

Appendix

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City of Fernandina Beach
Adopted Budget
For Fiscal Year 2012-2013
User's Guide

Understanding the Budget

The budget for the City of Fernandina Beach is designed to present financial and service information in a single document. This budget is prepared in conformance with rules and regulations developed for use by local governments, and is intended to ensure the meeting of certain criteria established by budget officials from throughout the United States and Canada. The four criteria are:

1. The budget must serve as a policy document.
2. The budget must serve as an operating guide.
3. The budget must serve as a financial plan.
4. The budget must serve as a communication device.

1. *The Budget as a Policy Document*

As a policy document, the budget indicates the level of services and capital improvements provided by the City during the next fiscal year. The opening message addresses fiscal policy issues for the current and future years, and will summarize the changes in programs and capital improvements to be provided during the year.

The budget is the Commission's fiscal policy for the programs and services provided by the City to its residents. The budget identifies the sources of revenue and the expenditures for each department and the capital improvement programs. The budget includes descriptions of the services that will be performed by each department and the goals and objectives for the new budget year.

The budget includes goals and objectives for each department and includes how the organization will deliver services and the constraints under which the city operates.

2. *The Budget as an Operations Guide*

The budget has been prepared using the line-item approach, and indicates how departments are organized to provide services to the community. The budget is grouped by types of funds. The types of funds include General Fund, Enterprise Funds, Special Funds, Debt Service Funds, Capital Project Funds, Internal Service Funds, and Trust Funds.

Each of the operational funds, including General Fund and Enterprise Funds have provided a mission statement, description, goals, and objectives. These funds also include organizational charts and details of personnel services by position control summaries.

The City of Fernandina Beach has included a performance measurement system to provide objective methods for the measurement of results by department or division.

3. The Budget as a Financial Plan

As a financial plan, the budget outlines the cost of City services and how they will be funded. The revenue and expenditures highlights sections provide information regarding major revenues and expenditures, as well as other financing sources and uses for the annual budget.

The Budget Message includes items that have been considered important issues in the community including projects and citizen desires.

The Budget includes graphs that will assist the reader in revenues and expenditures details. We have included graphs that explain the grants that have been received in the prior fiscal year and confirmed sources of grants in the current budget year.

4. The Budget as a Communications Device

The budget is designed to be user-friendly with summary information in text, charts, tables, and graphs. The Table of Contents provides a listing in the order of the sections in this document. There is a glossary section that includes a list of terms that may be helpful to the reader. Any questions regarding the City budget document may be addressed by calling the City Finance Department at (904) 277-7311.

Format of the Budget Document

The Budget document has thirteen tabs that divide the budget information into sections for easy reference. The Table of Contents lists the sections and the important topics or highlights within each section. The General Fund provides general governmental services including administration, finance, legal, public safety, and recreation. These operations are traditionally associated with the government operations of the city which are not required to be accounted for in another fund. The Capital Project Funds account for financial resources to be used for acquisition or construction of major capital facilities and improvements.

Annual Budget Procedures

In accordance with the City of Fernandina Charter, the City Manager must prepare and submit to the City Commission an Annual budget, Budget Message, and Capital Program.

- 1) Budget Adoption-The Commission shall by Resolution adopt an annual budget pursuant to general law in accordance with the City of Fernandina Beach Charter.
- 2) Balanced Budget – Each annual budget adopted by the Commission shall be a balanced budget in accordance with the City of Fernandina Beach Charter.
- 3) Budget Amendments – The annual budget is adopted by Resolution and may only be changed by Resolution. Further changes such as transferring of available funds within a specific department or division may be authorized by the City Manager or the Commission in accordance with the City of Fernandina Beach Charter and Ordinances.

Budget Calendar for 2012-2013

The City Commission adopted a preliminary combined millage rate of 6.3001 on August 2, 2012, for use on the Notice of Proposed Property Taxes (TRIM notice) mailed to all property owners. In accordance with state law, the tentative millage rate is adopted by the Commission at the first budget hearing in September and this rate cannot exceed the preliminary rate adopted by the Commission in August except by re-notifying by mail all affected property owners. Additionally, the tentative rate approved at the first budget hearing cannot be increased at the final budget hearing.

The following budget calendar is sent to all Departments within the city prior to the beginning of the budget process.

