

Budget Summary

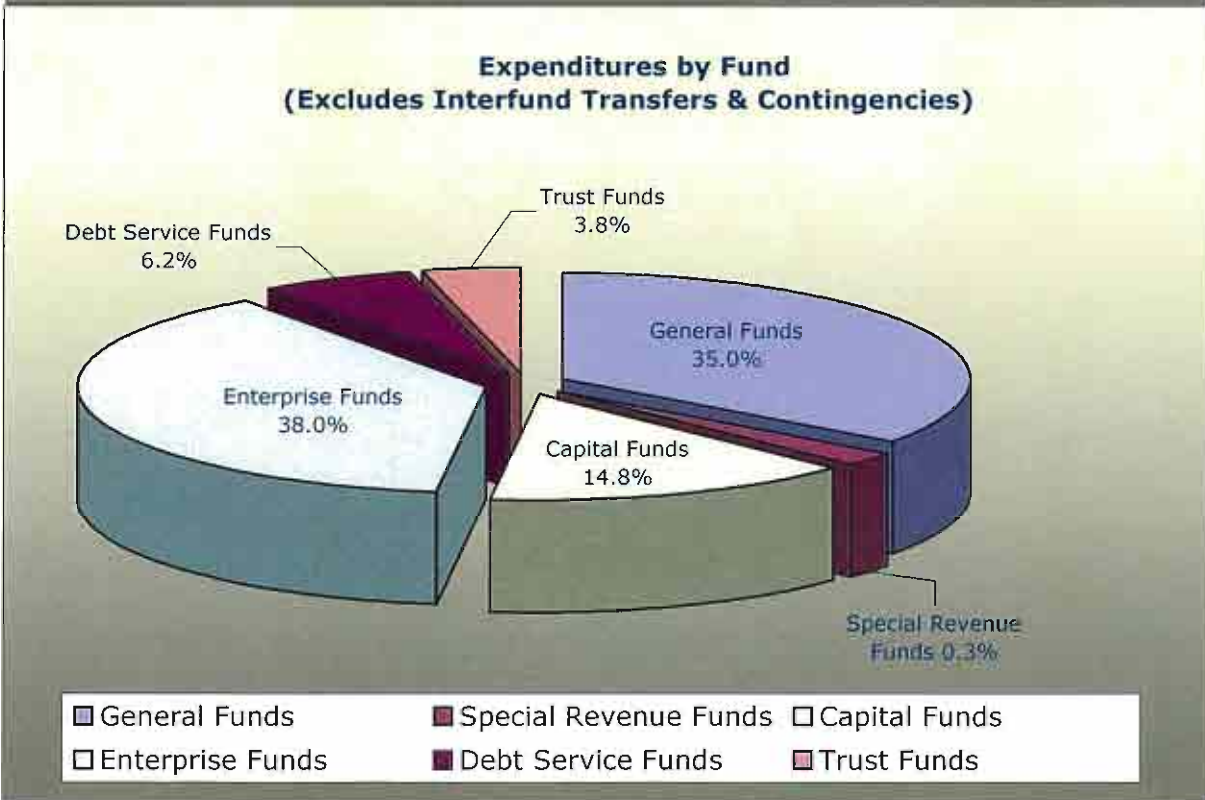
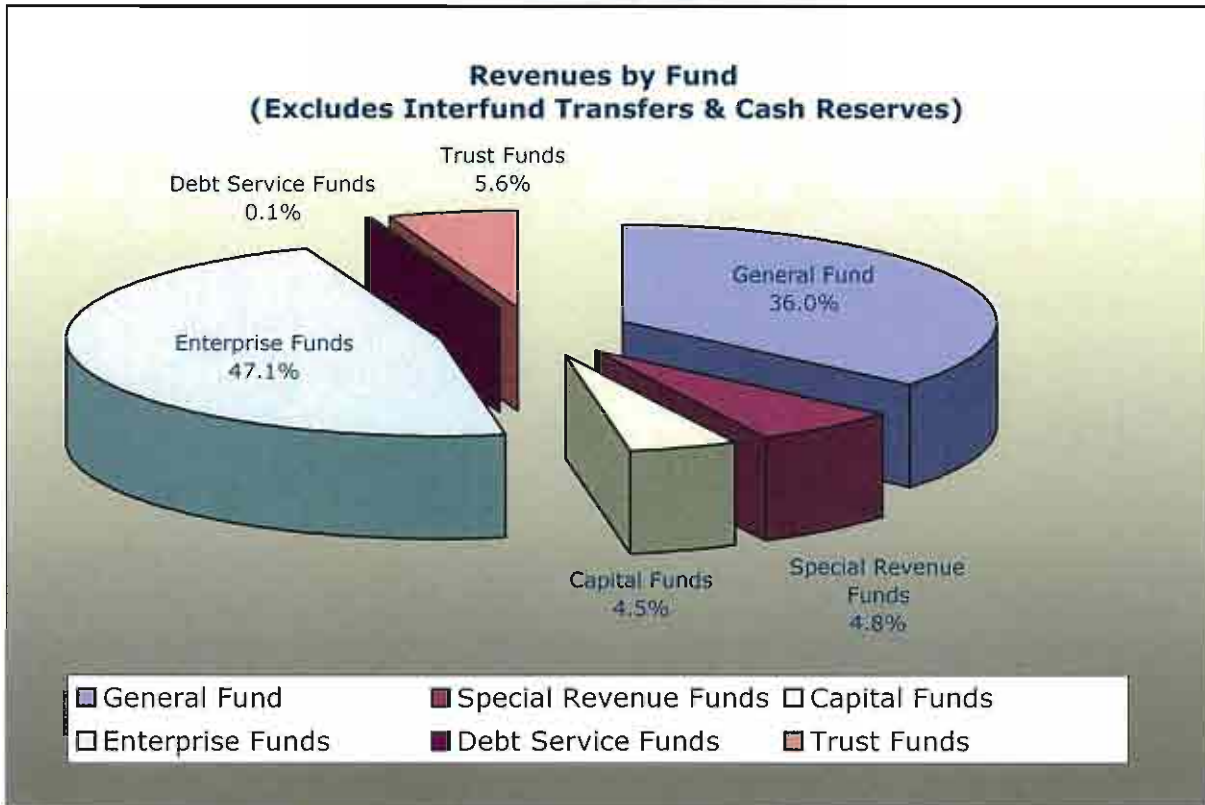
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<p align="center">City of Fernandina Beach Combined Summary of All Funds</p>						
Description	Actual 2006	Actual 2007	Budget 2008	Budget 2009	\$ Increase (Decrease)	%
RESOURCES						
Cash Balance Forward	48,028,239	49,937,774	51,037,461	46,343,872	(4,693,589)	-9.2%
REVENUES						
General Fund	15,496,016	13,632,258	14,277,577	13,992,859	(284,718)	-2.0%
Special Revenue Funds	1,957,609	1,988,504	1,991,821	2,585,656	593,835	29.8%
Debt Service Funds	196,628	197,291	36,000	30,000	(6,000)	-16.7%
Capital Projects Funds	1,655,122	1,557,804	4,869,548	1,755,514	(3,114,034)	-63.9%
Enterprise Funds	16,787,401	13,939,202	18,039,637	18,332,791	293,154	1.6%
Trust & Agency Funds	3,335,805	4,699,832	2,218,598	2,193,880	(24,718)	-1.1%
Total	39,428,581	36,014,890	41,433,181	38,890,700	(2,542,481)	-6.1%
OTHER SOURCES						
Internal Service Fund	1,300,770	1,319,665	1,273,996	1,489,916	215,920	16.9%
Transfers In	4,167,125	5,464,838	7,529,362	5,235,512	(2,293,850)	-30.5%
Total	5,467,895	6,784,503	8,803,358	6,725,428	(2,077,930)	-23.6%
TOTAL RESOURCES	92,924,715	92,737,167	101,274,000	91,960,000	(9,314,000)	-9.2%
USES						
EXPENDITURES						
General Fund	12,553,232	13,347,226	15,531,650	16,422,712	891,062	5.7%
Special Revenue Funds	116,156	113,145	675,604	1,033,960	358,356	53.0%
Debt Service Funds	994,425	987,080	994,558	2,890,141	1,895,583	190.6%
Capital Projects Funds	1,910,012	2,291,042	12,434,356	6,945,800	(5,488,556)	-44.1%
Enterprise Funds	16,890,489	13,684,069	20,598,418	17,833,584	(2,764,834)	-13.4%
Trust & Agency Funds	1,859,197	2,483,177	1,635,000	1,793,964	158,964	9.7%
Total	34,323,511	32,905,739	51,869,586	46,920,161	(4,949,425)	-9.5%
OTHER USES						
Internal Service Fund	1,149,843	1,131,111	1,545,312	1,707,715	162,403	10.5%
Transfers Out	4,167,125	5,464,838	7,529,362	5,235,512	(2,293,850)	-30.5%
Cash Reserves	53,284,236	53,235,479	40,329,740	38,096,612	(2,233,128)	-5.5%
Total	58,601,204	59,831,427	49,404,414	45,039,839	(4,364,575)	-8.8%
TOTAL EXPENDITURES, TRANSFERS & RESERVES	92,924,715	92,737,167	101,274,000	91,960,000	(9,314,000)	-9.2%

