FINANCIAL TREND MONITORING SYSTEM 2013

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PREFACE

PREFACE TO FISCAL YEAR 2012-2013 FINANCIAL INDICATORS

This analysis of Plant City's fiscal condition has been prepared to provide Commissioners, administrators and residents with current information regarding its financial condition. The indicators utilized in this analysis are generally those recommended by the International City Management Association (ICMA) as reflective of a municipality's economic health. These indicators have been compiled into a collection of financial indicators entitled the *Financial Trend Monitoring System* (FTMS). FTMS can alert a local government to existing and potential areas of financial difficulty and also serve as a valuable planning tool. In addition, it also provides comparative and analytical data that can be used in the formulation of public policy.

In order for financial information to be comparable over a number of years, the information must be adjusted to reflect constant dollars. More specifically, the distortion created by the effects of inflation must be removed. The Finance Department started tracking this information in December 2007, and at that time the latest published Plant City financial information available was for fiscal year 2005-06. Since ten years was selected as the appropriate comparison period, 1997 was the earliest year that information was collected. Accordingly, 1997 was used as the base year. In other words, the effect of inflation since 1997 has been removed in order that the dollar amounts of any year presented are comparable to 1997 dollars.

It should be noted that individual indicators may be meaningful only when viewed in conjunction with other indicators. Accordingly, an overall organization-wide perspective is essential in obtaining a comprehensive representation of the City's financial condition.

Note: Years refer to the fiscal year ending September 30th.

COMMUNITY RESOURCES INDICATORS

COMMUNITY RESOURCES INDICATORS

GENERAL INFORMATION

Community Resources encompasses economic and demographic characteristics including population, personal income, property value, employment and construction activity. This is an umbrella category that treats "tax base" and "economic and demographic characteristics" as different sides of the same coin. On one hand, these indicators describe a community's wealth and its ability to generate revenues (that is, level of personal, commercial and industrial income). On the other hand, they constitute the demands which the community will make on its government such as public safety, capital improvements and social services. In addition, changes in these characteristics are the most difficult to formulate into indicators because the data are not easy to gather. An evaluation of local economic and demographic characteristics can identify the following types of conditions:

- A decline in tax base as measured by population, property value, employment or business activity;
- A need to shift public service priorities because of a change in age or income of residents or in the type or density of physical development within the community;
- A need to reassess public policies because of a loss in competitive advantage of the city's businesses to surrounding communities or because of a surge in inflation or other changes in national or regional economic conditions.

Changes in economic and demographic characteristics are most useful for long term financial analysis.

