare annual CRA report
- Annually Publish Legislative Priorities
- Annually publish list of projects for Federal/State funding
- Identify ways to increase efficiency and streamline processes
- Provide on-going training to ensure staff compliance with purchasing policy

Goal 5 Quality of Life - To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events.

- Provide video and Social media support for City events.
- Maintain a strong social media presence
- Expand police presence in neighborhoods

Goal 6 Workforce Talent - To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

- Expand the City's customer survey program to solicit feedback on matters unique to Palm Coast.
- Enhance communication with our citizens

Administrative Services & Economic Development

Measuring Results

Division: City Clerk's Office

Goal 3: To leverage our financial strengths while insuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

Objective 3.2: Increase efficiency through enhanced operations and technological advancements

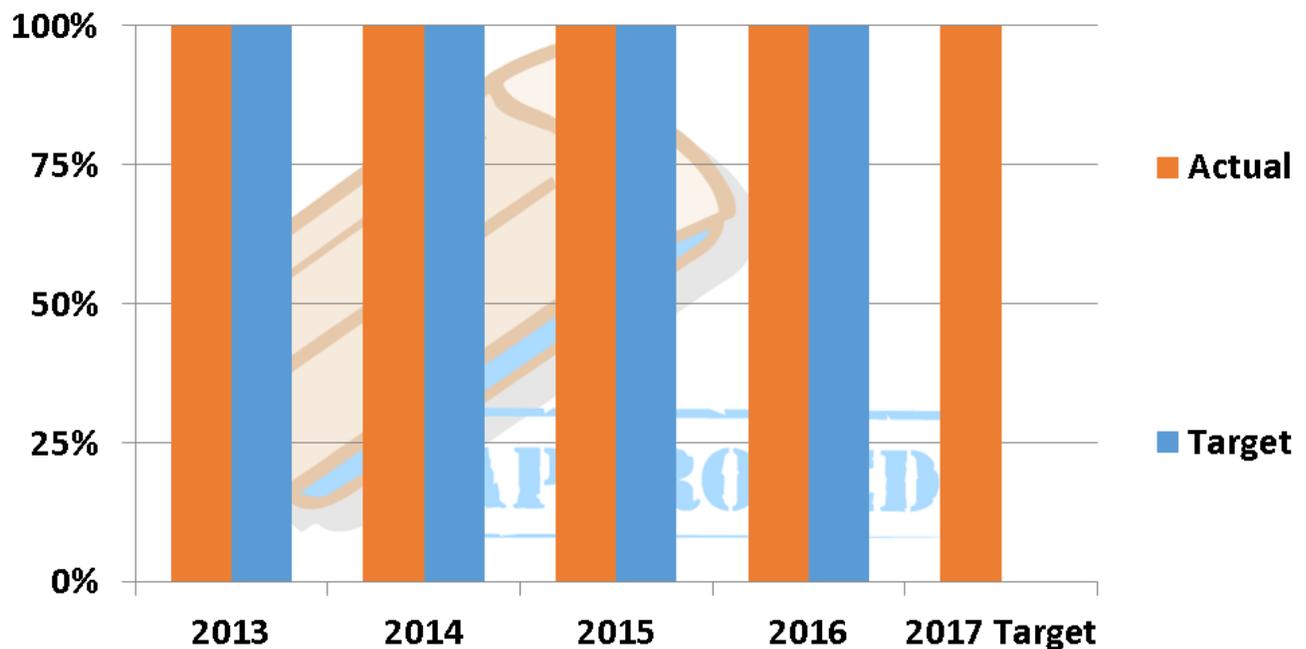
Strategy 3.2.1: Review existing operational procedures and policies

Approach: 3.2.1.18: Deliver services in an efficient, cost - effective manner

Results: All meeting minutes were completed with 2 days of approval.

2017 Target: Same as 2016

Meeting Minutes Completed and Posted Within 2 days of Approval



Communications and Marketing

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 236,422	\$ 264,595	\$ 269,099	\$ 298,555	\$ 29,456
Operating Expenditures	82,872	86,028	80,006	116,846	36,840
Total Expenditures	\$ 319,294	\$ 350,623	\$ 349,105	\$ 415,401	\$ 66,296

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-FY17
<u>Full-time</u>					
Communications & Marketing Manager	20	1.00	1.00	1.00	-
Digital Communciations Coordinator	14	1.00	1.00	1.00	-
Video Production Coordinator	16	1.00	1.00	1.00	-
Total Full-time		3.00	3.00	3.00	-
<u>Part-time/Temporary</u>					
Community Relations Coordinator	20	1.00	1.00	1.00	-
Total Part-time/Temporary		1.00	1.00	1.00	-
Total Personnel		4.00	4.00	4.00	-

Central Services

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 221,738	\$ 240,352	\$ 294,802	\$ 305,127	\$ 10,325
Operating Expenditures	21,922	18,911	21,148	24,591	3,443
Total Expenditures	\$ 243,660	\$ 259,263	\$ 315,950	\$ 329,718	\$ 13,768

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Contracts Administrator	18	1.00	1.00	1.00	-
Purchasing Manager	18	1.00	1.00	-	(1.00)
Purchasing Coordinator	15	-	-	2.00	2.00
Budget Coordinator	15	-	-	0.50	0.50
Purchasing Technician I	9	1.00	1.00	-	(1.00)
Staff Assistant	8	-	1.00	1.00	-
Total Full Time		3.00	4.00	4.50	0.50
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		3.00	4.00	4.50	0.50

Economic Development

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 42,526	\$ 92,382	\$ 106,305	\$ 129,853	\$ 23,548
Operating Expenditures	108,893	162,891	157,521	137,829	(19,692)
Grants and Aide	-	-	50,000	75,000	25,000
Total Expenditures	\$ 151,419	\$ 255,273	\$ 313,826	\$ 342,682	\$ 28,856

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Administration Coordinator	18	1.00	1.00	-	(1.00)
Director	19	-	-	1.00	1.00
Total Full-time		1.00	1.00	1.00	1.00
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		1.00	1.00	1.00	1.00

City Clerk's Office

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 97,648	\$ 102,955	\$ 106,765	\$ 110,254	\$ 3,489
Operating Expenditures	30,504	28,010	31,697	39,268	7,571
Total Expenditures	\$ 128,152	\$ 130,965	\$ 138,462	\$ 149,522	\$ 11,060

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Paralegal	17	0.50	0.50	0.50	-
Records Coordinator	11	1.00	1.00	1.00	-
Total Full-time		1.50	1.50	1.50	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		1.50	1.50	1.50	-

Human Resources

Department Summary

Human Resources, previously a division of the Administration Department, became the City of Palm Coast's 9th department in late fiscal year 2016. The department is responsible for recruitment and staffing for over 400 positions within the City. Additionally, staff oversees benefits administration, policy compliance, labor relations, training and development of staff as well as the administration of payroll in coordination with the Finance department.

The department also oversees the City's internship program, developed in 2016 by two talented interns. The City of Palm Coast's internship program is more than just a job- it's an experience. From day one interns will take initiative in their own projects, network with professionals, work hands-on in their career field, and make a difference in the community. The City offers internship opportunities in Communications, Human Resources, Landscape Architecture, Finance, Community Development, Environmental Science, Economic Development, Video Production, Utility, Public Works, Information Technology, Public Administration, Parks & Recreation, Sports Management, and much more.

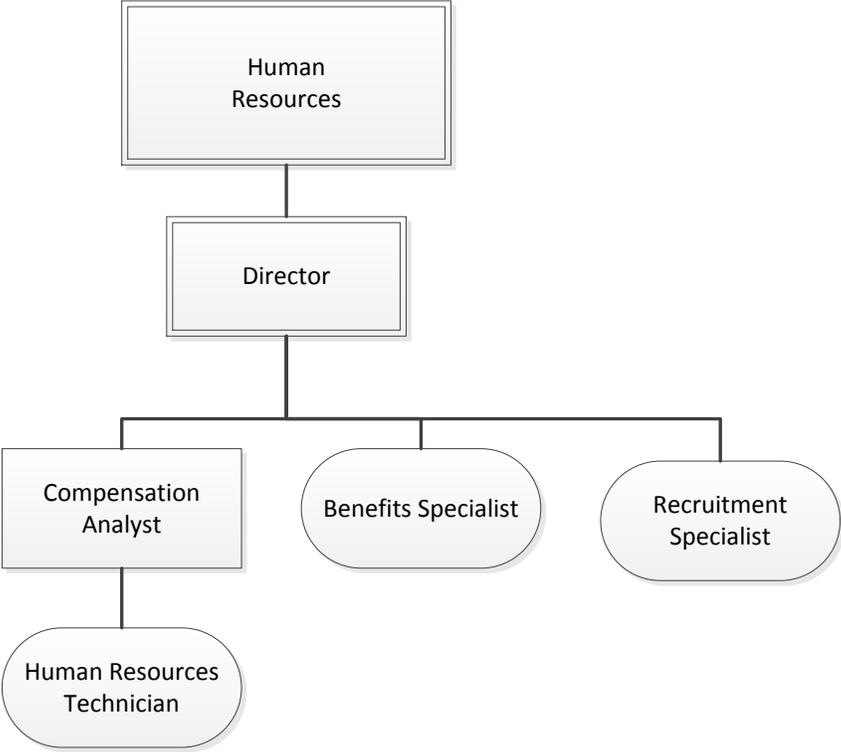
As described in Goal 6 of the Strategic Action Plan, Workforce Talent is a high priority for the City. The department oversees an interdepartmental team focused on developing an employee training program for staff. Among other accomplishments, the team has developed an Employee Academy where staff has the opportunity to learn about all City departments.

To learn more about our internship program click on the photo below!



Human Resources

Organizational Chart



Human Resources

Department Objectives

Goal 3 Finance - To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

- Identify methods of encouraging volunteer participation

Goal 6 Workforce Talent - To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

- Ensure efficient processing of employee applications
- Monitor retention and cause of employee turn-over
- Develop a Comprehensive Training Program
- Report on the benefits of an internship program with the COPC and regional educational institutions.

Human Resources

Measuring Results

Division: Human Resources

Goal 6: To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities

Objective 6.1: To develop a program to improve staff retention and recognize individual skill and talents

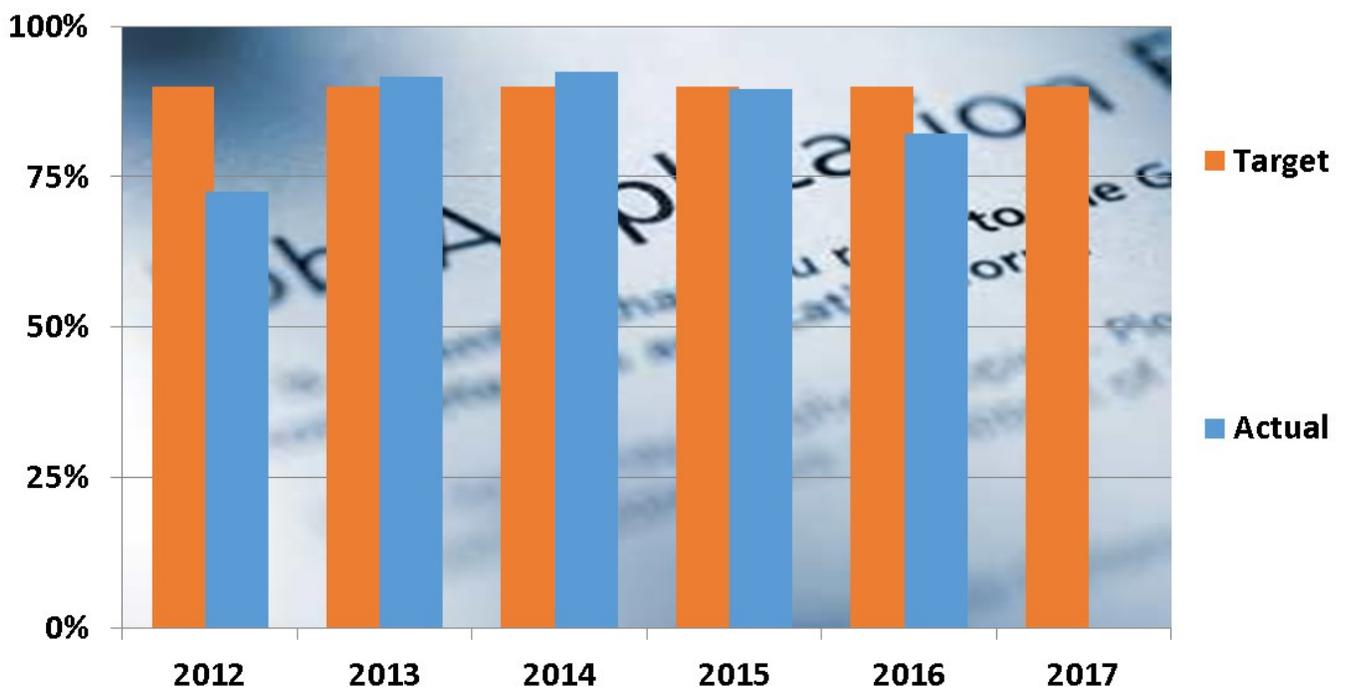
Strategy: 6.1.1: A program to identify individual skills and foster improvement of professional skills

Approach: 6.1.1.9: Ensure efficient processing of employee applications

Results: For fiscal year 2016, 2,236 applications were qualified or disqualified within 5 days, 90% of the time, falling slightly short of the goal of this measure.

2017 Target: Same as 2016

**Qualify/Disqualify Applications within 5 Days
90% of the Time**



Human Resources

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 248,486	\$ 315,572	\$ 358,815	\$ 379,260	\$ 20,445
Operating Expenditures	119,545	110,532	119,326	140,126	20,800
Total Expenditures	\$ 368,031	\$ 426,104	\$ 478,141	\$ 519,386	\$ 41,245

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Director	19	-	-	1.00	1.00
Human Resources Manager	19	1.00	1.00	-	(1.00)
Human Resources Technician	9	1.00	1.00	1.00	-
Compensation Analyst	15	1.00	1.00	1.00	-
Benefits Specialist	10	1.00	1.00	1.00	-
Recruitment Specialist	10	1.00	1.00	1.00	-
Total Full-time		5.00	5.00	5.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		4.00	5.00	5.00	-

Financial Services

Department Summary

The mission of the Financial Services Department is to help the City of Palm Coast meet its financial goals for the future by providing fast and efficient services to citizens, businesses, customers, vendors, employees and other City departments while adhering to local, state, and federal laws and regulations.

The department's core functions are central accounting, payroll services, accounts payable, accounts receivable, local business tax receipts and utility billing. The department also provides investment and revenue advice to City Officials and oversees the annual audit to ensure compliance with state and federal laws.

The Local Business Tax Receipt Division (formerly Occupational Licensing) is responsible for the issuance of all Local Business Tax Receipts. The Division also issues Door to Door and Right of Way Solicitation Permits. This division also works closely with the City's Business Assistance Center (BAC).

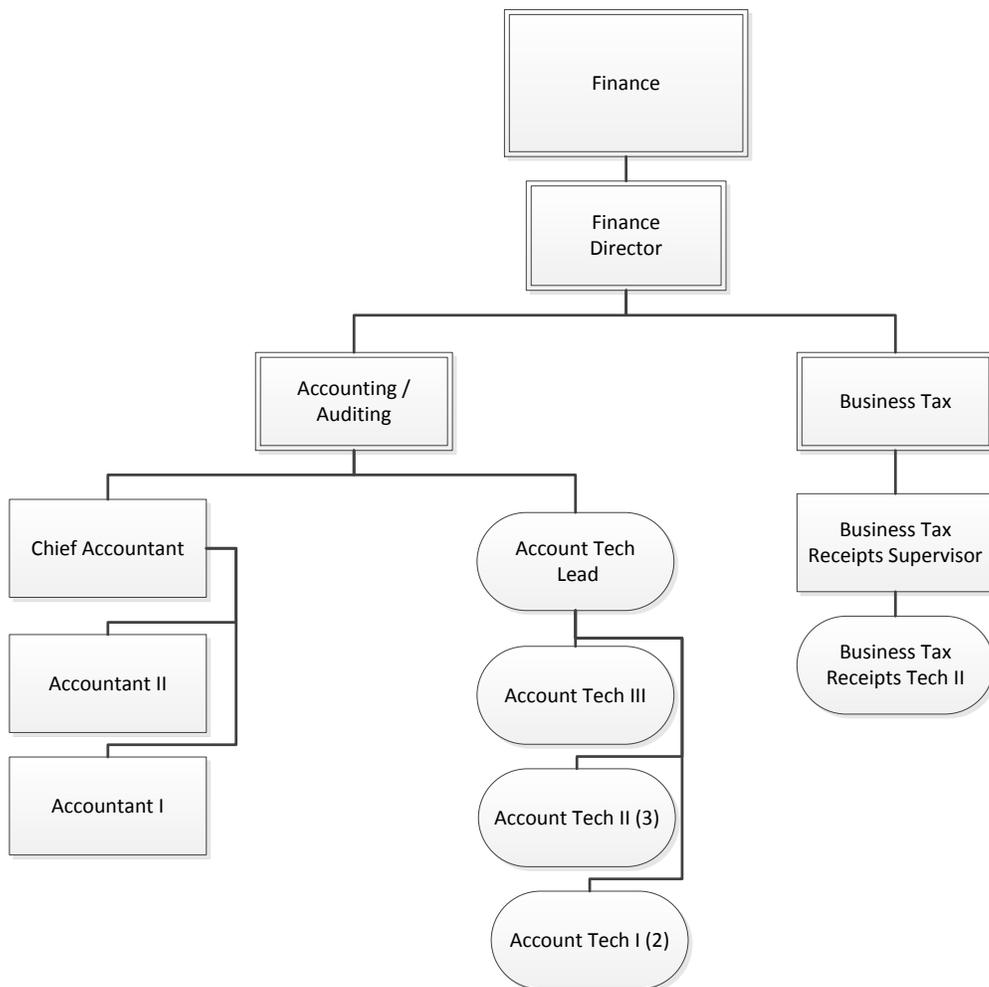
The Department performs all these functions with a streamlined staff structure by utilizing cross training, multi-tasking, matrix management and technology to achieve cost effective services for the City.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Palm Coast for its comprehensive annual financial report 15 consecutive years. The City of Palm Coast also received the GFOA Distinguished Budget Presentation Award for 13 consecutive years.



Financial Services

Organizational Chart



Financial Services

Department Objectives

Goal 3 Finance - To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

- Provide ongoing options to diversify City revenues
- Achieve an Annual unqualified audit opinion with "0" accounting comments.
- Create a long-term funding strategy for public infrastructure
- Enhance retirement fiduciary program to include compliance, evaluation and monitoring functions to maximize benefits to employees
- Evaluate existing investment policy
- Track response times of invoices charged to the City
- Reinforce long-term financial planning process
- Maintain annual TRIM Compliance
- Transition Building division to online payments
- Identify ways to increase efficiency and streamline processes
- Achieve award recognition for financial excellence

Goal 6 Workforce Talent - To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

- Provide accounting training and development program for existing staff
- Provide annual disaster recovery training
- Achieve award recognition for financial excellence
- Enhance delivery of budget message

Financial Services

Measuring Results

Department: Financial Services

Goal 3: To leverage our financial strengths while insuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses

Objective 3.2: Increase efficiency through enhanced operations and technological advancements

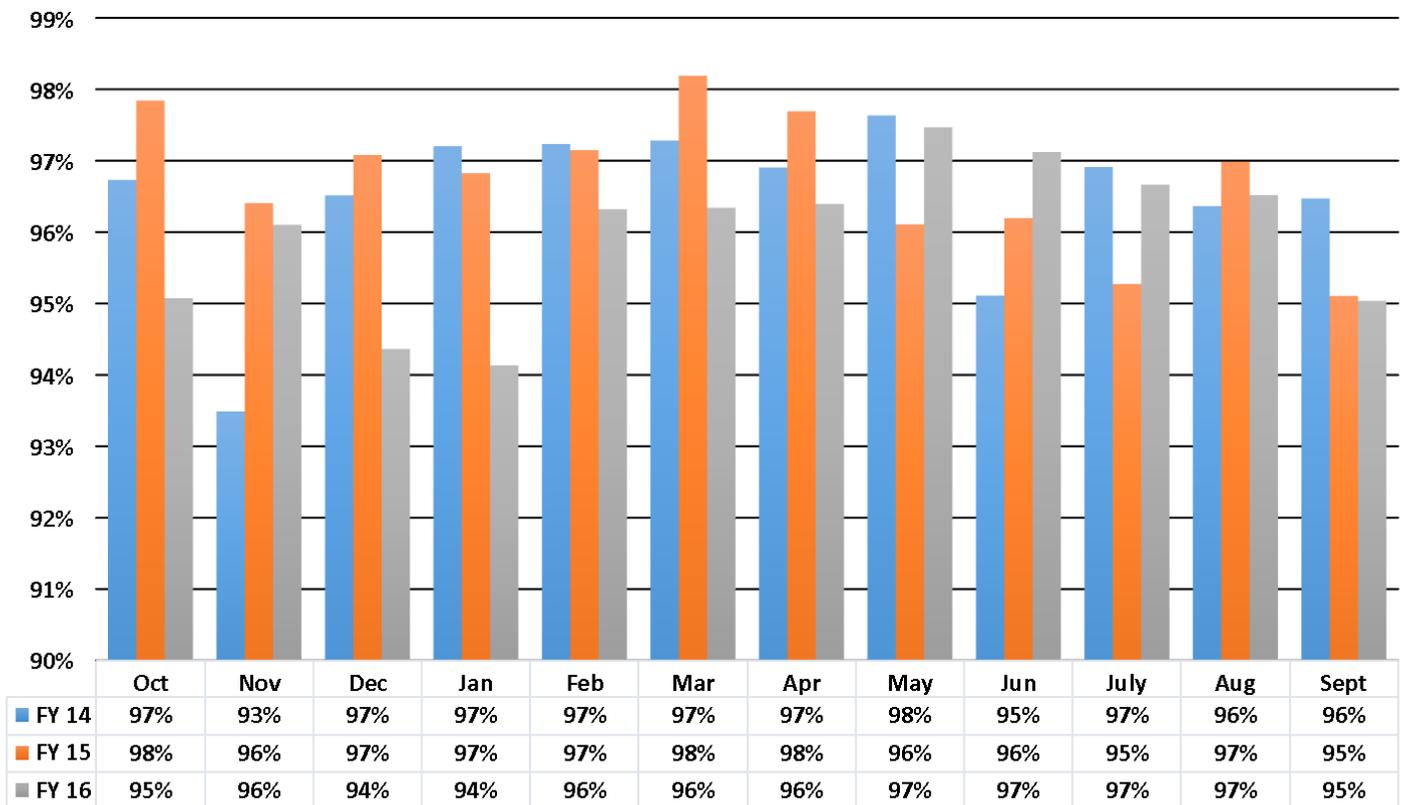
Strategy 3.2.1: Review existing operational procedures and policies

Approach 3.2.1.5: Pay all vendor invoices within 45 days of receipt within 96% of the time (reported monthly)

Results: Accounts payable continues to see swings during different months of the year in regards to this measure. Falling below 96% is most common during the month of November when the work load increases due to invoices being paid for the previous year as well as the next fiscal year. The annual average however, for fiscal year 2016, remains above 96%.

2017 Target: The target remains at 96%

Percentage of Invoices Paid within 45 days - Target 96%
Fiscal Year 2014 - 2016



Financial Services

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 521,363	\$ 576,717	\$ 599,918	\$ 741,242	\$ 141,324
Operating Expenditures	161,863	139,409	178,702	186,941	8,239
Total Expenditures	\$ 683,226	\$ 716,125	\$ 778,620	\$ 928,183	\$ 149,563

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Finance Director	22	1.00	1.00	1.00	-
Chief Accountant	19	-	-	1.00	1.00
Budget Coordinator	15	1.00	1.00	0.50	(0.50)
Accountant II	15	1.00	1.00	1.00	-
Accountant I	14	1.00	1.00	1.00	-
Lead Accounting Technician	13	-	1.00	1.00	-
Accounting Technician I	8	3.00	3.00	3.00	-
Accounting Technician II	10	3.00	2.00	2.00	-
Accounting Technician III	12	1.00	1.00	1.00	-
Business Tax Receipts Supervisor	14	1.00	1.00	1.00	-
Business Tax Receipts Tech II	10	1.00	1.00	1.00	-
Total Full-time		13.00	13.00	13.50	0.50
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		13.00	13.00	13.50	0.50

Community Development

Department Summary

HELPFUL HINT!

Click on a Division Name to see the expenditure summary and personnel roster for the division.

The Community Development Department consists of four divisions; Planning, Code Enforcement, Building Permits and Construction Management & Engineering. The department provides guidance for well-planned growth and regulates development for the protection of the City's natural resources, public health, safety, and welfare.

Planning

The Planning Division focuses on implementing the Comprehensive Plan and Land Development Code to ensure a high quality of life in the City through a balanced approach to development review and analysis.

Code Enforcement

Code Administration: Oversees the enforcement of City Codes, including such nuisance issues as parking on the lawn, litter and debris, abandoned properties, overgrown conditions, noise complaints, animal control, wildfire mitigation and hazard trees.

Animal Control: Responds to calls for lost cats, dogs, animals running at large, cruelty to animals, abused and abandoned pets, and barking dogs.

Urban Forestry/Wildfire Mitigation/Tree Removal: The risk of wildfire in the City of Palm Coast is substantial under seasonal climatic conditions and weather patterns. The City of Palm Coast has developed a hazard mitigation process to address the evolution of the City's development from a pine plantation to a residential community which includes selective mowing of brush. Such mitigation also helps the community conserve its natural resources for aesthetic, environmental, and Stormwater management purposes. The Wildfire Mitigation program works to ensure 30 feet of managed vegetation adjacent to residential structures.

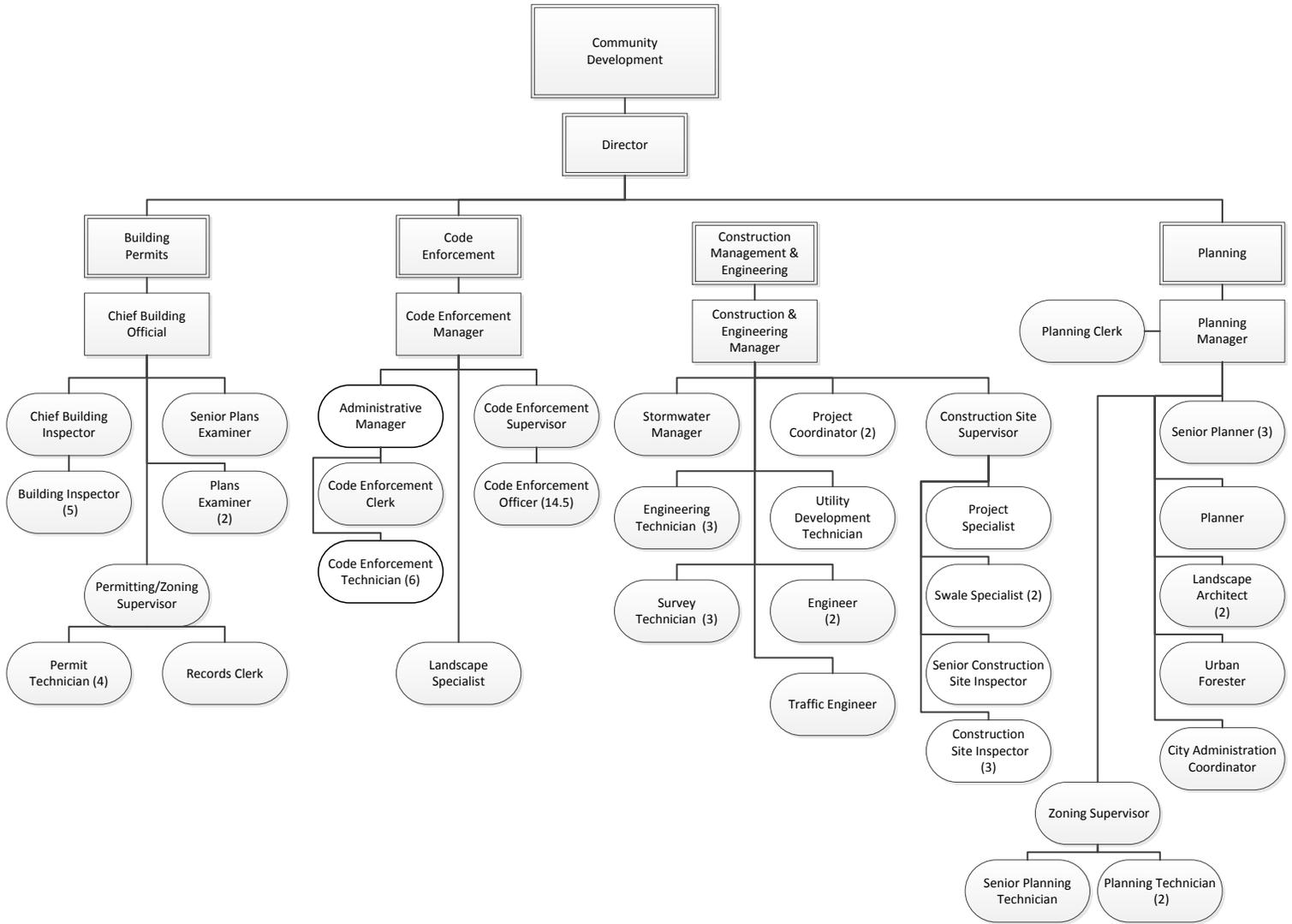
Building Permits

The Building and Permitting Division enforces the Florida Building Code to ensure that all physical structures are constructed in compliance with all applicable codes, to ensure the public health, safety, and welfare. The responsibility of the Building Division includes; permitting, plan review, and inspection.

Construction Management & Engineering

The Construction Management and Engineering Division is responsible for assisting with the design, construction, and maintenance of the City's infrastructure through a comprehensive long-term approach focused on meeting the future needs of the city. This includes roadways, stormwater drainage and the utility system. This division replaced the Stormwater & Engineering department in fiscal year 2015.

Community Development Organizational Chart



Community Development

Department Objectives

Goal 1 Expansion - To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

- Inspect, evaluate and rate Water Control structures, Major crossings, Pipes through seawalls
- Maintain an Action Plan for Community Development Block Grant (CDBG) Program in order to receive community development funds.
- Develop a comprehensive public policy to address failing sea walls.
- Ensure proper inspection and repair of City infrastructure
- Develop and institute a bridge maintenance program
- Complete annual report for MS4 permits
- Update the transportation impact fee study
- Ensure School Concurrency
- Address abandoned structures
- Identify and evaluate strategies to promote infill development within original ITT Comprehensive Land Use Plan (CLUP) area

Goal 2 Economic - To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.

- Ensure proper review time and Inspections
- Complete design work in a timely manner
- Provide proper response time for inquiries and permit review
- Provide proper inspection and response time to complaints
- Support event activities that provide positive economic impact for the community

Goal 3 Finance - To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

- Provide in-house survey services to other Departments when possible

Goal 4 Environmental - To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife.

