

The City of Frostproof **2015-2016**

Annual Budget
Adopted September 22, 2015



City Council

.... The Friendly City



September 22, 2015

Honorable Mayor, City Council and Citizens
City of Frostproof
Frostproof, Florida 33843

In accordance with the City Charter, Code of Ordinances and the laws of the State of Florida, we are pleased to present the City of Frostproof's annual operating budget for fiscal year 2015-2016. Copies of the budget are available for public inspection at City Hall, 111 West First Street, Frostproof, Florida 33843.

Budget Overview

The budget totals \$8,772,400; of this amount 55% represents the General Fund and 45% represents the Enterprise Fund. This year's budget was prepared taking into account the following goals:

- The Property Tax Millage Rate of 8.0587 was implemented this year
- A cost of living raise for our employees along with bonuses was included

The Fiscal Year 2015-2016 budget continues to provide and maintain services, as well as address other issues as prioritized by Council.

Ad Valorem Taxes

Total current year taxable value is \$115,962,786, an increase of \$2,165,990. The proposed operating millage rate for fiscal year 2015-2016 is 8.0587 per \$1,000 assessed property value.

General Fund

The General Fund operating expenses total \$2,397,860. This represents an increase of \$62,800 or 2.7%, over budget of fiscal year 2014-2015.

General Fund revenues total \$2,280,670. This represents an increase of \$11,380 or .5% over budgeted revenues of fiscal year 2014-2015.

Enterprise Fund

The Enterprise Fund operating expenses total \$1,236,740. This represents an increase of \$28,920 or 2.4%, over budget of fiscal year 2014-2015.

Enterprise Fund revenues total \$1,723,300. This represents an increase of \$19,300 or 1.1% over budgeted revenues of fiscal year 2014-2015.

Acknowledgements

We would like to thank Council members for their expertise and support in the development of the 2015-2016 Fiscal Year Budget. It is through this financial plan that we address opportunities for sustainability.

Respectfully submitted,


Tenny R. Croley
City Manager


Melody Walsh
Finance Manager

Table of Contents

TAB	PAGE
Letter of Transmittal	i
A. TABLE OF CONTENTS	ii
B. EXECUTIVE SUMMARY	iii
C. CITY INFORMATION	1-5
City Council	1
City Officials	2
Organizational Chart	3
City Fact Sheet	4
Millage Rate Impact Schedule	5
D. SCHEDULE OF DEBT SERVICE	6
E. SUMMARIES	7-9
Budget Summary	7
Summary of Citywide Revenues	8
Summary of Citywide Expenses	9
F. GENERAL FUND REVENUES	10-54
Summary of Revenues	10-11
Ad Valorem Tax	12-13
Franchise and Utility Taxes	14-20
Licenses and Permits	21-23
Intergovernmental Revenues	24-34
Charges for Services	35-42
Fines and Forfeitures	43-45
Investment Income	46-47
Miscellaneous Revenues	48-54
G. GENERAL FUND EXPENSES	55-87
Summary of Expenses by Department	56
General Government	57-67
<i>Legislative</i>	58-59
<i>Executive</i>	60-61
<i>Clerk/Finance</i>	62-63
<i>Legal</i>	64
<i>Comprehensive Planning</i>	65
<i>General Government</i>	66-67
Public Safety	68-70
Fire Department	71-73
Building Department	74-75
Cemetery	76-77
Streets	78-80
Library	81-83
Parks and Recreation	84-85
Historic Preservation	86-87
H. ENTERPRISE FUND REVENUES	88-102
Summary of Revenues	89
Impact Fees	90-92
Franchise and Utility Fees	93
Charges for Services	94-98
Investment Income	99
Miscellaneous Revenues	100-102
I. ENTERPRISE FUND EXPENSES	103-112
Summary of Expenses by Department	104
Solid Waste	105
Wastewater	106-108
Water	109-110
Stormwater	111-112
J. SUPPLEMENTAL INFORMATION	113-121
Frequently Asked Questions	113-115
Glossary	116-121

Executive Summary

This report details the budget of the City of Frostproof for fiscal year beginning October 1, 2015 and ending September 30, 2016. It is the budget recommended for adoption by the Frostproof City Council on Monday, September 29, 2015.

The budget totals \$8,797,400; of this amount 55% represents the General Fund and 45% represents the Enterprise Fund. The budget details projected revenue sources overall and by fund. Historical, rate and distribution revenue data is also provided.

- General Fund Revenues include ad valorem taxes, sales and use taxes, licenses and permits, intergovernmental revenues, charges for services, and miscellaneous revenues.
- Enterprise Fund Revenues include water utility fees, wastewater utility fees, storm water utility fees, and solid waste utility fees.

The budget includes projected expenditures overall, by fund and by department, including:

Legislative	Executive	City Clerk/Finance
Legal	Planning	General
Public Safety	Fire Department	Building
Cemetery	Streets	Library
Solid Waste	Wastewater	Water
Stormwater		

In addition, it provides information about the City, its leadership and organization, and debt service obligations. It also provides information about ad valorem taxes and millage rate schedule.

CITY COUNCIL



*Mayor Ralph Waters, Councilmember Martin Sullivan, Vice Mayor Rodney Cannon,
Councilmember Anne Dickinson, Councilmember Martha Neher*

Vision

The City of Frostproof, known as “The Friendly City”, desires to retain its rural character and historical heritage, encouraging smart growth while maintaining sustainability, providing a friendly, safe and dynamic environment, creating a City where citizens choose to live, raise families and take pride in their community.

Mission

It is the mission of the City of Frostproof to continually strive to improve the quality of life for all citizens by providing a safe enjoyable environment in which to live and work. We are committed to creating an effective municipal team focused on delivering quality services in the most efficient manner, as well as promoting partnerships, volunteerism and civic pride.

CITY OFFICIALS

Tenny Croley
City Manager

Mark Smith
City Attorney

Jennifer Codo-Salisbury
Central Florida Regional Planning Council
City Planner

Steve Dutch
Chastain Skillman, Inc.
City Engineer

Clifton Smith
City of Lake Wales
Building Official

Melody Walsh
Finance Manager

Nicole McDowell
City Clerk

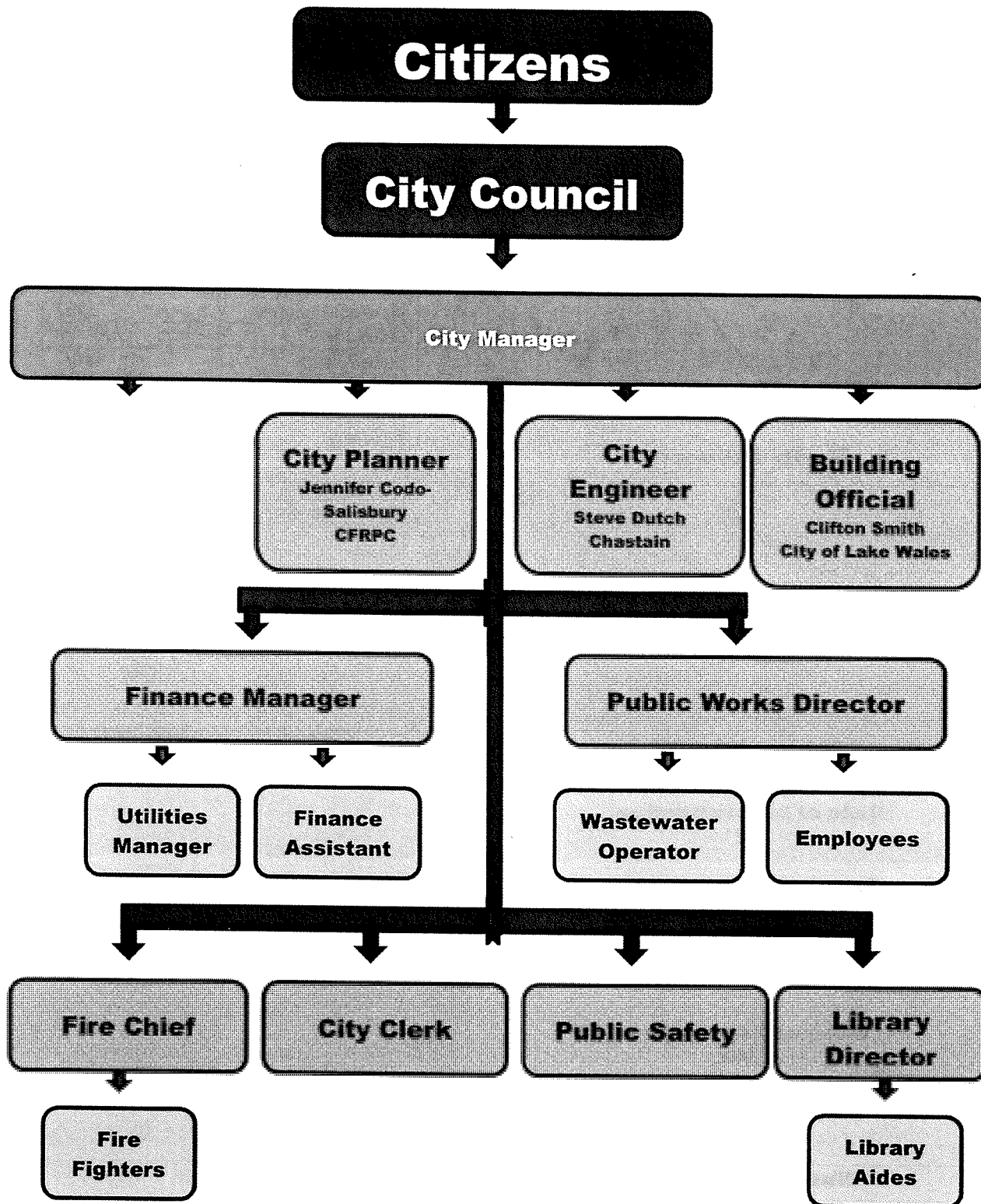
James Keene
Public Works Director

Clifford Cofer
Fire Chief

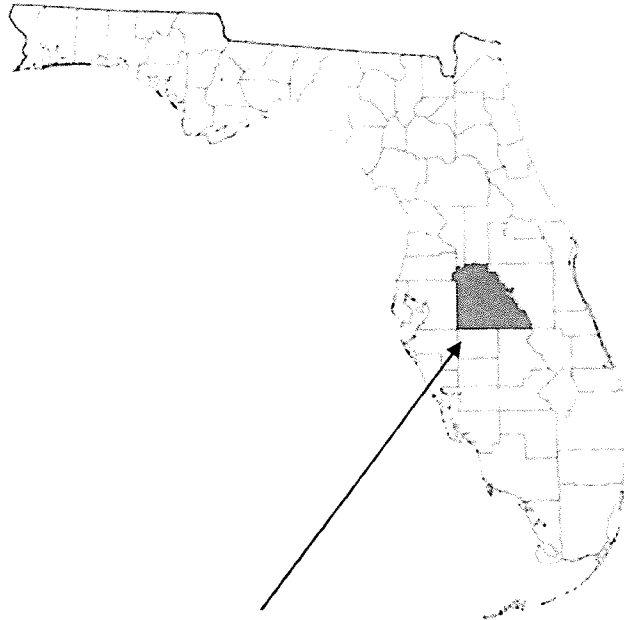
Melissa Hadden
Library Director

Sharon Bass
Utilities Manager

Organizational Chart



Fact Sheet



Polk County

Population Incorporated Municipalities Polk County (Florida Department of Revenue 2014 Population Estimates)	
Auburndale	14,262
Bartow	17,637
Davenport	3,248
Dundee	3,876
Eagle Lake	2,335
Fort Meade	5,955
Frostproof	2,961
Haines City	21,956
Highland Park	237
Hillcrest Heights	252
Lakeland	100,728
Lake Alfred	5,127
Lake Hamilton	1,275
Lake Wales	14,830
Mulberry	3,750
Polk City	1,630
Winter Haven	37,016
Unincorporated	382,785



City Stats

Date of Incorporation:
1921

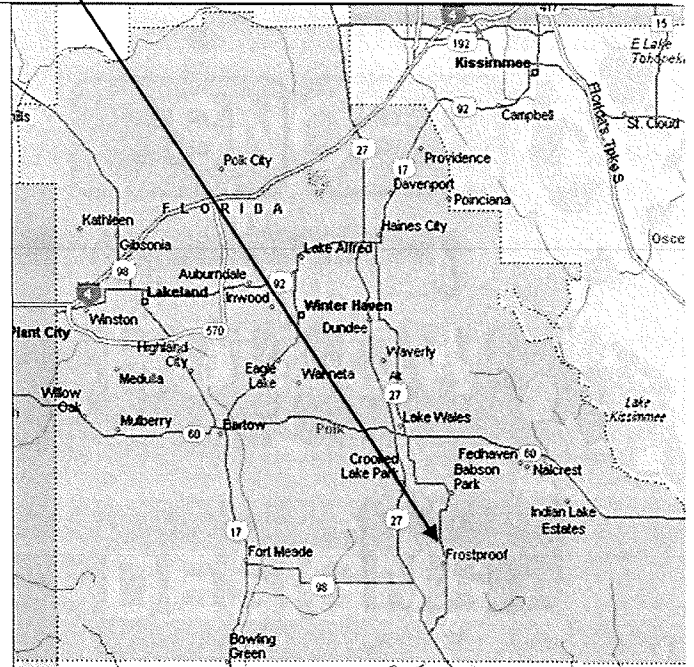
Form of Government:
Council Manager Plan

Size:
18.92 Square Miles

Current Population:
2,961

Number of Schools:
3

Number of Parks:
3



Millage Rate Impact Schedule

Gross Taxable Value = \$115,962,786

Operating Millage Rate	Ad Valorem Proceeds
8.0587	*934,509
1.0000	115,963
.7500	86,972
.5000	57,982
.2500	28,991
.1250	14,495
.1000	11,596
.0750	8,697
.0500	5,798
.0250	2,899

This schedule demonstrates the amount of increase in ad valorem proceeds (right hand column) as associated with an increase in the operating millage rate.

*100% of Ad Valorem Taxes, for TRIM purposes only 95% budgeted.

Schedule of Debt Service

Lender	Balance 10/1/15	Year Issued	Year of Maturity	Interest Rate	Due 2016
BB&T Governmental					
Series 2012A \$1,583,306 Wastewater System Annual Payment Principal – \$73,577 Interest – \$41,573	\$1,376,845	2012	2030	3.060%	\$115,150
United States Department of Agriculture					
Series 2003B \$1,275,000 Wastewater System Annual Payment Principal – \$20,000 Interest – \$53,153	\$1,119,000	2003	2043	4.75%	\$73,153
United States Department of Agriculture					
Series 2003C \$350,000 Wastewater System Annual Payment Principal – \$ 6,000 Interest – \$14,384	\$305,000	2003	2043	4.625%	\$20,384
State Revolving Fund					
60007L Loan \$2,000,000 Wastewater System Semi-Annual Payment Principal – \$ 92,016 Interest – \$ 25,462	\$1,241,151	2005	2025	2.09%	\$117,478
State Revolving Fund					
60006P Loan \$423,965 Wastewater System SRF 60006P was paid in full on August 25, 2015	\$0	2001	2015	0%	\$0
Total	\$4,041,996				\$326,165

Budget Summary

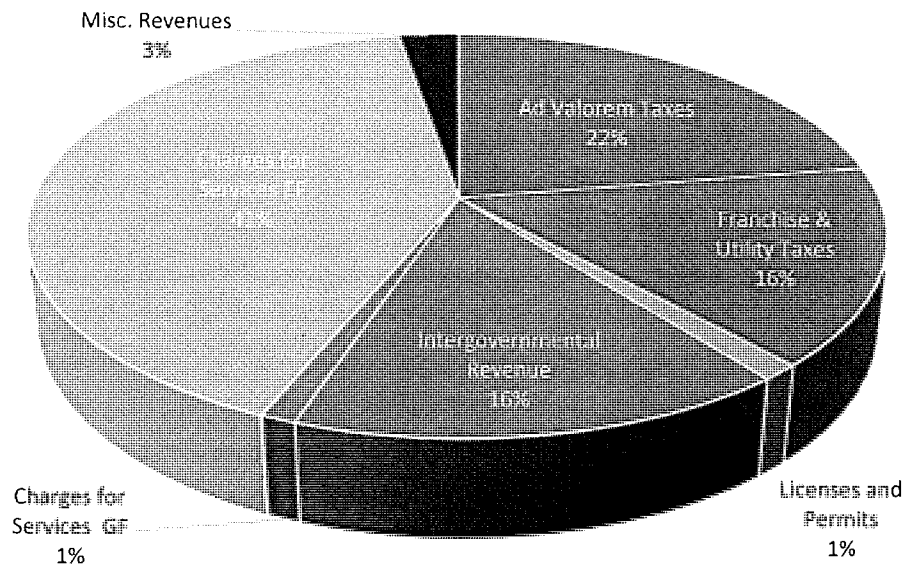
THE OPERATING BUDGET EXPENDITURES OF THE CITY OF FROSTPROOF
ARE 2.6% MORE THAN LAST YEAR'S TOTAL BUDGETED OPERATING EXPENDITURES.

Taxes: Millage per \$1,000 = 8.0587

<u>ESTIMATED REVENUES and FUND BALANCES</u>	<u>GENERAL FUND</u>	<u>ENTERPRISE FUND</u>	<u>TOTAL BUDGET</u>
Nonspendable	6,430		6,430
Restricted	920,510	378,260	1,298,770
Assigned and Committed	127,890		127,890
Beginning Unreserved Fund Balance	1,529,660	498,180	2,027,840
Beginning Debt Service Balance		332,500	332,500
Grants		1,000,000	1,000,000
BEGINNING FUND BALANCES	2,584,490	2,208,940	4,793,430
Ad Valorem Taxes	887,790		887,790
Franchise & Utility Taxes	608,040	20,000	628,040
Licenses and Permits	50,000		50,000
Intergovernmental Revenue	654,400		654,400
Charges for Services	45,040	1,632,000	1,677,040
Fines & Forfeitures	900		900
Investment Income	10,000	4,000	14,000
Misc. Revenues	24,500	67,300	91,800
TOTAL ESTIMATED REVENUES	2,280,670	1,723,300	4,003,970
TOTAL ESTIMATED REVENUES and FUND BALANCES	4,865,160	3,932,240	8,797,400
<u>ESTIMATED EXPENSES</u>			
General Government	443,080		443,080
Public Safety	1,011,570		1,011,570
Fire Department	185,050		185,050
Building Department	42,050		42,050
Cemetery Department	27,090		27,090
Streets Department	420,090		420,090
Library	196,090		196,090
Community Affairs	69,240		69,240
Auditorium	3,600		3,600
Garbage		338,630	338,630
Wastewater		433,020	433,020
Water		276,780	276,780
StormWater		47,570	47,570
Debt Service		140,740	140,740
TOTAL ESTIMATED EXPENSES	2,397,860	1,236,740	3,634,600
Nonspendable	6,430		6,430
Restricted	568,270	428,260	996,530
Assigned and Committed	145,890		145,890
Ending Unreserved Fund Balance	1,173,460	363,040	1,536,500
Ending Debt Service Balance		643,500	643,500
Capital - Grants	61,520	1,039,700	1,101,220
Capital - Operating	511,730	221,000	732,730
ENDING FUND BALANCES	2,467,300	2,695,500	5,162,800
TOTAL ESTIMATED EXPENSES and FUND BALANCES	4,865,160	3,932,240	8,797,400

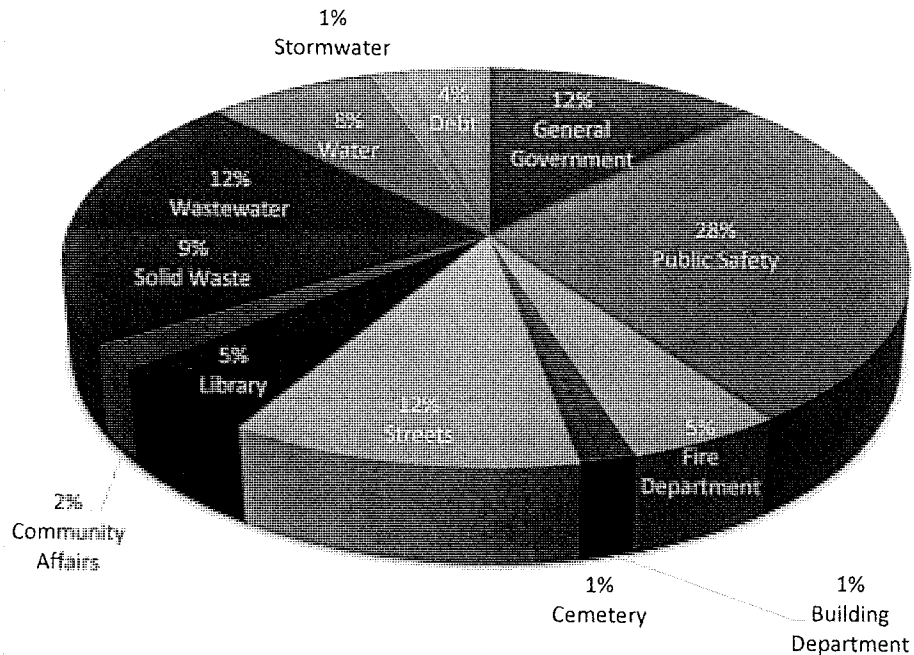
Summary of All Revenues for All Funds

Ad Valorem Taxes	887,790	22%
Franchise & Utility Taxes	628,040	16%
Licenses & Permits	50,000	1%
Intergovernmental	654,400	16%
Charges for Services GF	45,040	1%
Charges for Services EF	1,632,000	41%
Miscellaneous	106,700	3%



Summary of All Expenses for All Funds

General Government	443,080	12%
Public Safety	1,011,570	28%
Fire Department	185,050	5%
Building Department	42,050	1%
Cemetery Department	27,090	1%
Streets Department	420,090	12%
Library	196,090	5%
Community Affairs	69,240	2%
Auditorium	3,600	0%
Solid Waste	338,630	9%
Wastewater	433,020	12%
Water	276,780	8%
Stormwater	47,570	1%
Debt Service (Interest Only)	140,740	4%



General Fund

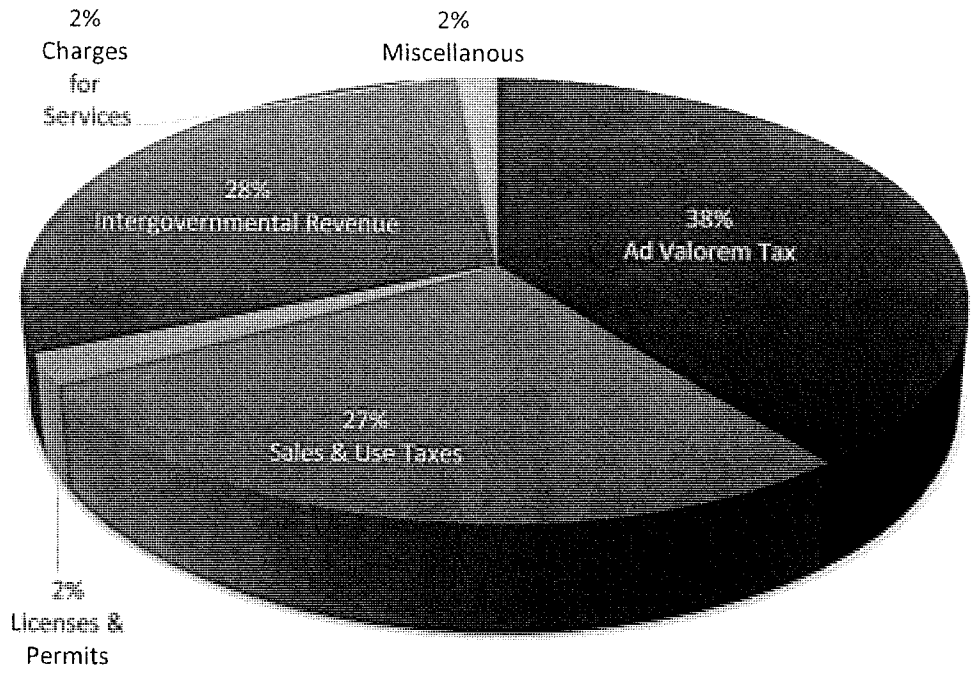


Sergeant Steve Parker, Councilmember Anne Dickinson, Fire Chief Clifford Cofer

General Fund Revenues

General Fund revenue projections for Fiscal Year 2015-2016 indicate a decrease of \$10,340 or .46% compared to the adopted Fiscal Year 2014-2015 budget. Most revenues increased this year, however, the decrease is directly related to the reduction of the Polk County Fire Agreement. The following table summarizes general fund revenue sources:

	2015-2016	2014-2015
Estimated Revenues		
Ad Valorem	887,790	871,200
Franchise & Utility Taxes	608,040	601,000
Licenses & Permits	50,000	55,000
Intergovernmental Revenue	629,400	570,520
Charges for Services	45,040	133,390
Miscellaneous Revenues	35,400	34,900
Total Revenues	2,255,670	2,266,010

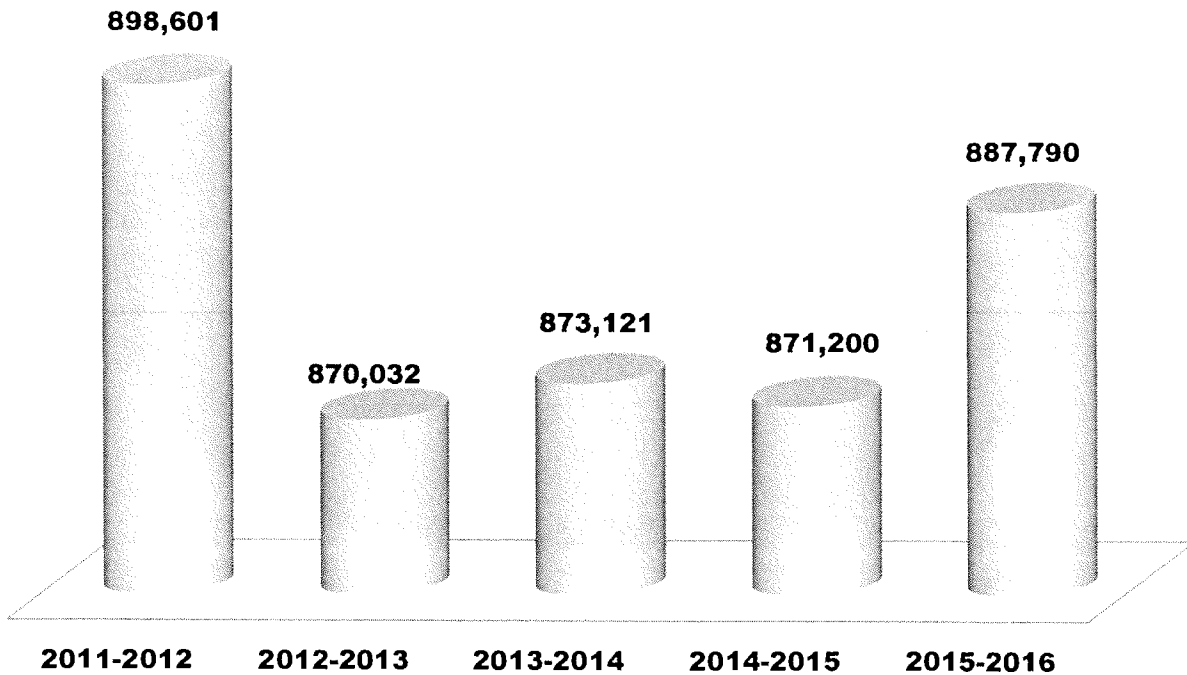


Ad Valorem Tax

Description: A tax on property paid by owners of real and personal property within the City limits. The tax is based on an assessment made by Polk County Property Appraiser on the market value of property and improvements. The City of Frostproof's taxable value increased \$2,165,990 or 1.90%. This revenue source is found in the General Fund.

Forecast Methodology: The millage of 8.0587 is multiplied by every \$1,000 of taxable value, less 5% for possible adjustments to assessed values and/or discounts taken for early payment.

