



"Building Services ... And Expectations"

July 19, 2006

CITY MANAGER'S BUDGET MESSAGE

Honorable Mayor and Commissioners:

I am pleased to present the Fiscal Year 2006/2007 Annual Budget for your consideration. The budget document is the most comprehensive expression of the Commission's direction for City services and issues, and is prepared based on the staff's understanding of the Commission's goals and direction for the community.

The Deltona City Commission has continuously supported the development of quality municipal services for City residents; these services, in turn, make Deltona a good place in which to live, work and raise a family. Our responsibility, as City staff, is to provide a balanced budget that will assist you in that endeavor. Therefore, my hope and expectation is that this budget meets that goal. In addition to addressing the many issues raised by members of the City Commission, the budget strives to provide for existing or greater service levels with minimal cost increases.

A budget will often have a theme, and this year's theme of *"Building Services ... And Expectations"* reflects the cycle of quality services. As we continue to improve the services of the community residents will understandably expect continued improvements in these same services, and the cycle therefore builds on the concept that we must – always – be better tomorrow than we are today.

OVERVIEW

This budget supports and improves the quality services provided in the past, and maintains a strict focus on efficiency, effectiveness, and stewardship. In our efforts to meet your goals we are adding a number of issues, with limited personnel adjustments and phased capital projects. We emphasize efficiency and effectiveness as we keep up with the growing demand for services, and in our environment of limited resources we always balance needs and expectations. We have expanded services in limited instances, and have tried to shape services and facilities to economize while meeting your expressed needs for quality and improvement.

We do use a number of sound fiscal and financial principles as we prepare the budget, and developed this budget as sustainable and affordable within our present environment and under prudent business practices and decisions. The proposed revenue and spending plan shows us to be in good financial standing throughout the upcoming year, and our hope is that this resource plan addresses the major issues identified in Commission discussions.

BUDGET HIGHLIGHTS

Operating and Capital Funds

Deltona is a full-service city, and both draws from a number of revenues sources and funds a variety of services. The total operating budget of the City reflects this comprehensive service and funding approach:

	<u>Operating</u>	<u>Capital</u>	<u>Debt Service</u>	<u>Total</u>
General Fund	\$ 33,662,500			\$ 33,662,500
Special Revenue Fund	27,615,630		1,456,976	29,072,606
Water/Sewer	7,588,780	14,655,750	4,707,125	26,951,655
Other Funds	2,825,000	5,264,600		8,089,600
Total Appropriations	\$ 71,691,910	\$ 19,920,350	\$ 6,164,101	\$ 97,776,361

GENERAL FUND

Growth in Revenues and Reduction in Property Tax Rate

The Commission has emphasized quality services, delivered effectively and efficiently, and within this increasingly attractive environment the City's growth has created growth in the revenues that fund these services. The combination of new construction, annexations and growth in assessments have provided overall growth in the tax base of 33.6%, and this budget divides the use of this higher revenue with increased attention to basic services.

We are proposing a reduction of 3.3% in the property tax rate that so clearly affects many of our home, business and property owners, with a reduction of the City-wide tax rate from \$4.15 per \$1,000 in value to \$4.01451 per \$1,000 in value. This reduction in taxes, for a home valued at \$225,000 with homestead exemption, will save the homeowner \$27 per year. Of course, reduced or increased taxes will vary based on the individual rise or fall in a specific property assessment.

Capital and Personnel Changes

The budget addresses a number of capital and personnel issues facing the City as outlined below, and greater detail is provided in the attached budget and was reviewed in the budget presentations:

Capital Projects

Public Safety Facilities	\$3,550,000	Tom Hoffman Park	\$155,000
Amphitheatre	\$2,000,000	Various Park Improvements	\$305,000
Lake Monroe Park	\$130,000	Roads	\$18,239,852
Manny Rodriguez Park	\$115,000	Southwest Volusia Center	\$3,050,000
Wes Crile Park	\$120,000		

Personnel

Economic Development Manager	Housing Rehabilitation Specialist
Planning Interns (2)	Housing Specialist
Code Enforcement Officers (4)	Civilian Fire Inspectors (2)
Deputy Fire Chief	Fire Lieutenants (3)
City Engineer	Public Works Technician
Recreation Coordinator	Facilities Attendants Part Time/Seasonal (5)
Park Maintenance Technicians (2)	Stormwater Technicians (2)

Increased Public Safety

The current budget includes an additional \$1 million, plus a re-appropriation of the original \$1.2 million from the Fiscal Year 2005/2006 budget, bringing the total funding for the fifth fire station, Fire Station 65 (FS65), in the current budget to \$2.2 million. The Commission is currently evaluating debt options to finance a possible new Public Safety Complex as well as other public safety facilities. Finally, \$350,000 is included for additions to Fire Station 63 (FS63).

Park Projects

The Commission has historically supported increasing the number and quality of the City's parks, and this goal has been also recommended to you by the Commission's Parks and Recreation Advisory Committee. The budget includes funding for extensive projects and programs, including renovation of a number of parks. During Fiscal Year 2003/2004, grant funding was obtained for Tom Hoffman Park (formally known as Whipple Nature Park). The hurricanes of 2004 caused delays in the construction of this facility but work is currently underway and will continue through the new fiscal year. The major projects for the new budget year include funding of \$130,000 for Lake Monroe Park, \$115,000 for Manny Rodriguez Park, \$120,000 for Wes Crile Park, \$155,000 for Tom Hoffman Park, \$305,000 for various park improvements, and \$2,000,000 for the Amphitheatre project. In addition, the Parks & Recreation Department will continue the Summer Recreation Program, the Music in the Courtyard series and the July 4th Celebration and Fireworks.

Transportation

The City has made the improvement of key roads a high priority. In order to begin to accomplish this goal the City issued Transportation Revenue bonds during Fiscal Year 2005/2006 and raised \$18.4 million in funding for road projects. Total projects identified in the initial phase of planning are expected to be completed within the next three fiscal years. This budget provides for the widening of Normandy Boulevard from Saxon Boulevard to Firwood Drive, Fort Smith Boulevard from Primrose Terrace to Rookery Avenue and Elkcam Boulevard from Normandy Boulevard to Fort Smith Boulevard.

Solid Waste

The City provides garbage, recycling and yard waste under contract through a private contractor, Waste Services, Inc. Expenses are funded through solid waste assessments levied on individual homes, and the fees are recommended at the same level as Fiscal Year 2005/2006, for a total of \$120 per year per single family residence.

Reserves and Other Initiatives

This year the City added a position for an Economic Development Coordinator and budgeted \$200,000 for economic development. This will be an annual commitment. Last year we spent \$450,000 for the Southwest Volusia Center and this year have budgeted an additional \$3,050,000 bringing the City's total commitment to the project to \$3.5 million. The current budget also sets aside \$450,000 to provide initial funding for an employee assistance program for such benefits as health and dental insurance. The precise form of that assistance will be determined during the new fiscal year. Finally, the current budget provides for a \$5 million Strategic Reserve (formerly called a working capital reserve) and a \$500,000 Contingency Reserve to help protect the City's continued financial stability.

Impact Fees

The City has adopted a policy of funding the primary expenses associated with new growth through impact fees levied on this growth. Impact fees collected for new development are dedicated to capital projects to enhance and improve the parks and emergency services supported by the impact fees. The

City has completed studies for Park Impact Fees, Fire/Rescue Impact Fees and a new Law Enforcement Impact Fee, and the Fiscal Year 2006/2007 budget has been developed using a new fee structure which reflects increases in both Park Impact Fees and Fire/Rescue Impact Fees as well as a new Law Enforcement Impact Fee. The City is also planning to conduct a new impact fee study for roads. Since the results of this study are not known the current budget was developed using the existing impact fee structure for roads.

Stormwater System

The Stormwater system is generally a self-supporting enterprise system, with a focus on developing and maintaining the stormwater management ponds, drains and lines in Deltona. Although the staff is projecting that this system will require attention and increased funding to meet the existing challenges of the City, we are not recommending an increase pending a review in greater depth with the Commission. Revenue projections reflect stormwater assessment rates at the same level as Fiscal Year 2005/2006, with \$60 per ERU (Equivalent Residential Unit) for developed parcels and \$34 for undeveloped parcels.

Deltona Water and Sewer

Water/Sewer Utility Fund revenues for Fiscal Year 2006/2007 are projected at nearly \$14 million with personal services and operating expenses projected at \$7.6 million, debt service at \$4.7 million and capital outlay at \$2.1 million. These projections reflect an increase in both revenues and expenditures as compared to the projections originally used for the Revenue Bond issue but, proportionately, are tracking on target.

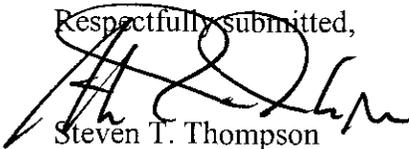
Impact fee revenue for the Water/Sewer Construction Fund is budgeted at \$1.8 million and expenditures for both capital projects and renewal/replacement activities are budgeted at \$12.6 million. Of this \$12.6 million approximately \$6.8 million is for water related construction, \$4.9 million is for wastewater related construction with the remainder for utility relocation. In past budgets impact fees were budgeted in the Water/Sewer Utility Fund and then transferred to the Water/Sewer Construction Fund. Starting with this budget the impact fees are budgeted directly in the Water/Sewer Construction Fund.

CONCLUSION

This budget message should offer insight into the operation and management of the City government of Deltona. Any such substantial policy document requires the leadership and assistance of a number of teams and individuals, and our thanks go to a dedicated Commission, interested and involved residents, and the professionalism and energetic support of a great City staff. This commitment and involvement throughout the community are critically important as we continue *"Building Services ... And Expectations"*.

It continues to be a pleasure to serve as the City Manager in our growing community.

Respectfully submitted,



Steven T. Thompson
Deltona City Manager

City of Deltona, Florida

GENERAL INFORMATION

GENERAL DESCRIPTION

The City of Deltona is approximately 48.86 square miles in size and is located in the southwest corner of Volusia County, in the east central part of the Florida Peninsula. Deltona is situated along the Interstate 4 corridor approximately 25 miles northeast of Orlando and approximately 25 miles southwest of Daytona Beach. The City of Deltona is adjacent to the Cities of DeBary, Orange City, Lake Helen, and is in close proximity to the City of DeLand. The City of Deltona also abuts the rural communities of Cassadaga, Enterprise, and Osteen.

Since its creation, Deltona has been a haven for young and old alike relocating from many areas of the Country and other more congested areas of Florida. The unhurried lifestyle combined with its location has made the City an ideal choice for living the affordable Florida lifestyle. In general, the population of the City is becoming younger and more diversified in ethnicity.

CITY GOVERNMENT

The City started as a planned community by the Deltona Corporation in 1962, with 35,143 lots targeted at retirees and named the area Deltona Lakes. It remained unincorporated until 1995 when, through a referendum election, residents chose to organize as a City. The City's operation began on December 31, 1995, and over 82,000 residents of all ages now call Deltona home.

The City operates under a Commission-Manager form of government consisting of a seven member Commission. Residents select, through non-partisan elections, a Mayor who represents the City at large and six commissioners who each represent a specific district of the community. The City

is governed by its Charter and by state and local laws and regulations. The Commission is responsible for the establishment and adoption of City policy and appointing a City Manager. The City Manager serves as the Chief Executive Officer of the City and is responsible for the execution of City policy and oversight of the day-to-day operations of the City.

The term of office for each member of the City Commission, including the Mayor's position, shall be four (4) years. Neither the Mayor nor any other Commissioner may serve more than two successive four (4) year terms of office. The following are the current members of the City Commission listed with their respective term expiration years.

Dennis Mulder, Mayor	2009
David Santiago, Vice Mayor	2007
Zenaida Denizac, Commissioner	2009
Michele A. McFall, Commissioner	2009
William S. Harvey, Commissioner	2007
Janet I. Deyette, Commissioner	2009
Michael Carmolingo, Commissioner	2009

EXISTING LAND USES AND CONDITIONS

The land area of the City is dominated by the Deltona Lakes Planned Unit Development (PUD). The Deltona Lakes PUD is mainly comprised of single family residential parcels with more than 35,000 platted single family residential lots.

With over 31,765 developed residential units, residential land use dominates the City's development pattern. Approximately 4,668 vacant platted single-family lots remain from the Deltona Lakes PUD. The development pattern has been on a first come first serve basis with the remaining

City of Deltona, Florida

GENERAL INFORMATION - Continued

residential lots. Barring environmental or required service(s) constraints, residential construction will occur on an at-large basis.

Commercial land uses currently total less than 2.34% of all developed land in Deltona. Commercial uses are located along main thoroughfares such as Deltona Blvd., Providence Blvd., Saxon Blvd. and Howland Blvd. Presently, there are less than three acres of commercial property servicing every 1,000 persons in Deltona. The regional commercial average is approximately six acres of commercial property servicing every 1,000 persons.

Existing industrial land uses as identified by the Property Appraiser's tax rolls total only 12 acres. This equates to less than a quarter acre of industrial use per 1,000 persons. The regional average is approximately four acres per 1,000 persons. The Deltona Activity Center (approximately 952 acres, 3.1%) includes land zoned for industrial use and the Property Appraiser's tax rolls identifies an additional 61 acres of vacant industrial property. The Deltona Activity Center is located in the northwestern portion of the City, east of Interstate-4 and north and south of Howland Boulevard.

EDUCATION

The City has seven elementary schools, three middle, and two high schools operated by the Volusia County School System with a total enrollment of over 16,000 students. Some Deltona elementary school students also attend two other schools that are located outside of city limits. Deltona's first high school, Deltona High, opened in 1989. Deltona High has an enrollment rate of 2,898 students. In 1994, a second high school was built. Pine Ridge High has an enrollment rate of 2,621 students.

Daytona Beach Community College (DBCC), Deltona Center Campus, is located at the City of Deltona's Municipal Complex. City Hall is located on 10 acres of a 100-acre State educational site upon which the separate DBCC Deltona Center Campus was opened on August 2004. The City has provided 8,000 sq. ft. of space in the City Hall facility to DBCC. This space is to be provided for a five year period and, when the lease term expires in 2007, it is anticipated that city staff will take over the wing of the building currently housing DBCC offices.

FIRE SERVICES

Today, the Fire Department operates four stations, each with the most advanced Emergency Medical and Fire Protection Service in Volusia County. Due to efficient financial management, these services are provided to the citizens of Deltona at a lower cost than that of neighboring communities.

Station 61 is located at 1685 Providence Boulevard and was built in 1973. This is the most central of Deltona's four stations, and serves as the administration building.

Station 62 is located at 320 Diamond Street and was built in 2005. The station is located in the part of Deltona often referred to as the "first area" and is situated in a quiet residential community.

Station 63 is located at 2147 Howland Boulevard and was built in 1977. The City has set aside \$350,000 for additions to Station 63.

Station 64 is located at 236 Fort Smith Boulevard. Originally opened in 1989 as a temporary facility, the permanent facility

City of Deltona, Florida

GENERAL INFORMATION - Continued

was built in 1996 and provides larger living and garage areas.

The City is planning a fifth fire station and has set aside \$2.2 million for the construction of this facility. This station will also serve as a training facility for the fire department personnel. Debt options are currently being evaluated to finance a possible new Public Safety Facility.

LAW ENFORCEMENT

The City of Deltona continues to contract law enforcement services with the County of Volusia. This contractual relationship has been in place since the City's incorporation in 1995.

Once again, Deltona had one of the lowest crime rates in the State of Florida for communities with a population over 60,000. Even with that impressive ranking, we are committed to remain aggressive in dealing with crime in a proactive way and offering varied tools to our officers to accomplish those ends.

RECREATION

The City's Parks & Recreation Department operates seventeen neighborhood and community parks, providing a variety of recreation facilities for all ages.

A new project is currently being developed thanks to a grant from Volusia County ECHO. Tom Hoffman Park, (formally known as Whipple Nature Park), will include a nature trail, playground, restrooms, picnic facilities, butterfly garden, a parking lot, and a multi-purpose playing field. A grant from Volusia County ECHO has

allowed the City to open Keysville Dog Park which encompasses fourteen acres to accommodate our canine lovers as well as children, with a playground and plenty of open space.

The City has also been awarded a FRDAP Grant from the State of Florida which will be used to renovate Campbell Park. The enhancements will include: a boardwalk with fishing pier, gazebos, playground, and picnic area. Another FRDAP Grant has enabled the City to open the Splash Playground at Wes Crile Park.

Other park projects in progress funded by grant monies include: Lake Monroe Floating Dock, funded by a FBIP grant from the Florida Fish and Wildlife Conservation Commission, and Deltona Festival Grounds, funded by a LWCF grant from the Florida Department of Environmental Protection. The Lake Monroe project will significantly improve the present boat ramp by providing two floating docks. The Deltona Festival Grounds will be improved by an additional restroom, walking/exercise trail, and boat dock.

