

**The City of Frostproof**  
**2017-2018**  
**Annual Budget**  
**Adopted September 29, 2017**



*Mayor Cannon, Vice Mayor Sullivan, Council Member Gravley, Council Member Albert and Council Member Waters*

*.... The Friendly City*



September 29, 2017

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 2017-2018. Copies of the budget are available for public inspection at City Hall, 111 West First Street, Frostproof, Florida 33843.

**Budget Overview**

The budget totals \$7,179,490; of this amount 68% represents the General Fund and 32% represents the Enterprise Fund. This year's budget was prepared taking into account the following goals:

The Property Tax Millage Rate of 7.4978 was implemented this year

The Fiscal Year 2017-2018 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 \$124,785,076, an increase of \$4,396,279. The proposed operating millage rate for fiscal year 2017-2018 is 7.4978 per \$1,000 assessed property value.

**General Fund**

The General Fund operating expenses total \$2,479,790. This represents an increase of \$54,090 over budgeted expenses of fiscal year 2016-2017.

General Fund revenues total \$2,592,040. This represents an increase of \$64,500 over budgeted revenues of fiscal year 2016-2017.

**Enterprise Fund**


The Enterprise Fund operating expenses total \$1,372,460. This represents an increase of \$76,280 over budget of fiscal year 2016-2017.

Enterprise Fund revenues total \$1,726,400. This represents a decrease of \$305,200 over budgeted revenues of fiscal year 2015-2016.

**Acknowledgements**

We would like to thank Council members for their expertise and support in the development of the 2017-2018 Fiscal Year Budget. It is through this financial plan that we address opportunities for sustainability.

Respectfully submitted,

  
Lee Evett  
City Manager

  
Melody Sauerhafer  
Finance Manager

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## Executive Summary

This report details the budget of the City of Frostproof for fiscal year beginning October 1, 2017 and ending September 30, 2018. It is the budget recommended for adoption by the Frostproof City Council on Monday, September 29, 2017.

The budget totals \$7,179,490; of this amount 68% represents the General Fund and 32% 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 Rodney Cannon**

**Term Expires: April 2019**

**Vice Mayor Martin Sullivan**

**Term Expires: April 2018**

**Council Member Ralph Waters**

**Term Expires: April 2018**

**Council Member Jonathan Albert**

**Term Expires: April 2020**

**Council Member Austin Gravley**

**Term Expires: April 2020**

## **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**

Lee Evett  
**City Manager**

Albert C. Galloway, Jr.  
**City Attorney**

Jennifer Codo-Salisbury  
*Central Florida Regional Planning Council*  
**City Planner**

Doug Jones  
*Chastain Skillman, Inc.*  
**City Engineer**

Bob Lane  
**Building Official**

Melody Sauerhafer  
**Finance Manager**

Nicole McDowell  
**City Clerk**

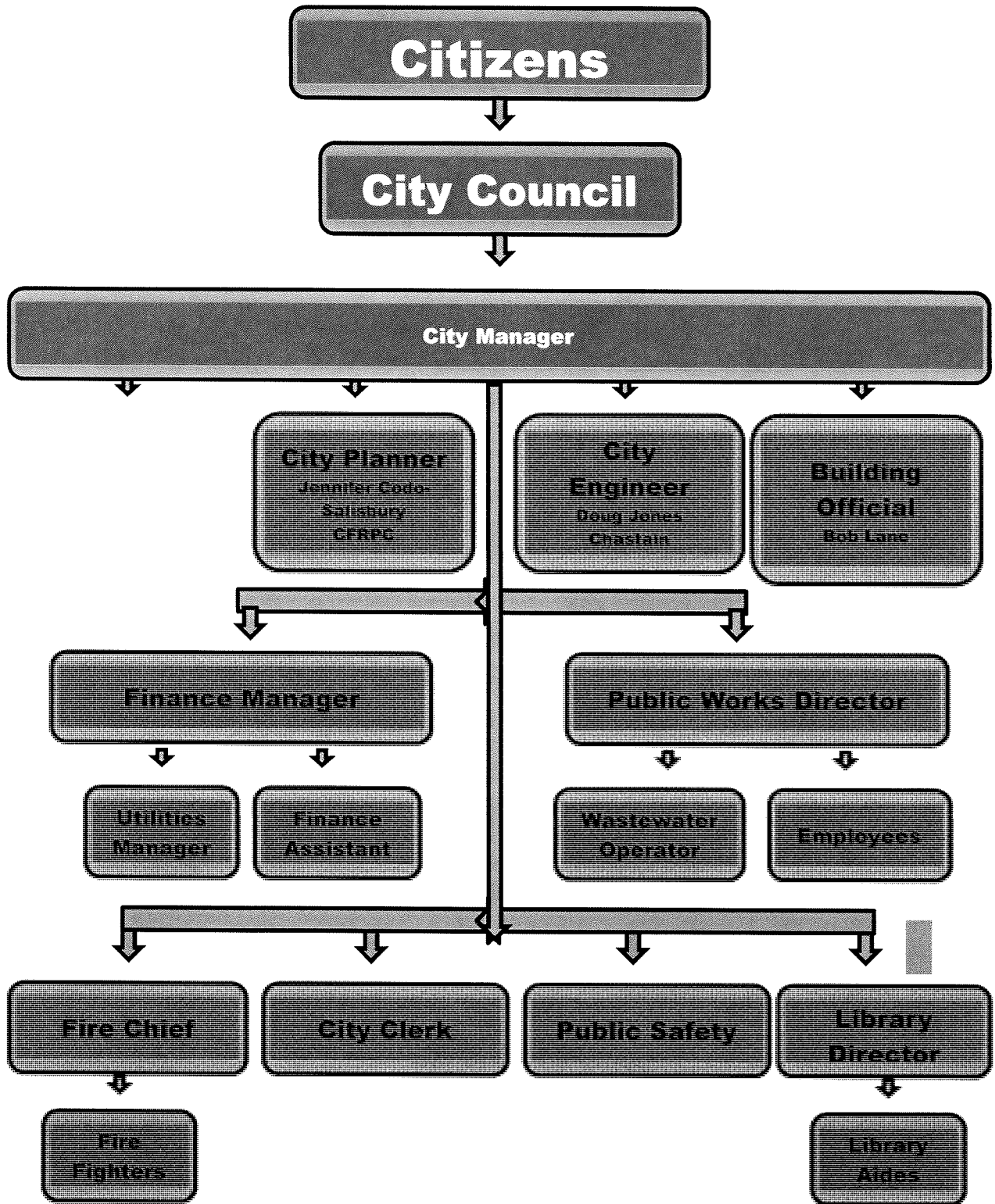
James Keene  
**Public Works Director**

Clifford Cofer  
**Fire Chief**

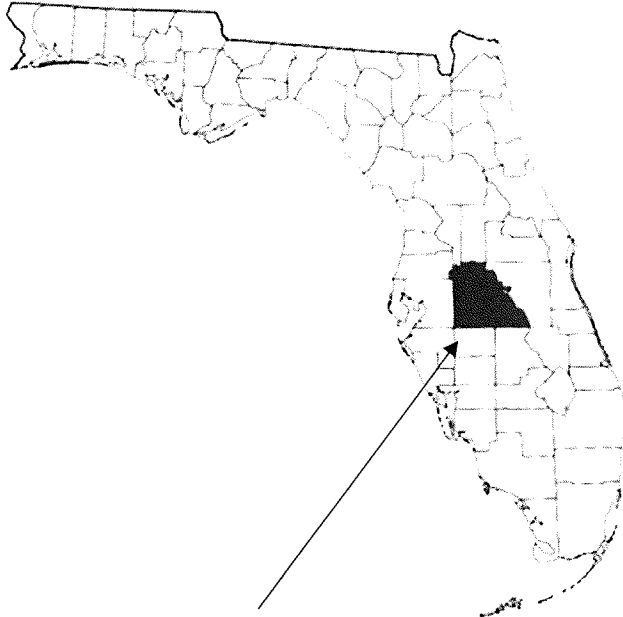
Melissa Hadden  
**Library Director**

Sharon Bass  
**Utilities Manager**

# Organizational Chart



# Fact Sheet



**Polk County**

Population Incorporated Municipalities Polk County (Florida Department of Revenue 2015 Population Estimates)	
Auburndale	14,843
Bartow	18,029
Davenport	3,786
Dundee	3,974
Eagle Lake	2,387
Fort Meade	5,741
Frostproof	3,004
Haines City	22,660
Highland Park	234
Hillcrest Heights	254
Lakeland	101,517
Lake Alfred	5,322
Lake Hamilton	1,271
Lake Wales	15,011
Mulberry	3,775
Polk City	1,623
Winter Haven	38,085
Unincorporated	388,503



## City Stats

**Date of Incorporation:**  
1921

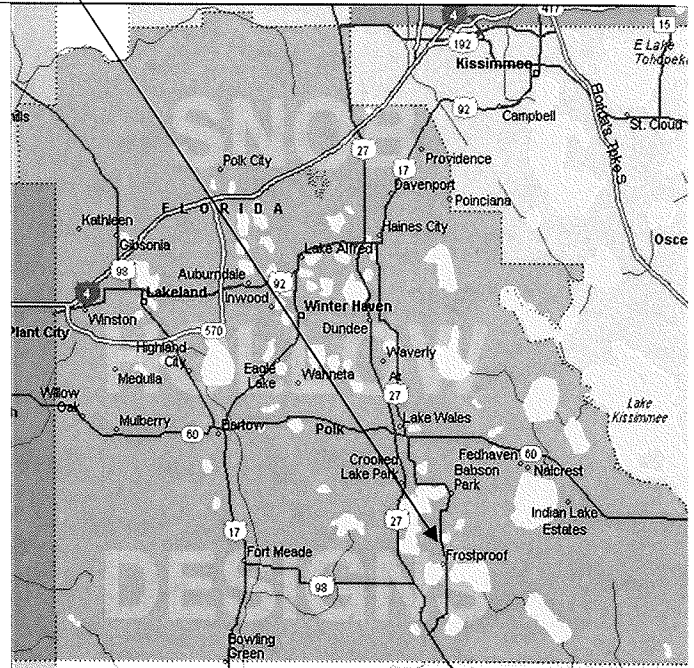
**Form of Government:**  
Council Manager Plan

**Size:**  
18.92 Square Miles

**Current Population:**  
3,004

**Number of Schools:**  
3

**Number of Parks:**  
3



## Millage Rate Impact Schedule

Gross Taxable Value = \$124,785,076

Operating Millage Rate	Ad Valorem Proceeds
7.4978	*935,418
1.0000	124,759
.7500	93,569
.5000	62,379
.2500	31,189
.1250	15,595
.1000	12,475
.0750	9,356
.0500	6,237
.0250	3,119

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

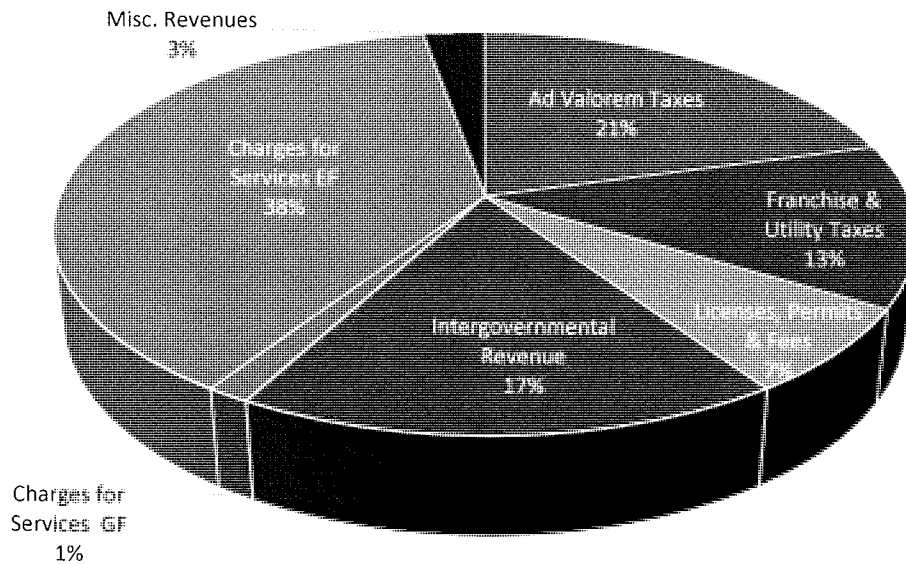
Lender	Balance 10/1/2017	Year Issued	Year of Maturity	Interest Rate	Due 2018
<b><i>BB&amp;T Governmental</i></b>					
Series 2012A \$1,583,306 Wastewater System Annual Payment Principal – \$75,845 Interest – \$39,304	\$1,227,423	2012	2030	3.060%	\$115,150
<b><i>Florida Community Bank</i></b>					
Series 2017 \$1,275,000 Wastewater System Annual Payment Principal – \$20,000 Interest – \$53,153	\$1,050,937	2017	2032	2.24%	\$82,524
<b><i>State Revolving Fund</i></b>					
60007L Loan \$2,000,000 Wastewater System Semi-Annual Payment Principal – \$ 92,977 Interest – \$ 24,500	\$1,055,186	2005	2025	2.09%	\$117,477
<b>Total</b>	<b>\$3,333,546</b>				<b>\$315,151</b>

### Budget Summary

<b>ESTIMATED REVENUES and FUND BALANCES</b>	<b>GENERAL FUND</b>	<b>ENTERPRISE FUND</b>	<b>TOTAL BUDGET</b>
Nonspendable	6,440		6,440
Restricted and Reserved	350,400	252,040	602,440
Assigned and Committed	10,000		10,000
Beginning Unreserved Fund Balance	1,986,080	198,090	2,184,171
Beginning Debt Service Balance		58,000	58,000
<b>BEGINNING FUND BALANCES</b>	<b>2,352,920</b>	<b>508,130</b>	<b>2,861,050</b>
Ad Valorem Taxes	888,650		888,650
Franchise & Utility Taxes	545,560	20,000	565,560
Licenses, Permits and Fees	297,000		297,000
Intergovernmental Revenue	745,100	-	745,100
Charges for Services	59,530	1,643,400	1,702,930
Fines & Forfeitures	3,700		3,700
Investment Income	10,000	3,000	13,000
Misc. Revenues	42,500	60,000	102,500
<b>TOTAL ESTIMATED REVENUES</b>	<b>2,592,040</b>	<b>1,726,400</b>	<b>4,318,440</b>
<b>TOTAL ESTIMATED REVENUES and FUND BALANCES</b>	<b>4,944,960</b>	<b>2,234,530</b>	<b>7,179,490</b>
<b>ESTIMATED EXPENSES</b>			
General Government	486,190		486,190
Public Safety	1,008,380		1,008,380
Fire Department	187,470		187,470
Building Department	41,290		41,290
Cemetery Department	25,260		25,260
Streets Department	432,380		432,380
Library	196,800		196,800
Community Affairs	91,120		91,120
Auditorium	10,600		10,600
Garbage		389,180	389,180
Wastewater		388,500	388,500
Water		263,300	263,300
StormWater		74,330	74,330
Debt Service		257,150	257,150
	<b>2,479,490</b>	<b>1,372,460</b>	<b>3,851,950</b>
Capital - Grants	73,000	-	73,000
Capital - Operating	96,000	219,300	315,300
Capital - Reserves	23,900		23,900
	<b>192,900</b>	<b>219,300</b>	<b>412,200</b>
<b>TOTAL ESTIMATED EXPENSES</b>	<b>2,672,390</b>	<b>1,591,760</b>	<b>4,264,150</b>
Nonspendable	6,440		6,440
Restricted	504,260	194,040	698,300
Assigned and Committed	12,000		12,000
Ending Unreserved Fund Balance	1,749,870	390,730	2,140,600
Ending Debt Service Balance		58,000	58,000
<b>ENDING FUND BALANCES</b>	<b>2,272,570</b>	<b>642,770</b>	<b>2,915,340</b>
<b>TOTAL ESTIMATED EXPENSES and FUND BALANCES</b>	<b>4,944,960</b>	<b>2,234,530</b>	<b>7,179,490</b>

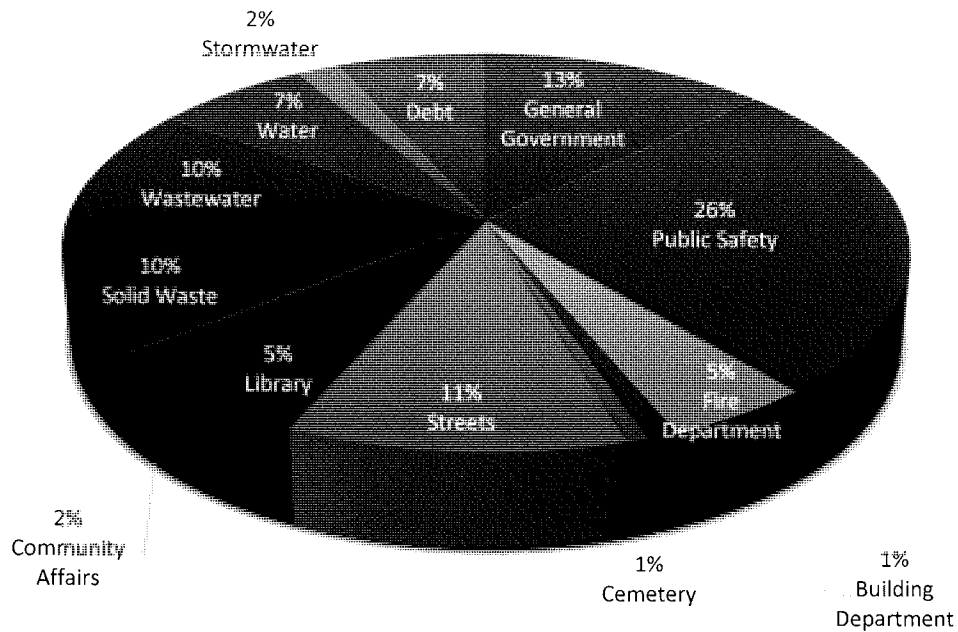
## Summary of All Revenues for All Funds

<b>Ad Valorem Taxes</b>	<b>888,650</b>	<b>21%</b>
<b>Franchise &amp; Utility Taxes</b>	<b>565,560</b>	<b>13%</b>
<b>Licenses, Permits &amp; Fees</b>	<b>297,700</b>	<b>7%</b>
<b>Intergovernmental</b>	<b>745,100</b>	<b>17%</b>
<b>Charges for Services GF</b>	<b>59,530</b>	<b>1%</b>
<b>Charges for Services EF</b>	<b>1,643,400</b>	<b>38%</b>
<b>Miscellaneous</b>	<b>119,200</b>	<b>3%</b>



## Summary of All Expenses for All Funds

<b>General Government</b>	<b>486,190</b>	<b>13%</b>
<b>Public Safety</b>	<b>1,008,380</b>	<b>26%</b>
<b>Fire Department</b>	<b>187,470</b>	<b>5%</b>
<b>Building Department</b>	<b>41,290</b>	<b>1%</b>
<b>Cemetery Department</b>	<b>25,260</b>	<b>1%</b>
<b>Streets Department</b>	<b>432,380</b>	<b>11%</b>
<b>Library</b>	<b>196,800</b>	<b>5%</b>
<b>Community Affairs</b>	<b>91,120</b>	<b>2%</b>
<b>Auditorium</b>	<b>10,600</b>	<b>0%</b>
<b>Solid Waste</b>	<b>389,180</b>	<b>10%</b>
<b>Wastewater</b>	<b>388,500</b>	<b>10%</b>
<b>Water</b>	<b>263,300</b>	<b>7%</b>
<b>Stormwater</b>	<b>74,330</b>	<b>2%</b>
<b>Debt Service (Interest Only)</b>	<b>257,150</b>	<b>7%</b>



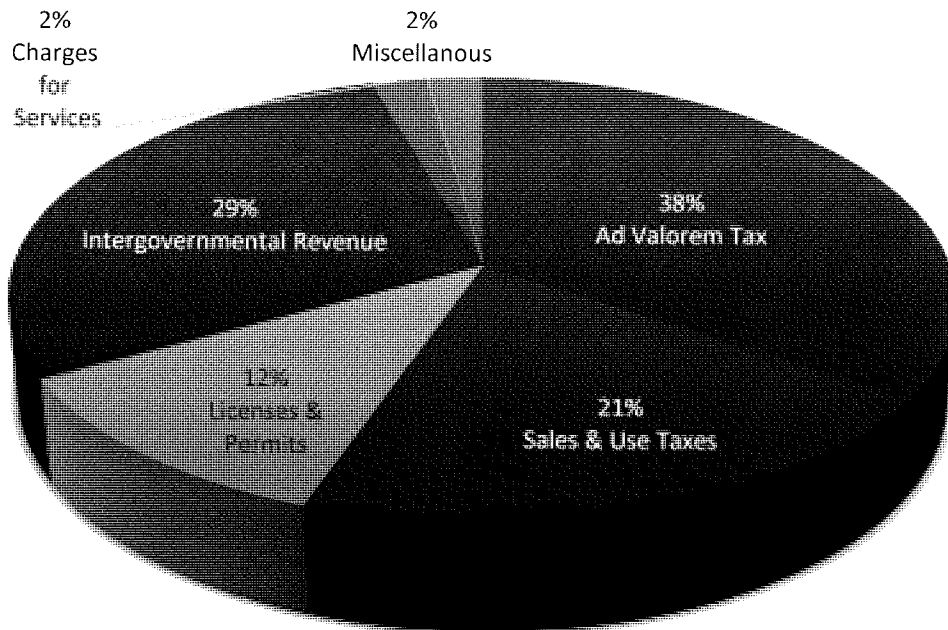
# General Fund



## General Fund Revenues

General Fund revenue projections for Fiscal Year 2017-2018 indicate an increase of \$64,500 compared to the adopted Fiscal Year 2016-2017 budget. The following table summarizes general fund revenue sources:

	2016-2017	2017-2018
<b>Estimated Revenues</b>		
Ad Valorem	889,320	888,650
Franchise & Utility Taxes	559,470	545,560
Licenses, Permits & Fees	271,290	297,000
Intergovernmental Revenue	712,230	745,100
Charges for Services	55,530	59,530
Miscellaneous Revenues	39,700	56,200
Total Revenues	<b>2,527,540</b>	<b>2,527,540</b>

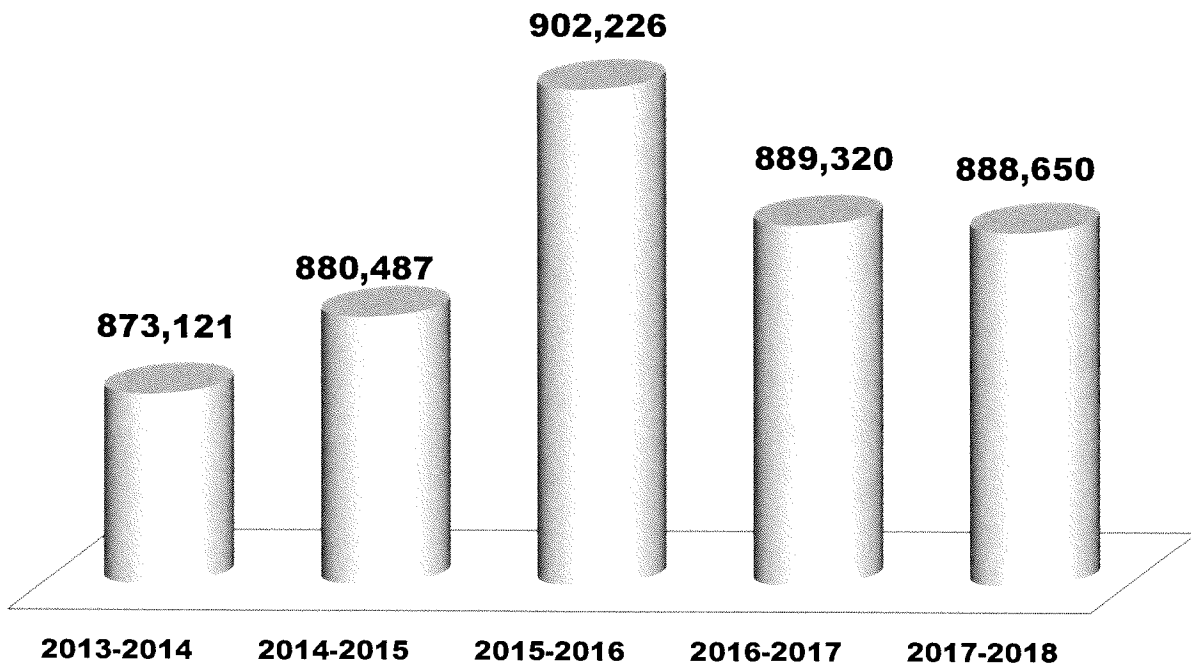


## Ad Valorem Tax

**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 \$4,396,279 or 3.65%. This revenue source is found in the General Fund.

