

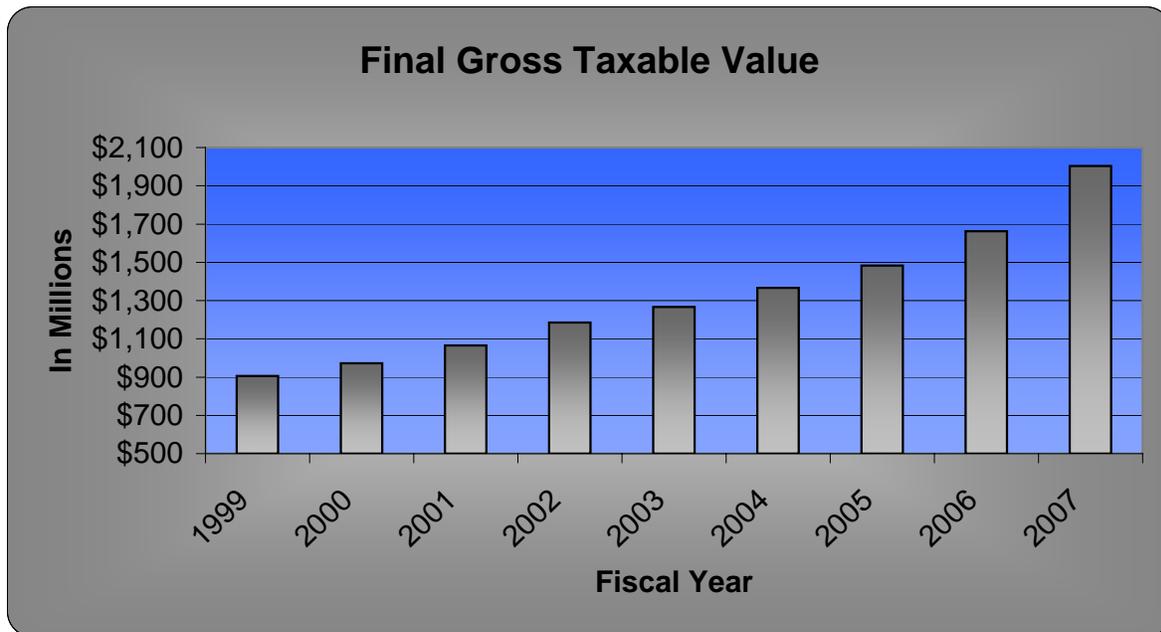
Ad Valorem Taxes

Ad valorem taxes represent the largest single revenue source to the City. For fiscal year 2008 the ad valorem revenue budget accounts for 32% of the total budgeted revenue for the General Fund. The amount of ad valorem revenue generated is a function of the gross final taxable value as established by the Seminole County Property Appraiser and the millage rate (per thousand dollars of property valuation) established by the City Commission. The following graph shows the final gross taxable value (DR-422) for the last ten fiscal years. Please note that the valuation identified for fiscal year 2008 is not the final valuation but rather the preliminary valuation as submitted by the Property Appraiser on the DR-420.

Fiscal Year	Tax Year	Final Gross Taxable Value from DR-422	Percentage Increase
1998	1997	\$854,119,200	6.9%
1999	1998	\$906,032,833	6.1%
2000	1999	\$972,980,638	7.4%
2001	2000	\$1,065,390,346	9.5%
2002	2001	\$1,184,740,270	11.2%
2003	2002	\$1,266,969,110	6.9%
2004	2003	\$1,365,985,321	7.8%
2005	2004	\$1,483,116,250	8.6%
2006	2005	\$1,661,073,712	12.0%
2007	2006	\$2,003,805,968	20.6%

From Property Appraiser **DR-420:**

2008	2007	\$2,221,298,940	10.9%
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Ad Valorem Taxes (cont'd)

