



CITY OF TARPON SPRINGS, FLORIDA
GENERAL FUND BUDGET WORKSHOP
FISCAL YEAR 2010-2011

JULY 19, 2010

OUTLINE OF PRESENTATION



- Budget Overview
- Budget Assumptions
- Unassigned Fund Balance
- Decline in Property Values
- Budget Considerations
- Summary

BUDGET OVERVIEW



- The FY 2010-2011 General Fund Budget is \$19.676 million
- This figure includes \$1.08 million in up-front cuts made at the direction of the City Manager after meetings with department heads
- These cuts include the elimination of certain vacant positions, department reorganizations plus significant cuts in operating expenses and capital purchases

BUDGET ASSUMPTIONS



- The balanced FY 2010-2011 General Fund Budget presented to the BOC is based on the following assumptions:
- Property values have declined by 11.5%
- \$1.08 million in up-front budget cuts
- Maintain existing levels of service
- Millage rate change of 0.5 mills
- \$764,132 from the Unassigned Fund Balance

UNASSIGNED FUND BALANCE



Fund Amount	\$9,203,928
Reserve for Catastrophic Event and/or Natural Disaster	(\$5,000,000)
Amount Used to Balance the FY 2010-2011 General Fund Budget	(\$764,132)
Remaining Balance	\$3,439,796



DECLINE IN PROPERTY VALUES

FY 2010 PROPERTY VALUES (4.95 MILLS)

PROPOSED FY 2011 AD VALOREM REVENUE (5.45 MILLS)

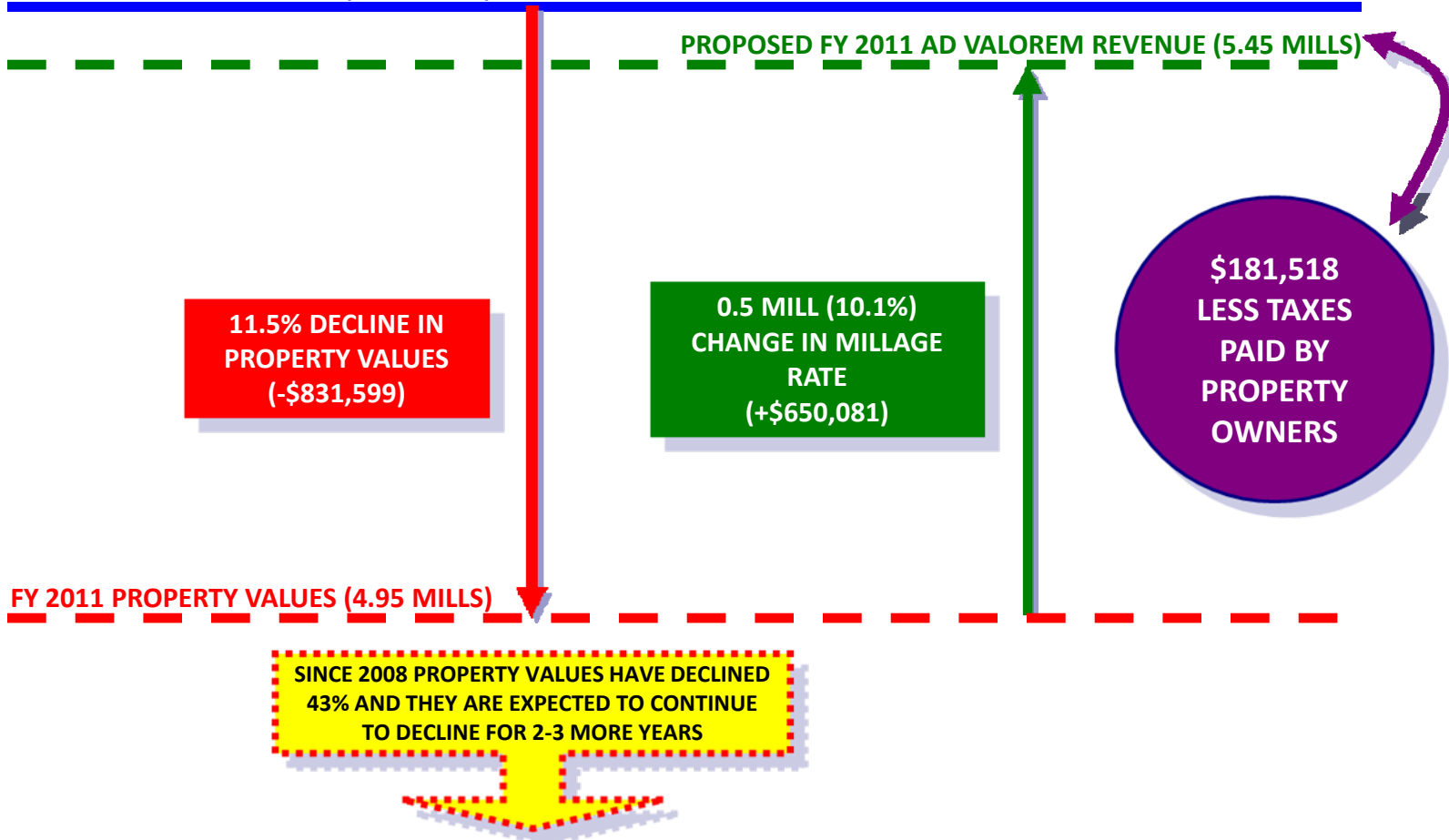
11.5% DECLINE IN
PROPERTY VALUES
(-\$831,599)

0.5 MILL (10.1%)
CHANGE IN MILLAGE
RATE
(+\$650,081)

\$181,518
LESS TAXES
PAID BY
PROPERTY
OWNERS

FY 2011 PROPERTY VALUES (4.95 MILLS)

SINCE 2008 PROPERTY VALUES HAVE DECLINED
43% AND THEY ARE EXPECTED TO CONTINUE
TO DECLINE FOR 2-3 MORE YEARS



BUDGET CONSIDERATIONS



- Any further departmental budget cuts will result in a reduction in workforce thereby decreasing or eliminating services to residents and property owners
- Further reducing the Unassigned Fund Balance will seriously jeopardize the long term health of that account for future budget years
- While the proposed millage rate is above the current rate, the ad valorem tax revenue will be lower because some residential and most commercial property owners will pay less taxes even if the proposed millage rate is adopted

SUMMARY



- The proposed FY 2010-2011 General Fund Budget is a conservative and responsible approach in an uncertain economic climate.
- This budget maintains existing levels of service to our residents and property owners without jeopardizing the future of the Unassigned Fund Balance.
- Some residential and most commercial property owners will pay less taxes even if the proposed millage rate is adopted.
- Because property values and revenues are expected to continue to decline over the next 2-3 years this budget prepares us to deal with the challenges ahead.