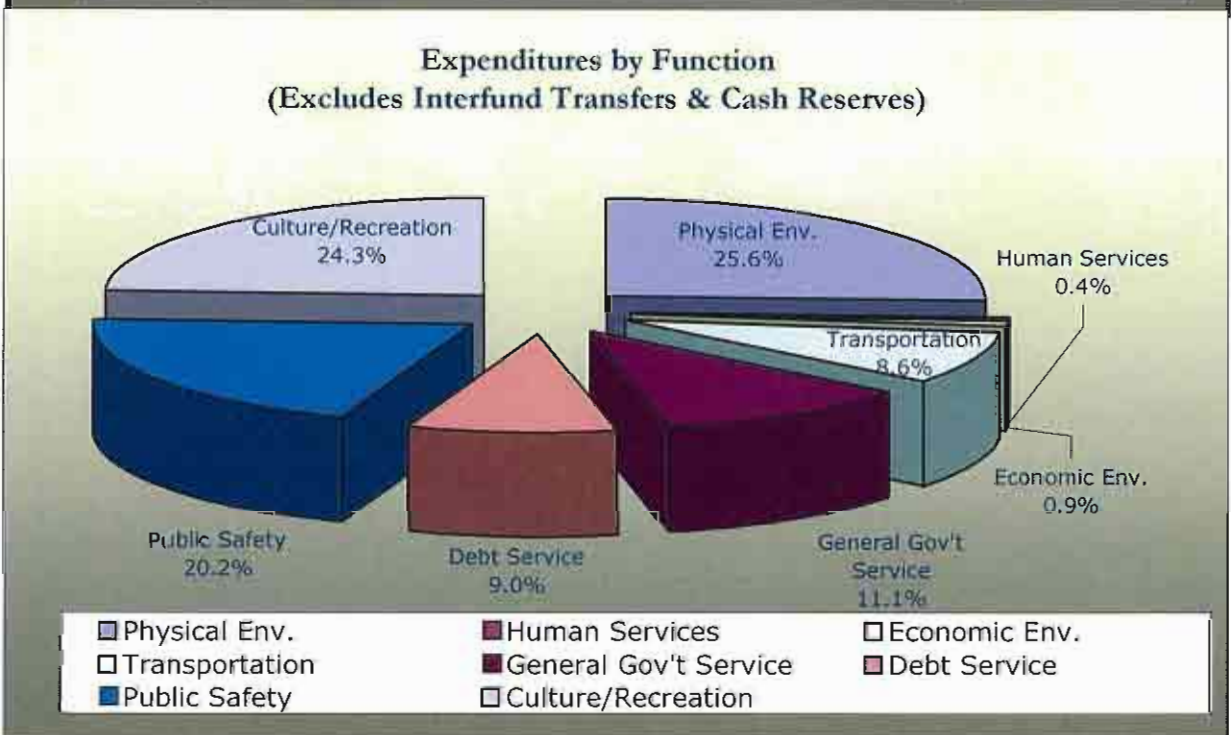
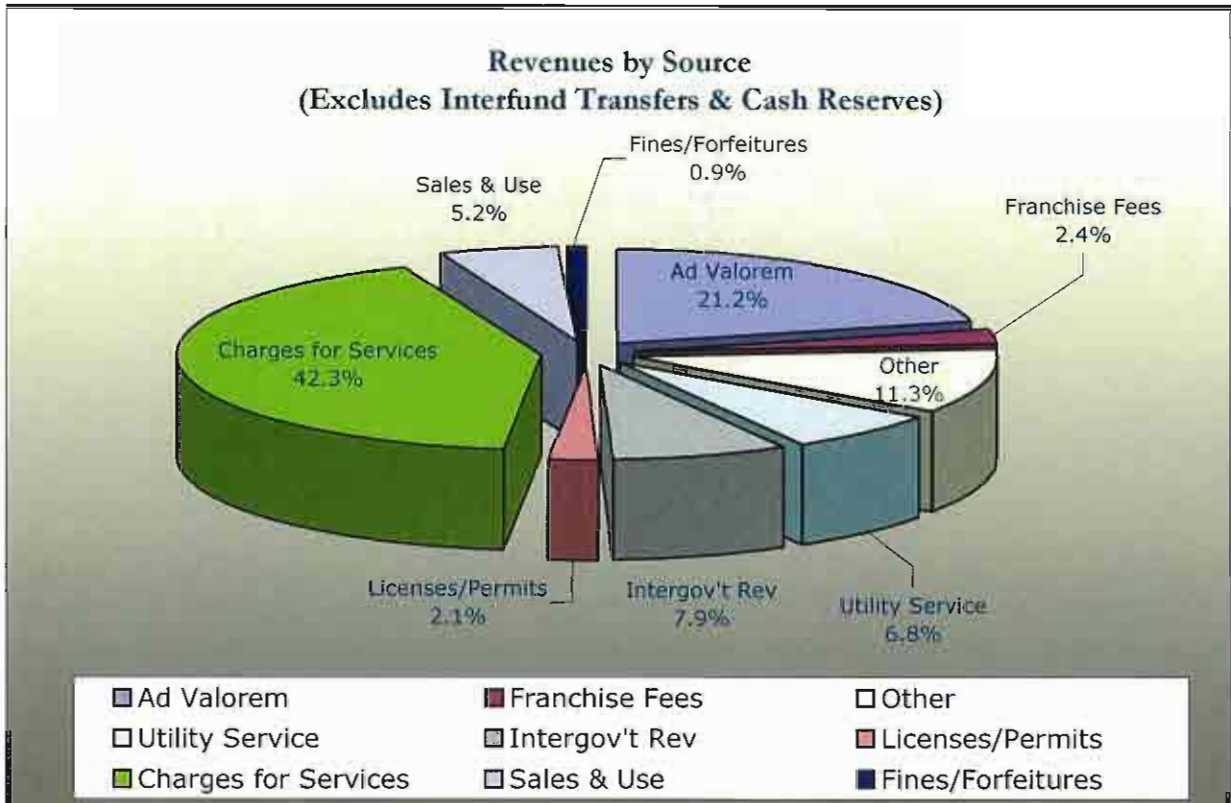
<p align="center">City of Fernandina Beach Combined Summary of All Funds (excluding Pension Funds)</p>						
Description	Actual 2006	Actual 2007	Budget 2008	Budget 2009	\$ Increase (Decrease)	%
RESOURCES						
Cash Balance Forward	26,856,559	27,786,952	29,250,459	23,067,575	(6,182,884)	-21.1%
REVENUES						
General Fund	15,496,016	13,632,258	14,277,577	13,992,859	(284,718)	-2.0%
Special Revenue Funds	1,957,609	1,988,504	1,991,821	2,585,656	593,835	29.8%
Debt Service Funds	196,628	197,291	36,000	30,000	(6,000)	-16.7%
Capital Projects Funds	1,655,122	1,557,804	4,869,548	1,755,514	(3,114,034)	-63.9%
Enterprise Funds	16,787,401	13,939,202	18,039,637	18,332,791	293,154	1.6%
Total	36,092,776	31,315,058	39,214,583	36,696,820	(2,517,763)	-6.4%
OTHER SOURCES						
Internal Service Fund	1,300,770	1,319,665	1,273,996	1,489,916	215,920	16.9%
Transfers In	4,167,125	5,464,838	7,529,362	5,235,512	(2,293,850)	-30.5%
Total	5,467,895	6,784,503	8,803,358	6,725,428	(2,077,930)	-23.6%
TOTAL RESOURCES	68,417,230	65,886,513	77,268,400	66,489,823	(10,778,577)	-13.9%
USES						
EXPENDITURES						
General Fund	12,553,232	13,347,226	15,531,650	16,422,712	891,062	5.7%
Special Revenue Funds	116,156	113,145	675,604	1,033,960	358,356	53.0%
Debt Service Funds	994,425	987,080	994,558	2,890,141	1,895,583	190.6%
Capital Projects Funds	1,910,012	2,291,042	12,434,356	6,945,800	(5,488,556)	-44.1%
Enterprise Funds	16,890,489	13,684,069	20,598,418	17,833,584	(2,764,834)	-13.4%
Total	32,464,314	30,422,562	50,234,586	45,126,197	(5,108,389)	-10.2%
OTHER USES						
Internal Service Fund	1,149,843	1,131,111	1,545,312	1,707,715	162,403	10.5%
Transfers Out	4,167,125	5,464,838	7,529,362	5,235,512	(2,293,850)	-30.5%
Cash Reserves	30,635,948	28,868,003	17,959,140	14,420,399	(3,538,741)	-19.7%
Total	35,952,916	35,463,951	27,033,814	21,363,626	(5,670,188)	-21.0%
TOTAL EXPENDITURES, TRANSFERS & RESERVES	68,417,230	65,886,513	77,268,400	66,489,823	(10,778,577)	-13.9%

