

## 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 2012-13 Budget is based on an operating millage of 5.6368.

#### Forecast Methodology and Analysis

The combined operating and debt service millage of 6.3084 multiplied by the taxable value, less 5% for possible adjustments to assessed values and/or discounts taken for early payment.

The \$1.4 million (2.7%) decrease in operating Ad Valorem taxes in fiscal year 2010-11 reflected an 11.4% decrease in taxable values. A \$0.4 million decrease (0.9%) is anticipated for fiscal year 2011-12 and a \$0.3 million increase for 2012-13, reflecting anticipated 1.1% growth in Taxable Property Value.

Fiscal Year Ending	Operating Millage Rate	General Fund	Debt Millage	Debt Service	Total	% Change
2013	5.6368	\$ 45,684,608	0.6716	\$ 5,443,121	\$ 51,127,729	0.5%
2012	5.6368	45,445,147	0.6713	5,412,172	50,857,319	(0.9%)
2011	5.6880	45,839,333	0.6780	5,459,564	51,298,897	(2.7%)
2010	5.1249	47,224,460	0.5951	5,482,360	52,706,820	-

### 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.

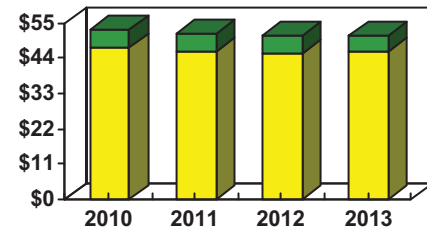
#### Forecast Methodology and Analysis

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 11.31% increase in October 2010 netted a 11.5% actual 2010-11 increase and a 3.16% increase in October 2011 is projected to bring a 3.0% additional actual 2011-12 revenues. The proposed 2.30% October 2012 increase is expected to yield only an additional 0.55% in 2012-13 due in part to the loss of approximately \$500,000 with the May 2012 closure of Broward County Correctional Institute (BCI).

Fiscal Year Ending	Water Charges	Sewer Charges	Total	% Change
2013	\$ 20,070,000	\$ 21,670,000	\$ 41,740,000	0.6%
2012	20,054,304	21,457,280	41,511,584	3.0%
2011	19,431,042	20,872,045	40,303,087	11.5%
2010	17,461,751	18,689,072	36,150,822	-