- Investigate options for freshwater canal weed control
- Monitor monthly surface water levels
- Complete Design & Permitting for Seminole Woods Multi-use Path
- Complete CDBG Comprehensive Annual Performance Evaluation Report (CAPER).
- Maintain freshwater canals

Goal 5 Quality of Life - To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events.

- Maintain, repair or replace major roadway crossing and control structures to ensure safety
- Evaluate and implement safety improvement options for intersections & roadways
- Maintain a community floodplain management program

Community Development

Measuring Results

Division: Planning

Goal 2: To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values

Objective 2.2: To develop a "branding and marketing strategy" and establish criteria to measure success

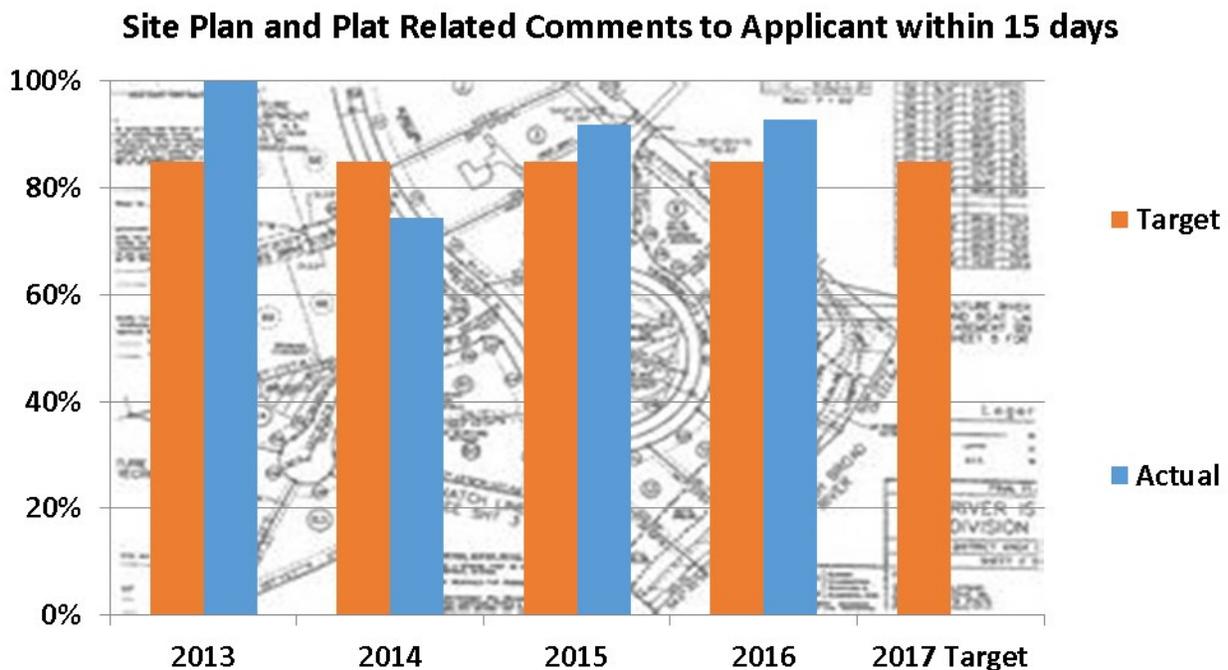
Strategy 2.2.2: Develop a campaign to highlight the City's economic strengths and opportunities

Approach: 2.2.2.7: Monitor permit review time

Measure: Provide initial site plan and plat related COPC comments to the applicant within 15 working days 85% of the time.

Results: Site plan and plat related comments were returned to the applicant within 15 working days 92% of the time for fiscal year 2016.

2017 Target: Same as 2016



Division: Building Permits

Goal 2: To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.

Objective 2.2: To develop a "branding and marketing strategy" and establish criteria to measure success.

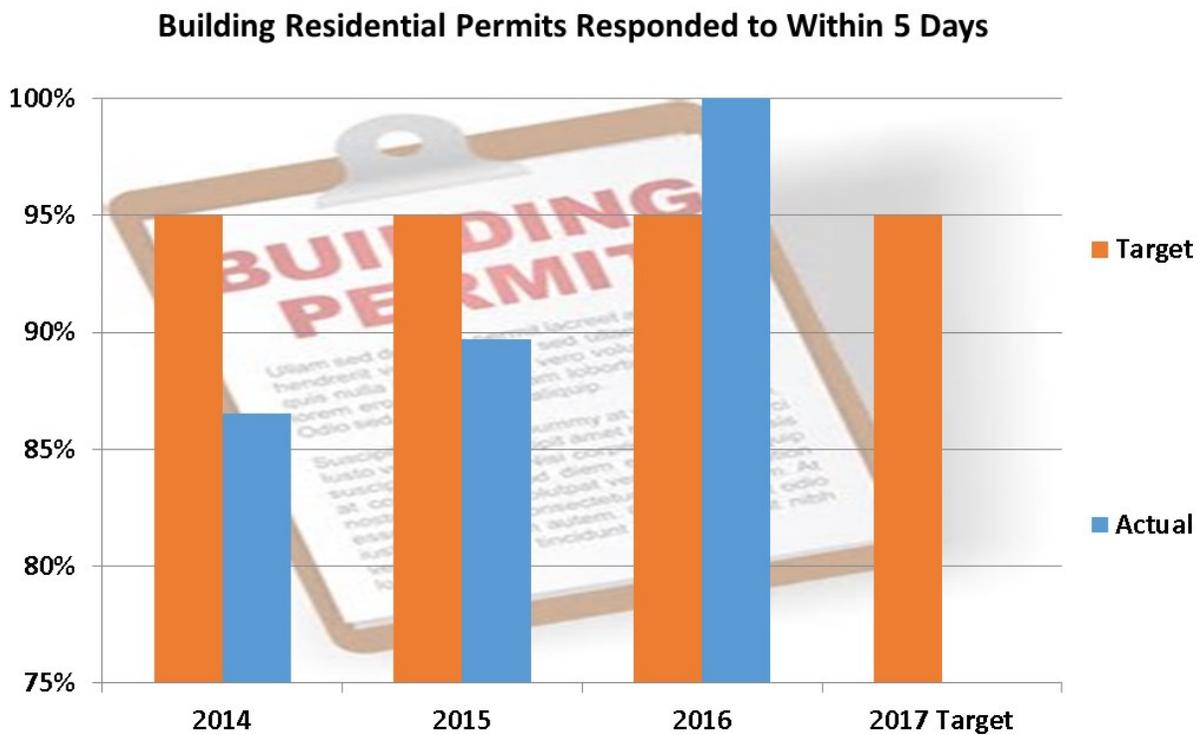
Strategy 2.2.2: Develop a campaign to highlight the City's economic strengths and opportunities

Approach: 2.2.2.8: Provide proper response time for inquiries

Measure: Provide initial response to new building residential permits within 5 working days (single family residence) from the time the permit is received 95% of the time.

Results: The fiscal year 2016 target was not met.

2017 Target: Same as 2016



Planning

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 1,235,709	\$ 1,405,350	\$ 1,260,202	\$ 1,306,124	\$ 45,922
Operating Expenditures	236,371	235,601	165,521	186,275	20,754
Total Expenditures	\$ 1,472,080	\$ 1,640,951	\$ 1,425,723	\$ 1,492,399	\$ 66,676

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Community Development Director	22	0.30	0.25	0.25	-
Planning Manager	20	1.00	1.00	1.00	-
Construction Manager	19	1.00	-	-	-
Landscape Architect	18	1.00	1.00	2.00	1.00
Administration Coordinator	18	1.00	1.00	1.00	-
Senior Planner	17	4.00	3.00	3.00	-
Traffic Engineer	20	-	1.00	-	(1.00)
Urban Forrester	16	1.00	1.00	1.00	-
Planner	15	2.00	2.00	1.00	(1.00)
Project Coordinator	15	1.00	-	-	-
Planning Technician	11	1.00	1.00	2.00	1.00
Zoning Supervisor	14	-	-	1.00	1.00
Planning Clerk	9	1.00	1.00	1.00	-
Senior Planning Technician	13	2.00	2.00	1.00	(1.00)
Total Full-time		16.30	14.25	14.25	-
<u>Part-time/Temporary</u>					
		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		16.30	14.25	14.25	-

Building Permits

Building Permits Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 964,307	\$ 1,008,081	\$ 1,170,704	\$ 1,290,932	\$ 120,228
Operating Expenditures	318,355	286,347	480,318	397,118	(83,200)
Transfers	-	1,134,634	-	30,000	30,000
Contingency	-	-	34,978	13,600	(21,378)
Total Expenditures	\$ 1,282,662	\$ 2,429,062	\$ 1,686,000	\$ 1,731,650	\$ 45,650

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Community Development Director	22	0.30	0.25	0.25	-
Chief Building Official	20	1.00	1.00	1.00	-
Chief Building Inspector	17	1.00	1.00	1.00	-
Senior Building Inspector	15	1.00	1.00	1.00	-
Building Inspector	14	3.00	4.00	4.00	-
Senior Plans Examiner	16	1.00	1.00	1.00	-
Plans Examiner	15	2.00	2.00	2.00	-
Administrative Manager	13	0.30	0.30	0.30	-
Permit/Zoning Supervisor	14	1.00	1.00	1.00	-
Records Technician	7	1.00	1.00	1.00	-
Permit Technician	8	4.00	4.00	4.00	-
Total Full-time		15.60	16.55	16.55	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		15.60	16.55	16.55	-

Code Enforcement

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 1,455,509	\$ 1,461,773	\$ 1,551,773	\$ 1,583,684	\$ 31,911
Operating Expenditures	573,586	578,015	620,131	669,279	49,148
Total Expenditures	\$ 2,029,095	\$ 2,039,788	\$ 2,171,904	\$ 2,252,963	\$ 81,059

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Community Development Director	22	0.30	0.25	0.25	-
Code Enforcement Manager	20	1.00	1.00	1.00	-
Code Enforcement Supervisor	14	1.00	1.00	1.00	-
Administrative Manager	13	0.70	0.70	0.70	-
Code Enforcement Inspector	10	12.00	12.00	12.00	-
Animal Control Officer	10	2.00	2.00	2.00	-
Landscape Specialist	10	1.00	1.00	1.00	-
Tree Inspector	9	1.00	1.00	1.00	-
Code Enforcement Clerk	8	1.00	1.00	1.00	-
Staff Assistant	7	1.00	-	-	-
Code Enforcement Technician	8	5.00	6.00	6.00	-
Total Full-time		26.00	25.95	25.95	-
<u>Part-time/Temporary</u>					
Code Enforcement Inspector	10	1.00	1.00	1.00	-
Total Part-time/Temporary		1.00	1.00	1.00	-
Total Personnel		27.00	26.95	26.95	-

Construction Management & Engineering

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 438,643	\$ 347,278	\$ 1,340,373	\$ 1,579,081	\$ 238,708
Operating Expenditures	72,817	86,034	131,220	149,577	18,357
Capital Outlay	-	-	14,600	-	(14,600)
Total Expenditures	\$ 511,460	\$ 433,312	\$ 1,486,193	\$ 1,728,658	\$ 242,465

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 14	Approved FY 15	Proposed FY 16	Net Change FY16-17
<u>Full-time</u>					
Civil Engineer	20	-	1.00	1.00	-
Community Development Director	22	0.55	0.25	0.25	-
Construction & Engineering Manager	20	-	1.00	1.00	-
Construction Inspector	12	-	2.00	3.00	1.00
Construction Site Supervisor	18	-	1.00	1.00	-
Engineering Technician	11	2.00	3.00	3.00	-
Project Coordinator	15	1.00	2.00	2.00	-
Stormwater Engineer	20	1.00	1.00	1.00	-
Stormwater Manager	19	1.00	1.00	1.00	-
Stormwater System Specialist	15	1.00	-	-	-
Survey Technicians	8	2.00	2.00	3.00	1.00
Utility Construction Inspector	14	-	1.00	1.00	-
Utility Development Review Technician	11	-	1.00	1.00	-
Total Full-time		8.55	16.25	18.25	2.00
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		8.55	16.25	18.25	2.00

Fire

Department Summary



The Fire Department provides basic and advanced life support and fire suppression/prevention services. The fire service area includes the City, as well as mutual aid response, when needed, within the County and other municipalities. In addition, the department is responsible for enforcing City, State, and Federal Fire and Life Safety Codes. This is accomplished by performing business inspections and public education. With the increase in sport activities at the local schools and the City's running series, the Fire Department provides rapid advanced medical service with Medical Emergency Response Vehicle (MERV's) units.

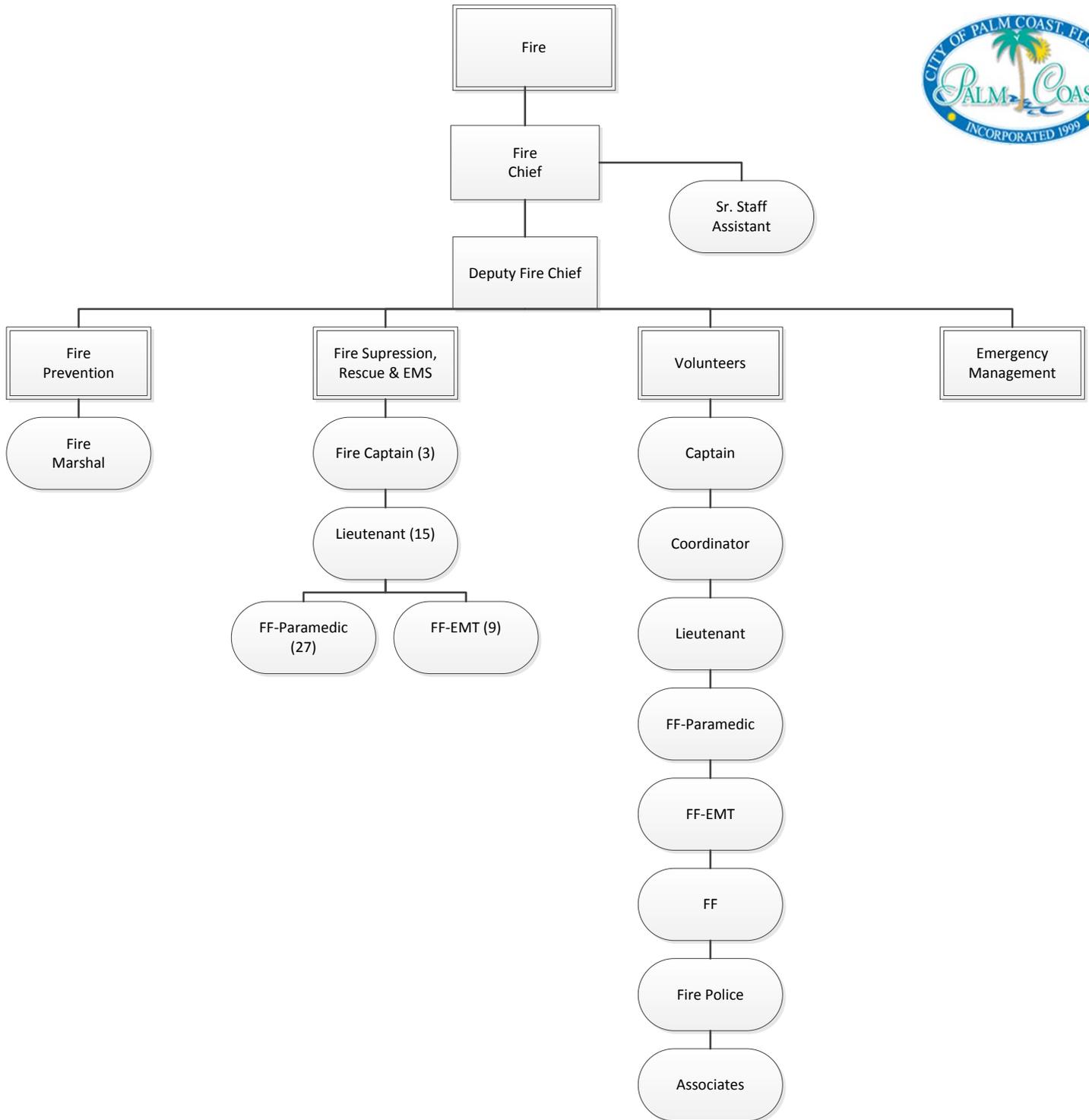
Three new stations were opened in fiscal year 2009, one of which also houses Fire Administrative Offices. A total of 58 FTEs, 25 Volunteer Firefighters and 15 Volunteer Fire Police members operate out of 5 fire stations located throughout the City. The Department is licensed for Advanced Life Support (ALS), non-transport with all front line apparatus licensed for ALS service. The City I.S.O rating is currently a 2.

All front line fire apparatus are equipped with laptop technology interfaced with the Flagler County Sheriff's Office Computer Automated Dispatch system. A traffic signal control system has also been installed in front line fire apparatus to allow responding emergency apparatus, when responding to an incident, the ability to control traffic lights in order to reach their destination with minimal traffic delays.



Fire

Organizational Chart



Fire

Department Objectives

Goal 3 Finance - To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

- Explore methods to better align resources to ensure efficient delivery of services
- Ensure that all firefighters receive annual medical exam.
- Ensure proper maintenance of Fire Fleet

Goal 5 Quality of Life - To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events.

- Provide Flagler Schools "Fire and Community Education" to students from K - 12th grade.
- Provide Public Safety and Education Programs
- Complete Fire Service Medical advancement and training
- Strive for improved ISO rating for fire protection according to the recommendations of last evaluation
- Conduct an annual City-wide Emergency Management training session
- Provide emergency response to the Utility Department for confined / reduced spaces

Goal 6 Workforce Talent - To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

- Update and maintain officer mentoring program to educate and train full time firefighters for advancement.

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Fire

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 5,365,079	\$ 5,598,826	\$ 5,799,548	\$ 5,694,745	\$ (104,803)
Operating Expenditures	1,973,918	2,214,249	2,052,291	2,186,367	134,076
Capital Outlay	58,059	31,324	15,000	52,000	37,000
Total Expenditures	<u>\$ 7,397,056</u>	<u>\$ 7,844,398</u>	<u>\$ 7,866,839</u>	<u>\$ 7,933,112</u>	<u>\$ 66,273</u>

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Fire Chief	22	1.00	1.00	1.00	-
Deputy Fire Chief	20	1.00	1.00	1.00	-
Fire Captain	19	3.00	3.00	3.00	-
Fire Marshal	19	1.00	1.00	1.00	-
Fire Lieutenant	16	7.00	7.00	7.00	-
Fire Lieutenant/Paramedic	17	8.00	8.00	8.00	-
Firefighter/Paramedic	13	23.00	23.00	23.00	-
Firefighter/EMT	11	13.00	13.00	13.00	-
Fire Support Assistant	12	1.00	1.00	1.00	-
Total Full-time		<u>58.00</u>	<u>58.00</u>	<u>58.00</u>	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		<u>-</u>	<u>-</u>	<u>-</u>	-
Total Personnel		<u>58.00</u>	<u>58.00</u>	<u>58.00</u>	-

Public Works

Department Summary

HELPFUL HINT!

Click on a Division Name to see the expenditure summary and personnel roster for the division.

Public Works, through its various divisions, is responsible for maintaining City infrastructure including city buildings, streets and bridges, the city-wide drainage systems and park facilities.

Streets Division

The Streets Division is tasked with maintaining the city rights-of-way and all associated infrastructure which includes pavement, medians, sidewalks, signs and traffic signals. The Streets Division also picks up the litter, mows the grass on the side of the road and maintains the beautiful landscaping along the parkways.

Facilities Maintenance Division

This Public Works division is responsible for the maintenance of all city-owned facilities such as the Community Center, Frieda Zamba Pool, City Hall and the Fire stations.

Parks Maintenance Division

The Parks Maintenance division of Public Works maintains the City parks including sports fields, playgrounds and the miles of trails and pathways. This division plays a critical role in the recruitment of sports tournaments to the area.

Fleet Management Division

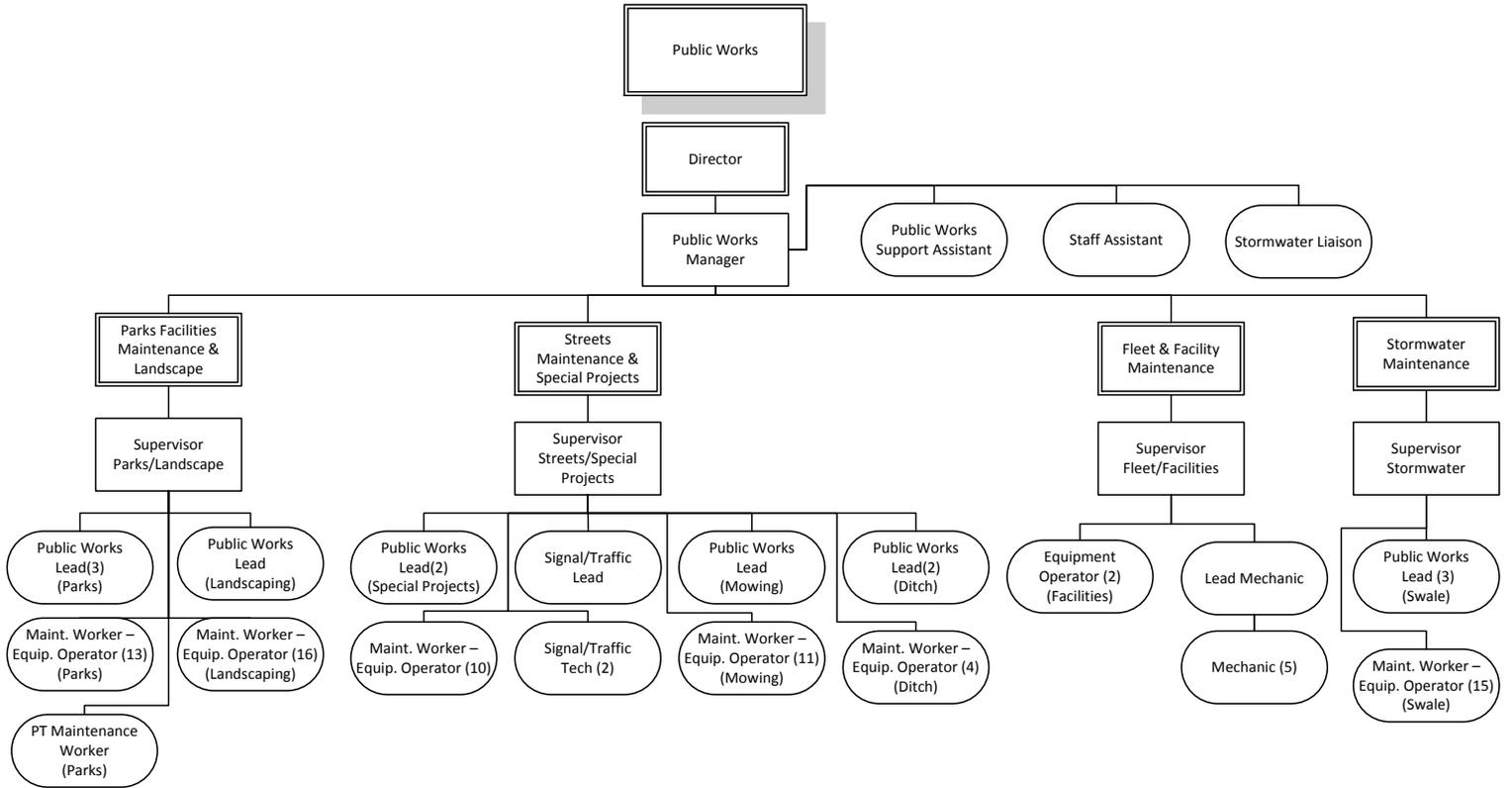
The Fleet Management Fund is an Internal Service Fund that is designed to maintain the City's fleet of vehicles and equipment and to accumulate reserves for the acquisition of replacements for the fleet when the useful life has expired. Transfers and charges from the user departments provide the revenues necessary to accomplish this task.

Stormwater Operations Division

The City's swales and ditches are an integral part of the community-wide drainage system and are maintained by the Stormwater Operations Division. Funded by stormwater fees, the division is responsible for maintenance and improvements to the stormwater runoff collection system including roadside swales, cross ditches, culvert pipes and catch basins.

Public Works

Organizational Chart



Public Works

Department Objectives

Goal 1 Expansion - To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

- Replace aging infrastructure elements
- Maintain stormwater system elements
- Continually evaluate Park conditions and develop repair/replacement or maintenance programs
- Ensure proper inspection and repair of City infrastructure
- Inspect and maintain City facilities
- Maintain Median Beautification program

Goal 2 Economic - To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.

- Support event activities that provide positive economic impact for the community

Goal 3 Finance - To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

- Ensure proper maintenance of Fire Fleet

Goal 4 Environmental - To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife.

- Complete facility inspections for repair and preventative maintenance to reduce waste and energy

Goal 5 Quality of Life - To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events.

- Implement hazard prevention throughout City parks
- Implement hazard prevention measures throughout all City facilities

Public Works

Measuring Results

Division: Facilities Maintenance

Goal 1: To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

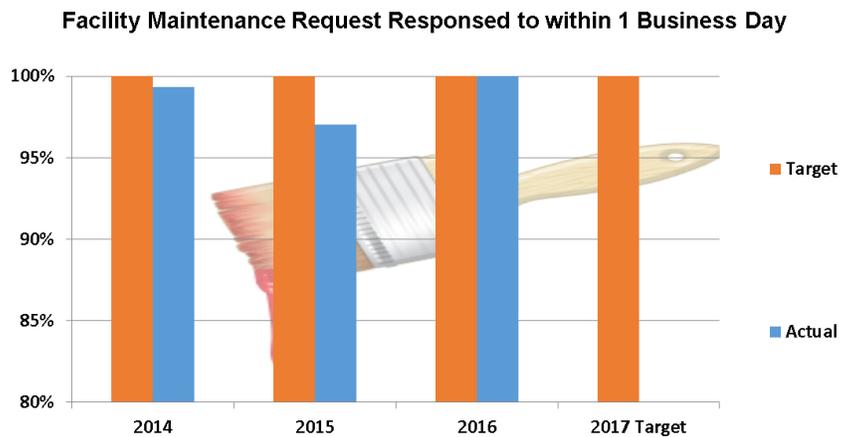
Objective 1.2: To assess the need to expand infrastructure for sustainable growth

Strategy 1.2.2: Coordinate facility capacity upgrades to meet the City's growth needs appropriately

Approach: 1.2.2.12: Inspect and maintain City facilities

Results: 961 out of 961 facility requests were responded to within 1 day.

2017 Target: Same as 2016



Division: Stormwater Operations

Goal 1: To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

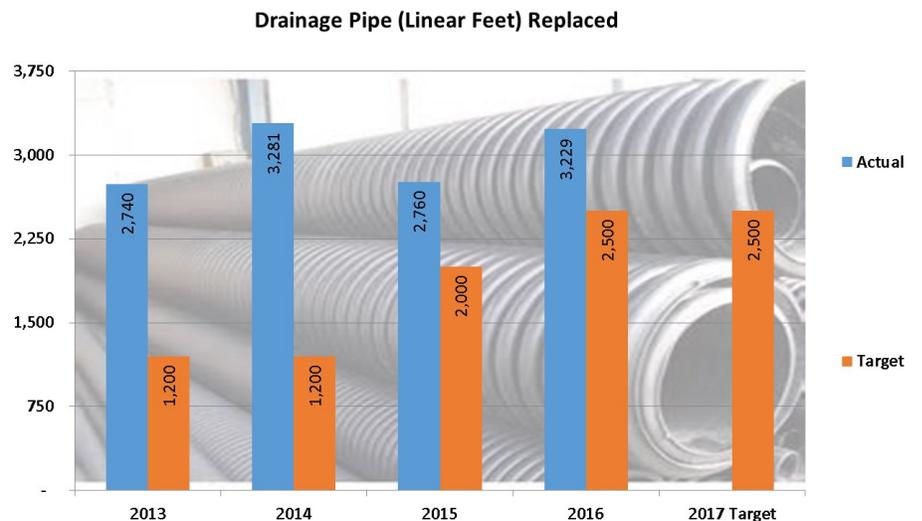
Objective 1.1: To enhance infrastructure in order to maintain quality neighborhoods and business districts

Strategy 1.1.1: Projects targeted as highest priority shall be evaluated for potential upgrade or enhancement

Approach: 1.1.1.5: Replace 2,500 LF of drainage pipe per year. (Budget Based)

Results: In fiscal year 2016 the target was once again exceeded.

2017 Target: In fiscal year 2017 the target is to replace 2,500 linear feet of drainage pipe.



Streets

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 2,396,134	\$ 2,491,321	\$ 2,674,975	\$ 2,988,088	\$ 313,113
Operating Expenditures	2,931,903	2,752,378	2,980,009	3,054,282	74,273
Capital Outlay	-	-	-	47,000	47,000
Transfers	73,756	232,570	-	41,000	41,000
Total Expenditures	\$ 5,401,793	\$ 5,476,269	\$ 5,654,984	\$ 6,130,370	\$ 475,386

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Public Works Director	22	1.00	1.00	1.00	-
Public Works Manager	18	1.00	1.00	1.00	-
Public Works Supervisor	15	2.00	1.00	1.00	-
Public Works Lead	11	5.00	6.00	6.00	-
Equipment Operator II	9	15.00	16.00	27.00	11.00
Equipment Operator I	7	17.00	17.00	8.00	(9.00)
Maintenance Worker	6	9.00	7.00	5.00	(2.00)
Signal/Traffic Technician Lead	12	1.00	1.00	1.00	-
Signal/Traffic Technician II	10	1.00	1.00	1.00	-
Signal/Traffic Technician I	9	1.00	1.00	1.00	-
Public Works Support Assistant	9	1.00	1.00	1.00	-
Staff Assistant	8	1.00	1.00	1.00	-
Total Full-time		55.00	54.00	54.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		55.00	54.00	54.00	-

Facilities Maintenance

Facilities Maintenance Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 93,224	\$ 99,130	\$ 208,943	\$ 122,252	\$ (86,691)
Operating Expenditures	516,591	536,902	376,601	456,944	80,343
Capital Outlay	-	-	8,000		(8,000)
Contingency	-	-	47,188	40,847	(6,341)
Total Expenditures	\$ 609,815	\$ 636,032	\$ 640,732	\$ 620,043	\$ (20,689)

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Equipment Operator II	9	1.00	1.00	1.00	-
Equipment Operator I	7	1.00	1.00	1.00	-
Maintenance Worker	5	-	2.00	-	(2.00)
Total Full-Time		2.00	2.00	2.00	(2.00)
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		2.00	2.00	2.00	(2.00)

Parks Maintenance

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 652,152	\$ 707,258	\$ 890,786	\$ 975,937	\$ 85,151
Operating Expenditures	459,232	487,369	641,032	656,038	15,006
Capital Outlay	15,608	-	-	-	-
Transfers	-	49,500	-	10,000	10,000
Total Expenditures	\$ 1,126,992	\$ 1,244,126	\$ 1,531,818	\$ 1,641,975	\$ 110,157

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Public Works Supervisor	15	1.00	1.00	1.00	-
Public Works Lead	11	2.00	2.00	2.00	-
Equipment Operator II	9	2.00	2.00	6.00	4.00
Equipment Operator I	7	5.00	4.00	3.00	(1.00)
Maintenance Worker	6	6.00	7.00	4.00	(3.00)
Total Full-time		16.00	16.00	16.00	-
<u>Part-time/Temporary</u>					
Maintenance Worker	6	-	1.00	1.00	-
Total Part-time/Temporary		-	1.00	1.00	-
Total Personnel		16.00	17.00	17.00	-

Fleet Management

Fleet Management Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 284,903	\$ 333,229	\$ 375,107	\$ 452,540	\$ 77,433
Operating Expenditures	1,889,578	1,458,352	1,695,532	1,753,302	57,770
Capital Outlay	1,109,805	1,176,782	2,554,000	2,324,500	(229,500)
Transfers	-	-	247,755	-	(247,755)
Contingency	-	-	-	86,646	86,646
Total Expenditures	\$ 3,284,287	\$ 2,968,363	\$ 4,872,394	\$ 4,616,988	\$ (255,406)

CAPITAL OUTLAY SUMMARY

Description	Proposed FY 17
New Equipment	\$ 247,000
Replacement Fleet	2,077,500
Total	\$ 2,324,500

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Mechanic Shop Supervisor	12	1.00	1.00	1.00	-
Mechanic	9	5.00	5.00	6.00	1.00
Total Full-time		6.00	6.00	7.00	1.00
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		6.00	6.00	7.00	1.00

Stormwater Operations

Stormwater Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 781,923	\$ 928,094	\$ 1,476,106	\$ 1,596,910	\$ 120,804
Operating Expenditures	3,701,250	3,839,677	2,599,305	2,600,513	1,208
Capital Outlay	1,573,437	1,688,950	1,910,000	2,060,000	150,000
Debt Service	299,346	268,522	1,355,241	1,361,275	6,034
Transfers	189,049	97,900	216,241	141,679	(74,562)
Contingency	-	-	-	233,911	233,911
Total Expenditures	\$ 6,545,005	\$ 6,823,142	\$ 7,556,893	\$ 7,994,288	\$ 437,395

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Equipment Operator I	9	9.00	9.00	4.00	(5.00)
Equipment Operator II	10	8.00	8.00	12.00	4.00
Equipment Operator Lead	11	4.00	4.00	5.00	1.00
Maintenance Worker	5	1.00	1.00	1.00	-
Project Specialist	11	1.00	-	-	-
Public Works Liason	12	-	1.00	1.00	-
Public Works Supervisor	15	2.00	1.00	1.00	-
Swale Specialist	10	2.00	-	-	-
Total Full-time		27.00	24.00	24.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		27.00	24.00	24.00	-

Utility

Department Summary

HELPFUL HINT!