The City is aggressively pursuing grant opportunities that are available for parks and recreation projects as they become known to us.

Previous, current, and planned park improvements have significantly enhanced our natural environment in the City. We will continue to make every effort to avail ourselves of opportunities to promote recreation and environmental opportunities to the citizens of the City of Deltona.

City of Deltona, Florida

GENERAL INFORMATION – Continued

RIVERS AND LAKES

The City includes more than 100 lakes, totaling over eight square miles. One of the unique features of the lakes of Deltona is that the lake levels have a tendency to be erratic. Information compiled by the St. Johns River Water Management District, from 1991 to early March 1997, shows that some of the lake elevations have changed by as much as eight feet. In the six years of review, some of the lakes had high and low elevation differences of more than ten feet.

The City's completion of the Lake Doyle-Lake Bethel Interconnect and other Stormwater Projects has significantly improved the City's ability to manage seasonal fluctuations in water levels and control the wide-spread flooding that has occurred within the City in past years.

In January 2006 the City was awarded a grant from Florida State Department of Environmental Protection. The monies will provide financial assistance in the completion of the McGarity-Kirkhill Regional Stormwater Retrofit. The project provides stormwater treatment and pollution load reduction for approximately 430 acres of basin area that directly or indirectly discharges to Lake Monroe.

ECONOMIC ENVIRONMENT

The City currently enjoys a favorable economic environment and local indicators point to continued stability. The City's economic outlook is largely impacted by the state and regional economy with a great deal of reliance placed on surrounding communities for work, shopping, and entertainment. Area employment consists predominately of service related activities, retail trade, manufacturing, government and construction. The regional economy has flourished and with it the City has experienced high levels of building activity and increased population growth. The City's land use is almost entirely residential and over three-fourth are built out. New construction of single-family residential housing has averaged 1,100 homes annually accompanied by a 47% increase in population since 1997. The City is faced with the need to accommodate growth, as well as establish the means necessary to manage it.

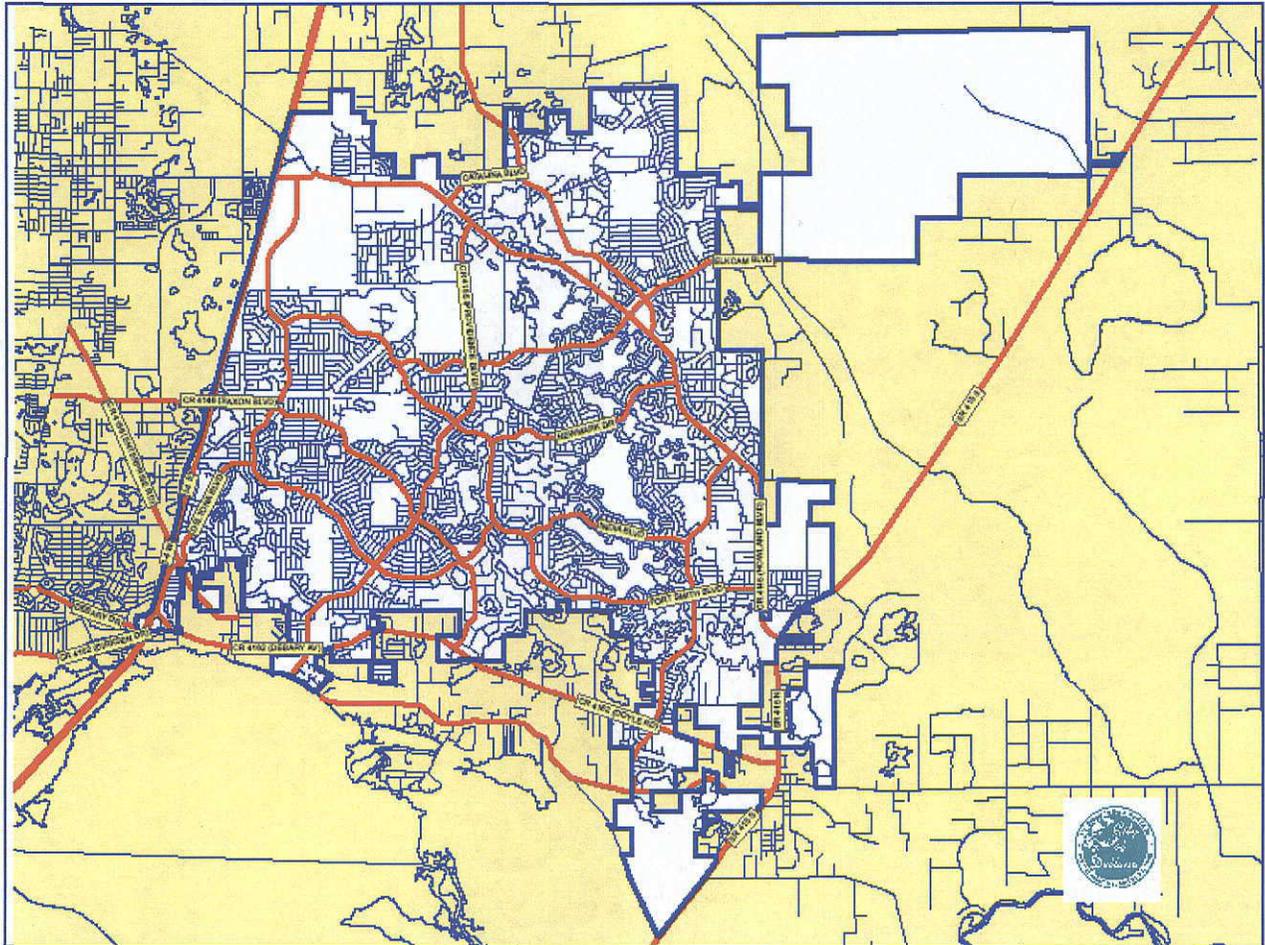
While residents enjoy the quiet suburban lifestyle of this community and public sentiment is to maintain and preserve its residential character, the City's largely residential make-up and continued growth presents a significant challenge for the City government, with respect to all aspects of service delivery and diversity in the upcoming years.

City of Deltona, Florida

LOCATION MAP



The City of Deltona is approximately 48.86 square miles in size and is located in the southwest corner of Volusia County along the Interstate 4 corridor. The city is approximately 25 miles northeast of Orlando and approximately 25 miles southwest of Daytona Beach.



City of Deltona, Florida

DEMOGRAPHICS

POPULATION - 2000	69,543	100.0	AREA	48.86	sq. miles
As of April 1, 2005	82,973				
HOUSEHOLDS			HOUSING UNITS	26,417	100.0
Total households	24,896	100.0	Owner-occupied housing units	21,680	87.1
Family households (families)	19,513	78.4	Renter-occupied housing units	3,216	12.9
With own children under 18 years	9,200	37.0	HOUSEHOLD INCOME		
Married-couple family	15,319	61.5	Less than \$10,000	1,233	5.0
With own children under 18 years	6,718	27.0	\$10,000 to \$14,999	1,290	5.2
Female householder	3,089	12.4	\$15,000 to \$24,999	3,707	14.9
With own children under 18 years	1,878	7.5	.\$25,000 to \$34,999	4,132	16.6
Non-family households	5,383	21.6	\$35,000 to \$49,999	5,575	22.4
Householder living alone	4,106	16.5	\$50,000 to \$74,999	5,717	23.0
Householder 65 years and over	1,939	7.8	\$75,000 to \$99,999	1,976	7.9
Households with dwellers age 18 or less	10,174	40.9	\$100,000 to \$149,999	967	3.9
Households with dwellers age 65+	7,144	28.7	\$150,000 to \$199,999	167	0.7
			\$200,000 or more	142	0.6
AGE			Median household income (dollars)	39,736	(X)
Under 5 years	4,291	6.2	OCCUPATION		
5 to 9 years	5,247	7.5	Management, professional	8,355	26.6
10 to 14 years	5,921	8.5	Service occupations	5,018	16.0
15 to 19 years	5,124	7.4	Sales and office occupations	9,771	31.1
20 to 24 years	3,455	5.0	Farming, fishing, & forestry	30	0.1
25 to 34 years	8,335	12.0	Construction, extraction, maint.	4,340	13.8
35 to 44 years	11,881	17.1	Production, transportation, & moving materials	3,882	12.4
45 to 54 years	9,008	13.0	VEHICLES / HOUSEHOLD		
55 to 59 years	3,107	4.5	None	917	3.7
60 to 64 years	2,758	4.0	1	8,404	33.7
65 to 74 years	5,662	8.1	1	11,165	44.8
75 to 84 years	3,842	5.5	3 or more	4,420	17.7
85 years and over	912	1.3	SCHOOL YEARS COMPLETED		
SEX			Population 25 years and over	45,776	100.0
Male	33,760	48.5	Less than 9 th grade	1,986	4.3
Female	35,783	51.5	9 th to 12 th grade, no diploma	6,027	13.2
RACE			High school graduate or GED	16,145	35.3
One race	67,892	97.6	Some college, no degree	11,816	25.8
White	58,659	84.3	Associate's degree	3,674	8.0
Black or African American	4,848	7.0	Bachelor's degree	4,400	9.6
American Indian & Alaskan	245	0.4	Graduate or professional degree	1,728	3.6
Native			Percent high school graduate or higher	(X)	82.5
Asian	650	0.9	Percent bachelor's degree or higher	(X)	13.4
Hispanic or Latino (of any race)	12,747	18.3	AGE OF HOUSING		
Native Hawaiian & Pacific Islander	36	0.1	1939 or earlier	80	0.3
Some other race	3,454	5.0	1940 to 1959	262	1.0
Two or more races	1,651	2.4	1960 to 1969	1,990	7.5
HOUSING VALUE <i>Specified owner-occupied units</i>			1970 to 1979	4,380	16.5
Less than \$50,000	1,375	6.6	1980 to 1989	12,308	46.4
\$50,000 to \$99,999	14,890	71.1	1990 to 1994	4,151	15.6
\$100,000 to \$149,999	3,850	18.4	1995 to 1998	2,574	9.7
\$150,000 to \$199,999	549	2.6	1999 to March 2000	802	3.0
\$200,000 to \$299,999	218	1.0			
\$300,000 to \$499,999	26	0.1			
\$500,000 to \$999,999	17	0.1			
\$1,000,000 or more	17	0.1			

(X) = Not Applicable

Information taken from 2000 Census of Population & Housing Summary Report

City of Deltona, Florida

EXISTING POPULATION DISTRIBUTION

	<i>Deltona</i>		<i>Volusia County</i>		<i>Florida</i>	
	Number	Percent	Number	Percent	Number	Percent
All Persons	69,543	100	443,343	100.0	15,982,378	100
Under 5 years	4,291	6.2	21,657	4.9	945,823	5.9
5 to 9 years	5,247	7.5	25,068	5.7	1,031,718	6.5
10 to 14 years	5,921	8.5	27,076	6.1	1,057,024	6.6
15 to 19 years	5,124	7.4	27,602	6.2	1,014,067	6.3
20 to 24 years	3,455	5.0	24,727	5.6	928,310	5.8
25 to 34 years	8,335	12.0	48,244	10.9	2,084,100	13.0
35 to 44 years	11,881	17.1	63,851	14.4	2,485,247	15.5
45 to 54 years	9,008	13.0	59,117	13.3	2,069,479	12.9
55 to 59 years	3,107	4.5	24,566	5.5	821,517	5.1
60 to 64 years	2,758	4.0	23,624	5.3	737,496	4.6
65 to 74 years	5,662	8.1	50,017	11.3	1,452,176	9.1
75 to 84 years	3,842	5.5	36,477	8.2	1,024,134	6.4
85 years and over	912	1.3	11,317	2.6	331,287	2.1

EXISTING POPULATION: RACE AND ETHNICITY

	<i>Deltona</i>		<i>Volusia County</i>		<i>Florida</i>	
	Number	Percent	Number	Percent	Number	Percent
One race	67,892	97.6	436,996	98.6	15,606,063	97.6
White	58,659	84.3	381,760	86.1	12,465,029	78.0
Black or African American	4,848	7.0	41,198	9.3	2,335,505	14.6
Am. Indian & Alaska Native	245	0.4	1,373	0.3	53,541	0.3
Asian	650	0.9	4,430	1.0	266,256	1.7
Asian Indian	149	0.2	1,345	0.3	70,740	0.4
Chinese	86	0.1	682	0.2	46,368	0.3
Filipino	149	0.2	798	0.2	54,310	0.3
Japanese	26	0.0	256	0.1	10,897	0.1
Korean	40	0.1	445	0.1	19,139	0.1
Vietnamese	38	0.1	329	0.1	33,190	0.2
Other Asian ¹	162	0.2	575	0.1	31,612	0.2
Native Hawaiian & Pacific Islander	36	0.1	164	0.0	8,625	0.1
Native Hawaiian	5	0.0	49	0.0	2,131	0.0
Guamanian or Chamorro	5	0.0	30	0.0	2,319	0.0
Samoan	5	0.0	26	0.0	1,232	0.0
Other Pacific Islander ²	21	0.0	59	0.0	2,943	0.0
Some other race	3,454	5.0	8,071	1.8	477,107	3.0
Two or more races	1,651	2.4	6,347	1.4	376,315	2.4
<i>Race alone with one or more races</i>						
White	60,029	86.3	387,116	87.3	12,734,292	79.7
Black or African American	5,345	7.7	43,010	9.7	2,471,730	15.5
American Indian and Alaska Native	633	0.9	3,358	0.8	117,880	0.7
Asian	869	1.2	5,582	1.3	333,013	2.1
Native Hawaiian and Other Pacific Islander	79	0.1	420	0.1	23,998	0.2
Some other race	4,351	6.3	10,606	2.4	697,074	4.4

Information from 2000 U.S. Census (X)= Not applicable; ¹ Other Asian alone, or two or more Asian categories; ² Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories; ³ In combination with one or more of the other races listed. The six numbers may add to more than the total population and the six percentages may add to more than 100 percent because individuals may report more than one race.

City of Deltona, Florida

HISPANIC OR LATINO RACE – TOTAL POPULATION

Hispanic or Latino Race Total Population	69,543	100.0	443,343	100.0	15,982,378	100.0
Hispanic or Latino (of any race)	12,747	18.3	29,111	6.6	2,682,715	16.8
Mexican	546	0.8	7,733	1.7	363,925	2.3
Puerto Rican	9,136	13.1	13,546	3.1	482,027	3.0
Cuban	543	0.8	1,570	0.4	833,120	5.2
Other Hispanic or Latino	2,522	3.6	6,262	1.4	1,003,643	6.3
Not Hispanic or Latino	56,796	81.7	414,232	93.4	13,299,663	83.2
White alone	50,540	72.7	363,045	81.9	10,458,509	65.4

Information from 2000 U.S. Census of Population and Housing

EXISTING POPULATION: EDUCATIONAL ATTAINMENT

	Deltona		Volusia County		Florida	
All Persons 25 years and over	45,776	Percent	317,225	Percent	11,024,645	Percent
Less than 9th grade	1,986	4.3	15,226	4.8	739,222	6.7
9th to 12th grade, no diploma	6,027	13.2	41,756	13.2	1,480,726	13.4
High school graduate (includes equivalency)	16,145	35.3	102,353	32.3	3,165,748	28.7
Some college, no degree	11,816	25.8	76,948	24.3	2,403,135	21.8
Associate degree	3,674	8.0	24,981	7.9	773,486	7.0
Bachelor's degree	4,400	9.6	36,646	11.6	1,573,121	14.3
Graduate or professional degree	1,728	3.8	19,315	6.1	889,207	8.1
Percent high school graduate or higher	(X)	82.5	(X)	82.0	(X)	79.9
Percent bachelor's degree or higher	(X)	13.4	(X)	17.6	(X)	22.3

Information from 2000 U.S. Census of Population and Housing

EXISTING POPULATION: INCOME BY HOUSEHOLDS IN 1999

	Deltona		Volusia County		Florida	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	1,233	5.0	17,264	9.3	606,995	9.6
\$10,000 to \$14,999	1,290	5.2	14,126	7.6	427,050	6.7
\$15,000 to \$24,999	3,707	14.9	31,063	16.8	918,455	14.5
\$25,000 to \$34,999	4,132	16.6	29,289	15.9	901,454	14.2
\$35,000 to \$49,999	5,575	22.4	33,808	18.3	1,103,554	17.4
\$50,000 to \$74,999	5,717	23.0	32,932	17.8	1,170,569	18.5
\$75,000 to \$99,999	1,976	7.9	13,165	7.1	552,379	8.7
\$100,000 to \$149,999	967	3.9	8,135	4.4	398,860	6.3
\$150,000 to \$199,999	167	0.7	2,417	1.3	114,432	1.8
\$200,000 or more	142	0.6	2,522	1.4	147,373	2.3
Median household income	\$39,736	(X)	\$35,219	(X)	\$38,819	(X)