**City of Fernandina Beach
All Funds**



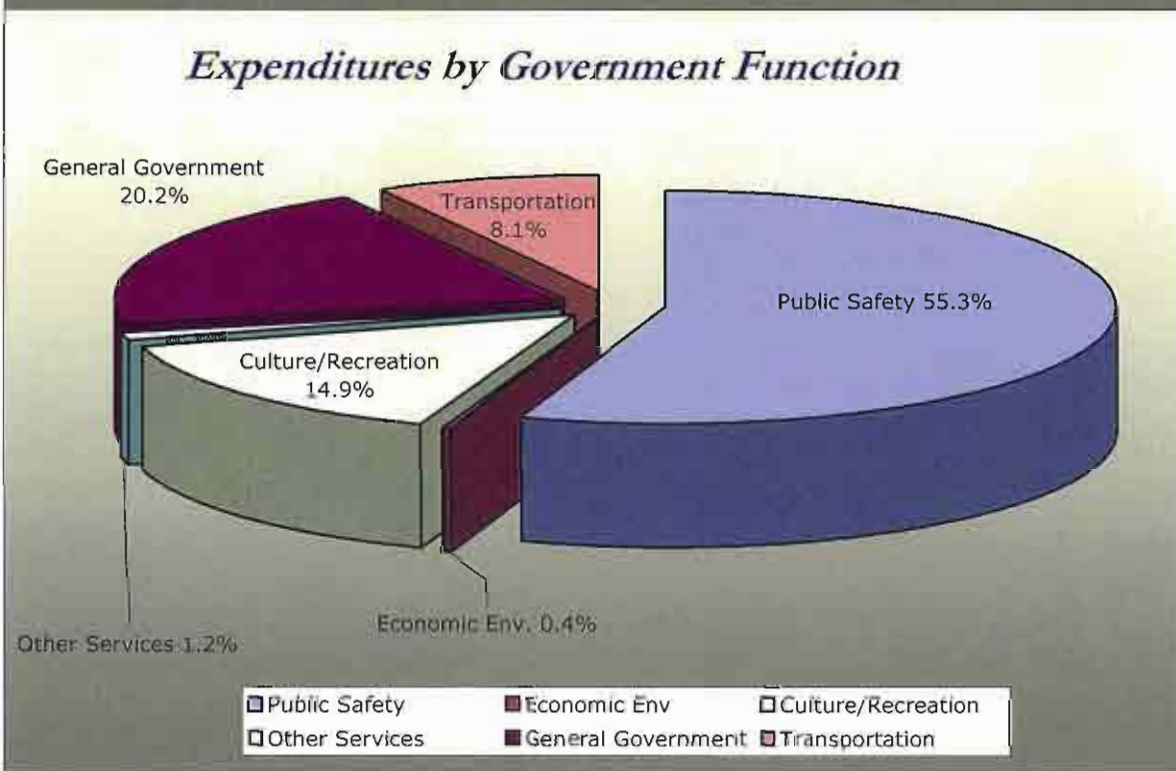
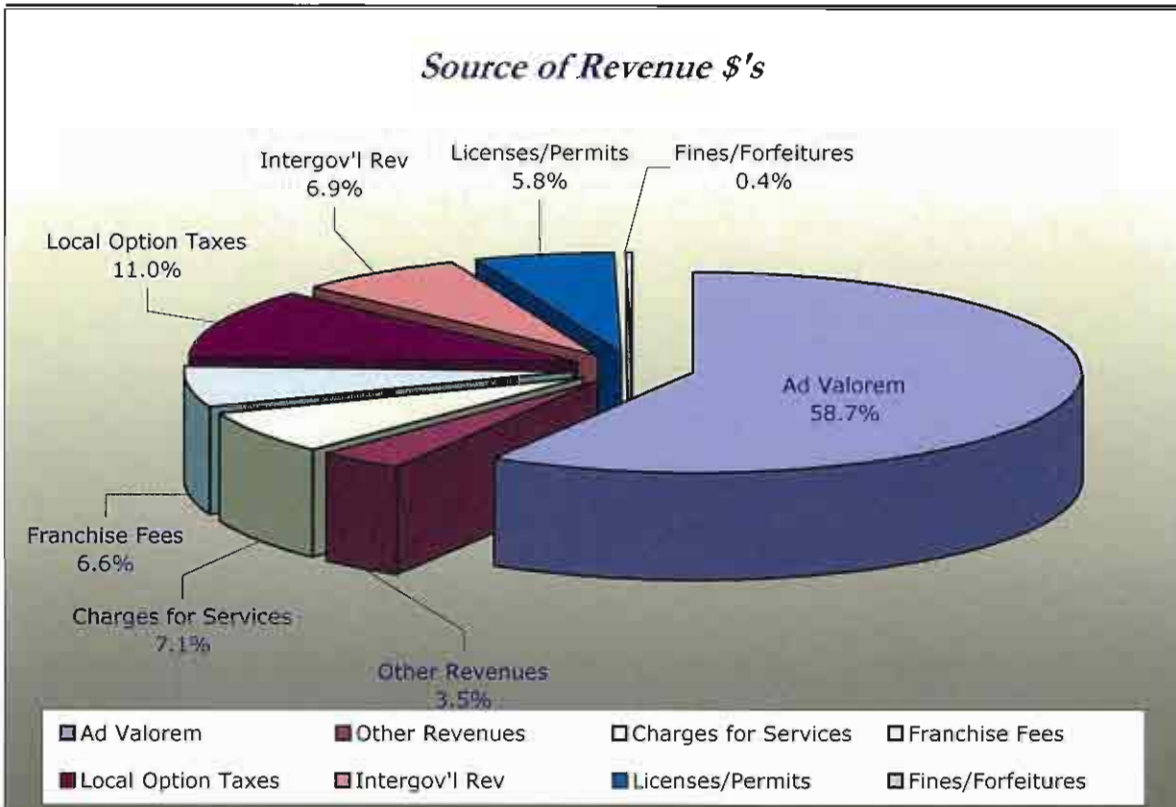
<p align="center">City of Fernandina Beach Summary of Total Revenues/Expenditures</p>						
FUND DESCRIPTION	Actual 2006	Actual 2007	Budget 2008	Budget 2009	\$	%
					Increase (Decrease)	
REVENUES						
General Fund	15,496,016	13,632,258	14,277,577	13,992,859	(284,718)	-2.0%
Special Revenue Funds	1,957,609	1,988,504	1,991,821	2,585,656	593,835	29.8%
Debt Service Funds	196,628	197,291	36,000	30,000	(6,000)	-16.7%
Capital Projects Funds	1,655,122	1,557,804	4,869,548	1,755,514	(3,114,034)	-63.9%
Enterprise Funds	16,787,401	13,939,202	18,039,637	18,332,791	293,154	1.6%
Trust & Agency Funds	3,335,805	4,699,832	2,218,598	2,193,880	(24,718)	-1.1%
TOTAL REVENUES	39,428,581	36,014,890	41,433,181	38,890,700	(2,542,481)	-6.1%
EXPENDITURES						
General Fund	12,553,232	13,347,226	15,531,650	16,422,712	891,062	5.7%
Special Revenue Funds	116,156	113,145	675,604	1,033,960	358,356	53.0%
Debt Service Funds	994,425	987,080	994,558	2,890,141	1,895,583	190.6%
Capital Projects Funds	1,910,012	2,291,042	12,434,356	6,945,800	(5,488,556)	-44.1%
Enterprise Funds	16,890,489	13,684,069	20,598,418	17,833,584	(2,764,834)	-13.4%
Trust & Agency Funds	1,859,197	2,483,177	1,635,000	1,793,964	158,964	9.7%
TOTAL EXPENDITURES	34,323,511	32,905,739	51,869,586	46,920,161	(4,949,425)	-9.5%

