

## 2005-2006 Annual Budget



### **Mayor and Commissioners**

(Left to Right)- Commissioner *Joanne M. Krebs*, Commissioner *Donald A. Gilmore*, Mayor *John F. Bush*, Commissioner *Michael S. Blake*, Commissioner *Robert S. Miller*, and Commissioner *Sally M. McGinnis*

### **City Manager**

*Ronald W. McLemore*

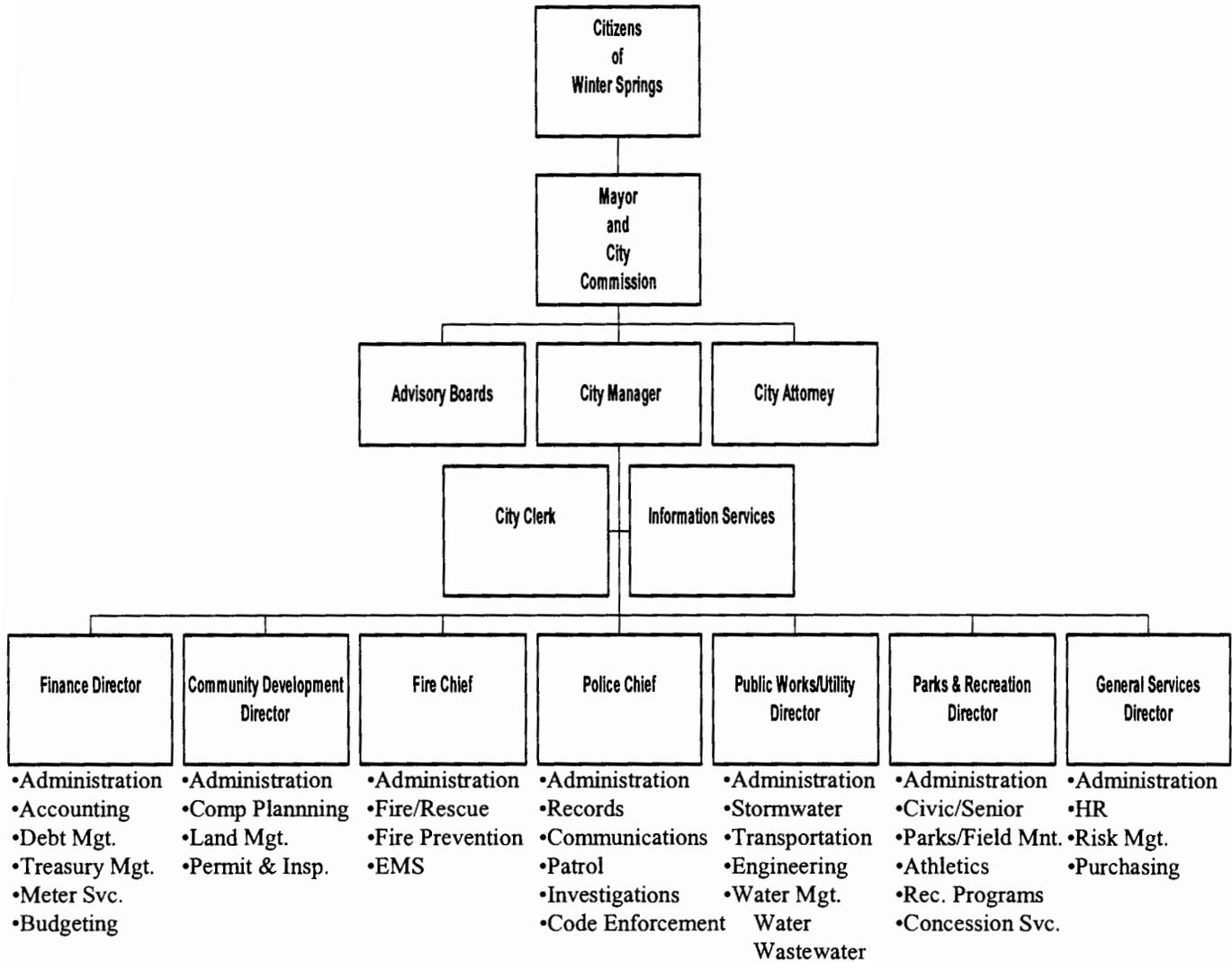
### **City Attorney**

*Anthony A. Garganese*

### **Department Directors**

City Clerk	<i>Andrea Lorenzo-Luaces</i>
Finance	<i>Michelle Greco</i>
General Services	<i>Vacant</i>
Information Services	<i>Joanne Dalka</i>
Public Works/Utility	<i>Kipton Lockcuff</i>
Community Development	<i>Randy Stevenson</i>
Police	<i>Daniel Kerr</i>
Fire	<i>Timothy Lallathin</i>
Parks and Recreation	<i>Chuck Pula</i>