**Forecast Methodology:** The millage of 7.4978 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
2013-2014	8.0587	901,299	111,841,774
2014-2015	8.0587	917,054	113,796,796
2015-2016	8.0587	934,509	115,962,786
2016-2017	7.7716	935,614	120,388,797
2017-2018	7.4978	935,418	124,785,076

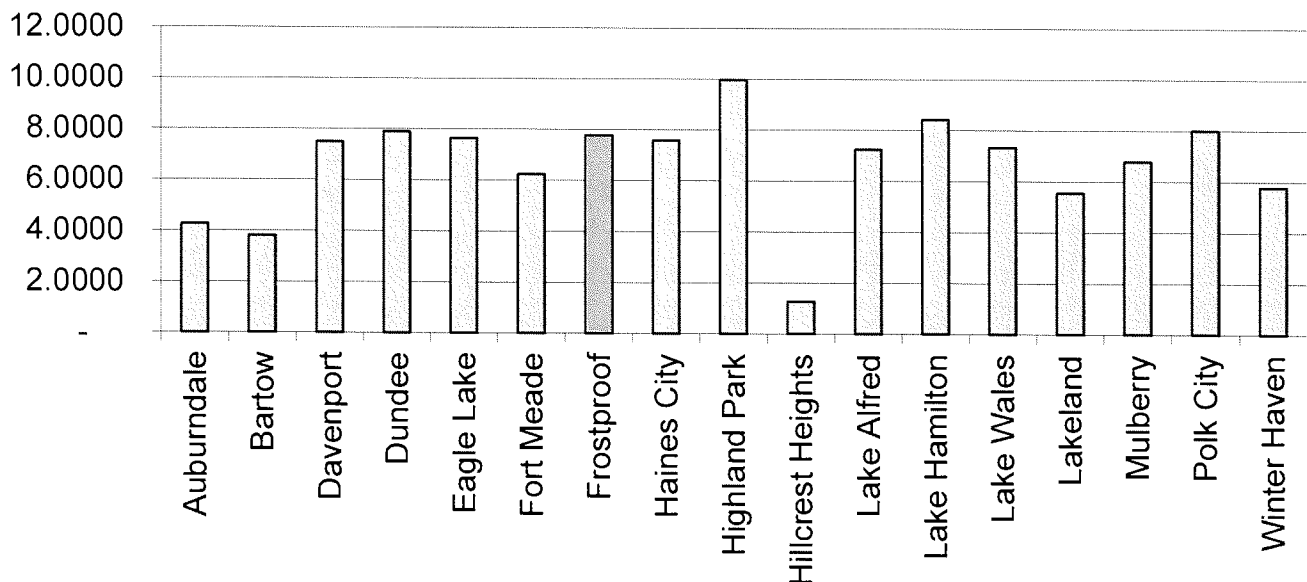


## Millage Rate

The proposed property tax millage rate for operating purposes is 7.4978. 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 2016-2017:

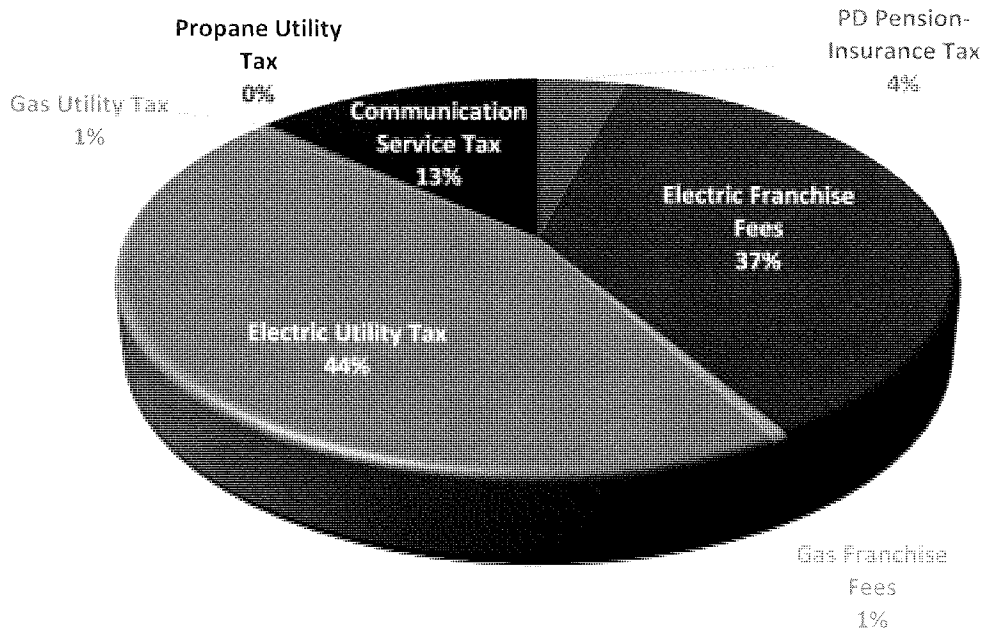
Polk County Millage Rates 2015-2016*	
City	Millage
Auburndale	4.2657
Bartow	3.8044
Davenport	7.5000
Dundee	7.9000
Eagle Lake	7.6516
Fort Meade	6.2458
Frostproof	7.7716
Haines City	7.5895
Highland Park	9.9759
Hillcrest Heights	1.2726
Lake Alfred	7.2390
Lake Hamilton	8.4276
Lake Wales	7.3273
Lakeland	5.5644
Mulberry	6.7900
Polk City	8.0000
Winter Haven	5.7900

\*FY18 Millage rates not available



## Franchise and Utility Taxes

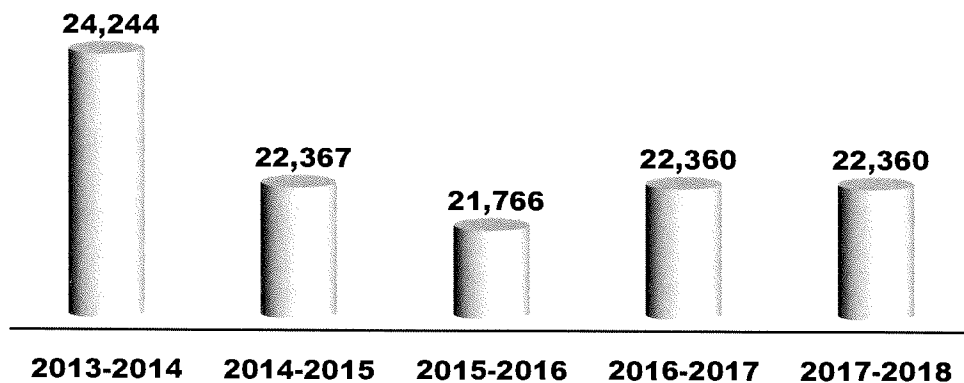
<b>Franchise &amp; Utility Taxes</b>	<b>545,560</b>	
PD Pension-Insurance Tax	22,360	4%
Electric Franchise Fees	204,000	37%
Gas Franchise Fees	3,000	1%
Telecommunication Fees	-	0%
Electric Utility Tax	240,000	44%
Gas Utility Tax	3,200	1%
Propane Utility Tax	1,000	0%
Communications Service Tax	72,000	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.

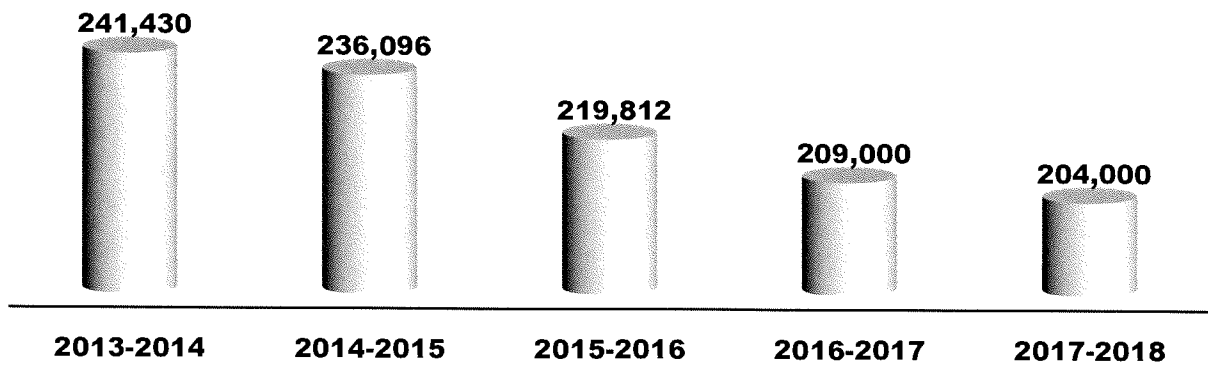
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



## 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.

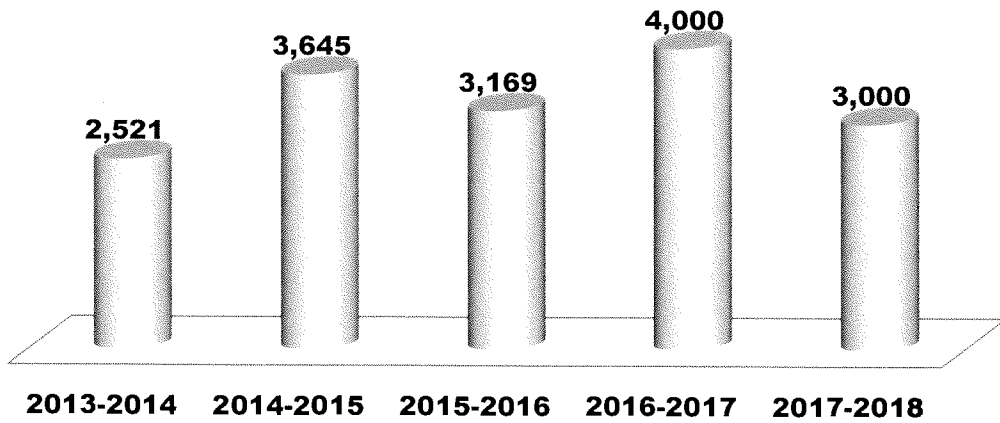
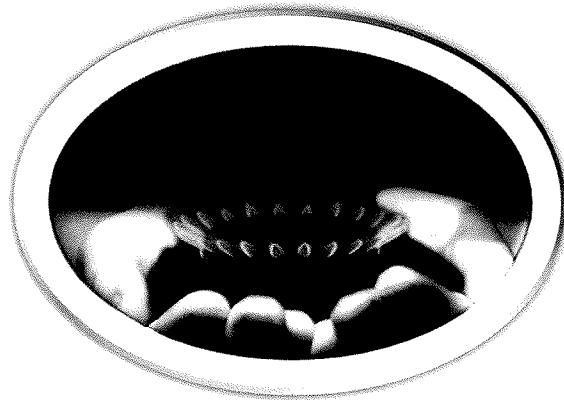
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



# Gas Franchise Fee

**Description:** Collected from People's Gas.

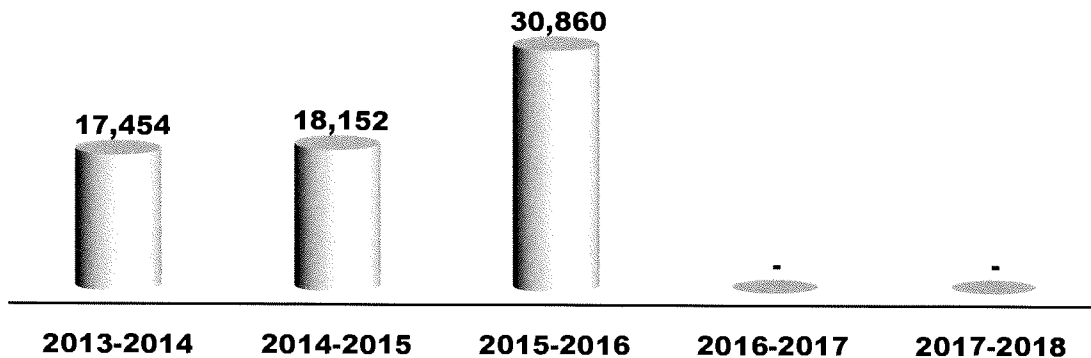
**Forecast Methodology:** **Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



## 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. This contract was not renewed by Utility Service.

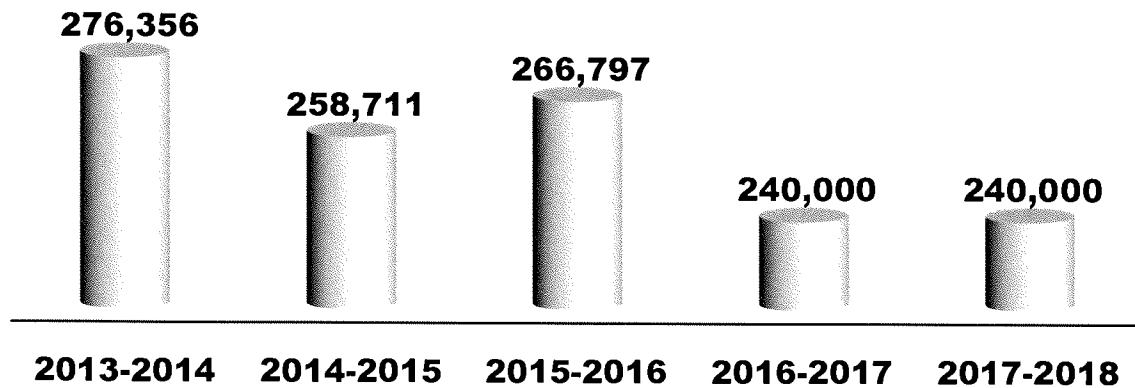
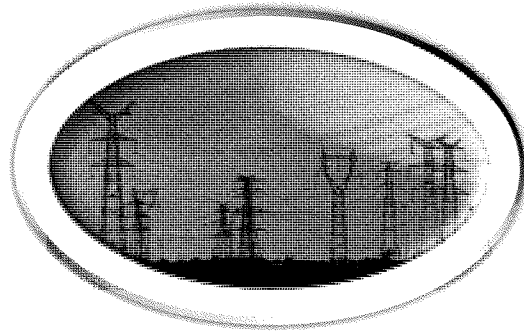
**Forecast Methodology:** This revenue is forecasted by the contract with USC. However, if a contract is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



## Electric Utility Tax

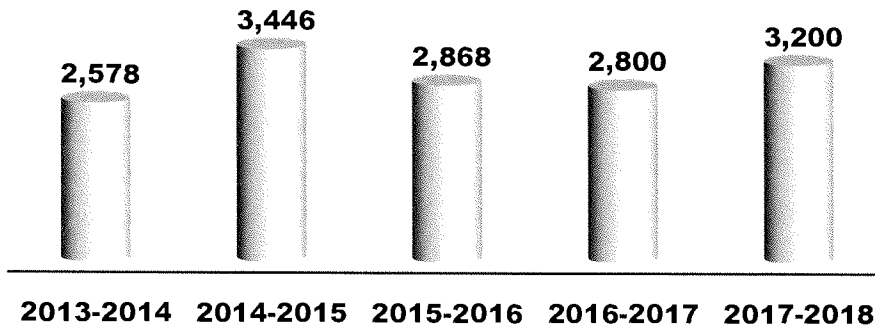
**Description:** Utility Taxes are taxes that are levied by the City on all companies that supply utilities within the City limits. The City currently receives taxes from Duke Energy (f/k/a Progress Energy) and various propane gas companies.

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

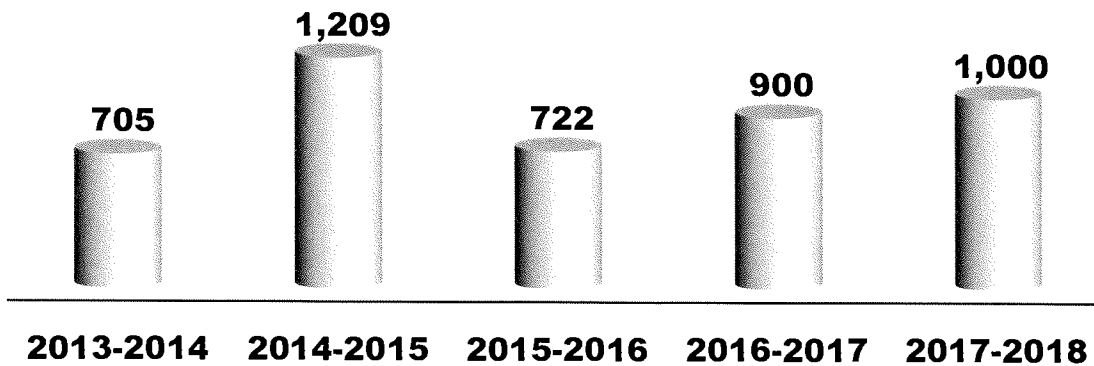


## Gas and Propane Utility Taxes

### Gas Utility Tax



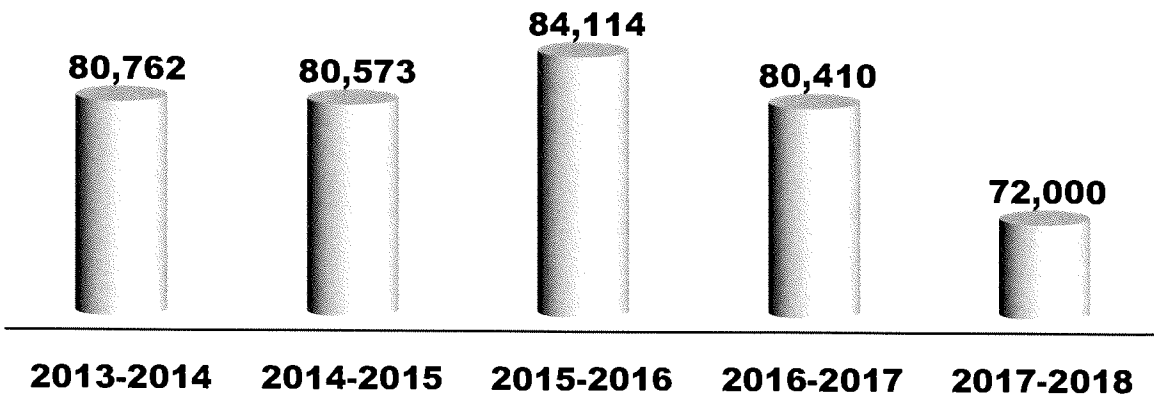
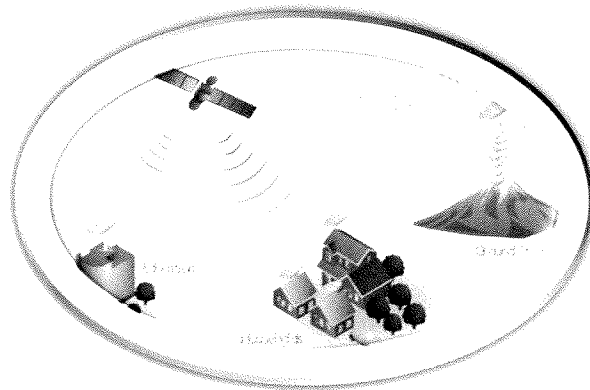
### Propane Utility Tax



## Communication Service Tax

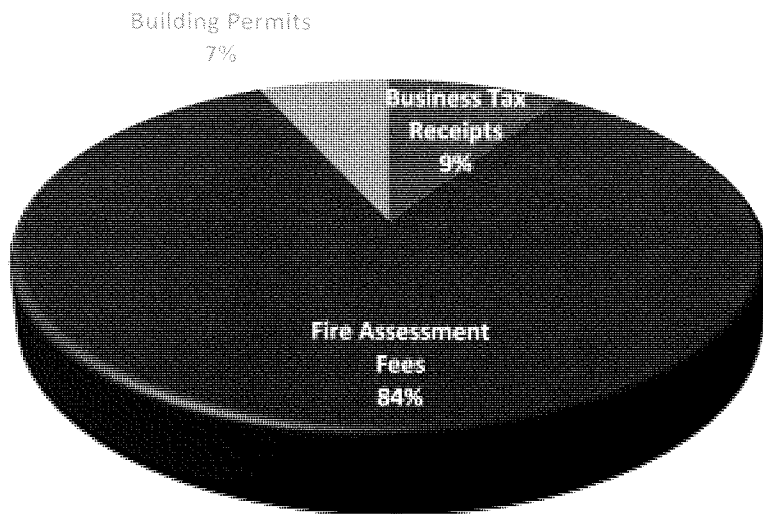
**Description:** The Communication Service Tax Law was enacted to restructure taxes on telecommunications, cable, direct-to-home satellite, and related services that existed prior to October 1, 2001. Communication Services encompasses voice, data, audio, video, or any other information or signals, including 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, Permits and Fees

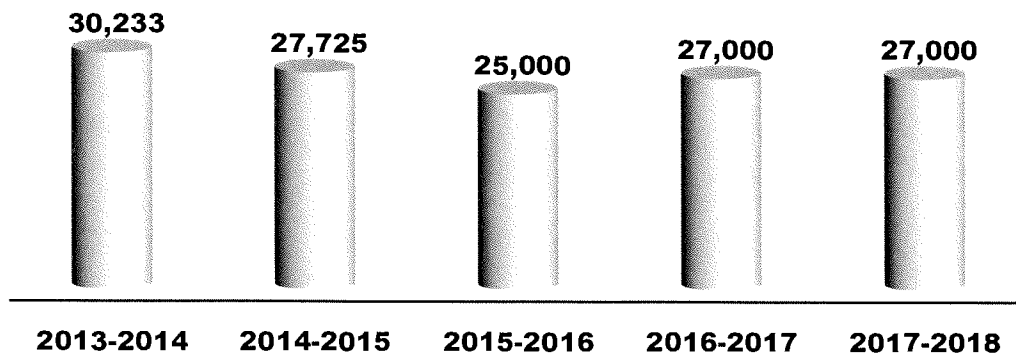
<b>Licenses, Permits &amp; Fees</b>	<b>297,000</b>	
Business Tax Receipts	27,000	9%
Fire Assessment Fees	250,000	84%
Building Permits	20,000	7%



## 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.

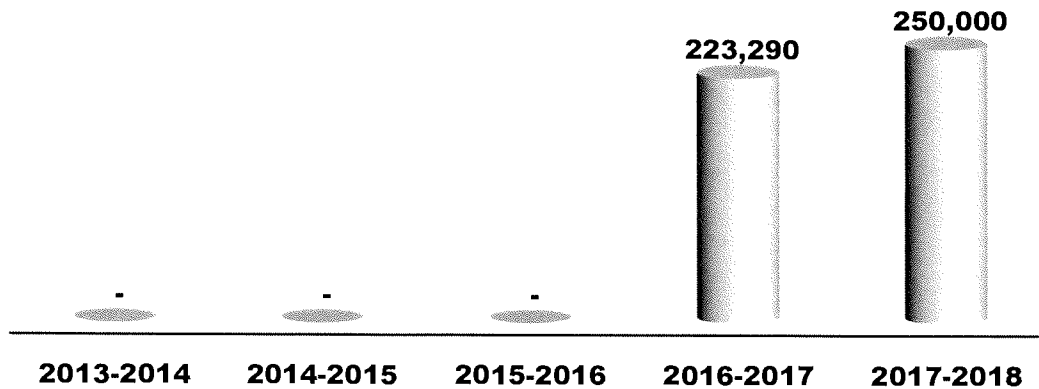
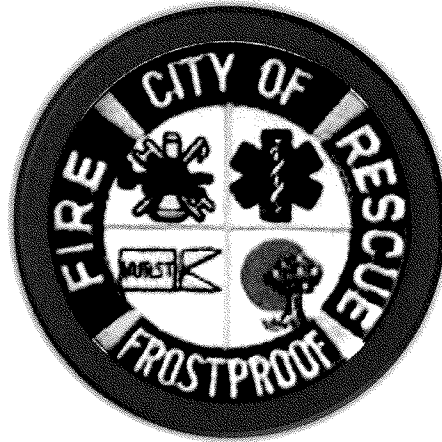
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



## Fire Assessment Fee

**Description:** Commencing with the fiscal year beginning October 1, 2016 the City implemented a fire assessment fee for the cost of providing fire services to property within the incorporated area of the City. The City will use the uniform method of collecting non-ad valorem assessments for collecting funds for the cost of providing this service.

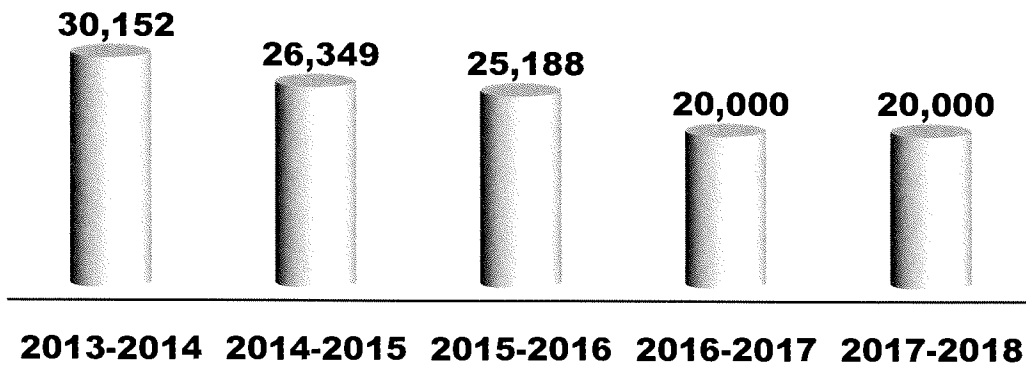
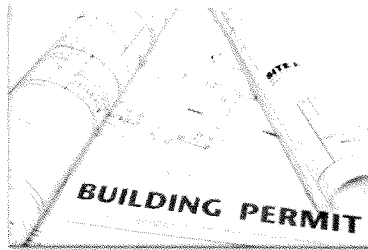
**Forecast Methodology:** Each residential property is charged at a rate of \$167 per dwelling unit, commercial properties are charged \$.03 per square foot, industrial/warehouse properties are charged \$.02 per square foot and institutional properties are charged \$.06 per square foot.



