

City of Punta Gorda



# LONG RANGE FINANCIAL PLAN

Fiscal Years 2013-2017



In January 2008, the City published its first Business Plan which incorporated economic and financial strategies and key performance measures into a single document. In order to augment the financial strategy component of the Plan, a long-range financial plan was developed in January 2009 to assist management in the planning and allocation of resources to achieve the City Council's goal of maintaining fiscally responsible decision making within all sectors of the organization. The Plan provided the organization with an opportunity to change or influence current policies and practices before they created critical fiscal strains on the budgetary fabric. The Fiscal Years 2013-2017 Long Range Financial Plan continues to present multi-year fiscal forecasts for the City's major fund groups, information highlighting costs on a programmatic level and a comparison of the City's financial management policies in relation to national standards. The Plan is shown in the following format:

Section 1: Major Fund Five-Year Forecasts

Section 2: Identification of Programs, Service Levels & Options to Reduce Projected Budgetary Gaps

Section 3: Options to Reduce Projected Budget Gaps

Section 4: Financial Management Policies & National Standards

## **Section 1: Major Fund Five-Year Forecasts**

### **General Fund**

The Plan forecasts that the current revenue base will not support the existing level of municipal services through 2017. Annual deficits are projected in the range of \$1.2 million to \$2.8 million from FY 2014 through FY 2017. The forecast assumes the same millage rate for general operations and street resurfacing through FY 2017. The property tax base is projected to decrease 2% in FY 2014, remain flat in 2015 and minimal 1-1.5% gains thereafter. The forecast also assumes no wage increases in FY 2014, specific benefit cost increases for pension, health insurance and workers compensation, resulting in an overall 3% increase to personnel expenditures in FY 2014. For planning purposes, an assumed 3% bonus-type employee cost is added to FY 2015-2017, with no compounding effects, in addition to the employee-related expenditure assumptions results in an overall 3 to 4.5% increase in personnel for FY 2015-2017. In FY 2013, Advanced Life Support (ALS) service was implemented at a second fire station. Additional personnel and startup operating expenditures are forecasted in FY 2014 for the third and final station. Property and liability insurance premiums are projected to increase 10% and the contribution to information technology for capital to increase 25% in FY 2014, while other operating expenditures are held flat for FY 2014 and forecasted to increase 3% thereafter. Transfers are based on Infrastructure Sales Surtax (ISS) revenues, General Construction Fund and CRA tax incremental funding requirements. The Plan model is a “baseline” projection; that is, future revenues and expenditures are estimated based on the City’s current sources of revenue and level of services.

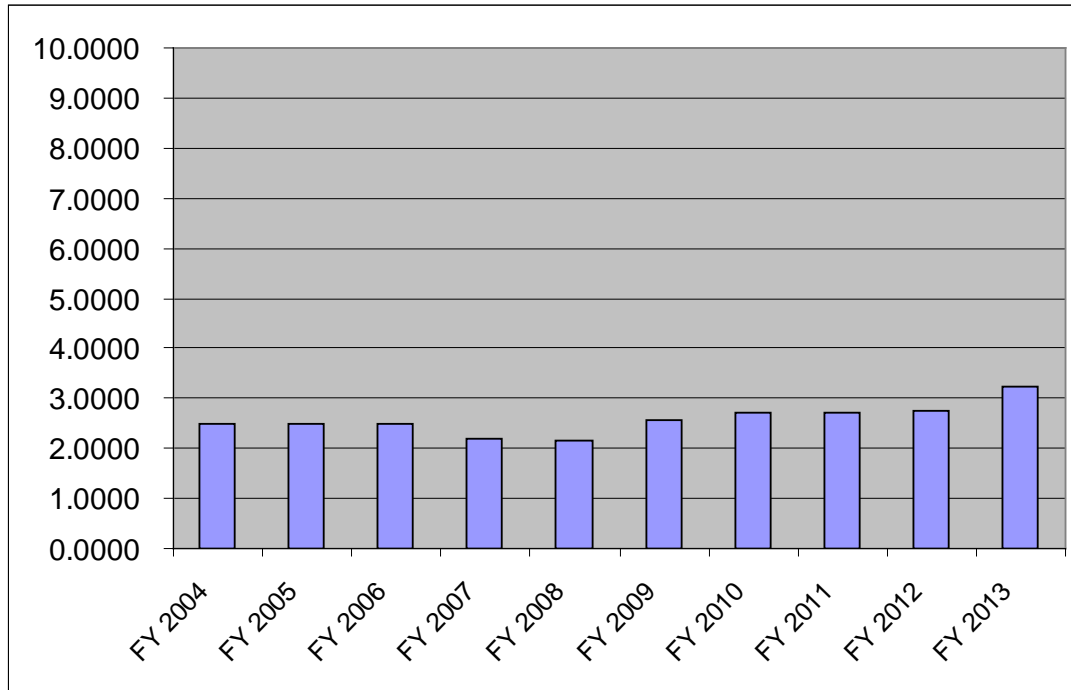
**General Fund**  
**Proforma Schedule of Revenues and Expenditures**  
**FY 2013 through FY 2017**

	<b>Budget FY 2013</b>	<b>Proforma FY 2014</b>	<b>Proforma FY 2015</b>	<b>Proforma FY 2016</b>	<b>Proforma FY 2017</b>
Change in Taxable Value of Property	-4.1%	-2%	0%	1%	1.5%
<b>Revenues:</b>					
Ad Valorem Taxes (less paving)	\$6,757,740	\$6,622,585	\$6,622,585	\$6,688,810	\$6,789,145
Other Revenue (less ISS)	9,060,885	9,237,095	9,389,525	9,544,750	9,702,815
Use of Prior Year's Reserves	579,035				
Use of Storm Fund Reserves	80,000	40,000			
<b>Total Revenues</b>	<b>16,477,660</b>	<b>15,899,680</b>	<b>16,012,110</b>	<b>16,233,560</b>	<b>16,491,960</b>
<b>Expenditures (less ISS &amp; Paving):</b>					
Personnel Expenditures	12,418,615	12,781,125	13,460,230	13,942,540	14,509,620
Operating Expenditures	3,474,600	3,572,155	3,750,965	3,854,520	3,961,185
Capital	3,800	150,000	215,000	215,000	215,000
Transfers to other Funds	565,645	585,645	565,645	590,450	577,730
Contingency	15,000	15,000	15,000	15,000	15,000
<b>Total General Expenditures</b>	<b>16,477,660</b>	<b>17,103,925</b>	<b>18,006,840</b>	<b>18,617,510</b>	<b>19,278,535</b>
<b>Expenditures in Excess of Revenue</b>	<b>\$0</b>	<b>(\$1,204,245)</b>	<b>(\$1,994,730)</b>	<b>(\$2,383,950)</b>	<b>(\$2,786,575)</b>
<b>Other Revenues:</b>					
Ad Valorem Taxes for paving Infrastructure Sales Surtax (ISS)	\$355,000	\$347,900	\$347,900	\$351,380	\$356,650
ISS Prior Year's Reserves	1,927,800	1,950,000	500,000		
	56,220				
<b>Other Expenditures:</b>					
Transfers for Roads	355,000	355,000	355,000	355,000	355,000
ISS Transfers to other Funds	1,637,800	1,760,000	410,000		
ISS Project Management	190,000	190,000	90,000		
ISS Police Vehicles	156,220				
<b>Expenditures in Excess of Revenue</b>	<b>\$0</b>	<b>(\$1,211,345)</b>	<b>(\$2,001,830)</b>	<b>(\$2,387,570)</b>	<b>(\$2,784,925)</b>
<b>5% Minimum Reserve</b>	<b>\$941,000</b>	<b>\$970,500</b>	<b>\$943,000</b>	<b>\$949,000</b>	<b>\$982,000</b>

## Millage and Taxable Assessed Value

The FY 2013 millage rate of 3.2462 mills is a 12.5% increase over the rolled back rate of 2.8852. The calculated rolled back rate results in the same property tax revenues, sans new construction, as the previous year millage rate of 2.7462. Included in the millage rate is \$355,000 earmarked for the road resurfacing program. The increase will generate over \$900,000 to assist in bringing recurring revenues closer to covering recurring expenditures.

Property Tax Millage Rates  
Fiscal Years 2004 - 2013

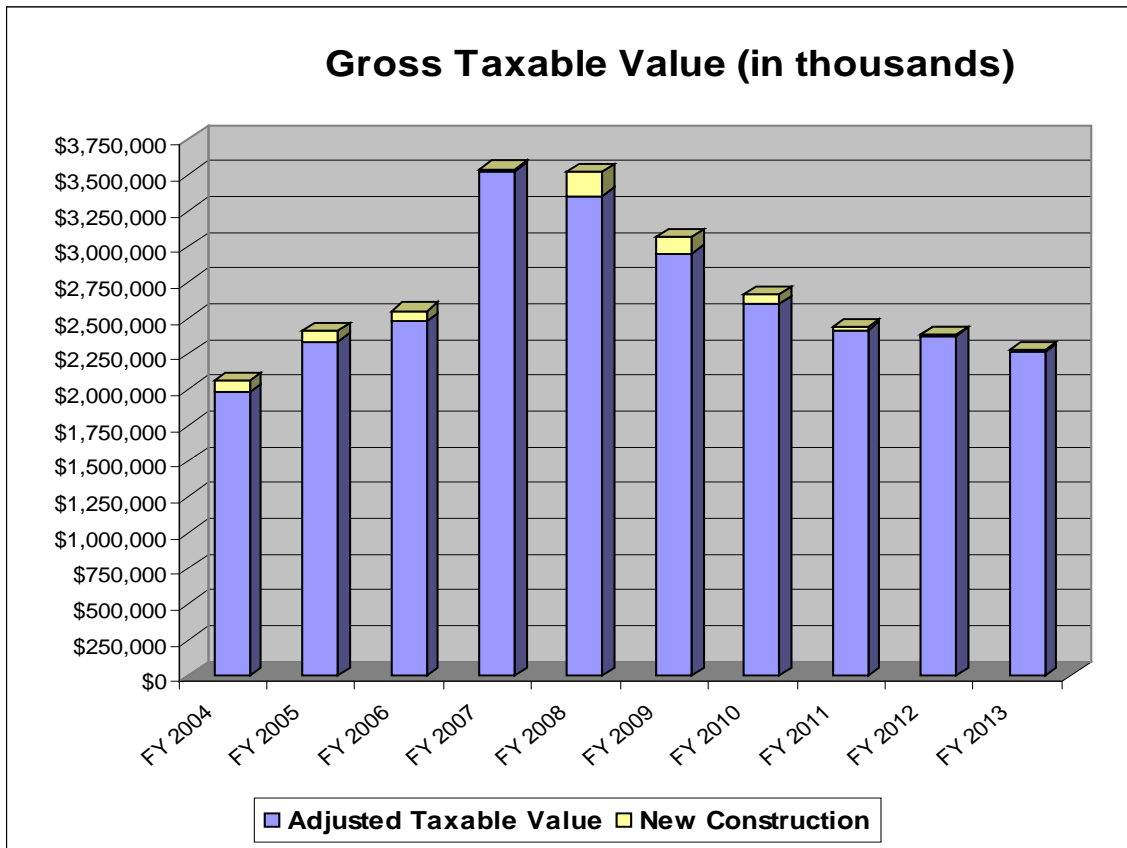


A mill is equal to one dollar of tax for each \$1,000 of taxable value. Florida Statutes caps the millage rate at 10 mills.

## History of Taxable Property Values

Fiscal Year	Final Gross Taxable Value*	\$ Change From Previous Year	% Change from Previous Year	New Construction
2008	\$3,496,182,626	-\$19,378,360	-0.6%	\$168,546,000
2009	\$3,062,265,808	-\$433,916,818	-12.4%	\$115,280,000
2010	\$2,646,132,752	-\$416,133,056	-13.6%	\$65,914,000
2011	\$2,447,711,910	-\$198,420,842	-7.5%	\$24,317,000
2012	\$2,367,768,124	-\$79,943,786	-3.3%	\$7,854,000
2013	\$2,270,096,276	-\$97,671,848	-4.1%	\$16,856,000

\*Includes New Construction



Property values have experienced a decline in the City of Punta Gorda for the sixth straight year. In previous years, the protection of Save Our Homes resulted in a majority of homestead property taxable values being below just values. The number of homestead properties at parity (market or just value equaling taxable value) has increased from 2,294 parcels to 3,763. Initial review of taxable value data shows the following:

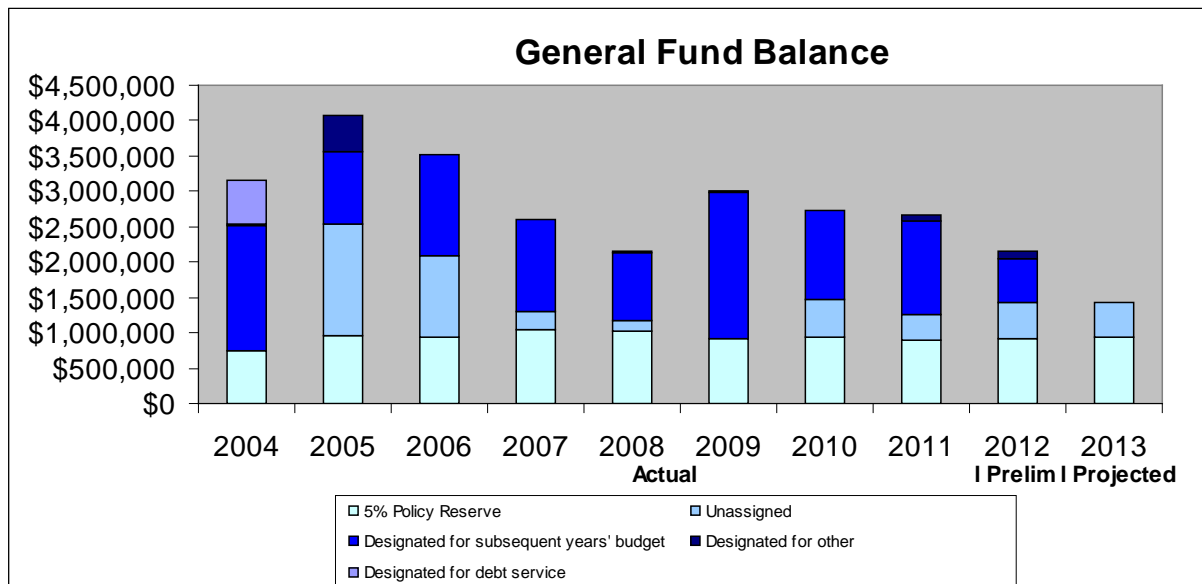
- 55% of total parcels in the City decreased in taxable value, 35% increased and 10% retained the same value. Many of the parcels that increased in value are in the undeveloped (non-homestead) residential category.
- Approximately 44% of parcels in the City are classified as homestead and of those, 64% are at parity (just value equals assessed value). Based on this data, one can surmise that over 84% of the parcels in the City are now at parity, since by definition all non-homestead properties are at parity.
- The Save Our Homes increase on non-parity homestead properties is 3%.
- Commercial properties experienced a small decline in value, as shown by the decrease in value in the Community Redevelopment Area 2.8% versus the City as a whole down 4.1%.

## General Fund Balance

On January 18, 2012, City Council adopted an amended comprehensive set of financial management policies. Subsequently, in April 2012, Council directed that the minimum unassigned fund balance be changed from 5.5% to 5%. The following specifically address fund balance or reserve objectives:

- *An adequate level of unrestricted fund balance will be maintained so credit rating agencies will recognize the City is in sound financial condition when they evaluate the City's credit worthiness.*
- *The City will strive to follow the GFOA recommendation for a minimum level of unrestricted fund balance for the General Fund. The GFOA states the unrestricted fund balance for the General Fund should be a minimum of 2 months of operating expenditures.*
- *For the General Fund, the City will establish an unassigned fund balance minimum of 5% of total general fund expenditures. The City should have a prudent level of unrestricted fund balance to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unexpected one time expenditures.*
- *An adequate level of unrestricted fund balance will be maintained as working capital to support operations until sufficient current revenues (taxes) are received.*

During the past six fiscal years (2007 through 2012), the City earmarked a portion of reserves over the minimum 5% guideline to assist in paying for ongoing levels of service until such time as the economy rebounds.