Date	Action
March 6, 2012	Budget Kick off Department Mission Statements, Goals & Objectives Department Descriptions including <u>Performance Measures</u> distributed and discussed
March 20, 2012	Department Mission Statements and Goals & Objectives DUE
March 27, 2012	Department Descriptions including Performance Measures DUE
March 27, 2012	Budget Kick off Five Year Capital Plan worksheets distributed and discussed
April 20, 2012	Five Year Capital Plan DUE
April 24, 2012	Budget Kick off <u>Budget Worksheets</u> distributed and discussed *Grant Applications to Non-Profit Agencies
May 18, 2012	Initial Budget Requests, Revenue Projections, Worksheets DUE Grant Applications DUE
May 29-June 1, 2012	Controller and City Manager review requests
June 4-8, 2012	City Manager and Controller meet with Directors to review/revise budgets
June 11-15, 2012	City Manager meets with City Commissioners one on one or in a budget workshop to discuss preliminary budget proposals
July 1, 2012	Property Appraiser certifies Taxable Value
July 2-27, 2012	City Manager prepares Proposed Budget
July 27, 2012	Submission of Proposed Budget to City Commission
August 2, 2012	City Commission adopts Proposed Millage Rate
August 3, 2012	Deadline for Proposed Millage Rate to Property Appraiser
August 6-24, 2012	City Commission Budget Workshops
September 4, 2012	Tentative Date for First Budget Hearing and reading of the statement Regarding the Millage Rates
September 14, 2012	Advertise Budget Summary and Hearing Date
September 18, 2012	Commission Final Budget Hearing and Approval of Budget and Millage
October 1, 2012	New fiscal year begins

Budget Process Responsibilities

Budget preparation, adoption and implementation are a cooperative effort among a number of officials in local government. Responsibilities are divided between the legislative and administrative body.

Legislative Role

The legislative role consists of establishing the overall budgetary and programmatic policy. The City Commission sets the policy and direction the City shall take in its efforts to deliver services to citizens through adoption of its annual budget and program of municipal services. The budgetary process serves as the tool to ensure that the needs of the City are met as much as possible with available resources. Policies and guidelines established by the City Commission serve to focus the efforts of staff on areas of service and priorities by the types of expenditures and activities to be funded. The City Commission has authority for adoption of the final budget for the fiscal year and for any revisions over the course of the year. The City Commission sets all tax rates and charges for services through its legislative authority and policy direction. Through these processes and adoption of the annual budget, the City Commission establishes the disposition of all City revenues and the overall levels of service that are provided to the citizens.

Administrative Role

The administrative role in the budgetary process involves the preparation of a budget estimate (referred to as the Proposed Budget) according to the City's charter and Section 71 of the Code of Ordinances for consideration by the City Commission, as well as information recommending and explaining the current fiscal conditions and needs for the ensuing period.

The City Charter directs that the administrative role in the budgetary process is placed upon the City Manager as chief administrative officer. In conjunction with the Controller, the City Manager ensures that the budget calendar is accomplished and budget information is accurate, complete and presented in a common and understandable format. The City Manager issues guidelines regarding cost limitations, evaluates departmental requests as they relate to policy guidelines, and balances expenditure requests with available revenues.

The City Manager, with the assistance of the Controller, is responsible for the implementation of the approved budget. This task includes: ensuring that departments do not exceed budget limits; conducting periodic projections of expenditures and comparing them to available resources; reviewing and approving requests for transfers from one budget item to another; preparing reports on the financial condition of the City for the City Commission and the general public; and monitoring departmental performance to determine potential problem areas. Finally, the City's compliance with State budgeting and accounting requirements, local, State and Federal regulations and its adopted budget is checked through the services of an independent auditor.

Financial Policies

There are several financial policies followed in the daily operation of the City as distinguished by the source of their authority: those established by City Commission action and Administrative Policies as established by the City Manager. Policy documents passed by the City Commission include purchasing policy, travel policies, and personnel policies. In addition, the City Manager has enacted several administrative policies covering many aspects of the daily operations of the City.

RESOLUTION 2012-133

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA ADOPTING THE FINAL BUDGET FOR THE 2012-2013 FISCAL YEAR, PROVIDING FOR SEVERABILITY, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, it is required by City Charter Section 72 that a resolution be enacted to establish a budget and appropriation levels to provide for the operations of City government for the fiscal year commencing on October 1, 2012 and ending September 30, 2013; and

WHEREAS, the Annual Budget contains fund appropriations and establishes projected revenue and expenditure levels for all funds and divisions for the current fiscal year and the fiscal year commencing on October 1, 2012; and

WHEREAS, in compliance with Resolution #95-9, an annual review of the Capital Improvements Element of the Comprehensive Plan, and the preparation of a five-year Capital Improvement Plan is required to be a component of the budget process and as an appendix to the budget document; and

WHEREAS, it is appropriate to establish and set forth fiscal and budget policies; and

WHEREAS, Florida Statutes §200.065(2)(c) requires that a public hearing be held on the tentative budget, and Florida Statutes §200.65(2)(d) requires that a public hearing be held to finalize the budget and adopt a millage rate; and

WHEREAS, Florida Statutes §200.065(2)(d) requires that within 15 days after the meeting adopting the tentative budget, the taxing authority shall advertise in a newspaper of general circulation of its intent to finally adopt a millage rate and budget. The final hearing must be held within 2 to 5 days of the advertisement. Sections 129.03 and 200.065, F.S. outlines the exact requirements of said advertisements; and

WHEREAS, the City of Fernandina Beach on September 4, 2012 and September 18, 2012, held public hearings as required by Florida Statutes §200.65; and

WHEREAS, the City of Fernandina Beach set forth the appropriations and revenue estimate for the Budget for the Fiscal Year 2012-2013 in the amount of ninety three million four hundred thirty one thousand three hundred and 00/100 dollars (\$93,431,300).

