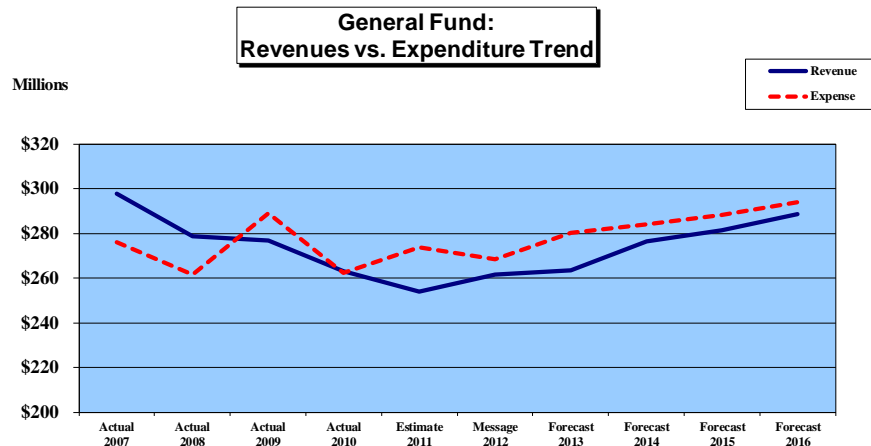


General Fund Five-Year Financial Forecast



The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Methodology:

The assumptions for the first year budget of the five-year financial plan were guided by the City Commission and the needs of the community. The City Commission provided a general path for the budget development; however, City employees provide the perspective of professionals as to the most effective and efficient way to implement City Commission policy. Years two through five (2013-2016) were developed by an interactive financial model using an analytical approach based upon projected financial resources and City services.

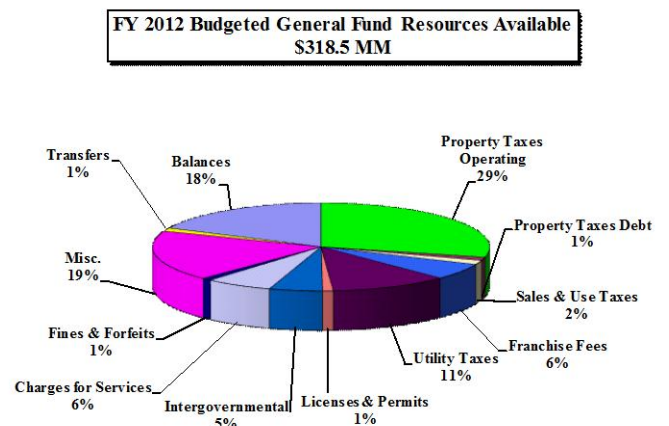
General Assumptions:

The general assumptions applied to the financial conditions of the City are conservative. Forecasts for operating expenses are based upon current programs, with a moderate annual increase.

Revenues:

Major sources that make up the General Fund revenues include: Property Taxes (30%), Utility Taxes (11%), Charges for Services (6%), Franchise Fees (6%), Intergovernmental (5%), Sales and Use Taxes (2%), Licenses & Permits (1%), Fines & Forfeitures (1%), Miscellaneous (19%), and Balances and Transfers (19%).

A description of each revenue source as well as a discussion of the outlook over the next five years follows.



Property Taxes:

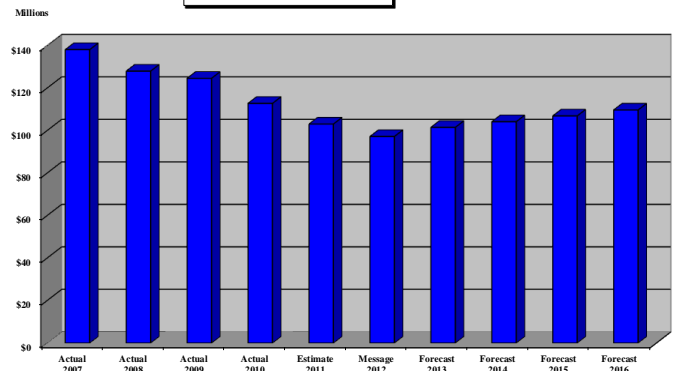
Property tax revenue for fiscal year 2012 is proposed at \$93,402,605, or 29% of the General Fund revenue. Over the last three years, property taxable values have steadily declined due to the decrease in assessed valuations and “Save Our Homes” Constitutional Amendment to the Florida Constitution that provides an annual cap on the increase in taxable values for homestead exempted properties.

