

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.

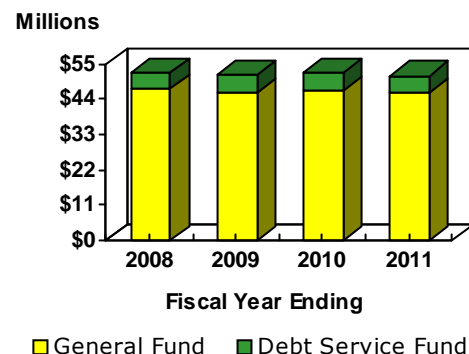
A tax rate of one (1) mill produces one dollar of tax revenue on each \$1,000 of taxable property value.

The 2010-11 Budget is based on an operating millage of 5.6880.

Forecast Methodology

The combined operating and debt service millage of 6.3660 multiplied by the taxable value, less 5% for possible adjustments to assessed values and/or discounts taken for early payment.

The decrease of 1.5% in fiscal year 2008-09 is due to the confluence of a legislative cap on millage increases, decreasing construction due to build out, the second homestead exemption, the advent of the Save Our Homes portability benefit and falling property values. Prior growth was due to escalating property values that are now being corrected. The 1.3% increase in fiscal year 2009-10 relates to the allowable increase in the State change in personnel income. The \$5.6 million decrease in operating Ad Valorem taxes in fiscal year 2010-11 reflects an 11.4% decrease in taxable values.



Fiscal Year Ending	Operating Millage Rate	General Fund	Debt Millage	Debt Service	Total	% Change
2011	5.6880	\$ 45,743,215	0.6780	\$ 5,452,827	\$ 51,196,042	(2.0%)
2010	5.1249	46,794,630	0.5951	5,433,762	52,228,392	1.3%
2009	4.4312	46,044,022	0.5318	5,520,777	51,564,799	(1.5%)
2008	4.1725	47,077,737	0.4672	5,264,984	52,342,721	-

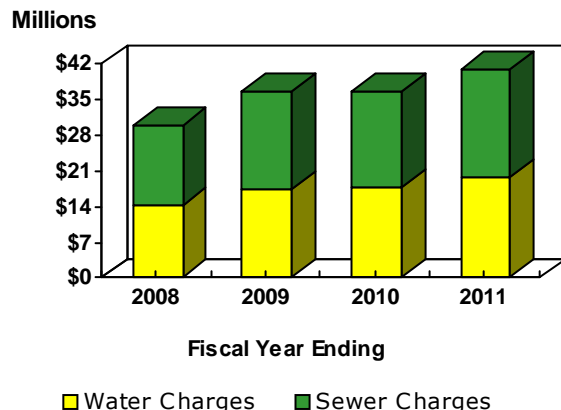
Water & Sewer Charges

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

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 need for increased funding to meet capital needs and a City of Hollywood wastewater treatment rate increase, along with declining connection fees and interest earnings, necessitated a 25.6% base rate increase in fiscal year 2008-09. An 11.31% base rate increase is scheduled to become effective October 1, 2010.

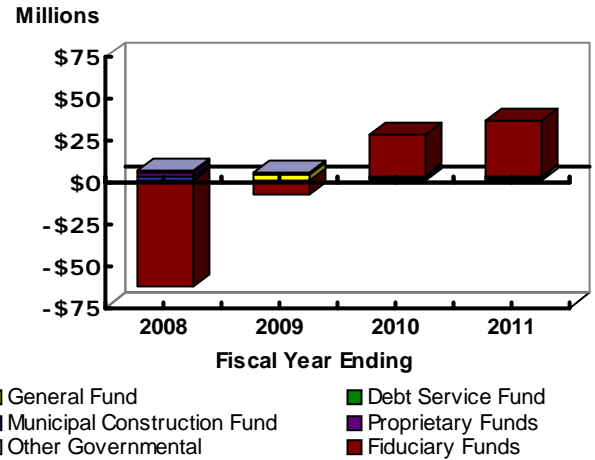
Fiscal Year Ending	Water Charges	Sewer Charges	Total	% Change
2011	\$ 19,590,560	\$ 21,260,210	\$ 40,850,770	11.4%
2010	17,629,167	19,046,870	36,676,037	0.4%
2009	17,381,908	19,150,659	36,532,567	22.8%
2008	14,315,986	15,422,017	29,738,003	-

