

## I. INTRODUCTION

The City's Capital Improvement Element of the Comprehensive Plan has been prepared consistent with the applicable sections of Rule 9J-5 of the Florida Administrative Code. This updated Element incorporates the recommended EAR Based Amendments and major revisions in the data and analysis to reflect current conditions and annexations.

The Staff of the City's Planning Department prepared this Element. The format of the Element varies from the former document in that the City previously adopted the entire document including the Goals, Objectivities and Policies and the data and analysis.

This document incorporates an entirely new data and analysis section reflecting approximately a 25% increase in City area. Underlines and strike-thru's are provided in the Goals, Objectives and Policies. The new data and analysis, however, fully replaces the former data and analysis without strike-thru's and underlines.

## II. GOALS, OBJECTIVES AND POLICIES

### Goal

13.00.00 To ensure the orderly and efficient provision of all public services and facilities to serve existing and future residential, commercial and industrial needs.

### Objective

13.01.00 To use the Capital Improvements Element on an annual basis as part of the City's budget process to identify improvements needed to meet existing deficiencies, to accommodate desired future growth and to replace obsolete or worn out facilities.

### Policies

13.01.01 The Capital Improvements Element shall use the following criteria in determining the priority of capital improvement projects.

- a. Preserving the health and safety of the public by eliminating public hazards.
- b. Eliminating existing capacity deficits.
- c. Availability of funds.
- d. Protect prior infrastructure investments.
- e. Consistency with County plans and state agencies.
- f. Maintain adopted Level of Service.
- g. Accommodation of new development and redevelopment in the Northwest Area.

13.01.02 To adopt a Capital Improvement Plan prior to the beginning of the new fiscal year as required by the Code of Ordinances of the City.

13.01.03 Examine the advisability of giving priority to the repair and replacement of existing facilities over the desire for new improvements.

### Objective

13.02.00 The City will limit the expenditure of public funds that subsidize development in high hazard coastal areas to the projects which only contribute to the maintenance of existing capital facilities.

**Policy**

13.02.01 Restrict the funding of capital improvement projects in coastal high hazard areas to projects which serve a public purpose.

**Objective**

13.03.00 ~~By January 1990, The City will establish~~ continue to use a Development Review Committee ~~which will~~ to coordinate development or redevelopment proposals to insure consistency with existing services availability or the financial ability to provide those services in a timely fashion.

**Policies**

13.03.01 To provide the public facilities for developments in accordance with the development orders as issued.

13.03.02 The City shall provide the infrastructure necessary to maintain the following levels of service concurrent with the impact of development. The adopted levels of service are found in the Implementation Section.

13.03.03 Consistent with the current Comprehensive Plan and Code of Ordinances, the City shall continue to require that the necessary public facilities shall be available for development prior to the issuance of a development permit.

13.03.04 No development order shall be issued unless there is sufficient capacity to permit the development, or any capital project necessary to maintain the adopted level of service will be constructed concurrently with the development.

13.03.05 The provision of facilities will be concurrent with impacts, that is, for developments occurring in stages, the facilities will have to be supplied at the stage when they are needed.

13.03.06 All permits to construct public buildings will be subject to concurrency requirements.

**Objective**

13.04.00 Through the development review process the proportionate cost of capital improvements necessary to maintain adopted levels of service shall be determined and assessed to developers.

**Policies**

13.04.01 To require developments to post performance bonds for the construction of utility, road and other off-site improvements necessary to accommodate the development of vacant parcels or substantial redevelopment of existing properties.

13.04.02 To establish a preference for the actual construction of off-site improvements in lieu of cash payments where feasible.

**Objective**

13.05.00 To adequately fund the Capital Improvement Plan through a variety of funding sources including property taxes, impact fees, general revenues, state and county contributions, assessments, private contributions, and bonded indebtedness.

**Policies**

13.05.01 The City shall seek to fund capital improvement projects necessary to support development through user fees, revenue bonds, impact fees and assessments, and shall only use general obligation bonds and general funds if the above funds are not available or are insufficient.

13.05.02 To adhere to the City Charter requirement which limits bonded indebtedness to 15% of the taxable value.

13.05.03 To carefully consider all other revenue sources before increasing the bonded indebtedness of the City.

13.05.04 The City shall investigate new sources of funds for the Capital Projects Fund.

### III. EXISTING CONDITIONS

#### Public Education Facilities

Broward County School Board operates the public educational system for the grades K-12 in Broward County. In the City of Pompano Beach there are nine elementary schools, two middle schools, two high schools, one adult educational facility and two special education centers. The adult educational facility was formerly a Winn Dixie Supermarket, now known as the Dave Thomas Adult Educational Facility. The Broward County School Board reopened Pompano Beach High School as a magnet school in 1997-98.

Public school enrollment in Pompano Beach has increased by 4,823 students between 1997/1998 and 2004/2005, additional schools were added due to newly annexation of Cresthaven, Leisureville and Pompano Highlands within this 8 year period. This year, the district decrease in enrollment for the third year between 2005/2006 and 2007/2008 in the past ten years by 1,444 students. This has been a noticeable trend throughout the statewide districts. Presumably the downturn in the housing market and current economic condition could possibly be the reason to this enrollment decrease.

The School Board determines the boundaries for each school, and may readjust boundaries to relieve overcrowding prior to any school year. Current boundaries for school serving the City of Pompano Beach are shown on Figure CIE-1; Elementary Schools, Figure CIE-2; Middle Schools, Figure CIE-3; High Schools. Also shown on the maps are pupil transfer districts which are student sending districts created to reduce racial imbalances in school populations. Table CIE-1 indicates pupil enrollment by school for schools located inside the City limits.

The nearest community college is located in the City of Coconut Creek at 1000 Coconut Creek Parkway. This college is the north campus of the Broward Community College system. Current enrollment is 9,500 students for the 2007/08 school year.

## Public Health System

The City of Pompano Beach is located in the North Broward Health District. The North Broward Medical Center is located at 201 E. Sample Road, which is outside the city limits. As a public hospital, the hospital is supported by public taxes obtained by levying millage against real property. In fiscal year 2006/07, the millage was 2.1749 per \$1000 of taxable value. In fiscal year 2007/08 the millage was 1.6255 per \$1000 of taxable value.

The Broward County Health Department operates primary health care facilities at 2011 NW 3<sup>rd</sup> Avenue. HRS Broward County Public Health Unit is located at 601 W. Atlantic Blvd. This facility specializes in four kinds of health services to accommodate communities with dental care, prenatal care, immunization and Women, Infants and Children Program. Their programs are accompanied with weekly educational classes and brochures that inform local residents' on health issues.

