



"Expanding the Infrastructure of Good Government"

September 17, 2007

CITY MANAGER'S BUDGET MESSAGE

Honorable Mayor and Commissioners:

I am pleased to present the Fiscal Year 2007/2008 Annual Budget for your consideration. The budget document is the comprehensive expression of policy by the Commission, and is prepared based on the staff's understanding of the Commission's goals and direction for the community.

The Deltona City Commission has continued to support 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 families. Our responsibility as City staff is to provide a balanced budget that helps to achieve the Commission's goals. My hope and expectation is that this budget will continue to move this City forward under the Commission's policy direction, while maintaining strict attention to stewardship of public funds and resources.

One of the City Commission's goals of improving the budget process with greater public involvement lead to two public budget forums, held on March 27th and May 22nd. The participants brainstormed on issues that they felt were concerns and were asked to present their top five priorities. All of the concerns voiced, along with the top five priorities from each group, were presented to the City Commission and the city staff involved in the budget process. Staff has worked to address the concerns listed from the forum meetings in the budget. These concerns include increased law enforcement services to address the issue of public safety, increased infrastructure relating to road maintenance and drainage, funding for increased commercial economic development, decrease in property taxes, and increased recreation programs and facilities.

A budget will often have a theme, and this year's theme of *"Expanding the Infrastructure of Good Government"* reflects the cycle that we continue as we build the service and planning infrastructure of this City, through attention to the mandated Comprehensive Plan, control and maintenance of City facilities, and greater focus on protecting the City's service and employee investments through an enhanced risk management and safety program. The City's residents and businesses are investing in good government and better services, and one standard of good government is that we plan for the future while we maintain and protect our present investment in facilities and people. This budget continues that emphasis on maintenance, planning and improvement, and allows us to – 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 addressing 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. A few of the many issues addressed in this budget include the following:

- **An overall reduction in the property tax rate of 18.2%.** The adopted millage rate is 3.2837 which is 8.72% below the rolled back rate of 3.5974. While many local governments in Florida have been forced to decrease services or eliminate staff positions due to the state-wide decrease in property tax revenue, Deltona has frozen positions over the past year and has experienced growth in other revenues. These steps have helped this City to manage the impact of these changes on the current level of services, and this issue is reviewed in greater detail later in this budget. Within the 2007/2008 Budget there are limited instances of service expansion as the economics of the community continues to change with increased commercial and residential expansion.
- **A focus on public safety.** The budget includes an increase in the Sheriff's Department budget of more than \$2,200,000, including the addition of canine units in patrol and eight additional deputies. This budget also includes continuation of the public safety complex, additional staffing in the Fire Department and equipment purchases.
- **An expanded investment in employee safety.** In the coming year we are proposing a full-time safety and risk manager to help control and reduce the number of accidents that City employees experience, and to ultimately reduce the cost of the City's property and health insurance.
- **Funding for the operation of the Environmental Learning Center.** This is based on the Commission's tentative discussions.
- **Funding of \$50,000 to initiate a scholarship program for Deltona students.** This is based on the Commission's tentative discussions.

This year is unusual in that the budget document includes a large number of format and reporting changes that will make comparison with previous fiscal years difficult. Some of these changes will be obvious, and others less so, and the City's staff is prepared to clarify these changes and issues.

The City Manager's office, with the technical support of Fiscal Services, followed a number of sound fiscal and financial principles in the preparation of the budget, and developed this budget as sustainable and affordable within the present environment and under prudent business practices and decisions. Probably the single most important principles that we emphasize are that the budget must balance – and it does – and that we do not use one-time funds for recurring expenses. This last is important to avoid incurring future expenses for which there is no funding source.

Department Directors have spent months during the budget preparation process to vigorously analyze and seek efficiencies in City services and each department has played a critical role in presenting you a balanced budget today. 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

Deltona is a full-service city, and both draws from a number of revenues sources and funds a variety of services.

Revenue Sources:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>	<u>Capital Project Funds</u>	<u>Total</u>
Taxes	\$ 25,132,000	\$ -	\$ -	\$ -	\$ 25,132,000
Licenses/Permits	1,575,000	-	-	-	1,575,000
Intergovernmental	8,188,000	2,224,000	-	-	10,412,000
Charges for Service	390,000	-	13,554,000	-	13,944,000
Fines & Forfeits	251,000	-	-	-	251,000
Miscellaneous	1,881,000	16,232,600	1,243,000	285,000	19,641,600
Total	<u>\$ 37,417,000</u>	<u>\$ 18,456,600</u>	<u>\$ 14,797,000</u>	<u>\$ 285,000</u>	<u>\$70,955,600</u>

Operating and Capital Uses:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>	<u>Capital Project Funds</u>	<u>Total</u>
Operating	\$37,242,700	\$ 7,963,600	\$ 8,428,600	\$ -	\$ 53,634,900
Capital	640,000	17,492,200	18,520,700	14,206,300	50,859,200
Debt Service	-	1,460,000	4,787,000	-	6,247,000
Total	<u>\$37,882,700</u>	<u>\$ 26,915,800</u>	<u>\$</u>	<u>\$ 14,206,300</u>	<u>\$110,741,100</u>

Transfers:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>	<u>Capital Project Funds</u>	<u>Total</u>
Transfers In	\$ -	\$35,000	\$ -	\$ 8,241,000	\$ 8,276,000
Transfers Out	(7,364,600)	(911,400)	-	-	(8,276,000)
Total	<u>\$ (7,364,600)</u>	<u>\$ (876,400)</u>	<u>\$ -</u>	<u>\$ 8,241,000</u>	<u>\$ -</u>

Reduction in Property Tax Rate and Growth in Revenues

Due to recent state-wide legislative action effecting property tax millage rates, the City of Deltona has adopted of 18.2% 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 \$4.01451 per \$1,000 in value to \$3.2837 per \$1,000 in value. This reduction in taxes, for a home valued at \$100,000 with homestead exemption, will save the homeowner \$54 per year. This reduction in property tax millage rate is projected to reduce budgeted Ad Valorem Taxes by \$680,000 as compared to the 2006/2007 budget year. While this is a significant reduction in revenue from this revenue source, other revenue categories, due to the economic growth of the region, have risen to support the expenditures currently funded by this resource.

Based on the direction of the Commission to implement meaningful property tax reductions, this budget has been prepared based on a total reduction in the tax rate of 18.2%.

Revenues Increase and Decrease

The City relies on a wide variety of revenue sources, and although property taxes have been reduced, both in rate and in collection, other revenues of the City increase and decrease annually. For 2007/2008 the following adjustments are expected in revenues when compared to the 2006/2007 estimated actuals:

1. Various franchise fees and service taxes, which include electric, gas, and telecommunications, are increasing by \$1,675,500. These increases are driven primarily by growth and new construction.
2. Licenses/permits are decreasing by \$192,000 due to the lower number of permits issued to new residential construction.
3. Intergovernmental revenues increased by \$1,122,000 due to increases in budget grants for 2007/2008 compared to estimated actual for 2006/2007.
4. Charges for Services are increasing by \$408,000 due largely to increases in services provided by the parks and recreation.
5. Miscellaneous revenues are increasing by \$5,067,857 due to a one-time \$5 million dollar transportation grant and a \$1 million dollar FEMA grant for 2007/2008. The transportation grant is targeted to a section of the Normandy Boulevard widening, and the FEMA funds have been identified by the Finance Department as previously uncollected reimbursement due the City. Decrease in this category include, \$60,700 in administrative charges allocations to grant programs, decrease of \$735,700 for HHRP grants, and decreases in interest income within the transportation fund.

Expenditures Change to Meet Commission Priorities

There are a number of changes in the expenditures for delivery of quality services, based on the goals and priorities of the Commission. Increases and decreases in expenditures included the following when compared to the 2006/2007 estimated actual:

1. Public Safety - Increase of \$4,061,400 due to \$2,200,000 increase in Law Enforcement and \$1,861,400 increase in Fire Service
2. Physical Environment – Increase of \$1,203,700 due to \$500,000 increase in stormwater and \$750,000 increase in water/sewer utilities.
3. Transportation – Increase of \$918,000 due to the increase in public works administration of

\$273,000, public works traffic of \$333,000 and public works engineering of \$289,000.

4. Economic Environment – Decrease of \$733,219 due to the decrease of HHRP of \$735,000.
5. Culture/Recreation - Increased \$1,354,000 in operating expenditures due to the increased maintenance, completion of a master plan and seasonal staffing planned for this category. This department also includes the volunteer coordinator position.

Also, to be considered with any new budget is not just the change in dollar amount but also the change in function within the operations of the City. Significant functional or service changes include the following:

City Commission: Within the new budget, the City Commission has appropriated \$50,000 for local scholarships.

City Manager's Office: Within the new budget, the public information officer (PIO) function has been moved from Human Resources to the City Manager's Office. Also, within this budget is \$250,000 for economic development.

Fiscal Services: Within this department several organization functions have been changed to increase efficiency and increase internal services available to the City. This department with the addition of two employees, has increased the functions of internal investment review, debt management, policy development, internal control review/auditing, additional budget compliance, five- year forecasting, five-year Capital Improvement Plan (CIP), and fixed asset review. Also, the functions of accounts receivable and collections relating to the Business Tax Licenses have been added.

A safety/risk manager has been added this year to improve the effectiveness of the City's safety and security efforts. This employee will also monitor liability property insurance claims and develop and monitor an equipment replacement policy.

Also, contract management, which includes the function of contract monitoring, currently under the City Clerk's Office, will be transferred to Fiscal Services. This change will move the processing cycles relating to contracts under a single department, from inception of an approved contract within purchasing, to the payment of contracts under accounts payable or the receipt of monies from contacts under accounts receivable. This adds the monitoring of contracts compliance and renewal.

Information Technology: Due to the increased use of technology by the City, costs relating to contractual services have increased significantly for this department. It is expected that as the city grows, the support that this department provides to all departments within the City will continue.

Development Services: Within the new budget, Development Services has budgeted resources for a Comprehensive Plan, a Unified Land Development and an Urban Design Master Plan. The current Comprehensive Plan is dated from 1999 and with the continued growth and expansion it is vital to have current and accurate city plans relating to economic growth in a unified manner. These plans are necessary for a clear vision for future growth and resource allocation. The completion and

implementation of all of these plans will be a two year process.

Building and Zoning Services (formerly known as Construction Services): Within the next budget year, this department will have several changes to better meet the needs of the public. Office hours will increase and the department will implement internal procedures in a one-stop permitting process which is meant to increase the speed and ease of working with the City during the permitting process. Due to the lower number of permits expected to be processed, three vacant inspector positions have been eliminated and two inspectors and a customer service representative have been transferred to the new rental property maintenance program.

Human Resources: Expenditures for the fire department physicals have been moved from the Fire department to the Human Resources department as this function is an employment requirement. This movement of activity has increased the other current changes within this department.

General Government: There is \$100,000 budget under this department for operating contingencies.

Enforcement Services: Within the new budget, animal kennel fees being charged to the City have increased and this has increased other contractual services. In addition, the rental property maintenance program has been added to the Department.

Fire/Rescue Services (formerly known as the Communication Division, Administrative Division and Operation Division): The Fire Department has several projects planned, including a renewed effort on repair and maintenance of existing fire equipment and stations (\$358,100), replacement of vehicles (\$730,000), Fire Station 61 Renovation (\$195,000) Fire Station 63 Renovation (\$150,000) and Construction of Fire Station 65 (\$2,200,000).

The City is also budgeting for the start of construction of a Public Safety Complex. This project is estimated with a building construction cost of \$10,000,000 and land acquisition at \$2,000,000 - \$4,000,000, for a total project cost of \$12,000,000 - \$14,000,000. This budget includes appropriations of \$5,500,000, with the expectation to debt finance the balance of \$8,500,000 during the 2008/2009 budget year. The debt financing activities are projected as beginning during October of 2008, with finance proceeds expected within November of 2008. Debt service payments are projected at \$810,000 annually based on a 15 year amortization schedule with a 5% interest rate. This project will not be able to be completed without the planned debt finance necessary in the 2008/2009 budget year.

