

## Major Revenue Sources

### Ad Valorem Taxes

#### Description

A tax on property paid by owners of real and personal property within the city limits. The tax is based on an assessment by the Broward County Property Appraiser of the market value of property and improvements. This revenue source is found in the General Fund for the operating millage and the Debt Service Fund for the payment of voter-approved General Obligation Bonds.

A tax rate of one mill produces one dollar of tax revenue on each \$1,000 of taxable property value.

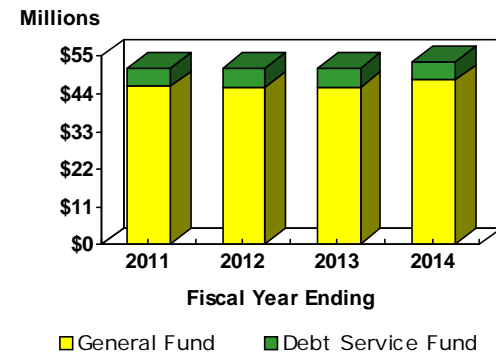
The 2013-14 Budget is based on an operating millage of 5.6368.

#### Forecast Methodology and Analysis

The combined operating and debt service millage of 6.2776 multiplied by the taxable value, less 5% for possible adjustments to assessed values and/or discounts taken for early payment.

The \$2.1 million (4.6%) increase in operating Ad Valorem taxes in fiscal year 2013-14 reflected 4.5% growth in taxable values. Proceeds from a constant millage rate highlighted flat growth in Taxable Property Value for fiscal years 2011-12 through 2012-13.

Fiscal Year Ending	Operating Millage Rate	General Fund	Debt Millage	Debt Service	Total	% Change
2014	5.6368	\$ 47,723,555	0.6716	\$ 5,425,287	\$ 53,148,842	4.0%
2013	5.6368	45,684,608	0.6716	5,443,121	51,127,729	-
2012	5.6368	45,704,600	0.6713	5,441,632	51,146,233	(0.3%)
2011	5.6880	45,839,333	0.6780	5,459,564	51,298,897	-



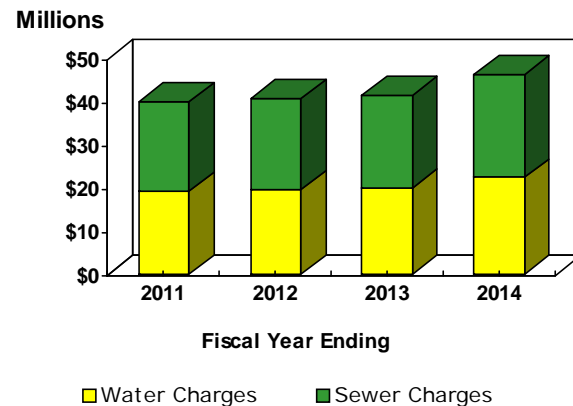
### Water & Sewer Charges

#### Description

Charges paid by residents and businesses for the use of water and sewer services. Water and sewer charges are billed monthly and include a monthly minimum charge to cover administrative costs and specified monthly minimum gallons. Consumption above the minimum is billed at a rate per one thousand gallons or any fraction thereof.

The monthly minimum charge for all residential dwelling units covers 3,000 gallons for both water & sewer charges. However, the minimum charge for commercial units covers a range from 3,000 to 50,000 gallons for water charges, depending on the size of the meter, and 3,000 gallons for sewer charges.

These revenues are accounted for in the Utility Fund.



#### Forecast Methodology and Analysis

The main factors considered in projecting these revenues are (1) historical trend, (2) estimated new connections, and (3) estimated new rates based on the change in the Consumer Price Index (All Urban Consumers - U.S. City Average) for the 12 months ending April of the current year, and (4) other rate increases. New rates are effective October 1st of each fiscal year.

The inelasticity of this revenue is revealed by the impact of rate increases: a 3.16% increase in October 2011 netted a 1.7% increase in fiscal year 2011-12, while a 2.30% October 2012 increase is projected to net 1.9% in additional actual 2011-12 revenues. The proposed (prorated) 14.00% January 2014 increase is expected to yield \$2.1 million (11.8%) in 2013-14.