Click on a Division Name to see the expenditure summary and personnel roster for the division.

The Utility Department, through its various divisions, is responsible for providing the City's water and wastewater services.

Utility Administration

The Utility Administration division provides administrative support to all of the utility divisions. In addition, this division oversees environmental compliance and inventory.

Customer Service

The Customer Service division manages the front desk operations at City Hall and the Utility office as well as staffing of a call center to handle incoming calls to the City. Primarily dealing with utility and stormwater accounts, the Customer Service Representatives are also equipped to help residents and customers with all types of city-related subjects.

Water Distribution

This division of the Utility Department is responsible for maintenance, repairs and installation of the water distribution system. This includes meter reading.

Wastewater Collection & Treatment

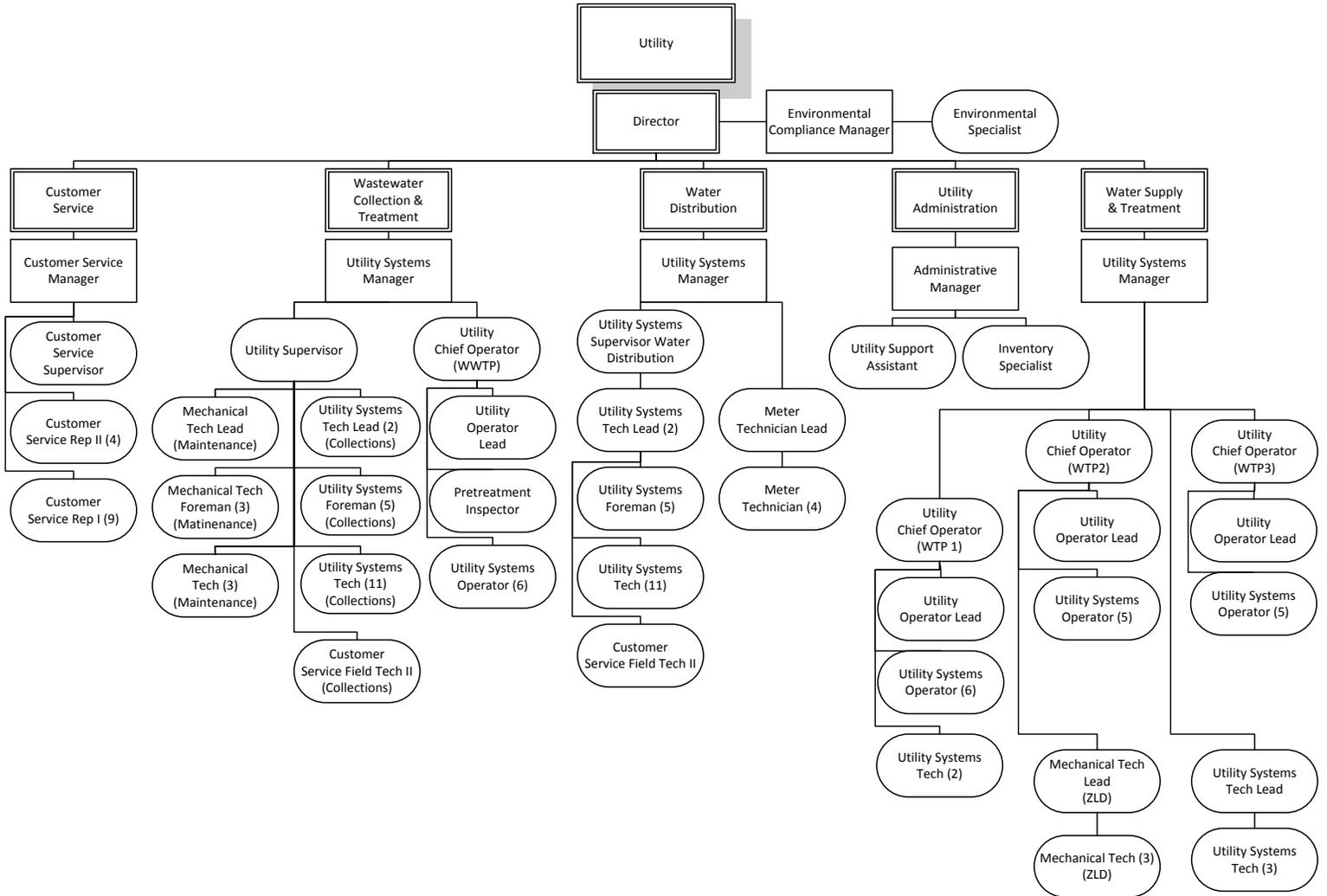
This division of the Utility Department includes Utility Maintenance, Wastewater Collection and Wastewater Treatment. The division is responsible for maintenance, repairs and installation of the wastewater system. This includes collection, treatment and disposal of wastewater. This division includes one wastewater treatment plant with a second estimated to be online by the end of 2017.

Water Supply & Treatment

This division of the Utility Department is responsible for the collection and treatment of water for distribution. This division includes three water treatment plants. This division is also responsible for the repair and maintenance of wells and well fields.

Utility

Organizational Chart



Utility

Department Objectives

Goal 1 Expansion - To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

- Evaluate pep tank replacement factors and future demand needs.
- Ensure proper inspection and repair of City infrastructure
- Continue to ensure capacity is consistent with growth needs
- Maintain fire hydrants

Goal 3 Finance - To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

- Reduce meter reading time, improve efficiencies and record daily water consumption by installing meter transmitters
- Reduce Inflow/Infiltration into the wastewater collection system
- Install residential backflow devices

Goal 4 Environmental - To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife.

- Monitor water loss
- Install one (1) Alternative Odor Control Unit
- Target non-City seminars / workshops to distribute City regulations and Water Wise educational materials.
- Encourage the public to utilize paperless options

Goal 5 Quality of Life - To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events.

- Implement hazard prevention measures throughout City

Goal 6 Workforce Talent - To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

- Integrate training element for each Division into training program
- Ensure appropriate customer service call times

Utility

Measuring Results

Division: Water Quality

Goal 1: To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

Objective 1.2: To assess the need to expand infrastructure for sustainable growth

Strategy 1.2.3: Keeping older neighborhoods attractive and relevant

Approach: 1.2.3.9: Maintain Fire Hydrants

(a) *Inspect and paint 20% of all City fire hydrants each year.*

Results: 20% of all City owned fire hydrants were inspected and painted in fiscal year 2016

2016 Target: Same as 2015

(b) *Service 100% of all City fire hydrants each year.*

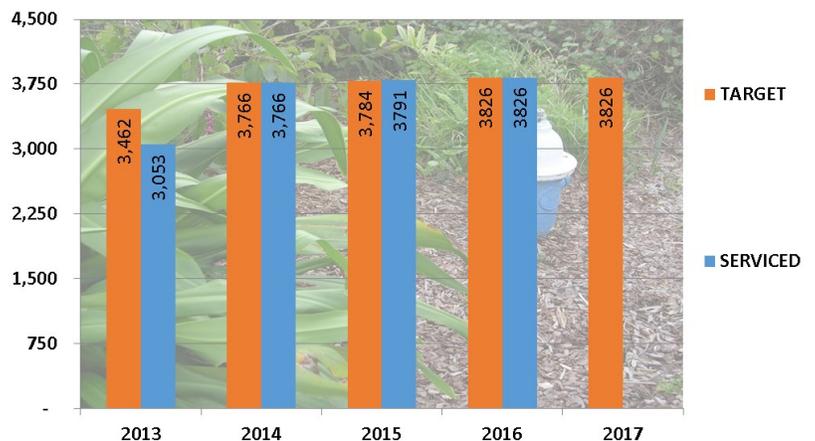
Results: All City owned fire hydrants were serviced in fiscal year 2016

2017 Target: Same as 2016

City Fire Hydrants Inspected and Painted Each Year



City Fire Hydrants Serviced Each Year



Division: Water Operations

Goal 4: To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife

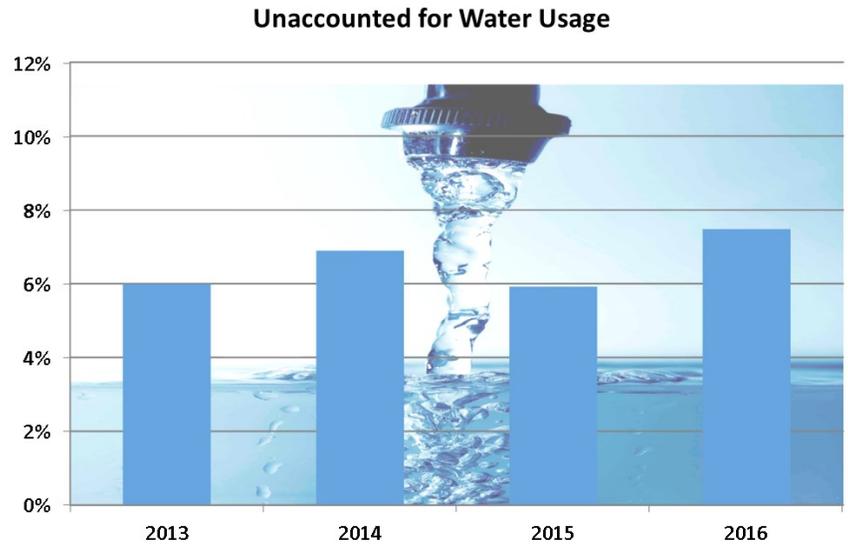
Objective 4.1: To develop programs to enhance our water conservation strategies

Strategy 4.1.1: Utilize nature's water supply resources effectively for water supply

Approach: 4.1.1.9: Monitor water loss

Results: Unaccounted for water loss remains on annual average below 10%

2017 Target: Maintain annual average below 10%



Division: Water Distribution

Goal 3: To leverage our financial strengths while insuring the City remains committed to fiscal responsibility in delivering value added services to residents and businesses

Objective 3.2: Increase efficiency through enhanced operations and technological advancements

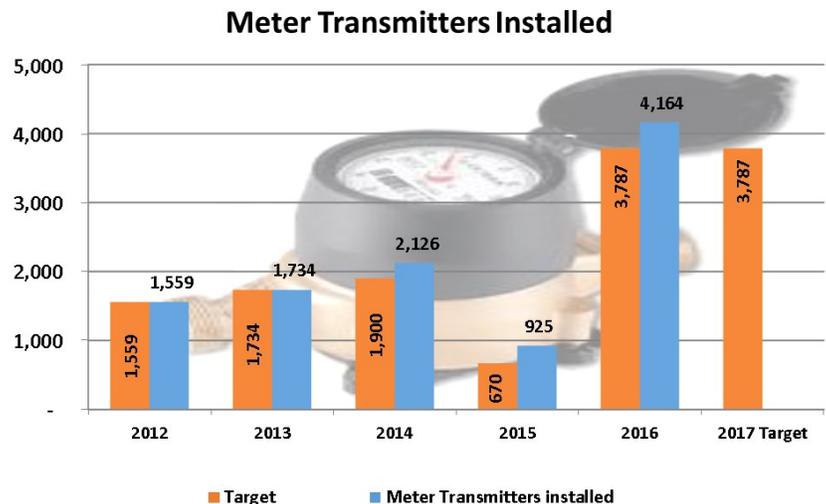
Strategy 3.2.1: Review existing operational procedures and policies

Approach: 3.2.1.14: Install meter transmitters to reduce meter reading time, improve efficiencies and record water consumption

Results: The fiscal year 2016 target of 3,787 meter transmitters to be installed was exceeded.

2017 Target: Install 3,787 meter transmitters.

Note: The number of meter transmitters installed in fiscal year 2015 was targeted significantly less than previous years due to budgetary constraints as a result of brass pricing increases.



Utility Administration

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 881,722	\$ 835,306	\$ 535,625	\$ 560,340	\$ 24,715
Operating Expenditures	234,041	267,280	248,220	278,083	29,863
Capital Outlay	-	-	8,000	10,000	2,000
Total Expenditures	\$ 1,115,763	\$ 1,102,586	\$ 791,845	\$ 848,423	\$ 56,578

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Director	22	0.70	1.00	1.00	-
Construction Inspector	12	1.00	-	-	-
Engineering Technician	11	1.00	-	-	-
Environmental Technician	11	-	1.00	1.00	-
Environmental Specialist	17	1.00	-	-	-
Environmental Compliance Manager	18	-	1.00	1.00	-
Inventory Specialist	10	1.00	1.00	1.00	-
Administrative Manager	13	1.00	1.00	1.00	-
Project Coordinator	15	1.00	-	-	-
Utility Support Specialist	9	1.00	1.00	1.00	-
Utility Development Manager	19	1.00	-	-	-
Utility Development Review Technician	11	1.00	-	-	-
Utility Inspector	14	1.00	-	-	-
Total Full-time		10.70	6.00	6.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		10.70	6.00	6.00	-

Utility Maintenance

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 422,974	\$ 429,893	\$ 442,322	\$ 476,225	\$ 33,903
Operating Expenditures	229,318	208,706	297,057	314,660	17,603
Total Expenditures	\$ 652,292	\$ 638,599	\$ 739,379	\$ 790,885	\$ 51,506

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Mechanical Technician - Lead	14	1.00	1.00	1.00	-
Mechanical Technician III	13	2.00	2.00	2.00	-
Mechanical Technician II	8	3.00	3.00	3.00	-
Mechanical Technician I	6	1.00	1.00	1.00	-
Total Full-time		7.00	7.00	7.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		7.00	7.00	7.00	-

Wastewater Collection

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 920,932	\$ 1,045,954	\$ 1,233,246	\$ 1,305,290	\$ 72,044
Operating Expenditures	1,354,065	1,255,009	1,399,085	1,587,357	188,272
Capital Outlay	9,483	25,589	15,700	20,000	4,300
Transfers	68,473	139,500	234,000	46,000	(188,000)
Total Expenditures	\$ 2,352,953	\$ 2,466,052	\$ 2,882,031	\$ 2,958,647	\$ 76,616

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Utility Systems Manager	19	1.00	1.00	1.00	-
Utility Systems Supervisor	15	1.00	1.00	1.00	-
Utility Systems Technician - Leac	12	2.00	2.00	2.00	-
Utility Systems Technician Foren	10	5.00	5.00	5.00	-
Customer Service Field Technic	9	1.00	1.00	1.00	-
Utility Systems Technician II	8	5.00	5.00	6.00	1.00
Utility System Technician I	6	6.00	6.00	5.00	(1.00)
Total Full-time		21.00	21.00	21.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		21.00	21.00	21.00	-

Wastewater Treatment Plant 1

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 568,529	\$ 591,104	\$ 658,256	\$ 668,610	\$ 10,354
Operating Expenditures	1,117,062	1,136,150	1,209,272	1,304,514	95,242
Total Expenditures	\$ 1,685,591	\$ 1,727,254	\$ 1,867,528	\$ 1,973,124	\$ 105,596

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Utility Systems Chief Operator	15	1.00	1.00	1.00	-
Utility Systems Operator - Lead	13	1.00	1.00	1.00	-
Reuse Technician	11	1.00	1.00	1.00	-
Utility Systems Operator III	12	1.00	1.00	1.00	-
Utility Systems Operator II	10	1.00	1.00	1.00	-
Utility Systems Operator I	9	4.00	4.00	4.00	-
Total Full-time		9.00	9.00	9.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		9.00	9.00	9.00	-

Wastewater Treatment Plant 2

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ -	\$ -	\$ -	\$ 117,443	\$ 117,443
Operating Expenditures	-	-	-	20,000	20,000
Total Expenditures	\$ -	\$ -	\$ -	\$ 137,443	\$ 137,443

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Utility Systems Operator Trainee	5	-	-	3.00	3.00
Total Full-time		-	-	3.00	3.00
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		-	-	3.00	3.00

Wastewater Treatment Plant 2 is under construction and is expected to be fully operationally late fiscal year 2018.

Water Treatment Plant 1

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 597,638	\$ 623,470	\$ 652,254	\$ 711,019	\$ 58,765
Operating Expenditures	995,006	1,069,341	1,227,878	1,299,616	71,738
Total Expenditures	\$ 1,592,644	\$ 1,692,810	\$ 1,880,132	\$ 2,010,635	\$ 130,503

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Utility Systems Chief Operator	15	1.00	1.00	1.00	-
Utility Systems Operator - Lead	13	1.00	1.00	1.00	-
Reuse Technician	11	1.00	1.00	1.00	-
Utility Systems Operator III	12	1.00	1.00	1.00	-
Utility Systems Operator II	10	1.00	1.00	1.00	-
Utility Systems Operator I	9	4.00	4.00	4.00	-
Total Full-time		9.00	9.00	9.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		9.00	9.00	9.00	-

Water Treatment Plant 2

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 478,702	\$ 655,540	\$ 753,139	\$ 775,390	\$ 22,251
Operating Expenditures	671,640	691,044	889,745	961,207	71,462
Transfers	-	67,000	-	-	-
Total Expenditures	\$ 1,150,342	\$ 1,413,584	\$ 1,642,884	\$ 1,736,597	\$ 93,713

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Utility Systems Chief Operator	15	1.00	1.00	1.00	-
Utility Systems Operator - Lead	13	1.00	1.00	1.00	-
Mechanical Tech Lead	14	1.00	1.00	1.00	-
Mechanical Tech I	7	1.00	2.00	1.00	(1.00)
Mechanical Tech II	9	1.00	1.00	2.00	1.00
Utility Systems Operator III	12	1.00	1.00	3.00	2.00
Utility Systems Operator II	10	2.00	2.00	-	(2.00)
Utility Systems Operator I	9	2.00	2.00	2.00	-
Total Full-time		10.00	11.00	11.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		10.00	11.00	11.00	-

Water Treatment Plant 3

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 403,062	\$ 438,136	\$ 466,344	\$ 498,850	\$ 32,506
Operating Expenditures	453,070	537,335	641,640	748,546	106,906
Total Expenditures	\$ 856,132	\$ 975,471	\$ 1,107,984	\$ 1,247,396	\$ 139,412

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Utility Systems Chief Operator	15	1.00	1.00	1.00	-
Utility Systems Operator - Lead	13	1.00	1.00	1.00	-
Utility Systems Operator III	12	1.00	1.00	2.00	1.00
Utility Systems Operator II	10	2.00	2.00	2.00	-
Utility Systems Operator I	9	2.00	2.00	1.00	(1.00)
Total Full-time		7.00	7.00	7.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		7.00	7.00	7.00	-

Water Quality

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 366,287	\$ 385,616	\$ 383,611	\$ 384,943	\$ 1,332
Operating Expenditures	83,005	79,515	93,085	100,252	7,167
Total Expenditures	\$ 449,292	\$ 465,132	\$ 476,696	\$ 485,195	\$ 8,499

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Utility Systems Manager	19	1.00	1.00	1.00	-
Utility Systems Technician - Lead	12	1.00	1.00	1.00	-
Utility Systems Technician II	8	2.00	2.00	2.00	-
Utility System Technician I	6	1.00	1.00	1.00	-
Total Full-time		5.00	5.00	5.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		5.00	5.00	5.00	-

Water Distribution

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 1,375,722	\$ 1,416,834	\$ 1,529,320	\$ 1,688,915	\$ 159,595
Operating Expenditures	982,281	755,534	994,338	1,013,424	19,086
Capital Outlay	508,736	496,933	540,230	547,500	7,270
Transfers	-	30,000	-	50,000	50,000
Total Expenditures	\$ 2,866,739	\$ 2,699,300	\$ 3,063,888	\$ 3,299,839	\$ 235,951

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved	Approved	Proposed	NetChange
		FY 15	FY 16	FY 17	FY16-17
<u>Full-time</u>					
Utility Systems Manager	19	1.00	1.00	1.00	-
Utility Systems Supervisor	15	1.00	1.00	1.00	-
Customer Service Field Technician II	9	1.00	1.00	1.00	-
Meter Technician - Lead	12	1.00	1.00	1.00	-
Meter Technician I	5	2.00	2.00	3.00	1.00
Meter Technician II	6	2.00	2.00	1.00	(1.00)
Utility System Technician I	5	4.00	4.00	3.00	(1.00)
Utility Systems Technician - Lead	12	2.00	2.00	2.00	-
Utility Systems Technician II	7	7.00	7.00	7.00	-
Utility Systems Foreman	10	4.00	4.00	5.00	1.00
Total Full-time		25.00	25.00	25.00	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		25.00	25.00	25.00	-

Customer Service

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 924,399	\$ 951,231	\$ 1,079,425	\$ 1,165,800	\$ 86,375
Operating Expenditures	338,418	332,870	280,762	293,403	12,641
Debt Service	35	8,697	12,500	20,000	7,500
Total Expenditures	\$ 1,262,852	\$ 1,292,798	\$ 1,372,687	\$ 1,479,203	\$ 106,516

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved	Approved	Proposed	Net Change
		FY 15	FY 16	FY 17	FY16-17
<u>Full-time</u>					
Customer Service Manager	18	1.00	1.00	1.00	-
Customer Service Supervisor	12	1.00	1.00	1.00	-
Customer Service Representative I	8	9.00	9.00	9.00	-
Customer Service Representative II	9	4.00	4.00	4.00	-
Total Full-time		15.00	15.00	15.00	-
<u>Part-time/Temporary</u>					
Not applicable		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		15.00	15.00	15.00	-

Utility Non-Departmental

Utility Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 54,902	\$ 37,136	\$ -	\$ -	\$ -
Operating Expenditures	11,315,616	11,460,864	2,411,560	2,664,304	252,744
Debt Service	5,787,650	5,693,676	11,420,727	11,078,018	(342,709)
Grants and Aide	10,000	10,000	10,000	10,000	-
Transfers	3,822,226	3,939,075	4,196,673	4,263,998	67,325
Contingency	-	-	2,148,603	1,529,392	(619,211)
Total Expenditures	\$ 20,990,394	\$ 21,140,750	\$ 20,187,563	\$ 19,545,712	\$ (641,851)

The Utility Non-Departmental budget tracks general administrative charges, required debt service payments for the Utility fund as well as transfers to the Utility Capital Project fund for renewal and replacement transfers. The personal services expenses in this budget reflect OPEB costs.

Parks and Recreation

Department Summary

Active lifestyle and the natural environment go hand-in-hand in Palm Coast, and the City places a high priority on making the community a great place to live, work and play. At the heart of that is our system of beautiful parks and connecting trails. We treasure our parks as gateways to nature, peace, beauty, birds and wildlife, and invigorating exercise.

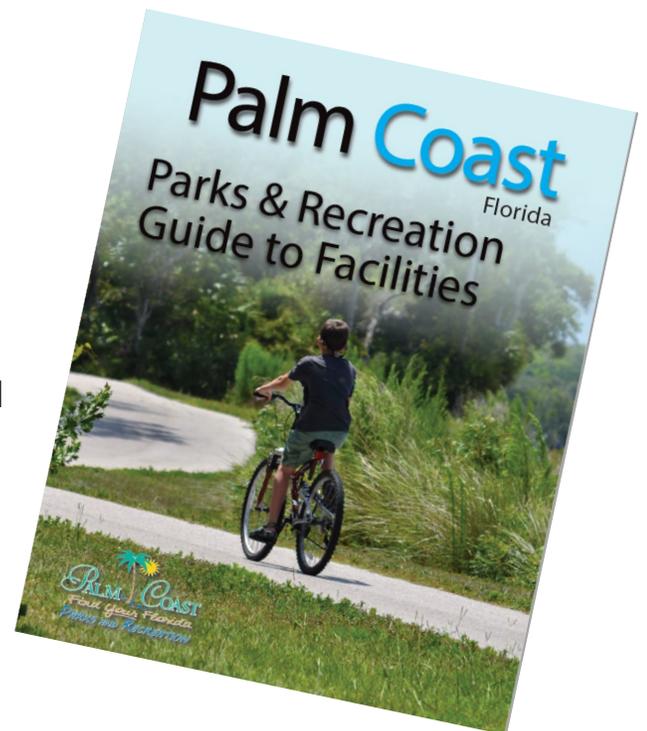
Our 15 City parks offer a variety of amenities such as playgrounds, fishing docks, picnic pavilions and athletic fields and courts. Among the parks are the Indian Trails Sports Complex, the Palm Harbor Golf Club, the Palm Coast Tennis Center, Frieda Zamba Swimming Pool and our newest gem – Long Creek Nature Preserve. Palm Coast's parks are connected by 125 miles of trails, pathways and bicycle lanes.



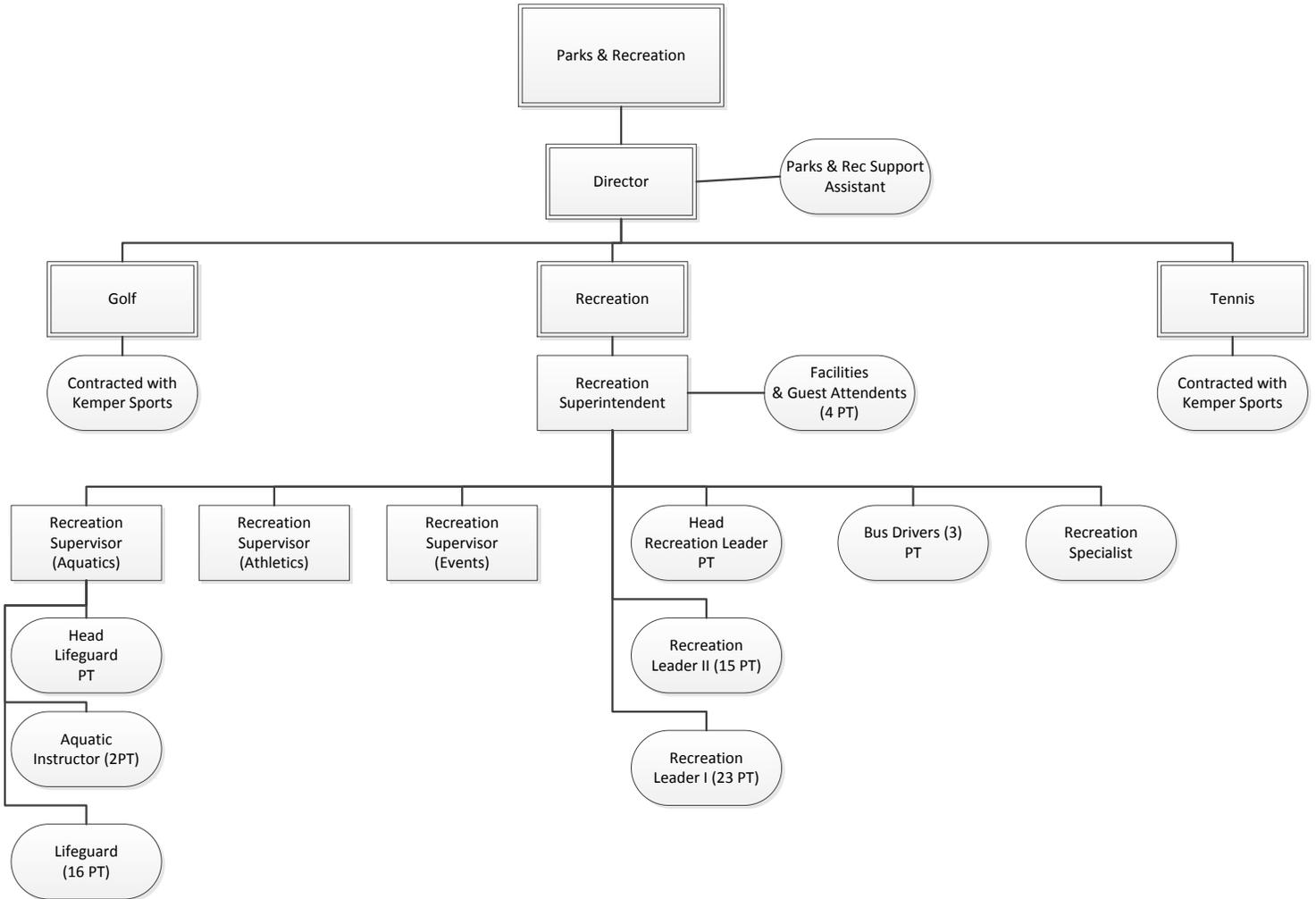
Lined with historic oaks, towering pines and indigenous vegetation, our parks and trails showcase the splendid elegance of the native Florida landscape. Bird-watching is popular at St. Joe Walkway and Linear Park, which are designated as Great Florida Birding & Wildlife Trails, and you can spot dolphins and seabirds as you stroll along the Intracoastal at Waterfront Park.



The Parks & Recreation Department offers a comprehensive, year-round recreation program for all ages and an extensive schedule of special events. Many of the programs and special events are held at the Palm Coast Community Center or in Central Park in Town Center.