**Table CIE-1 : School Enrollment for Public Schools Located in Pompano Beach**

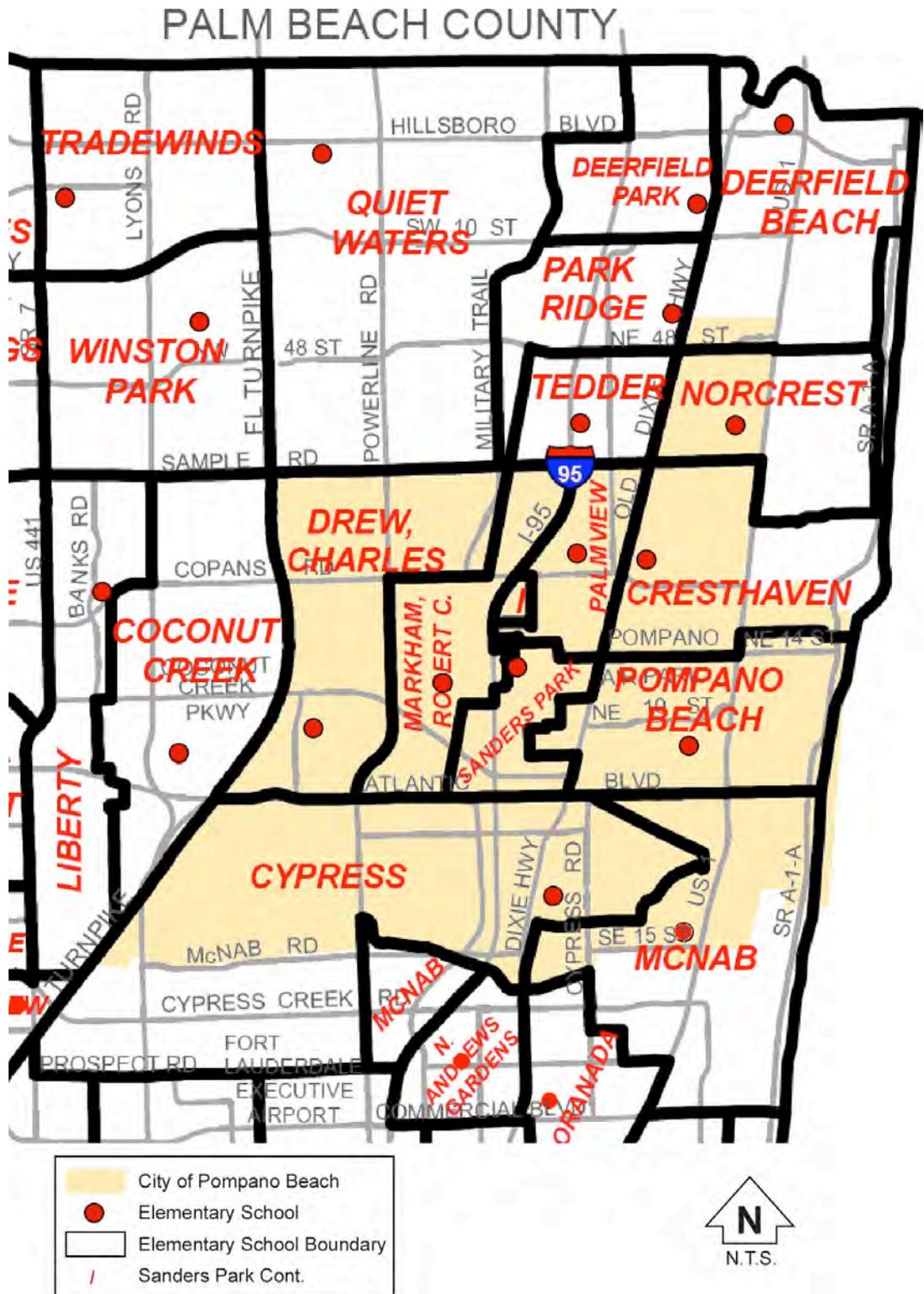
SCHOOL	SCHOOL YEAR									
	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08
Cresthaven Elementary	(not in City)		802	833	854	826	732	660	682	622
Cypress Elementary	702	696	702	746	762	787	810	857	759	763
Drew Elementary	650	581	584	599	594	541	550	562	609	595
McNab Elementary	734	787	739	771	727	723	753	765	747	736
Markham Elementary	512	530	520	656	642	679	661	621	579	530
Norcrest Elementary		(not in City)					813	760	707	727
Palmview Elementary		(not in City)					641	691	671	612
Pompano Beach Elementary	865	834	825	745	713	678	694	670	643	622
Sanders Park Elementary	725	736	697	670	719	624	678	629	528	525
<b>Elementary School Total</b>	<b>4,188</b>	<b>4,164</b>	<b>4,869</b>	<b>5,020</b>	<b>5,011</b>	<b>4,858</b>	<b>6,332</b>	<b>6,215</b>	<b>5,925</b>	<b>5,732</b>

**Table CIE-1 : School Enrollment for Public Schools Located in Pompano Beach (Continued)**

School	SCHOOL YEAR									
	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
Crystal Lake Middle				(NOT IN CITY)			1,711	1,603	1,482	1,344
Pompano Beach Middle	1,186	1,213	1,304	1,363	1,249	1,215	1,174	1,090	1,070	961
<b>Middle School Total</b>	<b>1,186</b>	<b>1,213</b>	<b>1,304</b>	<b>1,363</b>	<b>1,249</b>	<b>1,215</b>	<b>2,885</b>	<b>2,693</b>	<b>2,552</b>	<b>2,305</b>
Blanche Ely High	2,364	2,315	2,535	2,674	2,801	2,792	2,484	2,457	2,240	2,034
Pompano High School	251	321	498	665	693	862	1,037	1,186	1,199	1,262
<b>High School Total</b>	<b>2,615</b>	<b>2,636</b>	<b>3,033</b>	<b>3,339</b>	<b>3,494</b>	<b>3,654</b>	<b>3,521</b>	<b>3,643</b>	<b>3,439</b>	<b>3,296</b>
Cross Creek SED	160	141	149	181	166	142	133	146	127	120
Cypress Run		128	130	95	103	89	93	80	78	67
<b>Alternative School Total</b>	<b>160</b>	<b>269</b>	<b>279</b>	<b>276</b>	<b>269</b>	<b>231</b>	<b>226</b>	<b>226</b>	<b>205</b>	<b>187</b>
<b>TOTALS</b>	<b>8,149</b>	<b>8,282</b>	<b>9,485</b>	<b>9,998</b>	<b>10,023</b>	<b>9,958</b>	<b>12,964</b>	<b>12,777</b>	<b>12,121</b>	<b>11,520</b>

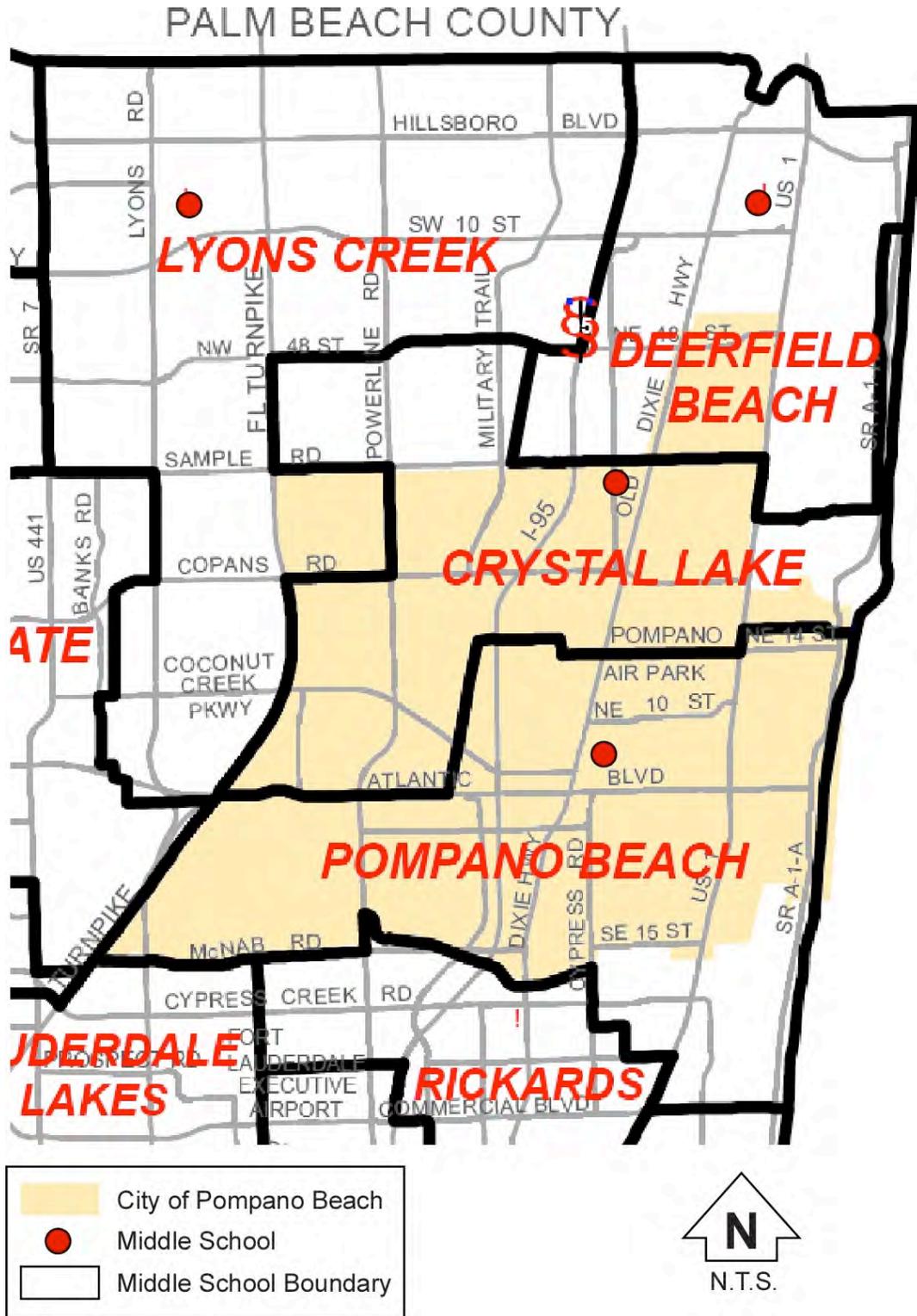
Source: 20<sup>th</sup> Day Report, The School Board of Broward County, Florida.