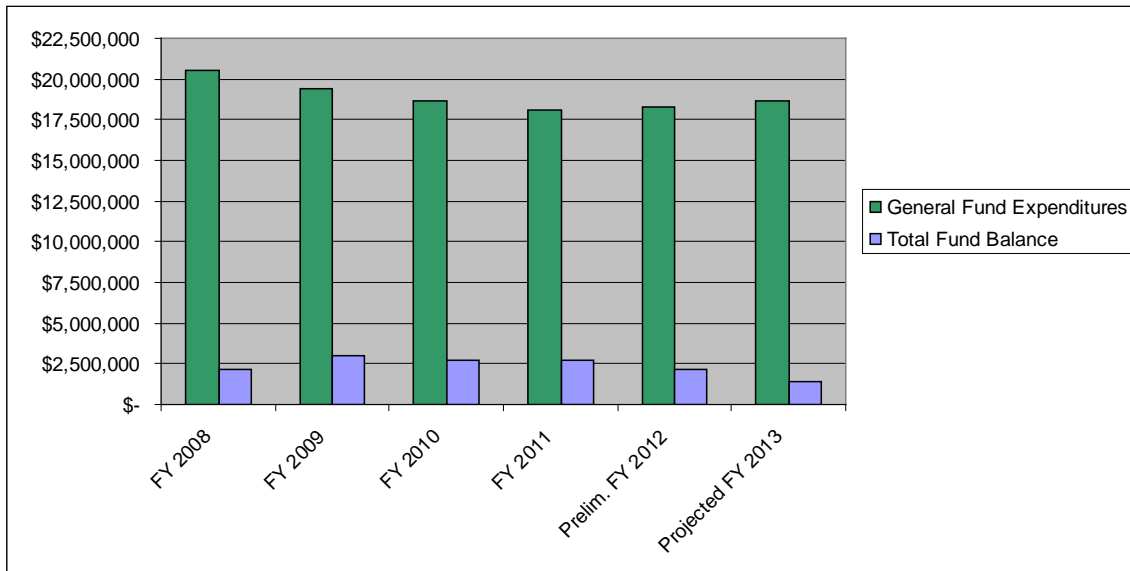


The table below provides a summary of the reserved/designated and unreserved fund balance for actual FY 2008 through FY 2011, preliminary FY 2012 and projected FY 2013.

**Analysis of General Fund Balance  
as a Percentage of General Fund Expenditures  
at Fiscal Year End**

	FY 2008		FY 2009		FY 2010		FY 2011		Prelim. FY 2012		Projected FY 2013	
	Amount	% of Exp.	Amount	% of Exp.	Amount	% of Exp.	Amount	% of Exp.	Amount	% of Exp.	Amount	% of Exp.
Reserved for Other	\$ 13,325		\$ 23,330		\$ 20,258		\$ 100,968		\$ 104,852			
Unreserved:												
Designated for:												
Reappropriations	240,932		277,517		284,521		446,193		163,479			
Subsequent years' budget	721,756	4%	1,771,857	9%	967,000	5%	877,589	5%	451,018	2%		
5% policy reserve	1,025,414	5%	926,440	5%	934,720	5%	904,887	5%	913,671	5%	941,000	5%
Unassigned	148,132				533,410		346,405		512,372		485,043	
Total Fund Balance	<u>\$ 2,149,559</u>	10%	<u>\$ 2,999,144</u>	15%	<u>\$ 2,739,909</u>	15%	<u>\$ 2,676,042</u>	15%	<u>\$ 2,145,392</u>	12%	<u>\$ 1,426,043</u>	8%
General Fund Expenditures	<u>\$ 20,508,272</u>		<u>\$ 19,363,053</u>		<u>\$ 18,694,400</u>		<u>\$ 18,097,737</u>		<u>\$ 18,273,419</u>		<u>\$ 18,653,302</u>	

**Comparison of Original Budgeted Expenditures to Actual Fund Balance:**



The original FY 2013 budget used \$451,018 in unassigned reserves to assist in closing the projected gap, leaving the required 5% of \$933,000 in projected carryover ending reserves. Based on final accounting for FY 2012, there is approximately \$485,000 in operating reserves in addition to the 5% reserve; the previous estimate (pg 4.02 of the FY 2013 Adopted Budget) was \$327,000. Additional savings of \$291,000 can be realized if personnel reductions are initiated during FY 2013 and carried forward into the next year. The Plan identifies such opportunities in Section 3. The combination of these two amounts reduces the FY 2014 shortfall from \$1.2 million to \$0.4 million, although the City should carefully consider a more prudent approach that earmarks a portion of available reserves to initiate an increase in the minimum fund balance to 5.5%.



## Water & Sewer Fund

The City operates its water and sewer system as an enterprise fund and funds the operations primarily through user fees. The utility service area encompasses approximately 38 square miles and extends beyond the corporate City limits. There are approximately 20,650 water ERUs (Equivalent Residential Units) and 15,365 sewer ERUs. Customers outside the corporate City limits pay a 25% surcharge, which is reduced to 10% for those customers who meet specific economic development criteria. Customers inside the corporate City limits pay a 10% water utilities tax.

### Utilities OM&R Fund Proforma Schedule of Revenues and Expenses FY 2013 through FY 2017

	Budget FY 2013	Proforma FY 2014	Proforma FY 2015	Proforma FY 2016	Proforma FY 2017
Water & Sewer growth change	0.75%	1%	1%	1%	1%
<b>Revenues:</b>					
Chg for Serv - Water	\$8,154,400	\$8,235,945	\$8,318,305	\$8,401,485	\$8,485,500
Chg for Serv - Sewer	6,195,800	6,257,760	6,320,335	6,383,540	6,447,375
Other Revenue	223,060	194,920	195,905	196,920	197,960
<b>Total Revenues</b>	<b>14,573,260</b>	<b>14,688,625</b>	<b>14,834,545</b>	<b>14,981,945</b>	<b>15,130,835</b>
<b>Expenses:</b>					
Operations	11,162,960	11,649,155	11,976,095	12,340,905	12,739,375
Renewal & Replacement of Infrastructure	1,120,000	1,120,000	1,120,000	1,120,000	1,120,000
Transfer for Capital Improvement Projects	875,000	615,000	1,545,000	2,300,000	775,000
Existing Debt Service	2,151,445	643,685	543,415	543,530	
New Debt Service - CIP	210,000	210,000	210,000	210,000	170,575
<b>Total Expenses</b>	<b>15,519,405</b>	<b>14,237,840</b>	<b>15,394,510</b>	<b>16,514,435</b>	<b>14,804,950</b>
<b>Revenues in Excess (Shortfall) of Expenses</b>	<b>(946,145)</b>	<b>450,785</b>	<b>(559,965)</b>	<b>(1,532,490)</b>	<b>325,885</b>
<b>Operating Reserves-Beg</b>	<b>3,559,880</b>	<b>2,613,735</b>	<b>3,064,520</b>	<b>3,601,745</b>	<b>2,069,255</b>
Release of Renewal/Replacement Bond Reserves			1,097,190		
<b>Operating Reserves-End</b>	<b>\$2,613,735</b>	<b>\$3,064,520</b>	<b>\$3,601,745</b>	<b>\$2,069,255</b>	<b>\$2,395,140</b>

The financial pro-forma forecasts minimal increases in growth due to current economic conditions. Based on the current, adopted 5 year capital improvement plan, there are no rate increases indicated or needed through FY 2017. Operating reserves are scheduled to be used for capital projects and portions of debt service obligations through FY 2016. The forecast also incorporates a new philosophy of funding with current revenues those expenses used for recurring line and lift station repairs and replacements. Beginning in FY 2017, with the elimination of debt service on older debt, the fund finally achieves the goal of current revenues equaling current expenses, including the amount of \$1,120,000 annually towards this effort. Even with this annual expense, the FY 2017 ending operating reserve is projected to be approximately \$2.4 million, which is 16.2% of appropriations.

## Utilities Fund Operating Reserve Policy

The Government Finance Officers Association’s (GFOA) best practices standard has been revised to maintain a minimum of 2 months of operating expenditures. The Plan recommends that the City amend its reserve policy to more closely follow the GFOA best practices standard. The City’s adopted financial policy requires a minimum of 5% of expense appropriations which would be \$889,000. Recognizing that this is not adequate for risk exposure, the City has maintained a target operating reserve of \$1 million. However, the current proforma indicates that the utility fund will meet the GFOA standard in all years. The table below shows the comparison of current practice and GFOA recommended best practice.

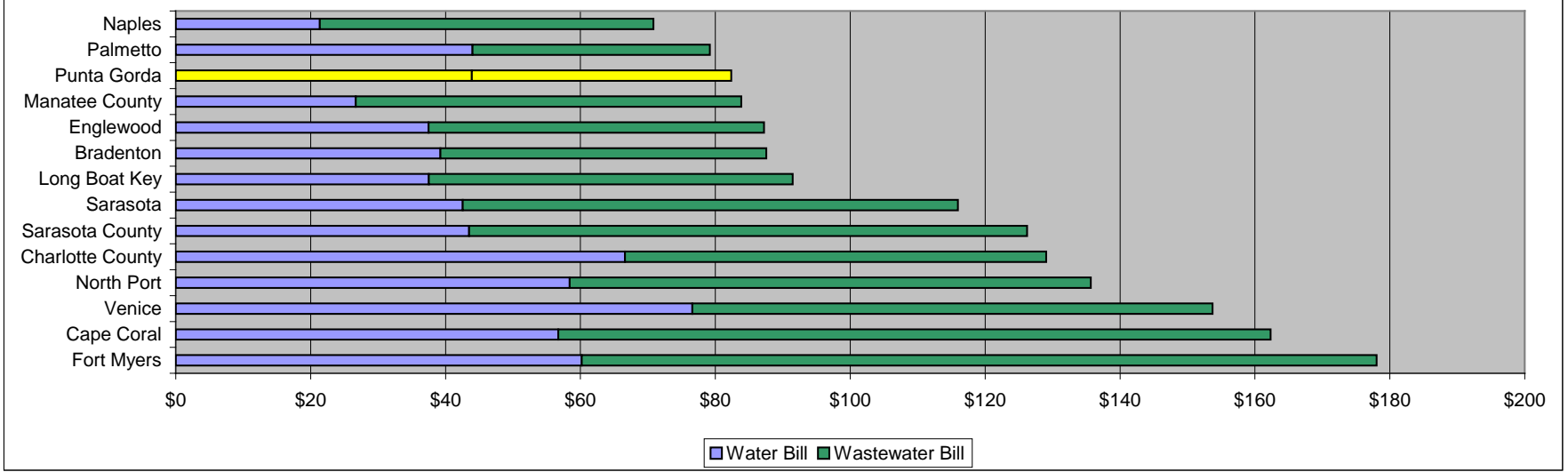
Operating Reserve Comparison	Projected FY 2013	Proforma FY 2014	Proforma FY 2015	Proforma FY 2016	Proforma FY 2017
City Financial Reserve Policy 5% of Appropriations	775,970	711,890	769,725	825,720	740,250
Proposed Revision City Financial Reserve Policy 7.5% of Appropriations	1,163,955	1,067,840	1,154,590	1,238,585	1,110,370
City Target Operating Reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
GFOA Best Practice 2 Month Operations Reserve	1,860,495	1,941,525	1,996,016	2,056,820	2,123,230

## Utilities Fund Debt Coverage Ratio Requirements

In April 2002, the City issued \$16,200,000 in utility system refunding revenue bonds to refund all outstanding 1986 and 1992 bonds. The City pledged to maintain debt coverage ratios of 1.1 by net revenue. As shown below, adequate debt coverage ratios have been maintained over the years.

Fiscal Year	Debt Coverage Ratio
2002	3.6
2003	2.9
2004	3.0
2005	3.2
2006	3.6
2007	2.7
2008	5.4
2009	3.0
2010	2.8
2011	3.0

**FY 2013 Combined Water & Wastewater Bill Survey @ 9000 Gallons Per Month**



	Fort Myers	Cape Coral	Venice	North Port	Charlotte County	Sarasota County	Sarasota	Long Boat Key	Bradenton	Englewood	Manatee County	Punta Gorda	Palmetto	Naples
Water Bill	\$60.18	\$56.72	\$76.57	\$58.41	\$66.60	\$43.48	\$42.54	\$37.50	\$39.24	\$37.48	\$26.68	\$43.88	\$44.00	\$21.34
Wastewater Bill	\$117.86	\$105.60	\$77.15	\$77.24	\$62.44	\$82.75	\$73.42	\$53.96	\$48.30	\$49.72	\$57.15	\$38.47	\$35.20	\$49.49

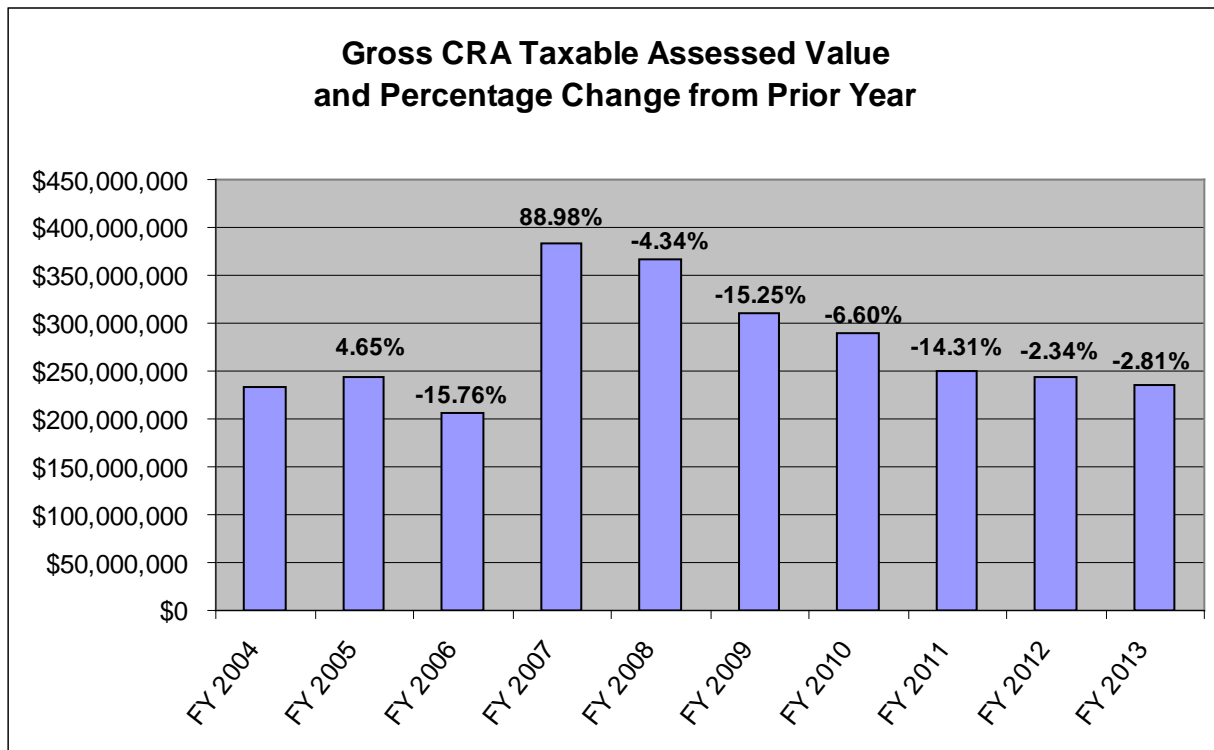
9,000 gallons is the assumed monthly use for calculating the single residential family monthly cost.

## Community Redevelopment Agency Fund

City Council created the Community Redevelopment Agency (CRA) in 1989 as a mechanism to carry out the goals and objectives of the Downtown Redevelopment Plan and Eastside & Downtown Planning Study. Projects constructed within the CRA are funded by property owners within the CRA from tax value increments generated over the 1989 base year. The tables below provide histories of taxable value and revenue generated from such property taxes since FY 2004.

Fiscal Year	Gross CRA			
	Taxable Assessed Value	City TIF Contribution	County TIF Contribution	Total TIF Contribution
FY 2004	\$232,811,067	\$358,268	\$704,460	\$1,062,728
FY 2005	\$243,631,799	\$383,733	\$739,041	\$1,122,774
FY 2006	\$205,246,835	\$293,400	\$636,131	\$929,531
FY 2007	\$383,774,587	\$627,124	\$1,394,380	\$2,021,504
FY 2008	\$367,113,862	\$591,466	\$1,236,559	\$1,828,025
FY 2009	\$311,130,098	\$562,664	\$1,250,570	\$1,813,234
FY 2010	\$290,592,852	\$538,621	\$1,139,173	\$1,677,794
FY 2011	\$249,005,996	\$436,047	\$974,342	\$1,410,389
FY 2012	\$243,188,559	\$424,246	\$970,103	\$1,394,349
FY 2013	\$236,361,169	\$480,644	\$929,373	\$1,410,017

Over 60% of the CRA tax base is commercial and professional uses.



The CRA Board and City Council, in partnership with Charlotte County, recognized the declining taxable values could not support the repayment schedule of existing debt. In doing so, the three governing bodies approved the extension of the life of the CRA until December 31, 2030. The City has completed refinancing CRA debt to better match income flow.