Parks and Recreation Organizational Chart



Parks and Recreation

Department Objectives

Goal 2 Economic - To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.

- Continue to grow the economic benefits resulting from special events and sport tournaments

Goal 3 Finance - To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

- Recover costs associated with fee based programs

Goal 5 Quality of Life - To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events.

- Increase the number of new programs and/or events offered to the community
- Create marketing materials to actively promote available facilities and amenities
- Evaluate options for improving scheduling of recreation programming
- Provide community outreach programs
- Expand educational, social and cultural opportunities

Goal 6 Workforce Talent - To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

- Initiate accreditation through the Commission for Accreditation of Parks & Recreation Agencies

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Department: Parks and Recreation

Goal 5: To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events

Objective 5.1: Enhance community and visitors' recreational opportunities and experiences at community events

Strategy 5.1.1: Identify fun and interactive elements to incorporate into community events

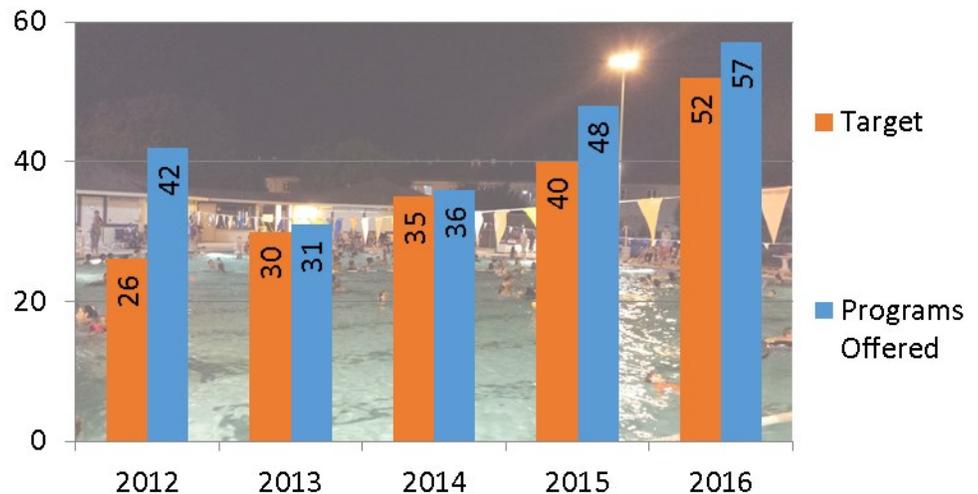
Approach: 5.1.1.4: Increase the number of new programs and/or events offered to the community

(a) *Increase the number of programs offered to the community by 4*

Results: In fiscal year 2016 the number of programs offered exceeded the target of 52 programs.

2017 Target: Due to renovations to the Community Center the goal for 2017 is to maintain existing programs.

Number of Programs Offered

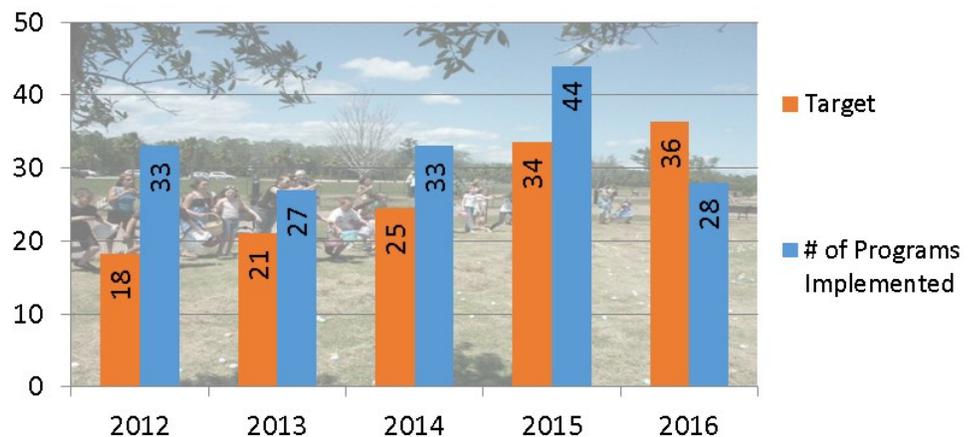


(b) *Of those programs offered in 5.1.1.4a, 70% have high enough participation to implemented.*

Results: In fiscal year 2016 the target of 36 programs to be implemented was not met.

2016 Target: Due to renovations to the Community Center the goal for 2017 is to maintain existing programs.

Number of Programs Implemented



Parks and Recreation

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Personal Services	\$ 522,753	\$ 620,273	\$ 942,063	\$ 945,628	\$ 3,565
Operating Expenditures	404,386	393,612	470,158	530,383	60,225
Transfers	435,000	2,762	-	-	-
Total Expenditures	\$ 1,362,139	\$ 1,016,646	\$ 1,412,221	\$ 1,476,011	\$ 63,790

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved	Approved	Proposed	NetChange
		FY 15	FY 16	FY 17	FY16-17
<u>Full-time</u>					
Recreation and Parks Director	22	1.00	1.00	1.00	-
Recreation Superintendent	17	1.00	1.00	1.00	-
Recreation Supervisor	14	3.00	4.00	3.00	(1.00)
Recreation Specialist	12	-	-	1.00	1.00
Support Assistant	9	1.00	1.00	1.00	-
Head Facility Clerk	8	-	-	1.00	1.00
Total Full-time		6.00	7.00	8.00	1.00
<u>Part-time/Temporary</u>					
Bus Drivers	10	3.00	3.00	3.00	-
Facilities & Guest Attendants	2	4.00	6.00	5.00	(1.00)
Head Lifeguard	5	1.00	1.00	1.00	-
Head Recreation Leader	5	1.00	1.00	1.00	-
Instructor	10	2.00	2.00	2.00	-
Instructor - Aquatics	10	2.00	2.00	2.00	-
Lifeguard	2	15.00	15.00	15.00	-
Recreation Leader I	2	23.00	23.00	23.00	-
Recreation Leader II	4	15.00	15.00	15.00	-
Total Part-time/Temporary		66.00	68.00	67.00	(1.00)
Total Personnel		72.00	75.00	75.00	-

Tennis Center

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Operating Expenditures	\$ 309,891	\$ 257,847	\$ 286,025	\$ 285,000	\$ (1,025)
Transfers	1,000	-	-	-	-
Total Expenditures	\$ 310,891	\$ 257,847	\$ 286,025	\$ 285,000	\$ (1,025)

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
N/A		-	-	-	-
Total Full-time		-	-	-	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		-	-	-	-

The Tennis Center is managed by Kemper Sports therefore, there are no direct personnel expenses incurred by the City.

Golf Course

General Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Operating Expenditures	\$ 1,811,215	\$ 1,536,675	\$ 1,594,208	\$ 1,605,000	\$ 10,792
Transfers	22,000	-	-	-	-
Total Expenditures	\$ 1,833,215	\$ 1,536,675	\$ 1,594,208	\$ 1,605,000	\$ 10,792

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
N/A		-	-	-	-
Total Full-time		-	-	-	-
<u>Part-time/Temporary</u>					
N/A		-	-	-	-
Total Part-time/Temporary		-	-	-	-
Total Personnel		-	-	-	-

The Tennis Center is managed by Kemper Sports therefore, there are no direct personnel expenses incurred by the City.

General Fund Non-Departmental

General Fund

The purpose of this area is to provide for expenditures that are not related to a specific City department. These include community grants, transfers to other funds, reserves, and other types of expenditures.

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY16-FY17
Operating Expenditures	\$ 55,134	\$ 31,395	\$ 326,123	\$ 452,681	\$ 126,558
Grants and Aide	56,344	57,783	58,000	58,000	-
Transfers	7,505,920	523,000	1,044,000	594,922	(449,078)
Contingency	-	-	146,696	-	(146,696)
Total Expenditures	<u>\$ 7,617,398</u>	<u>\$ 612,178</u>	<u>\$ 1,574,819</u>	<u>\$ 1,105,603</u>	<u>\$ (469,216)</u>

Special Note: In fiscal year 2014 a repayment of an interfund loan from the SR 100 CRA Fund to the General Fund resulted in an increase from the original budget. This repayment is reflected in the transfer amount for the FY 14 actuals.

Information Technology

Department Summary

The Information Technology (IT) Department's primary role is to provide services to other City departments and to distribute information to our citizens and customers. This department is supported by the IT&C Fund, a proprietary fund, which is funded mostly by internal charges to other City departments. In addition the fund receives outside revenue from Cell Tower rentals as well as usage charges for Fiber Optic services. Palm Coast FiberNET, a municipal owned, fiber based, open access network, began offering service to businesses in late fiscal year 2010. This business revenue allows the City to reduce the overall operating expense to other departments.

These services are provided by three divisions: IT Applications, IT Operations, and Geographical Information Systems (GIS). In the past, the Video and Communications division was in this department but was recently moved to our Communications and Marketing Department. IT provides, to our citizens and customers, services that include the development and maintenance of the City's website.

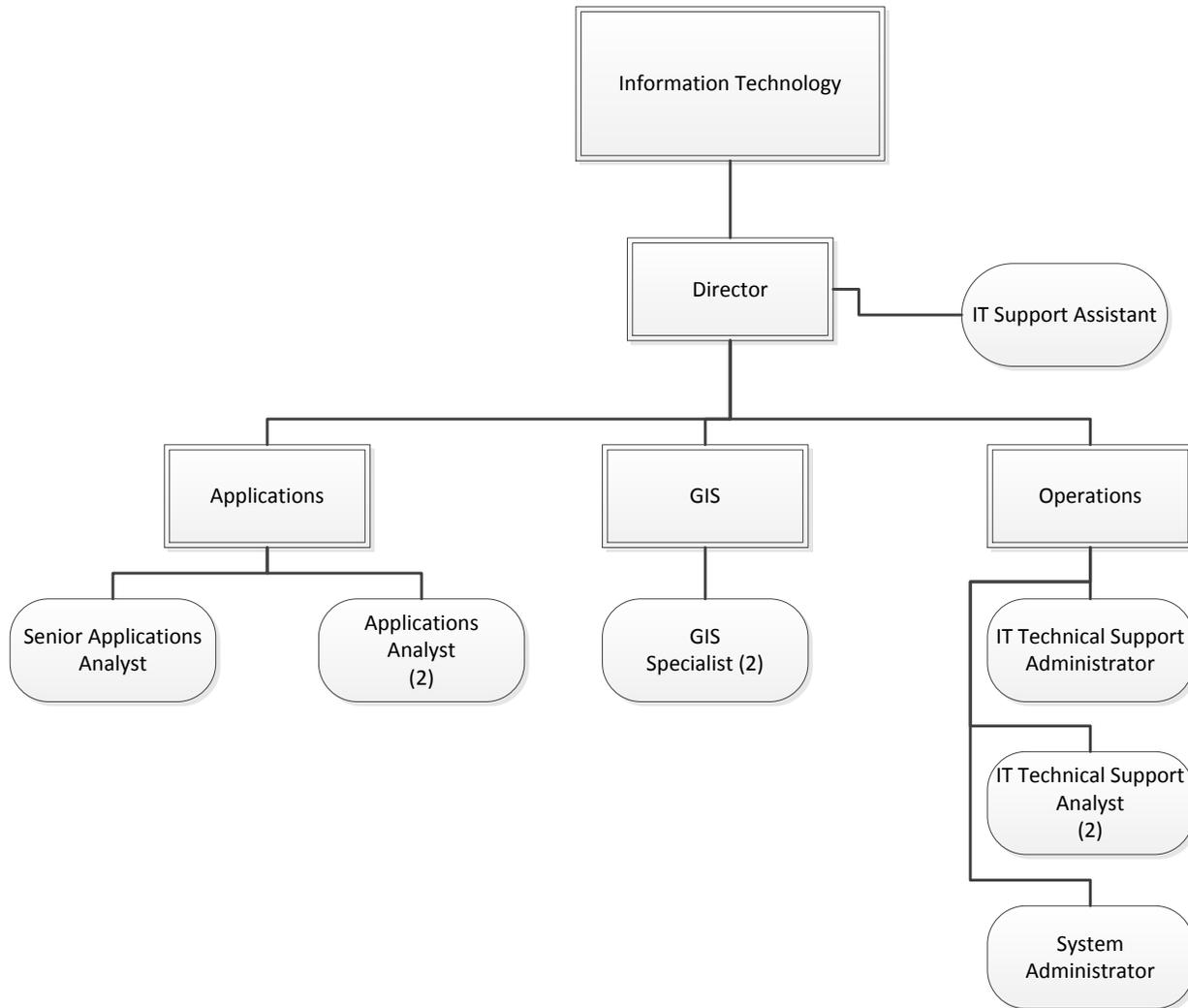
Continuing in the direction of "going green", IT has continues to implement paperless solutions to conserve resources and streamline processes. The use of tablet computers and consolidated printers, have furthered these "green" efforts. The IT department will continue to improve vital City processes while introducing new services where appropriate.

The City of Palm Coast's FiberNET – the Palm Coast area's only all-fiber network for high-speed Internet, telephone and other telecommunications services – is open for business. The FiberNET fiber optic network covers 50 miles of major roadways in Palm Coast and already connects city facilities, Flagler Schools, and more than two dozen businesses. Fiber is currently available along Palm Coast Parkway, Belle Terre Parkway, in Town Center and along the U.S. 1 corridor.

The city established FiberNET in 2007-08, and the network has grown each year. Because the system utilizes a dedicated fiber optic cable, the broadband speed for Internet, telephone and other services stays at a constant fast speed – not lagging during peak usage times.

As FiberNET continues to expand, the city hopes to add municipal wi-fi spots at parks and other public facilities and to use the network for traffic and emergency management.

Information Technology Organizational Chart



Information Technology

Department Objectives

Goal 1 Expansion - To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

- Perform Information Technology (I.T.) system upgrades

Goal 3 Finance - To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

- Increase efficiency through enhanced operations and technological advancements
- Evaluate communications costs for potential elimination of services
- Identify ways to increase efficiency and streamline processes

Goal 4 Environmental - To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife.

- Minimize paper use for city forms

Goal 5 Quality of Life - To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events.

- Initiate an events app as a test pilot program
- Develop a plan for emergency communication upgrades in consultation with Flagler County and other partners

Goal 6 Workforce Talent - To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

- Identify the scope and approach of deploying a mobile data application

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Information Technology

IT Fund

EXPENDITURE SUMMARY

Expenditures	Actual FY 14	Actual FY 15	Projected FY 16	Proposed FY 17	Net Change FY 16-17
Personal Services	\$ 742,500	\$ 738,656	\$ 856,480	\$ 948,465	\$ 91,985
Operating Expenditures	1,246,552	1,205,188	1,446,130	1,221,740	(224,390)
Capital Outlay	223,569	333,192	288,000	144,000	(144,000)
Debt Service	2,210	4,490	-	-	-
Grants and Aide	300,000	-	-	-	-
Transfers	14,000	14,000	14,652	15,335	683
Total Expenditures	\$ 2,528,831	\$ 2,295,526	\$ 2,605,262	\$ 2,329,540	\$ (275,722)

PERSONNEL ROSTER

Classification Title	Pay Grade	Approved FY 15	Approved FY 16	Proposed FY 17	Net Change FY16-17
<u>Full-time</u>					
Senior Staff Assistant	8	1.00	1.00	1.00	-
GIS Specialist	11	2.00	2.00	2.00	-
Support Specialist	11	1.00	1.00	1.00	-
Senior Support Analyst	13	1.00	1.00	1.00	-
Application Analyst	15	1.00	2.00	2.00	-
System Administrator	16	1.00	1.00	1.00	-
Senior Application Analyst	17	1.00	1.00	1.00	-
Operations Manager	18	1.00	1.00	1.00	-
Information Technology Director	22	1.00	1.00	1.00	-
Total Full-time		10.00	11.00	11.00	-
<u>Part-time/Temporary</u>					
		-	-	-	-
Total Part-time/Temporary		1.00	1.00	1.00	-
Total Personnel		10.00	11.00	11.00	-

Capital Improvement Program



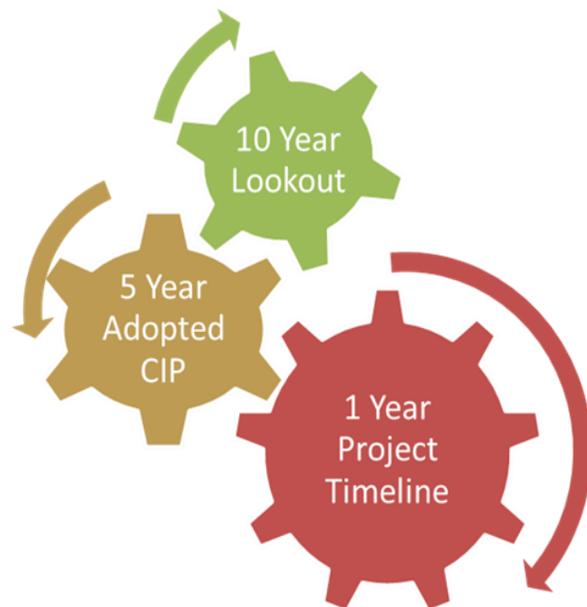


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Capital Improvement Program

PROCEDURE

Each year the Capital Improvement Program (CIP) is prepared from project requests submitted by the various departments. The requests require a project description, justification, cost estimates, statement of impact on the City's annual operating budget and an implementation schedule. After compilation of the requests, projects are reviewed by staff members from the City's Infrastructure Team. This team consists of project managers, planners, division managers, and the Finance Director. This team reports directly to the City Manager.



10 YEAR LOOKOUT

The infrastructure team prepares a "Ten-Year Capital Project Lookout" annually. This "lookout" is presented to City Council and allows staff to receive direction on future capital project needs.

5 YEAR ADOPTED CAPITAL IMPROVEMENT PROGRAM (CIP)

As an integral component of the annual budget process, each year a five-year CIP is adopted by City Council. Chapter 163 of the Florida Statutes requires the City to adopt a five-year schedule of capital improvements that includes publicly funded federal, state, or local projects, and may include privately funded projects for which the City has no fiscal responsibility. Projects necessary to ensure that any adopted level-of-service standards are achieved and maintained for the 5-year period must be identified as either funded, or unfunded and given a level of priority for funding. The five year schedule and the level of service standards are established in the Capital Improvements Element (CIE) of the City's Comprehensive Plan. Project review, along with available funding and CIE requirements, forms the basis of the program compiled by the Infrastructure Team. The recommended program is then reviewed by the Mayor and City Council in conjunction with their review of the annual operating budget. The City is required to review the CIE of the Comprehensive Plan on an annual basis and modify it as necessary to maintain a five-year schedule of capital improvements. Modifications to update the 5-year capital improvement schedule may be accomplished by Resolution and are not considered amendments to the Growth Management Plan.

1 YEAR PROJECT TIMELINE

At the start of the fiscal year, a one-year project timeline is presented to City Council. The timeline is updated quarterly to show changes throughout the year. The first year of the five-year Capital Improvement Program is the Capital Budget. The Capital Budget is adopted by the City Council with the adoption of the annual operating budget. There is no commitment to expenditures or appropriations beyond the first year of the Capital Improvement Program.

DEFINITION OF CAPITAL IMPROVEMENTS

Capital Improvements are defined as physical assets, constructed or purchased, that have a minimum cost of \$5,000 and a minimum useful life of three years. Only projects that meet this definition of a capital improvement are included in the program, such as:

- a. New and expanded physical facilities for the community.
- b. Large scale rehabilitation or replacement of existing facilities.
- c. Major pieces of equipment which have a relatively long period of usefulness.
- d. Equipment for any public facility or improvement when first erected or acquired.
- e. The cost of engineering or architectural studies and services relative to the improvement.
- f. The acquisition of land for a community facility such as a park, highway, sewer line, etc.

Normal replacement equipment and normal recurring renovations which are funded in departmental operating budgets and cost less than \$5,000 are generally excluded from the Capital Improvement Program. Exceptions will occur for projects that contain multiple phases, or the current year CIP project is the planning phase of a construction project.

FUNDING SOURCES FOR CAPITAL PROJECTS

General Revenue – CIP

General revenue consists of a variety of sources, including Property (Ad Valorem) taxes, Federal and State funding through grants, and other fees. Property tax revenue is based on a millage rate (one mill is equivalent to \$1 per \$1,000 of assessed value), which is applied to the total assessed property value. The City of Palm Coast's 2016 millage rate for capital projects totals .1622 mills and relates to stormwater improvements and a restroom at the sports fields.

Federal Aid – Community Development Block Grant Funds

Under the Housing and Community Development Act of 1974, recipients of funds may undertake a wide range of activities directed toward neighborhood revitalization, economic development and provision of improved community facilities and services. Specific CIP activities that can be carried out include acquisition of real property and demolition, acquisition, construction, reconstruction, rehabilitation, relocation or installation of public facilities.

Local Option Gas Tax Funds

Per State Statute, the revenue received can only be used for transportation related expenditures. Proceeds must be used toward the cost of establishing, operating and maintaining a transportation system and related facilities and the cost of acquisition, construction, reconstruction and maintenance of roads.

Small County Surtax

This tax replaced the Local Government Infrastructure Surtax which expired on December 31, 2012. This revenue is in the form of an additional county-wide sales tax of .5%.

Water and Wastewater Charges

Monthly service charges are assessed for the use of services and facilities of the City's water and wastewater system. Service charges are used to pay for operating expenses, maintenance, construction and debt service.

Stormwater Utility Fee

The City enacted a stormwater utility fee in 2005. Funds from this revenue source can only be used for the operation, maintenance, replacement, and construction of the City's stormwater management system. Each year a portion of the funding will be allocated for capital improvements, while the remainder will be used for operating and maintenance expenses.

Tax Increment Financing

A Community Redevelopment Agency may be established per Chapter 163 of the Florida Statutes to address blight conditions in a specified area. A base year is established and a base taxable valuation is determined for the property within the designated area. The tax increment above the base year valuation is then utilized in an effort to eliminate the blight conditions. Capital improvement projects, such as redevelopment projects or infrastructure improvements, maybe undertaken utilizing these funds. Tax Increment Financing is used to fund projects in the SR100 CRA Fund.

Impact Fees

The City adopted a Water, Wastewater, Transportation, Fire and Recreation Impact Fee Ordinance that allows the City to charge a fee for new construction projects to ensure that development pays its fair share of the cost of new and/or expanded facilities necessary to accommodate that growth. Impact fee revenue can only be used for growth and development related to capacity improvements.

Other Funds

Other Funds may include public and private contributions, developer commitments, transportation authority and agency commitments and other government participation.

FLEET REPLACEMENT PROGRAM

The initial purchase of new fleet is charged to the department and is approved by the City Manager during that department's budget approval process. The fiscal year following the year the initial purchase was made, an internal allocation begins being charged to the department for the estimated cost to replace the equipment in the future. This allocation includes an inflationary estimate. The length of time the allocation is collected is based on the expected life of the equipment. For example, if a vehicle is expected to last 5 years the replacement cost will be split into 5 annual allocation amounts. The allocation is charged to the department on a monthly basis.

The future replacement purchase is made by the fleet department and is charged to the fleet fund, an internal services fund, where the annual allocations are credited as revenue. All City vehicles and equipment are evaluated on an annual basis in order to prioritize the replacements and repairs needed in the upcoming year. During the evaluation the Fleet Supervisor takes into consideration the age, condition, maintenance cost and expected life of each piece of equipment and prepares a recommendation for management. Each year, the total cost of the annual replacement program is approved by City Council during the budget process and is approved by City Council prior to the actual purchase being made.

Impact of Capital Projects on the Operating Budget

The Capital Improvement Program is a crucial component of the City's annual budgeting process. Costs associated with new and expanded infrastructure are normally included in the operating budget at the time at which the item becomes operational. It is possible, in certain cases that impacts may be phased in during the construction or acquisition period. An example of this would be the construction of a Fire Station. Given the time-frame for recruiting, hiring and training, some personnel costs may be added to the budget prior to the official opening of the Station. Operating costs, such as utilities, would then be budgeted for the time the Station actually opens.

Some capital projects may require debt financing, resulting in scheduled annual debt service payments. Any applicable debt service on debt issued for capital projects is also included in the operating budget. Although the issuance of debt may be the most feasible way to fund capital improvements, debt service will reduce the amount of funds available for other uses. The ratio of debt service to the size of the budget as a whole, and particularly to operating costs, must be maintained at appropriate levels.

TRANSPORTATION

New transportation infrastructure normally does not have specific additional operating costs, other than material and supplies for maintenance. However, roads, sidewalks, pedestrian crossing, pavement marking, signals and signs must be kept up to City and other required standards. As more miles are brought on line, additional staff and equipment may be needed at some point in the future in order to maintain desired service levels.

RECREATION

New recreation infrastructure can have a significant impact on operating costs. These could include additional personnel, operating costs related to daily operations, materials and supplies.

STORMWATER

New stormwater infrastructure normally does not have specific additional operating costs, other than material and supplies for maintenance. In addition, infrastructure must be kept clear of debris. Maintenance of new and improved infrastructure included in the Capital Budget is included in the operating budget of the Stormwater operations and is funded from Stormwater Utility Fees accounted for in an Enterprise Fund. Funds from this revenue source can only be used for the operation, maintenance and construction of the City's stormwater management system. Each year, a portion of the funding is allocated for capital improvements, while the remainder is used for operating and maintenance expenses. Additional staff and equipment may be needed at some point in the future in order to keep the infrastructure maintained at an optimum level. No additional staff is being added this fiscal year.

WATER & WASTEWATER

A significant portion of the City's water and wastewater infrastructure is over 20 years old and deteriorating and declining in reliability and efficiency. Replacing equipment with current technology will assuredly generate energy savings. At this time the exact amount of savings is unknown.

Fiscal Year 2017 Major Capital Projects

Seminole Woods Path \$845,000 Capital Projects Fund

These amounts are to continue construction of a multi-purpose path along Seminole Woods Parkway. This includes design, permitting, environmental clearance and construction of this multi-phase project. The project will be completed in annual phases. A DOT grant of \$546,000 was secured for a portion of this years construction.

Future Impact: General Fund, Streets Division

Minimum maintenance will be required for the path which will include patches and maintenance of the landscape. The path also includes benches and trash receptacles will need to be maintained. This will require some future operating costs in the Streets division budget.

Holland Park Renovation \$580,000 Capital Projects Fund

This project includes the replacement of the utility infrastructure and will correct drainage issues. It will also enhance traffic circulation, add parking, correct ADA issues, and repair/renovate existing structures. Also included in the project is a new enlarged dog park, a bocce ball court covering, two new horseshoe pits, a new and enlarged playground, a new splash park, roadway and parking lot lighting, sports activity lighting, a perimeter walking trail, new fitness stations and new landscaping as well as irrigation. The amount allocated for fiscal year 2017 is to wrap up this phase of the project.

Future Impact: General Fund, Parks Maintenance Division

This is an existing park with existing operating costs. Upon completion, maintenance costs may increase due to the increase in size of the park and in usage as a result of the improvements.

Community Center Renovation \$4,500,000 Capital Projects Fund

This project includes the replacement of the existing Community Center, one of our oldest facilities. Construction is expected to begin in January 2017 and will carry over into 2018. Due to the increase in capacity, a portion of this project is being funded by impact fees.

Future Impact: General Fund, Parks & Recreation Department

This is an existing facility with existing operating costs. Upon completion, maintenance costs and some operating supplies are expected to increase due to the increase in the size of the facility. However, revenue from room rentals are also expected to increase which will offset this.

North Old Kings Road Widening Design \$1,375,000 Streets Improvement Fund

This project includes roadway widening of Old Kings Road from Palm Coast Parkway to Forest Grove Drive for a length of 3.3 miles. The project will consist of new asphalt pavement, drainage, concrete curb and gutter, and sidewalks. In addition, the project will include streetscape, irrigation upgrades to storm water retention ponds and traffic control, including signage and striping. The project scope was extended south of Palm Coast Parkway so that the intersection of Old Kings Road and Palm Coast Parkway could be designed into the ultimate configuration. This is the final portion of this project.

Future Impact: General Fund, Streets & Drainage Division

Anticipated impact to future operating budgets includes maintenance costs of the streetscape, roadway, traffic control devices, signage and irrigation.

Street Rehab and Renewal \$1,500,000 Streets Improvement Fund

The City of Palm Coast has over 550 miles of streets which it maintains. This amount is for the annual appropriation for the rehabilitation and renewal program.

Future Impact: General Fund, Streets & Drainage Division

This project is not anticipated to significantly impact future operating costs.

Swale Rehabilitation & Pipe Program \$2,192,411 Stormwater Management Fund

This is the cost of materials and labor needed to rehabilitate the swales and drainage pipes in the City. The goal is to regrade at least 25 miles of swales each year.

Future Impact: Stormwater Management Fund

This project is not anticipated to significantly impact future operating costs.

Wellfield and Wells \$2,350,000 Utility Capital Projects

This project includes wellfield expansion for Water Treatment Plant 2 and Water Treatment Plant 3 as well as some replacement well construction costs. This project is expected to receive grant funding from the St. Johns River Water Management District.

Future Impact: Utility Fund

Future operating costs include electrical, generator maintenance and load testing, motor, pump and misc. equipment O&M, landscaping, hydrological data collection and record keeping. This is estimated at \$6-8,000 per year per site.

Water Mains \$1,225,000 Utility Capital Projects

This project includes the Citation/Old Kings Road/SR100 water main loop, the Old Kings Road water main extension to Eagle Lakes and the relocation of the Old Kings Road North water main.

Future Impact: Utility Fund

Annual operating cost for this is considered to be very minimal.

Reclaimed Water Mains \$2,400,000 Utility Capital Projects Fund

This project includes a reclaimed water main for Seminole Woods Blvd and for US1 Palm Coast Park. This project is expected to receive grant funding from the St. Johns River Water Management District.

Future Impact: Utility Fund

The future operating costs are expected to be mostly labor costs for checking signage, reading meters, repairs to ARV's (air relief valves) and main breaks. Annual operating cost for this is considered to be very minimal.

Wastewater Treatment Plant 2 \$17,625,000 Utility Capital Projects

This project includes the engineering, design and a large portion of the construction costs to build a second wastewater treatment plant. This plant is being constructed to increase the city's wastewater capacity in order to keep up with demands as a result of growth. The entirety of this project is expected to be completed in fiscal year 2018.

Future Impact: Utility Fund

The second wastewater treatment plant will be an advanced wastewater treatment plant however future operating costs are anticipated to be in line with the cost of the existing wastewater treatment plant which is approximately \$2,500,000 per year.

Lift Stations and Pump Stations \$2,490,000 Utility Capital Projects

This project includes the Belle Terre/Matanzas Woods master pump station as well as other pump station upgrades. This project is expected to receive grant funding from the St. Johns River Water Management District.

Future Impact: Utility Fund

Annual operating cost for this pump station would include power, annual generator inspection and load testing and fuel, future odor control, landscape maintenance, and labor for weekly inspections by staff. Estimated cost of \$5,000 to \$7,000 per year for first five years.