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

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

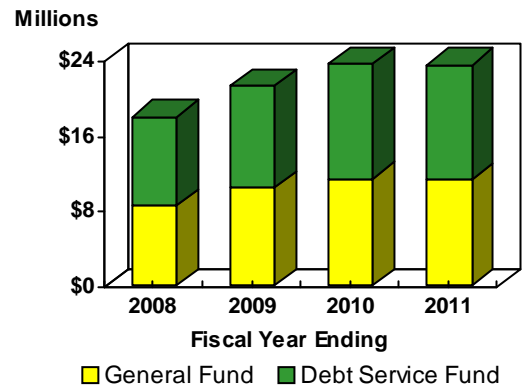
Actuarial losses in the General Employees Pension Fund and the Fire & Police Employees Pension Fund are the main causes for the \$63.1 million loss in fiscal year 2007-08. The wide fluctuations reflect asset return on a market value basis.

Fiscal Year Ending	General Fund	Debt Service Fund	Municipal Construction Fund	Other Gov. Funds	Proprietary Fund	Fiduciary Funds	Total	% Change
2011	\$ 1,896,100	\$ 54,658	\$ 0	\$ 216,045	\$ 386,605	\$ 33,684,000	\$ 36,237,408	30.9%
2010	1,585,500	129,653	0	493,151	828,975	24,650,000	27,687,279	899.9%
2009	3,347,556	104,744	345,408	505,665	665,176	-8,429,809	-3,461,260	94.0%
2008	288,879	440,269	1,769,687	761,808	2,488,374	-63,145,809	-57,396,792	-

Rentals

Description

The City rents its facilities (Senator Howard C. Forman Human Services Campus, Housing Apartments, 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 Housing Apartments 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

Unless other information is available, it is assumed that rentals that are based on contracts will be in place the next 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 projected increases in fiscal years 2008-09 and 2009-10 reflect the removal of the minimum age restriction for apartment rental. This change to an "All Ages" residential population has decreased vacancy rates.

Fiscal Year Ending	General Fund	Debt Service Fund	Total Amount	% Change
2011	\$ 11,435,562	\$ 12,236,040	\$ 23,671,602	(0.7%)
2010	11,467,145	12,369,540	23,836,685	11.4%
2009	10,481,827	10,906,061	21,387,888	18.1%
2008	8,507,491	9,602,414	18,109,905	-

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.

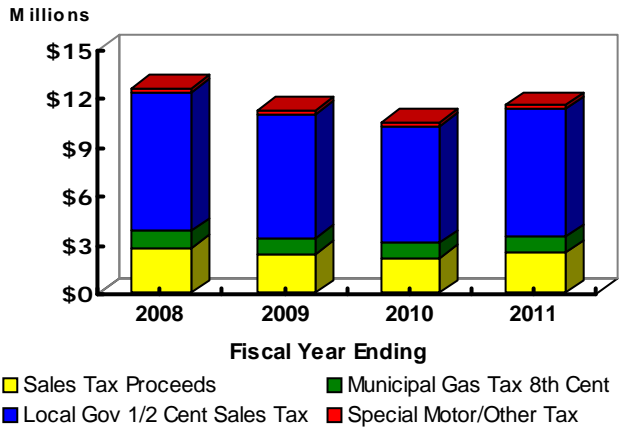
The City's share increases with the overall growth of the economy and the City's population.

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

Forecast Methodology

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 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 projected 6.4% decrease for fiscal year 2009-10 reflects the current economic environment. The projected 9.8% increase for fiscal year 2010-11 reflects anticipated growth.



Fiscal Year Ending	Sales Tax Proceeds	Municipal Gas Tax 8th Cent	Local Gov 1/2 Cent Sales Tax	Special Motor/Other Tax	Total	% Change
2011	\$ 2,462,900	\$ 962,300	\$ 7,897,128	\$ 222,000	\$ 11,544,328	9.8%
2010	2,151,000	926,800	7,207,000	226,940	10,511,740	(6.4%)
2009	2,396,050	968,360	7,636,080	226,284	11,226,774	(10.7%)
2008	2,757,027	1,062,446	8,523,589	229,839	12,572,901	-

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.