**Community Redevelopment Agency  
Proforma Schedule of Revenues and Expenditures  
FY 2013 through FY 2017**

	<b>Projected FY 2013</b>	<b>Proforma FY 2014</b>	<b>Proforma FY 2015</b>	<b>Proforma FY 2016</b>	<b>Proforma FY 2017</b>
Assessed Property Valuation change	-2.8%	-2.0%	0%	2%	2%
<b>Revenues:</b>					
Tax Increment Financing (TIF)	\$1,410,015	\$1,381,815	\$1,381,815	\$1,409,455	\$1,437,645
Herald Court Centre Leases	151,855	188,550	202,310	216,485	249,275
Other Revenue	288,690	104,305	104,545	105,290	105,100
<b>Total Revenues</b>	<b>1,850,560</b>	<b>1,674,670</b>	<b>1,688,670</b>	<b>1,731,230</b>	<b>1,792,020</b>
<b>Expenditures:</b>					
Debt Service	1,410,015	1,282,465	1,282,055	1,310,790	1,338,315
Herald Court Operating Expenditures	140,200	140,880	145,495	150,280	155,995
Other Operating Expenditures	104,635	49,110	50,255	51,430	52,645
<b>Total Expenditures</b>	<b>1,654,850</b>	<b>1,472,455</b>	<b>1,477,805</b>	<b>1,512,500</b>	<b>1,546,955</b>
<b>Excess Revenue</b>	<b>195,710</b>	<b>202,215</b>	<b>210,865</b>	<b>218,730</b>	<b>245,065</b>
<b>Operating Reserve - Beginning</b>	<b>1,730,780</b>	<b>1,926,490</b>	<b>2,128,705</b>	<b>2,339,570</b>	<b>2,558,300</b>
<b>Reserve - TIF for Debt Service</b>	<b>\$0</b>	<b>\$99,350</b>	<b>\$199,110</b>	<b>\$297,775</b>	<b>\$397,105</b>
<b>Reserve - R&amp;R Herald Court</b>	<b>\$17,265</b>	<b>\$64,935</b>	<b>\$121,750</b>	<b>\$187,955</b>	<b>\$281,235</b>
<b>Reserve - Other Operations</b>	<b>\$1,909,225</b>	<b>\$1,964,420</b>	<b>\$2,018,710</b>	<b>\$2,072,570</b>	<b>\$2,125,025</b>

**Sanitation Fund**

The City operates its sanitation services as an enterprise fund and collects refuse two days per week and horticulture one day per week for approximately 10,200 residential accounts and 650 commercial accounts. A 2-bin curbside recycling program has been implemented for all residential units, collected one day per week. The budget retains the annual rate of \$19.20 per month or \$230.40 per year for the residential customer at the same level of service. The budget also reflects the FY 2012 implemented change in fleet replacements from a 7-year cycle to at least a 10-year replacement program, based upon evaluation of truck condition and repair history. Staff is closely monitoring the effect of the policy change on repair and maintenance costs. Below is the FY 2013-2017 proforma.

**Sanitation Fund Proforma**

<b>Category</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Revenues</b>					
Single Family	\$1,586,000	\$1,601,860	\$1,617,880	\$1,634,060	\$1,650,400
Multi Family	572,000	577,720	583,500	589,330	595,225
Commercial	564,000	564,000	564,000	564,000	564,000
Yardwaste & Recycling	183,700	185,540	187,390	189,265	191,160
Other	26,500	26,500	26,500	476,500	26,500
Use of Prior Year's Reserves		267,810		422,300	82,075
<b>Total</b>	<b>2,932,200</b>	<b>3,223,430</b>	<b>2,979,270</b>	<b>3,875,455</b>	<b>3,109,360</b>
<b>Expenditures</b>					
Personnel	1,138,290	1,175,545	1,232,990	1,272,330	1,317,380
Operating	1,147,110	1,149,290	1,161,110	1,195,940	1,231,825
Administrative Fee	438,675	448,595	454,255	458,770	463,330
Capital Outlay	75,000	450,000		900,000	
Debt Service	101,885			48,415	96,825
<b>Total</b>	<b>2,900,960</b>	<b>3,223,430</b>	<b>2,848,355</b>	<b>3,875,455</b>	<b>3,109,360</b>
<b>Surplus</b>	<b>\$ 31,240</b>	<b>\$ 0</b>	<b>\$130,915</b>	<b>\$ 0</b>	<b>\$ 0</b>

To compare the City's rates with surrounding jurisdictions, a survey was undertaken during June 2012.

**Sanitation Rate Comparison with Neighboring Communities  
FY 2012 and FY 2013**

<b>Jurisdiction</b>	<b>FY 2012 Cost/Year</b>	<b>FY 2013 Cost/Year</b>	<b>Frequency of Service per week</b>	<b>Outsourced</b>
Charlotte County	\$148.04	\$148.04	1	yes
Sarasota County	\$159.48	\$159.48	1	yes
Cape Coral	\$160.54	\$162.36	1	yes
Manatee County	\$153.24	\$163.36	2	yes
Collier	\$167.67	\$167.67	2	yes
Venice	\$202.08	\$202.08	2	no
Lee County**	\$230.00	\$220.37	1	yes
Fort Myers	\$220.37	\$220.37	1	no
Punta Gorda	\$230.40	\$230.40	2	no
Naples	\$248.10	\$248.10	2	no
North Port	\$267.00	\$267.00	1	no

All of the above rates include once per week service for yard waste and recycling.

\*\* Average rate of five sanitation districts in Lee County

## Building Fund

Building services are operated as an enterprise fund and includes all aspects of permitting, inspections, plans review and licensing of contractors to support the State and City building codes. The City has established permit fees to pay for services provided. During the past five years, staffing has been reduced from 13 f.t.e. in FY 2006 to 5 in FY 2013. This reduction was due to a decline in permit applications, inspections and stagnant growth trends. The FY 2013 budget assumes continued growth of 10% in permit revenues and the necessity of normal work schedules for the building employees. The City will continue to monitor activity and may adjust work schedules in the future if necessary

Through FY 2015, it is planned that reserves will be used to supplement current revenues, in order to provide full services to the building community.

Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Revenues</b>					
Fees	\$497,000	\$537,000	\$581,000	\$629,400	\$682,640
Use of Prior Yr's Reserves	46,365	31,075	20,745		
<b>Total</b>	<b>543,365</b>	<b>568,075</b>	<b>601,745</b>	<b>629,400</b>	<b>682,640</b>
<b>Expenditures</b>					
Personnel	418,620	433,330	457,500	475,100	495,505
Operating	124,745	134,745	144,245	148,575	153,030
<b>Total</b>	<b>543,365</b>	<b>568,075</b>	<b>601,745</b>	<b>623,675</b>	<b>648,535</b>
<b>Surplus/(Shortfall)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$5,725</b>	<b>\$34,105</b>

## Laishley Park Municipal Marina Fund

Opening in April 2007, Laishley Park is operated as an enterprise fund to include the marina and park amenities. The City outsourced management of the marina and ship's store to Marina Park LLC, however retained the authority to set boat slip, community room and pavilion rental rates. The proforma reflects projected revenues from the above sources as well as personnel and operating costs associated with management of the marina area. Staffing coverage is provided seven days a week, 365 days per year.

The FY 2013 budget maintains the 2007 adopted marina fee schedule and 2011 East Mooring Field fee schedule. Rate comparisons were reviewed in Fall 2012 and the CRA Board determined that no changes should be made at this time. Based on current occupancy, the marina is forecasted to deplete its reserves by the end of FY 2013. The City received approval regarding its application to the State Department of Environmental Protection for amendments to its submerged land lease that will increase rental opportunities during events and for commercial enterprises.

Evaluation of current expenditures and available rental space at the marina facility will be made during the FY 2014 budget process to assist in balancing the marina fund.

**Laishley Park Municipal Marina Fund Proforma**

<b>Category</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Revenues</b>					
Slip & Mooring Field Rentals	\$222,450	\$224,675	\$227,920	\$230,690	\$233,480
Other	25,800	26,055	26,315	26,575	26,835
Use of Prior Yr's Reserves	27,575	17,645			
<b>Total</b>	<b>275,825</b>	<b>268,375</b>	<b>254,235</b>	<b>257,265</b>	<b>260,315</b>
<b>Expenditures</b>					
Operating	275,825	276,445	284,740	293,280	302,080
<b>Surplus/(Shortfall)</b>	<b>\$ 0</b>	<b>(\$8,070)</b>	<b>(\$30,505)</b>	<b>(\$36,015)</b>	<b>(\$41,765)</b>

**Canal Maintenance Districts Funds**

The City has two canal maintenance assessment districts – Punta Gorda Isles (PGI) and Burnt Store Isles (BSI). Assessments to each benefited property owner pay for maintenance of canals, seawalls and navigation channels within their respective district. The annual fee for each single family lot in PGI is \$500 and \$400 in BSI. To avoid assessment increases beginning in FY 2013, the accelerated seawall and cap replacement program is scaled back. The proposed budgets for the two canal maintenance assessment districts reflect continuance of an annual assessment of \$400 for Burnt Store Isles (BSI) and a \$500 annual assessment for Punta Gorda Isles (PGI). Over the past two years, staff initiated a comprehensive inspection of seawalls and seawall caps. Results from the newest seawall review are shown below. No changes in rates are planned.

<b>Seawall Cap:</b>	<b>Burnt Store Isles</b>	<b>Punta Gorda Isles</b>
Good condition:	93,806 ft. = 17.8 miles = 98.7%	450,560 ft. = 85.3 miles = 93.8%
Needs repair:	554 ft. = 0.1 miles = 0.6%	3,259 ft. = 0.6 miles = 0.7%
Needs replacement:	434 ft. = 0.1 miles = 0.5%	18,731 ft. = 3.6 miles = 3.9%
Unable to assess:	248 ft. = 0.1 miles = 0.2%	7,675 ft. = 1.4 miles = 1.6%

<b>Seawall:</b>	<b>Burnt Store Isles</b>	<b>Punta Gorda Isles</b>
Good condition:	86,881 ft. = 16.5 miles = 91.4%	393,604 ft. = 74.6 miles = 82.0%
Needs monitored:	7,837 ft. = 1.5 miles = 8.2%	75,632 ft. = 14.3 miles = 15.7%
Needs replacement:	76 ft. = 0.0 miles = 0.1%	2,843 ft. = 0.5 miles = 0.6%
Unable to assess:	248 ft. = 0.1 miles = 0.3%	8,146 ft. = 1.5 miles = 1.7%



### Punta Gorda Isles

Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Rate</b>	<b>\$500</b>	<b>\$500</b>	<b>\$500</b>	<b>\$500</b>	<b>\$500</b>
<b>Revenues</b>					
Assessments	\$2,612,000	\$2,612,000	\$2,612,000	\$2,612,000	\$2,612,000
Other	16,000	16,000	16,000	16,000	16,000
Use of Prior Yr's Reserves	71,040	68,985	39,675	12,690	38,635
<b>Total</b>	<b>2,699,040</b>	<b>2,696,985</b>	<b>2,667,675</b>	<b>2,640,690</b>	<b>2,666,635</b>
<b>Expenditures</b>					
Personnel	592,995	611,360	640,410	659,815	682,040
Operating	265,910	270,625	272,265	275,875	279,595
Seawall & Dredging	1,835,000	1,815,000	1,755,000	1,705,000	1,705,000
Capital	5,135				
<b>Total</b>	<b>2,699,040</b>	<b>2,696,985</b>	<b>2,667,675</b>	<b>2,640,690</b>	<b>2,666,635</b>
<b>Surplus/(Shortfall)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

### Burnt Store Isles

Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Rate</b>	<b>\$400</b>	<b>\$400</b>	<b>\$400</b>	<b>\$400</b>	<b>\$400</b>
<b>Revenues</b>					
Assessments	\$414,800	\$414,800	\$414,800	\$414,800	\$414,800
Other	500	500	500	500	500
Use of Prior Yr's Reserves	20,285	19,000	19,935	20,575	21,235
<b>Total</b>	<b>435,585</b>	<b>434,300</b>	<b>435,235</b>	<b>435,875</b>	<b>436,535</b>
<b>Expenditures</b>					
Operating	41,900	41,900	42,835	43,475	44,135
Seawalls, Dredging & Mangrove Trimming	392,400	392,400	392,400	392,400	392,400
Capital	1,285				
<b>Total</b>	<b>435,585</b>	<b>434,300</b>	<b>435,235</b>	<b>435,875</b>	<b>436,535</b>
<b>Surplus/(Shortfall)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

### Gas Tax Funds

The City has established local option fuel taxes in two parts – the first six cents is used for such transportation expenditures as street sweeping, street lights, traffic lights, bridge maintenance, railroad crossings and sidewalk repairs. The second five cents is used for road paving (rejuvenation and resurfacing).

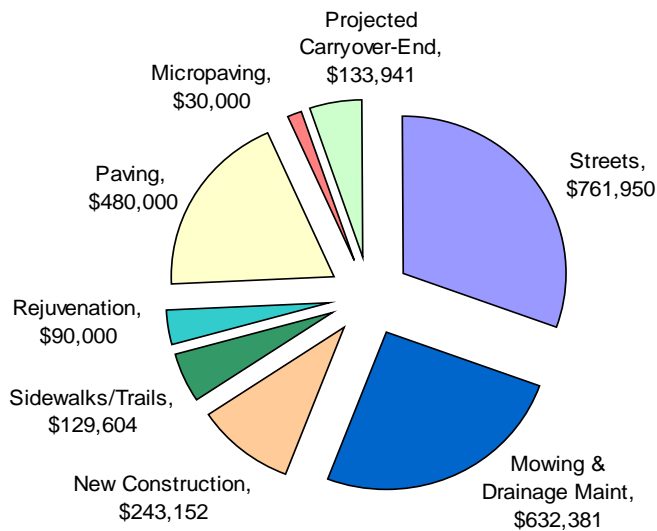
Proceeds from fuel taxes are distributed by the State to Charlotte County and the City. The City's share for the first six cents distribution has been reduced from 11.14% to 10.40% beginning in FY 2011, and the next five cents remains at 6.74%. The distribution allocation

is determined by the five-year average transportation expenditures or interlocal agreement. A history of revenue received since FY 2003 follows.

Fiscal Year	6 Cents	5 Cents	Total
2003	\$ 590,446	\$ 368,253	\$ 958,699
2004	\$ 626,543	\$ 389,088	\$ 1,015,631
2005	\$ 593,419	\$ 354,535	\$ 947,954
2006	\$ 606,122	\$ 363,786	\$ 969,908
2007	\$ 580,185	\$ 350,341	\$ 930,526
2008	\$ 561,707	\$ 269,443	\$ 831,150
2009	\$ 559,547	\$ 243,311	\$ 802,858
2010	\$ 567,590	\$ 241,762	\$ 809,352
2011	\$ 507,120	\$ 234,770	\$ 741,890
2012	\$ 531,479	\$ 248,444	\$ 779,923
2013 (Budget)	\$ 530,000	\$ 248,000	\$ 778,000

The effect of elasticity of gas consumption (the tax is charged on gallons not dollars) in the recent years of increased gas prices has resulted in a decline of revenue.

The importance of maintaining the City’s road infrastructure was addressed by transferring general funds of \$355,000 for roads to complete the third year of a ten year plan. Included in this plan is the continued contribution from the general fund additional millage for ad valorem revenue.



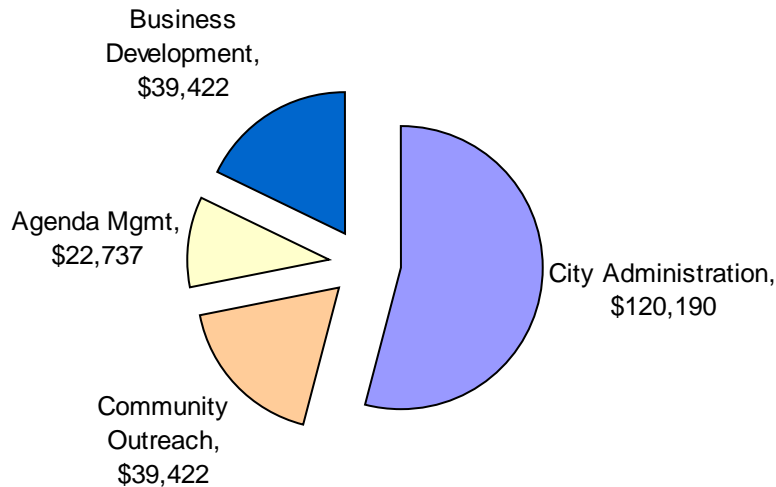
\* This graph combines Gas Tax Funds and General Fund Right of Way Division

## Section 2: Identification of City Programs and Service Levels

This section identifies City programs by department as well as levels of service costs for each program as established in FY 2013 budget. In this manner, the organization and community can evaluate services delivered, costs associated with those services and priorities to be incorporated in future spending plans.

