

Budget Highlights

Introduction

The Fiscal Year 2012 Annual Budget, which will be adopted on September 20, 2011, is a numerical reflection of the Fiscal Year 2012 Business Plan. By allocating our resources through a balanced combination of strategic alignment with the Commission's seven priorities and departmental performance indicators, we believe this budget will successfully meet the challenges we have before us and set the stage for our continued success in the future.

Budget in Brief

The proposed operating net budget for Fiscal Year 2012 for all funds totals \$152,152,898. This represents an increase of \$8,047,466 or 5.6% more than the Fiscal Year 2011 net budget. The Fiscal Year 2012 budget is balanced, prudent and responsive to community needs as identified in the Fiscal Years 2012 - 2013 Strategic Plan.

Some features of the Fiscal Year 2012 budget that deserve special attention are:

- The rolled-back rate for Fiscal Year 2012 will be \$4.3939, an increase of \$0.0380 or 0.9% over the current rate.
- The voter-approved debt service millage rate will increase from \$0.1763 to \$0.2915 or \$18.96 per typical single-family home.
- The combined general operating and debt service millage rate is \$4.6854 per \$1,000 of assessed value, an increase of \$0.1532 or 3.4%
- An increase of \$13.93 or 12.1% per single family residence for Fire Special Assessment fees.
- A Water and Sewer fee increase of approximately \$1.74 per month for an average single family residence.
- Solid Waste Special Assessment will decrease \$16.56 for a single family residence.
- General Fund debt service for franchise and capital revenue bonds, as a percentage of total budget, will equal 2.4% in Fiscal Year 2012 as compared to 3.4% in the current

year, well within its General Fund debt service policy limitation of 12.5% of total General Fund expenditures.

- With a General Obligation bond indebtedness of 0.27% of total taxable assessed value, the City is well below its debt policy limit of 5%.

Personal Services

- Total proposed full-time positions in all funds for Fiscal Year 2012 is 754 (excludes the Fire/EMS services contract staff).
- Added five full-time positions in General Fund Parks Divisions to support Community Pride Initiative and eliminated one Public Works Superintendent—net four new positions added in General Fund.
- Refer to *Staffing* in the *Schedules and Summaries* section of this Budget for more information.

Capital Improvements

- The City will invest \$26,951,988 in Fiscal Year 2012 to address its capital needs. For more on capital, refer to *Capital Improvement Program* in the *Budget Overview* section of this Budget.

These changes reflect our continued emphasis on helping our customers - businesses, residents, and employees - weather the difficult economic times that lay ahead.

Financial Condition

Despite four years of downward pressure on revenues due to residential build-out, tax relief legislation, and the economic recession, Coral Springs continues to lead the nation in fiscal management and stability.

Bond Ratings

We are proud of achieving the highest financial honor bestowed on any municipality—earning a 'AAA' from Standard and Poors, 'Aaa' rating from Moody's Investors Service, and 'AAA' rating from Fitch Ratings. Such ratings mean the City's general obligation bonds are considered to be of excellent investment

The City has eliminated 30 full-time positions through attrition since 2007 making today's workforce less than it was in 2005.

Annual net operating budget and capital

	FY 2011 Budget	FY 2012 Budget	\$ Change	% Change
Net Operating Budget	\$144,105,432	\$152,152,898	\$8,047,466	5.6%
Capital Improvements (CIP)	21,466,349	26,951,988	5,485,639	25.6%
Total Financial Program	\$165,571,781	\$179,104,886	\$13,533,105	8.2%
	FY 2011 Budget	FY 2012 Budget	\$ Change	% Change
Net Operating Budget				
General Fund	\$62,490,629	\$64,888,412	\$2,397,783	3.8%
Special Revenue Funds				
Fire Fund	10,584,454	10,852,069	267,615	2.5%
C.S. Charter School Fund	10,598,653	10,483,260	(115,393)	-1.1%
Conference Center Fund	150,000	0	(150,000)	-100.0%
Public Art Fund	100,500	76,500	(24,000)	-23.9%
Enterprise Funds				
Water and Sewer Fund	14,682,307	17,626,865	2,944,558	20.1%
C.S. Center for the Arts Fund	597,230	0	(597,230)	-100.0%
Internal Service Funds				
Health Fund/Gen. Ins. Fund	13,754,701	15,120,020	1,365,319	9.9%
Equipment Services Fund	9,578,098	10,794,794	1,216,696	12.7%
Pension Fund	16,091,487	16,425,088	333,601	2.1%
Debt Service Fund	5,477,373	5,885,890	408,517	7.5%
Total Net Operating Budget	\$144,105,432	\$152,152,898	\$8,047,466	5.6%

