



September 17, 2007

Honorable Mayor and City Commission
Sarasota, Florida

Dear Mayor and Commission Members:

I am pleased to transmit the 2007-2008 financial plan for the City of Sarasota. This plan is a culmination of the budget process that began in January and was completed with its final adoption on September 17, 2007.

The City's financial health continues to be quite sound as evidenced by the General Obligation Bond rating confirmations of Moody's Investors Service (AA3) and Fitch Ratings (AA). The rating agencies said that the ratings reflect the City's affluent residential base, enhanced by its successful revitalization efforts, as well as a strong and well-managed financial position with ample reserves and a modest debt burden. Had it not been for the deliberations going on in Tallahassee, both agencies said the City would have been seriously considered for an upgrade in bond rating. For fiscal year 2006-07, the City has experienced an increase in revenues overall, but major sources, such as excise taxes, intergovernmental, and interest earnings are projected to be less than fiscal year 2005-06, indicating that the economy is slowing in Florida. However, it is projected that the year will end with \$387,261 more than the \$59,012,331 amended budget in the General Fund. The significant contributor to this revenue increase is the FPL franchise fees of \$640,500.

This budget process has been like no other budget process we have been through before. Preparing this budget for fiscal year 2007-08 has been extremely difficult because of two significant factors:

- 1) last year's budget had been balanced by utilizing \$2.8 million from General Fund reserves plus a millage increase in ad valorem taxes.
- 2) The State legislature waiting until June 15th to determine how they were going to penalize local governments, and insist that it be in effect as of July 1. For the City of Sarasota it means using a millage rate equal to 91% of the "rolled-back rate", which resulted in a net reduction in ad valorem taxes of \$1.5 million from the 2006-07 budgeted amount. The rolled-back-rate is the millage rate necessary to yield the same ad valorem tax revenue as generated for the fiscal year 2006-07. That rolled-back rate was calculated at 2.8406 mills versus our current millage rate of 2.9022 mills.

These two factors were further complicated by other General fund revenues remaining almost level overall with last year and expenditures increasing for fiscal year 2007-08 as follows:

Salary adjustments	\$1,502,458
Living wage adjustment	484,532
Medical Insurance	1,032,264
Zoning Department transfer	436,288
Insurance	384,932
Utilities	239,569
PBA Contract (not budgeted)	417,000
Other	<u>5,224</u>
Total	\$4,502,267

If the budget reflected the State mandated millage rate of 91% of the rolled-back rate, an \$8.8 million shortfall in budgeted revenues (\$2.8 million + \$1.5 million + \$4.5 million = \$8.8 million) would exist. However, this budget reflects an operating millage of 2.7771 which allows for \$1,862,942 in additional ad valorem taxes to be levied. The advantages of doing this are that less services are required to be reduced or eliminated and fewer employees are being eliminated. In addition, if additional tax legislation or ballot initiatives pass, the City will have to deal with that impact which could be an additional \$2,000,000. By using the 2.7771 millage rate, this results in a remaining shortfall of revenues versus expenditures of approximately \$6.8 million which has been eliminated by reducing expenditures as explained later under the expenditure section of the General Fund.

Because of this required reduction, a total of **35 employment positions have been eliminated or frozen city-wide**. 7 of the positions are filled, 2 are projected to become vacant from retirements and 26 are vacant. In addition, to prepare for the additional revenue reduction mentioned above for 2008-09, the following initiatives are being explored for 2008-09:

Rental of City property to users other than non-profit organizations.

Exploring switching to a biweekly payroll to reduce staff time that would be available to help with the increased work load.

Full cost reimbursement of all special events.

Explore transferring street sweeping costs to County Storm Water Utility.

Charge for parking at all Van Wezel events.

Charge for beach parking along Ben Franklin Drive.

Charge for boat parking at Centennial and Ken Thompson Parks.

Institute valet parking permit fees.

Institute annual sidewalk café permit fees.

Add a fee for use of a credit card for City fees and charges.

Add a fee for notarization of documents.

This budget does not fund any new initiatives. The budget does fund a 3% annual wage adjustment for all Directors, a 4% annual wage adjustment for all non-unionized employees and those represented by the Teamsters, as well as, funding for step increases and career ladders. In addition, it includes the Police

union raises negotiated earlier this year and the increased contributions to the Medical and Dental self-insurance fund, and the increases required for the pension funds.

This budget addresses the strategic concerns, strategies, tasks, and indicators adopted by the Commission. Specifically, each department’s budget reflects those strategic tasks and indicators that fall within their scope of responsibility. Each task has been addressed noting the year to be accomplished and what additional funding is required.

The projected fund balance of the General Fund at September 30, 2008 is 21.60% of expenditures. In summary, the overall 2007-2008 budget by fund type for the City of Sarasota is as follows: (also see exhibit A on page LXIX for a more detailed breakdown of the 2007-08 budget by fund and category of expenditures).

Fund	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
General Fund	\$ 13,551,423	\$ 59,061,864	\$ 59,715,568	\$ 12,897,719
Special Revenue Funds	11,388,621	35,701,370	36,608,298	10,481,693
Debt Service Funds	440,231	3,975,000	4,128,038	287,193
Enterprise Funds	12,505,351	60,770,916	61,867,048	11,409,219
Internal Service Funds	11,514,860	17,916,345	16,695,460	12,735,745
Other Post Employment Benefits Trust Fund	<u>2,271,037</u>	<u>7,222,678</u>	<u>5,097,008</u>	<u>4,396,707</u>
Total	\$ 51,671,523	\$184,648,173	\$184,111,420	\$ 52,208,276

A more detailed explanation of the adopted budget follows in the “In-Depth Analysis” section; however, the significant features of this budget are as follows:

- Reflects a 0.1251 decrease in the operating millage
- Reflects a 0.2917 increase in the debt service millage primarily due to the voter approved funding for a Police Headquarters.
- Provides approximately \$5.3 million in budget cuts including the elimination of 35 employment positions.
- Reduces City Commission expenses including travel, cell phone allowances and funding for outside organizations saving \$55,820.
- Eliminates an Administrative Specialist I and a Facilities Maintenance Specialist I, reduces upgrades/building maintenance and other operating expenses saving \$391,252 in General Services.
- Eliminates 4 positions in the Engineering Department including a Coastal Projects Engineer, Administrative Specialists I and III and a Sr. Transportation Planner saving \$296,475.
- Eliminates 1 Neighborhood Coordinator position and the Neighborhood Action Strategy funding saving \$517,182.
- Eliminates 4 positions in the Planning and Redevelopment department, reduces operating expenses and the Public Art Program for a savings of \$374,722.
- Eliminates a Human Resources Tech II and a Human Resource Specialist from the Human Resources Department. Also eliminates the Van Pool program and various city wide employee programs for a total reduction of \$171,491.
- Eliminates a Code Compliance Inspector, an Administrative Specialist II, a Business Tax Technician and reduces other operating expenses for a total of \$237,826.

- Eliminates a Financial Management Analyst position, reduces travel and other operating expenses in the Finance Dept. and transfers funding for the Cash and Investment function to pooled accounts for a total reduction of \$316,301.
- Reduces travel and operating expenses in the City Auditor and Clerk's Office totaling \$66,791.
- Eliminates 2 Horticulturists, .5 Accounting Tech II and reduces operating expenses for a total of \$481,763.
- Eliminates a Maintenance Mechanic III, .5 Accounting Tech II and other expenses for a total of \$267,183 in Streets and Highways.
- Removes 3 Police Officer positions, 4 civilian positions and special events overtime and reduces other expenses including equipment replacement funding for a total of \$857,060.
- General Fund fund balance is 21.60% of budgeted expenditures.
- Includes a 6% rate increase in water and sewer rates which computes to \$70.48 (including excise taxes) per month for a single-family residence using 5,000 gallons of water.
- Provides a \$590,830 subsidy to the Van Wezel Performing Arts Hall which is a 34% reduction over last year.
- Provides a \$422,859 subsidy to the Sports Stadium which is a 12% reduction over last year.
- Provides a \$107,415 subsidy to the Municipal Auditoriums which is a 12% increase over last year.
- Sufficient tax increment revenues will be generated to pay for debt service; funding for the Redevelopment Office and funding for various other initiatives.

In summary, the financial plan addresses the City Commission's citywide goals and strategic concerns, conforms with all stated financial policies, provides adequate funding to maintain the City's high level of public service and provides for necessary infrastructure improvements while retaining the City's high level of financial integrity.

Sincerely,

Robert J. Bartolotta
City Manager

CITY OF SARASOTA FLORIDA

OUR VISION

A City where urban amenities meet small town living

OUR MISSION

The City Commissioners and staff deliver the policies, decisions and actions needed to serve the short and long term needs of our citizens. We keep our Vision in focus while paying attention to the details of managing our fiscal and other resources with care, and providing services and facilities that reflect community priorities and goals. In performing these duties, we foster collaboration and respect for different points of view, and encourage extensive and effective participation from those affected by our work. We make timely choices that reflect fairness and a good understanding of the impacts of alternative proposals. These decisions are carried out effectively to address the health, safety and welfare of those we serve.

OUR STRATEGIC GOALS

**A RESPONSIBLE AND ACCESSIBLE GOVERNMENT THAT HAS SOUND
FINANCIAL AND ADMINISTRATIVE PRACTICES**

**VIABLE, SAFE AND DIVERSE NEIGHBORHOODS AND BUSINESSES THAT
WORK TOGETHER**

AN ECONOMICALLY SUSTAINABLE COMMUNITY

**A WORKPLACE THAT ATTRACTS AND RETAINS AN OUTSTANDING
WORKFORCE**

**AN ATTRACTIVE, ENVIRONMENTALLY-FRIENDLY COMMUNITY THAT IS
SAFE AND LIVABLE AND PROVIDES AN ARRAY OF CULTURAL AND
AESTHETIC ENJOYMENTS**

WELL MAINTAINED AND FUTURE-ORIENTED INFRASTRUCTURE

STRATEGIC PLAN

In 2003, the Sarasota City Commission initiated a strategic planning effort that would allow it and succeeding Commissions to ensure that the City never lost sight of the future beyond the current individual terms of office. Thinking and acting strategically as well as tactically requires more than personal commitment. Therefore, policies were established that demand such actions are initiated to provide the framework and structural support to pursue the City's goals and concerns related to the future.

That structure was developed in numerous Commission and staff workshops throughout 2003 and 2004. "Sarasota's Approach to Strategic Planning" was adopted by the City Commission on July 6, 2004 and provides the foundation for the current 2006-2010 Strategic Plan.

As the current Strategic Plan was developed, necessary steps accomplished included the establishment of a vision statement, a mission statement and six Citywide strategic goals as defined on the previous page.

To evaluate the overall success of City projects, plans and policies, thirty-three (33) key indicators were identified. Key indicators, linked to the City's strategic goals, are multi-year measures that reflect the City's overall health and highlight progress in achieving long-term strategic goals.

To more specifically define areas of concern within each strategic goal, the City Commission and Charter Officials identified and prioritized issues and opportunities of vital importance to the City. This effort resulted in a prioritized list of twenty-one (21) strategic concerns intended to guide action plans and budgets as delineated in the following table entitled "City of Sarasota – Strategic Goals and Strategic Concerns".

To provide direction to City staff on developing strategies and objectives to meet the City Commission's initiatives (Strategic Goals and Concerns) the City Commission developed twenty-four (24) strategies, also grouped by strategic goal, as delineated in the table entitled "City of Sarasota – Strategic Goals and Strategies". Each strategy was then expanded into activities, or objectives, designed to accomplish each strategy.

Each objective is evaluated by one or more measures of success to evaluate the progress departments have made in their projects and tasks that address both the short term strategic concerns and the longer term strategic goals of the City Commission.

The annual financial plan incorporates the complete City Strategic Plan into the annual budget. As each department prepares their annual budget request, they establish specific tasks that they declare will contribute to the achievement of objectives defined in the Strategic Plan. Once the objective is selected, the department must define the task and identify the current status of the task, the year the task is estimated to be completed, any additional funding required to complete the task and, if so, the derivation of the cost estimates.

This hierarchical process establishes the necessary links to ensure continuity and maximization of effort to achieve the City's goals, concerns and strategies as presented in the City Strategic Plan.

A copy of “Sarasota’s Strategic Plan 2006-2010 Influencing Change and Attaining Our Vision” is available at the office of the City Auditor and Clerk or visit the City’s web site at www.ci.sarasota.fl.us or www.sarasotagov.com.

In addition to the strategic plan, operational strategies and tasks are developed by each cost center to evaluate and improve non-strategic operational performance. This effort includes the establishment of output, efficiency and effectiveness measures to reflect the departments’ progress toward accomplishment of the operational strategies and tasks.

City of Sarasota

Strategic Goals and Strategic Concerns

Strategic Goal	STRATEGIC CONCERN	Priority
A Responsible and Accessible Government that has Sound Financial and Administrative Practices	Fiscal Responsibility	1
	City/Stakeholder Communication and Engagement	6
	Intergovernmental Collaboration	17
Viable, Safe and Diverse Neighborhoods and Businesses that Work Together	Attainable Housing	2
	Neighborhood Planning	4
	Revitalization of Public Housing	8
	Policing Philosophy	10
	Historic Preservation	12
	Recognizing Needs of Barrier Islands	15
	Water and Sewer	20
An Economically Sustainable Community	Economic Development	3
	Implementation of the Newtown Redevelopment Plan	7
	Fostering Resident/Business Owner Collaboration	19
A Workplace that Attracts and Retains an Outstanding Workforce	City as a Challenging, Fulfilling Employer	11
An Attractive, Environmentally-Friendly Community that is Safe and Livable and Provides an Array of Cultural and Aesthetic Enjoyments	Natural Environment	9
	Public Open Space and Recreation	13
	Arts, Culture and Entertainment Quality and Accessibility	14
	Gateway Planning	16
	Aesthetics	18
Well Maintained and Future-Oriented Infrastructure	Transportation Innovation and Collaboration	5
	Annexation	21

City of Sarasota Strategic Goals and Strategies

STRATEGY

To ensure an empowered and informed citizenry, the City will employ outreach techniques.
Maximize funding available for City services through increased revenues.
Increase federal and state aid for local projects through a proactive legislative/lobbying strategy.
Improve overall efficiency and citizen access to government services through reengineering of existing business processes.

Provide a safe community.
Increase neighborhood quality of life through Asset Based Community Development (ABCD) based planning.
Increase neighborhood vibrancy through neighborhood planning.
Improve housing opportunities for all households.
Protect and preserve cultural, historic, architectural and archaeological resources.

Promote economic development to provide citizens access to increased job opportunities and a strong tax base.

Increase qualified applicants for open positions.
Maximize employee skills, while maintaining employee long-term health.
Increase employee satisfaction to reduce employee turnover.

Increase aesthetic appeal of City through public art.
Increase the aesthetic appeal of the City through the provision of a unique image.
Enhance existing park system.
Protect and renourish public beaches.
Minimize City impact on natural environment.
Strengthen and diversify City owned entertainment and recreational facilities.
Promote citizen and business entrepreneurship, while protecting public safety.

Improve maintenance strategies to ensure a healthy and efficient infrastructure.
Encourage alternate transportation options.
Ensure long-term funding and viability of City infrastructure.
Provide safe transportation infrastructure.

**DEPARTMENT IMPACT on
STRATEGIC PLAN STRATEGIES
FY 2007-2008
(by Citywide Strategic Goal)**

A Responsible and Accessible Government that has Sound Financial and Administrative Practices

	Department *														
	City Commission	City Manager	Public Works	General Services	Information Technology	Neighborhood Partnership Off.	Planning and Redev't	City Clerk & Auditor	Human Resources	Police	Bldg, Zoning & Code Enf.	Engineering	Housing & Comm Dev	Van Wezel PAH	Sports Facilities
To ensure an empowered and informed citizenry, the City will employ outreach techniques					X	X	X	X					X		
Maximize funding available for City services through increased revenues		X	X	X	X								X	X	
Increase federal and state aid for local projects through a proactive legislative/lobbying strategy	X							X							
Improve overall efficiency and citizen access to government services through reengineering of existing business processes			X	X	X										

Viable, Safe and Diverse Neighborhoods and Businesses that Work Together

Provide a safe community		X		X	X						X	X	X	X	
Increase neighborhood quality of life through Asset Based Community Development (ABCD) based planning						X									
Increase neighborhood vibrancy through neighborhood planning						X	X								
Improve housing opportunities for all households		X					X						X		
Protect and preserve cultural, historic, architectural and archaeological resources							X								

An Economically Sustainable Community

Promote economic development to provide citizens access to increased job opportunities and a strong tax base		X	X				X				X		X		X
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A Workplace that Attracts and Retains an Outstanding Workforce

Increase qualified applicants for open positions									X						X
Maximize employee skill, while maintaining employee long-term health			X		X				X						
Increase employee satisfaction to reduce employee turnover		X			X				X						

An Attractive, Environmentally-Friendly Community that is Safe and Livable and Provides an Array of Cultural and Aesthetic Enjoyments

Increase aesthetic appeal of City through public art		X		X			X								
Increase the aesthetic appeal of the City through the provision of a unique image			X				X								
Enhance existing park system		X	X			X									
Protect and renourish public beaches												X			
Minimize City impact on natural environment				X	X										
Strengthen and diversify City owned entertainment and recreational facilities		X		X								X		X	
Promote citizen and business entrepreneurship, while protecting public safety										X	X				

* Departments listed may include other departments. For example, Public Works includes Streets and Highways Parks and Landscaping, Wastewater and Solid Waste.

**DEPARTMENT IMPACT on
STRATEGIC PLAN STRATEGIES
FY 2007-2008
(by Citywide Strategic Goal)
(Continued)**

Well-Maintained and Future-Oriented Infrastructure

	Department *														
	City Commission	City Manager	Public Works	General Services	Information Technology	Neighborhood Partnership Off.	Planning and Redev't	City Clerk & Auditor	Human Resources	Police	Bldg, Zoning & Code Enf.	Engineering	Housing & Comm Dev	Van Wezel PAH	Sports Facilities
Improve maintenance strategies to ensure a healthy and efficient infrastructure		X	X												
Encourage alternate transportation options		X										X			
Ensure long-term funding and viability of City infrastructure		X	X	X		X									X
Provide safe transportation infrastructure							X					X			

* Departments listed may include other departments. For example, Public Works includes Streets and Highways, Parks and Landscaping, Wastewater and Solid Waste.

SHORT TERM PRIORITIES

The Sarasota City Commission's priorities have remained relatively consistent over the past decade. Despite changes in specific priorities, the City Commission has continued to place heavy emphasis on the following:

- ⇒ Integration of the Strategic Plan into the annual budget
- ⇒ The improvement of residential neighborhoods
- ⇒ The improvement of business areas within the City
- ⇒ The provision of public safety to its citizens
- ⇒ The improvement of community information
- ⇒ Being a responsible City government

In 1994-95, the City Commission established as one of its major priorities, the adoption of a budget without an increase in the ad valorem tax rate or a reduction in fund balance. Although this was not an established priority for the 2007-08 budget, this 1994-95 priority has served as a guideline for development of the budget for most years since then.

As a result, the ad valorem tax rate of 6.4990 mills in 1995-96 was slowly and persistently reduced until the 2006-07 tax rate of 2.9996 mills was adopted. The City is proud of this illustration of the results achievable once a priority is communicated, understood, accepted and incorporated into the budget process. Further, the projected General Fund balance on September 30, 2008 is 21.6 percent of total expenditures, well in excess of the City's policy of between 5 and 10 percent.

In 2002-03, the City Commission initiated a strategic planning effort that was intended to allow it and succeeding Commissions to ensure the City never lost sight of the future beyond the terms of the current Commission. The result, published in July 2004, was the City's initial strategic plan entitled "Sarasota's Strategic Plan for 2004-2008 – Influencing Change and Attaining Our Vision". The latest Strategic Plan (2006-2010) involves the establishment of strategic concerns, strategic goals, strategies, objectives and tasks throughout the five year period. The Plan is to be revisited and updated annually prior to the commencement of the annual budget process. The FY 2007-08 annual budget integrates the 2006-2010 Strategic Plan into the budget.

In response to extraordinary double digit growth in Florida real property values, the Governor of Florida, on June 21, 2007, signed legislation designed to limit the property tax that counties, municipalities and special districts in Florida may levy. This legislation, the stalled housing market and the overall effect that the stagnant economy has on City revenue have combined to require the City of Sarasota to reduce budgeted expenditures by \$5.3 million in the FY 2007-08 budget. The abbreviated timeframe to prepare the budget brought about by the ill-timed legislative special session and the reduced budgeted expenditures provided the City with an extraordinary short term challenge with long term implications. This effort resulted in the prioritization of all City services and the eventual elimination or freezing of 35 employment positions and a myriad of changes/reductions to various City programs.

While the City Commission has set the tone for long range Concerns, Goals and Strategies through the Strategic Plan, it is equally important, given the extraordinary revenue environment, to steer the development of the 2007-08 budget with short term priorities to continue to achieve the long term priorities and that the current budget is compatible and supportive of the current five year Strategic Plan. As a result, specific short-term priorities, listed on the following page, were developed and utilized to guide the development of the FY 2007-08 budget.