City of Fernandina Beach
All Funds



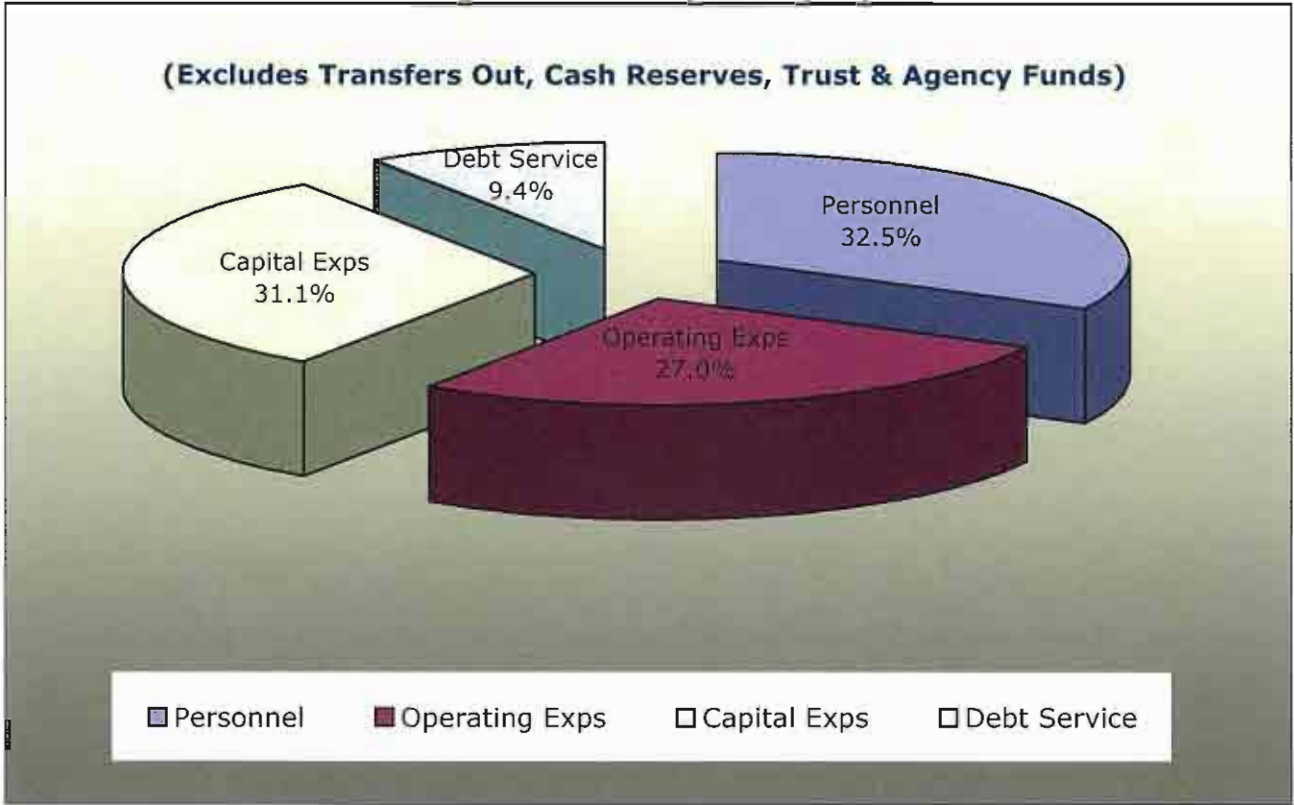
City of Fernandina Beach Funds Summary by Function							
Description	General Fund	Special Funds	Capital Funds	Enterprise Funds	Debt Funds	Trusts Funds	Fund Totals
REVENUES							
Property Taxes							
Operating (3.9873 Mills)	7,739,372	23,841					7,763,213
Voted Debt (.2336 Mills)	473,950						473,950
Sales/use	1,539,138		242,800			242,346	2,024,284
Franchise	930,000						930,000
Utility Service		1,817,000	810,000				2,627,000
Licenses & Permits	809,235						809,235
Intergov'tal Services	971,310	320,000	525,068	1,262,688			3,079,066
Charges for Services	988,000	55,700		15,410,682			16,454,382
Fines/Forfeitures	57,000	294,000					351,000
Miscellaneous Revenues	484,854	75,115	177,646	859,421	30,000	1,951,534	3,578,570
Financing Sources				800,000			800,000
TOTAL REVENUES	13,992,859	2,585,656	1,755,514	18,332,791	30,000	2,193,880	38,890,700
EXPENDITURES							
General Government Services	3,319,692		76,000			1,793,964	5,189,656
Public Safety	9,077,232	208,000	196,000				9,481,232
Physical Environment		400,000	3,075,000	8,550,013			12,025,013
Transportation	1,332,075		350,000	2,339,906			4,021,981
Economic Environment	64,687	350,000					414,687
Human Services	200,900						200,900
Culture & Recreation	2,428,126	75,960	3,138,000	5,738,284			11,380,370
Debt Services			110,800	1,205,381	2,890,141		4,206,322
TOTAL EXPENDITURES	16,422,712	1,033,960	6,945,800	17,833,584	2,890,141	1,793,964	46,920,161