Information from 2000 U.S. Census of Population and Housing

EXISTING HOUSEHOLDS: NUMBER AND AVERAGE SIZE

	Deltona	Volusia County	Florida
Number of Housing Units	24,896	184,723	6,337,929
Average Size	3.10	2.32	2.46

Information from 2000 U.S. Census of Population and Housing

City of Deltona, Florida

EXISTING HOUSEHOLDS BY TYPE

	Deltona		Volusia County		Florida	
	Number	Percent	Number	Percent	Number	Percent
Total households	24,896	100.0	184,723	100.0	6,337,929	100.0
Family households (families)	19,513	78.4	120,064	65.0	4,210,760	66.4
With own children under age 18	9,200	37.0	44,443	24.1	1,779,586	28.1
Married-couple family	15,319	61.5	93,161	50.4	3,192,266	50.4
With own children under age 18	6,718	27.0	29,883	16.2	1,215,197	19.2
Female householder	3,089	12.4	20,098	10.9	759,000	12.0
With own children under age 18	1,878	7.5	11,127	6.0	437,680	6.9
Non-family households	5,383	21.6	64,659	35.0	2,127,169	33.6
Householder living alone	4,106	16.5	51,579	27.9	1,687,303	26.6
Householder 65 years and over	1,939	7.8	25,095	13.6	710,025	11.2

Information from 2000 U.S. Census of Population and Housing

**PRINCIPAL TAXPAYERS
FISCAL YEAR ENDED SEPTEMBER 30, 2005**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
Florida Power & Light Company	Utility	\$ 13,499,912	0.7%
Publix Super Markets, Inc.	Supermarket	10,659,806	0.5%
Bright House Networks LLC	Utility	8,841,354	0.4%
Bellsouth Telecommunication, Inc.	Utility	7,650,514	0.4%
Sprint Florida, Inc.	Utility	6,809,894	0.3%
Deltona Associates LTD	Property Management	6,680,401	0.3%
Florida Power Corporation	Utility	5,548,727	0.3%
Albertson's, Inc.	Supermarket	5,313,527	0.3%
Tiger Partner LLC	Hospitality	5,278,010	0.3%
Storaway Self Storage Deltona		5,011,651	0.2%
All Other		<u>1,995,860,101</u>	<u>96.4%</u>
	Total	\$2,071,153,897	100.0%

Source: County of Volusia Property Appraiser

City of Deltona, Florida

MISCELLANEOUS STATISTICS

General City Information

Date of incorporation.....	December 31, 1995
Form of Government.....	Commission – City Manager
Area in square miles.....	48.86
Number of paved streets.....	1,640
Miles of maintained streets.....	423.54
Developed lots.....	31,764
Platted single-family residential lots.....	37,208

Fire Protection

Number of stations.....	4
Number of Firefighters and Officers.....	78
Number of Staff and Communications.....	16
Number of calls (alarms) answered.....	7,782
Number of inspections conducted.....	4,101

Law Enforcement Protection (Contracted services through County of Volusia Sheriff's Office)

Number of Stations.....	1
Number of Sworn Officers.....	72

Parks and Recreation

Number of Community Parks.....	7
Number of Neighborhood Parks.....	8
Number of Urban Open Spaces.....	1
Number of Tot Lots.....	1
Developed Park Area.....	216 Acres
Undeveloped Park Area.....	248 Acres
Baseball Fields.....	12
Basketball courts.....	11
Football fields.....	1
Multi-purpose fields.....	6
Playgrounds.....	12
Racquetball courts.....	4
Shuffleboard courts.....	32
Soccer fields.....	7
Tennis courts.....	4
Volleyball courts.....	1

Public Schools

Number of Elementary Schools.....	7
Number of Middle Schools.....	3
Number of High Schools.....	2

Sewage System

Miles of sanitary sewers.....	75
Miles of storm sewers.....	4
Number of treatment plants.....	1
Number of service connections.....	6,556
Daily average treatment in gallons.....	1.18 mgd
Maximum daily capacity of treatment plant in gallons.....	1.40 mgd

Water System

Miles of water mains.....	475
Number of services connections (as of 9/30/05).....	34,700
Number of fire hydrants.....	972
Daily average consumption in gallons.....	12.5 mgd
Maximum daily capacity of plant in gallons.....	23.6 mgd
Number of Water Treatment Plants.....	17



Organization Chart

Citizens of Deltona

Elected Officials

Dennis Mulder, Mayor
 Zenaída Denizac, Dist. 1
 William S. Harvey, Dist. 4
 Michael Carmolingo, Dist. 6
 David Santiago, Vice-Mayor, Dist. 2
 Michele McFall, Dist. 3
 Janet I. Deyette, Dist. 5
 Telephone (386) 561-2100

Various Appointed
Boards & Committees

City Manager's Office
Steven T. Thompson, City Manager
(386) 561-2100

City Attorney
L. Roland Blossom
(386) 561-2100

City Clerk's Office
Faith G. Miller, MMC
(386) 561-2100

Human Resources
Clyde Perry
(386) 561-2100

Finance & Internal Services
Robert Clinger, CPA (Interim)
(386) 561-2100
Fiscal Services Inf. Tech. Services

Development Services
Don Sikorski,
(386) 561-2100

Enforcement Services
Dale Baker
(386) 561-2100
Enforcement Services Solid Waste

Construction Services
Cyrus Butts
(386) 561-2100

Law Enforcement
Contractual
(386) 860-7030 Non-Emergency Line

Engineering Services
Contractual

Fire / Rescue Department
Frank Ennist
(386) 860-7195
Administration Fire Operations
Communications

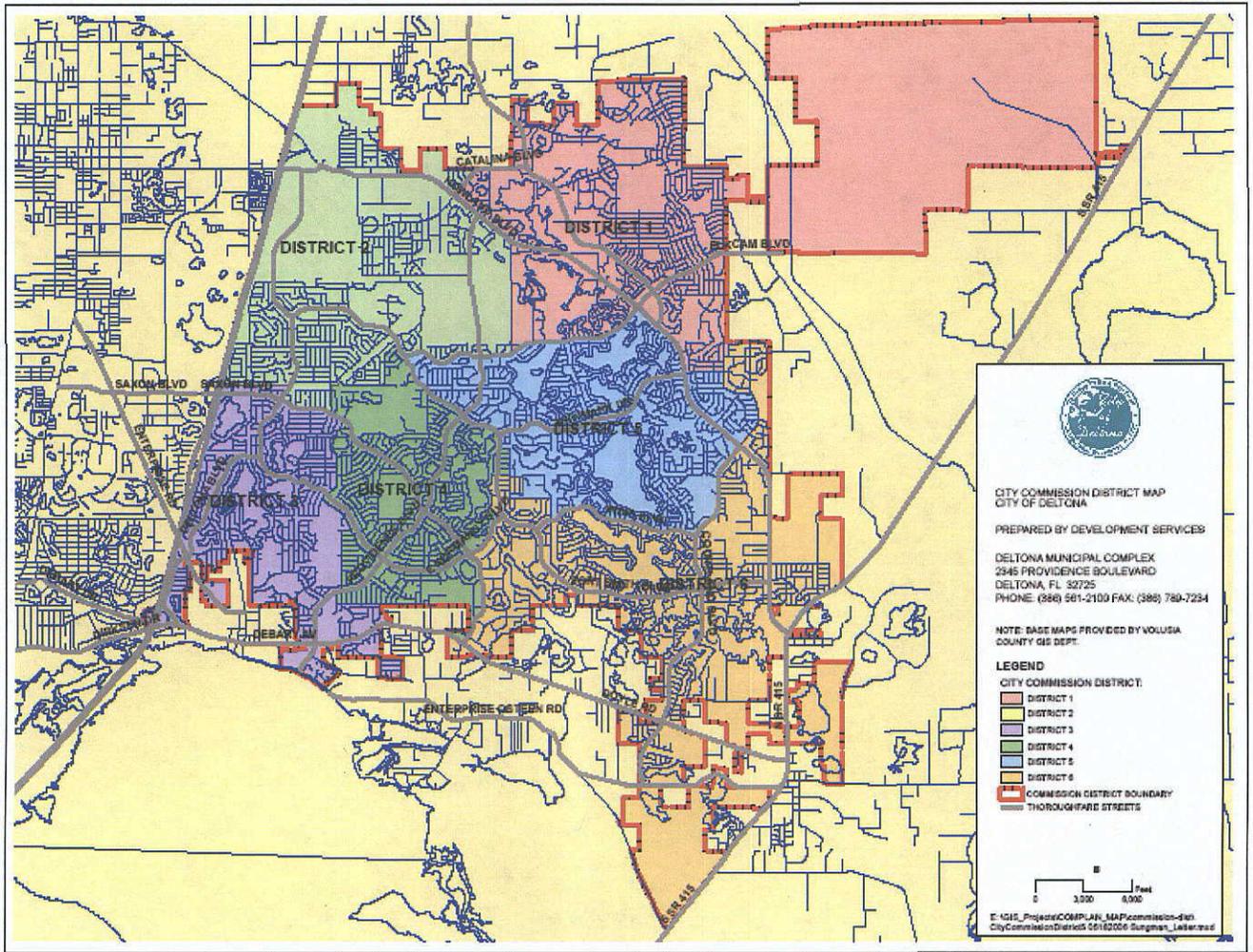
Public Works
Dave Denny
(386) 561-2100
Field Operations Traffic Operations
Facilities & Fleet Maint. Stormwater

Parks & Recreation
Vacant
(407) 302-5205

Deltona Water
Dave Denny
(386) 575-2060
Administration Water Plant Operations
Customer Serv./Billing Wastewater Plant Oper.
Water/WW Field Oper.

City of Deltona, Florida

COMMISSION DISTRICT MAP



City of Deltona, Florida

BUDGET SUMMARY - FULL TIME EQUIVALENT HISTORICAL STAFFING SUMMARY

	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>Change</u>	<u>FY07</u>
GENERAL FUND:					
City Commission	1.0	1.0	1.0	0.0	1.0
City Manager	3.0	3.0	3.0	1.0	4.0
City Clerk	5.5	6.0	7.5	0.5	8.0
Finance & Internal Services					
Fiscal Services	14.5	11.0	13.0	0.0	13.0
Inf. Technology Services	2.0	3.0	4.5	0.0	4.5
	<u>16.5</u>	<u>14.0</u>	<u>17.5</u>	<u>0.0</u>	<u>17.5</u>
Human Resources	4.5	3.5	6.0	0.0	6.0
City Attorney	5.0	6.0	7.0	(1.0)	6.0
Development Services	14.0	18.0	21.5	2.5	24.0
Construction Services	16.0	21.0	24.0	0.0	24.0
Enforcement Services	12.0	12.0	15.0	4.0	19.0
Fire/Rescue					
Administration	10.0	11.5	11.5	3.0	14.5
Operations	51.0	54.0	66.0	3.0	69.0
Communications	9.0	9.0	10.0	0.0	10.0
	<u>70.0</u>	<u>74.5</u>	<u>87.5</u>	<u>6.0</u>	<u>93.5</u>
Public Works					
Traffic Operations	0.0	6.0	6.0	0.0	6.0
Field Operations	19.0	14.0	14.0	3.0	17.0
Facilities & Fleet Maintenance	6.0	11.5	8.0	0.0	8.0
	<u>25.0</u>	<u>31.5</u>	<u>28.0</u>	<u>3.0</u>	<u>31.0</u>
Parks & Recreation	29.0	29.0	32.0	5.5	37.5
TOTAL GENERAL FUND	<u>201.5</u>	<u>219.5</u>	<u>250.0</u>	<u>21.5</u>	<u>271.5</u>
SPECIAL REVENUE FUNDS:					
Stormwater Fund	26.0	23.0	23.0	2.0	25.0
Solid Waste Fund	1.0	1.0	1.0	0.0	1.0
TOTAL SPECIAL REVENUE FUNDS	<u>27.0</u>	<u>24.0</u>	<u>24.0</u>	<u>2.0</u>	<u>26.0</u>
ENTERPRISE FUND:					
Water Utility Services					
Administration	4.0	6.0	7.5	0.5	8.0
Water Plant Operations	17.0	13.0	13.5	1.0	14.5
Wastewater Plant Operations	2.0	3.0	3.0	0.0	3.0
Customer Service/Billing	9.0	14.0	14.0	1.0	15.0
Water/WW Field Operations	17.0	22.0	26.0	1.0	27.0
TOTAL ENTERPRISE FUND	<u>49.0</u>	<u>58.0</u>	<u>64.0</u>	<u>3.5</u>	<u>67.5</u>
TOTAL ALL FUNDS	<u>277.5</u>	<u>301.5</u>	<u>338.0</u>	<u>27.0</u>	<u>365.0</u>

City of Deltona, Florida

BUDGET SUMMARY - STAFFING CHANGES

	Number of Postions (full & part-time) by Department									Budgeted		
	FY06			Change			FY07			Full-time Equivalents		
	FT	PT	Total	FT	PT	Total	FT	PT	Total	FY06	Change	FY07
GENERAL FUND												
City Commission	1.0	0.0	1.0	0.0	0.0	0.0	1.0	0.0	1.0	1.0	0.0	1.0
City Manager	3.0	0.0	3.0	1.0	0.0	1.0	4.0	0.0	4.0	3.0	1.0	4.0
City Clerk	6.0	3.0	9.0	1.0	(1.0)	0.0	7.0	2.0	9.0	7.5	0.5	8.0
Finance & Internal Services												
Fiscal Services	13.0	0.0	13.0	0.0	0.0	0.0	13.0	0.0	13.0	13.0	0.0	13.0
Inf. Technology Services	4.0	1.0	5.0	0.0	0.0	0.0	4.0	1.0	5.0	4.5	0.0	4.5
	<u>17.0</u>	<u>1.0</u>	<u>18.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>17.0</u>	<u>1.0</u>	<u>18.0</u>	<u>17.5</u>	<u>0.0</u>	<u>17.5</u>
Human Resources	6.0	0.0	6.0	0.0	0.0	0.0	6.0	0.0	6.0	6.0	0.0	6.0
City Attorney	7.0	0.0	7.0	(1.0)	0.0	(1.0)	6.0	0.0	6.0	7.0	(1.0)	6.0
Development Services	21.0	1.0	22.0	2.0	1.0	3.0	23.0	2.0	25.0	21.5	2.5	24.0
Construction Services	24.0	0.0	24.0	0.0	0.0	0.0	24.0	0.0	24.0	24.0	0.0	24.0
Enforcement Services	15.0	0.0	15.0	4.0	0.0	4.0	19.0	0.0	19.0	15.0	4.0	19.0
Fire/Rescue												
Administration	11.0	1.0	12.0	3.0	0.0	3.0	14.0	1.0	15.0	11.5	3.0	14.5
Operations	66.0	0.0	66.0	3.0	0.0	3.0	69.0	0.0	69.0	66.0	3.0	69.0
Communications	10.0	0.0	10.0	0.0	0.0	0.0	10.0	0.0	10.0	10.0	0.0	10.0
	<u>87.0</u>	<u>1.0</u>	<u>88.0</u>	<u>6.0</u>	<u>0.0</u>	<u>6.0</u>	<u>93.0</u>	<u>1.0</u>	<u>94.0</u>	<u>87.5</u>	<u>6.0</u>	<u>93.5</u>
Public Works												
Traffic	6.0	0.0	6.0	0.0	0.0	0.0	6.0	0.0	6.0	6.0	0.0	6.0
Field Operations	14.0	0.0	14.0	3.0	0.0	3.0	17.0	0.0	17.0	14.0	3.0	17.0
Facilities & Fleet Maintenance	8.0	0.0	8.0	0.0	0.0	0.0	8.0	0.0	8.0	8.0	0.0	8.0
	<u>28.0</u>	<u>0.0</u>	<u>28.0</u>	<u>3.0</u>	<u>0.0</u>	<u>3.0</u>	<u>31.0</u>	<u>0.0</u>	<u>31.0</u>	<u>28.0</u>	<u>3.0</u>	<u>31.0</u>
Parks & Recreation												
Recreation	25.0	14.0	39.0	3.0	5.0	8.0	28.0	19.0	47.0	32.0	5.5	37.5
SPECIAL REVENUE FUNDS												
Stormwater Fund	23.0	0.0	23.0	2.0	0.0	2.0	25.0	0.0	25.0	23.0	2.0	25.0
Solid Waste Fund	1.0	0.0	1.0	0.0	0.0	0.0	1.0	0.0	1.0	1.0	0.0	1.0
ENTERPRISE FUNDS												
Water Utility Services												
Administration	7.0	1.0	8.0	1.0	(1.0)	0.0	8.0	0.0	8.0	7.5	0.5	8.0
Water Plant Operations	13.0	1.0	14.0	1.0	0.0	1.0	14.0	1.0	15.0	13.5	1.0	14.5
Wastewater Plant Operations	3.0	0.0	3.0	0.0	0.0	0.0	3.0	0.0	3.0	3.0	0.0	3.0
Customer Service/Billing	14.0	0.0	14.0	1.0	0.0	1.0	15.0	0.0	15.0	14.0	1.0	15.0
Water/WW Field Operations	26.0	0.0	26.0	1.0	0.0	1.0	27.0	0.0	27.0	26.0	1.0	27.0
	<u>63.0</u>	<u>2.0</u>	<u>65.0</u>	<u>4.0</u>	<u>(1.0)</u>	<u>3.0</u>	<u>67.0</u>	<u>1.0</u>	<u>68.0</u>	<u>64.0</u>	<u>3.5</u>	<u>67.5</u>
Total City Staff	<u>327.0</u>	<u>22.0</u>	<u>349.0</u>	<u>25.0</u>	<u>4.0</u>	<u>29.0</u>	<u>352.0</u>	<u>26.0</u>	<u>378.0</u>	<u>338.0</u>	<u>27.0</u>	<u>365.0</u>

