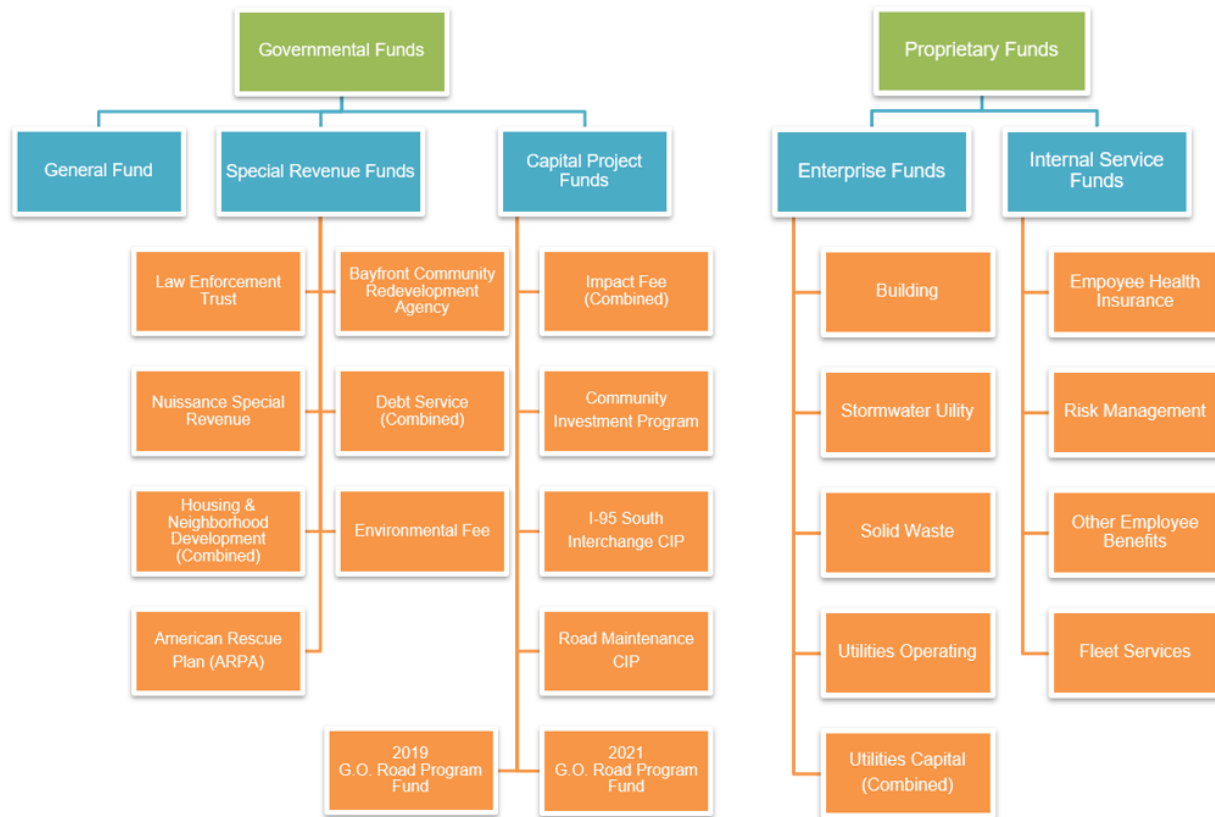


## FUND STRUCTURES & ANALYSIS OVERVIEW

The City of Palm Bay's funds, departments, divisions and accounts are organized based on fund and account groups. Each fund is considered a separate accounting entity; operations within each fund are accounted for with a separate set of self-balancing accounts that comprise the City's assets, liabilities, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in each fund based on spending purposes and by what means activities are controlled. All City funds can be separated into three categories: *governmental*, *proprietary*, and *fiduciary* funds.



### Governmental Funds

The **General Fund** is the City's largest fund. Governmental services include legislative oversight, general and financial administration, law enforcement, community development, streets and drainage system operations and maintenance, and parks and recreation operations and maintenance. General Fund activities are primarily funded through property taxes, franchise fees and certain state-shared revenues. General Fund activities comprise of approximately 35.8% of the City's annual budget and are accounted for on a Modified Accrual Basis.

A **Special Revenue Fund** is generally established to account for revenues restricted by statute or ordinance for a specified purpose, or when a request for separated accounting of special project costs is needed. The accounting for these funds is on a Modified Accrual Basis.

A **Capital Project Fund** is generally a special revenue fund established to track specific capital infrastructure construction projects and/or acquisitions. Although some capital project funds can be classified as enterprise funds (such as the Utilities Community Investment Funds), for the purposes of this

document they are listed and presented as capital project funds. The accounting for these funds is on a Modified Accrual Basis.

## Proprietary Funds

The City maintains two types of proprietary funds that are accounted for on a full accrual basis.

- An **Enterprise Fund** is used for business-type activities within the City. The information focuses on near-term inflows and outflows of spendable resources, as well as the balance of spendable resources available at the end of each fiscal year presented. The City uses enterprise funds to account for the water and wastewater utilities operating activities, building functions, stormwater utility and solid waste activities.
- An **Internal Service Fund** is used to track the accumulation and allocation of costs internally among the City's departments and funds. The City uses internal service funds to account for the administration of employee health insurance and other employee benefits, risk management, and fleet service activities.

The City also operates two other types of funds that are not included in this Approved Budget document: **Agency** and **Trust Funds**.

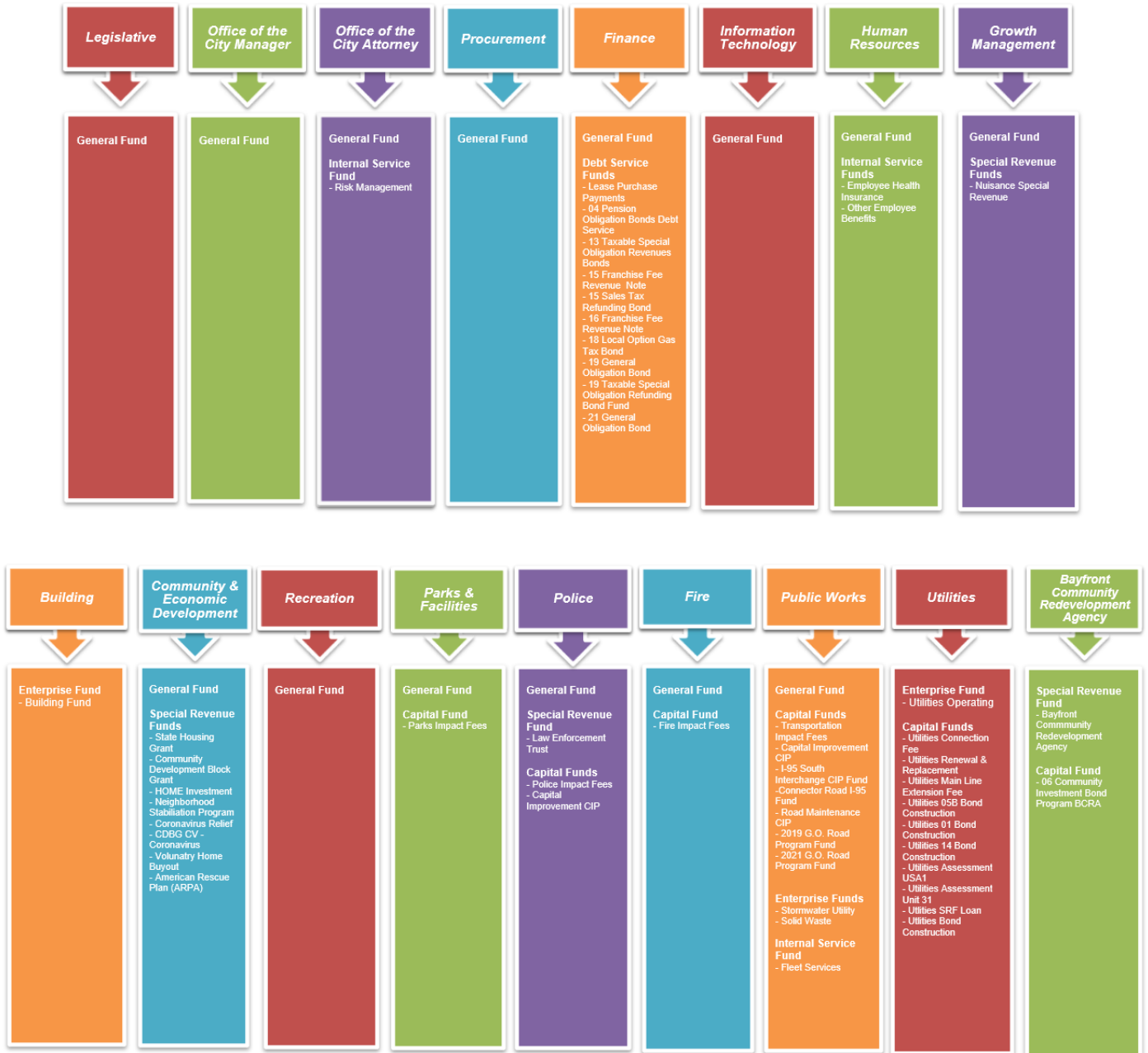
## Fiduciary Funds

An **Agency Fund** accounts for money received by the City that is held on behalf, and for the benefit of, others. Agency funds are not budgeted as amounts received or disbursed are not City revenues or expenditures. The City maintains two Agency Funds: (1) 401A Retirement Plan and (2) 457 Deferred Compensation Plan.

A **Trust Fund** accounts for revenues (received and held by the City) that are restricted by statute or ordinance, or per the donor's request. Trust Funds are not budgeted. The City maintains one Trust Fund: (1) Police and Firefighter Pension Trust Fund.

## DEPARTMENTAL FUND LINKAGE

The following matrix illustrates which funds are budgeted for each department.



## FUND DESCRIPTIONS

### General Fund

This fund is the chief operating fund of the City.

### Law Enforcement Trust Fund

This fund is used to account for proceeds obtained through the sale of confiscated and unclaimed property turned over to the City through court judgments. The proceeds are to be used solely for crime fighting purposes.

### Code Nuisance Fund

This fund is used to account for transactions related to properties with code violations where the owners are unwilling to abate the problems.

### Housing & Neighborhood Development Grant Funds

These funds identify and implement programs and activities that benefit low and moderate-income people and improve neighborhoods within the City limits. Funding is received from, and includes the following:

- U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program
- Brevard County HOME Consortium – HOME Investment Partnerships (HOME) Program
- U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program (NSP)
- State of Florida's State Housing Initiatives Partnership (SHIP) Program
- Other State and Federal Grant Programs.

### American Rescue Plan Fund

On March 10, 2021, Congress passed the American Rescue Plan Act of 2021 (H.R. 139) providing \$1.9 trillion of relief and stimulus funding to state and local governments. President Joe Biden signed the bill into law on March 11, 2021, allowing relief funding to begin immediately flowing throughout the United States.

### Impact Fee Trust Funds

These funds are used to account for proceeds provided for the acquisition and/or improvement of urban district park facilities, police capital facilities, fire capital facilities, and the expansion of the City's major road network system. In FY 2019, Impact Fee Funds were broken down into Nexus/Zip code areas resulting in four (4) funds per type for the following zip codes: 32905, 32907, 32908 and 32909.

### Environmental Fee Fund

This Fund is used to account for transactions related to the City's Incidental Take Permit issued by the United States Fish and Wildlife Service.

### Bayfront Community Redevelopment Agency Fund

This fund is used to account for the ad valorem tax increment revenues accumulated for the community development in areas where taxes were assessed.

### Debt Service Funds

The City has several debt service funds. They are used to account for the payment of principal and interest on outstanding general governmental revenue bonds.

### Community Investment Fund

This fund is used to account for financial resources earmarked for the acquisition of construction of major capital facilities or other project-oriented activities.

### **I-95 Interchange Fund**

This fund is used to account for financial resources earmarked for the construction of an interchange between St. John's Heritage Parkway (Palm Bay Parkway) and Micco Road.

### **Connector Road I-95 Interchange Fund**

This fund is used to account for the acquisition and construction costs of a new connector road to the I-95 Interchange exit and the intersection of Babcock Street.

### **Road Maintenance CIP Fund**

This fund is used to account for financial resources earmarked for the maintenance and repair of existing roadways.

### **Connector Road I-95 Fund**

This fund is used to account for financial resources earmarked for the construction of St. John's Heritage Parkway (Palm Bay Parkway) from Babcock to interstate 95.

### **G.O. Road Program Funds**

These funds to account for financial resources earmarked for the maintenance and repair of roadways funded by the 2019 General Obligation (G.O.) Bond and 2021 General Obligation (G.O.) Bond.

### **Utility Fund**

This fund is used to account for activities of the utility services provided. This fund is an enterprise fund in that it fully supports its operations.

### **Utilities Capital Funds**

These funds are used to account for financial resources from dedicated revenue streams, capital improvements to the City's Water and Wastewater systems, and the principal and interest payments of various bond debt service.

### **Building Fund**

This fund is used to account for building-related activities within the City. Revenues are primarily generated by user licenses and permits.

### **Stormwater Fund**

This fund is used to account for Stormwater services in the City.

### **Solid Waste Fund**

This fund is used to account for Solid Waste services in the City.

### **Risk Management Fund**

This fund is used to account for the expenses incurred for workers' compensation claims, general and auto liability claims and property damage claims and the related administrative expenses to operate the City's risk management program. Revenues are generated by charges to the various departments and funds based on experience and actuarial estimates.

### **Employee Benefit Funds**

These funds are used to account for expenses incurred for insured and self-insured benefits under the City's Section 125 "cafeteria" benefits plan maintained for the City employees.

**Fleet Services Fund**

This fund is used to account for the fiscal activity related to meeting the automotive and other vehicular needs of the City. This fund purchase vehicles, maintains them and charges user departments for the vehicular usage.

# All Funds Summary

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	265,802,958	111,224,886	263,483,378	263,483,378	293,944,252
<b>REVENUES/SOURCES</b>					
Property Taxes	38,668,807	40,285,504	40,343,534	40,709,000	46,447,794
Sales, Use & Fuel Taxes	3,706,202	3,620,907	3,842,728	3,600,000	3,796,230
Franchise Fees	5,691,226	5,936,200	5,936,200	5,891,000	5,944,250
Utility Taxes	9,347,939	8,920,500	8,920,500	9,134,000	9,385,000
Communications Service Tax	2,613,855	2,454,678	2,454,678	2,500,000	2,500,000
Licenses & Permits	4,614,269	4,552,480	4,552,480	4,219,983	4,669,080
Impact Fees	8,459,496	8,785,000	8,971,912	10,770,322	8,025,000
Intergovernmental	13,845,867	10,413,805	32,395,517	17,397,533	13,047,108
Charges for Service	66,781,476	84,869,933	85,103,165	84,888,748	90,529,560
Fines and Forfeitures	509,530	437,600	437,600	515,900	500,400
Miscellaneous	13,937,867	22,123,314	92,021,213	102,860,262	2,172,887
Capital Contributions	14,145,642	6,103,147	6,196,849	9,581,343	6,355,476
Transfers	81,882,523	21,516,146	28,611,902	28,838,326	24,120,464
<b>TOTAL REVENUES/SOURCES</b>	<b>264,204,699</b>	<b>220,019,214</b>	<b>319,788,278</b>	<b>320,906,417</b>	<b>217,493,249</b>
<b>EXPENDITURES/USES</b>					
Legislative	804,908	916,805	974,359	976,922	785,169
Office of City Manager	969,570	570,438	570,497	531,268	1,248,759
Office of City Attorney	3,363,603	5,184,749	5,192,391	5,272,141	5,292,103
Procurement	518,269	663,096	663,138	641,801	684,440
Finance	2,010,228	1,737,836	1,789,949	1,710,007	1,444,502
Information Technology	3,269,922	2,879,650	3,506,844	3,391,405	3,535,552
Human Resources	15,388,358	18,600,977	18,596,571	18,560,754	20,912,211
Building	0	0	4,761,425	4,566,335	10,630,867
Growth Management	5,689,117	5,492,039	2,301,183	1,822,457	2,089,902
Community & Econ. Development	443,412	1,315,074	5,992,599	3,050,067	5,248,518
Parks & Recreation*	4,796,021	4,566,295	9,872,758	5,959,627	0
Recreation*	0	0	0	0	2,187,335
Facilities & Parks*	2,552,324	2,463,350	2,733,090	2,721,257	5,809,300
Police	20,873,181	22,811,528	24,062,752	22,064,016	24,978,238
Fire	15,846,069	15,843,425	17,495,888	17,324,945	16,949,202
Public Works	56,286,424	33,507,857	95,861,608	62,191,863	33,608,103
Utilities	28,837,466	47,932,949	88,009,093	85,860,351	32,146,345
Bayfront Community Red. Agency	351,810	486,976	486,963	9,647	842,095
Debt Service	69,046,215	18,812,779	24,473,973	24,672,137	22,954,363
Transfers	30,303,688	21,516,145	24,025,851	24,024,267	24,120,464
Non-Departmental	5,173,694	4,921,686	5,177,546	5,094,276	6,164,689
<b>TOTAL EXPENDITURES/ USES</b>	<b>266,524,279</b>	<b>210,223,654</b>	<b>336,548,478</b>	<b>290,445,543</b>	<b>221,632,157</b>
Revenues Over/ (Under)Expenditures	(2,319,580)	9,795,560	(16,760,200)	30,460,874	(4,138,908)
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	(11,761,033)	13,240,958	134,010,365	50,358,145	16,172,388
Undesignated	0	3,445,398	53,066,693	19,310,179	10,123,356
<b>TOTAL ENDING BALANCE</b>	<b>263,483,378</b>	<b>121,020,446</b>	<b>246,723,178</b>	<b>293,944,252</b>	<b>289,805,344</b>

\* Per Ordinance 2021-38, the Parks & Recreation Department and Facilities Department have been re-organized to the Facilities & Parks Department and Recreation Department.

## ALL FUNDS SUMMARY REVIEW

### Revenue/Sources

#### All Funds

Total FY 22 budgeted revenue/sources, collectively among all funds, of \$217,493,249 are \$(103,413,168), or (32.23)%, lower than the FY 21 estimated year-end receipts. Meanwhile, FY 21 estimated year-end receipts of \$320,906,417 are \$56,701,718, or 21.5%, higher than FY 20 Actuals.

The following tables provide a three-year historical overview of revenue/sources.

*Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts*

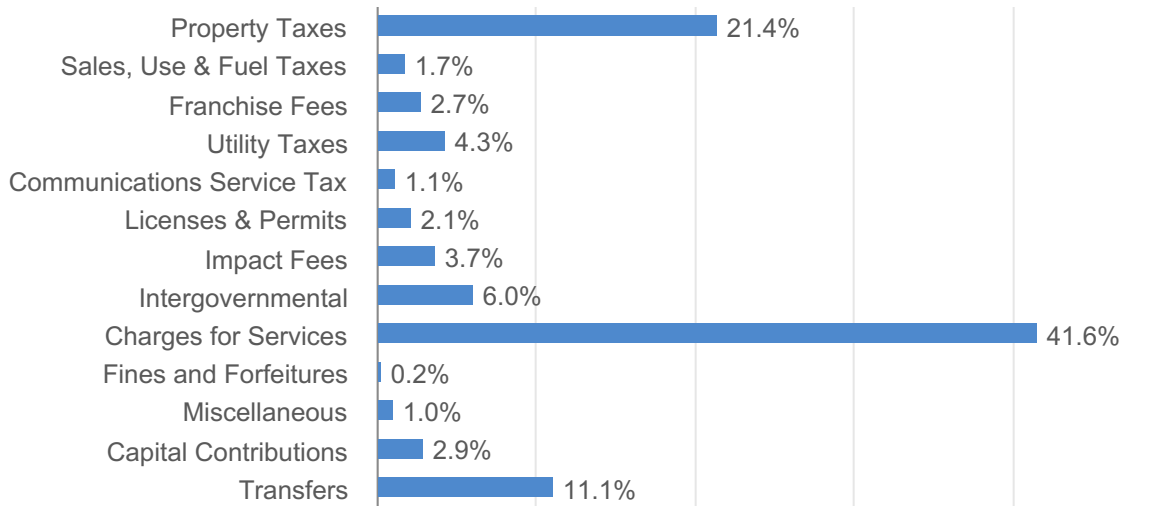
Revenue/Source Type	FY 2021 Estimated	FY 2022 Approved Budget	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Property Taxes	40,709,000	46,447,794	5,738,794	14.1 %
Sales, Use & Fuel Taxes	3,600,000	3,796,230	196,230	5.5 %
Franchise Fees	5,891,000	5,944,250	53,250	0.9 %
Utility Taxes	9,134,000	9,385,000	251,000	2.7 %
Communications Service Tax	2,500,000	2,500,000	—	— %
Licenses & Permits	4,219,983	4,669,080	449,097	10.6 %
Impact Fees	10,770,322	8,025,000	(2,745,322)	(25.5)%
Intergovernmental	17,397,533	13,047,108	(4,350,425)	(25.0)%
Charges for Service	84,888,748	90,529,560	5,640,812	6.6 %
Fines and Forfeitures	515,900	500,400	(15,500)	(3.0)%
Miscellaneous	102,860,262	2,172,887	(100,687,375)	(97.9)%
Capital Contributions	9,581,343	6,355,476	(3,225,867)	N/A
Transfers	28,838,326	24,120,464	(4,717,862)	(16.4)%
<b>TOTAL</b>	<b>320,906,417</b>	<b>217,493,249</b>	<b>(103,413,168)</b>	<b>(32.2)%</b>

*Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals*

Revenue/Source Type	FY 2020 Actuals	FY 2021 Estimated	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Property Taxes	38,668,807	40,709,000	2,040,193	5.3 %
Sales, Use & Fuel Taxes	3,706,202	3,600,000	(106,202)	(2.9)%
Franchise Fees	5,691,226	5,891,000	199,774	3.5 %
Utility Taxes	9,347,939	9,134,000	(213,939)	(2.3)%
Communications Service Tax	2,613,855	2,500,000	(113,855)	(4.4)%
Licenses & Permits	4,614,269	4,219,983	(394,286)	(8.5)%
Impact Fees	8,459,496	10,770,322	2,310,826	27.3 %
Intergovernmental	13,845,867	17,397,533	3,551,666	25.7 %
Charges for Service	66,781,476	84,888,748	18,107,272	27.1 %
Fines and Forfeitures	509,530	515,900	6,370	1.3 %
Miscellaneous	13,937,867	102,860,262	88,922,395	638.0 %
Capital Contributions	14,145,642	9,581,343	(4,564,299)	(32.3)%
Transfers	81,882,523	28,838,326	(53,044,197)	(64.8)%
<b>TOTAL</b>	<b>264,204,699</b>	<b>320,906,417</b>	<b>56,701,718</b>	<b>21.5 %</b>

The chart on the following page reflects a breakdown of the total FY 21 budgeted revenue/sources across all funds. Charges for Services accounts for the largest revenue source at \$90,529,560, or 41.6%, of the total FY 22 Budget.