**City of Fernandina Beach
General Fund**



<p align="center">City of Fernandina Beach Summary Of General Fund Revenues & Expenditures</p>						
Description	Actual 2006	Actual 2007	Budget 2008	Budget 2009	\$	%
					Increase (Decrease)	
REVENUES						
Property Taxes-						
Operating	7,678,800	7,513,597	7,978,900	8,213,322	234,422	2.9%
Voted Debt						
Sales/Use/Fuel Taxes	1,698,406	1,703,834	1,738,534	1,539,138	(199,396)	-11.5%
Franchise Fees	831,604	822,959	845,000	930,000	85,000	10.1%
Licenses/Permits	811,767	1,016,091	833,494	809,235	(24,259)	-2.9%
Intergovernmental	1,090,422	945,619	1,091,605	971,310	(120,295)	-11.0%
Charges For Services	926,424	902,820	972,400	988,000	15,600	1.6%
Fines/Forfeitures	68,634	56,692	63,200	57,000	(6,200)	-9.8%
Other Revenues	2,389,960	670,645	754,444	484,854	(269,590)	-35.7%
TOTAL REVENUES	15,496,017	13,632,258	14,277,577	13,992,859	(284,718)	-2.0%
EXPENDITURES						
General Government	2,441,858	2,477,368	3,124,685	3,319,692	195,007	6.2%
Public Safety	7,167,206	7,639,920	8,639,498	9,077,232	437,734	5.1%
Transportation	1,054,905	1,024,157	1,232,515	1,332,075	99,560	8.1%
Economic Environment	69,904	70,796	82,936	64,687	(18,249)	-22.0%
Culture/Recreation	1,741,381	2,046,702	2,362,016	2,428,126	66,110	2.8%
Other Services	77,978	88,283	90,000	200,900	110,900	123.2%
TOTAL EXPENDITURES	12,553,232	13,347,226	15,531,650	16,422,712	891,062	5.7%

**City of Fernandina Beach
Expenditures by Category**



	Personnel	Operating Exps	Capital Exps	Debt Service
GENERAL GOVERNMENT	2,167,277	929,116	223,299	-
PUBLIC SAFETY	7,037,873	1,544,709	335,350	159,300
TRANSPORTATION	573,631	566,454	123,000	68,990
ECONOMIC ENVIRONMENT	-	64,687	-	-
CULTURE/RECREATION	1,401,335	914,441	112,350	-
OTHER SERVICES	-	200,900	-	-
TOTAL General Fund	11,180,116	4,220,307	793,999	228,290
Special Revenue Funds (100's)	52,596	409,864	571,500	-
Debt Service Funds (210 & 220)	-	-	-	2,890,141
Capital Funds (300, 310 & 330)	-	-	6,835,000	110,800
GOLF	1,009,240	549,468	131,200	250,312
AIRPORT	107,218	320,188	1,912,500	136,910
SANITATION	-	1,961,580	-	-
WASTEWATER	1,062,912	1,277,039	1,884,400	-
WATER	712,768	1,310,630	218,900	300,000
STORM WATER MGMT	54,794	66,990	-	-
MARINA	388,112	1,633,264	2,027,000	501,310
TOTAL Enterprise Funds	3,335,044	7,119,159	6,174,000	1,188,532
TOTAL Internal Service Funds	642,605	900,610	164,500	-
TOTAL CITY	15,210,361	12,649,940	14,538,999	4,417,763

EXPENDITURES by CATEGORY

	Personnel		Operating Exps		Capital Exps		Debt Service	
	BUDGET 2007-2008	BUDGET 2008-2009	BUDGET 2007-2008	BUDGET 2008-2009	BUDGET 2007-2008	BUDGET 2008-2009	BUDGET 2007-2008	BUDGET 2008-2009
GENERAL GOVERNMENT								
CITY COMMISSION	87,185	100,508	99,302	31,421				
CITY CLERK	252,856	265,101	121,274	118,272	6,500	9,799		
CITY MANAGER	274,088	287,083	20,386	22,430	4,000	18,350		
FINANCE	465,148	486,085	94,152	68,005	8,000	52,250		
INFORMATION TECHNOLOGY	144,788	184,548	118,385	204,087	50,900	58,200		
PERSONNEL/HUMAN RESOURCES	175,360	189,143	66,161	95,015	4,000	50,000		
LEGAL	207,319	216,237	38,455	32,325	2,500	3,200		
NON-DEPARTMENTAL	-	-	334,747	304,578	51,612	30,000		
FACILITIES MAINTENANCE	415,404	438,572	46,163	52,983	36,000	1,500		
GENERAL GOVERNMENT	2,022,148	2,167,277	939,025	929,116	163,512	223,299	-	-
PUBLIC SAFETY								
POLICE	3,209,027	3,432,346	799,803	779,297	228,250	302,050	162,000	159,300
FIRE	2,355,960	2,594,673	493,832	523,578	146,750	20,300	-	-
COMMUNITY DEVELOPMENT	947,697	1,010,854	260,279	241,834	35,900	13,000		
PUBLIC SAFETY	6,512,684	7,037,873	1,553,914	1,544,709	410,900	335,350	162,000	159,300
TRANSPORTATION	533,536	573,631	498,500	566,454	131,500	123,000	68,979	68,990
ECONOMIC ENVIRONMENT			82,936	64,687	-	-		
CULTURE/RECREATION								
LIBRARY	-	-	59,515	60,258				
RECREATION	325,873	340,634	233,274	351,876	28,465	29,700		
PARKS	540,438	512,763	179,985	197,548	51,800	46,000		
PECK CENTER/GYM	214,146	190,047	143,455	148,044	37,765	13,650		
YOUTH PROGRAMS	200,057	196,607	48,807	46,620	1,650	0		
AQUATICS	153,795	161,284	112,741	110,095	30,250	23,000		
CULTURE/RECREATION	1,434,309	1,401,335	777,777	914,441	149,930	112,350	-	-
OTHER SERVICES			90,000	200,900				
TOTAL General Fund	10,502,677	11,180,116	3,942,152	4,220,307	855,842	793,999	230,979	228,290
Special Revenue Funds (100's)	51,732	52,596	74,872	409,864	549,000	571,500		
Debt Service Funds (200's)							994,558	2,890,141
Capital Funds (300, 310 & 330)					12,323,358	6,835,000	110,998	110,800
GOLF	942,661	1,009,240	501,108	549,468	32,700	131,200	242,900	250,312
AIRPORT	84,557	107,218	426,083	320,188	2,943,038	1,912,500	137,022	136,910
SANITATION	-	-	1,457,000	1,961,580				
WASTEWATER	1,036,050	1,062,912	1,146,162	1,277,039	2,362,500	1,884,400	607,876	-
WATER	681,017	712,768	1,187,028	1,310,630	302,500	218,900	1,588,773	300,000
STORM WATER MGMT	64,822	54,794	71,900	66,990				
MARINA	369,527	388,112	1,486,765	1,633,264	2,408,000	2,027,000	498,876	501,310
TOTAL Enterprise Funds	3,178,634	3,335,044	6,276,046	7,119,159	8,048,738	6,174,000	3,075,447	1,188,532
GARAGE	176,533	175,549	569,617	737,445	11,850	37,000		
UTILITY BILLING	212,827	226,639	108,550	115,645	209,000	127,500		
UTILITY ADMIN	229,589	240,417	26,346	47,520	1,000	-		
TOTAL Internal Service Funds	618,949	642,605	704,513	900,610	221,850	164,500	-	-
TOTAL CITY	14,351,992	15,210,361	10,997,583	12,649,940	21,998,788	14,538,999	4,411,982	4,417,763
	27.7%	37.2%	21.2%	31.0%	42.5%	35.6%	8.5%	10.8%