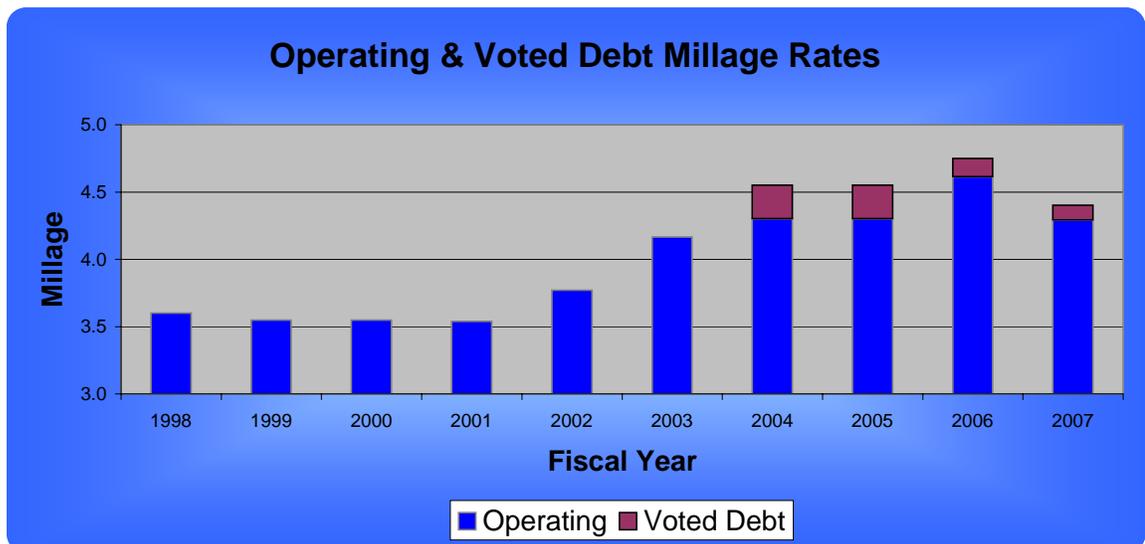
Florida Statute 200.065 - Truth in Millage Bill (TRIM):

This statute went into effect with fiscal year 1982. This law will only allow a taxing authority to receive the same dollar amount of property tax in each subsequent year without advertising a tax increase. If property values increase, exclusive of new construction, the taxing authority is required to reduce, or roll back, the millage rate in order to receive the same tax dollars as the previous year. Any millage in excess of the rolled-back millage is considered a tax increase and must be publicly advertised. Additionally, any tax increase must be publicly announced at two public hearings prior to the budget adoption.

House Bill 1B was passed by the Legislature on June 14, 2007 and signed into law on June 21, 2007. A key provision of this legislation provides for maximum millage rates defined as the maximum millage that may be levied with a simple majority vote. In fiscal year 2007-2008, the maximum millage for the City of Winter Springs is 91% applied to the rolled-back rate. This percentage is based on the compound annual growth in per capita property taxes from fiscal year 2001-2002 to 2006-2007. House Bill 1B allows for millage rates higher than the maximum millage rate by meeting other voting requirements. A two-third's vote will allow an operating millage rate up to the rolled-back rate and a unanimous vote will allow an operating millage rate up to the current year's operating millage rate. *Florida Statutes 200.185 and 200.186*

The following chart shows the millage history, both operating and voted debt, for the City of Winter Springs for the last ten fiscal years. The millage rates for the upcoming fiscal year were unanimously adopted and are indicated in the highlighted area. The significant reduction will be offset by fire assessment fees.

		Millage Rate		
Fiscal Year	Tax Year	Operating	Voted Debt	Total Millage
1998	1997	3.6000		3.6000
1999	1998	3.5495		3.5495
2000	1999	3.5495		3.5495
2001	2000	3.5400		3.5400
2002	2001	3.7708		3.7708
2003	2002	4.1658		4.1658
2004	2003	4.3000	0.2500	4.5500
2005	2004	4.3000	0.2500	4.5500
2006	2005	4.6126	0.1374	4.7500
2007	2006	4.2919	0.1100	4.4019
2008	2007	3.2496	0.1022	3.3518



