

### What's Included in this Document

The City's budget is intended to provide a plan to pay for services to the residents of and businesses located in the City of Delray Beach for the current and future years. It includes both day-to-day operations as well as capital improvements.

What follows is a brief synopsis of the total document including the City's fiscal policies, organizational structure and graphic presentations of projected revenues and expenditures, individual fund summaries and personnel staffing summaries. Further detail is provided in the text and is divided by funding categories. Wherever possible page numbers have been cross referenced for your convenience.

### How to Read this Document

The budget document is organized by fund. Each fund includes revenues, expenditures and a description of each program. The General Fund has the largest number of programs and accounts for approximately 54% of the total budget. A listing of programs by fund can be found in the table of contents. Each program section includes the following:

1. A mission statement for the department.
2. An organizational chart.
3. A program page for each division which includes the following (see Figure A to the right for illustration):
  - A. The activities or functions provided by the program.
  - B. Long-term divisional goals.
  - C. Specific objectives that state what is to be achieved in fiscal year 2009.
  - D. Actual and projected performance measures.
  - E. Staffing levels with three years of history.
4. A detailed line item budget for expenditures.
5. A summary budget of divisional revenues and expenditures.
6. A summary of divisional accomplishments for the previous two fiscal years.

The departments prepared their requests at one level of funding. A description is provided for the level of service that could be provided given the requested level of funding.

The Capital Funds section includes a summarized version of the Five Year Capital Improvement Program (CIP) for the years 2010 through 2014. Each year consists of programmed projects with fiscal year 2010 representing the Capital Improvement Budget. A detailed version of the CIP will be published in a separate document upon final approval by the Commission.



All supporting documentation of what has been presented herein is available in the Budget Office for review. If you have any questions regarding the material presented you may call (561) 243-7128 or write to the Finance Department, 100 N.W. 1st Avenue, Delray Beach, Florida 33444.

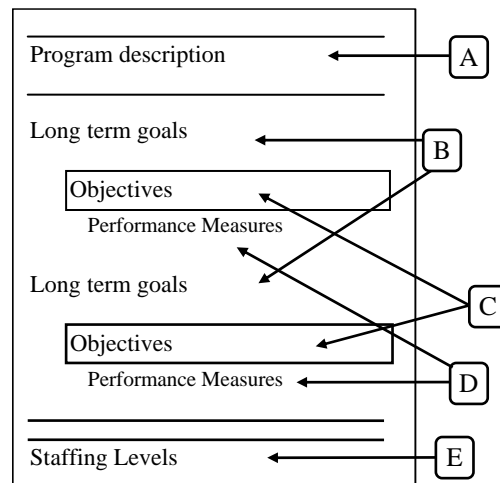
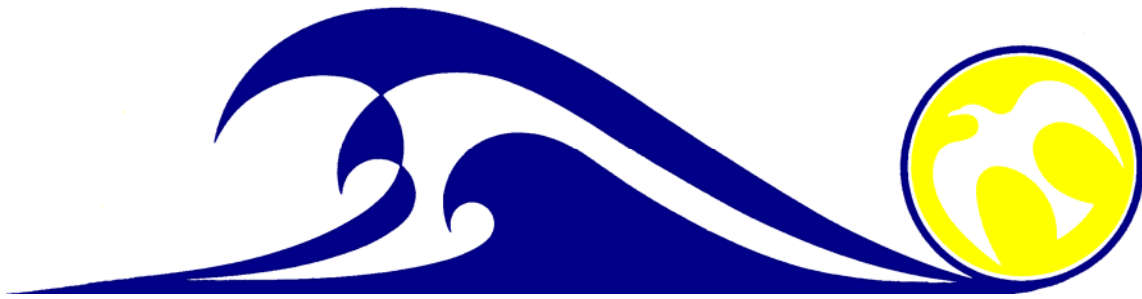


Figure A



# **City of Delray Beach**

**\* Rebirth**

**\* Revival**

**\* A humanistic revival of culture, literature, and enthusiasm**

**\* An economic revival building on the past for a sound and prosperous future**

**A CITY SET APART IN SOUTH FLORIDA**

## Community Profile

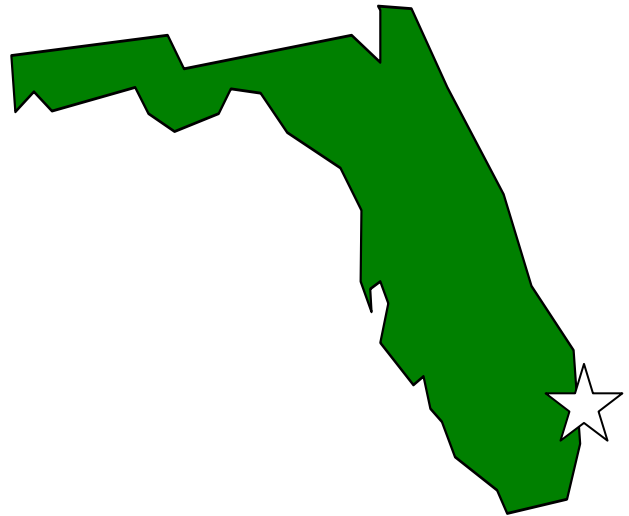
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### A South Florida Renaissance City

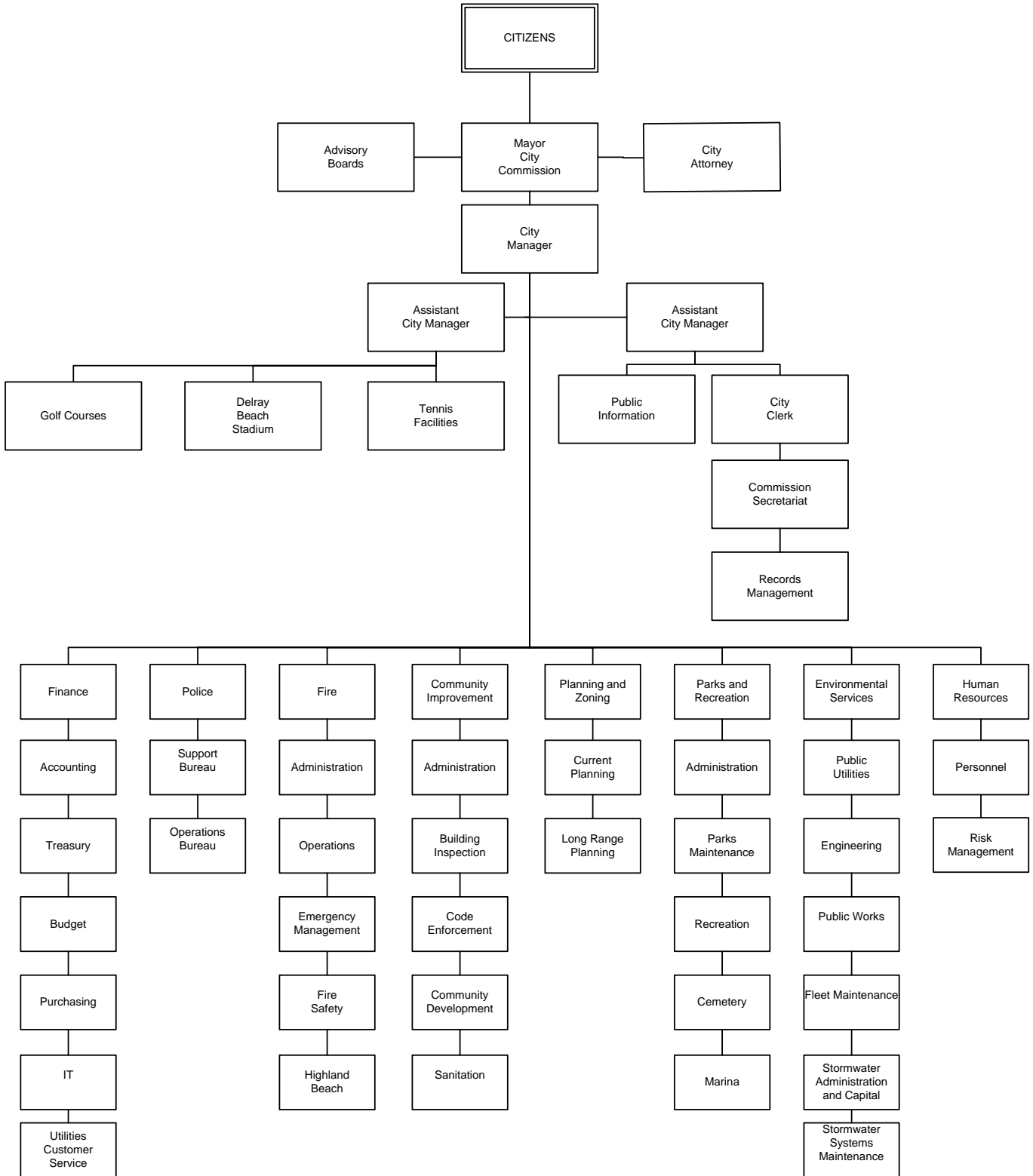
Delray Beach is a truly unique city! From its award winning public beaches and vibrant downtown nightlife to its excellent neighborhoods, bustling economy, and abundance of cultural activities, Delray Beach offers an unparalleled quality of life.

Located in the southern end of Palm Beach County, Delray Beach was settled as an agricultural community in 1895 and later incorporated as the City of Delray Beach on May 11, 1927. The City has experienced substantial growth from 1,015 people in 1920 to 63,789 people today. The City's median age is 44.9 with a median household income of \$52,244 and a median house ownership value of \$290,200.

Delray Beach encompasses 16.5 square miles planning area of which 98.9% has been developed. As the City approaches "build-out", growth management has shifted focus to renewal and redevelopment of the remaining vacant land. Existing land use inventory is 67% residential, 13% recreation/open space/conservation, 1% agricultural/vacant, 10% commercial, 5% education and public facilities and 4% industrial.

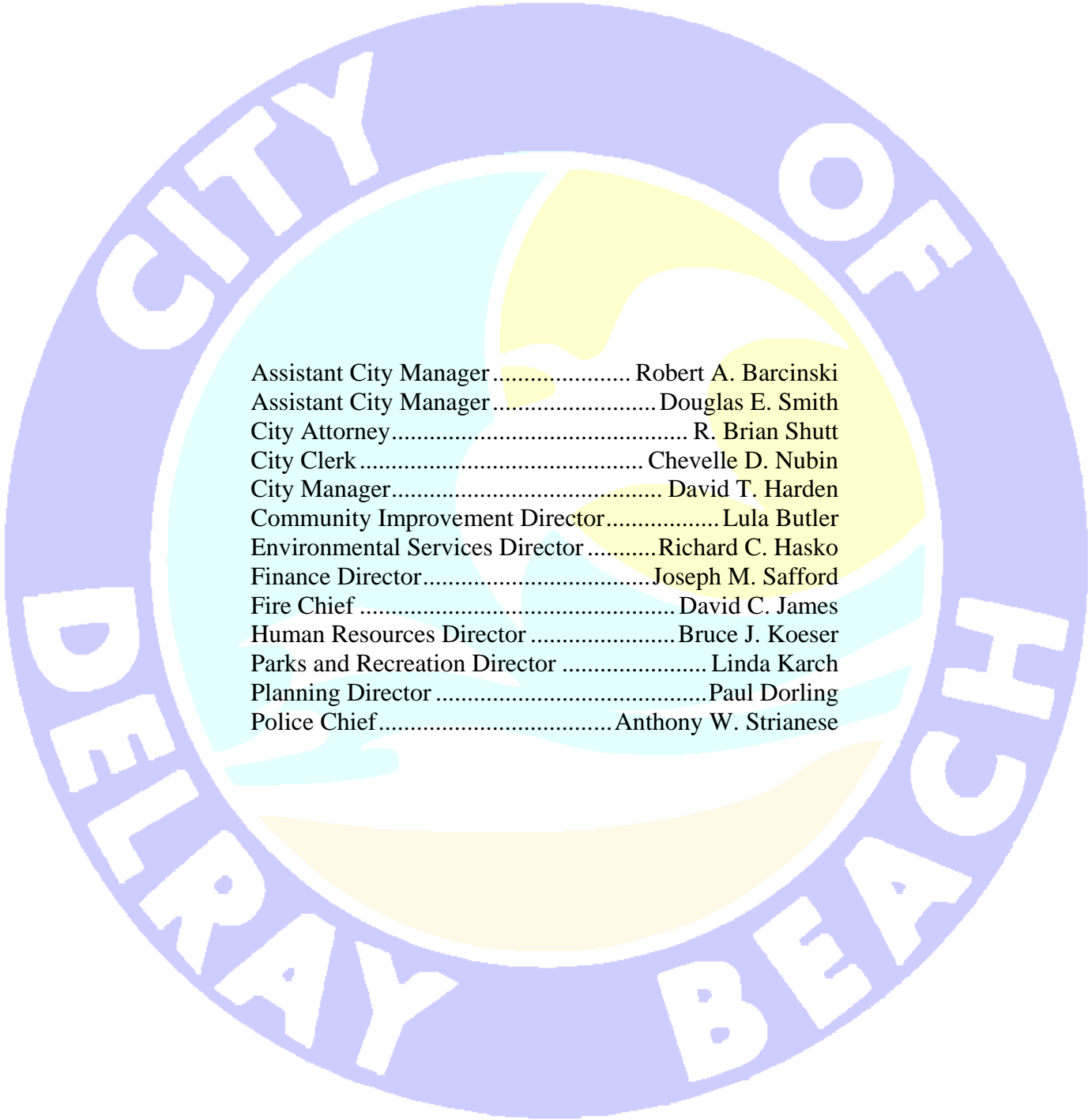


# City Organizational Chart



**Executive Staff**

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Assistant City Manager ..... Robert A. Barcinski  
Assistant City Manager ..... Douglas E. Smith  
City Attorney ..... R. Brian Shutt  
City Clerk ..... Chevelle D. Nubin  
City Manager ..... David T. Harden  
Community Improvement Director ..... Lula Butler  
Environmental Services Director ..... Richard C. Hasko  
Finance Director ..... Joseph M. Safford  
Fire Chief ..... David C. James  
Human Resources Director ..... Bruce J. Koeser  
Parks and Recreation Director ..... Linda Karch  
Planning Director ..... Paul Dorling  
Police Chief ..... Anthony W. Strianese

## **FY 2010 and Beyond**

### **Our Goals**

#### ***Quality Neighborhoods Where People Want to Live***

- ◆ More workforce housing with access to public transportation
- ◆ Well maintained, quality City infrastructure
- ◆ Increase range of housing options: type, price, location
- ◆ Neighbors taking responsibility for their neighborhood and for each other
- ◆ Safe and secure neighborhoods
- ◆ Neighborhoods that are clean, attractive and appealing

#### ***Top Quality Services Valued by Citizens***

- ◆ Effective management of financial resources
- ◆ Technology infrastructure to support services and service delivery to our customers
- ◆ Well motivated, highly trained and professional workforce
- ◆ Maintain City infrastructure and facilities
- ◆ City services delivered in an efficient manner
- ◆ Living the S-P-I-R-I-T through manager and employee actions
- ◆ Expand water reuse
- ◆ End ocean discharge of wastewater effluent

#### ***Community Unity***

- ◆ Citizens feeling included: creating an inclusive community
- ◆ Citizens working together to solve problems
- ◆ Recognition as a multi-cultural community
- ◆ Positive, two-way communications between City and our stakeholders
- ◆ Continue dialog between the community, faith based institutions and the City
- ◆ Respecting and appreciating the uniqueness of each culture

#### ***Expanded/Diversified Local Economy***

- ◆ Northwest/Southwest 5<sup>th</sup> Avenue business development
- ◆ Delray Beach as a global destination with amenities for residents, visitors and tourists
- ◆ Class "A" Corporate Offices and new County Administrative Center on Congress Avenue Corridor
- ◆ Planned strategy to attract targeted new businesses (in partnership with Boca Raton, Boynton Beach and Palm Beach County)
- ◆ More job opportunities (other than service jobs) for residents
- ◆ Support local-owned businesses, including helping businesses to grow in central Atlantic Area (Swinton to I-95)
- ◆ Four Corners Redevelopment to mixed use development
- ◆ Redevelopment of aging shopping centers

#### ***Quality Educational Opportunities***

- ◆ Additional middle school and New Plumosa Elementary – Arts Magnet
- ◆ Prepare workforce through vocational training
- ◆ Save Delray's Special Programs: I.B., Career Academies, Montessori, Gifted, et cetera
- ◆ Access to quality education, including public, charter and private schools
- ◆ Expand Village Academy
- ◆ Students on grade level and schools recognized for high performance

#### ***Expanded Downtown: From A1A to I-95***

- ◆ Make a unique downtown which is interesting, culturally diverse and quaint
- ◆ Develop Old School Square Park as a community focal point and with a variety of amenities
- ◆ Expand parking in CBD: Beach, Pineapple Grove, Old Library
- ◆ Improve cleanliness and safety
- ◆ Pedestrian-friendly businesses on West Atlantic
- ◆ Expand Downtown: Pineapple Grove, I-95 to A1A, 5<sup>th</sup> Avenue
- ◆ Increase diversity among retail businesses
- ◆ Improved Traffic Circulation

## **FY 2010 Target Projects**

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In April 2008, the Mayor, City Commission, City Manager and Department Heads met in order to establish our policy agenda. The following targets for action were established during the 2008 Goal Setting Session. The fiscal year 2010 budget was developed with these priorities in mind.

- ❖ *SW 12<sup>th</sup> Avenue/Auburn/SW 14<sup>th</sup> Avenue Improvements*
- ❖ *Reclaimed Water Expansion*
- ❖ *Atlantic Avenue Gateway Art Feature*
- ❖ *Osceola Park Water Main Phase 2*
- ❖ *Cultural Loop Martin Luther King Boulevard Phase 1*
- ❖ *N Lake Ida Area Water Main*
- ❖ *SW 3<sup>rd</sup> and 6<sup>th</sup> Avenue Water Main*
- ❖ *Worthing Park Improvements*
- ❖ *SW 2<sup>nd</sup> Street Beautification*
- ❖ *Water Treatment Plant New Lime Sludge Unit*
- ❖ *Police Laptop Replacement*
- ❖ *NW 12<sup>th</sup> Avenue-Atlantic Avenue/Martin Luther King Boulevard*
- ❖ *Atlantic Avenue Median*
- ❖ *Munnings/Williams Cottage Rehabilitation*
- ❖ *Wash Water Recovery Basin Piping*
- ❖ *Reclaimed Water Distribution – Customer Connection*

## **FY 2010 Target Ideas**

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### Actions on the Horizon

- ❖ *Family Recreation and Fitness Center Construction*
- ❖ *Motorola 3.0 Radio System Replacement*
- ❖ *Redesign Pompey Pool*
- ❖ *NW 4<sup>th</sup> Avenue and 3<sup>rd</sup> Avenue Water Main*
- ❖ *SW 10<sup>th</sup> Avenue Water Main*
- ❖ *Atlantic Dunes Nature Trail*
- ❖ *Block 32 Alley*
- ❖ *Douglas Avenue Park*
- ❖ *HR/Purchasing Expansion*
- ❖ *Sewer Vac Con Truck*

## **FY 2010 Targets for Action**

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### **Top Priority – Policy Agenda**

- ❖ *Historic district guidelines and design manual*
- ❖ *Budget report by task force*
- ❖ *Old School Square park*
- ❖ *Old School Square garage retail space: sale or lease space*
- ❖ *Total compensation and benefit review: evaluation and policy*
- ❖ *Village Academy: expansion*
- ❖ *Lake Ida design guidelines ordinance: adoption*
- ❖ *Transient rental in single family neighborhoods ordinance: review*

### **High Priority – Policy Agenda**

- ❖ *Congress corridor redevelopment*
- ❖ *Parking garage: regulation and fees*
- ❖ *“Green” initiative report and actions*
- ❖ *Fire service academy: development and funding*
- ❖ *Police academy for middle school: evaluation and development*

### **Top Priority – Management Agenda**

- ❖ *“Clean and Safe Program”:* improvement, marketing and business participation
- ❖ *Fire response to EMS deployment*
- ❖ *Study circles: continuation and expansion*

### **High Priority – Management Agenda**

- ❖ *Tennis Center block beautification plan and action*
- ❖ *Safety plan for parking garages*
- ❖ *Youth study circle: development*

## Budget Policies and Procedures

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### Operating Budget

The City of Delray Beach began using a function based budget format in fiscal year 08/09. This approach requires departments to present their budget requests broken down into the functions of the division. This allows for evaluation of functions as a portion of the total division budget request.