## Building Permits

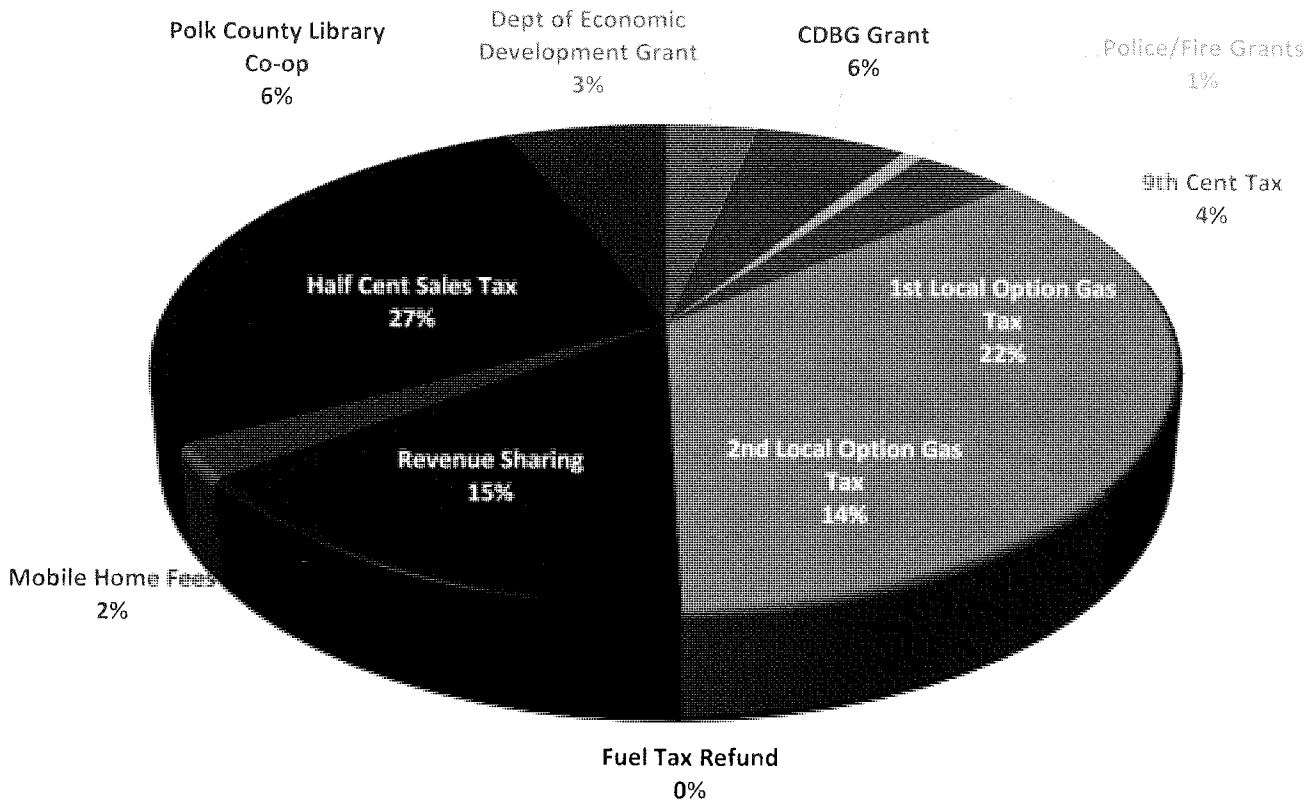
**Description:** Fees are charged to contractors and homeowners in accordance with a City resolution.

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



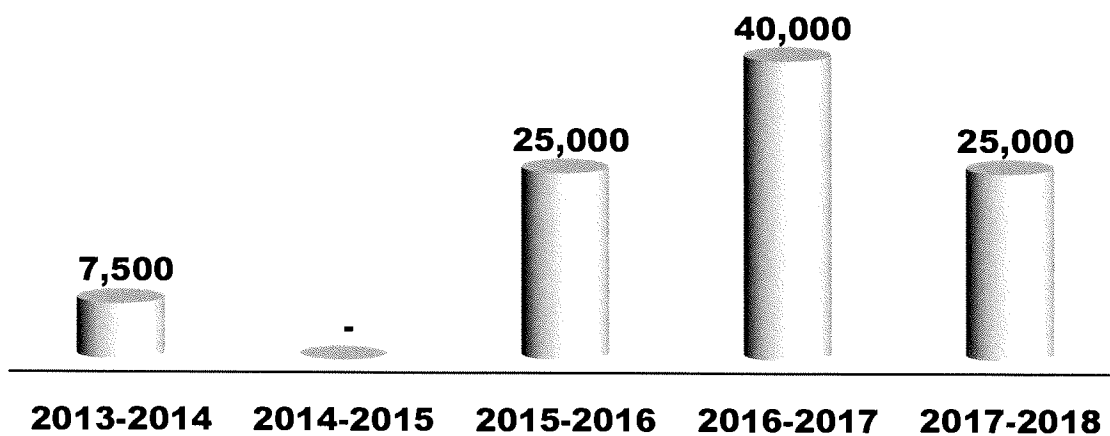
## Intergovernmental Revenues

<b>Intergovernmental Revenue</b>	<b>745,100</b>	
Dept of Economic Development Grant	25,000	3%
CDBG Grant	42,000	6%
Police/Fire Grants	6,000	1%
9th Cent Tax	28,000	4%
1st Local Option Gas Tax	165,550	22%
2nd Local Option Gas Tax	103,130	14%
Fuel Tax Refund	800	0%
Revenue Sharing	111,950	15%
Mobile Home Fees	17,000	2%
Half Cent Sales Tax	200,670	27%
Polk County Library Co-op	45,000	6%



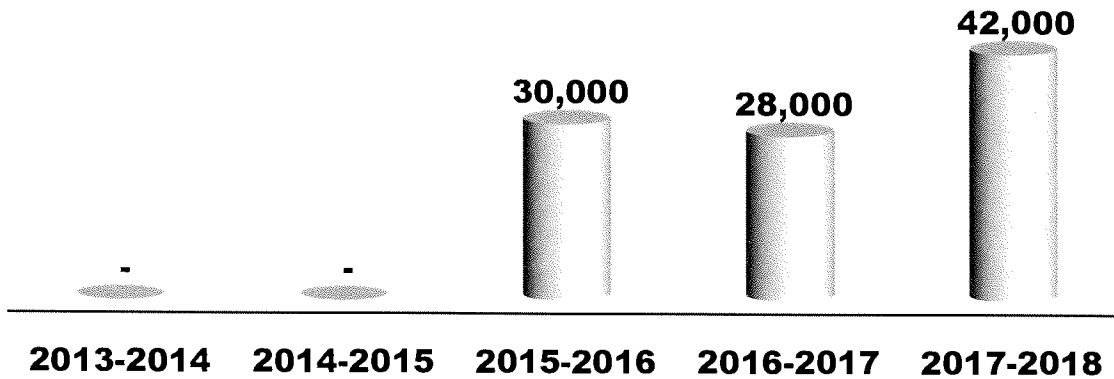
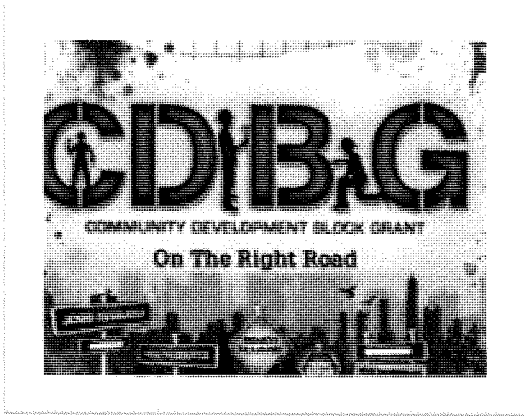
## Department of Economic Opportunity Grant

**Description:** The City applied for a Community Redevelopment which will be Utilized to build a skate park.



# Community Development Block Grant

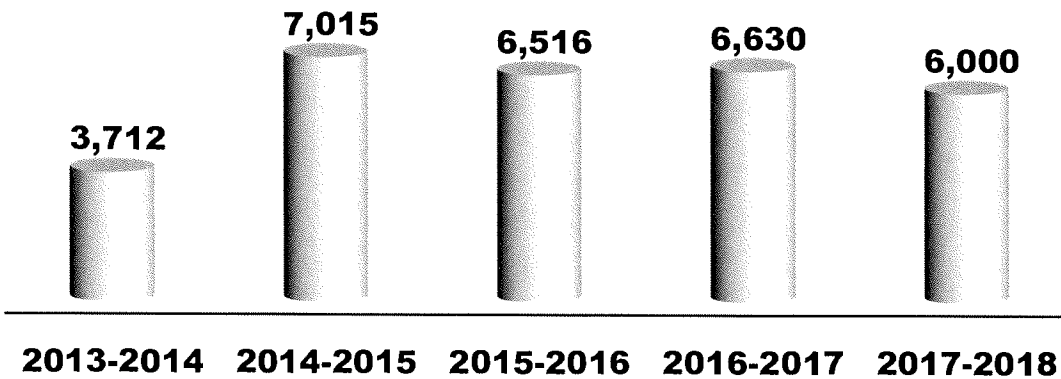
**Description:** The City applied for and was awarded a Community Development Block Grant for fiscal year 2017-2018. \$28,000 of amount budgeted for fiscal year 2015-2016 was rolled forward in fiscal year 2017-2018. These funds will be utilized to construct an Americans with Disabilities Act walking path in Fewox Park.



## 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.

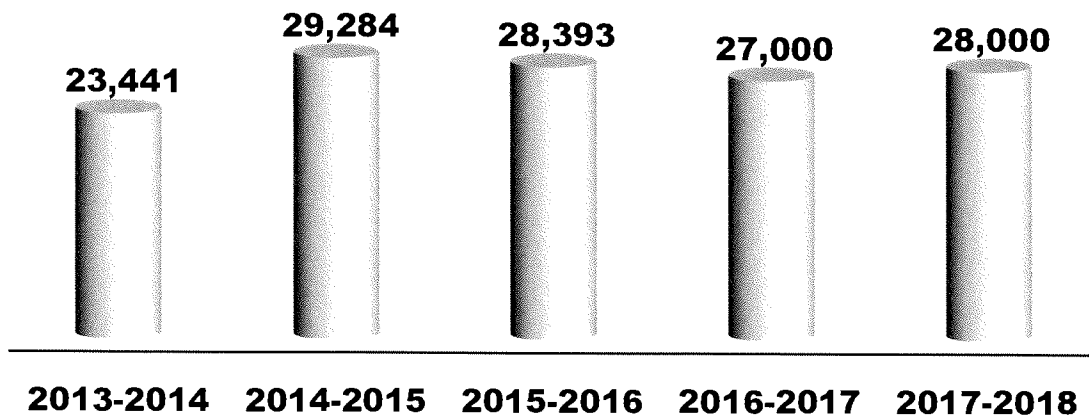
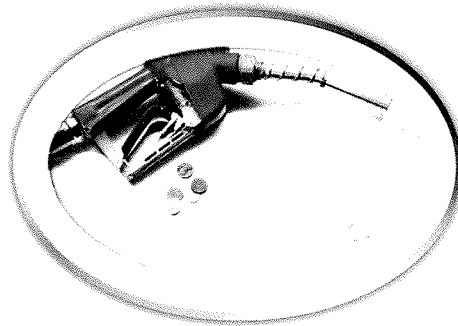
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



## 9<sup>th</sup> 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.

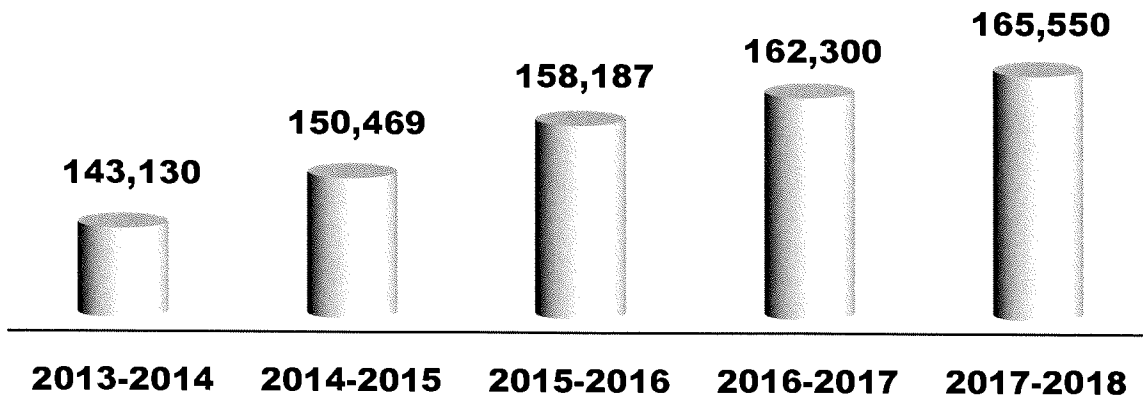
**Forecast Methodology:** This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



## 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.

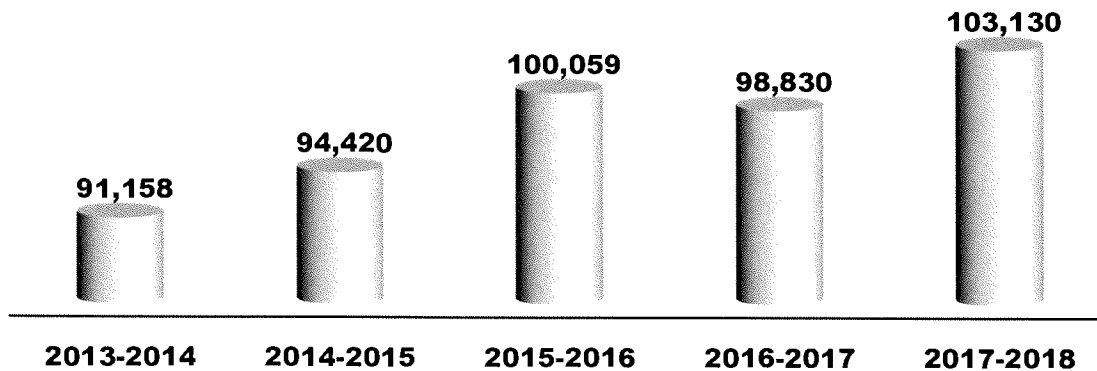
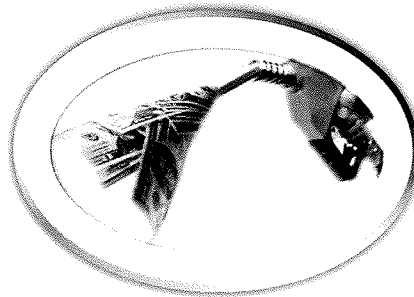
**Forecast Methodology:** This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



## 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.

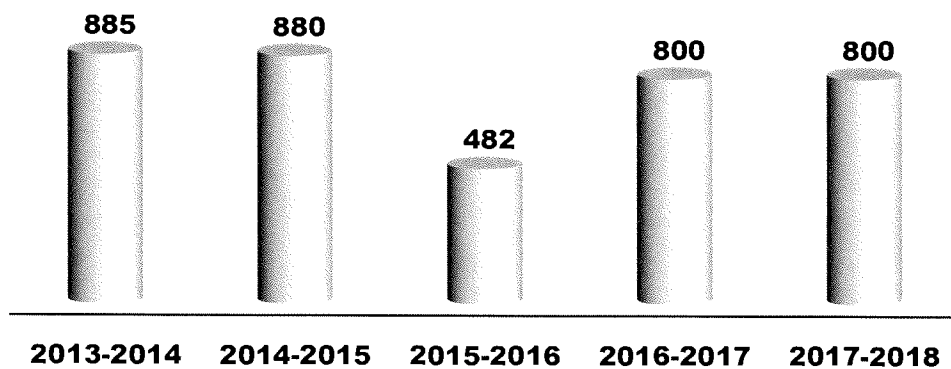
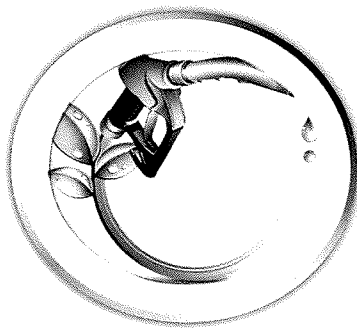
**Forecast Methodology:** This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factor considered in projecting this revenue would be historical data.



## 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.

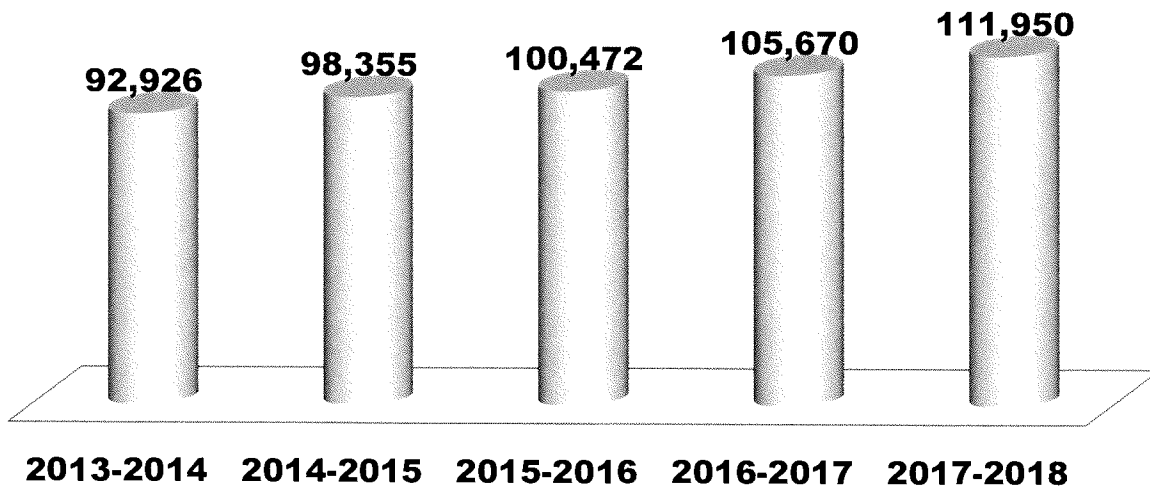
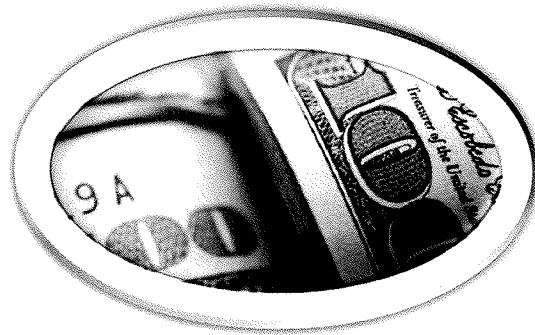
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



## 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.

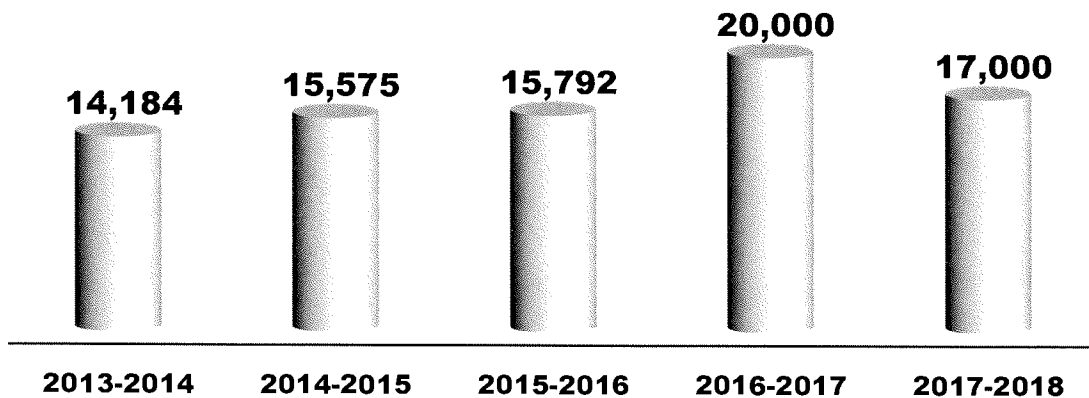
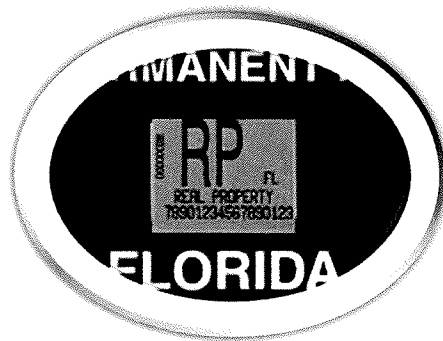
**Forecast Methodology:** This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



## 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.

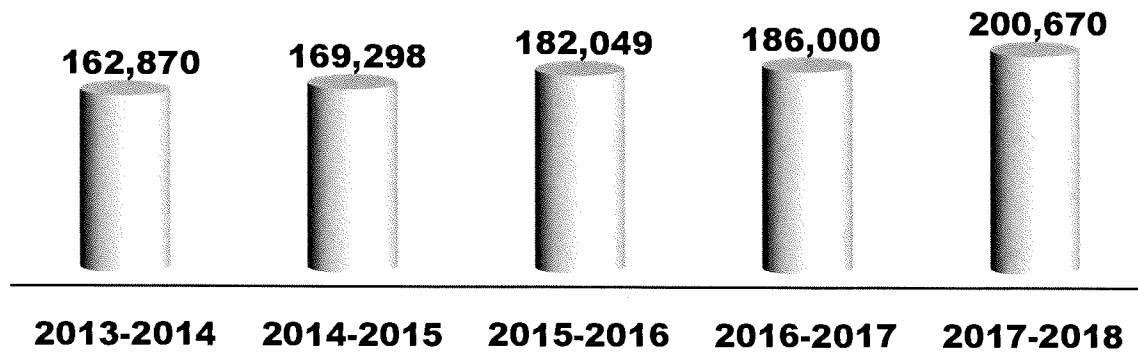
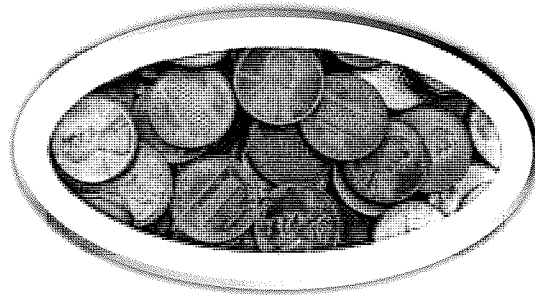


## Half-Cent Sales Tax

**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.

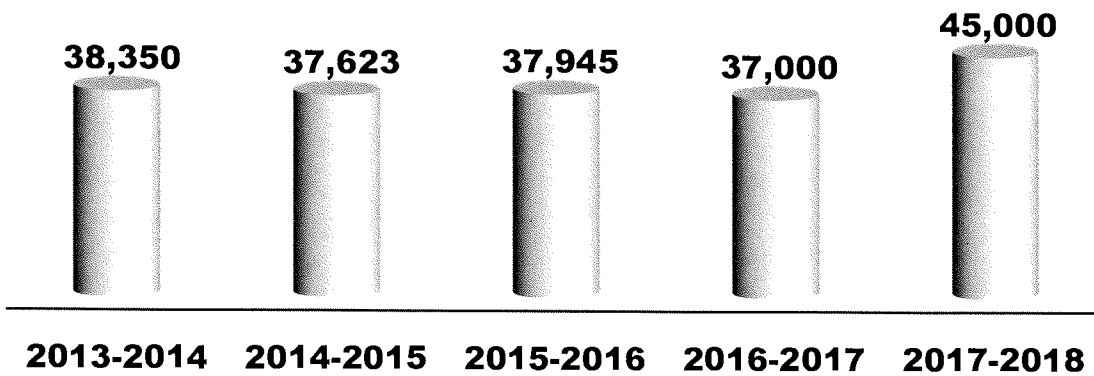
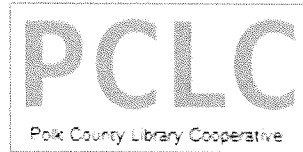
**Forecast Methodology:** This revenue is forecasted by the State of Florida. However, if data is not available in time for the proposed budget, the main factors considered in projecting this revenue would be historical data.



## Polk County Library Cooperative

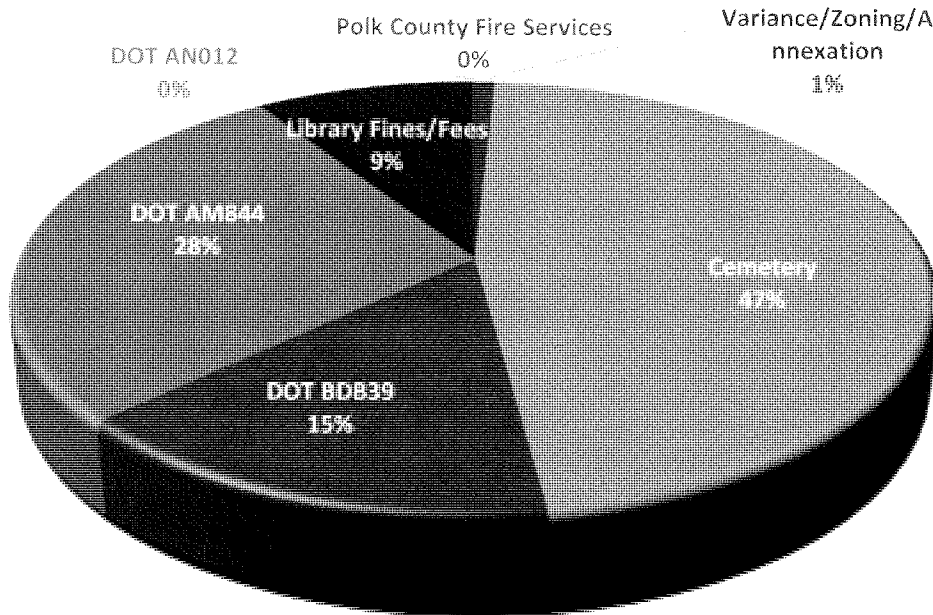
**Description:** The City of Frostproof entered into an agreement with Polk County to cooperate in a countywide agreement to provide library services without charge to all persons residing in the city limits including residents of the unincorporated areas and those incorporated areas not served by a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



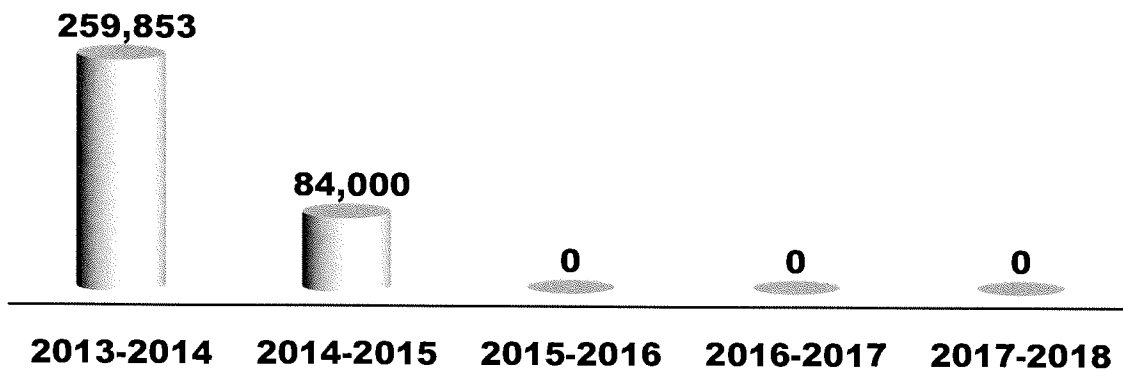
## Charges for Services

<b>Charges for Services</b>	<b>59,530</b>	
Polk County Fire Services	-	0%
Variance/Zoning/Annexation	500	1%
Cemetery	28,000	47%
DOT BDB39	8,970	15%
DOT AM844	16,560	28%
DOT AN012	-	0%
Library Fines/Fees	5,500	9%



## Polk County Fire Protection

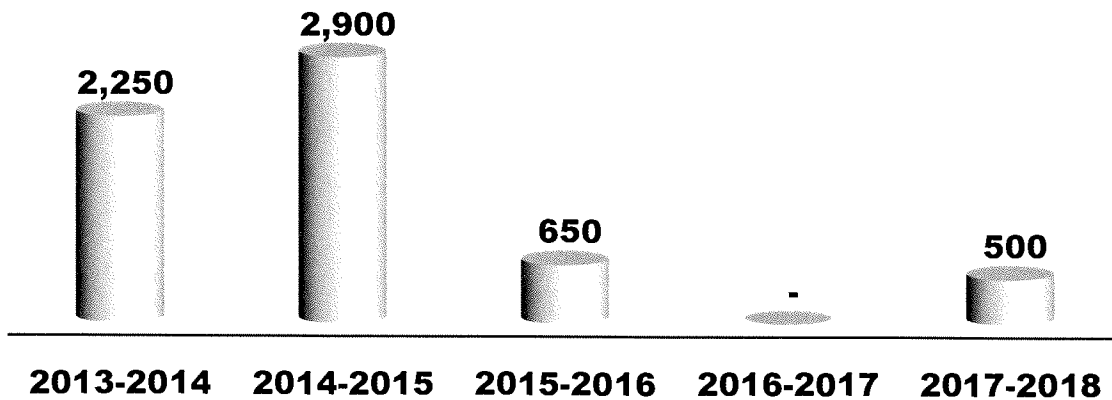
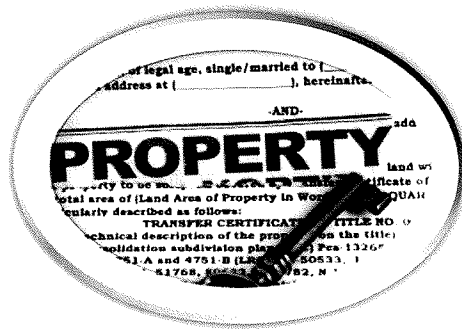
**Description:** The Polk County Fire Protection Agreements throughout Polk County have been disband effective October 1, 2015.