Figure CIE-1: Elementary School Boundaries



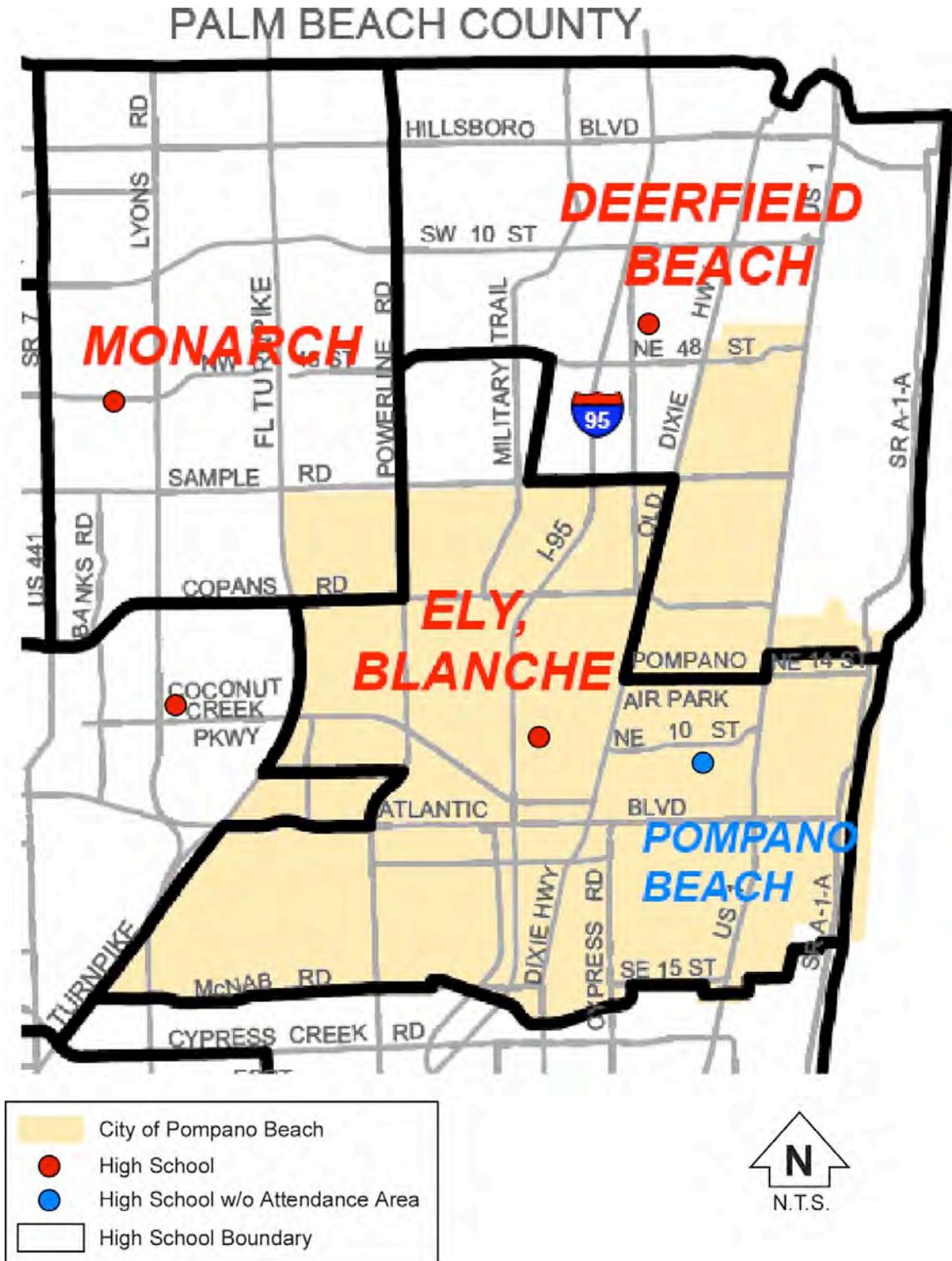
Source: The School Board of Broward County  
April 2008

Figure CIE-2: Middle School Boundaries



Source: The School Board of Broward County  
March 2008

Figure CIE-3: High School Boundaries



Source: The School Board of Broward County  
April 2008

#### IV. EXISTING REVENUE SOURCES

##### **Property Taxes**

The City's property tax is levied and becomes a lien of real and personal property located in the City on October 1 of each year based on the assessed value listed as of the prior January 1. Assessed values are established by the Broward County Property Appraiser. The current year's levy is based on assessed property values totaling approximately \$9.7 billion. Taxes are collected directly by Broward County and remitted to the City as collected.

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation for the general fund. The City levies millage for the general fund, emergency rescue service and debt service.

Taxes were levied at 4.0380 mills for the General Fund, 0.5000 mills for emergency rescue service and 0.1151 mills for the debt service funds for a total of 4.6531 mills for the 2006/07 Fiscal Year.

Taxes were levied at 3.7250 mills for the General Fund, 0.5000 mills for emergency rescue service and 0.0947 mills for the debt service funds for a total of 4.3197 mills for 2007/08 Fiscal Year.

All taxes are due and payable from property holders on March 31, become delinquent on April 1 and are subject to the issuance of tax sale certificates if unpaid by on June 1. Tax collections for the year ended September 30, 2006 were approximately 98.9% of the total tax levy. Current tax collections for the year ended September 30, 2007 were approximately 99.34% of the total tax levy. Table CIE-2 indicates the various revenue sources for the City during the past five years.