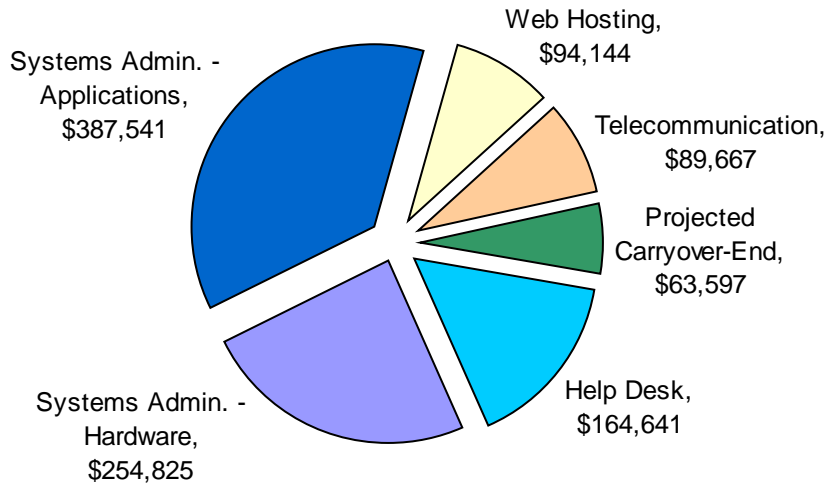
### City Manager

City Administration	\$ 120,190
<ul style="list-style-type: none"> <li>• Manage office divisions (Human Resources, Information Technology &amp; Legal) and provide leadership role over departments of Finance, Growth Management, Police, Fire, Public Works &amp; Utilities</li> </ul>	
Community Outreach	\$ 39,422
<ul style="list-style-type: none"> <li>• Weekly Highlights Report, Information Sharing Reports, City Hallways Newsletter, Action Register and Citizens Academy</li> <li>• Community presentations/participation before/on boards &amp; committees, community agencies, intergovernmental organizations</li> </ul>	
Agenda Management	\$ 22,737
<ul style="list-style-type: none"> <li>• Development &amp; review of agendas for City Council, Community Redevelopment Agency, joint City/County meetings and special workshops</li> </ul>	
Business Development	\$ 39,422
<ul style="list-style-type: none"> <li>• Incentive programs, review of codes &amp; regulations, response to requests from private sector for assistance, recruitment &amp; retention</li> </ul>	
<b>Total City Manager</b>	<b>\$ 221,771</b>

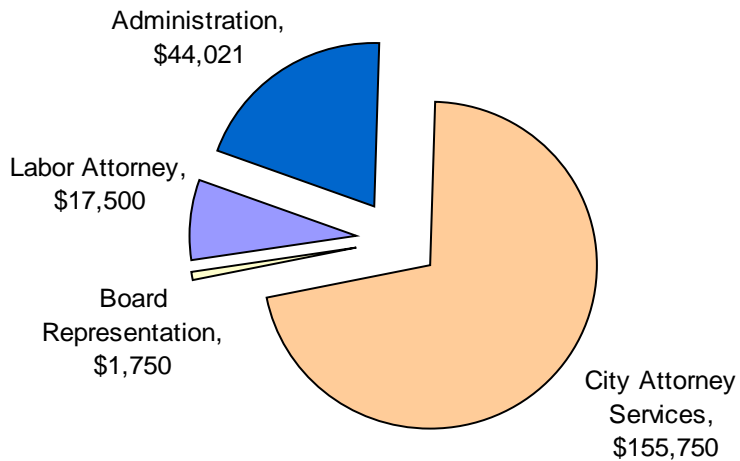


**Information Technology**

Help Desk	\$ 164,641
<ul style="list-style-type: none"> <li>• Phone sets, PCs/laptops and peripherals and desktop applications</li> </ul>	
System Administration – Hardware	\$ 254,825
<ul style="list-style-type: none"> <li>• Windows Server System, AS400 System and network infrastructure administration, Network Security, Disaster Recovery</li> </ul>	
System Administration – Applications	\$ 387,541
<ul style="list-style-type: none"> <li>• Sungard Core (H.T.E. and OSSI) and other network applications (i.e. OptiSpool, Tokay Blackflow Prevention, Digital Ally, NovusAGENDA, etc.); systems analysis; application security; and report writing</li> </ul>	
Web Hosting	\$ 94,144
<ul style="list-style-type: none"> <li>• City Website maintenance, Click2Gov applications, and Public Records Search Citizen Portal</li> </ul>	
Telecommunications	\$ 89,667
<ul style="list-style-type: none"> <li>• Installation, configuration and support of Nortel and Cisco phone systems and voice circuits</li> </ul>	
<b>Total Information Technology</b>	<b>\$ 990,818</b>

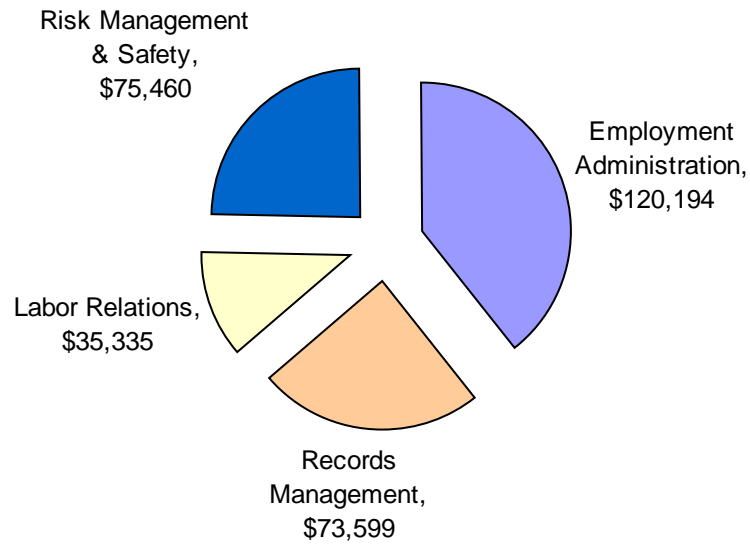


<b>Legal</b>	
Administration	\$ 44,021
<ul style="list-style-type: none"> <li>• Oversee outside legal counsel, Civil Response &amp; Filings (bankruptcies, foreclosures, tax deeds, liens &amp; real estate transactions)</li> <li>• Draft and review ordinances, resolutions, agreements/contracts, easements and other legal documents</li> </ul>	
City Attorney Services	\$ 155,750
<ul style="list-style-type: none"> <li>• Legal Research &amp; Opinions and City Code Review (note: This is projected at \$127,750 in FY 2013 due to reduced board representation that was shifted to this category. FY 2014 will also reflect this change.)</li> <li>• Agenda review and representation at City Council/CRA meetings</li> <li>• Prosecution of Code Enforcement and Building cases</li> </ul>	
Labor Attorney Services	\$ 17,500
<ul style="list-style-type: none"> <li>• Legal Research &amp; Opinions; representation</li> </ul>	
Board Representation	\$ 1,750
<ul style="list-style-type: none"> <li>• Agenda review &amp; attend Code Enforcement Board and Building Board (as needed only)</li> </ul>	
<b>Total Legal</b>	<b>\$ 219,021</b>

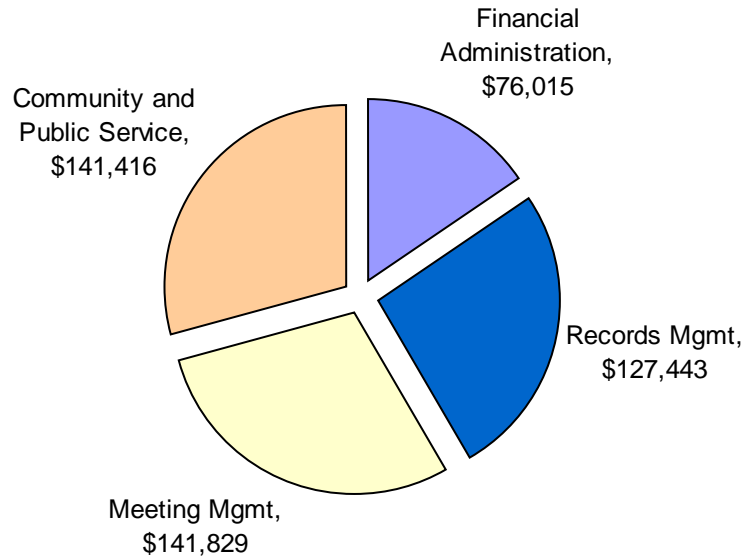


**Human Resources**

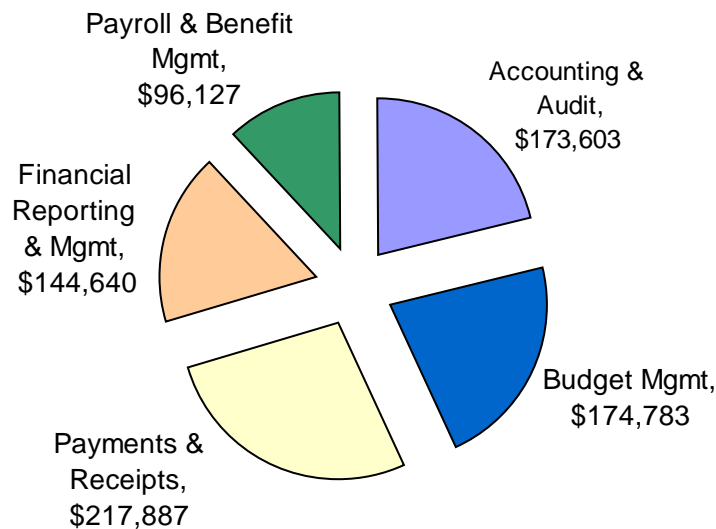
Employment Administration	\$ 120,194
• Equal Employment Opportunity; Recruiting, Pre-Employment & Orientation; Employee Pay; Performance Evaluation; Benefits; Separation, post-separation, and retirement; Policy Development	
Records Management	\$ 73,599
• Records storage & updates and Public records processing	
Labor Relations	\$ 35,335
• Surveys and Research, Negotiation, Legal compliance and Contract administration	
Risk Management and Safety	\$ 75,460
• Employment Legal Compliance; Drug Free Workplace compliance; Insurance management; Claims Processing; Liability Litigation Management and Coordination	
<b>Total Human Resources</b>	<b>\$ 304,588</b>



<b>City Clerk</b>	
Financial Management	\$ 76,015
• Local Business Tax Receipts, Cashiering, Invoicing, Auto Tags/Titles	
Records Management	\$ 127,443
• Public Records Requests, Research, Contracts, Deeds, Easements, Ordinances & Resolutions, Agenda Packets/Minutes, Public Hearing Files, Reference Library, Compliance with State Requirements, Attesting & Recording of Documents	
Meeting Management	\$ 141,829
• Boards/Committees, City Council/CRA, Web Posting (Agendas & Minutes), Coordination of Video Taping/Airing	
Community/Public Service	\$ 141,416
• Council Calendars/Correspondence, Telephone Inquiries, City Elections, Legal Ads/Notifications, Notary Services, Citywide Mail	
<b>Total City Clerk</b>	<b>\$ 486,703</b>

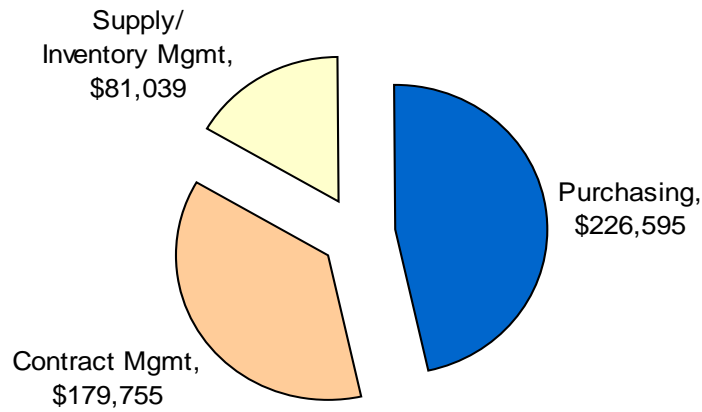


<b>Finance</b>	
Accounting & Auditing	\$ 173,603
<ul style="list-style-type: none"> <li>• Journal entries, daily transactions, audit preparation and reconciliation, Capital asset accounting, Grant accounting, Project accounting, Internal control</li> </ul>	
Financial Reporting & Management	\$ 144,640
<ul style="list-style-type: none"> <li>• Preparation of the Comprehensive Annual Financial Report (CAFR); Federal, State, pension, and grant reporting; Monthly financial reporting; and Surveys</li> <li>• Administration of Billing and Collections, Procurement and Finance</li> </ul>	
Payments & Receipts	\$ 217,887
<ul style="list-style-type: none"> <li>• Revenue receipting, Cash disbursements, Monthly bank reconciliations and cash management. (Note: this section will be reduced by appx. \$30,000 due to staffing changes.)</li> </ul>	
Payroll & Benefit Management	\$ 96,127
<ul style="list-style-type: none"> <li>• Employee payroll processing; Federal &amp; State payroll reporting; Payroll related benefit payments</li> </ul>	
Budget Management	\$ 174,783
<ul style="list-style-type: none"> <li>• Preparation of annual operating budget &amp; Capital Improvements Program (CIP); Budgetary internal control and analysis; financial forecasts/planning</li> </ul>	
Lot Mowing	
<ul style="list-style-type: none"> <li>• The lot mowing program has been transferred from Code Compliance to the Finance division. The budget amounts will be transferred for FY 2014</li> </ul>	
<b>Total Finance</b>	<b>\$ 807,040</b>



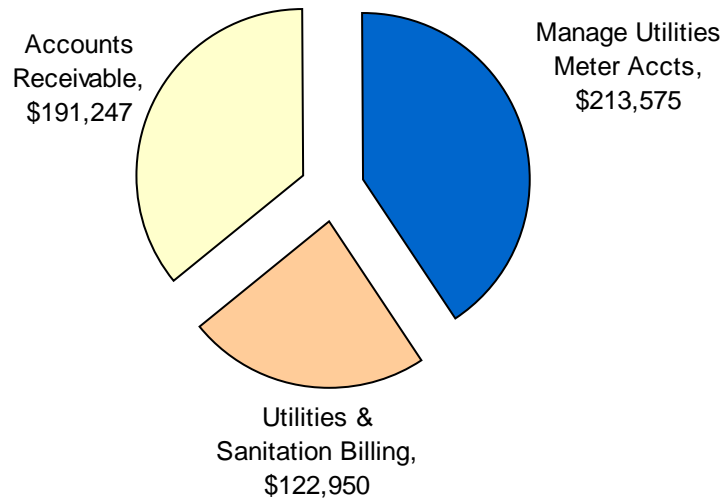


<b>Procurement</b>	
Purchasing	\$ 226,595
<ul style="list-style-type: none"> <li>• Solicitations, purchase orders, Receiving, Reconciliation/PO Changes and Auditing invoices. Note: this section will be reduced by appx. \$22,000 due to staffing changes.</li> </ul>	
Contract Management	\$ 179,755
<ul style="list-style-type: none"> <li>• Managing construction, consulting &amp; term contracts; Insurance; Renewals; Change orders/Amendments; Pay Approvals</li> </ul>	
Supply/Inventory Management	\$ 81,039
<ul style="list-style-type: none"> <li>• Warehouse, Cell Phones, Fuel</li> <li>• Coordinate disposal of surplus/obsolete; Conduct and manage auctions;</li> <li>Reconcile and reporting</li> </ul>	
<b>Total Procurement</b>	<b>\$ 487,389</b>



**Billing and Collections (Water & Sewer Fund)**

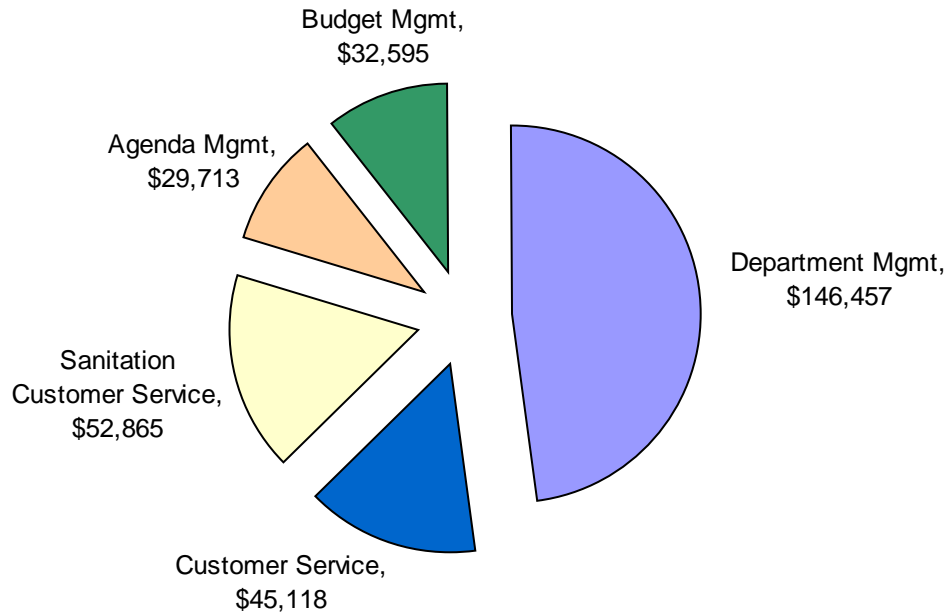
Manage Utilities Meter Accounts	\$ 213,575
<ul style="list-style-type: none"><li>• Phone calls, emails, in person, fax; Process account changes and correspondence; Work orders per customer requests; Delinquent notices and service shut off lists</li></ul>	
Utilities and Sanitation Billing	\$ 122,950
<ul style="list-style-type: none"><li>• Meter reading data transfers; Re-read work orders and read generated letters; and Bills for mailing and deliver to Post Office</li><li>• Billing and collection of annual lot mowing accounts is being transferred to this division. No change in budget amounts is anticipated.</li></ul>	
Accounts Receivable	\$ 191,247
<ul style="list-style-type: none"><li>• Accept and process payments; Call customers for payment prior to shut off; Process liens and releases; and Follow up on bankruptcy requirements</li></ul>	
<b>Total Billing and Collections</b>	<b>\$ 527,772</b>