## Zoning & Variance Fees

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

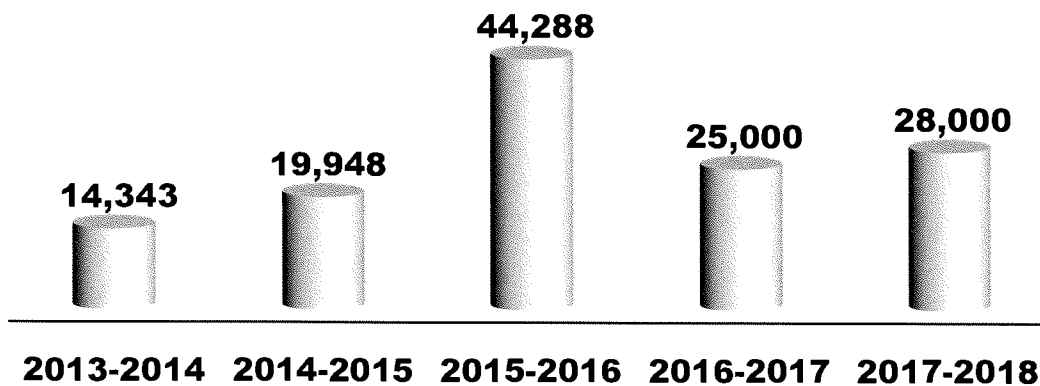
**Forecast Methodology:** This revenue is forecasted using historical data.



## Cemetery Sales

**Description:** These revenues are derived from the direct sales of cemetery plots sold at Silver Hill Cemetery. On May 16, 2016 Council passed Resolution 2016-05 adjusting the cost of cemetery plots for customers living outside the city limits. \$500 per plot for residents who live inside city limits, \$750 per plot for residents who live outside city limits but within the 33843 zip code and \$1,300 per plot for all other persons.

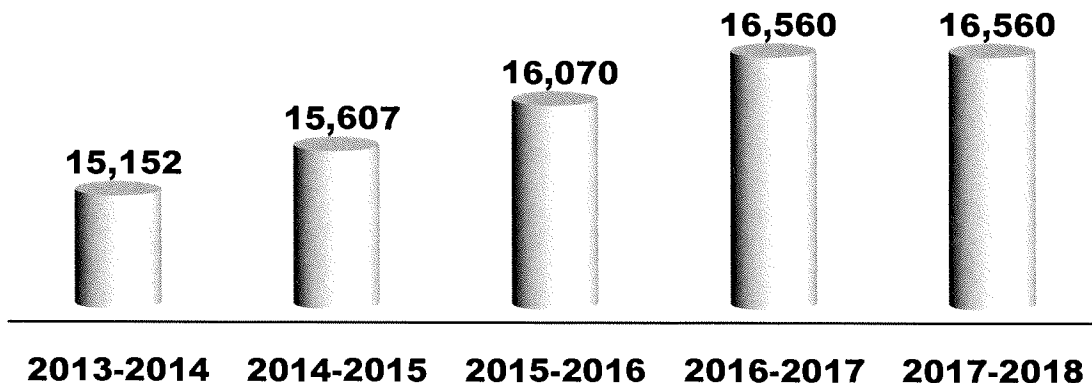
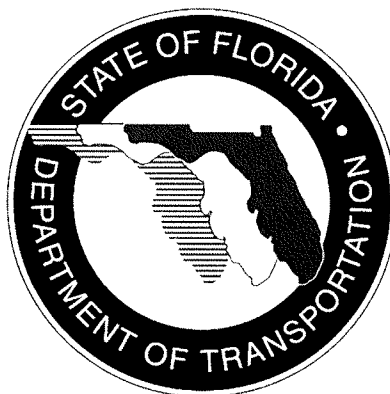
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



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

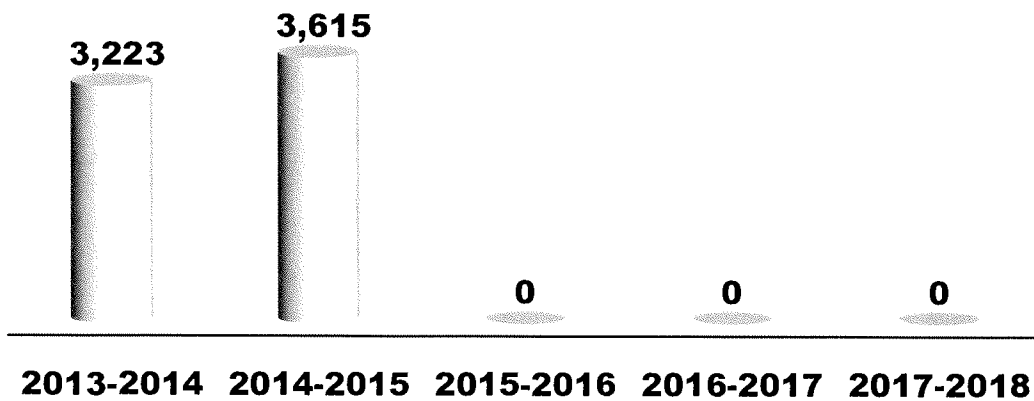
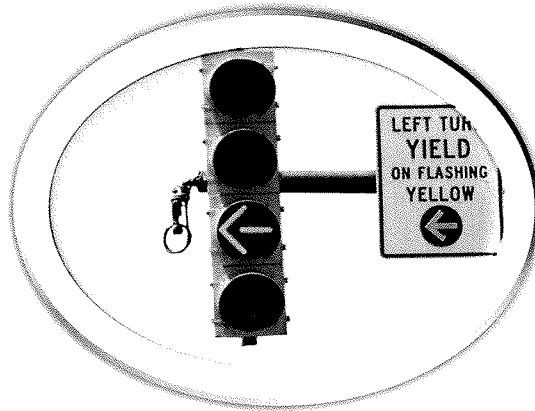
**Description:** On August 14, 2002 the City of Frostproof (the City) entered into a maintenance and compensation agreement with the State of Florida Department of Transportation (FDOT). The City maintains the lighting for roadways and recreational areas owned by or located on FDOT property located on 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.



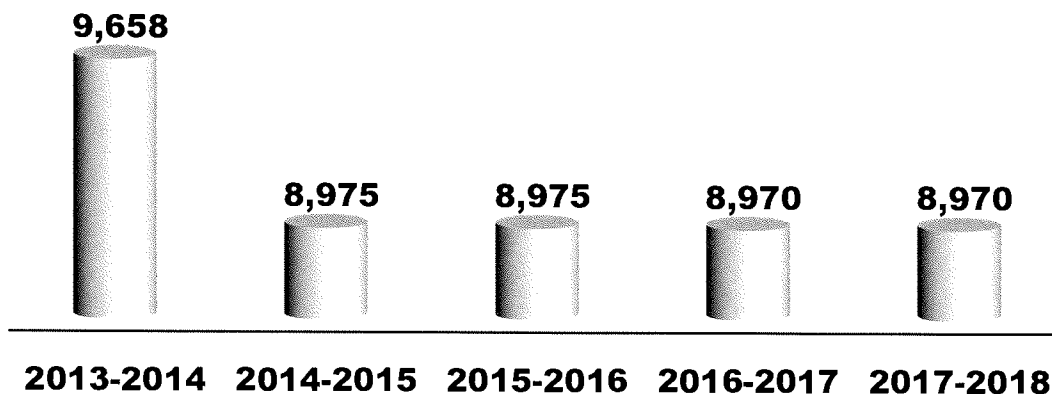
## State of Florida Department of Transportation Mowing Maintenance (BDR81)

**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.



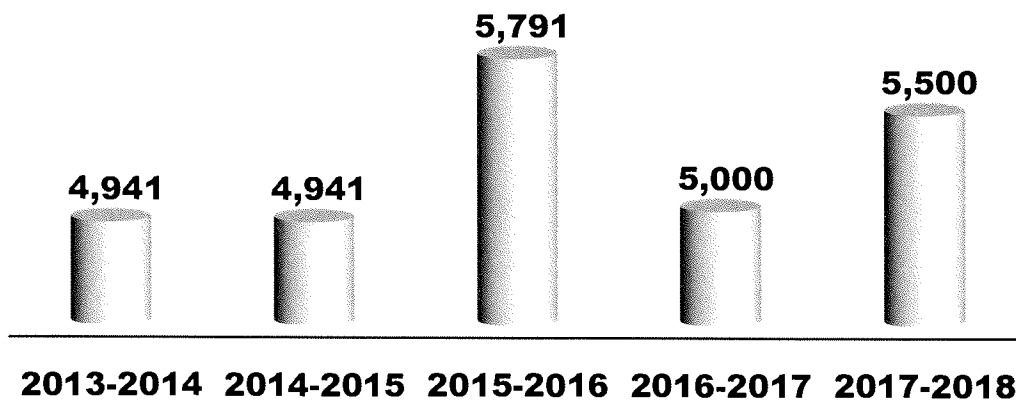
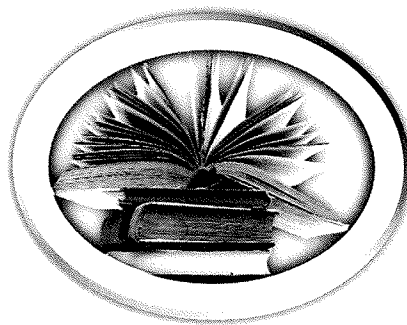
Florida Department of  
**TRANSPORTATION**



## Library Fees

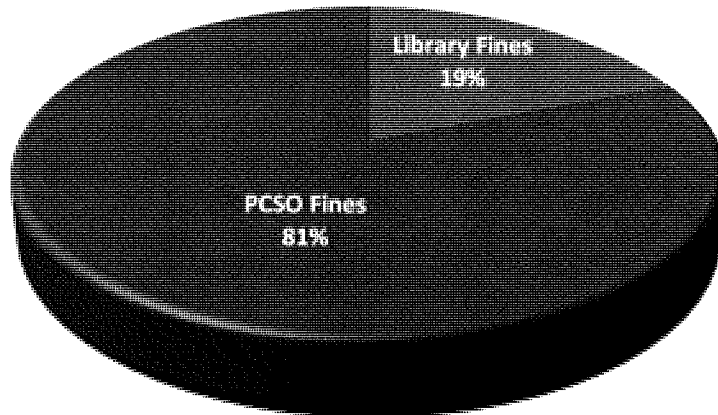
**Description:** These revenues are received from patrons of the Latt Maxcy Library for copies and faxes.

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



## Fines and Forfeitures

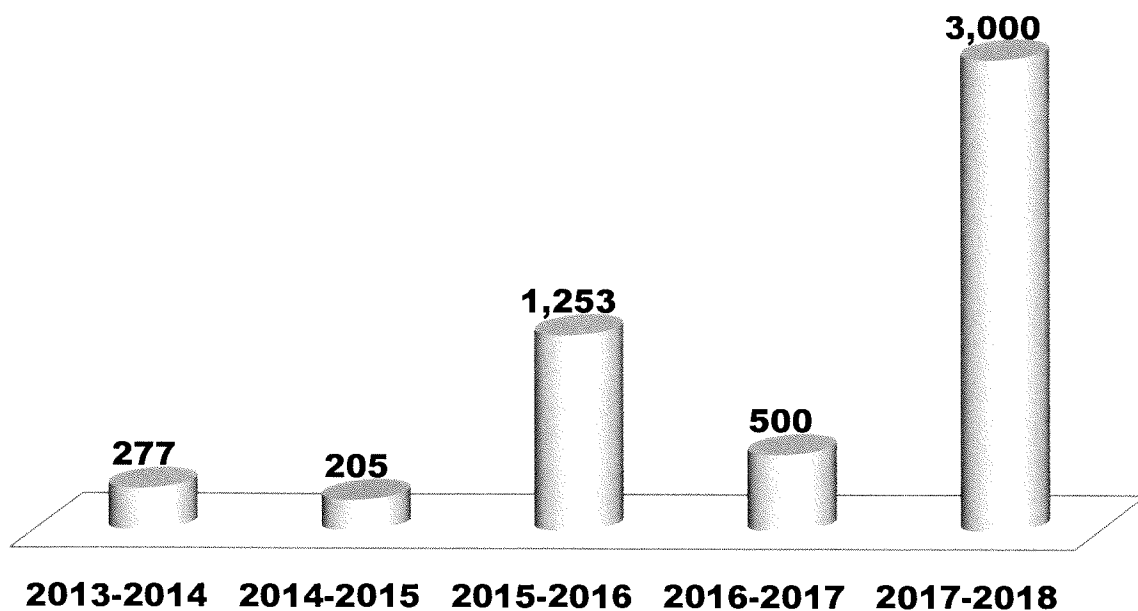
<b>Fines &amp; Forfeitures</b>	<b>3,700</b>	
Library Fines	3,000	81%
PCSO Fines	700	19%



## 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.

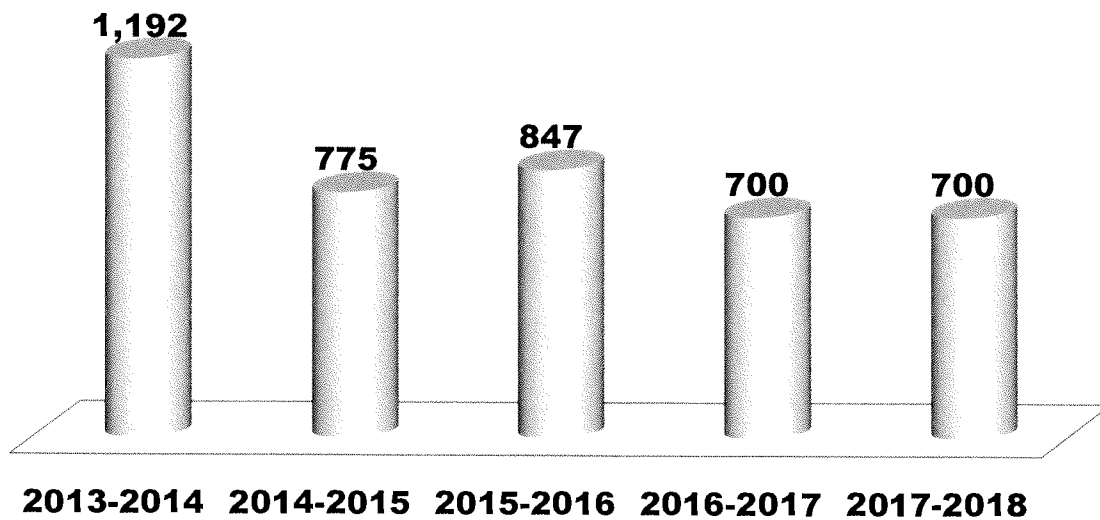
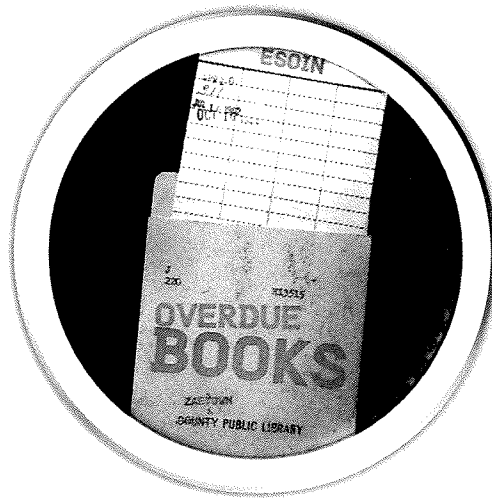
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



# Library Fines

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

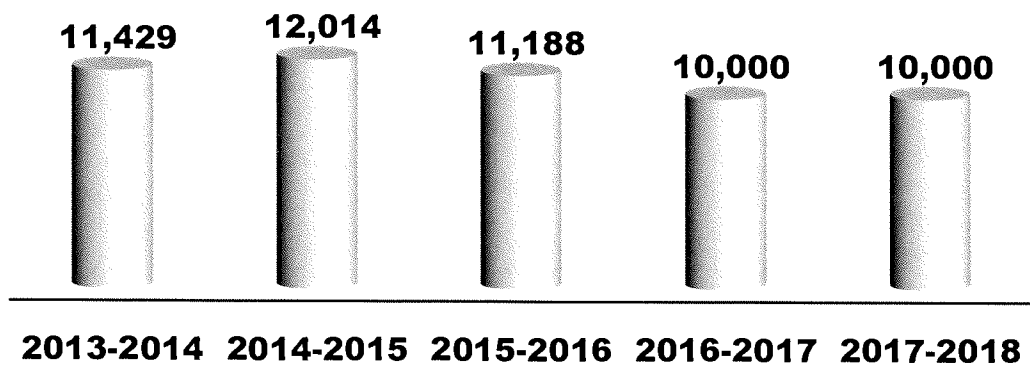
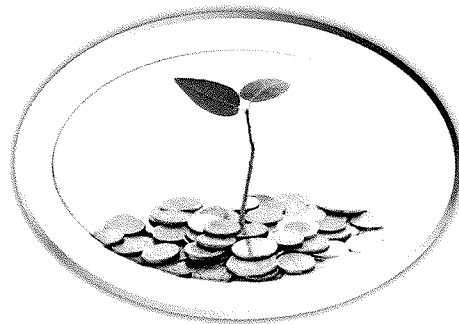
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



## Operating Interest

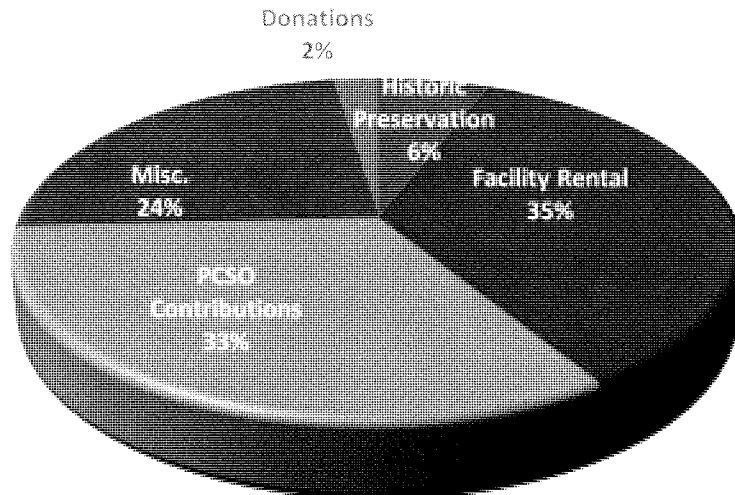
**Description:** The City invests with various banks resulting in revenues derived from interest.

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



## Miscellaneous Revenues

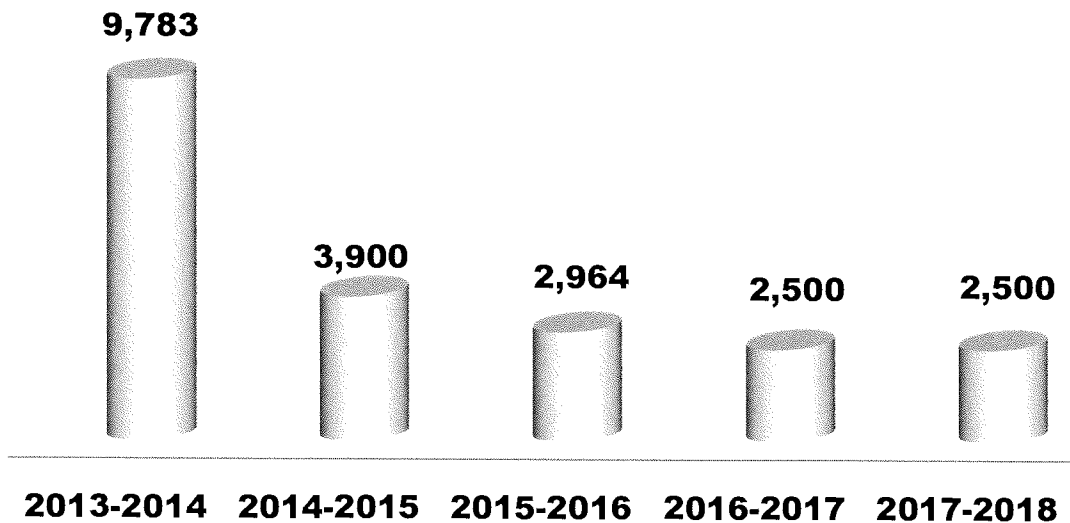
<b>Misc. Revenues</b>	<b>42,500</b>	
Historic Preservation	2,500	6%
Facility Rental	15,000	35%
PCSO Contributions	14,000	33%
Misc.	10,000	24%
Donations	1,000	2%



## 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.



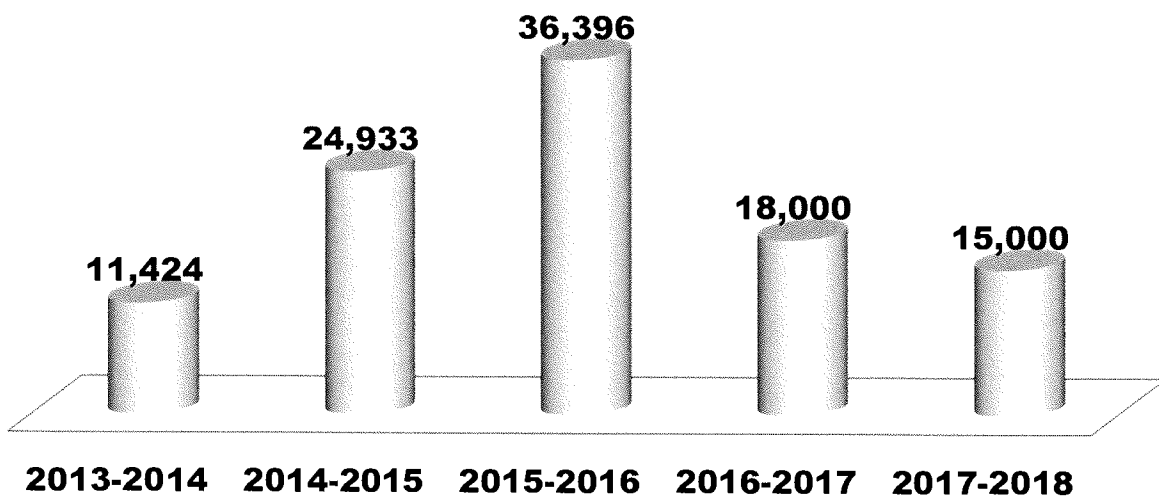
# Facilities Rental

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

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

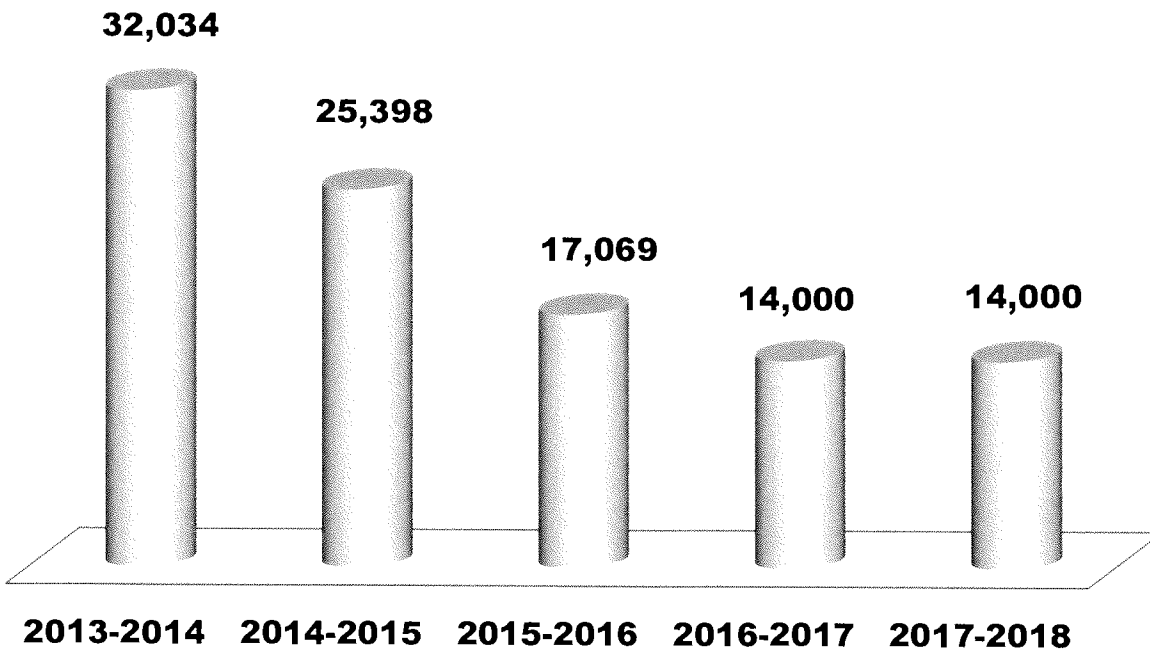


*Women's Club*



## Polk County Sheriff's Office Retirement Contributions

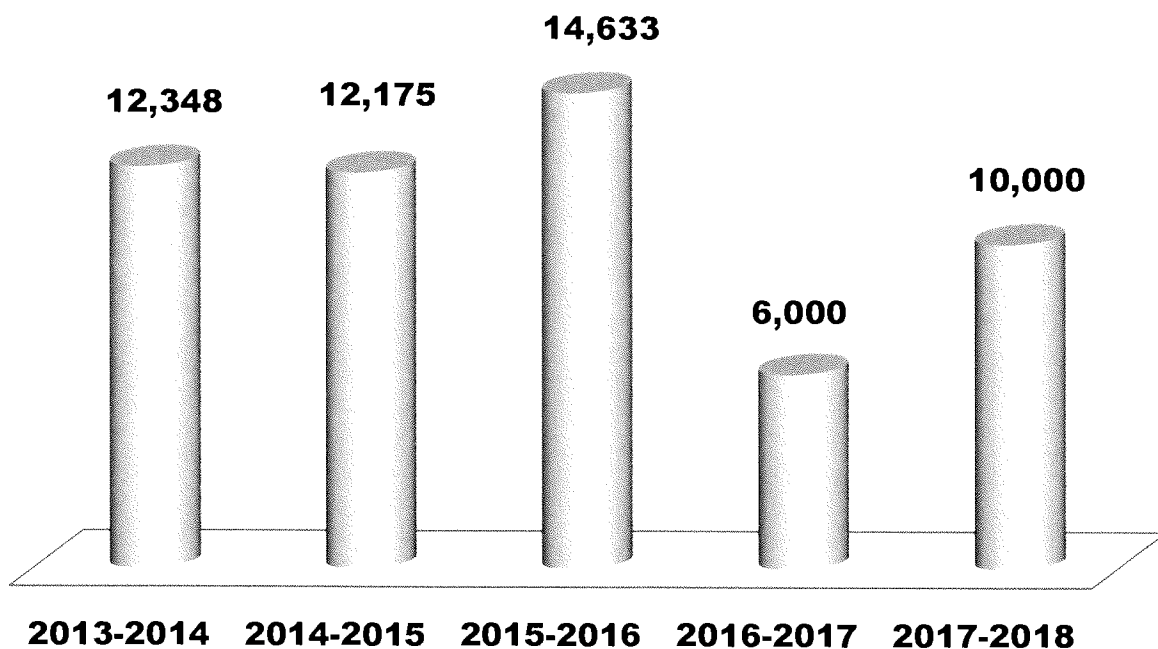
**Description:** Polk County Sheriff's Office contributions to Police Pension.