General Fund Transfers In

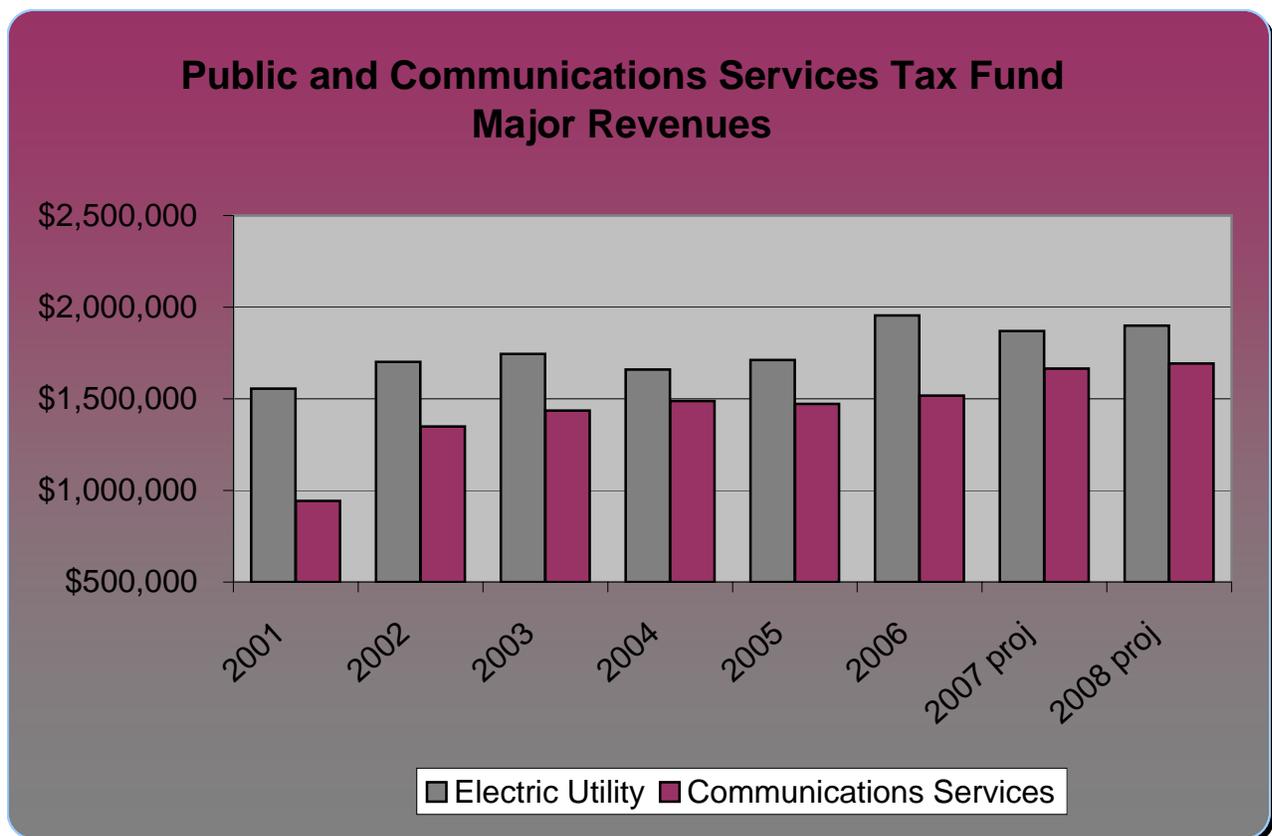
The General Fund receives a number of transfers from other funds which are both recurring and non-recurring in nature. The primary examples of *non-recurring* transfers relate to short-lived special projects such as records imaging and KIVA initiatives as well as transfers associated with grant activity.

Many of the *recurring* transfers are the result of centralized costs being allocated to the funds to which those costs relate. Examples include Utility Billing (1360), City Hall Operator (1915), and recurring KIVA initiatives (1343) to name a few. With the onset of fiscal year 2007-2008 the General Fund will begin receiving a transfer for a significant portion of the Fire department expenses. The revenue stream results from a new fire assessment fee which is accounted for in fund #145. Two transfers coming from the Public and Communication Service Tax Fund and the Electric Franchise Fee Fund are expected to comprise a significant percentage of the General Fund revenues, approximately 16% and 6%, respectively. These funds have dedicated revenue streams which have been obligated to pay the annual debt service for the 2003 Debt Service Fund (206) and the 1999 Debt Service Fund (215). After the debt service has been satisfied remaining fund balances are transferred to the General Fund.