Public Works – Field Operations: The increase in fuel costs have increased operating costs.

Public Works – Fleet Maintenance (formerly known as Facilities & Fleet Maintenance): As the City has grown and duties have expanded for department directors, the supervision of facilities maintenance has moved under Parks and Recreation.

Public Works – Administration (a new division): With the growth of the City, the cost allocation relating to the administration cost of public works will be tracked and budgeted as a department division.

Public Works – Traffic Operations: The cost associated with City provided street light utilities has been moved from field operation division to the traffic operations division.

Public Works – Engineering (a new division): Within the new budget, this function is being moved from Development Services to Public Works.

Parks and Recreation: The parks and recreation function for the City will receive extensive review in the next budget year. A new Parks and Recreation Master Plan is expected to begin and be completed within the next two years for a 10 year planned growth relating to this function of the City. Projects will be identified in the master planning process for next year. We are also proposing the addition of a volunteer coordinator to help build a volunteer program, with the goal of ultimately recruiting volunteers to reduce the rate of growth in the need for paid positions.

The Special Revenue Funds have also experienced significant changes from the prior year. The following changes are effective with this new budget:

The disclosure of the Hurricane Housing Recovery Program appropriations within the budget document per a request from the granting agency lead to the separate disclosure of the HHRP Fund.

After review of the Volusia County's Code, Article X Tree Permits and the City of Deltona's Code Article II Tree Permits, and review of the City of Deltona's Application for Tree Removal Permit, it was noted that none of these documents authorized the restriction of these fees for a specific purpose. These funds should be reported under the General Fund. Within the new budget, prior and current fees relating to tree removal permits have been reported under the General Revenue fund in accordance with compliance with Governmental Accounting and Reporting Standards.

The activity within the "Special Revenue Fund - Sidewalk Fees" account has been moved back into the General Fund. This separation from the General Fund was created during the 2006/2007 budget year and is nonessential as these activities are accountable within the General Fund. Each year the City has a history of having expenditures in excess of revenues relating to the installation of sidewalks within the community.

The Capital Project Fund (formerly known as Capital Equipment Fund) has experienced significant changes from the prior year. The following changes are effective with this new budget:

The Capital Equipment Fund has been divided into two new funds, the Replacement Equipment Fund and the New Equipment Fund. Within the new budget these funds serve different purposes.

The Replacement Equipment Fund was established to account for the fiscal activities related to funding of replacement vehicles and equipment necessary for the day to day operation of City departments.

Funding is provided by annualized capital equipment charges to each department within the City. The intent is to insure adequate funds are accumulated to allow for replacement of assets. The annual funding is calculated by estimating replacement cost and the expected useful lives of assets and is designed to provide level annual funding. The fund is utilized to accumulate resources for the purchase and replacement of City vehicles and equipment by effectively leasing the vehicles and equipment back to the individual user departments within the General Fund in the form of an annualized charge for capital equipment.

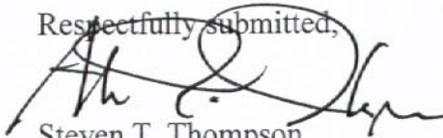
The New Equipment Fund is a new fund for fiscal year 2007/2008. This fund was established to account for the fiscal activities related to funding of new vehicles and equipment necessary for the day to day operation of City departments. Funding is provided by annual capital equipment charges to each department requesting the new asset as needed. This fund is not intended to accumulate resources but will be on a pay-as-you-go basis.

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 is critically important as we continue "*Expanding the Infrastructure of Good Government*".

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 46 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 36,000 building sites targeted at retirees. 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 85,000 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
William S. Harvey, Vice Mayor	2007
David Santiago, Commissioner	2007
Michael Carmolingo, Commissioner	2007
Zenaida Denizac, Commissioner	2009
Michele A. McFall-Conte, Comm	2009
Janet I. Deyette, 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 28,000 developed residential units, residential land use dominates the City's development pattern. The development pattern has been on a first come first serve basis with the remaining residential lots.

City of Deltona, Florida

GENERAL INFORMATION - Continued

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

Commercial land uses currently total less than 2.3% 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 13.6 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 900 acres) includes land zoned for industrial use and the Property Appraiser's tax rolls identify 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 17,400 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 4,000 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 2009, it is anticipated that city staff will take over the remainder of the building currently housing DBCC offices.

FIRE SERVICES

The Fire Department operates four stations, each with fire protection and Paramedic level Emergency Medical Services. The Deltona Fire Department has the highest firefighter training, certification, and credentialing requirements in Volusia County. The citizens of Deltona benefit from minimum staffing levels of these highly trained firefighters with 3 on each of four engines, 4 on the ladder truck, and 2 firefighters on the rescue ambulance. Staffing levels and response times are critical elements to rapidly assembling an effective firefighting force and saving lives. The same is also true of saving the lives of trauma victims and critically ill patients.

Station 61 is located at 1685 Providence Boulevard and was built in 1973. This location 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. This facility underwent minor remodeling when it was converted to a full-time staffed station.

City of Deltona, Florida

GENERAL INFORMATION - Continued

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

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.

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 developed neighborhood and community parks, providing a variety of recreation facilities for all ages.

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, tennis court and picnic area.

The City is aggressively pursuing grant opportunities that are available for parks and

recreation projects as they become known to us. We are very aware of the need for safe areas for our citizens to enjoy the nature trails in our parks. To this end we are working with Volusia and Seminole Counties as well as the entire St. Johns River Trail system to tie our trails into the Seminole County Lake Monroe Loop and the East/West trail.

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.

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.

City of Deltona, Florida

GENERAL INFORMATION – Continued

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 for \$ 1,113,724. 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 Monoe.

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 had the following number of permits issued:

<u>Fiscal Year</u>	<u># of Permits</u>
01/02	1142
02/03	1433
03/04	1348
04/05	1128
05/06	699

The City of Deltona has experienced a 52% increase in population over the last ten year, since 1997. The City is faced with the need to accommodate growth, as well as establish the means necessary to manage it.

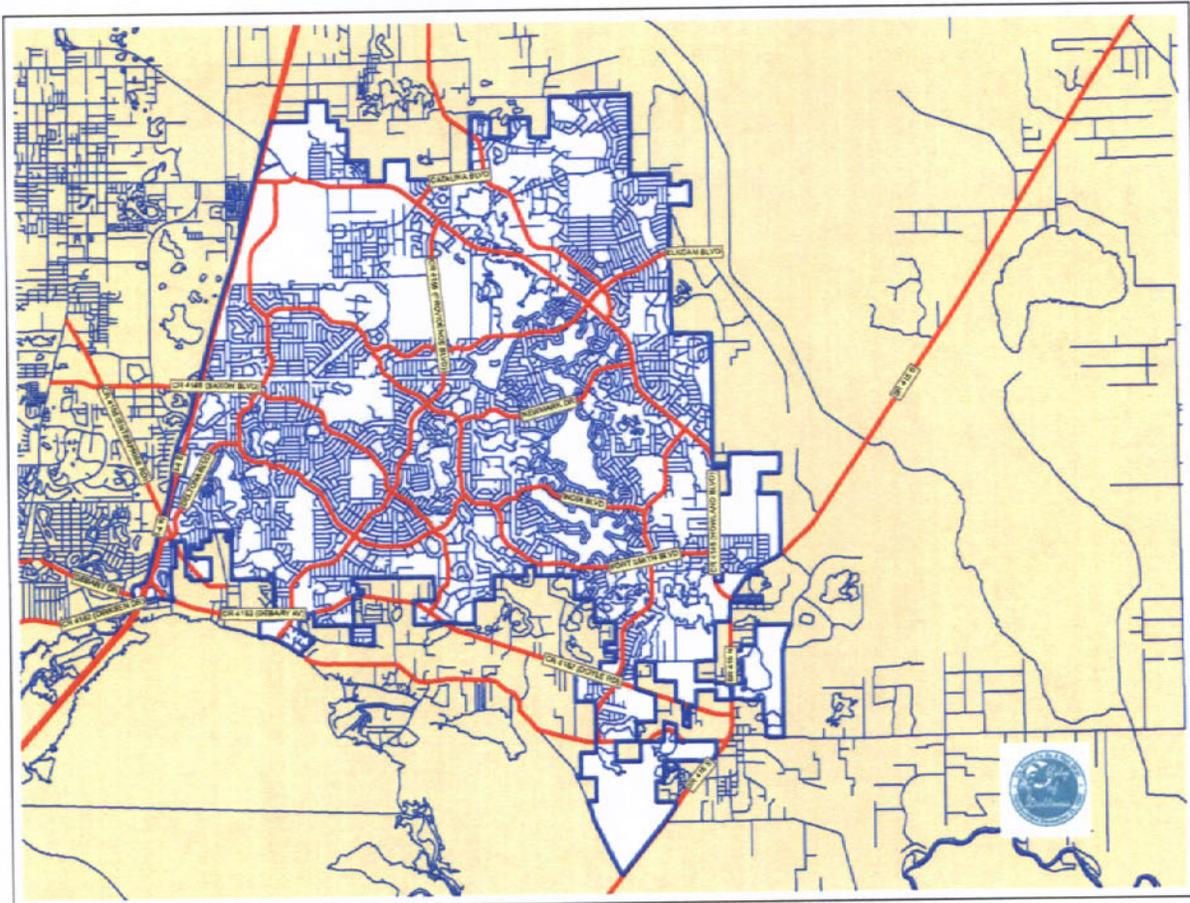
While residents enjoy the quiet suburban lifestyle of this community and public sentiment is to maintain and preserve its residential character, the City's largely residential make-up and continued growth presents a significant challenge for the City government, with respect to all aspects of service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

City of Deltona, Florida

LOCATION MAP



The City of Deltona is approximately 46 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	46	sq. miles
As of April 1, 2006	85,484				
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 Native	245	0.4	Graduate or professional degree	1,728	3.6
Asian	650	0.9	Percent high school graduate or higher	(X)	82.5
Hispanic or Latino (of any race)	12,747	18.3	Percent bachelor's degree or higher	(X)	13.4
Native Hawaiian & Pacific Islander	36	0.1	AGE OF HOUSING		
Some other race	3,454	5.0	1939 or earlier	80	0.3
Two or more races	1,651	2.4	1940 to 1959	262	1.0
HOUSING VALUE <i>Specified owner-occupied units</i>			1960 to 1969	1,990	7.5
Less than \$50,000	1,375	6.6	1970 to 1979	4,380	16.5
\$50,000 to \$99,999	14,890	71.1	1980 to 1989	12,308	46.4
\$100,000 to \$149,999	3,850	18.4	1990 to 1994	4,151	15.6
\$150,000 to \$199,999	549	2.6	1995 to 1998	2,574	9.7
\$200,000 to \$299,999	218	1.0	1999 to March 2000	802	3.0
\$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; ¹Other 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	
	Number	Percent	Number	Percent	Number	Percent
All Persons 25 years and over	45,776		317,225		11,024,645	
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	\$ 15,332,131	0.5%
D O T Properties N V	Supermarket	10,590,750	0.3%
Bright House Networks LLC	Utility	10,549,940	0.3%
Bellsouth Telecommunication, Inc.	Utility	9,398,141	0.3%
Maronda Homes Inc. of Florida	Utility	8,686,860	0.3%
Publix Super Markets, Inc.	Property Management	8,289,813	0.3%
I-4 Howland Investment LLC	Utility	7,143,380	0.2%
Sprint Florida, Inc.	Supermarket	7,117,499	0.2%
Florida Power Corporation	Hospitality	7,089,787	0.2%
Albertson's, Inc.		6,666,552	0.2%
All Other		<u>2,375,296,773</u>	<u>97.2%</u>
Florida Power & Light Company			
	Total	\$2,465,161,626	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.....	46
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.....	76
Number of Staff and Communications	16
Number of calls (alarms) answered	8,341
Number of inspections conducted.....	4,060