BUDGET PRIORITIES FOR FY 2007-08

❖ *UPDATE/REVISE CITYWIDE STRATEGIC PLAN*

- **Strategic Goal - A Responsible and Accessible Government that has Sound Financial and Administrative Practices**
- **Strategic Concern - Priorities 1, 6 and 17.**

- Define strategic goals and concerns and update needs of City
- Measure health of City through Key Indicators
- Develop and prioritize strategies and objectives
- Establish tasks and define measures of success
- Incorporate Strategic Plan in FY 2008 budget

❖ *MAINTAIN HIGHEST LEVEL OF SERVICE POSSIBLE WHILE REDUCING AD VALOREM TAX REVENUE AND BUDGETED EXPENDITURES*

- **Strategic Goal - A Responsible and Accessible Government that has Sound Financial and Administrative Practices**
- **Strategic Concern - Priorities 1, 6 and 17.**

- Prioritize all City services
- Maintain emphasis on essential City services
- Minimize programmatic impact of reductions
- Pursue additional non-traditional revenue sources
- Recover General Fund expenses on behalf of the Community Redevelopment Agency with tax increment revenue (TIF)
- Reduce expenditures through maximum effectiveness of resources
- Promote special taxing districts to offset City funded services
- Streamline and automate business processes, where feasible

❖ *CONTINUE TO STRENGTHEN AND REVITALIZE DOWNTOWN AND NEIGHBORHOODS*

- **Strategic Goal - Viable, Safe and Diverse Neighborhoods and Businesses that Work Together**
- **Strategic Concern - Priorities 2, 4, 8, 10, 12, 15 and 20.**

- Continue Neighborhood Grant Program
- Monitor progress of Neighborhood Action Strategies for Alta Vista and Poinsettia Park North
- Continue to utilize the Asset-Based Community Development (ABCD) process to impact community quality-of-life issues
- Improve public safety to citizens
 - Improve community policing by monitoring response times, reviewing citizen contacts, increasing participation in the community and conducting a citizen survey
- Continue funding of neighborhood improvements through the City Capital Improvement Program
- Continue implementation of Comprehensive Newtown Redevelopment Plan



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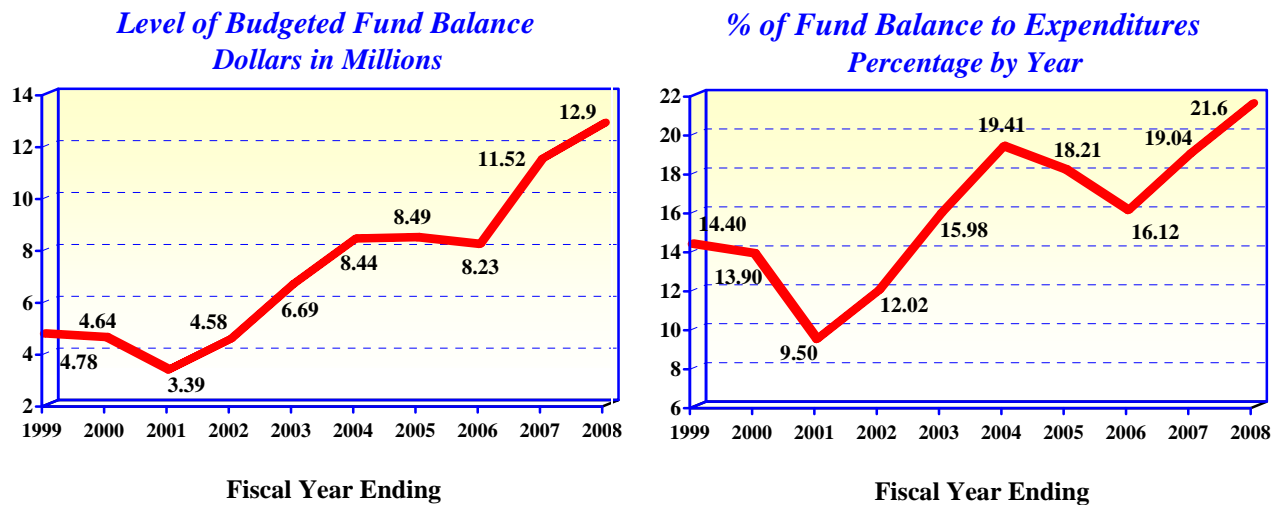
ADOPTED FINANCIAL PLAN 2007-2008 BY FUND

GENERAL FUND

The General Fund budget is based on the rolled-back operating millage of 2.7771 mills. This budget reflects General Fund revenues increasing \$1,348,156, of which ad valorem taxes represents a \$389,425 increase. This budget reflects funding for a 3% annual wage adjustment for Directors, a 4% annual wage adjustment for non-unionized employees and those represented by the Teamsters, as well as, funding for step increases and career ladders. It also includes the Police union raises negotiated earlier this year. In addition, it includes the increased contributions to the Medical and Dental self-insurance fund, and the increases required for the pension funds.

Assessed valuation of the City increased 6.51% over last year. However, part of that increase is attributable to the Community Redevelopment Area (CRA), which increased 11.01% in taxable value. The effect of the rolled back-rate on the CRA will be discussed later.

The fund balance of the General Fund for September 30, 2007 was budgeted at \$11,519,870 or 19.04% of total expenditures. The actual fund balance at September 30, 2007, is expected to be at \$13,551,423 or 20.79% of total expenditures. This budget projects the fund balance for September 30, 2008, to be at \$12,897,719 or 21.60% of total expenditures. The fund balance is well within the range of our policy, which states a minimum of 5% to 10%.

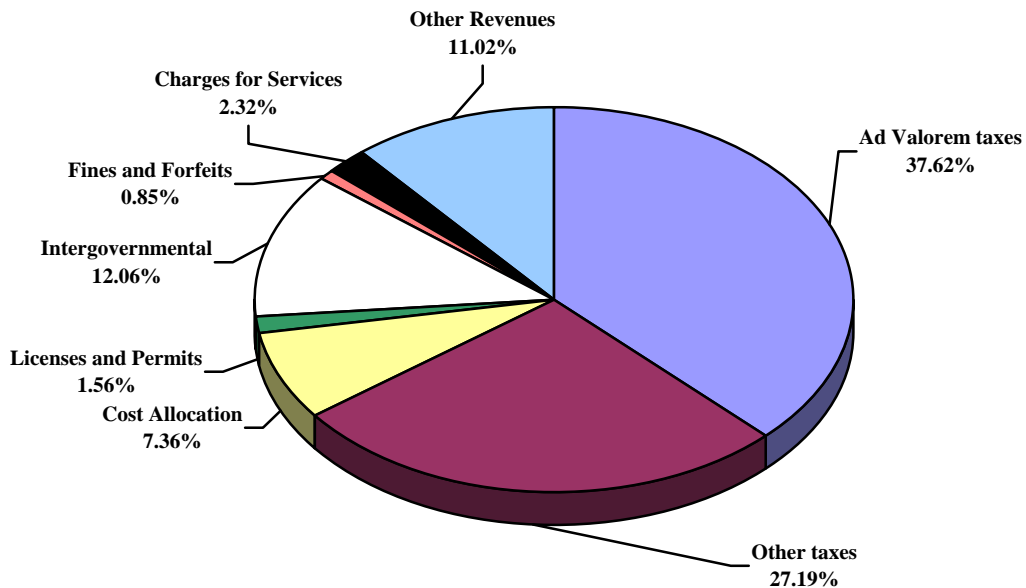


GENERAL FUND REVENUES

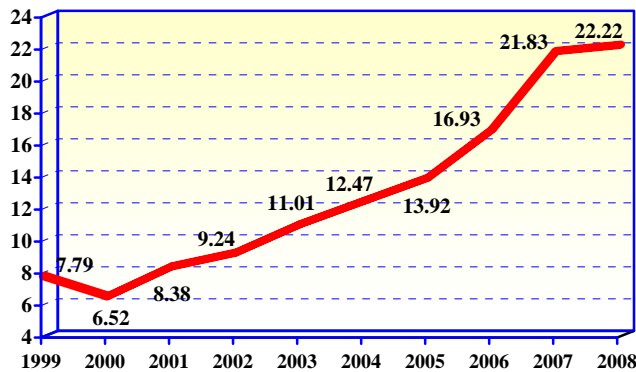
Revenues in this budget total \$59,061,864. This is \$49,533, .084% more than last year's amended budget of \$59,012,231.

	Budget 2006-07	Budget 2007-08	Increase/ Decrease
General Fund Revenues			
Taxes	\$ 36,975,068	\$ 38,282,243	3.54%
Licenses and Permits	924,483	920,767	-0.40%
Intergovernmental	7,113,430	7,123,477	0.14%
Charges for Services	1,573,807	1,372,738	-12.78%
Charges to Other Funds	5,277,465	4,349,457	-17.58%
Fines and Forfeits	461,000	503,000	9.11%
Investment Earnings	1,280,000	1,790,000	39.84%
Miscellaneous	1,051,742	985,764	-6.27%
Other Financing Sources	3,021,713	3,734,418	23.59%
Total Revenues	\$ 57,678,708	\$ 59,061,864	2.40%

Percentage of General Fund Revenue by Major Source



Budgeted Ad Valorem Taxes
Dollars in Millions



Fiscal Year Ending

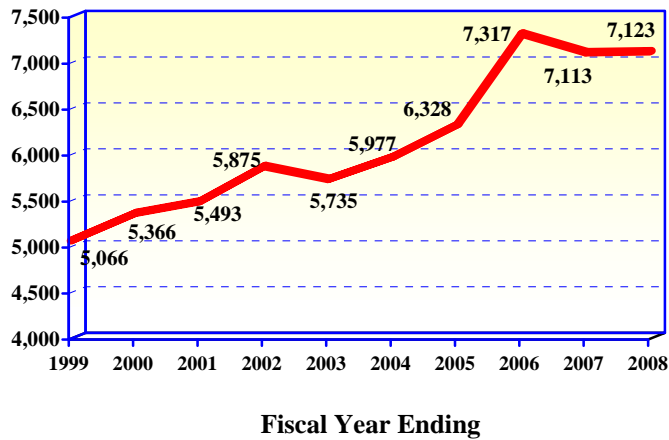
Ad Valorem Taxes The graph to the left shows the budgeted Ad Valorem Taxes over the last ten years. The Certification of Taxable Value for the City, from the Sarasota County Property Appraiser, is \$10,348,388,981, which is \$616,895,648 or a 6.34% increase over last year's Certification of Taxable Value of \$9,731,493,333. At the rate of 2.7771 mills, it will yield \$22,221,993 in ad valorem tax revenue for the General Fund. This is an increase of \$389,425 in ad valorem tax revenue from last year's budget.

Franchise Fees Franchise fees are projected to total \$6,095,500 or \$790,500 more than last year's budget. This increase is the result of the fuel adjustment charges collected by Florida Power & Light. Fuel prices are projected to continue to increase as a result of oil prices. Natural Gas franchise fees are budgeted to remain level with the current year budget of \$160,000.

Excise Taxes Excise taxes are projected to total \$9,964,750, which is an increase of \$127,250 or 1.3%. Communications Service Tax (CST), at \$4,313,750 is \$197,750 more than last year's budget. Water excise tax is projected to increase \$17,250 as a result of the 6.0% water rate increase effective September 1, 2007. The electric excise tax revenues, at \$4,317,750, are projected to decrease \$92,250 under last year's budget.

Licenses and Permits Licenses and Permits revenues, at \$920,767, are projected to decrease \$3,716. Occupational Licenses are budgeted to be \$735,000, an increase of \$45,000 or 6.52%, as a result of a 5% fee increase. Engineering permits at \$93,000 are \$28,376 lower than last year's budget because of several factors: (1) increase in sidewalk permits (\$3,500), (2) increases in plans review fees (\$10,000), (3) right-of-way permits decreased (\$33,020), and (4) inspections decreased (\$8,856). Building permits, at \$11,300, are down \$19,000 because revenue from tree permits decreased due to the lack of extra maintenance anticipated from storm damage not materializing last year. Also, sign permit revenue is down because the commercial sign permit activity anticipated last year, did not materialize. Other Licenses and Permits, at \$81,467, are down \$1,340 because Burglar Alarm Permits revenue is anticipated to drop \$1,790.

Budgeted Intergovernmental Revenue
Dollars in Thousands



Intergovernmental Revenues The graph to the left shows the budgeted inter-governmental revenues over the last ten years. Intergovernmental revenues, at \$7,123,477, are budgeted to increase \$10,047 over last year's budget. The half-cent sales tax revenue is projected at \$4,743,000, a decrease of \$237,000 under last year. This decrease is the result of the latest report from the State Revenue Estimating Conference. State Revenue Sharing is budgeted at \$1,980,000, an increase of \$70,000 from last year. Rebate on municipal vehicles, which is a refund of gas taxes on fuel purchases, at \$45,000; is anticipated to increase \$15,000 over last year. Alcoholic Beverage License fees, at \$50,000, and Mobile Home Licenses at \$20,000; are both budgeted the same as last year. Other

Intergovernmental Revenues includes boat fees, collected by Sarasota County, which are projected to be \$2,000 higher, and the Storm Water Reimbursement, required by an interlocal agreement with the County, for the salary and benefits of an Engineering Department employee which is higher by \$6,290. It also includes a new revenue source of \$152,757 for Payment In Lieu Of Taxes (PILOT) from the Water and Sewer Revenue Enterprise System.

Charges for Services The Charges for Services revenue category is budgeted at \$1,372,738 and is \$201,069 lower than last year. Public Safety charges, at \$106,000, are \$28,800 more than budgeted last year because of increased revenue anticipated from the towing contract (\$14,000) and extra off duty revenue (\$15,000). Physical Environment charges, at \$87,500, are \$20,500 higher due to the increase in the revenue from pre-annexation agreements approved by the Commission during this past year. Road and Bridge charges are budgeted to increase \$10,000, up to \$290,000. Transportation charges, at \$275,762, are up \$57,317 due to revenue from the Department of Transportation maintenance agreements being budgeted at \$57,017 more. Other Charges for Services, at \$583,476, are projected to decrease \$304,986 as a result of a \$208,344 decrease in revenues from the billable fee system. The City adopted a flat-rate billable fee schedule and the revenue is collected in the Development Services Fund and the excess, at year end, is transferred to the General Fund in the revenue category Other Financing Sources. Engineering charges recovered from construction funds is anticipated to decrease \$14,500, and Risk Management charges to self-insurance funds are anticipated to drop \$30,219. Registration fees for the Neighborhood Conference this year, in the amount of \$50,000, will not happen in fiscal year 2007-08.

Charges to Other Funds The Charges to Other Funds revenue is budgeted at \$4,349,457 and is \$928,080 less than last year. These charges represent the cost allocation of services from the General Fund to the City's Enterprise and Internal Service Funds. A cost allocation study was conducted last year and the result was significantly lower charges to Water and Sewer, which dropped \$1,486,148. Partially offsetting this decrease in revenues were new cost allocation charges to Internal Service Funds.

Fines and Forfeits The Fines and Forfeits revenue category is budgeted at \$503,000, which is \$42,000 more than last year's budget. Court Fines, at \$365,000, are \$25,000 more than last year's budget. The decline in traffic fine revenues was not as severe as predicted as a result of the imposition of the Clerk of the Court costs being charged against fines collected. Other Miscellaneous Fines, at \$138,000, are \$17,000 higher than last year due to an increase in anticipated collections from code compliance liens and citations. Alarm fines, at \$26,000, are slightly higher than last year.

Investment Earnings Investment Income of \$1,790,000 is \$510,000 more than last year's budget, and it is \$290,000 more than the estimated actual for the 2006-07 fiscal year. For the current year the investment portfolio is experiencing market value devaluation due to the increases in fixed income interest rates. Interest rates and portfolio values have an inverse relationship, which means that as interest rates rise, portfolio assets decrease, and vice versa. U.S. Treasury and Agency securities are some of the safest investments issued by the United States Government. As reinvestment of the portfolio is made, the interest earnings will increase.

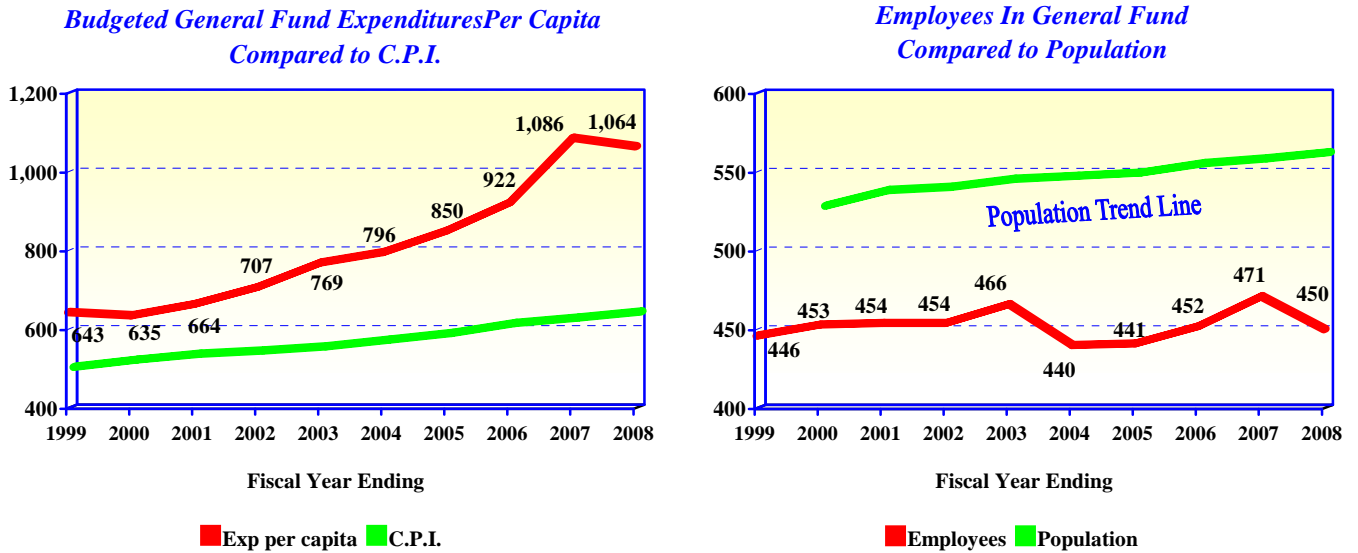
Miscellaneous Revenues Miscellaneous revenues of \$985,764 are budgeted lower than last year by \$65,978. Rents and Royalties, at \$891,214, are projected to increase \$29,752 because of a net increase in cell tower leases of approximately \$17,000, additional rental revenue from Mattison's of \$26,370, reduced rental income at the Federal Building of \$3,355 and \$16,000 less rental income budgeted for Marina Jack's. Other Miscellaneous revenues, at \$94,550, are \$95,730 lower than last year because rebates anticipated from the use of purchasing cards in the City in the amount of \$47,000; did not materialize, and sponsorships from the Neighborhood Conference in the amount of \$25,000, will not reoccur. In addition, a \$10,000 sponsorship in the Planning Department will not reoccur.

Other Financing Sources Other Financing Sources at \$3,734,418 will decrease \$620,918, from the amended budget mainly as a result of the \$1,333,623 one time transfer from the TIF Special Revenue Fund for the Police Headquarters land purchase made in fiscal year 2006-07. This amount represents the City's share of the overpayment to the TIF Fund as a result of the incorrect valuations of the TIF District that was discovered February 2000. The TIF District made settlement with the County in a previous year and the City's refund has remained, until 2007, in the TIF Fund earmarked Police Headquarters. In addition there are transfers from the Community Redevelopment Agency (TIF) in the amount of \$2,848,784 for Police Patrols, Redevelopment Department, Streets and Highways Department, Landscape Services, Downtown Projects Coordinator, and Repayments of Loans. The transfer from the Gas Tax fund, to pay electric charges in street lighting, will increase \$7,284 due to higher energy charges. Miscellaneous transfers include \$30,000 from Nuisance Abatement and \$119,950 from Billable Fees.

GENERAL FUND EXPENDITURES

General Fund expenditures total **\$59,715,568, a decrease of \$793,011** or 1.31% under last year's budget of \$60,508,579. This budget **eliminates a net 35 employment positions** and reduces the level of service that the citizens have demanded and become very use to. Nine (9) of these positions are filled and twenty-six (26) are vacant. The following pages will detail the reductions, by department, and explain the impact that it will have on the levels of service that the Commission and citizens have come to expect. The budget does fund a 3% annual wage adjustment for all Directors, a 4% annual wage adjustment for all non-unionized employees and those represented by the Teamsters, as well as, funding for step increases and career ladders. In addition, it includes the Police union raises negotiated earlier this year and the increased contributions to the Medical and Dental self-insurance fund, and the increases required for the pension funds. It includes the level of funding required, per the actuarial report, (\$2,389,099) for the Other Post Employment Benefits Trust Fund which is the same level of funding as fiscal year 2006-07.

The first graph below depicts the budgeted general fund expenditures per capita for the ten years from 1999 to 2008 compared to the CPI for the same period. The second graph details the number of funded General Fund employees over the past ten budget years compared to the population. The decrease between fiscal years 2002-03 and 2003-04 is due to School Crossing Guards more accurately being reflected as part-time positions.

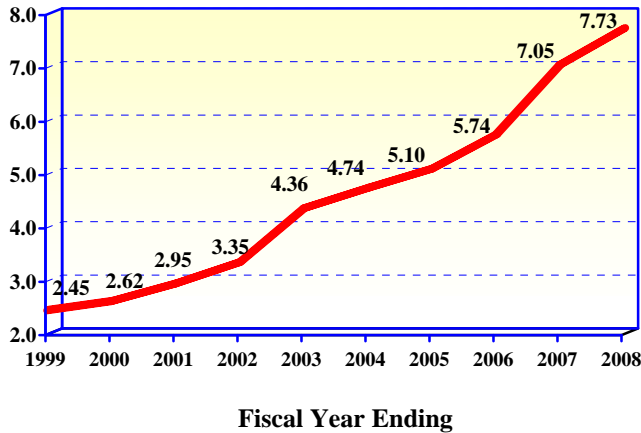


The Commission approved an interlocal agreement with Sarasota County, effective October 1, 2003, to continue to provide fire protection and emergency medical service for the City. The agreement requires the City to make the first \$200,000 (approximately) contribution to the Fire Pension Fund to pay for the retired firefighters benefits approved by the Commission on March 14, 2003. In addition, the agreement requires the City to contribute up to \$500,000 to the fund after Sarasota County has contributed \$1,700,000. If the total required contributions exceed the sum of the City's first \$200,000, plus the County's \$1,700,000, plus the City's additional \$500,000, then that amount will be split 65% County and 35% City. This budget projects the City's contribution to be \$1,491,020, a 24.25% increase over last year.

Effective October 1, 2006, the City established an Other Post Employee Benefits Trust Fund as recommended by the actuary hired to determine the other post employee benefit (OPEB) liability as required by Governmental Accounting Standards Board Statements Number 43 and 45. OPEB includes all benefits to retirees except pension. The largest of the post employment benefits is medical and dental insurance. Currently the City gives all retirees **free** medical and dental insurance. If the retiree has coverage for a spouse or dependent child, the premium that the retiree pays is the same amount as an active employee with spouse or dependent child. As of October 1, 2005 the City's OPEB liability was \$180 million. Currently this actuarial study is being updated, but has not been received. To help mitigate this large liability the City established the trust fund and partially funded it with approximately \$5.9 million, which reduced the liability to \$132 million.

For 2006-07 retirees will pay premiums of approximately \$768,000 and the City will pay \$5,911,060 and total revenues are anticipated to be approximately \$6,806,000. Claims are anticipated to approximate \$4,140,000, while operating expenses and insurance premiums are anticipated to be \$395,000 for a total of \$4,535,000. The anticipated fund balance at September 30, 2007 is \$2,271,037.