City of Deltona, Florida

VISION 2006

VISION STATEMENT

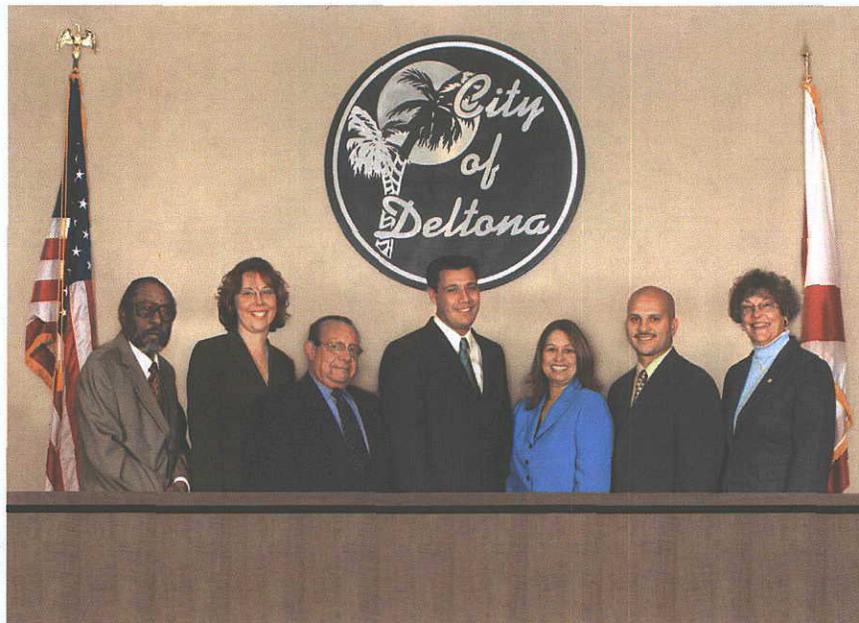
We, the City of Deltona, will meet our community's needs through the efficient and professional delivery of quality services, with pride and integrity, in an open, honest spirit of teamwork, respecting the self-worth of the individual and the environment.

VISION ELEMENTS

Community
Quality of Life
Infrastructure
Intergovernmental Relations
Citizen Participation

VISION INTENT STATEMENTS

1. Community
 - a. Identify City core areas
 - b. Annexation
 - c. Revenue enhancement (diverse tax base, impact fees)
 - d. Adequate fiscal spending policies
2. Quality of Life
 - a. Control residential growth
 - b. Code enforcement – rental standards, state legislation
 - c. Needed services for all
 - d. Water issues (conservation, quality, services)
 - e. Environmental concerns (scrub jay habitat)
3. Infrastructure
 - a. Roads, sidewalks, parks, sewers
 - b. Technology
4. Inter-governmental Relations
 - a. Mutual vision – Cities/County
 - b. Urban vs. rural
 - c. Water Authority of Volusia
 - d. Increased legislative participation – legislative agenda (code enforcement)
5. Citizen Participation
 - a. Communication with citizens
 - b. Broadcast Commission Meetings
 - c. Ombudsman



From left to right: Commissioners William S. Harvey, Michele McFall and Michael Carmolingo, Mayor Dennis Mulder, Commissioner Zenaida Denizac, Vice Mayor David Santiago and Commissioner Janet I. Deyette.

City of Deltona, Florida

**CROSS-REFERENCE BETWEEN VISION 2006
AND DEPARTMENTAL GOALS AND OBJECTIVES**

Vision Elements	Community	Quality of Life	Infrastructure	Inter-governmental Relations	Citizen Participation
Vision Intent Statements/Department Goals	a) Identify City core areas	a) Control residential growth	a) Roads, sidewalks, parks, sewers	a) Mutual Vision-- Cities/County	a) Communication with citizens
	b) Annexation	b) Code enforcement – rental standards, State legislation	b) Technology	b) Urban vs. rural	b) Broadcast Commission Meetings
	c) Revenue enhancement (diverse tax base, impact fees)	c) Needed services for all		c) Water Authority of Volusia	c) Ombudsman
	d) Adequate fiscal spending policies	d) Water issues (conservation, quality, services)		d) Increased legislative participation – legislative agenda (code enforcement)	
		e) Environmental concerns (scrub jay habitat)			
City Manager					
City Clerk					
Construction Services					
Development Services					
Enforcement Services					
Finance & Internal Services					
Fire Service					
Human Resources					
Parks & Recreation					
Public Works					
Water Utility					

City of Deltona, Florida

BUDGET PROCESS

GENERAL DESCRIPTION

The budget is a document that communicates to the citizens of the City, the Mayor & City Commission's vision and priorities for the upcoming fiscal year. Preparing the budget document is a major effort that affects almost every City employee. Once the budget document is prepared and approved, much of the City's daily business is impacted by procedures related to securing approvals, documenting transactions and reporting on the results to ensure compliance with the budget documents used to demonstrate and carry out the Commission's plan. The following is an outline of the budget process.

PREPARATION

In May, each department receives a budget preparation package, which includes current year budget and actual data. Each department head then compiles budget requests for the new fiscal year including justifications.

The budget requests are given extensive review and revised as necessary by the City's Management staff. Upon completion of this review and matching with projected available revenues, the budget is compiled by the Finance & Internal Services Department and presented to the City Commission by the City Manager.

ADOPTION

Procedures and specific timetables for adoption of the budget are mandated by Florida State Statute and must be followed explicitly. The City must demonstrate compliance with State requirements and certify compliance to the State in the specified manner.

The recommended budget is distributed to

the Mayor and City Commissioners in July. Copies are then made available to the public and press and summaries offered to all those interested. A workshop meeting, also open to the public, is conducted to review the proposed budget's content. The purpose of the meeting is to establish a general consensus on any changes desired to be made and the establishment of a proposed millage rate to be utilized by the County Property Appraiser's Office in the mailing of the "Notice of Proposed Property Taxes" to City property owners.

In September, two public hearings are held, as required by Florida State Statute. At the first hearing, the Mayor and City Commissioners adopt a tentative millage rate for property taxes and a tentative budget. Within 15 days, a half-page advertisement summarizing the budget and inviting the public to the final budget hearing is publicized in a newspaper(s) of general paid circulation in the County. At the second hearing, the Mayor and City Commissioners adopt the final millage rate and budget.

AMENDMENTS AND TRANSFERS

The process of amending and modifying the budget is specified in the City's Charter. The City Manager has authority to transfer among line items within a department. City Commission approval is required for all budget amendments, which includes transfers among departments, transfers involving contingency, reserve allocations, or increases in the total budget.

Adjustments recommended by the City Manager throughout the fiscal year are usually prompted by significant changes in circumstances. These are documented and explained, as they occur, to the City Commission in an agenda item at a regularly scheduled City Commission meeting.

City of Deltona, Florida

FY 06/07 BUDGET CALENDAR

April 3, 2006	<ul style="list-style-type: none"> • Budget Workbooks Distributed
April 3 – June 2, 2006	<ul style="list-style-type: none"> • Departments complete Budget Submittal Packages • All requests for personnel changes must be reviewed by HR prior to submission to the Finance Department • Finance Department completes preliminary budget work
April 27, 2006 (4:00 pm)	<ul style="list-style-type: none"> • Commission Budget Workshop <ul style="list-style-type: none"> ○ Discussion of Commission Objectives ○ Goal Setting ○ Financial Overview
June 2, 2006	<ul style="list-style-type: none"> • Departments submit Budget Packages to Finance Director
June 5 – June 23, 2006	<ul style="list-style-type: none"> • Compilation of Budget data by Finance Department • Budget review by City Manager • Budget revisions by Departments, as needed
July 1, 2006	<ul style="list-style-type: none"> • Form DR-420 Certification of Taxable Value received from the County Property Appraiser's Office
June 26 – July 7, 2006	<ul style="list-style-type: none"> • Preparation of Proposed Budget Document by Finance Department
July 25, 2006	<ul style="list-style-type: none"> • Proposed Annual Budget Document distributed to City Commission
July 10 - July 25, 2006	<ul style="list-style-type: none"> • Preparation of Budget Workshop materials by Finance Department
July 31, 2006 (1:30 pm) (4:30 pm – following workshop)	<ul style="list-style-type: none"> • Budget Workshop <ul style="list-style-type: none"> ○ Budget Overview, Presentation and Discussion ○ Proposed Millage Rate Discussion ○ Proposed Assessment Rate Discussion • Special Meeting of the City Commission <ul style="list-style-type: none"> ○ Tentative Proposed Millage Rate Resolution ○ Preliminary Rate Resolutions for Special Assessments <ul style="list-style-type: none"> ▪ Stormwater Utility Assessment ▪ Solid Waste Management Assessment ▪ Streetlighting Districts' Assessment

City of Deltona, Florida

FY 06/07 BUDGET CALENDAR - Continued

By August 1, 2006	Form DR-420, stating the City proposed millage rate, submitted to the County Property Appraiser's Office
August 23, 2006	Notice of Proposed Property Taxes (TRIM Notice) mailed to residents by County Property Appraiser's Office
September 6, 2006 (6:00 p.m.)	<ul style="list-style-type: none"> • City Commission Meeting <ul style="list-style-type: none"> ○ First Public Hearing: Adoption of Tentative Budget & Millage Rate (Must be done between September 2nd and 22nd) ○ Annual Rate Resolution on Special Assessments <ul style="list-style-type: none"> ▪ Stormwater Utility Assessment ▪ Solid Waste Management Assessment ▪ Streetlighting Districts' Assessment
September 15, 2006	<ul style="list-style-type: none"> • Publication of Budget in Newspaper
September 18, 2006	<ul style="list-style-type: none"> • City Commission Meeting <ul style="list-style-type: none"> ○ Second Public Hearing: Adoption of Final Budget & Millage Rate (Must be done 2 to 5 days after publication)
September 21, 2006	<ul style="list-style-type: none"> • Certified Copy of Resolution adopting Final Millage Rate forwarded to County Property Appraiser's Office (Must be done within 3 days of final hearing)
Within 3 days of receipt	<ul style="list-style-type: none"> • Form DR-422 completed and certified to the County Property Appraiser's Office
By October 15, 2006	<ul style="list-style-type: none"> • Certification of Compliance Form DR-487 submitted to Property Tax Administration Program, Department of Revenue, State of Florida. (Must be done within 30 days of final hearing)

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City of Deltona, Florida

RESOLUTION NO. 2006-45

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELTONA, VOLUSIA COUNTY, FLORIDA; DETERMINING THE AMOUNT AND FIXING THE RATE OF TAXATION AND MAKING THE ANNUAL TAX LEVY FOR THE FISCAL YEAR 2006/2007 ON ALL TAXABLE PROPERTY LOCATED WITHIN THE CITY OF DELTONA, VOLUSIA COUNTY, FLORIDA; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Volusia County Property Appraiser has certified the quantity of taxable property within the City for Fiscal Year 2006/2007; and

WHEREAS, the City Manager has delivered his recommended budget for said year in accordance with Section 7, Subsection (2)(b)(9) of the City Charter; and

WHEREAS, by affirmative motion the City Commission of the City of Deltona adopted Resolution No. 2006-42, which established a tentative millage rate of 4.15.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA, as follows:

SECTION 1. The City Commission hereby adopts and imposes a final millage rate of 4.01451 for ad valorem taxation within the City of Deltona, Florida for the 2006/2007 fiscal year. This final ad valorem tax shall be levied upon the 2006 Tax Assessment Roll for ad valorem tax on all taxable property located within the City of Deltona and is to be used for the City's fiscal year beginning October 1, 2006 and ending September 30, 2007. The final millage rate reflects a 23.17% increase from the rollback rate of 3.25939.

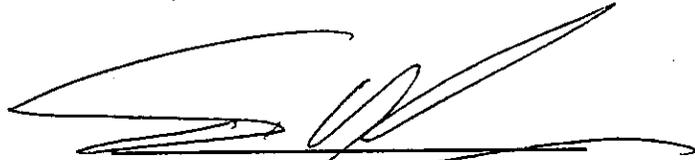
SECTION 2. That this Resolution shall become effective immediately upon its adoption.

CERTIFIED

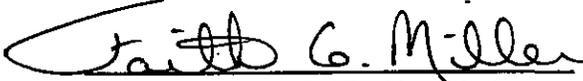
City of Deltona, Florida

City of Deltona, Florida
Resolution No. 2006-45
Page 2 of 2

ADOPTED BY the City Commission of the City of Deltona, Florida this 18th day of Sept., 2006.


Dennis Mulder, Mayor

ATTEST:


Faith G. Miller, MMC, City Clerk

CERTIFIED

Approved as to form & legality for use & Reliance by the City of Deltona, Florida.


L. Roland Blossom, City Attorney

NAME	YES	NO
CARMOLINGO		✓
DENIZAC	✓	
DEVETTE	✓	
HARVEY		✓
McFALL	✓	
MULDER	✓	
SANTIAGO	✓	

STATE OF FLORIDA
COUNTY OF VOLUSIA
This is to certify that the foregoing is a true and correct copy of

Res. # 2006-45

Witness my hand and official Seal this

19th day of Sept., 2006


City Clerk - City of Deltona, FL

City of Deltona, Florida

RESOLUTION NO. 2006-46

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELTONA, VOLUSIA COUNTY, FLORIDA; ADOPTING THE FINAL ANNUAL GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUND, CAPITAL PROJECTS FUNDS AND CAPITAL EQUIPMENT FUND BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2006, AND ENDING SEPTEMBER 30, 2007; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Manager of the City of Deltona, Florida, has prepared and submitted to the City Commission of the City of Deltona, an estimate of revenues and recommended budgeted expenditures for the City for the Fiscal Year beginning October 1, 2006, and ending September 30, 2007, such estimates and recommendations having been made with particular application to the various departments of the City; and

WHEREAS, the City Charter requires that the City Commission of the City of Deltona adopt its annual budget by resolution on or before the 30th day of September; and

WHEREAS, the City Charter requires the adoption of the City's budget prior to any expenditure of City funds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DELTONA, FLORIDA, as follows:

SECTION 1. The City Commission hereby adopts the final General Fund, Special Revenue Funds, Enterprise Fund, Capital Projects Funds, and Capital Equipment Fund budgets, which are attached hereto and by reference made a part hereof, of the City of Deltona, Florida, for the fiscal year beginning October 1, 2006, and ending September 30, 2007, said budgets showing combined sources and uses of \$131,672,703.

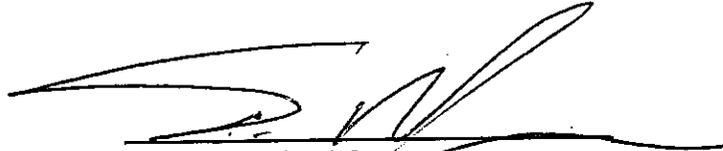
SECTION 2. That this Resolution shall become effective immediately upon its adoption.

CERTIFIED

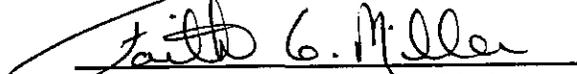
City of Deltona, Florida

City of Deltona, Florida
Resolution No. 2006-46
Page 2 of 2

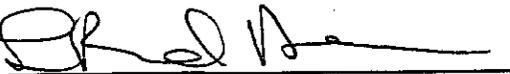
ADOPTED BY the City Commission of the City of Deltona, Florida this 18th day
of Sept., 2006.


Dennis Mulder, Mayor

ATTEST:


Faith G. Miller, MMC, City Clerk

Approved as to form & legality for use &
Reliance by the City of Deltona, Florida.