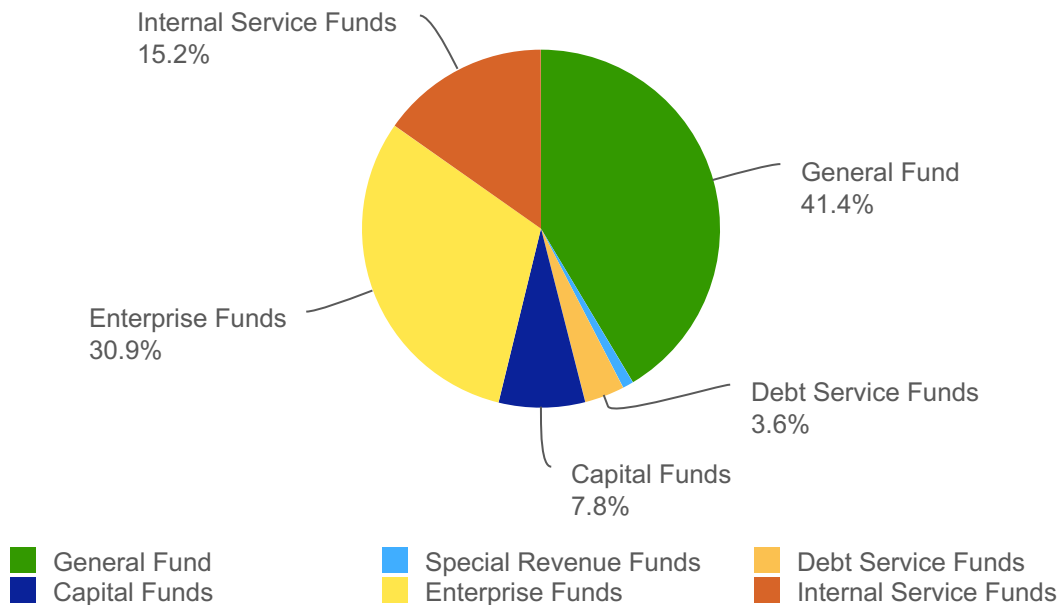


*Total Citywide Revenue/Sources by Fund Type*

The chart below reflects total proposed citywide revenues/sources by fund type. It illustrates that the majority of the City's revenues are derived from General Fund, 41.4%, and Enterprise Fund, 30.9%, operations.

Capital Fund revenues/sources are usually special revenue streams, bond proceeds, interest income or grants which can vary on a fiscal year basis. As previously noted, Impact Fee Funds are classified and presented as Capital Funds in this document due to expenditure limitations placed on the revenue.

FY 22 Total Citywide Revenues/Sources by Type



## Expenditures/Uses

### All Funds

Total FY 22 budgeted expenditures/uses, collectively among all funds, of \$221,632,157 are \$(68,813,386), or (23.69)%, lower than the FY 21 estimated year-end receipts. Meanwhile, FY 21 estimated year-end receipts of \$290,445,543 are \$23,921,264, or 9.0%, higher than FY 20 Actuals.

The following tables provide a three-year historical overview of revenue/sources.

*Department Level Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts*

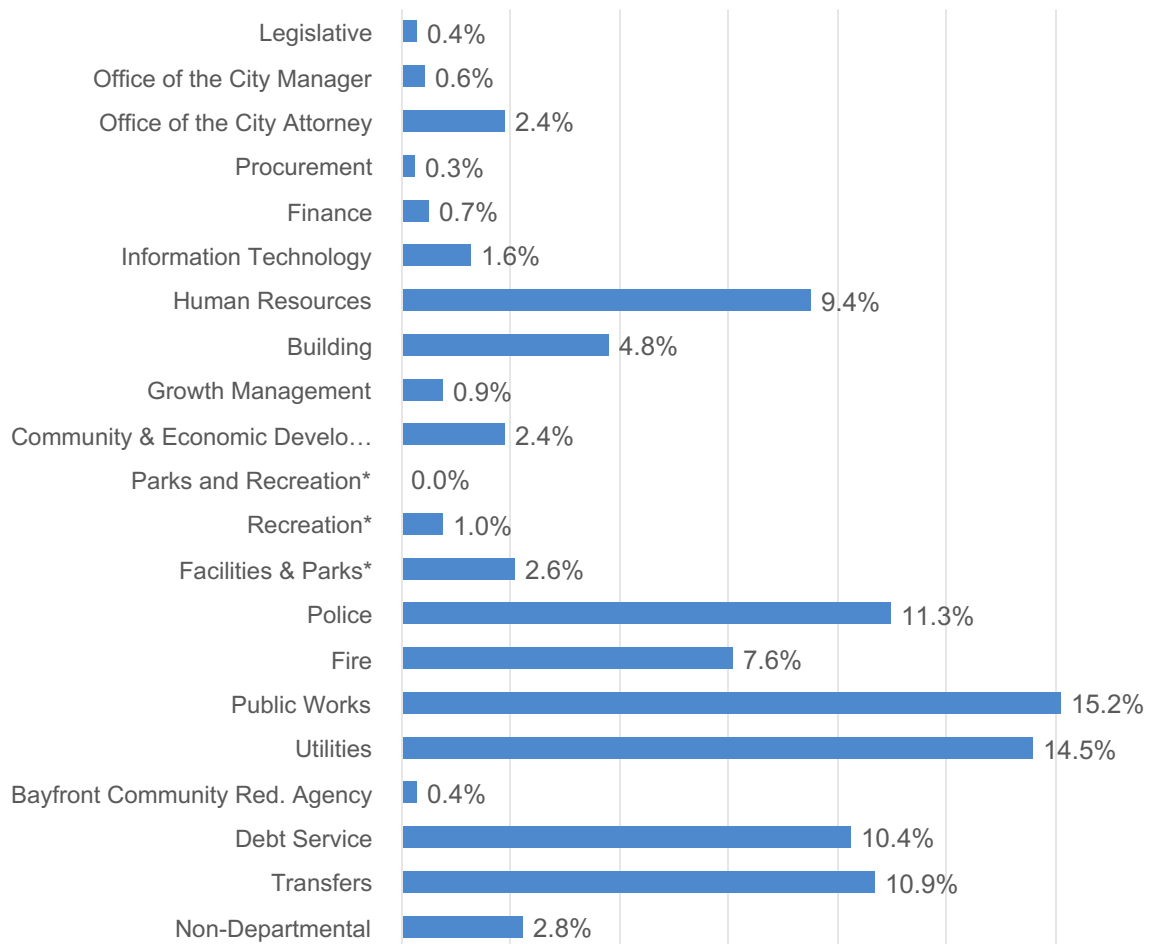
Department/Type	FY 2021 Estimated	FY 2022 Approved Budget	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Legislative	976,922	785,169	(191,753)	(19.6)%
Office of City Manager	531,268	1,248,759	717,491	135.1 %
Office of City Attorney	5,272,141	5,292,103	19,962	0.4 %
Procurement	641,801	684,440	42,639	6.6 %
Finance	1,710,007	1,444,502	(265,505)	(15.5)%
Information Technology	3,391,405	3,535,552	144,147	4.3 %
Human Resources	18,560,754	20,912,211	2,351,457	12.7 %
Building	4,566,335	10,630,867	6,064,532	132.8 %
Growth Management	1,822,457	2,089,902	267,445	14.7 %
Community & Economic Development	3,050,067	5,248,518	2,198,451	72.1 %
Parks & Recreation*	5,959,627	—	(5,959,627)	(100.0)%
Recreation*	—	2,187,335	2,187,335	N/A
Parks & Facilities*	2,721,257	5,809,300	3,088,043	113.5 %
Police	22,064,016	24,978,238	2,914,222	13.2 %
Fire	17,324,945	16,949,202	(375,743)	(2.2)%
Public Works	62,191,863	33,608,103	(28,583,760)	(46.0)%
Utilities	85,860,351	32,146,345	(53,714,006)	(62.6)%
Bayfront Community Red. Agency	9,647	842,095	832,448	8629.1 %
Debt Service	24,672,137	22,954,363	(1,717,774)	(7.0)%
Transfers	24,024,267	24,120,464	96,197	0.4 %
Non-Departmental	5,094,276	6,164,689	1,070,413	21.0 %
<b>TOTAL</b>	<b>290,445,543</b>	<b>221,632,157</b>	<b>(68,813,386)</b>	<b>(23.7)%</b>

*Department Level Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals*

Department/Type	FY 2020 Actuals	FY 2021 Estimated	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Legislative	804,908	976,922	172,014	21.4 %
Office of City Manager	969,570	531,268	(438,302)	(45.2)%
Office of City Attorney	3,363,603	5,272,141	1,908,538	56.7 %
Procurement	518,269	641,801	123,532	23.8 %
Finance	2,010,228	1,710,007	(300,221)	(14.9)%
Information Technology	3,269,922	3,391,405	121,483	3.7 %
Human Resources	15,388,358	18,560,754	3,172,396	20.6 %
Building	—	4,566,335	4,566,335	N/A
Growth Management	5,689,117	1,822,457	(3,866,660)	(68.0)%
Community & Economic Development	443,412	3,050,067	2,606,655	587.9 %
Parks & Recreation*	4,796,021	5,959,627	1,163,606	24.3 %
Recreation*	0	0	—	N/A
Parks & Facilities*	2,552,324	2,721,257	168,933	6.6 %

Department/Type	FY 2020 Actuals	FY 2021 Estimated	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Police	20,873,181	22,064,016	1,190,835	5.7 %
Fire	15,846,069	17,324,945	1,478,876	9.3 %
Public Works	56,286,424	62,191,863	5,905,439	10.5 %
Utilities	28,837,466	85,860,351	57,022,885	197.7 %
Bayfront Community Red. Agency	351,810	9,647	(342,163)	(97.3)%
Debt Service	69,046,215	24,672,137	(44,374,078)	(64.3)%
Transfers	30,303,688	24,024,267	(6,279,421)	(20.7)%
Non-Departmental	5,173,694	5,094,276	(79,418)	(1.5)%
<b>TOTAL</b>	<b>266,524,279</b>	<b>290,445,543</b>	<b>23,921,264</b>	<b>9.0 %</b>

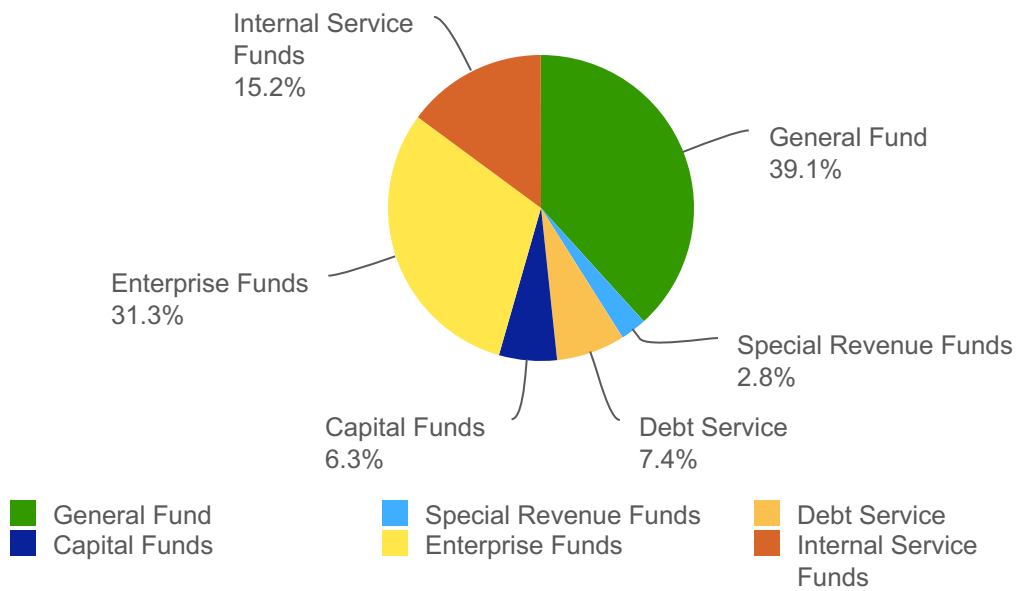
The Public Works Department accounts for the largest budgeted expenditures/uses at 15.2% of the total FY 22 Budget.



*Total Citywide Expenditures/Uses by Fund Type*

The chart below reflects total citywide expenditures/uses by fund type. It illustrates that General Fund operations make up 39.1% of all City expenditures/uses, with all Enterprise Funds collectively totaling 31.3%.

FY 22 Total Citywide Expenditures/Uses by Fund Type



## FY 2022 FUND BALANCE SUMMARY

### Increase/Decrease by Governmental Fund

GOVERNMENTAL FUND TYPES	BEGINNING BALANCE BASED ON FY 21 ESTIMATES	FY 22 REVENUES SOURCES	FY 22 EXPENDITURES USERS	FY 22 PROJECTED ENDING BALANCE	CHANGE IN FUND BALANCE	PERCENT CHANGE IN FUND BALANCE
<b>GENERAL FUND</b>	<b>22,620,120</b>	<b>83,236,049</b>	<b>83,236,049</b>	<b>22,620,120</b>	<b>—</b>	<b>0.0 %</b>
<b>SPECIAL REVENUE FUNDS</b>						
Law Enforcement Trust	113,331	9,500	—	122,831	9,500	8.4 %
Code Nuisance <sup>1</sup>	658,145	328,500	213,886	772,759	114,614	17.4 %
Housing/HANDS (Combined)	(1,125,099)	4,500	4,500	(1,125,099)	—	0.0 %
American Rescue Plan (ARPA) <sup>2</sup>	—	—	4,000,000	(4,000,000)	(4,000,000)	N/A
Environmental Fee <sup>3</sup>	(372,824)	100,000	7,000	(279,824)	93,000	-24.9 %
Bayfront Comm. Redev. Agency <sup>4</sup>	1,930,427	1,468,400	1,934,927	1,463,900	(466,527)	-24.2 %
Debt Service (Combined)	4,795,871	14,390,991	14,390,991	4,795,871	—	0.0 %
<b>Special Revenue Funds Total:</b>	<b>28,619,971</b>	<b>99,537,940</b>	<b>103,787,353</b>	<b>24,370,558</b>	<b>(4,249,413)</b>	<b>(14.8)%</b>
<b>CAPITAL FUNDS</b>						
Impact Fees (Combined) <sup>5</sup>	22,122,610	8,066,400	1,010,765	29,178,245	7,055,635	31.9 %
Community Invest. Program	1,878,649	1,000	569	1,879,080	431	0.0 %
I-95 Interchange	12,485	100	100	12,485	—	0.0 %
Road Maintenance CIP	3,812,043	755,000	755,000	3,812,043	—	0.0 %
Connector Road I-95	(259,500)	500	50	(259,050)	450	(0.2)%
2019 G.O. Road Program	3,555,642	100,000	226	3,655,416	99,774	2.8 %
2020 G.O. Road Program	56,140,209	—	—	56,140,209	—	0.0 %
Utilities Capital (Combined)	11,384,882	17,480,594	17,566,429	11,299,047	(85,835)	(0.8)%
<b>Capital Funds Total:</b>	<b>98,647,020</b>	<b>26,403,594</b>	<b>19,333,139</b>	<b>105,717,475</b>	<b>7,070,455</b>	<b>7.2 %</b>

**Fund Balance (Governmental Funds)** - Fund Balance represents the net financial resources of a fund (assets minus liabilities). There are different classifications of Fund Balance as determined by GASB 54.

*Nospendable* - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact (inventories, prepaid, Long-term receivables in the general fund).

*Restricted* - Constraints are placed on the resources by creditors and grantors or imposed by law through constitutional provisions or enabling legislation.

*Committed* - Used for specific purposes pursuant to constraints imposed by formal action of the Council.

*Assigned* - Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed.

*Unassigned* - The fund balance that has not been reported in any other classification.

### Explanation of Variances in Fund Balance Greater than 10.0%

<sup>1</sup> The increase in the Code Nuisance Fund (105) Fund Balance can be attributed to increased revenues generated through lot clearing service charges (lag time of received payments may cause variance in actual fund balance).

<sup>2</sup> American Rescue Plan (ARP) dollars totaling \$9,004,932 were received on June 17, 2021 and recorded on FY 2021 Budget Amendment #4 in reserves (Fund 128). This revenue was not yet reflected in the above Beginning Balance calculation for FY 2021.

<sup>3</sup> The increase in the Environmental Fee Fund (161) can be attributed to additional dollars transferred from General Fund in the support planned recurring payments towards the Fund's debt service payments.

<sup>4</sup> The decrease in the Bayfront Community Redevelopment Agency/BCRA (181) Fund can be attributed to a transfer totaling \$743,665 to the General Fund for unexpended funds for FY 2020 \$46,537 based on Actuals and FY 2021 \$697,128 based on FY 2021 Year-End Estimates. Accordingly, the unexpended funds return to the County is \$21,843 for FY 2020 and \$328,462 for FY 2021.

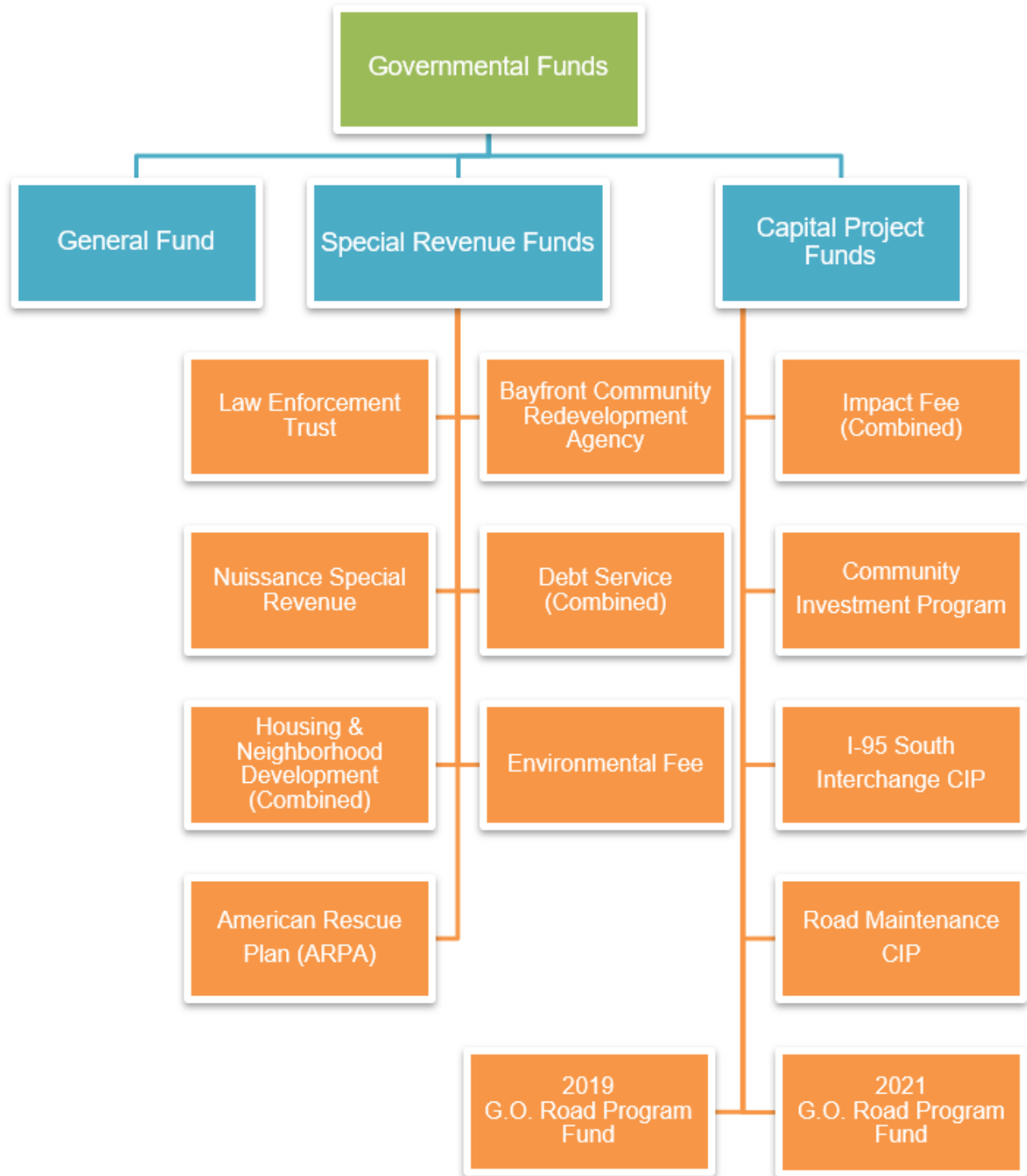
<sup>5</sup> The increase in the Combined Impact Fee Funds can be attributed to a growth citywide construction resulting in increased revenue, and the requirement of funding appropriations for projects to be completed through the Budget Amendment process (including City Attorney and City Council approval). Planned projects were not included in the FY 2022 Approved Budget.

Individual Fund Balance variances are discussed in further detail within each Fund's analysis section. The "Change in Fund Balance" portion of the analysis can be located after the revenue and expenditure details.

On a Departmental level, detailed explanation of expenditure changes of 10% or more can be found within the [Departmental Summaries](#) section of this document.

## GOVERNMENTAL FUNDS

The following sections will provide a financial overview of the Governmental Funds including the General Fund, Special Revenue Funds, and Capital Project Funds.



# General Fund Summary

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	19,098,786	14,698,469	24,540,016	24,540,016	22,620,120
<b>REVENUES/SOURCES</b>					
Property Taxes	33,692,765	35,353,784	35,353,784	35,644,000	38,013,418
Sales, Use & Fuel Taxes	3,706,202	3,620,907	3,842,728	3,600,000	3,796,230
Franchise Fees	5,691,226	5,936,200	5,936,200	5,891,000	5,944,250
Utility Taxes	9,347,939	8,920,500	8,920,500	9,134,000	9,385,000
Communications Service Tax	2,613,855	2,454,678	2,454,678	2,500,000	2,500,000
Licenses & Permits	610,401	652,480	652,480	668,636	669,080
Intergovernmental	12,127,080	10,187,665	12,146,272	11,910,004	12,997,108
Charges for Service	4,533,860	5,072,376	5,075,376	5,170,193	5,368,330
Fines and Forfeitures	399,764	437,600	437,600	506,900	491,400
Miscellaneous	884,055	905,000	1,211,484	1,018,632	945,390
Transfers	4,514,095	1,750,106	1,784,529	1,782,529	3,125,843
<b>TOTAL REVENUES/ SOURCES</b>	<b>78,121,242</b>	<b>75,291,296</b>	<b>77,815,631</b>	<b>77,825,894</b>	<b>83,236,049</b>
<b>EXPENDITURES/USES</b>					
Legislative	804,908	916,805	974,359	976,922	785,169
Office of City Manager	969,570	570,438	570,497	531,268	1,248,759
Office of City Attorney	349,722	521,826	521,928	456,172	479,656
Procurement	518,269	663,096	663,138	641,801	684,440
Finance	1,627,835	1,737,836	1,743,697	1,664,703	1,444,502
Information Technology	3,269,922	2,879,650	3,506,844	3,391,405	3,535,552
Human Resources	639,479	621,530	617,124	590,876	783,564
Building	0	0	0	0	0
Growth Management	1,456,786	1,671,358	1,803,134	1,590,667	1,869,016
Community & Econ. Development	353,668	1,315,074	1,306,188	1,248,713	1,248,518
Parks & Recreation*	4,770,433	4,566,295	6,155,393	5,959,627	0
Recreation*	0	0	0	0	2,187,335
Facilities & Parks*	2,552,324	2,463,350	2,733,090	2,721,257	5,804,426
Police	20,754,526	22,811,528	23,373,874	21,615,609	24,977,290
Fire	15,525,586	15,843,425	16,527,104	17,048,819	16,947,389
Public Works	5,569,182	6,107,735	7,465,268	6,719,140	7,406,242
Transfers	10,440,534	7,709,664	9,354,764	9,493,565	7,699,502
Non-Departmental	5,151,336	4,891,686	5,148,516	5,095,246	6,134,689
<b>TOTAL EXPENDITURES/ USES</b>	<b>74,754,080</b>	<b>75,291,296</b>	<b>82,464,918</b>	<b>79,745,790</b>	<b>83,236,049</b>
Revenues Over/ (Under) Expenditures	3,367,162	0	(4,649,287)	(1,919,896)	0
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	0	2,617,845	2,617,845	0
Undesignated	0	0	1,937,740	2,339,837	0
<b>TOTAL ENDING BALANCE</b>	<b>24,540,016</b>	<b>14,698,469</b>	<b>19,984,431</b>	<b>22,620,120</b>	<b>22,620,120</b>

\* Per Ordinance 2021-38, the Parks & Recreation Department and Facilities Department have been re-organized to the Facilities & Parks Department and Recreation Department.