**Medical Insurance Contributions
In Millions of Dollars**



As exhibited in the chart to the left, the City's contributions toward health care costs have been rising steadily. Medical costs have increased at a high rate (12 to 18 percent annually) for the past nine years. However, there has been a slowing down in the price increase of medical care. During the first four years the City bore all of the increased cost, while the employee and retiree had no increase in their premiums for dependant coverage. That changed five years ago. Rates for non-union employees have not been set yet but will probably increase 8 percent for 2008 and another 8 percent for 2009, the same as the Police union rates increased. However, for single coverage, active employees will continue to pay 1% of annual base pay (the same basis as last year) instead of the flat rate of the Police union. The City is currently in

negotiations with the Teamsters union. Rates have been set with the Police Union as follows:

Dependent Rates	2007		2008		2009	
	Weekly	Annual	Weekly	Annual	Weekly	Annual
Navigator						
Employee Only	\$0	\$0	\$0	\$0	\$0	\$0
Employee + 1	\$37.86	\$1,968.72	\$40.89	\$2,126.28	\$44.16	\$2,296.32
Emp + family	\$50.09	\$2,604.68	\$54.10	\$2,813.2	\$58.43	\$3,038.36
EPO1						
Employee Only	\$10.00	\$520.00	\$11.00	\$572.00	\$12.00	\$624.00
Employee + 1	\$59.02	\$3,069.04	\$63.74	\$3,314.48	\$68.84	\$3,579.68
Emp + family	\$71.25	\$3,705.00	\$76.95	\$4,001.40	\$83.11	\$4,321.72
EPO2						
Employee Only	\$10.00	\$520.00	\$11.00	\$572.00	\$12.00	\$624.00
Employee + 1	\$63.64	\$3,309.28	\$68.73	\$3,573.96	\$74.23	\$3,859.96
Emp + family	\$75.87	\$3,945.24	\$81.94	\$4,260.88	\$88.50	\$4,602.00
PPO						
Employee Only	\$10.00	\$520.00	\$11.00	\$572.00	\$12.00	\$624.00
Employee + 1	\$71.01	\$3,692.52	\$76.69	\$3,987.88	\$82.83	\$4,307.16
Emp + family	\$82.96	\$4,313.92	\$89.6	\$4,659.20	\$96.77	\$5,032.04

Note: Dependent rates have not been negotiated for the Teamsters because their contract expires in 2007.
 Note: Navigator Plan is offered to employees with single coverage as a no cost option.

Fiscal year 2005-06, the Medical Self-Insurance Fund, which covers active employees, had operating income of \$536,189, bringing the fund balance to \$1,839,595. It is anticipated that the fund will earn \$1,028,175 this current fiscal year 2006-07 bringing the fund balance to \$2,867,770. Currently, claims for 2006-07 are estimated to be \$6,475,880, which is over the amended budget by \$257,413.

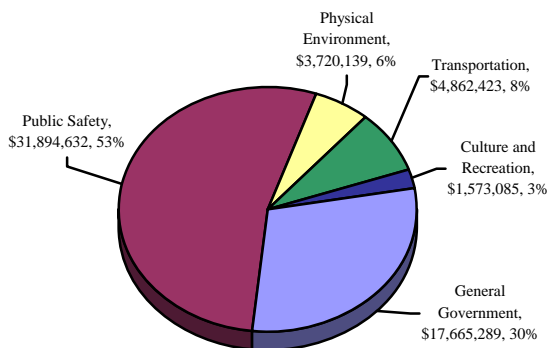
For fiscal year 2007-08, medical claims are budgeted to increase by 12.0 % (based on projections by the City’s actuarial consultants) over the current estimated claims expense of \$6,475,880 to \$7,252,985. Claims, reinsurance and processing costs are expected to total \$7,338,091. The City’s contribution per employee and retiree last year was increased 12.0 percent from \$8,216 to \$9,204. The City’s contribution this year is being increased 12.0 percent from \$9,204 to \$10,296 per employee and retiree. It is anticipated that premiums from employees will increase \$228,560 over last year. Also, it is anticipated that next year the fund will earn \$874,853. The beginning fund balance as of October 1, 2006 was \$1,853,595 and it is projected that the fund will earn \$1,028,175 in fiscal year 2006-07 and the fund balance at September 30, 2007 is anticipated to be \$2,867,770, and for September 30, 2008 it is expected to be up to \$3,742,623

Pension contributions for employees city-wide have increased \$325,470. Police increased \$174,162, because of higher than budgeted salary adjustment in 2007, and the rate dropped from 30.86% to 29.87%, General employees’, in the General Fund, increased \$74,114 and the rate dropped from 10.32% to 10.26%.

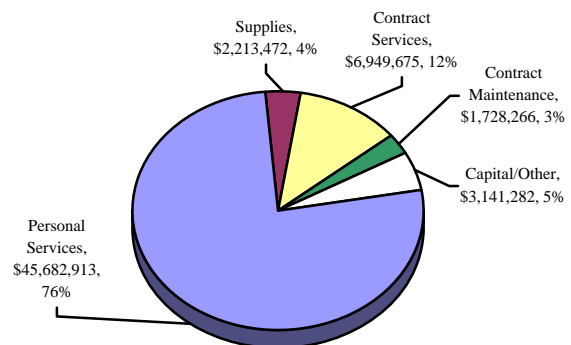
Public safety continues to be the major emphasis of General Fund expenditures. Furthermore, personal services including benefits represents the major cost of providing General Fund services.

The first of the following graphs exhibits the relationship of public safety and other functional expenditures to total General Fund expenditures. The second graph depicts expenditures by type or object as a percentage of total General Fund expenditures. These two graphs clearly indicate the City’s employees are its major resource in providing public safety to its citizens. Detailed budgets for each General Fund department begin on page 49.

**General Fund Expenditures
By Function**



**General Fund Expenditures
By Object**



General Government Function

General Government expenditures, at \$17,665,289, are budgeted to decrease \$1,966,752 from the previous year’s budget. This is the result of reductions in virtually every department making up the general government function in order to meet the reductions mandated by the State Legislature. Following is a departmental listing of the reductions being made and an explanation of the effect on level of services.

City Commission

Eliminate Sisters City travel	2,000
Remove requested cell phone allowance increase	1,500
Remove funding for one retreat	2,500
Remove S.O.A.R. Funding	5,000
Remove increased funding for SCOPE	2,820
Eliminate Economic Development Corp. Funding	32,000
Reduce Commissioners' Travel	10,000

These reductions total \$55,820. The budget reduction includes the elimination of travel for Sister Cities, elimination of the request for additional cell phone allowance, a roll-back of the grants to the 05/06 level for SCOPE, the elimination of funding for SOAR, the elimination of funding for one retreat, the reduction in Commissioner professional development funding of \$10,000 and the transfer of \$32,000 of funding from the General Fund to the County Occupational License Tax Fund.

City Manager's Office

Reduce travel	4,700
Reduce special services	1,600

These reductions total \$6,300 representing decreases in training and travel funding as well as a decrease in special services.

General Services

Reduction of City Hall Hardening project	134,142
Reduce Cooling Tower/Roof Upgrades	25,000
Remove Equipment Replacement Transfers	67,232
Reduce City Hall Maintenance	10,000
Hardening City Hall (Reduction of Fund Balance is ok)	646,858
Eliminate Administrative Specialist I - Purchasing	47,951
Eliminate Real Estate Appraisals budget	2,500
Remove laser printer	2,500
Remove furniture and software	9,350
Eliminate Facilities Maintenance Specialist 1	45,502
Reduction in Federal Building Maintenance	30,000
HVAC filters chnaged by staff-reduc HVAC contract	5,500
Elimination of coffee services and water coolers	6,075
Payphones in City Hall, Federal Building & Bird Key Park	2,000
Eliminate air handler replacement for basement (Use of Fund Balance of	20,000
Defer restriping parking lot	3,500

These reductions total \$1,058,110. The decrease of \$134,142 in City Hall Hardening project affects the amount of building and structural repairs for the facility. The brick surrounding the outdoor pool needs to be repointed or replaced as does the brick wall on the south side of the building leading to the parking lots. Substantial cracks are beginning to emerge and spread, thus weakening the walls.

Removal of Equipment Replacement Transfers for \$67,232 will stop the funding of the fund established last year for equipment replacement of City Hall and the Federal Building mechanical systems. The reduction in the Building and Structures account of \$25,000 delays the Cooling Tower repairs and structural upgrades of the roof equipment including tie downs that were scheduled. The \$10,000 reduction in City Hall maintenance results in a decrease in window cleaning, pressure washing, rug shampooing, and floor stripping and waxing.

The elimination of the **Administrative Specialist I** position will result in Purchase Orders being processed only two times per week instead of daily processing. It will mean longer time to develop and issue BIDS and RFP's which will cause a time delay for projects. In addition, the department personnel will now have to answer the City's switchboard calls, meeting scheduling, and mail sorting for the Federal Building, as well as have no back up for the duplicating department.

The elimination of the **Facilities Maintenance Specialist** reduces the cleaning staff to two for cleaning City Hall, the Annex, Federal Building, north side of 12th Street, Central Records, and the Newtown Redevelopment office. With the reduced workforce, the level of service will decline and the day maintenance staff will attempt to assist with cleaning essential areas along with their regular duties. Restrooms will be cleaned 3 times a week, garbage pick up will be reduced to 3 times a week and these tasks will be supplemented by the day staff. Vacuuming will be monthly instead of weekly, and special cleanings will be on an as needed basis.

The elimination of \$30,000 in building maintenance for the Federal Building eliminates the pressure washing according to historic preservation guidelines. Having staff change the filters in air handlers once a month rather than using a HVAC contract will result in a budget reduction of \$5,500.

Neighborhood Partnership Office

Reduce Training, Travel & Conferences	7,200
Transfer to fund Neighborhood Grants	30,000
Reduce Neighborhood Action Strategy Funding	41,754
Remove Neighborhood Action Strategy Funding(Penny or NID)	358,246
Reduce Neighborhood Coordination Section	79,982

These reductions total \$517,182 and eliminate **one Coordinator position** in the Neighborhood Coordination section. These reductions will necessitate finding another source of funding for Neighborhood Action Strategies, reduce funding for Neighborhood Grants and reduce attendance at association meetings from “regularly” to “quarterly”, except those involved in the Neighborhood Planning Process.

Planning and Redevelopment

Fund 50% of Economic Development Coordinator with TIF	38,787
Reduce Training, Travel & Conferences	16,000
Reduce Consulting Services	45,000
Eliminate CRA Legal	10,000
Reduce PC and Software Replacements	4,100
Reduce Duplicating Services	10,000
Reduce Office Furniture	1,000
Eliminate Receptionist	52,545
Eliminate GIS staff person	69,524
Reduction of Public Art Program	106,422
Projected retirement for nine months	60,130

These reductions total \$413,508. The affect on the Redevelopment Program will be:

Downtown:

1. Reduction of services by reorganizing and minimizing the program: Community Redevelopment Agency Advisory Board to meet on demand to accommodate CRA initiated reviews or requests for TIF funding.
2. Special projects requiring RFP's, urban design assistance, and management oversight will be limited to one project per year.

Eliminated the vacant **Receptionist** position for \$52,545. The impact will be:

1. Reduced Customer Service: Response time and personal contact.
2. Increased Voice Mail Usage.
3. Other receptionist duties will be absorbed within the Department.

Eliminated the **GIS Planning Technician** position for \$69,574. The impact will be:

1. Reduced level of service for Mapping/Data Products effecting:
 - Zoning layer within GIS
 - Comprehensive Plan Future Land Use Maps
 - Provision of maps for monthly petition packages
2. GIS mapping would be absorbed by 3 staff members with GIS expertise in addition to their other duties.

Eliminated the **Senior Planning Technician** position, and reduced operations of the Public Art Program for \$106,422. The impact will be:

1. Reduction of services by minimizing the program: Public Art Committee to meet quarterly rather than monthly to accommodate the review of developer-driven public art contributions.
2. If the entire program is eliminated, appropriate Policy Documents and Codes would need to be amended. This role will be assumed by other staff members.

The overall impact on the department's operations will be:

Current Planning reduction of services includes:

- Reducing DRC meetings from twice per month to once per month;
- Reducing Planning Board meetings from up to 24 per year to 6-10 meetings per year.

Long-Range Planning reduction of services includes:

- Both City and Privately-initiated Comprehensive Plan Amendments would be limited to a manageable number and processed only once per year.
- Zoning text amendments would be processed only once per year.

Will have an impact on City Commission directed "expedited" projects (affordable housing and green buildings), DRC meetings would be on-demand and Planning Board and City Commission meetings could be held jointly.

Appropriate Policy Documents and Codes would need to be amended to reflect the reduction in process cycles.

Human Resources

Eliminate Human Resources Technician II	55,646
Eliminate Van Pool Program	20,000
Eliminate Employee Attitude Survey	10,000
Eliminate Human Resource Specialist	56,665
Eliminate City-wide Programs	
United Way Campaign	2,000
50 % Red. Extra Mile Program	4,000
Longevity Luncheon	2,000
New employee orientation trolley tour	4,080
Provisions for Emp Orientation & City Golf Tournament	750
Miscellaneous employee event funding(picnic, flea market etc)	8,850
Promotional materials for job fairs and other events	1,500
City Holiday Lunch	6,000

These reductions total \$171,491. The Human Resources workforce will be reduced by 18%, generating a personal expenditures budget reduction of \$112,311. The workload most impacted by these forced

reductions is staffing responsiveness, support of three City Commission-appointed Boards, data entry, and attendance plan monitoring.

The remaining \$59,180 of budget reductions will result from the elimination of a number of programs targeted at improving both employee morale and retention. The elimination of the City Vanpool Program, Employee Holiday Luncheon, Annual Longevity Luncheon, Employee Survey, United Way campaign support costs, will be supplemented by significant reductions in the New Employee Orientation program, Extra Mile program, and promotional materials utilized for recruiting and City-sponsored events.

Finance and Accounting

Eliminate Financial Management Analyst	33,579
Reduce Part-Time Salaries	9,391
Reduce Overtime	6,066
Reduce PC and Software Replacements	14,850
Reduce Office Furniture	2,800
Reduce Training, Travel & Conferences	15,574
Reduce other operating costs	13,319
Transfer of Cash and Investment Management to Pooled Account	218,267
Eliminate Financial Advisor	20,000

The elimination of one employment position and the reduction of the various expenses total \$333,846. The function of the eliminated **Financial Management analyst** position was to handle the accounting and oversight of special districts, as well as supplementing on analytical capabilities. At the present time the St. Armand Business Improvement District is the only operational special district. However, the Golden Gate District will become operational during the 2007-08 year, but probably can be handled with other staff.

In addition, the Cash and Investment Management costs of \$218,267 have been transferred to the pooled investment account. If the Cash and Investment Manager position was eliminated and the City hired an investment consultant to manage the investments, this is where the fees would be charged.

The reduction also included the elimination of financial advisor services which will be funded, in the future, as a cost of issuing bonds. The reduction of overtime and part-time salaries will reduce the department efficiency and turn around time on issuing reports and special projects. The reduction of personal computer replacements will be acceptable for one year, but may need to be increased in fiscal year 2008-09. The Travel and Training reduction will result in staff not being able to keep up to date with all the changes in governmental finance. It will have an effect in the long run. The reduction of other costs includes supplies, which only has a one year effect, and membership dues and subscriptions.

City Auditor and Clerk

Reduce Advertising	10,000
Eliminate special projects funding	10,000
Reduce Central Duplicating Charges	25,000
Office Supplies	5,000
Reduce other expenses in Clerk Activities	14,136
Reduce audit program-Training, Travel & Conferences	4,000
Reduce Central Records	
Land Maintenance	2,000
Building Maintenance	5,000
PC Replacements	6,655
Reduce Television/Audio expenses	3,000
Annexation Advertising	(18,000)

These reductions total a net of \$66,791. In the spirit of cooperation and collaboration, the office of the City Auditor and Clerk made an effort to achieve a 7 percent reduction in spending. The City Auditor and Clerk believes these reductions can be achieved while maintaining an acceptable level of service. Additional cuts beyond that level would affect the level of service delivery by the Office of the City Auditor and Clerk.

Unclassified Administration

Salary Adjustments	484,532
Technology charges	
True revenues with expenditures	107,741
Eliminate Technical Support Technician II	54,574
City Commission Contingency	(150,000)
Funding for special events	
Offshore Grand Prix - Charge to CRA	10,000
Eliminate Profesional Alliance of Performing Arts	25,000
Eliminate Child Development Center	12,000
Eliminate Humane Society	5,000
Sarasota Film Festival - Charge to CRA	5,000
Sarasota Arts Council- Charge to CRA	4,000
Take Home Vehicles (guestimate)	40,000
Attrition savings	315,000

These net reductions total \$912,847. Supplemental salary adjustment funding, in the amount of \$484,532, for wage adjustments, similar to what was used to fund the living wage adjustment last year, will be eliminated. This will have no impact on the budget as supplemental raise increases have not been contemplated.

In regards to technology charges, the revenue reduction of \$107,741 will only bring revenues in line with budgeted expenditures. The elimination of the technical support technician II will increase the time to respond to and resolve network or customer issues. Issues will be prioritized and staff assigned as appropriate.

The City Commission's contingency fund of \$150,000 will be available to be used only after approval by the Commission on an individual request basis.

Elimination of the outside agency funding in the amount of \$42,000 will prompt the agencies to come before the Commission and request the funding. The Commission will have to say NO or approve additional funding to budget the contributions.

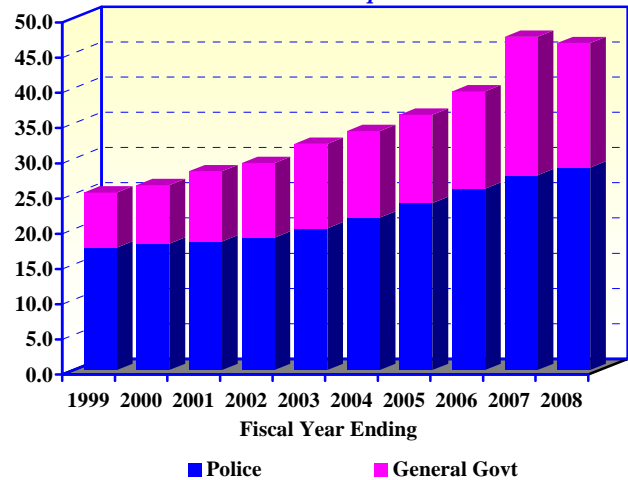
It is estimated that approximately \$40,000 can be saved by changing the take home vehicle program.

The attrition savings of \$315,000 represents a 1% savings in personnel cost by projecting vacancies throughout the year and hiring lower salaried personnel upon the retirement of higher paid employees.

Public Safety Function

Public Safety expenditures at \$31,894,632 are budgeted to increase \$1,629,421 from the previous year’s budget. This increase represents the net of an actual increase of \$2,724,307 reduced by expenditure reductions of \$1,094,886. The original increase is due to an additional \$447,119 for the Zoning division that was moved from the Development Services Fund to the General Fund; an increase of \$291,000 in the Fire Subsidy as required by an Interlocal Agreement with Sarasota County; and an increase of \$1,952,885 in the Police Department budget primarily due to the effect of salary increases and increased cost of providing retirement and medical/dental benefits.

*Police Compared to General Government
Millions Expended*



The original Public Safety increase of \$2,724,307 was reduced to \$1,629,421 by reducing the Police and the Code Compliance/Business Tax budgets by \$857,060 and \$237,826, respectively, as enumerated below.

Police

Reduction of 3 sworn officers	196,713
Reduction of 4 Civilian Positions	248,385
Reduction of Special Events overtime and benefits	66,000
Reduction of personnel costs associated with jobs eliminated	4,460
Reduction of other expenses	341,502

This is a reduction of \$857,060. Operating Expenditures account for \$341,502 as follows:

- Recruit Relocation Reimbursements (Moving expenses, \$11,000)
- Sworn Promotional Testing (one year reduction, \$30,000)
- Equipment Replacement Funds (\$270,502)
- Travel Funds (\$30,000)

Personnel Expenditures account for \$515,558 as follows:

In order to achieve the requested reduction to the Police Department budget, the Department will be forced to remove 7 positions. The cuts will involve three sworn officers and four civilians. Also, the funding for four sworn officer positions that had been frozen has been removed. The level of sworn officers reflect 1998 sworn staffing levels. The civilian staff will be cut to 1995 levels, taking into account adjustments such as removal of the reserve officer program and the Communication Center being consolidated into the County.

Funds for Promotional Testing for existing officers will be removed, and relocation funds set aside to attract new recruits will be cut in half. Funding for Police Officer training will be decreased. These

things are taking place at the same time a nationwide increase in demand for Law Enforcement officers is forcing many agencies to actively compete for officers.

Funding for Police Department participation in City Special Events will be cut by more than 50%.

Police vehicles from 1991 with 200,000 plus miles will remain in the fleet and on the road as long as possible, with minimal rotation or replacement of these older cruisers available.

The Sarasota Police Department is a respected agency all over the state and has accomplished more with less for the past five years:

Comparing 2002 to 2006, there have been 275 less violent crimes annually, 2,541 more arrests made annually, 14,000 more calls for service annually, 8,159 more citations written, and 2,908 more field interviews carried out.

Code Compliance/Business Tax

Reduce Code Compliance Inspector	47,965
Reduce Code Compliance Administrative Specialist II	50,769
Eliminate Lot Mowing Transfer	25,000
Reduce PC Replacements	8,700
Eliminate Equipment Replacement Fund Transfer	15,000
Reduce Code Compliance expenses	26,900
Reduce Local Business Tax expenses	11,583
Eliminate Business Tax Technician	51,909

These reductions total \$237,826. A vacant **Code Compliance Inspector** position was eliminated for \$47,965. The department hired one of the two positions put in last year's budget and trained them. The vision of the Commission for the additional positions was to allow us to focus on neighborhood action strategies and sweep specific problem areas, such as Park East and Gillespie Park on a regular basis. It would also allow inspectors to have smaller assignment zones. Eliminating the position will limit the extent of these stated goals. Also, the vacant Code Compliance Administrative Specialist position was eliminated for \$50,769. This will result in a marginally longer processing time for code compliance cases. We also eliminated the **Business Tax Technician** position for \$51,909. Fewer counter hours will be available to customers. This position is currently filled.

We will not utilize the vehicle replacement fund which reduces costs \$15,000, and will, in the long term, affect the age of our fleet. Training and travel as well as incentive pay was reduced \$26,900, which affects our ability to cross-certify inspectors and staff; therefore we are also decreasing the incentive pay account. Eliminated the \$25,000 transfer for the Lot Mowing Program as it is not currently needed.

The \$11,583 reduction in the Local Business Tax division includes training and travel, which limits our abilities to provide cross certifications for our employees. Overtime is eliminated which is generally used during the renewal season in August and September. This will slow down renewals to a small extent. We have a relatively new vehicle in this division so we are cutting motor vehicle supplies and parts.