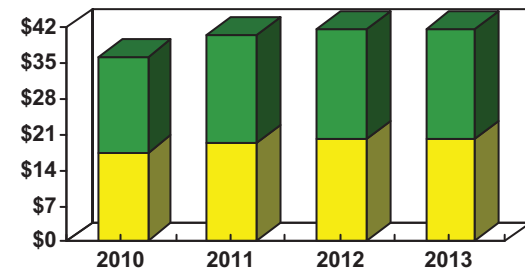
Millions



Fiscal Year Ending

■ General Fund ■ Debt Service Fund

Millions



Fiscal Year Ending

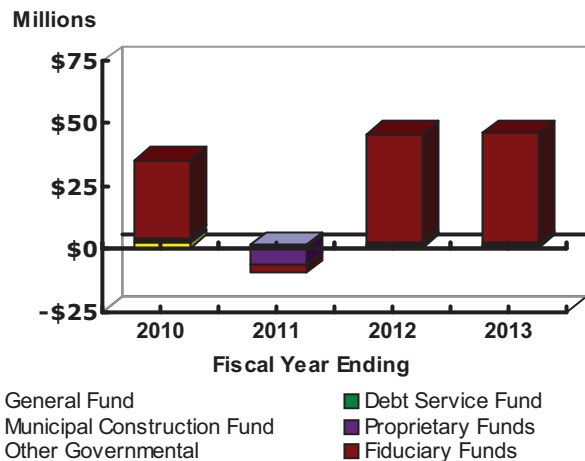
■ Water Charges ■ Sewer Charges

## 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.

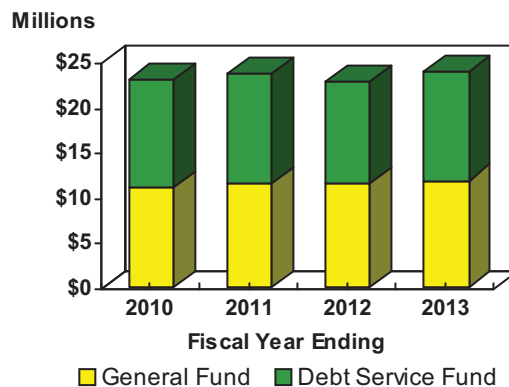
Actuarial losses in the General Employees Pension Fund and the Fire & Police Employees Pension Fund are the main reasons for the \$8.6 million loss in fiscal year 2010-11. There are wide fluctuations in asset return on a market value basis.

Fiscal Year Ending	General Fund	Debt Service Fund	Municipal Construction Fund	Other Gov. Funds	Proprietary Fund	Fiduciary Funds	Total	% Change
2013	\$ 659,100	\$ 102,232	\$ 0	\$ 533,241	\$ 388,000	\$ 44,236,000	\$ 45,918,573	1.3%
2012	624,100	102,437	213,860	557,124	422,000	43,404,300	45,323,821	(3178.7%)
2011	421,640	125,127	513,139	265,516	-6,891,075	-3,050,800	-8,616,452	(124.5%)
2010	1,853,584	147,066	516,684	696,466	665,360	31,095,835	34,974,996	-

## 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 change in apartment rental policy to an "All Ages" residential population has resulted in 90% occupancy rates in both Pines Point and Pines Place.

Fiscal Year Ending	General Fund	Debt Service Fund	Total Amount	% Change
2013	\$ 11,934,512	\$ 12,130,020	\$ 24,064,532	4.7%
2012	11,673,851	11,311,017	22,984,868	(3.9%)
2011	11,561,619	12,359,630	23,921,250	3.3%
2010	11,134,929	12,014,252	23,149,181	-

## 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 University of Florida Bureau of Economics and Business Research (BEBR) estimated the City population grew from 154,750 to 154,889 from 2010 to 2011.

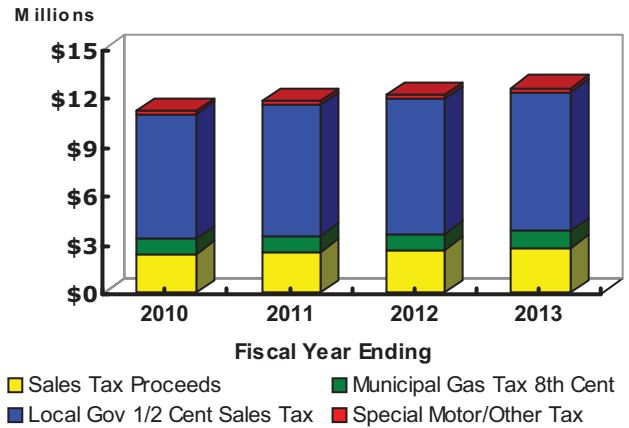
These revenues are accounted for in the General Fund and Road and Bridge Fund.

### 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 3.1% increase for fiscal year 2011-12 and 3.6% increase for fiscal year 2012-13 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
2013	\$ 2,791,000	\$ 1,014,000	\$ 8,587,000	\$ 223,980	\$ 12,615,980	3.6%
2012	2,600,000	1,052,000	8,290,000	237,324	12,179,324	3.1%
2011	2,529,284	991,889	8,037,920	250,413	11,809,506	5.6%
2010	2,356,020	973,769	7,655,238	203,175	11,188,202	-



## Franchise Fees

### Description

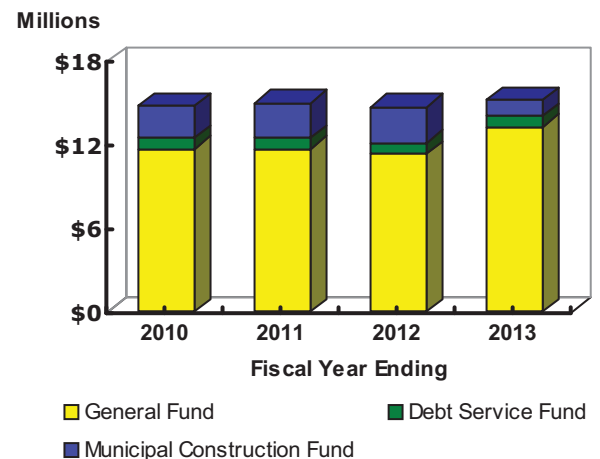
Franchise fees are established by franchise agreements between the City and private service providers of electric, natural gas, sanitation, sewer, towing, resource recovery, and recycling.