Function based budgeting describes and gives the detailed costs of every activity or function that is to be carried out in a budget. Objectives, outputs and expected results are described fully as are their necessary resource costs. The sum of all activities or functions constitute the Function Budget. Thus, when looking at the function budget, one can easily find out precisely what will be carried out, at what cost and with what expected results in considerable detail.

In preparing the budget, certain policies and assumptions must be made in developing requests. It is important the assumptions be understood and followed by each budgeting unit to maintain consistency. The following were some of the guidelines adhered to during the budget process:

- ◆ The City will maintain its current level of service to the citizens. Each program will be evaluated on a cost/benefit basis to identify and implement improvements in order to provide higher service levels at lower costs to the citizens.
- ◆ Efforts should be made to implement new programs through cost savings or a reorganization of an existing program. Improved technology should be used to achieve the most cost effective service level.
- ◆ All services based on a user fee should be self-supported by those fees. If not, new revenue sources should be identified along with any recommended changes in service.
- ◆ Capital replacements should be limited to items that are no longer functional, not economically repairable or a safety hazard. Requests for new capital must be supported with a complete justification identifying the existing need and proposed improvements to be attained from the purchase.

To prepare their budgets, departments must first develop "decision packages" which provide a departmental breakdown into workable units either by a service provided, an organizational unit, a group of activities or an appropriation item such as a capital

purchase. These decision packages are then included in one departmental request which is then further broken down into the applicable functions.

Each function or alternative budget is then grouped together where it must compete in the ranking process against other departmental programs. The ranking process provides management with a technique to allocate the budget based upon the program's overall benefit to the City such as, importance in terms of welfare and safety; Statutory or Charter provisions; cost effectiveness or potential consequences of not providing the service. All packages are ranked in order of decreasing benefit starting with the highest priorities.

Once this is complete, the prioritized packages can be compared against projected revenue estimates to determine which packages will be funded and at what level. A determination must then be made as to whether programs falling below the revenue cut off should be funded through a tax increase, a reduction in funded packages, a combination of these alternatives, or not be funded at all.

### Budget Guidelines

Under the Florida Statutes and City Charter, the fiscal year of the City begins on the first day of October, and ends on the thirtieth day of September of the following year. This year constitutes the budget year of the City government. The City Manager must submit his recommended budget for the ensuing fiscal year to the Commission on or before the first regular meeting in August.

The proposed budget document is available at City Hall for those citizens who wish to review it. Citizens are also welcome to attend the Commission's budget workshops, which are held during the month of August. Any questions or concerns may be addressed during these meetings. Residents are notified of the dates of these workshops via the News for Neighborhoods publication, which is distributed monthly.

The Budget document must present a complete financial plan for the ensuing fiscal year. It must include, at least, the following information:

## Budget Policies and Procedures

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**Proposed Expenditures.** Detailed estimates of all proposed expenditures for each department and office of the City, showing the expenditures or corresponding items for the last, preceding and current fiscal years with reasons for increases and decreases recommended, as compared with appropriations for the current year;

**Bonded Indebtedness.** Statements of the bonded and other indebtedness of the City, showing the debt reduction and interest requirements, the debt authorized and unissued, and the conditions of the sinking funds, if any;

**Anticipated Income.** Detailed estimates of all anticipated income of the City from sources other than borrowing, with a comparative statement of the amounts received by the City from each of the same or similar sources for the last, preceding and current fiscal years;

**Current Year balance or Deficit.** A statement of the estimated balance or deficit, as the case may be, for the end of the current fiscal year;

**Taxes.** An estimate of the amount of money to be raised from current and delinquent taxes, and the amount to be raised from bond issues which, together with income from other sources, will be necessary to meet the proposed expenditures;

**Other Information.** Such other supporting schedules as the Commission may deem necessary;

**Balanced Budget.** The budget, proposed and final, must be balanced, that is, the total of the estimated receipts, including balances brought forward, must equal the total of the appropriations and reserves.

A Public Hearing on the budget must be held during the first regular Commission meeting in September for each year. Notice of the Public Hearing must be published at least one week in advance by the City Clerk.

At the second regular Commission meeting of the month of September of each year, the Commission must, by resolution, make an appropriation for the money needed for municipal purposes during the ensuing fiscal year of the City, and provide for a levy of the amount necessary to be raised by taxes upon real and personal property for municipal purposes. This tax levy, for the general operating expenses of the City,

may not in any event exceed the millage limitation of ten mills provided by state law on the assessed valuation of all real and personal property subject to taxation in the City. Should the Commission take no final action during said meeting, the budget as submitted, is deemed to have been finally adopted by the Commission.

At the beginning of each quarterly period during the fiscal year, and more often if required by the Commission, the City Manager must submit to the Commission data showing the relation between the estimated and actual income and expenses to date. If it appears that the income is less than anticipated, the Commission shall reduce appropriations, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the income.

### Capital Improvement Budget

The City prepares a five-year Capital Improvement Program which establishes deliberate, strategic improvement programs which define the capital needs, specify the method of financing and ensure continuity in the planning and selection of improvements to the City.

In planning for the future, the following is taken into consideration:

- ◆ The Capital Improvement Program will directly relate to the long-range plans and policies as set forth by the City's Comprehensive Plan.
- ◆ Improvements will be planned over a multi-year period to coordinate the financing and timing in a way that maximizes the return to the public by issuing bonds infrequently, but at the opportune time in the economic cycle.
- ◆ Actively pursue grants and entitlements to supplement the funding requirements of capital improvements.
- ◆ The program will include citizen participation in the establishment of community needs and priorities, and projects will be sensitive to preserving the remaining natural resource areas in the City's final stages of growth.

Annually, the City Manager submits the Capital Improvement Program to the City Commission along with the Annual Operating Budget for final approval and adoption of a Capital Improvement Budget, which

## Budget Policies and Procedures

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appropriates funds for specific facilities, equipment and improvements.

### Accounting of Funds

The accounting and reporting policies of the City conform to Generally Accepted Accounting Principles (GAAP) and policies applicable to governmental units set forth by the Governmental Accounting Standards Board (GASB) and the Generally Accepted Accounting Principles as promulgated by the American Institute of Certified Public Accountants (AICPA) and the Financial Accounting Standards Board (FASB).

### Basis of Presentation

The accounts of the City are organized and operated on the basis of funds or account groups, each of which is considered to be a separate fiscal and accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and charges therein.

### Basis of Accounting

Governmental funds are accounted for on a modified-accrual basis of accounting. Under the modified-accrual basis of accounting, revenue is recognized in the accounting period in which it becomes both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except that principal and interest on general long-term obligations are reported only when due in conformity with GAAP.

The accrual basis of accounting is utilized by the proprietary funds. Their revenue is recognized in the period earned, and expenses recognized in the period incurred.

### Basis of Budgeting

Budgets for the General and Special Revenue Funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). These funds are budgeted for on a modified accrual basis. This means that revenue is projected in the accounting period in which it becomes both measurable and available. Expenditures are projected using the same modified accrual basis except those current encumbrances that are treated as expenditures. Expenditures are identified and controlled primarily by departments with many departments using multiple

division budgets. Unencumbered appropriations lapse at year-end.

Capital Projects Funds are budgeted separately from the Operating Budget and are included in a Capital Improvement Plan that includes five years of planned projects. The initial year of the Capital Improvement Plan is considered as the Capital Improvement Budget for the upcoming fiscal year. These funds are budgeted using projections of expected cash outlay by project. Projects that are incomplete at year-end may have unexpended balances rolled over to another year in order to complete an approved project.

Enterprise and Internal Services Funds are budgeted for on a projected accrual basis. Revenue projections are based upon when they are earned and expenses are projected based upon when they are incurred. Unencumbered appropriations lapse at year-end. All departments within the fund structures require operating budgets for control purposes.

### Financial Policies

These policies are administered to ensure that the City retains a sound financial condition; retains the best possible bond rating; provides future generations with the ability to borrow capital for construction; and to recognize the community's needs and ability to pay.

These goals are accomplished through the following financial and accounting practices:

- ◆ The City will maintain a financial accounting and reporting system in accordance with methods prescribed by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA) utilizing Generally Accepted Accounting Principles (GAAP).
- ◆ An independent audit will be performed annually on all accounts of the City by certified public accountants experienced in municipal accounting, who have no personal interest, direct or indirect, in the fiscal affairs of the City.
- ◆ The City will maintain adequate cash reserves, as well as sufficient working capital to meet the operating needs in all funds.
- ◆ Funds will be managed as independent entities in accordance with legal, administrative or Generally Accepted Accounting Principles and one fund will not subsidize another fund.

## Budget Policies and Procedures

- ◆ The General Fund will maintain a contingency account to meet unanticipated requirements during the budget year.
- ◆ The Insurance Fund shall maintain an equity reserve equal to state requirements, in addition to the actuarially calculated loss liability.

### Deposits and Investments

The deposits and investments of the City are safeguarded by utilizing state approved public depositories and by investing in fully collateralized instruments as required by the State of Florida. A pooled-cash concept is utilized for all funds with the exception of the pension plans and the deferred compensation agency fund.

A major investment objective is to gain the maximum amount of revenue with a minimum of risk. When making investments, the City follows state law and local investment guidelines of maintaining an adequate cash flow, maintaining a liquid position and earning the maximum yield.

Obligations that may be pledged as collateral and are permissible investments include:

- ◆ Financial institutions designated as qualified public depositories by the State Treasurer of Florida meaning the investments are covered by federal depository insurance and by a collateral pool pledged to the State Treasurer.
- ◆ Negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government.
- ◆ Interest bearing time deposits or saving accounts in financial institutions located in Florida and organized under federal or Florida laws.
- ◆ Derivative investments with specific Commission approval.
- ◆ Local Government Surplus Trust Funds created by Florida Statutes.

### Debt Management

The City has maintained its insured ratings of AAA from Standard and Poor's and Aaa from Moody's Investors Service for all issues. The City's underlying rating by Moody's

Investors Service is A1 on General Obligation Bonds, A on Utility Tax Bonds and A+ on Water and Sewer Bonds.

Prior to the issuance of any new debt, the City will review and determine that every effort has been made to comply with the following:

- ◆ The amount of debt service for General Obligation and Special Revenue debt for special services shall not exceed 15% of the General Fund Revenues.
- ◆ Wherever possible, the City will use Revenue, Self-Supporting or Special Assessment Bonds instead of General Obligation Bonds.
- ◆ The amount of overall net debt attributable to the General Fund shall not exceed an amount equal to \$2,000 per capita.
- ◆ The length of a Bond Issue shall relate to the useful life of the projects that it is financing.
- ◆ Each proposed borrowing shall analyze the impact of the future debt service upon projections of operating revenues and expenditures and the City Commission must make a finding that the impact will not diminish the City's ability to continue to provide services.
- ◆ Long-term borrowing shall be used only for capital projects listed in the Capital Project Schedule of the Capital Improvement Element of the Comprehensive Plan. The renewal and replacement of existing assets should be funded by current revenues and not by debt.

### Revenues

Revenues come from a variety of sources, but are ultimately paid by the citizens. A large part of our revenues are received in the form of local, state and federal taxes; charges for services or user fees; and fines and forfeitures.

Revenues must be maintained to fund the demand on increased services, to pay for capital improvements and to sufficiently maintain the operating requirements of capital improvements. Therefore, a diversified and stable revenue system is required.

<b>Moody's Underlying Rating:</b>	
<b>General Obligation Bonds</b>	<b>A1</b>
<b>Utility Tax Bonds</b>	<b>A2</b>
<b>Water and Sewer Bonds</b>	<b>A2</b>

## **Budget Policies and Procedures**

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The City adheres to the following policies when determining projections:

- ◆ Maintain a tax collection rate of 98%+.
- ◆ Ensure that revenues are sufficiently flexible and free from spending restrictions to allow for adjustments to changing conditions.
- ◆ Evaluate the practices in the collection and administration of revenues to ensure efficiency so that revenue performance and yields may not be adversely affected.
- ◆ Revenue sources will be diversified and not be overly dependent on sources considered volatile and close communication maintained with departments and external agencies involved in projecting key revenues.
- ◆ User fees will be regularly evaluated to cover administrative cost increases. All services that are based on a user fee concept should make every effort to be self-supporting.
- ◆ Rate structures will be maintained on each enterprise fund to insure the revenues are adequate for the operations to remain firmly and separately self-supporting.

## General Fund Revenue Projections and Critical Assumptions

### Ad Valorem Tax

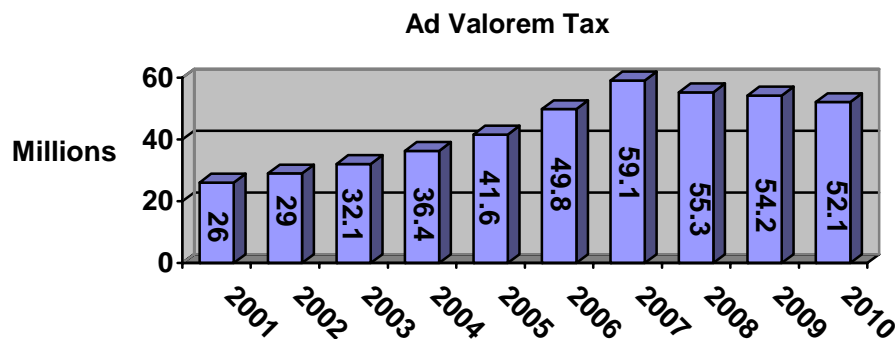
Ad Valorem revenue is derived from a millage tax levy on real and personal property located in the City of Delray Beach. The City's Ad Valorem Tax revenues are based on two assessment valuations. Assessment valuations are given separately for calculating tax revenues based on operating and debt service millage due to the fact that the City exempts historical properties. This exemption is reflected in the calculation of tax revenues based on the operating millage.

The proposed revenue budget is based on 7.7216 mills per \$1,000 of assessed valuation, a preliminary assessed valuation of \$7,082,858,399 for debt service millage, an assessed valuation of \$7,081,215,623 for operating millage and a 95% collection rate. This results in proposed tax revenue of \$51,945,230. The 7.7216 mills consist of \$7.1900 for operating expenditures and \$0.5316 for debt service. This levy amounts to a 2.62% decrease of the rolled-back rate which is the millage rate that provides the same ad valorem tax revenue as was levied during the prior year, exclusive of new construction, additions to structures, deletions and property added due to geographic boundary changes.

The City's total assessed valuation decreased by \$1,068,390,905 over the prior year final gross taxable value or by 13.11%. The decrease is primarily due to the downturn in the housing market and a decrease in the assessed valuation of property located in the CRA's district which decreased by \$258,914,660 accounting for 24% of the City's decline.

On January 29, 2008, voters approved a change in the Constitution relative to tax reform. Measures included doubling the homestead exemption to \$50,000, letting homeowners carry up to \$500,000 in Save Our Homes benefits to a new home, capping annual assessment increases to non-homesteaded properties at 10% per year and giving business owners a \$25,000 exemption on property such as computers, furniture and other equipment. The change also placed a cap on future property taxes by tying any changes in the tax rate with personal income growth and made provisions that allow local governments to override the cap by super majority vote.

Delinquent Tax Revenue is based upon the current year projection. Property Taxes for the current year became delinquent in April 2009.



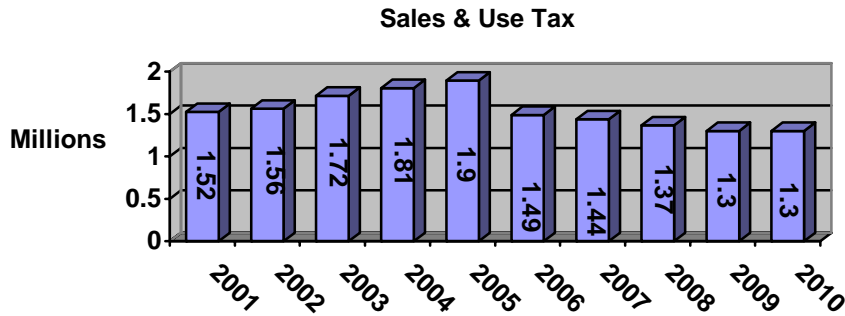
### Sales and Use Taxes

This revenue consists of the City's distribution of the county gas tax levy on motor and special fuel. The revenue collected is derived from a six cent levy originating in 1986 and a subsequent five cent levy adopted in 1993. Through the original Interlocal Agreement dated July 1986 between the County and the municipalities, the County receives two-thirds and the municipalities collectively receive one-third of all sums collected on the six cent levy. The agreement, which expired in June 1995, was renegotiated with the same terms as well as a stipulation to evaluate the distribution method every two years.

In August of 1993, Palm Beach County passed an additional 5 cents in the Local Option Gas Tax on the sale of motor fuel which was effective January 1, 1994. Per this second Agreement, the County receives 79% and the municipalities collectively receive 21% of all sums collected. The City is estimated to receive \$1,300,000 in revenue in fiscal year 2009 from both contracts.

## General Fund Revenue Projections and Critical Assumptions

Budget estimates are based on the anticipated sales (per gallon) of motor fuel and special fuel sold within Palm Beach County. Estimates are furnished by the State, but are only used as an indicator for trending. The city's pro rata share is based 70% on lane miles located within the city and for which the city is responsible for maintenance and 30% upon the population.

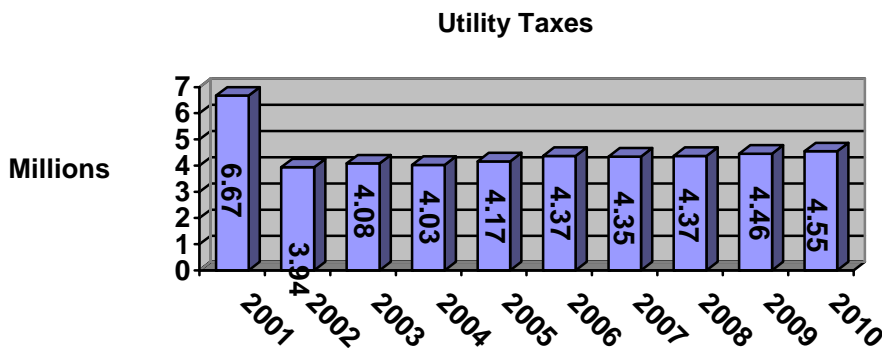


### Utility Taxes

Utility Taxes are levied by the City as a Public Service Tax on the purchase of electricity and metered or bottled gas. Taxes are assessed in the amount of 10% on the payments received for the purchase of electricity and 10% for metered or bottled gas.

Ten percent of the collections are transferred to the Beautification fund for capital and operating expenses relative to the beautification and maintenance of public rights-of-way.

Revenue projections are based on fee adjustments and the City's growth rate. Fiscal year 2010 Utility taxes on electric sales project a 2% increase over the fiscal year 2009 estimate. This increase is based mainly on an estimated increase in electrical energy sales revenue.



### Other Taxes

This category was created in fiscal year 2002 as a result of passing the Communication Service Tax Act. Essentially, the Act combined several different state and local taxes or fees and replaced these revenues with a two-tiered tax.

The tax was composed of a Local Option Tax and a State Tax on communication services. This category consists of the Local Option Tax portion. The State Tax portion will be discussed in the Intergovernmental category.

The Local Option Tax replaced the franchise fees based on communication services, franchise fees based on cable, and utility taxes on telecommunication services. Prior to fiscal year 2002, vendors collected franchise fees and utility tax revenues and sent separate checks to each municipality.

Though these revenues are still collected by the vendors, they are now sent to the State. The State, in turn, forwards one check to each municipality for the local option portion.

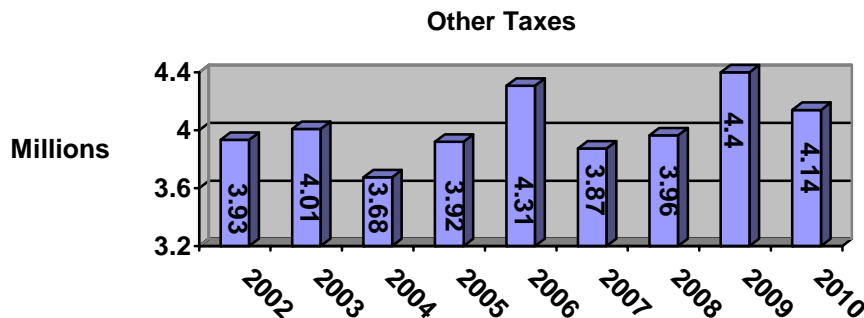
## General Fund Revenue Projections and Critical Assumptions

The Communication Service Tax is comprised of a conversion rate as well as an add-on rate of 0.12%. CST conversion rates for each municipality were determined by the State of Florida Department of Revenue and were based on information provided by the municipalities as well as communication providers.