## ANALYSIS

## Revenue/Sources

## General Fund Summary

Within the General Fund, the total FY 22 budgeted revenue/sources of \$83,236,049 are \$5,410,155, or 6.95%, higher than the FY 21 estimated year-end receipts. Meanwhile, FY 21 estimated year-end receipts of \$77,825,894 are \$(2,369,417), or (3.0)%, lower than FY 20 Actuals. This section, detailing revenue stream rankings based on order of size, provides comparisons between FY 22 budgeted revenue/sources and FY 21 estimated year-end receipts, and FY 21 estimated year-end receipts and FY 20 Actuals. All revenue streams, unless otherwise noted, in the General Fund are projected by the Finance Office and reviewed by the City Manager.

## Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts

Revenue/Source Type	FY 2021 Estimated	FY 2022 Approved Budget	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Property Taxes	35,644,000	38,013,418	2,369,418	6.6 %
Sales, Use & Fuel Taxes	3,600,000	3,796,230	196,230	5.5 %
Franchise Fees	5,891,000	5,944,250	53,250	0.9 %
Utility Taxes	9,134,000	9,385,000	251,000	2.7 %
Communications Service Tax	2,500,000	2,500,000	—	— %
Licenses & Permits	668,636	669,080	444	0.1 %
Intergovernmental	11,910,004	12,997,108	1,087,104	9.1 %
Charges for Service	5,170,193	5,368,330	198,137	3.8 %
Fines and Forfeitures	506,900	491,400	(15,500)	(3.1)%
Miscellaneous	1,018,632	945,390	(73,242)	(7.2)%
Capital Contributions	—	—	—	N/A
Transfers	1,782,529	3,125,843	1,343,314	75.4 %
<b>TOTAL</b>	<b>77,825,894</b>	<b>83,236,049</b>	<b>5,410,155</b>	<b>7.0 %</b>

## Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals

Revenue/Source Type	FY 2020 Actuals	FY 2021 Estimated	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Property Taxes	33,692,765	35,644,000	1,951,235	5.8 %
Sales, Use & Fuel Taxes	3,706,202	3,600,000	(106,202)	(2.9)%
Franchise Fees	5,691,226	5,891,000	199,774	3.5 %
Utility Taxes	9,347,939	9,134,000	(213,939)	(2.3)%
Communications Service Tax	2,613,855	2,500,000	(113,855)	(4.4)%
Licenses & Permits	610,401	668,636	58,235	9.5 %
Intergovernmental	12,127,080	11,910,004	(217,076)	(1.8)%
Charges for Service	4,533,860	5,170,193	636,333	14.0 %
Fines and Forfeitures	399,764	506,900	107,136	26.8 %
Miscellaneous	884,055	1,018,632	134,577	15.2 %
Capital Contributions	2,074,069	—	(2,074,069)	(100.0)%
Transfers	4,514,095	1,782,529	(2,731,566)	(60.5)%
<b>TOTAL</b>	<b>80,195,311</b>	<b>77,825,894</b>	<b>(2,369,417)</b>	<b>(3.0)%</b>

1. **Property Taxes** (ad valorem taxation revenue) are the largest single revenue source with \$38,013,418, or 45.7%, of the General Fund's total revenues/sources for the FY 22 Approved Budget. Individual property values are determined by the Brevard County Property Appraiser's Office and state law allows a "homestead exemption" of \$50,000 on the first \$25,000 and the second \$25,000 of taxable valuation, if the property serves as the owner's principal residence. In addition, Amendment One includes a portability law that will permit homesteaded property owners, who sell their home, to take the gap between their market value and assessed value to their new home.

- **Operating Millage** - Revenue derived from taxes levied on the value of all real and personal property located in the City of Palm Bay. These taxes are levied based on property values; they are commonly referred to as "ad valorem taxes." The taxes are collected by the Brevard County Tax Collector and forwarded to the City of Palm Bay as they are received. The approved budgeted property tax rate of 7.5995 is below the majority limitation.

On November 8, 2016, the electorate voted to approve an ad valorem tax limitation of no more than a three percent (3.00%) increase in revenue over the current year's budgeted revenue amount. Under the three percent (3.00%) limitation, the City's Ad Valorem millage rate was capped at 7.5995 mills, an increase in revenue of \$2,110,358. The City Council approved the 3.00% limitation with an 7.5995 millage rate for FY 22.

2. **Intergovernmental Revenues** are the second largest revenue source with \$12,997,108, or 15.6%, of the General Fund's total revenues/sources for the FY 22 Approved Budget. Specified revenue streams within this category include state or local-shared revenue, and revenue derived from federal, state and/or local grants. The annual budgets for these specified revenue streams are set to the Department of Revenue's estimates provided each year. Year-end projections are made by the Finance Office based on historic trends and fiscal year-to-date receipts.

*Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts*

Revenue/Source Type	FY 2021 Estimated	FY 2022 Approved Budget	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
State Revenue	4,200,000	5,134,226	934,226	22.2 %
Half Cent Sales Tax	6,580,000	7,206,878	626,878	9.5 %
Other State-Shared revenue	65,700	69,800	4,100	6.2 %
Federal/State Grants	434,696	383,204	(51,492)	(11.8)%
Local & Other Shared Revenue	629,608	203,000	(426,608)	(67.8)%
<b>TOTAL</b>	<b>11,910,004</b>	<b>12,997,108</b>	<b>1,087,104</b>	<b>9.1 %</b>

*Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals*

Revenue/Source Type	FY 2020 Actual	FY 2021 Estimated	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
State Revenue	4,316,688	4,200,000	(116,688)	(2.7)%
Half Cent Sales Tax	6,599,351	6,580,000	(19,351)	(0.3)%
Other State-Shared	71,109	65,700	(5,409)	(7.6)%
Federal/State Grants	313,997	434,696	120,699	38.4 %
Local & Other Shared	825,935	629,608	(196,327)	(23.8)%
<b>TOTAL</b>	<b>12,127,080</b>	<b>11,910,004</b>	<b>(217,076)</b>	<b>(1.8)%</b>

- **State Revenue Sharing** – Revenue received from the Municipal Revenue Sharing Trust Fund for municipalities. These funds are derived from Sales and Uses Taxes, the One Cent Municipal Fuel Tax, and the State Alternative Fuel Decal Users Fee.

- **Half Cent Sales Tax** – Revenue derived from the Florida Local Government Half-Cent Sales Tax Program; 8.814% of sales tax proceeds is returned to cities and counties (effective July 1, 2004). The funds are distributed to cities and counties from the Local Government Half-Cent Sales Tax Clearing Trust Fund to allow for the exercise of local discretion in providing for public service needs.
  - **Other State Shared Revenues** – Revenue derived from the following reimbursements: educational incentive payments made to firefighters by the City (from the State Insurance Councilor's Regulatory Trust Fund); a portion of alcoholic beverage license taxes (as received by the State, this is received from various alcoholic beverage license taxes levied on manufacturers, distributors, vendors, and sales agents of alcoholic beverages in Florida, and is administered, collected, enforced and distributed to the local governments by the Division of Alcoholic Beverages and Tobacco within the Department of Business Regulation); a portion of annual license fees from mobile homes and park trailers charged in lieu of ad valorem taxes collected by the county tax collectors which is remitted to the Department of Highway Safety and Motor Vehicles who deducts \$1.50 from each license for the State General Revenue Fund and \$1.00 for the Mobile Home Relocation Trust Fund. After the remaining proceeds are placed into the License Tax Collection Trust Fund they are remitted to local governments. Fifty percent (50.0%) is distributed to the district school board and fifty percent (50.0%) is distributed to the municipalities.
  - **Federal & State Grants** – Revenue received from the United States federal government and/or the State of Florida for local purposes. Grants are typically recorded as revenue received from specific federal or specific state government departments, agencies or grant programs. Federal Grants anticipated within the FY 22 Budget include \$383,204 from the Department of Justice. No State grants are anticipated in FY 22 within the General Fund. This revenue stream is budgeted when City departments submit budget requests during the annual budget preparation cycle and when departments receive grant awards that were not budgeted.
  - **Local and Other Shared Revenue** – Revenue derived from \$158,000 in reimbursements from the Brevard County School Board for the School Resource Officer (SRO) Program and \$45,000 in County Occupational Licenses.
3. **Utility Taxes & Communication Services Taxes** are the third largest revenue source with \$11,885,000, or 14.3%, of the General Fund's total revenues/sources for the FY 22 Approved Budget. Revenue is derived from fees levied on the purchase of electricity, gas/water, fuel oil, and propane within the City limits. Revenue is received from the sellers of such items monthly in the month following the month of collection. Per Florida Statute 166.231 (Municipalities; Public Services Tax) - Utility Tax on electricity, natural gas, liquid propane, and water shall not exceed 10.0% of gross receipts; utility tax on fuel oil shall not exceed 4 cents per gallon. For ease of comparability, the Communications Service Tax, while theoretically not a utility tax, is included in this revenue group, although shown separately graphically. Revenue streams are projected through historic trend analysis and identification of state and local economic indicators.

Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts

Revenue/Source Type	FY 2021 Estimated	FY 2022 Approved Budget	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Florida Power & Light	7,500,000	7,680,000	180,000	2.4%
Palm Bay Utilities (Water)	1,500,000	1,570,000	70,000	4.7%
Other Utility Service Taxes	134,000	135,000	1,000	0.7%
Communication Service Tax	2,500,000	2,500,000	—	0.0%
<b>TOTAL</b>	<b>11,634,000</b>	<b>11,885,000</b>	<b>251,000</b>	<b>2.2%</b>

## Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals

Revenue/Source Type	FY 2020 Actual	FY 2021 Estimated	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Florida Power & Light	7,702,572	7,500,000	(202,572)	(2.6)%
Palm Bay Utilities (Water)	1,531,957	1,500,000	(31,957)	(2.1)%
Other Utility Service Taxes	113,410	134,000	20,590	18.2 %
Communication Service Tax	2,613,855	2,500,000	(113,855)	(4.4)%
<b>TOTAL</b>	<b>11,961,794</b>	<b>11,634,000</b>	<b>(327,794)</b>	<b>(2.7)%</b>

- **Florida Power & Light** – Revenue is derived from a levy of 10.0% of gross receipts.
  - **Palm Bay Utilities (Water)** – Revenue is derived from a levy of 10.0% of gross receipts upon the City's Utilities Department.
  - **Other Utility Service Taxes** – Revenue is derived from 10.0% of gross receipts on gas and/or propane and 4 cents per gallon on fuel oil. Continued weak growth in these revenue streams that predominately are used by businesses and higher-end residential customers is projected.
  - **Communication Service Tax** – The Simplified Communications Services Law was passed in the regular session of the 2000 Florida Legislature. The law combined seven different types of communications taxes and fees into a new two-tiered tax composed of a state tax and a local option tax on communications services. The new Communication Services Tax law replaced cable and telephone franchise fees as well as all utility taxes on these communications services. This simplified law went into effect October 1, 2001. The communications services tax is imposed on retail sales of services which originate and terminate in Florida.
4. **Franchise Fees** are the fourth largest revenue source with \$5,944,250, or 7.1%, of the General Fund's total revenues/sources for the FY 22 Approved Budget. Franchise Fees are generated through agreements with specific utilities. These franchise agreements grant utilities the right to use public streets and alleyways, indirectly gives the right of eminent domain to acquisition of private property for utility facilities/access and provides some liability protection. Systems eligible for franchising include electric light and power, heating, telegraph, cable television, district telegraph and alarm, motor bus or other public transit and waterworks or gasworks. The largest payees of franchise fees to the City, in order of magnitude of annual payments, include Florida Power & Light, Waste Management, and Florida City Gas.

## Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts

Revenue/Source Type	FY 2021 Estimated	FY 2022 Approved Budget	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Florida Power & Light	5,370,000	5,400,000	30,000	0.6 %
Waste Management	480,000	504,250	24,250	5.1 %
Florida City Gas	41,000	40,000	(1,000)	(2.4)%
Palm Bay Water	—	—	—	N/A
<b>TOTAL</b>	<b>5,891,000</b>	<b>5,944,250</b>	<b>53,250</b>	<b>0.9 %</b>

## Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actual

Revenue/Source Type	FY 2020 Actual	FY 2021 Estimated	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Florida Power & Light	5,312,526	5,370,000	57,474	1.1%
Waste Management	337,945	480,000	142,055	42.0%
Florida City Gas	40,755	41,000	245	0.6%
Palm Bay Water	—	—	—	N/A
<b>TOTAL</b>	<b>5,691,226</b>	<b>5,891,000</b>	<b>199,774</b>	<b>3.5%</b>

- **Florida Power & Light** – Revenue derived from a 30-year contract for the non-exclusive rights of renewal for providing electricity and related services to the City on April 29, 2004.
  - **Waste Management** – Revenue derived from an agreement signed in 2020 for a 10-year term with additional automatically renewing two 2-year periods containing a 10.0% Franchise Fee of gross revenues collected on Commercial Solid Waste Collection Service, including Multi-Family.
  - **Florida City Gas** – Revenue derived from an agreement signed in 1985 for a 30-year non-exclusive rights of renewal for distributing natural gas and related services containing a 6.0% fee of total billings for the sale of gas. City Gas Company of Florida renamed itself to Florida City Gas in 2004.
5. **Charges for Service** are the fifth largest revenue source with \$5,368,330, or 6.4%, of the General Fund's total revenues/sources for the FY 22 Approved Budget. Services are grouped into the following six categories: General Government, Public Safety, Physical Environment, Transportation, Culture/Recreation, and Other Charges.

Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts

Revenue/Source Type	FY 2021 Estimated	FY 2022 Approved Budget	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
General Government	677,436	699,920	22,484	3.3 %
Public Safety	77,200	80,000	2,800	3.6 %
Physical Environment	400,000	400,000	—	— %
Transportation	478,498	411,809	(66,689)	(13.9)%
Culture/Recreation	221,790	458,050	236,260	106.5 %
Other Charges for	3,315,269	3,318,551	3,282	0.1 %
<b>TOTAL</b>	<b>5,170,193</b>	<b>5,368,330</b>	<b>(61,300)</b>	<b>3.8 %</b>

Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actual

Revenue/Source Type	FY 2020 Actual	FY 2021 Estimated	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
General Government	656,182	677,436	21,254	3.2 %
Public Safety	99,256	77,200	(22,056)	(22.2)%
Physical Environment	470,081	400,000	(70,081)	(14.9)%
Transportation	463,410	478,498	15,088	3.3 %
Culture/Recreation	164,581	221,790	57,209	34.8 %
Other Charges for	2,680,350	3,315,269	634,919	23.7 %
<b>TOTAL</b>	<b>4,533,860</b>	<b>5,170,193</b>	<b>(269,888)</b>	<b>14.0 %</b>

- **General Government** – Revenue is derived from the following activities:
  - Zoning fees
  - Street and/or easement vacation applications
  - Sale of copies of the City documents
  - Lien research charges
  - Passport Application fees
  - Code Enforcement Board fines
  - Foreclosure application fee
- **Public Safety** – Revenue is derived from the following activities:
  - Sale of copies of the Police documents and reports
  - County support of first responders
  - Fire inspection fees from existing commercial building inspections
  - Police range fees
  - Fines and fees collected from excessive false Police and Fire monitored alarm activities

- **Physical Environment** – Revenue is derived from the sale of recyclable materials.
  - **Transportation** – Revenue is derived from the following charges for services:
    - Mowing services for Brevard County and Florida Department of Transportation (FDOT)
    - Highway lighting maintenance for FDOT
    - Traffic Signal Maintenance from FDOT
    - Swale clearing or other services
    - Right-of-way use permit fees
    - City charge backs for the cost of work performed by General Fund Public Works crews for other City Funds
  - **Culture/Recreation** – Revenue is derived from miscellaneous facility rentals, classes, basketball/softball/baseball leagues and tournaments, day camp, new programs, in-house labor, special events, ball field light fees, and miscellaneous sales and concessions.
  - **Other Charges for Services** – Revenue in this category is derived from charges to other City funds, listed below, for their share of administrative costs within the General Fund completed by Internal Service Departments. The Finance Department annually updates the percentage of administrative costs allocated to those departments based on specific administrative service demand indicators.
 

– Code Nuisance Fund	– Employee Health Insurance Fund
– Utility Funds	– Other Employee Benefits Fund
– Building Fund	– Risk Management Fund
– Stormwater Utility Fund	– Fleet Services Fund
– Solid Waste Fund	
6. **Sales, Use and Fuel Taxes** (First Local Option Fuel Tax) is the sixth largest revenue source with \$3,796,230, or 4.6%, of the General Fund's total revenues/sources for the FY 22 Approved Budget. The only revenue stream within this grouping is the Local Option Gas tax as administered by the Florida Department of Revenue and distributed within each county on an allocation basis.

Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts

Revenue/Source Type	FY 2021 Estimated	FY 2022 Approved Budget	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Sales, Use & Fuel Taxes	3,600,000	3,796,230	196,230	5.5%

Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals

Revenue/Source Type	FY 2020 Actual	FY 2021 Estimated	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Sales, Use & Fuel Taxes	3,706,202	3,600,000	(106,202)	(2.9)%

7. **(Interfund) Transfers** are the seventh largest revenue source with \$3,125,843, or 3.8%, of the General Fund's total revenues/sources for the FY 22 Approved Budget. Transfers provide the General Fund with resources from other City funds for the cost of activities budgeted within General Fund departments, but that have a direct impact upon the mission of the other funds' activities.

## Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts

Revenue/Source Type	FY 2021 Estimated	FY 2022 Approved Budget	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Utilities Operating Fund	1,680,236	1,438,883	(241,353)	(14.4)%
Building Fund	32,423	—	(32,423)	(100.0)%
Other Funds	69,870	1,686,960	1,617,090	2314.4 %
<b>TOTAL</b>	<b>1,782,529</b>	<b>3,125,843</b>	<b>1,343,314</b>	<b>75.4 %</b>

## Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals

Revenue/Source Type	FY 2020 Actual	FY 2021 Estimated	Revenue Increase/ (Decrease)	Percentage Increase/ (Decrease)
Utilities Operating Fund	1,866,232	1,680,236	(185,996)	(10.0)%
Building Fund	—	32,423	32,423	N/A
Other Funds	2,647,863	69,870	(2,577,993)	(97.4)%
<b>TOTAL</b>	<b>4,514,095</b>	<b>1,782,529</b>	<b>(2,731,566)</b>	<b>(60.5)%</b>

- **Transfers from Utilities Operating Fund** – Revenue transferred to the General Fund to support the Return on Investment (ROI) based on 0.700% of the total Gross Capital Assets per Utilities' Fund (FY 2020 Certified Annual Financial Report).
- **Transfer from Other Funds** – Revenue transferred to the General Fund from the Other Employee Benefits Fund refunding of retained earnings totaling \$943,295, and from the Bayfront Community Redevelopment Agency (CRA) Fund to return unspent dollars based on FY 2020 Actuals and FY 2021 Year-End Estimates totaling \$743,665.

8. **Other Revenue Sources** are the seventh largest revenue source with \$2,105,870, or 2.5% of the General Fund's total revenues/sources for the FY 22 Approved Budget.

## Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts

Revenue/Source Type	FY 2021 Estimated	FY 2022 Approved Budget	Increase/ (Decrease)	Increase/ (Decrease)
Fines & Forfeits	506,900	491,400	(15,500)	(3.1)%
Other (Licenses, Fees & Permits)	668,636	669,080	444	0.1 %
Other (Miscellaneous Revenues)	1,018,632	945,390	(73,242)	(7.2)%
Capital Contributions	—	—	—	N/A
<b>TOTAL</b>	<b>2,194,168</b>	<b>2,105,870</b>	<b>(88,298)</b>	<b>(4.0)%</b>

## Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals

Revenue/Source Type	FY 2020 Actual	FY 2021 Estimated	Increase/ (Decrease)	Increase/ (Decrease)
Fines & Forfeits	399,764	506,900	107,136	26.8 %
Other (Licenses, Fees & Permits)	610,401	668,636	58,235	9.5 %
Other (Miscellaneous Revenues)	884,055	1,018,632	134,577	15.2 %
Capital Contributions	2,074,069	—	(2,074,069)	(100.0)%
<b>TOTAL</b>	<b>3,968,289</b>	<b>2,194,168</b>	<b>(1,774,121)</b>	<b>(44.7)%</b>

- **Fines & Forfeits** – Revenue derived from various sources include found or abandoned money or property, restitution, court fines and investigative cost recoveries.
- **Other (Licenses, Fees & Permits)** – Revenue derived from Board of Adjustment (BOA) application fees, flood plain permit fees, tree permit fees and business tax receipts.



- **Other (Miscellaneous Revenues)** – Revenue derived from miscellaneous sources such as the P-card (purchasing card) rebate program, electronic citations and the City's First Friday events hosted monthly.
- **Capital Contributions** – Revenue derived from city-owned property sales and capital lease and/or installment purchases. FY 20 actual receipts included property sales valued at \$134,185.

## Expenditures/Uses

### General Fund Summary

Within the General Fund, the total FY 22 budgeted expenditures/uses budgeted of \$83,236,049 (including transfers) are \$3,490,259, or 4.38%, higher than the FY 21 estimated year-end expenditures. Meanwhile, FY 21 estimated year-end expenditures of \$79,745,790 are \$4,991,710, or 6.7%, higher than FY 20 Actuals.

For the purpose of this section only, the Debt Service expenditure category includes all transfers from the General Fund to the Debt Service Fund for payments of principal and interest.

#### Category Level Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts

Expenditure/Use Categories	FY 2021 Estimated	FY 2022 Approved Budget	Expenditure Increase/ (Decrease)	Percentage Increase/ (Decrease)
Personnel	53,256,854	58,614,122	5,357,268	10.1 %
Operating	14,853,276	16,922,425	2,069,149	13.9 %
Capital	2,141,125	—	(2,141,125)	(100.0)%
Debt Service	6,408,683	6,413,145	4,462	0.1 %
Contributions	—	—	—	N/A
Transfers	3,085,852	1,286,357	(1,799,495)	(58.3)%
<b>TOTAL</b>	<b>79,745,790</b>	<b>83,236,049</b>	<b>3,490,259</b>	<b>4.4 %</b>

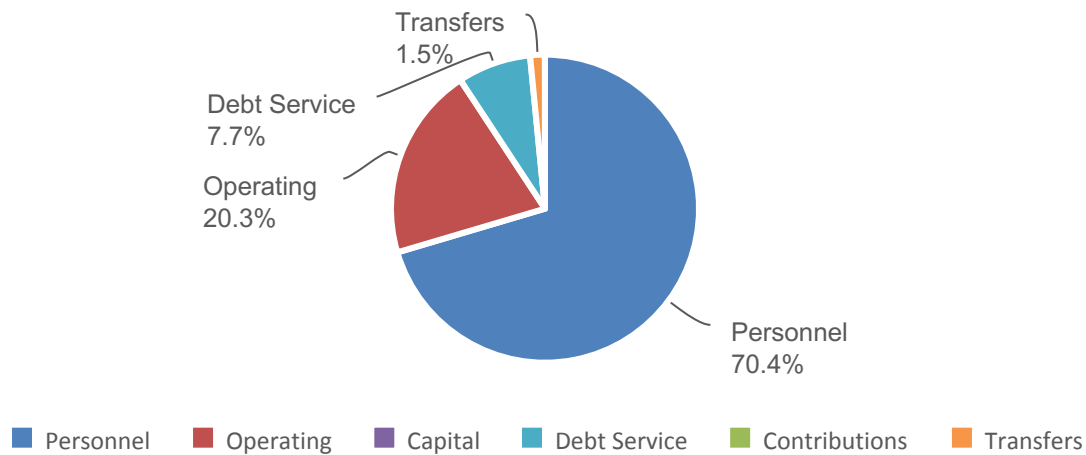
#### Category Level Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals

Expenditure/Use Categories	FY 2020 Actual	FY 2021 Estimated	Expenditure Increase/ (Decrease)	Percentage Increase/ (Decrease)
Personnel	49,393,062	53,256,854	3,863,792	7.8 %
Operating	13,276,123	14,853,276	1,577,153	11.9 %
Capital	1,642,425	2,141,125	498,700	30.4 %
Debt Service	5,677,430	6,408,683	731,253	12.9 %
Contributions	9	—	(9)	(100.0)%
Transfers	4,765,031	3,085,852	(1,679,179)	(35.2)%
<b>TOTAL</b>	<b>74,754,080</b>	<b>79,745,790</b>	<b>4,991,710</b>	<b>6.7 %</b>

The pie chart on the following page reflects the approved expenditure breakdown by type. For FY 22, the breakdown is as follows: Personnel 70.4%, Operating 20.3%, Capital 0.0%, Debt Service 7.7%, Contributions 0.0% and Transfers 1.5%.