Fiscal Year	Operating Millage Rate	Ad Valorem Proceeds	Taxable Value
2011-2012	7.8209	898,601	121,266,226
2012-2013	7.8209	870,032	114,533,894
2013-2014	8.0587	851,290	111,841,774
2014-2015	8.0587	871,200	113,796,796
2015-2016	8.0587	887,790	115,962,786

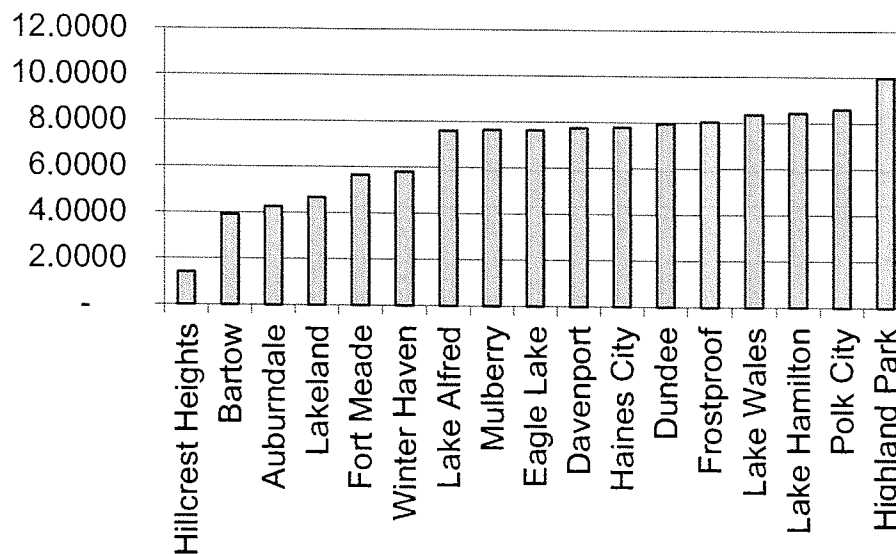


Millage Rate

The proposed property tax millage rate for operating purposes is 8.0587. By State Statute, the operating property tax rate is restricted to no more than 10 mills (\$10 per \$1,000 of taxable value) for municipalities. The following is a comparison of millage rates for Polk County Municipalities for fiscal year 2014-2015:

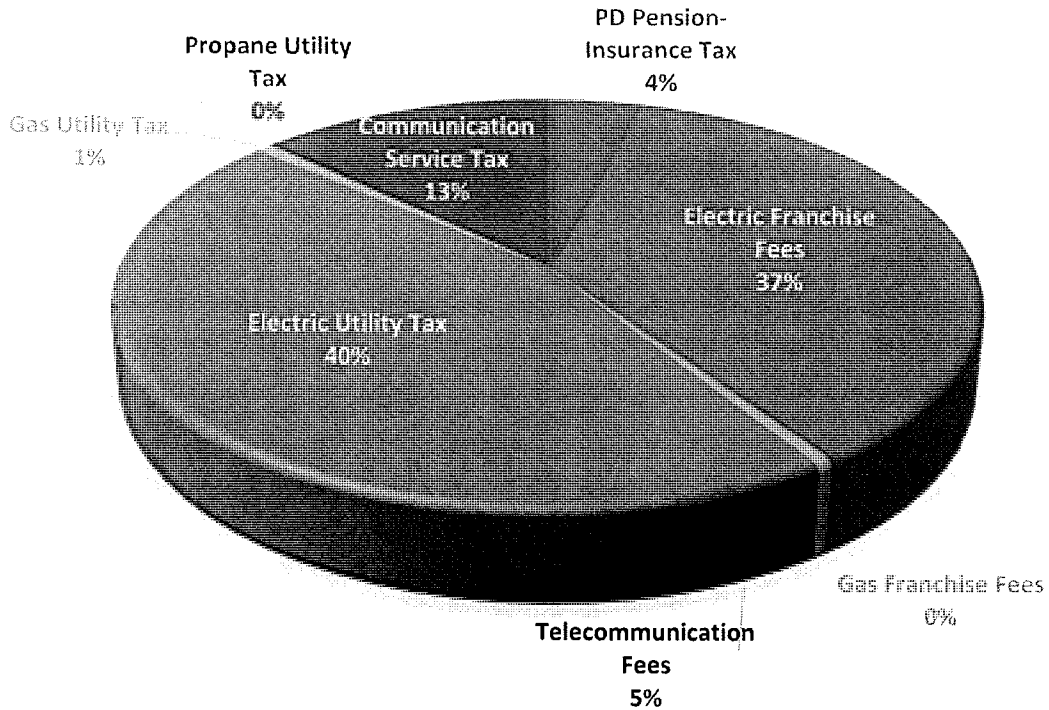
Polk County Millage Rates 2014-2015*	
City	Millage
Hillcrest Heights	1.4131
Bartow	3.9075
Auburndale	4.2657
Lakeland	4.6644
Fort Meade	5.6484
Winter Haven	5.7900
Lake Alfred	7.5890
Mulberry	7.6500
Eagle Lake	7.6516
Davenport	7.7500
Haines City	7.7900
Dundee	7.9495
Frostproof	8.0587
Lake Wales	8.3638
Lake Hamilton	8.4276
Polk City	8.6000
Highland Park	9.9759

*FY16 Millage rates not available



Franchise and Utility Taxes

Franchise & Utility Taxes	608,040	
PD Pension-Insurance Tax	24,240	4%
Electric Franchise Fees	222,000	37%
Gas Franchise Fees	3,000	0%
Telecommunication Fees	30,860	5%
Electric Utility Tax	245,000	40%
Gas Utility Tax	4,000	1%
Propane Utility Tax	800	0%
Communications Service Tax	78,140	13%

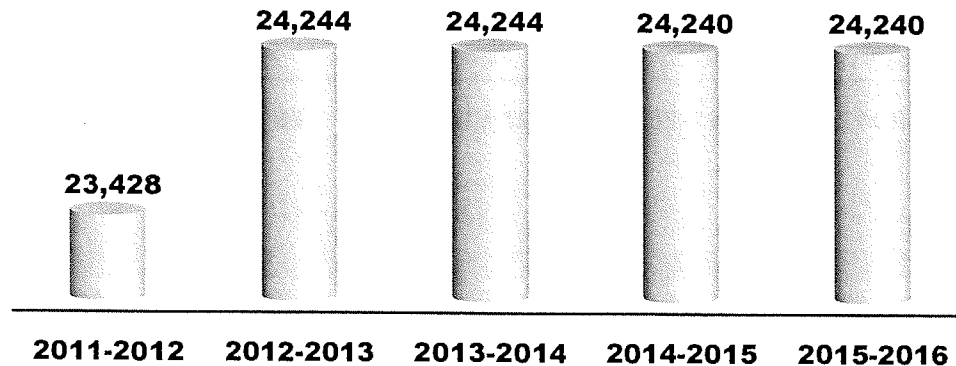


Police Pension Insurance Tax

Description: Participating cities and special fire control districts are eligible to receive annual distributions of state premium tax collections on property and casualty insurance policies written within the city/district limits or boundaries of the participating plan. The amount of premium taxes collected under Chapter 175 is equal to 1.85 percent of all property insurance written within the city limits or boundaries (in the case of fire districts) of the participating plan. Chapter 185 levies a 0.85 percent tax on all casualty insurance premiums written within the city limits of the participating plan. These amounts are collected by the Department of Revenue and reported on the DR-908 tax return, and then transferred to the Police Officers and Firefighters' Premium Tax Trust Fund at the Division of Retirement. These funds are then available for distribution on or before July 1 to the participating pension plans on an annual basis, once the plan has been determined to be in compliance with all applicable statutory requirements.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

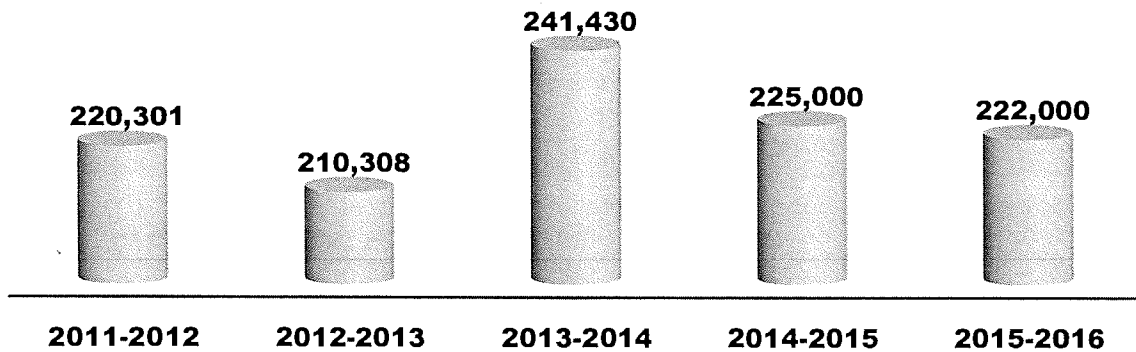
**MUNICIPAL
& POLICE OFFICERS
& FIREFIGHTERS'**
Retirement Trust Funds Office



Electric Franchise Fees

Description: Franchise fees are established by franchise agreements between the City and service providers of electricity and natural gas. The City entered into an agreement with Duke Energy (f/k/a Progress Energy) on October 22, 1996, wherein, Duke Energy remits 6% of its base revenues to the City.

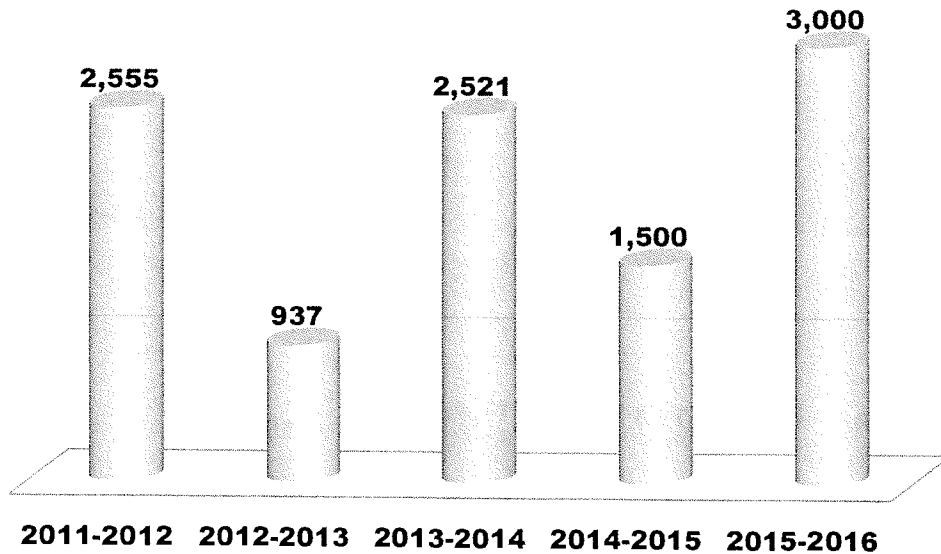
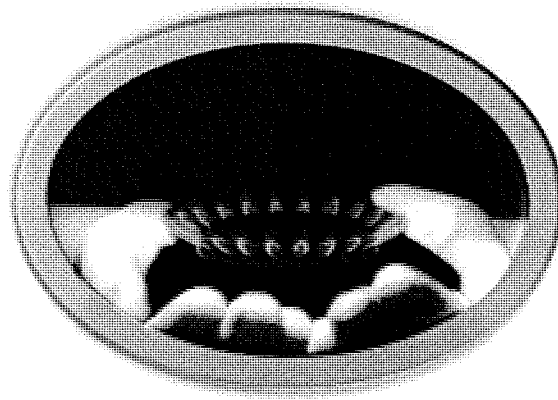
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Gas Franchise Fee

Description: Collected from People's Gas.

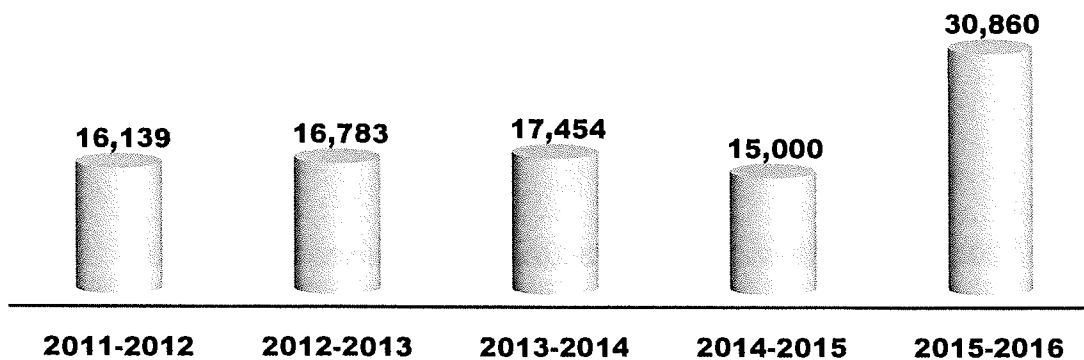
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Communication Franchise Fee

Description: On December 15, 2008 the City of Frostproof entered into an agreement with Utility Service Communications Co., Inc. (USC). This agreement allowed USC to construct wireless communication towers on the City's water tank located at 67 North Lake Reedy Blvd. The City will receive seventy percent of gross annual site fees collected by USC in a calendar year, proceeds are received by the City in February for prior year.

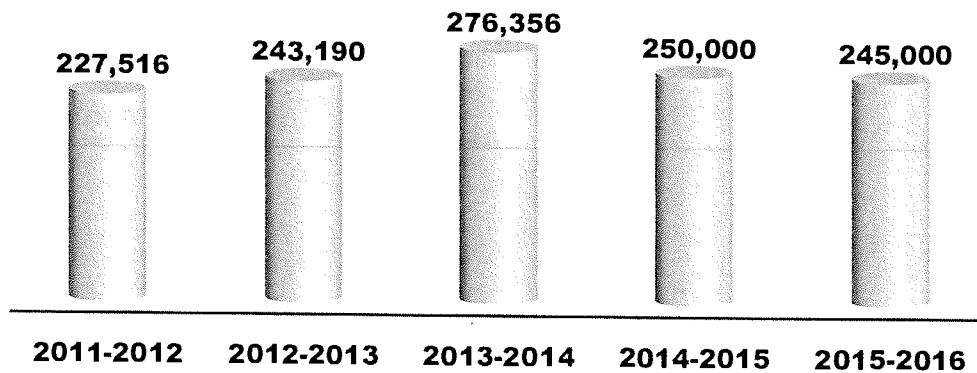
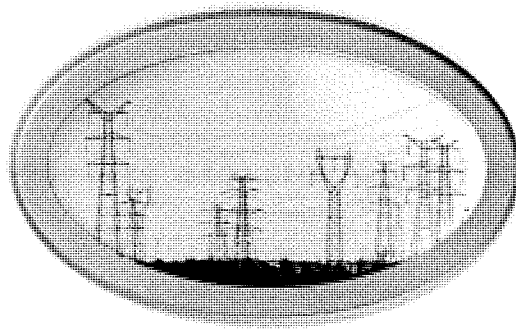
Forecast Methodology: This revenue is forecasted by the contract with USC. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Electric Utility Tax

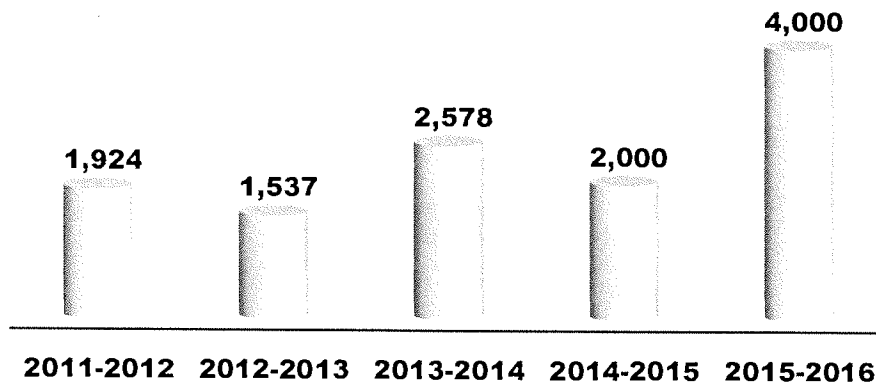
Description: Utility Taxes are taxes that are levied by the City on all companies that supply utilities within the City limits. The City currently receives taxes from Duke Energy (f/k/a Progress Energy) and various propane gas companies.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

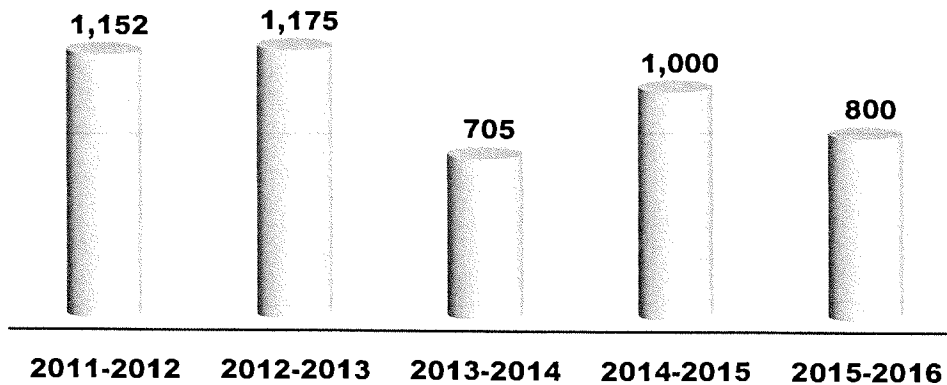


Gas and Propane Utility Taxes

Gas Utility Tax



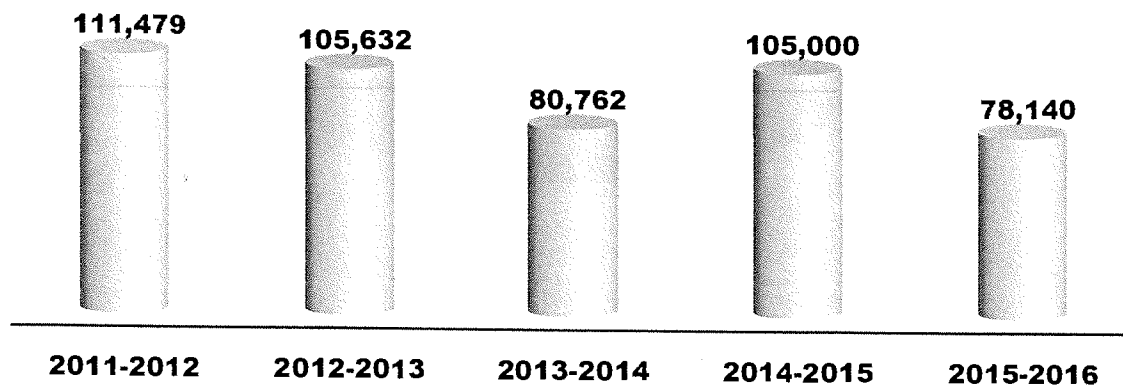
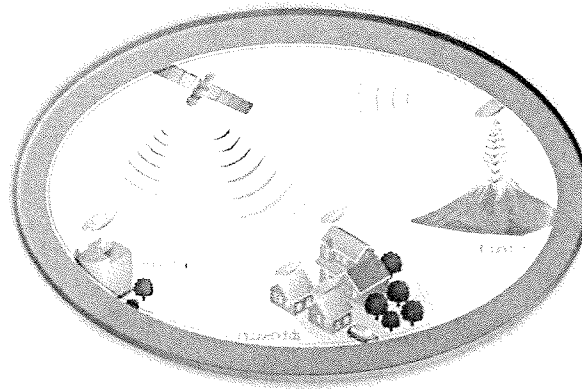
Propane Utility Tax



Communication Service Tax

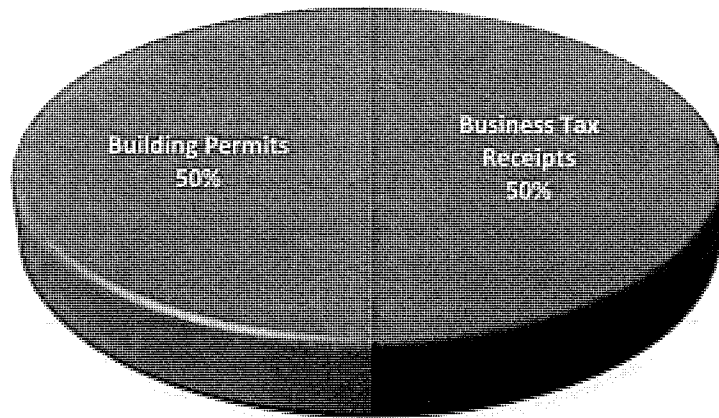
Description: The Communication Service Tax Law was enacted to restructure taxes on telecommunications, cable, direct-to-home satellite, and related services that existed prior to October 1, 2001. Communication Services encompasses voice, data, audio, video, or any other information or signals, including cable services, that are transmitted by any medium. The tax is imposed on retail sales of communications services which originate and terminate in the State. Tax proceeds are transferred to county and municipal governments, the Public Education Capital Outlay and Debt Service Trust Fund, and the State's General Revenue Fund.

Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



Licenses and Permits

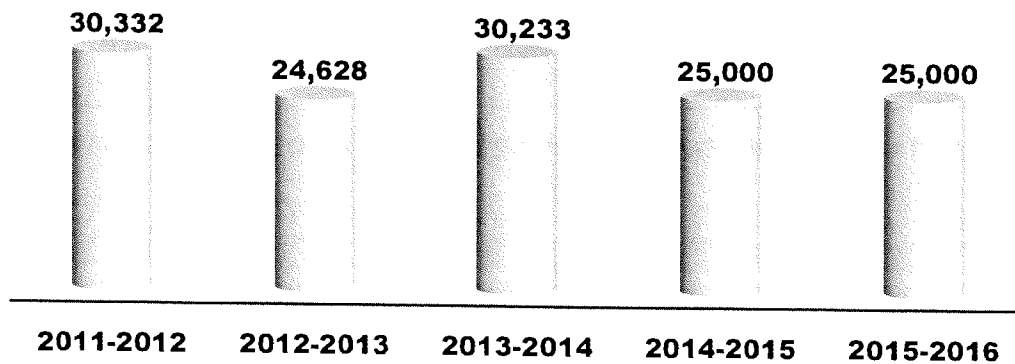
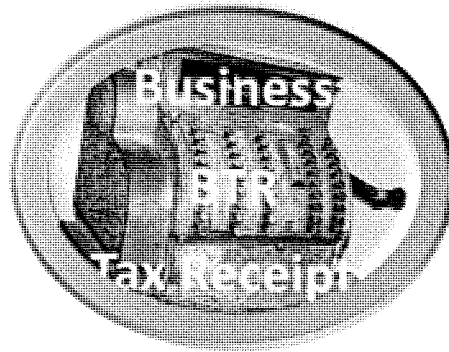
Licenses & Permits	50,000	
Business Tax Receipts	25,000	50%
Building Permits	25,000	50%



Business Tax Receipts

Description: The local business tax represents fees charged and the method by which a local government authority grants the privilege of engaging in or managing any business, profession, and occupation within its jurisdiction. Counties and municipalities may levy a business tax and the tax proceeds are considered general revenue for the local government. This tax does not refer to any fees or licenses paid to any board, commission, or officer for permits, registration, examination, or inspection.

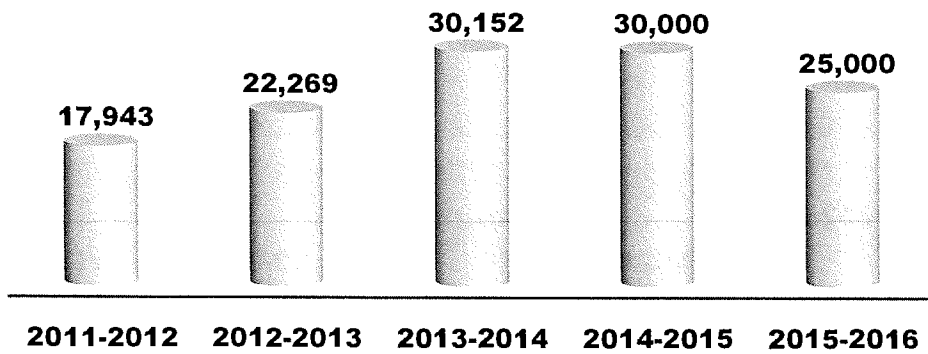
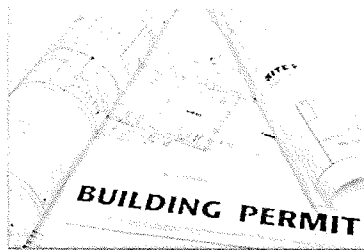
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Building Permits

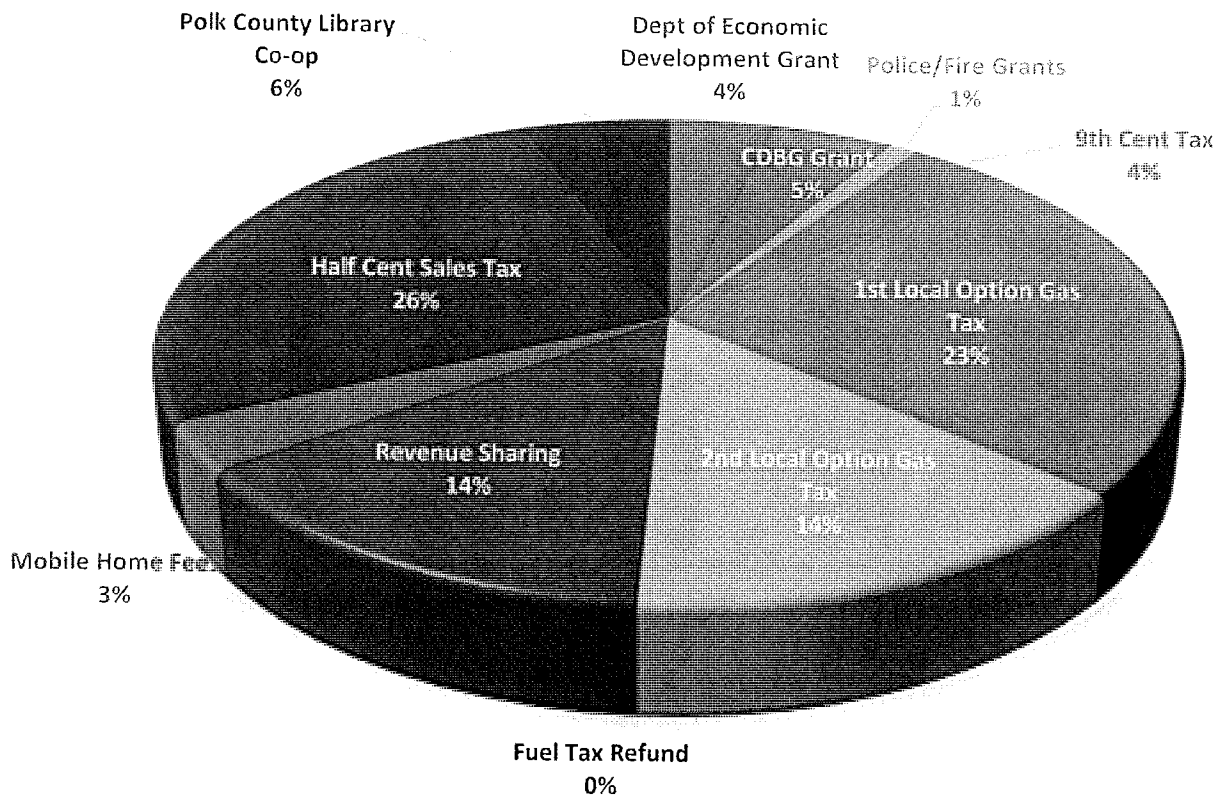
Description: Fees are charged to contractors and homeowners in accordance with a City resolution.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Intergovernmental Revenues

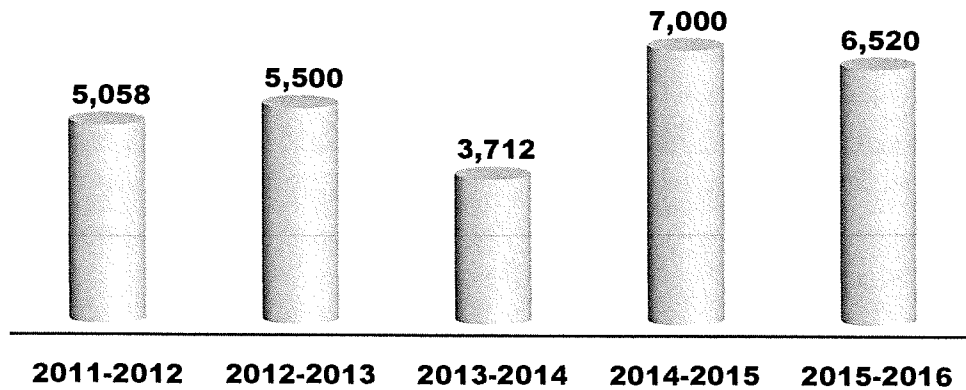
Intergovernmental Revenue	654,400	
Police/Fire Grants	6,520	1%
Dept of Economic Development Grant	25,000	4%
CDBG Grant	30,000	5%
9th Cent Tax	25,000	4%
1st Local Option Gas Tax	151,180	23%
2nd Local Option Gas Tax	94,810	15%
Fuel Tax Refund	1,000	0%
Revenue Sharing	90,000	14%
Mobile Home Fees	20,000	3%
Half Cent Sales Tax	173,890	27%
Polk County Library Co-op	37,000	6%



Police/Fire Grants

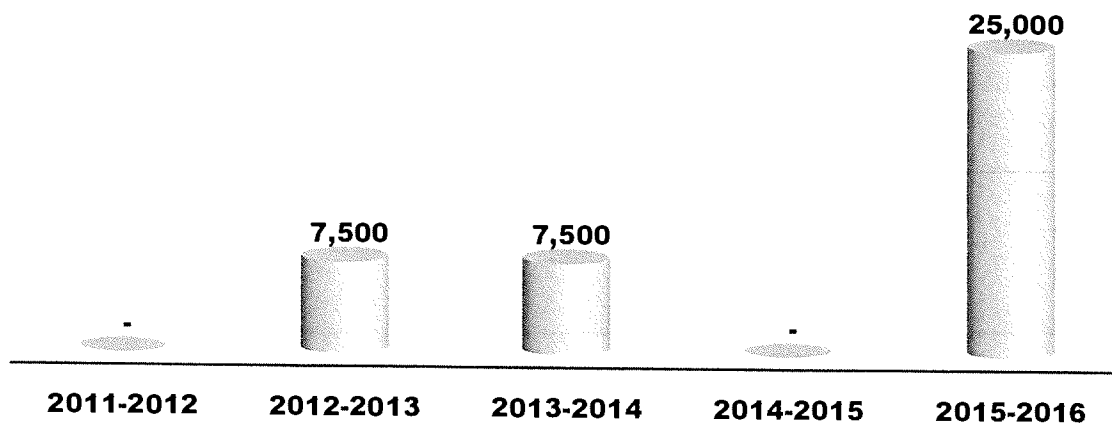
Description: Police grants are obtained with the assistance of Polk County Sheriff Office and Florida Department of Law Enforcement. Fire grants are obtained through our grant administrators and staff.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



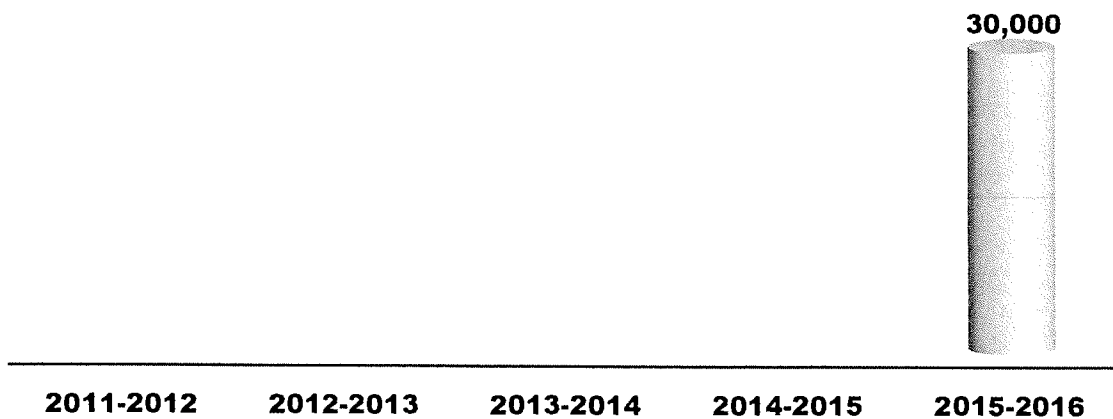
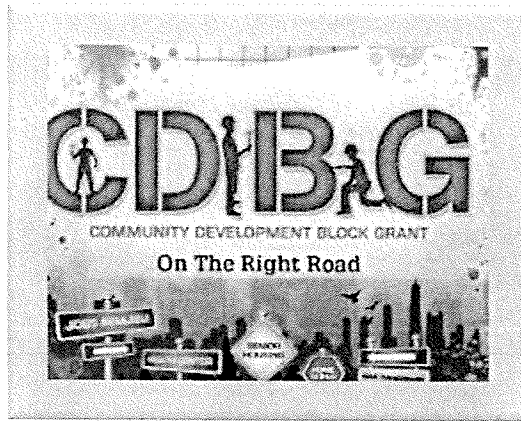
Department of Economic Opportunity Grant

Description: The City applied for a Community Redevelopment which will be awarded for fiscal year 2015-2016.



Community Development Block Grant

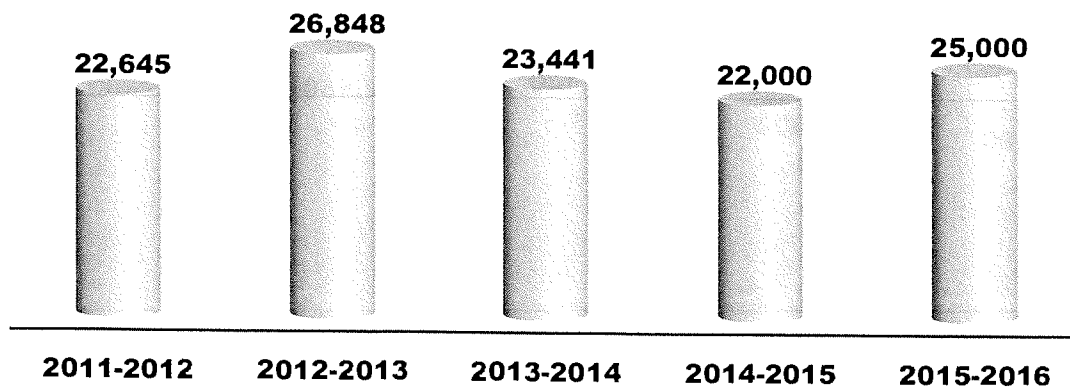
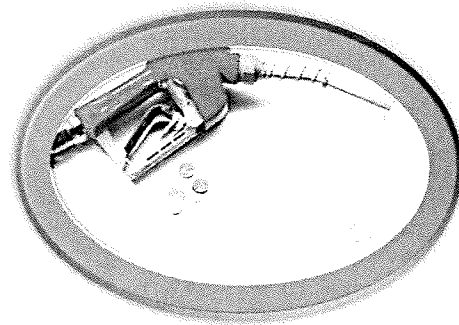
Description: The City applied for and was awarded a Community Development Block Grant for fiscal year 2015-2016.



9th Cent Fuel Tax

Description: County governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies. The first is a tax of 1 cent on every net gallon of motor and diesel fuel sold within a county. Known as the ninth-cent fuel tax, this tax may be authorized by an ordinance adopted by an extraordinary vote of the governing body or voter approval in a countywide referendum. Generally, these proceeds may be used to fund transportation expenditures.

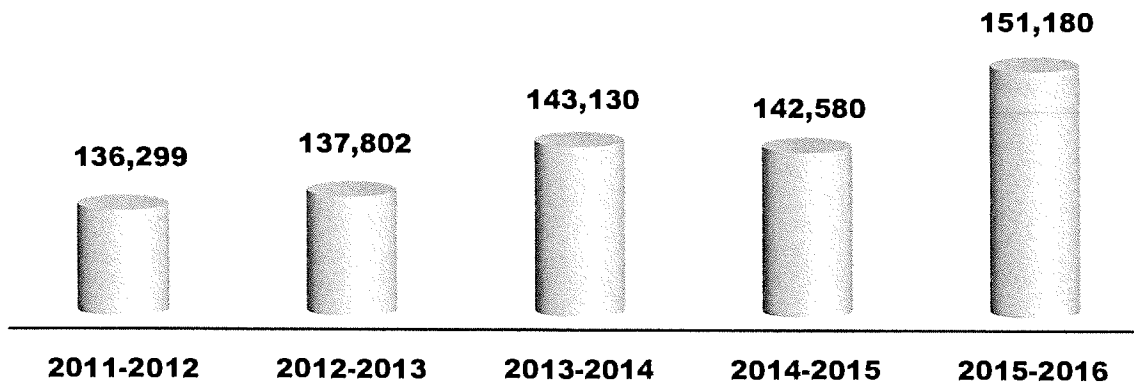
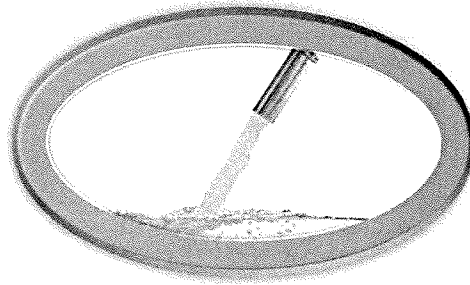
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



First Local Option Fuel Tax

Description: County and Municipal governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies. The first is a tax of 1 to 6 cents on every net gallon of motor and diesel fuel sold within a county. This tax may be authorized by an ordinance adopted by a majority vote of the governing body or voter approval in a countywide referendum. Generally, the proceeds may be used to fund transportation expenditures.