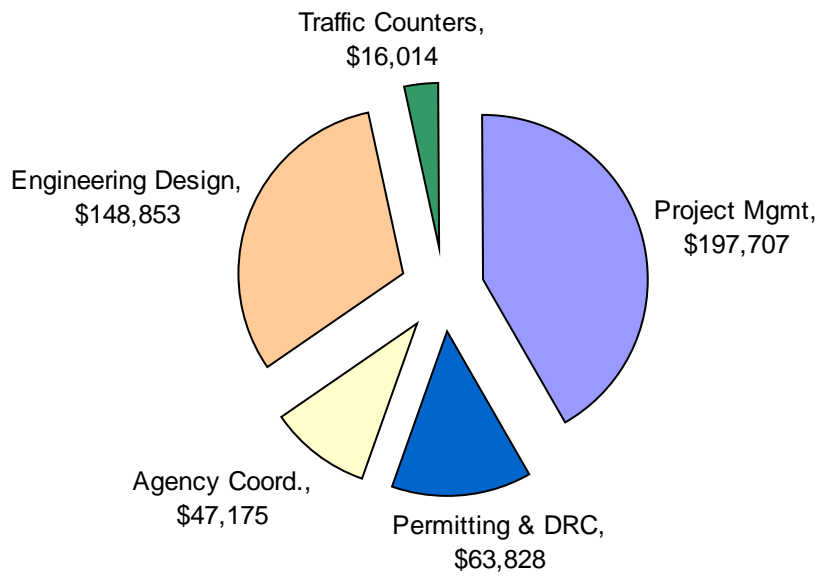
**Public Works**

**Administration**

Department Management	\$ 146,457
• Manage office divisions (Engineering, Facilities Maintenance, Right-of-Way, Parks & Grounds, Canal Maintenance & Sanitation)	
Customer Service	\$ 45,118
• Work orders for road maintenance, swale improvements, seawall problems & sanitation pickups; and Public information	
Sanitation Customer Service	\$ 52,865
• Work orders for sanitation pickups and service changes	
Agenda Management	\$ 29,713
• Development of agendas for City Council, Burnt Store Isles & Punta Gorda Isles Canal Advisory Committees	
Budget Management	\$ 32,595
• Prepare & oversee department budgets	
<b>Total Public Works Administration</b>	<b>\$ 306,748</b>

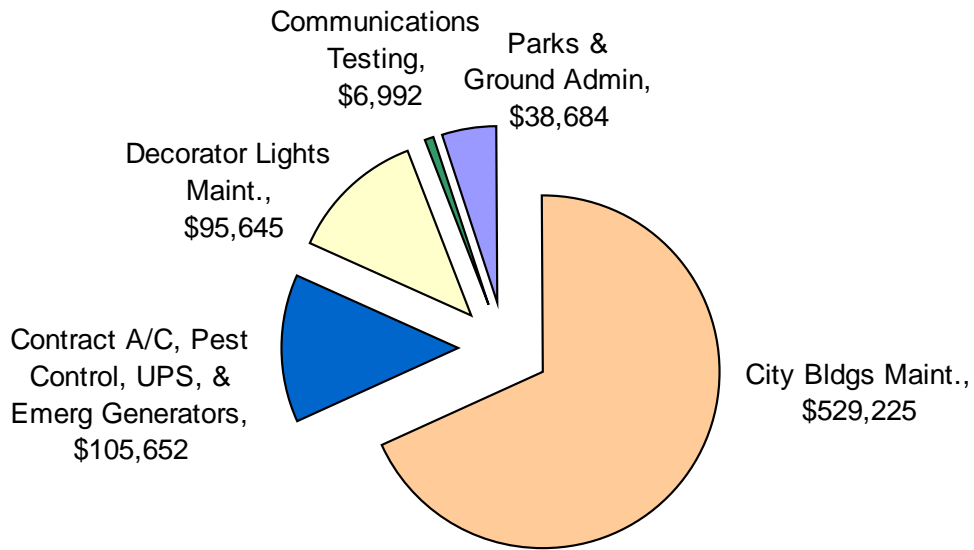


<b>Engineering</b>		
Project Management		\$ 197,707
• Oversee consultant designs and contractor work		
Permitting & Development Review Committee (DRC)		\$ 63,828
• Building permit swale inspections and DRC		
Agency Coordination		\$ 47,175
• Coordinate with various agencies: FDOT, FDEP, SWFWMD, Army Corps, Charlotte County, MPO, others		
Traffic Counters		\$ 16,014
• Traffic counts two times per year (furnished to Property Appraiser, County, FDOT & others)		
Engineering Design		\$ 148,853
• In-house work: sidewalks, roadways, drainage, parks		
<b>Total Engineering</b>		<b>\$ 473,577</b>



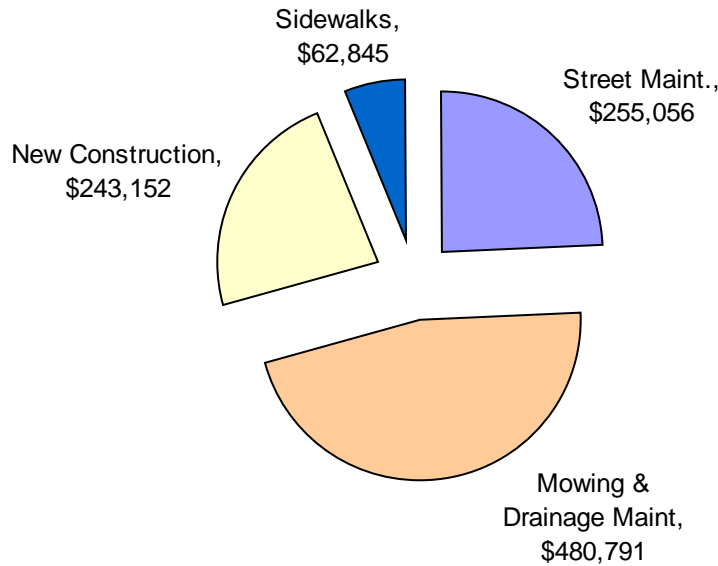
**Facilities Maintenance**

Maintenance - City Buildings	\$ 529,225
• Electric, janitorial, lights, plumbing, cleaning	
Communications Testing	\$ 6,992
Contract Administration	\$ 105,652
• A/C, Pest Control, UPS, Emergency Generators	
Decorator Lights Maintenance	\$ 95,645
Parks & Grounds Administration	\$ 38,684
• Supervision; Coordination of project scheduling & task assignments	
<b>Total Facilities Maintenance</b>	<b>\$ 776,198</b>



**Right-of-Way (General Fund)**

Streets	\$ 255,056
• Signing, Striping, Signals, Street Lighting, Bridge Maintenance, Railroad Crossing Maintenance and Road Patching	
Mowing & Drainage Maintenance	\$ 480,791
• Pipe Cleaning & Replacement, Basin Maintenance, Swale Grading & Mowing. Note: this section is planned to be reduced by \$62,000 due to staffing reduction by attrition.	
New Construction	\$ 243,152
• Parking Lots, On Street Parking, Other Specialty Projects	
Sidewalks/Trails	\$ 62,845
• Sidewalks and Trails	
<b>Total Right-of-Way (General Fund)</b>	<b>\$1,041,844</b>



**Right-of-Way (5 Cents Gas Tax)**

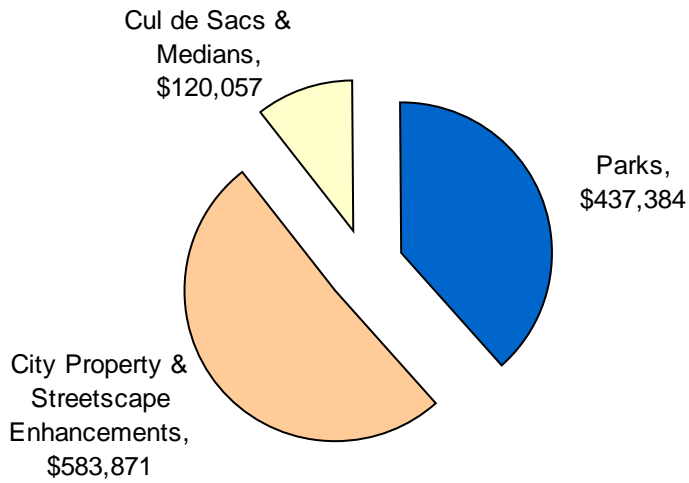
Paving	\$ 480,000
Rejuvenation	\$ 90,000
Micropaving	\$ 30,000
<b>Total Right-of-Way (5 Cents Gas Tax)</b>	<b>\$ 600,000</b>

**Right-of-Way (6 Cents Gas Tax)**

Streets	\$ 506,894
Drainage Maintenance	\$ 151,590
Sidewalks/Trails	\$ 66,759
<b>Total Right-of-Way (6 Cents Gas Tax)</b>	<b>\$ 725,243</b>

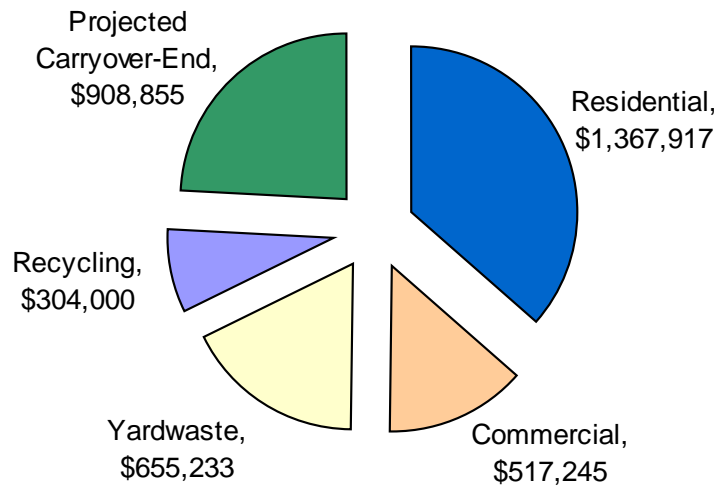
\* Graph for total of all street maintenance can be found on page 17

<b>Parks &amp; Grounds</b>	
Parks Maintenance	\$ 437,384
• General maintenance, mowing, fertilizing, pest control, sprinkler repairs, landscaping	
City Properties Maintenance	\$ 583,871
• Streetscape, landscaping, fertilizing, tree trimming, sprinkler repairs & installation, tree planting, Christmas tree set-up & holiday decorating	
Cul-de-Sacs & Medians	\$ 120,057
• Supply of trees, mulch, fertilizer & pest control; Weed spraying, irrigation maintenance & cleaning	
<b>Total Parks &amp; Grounds</b>	<b>\$1,141,312</b>



**Sanitation**  
Residential  
Commercial  
Yardwaste  
Recycling  
**Total Sanitation**

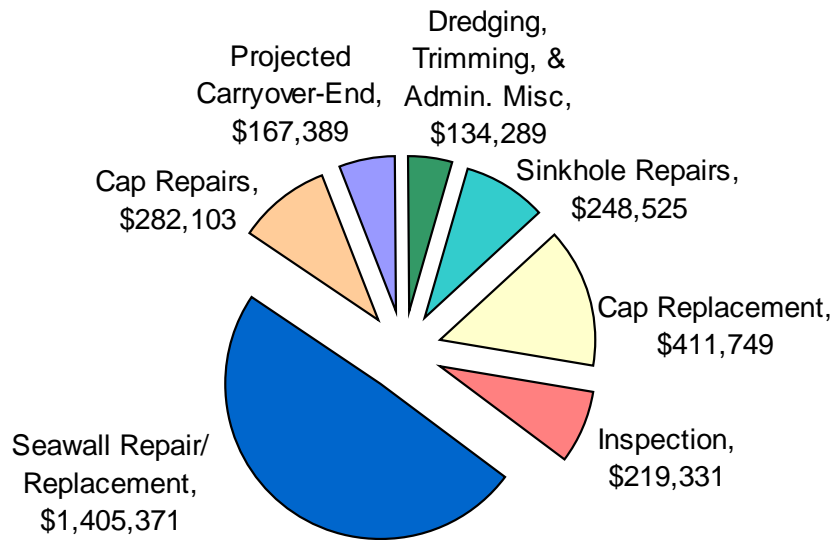
\$1,367,917  
\$ 517,245  
\$ 655,233  
\$ 304,000  
**\$2,844,395**





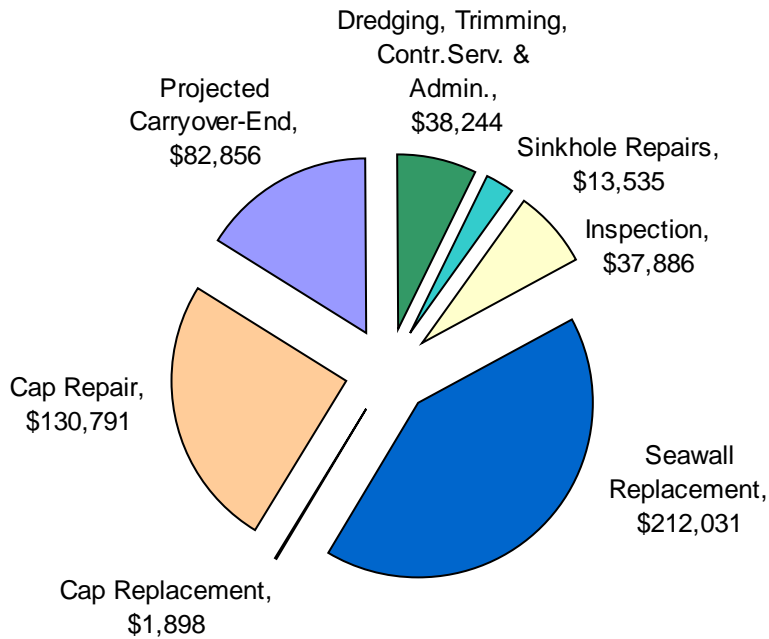
**Punta Gorda Isles Canal Maintenance**

PGI Contract Management	\$ 134,289
<ul style="list-style-type: none"> <li>• Oversee contractor doing, seawalls, caps, dredging, rip-rap, marker replacement &amp; mangrove trimming.</li> <li>• Manage billing approval and budgets for the PGI Canal Maintenance District</li> </ul>	
Sinkholes	\$ 248,525
<ul style="list-style-type: none"> <li>• Filling of holes along the backside of seawall cap with shell material</li> </ul>	
Cap replacement	\$ 411,749
<ul style="list-style-type: none"> <li>• Replacement of the top portion of a seawall cap</li> </ul>	
Wall Replacement	\$1,405,371
<ul style="list-style-type: none"> <li>• Seawall replacement and pouring of new seawall slabs.</li> </ul>	
Inspection	\$ 219,331
<ul style="list-style-type: none"> <li>• Seawall inspection, Inspection of canal depths and channel markers</li> </ul>	
Cap Repair & Miscellaneous	\$ 282,103
<ul style="list-style-type: none"> <li>• Repair of seawall cap, removal of debris and replacement of channel markers</li> </ul>	
<b>Total PGI Canal Maintenance</b>	<b>\$2,701,368</b>



**Burnt Store Isles Canal Maintenance**

BSI Contract Management	\$ 38,244
<ul style="list-style-type: none"> <li>• Oversee contractor doing, seawalls, caps, dredging, rip-rap, marker replacement &amp; mangrove trimming.</li> <li>• Manage the billing approval and budgets for the BSI Canal Maintenance District</li> </ul>	
Sinkholes	\$ 13,535
<ul style="list-style-type: none"> <li>• Filling of holes along the backside of seawall cap with shell material, caused from washout through or under the wall.</li> </ul>	
Cap Replacement	\$ 1,898
<ul style="list-style-type: none"> <li>• Replacement of the top portion of a seawall cap</li> </ul>	
Wall Replacement	\$ 212,031
<ul style="list-style-type: none"> <li>• Seawall replacement and pouring of new seawall slabs.</li> </ul>	
Inspection	\$ 37,886
<ul style="list-style-type: none"> <li>• Seawall inspection and inspection of canal depths, channel markers and catch basins as required by FDEP for the lock removal.</li> </ul>	
Cap Repair & Miscellaneous	\$ 130,791
<ul style="list-style-type: none"> <li>• Repair of seawall cap, removal of debris and replacement of channel markers</li> </ul>	
<b>Total BSI Canal Maintenance</b>	<b>\$ 434,385</b>



<b>Police</b>	
Department Leadership	\$ 482,311
• Manage operations, Community outreach, Budget, Purchasing and Criminal Justice Standards compliance	
Uniform Patrol Services	\$2,571,966
Patrol, service calls, Preliminary criminal investigations, Traffic crash investigation/enforcement, Honor Guard Team. Note: this section is planned to be reduced by \$48,000 due to staffing reduction by attrition.	
• In-Kind Events - Annual Parades, Redfish Cup, Halloween, etc.	
• Bike Patrol Unit - Five member voluntary team	
• Canine Unit - Augments uniform patrol, Suspect apprehension and tracking, Tracking of at-risk subjects, Narcotic interdiction, Community outreach	
• Search & Recovery Dive Team - Five member voluntary team, Underwater evidence/property recovery, Waterborne Search and Rescue	
Police Reserve Unit	\$ 48,538
• Volunteer unit of certified police officers, Augment police patrols and services	
Volunteers In Policing program	Inc above
• Marine, Records, Administrative, Traffic and Parking	
Marine Unit	\$ 97,336
• Patrol, Water safety presentations and Vessel safety inspections	
Criminal Investigations Unit	\$ 411,284
• Investigations, Narcotics & Vice operations, Computer and White collar crimes	
Evidence/Property & Crime Scene Services	\$ 75,005
• Evidence management, Quartermaster, Crime Scene Services and Laboratory analysis	
Community Services	\$ 135,169
• Crime Prevention, SRO program, Do the Right Thing, Neighborhood Watch (includes Marine), Community Presentations, Youth programs and Bank Security Group	
• School Education Programs - DARE provided at Sallie Jones and GREAT provided at PGMS	
School Resource Officer Program	\$ 193,970
Communications	\$ 740,916
• Police/Fire/Medical Dispatch	
Employee Development	\$ 116,013
• Agency training (internal/external), Candidate testing and Recruiting	