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	14
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.....	6,633
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.....	480
Number of services connections (as of 9/30/05).....	35,444
Number of fire hydrants.....	972
Daily average consumption in gallons	12.5 mgd
Maximum daily capacity of plant in gallons.....	26.0 mgd
Number of Water Treatment Plants	17



Organization Chart

Citizens of Deltona

Elected Officials
 Dennis Mulder, Mayor William S Harvey, Vice-Mayor, Dist. 4
 Zenaida Denizac, Dist. 1 David Santiago, Dist. 2
 Michele McFall-Conte, Dist. 3 Janet I. Deyette, Dist. 5
 Michael Carmolingo, Dist. 6 Telephone (386) 878-8100

Various Appointed
Boards & Committees

City Manager's Office
 Steven T. Thompson, City Manager
 (386) 878-8100
 Economic Development Public Information

City Attorney
 L. Roland Blossom
 (386) 878-8100

City Clerk
 Faith G. Miller, MMC
 (386) 878-8100

Human Resources
 Clyde Perry
 (386) 878-8100

Finance and Internal Services
 Dorothy Pendergrass
 (386) 878-8100
 Fiscal Services Information Technology

Planning and Development
 Gregory Stubbs
 (386) 878-8100

Code Compliance
 Dale Baker
 (386) 878-8100
 Neighborhood Inspectors Solid Waste
 Animal Control

Building and Zoning
 Cyrus Butts
 (386) 878-8100

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

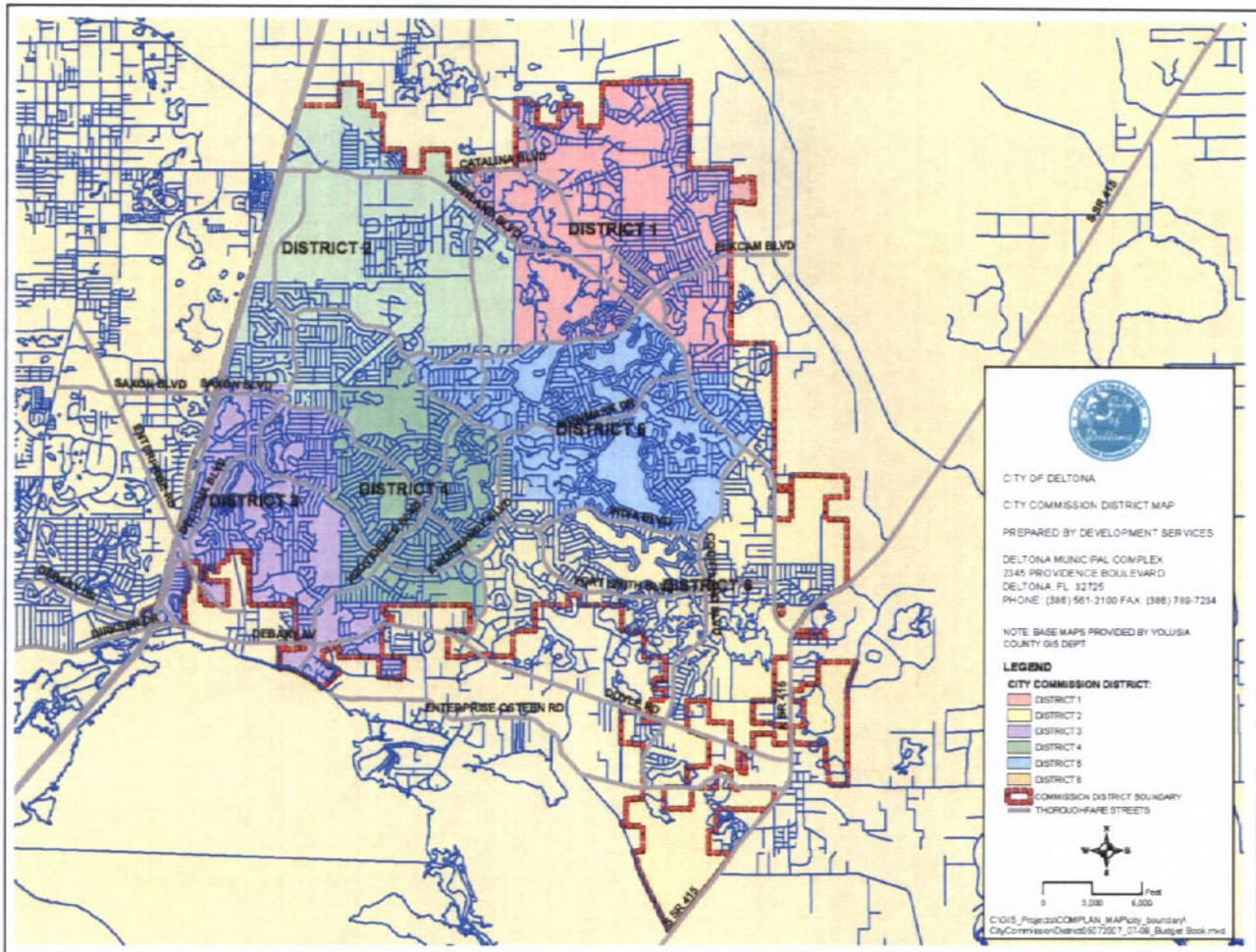
Public Works and Utilities
 Dave Denny
 (386) 878-8100
 Administration Field Operations
 Traffic Operations Engineering
 Fleet Maintenance Stormwater
 Water Plant Ops. Waste Water Plant Ops.
 Customer Svc./Billing Water/WW Field Ops

Fire / Rescue
 William Godfrey
 (386) 860-7195
 Administration Fire Operations
 Communications

Parks and Recreation
 Patti Evans
 (407) 878-8100
 Park Maintenance Recreation

City of Deltona, Florida

COMMISSION DISTRICT MAP



City of Deltona, Florida

BUDGET SUMMARY - FULL TIME EQUIVALENT HISTORICAL STAFFING SUMMARY

	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>Change</u>	<u>FY08</u>
GENERAL FUND:					
City Commission	1.0	1.0	1.0	0.0	1.0
City Manager	3.0	3.0	4.0	3.0	7.0
City Clerk	6.0	7.5	8.0	(1.0)	7.0
Finance & Internal Services					
Fiscal Services	11.0	13.0	13.0	4.0	17.0
Information Technology Services	3.0	4.5	4.5	1.5	6.0
	<u>14.0</u>	<u>17.5</u>	<u>17.5</u>	<u>5.5</u>	<u>23.0</u>
Human Resources	3.5	6.0	6.0	(2.0)	4.0
City Attorney	6.0	7.0	6.0	0.0	6.0
Development Services	18.0	21.5	26.0	(6.0)	20.0
Construction Services	21.0	24.0	24.0	(6.0)	18.0
Code Compliance	12.0	15.0	19.0	3.0	22.0
Law Enforcement	0.0	0.0	0.0	3.0	3.0
Fire/Rescue	74.5	87.5	93.5	5.0	98.5
Public Works					
Traffic Operations	6.0	6.0	6.0	3.0	9.0
Engineering Division	0.0	0.0	0.0	4.0	4.0
Field Operations	14.0	14.0	17.0	3.0	20.0
Administrative Division	0.0	0.0	0.0	3.5	3.5
Fleet Maintenance	11.5	8.0	8.0	(3.0)	5.0
	<u>31.5</u>	<u>28.0</u>	<u>31.0</u>	<u>10.5</u>	<u>41.5</u>
Parks & Recreation	29.0	32.0	37.5	15.0	52.5
TOTAL GENERAL FUND	<u><u>219.5</u></u>	<u><u>250.0</u></u>	<u><u>273.5</u></u>	<u><u>30.0</u></u>	<u><u>303.5</u></u>
SPECIAL REVENUE FUNDS:					
Stormwater Fund	23.0	23.0	25.0	(4.0)	21.0
Solid Waste Fund	1.0	1.0	1.0	1.0	2.0
TOTAL SPECIAL REVENUE FUNDS	<u><u>24.0</u></u>	<u><u>24.0</u></u>	<u><u>26.0</u></u>	<u><u>(3.0)</u></u>	<u><u>23.0</u></u>
ENTERPRISE FUND:					
Water Utility Services					
Administration	6.0	7.5	8.0	(2.0)	6.0
Water Plant Operations	13.0	13.5	14.5	(2.0)	12.5
Wastewater Plant Operations	3.0	3.0	3.0	4.0	7.0
Customer Service/Billing	14.0	14.0	15.0	1.0	16.0
Water/WW Field Operations	22.0	26.0	27.0	0.0	27.0
TOTAL ENTERPRISE FUND	<u><u>58.0</u></u>	<u><u>64.0</u></u>	<u><u>67.5</u></u>	<u><u>1.0</u></u>	<u><u>68.5</u></u>
TOTAL ALL FUNDS	<u><u>301.5</u></u>	<u><u>338.0</u></u>	<u><u>367.0</u></u>	<u><u>28.0</u></u>	<u><u>395.0</u></u>

City of Deltona, Florida

BUDGET SUMMARY - STAFFING CHANGES

	Number of Postions (full & part-time) by Department									Budgeted		
	FY07			Change			FY08			Full-time Equivalents		
	FT	PT	Total	FT	PT	Total	FT	PT	Total	FY07	Change	FY08
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	4.0	0.0	4.0	3.0	0.0	3.0	7.0	0.0	7.0	4.0	3.0	7.0
City Clerk	7.0	2.0	9.0	(1.0)	0.0	(1.0)	6.0	2.0	8.0	8.0	(1.0)	7.0
Finance & Internal Services												
Fiscal Services	13.0	0.0	13.0	4.0	0.0	4.0	17.0	0.0	17.0	13.0	4.0	17.0
Inf. Technology Services	4.0	1.0	5.0	2.0	(1.0)	1.0	6.0	0.0	6.0	4.5	1.5	6.0
	<u>17.0</u>	<u>1.0</u>	<u>18.0</u>	<u>6.0</u>	<u>(1.0)</u>	<u>5.0</u>	<u>23.0</u>	<u>0.0</u>	<u>23.0</u>	<u>17.5</u>	<u>5.5</u>	<u>23.0</u>
Human Resources	6.0	0.0	6.0	(2.0)	0.0	(2.0)	4.0	0.0	4.0	6.0	(2.0)	4.0
City Attorney	6.0	0.0	6.0	0.0	0.0	0.0	6.0	0.0	6.0	6.0	0.0	6.0
Development Services	25.0	2.0	27.0	(6.0)	0.0	(6.0)	19.0	2.0	21.0	26.0	(6.0)	20.0
Construction Services	24.0	0.0	24.0	(6.0)	0.0	(6.0)	18.0	0.0	18.0	24.0	(6.0)	18.0
Code Compliance	19.0	0.0	19.0	3.0	0.0	3.0	22.0	0.0	22.0	19.0	3.0	22.0
Law Enforcement	0.0	0.0	0.0	3.0	0.0	3.0	3.0	0.0	3.0	0.0	3.0	3.0
Fire/Rescue	93.0	1.0	94.0	5.0	0.0	5.0	98.0	1.0	99.0	93.5	5.0	98.5
Public Works												
Traffic Operations	6.0	0.0	6.0	3.0	0.0	3.0	9.0	0.0	9.0	6.0	3.0	9.0
Engineering Division	0.0	0.0	0.0	4.0	0.0	4.0	4.0	0.0	4.0	0.0	4.0	4.0
Field Operations	17.0	0.0	17.0	3.0	0.0	3.0	20.0	0.0	20.0	17.0	3.0	20.0
Administration	0.0	0.0	0.0	3.0	1.0	4.0	3.0	1.0	4.0	0.0	3.5	3.5
Fleet Maintenance	8.0	0.0	8.0	(3.0)	0.0	(3.0)	5.0	0.0	5.0	8.0	(3.0)	5.0
	<u>31.0</u>	<u>0.0</u>	<u>31.0</u>	<u>10.0</u>	<u>1.0</u>	<u>11.0</u>	<u>41.0</u>	<u>1.0</u>	<u>42.0</u>	<u>31.0</u>	<u>10.5</u>	<u>41.5</u>
Parks & Recreation	28.0	19.0	47.0	11.0	8.0	19.0	39.0	27.0	66.0	37.5	15.0	52.5
SPECIAL REVENUE FUNDS												
Stormwater Fund	25.0	0.0	25.0	(4.0)	0.0	(4.0)	21.0	0.0	21.0	25.0	(4.0)	21.0
Solid Waste Fund	1.0	0.0	1.0	1.0	0.0	1.0	2.0	0.0	2.0	1.0	1.0	2.0
ENTERPRISE FUNDS												
Water Utility Services												
Administration	8.0	0.0	8.0	(2.0)	0.0	(2.0)	6.0	0.0	6.0	8.0	(2.0)	6.0
Water Plant Operations	14.0	1.0	15.0	(2.0)	0.0	(2.0)	12.0	1.0	13.0	14.5	(2.0)	12.5
Wastewater Plant Operations	3.0	0.0	3.0	4.0	0.0	4.0	7.0	0.0	7.0	3.0	4.0	7.0
Customer Service/Billing	15.0	0.0	15.0	1.0	0.0	1.0	16.0	0.0	16.0	15.0	1.0	16.0
Water/WW Field Operations	27.0	0.0	27.0	0.0	0.0	0.0	27.0	0.0	27.0	27.0	0.0	27.0
	<u>67.0</u>	<u>1.0</u>	<u>68.0</u>	<u>1.0</u>	<u>0.0</u>	<u>1.0</u>	<u>68.0</u>	<u>1.0</u>	<u>69.0</u>	<u>67.5</u>	<u>1.0</u>	<u>68.5</u>
Total City Staff	<u>354.0</u>	<u>26.0</u>	<u>380.0</u>	<u>24.0</u>	<u>8.0</u>	<u>32.0</u>	<u>378.0</u>	<u>34.0</u>	<u>412.0</u>	<u>367.0</u>	<u>28.0</u>	<u>395.0</u>
Full Time Equivalent	<u>354.0</u>	<u>13.0</u>	<u>367.0</u>	<u>24.0</u>	<u>4.0</u>	<u>28.0</u>	<u>378.0</u>	<u>17.0</u>	<u>395.0</u>			

