

## City Manager's Message

I am pleased to present the final balanced budget for fiscal period 2008-2009 as adopted by the City Commission on September 22, 2008. The priorities which guided the adoption of the budget replicate prior-year priorities as follows:

- ❖ To maintain current service levels in the face of declining revenues
- ❖ To continue implementation of our capital improvement program
- ❖ To implement the retirement plan improvement program
- ❖ To maintain strong reserves
- ❖ To comply with established budget policies

The effects of the radical tax reduction measures adopted by the Legislature were felt this budget cycle as January 2008 saw the passing of Constitutional Amendment One (CA One). This resulted in significant revisions to the State Constitution as follows: a doubling of the Homestead Exemption from \$25,000 to \$50,000; allowance of up to \$500,000 of accumulated Save-Our-Homes exemption that could be transferred to another property (*portability*); a new exemption for the first \$25,000 of assessed value for *tangible personal property*; and a 10% cap per year on the increase of the assessed value of a non-homestead property. The result of this and other economic factors was a 9% decline in the gross taxable value of property for Winter Springs.

Additionally, these tax-cutting initiatives have, in effect, placed price controls on local government at a time when unprecedented cost increases in everything we need to sustain our services are being passed on to us. Restructuring of operations and cost-reducing measures have been incorporated into this budget wherever possible.

In addition to the adverse legislative effects on ad valorem revenue, large reductions to intergovernmental revenues are also anticipated. The Legislative Committee on Intergovernmental Relations provided 2009 projections for municipal revenue sharing and half-cent sales tax estimates which are significantly below the previous year.

In fiscal year 2008, fire services were funded from ad valorem revenues, a newly instituted fire assessment fee, and General Fund reserves. Consistent with prior Commission action, fire assessments will not be levied in fiscal year 2009 and are not included in this budget. After much research and dialogue, the City Commission voted to consolidate the City's Fire Department with Seminole County (effective October 2, 2008). Consequently, the budget represented herein reflects a fire department budget sufficient to cover one full day of normal operating expenses as well as a slight amount of one-time transitional expenses.

This adopted budget is the culmination of effort from elected officials, City staff, and participating citizens in addressing the challenge of maintaining service levels in the face of revenue declines and rising costs. The following section presents an overview of all revenues and expenditures as adopted by the City Commission in the fiscal year (FY) 2009 Budget along with brief discussion regarding the major differences with the previous fiscal year budget.

## **Budget Structure**

The General Fund has been organized to provide for a Designated Operating Reserve which would include the 90-day, 25% operating reserve for recurring expenditures (\$4.28 million) and a Designated Special Projects Reserve (\$4.37 million) for approved non-recurring expenditures. The purpose of these two designations is to provide an accurate and undistorted presentation of the public purpose of General Fund reserves. As opposed to the characterization of fund reserves portrayed by the governor and some legislators as the unnecessary hoarding of taxpayer money, these designations will establish the public purpose of these fund reserves.

All reserves other than those required to satisfy the 90-day, 25% operating reserve would be available for Designated Special Projects. As proposed, the Commission would have the final authority and discretion to utilize these funds for non-recurring project priorities such as weather emergencies or to leverage projects with other sources of funds such as governmental grants, impact fees or bond proceeds.

## **Budgetary Items Eliminated from Consideration**

The following budgetary items were eliminated from consideration:

Community Events	\$ 222,000
Cody Study Range Adjustments	30,000
Road Repaving	1,200,000
Risk Management Coordinator	65,000
Planner	70,000
Police Officers (2)	212,000
Budget Analyst	70,000
Televise Commission Meetings	150,000
Workforce Housing	<u>2,000,000</u>
Total	\$ 4,019,000