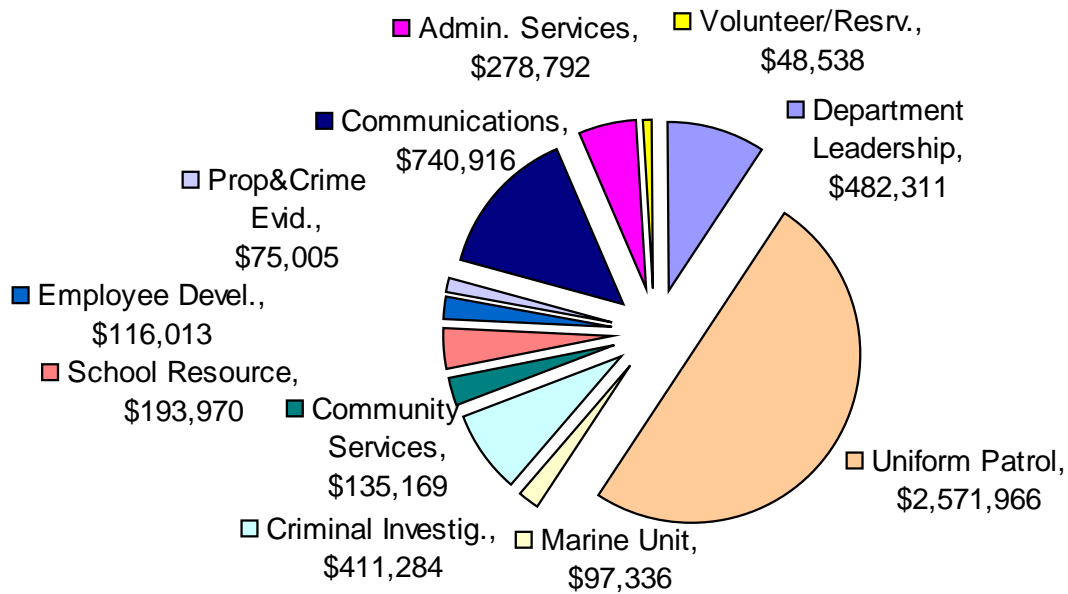
Administrative Services

\$ 278,792

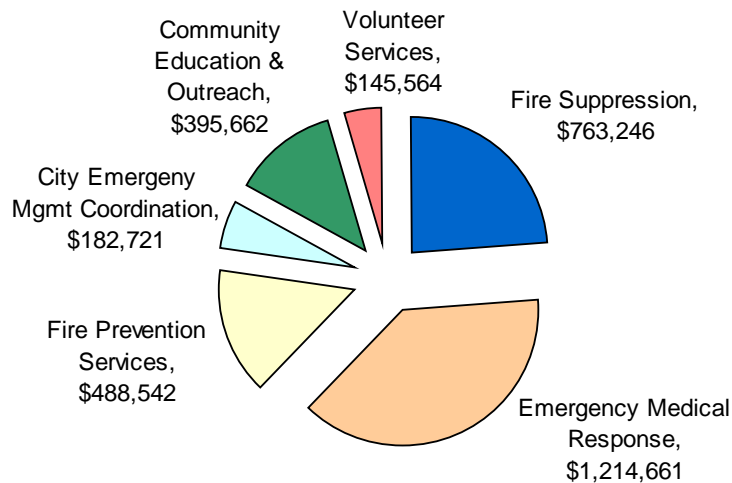
- Records; Grants; Media relations (PIO); Fingerprinting services; special Projects; Law Enforcement Accreditation program; Staff Inspections; Policy development. Note: This section will be reduced by \$21,000 due to staffing changes.

**Total Police**

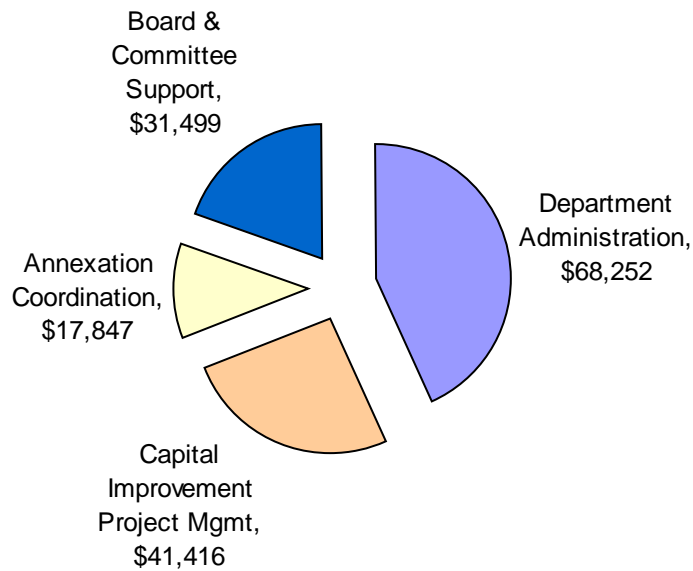
**\$5,151,300**



<b>Fire</b>	
Fire Suppression	\$ 763,246
• Structure, Vehicle, Boat, Brush and Nuisance	
Emergency Medical Response, ALS/BLS	\$1,214,661
• Advanced Life Support, Heart attack, Stroke, Trauma, Diabetic Emergencies, I.V. Therapy, Respiratory Distress, 12 Lead EKG, General Medical Distress, Vehicle Extrication, Dive/Water Rescue	
Fire Prevention Services	\$ 488,542
• Code enforcement, Event planning/coordination, inspections, Pre-fire planning, Fire Alarm and Sprinkler plan review and inspection, Fire Cause & Origin Investigation, Board Participation; Development Review Committee, Code Enforcement	
Emergency Management Coordination	\$ 182,721
• Interface with County, State & Federal emergency response agencies; Partnership with the Charlotte County Health Department (Seasonal Flu vaccinations); Function as the County Coordinator for the Florida Fire Chiefs State Emergency Response Plan	
Community Education and Outreach Programs	\$ 395,662
• Family Safety House; Fire Extinguisher training; Marine Flare demonstration; Target specific presentations-Boat clubs, Community/civic groups, individual businesses; Church groups, School & Day Care groups, etc.; Community Emergency Response Team (CERT) program(s); Smoke/Carbon Monoxide detector program; Sharps return program; Red Dot program; Medication Take Back program; Vessel “pump-out” (sinking boats); Oil/fuel spill containment in waterway	
Volunteer Services	\$ 145,564
• Administration, suppression and emergency medical response; Public Education- Fire Safety House operation; special detail; Community Relations; Community Emergency Response Team (CERT) program(s)	
<b>Total Fire</b>	<b>\$3,190,396</b>

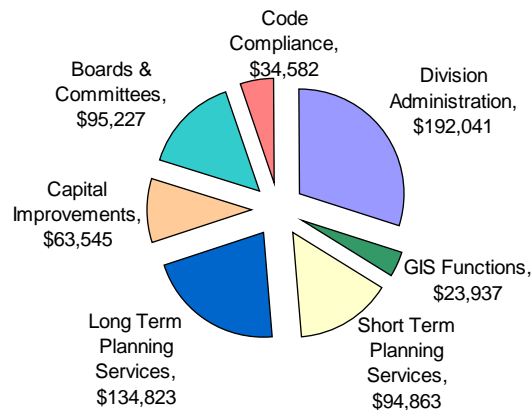


<b>Growth Management</b>	
Department Administration	\$ 68,252
• Manage Divisions (Urban Design, Building, Code Compliance, GIS); Easement & ROW negotiations	
Capital Improvement Project Management	\$ 41,416
• Development (Design), Construction Administration, Financial Planning	
Annexation Coordination	\$ 17,847
• Feasibility/Researching of Annexation opportunities	
Board and Committee Support	\$ 31,499
• City Council, Board of Zoning Appeals, Planning Commission, Historic Preservation Advisory Board, Development Review Committee, Land Development Review Committee, Canal Advisory Boards, TEAM Punta Gorda, MPO (Governing Board, TAC and BPAC), Charlotte County Enterprise Zone, Mural Society, Charlotte County	
<b>Total Growth Management Administration</b>	<b>\$ 159,014</b>



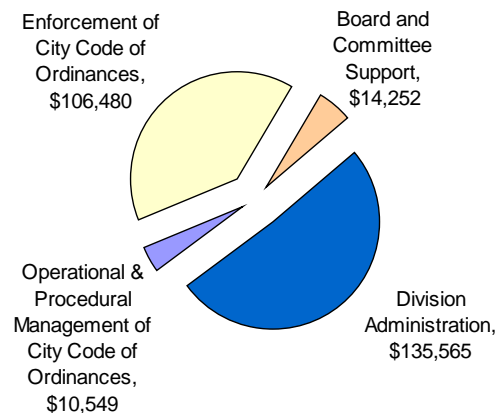
**Urban Design**

Department/Division Administration	\$ 192,041
<ul style="list-style-type: none"> <li>General Administration, Maintenance of Historic Design Guidelines, Compliance with State/Federal Statutes, Develop, Update &amp; Maintain all official City maps, Disaster Planning &amp; Mitigation</li> </ul>	
Short Term Planning Services	\$ 94,863
<ul style="list-style-type: none"> <li>Plan Review, Site Review, Landscaping Review, Building/Zoning permitting review, Permitting, Design Studio, Event &amp; Park Planning, Land Use Review, Planning &amp; Zoning Applications</li> </ul>	
Long Range Planning Services	\$ 134,823
<ul style="list-style-type: none"> <li>Comprehensive Plan, EAR, State Mandated Plans/Studies, Planning Based Studies/Reports, Land Development Regulations, Development Standards, Land Use Planning, Conceptual Design (includes infrastructure projects), Disaster Planning &amp; Mitigation, Community Rating Service, Local Mitigation Strategy, Affordable Housing Issues</li> </ul>	
Capital Improvement Projects	\$ 63,545
<ul style="list-style-type: none"> <li>Development (Design), Research &amp; Feasibility, Project Permitting Requirements, Construction Administration, Project Management, Federal Compliance, City Beautification, Financial Planning</li> </ul>	
Board and Committee Support	\$ 95,227
<ul style="list-style-type: none"> <li>Board of Zoning Appeals, Planning Commission, Historic Preservation Advisory Board, Development Review Committee, Land Development Review Committee, City Council, TEAM Punta Gorda, MPO (Governing Board, TAC and BPAC), Charlotte County Enterprise Zone, Mural Society, Charlotte County</li> </ul>	
GIS Functions & Support	\$ 23,937
<ul style="list-style-type: none"> <li>GIS data &amp; analysis GIS related Maps for Boards, Committees and/or departments, Map support for events</li> </ul>	
Code Compliance Support	\$ 34,582
<ul style="list-style-type: none"> <li>Management and enforcement of City Codes; Code Violations and Code Cases; Field Inspections, Posting Property, Responding to Citizen Concerns/Complaints, Managing Vacant &amp; Distress Property; Board and Committee Support: Code Compliance, City Council</li> </ul>	
<b>Total Urban Design</b>	<b>\$ 639,018</b>



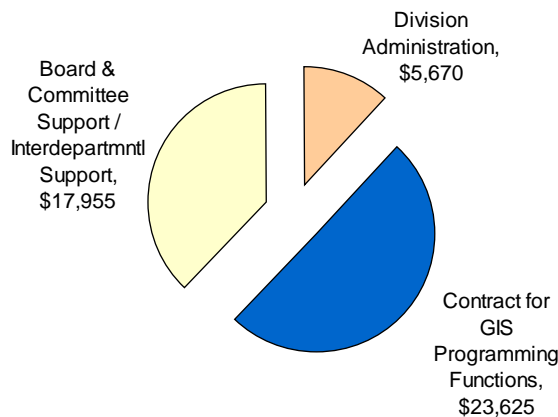
**Code Compliance**

Department/Division Administration	\$ 135,565
• General Administration, Violation notifications, Inspection Reports, Code cases	
Management of City Code of Ordinances	\$ 10,549
• City Code of Ordinances, Development Standards, Updating & Maintaining, Research & Feasibility, Legal Counsel /Endorsement, Review of Code Violations and Code Cases	
Enforcement of the City Code of Ordinances	\$ 106,480
• Field Inspections, Posting Property, Responding to Citizen Concerns/Complaints, General Monitoring of City Boundaries, Managing Vacant & Distress Property. Note: The Lot Mowing Program has been transferred from Code Compliance to the Finance division. The budget amounts will be transferred for FY 2014.	
Board and Committee Support	\$ 14,252
• Code Compliance, City Council	
<b>Total Code Compliance</b>	<b>\$ 266,846</b>



**GIS**

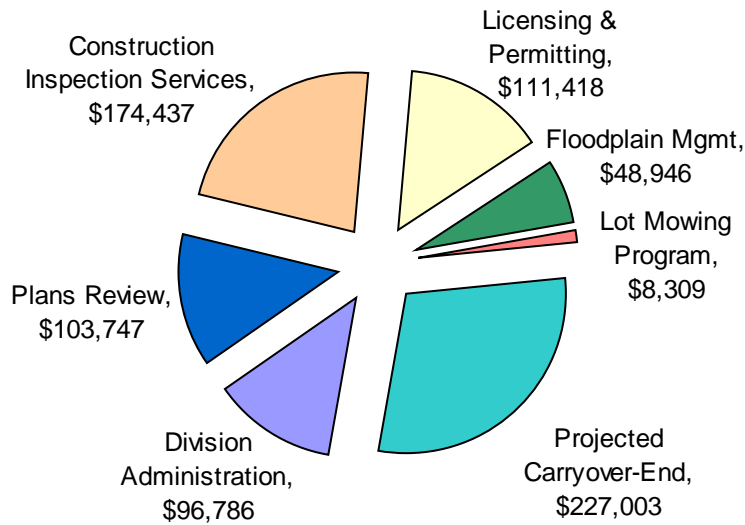
Department/Division Administration	\$ 5,670
City/County coordination of GIS Functions	\$ 23,625
Board and Committee / Interdepartmental Support	\$ 17,955
<b>Total GIS</b>	<b>\$ 47,250</b>





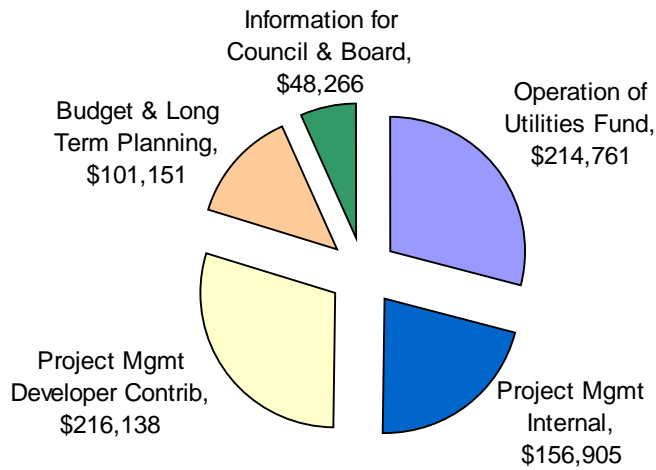
**Building**

Administration	\$ 96,786
• Customer Service; Records; Disaster Planning & Mitigation; GIS	
Plans Review	\$ 103,747
• Verification with Florida Building Code	
Construction Inspection Services	\$ 174,437
• Inspect and evaluate construction projects to meet Florida Building Code.	
Licensing and Permitting	\$ 111,418
• Verify that all contractors are properly licensed and insured to perform the work contracted; clerical work required for the issuance of required permits; and coordination of inspections and permitting.	
FEMA	\$ 48,946
• Enforcement of the Flood Protection Ordinance as provided in Article 14 of the City’s Land Development Regulations.	
Lot Mowing Administration	\$ 8,309
<b>Total Building</b>	<b>\$ 543,643</b>