City of Deltona, Florida

VISION 2026

VISION STATEMENT

Deltona is a premiere City that takes pride in our neighborhoods and embraces the diversity of our residents. This caring community provides a high quality of life where people live, work and play in a safe and secure environment. With an appreciation for our history, and our location along the St. John's River, we ensure a sustainable future through the careful stewardship of our resources.

MISSION STATEMENT

It is the mission of the Deltona City Government to anticipate and provide for the needs of its residents with quality service, innovation and leadership for today and in the future.

GOALS & OBJECTIVES

1. Overall Development

- a. Assure a variety of housing options in the city
- b. Create an overall development plan for the city, including a strategic plan with citizen input
- c. Develop financially feasible strategic capital projects list

2. Infrastructure

- a. Develop plans for city-wide expansion of the sewer system

- b. Build sewer treatment plant
- c. Continue road program improvements, new roads

3. Financial Sustainability

- a. Develop strategies to kick-start development of activity centers
- b. Review budget process for possible improvements

4. Internal and External Communication

- a. Protect home rule powers
- b. Improve proactive efforts to get information to all the public, media, etc.

5. Economic Development and Redevelopment

- a. Redevelopment plans for Deltona Blvd. and Saxon Blvd.
- b. Develop overall economic development plan
- c. Development of a hospital on east side (SR 415)

6. Public Services

- a. Develop additional parks and recreational facilities
- b. Assess social service needs and appropriate role for the city in provision of them
- c. Build a public safety complex

7. Beautification

- a. Develop comprehensive, city-wide beautification plan



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

City of Deltona, Florida

CROSS-REFERENCE BETWEEN VISION 2026
AND DEPARTMENTAL GOALS AND OBJECTIVES

Goals & Objectives	Overall Development	Infrastructure	Financial Sustainability	Internal and External Communication	Economic Development & Redevelopment	Public Services	Beautification
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 April, 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 07/08 BUDGET CALENDAR

February 12, 2007 (4:00 pm)	<ul style="list-style-type: none"> • Commission Budget Workshop <ul style="list-style-type: none"> ○ Discussion of Commission Objectives with Budget Timetable, Process and Resident Participation
March 22, 2007	<ul style="list-style-type: none"> • Citizens Forum <ul style="list-style-type: none"> ○ Citizens Input on City Service Needs and Priorities
April 2, 2007	<ul style="list-style-type: none"> • City Manager provides briefing on results of Citizen Forum on community Needs
April 3, 2007	<ul style="list-style-type: none"> • Budget Preparation Begins – City Manager Provides Directors Guidance on Issues to be addressed, and Budget Workbooks Distributed to Departments
April 3 – May 18, 2007	<ul style="list-style-type: none"> • Departments complete Budget Submittal Packages • All requests for personnel changes to be reviewed by HR prior to submission to the Finance Department • Finance Department completes preliminary budget work
May 18, 2007	<ul style="list-style-type: none"> • Departments submit Budget Packages to Finance Director
May 21 – June 8, 2007	<ul style="list-style-type: none"> • Compilation of Budget data by Finance Department • Budget review by City Manager and Director of Finance with Department Directors • Budget revisions by Departments, as needed
June 11 – June 29, 2007	<ul style="list-style-type: none"> • Budget highlights by City Manager with individual City Commission Members (one on one discussion)
July 1, 2007	<ul style="list-style-type: none"> • Form DR-420 Certification of Taxable Value received from the County Property Appraiser's Office
July 1 - July 15, 2007	<ul style="list-style-type: none"> • Preparation of Commission Budget Workshop materials by Finance Department
July 23, 2007	<ul style="list-style-type: none"> • Draft Annual Budget Document presented to City Commission – Potential Assessment Rate Approval <ul style="list-style-type: none"> ○ Budget Overview, Presentation and Discussion ○ Proposed Millage Rate Discussion ○ Proposed Assessment Rate Discussion
July 30, 2007 (6:00 p.m.)	<ul style="list-style-type: none"> • Special Commission Meeting <ul style="list-style-type: none"> ○ Tentative Proposed Millage Rate Resolution ○ Preliminary Rate Resolutions for Special Assessments

City of Deltona, Florida

FY 07/08 BUDGET CALENDAR – Continued

	<ul style="list-style-type: none"> ▪ Stormwater Utility Assessment ▪ Solid Waste Management Assessment ▪ Streetlighting Districts' Assessment
By August 1, 2007	Form DR-420, stating the City proposed millage rate, submitted to the County Property Appraiser's Office
August 7, 2007	City Commission Budget Workshop
August 23, 2007	Notice of Proposed Property Taxes (TRIM Notice) mailed to residents by County Property Appraiser's Office
August 27, 2007	City Commission Budget Workshop
September 4, 2007 (6:30 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 14, 2007	<ul style="list-style-type: none"> • Publication of Budget in Newspaper
September 17, 2007	<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 20, 2007	<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, 2007	<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. 2007-33

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 2007/2008 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 2007/2008; 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. 2007-31, which established a tentative millage rate of 3.3455.

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 3.2837 for ad valorem taxation within the City of Deltona, Florida for the 2007/2008 fiscal year. This final ad valorem tax shall be levied upon the 2007 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, 2007 and ending September 30, 2008. The final millage rate reflects a 8.72% decrease from the rollback rate of 3.5974.

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

CERTIFIED

City of Deltona, Florida

City of Deltona, Florida
Resolution No. 2007-33
Page 2 of 2

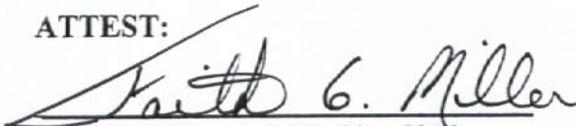
ADOPTED BY the City Commission of the City of Deltona, Florida this 17th day of

September, 2007.



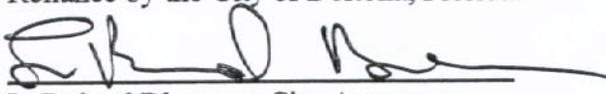
Dennis Mulder, Mayor

ATTEST:



Faith G. Miller, MMC, City Clerk

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

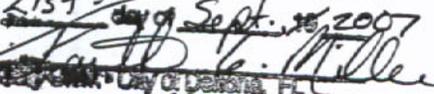


L. Roland Blossom, City Attorney

CERTIFIED

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

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

Res. # 2007-33
Witness my hand and official seal this
21st day of Sept., 2007

City Clerk, City of Deltona, FL

City of Deltona, Florida

RESOLUTION NO. 2007-34

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, 2007, AND ENDING SEPTEMBER 30, 2008; 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, 2007, and ending September 30, 2008, 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, 2007, and ending September 30, 2008, said budgets showing combined sources and uses of \$148,650,156.

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

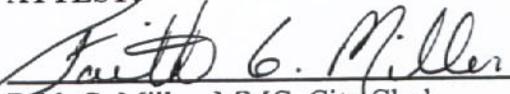
City of Deltona, Florida

City of Deltona, Florida
Resolution No. 2007-34
Page 2 of 2

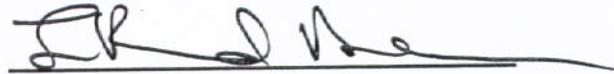
ADOPTED BY the City Commission of the City of Deltona, Florida this 17th day
of September, 2007.


Dennis Mulder, Mayor

ATTEST:


Faith G. Miller, MMC, City Clerk

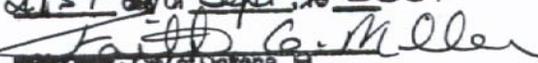
Approved as to form & legality for use &
Reliance by the City of Deltona, Florida.


L. Roland Blossom, City Attorney

CERTIFIED

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

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

Res. # 2007-34
witness my hand and official Seal this
17th day of Sept., 2007

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. It is the policy of the City to prepare a balanced budget.

City of Deltona, Florida

FINANCIAL POLICIES

I. Background and Purpose

The stewardship of public funds is one of the greatest responsibilities given to the officials and managers of the City of Deltona. Therefore, the establishment and maintenance of prudent fiscal policies enables City officials to protect public interests and ensure public trust.

This document incorporates past financial practices in defining the current policies to be used by the City to meet its obligations and operate in a financially prudent manner. These policies have been established to provide general fiscal guidelines and are intended to provide sound direction in the management of the City's financial affairs.

II. General Financial Philosophy

The financial policy of the City of Deltona is to provide a sufficient financial base and the resources necessary to sustain a high level of municipal services to ensure public safety, to maintain the physical infrastructure and surroundings of the City, and to promote the social well-being of the citizens of Deltona.

It shall be the goal of the City to achieve a strong financial condition with the ability to:

- Provide a high level of police, fire and other protective services to assure public health and safety;
- Effectively maintain and improve the City's infrastructure;
- Prudently plan, coordinate, review, and implement responsible community development and growth;

- Withstand local and regional economic impacts; and
- Adjust efficiently to the community's changing service requirements.

III. Accounting System, Accounting System, Auditing and Budgetary Control

The City utilizes a computerized financial accounting system, which incorporates a system of internal accounting controls. Such controls have been designed and are continually being reevaluated to provide reasonable, but not absolute, assurance regarding:

- The safeguarding of assets against loss from unauthorized use or disposition, and
- The reliability of financial records for preparing financial statements and monitoring accountability for assets.

The concept of reasonable assurance recognizes that:

- The cost of control should not exceed the benefits likely to be derived, and
- The evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework, and are believed to adequately safeguard and provide reasonable assurance of proper recording of financial transactions.