**Table CIE-2 : Revenue Sources**

<b>Revenue Sources</b>	<b>FY 2002/03</b>	<b>FY 2003/04</b>	<b>FY 2004/05</b>	<b>FY 2005/06</b>	<b>FY 2006/07</b>
Property Taxes	\$24,695,164	\$27,037,775	\$34,102,210	\$37,731,726	\$42,080,934
EMS Taxes	\$3,020,312	\$3,355,834	\$4,026,580	\$4,671,743	\$5,646,162
Special Assms Fire Fees	\$7,947,275	\$8,313,050	\$9,194,642	\$9,301,810	\$9,306,596
<b>Subtotal</b>	<b>\$35,662,751</b>	<b>\$38,706,659</b>	<b>\$47,323,432</b>	<b>\$51,705,279</b>	<b>\$57,033,692</b>
<b>Utility Taxes</b>					
Power & Light	\$6,881,975	\$6,716,052	\$7,523,374	\$7,594,268	\$7,638,627
Gas	\$229,069	\$220,806	\$232,676	\$270,542	\$268,975
Water	\$778,985	\$845,041	\$1,013,213	\$1,101,209	\$1,155,570
Fuel Oil Utility	\$30	\$34	\$263,431	\$522	\$72
Telecommunication	\$5,602,373	\$5,405,724	\$5,298,127	\$5,258,898	\$5,188,604
<b>Subtotal</b>	<b>\$13,492,432</b>	<b>\$13,187,657</b>	<b>\$14,330,821</b>	<b>\$14,225,439</b>	<b>\$14,251,848</b>
<b>Franchise Fees</b>					
Power & Light	\$5,936,659	\$6,423,644	\$7,359,789	\$8,670,164	\$8,984,290
Gas	\$134,399	\$166,343	\$165,645	\$177,435	\$187,159
<b>Subtotal</b>	<b>\$6,071,058</b>	<b>\$6,589,987</b>	<b>\$7,525,434</b>	<b>\$8,847,599</b>	<b>\$9,171,449</b>
<b>Licenses and Permits</b>					
Business Tax Receipts	\$1,536,180	\$1,546,613	\$1,681,498	\$1,750,944	\$1,834,838
Building Permits	\$3,950,340	\$5,018,314	\$9,856,334	\$12,210,266	\$8,999,165
Telecomm. Tower Registration	\$0	\$24,900	\$15,900	\$12,000	\$16,200
Building Contractor Registration	\$21,910	\$24,415	\$23,280	\$30,285	\$26,760
<b>Subtotal</b>	<b>\$5,508,430</b>	<b>\$6,614,242</b>	<b>\$11,577,012</b>	<b>\$14,003,495</b>	<b>\$10,876,963</b>
<b>Intergovernmental Revenues</b>					
State Sharing Revenue	\$1,841,300	\$1,892,351	\$2,948,258	\$2,771,224	\$2,699,041
Local Optional Gas Tax	\$1,662,687	\$1,748,357	\$1,760,344	\$2,036,007	\$1,986,157
Half Cent Sales Tax	\$4,898,216	\$5,080,889	\$5,980,113	\$6,526,487	\$6,150,613
Beverage License	\$60,611	\$65,390	\$67,368	\$64,501	\$62,103
Mobile Home Lic.	\$26,710	\$29,489	\$29,008	\$27,770	\$29,073
County Occupational License	\$84,115	\$98,297	\$102,926	\$87,047	\$121,577
Pari-Mutual Revenues	\$0	\$0	\$0	\$0	\$884,443
<b>Subtotal</b>	<b>\$8,573,638</b>	<b>\$8,914,773</b>	<b>\$10,888,017</b>	<b>\$11,513,036</b>	<b>\$11,933,007</b>
<b>Miscellaneous Revenues</b>					
Charges for Services	\$4,356,637	\$4,570,388	\$4,378,141	\$3,798,693	\$3,868,005
Fines & Forfeitures	\$1,456,765	\$1,316,680	\$1,483,483	\$1,626,391	\$1,634,580
Miscellaneous	\$14,591,650	\$6,730,255	\$10,114,628	\$20,356,411	\$15,857,216
Broward County Reimbursement	\$2,114,488	\$2,941,316	\$2,328,368	\$2,108,656	\$2,516,164
<b>Subtotal</b>	<b>\$22,519,540</b>	<b>\$15,558,639</b>	<b>\$18,304,620</b>	<b>\$27,890,151</b>	<b>\$23,875,965</b>
<b>Enterprise Funds</b>					
Utility	\$27,033,825	\$32,362,981	\$34,547,813	\$36,702,246	\$36,605,330
Airpark	\$1,786,359	\$1,838,164	\$1,857,926	\$1,996,537	\$2,082,287
Golf	\$3,593,213	\$2,870,824	\$2,839,829	\$3,122,467	\$3,468,153
Pier	\$268,303	\$277,805	\$314,758	\$323,901	\$182,012
Sanitation	\$3,665,622	\$3,570,032	\$4,251,013	\$4,844,846	\$4,983,931
Stormwater	\$2,326,286	\$2,288,264	\$2,500,886	\$3,036,350	\$2,914,954
<b>Subtotal</b>	<b>\$38,673,608</b>	<b>\$43,208,070</b>	<b>\$46,312,225</b>	<b>\$50,026,347</b>	<b>\$50,236,667</b>
<b>Grand Total</b>	<b>\$130,501,457</b>	<b>\$132,780,027</b>	<b>\$156,261,561</b>	<b>\$178,211,346</b>	<b>\$177,379,591</b>

Source: City of Pompano Beach Budgets

### **Utility Taxes**

The City imposes utility taxes to 10% on electricity and natural gas, and 5.22 on telecommunication usage. An additional 6.0% on utility tax is payable to all water usage. Florida statutes guidelines authorize the City of Pompano Beach to charge a maximum of 10% on utility tax. These fees are collected by the respective utility companies and turned over to the City.

### **Franchise Fees**

The City imposes franchise fees of 5.9% on electricity and natural gas, and 3% on cable television. The variance of these percentages is determined on renewed contract agreements of each company. These fees are collected by the respective utility companies and turned over to the City.

### **Licenses and Permits**

The City charges fees for the issuance of occupational licenses and building permits. Revenue from occupational licenses has steadily increased as shown in Table CIE-2. The revenue from other license fees and building permits has varied greatly due to the timing of projects by private individuals.

### **Intergovernmental Revenue**

Intergovernmental revenues have consisted of monies received from the Federal, State and County levels of government. The City receives federal revenue sharing funds. The City receives funds from the State of Florida in the following categories: revenue sharing entitlements, half-cent sales tax, beverage licenses, mobile home licenses and state grants. Finally, the City receives funds from Broward County with the primary revenue stream coming from the gas tax.

### **Other Revenues**

Other revenues consist of charge for services, Pari-Mutual Revenue Sharing consists of direct payments to the City of Pompano Beach in the amount of 2% of gross revenues on slot machines, fines and forfeitures, investment income and miscellaneous.

### **Capital Projects Fund**

The City has established a capital project fund to be used in funding capital improvements which are contained in the 5-Year Capital Improvement Plan.

The City has earmarked 2% of the 10% levied against electricity charges of the utility revenues to supply a continuing source of funds.

### **General Obligation Bonds**

General obligation bonds are secured by the full faith and credit of the City. The City Charter limits the amount of net general obligation bonded debt to 15% of the assessed property valuation. At September 30, 2006, the statutory limit for the City was approximately \$1.5 billion, providing a legal debt margin of approximately \$ 1.5 billion.

The City issued general obligation bonds in the amount of \$930,000, in 2007, \$970,000 bonds in 2008. As of September 30, 2007, the balances are respectively \$1,080,588, and \$1,076,825.

### **Revenue Bonds**

The City issued \$10,000,000 in Water and Sewer Revenue Bonds in 1993. Furthermore, in 2000, the City issued \$42,410,000 in Water and Sewer Revenue Bonds in 2000. The City refinanced the existing bonds in 2006 and now has an outstanding balance in the amount of \$38,870,000 as of September 30, 2007.

### **Impact Fees**

The City adopted an Impact Fee Ordinance in September 1982 to provide a source of funding for the acquisition and development of recreational facilities needed to serve new residents. Impact fees are adjusted every year based upon the increase in Consumer Price index. The impact fees are assessed against permits for new housing units that increases unit size of existing units, e.g., when new development replaces existing one, the property owner gets credit for the existing units and only pays fees for the additional units. As of June 30, 2007, the fund had a balance of \$2,710,116. The collection of impact fees will gradually diminish as the City gets built-out.

## V. FINANCIAL ANALYSIS

### Current Practices

The City of Pompano Beach Code of Ordinances requires that a 5-Year Capital Improvement Plan be prepared and adopted every year prior to the beginning of the new fiscal year which begins October 1 and ends September 30. The Development Services Department requests that every department head supply a prioritized list of needed capital improvements and assembles the requests into the proposed Capital Improvement Plan. The City Commission reviews, modifies and approves the Capital Improvement Plan.

The Capital Improvement Plan for Fiscal Years 2007/08 through 2011/12 contains 42 projects, which are estimated to cost \$51.4 million over five years. Table CIE-3 shows the current distribution of projects by fund.

**Table CIE-3 : Summary of Projects**

<b>Fund Name</b>	<b>FY 2007/2008</b>	<b>FY 2008/2009</b>	<b>FY 2009/2010</b>	<b>FY 2010/2011</b>	<b>FY 2011/2012</b>	<b>Totals</b>
<b>Capital Projects Fund</b>						
Public Works	1,450,000	1,150,000	1,250,000	1,350,000	1,450,000	6,650,000
Parks & Recreation		1,135,000				1,135,000
Fire Department	1,332,000		1,330,000	1,330,000	1,330,000	5,322,000
<b>Water &amp; Sewer Enterprise Fund</b>						
Water	3,205,000	1,326,000	1,326,000	1,326,000	1,326,000	8,509,000
Sanitary Sewer	842,000	2,372,000	2,372,000	2,372,000	2,372,000	10,330,000
<b>AirPark Enterprise Fund</b>	2,045,600	1,750,130	2,292,552	750,043	1,348,869	8,186,594
<b>Golf Enterprise Fund</b>		470,000	470,000	470,000	470,000	1,880,000
<b>Community Development Block Grant</b>	300,000	285,000	270,750	257,210	244,350	1,357,310
<b>Stormwater Enterprise Fund</b>	1,980,100	942,300	1,171,800	2,000,000	2,000,000	8,094,200
<b>Totals</b>	<b>11,154,100</b>	<b>9,430,430</b>	<b>10,483,102</b>	<b>9,855,253</b>	<b>10,541,219</b>	<b>51,464,104</b>

Source: City of Pompano Beach  
 Capital Improvement Plan  
 Fiscal years 2007/2008 through  
 Fiscal years 2011/2012

The timing and location of the Capital Improvements to public facilities is directly related to the current developed stage of the City of Pompano Beach. Except for the northwest area, the City is almost completely developed and very little vacant land exists for development. As a result, most of the capital improvements relate to replacing or renovating existing facilities necessary to maintain current levels of service. Thus, the first priority in the City is to renovate and replace existing capital facilities with second priority being to provide new capital facilities to allow development in the northwest area, primarily industrial uses. A third priority would be to provide capital facilities in recently annexed areas.