## FY 2022 Approved Expenditure Breakdown by Type



On the Departmental Level, FY 22 budgeted expenditures/uses (including transfers) can be summarized as follows:

## Department Level Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts

Expenditure/Use Departments	FY 2021 Estimated	FY 2022 Approved Budget	Expenditure Increase/ (Decrease)	Percentage Increase/ (Decrease)
Legislative	976,922	785,169	(191,753)	(19.6)%
Office of City Manager	531,268	1,248,759	717,491	135.1 %
Office of City Attorney	456,172	479,656	23,484	5.1 %
Procurement	641,801	684,440	42,639	6.6 %
Finance	1,664,703	1,444,502	(220,201)	(13.2)%
Information Technology	3,391,405	3,535,552	144,147	4.3 %
Human Resources	590,876	783,564	192,688	32.6 %
Growth Management	1,590,667	1,869,016	278,349	17.5 %
Community & Economic Development	1,248,713	1,248,518	(195)	0.0 %
Parks and Recreation*	5,959,627	—	(5,959,627)	(100.0)%
Recreation*	—	2,187,335	2,187,335	N/A
Parks & Facilities*	2,721,257	5,804,426	3,083,169	113.3 %
Police	21,615,609	24,977,290	3,361,681	15.6 %
Fire	17,048,819	16,947,389	(101,430)	(0.6)%
Public Works	6,719,140	7,406,242	687,102	10.2 %
Transfers	9,493,565	7,699,502	(1,794,063)	(18.9)%
Non-Departmental	5,095,246	6,134,689	1,039,443	20.4 %
<b>TOTAL</b>	<b>79,745,790</b>	<b>83,236,049</b>	<b>619,680</b>	<b>4.4 %</b>

## Department Level Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals

Expenditure/Use Departments	FY 2020 Actual	FY 2021 Estimated	Expenditure Increase/ (Decrease)	Percentage Increase/ (Decrease)
Legislative	804,908	976,922	172,014	21.4 %
Office of City Manager	969,570	531,268	(438,302)	(45.2)%
Office of City Attorney	349,722	456,172	106,450	30.4 %
Procurement	518,269	641,801	123,532	23.8 %
Finance	1,627,835	1,664,703	36,868	2.3 %
Information Technology	3,269,922	3,391,405	121,483	3.7 %
Human Resources	639,479	590,876	(48,603)	(7.6)%

Expenditure/Use Departments	FY 2020 Actual	FY 2021 Estimated	Expenditure Increase/ (Decrease)	Percentage Increase/ (Decrease)
Growth Management	1,456,786	1,590,667	133,881	9.2 %
Community & Economic Development	353,668	1,248,713	895,045	253.1 %
Parks and Recreation*	4,770,433	5,959,627	1,189,194	24.9 %
Recreation*	—	—	—	N/A
Parks & Facilities*	2,552,324	2,721,257	168,933	6.6 %
Police	20,754,526	21,615,609	861,083	4.1 %
Fire	15,525,586	17,048,819	1,523,233	9.8 %
Public Works	5,569,182	6,719,140	1,149,958	20.6 %
Transfers	10,440,534	9,493,565	(946,969)	(9.1)%
Non-Departmental	5,151,336	5,095,246	(56,090)	(1.1)%
<b>TOTAL</b>	<b>74,754,080</b>	<b>79,745,790</b>	<b>4,991,710</b>	<b>6.7 %</b>

\* Per Ordinance 2021-38, the Parks & Recreation Department and Facilities Department have been re-organized to the Facilities & Parks Department and Recreation Department. This information is reflected in the Proposed Budget.

Detailed strategic and operational information regarding Departmental budgets is provided in the Department Summaries section of this document.

### Change in Fund Balance

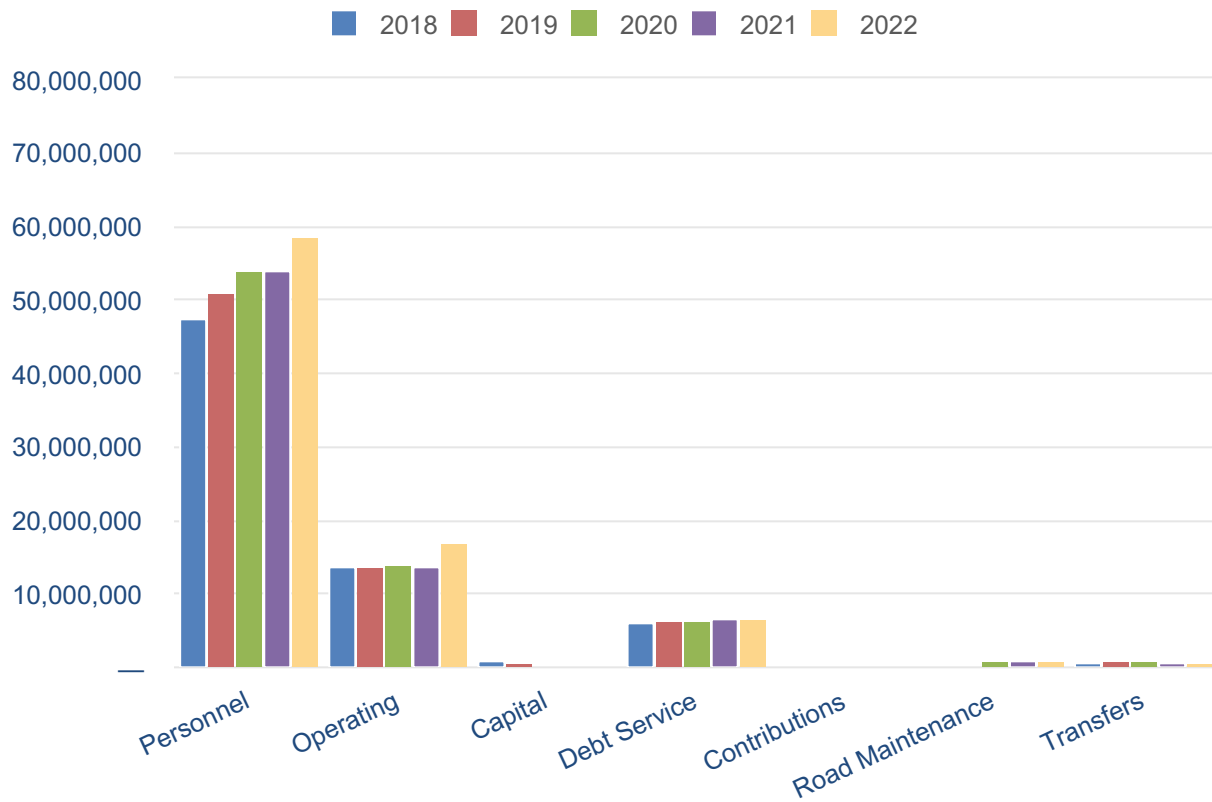
The projected FY 22 Year-end Fund Balance of \$22,620,120 reflects no change from the FY 21 Year-end Estimated Fund Balance of \$22,620,120.

This projection is \$(12,589,425) over the required minimum balance of \$12,589,425. Per the City's Fund Balance Policy (updated in January 2021), the General Fund shall maintain an Unreserved Unappropriated Fund Balance equivalent to a minimum period of two (2) months of the current fiscal year expenditures less capital outlay and transfers out budgeted for the fund itself. One of the primary factors supporting a healthy fund balance, and future projections, is the City's economic development and increase in real estate values which directly contribute to a revenue growth.

A Five-Year Adopted Budget History for the General Fund, broken down by type level, is reflected in the chart and table on the following page.

## 5-Year Adopted Budget Comparisons

### Type Level Comparison



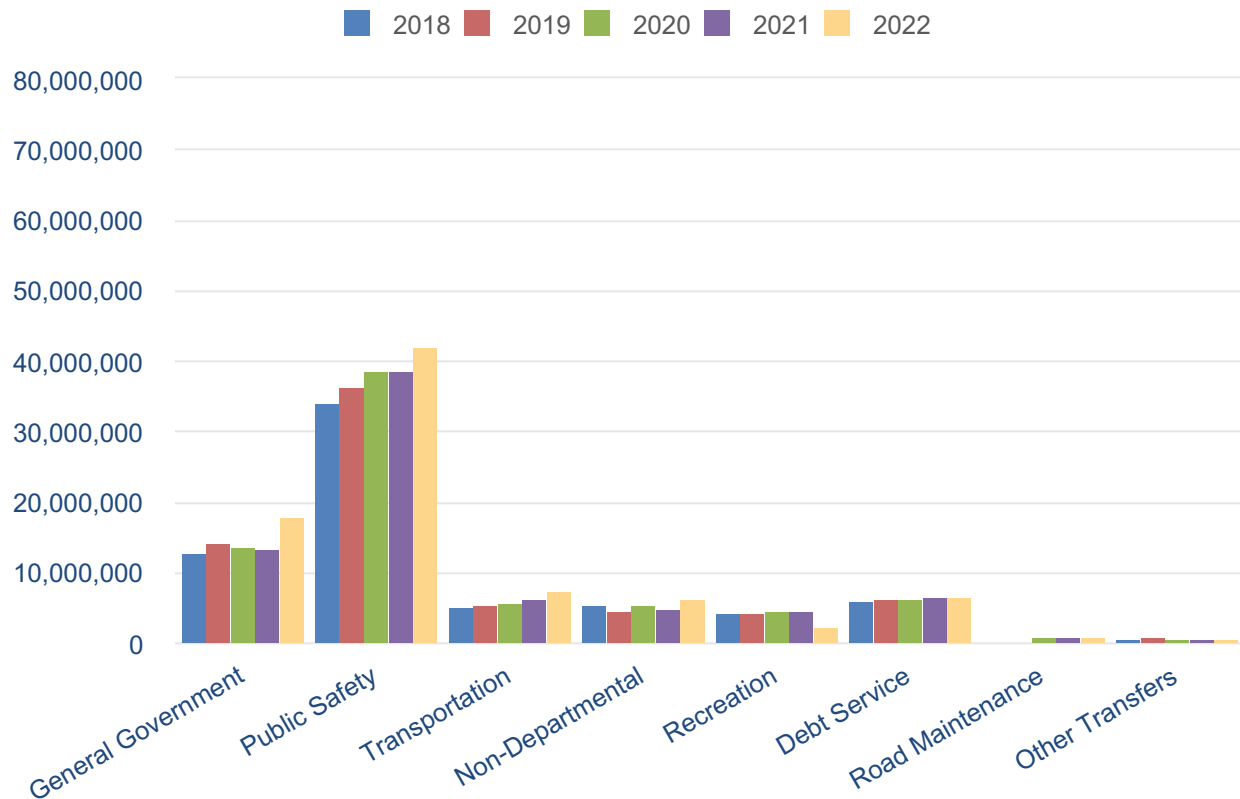
### Type Level Funding Details

Type Level	2018	2019	2020	2021	2022
Personnel	47,217,865	50,859,211	53,894,051	53,878,473	58,614,122
Operating	13,673,999	13,593,803	13,817,880	13,703,159	16,922,425
Capital	725,061	432,000	82,112	—	—
Debt Service	6,054,900	6,340,531	6,347,627	6,407,713	6,413,145
Contributions	50,000	201,500	—	—	—
Road Maintenance	—	200,000	833,684	750,000	750,000
Transfers	593,612	940,801	687,474	551,951	536,357
<b>TOTAL</b>	<b>68,315,437</b>	<b>72,567,846</b>	<b>75,662,828</b>	<b>75,291,296</b>	<b>83,236,049</b>

A Five-Year Adopted Budget History for the General Fund, broken down by category level, is reflected in the chart and table below.

## 5-Year Adopted Budget Comparisons

### Category Level Comparison



#### Category Level Funding Details

Category Level	2018	2019	2020	2021	2022
General Government	12,754,238	14,159,054	13,512,367	13,360,963	17,883,602
Public Safety	34,030,732	36,421,991	38,614,858	38,654,953	41,924,679
Transportation	5,144,563	5,503,823	5,623,675	6,107,735	7,406,242
Non-Departmental	5,462,302	4,670,204	5,529,511	4,891,686	6,134,689
Recreation	4,275,090	4,331,442	4,641,772	4,566,295	2,187,335
Debt Service	6,054,900	6,340,531	6,347,627	6,407,713	6,413,145
Road Maintenance	—	200,000	833,684	750,000	750,000
Other Transfers	593,612	940,801	559,334	551,951	536,357
<b>TOTAL</b>	<b>68,315,437</b>	<b>72,567,846</b>	<b>75,662,828</b>	<b>75,291,296</b>	<b>83,236,049</b>

General Government includes the following departments: Legislative, Office of the City Manager, Office of the City Attorney, Procurement, Finance, Information Technology, Human Resources, Growth Management, Community & Economic Development and Facilities.

The Public Safety Group includes the Police and Fire departments. Transportation represents the Public Works department and Recreation represents the Parks & Recreation department. Transfers from

General Fund to other Funds are broken down between transfers to the Debt Service Fund, Road Maintenance Fund, and Other Funds which may contain the Utilities Operating Fund, Stormwater Utility Fund, Environmental Fleet Fund and Fleet Services Fund.

# Law Enforcement Trust Fund Summary

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	\$ 189,915	\$ 152,095	\$ 203,426	\$ 203,426	\$ 113,331
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	109,766	0	0	9,000	9,000
Miscellaneous	7,228	5,000	5,000	1,289	500
Transfers	0	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>116,994</b>	<b>5,000</b>	<b>5,000</b>	<b>10,289</b>	<b>9,500</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Econ. Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	103,482	0	103,134	100,384	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	0	0	0	0	0
Transfers	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>103,482</b>	<b>0</b>	<b>103,134</b>	<b>100,384</b>	<b>0</b>
Revenues Over/ (Under) Expenditures	13,512	5,000	-98,134	-90,095	9,500
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	0	50,269	45,269	9,500
Undesignated	0	0	57,865	22,765	0
<b>TOTAL ENDING BALANCE</b>	<b>203,426</b>	<b>157,095</b>	<b>105,292</b>	<b>113,331</b>	<b>122,831</b>

## ANALYSIS

The LETF (Fund 101) accounts for revenues from forfeited property as per Florida Statutes, Chapter 932. Funds are to be expended for law enforcement purposes other than normal operations. All expenditures must be approved by City Council as funding becomes available.

### Revenue/Sources

When fines, forfeitures or interest income are generated, the funds are deposited and recognized the next time staff requests City Council to authorize needed expenditures. The funds will be placed on the next quarterly budget amendment. FY 21 year-end projected receipts of \$10,289 are \$(106,705), or (91.2)%, lower than FY 20 Actuals of \$116,994.

Fines and Forfeitures – Revenues derived from:

- Confiscated funds from criminal investigations leading to the connection required under civil forfeiture to seize money under Florida Statutes 932.
- Settlement agreements resulting from seizing property under Florida Statutes 932.
- Federal forfeited property from the joint acquisition of seized property under the Federal Sharing Agreements.

Miscellaneous Revenue – Revenues derived from:

- Interest income on pooled cash investments. Beginning in the 1980's, the resources of all City funds available for deposit into bank accounts, or for investment purposes, have been combined in a consolidated cash pool.
- City auction proceeds from property seized and awarded under Florida Statutes 932 and sold at auction.

Generally, receipts within this revenue stream are recognized when earned. Modest growth in this revenue stream is anticipated in future years. The School Resource Officer (SRO) Grant is recognized in the General Fund, as SROs are paid out of General Fund dollars.

### Expenditures/Uses

Expenditures for law enforcement purposes, other than budgeted items, must be approved by City Council. FY 21 year-end projected total expenditures/uses of \$100,384 are \$(3,098), or (3.0)%, lower than the FY 20 Actuals of \$103,482.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$122,831 is \$9,500, or 8.38%, higher than the FY 21 Year-end Estimated Fund Balance of \$113,331.

# Code Nuisance Fund Summary

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	\$ 431,999	\$ 437,034	\$ 546,495	\$ 546,495	\$ 658,145
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	182,518	235,000	235,000	335,000	327,500
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	3,698	4,000	4,000	900	1,000
Transfers	0	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>186,216</b>	<b>239,000</b>	<b>239,000</b>	<b>335,900</b>	<b>328,500</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	71,719	114,123	264,000	224,250	213,886
Community & Econ. Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	0	0	0	0	0
Transfers	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/ USES</b>	<b>71,719</b>	<b>114,123</b>	<b>264,000</b>	<b>224,250</b>	<b>213,886</b>
Revenues Over/ (Under) Expenditures	114,497	124,877	-25,000	111,650	114,614
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	0	25,000	0	114,614
Undesignated	0	0	0	0	0
<b>TOTAL ENDING BALANCE</b>	<b>546,495</b>	<b>561,911</b>	<b>521,495</b>	<b>658,145</b>	<b>772,759</b>



## ANALYSIS

This Nuisance Special Revenue Fund (Fund 105) was created in FY 10 to account for revenues and expenditures associated with mowing and lot clearing services related to code compliance activities. Previously, these activities were handled under the umbrella of the General Fund. In FY 17, the management of the Fund was moved from the Police Department to the Growth Management Department.

### Revenue/Sources

Total Revenue/Sources budgeted for FY 22 of \$328,500 are \$(7,400), or (2.20)%, lower compared to FY 21 estimated year-end receipts of \$335,900. FY 21 estimated year-end receipts are \$149,684, or 80.4%, higher than FY 20 Actuals.

Nuisance Abatement Charges – Revenues derived from:

- Lot mowing charges for correcting code violations on improved properties that the owners are unwilling to rectify within acceptable time.
- Lot clearing charges for correcting code violations on unimproved properties that the owners are unwilling to rectify within acceptable time.
- Other nuisance fees necessary to abate code violations on private property when the owner is unwilling to perform the work.

### Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$213,886 are \$(10,364), or (4.62)%, lower compared to FY 21 estimated year-end projections of \$224,250. FY 21 projected total Expenditures/Uses are \$152,531, or 212.7%, higher than the FY 20 Actuals.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$772,759 is \$114,614, or 17.41%, higher than the FY 21 Year-end Estimated Fund Balance of \$658,145. An increase in lot clearing charges assessed to property owners directly impacts the estimated revenue generated for the fiscal year.

It is imperative to note that the City continues to see an increase in expenses to correct nuisance violations, and property owners are invoiced for services rendered. The lag between when funds are expended and when they are paid by property owners may also generate a variance in the actual fund balances reflected in this report.

# Housing and Neighborhood Development

## (HANDS) Fund Summary (combined)

### Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 PROPOSED BUDGET
BEGINNING BALANCE	567,218	1,298,758	152,024	152,024	(1,125,099)
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	936,830	176,140	4,099,428	414,763	0
Charges for Service	113,524	0	230,232	108,808	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	4,956	4,500	4,500	1,200	4,500
Transfers	3,103	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>1,058,413</b>	<b>180,640</b>	<b>4,334,160</b>	<b>524,771</b>	<b>4,500</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	1,383,863	0	(156,807)	540	4,500
Community & Econ. Development	89,744	0	5,012,071	1,801,354	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	0	0	0	0	0
Transfers	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>1,473,607</b>	<b>0</b>	<b>4,855,264</b>	<b>1,801,894</b>	<b>4,500</b>
Revenues Over/(Under)Expenditures	(415,194)	180,640	(521,104)	(1,277,123)	0
<b>FUND BALANCE USAGES</b>					
Reserves/Designated (Restricted)	0	180,640	1,529,104	970,027	4,500
Undesignated	0	0	4,600	4,600	0
<b>TOTAL ENDING BALANCE</b>	<b>152,024</b>	<b>1,479,398</b>	<b>(369,080)</b>	<b>(1,125,099)</b>	<b>(1,125,099)</b>

## ANALYSIS

The Housing and Neighborhood Development Services/HANDS (Combined) Fund Summary consists of the following funds:

- **State Housing Grant Fund (111)** accounts for the State Housing Initiatives Partnership (SHIP) Program grant received from the State of Florida to assist low-income families.
- **Community Development Block Grant (CDBG) Fund (112)** accounts for dollars received from U.S. Department of Housing and Urban Development/HUD for specific programs related to community development.
- **HOME Investment Grant Fund (114)** accounts for the HUD grant received as a pass-through from the County to create a Home Investment Partnership program for low-income families within the City.
- **Neighborhood Stabilization Program (NSP) Fund (123)** accounts for the HUD grant received to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within the community.
- **Coronavirus Relief Fund (124)** accounts for the transactions regarding state funding for relief assistance to eligible residents impacted by COVID-19. Eligible uses included rental and mortgage assistance, counseling, utility payment, emergency repairs and housing rehabilitations.
- **CDBG CV - Coronavirus Fund (126)** accounts for federal funding related to Community Development Block Grant (CDBG) to available eligible residents with assistance to prepare, prevent and respond to the impact of Coronavirus.
- **Voluntary Home Buyout Fund (127)** accounts for transactions regarding federal funding for acquisition and demolition of homes to income eligible residents residing in a FEMA designated flood plain. Eligible uses include costs related to acquisition and demolition of eligible homes.

### Revenue/Sources

FY 21 projected year-end receipts of \$524,771 are \$(533,642), or (50.42)%, lower than FY 20 Actuals totaling \$1,058,413. Revenues/sources for the FY 22 Approved Budget include \$4,500 in Interest Income derived from investment of funds. Additional budget appropriations for the 2022 will be completed via the Budget Amendment process outlined previously in this document.

All revenue streams unless otherwise noted, are projected by the Housing and Neighborhood Development Division in conjunction with the Community & Economic Development Department and reviewed by the City Manager.

Federal Grants – Revenues derived from:

- Grants from the Community Development Block Grant/CDBG (Fund 112) which are funded through the U.S. Department of Housing and Urban Development/HUD. HUD determines the amount of entitlement by a statutory dual formula which uses several objective measures of community needs. The CDBG program is authorized for the next two years; funding is received in October and the City has two years to commit those funds.
- Grants from the HOME Investment Grant (Fund 114) which is funded through the U.S. Department of Housing and Urban Development/HUD. Funds are allocated to the Brevard County Consortium of Governments which distributes a share of HOME dollars to the cities of Melbourne, Cocoa, Titusville and Palm Bay. HUD determines the amount of entitlement by a statutory dual formula which uses several objective measures of community needs. The allocation of HOME funds is based on a

percentage that each of the consortium members receive in CDBG funding. This program is authorized for the next two years; funding is received in October and the City has two years to commit those funds.

- Grants from the NSP Program (Fund 123) which is funded through the U.S. Department of Housing and Urban Development/HUD. HUD determines the amount of entitlement by a statutory dual formula which uses several objective measurements. Usage of those funds are geared towards purchases of foreclosed or abandoned homes and to rehabilitate, resell or redevelop these homes in order to stabilize neighborhoods within the City and deter decline of house values of neighboring homes.
- Grants from the CV - Coronavirus Program (Fund 126) dollars are funded through the U.S. Department of Housing and Urban Development/HUD. These dollars are related to the Community Development Block Grant (CDBG) and are available to eligible residents for Coronavirus impacting purposes.
- Grants from the Voluntary Home Buyout Program (Fund 127) dollars are funded through the U.S. Department of Housing and Urban Development/HUD. These dollars are related to the Community Development Block Grant (CDBG) and must be utilized for the acquisition and demolition of homes to income eligible residents residing in a FEMA designated flood plain. Eligible uses include costs related to acquisition and demolition of eligible homes.