# City of Winter Springs Organizational Chart



**\*The City Manager is appointed by the Commission.**

**\*The City Clerk is appointed by the Mayor with ratification of the City Commission and works under the direction of the City Manager.**

**\*The City Attorney is appointed by the Mayor with ratification of the City Commission and works under the direction of the City Commission.**

**\*Advisory Boards are appointed by the Mayor and City Commission and work under the direction of the City Commission.**

## Winter Springs at a Glance

The City of Winter Springs, incorporated in 1959, is located in Seminole County, which is part of the greater Orlando metropolitan area in East Central Florida. This area is one of the fastest growing areas in the country. The City currently has a land area of 14.6 square miles and a population of approximately 32,000.

The City operates according to a Council/Manager form of government, with an appointed City Manager, five elected City Commissioners and a separately elected Mayor. The governing body is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the City's Manager, Clerk, and Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing body, for overseeing the day-to-day operations of the government, and for hiring the directors of the various departments.

The City of Winter Springs provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. The City maintains a Water and Sewer Utility, a Storm Water Management Fund, and a Development Services Fund which essentially function as departments of the City of Winter Springs.

The City of Winter Springs is primarily a retail, office and residential area with a small amount of light industry and commerce. The City's total assessed valuation for real and personal property has maintained steady growth and local indicators continue to point to a continued trend of growth as the City works with builders, developers and residents for both commercial and residential development. This increased growth helps the City maintain a moderate property tax rate, which was established at 4.30 operating mills during the fiscal year 2005.



# **The City of Winter Springs' Budget**

## **Introduction**

The operations for the City of Winter Springs are accounted for on the basis of fund and account groups. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Winter Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of the City of Winter Springs can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The City has three types of governmental funds: Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The City of Winter Springs maintains one type of proprietary fund called enterprise funds. Such funds have been established for the *Water and Sewer Utility, Development Services*, and the *Storm Water Management Fund*. The *Pension Trust Fund* is the only fiduciary fund and is not reflected in this budget because the resources of such funds are held for the benefit of parties outside the government.

## **Budget Process**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is established through the following procedures:

- On or before July 1 of each year, the City Manager submits a Proposed Budget to the Commission for the next fiscal year beginning October 1. The budget includes proposed revenues and expenditures, and a description of capital activities for the ensuing fiscal year.
- The City Commission then holds informal workshops wherein the public is invited to participate.
- The City Commission sets the millage cap (DR 420) which becomes the the millage 'ceiling' when approving the annual millage rate and budget in September. Although it is possible for a City to exceed its own millage cap, to do so is a difficult and costly process.
- On or before September 30 of each year, after two public hearings the Commission adopts the final budget and establishes the ad valorem tax millage.
- The budget may be formally amended by the Commission at any time.

The legal level of budgetary control is at the department level. The City Manager is authorized to transfer budgeted amounts between accounts within a department. Increases to the budget are accomplished by resolution duly adopted by the Commission. The budget is an annual one, as such, unexpended appropriations for these funds lapse at the end of each fiscal year.

## **Budget Guidelines**

- The City will adhere to all Federal, State, and local legal requirements related to the operating budget.
- The City will abide by a structured budget process which ensures opportunity for citizen input.
- It will be the City's highest priority to maintain current service levels for all essential services.
- The City will attempt to avoid layoffs of permanent employees in order to balance the budget.
- Annual merit increases have been budgeted organization-wide at 4%.
- The budget will provide for the maintenance and replacement of capital assets.
- The City will maintain a budgetary control system to ensure budgetary compliance.
- An independent audit will be performed annually. The City administration will promptly evaluate the audit management letter to determine the necessary steps to implement the audit recommendations.
- Surplus and obsolete property will be disposed of at public auction.
- The City will strive to maintain a fund balance in the General Fund that is at least 25% of the personnel and operating expenditures.
- All fund balances will be presented in the annual budget.
- The City administers a cash management and investment program that seeks to maximize, in order of priority, the preservation of funds, liquidity, and interest earnings over its cash and investments.
- The City will set user fees for all enterprise funds at a level that fully supports the total direct and indirect cost of the activity.
- The City has a Capital Improvements Plan (CIP) which it annually reviews and updates to ensure that all necessary capital improvements are being incorporated. This plan is a multi-year prioritized schedule of improvements that lists each capital improvement by intended year of purchase/commencement, the amount of expenditure per year, and the method of financing.
- General obligation debt will not be used to finance the activities of enterprise funds.
- The term of any bonds shall not exceed the useful life of the expenditures being financed.
- The City will maintain an adequate debt service fund for each bond issue.
- The City will provide sufficient funding to the pension plan in order to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis.