The City annexed three primarily residential neighborhoods in 2000 and 2004 with a total population of 22,014 and 3.50 square miles. The annexations agreements with Broward County specified that Broward County would construct water, sanitary sewer, road and drainage improvements. Future improvements, which will be the responsibility of the City are limited to road, drainage and park facilities, since Broward County Utilities is the service provider for water and sanitary sewer services.

The Sanitary Sewer, Potable Water, Drainage, Transportation and Recreation and Open Space Elements reflect this priority in the timing and location of capital improvements.

The City participates in the planning of public improvements with other state agencies, primarily Florida's Department of Transportation and South Florida Water Management District. Broward County has established the Metropolitan Planning Organization to assist DOT in establishing priorities for state and federal funded road improvements. The City sends staff representatives to Technical subcommittee meetings where road funding priorities are discussed scheduled and recommended. However, the State of Florida sets the funding level for DOT which determines how many of the prioritized road improvements projects can be done each year.

The City also cooperates with South Florida Water Management District in protecting the groundwater supplies. The City's interaction with South Florida Water Management District is not as frequent as it is with DOT since all of the needed drainage facilities are constructed and only routine maintenance is needed. However, the City does cooperate with South Florida Water

Management District on its planning programs, which will affect future capital improvement requirements. For example, the City has abandoned eastern well fields used to irrigate the Golf Course and has constructed a water reuse plan which will provide irrigation water. This was done to prevent further saltwater intrusion. Another example is the proposed adoption of xeriscape landscape principles in the zoning code. This will reduce pumping wear on the water plant as less irrigation water is needed. The Water Supply Plan, which is being prepared in accordance with the Lower East Coast Regional Water Supply, will result in additional plan amendments to Comprehensive Plan: Future Land Use, Potable Water, Conservation and Intergovernmental Coordination Elements.

### **FISCAL IMPLICATIONS OF EXISTING DEFICIENCIES**

Improvements to the sanitary sewer system and potable water system are being financed through the issuance of Water and Sewer Revenue Bonds. The City issued \$10,000,000 in Water and Sewer Revenue Bonds in 1993. Furthermore, in 2000, the City issued \$42,410,000 in Water and Sewer Revenue Bonds in 2000. The City refinanced the existing bonds in 2006 and now has an outstanding balance in the amount of \$38,870,000 as of September 30, 2007. Future improvements to these systems will be financed through the issuance of additional Water and Sewer Revenue Bonds. The City hires a water and sewer rate consultant annually to advise the City on the need to adjust the water and sewer rates based upon the need for revenues to cover the payments to bondholders and operating budgets. The Water and Sanitary Sewer Fund is an enterprise fund, which collects all its revenues from utility charges for services.

The previous practice has been for the City to assess those property owners who benefit from drainage improvements for their proportionate share of the cost of the improvements. Because this process was cumbersome, time consuming, expensive and didn't address the need for stormwater maintenance and improvements, the City enacted a storm water utility by Ordinance 97-78 on July 22, 1997. The Storm Water Utility is an enterprise fund, which collects all its revenues from a stormwater fee assessed upon residents and businesses. All residential units and

businesses are assessed at the rate of \$3.00 per month for each equivalent residential unit (ERU). Currently all capital improvements are funded out of the monies collected.

Improvements to the Regional Roadway Network are funded through Broward County and State of Florida Department of Transportation. Improvements to the local roads are the responsibility of the City of Pompano Beach. The primary local road needs are for resurfacing existing streets. The city has dedicated funds from Local Option Gas Taxes for road resurfacing. Other road and bridge projects are funded from the Capital Projects Fund.

The Capital Project fund is supported primarily by revenues from electric, gas and fuel utility taxes, local option gas taxes interest earnings and fund balance. The Capital Projects Fund pays for public work improvement to road, bridges, railroad crossing and street improvements, park and recreation projects, including acquisition and improvement and governmental buildings.

Improvements to the public recreational facilities are funded through a combination of park impact fees, grants, general obligation bonds and Capital Projects fund. Most of the larger parks and recreational facilities have been renovated. Only the smaller and less costly facilities remain to be renovated. The major expenses will arise as the City needs to acquire additional park land to meet the level of service standard for neighborhood parks. It is likely that general obligation bonds will be used to finance these acquisitions which will translate into higher property taxes.

The Airpark Enterprise Fund is used to operate the municipal airport. The Air Park Enterprise Fund collects user fees as well as rent payments from other funds which operate on land not used for aviation purposes. As stipulated by an agreement with FAA, the rent payment will solely be utilized for Air Park capital projects.

The Golf Enterprise Fund is supported primarily by revenues from user fees, interest earnings, and concessions & royalties. As an enterprise fund, most revenues originate from user fees. Due to continuing decreases in play, the Golf Enterprise Fund has not collected sufficient funds to pay for capital improvements as described in the Golf Master Plan. The Golf Master Plan which was completed in April 1997, includes projects totaling approximately \$4.66 million. If user fees

increase, capital improvement projects may be rescheduled in the future years. Such projects may include irrigation improvements, green reconstruction, bunker reshaping, landscaping and other building improvements.

### **COSTS OF NEEDED CAPITAL IMPROVEMENTS**

The City annually updates its Capital Improvement Plan. The current Capital Improvement Plan for Fiscal Years 2008 through 2012 contains 42 projects at a cost of \$51.5 million.

The Capital Projects Fund contains eight (8) projects costing an estimated \$13,107,000. Funds are committed to street improvements, sidewalk and government building improvements of \$6,650,000; parks and recreation projects of \$1,135,000; fire stations improvements of \$5,322,000; and a working capital reserves which roll over from year to year. Table CIE-4 indicates the cash flow and expenditures for the CIP for FY.