State Grant – Revenues derived from:

- Grants received from the State Housing Initiative Program/SHIP (Fund 111) which is funded through the State of Florida's Housing Finance Corporation. Funding is received up-front and not on a reimbursable basis.
- Grants received from the Coronavirus Relief Program (Fund 124) provide relief assistance to eligible residents impacted by COVID-19. Eligible uses included rental and mortgage assistance, counseling, utility payment, emergency repairs and housing rehabilitations.

Miscellaneous Revenues – Revenues derived from:

- Program Income revenues derived from program activities.
- Interest Income derived from investment of funds not yet expended.
- Charges for Service derived from the repayment of Economic Development loans and Housing Rehabilitation loans.

## Expenditures/Uses

FY 21 projected year-end expenditures/uses of \$1,801,894 are \$328,287, or 22.28%, higher than FY 20 Actuals of \$1,473,607. Additional budget appropriations for the 2022 will be completed via the Budget Amendment process outlined previously in this document.

## Change in Fund Balance

The projected FY 22 Year-end Fund Balance, for the combined HOME funds summary, of \$(1,125,099) reflects no change from the FY 21 Year-end Estimated Fund Balance.

# American Rescue Plan (ARP) Fund

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	0	0	0	0	0
<u>REVENUES/SOURCES</u>	0	0	0	0	0
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	9,004,932	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Transfers	0	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>0</b>	<b>0</b>	<b>9,004,932</b>	<b>0</b>	<b>0</b>
<u>EXPENDITURES/USES</u>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Econ. Development	0	0	0	0	4,000,000
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	0	0	0	0	0
Transfers	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,000,000</b>
Revenues Over/(Under)Expenditures	0	0	9,004,932	0	(4,000,000)
<u>FUND BALANCE USAGE</u>					
Reserves/Designated (Restricted)	0	0	9,004,932	0	4,000,000
Undesignated	0	0	0	0	0
<b>TOTAL ENDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>9,004,932</b>	<b>0</b>	<b>(4,000,000)</b>

The first installment, totaling \$9,004,932.50, of the City's American Rescue Plan (ARP) Funding was received on June 17, 2021. The funding will be recorded on Budget Amendment #4, scheduled for September 2, 2021 (first reading).

## ANALYSIS

On March 10, 2021, Congress passed the American Rescue Plan Act of 2021 (H.R. 139) providing \$1.9 trillion of relief and stimulus funding to state and local governments. President Joe Biden signed the bill into law on March 11, 2021, allowing relief funding to begin immediately flowing throughout the United States. Eligible uses for these funds include:

- Revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to the emergency,
- COVID-19 expenditures or negative economic impacts of COVID-19, including assistance to small businesses, households, and hard-hit industries, and economic recovery,
- Premium pay for essential workers,
- Investments in water, sewer, and broadband infrastructure.

The City of Palm Bay, Florida has been allocated \$19.41 million in total, which is received in two equal tranches. The first tranche of ARP funding, totaling \$9,004,932, was received on June 17, 2021. Per ARP guidelines, the second tranche cannot be released earlier than 12 months after the first payment.

### Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 total \$4,000,000 including a \$2,000,000 dedication to the construction of Building E on the City Hall Campus and a \$2,000,000 dedication to a new financial system.

Additional expenditures are approved through the Budget Amendment process throughout the fiscal year.

# Environmental Fee Fund

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	(566,973)	(530,290)	(475,124)	(475,124)	(372,824)
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	55,334	22,000	22,000	59,300	50,000
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Transfers	50,000	50,000	50,000	50,000	50,000
<b>TOTAL REVENUES/SOURCES</b>	<b>105,334</b>	<b>72,000</b>	<b>72,000</b>	<b>109,300</b>	<b>100,000</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	13,485	18,000	18,000	7,000	7,000
Community & Econ. Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	0	0	0	0	0
Transfers	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>13,485</b>	<b>18,000</b>	<b>18,000</b>	<b>7,000</b>	<b>7,000</b>
Revenues Over/(Under)Expenditures	91,849	54,000	54,000	102,300	93,000
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	54,000	54,000	0	93,000
Undesignated	0	0	0	0	0
<b>TOTAL ENDING BALANCE</b>	<b>(475,124)</b>	<b>(476,290)</b>	<b>(421,124)</b>	<b>(372,824)</b>	<b>(279,824)</b>

## ANALYSIS

The Environmental Fee Fund (Fund 161) was established through a mid-FY 2007 budget adjustment to pay for the initial Scrub Jay permit that enables property owners to pull permits in areas known as the endangered bird's habitat. Per federal rules and regulations, the City paid a \$656,500 initial permit and then can add a fee per acre to all master building permits which can be used for one-half of the monitoring costs. The Fund is designed to pay the debt service back to the Building Fund over a 30- plus year period. Additionally, an annual transfer to the Building Fund for one-half of the monitoring cost will be made from the Fund.

### Revenues/Sources

Total Revenues/Sources budgeted for FY 22 of \$100,000 are \$(9,300), or (8.51)%, lower than FY 21 projected receipts of \$109,300. The FY 21 projected receipts are \$3,966, or 3.8%, higher than the FY 20 Actuals of \$105,334.

Charges for Services – Revenues derived from:

- Environmental Fee assessed per acre to all master building permits.
- "Other Revenue" which is an accounting offset for the contractual 50% of the monitoring cost the City is permitted to retain. As this revenue stream is tied to the construction industry, slow growth is anticipated over the next two-year period, until the local housing industry can return to historic levels. The City Management Team re-addresses the debt service payment schedule annually as the approved budget only provides enough receipts to complete monitoring transfers (excluding the debt service payment).

### Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$7,000 reflect no change from FY 21 projected receipts of \$7,000. The FY 21 projected receipts are \$(6,485), or (48.1)%, lower than the FY 20 Actuals of \$13,485.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$(279,824) is \$93,000, or (24.94)%, lower than the FY 21 Year-end Estimated Fund Balance of \$(372,824). The deficit can be attributed to upfront payments of mitigation costs which are repaid with future dedicated revenue sources; a portion of the revenue is received from the issuances of building permits.



# Bayfront Comm. Redev. Agency Summary

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	836,710	114,921	904,837	904,837	1,930,427
<b>REVENUES/SOURCES</b>					
Property Taxes	1,403,970	1,403,970	1,462,000	1,462,000	1,462,000
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	11,203	6,400	9,801	6,046	6,400
Transfers	1,016	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>1,416,189</b>	<b>1,410,370</b>	<b>1,471,801</b>	<b>1,468,046</b>	<b>1,468,400</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Econ. Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Bayfront Community Red. Agency	351,810	486,976	486,963	9,647	842,095
Utilities	0	0	0	0	0
Debt Service	429,474	432,809	432,809	432,809	349,167
Transfers	566,525	0	0	0	743,665
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>1,347,809</b>	<b>919,785</b>	<b>919,772</b>	<b>442,456</b>	<b>1,934,927</b>
Revenues Over/(Under)Expenditures	68,380	490,585	552,029	1,025,590	(466,527)
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	490,585	552,029	0	1,721,413
Undesignated	0	0	0	0	0
<b>TOTAL ENDING BALANCE</b>	<b>904,837</b>	<b>605,506</b>	<b>1,456,866</b>	<b>1,930,427</b>	<b>1,463,900</b>

## ANALYSIS

The Bayfront Community Redevelopment Agency/BCRA Fund (Fund 181) accounts for revenues received from tax increment financing/TIF. Using the benchmark year of FY 99, revenue is generated by subsequent annual property valuation increase in the district for financing improvements.

### Revenues/Sources

Total Revenues/Sources budgeted for FY 22 of \$1,468,400 are \$354, or 0.02%, higher than FY 21 projected receipts of \$1,468,046. The FY 21 projected receipts are \$51,857, or 3.7%, higher than the FY 20 Actuals of \$1,416,189.

- Ad Valorem Taxes – Revenues derived from property tax increment financing within the District. Taxing entities pay 95% of the increment each year to the district. Ad Valorem Taxes generate 99.6% of the total revenues/sources within the budget.

### Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$1,934,927 are \$1,492,471, or 337.32%, higher compared to FY 21 estimated year-end projections of \$442,456. FY 21 projected total Expenditures/Uses are \$(905,353), or (67.2)%, lower than the FY 20 Actuals of \$1,347,809. Transfers, totaling \$743,665 in FY 22, makes up 38.43% of the total expenditures/uses within the budget.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$1,463,900 is \$(466,527), or (24.17)% lower than the FY 21 Year-end Estimated Fund Balance of \$1,930,427. The decrease can be attributed to the anticipated transfer totaling \$743,665 from the Bayfront Community Redevelopment Agency/BCRA Fund to the General Fund in FY 22 to account for unspent dollars from the previous fiscal year.

# Debt Service Funds Summary (combined)

## DEBT SERVICE COMBINED

### Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	5,790,267	5,415,505	5,638,921	5,638,921	4,795,871
<b>REVENUES/SOURCES</b>					
Property Taxes	3,572,072	3,527,750	3,527,750	3,603,000	6,972,376
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	183,096	186,052	56,000	137,562	10,850
Transfers	63,996,016	7,403,250	11,711,866	12,035,552	7,407,765
<b>TOTAL REVENUES/SOURCES</b>	<b>67,751,184</b>	<b>11,117,052</b>	<b>15,295,616</b>	<b>15,776,114</b>	<b>14,390,991</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	67,902,532	11,758,374	16,709,865	16,619,164	14,390,991
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Econ. Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Transfers	0	0	0	0	0
Utilities	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>67,902,532</b>	<b>11,758,374</b>	<b>16,709,865</b>	<b>16,619,164</b>	<b>14,390,991</b>
Revenues Over/(Under)Expenditures	(151,348)	(641,322)	(1,414,249)	(843,050)	0
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	0	0	0	0
Undesignated	0	641,322	1,414,249	979,858	0
<b>TOTAL ENDING BALANCE</b>	<b>5,638,921</b>	<b>4,774,183</b>	<b>4,224,672</b>	<b>4,795,871</b>	<b>4,795,871</b>

## ANALYSIS

The Debt Service Funds (Combined) account for the principal and interest payments of the following funds:

- **Debt Service Fund (201)** - Accounts for the revenues and corresponding expenditures required for the lease-purchase of capital items benefiting the entire City and/or non-enterprise/internal service funds.
- **2004 Pension Bonds Debt Service Fund (214)** – Accounts for the revenues and expenditures necessary to cover the debt service for the Taxable Special Obligation Revenues Bonds, Series 2004 that were issued for the purpose of funding the unfunded actuarial accrued liability within the Police and Fire Pension system and paying the costs of issuing the bonds. Said Bonds will be repaid in FY 2031.
- **Taxable Special Obligation Refunding Bonds, Series 2013 (Fund 221)** – The City of Palm Bay issued \$50,855,000 for the purposes of 1) refunding the Taxable Special Obligation (Pension Funding Project) Bonds, Series 2008, 2) terminating an interest rate hedge agreement (swap agreement), and 3) pay the costs of issuing the Series 2013 Bonds. The Series 2013 Bonds are payable from the Pledged Funds, which consists primarily of the Designated Revenues consisting of the Communications Services Tax Revenues and the Public Service Tax Revenues subject to the prior lien of the Senior Lien Bonds, with an additional pledge, if needed, of Non-Ad Valorem Revenues actually budgeted, appropriated and deposited in the Sinking Fund for the Series 2013 Bonds.
- **Franchise Fee Revenue Note, Series 2015 (Fund 223)** – In 2015, the City issued a note in the sum of \$4,744,000 to fund the construction of an interchange on I-95 in south Palm Bay. The project necessitated the purchase of mitigation credits or shares in a mitigation bank. The note is secured through franchise fee revenues.
- **Community Investment Revenue Refunding Bonds, Series 2015 (Sales Tax) (Fund 224)** — In 2006, the City of Palm Bay issued debt to fund \$14,395,000 worth of capital investment projects, which included building a new joint Police/Fire District Station in the southwestern section of the City, rebuilding Fire Station #90, and to pay for 50-60 miles of road reconstruction and paving. In 2015 the City issued the Sales Tax Revenue Refunding Bonds, Series 2015, to refund the 2006 bonds and cover costs of issuance.
- **Community Investment Revenue Refunding Bonds, Series 2015 (Impact Fees) (Fund 225)** – In 2006, the City of Palm Bay issued debt to fund \$3,970,000 for road capacity/bridge replacement project at the intersection of Jupiter Blvd/Minton Road. In 2015 the City issued the Sales Tax Revenue Refunding Bonds, Series 2015, to refund the 2006 bonds and cover costs of issuance.
- **Franchise Fee Revenue Note, Series 2016 (Fund 226)** – In December 2016, the City issued a note in the sum of \$3,983,000 to partially refund the Taxable Special Obligation Bonds, Series 2004, and to cover costs of issuance.
- **Local Option Gas Tax Note, Series 2018 (Fund 227)** – In February 2018, the City issued a note in the sum of \$9,000,000 to fund a new connector road to the new I-95 Interchange and pay costs of issuance.
- **General Obligation Bonds, Series 2019 (Fund 228)** – In November 2018, the City electorate voted to approve a \$150,000,000 bond referendum for the purpose of funding road improvements and ancillary facilities. In July 2019, the City issued bonds in the sum of \$50,000,000 for the first tranche

to fund roadway improvement projects and costs of issuance. The bonds are secured through a separate Ad Valorem tax.

- **Taxable Special Obligation Refunding Bonds, Series 2019 (Fund 229)** – In December 2019, the City issued \$51,670,000 in bonds to partially refund the Taxable Special Obligation Refunding Bonds, Series 2013, and to cover costs of issuance. The bonds are secured by a lien on designated revenues, composed in part of Communications Service Tax Revenues and Public Service Tax revenues. Net present value savings were calculated at over \$7.2 million.
- **Special Obligation Revenue Refunding Note, Series 2019 (Fund 230)** – In October 2020, the City issued \$4,258,000 in debt to refund the Capital Improvement Revenue Bonds, Series 2010 (Fund 219).
- **General Obligation Bonds, Series 2021 (Fund 231)** – In November 2018, the City electorate voted to approve a \$150,000,000 bond referendum for the purpose of funding road improvements and ancillary facilities. In January 2021, the City issued bonds in the sum of \$50,000,000 for the second tranche to fund roadway improvement projects and costs of issuance. The bonds are secured through a separate Ad Valorem tax.

## Revenue/Sources

Total Revenues/Sources budgeted for FY 22 of \$14,390,991 are \$(1,385,123), or (8.78)%, lower than FY 21 projected receipts of \$15,776,114. The FY 21 projected receipts are \$(51,975,070), or (76.7)%, lower than the FY 20 Actuals.

All revenue streams, unless otherwise noted, are projected by the Finance Department and reviewed by the City Manager. Projections are based on the FY 21 Year-end Estimates rather than the FY 20 Approved Budget levels. Comparisons to both are provided in the following detailed analyses.

- **Property Taxes (debt levy taxation revenue)** – on November 6, 2018, voters approved a referendum allowing for the issuance of up to \$150,000,000 in general obligation bonds by the City to finance roadway improvements. On May 19, 2019, Resolution 2019-13 authorized the issuance of the first series of general obligation bonds in a principal amount not exceeding \$50,000,000. On January 7, 2021, Resolution 2021-04 authorized the issuance of the second series of general obligation bonds in a principal amount not exceeding \$50,000,000. The primary purpose of the bonds is financing the roadway projects, approved by City Council, through ad valorem taxes levied on all taxable property to pay for debt service requirements on the Bond itself.
  - The FY 22 Approved Budget includes a debt millage rate of 1.3424, generating revenues that are restricted and designated for payment of the General Obligation Bonds, Series 2019 debt service payments, totaling \$3,524,750.00, and the General Obligation Bonds, Series 2021 debt service payments totaling \$3,447,625.82. The debt millage rate, which is adjusted annually based on principal and interest payment requirements, shall generate an estimated revenue totaling \$6,972,376 in FY 22 to cover these expenses.
- **Interfund Transfers** – provide the Debt Service Funds with resources from other City funds for the cost of debt service payments. FY 21 projected year-end receipts of \$12,035,552 are \$(51,960,464), or (81.2)%, lower than the FY 20 Actuals of \$63,996,016. In comparison to the FY 21 estimated year-end receipts, the FY 22 Approved Budget of \$7,407,765 is \$(1,385,123), or (8.78)%, lower.
- **Miscellaneous** – revenues derived from interest earnings on invested cash. FY 21 projected receipts of \$137,562 are \$(126,712), or (92.11)%, lower than the FY 20 Actuals of \$183,096. In comparison to the FY 21 estimated year-end receipts, the FY 22 Approved Budget of is \$(126,712), or (92.11)%, lower.

## Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$14,390,991 are \$(2,228,173), or (13.41)%, lower compared to FY 21 estimated year-end projections of \$16,619,164. FY 21 projected total Expenditures/Uses are \$(51,283,368), or (75.5)%, lower than the FY 20 Actuals. This sharp decrease can be attributed to the General Obligation Bonds, Series 2021 (Fund 231) revenues totaling \$50,000,000.

A detailed outline of the FY 22 debt service requirements, broken down by principal and interested payment requirements for debt service fund account, can be found on the following page. Please refer to Appendix A, Debt Management, for additional details about the City's debt service schedules and requirements.

## Change in Fund Balance

The projected FY 22 Year-end Fund Balance, for the combined debt service funds summary, of \$4,795,871 reflects no change from the FY 21 Year-end Estimated Fund Balance.

The table below reflects the FY 22 principal and interest requirements. A detailed analysis can also be located in [Appendix D: Debt Management](#).

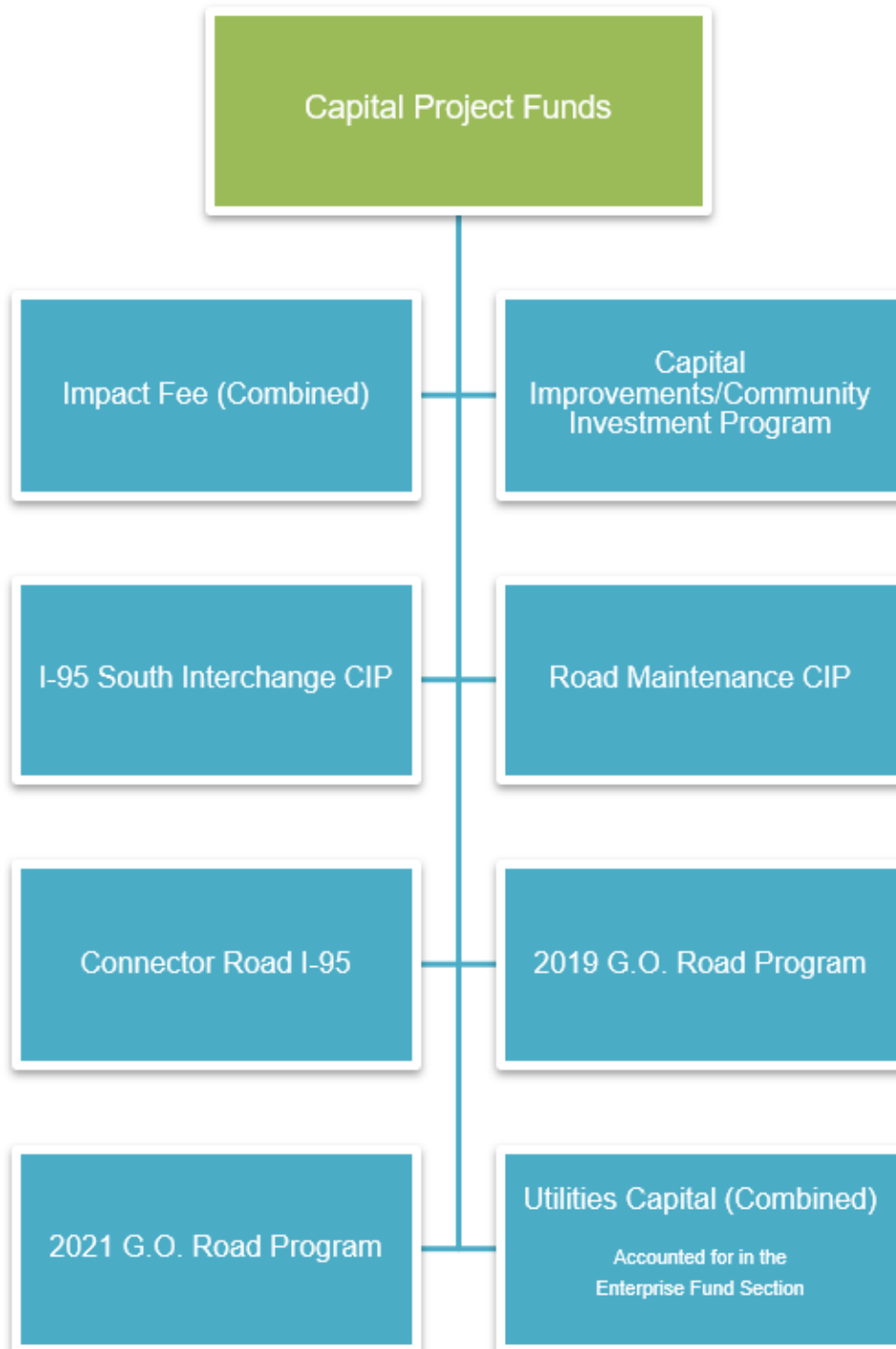
### City of Palm Bay – Bond Indebtedness

FY 2022 Debt Service Requirements	PRINCIPAL	INTEREST	TOTAL DUE
Taxable Special Obligation Revenue Bonds, Series 2004	64,899	110,101	175,000
Bayfront Comm. Redev. Trust Fund Revenue Note, Series 2006	342,000	7,167	349,167
Pension Obligation Bonds, Series 2013	1,250,000	208,079	1,458,079
Franchise Fee Revenue Note, Series 2015	478,000	47,376	525,376
Comm. Investment Revenue Bonds, Series 2015 - Sales Tax	466,480	350,845	817,325
Comm. Investment Revenue Bonds, Series 2015 - Impact Fee	128,520	96,661	225,181
Franchise Fee Revenue Note, Series 2016	193,000	134,819	327,819
Local Option Gas Tax Revenue Note, Series 2018	557,000	203,236	760,236
General Obligation Bonds, Series 2019	1,740,000	1,784,750	3,524,750
Pension Obligation Bonds, Series 2019	615,000	1,588,295	2,203,295
Special Obligation Note, Series 2020	248,000	77,719	325,719
General Obligation Bonds, Series 2021	1,155,000	2,292,626	3,447,626
Utility System Capital Improvement Rev. Bonds, Series 2001	589,620	1,326,011	1,915,631
Utility System Refunding Revenue Note, Series 2014	3,710,000	76,426	3,786,426
Utility System Assessment Refunding Note, Series 2016	265,000	19,602	284,602
Utility System Refunding Revenue Note, Series 2016	1,375,000	156,420	1,531,420
Utility System Revenue Note, Series 2020	584,000	182,398	766,398
Capital Leases/Purchases	398,051	130,156	528,207
<b>TOTAL: \$</b>	<b>14,159,570</b>	<b>\$ 8,792,687</b>	<b>\$ 22,952,257</b>

Please see the **Proprietary Funds** section for funding details related to the Utility System.

## CAPITAL IMPROVEMENTS PROGRAM (CIP) PROJECT FUNDS

The following section will provide a financial overview of the Capital Project Funds reflected below.