L. Roland Blossom, City Attorney

CERTIFIED

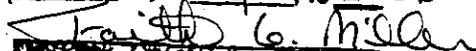
NAME	YES	NO
CARMOLINGO		✓
DENIZAC	✓	
DEYETTE	✓	
HARVEY	Out of room	
McFALL	✓	
MULDER	✓	
SANTIAGO	✓	

STATE OF FLORIDA
COUNTY OF VOLUSIA
This is to certify that the
foregoing is a true and correct copy of

Res. # 2006-46

witness my hand and official Seal this

19th day of Sept., 2006


City Clerk - City of Deltona, FL

City of Deltona, Florida

BASIS OF ACCOUNTING

The modified accrual basis of accounting is followed by the Governmental Funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based on the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures and are usually revocable only for failure to comply with the

prescribed compliance requirements. These resources are reflected as revenues at the time of receipt, or earlier, if the susceptible to accrual criteria are met.

Property taxes are recognized when received. Licenses, permits, charges for service, fines, forfeitures and other miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash since they cannot be measured until actually received. Investment earnings are recorded as earned since they are measurable and available.

The accrual basis of accounting is used for Proprietary Funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The government applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations.

BASIS OF BUDGETING

The City of Deltona budget is prepared on a cashflow basis. Under cash basis, revenues are recognized when received and expenditures are recognized when paid. Enterprise Funds are budgeted on a cash basis with the exception that revenues are recognized when billed. Debt service

appropriations and capital outlay expenses are included, but not depreciation. In all funds, encumbrances are treated as expenditures for purposes of calculating the balances carried forward by them. The budget format is by line item.

City of Deltona, Florida

FINANCIAL POLICIES

INVESTMENT POLICY

This Investment Policy shall apply to all funds held by the City on behalf of the citizenship of the City of Deltona except for pension fund assets, and funds whose uses are restricted by debt covenants; prior contract; or legal, regulatory or other constraints.

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

- The primary objectives, in priority order, of investment activities shall be safety, liquidity and yield.
- Where possible, funds may be invested for the betterment of the local economy or that of local entities with the State.
- The following are the investment types permitted by this policy.
 - Florida Local Government Surplus Funds Trust Fund
 - United States Government Securities
 - United States Government Agencies
 - Federal Instrumentalities (United

States Government sponsored agencies)

- Interest Bearing Time Deposit or Saving Accounts
- Commercial Paper
- Corporate Notes
- Bankers' Acceptances
- State and/or Local Government Taxable and/or Tax-Exempt Debt
- Repurchase Agreements
- Registered Investment Companies (Money Market Mutual Funds)
- Intergovernmental Investment Pool
- Derivatives and Reverse Repurchase – Investments in any derivative products or the use of reverse repurchase agreements are not permitted.

It is the policy of the City to diversify its investment portfolios. To eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all City funds shall be diversified by maturity, issuer, and class of security. Diversification strategies shall be determined and revised periodically by the Investment Committee, if present, and the Director of Finance for all funds subject to this Investment Policy.

FINANCIAL POLICIES – Continued

DEBT POLICY

One of the most important responsibilities of a City is to ensure that the needs of its citizens are met. The issuance of debt has historically provided governments with a major source of funding for capital needs. Because of the high cost of acquiring or replacing capital assets, governments are often not in a position to be able to accumulate enough cash from current receipts to pay for necessary improvements. Debt permits governments to acquire assets as needed rather than wait until a sufficient amount of cash has been accumulated to begin capital projects or improvements.

Debt issuance is subject to close public scrutiny, because it involves raising large amounts of money, which obligate future generations of taxpayers. The decision to issue debt has far-reaching consequences by committing the city's revenues for future periods, and hence, limiting the city's flexibility in responding to changing service priorities, revenue inflows, or cost structures. The debt issuance process is complex; therefore, it is important that city officials recognize the need to understand and formalize a process in order to make informed and objective judgments with respect to the many decisions that are necessary to successfully complete a debt transaction.

The foundation of any well-managed debt program is a comprehensive debt policy. A debt policy sets forth the parameters for issuing and managing debt and provides guidance to decision-makers, helping to ensure that debt is issued prudently and is affordable. A debt policy recognizes a long-term binding commitment to full and timely repayment of all debt as an intrinsic requirement for entry into the capital markets. Adherence to a debt policy helps to ensure that the city maintains a sound debt

position and that its credit quality is protected. A debt policy is beneficial because it enhances the quality of decisions, rationalizes the decision-making process, identifies objectives to be implemented, and demonstrates a commitment to long-term financial planning objectives. A consistently applied debt policy provides evidence to the rating agencies of a community's commitment to sound financial management and controlled borrowing practices. As such, it is regarded positively in evaluating a city's creditworthiness.

It is important that the debt policy be reviewed and updated on a regular basis to insure the use of the city's resources to meet its commitment to provide needed services to its citizens and to maintain sound financial management practices. (Ord. No. 26-02, § 1, 12-6-2002)

The City of Deltona Debt Policy is intended to establish a framework for debt issuance and to provide general direction in the planning, implementation and maintenance of the city's debt program. The debt policy is designed to:

1. Promote attainment of financial, planning and management objectives;
2. Take a comprehensive approach to affordability;
3. Reflect the community attitudes and government philosophy; and
4. Set limits but preserve flexibility.

The debt policy will provide guidance to city officials on how to integrate the issuance of debt with other long-term planning, financial and management objectives; evaluate the impact of each issue on the city's overall financial position; and provide guidance as not to exceed acceptable levels of indebtedness.

City of Deltona, Florida

FINANCIAL POLICIES – Continued

DEBT POLICY – Continued

While the debt policy establishes a framework for debt issuance, it is written to be sufficiently flexible to permit the city to take advantage of market opportunities and to respond to changing conditions without jeopardizing essential public services. (Ord. No. 26-02, § 1, 12-6-2002)

Purpose for which debt can be issued.

The city will consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) with a useful life of at least five years. The city normally will rely on internally generated funds and/or grants and contributions from other governments to finance its capital needs. Debt will be issued for a capital project only in the case of emergency or when it is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries. Debt shall not, in general, be used for projects solely because insufficient funds are budgeted at the time of acquisition or construction. (Ord. No. 26-02, § 1, 12-6-2002)

Moral obligation pledges.

Recognizing that a city's potential can be measured by the service delivery of its infrastructure. It is the responsibility of the city's officials to:

1. Recognize the city's limited inventory of pledgeable revenues and the need to manage the use/commitment of these revenues as the consumption of a scarce resource;
2. Maintain the current systems, structures and facilities and their service delivery potential and to add building blocks (additions, modifications and expansion) as needed;
3. Ensure that decision making with regard

to city debt will focus on the need to measure interperiod equity between fiscal years and generations of taxpayers, users and other beneficiaries. Take actions to ensure the fair distribution of costs between periods while equally striving to maintain future flexibility to address unanticipated capital requirements;

4. Employ the use of debt to complement, and not in lieu of significant recurring commitments of annual appropriations for capital purposes;
5. Act as fiduciaries, for their time as responsible officials, to ensure that each transfers to their successors a city in at least as good of shape (financial, physical, service delivery potential, etc.) as they received from their predecessors; and
6. Maintain the city's sound financial position, reasonable reserves and positive debt posture and thereby enhance the city's flexibility and related ability to meet the challenges of its future generations. (Ord. No. 26-02, § 1, 12-6-2002)

Categorization of debt.

1. *Self-supporting debt.* To be considered self-supporting, a propriety or governmental debt program will:
 - A. Be payable exclusively from non-general fund revenues; and
 - B. In the case of governmental debt, be secured by a revenue source which has been in effect for at least three years, and would have provided coverage of at least 110 percent of the average annual debt service on such obligations; or if the revenue source has not been in existence for

City of Deltona, Florida

FINANCIAL POLICIES – Continued

DEBT POLICY – Continued

at least three years, be secured by a revenue source that would have provided coverage of at least 125 percent of the average annual debt service on such obligation for at least the last full fiscal year preceding the issuance of such obligations and is projected to provide at least 125 percent debt service coverage for each of the next two years;

- C. In the case of proprietary fund debt or special assessment debt, be secured by a revenue source which would provide a coverage in each fiscal year of at least 110 percent of the annual debt service in such fiscal year.
- D. It is anticipated through financial forecasts that no interfund contributions from the general fund, without commission approval or consent, to the specific proprietary or governmental fund will be required to make up an operating short fall.

For purposes of calculating the coverage requirements, historical and projected receipts of a particular revenue source will be adjusted retroactively to the initial date of the calculation period to reflect changes in rates or levies enacted.

- 2. *Non self-supporting*. Includes all debt of the city that does not meet the definition of self-supporting debt. (Ord. No. 26-02, § 1, 12-6-2002)

Debt limitations.

- 1. *Self-supporting debt*. For the city to issue self-supporting governmental debt, revenues, as defined under the resolution authorizing the revenue bonds in question, shall be a minimum of 110

percent of the average annual debt service and 110 percent of the debt service for the year in which requirements are scheduled to be the greatest, but should be maintained at 125 percent of the maximum annual debt service for financial planning purposes. For proprietary debt, revenues shall be a minimum of 110 percent of the annual debt service in such fiscal year. Annual adjustments to the city's rate structures will be made as necessary to maintain the required coverage factors.

- 2. *Non self-supporting debt*. The city shall conduct an objective analysis as to the community's ability to assume and support additional debt service payments before the issuance of non-self supported debt. The city shall use an analytical approach for its determination. This process shall compare generally accepted standards of affordability to the current values for the city. These standards shall include debt per capita, debt as a percent of taxable value, debt service payments as a percent of current revenues and current expenditures, and the level of overlapping net debt of all local taxing jurisdictions. The process shall also examine the direct costs and benefits of the proposed expenditures. The decision on whether or not to assume new debt shall be based on the identified costs and benefits, the current conditions of the municipal bond market, and the city's ability to "afford" new debt as determined by the aforementioned standards. The city shall strive to achieve and/or maintain these standards at a low to moderate classification.
- 3. *Debt burden measures*. For the purposes of measuring the general government debt capacity, the city includes all non

FINANCIAL POLICIES – Continued

DEBT POLICY – Continued

self-supporting debt under the definition of general government debt. These are the programs whose expenditures for debt service are in direct competition with other general fund expenditures. Additionally, the city considers all tax-supported debt to include all non self-supporting debt, as well as the self-supporting governmental debt. This distinction recognizes that self-supporting proprietary programs should be measured by comparing the user rates of comparable governmental providers, and that such programs do not directly or indirectly place a burden on taxpayers in the form of increased taxes. As long as each system's user rates meet the needs of both operations and debt service, the debt program is not considered part of either the general government or tax-supported debt of the city.

4. *City commission commitments.*
 - A. Act with regard to self-supporting proprietary operations, when necessary, to increase rates to ensure that each operation maintains rate coverage (revenue to debt service ratios) as required by the higher of either city policy or related debt covenants.
 - B. Limit with regard to self-supporting governmental revenues, the level of annual debt service as a percentage of available annual revenues to ensure a reasonable ability to address recurring operations and maintenance and/or capital requirement on a pay-as-you-go basis.
 - C. Establish with regard to all non self-supporting debt, debt limits to ensure current and future flexibility.

Types of debt permitted and the criteria for issuance.

1. *Short term debt.* Current revenues and/or working capital reserves are expected to cover the expenses associated with the day-to-day operations of the city. However, short-term obligations may be issued to finance projects or portions of projects for which the city ultimately intends to issue long-term debt. It can be used to provide interim financing which will be refunded with the proceeds of long-term obligations. Interim financing may be appropriate when long-term interest rates are expected to decline in the future. In addition, some forms of short-term obligations can be obtained quicker than long term obligations and thus can be used in emergencies until long-term financing can be obtained.

The city will conduct an analysis of the cost differential of issuing short-term debt to provide for immediate needs versus long-term debt to cover both immediate and future needs taking into account the carrying costs of long term financing which does not have an immediate use.

2. *Long term debt.* The city will consider the issuance of long-term debt under the following conditions:
 - A. One time capital projects or capital improvement projects, when the project is included in the city's capital improvement program and appropriated in the budget.
 - B. An unusual equipment purchase for which it is determined to be economically beneficial for the city to purchase through financing.

FINANCIAL POLICIES – Continued

DEBT POLICY – Continued

- C. When a project is not included in the city's capital improvement plan, but it is an emerging critical need whose timing was not anticipated or it is a project mandated immediately by state or federal requirements. An analysis of the project's impact on the city's capital improvement plan and future budget forecasts will be presented at the time of approval.
- D. To finance the acquisition or implementation of a self-supporting proprietary or governmental program/activity.
- 3. *General obligation bonds.* When determined to be the most appropriate method of debt issuance, the city will seek approval through voter referendum to issue general obligation bonds. General obligation bonds are either backed by the full faith and credit of the city, with a pledge to levy the necessary ad valorem tax rate to meet the debt service requirements; or of a limited nature were the voters approve a specified millage rate to pledge.
- 4. *Revenue debt.* As part of the city's financing activities, specific general fund revenue sources may be identified to pledge for repayment of revenue debt. Before such general fund commitments are made, specific policy goals and objectives that determine the nature and type of projects qualifying for such support and specific limitations to be placed on the maximum amount of general fund resources pledged to such projects shall be developed. The finance director shall be responsible for coordinating the development of such policies and goals, which shall not take effect until approved by the city

Commission.

Recognizing the limited capacity of the city's general fund to support both ongoing operating programs and secure debt obligations, use of the general fund to secure such obligations must be approved after careful review of financial forecasts. Key factors that will be considered in determining whether or not the general fund should be used to secure a particular debt obligation will include the following:

- A. Demonstration of underlying self-support, thus limiting potential general fund financial exposure.
- B. Use of general fund support as a transition to a fully stand alone credit structure, where interim use of general fund credit support reduces borrowing costs and provides a credit history for new or hard to establish credits.
- C. General fund support is determined by the city commission to be in the city's overall best interest.

The city will finance the capital needs of its revenue producing proprietary activities through the issuance of revenue-secured debt obligations. Prior to approval of such debt, the city commission will evaluate financial plans and projections showing the feasibility of the planned financing, required rates and charges needed to support the planned financing, and the impact of the planned financing on ratepayers, property owners, city revenues, and other affected parties. The amount of the debt obligations issued by a city will be limited by the feasibility of the overall financing plan on the proprietary activity.

City of Deltona, Florida

FINANCIAL POLICIES – Continued

DEBT POLICY – Continued

5. *Variable rate debt.* The city may choose to issue securities that pay a rate of interest that varies according to pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending on market conditions.
 6. *Leasing.* When found to be advantageous, the city may lease equipment and facilities rather than purchase them outright. Leasing may be appropriate for assets that will be needed for only a short period of time, or which are subject to rapid technological obsolescence. Leasing may also be determined to be appropriate for procuring assets that are too expensive to fund with current receipts in any one year, but with useful lives to short to finance with long-term debt. The decision to lease will be supported by an analysis of lease vs. purchase.
 7. *Conduit debt.* Conduit debt are securities issued by a government agency to finance a project of a third party, such as a non-profit organization or other private entity. The city may sponsor conduit debt for those activities (e.g., economic development, housing) that have a general public purpose and are consistent with the city's overall service and policy objectives. Unless a compelling public policy rationale exists, such conduit debt will not in any way pledge the city's faith and credit.
 8. *Taxable debt.* The cost of taxable debt is higher than tax exempt debt. The issuance of taxable debt is mandated in certain circumstances, and may allow valuable flexibility in subsequent contracts with users or managers of the improvement constructed with the debt proceeds. Therefore, the city may issue taxable obligations when determined to be the best method for the intended purpose.
2. *Bond anticipation notes.* Use of short-term borrowing, such as bond anticipation notes and tax-exempt commercial paper, will be undertaken only if the transaction costs plus interest of the debt are less than the cost of internal financing, or available cash is insufficient to meet working capital requirements.
 2. *Interfund borrowing.* Interfund borrowing will be considered to finance high priority needs on a case-by-case basis, only when planned expenditures in the fund making the loan would not be affected. Interfund borrowing may be used when it would reduce costs of interest, debt issuance, and/or administration.
 2. *Other borrowing facilities.* The city may maintain or procure a special facility that will allow for borrowing on short notice, either in the form of short-term or long-term notes, for small amounts not economical to finance through a regular bond issuance. The facility can be used as an interim financing mechanism when cost effective. (Ord. No. 26-02, § 1, 12-6-2002)

Structural feature that may be considered.

Debt will be structured to achieve the lowest possible net cost to the city given market conditions, the urgency of the capital project, and the nature and type of security provided. Moreover, to the extent possible, the city will design the repayment of its overall debt so as to recapture rapidly its credit capacity for future use. In general,

City of Deltona, Florida

FINANCIAL POLICIES – Continued

DEBT POLICY – Continued

there shall be no debt structures that include increasing debt service levels in subsequent years, with the exception of the first and second year. There shall be no "balloon" bond repayment schedules that consist of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest paid in the first fiscal year after the bond issue.

1. *Backloading.* The city will seek to structure debt with level principal and interest costs-over the life of the debt. Backloading of costs will only be considered in rare circumstances as follows:

- A. When natural disasters or extraordinary/unanticipated external factors make the short-term cost of the debt prohibitive;
- B. When the benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present;
- C. When such structuring is beneficial to the city's overall amortization schedule; or
- D. When such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.