Public and Communications Services Tax Fund

[Utility taxes – Sections 1-2, Art. VIII State Constitution, Municipal Ordinances 751, 2001-42, 2005-13; Comm Svc. - Sections 202.19(1), F.S]

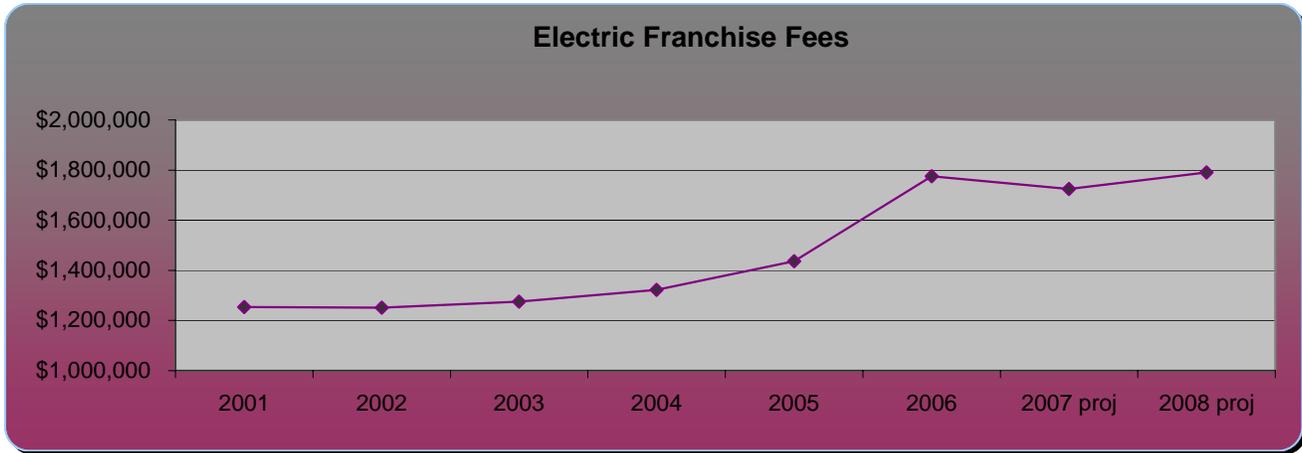
This fund collects utility taxes on electric, water, gas and communication service. The electric utility and communication service taxes make up approximately 90% of the PCST fund revenues. The Florida Legislative Committee on Intergovernmental Relations (LCIR) provides projections for the communications services tax which has been utilized in the upcoming fiscal year budget. Remaining fund revenues were projected using a weighted average trend analysis. The following chart reflects six years of historicals for these major revenue sources.



Electric Franchise Fee Fund

[Home Rule Authority - Sections 1-2, Art. VIII, State Constitution]

There is only one revenue stream for this fund – electric franchise fees from Progress Energy. The following chart reflects six years of historicals for this revenue source. The current and upcoming fiscal years' projections are based on a weighted-average trend analysis.



Other Funds Receiving Significant Transfers

The following list represents other funds expected to receive significant transfers during the upcoming fiscal year along with the anticipated amount and reason for transfer:

Fund	Amount	Reason for Transfer
Storm Reserve Fund (#114)	\$137,796	From Solidwaste/Recycling special revenue fund for future emergency storm clean-up
2003 Debt Service Fund (#206)	\$880,000	From PCST and EFFF Funds (50/50) for debt service requirements related to the series 2003 Improvement Refunding Revenue Bonds
1999 Debt Service Fund (#215)	\$130,400	From PCST and EFFF Funds (50/50) for debt service requirements related to the series 1999 Improvement Refunding Revenue Bonds
2004 Capital Project DS Fund (#230)	\$60,000	From General Fund for debt service requirements related to the line of credit draw (\$750,000) for the Senior Center Therapy Pool Expansion
Utility/Public Works Facility C.P. Fund (#311)	\$550,000	From Stormwater (\$150,000), Transportation Improvement (\$100,000) and Water & Sewer (\$300,000) Funds for construction costs related to the Utility/PW Facility
Trotwood Improvements C.P. Fund (#315)	\$232,700	From the Parks Impact Fee Fund for Trotwood Improvements - this transfer leverages a \$200,000 FRDAP grant
W&S - Renewal & Replacement Fund (#401-3610)	\$387,500	From W&S - Operating (401-3600) for the cost of extensions, enlargements, additions to, or replacement of capital assets of the system and emergency repairs. Per the bond covenants this fund balance must be at least 5% of preceeding year's gross revenues.
Stormwater Fund (#430)	\$75,801	From W&S and General Fund for their portion of Stormwater-Engineering costs (#3810), 20% and 10%, respectively

Major Inter-Governmental Revenues

State-Shared Revenues

There are a number of taxes imposed by the State and shared with counties, municipalities and school districts. Based on eligibility requirements the state allocates a portion of state-collected taxes to specified local governments. Two of the state-shared revenues provide a significant percentage of total fund revenues for the General Fund namely, Municipal Revenue Sharing and the Local Government Half-Cent Sales Tax.

