



**City of St. Augustine Beach**  
**Annual Budget**  
**For 2009-2010**



**CITY OF ST. AUGUSTINE BEACH  
CITY OFFICIALS**



**Mayor**

Frank Charles

**Vice Mayor**

Sylvester "Brud" Helhoski

**Commission Members**

Edward S. George

Rich O'Brien

Andrea Samuels

**City Manager**

Max Royle

**City Attorney**

Douglas N. Burnett

**Department Heads**

Deputy City Clerk  
Finance Director  
Police Chief  
Public Works Director  
Building Official

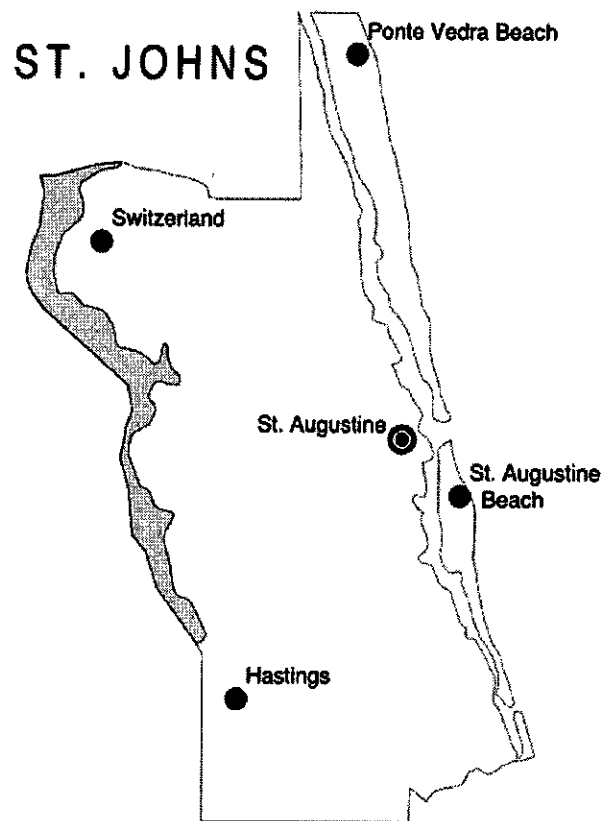
Sharon Widdifield  
Melissa Burns  
Richard Hedges  
March Chattin  
Gary Larson

# **FISCAL YEAR 2010 BUDGET**

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## FACT SHEET

Date of Incorporation: 1959  
Form of Government: Commission/ City Manager  
Size: 2.5 square miles  
Current Population: 6,313



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# Budget Message from the City Manager

Max Royle



# INTRODUCTION

## INTRODUCTION

### **Appropriated Fund Types and Basis of Budgeting**

**Definition of "Fund":** - A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City has two major funds: General and Road and Bridge with the addition of three minor funds: Capital Projects, Debt Service and Land Acquisition.

#### **Governmental Type Fund:**

**General Fund** – The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. Resources include taxes, franchise fees, state and local shared revenues, grants, licenses and permit fees, fines and forfeitures, charges for services, and miscellaneous revenues such as interest. Services provided by the General Fund are general government (City Commission, City Manager, Finance and Administration, Comprehensive Planning and Other Governmental Services), protective services (law enforcement, building and zoning), garbage/solid waste, economic environment, human services, and culture and recreation.

**Road & Bridge Fund** – The Road & Bridge Fund is the operating fund for the transportation services that the City provides. This fund is used to account for the financial resources, such as the Local Option Gas Tax required to be accounted for in a separate fund.

Budgets for the governmental type funds are prepared on the modified accrual basis. Generally, revenues are recognized as soon as they are both measurable and available and expenditures are recognized when a liability is incurred. This basis is also used to report the governmental funds activity in the City's audited financial statements.

Revenues which are considered to be susceptible to accrual include taxes, franchise fees, major state shared revenues, business tax receipts, and interest earnings. Grants are accrued if they are both measurable and available. Permits, charges for services, fines and forfeitures, miscellaneous state shared revenues, and most other miscellaneous revenues are recorded when the cash is received because they are generally not measurable until the cash is received.

Exceptions to recognizing expenditures when the related liability is incurred are expenditures related to compensated absences (accumulated vacation and sick pay), debt service expenditures, and any expenditures related to claims and judgments. These expenditures are recorded when the expenditures are due.