2. *Call provisions.* The city seeks to minimize the protection from optional redemption given to bondholders, consistent with its desire to obtain the lowest possible interest rate on its debt. The city seeks early call options at low or no premiums to allow for refinancing of debt at greater interest savings, provided there is no interest rate penalty for early call. The city shall obtain

advice from its financial advisor in the evaluation of optional call provisions for each issue to assure that the city does not pay unacceptably higher interest rates to obtain more advantageous call provisions.

3. *Maturity of debt.* Debt will be structured for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users. Generally, debt maturity should be of a duration that does not exceed the economic life of the asset or improvement that it finances and where feasible should be shorter than the projected economic life, as extended by periodic renewal and component replacement.

4. *Credit enhancements.* Credit enhancements are mechanisms that guarantee principal and interest payments. They include bond insurance, a line of credit or letter of credit. A credit enhancement, while costly, can result in a lower interest rate on debt and a higher rating from the rating agencies, thus lowering overall costs. During debt issuance planning, the city's financial advisor will advise whether or not a credit enhancement is cost effective under the circumstances and what type of credit enhancement if any, should be purchased. Credit enhancements may be used, but only when net debt service on the bonds is reduced by more than the costs of the enhancement.

5. *Subordinate lien obligations.* Creation of subordinate lien financing structure, if appropriate, shall be based on the overall financing needs of the city, expected credit ratings, relative cost, and impact to the city.

FINANCIAL POLICIES – Continued

DEBT POLICY – Continued

6. *Derivatives.* Although not anticipated, the city may choose to employ the use of derivative products that are authorized under applicable laws and are deemed financially prudent. Derivatives are contracts and financing agreements involving interest rate swaps, floating/fixed rate auction or reset securities, or other forms of debt bearing synthetically determined interest rates. The use of derivatives can minimize risk, reduce cost and provide flexibility, however they may also add risk, restrict flexibility and add cost.

Before entering into such contracts or agreements, a review committee consisting of at a minimum the city manager, finance director and the city's financial advisor shall be formed to review the risks and benefits of such financing techniques and expected impacts on the city's long-term financial operations and credit ratings. The committee's findings will be presented in a written report to the city commission for consideration. (Ord. No. 26-02, § 1, 12-6-2002)

Credit objectives.

The city seeks to hold the highest possible credit ratings that can be achieved without compromising delivery of basic city services and achievement of city policy objectives. The city recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. Nevertheless, the city is committed to ensuring that actions within its control are financially prudent.

Full disclosure of operations and open lines of communication shall be made to the rating agencies. City staff, with assistance of the city's financial advisor, will prepare the

necessary information for presentation to the rating agencies. Credit rating will be sought from Moody's, Standard & Poor's and/or Fitch, as recommended by the city's financial advisor. (Ord. No. 26-02, § 1, 12-6-2002)

Methods of sale.

The city will select a method of sale that is the most appropriate in light of financial, market, transaction-specific and issuer-related conditions. When a sale is not competitively bid, the city will publicly present the reasons and will participate with the financial advisor in the selection of the underwriter or direct purchaser.

1. *Competitive sale.* The city, as a matter of policy, shall seek to issue its debt obligations in a competitive sale unless it is determined that this method would not produce the best results for the city. The city with assistance by its financial advisor will set the terms of the sale as to encourage as many bidders as possible. In such instances where the city, in a competitive bidding for its debt securities, deems the bids received as unsatisfactory or does not receive bids, it may, at the election of the city commission, enter into negotiation for sale of the securities.

2. *Negotiated sale.* When certain conditions favorable for a competitive sale do not exist and/or when a negotiated sale will provide significant benefits to the city that would not be achieved through a competitive sale, the city may elect to sell its debt obligations through a negotiated sale. Such determination may be made on an issue by issue basis, for a series of issues, or for part or all of a specific financing program.

City of Deltona, Florida

FINANCIAL POLICIES – Continued

DEBT POLICY – Continued

3. *Private placement.* When determined to be beneficial and appropriate, the city may elect to sell its debt obligations through a private placement or limited public offering. (Ord. No. 26-02, § 1, 12-6-2002)

Selection of professionals.

The city will employ outside specialists to assist in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors. When selecting a financing team the city will focus on professionals that have the necessary expertise to represent its interests and to successfully market its bonds. The city will retain professionals under procedures outlined in the city's procurement policies and procedures. The city will hire professionals with an understanding of the city's needs, experience with similar types of securities, knowledge of beneficial approaches to debt financing, an understanding of innovative debt financing methods which can reduce costs or provide greater flexibility, and an ability to complete the transaction in a timely manner without undue burden to the city.

1. *Financial advisor.* The city will seek the advice of a financial advisor as needed. The financial advisor will advise on the structuring of obligations to be issued, inform the city of various options, advise the city as to how choices will impact the marketability of the city obligations and will provide other services as defined. To ensure independence, the financial advisor will not bid on nor underwrite any city debt issues.
2. *Bond counsel.* The city will retain external bond counsel for all debt issues. All debt issued by the city will include a written opinion by bond counsel

affirming that the city is authorized to issue the debt, stating that the city has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status.

4. *Underwriters.* Underwriters will be required to demonstrate sufficient capitalization and experience related to debt issuance. (Ord. No. 26-02, § 1, 12-6-2002)

Refunding of debt.

Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered if and when a net economic benefit is produced or the refunding is required in order to modernize debt covenants essential to operations and management.

Advance refunding for economic savings will be undertaken when a targeted net present value savings of at least five percent can be achieved or when a lower percentage is found to be in the best monetary interest of the city. Current refundings, which produce net present value savings, of less than five percent will be considered on a case-by-case basis. Refunding with negative savings will not be considered unless there is a compelling public policy objective.

The city may choose to refund outstanding indebtedness when debt covenants or other financial structures impinge on prudent and sound financial management. Savings requirements for current or advance refunding undertaken to restructure debt may be waived by the city commission upon a finding that such a restructuring is in the city's overall best financial interests. (Ord. No. 26-02, § 1, 12-6-2002)

City of Deltona, Florida

FINANCIAL POLICIES – Continued

DEBT POLICY – Continued

Debt defeasance.

The city may defease its debt by irrevocably placing cash or other assets in a trust to be used solely for satisfying scheduled payments of both the interest and principal of the defeased debt. In this situation, the trust is restricted to owning only monetary assets that are essentially risk free as to the amount, timing and collection of interest and principal. Additionally, the city may choose to defease its outstanding indebtedness through purchases of its securities on the open market when market conditions make such an option financially feasible. The city will develop procedures for executing and bidding open market purchases and the savings objectives to be achieved by undertaking such actions. (Ord. No. 26-02, § 1, 12-6-2002)

Disclosure practices.

The city is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The city is committed to meeting all disclosure requirements on a timely and comprehensive basis and will contract for the provision of such disclosure information when necessary.

Official statements, comprehensive annual financial reports, and continuous disclosure statements will meet at a minimum, the standards articulated by the Municipal Standards Rulemaking Board (MSRB), the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, the Securities and Exchange Commission (SEC), and Generally Accepted Accounting Principles (GAAP). The city's finance director shall be

responsible for ongoing disclosure to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies. (Ord. No. 26-02, § 1, 12-6-2002)

Compliance with federal tax law provisions.

Federal arbitrage regulations were put into place for two primary reasons: (1) to ensure that the proceeds of tax-exempt financing are not solely being used to make investment in higher-yielding taxable securities, and (2) to ensure that the bond proceeds are spent in an expeditious manner. In compliance with the spirit of this legislation, the city will not issue obligations except for identifiable projects with a prospect of timely initiation. The city's finance director is responsible for ensuring that a system of record keeping and reporting is maintained to meet the arbitrage rebate requirements of the federal tax code.

The city's finance director will monitor compliance with debt covenants and adherence to federal regulations. Any instances of noncompliance will be reported by the city manager to the city commission. (Ord. No. 26-02, § 1, 12-6-2002)

Integration of capital planning and debt financing activities.

1. *Capital planning and financing system.*
The city shall develop and maintain a capital planning and financing system for use in preparing a five-year capital improvement plan for consideration and adoption by the city commission as part of the city's annual budget process. Individual departments shall prepare multi-year capital plans for coordination and integration into the preparation of the citywide capital improvement plan.

City of Deltona, Florida

FINANCIAL POLICIES – Continued

DEBT POLICY – Continued

The plan shall contain a comprehensive description of the sources of funds and the timing of capital projects for future operating and capital budgets, effect of the projects on future debt requirements, debt outstanding, and debt service. The plan should demonstrate the impact on future debt burdens and current and future revenue requirements. The plan shall analyze the conformance of planned debt financing with policy targets regarding (1) the magnitude and composition of the city's indebtedness, and (2) the economic and fiscal resources of the city to bear such indebtedness over the next five years.

2. *Funding of the capital improvement program.* Whenever possible, the city will first attempt to fund capital projects with grants or developer contributions. When such funds are insufficient, the city will use dedicated revenues such as impact fees or other restricted use revenues. If these are not available, the city will use general revenues, surplus and bond financing. The city is guided by three principles in selecting a funding source for capital improvements: equity, effectiveness and efficiency

A. Equity. When appropriate, the beneficiaries of a project or service will pay for it. For example, if a project is a general function of government that benefits the entire community, the project could be funded from general tax revenues directly or through debt service. If the project benefits specific users the source of funding will be derived through user fees/charges or targeted assessments.

B. Effectiveness. In selection of financing sources for projects, the city will select one or more that effectively fund the total cost of the project.

C. Efficiency. If grants or current revenues are not available to fund a project, the city will select a financing technique that provides for the lowest total cost consistent with acceptable risk factors and principles of equity and effectiveness.

3. *Maintenance, replacement and renewal.* Consistent with the city's philosophy of keeping its capital facilities and infrastructure systems in good repair and to maximize the useful life of its capital assets, the city intends to set aside current revenues to finance ongoing maintenance needs and to provide periodic replacement and renewal. (Ord. No. 26-02, § 1, 12-6-2002)

Investment of debt proceeds.

Debt proceeds will be invested primarily to assure the safety and liquidity of such investments, and secondarily, to maximize investment yield. The primary goal of liquidity is to ensure that proceeds will be available to fulfill the purposes of the issue on a timely basis. Debt covenants will specifically address investment guidelines for debt proceeds. (Ord. No. 26-02, § 1, 12-6-2002)

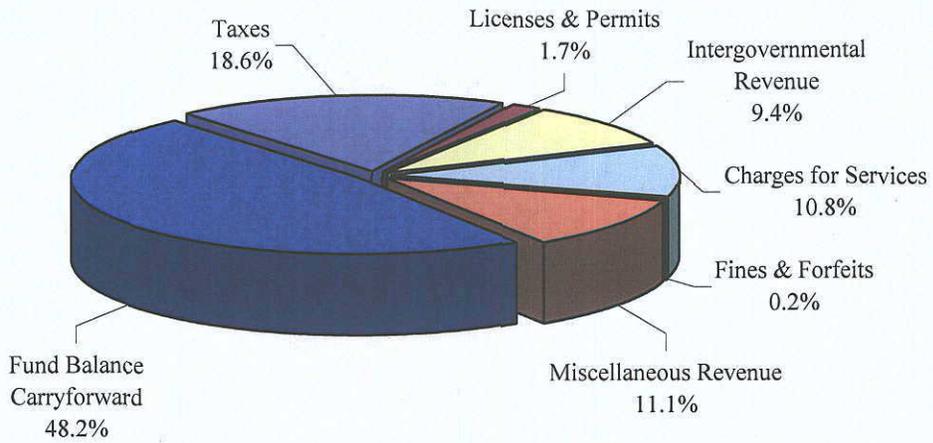
City of Deltona, Florida

BUDGET SUMMARY - ALL FUNDS

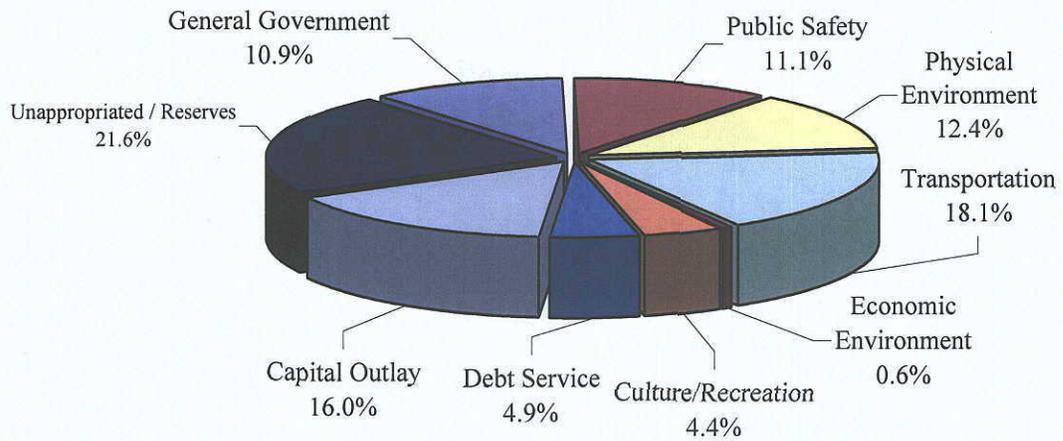
<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Enterprise Fund</u>	<u>Other Fund Types</u>	<u>Total</u>
SOURCES					
Taxes	\$ 23,213,000	\$ -	\$ -	\$ -	\$ 23,213,000
Licenses & Permits	2,179,000	-	-	-	2,179,000
Intergovernmental Revenue	7,393,000	3,827,513	-	470,500	11,691,013
Charges for Services	170,000	-	13,262,600	-	13,432,600
Fines & Forfeits	280,000	-	-	-	280,000
Miscellaneous Revenue	<u>1,356,250</u>	<u>9,974,065</u>	<u>2,422,080</u>	<u>83,000</u>	<u>13,835,395</u>
<i>Revenues</i>	34,591,250	13,801,578	15,684,680	553,500	64,631,008
Transfers In	-	-	-	6,921,000	6,921,000
Fund Balance Carryforward	<u>12,439,518</u>	<u>27,074,079</u>	<u>17,467,000</u>	<u>3,140,098</u>	<u>60,120,695</u>
TOTAL SOURCES	\$ 47,030,768	\$ 40,875,657	\$ 33,151,680	\$ 10,614,598	\$ 131,672,703
USES					
General Government	\$ 13,589,100	\$ -	\$ -	\$ -	\$ 13,589,100
Public Safety	13,838,200	-	-	-	13,838,200
Physical Environment	-	7,829,000	7,588,780	-	15,417,780
Transportation	3,580,000	18,949,117	-	-	22,529,117
Economic Environment	-	807,357	-	-	807,357
Culture/Recreation	2,655,200	30,156	-	2,825,000	5,510,356
Debt Service	-	1,456,976	4,707,125	-	6,164,101
Capital Outlay	<u>-</u>	<u>-</u>	<u>14,655,750</u>	<u>5,264,600</u>	<u>19,920,350</u>
<i>Appropriations</i>	33,662,500	29,072,606	26,951,655	8,089,600	97,776,361
Transfers Out	5,766,000	1,155,000	-	-	6,921,000
Fund Balance	<u>7,602,268</u>	<u>10,648,051</u>	<u>6,200,025</u>	<u>2,524,998</u>	<u>26,975,342</u>
TOTAL USES	\$ 47,030,768	\$ 40,875,657	\$ 33,151,680	\$ 10,614,598	\$ 131,672,703

City of Deltona, Florida

BUDGET SUMMARY - ALL FUNDS SOURCES
Excluding Interfund Transfers
\$124,751,703



BUDGET SUMMARY - ALL FUNDS TOTAL USES
Excluding Interfund Transfers
\$124,751,703



City of Deltona, Florida

BUDGET SUMMARY - ALL FUNDS

Trend Analysis - Revenues By Source

Description	Actual	Actual	Estimated	Budget	Budget
	FY 03/04	FY 04/05	FY 05/06	FY 05/06	FY 06/07
<u>SOURCES</u>					
Taxes	\$ 16,561,761	\$ 18,437,474	\$ 20,164,308	\$ 18,919,885	\$ 23,213,000
Licenses & Permits	2,274,895	2,420,692	2,870,290	2,080,000	2,179,000
Intergovernmental Revenue	8,755,337	18,361,028	10,661,099	10,287,480	11,691,013
Charges for Services	10,743,090	13,346,604	13,121,196	12,684,200	13,432,600
Fines & Forfeits	258,376	234,347	278,000	165,000	280,000
Miscellaneous Revenue	7,850,798	12,268,442	30,255,673	10,210,108	13,835,395
<i>Revenues</i>	46,444,256	65,068,587	77,350,566	54,346,673	64,631,008
Transfers In	5,911,000	5,231,887	4,354,988	4,604,988	6,921,000
Fund Balance Carryforward	40,016,993	37,883,673	47,674,369	55,638,213	60,120,695
TOTAL SOURCES	\$ 92,372,249	\$ 108,184,147	\$ 129,379,923	\$ 114,589,874	\$ 131,672,703