# Impact Fee Funds Summary (combined)

## IMPACT FEES (COMBINED)

### Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	8,396,492	9,179,051	13,499,679	13,499,679	22,122,610
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Impact Fees	7,824,280	5,425,000	5,425,000	10,241,800	8,025,000
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	89,049	65,100	65,100	22,643	41,400
Transfers	491,339	0	148	148	0
<b>TOTAL REVENUES/SOURCES</b>	<b>8,404,668</b>	<b>5,490,100</b>	<b>5,490,248</b>	<b>10,264,591</b>	<b>8,066,400</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Econ. Development	0	0	0	0	0
Parks & Recreation	25,588	0	1,475,273	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	4,874
Police	150	0	315,246	283,552	948
Fire	315,349	0	967,384	274,859	1,813
Public Works	857,563	0	459,635	87,713	8,510
Transfers	2,102,831	995,536	995,536	995,536	994,620
Utilities	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>3,301,481</b>	<b>995,536</b>	<b>4,213,074</b>	<b>1,641,660</b>	<b>1,010,765</b>
Revenues Over/(Under)Expenditures	5,103,187	4,494,564	1,277,174	8,622,931	7,055,635
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	4,494,564	5,894,231	807,432	5,484,609
Undesignated	0	0	315,246	315,246	0
<b>TOTAL ENDING BALANCE</b>	<b>13,499,679</b>	<b>13,673,615</b>	<b>14,776,853</b>	<b>22,122,610</b>	<b>29,178,245</b>

The Impact Fee (Combined) Fund accounts for proceeds provided for the acquisition and/or improvement of sixteen (16) Impact Fee Funds, each dedicated for the accounting of growth-related additions of new capital needs for police, fire, urban district park facilities, and the expansion of the City's major road network transportation system.

Prior to FY 20, impact fees were recorded within four (4) funds based on capital need types including police, fire, parks facilities and transportation. However, in FY 20 each capital need type was further broken down based on "nexus" or zip code zones restricting usage of proceeds for each type to the area funds are generated in. The Impact Fee (Combined) Fund includes the following:

Capital Needs Type	Nexus 32905	Nexus 32907	Nexus 32908	Nexus 32909
Police	Fund 180	Fund 183	Fund 184	Fund 186
Fire	Fund 187	Fund 188	Fund 189	Fund 190
Park Facilities	Fund 191	Fund 192	Fund 193	Fund 194
Transportation	Fund 196	Fund 197	Fund 198	Fund 199

### Revenue/Sources

Historically, in FY 06 the City Council raised impact fees to address infrastructure needs. Police and Fire Impact Fees were raised to the maximum rates, while Parks and Transportation Impact Fees were raised incrementally according to a five-year plan to reach the maximum. Additionally, the fee rates are adjusted annually for inflation by the Implicit Price Deflator for Government Consumption Expenditures and Gross Investment for State and Local Governments.

FY 21 estimated year-end total receipts of \$10,264,591 are \$1,859,923, or 22.1%, higher than the FY 20 Actuals of \$8,404,668. In comparison to the FY 21 estimated year-end receipts, the FY 22 Budget of \$8,066,400 is \$(2,198,191), or (21.42)%, lower.

- Impact Fees – Revenue derived from fees paid by developers of unimproved land for specific infrastructural expansions and/or equipment related to Police, Fire, Parks and/or Transportation services and needs. FY 21 estimated year-end receipts of \$10,241,800 are \$2,417,520, or 30.9% higher, than FY 20 Actuals totaling \$7,824,280. In comparison to the FY 21 estimated year-end receipts, the FY 22 Budget of \$8,025,000 is \$(2,216,800), or (21.64)%, lower. With the steady new construction growth within the City, it is anticipated that actual revenue will continue to rise in the near future.
- Miscellaneous/Interest Income – Interest Income consist of interest paid to the City on impact fee revenue invested according to City policies. The level of revenue from this revenue stream has varied drastically over the past years due to fluctuations in the housing market and level of annual expenditures. FY 21 estimated year-end receipts of \$22,643 are \$(66,406), or (74.6)%, lower than the FY 20 Actuals totaling \$89,049. In comparison to the FY 21 estimated year- end receipts, the FY 22 Budget of \$41,400 is \$18,757, or 82.84%, higher. This revenue stream is anticipated to remain relatively constant as new projects and transportation-related debt service payments will consume available fund balance as impact fees are received.
- Interfund Transfers - FY 20 Actuals recorded \$491,339 in total transfers from the new "nexus" or zip code zone funds to the previously utilized fund numbers; these adjustments were necessary for the closures of any outstanding purchase orders. FY 21 estimated year- end receipts include a \$148 transfer from the 2014 LOGT Gas Tax Note Sinking Fund in the amount not needed for the final payment on 10/01/2020. Interfund transfers are not budgeted in FY 22.

### **Expenditures/Uses**

Total expenditures/uses budgeted for FY 22 of \$1,010,765 are \$(630,895), or (38.43)%, lower compared to FY 21 estimated year-end projections of \$1,641,660. FY 21 projected total expenditures/uses are \$(630,895), or (38.43)%, lower than the FY 20 Actuals of \$3,301,481. Usage of impact fees is frequently completed throughout the fiscal year by staff requesting City Council to authorize needed expenditures.

### **Change in Fund Balance**

The projected FY 22 Year-end Fund Balance, for the combined Impact Fee funds summary, of \$29,178,245 is \$7,055,635, or 31.89% higher than the FY 21 Year-end Estimated Fund Balance of \$22,122,610.

While non-impact fee transportation-related capital needs are planned and incorporated into the approved budget for the upcoming fiscal years, requests of impact fee usage related to police, fire and park facilities are completed throughout the fiscal year by staff requesting City Council to authorize those needed expenditures. Requests are thoroughly reviewed by the Office of the City Attorney, for compliance, and appropriated through amendments on a quarterly basis. As these projects are not included in the FY 22 Approved Budget, the projected fund balance is expected to be higher as those costs are not taken into consideration. In addition, the fund balance level is anticipated to increase as new construction activity increases.

# Community Investment Program Fund

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	261,058	4,101,627	782,889	782,889	1,878,649
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	950,180	3,360,000	7,192,312	2,239,536	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	2,294	2,000	2,000	600	1,000
Transfers	224,473	0	799,237	758,492	0
<b>TOTAL REVENUES/SOURCES</b>	<b>1,176,947</b>	<b>3,362,000</b>	<b>7,993,549</b>	<b>2,998,628</b>	<b>1,000</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Growth Management	0	0	0	0	0
Comm.	0	0	0	0	0
Parks & Recreation	0	0	2,242,092	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	265,218	58,945	0
Fire	0	0	0	0	0
Public Works	509,030	0	2,348,712	1,843,923	569
Bayfront Community Red. Agency	0	0	0	0	0
Debt Service	0	0	0	0	0
Transfers	146,086	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>655,116</b>	<b>0</b>	<b>4,856,022</b>	<b>1,902,868</b>	<b>569</b>
Revenues Over/(Under)Expenditures	521,831	3,362,000	3,137,527	1,095,760	431
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	3,362,000	3,586,473	224,473	431
Undesignated	0	0	0	0	0
<b>TOTAL ENDING BALANCE</b>	<b>782,889</b>	<b>7,463,627</b>	<b>3,920,416</b>	<b>1,878,649</b>	<b>1,879,080</b>

## ANALYSIS

The Community Investment Program/CIP Fund historically accounted for all non-utilities acquisitions, construction of major capital facilities or other project-oriented activities, except projects that are contained in their own fund. Starting in FY 07, only General Fund revenues, grants, and private contributions are received into this Fund and their associated projects expensed. All other capital improvement projects are accounted for within the fund that receives the funding source (i.e. Transportation Impact Fee funded projects are accounted for in the Transportation Impact Fee Fund).

### Revenue/Sources

A multi-year comparison of total revenues/sources is not applicable in a CIP Fund since the revenue/source level fluctuates each fiscal year depending upon the cost of the recommended projects. Due to local tax reforms, enacted by the 2007 Florida Legislature and approved by state voters in 2008, no General Fund dollars are available for transfer to the CIP fund. Specific funding source approved uses are detailed below.

- Intergovernmental Revenues (Grants) – Revenues derived from various granting agencies for specific projects. Each grant award is a one-time event and therefore makes detailed revenue source multi-year analysis difficult, if not misleading. FY 21 estimated year-end receipts of \$2,998,628 are \$1,821,681, or 154.8%, higher, than FY 20 Actuals totaling \$1,176,947. The FY 22 Approved Budget does not include any intergovernmental grant revenues at this time.
- Miscellaneous Income/Interest Income – The CIP Fund earns interest income on revenues received from various sources (not yet expended). FY 21 estimated year-end receipts of \$600 are \$(1,694), or (73.8)% lower, than FY 20 Actuals totaling \$2,294. In comparison to the FY 21 estimated year-end receipts, the FY 22 Budget of \$1,000 is \$400, or 66.67%, higher.
- Transfers - Revenues derived from incoming transfers are project/program specific. Usage of those funds are designated for a particular purpose including Phase 1 of the Fred Poppe Campground construction project, a local match to install two (2) nutrient boxes, and a contribution to the Police Department CDBG-MIT Hardening Program grant. FY 21 estimated year-end receipts of \$758,492 are \$534,019, or 237.9%, higher, than FY 20 Actuals totaling \$224,473. The FY 22 Approved Budget does not include any transfer revenues at this time.

### Expenditures/Uses

Usage of funds are program/project specific and any unexpended funding related to CIP projects will be rolled to FY 22 via a budget amendment. Outside of these expenditures/uses, only Bank Service Fees charged for monthly investments are budgeted in the fiscal year. The FY 22 Approved Budget includes \$569 in Bank Service Fees.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$1,879,080 is \$431, or 0.02%, higher than the FY 21 Year-end Estimated Fund Balance of \$1,878,649.

# I-95 Interchange Fund Summary

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	475,570	241,114	215,409	215,409	12,485
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	497	0	0	100	100
Transfers	0	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>497</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>100</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	260,658	0	197,644	203,024	100
Utilities	0	0	0	0	0
Transfers	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>260,658</b>	<b>0</b>	<b>197,644</b>	<b>203,024</b>	<b>100</b>
Revenues Over/(Under)Expenditures	(260,161)	0	(197,644)	(202,924)	0
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	0	197,644	197,644	0
Undesignated	0	0	0	0	0
<b>TOTAL ENDING BALANCE</b>	<b>215,409</b>	<b>241,114</b>	<b>17,765</b>	<b>12,485</b>	<b>12,485</b>

## ANALYSIS

The I-95 Interchange Fund was created in FY 15 to account for the costs of establishing an interchange in the southern area of the City. Along with Federal and State funding, the City incurred expenditures associated with environmental permits and mitigation impacts. The St. Johns Heritage Parkway (SJHP) interchange connecting to Interstate-95 was funded to begin construction in FY 16 and officially opened in FY 20.

### Revenue/Sources

In 2015, the City issued a Franchise Fee Revenue Note, Series 2015 in the sum of \$4,744,000. This note provided funding for the construction of an interchange connecting the City to Interstate-95 in the southern area of Palm Bay. The note was secured through franchise fee revenues and proceeds were received in FY 15. Interest earnings on investments have historically provided additional revenue each fiscal year. With the opening of the SJHP Interchange, the only revenue stream recorded in the I-95 Interchange Fund is derived from minimal interest earnings on previous bond proceeds. The FY 22 Approved Budget includes \$100 in anticipated interest earnings.

### Expenditures/Uses

FY 21 year-end projected total expenditures/uses for the SJHP Interchange are \$203,024; a decrease of \$(57,634), or (22.1)%, from FY 20 Actuals totaling \$260,658. Similar to revenues, with the opening of the SJHP Interchange, the only expenditure/use recorded in the I-95 Interchange Fund is for Bank Service Fees charged for monthly investments occurring in the fiscal year. The FY 22 Approved Budget includes \$100 in Bank Service Fees.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$12,485 reflects no change from the FY 21 Year-end Estimated Fund Balance.

# Road Maintenance CIP Fund Summary

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	2,243,940	111,713	3,085,994	3,085,994	3,812,043
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	21,432	20,000	20,000	4,000	5,000
Transfers	967,869	750,000	843,702	750,000	750,000
<b>TOTAL REVENUES/SOURCES</b>	<b>989,301</b>	<b>770,000</b>	<b>863,702</b>	<b>754,000</b>	<b>755,000</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	147,246	1,198,235	1,520,147	27,951	755,000
Utilities	0	0	0	0	0
Transfers	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>147,246</b>	<b>1,198,235</b>	<b>1,520,147</b>	<b>27,951</b>	<b>755,000</b>
Revenues Over/(Under)Expenditures	842,055	(428,235)	(656,445)	726,049	0
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	0	321,912	466,749	0
Undesignated	0	428,235	334,533	428,235	0
<b>TOTAL ENDING BALANCE</b>	<b>3,085,994</b>	<b>-316,522</b>	<b>2,429,549</b>	<b>3,812,043</b>	<b>3,812,043</b>



## ANALYSIS

The Road Maintenance CIP Fund, established in FY 15, accounts for revenues and expenditures dedicated by the legislative body to the maintenance of roads within the City of Palm Bay. This CIP Fund was established to account for all funds transferred from the General Fund to support the Road Maintenance Program.

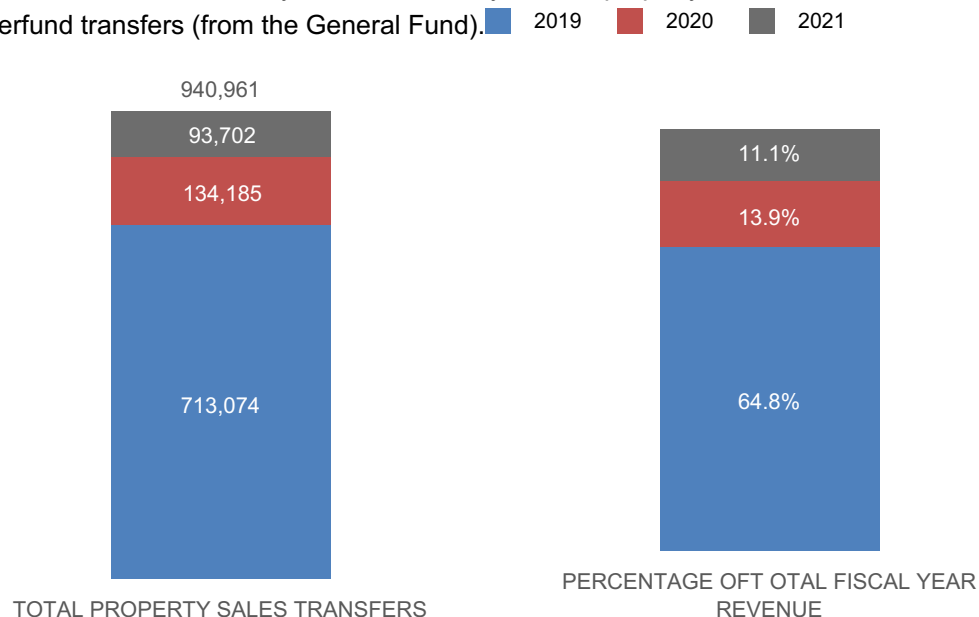
### Revenue/Sources

Annually, the City Council decides the funding amount to be dedicated to this Fund as improving road conditions remains a top budget priority for members; thereafter, a transfer from the General Fund to the Road Maintenance CIP Fund will occur.

A transfer of \$750,000 is included in the FY 22 Approved Budget. In addition, revenue derived from city-owned property sales, finalized throughout the fiscal year, are recorded and transferred from the General Fund to the Road Maintenance CIP Fund via a quarterly Budget Amendment. Lastly, the FY 22 Approved Budget includes \$5,000 in anticipated interest earnings.

FY 21 estimated year-end receipts of \$754,000 are \$(235,301), or (23.8)%, lower, than FY 20 Actuals totaling \$989,301. Please note that this analysis is based on revenue data generated as of Budget Amendment #4; any property sales completed between the months of July and September will be reflected in the Actuals data in the next fiscal year budget document.

The chart below illustrates three-year historical city-owned property sales revenue/sources generated through interfund transfers (from the General Fund).



### Expenditures/Uses

While the Revenue and Expenditure Summary reflects estimated FY 21 year-end projections of \$49,125 in total expenditures/uses, a budget transfer was completed in FY 21 Accounting Period 09 (June) appropriating \$1,200,000 to the FY 21 Asphalt Rejuvenation project. The update was not captured in the fund's year-end projections. Any unexpended funding related to the road maintenance projects will be rolled to FY 22 via a budget amendment.

### **Change in Fund Balance**

The projected FY 22 Year-end Fund Balance of \$3,812,043 reflects no change from the FY 21 Year-end Estimated Fund Balance.

# Connector Road I-95 Summary

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	3,055,028	110,000	191,263	191,263	(259,500)
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	23,354	0	0	700	500
Transfers	0	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>23,354</b>	<b>0</b>	<b>0</b>	<b>700</b>	<b>500</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	2,887,118	0	466,749	451,463	50
Utilities	0	0	0	0	0
Transfers	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>2,887,118</b>	<b>0</b>	<b>466,749</b>	<b>451,463</b>	<b>50</b>
Revenues Over/(Under)Expenditures	(2,863,764)	0	(466,749)	(450,763)	450
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	0	466,749	466,749	450
Undesignated	0	0	0	0	0
<b>TOTAL ENDING BALANCE</b>	<b>191,263</b>	<b>110,000</b>	<b>(275,486)</b>	<b>(259,500)</b>	<b>(259,050)</b>

## ANALYSIS

The Connector Road I-95 Fund was created in FY 18 to account for the acquisition and construction costs of a new connector road to the I-95 Interchange exit and the intersection of Babcock Street. After State and Federal funding allocated towards the construction of the St. Johns Heritage Parkway (SJHP) itself, the City committed to the Federal Department of Transportation (FDOT) that needed properties for the connecting portions of the SJHP would be acquired. The St. Johns Heritage Parkway (SJHP) interchange connecting to Interstate-95 began construction in FY 16 and officially opened in FY 20.

### Revenue/Sources

In 2018, the City issued a Local Option Gas Tax (LOGT) Revenue Note, Series 2018 in the sum of \$8,977,500. This note provided funding for the construction of this connector road. The note is secured through local option gas tax revenues and proceeds were received in FY 18. Interest earnings on investments have provided additional revenue each fiscal year totaling \$500 in FY 22.

### Expenditures/Uses

FY 21 year-end projected total expenditures/uses for the connector road are \$451,463; a decrease of \$(2,435,655), or (84.4)%, from FY 20 Actuals totaling \$2,887,118. Similar to revenues, with the opening of the SJHP Interchange, the only expenditure/use recorded in the I-95 Interchange Fund is for Bank Service Fees charged for monthly investments occurring in the fiscal year. The FY 22 Approved Budget includes \$50 in Bank Service Fees.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$(259,050) reflects no change from the FY 21 Year-end Estimated Fund Balance.

## 2019 G.O. Road Maintenance Fund Summary

### Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	54,245,052	54,200,641	29,010,098	29,010,098	3,555,642
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	597,883	400,000	400,000	50,000	100,000
Transfers	0	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>597,883</b>	<b>400,000</b>	<b>400,000</b>	<b>50,000</b>	<b>100,000</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	25,832,836	0	51,221,551	25,504,456	226
Utilities	0	0	0	0	0
Transfers	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>25,832,836</b>	<b>0</b>	<b>51,221,551</b>	<b>25,504,456</b>	<b>226</b>
Revenues Over/(Under)Expenditures	(25,234,953)	400,000	(50,821,551)	(25,454,456)	99,774
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	400,000	42,543,695	42,143,695	99,774
Undesignated	0	0	9,077,856	5,821,859	0
<b>TOTAL ENDING BALANCE</b>	<b>29,010,098</b>	<b>54,600,641</b>	<b>-21,811,453</b>	<b>3,555,642</b>	<b>3,655,416</b>

## ANALYSIS

The 2019 G.O. Road Bond Fund was created in FY 19 to account for costs associated with funding road improvements and ancillary facilities throughout City limits. In November 2018, the City electorate voted to approve a \$150,000,000 bond referendum and in July 2019, the City issued bonds in the sum of \$50,000,000 for the *first tranche* to fund roadway improvement projects and costs of issuance. The bonds are secured through a separate ad valorem tax (taxing authority debt levy).

### Revenue/Sources

In July 2019, the City issued General Obligation Bonds, Series 2019 in the sum of \$50,000,000 providing funding for these road improvements and ancillary facilities. Interest earnings on investments have provided additional revenue each fiscal year. In comparison to the FY 21 estimated year-end receipts of \$50,000, the FY 22 Budget of \$100,000 is \$50,000, or 100.00%, higher.

### Expenditures/Uses

FY 21 projected year-end expenditures/uses total \$25,504,456; this reflects a decrease of \$(328,380), or (1.3)%, from FY 20 Actuals totaling \$25,832,836. Any unexpended funding related to these road improvement CIP projects will be rolled to FY 22 via a budget amendment. The FY 22 Approved Budget includes \$226 in Bank Service Fees.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$3,655,416 is \$99,774, or 2.81%, higher than the FY 21 Year-end Estimated Fund Balance of \$3,555,642.

## 2021 G.O. Road Maintenance Fund Summary

### Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	0	0	0	0	56,140,209
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	0	0	56,437,163	56,472,163	0
Transfers	0	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>0</b>	<b>0</b>	<b>56,437,163</b>	<b>56,472,163</b>	<b>0</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	360,114	331,954	0
Utilities	0	0	0	0	0
Transfers	0	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>0</b>	<b>0</b>	<b>360,114</b>	<b>331,954</b>	<b>0</b>
Revenues Over/(Under)Expenditures					
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	0	56,077,049	0	0
Undesignated	0	0	0	0	0
<b>TOTAL ENDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>56,077,049</b>	<b>56,140,209</b>	<b>56,140,209</b>

## ANALYSIS

The 2021 G.O. Road Bond Fund was created in FY 21 to account for costs associated with funding road improvements and ancillary facilities throughout City limits. In November 2018, the City electorate voted to approve a \$150,000,000 bond referendum and in January 2021, the City issued bonds in the sum of \$50,000,000 for the *second tranche* to fund roadway improvement projects and costs of issuance. The bonds are secured through a separate ad valorem tax (taxing authority debt levy).

### Revenue/Sources

In January 2021, the City issued General Obligation Bonds, Series 2021 in the sum of \$50,000,000 providing funding for these road improvements and ancillary facilities. Interest earnings on investments have provided additional revenue for the fiscal year.

### Expenditures/Uses

FY 21 year-end expenditures/uses include \$331,954 in issuance costs. No additional expenditure/use activity has occurred to-date.

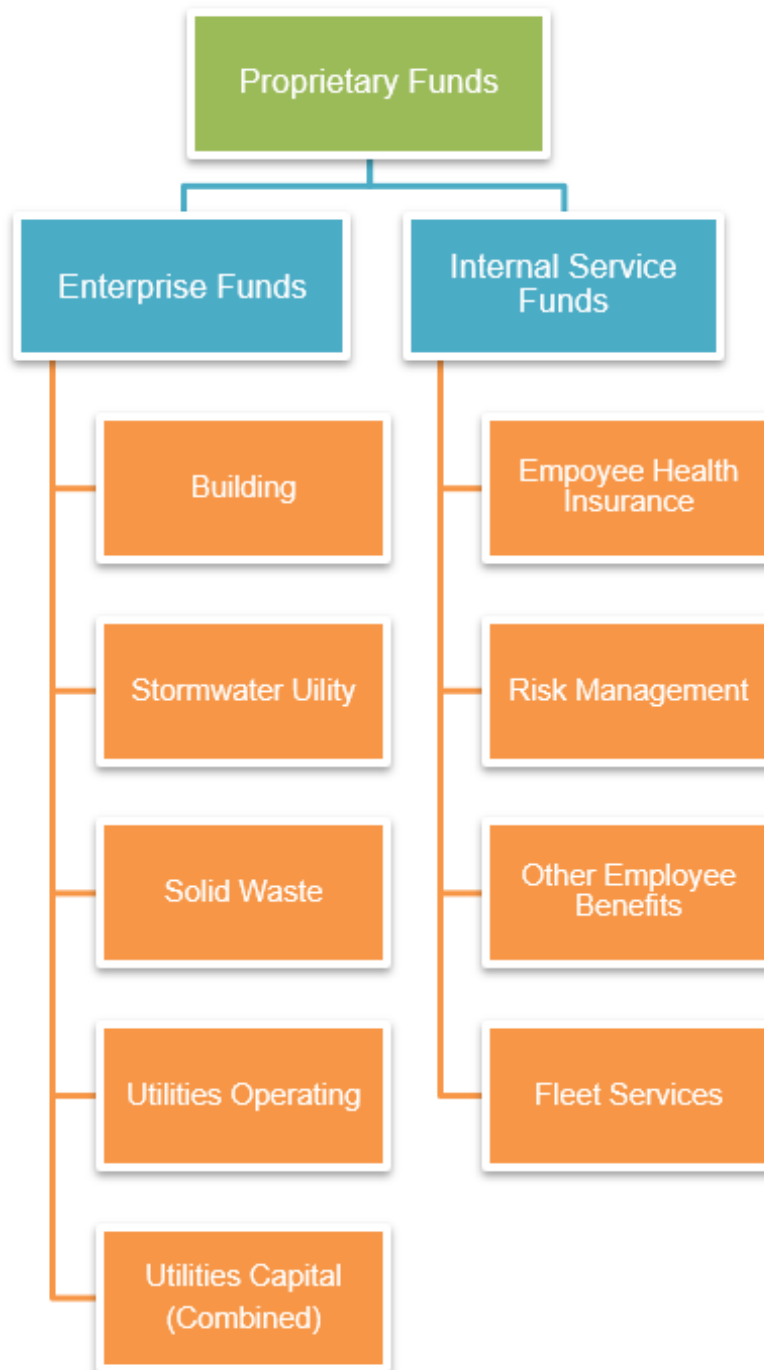
### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$56,140,209 reflects no change from FY 21.