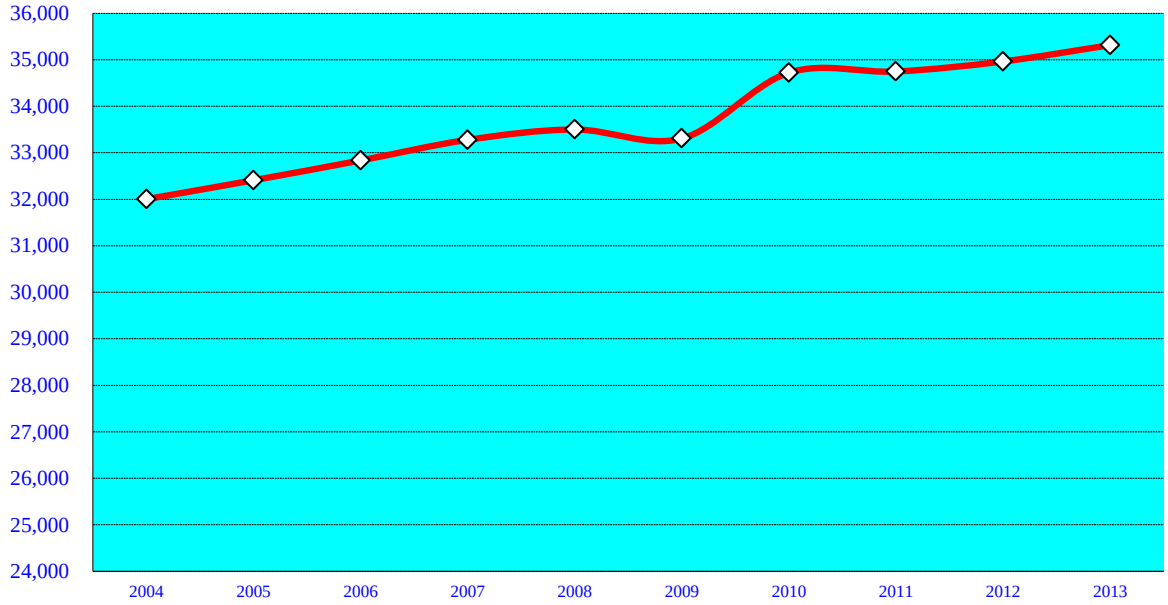
Population

The exact relationship between population change and other economic and demographic factors is uncertain. Population change can, however, directly affect governmental revenues: for example, some taxes are collected on a per capita basis, and many intergovernmental revenues and grants are distributed according to population. A sudden increase in population can create immediate pressures for new capital outlay and higher levels of service. A local government faced with population decline is rarely able to make reductions in expenditures that are proportional to the population loss.

WARNING TREND Rapid change in population

Plant City's population has not kept pace for the last three years with Hillsborough County's population growth, but it has with the State of Florida's growth. Plant City for FY 2010 increased 4.25 percent, most likely as a result of the census. The population for FY 2011 increased only 0.07 percent and for FY 2012 increased 0.62 percent. However, the City's population for FY 2013 grew 1.00 percent to 35,313.The City's population has grown at a rate of 1.1 percent per year over the past ten years. This percentage is up from the 2012 financial trend report for ten years, which was 1.0 percent. For this reason, the chart has been reclassified from *Marginal* to *Positive.*

Population



Plant City Trend

Positive

Marginal

Negative

Warning Trend
Rapid change
in population

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Plant City Population	32,002	32,408	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313
Percent Increase	**0.51%**	**1.27%**	**1.31%**	**1.35%**	**0.67%**	**-0.58%**	**4.25%**	**0.07%**	**0.62%**	**1.00%**
Hillsborough County	1,108,435	1,131,546	1,164,425	1,192,861	1,200,541	1,196,892	1,229,226	1,238,951	1,256,118	1,276,410
Percent Increase	**2.67%**	**2.09%**	**2.91%**	**2.44%**	**0.64%**	**-0.30%**	**2.70%**	**0.79%**	**1.39%**	**1.62%**
Florida Population	17,516,732	17,918,227	18,349,132	18,680,367	18,807,219	18,750,483	18,801,310	18,905,048	19,074,434	19,259,543
Percent Increase	2.61%	2.29%	2.40%	1.81%	0.68%	-0.30%	0.27%	0.55%	0.90%	0.97%

SOURCE: BUREAU OF ECONOMIC AND BUSINESS RESEARCH (UNIVERSITY OF FLORIDA)