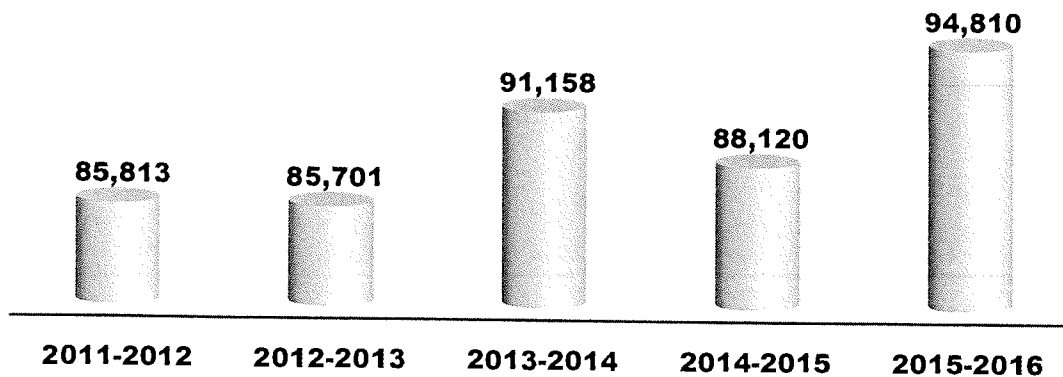
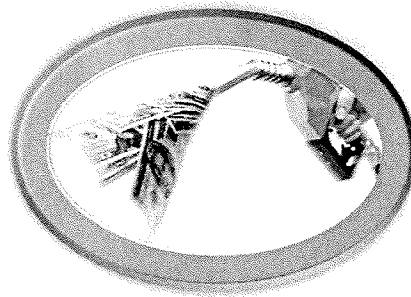
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Second Local Option Fuel Tax

Description: County governments are authorized to levy up to 12 cents of local option fuel taxes in the form of three separate levies. The second is a tax of 1 to 5 cents on every net gallon of motor fuel sold within a county. Diesel fuel is not subject to this tax. This additional tax shall be levied by an ordinance adopted by a majority plus one vote of the membership of the governing body or voter approval in a countywide referendum. Proceeds received from this additional tax may be used for transportation expenditures needed to meet the requirements of the capital improvements element of an adopted local government comprehensive plan or for expenditures needed to meet immediate local transportation problems and for other transportation related expenditures that are critical for building comprehensive roadway networks by local governments.

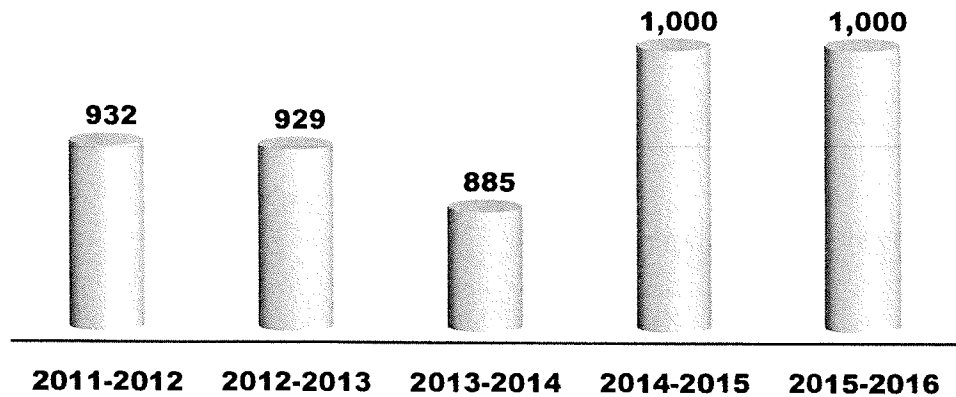
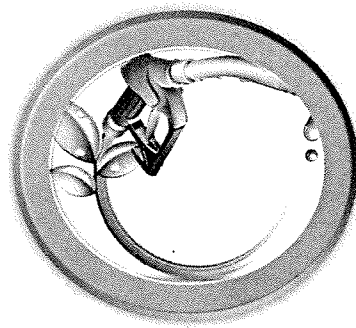
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



Fuel Tax Refund

Description: Under separate authorizations, eligible counties, municipalities, and school Districts may be entitled to refunds or credits on taxes paid on motor or diesel fuel. Generally, the refunded monies are to be used to fund the construction, reconstruction and maintenance of roads.

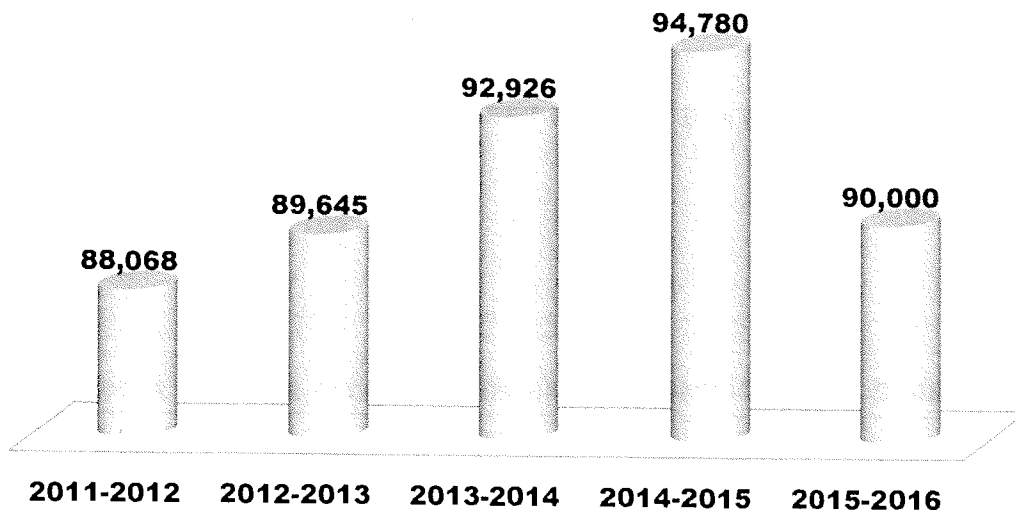
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



State Revenue Sharing

Description: Revenue received from the Municipal Revenue Sharing Trust Fund for municipalities of the State. Currently, the trust fund receives 1.3409 percent of sales and use tax collections, 12.5 percent of the state alternative fuel user decal fee collections, and the net collections from the one-cent municipal fuel tax. An allocation formula serves as the basis for the distribution of these revenues to each municipality that meets strict eligibility requirements.

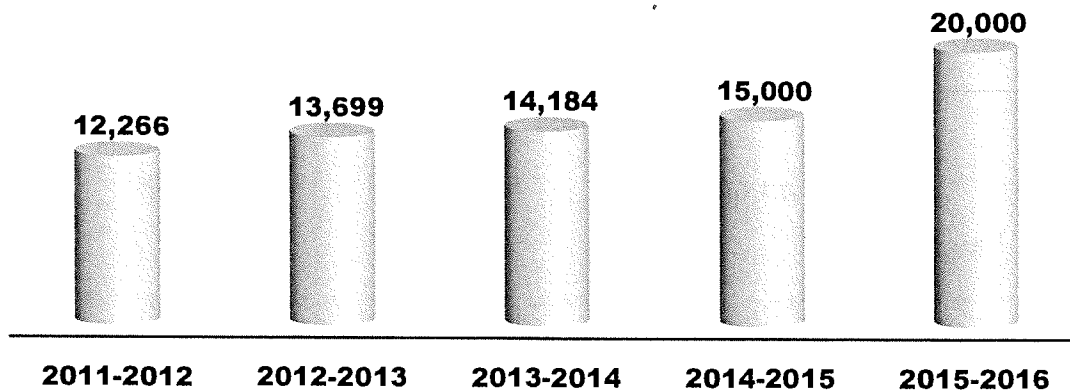
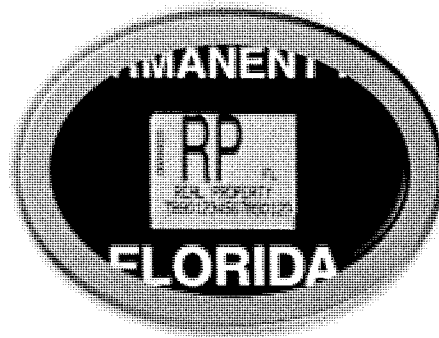
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



State of Florida Mobile Home License Tax

Description: Counties, municipalities and school districts receive proceeds from an annual license tax levied on all mobile homes and park trailers, and on all travel trailers and fifth-wheel trailers exceeding 35 feet in body length. The license taxes, ranging from \$20 to \$80 depending on vehicle type and length, are collected in lieu of ad valorem taxes. Half of the proceeds are remitted to the respective district school board. The other half is distributed to the respective municipalities depending on the location of such units or the county if the units are located in the unincorporated area. The use of the revenue is at the discretion of the governing body

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

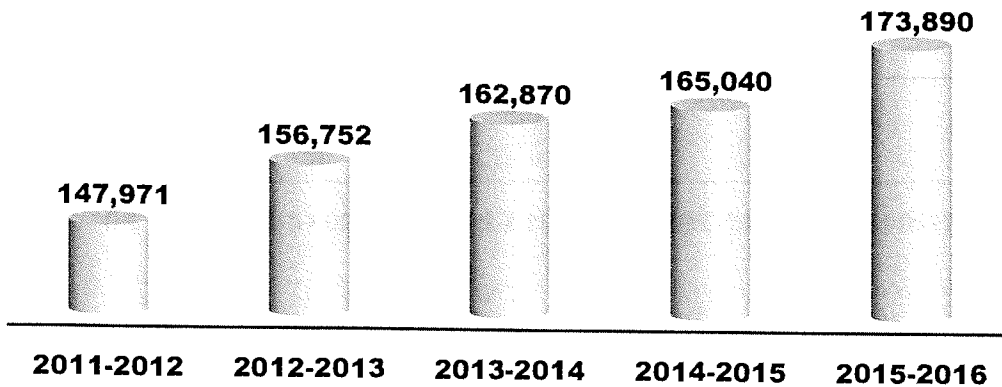
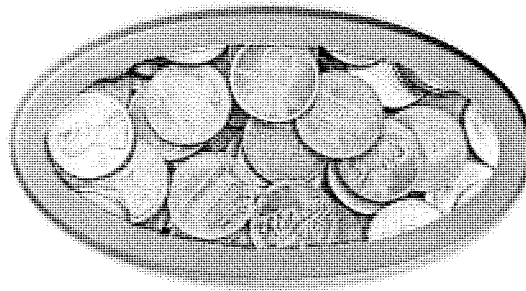


Half-Cent Sales Tax

Description: Created in 1982, this program generates the largest amount of revenue for local governments among the state-shared revenue sources authorized by the Legislature. The program is administered by the Department of Revenue. Net sales tax proceeds are transferred to the Local Government Half-Cent Sales Tax Clearing Trust Fund. The Department is authorized to deduct the 7.3 percent General Revenue Service Charge from this trust fund. Monies in the trust fund shall be distributed monthly to participating counties and municipalities.

The program's primary purpose is to provide relief from ad valorem and utility taxes in addition to providing municipalities with revenues for local programs.

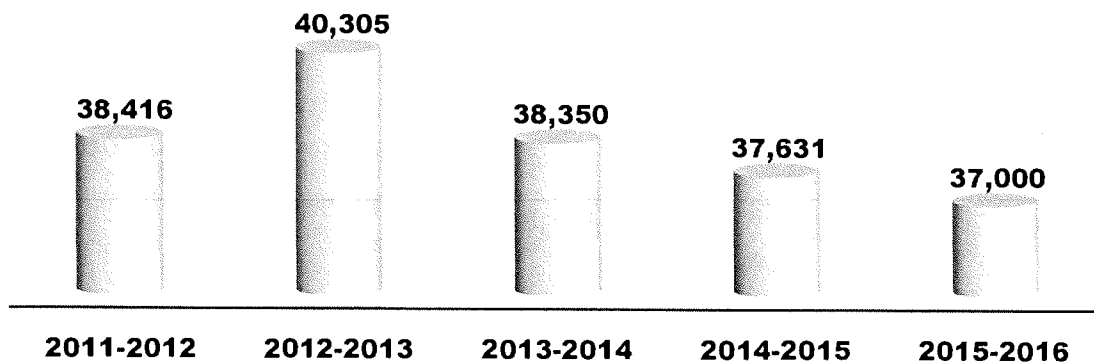
Forecast Methodology: This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



Polk County Library Cooperative

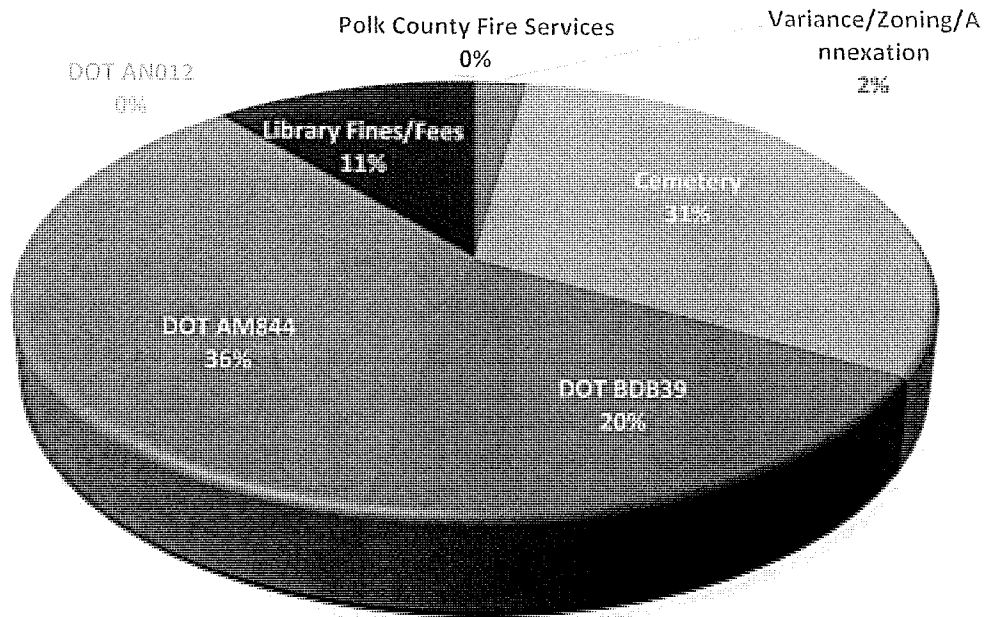
Description: The City of Frostproof entered into an agreement with Polk County to cooperate in a countywide agreement to provide library services without charge to all persons residing in the city limits including residents of the unincorporated areas and those incorporated areas not served by a public library.

Forecast Methodology: This revenue is forecasted by the agreement with Polk County. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



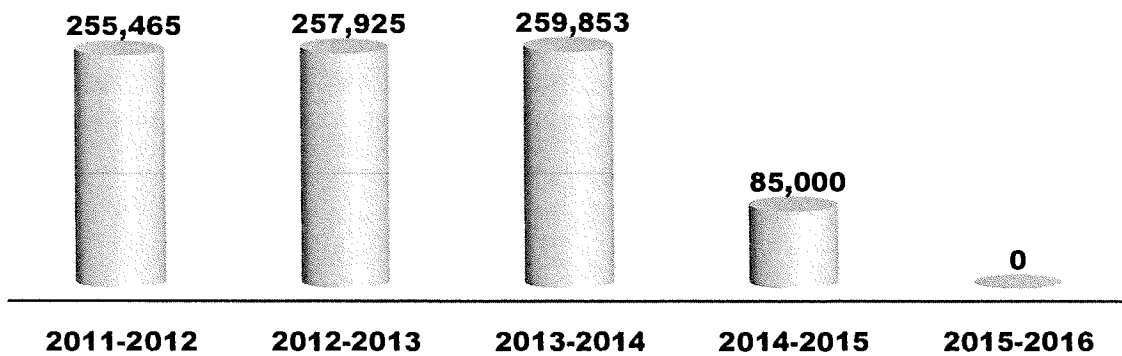
Charges for Services

Charges for Services	45,040	
Polk County Fire Services	-	0%
Variance/Zoning/Annexation	1,000	2%
Cemetery	14,000	31%
DOT AM844	16,070	36%
DOT AN012	-	0%
DOT BDB39	8,970	20%
Library Fines/Fees	5,000	11%



Polk County Fire Protection

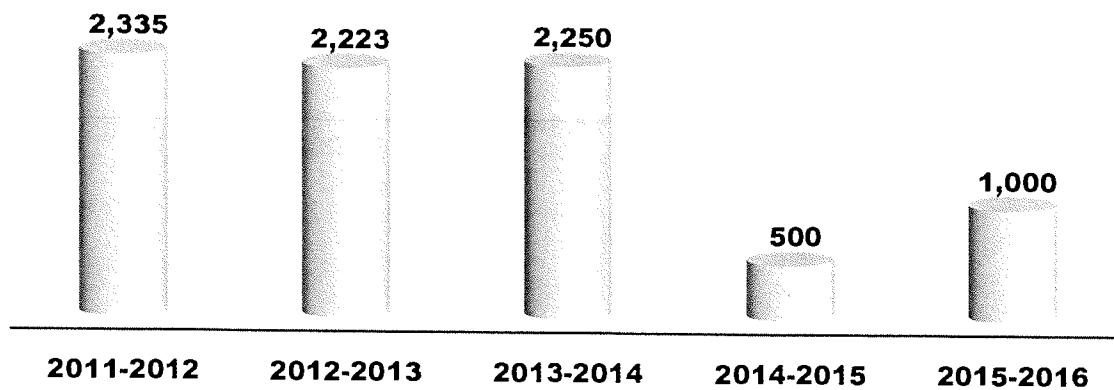
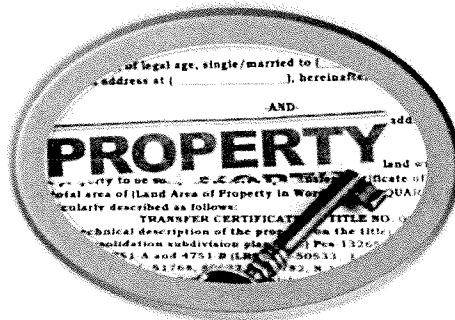
Description: The Polk County Fire Protection Agreements throughout Polk County have been disband effective October 1, 2015.



Zoning & Variance Fees

Description: The City of Frostproof charges zoning and variance fees per a resolution established by City Council.

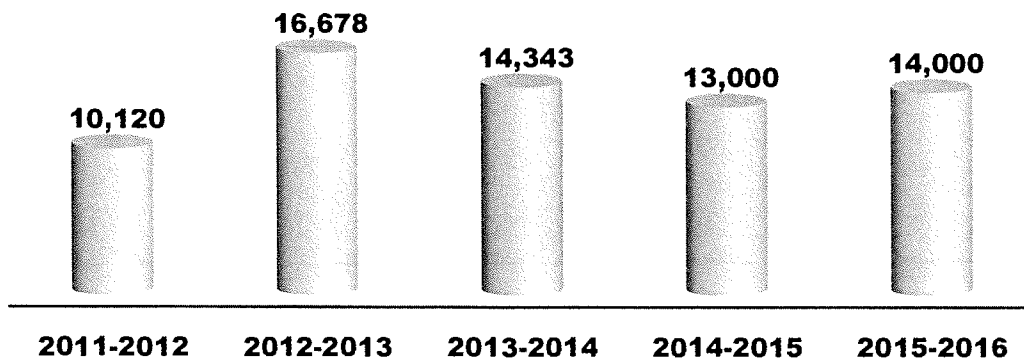
Forecast Methodology: This revenue is forecasted using historical data.



Cemetery Sales

Description: These revenues are derived from the direct sales of cemetery plots sold at Silver Hill Cemetery.

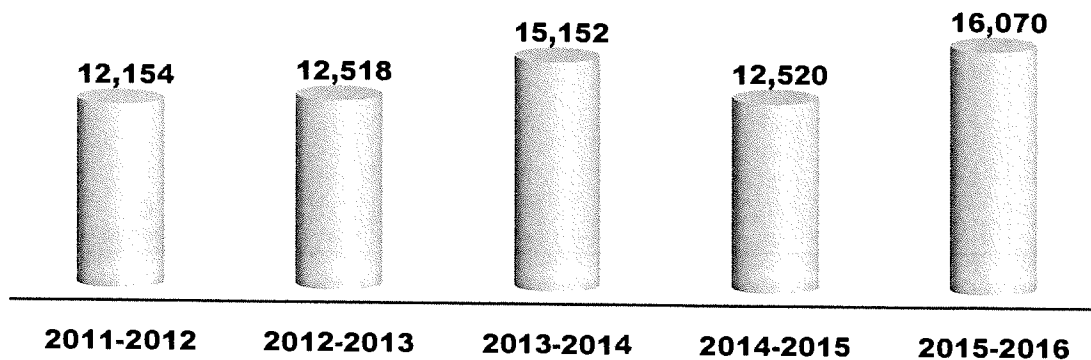
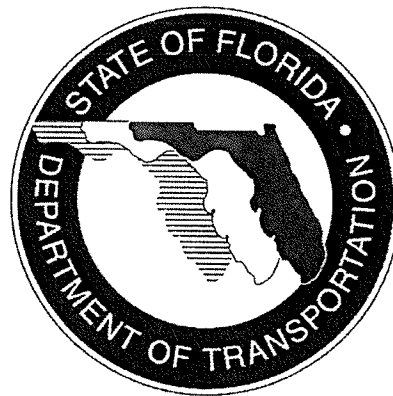
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



State of Florida Department of Transportation State Highway Lighting Maintenance (AM844)

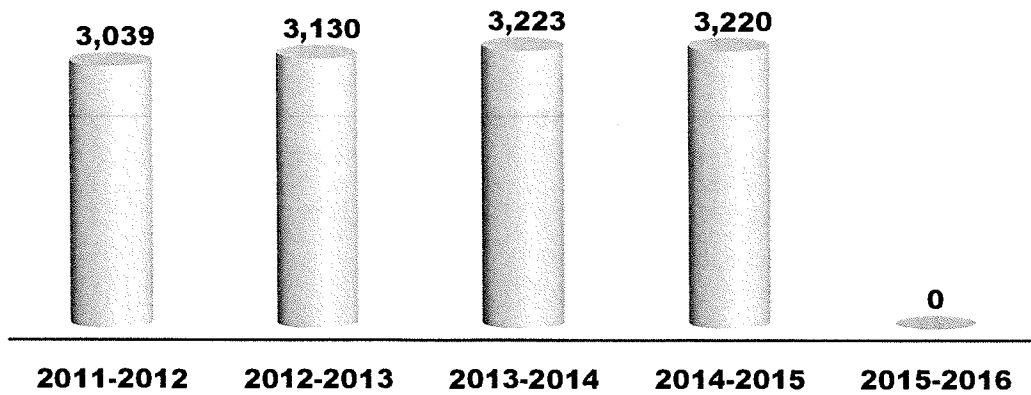
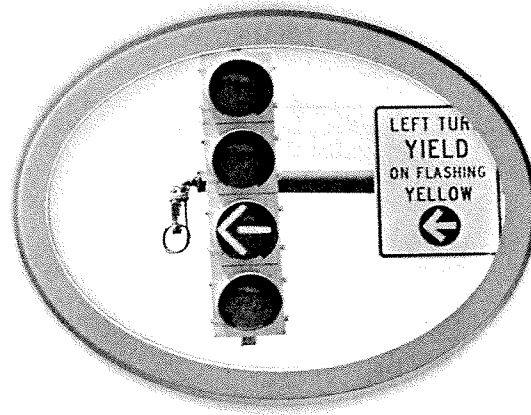
Description: On August 14, 2002 the City of Frostproof (the City) entered into a maintenance and compensation agreement with the State of Florida Department of Transportation (FDOT). The City maintains the lighting for roadways and recreational areas owned by or located on FDOT property located on the State Highway System within the jurisdictional boundaries of the City. In July of each year, the contract is reviewed and renewed.

Forecast Methodology: This revenue is forecasted by the contract with FDOT. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



State of Florida Department of Transportation Traffic Signal Maintenance (AN012)

Description: On August 19, 1998 the City of Frostproof entered into a maintenance and compensation agreement with the State of Florida Department of Transportation (FDOT). The City maintains the traffic signals located at the intersections of SR17 and Wall Street and SR17 and CR630 owned by FDOT. Effective July 1, 2016, FDOT has taken over the maintenance of the traffic signals and there will be no future agreements.



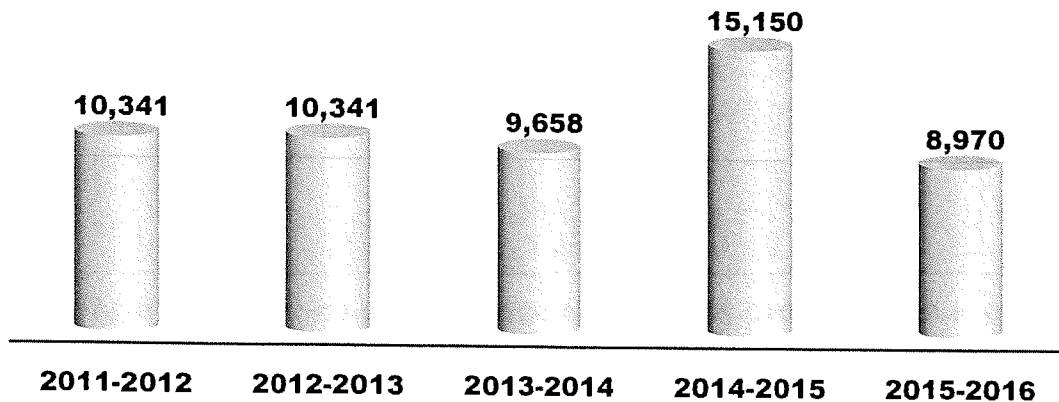
State of Florida Department of Transportation Mowing Maintenance (BDR81)

Description: On February 3, 1994 the City of Frostproof (the City) entered into a maintenance and compensation agreement with the State of Florida Department of Transportation (FDOT). The City is responsible for mowing and maintaining areas owned by or located on FDOT property located on the State Highway System within the jurisdictional boundaries of the City. In April of each year, the contract is reviewed and renewed.

Forecast Methodology: This revenue is forecasted by the contract with FDOT. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



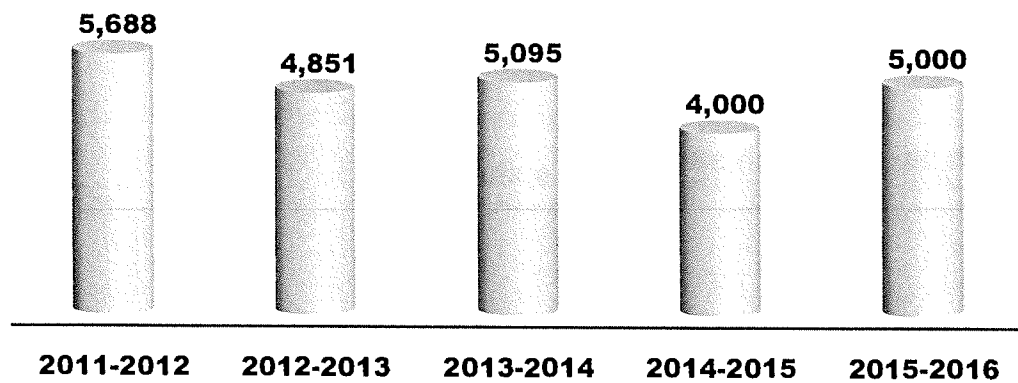
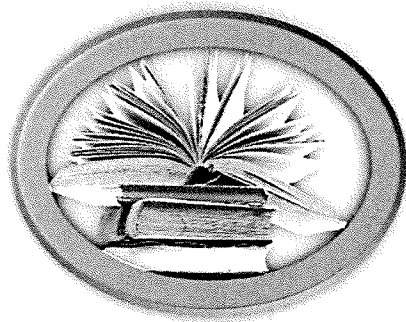
Florida Department of
TRANSPORTATION



Library Fees

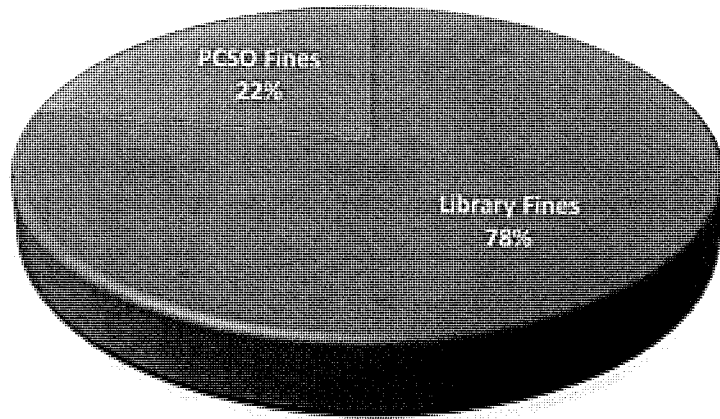
Description: These revenues are received from patrons of the Latt Maxcy Library for copies and faxes.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Fines and Forfeitures

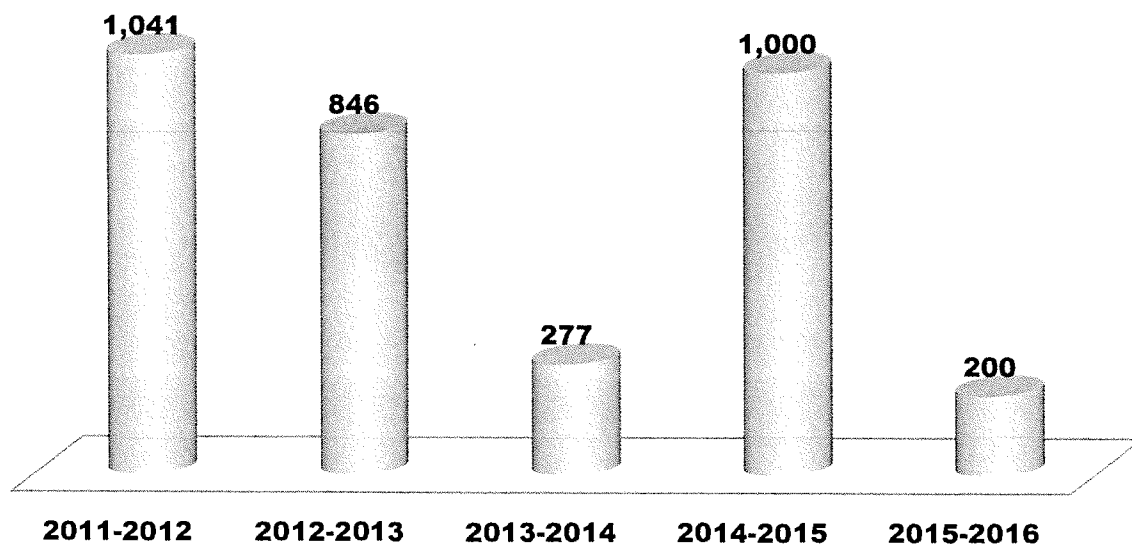
Fines & Forfeitures	900	
PCSO Fines	200	22%
Library Fines	700	78%



Polk County Sheriff Office Fines and Forfeitures

Description: These revenues are received from Polk County Clerk of Courts for fines charged to citizens for traffic and criminal citations.