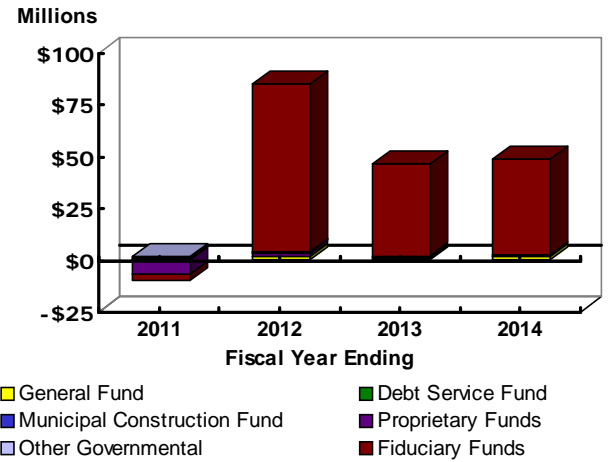
Fiscal Year Ending	Water Charges	Sewer Charges	Total	% Change
2014	\$ 22,564,100	\$ 24,089,000	\$ 46,653,100	11.8%
2013	20,070,000	21,670,000	41,740,000	1.9%
2012	19,835,550	21,143,920	40,979,471	1.7%
2011	19,431,042	20,872,045	40,303,087	-

## Interest and Other Earnings

### Description

The City pools all cash, cash equivalents and investments, except for accounts that are maintained separately in accordance with legal restrictions. Governmental & business-type investments consist of interest-bearing depository and checking accounts, money market accounts, investment in external investment pools such as the Florida Municipal Investment Trust (FMIvT) administered by the Florida League of Cities (FLOC), and other investments managed by external investment managers.

The Fiduciary Funds' investments are comprised of (i) investments of the Firefighters & Police Officers Pension Trust Fund that are managed by a separate Board of Trustees, (ii) the investments of the General Employees Pension Trust Fund that are invested in separate accounts offered by the Principal Financial Group, and (iii) the investments of the Other Post-Employment Benefits (OPEB) Trust Fund, which are invested with FLOC.



### Forecast Methodology and Analysis

The main factors in projecting these revenues are (1) the most current ending balance and (2) the estimated rate of return.

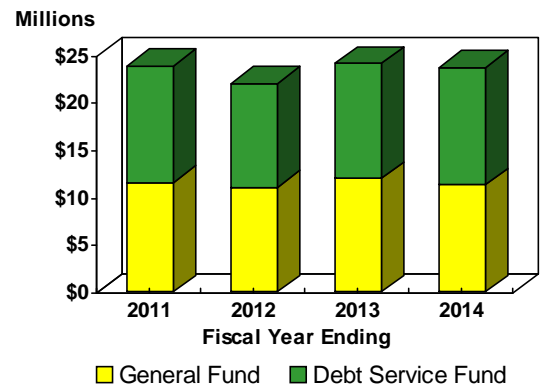
Significant gains in the General Employees Pension Fund and the Fire & Police Employees Pension Fund totaled \$80.9 million of the \$84.4 million increase in fiscal year 2011-12. There are wide fluctuations in asset return on a market value basis.

Fiscal Year Ending	General Fund	Debt Service Fund	Municipal Construction Fund	Other Gov. Funds	Proprietary Fund	Fiduciary Funds	Total	% Change
2014	\$ 998,520	\$ 96,758	\$ 0	\$ 355,234	\$ 563,000	\$ 46,376,000	\$ 48,389,512	5.4%
2013	659,100	102,232	0	533,336	388,000	44,236,065	45,918,733	(45.6%)
2012	1,152,855	125,135	439,613	342,844	1,471,592	80,872,185	84,404,223	1079.6%
2011	421,640	125,127	513,139	265,516	-6,891,075	-3,050,800	-8,616,452	-

## Rentals

### Description

The City rents its facilities (Senator Howard C. Forman Human Services Campus, apartment complexes, storage lots, the Walter C. Young Resource Center/Dinner Theatre, parks, and fields) to businesses, religious and civic organizations, and private individuals. Rental of City facilities to businesses is contractual and is usually based on the size of the space being rented. Rental of the apartment complexes and the storage lots to individuals is also based on contracts. Rental of all other facilities is on an event basis. Rental revenues in the Debt Service Fund relate to charges to City divisions for related debt service payments.



### Forecast Methodology and Analysis

Unless other information is available, it is assumed that rentals that are based on contracts will be in place the following year. Therefore, the revenue forecast is based on the contracts that are currently in effect. The non-contractual rental is estimated based on historical trend.

The "All Ages" apartment rental policy has enabled Pines Place to average mid-to-high 80% occupancy rates while Pines Point Senior Residences averaged 90%.