Personal Income Per Capita

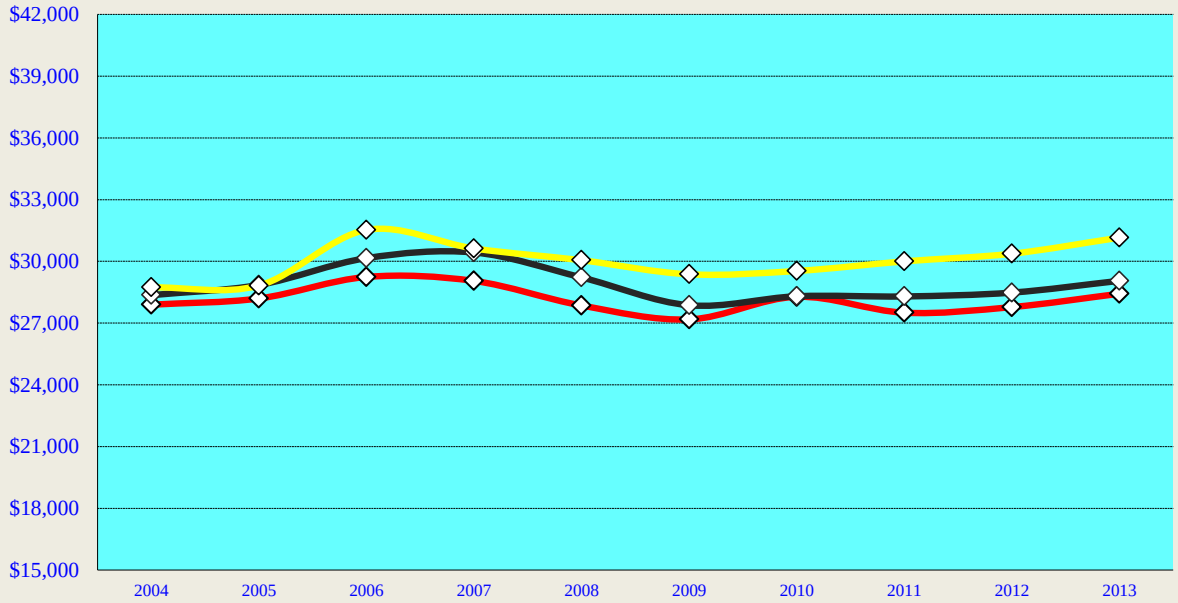
Personal income per capita is one measure of a community's ability to pay taxes: the higher the per capita income, the more property tax the community can generate. Credit rating firms use per capita income as an important measure of a local government's ability to repay debt. A decline in per capita income causes a drop in consumer purchasing power and can provide advance notice that businesses, especially in the retail sector, will suffer a decline that can ripple through the rest of the local economy.

WARNING TREND Decline in the level, or growth rate, of personal income per capita

Hillsborough County personal income per capita increased each year from FY 2004 through FY 2008. FY 2009 income dropped as a result of the effects of the 2008 economy. FY 2010 rose significantly and leveled off for FY 2011, while FY 2012 once again rose. FY 2013 is estimated due to a lack of current information. A similar picture emerges when analyzing personal income per capita *in constant dollars* as adjusted by the CPI. Using that measure, personal income increased each year through FY 2006 and began a decent in FY 2007, bouncing up in FY2010. A drop occurred in FY 2011 and continued through FY 2012. An increase is estimated in FY 2013 because there are signs that the economy is beginning to improve. For these reasons, the chart continues to be classified as *Marginal.*

Personal Income Per Capita

In Constant Dollars (Hillsborough County)



Hillsborough Trend

Positive

Marginal

Negative

Warning Trend

Decline in the level or growth rate of personal income per capita

Red Line – Hillsborough County **Black Line – State of Florida** **Yellow Line – United States** **SOURCE: US BUREAU OF ECONOMIC ANALYSIS**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Hillsborough County										
Income Per Capita	32,916	34,681	36,845	37,473	37,880	36,420	38,457	38,782	40,000	41,218Est
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Income Per Capita In Constant Dollars	**27,895**	**28,196**	**29,242**	**29,049**	**27,853**	**27,179**	**28,277**	**27,505**	**27,778**	**28,426**
Florida Income/Capita	33,463	35,489	37,996	39,256	39,736	37,340	38,493	39,896	41,012	42128Est
Fl Inc/Cap Cons $	**28,358**	**28,853**	**30,156**	**30,431**	**29,218**	**27,866**	**28,304**	**28,295**	**28,481**	**29,054**
US Income Per Capita	33,909	35,452	39,725	39,506	40,873	39,357	40,163	42,298	43,735	45172Est
US Inc/Cap Cons $	**28,736**	**28,823**	**31,528**	**30,625**	**30,054**	**29,371**	**29,532**	**29,999**	**30,372**	**31,153**