The **Fire Subsidy** in the amount of \$1,491,020 is 24.25% higher than last year. The Commission approved an interlocal agreement with Sarasota County, effective October 1, 2003, to continue to provide fire protection and emergency medical service for the City. The agreement requires the City to make the first \$200,000 (approximately) contribution to the Fire Pension Fund to pay for the retired firefighters benefits approved by the Commission on March 14, 2003. In addition, the agreement requires the City to contribute up to \$500,000 to the fund after Sarasota County has contributed \$1,700,000. If the total

required contributions exceed the sum of the City's first \$200,000, plus the County's \$1,700,000, plus the City's additional \$500,000, then that amount will be split 65% County and 35% City.

Physical Environment Function

Physical Environment expenditures, at \$3,720,139, are budgeted to increase \$60,902 from the previous year's budget. This is mainly due to living wage increases coupled with increased Medical & Dental costs and other operating costs netted against the following reductions.

Landscape Maintenance

Eliminate 2 Horticulturists	92,248
Reduction of other expenses	145,489
Eliminate .5 Accounting Tech II	25,754
Transfer Coordinator, Capital Projects to Utilities (continuation budget)	41,726
Reduction of Overtime including most special events	12,300
Reduction of Level of Service for Landscape Maintenance	205,972

Reductions to the Parks and Landscape Maintenance budget include 2 horticultural positions which were budget additions in 2007 and the elimination of partial funding for an accounting technician position. Capital expenditures and Non Personnel expenditures were also reduced. The reductions will affect the following:

Elimination of flowers at Gateways on US 41, Ringling Bridge and Blvd., St. Armand's Circle, N. & S. Blvd of Presidents, Blvd of the Arts, Hillview Street and Van Wezel. Response time for accident replacement within medians will be reduced from 48 hours to one week. The damaged or dead plant material will not be replaced with matching size. All proposed median planting rehabilitation projects for 2008 will be eliminated.

The level of service in neighborhood parks such as Shenandoah, Seminal Linear Park and Laurel Park will be reduced in order to provide service to Payne Park. The reductions include frequency of mulching from twice a year to once a year; daily inspections from once a day to once a week for litter control and weed control. Also, there will not be annual flower planting and dead plants will be removed but not replaced.

Transportation Function

Transportation expenditures, at \$4,862,423, are budgeted to decrease \$213,989 from the previous year's budget. The following reductions have been made to arrive at the reduced budget.

Streets and Highway

Eliminate Maintenance Mechanic III	57,098
Reduction of capital	33,122
Reduction of red tide clean-up	6,000
Reduction of other expenses	127,209
Maintenance of public art	18,000
Eliminate .5 Accounting Tech II	25,754

Reductions to the Streets and Highways budget include 1 maintenance mechanic position and the elimination of partial funding for an accounting technician position. Capital expenditures and Non Personnel expenditures were also reduced. The reductions will affect the following:

The painting of 5 to 8 facilities per year will not be accomplished, minor repairs of building facades and other amenities will not be preformed, and there is a one-third reduction of the original \$50,000 budget request to replace street amenities such as lighting, benches and signage.

Engineering

Eliminate Coastal Projects Engineer	70,464
Remove summer interns	7,680
Remove Equipment Replacement Fund	12,000
Remove Electrical Equipment Reserve	10,000
Remove City Purchased Shirts	1,930
Reduce Training, Travel & Conferences	8,175
Reduce PC replacement	5,353
Remove Education Reimbursements	1,880
Elimination of Admin Specialist I - Vacant	49,332
Elimination of Admin Specialist III - Vacant	54,528
Elimination of Sr. Transportation Planner - Vacant	70,682
Reduction in blackberry services	3,600

These reductions total \$295,624. Elimination of the vacant **Coastal Projects Engineer** position will require the work to be reduced and spread to existing staff. The City Engineer will shift some of the workload to the Assistant City Engineer, thus, the City Engineer will focus on Lido Beach. Also, not attending the Grant meetings may reduce ability to learn and obtain grants.

The elimination of the vacant **Administrative Specialist I**, vacant **Administrative Specialist III**, and the vacant **Sr. Transportation Planner** will have a huge impact on productivity, project schedules and ability to address the programs required by the City Code or for the basic safety of the public. These programs have not been cut, but spreading the work effort among fewer employees will affect timeliness of these programs. The projects slated for cuts or reductions are:

Traffic Calming Program:

This program won't be completely eliminated but the number of plans developed and projects constructed each year will be reduced as we have lost a support position for this program and will need to share our transportation planner between this program and other transportation efforts.

Neighborhood Outreach and Communication:

In reducing staff and supplies, much of our project outreach efforts and our project newsletters will be eliminated or reduced.

The elimination of hiring high school and college students for 16 weeks during the summer to perform various duties that regular staff has not been able to accomplish due to workloads will negatively impact the department on special projects. The purchase of a new vehicle for \$12,000 has been postponed. We eliminated \$10,000 for an electrical equipment reserve. This reserve was requested by FDOT in the event of a natural disaster and it could affect the traffic signalization control room in the department. City shirts for employees at \$1,930 have been eliminated. The department has been replacing personal computers every time they are out of warranty. There are three which will be out of warranty next year, but are in good condition. By not replacing them at this time we can reduce expenses by \$5,353.

Culture and Recreation Function

Culture and Recreation expenditures, at \$451,981, are budgeted to increase \$52,819 from the previous year's budget. This is mainly due to the expansion of the Skateboard Park with added personnel and operating costs. The increase has been tempered with the following reductions:

Skateboard Park

New Maintenance Technician I	(49,345)
Reduce operating hours from 61 to 35-56 hours/week	50,164

The net reduction totals \$819. With the addition of the new buildings, it will be necessary to clean and maintain the facility, as well as keep the areas around the facility clean. If necessary, this position, after a job audit early in the fiscal year, could assist other department facilities' maintenance functions, and/or assist the landscape crew at Payne Park. Position would report to Supervisor of Facilities Maintenance.

Reductions in part-time salaries and special services (for programmed special events) in the amount of \$50,164 will result in decreased hours of operations from an existing range of 61 hours per week down to 35 to 56 hours per week, depending upon time of year. Nighttime use of the park will be severely restricted.

Childrens Fountain

Elimination of shade structures and emergency contact system	6,000
Close Fountain from December 1 through February 1	9,073

This reduction totals \$15,073. The implementation of a shade structure for the attendant, at the Children's Fountain will not be pursued and the Emergency Contact System at the Fountain will not be installed. Closure of the Children's Fountain for two months, December 1st through Feb 1st, is during a period that historically the operation has to be shut down occasionally. There will also be a reduction of supervision during the summer hours of high usage.

Transfers/Subsidies from the General Fund total \$1,121,104, a decrease of \$355,412 from last year's budget. The majority of this decrease is the result of the reductions detailed below for the Ed Smith Sports Complex and the Van Wezel Performing Arts Hall:

Miscellaneous Administration

Reduce Stadium subsidy	
Reduce other expenses	49,171
Reduce VWPAH Subsidy-3 Vacant Positions (Restore with Parking Fee	197,509
Further Reduction of VWPAH Subsidy	100,000

In regards to the Stadium, the reduction of \$49,171 will result in decreased service throughout the year at the Stadium. Special events rates will increase to include all administrative costs. The end result will be a decline of license use agreements due to competitive market conditions. Solicitation of new events will be limited to referrals, so that special events days will decrease to allow for staff relief/vacation. Minimal venue supervision will occur, and customer service within the office operations will not continue at the level expected in the industry. Eventually, the reputation of this facility, which has the lowest reliance upon the general fund of any one team Major League Baseball spring training facility in the country, could suffer to a point where the abolishment of the facility should be contemplated. Efforts to maintain a relationship with the Cincinnati Reds may deteriorate. As the industry of venue management evolves major tenants such as the Reds, or existing and prospective licensed users, continue to expect more, not less. Therefore, at this crucial time in the history of baseball's existence in Sarasota, the compromising of the level of service provided by the venue will certainly have repercussions. Further, all travel and educational opportunities will be suspended, except those few that are within a day's drive or web based. The support of the Florida Grapefruit League Organization is also suspended, the organization that spearheaded the efforts with Sarasota, to secure the 15 million dollar grant for renovating/replacing spring training facilities. Demographic survey that would help define the current economic impact of professional baseball has also been removed from the budget.

In regards to the Van Wezel Performing Art Hall, the \$297,509 reduction in spending requires the elimination of **three vacant full time positions** from the Hall's staffing. Two of these positions had been scheduled for redeployment to enable creation of critical positions for better managing the Hall's finances and programming; the other is a position that had been created to supplement the educational staff of the Hall, but which is difficult to justify at the reduced programming level of the Hall. If paid parking is instituted at the Hall for fiscal year 2007-08, it should approximate \$200,000 in revenue, and these positions will not be eliminated. In addition, we have eliminated funds from temporary or part time employment for the education programs and to enable ticket support and parking attendants for members of the Van Wezel Foundation. These services that are not available to members of the general public should be paid for by the Foundation. These reductions will inevitably marginalize the effective management of the Hall and, over time, erode the ability of the Hall to fulfill its mission with appropriate accountability.

Required Millage

The operating millage levy required to finance this budget is 2.7771 mills versus 2.9022 mills last year. The impact of this millage decrease to the average owner occupied taxable home of \$267,730 in the City (\$242,730 after the Homestead exemption, as of October 2006) would be a \$77.02 decrease as follows:

\$267,730 Average Assessed Value (10/06)

\$242,730 Taxable Value (after homestead exemption)

	<u>Actual</u> <u>2006-07</u>		<u>Actual</u> <u>2007-08</u>		<u>Variance</u>	
	<u>Millage</u>	<u>Amount</u>	<u>Millage</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Operating	2.9022m	\$704.45	2.7771m	\$674.08	(4.31%)	(\$30.37)

\$200,000 Assessed Value

\$175,000 Taxable Value (after homestead exemption)

	<u>Actual</u> <u>2006-07</u>		<u>Actual</u> <u>2007-08</u>		<u>Variance</u>	
	<u>Millage</u>	<u>Amount</u>	<u>Millage</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Operating	2.9022m	\$507.89	2.7771m	\$485.99	(4.31%)	(\$21.90)

\$500,000 Assessed Value

\$475,000 Taxable Value (after homestead exemption)

	<u>Actual</u> <u>2006-07</u>		<u>Actual</u> <u>2007-08</u>		<u>Variance</u>	
	<u>Millage</u>	<u>Amount</u>	<u>Millage</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Operating	2.9022m	\$1,378.55	2.7771	\$1,319.12	(4.31%)	(\$59.43)

The impact of this millage decrease to the owner of a non-homesteaded property with a taxable value of \$2,000,000 in the City would be a \$250.20 decrease as follows:

\$2,000,000 Assessed Value

	<u>Actual</u> <u>2006-07</u>		<u>Actual</u> <u>2007-08</u>		<u>Variance</u>	
	<u>Millage</u>	<u>Amount</u>	<u>Millage</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Operating	2.9022m	\$5,804.40	2.7771m	\$5,554.20	(4.13%)	(\$250.20)

DEBT SERVICE FUNDS

Debt service millage for 2007-08 is 0.3891 mills, a 299.49% increase from last year's 0.0974 mills. On March 13, 2007, 65% of the voters said yes to taxing themselves in order to issue, up to \$50 million in General Obligation bonds, for 30 years, to build a new Police Headquarters. The bonds were issued on July 12, 2007 and the first year's debt service millage is 0.3052 mills. A comparison of debt service millage for last year and this year follows:

	<u>2006-07</u>	<u>2007-08</u>
1994 General Obligation Refunding Bonds	0.0974 m	0.0839 m
2007 General Obligation Bonds	<u>0.0000 m</u>	<u>0.3052 m</u>
Total debt service millage	<u>0.0974 m</u>	<u>0.3891 m</u>

The 1994 General Obligation Refunding Bonds will be paid-off on September 1, 2008. The 0.0839 millage required to finance the debt service has been reduced 13.86% because of the 6.51% increase in property values for 2007-08.

The following table shows the estimated millage rate for debt service based on projected net assessed valuations (a 3% increase each year in addition to known planned projects that are to be built) through 2011:

The following table shows the estimated millage rate for debt service based on projected net assessed valuations (a 3% increase each year in addition to known planned projects that are to be built) for the remainder of the outstanding debt:

	<u>1994</u> <u>G.O. Bonds</u>	<u>2007</u> <u>G.O. Bonds</u>
2006-07 Actual millage	0.0974 m	0.0000 m
2007-08 Actual millage	0.0839 m	0.3052 m
2008-09 Estimated millage	0.0000 m	0.2820 m
2009-10 Estimated millage	0.0000 m	0.2751 m
2010-11 Estimated millage	0.0000 m	0.2686 m

Debt Service Millage: The debt service millage to finance the debt service on General Obligation Bonds is 0.3891 mills versus 0.0974 mills last year. The impact of this millage increase to the average owner occupied taxable home of \$267,730 in the City (\$242,730 after the Homestead exemption, as of October 2006) would be a \$70.81 increase as follows:

\$267,730 Average Assessed Value (10/06)
\$242,730 Taxable Value (after homestead exemption)

	<u>Actual</u> <u>2006-07</u>		<u>Actual</u> <u>2007-08</u>		<u>Variance</u>	
	<u>Millage</u>	<u>Amount</u>	<u>Millage</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Debt	0.0974m	23.64	0.3891m	94.45	299.49%	70.81

\$200,000 Assessed Value
\$175,000 Taxable Value (after homestead exemption)

	<u>Actual</u> <u>2006-07</u>		<u>Actual</u> <u>2007-08</u>		<u>Variance</u>	
	<u>Millage</u>	<u>Amount</u>	<u>Millage</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Debt	0.0974m	17.05	0.3891m	68.09	299.49%	51.04

\$500,000 Assessed Value
\$475,000 Taxable Value (after homestead exemption)

	<u>Actual</u> <u>2006-07</u>		<u>Actual</u> <u>2007-08</u>		<u>Variance</u>	
	<u>Millage</u>	<u>Amount</u>	<u>Millage</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Debt	0.0974m	46.27	0.3891m	184.82	299.49%	138.55

The impact of this millage increase to the owner of a non-homesteaded property with a taxable value of \$2,000,000 in the City would be a \$583.40 increase as follows:

\$2,000,000 Assessed Value

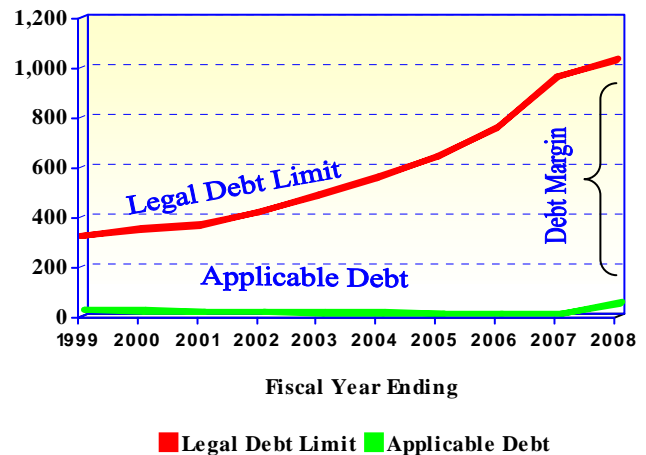
	<u>Actual</u> <u>2006-07</u>		<u>Actual</u> <u>2007-08</u>		<u>Variance</u>	
	<u>Millage</u>	<u>Amount</u>	<u>Millage</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Debt	0.0974m	194.80	0.3891m	778.20	299.49%	583.40

The City of Sarasota’s total outstanding long-term liabilities on September 30, 2007 are \$108,504,452, which can be summarized as follows:

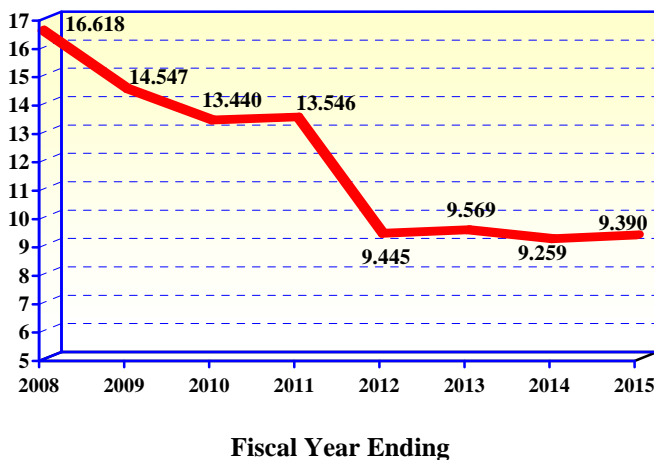
	In Thousands		Per Capita	
	9/30/06	9/30/07	9/30/06	9/30/07
General Obligation Bonds	\$ 2,235	\$ 47,365	\$ 41	\$ 850
Special Obligation Bonds and Debt	8,235	6,564	149	118
Loans Payable	15,535	14,931	282	268
Special Assessment Debt	1,070	980	19	18
Proprietary Fund Revenue Supported Debt	<u>45,646</u>	<u>38,665</u>	<u>828</u>	<u>694</u>
	<u>\$ 72,721</u>	<u>\$ 108,505</u>	<u>\$ 1,319</u>	<u>\$ 1,948</u>

The City Charter provides for a legal debt limit that caps the amount of outstanding long-term liabilities to 10% of the assessed property value within the City. The legal debt margin is defined as the difference between the legal debt limit and net total outstanding long-term liabilities. “Net long-term liabilities” or “Applicable Debt” is defined as long-term liabilities less any deductions allowable by law. Allowable deductions include any debt supported by specific revenue streams and any funds segregated for the retirement of long-term liabilities. In addition, the level of outstanding debt

*Debt Limit Compared to Applicable Debt
Dollars In Millions*



*Debt Service Requirements
Dollars in Millions*



is monitored by comparing it with population and by comparing debt service levels with current revenues. As detailed in the table above debt per capita is increasing due to a voter approved General Obligation Bond Issue for new Police Headquarters. As of September 30, 2007 the legal debt margin of the City should be \$966,745,695 and the chart above compares it to debt margins of the previous several years and that estimated for next year. Total payments including interest to amortize these long-term liabilities are \$176,697,369 (\$108,504,452 principal and \$68,192,917 interest). The total

payments necessary to amortize annually all outstanding long-term liabilities is detailed in the following table. In addition, the chart above to the left exhibits the next several years’ debt service requirements.

Debt Service on Outstanding Long-term Liabilities

Original Issue	Issued Amount	Fund In	Budgeted	Purpose of Issue	2007-08	2008-09	2009-10	2010-11	2011-Remaining Life
2000 First Florida Loan Payable	\$4,385,000	General Fund		Federal Bldg. Renovation	\$ 285,000	\$ 300,000	\$ 315,000	\$ 330,000	\$ 1,490,000
					137,221	123,541	108,841	93,406	198,512
2003 First Florida Loan Payable	5,150,000	General Fund and CRA		Parking Garage and Equipment	375,000	385,000	400,000	410,000	2,155,000
					124,450	115,450	105,055	93,055	302,340
1999 Infrastructure Refunding Bonds	10,025,000	Penny Sales Tax		Van Wezel Renovation	900,000	940,000	-	-	-
					77,075	39,950	-	-	-
1999 First Florida Loan Payable	7,435,000	Penny Sales Tax		Van Wezel Renovation	235,000	240,000	-	-	-
					19,300	9,900	-	-	-
1992 Special Obligation Refunding Bonds	19,555,000	CRA		Parking and Downtown Imp	468,507	468,557	472,902	471,943	2,841,613
					831,493	941,443	1,047,098	1,163,057	9,653,387
2001A First Florida Loan Payable	4,885,000	CRA and Penny Sales Tax		Street Improvements	515,000	535,000	560,000	585,000	-
					96,150	74,263	51,525	26,325	-
2005 First Florida Loan Payable	5,545,000	CRA		Land Acquisition	510,000	525,000	540,000	560,000	2,425,000
					153,763	139,738	123,988	107,788	232,888
2007 General Obligation	46,305,000	Debt Service		Police Headquarters	745,000	795,000	825,000	860,000	43,080,000
					2,113,623	2,152,304	2,122,094	2,089,919	33,579,960
1994 General Obligation Refunding Bonds	8,000,000	Debt Service		Spring Training Facility	1,060,000	-	-	-	-
					60,950	-	-	-	-
2001B First Florida Loan Payable	1,270,000	Debt Service		Surface Parking St. Armands	95,000	95,000	100,000	100,000	590,000
					46,465	43,140	39,625	35,825	100,125
1993 Water & Sewer Revenue Refunding Bonds	17,220,000	Water & Sewer Funds		System Improvements	-	-	-	-	5,380,000
					242,100	242,100	242,100	242,100	747,675
1996 Water & Sewer Revenue Refunding Bonds	15,345,000	Water & Sewer Funds		System Improvements	1,845,000	-	-	-	-
					115,312	-	-	-	-
1998 Water & Sewer Revenue Refunding Bonds	2,835,000	Water & Sewer Funds		System Improvements	-	905,000	950,000	980,000	-
					118,881	118,881	81,550	41,650	-
2002A Water & Sewer Revenue Refunding Bonds	18,970,000	Water & Sewer Funds		System Improvements	2,190,000	2,305,000	2,430,000	2,550,000	-
					508,975	388,525	261,750	140,250	-
2002B Water & Sewer Revenue Refunding Bonds	6,280,000	Water & Sewer Funds		Upgrade Water Plant	260,000	265,000	275,000	285,000	4,000,000
					209,516	201,586	192,842	183,216	1,147,266
2004 Water & Sewer Revenue Refunding Bonds	9,915,000	Water & Sewer Funds		System Improvements	1,220,000	1,180,000	1,220,000	1,265,000	1,845,000
					253,550	210,850	169,550	126,850	198,000
2005 Water & Sewer Revenue Refunding Bonds	7,860,000	Water & Sewer Funds		System Improvements	290,000	300,000	310,000	320,000	6,095,000
					287,540	278,840	268,340	257,490	2,027,684
1993 State Revolving Fund	3,744,303	Water & Sewer Funds		Sewer Rehabilitation	195,542	200,857	206,317	211,925	441,289
					32,599	27,284	21,824	16,216	14,993
Total Principal					11,189,049	9,439,414	8,604,219	8,928,868	70,342,902
Total Interest					5,428,963	5,107,795	4,836,182	4,617,147	48,202,830
Total Outstanding Principal & Interest					\$16,618,012	\$14,547,209	\$13,440,401	\$13,546,015	\$118,545,732

SPECIAL REVENUE FUNDS

COMMUNITY REDEVELOPMENT

The Preliminary Certified Taxable Value for July 1, 2007 of the "Redevelopment Area" is \$2,473,456,752, which is greater than last year by \$245,360,020 or 11.01%. The Commission approved operating millage, at 2.7771, will generate revenues of \$5,439,482. This is \$433,109 more than was produced last year. Sarasota County has indicated that their State mandated rolled-back rate will be 3.0607 mills, a decrease from last year's rate of 3.3845. This will generate, in addition to the City's contribution, \$5,979,115, which is \$140,761 more than last year. It is anticipated the revenue in the CRA will total \$11,418,597 or \$573,870 more than last year. This will be sufficient to provide for the \$2,668,689 debt service payments of all outstanding debt of the CRA which includes the 1992 TIF Bonds, and the First Florida Governmental Financing Commission loans of 2001, 2003 and 2005. This leaves excess revenues of approximately \$8,849,908 to fund CRA operating costs as well as some public infrastructure projects.