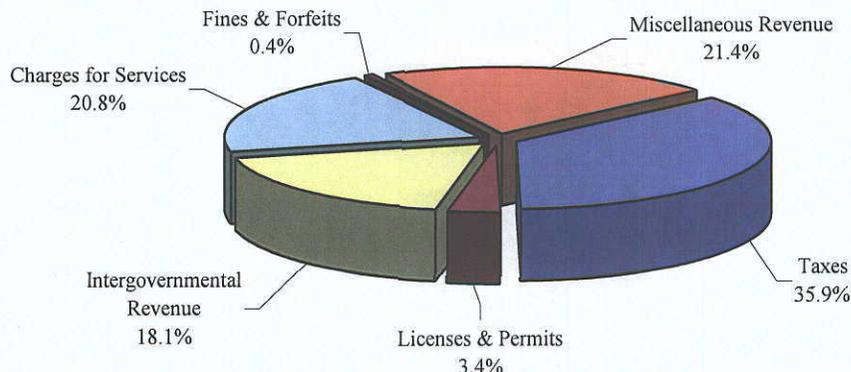
Budget FY 06/07 Compared to FY 05/06

<u>SOURCES</u>	<u>Budget</u>	<u>Estimated</u>
Taxes	22.7%	15.1%
Licenses & Permits	4.8%	-24.1%
Intergovernmental Revenue	13.6%	9.7%
Charges for Services	5.9%	2.4%
Fines & Forfeits	69.7%	0.7%
Miscellaneous Revenue	35.5%	-54.3%
<i>Revenues</i>	<u>18.9%</u>	<u>-16.4%</u>

REVENUES BY SOURCE

TOTAL: \$64,631,008

(Excluding Interfund Transfers)



City of Deltona, Florida

BUDGET SUMMARY - ALL FUNDS

Trend Analysis - Expenditures By Function

<u>Description</u>	<u>Actual</u> <u>FY 03/04</u>	<u>Actual</u> <u>FY 04/05</u>	<u>Estimated</u> <u>Actual</u> <u>FY 05/06</u>	<u>Budget</u> <u>FY 05/06</u>	<u>Budget</u> <u>FY 06/07</u>
USES					
General Government	\$ 5,685,006	\$ 6,745,595	\$ 7,454,226	\$ 7,827,456	\$ 13,589,100
Public Safety	10,716,441	11,597,717	12,601,700	12,839,874	13,838,200
Physical Environment	11,811,372	13,759,473	14,089,564	14,198,813	15,417,780
Transportation	11,406,831	10,829,178	6,425,638	5,654,888	22,529,117
Economic Environment	166,547	727,551	671,772	671,772	807,357
Culture/Recreation	2,855,826	2,621,909	3,360,443	3,117,902	5,510,356
Debt Service	4,070,531	4,535,125	4,622,125	4,535,125	6,164,101
Capital Outlay	1,865,022	4,461,344	15,688,772	24,390,309	19,920,350
<i>Appropriations</i>	48,577,576	55,277,891	64,914,240	73,236,139	97,776,361
Transfers Out	5,911,000	5,231,887	4,344,988	4,604,988	6,921,000
Unappropriated / Reserves	37,883,673	47,674,369	60,120,695	36,748,747	26,975,342
TOTAL USES	\$ 92,372,249	\$ 108,184,147	\$ 129,379,923	\$ 114,589,874	\$ 131,672,703

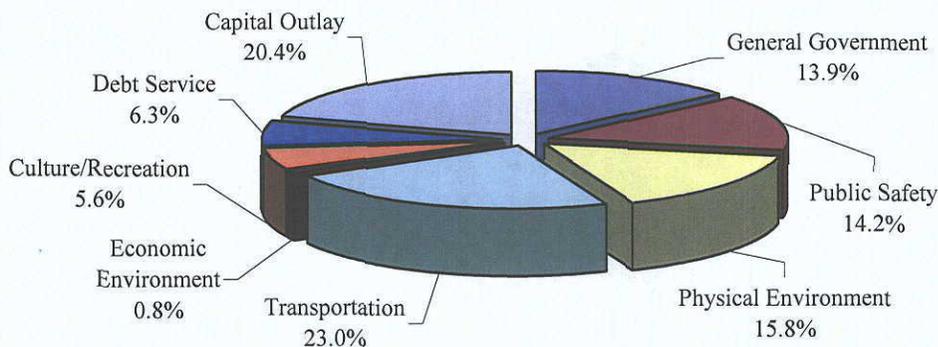
Budget FY 06/07 Compared to FY 05/06

<u>USES</u>	<u>Budget</u>	<u>Estimated</u>
General Government	73.6%	82.3%
Public Safety	7.8%	9.8%
Physical Environment	8.6%	9.4%
Transportation	298.4%	250.6%
Economic Environment	20.2%	20.2%
Culture/Recreation	76.7%	64.0%
Debt Service	35.9%	33.4%
Capital Outlay	-18.3%	27.0%
<i>Appropriations</i>	<u>33.5%</u>	<u>50.6%</u>

EXPENDITURES BY FUNCTION

TOTAL: \$97,776,361

(Excluding Interfund Transfers)



City of Deltona, Florida

BUDGET SUMMARY - ALL FUNDS

Fund Balance Reconciliation

	General Fund	Stormwater Utility	Solid Waste Management	Local Option Gas Tax	Fire/Rescue Impact Fees
<i>Actual As of 09/30/05</i>	\$ 9,701,200	\$ 1,287,319	\$ 376,871	\$ 5,723,024	\$ 36,779
<u>Estimated Actuals FY06:</u>					
Revenues	32,352,587	2,416,994	3,863,682	21,429,670	142,100
Expenditures	(25,859,281)	(2,934,900)	(3,992,150)	(2,679,681)	-
Transfers	(3,754,988)	318,988	-	300,000	(140,000)
Net Change	2,738,318	(198,918)	(128,468)	19,049,989	2,100
<i>Estimated As of 09/30/06</i>	<u>\$ 12,439,518</u>	<u>\$ 1,088,401</u>	<u>\$ 248,403</u>	<u>\$ 24,773,013</u>	<u>\$ 38,879</u>
<u>Budget FY07:</u>					
Revenues	34,591,250	2,634,900	4,099,000	3,885,000	179,000
Expenditures	(33,662,500)	(3,166,100)	(4,170,400)	(19,935,828)	-
Transfers	(5,766,000)	-	-	-	(177,000)
Net Change	(4,837,250)	(531,200)	(71,400)	(16,050,828)	2,000
<i>Estimated As of 09/30/07</i>	<u>\$ 7,602,268</u>	<u>\$ 557,201</u>	<u>\$ 177,003</u>	<u>\$ 8,722,185</u>	<u>\$ 40,879</u>

Fund Balance Reconciliation

	Park Impact Fees	Grant Fund	Streetlighting Districts	Tree Replacement	Law Enforcement Impact Fees
<i>Actual As of 09/30/05</i>	\$ 149,640	\$ -	\$ 5,616	\$ 243,984	\$ -
<u>Estimated Actuals FY06:</u>					
Revenues	522,500	1,133,680	94,923	177,000	-
Expenditures	-	(1,133,680)	(108,280)	-	-
Transfers	(450,000)	-	-	290,000	-
Net Change	72,500	-	(13,357)	467,000	-
<i>Estimated As of 09/30/06</i>	<u>\$ 222,140</u>	<u>\$ -</u>	<u>\$ (7,741)</u>	<u>\$ 710,984</u>	<u>\$ -</u>
<u>Budget FY07:</u>					
Revenues	891,400	1,279,513	100,765	225,000	96,000
Expenditures	-	(1,279,513)	(109,765)	-	-
Transfers	(882,000)	-	-	-	(96,000)
Net Change	9,400	-	(9,000)	225,000	-
<i>Estimated As of 09/30/07</i>	<u>\$ 231,540</u>	<u>\$ -</u>	<u>\$ (16,741)</u>	<u>\$ 935,984</u>	<u>\$ -</u>

City of Deltona, Florida

BUDGET SUMMARY - ALL FUNDS

Fund Balance Reconciliation

	Sidewalk Fees	Env. Improvements Trust Fund	Water/Sewer Utility	Water/Sewer Construction
<i>Actual As of 09/30/05</i>	\$ -	\$ -	\$ 4,304,000	\$ 20,333,000
<u>Estimated Actuals FY06:</u>				
Revenues	-	-	13,358,000	1,442,000
Expenditures	-	-	(12,684,000)	(9,286,000)
Transfers	-	-	-	-
Net Change	-	-	674,000	(7,844,000)
 <i>Estimated As of 09/30/06</i>	 \$ -	 \$ -	 \$ 4,978,000	 \$ 12,489,000
<u>Budget FY07:</u>				
Revenues	360,500	50,500	13,752,680	1,932,000
Expenditures	(360,500)	(50,500)	(14,375,655)	(12,576,000)
Transfers	-	-	-	-
Net Change	-	-	(622,975)	(10,644,000)
 <i>Estimated As of 09/30/07</i>	 \$ -	 \$ -	 \$ 4,355,025	 \$ 1,845,000

Fund Balance Reconciliation

	Municipal Complex(s)	Capital Equipment	Park Projects	Total Fund Balance
<i>Actual As of 09/30/05</i>	\$ 2,905,589	\$ 1,706,312	\$ 901,035	\$ 47,674,369
<u>Estimated Actuals FY06:</u>				
Revenues	100,000	60,000	257,430	77,350,566
Expenditures	(3,290,127)	(1,763,284)	(1,182,857)	(64,914,240)
Transfers	1,650,000	1,346,000	450,000	10,000
Net Change	(1,540,127)	(357,284)	(475,427)	12,446,326
 <i>Estimated As of 09/30/06</i>	 \$ 1,365,462	 \$ 1,349,028	 \$ 425,608	 \$ 60,120,695
<u>Budget FY07:</u>				
Revenues	27,000	26,000	500,500	64,631,008
Expenditures	(3,800,000)	(1,464,600)	(2,825,000)	(97,776,361)
Transfers	2,523,000	1,266,000	3,132,000	-
Net Change	(1,250,000)	(172,600)	807,500	(33,145,353)
 <i>Estimated As of 09/30/07</i>	 \$ 115,462	 \$ 1,176,428	 \$ 1,233,108	 \$ 26,975,342

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City of Deltona, Florida

FUND STRUCTURE

GENERAL DESCRIPTION

The City utilizes a fund structure as outlined in the accounting regulations that govern units of local government. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Funds are divided into various types according to the legal restrictions imposed upon them or the uses to which the funds may be placed. The following is the fund structure contained in the budget.

GOVERNMENTAL FUNDS

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and modified accrual basis of accounting. Accordingly, the reported fund balances provide an indicator of available, spendable or appropriable resources but may be reserved or designated for specific purposes. Following are the City's governmental funds.

GENERAL FUND

The **General Fund** is the City's primary operating fund. This fund accounts for all financial resources, except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific

purposes. The following funds are included:

- Stormwater Utility
- Solid Waste Management
- Local Option Gas Tax
- Fire/Rescue Impact Fees
- Park Impact Fees
- Grant Funds
 - Community Development Block Grant (CDBG)
 - State Housing Initiatives Partnership Fund (SHIP)
- Streetlighting Districts
- Tree Replacement Fees
- Law Enforcement Impact Fees
- Sidewalk Fees
- Environment Improvements Trust

CAPITAL PROJECTS FUNDS

The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of capital facilities and equipment. The following funds are included:

- Municipal Complex(es) Fund
- Park Projects Fund
- Capital Equipment Fund

ENTERPRISE FUNDS

The **Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City's Enterprise Fund is used to account for the water/sewer utility. The following funds are included:

- Water/Sewer Utility Operations
- Water/Sewer Utility Construction

City of Deltona, Florida

FUND STRUCTURE -Continued

DEPARTMENTS / DIVISIONS

The major City funds are budgeted and managed as combinations or organizational units known as Departments and Divisions. Departments consist of one or more Divisions and may include Divisions accounted for in more than one fund.

ACCOUNTS

For managerial control purposes, budgeted

expenditures of each Fund/Department/Division are further accounted for with the use of object codes (accounts). A list of object codes and sub-accounts is provided in the schedules section of this budget. The object codes and sub-accounts included on the listing used on each division summary of the budget are used only to illustrate the types of expenditures and facilitate reporting requirements and do not represent legally controlled budgetary accounts.

City of Deltona, Florida

CHANGE FROM PRIOR YEAR

The total FY 06/07 Budget for all city funds is \$131.7 million, an increase of \$36.1 million from the original FY 05/06 Budget.

The Enterprise Fund Budget for FY 06/07 is \$33.2 million, a decrease of \$3.4 million from the original FY 05/06 Budget. The General Fund, Special Revenue Funds and Other Fund Types Budgets for FY 06/07 total

\$98.5 million, a net increase of \$39.5 million from the original FY 05/06 Budget.

These increases are the result of many different smaller factors too numerous to list here. A detailed discussion of changes to revenues and expenditures from prior year budget is provided in the following sections.

PROPERTY TAXES

Ad valorem taxes (property taxes) comprise an important source of revenue for the City, generating approximately 26% of City revenues, excluding Enterprise Fund revenues. Including Enterprise Fund revenues, this percentage is approximately 19%. Revenues from property taxes are a function of both the property tax rate and the property's taxable value. The City Commission is empowered with establishing the property tax rate on an annual basis. The County Property Appraiser establishes the value of property throughout the county. The Property Appraiser has determined that the taxable value of all property within the City during the past year has increased by approximately 27.3% in value. New construction and annexations have added another \$153.6 million to the tax role, bringing the total taxable value to \$3.292 billion.

The chart "Historical Comparison of Taxable Property Value & Ad Valorem Rates" summarizes the history of the City's taxable valuation of property and applicable property tax rate. The net new value represents the valuation added in that year from new construction and is backed out of the current valuation to demonstrate the increase (decrease) in the valuation of existing property from year to year. The data is based on the final actual tax roll, except for fiscal

year 06/07 which is based on the preliminary tax roll since the final tax roll is not available until October.

For FY 06/07, the City has rolled back its property tax rate to 4.01451 mills. Historically, the City maintained its property tax rate at 4.198 mills, the rate set at incorporation on December 31, 1995, until the FY 05/06 when the City adopted a rate of 4.15 mills. This year's rolled-back rate totaled 3.25939 mills. This is the rate that would generate the same amount of revenue dollars if assessed on the previous year's property (which excludes new construction and annexations). The rolled-back rate represents the theoretical rate at which there is no tax increase per state law. However, the effect on individual property owners is dependent on the increase or decrease in valuation of their specific property.

The City has continued to provide for its qualified senior residents the additional \$25,000 senior tax exemption; in addition to the state mandated \$25,000 homestead exemption.

Historically, revenues actually received from property taxes have totaled approximately 96% of the actual levy. With this in mind, property tax revenues at the levied tax rate will generate approximately

City of Deltona, Florida

PROPERTY TAXES – Continued

\$12.7 million for fiscal year 06/07. The chart “Historical Comparison of Taxable Property Value & Ad Valorem Rates” shows the

millage rates levied as compared to the statutory rolled back rate for that year since FY 99/00.

OTHER REVENUE ISSUES

TAXES

Utility taxes and franchise fees generate approximately 21.5% of the City’s annual revenues, excluding Enterprise Fund revenues. Including Enterprise Fund revenues, this percentage drops to 16.3%. Subsequent to the enactment of the City’s utility franchise ordinance (January 2002) covering electric services provided by private companies within the City’s jurisdictional boundaries, the City has realized a growth in revenue from this source both as a percent of revenue and in actual dollars collected. The City now collects approximately \$3.4 million annually in electric franchise fee revenues. Other franchise agreements cover cable television, telecommunications and solid waste services.

The City has levied a public service tax on the purchase of electricity and metered or bottled gas (liquefied petroleum, manufactured and natural) at a rate of 10% of gross sales. This general revenue source has remained a steady source of income over the past three years and accounts for

approximately \$3.7 million annually.

The City has levied a public service tax on gross sales for applicable telecommunications services. Effective October 1, 2000, the levy for telecommunication services was switched from the statutory 10% option to the 7% broad based option that covers wireless as well as land line services. The switch resulted in an overall increase of 57%, with approximately 17% from growth and 40% from the new tax on wireless services. Effective October 1, 2001, the State of Florida began direct collection and remittance of all telecommunication tax revenue with the implementation of the Communications Services Tax Simplification Law. Under the new law, the rate of taxation for all services (telecommunications and cable) is a state assigned conversion rate of 6.72% in the first year (FY 01/02) and 6.22% thereafter (beginning fiscal year 02/03). This general revenue source now accounts for approximately \$3.1 million annually.