The conversion rate was intended to result in an amount of revenue equal to the amount of revenue each respective local government would have received from the replaced revenues and the expected growth of such sources. It should be noted that each conversion rate was grossed up for the first year due to the fact that revenues were not disbursed to each municipality until December 2001. The add-on rate is in lieu of charging permit fees to communication providers.

Ten percent of the collections are transferred to the Beautification fund for capital and operating expenses relative to the beautification and maintenance of public rights-of-way.

Each municipality had a choice of levying a permit fee or increasing the conversion rate by the in lieu add-on rate. If the municipality chose to levy permit fees, however, the conversion rate would be decreased by the 0.12%. Additionally, each municipality had a choice to levy above the conversion rate up to the maximum rate determined by the State. The City chose to levy up to the maximum.



### Franchise, Licenses and Permits

The gas, electrical, towing and beach service franchise fees were previously included in a franchise fees category. Beginning in FY 07/08, GFOA Guidelines have changed these revenues to the Franchise, Licenses and Permits category. The fees are based on the sale of electrical energy to residential, commercial and industrial customers (\$5,025,000), the total net revenue of the gas company (\$102,500), a vendor supplying cabana and beach equipment rental (\$170,000) and a vendor providing car towing service (\$162,400). Projections for franchise fees based on electricity reflect a \$225,000 or 4.3% decrease over the fiscal year 2009 projection of \$5,250,000. Fees based on beach services show an \$87,000 or 105% increase over the fiscal year 2009 estimate of \$83,000 due to a new contract.

Business Tax Receipts are fees charged to any person who engages in any business, profession or occupation within the City limits. A registration fee is available to those who do not have a permanent location within the City, but wish to do business in the City. Licenses are issued for one year and expire in September of each year.

Source	2010	%
Business Tax	\$705,000	7%
Building Permits	1,700,000	17%
Electrical & Plumbing	380,000	4%
A/C & Heating	310,000	3%
Roof Permits	215,000	2%
Tenant/Landlord	353,000	4%
Franchise Fees	5,459,900	55%
Miscellaneous Permits/Fees	782,310	8%

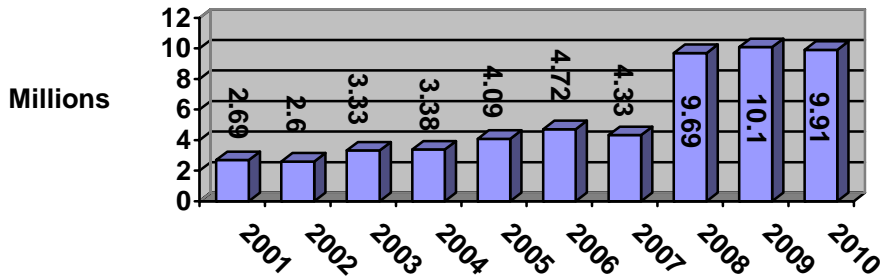
## General Fund Revenue Projections and Critical Assumptions

<b>Total</b>	\$9,905,210	100%
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Permits are required for all building activity including new construction, additions, alterations and rehabilitations within the City. A variety of miscellaneous permits are also required such as paving, pool installation, tree removal, etc. As indicated on the preceding page, Building Permits account for the largest source.

Revenue projections are provided by the Community Improvement Department. Revenues are anticipated to decrease based primarily on an anticipated decrease for the building permits.

**Licenses & Permits**



### Intergovernmental

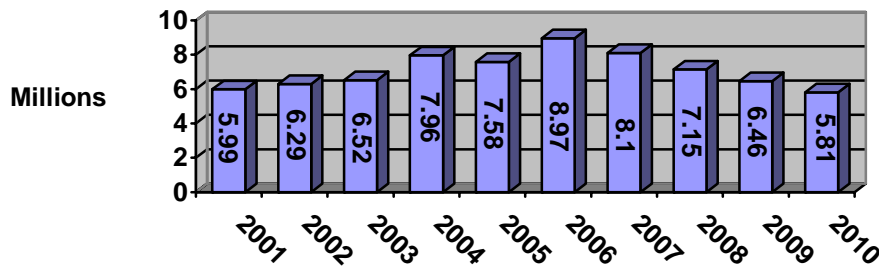
The Intergovernmental Revenue category is one of the largest sources of revenue for the City. It includes State Revenue Sharing with municipalities which is derived from State Sales and Gas Tax collections, Half-Cent State Sales Tax which is based on a pro rata share of the six cent sales tax, and the Mobile Home License Tax which is based on a tax levied on park trailers and mobile homes in-lieu-of ad valorem taxes.

These revenues are distributed at the State level. Estimates are provided by the State as well, but are used only as an indicator for trending projections. The projections for the two largest sources, State Revenue Sharing and Sales Tax Collection, are anticipated to decrease by 7% from the fiscal year 2009 projections.

Also included in this category are local, state and federal grants, which account for 3.6% of the Intergovernmental revenues. This represents an decrease of \$248,560 over fiscal year 2009 funding.

Additionally, this category includes \$125,000 of revenue for Occupational License fees originating in the County.

**Intergovernmental**



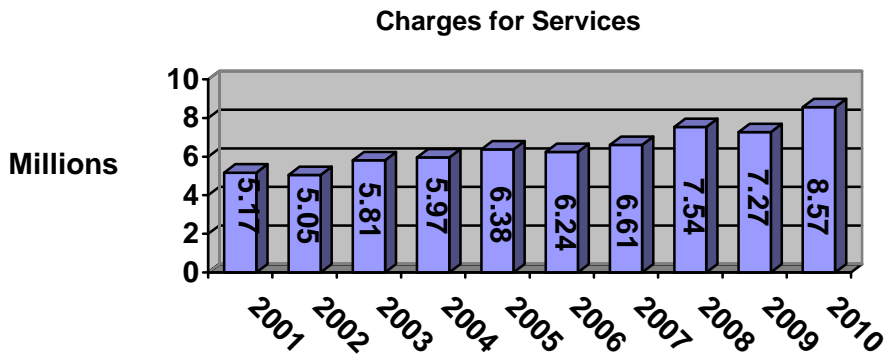
### Charges for Services

These revenues are derived from a variety of governmental services. The major sources come from public safety services provided to surrounding municipalities and organizations, parking meter collections, recreational revenues, and applications for land use changes.

The largest revenue source in this category is the Highland Beach fire services contract totaling approximately \$2.9 million. The second largest source is EMS transport fees totaling \$2,000,000. Revenues received from the Town of Gulf Stream total \$336,450 and include 911 dispatch services (\$50,200) and Fire EMS services (\$286,250).

## General Fund Revenue Projections and Critical Assumptions

Anticipated parking revenue is \$887,000, an increase of \$337,000 from fiscal year 2009 due mostly to a new flat rate parking fee for Old School Square garage.

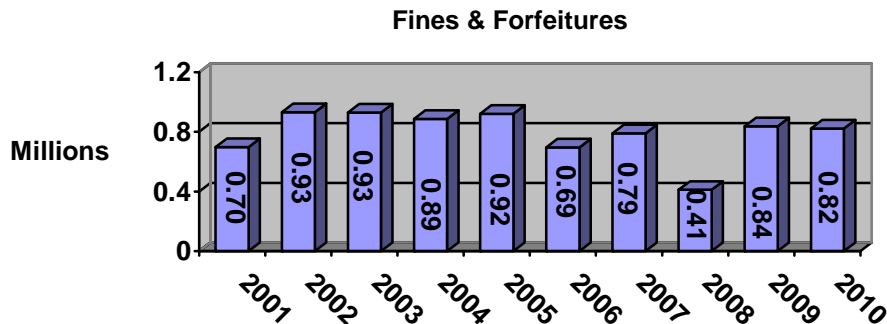


### Fines and Forfeitures

Collections consist of fines for traffic violations, non-compliance of building codes, and late payment of ad valorem taxes, operating without a current business license, re-inspections and for working without a building permit.

Revenues of this category are projected based on prior year trends, the population growth rate and building activity, if applicable.

The 1.8% decrease in fiscal year 2010 is due mainly to an anticipated decrease in handicap tickets (\$20,000 decrease) and civil violations (\$20,000 decrease) from fiscal year 2009.



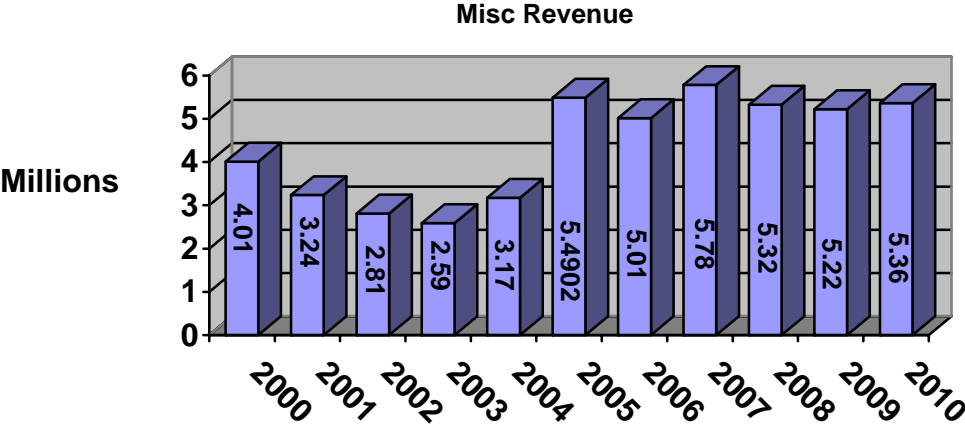
### Miscellaneous Revenue

Miscellaneous revenue consists of all interest earnings, including interest from the Tax Collector, collections from vending machines, license fees charged for the Riverboat enterprise and contributions from other agencies for expenses incurred such as the CRA's contribution towards the retirement of debt for the Tennis Centers in fiscal years 2001 and 2002, and funding from the Drug Enforcement Agency and Community Action Foundation.

Contributions from other funds are also accounted for as the recovery of administrative costs which the General Fund charges for their proportionate share of the cost of general government operations.

# General Fund Revenue Projections and Critical Assumptions

The increase in fiscal year 2010 is 2.7% and is primarily due to increases in Administrative costs from other funds.



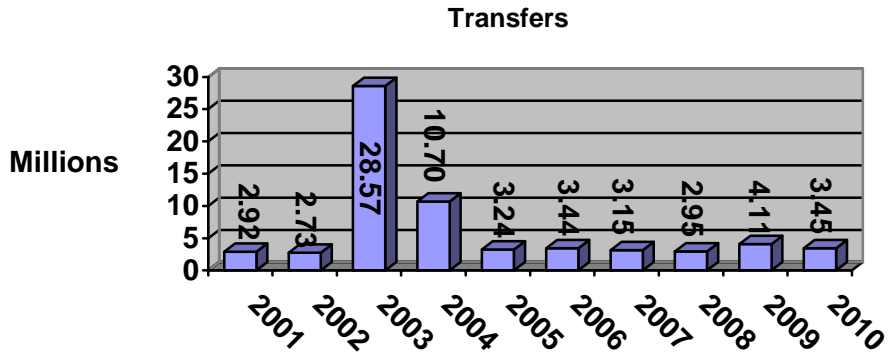
### Transfers

Transfers are revenues received from other funds which represent charges for specified obligations which are provided by the General Fund on behalf of an Enterprise or Bond Construction Fund such as the transfers made by the Enterprise Funds for in-lieu payments for property and utility taxes.

The in-lieu taxes transfer is based on the value of the assets in the Enterprise Fund and the proposed millage for the purpose of paying its share of services provided by the departments within the General Fund such as the Public Works, Police and Fire Departments.

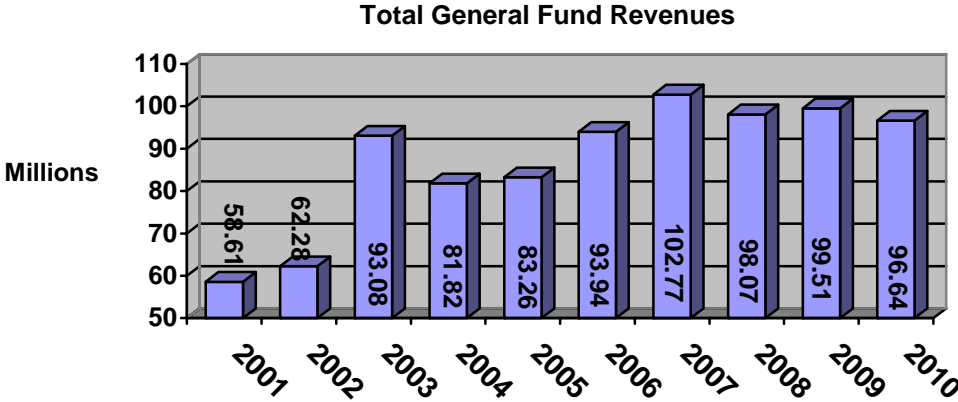
The in-lieu utility tax payment is based upon the City's utility tax rate and the estimated sale of water revenues. The transfer is in-lieu of a utility tax levy on water usage.

Since this category consists of revenues or transfers from other funds due to special projects or needs brought into the General Fund on an as-needed basis, trending is not feasible.



# General Fund Revenue Projections and Critical Assumptions

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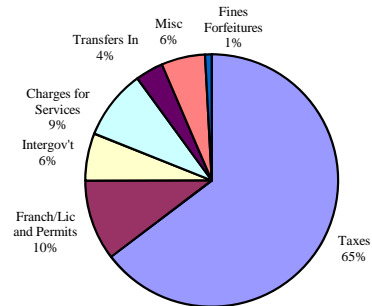


## General Fund Revenues and Expenditures Summary

	2008 Actual	2009 Revised	2010 Budget	% Change FY 09 to 10
<b>Cash Balances Brought Forward:</b>				
Prior Year Surplus	\$ -	\$ 1,142,968	\$ 621,210	NA
<b>Revenues:</b>				
Taxes	65,006,672	64,393,620	62,100,190	-3.56%
Franchises, Licenses and Permits	9,693,972	10,084,590	9,905,210	-1.78%
Intergovernmental	7,145,502	6,460,780	5,814,220	-10.01%
Charges for Services	7,539,233	7,265,200	8,565,380	17.90%
Fines and Forfeitures	411,218	836,600	821,700	-1.78%
Miscellaneous	5,323,753	5,222,819	5,363,720	2.70%
<b>Total Revenues</b>	<b>95,120,350</b>	<b>94,263,609</b>	<b>92,570,420</b>	<b>-1.80%</b>
<b>Other Financing Sources:</b>				
Operating transfers in	2,952,714	4,106,950	3,445,350	-16.11%
Total Other Sources	2,952,714	4,106,950	3,445,350	-16.11%
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 98,073,064</b>	<b>\$ 99,513,527</b>	<b>\$ 96,636,980</b>	<b>-2.89%</b>

The General Fund includes all general government operations not required to be accounted for in another fund. It finances most City governmental services and is the principal operating fund of the City.

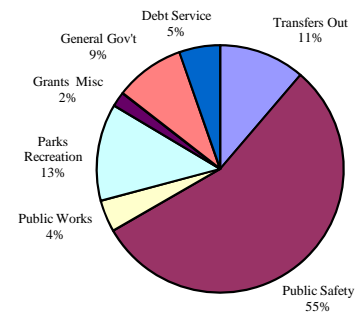
### Where the money comes from:



As you can see our largest source of revenue is derived from taxes. This includes a \$7.7216 property tax levy per \$1,000 of assessed value. Other taxes include franchise and utility taxes, such as those appearing on your monthly electric bills, the City's portion of the county gas tax on motor fuel and the Communications Services Tax.

<b>Expenditures:</b>				
General Government	\$ 9,237,057	\$ 9,390,295	\$ 8,830,750	-5.96%
Public Safety	51,802,921	52,455,500	53,557,180	2.10%
Public Works	3,523,843	3,973,438	4,032,320	1.48%
Parks & Recreation	12,133,902	12,251,802	12,296,830	0.37%
Grants	1,940,250	1,913,500	1,854,050	-3.11%
Debt Service	5,089,801	5,584,060	5,173,480	-7.35%
Miscellaneous	156,604	23,560	22,910	-2.76%
Land Acquisition and costs	673,544	-	-	NA
Contingency	-	959,790	-	NA
<b>Total Expenditures</b>	<b>84,557,922</b>	<b>86,551,945</b>	<b>85,767,520</b>	<b>-0.91%</b>
<b>Bond Refinancing</b>				
	-	-	-	NA
<b>Other Financing Uses:</b>				
Operating transfers out	13,978,655	12,961,582	10,869,460	-16.14%
Total Other Uses	13,978,655	12,961,582	10,869,460	-16.14%
<b>Total Expenditures &amp; Other Uses</b>	<b>\$ 98,536,577</b>	<b>\$ 99,513,527</b>	<b>\$ 96,636,980</b>	<b>-2.89%</b>

### Where the money goes:



A large part of the services provided on a day-to-day basis are funded through the General Fund. This includes police and fire protection, code enforcement, street maintenance and maintenance of the City's grounds, parks and facilities as well as the less visible services such as the executive management, financial accounting, legal counsel and comprehensive planning.

## General Fund Summary By Department

DEPARTMENT	2008 Actual	2009 Revised	2010 Budget	% Change 09-10
City Commission	281,343	379,989	194,190	-48.90%
City Manager	538,136	516,130	518,620	0.48%
Public Information	165,016	165,440	95,460	-42.30%
City Attorney	978,296	1,065,699	952,000	-10.67%
Human Resources	697,497	551,040	533,570	-3.17%
City Clerk	558,950	565,520	576,650	1.97%
Finance	1,644,133	1,671,375	1,607,570	-3.82%
Information Technology	1,508,751	1,570,360	1,628,250	3.69%
Administrative Services	893,089	915,120	890,990	-2.64%
Tennis Stadium	1,502,974	1,561,693	1,628,660	4.29%
Tennis Centers	1,034,163	1,145,652	1,109,510	-3.15%
Planning & Zoning	1,285,597	1,300,572	1,173,310	-9.79%
Engineering	686,249	689,050	660,140	-4.20%
Police Department	26,810,389	26,924,407	27,659,260	2.73%
Fire Department	18,910,511	19,603,499	19,908,640	1.56%
Highland Beach	2,806,220	2,838,424	3,082,400	8.60%
Community Improvement	3,275,801	3,089,170	2,906,880	-5.90%
Public Works	3,523,843	3,973,438	4,032,320	1.48%
Parks & Recreation	9,596,765	9,544,457	9,558,660	0.15%
Miscellaneous	830,148	23,560	22,910	-2.76%
Miscellaneous Grants	127,750	126,000	120,300	-4.52%
Economic Development	77,500	52,500	85,500	62.86%
Old School Square	205,000	205,000	194,750	-5.00%
Library	1,530,000	1,530,000	1,453,500	-5.00%
Debt Service	5,089,801	5,584,060	5,173,480	-7.35%
Bond Refinancing	0	0	0	NA
Transfers	13,978,655	12,961,582	10,869,460	-16.14%
Contingency	0	959,790	0	NA
<b>TOTAL</b>	<b>98,536,577</b>	<b>99,513,527</b>	<b>96,636,980</b>	<b>-2.89%</b>

## General Fund Undesignated Fund Balance

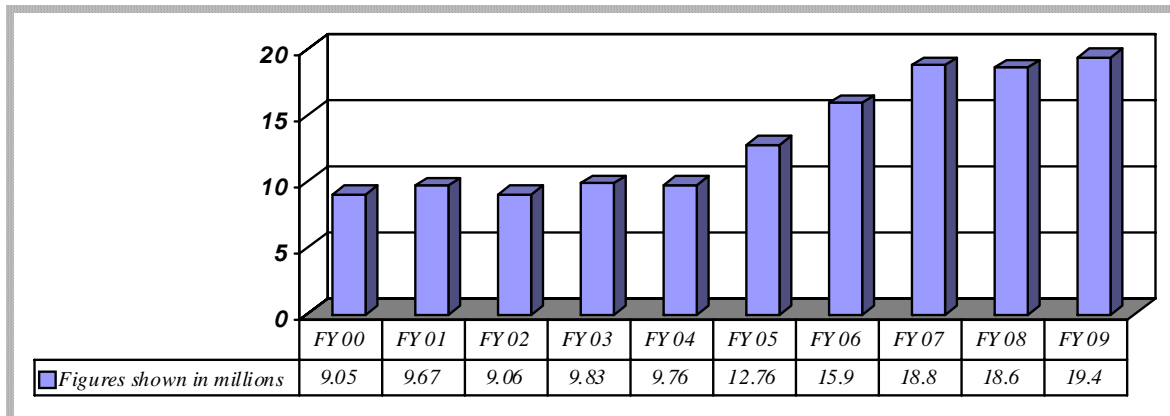
### Changes in Undesignated Fund Balance

FY 2009 Estimated excess/(deficiency) of revenues over expenditures as of September 30	844,207
Undesignated Fund Balance, Beginning of Year 2008	18,593,915
Estimated Undesignated Fund Balance, End of Year 2009 (unaudited)	19,438,122

### Undesignated Fund Balance Ten-Year History

<u>Fiscal Year</u>	<u>Undesignated Fund Balance</u>
1999-00	\$9,049,979
2000-01	\$9,671,515
2001-02	\$9,057,172
2002-03	\$9,833,986
2003-04	\$9,755,423
2004-05	\$12,760,913
2005-06	\$15,897,365
2006-07	\$18,828,235
2007-08	\$18,593,915
2008-09	\$19,438,122 (unaudited)

### History of Undesignated Fund Balance



# General Fund Millage and Tax Revenue Projections

YEAR	OPERATING MILLAGE / \$1,000	DEBT MILLAGE / \$1,000	TOTAL MILLAGE / \$1,000	ASSESSED VALUE*	ASSESSED VALUE GROWTH	TAX REVENUE COLLECTED
2001	\$7.2600	\$0.6900	\$7.9500	3,393,573,636	7.06%	25,968,855
2002	\$7.3700	\$0.6300	\$8.0000	3,759,600,909	10.79%	28,938,206
2003	\$7.4400	\$0.5600	\$8.0000	4,151,462,658	10.42%	31,953,508
2004	\$7.5200	\$0.4800	\$8.0000	4,705,803,129	13.35%	36,309,822
2005	\$7.4500	\$0.5500	\$8.0000	5,377,691,728	14.28%	41,514,649
2006	\$7.4500	\$0.5500	\$8.0000	6,451,499,363	19.97%	49,758,932
2007	\$6.8600	\$0.4400	\$7.3000	8,362,590,396	29.62%	59,021,613
2008	\$6.1449	\$0.4334	\$6.5783	8,692,058,600	3.94%	55,213,846
2009	\$6.3900	\$0.4604	\$6.8504	8,149,606,528	-6.24%	54,067,620
2010	\$7.1900	\$0.5316	\$7.7216	7,081,215,623 *	-13.11%	51,945,230

\*Effective FY01, the Assessed Value listed is net the historic buildings exemptions. FY 2010 is not final assessed values.