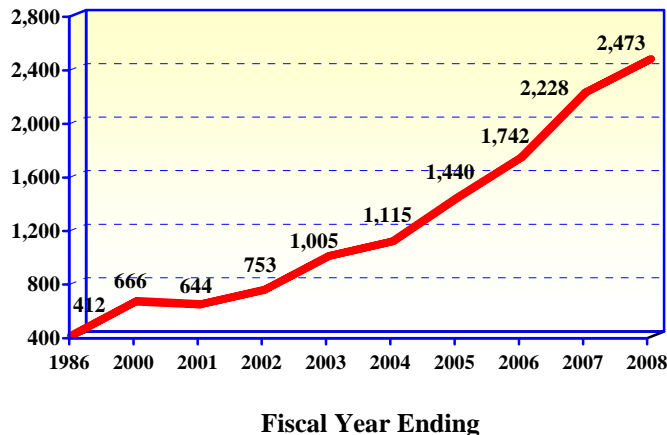
The top priorities of the Commission are Affordable Housing and Newtown Redevelopment. During 2006-07 the Commission allocated one-third of the future excess revenues to each priority. In a joint City/County Commission meeting it was agreed that the County would authorize the expansion of the CRA Redevelopment Area to cover the Newtown Redevelopment Area, but the County would not be required to pay TIF revenues for the Newtown Redevelopment Area. It was anticipated the agreement would be completed by June 2007, but the County now wants the City to pay the County's commitment to public housing out of the TIF Fund. The City has not agreed to this as of this time.

The following table lists the valuations provided by the Sarasota County Property Appraiser for the past twenty years.

COMMUNITY REDEVELOPMENT AREA TAXABLE VALUES

<u>Fiscal Year</u>	<u>(July) Preliminary Taxable Value</u>	<u>(October) Certified Taxable Value</u>	<u>Percent Change From Previous Year</u>
2007-08	\$2,473,456,752	N/A	11.01%
2006-07	2,228,096,732	2,228,096,732	28.39%
2005-06	1,742,357,006	1,735,418,465	20.37%
2004-05	1,337,904,924	1,441,699,754	29.35%
2003-04	1,115,412,937	1,114,539,970	10.90%
2002-03	1,004,971,724	1,004,980,748	33.47%
2001-02	721,338,793	752,965,152	17.14%
2000-01	643,745,526	642,795,320	(3.69%)
1999-00	666,086,496	667,423,716	15.01%
1998-99	577,640,163	579,865,844	6.68%
1997-98	540,522,573	543,565,613	5.32%
1996-97	517,453,257	516,094,651	4.84%
1995-96	492,612,438	492,258,286	4.94%
1994-95	469,531,233	469,079,920	(4.93%)
1993-94	493,700,939	493,391,298	(1.25%)
1992-93	499,195,065	499,619,983	2.49%
1991-92	485,476,369	487,460,015	(3.63%)
1990-91	507,128,774	505,826,876	5.93%
1989-90	494,893,122	477,517,526	4.68%
1988-89	450,391,610	453,176,890	5.11%
1987-88	428,347,030	431,153,610	4.70%
1986-87	410,617,860	411,676,160	BASE

*Assessed Values of Redevelopment Area
Dollars in Millions*



The Taxable Value of the "Re-development Area", at \$2,473,456,752, is \$2,061,780,592 greater than the base year 1986 of \$411,676,160, which is a 466.8% increase. See the table above and the graph to the left detailing these valuations.

Budgeted Uses of the Community Redevelopment Trust Fund for 2007-08

Debt Service	\$2,668,689
Downtown Transportation	80,513
Pineapple Square Parking Facility	1,150,583
Palm Avenue Parking Facility	1,199,000
Newtown Economic Development Coordinator	38,787
Public Housing	1,742,902
CRA Special Events	50,000
Downtown Events	19,000
Strategic Parking Facilities (debt/capital capacity)	700,000
Strategic Parking Facilities (adv., lot lease)	150,000
Enhanced Maintenance for TIF capital projects	15,000
Downtown Pedestrian Streetlights	500,000
CRA Legal	37,500
TCEA update	12,500
Repay General Fund loan	370,286
Repay Other Fund loans	129,714
Administrative Charge (Cost Allocation IT Charges)	5,412
Downtown Projects Coordinator	65,228
Streets & Highway/Landscape Services to CRA	901,696
General Fund - Downtown Police Patrol	623,702
General Fund - Rosemary District Patrol	329,388
Parking Fund - Free Parking Permits (one time only)	209,000
General Fund - Redevelopment Office	<u>519,697</u>
Total	<u>\$11,642,974</u>

With all of the projects budgeted as listed here, the fund balance at September 30, 2008 will be \$1,552,439 which is the same as the ending balance at September 30, 2007.

The following table provides a projection of future **estimated** taxable values in the Redevelopment Area, the revenue it will produce, and the excess funds available after debt service:

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Taxable Value	<u>\$2,437,585,428</u>	<u>\$2,673,764,629</u>	<u>\$2,780,715,214</u>	<u>\$2,891,943,822</u>	<u>\$3,007,621,574</u>
Tax Revenue	\$12,236,324	\$12,797,414	\$13,402,471	\$14,031,729	\$14,686,159
Debt Service	<u>2,778,959</u>	<u>2,898,760</u>	<u>3,021,013</u>	<u>2,845,366</u>	<u>2,979,155</u>
Available Revenue	<u>\$9,457,365</u>	<u>\$9,898,654</u>	<u>\$10,384,458</u>	<u>\$11,186,363</u>	<u>\$11,707,004</u>

The above excess revenues in the Community Redevelopment trust fund are significant enough to implement major capital investment in the CRA including the strategic parking facilities called for in the Master Downtown Parking Plan. As stated earlier, the top priorities of the Commission are Affordable Housing and Newtown Redevelopment. During 2006-07 the

Commission allocated one-third of the future excess revenues to each priority. The following initiatives are funded for the next five years by Community Redevelopment trust funds:

	<u>In Thousands</u>				
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Projected Revenues after Debt Service	<u>\$9,457</u>	<u>\$9,899</u>	<u>\$10,384</u>	<u>\$11,186</u>	<u>\$11,707</u>
Proposed Expenditures					
Downtown Transportation	83	85	88	91	93
Pineapple Square Parking	1,113	1,076	1,039	1,002	965
Palm Avenue Parking	1,199	1,199	1,199	1,199	1,199
Contribution Toward Shared Parking	-	-	4,000	-	-
Affordable Housing Initiative	561	1,287	19	1,567	1,928
Newtown Redevelopment(proposed)	561	1,287	19	1,567	1,928
Strategic Parking (Debt/Capital)	700	700	700	700	700
Strategic Parking Facilities(adv. Etc.)	150	150	150	150	150
Pedestrian Sleeves	558	-	-	615	-
US 301 Enhanced Lighting	245	-	-	-	-
Enhanced Maintenance TIF Projects	15	15	15	15	15
Downtown Pedestrian Streetlights	700	-	-	-	-
CRA Legal	38	37	37	37	38
TCEA update	12	12	13	12	12
General Fund loan repayment	430	263	-	-	-
Other Fund loan repayments	111	-	-	-	-
Admin. Charge (Cost Allocation/IT)	6	6	6	6	7
Downtown Construction Coordinator	67	69	71	73	76
Street/Hwy/Land/Maint. to CRA	929	957	985	1,015	1,045
Downtown Police Patrol	642	662	682	702	723
Rosemary District Patrol	339	349	360	371	382
Redevelopment Office	538	557	576	596	617
TOTAL	\$7,997	\$8,711	\$9,959	\$9,718	\$9,878

DEVELOPMENT SERVICES FUND

Effective October 1, 2004, the Development Services Fund was established. It is used to track and accumulate services provided to the development community. Specifically, Building Permitting activities have been transferred from the General Fund to this fund so that its revenues will only support the building/development activities.

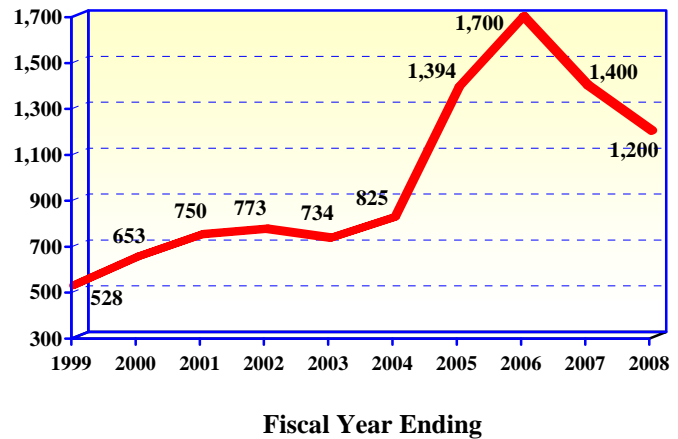
Building revenues are budgeted at \$1,818,050, a decrease of \$182,450 as compared to last year's budget of \$2,000,500. Building Permits, at \$1,200,000, have decreased \$200,000 from last year's budget of \$1,400,000. During fiscal year 2006-07, the City saw the completion of many large projects that have been under development and construction in the downtown area. Projects such as the Ringling Square mixed use complex, the 1350 Main, the Kanaya, the Alinari, the Marque En Ville, Rivo on Ringling, the Savoy on Palm Avenue and the Burns Court Condos all have been completed and are now being occupied. Sarasota's newest hotel, the

Indigo opened at the corner of US 41 and the Boulevard of the Arts. The Publix supermarket opened as part of the Broadway mixed used condo and retail complex on US 41 and 10th Street. Large condominium projects such as the Broadway mixed use condo/retail complex is nearing completion. The condominiums on Orange Avenue and Hudson Bayou are well underway while the Atrium on Ringling condominium project and the Harborage rackaminium project just north of Downtown have broken ground. The Benderson Development plan for the Bank of America property at the corner of Main Street and Orange Avenue, the Pineapple Square project on Lemon Avenue and State Street as well as the \$1 billion Bayside project at the old Sarasota Quay property hold the promise of the continued redevelopment of the downtown area.

2007-08 budgeted expenditures of \$2,258,162 decrease by \$542,478 from the prior year of \$2,800,640, mainly as a result of the transfer of the Zoning function (\$447,288) to the General Fund effective October 1, 2007. In addition, the department has eliminated a Residential Plans Examiner position for \$66,934, as well as reduces operating expenses in the amount of \$47,500 and capital in the amount of \$12,670. The above budgeted revenues and expenditures for 2007-08 result in a loss of \$440,112, which reduces the projected fund balance at September 30, 2008 by 94.36% to \$26,296.

The Development Services Fund also includes all activities from the billable fees function and is accounted for as a separate cost center in this fund. The Billable Fee Fund was established to account for and collect charges incurred in the review and approval of development applications. More specifically, Article IV-102 of the Land Development Code states that the City shall establish a schedule of fees and charges for matters pertaining to development review. It is the intent of these regulations that the City shall not be required to bear any part of the costs of development review, and that fees and established charges represent the actual costs involved in the processing of petitions for development review. For 2006-07, departmental staff charges to

*Budgeted Building Permit Revenue
Dollars in Thousands*



the cost center are estimated to be \$55,329, compared to the budget of \$250,000. The City determined, during this fiscal year, that the most practical method of defraying the costs of development review functions was through a schedule of fees based upon the type of development. As such, time charges from departments were stopped. Without the billable fee concept, the General Fund would have absorbed these excess legal expenses and other operating costs. For 2007-08 total revenues from billable fees of \$525,000 have been estimated follows:

<u>Operating Costs</u>	
Office/general supplies	\$13,500
Advertising	50,000
Special services	200,000
Duplicating and printing	8,000
Filing fees	1,000
Legal fees	<u>100,000</u>
Sub total	372,500
<u>Transfers</u>	<u>152,500</u>
Total Billable Fee Revenue	<u>\$525,000</u>

PUBLIC ART FUND

The Public Art Fund accounts for all revenues and expenditures to acquire and maintain public art. An important part of the City of Sarasota's public art collection comes from the contributions provided by the developers of commercial projects. Developers of projects within certain downtown districts must either contribute to the public art fund or provide art that is visible for the public to enjoy. Due to the variability of developer contributions, revenues are not appropriated until the City Commission has approved a specific project.

In addition to any contributions by developers, \$38,000 is being contributed to the Public Art Fund by the General Fund to repair and maintain the current inventory of public art within the City. Based upon the above contributions to the Public Art Fund and expenditures consistent with these contributions, fund balance at September 30, 2008 is projected at \$49,402, which consists of funding reserved for the maintenance of Galvin Trust (\$2,879) and Good Heart Plaza (\$27,500), with the balance of \$19,023 being unreserved.

It should be noted that the Commission decided to reduce the support of the Public Art Fund in order to reduce expenditures in the Planning and Redevelopment Department. A \$30,000 annual contribution for public art acquisitions which had been made in previous years was eliminated. A contribution of \$38,000 for the repair and maintenance of the current inventory art from the General Fund remains.

GAS TAX

The Seven-Cent Gas Tax revenues are budgeted to be \$1,810,000 for 2007-08, which is \$96,750 lower than budgeted for 2006-07. In addition, the Gas Tax Fund will receive \$119,421 from the Community Redevelopment Agency (TIF) Fund as a repayment for loans made in prior years. These revenues combined with other revenues of \$3,600, results in total revenues for 2007-08 of \$1,933,021, which funds the following initiatives:

Street Lighting	\$ 735,684
Street Sweeping Operation	645,990
Bridge and Large Culvert Maintenance	10,000
Replacement of Sidewalks	64,000*
Traffic Control Pavement Markings	50,000
Traffic Control and Overhead Signs	25,000
Traffic Signal Parts and Controllers	26,000
Traffic Control Coordinator	35,280
Hardscape Medians/Sidewalk Areas	30,000
Traffic Signalization	60,000*
Capital Equipment	7,000
Residential Traffic Calming	50,000*
Replacement of Curbs and Gutters	10,000*
Transportation Planner	41,895
Removal of Dead Trees	25,000
Traffic Loop Replacements	30,000
Pressure Cleaning of Sidewalks (Main & MLK)	25,000
Street Amenities (furniture & trash receptacles)	50,000

The continued strengthening of City neighborhoods remains an important priority of the City Commission. For 2007-08, neighborhood improvements in the Capital Improvement Plan total \$4,433,000 of which Gas Tax will fund \$184,000 of the projects, as asterisked above.

The Five-Cent Local Option Fuel Tax went into effect January 1, 2001. For fiscal year 2007-08 the tax is estimated at \$1,190,000, which is \$14,082 lower than estimated for 2006-07. Fund balance is estimated to be \$668,518 at September 30, 2007. Total estimated funds available during 2007-08 are \$1,858,518. The following projects totaling \$2,037,000 are budgeted during 2007-08 which results in a projected negative fund balance of (\$178,482), a 126.7% decrease, at September 30, 2008. This negative fund balance will be erased by 2010-11 as the projects are completed.

Pavement Reconstruction	\$ 400,000
12 th Street Widening	1,000,000
New Curb and Gutter Construction	350,000
Bicycle Route Improvements	50,000
MURT-N. Blvd. of Pres.	237,000

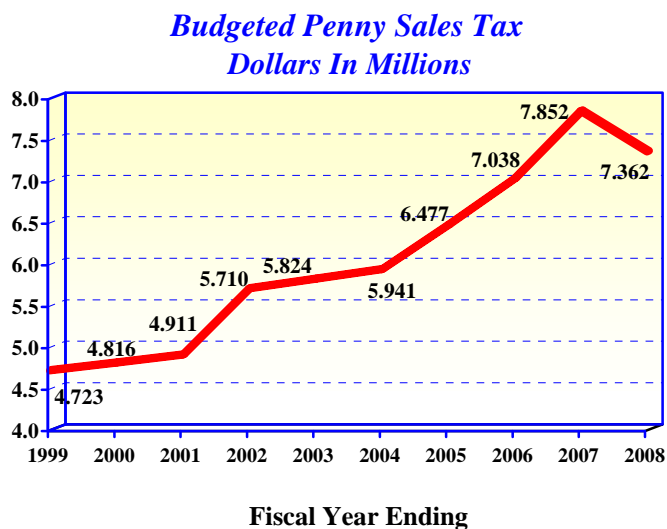
TOURIST DEVELOPMENT TAX

The original two percent tourist development tax has been in effect since November 1, 1988. In addition, the Board of County Commissioners of Sarasota County increased the tourist development tax an additional one percent to a total of three percent, effective April 1, 1997. Effective May 1, 2007 the Board of County Commissioners of Sarasota County increased the tourist development tax an additional one percent to a total of four percent. The County was to remit one-half percent to the City to fund the County's share of the proposed new sports stadium. That project is currently still evolving. The City's allocation of the two percent tourist tax for 2007-08 is estimated at \$410,471. As in the past, these funds will be reserved for the renourishment of Lido Beach. The City has not been allocated any additional portions of the one percent tourist development tax for fiscal year 2007-08.

Since inception and through September 30, 2007, the City has been allocated a total \$9,868,936 of tourist development tax revenues. Through the same date, the City will have expended approximately \$7,880,649 of that amount, which leaves an estimated carryover of \$1,684,287 to the 2007-08 fiscal year. This carryover amount, along with the 2007-08 allocation of \$410,471 and the estimated fund balance at September 30, 2007 of \$1,908,159, provides approximately \$4,002,917 of matching funds for further renourishment of Lido Beach. The fund balance of \$1,463,630 at September 30, 2008 is a 23.3% decrease from the prior year. This is due to a planned use of fund balance for a larger renourishment project for Lido Beach.

For fiscal year 2006-07, the Van Wezel Performing Arts Hall is expecting to receive approximately \$107,184 of tourist development tax funds, later this month. It is anticipated the Van Wezel will receive approximately \$89,000 in 2007-08.

PENNY SALES TAX



The original penny sales tax went into effect September 1, 1989. The City bonded a large portion of this ten-year revenue source to initiate major improvements including roadways, park improvements and office space. On November 4, 1997, the voters of Sarasota County approved the extension of the penny sales tax for an additional ten years. In reference to the revenues of the penny sales tax over this second ten-year period, projects that have been bonded through this source of revenue are the Van Wezel renovation project, certain street improvements regarding the Renaissance project, and the Main Street Streetscape. The balance of the projected penny sales tax revenues will be used to fund projects on a pay-as-you-go basis.

On October 17, 2005 a budget amendment was approved by the City Commission to appropriate \$7,498,008 for phase I of Payne Park. This appropriation used all projected excess revenues through September 30, 2009 and any remaining contingency reserves. This additional

appropriation contributed to creating the projected negative ending fund balance of \$609,960 at September 30, 2007. This negative fund balance will be eliminated in fiscal year 2007-08.

The penny sales tax revenue for 2007-08 is budgeted at \$7,362,000, which is lower than the 2006-07 estimated revenue of \$7,800,000. This is because of the slow down in the economy. Total revenue of \$8,236,815 funds \$6,854,353 of expenditures as listed below and the estimated fund balance at September 30, 2008 is back up to \$337,358 which is 165% higher than the negative fund balance at September 30, 2007.

Penny sales tax expenditures of \$6,854,353 for 2007-08 include:

Debt service	New Penny	\$1,555,682
Jefferson Avenue	New Penny	105,000
Siesta Drive Streetscape	New Penny	100,000
Bradenton Road	New Penny	1,800,000
Street reconstruction	New Penny	650,000
Traffic Signalization	New Penny	200,000
New sidewalks city-wide	New Penny	154,000
Street trees	New Penny	50,000
Stormwater Utility projects	New Penny	825,000
Residential traffic calming	New Penny	250,000
Seawall reconstruction	New Penny	75,000
Centennial Park Access Improvements	New Penny	1,000,000
Parking space creation	Old Penny	33,671
Handicapped access ramps / other improvements	Old Penny	56,000

HOUSING AND COMMUNITY DEVELOPMENT

The Office of Housing and Community Development (OHCD) is a joint effort of the City of Sarasota and Sarasota County Government. The Office administers state and federal housing and community development programs both in the City and the County. The Community Development Block Grant entitlement for 2007-08 is \$615,161. The following projects are included for funding:

Administration	\$123,032
Newtown Low Interest Business Loans	170,000
Public Housing Grant Funding	135,273
Homeless Activities	27,000
Fair Housing	1,000
Summer Youth Program	30,000
Housing Rehabilitation Loan Program	<u>128,856</u>
Total	<u>\$615,161</u>

In 1992, the Federal government created a new housing initiative entitled the HOME Partnership Program. Under the program, cities and counties are eligible to receive federal funding for affordable housing initiatives. Because neither the City nor County qualified to receive direct funding, they formed a new entity entitled the Sarasota Consortium. The City of Sarasota was designated as the lead agency or recipient of funds for the Consortium until the 1996-97 fiscal year.

For 1996-97 and 1997-98 Sarasota County was the lead agency. Since then the City of Sarasota has been the lead agency. The 2007-08 HUD-Home Program funding is \$2,139,383.

The following projects are included for funding:

Administration	\$ 212,098
Tenant Based Assistance	64,000
American Dream Down payment	18,407
Down Payment Assistance	1,389,000
City CHDO Project Costs	326,200
Housing Rehabilitation Loan Program	29,678
Transitional Housing	100,000
Total	<u>\$2,139,383</u>

For fiscal year 2007-08 the City is anticipating receiving a \$391,000 grant from the Department of Housing and Urban Development for Housing Of People With Aids (HOPWA). The purpose is to assist low-income HIV/AIDS beneficiaries to obtain affordable housing and be able to remain in the affordable housing. Uses of the funds are as follows:

Administration	\$ 11,730
Housing Grants-In-Aid	<u>379,270</u>
Total	<u>\$391,000</u>

For fiscal year 2007-08, it is estimated that \$ 5,120,271 of State Housing Initiative Partnership (SHIP) funds will be received. These funds will be spent within Sarasota County both inside and outside the City. Uses of these funds for 2005-06 are as follows:

Administration	427,027
Public Housing	211,000
Down Payment Assistance	1,877,000
Owner Occupied Rehabilitation	2,239,244
Impact Fee Assistance	80,000
Special Needs	250,000
Home Buyer Education	<u>36,000</u>
Total	<u>\$ 5,120,271</u>

The Educational System Impact Fee was established in 2004 through ordinance by the Board of County Commissioners of Sarasota County to help fund the cost of capital improvements and additions to the educational system that are necessary to accommodate growth in the county. In an attempt to help keep the cost of housing affordable to low-income residents, certain impact fee exemptions were included in the ordinance for qualified beneficiaries. Low-income (below 80% of median income) families purchasing a newly constructed (permitted after May 1, 2004) home priced below \$145,000 and intending to reside in the property for a minimum of 5 years may receive an exemption to payment of the required Principal Residential Use impact fee. Since a large percentage of the low-income persons currently buying new homes are able to do so only by receiving Down Payment Assistance from a program funded through the federal

HOME and state SHIP programs and operated by the Office of Housing and Community Development, the School Board decided that the most efficient way to administer the impact fee exemption for owner-occupied property was to contract with OHCD.