Accounting and budgeting records for governmental fund types and similar trust and agency funds are maintained on a modified accrual basis. Under the modified accrual basis of accounting,

City of Deltona, Florida

FINANCIAL POLICIES – Continued

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.

Budgets for the governmental fund types are adopted on a modified accrual basis.

In all funds, encumbrances are treated as expenditures for purposes of calculating the balances carried forward by them.

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.

Accounting and budgeting records for

proprietary fund types and similar trust funds are maintained on the accrual basis. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred. The government applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations.

For proprietary funds, accounting and budget records differ to the extent that depreciation, compensated absences, amortization of prepaid expenses, bad debt expenses and certain other items are not budgeted for but are a factor in determining fund balance revenues available for appropriation. Budgets for the Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that debt service, capital acquisitions, capital leases, and water and sewer impact fees are included in budgetary revenue and expenditures.

The annual operating budget is proposed by the City Manager and enacted by the City Commission after public participation. The City Charter sets the lowest level of budgetary control at the Department level and management control of the operating budget is additionally maintained at the Division/Activity level.

The City Finance Department is solely responsible for the reporting of the financial affairs of the City, both internally and externally. The Finance Director is the City’s Chief Financial Officer and is responsible for establishing the Chart of Accounts and for properly recording financial transactions.

The City will be audited annually by outside independent accountants

City of Deltona, Florida

FINANCIAL POLICIES – Continued

("auditor"). The auditor must be a CPA that can demonstrate that it has the breadth and depth of staff to conduct the City's audit in accordance with generally accepted auditing standards and contractual requirements. The auditor's report on the City's financial statement should be completed within 120 days of the City's fiscal year end, and the auditor will jointly review the management letter with the City Manager and Finance Director within 30 days of its receipt by City staff.

The auditor is retained by and is accountable directly to the City Commission and will have access to direct communication with the City Commission if City Staff is unresponsive to auditor recommendations or if the auditor considers such communication necessary to fulfill its legal and professional responsibilities.

IV. General Budget Policy

○ General Description

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. It is the budget document that serves as the primary tool for communicating 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 document used to demonstrate and carry out the Commission's plan.

○ Balanced Budget

The budget must be balanced for all funds. The operating budget will be balanced with current revenues, which may include beginning fund balances less required reserves as established by the City Commission, greater than or equal to current expenditures/expenses. (Section 166.241 of Florida Statutes requires that all budgets be balanced).

○ Planning

A calendar will be designed each year to provide a framework within which the interactions necessary to formulate a sound budget could occur. At the same time, this calendar will ensure that the City complies with all applicable State and Federal legal mandates.

The budget process will be scheduled so as to identify major policy issues for City Commission consideration several months prior to the budget approval date to allow adequate time for appropriate decisions and analysis of financial impacts.

The City will coordinate development of the capital improvement budget with the development of the annual operating budget. Each capital improvement project is reviewed for its impact on the operating budget in terms of revenue generation, additional personnel required and additional operating expenses.

City of Deltona, Florida

FINANCIAL POLICIES – Continued

○ Preparation

All operating funds are subject to the annual budget process and are reflected in the budget document.

The budget is prepared by the City Manager and Finance Director with the participation of all department directors, on a basis which is consistent with applicable generally accepted accounting principles (GAAP).

The City Manager presents the budget to the Mayor and City Commission at least sixty (60) days prior to the beginning of each budget year.

The budget shall be adopted annually no later September 30th and a copy filed in the City Clerk's Office.

○ Reporting

Expenditure reporting is available to all directors through the City's computerized financial accounting system. This system includes the approved annual operating budget and related transfers and/or amendments for all operating departments/divisions within the City.

○ Control and Accountability

Each department director shall be solely responsible to insure that their department budgets will not exceed budgeted amounts. Failure to achieve budgetary control of their individual expenditure and revenue budgets will be evaluated and investigated by the City Manager.

○ 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.

○ Contingency

The City Manager should establish an adequate contingent appropriation in each of the operating funds for expenditures only in cases of emergency or an unforeseen need.

V. Revenue Policies

○ Overview

In the City of Deltona's fiscal system, the monitoring and control of revenues is a primary concern. The City's primary revenue policy goal is to develop and maintain a diversified revenue system to protect it from possible short-term fluctuations in any of its various revenue sources. To accomplish this, revenues are monitored on a continuous basis to insure that

City of Deltona, Florida

FINANCIAL POLICIES – Continued

receipts from each revenue source are at maximum levels. An understanding of the economic and legal factors which directly and indirectly affect the level of revenue collections is an important part of the City's revenue policy. To further reduce the impact of fluctuations in revenue sources, the City's revenue policies establish guidelines regarding the use of one-time and unpredictable revenue sources.

○ General Revenue Guidelines

The City shall be conservative in all revenue forecasts.

The City will budget 96% of anticipated gross ad valorem proceeds to provide an allowance for discounts for early payment of taxes (Section 200.065 of Florida Statutes states that each taxing authority shall utilize not less than 95% of taxable value).

The City shall ensure that fees charged in enterprise operations are calculated at a level that will support all direct and indirect costs of the enterprise.

The City shall ensure that the basis for computing indirect cost allocations are reviewed periodically and are based on prudent and defensible assumptions.

Revenue projections for all major non-ad valorem revenue sources will be based on prudent trend analysis that considers current and projected economic conditions. Budget projections for State-shared revenues will consider State of Florida estimates that are contained in the Local Government Financial Information Handbook as one of

several factors for determining final revenue estimates.

The City will ensure that no revenue source whose terms of acceptance or collection may adversely affect the City will be accepted.

The use of revenues which have been pledged to bond holders will conform to bond covenants which commit those revenues.

○ Revenue Diversification

The City shall strive to diversify its revenues and create a stable revenue system to protect the City from possible short-term fluctuations in any of its revenue sources.

The City will, after having considered possible cost reduction alternatives, explore the possibility of obtaining new or expanded revenue sources as a way to help insure a balanced budget.

Cost recovery revenue sources will be analyzed on a regular basis and modified as necessary to insure that revenue collections reflect the cost of providing associated City services.

The City will follow an aggressive policy of enforcement of revenue regulations and collection of revenues.

○ Fees and Charges

The City will maximize utilization of user charges for services that can be individually identified and where the costs are directly related to the level of service.

Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in

City of Deltona, Florida

FINANCIAL POLICIES – Continued

methods or levels of service delivery.

In setting user fees and cost recovery levels, the following factors will be considered: (1) community-wide versus special benefit; (2) service recipient versus service driver; (3) effect of pricing on the demand for services and (4) feasibility of collection and recovery.

The following general concepts will be used in developing and implementing service charges:

- Revenues should not exceed the reasonable cost of providing the service.
- Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs and organization-wide support costs such as accounting, personnel, data processing, vehicle maintenance, insurance etc.
- The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
- Rate structures should be sensitive to the “market” for similar services as well as to smaller, infrequent users of the service.
- A unified approach should be used in determining cost recovery levels for various programs.

For enterprise funds, the City will set fees and rates at levels which fully cover the total direct and indirect costs of the fund, including operations, capital outlay

and debt service.

○ Use of One-Time Revenues

To the extent feasible, one-time revenues will be applied toward one-time expenditures; they will not be used to finance ongoing programs. Ongoing revenues should be equal to or exceed ongoing expenditures.

○ Discretionary Revenues

Unless otherwise stated explicitly by the Commission, the City will not earmark discretionary revenues for specific purposes. This will preserve the ability of the Commission to determine the best use of available revenues to meet changing service requirements.

VI. Expenditure Policies

○ Appropriations

The point of budgetary control is at the department level budget for all funds. Fund appropriations by the City Commission will be allocated to departments, divisions and line item object codes as deemed appropriate by the Finance Director to facilitate managerial control and reporting of financial operations.

If the City Manager and Finance Director certify that there are available projected revenues for appropriation in excess of those estimated in the budget, the City Commission may authorize supplemental appropriations up to the amount of such excess.

Every appropriation (except an appropriation for capital projects and federal, state and local grants) shall lapse at the close of the fiscal year to

City of Deltona, Florida

FINANCIAL POLICIES – Continued

the extent that it has not been carried forward. Appropriations for capital projects and federal, state or local grants shall continue in force until the purposes for which they were approved have been accomplished or abandoned; the purpose of any appropriation shall be deemed abandoned if three years pass without any disbursement or encumbrance of the appropriation unless re-appropriated by the City Commission.

○ Budgetary Requests

Departments must prepare their budget requests at the Department/Division and line item object level set forth by the Finance Director. The budget request for City Departments/Divisions will include itemized lists of all desired capital equipment and replacement of capital equipment. When possible, program expansions should be offset by reductions in other programs that have proven marginal.

Emphasis in planning for the delivery of City services will center on the development of goals and performance objectives that lead to end results or service levels to be accomplished. Divisions are asked to give careful attention to the identification of specific performance objectives and service levels and to relate budget requests to those objectives.

○ Central Control

No significant salary or capital budgetary savings in any department shall be spent by the department director without the prior authorization of the City Manager.

The City Manager has authority to transfer among line items within a department. City Commission approval is required for all transfers among departments, transfers involving contingency, reserve allocations, or increases in the total budget.

○ Purchasing

All City purchases of goods or services will be made in accordance with applicable state statutes and the City's current Procurement Policies.

○ Prompt Payment

All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within forty-five (45) calendar days of receipt in accordance with the provisions of Florida Statutes 218.70.

○ Reporting

The Finance Director will prepare and provide to the City Commission a quarterly analysis of financial condition at the end of the second, third and fourth quarters describing the financial and budgetary conditions of the City. If any actions are required to bring the budget into balance, recommendations for such action will be included with the quarterly report.

VII. **Debt Capacity, Issuance and Management**

○ Overview

The City of Deltona Debt Policy is intended to establish a framework for debt issuance and to provide general direction in the planning,

City of Deltona, Florida

FINANCIAL POLICIES – Continued

implementation and maintenance of the City's debt program. This policy is set forth in the City Charter, Article IV. Financial Policies, Division 1. Debt Policy and was adopted by Ordinance Number 26-02, Section 1, 12-6-2002.

The following information has been extracted from the City Charter and is intended to highlight the major elements of the City of Deltona Debt Policy that are applicable to the budgeting process.

○ 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.

○ Debt Limitations

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.

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.

Debt burden measures. For the purposes of measuring the general government debt capacity, the City includes all non self-supporting debt under the definition of general government debt. 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.

City Commission commitments.

- Act with regard to self-supporting proprietary

City of Deltona, Florida

FINANCIAL POLICIES – Continued

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.

- 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.
- Establish with regard to all non self-supporting debt, debt limits to ensure current and future flexibility.
- Types of debt permitted and criteria for issuance

Short term debt. Short-term obligations may be issued to finance projects or portions of projects for which the City ultimately intends to issue long-term debt.

Long term debt. The City will consider the issuance of long-term debt under the following conditions:

- One time capital project or capital improvement projects, when the project is included in the City's capital improvement program and appropriated in the budget.
- An unusual equipment purchase for which it is determined to be economically beneficial for the City to purchase through financing.

- 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.
- To finance the acquisition or implementation of a self-supporting proprietary or governmental program/activity.

General obligation bonds. When determined to be the most appropriate method of debt issuance, the City will seek approval through a voter referendum to issue general obligation bonds.

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.

Variable rate debt. The City may choose to issue securities that pay a rate of interest that varies according to a 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.

Leasing. When found to advantageous, the City may lease equipment and facilities rather than purchase them outright.

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 that have a general public purpose and are

City of Deltona, Florida

FINANCIAL POLICIES – Continued

consistent with the City's overall service and policy objectives.

Taxable debt. The City may issue taxable obligations when determined to be the best method for the intended purpose.

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.

Interfund borrowing. Interfund borrowing may be used when it would reduce costs of interest, debt issuance, and/or administration.

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.

- 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.

- Integration of capital planning and debt financing activities

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.

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.