2017 Capital Projects Timeline

The one year capital projects timeline does not include all capital projects. The design portion of each project is represented separate from the construction portion. During the course of the year the “on-going timeline” will be adjusted to reflect actual results. Portions of projects being done with in-house staff is highlighted in orange.

CAPITAL PROJECTS FUND		1st Quarter (FY17)			2nd Quarter (FY17)			3rd Quarter (FY17)			4th Quarter (FY17)		
Project Name		Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Seminole Woods Path													
	<i>Seminole Woods - Sesame to US 1 Construction</i>	ORIGINAL	TIMELINE	ORIGINAL	<i>Grant Deadline to complete project is April 30, 2017</i>								
	<i>Sesame/Clifton-Seminole to Seminole Design, Permits, Env. Clearance, CDBG Release (in-house)</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE						
	<i>Construction (in-house)</i>						ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL
	<i>SR-100 and US-1 Seminole Woods Signs Design (lighting)</i>						ORIGINAL						
	<i>Construction (in-house)</i>									TIMELINE	ORIGINAL		
Public Works Facility Improvements													
	<i>Master Plan</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL			
Northeast Corridor - Wetland Restoration													
	<i>Design & Permit</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE						
	<i>Construction (in-house)</i>												ORIGINAL
Community Center Improvements													
	<i>Construction</i>				ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL
Holland Park Improvements													
	<i>Construction (Phase 1)</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL					
Frieda Zamba Pool Pump Enclosure & Filtration & Generator													
	<i>Design</i>	ORIGINAL											
	<i>Construction</i>			ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	<i>Work to occur when pool closed from November 5 to April 17</i>					
Palm Harbor Golf Club													
	<i>Returfing of Bunkers (64) (9 holes per year)</i>												
	<i>Construction</i>	ORIGINAL	TIMELINE	<i>Work to be completed before Thanksgiving Holiday</i>									
ITSC - Baseball Field Dugout Replacement													
	<i>Construction</i>			ORIGINAL	TIMELINE	<i>Work to occur after fall baseball season and before spring season, November 20 to January 15</i>							
ITSC - Field Improvements - Sod Replacement & Underdrain													
	<i>Design (in-house)</i>					ORIGINAL	TIMELINE						
	<i>Construction (in-house)</i>										ORIGINAL	<i>Work to occur during field close</i>	
Playground Shade Sail Program (B.T. RC. SW. WP)													
	<i>Design</i>	ORIGINAL											
	<i>Construction</i>				TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL			
Indian Trails Sports Complex - Additional Field Lighting													
	<i>Design</i>	ORIGINAL	TIMELINE	ORIGINAL									
	<i>Construction</i>				ORIGINAL	TIMELINE	ORIGINAL						
City Hall Community Wing - Generator													
	<i>Design & Construction</i>				TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE		
PARK IMPACT FEE FUND		1st Quarter (FY17)			2nd Quarter (FY17)			3rd Quarter (FY17)			4th Quarter (FY17)		
Project Name		Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Town Center - Restroom Building													
	<i>Design</i>	ORIGINAL	TIMELINE	ORIGINAL									
	<i>Construction</i>				ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	<i>Work to be completed by May 7 - P.E. Rio & Pops Event</i>				
ITIS - Restroom Building													
	<i>Design</i>	ORIGINAL	TIMELINE	ORIGINAL									
	<i>Construction</i>				ORIGINAL	TIMELINE	ORIGINAL	TIMELINE					
Lehigh/Belle Terre Trailhead (FPL Easement)													
	<i>Design</i>												ORIGINAL
									<i>(Deadline to submit application package to TPO is March 31, 2016)</i>				

STREETS IMPROVEMENTS FUND		1st Quarter (FY17)			2nd Quarter (FY17)			3rd Quarter (FY17)			4th Quarter (FY17)		
Project Name		Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Lakeview Sidewalk (Lanancha to London)													
	Design (in-house)	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	(Deadline to submit bid package to TPO is March 31, 2016)					
	Construction												ORIGINAL
Forest Grove Sidewalk (east extension to Ferndale and west extension to OKR)													
	Design (in-house)						ORIGINAL	TIMELINE	ORIGINAL				
	Construction (in-house)									ORIGINAL			
Palm Coast Pkwy Sidewalk (Pine Lakes to St Joe Plaza)													
	Design (in-house)				ORIGINAL	TIMELINE	ORIGINAL						
	Construction (in-house)												ORIGINAL
Pine Lakes Pedestrian Bridge & Gravity Wall Repair													
	Design (portion in-house)				ORIGINAL	TIMELINE	ORIGINAL						
	Construction (Wood Pedestrian Bridge Repairs) (in-house)								ORIGINAL	TIMELINE			
	Construction (Gravity Wall Repairs)								ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL
Whiteview - Safety, Path & Beautification Improvements													
	Transportation Safety Study (Pritchard to US1) (in-house)	ORIGINAL	TIMELINE	ORIGINAL									
	Design (all improvements)				ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE			
	Construction											ORIGINAL	TIMELINE
Palm Harbor Parkway Median Beautification (European Village)													
	Construction (in-house)					ORIGINAL	TIMELINE						
Belle Terre Median Beautification (Royal Palms to SR100)													
	Construction (in-house)				ORIGINAL	TIMELINE	ORIGINAL						
Street Rehab & Renewal													
	Pavement Analysis & Long Range Plan	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL							
	Identify Projects & Bid						ORIGINAL	TIMELINE					
	Construction (in-house)									ORIGINAL	TIMELINE	ORIGINAL	TIMELINE
Signal Optimization													
	Design/Bid (Phase 2)	ORIGINAL	TIMELINE	ORIGINAL									
	Construction (Phase 1)	ORIGINAL	TIMELINE										
	Construction (Phase 2)				ORIGINAL	TIMELINE	ORIGINAL						
ADA Transition Plan & Implementation													
	Study/Design/Construction (in-house)	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE
	Construction (Phase 1)											ORIGINAL	
Seminole Woods / SR100 Intersection - Add NB Left Turn Lane													
	Design	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	(Deadline to submit bid package to TPO is March 31, 2016)						
	Construction												ORIGINAL
Old Kings Road N. Widening - Kingswood to Forest Grove													
	Design	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	(Design to be completed by grant deadline of June 30, 2017)					
	Right-of-Way Acquisition	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE
Colorado Bridge at College Waterway													
	Construction	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	
OKR / Town Center Traffic Signal													
	Construction	ORIGINAL	TIMELINE										
TRANSPORTATION IMPACT FEE FUND		1st Quarter (FY17)			2nd Quarter (FY17)			3rd Quarter (FY17)			4th Quarter (FY17)		
Project Name		Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Belle Terre Corridor Intersection Safety Analysis													
	Design	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE						
	Construction (Phase 1)							ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE

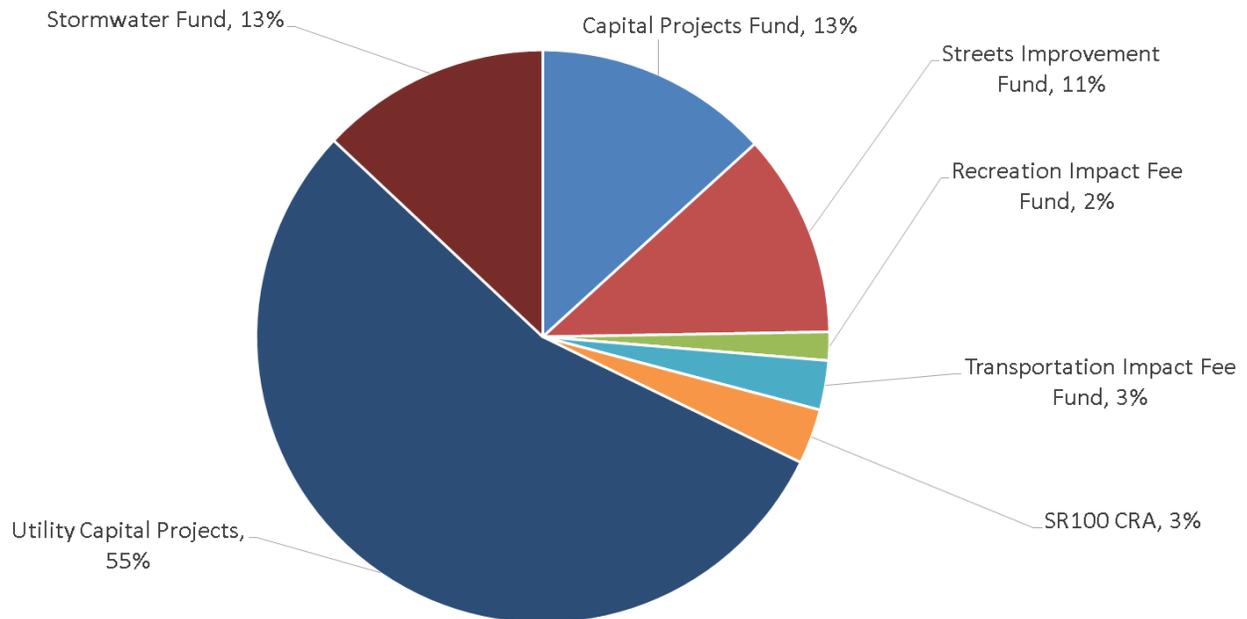
STORMWATER MANAGEMENT FUND		1st Quarter (FY17)			2nd Quarter (FY17)			3rd Quarter (FY17)			4th Quarter (FY17)		
Project Name		Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Section 30 Modeling	<i>Construction of South Tributary 1 (in-house)</i>				TIMELINE	ORIGINAL	TIMELINE						
LIDAR QL1 Standard (Citywide Update)	<i>Lidar Update</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE
BS-2 Weir Replacement	<i>Construction</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	<i>(Construction to be completed by grant deadline of April 1, 2017 - requested 1 month extension)</i>					
W-1 Weir Replacement & Major Crossing Rehab	<i>Design (in-house)</i>							ORIGINAL	TIMELINE	ORIGINAL			
Concrete Lined Ditch	<i>Design</i>				ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE			
Electronic Monitoring System	<i>Installation (2 locations, BT-2 & L-4)</i>				ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE			

UTILITY CAPITAL PROJECTS FUND		1st Quarter (FY17)			2nd Quarter (FY17)			3rd Quarter (FY17)			4th Quarter (FY17)			
Project Name		Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	
Wellfield and Wells - Wellfield Expansion WTP #2	<i>Southern Wellfield Raw Water Main, Phase 2 Construction</i>										<i>(Construction to be completed by grant deadline of May 31, 2016)</i>			
Wellfield and Wells - AWS Investigation/APTWTP #3	<i>Aquifer Performance Testing Study, Construction & Evaluation</i>	ORIGINAL	TIMELINE	ORIGINAL	<i>(Construction to be completed by grant deadline of September 30, 2016, report due by December 30, 2016)</i>									
WTP#1, Replace Generator & Electrical Upgrades	<i>Design</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL								
	<i>Construction</i>							ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	
Biosolids Treatment Study	<i>Study</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	
Force Main - Pine Lakes to WWTP#2	<i>Design (in-house)</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL				
Seminole Woods Blvd. Reclaim Water Main, Phase 2	<i>Construction</i>	ORIGINAL	TIMELINE	ORIGINAL	<i>(Construction to be completed by grant deadline of December 30, 2016)</i>									
Reclaimed Water Main - US 19 Palm Coast Park (aquifer recharge)	<i>Design (in-house)</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE									
	<i>Construction</i>							ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	
Wastewater Treatment Plant #2	<i>Construction</i>	<i>(Construction to be completed by grant deadline of April 15, 2016)</i>												
		ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	
Wastewater Treatment Plant #2	<i>Reclaimed Water Discharge to Wetlands Construction</i>	<i>(Construction to be completed by grant deadline of April 15, 2016)</i>												
		ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	
Pump Station Upgrades, 34-1	<i>Modeling (in-house)</i>			ORIGINAL										
	<i>Design (in-house)</i>				ORIGINAL	TIMELINE	ORIGINAL	TIMELINE						
	<i>Construction</i>									ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	
Belle Terre / Mahanaz Woods Master Pump Station	<i>Construction</i>	<i>(Construction to be completed by grant deadline of October 20, 2017, requested extension to November 1, 2017)</i>												
		ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	
PEP System Upgrades	<i>Modeling (in-house)</i>	ORIGINAL	TIMELINE											
	<i>Design (in-house)</i>			ORIGINAL	TIMELINE	ORIGINAL	TIMELINE							
	<i>Construction (in-house)</i>									ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	

OTHER CAPITAL PROJECTS		1st Quarter (FY17)			2nd Quarter (FY17)			3rd Quarter (FY17)			4th Quarter (FY17)		
Project Name		Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Fiber Conduit - Belle Terre 5 arch to WTP 2	<i>Design (in-house)</i>												
								ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE
OTHER													
Transportation Impact Fee Study	<i>Study</i>	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL	TIMELINE	ORIGINAL			

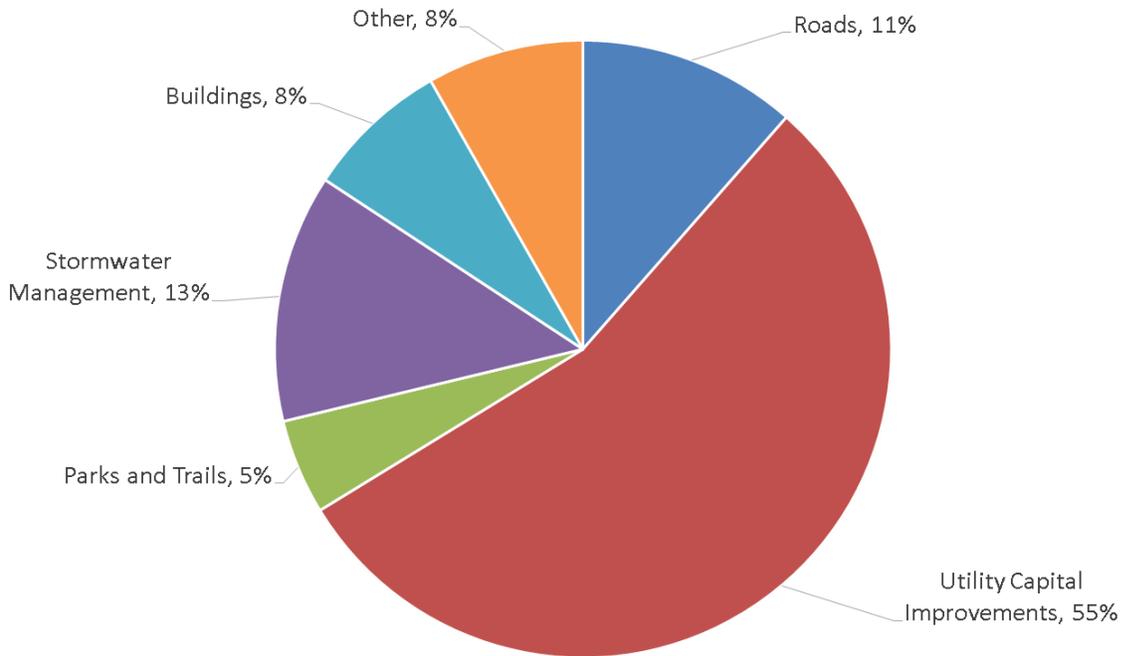
2017 Capital Improvement Program by Fund

FUNDING SOURCE	AMOUNT	% of TOTAL
Capital Projects Fund	\$7,911,000	13%
Streets Improvement Fund	6,853,000	11%
Recreation Impact Fee Fund	955,000	2%
Fire Impact Fee Fund	-	0%
Transportation Impact Fee Fund	1,660,000	3%
SR100 CRA	1,858,057	3%
Utility Capital Projects	32,707,343	55%
Stormwater Fund	7,760,378	13%
Total Capital Budget	\$59,704,778	



2017 Capital Improvement Program by Type

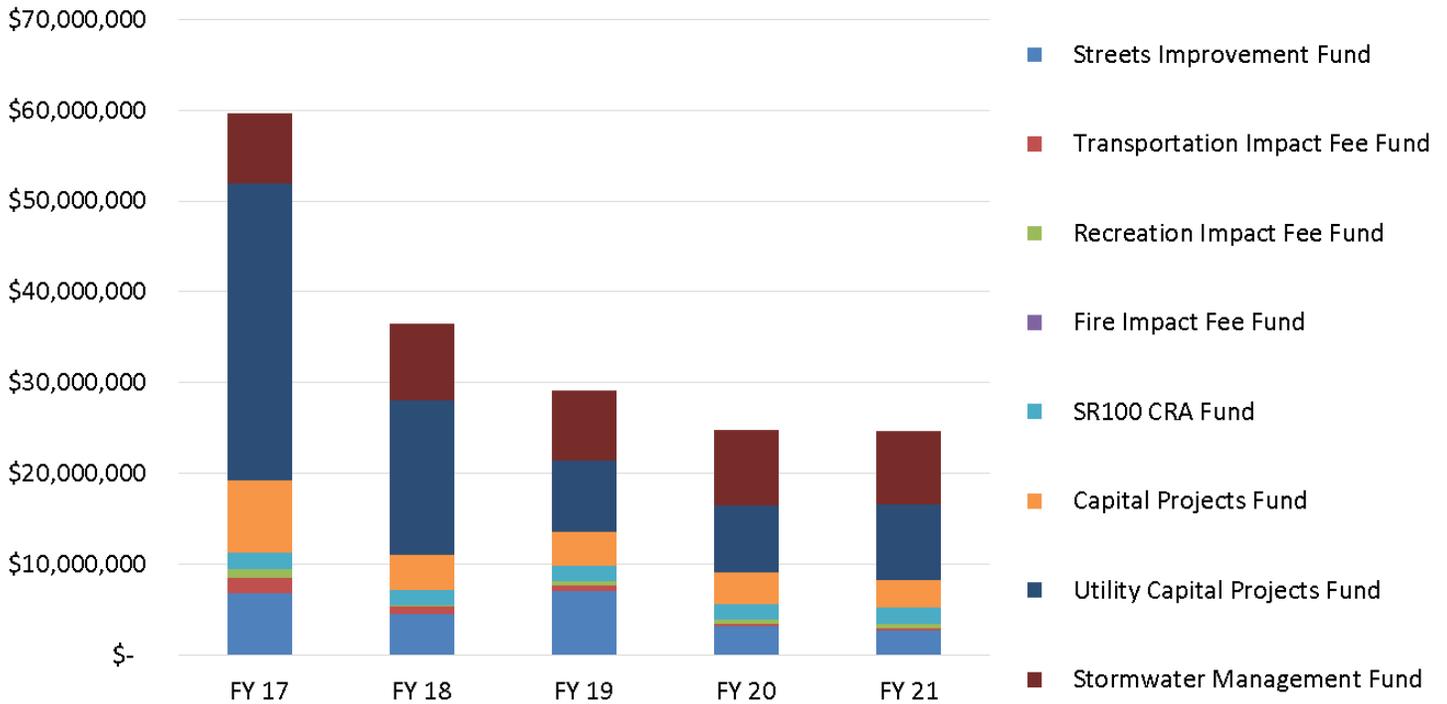
TYPE	AMOUNT	% OF TOTAL
Roads	\$ 6,853,000	11%
Utility Capital Improvements	32,707,343	55%
Parks and Trails	2,975,000	5%
Stormwater Management	7,760,378	13%
Buildings	4,500,000	8%
Other	4,909,057	8%
	<u>\$ 59,704,778</u>	



Capital Improvement Program by Fund

5 Year Program Summary

Fund	FY 17	FY 18	FY 19	FY 20	FY 21
Streets Improvement Fund	\$ 6,853,000	\$ 4,593,000	\$ 7,040,000	\$ 3,260,000	\$ 2,690,000
Transportation Impact Fee Fund	1,660,000	735,000	660,000	160,000	310,000
Recreation Impact Fee Fund	955,000	235,000	485,000	500,000	450,000
Fire Impact Fee Fund	-	-	-	-	-
SR100 CRA Fund	1,858,057	1,683,230	1,708,649	1,708,436	1,783,441
Capital Projects Fund	7,911,000	3,750,000	3,650,000	3,550,000	3,050,000
Utility Capital Projects Fund	32,707,343	17,020,000	7,875,000	7,280,000	8,350,000
Stormwater Management Fund	7,760,378	8,443,845	7,771,522	8,376,452	8,088,682
Grand Total	\$ 59,704,778	\$ 36,460,075	\$ 29,190,171	\$ 24,834,888	\$ 24,722,123



Capital Improvement Program by Fund

5 Year Program Detail

PROJECT	FY 17	FY 18	FY 19	FY 20	FY 21
Ad Valorem Taxes	141,418	-	-	-	-
Small County Surtax	2,800,000	2,856,000	2,913,120	2,971,382	3,030,810
FDOT Seminole Woods Path - Phase 6	146,000	-	-	-	-
Transfers from CDBG Entitlement	531,225	-	-	-	-
Transfer from Recreation Impact Fees - Long Creek	-	-	-	500,000	450,000
Transfer from Recreation Impact Fees - Holland Park	-	-	245,000	-	-
Transfer from Recreation Impact Fees - Comm Center	230,000	235,000	240,000	-	-
Transfer Proceeds from CRA - Community Wing	575,000	600,000	625,000	125,000	-
Total Capital Projects Fund Revenues	\$ 4,423,643	\$ 3,691,000	\$ 4,023,120	\$ 3,596,382	\$ 3,480,810
Seminole Woods Path	645,000	-	-	-	-
Seminole Woods Path - FDOT	200,000	-	-	-	-
Matanzas Woods Path Amenities	-	-	-	-	-
Public Works Renovations	300,000	-	-	200,000	2,750,000
Wetland Mitigation Bank Construction	100,000	400,000	-	-	-
Long Creek Nature Preserve	-	-	50,000	3,000,000	-
Community Center Renovation and Expansion	4,500,000	3,000,000	-	-	-
Holland Park	580,000	75,000	3,400,000	-	-
Park Renovations	825,000	225,000	200,000	300,000	300,000
ITSC Additional Lighting	450,000	-	-	-	-
Trailheads, Trail Signs, Commercial District Wayfinding	-	50,000	-	50,000	-
City Hall	311,000	-	-	-	-
Total Capital Projects Fund Expenditures	\$ 7,911,000	\$ 3,750,000	\$ 3,650,000	\$ 3,550,000	\$ 3,050,000
Recreation Impact Fees	367,700	382,400	397,700	413,600	430,100
Total Recreation Impact Fee Fund Revenue	\$ 367,700	\$ 382,400	\$ 397,700	\$ 413,600	\$ 430,100
Transfer to Cap Projects Community Center	230,000	235,000	240,000	-	-
Transfer to Cap Projects Long Creek	-	-	-	500,000	450,000
Transfer to Cap Projects Holland Park	-	-	245,000	-	-
ITMS Restrooms	300,000	-	-	-	-
Town Center Restrooms	425,000	-	-	-	-
Total Recreation Impact Fee Fund Expenditures	\$ 955,000	\$ 235,000	\$ 485,000	\$ 500,000	\$ 450,000

PROJECT	FY 17	FY 18	FY 19	FY 20	FY 21
Impact Fees	2,450,000	2,700,000	2,850,400	3,214,400	3,214,400
SJRWMD Reclaimed Grant - Grand Landings	66,710	-	-	-	-
SJRWMD WTP2 Wellfields	569,250	-	-	-	-
SJRWMD Matanzas Woods MPS	750,000	-	-	-	-
SJRWMD Reclaimed Water US1	462,000	-	-	-	-
Beachside Sewer	-	-	450,000	750,000	-
Interest on Investments	316,500	318,470	254,215	254,215	254,215
Proceeds from Debt	19,525,000	1,445,000	-	-	-
R & R Transfer	3,538,862	3,574,251	3,609,994	3,646,094	3,682,555
Total Utility Capital Projects Fund Revenue	\$ 27,678,322	\$ 8,037,721	\$ 7,164,609	\$ 7,864,709	\$ 7,151,170
Operating Expenditures	567,343	115,000	35,000	65,000	235,000
Water Treatment Plant # 3	-	-	-	-	-
Wellfield and Wells	2,350,000	300,000	400,000	400,000	500,000
Water Mains	1,225,000	-	-	-	-
Water Treatment Plant #1	1,000,000	-	175,000	-	-
Water Treatment Plant #2	680,000	-	-	-	300,000
General Plant R & R - Water	500,000	600,000	600,000	600,000	600,000
Distribution System Improvements	710,000	905,000	975,000	975,000	1,125,000
PEP System	900,000	950,000	1,050,000	1,100,000	1,100,000
Wastewater Treatment Plant #1	950,000	4,430,000	400,000	-	250,000
Force Mains	100,000	700,000	-	-	-
Reclaimed Water Mains	2,400,000	3,000,000	1,500,000	300,000	1,350,000
Wastewater Treatment Plant #2	17,625,000	3,730,000	-	950,000	1,500,000
Beachside Sewer System	-	500,000	1,500,000	1,500,000	-
Lift Stations and Pump Stations	2,490,000	880,000	330,000	330,000	330,000
General Plant R & R - Wastewater	1,210,000	910,000	910,000	1,060,000	1,060,000
Total Utility Capital Projects Fund Expenditures	\$ 32,707,343	\$ 17,020,000	\$ 7,875,000	\$ 7,280,000	\$ 8,350,000
Ad Valorem Taxes	418,442	481,208	553,390	636,398	731,858
Grants	335,000	-	350,000	-	385,000
New Revenue	-	400,000	-	-	-
Stormwater Fees	7,240,846	7,269,809	7,298,889	7,328,084	7,357,397
Total Stormwater Management Fund Revenue	\$ 7,994,288	\$ 8,151,018	\$ 8,202,278	\$ 7,964,482	\$ 8,474,254
Operating Expenses/Debt Service	4,488,061	4,577,822	4,669,379	4,762,766	4,858,022
Swale Rehab	1,484,288	1,497,974	1,511,934	1,526,172	1,540,696
Pipe Replacement	901,028	908,049	915,210	922,514	929,964
Weirs	415,000	250,000	380,000	380,000	415,000
Major Crossings	-	605,000	-	310,000	-
Modeling Improvements	225,000	180,000	150,000	180,000	200,000
Concrete Lined Ditch	30,000	250,000	-	-	-
Electronic Monitoring System	30,000	30,000	-	-	-
Canal & Seawall Replacements	50,000	50,000	50,000	50,000	50,000
Valley Gutter Replacements	75,000	75,000	75,000	75,000	75,000
Land Acquisitions	20,000	20,000	20,000	20,000	20,000
Fresh Water Dredging	-	-	-	150,000	-
New Equipment	42,000	-	-	-	-
Total Stormwater Fund Expenditures	\$ 7,760,378	\$ 8,443,845	\$ 7,771,522	\$ 8,376,452	\$ 8,088,682

PROJECT	FY 17	FY 18	FY 19	FY 20	FY 21
Local Option Fuel Tax	1,875,000	1,875,000	1,875,000	1,875,000	1,875,000
State Revenue Sharing	692,540	706,400	720,500	734,900	749,600
OKR Extension Phase 2	40,000	-	4,500,000	-	-
OKR North Widening Design	275,000	-	-	-	-
OKR North Widening ROW	1,100,000	-	-	-	-
Matanzas Woods 4 Lane - Ph 2	-	1,903,000	-	-	-
SR 100 I95 Ramp Landscape	200,000	-	-	-	-
Transfer from Transportation Impact Fee Fund	700,000	-	-	-	-
Fines & Forfeitures	120,000	-	-	-	-
Total Streets Improvement Fund Revenue	\$ 5,002,540	\$ 4,484,400	\$ 7,095,500	\$ 2,609,900	\$ 2,624,600
Operating Expenditures	108,000	-	-	-	-
Sidewalks and Bike Paths	670,000	400,000	185,000	250,000	125,000
Parkway Beautification	485,000	200,000	300,000	300,000	530,000
Street Rehab and Renewal	1,920,000	1,830,000	1,880,000	1,935,000	1,935,000
Traffic Signals	415,000	135,000	75,000	475,000	-
Intersection/Turn Lanes	65,000	50,000	50,000	50,000	50,000
PCP Six Lane	175,000	-	-	-	-
OKR Extension Phase 2	40,000	-	4,500,000	-	-
Palm Harbor Extension	15,000	25,000	-	-	-
OKR North Widening	1,375,000	-	-	-	-
Bridge Rehab and Renewal	1,550,000	50,000	50,000	250,000	50,000
Wetland Mitigation Engineering Study	35,000	-	-	-	-
Matanzas Woods 4 Lane - Ph 2	-	1,903,000	-	-	-
Total Streets Improvement Fund Expenditures	\$ 6,853,000	\$ 4,593,000	\$ 7,040,000	\$ 3,260,000	\$ 2,690,000
Fire Impact Fees	118,600	123,300	128,200	133,300	138,600
Total Fire Impact Fee Fund Revenue	\$ 118,600	\$ 123,300	\$ 128,200	\$ 133,300	\$ 138,600
Fire Station #22 Replacement	-	-	-	-	-
Total Fire Impact Fee Fund Expenditures	\$ -				



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Workforce Talent





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Workforce Talent

Implementation Through a Team Approach

Using a team approach, our talented workforce has begun implementing objectives and strategies to achieve City Council goals. The use of a team approach is an effort to foster individual skills and highlight the talent that exists within our workforce. These teams have proven to be a critical component in accomplishing all of the goals in the Strategic Action Plan.

New teams are created as the need arises and are phased out if and when the team's objective is met. A team evaluation is done each year to determine if the team is on track or if new direction is needed. At that time, strategies for the next year are also identified. The City Manager oversees all of these teams. Teams have performance measures to track progress and meet quarterly with the City Manager to provide a quarterly progress report.

Goal 1 Expansion - To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

Infrastructure Team

Team objective: Ensuring a comprehensive and cohesive approach towards planning, implementing and maintaining the City's overall infrastructure.

Drainage Team

Team objective: To coordinate all drainage concerns on the design and construction with all City Departments on any projects in the City whether public or private.

Parks Team

Team objective: To coordinate city recreational projects and the design and maintenance standards of city park facilities.

Goal 2 Economic - To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.

Economic Development Team

Team objective: Enhance the local economy by maintaining our neighborhoods, helping existing businesses, and attracting investment.

Public Private Partnership (P3) Team

Team objective: To facilitate and enhance the effectiveness of the development process; improve coordination, project reviews, inspections, customer service, technology, communication and overall quality.

Brand + Team

Team objective: To strengthen and expand brand awareness while exploring new ways to enhance public engagement.

Goal 3 Finance - To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.

Internal Controls Team

Team objective: Assuring achievement of the City of Palm Coast's objectives in operational effectiveness and efficiency, reliable reporting and compliance with laws, regulations and policies.

Process Improvement Team

Team objective: Evaluate the effectiveness of existing processes and recommend improvements that will increase efficiency.

Safety Team

Team objective: Establish and maintain a safe and efficient workplace environment by analyzing preventable losses and implementing procedures and/or programs to prevent injury and mitigate losses.

Fibernet & Communications Team

Team objective: Evaluate current FiberNet and City Cell tower assets along with their respective sales processes to create a plan to enhance the services they provide and expand resources to increase profits.

Goal 4 Environmental - To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife.