Fiscal Year Ending	General Fund	Debt Service Fund	Total Amount	% Change
2014	\$ 11,343,221	\$ 12,319,042	\$ 23,662,263	(1.9%)
2013	12,001,313	12,130,020	24,131,333	9.7%
2012	11,066,778	10,940,507	22,007,285	(8.0%)
2011	11,561,619	12,359,630	23,921,250	-

## State Shared Revenues

### Description

Taxes collected and remitted to the State of Florida are deposited in the State Revenue Sharing Trust Fund for Municipalities. The Trust Fund revenues consist of (1) Sales Tax Proceeds, (2) Municipal Gas Tax 8th Cent, (3) Special Motor and Other Tax, and (4) Local Government 1/2 Cent Sales Tax. The State uses a three-factor additive formula to determine a municipality's annual share of the fund.

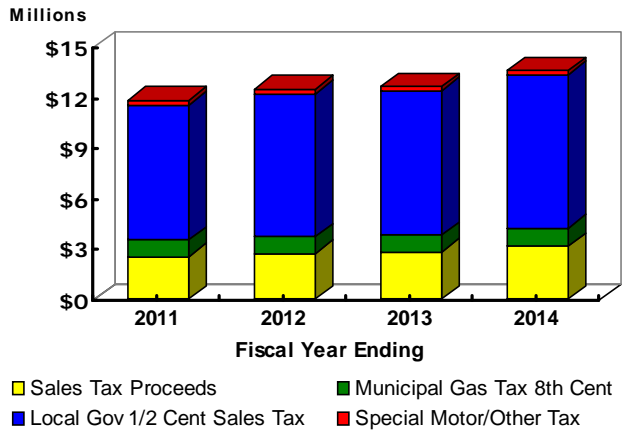
The City's share reflects the overall economy and the City's population. The University of Florida Bureau of Economics and Business Research (BEBR) estimated the City population grew from 154,158 to 154,508 from 2011 to 2012.

These revenues are accounted for in the General Fund and the Road and Bridge Fund.

### Forecast Methodology and Analysis

The main factors considered in projecting these revenues are (1) historical trend, (2) estimated population increase, and (3) estimated inflation. The City also takes into consideration the State of Florida estimates. Please refer to the "Basis of Revenue Estimates" in this section for the projected population growth rate and projected inflation rate.

Fiscal year 2011-12 gains of 5.8%, plus projected 7.6% increases (including the State forecasts) for fiscal year 2013-14 indicate positive economic trends.



Fiscal Year Ending	Sales Tax Proceeds	Municipal Gas Tax 8th Cent	Local Gov 1/2 Cent Sales Tax	Special Motor/Other Tax	Total	% Change
2014	\$ 3,148,000	\$ 1,051,000	\$ 9,166,000	\$ 224,280	\$ 13,589,280	7.6%
2013	2,791,000	1,014,000	8,587,000	241,922	12,633,922	1.1%
2012	2,720,436	995,490	8,501,885	282,307	12,500,117	5.8%
2011	2,529,284	991,889	8,037,920	250,413	11,809,506	-

## Franchise Fees

### Description

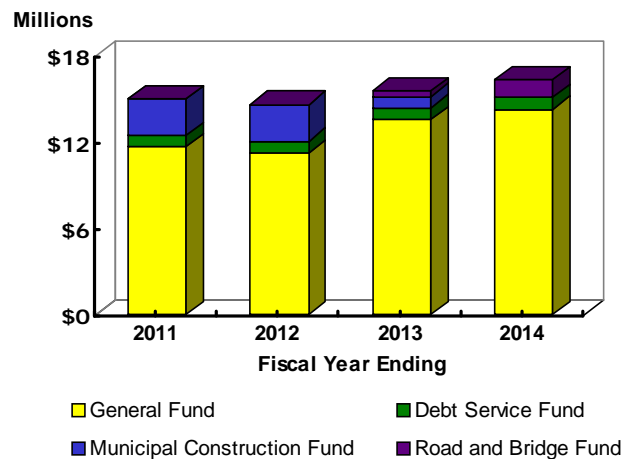
Franchise fees are established by franchise agreements between the City and private service providers of electric, natural gas, sanitation, sewer, towing, resource recovery, and recycling.

This revenue is generated based on all residential, commercial, and industrial revenues collected by the provider for services within the City. This revenue source is accounted for in the General Fund and the Debt Service Fund.