<p align="center">City of Fernandina Beach Full-Time Personnel Allocation</p>							
	2004	2005	2006	2007	2008	2009	2009 Net Change
General Government							
City Clerk	4	3	3	4	5	5	0
Legal	2	2	2	2	2	2	0
Finance	5	5	7	7	7	7	0
Information Technology	2	2	2	2	2	2	0
Human Resources	2	2	2	3	3	3	0
City Manager	2	2	2	3	3	3	0
Public Safety							
CDD Building/Permitting/Code Enf.	8	8	7.7	9.2	9.2	9.2	0
CDD Planning	0	0	4.3	5.3	5.3	5.3	0
Fire	30	30	30	30	31	34	3
Police	44	44	44	43	46	46	0
Public Works							
Administration	0	0	0	0	0	0	0
Facility Maintenance	5	5	5	6	6	6	0
Streets	9	9	9	9	9	9	0
Culture Recreation							
Recreation	5	5	4.5	4.5	5	5	0
Parks	8	9	9	10	10	9	-1
Youth Programs	0	2	2	2	3	3	0
Aquatics	0	1	1	1	1	1	0
Peck//Elm Centers	2	3	3	3	3	2	-1
Cemetery	1	1	1.5	1.5	1	1	0
Total General Funds	129	133	139	145.5	151.5	152.5	1
Enterprise Funds							
Airport	1	1	0	1	1	1	0
Golf Course	13	13	13	13	13	13	0
Marina	6	6	6	6	6	6	0
Sanitation	0	0	0	0	0	0	0
Storm Water Management	0	0	0	0.5	0.5	0.5	0
Wastewater Operations	16	16	18	18	17	17	0
Water Operations	9	9	11	11	11	11	0
Total Enterprise Funds	45	45	48	49.5	48.5	48.5	0
Internal Service Funds							
Central Garage	2	2	3	3	3	3	0
Utility Billing	4	5	4	4	4	4	0
Utilities Administration	4	4	4	4	3	3	0
Total Internal Service	10	11	11	11	10	10	0
Total City							
Total City Full-Time Personnel	184	189	198	206	210	211	1

PERSONNEL

	ACTUAL 2004-2005	ACTUAL 2005-2006	ACTUAL 2006-2007	BUDGET 2006-2007	BUDGET 2007-2008	BUDGET 2008-2009	Bud/Bud INCREASE/ DECREASE
GENERAL GOVERNMENT							
CITY COMMISSION	69,435	78,975	83,112	88,194	87,185	100,508	15.28%
CITY CLERK	167,303	176,246	200,410	197,129	252,856	265,101	4.84%
CITY MANAGER	166,301	177,230	250,752	251,021	274,088	287,083	4.74%
FINANCE	249,270	402,335	395,458	434,309	465,148	486,085	4.50%
INFORMATION TECHNOLOGY	119,488	126,249	127,582	132,059	144,788	184,548	27.46%
PERSONNEL/HUMAN RESOURCES	115,339	135,133	158,648	159,121	175,360	189,143	7.86%
LEGAL	179,147	184,253	204,870	202,602	207,319	216,237	4.30%
PUBLIC WORKS ADMINISTRATION	-	-	-	-	-	-	
FACILITIES MAINTENANCE	362,733	306,205	374,883	395,644	415,404	438,572	5.58%
	1,429,016	1,586,627	1,795,715	1,860,079	2,022,148	2,167,277	7.18%
PUBLIC SAFETY							
POLICE	2,725,108	2,782,538	2,733,959	2,967,955	3,209,027	3,432,346	6.96%
FIRE	1,978,285	2,023,526	2,121,063	2,314,371	2,355,960	2,594,673	10.13%
COMMUNITY DEVELOPMENT	439,864	615,675	714,154	845,653	947,697	1,010,854	6.66%
	5,143,257	5,421,739	5,569,176	6,127,979	6,512,684	7,037,873	8.06%
TRANSPORTATION							
STREETS	476,880	470,601	472,157	502,103	533,536	573,631	7.51%
CULTURE/RECREATION							
RECREATION	260,964	248,089	282,130	282,966	325,873	340,634	4.53%
PARKS	385,110	401,142	488,499	539,199	540,438	512,763	-5.12%
PECK CENTER/GYM	170,477	155,281	172,961	186,071	214,146	190,047	-11.25%
YOUTH PROGRAMS	109,702	123,368	136,689	133,397	200,057	196,607	-1.72%
AQUATICS	95,690	128,294	156,852	145,019	153,795	161,284	4.87%
CEMETERY	46,188	67,768	55,460	71,878	51,732	52,596	1.67%
	1,068,133	1,123,942	1,292,591	1,358,530	1,486,041	1,453,931	-2.16%
TOTAL General Fund	8,117,285	8,602,909	9,129,640	9,848,691	10,554,409	11,232,712	6.43%
TOTAL Enterprise Funds							
GOLF	783,672	814,886	845,389	926,861	942,661	1,009,240	7.06%
AIRPORT	61,772	58,419	70,179	78,931	84,557	107,218	26.80%
SANITATION	-	-	57	-	-	-	
WASTEWATER	934,973	874,039	946,959	1,093,660	1,036,050	1,062,912	2.59%
WATER	475,296	538,950	591,863	639,622	681,017	712,768	4.66%
STORM WATER MGMT	-	-	2,391	39,371	64,822	54,794	-15.47%
MARINA	307,019	311,433	343,369	342,126	369,527	388,112	5.03%
	2,562,733	2,597,728	2,800,207	3,120,571	3,178,634	3,335,044	4.92%
TOTAL Internal Service Funds							
GARAGE	105,493	135,764	147,830	152,785	176,533	175,549	-0.56%
UTILITY BILLING	218,306	180,040	170,331	206,866	212,827	226,639	6.49%
UTILITY ADMIN	218,569	207,610	191,675	250,864	229,589	240,417	4.72%
	542,368	523,415	509,836	610,515	618,949	642,605	3.82%
TOTAL CITY PERSONNEL	11,222,386	11,724,052	12,439,682	13,579,777	14,351,992	15,210,361	5.98%

Revenue Highlights

The City of Fernandina Beach’s Fiscal Year 2008-2009 Budget includes several major revenue sources: Ad Valorem Taxes, Local Option Taxes, Franchise Fees, Utility Taxes, Licenses and Permits, Sales Tax, State Shared Revenues, and Charges for Services. The charges for services and fees are recommended by the City Manager and are approved by the City Commission. The Finance Department utilizes the Florida Legislative Committee on Intergovernmental Relations website to gather estimates. This information, along with statistical data, including historical and trend analysis, is used in estimating the local option taxes, franchise fees, municipal taxes, and state shared revenues.