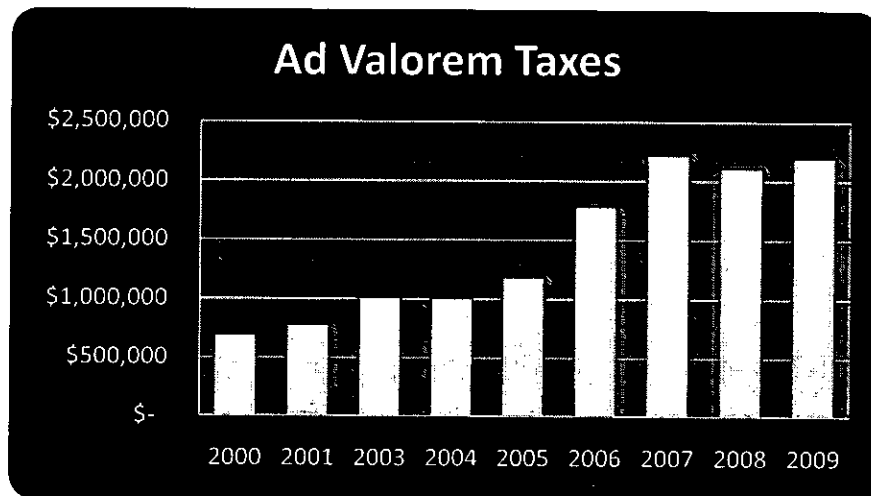
## Revenue Sources and Trends

This section describes the sources, methods of budgeting, and trends for the City's revenues.

### Ad Valorem Taxes: General Fund

Ad valorem taxes are budgeted at \$2,318,869 and are collected by the St. Johns County Tax Collector based on the application of the City's adopted millage rate to assessed property values. The City's millage rate is adopted each budget year based on knowledge of the gross taxable value as certified by St. Johns County Property Appraiser. This makes budgeting for ad valorem tax revenue very precise. The first draft of the budget was calculated using 2.2875 mills and only including 98% of the revenue to be received. The bulk of the tax collections occur from November through March as tax bills go out in November, becoming due March 31<sup>st</sup>, with a sliding discount rate for early payment beginning in November. Ad valorem taxes are the most stable revenue source for governmental funds.

With the passage of Amendment 1 by the voters of Florida, and the current economic conditions, many cities in the state of Florida are experiencing a decline in the taxable values of the properties within their jurisdiction. The City of St. Augustine Beach is no exception. With the two factors stated above, the City experienced a 17.49% decline in its taxable values. When millage rates are increased, it does not necessarily translate into a property tax increase. A situation arises during times of declining assessed values where the millage rate has to be increased in order to collect the same amount of revenues as previous years. The table below illustrates the ad valorem taxes collected for the past 10 years.



### Ad Valorem Taxes: Debt Service Fund

In the 2008 primary election, the citizens of the City of St. Augustine Beach chose to have up to 0.5 mills levied in order to secure debt for the purchase of property to be secured as open space for recreational purposes. In July of 2009, the City of St. Augustine Beach purchased via revenue bonds, 11.088 acres previously owned by the developers of the Maratea property. This land is adjacent to the walkway that is currently under construction. This levy will produce \$517,800 to be used towards the debt service.

### Other Taxes: General and Road & Bridge Funds

These taxes are budgeted at \$870,256 and include taxes on utilities such as, electric, propane natural gas, telecommunication services, and business tax receipts (formerly known as occupational licenses). With the exception of business tax receipts and telecommunication services tax, the funds are collected from utility customers by utility providers and remitted to the City on a monthly basis. Utility service taxes are calculated as a percent of service cost. Telecommunication Services tax is collected by the State of Florida which in turn distributes the local government's share on a monthly basis, usually one month behind. Business tax receipts are required for anyone that has a business that is based in the City of St. Augustine Beach. Most of this revenue source is collected beginning August 1<sup>st</sup>, as these tax receipts expire on September 30<sup>th</sup> of each year. Budgeting for these revenues is mainly done by historical trends along with any information on rate or customer base changes. The last tax in the above indicated amount is the Local Option Gas Tax. It is remitted to the City by the State based on a formula of several variables. The tax is first collected at the pump on a cents-per-gallon basis which varies from county to county. This revenue is budgeted based on an estimate provided by the State.

### **Intergovernmental Revenue: General and Road & Bridge Fund**

The City receives revenue from the State of Florida and other government agencies. Revenue sharing is a source created by the Florida Revenue Sharing Act of 1972 whereby a portion of the monies collected by the State are returned to counties and local municipalities. The amount budgeted this year is \$134,057 as these revenues are affected by the current state of the economy, the amount budgeted this year represents a 7% decrease over last fiscal year. The City also receives from the State a portion of the ½ Cent Sales Tax. For FY10 the budgeted amount is \$390,614, again this amount is 11% lower than last year's estimate. Both the State Revenue Sharing and ½ Cent Sales Tax revenue estimates are provided by the State of Florida. Unfortunately, the State changes these estimates from time to time during the course of the year.

Also included in intergovernmental revenue are grants. A summary of grant revenues budgeted in the general fund are as follows:

<b>Funding Source</b>	<b>Grant Title</b>	<b>Funding FY10</b>
FDLE – American Recovery Act – JAG Countywide	Investigations	\$104,599
Justice Assistance Grant	Investigation/Crime Prevention Enhancement	\$ 25,482

A brief description of each of the grants is as follows:

**FDLE American Recovery Act** – This is usually applied for annually. However, the economic stimulous legislation changes the parameters for this grant. It will fund one position and the purchase of high tech investigative equipment

**Justice Assistance Grant** – This will provide partial funding for the detective's position and additional investigative supplies and supplies for crime prevention education.