Green Team

Team objective: To enhance the quality of life for our citizens by reducing the City's footprint on natural resources and promoting sustainable practices

Floodplain Management Team

Team objective: To support and educate our citizens about flood hazards and the National Flood Insurance Program, while ensuring a safe community through steadfast stewardship of floodplain management, hazard mitigation, open space protection and comprehensive stormwater management.

Goal 5 Quality of Life - To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events.

FEST Team:

Team objective: Enrich the lives of our citizens and visitors by providing family-friendly events to the public that celebrates community spirit through various forms of entertainment, festivals, tournaments, and activities to showcase the City of Palm Coast and stimulate economic growth in our community.

Strategic Action Planning (SAP) Team

Team objective: To ensure a steadfast pursuit of the City's Vision through the Strategic Action Plan process while regularly reporting progress to City Council and the citizens of Palm Coast

SERT Team

Team objective: To regulate City and Non-City sponsored special events that occur in City limits.

Goal 6 Workforce Talent - To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

Performance Evaluation Team

Team objective: To provide a mechanism for employee checks and balances with the introduction of an evaluation tool that will rate the performance of employees against the goals and expectations of the departments, City Council and citizens of Palm Coast

Wellness Team

Team objective: Create a culture of health and wellness and empower employees with the knowledge, support and incentives to take control of their health through awareness, assessment and ongoing education while generating a positive return by lowering health care costs.

BAM Team

Team objective: Identify, develop and implement programs that make employees feel motivated, recognized and valued.

EAT Team

Team objective: Develop and implement a comprehensive plan to improve City employee skills and performance through education and training.

Leadership Program

LEADERSHIP INTERN TRAINING EXPERIENCE (LITE) PROGRAM

In January 2012, the City of Palm Coast City Manager implemented a management development program for professional employees interested in developing their skills while taking challenges beyond primary roles and expertise.

Through the Leadership Intern Training Experience (LITE) team concept, employees are provided the opportunity to work directly with the City Manager and other members of top management. The concept dually serves the City of Palm Coast City Council Goal 6 for Workforce Talent with the implementation of Approaches (projects) through the following Objectives and Strategies:

- Objective 6.1: To develop a program to improve staff retention and recognize individual skills and talents
- ⇒ Strategy 6.1.1: A program to identify individual skills and foster improvement of professional skills and talents
 - ⇒ Strategy 6.1.3: Develop an Employee Motivation and Reward Program
- Objective 6.2: To develop in-house and identify external training opportunities for employees
- ⇒ Strategy 6.2.1: Create a comprehensive training program

Program Objectives

To address City needs for executive leadership and to develop additional capacity within the City organization to provide executive leadership for projects and issues not normally accommodated/ accomplished as part of the routine functions of the City organization. The program is also intended to provide growth opportunities for professional employees in developing their skills and tackling challenges. Through this unique management style, the City Manager recruited employees to participate in two (2) capacities.

Considerations for LITE Team Leader Eligibility:

- Minimum of one-year as full-time employee in current position
- Exempt Employee Status / Salary Employment
- Desired Skill Levels for Team Leaders
- Professionals with academic achievements and professional licenses/certifications
- Top Performers
- Highly self-motivated individual who demonstrates a desire to advance

Awards & Recognition





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Awards and Special Recognition

Environmental Awards & Recognition

The Tree City USA Growth Award is provided by The Arbor Day Foundation, in cooperation with the National Association of State Foresters and the USDA Forest Service, to recognize environmental improvement and encourage higher levels of tree care throughout America. This award is designed not only to recognize achievement, but also to communicate new ideas and help the leaders of all Tree City USAs plan for improving community tree care. Palm Coast has earned the Growth Award every year since 2006.



The National Arbor Day Foundation, in cooperation with the U.S. Forest Service and the National Association of State Foresters, annually recognizes communities that effectively manage their public tree resources. Palm Coast has earned the Tree City USA recognition each year since 2005.

Received the Florida Green Building Coalition (FGBC) 2016 Green Achievement Award for being a FGBC Certified Green Local Government and receiving the highest score of a certifying City

Excellence in Education Award from the Northeast Florida Regional Council for the Children Helping In Resource Protection (CHIRP)

A story about the Children Helping In Resources Protection (C.H.I.R.P.) program was featured in the City Spotlight section of the January/February 2016 edition of the Quality Cities magazine of the Florida League of Cities. The story highlights how the program helps children learn the importance of Florida's natural resources.

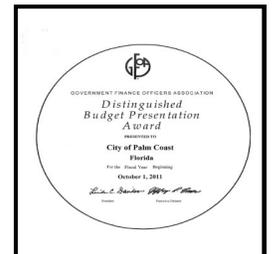
Palm Coast City Hall was awarded LEED certification at the Silver level for design and construction that demonstrates high performance in sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. Palm Coast is the fifth City Hall in Florida to be LEED-certified.

Communications & Marketing Awards

- ✓ Bronze Telly Award in the TV Programs, Segments, or Promotional Pieces – Information category was received for the Zombie Survival Guide to Bicycle Safety PSA created in partnership with the Fire Department.
- ✓ The Northeast Florida Regional Council’s Excellence in Public Safety Award for the “Change Your Batteries” smoke detector fire prevention PSA video.
- ✓ Two Communicator Awards – an Award of Excellence for the “Walk Through Life” Parks & Recreation video, in the Public Relations category; and an Award of Distinction for “Change Your Batteries,” a Fire PSA, in the Public Safety category.
- ✓ A Bronze Telly Award of Excellence for the “Are You In?” economic development video, in the category of Government Relations.
- ✓ First place in the 2015 Government Programming Awards given by NATOA, for the “Walk through Life” Parks & Recreation video, in the Profile of a City/County government category. Also, honorable mention for “Walk through Life” for Innovative Use of Video.

Finance Awards

The GFOA Certificate of Achievement for Excellence in Financial Reporting was received for the fiscal year 2015 Comprehensive Annual Financial Report (CAFR). This is the 15th consecutive year the City of Palm Coast has received this award.



The GFOA Budget Presentation award was received for the fiscal year 2016 budget document. This is the 13th consecutive year the City of Palm Coast has received this award.

The GFOA Award for Outstanding Achievement for Popular Annual Financial Reporting was received for the fiscal year 2015 Popular Annual Financial Report (PAFR). This is the 3rd consecutive year the City of Palm Coast has received this award.



The ICMA Center for Performance Analytics recognized the City of Palm Coast for the third year in a row for its performance management efforts with a Certificate of Distinction. Palm Coast is among eight jurisdictions receiving the Certificate of Distinction, and one of 52 recognized overall.

Utility Department Awards

The Palm Coast "Water Buoys" team represented the city well by, once again, taking first place in both the State and the National Top-Ops competitions hosted by the American Water Works Association. The College Bowl style competition is a true test of the contestants' dedication to the water treatment profession. Competing against some of the best water treatment professionals across the country, this is the tenth time the City of Palm Coast team has won the State contest and the sixth time for the National title.



The City of Palm Coast placed fifth in the nation in the National Mayor's Challenge for Water Conservation, among cities with populations of 30,000 to 99,999. This is Palm Coast's second time participating in the annual program in which residents pledge to conserve water and cut pollution.

Trip Advisor named the top 20 vacation rental destinations in the U.S. in April 2015, and Palm Coast scored the highest out of the 6 Florida destinations on the list! Read "6 Praiseworthy Florida Vacation Spots" at: <http://www.tripadvisor.com/VacationRentalsBlog/2015/04/09/6-praiseworthy-florida-vacation-spots-to-add-to-your-bucket-list/>

The City of Palm Coast was honored as a 2015 Healthy Weight Community Champion by the Florida Surgeon General - in recognition of the Parks & Recreation Department's annual Palm Coast Running Series. The Surgeon General of the Florida Department of Health's "Healthiest Weight Florida" campaign is a public-private collaboration to help Florida's children and adults make informed, consistent choices about healthy eating and active living.

In August 2014, Forbes magazine named Palm Coast as the nation's No. 7 City for the Best Small Places for Business and Careers. One of the criteria for placing Palm Coast over areas such as Dubuque, Iowa, and Auburn, Alabama, was the community's efforts to grow tourism and technology industries.

See the story at: www.forbes.com/pictures/mli45ekgej/7-palm-coast-fla

Where To Retire magazine selected Palm Coast among its Top Eight Low-Cost Cities in the U.S. for retirement. The story showcasing Palm Coast was featured in the magazine's September/October 2014 edition.



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Financial Policies





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Financial Policies

Summary

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, financial policies have been established to ensure the long term financial viability of the City and to diversify and strengthen the City's economy.

Balanced Budget:

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.

Budget Amendments:

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. Additional information about the budget amendment process can be found in the Budget Overview section of this document.

User Fees:

General Fund user fees will be established to cover the cost of providing the related services. These would include development fees, engineering fees, and others. The fees should cover all current operating costs. 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.

One Time Revenues:

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.

Capital Assets Policy:

The acquisition, disposition, and monitoring of City owned property is governed by Chapter 274 of the Florida Statutes. The City will consider capital assets to be any tangible or intangible property with a value of \$ 5,000 or more and a projected useful life of more than two years as per guidance provided by the Government Finance Officers Association (GFOA) and Governmental Accounting Standards Board (GASB).

Debt Management:

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. On November 5th 2013 City Council adopted a Debt Management Policy. This policy in its entirety can be found later on in this section of the budget document.

Fund Balance:

On July 21, 2009 a Fund Balance policy was adopted by City Council outlining minimum requirements for unassigned fund balance. This policy may be revised annually to include additional funds or limits. The policy in its entirety can be found later on in this section of the budget document.

Investments:

On December 12, 2012 City Council adopted an Investment Policy for the City of Palm Coast. This policy in its entirety can be found later on in this section of the budget document.

Purchasing:

On December 17, 2002 ordinance 2002-06 was adopted by City Council providing for the purchase or procurement of purchases and contractual services. This policy in its entirety can be found later in on this section of the budget document.

Capital Assets Policy

The acquisition, disposition, and monitoring of City owned property is governed by Chapter 274 of the Florida Statutes. The City will consider capital assets to be any tangible or intangible property with a value of \$ 5,000 or more and a projected useful life of more than two years as per guidance provided by the Government Finance Officers Association (GFOA) and Governmental Accounting Standards Board (GASB).

A. DESIGNATION OF CUSTODIAN

The Department head will designate a custodian(s) of all capital assets held by that department. The custodian will be responsible for monitoring the locations of all capital assets and facilitating the purchase, disposition and transfer of any assets within their inventory. The custodian will work with the Finance Department during the bi-annual physical inventory to ensure all assets are accounted for and will also be responsible for ensuring all procedures are followed in the acquisition and disposition of capital assets.

B. ASSET CAPITALIZATION GUIDELINES

These guidelines are being provided to assist management when making the determination between which asset related expenditures are/are not recommended to be capitalized in accordance with governing laws, rules and regulations. The following guidelines, except where noted, apply equally to both Governmental Funds and Proprietary Funds. Definitions are provided as needed.

New Asset – Cost of \$ \$5,000 or more incurred to acquire an individual asset or to make an asset ready for its intended use should be capitalized.

Additions – Purchased additions to previously capitalized assets that meet the capitalization threshold, should be capitalized as add-ons to the existing property record.

Replacements/Improvements – The cost to replace or improve an existing asset should be capitalized if it meets the capitalization threshold and at least one of the following criteria:

- a) Extends the useful life of the existing asset
- b) Increase the effectiveness or efficiency of an asset

For replacements, the old asset should be removed from the fixed asset system if it can be separately identified or if a cost can be estimated for its original value and then adjusted in the fixed asset system.

Repairs and Maintenance – Costs that are associated with repairs and maintenance are not recommended for capitalization because they do not add value to the existing asset. However, major repairs that extend the useful life or increase the effectiveness or efficiency of an asset may be classified as improvements and therefore should be capitalized (see #3).

C. ACQUISITION OF CAPITAL ASSETS

All acquisitions will follow the procedures outlined:

1. After a department determines a need for a capital asset, they will obtain approval to purchase the item from the City Manager and the City Council or designee during the annual budget process. In the event a capital asset needs to be purchased and was not approved in the budget, the department will need approval first from the Finance Director or Infrastructure Committee, if applicable, then the City Manager, and the City Council, if applicable.
2. After approval is obtained, the requesting department will enter a requisition into the system and forward it to the Purchasing Department with the required authorizations per the purchasing policy. The requisition shall contain a detailed description of the item and the cost, as well as required supporting documentation. The requisition will then be converted to a purchase order.

1. After receiving a capital asset, the requesting department will send the approved invoice, and the New Asset Transmittal Sheet, if applicable, to the Finance Department for processing. If the item is a replacement for an existing capital asset, the Asset Disposal and Retirement Form must be sent to the Finance Department prior to or at the same time as purchase of the new asset.
2. The Finance Department assigns capital asset numbers for all capital assets. City vehicles are tagged by the Fleet Manager and computer equipment is tagged by the IT&C Department or designee. Items that are unable to be tagged will still be assigned a capital asset number.
3. Donated property with a market value in excess of \$5,000.00 will be added into the capital assets system. The department must provide written notification to the Finance Department of any donated capital assets. Donated land will be recorded at market value. No minimum threshold will be applied to Donated land.
4. All vehicles purchased will be held solely in the name of the City. If a trade-in is involved please refer to section F of this policy.

D. DISPOSITION OF CAPITAL ASSETS

All dispositions of capital assets are coordinated by the Purchasing and Contracts Department. Public Works is responsible for the evaluation and approval of all Fleet and equipment disposals. If the capital asset is computer equipment, the IT&C Department will review and approve the disposal.

1. The Purchasing & Contracts Department will arrange for the disposal of capital assets through direct sale, bids, or through the use of an auctioneer.
2. The Purchasing Department will provide a list of disposed assets to the Finance Department. The Finance Department will remove the capital asset from the capital asset inventory, and record the payments received for the disposed assets.
3. The items will be disposed of in accordance with Florida Statutes, Section 274. Any funds received from the sale of those assets will be credited back to the purchasing department's Fund.
4. Capital assets paid for by a grant should follow granting agency's procedures for disposal.
5. If the capital asset is missing and believed stolen, a police report must be completed and a copy attached to the disposal record.
6. All assets approved for disposition will be picked up by Public Works.
7. If the item is in working condition, it will be picked up and stored by Public Works until disposition.
8. Any assets deemed to be in non-working condition and to have little or no value will be transported to the local salvage yard by Public Works.
9. Any proceeds will be submitted to the Finance Department for processing. Public Works will provide documentation from the salvage yard to the Finance Department showing the disposal of such items.

E. DISPOSITION THROUGH TRANSFER OF CAPITAL ASSETS

All transfers of capital assets between departments must be submitted to the Finance Department on an Equipment Transfer Form. The Finance Department will transfer the asset as requested.

F. DISPOSITION THROUGH TRADE-IN

Before any capital asset can be used as a trade-in on a new piece of equipment, it must be approved by the Purchasing & Contracts Department. All trade-ins of capital assets must be submitted to on a New Asset Transmittal Form. Once approval has been given from the Purchasing & Contracts Department, the Finance Department will update the status of the asset traded in on the capital asset system.

G. DISPOSITION OF NON-CAPITAL ASSETS

If a department wishes to dispose of a non-capital item that is not in working condition, this disposal must be initiated and approved by the Department Head. It is the responsibility of the department to dispose of the item. If the item requires additional assistance to dispose of, contact Public Works

If a department wishes to dispose of a non-capital item that is in working condition, then they must follow the same procedures outlined in Section D regarding sending the items to auction.

H. BI-ANNUAL PHYSICAL INVENTORY OF CAPITAL ASSETS

A physical inventory of a department's capital assets will be conducted on bi-annual basis. A representative from the Finance Department will schedule the inventory with each department's designated capital assets custodian. All assets will be physically located and accounted for by the custodian and the Finance Department representative. An Inventory Report will be sent to the department head after completion of the physical inventory that summarizes any additions, deletions, or changes noted during the inventory. The department head will review the form, make changes if necessary, and approve by signing and returning it to the Finance Department.

PROCEDURES SPECIFIC TO ASSET TYPE:

I. MODULAR FURNITURE

This section has been added to provide additional guidance as it specifically relates to modular furniture.

1. Modular furniture that meets the capitalization threshold should be capitalized as equipment/furniture, by lot or by individual unit.
2. If the modular furniture cannot be separately identified from the total cost of the building, it is recommended that the modular furniture be capitalized as part of the building. If you have any questions regarding this, please contact the Finance Department.

J. REPLACEMENT OF ASSETS BY INSURANCE

When a capital asset is severely damaged or destroyed by a covered peril under the City's insurance policy, and the replacement of that asset has been approved through funding from the City's insurance policy, the new capital asset must be paid for by the department that owns the asset (that department's budget).

Reimbursement must then be requested by the department to Contracts & Risk Management. Contracts & Risk Management will then instruct the Finance Department to reimburse the department for their cost of replacing the asset. Proper backup is necessary to complete the reimbursement. Also, the asset that was destroyed must be deleted from that department's inventory.

K. INTANGIBLE ASSETS

Intangible assets such as computer software, easements, and land use/water/leachate rights will be capitalized on the City's books and amortized over their useful lives unless that life is indefinite.

Computer software is considered an intangible asset if it is developed in-house by City employees or by a third party contractor on behalf of the government. This includes any commercially available software that is purchased or licensed by the City and that the City must exert minimal incremental effort before the software can be put into operation (per GASB 51). Such purchases will be capitalized if they meet the City's capitalization threshold (Section B). Yearly renewals and regular upgrades of existing software will be considered an operating cost and expensed as incurred. The City will amortize software over 3-5 years, depending on whether the software is a component of an existing system or a brand new system.

Easements and rights granted to or purchased by the City will be assumed to have an indefinite useful life unless there are contractual or legal requirements that state otherwise. In those instances, the City will amortize those easements and rights over the life stated in the contract documents.

L. OPERATING PROCEDURES

The Finance Director and Purchasing & Contracts Manager will create necessary operating procedures in order to apply this policy.

Debt Management Policy

OVERVIEW:

The City of Palm Coast (City) recognizes the foundation of any well-managed debt program is a comprehensive debt policy. The debt policy sets forth the parameters for issuing debt and managing outstanding debt. The policy also provides guidance to Management and the City Council regarding the timing and purpose for which debt may be issued, types and amounts of permissible debt, the method of sale that may be used and structural features that may be incorporated. The debt policy recognizes a binding commitment to full and timely repayment of all debt as an intrinsic requirement for entry into capital markets. Adherence to the debt policy helps to ensure that the City maintains a sound debt position and that credit quality is protected. The debt policy promotes consistency and continuity in decision-making, rationalizes the decision-making process, and demonstrates a commitment to long-term financial planning objectives.

PURPOSES AND USES OF DEBT:

The City may issue debt using several types of securities including: general obligation credit that is secured by the City's ability to levy ad valorem taxes on real and personal property within the City; assessment bonds that are secured by a special assessment placed upon the property owners benefiting from specific improvements to their community; and revenue bonds that are secured by dedicated revenue streams arising from sales taxes, special taxes and charges for services, such as, water, sewer and solid waste collection and disposal fees.

Additionally, the City may utilize a covenant to budget and appropriate legally available non-ad valorem revenues in its short-term borrowings. This can provide valuable cash flow and cash management capabilities in managing the City's ongoing capital improvements programs by providing interim or gap financing for the City's pay-as-you-go capital programs.

Other types of debt subject to this Debt Management Policy include State Revolving Fund Loans (SRF Loans), anticipation notes and other promissory notes that may be issued for the repayment of short, intermediate or long-term debt. Several guiding principles have been identified which provide the framework for the issuance, management, continuing evaluation of, and reporting on all debt obligations issued by the City.

PLANNING AND STRUCTURE OF CITY INDEBTEDNESS:

To enhance creditworthiness and prudent financial management, the City is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment to systematic capital planning is demonstrated through adoption and periodic adjustment of a Comprehensive Plan pursuant to Chapter 163, Florida Statutes, the Florida Growth Management Act and Rule 9 J (5), and the adoption of the five-year Capital Improvement Plan (CIP). The CIP will identify, rank, and assess capital projects, determine useful life, and recommend specific funding sources for the projects for the five-year period. Annually, management will also prepare and submit to City Council a 10-year capital infrastructure plan, which will be incorporated into the long-term financial planning process.

Capital Financing: The City normally will rely on specifically generated funds and/or grants and contributions from other governments to finance its capital needs on a pay-as-you-go basis. To achieve this, it may become necessary to secure short-term (not exceeding a three-year amortization schedule) construction funding. Such financing, allows maximum flexibility in CIP implementation. Debt of longer amortization periods (long-term debt) will be issued for capital projects when it is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries. In general, debt shall not be used for projects solely because insufficient funds are budgeted at the time of acquisition or construction.

General Obligation Securities: The City will seek voter authorization (per the City Charter) to issue general obligation bonds only for essential projects. In addition, such authority will be sought only after it is determined by the Council that no other funds are available to meet project costs.

Term of Debt Repayment: Borrowings by the City will mature over a term that does not exceed the economic life of the improvements that they finance or exceed the term of the revenue securing such debt. The City will consider long-term financing for the acquisition, replacement, or expansion of physical assets (including land).

Method of Sale: The City will market its debt through the use of competitive bid whenever deemed feasible, cost-effective and advantageous to do so. However, in some situations, certain complexities and intricacies of a particular debt issue are such that it may be beneficial to market the debt via negotiated sale.

Interest Rate: In order to maintain a stable debt service burden, the City will attempt to issue debt that carries a fixed interest rate. Conversely, it is recognized that certain circumstances may warrant the issuance of variable rate debt. In those instances, the City should attempt to stabilize debt service payments through the use of an appropriate stabilization arrangement or maintain a manageable amount of variable rate debt.

Revenue Pledge: Revenue sources will only be pledged for debt when legally available, and when it can be justified that residents or others that receive the benefits of the pledged revenue should repay the related debt.

Debt Guarantees: The City may consider, on case-by-case basis, the use of its debt capacity for legally allowable capital projects by public development authorities or other special purpose units of the government.

Financing Proposals: Any capital financing proposal involving a pledge or other extension of the City's credit through the sale of securities, execution of loans or leases, marketing guarantees, or otherwise involving directly or indirectly the lending or pledging of the City's credit, is referred to and reviewed by members of the Financing Team.

Conduit Bond Financing: Periodically, the City may be approached with a request to provide conduit bond financing for qualified projects. Examples may include infrastructure as part of a special assessment district. Applications for such issues will be processed by the Financing Team, which will provide funding recommendations to the City Council.

Public-Private Partnerships: There may be opportunities presented to the City in which a private party provides a public service or project and assumes substantial financial, technical and operational risk in the project. These partnerships will be carefully evaluated to ensure that any related debt issuance has a minimal impact on the City.

CREDITWORTHINESS:

The City seeks to maintain the highest possible credit ratings for all categories of short and long-term debt that can be achieved without compromising the delivery of basic City services and the achievement of the adopted City Strategic Action Plan. For those agencies that maintain a credit rating on the City, the Finance Department will provide these organizations with all of the necessary budgetary and financial information as published and upon request.

Financial Disclosure: The City is committed to full and complete financial disclosure and to cooperating copiously with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensible, and accurate financial and other relevant information. The City is committed to meeting secondary disclosure requirements on a timely and broad basis. The Finance Department is responsible for ongoing disclosures to established national information repositories and for maintaining compliance with disclosure standards promulgated by State and national regulatory bodies, and may carry-out such responsibility through the engagement of an outside dissemination agent.

Debt Limits: The City will keep outstanding debt within the limits prescribed by State Statute and the City Charter and at levels consistent with its creditworthiness, best-practices needs and affordability objectives.

DEBT STRUCTURE:

Debt will be structured to achieve the lowest possible net cost to the City given market conditions, the urgency of the capital project and the nature and type of the security provided. Moreover, to the extent possible, the City will design the re-payment of its overall debt to re-capture its credit capacity for future use.

Length of Debt: Debt will be structured for the shortest amortization period consistent with a fair allocation of costs to current and future beneficiaries or users.

Back Loading (Back-end Load): The City will seek to structure debt with level principal and interest costs over the life of the obligation. Back loading of costs will be considered under extraordinary circumstances, such as, natural disasters or where unanticipated external factors make it necessary for short-term costs of the debt to be prohibitive. Further, where the benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present and/or when such structuring is beneficial to the City's overall amortization schedule, or will allow the debt service to more closely match project revenues during the early years of the venture's operation.

Refunding: The City's staff and advisors will undertake periodic reviews of all outstanding debt to determine refunding opportunities. Refunding will be considered (within Federal tax law constraints) if, and when, there is a net economic benefit of the refunding or it is necessary to modernize covenants essential to operations and management. An advance refunding for the purpose of economic advantage will be considered if there exists the opportunity to secure a net present value savings of at least three percent of the refunded debt. A current refunding that produce a net present value saving of less than three percent will be considered on a case-by-case basis. A refunding that result in a negative savings will not be deliberated unless there is a compelling public policy or legal objective.

Credit Enhancements: Examples include letters of credit and bond insurance. These types of guarantees will only be considered if the net debt service on the bonds is reduced by more than the costs of the enhancement.

Fixed Interest Debt: Fixed interest debt will be issued by the City if management anticipates that interest rates may rise over the term of the loan.

Variable Rate Debt: The City may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities that is consistent with State law and covenants of pre-existing bonds, as well as, dependent on market conditions. The City will limit its outstanding variable rate bonds to reasonable levels in relation to total debt.

Subordinate Debt: The City may issue subordinate debt only if it is financially beneficial to the City or consistent with creditworthiness objectives.

Short Term Notes: Use of short-term borrowing, such as bond anticipation notes and tax-exempt commercial paper, will be undertaken only if the transaction costs plus interest on the debt are less than the cost of internal financing or if available cash is insufficient to meet working capital requirements.

State Revolving Fund Program: This program provides funds for projects involving water supply and distribution facilities, storm water control and treatment projects, air and water pollution control, and solid waste disposal facilities. Whenever possible, this program will be utilized since the costs associated with issuing the notes are low and local agencies benefit from the strength of the State's credit.

Bank Term Loan Program: The City reserves the possibility of using bank loans where financially feasible and appropriate.

DEBT ADMINISTRATION AND COMPLIANCE:

The City shall comply with all covenants and requirements of bond resolutions, and State and Federal laws authorizing and governing the issuance and administration of debt obligations.

Report to Bondholders: The City, through the Finance Department, shall prepare and release to all interested parties the Comprehensive Annual Financial Report (CAFR), which will act as the ongoing disclosure document required under the Continuing Disclosure Rules promulgated by the Securities Exchange Commission (SEC).

This report shall contain general and demographic information on City, and a discussion of the general government, the solid waste system, the water and wastewater utility system, the storm water utility system, and any additional systems that may subsequently be established by the City. The information presented on the general government and on the enterprise system shall comply with the disclosure obligations set forth in the Continuing Disclosure Certificates issued in connection with its debt obligations, and may include information on the following: service areas; rates and charges; financial statement excerpts; outstanding and proposed debt; material events; a summary of certain bond resolution provisions; a management discussion of operations; and other such information that the City may deem to be important. The report shall also include Notes to the Financial Statements, and to the extent available, information on conduit debt obligations issued by the City on behalf of another entity.

Tax-Exempt Debt Compliance: The City will comply with all applicable Federal tax rules related to its tax-exempt debt issuances. This includes compliance with all applicable Federal tax documentation and filing requirements, yield restriction limitations, arbitrage rebate requirements, use of proceeds and financed projects limitations and recordkeeping requirements. Given the increasing complexity of the Federal tax law applicable to tax-exempt debt issuances, the Finance Department has separately created a tax-exempt debt policy.

Arbitrage Compliance: The Finance Department maintains a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirements of the Federal tax code. Arbitrage rebate liabilities will be calculated annually and the liability will be reported in the City's annual financial statements.

FINANCING TEAM SELECTION:

As part of the debt management process, the Financing Team (FT) currently operates to review and make recommendations regarding the issuance of debt obligations and the management of outstanding debt. The FT will consider all outstanding and proposed debt obligations, and develops recommended actions on issues affecting or relating to the creditworthiness; security; and repayment of such debt obligations; consisting, but not limited to procurement of services and investment of all borrowed funds; structure; repayment terms; and covenants of the proposed debt obligation; and issues, which may affect the security of the bonds and primary and secondary market disclosures to bondholders.

The FT consists of the City Manager or designee and the City Attorney or designee, department management and the Finance Director. Other participants, as required, will include the City's financial advisor, bond counsel, the underwriter (in a negotiated sale), disclosure counsel, paying agent/registrar, trustee and other specialists who provide the following services: credit enhancements, feasibility studies, auditing, arbitrage compliance, and printing. These specialists will also assist with the development of bond issuance strategies, the preparation of bond documents, and will coordinate marketing efforts for sales to investors.

The Financing Team Selection Process: The Finance Director will provide recommendations to the City Council on the selection of underwriters, bond counsel, disclosure counsel, financial advisors and any other necessary participant. The City Council will make all final determinations. The Finance Director's recommendations will be made following an independent review of responses to requests for proposals (RFPs) or requests for qualifications (RFQs) by the evaluation team.

Underwriters: For all competitive sales, underwriters are selected by competitive bids. For negotiated sales, underwriters are selected through an RFP. The City Manager or designee, the Finance Director, and the Financial Advisor will conduct the evaluation of responses of the RFPs.

Bond Counsel: The City retains external bond counsel for all debt issues. Further, that all debt issued by the City, includes a written opinion by the bond counsel affirming that the City is authorized to issue the debt. Bond counsel is also responsible for determining the debt's Federal income tax status, the preparation of the ordinance authorizing issuance of the obligations and all of the closing documents to complete a bond sale, as well as, performing any other services defined by their contract with the City. Bond counsel will also coordinate activities with the City Attorney and/or other Counsel and

the other members of the FT including, but not limited to the Finance Director. The City Attorney, Bond Counsel and FT will review all public-private partnerships to ensure compliance with State and Federal laws and regulations. Bond counsel is engaged through the purchasing process outlined in the COPC Purchasing Policy. The selection criteria will include a requirement for comprehensive municipal debt experience

Disclosure Counsel: The City retains external disclosure counsel for all public offerings. The disclosure counsel renders an opinion to the City and a reliance letter to the underwriters; if requested, that indicates that the offering document contains no untrue statements or omits any material fact. The disclosure counsel shall provide legal advice to the City to assist in meeting its secondary market disclosure obligations. The disclosure counsel is engaged in the same manner as bond counsel.

Underwriter's Counsel: In negotiated public offerings, the senior managing underwriter may select counsel, subject to approval by the City, to be compensated as an expense item to be negotiated as part of the gross underwriting spread.

Financial Advisor: The City retains a financial advisor selected through the purchasing process outlined in the COPC Purchasing Policy. The financial advisors are required to have comprehensive municipal debt experience including diverse financial structuring and pricing of municipal securities. For each City bond sale, the financial advisor will assist the City in determining the optimum structure of the debt and negotiating favorable pricing terms and managing the debt issuance process. In addition to transactional tasks, the financial advisor will advise the City on strategic financial planning matters and assist in management and operational evaluations and improvements, where appropriate, and as directed by the City. To ensure independence, the financial advisor will not bid on nor underwrite any City debt issues.