### Forecast Methodology and Analysis

The main factors considered in projecting this revenue are (1) historical trend, (2) estimated population increase, and (3) estimated inflation. Please refer to the "Basis of Revenue Estimates" in this section for the projected population growth rate and projected inflation rate.

Electricity Franchise Fees continue to decline. The State Public Service Commission January 2013 approval of four fuel rate reductions and four base rate increases, two during 2013, one during 2014, and one in 2016. The fuel cost reductions negated the base rate increases, hence a \$0.6 million shortfall of is projected for 2012-13. A Sanitation Franchise Fee rate increase from 10% to 20% became effective June 1, 2013.



Fiscal Year Ending	General Fund	Road and Bridge Fund	Debt Service Fund	Municipal Construction Fund	Total	% Change
2014	\$ 14,282,680	\$ 1,257,000	\$ 818,003	\$ 0	\$ 16,357,683	5.2%
2013	13,575,759	379,000	813,605	783,641	15,552,005	6.6%
2012	11,240,948	0	816,072	2,537,270	14,594,290	(2.4%)
2011	11,641,765	0	813,440	2,504,647	14,959,851	-

## Public Services Taxes

### Description

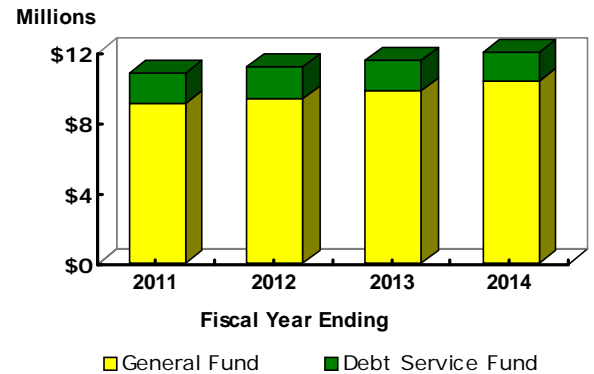
A tax levied on the purchase of electricity, natural gas, propane, and water.

This revenue is based on a contracted percentage applied to the taxable amounts charged by the seller of the service. Electrical service fuel rate adjustments have a marginal impact on this revenue. This revenue is accounted for in the General Fund and the Debt Service Fund.

### Forecast Methodology and Analysis

The main factors considered in projecting this revenue are (1) historical trend, (2) estimated population increase, and (3) estimated inflation. Please refer to the "Basis of Revenue Estimates" in this section for the projected population growth rate and projected inflation rate.

Following 3.0% fiscal year 2011-12 growth, 4.8% is projected in 2012-13 and 4.5% in 2013-14. The State Public Service Commission January 2013 approval of four electricity base rate increases through 2016 will directly impact on this revenue. A 2001 Bond payoff will reduce 2013-14 debt service. A utility rate study recently recommending a 14% increase for fiscal year 2013-14.



Fiscal Year Ending	General Fund	Debt Service Fund	Total	% Change
2014	\$ 10,339,600	\$ 1,645,299	\$ 11,984,899	3.7%
2013	9,768,000	1,784,705	11,552,705	3.5%
2012	9,373,000	1,786,960	11,159,960	3.0%
2011	9,054,064	1,778,293	10,832,358	-

## Fire Protection Special Assessment

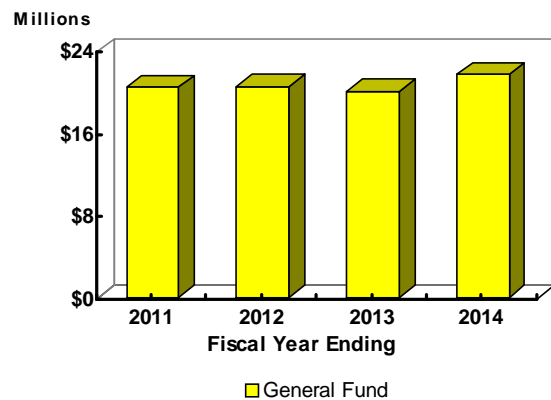
### Description

Represents a non-ad valorem assessment collected through the county's tax collector. It funds a portion of the costs associated with providing fire services. The fiscal year 2013-14 will fund 100% of the assessable costs.

### Forecast Methodology and Analysis

The calculation is based on applying the net assessable fire cost to the current assessment roll to generate a flat rate per residential unit and square footage rates for commercial, industrial, and institutional properties.