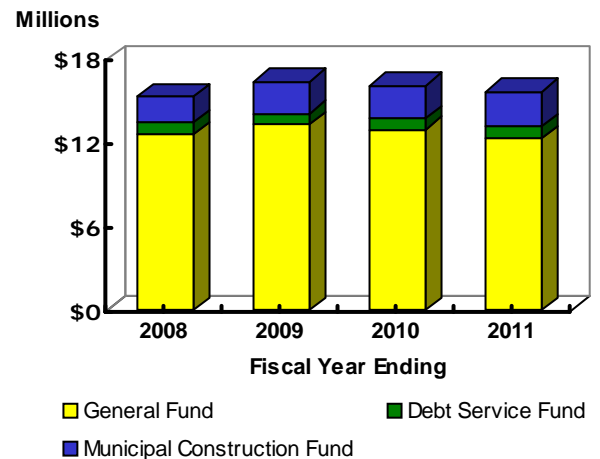
This revenue is generated based on all residential, commercial, and industrial revenues collected by the provider for services within the City. This revenue source is accounted for in the General Fund, the Debt Service Fund, and the Municipal Construction Fund.

Forecast Methodology

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 for fiscal year 2010-11 are projected to be \$0.6 million less than fiscal year 2009-10.

Projected amounts for fiscal year 2009-10 are in line with the prior year. The increase in fiscal year 2008-09 is driven by a 7.93% FPL fuel rate adjustment in August 2008, and increased sanitation customers mainly from the Shops at Pembroke Gardens and the City's new rental tower.



Fiscal Year Ending	General Fund	Debt Service Fund	Municipal Construction Fund	Total	% Change
2011	\$ 12,307,900	\$ 817,511	\$ 2,551,225	\$ 15,676,636	(2.6%)
2010	12,961,182	818,961	2,314,341	16,094,484	(1.7%)
2009	13,264,065	816,710	2,298,024	16,378,799	7.1%
2008	12,634,601	809,561	1,850,641	15,294,803	-

Public Services Taxes

Description

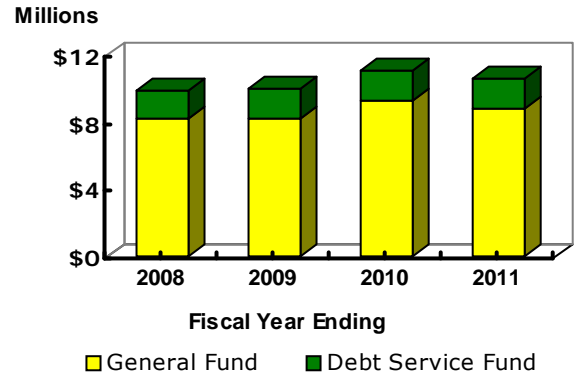
A tax levied on the purchase of electric, natural gas, propane, and water.

This revenue is based on a percent charge applied to the taxable amounts charged by the seller of the service. This revenue is accounted for in the General Fund and the Debt Service Fund.

Forecast Methodology

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.

The projection for fiscal year 2009-10 included \$270,000 in delinquent accounts from prior years and growth in consumption.



Fiscal Year Ending	General Fund	Debt Service Fund	Total	% Change
2011	\$ 8,892,000	\$ 1,790,715	\$ 10,682,715	(3.7%)
2010	9,311,814	1,784,186	11,096,000	10.8%
2009	8,226,425	1,785,668	10,012,093	0.7%
2008	8,260,751	1,678,915	9,939,666	-

Fire Protection Special Assessment

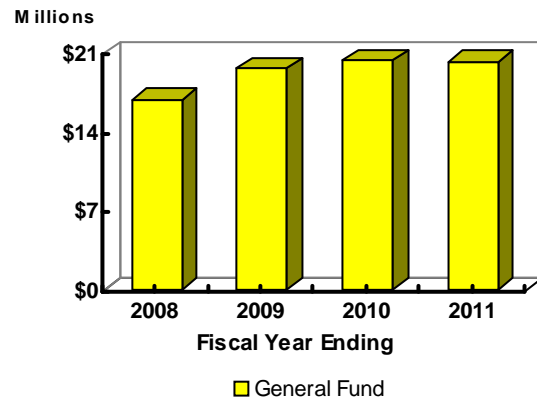
Description

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; however, from fiscal year 2007-08 it has been 100% of the cost.

Forecast Methodology

It's 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 fiscal 2010-11 rates are slightly below 2009-10, with the residential rate declining by \$0.41 from \$212.55 to \$212.14.