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.

The decline of Electricity Franchise Fees of \$0.4 million during fiscal year 2011-12 is projected to be countered by an increase of \$0.6 million during fiscal year 2012-13. While KWH usage continues to be even for the last two years, the State Public Service Commission vote in November 2012 on a Florida Power & Light base rate increase and a proposed fuel rate reduction would impact revenue more during 2013-14 than 2012-13.



Fiscal Year Ending	General Fund	Debt Service Fund	Municipal Construction Fund	Total	% Change
2013	\$ 13,225,700	\$ 813,605	\$ 1,133,700	\$ 15,173,005	3.4%
2012	11,282,900	811,650	2,574,874	14,669,424	(1.9%)
2011	11,641,765	813,440	2,504,647	14,959,851	1.7%
2010	11,649,485	820,652	2,242,686	14,712,823	-

## Public Services Taxes

### Description

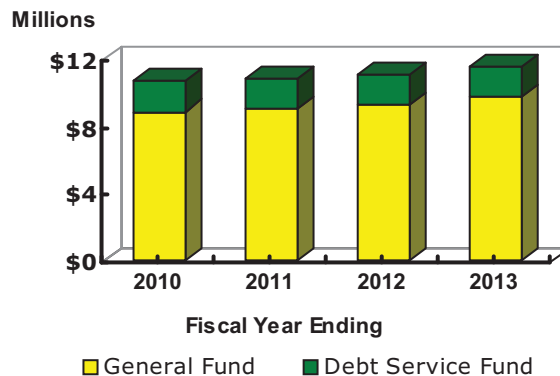
A tax levied on the purchase of electric, natural gas, propane, and water.

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.

Actual growth of 1.1% during fiscal year 2009-10 and projected growth of 2.3% and 4.3% during fiscal year 2011-12 and 2012-13 respectively are positive trends. In addition, the State Public Service Commission is set to vote during November 2012 on the first base rate increase (16.3%) for Florida Power and Light since 1985. If approved the base rate would increase by 12.1% during January 2013 and by 3.8% during June 2013.



Fiscal Year Ending	General Fund	Debt Service Fund	Total	% Change
2013	\$ 9,768,000	\$ 1,784,705	\$ 11,552,705	4.3%
2012	9,294,000	1,787,007	11,081,007	2.3%
2011	9,054,064	1,778,293	10,832,358	1.1%
2010	8,919,926	1,790,358	10,710,284	-

## Fire Protection Special Assessment

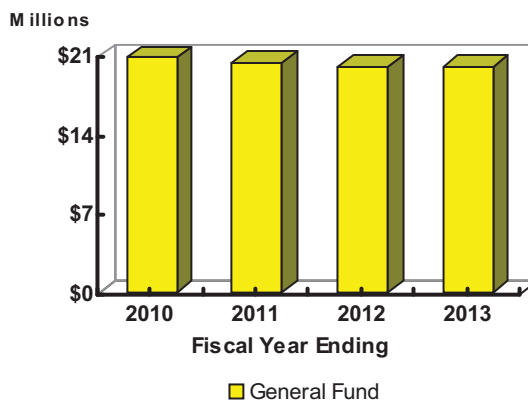
### Description

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

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.

While the 2.7% reduction during fiscal year 2010-11 was due to lower assessable Fire Protection costs than fiscal year 2009-10, projected fiscal year 2012-13 assessable costs could return to the level of 2009-10 (\$20.9 million).