The School Board and OHCD negotiated an Interlocal Agreement that permits OHCD to administer the exemption program on behalf of the School Board. The City Commission approved an agreement to this effect on July 6, 2004. As payment for the work it performs in processing requests for exemptions, OHCD will receive \$150 for each case that it processes.

For 2007-08 the following expenditures are expected:

Educational Impact Fee Assistance	\$ 60,900
Administration	<u>6,000</u>
Total	<u>\$ 66,960</u>

OHCD is eliminating 2 positions. A loan processor position due to a reduction in work load and a reduction in the administrative funding available for administration. Federal and state laws have limits on the amount of grant funds that can be used for administration. With funding from grants and the repayment of loans decreasing, the number of positions must be reduced to remain in compliance with the grant rules. In addition the Affordable Housing Fund expenses for 2006-07 included a full-time experienced Affordable Housing Coordinator to manage the City's evolving attainable housing program. Duties were to include establishing a work program designed to analyze alternative initiatives for possible adoption by the City, monitoring/implementing adopted housing initiatives subsequent to adoption (e.g., income qualification), interfacing with other public and private agencies and local governments (Hospital, School Board, Habitat for Humanity, financial institutions, municipalities, Sarasota County, County land trust, etc) to help ensure an efficient housing delivery system, participating in the development review process. This position was to be funded by a transfer from the CRA trust fund. The Deputy Director will assume some of these duties

COUNTY OCCUPATIONAL LICENSE TAX

Effective December 12, 1991, the Sarasota Board of County Commissioners adopted an ordinance implementing an occupational license tax in Sarasota County. The ordinance allocated proceeds from this tax to each municipality based upon the respective ratio of their population to the total County population. Effective October 1, 1994, as authorized under State Statutes, the Sarasota County Commission decided to distribute these funds using the alternative formula. This formula allocates the applicable taxes to each municipality using the previous formula, but allows each municipality to receive only the pro-rata share of taxes collected within its boundaries. This change in the distribution formula reduced the City's share from \$62,983 in 1993-94 to \$13,574 in 1995-96.

For 2007-08 this revenue is estimated at \$22,000. Including these revenues, the funds available for 2007-08 should be \$32,829. Virtually all of the available funds have been budgeted for a portion of the City's fee for Sarasota County Economic Development leaving a minimal balance of \$723 at September 30, 2008.

CITIZENS WITH DISABILITIES

Section 33-83 of the Code of the City of Sarasota requires that revenue collected from fines imposed for illegal parking in parking spaces provided for citizens with disabilities shall be accounted for separately and used for projects or facilities of benefit to citizens with disabilities. Currently, the fine for illegally parking in a citizens with disabilities parking space is \$250, of which \$167 comes to this fund, and \$83 goes to the Parking Management Fund.

Revenue for this fund in fiscal year 2007-08 is budgeted at \$10,000. Travel expenses and the cost of support staff has been budgeted at \$1,500 and \$3,500, respectively, for the Citizens With Disabilities Advisory Board. It has been the internal policy of the administration to bring all other expenditures of this fund to the Commission for approval before the expenditure is authorized.

NEIGHBORHOOD GRANT PROGRAMS

In June 1997, the vehicle-impounding ordinance was enacted, providing for the impounding of vehicles used to facilitate prostitution or drug related crimes. Their owners can regain impounded vehicles after paying a large fine. In December 1998, the Commission approved the dividing of the revenue generated from civil seizure fines to be used as grants to be administered by the Nuisance Abatement Board and the Neighborhood Partnership Office. In January 1999, an Administrative Regulation was issued stating that the prior year's revenue was available for these grants on October 1. Effective January 1, 2001, this source of revenue was moved from the General Fund to a Special Revenue Fund because it is split each year between the Neighborhood Partnership Office and the Nuisance Abatement Board. This budget anticipates revenue for 2007-08 to be \$60,000, the same as last year.

Total revenues for fiscal year 2007-08 will be \$78,000 including an \$18,000 transfer from the General Fund. \$33,000 of these funds will be for 10 neighborhood grants at \$2,500 for neighborhoods under 1,000 homes and 2 at \$4,000 for neighborhood with over 1,000 homes. Any remaining funding would be utilized for neighborhood leadership participation in the Neighborhoods USA and Florida Neighborhoods Conference. \$5,000 will provide event support (provisions, printing, postage and mailing) for new and dormant associations within the City. The remaining \$30,000 will go to the Nuisance Abatement Program.

ST ARMANDS SPECIAL BUSINESS NEIGHBORHOOD IMPROVEMENT DISTRICT

The St Armands Special Business Neighborhood Improvement District (BID) was created under Section 163.511, Florida Statutes and empowered by City Ordinance No. 02-4382 adopted July 16, 2002. The boundaries of the BID are made up of all parcels of real property located within the CT Zone District in the vicinity of St Armands Circle. The BID is a dependent taxing authority with the power to levy up to two mills for the purpose of purchasing supplemental services (maintenance, security, sanitation, promotions, special services and capital improvements). The taxes are collected and disbursed by the City, but all funds are used for the BID at the direction of the Board of Directors.

The Estimated Taxable Value, as of July 1, 2007, for the St. Armands Business Improvement District, from the Sarasota County Property Appraiser, is \$152,308,377. The Stated mandated rolled back millage rate is calculated at 1.6522 mills. By a unanimous vote of the BID Board of Directors the BID plans to levy 2.0 mills, as allowed by the new State law. For fiscal year 2007-08 the 2.0 mills will generate \$290,000. Additionally, The BID obtained an unsecured bank line

of credit in the amount of \$600,000 during fiscal year 2006-07 (with the permission of the City Commission) to be used for capital improvement projects and repaid annually over the life of the BID. The BID will terminate on December 31, 2012 unless re-approved by referendum. At termination, the BID is obligated to discharge all debt and outstanding loans and has provided a principal pay down schedule to accommodate this date.

In fiscal year 2006-07 the BID offered and budgeted to contribute \$250,000 towards the total cost of \$705,000 for the modification of the three crosswalks and two medians to be completed during the summer of 2007. The City budgeted \$455,000 to bridge the difference between the total cost of \$705,000 and the BID's contribution of \$250,000. The contract came in at \$515,050 and thus the Bid used the line of credit to fund it with the commitment of the City to pay back a portion of this amount.

Including the projected fund balance at September 30, 2007 of \$12,907 and \$3,000 of investment earnings, total funds available for 2007-08 are \$283,000. These funds are budgeted as follows leaving an ending balance of \$30,905 which is 47.84% higher than September 30, 2007:

<u>Description</u>	<u>Amount</u>
General & administrative expenses	\$ 4,682
Administrative cost allocation to City	3,496
Music system expense	1,100
Enhanced land maintenance	17,000
Advertising/promotional expense	110,000
Capital improvements Contingency	5,472
Loan repayment - Northern Trust Bank	100,000
Interest on loan - Northern Trust Bank	<u>41,250</u>
Total	<u>\$ 283,000</u>

As stated above, the BID borrowed the full amount available under their line of credit or \$600,000, and the budget includes a principal payment of \$100,000 against this line of credit thereby leaving an unpaid balance of \$227,000 at September 30, 2008.

ENTERPRISE FUNDS

WATER AND SEWER

From fiscal year 1998-99 through 2005-2006, the City has controlled operating and capital costs of the water and sewer operation, allowing rates to only increase 2% per year. These minimal rate increases were sufficient to cover the debt service for the \$6,280,000 Water and Sewer System Revenue Bonds issued September 19, 2002, and the \$7,860,000 Water and Sewer System Revenue Bonds issued September 12, 2005.

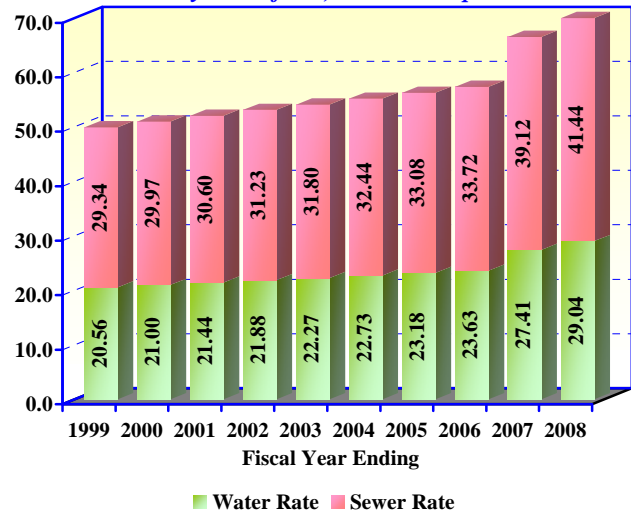
Burton and Associates completed a rate study, in May 2006, under contract to Post, Buckley, Schuh & Jernigan, the City's water and sewer engineers of record. The study showed that a rate increase was required for the fiscal year 2006-07 in the amount of 16%. Costs of chemicals and other materials used in operations have soared as much as 40%. Employee costs have also contributed significantly to the required rate increase. The City needs to issue bonds in fiscal year 2007-08 for Lift Station 7 and other water and sewer improvements in the amount of

approximately \$18 million. As such, when Ordinance No. 06-4688 was adopted last September, 2006, it included a 6% rate increase effective September 1, 2007 to pay the debt service for this planned bond issue.

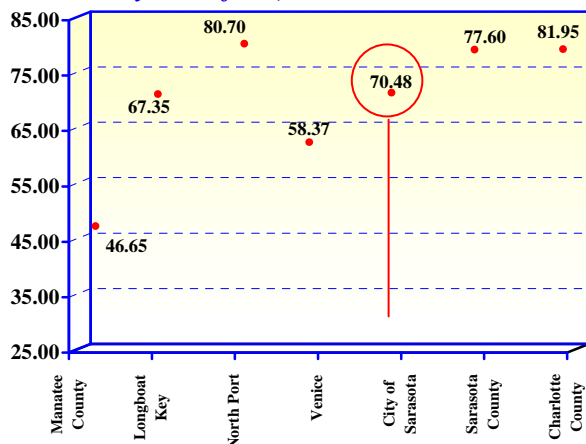
The 2006-07 water revenues are estimated to be at budget of \$13,704,030. For 2007-08, water sales are budgeted at \$14,635,219, which is the result of the rate increase plus a conservative growth factor. Sewer fees are estimated for 2006-07 to total \$17,026,396, which is right on budget. For 2007-08, sewer fees are budgeted at \$18,183,917, which is also as a result of the rate increase plus a conservative growth factor.

Rate hikes over the past ten year period have been generally 2-3% per year with the exception of 2006-07 which is exhibited by the graph to the right. This has been sufficient to keep rates as low as possible and to meet required bond covenants as to coverage.

*Base Water & Sewer Rates Over Ten Years
Monthly Rates for 5,000 Gallons per Month*



*Water and Sewer Rates For Area Utilities
Monthly Rates for 5,000 Gallons Per Month*



The City's water and sewer rates will continue to be very competitive at \$29.04 for water and \$41.44 for sewer, which total \$70.48, for 5,000 gallons, in 2007-08, including excise taxes. The goal of the administration continues to be achieved as to smoothing out the rate hikes and keep them as low as possible, yet sufficient to meet required bond covenants as to coverage.

The 2007-08 operating and maintenance budget (O&M), at \$19,446,486, is \$50,604 less than last year. The Renewal, Replacement and Improvement fund (RR&I - capital maintenance), at \$4,635,047, increases \$287,057 or 6.6%. The O & M fund and the RR&I fund are inseparable, therefore, total operating and capital costs have risen \$236,453 or 1%.

Transfers from operating funds to cover debt service payments have increased from \$7,788,856 to \$9,235,384 or \$1,446,528, which is primarily attributable to the proposed issuance of the \$18,000,000 Water and Sewer revenue bonds. These bonds will fund the following projects:

Lift Station 7	\$8,000,000
Denitrification Basin Improvements	2,025,000
Sewer Collection Upgrade/Relocation	1,800,000
Reverse Osmosis Concentrate Degassifier	1,450,000

Water Transmission Main Upgrade	2,000,000
Water Distribution Upgrade/Relocation	1,320,000
Motor Control Upgrade – Verna Well field	1,050,000

The General Reserve expenditure budget will decrease from \$1,968,224 to \$719,147 in 2007-08. The primary reason for the decrease is that reducing the expenditures is necessary to maintain an adequate reserve for expansion. The projects funded by the General Reserve account for 2007-08 include:

Water systems	50,000
Lift station improvements/expansion	400,000
New customer installations	269,147

Overall, ending fund balance is up 4.6% and is a healthy 21.2% of budgeted expenditures.

BOBBY JONES GOLF COMPLEX

The 45-hole Bobby Jones Golf Complex remains the only municipal and totally public golf facility in greater Sarasota. This 324 acre green space is located entirely within the Sarasota city limits. In addition, the Bobby Jones Golf Complex has again received the 1st place Readers Choice Award from the Herald Tribune for Best Public/Semi-Private Golf Course for the eleventh time in twelve years. Also, for the third time, Bobby Jones Golf Complex has received an award from Sarasota Magazine as one of the "Best Places to Play Golf." The management and staff of the Bobby Jones Golf Complex will continue to strive for excellence in its service to the golfing public and the City of Sarasota.

Several major improvements and upgrades were implemented during Fiscal Year 2006-07. This included the replacement of forty golf carts; replacement of twenty on-course benches; renovation of twelve water cooler stations; construction of a pro shop merchandise storeroom in place of the men's locker room; on-course restroom improvements on American #8 and British #8 and #14; cart path renovations on holes #2, #5, #6, #8 and #9 of the British Course and holes #2, #6, #7 and #8 of the American Course.

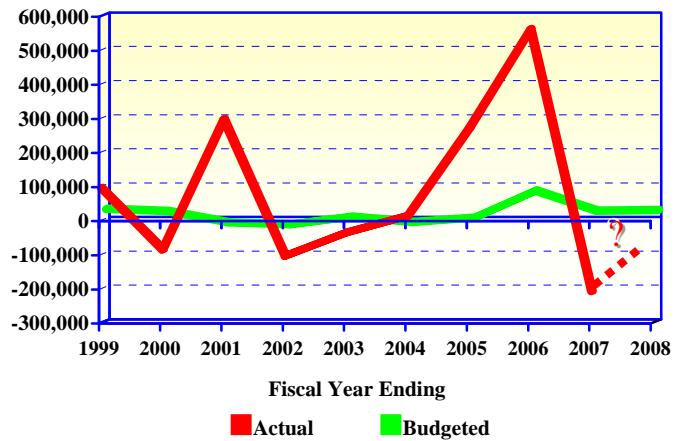
The most significant improvement to impact the golf operation has been the launching of a new golf club website, BobbyJonesGolfClub.com, in mid-December 2006. During the first four months online, the website has attracted visitors from 32 countries as well as from all regions of the United States. The department has secured over 2,000 e-mail addresses for the purpose of marketing. This new web site provides information on club history, directions, rates and course descriptions and has the capability of registering advanced play reservations, a feature that may prove to have the most significant impact on future revenue growth.

Modest rate changes were implemented during the 2006 winter season, specifically green fee increases for an 18-hole round played before 1:00 p.m., for an 18-hole round played after 1:00 p.m. and for a nine-hole round played anytime. The rate increases generated no negative feedback nor was there a decrease in play volume. The policy change mandated by the City Administration in fiscal year 2003-04 ending the practice of allowing new golfer participation in the Annual Fee Holder (AFH) program was continued in fiscal year 2006-07. The policy allows any golfer to maintain Annual Fee Holder status indefinitely, but if a golfer's decision is not to renew annually, a new golfer will not fill the open slot nor will the golfer who chose not to renew

be allowed to re-enter the Annual Fee Holder program. After the third year of this policy, the total number of Annual Fee Holders declined by 170 to the current level of 180.

As exhibited by the graph to the right, Bobby Jones Golf Complex has generated an overall net profit for the last nine years, including the projected loss for the 2006-07 year. For fiscal year ended September 30, 2007 projected revenues are expected to exceed the budget by \$254,386, which is due to additional green fees (\$165,000), additional cart fees (\$35,000), and higher investment earnings (\$54,700). Expenditures for the 2006-07 year are expected to approximate the amended budget of \$3,452,001. The resulting excess of expenditures over revenues of \$208,401 will decrease the fund balance at September 30, 2007 to \$1,092,684.

*Actual Profit/Loss Compared to Budget
In Dollars*

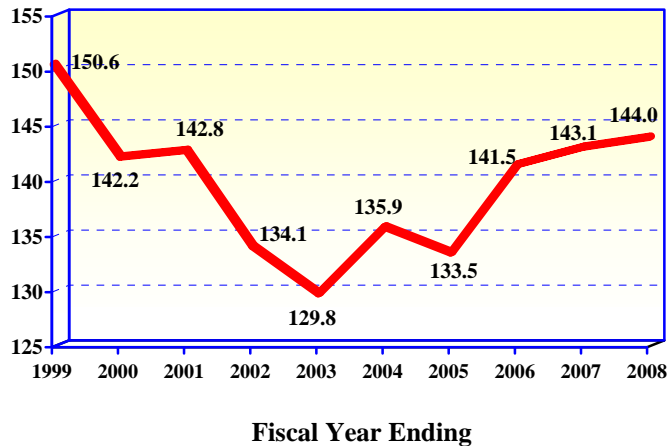


In order to ensure the continued financial health of the operation, management made several strategic decisions for fiscal year 2007-08. These include a rate increase for green fees, cart fees and AFH fees of four percent across the board. Revenues of \$3,375,332 are expected to increase \$131,732 over the estimate for 2006-07. Green fees and cart rentals are expected to increase by \$95,000 and \$45,000, respectively. Annual green fees are expected to show a decrease of \$33,000, which is consistent with the policy detailed above. Also, pro shop revenues are projected to increase by \$5,000.

Expenditures for 2007-08 of \$3,335,332 are \$116,669 lower than those estimated for 2006-07. This is primarily attributable to the net effect of increases for the general wage adjustment effective October 1, 2007 (\$28,705), employee/retiree health insurance (\$5,460), retirement contribution (\$2,730), merchandise for resale (\$5,000), grounds maintenance (\$54,692), insurance (\$8,926), utilities (\$10,120), and cart lease payments (\$4,180), offset by reductions for consultant for web site development (\$15,000), capital expenditures decreasing by \$266,375.

As a result, the 2007-08 projected revenues of \$3,375,332 and expenditures of \$3,335,332 produce a net profit of \$40,000, which will increase fund balance to \$1,132,684 as of September 30, 2008.

Number of Rounds of Golf Played In Thousands



The graph to the left exhibits the number of rounds of golf played at Bobby Jones over the past ten years with 2008 shown as an estimate. The total number of rounds of golf played at Bobby Jones for 2006-07 has increased slightly from those played in 2005-06. Rounds played for 2007-08 are projected to remain fairly constant. Fluctuations up and down over the period shown can be attributed to the ever-changing competition in the area and the weather.

VAN WEZEL PERFORMING ARTS HALL

The City of Sarasota, as owner and operator of the Van Wezel Performing Arts Hall, is unique from the standpoint that it not only provides the physical plant and its facilities for community programming, but as a presenter, the Van Wezel takes financial risks to bring its' diverse programming to the City and the community.

The Van Wezel presents a broad spectrum of local, regional, national, and international performing artists in order to meet the diverse cultural needs of all of Southwest Florida's residents and to further Sarasota's national and international reputation as the cultural capital of Florida. In addition, the Van Wezel, through a program of reduced rental fees, is available to other City based non-profit organizations such as the Florida West Coast Symphony, Sarasota Ballet of Florida, Ringling Town Hall Series, and the Sarasota Concert Association. The City of Sarasota effectively subsidizes these non-profits because the fixed expenses of operating the Hall far exceed the rental income.

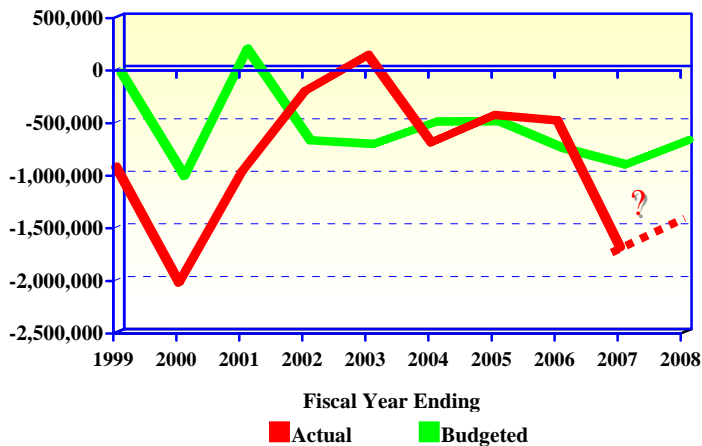
In addition to being the major presenter of programs in the area each year, the Van Wezel has a significant economic impact on the City and the region. The 1,300-plus annual visiting artists who come from all over the world to work at the Van Wezel stay in hotel rooms, eat at local restaurants and significantly enhance the retail economy within the City. Patrons who come to the Van Wezel often have a meal before or after the performance at one of the many City restaurants. As in years past, the majority of attendees come from outside the City limits with more than 25% coming from regional through international locations, further illustrating the breadth of the Hall's influence. The economic impact of the Van Wezel operation in the community has been estimated at \$27 million.

For the coming year the Van Wezel will improve its programming mix. More programming will be focused on shows that have the best risk-reward ratio, for instance by booking fewer Broadway shows and more dance shows, the Hall will assume less production costs and maintain a high probability of good ticket sales. This will lower ticket revenue, but lower production costs will more than make up for this difference. Additionally, the Van Wezel will minimize off-site programming to allow more focus on main stage operations.

Next year the Van Wezel intends to increase earned income through a combination of initiatives.