**Table CIE-4 : Projected Cash Flow**

<b>Revenues</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Local Options Gas Tax	\$ 580,000	\$ 580,000	\$ 580,000	\$ 580,000	\$ 580,000
Electric Utility Tax	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Gas Utility Tax	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Interest Earnings	\$ 480,900	\$ 480,900	\$ 480,900	\$ 480,900	\$ 480,900
Budgetary Fund Balance	\$ 300,000	\$ 128,900	\$ 454,800	\$ 485,700	\$ 416,600
<b>Total Revenues</b>	<b>\$ 2,910,900</b>	<b>\$ 2,739,800</b>	<b>\$ 3,065,700</b>	<b>\$ 3,096,600</b>	<b>\$ 3,027,500</b>
<b>Appropriations</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
<b>Public Works Projects</b>					
General Government Building Improv.	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Road Resurfacing Program	\$ 750,000	\$ 850,000	\$ 950,000	\$ 1,050,000	\$ 1,150,000
City-Wide Sidewalk Improv.	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Public Works Roof Replacement	\$ 400,000	\$ -	\$ -	\$ -	\$ -
<b>SUB-total Public Works</b>	<b>\$ 1,450,000</b>	<b>\$ 1,150,000</b>	<b>\$ 1,250,000</b>	<b>\$ 1,350,000</b>	<b>\$ 1,450,000</b>
<b>Parks &amp; Recreation Projects</b>					
Community Park	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Mitchell/Moore Park Improv.	\$ -	\$ 635,000	\$ -	\$ -	\$ -
<b>Sub-totals Parks &amp; Recreation</b>	<b>\$ -</b>	<b>\$ 1,135,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fire Department Projects</b>					
Rebuilding Fire Station #11	\$ 1,332,000	\$ -	\$ -	\$ -	\$ -
Construction of Fire Station #103	\$ -	\$ -	\$ 1,330,000	\$ 1,330,000	\$ 1,330,000
<b>Sub-total Fire Department</b>	<b>\$ 1,332,000</b>	<b>\$ -</b>	<b>\$ 1,330,000</b>	<b>\$ 1,330,000</b>	<b>\$ 1,330,000</b>
<b>Sub-total All Capital Projects</b>	<b>\$ 2,782,000</b>	<b>\$ 2,285,000</b>	<b>\$ 2,580,000</b>	<b>\$ 2,680,000</b>	<b>\$ 2,780,000</b>
<b>Reserves &amp; Transfer</b>					
Working Capital Reserve	\$ 128,900	\$ 454,800	\$ 485,700	\$ 416,600	\$ 247,500
<b>Subtotal Reserves</b>	<b>\$ 128,900</b>	<b>\$ 454,800</b>	<b>\$ 485,700</b>	<b>\$ 416,600</b>	<b>\$ 247,500</b>
<b>Total Appropriations</b>	<b>\$ 2,910,900</b>	<b>\$ 2,739,800</b>	<b>\$ 3,065,700</b>	<b>\$ 3,096,600</b>	<b>\$ 3,027,500</b>

**Table CIE-4 : Projected Cash Flow (continued)**

<b>Water &amp; Sewer Fund Capital</b>					
<b>Revenues</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Water & Sewer Operating Transfer	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Interest Earning	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000
Budgetary Fund Balance	\$ 681,100	\$ 289,100	\$ 246,100	\$ 203,100	\$ 160,100
<b>Total Revenues</b>	<b>\$ 4,336,100</b>	<b>\$ 3,944,100</b>	<b>\$ 3,901,100</b>	<b>\$ 3,858,100</b>	<b>\$ 3,815,100</b>
<b>Appropriations</b>					
<b>Water System Capital Projects</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Water Main Replacement Program	\$ 200,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Water Treatment Plant Maintenance	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000
Reuse Water Treatment Plant Mtc.	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
Reuse Distribution Expansion	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Water Meter Replacement	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Well Maintenance	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000
Membrane Element Replacement	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Yard Pipe Improvements	\$ 600,000	\$ -	\$ -	\$ -	\$ -
Water & Reclaimed Water Master Plan	\$ 286,000	\$ -	\$ -	\$ -	\$ -
Fuel Tank Removal	\$ 82,000	\$ -	\$ -	\$ -	\$ -
Water Plant Security Improvements	\$ 635,000	\$ -	\$ -	\$ -	\$ -
Parking Lot Improvements	\$ 276,000	\$ -	\$ -	\$ -	\$ -
<b>Subtotal Water System Projects</b>	<b>\$ 3,205,000</b>	<b>\$ 1,146,000</b>	<b>\$ 1,146,000</b>	<b>\$ 1,146,000</b>	<b>\$ 1,146,000</b>
<b>Sewer System Capital Projects</b>					
Reline Sanitary Sewer	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Manhole Rehabilitation	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Compliance Status Study	\$ 182,000	\$ -	\$ -	\$ -	\$ -
Forcemain Replacement	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Lyons Park Sewer Improvements	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Lift Station Rehabilitation Program	\$ -	\$ 772,000	\$ 772,000	\$ 772,000	\$ 772,000
<b>Subtotal Sewer System Projects</b>	<b>\$ 842,000</b>	<b>\$ 2,372,000</b>	<b>\$ 2,372,000</b>	<b>\$ 2,372,000</b>	<b>\$ 2,372,000</b>
<b>Subtotal All Capital Projects</b>	<b>\$ 4,047,000</b>	<b>\$ 3,698,000</b>	<b>\$ 3,698,000</b>	<b>\$ 3,698,000</b>	<b>\$ 3,698,000</b>
<b>Reserves</b>					
Working Capital Reserves	\$ 289,100	\$ 246,100	\$ 203,100	\$ 160,100	\$ 117,100
<b>Total Appropriations</b>	<b>\$ 4,336,100</b>	<b>\$ 3,944,100</b>	<b>\$ 3,901,100</b>	<b>\$ 3,858,100</b>	<b>\$ 3,815,100</b>

**Table CIE-4 : Projected Cash Flow (continued)**

<b>Air Park Fund Capital</b>						
<b>Revenues</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	
Transfers From 011	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers From 412	\$ 1,035,808	\$ 1,035,808	\$ 1,035,808	\$ 1,035,808	\$ 1,035,808	\$ 1,035,808
Transfers From 482	\$ 264,194	\$ 264,194	\$ 264,194	\$ 264,194	\$ 264,194	\$ 264,194
Transfers From 501	\$ 7,256	\$ 7,256	\$ 7,256	\$ 7,256	\$ 7,256	\$ 7,256
Transfers From 507	\$ 33,212	\$ 33,212	\$ 33,212	\$ 33,212	\$ 33,212	\$ 33,212
Interest Revenue	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Project Fund Balance	\$ -	\$ 1,334,870	\$ 965,210	\$ 53,128	\$ 683,555	\$ 683,555
<b>Total Revenues</b>	<b>\$ 3,380,470</b>	<b>\$ 2,715,340</b>	<b>\$ 2,345,680</b>	<b>\$ 1,433,598</b>	<b>\$ 2,064,025</b>	
<b>Appropriation</b>						
Air Park Fund Capital Projects	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Pavement Maintenance	\$ 339,000	\$ -	\$ -	\$ -	\$ -	\$ -
Replace Security Fencing	\$ 234,600	\$ -	\$ -	\$ -	\$ -	\$ -
Widen Taxi Fillets	\$ 534,000	\$ -	\$ -	\$ -	\$ -	\$ -
Water Main Extension	\$ 400,000	\$ 1,650,130	\$ 2,027,539	\$ -	\$ -	\$ -
Runway 15-33 Rehab	\$ 438,000	\$ -	\$ -	\$ -	\$ -	\$ -
Storage Shed	\$ -	\$ -	\$ 165,013	\$ -	\$ -	\$ -
Drainage Master Plan	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -
Design TWY H&G	\$ -	\$ -	\$ -	\$ 550,043	\$ -	\$ -
Drainage Imprv.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Design Helipads	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Overlay Runway 6-24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,223,869
<b>Sub-Total Capital Projects</b>	<b>\$ 2,045,600</b>	<b>\$ 1,750,130</b>	<b>\$ 2,292,552</b>	<b>\$ 750,043</b>	<b>\$ 1,348,869</b>	
<b>Working Capital Reserves</b>	<b>\$ 1,334,870</b>	<b>\$ 965,210</b>	<b>\$ 53,128</b>	<b>\$ 683,555</b>	<b>\$ 715,156</b>	
<b>Total Appropriations</b>	<b>\$ 3,380,470</b>	<b>\$ 2,715,340</b>	<b>\$ 2,345,680</b>	<b>\$ 1,433,598</b>	<b>\$ 2,064,025</b>	
<b>Golf Enterprise Fund Capital</b>						
<b>Revenues</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	
Golf Fund Revenues	\$ -	\$ 470,000	\$ 470,000	\$ 470,000	\$ 470,000	\$ 470,000
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 470,000</b>	<b>\$ 470,000</b>	<b>\$ 470,000</b>	<b>\$ 470,000</b>	<b>\$ 470,000</b>
<b>Appropriations</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	
Misc. Golf Course Improv.	\$ -	\$ 470,000	\$ 470,000	\$ 470,000	\$ 470,000	\$ 470,000
<b>Total Appropriations</b>	<b>\$ -</b>	<b>\$ 470,000</b>	<b>\$ 470,000</b>	<b>\$ 470,000</b>	<b>\$ 470,000</b>	<b>\$ 470,000</b>