City Assessed Taxable Valuation Per Capita

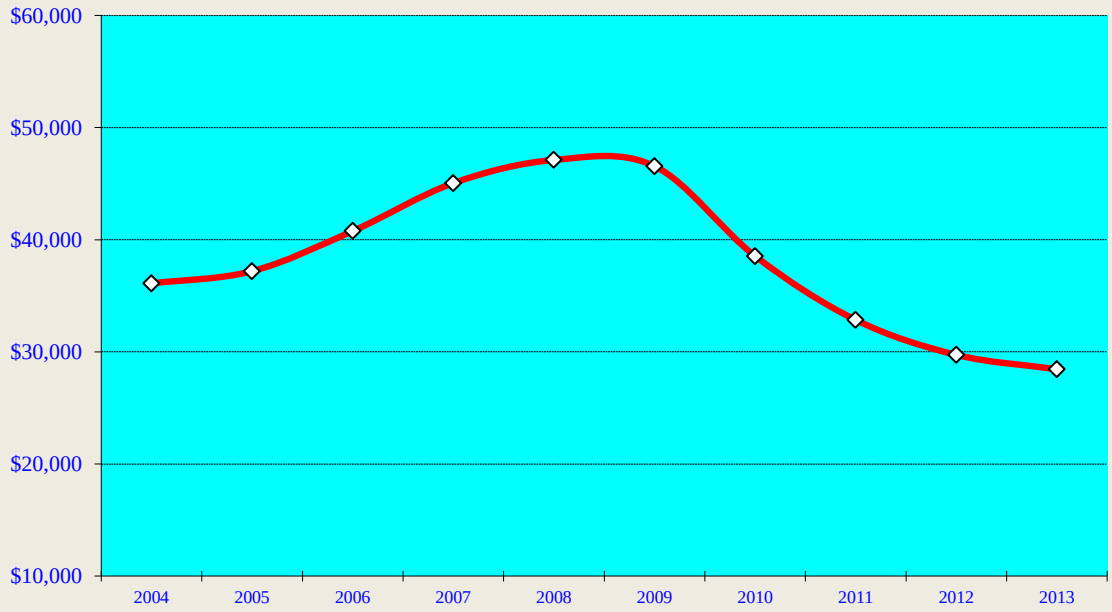
Changes in property tax assessments are important because most local governments depend on the property tax for a substantial portion of their revenues. Especially in a community with a stable or fixed tax rate, the higher the aggregate tax assessment, the higher the revenues. The effect of declining tax assessments all depends on the government's reliance on property taxes. A decline in tax assessments will most probably not be a cause but a symptom of other underlying problems.

WARNING TREND Declining or negative growth in property tax assessments

Plant City's assessed taxable valuation increased each year from FY 2004 through FY 2008 ($2,146,703). Then in FY 2009, there was a drop to $2,078,117, which became more severe in both FY 2010 ($1,819,965) and FY 2011 ($1,609,415) and FY 2012 ($1,497,018) and to a lesser degree in FY 2013 at $1,456,714. Similarly, assessed taxable valuation per capita, in constant dollars, had increased each year through FY 2008, reflecting an average increase of 6.5 percent per year. In FY 2009 the valuation per capita drop was softened by a decrease in the CPI. In FY 2010 the chart took a nose dive and continued through FY 2013 because the per capita taxable valuation dropped significantly, down to $28,449 in constant dollars. For these reasons the chart continues to be classified as *Negative.*

City Assessed Taxable Valuation Per Capita

In Constant Dollars



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Declining or negative growth in property taxable values

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Taxable Valuation (000's)	1,372,036	1,482,911	1,686,992	1,933,821	2,146,703	2,078,117	1,819,965	1,609,415	1,497,018	1,456,714
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Taxable Valuation In Constant Dollars	1,162,742	1,205,619	1,338,883	1,499,086	1,578,458	1,550,834	1,338,210	1,141,429	1,039,596	1,004,630
Population	32,202	32,408	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313
Assessed Valuation Per Capita In Constant Dollars	36,108	37,201	40,777	45,049	47,118	46,563	38,542	32,851	29,734	28,449

NOTE: FY 2014 Taxable Value $1,512,667,319. An increase of $55,953,777 or a 3.84 percent increase. The first since FY 2008