## Fiscal Year 2010 Tax Levy (at 95% discount)

### Gross Operating Tax Revenue

\$7.1900/\$1,000 X \$7,081,215,623 = \$48,368,243

### Debt Service Tax Revenue

\$0.5316/\$1,000 X \$7,082,858,399 = 3,576,985

### Total Ad Valorem Taxes

\$51,945,228

The operating portion of the tax levy is the millage rate established to fund the general operating expenses other than the portion of the budget to be funded from sources other than ad valorem taxes. Beginning with fiscal year 2001, the assessed valuation used for calculating the operating revenue exempts historical properties.

The debt service levy is the rate or the amount levied for the payment of principal and interest on any debt service secured by the full faith and credit of the City.

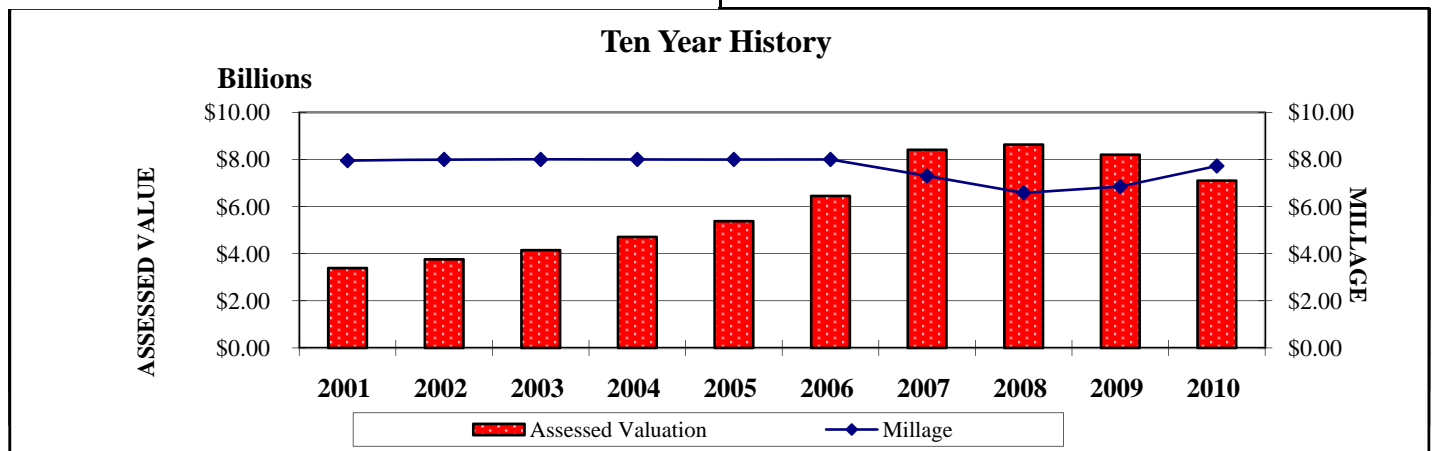
To meet the 2009 payments for all General Obligation Bonds requires revenue totaling \$3,576,620. The rate necessary to fund this amount is computed as follows:

$\$3,576,620 \times \$1,000 / \$7,082,858,399 / 0.95 = \$0.531545733$   
rounded to \$0.5316 mills.

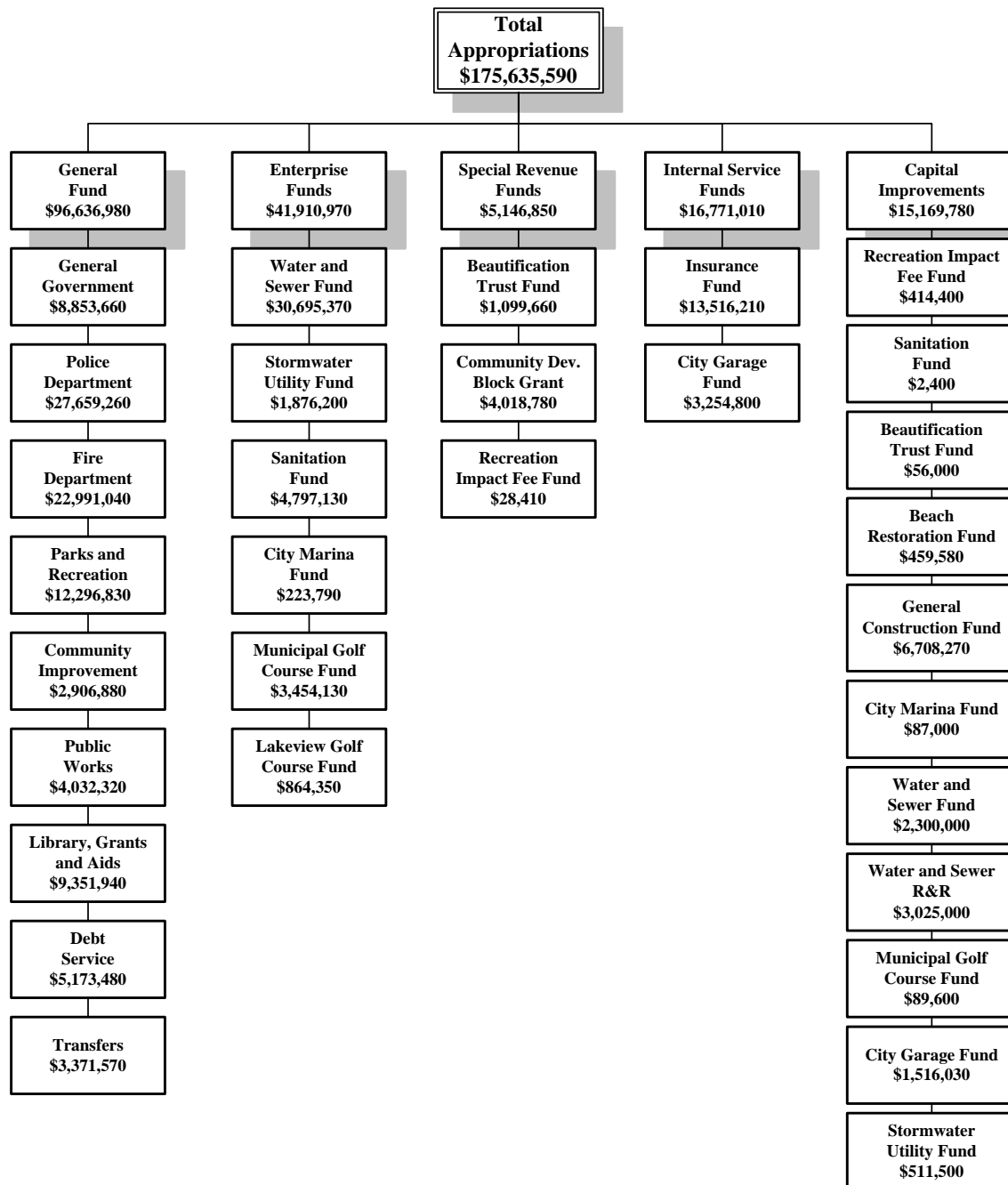
### Distribution of Ad Valorem Tax

The Community Redevelopment Agency (CRA) receives revenue from the City through Tax Incremental Financing (TIF). The increment is based on the increase in the value of property located within the CRA's redevelopment boundary since its inception.

The CRA's preliminary taxable value of \$1,343,881,291 results in an incremental valuation of \$1,098,250,224 over the 1985 tax base. This amounts to \$7,497,890 in revenue based on the operating millage of \$7.1900, leaving the City net revenue of \$44,447,338.



# All Funds Summary



## All Funds Summary

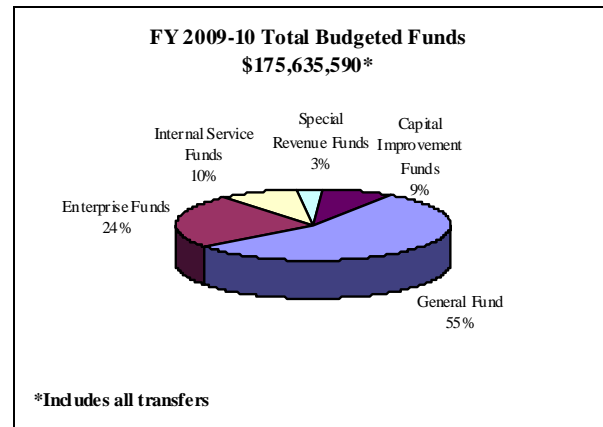
The Fiscal Year 2009-10 Budget totals over \$175 million. Operating budgets were prepared for 18 separate funds consisting mostly of governmental and proprietary funds.

The General Fund is the largest of the governmental funds, accounting for over \$96 million and providing the bulk of the City's services.

Other governmental funds include the Special Revenue Funds for Beautification, the Law Enforcement Trust Fund and Neighborhood Services. The Beautification Fund is funded through a transfer from the General Fund based on 10% of the proceeds for electric and gas. This source of funds goes towards the maintenance on beautification improvements and the debt service of the same.

The Law Enforcement Trust Fund is used to account for and control money and property the Police Department has won through some type of forfeiture. The Neighborhood Services Fund accounts for Federal, State and local grants that benefit low-to-moderate income households. A partial list of the funding includes:

- ◆ \$1,873,580 for owner-occupied housing rehabilitation.
- ◆ \$52,670 for downpayment assistance for cost of new housing ownership opportunities offered through the Community Land Trust.



As indicated in the above illustration, Enterprise Funds are the second largest category. Revenues for enterprise funds are derived primarily through user fees. A more in-depth discussion on the majority of the budgeted enterprise funds begins on page S37.

Retained earnings relate to the value of the net assets that are owned by the enterprise or the value of depreciated assets not owned by creditors. In funds with retained earnings, the assets include long-term fixed assets, depreciation and long-term debt. These assets are not included in those funds with Fund Balance.

The City's Insurance programs and Fleet operations are administered through Internal Service Funds. The fiscal year 2010 budgets include:

- ◆ Health, Life and Disability for 744 employees and 350 dependents.
- ◆ Business insurance to protect the City's \$166 million in total insurable values.
- ◆ \$800,000 to meet the replacement schedule for the fiscal year 2009 fleet. Also included is \$245,680 for a Mobile Command Vehicle and \$2439,00 for the replacement of an ALS Rescue vehicle.
- ◆ \$70,000 for vehicle restoration in order to extend the useful life of existing fleet vehicles.

**All Funds**  
**Consolidated Budget Summary Fiscal Year 2010**

	<b>GENERAL FUND</b>	<b>DOWNTOWN DEVELOPMENT FUND</b>	<b>ENTERPRISE FUNDS</b>
<b>BEGINNING BALANCE</b>	21,779,694	83,847	126,227,544
<b>REVENUES:</b>			
Property Taxes	52,113,230	472,870	
Sales & Use Taxes	1,300,000	0	
Franchise Taxes	0	0	
Utility Taxes	4,546,960	0	
Other Taxes	4,140,000	0	
Licenses & Permits	9,905,210	0	
Intergovernmental	5,814,220	0	0
Charges for Services	8,565,380	0	44,153,750
Fines & Forfeitures	821,700	0	
Miscellaneous Revenues	5,363,720	2,000	7,649,309
Other Financing Sources	3,445,350	0	100,000
<b>TOTAL REVENUES</b>	<b>96,015,770</b>	<b>474,870</b>	<b>51,903,059</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>117,795,464</b>	<b>558,717</b>	<b>178,130,603</b>
<b>EXPENDITURES/EXPENSES:</b>			
General Government Services	9,445,460	0	
Public Safety	53,557,180	0	
Physical Environment	559,380	0	26,370,232
Transportation	3,254,510	0	
Economic Environment	7,583,390	473,122	
Human Services	64,250	0	
Culture & Recreation	13,627,760	0	4,078,298
Debt Service	5,173,480	0	1,366,190
Other Financing Uses	3,371,570	0	3,523,540
<b>TOTAL EXPENDITURES</b>	<b>96,636,980</b>	<b>473,122</b>	<b>35,338,260</b>
Reserves	0	0	113,030
<b>TOTAL USE OF RESOURCES</b>	<b>96,636,980</b>	<b>473,122</b>	<b>35,451,290</b>
<b>ENDING BALANCE</b>	<b>\$ 21,158,484</b>	<b>\$ 85,595</b>	<b>\$ 142,679,313</b>

Note: Depreciation, Amorization of Bond Discount, and Equity in Joint Venture amounts shown in 2007-08 and 2008-09 are included for year-over-year comparison purposes only. They are not calculated as part of the yearly budget process.

Note: For purposes of the Synopsis portion of the budget book, FY 08/09 figures for all enterprise, special revenue and internal service funds are for close of accounting period 13, pre-audit figures and not FY 08/09 revised.

SPECIAL REVENUE FUNDS	INTERNAL SERVICE FUNDS	TOTAL		
		2009-10 BUDGET	2008-09 ESTIMATE	2007-08 ACTUAL
1,202,706	12,477,456	\$ 161,771,247	\$ 138,166,333	\$ 136,693,208
		52,586,100	54,775,548	55,812,743
		1,300,000	1,300,000	1,365,552
		-	-	-
		4,546,960	4,458,000	4,374,798
		4,140,000	4,400,000	0
		9,905,210	10,084,590	9,693,972
3,366,910		9,181,130	9,168,299	11,220,532
	15,820,600	68,539,730	67,092,920	62,538,411
		821,700	926,904	586,381
499,190	1,935,970	15,450,189	17,845,770	19,483,122
989,620	-600,000	3,934,970	4,970,459	4,264,086
<u>4,855,720</u>	<u>17,156,570</u>	<u>170,405,989</u>	<u>175,022,490</u>	<u>173,303,082</u>
<u>6,058,426</u>	<u>29,634,026</u>	<u>332,177,236</u>	<u>313,188,823</u>	<u>309,996,290</u>
	17,498,737	26,944,197	26,590,182	28,975,370
793,692		54,350,872	52,515,472	51,845,019
		26,929,612	28,416,569	40,632,653
373,750		3,628,260	3,211,268	3,333,186
2,832,871		10,889,383	11,518,065	13,243,471
		64,250	67,000	67,000
1,059,250		18,765,308	18,801,951	18,619,675
		6,539,670	7,279,236	6,877,651
0		6,895,110	8,238,788	8,235,932
<u>5,059,563</u>	<u>17,498,737</u>	<u>155,006,662</u>	<u>156,638,531</u>	<u>171,829,957</u>
<u>505,130</u>		<u>618,160</u>	<u>959,790</u>	<u>0</u>
<u>5,564,693</u>	<u>17,498,737</u>	<u>155,624,822</u>	<u>157,598,321</u>	<u>171,829,957</u>
<b>\$ 493,733</b>	<b>\$ 12,135,289</b>	<b>\$ 176,552,414</b>	<b>\$ 155,590,502</b>	<b>\$ 138,166,333</b>

**Special Revenue Funds**  
**Consolidated Budget Summary 2008-2010**  
**Estimated Revenues, Expenses and Changes in Fund Balance**

	LAW ENFORCEMENT TRUST			ARRA ECONOMIC STIMULUS		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
	ACTUAL	ESTIMATE	BUDGET	ACTUAL	ESTIMATE	BUDGET
<b>BEGINNING FUND BALANCE</b>	\$ 92,251	\$ 227,180	\$ 257,789	\$ -	\$ -	\$ -
<b>REVENUES:</b>						
Property Taxes						
Sales & Use Taxes						
Franchise Taxes						
Utility Taxes						
Licenses & Permits						
Intergovernmental						1,130,103
Charges for Services						
Fines & Forfeitures	175,163	90,304	53,000			
Miscellaneous Revenues	1,864	277	0			
Other Financing Sources						
<b>TOTAL REVENUES</b>	<b>177,027</b>	<b>90,581</b>	<b>53,000</b>	<b>0</b>	<b>0</b>	<b>1,130,103</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>269,278</b>	<b>317,761</b>	<b>310,789</b>	<b>0</b>	<b>0</b>	<b>1,130,103</b>
<b>EXPENDITURES/EXPENSES:</b>						
General Government Services						
Public Safety	42,098	59,972	53,000			740,692
Physical Environment						
Transportation						373,750
Economic Environment						15,661
Human Services						
Culture & Recreation						
Debt Service						
Other Financing Uses						
<b>TOTAL EXPENDITURES</b>	<b>42,098</b>	<b>59,972</b>	<b>53,000</b>	<b>0</b>	<b>0</b>	<b>1,130,103</b>
Reserves	0	0	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	<b>42,098</b>	<b>59,972</b>	<b>53,000</b>	<b>0</b>	<b>0</b>	<b>1,130,103</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 227,180</b>	<b>\$ 257,789</b>	<b>\$ 257,789</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: For purposes of the Synopsis portion of the budget book, FY 08/09 figures for all enterprise, special revenue and internal service funds are for close of accounting period 13, pre-audit figures and not FY 08/09 revised.