## **Overall Budget Revenues**

As shown below, based upon a millage levy of 2.4714 mills, total revenues and *transfers in* will decrease by 18.1% from the original fiscal year 2008 budget. Total revenues, exclusive of \$9,618,681 in *transfers in*, are \$35,978,849. Total revenues, *transfers in*, and appropriations from fund balances will decrease from the 2008 original budget by 14.7% as follows:

<u>Funds</u>	<u>FY 08 Original Budget</u>	<u>FY 09 Final Budget</u>	<u>Change</u>
General	\$21,982,901	\$17,532,487	(20.2%)
Other Governmental	\$21,853,542	\$17,548,105	(19.7%)
Enterprise	<u>\$11,857,832</u>	<u>\$10,516,938</u>	<u>(11.3%)</u>
Sub-Total (inclusive of transfers)	\$55,694,275	\$45,597,530	(18.1%)
Appropriation from Fund Balances	<u>\$5,007,428</u>	<u>\$6,139,771</u>	22.6%
Total Revenues (inclusive of transfers)	<u>\$60,701,703</u>	<u>\$51,737,301</u>	<u>(14.7%)</u>

## Overall Budget Expenditures

As shown below, total expenditures and *transfers out* for the fiscal year 2008 Budget will decrease from the original fiscal year 2008 budget by 14.1%. Total expenditures, exclusive of \$9,618,681 in *transfers out*, are \$40,691,924. Total expenditures, *transfers out* and appropriations to fund balances will decrease by 14.7% as follows:

	FY 08 Original Budget	FY 09 Final Budget	Change
General Fund	\$21,652,406	\$17,460,292	(19.4%)
Other Governmental Funds	\$23,388,703	\$20,016,769	(14.4%)
Enterprise Funds	<u>\$13,498,969</u>	<u>\$12,833,544</u>	<u>(4.9%)</u>
Sub-Total (inclusive of transfers)	\$58,540,078	\$50,310,605	(14.1%)
Appropriation to Fund Balances	<u>\$2,161,625</u>	<u>\$1,426,696</u>	(3.4%)
Total Expenditures (inclusive of transfers)	<u>\$60,701,703</u>	<u>\$51,737,301</u>	<u>(14.7%)</u>

## Overall Change in Financial Position

When compared to the fiscal year 2008 **projected** year-end fund balance/fund equity, the 2009 projected year-end fund balance in the General Fund is anticipated to increase, while aggregate fund balance/fund equity in the Other Governmental Funds and Enterprise Funds is anticipated to decrease.

	FY 08 Projected Year-Ending Fund Balance	FY 09 Projected Year-Ending Fund Balance	Change
General Fund	\$8,575,828	\$8,648,023	\$72,195
Other Governmental Funds	\$11,520,728	\$9,052,064	(\$2,468,664)
Enterprise Funds (fund equity)	<u>\$10,122,351</u>	<u>\$7,805,745</u>	<u>(\$2,316,606)</u>
Total	\$30,218,907	\$25,505,832	(\$4,713,075)

Decreases in the fund balances of the Other Governmental Funds relate primarily to large expenditures in capital improvements and do not represent issues with the financial viability of the funds. The decrease of fund equity in the Enterprise Funds is primarily due to the Water and Sewer Fund which has been experiencing flat to declining revenues due to poor housing starts. A rate study was done in fiscal year 2008 and implementation of a rate increase is being considered for the second quarter of the fiscal year.

## Revenue Highlights

Total budgeted revenues exclusive of *transfers in* will decrease by \$7,266,754 as shown below:

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$43,245,603	\$35,978,849	(\$7,266,754) (7.6%)

The following sets forth a summary discussion of the above-referenced net decrease.

Ad Valorem (see also pages 25-26)

The total operating millage required to balance the budget is 2.4714 mills which represents a decrease of .7782 mills from fiscal year 2008. A significant millage reduction was made certain with the decision to consolidate the Fire Department with Seminole County. Seminole County's fire MSTU (Municipal Services Taxing Unit) for fiscal year 2009 is 2.3299 mills. Please note that in the previous year the millage rate was reduced by 25% in anticipation of the fire assessment fee.