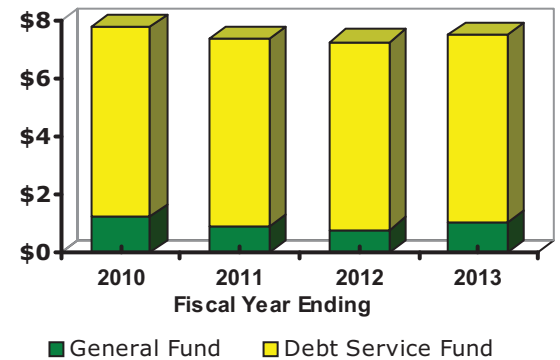
Fiscal Year Ending	General Fund	% Change
2013	\$ 20,115,821	(0.1%)
2012	20,139,035	(1.8%)
2011	20,508,146	(1.9%)
2010	20,902,426	-

## 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 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.

Receipts have been skewed by audits of prior years. \$0.2 million was received during both FY2010 and FY2011, followed by \$0.1 million in FY2012. While recent audits have had minimal impact, annual revenue comparisons have become more difficult. In the 2012 legislative session HB 0809 (an act relating to communications services taxes; amending s. 202.105) passed, with a projected FY2013 revenue reduction of \$50,000. Potential additional legislative action to spur the lagging economy posed a temporary threat: a sister bill (HB5703) could have diverted approximately \$300,000 in FY2013, but the bill died in committee.

Fiscal Year Ending	General Fund	Debt Service Fund	Total	% Change
2013	\$ 1,078,000	\$ 6,440,111	\$ 7,518,111	3.7%
2012	812,088	6,440,655	7,252,743	(1.5%)
2011	937,398	6,422,409	7,359,807	(5.0%)
2010	1,284,689	6,463,395	7,748,084	-

## Education and Recreational/Cultural Charges

### Description

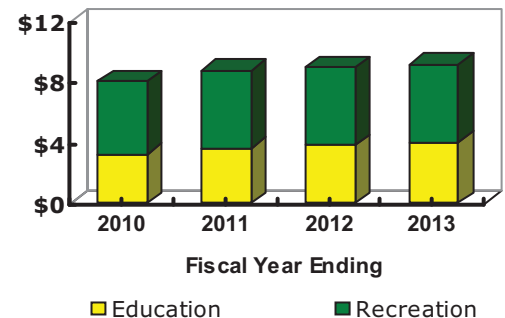
Includes all revenues stemming from charges for educational and recreational/cultural services performed. Educational charges include registration fees and monthly fees paid by parents to enroll their children in pre-school and after-school care. Recreational/cultural services include golf, tennis, swimming, 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. \$0.5 million of the increase in fiscal year 2010-11 was earned by the Early Development Centers through Voluntary Pre-Kindergarten Program (VPK).

Millions



Fiscal Year Ending	Education Charges	Recreation Charges	Total	% Change
2013	\$ 3,995,838	\$ 5,165,801	\$ 9,161,639	2.1%
2012	3,820,359	5,151,077	8,971,436	2.1%
2011	3,641,260	5,142,671	8,783,932	9.7%
2010	3,268,149	4,759,272	8,027,421	-

## 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.

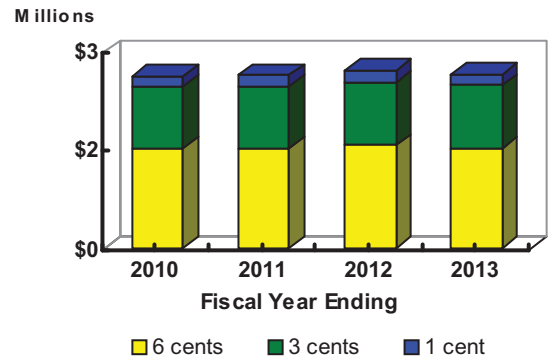
Pursuant to F.S. 336.025(1)(b)(2) the county has exercised its authority in levying a 1 cent tax on every gallon of motor fuel (excluding diesel fuel) sold in the county. The proceeds may be used for transportation expenditures needed to meet the requirements of the capital improvement elements of the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