Municipal Revenue Sharing Program

[Sections 206.605(1), 206.879(1), 212.20(6), and 218.20-.26, Florida Statutes]

In order to ensure a certain level of parity across local government units the Florida Revenue Sharing Act of 1972 was enacted. Typically, legislation is passed each year that could potentially impact the amount of sales tax revenues available for distribution to municipal governments. Florida's Legislative Committee on Intergovernmental Relations (LCIR) provides projections which are the basis for the budget. During fiscal year 2008 it is expected that this revenue will contribute approximately 5% of total General Fund revenues.

Local Government Half-Cent Sales Tax Program

[Sections 212.20(6) and 218.60-.66, Florida Statutes]

This program which was authorized in 1982 is the largest revenue generator among the state-shared revenue sources. The program's primary purpose is to provide funding for local programs while offering relief from ad valorem and utility taxes. Distribution is based on allocation formulas; projections for the upcoming fiscal year come from LCIR. During fiscal year 2008 it is expected that this revenue will contribute approximately 12% of total General Fund revenues.

Local Discretionary Sales Surtax

[Sections 212.054-.055, Florida Statutes]

There are seven types of local discretionary sales surtaxes currently authorized for county and municipal government revenue sources. This surtax is also referred to as local option sales taxes. The Road Improvements Fund (#115) receives the Local Government Infrastructure Surtax - Section 212.055(2), Florida Statutes. This 1% surtax became effective in Seminole County on January 1, 2002 and will expire on December 31, 2011. Based on the anticipated completion of eligible projects during fiscal year 2008 it is expected that this revenue stream will contribute approximately 99% of this fund's revenues.

Charges for Services

[Utility Fees – Home Rule Authority Sections 1-2, Art. VIII, State Constitution]

The Water and Sewer Utility Fund and the Stormwater Funds are enterprise funds whose primary revenue streams consist of Charges for Service with a customer base of approximately 12,500. The Solid Waste fund is a special revenue fund established to account for fees for solid waste and recycling services performed by contract vendors for the benefit of approximately 11,500 customers. The following chart indicates the current charges for these services:

Water	(3/4" meter)	Reclaimed	Irrigation Meters	Sewer ¹
Base facility charge	\$4.39	\$3.55	n/a	\$8.09
Base facility charge - non-metered	n/a	\$8.55	n/a	n/a
Consumption rates per gallon:				
0 - 5,000	\$1.11	\$0.25	\$1.53	\$3.16
5,000 - 10,000	\$1.11	\$0.25	\$1.82	\$3.16
10,001 to 15,000	\$1.53	\$0.25	\$2.13	n/a
15,001 - 20,000	\$1.82	\$0.25	\$2.44	n/a
20,001 - 25,000	\$2.13	\$0.50	\$3.04	n/a
25,001 - 30,000	\$2.44	\$0.50	\$3.04	n/a
30,001 and over	\$3.04	\$0.50	\$3.04	n/a

1- Sewer is only charged on the first 10,000 gallons

Stormwater - \$5.50/month and per Equivalent Residential Unit (ERU)

Solid Waste (garbage and recycling) - \$18.10/month
Additional cart rate - \$10.55/month

Fire Assessment Fee

[Home Rule Authority, Sections 1-2, Art. VIII, State Constitution, Chapter 170, F.S. (2007)]

For the fiscal year 2007-2008, the City Commission unanimously voted to institute a Fire Assessment Fee. This new fire assessment fee, in concert with the reduction in millage, will make it possible for the city to satisfy the intent of the new legislation to reduce property taxes while at the same time making it possible to carry out the wishes of the residents to maintain city service levels. For a brief discussion regarding the new legislation see page A22. It should be noted that it was the intent of the Commission to reduce the ad valorem levy by an amount approximately equivalent to the estimated, newly-generated fire assessment fee.