Property Appraiser predicts a 5.0 percent increase for FY 2015

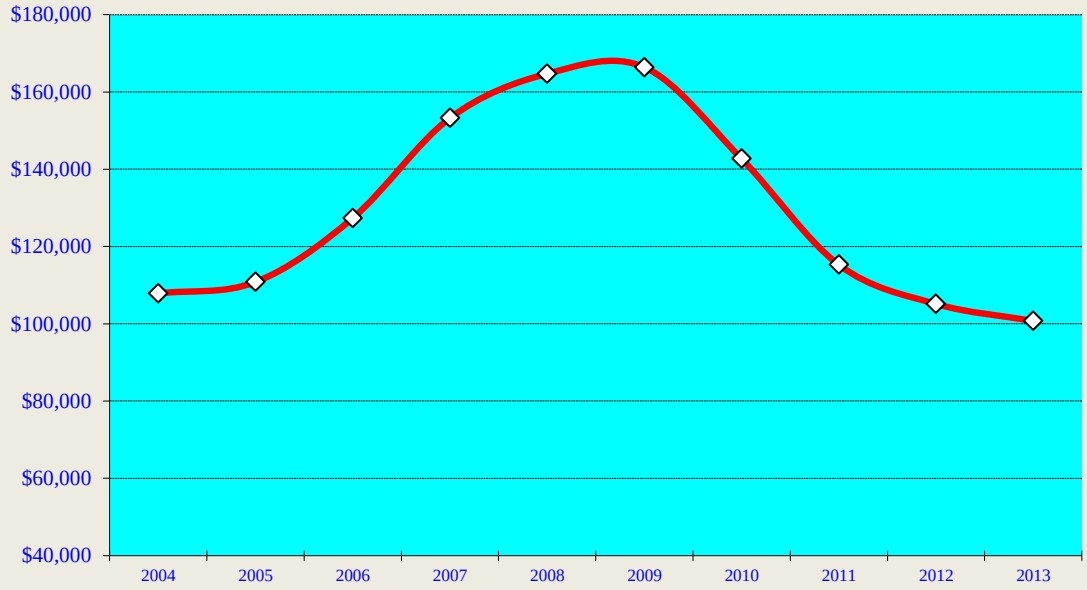
Community Redevelopment Agency Assessed Taxable Valuation

As with local governments, changes in property tax assessments are important to Community Redevelopment Agencies (CRAs) because most CRAs depend on the property tax for a substantial portion of their revenues. Especially in a community with a stable or fixed tax rate, the higher the aggregate tax assessment, the higher the revenues. The effect of declining tax assessments all depends on the CRA's reliance on property taxes. A decline in tax assessments will most probably not be a cause but a symptom of other underlying problems.

WARNING TREND Declining or negative growth in property tax assessments

Plant City's Community Redevelopment Agency's base tax year was 1987 with an assessed taxable value of $68,899,330. The FY 2013 assessed taxable valuation is $146,036,597 (A decrease of $5,331,488 from FY 2012 or a 3.52 percent drop.). Assessed taxable valuation in the CRA had increased each year from FY 2004 through FY 2008. Then a slight decrease in FY 2009 and significant decreases in FY 2010, FY 2011, FY 2012 and FY 2013. Assessed taxable valuation *in constant dollars* reflects valuation to be increasing moderately from FY 2004 to FY 2005. In FY 2006 through FY 2009 there were significant taxable valuation increases. FY 2010 taxable valuation (in constant dollars) took a nose dive downward that has continued through FY 2013. For these reasons, the chart continues to be classified as *Negative*.

Community Redevelopment Agency
Assessed Taxable Valuation
in Constant Dollars



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Declining or negative growth in property taxable value

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Taxable Valuation (000's)	127,276	136,278	160,446	197,689	224,007	222,951	194,060	162,517	151,368	146,037
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Taxable Valuation In Constant Dollars	107,861	110,795	127,338	153,247	164,711	166,381	142,691	115,260	105,117	100,715

NOTE: FY 2014 Taxable Value $147,852,383. An increase of $1,815,786 or a 1.24 percent increase.

Unemployment Rate

Changes in the unemployment rate are related to changes in personal income, and are thus a measure of, and an influence on, the community's ability to support its business sector. An increase in the unemployment rate can be an early sign that overall economic activity is declining and that government revenues may be declining as well.