The tax rate is made up of two components: operating millage rate and voted debt millage rate.

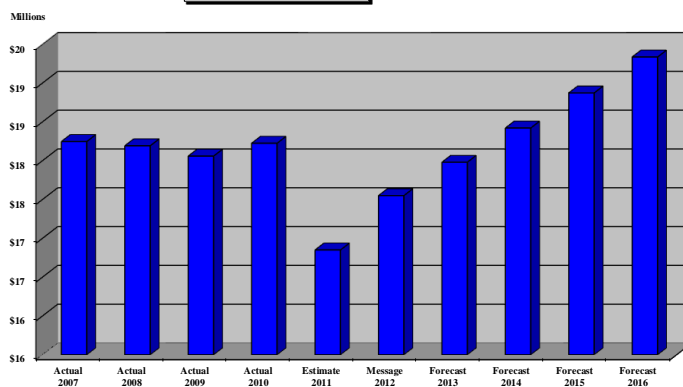
For the sixth year, the operating millage rate has remained constant at 4.1193 and is projected to remain steady for the five year forecast. However, the debt millage fluctuates slightly due to the amortization of constant debt and the issuance of new debt.

The overall property tax revenue is projected to increase 2.5% beginning with fiscal year 2013 and for the remaining years of the forecast.

AD VALOREM TAXES



FRANCHISE FEES



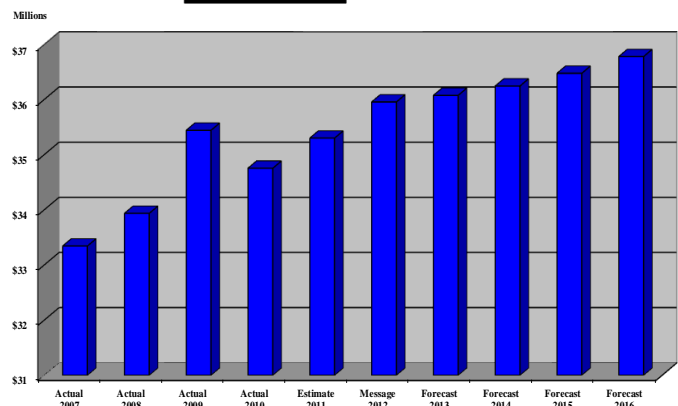
Franchise Fees:

Components that make up the Franchise Fees are payments from Florida Power and Light (FPL) and Peoples Gas for operating within right-of- ways owned by the City. For FY 2012, revenue is projected at \$17,550,000, or 6% of the General Fund revenue. Due to the long term agreement between the City and the entities, we do not anticipate an increase in the basis for payment. However, due to a projected increase in accounts and rate increases, the projection anticipates a revenue increase of 2.6% annually.

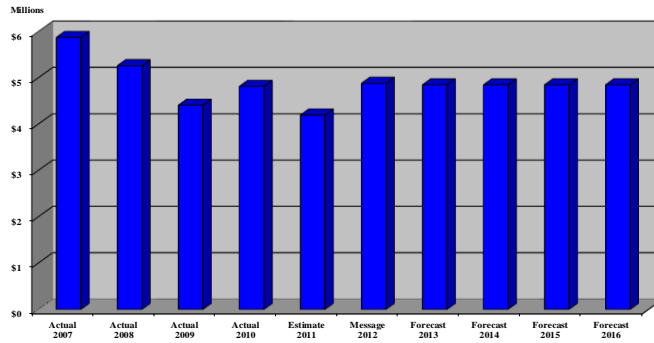
Utility Taxes:

Utility taxes are comprised of utility taxes on electricity, which is charged by FPL, State Communications Service tax, and utility taxes on gas and water. For FY 2012, revenue is projected at \$35,955,000, or 11% of the General Fund revenue. The Office of Economic and Demographic research forecasts a 1.0% increase in anticipation of an increase in FPL rates. The projection includes a 0.6% annual increase over the five years.