The gross taxable value of \$2,019,574,380 served as the basis for the 2009 ad valorem projections. The following data was provided by the Seminole County Property Appraiser via the DR-420.

Prior Existing Property	\$1,984,610,518	98.27%
Annexations & New Construction	<u>\$36,156,242</u>	<u>1.73%</u>
Total	\$2,019,574,380	100.00%

The break-down of total millage rates compared to last year's budget is as follows:

	<u>FY 08</u>	<u>FY 09</u>	<u>Change</u>
Non-Voted	3.2496	2.4714	(.7782)
Voted	<u>0.1022</u>	<u>0.1100</u>	<u>.0078</u>
Total	3.3518	2.5814	(.7704)

The adopted operating millage rate of 2.4714 mills is 32.31% less than the rolled-back rate of 3.6512 mills based on the preliminary taxable values reflected in the DR-420. The decrease in anticipated ad valorem revenue (operating/non-voted) from fiscal year 08 is \$2,138,071 which represents a 30.85% reduction. This decrease is due to the reduced millage as a result of the fire consolidation. This decrease would have been significantly greater had 2008 not seen a 25% millage rate reduction in anticipation of the first year partial fire assessment fee. Historically, the City's final taxable value has increased an average of 10% in the last 10 years. However, this year, the reported preliminary gross taxable value decreased by 9%. Given the taxable property values and the established operating millage rate of 2.4714 mills the budgeted ad valorem comparison follows.

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$6,929,600	\$4,791,529	(\$2,138,071) (30.85%)

Fire Assessment (see also page 30)

In fiscal year 2008, it was the Commission's intent to implement a new fire assessment fee to fund a portion of the Fire Department budget based on a more equitable cost distribution. The new fire assessment fee was anticipated to generate approximately \$2,375,000 in revenue in fiscal year 2008, which would have funded approximately 50% of the total Fire Department's General Fund budget. In the end, the 2008 fire assessment fee was reduced which resulted in approximately one million dollars of the Fire Department budget being funded from General Fund reserves.

As previously mentioned the Commission curtailed the fire assessment fee and subsequently voted to consolidate the Fire Department with Seminole County. The fire assessment revenue indicated in fiscal year 2009 represents delinquent 2008 fire fee assessments.

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$2,375,000	\$283,721	(\$2,091,279) (88.1%)

Charges for Service (see also page 30)

These revenues are expected to decrease \$790,533 or 23% as follows:

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$12,675,879	\$11,885,346	(\$790,533) (23%)

Budgeted Charges for Service are budgeted to decrease in Medical Transport and Water and Sewer Funds by approximately \$400,000 and \$420,000, respectively. Obviously, the Medical Transport declines are attributable to the consolidation. Additionally, in the Water and Sewer Utility, 2008 connection fees were budgeted much greater than those of 2009. The 2009 budget reflects the reality of the down-turned economy especially in the area of housing starts. A rate study was initiated during fiscal year 2008. If warranted, rate implementation would likely occur during the second quarter of 2009 fiscal year. The General Fund Charges for Service will actually be increasing by approximately \$90,000. This is primarily due to newly-generated or newly-increased recreation charges; specifically, the new Senior Center Therapy Pool and the Splash Playgrounds.

State Revenues (see also page 29)

Ninety nine percent (98.7%) of the projected State revenues for fiscal year 2009 are comprised of Municipal Revenue Sharing and Local Government Half-cent Sales Tax which have been provided by the Legislative Committee on Intergovernmental Relations (LCIR). Total recurring revenues from the State (exclusive of grants) are expected to decrease \$462,517 or 12.3% as follows:

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$3,754,162	\$3,291,645	(\$462,517) (12.3%)

Other Inter-Governmental (see also page 29)

Other intergovernmental revenues are decreasing by \$558,946. An approximate \$900,000 decrease lies with the timing of the one-cent sales tax as provided by the Local Government Infrastructure Surtax. The 2008 budgeted reimbursement of eligible expenditures was \$4.1 million versus \$3.2 million in 2009. Additionally, in 2008 a grant was budgeted in the amount of \$135,743 for hazard mitigation related to the Fire Stations and Senior Center. Conversely, there is a \$360,000 interlocal agreement with Seminole County for sidewalk construction that has been programmed into the 2009 budget.