The accounting of all of the funds as presented in the budget is on a modified accrual basis. Revenues are recognized when they are known and measurable. Expenditures are recorded when the liability has occurred and is measurable. The City uses the accrual basis of accounting for financial statement preparation as required by state guidelines and generally accepted accounting principles.

The 2008-2009 revenues grouped by function are:

• Taxes	\$ 13,818,447
• Licenses and Permits	809,235
• Intergovernmental Revenues	3,079,066
• Charges for Services	16,454,382
• Fines and Forfeits	351,000
• Miscellaneous Revenue	3,578,570
• Financing Sources	800,000
Operating Revenues	<u>\$ 38,890,700</u>
• Transfers/Reimbursements	5,235,512
• Cash Forward	46,343,872
• Internal Service Funds	1,489,916
Total 2008-2009 Revenues	<u>\$ 91,960,000</u>

There are a total of 29 funds in the Fiscal Year 2008-2009 Budget. Total operating revenues are projected at \$38,890,700 for all funds. This is a 6.1% decrease from the prior year’s budget. The General Fund, which is the fund where most city services are budgeted, has projected operating revenues of \$13,992,859 which is a 2.0% decrease from the prior year due primarily to a decrease in interest income. Special revenue funds account for 6.6% of all projected operating revenues for 2008-2009 and include the Cemetery, Law Enforcement Trust Fund, Federal Forfeiture Fund, CDBG-Housing Fund, CDBG-Economic Development Fund, Sewer Impact Fund, Utility Tax Fund, Local Law Enforcement Block Grant Fund, CRA Fund, and Law Enforcement Recovery Fund. Enterprise Funds account for 47.1% of all projected operating revenues and include the Golf Course Fund, Airport Fund, Sanitation Fund, Sewer Operations Fund, Water Operations Fund, Storm Water Management Fund, and Marina Fund.

The major revenue sources are described below:

- **Property Taxes** - The largest single source of revenue, ad valorem taxes, is used in the General Fund for City operations and represents 58.7% of the total General Fund operating revenues.
- **Local Option Taxes** -
 - Insurance Premium Tax - The City levies a tax on fire and casualty insurance premiums, which is used to fund the Police and Fire Pension Plan. This tax is accounted for in the Police and Fire Pension Fund.
 - Fuel Tax - The City budgeted to receive a portion of the 1 to 5 Cents Local Option Fuel Tax imposed on Motor Fuel but this tax has expired. The City will receive 9.05% of the 1 to 6 Cents Local Option Fuel Tax imposed on Motor and Diesel Fuels, levied by the County. For Fiscal Year 2008-2009, this revenue is estimated to be \$336,000 and is budgeted in the General Fund
 - One-Cent Sales Surtax (Small County Surtax) - Effective March 1, 1996, the County levied a one-cent small county surtax. The City receives 14.77% of this revenue pursuant to the population formula contained in Section 218.62 F.S. This revenue is estimated at \$1,203,138 for the Fiscal Year 2008-2009, and is budgeted in the General Fund.
- **Franchise Fees** - The City collects a franchise fee on electricity and sanitation services. These fees vary with a maximum allowed of ten percent. This revenue is estimated at \$930,000 for electricity and \$182,000 for Sanitation for Fiscal Year 2008-2009.
- **Utility Taxes** - This revenue source is also referred to as municipal and/or excise taxes. This tax is levied on gross sales of electricity, water, telecommunications and liquified petroleum. These rates range from six percent to ten percent. Caps on most of these rates are set by State law. The budgeted revenue for this source is \$1,540,000 in Fiscal Year 2008-2009. These revenues are a secondary pledge for the repayment of our sewer bonds, which requires that they be accounted for in a separate fund. Although they are accounted for in a special revenue fund, Utility Tax Fund, the proceeds are transferred to the General Fund for operations. This revenue source also includes Wastewater impact fees. These fees are collected on new sewer connections and are accounted for in the Wastewater Impact Fund. This revenue is dedicated to the debt service for the new portion of the wastewater treatment plant and is budgeted to be \$277,000 in Fiscal Year 2008-2009.
- **Licenses and Permits** - Includes building permits, plan review fees and local business taxes. This segment of the General Fund revenue is projected to be \$809,235, a 2.9% decrease from the previous Fiscal Year's Budget.
- **Intergovernmental Revenue** - Major revenue sources for this category include half-cent sales tax, state revenue sharing, and federal and state grants. The state-shared revenues are based on formulas which include population factors for the counties and cities in the State. The estimated revenues for Fiscal Year 2008-2009 of \$3,079,066 have decreased by more than \$3,000,000 compared to last year due to the completion of the beach stabilization and beach renourishment projects funded in large part by grants. The other intergovernmental revenue major sources are:
 - **Half-Cent Sales Tax** - This program was created in 1982 and generates the largest amount of revenue for local governments among the state shared-revenue sources. The program's primary purpose is to provide relief from ad

valorem and utility taxes. It is divided among counties and municipalities based on population and sales tax collections. The amount budgeted in the General Fund is to be used for municipal-wide programs. This revenue is not restricted and can be pledged for the payment of debt service.

- **State Revenue Sharing** – This program was created in 1972 by the State and established trust funds for certain revenue sources and specified formulas for redistribution to municipalities and counties. The major sources of these funds for municipalities are cigarette and fuel taxes. The formula for distribution to localities is based on population and sales tax collections. A portion of this revenue, 27.56% is restricted for transportation-related expenses and is budgeted to fund authorized Streets projects in the Capital Improvement Fund. The city has allocated more than the required amount for transportation related improvements such as street resurfacing in the upcoming year. The Fiscal Year 2008-2009 Budget contains \$293,974 for this revenue source allocated as follows:

General Fund	\$ 51,174
Capital Improvement Fund	<u>242,800</u>
	\$293,974

- **Charges for Services** – These revenues stem from charges for specific City services. Recreational activities account for this source of revenue in the General Fund as does payment for rescue services. The Enterprise Funds operate solely from service charges with the exception of the Storm Water Management Fund which is funded by a transfer from the General Fund and grants.
- **Fines and Forfeits** – Includes fines from citations issued by the Police and Code Enforcement. A total of \$57,000 in revenues is projected in the General Fund.
- **Miscellaneous** – This group consists of impact fees (excluding Wastewater impact fees), special assessments, interest and other revenues not otherwise classified. Impact fees for other services, including police, fire, recreation and administration, are accounted for in the Capital Expansion Fund and are projected to be \$810,000 in the Fiscal Year 2008-2009. ERU impact fees for new water services of \$300,000 are also included in this revenue category and recorded in the Water Enterprise Fund. Special Assessments may be authorized by the Commission for street paving or other special projects.
- **Financing Sources** – The only new debt anticipated in the Fiscal Year 2008-2009 Budget is \$800,000 in the Marina Fund in order to complete capital improvement projects tied to a Federal grant. The budget for this loan was postponed from the Fiscal Year 2007-2008 Budget.