**Table CIE-4 : Projected Cash Flow (continued)**

<b>Community Development Grant Fund Capital</b>						
<b>Revenues</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	
CDBG Revenues	\$ 300,000	\$ 282,000	\$ 270,750	\$ 257,210	\$ 244,350	
<b>Total Revenues</b>	<b>\$ 300,000</b>	<b>\$ 282,000</b>	<b>\$ 270,750</b>	<b>\$ 257,210</b>	<b>\$ 244,350</b>	
<b>Appropriations</b>						
<b>Community Development Capital Proj.</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	
Northwest Redevelopment Sidewalks	\$ 300,000	\$ -	\$ -	\$ -	\$ -	
Future Capital Projects	\$ -	\$ 285,000	\$ 270,750	\$ 257,210	\$ 244,350	
<b>Total Appropriations</b>	<b>\$ 300,000</b>	<b>\$ 285,000</b>	<b>\$ 270,750</b>	<b>\$ 357,210</b>	<b>\$ 244,350</b>	
<b>Storm Water Utility Fund Capital Projects</b>						
<b>Revenues</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	
Storm Water Utility Revenues	\$ 1,320,000	\$ 1,320,000	\$ 1,320,000	\$ 1,320,000	\$ 1,320,000	
Interest Earning	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	
Budgetary Fund Balance	\$ 970,274	\$ 455,174	\$ 977,874	\$ 1,271,074	\$ 736,074	
<b>Total Revenues</b>	<b>\$ 2,435,274</b>	<b>\$ 1,920,174</b>	<b>\$ 2,442,874</b>	<b>\$ 2,736,074</b>	<b>\$ 2,201,074</b>	
<b>Appropriations</b>						
<b>Storm Water Utility Capital Projects</b>						
Storm Pipe Rehabilitation	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	
Drainage Improvements to SE 4-1	\$ 1,037,800	\$ -	\$ -	\$ -	\$ -	
Drainage Improvements to SE 4-2	\$ 642,300	\$ 642,300	\$ -	\$ -	\$ -	
Drainage Improvements to SE 1-2	\$ -	\$ -	\$ 871,800	\$ 1,700,000	\$ 1,700,000	
<b>Sub-total Storm Water Projects</b>	<b>\$ 1,980,100</b>	<b>\$ 942,300</b>	<b>\$ 1,171,800</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	
<b>Reserves</b>						
Working Capital Reserve	\$ 455,174	\$ 977,874	\$ 1,271,074	\$ 736,074	\$ 201,074	
<b>Total Appropriations</b>	<b>\$ 2,435,274</b>	<b>\$ 1,920,174</b>	<b>\$ 2,442,874</b>	<b>\$ 2,736,074</b>	<b>\$ 2,201,074</b>	

Source: City of Pompano Beach, Capital Improvement Plan for Fiscal Year 2008 - 2012

Currently twelve (12) water and sewer projects have been identified. The Capital Improvement Plan for fiscal years 2007/2008 through 2011/2012 provides for twelve (12) water projects in the amount of \$8,509,000 and six (6) sanitary sewer projects in the amount of \$10,330,000. The Water & Sewer Renewal & Replacement Fund Capital budget is supported by revenues from water and sewer user charges and interest earnings. These revenues reflect funds committed to such projects as water main rehabilitation, sanitary sewer rehabilitation, sewer area upgrades, water treatment plant improvements and lift station rehabilitations. As mentioned above the City has refinanced outstanding Water and Sewer Revenue Bonds.

The Golf Enterprise Fund contains no projects.

The Air Park Enterprise Fund contains eleven (11) projects costing an estimated \$8,186,594. The six (6) AirPark projects scheduled for fiscal year 2008 are derived from the current AirPark Master Plan. The AirPark Master Plan is being updated, which has the consequence that the scope and/or timing of the projects scheduled for the years to follow may be modified.

The Stormwater Enterprise Fund contains four (4) projects costing an estimated \$8,094,200. The first project is a storm pipe rehabilitation project, and the other three (3) projects are new drainage projects.

### **Impacts of New or Improved Public Education Facilities**

The Broward County School Board assesses millage on the real estate tax bills for all property owners in Broward County. In FY2006/07 Broward County School Board set the millage at 8.0623 mills per \$1000 of assessed value. In FY2007/2008 Broward County School Board set the millage at 7.8687mills per \$1000 of assessed value. Both millage rates include debt service. Reductions in school enrollment over the past several years has lessened the pressure to build additional classrooms. Broward County School Board is now assessing their capital improvement program in light of declining school enrollments.

The City of Pompano Beach adopted the Public School Facilities Element in January 2008. The Public School Facilities Element proposed ten (10) new elementary schools, three (3) new middle schools and two (2) new high schools in Broward County. None of these new schools will be located in the City of Pompano Beach. The Broward County School Board does propose classrooms additions for three schools inside the City limits: Pompano Beach Elementary School will receive twelve (12) new classrooms, Pompano Beach Middle School, eight (8) classrooms and Crystal Lake Middle School, six (6) classrooms. Because of declining funds (and enrollments) the School Board has been forced to readjust their capital projects program schedule. The three (3) classroom addition projects are slightly behind the schedule contained in the School Board's five year Capital Projects Plan.

## **FINANCING THE CAPITAL IMPROVEMENTS**

The City has adopted a five-year Capital Improvement Plan which contains forty-two (42) projects and a 51.5 million budget. Table CIE-5 groups the projects by type of improvement. The Capital Projects Fund includes two (2) street improvements, three (3) building improvements, two (2) parks and recreation projects and two (2) fire station projects. The Water and Sewer Enterprise Fund contains twelve (12) water system improvements and six (6) sanitary sewer improvements. The Air Park Enterprise Fund contains eleven (11) aviation improvements. The Stormwater Enterprise Fund includes four (4) drainage improvements

**Table CIE-5 : Distribution of Capital Improvement Plan Projects  
By Type for Fiscal Years 2007/08**

<b>Type</b>	<b>Project Number</b>	<b>Project Amount</b>
Aviation Improvement	6	\$ 3,380,470
Water Main Improvement	12	\$ 3,205,000
Drainage improvements	3	\$ 1,980,100
Building and Facilities Improvements	3	\$ 1,932,000
Street and Bridge Improvements	3	\$ 1,150,000
Reserves & Transfer	--	\$ 873,174
Sanitary Sewers Improvements	4	\$ 842,000
Total	31	\$ 13,362,744

Source: The City of Pompano Beach, Capital Improvement Plan for  
Fiscal Years 2008 - 2012

Revenue to pay for the eight (8) projects in the Capital Projects Fund comes from a dedicated source. Of the 10% utility tax on electricity, 2% (1/5 of the 10%) is dedicated to the Capital Projects Fund. In fiscal years 2007/2008 through 2011/2012, the City estimates that the utility taxes will contribute about \$1,500,000 a year. The Local Option Gas Tax contributes \$580,000 per year, which goes towards street resurfacing. Interest earnings also supplement the budget.

Revenue to pay for the twelve (12) water and sewer projects comes from surpluses generated from water and sewer rates and the issuance of water and sewer revenue bonds. The Water & Sewer Enterprise Fund contributes \$3,500,000 per year towards capital projects. Interest earnings also supplement the budget.

Money to pay for golf projects comes from operating revenues. The Golf Enterprise Fund capital improvements are paid for by revenues from user fees, interest earnings, concessions & royalties and fund balance. As an enterprise fund, all revenues originate from user fees. Due to continuing decreases in play, the Golf Enterprise Fund has not collected sufficient funds to pay for capital improvements as described in the Golf Master Plan and therefore no projects are proposed.

The Air Park Enterprise contains eleven (11) projects totaling \$2.9 million. All three projects are fully funded. The Air Park Enterprise Fund collects user fees as well as rent payments from other funds which operate on land not used for aviation purposes. As stipulated by an agreement with FAA, the rent payment will solely be utilized for Air Park capital projects. Six are park projects totaling \$2 million dollars are scheduled for FY 2008. Funds in Working Capital Reserve will be rolled forward to offset cost for future Projects. Additional funds in the amount of \$6.0 million dollars will be used for projects in fiscal year 2009 through 2012.

## VI. DEBT SERVICE OBLIGATIONS

Water and sewer revenue bonds are secured by a pledge of the City's utility system net revenues. General obligation bonds are secured by the full faith and credit of the City.

Bond indentures contain provisions relating to annual debt service payments, restricted account transactions, minimum sinking fund requirements, and minimum revenue levels. The City believes that it is in compliance with all bond provision and maintained reserves totaling \$4,542,956 at September 30, 2006.