The \$0.5 million (-2.3%) reduction from fiscal year 2011-12 to fiscal year 2012-13 funded less than 100% assessable costs, while the 7.9% increase in fiscal year 2013-14 will fund 100% of assessable costs.

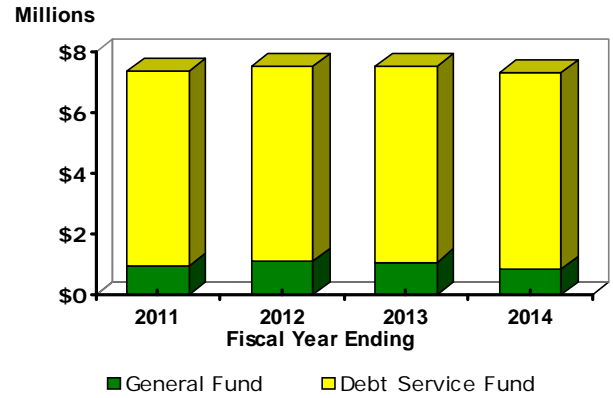


Fiscal Year Ending	General Fund	% Change
2014	\$ 21,714,110	7.9%
2013	20,115,821	(2.3%)
2012	20,597,890	0.4%
2011	20,508,146	-

### Communication Services Tax

*Description*

The Communications Services Tax took effect October 1, 2001, and represents a combination of the former Cable Television and Telecommunication Franchise Fees as well as the Public Service Tax on telecommunications services. The state is the central collection authority for these taxes, redistributes the monies to the municipalities according to a pre-determined percentage, and retains a 1% administrative fee.



*Forecast Methodology*

The main factors considered in projecting this revenue are (1) historical trend, (2) estimated population increase, and (3) estimated inflation. The City also takes into consideration State of Florida estimates and state audits. Please refer to the "Basis of Revenue Estimates" in this section for the projected population growth rate and projected inflation rate.

The difficulty of directing this revenue to the appropriate city has been clearly demonstrated by the impact of state audits bringing revenue that was earned in prior years to Pines: an average of \$0.2 million annually from 2009-10 through 2012-13, as reflected in the 2013-14 budget.

Fiscal Year Ending	General Fund	Debt Service Fund	Total	% Change
2014	\$ 835,000	\$ 6,469,959	\$ 7,304,959	(2.8%)
2013	1,078,000	6,440,111	7,518,111	(0.4%)
2012	1,108,564	6,441,091	7,549,654	2.6%
2011	937,398	6,422,409	7,359,807	-

### Education and Recreational/Cultural Charges

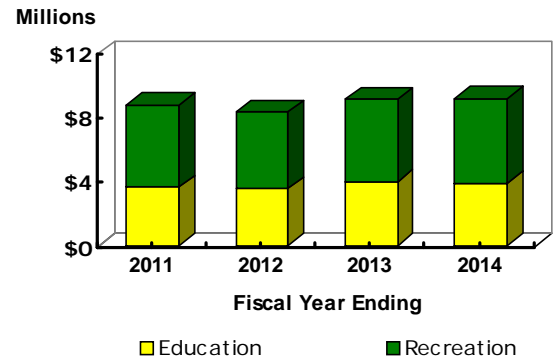
*Description*

Includes all revenues stemming from charges for educational and recreational/cultural services performed. Educational charges include registration fees and monthly fees paid by parents to enroll their children in pre-school and after-school care. Recreational/cultural services include golf, tennis, swimming, soccer, racquetball, other athletics, fitness center membership, and art & cultural programs.

These revenues are accounted for in the General Fund.

*Forecast Methodology and Analysis*

The main factors considered in projecting these revenues are (1) historical trend, and (2) any approved rate increases.



Fiscal Year Ending	Education Charges	Recreation Charges	Total	% Change
2014	\$ 3,902,426	\$ 5,279,067	\$ 9,181,493	0.2%
2013	3,995,838	5,165,801	9,161,639	9.4%
2012	3,574,883	4,799,023	8,373,906	(4.7%)
2011	3,641,260	5,142,671	8,783,932	-

## Local Option Gas Tax

### Description

Pursuant to F.S. 336.025(1)(a) the county has exercised its authority in levying a 6-cent tax on every gallon of motor and diesel fuel sold in the county. The proceeds must be used for transportation expenditures.