There are no legal debt limits placed on the City through either state law, or local ordinances or resolutions. The City has not formally adopted a debt policy, but we utilize many recommended guidelines from the City’s Bond Counsel when incurring debt for municipal projects.

- **Cash Forward (Fund Balances)** – This accounts for undesignated and reserved fund balances from the previous year. A total of \$46,343,872 is projected, including \$23,276,297 for the Pension Plans, \$7,289,015 for the Enterprise Funds, \$800,000 for the Debt Funds, \$6,543,154 for the Capital Funds, \$2,100,522 for the Special Revenue Funds and \$6,054,000 for the General Fund. An additional \$280,884 is budgeted in Internal Service Funds.

Expenditure Highlights

The City of Fernandina Beach’s Fiscal Year 2008-2009 Budget includes four major areas of expenditures: Personnel Services, Operating Expenses, Capital Expenditures and Debt Service. As a service provider, a significant part of City expenditures is for employee costs budgeted under Personnel Services. In the Fiscal Year 2008-2009 Budget, Personnel Services totals \$15,210,361 or 32.5% of all expenditures excluding Trust and Agency Funds and including Internal Service Funds.

Operating Expenses are budgeted to be \$12,649,940 or 27.0% of all expenditures while capital expenditures represent 31.1%, \$14,538,999 and Debt Service totals \$4,417,763 or 9.4% of operating expenditures excluding Trust and Agency Funds and including Internal Service Funds.

The beach stabilization and beach renourishment projects were substantially completed in Fiscal Year 2007-2008 and is the primary reason for the decline in capital expenditures year over year. Projects included in the 2008-2009 Fiscal Year Budget include the new wastewater treatment train, \$3,000,000; runway rehabilitations at the Airport, \$1,280,000; ongoing capital improvements of our wastewater and water systems; and the completion of improvements at the Marina including construction of a new Marina Welcome Center and dock renovation.

The accounting of all of the funds in the budget is on a modified accrual basis. Revenues are recognized when they are known and measurable. Expenditures are recorded when the liability has occurred and is measurable. The City uses the accrual basis of accounting for financial statement preparation as required by state guidelines and generally accepted accounting principles.

These expenses are grouped by function as identified below:

• General Government Services	\$ 5,189,656
• Public Safety	9,481,232
• Physical Environment	12,025,013
• Transportation	4,021,981
• Economic Environment	414,687
• Human Services	200,900
• Culture/Recreation	11,380,370
• Debt Services	4,206,322
Operating Expenditures	\$ 46,920,161
• Transfers/Reimbursements	5,235,512
• Reserves/Contingencies	38,096,612
• Internal Service Funds	1,707,715
 Total 2008-2009 Expenditures/Reserves	 \$ 91,960,000

- **General Government Services** – The Commission, Clerk, City Manager, Finance, Human Resources, Information Technology and Legal Departments are included in

this broad category as well as Facilities Maintenance and Non-departmental. The Non-departmental budget captures expenses that affect all departments located in the City Hall Building.

- **Public Safety** – This is the largest single source of expenditures in the General Fund and covers the Police and Fire operations and Community Development services. The Fire Department's rescue services were billed and the revenue collected by Nassau County with reimbursement to the City in the past. In 2008-2009, the Fire department will contract with a third party directly to process rescue services billing and receipts.
- **Physical Environment** – This function covers the operation of the sanitation (garbage collection), sewer plant (collection and treatment), and the water operations. The bulk of these operations are accounted for in Enterprise Funds with fees for services revenue to cover the cost of operation. \$3,000,000 of the Capital Funds for this category will be used for a new 2.5MGD treatment train accounted for in the Wastewater Improvement Fund which will increase the City's treatment train capacity by 43%.
- **Transportation** – This function includes the Streets Department, in the General Fund, portions of the Capital Improvement Fund and the Airport Fund. In addition to the repair and maintenance of streets and sidewalks, the Street Department budget also includes the cost of traffic and utilities for streetlights. Major street resurfacing, paving and sidewalk construction are accounted for in the Capital Improvement Fund, together with storm drainage projects. The Airport Fund, which is operated as an Enterprise Fund, is also included in this group. Rentals from the hangars, FBO and fuel sales fund the operation of the Airport, with major capital items being funded by federal and state grants and other financing sources.
- **Economic Environment** – A transfer from the General Fund last Fiscal Year to the CRA will be spent in the 2008-2009 Fiscal Year for consulting services related to a street rehab project (Front Street) and road improvements. The Downtown District budget is operated by the Parks Department and is comprised of costs to maintain the downtown area, including the maintenance of the comfort station, waterfront parking lots, flowers, tree lights and utilities.
- **Human Services** – This function consists primarily of donations and contributions made by the City to certain organizations, among them, amounts contributed to the Council on Aging, Amelia Island Museum, Nassau Mental Health, Episcopal Day Care and assistance with utility bills for low income residents.
- **Culture/Recreation** – The Golf Course and Marina, which are accounted for in the Enterprise Funds, have revenues which cover the cost of their operations and are included in this function. The Parks and Recreation Department is divided into several departments, including Recreation, Parks, Youth, Peck Center and Aquatics, all of which are funded in the General Fund. Recreation costs are partially offset by registration fees and other charges. Significant recreation projects funded by grants, impact fees, bond proceeds and General Fund transfers and are included in the Capital Improvement Funds.
- **Debt Services** – The Wastewater Interest and Sinking Fund accounts for the payment of the annual debt service of the sewer bonds. The repayment of the General Obligation Bond is recorded in a separate Debt Service Fund in this function.

A new fund has been added for debt service related to the Utility Acquisition Bond and is funded by transfers from the Wastewater and Water funds.

- **Transfers** – In order to comply with requirements of certain revenues, special funds are established for the receipt of monies. These monies are then transferred to the appropriate funds making the disbursements. Transfers are also provided for the reimbursement of indirect costs from Enterprise Funds to the General Fund.
- **Reserves** – Unappropriated revenues and cash balance forward are grouped as reserves and include contingencies. Contingencies and reserves in Fiscal Year 2008-2009 total \$38,096,612. The General Fund Reserves have decreased to \$4,898,238 from \$5,319,936 (FY 2007-2008 Budget).

Fund Description

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Proprietary funds

The City maintains two different types of proprietary funds, enterprise and internal service funds. The City uses enterprise funds to account for its sanitation, water, sewer, marina, airport and golf course operations. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its vehicle maintenance activities, utility billing and utility administration.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The General Employees and Police and Fire pension plans make up the City's only Fiduciary funds. Resources of those funds are not available to support the City's own programs.

City of Fernandina Beach			
<i>Grants Anticipated for the Period October 1, 2008 through September 30, 2009</i>			
Grantor	Department/Purpose	Amount	Percentage by Department/Purpose
FED/STATE	Marina	1,580,660	47.44%
FED/STATE	Airport	876,850	26.32%
STATE	City Manager Projects	442,042	13.27%
FED/STATE	Fire Rescue	415,753	12.48%
STATE	Planning	15,000	0.45%
STATE	Police	1,329	0.04%
		3,331,634	100.00%

Grant Funds Anticipated FY 08-09