## Miscellaneous

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

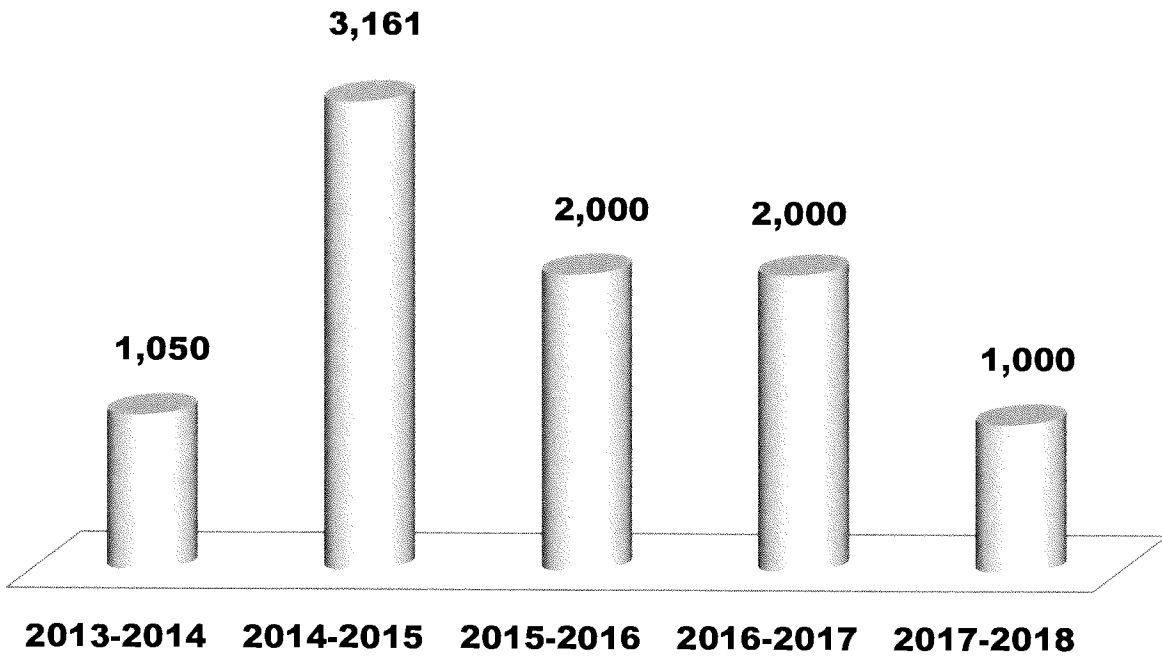
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



# Donations

**Description:** These revenues are received from private donations.

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

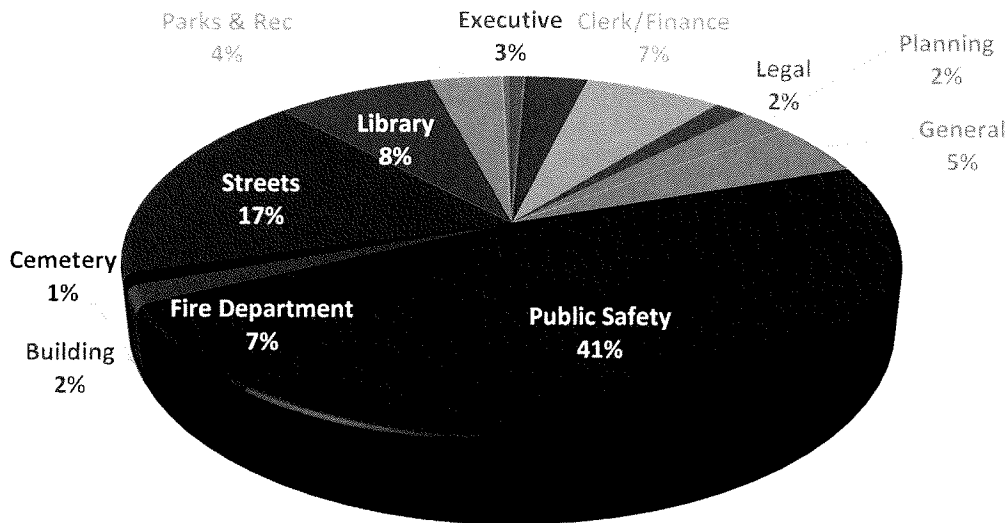


# General Fund Expenses



### Expenditures by Department

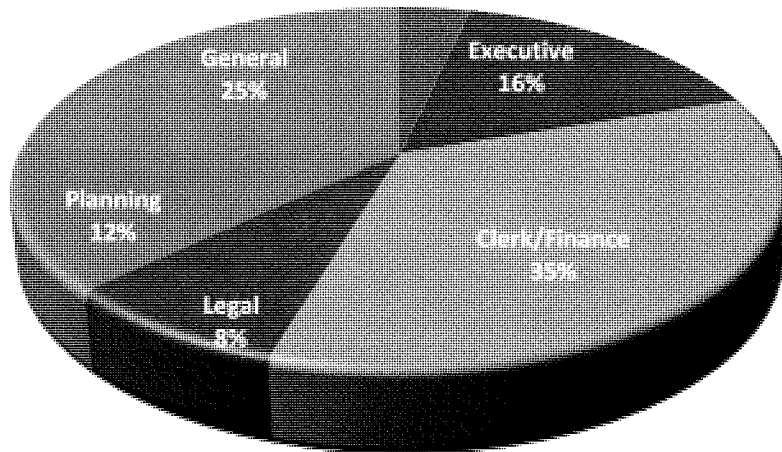
Department	2016-2017	2017-2018	%
Legislative	16,560	17,140	1%
Executive	87,950	78,340	3%
Clerk/Finance	159,210	169,940	7%
Legal	40,000	40,000	2%
Planning	32,990	60,660	2%
General	126,000	120,110	5%
Public Safety	995,250	1,008,380	41%
Fire Department	186,790	187,470	8%
Building	39,300	41,290	2%
Cemetery	28,120	25,260	1%
Streets	432,370	432,380	17%
Library	196,830	196,800	8%
Parks & Recreation	80,730	91,120	4%
Historic Auditorium	3,600	10,600	0%



# General Government Expenses

**General Government 486,190**

Legislative	17,140	4%
Executive	78,340	16%
Clerk/Finance	169,940	35%
Legal	40,000	8%
Planning	60,660	12%
General	120,110	25%

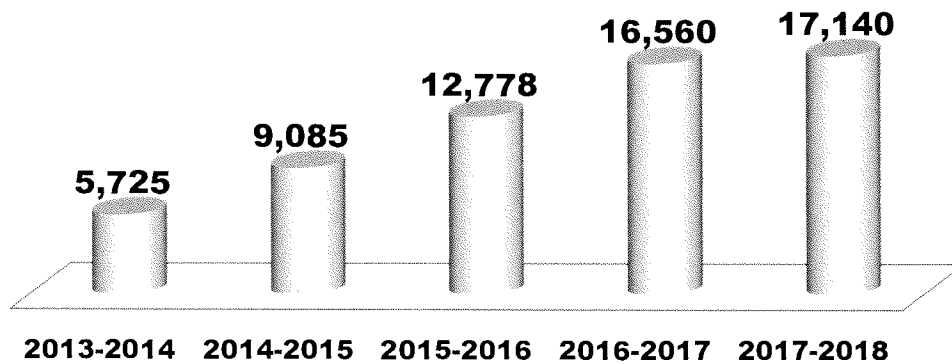


## Legislative

**Legislative - Total Operating Budget \$17,140** – 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.

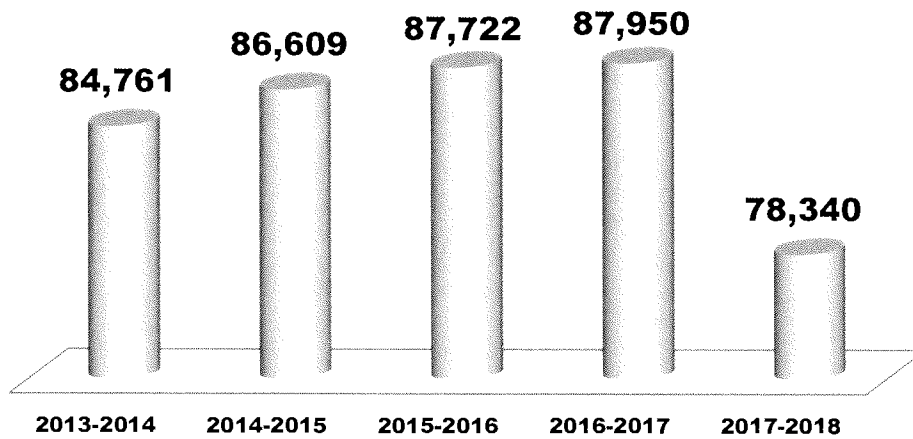
Council meetings are held the first and third Mondays of each month at 6:00 p.m. at City Hall to discuss legislation pertaining to general City business. All meetings are posted and open to the public.



Expenses by Line Item	2016-2017	2017-2018
Executive Salaries	6,300	6,300
FICA Taxes	400	400
Medicare Taxes	100	100
Travel & Per Diem	5,000	5,000
Communication/Phones	10	20
Postage & Freight	0	20
Building M&R	0	500
Promotional	0	100
Promotional Activities - FLC	300	300
Office Supplies	800	300
Miscellaneous Supplies	50	250
Equipment Under \$1,000	0	600
Memberships & Affiliations	970	620
Schools/Conference Registration	2,630	2,630
	<b>16,560</b>	<b>17,140</b>

## Executive Department

**Executive Department - Total Operating Budget \$78,340** – 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.



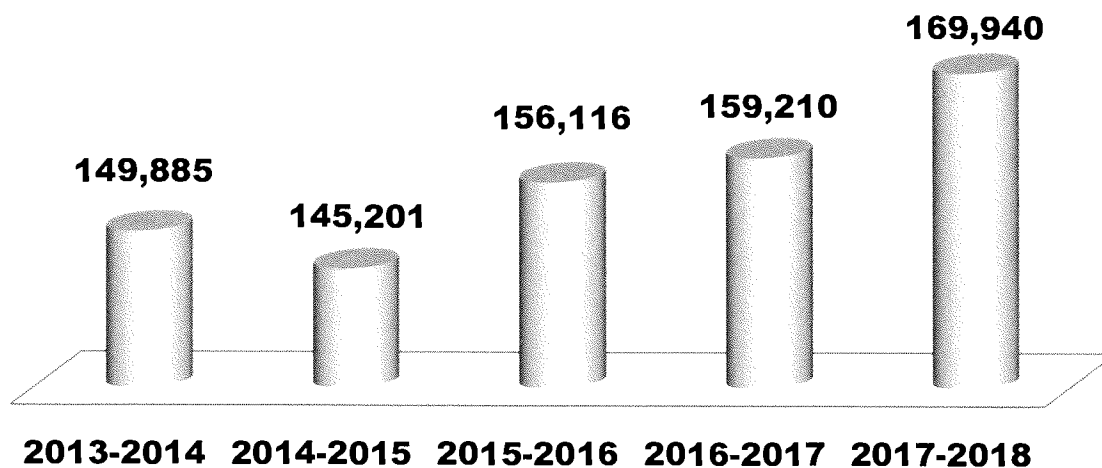
Expenses by Line Item	2016-2017	2017-2018
Executive Salaries	62,090	56,250
Special Pay	980	0
FICA Taxes	3,910	3,490
Medicare Taxes	920	820
Retirement Contributions	3,480	3,480
Medical Insurance	3,550	4,800
Dental Insurance	320	310
Life Insurance	540	530
Travel Per Deim	1,500	3,000
Vehicle Allowance	6,000	0
Comm Service - Phones, Pagers	920	920
Postage & Freight	70	150
Printing & Binding	0	150
Promotional Activities	100	250
Office Supplies	400	400
Equipment Under \$1,000	1,500	1,500
Memberships & Prof Affiliation	570	570
Schools/Conference Registration	1,050	1,720
	<b>87,950</b>	<b>78,340</b>

## Clerk/Finance Department

**Clerk/Finance Department - Total Operating Budget \$169,940** – 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.

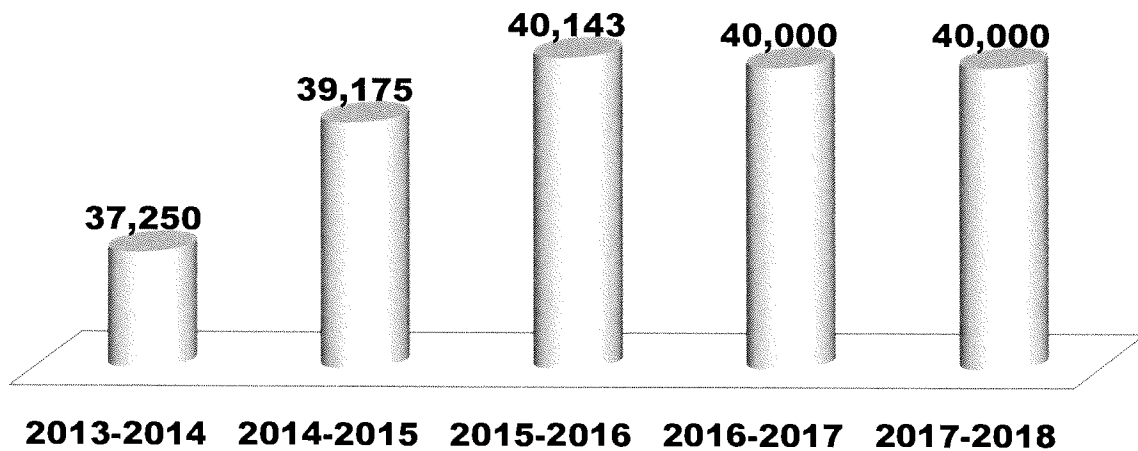


**Clerk/Finance Department** (Continued)

<b>Expenses by Line Item</b>	<b>2016-2017</b>	<b>2017-2018</b>
Executive Salaries	68,600	71,370
Regular Wages	25,680	27,240
Special Pay	2,850	2,850
FICA Taxes	6,120	6,390
Medicare Taxes	1,430	1,500
Retirement Contributions	5,920	6,190
Medical Insurance	24,750	26,280
Dental Insurance	1,090	1,020
Life Insurance	1,230	1,230
Workers Compensation	-	1,340
Professional- Medical	50	50
Contract Services	-	-
Travel & Per Diem	3,100	2,300
Phone, Fax, Cells	50	0
Postage & Freight	1,000	1,000
Copier (Equipment) Lease, Rent	600	1,000
Promotional	100	100
Legal Ads, Licenses & Obligations	500	500
Contingency	1,000	500
Office Supplies	2,000	2,000
Miscellaneous Operating Supplies	100	100
Furniture/ Equipment under \$1000	500	700
Elections	1,500	2,500
Book/Publications	3,960	3,960
Memberships & Prof Affiliations	380	380
Schools & Conferences	6,700	6,450
	<b>159,210</b>	<b>169,940</b>

## Legal Department

**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.

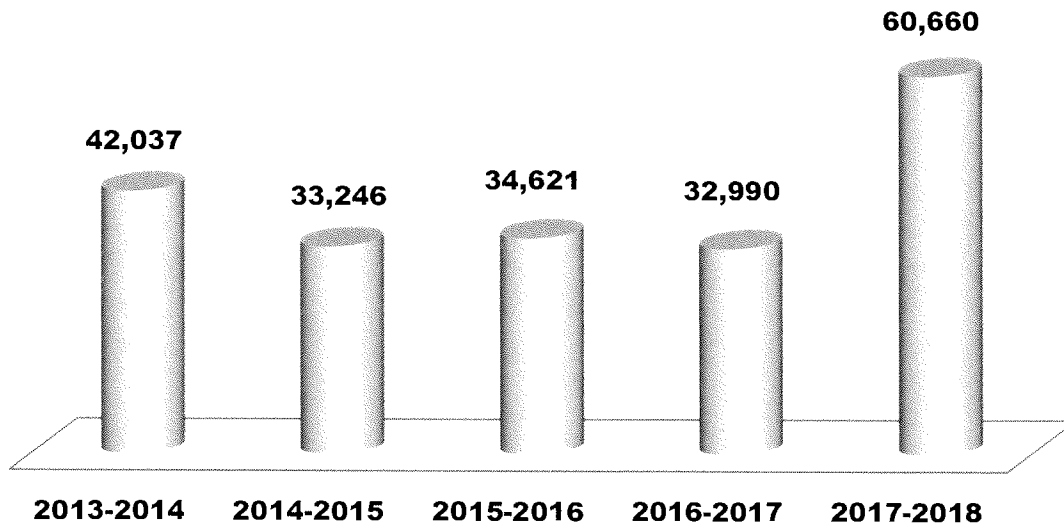


Expenses by Line Item	2016-2017	2017-2018
Attorney Legal Services	36,000	36,000
Professional Services	4,000	4,000
	<b>40,000</b>	<b>40,000</b>

# Comprehensive Planning



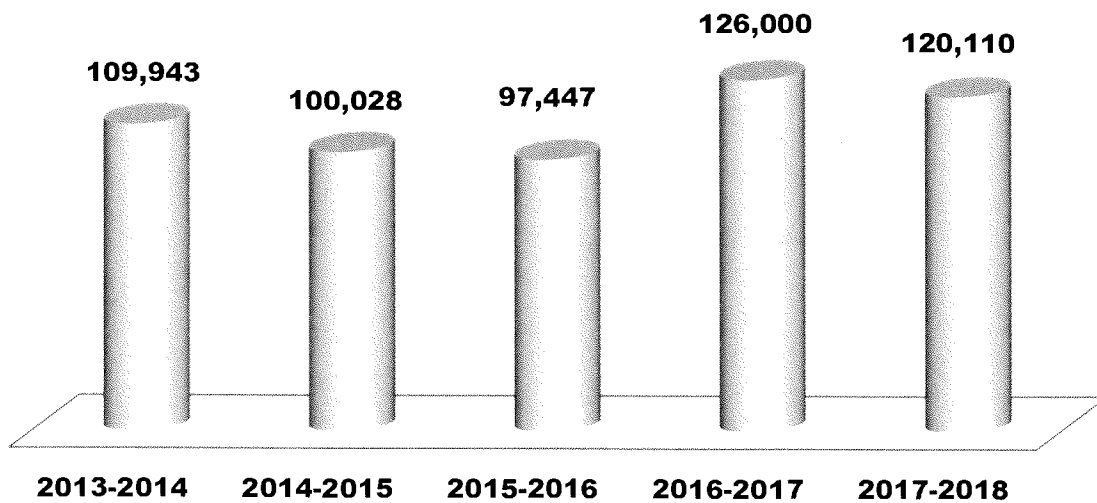
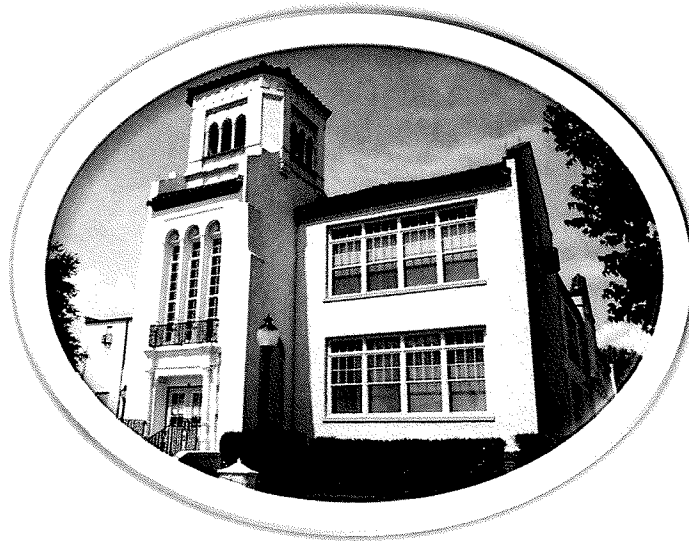
**Comprehensive Planning - Total Operating Budget \$60,660**- This department is outsourced to Central Florida Regional Planning Council. This department prepares changes to the Comprehensive Plan and Land Development Code and provides information about these documents to the residents, and Council. 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	2016-2017	2017-2018
Regular Wages	0	25,000
Fica Taxes	0	1,550
Medicare Taxes	0	370
Planner	32,000	32,000
Legal Ads	750	1,500
Office Supplies	240	240
	<b>32,900</b>	<b>60,660</b>

## General Government

**General Government - Total Operating Budget \$120,110** - 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)**

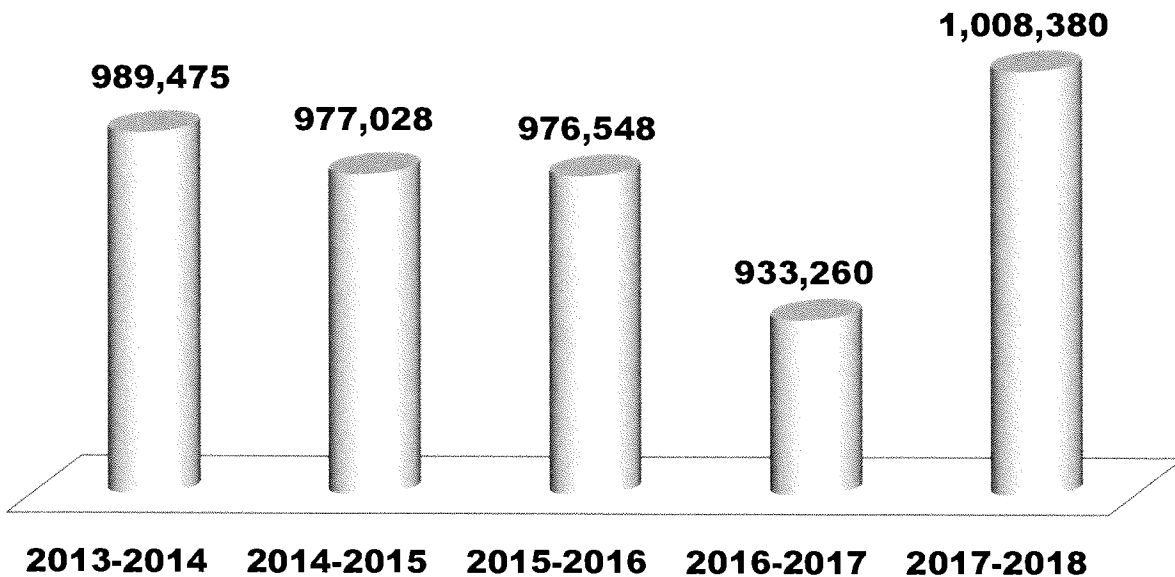
<b>Expenses by Line Item</b>	<b>2016-2017</b>	<b>2017-2018</b>
Regular Wages	5,840	5,840
Special Pay	630	630
FICA Taxes	410	410
Medicare Taxes	100	100
Retirement Contributions	240	240
Medical Insurance	650	700
Dental Insurance	60	40
Life Insurance	50	50
Workers Comp	2,090	670
Professional Services	2,500	2,500
Accounting/Auditing	36,500	22,000
FMPTF Actuarial Fees	1,000	0
Contract Service	15,370	16,990
Phone, Fax, Cells	2,800	800
Postage & Freight	200	200
Internet Access	850	1,430
Utility Services	20,400	20,400
Lease/Rent Copier/Vehicle/Buildings	500	790
Insurance	7,190	6,470
Miscellaneous Maintenance & Repairs	500	500
Maintenance Agreements	11,120	12,350
Building Maintenance & Repairs	1,500	5,000
Equipment Maintenance & Repairs	5,000	2,500
Promotional Activities	1,100	9,750
Promo-Ridge League Dinner	1,000	1,000
Legal Ads/Licenses	100	100
Bank Fees	3,000	3,000
Office Supplies	500	250
Miscellaneous Operating Supplies	1,500	1,500
Gas & Oil	100	550
Janitorial Supplies	1,000	1,000
Furniture/ Equipment under \$1000	1,000	1,000
Books & Publications	50	50
Memberships	1,150	1,200
	<b>126,000</b>	<b>120,110</b>

## Public Safety

**Public Safety - Total Operating Budget \$1,008,380** – Public Safety Department consists of law enforcement and code enforcement.

