

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.

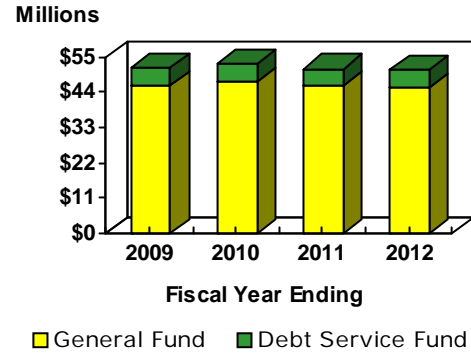
The 2011-12 Budget is based on an operating millage of 5.6368.

Forecast Methodology and Analysis

The combined operating and debt service millage of 6.3081 multiplied by the taxable value, less 5% for possible adjustments to assessed values and/or discounts taken for early payment.

The \$1.1 million (2.2%) increase in fiscal year 2009-10 relates to the allowable increase in the State change in personnel income, while the \$1.5 million (2.9%) decrease in operating Ad Valorem taxes in fiscal year 2010-11 reflects an 11.4% decrease in taxable values. The \$0.1 million (0.1%) projected growth in fiscal year 2011-12 reflects the impact of anticipated 1.1% growth in Taxable Property Value, the first increase since 2006, after declines of 7.7%, 10.5%, and 12.1% during 2007, 2008, and 2009 respectively.

Fiscal Year Ending	Operating Millage Rate	General Fund	Debt Millage	Debt Service	Total	% Change
2012	5.6368	\$ 45,445,147	0.6713	\$ 5,412,172	\$ 50,857,319	(0.7%)
2011	5.6880	45,743,215	0.6780	5,452,827	51,196,042	(2.9%)
2010	5.1249	47,224,460	0.5951	5,482,360	52,706,820	2.2%
2009	4.4312	46,044,022	0.5318	5,520,777	51,564,799	-



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.

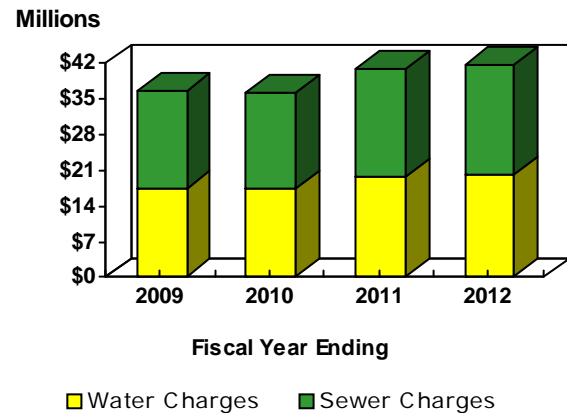
These revenues are accounted for in the Utility Fund.

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 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 and a 11.31% base rate increase effective October 1, 2010. The decline of \$0.4 million during 2009-10 may relate directly to the two prior rate increases. A 3.16% inflation adjustment will take effect on October 1, 2011.

Fiscal Year Ending	Water Charges	Sewer Charges	Total	% Change
2012	\$ 20,054,304	\$ 21,457,280	\$ 41,511,584	1.6%
2011	19,590,560	21,260,210	40,850,770	13.0%
2010	17,461,751	18,689,072	36,150,823	(1.0%)
2009	17,381,908	19,150,659	36,532,567	-



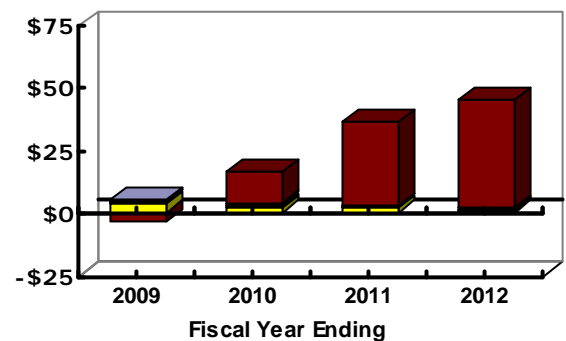
Interest and Other Earnings

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.