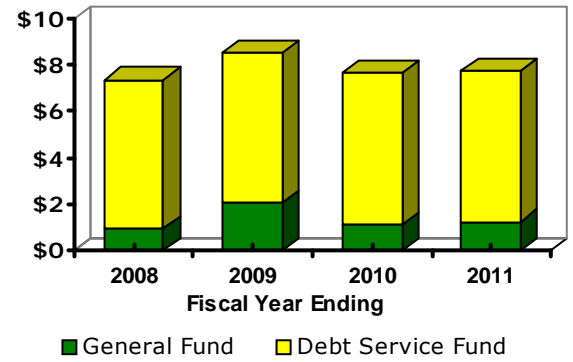
Fiscal Year Ending	General Fund	% Change
2011	\$ 20,331,274	(0.3%)
2010	20,383,058	3.8%
2009	19,644,277	16.4%
2008	16,879,482	-

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. Previously each service provider remitted these taxes and fees directly to each municipality throughout the state. In an effort to eliminate the onerous disbursement burden placed upon the providers, the state decided to become the central receiving authority for these taxes. The state retains a 1% administrative fee and redistributes the monies to the municipalities according to a pre-determined percentage.

Millions



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 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 fiscal year 2009-10 decrease of 10.5% is misleading in that a State audit revealed that \$1.4 million due to the City was paid to other cities between 2000 to 2008. A lump sum payment of \$0.9 million was received in December 2008, with the remaining amounts being paid during the next three years starting in February 2009. This repayment inflated the fiscal year 2008-09 revenues and skewed the percentage change in fiscal year 2009-10.

Fiscal Year Ending	General Fund	Debt Service Fund	Total	% Change
2011	\$ 1,276,480	\$ 6,455,567	\$ 7,732,047	1.4%
2010	1,183,274	6,444,780	7,628,054	(10.5%)
2009	2,082,237	6,442,385	8,524,622	15.8%
2008	973,680	6,385,381	7,359,061	-

Education and Recreational/Cultural Charges

Description

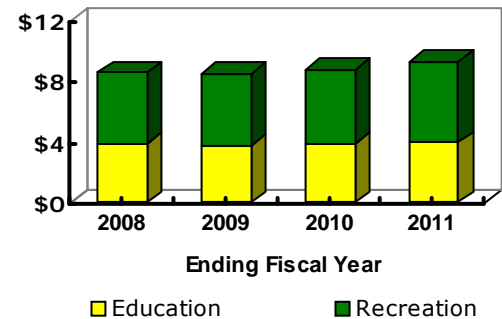
Includes all revenues stemming from charges for educational and recreational/cultural services performed. Educational charges include registration fees and monthly fees paid by parents to enroll their children in pre-school and after-school care. Recreational/cultural services include golf, tennis, swimming,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

These revenues are accounted for in the General Fund.

Forecast Methodology

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

Millions



Fiscal Year Ending	Education Charges	Recreation Charges	Total	% Change
2011	\$ 3,961,809	\$ 5,303,485	\$ 9,265,294	5.9%
2010	3,898,279	4,854,579	8,752,858	2.6%
2009	3,786,526	4,741,759	8,528,285	(0.4%)
2008	3,929,104	4,636,475	8,565,579	-

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 may 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.

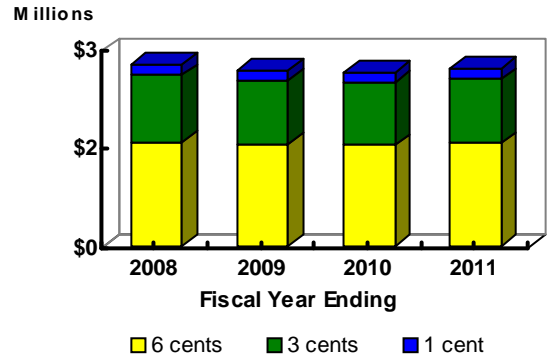
Pursuant to F.S. 336.025(1)(b)(2) the county has exercised its authority in levying a 1 cent tax on every gallon of motor fuel (excluding diesel fuel) sold in the county. The proceeds may be used for transportation expenditures needed to meet the requirements of the capital improvement elements of the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

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

Forecast Methodology

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 decline during fiscal years 2008-09 and 2009-10 is connected to the weakening economy.