- *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

City of Deltona, Florida

FINANCIAL POLICIES – Continued

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.

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

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.

○ 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.

VIII. Reserve and Stabilization Accounts

The City shall establish an appropriated Contingency Reserve in the General Fund in order to accommodate unexpected operational changes, legislative impacts, or other economic events affecting the City's operations which could not have been reasonably anticipated at the time the budget was prepared. Funding shall be targeted at one (1) percent of the City's operating expenditures in the General Fund.

The City shall establish a Strategic Reserve in the General Fund which shall neither be appropriated nor spent without Commission authorization. The purpose of this reserve is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major, unanticipated projects. Funding shall be targeted at not less than fifteen (15) percent of the City's operating expenditures in the General Fund.

Reserves for Encumbrances and Continuing Appropriations are established at the end of every fiscal year to reserve fund balance in the amount equal to the City's unpaid obligations and unfinished projects at year-end.

Restoration of the Strategic Reserve Fund will begin the fiscal year following their use and, to the extent possible, will be restored to the 15% target level as quickly as reasonably feasible to do so.

The Emergency Reserve for future fiscal years is not intended to function as a second contingency fund to address unfunded expenditures or over-expenditures related to the normal provision of City services.

City of Deltona, Florida

FINANCIAL POLICIES – Continued

The minimum Strategic Reserve balance will be attained and maintained through expenditure management and revenue management.

The City will strive to establish and maintain minimum fund balance targets for Enterprise Funds, Capital Projects Funds (excluding bond proceeds) and Internal Service Funds (Special Purpose Funds).

Impact Fee Funds shall be excluded from this policy. Since impact fees are limited to fund capital projects, an operating reserve is not necessary. Year-end balances must have an anticipated use. While anticipated projects may be reprioritized, the ultimate use must always comply with the special purpose restriction.

Other funds may be excluded from this policy because (1) there are already other legal restrictions that control the ability to maintain reserves, (2) the funds are to be used to fund future liabilities (pension funds), (3) the funds are small and have no material impact on City operations, or (4) other special circumstances exist.

IX. Cash Management and Investment Policies

○ Cash Management Policies

The City's cash flow will be managed to maximize the cash available to invest. 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, safe keeping and administration.

The City's cash management will entail the centralization of cash collections, where feasible, resulting in a limited number of cash collection points throughout the City. Investment of City funds emphasizes the preservation of principal, with liquidity and yield being secondary factors. Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury Bills.

○ Investment Policies

The City's Investment Policy sets forth the investment objectives and parameters for the management of public funds of the City of Deltona, Florida, and was last updated through Resolution No. 2005-42. The Investment Policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed and an investment return competitive with comparable funds and financial market indices. The investment program is operated in conformance with federal, state and other legal requirements including Section 218.45, Florida Statutes, governing the investment of public funds.

The following information has been extracted from the City Investment Policy and is intended to highlight the major elements of the policy.

- The Investment Policy applies to all funds held by the City on behalf of the citizenship of the City of Deltona with the exception of: A) Pension fund assets, and B) Funds whose uses

City of Deltona, Florida

FINANCIAL POLICIES – Continued

- 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.
 - The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Management responsibility for all City funds in the investment program and investment transactions is delegated to the Director of Finance, who shall act in accordance with established written procedures and internal controls for the operations of the investment program consistent with the Investment Policy. The City may employ an investment manager to assist in managing some of the City’s portfolios.
 - A list shall be maintained of financial institutions, depositories and broker/dealers that are approved to provide investment services (“Qualified Institutions”).
 - All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible institution prior to the release of funds. Securities will be held by a (centralized) independent third-party custodian selected by the City as evidenced by safekeeping receipts in the City’s name. The custodial relationship shall be governed by a written agreement properly executed by all parties. This City shall design and maintain a system of internal controls designed to prevent the loss of public funds arising from fraud, employee error, misrepresentations by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City.
 - Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and the City’s needs change.
 - The following investment types are permitted by the Investment Policy: Florida Local Government Surplus funds Trust

City of Deltona, Florida

FINANCIAL POLICIES – Continued

Fund, United State Government Securities, United States Government Agencies, Federal Instrumentalities, 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) and Intergovernmental Investment Pool.

- 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.
- To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase and in accordance with state and local statutes and ordinances. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the

portfolio shall be continuously invested in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

X. Approval of Financial Policies

The Financial Policies shall be approved by the City Manager as an administrative policy and reviewed by the City Manager during the annual budget process.

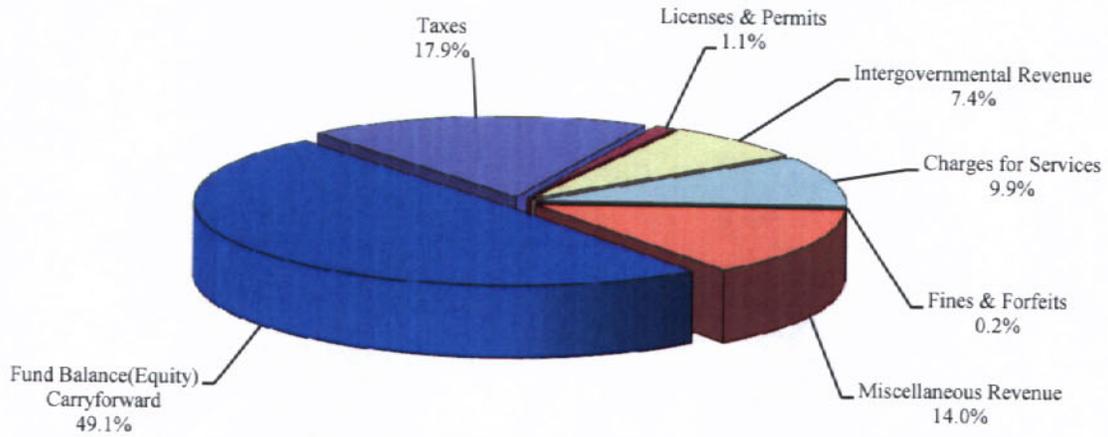
City of Deltona, Florida

BUDGET SUMMARY - ALL FUNDS

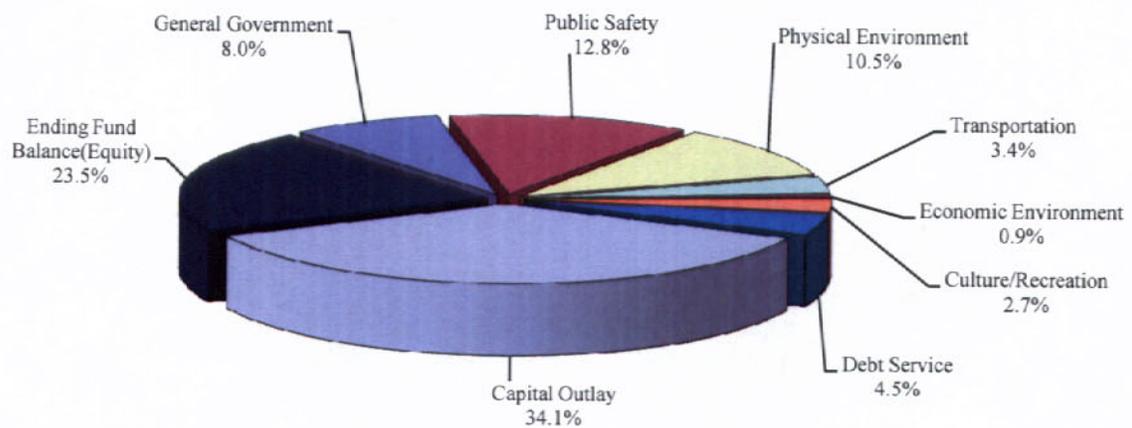
<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Enterprise Fund</u>	<u>Capital Project Funds</u>	<u>Total</u>
<u>SOURCES</u>					
Taxes	\$ 25,132,000	\$ -	\$ -	\$ -	\$ 25,132,000
Licenses & Permits	1,575,000	-	-	-	1,575,000
Intergovernmental Revenue	8,188,000	2,224,000	-	-	10,412,000
Charges for Services	390,000	-	13,554,000	-	13,944,000
Fines & Forfeits	251,000	-	-	-	251,000
Miscellaneous Revenue	1,881,000	16,232,600	1,243,000	285,000	19,641,600
<i>Revenues</i>	37,417,000	18,456,600	14,797,000	285,000	70,955,600
Transfers In	-	35,000	-	8,241,000	8,276,000
Fund Balance(Equity) Carryforward - 9/30/07	16,701,004	25,912,264	17,710,372	8,894,916	69,218,556
<i>TOTAL SOURCES</i>	<u>\$ 54,118,004</u>	<u>\$ 44,403,864</u>	<u>\$ 32,507,372</u>	<u>\$ 17,420,916</u>	<u>\$ 148,450,156</u>
<u>USES</u>					
General Government	\$ 11,145,900	\$ -	\$ -	\$ -	\$ 11,145,900
Public Safety	17,873,900	-	-	-	17,873,900
Physical Environment	-	6,325,700	8,428,600	-	14,754,300
Transportation	4,402,400	355,900	-	-	4,758,300
Economic Environment	-	1,282,000	-	-	1,282,000
Culture/Recreation	3,820,500	-	-	-	3,820,500
Debt Service:	-	-	-	-	-
Principal	-	605,000	950,000	-	1,555,000
Interest	-	855,000	3,837,000	-	4,692,000
<i>Operating Appropriations</i>	37,242,700	9,423,600	13,215,600	-	59,881,900
Capital Outlay	640,000	17,492,200	18,520,700	14,206,300	50,859,200
<i>Total Appropriations</i>	37,882,700	26,915,800	31,736,300	14,206,300	110,741,100
Transfers Out	7,364,600	911,400	-	-	8,276,000
Ending Fund Balance(Equity) - 9/30/08	8,870,704	16,576,664	771,072	3,214,616	29,433,056
<i>TOTAL USES</i>	<u>\$ 54,118,004</u>	<u>\$ 44,403,864</u>	<u>\$ 32,507,372</u>	<u>\$ 17,420,916</u>	<u>\$ 148,450,156</u>

City of Deltona, Florida

BUDGET SUMMARY - ALL FUNDS SOURCES Excluding Interfund Transfers \$148,450,156



BUDGET SUMMARY - ALL FUNDS TOTAL USES Excluding Interfund Transfers \$148,450,156



City of Deltona, Florida

BUDGET SUMMARY - ALL FUNDS

Trend Analysis - Revenues By Source

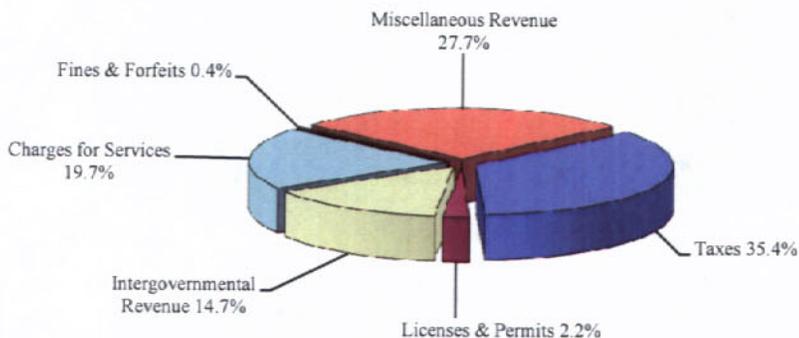
<u>Description</u>	<u>Actual</u> <u>FY 04/05</u>	<u>Actual</u> <u>FY 05/06</u>	<u>Estimated</u> <u>Actual</u> <u>FY 06/07</u>	<u>Budget</u> <u>FY 07/08</u>
<u>SOURCES</u>				
Taxes	\$ 18,437,474	\$ 21,202,508	\$ 24,122,500	\$ 25,132,000
Licenses & Permits	2,420,692	2,966,975	1,383,000	1,575,000
Intergovernmental Revenue	17,382,843	10,277,427	9,290,000	10,412,000
Charges for Services	13,346,604	13,574,107	13,536,000	13,944,000
Fines & Forfeits	234,347	277,399	307,000	251,000
Miscellaneous Revenue	11,204,345	15,120,058	14,573,743	19,641,600
<i>Revenues</i>	63,026,305	63,418,474	63,212,243	70,955,600
Bond Proceeds	-	18,882,506	-	-
Transfers In	4,987,903	4,023,711	6,297,105	8,276,000
Fund Balance(Equity) Carryforward	41,476,166	47,667,051	76,183,804	69,218,556
TOTAL RESOURCES	\$ 109,490,374	\$ 133,991,742	\$ 145,693,152	\$ 148,450,156