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$5,254,016	\$4,695,070	(\$558,946) (10.6%)

Utility Taxes and Franchise Fees (see also pages 27-28)

These revenues are expected to increase slightly by \$33,786 or .6% as follows:

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$5,959,714	\$5,993,500	\$33,786 .6%

Impact Fees

These revenues have been budgeted to decrease by \$549,800 or 30.4% as follows:

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$1,806,700	\$1,256,900	(\$549,800) (30.4%)

Due to the current economic environment, projections for this revenue stream are difficult to ascertain. As a result of slow construction starts in 2007, it had been anticipated that 2008 would see a resurgence in construction including 300 new residential units. This did not materialize. In light of present unpredictability, only one impact fee fund (Parks) has an expenditure budget greater than its beginning fund balance. The Park Impact Fee Fund has budgeted expenditures of \$50,000 and a budgeted beginning fund balance of \$14,152. Design costs for the potential Central Winds Expansion project will require reevaluation if the 2009 impact fees are insufficient to initial costs of design and feasibility. An impact fee study is underway and will be brought to the Commission for consideration in fiscal year 2009.

Licenses and Permits

These revenues are expected to decrease by \$487,100 or 26.9% as follows:

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$1,806,700	\$1,319,600	(\$487,100) (26.9%)

As mentioned above, 2008 construction expectations went unrealized which resulted in the previous year's original budget being over-stated. The more conservative 2009 license and

permit fees in the Development Services fund are approximately \$450,000 below the previous year.

Other Sources

Funds from other sources (interest, miscellaneous, fines and forfeitures) are budgeted to have a 5.8% decrease. The interest rate assumption was decreased from 4% to 1.5% resulting in an approximate \$375,000 revenue decline. As an offset to that decline, Fines and Forfeitures are showing a \$312,250 increase due to the decision to implement a new intersection safety program. Although our estimates are below those provided by the vendor and the experience of other cities the actual amount of revenue will not be known until the system is operational for several months. The \$750,000 in loan proceeds secured for the Senior Center expansion fund during 2008 was not included in the original budget. Therefore, it does not account for any of the change indicated below.

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$2,386,596	\$2,248,271	(\$138,325) (5.8%)

Expenditure Highlights

All departments were asked to trim budgets as much as possible while maintaining current service levels. The following General Fund chart shows the change by Department from the 2008 Original Budget.

<u>General Fund Departments</u>	<u>Over/(Under) FY 2008 Original Budget</u>	
Executive	\$36,078	5.0%
General Government	\$181,495	33.7%
Finance (absorbed Fire employee*)	\$48,317	4.2%
General Services	(\$200,904)	(16.4%)
Information Services	\$30,639	2.8%
Public Works	\$7,856	.6%
Community Development	\$58,062	3.3%
Police*	\$497,817	7.5%
Fire	(\$4,704,483)	(99.7%)
Parks and Recreation	(\$146,991)	(5.8%)

\*Of the 2 administrative positions from the Fire Department, 1 position was transferred to Utility Billing as a Data Entry Clerk and the other employee will fill an existing vacancy in the Police Department.

A city-wide look at total budgeted expenditures exclusive of *transfers out* reveals a decrease of \$5,399,482 as shown below:

<u>Original FY 08</u>	<u>FY 09</u>	<u>Change</u>
\$46,091,406	\$40,691,924	(\$5,399,482) (11.7%)

The following sets forth a summary discussion of the above-referenced decrease.