**Law Enforcement - Total Operating Budget \$967,160** - The City contracts with the Polk County Sheriff to provide law enforcement services within the City limits. The current contract expires September 30, 2017.

**Code Enforcement - Total Operating Budget \$41,220** - 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.



**Public Safety (Continued)**

<b>Expenses by Line Item</b>	<b>2016-2017</b>	<b>2017-2018</b>
Pension Obligation	108,170	149,780
Sheriff's Office Contract Service	816,470	815,910
Utility Service	720	720
Insurance	100	100
Maintenance Agreements	7,200	0
Promotional RLC	100	150
Miscellaneous Operating Supplies	500	500
	<b>933,260</b>	<b>967,160</b>
Code Enforcement		
Executive Salaries	19,090	0
Special Pay	600	0
FICA Taxes	1,290	0
Medicare Taxes	310	0
Retirement Contributions	1,250	0
Medical Insurance	9,570	0
Dental Insurance	500	0
Life Insurance	260	0
Workers Comp	600	0
Attorney Fees	5,000	5,000
Professional Services	5,000	5,000
Contract Services	0	20,000
Travel & Per Diem	1,000	0
Communication	800	0
Postage	200	200
Insurance - Except Payroll Type	1,470	0
Vehicle Maintenance & Repair	400	0
Printing/Binding/Copies	120	120
Promotional RLC	160	0
Legal Ads	200	200
Office Supplies	400	400
Miscellaneous Operating Supplies	300	300
Gas & Oil	800	0
Uniforms	150	0
Equipment Under \$1,000	1,500	0
Code Violation Abatements	10,000	10,000
Memberships	20	0
Schools/Conferences	1,000	0
Code Enforcement Total	<b>61,990</b>	<b>41,220</b>
Public Safety Total	<b>995,250</b>	<b>1,008,380</b>



## Fire Department

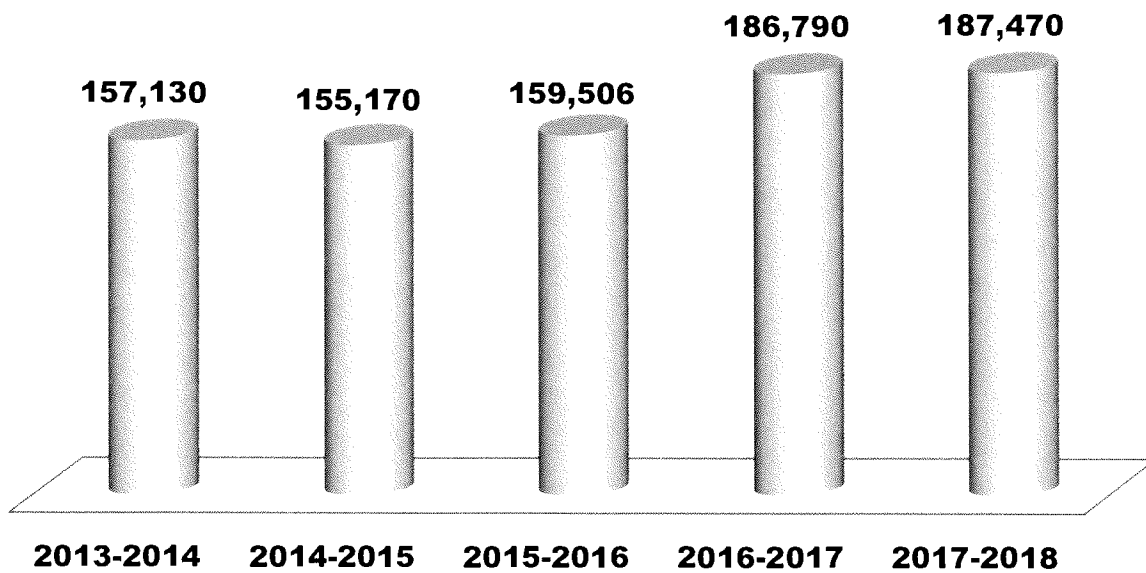


# Fire Department



*Jerry Riner, Anthony Jenkins*

**Fire Department - Total Operating Budget \$187,470** - 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.

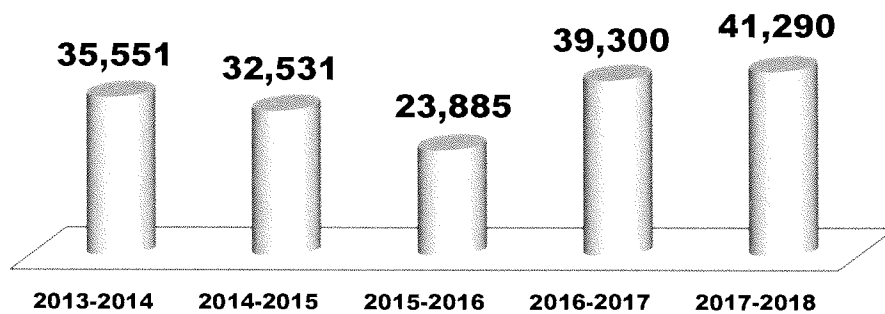


**Fire Department (Continued)**

<b>Expenses by Line Item</b>	<b>2016-2017</b>	<b>2017-2018</b>
Regular Wages	74,800	74,800
Special Pay	3,700	3,700
FICA Taxes	5,190	5,380
Medicare Taxes	1,210	1,250
Retirement Contributions	4,670	4,670
Workers Comp	2,390	2,290
Medial Professional	500	600
Fire Assessment	3,500	3,500
Contract Service	11,820	12,310
Contract Service - Volunteer FF	5,000	8,100
Polk County Dispatch	9,130	9,590
Phone, Fax, Cells	1,020	480
Postage & Freight	1,000	1,000
Comm Svs - Internet Services	840	800
Utility Services	3,400	4,700
Lease/Rent Copier/Veh/Bldgs	1,000	1,000
Insurance	6,220	7,210
Misc. Maintenance & Repairs	1,000	1,000
Building Maintenance & Repairs	11,700	11,700
Equipment Maintenance & Repairs	2,500	2,500
Vehicle Maintenance & Repairs	8,500	8,500
Promotional Activities	500	500
Office Supplies	700	700
Miscellaneous Operating Supplies	1,500	1,500
Gas & Oil Supplies	2,500	2,500
Tools	500	500
Uniforms	9,200	9,200
Furniture/ Equipment under \$1000	7,800	2,500
Books/Publications	1,500	1,500
Memberships & Prof Affiliation	500	500
Schools & Conferences	3,000	3,000
	<b>186,790</b>	<b>187,470</b>

## Building Department

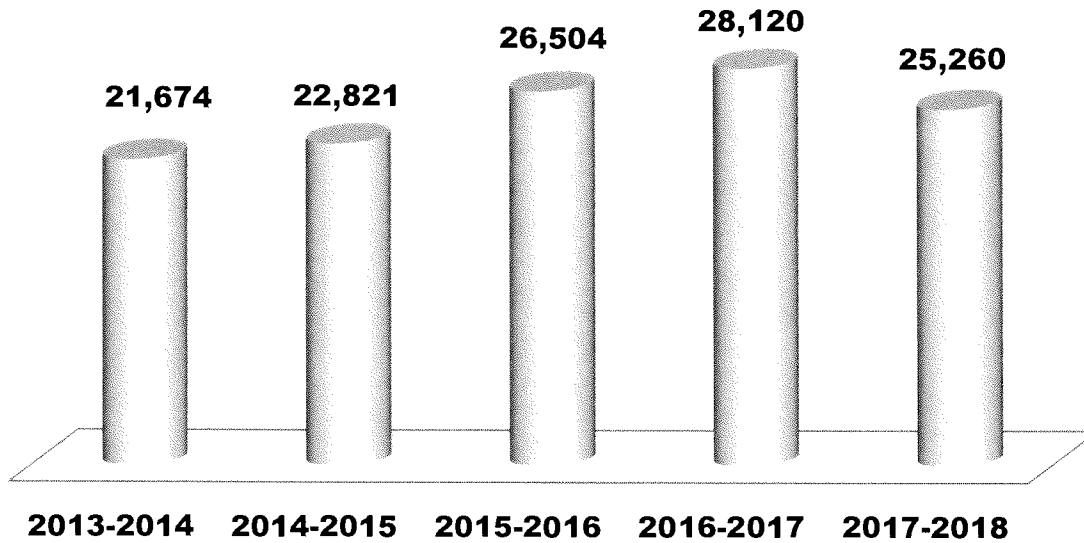
**Building Department - Total Operating Budget \$41,290** – This department issues residential and commercial permits to property and business owners of the City of Frostproof. This department has a part-time Building Official through an inter-local agreement with the City of Lake Wales. The building 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.



Expenses by Line Item	2016-2017	2017-2018
Other Salaries	14,660	29,820
Special Pay	490	490
FICA Taxes	980	1,930
Medicare Taxes	230	450
Retirement Contributions	950	1,030
Medical Insurance	2,670	2,840
Dental Insurance	190	160
Life Insurance	200	200
Workers Comp	600	570
Professional	13,000	0
Contract Services	2,180	0
Phone, Fax, Cells	300	0
Postage & Freight	200	200
Lease	30	30
Insurance	1,470	1,720
Printing and Binding	100	100
Office Supplies	500	500
Miscellaneous Operating Supplies	50	200
Furniture/ Equipment under \$1000	500	500
Memberships	0	100
Schools & Conferences	0	450
	<b>39,300</b>	<b>41,290</b>

## Cemetery Department

**Cemetery Department - Total Operating Budget \$25,260** – All expenses pertaining to Silver Hill Cemetery are charged to this department.



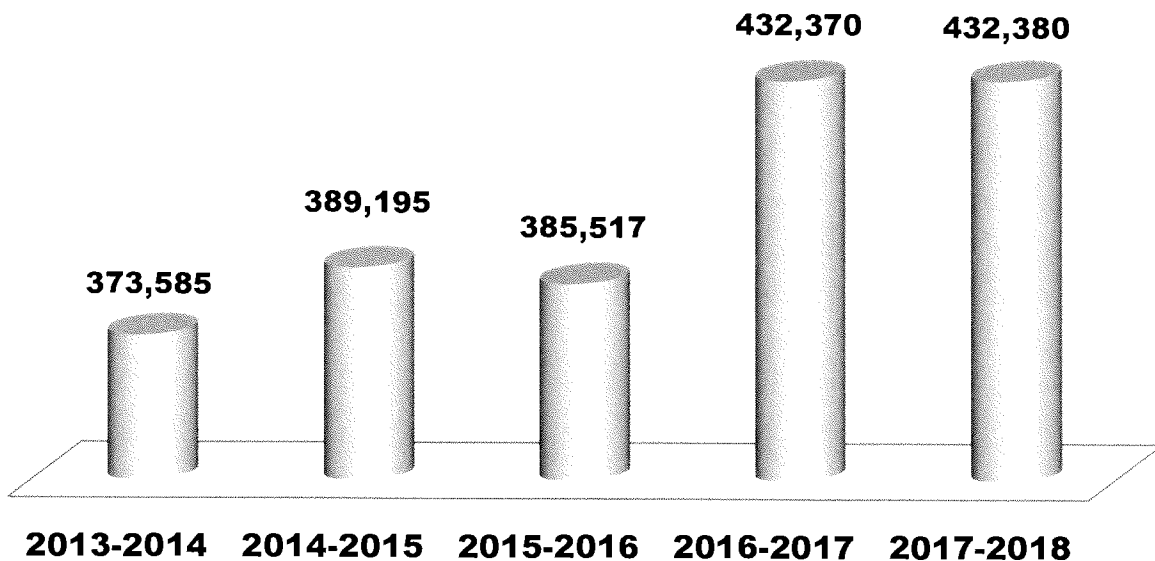
Expenses by Line Item	2016-2017	2017-2018
Regular Wages	10,490	8,450
Overtime	420	310
Special Pay	550	430
FICA Taxes	730	580
Medicare Taxes	170	140
Retirement Contributions	690	560
Dental Insurance	3,930	2,500
Medical Insurance	260	200
Life Insurance	160	130
Workers Comp	600	570
Postage	100	100
Utilities	180	180
Lease	20	20
Insurance	1,470	1,720
Miscellaneous Maintenance. & Repairs	3,500	3,000
Maintenance Agreements	1,700	1,700
Equipment Maintenance & Repairs	1,000	1,000
Miscellaneous Operating Supplies	700	700
Gas & Oil Supplies	1,200	2,540
Chemicals	250	250
Uniforms	0	180
	<b>28,120</b>	<b>25,260</b>

# Public Works Department



## Street Department

**Street Department – Total Operating Budget \$432,380** – 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)**

<b>Expenses by Line Item</b>	<b>2016-2017</b>	<b>2017-2018</b>
Executive Salaries	41,590	41,590
Regular Wages	142,390	134,430
Overtime	5,220	4,850
Special Pay	8,710	7,510
FICA Taxes	11,880	11,310
Medicare Taxes	2,920	2,780
Retirement Contributions	11,880	11,310
Medical Insurance	54,400	44,650
Dental Insurance	3,670	3,380
Life Insurance	2,540	2,480
Workers Comp	3,580	3,990
Medical	300	300
Contract	0	21,800
Travel	400	400
Phone, Fax, Cells	540	240
Postage & Freight	600	900
Utility Services	63,180	63,180
Rent/Lease	250	160
Insurance	8,800	12,000
Miscellaneous Maintenance & Repairs	10,500	10,500
Building Maintenance & Repairs	1,500	1,500
Equipment Maintenance & Repairs	10,000	15,000
Vehicle Maintenance & Repairs	5,000	8,000
Printing and Binding	100	100
Promotional Activities	150	150
Promotional RLC	150	200
Legal Ads	200	200
Contingency	5,000	5,000
Office Supplies	300	300
Miscellaneous Operating Supplies	3,000	2,000
Gas & Oil Supplies	15,000	2,540
Janitorial Supplies	800	800
Tools	3,000	3,000
Uniforms	3,230	2,780
Furniture/ Equipment under \$1000	2,500	2,500
Signage - Roads & Facilities	1,500	3,000
Asphalt, concrete, shell	7,000	7,000
Memberships	340	340
Schools/Conferences	250	250
	<b>432,370</b>	<b>432,380</b>

## Library Department

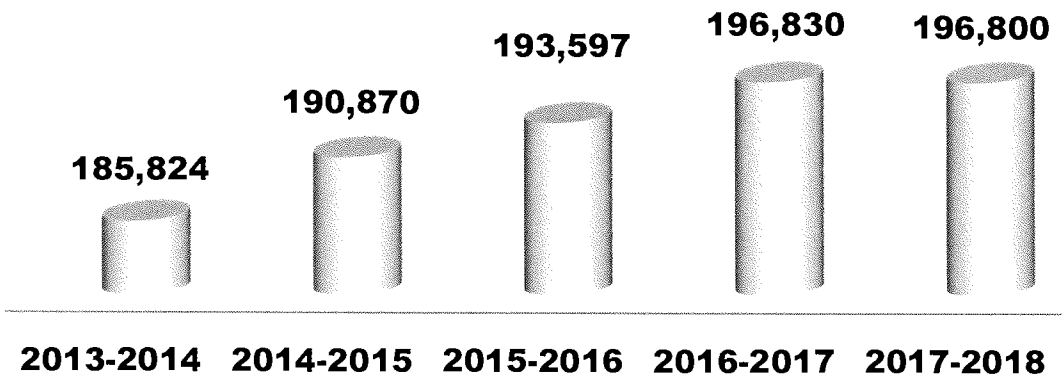


**Library Department - Total Operating Budget \$196,800** - Latt Maxcy Memorial Library is maintained by the City and administered under the direction of a library board which is subject to the supervision and control of Council.

The City of Frostproof will receive revenue of approximately \$45,000 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)



**Library Department (Continued)**

<b>Expenses by Line Item</b>	<b>2016-2017</b>	<b>2017-2018</b>
Executive Salaries	47,740	47,740
Regular Wages	35,280	29,560
Special Pay	3,600	3,500
FICA Taxes	5,370	5,010
Medicare Taxes	1,260	1,180
Retirement Contributions	4,610	4,260
Medical Insurance	17,150	18,210
Dental Insurance	1,560	1,450
Life Insurance	910	910
Workers Comp	600	570
Contract Service	1,320	1,320
Travel & Per Diem	200	200
Phone, Fax, Cells	1,000	1,000
Postage & Freight	500	200
Utility Services	11,640	11,640
Lease/Rent Copier/Veh/Bldgs	840	840
Insurance	2,320	1,720
Building Maintenance & Repairs	2,000	2,000
Equipment Maintenance & Repairs	500	500
Printing	360	360
Promotional Activities	1,600	1,600
Promotional RLC	0	60
Contingency	1,000	1,000
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	250	500
Gas & Oil	0	550
Janitorial Supplies	750	750
Furniture/ Equipment under \$1000	300	300
Memberships & Prof Affiliations	200	200
	<b>143,860</b>	<b>138,130</b>
Library Co-Op		
Regular Wages	30,750	30,750
Special Pay	2,400	2,400
FICA Taxes	2,060	2,060
Medicare Taxes	490	490
Retirement Contributions	1,770	1,770
Medical Insurance	6,730	12,890
Dental Insurance	430	530
Life Insurance	350	350
Programmer	730	830
Postage and Freight	0	250
Communication-Internet	1,500	1,500
Lease	1,980	1,980
Legal Adds	350	350
Publications/Subscriptions	3,430	2,510
	<b>52,970</b>	<b>58,670</b>
Library Total	<b>196,830</b>	<b>196,800</b>

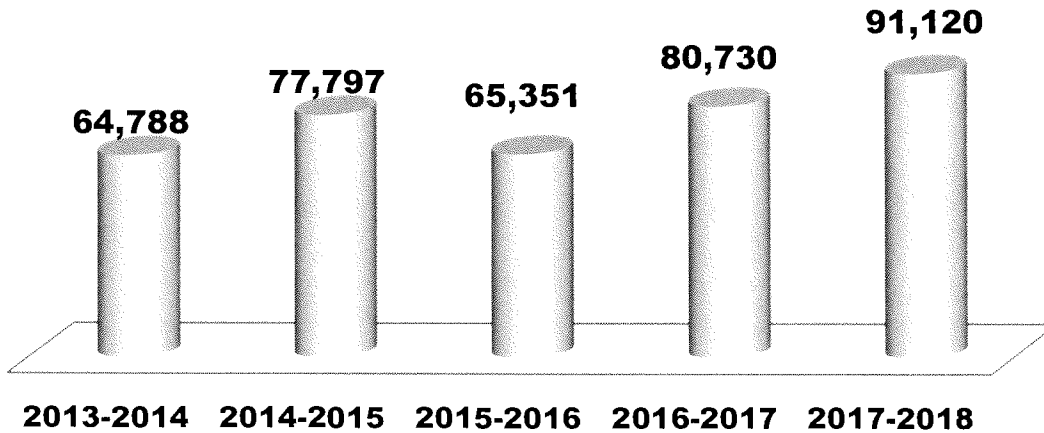
## Parks & Recreation Department



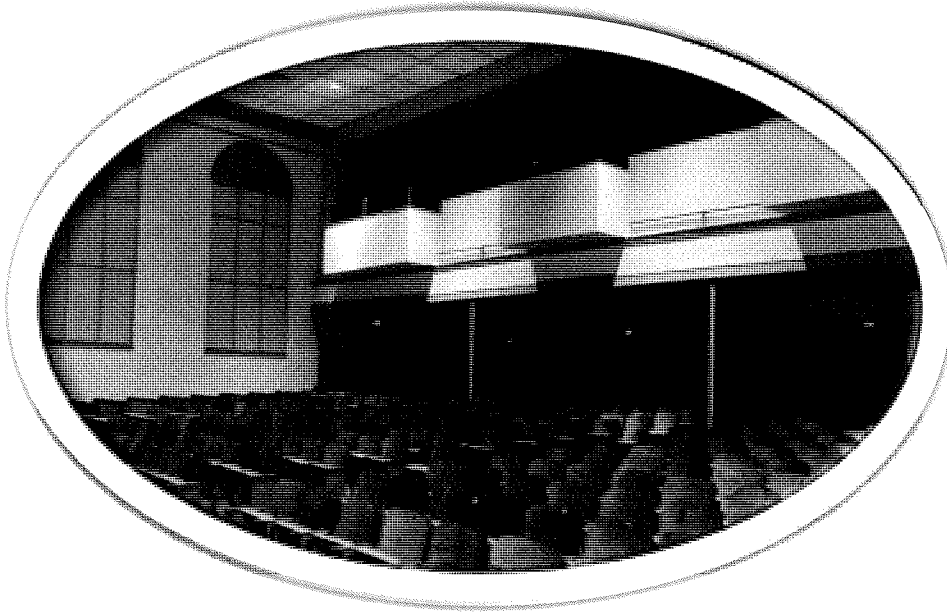
### **Parks & Recreation Department - Total Operating Budget \$91,120 -**

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	2016-2017	2017-2018
Regular Wages	11,190	7,130
Overtime	490	260
Special Pay	540	360
FICA Taxes	770	490
Medicare Taxes	180	120
Retirement Contributions	740	470
Medical Insurance	4,550	2,150
Dental Insurance	260	180
Life Insurance	170	140
Workers Comp	1,190	1,140
Contract Service	1,000	1,020
Phone, Fax, Cells	240	260
Postage and Freight	120	60
Utility Services	35,280	32,780
Lease	100	100
Insurance	2,940	3,430
Building Maintenance & Repairs	5,000	19,000
Equipment Maintenance & Repairs	3,000	2,000
Miscellaneous Operating Supplies	7,750	10,750
Gas & Oil Supplies	600	7,580
Janitorial Supplies	2,250	1,550
Uniforms	180	150
Equipment Under \$1,000	2,190	0
	<b>80,730</b>	<b>91,120</b>



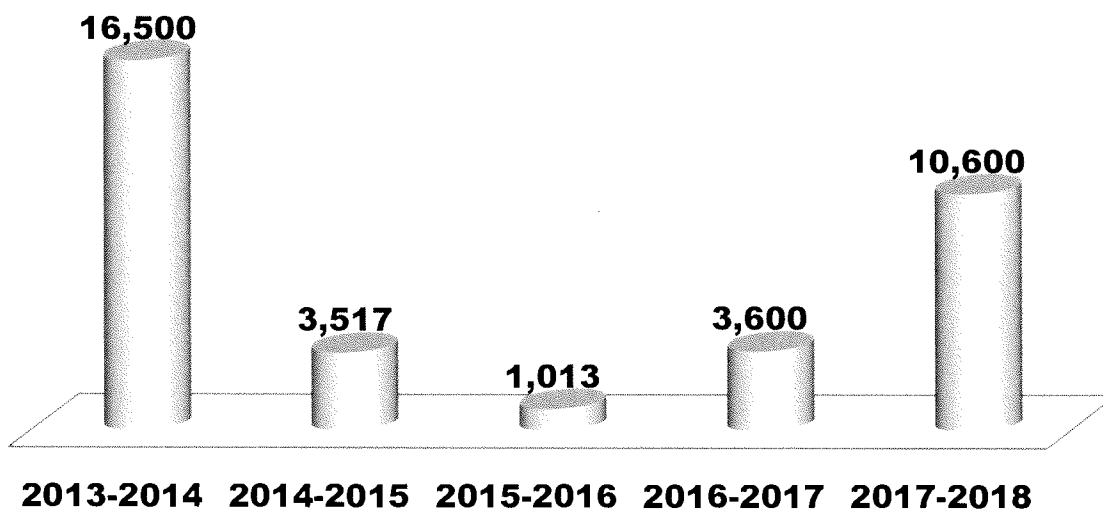
**Historic Auditorium**  
**American Legion Post 95 Memorial Auditorium**