COMMUNITY DEVELOPMENT			BEAUTIFICATION			TOTAL		
2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
ACTUAL	ESTIMATE	BUDGET	ACTUAL	ESTIMATE	BUDGET	ACTUAL	ESTIMATE	BUDGET
\$ 81,603	\$ 78,685	\$ 371,653	\$ 1,052,462	\$ 807,694	\$ 573,264	\$ 1,226,316	\$ 1,113,559	\$ 1,202,706
3,776,288	1,874,619	3,366,910	0	0	0	3,776,288	1,874,619	4,497,013
						0	0	0
						175,163	90,304	53,000
0	860,800	498,440	12,879	857	750	14,743	861,934	499,190
177,640	153,545	149,430	835,140	900,963	840,190	1,012,780	1,054,508	989,620
3,953,928	2,888,964	4,014,780	848,019	901,820	840,940	4,978,974	3,881,365	6,038,823
4,035,531	2,967,649	4,386,433	1,900,481	1,709,514	1,414,204	6,205,290	4,994,924	7,241,529
						0	0	0
						42,098	59,972	793,692
						0	0	373,750
3,956,846	2,595,996	2,817,210				3,956,846	2,595,996	2,832,871
		792,850				0	0	792,850
			1,092,787	1,136,250	1,059,250	1,092,787	1,136,250	1,059,250
			0	0	0	0	0	0
3,956,846	2,595,996	3,610,060	1,092,787	1,136,250	1,059,250	5,091,731	3,792,218	5,852,413
0	0	408,720	0	0	96,410	0	0	505,130
3,956,846	2,595,996	4,018,780	1,092,787	1,136,250	1,155,660	5,091,731	3,792,218	6,357,543
\$ 78,685	\$ 371,653	\$ 367,653	\$ 807,694	\$ 573,264	\$ 258,544	\$ 1,113,559	\$ 1,202,706	\$ 883,986

**Proprietary Funds**  
**Consolidated Budget Summary 2008-2010**  
**Estimated Revenues, Expenses and Changes in Retained Earnings**

	ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS			TOTAL		
	2007-08 ACTUAL	2008-09 ESTIMATE	2009-10 BUDGET	2007-08 ACTUAL	2008-09 ESTIMATE	2009-10 BUDGET	2007-08 ACTUAL	2008-09 ESTIMATE	2009-10 BUDGET
<b>Operating Revenues:</b>									
Charges for Services	39,068,797	44,741,554	44,153,750	15,873,854	15,086,166	15,820,600	54,942,651	59,827,720	59,974,350
Miscellaneous Revenues	2,939,854	53,525	25,300	2,028,362	1,724,053	1,926,470	4,968,216	1,777,578	1,951,770
Intergovernmental/Grants	-	866,207	-	-	-	-	-	866,207	-
<b>Total Operating Revenues</b>	<b>42,008,651</b>	<b>45,661,286</b>	<b>44,179,050</b>	<b>17,902,216</b>	<b>16,810,219</b>	<b>17,747,070</b>	<b>59,910,867</b>	<b>62,471,505</b>	<b>61,926,120</b>
<b>Operating Expenses:</b>									
Personal Services	7,676,263	8,150,428	8,383,430	1,131,067	1,190,455	1,207,390	8,807,330	9,340,883	9,590,820
Other Operating Expenses	26,310,359	18,940,797	17,761,340	16,286,056	13,886,368	14,815,710	42,596,415	32,827,165	32,577,050
Depreciation	4,416,790	4,762,733	4,416,790	1,475,637	1,519,844	1,475,637	5,892,427	6,282,577	5,892,427
Depreciation of Regional Plant	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>38,403,412</b>	<b>31,853,958</b>	<b>30,561,560</b>	<b>18,892,760</b>	<b>16,596,667</b>	<b>17,498,737</b>	<b>57,296,172</b>	<b>48,450,625</b>	<b>48,060,297</b>
<b>Operating Income</b>	<b>3,605,239</b>	<b>13,807,328</b>	<b>13,617,490</b>	<b>(990,544)</b>	<b>213,552</b>	<b>248,333</b>	<b>2,614,695</b>	<b>14,020,880</b>	<b>13,865,823</b>
<b>Non-Operating Revenues</b>									
<b>(Expenses)</b>									
Interest Revenue	495,237	3,086	54,020	149,475	33,975	9,500	644,712	37,061	63,520
Rents	140,426	147,147	155,720	-	-	-	140,426	147,147	155,720
Interest Expense	(1,787,850)	(1,695,176)	(1,366,190)	-	-	-	(1,787,850)	(1,695,176)	(1,366,190)
Equity in Joint Venture	7,414,269	7,414,269	7,414,269	-	-	-	7,414,269	7,414,269	7,414,269
Insurance Recoveries	-	-	-	56,818	2,052,887	10,000	-	-	-
Gain (Loss) on Disposal of Fixed Asset	(71,621)	197,934	-	(65,803)	94,636	-	(137,424)	292,570	-
<b>Total Non-Operating</b>	<b>6,190,461</b>	<b>6,046,181</b>	<b>6,257,819</b>	<b>140,490</b>	<b>2,181,498</b>	<b>19,500</b>	<b>6,330,951</b>	<b>8,227,679</b>	<b>6,277,319</b>
<b>Income Before Transfers</b>	<b>9,795,700</b>	<b>19,853,509</b>	<b>19,875,309</b>	<b>(515,139)</b>	<b>2,105,346</b>	<b>(332,167)</b>	<b>9,280,561</b>	<b>21,958,855</b>	<b>19,543,142</b>
<b>Operating Transfers</b>									
Operating Transfers In	298,592	98,705	100,000	(1,592)	(289,704)	(600,000)	297,000	(190,999)	(500,000)
Operating Transfers (Out)	(2,957,960)	(3,606,596)	(3,523,540)	-	-	-	(2,957,960)	(3,606,596)	(3,523,540)
<b>Total Operating Transfers</b>	<b>(2,659,368)</b>	<b>(3,507,891)</b>	<b>(3,423,540)</b>	<b>-</b>	<b>(289,704)</b>	<b>-</b>	<b>(2,659,368)</b>	<b>(3,797,595)</b>	<b>(3,423,540)</b>
<b>Net Income (Loss)</b>	<b>7,136,332</b>	<b>16,345,618</b>	<b>16,451,769</b>	<b>(515,139)</b>	<b>2,105,346</b>	<b>(332,167)</b>	<b>6,641,193</b>	<b>18,450,964</b>	<b>16,119,602</b>
<b>Net assets</b>									
<b>beginning of year</b>	<b>101,513,208</b>	<b>109,645,987</b>	<b>126,227,544</b>	<b>10,496,270</b>	<b>9,981,131</b>	<b>12,477,456</b>	<b>112,009,478</b>	<b>119,627,118</b>	<b>138,705,000</b>
<b>end of year</b>	<b>109,645,987</b>	<b>126,227,544</b>	<b>142,679,313</b>	<b>\$ 9,981,131</b>	<b>\$ 12,477,456</b>	<b>\$ 12,145,289</b>	<b>119,627,118</b>	<b>138,705,000</b>	<b>154,824,602</b>

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# Enterprise Funds

These funds account for operations that provide a service to citizens, financed primarily by a user charge, where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.

# **ENTERPRISE FUNDS**

**Water/Sewer Fund**

**Marina Fund**

**Sanitation Fund**

**Municipal Golf Course Fund**

**Lakeview Golf Course Fund**

**StormWater Utility Fund**

## Enterprise Funds Water and Sewer Fund

The Water and Sewer Fund is used to account for water and sewer services provided to City residents and businesses as well as services to outside-City residents and businesses. In addition to municipal water sales and sewer services, this fund accounts for the operating costs of the South Central Regional Wastewater Treatment and Disposal Plant which is a joint venture with the City of Boynton Beach. Each municipality contributes approximately 50% of the costs to run this plant.

Water and sewer rates were increased by 5% effective October 1, 2008. The City has been under Phase II water restrictions since July, 2007 which includes a 30% surcharge on water consumption over 15,000 gallons per month.

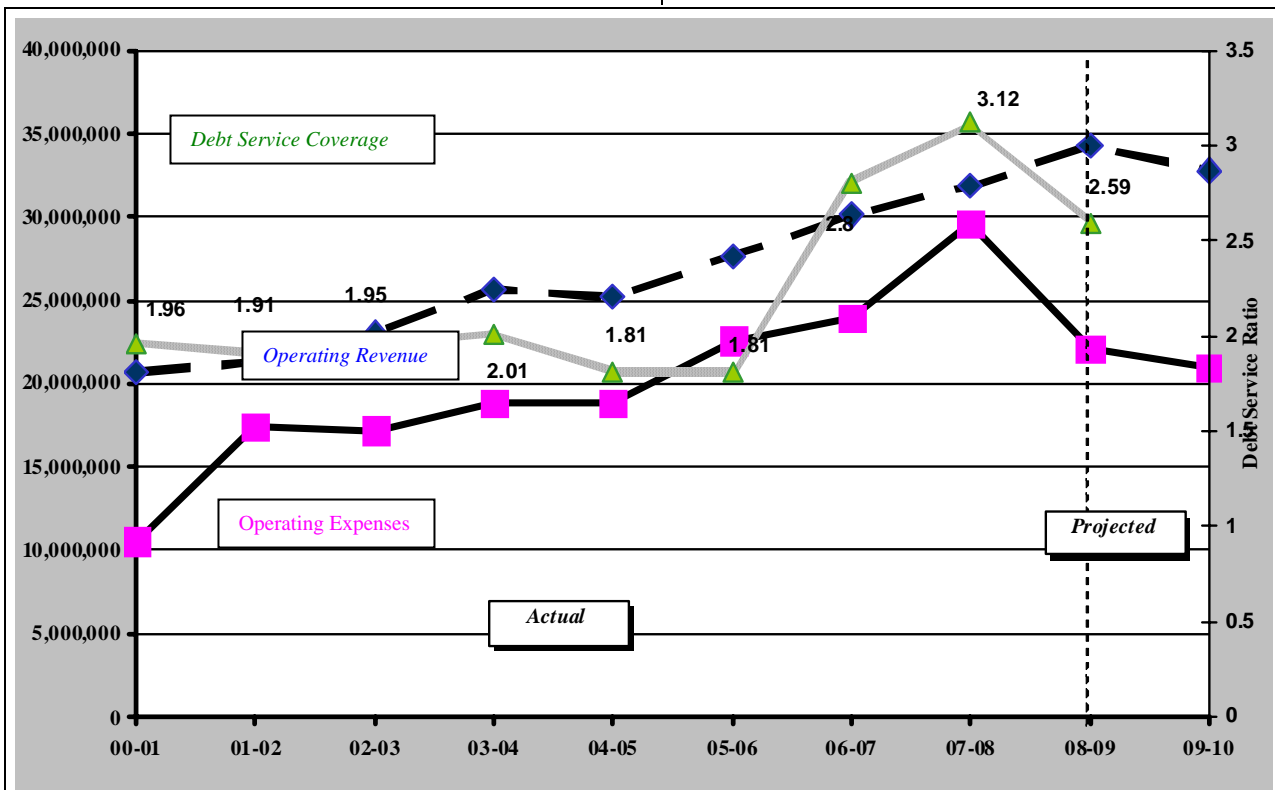
Water and sewer bond resolutions include a rate and debt service covenant that requires the City to maintain sufficient rates and charges to cover operational and maintenance costs of the utility and a debt service coverage factor of 110%. The City is in compliance with the covenant and has been for the past 10 years.

This fund had a net income of \$15,230,487 compared to a net income of \$5,983,394 in FY2008. This was primarily due to reduced costs of reclaimed water projects. The City changed the water rate structure effective October 1, 2009 which should be revenue neutral.

### Net Assets

As of 09-30-	Net Assets
1997	23,611,785
1998	25,017,028
1999	26,667,430
2000	26,720,923
2001	31,580,714
2002	62,490,378*
2003	69,593,423
2004	68,921,611
2005	73,070,174
2006	78,833,099
2007	86,407,630
2008	93,367,471
2009	108,833,897

\* Net assets are now used in the new GASB 34 reporting model beginning FYE 9/30/02. Unreserved retained earnings was used previous to this change.



## Enterprise Funds Water and Sewer Fund

	FY 2008 Audited	FY 2009 Pre-Audit	FY 2010 Approved	% Change
<b>Operating Revenues:</b>				
Charges for Services	\$29,245,949	33,445,652	32,775,040	-2.01%
Miscellaneous Revenues	2,595,258	6,105	-	NA
Grants	0	832,900	0	NA
<b>Total Operating Revenues</b>	<b>\$31,841,207</b>	<b>\$34,284,657</b>	<b>\$32,775,040</b>	<b>-4.40%</b>
<b>Operating Expenses:</b>				
Personal Services	7,107,182	7,567,407	7,744,550	2.34%
Other Operating Expenses	18,900,778	10,775,198	9,584,370	-11.05%
Depreciation	3,568,718	3,760,220	3,568,718	-5.09%
<b>Total Operating Expenses</b>	<b>29,576,678</b>	<b>22,102,825</b>	<b>20,897,638</b>	<b>-5.45%</b>
<b>Operating Income</b>	<b>2,264,529</b>	<b>12,181,832</b>	<b>11,877,402</b>	<b>-2.50%</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Revenue	424,159	(3,299)	50,000	1615.61%
Rents	-	-	5,000	NA
Equity in Joint Venture	7,414,269	7,414,269	7,414,269	NA
Interest Expense	(1,589,019)	(1,516,460)	(1,153,790)	-23.92%
Gain (Loss) on Disposal of Equipment	(42,306)	-	-	NA
<b>Total Non-Operating</b>	<b>6,207,103</b>	<b>5,894,510</b>	<b>6,315,479</b>	<b>7.14%</b>
<b>Income Before Transfers</b>	<b>8,471,632</b>	<b>18,076,342</b>	<b>18,192,881</b>	<b>0.64%</b>
<b>Capital Contributions</b>	<b>976,447</b>	<b>235,939</b>	<b>-</b>	<b>NA</b>
<b>Operating Transfers</b>				
Operating Transfers In	98,592	98,705	100,000	1.31%
Operating Transfers (Out)	(2,586,830)	(2,944,560)	(3,141,120)	6.68%
<b>Total Operating Transfers</b>	<b>(2,488,238)</b>	<b>(2,845,855)</b>	<b>(3,041,120)</b>	<b>6.86%</b>
<b>Net Income (Loss)</b>	<b>5,983,394</b>	<b>15,230,487</b>	<b>15,151,761</b>	<b>-0.52%</b>
Net assets beginning of year	86,407,630	93,367,471	108,833,897	16.57%
Net assets end of year	\$93,367,471	\$108,833,897	\$123,985,658	13.92%

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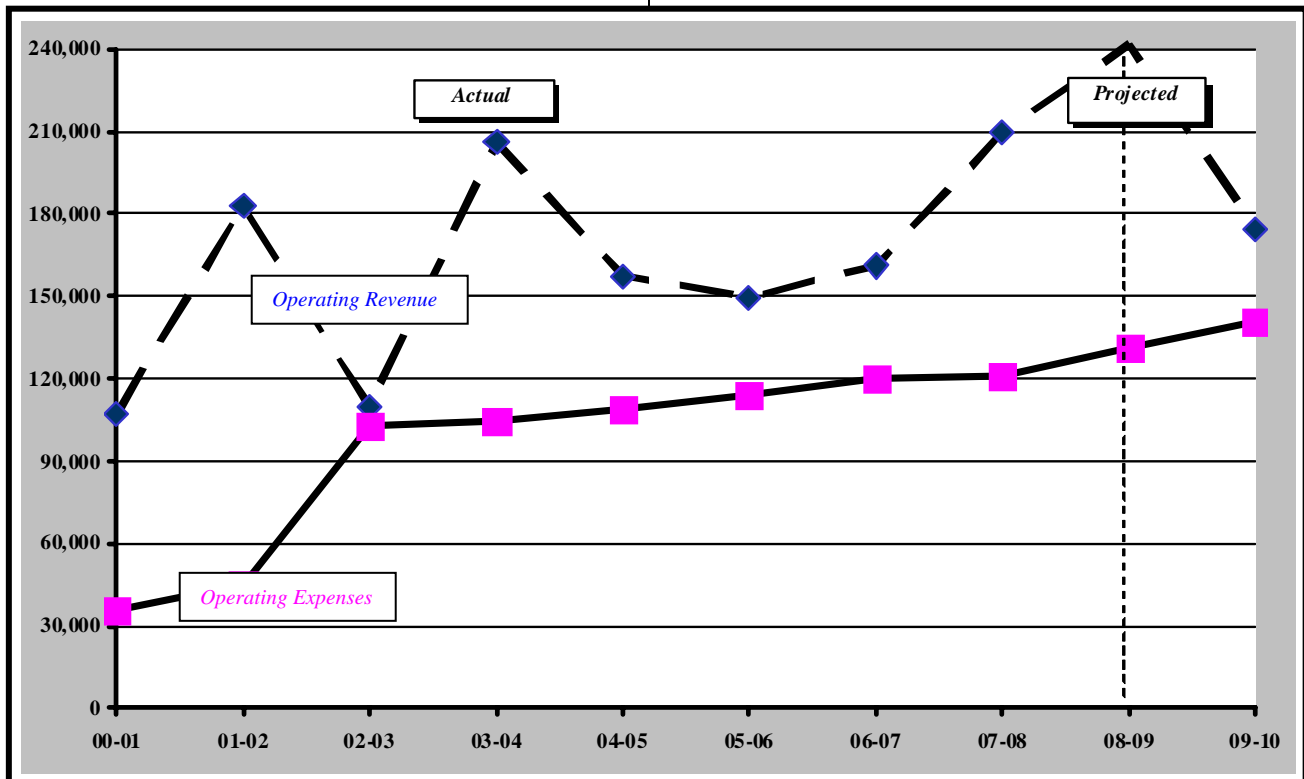
## Enterprise Funds Marina Fund

The City of Delray Beach owns a marina on the Intracoastal Waterway that consists of 24 rental boat slips, docks, restrooms, showers, clothes washing facilities, electric power, telephone services, an ice machine and a parking lot. The marina has 5 open slips as this time and has a waiting list consisting of 32 boat owners. Persons on the waiting list are charged \$50 initially and \$10 per year thereafter. Slip rates were changed effective October 1, 2009. The current rate for a slip is \$.53 per foot per day for both residents and non-residents for an annual lease and \$60 per day if renting by the day.

The Marina Fund had a net income of \$62,916 at the end of FY 2009 compared to a net income of \$47,325 at the end of FY 2008.

As of 09-30-	Net Assets
1997	347,508
1998	390,871
1999	461,461
2000	533,539
2001	696,889
2002	921,770*
2003	904,255
2004	976,168
2005	984,986
2006	981,418
2007	982,892
2008	1,030,217
2009	1,093,133

\* Net assets are now used in the new GASB 34 reporting model beginning FYE 9/30/02. Unreserved retained earnings was used previous to this change.



**Enterprise Funds**  
**Marina Fund**

	<b>FY 2008 Audited</b>	<b>FY 2009 Pre-Audit</b>	<b>FY 2010 Approved</b>	<b>% Change</b>
<b>Operating Revenues:</b>				
Charges for Services	\$208,598	\$204,467	\$172,800	-15.49%
Grants	-	33,307	-	N/A
Miscellaneous Revenues	806	4,146	1,800	-56.58%
<b>Total Operating Revenues</b>	<b>209,404</b>	<b>241,920</b>	<b>174,600</b>	<b>-27.83%</b>
<b>Operating Expenses:</b>				
Personal Services	-	-	-	
Other Operating Expenses	50,318	60,389	70,110	16.10%
Depreciation	70,686	70,846	70,686	-0.23%
<b>Total Operating Expenses</b>	<b>121,004</b>	<b>131,235</b>	<b>140,796</b>	<b>7.29%</b>
<b>Operating Income</b>	<b>88,400</b>	<b>110,685</b>	<b>33,804</b>	<b>-69.46%</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Revenue	7,847	831	750	-9.75%
Rents	78	-	300	NA
<b>Total Non-Operating Income Before Transfers</b>	<b>7,925</b>	<b>831</b>	<b>1,050</b>	<b>26.35%</b>
<b>Income Before Transfers</b>	<b>96,325</b>	<b>111,516</b>	<b>34,854</b>	<b>-68.75%</b>
<b>Operating Transfers</b>				
Operating Transfers In	-	-	-	NA
Operating Transfers (Out)	(49,000)	(48,600)	(49,300)	1.44%
<b>Total Operating Transfers</b>	<b>(49,000)</b>	<b>(48,600)</b>	<b>(49,300)</b>	<b>1.44%</b>
<b>Net Income (Loss)</b>	<b>47,325</b>	<b>62,916</b>	<b>(14,446)</b>	<b>-122.96%</b>
Net assets beginning of year	982,892	1,030,217	1,093,133	6.11%
Net assets end of year	\$1,030,217	\$1,093,133	\$1,078,687	-1.32%

Note: For purposes of the Synopsis portion of the budget book, FY 08/09 figures for all enterprise, special revenue and internal service funds are for close of accounting period 13, pre-audit figures and not FY 08/09 revised.

## Enterprise Funds Sanitation Fund

The Sanitation Fund accounts for the solid waste collection and recycling services of the City which is contracted through a private hauler. The City actually performs the billing of residential and multi-family units and the Contractor handles the billing of commercial users. In addition, this fund accounts for the Neighborhood Stabilization Program which is a function of the Community Improvement Department. This program is designed to promote the prevention of litter throughout the City and also monitors the performance of the Contractor and residents regarding completion of contractual terms and conditions. The City has a full-time clamshell truck at its disposal from the Contractor to assist in clean-up of the City streets.

The current Contractor, Waste Management, has a five-year contract effective October 1, 2008 that allows for annual adjustments to collection rates only. These adjustments are dependent upon the consumer price index and the cost of fuel. Residential collection rates were increased by 50-55% effective October 1, 2008. In addition, construction and demolition containers are no longer an exclusive franchise. These rates decreased by approximately 2% effective October 1, 2009.