## PROPRIETARY FUNDS

The following section will provide a financial overview of the Proprietary Funds reflected below, including Enterprise Funds and Internal Service Funds.



# Utilities Operating Fund

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 PROPOSED BUDGET
BEGINNING BALANCE	120,626,010	10,616,077	122,827,547	122,827,547	120,898,526
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	586	0	0	0	0
Intergovernmental	384,333	0	3,412,525	3,344,375	0
Charges for Service	30,969,072	31,624,892	31,624,892	31,559,349	33,201,775
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	434,417	289,047	416,019	280,399	244,205
Transfers	1,987,416	1,716,500	1,721,071	1,717,629	1,754,736
Developer Contributions	1,222,581	0	0	780,129	0
<b>TOTAL REVENUES/SOURCES</b>	<b>34,998,405</b>	<b>33,630,439</b>	<b>37,174,507</b>	<b>37,681,881</b>	<b>35,200,716</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	22,950,411	22,695,562	29,199,052	27,738,527	24,313,376
Debt Service	549,521	3,786,927	3,786,927	3,786,818	3,787,007
Transfers	9,296,939	7,968,937	8,085,557	8,085,557	8,264,372
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>32,796,871</b>	<b>34,451,426</b>	<b>41,071,536</b>	<b>39,610,902</b>	<b>36,364,755</b>
Revenues Over/(Under)Expenditures	2,201,534	(820,987)	(3,897,029)	(1,929,021)	(1,164,039)
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	(1,659,268)	0	9,191,339	0	0
Undesignated	0	820,987	1,296,366	0	1,164,039
<b>TOTAL ENDING BALANCE</b>	<b>122,827,547</b>	<b>9,795,090</b>	<b>118,930,518</b>	<b>120,898,526</b>	<b>119,734,487</b>

The Utilities Operating Fund, classified an Enterprise Fund, is used to account for utility service activities provided by the City and fully supports its operations. Associated operating revenues/sources, including water/sewer monthly usage, base facility charges, other charges for services, and miscellaneous income, are budgeted within the fund and are subject to an annual index adjustment as defined in the Code of Ordinances. Associated expenditures/uses include debt service, personnel services, departmental operating and capital expenditures, allowance for the Renewal and Replacement Fund (Fund 424), and bonded debt service coverage as needed.

### Revenue/Sources

Total FY 22 budgeted revenues/sources of \$35,200,716 (including transfers) are \$(2,481,165), or (6.6)%, lower than FY 21 estimated year-end receipts. FY 21 projected year-end receipts of \$37,681,881 are \$2,683,476, or 7.7%, higher than the FY 20 Actuals of \$34,998,405.

In the following analysis, the major Utilities Operating Fund revenue groups are listed in order of size for the FY 22 Budget. All revenue groups, unless otherwise noted, are projected by the Utilities Department in conjunction with the Finance Department and reviewed by the City Manager. Projections are based on the FY 21 Year-end Estimates rather than the FY 21 Approved Budget levels.

*Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts*

Revenue/Source Type	FY 21 Estimated	FY 22 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Licenses & Permits	—	—	—	N/A
Intergovernmental	—	—	—	N/A
Charges for Service	3,344,375	33,201,775	29,857,400	892.8 %
Fines and Forfeitures	31,559,349	—	(31,559,349)	(100.0)%
Miscellaneous	280,399	244,205	(36,194)	(12.9)%
Capital Contributions	780,129	—	(780,129)	(100.0)%
Transfers	1,717,629	1,754,736	37,107	2.2 %
<b>TOTAL</b>	<b>37,681,881</b>	<b>35,200,716</b>	<b>(2,481,165)</b>	<b>-6.6 %</b>

*Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals*

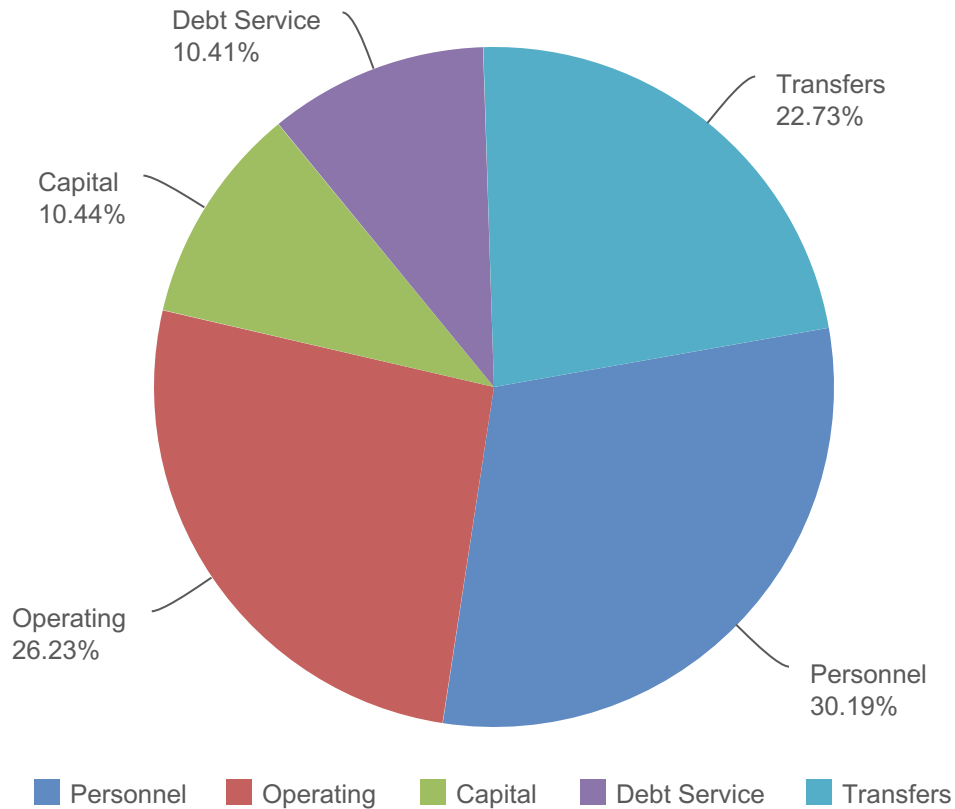
Revenue/Source Type	FY 20 Actual	FY 21 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Licenses & Permits	586	—	(586)	(100.0)%
Intergovernmental	384,333	—	(384,333)	(100.0)%
Charges for Service	30,969,072	3,344,375	(27,624,697)	(89.2)%
Fines and Forfeitures	—	31,559,349	31,559,349	N/A
Miscellaneous	434,417	280,399	(154,018)	(35.5)%
Capital Contributions	1,222,581	780,129	(442,452)	(36.2)%
Transfers	1,987,416	1,717,629	(269,787)	(13.6)%
<b>TOTAL</b>	<b>34,998,405</b>	<b>37,681,881</b>	<b>2,683,476</b>	<b>7.7 %</b>

- Charges for Services – Account for 94.3% of total revenues/sources. Future assumptions, based on historical trends and local economic and demographic forecasts include Annual Index Adjustments for water and sewer rates.
- Miscellaneous Revenue (includes Licenses & Permits) – Account for 0.7% of total revenues/sources. Future growth is dependent on varied sources of revenue within the group and the unknown timing of receiving developer contributions.
- Transfers (includes Intergovernmental) – Account for 5.0% of total revenues/sources. Transfers from the Stormwater and Solid Waste Funds are for billing services; future payments are estimated using proformas and expansion certificate guidelines.

## Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$36,364,755 are \$(3,246,147), or (8.2)%, lower compared to FY 21 estimated year-end projections of \$39,610,902. FY 21 projected total Expenditures/Uses are \$6,814,031, or 20.8%, higher than the FY 20 Actuals.

The pie chart below reflects the FY 22 Expenditure/Uses breakdown by type:



## Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$119,734,487 is \$(1,164,039), or (0.96)%, lower than the FY 21 Year-end Estimated Fund Balance of \$120,898,526. The minimum fund balance policy of 90 days of operating reserves for FY 22 for the Utilities Operating Fund is \$5,058,836.

# Utilities Capital Fund Summary (combined)

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	17,665,887	9,926,146	23,601,986	23,601,986	11,384,882
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	711,365	802,415	802,415	705,932	553,042
Capital Contributions	6,369,757	25,041,947	38,076,100	52,308,214	6,355,476
Transfers	10,419,625	9,390,935	10,153,156	10,153,156	10,572,076
<b>TOTAL REVENUES/SOURCES</b>	<b>17,500,747</b>	<b>35,235,297</b>	<b>49,031,671</b>	<b>63,167,302</b>	<b>17,480,594</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks and Recreation	0	0	0	0	0
Facilities	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	5,887,055	25,237,387	58,810,041	58,121,824	7,832,969
Debt Service	1,182,495	3,948,164	5,030,385	5,030,385	4,498,051
Transfers	4,495,098	4,591,010	5,236,611	5,236,611	5,235,409
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>11,564,648</b>	<b>33,776,561</b>	<b>69,077,037</b>	<b>68,388,820</b>	<b>17,566,429</b>
Revenues Over/(Under)Expenditures	5,936,099	1,458,736	(20,045,366)	(5,221,518)	(85,835)
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	(5,247,285)	1,721,364	10,376,700	0	1,288,607
Undesignated	0	262,628	13,111,394	0	1,374,442
<b>TOTAL ENDING BALANCE</b>	<b>23,601,986</b>	<b>11,384,882</b>	<b>3,556,620</b>	<b>18,380,468</b>	<b>11,299,047</b>

## ANALYSIS

The Utilities Capital (Combined) Fund accounts for financial resources from dedicated revenue streams, capital improvements to the City's Water and Wastewater systems, and the principal and interest payments of various bond debt service.

- **Utilities Connection Fee Fund (423)** is used to collect connection fees on both water and sewer services and is restricted to utilities capacity-related expansion projects. Revenues and expenditures are budgeted in the Utilities Connection Fee Fund (Fund 423). Revenues in this fund are recorded as capital contributions in that they represent charges to new customers for their fair share of the capacity-related cost necessary to meet the demands put on the system by growth. The current fees were adopted by Council in August 2007 with Ordinance #2007-54 to be effective October 30, 2007, updated in 2012 by Ordinance #2012-24 and are adjusted annually by ordinance. This fund includes "pay-as-you-go" growth-related projects as approved in the 5-Year CIP.
- **Utilities Renewal and Replacement (UTRR) Fund (424)** accounts for the receipt of 5.0% of the Utilities Operating Fund revenues to be used to repair and replace existing water and sewer facilities. Revenues are derived from Utilities Operating Fund (Fund 421) based on two factors. First, and most importantly, the 1998 Bond Issue established criteria to transfer 5.0% of gross operating revenues for renewal and replacement. Secondly, funds are transferred from the Utilities Operating Fund to address needs determined to be qualifying UTRR projects.
- **Main Line Extension Fee Fund (425)** is used to collect main line extension fees on both water and sewer services and is restricted to utilities expansion projects. In FY 99, a portion of the main line extension fees were pledged to ensure payment of the 1998 Utility Expansion Revenue Bonds and subsequently the 2005B Refunding Bond. Revenues and expenditures are budgeted in the Utilities MLE Fund (Fund 425). Revenues in this fund cover the cost of the water distribution and sewer collection infrastructure expansion programs. The fees were established in 1995 by Ordinance #95-23, updated in 2004 by Ordinance #2004-78 and in 2013 by Ordinance #2013-34. This fund includes "pay-as-you-go" line extension projects and infrastructure expansion programs as approved by Council.
- **16 Utilities Revenue Refunding Bond Fund (426)** - In 1998, the City issued the 1998 Utility System Capital Improvement Revenue Bonds in the amount of \$24,160,000 to make certain improvements to the City's water and wastewater utility infrastructure. In 2005, the 2005B Utility System Refunding Bonds were issued to refund the 1998 Utility System Capital Improvement Revenue Bonds. Main line extension fee revenue, together with water and sewer operating revenues are pledged for the payment of the bonds. In 2016, the City issued the Utility System Refunding Revenue Note, Series 2016, to refund the Series 2005 B bonds and cover the cost of issuance.
- **01 Bond Construction Fund (427)** is used to account for the Series 2001 revenue bond proceeds of \$21,311,958.45 to make certain improvements to the water portion of the City's water and wastewater utilities system (specifically the South Regional Water Treatment Facility - SRWTF). The project consists of construction of exploratory wells, development of the production well field, construction of the initial phase of the water treatment plant, deep injection well system, and various general improvements to the transmission system.
- **14 Bond Construction Fund (428)** - in conjunction with Fund 421 is used to account for the Series 2014 Refunding bond to acquire and construct improvements to the City's utility system. In 2014, the City issued a note in the sum of \$28,800,000 for the principal purpose of current refunding of the Refunded Series 2002 Bonds and the Refunded Series 2003 Bonds, and the advance refunding of the Refunded Series 2004 Bonds. Additionally, the City terminated its forward agreement related to the refunded bonds. Net operating revenues of the City's water and sewer system are pledged for

payment of the bonds. Original bonds were to provide funds to acquire existing water distribution and wastewater collection treatment and disposal facilities and acquire and construction constructing improvements to the City's utility system.

- **USA-1 Special Assessment Fund (431)** is used to account for the special assessments including \$3,535,000 to finance the cost of designing and installing certain potable water transmission, localized distribution and wastewater collection facilities together with necessary road and drainage restoration within the portion of the City designated as USA-1 (specifically Unit 38/40). This assessment was the result of a favorable response to balloting property owners in the "USA-1" area for a special assessment program.
- **USA-31 Special Assessment Fund (Fund 432)** is used to account for the special assessments including \$3,935,000 to finance the cost of designing and installing certain potable water transmission and localized distribution within the portion of the City designated as USA-31 (specifically Unit 31). This assessment was the result of a favorable response to balloting property owners in the "USA-31" area for a special assessment program
- **Utility SRF Loan Fund (Fund 433)** is used to account for the water and wastewater infrastructure projects funded by low-interest loans through the State Revolving Fund Loan Program. The program is a federal-state partnership administered by the Florida Department of Environmental Protection.
- **Utility Bond Construction Fund (Fund 434)** is used to account for the project expenditures/uses tied to the expansion and rehabilitation of the South Regional Water Treatment Plant (SRWTP). Funding for this expansion was secured through debt issuance of the Utility System Revenue Note, Series 2020 totaling \$11,507,000 in FY 21.

## Revenue/Sources

FY 21 estimated year-end receipts of \$17,480,594 are \$45,666,555, or 260.9%, higher than the FY 20 Actuals totaling \$17,500,747. In comparison to the FY 21 estimated year-end receipts, the FY 22 Budget of \$17,480,594 is \$(45,686,708), or (72.33)%, lower. The variance can be attributed to the following two revenue source increases:

- Unexpended project rollover from FY 20 to FY 21 totaling \$19,972,953 tied to the South Regional Water Reclamation Facility project accounted for in the Utility SRF Loan Fund (433)
- Issuance of the Utility System Revenue Note, Series 2020 totaling \$11,507,000 in FY 21 accounted for in the Utility Bond Construction Fund (434).

Unless otherwise noted, all revenue groups in the Utilities Capital (Combined) Fund are projected by the Utilities Department in consultation with the Finance Department and reviewed by the City Manager. Projections are developed from the FY 21 projected year-end estimated receipts rather than the FY 21 Approved Budget levels. Comparisons to the estimated year-end receipts are provided in the following detailed analysis.

*Comparison of FY 22 Approved Budget to FY 21 Estimated Year-End Receipts*

Revenue/Source Type	FY 21 Estimated	FY 22 Approved Budget	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Miscellaneous	705,932	553,042	(152,890)	-21.7%
Capital Contributions	52,308,214	6,355,476	(45,952,738)	-87.8%
Transfers	10,153,156	10,572,076	418,920	4.1%
<b>TOTAL</b>	<b>63,167,302</b>	<b>17,480,594</b>	<b>(45,686,708)</b>	<b>-72.3%</b>

## Comparison of FY 21 Estimated Year-End Receipts to FY 20 Actuals

Revenue/Source Type	FY 20 Actual	FY 21 Estimated	Revenue Increase/(Decrease)	Percentage Increase/(Decrease)
Miscellaneous	711,365	705,932	(5,433)	(0.8)%
Capital Contributions	6,369,757	52,308,214	45,938,457	721.2 %
Transfers	10,419,625	10,153,156	(266,469)	(2.6)%
<b>TOTAL</b>	<b>17,500,747</b>	<b>63,167,302</b>	<b>45,666,555</b>	<b>260.9 %</b>

Miscellaneous – Account for 3.2% of total revenues/sources. Revenues derived from:

- Assessments – Revenues derived from property owner voted special assessments for the extension of utilities in areas known as “USA-1” and “USA-31.”
- Interest Income – Revenue earned on investment of cash.

Capital Contributions – Account for 36.4% of total revenues/sources. Revenues derived from:

- Water Connection Fees – Charge to new water customers for their fair share of the capital costs of the existing system or the cost of increasing the capacity of the system to meet additional demand created by connections of new customers.
- Sewer Connection Fees – Charge to new sewer customers for their fair share of the capital costs of the existing system or the cost of increasing the capacity of the system to meet additional demand created by connections of new customers
- Capital Charge Recovery – Water – Charge to water customers who did not pay water connection fees and are not specifically exempt from paying.
- Capital Charge Recovery – Sewer – Charge to sewer customers who did not pay sewer connection fees and are not specifically exempt from paying.
- Main Line Extension Fee - Water – Charge to new water customers to cover the costs associated with installing water distribution infrastructure.
- Main Line Extension Fee – Sewer – Charge to new wastewater customers to cover the costs associated with installing wastewater collection infrastructure.

(Interfund) Transfers – Account for 60.5% of total revenues/sources. Revenues derived from transfers among Utilities funds for the following purposes:

- Interest earnings on debt service reserves carried in the Utilities Operating Fund which were originally funded by connection fees are transferred back annually to the Utilities Connection Fee Fund.
- Shifting a portion of the debt service payment from the Main Line Extension Fee Fund to the Utilities Operating Fund.
- Funding a debt service reserve due to the bond insurer downgrading off-set by an increase in the debt service payment.
- Transfer to fund debt service payments.

## Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$17,566,429 are \$(50,822,391), or (74.31)%, lower compared to FY 21 estimated year-end projections of \$68,388,820. FY 21 projected total Expenditures/Uses are \$56,824,172, or 491.4%, higher than the FY 20 Actuals. Similar to the revenue/sources analysis, the variance can be attributed to unexpended projected roll overs from FY 20 to FY 21.



The FY 22 capital category is comprised of the following funding (excluding Fund 421/Utilities Operating Fund):

*5-Year Capital Improvement Plan Schedule of Estimated Expenditures*

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total Project Cost
<b>Utilities</b>	6,664,395	32,165,082	2,001,823	2,082,129	1,966,947	<b>44,880,376</b>

*Utility Funding Source Details*

Funding Source		FY 22
<b>Connection Fee Fund (423)</b>	Utilities	237,000
<b>Renewal &amp; Replacement Fund (424)</b>	Utilities	6,158,573
<b>Main Line Extension Fee Fund (425)</b>	Utilities	268,822
	<b>Total Utility Department</b>	<b>6,664,395</b>

A detailed and itemized list of capital category projects impacting FY 22 expenditures can be located in [Appendix B - Capital Improvement Program \(CIP\)](#) of this document.

### Change in Fund Balance

The FY 22 projected Year-end Fund Balance of \$11,299,047, is \$(7,081,421), or (38.53)%, lower than the FY 21 Year-end estimated Fund Balance of \$18,380,468. A projected decline in Fund Balance is anticipated in FY 22 due to the increase in revenue/sources tied to the single issuance of the Utility System Revenue Note, Series 2020 totaling \$11,507,000 in FY 21. The FY 22 Approved Budget is built on a normal spending pattern of expenditures/uses being supported by existing revenues on-hand.

# Building Fund

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	5,895,042	1,257,146	7,482,329	7,482,329	6,839,057
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	3,943,077	3,900,000	3,900,000	3,550,500	4,000,000
Intergovernmental	0	0	14,452	9,687	0
Charges for Service	211,727	273,000	273,000	313,509	316,000
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	126,319	150,000	187,392	83,603	35,000
Transfers	69,425	0	187	187	6,195
<b>TOTAL REVENUES/SOURCES</b>	<b>4,350,548</b>	<b>4,323,000</b>	<b>4,375,031</b>	<b>3,957,486</b>	<b>4,357,195</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	4,761,425	4,566,335	10,630,867
Growth Management	2,763,264	3,688,558	47,196	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	0	0	0	0	0
Debt Service	0	0	0	0	0
Transfers	0	0	34,423	34,423	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>2,763,264</b>	<b>3,688,558</b>	<b>4,843,044</b>	<b>4,600,758</b>	<b>10,630,867</b>
Revenues Over/(Under)Expenditures	1,587,284	634,442	(468,013)	(643,272)	(6,273,672)
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	(150,643)	634,442	688,928	688,928	0
Undesignated	0	0	1,047,969	547,367	6,273,672
<b>TOTAL ENDING BALANCE</b>	<b>7,482,329</b>	<b>1,891,588</b>	<b>7,014,316</b>	<b>6,839,057</b>	<b>565,385</b>

## ANALYSIS

The Building Fund, established in FY 04, accounts for all building-related activities within the City. The Fund is prepared on the modified accrual basis where cash transactions are included in the budget presentation in lieu of non-cash transactions such as depreciation. The focus is on the net change in fund balance (i.e. working capital).

### Revenue/Sources

Total Revenue/Sources budgeted for FY 22 of \$4,357,195 are \$399,709, or 10.1%, higher compared to FY 21 estimated year-end receipts of \$3,957,486. FY 21 estimated year-end receipts are \$(393,062), or (9.0)%, lower than FY 20 Actuals totaling \$4,350,548.

Revenues generated through building-related activities include the following:

- Licenses & Permits - Building permits, recall inspections and plan check fees.
- Charges for Services - Engineering plan fees and administrative fees.
- Miscellaneous Revenues and Interfund Transfers – Interest earnings on pooled cash investments, city auction proceeds, applied forfeitures and other miscellaneous revenues.

### Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$10,630,867 are \$6,030,109, or 131.1%, higher compared to FY 21 estimated year-end projections of \$4,600,758. FY 21 projected total Expenditures/Uses are \$1,837,494, or 66.5%, higher than the FY 20 Actuals.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$565,385 is \$(6,273,672), or (91.73)%, lower than the FY 21 Year-end Estimated Fund Balance of \$6,839,057. The decrease in project fund balance can be attributed to the FY 22 total expenditures/uses outlined in the previous section. The Building Fund is scheduled to contribute a total of \$6,071,085 in FY 22 towards the construction of Building E on the City Hall Campus. Details outlining the project can be found in [Appendix B: Capital Improvements Program](#).