Note: For a more comprehensive overview of net budgeted revenues and expenditures/expenses, refer to the *Budget Overview* section of this book

quality, which translates into lower interest rates and corresponding lower interest payments.

Revenues

Ad valorem taxes - To ensure its long-term financial success, the City will adopt the rolled-back millage rate of \$4.3939 in Fiscal Year 2012. In theory, the rolled-back rate allows the City to collect the same amount in property tax revenue as it did the year before, plus new construction. In reality, however, the City will collect \$350,000 less revenue in FY 2012 than it did in FY 2011. In other words, although the property tax millage rate will increase by just 0.9%, from \$4.3559 mills to \$4.3939 mills, the amount of money the City will collect is less than the previous year.

Intergovernmental Revenue

The City's intergovernmental, franchise, and other demand-driven revenues fluctuate with the economy. As the City has learned over the past few years, a slumping economy leads to lower retail sales, which in turn, translates

to lower sales tax revenue. Less traveling leads to lower fuel tax revenue. Declining economic growth leads to less construction, less renovation, fewer home improvements, and thus declining revenue. Positive economic growth, on the other hand, promises to reverse this trend.

Most economists are expecting the economy to grow at a modest rate during the coming year. However, rather than growth returning to normal levels quickly, the economy will move slowly but steadily upward despite its detractors. We have, therefore, adopted a moderate growth philosophy for Fiscal Year 2012 revenue estimates. To hedge against being too optimistic, we have adopted a contingency that is higher than we otherwise would simply to counterbalance this risk.

An in-depth discussion of the City's response to the financial impacts of tax relief and the economy on our budget can be found in the *Financial Strategy* segment of the *Long-Range Planning* section.

For many years, fund balances improved as a result of growth related revenues, improved productivity, and prudent financial management policies. Those fund balances have been leveraged to avoid future debt service by equity financing capital purchases for Fiscal Year 2012. For further information on our fund balances, refer to the *Budget Overview* section of this document. A discussion of our use of surplus policies, financial strategy, and equity funding of capital needs for Fiscal Year 2012 can also be referenced in the *Budget Overview* and *Long-Range Planning* sections.

Major Policy Considerations

Although we expect the economy to linger, the City's strategy to invest in its community, as well as a number of other issues will dominate the discussion moving forward.

Investing in the Community

During the depths of the recession, the City adopted a three-pronged financial strategy. While this was an appropriate strategy for the time, a new financial strategy is necessary to place the City in the most advantageous position to embrace the economic recovery.

Although the recession has officially ended, the return to pre-recession economic growth rates is not on the horizon. Since the fuel that powered the City's economic engine (population growth and new construction) will not return to previous levels quickly, if at all, we must expect and plan for a new normal. For example, having reached build-out the City can no longer count on development of vacant parcels to spur economic growth.

The City Commission has set the stage for this vision by incorporating language in the 2012-2013 Strategic Plan directing the City to take a leadership role in creating its future by investing in our community. In partnership with the Economic Development Foundation, Community Redevelopment Agency, the Chamber of Commerce, and other stakeholders, the City will proactively prime the engine of economic growth by assisting our existing business community, devoting resources to encourage the redevelopment of the City's commercial areas such as the Corporate Park, and investing in education. In addition, the City will work to attract businesses and increase property values by investing in the appearance and the safety of our community.

Public Safety Pension Obligations

Pension market losses have caused the City's public safety pension obligation to skyrocket. During the next fiscal year, the City will analyze the issue of pension funding comprehensively so money is not diverted from the provision of services.