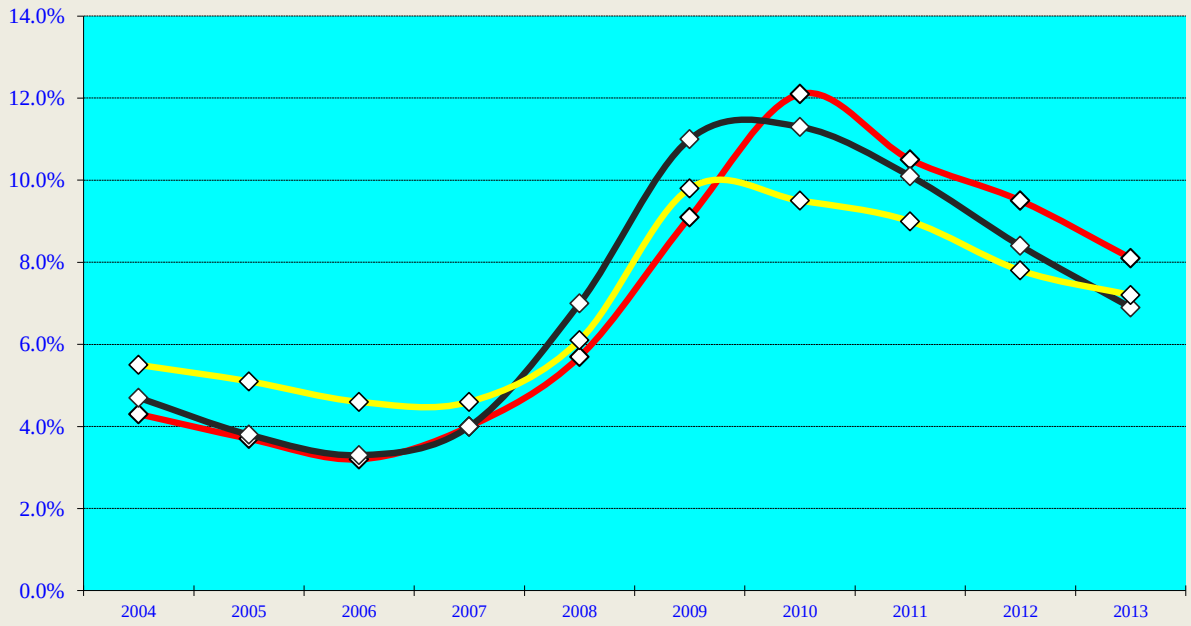
WARNING TREND Increasing rate of local unemployment

Previously, Hillsborough County's highest unemployment rate was 7.4 percent in FY 1992, the result of a declining economic environment in the aftermath of 9/11. As the economy began to rebound in the post 9/11 period, the unemployment rate declined through FY 1999. From then until FY 2002 (5.4 percent) the unemployment rate rose as a result of economic uncertainty. In FY 2003, the unemployment rate declined and continued to decline for four consecutive years (FY 2003 through FY 2006). With the economy nationwide on shaky ground, unemployment rose from 3.2 percent in FY 2006 to 5.7 percent in FY 2008 as cash-strapped consumers pulled back and businesses slowed down. FY 2009 unemployment jumped to 9.1 percent as the auto industry announced it could not survive without financial help. FY 2010 unemployment continued to rise up to 12.1 percent. FY 2011 unemployment dropped to 10.5% and FY 2012 it dropped down to 9.5 percent and FY 2013 it dropped to 8.1 percent. More good news, unemployment as of April 2014 is down to 5.6 percent.

From FY 2004 through FY 2007 State wide unemployment has mirrored Hillsborough County's unemployment. FY 2008 and FY 2009 State Wide Employment rose higher than Hillsborough County's. FY 2010 was the first time in the ten years presented that the U.S. unemployment rate was lower than the County or the State, and continues to be lower through FY 2013. For these reasons, the chart continues to be classified as *Positive*.

Unemployment Rate

Hillsborough County



Hillsborough Trend

Positive

Marginal

Negative

Warning Trend
Increasing rate of local unemployment

LEGEND: Red Line – Hillsborough County **Black Line – State of Florida** **Yellow Line – United States**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Hillsborough County Unemployment Rate	4.3%	3.7%	3.2%	4.0%	5.7%	9.1%	12.1%	10.5%	9.5%	8.1%
FL Unemployment Rate	4.7%	3.8%	3.3%	4.0%	7.0%	11.0%	11.3%	10.1%	8.4%	6.9%
US Unemployment Rate	5.5%	5.1%	4.6%	4.6%	6.1%	9.8%	9.5%	9.0%	7.8%	7.2%