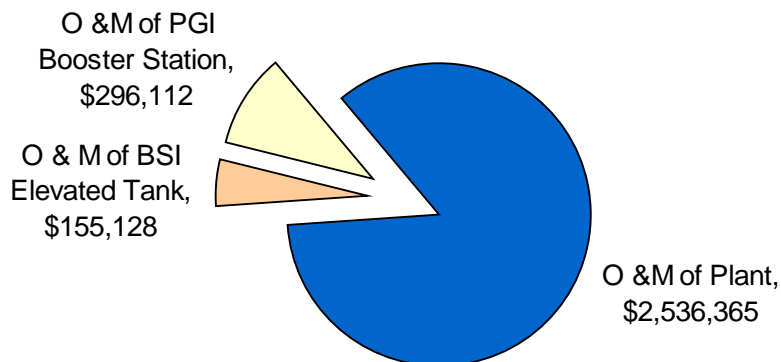
**Utilities**

Administration	\$ 214,761
• Manage Divisions (Water Treatment & Maintenance, Wastewater Treatment & Maintenance)	
City Utilities Project Management	\$ 156,905
Developer Utilities Projects Management	\$ 216,138
Budget & Long Term Planning	\$ 101,151
Meetings and reports	\$ 48,266
• Utilities Advisory Board, Customer/Council requests for information	
<b>Total Utilities Administration</b>	<b>\$ 737,221</b>



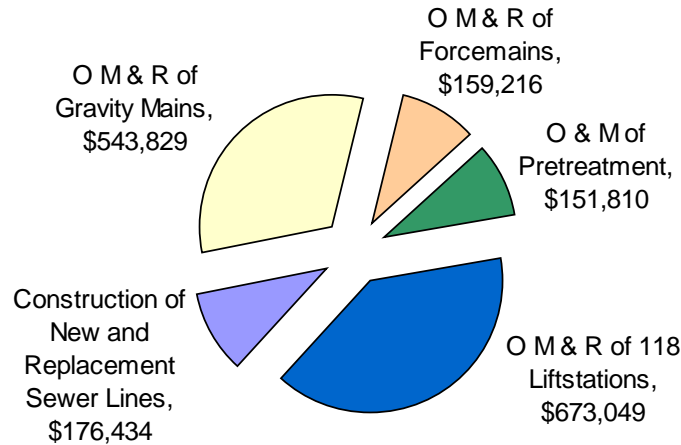
**Water Treatment Plant**

Shell Creek Water Treatment Facility	\$2,536,365
Burnt Store Isles elevated water storage Tank	\$ 155,128
Punta Gorda Isles ground storage tank and booster pumping station.	\$ 296,112
<b>Total Water Treatment Plant</b>	<b>\$2,987,605</b>



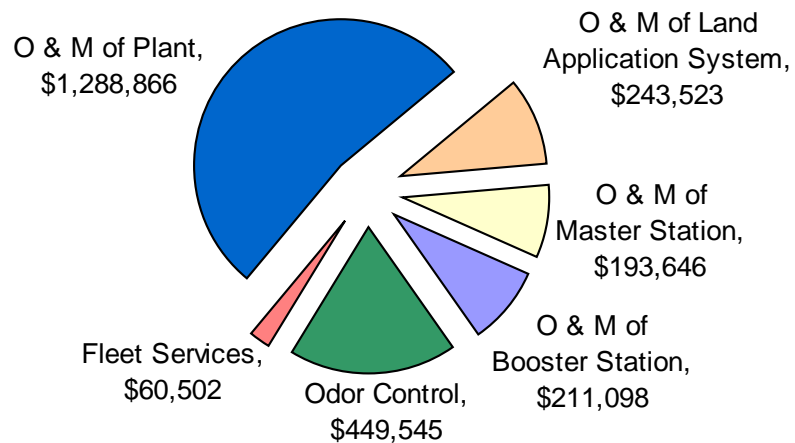
**Wastewater Collections**

Sewage pumping stations	\$ 673,049
Gravity sewer mains	\$ 543,829
Forcemains	\$ 159,216
Utility pretreatment program	\$ 151,810
Constructs new and replacement sewer lines	\$ 176,434
<b>Total Wastewater Collections</b>	<b>\$1,704,338</b>



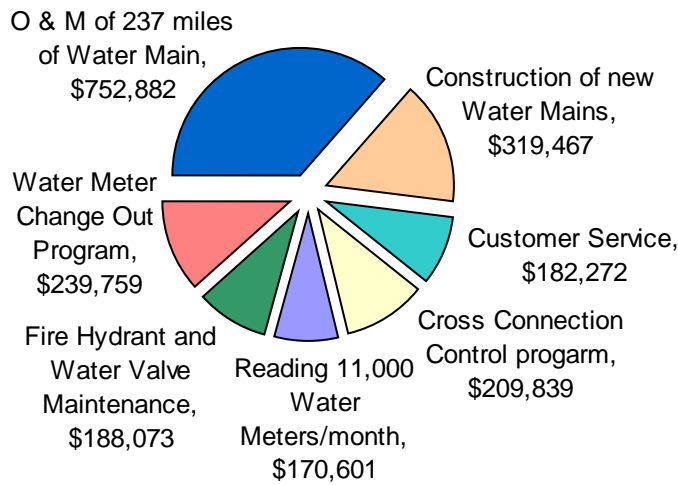
**Wastewater Treatment Plant**

Wastewater Treatment Plant	\$1,288,866
525 acre residual disposal site	\$ 243,523
Master Pumping Station	\$ 193,646
Booster Pumping Station	\$ 211,098
Odor & Corrosion control system throughout wastewater collection system and wastewater plant	\$ 449,545
Fleet Services for Utilities & Public Works	\$ 60,502
<b>Total Wastewater Treatment Plant</b>	<b>\$2,447,180</b>



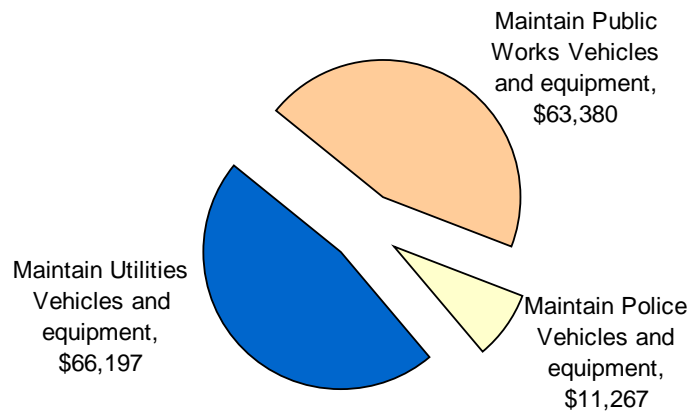
**Water Distribution**

Water mains maintenance	\$ 752,882
Construction of new water mains	\$ 319,467
Cross Connection Control Program	\$ 209,839
Reads - water meters monthly	\$ 170,601
Fire Hydrant and Water Valve Maintenance	\$ 188,073
Water Meter Change Out Program	\$ 239,759
Customer Service	\$ 182,272
<b>Total Water Distribution</b>	<b>\$2,062,893</b>



**Fleet**

Maintain Utility Department vehicles and equipment	\$ 66,197
Maintain Public Works Department vehicles and equipment	\$ 63,380
Specialized maintenance of Police vehicles and equipment	\$ 11,267
<b>Total Fleet</b>	<b>\$ 140,844</b>



### **Section 3: Options to Reduce Projected General Fund Budget Gap**

The FY 2013-2017 Long Range Financial Plan projects significant budgetary gaps primarily in the General Fund. Staff proposes several initiatives that begin to mitigate these gaps, with more to follow in ensuing budget workshops throughout the remainder of FY 2013.

#### **Legal**

Reduce overall legal expenses by \$28,000 based on trends from previous years' experience, primarily due to limited involvement with boards & commissions and work performed by paralegal.

#### **City Clerk**

Eliminate one full-time position in the City Clerk's office coupled with the retirement of current City Clerk will result in a savings of \$80,000.

#### **Finance**

Streamline procurement process to enable departments to perform additional purchasing functions in-house, increase processing timeframe for bids/proposals and shift records scanning to human resources. This enables the department to restructure staff, reduce 1 full time equivalent position and save \$52,000.

#### **Police**

Restructure staff by managing accreditation program with downgraded position and reduce 1 patrol position, thereby resulting in savings of \$69,000. The impact of this restructuring will have reduced hours for designated motorcycle patrol and ability to mitigate overtime by filling in on other squads during periods of vacation, sick leave, training, etc. Minimum staffing is 4 persons (1 lieutenant and 3 officers) on each shift.

#### **Public Works**

Reduce right of way maintenance with less frequent mowing throughout the City. This results in a savings of \$62,000 and reduction of 1 full time equivalent position.

#### **Facilities**

Use Infrastructure Sales Surtax or Storm Fund reserves, if available, for roof replacement at Public Works/Utilities Campus. The estimated cost is \$300,000 for both buildings. The FY 2014 financial forecasts currently show \$150,000 in the General Fund and \$150,000 in the Utilities Fund.

## Employee Wage Adjustment

During the period 2007-2013, the City has reduced employee counts by 48 full time equivalent positions, representing a 15.3% overall decrease. Reduction of the 4 positions recommended above will expand that decrease to 16.6% by 2014. The following chart highlights this trend.

Fiscal Year	Population Estimates	Employees	Ratio Employees/ Per 100/Population
2014	TBD	261 est. to date	TBD
2013	17,349	265	1.5
2012	17,177	265*	1.5
2011	16,907	265	1.6
2010 Census	16,641	270	1.6
2009	16,989	291	1.7
2008	17,651	308	1.7
2007	17,444	313	1.8
1999	13,646	277	2.0

\* FY 2012 (5) building employees no longer taking furloughs

During the timeframe of position reductions, wage adjustments for the City's workforce (general employees, police & fire) have been minimized.

Fiscal Year	General	Police	Fire
2013	0%	0%	0%*
2012	0%*	0%	3% education incentive
2011	0%	0%	3% education incentive
2010	0%	0%	0%
2009	3% merit*	3% merit	3% education incentive
2008	2.3% merit*	4% plus 2% merit	3% education incentive plus 3% merit

\*Employee received one-time wage adjustment (added to base or as lump sum) equal to increase in health insurance or pension plan contribution, thereby resulting in no increase in take home pay

Consideration of a lump sum, merit wage adjustment, not added to the employee's base pay, and paid for by storm fund reserves might be prudent for inclusion in the FY 2014 financial plan. Implementation in the manner shown above will result in the projected FY 2014 budget gap and future budget years not adversely impacted.

## **Fire Service Fee**

Fire service is paid for from a combination of property taxes and other general fund revenue sources. Exempt from paying property taxes, and therefore paying for fire service are religious institutions, non-profits, homestead residential taxpayers with assessed value below \$50,000 and those homestead residential property owners with special designation under the state tax code that exempts them from property taxes. Approximately \$44.3 million of such property is tax exempt in the City as of August 2012, resulting in a loss of approximately \$140,000 in property tax revenues.

Under Florida statutes, a municipality may levy a special assessment for fire protection. By doing so, the City may elect to collect special assessment on those properties currently exempt from property taxes. Charlotte County levies such an assessment on all properties within unincorporated Charlotte County. In theory, those properties currently exempt from paying property taxes in the City would now share in the burden of paying for fire services if a special assessment was enacted.

## **Section 4: Financial Management Policies & National Standards**

On April 19, 2006, City Council adopted a comprehensive set of financial management policies in the areas of financial planning, revenues and expenditures. These policies were (and continue to be) based on recommended, best management practices established by the Government Finance Officers Association (GFOA). Periodically, the City conducts a review of such policies and recommends adjustments where applicable. The most recent update was January 2012.

### Financial Planning Policies

Balanced Budget Policy: Defines a balanced operating budget and provides for disclosure when a deviation from a balanced operating budget is planned or when it occurs.

Long Range Planning Policy: Supports a financial planning process that assesses the long term financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions.

Asset Inventory Policy: Requires an inventory and assessment of the condition of all major capital assets. This information will be used to plan for the ongoing financial commitments required to maximize the public's benefit.

### Revenue Policies

Understanding the revenue stream is essential to prudent planning. Policies should be established to recognize stable versus volatile revenues, or at best economically-sensitive revenue sources and predetermine the method to minimize the effect and thereby avoid potential service disruptions caused by revenue fluctuations.

### Expenditure Policies

The expenditures of municipalities define the ongoing public service commitment. Prudent expenditure planning and accountability will ensure fiscal stability. Policies should reflect the City's desire to maximize efficiency and allocation of scarce resources.

There has been reduced replacement of vehicles and large equipment and increased expenditures for repairs and maintenance. Staff recognizes that this balancing measure must be mitigated for reasonableness and will work on a policy during the upcoming budget process regarding asset replacement.

The policies on the following pages provide the framework for the City's financial management planning and decision-making process.



## Financial Planning Policies

The City makes program and service decisions and allocates scarce resources through the budget process. The mission of the budget process is to help decision makers make informed decisions about the provision of services and capital assets and to promote stakeholder participation in the process.

### Balanced Budget:

**Policy:** The City will adopt a balanced operating budget and will provide for disclosure when a deviation from a balanced operating budget is planned or when it occurs. The City's definition of a balanced budget is current revenues, including financing proceeds plus unrestricted fund balance, exceeds or equals current year appropriations.

*Status:* The City's annual budget is balanced in accordance with the above defined parameters.

**Policy:** A calendar will be designed each year to provide the framework necessary to formulate a sound budget and allow for stakeholder participation. The calendar will be set to ensure the City complies with the Truth in Millage (TRIM) law, Chapter 200, Florida Statutes.

*Status:* The City's budget calendar adheres to the State TRIM law, and the City has received certification of such from the State.

**Policy:** For each fund all reasonably expected revenues and projected beginning carryover balance will equal the budgeted expenditures and year end carryover balance.

*Status:* All funds budgeted include projections of annual revenues and expenditures and beginning/ending fund balances.

**Policy:** All funds are included in the annual budget process and incorporated in the budget document.

*Status:* The annual budget document includes all funds.

**Policy:** The City will budget at least 95 percent of the anticipated gross ad valorem proceeds which provide a discount for early tax payments. Florida Statutes, section 200.065, states each taxing authority will not utilize less than 95 percent of the taxable value.

*Status:* The FY 2013 budget reflects 96.5 percent of anticipated ad valorem revenue, in order to account for discounts and delinquent property owners.

Policy: The City will maintain a budgetary control system, including an encumbrance system to ensure adherence to the budgeted appropriations.

Status: *The City uses an encumbrance system as required by the Code of Ordinances.*

Policy: Project length budgets are adopted for the Capital Improvement Projects. Appropriations for these projects will remain open and carry over to succeeding years until they are completed.

Status: *Capital improvements budgets for general construction, community redevelopment area, community development block grant, sanitation and utilities remain open until complete or canceled.*

Policy: Supplemental appropriations. 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.

Status: *Grant awards were supplemental appropriations that were made during the FY 2012 period.*

Policy: Emergency appropriations. To meet a public emergency affecting life, health, property or the public peace, the City Council may by resolution make emergency appropriations. To the extent that there are no available unappropriated revenues to meet such appropriations, the City Council may by such resolution authorize the issuance of emergency notes which may be renewed from time to time, but the emergency notes and renewals of any fiscal year shall be paid not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made.

Status: *There were no emergency appropriations necessary for the FY 2012 period. The City has not been required to implement emergency appropriations in more than 20 years due to revenue shortfalls.*

Policy: 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 or she shall report to the City Council without delay, indicating the estimated amount of the deficit, any remedial action taken and 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.

Status: *There was no need for a reduction of appropriations during FY 2012. There has not been such a need in over 20 years.*

Policy: Transfer of appropriations. At any time during the fiscal year the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office or agency and, upon written request by the City Manager, the City Council may by resolution transfer part or all of any unencumbered appropriation balance from one department, office or agency to another.

Status: *All transfers to date have been interdepartmental. Reappropriations from the previous year's budget were approved by City Council.*

Policy: No appropriation for bonded debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof.

Status: *All debt service appropriations remain in compliance with legal stipulations.*

#### Long Range Planning:

Policy: The City will support a financial planning process that assesses the long term financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions.

Status: *This is an ongoing process of which the City will continue to adhere.*

Policy: The City will prepare multi-year fiscal forecasts for all of its major funds.

Status: *Multi-year fiscal forecasts are prepared for all major fund groups and delineated in the Long Range Financial Plan, Annual Budget and updated periodically throughout the fiscal year.*

Policy: The City will maintain a prudent cash management and investment program in order to meet daily cash requirements, increase funds available for investment and earn maximum rates of return on invested funds commensurate with appropriate security and the approved investment policy.

Status: *On September 5, 2001, the City adopted an Investment Policy in accordance with guidelines developed by the State of Florida. The City's cash management and investment program complies with such policies.*

Policy: The City will follow its adopted investment/portfolio policy when handling public funds.

Status: *As stated above, the City complies with guidelines in its Investment Policy.*

Policy: The City will pool cash from each fund for investment purposes.

Status: *The City pools cash for optimum tracking as well as investment purposes.*

Policy: On a monthly basis the Finance Department will prepare a Schedule of Investments report that details the amounts and types of U. S. Government securities, the amounts invested with the Local Government Surplus Trust Funds Investment Pool (LGSTFIP) and the amount in the interest earning checking account. The schedule will include the interest rate, market value, purchase date and maturity date.

Status: *The above schedules are prepared on a monthly basis and distributed to elected officials and available for viewing by the community at large.*

Asset Inventory:

Policy: The City will inventory and assess the condition of all major capital assets. This information will be used to plan for the ongoing financial commitments required to maximize the public's benefit.