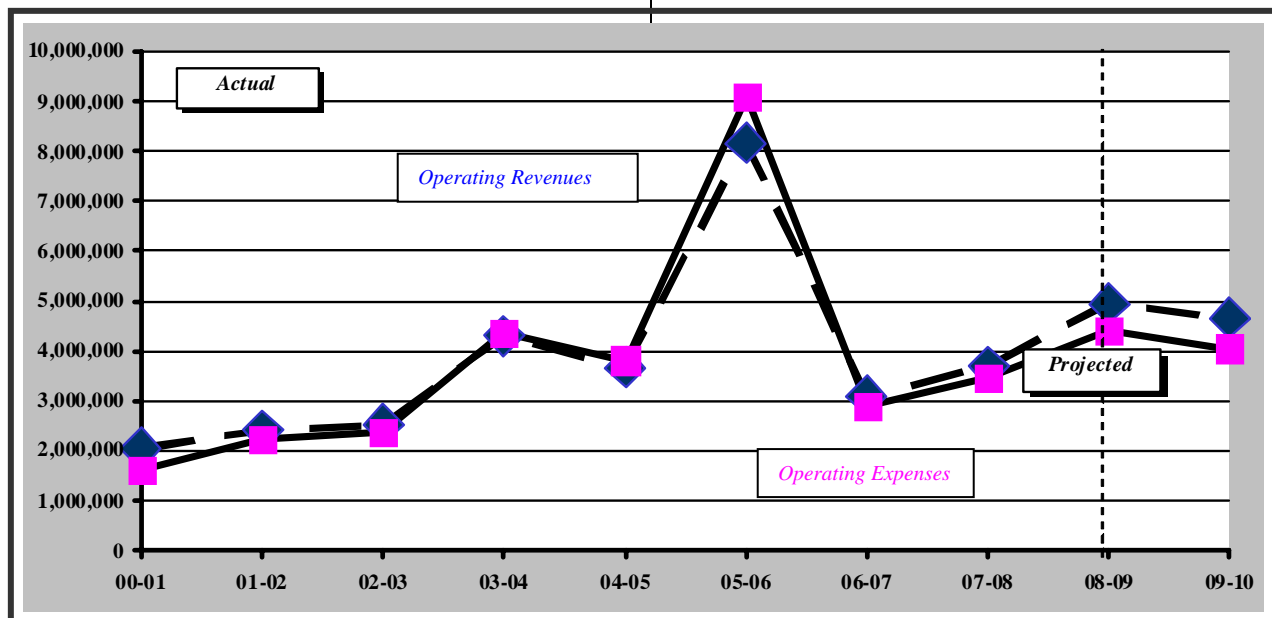
The City owns the Delray Beach Transfer Station which is used by our Contractor as well as other entities. The Transfer Station is rented to the Palm Beach County Solid Waste Authority as a collection station. The projected rental rate for FY 2009 is \$124,940 compared to \$118,508 for FY 2008.

The City is presently replacing residential rollout carts at a higher level than in the past due to the age of the carts. In addition, the City purchases all new carts for

new neighborhood developments. Residents are charged \$.90 per month for these carts and therefore replaces the carts at no further cost to the residents.

As of 09-30-	Net Assets
1997	106,539
1998	211,058
1999	414,469
2000	489,920
2001	774,051
2002	1,006,730*
2003	1,132,699
2004	1,018,679
2005	819,678
2006	616,928
2007	776,075
2008	932,862
2009	1,396,664

\* Net assets are now used in the new GASB 34 reporting model beginning FYE 9/30/02. Unreserved retained earnings was used previous to this change.



## Enterprise Funds Sanitation Fund

	FY 2008 Audited	FY 2009 Pre-Audit	FY 2010 Approved	% Change
<b>Operating Revenues:</b>				
Charges for Services	\$3,383,499	\$4,942,922	\$4,651,090	-5.90%
Miscellaneous Revenues	298,742	5,090	-	NA
<b>Total Operating Revenues</b>	<b>3,682,241</b>	<b>4,948,012</b>	<b>4,651,090</b>	<b>-6.00%</b>
<b>Operating Expenses:</b>				
Personal Services	216,146	214,887	236,740	10.17%
Other Operating Expenses	3,258,633	4,190,974	3,805,790	-9.19%
Depreciation	1,884	2,308	1,884	-18.37%
<b>Total Operating Expenses</b>	<b>3,476,663</b>	<b>4,408,169</b>	<b>4,044,414</b>	<b>-8.25%</b>
<b>Operating Income</b>	<b>205,578</b>	<b>539,843</b>	<b>606,676</b>	<b>12.38%</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Revenue	13,201	1,028	1,000	-2.72%
Miscellaneous	-	(21,079)	-	-100.00%
Rents	118,508	124,940	127,440	2.00%
<b>Total Non-Operating</b>	<b>131,709</b>	<b>104,889</b>	<b>128,440</b>	<b>22.45%</b>
<b>Income Before Transfers</b>	<b>337,287</b>	<b>644,732</b>	<b>735,116</b>	<b>14.02%</b>
<b>Operating Transfers</b>				
Operating Transfers In	-	-	-	
Operating Transfers (Out)	(181,130)	(180,930)	(183,950)	1.67%
<b>Total Operating Transfers</b>	<b>(181,130)</b>	<b>(180,930)</b>	<b>(183,950)</b>	<b>1.67%</b>
<b>Net Income (Loss)</b>	<b>156,157</b>	<b>463,802</b>	<b>551,166</b>	<b>18.84%</b>
Net assets beginning of year	776,705	932,862	1,396,664	49.72%
Net assets end of year	\$932,862	\$1,396,664	\$1,947,830	39.46%

Note: For purposes of the Synopsis portion of the budget book, FY 08/09 figures for all enterprise, special revenue and internal service funds are for close of accounting period 13, pre-audit figures and not FY 08/09 revised.

# Enterprise Funds Municipal Golf Course

This fund accounts for the Municipal Golf Course which includes an 18-hole par 72 golf course, a driving range, and two putting greens on 150 acres of land. In addition, this entity includes a large, modern clubhouse with a full service restaurant, banquet halls, pro shop, bar, and patio. The entire facility is operated under a contract with a third party management firm.

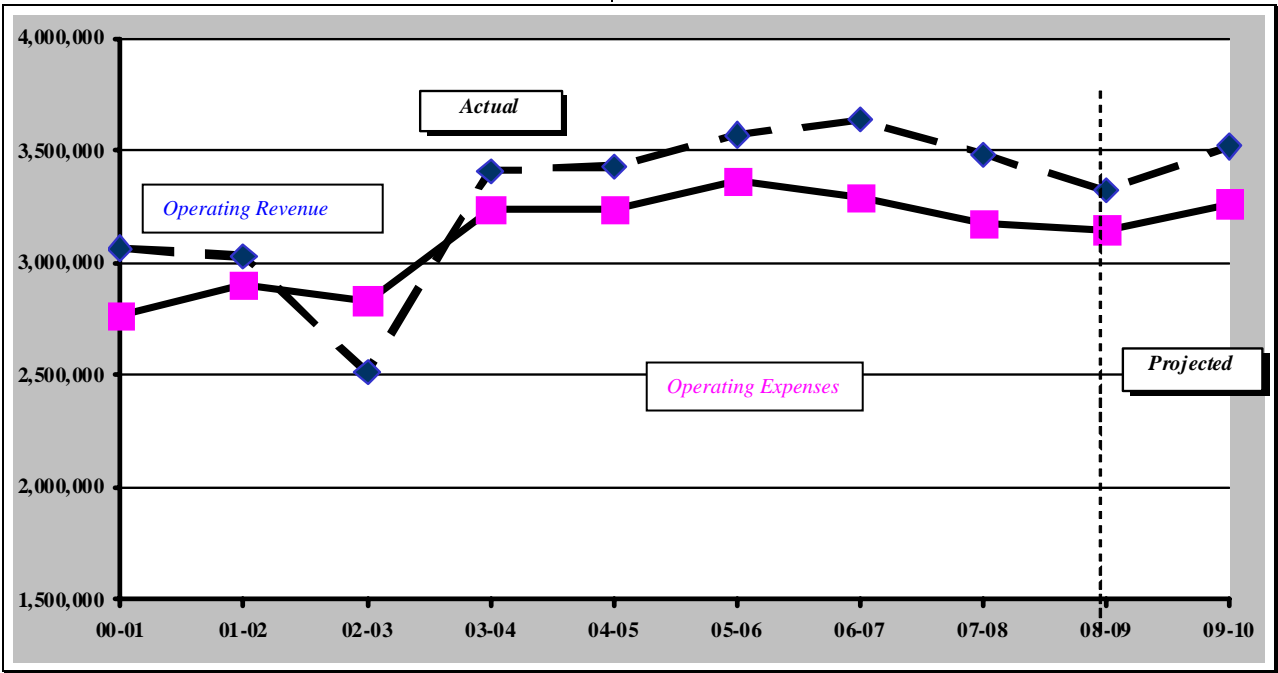
The rates for use of the course are reviewed and adjusted annually according to the survey of comparable rates charged by surrounding entities.

The City now has a water reuse transmission system which will allow the golf course to be irrigated with filtered wastewater from the sewer plant. This system allows the golf course to be fully irrigated even during drought conditions when the rest of the City would have water use restrictions.

This fund had a net income of \$286,029 for FY 2009 compared to \$204,380 in FY 2008.

As of 09-30-	Net Assets
1997	399,800
1998	571,543
1999	760,475
2000	796,284
2001	862,937
2002	744,103*
2003	369,866
2004	352,560
2005	367,292
2006	435,438
2007	610,895
2008	815,275
2009	1,101,304

\*Net assets are now used in the new GASB 34 reporting model beginning FYE 9/30/02. Unreserved retained earnings was used previous to this change.



## Enterprise Funds Municipal Golf Course

	FY 2008 Audited	FY 2009 Pre-Audit	FY 2010 Approved	% Change
<b>Operating Revenues:</b>				
Charges for Services	\$3,459,044	\$3,303,510	\$3,500,050	5.95%
Miscellaneous Revenues	22,129	14,833	17,000	14.61%
<b>Total Operating Revenues</b>	<b>3,481,173</b>	<b>3,318,343</b>	<b>3,517,050</b>	<b>5.99%</b>
<b>Operating Expenses:</b>				
Other Operating Expenses	2,921,830	2,762,825	3,009,130	8.91%
Depreciation	254,001	384,624	254,001	-33.96%
<b>Total Operating Expenses</b>	<b>3,175,831</b>	<b>3,147,449</b>	<b>3,263,131</b>	<b>3.68%</b>
<b>Operating Income</b>	<b>305,342</b>	<b>170,894</b>	<b>253,919</b>	<b>48.58%</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Revenue	1,345	(274)	-	NA
Rents	21,840	22,207	22,980	3.48%
Interest Expense	(86,529)	(71,732)	(93,080)	29.76%
Gain (Loss) on Disposal of Equipment	(3,118)	197,934	-	NA
<b>Total Non-Operating</b>	<b>(66,462)</b>	<b>148,135</b>	<b>(70,100)</b>	<b>-147.32%</b>
<b>Income Before Transfers</b>	<b>238,880</b>	<b>319,029</b>	<b>183,819</b>	<b>-42.38%</b>
<b>Capital Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>
<b>Operating Transfers</b>				
Operating Transfers In	-	-	-	NA
Operating Transfers (Out)	(34,500)	(33,000)	(33,000)	0.00%
<b>Total Operating Transfers</b>	<b>(34,500)</b>	<b>(33,000)</b>	<b>(33,000)</b>	<b>0.00%</b>
<b>Net Income (Loss)</b>	<b>204,380</b>	<b>286,029</b>	<b>150,819</b>	<b>-47.27%</b>
Net assets beginning of year	610,895	815,275	1,101,304	35.08%
Net assets end of year	<u>\$815,275</u>	<u>\$1,101,304</u>	<u>\$1,252,123</u>	13.69%

Note: For purposes of the Synopsis portion of the budget book, FY 08/09 figures for all enterprise, special revenue and internal service funds are for close of accounting period 13, pre-audit figures and not FY 08/09 revised.

## Enterprise Funds Lakeview Golf Course

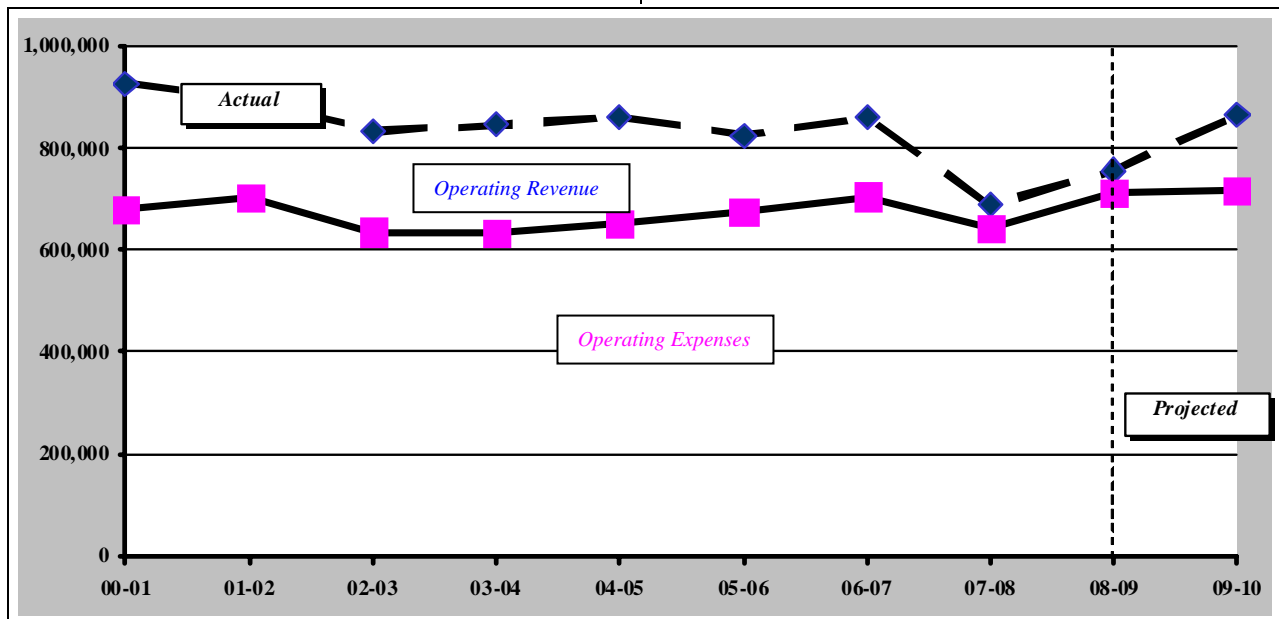
The City owns an executive golf course in addition to its Municipal Golf Course. It is referred to as the Lakeview Golf Course. This golf course was acquired by the City in August 1995 and went through an extensive renovation in 1998. It includes an 18-hole par 60 executive golf course, a snack shop, and pro shop on approximately 45 acres of land. This course allows golfers to walk 365 days per year. It offers golf at affordable rates and encourages families to play golf with their children and grandchildren. This course is professionally managed through a contract with a management firm.

Rates for this golf course are reviewed and adjusted annually so that we remain competitive with the market for local golf entities.

This find recorded a net loss of (\$8,191) for FY 2009 and a net income of \$159,772 in FY 2008. The golf course was closed until November, 2008 for a greens and irrigation improvement project.

As of 09-30	Net Assets
1998	101,666
1999	155,990
2000	315,245
2001	398,326
2002	431,481*
2003	545,139
2004	671,294
2005	800,214
2006	967,561
2007	1,058,739
2008	1,218,511
2009	1,210,320

\*Net assets are now used in the new GASB 34 reporting model beginning FYE 9/30/02. Unreserved retained earnings was used previous to this change.



**Enterprise Funds**  
**Lakeview Golf Course**

	<b>FY 2008 Audited</b>	<b>FY 2009 Pre-Audit</b>	<b>FY 2010 Approved</b>	<b>% Change</b>
<b>Operating Revenues:</b>				
Charges for Services	\$681,561	\$749,367	\$858,850	14.61%
Miscellaneous Revenues	5,410	5,985	5,500	-8.10%
<b>Total Operating Revenues</b>	<b>686,971</b>	<b>755,352</b>	<b>864,350</b>	<b>14.43%</b>
<b>Operating Expenses:</b>				
Other Operating Expenses	539,800	597,413	615,590	3.04%
Depreciation	101,511	112,702	101,511	-9.93%
<b>Total Operating Expenses</b>	<b>641,311</b>	<b>710,115</b>	<b>717,101</b>	<b>0.98%</b>
<b>Operating Income</b>	<b>45,660</b>	<b>45,237</b>	<b>147,249</b>	<b>225.51%</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Revenue	83	(238)	0	NA
Interest Expense	(37,274)	(34,190)	(47,600)	39.22%
Gain (Loss) on Disposal of Equipment	(26,197)	-	-	NA
<b>Total Non-Operating</b>	<b>(63,388)</b>	<b>(34,428)</b>	<b>(47,600)</b>	<b>38.26%</b>
<b>Income Before Transfers</b>	<b>(17,728)</b>	<b>10,809</b>	<b>99,649</b>	<b>821.91%</b>
<b>Operating Transfers</b>				
Operating Transfers In	200,000	-	-	NA
Operating Transfers (Out)	(22,500)	(19,000)	(15,000)	-21.05%
<b>Total Operating Transfers</b>	<b>177,500</b>	<b>(19,000)</b>	<b>(15,000)</b>	<b>-21.05%</b>
<b>Net Income (Loss)</b>	<b>159,772</b>	<b>(8,191)</b>	<b>84,649</b>	<b>1133.44%</b>
Net assets beginning of year	1,058,739	1,218,511	1,210,320	-0.67%
Net assets end of year	\$1,218,511	\$1,210,320	\$1,294,969	6.99%

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## Enterprise Funds Stormwater Utility Fund

This fund is used to account for the Stormwater Utility assessment fee that is levied for the purpose of maintaining and upgrading the stormwater and surface water collection system. This maintenance includes stormwater line and basin cleaning and repairs as well as street sweeping which collects debris before it can be deposited in our stormwater system. Stormwater utility assessment fees are billed on the Palm Beach County property tax bills each year as a non-ad valorem assessment.

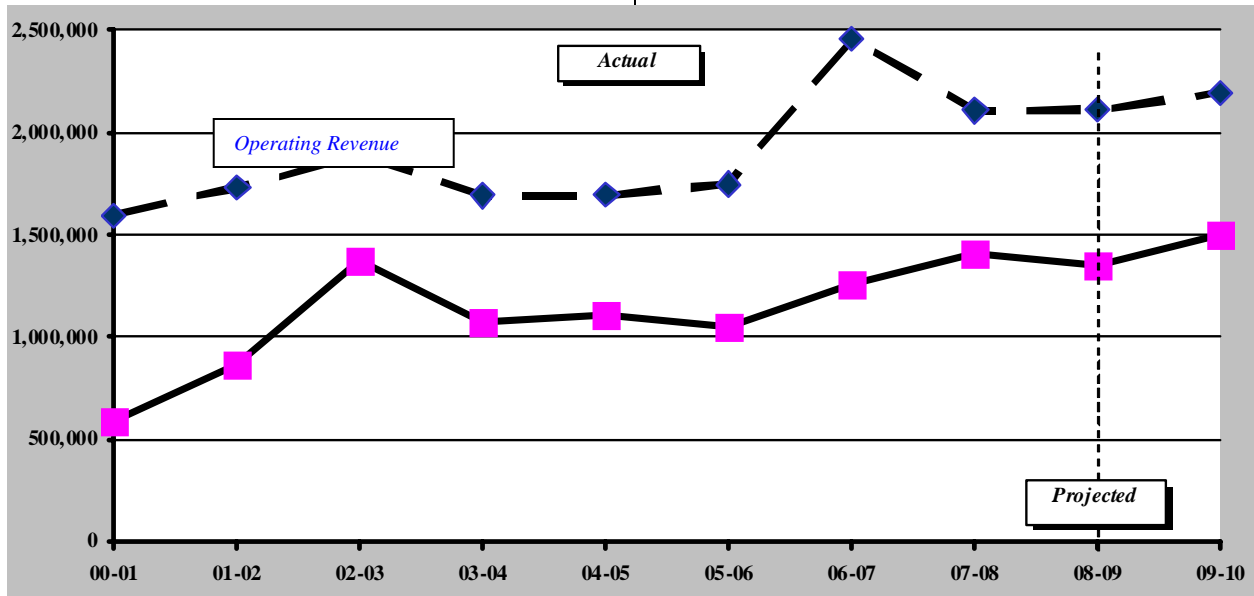
The City currently charges \$5.33 per equivalent residential unit (ERU) per month.