The ticket surcharge will be increased by one dollar per ticket. Rental rates for community partners and for commercial users will be increased. An aggressive approach to expanding concession areas, concession offerings, and ensuring that concessions are available during all rental events will also increase earned income. Contributed income increases will be sought through a more structured approach to sponsorships, ongoing discussions with the Van Wezel Foundation, and foundations that specifically support educational and community events that the Van Wezel provides. Keeping the City subsidy within reasonable limits depends on continuing efforts to increase earned and contributed income.

*Actual Profit/Loss Compared to Budget
In Dollars*



The graph to the left reflects the actual profit or loss (before an operating subsidy) compared to budget for Van Wezel for the past 10-year period. Total revenues for 2006-07 of \$8,951,171, before the operating subsidy, are projected to be less than budget by \$436,479. This is due primarily to the net effect of lower than budgeted revenues from ticket sales (\$110,490), grants/contributions (\$244,096), and miscellaneous (\$111,054); partially offset by higher revenues from building rental (\$213,800), and investment earnings (\$72,754). Expenditures for 2006-07 at \$10,645,433 are projected to be over budget by \$333,351. This is attributable primarily to increased insurance (\$41,901), utilities (\$22,000), special services

(\$229,184), other performance expenses (\$449,645), bank charge fees (\$34,423), printing charges (\$27,050), and partially offset by lower personnel costs (\$217,727), performance fees (\$133,590) and capital expenditures (\$79,426). The above estimated revenues and expenditures for 2006-07 results in a loss before the operating subsidy of \$1,494,262. Including the estimated subsidy of \$1,400,000, reduces the loss to \$294,262, which decreases fund balance to \$165,899 at September 30, 2007.

Total budgeted revenues for 2007-08 of \$8,728,416, before the operating subsidy, are \$422,755 lower than estimated for 2006-07. This is primarily the result of lower projected revenues for ticket sales (\$821,592), and partially offset by higher building rental (\$121,366), bar/food revenue (\$200,663), and ticket surcharge revenue (\$149,408). This is all in line with the above discussion on improved programming mix.

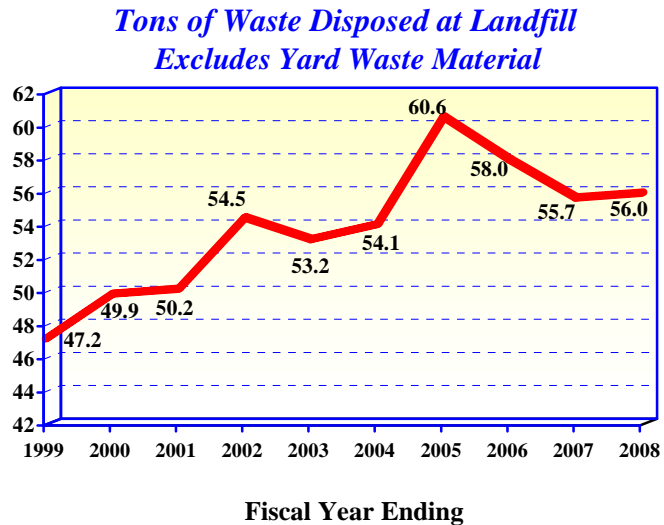
Expenditures for 2007-08 of \$9,420,863 are \$1,224,570 lower than last year's estimate, which is primarily due to lower performance fees (\$606,200), and operating expenses (\$764,215), and partially offset by higher salaries/benefits (\$155,750). The decreases in performance fees and operating costs are consistent with the stated change in methodology mentioned above.

The 2007-08 budget includes a subsidy from the General Fund of \$590,830, which results in a projected fund balance at September 30, 2008 of \$64,282, a 61.25% decrease from the \$165,899 fund balance available at September 30, 2007. This decrease is mainly due to the use of \$100,000 in fund balance to keep the General Fund subsidy lower.

Funds available for 2007-08 from the \$1.00 per ticket capital surcharge should be \$1,408,630 of which \$191,000 should be generated from collections in 2007-08. \$1,105,178 of the \$1,408,630 available is budgeted for improvements to the Hall, upgrade/replacement of equipment, and computer hardware/software upgrades. The fund balance for 2007-08 is projected to be \$303,452, a 74.75% decrease from last year, due to the increased expenditures planned for capital improvements.

SOLID WASTE MANAGEMENT

The graph to the right tracks the tons of waste disposed at the landfill with 2007-2008 being an estimated figure. Revenues for 2006-07 are projected to be \$10,596,796 or \$325,786 more than budget due to higher than expected collection fees (\$310,495) and investment earnings (\$13,577). Expenditures for 2006-07 of \$10,762,267 are projected to be about the same as the amended budget of \$10,762,767.



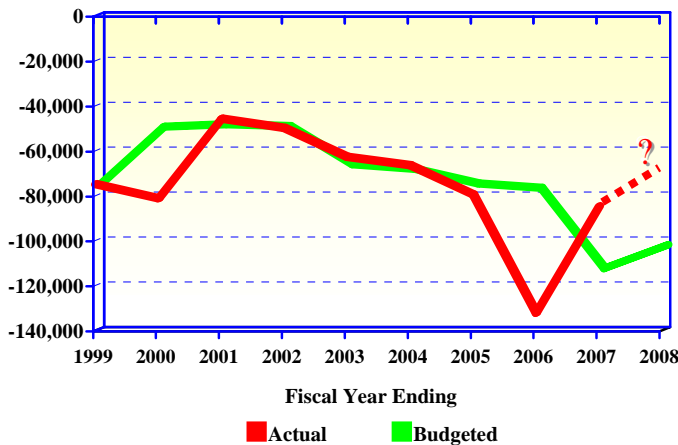
Revenues for the fiscal year 2007-08 at \$10,606,659 are projected to increase by only \$9,863 over the fiscal year 2006-07 estimated revenues. There is no increase in solid waste collection rates.

Expenditures for 2007-08 are projected to total \$10,659,361 or \$103,406 less than the estimate for 2006-07. Salaries/benefits for 2007-08 have increased \$126,132, primarily due to the provision for the general wage adjustment (\$69,535), increase in health insurance premiums (\$37,947), and the increase in retirement contributions (\$16,287). Operating expenses have decreased from the fiscal year 2006-07 estimate by \$126,862 as a result of the decrease in cost allocation charges of \$271,296. This is partially offset by increased fuel costs (\$37,565), increased insurance (\$2,238), increased Information Technology charges (\$8,264), and an increase in the contract with Waste Services, Inc. for cost of living (\$101,472)

The September 30, 2008 fund balance is projected to be \$1,944,457, which includes an equipment replacement reserve of \$447,301.

MUNICIPAL AUDITORIUMS

*Actual Profit/Loss Compared to Budget
In Dollars*



The historic Municipal Auditorium is located at the northern gateway to downtown Sarasota. It has been on the National Register of Historic Places since February 24, 1995. Since October 1, 2002 management of the Payne Park Auditorium has been consolidated with the Municipal Auditorium. In order to facilitate management review, separate cost centers are maintained to report each auditorium's operating results separately. The graph to the left reflects the actual profit or loss (before an operating subsidy) compared to budget for the past 10-year period.

The Municipal Auditorium's estimated revenues for 2006-07 of \$345,387, before operating subsidies and transfers, are lower than

the budget of \$352,506 by \$7,119. Expenditures for 2006-07 of \$430,624 are projected to be under budget by \$14,872, mainly due to lower personnel costs of \$17,503. This results in an estimated subsidy of \$85,237 from the General Fund to make the operation break-even. The negative fund balance from 2005-06 of \$14,196 is reduced to negative \$3,749.

The 2007-08 budget of the Municipal Auditorium emphasizes promoting use of the Auditorium for a wide variety of activities, including 14 City sponsored events; such as flea markets, art & craft shows, collectible fairs and other exhibit type shows.

Revenues of the Municipal Auditorium for 2007-08, at \$427,721 (before the subsidy from the General Fund), are \$82,334 higher than those estimated for 2006-07, primarily due to the inclusion of a 10% increase in the rental rates (\$21,500), an increase in concessions (\$22,221) because they will be done by staff, and two new sponsored events, Teen Dances, which will generate ticket sales (\$14,500) and merchandise sales (\$2,000). For 2007-08, expenses of \$523,574 increase \$78,078 from the 2006-07 budget mainly due to increases in the general wage adjustment of \$6,280, medical insurance costs of \$7,098, and property insurance costs of \$15,919, Information Technology charges \$12,469 and Cost Allocation charges of \$32,840. In addition, the budget includes of \$12,867 for the costs to take on concessions (\$5,721) and Teen Dances (\$8,300). A subsidy from the General Fund of \$107,415 is budgeted to cover the excess expenses and to eliminate the estimated negative fund balance at September 30, 2007 of \$3,749 and create a small fund balance of \$7,813.

As mentioned above, the Payne Park Auditorium is maintained as a separate cost center within this operation. For 2006-07 the projected revenues and expenses are \$81,345 and \$80,909, respectively. For 2007-08 the projected revenues and expenses are \$105,695 and \$112,867, respectively. A subsidy of \$10,000 from the General fund is budgeted this year so that the fund balance can remain close to a zero or negative balance. The fund balance at September 30, 2008 is projected to be \$3,423. Revenues are anticipated to increase due to added interest in using the facility, not only on Sundays but also on a standard weekly basis. Operating expenses are increasing \$31,958 mainly as the result of Cost Allocation charges up \$32,840.

As previously approved, the facility is available for City Neighborhood Associations to use without paying a rental fee or obtaining the customary liability insurance coverage. Presently, about 31 Neighborhood Association meetings are held at the Payne Park Auditorium yearly. Budgeted expenses include operating costs of the facilities for an estimated four Association meeting per month.

Based upon the above projected revenues and expenditures for the Municipal and the Payne Park Auditoriums, fund balance at September 30, 2008 is projected at \$4,390. This is a \$3,222 increase from the September 30, 2007 fund balance.

SPORTS COMPLEX

Spring training home of the Cincinnati Reds, Ed Smith Stadium provides Sarasota with priceless national media exposure, positively affecting the local economy. In the most recent survey available, conducted during our spring training, 58.3% of spectators at the games lived outside Sarasota and Manatee counties, and further, 57% chose Sarasota as a vacation site primarily due to the availability of major league baseball.

The Reds' 9th spring training season in Sarasota held high expectations for both the City and the Reds. Despite a rain-free season, the schedule included a majority of games against teams very close geographically to Sarasota and historically poorly attended. Though the stadium has little influence on the schedule, which is set primarily by Major League Baseball, the attendance at these games could be increased if strategically placed night and weekend games are utilized. Again, the Reds did an admirable job in making public appearances and embracing the local community as well as the fans at the ballpark in an effort to endear the organization to the Sarasota area.

Attendance levels are expected to return to a positive trend as the supporters of the Reds residing in the Ohio Valley become more familiar with the Sarasota area. Further, the Reds promote the Sarasota area as a vacation site through the marketing plan for their annual Fantasy Camp and as the spring training home of the Club.

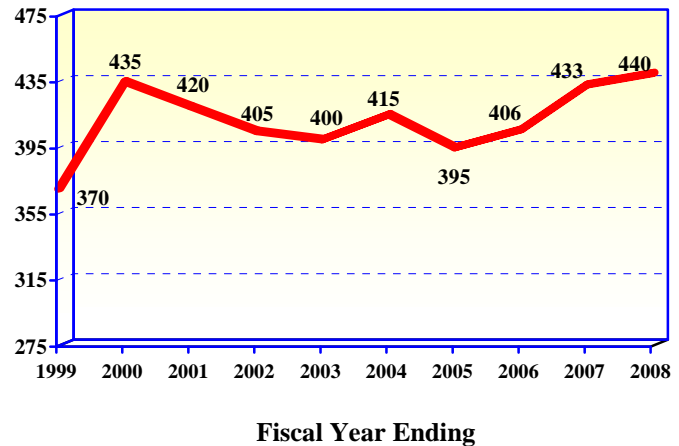
The Surcharge fund provided funding for much needed improvements highlighted by a significant drainage improvement program in the stadium. Two a/c units were replaced, the batter's eye on field #4 was improved and a Sand-Pro (grounds equipment) was replaced. The seat replacement program continued with the use of temporary labor installing repair parts thus keeping the ballpark in good condition.

Booker and Cardinal Mooney High Schools use the facility as their home field. Other facility uses include local Amateur Athletic Union (AAU) teams, Men's Senior Baseball League games and their National Tournament annually in November. Baseball International Baseball Group held their week-long event for the first time in January. The Ringling Redskins Youth Football League, Sarasota Cal Ripken Youth Baseball Leagues, and Sarasota Youth Soccer Association hold activities and practices on the complex's north parking lots.

The graph to the right details the overall attendance/uses at the Sports Complex over the last ten years. Multi-purpose uses of the complex include TV broadcasts and commercials, numerous baseball clinics and tryouts, and the Cincinnati Reds Fantasy Camp. While staff aggressively pursues new events, these programs are typically at the promoter's risk, whereby the City has little or no financial risk.

Overall, the Sports Complex remains one of the most utilized facilities in the City. It is the goal of the Sports Facilities Department to increase usage while maintaining its physical integrity and treasured status in the City's quality of life.

*Attendance/Uses Over the Last Ten Years
In Thousands*



Revenues for 2006-07 are projected to be \$798,670 before operating subsidies, as compared to the \$816,109 amended budget. This revenue decrease of \$17,439 is attributable to lower ticket sales (\$25,000) as a result of the less than anticipated attendance. This was partially offset by higher sponsor/contribution revenue (\$17,000). Estimated expenditures are lower than the amended budget by \$51,909, mainly due to the net effect of higher than budgeted personnel costs (\$2,739), and offset by lower than budgeted costs for travel/training (\$10,425), dues/memberships (\$17,410), and the AAU Invitational Tournaments (\$24,901). The resulting fund balance at September 30, 2007 is anticipated to be \$67,466.

Revenue projections for the 2007-08 year, assuming that attendance levels return to a more positive trend, are \$56,830 higher than those estimated for 2006-07, totaling \$855,500 before the operating subsidy. This revenue increase is attributable to increased ticket sales (\$10,000) as a result of the anticipated higher attendance for next year, along with associated increases in parking (\$2,000) and concessions (\$4,700). Revenue for utilities is expected to increase \$20,000 and other revenue will increase \$25,000 also.

Expenditures for 2007-08 of \$1,345,825 are projected to increase from last year's estimate by \$134,739 for several reasons. Salaries and benefits are increasing \$7,543, which is due to the general wage adjustment (\$6,034) and part-time salaries (\$1,500). Other increases include the cost allocation increase of \$24,204, insurance \$72,895, property taxes \$6,000, and maintenance of property \$32,748. The budget also reflects a budget issue for the upgrade for the supervisor of Facilities Maintenance of \$2,009. The revenues of \$855,500 and beginning fund balance of \$67,466 make \$922,966 available toward expenditures of \$1,211,086; indicate that an operating subsidy of \$422,859 will be required. Fund balance at September 30, 2008 is projected to be non-existent or zero in order to keep the operating subsidy required from the General Fund as low as possible.

The Surcharge fund budget for 2007-08 is funded by available fund balance of \$225,857 and ticket surcharge revenues of \$135,000. This is supplemented by interest income of \$13,000 and equipment rental income of \$12,000. Capital improvements for 2007-08 include field maintenance equipment for \$156,000, painting the stadium \$40,000, and structural repairs \$50,000. By using available fund balance for expenditures for capital improvements, the fund balance at September 30, 2008 is projected to be very minimal at \$121.

PARKING MANAGEMENT

Parking Management has been transferred from the Police Department to a Parking Manager that reports to the City Engineer effective June 1, 2007. The facilities have been relocated from Police Headquarters to the Federal Building in space vacated by the Sarasota National Estuary Program. Currently there is much discussion about parking meters being placed on Main Street in order to encourage merchants and employees to use the City's parking facilities and leave Main Street for the customers. Surprisingly, the merchants are extremely upset about the proposal.

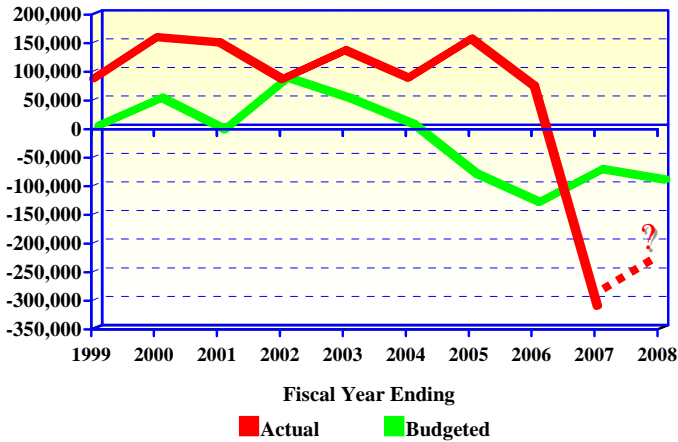
The department is divided into three (3) functional areas: Enforcement, Collections and Management:

Enforcement consists of six Parking Enforcement Specialists and one Parking Enforcement Supervisor which will enforce the laws and ordinances as they pertain to parking in the City of Sarasota. The Parking Enforcement Supervisor will lend support and training to the Specialists. The Enforcement Department checks all city lots and garages as well as collects the revenues from the Pay-Stations and a handful of meters which the city currently maintains. They also apply any auto boots in accordance with the City of Sarasota Code.

The Collections function of the program consists of one Parking Collections Supervisor and one Part Time-Clerk. The primary function is the collection of parking violation fees and issuance of City of Sarasota monthly parking permits. Once purchased, the Collections software will track violations and supply daily, weekly and monthly reports to the Parking Manager for analysis. This operation will be housed at City Hall.

The overall management of parking in the City of Sarasota will be the responsibility of the Parking Manager. The Parking Manager, with input from the parking department and other departments, will create a vision for the program and implement changes to further the overall mission of the department in the core business district. This includes identifying sites for parking structures in Tier 1 (high demand and utilization areas) as well as determining on-street paid parking methods.

*Actual Profit/Loss Compared to Budget
In Dollars*



The graph to the left reflects the actual profit or loss compared to budget for the past 10-year period for Parking Management. Estimated revenues for 2006-07 are projected to total \$419,134 or \$239,601 less than the amended budget of \$658,735. This is attributable to the Commission agreeing to provide free parking in the City for approximately four months in order to motivate merchants and employees to utilize the City's parking facilities and leave Main Street for customers. The plan was successful during the period it was monitored, but when there was no enforcement, they reverted back to parking on Main Street. Thus, parking citations are anticipated to be below budget by \$102,285, parking permits will be below budget by \$132,146, and Meter Collections will be \$6,634

below budget. The 2006-07 estimated expenditures of \$730,256 are lower than the amended budget by \$154,374. This is primarily due to several factors. 1) salaries and benefits being under budget by \$39,163 resulting from two employment positions being vacant for part of the fiscal year, 2) Office Supplies is \$4,276 under budget, 3) Special Services is under budget by \$43,000 because the funding for the parking study for Dr. Martin Luther King, Jr. Way will not be spent, 4) parking lot repairs is under budget \$25,968, 5) Motor vehicle Maintenance is \$3,000 under budget, 6) Motor vehicle purchases are \$26,603 under budget, and 7) Instruments and software are under budget \$8,100. These revenues and expenditures produce a net loss of \$311,122, which reduces the projected fund balance at September 30, 2007 to \$855,364.

The 2007-08 revenues are budgeted at \$622,620, before the one-time transfer of \$209,000 from the Community Redevelopment Trust fund to offset the loss of revenue from not selling Parking Permits. This is \$36,115 lower than those estimated for 2006-07. The parking violations revenue is anticipated to increase \$259,083 as a result of the fines increasing from \$7.50 to \$15.00 effective July 1, 2007 and increasing enforcement to Saturday and Sunday.

The 2007-08 expenditures are budgeted at \$925,748, which is \$195,492 higher than the estimate for 2006-07. This increase is primarily attributable to several factors. Personnel service costs are increasing \$105,642, which is due to the addition two Parking Enforcement Specialists \$56,798 plus benefits, and the filling of vacant positions from last year. In addition, the general wage adjustment of \$11,064, an increase for health insurance premiums of \$17,041, part-time salaries \$5,694, and other benefit increases of \$13,359. Operating expenses are increasing \$124,897 as a result of Cost Allocation charges up \$42,784, postage up \$10,980, parking repairs up \$13,964, office relocation expenses \$5,000, and office rent \$28,515. For the first time parking fines will be able to be paid for with credit cards in person and on line. Thus, bank charges are in the budget at \$24,000.

The revenues of \$622,620 combined with the transfer of \$209,000 total \$831,620 versus the expenditures of \$925,748 producing a net loss of \$94,128 for 2007-08. This reduces fund balance at September 30, 2008 by 11%, to \$761,236.

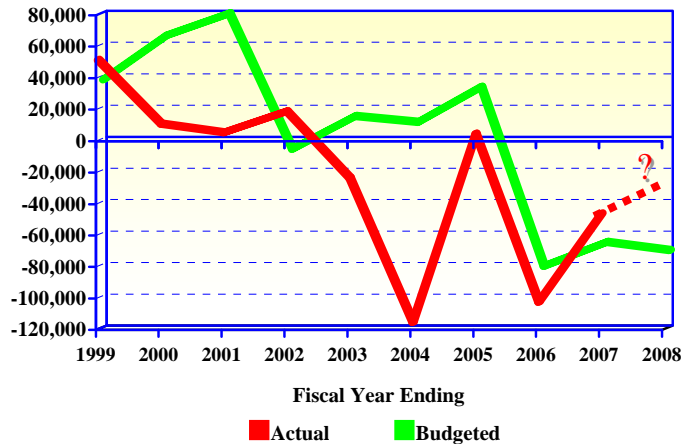
INTERNAL SERVICE FUNDS

CENTRAL STORES AND DUPLICATING

Central Stores and Duplicating is a division of the Department of General Services. Central Stores is responsible for providing and warehousing sufficient materials to meet the demands of certain City departments. Materials are available with a minimum of delay with lower product costs that result from purchasing larger quantities.

The Duplicating Services operation provides convenient and reliable centralized duplicating services for all Commission agendas and City departments. It also provides and maintains seventeen satellite copiers for various departments throughout the City. The operation also has a digital color copier/printer, which aspect allows for computer network access directly from the user's computer. The color clarity is impressive and increases the quality of the City's presentation materials. It is anticipated that Duplicating Services will print 1,800,000 black and white copies and 112,000 color copies in the 2007-08 fiscal year.