Fiscal Year Ending	\$0.06	\$0.03	\$0.01	Total	% Change
2013	\$ 1,541,000	\$ 951,000	\$ 161,000	\$ 2,653,000	(2.2%)
2012	1,576,000	973,000	165,000	2,714,000	2.6%
2011	1,537,388	946,538	160,524	2,644,449	0.4%
2010	1,529,103	943,992	160,092	2,633,187	-

## Local Business Tax

### Description

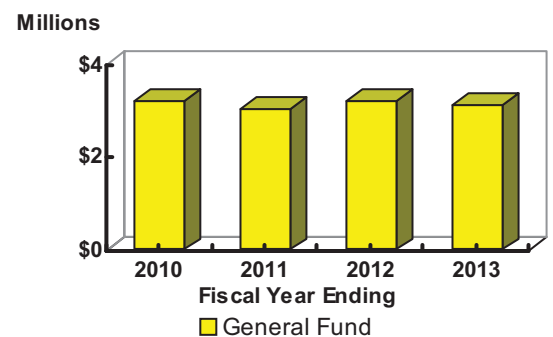
A license issued by the City as a prerequisite to conducting and maintaining a business, service, or profession. Payment is received annually and is due on or before October 1st of each year. The annual fee for the Local Business Tax receipt varies depending on the nature of the business.

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.



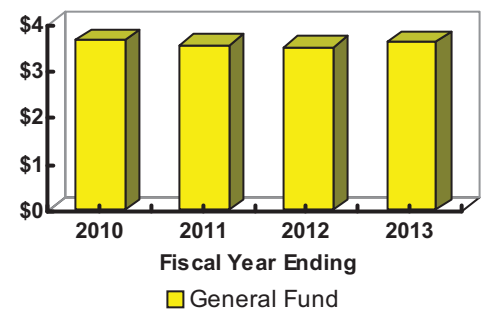
Fiscal Year Ending	General Fund	% Change
2013	\$ 3,108,000	(2.6%)
2012	3,191,000	4.8%
2011	3,045,727	(4.6%)
2010	3,191,395	-

## 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.

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 has led to an actual decline of -3.2% during 2010-11 and a projected decline of -1.1% during 2011-12. A 2.9% recovery is currently projected for 2012-13 as collection uncertainty continues to be a problem.

Fiscal Year Ending	General Fund	% Change
2013	\$ 3,600,000	2.9%
2012	3,500,000	(1.1%)
2011	3,540,399	(3.2%)
2010	3,656,089	-

## Fines & Forfeitures

### Description

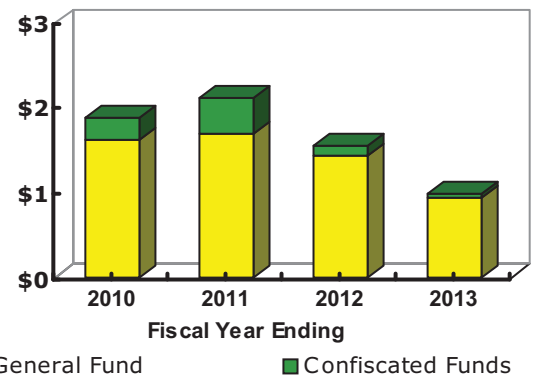
Includes revenues received from traffic citations issued and confiscation of forfeited abandoned property.

### 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. After \$1.9 million was received during 2009-10 and \$2.1 million during 2010-11, \$1.6 million is budgeted for 2011-12. Treasury Confiscations that cannot be budgeted until received.