# Stormwater Fund Summary

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	13,188,966	2,100,811	13,951,443	13,951,443	15,058,652
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	60,205	0	0	847	0
Intergovernmental	0	0	13,853	1,009	0
Charges for Service	224,625	9,071,554	9,071,554	9,066,704	9,051,554
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	9,935,247	121,000	164,609	108,609	110,000
Transfers	415,506	275,697	275,697	275,697	283,000
<b>TOTAL REVENUES/SOURCES</b>	<b>10,635,583</b>	<b>9,468,251</b>	<b>9,525,713</b>	<b>9,452,866</b>	<b>9,444,554</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	9,873,106	9,848,971	12,768,095	8,213,483	8,623,731
Utilities	0	0	0	0	0
Debt Service	0	0	0	0	0
Transfers	0	132,174	132,174	132,174	131,775
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>9,873,106</b>	<b>9,981,145</b>	<b>12,900,269</b>	<b>8,345,657</b>	<b>8,755,506</b>
Revenues Over/(Under)Expenditures	762,477	(512,894)	(3,374,556)	1,107,209	689,048
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	(4,058,717)	0	7,830,601	4,848,811	689,048
Undesignated	0	512,894	1,507,535	374,893	0
<b>TOTAL ENDING BALANCE</b>	<b>13,951,443</b>	<b>1,587,917</b>	<b>10,576,887</b>	<b>15,058,652</b>	<b>15,747,700</b>

## ANALYSIS

The establishment of the Stormwater Utility Fund in FY 11 provided dedicated funding for stormwater related activities and separate tracking of revenues and expenditures that were historically a part of the General Fund. Revenues to the Stormwater Utility are based upon a rate of \$131.00/annually per equivalent residential unit (ERU) (as set in CoO Chapter 174, Floodplain and Stormwater Management) and a fee reconsidered each year by ordinance. Vacant land is charged a reduced rate compared to developed land. In addition, funding is included to address failed drainage structures within the City.

A referendum item, approved by the electorate in November 2016, granted City Council the power to levy special assessments for (1) construction, repair, and maintenance of roadways and all appurtenant facilities and infrastructure, and (2) construction, repair, and maintenance of Stormwater and wastewater management facilities, water supply and distribution systems, canals, and all appurtenant infrastructure.

The Fund is prepared on the modified accrual basis where cash transactions are included in the budget presentation in lieu of non-cash transactions such as depreciation. The focus is on the net change in fund balance (i.e. working capital).

### Revenue/Sources

Total Revenue/Sources budgeted for FY 22 of \$9,444,554 are \$(8,312), or (0.1)%, lower compared to FY 21 estimated year-end receipts of \$9,452,866. FY 21 estimated year-end receipts are \$(1,182,717), or (11.1)%, lower than FY 20 Actuals.

The largest revenue stream within the FY 22 Budget is Stormwater Assessments. Other revenue sources include Charges for Services-Engineering Plan Fees and Applied Forfeitures. Revenue derived from Interest Income is not budgeted; however, will be added as receipts are recognized. FY 22 revenues were projected by the Public Works Department and are reviewed by the City Manager.

### Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$8,755,506 are \$409,849, or 4.9%, higher compared to FY 21 estimated year-end projections of \$8,345,657. FY 21 projected total Expenditures/Uses are \$(1,527,449), or (15.5)%, lower than the FY 20 Actuals.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$15,747,700 is \$689,048, or 4.58%, higher than the FY 21 Year-end Estimated Fund Balance of \$15,058,652.

# Solid Waste Fund

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	1,567,383	849,283	1,618,229	1,618,229	1,447,377
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	1,400	0	0
Charges for Service	6,209,924	11,661,683	11,661,683	11,661,683	12,873,432
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	45,078	35,000	38,190	52,817	5,000
Transfers	11,760	0	0	45,127	0
<b>TOTAL REVENUES/SOURCES</b>	<b>6,266,762</b>	<b>11,696,683</b>	<b>11,701,273</b>	<b>11,759,627</b>	<b>12,878,432</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	6,202,965	12,123,933	11,872,708	11,930,479	13,138,514
Utilities	70,096	72,361	72,361	72,361	8,194
Debt Service	4,757	0	0	0	0
Transfers	8,194	48,954	48,954	0	55,918
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>6,215,916</b>	<b>12,172,887</b>	<b>11,921,662</b>	<b>11,930,479</b>	<b>13,194,432</b>
Revenues Over/(Under)Expenditures	50,846	(476,204)	(220,389)	(170,852)	(316,000)
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	0	0	0	0
Undesignated	0	476,204	220,389	473,003	316,000
<b>TOTAL ENDING BALANCE</b>	<b>1,618,229</b>	<b>373,079</b>	<b>1,397,840</b>	<b>1,447,377</b>	<b>1,131,377</b>

## ANALYSIS

The establishment of the Solid Waste Fund (formerly known as the Sanitation Fund) in FY 11 created a residential solid waste collection system administered by the City in partnership with Waste Management. Waste Management (WM) provided solid waste services for the City for approximately thirty years. On September 30, 2020 the franchise agreement expired, which required the City to conduct a competitive procurement solicitation for solid waste services. The City received three (3) proposals and one statement of no proposal by Waste Management. At the April 22, 2020 Special Council Meeting, the Public Works Department and Procurement requested Council's permission to negotiate with the top rank collector (Republic) for either Base Proposal providing for twice weekly residential service or Alternate Proposal providing for once a week residential service. Council approved to negotiate the Base Proposal providing for twice weekly residential service. After a month of successful negotiations, at the Special Council Meeting held May 28, 2020, City Council voted to award the City's ten-year Solid Waste and Recycling Services contract to Republic Services of Florida, Inc.

Through the Republic Services Franchise Agreement, the City will pay Republic Services of Florida, Inc. \$23.50/month per residential unit served. Rates for solid waste collection service are set at the prevailing rate as established pursuant the resolution (CoO Section 150.53).

The Fund is prepared on the modified accrual basis where cash transactions are included in the budget presentation in lieu of non-cash transactions such as depreciation. The focus is on the net change in fund balance (i.e. working capital).

### Revenue/Sources

Total Revenue/Sources budgeted for FY 22 of \$12,878,432 are \$1,118,805, or 9.5%, higher compared to FY 21 estimated year-end receipts of \$11,759,627. FY 21 estimated year-end receipts are \$5,492,865, or 87.7%, higher than FY 20 Actuals.

### Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$13,194,432 are \$1,263,953, or 10.6%, higher compared to FY 21 estimated year-end projections of \$11,930,479. FY 21 projected total Expenditures/Uses are \$5,714,563, or 91.9%, higher than the FY 20 Actuals.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$1,131,377 is \$(476,204), or (21.83)%, lower than the FY 21 Year-end Estimated Fund Balance of \$1,447,377. Contractual service costs, based on average active accounts held with Republic Services of Florida, has increased from FY 21 to FY 22 by a total \$1,208,035.

# Employee Health Insurance Fund

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	6,418,151	(1,075,389)	6,303,624	6,303,624	6,769,527
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	3,012	0	0
Charges for Service	11,470,896	14,031,326	14,031,326	13,860,064	16,024,121
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	80,018	75,000	78,140	13,172	10,000
Transfers	4,437	0	0	0	4,797
<b>TOTAL REVENUES/SOURCES</b>	<b>11,555,351</b>	<b>14,106,326</b>	<b>14,112,478</b>	<b>13,873,236</b>	<b>16,038,918</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	11,669,878	13,428,463	13,406,902	13,407,333	16,019,087
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	0	0	0	0	0
Debt Service	0	0	0	0	0
Transfers	0	38,884	60,445	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>11,669,878</b>	<b>13,467,347</b>	<b>13,467,347</b>	<b>13,407,333</b>	<b>16,019,087</b>
Revenues Over/(Under)Expenditures	(114,527)	638,979	645,131	465,903	19,831
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	638,979	645,131	0	19,831
Undesignated	0	0	0	0	0
<b>TOTAL ENDING BALANCE</b>	<b>6,303,624</b>	<b>(436,410)</b>	<b>6,948,755</b>	<b>6,769,527</b>	<b>6,789,358</b>



## ANALYSIS

The Employee Benefits Fund, which accounted for expenses incurred for the insured and self-insured benefits under the City's Section 125 "cafeteria" benefits plan for City employees, was split into two separate Funds in FY 11. The Employee Health Insurance Fund accounts for the City's self-insured employee health insurance program, while the Other Employees Benefits Fund (513) accounts for all other benefits. Revenues are generated by charges to the various departments and funds based on experience and actuarial estimates. The minimum Fund Balance Policy is set by the actuarial projected cost of two-months of claims.

### Revenue/Sources

Total FY 22 budgeted revenues/sources of \$16,038,918 are \$2,165,682, or 15.6%, higher from the FY 21 estimated year-end receipts. FY 21 projected year-end receipts of \$13,873,236 are \$2,317,885, or 20.1%, higher than the FY 20 Actuals. All revenue streams, unless otherwise noted, in the Employee Health Insurance Fund are projected by the Human Resource Office and reviewed by the City Manager. Projections are based off the FY 21 Year-end Estimates rather than the FY 20 Budget levels.

It is important to note that most revenues/sources utilized by the Fund are generated through health insurance premium charges to the departments. A total of \$16,024,121, or 99.9%, of the total FY 22 budgeted revenues/sources are derived from these premiums.

Premiums from Departments – Revenues derived from:

- Interfund Charges to departments with full-time employees. The amount charged to each department is usually based upon the amount needed to balance the fund to desired fund balance level and then divided by the number of employees.

Charges for Services – Revenues derived from:

- Voluntary employee paycheck deductions in exchange for elected benefits, such as family coverage or premium employee and/or family health insurance. Revenues are also derived from former employees, payments for continuation of health insurance benefits generally for 18 months for qualifying events due to employment termination or reduction of hours of work.
- Future growth patterns in this revenue stream are difficult to forecast due to the volatility of employees' health insurance elections and the number of eligible employees.

Transfers – Revenues derived from:

- Interfund transfers occurring as a Revenue Source.

### Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$16,019,087 are \$2,611,754, or 19.5%, lower compared to FY 21 estimated year-end projections of \$13,407,333. FY 21 projected total Expenditures/Uses are \$1,737,455, or 14.9%, lower than the FY 20 Actuals.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$6,789,358 is \$19,831, or 0.29%, higher than the FY 21 Year-end Estimated Fund Balance of \$6,769,527. The minimum Fund Balance Policy is set by the actuarial projected cost of two-months of claims.

# Risk Management Fund

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	2,898,662	313,522	2,889,189	2,889,189	2,995,750
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Service	4,473,598	4,608,209	4,608,209	4,608,209	4,861,097
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	657,005	75,000	98,661	314,321	60,000
Transfers	0	0	0	0	2,277
<b>TOTAL REVENUES/SOURCES</b>	<b>5,130,603</b>	<b>4,683,209</b>	<b>4,706,870</b>	<b>4,922,530</b>	<b>4,923,374</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	3,013,881	4,662,923	4,670,463	4,815,969	4,812,447
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	(16,121)	0	0
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	0	0	0	0	0
Debt Service	0	0	0	0	0
Transfers	2,126,197	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>5,140,078</b>	<b>4,662,923</b>	<b>4,654,342</b>	<b>4,815,969</b>	<b>4,812,447</b>
Revenues Over/(Under)Expenditures	(9,475)	20,286	52,528	106,561	110,927
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	20,286	52,528	20,286	110,927
Undesignated	0	0	0	0	0
<b>TOTAL ENDING BALANCE</b>	<b>2,889,189</b>	<b>333,808</b>	<b>2,941,717</b>	<b>2,995,750</b>	<b>3,106,677</b>

## ANALYSIS

The Risk Management Fund accounts for the expenses incurred for workers' compensation claims, general and auto liability claims, property claims, and the related administrative expenses to operate the City's Risk Management program. Revenues are generated by charges to the various departments and funds based on experience and actuarial estimates. Beginning in FY 07, the Fund Balance was set based upon actual costs of past claims experience and excess insurance coverage costs. In 2015 the oversight of the Risk Management Fund transitioned from the Human Resource Department to the Office of the City Attorney.

As of October 1, 2015, the City of Palm Bay is self-insured. The City maintains a sovereign immunity cap for general liability claims of \$200,000 per claimant/\$300,000 per incident. Workers' compensation does not have a sovereign immunity cap. For all claims from October 1, 2010 to September 30, 2015, the City was fully insured with Florida Municipal Insurance Trust. For general liability claims that arose during that time, the self-insured retention (SIR) is \$100,000. All Workers' Compensation claims that arose during that time period are fully insured from first dollar.

### Revenue/Sources

Total Revenue/Sources budgeted for FY 22 of \$4,923,374 are \$844, or 0.02%, higher compared to FY 21 estimated year-end receipts of \$4,922,530. FY 20 estimated year-end receipts are \$(208,073), or (4.1)%, lower than FY 20 Actuals. All revenue streams, unless otherwise noted, in the Risk Management Fund are projected by the Office of the City Attorney and reviewed by the City Manager. Projections are based on the FY 21 Year-end Estimates rather than the FY 21 Approved Budget levels.

Premiums – Revenues derived from:

- Premiums for self-insured lines of property, auto, general liability and workers' compensation.

Other Revenues – Revenues derived from:

- Interest earnings on pooled cash investments.
- The purchase of "excess" insurance to limit the adverse financial impact to the City because of an unusually large loss or an unexpectedly long series of small losses. The City has elected to retain a portion of the total risk exposure (self-insured retention – SIR) to reduce the overall cost of the insurance program.
- The pursuit of subrogation and recovery for property and vehicle damage as well as workers' compensation expenses that result from the negligence of another party.

### Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$4,812,447 are \$(3,522), or (0.1)%, lower compared to FY 21 estimated year-end projections of \$4,815,969. FY 21 projected total Expenditures/Uses are \$(324,109), or (6.3)%, lower than the FY 20 Actuals.

### Change in Fund Balance

The projected FY 22 Year-end Fund Balance of \$3,106,677 is \$110,927, or 3.70%, higher than the FY 21 Year-end Estimated Fund Balance of \$2,995,750.

# Other Employee Benefits Fund

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	460,540	(248,523)	1,680,037	1,680,037	1,628,848
<b>REVENUES/SOURCES</b>					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	0	0	3,012	0	0
Charges for Service	4,245,364	4,582,696	4,582,696	4,462,032	4,150,677
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	50,257	0	2,386	27,763	0
Transfers	2,877	0	21,561	21,561	0
<b>TOTAL REVENUES/SOURCES</b>	<b>4,298,498</b>	<b>4,582,696</b>	<b>4,609,655</b>	<b>4,511,356</b>	<b>4,150,677</b>
<b>EXPENDITURES/USES</b>					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	3,079,001	4,550,984	4,572,545	4,562,545	4,109,560
Building	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	0	0	0	0	0
Utilities	0	0	0	0	0
Debt Service	0	0	0	0	0
Transfers	0	30,986	30,986	0	995,203
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>3,079,001</b>	<b>4,581,970</b>	<b>4,603,531</b>	<b>4,562,545</b>	<b>5,104,763</b>
Revenues Over/(Under)Expenditure	1,219,497	726	6,124	(51,189)	(954,086)
<b>FUND BALANCE USAGE</b>					
Reserves/Designated (Restricted)	0	726	6,124	0	41,117
Undesignated	0	0	0	0	995,203
<b>TOTAL ENDING BALANCE</b>	<b>1,680,037</b>	<b>(247,797)</b>	<b>1,686,161</b>	<b>1,628,848</b>	<b>674,762</b>

## ANALYSIS

Created in FY 11, the Other Employee Benefits Fund accounts for expenses incurred for the insured and self-insured benefits under the City's Section 125 "cafeteria" benefits plan maintained for City employees. Benefits paid from this fund include the following:

- Vacation and Sick Payouts
- Employee Assistance Program
- Life Insurance
- Short-term and Long-term Disability
- Dental and Vision Insurance

Revenues are generated by charges to various departments and funds based on experience and actuarial estimates, plus paycheck deductions from employees.

### Revenue/Sources

Total Revenue/Sources budgeted for FY 22 of \$4,150,677 are \$(360,679), or (8.0)%, lower compared to FY 21 estimated year-end receipts of \$4,511,356. FY 21 estimated year-end receipts are \$212,858, or 5.0%, higher than FY 20 Actuals. All revenue, unless otherwise noted, in the Other Employee Benefits Fund are projected by the Human Resource Department and reviewed by the City Manager. Projections are based on FY 21 Year-end Estimates rather than the FY 21 Approved Budget levels.

Most revenues/sources received by this Fund are generated through departmental premiums; the amounts are determined based on whether the departmental funding sources are an Enterprise or Non-Enterprise Fund. Additional funding sources are generated through employee deductions and interfund transfers.

Employee Deductions – Revenues derived from:

- Voluntary employee paycheck deductions in exchange for elective benefits such as vision insurance, enhanced life insurance, dental insurance and other miscellaneous options
- Revenues derived from former employee payments for continuation of health insurance benefits.

Future growth of this revenue stream is dependent upon the cost of insurance policies provided by outside vendors and the number of employees electing specific coverage.

Premiums from Departments – Revenues derived from:

- Interfund charges to departments with full-time employees.
  - A calculation is completed to determine the specific interfund charge; taking into consideration the required amount needed to balance the fund, the fund-type (enterprise versus non- enterprise) and the total number of full-time employees.

Transfers – Revenues derived from:

- Interfund transfers occurring as a Revenue Source.

### Expenditures/Uses

Total Expenditures/Uses budgeted for FY 22 of \$5,104,763 are \$542,218, or 11.9%, higher compared to FY 21 estimated year-end projections of \$4,562,545. FY 21 projected total Expenditures/Uses are \$1,483,544, or 48.2%, higher than the FY 20 Actuals.

### **Change in Fund Balance**

The projected FY 21 Year-end Fund Balance of \$674,762 has reduced by \$(954,086), or (58.57)%, from the FY 20 estimated year-end projections of \$1,628,848. As this fund does not require a minimum fund balance similar to the Employee Health Insurance Fund (511), available unspent cash from FY 20 interfund charges was returned to the originating fund sources. FY 22 Expenditures/Uses includes an outgoing transfer totaling \$995,203, which accounts for 19.50% of total Expenditures/Uses.

# Fleet Services Fund

## Revenue & Expenditure Summary

	FY 2020 ACTUALS	FY 2021 ORIGINAL BUDGET	FY 2021 AMENDED BUDGET	FY 2021 YEAR-END ESTIMATES	FY 2022 APPROVED BUDGET
BEGINNING BALANCE	1,945,518	(2,092,755)	4,720,106	4,720,106	2,818,134
REVENUES/SOURCES					
Property Taxes	0	0	0	0	0
Sales, Use & Fuel Taxes	0	0	0	0	0
Franchise Fees	0	0	0	0	0
Utility Taxes	0	0	0	0	0
Licenses & Permits	0	0	0	0	0
Intergovernmental	82,660	50,000	51,231	6,681	50,000
Charges for Service	4,091,034	3,687,197	3,687,197	3,683,897	4,305,074
Fines and Forfeitures	0	0	0	0	0
Capital Contributions	23,999	9,000	9,000	37,479	9,000
Miscellaneous	0	0	0	0	0
Transfers	3,202,801	179,658	1,250,748	1,248,248	163,775
<b>TOTAL REVENUES/SOURCES</b>	<b>7,400,494</b>	<b>3,925,855</b>	<b>4,998,176</b>	<b>4,976,305</b>	<b>4,527,849</b>
EXPENDITURES/USES					
Legislative	0	0	0	0	0
Office of City Manager	0	0	0	0	0
Office of City Attorney	0	0	0	0	0
Procurement	0	0	0	0	0
Finance	0	0	0	0	0
Information Technology	0	0	0	0	0
Human Resources	0	0	0	0	0
Growth Management	0	0	0	0	0
Community & Economic Development	0	0	0	0	0
Parks & Recreation	0	0	0	0	0
Recreation	0	0	0	0	0
Facilities & Parks	0	0	0	0	0
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Works	4,152,968	4,228,983	7,180,985	6,878,277	4,430,187
Utilities	0	0	0	0	0
Bayfront Community Red. Agency	0	0	0	0	0
Debt Service	28,625	0	0	0	0
Transfers	444,313	0	0	0	0
Non-Departmental	0	0	0	0	0
<b>TOTAL EXPENDITURES/USES</b>	<b>4,625,906</b>	<b>4,228,983</b>	<b>7,180,985</b>	<b>6,878,277</b>	<b>4,430,187</b>
Revenues Over/(Under)Expenditures	2,774,588	(303,128)	(2,182,809)	(1,901,972)	97,662
FUND BALANCE USAGE					
Reserves/Designated (Restricted)	0	0	1,882,143	1,880,912	97,662
Undesignated	0	303,128	303,128	303,128	0
<b>TOTAL ENDING BALANCE</b>	<b>4,720,106</b>	<b>(2,395,883)</b>	<b>2,537,297</b>	<b>2,818,134</b>	<b>2,915,796</b>

## ANALYSIS

The Fleet Services Funds, established in FY 04, accounts for operations, repairs, and replacement of the City's vehicular and major equipment fleet. Revenues are generated by separate user charges to various departments for operational costs and vehicle "replacement" charges to General Fund departments. Non-General Fund departments are only charged for operational costs as they purchase, depreciate, and replace their vehicles separately.

### Revenue/Sources

Charges for Services comprise most Fleet Services Fund revenues/sources. Fleet Operating Charges to user departments are based on anticipated maintenance and fuel costs. Fleet Vehicle Charges are based on an annual analysis of historic operating and maintenance costs, plus anticipated changes for the new fiscal year. Fleet Replacement Charges are based on the anticipated replacement cost divided by the useful economic lifespan of each vehicle. These charges are then aggregated at the user-division level in the General Fund and Fleet Services Fund.

All revenue streams in the Fleet Services Fund are projected by Public Works Fleet Services Manager and reviewed by the City Manager. Projections are based on historic trends, future operational needs and surveys of economic indicators. The total revenues/sources budgeted for FY 22 of \$4,527,849 are \$(448,456), or (9.0)%, lower than the FY 21 estimated year-end receipts of \$4,976,305. FY 21 projected receipts are \$(2,424,189), or (32.8)%, lower than the FY 20 Actuals.

Fleet Replacement and Operating & Maintenance Charges – Revenues derived from:

- Replacement charges and operating and maintenance charges to user departments.
- Enterprise and Special Revenue Funds exception: only operating and maintenance charges are assessed (Utilities Operating Fund, Community Development Block Grant Fund, Building Fund, Stormwater Utility Fund and Bayfront Community Redevelopment Agency Fund); all other departments with vehicles are assessed both charges.

Replacement Charges – Revenue derived from:

- Anticipated replacement costs divided by the useful economic lifespan of each vehicle.
- This revenue stream has not been funded since FY 2012.

Town of Malabar – Revenue derived from:

- Anticipated maintenance and repair of vehicles owned/operated by the Town of Malabar; performed by City personnel.

City of Melbourne Beach – Revenue derived from:

- Anticipated maintenance and repair of vehicles owned/operated by the City of Melbourne Beach; performed by City personnel.

Interfund Transfers – Revenues derived from:

- Transfers from other City Funds (outside of Fleet Charges).

Miscellaneous Revenues – Revenues derived from:

- Motor Fuel Tax Rebates received by the City for previously purchased diesel fuel in which a state fuel tax was paid
- Interest Income



- City Auction Proceeds
- Gains (Losses) on Fuel Hedging

### **Expenditures/Uses**

Total Expenditures/Uses budgeted for FY 22 of \$4,430,187 are \$(2,448,090), or (35.6)%, lower compared to FY 21 estimated year-end projections of \$6,878,277. FY 21 projected total Expenditures/Uses are \$2,252,371, or 48.7%, higher than the FY 20 Actuals.

### **Change in Fund Balance**

The projected FY 22 Year-end Fund Balance of \$2,915,796 is \$97,662, or 3.47%, higher than the FY 21 Year-end Estimated Fund Balance of \$2,818,134.