*Actual Profit/Loss Compared to Budget
In Dollars*



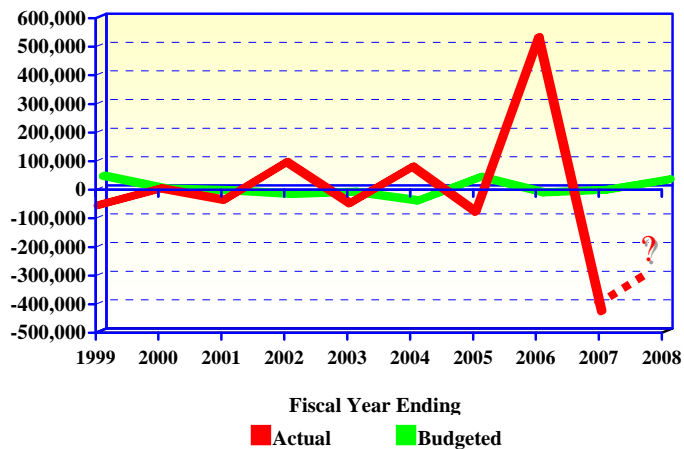
For 2006-07 Central Stores/Duplicating expects to generate a loss of \$46,521. The purpose of an internal service fund is to break even over the long-term. A planned loss in one-year offsets profits in other years and, by itself, is not significant unless a long-term trend develops. The above graph reflects actual profit and loss figures compared to budget for the last ten years. The 2004 loss reflected in the above graph is attributable to the distribution of \$200,000 of excess profits back to user departments to establish fund balance at a more acceptable level. If the distribution of excess profits is factored out of the above graph, the operation has been profitable over the last ten years on a cumulative basis.

For the 2007-08 fiscal year a loss of \$71,200 is anticipated. This loss is attributable to several factors. Effective October 1, 2005 and continuing through 2006-07, management of the operation began restructuring the way it charged for its services. In 2006-07 an 18 percent overhead factor (down from 25%) was applied to those items purchased and stored for future use. Any item that was purchased through a cooperative purchasing effort and not stored was not charged an overhead factor. For fiscal year 2007-08 a 20 percent overhead factor will be applied to those items purchased and stored for future use. Any item that is purchased through a cooperative purchasing effort and not stored will be charged a 5 percent overhead factor.

The aforementioned loss of \$71,200 for 2007-08 will reduce the projected fund balance at September 30, 2008 to \$199,528, which is down 26.3% from last year.

PUBLIC WORKS EQUIPMENT MAINTENANCE

*Actual Profit/Loss Compared to Budget
In Dollars*



This operation repairs and maintains City vehicles (with the exception of police vehicles) in a cost-effective manner and provides a 24-hour per day, fully automated fuel facility for all City vehicles. The graph to the left exhibits the operation's actual profit or loss compared to budget over the past 10 years. Estimated revenues for 2006-07 are anticipated to be \$1,685,183, which is \$68,914 higher than budget, and are due to higher revenues for diesel fuels and oil (\$58,125) and vehicle repairs (\$13,505). Estimated expenditures, at \$2,113,576, are higher than the amended budget by \$46,296 and are the result of higher fuel costs in the amount of \$48,500, thereby producing a projected loss of \$428,393. It should be noted that in fiscal year 2005-06, \$350,000

was loaned from the Fleet Liability Self-Insurance Fund to partially fund the replacement of the fuel storage tanks. This project was completed in 2006-07.

Revenues for 2007-08 are budgeted at \$1,812,957, which is \$127,774 higher than estimated for 2006-07. This is primarily due to the increase in gasoline revenues (\$62,500) and vehicle/equipment repairs (\$66,251). The hour labor rate for repairs will increase from \$75 per hour to \$85. Expenditures for 2007-08 are budgeted at \$1,788,172, which is \$325,845 lower than those estimated for 2006-07. The decrease is primarily attributable to the net effect of the elimination of a non-recurring expenditure in 2006-07 of \$413,653 for the replacement of the fuel island (including the underground fuel storage tanks) and increased salary/benefit costs of \$38,587 and increased fuel costs of \$30,237.

The projected revenues of \$1,812,957 for 2007-08 exceed expenditures of \$1,788,172 by \$24,785, which increases the projected September 30, 2008 fund balance by 12.46% to \$223,625.

INFORMATION TECHNOLOGY

The vision of the Information Technology (IT) Department is to provide hardware and software information systems and technologies that enable City departments to accomplish their respective missions and to provide department personnel with information relative to their operations, support strategic planning, promote effective resource management, enhance customer service and promote internal and external communications.

The 2007-08 budgeted revenues of \$1,757,154 are comparable to those budgeted in 2006-07. They will be sufficient to cover the 2007-08 operating expenses after reductions are made to both the GIS and the Technical Support sections.

The 2007-08 expenditure budgets of \$1,756,048 consists of the following:

Recurring IT Operations	\$1,571,048
IT Special Projects	
Microsoft Enterprise Agreement	135,000
Disaster Recovery	<u>50,000</u>
Total	<u>\$ 1,756,048</u>

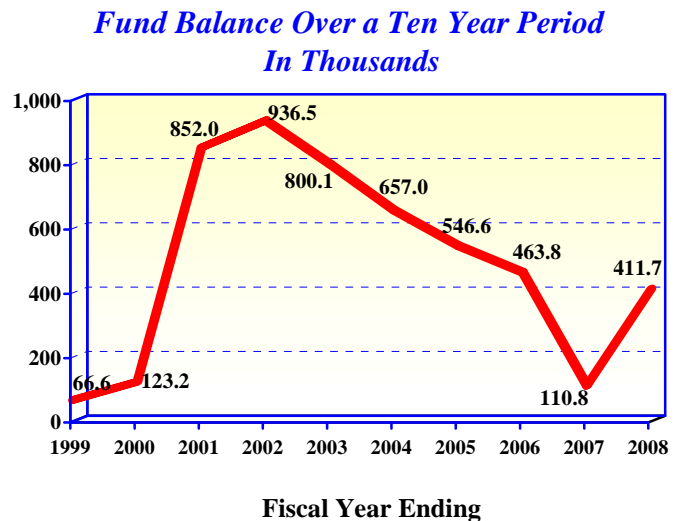
The expenditure budget for Recurring IT Operations decreased \$21,517 to \$1,571,048. This is attributable to a first time charge for cost allocation in the amount of \$52,271 and salary adjustments and health insurance increases in the amount of \$124,103 which were more than offset by the freezing of two vacant GIS positions and a Technical Support Technician II in the amount of \$192,805.

Based upon the revenues and expenditures discussed above, the fund balance at September 30, 2008 is anticipated to be \$411,682, .27% higher than the previous year. As the graph to the right exhibits, fund balance is accumulated and used to fund the above mentioned special projects and one-time initiatives. Included in the 2007-08 budget is funding for these special projects and one-time initiatives as detailed below.

Microsoft Enterprise Agreement – This is the final installment of a three year contract with Microsoft. The Enterprise Agreement provides software upgrades as well as insuring the City continues its compliancy with Microsoft’s licensing requirements.

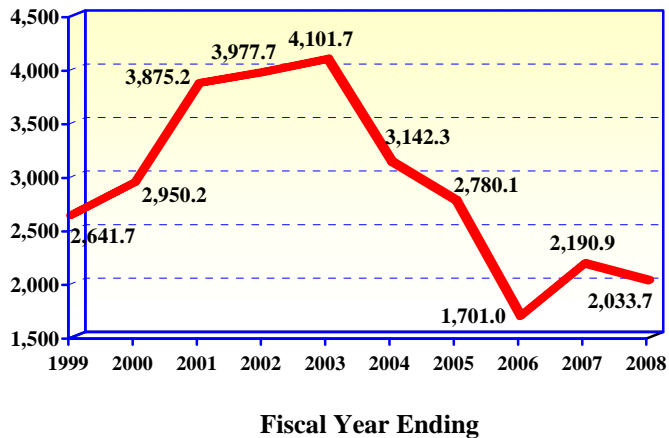
Disaster Recovery

Disaster recovery provides an avenue to transmit data to an off-site location for recovery purposes. The chosen site will be hurricane rated for a category 5+ and have redundant systems for power and data communications. Once transmitted to this site, data can then be transmitted back to the City when required. This is an annual lease for floor space, hardware, software and connectivity.



EQUIPMENT REPLACEMENT FUND

*Fund Balance Over a Ten Year Period
In Thousands*



This Internal Service Fund was created in fiscal year 1989-90 to provide the mechanism to enable the City to replace vehicles, based on a predetermined schedule. The initial funds were borrowed from the First Florida Governmental Financing Commission to purchase vehicles required in the operating budgets. These departments, instead of budgeting capital purchases, have budgeted lease payments. The lease payments generate revenues in the fund sufficient to build a reserve for the replacement of the already purchased vehicles in the future. The graph to the left reflects the reserves being accumulated for the purpose of replacing vehicles and specific capital improvements.

For 2007-08 replacement vehicles will be purchased for Police (\$306,880), Parks and Landscape Maintenance (\$127,000), and Streets and Highway (\$180,000). The projected reserve at the end of 2007-08 should be \$2,033,677. This reserve is 13.8% higher than the prior year, mainly due to a cut-back in expenditures because of the budget cuts.

The process took time to be totally self-supporting and out of debt, but has been the answer to the City's future capital needs for vehicles and certain other capital items.

SELF-INSURANCE FUNDS

The purpose of the self-insurance funds is to account for the costs of the City's six self-insurance programs managed by Risk Management, except for Group Medical and Dental, which is managed by Human Resources. The six programs are:

- Workers' Compensation
- Fleet Liability
- Law Enforcement Death Benefit
- Group Medical and Dental
- Police Liability
- General Liability

The total fund balance for all self-insurance funds at September 30, 2006 was \$6,629,729. The fund balance at September 30, 2007 is projected to be at \$8,947,659 and for September 30, 2008 it is projected to be at \$9,867,233 which is 11.52% higher than last year. This increase is mainly due to cost containment efforts in the Group Medical and Dental program to build up the fund balance.

Workers' Compensation, Fleet Liability and Law Enforcement Death Benefit are adequately funded without requiring rate increases in 2007-08.

For 2007-08 the Police Department's annual contribution to the Police Liability Fund was increased from \$240,000 to \$250,000. At the present time, this additional contribution should be sufficient to keep the fund from ending the 2007-08 fiscal year with a negative fund balance, as was the case in fiscal year 2005-06 of \$24,823. The City has been paying the first \$100,000 and starting with new claims for 2007-08 the City will only pay the first \$25,000.

In fiscal year 2006-07 the General Liability Claims self-insurance fund was created with a \$100,000 transfer from the Fleet Liability Self-insurance fund. For 2007-08, an additional \$100,000 transfer will be made from the Fleet Liability Self-insurance fund.

The Group Medical and Dental Fund, beginning with fiscal year 2006-07, only covers active employees, not retirees. Effective October 1, 2006 an Other Post Employment Trust Fund was created for retirees and will be discussed later. The Group Medical and Dental Fund continued to experienced double digit growth in claims for fiscal year 2006-07 as it has over the last several years. As a result of Plan changes implemented during the past three years, the increased rates charged to participants, and increased contributions by the City, the Group Medical and Dental Fund is projected to complete the 2006-07 fiscal year with revenues in excess of expenditures of approximately \$1,028,175. This will increase the \$1,839,595 fund balance at September 30, 2006 to approximately \$2,867,770 at September 30, 2007. As has been the general trend for the last several years, the City's actuarial consultants projected that claims would increase approximately 12 percent for the 2007-08 fiscal year. As a result, the City's contribution to the Group Medical and Dental Fund has been increased from \$9,204 to \$10,296 per employee for 2007-08. This follows the increase in 2006-07 from \$8,216 in 2005-06 to \$9,204. These increases in the contribution per employee required the City to contribute approximately \$763,308 more to the Fund for 2006-07 and \$1,400,000 more again for 2007-08. However, future double digit increases in expenses, the current policy on retiree health insurance, and the funding challenges mandated by Governmental Accounting Standards Board Statement Numbers 43 and 45, will create even greater challenges in balancing the medical/dental plan's revenues and expenses.

Regarding expenses for 2007-08, claims and other operating expenses have been increasing at a pace that matches revenue increases and cost shifting. In other words, revenues for 2007-08 have increased by \$798,322, while projected expenses have increased by \$739,927. A contract nurse program that was started last year to provide services to employees such as pre-hire general screening, emergency consultation, hearing tests, breathing tests, employee consultation, management of medical records, educational training, administer the Flu Shot Program, CPR/AED training, and teach OSHA, has been dropped for 2007-08. The Flu Shot Program, CPR/AED training, and OSHA will continue to be provided by the City.

The resulting revenues and expenses for 2007-08 should increase the \$2,867,770 fund balance for the Group Medical and Dental Fund at September 30, 2007 to approximately \$3,742,623 at September 30, 2008.

OTHER POST EMPLOYMENT TRUST FUND

Effective October 1, 2006, the City established an Other Post Employee Benefits Trust Fund as recommended by the actuary hired to determine the other post employee benefit (OPEB) liability as required by Governmental Accounting Standards Board Statement Numbers 43 and 45. OPEB includes all benefits to retirees except pension. The largest of the post employment benefits is medical and dental insurance. Currently the City gives all retirees **free** medical and dental insurance. If the retiree has coverage for a spouse or dependent child, the premium that the retiree pays is the

same as an active employee with spouse or dependent child. If the retiree chooses a medical plan other than the **free** HMO plan, then the retiree pays the same premium as a single active employee. Effective October 1, 1993, any employee hired would not receive the **free** medical and dental insurance. As of October 1, 2005 the City's OPEB liability was \$180,000,000. Currently this actuarial study is being updated, but has not been received. To help mitigate this large liability the City established the trust fund and partially funded it with approximately \$5.9 million, which reduced the liability to \$132,000,000.

For 2006-07 retirees will pay premiums of approximately \$768,000 and the City will pay approximately \$5,911,000 and total revenues are anticipated to be approximately \$6,806,000. Claims are anticipated to approximate \$4,140,000, while operating expenses and insurance premiums are anticipated to be \$395,000 for a total \$4,535,000. The anticipated fund balance at September 30, 2007 is \$2,271,037. For 2007-08 the City's premium per retiree has been increased from \$9,204 to \$10,296 to the OPEB Fund. This follows the increase in 2006-07 from \$8,216 in 2005-06 to \$9,204. These increases in the contribution per employee requires the City to contribute approximately \$403,000 more to the Fund for 2007-08.

The fund balance at September 30, 2007 is projected to be \$2,271,037. Due to the City's contribution in 2007-08 of \$2,389,099 to reduce the OBEP liability, the fund balance at September 30, 2008 is projected to almost double to \$4,396,707.

CAPITAL IMPROVEMENT PROGRAM

The five year 2008-2012 Capital Improvement Plan (CIP) for the City of Sarasota totals \$261,166,000 and provides for the accomplishment of major infrastructure improvements. Projects include Neighborhood Improvements, such as Street Trees; Pavement Reconstruction; Sidewalk Construction and Replacement; Curb and Gutter Placement and Replacement; Bicycle Route Improvements; Traffic Calming; Improvements to Bradenton Road; unpaved rights-of-way and the Siesta Drive Streetscape. The Program also provides funding for Lido Beach Renourishment; Seawall reconstruction; Hardening City Hall; Centennial Park improvements; Public Housing; and Police Headquarters. Roadway improvements such as Traffic signalization; Parking Space Enhancement; Handicapped access ramps; Strategic parking facilities; Downtown Pedestrian Streetlights; City-wide Signal Timing; 12th Street Widening-Beneva to Tuttle; and the West Bayfront Multi-Use Recreational Trail are funded. Multiple Sanitary Sewer and Potable Water improvements as well as Stormwater Utility projects are also included.

This Program is adequately funded and continues to emphasize spending priorities regarding Neighborhood and Redevelopment Improvements. The funding listed in the Neighborhood Improvement section of the CIP, in many instances, is classified for functional purposes. It is intended that prioritized neighborhood specific plans will be prepared to provide a comprehensive blueprint for improving each neighborhood. The concentration of funding available for neighborhood improvements to these plans will produce visible improvements within selected neighborhoods, thereby facilitating their stabilization and encouraging additional private investment.

The Capital Improvement Program contains Capital Improvement Elements intended to accomplish the goals of the Comprehensive Plan. They have been designated in this plan by the

letters L-O-S and are found under potable water, sanitary sewer, transportation, neighborhood improvements, and redevelopment/community projects. This Program is consistent with the City's Comprehensive Plan.

A summary of the funding by source and project type for the 5-year Capital Improvement Program can be found on page 38 of this document and the details of the Program are included in this document starting on page 396.

FUNDING ISSUES

The penny sales tax, gas taxes and tax increment financing (TIF) revenues continue to be the City's only on-going major sources of funding for the CIP. The level of these revenues in future years will have a significant impact on the projects included in this CIP as well as future capital projects. Of the total \$261,166,000 CIP (for projects budgeted from 2007-08 through 2011-12), \$22,097,000 is projected to be funded from the penny sales tax. The penny sales tax has been authorized for a ten-year period that ends August 2009 and is projected to generate approximately \$5,000,000 to \$7,800,000 annually over the ten-year period.

The \$0.07 Gas Tax has hovered between \$1,600,000 and \$1,800,000 for approximately ten years. There is no indication that this revenue source will either increase or decrease substantially in the future. This revenue funds the street sweeping operation, electric charges for street lighting and various street/sidewalk maintenance and improvements.

The \$0.05 Local Option Fuel Tax is projected to generate between \$1,200,000 and \$1,300,000 on an annual basis. These funds must be used for capital projects that are part of the Capital Improvement Element of an Adopted Comprehensive Plan. The Statute states that "expenditures for the construction of new roads or the reconstruction or resurfacing of existing paved roads shall be deemed to increase capacity and such projects shall be included in the capital improvements element of an adopted comprehensive plan". This revenue is set aside for street reconstruction, the multi-use recreational trail and bicycle route improvements.

Projected TIF revenues for 2007-08 should be sufficient to provide for the \$2,668,689 debt service payment for the 1992 TIF Bonds, as well as, the First Florida Governmental Financing Commission loans of 2001, 2003 and 2005. This results in additional revenues of approximately \$8,849,908 to contribute to the funding of Pineapple Square, the Palm Avenue Parking Garage and Public Housing, to fund some Downtown Master Plan projects, repay advances from other funds, and provide funding for some maintenance/operations in the downtown area. The TIF fund will have a projected balance of \$1,552,439 at September 30, 2008.

Exhibit A
Budget Summary By Fund and Category
Fiscal Year 2007-2008

	<i>Beginning</i>			<i>Expenditures</i>		<i>Ending</i>
	<i>Fund</i>	<i>Revenues</i>		<i>Operating</i>	<i>Capital</i>	<i>Fund</i>
	<i>Balance</i>		<i>Personal Svc.</i>			<i>Balance</i>
<u>General Fund</u>	\$ 13,551,423	\$ 59,061,864	\$ 45,682,913	\$ 12,678,356	\$ 1,354,299	\$ 12,897,719
<u>Special Revenue Funds</u>						
Public Art	49,402	38,000	-	38,000	-	49,402
Development Services	466,408	2,343,050	1,493,412	1,287,910	1,840	26,296
St Armands BID	20,905	293,000	-	277,528	5,472	30,905
Penny Sales Tax	(520,289)	7,712,000	-	1,555,682	5,298,671	337,358
Housing/ Community Develop.	6,552,648	10,153,231	1,063,806	9,074,825	14,600	6,552,648
Gas Tax	514,776	1,933,021	255,554	1,353,295	362,000	476,948
\$.05 Local Option Fuel Tax	668,518	1,190,000	-	-	2,037,000	(178,482)
Community Redevelop. Agency	1,552,439	11,518,597	-	11,018,597	500,000	1,552,439
Tourist Development	1,908,159	410,471	-	855,000	-	1,463,630
Citizens with Disabilities	91,328	10,000	-	5,000	-	96,328
County Occupational License	10,829	22,000	-	32,106	-	723
Neighborhood Grant Programs	73,498	78,000	-	78,000	-	73,498
	<u>11,388,621</u>	<u>35,701,370</u>	<u>2,812,772</u>	<u>25,575,943</u>	<u>8,219,583</u>	<u>10,481,693</u>
<u>Debt Service Funds</u>						
1994 Refunding Bonds	294,695	832,000	-	1,122,450	-	4,245
2007 General Obligation Bonds	-	3,000,000	-	2,861,623	-	138,377
St Armands Special Assessment	145,536	143,000	-	143,965	-	144,571
	<u>440,231</u>	<u>3,975,000</u>	<u>-</u>	<u>4,128,038</u>	<u>-</u>	<u>287,193</u>
<u>Enterprise Funds</u>						
Water and Sewer Utilities	6,899,257	34,351,904	9,909,680	22,671,237	1,455,147	7,215,097
Bobby Jones Golf Course	1,092,684	3,375,332	743,087	2,183,745	425,000	1,116,184
Van Wezel Performing Arts Hall	165,899	9,319,246	1,983,803	7,437,060	-	64,282
Van Wezel Surcharge Fund	1,201,665	206,965	-	88,978	1,016,200	303,452
Solid Waste Management	1,997,159	10,606,659	1,940,982	7,696,562	1,021,817	1,944,457
Municipal Auditoriums	-	640,831	343,893	292,548	-	4,390
Sarasota Sports Complex	67,466	1,278,359	328,458	1,016,367	1,000	-
Sports Complex Surcharge	225,857	160,000	-	385,736	-	121
Parking Management Division	855,364	831,620	545,918	345,630	34,200	761,236
	<u>12,505,351</u>	<u>60,770,916</u>	<u>15,795,821</u>	<u>42,117,863</u>	<u>3,953,364</u>	<u>11,409,219</u>
<u>Internal Service Funds</u>						
Central Stores/Duplicating	270,728	2,219,000	256,038	2,034,162	-	199,528
Equipment Maintenance	198,840	1,812,957	634,746	1,137,896	15,530	223,625
Information Technology	410,576	1,757,154	1,156,369	569,679	30,000	411,682
Equipment Replacement	1,787,057	866,880	-	6,380	613,880	2,033,677
Self-Insurance	8,847,659	11,260,354	-	10,240,780	-	9,867,233
	<u>11,514,860</u>	<u>17,916,345</u>	<u>2,047,153</u>	<u>13,988,897</u>	<u>659,410</u>	<u>12,735,745</u>
<u>OPEB Trust Fund</u>	<u>2,271,037</u>	<u>7,222,678</u>	<u>-</u>	<u>5,097,008</u>	<u>-</u>	<u>4,396,707</u>
<u>TOTAL</u>	<u>\$ 51,671,523</u>	<u>\$ 184,648,173</u>	<u>\$ 66,338,659</u>	<u>\$ 103,586,105</u>	<u>\$ 14,186,656</u>	<u>\$ 52,208,276</u>



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