LICENSES & PERMITS

The City collects permit and inspection fees on all construction; planning fees for site review and approvals; a sidewalk fee at the option of the contractor or prospective homeowner (fee versus the contractor putting in a sidewalk for new residential construction); and a fee for the issuance of animal licenses. The City does not have an

occupational licensing program; however, per state statute, the City receives a portion of the revenue derived from the County’s occupational licenses issued within the City.

For FY 06/07, the City projects a slight increase in license and permit revenue of approximately 4.8% from prior year budget.

City of Deltona, Florida

OTHER REVENUE ISSUES – Continued

INTERGOVERNMENTAL REVENUE

Intergovernmental revenues represent “shared revenues” from the Federal, State and Local governments and account for 23.9% of the City’s annual incoming revenues, excluding Enterprise fund revenues and 18.1% including Enterprise fund revenues. Intergovernmental revenues include state revenue sharing, half-cent sales tax, local option gas tax, grants and other miscellaneous taxes and fees. These revenues have remained relatively stable in total over the previous three years with fluctuations being brought about primarily by grant revenues.

State revenue sharing is budgeted at \$2.4 million for fiscal year 06/07, representing about 4.9% of the City’s annual revenues, excluding Enterprise Fund revenues and about 3.7% including Enterprise Fund revenues. State revenue sharing was significantly restructured during the 2000 legislative session to substitute sales tax revenue for the two separate cigarette tax distributions previously allocated to municipalities. It has again been revisited in the 2003 legislative session under HB 113-A which effective July 1, 2004, changes the percentage of state sales tax transferred into the revenue Sharing Trust Fund for municipalities from 1.0715% to 1.3409%. The revision will effectively increase the municipal state revenue sharing proceeds, while reducing half-cent sales tax. The budgeted revenue is reflective of these revisions. Approximately 36% of the distribution is derived from municipal fuel tax and must be utilized for transportation

related expenditures (i.e. Public Works). An allocation formula, based on population, per capita spending and assessed value serves as the basis for the distribution of these revenues to each municipality that meets the eligibility requirements.

Half-cent sales tax collections are budgeted at \$4.5 million for FY 06/07 and account for approximately 9.1% of the City’s annual revenues excluding Enterprise Fund revenues and 6.9% including Enterprise Fund revenues. This program generates the largest amount of revenue for local governments among the state-shared revenue sources authorized by the legislature. The program distributes about 92% of the total sales tax proceeds to counties and municipalities that meet the eligibility requirements. Funds are distributed within the county per an allocation formula based on population, with the county receiving an extra 2/3rd share of incorporated area population. As stated previously, HB 113-A became law as adopted by the 2003 legislature which, effective July 1, 2004, will reduce the percentage of state sales tax transferred into the Local Governmental Half-cent Sales Tax Clearing Trust fund from 9.653% to 8.814%. Additionally, the amount transferred into the trust fund and distributed pursuant to Florida Statute 218.65 will increase from 0.065% to 0.095%. The budgeted revenue is reflective of these revisions.

City of Deltona, Florida

OTHER REVENUE ISSUES – Continued

Local option gas tax represents approximately 4.7% of the City's budgeted sources of funds excluding Enterprise Fund revenues and 3.6% including Enterprise Fund revenues. Local option gas tax revenues are derived from the levy of a 6-cent tax on every net gallon of motor and diesel fuel sold and a 5-cent tax on every net gallon of motor fuel sold within the county. The taxes are distributed based on an interlocal agreement with the county of Volusia. The City has established a special revenue fund to account for the proceeds of local option gas taxes budgeted at \$2.3 million. The fund clearly demonstrates the City's compliance with the state laws governing the use of these taxes.

For FY 06/07, the City's budget for intergovernmental revenues is \$11.7 million. This represents an increase of 13.6% of budget from the previous year. This increase is primarily a result of grant revenue fluctuations from year to year as well as the combined changes in other intergovernmental revenues. Local option gas tax revenue increased by 9.7% while revenue derived from state revenue sharing and half-cent sales tax has increased by 8.9% over previous year budget.

The City's budget reflects approximately 96% of the state's estimates on these revenue sources.

CHARGES FOR SERVICES

This revenue source currently accounts for a total of 20.8% of City revenues. The water/sewer utility is accounted for in the Enterprise Fund and Charges for Services for that fund are budgeted in FY 06/07 at \$13.3 million or 20.5% of City revenues. The remaining 0.3% of this revenue source

is from the collection of park facility rental fees and registration fees for the various recreation programs offered and a contract for fire/rescue dispatch services provided to neighboring Orange City that was enacted during fiscal year 02/03.

FINES & FORFEITS

Fines & Forfeits are revenues generated from traffic tickets, parking fines, code violations and the like. Revenues are

expected to remain relatively stable at approximately 0.4% of total revenue.

SPECIAL ASSESSMENTS

Special Assessments account for 13.3% of the City's incoming sources of revenues excluding Enterprise Fund revenues and 10.0% including Enterprise Fund revenues. This is a small increase over prior year

budget and is a result of increases in the number of Solid Waste customers. These revenues are restricted to use for their intended purpose (stormwater, solid waste and streetlighting).

City of Deltona, Florida

OTHER REVENUE ISSUES – Continued

The City charges a stormwater utility assessment on all assessed property located within the City. The City adopted a rate increase for FY 04/05 to generate an additional \$1 million annually for stormwater operations & maintenance. This was the first increase since the City's incorporation in 1995. The current annual assessment rate is \$60 per ERU (equivalent residential unit) for all developed parcels and \$34 for undeveloped parcels, which is budgeted to generate \$2.3 million of revenue

for FY 06/07. The costs to operate, maintain, and provide for renewal & replacement of the current system is estimated at approximately \$3.0 – 3.5 million annually for at least the next five years.

Additionally, the City charges all residential properties \$120 annually for solid waste management services with an estimated budget of \$4.0 million in FY 06/07.

IMPACT FEES

The City currently charges impact fees for growth-related capital improvements for fire protection/rescue and parks/recreation. The revenues budgeted for FY 06/07, \$177,000 for Fire/Rescue Service Impact Fees, \$882,500 for Park Impact Fees and \$1,832,000 for Water/Sewer Utility Impact Fees, are based on a projected decrease in growth and development. Impact fees are designed to cover the cost of capital improvements necessitated by new development. The fees provide one way to ensure existing residents will not bear the cost of new facilities necessitated by the demand generated from new residents. Since the existing residents have either paid

for or committed themselves to pay for the capital facilities already in place, the logic of impact fees anticipates that each unit of new growth would pay its fair share of new infrastructure.

The City has completed an Impact Fee Study to evaluate the fees charged for Fire & Rescue Services, Parks & Recreation and Water and Sewer. This study also includes an evaluation of the need and appropriate assessment rate for a possible Law Enforcement impact fee. The budgeted impact fee revenue for FY06/07 does reflect an increase as a result of this study.

INTEREST INCOME

The City maintains a pooled cash and investment fund for substantially all City deposits and investments. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earnings potential. The city's investment policy places the highest priority on the safety of principal and maintenance

of adequate liquidity to meet current needs, with the optimization of investment returns being secondary to the requirements for safety and liquidity. Cash temporarily idle during the year is invested in the State of Florida Local Government Investment Pool and other similar money market funds carrying the highest credit quality rating.

City of Deltona, Florida

OTHER REVENUE ISSUES – Continued

An automatic sweep investment service is maintained on the City's operating account; which settles daily business transactions against an AAA rated institutional money

market account so that excess funds held for operations are continually invested. Interest income is up from prior year budget.

MISCELLANEOUS REVENUES

Miscellaneous revenues consist of any and all revenue sources not otherwise classified under some other heading. Miscellaneous revenue includes a \$759,250 charge from the General Fund to the Stormwater Utility, Solid Waste Management, Local Option Gas Tax, Streetlighting Districts Funds and Deltona Water. The charge covers the expense of management and administration that is directly charged to the General fund (i.e. City Manager, City Attorney, City Engineer, Public Works Director and related

support services such as billing and procurement). Also included is \$50,000 in revenue from the City's recycling program and \$125,000 from rental & lease payments. Budgeted revenue, excluding Enterprise Fund revenue, is expected to increase by approximately 34.2% over the prior year budget. Enterprise Fund revenue adds approximately \$704,000 of additional miscellaneous revenue resulting in an increase from prior year budget of approximately 35.3%.

EXPENDITURES

EXPENDITURES BY FUNCTION

The addition of the water/sewer utility to the City's operations has created a significant change in the City's operating budget. This change is reflected in the trend analysis of expenditures by function which shows appropriated expenditures as follows: 14%

spent on Public Safety, 16% on Physical Environment, 23% on Transportation, 6% on Debt Service, 14% on General Government, 6% on Culture/Recreation, 20% on Capital Outlay and 1% Economic Environment.

OPERATIONS

Enhancements have been made in the public safety area to include the addition of three firefighters for Fire/Rescue Operations.

Staffing deficiencies have been addressed to ensure smooth operations with the addition of an Economic Development Coordinator, four Enforcement Services Officers, a City Engineer, Deputy Fire Chief and three

Lieutenant Firefighters and two civilian Fire Inspectors. To support the growing internal needs of City Operations, other staffing needs have been addressed by the use of interns, part-time staff or additional personnel but these have been kept at a minimum.

City of Deltona, Florida

EXPENDITURES BY FUNCTION – Continued

CAPITAL IMPROVEMENTS

Included in the FY 06/07 budget is \$2.8 million for park facility development, including an Amphitheater, and improvements, \$1 million for stormwater drainage projects, \$18.2 million for road improvements and road resurfacing and \$14.7 million for water/sewer utility capital projects. Additionally, \$3.8 million is budgeted for new or continuing municipal facility renovation and construction projects including \$1 million for a proposed law enforcement facility and \$2.2 million for a proposed 5th fire station.

maintaining the park facilities have been addressed in future forecasts of general fund operating expenditures. The maintenance of stormwater projects has been addressed in a detailed study of stormwater operations and funding. Future operational expenses related to maintaining water/sewer projects have been addressed in future forecasts of enterprise fund operating expenditures. Road resurfacing and reconstruction projects should result in future operational costs savings as a result of reduced maintenance activities currently high due to the condition of the City's road system.

Future operational expenses related to

OTHER ISSUES

FUND BALANCE

The City continues to maintain a healthy fund balance inclusive of reserves and funding for future projects already in progress. The budget maintains a "Working Capital Reserve" of \$5.0 million and a designated "Contingency Reserve" of \$500,000. These funds can be utilized for emergency purposes, to meet cash flow

requirements of projects before receipt of specific revenue streams and to smooth out possible unforeseen revenue or budget fluctuations.

All funds are budgeted to have a positive fund balance at the end of FY 06/07.

DEBT

On December 2, 2002, Ordinance 26-2002 providing a debt policy for the City was adopted. The policy provides a general framework of guidance for debt issuance and debt management, while providing flexibility to permit the City to take advantage of market opportunities and to respond to changing conditions without jeopardizing essential public services. The Charter and State law require that general obligation debt or debt pledging property taxes (ad valorem revenue) will only be

issued after an affirmative vote of the electors of the City. However, the City Commission can authorize and issue revenue bonds pledging non ad valorem revenues, consistent with the City's debt policy.

In November 2003, the City issued \$81,725,000 of Utility System Revenue Bonds, Series 2003, for the purpose of acquiring and making capital improvements to the City's water and wastewater System.

City of Deltona, Florida

EXPENDITURES BY FUNCTION – Continued

The bonds are insured and have been assigned a AAA rating from Standard and Poor's Corporation, a AAA from Moody's Investor Service, and a AAA from FITCH on the bond issue.

On July 12, 2006 the City issued \$18,240,000 of Transportation Capital Improvement Revenue Bonds, Series 2006

for the purpose of improving existing roads within the City. The bonds are insured and have been assigned a AAA rating from Standard and Poor's Corporation, a Aaa from Moody's Investor Service, and a AAA from FITCH on each bond issue.

The City has no general obligation debt.

SOUND PUBLIC STEWARDSHIP

The preparation of the budget involves a variety of challenges and difficult decisions. Our efforts in preparing this budget were guided by a commitment to long-term, sound public stewardship practices.

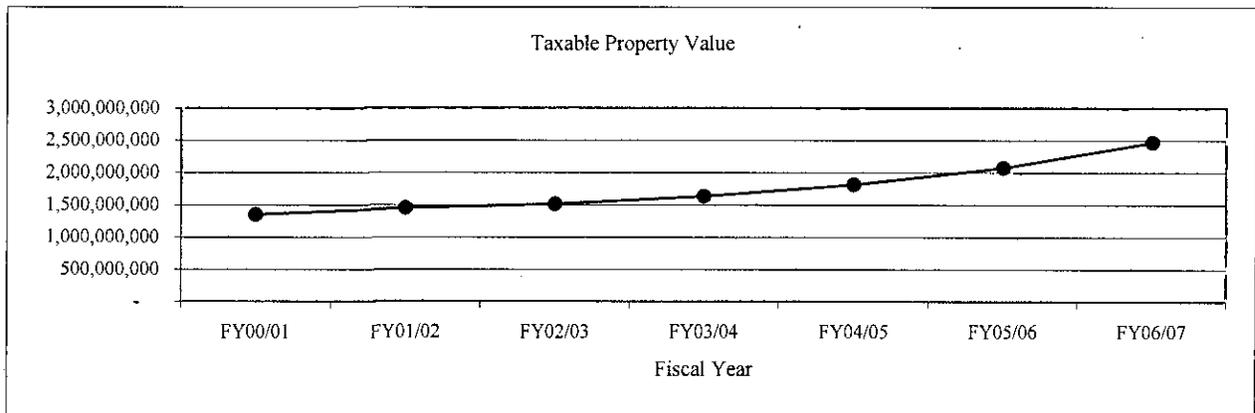
The city operates within a complex financial environment and is dedicated to strong

financial management of the public's resources. This is especially critical when there is ever-increasing pressure to realize greater productivity with fewer dollars. The City's primary focus is current and future financial stability through projection of future impacts of current decisions.

City of Deltona, Florida

HISTORICAL COMPARISON OF TAXABLE PROPERTY VALUE & AD VALOREM RATES

Valuation Date	January 1, 2000	January 1, 2001	January 1, 2002	January 1, 2003	January 1, 2004	January 1, 2005	January 1, 2006
<u>Fiscal Year</u>	<u>FY00/01</u>	<u>FY01/02</u>	<u>FY02/03</u>	<u>FY03/04</u>	<u>FY04/05</u>	<u>FY05/06</u>	<u>FY06/07</u>
Real Property	\$ 1,351,325,885	\$ 1,408,965,182	\$ 1,526,677,939	\$ 1,702,828,922	\$ 1,984,620,273	\$ 2,388,438,207	\$ 3,212,527,889
Personal Property	100,361,286	101,530,080	104,060,560	109,800,430	86,533,624	76,723,419	79,779,249
Estimated Gross Value	1,451,687,171	1,510,495,262	1,630,738,499	1,812,629,352	2,071,153,897	2,465,161,626	3,292,307,138
Less Net New Value	(42,119,885)	(52,270,368)	(63,267,583)	(86,405,529)	(122,780,297)	(139,903,703)	(153,551,548)
Current Year Adjusted	1,409,567,286	1,458,224,894	1,567,470,916	1,726,223,823	1,948,373,600	2,325,257,923	3,138,755,590
Prior Year Final	1,349,437,518	1,451,687,171	1,510,495,262	1,630,738,499	1,812,629,352	2,071,153,897	2,465,161,626
Inc(dec) in Prior Year	\$ 60,129,768	\$ 6,537,723	\$ 56,975,654	\$ 95,485,324	\$ 135,744,248	\$ 254,104,026	\$ 673,593,964
% Change in Value of existing property	4.46%	0.45%	3.77%	5.86%	7.49%	12.27%	27.32%
% Change Adjusted for Senior Exemption		3.55%					
<u>Overall Change from PY</u>							
Inc(dec) From Prior Year	\$ 102,249,653	\$ 58,808,091	\$ 120,243,237	\$ 181,890,853	\$ 258,524,545	\$ 394,007,729	\$ 827,145,512
Percentage	7.58%	4.05%	7.96%	11.15%	14.26%	19.02%	33.55%
<u>Ad valorem Tax Millage Rate</u>							
Millage Rate	4.1980	4.19800	4.19800	4.19800	4.19800	4.15000	4.01451
Rolled-Back Rate	4.0427	4.18205	4.05415	3.97684	3.90946	3.70932	3.25939
Difference	0.1553	0.01595	0.14385	0.22116	0.28854	0.44068	0.75512
Statutory Tax Increase	3.84%	0.38%	3.55%	5.56%	7.38%	11.88%	23.17%
sted for implementation of Senior Exemption		3.48%					



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