Personnel (see pages 31-32)

Personnel costs include salaries, FICA, health and life insurance, worker's compensation, and pension. In fiscal year 2009, \$14,789,695 is budgeted for personnel costs (inclusive of \$255,000 in General Government – see note on page 106) and represents a 20% decrease from the Original 2008 budget. Since the Fire Department was included in the 2008 Budget and virtually removed from the 2009 Budget, the chart below also shows the 2008 and 2009 personnel budgets *exclusive* of the Fire Department. For a more relevant comparison, the percentage change is based on this revised perspective.

	FY 08 Original Budget	FY 08 Budget <i>less Fire</i>	FY 09 Budget <i>less Fire</i>	Change
General	\$14,926,998	\$11,014,735	\$11,716,168	6.4%
Other Governmental	\$86,864	\$0	\$0	0%
Enterprise	<u>\$3,479,060</u>	<u>\$3,479,060</u>	<u>\$3,314,643</u>	<u>(4.7%)</u>
Total	\$18,492,922	\$14,493,795	\$15,030,811	3.7%

New Request – Salaries

The FY 2009 Budget has provided up to 3% for regular merit increases. Although adjustments were not made for the compensation study, at the final public hearing (9/22/08) the Commission voted to extend a 3% across-the-board increase to take effect October 2, 2008.

Elimination of the Fire Department reduced the General Fund personnel count by 51 and the Medical Transport count by 1. This included 51 firefighters and 1 administrative position. Although there were 2 administrative positions, 1 position was transferred to Utility Billing as a Data Entry Clerk and the other employee will fill an existing vacancy in the Police Department.

Parks and Recreation outsourced the maintenance of neighborhood parks which will eventually result in a decrease of 4 FTEs. This year that will only be a 3.5 FTE decrease since one employee who will be retiring at mid-year will not be replaced due to the decision to outsource this service. The advent of the second splash playground will result in a 1.33 FTE increase for monitoring while the Sports Monitor position has been eliminated. Considering payroll, operating and capital budgets, the decision to outsource is estimated to save approximately \$90,000 from the 2009 budget.

Development Services has drastically streamlined its personnel budget. Two Plans Examiner positions have been eliminated, both of which have been vacant for some time. Two Permit Specialist positions have been eliminated, one of which was a vacancy created by an employee retirement. Lastly, the Zoning and Permit Coordinator position has been eliminated. It was the decision of the Department Director to 'tighten the team' especially until such time as the construction industry rebounds.

<u>Fund</u>	<u>Department</u>	<u>2009 FTE Change *</u>
General Fund:		
Firefighter	Fire	(50)
Administrative	Fire	(2)
Data Entry Clerk	Finance	1
Maintenance Worker	Recreation	(3.5)
Splash Playground Monitor	Recreation	1.33
Sports Monitor	Recreation	(.37)
Medical Transport:		
Firefighter	Fire	(1)
Development Services:		
Plans Examiner	Dev Svc	(2)
Permit Specialist	Dev Svc	(2)
Zoning & Permit Coordinator	Dev Svc	(1)

\* The 2009 FTE change is off by .02 due to rounding issues with this calculation

Unfortunately, revenue constraints did not make it possible to fund the additional Planner position requested by Community Development. A number of positions were eliminated from consideration, but the following positions (in terms of FTEs) have been funded for fiscal year 2009:

Full Time	233.5 (1 FTE employed for half-year)
Part Time	16.32

### New Request – Pension

State statutes require the City to maintain the financial integrity of its pension plan. Although the City has maintained one of the most fiscally sound pension plans in the State, unusually large reductions in investment earnings have reduced the asset value of the pension plan below normal previous projections. The budget provides for an increase of 1.5% of payroll to cover significant market losses experienced in the pension fund during fiscal year 2008. Studies underway will provide more definitive information regarding strategies that may or may not be needed to address this down-cycle in earnings. Based upon the funding schedule approved by the Commission, the following sets forth the 2009 allocation as compared to previous years:

	<u>City</u>	<u>Employee</u>	<u>Total</u>
FY 05	9.5%	3.0%	12.5%
FY 06	11.0%	3.0%	14.0%
FY 07 (implemented 30-year-with-disability retirement benefit)	13.0%	3.0%	16.0%
FY 08	13.5%	3.0%	16.5%
FY 09	15.0%	3.0%	18.0%

In 2004, the Commission voted to incrementally increase the City's pension percentage in order to fund an increase in the retirement benefit multiplier from 2.5% to 3% for those employed prior to the effective date of the 3% multiplier. Fiscal years 2006 through 2009 reflect that previously determined funding schedule.

## Health Insurance

Aetna remained as the health insurance provider for fiscal year 2009. Health insurance premiums increased by approximately 15%. The City continues to subsidize approximately 28% of dependent coverage. Employees who opt out of the health plan receive \$1,200 annually in consideration of the realized savings to the City.

## Operating

In fiscal year 2009, budgeted operating costs exclusive of *transfers out* is \$14,811,764 (exclusive of \$255,000 in General Government – see note on page 106) and represents an overall 6.8% decrease in operating expenses when compared to the fiscal year 2008 Original budget. Since the Fire Department was included in the 2008 Budget and virtually removed from the 2009 Budget, the chart below also shows the 2008 and 2009 operating budgets *exclusive* of the Fire Department. For a more relevant comparison, the percentage change is based on this revised perspective. Even removing the Fire Department budgets from the equation, the operating costs *in total* decreased in every category of funds.

	FY 08 Original Budget	FY 08 Budget <i>less Fire</i>	FY 09 Budget <i>less Fire</i>	Change
General	\$5,759,141	\$5,347,611	\$5,291,949	(1.0%)
Other Government	\$5,536,145	\$5,402,632	\$4,738,484	(12.3%)
Enterprise	<u>\$4,875,439</u>	<u>\$4,875,439</u>	<u>\$4,776,331</u>	<u>(2.0%)</u>
Total	\$16,170,725	\$15,625,682	\$14,806,764	(5.2%)

Some of the larger ***increases*** in this category of budgeted expenditures between fiscal year 2008 and 2009 result from the following:

General Fund – contract services for outsourcing of neighborhood parks; utility services including streetlighting; fuel; legal costs in general; lot clearing; painting/sealing Police headquarters. Additionally, more detail related to *new* expenditure requests as well as comparison to last year's budget can be found on pages 41-46 and 172-181.

Other Governmental Funds – increased principal payment (Fund #206); Police education (Funds #103,108). Note - the City's solid waste hauler has petitioned for a rate adjustment due to significant increases in fuel costs experienced during fiscal year 2008. Additionally, more detail related to *new* expenditure requests can be found on page 47.

Enterprise Funds – utility services, sludge disposal, fuel, chlorine (W&S); contract services with Seminole County for plans review (Development Services). Additionally, more detail related to *new* expenditure requests can be found on page 48.

Some of the larger ***decreases*** in this category of budgeted expenditures between fiscal year 2008 and 2009 result from the following:

General Fund – elimination of code enforcement court; greater risk management costs in 2008; reduced CRA (Community Redevelopment Area) cost as a result of our significant millage reduction. Additionally, more comparative detail can be found on pages 172-181.

Other Governmental Funds – no budgeted payments to Federal, State, and/or contractor for previous hurricane assistance (Fund #109) as in 2008; no budgeted grant expenditures in Arbor fund as in 2008.

Enterprise Funds – technical contract services (Development Services).