Pursuant to F.S. 336.025(1)(b) the county has exercised its authority in levying a 3-cent tax on every gallon of motor fuel (excluding diesel fuel) sold in the county. The proceeds may be used for transportation expenditures needed to meet the requirements of the capital improvement elements of the City's comprehensive plan.

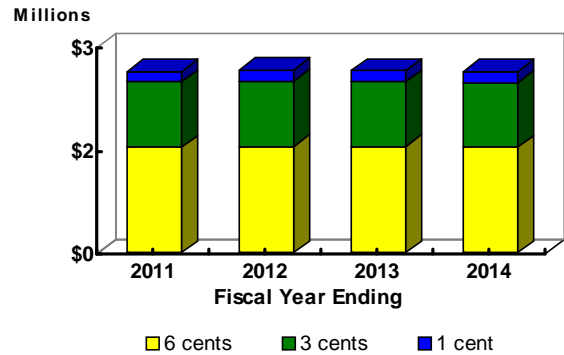
Pursuant to F.S. 336.025(1)(b)(2) the county has exercised its authority in levying a 1-cent tax on every gallon of motor fuel (excluding diesel fuel) sold in the county. The proceeds may be used for transportation expenditures needed to meet the requirements of the capital improvement elements of the City's comprehensive plan.

These revenues are accounted for in the Road and Bridge Fund.

### Forecast Methodology and Analysis

The main factors considered in projecting these revenues are (1) historical trend, (2) estimated City population growth in relation to county growth, and (3) estimated inflation. The City also takes into consideration estimates done by the State of Florida. Please refer to the "Basis of Revenue Estimates" in this section for the projected population growth rate and projected inflation rate.

The anticipated modest 0.4% increase during fiscal year 2010-11 is projected to be followed by an additional 2.6% during fiscal year 2011-12 and then a -2.2% decline during fiscal year 2012-13 highlighting an elasticity in demand.



Fiscal Year Ending	\$0.06	\$0.03	\$0.01	Total	% Change
2014	\$ 1,535,000	\$ 946,000	\$ 160,000	\$ 2,641,000	(0.5%)
2013	1,541,000	951,000	161,000	2,653,000	(0.4%)
2012	1,543,846	958,419	162,539	2,664,803	0.8%
2011	1,537,388	946,538	160,524	2,644,449	-

## Local Business Tax

### Description

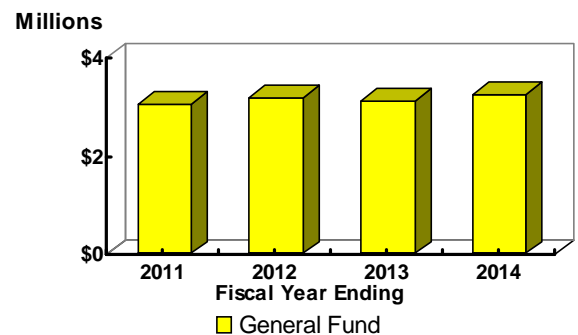
A license issued by the City as a prerequisite to conducting and maintaining a business, service, or profession. Payment is received annually and is due on or before October 1st of each year. The annual fee for the Local Business Tax receipt varies depending on the nature of the business.

The Florida Legislature enacted Chap 2006-152 changing of references to Occupational Licenses so that the term "Occupational License Fee" was amended to read "Local Business Tax" and "Occupational License" was amended to read "Local Business Tax Receipt". Adopted City Ordinance No. 1576 complies with 2006-152.

### Forecast Methodology and Analysis

The main factor considered in projecting this revenue is historical trend.

Continuing uneven business activity associated with a modest recovery from the economic recession is reflected in these projections.

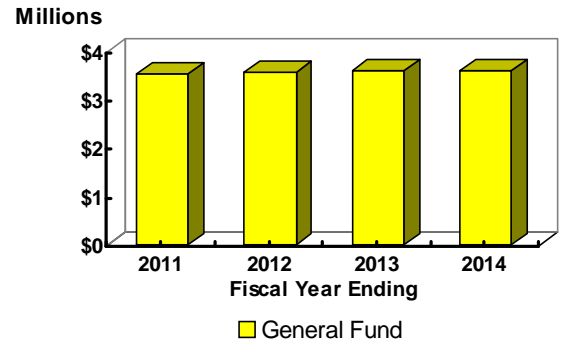


Fiscal Year Ending	General Fund	% Change
2014	\$ 3,239,000	4.2%
2013	3,108,000	(1.8%)
2012	3,166,530	4.0%
2011	3,045,727	-

### Rescue Transport Fees

*Description*

This revenue is derived from charges to individuals for use of the City's emergency medical transportation services. The Fire Department handles the billing and collection from private insurance carriers, self-insured individuals, Medicare, and Medicaid.