## FUND DESCRIPTIONS

### **GOVERNMENTAL:**

#### *General Fund*

This is the chief operating fund of the City of Winter Springs. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

#### Special Revenue Funds

##### *Police Education Fund*

This fund accounts for the costs of educational expenses for police officers. It is funded by a portion of the collections from fines and forfeitures.

##### *Special Law Enforcement Trust Fund*

This fund was established to receive revenues derived from confiscated property obtained during the enforcement of illegal operations. Proceeds are utilized strictly for law enforcement purposes, exclusive of salaries and vehicles. Such purposes may include drug education programs such as DARE.

##### *Transportation Improvement Fund*

Revenues in this fund are derived from Local Option Gasoline Tax distribution. Proceeds are to be used for road, right of way, and drainage maintenance and equipment necessary to build or maintain roads, right of ways, and drainage.

##### *Parks Donation Fund*

This fund was established to record funds received from new developers for the acquisition of land for recreational purposes in lieu of land donated by these developers for recreational purposes.

##### *Solid Waste / Recycling Fund*

This fund is used to account for fees for solid waste and recycling services performed by contract vendors. Proceeds are used to pay monthly vendor charges for providing solid waste and recycling services.

##### *Emergency and Disaster Relief Fund*

This fund was established to capture the costs of hurricane preparation and recovery due to the unusually active and costly 2004 hurricane season.

##### *Arbor Fund*

This fund is used to account for arbor revenues. This revenue source is used to maintain plantings in the City.

##### *Road Improvements Fund*

This fund is used to account for collected on-cent sales tax revenues to be used for Town Center road improvements.

*Transportation Impact Fee Fund*

This fund is used to account for collected impact fees on new development to help defray the cost of future road construction as a result of growth.

*Public Facilities Impact Fee Fund*

This fund is used to account for the collected impact fees on new development to defray the cost of capital investment needed to maintain public buildings due to future growth.

*Police Impact Fee Fund*

This fund is used to account for collected impact fees on new development to help defray the cost of capital investment needed to maintain the level of police service due to future growth.

*Parks Impact Fee Fund*

This fund is used to account for collected impact fees on new development to defray the cost of capital investment needed to develop and improve the parks due to future growth.

*Fire Impact Fee Fund*

This fund is used to account for collected impact fees on new development to help defray the cost of capital investment needed to maintain the level of fire service due to future growth.

*Medical Transport Services Fund*

This fund is used to receive revenues generated from fees charged for paramedic services. The proceeds from this fund are used to pay for the incremental costs related to providing these services.

*Public and Communications Service Tax Fund*

This fund accounts for collections of utility taxes charged on electric, water and gas services as well as telecommunications service taxes. Proceeds are used to pay annual debt service and monies not required to pay debt service are transferred to the general fund.

*Electric Franchise Fee Fund*

This fund is used to account for proceeds of electric franchise fees. These proceeds are used to pay annual debt service. Any excess monies are transferred to the General Fund.

*Streetlighting Fund*

This fund was established to record proceeds of a special streetlighting assessment from the Country Club Village subdivision. Proceeds are used to pay for lighting and administrative cost. This fund was closed during fiscal year 2005.

*TLBD Maintenance Fund*

This fund is used to account for collected special assessments for maintenance related to the Tusawilla Lighting and Beautification District.

*Oak Forest Maintenance Fund*

This fund is used to account for collected special assessments for maintenance related to the Oak forest subdivision wall.

## Debt Service Funds

### *2003 Debt Service Fund*

This fund is used to account for the accumulation of resources and payment of principal, interest, and related costs for the 2003 bond issue.

### *1999 Debt Service Fund*

This fund is used to account for the accumulation of resources and payment of principal, interest, and related costs for the 1999 bond issue.

### *2000 Information System Debt Service Fund*

This fund is used to account for the accumulation of resources and payment of principal, interest, and related costs for the 2000 note payable (data processing portion)

### *Central Winds General Obligation Debt Service Fund*

This fund is used to account for the accumulation of resources and payment of principal, interest, and related costs for the 2002 limited general obligation bond.

### *2004 Line of Credit Debt Service Fund*

This fund is used to account for the accumulation of resources and payment of principal and interest for the Capital Improvement Revenue Note Series 2004

### *TLBD Debt Service Fund*

This fund is used to account for the accumulation of resources and payment of principal, interest, and related costs for the 2001 special assessment bond issue.

### *Oak Forest Debt Service*

This fund is used to account for the accumulation of resources and payment of principal, interest, and related costs for the 2000 note payable (Oak Forest portion).

## Capital Projects Funds

### *1997 Construction Fund*

This fund was established for the acquisition and construction of City-owned capital improvements.