A Paying Agent: The City may utilize a paying agent on all City bonded indebtedness; the fees and expenses for servicing outstanding bonds are paid from the appropriate debt service fund unless specified otherwise by the City.

DEBT ISSUANCE PROCESS:

The debt issuance process provides a framework for reporting and evaluating the different types of securities, as well as, a means for dealing with the costs and proceeds associated with such securities.

Debt Evaluation Report: The FT will be responsible for preparing and presenting a report to the City Council relating to current and future debt options and challenges; as needed. Such a report, may include the following elements: (1) calculations of the appropriate ratios and measurements necessary to evaluate the City's credit as compared with acceptable municipal standards; (2) information related to any significant events affecting outstanding debt, including conduit debt obligations; (3) an evaluation of savings related to any refinancing activity; (4) a summary of any changes in Federal or State laws affecting the City's debt program; and (5) a summary statement by the FT as to the overall status of the City's debt obligations and debt management activities.

Investment of Bond and Note Proceeds: All proceeds of debt incurred by the City other than conduit debt obligations are invested as part of the City's consolidated cash pool unless otherwise specified by the bond covenants and approved by the Finance Director. The City will develop detailed draw schedules for each project funded with borrowed monies. The City will invest the proceeds of all borrowings consistent with those authorized by the City's investment policy, and in a manner that will ensure the availability of funds as described in the draw schedules.

Costs and Fees: All costs and fees related to the issuance of bonds other than conduit bonds are paid out of bond proceeds or by the related department budget.

Bond insurance (also known as financial guarantee insurance): The City may consider the use of bond insurance to enhance its credit rating and marketability of its securities based upon an assessment of its cost-effectiveness.

Competitive Sale: In general, City debt is issued through a competitive bidding process. Bids are awarded on a True Interest Cost basis (TIC), provided other bidding requirements are satisfied. The FT shall review all bids and provide bid evaluations to the City Council. If the FT determines that the bids are unsatisfactory it may enter into negotiations of sales of securities.

Negotiated Sale: A negotiated sale of debt may be considered when the complexity of the issue requires specialized expertise; or when the negotiated sale would result in substantial savings in time or money; or when market conditions are unusually volatile; or if the City's credit is problematic; or when a negotiated sale is otherwise in the best interest of the City.

PERIODIC REVIEW AND AMENDMENT:

The debt policies above will be subject to review and revision annually. The Finance Department will make recommendations on any proposed amendments or revisions to City Council for approval.

CITATIONS & GLOSSARY:

The Internal Revenue Code, the Florida Statutes, the Local City Charter and/or the City Ordinances outline legal borrowing authority, restrictions and compliance requirements with the Florida Constitution and Statutes authorize the issuance of bonds by Counties, Municipalities and certain Special Districts.

- Section 125.013 – General Obligation; Revenue Bonds
- Chapters 130 & 132 – County Bonds & General Refunding Law
- Section 154.219 – Revenue Bonds
- Chapter 159 – Bond Financing
- Section 163.01(7) – Florida Inter-local Cooperation Act of 1969
- Chapter 166, Part II – Municipal Borrowing
- Chapter 215 – Financial Matters: General Provisions
- Chapter 218, Part III – Local Financial Management & Reporting

TYPES OF DEBT DEFINED:

Bond Anticipation Notes: Are notes issued by a governmental unit in anticipation of the issuance of general obligation or revenue bonds.

Commercial Paper: Is short-term debt (from 1 to 270 days) to finance capital projects.

General Obligation Bonds: Are obligations secured by the full faith and credit of a governmental unit payable from the proceeds of ad valorem taxes.

Limited Revenue Bonds: Are obligations issued by a governmental unit to pay the cost of improvements of a project or combination of projects payable from funds of a governmental unit, exclusive of ad valorem taxes, special assessments, or earnings from such projects.

Revenue Bonds: Are obligations of a governmental unit issued to pay the cost of improvements of a self-liquidating project or a combination of projects payable from the earnings of the project and any other special funds authorized to be pledged as additional security.

Special Assessment Bonds: Are bonds that provide for capital improvements paid in whole or in part by the levying and collecting of special assessments on the abutting, adjoining, contiguous, or other specially benefited property.

Bond Pools: Offer governmental units an opportunity to participate in a joint venture with other entities to borrow funds for capital improvements, renovations, fixed asset additions or the refinancing of existing debt. The advantages of bond pools may include improved marketability and reduction in issuance costs through economies of scale. Bond pools provide either long-term fixed or variable rate debt products.

Bank Borrowings: Financial institutions offer short-term financing needs for governmental units to alleviate temporary cash flow timing differences (e.g. bond, revenue, or tax anticipation notes). In addition, banks can provide long-term financing solutions for capital projects. Traditional revolving credit facilities and other financing vehicles, such as leasing arrangements, can also provide local governmental units an additional source of funds.

PARTIES ENGAGED IN A DEBT OBLIGATION:

Independent Financial Advisor: In many cases, debt financing involves complex transactions requiring specific expertise not always available in small governments. Depending on the funding purpose, and level of debt required, it is recommended that an independent financial advisor be engaged to represent the governmental unit during the debt issuance process. This individual or firm would be responsible to the appropriate governmental decision-makers and recommend the best method of sale and structure for the debt issue. An independent financial advisor can also provide assistance with the selection of other financial professionals.

Underwriter: The underwriter purchases the bonds of the local government and usually on a percentage fee basis of the issue, markets the bonds to the ultimate bond purchaser. The underwriter may be chosen through a competitive RFP process for a negotiated sale, or public bid process through a competitive sale process. The underwriter is compensated from the proceeds of the bond sale.

Bond Counsel: The bond counsel works on behalf of the bondholders (but is hired by the local government) to ensure compliance with Federal laws and regulations related to the issuance of tax-exempt debt. The bond counsel prepares the legal documents related to the financing and oversees the closing process for the bonds. Additionally, the bond counsel may be chosen through a competitive RFP process, and in most cases, is paid from the proceeds of the debt issuance.

Credit Rating and Credit Enhancements: Various independent bond rating agencies assess the credit quality of the borrowing entity and debt offerings. Superior ratings by these organizations command favorable borrowing rates resulting in lower overall cost of funds. Many governmental units strive to maintain or improve their bond rating in order to preserve easy access to credit markets.

These and other variables affect the overall rate of interest paid by the governmental unit. The use of credit enhancements can also reduce overall borrowing costs and improve the quality of the debt issuance. Surety bonds or insurance (guaranteeing the repayment of the obligation) enhance the offering to potential investors by providing additional strength to the issue.

****THIS POLICY WAS APPROVED AND ADOPTED BY CITY COUNCIL BY RESOLUTION ON NOVEMBER 5th 2013**

Fund Balance Policy

The General Fund unassigned fund balance, at year end, will be between ten percent and twenty percent of the following year's budgeted expenditures. Unassigned fund balance over twenty percent may be transferred to the Disaster Reserve Fund, if necessary to meet the fund balance goal, or to the Capital Projects Fund. If the unassigned fund balance is below ten percent at year end, a plan must be developed using increased revenues or a reduction in expenditures to return the unassigned fund balance to ten percent or greater within three years. If economic conditions cause a temporary loss of revenue, the unassigned fund balance may be used to help alleviate the affects of the loss of revenue. If the unassigned fund balance exceeds ten percent of the following year's budgeted General Fund expenditures, up to 50% of the amount over the ten percent minimum, may be used to offset the shortfall. At no time should the unassigned fund balance be used to offset a structural deficit since these types of deficiencies are considered to be permanent.

The Utility Fund unrestricted net position, at year end, will be between ten percent and twenty percent of the following year's budgeted operating expenses. Unrestricted net position over twenty percent may be assigned to a rate stabilization fund or transferred to the Utility Capital Projects Fund for utility system renewal and replacement. If unrestricted net position is below ten percent at year end, a plan must be developed using increased revenues or a reduction in expenses to return the unrestricted net position to ten percent or greater within three years.

The Stormwater Fund unrestricted net position, at year end, will be between ten percent and twenty percent of the following year's budgeted expenses excluding capital expenditures. Unrestricted net position over twenty percent may be assigned for future system capital projects. If unrestricted net position is below ten percent at year end, a plan must be developed using increased revenues or a reduction in expenses to return the unrestricted net position to ten percent or greater within three years.

The Solid Waste Fund unrestricted net position, at year end, will be between ten percent and twenty percent of the following year's budgeted operating expenses. Unrestricted net position over twenty percent may be assigned to a rate stabilization fund. If unrestricted net position is below ten percent at year end, a plan must be developed using increased revenues or a reduction in expenses to return the unrestricted net position to ten percent or greater within three years.

The Disaster Reserve Fund unassigned fund balance, at year end, will be at least two one hundredths percent (0.02%) of the just value of all property in the City on July 1 of that year. If the unassigned fund balance is below the minimum amount at year end, a transfer should be made from the General Fund in an amount sufficient to increase the fund balance above the minimum amount, within two years. The Disaster Reserve represents a committed fund balance within the General Fund. It can be used to address unanticipated expenditures arising out of a hurricane, tornado, other major weather related events, and/or other massive infrastructure failures or other disasters, whether man-made or caused by nature, using emergency procedures as provided for in the City's Purchasing Policy.

The Self Insured Health Fund unrestricted net position, at year end, will be a minimum of three months claims in order to be considered actuarially sound by the Florida Office of Insurance regulation. Amounts in excess of this floor can be used to hedge against future cost increases. If the unrestricted net position is below this floor, a plan must be developed using increased premiums and/or a reductions in benefits to return unrestricted net position to the minimum level within three years.

The Fleet Fund unrestricted net position, at year end, will be a minimum of the total expected Fleet replacement cost divided by the average life of the Fleet. Amounts in excess of this floor can be used to hedge against future cost increases and Fleet expansion. If the unrestricted net position is below this floor, a plan must be developed using increased internal lease charges to return unrestricted net position to the minimum level within three years.

All other funds, including Special Revenue Funds and Capital Project Funds do not have a fund balance requirement. Fund balances in these funds are dictated by revenue sources and a schedule of capital projects.

****THIS POLICY WAS REVISED AND THE REVISIONS WERE APPROVED AND ADOPTED BY CITY COUNCIL BY RESOLUTION ON 3/15/2016.**

Investment Policy

I. PURPOSE

The purpose of this policy is to set forth the investment objectives and parameters for the management of the funds of the City of Palm Coast, (hereinafter "City"). These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

II. SCOPE

In accordance with Section 218.415, Florida Statutes, this investment policy applies to all cash and investments held or controlled by the City and shall be identified as "general operating funds" of the City with the exception of the City's Pension Funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Additionally, any future revenues, which have statutory investment requirements conflicting with this Investment Policy and funds held by state agencies (e.g., Department of Revenue), are not subject to the provisions of this policy.

III. INVESTMENT OBJECTIVES

Safety of Principal

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

From time to time, securities may be traded for other similar securities to improve yield, maturity or credit risk. For these transactions, a loss may be incurred for accounting purposes to achieve optimal investment return, provided any of the following occurs with respect to the replacement security:

- A. The yield has been increased, or
- B. The maturity has been reduced or lengthened, or
- C. The quality of the investment has been improved.

Maintenance of Liquidity

The portfolios shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodical cash flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity.

Return on Investment

Investment portfolios shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. DELEGATION OF AUTHORITY

In accordance with the City's Charter, the responsibility for providing oversight and direction in regard to the management of the investment program resides with the City Manager. The management responsibility for all City funds in the investment program and investment transactions is delegated to the City's Finance Director. The Finance Director shall establish written procedures for the operation of the investment portfolio and a system of internal accounting and daily procedures for investment trades and to regulate the activities of employees.

V. STANDARDS OF PRUDENCE

The standard of prudence to be used by investment officials shall be the "Prudent Person" standard and shall be applied in the context of managing the overall investment program. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported to the City Council in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The "Prudent Person" rule states the following:

Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

While the standard of prudence to be used by investment officials who are officers or employees is the "Prudent Person" standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert". The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

VI. ETHICS AND CONFLICTS OF INTEREST

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to the City Clerk, in accordance with the appropriate state statutes governing conflicts of interest, any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the City's investment program.

The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement (see page 25 of Attachment A).

VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES

The Finance Director shall establish a system of internal controls and operational procedures that are in writing and made a part of the City's operational procedures. The internal controls should be designed to prevent losses of funds, which might arise from fraud, employee error, and misrepresentation, by third parties, or imprudent actions by employees.

The written procedures should include reference to safekeeping, repurchase agreements, separation of transaction authority from accounting and record keeping, wire transfer agreements, banking service contracts, collateral/depository agreements, and "delivery vs. payment" procedures. No person may engage in an investment transaction except as authorized under the terms of this policy. Independent auditors as a normal part of the annual financial audit for the City shall conduct a review of the system of internal controls to ensure compliance with policies and procedures.

VIII. CONTINUING EDUCATION

The Finance Director and appropriate staff shall annually complete a minimum 8 hours of continuing education in subjects or courses of study related to investment practices and products.

IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Authorized City staff and Investment Advisors shall only purchase securities from financial institutions, which are Qualified Institutions by the City or institutions designated as "Primary Securities Dealers" by the Federal Reserve Bank of New York. Authorized City staff and Investment Advisors shall only enter into repurchase agreements with financial institutions that are Qualified Institutions and Primary Securities Dealers as designated by the Federal Reserve Bank of New York. The City's Investment Advisor(s) shall utilize and maintain a list of approved primary and non-primary securities dealers. The Finance Director and/or designee shall maintain a list of financial institutions and broker/dealers that are approved for investment purposes and only firms meeting the following requirements will be eligible to serve as Qualified Institutions:

1. regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
2. Capital of no less than \$10,000,000;
3. registered as a dealer under the Securities Exchange Act of 1934;
4. member of the National Association of Dealers (NASD);
5. registered to sell securities in Florida; and
6. the firm and assigned broker have been engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.
7. Public Depositories qualified by the Treasurer of the State of Florida, in accordance with Chapter 280, Florida Statutes.

All brokers, dealers and other financial institutions deemed to be Qualified Institutions shall be provided with current copies of the City's Investment Policy. A current audited financial statement is required to be on file for each financial institution and broker/dealer with which the City transacts business.

X. MATURITY AND LIQUIDITY REQUIREMENTS

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds should have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but should not exceed ten (10) years. From time to time the above parameters may require modification in order to meet specific construction draw schedules or other predetermined operating, capital needs or to satisfy debt obligations but in no event shall exceed thirty (30) years.

XI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

After the Finance Director has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) Qualified Institutions and/or Primary Dealers must be contacted by the Investment Advisor and asked to provide bids/offers on securities in questions. Bids will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.

However, if obtaining bids/offers are not feasible and appropriate, securities may be purchased utilizing the comparison to current market price method on an exception basis. Acceptable current market price providers include, but are not limited to:

- A. Telerate Information System
- B. Bloomberg Information Systems
- C. Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing

The Investment Advisor shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall only be utilized when, in judgment of the Investment Advisor and/or the Finance Director, competitive bidding would inhibit the selection process.

Examples of when the City may use this method include:

- 1. When time constraints due to unusual circumstances preclude the use of the competitive bidding process
- 2. When no active market exists for the issue being traded due to the age or depth of the issue
- 3. When a security is unique to a single dealer, for example, a private placement
- 4. When the transaction involves new issues or issues in the "when issued" market

Overnight sweep investments or repurchase agreements will not be bid, but may be placed with the City's depository bank relating to the demand account for which the sweep investments or repurchase agreement was purchased.

XII. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and the City's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Finance Director or designee may sell the investment at the then-prevailing market price and place the proceeds into the proper account at the City's custodian.

The following are the investment requirements and allocation limits on security types, issuers, and maturities as established by the City. The Finance Director or designee shall have the option to further restrict investment percentages from time to time based on market conditions, risk and diversification investment strategies. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment. Investments not listed in this policy are prohibited.

The allocation limits and security types do not apply to the investment of debt proceeds. These investments shall be governed by the debt covenant included in the debt instrument.

Authorized Investment- Sector Type	Maximum Allocation	Individual Issuer Limit
Florida PRIME Fund	25%	N/A
United States Government Securities	100%	N/A
United States Government Agencies	75%	50%
Federal Instrumentalities (United States Government Sponsored Enterprises "GSE")	80%	40%
Mortgage Backed Securities "MBS"	20%	15%
Interest Bearing Time Deposit or Savings Accounts	25%	15%
Repurchase Agreements	50%	25%
Commercial Paper	30%	10%
Corporate Notes	15%	5%
Bankers' Acceptances	30%	10%
State and/or Local Government Taxable and/or Tax-Exempt Debt	20%	5%
Registered Investment Companies (Money Market Mutual Funds)	50%	25%
Intergovernmental Investment Pools	25%	N/A

A. Florida PRIME

1. Investment Authorization - The Finance Director may invest in Florida PRIME.
2. Portfolio Composition - A maximum of 25% of available funds may be invested in Florida PRIME.
3. Florida PRIME shall be rated "AAAm" by Standard & Poor's or the equivalent by another Nationally Recognized Statistical Rating Organization ("NRSRO") and the published objectives of the fund must agree with the Securities and Exchange Commission investment requirement for 2a-7.
4. Due Diligence Requirements - A thorough investigation of Florida PRIME or any money market fund is required prior to investing, and on a continual basis. The Finance Director will utilize the questionnaire contained in Attachment B on page 30. A current prospectus must be obtained and/or current pool documents and portfolio reports.

B. United States Government Securities

1. Purchase Authorization - The Finance Director may invest in direct negotiable obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government. Such securities will include, but not be limited to Cash Management Bills, Treasury Securities – State and Local Government Series ("SLGS"), Treasury Bills, Treasury Notes, Treasury Bonds, Treasury Strips
2. Portfolio Composition - A maximum of 100% of available funds may be invested in the United States Government Securities.
3. Maturity Limitations - The maximum length to maturity of any direct investment in the United States Government Securities is ten (10) years from the date of purchase.

C. United States Government Agencies

1. Purchase Authorization - The Finance Director may invest in bonds, debentures, notes or callable issued or guaranteed by the United States Government's agencies, provided such obligations are backed by the full faith and credit of the United States Government.
2. Portfolio Composition - A maximum of 75% of available funds may be invested in United States Government agencies. Limits on Individual Issuers. A maximum of 50% of available funds may be invested in individual United States Government agencies.
3. Maturity Limitations - The maximum length to maturity for an investment in any United States Government agency security is ten (10) years from the date of purchase.

D. Federal Instrumentalities (United States Government Sponsored Enterprises ("GSE"))

1. Purchase Authorization - The Finance Director may invest in bonds, debentures or notes which may be subject to call, issued or guaranteed as to principal and interest by United States Government Sponsored Enterprises (Federal Instrumentalities) which are non-full faith and credit agencies limited to the following:
 - Federal Farm Credit Bank (FFCB)
 - Federal Home Loan Bank or its district banks (FHLB)
 - Federal National Mortgage Association (FNMA)
 - Federal Home Loan Mortgage Corporation (Freddie-Macs)
2. Portfolio Composition

A maximum of 80% of available funds may be invested in Federal Instrumentalities. . The combined total of available funds invested in Federal Instrumentalities and Mortgage Backed Securities cannot be more than 80%.
3. Limits on Individual Issuers

A maximum of 40% of available funds may be invested in any "GSE".
4. Maturity Limitations

The maximum length to maturity for an investment in any Federal Instrumentality security is ten (10) years from the date of purchase.

E. Mortgage-Backed Securities ("MBS")

1. Purchase Authorization - Mortgage-backed securities ("MBS") which are based on mortgages that are guaranteed by a government agency or GSE for payment of principal and a guarantee of timely payment.
2. Portfolio Composition - A maximum of 20% of available funds may be invested in MBS. The combined total of available funds invested in Federal Instrumentalities and Mortgage Backed Securities cannot be more than 80%.
3. Limits on Individual Issuers - A maximum of 15% of available funds may be invested with any one issuer. The maximum percentage invested in securities of any one issuer is inclusive of mortgage backed securities of same issuer.
4. Maturity Limitations - A maximum length to maturity for an investment in any MBS is seven (7) years from the date of purchase.

The maturity of mortgage securities shall be considered the date corresponding to its average life. This date reflects the point at which an investor will have received back half of the original principal (face) amount. The average life may be different from the stated legal maturity included in a security's description

F. Interest Bearing Time Deposit or Saving Accounts

1. Purchase Authorization - The Finance Director may invest in non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of this state and in national banks organized under the laws of the United States and doing business and situated in the State of Florida. Additionally, the bank shall not be listed with any recognized credit watch information service.
2. Portfolio Composition - A maximum of 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit.
3. Limits on Individual Issuers - A maximum of 15% of available funds may be deposited with any one issuer.

The maximum maturity on any certificate shall be no greater than one (1) year from the date of purchase.

G. Repurchase Agreements

1. Purchase Authorization - The Finance Director may invest in repurchase agreements composed of only those investments based on the requirements set forth by the City's Master Repurchase Agreement. All firms are required to sign the Master Repurchase Agreement prior to the execution of a repurchase agreement transaction. A third party custodian with whom the City has a current custodial agreement shall hold the collateral for all repurchase agreements with a term longer than one (1) business day. A clearly marked receipt that shows evidence of ownership must be supplied to the Finance Director and retained. Securities authorized for collateral are negotiable direct obligations of the United States Government, Government Agencies, and Federal Instrumentalities with maturities under five (5) years and must have a market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement. Immaterial short-term deviations from 102 percent requirement are permissible only upon the approval of the Finance Director.
2. Portfolio Composition - A maximum of 50% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements.
3. Limits on Individual Issuers - A maximum of 25% of available funds may be invested with any one institution.
4. Limits on Maturities - The maximum length to maturity of any repurchase agreement is 90 days from the date of purchase.

H. Commercial Paper

1. Purchase Authorization - The Finance Director may invest in commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper).
2. Portfolio Composition - A maximum of 30% of available funds may be directly invested in prime commercial paper.
3. Limits on Individual Issuers - A maximum of 10% of available funds may be invested with any one issuer.
4. Maturity Limitations - The maximum length to maturity for prime commercial paper shall be 270 days from the date of purchase.

I. High Grade Corporate Notes

1. Purchase Authorization - The Finance Director may invest in corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum within the single "A" category by any two NRSROs
2. Portfolio Composition - A maximum of 15% of available funds may be directly invested in corporate notes.
3. Limits on Individual Issuers - A maximum of 5% of available funds may be invested with any one issuer.
4. Maturity Limitations - The maximum length to maturity for corporate notes shall be five (5) years from the date of purchase.

J. Bankers' acceptances

1. Purchase Authorization - The Finance Director may invest in Bankers' acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time or purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" Standard & Poor's. Additionally, the bank shall not be listed with any recognized credit watch information service.
2. Portfolio Composition - A maximum of 30% of available funds may be directly invested in Bankers' acceptances
3. Limits on Individual Issuers - A maximum of 10% of available funds may be invested with any one issuer.
4. Maturity Limitations - The maximum length to maturity for Bankers' acceptances shall be 180 days from the date of purchase.

K. State and/or Local Government Taxable and/or Tax-Exempt Debt

1. Purchase Authorization - The Finance Director may invest in state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at the time of purchase, at a minimum within the single "A" category by any two NRSROs, for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.
2. Portfolio Composition - A maximum of 20% of available funds may be invested in taxable and tax-exempt debts.
3. Limits on Individual Issuers - A maximum of 5% of available funds may be invested with any one issuer.
4. Maturity Limitations - A maximum length to maturity for an investment in any state or local government debt security is five (5) years from the date of purchase.

L. Registered Investment Companies (Mutual Funds)

1. Investment Authorization - The Finance Director may invest in shares in open-end and no-load fixed-income securities mutual funds provided such funds are registered under the Federal Investment Company Act of 1940 and invest in securities permitted by this policy.
2. Portfolio Composition - A maximum of 50% of available funds may be invested in mutual funds excluding one (1) business day overnight sweep agreements.
3. Limits of Individual Issuers - A maximum of 25% of available funds may be invested with any one mutual fund.
4. Rating Requirements - The money market mutual funds shall be rated "AAAm" or better by Standard & Poor's, or the equivalent by another NRSRO.
5. Due Diligence Requirements - A thorough investigation of any money market mutual fund is required prior to investing, and on a continual basis. The Finance Director will utilize the questionnaire contained in Attachment B on page 30. A current prospectus must be obtained.

M. Intergovernmental Investment Pool

1. Investment Authorization - The Finance Director may invest in intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives.
2. Portfolio Composition - A maximum of 25% of available funds may be invested in intergovernmental investment pools.
3. Rating Requirement - The investment pool shall be rated "AAAm" by Standard & Poor's or the equivalent by another NRSRO.
4. Due Diligence Requirements - A thorough review of any investment pool/fund is required prior to investing, and on a continual basis. The Finance Director will utilize the questionnaire contained in Attachment B on page 30. A current prospectus must be obtained and/or current pool documents and portfolio reports.

XIII. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS

Investment in any derivative products or the use of reverse repurchase agreements requires specific City Council approval prior to their use. If the City Council approves the use of derivative products, the Finance Director shall develop sufficient understanding of the derivative products and have the expertise to manage them. A "derivative" is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values. If the City Council approves the use of reverse repurchase agreements or other forms of leverage, the investment shall be limited to transactions in which the proceeds are intended to provide liquidity and for which the Finance Director has sufficient resources and expertise to manage them.

XIV. PERFORMANCE MEASUREMENTS

In order to assist in the evaluation of the portfolios' performance, the City will use performance benchmarks for short-term and long-term portfolios. The use of benchmarks will allow the City to measure its returns against other investors in the same markets.

- A. Investment performance of funds designated as short-term funds and other funds that must maintain a high degree of liquidity will be compared to the return the S&P Rated GIP Index Government 30 -Day Yield. Investments of current operating funds should have maturities of no longer than twenty-four (24) months.
- B. Investment performance of funds designated as core funds and other non-operating funds that have a longer-term investment horizon will be compared to the Merrill Lynch 1-3 Year U.S. Treasury Note Index and the portfolio's total rate of return will be compared to this benchmark. The appropriate index will have a duration and asset mix that approximates the portfolios and will be utilized as a benchmark to be compared to the portfolios' total rate of return. Investments of bond reserves, construction funds, and other non-operating funds ("core funds") should have a term appropriate to the need for funds and in accordance with debt covenants, but should not exceed ten (10) years.

XV. REPORTING

The Finance Director shall provide the City Manager with a "Quarterly Investment Report" that summarizes but not limited to the following:

1. Recent market conditions, economic developments and anticipated investment conditions. The investment strategies employed in the most recent quarter. A description of all securities held in investment portfolios at quarter-end.
2. The total rate of return for the quarter and year-to-date versus appropriate benchmarks.
3. Any areas of policy concern warranting possible revisions to current or planned investment strategies. The market values presented in these reports will be consistent with accounting guidelines in GASB Statement 31.

On an annual basis, the Finance Director shall submit to the City Council a written report on all invested funds. The annual report shall provide all, but not limited to, the following: a complete list of all invested funds, name or type of security in which the funds are invested, the amount invested, the maturity date, earned income, the book value, the market value, the yield on each investment.

The annual report will show performance on both a book value and total rate of return basis and will compare the results to the above-stated performance benchmarks. All investments shall be reported at fair value per GASB Statement 31. Investment reports shall be available to the public.

XVI. THIRD-PARTY CUSTODIAL AGREEMENTS

Securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchase by, and all collateral obtained by the City should be properly designated as an asset of the City.

The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit. The custodian shall accept transaction instructions only from those persons who have been duly authorized by the City Manager and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, unless by such a duly authorized person.

The custodian shall provide the Finance Director with safekeeping statements that provide detail information on the securities held by the custodian. On a monthly basis, the custodian will also provide reports that list all securities held for the City, the book value of holdings and the market value as of month-end.

Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.

XVII. INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by City resolution. The Finance Director shall review the policy annually and the City Council shall approve any modification made thereto. Any inconsistencies between the current portfolio and this policy will be considered acceptable as long as corrective measures are completed to adjust the portfolio in accordance with this policy.

****THIS POLICY WAS APPROVED AND ADOPTED BY CITY COUNCIL BY RESOLUTION ON 12/04/2012**

The City of Palm Coast has been awarded the Association of Public Treasurers of the United States & Canada's Investment Policy Certificate of Excellence Award. The award recognizes success in developing a comprehensive written investment policy that meets the criteria set forth by the Association's Investment Policy Certificate Committee. A team of reviewers from the Investment Policy Certification Committee reviewed the City's recently upgraded investment policy and approved it for the award.

Purchasing Policy

TYPES OF COMMON PURCHASING TRANSACTIONS

Contracts - Contracts will be processed through the Purchase Order system simply as an expedient way to handle the encumbrance of the funds. The requisite documentation should be filed with the Purchasing Manager. In general, this will cover contracts for which there is no competitive function (such as charitable contributions approved each fiscal year by City Council, or payments to other governmental agencies) which are primarily issued to other governments or to non-profit organizations. These should be encumbered at the beginning of each fiscal year for those payments approved in each fiscal year budget. However, they may be requested and encumbered at any time during the fiscal year for approved transactions.

Standard Purchase Order - The standard purchase order is requested by the user with a requisition and is issued for most types of items and/or services. These purchase orders will be encumbered in the financial accounting system.

Service Contract Purchase Orders (SCS) - Service Contract Purchase Orders (SCS) are issued by the Purchasing Manager as a result of a quote or bid usually for construction or consultant type jobs where progress payments are required throughout the duration of the project OR for payments for transactions where regular specific payments are required over a specified length of time. While the term of a Service Contract Purchase Order may or may not coincide with the fiscal year, the amount of funds encumbered must be available in the current year's budget. Requests for construction, consultants, leases, or similar transactions must begin with the proper department.

Price Agreement Purchase Orders - A price agreement is a nonexclusive, indefinite quantity agreement. It is a tool to facilitate purchases when the exact quantity of a required commodity or service is unknown or may vary depending upon the using department's requirements. A Price Agreement is used to obtain commodities or services needed frequently for operations and maintenance.

If usage is anticipated to be greater than or equal to **\$3,000** but less than **\$15,000** in a single year, at least three (3) verbal quotes must be obtained and documented. If usage is anticipated to be greater than or equal to **\$15,000** but less than **\$25,000** in a single year, three written quotes must be obtained. If usage is anticipated to be greater than **\$25,000** in a single year, formal competition (bid or RFP) must be used to select the vendor, unless the award is made from another political entity's contract, or justified as a sole/single source.

A price agreement may be requested by using departments or initiated by the Purchasing Manager. A price agreement shall be awarded by the Purchasing Manager and issued for citywide use. The term of a price agreement may not necessarily coincide with the fiscal year.

After review by the Purchasing Manager, a request for a Price Agreement may be returned to the user with the recommendation to use a more appropriate purchasing method such as a regular Purchase Order, Procurement Card or Direct Payment Voucher.

Commodities or services available for purchase from current Price Agreements may be obtained from the Purchasing Manager. Departments may request a commodity or service be purchased through the Price Agreement method at any time during the fiscal year.