Budget FY 07/08 Compared to FY 06/07

<u>SOURCES</u>	
Taxes	4.2%
Licenses & Permits	13.9%
Intergovernmental Revenue	12.1%
Charges for Services	3.0%
Fines & Forfeits	-18.2%
Miscellaneous Revenue	34.8%
<i>Revenues</i>	<u>12.2%</u>

REVENUES BY SOURCE

TOTAL: \$70,955,600
(Excluding Interfund Transfers)



City of Deltona, Florida

BUDGET SUMMARY - ALL FUNDS

Trend Analysis - Expenditures By Function

<u>Description</u>	<u>Actual</u> <u>FY 04/05</u>	<u>Actual</u> <u>FY 05/06</u>	<u>Estimated</u> <u>Actual</u> <u>FY 06/07</u>	<u>Budget</u> <u>FY 07/08</u>
USES				
General Government	\$ 6,745,599	\$ 7,175,245	\$ 11,278,200	\$ 11,180,900
Public Safety	11,597,712	12,676,424	14,412,800	17,873,900
Physical Environment	11,752,567	11,798,530	13,550,580	14,754,300
Transportation	8,567,254	3,044,017	3,839,665	4,723,300
Economic Environment	863,170	2,730,025	2,015,219	1,282,000
Culture/Recreation	1,853,911	1,837,059	2,543,600	3,820,500
Debt Service	4,535,125	4,674,197	6,164,101	6,247,000
Capital Outlay	10,920,083	9,848,732	18,623,326	50,859,200
<i>Appropriations</i>	56,835,420	53,784,227	72,427,491	110,741,100
Transfers Out	4,987,903	4,023,711	6,297,105	8,276,000
Ending Fund Balance(Equity)	47,667,051	76,183,804	66,968,556	29,433,056
TOTAL USES	\$ 109,490,374	\$ 133,991,742	\$ 145,693,152	\$ 148,450,156

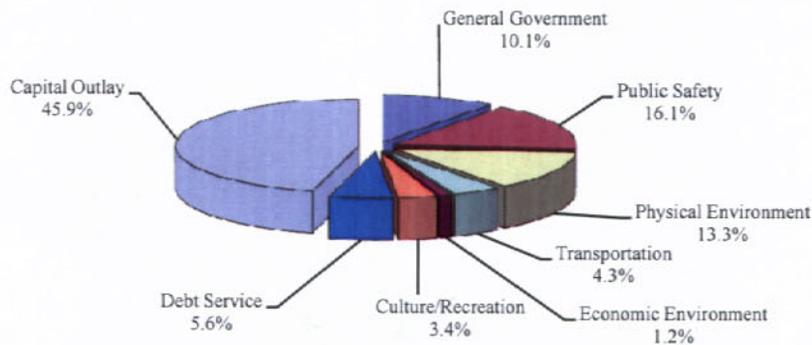
Budget FY 07/08 Compared to FY 06/07

<u>USES</u>	
General Government	-0.9%
Public Safety	24.0%
Physical Environment	8.9%
Transportation	23.0%
Economic Environment	-36.4%
Culture/Recreation	50.2%
Debt Service	1.3%
Capital Outlay	<u>173.1%</u>
<i>Appropriations</i>	<u>52.9%</u>

EXPENDITURES BY FUNCTION

TOTAL: \$110,776,100

(Excluding Interfund Transfers)



City of Deltona, Florida

CONSOLIDATED FINANCIAL OVERVIEW
CHANGES IN FUND BALANCE - ALL FUNDS

	General Fund Summary	Special Revenue Fund Summary	Enterprise Fund Summary	Capital Projects Fund Summary	Total
Actual Fund Balance(Equity) - 09/30/06	\$ 16,678,254	\$ 28,391,592	\$ 24,448,847	\$ 6,665,111	\$ 76,183,804
Estimated FY07:					
Revenues	35,264,250	13,213,113	14,302,680	482,700	63,262,743
Expenditures	(29,475,500)	(15,161,336)	(21,041,155)	(4,550,000)	(70,227,991)
Transfers	(5,766,000)	(531,105)	-	6,297,105	-
Net Change	22,750	(2,479,328)	(6,738,475)	2,229,805	(6,965,248)
Estimated Fund Balance(Equity) - 09/30/07	\$ 16,701,004	\$ 25,912,264	\$ 17,710,372	\$ 8,894,916	\$ 69,218,556
Budget FY08:					
Revenues	37,417,000	18,456,600	14,797,000	285,000	70,955,600
Expenditures	(37,882,700)	(26,915,800)	(31,736,300)	(14,206,300)	(110,741,100)
Transfers	(7,364,600)	(876,400)	-	8,241,000	-
Net Change	(7,830,300)	(9,335,600)	(16,939,300)	(5,680,300)	(39,785,500)
Budgeted Fund Balance(Equity) - 09/30/08	\$ 8,870,704	\$ 16,576,664	\$ 771,072	\$ 3,214,616	\$ 29,433,056

City of Deltona, Florida

GENERAL FUND
CHANGES IN FUND BALANCE

	General Fund Summary
<i>Actual Fund Balance - 09/30/06</i>	\$ 16,678,254
<u>Estimated FY07:</u>	
Revenues	35,264,250
Expenditures	(29,475,500)
Transfers	<u>(5,766,000)</u>
Net Change	22,750
<i>Estimated Fund Balance - 09/30/07</i>	<u>\$ 16,701,004</u>
<u>Budget FY08:</u>	
Revenues	37,417,000
Expenditures	(37,882,700)
Transfers	<u>(7,364,600)</u>
Net Change	(7,830,300)
<i>Budgeted Fund Balance - 09/30/08</i>	<u>\$ 8,870,704</u>

City of Deltona, Florida

**SPECIAL REVENUE FUND
CHANGES IN FUND BALANCE**

	Stormwater Utility	Solid Waste Management	Transportation	Streetlighting Districts	CDBG Fund	SHIP Fund
Actual Fund Balance - 09/30/06	\$ 2,204,539	\$ 232,919	\$ 25,772,182	\$ (17,034)	\$ -	\$ -
Estimated FY07:						
Revenues	2,748,624	4,099,000	3,657,000	100,765	512,156	767,357
Expenditures	(2,873,624)	(4,176,400)	(5,935,828)	(109,765)	(512,156)	(767,357)
Transfers	-	-	-	-	-	-
Net Change	(125,000)	(77,400)	(2,278,828)	(9,000)	-	-
Estimated Fund Balance - 09/30/07	\$ 2,079,539	\$ 155,519	\$ 23,493,354	\$ (26,034)	\$ -	\$ -
Budget FY08:						
Revenues	3,358,000	4,031,000	8,963,900	109,400	510,000	772,000
Expenditures	(5,430,300)	(4,185,600)	(15,901,000)	(116,900)	(510,000)	(772,000)
Transfers	-	-	-	35,000	-	-
Net Change	(2,072,300)	(154,600)	(6,937,100)	27,500	-	-
Budgeted Fund Balance - 09/30/08	\$ 7,239	\$ 919	\$ 16,556,254	\$ 1,466	\$ -	\$ -

	HHRP Fund	Fire/Rescue Impact Fees	Park Impact Fees	Law Enforcement Impact Fees	Environment Improvement Trust	Special Revenue Fund Summary
Actual Fund Balance - 09/30/06	\$ -	\$ 39,530	\$ 159,456	\$ -	\$ -	\$ 28,391,592
Estimated FY07:						
Revenues	735,706	179,000	339,150	23,855	50,500	13,213,113
Expenditures	(735,706)	-	-	-	(50,500)	(15,161,336)
Transfers	-	(177,000)	(330,250)	(23,855)	-	(531,105)
Net Change	-	2,000	8,900	-	-	(2,479,328)
Estimated Fund Balance - 09/30/07	\$ -	\$ 41,530	\$ 168,356	\$ -	\$ -	\$ 25,912,264
Budget FY08:						
Revenues	-	199,200	496,400	16,700	-	18,456,600
Expenditures	-	-	-	-	-	(26,915,800)
Transfers	-	(238,800)	(655,900)	(16,700)	-	(876,400)
Net Change	-	(39,600)	(159,500)	-	-	(9,335,600)
Budgeted Fund Balance - 09/30/08	\$ -	\$ 1,930	\$ 8,856	\$ -	\$ -	\$ 16,576,664

City of Deltona, Florida

**ENTERPRISE FUND
CHANGES IN FUND BALANCE**

	<u>Water/Sewer Construction</u>	<u>Water/Sewer Utility</u>	<u>Enterprise Fund Summary</u>
<i>Actual Fund Equity - 09/30/06</i>	\$ 18,623,928	\$ 5,824,919	\$ 24,448,847
<u>Estimated FY07:</u>			
Revenues	550,000	13,752,680	14,302,680
Expenditures	(6,726,000)	(14,315,155)	(21,041,155)
Transfers	-	-	-
Net Change	<u>(6,176,000)</u>	<u>(562,475)</u>	<u>(6,738,475)</u>
<i>Estimated Fund Equity - 09/30/07</i>	<u>\$ 12,447,928</u>	<u>\$ 5,262,444</u>	<u>\$ 17,710,372</u>
<u>Budget FY08:</u>			
Revenues	650,000	14,147,000	14,797,000
Expenditures	(12,789,000)	(18,947,300)	(31,736,300)
Transfers	-	-	-
Net Change	<u>(12,139,000)</u>	<u>(4,800,300)</u>	<u>(16,939,300)</u>
<i>Budgeted Fund Equity - 09/30/08</i>	<u>\$ 308,928</u>	<u>\$ 462,144</u>	<u>\$ 771,072</u>

City of Deltona, Florida

**CAPITAL PROJECT FUND
CHANGES IN FUND BALANCE**

	Municipal Complex(es)	Replacement Equipment	New Equipment	Park Projects	Capital Projects Fund Summary
<i>Actual Fund Balance - 09/30/06</i>	\$ 4,523,521	\$ 1,523,493	\$ -	\$ 618,096	\$ 6,665,111
<u>Estimated FY07:</u>					
Revenues	281,000	85,000	-	116,700	482,700
Expenditures	(900,000)	(1,100,000)	-	(2,550,000)	(4,550,000)
Transfers	2,450,855	1,266,000	-	2,580,250	6,297,105
Net Change	1,831,855	251,000	-	146,950	2,229,805
<i>Estimated Fund Balance - 09/30/07</i>	\$ 6,355,376	\$ 1,774,493	\$ -	\$ 765,046	\$ 8,894,916
<u>Budget FY08:</u>					
Revenues	191,000	65,000	-	29,000	285,000
Expenditures	(11,100,000)	(1,689,000)	(568,600)	(848,700)	(14,206,300)
Transfers	5,755,500	1,261,000	568,600	655,900	8,241,000
Net Change	(5,153,500)	(363,000)	-	(163,800)	(5,680,300)
<i>Budgeted Fund Balance - 09/30/08</i>	\$ 1,201,876	\$ 1,411,493	\$ -	\$ 601,246	\$ 3,214,616

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
- Transportation
- Streetlighting Districts
- Community Development Block Grant (CDBG)
- State Housing Initiatives Partnership (SHIP)
- Hurricane Housing Recovery Program (HHRP)
- Fire/Rescue Impact Fees
- Park Impact Fees
- Law Enforcement Impact Fees

CAPITAL PROJECTS FUNDS

The **Capital Project 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
- Replacement Equipment Fund
- New Equipment Fund
- Park Projects 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 07/08 Budget for all city funds is \$148.4 million, a increase of \$17 million from the original FY 06/07 Budget. This increase is largely due to receiving transportation bond proceeds in 05/06 and the budgeted expenditure of these funds in 07/08.