### *1999 Construction Fund*

This fund was established for the acquisition and construction of City-owned capital improvements.

### *Revolving Rehab Capital Projects Fund*

This fund was established to provide loans for rehabilitation projects within the City.

### *2000 Information System Project Fund*

This fund was established for the acquisition of a new computer system.

### *Central Winds Expansion Capital Projects Fund*

This fund was established to account for the acquisition of land for the expansion of Central Winds Park.

*Public Facilities Capital Projects Fund*

This fund was established to account for the construction of public facilities - currently the Public Works/Utility Compound.

*City Hall Expansion Fund*

This fund was established to account for the construction of the expansion of city hall.

*TLBD Improvement Fund*

This fund was established to account for the construction of improvements to the Tusawilla Lighting and Beautification District.

*Oak Forest Capital Fund*

This fund was established to account for construction of the Oak Forest subdivision wall.

**PROPRIETARY FUNDS:**

Enterprise Funds

*Water and Sewer Utility Fund*

This fund was established to account for the provision of water and sewer services to the residents of the City. All necessary activities associated with providing these services are accounted for in this fund, including operations, administration, renewal and replacement, and related debt service.

*Development Services Fund*

This fund was established in 2003 to account for the Plans and Inspections department, the Customer Service department, and the Delinquent Permits department as divisions of an enterprise fund.

*Storm Water Management Fund*

This fund was established to account for the storm water management department as an enterprise fund.

**FIDUCIARY FUNDS:**

*Pension Plan Trust Fund*

This fund accounts for the contributions to the defined benefit plan.

## GLOSSARY

**account number** – In accordance with the state chart of accounts, each class of expenditures and revenues is assigned a specific account number for use within the City’s accounting system.

**ad valorem tax** – A tax levied on assessed value of real property (land and buildings) and personal property (business equipment) within the City and not expressly exempt. This tax is also known as property tax.

**annual budget** – An estimate of expenditures for specific purposes during the fiscal year (October 1 – September 30) and the estimated revenues for financing those activities.

**appropriation** - An authorization granted by the City Commission to make expenditures and to incur obligations for purposes specified in the Budget Appropriation Resolution.

**assessed valuation** – A valuation set upon property by the County Property Appraiser as a basis for levying taxes.

**capital** – A level of budgetary appropriation that includes expenses for land, building, machinery and equipment. Expenditures must equal or exceed \$750 to be considered for capitalization.

**contingency** – An appropriation of funds to cover unforeseen events that occur during the fiscal year.

**debt service** – The payment of principal and interest on borrowed funds such as bonds.

**department** – An organizational unit comprised of one or more programs, responsible for carrying out a major governmental function.

**depreciation** – The decrease in value of physical assets due to use and the passage of time.

**encumbrance** – An amount of money committed for the payment of goods and services not yet received or paid.

**enterprise fund** – A self-supporting fund designed to account for activities supported by user charges. The Water and Sewer Fund is an example of an enterprise fund.

**excise tax** - A tax assessed on the consumer of a service, usually a utility service that is based upon the level of consumption.

**expenditure** – The amount of money actually paid or obligated for payment from City funds.

**finances and forfeitures** – Revenues derived from penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations and for neglect of official duty. Confiscated property is an example of this category of revenue.

**fiscal year** – Any period of 12 consecutive months designated as the budget year. The City’s budget year begins October 1 and ends September 30, the same as the Federal Government. The year is represented by the date on which it ends. October 1, 2003 to September 30, 2004 would be Fiscal Year 2004 (FY 04).

**FTE** – Full-Time Equivalent, which is calculated on the basis of the number of hours that have been budgeted for a particular position.

**franchise tax** – A fee assess on a business, usually a public utility, in return for giving them the exclusive right to operate inside the City limits.

**fund** – An accounting entity that has a set of self-balancing accounts and that records all financial transactions or specific activities of government functions.

**fund balance** – The resources available for appropriation in accordance with the prescribed basis of budgeting.

**GAAP** - Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board.

**General Fund** – The general operating fund of the City which is supported primarily through taxes and fees and includes most of the essential governmental services such as police, fire, public works, and general administration.

**Local Option Gas** – A tax established in 1983 to fund transportation related improvements.

**millage rate** – The tax rate on real and personal property, with one mill equal to \$1.00 per \$1,000 of assessed property value.

**rollback millage rate** – The tax rate which produces the same amount of taxes as levied in the prior year when calculated against the current year’s tax base exclusive of new construction.

**special revenue funds** – Funds established for the purpose of accounting for specific sources which are restricted by law or policy to finance specific activities.

**user charges** – The payment of a fee for direct receipt of a public service by the party benefiting from the service.

**utility excise tax** – A tax levied by cities on the consumers of various utilities such as electricity, gas, and telephone service.