Millions



Fiscal Year Ending	General Fund	Confiscated Funds	Total	% Change
2013	\$ 936,660	\$ 47,294	\$ 983,954	(36.5%)
2012	1,433,980	116,458	1,550,438	(26.8%)
2011	1,685,888	431,443	2,117,331	12.6%
2010	1,619,653	259,916	1,879,569	-

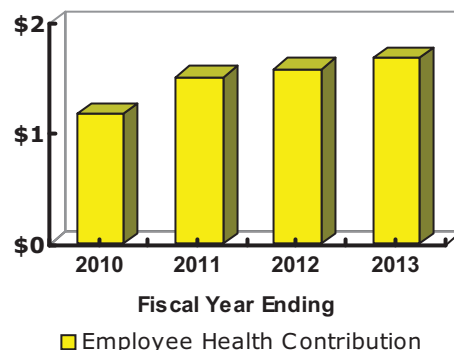
## Employee Health Contributions

### 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. 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
2013	\$ 1,675,170	6.2%
2012	1,576,869	4.9%
2011	1,503,573	28.4%
2010	1,171,260	-

## City Pension Contribution

### Description

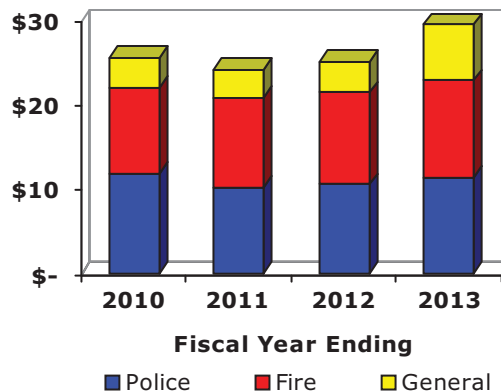
Per GASB, the City's Annual Required Contribution (ARC) must be made into the appropriate Pension Trust Funds.

### 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 2012-13 increase reflects the combination of disappointing investment returns and a change in the mortality table used by the Actuary.

Millions



Fiscal Year Ending	Fire	Police	General	Total	% Change
2013	\$ 11,476,622	\$ 11,467,982	\$ 6,675,067	\$ 29,619,671	17.1%
2012	10,972,521	10,572,120	3,742,497	25,287,138	3.9%
2011	10,791,117	10,229,640	3,317,988	24,338,745	(5.3%)
2010	10,310,756	11,890,148	3,502,940	25,703,844	-



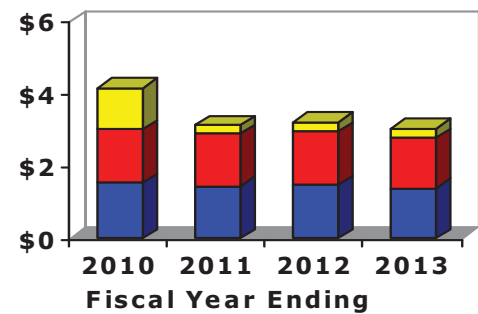
## Employee Pension Contribution

### 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. 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 Ending	Fire	Police	General	Total	% Change
2013	\$ 1,382,105	\$ 1,381,892	\$ 255,965	\$ 3,019,962	(6.1%)
2012	1,475,978	1,472,917	267,019	3,215,914	3.1%
2011	1,441,160	1,424,229	252,766	3,118,155	(25.0%)
2010	1,490,590	1,511,225	1,157,825	4,159,639	-

## Major Revenues

### % of Total 2012-13 Revenue Budget

Description	2012-13 Budget	% of Total
Ad Valorem Taxes	\$ 51,127,729	15.0%
Interest and Other Earnings	45,918,573	13.5%
Water/Sewer Charges	41,740,000	12.3%
City Pension Contribution	29,619,671	8.7%
Rentals	24,064,532	7.1%
Fire Protection Special Assessment	20,115,821	5.9%
Franchise Fees	15,173,005	4.5%
State Shared Revenues	12,615,980	3.7%
Public Service Taxes	11,552,705	3.4%
Education/Recreational/Cultural Charges	9,161,639	2.7%
Communication Services Tax	7,518,111	2.2%
Rescue Transport Fees	3,600,000	1.1%
Local Business Tax	3,108,000	0.9%
Employee Pension Contribution	3,019,962	0.9%
Local Option Gas Tax	2,653,000	0.8%
Employee Health Contributions	1,675,170	0.5%
Fines & Forfeitures	983,954	0.3%
<b>Total Major Revenues</b>	<b>\$ 283,647,852</b>	<b>83.9%</b>
<b>Total Revenues</b>	<b>\$ 338,213,326</b>	<b>100.00%</b>