Millions



■ General Fund
■ Municipal Construction Fund
■ Other Governmental
■ Debt Service Fund
■ Proprietary Funds
■ Fiduciary Funds

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.

Actuarial gains in the General Employees Pension Fund and the Fire & Police Employees Pension Fund are the main reasons for the \$35.0 million return in fiscal year 2009-10. There are wide fluctuations in asset return on a market value basis.

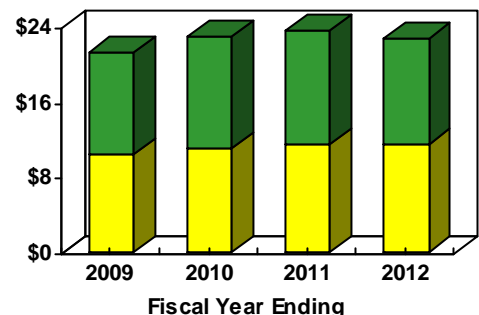
Fiscal Year Ending	General Fund	Debt Service Fund	Municipal Construction Fund	Other Gov. Funds	Proprietary Fund	Fiduciary Funds	Total	% Change
2012	\$ 624,100	\$ 102,437	\$ 0	\$ 556,152	\$ 422,000	\$ 43,404,300	\$ 45,108,989	24.5%
2011	1,896,100	54,658	0	188,493	417,688	33,684,000	36,240,939	123.2%
2010	1,853,584	147,066	516,684	696,466	665,360	12,358,794	16,237,954	1346.2%
2009	3,347,556	104,744	345,408	505,665	665,176	-3,845,769	1,122,780	-

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.

Millions



■ General Fund
■ Debt Service Fund

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 increase in fiscal year 2009-10 reflected the removal of the minimum age restriction for apartment rental. This change to an "All Ages" residential population has resulted in 91% occupancy rates in both Pines Point and Pines Place.

Fiscal Year Ending	General Fund	Debt Service Fund	Total Amount	% Change
2012	\$ 11,618,450	\$ 11,343,869	\$ 22,962,319	(3.5%)
2011	11,519,684	12,269,808	23,789,492	2.8%
2010	11,134,929	12,014,253	23,149,182	8.2%
2009	10,481,827	10,906,061	21,387,888	-

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.

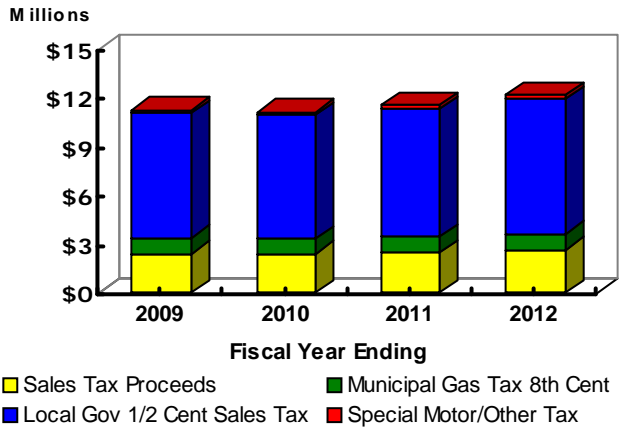
The City's share increases with the overall growth of the economy and the City's population. The 2010 US Census showed City population as 154,750, compared to the University of Florida Bureau of Economics and Business Research (BEBR) estimate of 150,587.

These revenues are accounted for in the General Fund and 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 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 3.4% increase for fiscal year 2010-11, followed by 5.1% increase for fiscal year 2011-12, reflect modest but positive trends in the current economic environment.