*Forecast Methodology and Analysis*

Historical number of calls multiplied by the average current base rate of \$603 for regular transportation fees, plus \$9.00 per mile on every call.

This revenue has stabilized despite a trend toward more uninsured patients; the use of false identity and/or insurance information; and continuing problems with collection.

Fiscal Year Ending	General Fund	% Change
2014	\$ 3,600,000	-
2013	3,600,000	1.1%
2012	3,562,157	0.6%
2011	3,540,399	-

### Fines & Forfeitures

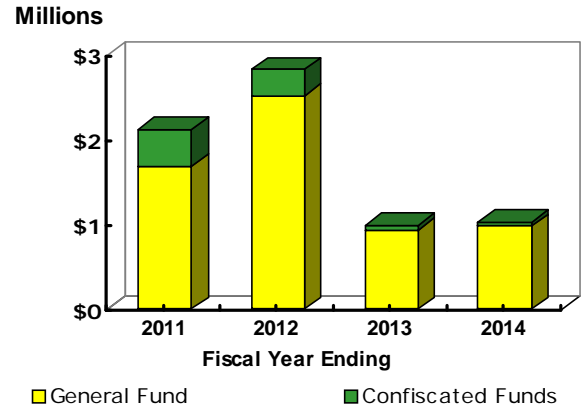
*Description*

Includes revenues received from traffic citations issued and confiscation of forfeited abandoned property.

*Forecast Methodology and Analysis*

The projection is based on the most currently available 12-month average of actual receipts.

Red Light Camera Program proceeds are not budgeted due to the uncertain nature of it. The numbers show for 2010-11 and 2011-12 represent actual collections of \$0.7 million and \$1.5 million received respectively. Treasury Confiscations cannot be budgeted until received, in accordance with Florida statutes.



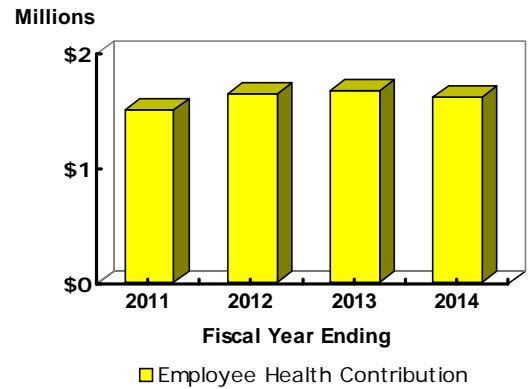
Fiscal Year Ending	General Fund	Confiscated Funds	Total	% Change
2014	\$ 980,100	\$ 44,953	\$ 1,025,053	4.2%
2013	936,660	47,294	983,954	(65.2%)
2012	2,525,897	303,278	2,829,174	33.6%
2011	1,685,888	431,443	2,117,331	-

## Employee Health Contributions

### Description

Until October 1, 1991, the City provided health insurance for all general and utility employees and their dependents at no charge. For employees hired on or after October 1, 1991, health insurance provided for dependent coverage is subject to employee contributions, per union contracts. Health insurance premiums for employee dependent coverage may be increased no more than 20% over a three-year period but no more than 10% in any one year.

This contribution is accounted for as revenue in the Public Insurance Fund.



### Forecast Methodology

While carefully observing required confidentiality of the Health Insurance Portability and Accountability Act (HIPAA), each employee's contribution is based upon the coverage type selected.

Fluctuations in contributions reflect mainly changes in employee demographics and coverage type selected.

Fiscal Year Ending	Employee Contribution	% Change
2014	\$ 1,618,215	(3.4%)
2013	1,675,170	1.4%
2012	1,651,307	9.8%
2011	1,503,573	-

## City Pension Contribution

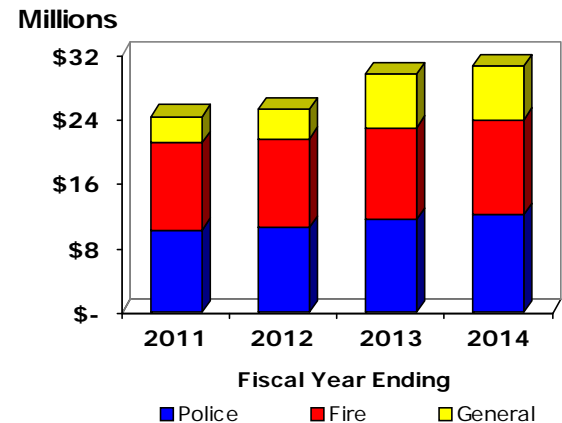
### Description

Per GASB, the City's Annual Required Contribution (ARC) must be made into the appropriate Pension Trust Funds.