UTILITY TAXES



SALES & USE TAXES



Sales & Use Taxes:

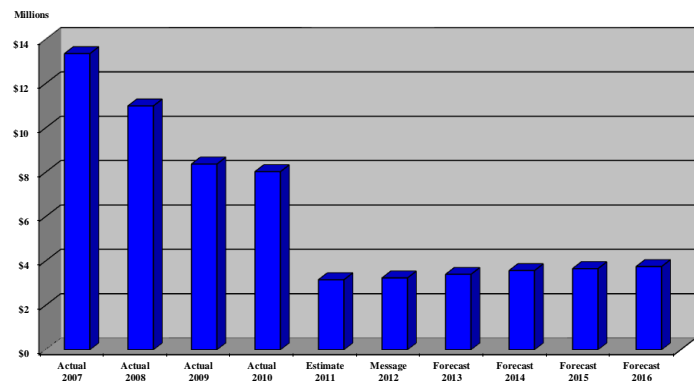
Fiscal Year 2012 revenue is estimated at \$4,882,276, or 2% of the General Fund revenue. These funds supplement the Pension and Retirement trust funds for firefighters and police officers, as per State Statute, Chapter 175 & 185. A rate increase is not projected in future years.

Licenses & Permits:

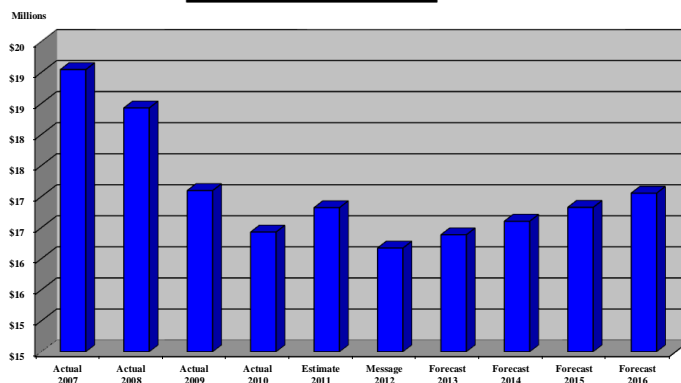
For FY 2012, the revenue is estimated at \$3,239,570, or 1% of the General Fund revenue. The basis for this revenue includes local business tax receipts and development permits. Due to growth in new businesses (Occupational Licenses) and fee increases the projection includes a 3.3% annual increase over the five years.

The City Commission adopted resolution 11-202 on July 6, 2011 allowing the City staff to review and adjust fees for services on a bi-annual basis.

LICENSE & PERMITS



INTERGOVERNMENTAL



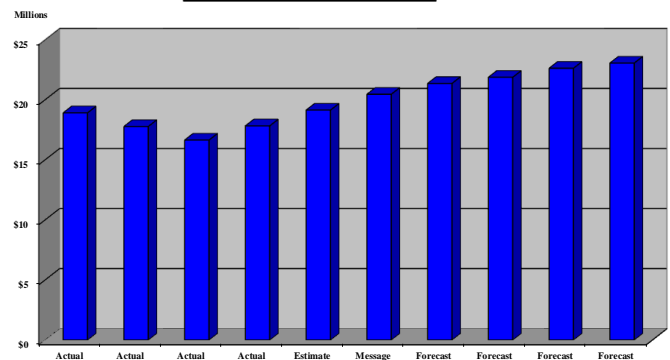
Intergovernmental:

The basis for this revenue is recurring State and County shared revenue. The State of Florida shares motor fuel, alcoholic beverage license, and sales tax revenue with local governments based upon population. For FY 2012, revenue is projected at \$16,169,911, or 5% of General Fund revenue. Based upon state shared revenue estimates, the projection includes a 1.3% annual increase over the five years.

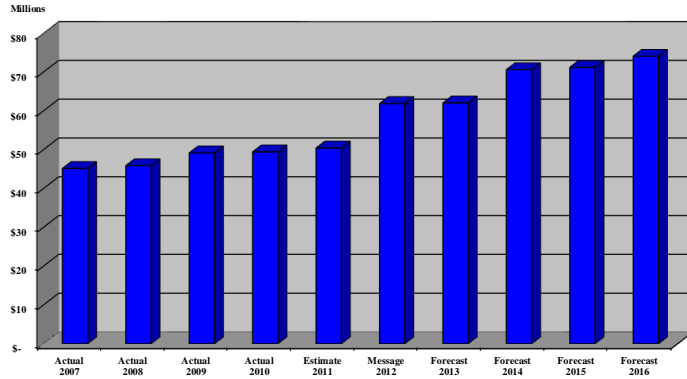
Charges for Services:

This revenue is derived from a variety of City fees, such as building inspections, parks and recreation services, and police fees. For FY 2012, the revenue is projected at \$20,456,960, or 6% of the General Fund revenue. The projection includes a 2.6% annual increase over the five years. These assumptions are based upon revenue growth rates and an increase in volume of lien researches, alarm response fees, fire inspection, and plan reviews.