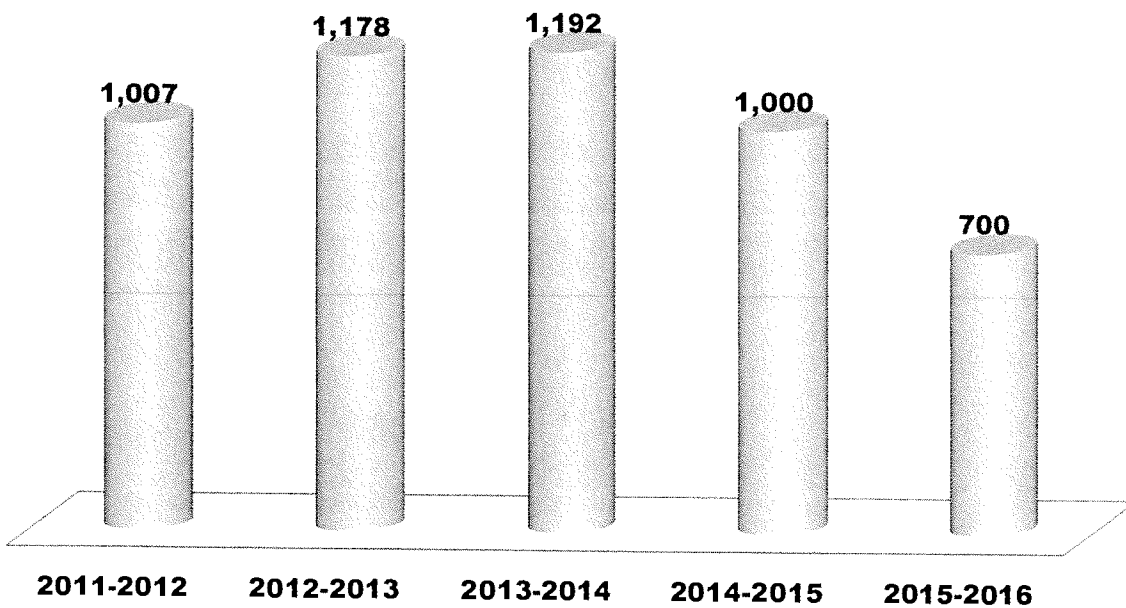
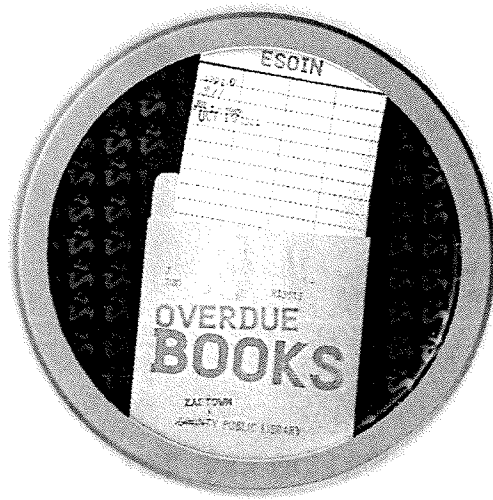
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Library Fines

Description: These revenues are received from patrons of the Latt Maxcy Library for fines.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.





*Former City Clerk Sarah Adelt
Swearing in Vice Mayor Rodney Cannon*

Investment Income

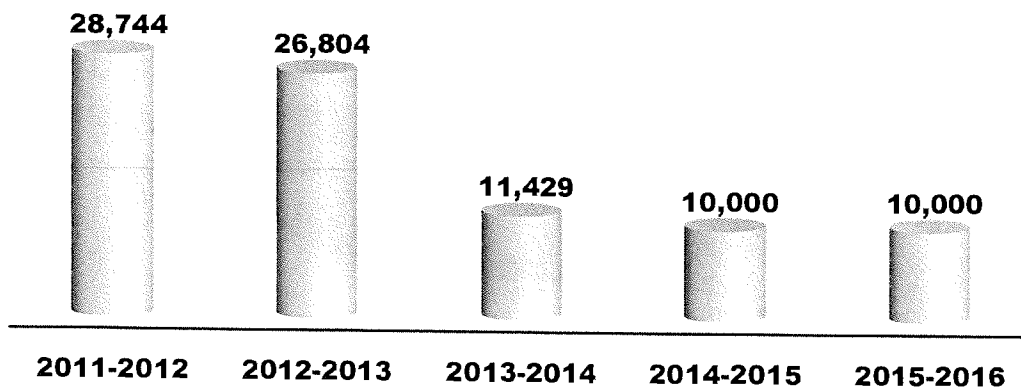
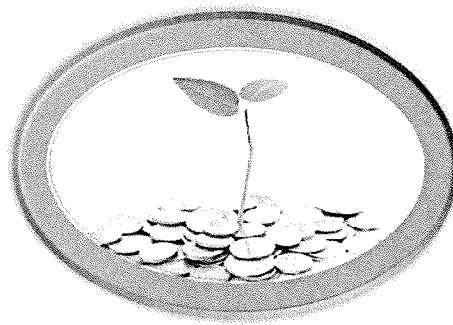


*Former City Clerk Sarah Adelt
Swearing in Council Member Martin Sullivan*

Operating Interest

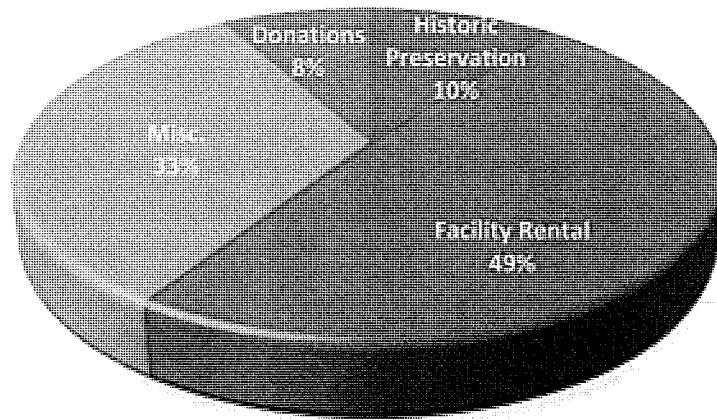
Description: The City invests with various banks resulting in revenues derived from interest.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Miscellaneous Revenues

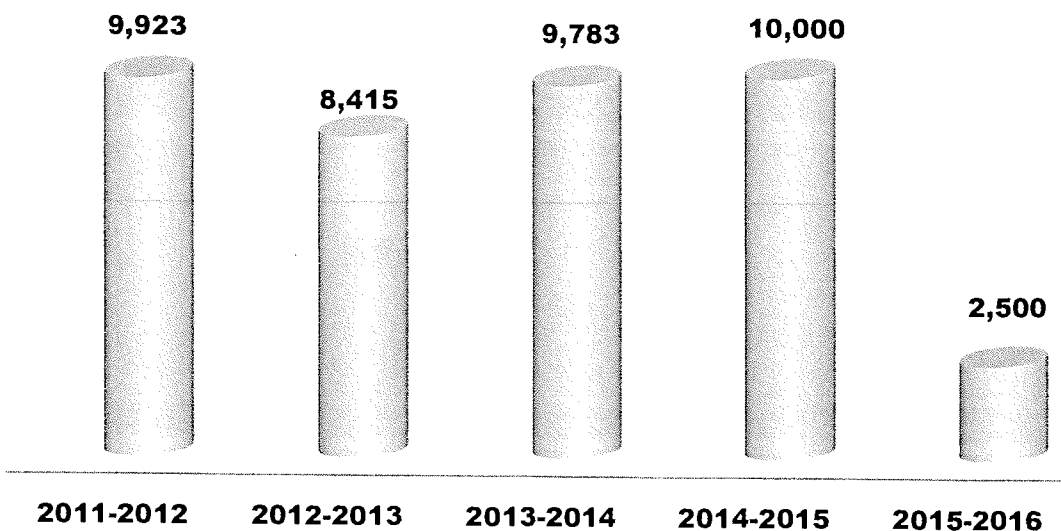
Misc. Revenues	24,500	
Historic Preservation	2,500	10%
Facility Rental	12,000	49%
Misc.	8,000	33%
Donations	2,000	8%



Historic Preservation

Description: Revenues are received from functions held in the auditorium and are utilized strictly for the renovation of the auditorium.

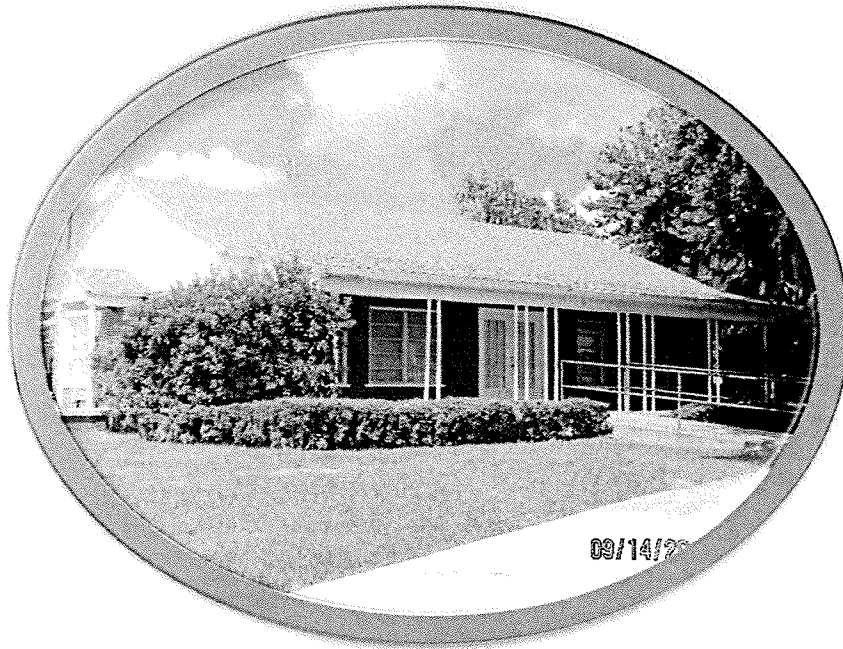
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



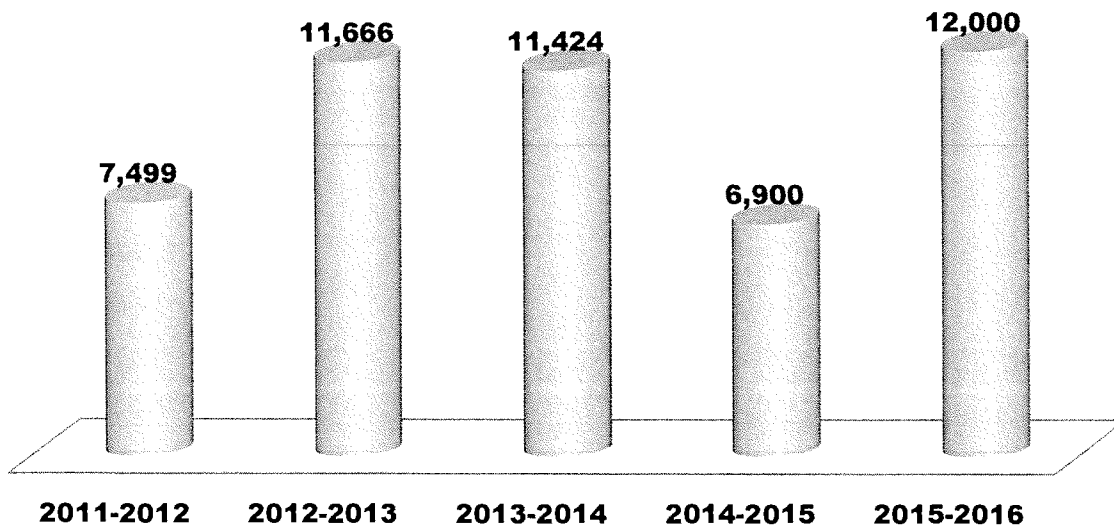
Facilities Rental

Description: These revenues are received from the rental of City facilities.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



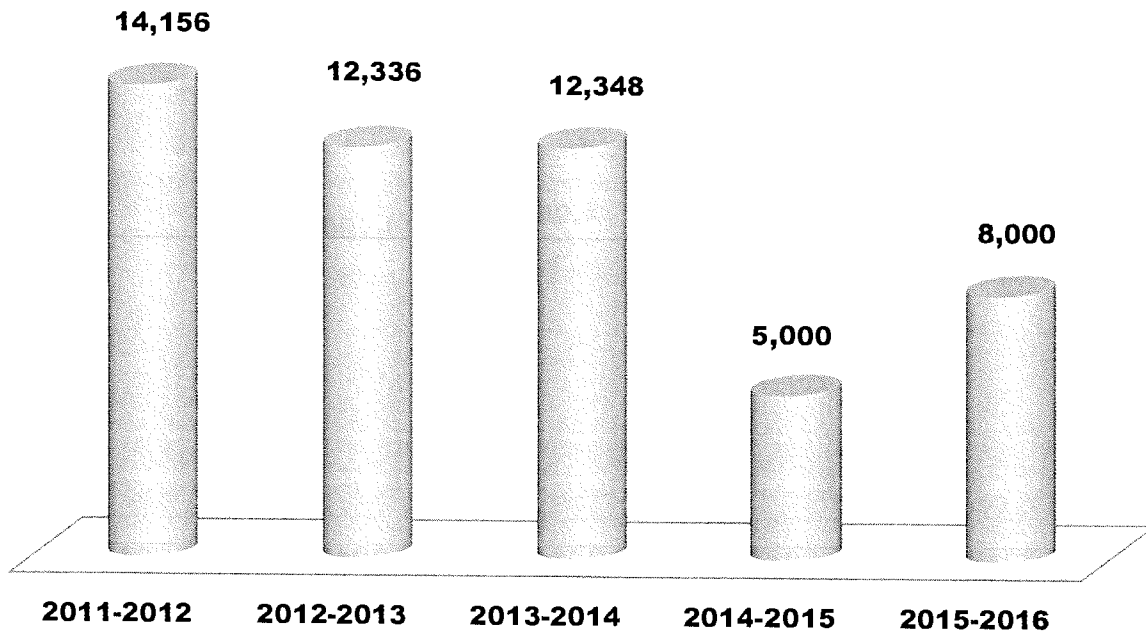
Women's Club



Miscellaneous

Description: Miscellaneous revenues are received from various individuals, corporations, and companies and include funds from reimbursement of insurance premiums, etc.

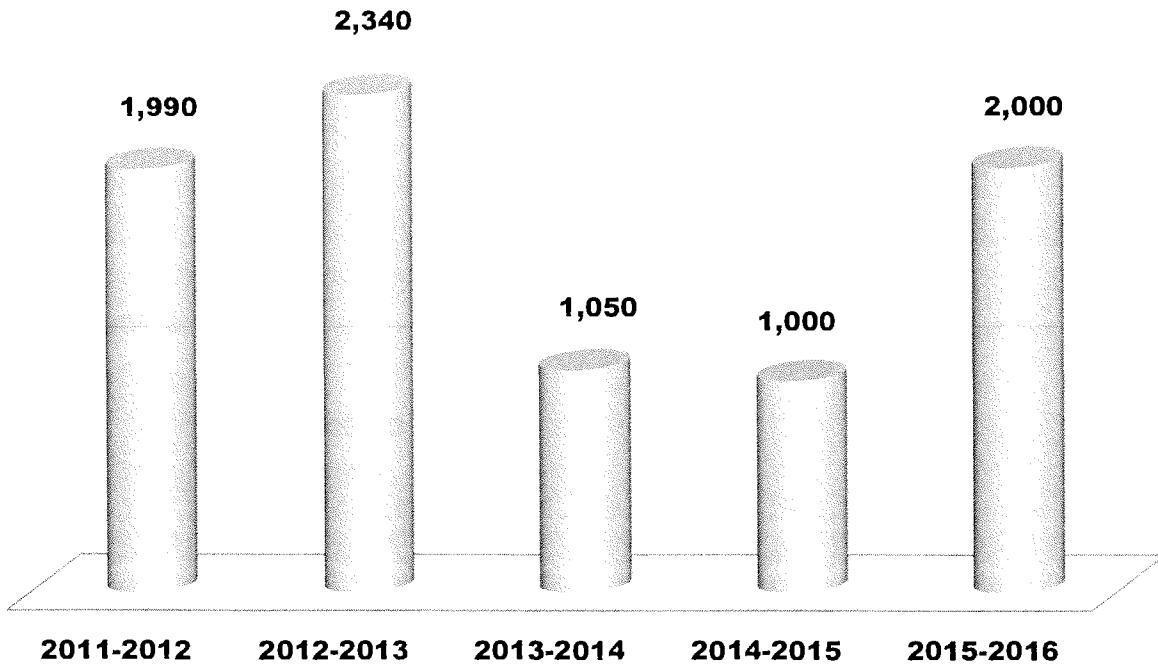
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



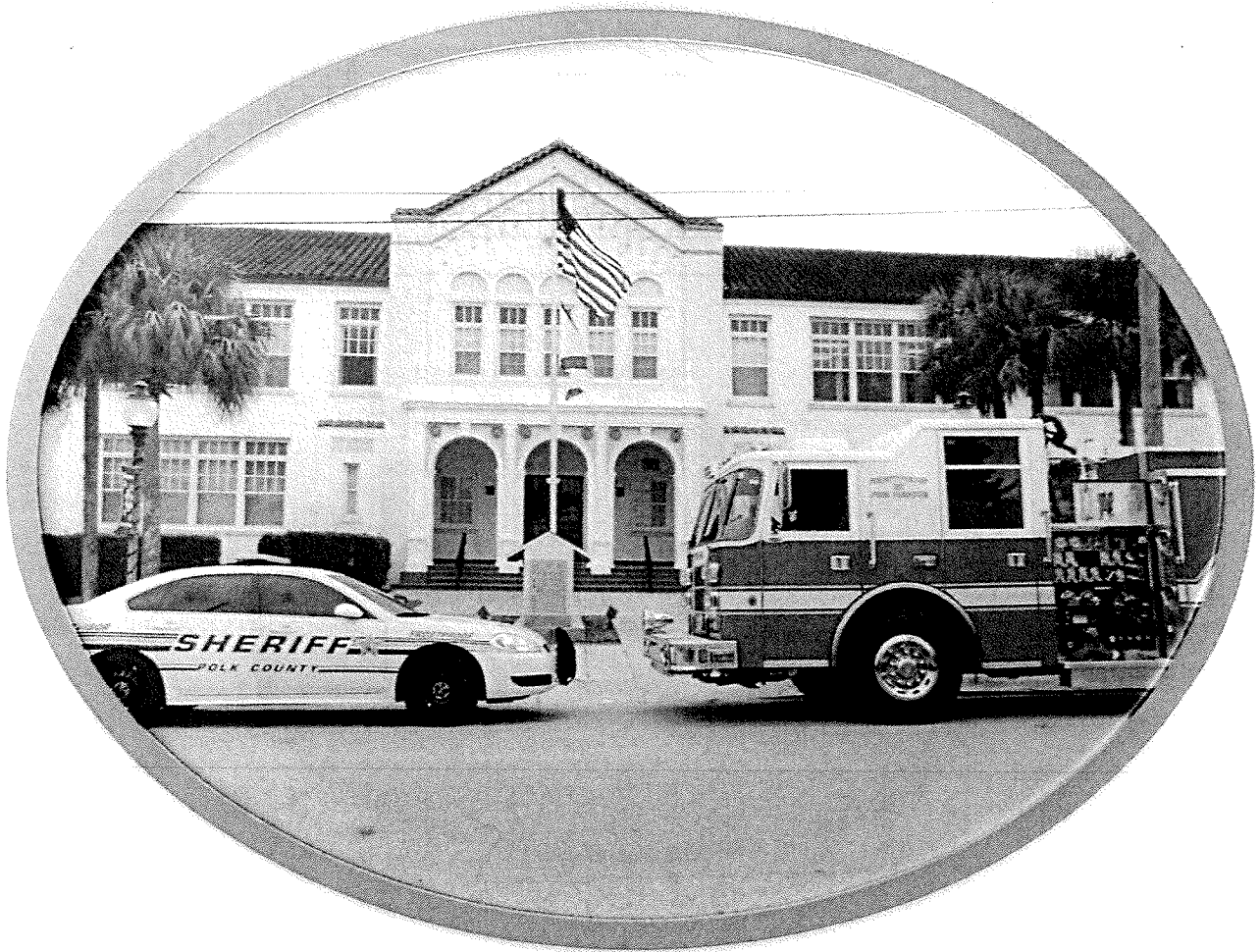
Donations

Description: These revenues are received from private donations.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



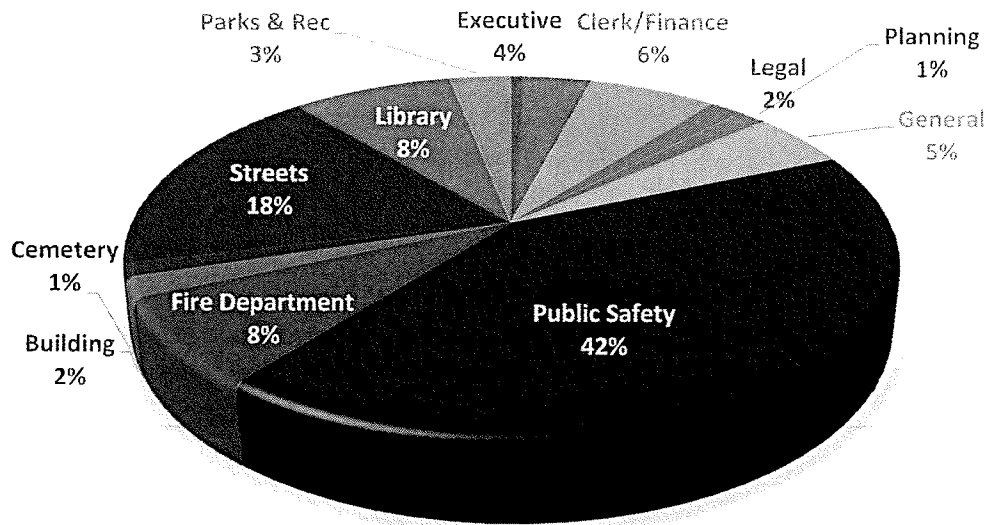
General Fund Expenses



City Hall

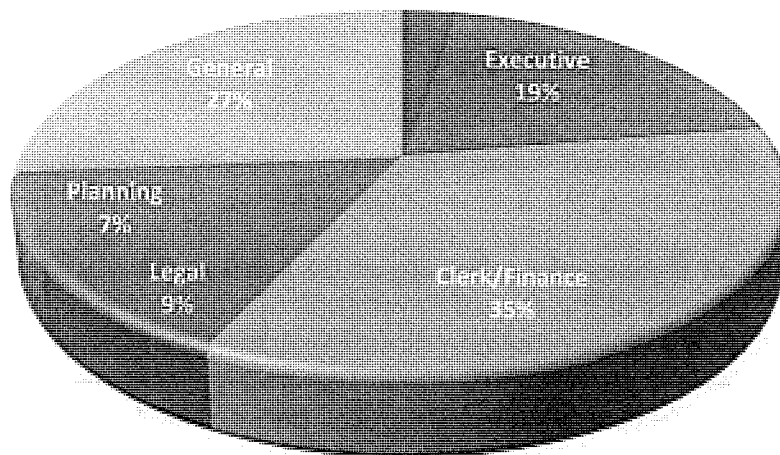
Expenditures by Department

Department	2014-2015	2015-2016	%
Legislative	8,570	11,580	0.5%
Executive	85,740	86,350	3.6%
Clerk/Finance	147,400	154,370	6.4%
Legal	40,000	40,000	1.7%
Planning	32,990	32,990	1.4%
General	104,300	117,790	4.9%
Public Safety	1,025,650	1,011,570	42.2%
Fire Department	164,020	185,050	7.7%
Building	44,100	42,050	1.8%
Cemetery	23,470	27,090	1.1%
Streets	395,590	420,090	17.5%
Library	196,560	196,090	8.2%
Parks & Recreation	63,070	69,240	2.9%
Historic Auditorium	3,600	3,600	0.2%

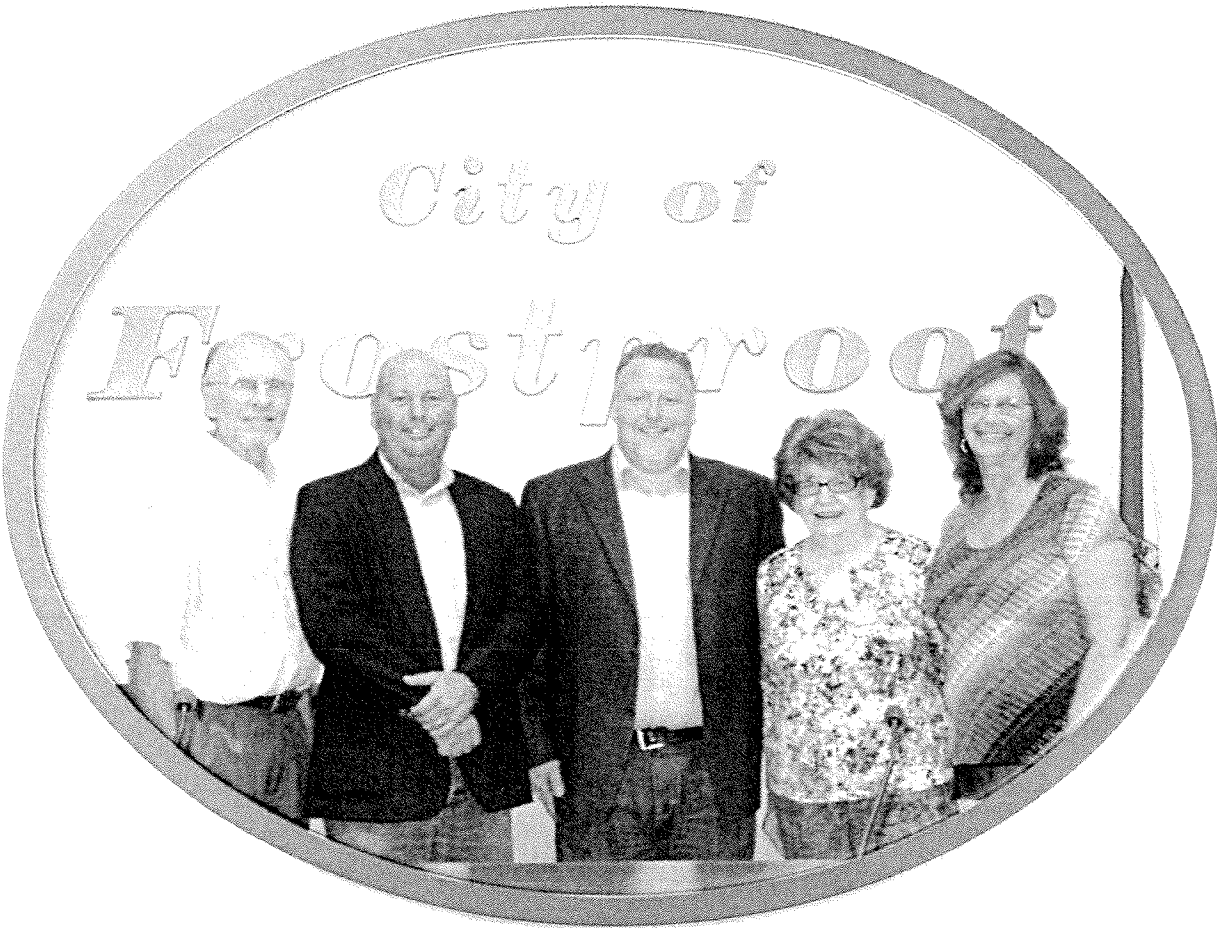


General Government Expenses

General Government	443,080	
Legislative	11,580	2.6%
Executive	86,350	19.5%
Clerk/Finance	154,370	34.8%
Legal	40,000	9.0%
Planning	32,990	7.4%
General	117,790	26.6%



Legislative



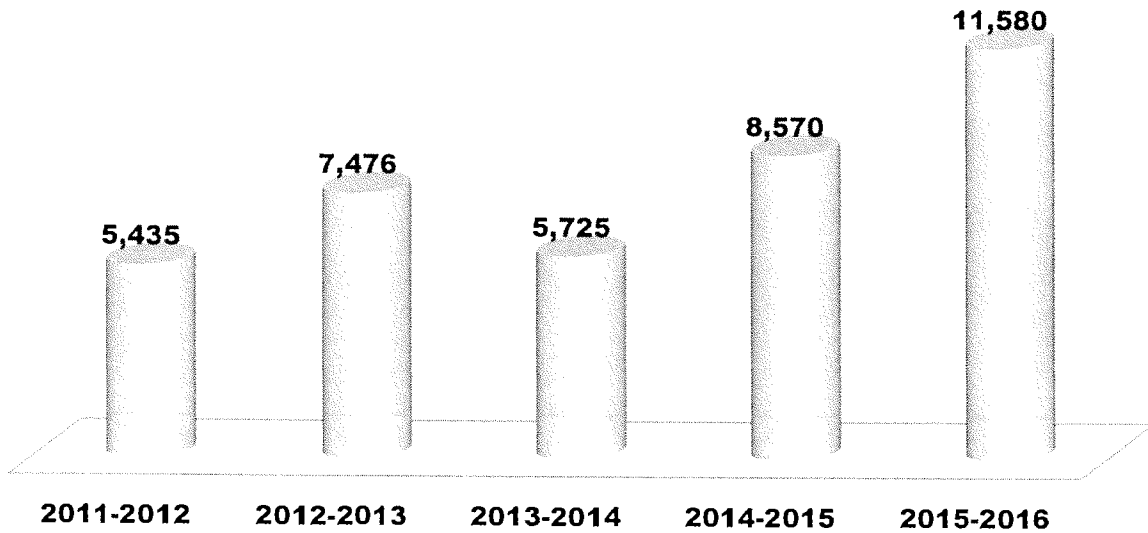
Ralph Waters, Martin Sullivan, Rodney Cannon, Anne Dickinson, Martha Neher

Legislative - Total Operating Budget \$11,580 – Mayor and Council operate in accordance with the Charter of the City of Frostproof. They are responsible for enacting ordinances and resolutions while providing direction to the City Manager. Council meets regularly with the public and provides information on matters of community concern. The goal of Council is to provide responsible legislation, ensure the safe, efficient and fair operation of City government.

Council consists of five members who are voted into office by the citizens. Each member serves a three-year term. At the first regular Council meeting after each regular election, the new Council shall elect one of its members as Mayor and another as Vice Mayor.

Council meetings are held the first and third Mondays of each month at 6:00 p.m. at City Hall to discuss legislation pertaining to general City business. All meetings are posted and open to the public.

Legislative (Continued)



Expenses by Line Item	2014-2015	2015-2016
Executive Salaries	3,600	5,100
FICA Taxes	230	320
Medicare Taxes	60	80
Travel & Per Diem	2,000	2,300
Communication/Phones	10	10
Promotional Activities - FLC	300	300
Office Supplies	800	800
Miscellaneous Supplies	50	50
Memberships & Affiliations	620	620
Schools/Conference Registration	900	2,000
	7,960	11,850

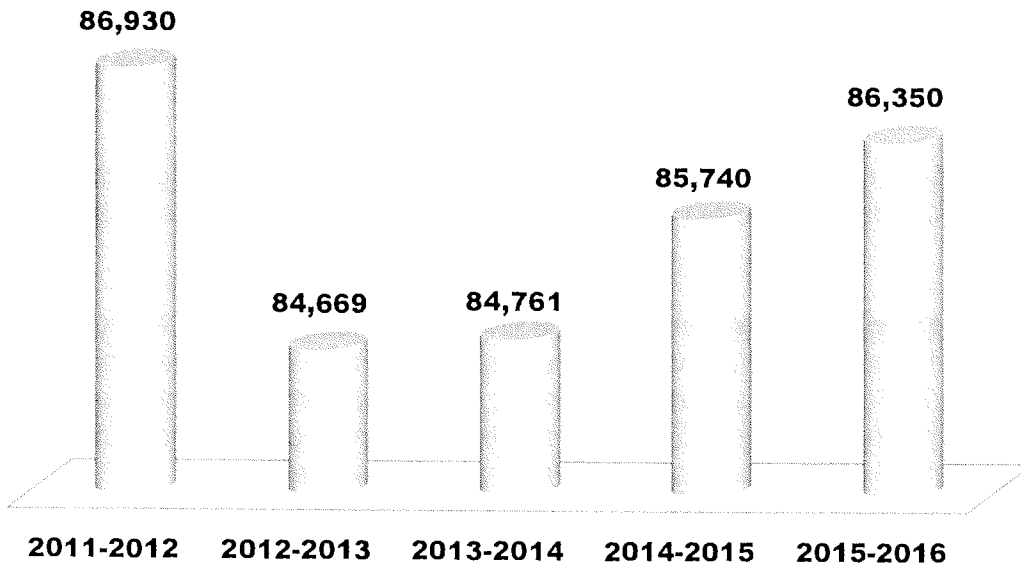
Executive Department



Tenny Croley, City Manager

Executive Department – Total Operating Budget \$86,350 – The Council shall appoint a City Manager for an indefinite term by a majority vote of the Council. The City Manager is responsible to the Council for the administration of all City affairs placed in his/her charge by or under the charter. The City Manager appoints, directs and supervises the administration of all departments, attends all Council Meetings, faithfully executes provisions of the charter, submits the annual budget, keeps the Council fully advised as to the financial condition and future needs of the City, signs contracts on behalf of the City pursuant to Council directive and performs other duties that may be required by Council.