Under the National Pollutant Discharge Elimination System (NPDES) permit requirements, the City is required to submit an annual report which outlines the activities started and completed over the past year. This report is submitted to the Florida Department of Environmental Protection (DEP) which is the agency responsible for the issuance of the NPDES permit.

This fund has a net income of \$310,575 in FY 2009 compared to a net income of \$605,304 in FY 2008. Net income is used for debt principal and capital projects.

As of 09-30-	Net Assets
1997	5,171,057
1998	6,088,684
1999	6,993,082
2000	7,924,419
2001	8,743,033
2002	9,502,573*
2003	9,674,730
2004	10,212,351
2005	10,717,546
2006	11,502,512
2007	11,676,347
2008	12,281,651
2009	12,592,226

\* Net assets are now used in the new GASB 34 reporting model beginning FYE 9/30/02. Unreserved retained earnings was used previous to this change.



## Enterprise Funds Stormwater Utility Fund

	FY 2008 Audited	FY 2009 Pre-Audit	FY 2010 Approved	% Change
<b>Operating Revenues:</b>				
Charges for Services	\$2,090,146	\$2,095,636	\$2,195,920	4.79%
Miscellaneous Revenues	17,509	17,366	1,000	-94.24%
Grants and Other Financing Sources	0	0	0	NA
<b>Total Operating Revenues</b>	<b>2,107,655</b>	<b>2,113,002</b>	<b>2,196,920</b>	<b>3.97%</b>
<b>Operating Expenses:</b>				
Personal Services	352,935	368,134	402,140	9.24%
Other Operating Expenses	639,000	553,998	676,350	22.09%
Depreciation	419,990	432,033	419,990	-2.79%
<b>Total Operating Expenses</b>	<b>1,411,925</b>	<b>1,354,165</b>	<b>1,498,480</b>	<b>10.66%</b>
<b>Operating Income</b>	<b>695,730</b>	<b>758,837</b>	<b>698,440</b>	<b>-7.96%</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Revenue	48,602	5,038	2,270	-54.94%
Loss on Disposal of Fixed Asset	0	0	0	NA
Interest Expense	(75,028)	(72,794)	(71,720)	-1.48%
<b>Total Non-Operating</b>	<b>(26,426)</b>	<b>(67,756)</b>	<b>(69,450)</b>	<b>2.50%</b>
<b>Income Before Transfers</b>	<b>669,304</b>	<b>691,081</b>	<b>628,990</b>	<b>-8.98%</b>
<b>Capital Contributions</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Operating Transfers</b>	<b>0</b>			
Operating Transfers (In/Out)	(84,000)	(380,506)	(101,170)	-73.41%
<b>Total Operating Transfers</b>	<b>(84,000)</b>	<b>(380,506)</b>	<b>(101,170)</b>	<b>-73.41%</b>
<b>Net Income</b>	<b>605,304</b>	<b>310,575</b>	<b>527,820</b>	<b>69.95%</b>
<b>Net assets beginning of year</b>	<b>\$11,676,347</b>	<b>\$12,281,651</b>	<b>\$12,592,226</b>	<b>2.53%</b>
<b>Net assets end of year</b>	<b>\$12,281,651</b>	<b>\$12,592,226</b>	<b>\$13,120,046</b>	<b>4.19%</b>

Note: For purposes of the Synopsis portion of the budget book, FY 08/09 figures for all enterprise, special revenue and internal service funds are for close of accounting period 13, pre-audit figures and not FY 08/09 revised.

**Enterprise Funds**  
**Consolidated Budget Summary 2008-2010**  
**Estimated Revenues, Expenses and Changes in Retained Earnings**

	WATER & SEWER			MUNICIPAL GOLF COURSE			LAKEVIEW GOLF COURSE		
	2007-08 ACTUAL	2008-09 ESTIMATE	2009-10 BUDGET	2007-08 ACTUAL	2008-09 ESTIMATE	2009-10 BUDGET	2007-08 ACTUAL	2008-09 ESTIMATE	2009-10 BUDGET
<b>Operating Revenues:</b>									
Charges for Services	\$ 29,245,949	\$ 33,445,652	\$ 32,775,040	\$ 3,459,044	\$ 3,303,510	\$ 3,500,050	\$ 681,561	\$ 749,367	\$ 858,850
Miscellaneous Revenues	2,595,258	6,105	-	22,129	14,833	17,000	5,410	5,985	5,500
Grants		832,900	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>31,841,207</b>	<b>34,284,657</b>	<b>32,775,040</b>	<b>3,481,173</b>	<b>3,318,343</b>	<b>3,517,050</b>	<b>686,971</b>	<b>755,352</b>	<b>864,350</b>
<b>Operating Expenses:</b>									
Personal Services	7,107,182	7,567,407	7,744,550	-	-	-	-	-	-
Other Operating Expenses	18,900,778	10,775,198	9,584,370	2,921,830	2,762,825	3,009,130	539,800	597,413	615,590
Depreciation	3,568,718	3,760,220	3,568,718	254,001	384,624	254,001	101,511	112,702	101,511
<b>Total Operating Expenses</b>	<b>29,576,678</b>	<b>22,102,825</b>	<b>20,897,638</b>	<b>3,175,831</b>	<b>3,147,449</b>	<b>3,263,131</b>	<b>641,311</b>	<b>710,115</b>	<b>717,101</b>
<b>Operating Income</b>	<b>2,264,529</b>	<b>12,181,832</b>	<b>11,877,402</b>	<b>305,342</b>	<b>170,894</b>	<b>253,919</b>	<b>45,660</b>	<b>45,237</b>	<b>147,249</b>
<b>Non-Operating Revenues</b>									
<b>(Expenses)</b>									
Interest Revenue	424,159	(3,299)	50,000	1,345	(274)	-	83	(238)	-
Miscellaneous									
Rents	-	-	5,000	21,840	22,207	22,980	-	-	-
Interest Expense	(1,589,019)	(1,516,460)	(1,153,790)	(86,529)	(71,732)	(93,080)	(37,274)	(34,190)	(47,600)
Equity in Joint Venture	7,414,269	7,414,269	7,414,269	-	-	-	-	-	-
Gain (Loss) on Disposal of Fixed Assets	(42,306)	-	-	(3,118)	197,934	-	(26,197)	-	-
<b>Total Non-Operating</b>	<b>6,207,103</b>	<b>5,894,510</b>	<b>6,315,479</b>	<b>(66,462)</b>	<b>148,135</b>	<b>(70,100)</b>	<b>(63,388)</b>	<b>(34,428)</b>	<b>(47,600)</b>
<b>Income Before Transfers</b>	<b>8,471,632</b>	<b>18,076,342</b>	<b>18,192,881</b>	<b>238,880</b>	<b>319,029</b>	<b>183,819</b>	<b>(17,728)</b>	<b>10,809</b>	<b>99,649</b>
<b>Capital Contributions</b>	<b>976,447</b>	<b>235,939</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Transfers</b>									
Operating Transfers In	98,592	98,705	100,000	-	-	-	200,000	-	-
Operating Transfers (Out)	(2,586,830)	(2,944,560)	(3,141,120)	(34,500)	(33,000)	(33,000)	(22,500)	(19,000)	(15,000)
<b>Total Operating Transfers</b>	<b>(2,488,238)</b>	<b>(2,845,855)</b>	<b>(3,041,120)</b>	<b>(34,500)</b>	<b>(33,000)</b>	<b>(33,000)</b>	<b>177,500</b>	<b>(19,000)</b>	<b>(15,000)</b>
<b>Net Income (Loss)</b>	<b>5,983,394</b>	<b>15,230,487</b>	<b>15,151,761</b>	<b>204,380</b>	<b>286,029</b>	<b>150,819</b>	<b>159,772</b>	<b>(8,191)</b>	<b>84,649</b>
<b>Net assets</b>									
<b>beginning of year</b>	<b>86,407,630</b>	<b>93,367,471</b>	<b>108,833,897</b>	<b>610,895</b>	<b>815,275</b>	<b>1,101,304</b>	<b>1,058,739</b>	<b>1,218,511</b>	<b>1,210,320</b>
<b>Net assets</b>									
<b>end of year</b>	<b>\$ 93,367,471</b>	<b>\$ 108,833,897</b>	<b>\$ 123,985,658</b>	<b>\$ 815,275</b>	<b>\$ 1,101,304</b>	<b>\$ 1,252,123</b>	<b>\$ 1,218,511</b>	<b>\$ 1,210,320</b>	<b>\$ 1,294,969</b>

Note: For purposes of the Synopsis portion of the budget book, FY 08/09 figures for all enterprise, special revenue and internal service funds are for close of accounting period 13, pre-audit figures and not FY 08/09 revised.

MARINA			SANITATION			STORM WATER			TOTAL		
2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
ACTUAL	ESTIMATE	BUDGET	ACTUAL	ESTIMATE	BUDGET	ACTUAL	ESTIMATE	BUDGET	ACTUAL	ESTIMATE	BUDGET
\$ 208,598	\$ 204,467	\$ 172,800	\$ 3,383,499	\$ 4,942,922	\$ 4,651,090	\$ 2,090,146	\$ 2,095,636	\$ 2,195,920	\$ 39,068,797	\$ 44,741,554	\$ 44,153,750
806	4,146	1,800	298,742	5,090	-	17,509	17,366	1,000	2,939,854	53,525	25,300
-	33,307	-	-	-	-	-	-	-	-	866,207	-
209,404	241,920	174,600	3,682,241	4,948,012	4,651,090	2,107,655	2,113,002	2,196,920	42,008,651	45,661,286	44,179,050
-	-	-	216,146	214,887	236,740	352,935	368,134	402,140	7,676,263	8,150,428	8,383,430
50,318	60,389	70,110	3,258,633	4,190,974	3,805,790	639,000	553,998	676,350	26,310,359	18,940,797	17,761,340
70,686	70,846	70,686	1,884	2,308	1,884	419,990	432,033	419,990	4,416,790	4,762,733	4,416,790
121,004	131,235	140,796	3,476,663	4,408,169	4,044,414	1,411,925	1,354,165	1,498,480	38,403,412	31,853,958	30,561,560
88,400	110,685	33,804	205,578	539,843	606,676	695,730	758,837	698,440	3,605,239	13,807,328	13,617,490
7,847	831	750	13,201	1,028	1,000	48,602	5,038	2,270	495,237	3,086	54,020
-	-	-	-	(21,079)	-	-	-	-	-	(21,079)	-
78	-	300	118,508	124,940	127,440	-	-	-	140,426	147,147	155,720
-	-	-	-	-	-	(75,028)	(72,794)	(71,720)	(1,787,850)	(1,695,176)	(1,366,190)
-	-	-	-	-	-	-	-	-	7,414,269	7,414,269	7,414,269
-	-	-	-	-	-	-	-	-	(71,621)	197,934	-
7,925	831	1,050	131,709	104,889	128,440	(26,426)	(67,756)	(69,450)	6,190,461	6,046,181	6,257,819
96,325	111,516	34,854	337,287	644,732	735,116	669,304	691,081	628,990	9,795,700	19,853,509	19,875,309
-	-	-	-	-	-	20,000	-	-	-	-	-
-	-	-	-	-	-	-	-	-	298,592	98,705	100,000
(49,000)	(48,600)	(49,300)	(181,130)	(180,930)	(183,950)	(84,000)	(380,506)	(101,170)	(2,957,960)	(3,606,596)	(3,523,540)
(49,000)	(48,600)	(49,300)	(181,130)	(180,930)	(183,950)	(84,000)	(380,506)	(101,170)	(2,659,368)	(3,507,891)	(3,423,540)
47,325	62,916	(14,446)	156,157	463,802	551,166	605,304	310,575	527,820	7,156,332	16,345,618	16,451,769
<b>982,892</b>	<b>1,030,217</b>	<b>1,093,133</b>	<b>776,705</b>	<b>932,862</b>	<b>1,396,664</b>	<b>11,676,347</b>	<b>12,281,651</b>	<b>12,592,226</b>	<b>\$ 101,513,208</b>	<b>\$ 109,645,987</b>	<b>\$ 126,227,544</b>
<b>\$ 1,030,217</b>	<b>\$ 1,093,133</b>	<b>\$ 1,078,687</b>	<b>\$ 932,862</b>	<b>\$ 1,396,664</b>	<b>\$ 1,947,830</b>	<b>\$ 12,281,651</b>	<b>\$ 12,592,226</b>	<b>\$ 13,120,046</b>	<b>\$ 109,645,987</b>	<b>\$ 126,227,544</b>	<b>\$ 142,679,313</b>



**This space left open for notes**

# Internal Service Funds

These funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or other governmental units on a cost reimbursement basis.

# **INTERNAL SERVICE FUNDS**

**City Garage Fund  
Insurance Fund**

## Internal Service Funds City Garage Fund

The City Garage Fund accounts for the maintenance and replacement of the City's fleet currently consisting of 531 units (vehicles and other equipment). There are currently twelve employees in this department. Departments within the City are charged a monthly rental fee for the replacement reserve which is then used to replace these units. In addition, departments are charged directly for their routine maintenance, repairs and fuel costs.

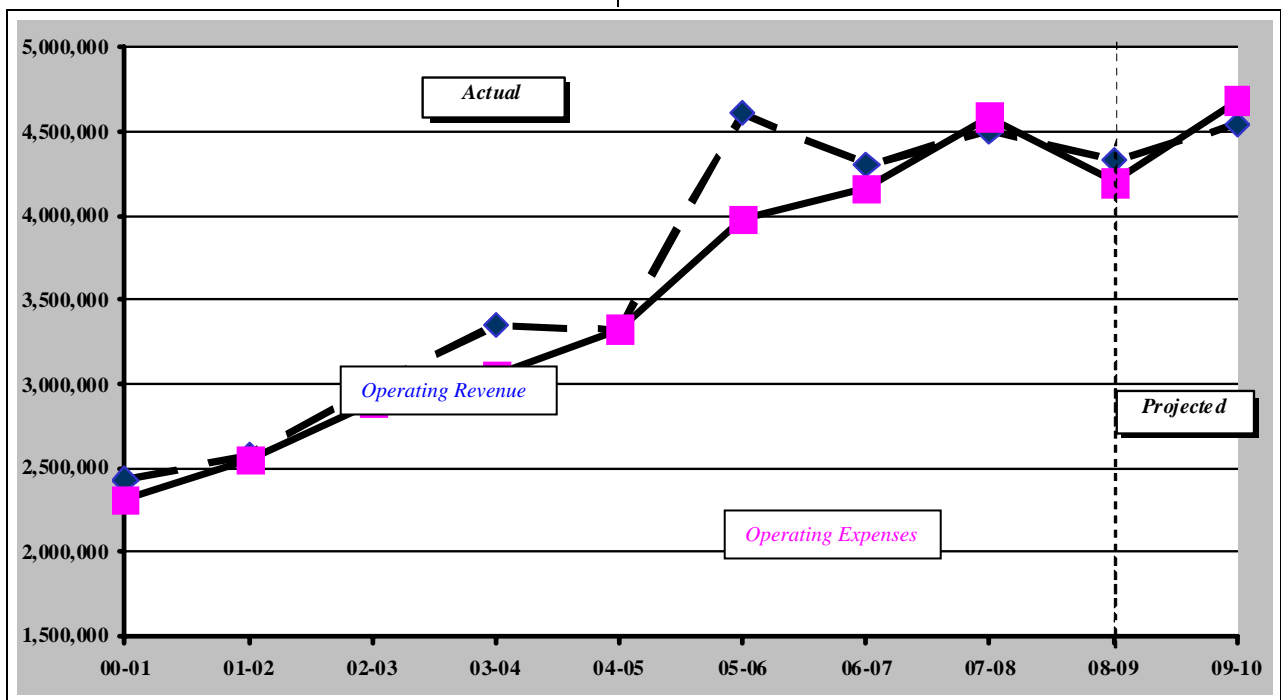
The City initiated its vehicle replacement program in FY 1991 at which time the City Garage became the custodian of all fleet vehicles and equipment considered part of the rolling stock. The Garage currently has assets of \$17.7 million. A total of \$1.5 million is planned on replacement vehicles this coming year.

Active measures are taken to extend the useful life of fleet vehicles. For example, Police Officers are currently given take-home vehicles and are used solely for single shifts of work whereas prior to this a police vehicle was utilized 24 hours per day, 7 days per week. A preventative maintenance program to include mechanical, tires, brakes, and cosmetic interior and exterior enhancements keep the vehicles in good condition and appearance. With a fleet of 547 units, over 2,188 preventative maintenance inspections are planned for this year (4 per year).

This fund recorded a net income of \$687,843 for FY 2009 compared to \$244,654 in FY 2008.

As of 09-30	Net Assets
1997	614,488
1998	880,589
1999	1,238,612
2000	1,525,155
2001	2,036,329
2002	4,667,883
2003	5,364,857
2004	5,944,562
2005	6,112,910
2006	7,073,403
2007	7,853,056
2008	8,097,710
2009	8,785,533

\* Net assets are now used in the new GASB 34 reporting model beginning FYE 9/30/02. Unreserved retained earnings was used previous to this change.



## Internal Service Funds City Garage Fund

	FY 2008 Audited	FY 2009 Pre-Audit	FY 2010 Approved	% Change
<b>Operating Revenues:</b>				
Charges for Services	\$2,830,189	\$2,607,843	\$2,702,400	3.63%
Miscellaneous Revenues	1,674,983	1,722,036	1,841,470	6.94%
<b>Total Operating Revenues</b>	<b>4,505,172</b>	<b>4,329,879</b>	<b>4,543,870</b>	<b>4.94%</b>
<b>Operating Expenses:</b>				
Personal Services	807,449	863,922	880,280	1.89%
Other Operating Expenses	2,310,426	1,816,618	2,336,610	28.62%
Depreciation	1,474,088	1,518,342	1,474,088	-2.91%
<b>Total Operating Expenses</b>	<b>4,591,963</b>	<b>4,198,882</b>	<b>4,690,978</b>	<b>11.72%</b>
<b>Operating Income</b>	<b>(86,791)</b>	<b>130,997</b>	<b>(147,108)</b>	<b>212.30%</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Revenue	9,622	2,731	2,000	-26.77%
Insurance Recoveries	51,119	28,500	10,000	NA
Gain on Sale of Equipment	(65,803)	94,636	0	NA
<b>Total Non-Operating</b>	<b>(5,062)</b>	<b>125,867</b>	<b>12,000</b>	<b>NA</b>
<b>Income Before Transfers</b>	<b>(91,853)</b>	<b>256,864</b>	<b>(135,108)</b>	<b>-152.60%</b>
<b>Capital Contributions</b>	<b>336,507</b>	<b>390,979</b>	<b>-</b>	<b>NA</b>
<b>Operating Transfers</b>				
Operating Transfers In/Out	-	40,000	10,000	NA
<b>Net Income (Loss)</b>	<b>244,654</b>	<b>687,843</b>	<b>(125,108)</b>	<b>-118.19%</b>
Net assets beginning of year	7,853,056	8,097,710	8,785,553	8.49%
Net assets end of year	\$8,097,710	\$8,785,553	\$8,660,445	-1.42%

Note: For purposes of the Synopsis portion of the budget book, FY 08/09 figures for all enterprise, special revenue and internal service funds are for close of accounting period 13, pre-audit figures and not FY 08/09 revised.

## Internal Service Funds Insurance Fund

The Insurance Fund accounts for the City's business insurance premiums, claims, and administrative expenses related to property, general liability, automobile liability, employee benefits liability, employee practices liability, employer's liability and crime coverage, unemployment compensation and worker's compensation. In addition, this fund accounts for the City's employee and dependent insurance premiums, claims and administrative expenses related to health care, dental, life, long-term disability and other private insurance.

Business insurance costs are allocated in the budget process to each department of the City and these are then transferred to the Insurance Fund on a monthly basis. For the past several years, we have been experiencing either significant cost increases or significant increases in deductibles in both property and worker's compensation premiums. Property insurance premiums have been affected due to our location on the coast of Florida and the fact that reinsurance carriers have been hard hit in the past several years and are attempting to recoup their losses.