NOW, THEREFORE, BE IT ENACTED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

SECTION 1. The Fiscal Year 2012-2013 Final Budget is hereby adopted.

SECTION 2. The five-year Capital Improvement Plan as transmitted as part of the Budget document as an outline of projected capital improvements to serve as a guideline for future planning is hereby approved and incorporated in the Budget as an appendix.

SECTION 3. The Fiscal Year 2012-2013 Final Budget, as filed with the City Clerk, contains the expenditures and reserves estimate, and the revenues and cash balances of the City of Fernandina Beach, Florida for the fiscal year from October 1, 2012 to September 30, 2013, both dates inclusive. Said Budget was submitted to the City Commission of the City of Fernandina Beach, Florida, by the City Manager as required by and pursuant to Sections 71 and 72 of the City Charter of the City of Fernandina Beach, Florida. The 2012-2013 Final Budget is hereby fixed and determined in the amount of ninety three million four hundred thirty one thousand three hundred and 00/100 dollars (\$93,431,300) and is hereby in all respects adopted and confirmed as so fixed and determined, and the City Clerk is hereby directed to enter the same upon the Minutes of the City of Fernandina Beach, Florida.

SECTION 4. The City Manager is hereby authorized to expend such sums in accordance with this resolution and the other applicable provisions of the Charter and Ordinances of the City of Fernandina Beach, Florida and State law.

SECTION 5. Properly advertised Public Hearings have been held on September 4, 2012 at 5:05 P.M. and September 18, 2012 at 5:05 P.M. as required by law. Copies of the budget are on file at the Office of the City Clerk for inspection and on the City of Fernandina Beach website.

SECTION 6. If any provision or portion of the Resolution is declared by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then all remaining provisions and portions of the Resolution shall remain in full force and effect.

SECTION 7. This Resolution shall take effect October 1, 2012.

ADOPTED this 18th day of September 2012.

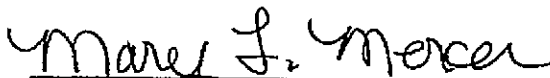
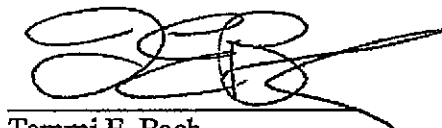
CITY OF FERNANDINA BEACH



Arlene R. Filkoff
Commissioner-Mayor

ATTEST:

APPROVED AS TO FORM:


Mary L. Mercer
City Clerk
Tammi E. Bach
City Attorney

RESOLUTION 2012-132

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, NASSAU COUNTY, FLORIDA, ADOPTING THE FINAL LEVY OF AD VALOREM TAXES FOR OPERATING EXPENSES AND THE FINAL LEVY OF AD VALOREM TAXES FOR VOTER APPROVED DEBT FOR THE CITY OF FERNANDINA BEACH, NASSAU COUNTY FOR FISCAL YEAR 2012-2013; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Fernandina Beach, Nassau County, Florida, on September 18, 2012 adopted Fiscal Year 2012-2013 Final Operating Millage Rate following a public hearing as required by Florida Statute 200.065; and

WHEREAS, the City Commission of the City of Fernandina Beach, Nassau County, Florida, on September 18, 2012 adopted Fiscal Year 2012-2013 Final Voter Approved Debt Millage Rate following a public hearing as required by Florida Statute 200.065; and

WHEREAS, the City Commission of the City of Fernandina Beach, Nassau County, Florida, held a public hearing as required by Florida Statute 200.065; and

WHEREAS, the gross taxable value for operating purposes not exempt from taxation within the City of Fernandina Beach, Nassau County has been certified by the County Property Appraiser to the City of Fernandina Beach as \$1,562,224,641.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Fernandina Beach of Nassau County, Florida, that:

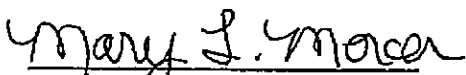
SECTION 1. The FY 2012-2013 operating millage rate for the City of Fernandina Beach is 6.0277 mills, which is greater than the rolled-back rate of 5.4605 mills by 10.39%.

SECTION 2. The FY 2012-2013 voter approved debt millage rate for the City of Fernandina Beach is .2724 mills.

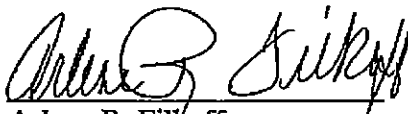
SECTION 3. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 18th day of September, 2012.


ATTEST:


Mary L. Mercer
City Clerk

CITY OF FERNANDINA BEACH


Arlene R. Filkoff
Commissioner-Mayor

APPROVED AS TO FORM:


Tammi E. Bach
City Attorney