Executive Department (Continued)



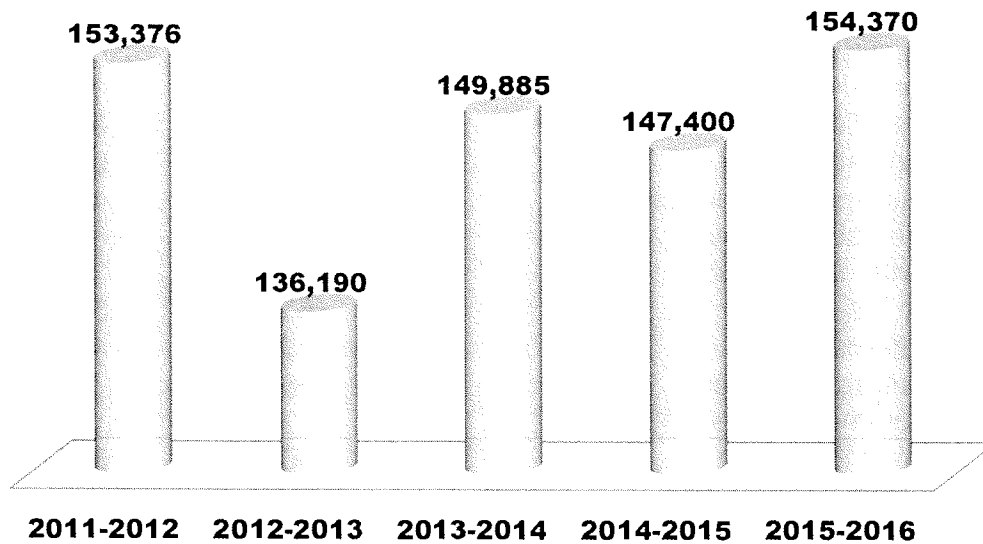
Expenses by Line Item	2014-2015	2015-2016
Executive Salaries	60,290	62,090
Special Pay	900	150
FICA Taxes	3,800	3,860
Medicare Taxes	890	910
Retirement Contributions	3,480	3,480
Medical Insurance	3,380	3,820
Dental Insurance	310	330
Life Insurance	530	540
Workers Comp	450	450
Contract Services	990	0
Equipment under \$1000	0	0
Travel Per Deim	1,500	1,500
Vehicle Allowance	6,000	6,000
Comm Service - Phones, Pagers	920	920
Postage & Freight	70	70
Copier/Lease	50	50
Promotional Activities	100	100
Contingency	0	0
Office Supplies	400	400
Memberships & Prof Affiliation	630	630
Schools/Conference Registration	1,050	1,050
	85,740	86,350

Clerk/Finance Department

Clerk/Finance Department - Total Operating Budget \$154,370 – Located within this department is the Finance Manager, City Clerk, Utilities Manager and Finance Assistant.

The City Clerk is responsible for all City records, Council Meeting Agendas and Minutes, Business Tax Receipts, Cemetery Records, Human Resources and other duties that may be required.

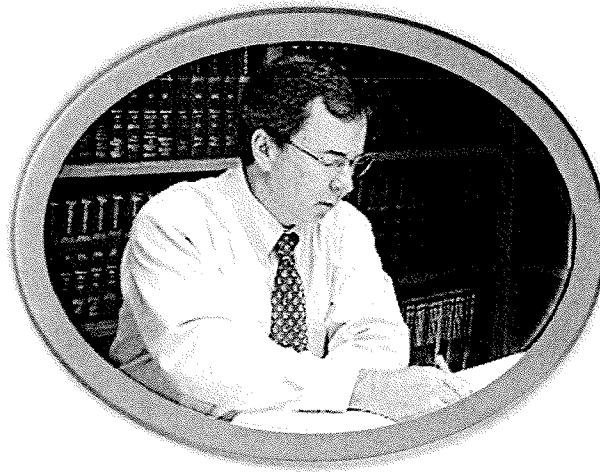
The Finance Department ensures the financial stability of the City by managing all financial functions in an efficient, cost-effective manner. Functions in the Finance Department include debt and cash management, inventory management, purchasing, financial accounting, annual budget, annual audits, accounts payable, accounts receivable, utility billing, technical support and other duties that may be required.



Clerk/Finance Department (Continued)

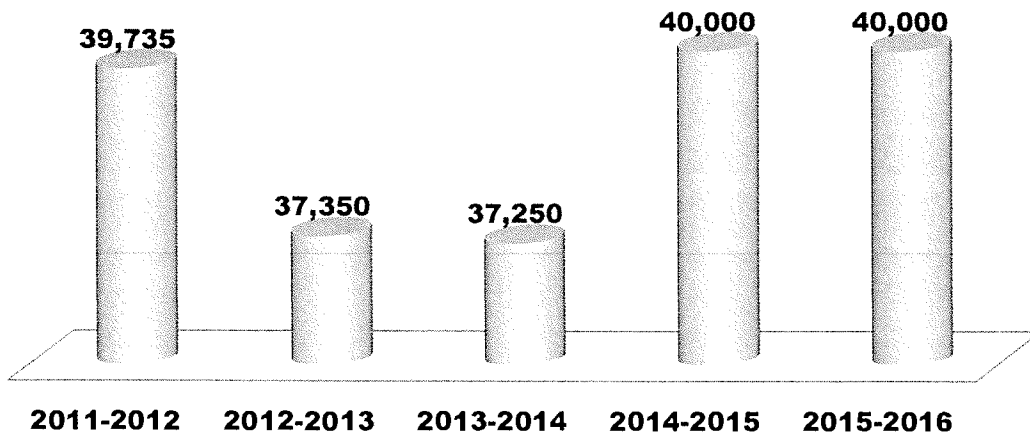
Expenses by Line Item	2014-2015	2015-2016
Executive Salaries	74,550	68,600
Regular Wages	19,990	22,620
Special Pay	2,830	480
FICA Taxes	6,040	5,690
Medicare Taxes	1,420	1,330
Retirement Contributions	5,850	5,510
Medical Insurance	15,090	27,170
Dental Insurance	980	1,510
Life Insurance	1,240	1,260
Workers Compensation	890	890
Professional- Medical	50	50
Contract Services	4,240	7,240
Travel & Per Diem	2,900	3,100
Phone, Fax, Cells	50	50
Postage & Freight	1,000	1,000
Copier (Equipment) Lease, Rent	600	600
Legal Ads, Licenses & Obligations	500	500
Office Supplies	600	600
Miscellaneous Operating Supplies	100	100
Furniture/ Equipment under \$1000	600	600
Elections	1,500	1,500
Book/Publications	2,110	2,110
Memberships & Prof Affiliations	290	160
Schools & Conferences	3,900	1,700
	147,400	154,370

Legal Department



Mark Smith, Hunt Smith Law Firm

Legal Administration - Total Operating Budget \$40,000 – Legal Administration consists primarily of the City Attorney and occasional outside legal assistance as necessary. The City Attorney represents the interest of the City as expressed by the Council, City Charter, and as prescribed by law. The attorney effectively represents the interests of the City by minimizing liability and defending against claims. The City Attorney is responsible for providing legal advice and counsel to the City, its elected officials, and staff members. The attorney prepares and/or approves all contracts, bonds, and other instruments in writing in which the City is concerned, and renders opinions upon questions of law.

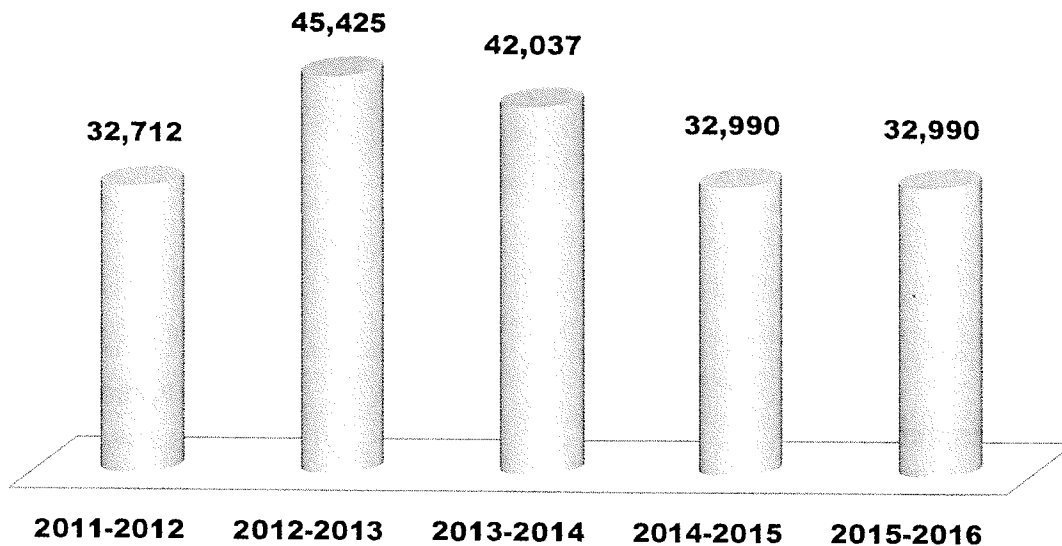


Expenses by Line Item	2014-2015	2015-2016
Attorney Legal Services	36,000	36,000
Professional Services	4,000	4,000
	40,000	40,000

Comprehensive Planning



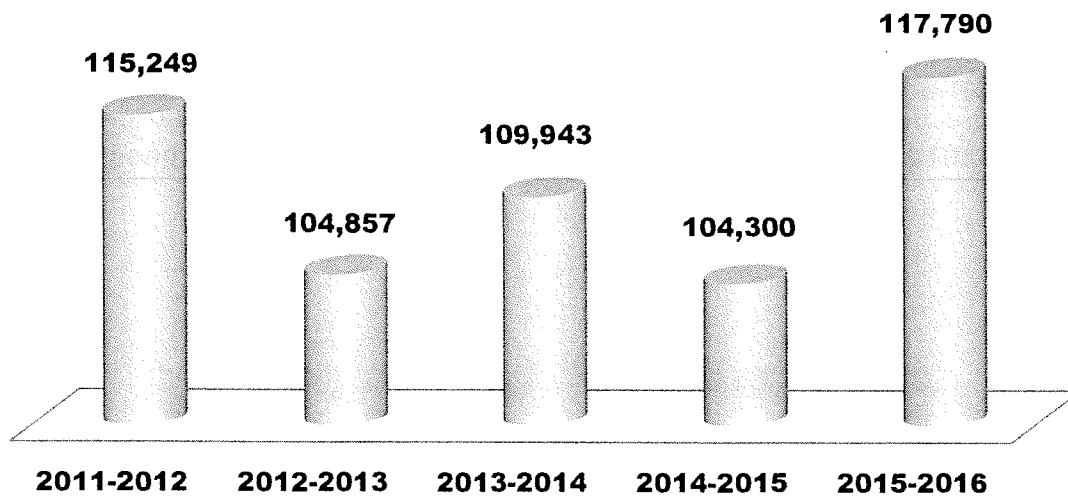
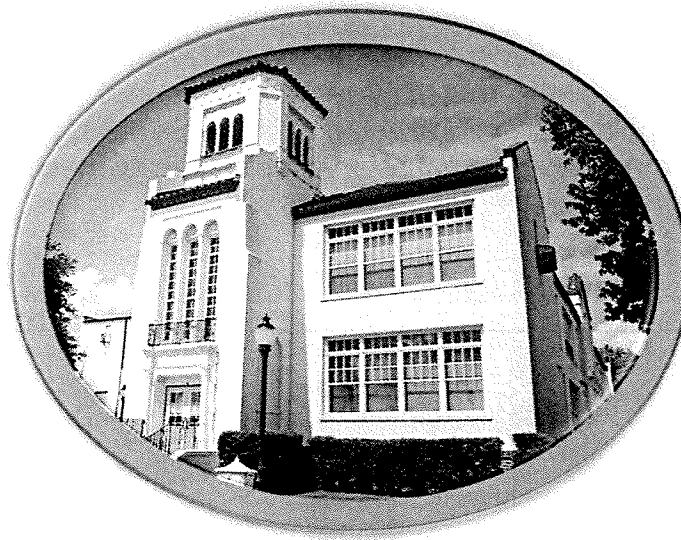
Comprehensive Planning - Total Operating Budget \$32,990- This department is outsourced to Central Florida Regional Planning Council. This department prepares changes to the Comprehensive Plan and Land Development Code and provides information about these documents to the residents, and Council. It serves as a liaison to Council in the review of applications for rezoning, conditional uses, annexations and subdivisions. Planning and Zoning Commission consists of seven members appointed by the Council for the term of three years.



Expenses by Line Item	2014-2015	2015-2016
Planner	32,000	32,000
Legal Ads	750	750
Office Supplies	240	240
	32,900	32,900

General Government

General Government - Total Operating Budget \$117,790 - General expenses for City Hall are charged to this department including, but not limited to, pest control, maintenance, equipment and lease agreements, accounting and auditing services, technical services, and Commercial and Liability insurance.



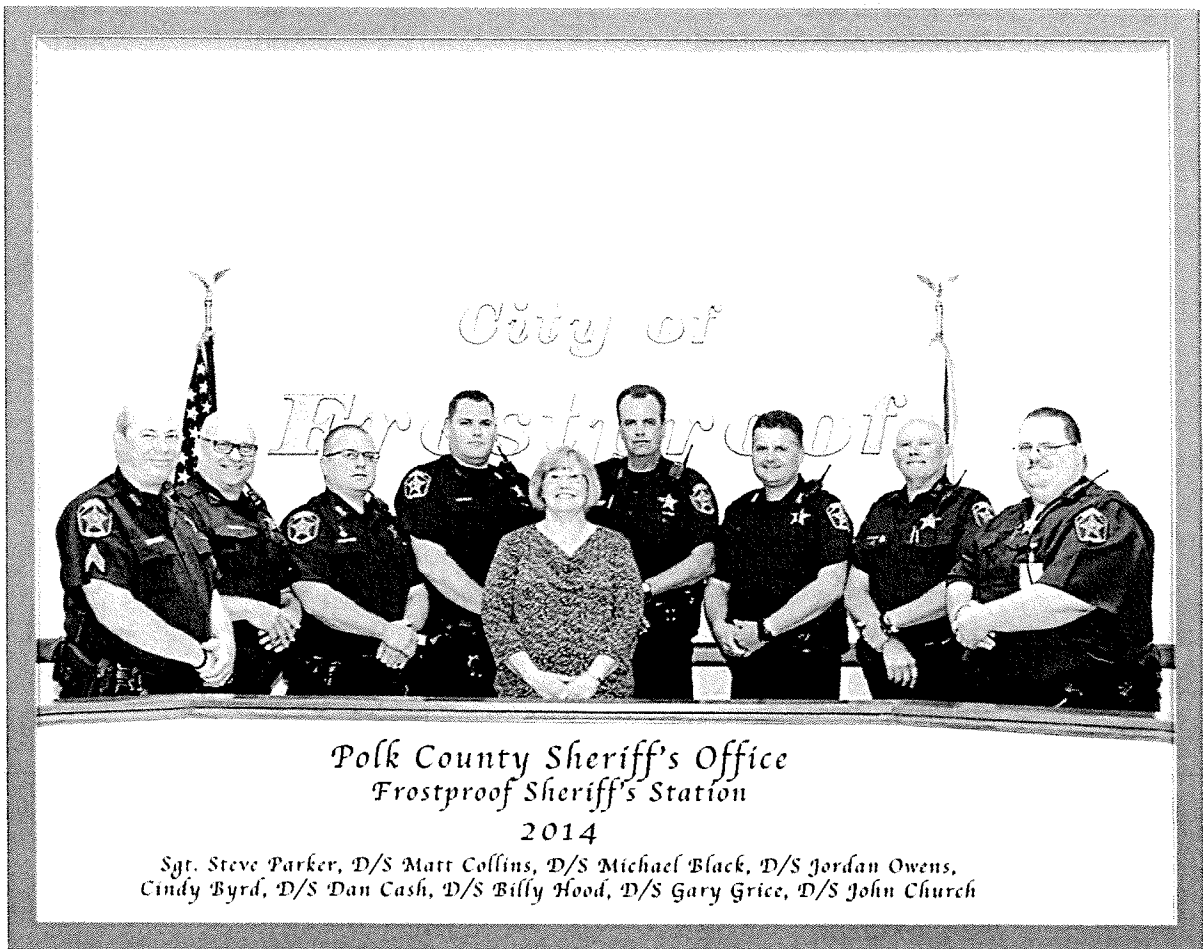
General Government (Continued)

Expenses by Line Item	2014-2015	2015-2016
Regular Wages	5,670	5,840
Special Pay	400	80
FICA Taxes	380	370
Medicare Taxes	90	90
Retirement Contributions	240	240
Medical Insurance	620	690
Dental Insurance	60	60
Life Insurance	50	50
Professional Services	2,500	2,500
Accounting/Auditing	32,000	30,000
FMPTF Actuarial Fees	1,000	1,000
Contract Service	10,140	13,640
Phone, Fax, Cells	2,700	2,800
Postage & Freight	200	200
Internet Access	850	850
Utility Services	16,000	24,000
Lease/Rent Copier/Vehicle/Buildings	-	500
Insurance	7,420	8,280
Miscellaneous Maintenance & Repairs	500	500
Maintenance Agreements	6,010	9,100
Building Maintenance & Repairs	1,500	1,500
Equipment Maintenance & Repairs	5,000	5,000
Promotional Activities	1,100	1,100
Promo-Ridge League Dinner	1,100	1,000
Legal Ads/Licenses	100	100
Bank Fees	3,000	3,000
Office Supplies	500	500
Miscellaneous Operating Supplies	1,500	1,500
Gas & Oil	100	100
Janitorial Supplies	1,000	1,000
Furniture/ Equipment under \$1000	1,000	1,000
Books & Publications	50	50
Memberships	1,620	1,150
	104,300	117,790

Public Safety

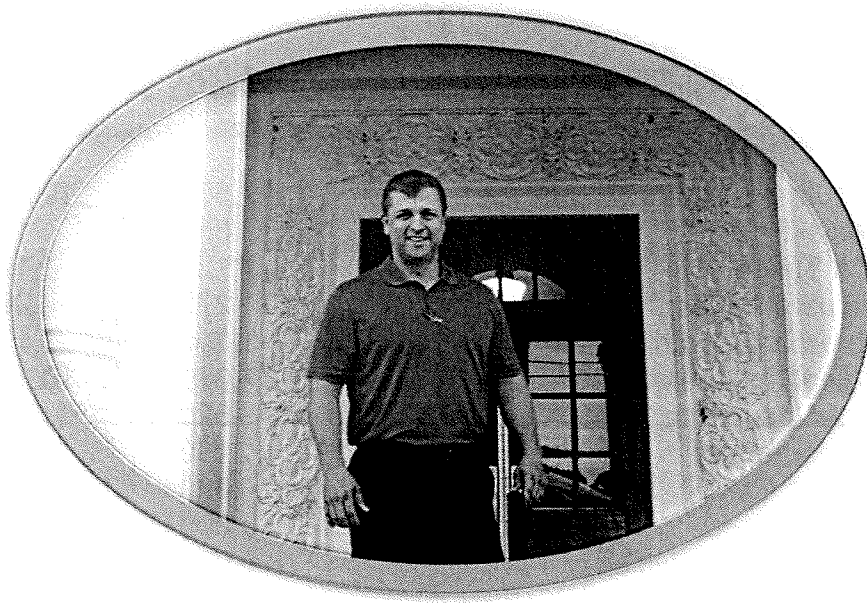
Public Safety - Total Operating Budget \$1,011,570 – Public Safety Department consists of law enforcement and code enforcement.

Law Enforcement - Total Operating Budget \$952,840 - The City contracts with the Polk County Sheriff to provide law enforcement services within the City limits. The current contract expires September 30, 2017.

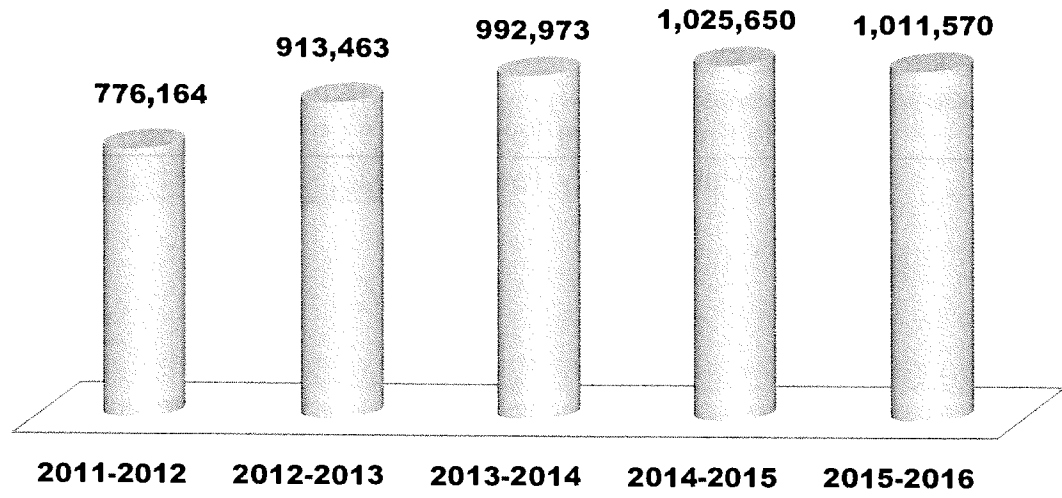


Public Safety (Continued)

Code Enforcement - Total Operating Budget \$58,730 - Code Enforcement is dedicated to the enforcement of City and State standards. These standards allow for safe and orderly practices as related to maintenance of all property, whether developed or undeveloped and other related enforcement issues.



Troy Kipe, Code Enforcement



Public Safety (Continued)

Expenses by Line Item	2014-2015	2015-2016
Pension Obligation	180,300	130,630
Sheriff's Office Contract Service	788,400	815,910
Utility Service	600	600
Insurance	100	100
Maintenance Agreements	2,000	5,000
Promotional	100	-
Promotional RLC	50	100
Miscellaneous Operating Supplies	1,000	500
	972,550	952,840
Code Enforcement		
Executive Salaries	17,500	19,090
Special Pay	550	100
FICA Taxes	1,120	1,190
Medicare Taxes	270	280
Retirement Contributions	1,090	1,160
Medical Insurance	7,070	10,140
Dental Insurance	520	520
Life Insurance	190	260
Workers Comp	390	390
Attorney Fees	5,000	5,000
Professional Services	5,000	5,000
Communication	240	800
Postage	500	50
Insurance - Except Payroll Type	1,740	1,780
Printing/Binding/Copies	120	120
Legal Ads	200	200
Office Supplies	250	250
Miscellaneous Operating Supplies	200	200
Gas & Oil	500	700
Equipment Under \$1,000	1,500	1,500
Code Violation Abatements	10,000	10,000
Code Enforcement Total	53,950	58,730
Public Safety Total	1,026,500	1,011,570



Fire Department

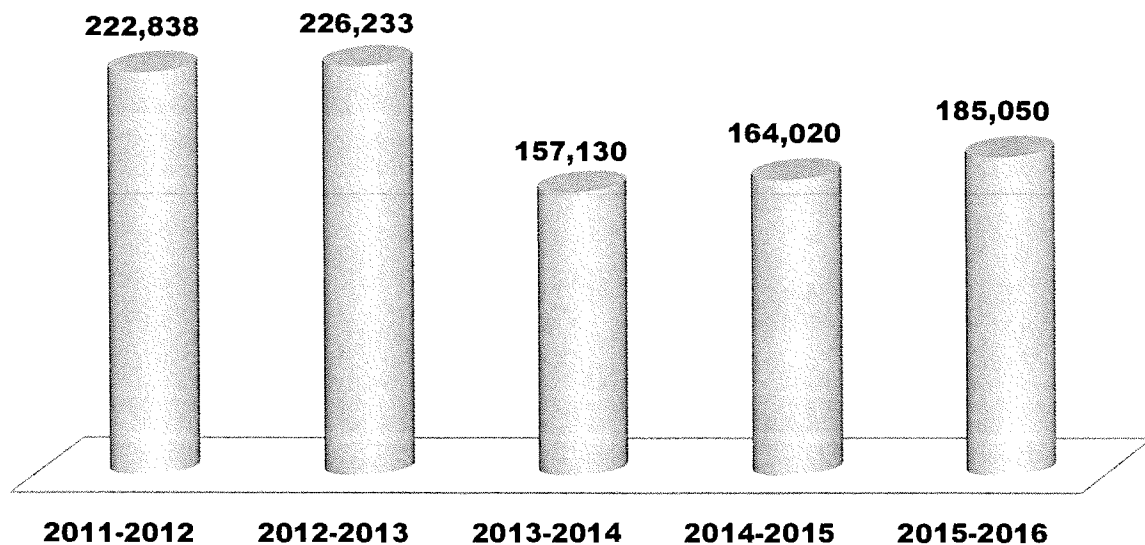


Fire Department



Jerry Riner, Anthony Jenkins

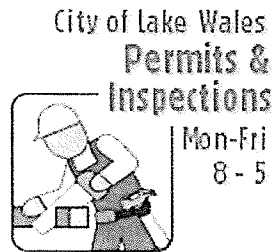
Fire Department - Total Operating Budget \$185,050 - This department effectively manages fire investigations, fire inspections, public education, and fire prevention. The personnel are dedicated to providing the best customer service in the area of public safety.



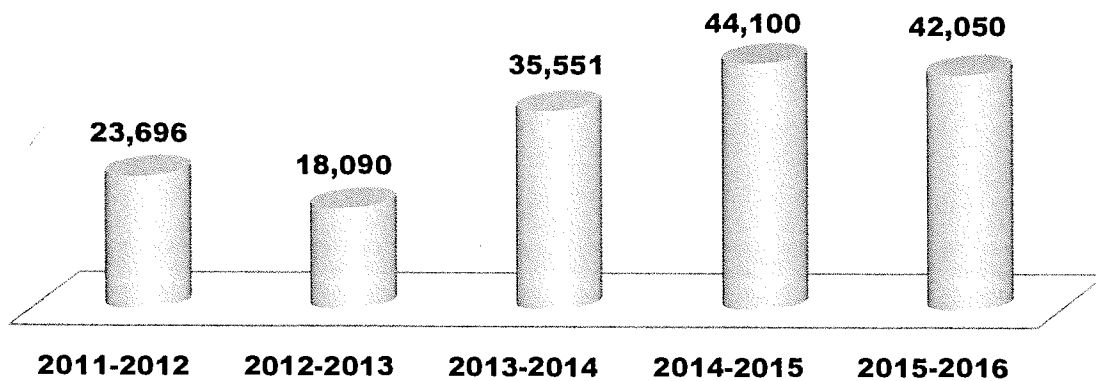
Fire Department (Continued)

Expenses by Line Item	2014-2015	2015-2016
Regular Wages	68,910	74,800
Special Pay	3,500	700
FICA Taxes	5,560	5,320
Medicare Taxes	1,290	1,240
Retirement Contributions	4,350	4,530
Workers Comp	1,530	1,530
Medial Professional	300	1,000
Contract Service	7,780	9,390
Contract Service - Volunteer FF	16,260	9,180
Polk County Dispatch	11,800	9,600
Phone, Fax, Cells	600	1,020
Postage & Freight	600	1,000
Comm Svs - Internet Services	750	840
Utility Services	3,400	3,400
Lease/Rent Copier/Veh/Bldgs	720	1,000
Insurance	7,100	7,100
Building Maintenance & Repairs	-	1,000
Equipment Maintenance & Repairs	1,500	4,000
Vehicle Maintenance & Repairs	6,000	16,000
Promotional Activities	-	500
Office Supplies	700	700
Miscellaneous Operating Supplies	1,500	1,500
Gas & Oil Supplies	7,000	7,000
Tools	500	500
Uniforms	1,900	13,200
Furniture/ Equipment under \$1000	7,710	2,500
Books/Publications	500	1,500
Memberships & Prof Affiliation	500	500
Schools & Conferences	1,700	4,500
	164,020	185,050

Building Department



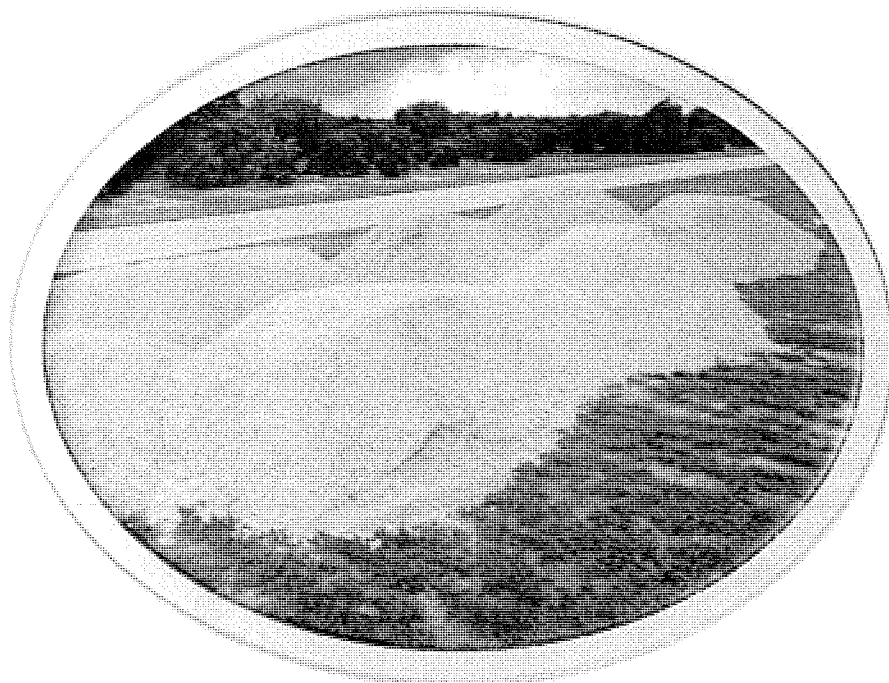
Building Department - Total Operating Budget \$42,050 – This department issues residential and commercial permits to property and business owners of the City of Frostproof. This department has a part-time Building Official through an inter-local agreement with the City of Lake Wales. The building official reviews plans and provides applicants with information regarding the permitting process. Building inspections are scheduled during the construction process and records of permits issued are maintained.



Building Department (Continued)

Expenses by Line Item	2014-2015	2015-2016
Other Salaries	19,440	16,570
Special Pay	550	100
FICA Taxes	1,240	1,040
Medicare Taxes	290	250
Retirement Contributions	1,200	1,000
Medical Insurance	3,080	3,830
Dental Insurance	220	240
Life Insurance	240	240
Workers Comp	390	390
Professional	13,000	13,000
Contract Services	990	1,930
Phone, Fax, Cells	300	300
Postage & Freight	200	200
Lease	30	30
Insurance	1,780	1,780
Printing and Binding	100	100
Office Supplies	500	500
Miscellaneous Operating Supplies	50	50
Furniture/ Equipment under \$1000	500	500
	44,100	42,050

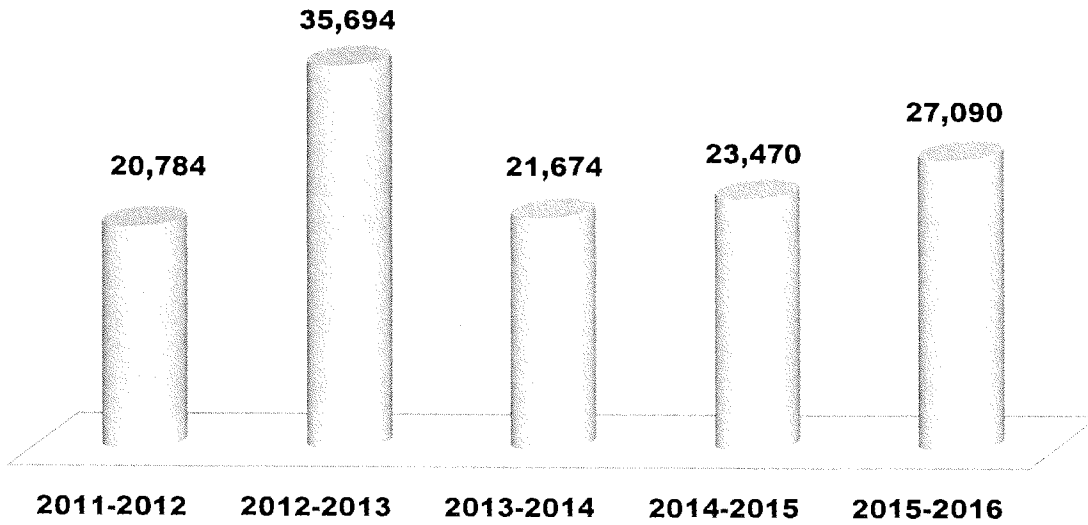
Cemetery Department



Road Material to be spread on Roads in Cemetery

Cemetery Department - Total Operating Budget \$27,090 – All expenses pertaining to Silver Hill Cemetery are charged to this department.