## Historic Auditorium

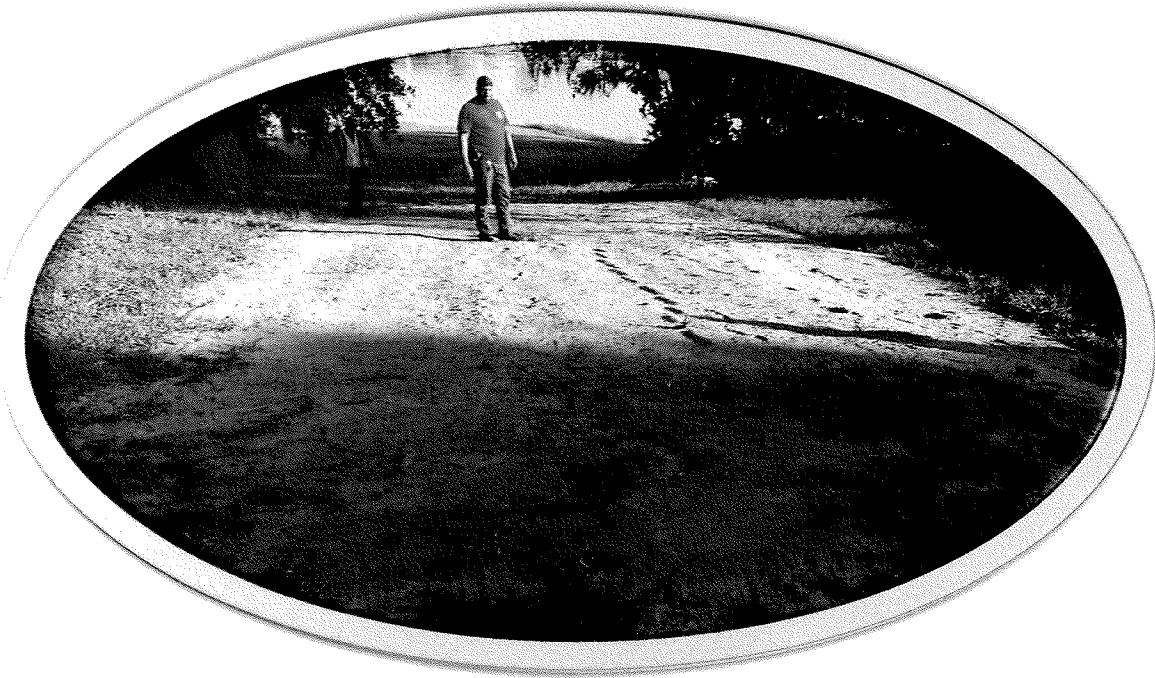
### American Legion Post 95 Memorial Auditorium

**Historic Auditorium - Total Operating Budget \$10,600.** 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. This department will be included in General Fund



Expenses by Line Item	2015-2016	2017-2018
Postage & Freight	100	100
Building Maintenance & Repair	0	9,500
Auditorium Promotional	2,500	2,500
Miscellaneous Operating Supplies	1,000	1,000
	<b>3,600</b>	<b>10,600</b>

# Enterprise Fund

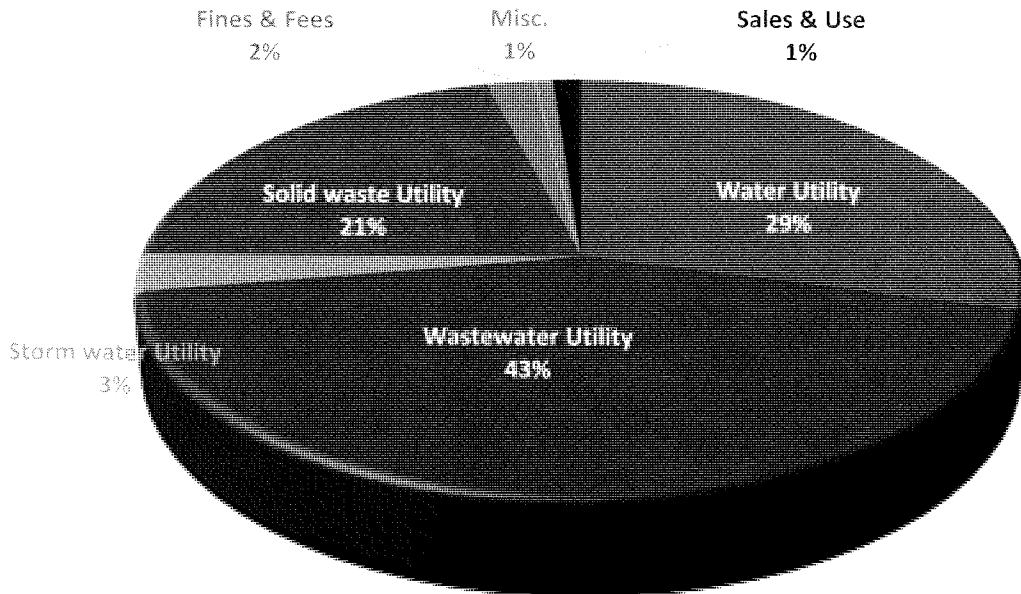


## Enterprise Fund Revenues

Enterprise Fund revenue projections for Fiscal Year 2017-2018 indicate an decrease of \$305,200 as compared to Fiscal Year 2016-2017 budgeted revenues.

The following Table summarizes revenue sources:

Revenues	2016-2017	2017-2018
Franchise & Utility Taxes	20,000	20,000
Intergovernmental (Grants)	294,000	0
Charges for Services		
Water Utility	480,000	500,000
Wastewater Utility	790,000	747,400
Solid waste Utility	350,000	360,000
Fines & Fees	34,000	36,000
Investment Income	4,000	3,000
Miscellaneous		
Miscellaneous	9,600	10,000
Storm water Utility	50,000	50,000
	2,031,600	1,726,400



## 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.

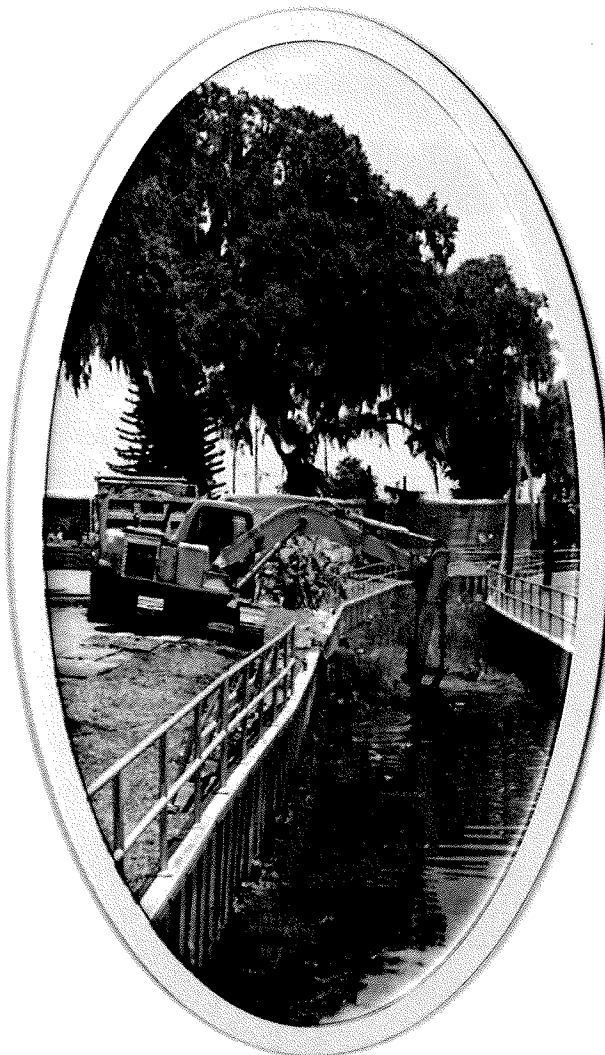


*Martin Bracken*

## 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.

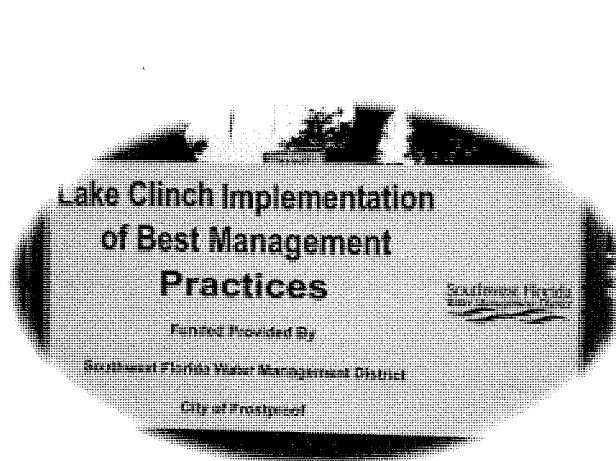
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



## 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.

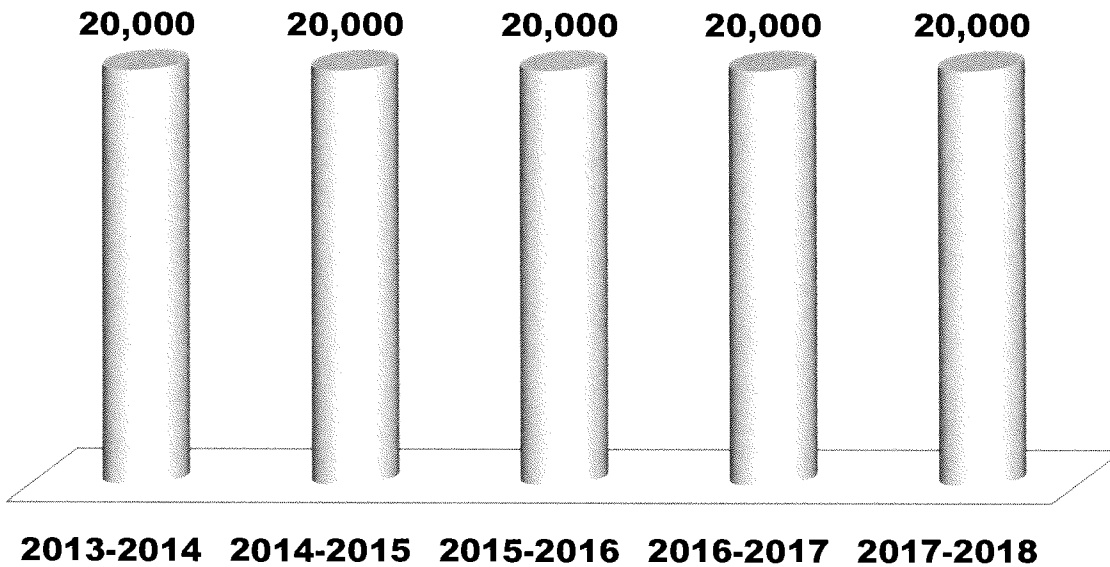


*Stormwater Project  
Wall Street at Lake Clinch*

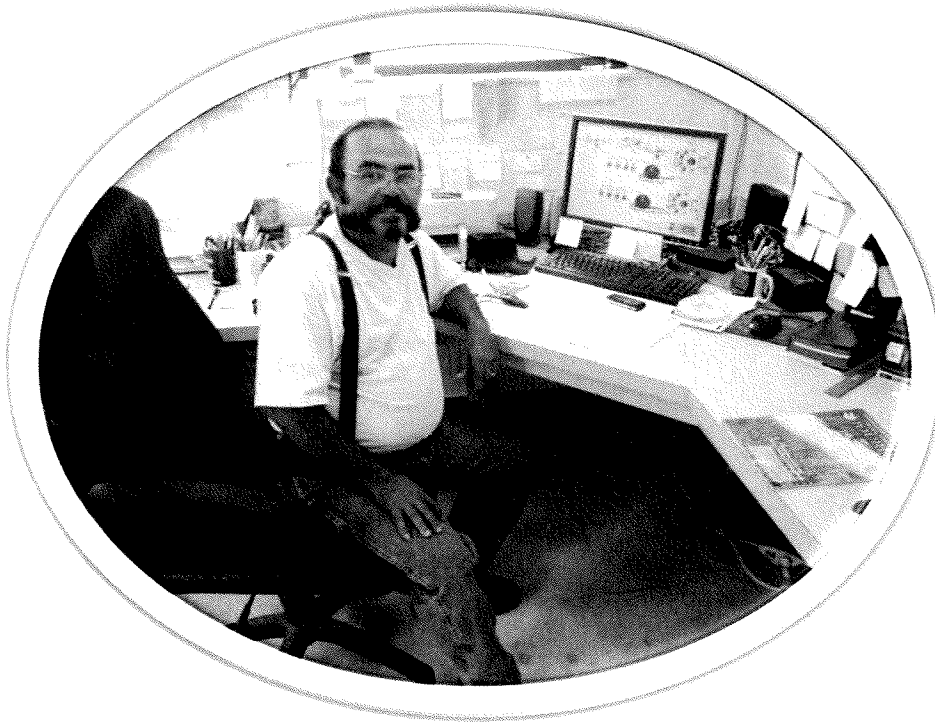
## Solid Waste Administration Fee

**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.



## Charges for Services



*Alberto Montalvo  
Wastewater Treatment Plant Operator*

## Water Utility Fee Revenue

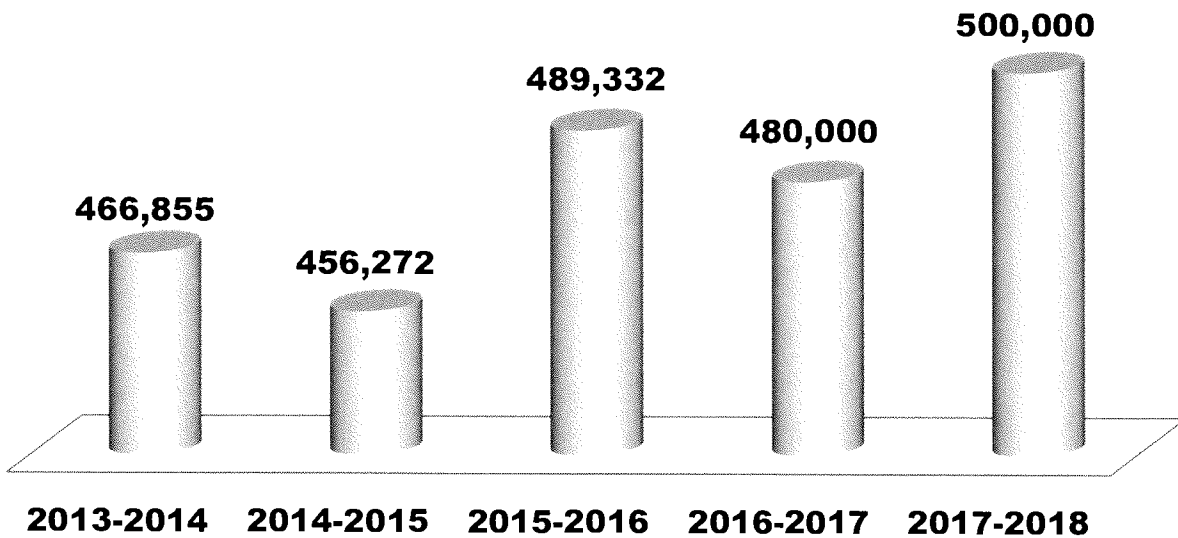
**Water Utility Fees** – Water utility rates are reviewed annually and adjusted in accordance with the Consumer Price Index (CPI) and as necessary to maintain compliance with State and Federal regulatory requirements governing water charges. City Council did not raise Water Utility Rates for Fiscal Year 2017-2018.

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

### Water Utility Rates

<b>2017-2018</b>	<b>14.31</b>
<b>2016-2017</b>	<b>14.31</b>
<b>2015-2016</b>	<b>14.31</b>
<b>2014-2015</b>	<b>14.31</b>
<b>2013-2014</b>	<b>14.31</b>

### Water Utility Revenues

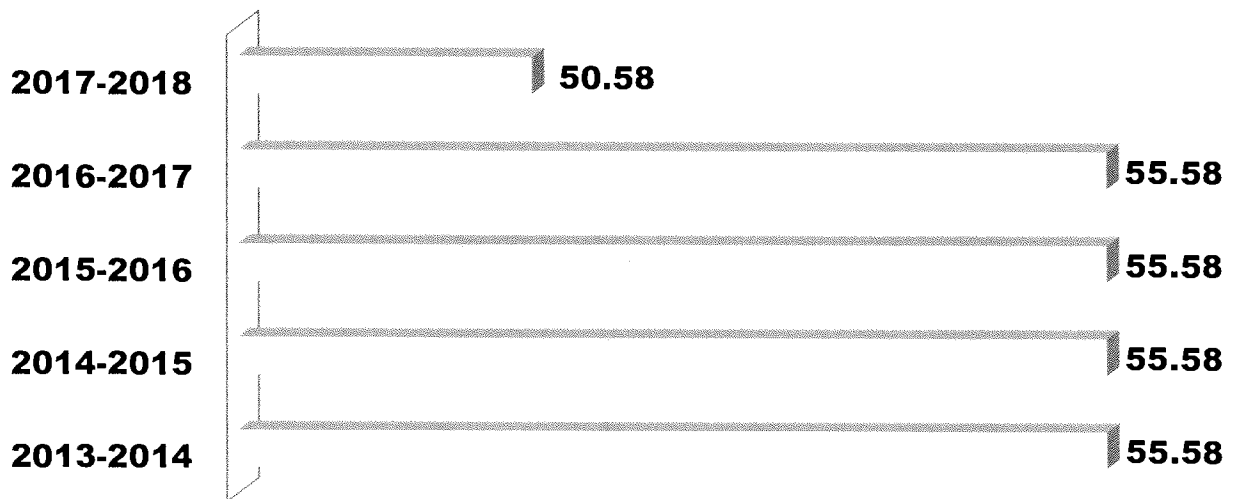


## Wastewater Utility Fee Revenue

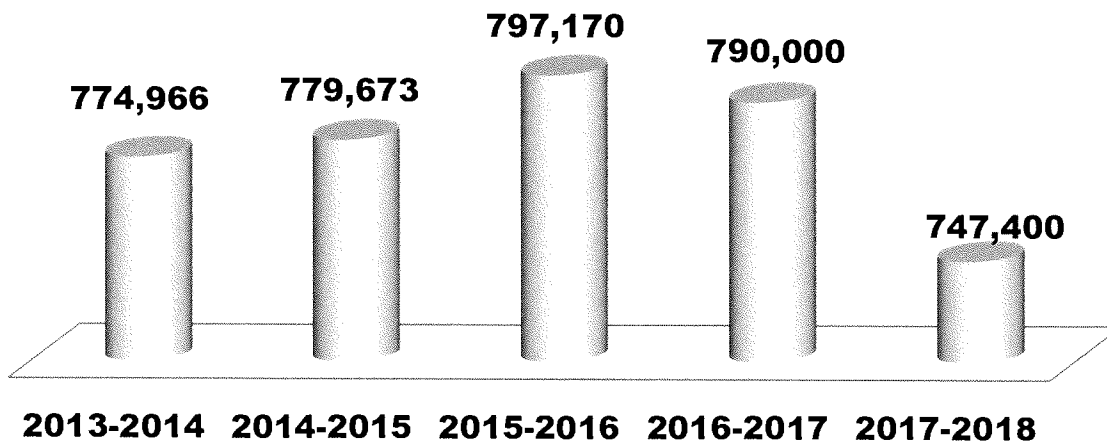
**Wastewater Utility Fees** – The wastewater utility rates are reviewed annually and adjusted in accordance with the Consumer Price Index (CPI) and as necessary to maintain compliance with State and Federal regulatory requirements governing wastewater charges. City Council reduced the Water Utility Rates by \$5.00 for Fiscal Year 2017-2018.

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

**Wastewater Utility Rates**



**Wastewater Utility Revenues**

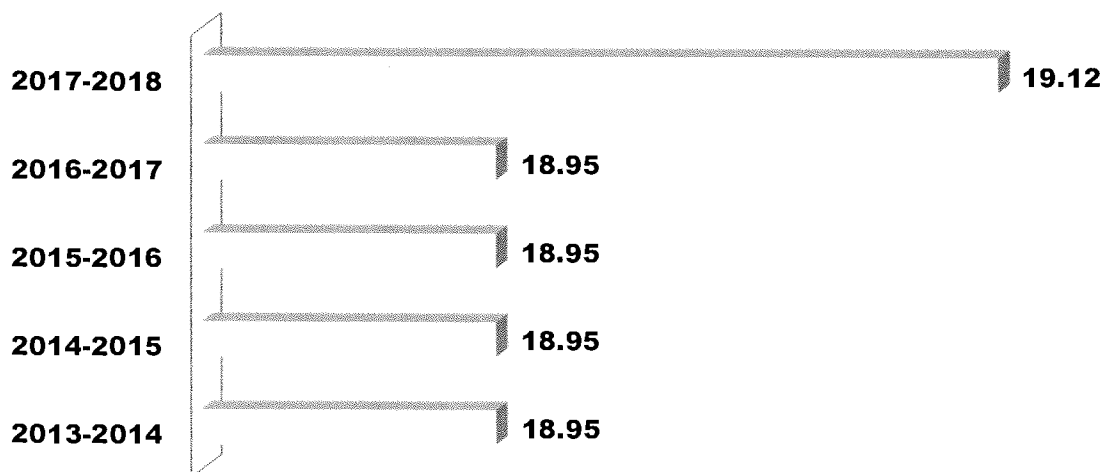


## Solid Waste Utility Fee Revenue

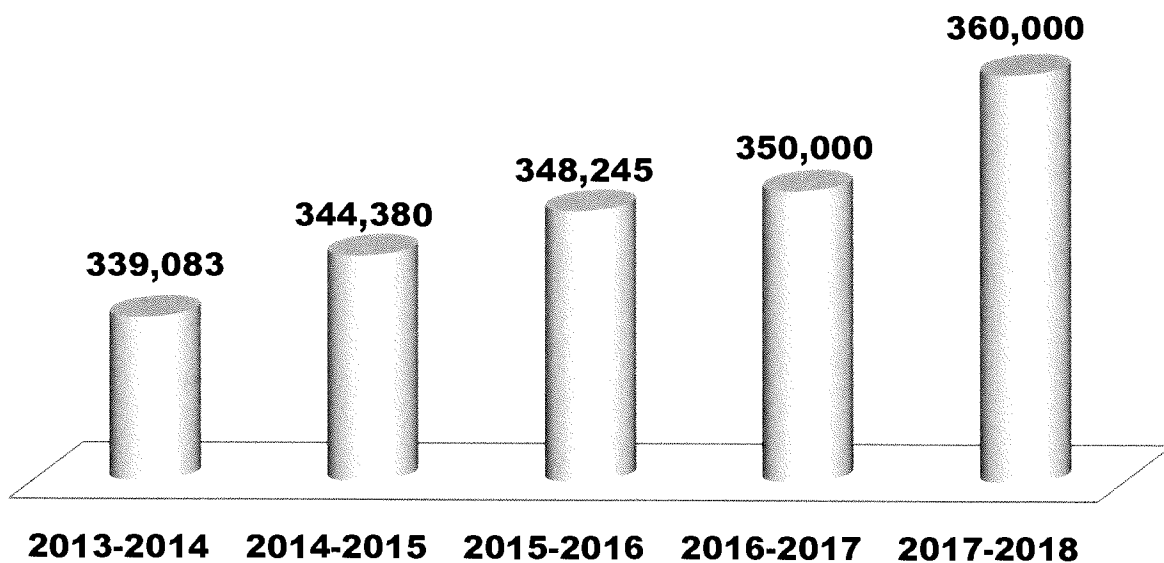
**Solid Waste Utility Fees** – This department is outsourced to Republic Services. The contract includes once a week curbside service for normal household waste, yard waste, and recyclable items as well as weekly bulk pick-up.