Fiscal Year Ending	Sales Tax Proceeds	Municipal Gas Tax 8th Cent	Local Gov 1/2 Cent Sales Tax	Special Motor/Other Tax	Total	% Change
2012	\$ 2,600,000	\$ 1,052,000	\$ 8,290,000	\$ 218,100	\$ 12,160,100	5.1%
2011	2,462,900	962,300	7,897,128	242,253	11,564,581	3.7%
2010	2,356,020	973,769	7,622,304	203,175	11,155,268	(1.2%)
2009	2,396,050	968,360	7,703,843	226,284	11,294,537	-

Franchise Fees

Description

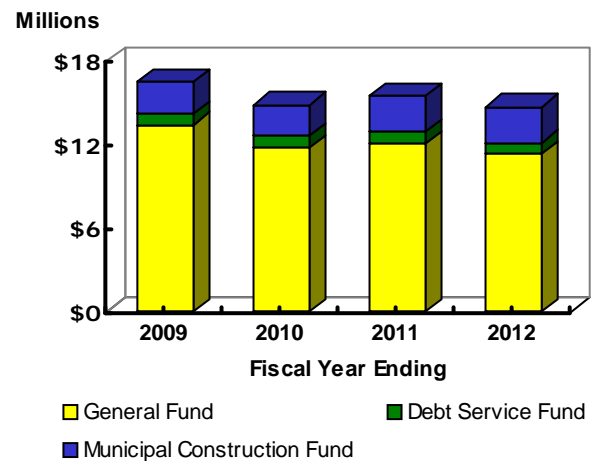
Franchise fees are established by franchise agreements between the City and private service providers of electric, natural gas, sanitation, sewer, towing, resource recovery, and recycling.

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 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 for fiscal year 2011-12 projections are \$0.78 million less than fiscal year 2010-11, due in large part to an approximate 11.4% fuel rate reduction during March 2010. KWH usage has been even for the last 12 months.



Fiscal Year Ending	General Fund	Debt Service Fund	Municipal Construction Fund	Total	% Change
2012	\$ 11,282,900	\$ 811,650	\$ 2,574,874	\$ 14,669,424	(4.9%)
2011	12,057,900	817,511	2,551,225	15,426,636	4.1%
2010	11,758,179	820,652	2,242,686	14,821,517	10.0%
2009	13,356,925	816,710	2,298,024	16,471,659	-

Public Services Taxes

Description

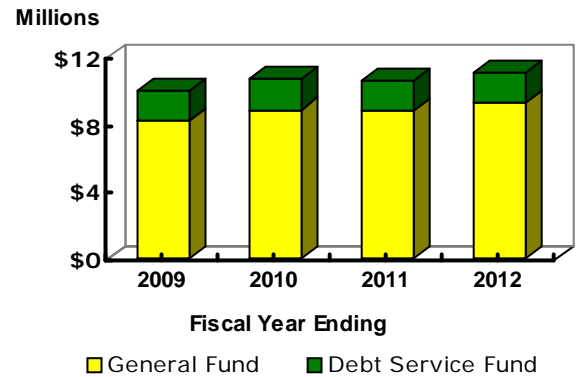
A tax levied on the purchase of electric, natural gas, propane, and water.

This revenue is based on a contracted percentage applied to the taxable amounts charged by the seller of the service. Fuel rate adjustments related to electricity service do not impact 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.

Fiscal year 2009-10 receipts included \$270,000 in delinquent accounts that artificially inflated the difference between prior and subsequent years. Growth in consumption in the current year is leading to projecting a slight increase in fiscal year 2011-12.



Fiscal Year Ending	General Fund	Debt Service Fund	Total	% Change
2012	\$ 9,294,000	\$ 1,787,007	\$ 11,081,007	3.7%
2011	8,892,000	1,790,715	10,682,715	(0.3%)
2010	8,919,926	1,790,358	10,710,284	6.9%
2009	8,228,934	1,785,668	10,014,602	-

Fire Protection Special Assessment

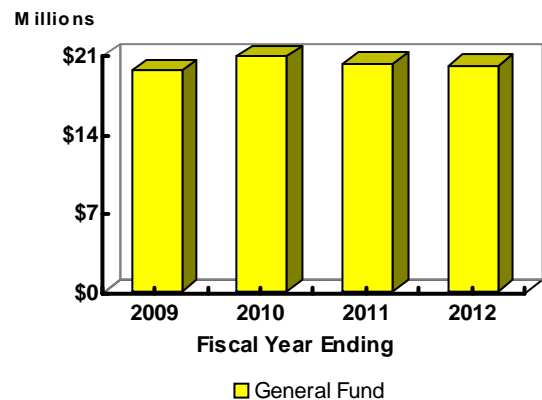
Description

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 assessable costs.