Cemetery Department (Continued)

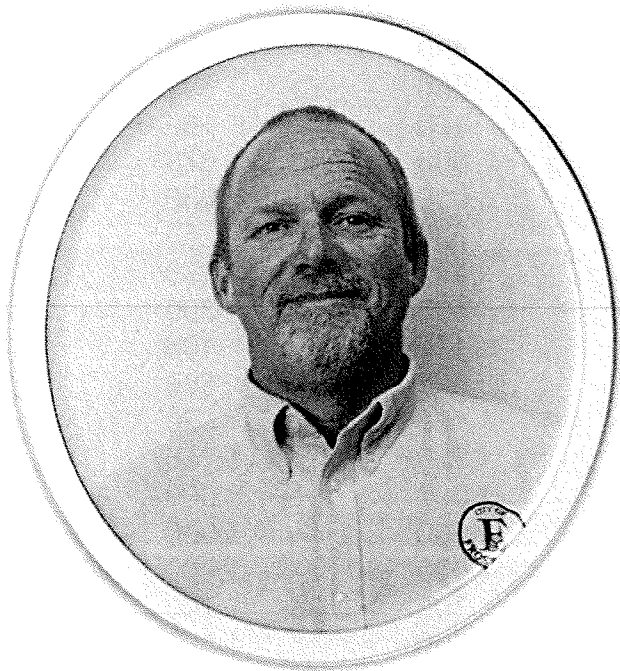


Expenses by Line Item	2014-2015	2015-2016
Regular Wages	9,630	10,640
Overtime	290	320
Special Pay	480	90
FICA Taxes	650	690
Medicare Taxes	160	160
Retirement Contributions	630	670
Dental Insurance	3,030	3,850
Medical Insurance	220	260
Life Insurance	140	170
Workers Comp	390	390
Postage	100	100
Utilities	500	500
Lease	20	20
Insurance	1,780	1,780
Miscellaneous Maintenance. & Repairs	1,000	3,000
Maintenance Agreements	1,000	1,000
Equipment Maintenance & Repairs	1,000	1,000
Miscellaneous Operating Supplies	700	700
Gas & Oil Supplies	1,500	1,500
Chemicals	250	250
	23,470	27,090



Justin Pelletier and Mark Cooler

Public Works Department



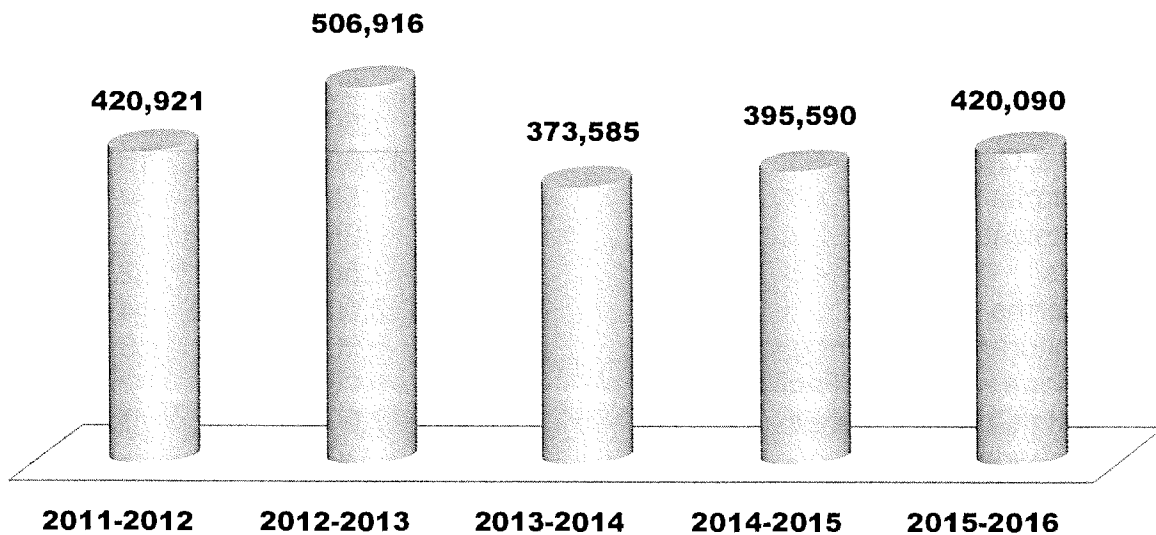
James Keene, Public Works Director

Street Department



Anthony Hunter, Tammy Waltz, Mark Cooler, Martin Bracken, Jarrod Schiff

Street Department – Total Operating Budget \$420,090 – This department maintains and cares for the City’s streets, right-of-ways, and sidewalks. Staff provides barricades to assist emergency personnel in controlling intersections during wrecks, power outages or special events. The department assists Emergency Response personnel in road closures due to storms, sink holes or flood damage. In the event of a disaster, the Street Department is primarily responsible for coordinating the removal of debris.



Street Department (Continued)

Expenses by Line Item	2014-2015	2015-2016
Executive Salaries	40,380	41,590
Regular Wages	114,110	129,980
Overtime	4,120	4,060
Special Pay	6,840	1,330
FICA Taxes	9,930	10,620
Medicare Taxes	2,400	2,570
Retirement Contributions	9,930	10,620
Medical Insurance	40,740	50,220
Dental Insurance	2,820	3,340
Life Insurance	2,160	2,600
Workers Comp	2,290	2,290
Medical	300	300
Travel	350	350
Phone, Fax, Cells	1,300	2,280
Postage & Freight	600	600
Utility Services	76,500	74,820
Rent/Lease	140	140
Insurance	10,650	10,650
Miscellaneous Maintenance & Repairs	5,500	10,500
Maintenance Agreements	2,750	250
Building Maintenance & Repairs	1,500	1,500
Equipment Maintenance & Repairs	10,000	10,000
Vehicle Maintenance & Repairs	5,000	5,000
Printing and Binding	100	100
Promotional Activities	250	150
Promotional RLC	150	150
Legal Ads	200	200
Contingency	5,000	5,000
Office Supplies	300	300
Miscellaneous Operating Supplies	1,500	3,000
Gas & Oil Supplies	15,000	15,000
Janitorial Supplies	500	800
Chemical Supplies	250	250
Tools	1,500	2,000
Uniforms	3,000	4,000
Furniture/ Equipment under \$1000	5,000	3,500
Signage - Roads & Facilities	5,000	2,500
Asphalt, concrete, shell	7,000	7,000
Memberships	300	300
Schools/Conferences	230	230
	395,590	420,090

Library Department



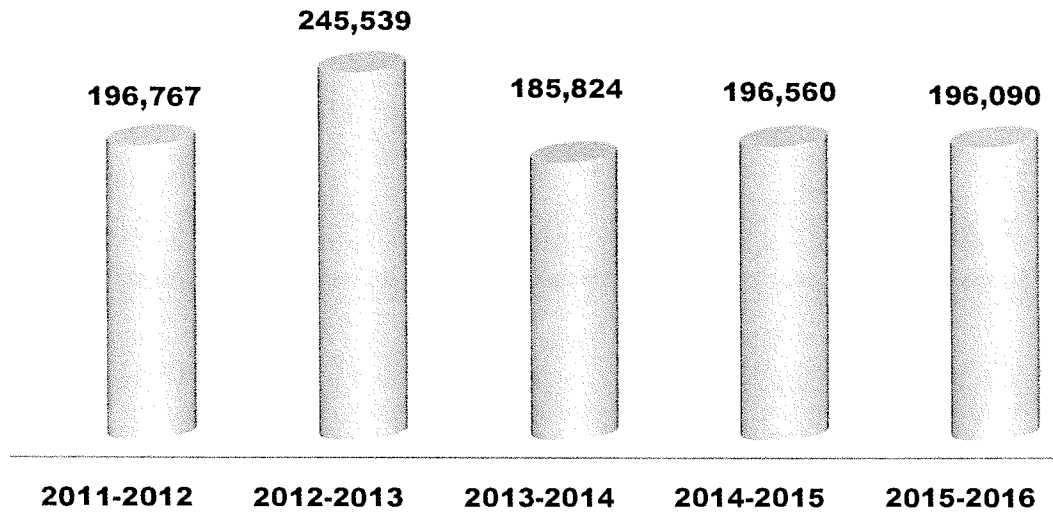
*First Row: Allison Briggs, Teresa Norris, Melissa Hadden
Second Row: Kelly Wilbanks, Neta Harris*

Library Department - Total Operating Budget \$196,090 - Latt Maxcy Memorial Library is maintained by the City and administered under the direction of a library board which is subject to the supervision and control of Council.

The City of Frostproof will receive revenue of approximately \$35,000 from the Polk County Library Cooperation Agreement.

Mission Statement: The mission of the Latt Maxcy Memorial Library is to serve information, educational, and recreational needs through acquiring and maintaining high quality materials, programs and services within comfortable facilities, with emphasis on information which is of immediate relevance and interest to the Frostproof community and library service area; and in a manner commensurate with responsible fiscal planning. The Library's mission extends to providing access to the universe of information beyond the Library's own collections through interlibrary cooperation and electronic resources.

Library Department (Continued)



R. Patty Briggs and Kellie Wilbanks, Library Assistant

Library Department (Continued)

Expenses by Line Item	2014-2015	2015-2016
Executive Salaries	46,350	47,750
Regular Wages	35,810	36,070
Special Pay	3,050	600
FICA Taxes	5,290	5,240
Medicare Taxes	1,240	1,230
Retirement Contributions	4,570	4,540
Medical Insurance	20,940	18,190
Dental Insurance	1,450	1,620
Life Insurance	910	920
Workers Comp	390	390
Contract Service	3,390	1,320
Travel & Per Diem	200	200
Phone, Fax, Cells	1,000	1,000
Postage & Freight	500	500
Utility Services	13,800	15,240
Lease/Rent Copier/Veh/Bldgs	720	840
Insurance	1,780	2,780
Building Maintenance & Repairs	2,000	2,000
Equipment Maintenance & Repairs	500	500
Printing	360	360
Promotional Activities	1,600	1,600
Contingency	1,000	1,000
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	250	250
Janitorial Supplies	750	750
Furniture/ Equipment under \$1000	300	300
Memberships & Prof Affiliations	200	200
	149,350	146,390
Library Co-Op		
Regular Wages	29,870	30,760
Special Pay	1,900	400
FICA Taxes	1,970	1,940
Medicare Taxes	470	460
Retirement Contributions	1,720	1,710
Medical Insurance	6,330	7,090
Dental Insurance	410	440
Life Insurance	350	350
Programmer	710	730
Communication-Internet	1,080	1,500
Lease	1,980	1,980
Legal Adds	160	350
Publications/Subscriptions	260	1,990
	47,210	49,700
Library Total	196,560	196,090

Parks & Recreation Department

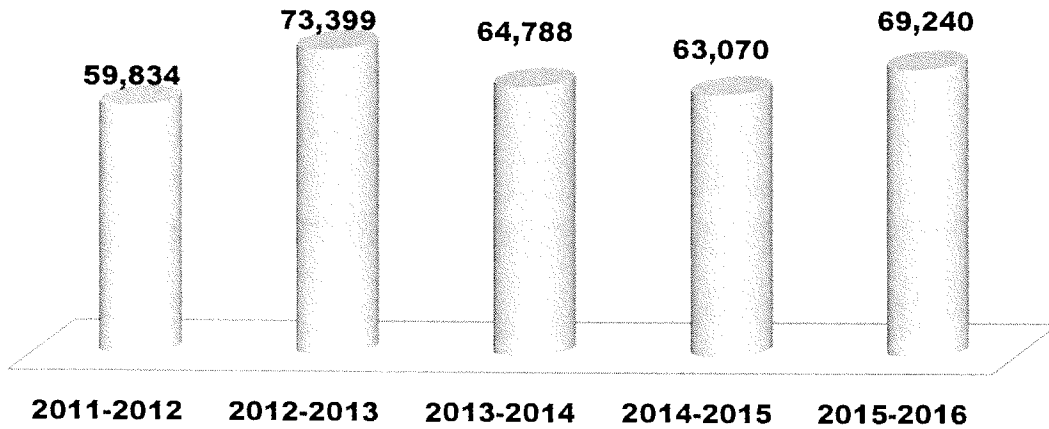


Shuffleboard Court at the Tourist Club

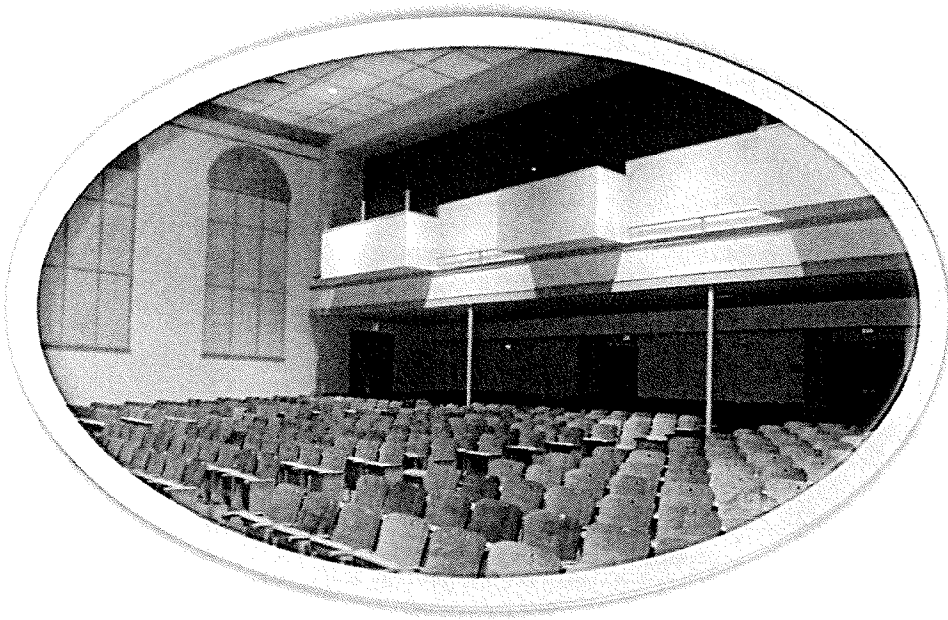
Parks & Recreation Department - Total Operating Budget \$69,240 -

This department provides and preserves quality parks and recreation opportunities for all citizens. The department maintains, ensures safety, and keeps City parks and recreation areas litter free. Personnel maintain the structural integrity and aesthetics of each facility, including remodeling tasks when necessary.

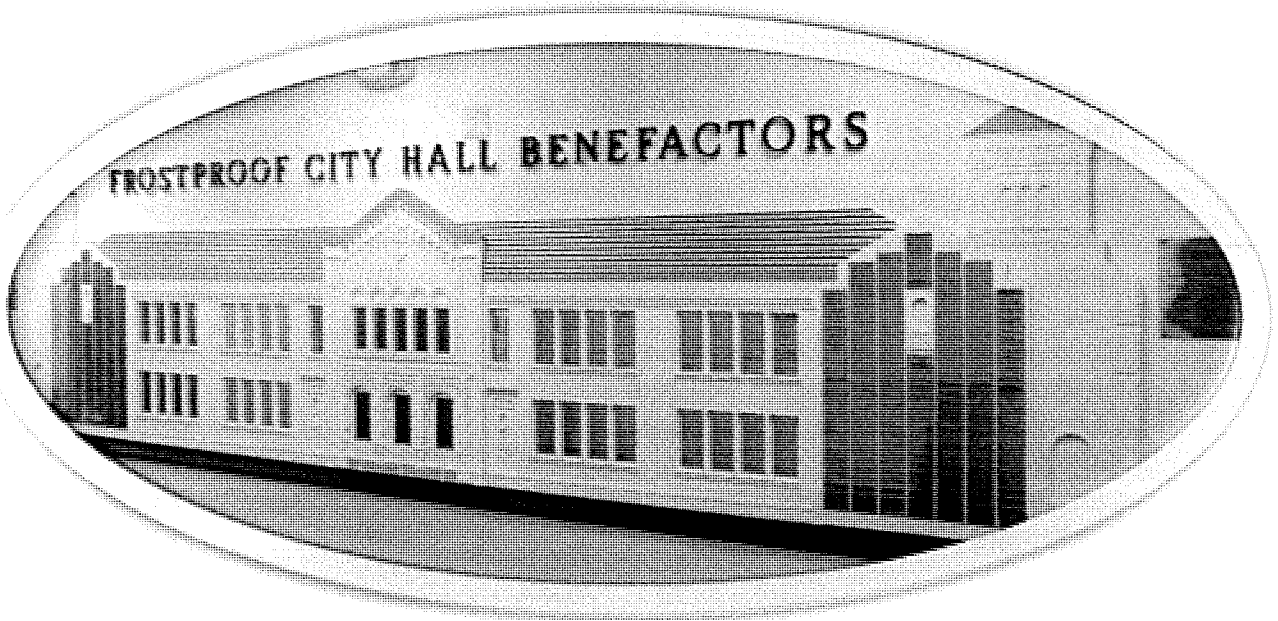
Parks & Recreation Department (Continued)



Expenses by Line Item	2014-2015	2015-2016
Regular Wages	10,250	11,310
Overtime	360	400
Special Pay	470	80
FICA Taxes	690	730
Medicare Taxes	170	180
Retirement Contributions	670	710
Medical Insurance	3,280	4,510
Dental Insurance	220	260
Life Insurance	140	180
Workers Comp	770	770
Contract Service	600	600
Phone, Fax, Cells	480	480
Postage and Freight	200	200
Utility Services	34,920	33,180
Lease	100	100
Insurance	3,550	3,550
Building Maintenance & Repairs	1,500	3,000
Equipment Maintenance & Repairs	1,500	3,000
Miscellaneous Operating Supplies	700	2,000
Gas & Oil Supplies	500	1,000
Janitorial Supplies	1,000	2,000
Equipment Under \$1,000	1,000	1,000
	63,070	69,240



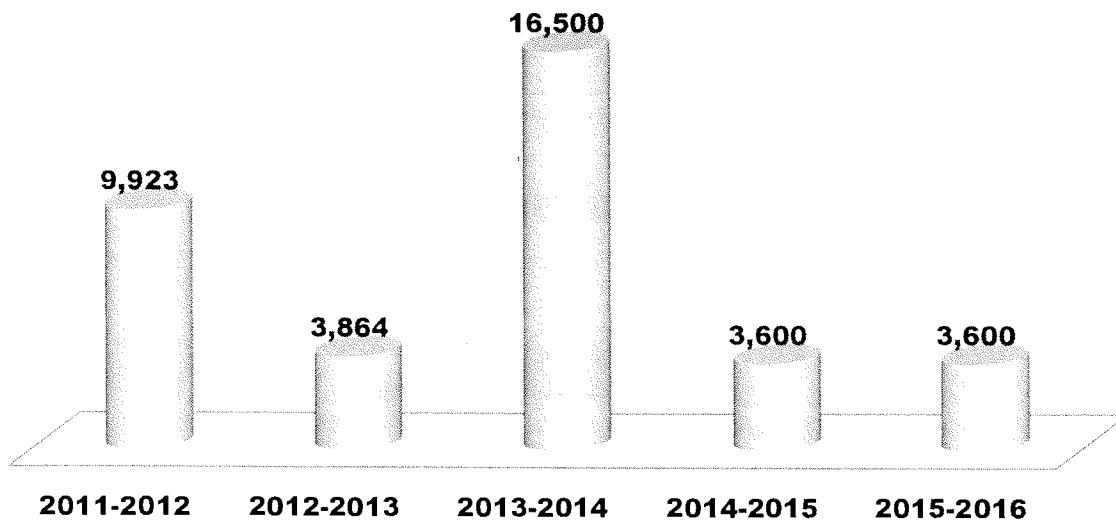
Historic Auditorium
American Legion Post 95 Memorial Auditorium



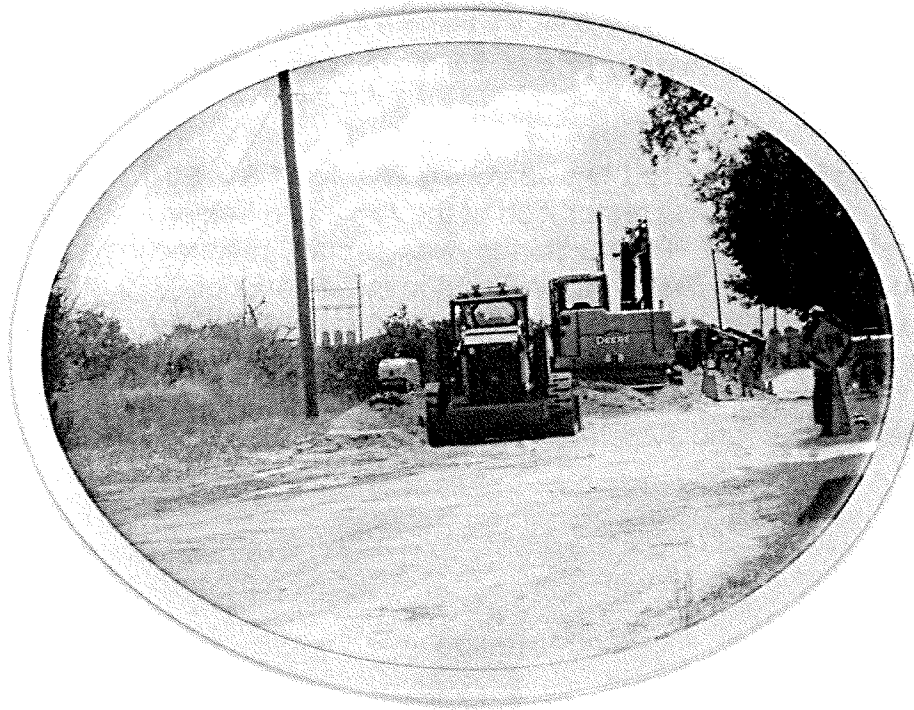
Historic Auditorium

American Legion Post 95 Memorial Auditorium

Historic Auditorium - Total Operating Budget \$3,600. This department is dedicated to the preservation and restoration of the American Legion Post 95 Memorial Auditorium located in City Hall. The auditorium was partially restored in fiscal year 2007-2008 with the aid of a Historic Preservation Grant in the amount of \$350,000, \$76,000 donation from American Legion Post 95 and \$173,380 from contributions and revenues received from various functions held in the auditorium. The City's Historic Preservation Committee is in the process of raising funds to complete the final phase of restoration which encompasses the stage, sound system and lighting.

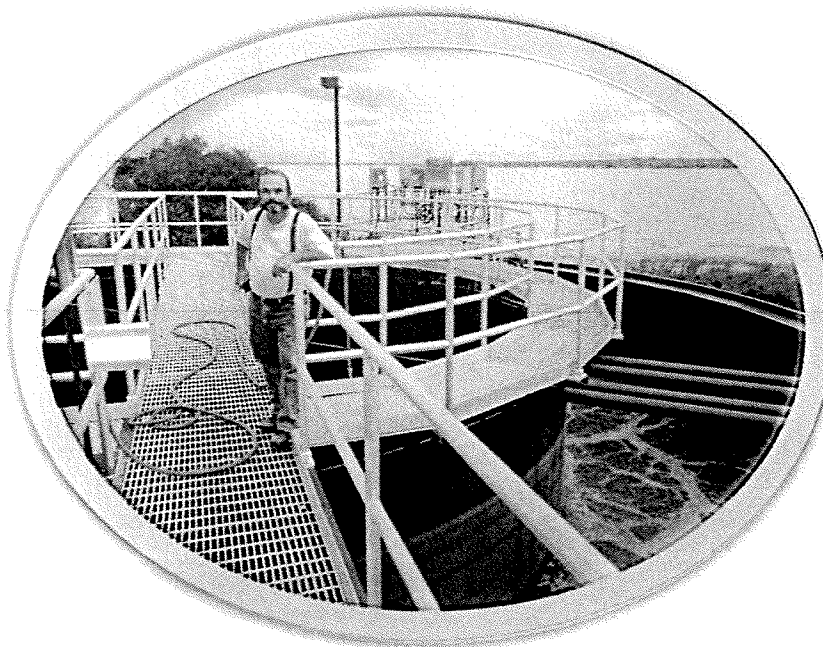


Expenses by Line Item	2014-2015	2015-2016
Postage & Freight	100	100
Auditorium Promotional	2,500	2,500
Miscellaneous Operating Supplies	1,000	1,000
	3,600	3,600



Waterline Loop Project

Enterprise Fund



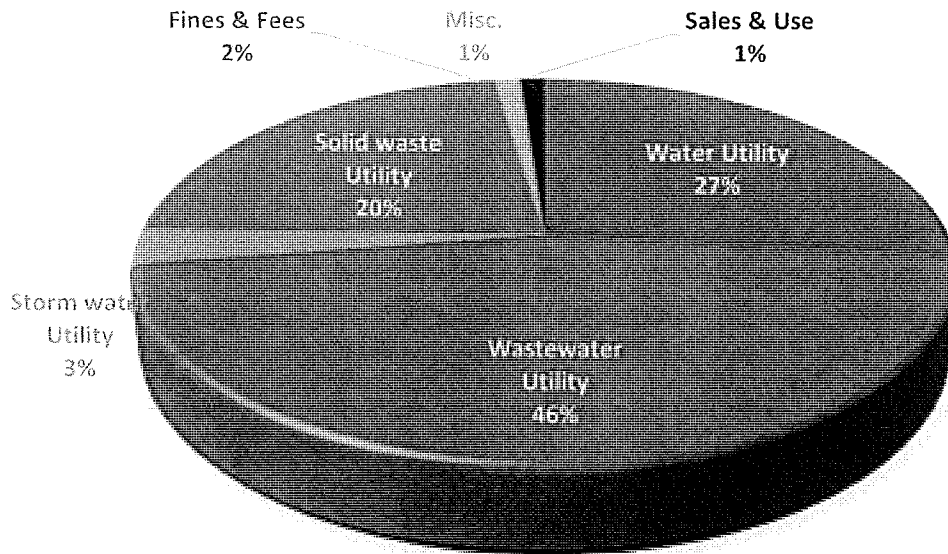
Alberto Montalvo, Wastewater Treatment Plant Operator

Enterprise Fund Revenues

Enterprise Fund revenue projections for Fiscal Year 2015-2016 indicate an increase of \$19,300 as compared to Fiscal Year 2014-2015 budgeted revenues.

The following Table summarizes revenue sources:

Revenues	2014-2015	2015-2016
Franchise & Utility Taxes	20,000	20,000
Charges for Services		
Water Utility	450,000	460,000
Wastewater Utility	788,000	788,000
Solid waste Utility	350,000	350,000
Fines & Fees	26,250	34,000
Investment Income	5,000	4,000
Miscellaneous		
Miscellaneous	14,750	17,300
Storm water Utility	50,000	50,000
	1,704,000	1,723,300



Water Impact Fee Revenue

Water Impact Fee Revenue - A water system impact fee is assessed for each new water customer to pay a proportionate share of the expansion of the water system including the water plants and distribution system. All monies received from the water system impact fees, plus interest, if any, are deposited in the water system reserve fund and are expended from that fund only for the purpose of constructing water treatment plants, additions to water treatment plants and extending, enlarging or separating water distribution systems and planning, engineering and debt services for such projects. The City is entitled to retain four-percent (4%) of the Water Expansion Fees collected to offset the costs associated with the administration, accounting, and expenditure and auditing of the funds.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

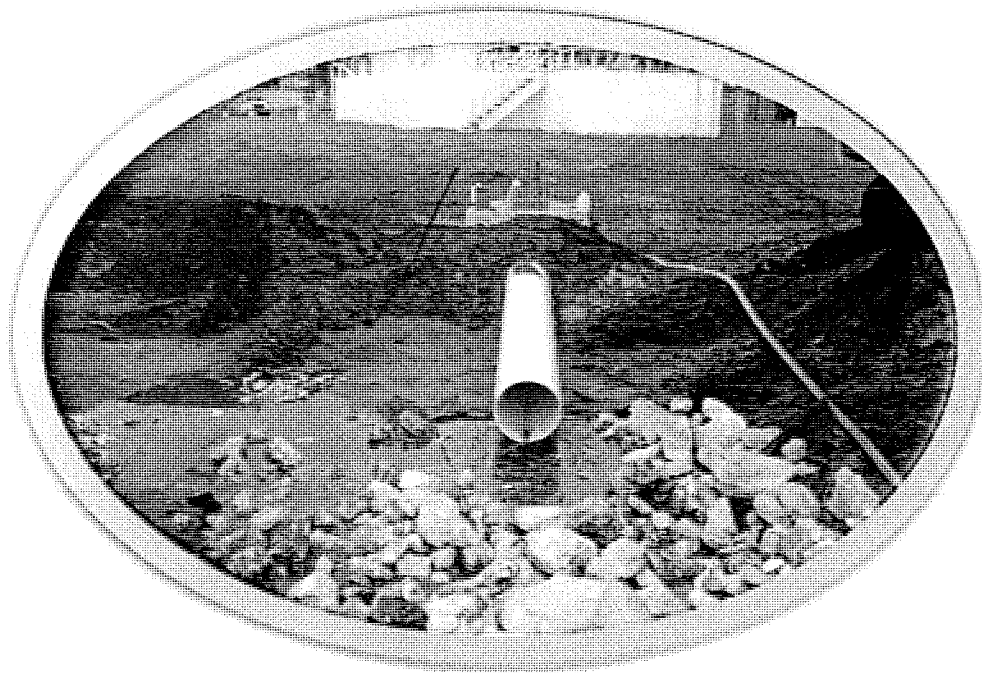


Martin Bracken

Wastewater Impact Fee Revenue

Wastewater Impact Fee Revenue - A wastewater system impact fee is assessed for each new wastewater customer to pay for a proportionate share of expansion of the wastewater system, including wastewater treatment plants, effluent disposal system and collection system. All monies received from the wastewater system expansion fees plus interest, if any, are deposited in the wastewater system expansion reserve fund and shall be expended from the fund only for the purpose of constructing wastewater treatment plants, effluent disposal systems, collection systems, additions to wastewater treatment plants and extending or enlarging the wastewater collection systems and planning, engineering and debt service for such projects. The City is entitled to retain four percent (4%) of the Impact Fee funds collected to offset the costs associated with the administration, accounting, and expenditure and auditing of the funds.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

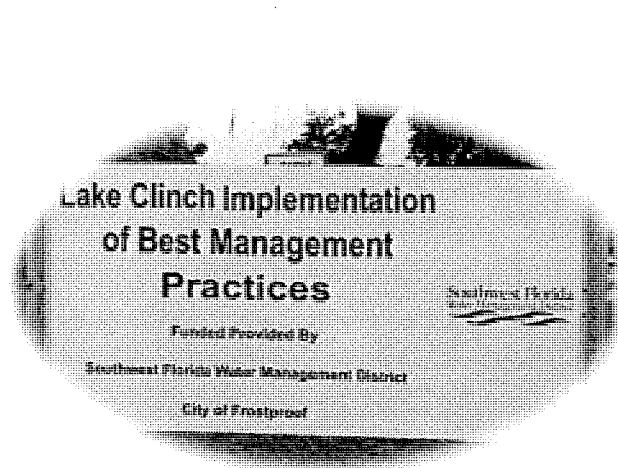


Wastewater Treatment Plant Storm Pond

Storm Water Impact Fee Revenue

Storm Water Impact Fee Revenue - A storm water system impact fee is assessed for each new storm water customer to pay for a proportionate share of expansion of the storm water system, including storm water treatment plants, effluent disposal system and collection system. All monies received from the storm water system expansion fees plus interest, if any, are deposited in the storm water system expansion reserve fund and are expended from the fund only for the purpose of constructing storm water treatment plants, effluent disposal systems, collection systems, additions to storm water treatment plants and extending or enlarging the storm water collection systems and planning, engineering and debt service for such projects. The City shall be entitled to retain four percent (4%) of the Impact Fee funds to offset the costs associated with the administration, accounting, and expenditure and auditing of the funds.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

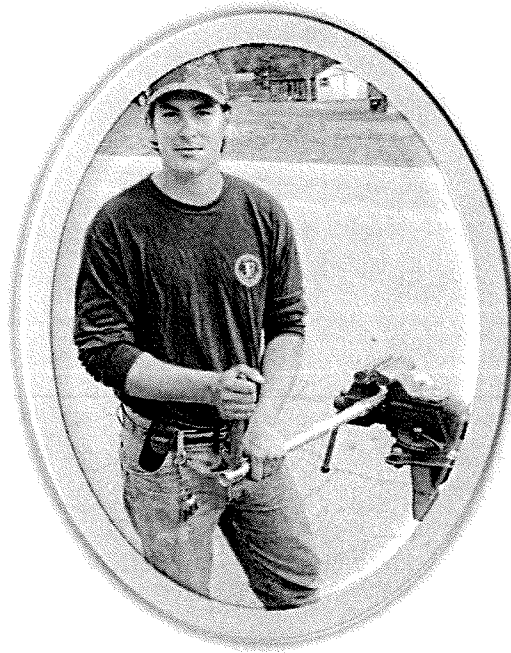


*Stormwater Project
Wall Street at Lake Clinch*

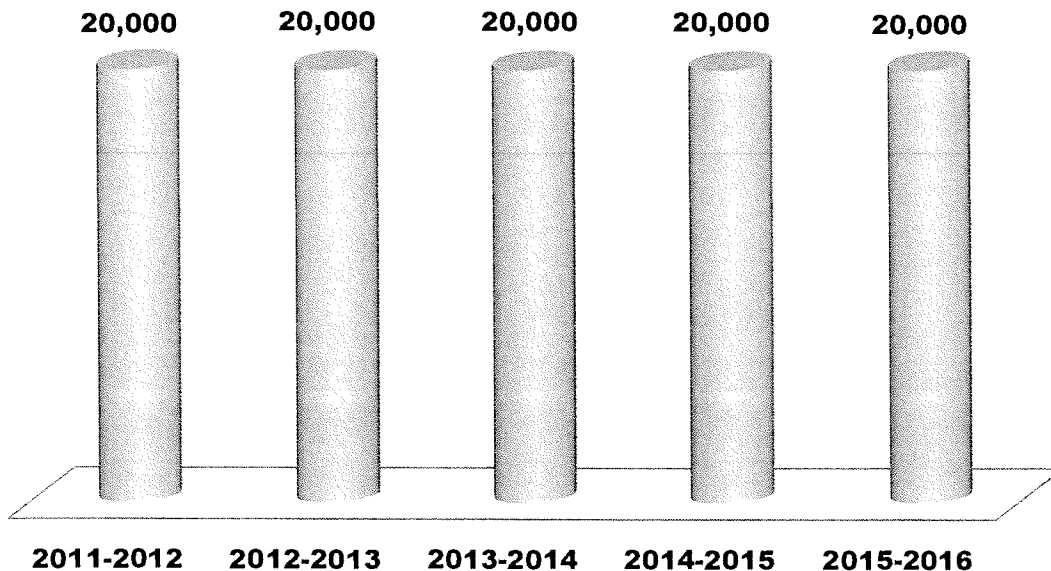
Solid Waste Administration Fee

Solid Waste Administration Fee – An administrative charge of \$5.00 per month is charged to each customer with garbage pick-up.