Status: *The asset inventory is conducted on an annual basis which coincides with the annual audit. Assets are purchased in compliance with the budget process, and records are maintained within the Finance Department. Asset write-offs are approved by the affected Department Director.*

Policy: The review of capital assets will assess the need for and condition of these assets. This review is an important component of an overall evaluation of community needs and priorities. This review will also focus on the impact of deferred maintenance, funding issues and legal or regulatory changes.

Status: *The inventory and review process assists the various departments as to age, condition, availability and quantity of their equipment. This review helps during the budget process.*

Policy: The City shall encourage Charlotte County participation in the funding of the capital improvements that jointly serve both City and Charlotte County residents.

Status: *The City has and will continue to work with the County on any joint capital improvement needs. Past joint capital improvements projects include Aqui Esta and Shreve/Pompano road improvements and construction of the Event & Conference Center.*

**Policy:** The City will stay abreast of developments that may affect the major capital assets, such as regulatory changes, population movements or technological advances, and consider the impact of these issues in the goal setting process.

*Status:* *The above review takes place during the annual inventory audit and annual budget preparation.*

**Policy:** Capital projects will be budgeted in the General Construction Fund or the Utility Construction Fund as needed. CRA capital projects will be budgeted in the CRA budget. CDBG capital projects will be budgeted in the CDBG Fund.

*Status:* *The annual budget reflects capital improvements projects within their respective fund groups as denoted above.*

**Policy:** Equipment that has a cost basis in excess of State of Florida statutory minimums will be assigned a fixed asset number and tagged to identify the equipment as property of the City.

*Status:* *The State statutory minimum is currently \$1,000. The City tags its fixed assets at this rate in compliance with the statutory minimum.*

**Policy:** City departments and divisions will be provided a list of equipment to perform an inventory check on an annual basis. Variances from the inventory list will be reported and the fixed asset inventory records will be updated.

*Status:* *The fixed asset inventory check is done at the end of each fiscal year, which is September 30. Variances are signed off by Department Directors.*

**Policy:** The Procurement Division shall have the power to sell or dispose of obsolete and surplus property by public auction, competitive sealed bidding, trade-in, or other appropriate methods in conformance with any applicable state law. No employee of the department having direct control of the commodities or handling the disposition of the commodities shall be entitled to purchase such commodities. No other City employee shall be allowed to purchase obsolete or surplus property except through a competitive bid process or public auction.

*Status:* *The City adheres to this policy for all disposed items.*

Revenue Policies:

An understanding of the revenue stream is essential to prudent financial planning. Most of these policies seek stability to avoid potential service disruptions caused by revenue shortfalls.

**Policy:** The City will estimate its annual revenues by objective and analytical processes. The budget document will include documentation of major revenue sources.

**Status:** *The analytical review of revenues uses 10 year historical data for various revenue sources and projected economic indicators. Use of both historical trends and economic indicators enhances reliability in revenue estimation.*

**Policy:** The City shall maintain a diversified revenue system to the extent provided by Florida Statutes, in order to insulate it from short term fluctuations from any one revenue source.

**Status:** *The FY 2013 revenue structure (all funds) is as follows:*

<i>Service Charges, Fines &amp; Forfeitures</i>	<i>31%</i>
<i>Intergovernmental</i>	<i>7%</i>
<i>Ad Valorem Taxes</i>	<i>11%</i>
<i>Permits, Fees &amp; Assessments</i>	<i>8%</i>
<i>Other Taxes</i>	<i>6%</i>
<i>Miscellaneous</i>	<i>5%</i>
<i>Carryover, Financing &amp; Transfers</i>	<i>52%</i>

*As shown above, the City's revenue system is quite diverse and does not rely on any one revenue source to fund its overall operations.*

**Policy:** The City will analyze and prepare monthly reports that compare the budget with actual revenues for major funds. The reports will monitor progress toward the planned revenue goals. Significant changes may be uncovered in advance, permitting action to avoid a crisis.

**Status:** *Monthly financial reports for major funds are prepared and distributed to elected officials and available for public viewing. The reports include budget vs. actual revenues and expenditures and identification of trends that denote any projected revenue shortfalls or extraordinary expenses.*

Policy: The City discourages the use of one time revenues to fund ongoing expenditures.

Status: *One time revenues such as sale of property and/or equipment are used to finance capital projects and/or purchase of equipment. The FY 2013 budget uses \$80,000 in storm reserves for one-time startup costs, training, and related overtime for Advanced Life Support (ALS) at the first two fire stations. An additional \$40,000 is planned in FY 2014 for ALS startup at the third fire station. Storm reserves will be used for a lump sum 0.5% pension offset for firefighters over 3 years. With these two exceptions, the City does not use one time revenues sources to fund ongoing operations.*

Policy: Grants should be actively pursued. All costs of grant requirements will be analyzed and presented with the proposal for City Council consideration. Revenues will be budgeted for current grants. The budget will be amended for new grants upon award.

Status: *Grants are pursued by all of the City's departments. During the past four fiscal years, the City has received and/or been awarded \$1.6 million (FY 2009), \$2.4 million (FY 2010), \$0.9 million (FY 2011), and \$2.2 million (FY 2012) in grant monies to fund such projects as flooding mitigation, recreational trails, streetscape, water plant expansion, building upgrades and boating-related facilities.*

Policy: Sometimes governmental services are provided on credit. Properly documented controls over revenues are imperative in accounts receivable management. Timely efforts should be made to pursue the collection of delinquent accounts by the department generating the receivable.

Status: *The City has implemented a variety of measures to collect monies owed, including lien powers, debt collection agency, code enforcement and utility turn off.*

Policy: Adjustments to account receivables must be properly documented using internal controls that include segregation of duties and supervisory review. Upon any suspicion of fraud, management should be notified in a timely manner.

Status: *Internal controls over accounts receivable are in place. Suspicion of fraud or other malfeasance are brought to management and if necessary Police Department's attention, although these actions have not been necessary.*

Policy: The use of revenues which have been pledged to bondholders will conform to the bond covenants which commit those revenues.

Status: *The City is currently in conformance with bond covenants. The City's independent auditors review bond covenant conformance on an annual basis and report any discrepancies, of which there have not been any instances of such non-conformance.*

**Policy:** The City will recalculate the full cost of activities supported by user fees to identify the impact of inflation and other cost increases and will revise user fees upon approval of the City Council.

**Status:** *Fee changes are initiated through the ordinance process and, as such, are reviewed and approved by City Council through public hearings. User fees in the City's enterprise funds are established to pay for ongoing operations and adjusted accordingly.*

**Policy:** All revenues, which are reasonably expected to be unexpended and unencumbered at the end of the fiscal year, will be anticipated as "projected carryover ending" and budgeted accordingly for the following fiscal year.

**Status:** *Projected carryover balances are budgeted within the City's fund groups. Staff completes a review of purchase orders, accounts receivable and final personnel/operating expenses prior to reaching a fund balance projection.*

#### Expenditure Policies:

The expenditures of municipalities define an ongoing public service commitment. Prudent expenditure planning and accountability will ensure fiscal stability.

#### Debt Management:

**Policy:** A significant portion of a City's capacity to influence and/or encourage economic development can be measured by the adequacy of its infrastructure and its capacity to support growth.

**Status:** *The City maintains a five year capital improvements program that prioritizes investment in its infrastructure necessary to support growth and economic development. The City's water & wastewater plants have sufficient capacity to support projected growth beyond 2016, and the road network and parks facilities sufficiently accommodate demand.*

**Policy:** The City will seek to maintain high bond ratings to minimize borrowing costs and preserve access to credit.

**Status:** *As part of the 2012-2016 Long Range Financial Plan, the City undertook a comprehensive review of its economic condition and outlook, financial position and performance, and financial management policies in relation to national standards. The City's Utility System Refunding Revenue Bonds, Series 2002, have underlying ratings of A1 from Moody's and AA- with a stable outlook from Standard & Poor's.*



Policy: Whenever possible the City will use revenue bonds instead of general obligation bonds.

Status: *The City does not have any outstanding general obligation bonds, nor does it have any plans to undertake such a process. All debt outstanding is in the form of revenue or tax increment financing to be retired with the use of utility user fees, community redevelopment area tax proceeds and infrastructure sales surtax monies.*

Policy: The term of any bonds, notes or leases shall not exceed the useful life of the asset being financed.

Status: *All debt outstanding does not extend beyond the useful life of the asset.*

Policy: The City shall not issue notes or bonds for non-capital items.

Status: *The City does not issue notes or bonds for its operations.*

Policy: If cost effective, the City will purchase private bond insurance at the time of issuance.

Status: *When the City is in the midst of bond issuance, a price to benefit calculation is made to see if bond insurance is cost effective to produce a higher rating and reduced interest rate.*

Policy: The City will analyze its existing debt to take advantage of changing market conditions and to minimize future costs.

Status: *The City monitors market conditions and undertakes refinancing/refunding opportunities where feasible. The Community Redevelopment Agency/City restructured and refinanced its debt for Herald Court Centre and Laishley Park at an interest rate of 2.43% with a net present value savings of \$833,126, removal of prepayment penalties on new debt and waiving of \$55,000 in prepayment penalties on old debt.*

Policy: The City will maintain an adequate debt service fund regarding each issue and budget for the annual payment of principal and interest.

Status: *The annual budget includes a debt service fund, schedule of debt outstanding and a five year projection of debt service payments. The fund includes sufficient monies to pay all principal and interest obligations as required by bond covenants.*

Reserve or Stabilization Accounts:

Policy: The City should have a prudent level of unrestricted fund balance to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unexpected one time expenditures.

Status:

	FY 2013 Budgeted Operating Expenditures	9/30/13 Budgeted Unrestricted Fund Balance
General Fund	18,653,302	933,000
PGI Canal Maint Fund	2,701,368	167,389
BSI Canal Maint Fund	434,385	82,856
Park Impact Fees Fund	13,000	13,719
Transportation Impact Fees Fund	30,000	7,007
CRA Fund	1,551,397	1,877,043
Storm Fund	80,000	212,889
Add'l Five Cent Gas Tax Fund	600,000	9,557
Six Cent Gas Tax Fund	725,243	124,384
Utilities OM&R Fund	15,519,404	1,910,328
Water System Capacity Escrow Fund	190,000	165,407
Sewer System Capacity Escrow Fund	160,000	137,192
Sanitation Fund	2,844,395	908,855
Building Code Fund	543,643	227,003
Lashley Park Marina Fund	277,842	3,466

*Generally, the unrestricted fund balance is limited to use within its own fund and/or for specific types of expenditures. The collective reserve level is sufficient to cover for any temporary revenue shortfalls or unexpected expenses.*

Policy: An adequate level of unrestricted fund balance will be maintained as working capital to support operations until sufficient current revenues (taxes) are received.

Status: *The City has not needed to issue tax or revenue anticipation notes to support operations until sufficient current revenue is generated. Sufficient cash balances are maintained to support operations throughout the year.*

Policy: An adequate level of unrestricted fund balance will be maintained so credit rating agencies will recognize the City is in sound financial condition when they evaluate the City's credit worthiness.

Status: *As noted previously, the collective reserve level is adequate to support the City's sound financial condition.*

**Policy:** The City will strive to follow the Government Finance Officers Association (GFOA) recommendation for a minimum level of unrestricted fund balance for the following major operation funds: General Fund, Utilities OM&R Fund, Sanitation Fund, Building Fund, and Marina Fund. The GFOA states the unrestricted fund balance for the General Fund should be a minimum of 2 months of operating expenditures.

**Status:** *Based on GFOA recommended best practice, the City's unrestricted fund balance in the General Fund should be 16.7% of operating expenditures. The September 30, 2013 unrestricted fund balance is projected at \$1.4 million, which is 8% of budgeted general fund operating expenditures.*

**Policy:** The City will use Governmental Accounting Standards Board (GASB) Statement #54 definitions for the five classifications of fund balance for governmental fund types. These are non-spendable, restricted, committed, assigned and unassigned.

**Status:** *Under the GASB definition the City's General Fund balance is categorized as: **non-spendable**- including prepaid expenses and inventories; **restricted**- including outside parties, grants and bond agreements; **committed**- including requirements established by city ordinance prior to end of fiscal year (there are none currently); **assigned**- intended use established by council or city administrator, including appropriated reserves used to balance the subsequent year's budget, purchase order rollovers and reappropriations for incomplete projects from prior fiscal year; and **unassigned**- which is all other general fund balance. The latter three comprise the GFOA defined **unrestricted fund balance**, and is the amount which is to be used to verify the calculation of the 16.7% of operating expenditures. Operating expenditures include personnel, operations, contingency and capital outlay.*

**Policy:** For the General Fund, the City will establish an unassigned fund balance minimum of 5% of general fund operating expenditures.

**Status:** *Projected for the fiscal year ended September 30, 2013, the City's unassigned balance is 8% of general fund operating expenditures.*

**Policy:** For the Utilities Fund, the City will establish an unassigned fund balance minimum of 7.5% of utilities operations, maintenance & repair (OM&R) operating expenditures.

**Status:** *Projected for the fiscal year ended September 30, 2013, the City's unassigned balance is 12.3% of utilities OM&R fund operating expenditures.*

Policy: The City will not permit a deteriorating financial condition as described by the Florida Auditor General and Florida Statutes section 218.503 that would result in an audit management letter finding.

Status: *Florida Statutes identify a number of items that can trigger the State described indicator of deteriorating financial conditions. The City is in compliance with all of those indicators thereby avoiding a finding of deteriorating financial condition.*

Policy: The City will monitor financial indicator trends. We will follow the Florida Auditor General Financial Condition Assessment Procedures.

Status: *The City monitors financial indicators, as recommended by the Auditor General, as part of its annual budget process. These trends are discussed as well with the City's external auditor each year during the audit process.*

Policy: Annually the City will appropriate a contingency line item in funds where deemed necessary to provide for unanticipated expenditures of a nonrecurring nature or to meet small increases in service delivery costs.

Status: *Two of the City's larger funds, General and Utilities, have contingency accounts set aside for unanticipated emergencies or small increases in service delivery. The City does not foresee a need to supplement fund balances with a budgeted contingency in its smaller funds.*

Policy: All projected beginning and ending fund balances will be presented in the annual budget.

Status: *The annual budget includes all fund balance projections within each fund.*

#### Operating/Capital Expenditure Accountability:

Policy: Governmental Funds are accounted for in accordance with Generally Accepted Accounting Principles (GAAP). Expenditures are recorded when the services or goods are received and the liabilities incurred. All proprietary funds use the accrual basis of accounting and expenses are recognized when they are incurred.

Status: *Governmental Funds are defined as the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary Funds are enterprise funds and internal service funds. The City follows GAAP in its accounting function.*

**Policy:** The City Manager will present a balanced budget. Essential services will receive first priority for funding. The City will identify low priority services for reduction or elimination, if necessary, before essential services.

*Status:* In compliance with State law, the City Manager presents and the City adopts a balanced budget each year. Budget alternatives which identify service level cost reduction options as well as costs associated with any service level enhancements are presented to City Council in April of each year and updated, as requested, during the period May through September as part of the annual budget process.

**Policy:** The budget will provide for adequate maintenance and repair of capital plant and equipment and for their orderly replacement.

*Status:* The City provides adequate funding for repair and maintenance of its capital assets as well as implements a structured program for replacement.

**Policy:** The budget will consider the cost effect on the operating budget from additional capital items and program.

*Status:* An integral part of the five year capital improvements program is the impact on operating budget calculations for each project included in the program. In this manner, the City fully understands future operating budget implications prior to initiation of planned capital improvements.

**Policy:** The budget will provide sufficient funding to cover annual debt retirement.

*Status:* Debt service coverage is a requirement of our lenders, and the City provides sufficient coverage as stipulated in bond covenants.

**Policy:** The City will analyze and prepare monthly reports that compare the budget with actual expenditures for major funds. The reports will monitor progress toward the budgeted appropriations. Significant changes may be uncovered in advance, permitting action to avoid a crisis.

*Status:* Monthly financial reports are prepared as required by the City's Code of Ordinances. These reports are provided to elected officials and available for viewing by the community at large.

Policy: Enterprise fund operations shall be self supporting and shall pay administrative charges to the General Fund for administrative support.

Status: *Enterprise funds are Proprietary Funds as defined and, as such, are self supported by user fee charges. Each enterprise fund pays an administrative charge to the General Fund for support provided based on an annual review of such administrative expenses. In the FY 2013 budget, the following administrative charges are included within the enterprise funds: Utilities \$1,970,084, Sanitation \$ 407,864, Building \$72,276, Laishley Marina \$33,509.*

Policy: The City will prepare a five year Capital Improvement Program (CIP) as part of the annual budget process. Coordination of the CIP budget with the operating budget will ensure that all funding considerations are made. The CIP details major infrastructure type improvements and construction projects. Capital items of an operating nature such as automobiles or personal computers are budgeted in each operating department budget.

Status: *The City prepares a five year CIP on an annual basis. Project detail includes a description of planned improvements, estimated cost, financing sources, project status, impact on operating budget and project area map, if applicable.*

Policy: The City will adopt the first year of a multi-year plan for capital improvements, update it annually and make every attempt to complete all capital improvements in accordance with the plan.

Status: *The City adheres to the policy with the understanding that planned capital projects may be delayed due to delays in permitting, environmental conditions, bidding and/or re-prioritization by elected officials.*