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

### Garbage Utility Rates



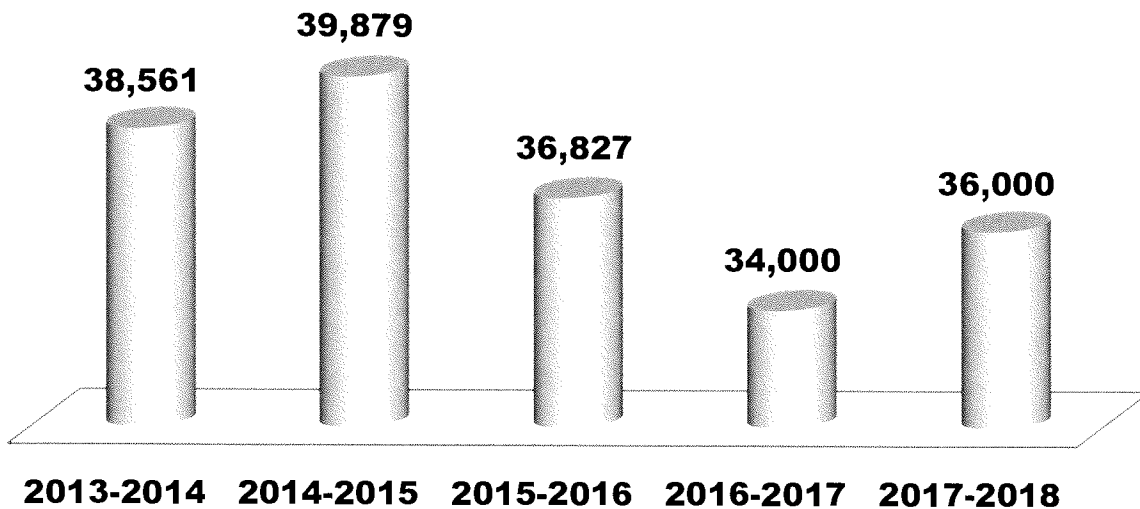
### Solid Waste Utility Revenue



## 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.

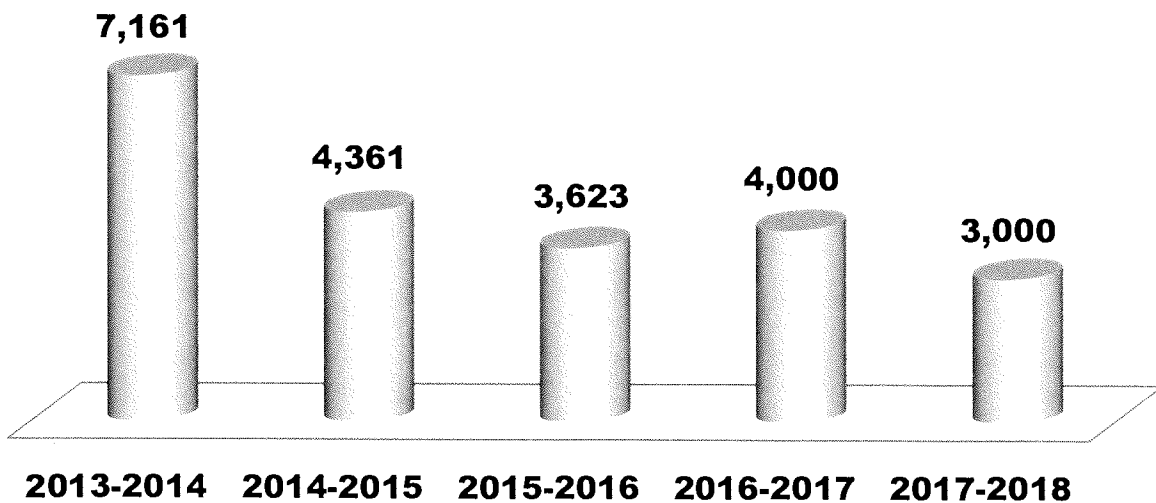
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



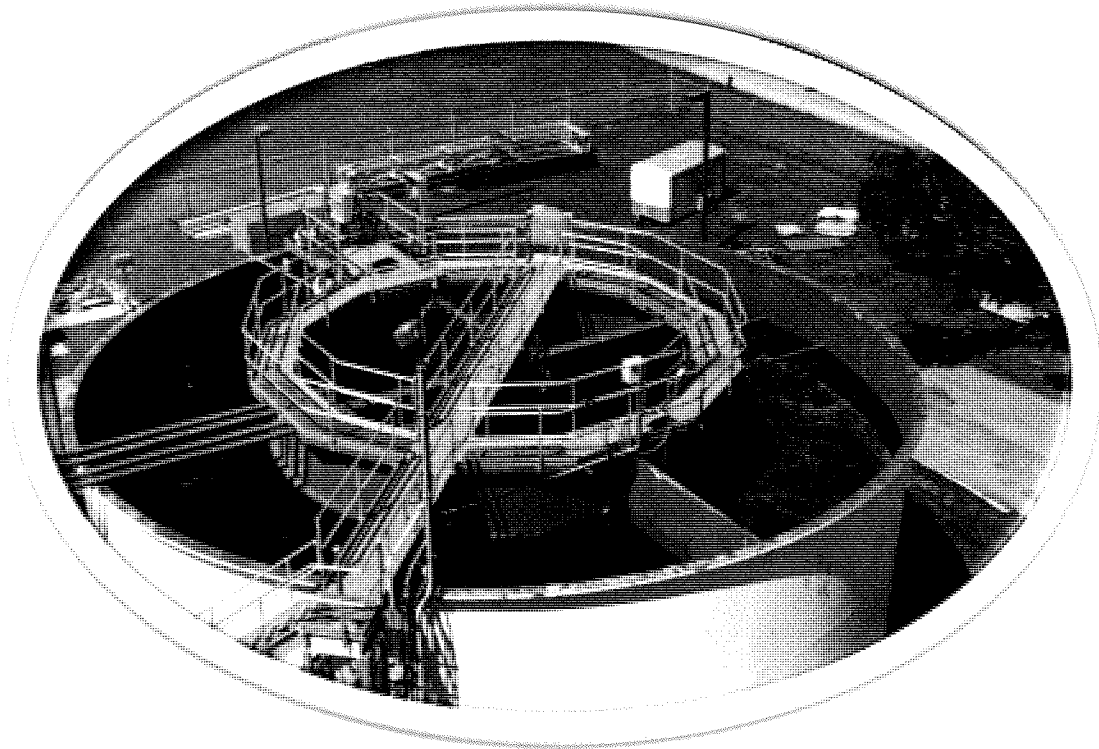
## Investment Income

**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

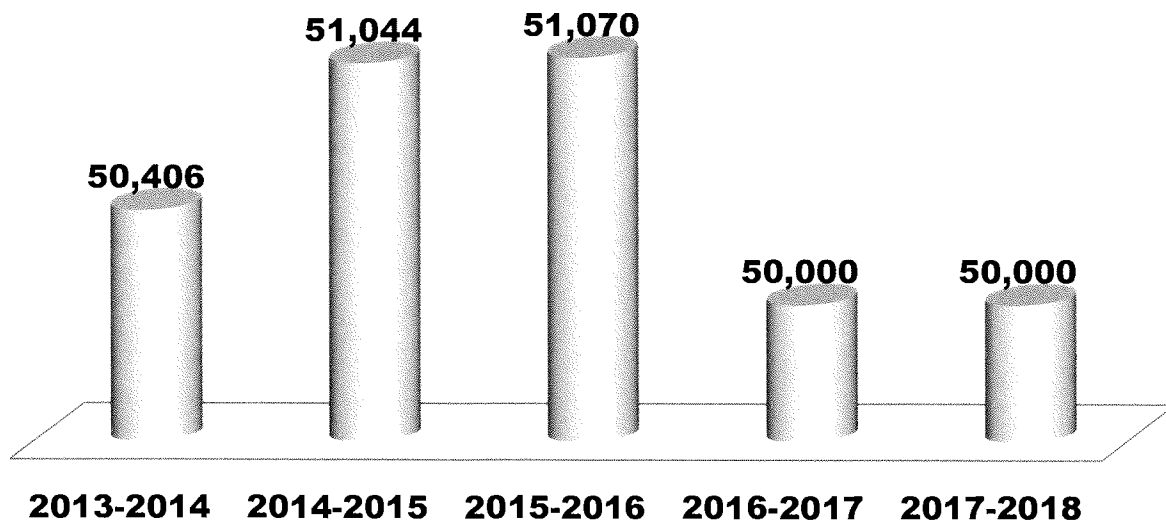
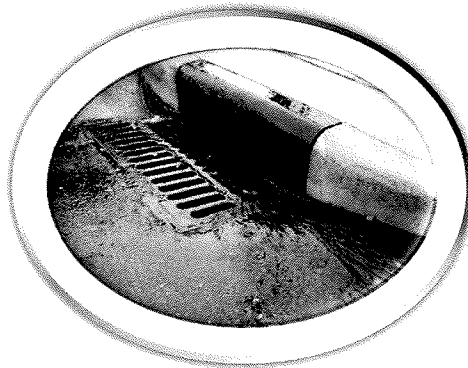


*Wastewater Treatment Plant Expansion Project*

## 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.

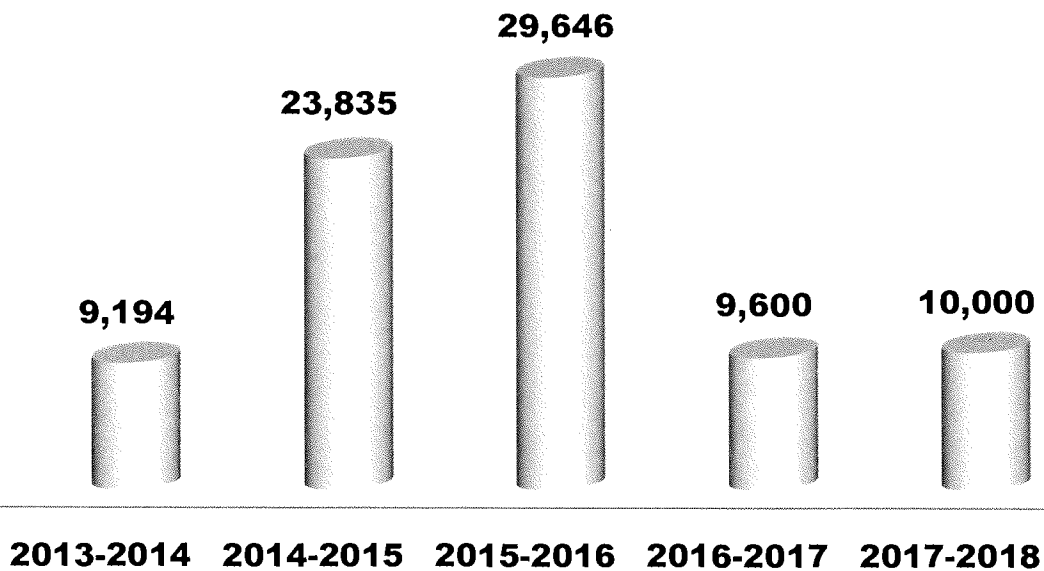
**Forecast Methodology:** The main factor considered in projecting this revenue is historical data.



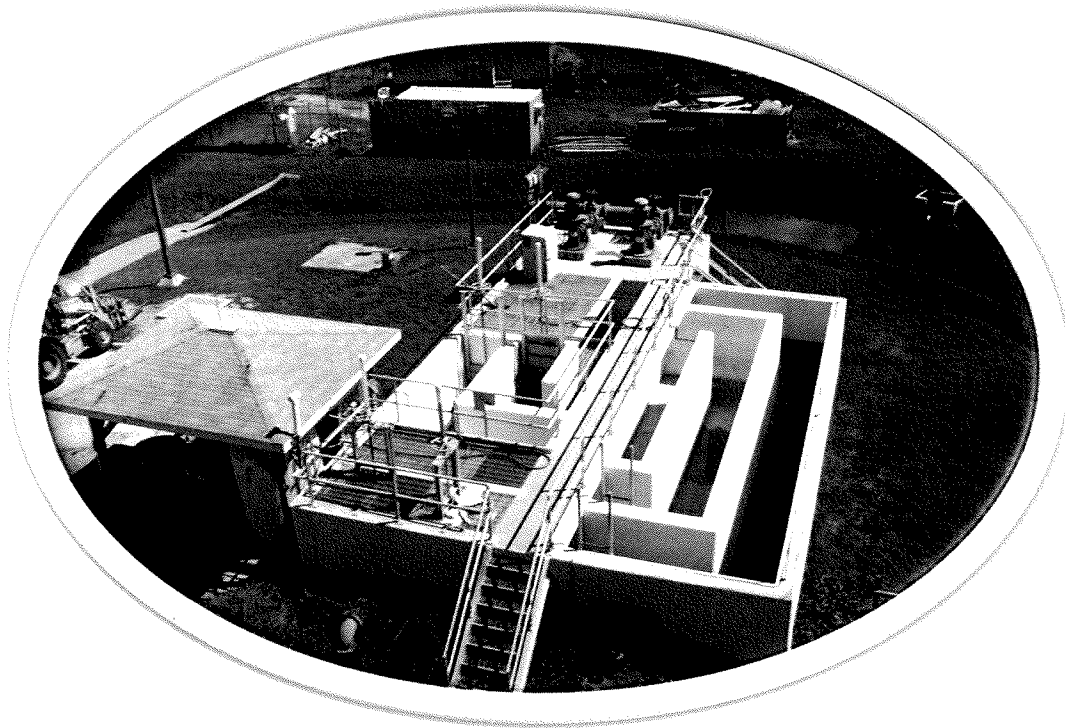
## Miscellaneous Revenues

**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

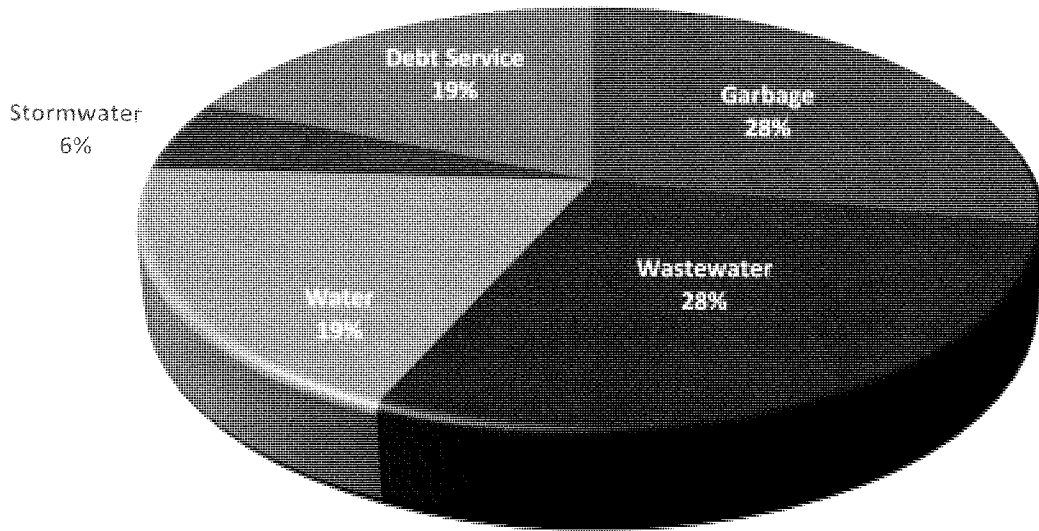


*Wastewater Treatment Plant Chlorination Chamber*

# Enterprise Fund Expenses

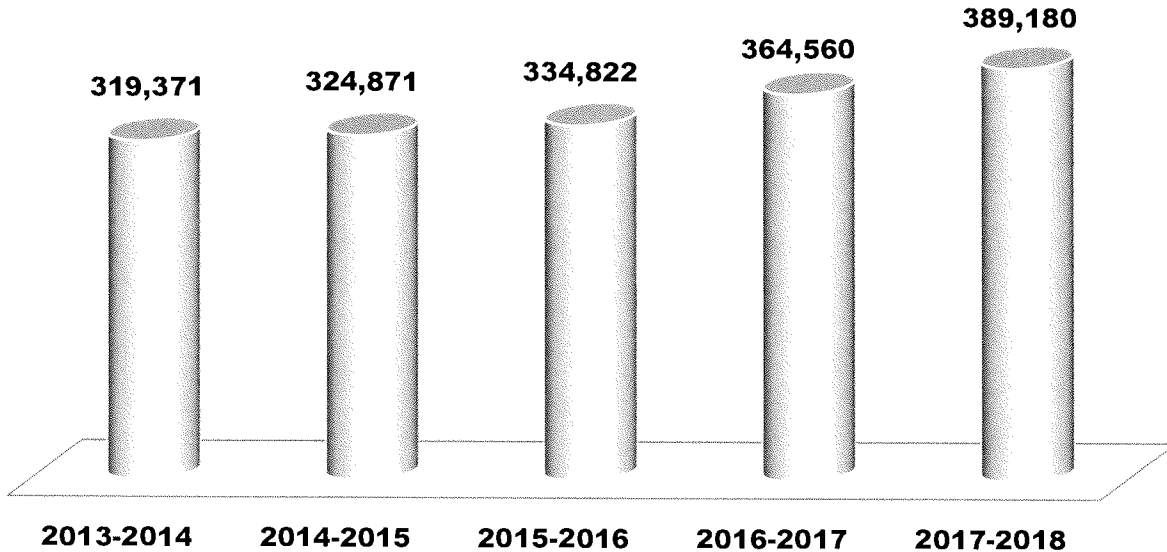
## Expenditure Summary by Department

Department	2016-2017	2017-2018
Solid Waste	364,560	389,180
Wastewater	446,800	388,500
Water	283,080	263,300
Stormwater	67,450	74,330
Debt Service	134,290	257,150



## Solid Waste Department

**Solid Waste Department - Total Operating Budget \$389,180** – 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	2016-2017	2017-2018
Executive Salaries	8,790	8,310
Regular Wages	12,620	13,060
Overtime	140	150
Special Pay	670	590
FICA Taxes	1,390	1,380
Medicare Taxes	330	330
Retirement Contributions	1,340	1,330
Medical Insurance	4,130	4,520
Dental Insurance	340	300
Life Insurance	250	250
Workers Comp	1,190	1,140
Accounting/Auditing	3,650	2,200
Contract Service	325,000	350,000
Postage	500	800
Insurance	2,960	3,450
Maintenance Agreements	760	790
Office Supplies	500	500
Uniforms	0	80
	<b>364,560</b>	<b>389,180</b>

## Wastewater Department

**Wastewater Department – Total Operating Budget \$388,500** – 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.

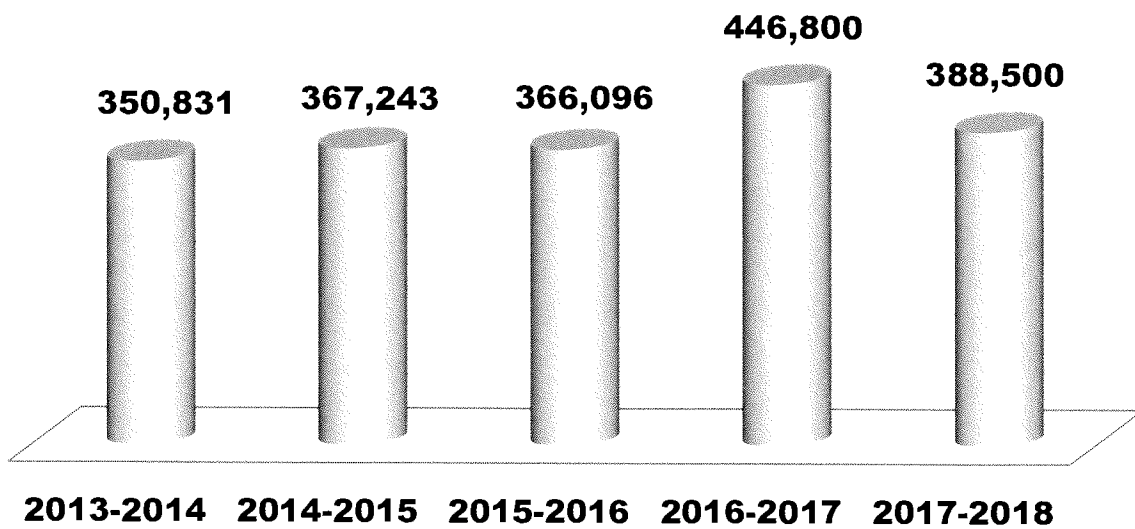
The balance of Phase 2 consisted of providing new wastewater service to the northwest section of the City including approximately 32,500 linear feet of gravity wastewater, 8,500 linear feet of force main, 10 lift stations and connection of an estimated 291 units to the wastewater system. Construction 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*

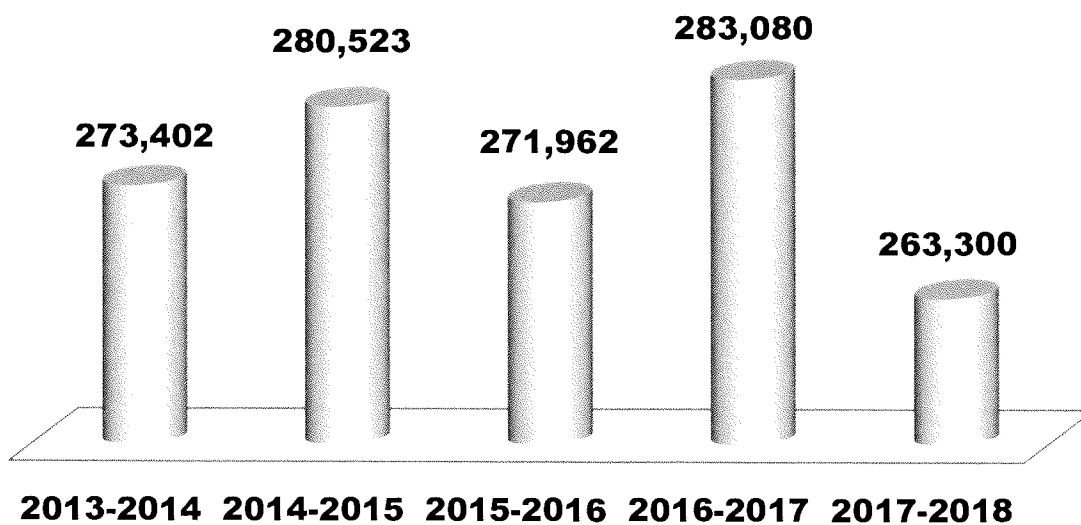


**Wastewater Department** (Continued)

<b>Expenses by Line Item</b>	<b>2016-2017</b>	<b>2017-2018</b>
Executive Salaries	17,700	17,220
Regular Wages	76,360	73,300
Overtime	2,040	1,840
Special Pay	2,270	2,070
FICA Taxes	6,140	5,890
Medicare Taxes	1,440	1,380
Retirement Contributions	5,160	4,920
Medical Insurance	14,250	13,240
Dental Insurance	1,130	950
Life Insurance	910	850
Workers Comp	4,760	4,560
Medical	380	380
Engineering	35,540	20,540
Accounting/Auditing	14,600	8,800
Contract Service	27,180	22,670
Travel & Per Diem	500	500
Phone, Fax, Cells	850	50
Postage & Freight	2,500	3,000
Internet	840	840
Utility Services	58,860	50,000
Lease/Rent Copier/Veh/Bldgs	6,830	6,830
Insurance	15,240	13,810
Miscellaneous Maintenance & Repairs	2,500	2,500
Maintenance Agreements	5,370	5,570
Building Maintenance & Repairs	1,000	1,000
Equipment Maintenance & Repairs	90,000	83,700
Vehicle Maintenance & Repairs	500	1,000
Wastewater Line Maintenance & Repairs	10,000	10,000
Printing and Binding	50	50
Promotional RLC	100	100
Legal Ads, Licenses & Obligations	10,500	100
Contingency	2,000	2,000
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	1,000	1,000
Gas & Oil Supplies	2,500	2,540
Janitorial Supplies	300	300
Chemical Operating Supplies	20,400	20,400
Tools	500	500
Uniforms	600	600
Furniture/ Equipment under \$1000	1,500	1,000
Schools & Conferences	1,500	1,500
	<b>446,800</b>	<b>388,500</b>

## Water Department

**Water Department - Total Operating Budget \$263,300** – 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.

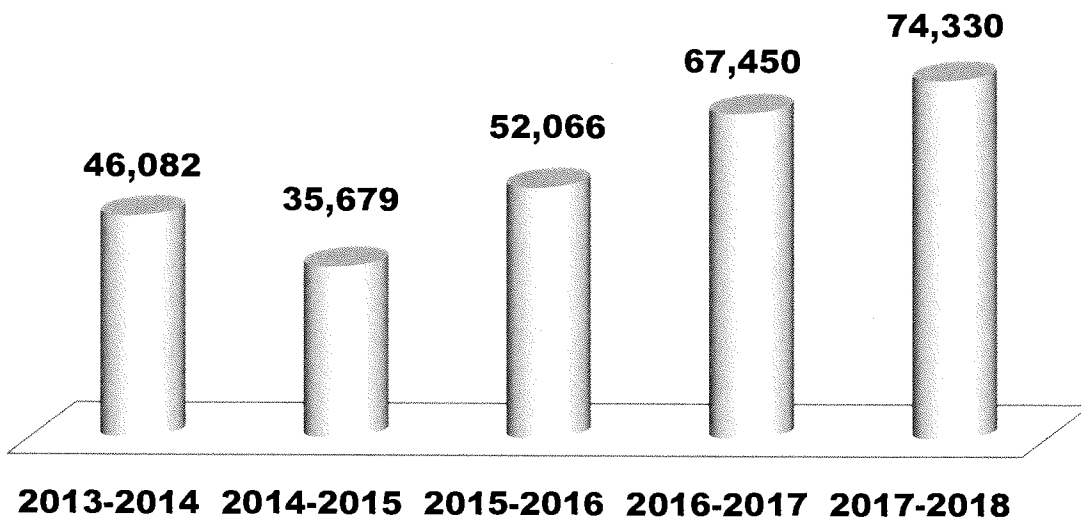


**Water Department (Continued)**

<b>Expenses by Line Item</b>	<b>2016-2017</b>	<b>2017-2018</b>
Executive Salaries	17,700	17,220
Regular Wages	23,440	30,680
Overtime	490	290
Special Pay	1,190	990
FICA Taxes	2,670	3,060
Medicare Taxes	630	720
Retirement Contributions	2,410	2,180
Medical Insurance	8,200	6,810
Dental Insurance	750	580
Life Insurance	460	410
Workers comp	4,760	4,560
Medical	180	180
Engineering	27,000	7,000
Accounting/Auditing	14,600	8,800
Contract Service	6,540	7,470
Travel & Per Diem	350	350
Phone, Fax, Cells	2,520	1,980
Postage & Freight	3,000	3,000
Utility Services	35,810	36,000
Insurance	140	350
Rent/Lease	15,730	13,810
Miscellaneous Maintenance & Repairs	25,000	27,180
Maintenance Agreements	7,170	9,290
Building Maintenance & Repairs	500	500
Equipment Maintenance & Repairs	20,000	20,000
Vehicle Maintenance & Repairs	1,000	1,000
Water Line Maintenance & Repairs	15,000	15,000
Printing and Binding	500	500
Legal Ads, Licenses & Obligations	2,900	2,950
Bank Fees	3,500	3,500
Office Supplies	1,000	1,000
Miscellaneous Operating Supplies	1,000	1,000
Gas & Oil Supplies	4,500	2,540
Janitorial Supplies	200	200
Chemical Operating Supplies	25,000	25,000
Tools	1,500	1,500
Uniforms	150	250
Furniture/ Equipment under \$1000	1,500	1,000
Memberships	2,240	2,600
Schools & Conferences	1,850	1,850
	<b>283,080</b>	<b>263,300</b>

# Storm Water Department

**Storm Water Department - Total Operating Budget \$74,330** – 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	2016-2017	2017-2018
Executive Salaries	8,790	8,310
Regular Wages	12,540	11,070
Overtime	250	150
Special Pay	670	520
FICA Taxes	1,390	1,250
Medicare Taxes	330	300
Retirement Contributions	1,340	1,210
Medical Insurance	4,750	4,170
Dental Insurance	360	280
Life Insurance	260	230
Workers Comp	1,190	1,140
Engineering	10,000	10,000
Accounting/Auditing	3,650	2,200
Contract	8,450	12,750
Postage	800	800
		150
Insurance Except Payroll	2,970	3,450
Maintenance Agreements	760	900
System M&R	500	500
Legal Ads	5,000	11,500
Office Supplies	250	250
Misc Operating Supplies	2,200	2,200
Furniture Under \$1000	250	250
Schools and Conference	250	250
	<b>67,450</b>	<b>74,330</b>

## 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 7.4978, would be \$749.78.

**Millage Example:**

Assessed Value \$150,000

Less Homestead Exemption 50,000

Net Taxable Value \$100,000

÷ 1,000 = \$100

x 7.4978 Millage

\$749.78 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 2018 budget is 7.4978 mills or \$7.4978 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.