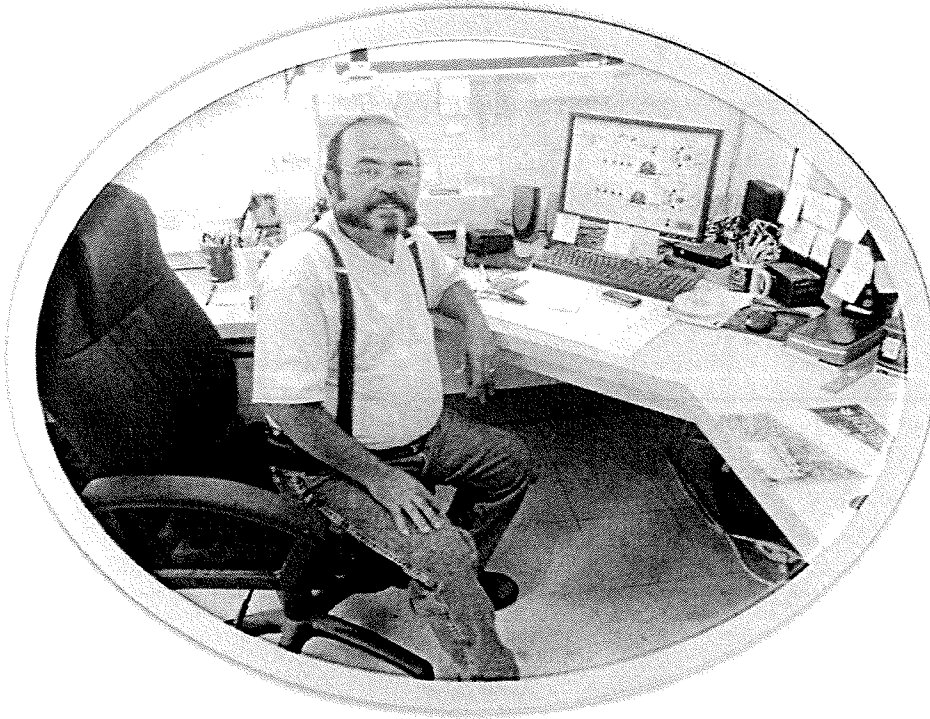
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Jarrod Schiff



Charges for Services



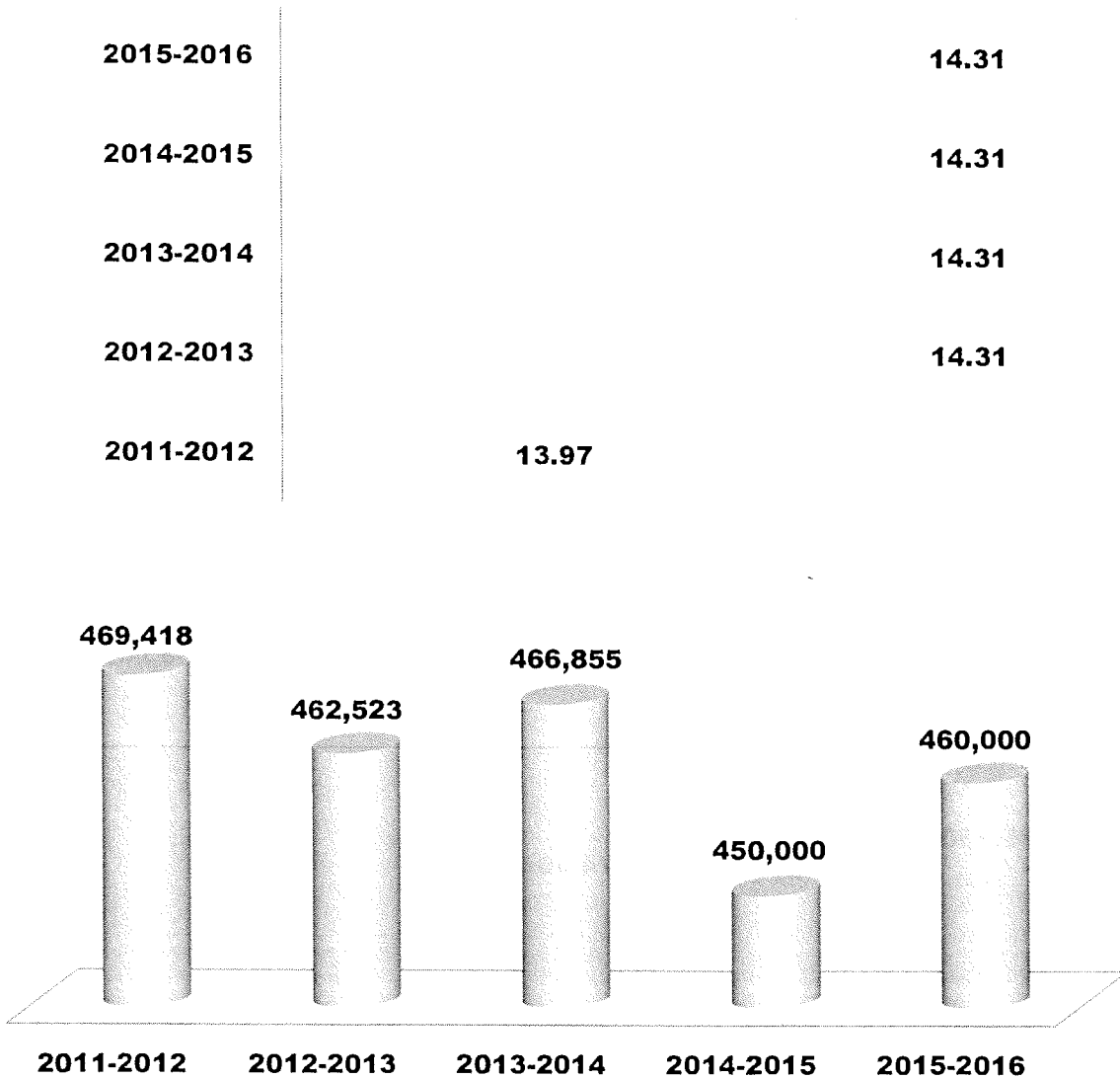
*Alberto Montalvo
Wastewater Treatment Plant Operator*

Water Utility Fee Revenue

Water Utility Fees – Water utility rates are reviewed annually and adjusted in accordance with the Consumer Price Index (CPI) and as necessary to maintain compliance with State and Federal regulatory requirements governing water charges. City Council did not raise Water Utility Rates for Fiscal Year 2015-2016.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Water Utility Revenues



Wastewater Utility Fee Revenue

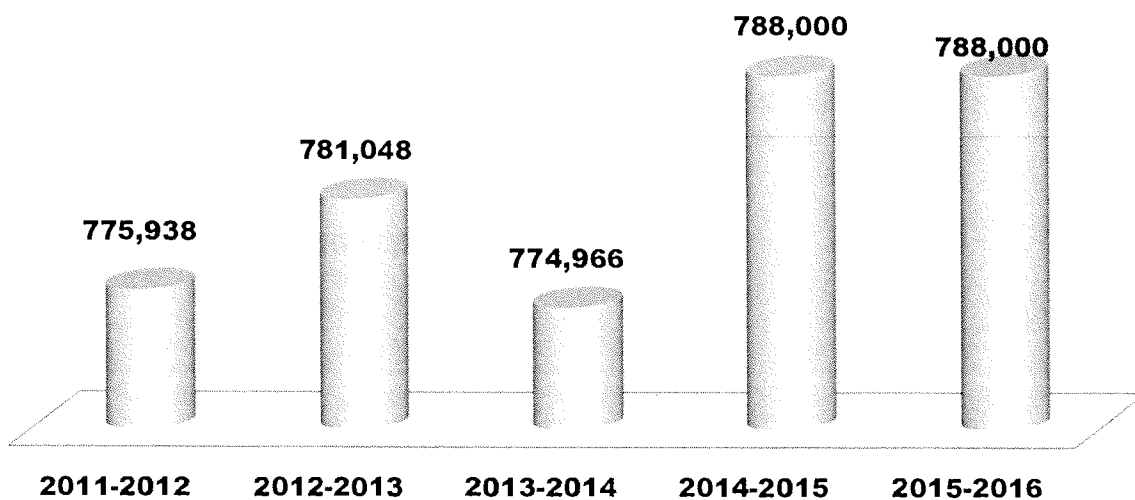
Wastewater Utility Fees – The wastewater utility rates are reviewed annually and adjusted in accordance with the Consumer Price Index (CPI) and as necessary to maintain compliance with State and Federal regulatory requirements governing wastewater charges. City Council did not raise Water Utility Rates for Fiscal Year 2015-2016.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Wastewater Utility Fees



Wastewater Utility Revenues



Solid Waste Utility Fee Revenue

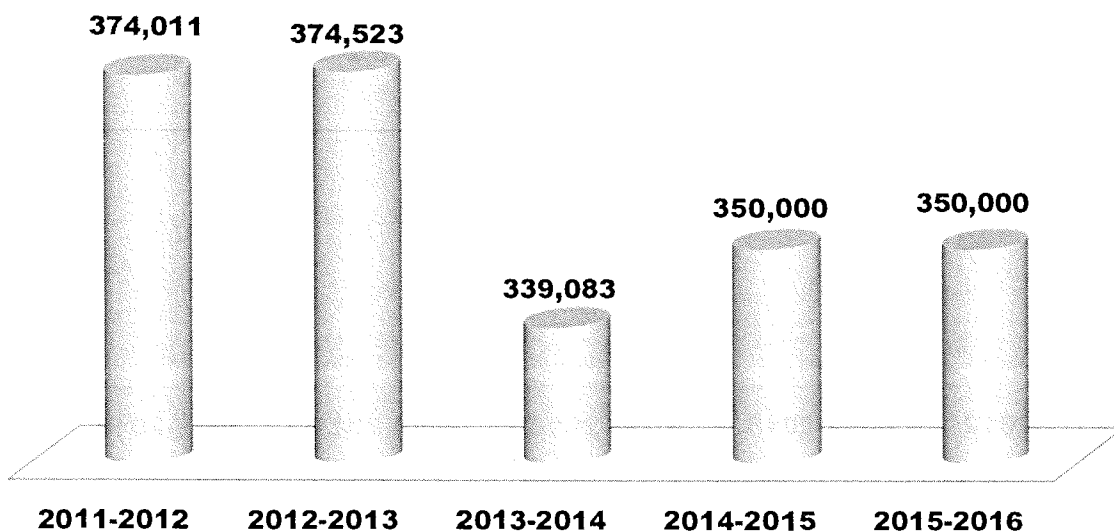
Solid Waste Utility Fees – This department is outsourced to Republic Services. The contract includes once a week curbside service for normal household waste, yard waste, and recyclable items as well as weekly bulk pick-up.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.

Solid Waste Rates



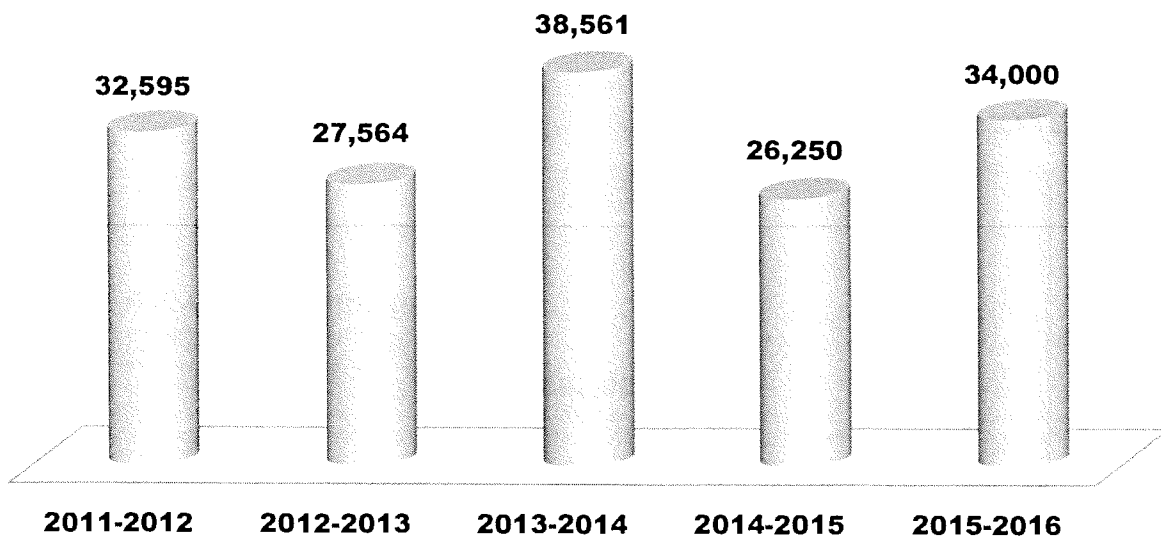
Solid Waste Utility Revenue



Water Wastewater Fines and Fees

Water Wastewater Fines and Fees – Fines and penalties charged to utility customers for late payments and charges for turning meter on and off, and is determined by Resolution.

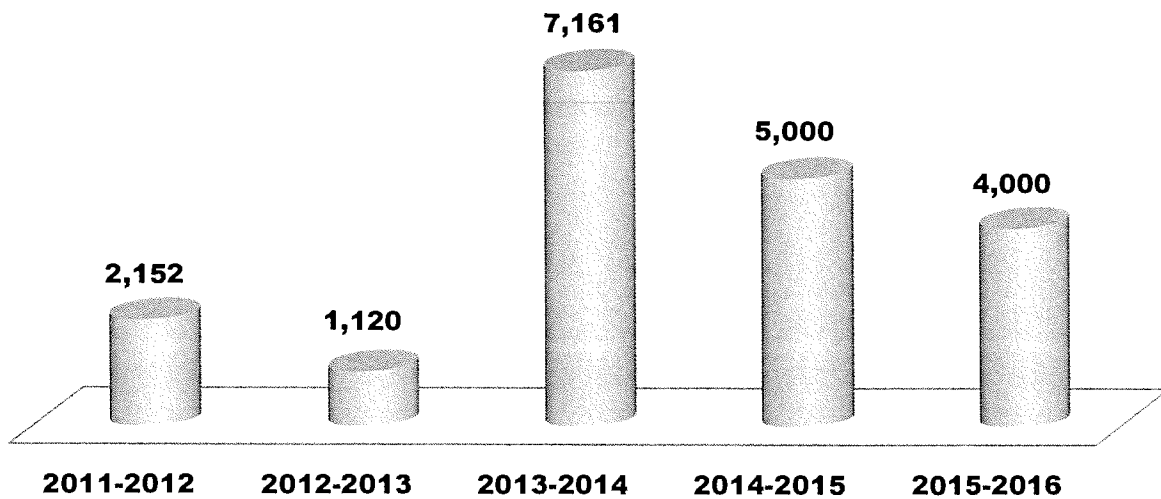
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



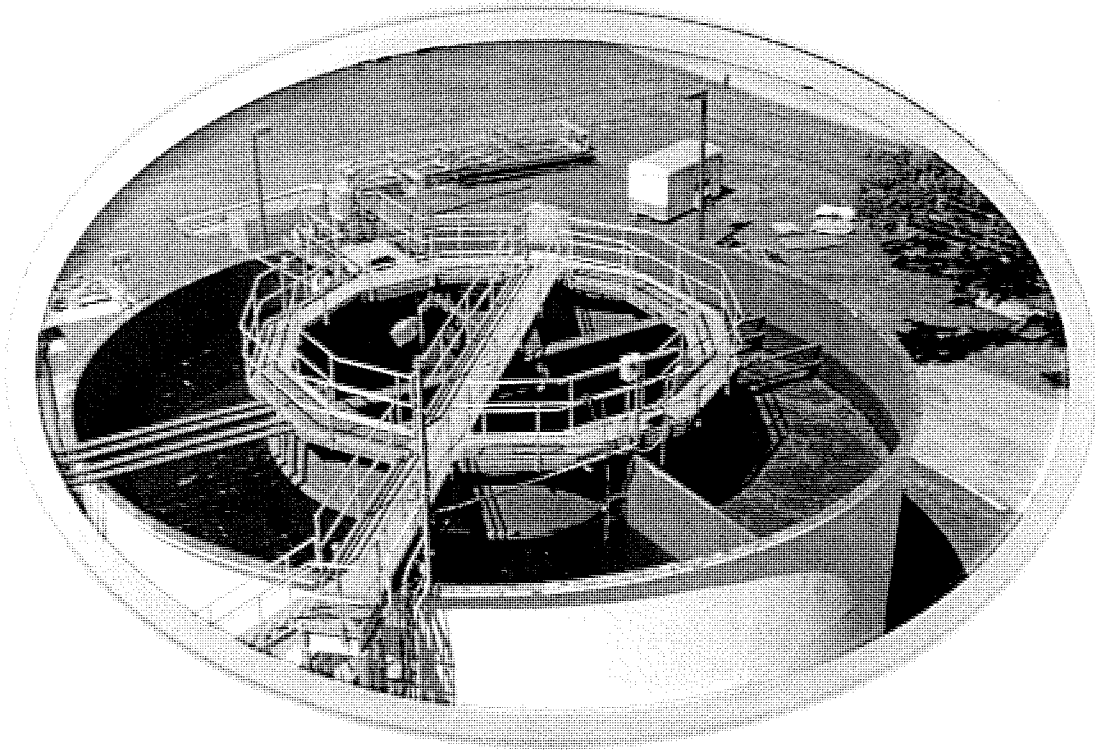
Investment Income

Description: The City invests with various banks resulting in revenues derived from interest.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Miscellaneous Revenues

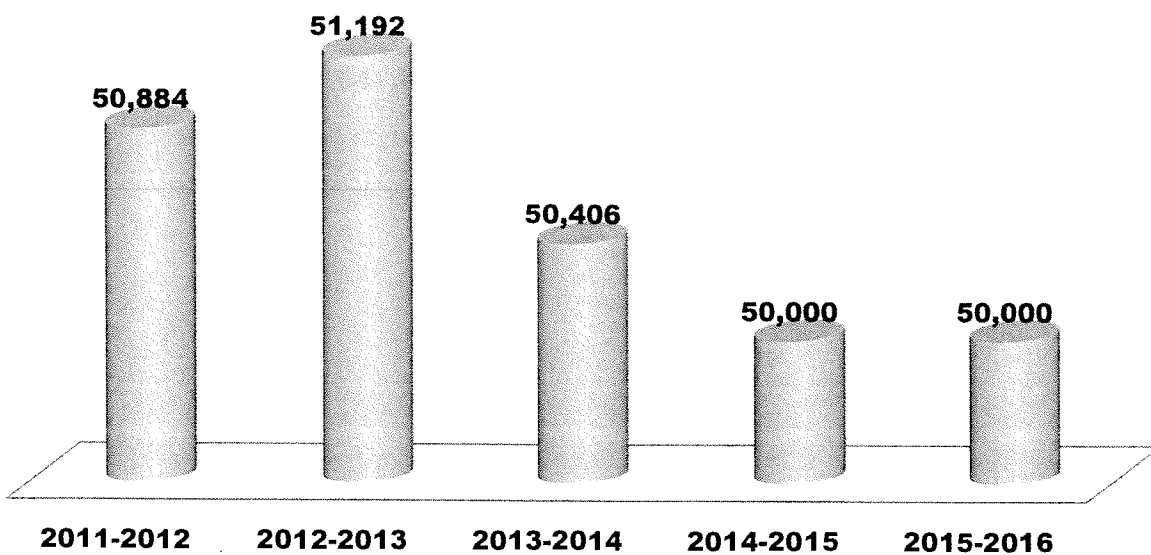
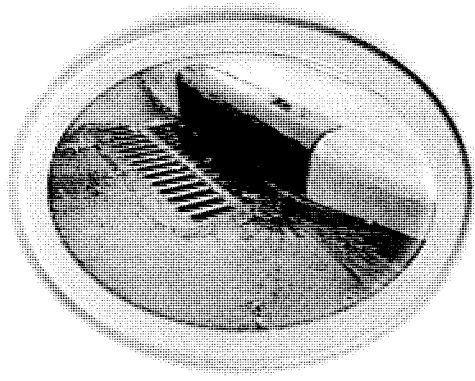


Wastewater Treatment Plant Expansion Project

Storm Water Management Fee Revenue

Storm Water Management Fee Revenue – The storm water management utility fee is billed and collected with the monthly utility bill and pertains to all lots and parcels of land utilizing any of the City’s other utilities. Persons owning property within the City who are not consumers of the City’s other utilities are billed once a year. All storm water management fees collected by the City are paid into the storm water utility fund. Such funds are used for the purpose of paying the cost of storm water drainage facilities to be constructed in various storm drainage basins and paying the cost of operation, monitoring, enforcement, administration and maintenance of the storm water drainage facilities of the City.

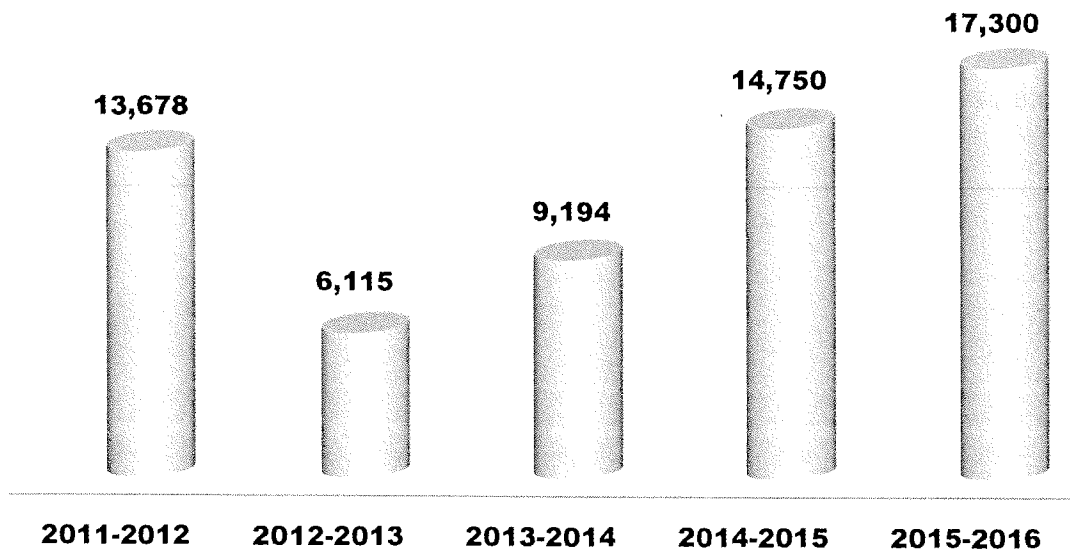
Forecast Methodology: The main factor considered in projecting this revenue is historical data.



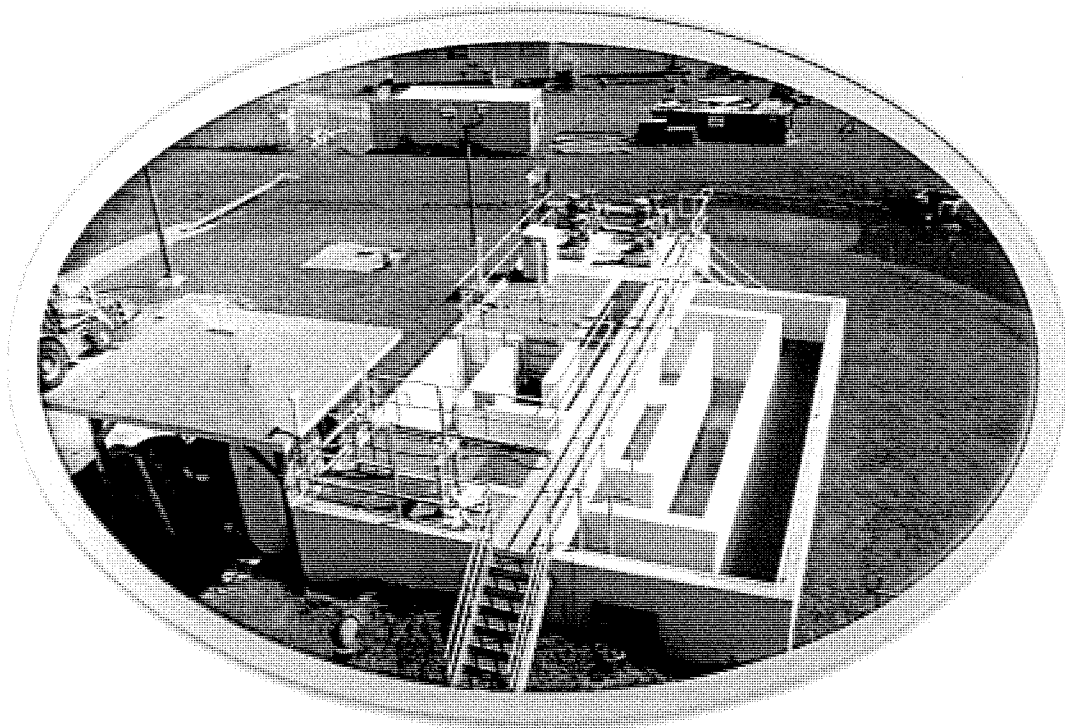
Miscellaneous Revenues

Description: Miscellaneous revenues are received from various individuals and corporations and include funds from reimbursement of insurance premiums, etc.

Forecast Methodology: The main factor considered in projecting this revenue is historical data.



Enterprise Fund Expenses

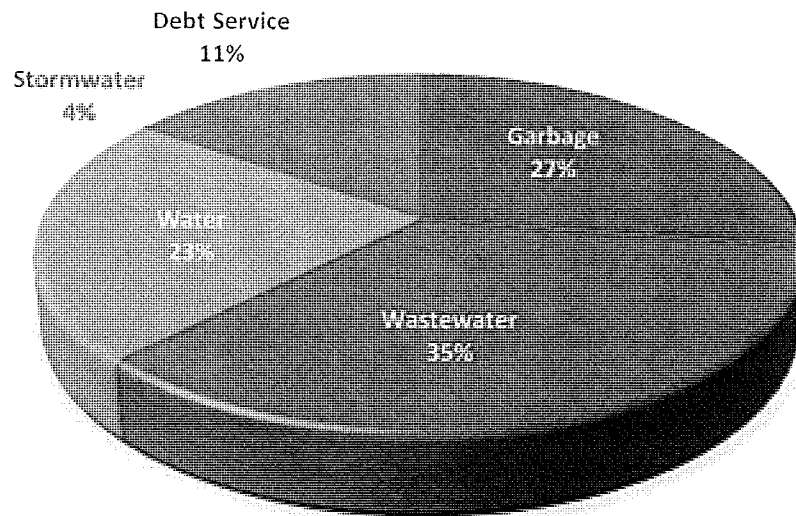


Wastewater Treatment Plant Chlorination Chamber

Enterprise Fund Expenses

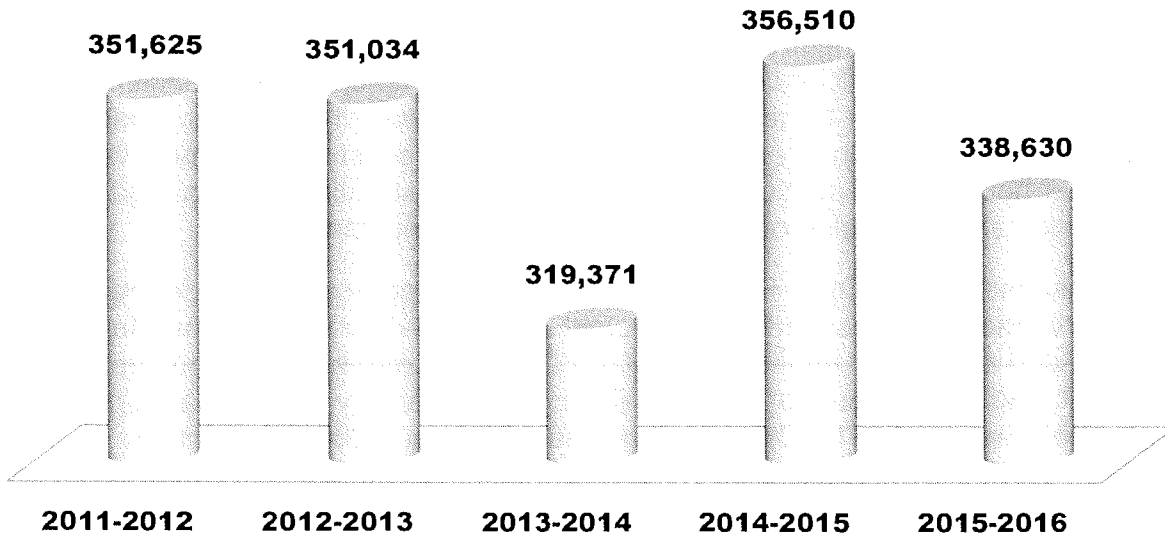
Expenditure Summary by Department

Department	2014-2015	2015-2016
Solid Waste	356,510	338,630
Wastewater	375,360	433,020
Water	284,430	276,780
Stormwater	45,060	47,570
Debt Service	146,460	140,740



Solid Waste Department

Solid Waste Department - Total Operating Budget \$338,630 – This department is outsourced to Republic Services. The contract includes once a week curbside service for normal household waste, yard waste, and recyclable items as well as monthly bulk pick-up.