Interim Debt (see pages 33-36)

*Current Line of Credit Loans* - The fiscal year 2009 budget includes budgeted debt service payments of \$80,000 on the \$750,000 draw on the line of credit for the Senior Center Expansion. Until such time as Park Impact fees are sufficient, the General Fund will be funding the debt service payments. This debt was approved by the Commission in fiscal year 2007; however, the actual draw did not occur until late in fiscal year 2008.

*City Hall Expansion* - No funds are appropriated in the fiscal year 2009 Preliminary Budget for this project. However, the Commission could chose to utilize the newly-created Designated Special Projects Fund Balance Reserve to leverage other revenue sources for this purpose. Public Facilities Impact Fees are not expected to grow sufficiently over the next five years to fund the project. Additionally, due to the unprecedented increase in cost they may never be sufficient to pay off the project in full. The latest estimate for this project is approximately two million dollars.

Capital (see pages 37-40)

Capital outlay includes land and improvements to land, building, machinery, and equipment in excess of \$1,000. The 2009 budget includes capital expenditures (exclusive of the capital lease) that are 1.8% less than last year’s original budget. The Designated Special Project Reserves of \$4,366,191 exist for any capital projects that would receive Commission approval during fiscal year 2009. Most of this capital budget occurs in the Road Improvement Fund, the 1999 Construction Fund, the Utility/PW Facility Capital Project Fund and the Water and Sewer Fund. Since the Fire Department was included in the 2008 Budget, the chart below shows the 2008 capital budgets *exclusive* of the Fire Department. None of the fiscal year 2009 capital budget relates to the Fire Department. For a more relevant comparison, the percentage change is based on this revised perspective.

	FY 08 Original <u>Budget</u>	FY 08 Budget <u>less Fire</u>	FY 09 <u>Budget</u>	<u>Change</u>
General	\$735,055	\$340,835	\$211,450	(37.9%)
Other Government	\$8,438,483	\$8,438,483	\$8,301,447	(1.6%)
Enterprise	<u>\$2,132,707</u>	<u>\$2,132,707</u>	<u>\$2,201,054</u>	<u>3.2%</u>
Total	\$11,306,245	\$10,912,025	\$10,713,951	(1.8%)

Budgeted capital outlays (exclusive of capital lease) for fiscal year 2009 have been summarized below. A detailed list can be found on pages 38-40. It should be noted that these capital projects will not adversely affect the City’s current or future operating budgets nor the line of services funded in current and future operating budgets. As mentioned previously, in excess of four million dollars has been established in the General Fund budget for capital projects as yet undesignated.

	<u>General</u>	<u>Other Gov'tal</u>	<u>Enterprise</u>
Plants and Mains			\$380,166
Improvements		\$38,845	
Equipment	\$100,700	\$8,700	\$103,550
Vehicles			\$48,000
Data Processing Equip	\$13,000	\$7,877	\$14,300
Furniture/Office Equip		\$7,230	
Machinery		\$14,000	\$64,000
Construction in Progress	<u>\$97,750</u>	<u>\$8,224,795</u>	<u>\$1,591,038</u>
Total	\$211,450	\$8,301,447	\$2,201,054

### **General Fund Fiscal Policy Test**

Each year the General Fund is tested to determine if the fund is in compliance with three fiscal policies as follows:

- That sufficient recurring revenues exist to pay for all recurring costs, thus avoiding the use of non-recurring revenues and fund balances to fund recurring costs.
- That sufficient recurring and non-recurring revenues are available to fund non-recurring costs.
- That the 25% fund balance policy is being maintained (fund balance equal to or exceeding 25% of personnel and operating costs).

As shown on page 90, all three policies are being satisfied for fiscal year 2009.

With the cooperative efforts of our residents, business leaders, employees and Commissioners we have made steady progress in the last few years. This budget is consistent with the policies and service levels set by current and previous City Commissions. We are confident that this budget provides both financial stability and the efficient delivery of value-added services.

Respectfully Submitted,

*Ronald W. McLemore*

Ronald W. McLemore, City Manager