PURCHASING CARD

The purchasing card is another tool for small purchases. Purchasing cards are issued in an employee's name with preset spending controls and limits. The per transaction limit for purchases is set at seven hundred forty nine dollars or less (\$749.00). Purchasing cards are only issued upon written request from the department director. The purchasing card is intended only for small value, non-recurring needs, usually from local sources.

DIRECT PAYMENT VOUCHER

For certain approved transactions for which there is no competitive purchasing function, a using department may make a request for payment directly to the Accountant without a purchase order. Direct Payment Vouchers require all the necessary approvals and signatures as a requisition.

The following transactions are examples of payment using a Direct Payment Voucher:

- Bond related expenses
- Child support payments
- Debt service payments
- Instructor Fees
- Insurance (Administrative Services Approval)
- Land purchases (Public Works/Right-of-Way including legal fees and related costs) (Council approval required)
- Medical insurance refunds (Financial Services Approval only)
- Outside Counsel
- Payments to Other Government Agencies (all types of taxes, assessments, fees, permits, utility deposits)
- Postage (U.S. Post Office only - no invoice required)
- Pre-approved interview and/or moving expenses (Personnel only)
- Risk Management Claims settlements
- Subscriptions to, and public and legal advertisements in, newspapers and periodicals
- Tax deed application expenses and surpluses

EMERGENCY PURCHASE ORDER

Emergency purchases are **ONLY** for commodities or services necessary because of certain emergency conditions that may affect the health, safety, and welfare of the citizens of The City of Palm Coast.

PURCHASING REQUIREMENTS

The following procedures should be used depending on the amount of the purchase. The estimated value of the purchase determines what steps must be completed before a purchase order can be issued for the request.

OBTAINING QUOTES

While it is the Purchasing Manager's responsibility to obtain quotes, the user can shorten purchasing process by obtaining one or more quotes. The quotes must all be for identically the same quantity and quality and under the same terms and conditions. Even if the user provides quotes with the requisition, a complete description of the item or service needed, including required delivery time, and all special conditions must be clearly written on the requisition or attached as a memo. If the user does not provide quotes, it is imperative the user write a complete and accurate description to assist the Purchasing Manager in obtaining quotes and filling the order promptly and accurately.

Regardless, the Purchasing Manager always reserves the right to obtain additional quotes.

SINGLE QUOTES

- (1) Estimated Value under \$750.00
Use the purchasing card for this type of purchase.
- (2) Estimated Value under \$3000.00
This only requires a single quote, but a general check of the marketplace should be made to ensure the best value. If there is a preferred vendor, provide a complete name and address, description of the commodity or service and how much it will cost including freight and/or shipping on the requisition form. The Purchasing Manager will review the requisition. If the Purchasing Manager agrees with the recommendation for purchase, the requisition will be processed. If the Purchasing Manager questions whether the commodity can be purchased from another vendor, for a better price, or is available from another source or contract, the department will be contacted to discuss the change.

CONTRACTS FOR THE PURCHASE OF ANY COMMODITIES OR SERVICES MAY ONLY BE SIGNED BY THE CITY MANAGER OR THE MAYOR, AS MAY BE APPLICABLE.

VERBAL QUOTES

(3) Estimated Value \$3,000 - \$14,999.99

Requisition forms for purchases for this dollar value are completed in the same manner as above. However, minimums of three (3) VERBAL quotes are required. The user may obtain the necessary quotes and furnish them with the requisition form, or, provide sufficient specifications so that the Purchasing Manager can obtain the quotes. User obtained quotes should be listed either on the requisition or on a separate page: Firm name, telephone number, name of contact person, and each unit price including any freight costs.

WRITTEN QUOTES

(4) Estimated Value \$15,000 - \$25,000

Requisition forms for purchases for this dollar value are completed in the same manner as above. However, minimums of three (3) WRITTEN quotes are required. The user may obtain the necessary quotes and furnish the original of each written quote with the requisition form, or, provide sufficient specifications so that the Purchasing Manager can obtain quotes.

FORMAL INVITATIONS

If the estimated value is greater than \$25,000, the Purchasing Manager must prepare and solicit formal, sealed, advertised invitations (Invitation To Bid, Request For Proposals, Request For Statements of Qualifications, or Request For Information).

If available, specifications for the requested purchase shall accompany the requisition. The Purchasing Manager will review the specifications to see if they are adequate for bid or will work with the requesting department to write specifications, terms and conditions for the invitation. The Purchasing Manager will coordinate all of the details of the invitation such as a pre-proposal conference, if applicable, and the suggested opening, evaluation and award dates, etc. After the formal opening the Purchasing Manager and the using department will evaluate the bids or proposals based upon predetermined criteria for award.

PUBLIC ADVERTISEMENTS

All formal invitations must be publicly advertised seven days in advance of the specified opening date in one major newspaper that covers the area. There are other advertising requirements depending upon the type and value of the proposed contract. Other advertising is suggested if a wide selection of potential proposers is required.

Total Contract Value	Minimum Quote Requirements	Award Approval
\$0 - \$749.99	Single Quote or Purchasing Card	Department Director or designee
750 - 2,999.99	Single Quote or Purchasing Order	Department Director
3,000 - 14,999.99	3 Verbal Quotes and Purchase Order	Department Director
15,000 - 25,000	3 Written Quotes and Purchase Order	City Manager or designee
25,000.01 - 30,000	Formal Invitation or Bid and Contract or Purchase Order	City Manager or designee
30,000.01 and above	Formal Invitation or Bid and Contract or Purchase Order	City Council

Pre-Solicitation, Pre-Bid, Pre-Proposal Conferences

Conferences may be scheduled and conducted by the Purchasing Manager, or his/her designee, before the official time and date set for the formal opening to explain the procurement requirements and to solicit information from potential bidders/proposers. A MANDATORY conference may be scheduled and conducted if the technical or physical requirements of the invitation requires the physical presence of potential proposers. Proposals from anyone not attending the mandatory conference will not be considered. Mandatory conferences restrict competition and therefore must be justified in writing to the Purchasing Manager and approved by the Finance Director prior to release of the Invitation. For construction projects in excess of \$200,000, the legal advertisement must be published at least 5 days prior to the pre-bid conference. (Section 255.0525 (1), Florida Statutes).

Formal Opening

Responses to all invitations shall be clocked in upon receipt and opened publicly at the time, date and place designated in the Invitation under the strict control of the Purchasing Manager. The name of each bidder or proposer shall be read aloud and tabulated along with the pertinent information as described in the Invitation. Note: Applicable Florida Statutes Section 180.24 and Section 218.80 and 255.0525.

Late Proposals

Any bid, proposal, or offer received at the place designated in the Invitation after the official date and time specified for receipt of proposals shall be considered late and will **not** be considered for award. Any request for withdrawal or modification received after the date and time specified shall **not** be considered. The time clock in the City Hall is the official time for all Formal Openings.

Bidders List

The Purchasing Manager maintains a database of vendors with whom the City has done business in the past and a list of firms who have expressed interest in submitting quotes and bids to the City. Any firm wishing to register to do business with the City can request a "Bidders Registration Form," complete it, and return it to the City. The firm will then be assigned a vendor number and assigned to commodity categories by the Purchasing Manager.

Users can call the Purchasing Manager to see if a certain vendor is included in the database. Users may suggest to the Purchasing Manager any potential bidders they would like to receive an invitation, request for quote or bid or may request a Bidders Registration Form be mailed or faxed to a potential bidder with whom they are interested in doing business. The "Bidders Registration Form" is also on the City's Web page.

AWARD OF CONTRACTS AND APPROVALS

Award

All quotes and invitations shall be awarded to the lowest responsive and responsible proposer, or upon criteria established before the proposals are opened. If no criteria are specified in the quotes or invitation, then the award will be based upon the price alone.

Approvals

Before any purchase order on budgeted items can be issued, the following approvals are required based upon the total value of the purchase. Value Less than or Equal to \$15,000 must be approved by the Department Director. Value Greater than \$15,000 the purchase must be approved by the City Manager or Designee.

Protest Procedures

A vendor/bidder may protest the award of any contract any time prior to its award by contacting the Purchasing Manager. The decision of the Purchasing Manager may be appealed to the City Manager by filing a written appeal with the City Manager within seven days of the decision. The decision of the City Manager may be appealed to the City Council by filing a written appeal with the City Clerk within seven days of the City Manager's decision.

PROCUREMENT COMMITTEES

Definitions

A "selection committee" is defined as any committee that has been delegated decision-making functions, directly or indirectly. A selection committee ranks and/or short-lists respondents to an Invitation or Request for Statements of Qualifications (RSQ) based upon the information submitted in response to the RSQ. This definition includes all selections under Chapter 287.055 Florida Statutes, the Contractors Competitive Negotiation Act (CCNA), as amended. All selection committee meetings are open public meetings as defined in Chapter 286 FS and subject to Florida's Government in the Sunshine Law.

An “evaluation committee” is defined as a committee that is responsible for advising and informing the final decision maker, the City Manager or City Council, through fact-finding consultations. The evaluation committee meets to evaluate proposals or offers submitted in response to an Invitation for conformance with defined evaluation criteria.

The outcome of an evaluation committee is whether responses meet the evaluation criteria and which response (offer) is best for the City. An evaluation committee meeting falls within the requirements of an open public meeting and subject to Florida’s Government in the Sunshine Law.

A “technical review committee” is defined as any committee appointed by the Purchasing Manager to establish and/or review specifications or scope of work for any procurement project. A technical review committee does not generally fall within the requirements of an open public meeting. However, to the extent that it makes recommendations that would be part of the decision making process it too would be subject to Florida’s Government in the Sunshine Law.

Public Meeting Notice/Advertisements

Reasonable public notice shall be given before any selection committee meeting. Such notice shall include: (1) name and/or purpose of selection committee, (2) time and place of meeting, and (3) ADA requirements notification information. All Public Meeting notices shall be posted in City Hall.

The Purchasing Manager shall have published a meeting notice for any selection committee meeting at least one (1) day before the meeting date in a newspaper of general circulation in the City of Palm Coast, Florida. The public meeting notice(s) may be included in the Public advertisement announcing the procurement.

These committee meetings do not rise to the level of being matters of “critical public importance” but should be noticed appropriately.

The following notice guidelines as outlined in the Government in the Sunshine Manual (January 22, 2001) shall apply:

1. The notice should contain the time and place of the meeting and, if available, an agenda (or if no agenda is available, subject matter summations might be used);
2. The notice should be prominently displayed in the area in the agency’s offices set aside for that purposes, e.g., for cities, in City Hall;
3. Emergency sessions should be afforded the most appropriate and effective notice under the circumstances and special meetings should have at least 24 hours reasonable notice to the public; and
4. The use of the press releases and/or phone calls to the wire services and other media is highly effective. On matters of critical public concern such as rezoning, budgeting, taxation, appointment of public officers, etc., advertising in the local newspapers of general circulation would be appropriate.

Meeting Minutes

The minutes of any open public meeting shall be available for public review. The original minutes shall be filed with the invitation package with the Purchasing Manager. If an open public meeting is adjourned and reconvened at a later date to complete the business of the meeting, the second meeting shall also be noticed. This includes any meeting where a presentation is made to the selection committee.

Membership

The Purchasing Manager shall chair all selection and evaluation committees and shall appoint the committee from staff or other representatives who have knowledge and interest in the procurement project. Suggestions from the affected user shall be given consideration. Committee members must ensure that they disclose any conflict of interests and abstain from voting when a conflict exists in accordance with State Law.

Any person with a conflict of interest shall not be appointed to any procurement evaluation or selection committee, or shall be removed from the committee if the conflict arises after appointment to the committee. A conflict of interest is defined as any circumstance in which the personal interest of a committee member in a matter before him or her in his or her official capacity may prevent or appear to prevent him or her from making an unbiased decision with respect to the matter. A conflict of interest is also any conflict defined in the City of Palm Coast Code or Policies, Florida Statutes, or Federal Statutes.

Voting

The vote of each member of the selection committee shall be recorded in the minutes. Committee members are required to vote either in person or via a telephonic appearance. A quorum must be present at the site of the committee meeting and be able to hear the non-present member in order for the telephonic appearance to be authorized. A selection committee member must be present, physically or electronically, for the all of the presentations to vote. Selection shall be made by consensus if possible. If the committee chair deems consensus impossible the selection shall then take place by totaling individual votes of committee members.

Discussion with Respondents

Any discussion before an award by City Council between any member of an evaluation or selection committee and any respondent regarding the procurement project is highly discouraged. Committee members shall disclose any attempts to influence his/her decision to the Purchasing Manager. All requests for information, clarification, or the status for any procurement project shall be directed to the Purchasing Manager.

Recommendation for Award

The Purchasing Manager shall forward the selection committee’s recommendation of ranking to the Finance Director for submission to the City Manager or City Council as required.

Type	Times	Minimum**	Recommended
City Bids, RFPs, RSQs	1	7 days	20-30 days
Construction > \$200,000 and <= \$500,000 ¹	1	21 days	30 days
Construction > \$500,000 ¹	1	30 days	30 days
Sale or Lease of City Real Property	2	14 days	30 days
Road projects	2	30 days	30 days
Federal Aviation Authority Projects	2	10 days	20-30 days
Federal Transit Authority -capital equipment	1	10 days	20-30 days
Federal Transit Authority –projects	2	10 days	20-30 days
Grants	At least 1 or per grant	Per grant or 5 days	20-30 days
Addendum - changing closing date	1	5 days	10 - 15 days

Public Advertising Requirements:

*Minimum - number of days from date Public advertisement appears in the newspaper until closing date.

** Public advertisement must also be at least 5 days before any pre-bid meeting.

¹ Florida Statute 255.0525 (2)

****THIS POLICY WAS APPROVED AND ADOPTED BY CITY COUNCIL BY ORDINANCE ON 12/17/2002**

Glossary & Acronyms





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Glossary

ACCOUNT - A record in the general ledger that is used to collect and store similar information.

ACCOUNTING PERIOD - A period of time where the City determines its financial position and results of operations.

ACCOUNTS PAYABLE - A current liability account that will show the amount owed for items or services purchased on credit.

ACCOUNTS RECEIVABLES - A current asset resulting from selling goods or service on credit.

ACTUARIAL - A person or methodology that makes determinations of required contributions to achieve future funding levels that address risk and time.

AD VALOREM - "In proportion to the value".

AD VALOREM PROPERTY TAX - Real estate and personal property taxes. The taxes are assessed on a portion of the value of the property. Local governments set the levy.

ADOPTED BUDGET - The proposed budget that is formally approved by City Council.

AGGREGATE MILLAGE RATE - The sum of all property tax levies imposed by the governing body. State law limits the aggregate rate for a county or municipality to \$10 per \$1,000 worth of assessed taxable value.

ALLOCATE - To assign costs to a product, department or customer on an arbitrary basis.

AMENDED BUDGET - The adopted budget which is formally adjusted by City Council.

AMORTIZATION - The paying off of debt in regular installments over a period of time.

APPROPRIATION - An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited to the amount of time when it may be expended.

ASSESSMENT (ASSESSED VALUE) - The value for tax purposes determined by the property appraiser for a given piece of real or personal property.

ASSET - Property owned by the City, which has monetary value.

BALANCED BUDGET - When revenues equal expenditures

BACK LOADING (Back-end Load) - To defer payment of something until the end of a budget period or the end of a contract.

BALANCE SHEET - One of the main financial statements. The balance sheet reports the assets, liabilities and equity at a specific point in time.

BUSINESS ASSISTANCE CENTER (BAC) - A unique partnership between the City and the University of Central Florida Small Business Development Center. The Center's mission is to help grow local businesses.

BOND - A security that represents an obligation to pay a specified amount of money on a specific date in the future.

BOND PROCEEDS – Money paid to the issuer by the purchaser for a new issue of municipal bonds. Used to finance a project or purpose for which the bonds were issued and to pay certain costs of the issuance.

BUDGET - A statement of the financial position of a sovereign body for a definite period of time based on estimates of expenditures during this period and proposals to finance them. The amount of money that is available for, required for, or assigned to a particular purpose.

BUDGET CALENDAR - The schedule of key dates or milestones, which the City follows in the preparation and adoption of the budgets.

BUDGETARY CONTROL - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

BUDGET DOCUMENT - The official written statement prepared by the budget office and supporting staff, which presents the proposed budget to the City Council.

CAPITAL BUDGET - A plan of proposed capital expenditures and the means of financing them. The capital budget is enacted as part of the City's consolidated budget, which includes both operating and capital outlays. The capital budget should be based on a capital improvement program (CIP).

CAPITAL EQUIPMENT - Equipment with a value in excess of \$5,000 and an expected life of more than 2 years such as automobiles, computers and furniture. This equipment is budgeted for in the Operating Budget.

CAPITAL IMPROVEMENTS - Physical assets, constructed or purchased, that have a minimum useful life of 2 years and a minimum cost of \$5,000.

CAPITAL IMPROVEMENT FUND - A budget fund providing for future improvements such as construction of new facilities, acquisition of new equipment, and expansion of services.

CAPITAL OUTLAY - The cost of acquiring land, buildings, equipment, furnishings, etc.

CAPITAL PROJECTS - Have long range returns, useful life spans, are relatively expensive, and have physical presence such as buildings, roads, sewage systems, water systems, etc.

CAPITAL IMPROVEMENT PROGRAM - A comprehensive five (5) year plan of capital projects which identifies priorities as to need, method of financing and cost and revenue that will result during the five (5) years. The program is a guide for identifying current and future fiscal year requirements and becomes the basis for determining the Annual Capital Budget.

CASH FLOW - Actual changes in cash as opposed to accounting revenues and expenditures.

COMMERCIAL PAPER - An unsecured, short-term debt instrument issued by a corporation.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – Residential housing rehabilitation and entitlement program, funded by federal contributions.

COMMUNITY REDEVELOPMENT AREA (CRA) - A dependent special district in which any future increases in property values are set aside to support economic development projects within that district.

COMPETITIVE SALE - In a competitive sale, bonds are advertised for sale. The advertisement, by way of a notice of sale, includes both the terms of the sale and the terms of the bond issue.

CONSTRUCTION FUNDS - Established to account for all resources, principally bond proceeds and construction grants, which are used for the acquisition of capital facilities and projects.

CONTINGENT LIABILITY - A potential liability dependent upon some future event occurring.

CONTINGENCY - An appropriation of funds to cover unforeseen events that occur during the fiscal year.

CREDIT ENHANCEMENT - A method whereby an entity attempts to improve its' debt or creditworthiness. Through credit enhancement, the lender is provided with reassurance that the borrower will honor the obligation through additional collateral, insurance, or a third party guarantee. Credit enhancement reduces credit/default risk of a debt, thereby increasing the overall credit rating and lowering interest rates.

CURRENT VALUE - The present fair market value.

DEBT RATIO - The ratio of total liabilities to total assets.

DEBT SERVICE - The expense of retiring such debts as loans and bond issues. This includes principal and interest payments.

principal and interest.

DEBT SERVICE FUND - The funds created to account for the accumulation of resources for, and the payment of, general long-term debt

DEPARTMENT - An organizational unit responsible for carrying out a major governmental function, such as Fire or Public Works.

DEPRECIATION - The periodic expiration of an asset's useful life. Depreciation is a requirement in proprietary-type funds, such as enterprise and internal service funds. It is not used in any other fund. Depreciation is a non-cash expense and while it is recorded in the annual financial statements, it is not budgeted.

ENTERPRISE FUND - A fund that establishes a separate accounting and financial reporting mechanism for municipal delivery of goods or services.

ESTIMATED REVENUES - Projections of funds to be received during the fiscal year.

EXEMPTION - Amounts that state law determines should be deducted from the assessed value of property for tax purposes. Tax rates are applied to the balance, which is called the non-exempt portion of the assessment. Some of these exemptions include homestead, agricultural, widows, and disability.

EXPENDITURES - The cost of goods delivered or services rendered including operating expenses, capital outlays and debt service.

FINAL MILLAGE - The tax rate adopted in the second public hearing of a taxing agency.

FINANCIAL DISCLOSURE - The act of releasing all relevant information pertaining to the City that may influence an investment decision.

FINANCIAL STATEMENTS - Balance sheet, income statement, statement of cash flows, statement of retained earnings and statement of equity.

FISCAL YEAR - The twelve-month period to which the Annual Budget applies. The City's fiscal year begins October 1st and ends September 30th.

FIXED ASSETS - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FLEET - The vehicles owned and operated by the City.

FRANCHISE FEES - Fees levied on a corporation in return for granting privilege, sanctioning a monopoly, or permitting the use of public property, usually subject to regulation.

FULL FAITH AND CREDIT - A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

FUNCTION - A major class or grouping of activities directed toward a common goal such as public safety. For the purposes utilized in budgetary analysis, the categories have been established by the State of Florida and financial reports must be grouped according to those established functions.

FUND - An accounting entity that has a set of self-balancing accounts and that records all financial transactions or specific activities or government functions. Eight commonly used funds in public accounting are: General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Trust and Agency Funds, Internal Service Funds and Special Assessment Funds.

FUND BALANCE (EQUITY) - Fund equity for governmental funds and trust funds, which reflect the accumulated excess of revenues and other financing sources over expenditures and other uses for general governmental functions.

GAINS - A gain is measured by the proceeds from a sale minus the amount showing on the books. Since the gain is outside the main activity of a business it is reported as other revenue on the income statement.

GENERAL FUND - The largest fund within the City, the General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, parks and recreation, public works and general administration.

GENERAL LEDGER - The part of the accounting system which contains the balance sheet and income statement accounts used for recording transactions.

GENERAL OBLIGATIONS BONDS - Bonds that finance a variety of public projects such as streets, buildings and improvements. The repayment of these bonds is usually made from the General Fund, and these bonds are backed by the full faith and credit of the issuing government.

GRANT - An award of financial assistance given by an organization (often a Government Department) for a specific purpose.

IMPACT FEES - A contribution toward the equitable share of the cost of capital improvements required to serve new customers.

INCOME STATEMENT - One of the main financial statements. Also referred to as the profit and loss statement. Reports the revenues, gains, expenses, losses, net income and other totals for a period of time.

INDIRECT COSTS - Costs associated with, but not directly attributable to, providing a product or service. These are usually costs incurred by other departments in the support of operating departments.

INFRASTRUCTURE - Facilities on which the continuance and growth of a community depend on such as roads, water-lines, etc.

INTERFUND TRANSFERS - Transfers among funds. These are utilized to track items for management purposes. They represent a "double counting" and, therefore are subtracted when computing a "net" operating budget.

INTERGOVERNMENTAL REVENUE - Funds received from Federal, State and other Local Government sources in the form of grants, shared revenues and payments in lieu of taxes

INTERLOCAL AGREEMENT - A contractual agreement between two or more governmental entities.

INTERNAL SERVICE FUNDS - The funds established for the financing of goods or services provided by one department to other departments within the City on a cost reimbursement basis. Examples are the Fleet and the Insurance Fund.

JUST VALUE - Value of a piece of property as determined by the property appraiser, before reductions for legislatively imposed restrictions on valuation increases or other limitations.

LONG-TERM DEBT - Loans and financial obligations lasting over one-year. Long-term debt for the City would include any financing or leasing obligations that are to come due in a greater than 12-month period. Such obligations would include bond issues or long-term leases that have been capitalized on the balance sheet.

MILL - A ratio of one (1) to one thousand (1,000).

MILLAGE RATE - For property tax purposes, a rate established per \$1,000 of assessed taxable value. A property tax millage rate of 3.5 mills for example, would mean property with a taxable value of \$100,000 would pay \$350 in property taxes.

NET - Remaining amount after all deductions.

OPERATING EXPENSES - These are the expenses of day-to-day operations and exclude personal services and capital costs.

PERSONAL PROPERTY - Livestock, commercial equipment and furnishings, attachments to mobile homes, railroad cars, and similar possessions that are taxable under State law.

PERSONAL SERVICES - Costs related to compensating employees, including salaries, wages and benefit costs.

PROPOSED MILLAGE - The tax rate certified to the property appraiser by each taxing agency within a county. Proposed millage is to be sent to the appraiser within 35 days after a county's tax roll is certified by the State Department of Revenue and is listed on notices sent to property owners. No taxing agency may approve a levy that is larger than the one it originally proposed.

PROPRIETARY FUND – Fund that is used for “business like” activities. This includes Enterprise Funds and Internal Service Funds.

REAL PROPERTY - Land and the buildings and other structures attached to it that are taxable under state law.

REFUNDING - Retiring an outstanding bond issue at maturity by using money from the sale of a new bond offering.

REVENUE - Additions to assets which:

- a. Do not increase any liability.
- b. Do not represent the recovery of an expenditure.
- c. Do not represent the cancellation of certain liabilities or decrease assets.
- d. Do not represent contributions of fund capital in enterprise and internal service funds.

REVENUE BOND - A municipal bond supported by the revenue from a specific project, such as a toll bridge, highway or local stadium. Revenue bonds are municipal bonds that finance income-producing projects and are secured by a specified revenue source. Typically, revenue bonds can be issued by any government agency or fund that is run in the manner of a business; those entities having both operating revenues and expenses. Revenue bonds differ from general obligation bonds (GO bonds) that can be repaid through a variety of tax sources.

REVENUE ESTIMATE - A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

ROLLED BACK RATE - The millage necessary to raise the same amount of Ad Valorem Tax Revenue as the previous year, excluding taxes from new construction.

SECONDARY MARKET - Is a market where investors purchase securities or assets from other investors, rather than from issuing company directly. The national exchanges, such as, the New York Stock Exchange and the NASDAQ are secondary markets. Secondary markets exist for other securities as well, such as, when funds, investment banks, or entities such as Fannie Mae purchase mortgages from issuing lenders. In any secondary market trade, the cash proceeds go to an investor rather than to the underlying company/entity directly.

SHORT- TERM DEBT - An account shown in the current liabilities portion of a company's balance sheet. This account is comprised of any debt incurred by a company that is due within one year. The debt in this account is usually made up of short-term bank loans taken out by a company

SPECIAL ASSESSMENT - A levy against certain properties to defray part or all of the cost of a specific improvement or service that will primarily benefit those properties'.

SPECIAL REVENUE FUND - The special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

SPECIAL ASSESSMENT DISTRICT (SAD) – An area in which the market value of real estate is enhanced due to the influence of a public improvement and in which a tax is apportioned to recover the costs of the public improvement.

STATE REVENUE SHARING - Allocations to municipalities from a trust fund primarily supported by State cigarette and motor fuel taxes.

SURTAX – Additional amount charged locally above state minimum tax often used with sales taxes.

TAX INCREMENT DISTRICT - An area that has been declared “blighted” and is eligible to use tax increment financing to aid in redevelopment.

TAX INCREMENT FINANCING (TIF) - Property tax revenue generated by the tax on increases in property value above the base value at the time a tax increment district is established. This revenue is used to fund projects in the district.

TAX BASE - The total property valuations on which each taxing agency levies its tax rates.

TAX ROLL - The certification of assessed/taxable values prepared by the Property Appraiser and presented to the taxing authority by July 1 of each year.

TAXABLE VALUE - The assessed value less homestead and other exemptions, if applicable.

TENTATIVE MILLAGE - The tax rate adopted at the first public hearing of a taxing agency. Under State law, the agency may reduce, but not increase, the tentative millage during the second budget hearing.

TRUTH IN MILLAGE (TRIM) - State law establishing mandatory procedures, including advertising requirements and the holding of public hearings, for adoption of budgets and tax rates.

USEFUL LIFE - The period of time that a fixed asset is expected to be in use.

USER FEE - Charges for specific services rendered only to those paying such charges as, for example, sewer service charges.

UTILITY TAXES - Municipal charges levied by the City in each and every purchase of a public service within the corporate limits of the City. Public service is electricity, gas, fuel oil, water, and telephone service.

VOTED MILLAGE - Property tax levies authorized by voters within a taxing agency. Bond issues that are backed by property taxes are a common form of voted millage in the State. Such issues are called general obligation bonds.

WETLANDS MITIGATION- Any action required to reduce the impact of development on a wetland. Mitigation actions include creation of new wetlands or improvement of existing wetlands.

WHITE FLEET - This term refers to fleet, specifically trucks, vans and cars, used for City business.

WORKING CAPITAL - A financial metric which represents operating liquidity available to a business.

YIELD - The income return on an investment. This refers to the interest or dividends received from a security and are usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

Acronyms

APB (Accounting Principles Board)

ARC (Architectural Review Committee)

BAC (Business Assistance Center) – Palm Coast Business Assistance Center was started in 2011 through a unique partnership between the city and the University of Central Florida Small Business Development Center. The Center's mission is to help grow local businesses.

CADD (Computer Assisted Design and Drafting)

CDBG (Community Development Block Grant) – Residential housing rehabilitation and entitlement program.

CERT (Community Emergency Response Team)

CIP (Capital Improvement Program) - A comprehensive five (5) year plan of capital projects which identifies priorities as to need, method of financing and cost and revenue that will result during the five (5) years. The program is a guide for identifying current and future fiscal year requirements and becomes the basis for determining the Annual Capital Budget.

CO (Certificate of Occupancy)

CPI (Consumer Price Index) - This is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

CPA (Certified Public Accountant) - As designation awarded by on of 50 U.S. states to a college graduate who has passed the rigorous uniform CPA exam and has met the required work experience.

CRA (Community Redevelopment Area) A dependent special district in which any future increases in property values are set aside to support economic development projects within that district.

GAAP (Generally Accepted Accounting Principles)

GASB (Governmental Accounting Standards Board)

GFOA (Government Finance Officers Association)

GIS (Geographical Information Systems)

FASB (Financial Accounting Standards Board)

FDEP (Florida Department of Environmental Protection)

FTE (Full-time equivalent employees) - This is calculated by taking the total number of work-hours divided by the standard workweek (usually 40 hours). It is used for ease of comparison; i.e. two part-time people working 20 hours per week equal one FTE.

FICA (Federal Insurance Contributions Act)

FIFO (First in first out)

FUTA (Federal Unemployment Tax Act)

FY (Fiscal Year) - The twelve-month period to which the Annual Budget applies. The City's fiscal year begins October 1st and ends September 30th.

IRS (Internal Revenue Service) - The U.S. government agency responsible for federal income tax regulations.

ISO (Insurance Services Office, Inc.) – ISO is an independent statistical, rating, and advisory organization that serves the property and casualty insurance industry.

ISP (Internet Service Provider)

MBS (Mortgage Backed Securities) -Based on mortgages that are guaranteed by a government agency or GSE for payment of principal and a guarantee of timely payment.

NSP (Neighborhood Stabilization Program)

NOI (Net Operating Income)

PM - (Performance Measure) Measurement used to track performance towards City Council goals.

PO (Purchase Order)

SAD (Special Assessment District) – An area in which the market value of real estate is enhanced due to the influence of a public improvement and in which a tax is apportioned to recover the costs of the public improvement.

SEC (Securities and Exchange Commission)

SHIP - (State Housing Initiative Partnership)

SRF - (State Revolving Fund) - Loan program

TIF (Tax Increment Financing) - The tax increment above the base year valuation in a CRA which is used to eliminate the blight conditions.

TRIM (Truth in Millage) - State law establishing mandatory procedures, including advertising requirements and the holding of public hearings, for adoption of budgets and tax rates



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