### Forecast Methodology and Analysis

The prior year annual required contribution (ARC) as a percentage of covered payroll is multiplied by the projected payroll. The ARC is obtained from the most recent actuarial valuation report.

The annual changes reflect actuarial gains and losses, as well as a 2013 change in the mortality table utilized by the actuary.



Fiscal Year Ending	Fire	Police	General	Total	% Change
2014	\$ 11,783,079	\$ 12,161,505	\$ 6,674,902	\$ 30,619,486	3.4%
2013	11,476,622	11,467,982	6,675,067	29,619,671	17.2%
2012	10,970,219	10,569,818	3,742,492	25,282,529	3.9%
2011	10,791,117	10,229,640	3,317,988	24,338,745	-



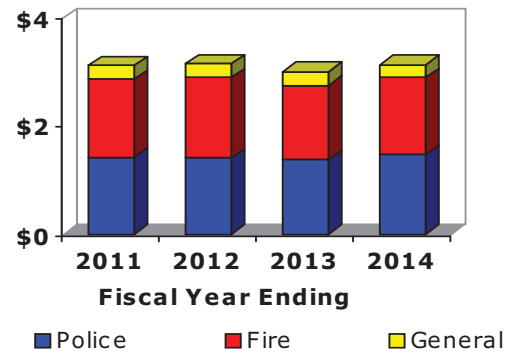
## Employee Pension Contribution

### Description

Contractually required employee pension contributions that are based upon the specified percentage of each employee's annual pensionable wagew, in accordance with their union contract.

This is accounted for as a revenue in the General Employees' Pension Fund and the Police & Fire Pension Trust Fund.

Millions



### Forecast Methodology and Analysis

Projection factors include (1) the projected salary multiplied by the (2) required percentage of pensionable wages: General Employees pay 7.25%, while Fire & Police employees contribute 10.4%.

The employee contribution rates have remained constant while the covered payroll varies with eligibility. Employees working while in the Deferred Retirement Option Program (DROP) are not required to contribute towards pension expenses. Part of the fiscal year 2012-13 reduction is due to the use of retired police officers as School Resource Officers (SRO) and assimilation without replacement of Fire personnel that provided Fire Protection coverage for Southwest Ranches. Fiscal year 2013-14 increase of \$0.1 million (3.9%) reflects actuarial gains and losses.

Fiscal Year Ending	Fire	Police	General	Total	% Change
2014	\$ 1,428,888	\$ 1,474,790	\$ 234,006	\$ 3,137,684	3.9%
2013	1,382,105	1,381,892	255,965	3,019,962	(4.2%)
2012	1,499,745	1,408,905	242,548	3,151,198	1.1%
2011	1,441,160	1,424,229	252,766	3,118,155	-

## Major Revenues % of Total 2013-14 Revenue Budget

Description	2013-14 Budget	% of Total
Ad Valorem Taxes	\$ 53,148,842	15.0%
Interest and Other Earnings	48,389,512	13.6%
Water/Sewer Charges	46,653,100	13.2%
City Pension Contribution	30,619,486	8.6%
Rentals	23,662,263	6.7%
Fire Protection Special Assessment	21,714,110	6.1%
Franchise Fees	16,357,683	4.6%
State Shared Revenues	13,589,280	3.8%
Public Service Taxes	11,984,899	3.4%
Education/Recreational/Cultural Charges	9,181,493	2.6%
Communication Services Tax	7,304,959	2.1%
Rescue Transport Fees	3,600,000	1.0%
Local Business Tax	3,239,000	0.9%
Employee Pension Contribution	3,137,684	0.9%
Local Option Gas Tax	2,641,000	0.7%
Employee Health Contributions	1,618,215	0.5%
Fines & Forfeitures	1,025,053	0.3%
<b>Total Major Revenues</b>	<b>\$ 297,866,579</b>	<b>84.0%</b>
<b>Total Revenues</b>	<b>\$ 354,635,854</b>	<b>100.00%</b>