Forecast Methodology and Analysis

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 2.7% reduction during fiscal year 2010-11 was due to lower assessable Fire Protection costs than fiscal year 2009-10.

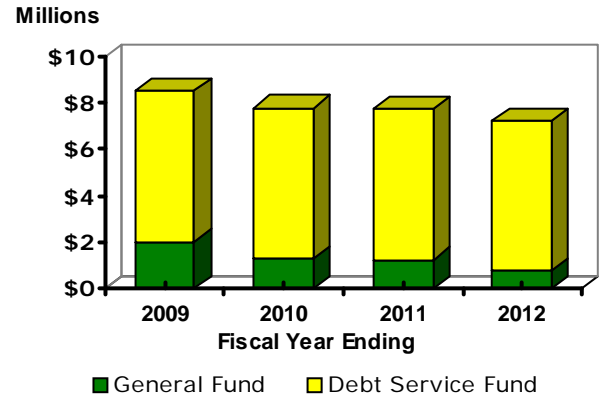


Fiscal Year Ending	General Fund	% Change
2012	\$ 20,139,035	(0.9%)
2011	20,331,274	(2.7%)
2010	20,902,426	6.4%
2009	19,644,277	-

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.



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 and has adjusted projections for prior years due to State Audits. Please refer to the "Basis of Revenue Estimates" in this section for the projected population growth rate and projected inflation rate.

Fiscal 2008-09 receipts were inflated by \$1.0 million in initial proceeds from the State Audit that was completed during 2008, causing an apparent but artificial loss of 9.1% during fiscal year 2009-10. Taxes earned during fiscal years 2000-01 through 2007-08 that had been paid erroneously to other cities also impacted fiscal years 2009-10 and 2010-11 (\$0.25 million each) and are expected to bring \$0.1 million during fiscal year 2011-12. The projected 2011-12 shortfall of \$0.5 million reflects a confluence of a declining trend relative to this revenue and the culmination of the 2008 Audit distributions during March 2012.

Fiscal Year Ending	General Fund	Debt Service Fund	Total	% Change
2012	\$ 812,088	\$ 6,440,655	\$ 7,252,743	(6.2%)
2011	1,276,480	6,455,567	7,732,047	(0.6%)
2010	1,317,888	6,463,395	7,781,283	(8.3%)
2009	2,040,486	6,442,385	8,482,871	-

Education and Recreational/Cultural Charges

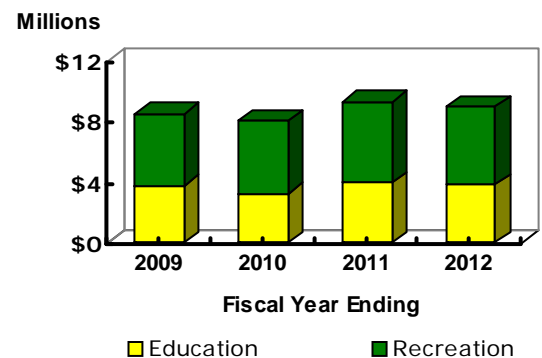
Description

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. \$0.9 million of the increase in fiscal year 2010-11 is projected to be earned by the Early Development Centers, including the Voluntary Pre-Kindergarten Program (VPK).



Fiscal Year Ending	Education Charges	Recreation Charges	Total	% Change
2012	\$ 3,820,359	\$ 5,150,337	\$ 8,970,696	(3.4%)
2011	3,957,809	5,325,485	9,283,294	15.6%
2010	3,268,150	4,759,276	8,027,426	(5.9%)
2009	3,786,526	4,741,759	8,528,285	-

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.