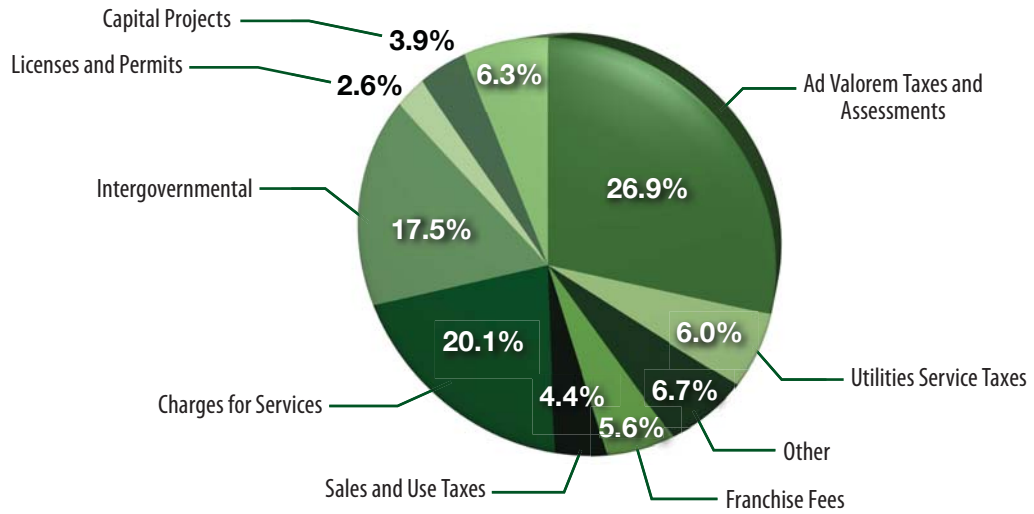
Bond Insurance

The City's bond insurance carrier lost its rating as a result of the carrier's market losses, forcing the City to set aside \$1.7 million in its Debt Service Fund to satisfy bond covenants. The City will maintain these reserves until such time as the rating on each surety complies with the bond covenants or the final maturity of each bond issue is reached, whichever comes first.

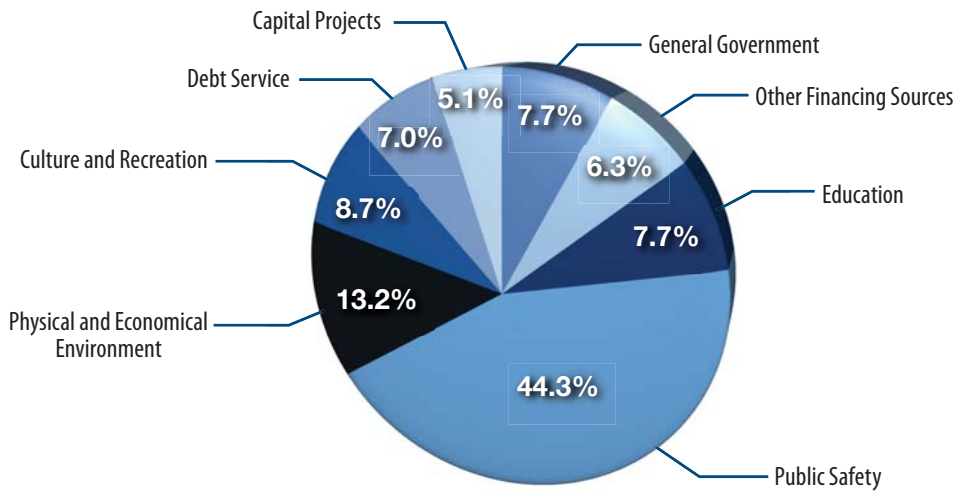
Economic Development Strategy

Once the national economy begins to recover, a targeted-industries approach will replace the old model of economic development that was essentially driven by land developers. We will proactively target the industries that are projected to have the highest growth in our area: health care, medical devices, medical information technology, global information technology, and distribution. Our biggest challenge, however, is to fill existing vacant industrial and office space. Once absorption occurs we can set our sights on new development and expansion.

Where the money comes from by source (all funds)



Where the money goes by type of program (all funds)



Where the money goes by category (General Fund only)