CHARGES FOR SERVICES



FINES, FORFEITURES & MISCELLANEOUS



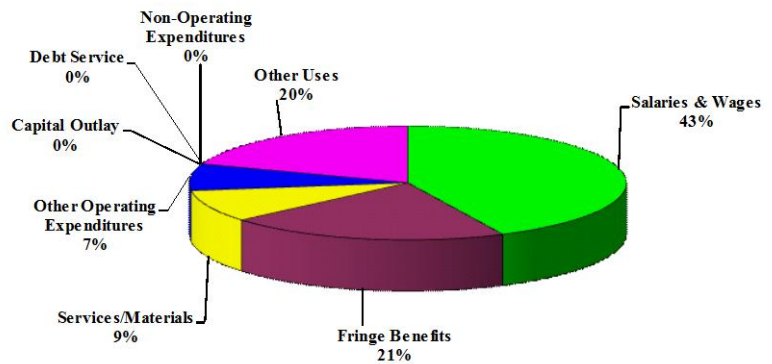
Fines, Forfeitures & Miscellaneous:

For FY 2012, the revenue is estimated at 61,874,721, or 19% of the General Fund revenue. This revenue source includes a full range of violations of State and City codes, interest income, fire assessment fees, and interfund charges. The fire assessment fee is projected to increase from \$135 to \$200 for residential units over the course of the five years.

Expenditures:

The City’s future will be shaped by the strategic goals of our neighbors and City Commission through their planning process. In the past decade, expenses have steadily trended upward due to the City’s increase in population, demand for services, and costs of supplies and services. To keep in line with shrinking the size of government, the City has eliminated 239 positions, since FY 2008. Due to current financial conditions, City Management has implemented a policy to reduce discretionary spending.

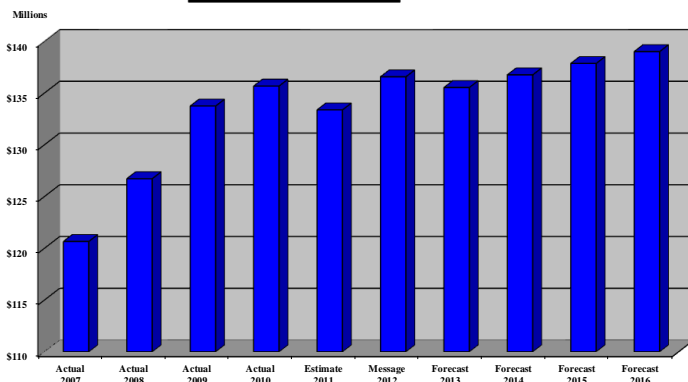
FY 2012 Budgeted General Fund Expenditures \$318.5 MM



Major expenditures are broken out by category, such as Salaries and Wages (43%), Fringe Benefits (21%), Service and Materials (9%) and Other Operating Expenses (8%).

A description of each expenditure category as well as a discussion of the outlook over the next five years follows.

SALARIES & WAGES



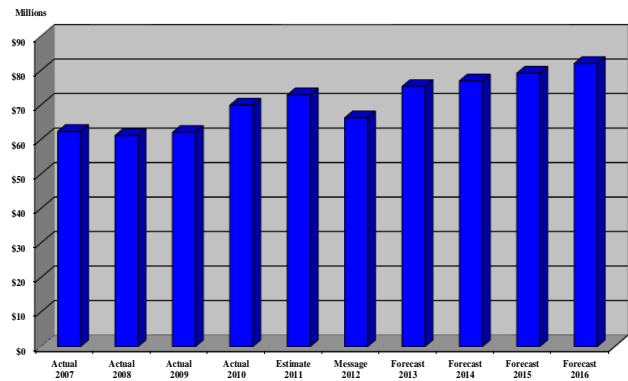
Salaries & Wages:

Salaries and Wages present the largest expenditure to the General Fund. For FY 2012, expenditures total \$136,565,446, or 43% of the General Fund expenses. The projection includes a 1.0% increase due to merit for eligible employees and a cost of living adjustment of 2.5% for Fire and Police union members (FY 2012 and FY 2013). There is no increase for overtime included in the five year projection.