Fiscal Year Ending	\$0.06	\$0.03	\$0.01	Total	% Change
2011	\$ 1,577,426	\$ 979,985	\$ 166,284	\$ 2,723,695	2.2%
2010	1,545,742	956,697	162,247	2,664,686	(1.2%)
2009	1,558,784	973,104	165,029	2,696,917	(3.2%)
2008	1,595,801	1,017,338	172,531	2,785,670	-

Local Business Tax (Formerly Occupational License)

Description

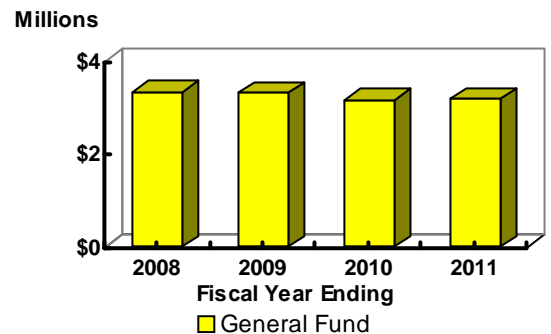
A license issued by the City as a prerequisite to conducting and maintaining a business, service, or profession. Payment is received annually and is due on or before October 1st of each year. The annual fee for the Local Business Tax receipt varies depending on the nature of the business.

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". The City adopted Ordinance No. 1576 to comply with this change.

Forecast Methodology

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

The decrease in fiscal year 2008-09 and the projected decrease in fiscal year 2009-10 reflect decreased business activity associated with the economic recession.



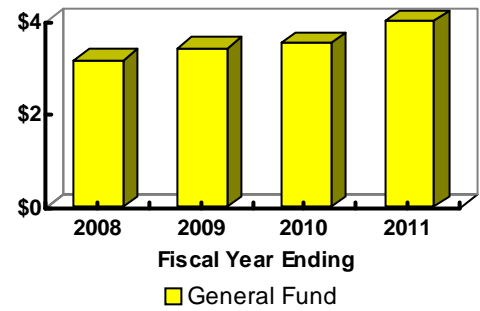
Fiscal Year Ending	General Fund	% Change
2011	\$ 3,179,000	0.5%
2010	3,163,000	(4.4%)
2009	3,307,733	(0.3%)
2008	3,316,948	-

Ambulance 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. The fiscal year 2010-11 increase reflects enhanced collection efforts.

Millions



Forecast Methodology

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.

The 8.4% increase in fiscal year 2008-09 was mainly attributed to an increase in the transport fee, from an average of \$403 to \$603. The fiscal year 2010-11 increase reflects enhanced collection efforts; there was no rate change.

Fiscal Year Ending	General Fund	% Change
2011	\$ 4,144,376	17.5%
2010	3,527,900	3.4%
2009	3,411,933	8.4%
2008	3,147,322	-

Fines & Forfeitures

Description

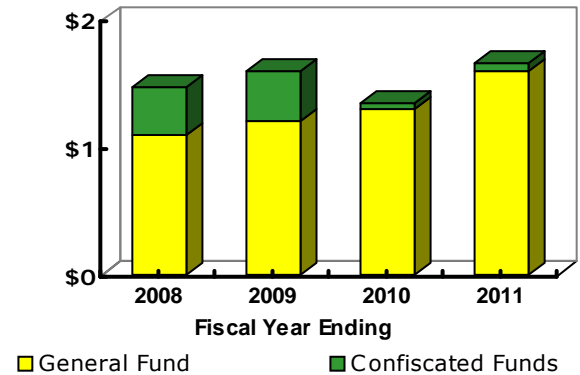
Includes revenues received from traffic citations issued and confiscation of forfeited abandoned property.

Forecast Methodology

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

The variation in percentage change over the last two fiscal years relates to the unpredictability of confiscation of assets and citations issued. Traffic citations and other court fines are projected to increase in fiscal year year 2010-11.

Millions



Fiscal Year Ending	General Fund	Confiscated Funds	Total	% Change
2011	\$ 1,601,700	\$ 55,265	\$ 1,656,965	23.0%
2010	1,291,400	55,281	1,346,681	(15.5%)
2009	1,205,725	388,860	1,594,585	8.1%
2008	1,097,886	377,405	1,475,291	-

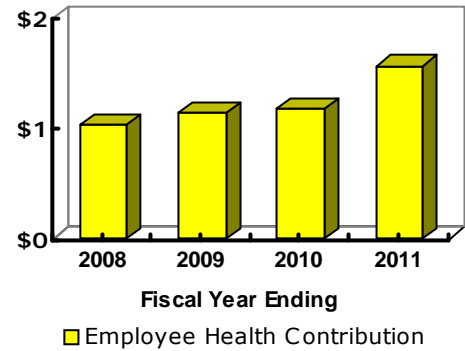
Employee Health Contributions

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

Millions



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. Since its introduction, the cost of dependent coverage has never increased. Fiscal year 2010-11 reflects a \$100 per month contribution from select employees towards the cost of their health insurance.