The Enterprise Fund Budget for FY 07/08 is \$32.5 million, a decrease of \$644,300 thousand from the original FY 06/07 Budget. The General Fund, Special Revenue Funds and Capital Project Funds Budgets for FY

07/08 total \$148.4 million, a net increase of \$16.8 million from the original FY 06/07 Budget. This increase is largely due to \$14 million in transferred delayed capital outlay road projects and \$3 million from the cancellation of the Partnership Center

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 21.4% of City revenues, excluding Enterprise Fund revenues. Including Enterprise Fund revenues, this percentage is approximately 16.9%. 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 11.6% in value. New construction and annexations have added another \$134.6 million to the tax role, bringing the total taxable value to \$3.673 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 07/08 which is based on the preliminary tax roll since the final tax roll is not available until October.

Historically, the City maintained its property tax rate at 4.198 mills, the rate set at incorporation on December 31, 1995, until the FY 06/07 when the City adopted a rate of 4.0145 mills. For FY 07/08, the City has adopted an operating millage rate of 3.2837, which is a 8.72% reduction from the calculated rolled back rate of 3.5974. The calculated rolled back rate 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. By accepting the proposed operating millage rate of 3.2837, the City has an overall reduction in the property tax rate of 18.2%. However, the effect on individual property owners is dependent on the increase or decrease in valuation of their specific property.

City of Deltona, Florida

PROPERTY TAXES – Continued

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 \$12 million for fiscal year 07/08. 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 23.3% of the City's annual revenues, excluding Enterprise Fund revenues. Including Enterprise Fund revenues, this percentage drops to 18.5%. 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 \$4.5 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 \$4.6 million annually.

The City has levied a public service tax on gross sales for applicable telecommunications services. The rate of taxation for all services (telecommunications and cable) is a state assigned conversion rate of 6.22%. This general revenue source now accounts for approximately \$4 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 has a business tax license program and per state statute, the

City receives a portion of the revenue derived from the County's business tax licenses issued within the City.

For FY 07/08, the City projects an increase in license and permit revenue of approximately 13.9% 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 14.6% of the City’s annual incoming revenues, excluding Enterprise fund revenues and 11.5% 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 \$2.5 million for fiscal year 07/08, representing about 4.4% of the City’s annual revenues, excluding Enterprise Fund revenues and about 1.15% including Enterprise Fund revenues.

Half-cent sales tax collections are budgeted at \$4.35 million for FY 07/08 and account for approximately 7.8% of the City’s annual revenues excluding Enterprise Fund revenues and 6.2% 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.

Local option gas tax represents approximately 4% of the City’s budgeted sources of funds excluding Enterprise Fund revenues and 3.2% 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 \$2.2 million. The fund clearly demonstrates the City’s compliance with the state laws governing the use of these taxes.

For FY 07/08, the City’s budget for intergovernmental revenues is \$8.18 million. This represents an increase of 12.9% 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 9.3% while revenue derived from state revenue sharing and half-cent sales tax has increased by 1.6% over 2007/2008 estimated actual.

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 19.6% 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 07/08 at \$13.5 million or 19.1% of City revenues.

City of Deltona, Florida

OTHER REVENUE ISSUES – Continued

The remaining 0.5% 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 11.3% of the City's incoming sources of revenues excluding Enterprise Fund revenues and 9% including Enterprise Fund revenues. These revenues are restricted to use for their intended purpose (stormwater, solid waste and streetlighting).

budgeted to generate \$2.3 million of revenue for FY 07/08. 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.

The City charges a stormwater utility assessment on all assessed property located within the City. The current annual assessment rate is \$60 per ERU (equivalent residential unit) for all developed parcels and \$34 for undeveloped parcels, which is

Additionally, the City charges all residential properties \$120 annually for solid waste management services with an estimated budget of \$4 million in FY 07/08.

IMPACT FEES

The City currently charges impact fees for growth-related capital improvements for fire protection/rescue, parks/recreation, law enforcement and transportation. The revenues budgeted for FY 07/08, are \$194,000, \$485,400, \$16,500 and \$450,000, respectively for these funds. The budgeted revenues 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.

City of Deltona, Florida

OTHER REVENUE ISSUES – Continued

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 Florida

State Board of Administration – Investment Pool (SBA) and other similar money market funds carrying the highest credit quality rating.

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 \$699,000 charge from the General Fund to the Stormwater Utility, Solid Waste Management, Local Option Gas Tax, Streetlighting Districts Funds and Deltona Water for administrative charges. 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 \$40,000 in revenue from the City's recycling program and \$140,000 from rental & lease payments. Enterprise Fund revenue adds approximately \$793,000 of additional miscellaneous revenue.

EXPENDITURES

EXPENDITURES BY FUNCTION

The trend analysis of expenditures by function which shows appropriated expenditures as follows: 12.8% spent on Public Safety, 10.5% on Physical Environment, 3.4% on Transportation, 4.5%

on Debt Service, 8.0% on General Government, 2.7% on Culture/Recreation, 34.1% on Capital Outlay and 0.9% Economic Environment.

City of Deltona, Florida

EXPENDITURES BY FUNCTION – Continued

CAPITAL IMPROVEMENTS

Included in the FY 07/08 budget is \$50,859,200 for capital improvements relating to the following functions/services:

Municipal Facilities	\$11,100,000
Equipment Replacement	1,689,000
New Equipment	568,600
Park Projects	848,700
Stormwater	3,290,200
Transportation	14,202,000
Sidewalks	640,000
Water/Sewer Utilities	18,520,700

Future operational expenses related to 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.

OTHER ISSUES

FUND BALANCE

The City continues to maintain a healthy fund balance. The City established an appropriated Contingency Reserve in the General Fund in order to accommodate unexpected changes which could not have been reasonably anticipated at the time the budget was prepared. Funding is targeted at one (1) percent of the City's operating expenditures in the General Fund (\$373,000).

The City also established a Strategic Reserve in the General Fund, the purpose of this reserve is to provide some fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major, unanticipated projects. Funding is targeted at not less than fifteen (15) percent of the City's operating expenditures in the General Fund (\$5,587,000).

All funds are budgeted to have a positive fund balance at the end of FY 07/08.

Changes in Fund Balances of More Than 10%

General Fund – 47%

Within the 2007/2008 budget, there are expansions of services in the area of law enforcement, fire services, and parks and recreations. There is also an increase in the fiscal services in the area of risk management and safety.

Special Revenue Funds – 36%

Due to the expansion of the City, several of the Special Revenue Funds have extension capital outlay projects planned within the 2007/2008 budget year. The changes relating to the Special Revenue Funds are caused by the following funds; Stormwater Fund by 23%, Transportation by 11.8%, Solid Waste Management .6% and Park Impact Fees by .6%.

City of Deltona, Florida

EXPENDITURES BY FUNCTION – Continued

Enterprise Fund – 96%

Within the 2007/2008 budget year the Enterprise Fund is expending the 2003 bond proceeds for capital construction which consist of 72.1% of the change in fund balance and remain 23.5% is due to additional capital outlay not covered by the

bond proceeds.

Capital Projects Fund – 64%

The Capital Projects Fund for several years has accumulated funding for municipal facilities and equipment.

DEBT

In February 2007, the Financial Planning Policies was approved. 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. 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.

In April of 2006, the City entered into an Option to enter into an interest rate swap (swaption). Subject to achievement of a minimum present value savings level, the City approved and entered into a contract to grant an option to a swap provider to have the City issue variable rate bonds on or about October 1, 2013, at which time \$67.75 million of the 2003 Utility Bonds should be outstanding, to refund the 2003 Utility Bonds in exchange for an upfront payment of \$3,206,837 estimated to be equal to the estimated present value savings the City would achieve as a result of such a refunding. Should the swap provider exercise the option in 2013, the City would either issue the variable rate bonds and the swap provider would pay to the City an agreed to variable interest rate, and the City would pay the swap provider an agreed to fixed interest rate or the City would have to pay the swap provider a termination payment to cancel the right.

The City has no general obligation debt.

City of Deltona, Florida

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.

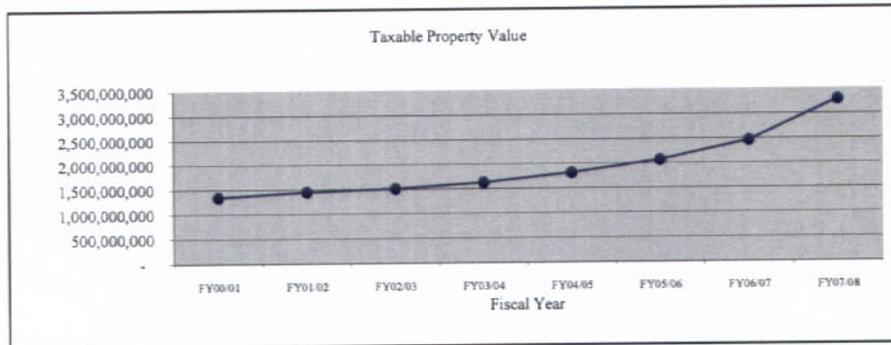
The city operates within a complex financial environment and is dedicated to strong

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, 2001	January 1, 2002	January 1, 2003	January 1, 2004	January 1, 2005	January 1, 2006	January 1, 2007
Fiscal Year	FY01/02	FY02/03	FY03/04	FY04/05	FY05/06	FY06/07	FY07/08
Real Property	\$ 1,408,965,182	\$ 1,526,677,939	\$ 1,702,828,922	\$ 1,984,620,273	\$ 2,388,438,207	\$ 3,207,250,948	\$ 3,721,995,658
Personal Property	101,530,080	104,060,560	109,800,430	86,533,624	76,723,419	84,822,623	86,507,721
Estimated Gross Value	1,510,495,262	1,630,738,499	1,812,629,352	2,071,153,897	2,465,161,626	3,292,073,571	3,808,503,379
Less Net New Value	(52,270,368)	(63,267,583)	(86,405,529)	(122,780,297)	(139,903,703)	(153,551,548)	(134,669,600)
Current Year Adjusted	1,458,224,894	1,567,470,916	1,726,223,823	1,948,373,600	2,325,257,923	3,138,522,023	3,673,833,779
Prior Year Final	1,451,687,171	1,510,495,262	1,630,738,499	1,812,629,352	2,071,153,897	2,465,161,626	3,292,073,571
Inc(dec) in Prior Year	\$ 6,537,723	\$ 56,975,654	\$ 95,485,324	\$ 135,744,248	\$ 254,104,026	\$ 673,360,397	\$ 381,760,208
% Change in Value of existing property	0.45%	3.77%	5.86%	7.49%	12.27%	27.32%	11.60%
% Change Adjusted for Senior Exemption	3.55%						
Overall Change from PY							
Inc(dec) From Prior Year	\$ 58,808,091	\$ 120,243,237	\$ 181,890,853	\$ 258,524,545	\$ 394,007,729	\$ 826,911,945	\$ 516,429,808
Percentage	4.05%	7.96%	11.15%	14.26%	19.02%	33.54%	15.69%
Ad valorem Tax Millage Rate							
Millage Rate	4.19800	4.19800	4.19800	4.19800	4.15000	4.01451	4.01451
Rolled-Back Rate	4.18205	4.05415	3.97684	3.90946	3.70932	3.25939	3.28370
Difference	0.01595	0.14385	0.22116	0.28854	0.44068	0.75512	0.73081
Statutory Tax Increase	0.38%	3.55%	5.56%	7.38%	11.88%	23.17%	22.26%
	3.48%						



City of Deltona, Florida

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