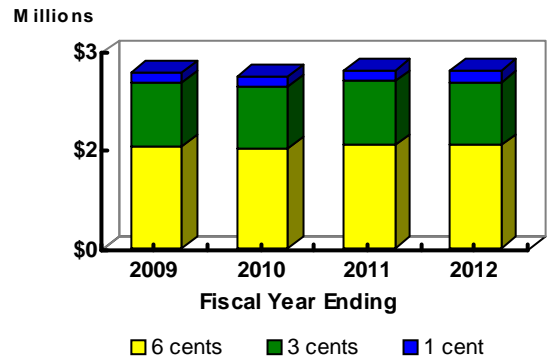
Pursuant to F.S. 336.025(1)(b)(2) the county has exercised its authority in levying a 1 cent tax on every gallon of motor fuel (excluding diesel fuel) sold in the county. The proceeds may be used for transportation expenditures needed to meet the requirements of the capital improvement elements of the 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 increase during fiscal year 2010-11 following the decline in fiscal year 2009-10 reflects the expectation of the beginning of a recovery for the weakened economy.



Fiscal Year Ending	\$0.06	\$0.03	\$0.01	Total	% Change
2012	\$ 1,576,000	\$ 973,000	\$ 165,000	\$ 2,714,000	(0.4%)
2011	1,577,426	979,985	166,284	2,723,695	3.4%
2010	1,530,913	943,358	159,985	2,634,256	(2.3%)
2009	1,555,742	974,575	165,279	2,695,596	-

Local Business Tax

Description

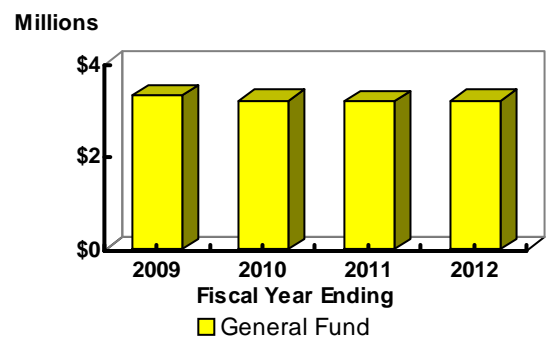
A license issued by the City as a prerequisite to conducting and maintaining a business, service, or profession. Payment is received annually and is due on or before October 1st of each year. The annual fee for the Local Business Tax receipt varies depending on the nature of the business.

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 this change

Forecast Methodology and Analysis

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

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



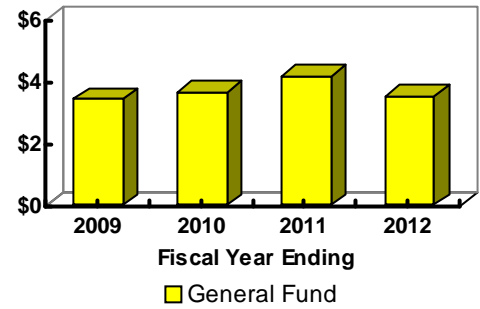
Fiscal Year Ending	General Fund	% Change
2012	\$ 3,191,000	0.4%
2011	3,179,000	(0.4%)
2010	3,191,395	(3.5%)
2009	3,307,733	-

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

Millions



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.

A trend toward more uninsured patient and the use of false identity and/or insurance information casts some doubt on the 13.4% projected increase in fiscal year 2010-11 following the 7.2% increase in fiscal year 2009-10. The fiscal year 2011-12 decrease is conservative due to current collection uncertainty.

Fiscal Year Ending	General Fund	% Change
2012	\$ 3,500,000	(15.5%)
2011	4,144,376	13.4%
2010	3,656,089	7.2%
2009	3,411,933	-

Fines & Forfeitures

Description

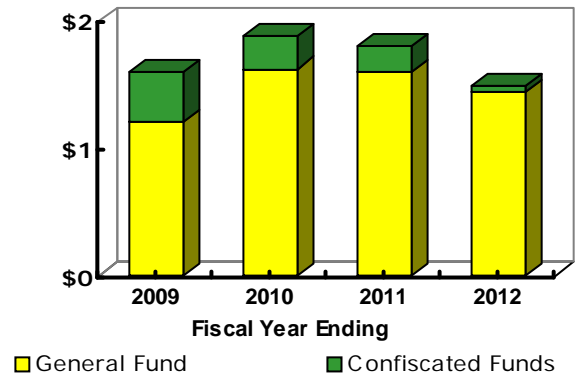
Includes revenues received from traffic citations issued and confiscation of forfeited abandoned property.