The City of Pompano Beach issued General Obligation Bonds, Series 1993 in the amount of \$13,535,000 for the financing of recreation improvements for the four major parks and the acquisition and improvement of the Hillsboro Inlet Park. The final payments are due in 2010.

The City Charter limits the amount of net general obligation bonded debt to 15% of the assessed property valuation. At September 30, 2006, the statutory limit for the City was approximately \$1.5 billion, providing a debt margin of approximately \$1.5 billion.

Table CIE-6 shows the final payments for the 1993 General Obligation bonds through 2010. It also shows the payments for two Tax Increment Bond, Series 2003A and Series 2004A. Both Tax Increment Bond Series were issued for the amount of \$10,000,000. Wachovia Bank is the registered holder of both bond issues. Wachovia Bank has advanced \$10,000,000 for Tax Increment Bonds, Series 2003A and \$9,543,031 for Tax Increment Bonds, Series 2004A (\$457,969 is yet to be advanced). The funds from both Tax Increment Bond Series have been used to finance improvements in the West Community Redevelopment Area.

**TABLE CIE-6 : Governmental Activities**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	970,000	1,202,512	2,172,512
2009	20,000	1,154,012	1,174,012
2010	3,207,652	1,108,488	4,316,140
2011	2,112,652	935,007	3,047,659
2012	2,112,652	816,276	2,928,928
2013-2017	10,563,261	2,300,414	12,863,675
2018-2020	2,640,814	111,310	2,752,124
\$	21,627,031	7,628,019	29,255,050

Source: Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2007, page 61

Interest payment on both series is due quarterly. Principal payment on both series is due and payable quarterly commencing November 1<sup>st</sup>, 2009. Table CIE-7 reflects the proposed schedule of interest and principal payments for Tax Increment Bond, Series 2003A and Series 2004A. Maturity date for Tax Increment Bond, Series 2003A and Series 2004A is November 1<sup>st</sup>, 2018.

**Table CIE-7 : Business Type Activities**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$ 2,765,000	\$ 1,602,119	\$ 4,367,119
2009	\$ 2,875,000	\$ 1,493,306	\$ 4,368,306
2010	\$ 2,990,000	\$ 1,380,169	\$ 4,370,169
2011	\$ 3,110,000	\$ 1,262,506	\$ 4,372,506
2012	\$ 3,225,000	\$ 1,140,119	\$ 4,365,119
2013-2017	\$ 14,370,000	\$ 3,876,181	\$ 18,246,181
2018-2020	\$ 9,535,000	\$ 870,750	\$ 10,405,750
<b>Total</b>	<b>\$ 38,870,000</b>	<b>\$ 11,625,150</b>	<b>\$ 50,495,150</b>

Source: Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2007, page 61

Due to the advanced refunding of the City's outstanding Water and Sewer Bonds, Series 1993 and Series 2000, the City issued 2006 Series Bonds on May 3, 2006 to repay the debt. The Series 2006A bonds were issued for the purpose of providing funds sufficient to accomplish the current refunding of all the City's outstanding Water and Sewer Bonds, Series 1993, which had an outstanding balance in the amount of \$ 5,845,000. The Series 2006B bonds were issued for the purpose of providing funds sufficient to accomplish the advanced refunding of the City's

outstanding Water and Sewer Revenue Bonds, Series 2000, which had an outstanding balance in the amount of \$ 36,030,00. The scheduled payoff for the 2006A Bonds is July 1, 2013 and schedule payoff for the 2006B Bond is July 1, 2020. Therefore, the above table shows a consistent fluctuation in the City’s principal debt from 2007 through 2020.

The City has refunded or defeased bonds by depositing cash and U.S. Treasury securities in irrevocable trusts to provide for all future debt service payments on the bonds. The assets, liabilities and financial transactions of these trust accounts are not reflected in the financial statements of the City. Defeased and refunded bonds outstanding at September 30, 2007 are as follows:

**Table CIE-8: Defeased and Refunded Bonds**

<b>Series</b>	<b>Issue</b>	<b>Amount</b>
1962	Sewer Revenue	\$ 1,720,000
1972	Sewer Revenue	\$ 785,000
1973	Sewer Revenue	\$ 920,000
1977	Water Revenue	\$ 2,860,000
1989	General Obligation	\$ 13,785,852
2000	Water & Sewer Revenue	\$ 35,890,745
<b>Totals</b>		<b>\$55,891,597</b>

Source: Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2007

#### Tax Base

In 1996, the tax base stood at 3,984,443,800. Since then, the tax base has increased by an average of 2.9% per year to 4,100,979,753 in 1997. From 1997s to 2007, the tax base has increased by an average of 9.4%. A noticeable Taxable Value increase of \$1,985,791,432 was between fiscal years 2006 and 2007 exponential depicting a 20.21% increase.

**Table CIE-9 : Taxable Value and Total Tax collected  
For Period 1986 – 2007**

<b>Fiscal Year</b>	<b>Taxable Value</b>	<b>Tax Collected</b>
1986	\$ 2,842,479,214	\$ 10,996,060
1987	\$ 3,010,689,686	\$ 12,037,104
1988	\$ 2,104,430,217	\$ 12,698,997
1989	\$ 3,321,467,866	\$ 14,017,193
1990	\$ 3,605,181,684	\$ 20,575,356
1991	\$ 3,827,391,465	\$ 22,673,010
1992	\$ 4,017,833,071	\$ 24,268,124
1993	\$ 3,846,344,332	\$ 23,031,084
1994	\$ 3,891,816,949	\$ 24,191,875
1995	\$ 3,927,701,244	\$ 28,083,407
1996	\$ 3,984,438,000	\$ 28,083,407
1997	\$ 4,100,979,753	\$ 27,670,699
1998	\$ 4,178,825,385	\$ 24,686,633
1999	\$ 4,441,635,645	\$ 24,368,967
2000	\$ 4,788,133,402	\$ 24,195,282
2001	\$ 5,430,988,153	\$ 26,933,938
2002	\$ 5,802,909,336	\$ 28,204,900
2003	\$ 6,452,944,432	\$ 30,446,040
2004	\$ 7,154,299,055	\$ 33,317,402
2005	\$ 8,458,277,145	\$ 39,471,762
2006	\$ 9,825,430,407	\$ 53,190,865
2007	\$ 11,811,221,839	\$ 50,247,672

Sources: Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 1995  
Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2007

## Millage Rates

Millage rates for the general fund have decrease substantially over the past twelve years as shown in Table CIE-10. On average there has been a 4.31% decrease in yearly rates with a total declining percentage of 47.5 from 1996 to 2007. During the transitional years of 1997 and 1998 show the greatest decline of 14.7% in rates, from 7.0226 to 5.9850.

The millage rate for fire/rescue reached its maximum level of 0.5000 mills in 1996 and it cannot be raised further without voter approval.

**Table CIE-10: Millage Rates For The Period 1987 - 2007**

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Fire Rescue</b>	<b>Debt Services</b>	<b>Total</b>
1987	3.2633	0.5000	0.3232	4.0865
1988	3.2633	0.5000	0.2792	4.0425
1989	3.4591	0.5000	0.2832	4.2423
1990	4.8005	0.5000	0.5800	5.8805
1991	4.9564	0.5000	0.5841	6.0405
1992	5.1982	0.5000	0.5120	6.2102
1993	5.1978	0.5000	0.5124	6.2102
1994	5.3980	0.5000	0.6200	6.5180
1995	6.2834	0.5000	0.5400	7.3234
1996	6.1506	0.5000	0.4850	7.1356
1997	6.0506	0.5000	0.4720	7.0226
1998	5.0230	0.5000	0.5200	5.9850
1999	4.6893	0.5000	0.4286	5.6179
2000	4.3901	0.5000	0.3910	5.2811
2001	4.2504	0.5000	0.3496	5.1000
2002	4.1261	0.5000	0.3239	4.9500
2003	4.0877	0.5000	0.2923	4.8800
2004	4.0271	0.5000	0.2729	4.8000
2005	4.1111	0.5000	0.1319	4.7430
2006	4.0380	0.5000	0.1151	4.6531
2007	3.7250	0.5000	0.0947	4.3197

Sources: Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 1995  
 Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2007