Expenses by Line Item	2013-2014	2015-2016
Executive Salaries	8,540	8,790
Regular Wages	11,690	12,670
Overtime	130	140
Special Pay	660	140
FICA Taxes	1,310	1,350
Medicare Taxes	310	320
Retirement Contributions	1,260	1,310
Medical Insurance	3,160	4,370
Dental Insurance	310	350
Life Insurance	250	250
Workers Comp	770	770
Accounting/Auditing	2,900	2,900
Contract Service	320,000	300,000
Postage	450	500
Insurance	3,580	3,580
Maintenance Agreements	690	690
Office Supplies	500	500
	356,510	338,630

Wastewater Department

Wastewater Department – Total Operating Budget \$433,020 – This Department provides for the health, safety, and welfare of the community through the performance of effective collection and treatment of wastewater in compliance with City, State, and Federal regulations, in an efficient manner while providing superior customer service and maintaining cost control.

Wastewater Grants

The City of Frostproof was under a Florida Department of Environmental Protection (FDEP) Consent Order to correct deficiencies in our wastewater treatment facilities including the building of a new wastewater treatment plant. The project was phased over a period of years and consisted of rehabilitation of existing wastewater lines, construction of new wastewater lines, customer hook-up and septic tank abandonment, construction of expanded effluent disposal facilities and expansion of the wastewater treatment plant.

In 1998, to respond to the FDEP, Frostproof undertook a program to upgrade the wastewater system to serve most City residents. The project was divided into three separate phases. Phase 1 provided sewers for the east side of the City, customer hook-up and septic tank abandonment, and replacement of the .08 million gallons per day (mgd) treatment plant with a .25 mgd treatment plant. The City was awarded SRF Loans and a Community Development Block Grant for this phase; however, this grant did not cover total expense leaving the City with a \$500,000 deficit.

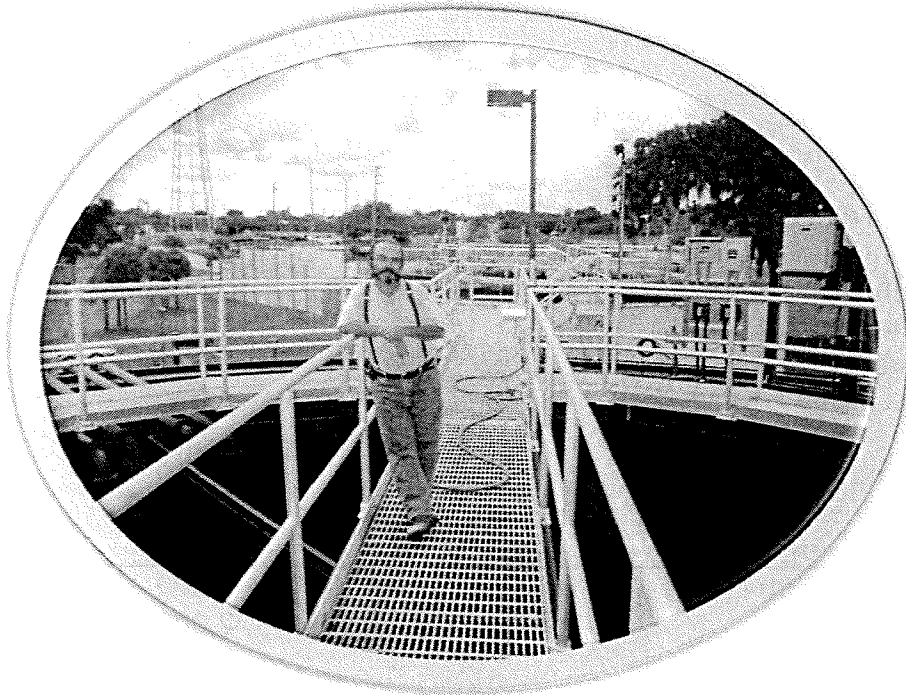
Phase 2 included rehabilitation of the existing Frostproof collection system and new wastewater construction. The rehab portion of the project was funded by a State Revolving Fund Loan in the amount of \$1,086,722.

The balance of Phase 2 consisted of providing new wastewater service to the northwest section of the City including approximately 32,500 linear feet of gravity wastewater, 8,500 linear feet of force main, 10 lift stations and connection of an estimated 291 units to the wastewater system. Construction on this Phase began in April 2009 and was completed in July 2011. The cost for this project was \$3,915,349; the City was awarded a Legislative Project Grant for this phase.

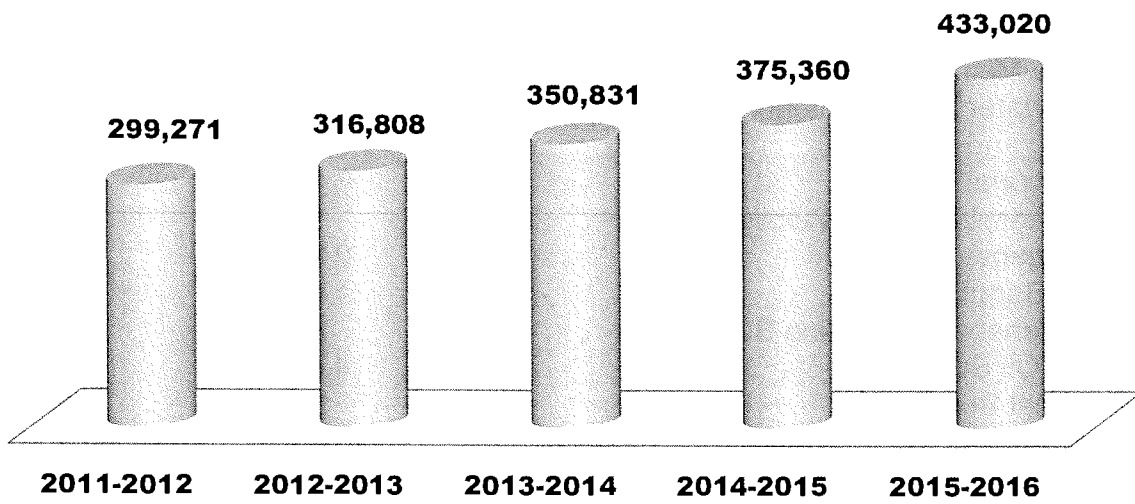
Phase 3 improvements included the expansion of the City's Wastewater Treatment Plant. Expansion activities consisted of the addition of a sequencing batch reactor tank, two rapid infiltration basins (not completed), and other related appurtenances. These improvements

expanded the City's treatment plant capacity from .25 mgd to .50 mgd. The estimated cost for this project is \$1,658,040; the City will use the remainder of the Legislative Project Grant and unreserved cash for this expansion and construction was completed in March 2014.

Wastewater Department (Continued)



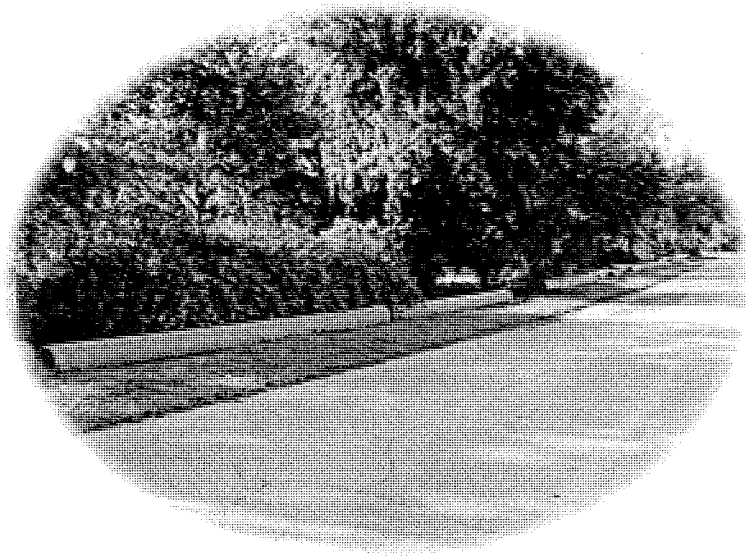
Alberto Montalvo, Wastewater Treatment Plant Operator



Wastewater Department (Continued)

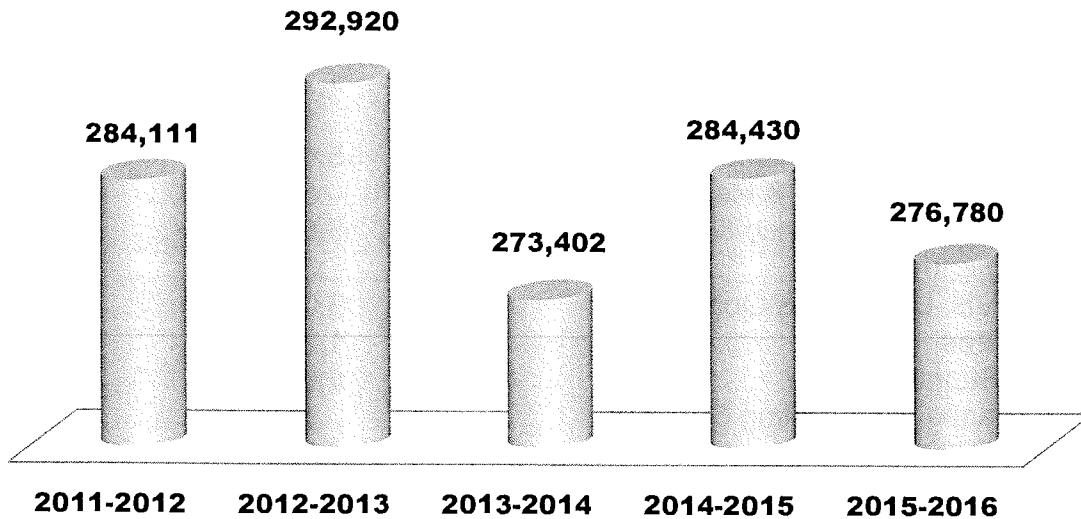
Expenses by Line Item	2013-2014	2015-2016
Executive Salaries	17,190	17,700
Regular Wages	72,280	76,780
Overtime	3,130	3,370
Special Pay	2,250	420
FICA Taxes	5,880	6,100
Medicare Taxes	1,380	1,430
Retirement Contributions	4,920	5,130
Medical Insurance	12,000	15,040
Dental Insurance	1,050	1,200
Life Insurance	890	910
Workers Comp	3,050	3,050
Medical	560	360
Engineering	16,540	16,540
Accounting/Auditing	11,600	11,600
Contract Service	25,990	26,930
Travel & Per Diem	500	500
Phone, Fax, Cells	2,000	2,000
Postage & Freight	2,500	2,500
Internet	840	840
Utility Services	77,420	79,220
Lease/Rent Copier/Veh/Bldgs	6,480	6,480
Insurance	21,480	21,480
Miscellaneous Maintenance & Repairs	3,000	5,000
Maintenance Agreements	1,380	1,390
Building Maintenance & Repairs	1,000	1,000
Equipment Maintenance & Repairs	41,400	72,000
Vehicle Maintenance & Repairs	500	500
Wastewater Line Maintenance & Repairs	5,000	5,000
Printing and Binding	50	50
Promotional RLC	100	100
Legal Ads, Licenses & Obligations	500	500
Contingency	2,000	2,000
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	500	1,000
Gas & Oil Supplies	4,000	2,500
Janitorial Supplies	300	300
Chemical Operating Supplies	20,000	36,400
Tools	500	500
Uniforms	1,200	1,200
Furniture/ Equipment under \$1000	1,500	1,500
Schools & Conferences	1,500	1,500
	375,360	433,020

Water Department



Installation of Waterline loop piping along Palm Avenue

Water Department – Total Operating Budget \$276,780 – This department efficiently and effectively provides the highest quality of service possible to all water customers within the City. This service will ensure the uninterrupted delivery of adequate quantities of water with the highest possible quality to meet the needs of the system.

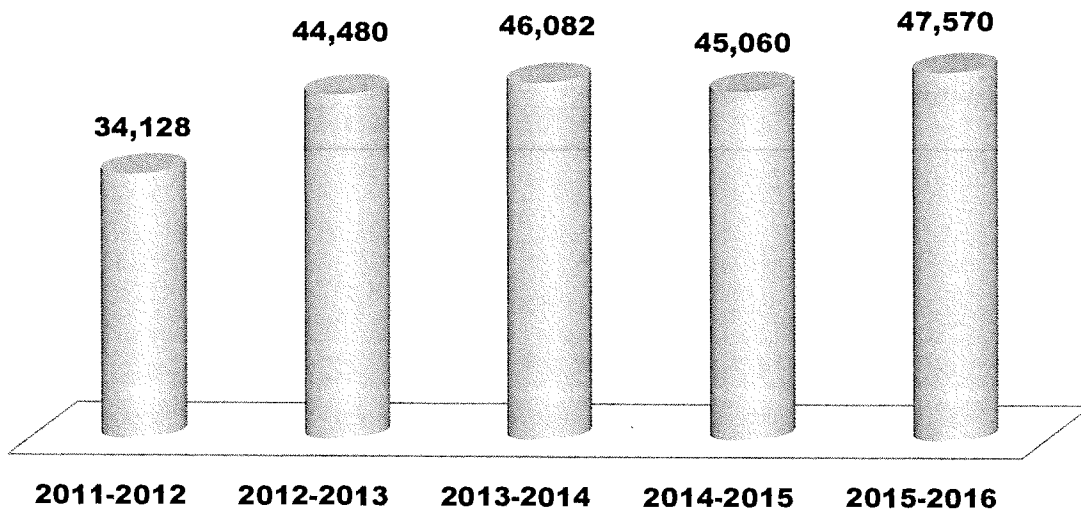
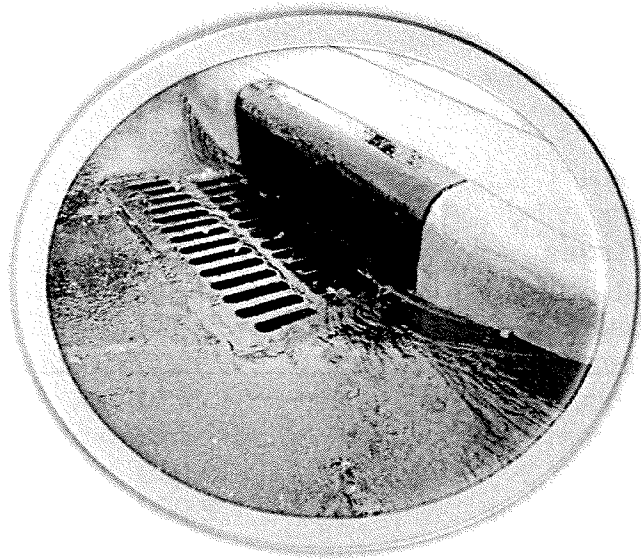


Water Department (Continued)

Expenses by Line Item	2013-2014	2015-2016
Executive Salaries	17,190	17,700
Regular Wages	75,270	38,100
Overtime	720	790
Special Pay	2,990	360
FICA Taxes	5,970	3,530
Medicare Taxes	1,400	830
Retirement Contributions	3,130	3,260
Medical Insurance	10,110	12,910
Dental Insurance	930	1,070
Life Insurance	630	650
Workers comp	3,050	3,050
Medical	160	160
Engineering	6,000	14,000
Accounting/Auditing	11,600	11,600
Contract Service	2,970	7,960
Travel & Per Diem	100	100
Phone, Fax, Cells	2,520	2,520
Postage & Freight	3,000	3,000
Internet	-	-
Utility Services	36,890	37,250
Insurance	140	140
Rent/Lease	14,800	21,800
Miscellaneous Maintenance & Repairs	23,000	25,000
Maintenance Agreements	1,380	1,390
Building Maintenance & Repairs	500	500
Equipment Maintenance & Repairs	15,000	20,000
Vehicle Maintenance & Repairs	500	500
Water Line Maintenance & Repairs	5,000	5,000
Printing and Binding	300	300
Legal Ads, Licenses & Obligations	3,000	2,900
Bank Fees	1,200	2,000
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	500	1,000
Gas & Oil Supplies	4,500	4,500
Janitorial Supplies	200	200
Chemical Operating Supplies	20,000	25,000
Tools	1,500	1,500
Uniforms	2,500	1,000
Furniture/ Equipment under \$1000	3,000	2,430
Memberships	600	600
Schools & Conferences	1,180	1,180
	284,430	276,780

Storm Water Department

Storm Water Department - Total Operating Budget \$47,570 – This Department provides for the health, safety, and welfare of the community through effective storm water control.



Storm Water Department (Continued)

Expenses by Line Item	2014-2015	2015-2016
Executive Salaries	8,540	8,790
Regular Wages	9,760	10,680
Overtime	130	140
Special Pay	590	130
FICA Taxes	1,180	1,230
Medicare Taxes	280	290
Retirement Contributions	1,140	1,190
Medical Insurance	2,850	4,010
Dental Insurance	290	350
Life Insurance	230	230
Workers Comp	770	770
Engineering	3,000	3,000
Accounting/Auditing	2,900	2,900
Contract		450
Postage	800	800
Insurance Except Payroll	3,580	3,580
Maintenance Agreements	690	700
System M&R	500	500
Legal Ads	5,000	5,000
Office Supplies	1,830	1,830
Misc Operating Supplies	250	250
Furniture Under \$1000	250	250
Schools and Conference	500	500
	45,060	47,570

Frequently Asked Questions

Q: What is the purpose of the City budget?

A: The budget is an annual financial plan for the City of Frostproof. It specifies the level of municipal services to be provided in the coming fiscal year. It reflects the policies and priorities set by the Council.

Q: How and when is the budget prepared?

A: Each year, the Finance Manager prepares budget worksheets to be distributed to the various department heads. City departments submit their plans and needs for the coming year to the Finance Manager. The Finance Manager compiles the proposed budget, which is then reviewed by the City Manager and revised to reflect her goals for the upcoming year. The City Manager then submits her recommended budget to the Council. The Council reviews the budget during the Budget Workshop, holds two public hearings to obtain citizen input and then adopts the final budget along with an ordinance establishing the property tax rate required to fund the budget.

Q: What is a fiscal year?

A: A fiscal year is a 12-month operating cycle that comprises a budget and financial reporting period. The City's fiscal year runs from October 1 through September 30.

Q: Where does the City obtain its revenue?

A: From local, state, and federal taxes, fees, licenses, and payment for municipal services such as water, wastewater, and solid waste collection.

Q: How is the revenue obtained by the City used?

A: It is used to pay for salaries, equipment, supplies, capital improvements, and debt service needed to provide fire and police protection, water, wastewater, solid waste collection, and other municipal services specified in the City budget.

Q: What is a mill tax?

A: One mill is equal to \$1.00 for each \$1,000 of assessed property value. City property taxes on a \$150,000 home, with a \$50,000 homestead exemption and millage rate of 8.0587, would be \$805.87.

Millage Example:

Assessed Value \$150,000
Less Homestead Exemption 50,000
Net Taxable Value \$100,000
÷ 1,000 = \$100
x 8.0587 Millage
\$805.87 Property Tax

Q: What is property tax?

A: When the City adopts its annual budget, it determines the tax rate that must be applied on property in order to generate the necessary general fund revenue. The estimated tax rate (millage) in the City of Frostproof recommended for FY 2014 budget is 8.0587 mills or \$8.0587 per \$1,000 of taxable value of all property within the City. The Polk County Property Appraiser establishes the taxable value of all property in the City. The City has no control over the taxable value of property; it only has control over the tax rate that is levied.

Q: What is a Homestead Exemption?

A: The Florida Constitution provides that a homeowner may apply for, and receive, a homestead exemption for \$50,000 on his or her principle residence. After the County Property Appraiser appraises the property, \$50,000 is subtracted from the appraised value. The remainder is the taxable value upon which the tax rate is applied.

Q: What is the difference between Ad Valorem Tax and Property tax?

A: There is no difference between the two. They are different names used for the same tax.

Q: What is the “Save Our Homes Act”?

A: In 1992, Florida voters approved an amendment to the Florida Constitution that limited the amount of value a homestead property could increase on the tax rolls each year. The law limits value increases to the lesser of 3% or a figure equal to the Consumer Price Index.

Q: What is an Operating Budget?

A: An Operating Budget is an annual financial plan for recurring expenditures such as salaries, utilities, and supplies.

Q: What is a fund?

A: A fund is a separate accounting entity within the City that receives revenues from a specific source and expends them on a specific activity or activities. The City maintains two separate funds, all of which account for distinct activities.

Q: What is a capital improvement budget?

A: A capital improvement budget is a long-range plan for the construction of physical assets such as buildings, streets, and sewers.

Q: What is a revenue or enterprise fund?

A: A revenue or enterprise fund earns its own revenues by charging patrons for municipal services. The water department is an example of an enterprise fund. It generates revenues by billing its customers for the water they use.

Q: What is a budget appropriation?

A: A budget appropriation is a specific amount of money that has been approved for use in a particular manner by Council.

Q: What is a budget amendment?

A: A budget amendment is an ordinance or resolution adopted by the Council which alters the adopted budget by appropriating additional monies to a particular department or fund, decreasing appropriations to a particular department or fund, or transferring funds from one department to another.

Q: What is the difference between recurring and non-recurring revenues?

A: Recurring revenue is income from sources which continue from year to year, where a similar amount can be expected annually. Property Taxes and Franchise Fees are examples of recurring revenue. Non-recurring revenues are those that exist only for limited period, or whose amounts vary considerably from one year to the next.

Examples of non-recurring revenues include surplus land sales and “one-time” grants.

Q: What are the purposes of bond/state loans?

A: To lend money to the government so that they can cover their operating costs.

Q: Who establishes the rules by which the City of Frostproof adopts its annual budget and property tax rate?

A: The property tax rate and budget adoption process are governed by both the City Charter and State Statutes.

Q: What are Franchise Fees, and why does the City of Frostproof levy them?

A: The franchise fee is a charge levied by the City on a utility to operate within the City and to use the City right-of-ways and other properties for locating pipes, wires, etc. The state allows utilities to pass on the franchise fee directly to customers on their utility bills. The City of Frostproof, like most cities in Florida, relies heavily on franchise fees for revenues rather than on property tax.

Q: What are utility taxes and why does the City of Frostproof levy them?

A: State Statute 166.231 gives municipalities the authority to levy a tax on the purchase of electricity, metered natural gas, liquefied petroleum gas, and water service. The tax is levied only on purchases within the municipality and shall not exceed 10% of the payments received by the seller of the taxable item from the purchaser for the purchase of such service. These revenues help fund the overall operations of the General Fund.

Q: What is a Telecommunications Tax?

A: State Statute 202.191 gives municipalities the authority to levy a local communications service tax. The tax encompasses voice, data, audio, video, or any other information or signals, including cable services transmitted by any medium.

Glossary

Accrual - Adjusting journal entries designed to ensure that assets and liabilities that are created or discharged because of operating activities of the current period are recognized as revenues and expenses in that period. Examples include accrued wages and accrued interest.

Accrual Basis of Accounting - Accounting method where revenues are recorded when earned (regardless of when cash is received) and expenses are recorded when liabilities are incurred (regardless of when payment is made).

Ad Valorem Tax - A tax levied on the assessed value of real property. This tax is also known as property tax.

Adopted Budget - A financial plan presented, reviewed, and approved by a governing body for the upcoming or current fiscal year beginning October 1.

Annexation - The process by which an unincorporated area is brought into a City. Rules governing annexation are established by State Statute.

Annual Budget - A budget applicable to a single fiscal year.

Appropriation - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

Assessed Property Value - The value set upon real estate or other property by the County Assessor and the state as a basis for levying taxes.

Asset - Resources that have monetary value and are owned or held by a government.

Authorized Positions - Employee positions, which are authorized in the adopted budget, to be filled during the fiscal year.

Balanced Budget - A budget in which planned funds available equal planned expenditures as required by Florida State Statute 166.241.

Bond - A certificate of debt issued by an entity, guaranteeing payment of the original investment plus interest, by a specified future date.

Bond Covenants - Agreements made to assure bond holders that sufficient money will be available to pay bonds.

Bond Refinancing - The payoff and re-issuance of bonds to obtain better interest rates and/or bond conditions.

Budget - An annual financial plan that identifies revenues, specifies the type and level of services to be provided and establishes the amount of money which can be spent.

Budget Allocation - The distribution of a sum of money for a particular purpose according to a specific plan.

Budget Amendment - Legal means by which an adopted estimated revenue or expenditure authorization limit is increased or decreased.

Budget Funds - Funds that are planned for certain uses, but have not been formally or legally appropriated by the legislative body.

Budgetary Control - The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitation of available appropriations and available revenues.

Capital Equipment - Equipment in excess of \$1,000, with an expected life of more than one year such as automobiles, computers and furniture.

Capital Expenditures - Those expenditures that increase the value of the City's capital assets.

Capital Improvement Project (CIP)/Expenditure - Major construction, acquisition, or renovation activities, which add value to the City's physical assets or significantly increase their useful life.

Capital Improvement Project (CIP) Budget - A financial plan for construction of physical assets such as buildings, streets, sewers and recreation facilities.

Capital Outlay - The purchase, acquisition, or construction of any item having a unit cost of \$1,000 or more, or a useful life of one or more years. Typical capital outlay items include vehicles, construction equipment, photocopiers, computers, and office furniture.

CDBG - Community Development Block Grant. A Federal entitlement program used primarily to fund programs that benefit low and moderate-income persons.

City Charter - Document setting forth the principles, functions, and organization of the City's government.

Communication Services Tax - A tax levied by the State on telecommunication and cable services. This replaces telecommunication and cable franchise fees and utility taxes previously collected by local governments.

Contingency - An appropriation of funds to cover unforeseen events that occur during the fiscal year.

Cost Allocation - A method used to charge enterprise, internal services, and federal funds for their share of central administration costs.

Current Operations - The existing processes, functions, or procedures used by the City to carry out its vision, mission, and goals.

Debt Service - The payment of principal and interest on borrowed funds such as bonds.

Depreciation - The decrease in value of physical assets due to use and the passage of time.

Derivative - Types of investments in which payoffs are produced over time from the performance of assets, interest rates, foreign exchange rates, or indices.

Designations - A portion of fund balance earmarked for specific appropriations.

Encumbrances - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures. This is generally accomplished through purchase orders, contracts or requisitions.

Employee Benefit (Fringe) - Contributions made by the City to meet commitments or obligations for employees beyond base pay, such as the City's share of costs for social security, worker's compensation, and various pension, medical, and life insurance plans.

Enterprise Fund - A self-supporting fund designed to account for activities supported by user charges. Examples are Water, Wastewater, and Sanitation Removal.

Expenditures - Decreases in net financial resources. Expenditures include current operating expenses, which require the current or future use of net current assets, and debt service.

Expenses - Decreases in net total assets. Expenses represent charges incurred for operation, Maintenance, interest, and other charges.

Financial Statements - A written report of the financial condition of an organization, which shows revenues, expenses, and income (the difference between revenues and expenses) of the organization over a period.

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 State's fiscal year runs from July 1 through June 30.

Fixed Assets - Assets of a long-term character, which are intended to continue to be held or used: land, buildings, improvements other than buildings, and machinery and Equipment.

Franchise Fee - A fee assessed on a business, usually a public utility, in return for the right to operate inside the City limits.

Fund - A set of inter-related accounts to record revenues and expenditures associated with a specific purpose.

Fund Accounting - A government accounting system, which is organized and operated on a fund basis.

Fund Balance - The balances remaining in a fund after expenditures have been subtracted from revenues.

General Fund - A fund used to account for the receipt and expenditure of resources traditionally associated with local government. Some departments/divisions included in the General Fund are Administration, Finance, Library, Cemetery, etc.

Generally Accepted Accounting Principles (GAAP) - The uniform set of authoritative standards and procedures adopted by the accounting profession.

Government Accounting Standards Board (GASB) - A seven-member board organized in 1984 to establish standards of financial accounting and reporting for state and local governmental entities.

Government Finance Officers Association (GFOA) - The professional association of state/provincial and local finance officers in the US and Canada which has served the public finance profession since 1906. The GFOA administers the Distinguished Budget Presentation Awards Program, a voluntary awards program which encourages governments to prepare effective budget documents.

Governmental Funds - Funds generally used to account for tax-supported activities that rely mostly on current assets and current liabilities. There are four different types of governmental funds; general, special revenue, debt service, and capital projects.

Grants - Financial assistance in the form of money, property, or technical assistance in lieu of money, awarded by a governmental agency or private organization to an eligible applicant to accomplish public purposes. Grants obligate the grantee to meet specified objectives and hold the grantee financially liable if funds are not spent in accordance with applicable laws, rules, and regulations of the funding agency.

Homestead Exemption - A deduction from the total taxable assessed value of property permanently occupied by the owner in the State of Florida. The exemption is now \$50,000 for all property owners who qualify.

Impact Fees - A charge for services which is assessed on new construction in order to support specific new demands on a given type of service such as transportation, schools, parks, libraries, wastewater, and water supply systems, fire and police protection, and other government agencies and services. Local governments generally implement impact fees so that existing residents and businesses do not have to pay for needs caused by new developments.

Infrastructure - The basic facilities, services, and installations needed for the functioning of a community or society, such as transportation and communication systems, water and power lines, and public institutions including schools, post offices, and prisons.

Initiatives - Specific programs, activities, projects, or actions an organization will undertake in an effort to meet performance targets.

Inter-fund Transfers - Payments from one fund to another fund, primarily for work or services provided.

Intergovernmental Revenue - Funds received from Federal, State and other Local Government sources in the form of grants, shared revenues, and payments in lieu of taxes for a specific purpose.

Local Option Gas Tax - The local option gas tax is a 30-year tax, begun in 1983, to fund transportation related improvements.

Millage - The tax rate on real property based on 1 mill equals \$1 per \$1,000 of assessed property value.

Non-Recurring Expense - Non-recurring expenses are comprised of those that exist only for a limited period, or whose amounts vary considerably from one year to the next. Examples of non-recurring expenses include grants to private organizations or other governments, and one-time expenses for special projects.

Non-Recurring Revenue - Non-Recurring revenues are comprised of sources that exist only for a limited period, or are amounts that vary considerably from one year to the next. Examples of non-recurring revenues include proceeds from grants and the sale of land.

Object Code - Unique identification number and title for an expenditure category.

Operating Budget - A budget for general expenditures such as salaries, utilities, and supplies.

Operating Expenses - These are expenses of day-to-day operations and exclude personal services and capital expenses.

Ordinance - A formal legislative enactment by the legislative body which, if not in conflict with any higher form of law, has the full force and effect of law within the boundaries of the municipality to which it applies. An ordinance requires more legal formality and has a higher legal status than a resolution. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges, universally require ordinances.

Personnel Expenditures - Salaries, wages, taxes and fringe benefits such as pensions and insurance.

Property Tax - A tax levied on the assessed value of real property. This tax is also known as Ad Valorem Tax.

Recurring Expense - Expenses, which continue from year to year, where a similar amount can be expected annually. Examples include personnel expenses, and charges for utilities.

Recurring Revenue - Revenue sources which continue from year to year, where a similar amount can be expected annually. Examples include property taxes, utility taxes, and license fees.

Reserve - An un-appropriated source of funding not required for expenditure in the current budget year that is set aside to meet unexpected budgetary needs such as emergencies or unforeseen requirements.

Resolution - A special or temporary order of a legislative body that requires less legal formality and has a lower legal status than an ordinance or statute.

Rollback Rate - The millage rate which, (exclusive of new construction, additions to structures, and deletions), will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year.

Sources - Total revenues and transfers from other funds that increase net financial resources.

Special Revenue Fund - A fund that is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Tax Year - The calendar year in which tax bills are sent to property owners.

Taxing Authority - A government body, such as a City, county, or school board, with authority to levy property taxes.

Transfers - A transaction that reallocates all or part of any item in an approved budget to another line item.

Truth in Millage (TRIM) Notice - A notice sent annually to property taxpayers, which explains any changes in the millage rate of each taxing authority from the prior year. The notice also includes the time and place of public hearings on adopted millage rates.

User Charges - The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Utility Tax - A tax levied by cities on the consumers of various utilities such as electricity, telephones, or gas.