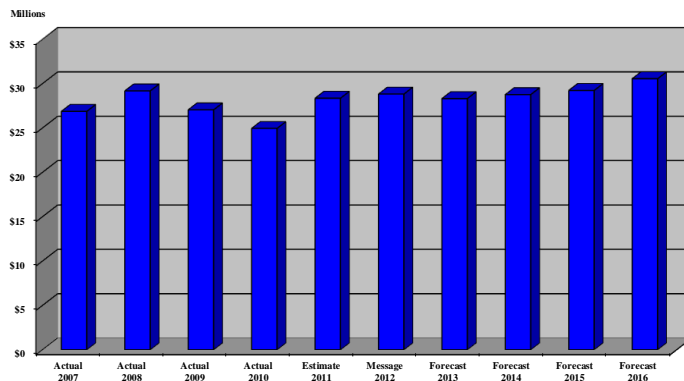
FRINGE BENEFITS

Fringe Benefits:

Fringe Benefits include pension, social security, health care, retiree health care, etc. This expenditure is the second largest expenditure to the City. For fiscal year FY 2012, expenditures total \$66,342,112 or 21% of the General Fund. The forecast includes an annual increase of 2.9% for Fringe Benefits over the five years.



SERVICES/MATERIALS



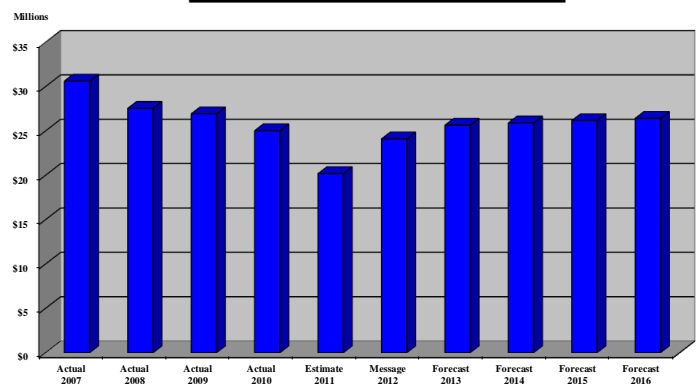
Services/Materials:

Services and Materials are estimated at \$28,819,240 or 9% of the General Fund for fiscal year FY 2012. Some assumptions associated with this category include items such as electricity, gasoline, office supplies, equipment, and other services. The projection includes an annual inflationary increase of 2.6% over the five years.

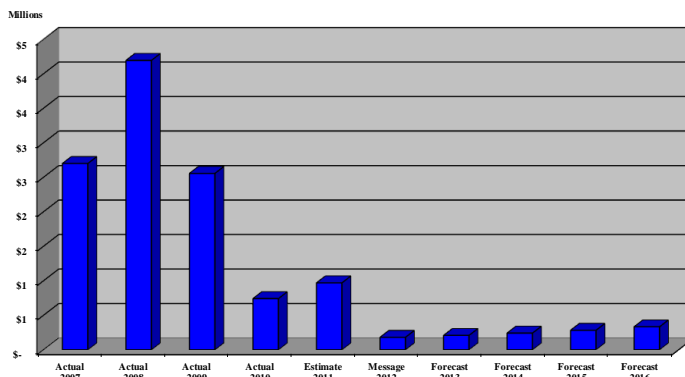
Other Operating Expenditures:

This category represents \$24,105,306 or 8% of the General Fund. This category is composed of liability and property insurance premiums, employee proceedings, and fleet overhead charges. The projection includes a 1.0% annual increase over the five years.

OTHER OPERATING EXPENDITURES



NON-OPERATING, CAPITAL OUTLAY & DEBT SERVICES



Non-Operating Expenses, Capital Outlay and Debt Services:

This is a combination of expenditures that represent \$180,717 or 0.1% of the General Fund. The projection includes a 10.5% in Non-Operating Expenses and 25% in Capital Outlay, which are anticipated to increase annually. Debt Service is projected to remain constant over the five years.



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