Fiscal Year Ending	Employee Contribution	% Change
2011	\$ 1,560,110	33.2%
2010	1,170,828	3.3%
2009	1,133,292	10.9%
2008	1,022,288	-

City Pension Contribution

Description

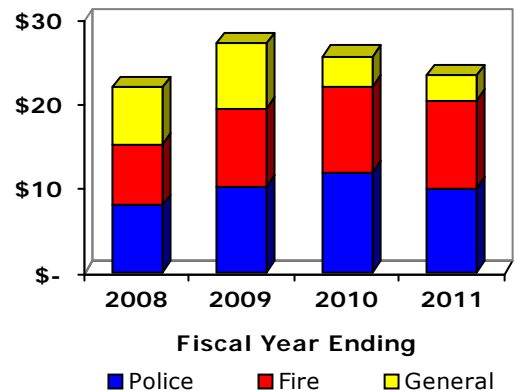
Per GASB, the City's Annual Required Contribution (ARC) must be made into the appropriate Pension Trust Funds.

Forecast Methodology

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 fiscal year 2009-10 and fiscal year 2010-11 decreases reflect various changes in the City's pension plans to effect cost savings.

Millions



Fiscal Year Ending	Fire	Police	General	Total	% Change
2011	\$ 10,546,475	\$ 9,997,727	\$ 2,900,006	\$ 23,444,208	(8.8%)
2010	10,269,424	11,839,413	3,598,880	25,707,717	(5.6%)
2009	9,294,731	10,210,696	7,736,872	27,242,299	23.6%
2008	7,216,145	7,997,885	6,830,795	22,044,825	-

Employee Pension Contribution

Description

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

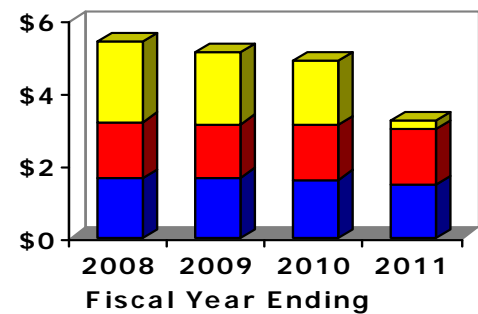
This is accounted for in the Employees' Pension Fund and the Police & Fire Pension Trust Fund as a revenue.

Forecast Methodology

Projection factors include (1) the projected salary multiplied by the (2) required percentage of regular wages: General Employees pay 8.5%, 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. The fiscal year 2010-11 decrease reflects various changes in the City's pension plans mainly the freezing of benefits for all current members of the General Employees' union therefore requiring no further contributions.

Millions



■ Police ■ Fire ■ General

Fiscal Year Ending	Fire	Police	General	Total	% Change
2011	\$ 1,540,604	\$ 1,459,576	\$ 247,329	\$ 3,247,509	(33.7%)
2010	1,501,685	1,610,837	1,788,530	4,901,052	(4.4%)
2009	1,479,452	1,672,770	1,973,064	5,125,286	(5.6%)
2008	1,556,695	1,655,413	2,215,604	5,427,712	-

Major Revenues % of Total 2010-11 Revenue Budget

Description	2010-11 Budget	% of Total
Ad Valorem Taxes	\$ 51,196,042	15.0%
Water/Sewer Charges	40,850,770	12.0%
Interest and Other Earnings	36,237,408	10.7%
Rentals	23,671,602	7.0%
City Pension Contribution	23,444,208	6.9%
Fire Protection Special Assessment	20,331,274	6.0%
Franchise Fees	15,676,636	4.6%
State Shared Revenues	11,544,328	3.4%
Public Service Taxes	10,682,715	3.1%
Education/Recreational/Cultural Charges	9,265,294	2.7%
Communication Services Tax	7,732,047	2.3%
Ambulance Fees	4,144,376	1.2%
Employee Pension Contribution	3,247,509	1.0%
Local Business Tax	3,179,000	0.9%
Local Option Gas Tax	2,723,695	0.8%
Fines & Forfeitures	1,656,965	0.5%
Employee Health Contributions	1,560,110	0.5%
Total Major Revenues	\$ 267,143,979	78.5%
Total Revenues	\$ 340,186,465	100.00%