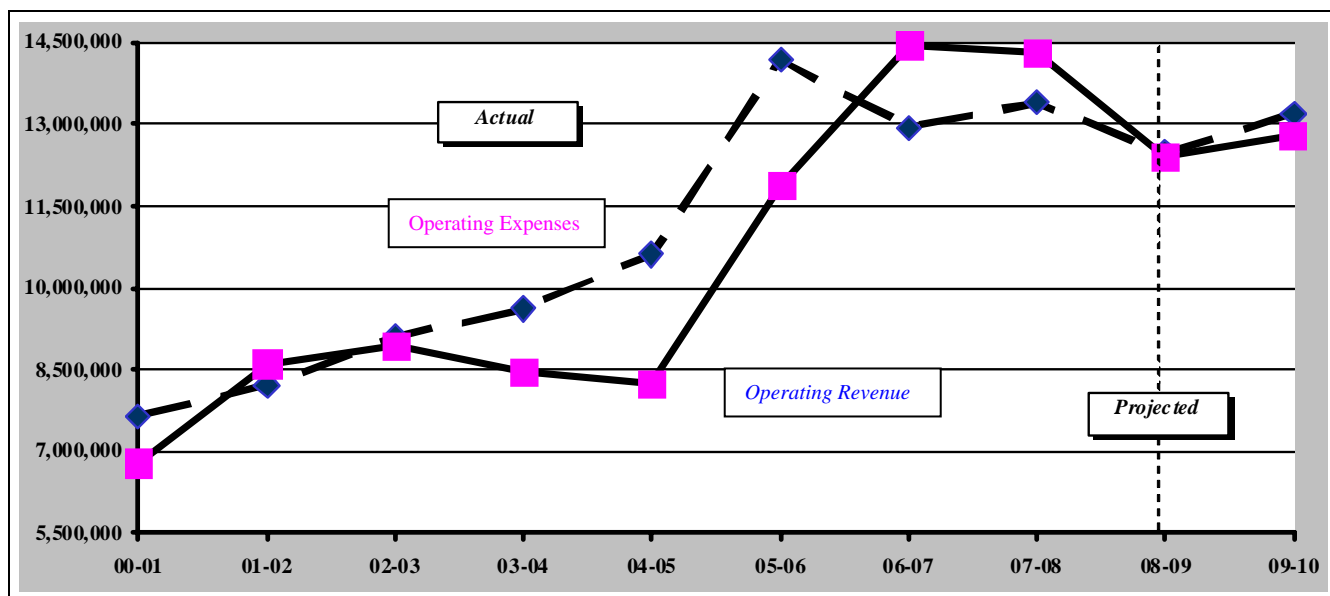
Accounting regulations stipulate that a self-insured entity must set aside sufficient reserves for the total expected payout on all open claims. The City is currently required to set aside a reserve of \$4.3 million compared to \$5.5 million last year for property and casualty liabilities.

The City self-insured its health insurance plan in FY 2002-03. Group health insurance was restructured effective June 1, 2009. The new plan offers a Network Core HMO, a Network Open "Access HMO, an Open Access POS, and a Choice Fund HRA. Rates were increased an average of 7.4%. The City pays all claims and premium costs less the employee contributions and a specific stop loss of \$200,000, as well as an aggregate stop loss which is 25% above projected claims. Approximately 93% of our 790 units are in the two HMO plans. Retirees are allowed to be part of our group plan at the same rates as the active employees. Retirees pay 100% of the premium for both themselves and their dependents. The City, now being self-insured, is required to set aside a reserve for runout claims (incurred but not reported claims) and another reserve for "safe harbor" claims activity. These reserves are calculated by an external actuary. The runout reserve is \$400,781 (June 2009) is shown as a current liability and \$1.5 million (3 months claims activity) is sufficient to cover the 60-day safe harbor reserve required by the State Office of Insurance Regulation and is shown in unrestricted net assets.

As of 09-30-	Net Assets
1997	(372,061)
1998	(738,579)
1999	(147,111)
2000	(72,013)
2001	932,677
2002	477,914*
2003	(99,045)
2004	1,084,869
2005	3,549,539
2006	6,025,936
2007	2,643,214
2008	1,883,421
2009	3,691,904

\* Net assets are now used in the new GASB 34 reporting model beginning FYE 9/30/02. Unreserved retained earnings was used previous to this change.

# Internal Service Funds Insurance Fund



\* Net assets are now used in the new GASB 34 reporting model beginning FYE 9/30/02. Unreserved retained earnings/deficit was used previous to this change.

## Internal Service Funds Insurance Fund

	FY 2008 Audited	FY 2009 Pre-Audit	FY 2010 Approved	% Change
<b>Operating Revenues:</b>				
Charges for Services	\$13,043,665	\$12,478,323	\$13,118,200	5.13%
Miscellaneous Revenues	353,379	2,017	85,000	4114.18%
<b>Total Operating Revenues</b>	<b>13,397,044</b>	<b>12,480,340</b>	<b>13,203,200</b>	<b>5.79%</b>
<b>Operating Expenses:</b>				
Personal Services	323,618	326,533	327,110	0.18%
Other Operating Expenses	13,975,630	12,069,750	12,479,100	3.39%
Depreciation	1,549	1,502	1,549	3.13%
<b>Total Operating Expenses</b>	<b>14,300,797</b>	<b>12,397,785</b>	<b>12,807,759</b>	<b>3.31%</b>
<b>Operating Income</b>	<b>(903,753)</b>	<b>82,555</b>	<b>395,441</b>	<b>379.00%</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Revenue	139,853	31,244	7,500	-76.00%
Insurance Recoveries	5,699	2,024,387		
<b>Total Non-Operating</b>	<b>145,552</b>	<b>2,055,631</b>	<b>7,500</b>	<b>-99.64%</b>
<b>Income Before Transfers</b>	<b>(758,201)</b>	<b>2,138,186</b>	<b>402,941</b>	<b>-81.16%</b>
<b>Operating Transfers</b>				
Operating Transfers Out	(1,592)	(329,703)	(610,000)	85.01%
<b>Total Operating Transfers</b>	<b>(1,592)</b>	<b>(329,703)</b>	<b>(610,000)</b>	<b>85.01%</b>
<b>Net Income (Loss)</b>	<b>(759,793)</b>	<b>1,808,483</b>	<b>(207,059)</b>	<b>-111.45%</b>
Net assets beginning of year	2,643,214	1,883,421	3,691,904	96.02%
Net assets end of year	\$1,883,421	\$3,691,904	\$3,484,845	-5.61%

Note: For purposes of the Synopsis portion of the budget book, FY 08/09 figures for all enterprise, special revenue and internal service funds are for close of accounting period 13, pre-audit figures and not FY 08/09 revised.

**Internal Service Funds**  
**Consolidated Budget Summary 2008-2010**  
**Estimated Revenues, Expenses and Changes in Retained Earnings**

	GARAGE			INSURANCE			TOTAL		
	2007-08 ACTUAL	2008-09 ESTIMATE	2009-10 BUDGET	2007-08 ACTUAL	2008-09 ESTIMATE	2009-10 BUDGET	2007-08 ACTUAL	2008-09 ESTIMATE	2009-10 BUDGET
<b>Operating Revenues:</b>									
Charges for Services	\$ 2,830,189	\$ 2,607,843	\$ 2,702,400	\$ 13,043,665	\$ 12,478,323	\$ 13,118,200	\$ 15,873,854	\$ 15,086,166	\$ 15,820,600
Miscellaneous Revenues	1,674,983	1,722,036	1,841,470	353,379	2,017	85,000	2,028,362	1,724,053	1,926,470
<b>Total Operating Revenues</b>	<b>4,505,172</b>	<b>4,329,879</b>	<b>4,543,870</b>	<b>13,397,044</b>	<b>12,480,340</b>	<b>13,203,200</b>	<b>17,902,216</b>	<b>16,810,219</b>	<b>17,747,070</b>
<b>Operating Expenses:</b>									
Personal Services	807,449	863,922	880,280	323,618	326,533	327,110	1,131,067	1,190,455	1,207,390
Other Operating Expenses	2,310,426	1,816,618	2,336,610	13,975,630	12,069,750	12,479,100	16,286,056	13,886,368	14,815,710
Depreciation	1,474,088	1,518,342	1,474,088	1,549	1,502	1,549	1,475,637	1,519,844	1,475,637
<b>Total Operating Expenses</b>	<b>4,591,963</b>	<b>4,198,882</b>	<b>4,690,978</b>	<b>14,300,797</b>	<b>12,397,785</b>	<b>12,807,759</b>	<b>18,892,760</b>	<b>16,596,667</b>	<b>17,498,737</b>
<b>Operating Income</b>	<b>(86,791)</b>	<b>130,997</b>	<b>(147,108)</b>	<b>(903,753)</b>	<b>82,555</b>	<b>395,441</b>	<b>(990,544)</b>	<b>213,552</b>	<b>248,333</b>
<b>Non-Operating Revenues (Expenses)</b>									
Interest Revenue	9,622	2,731	2,000	139,853	31,244	7,500	149,475	33,975	9,500
Insurance Recoveries	51,119	28,500	10,000	5,699	2,024,387		56,818	2,052,887	10,000
Loss on Disposal of Equipment	(65,803)	94,636	-	-	-	-	(65,803)	94,636	-
<b>Total Non-Operating</b>	<b>(5,062)</b>	<b>125,867</b>	<b>12,000</b>	<b>145,552</b>	<b>2,055,631</b>	<b>7,500</b>	<b>140,490</b>	<b>2,181,498</b>	<b>19,500</b>
<b>Capital Contributions</b>	<b>336,507</b>	<b>390,979</b>	<b>-</b>				<b>336,507</b>		
<b>Operating Transfers</b>									
Operating Transfers In/Out		40,000	10,000	(1,592)	(329,704)	(610,000)	(1,592)	(289,704)	(600,000)
<b>Net Income (Loss)</b>	<b>244,654</b>	<b>687,843</b>	<b>(125,108)</b>	<b>(759,793)</b>	<b>1,808,482</b>	<b>(207,059)</b>	<b>(515,139)</b>	<b>2,105,346</b>	<b>(332,167)</b>
<b>Net assets</b>									
<b>beginning of year</b>	<b>7,853,056</b>	<b>8,097,710</b>	<b>8,785,553</b>	<b>2,643,214</b>	<b>1,883,421</b>	<b>3,691,903</b>	<b>10,496,270</b>	<b>9,981,131</b>	<b>12,477,456</b>
<b>Net assets</b>									
<b>end of year</b>	<b>\$ 8,097,710</b>	<b>\$ 8,785,553</b>	<b>\$ 8,660,445</b>	<b>\$ 1,883,421</b>	<b>\$ 3,691,903</b>	<b>\$ 3,484,844</b>	<b>\$ 9,981,131</b>	<b>\$ 12,477,456</b>	<b>\$ 12,145,289</b>

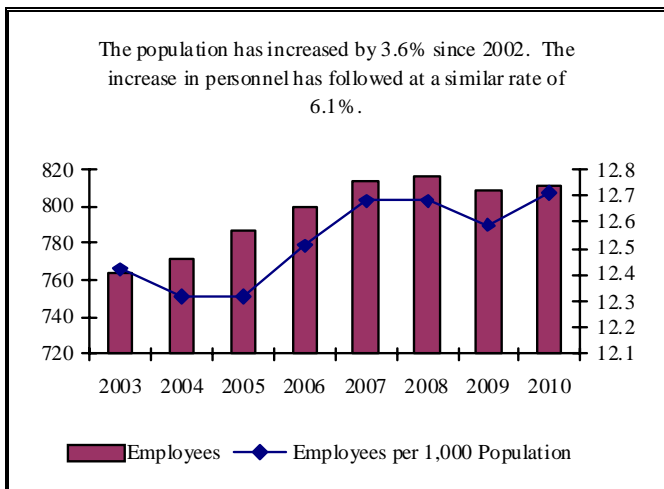
Note: For purposes of the Synopsis portion of the budget book, FY 08/09 figures for all enterprise, special revenue and internal service funds are for close of accounting period 13, pre-audit figures and not FY 08/09 revised.

## Authorized Positions

As with most municipalities, the cost of personnel is by far the City's largest expenditure. Funding for its 811 full-time positions including, 5 City Commission positions and 37.65 full-time equivalent positions, amounts to \$60.5 million for fiscal year 2010. Of this \$37.1 million is for regular wages, \$1 million for part-time wages, \$2.3 million for overtime and the remainder, \$20.1 million, for benefits.

The net change in personnel for fiscal year 2010 is an increase of two positions. Due to decreasing revenue, Departments reviewed the positions in the current budget and four positions were eliminated and an additional eleven vacant positions were frozen for Fiscal Year 2009-10 (thirty positions continue to be frozen from FY 08-09). The eliminated positions were the Financial Compliance Officer in Finance Administration, the full time Customer Service Assistant in the Human Resources Department was reduced to part time, the Animal Control Officer in Code Enforcement and a Plan Reviewer in Water and Sewer Administration. Six police officer positions were added in the Economic Stimulus fund and will be grant funded for up to three years.

As illustrated by the following chart, the ratio of employees to population is starting to increase slightly.

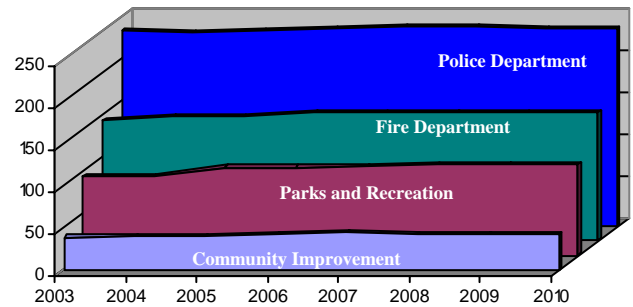
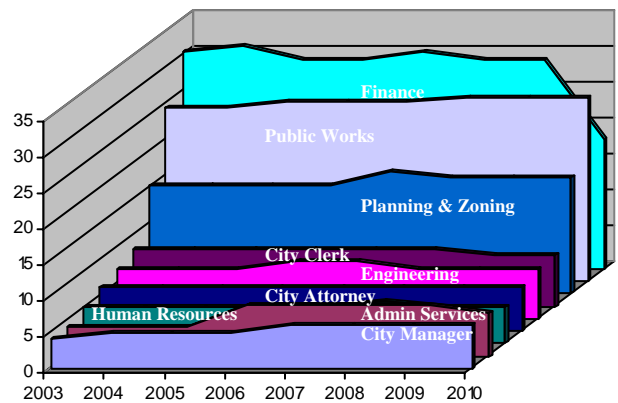


## Full Time Equivalents (FTEs)

The City also utilizes part-time staff for many of the recreation programs in the Parks and Recreation Department such as the evening programs, the out of school care program for children, and to meet staffing requirements at the beach lifeguard towers. The Police Department also uses part-time staff to fill vacancies in Communications. In total the part-time hours are equivalent to 37.65 full time positions with 32.34 FTEs accounted for in Parks and Recreation.

The following graphs indicate the change in the allocation of resources over the past several years.

### General Fund Full Time Positions 2003-2010



## Grant Funded Positions

Of the final total, 14.5 full-time positions are grant funded. These personnel oversee such programs as the Community Development Block Grant, the State Housing Initiatives Program (SHIP) Grant, the Justice Assistance Grant and the COPS Hiring Recovery.

## Summary of Staffing Levels

The following pages outline the positions authorized by division, within each fund. The page numbers are included to assist in locating the detailed staffing levels for each program.

**Summary of Staffing Levels  
Fiscal Years 2005-2009**

<b>DEPARTMENT</b>	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>Page #</b>
<i>GENERAL FUND</i>						
CITY COMMISSION	5	5	5	5	5	6
CITY MANAGER	4	4	4	4	4	12
Public Information	1	2	2	2	2	14
CITY CLERK	8	8	8	7	7	28
CITY ATTORNEY	6	6	6	6	6	18
FINANCIAL ADMINISTRATION	18	19	18	18	17	34
IT	11	11	11	11	11	38
HUMAN RESOURCES	5	5	6	5	5	24
ADMINISTRATIVE SERVICES	4	4	4	4	3	44
Clean and Safe	3	3	3	3	3	46
<b>TOTAL GENERAL GOVERNMENT</b>	<b>65</b>	<b>67</b>	<b>67</b>	<b>65</b>	<b>63</b>	
<b>POLICE DEPARTMENT</b>						
Support Bureau	62	62	63	61	61	58
Operations Bureau	174	176	175	175	175	63
Total Police Department	236	238	238	236	236	
<b>FIRE DEPARTMENT</b>						
Administration	12	12	12	12	12	70
Highland Beach	22.5	22.5	22.5	22.5	22.5	73
Operations	110	110	110	110	110	76
Fire Safety	9.5	9.5	9.5	9.5	9.5	81
Total Fire Department	154	154	154	154	154	
PLANNING AND ZONING	15	17	16	16	16	84

**Summary of Staffing Levels  
Fiscal Years 2005-2009**

<b>DEPARTMENT</b>	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>Page #</b>
<b>COMMUNITY IMPROVEMENT</b>						
Administration	4.5	4.5	4.5	5	5	90
Building Inspection	21	23	21	20	20	93
Code Enforcement	17	17	17	18	17	96
<b>Total Community Improvement</b>	<b>42.5</b>	<b>44.5</b>	<b>42.5</b>	<b>43</b>	<b>42</b>	
<b>ENVIRONMENTAL SERVICES</b>						
Engineering	8	8	7	7	7	100
<b>PUBLIC WORKS</b>						
Administration	2	2	1.5	1.5	1.5	106
Street Maintenance*	10	10	10	10	10	109
Traffic Operations	5	5	5	5	5	112
Street Lighting	1	1	1	1	1	115
Parking Facilities	1	1	2	2	2	118
Building Maintenance	6	6	6	6	6	121
<b>Total Public Works</b>	<b>25</b>	<b>25</b>	<b>25.5</b>	<b>25.5</b>	<b>25.5</b>	
<i>*Note: 2 positions for utility cut repairs funded through a transfer from the Water/Sewer Fund</i>						
<b>PARKS AND RECREATION</b>						
Administration	7	7	7	7	7	128
Out of School Program	2	2	2	2	2	131
Teen Center	2	2	2	2	2	133
Athletics & Special Events	3	3	3	3	3	136
Ocean Rescue	15	15	15	15	15	139
Community Center	3	3	3	3	3	142
Veterans Park/Rec Facility	2	2	2	2	2	145
Pompey Park	7	8	8	8	8	148
Parks Maintenance	55	55	56	56	56	152
Aquatics Operations	3	4	4	4	4	155
Catherine Strong	2	2	2	2	2	159
Cemetery	4	4	4	4	4	162
<b>Total Parks and Recreation</b>	<b>105</b>	<b>107</b>	<b>108</b>	<b>108</b>	<b>108</b>	
<i>*Note: Building Maintenance Worker split between Teen Center and Veterans Park</i>						
<b>TOTAL GENERAL FUND</b>	<b>650.5</b>	<b>660.5</b>	<b>658</b>	<b>654.5</b>	<b>651.5</b>	

**Summary of Staffing Levels  
Fiscal Years 2005-2009**

<b>DEPARTMENT</b>	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>Page #</b>
<i>ARRA Economic Stimulus Fund</i>						
Cops Hiring Recovery Program	0	0	0	0	6	
EECBG-Sustainability Officer	0	0	0	0	1	
<i>BEAUTIFICATION TRUST FUND</i>						
Beautification Maintenance	7	11	11	9	9	214
<i>COMMUNITY DEVELOPMENT BLOCK GRANT</i>						
Community Block Grant Administration	2	2	2	2	2	204
CDBG Housing Rehab	2	2	2	3	3	204
SHIP Program	1	1	1	0	0	204
Neighborhood Housing	0.5	2.5	2.5	2	2	204
<b>Total CDBG Fund</b>	<b>5.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7</b>	<b>7</b>	
<i>WATER AND SEWER FUND</i>						
Utilities Customer Service	16	16	16	16	16	170
Environmental Services Administration	13	13	13.5	13.5	12.5	176
Water Treatment and Storage	13	13	13	13	13	179
Water Distribution	19	20	20	20	20	182
Environmental Compliance	5	5	5	5	5	185
Wastewater Collection	14	14	14	14	14	188
Water Maintenance	9	10	10	10	10	193
Liftstation Maintenance	18	18	18	18	18	196
Construction Services	8	8	8	8	8	199
<b>Total Water and Sewer Fund</b>	<b>115</b>	<b>117</b>	<b>117.5</b>	<b>117.5</b>	<b>116.5</b>	
<i>SANITATION FUND</i>						
Neighborhood Stabilization Program	4	4	4	4	4	210
<i>STORMWATER UTILITY FUND</i>						
Stormwater Administration	1	1	1	1	1	242
Stormwater System Maintenance	5	5	5	5	5	238
<b>Total Stormwater Fund</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	
<i>CITY GARAGE FUND</i>						
Fleet Maintenance	12	12	12	12	12	246
<i>INSURANCE FUND</i>						
Risk Management	4	4	4	4	4	250
<b>TOTAL ALL FUNDS</b>	<b>804</b>	<b>822</b>	<b>820</b>	<b>814</b>	<b>817</b>	



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