Forecast Methodology and Analysis

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

The variation in percentage change over the last two fiscal years relates to the unpredictability of confiscation of assets and citations issued. The decrease in fiscal year year 2011-12 is due to decreased Traffic citations and other court fines, as well as Treasury Confiscations that cannot be budgeted until received.

Millions



Fiscal Year Ending	General Fund	Confiscated Funds	Total	% Change
2012	\$ 1,433,980	\$ 55,245	\$ 1,489,225	(17.4%)
2011	1,601,700	201,540	1,803,240	(4.1%)
2010	1,619,654	259,916	1,879,570	17.9%
2009	1,205,725	388,860	1,594,585	-

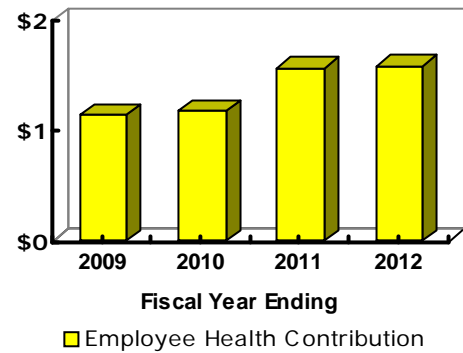
Employee Health Contributions

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.

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 in 1991, the cost to the employees for dependent coverage has never been 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
2012	\$ 1,576,869	1.1%
2011	1,560,110	33.2%
2010	1,171,260	3.4%
2009	1,133,292	-

City Pension Contribution

Description

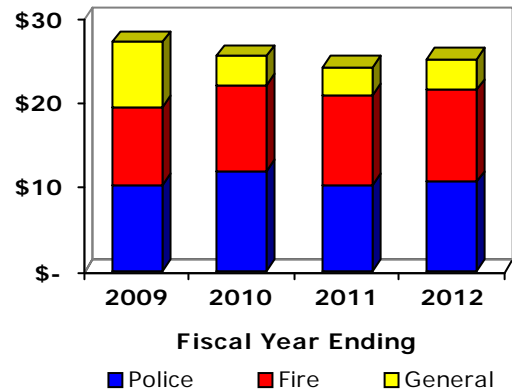
Per GASB, the City's Annual Required Contribution (ARC) must be made into the appropriate Pension Trust Funds.

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

Millions



Fiscal Year Ending	Fire	Police	General	Total	% Change
2012	\$ 10,972,521	\$ 10,572,120	\$ 3,742,497	\$ 25,287,138	4.2%
2011	10,756,004	10,196,354	3,317,988	24,270,346	(5.2%)
2010	10,268,405	11,840,432	3,502,940	25,611,777	(6.0%)
2009	9,294,731	10,210,696	7,736,872	27,242,299	-

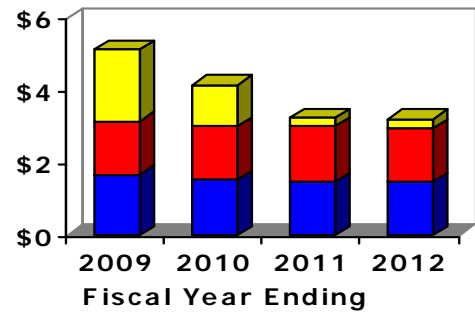
Employee Pension Contribution

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 contract.

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

Millions



■ Police ■ Fire ■ General

Forecast Methodology and Analysis

Projection factors include (1) the projected salary multiplied by the (2) required percentage of regular 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. 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.

Fiscal Year Ending	Fire	Police	General	Total	% Change
2012	\$ 1,475,978	\$ 1,472,917	\$ 267,019	\$ 3,215,914	(1.0%)
2011	1,540,604	1,459,576	247,329	3,247,509	(21.9%)
2010	1,490,786	1,511,236	1,157,825	4,159,847	(18.8%)
2009	1,479,452	1,672,770	1,973,064	5,125,286	-