NOTE: April 2014 Unemployment - Hillsborough 5.6%; Florida 6.2%; United States 6.3%

SOURCE: FLORIDA RESEARCH & ECONOMIC INFORMATION DATABASE APPLICATIONS (FREIDA)

Percentages are as of September 30th

Total Construction Value

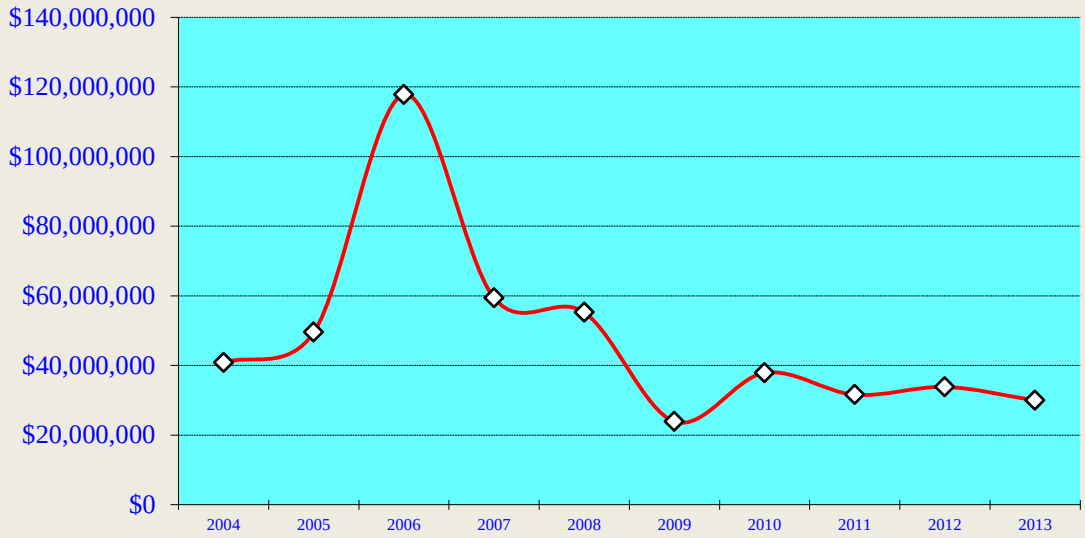
Changes in total construction value are important because these indicators describe a community's wealth and its ability to generate revenues (that is, level of personal, commercial and industrial income). On the other hand, they constitute the demands which the community will make on its government such as public safety, capital improvements and social services. Serving residential development usually costs government more than the revenue it receives. This is not true in high density residential areas occupied by middle-aged wealthy families who own expensive homes and spend generously on consumer goods, who look to the government for few services, and whose children have already left home. Commercial development pays for itself and industrial development creates surpluses.

WARNING TREND Declining constant dollar total construction

Total new construction, *in constant dollars*, had a steep increase in new construction from FY 2005 to FY 2006 as a result of residential construction, with the subdivisions Magnolia Green and Trapnell Ridge; and commercial construction of the wastewater treatment plant, The Villages, Citrus Landing Office Park and Mendonsa Commercial Center. For FY 2007 there was a dramatic down turn in new construction associated with the rapid decline in the housing industry and the financial woes of the mortgage lenders. FY 2008 was almost on par with FY 2007, despite the rapid decline in the housing industry. FY 2009 saw an even more dramatic down turn in commercial construction ($9,216,316 the lowest point in the ten year period) and to a lesser degree in residential construction ($14,672,284). FY 2010 saw a jump in total new construction despite the significant drop in residential construction. FY 2011 the decline returned as commercial construction slumped and residential rebounds. FY 2012 reflects a modest increase as residential construction drops back to the FY2010 level. FY 2013 reflects a return to the FY2009 level with residential construction down ($8,405,374 the lowest point in the ten year period). For these reasons, the chart has been reclassified from *Marginal* back to *Negative.*

Total Construction Value

In Constant Dollars (000's)



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Declining constant dollar total construction

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Construction	48,212,142	60,894,854	148,425,723	76,606,337	75,154,177	32,010,781	51,526,266	44,547,827	48,732,096	43,476,771
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Commercial Construction in Constant Dollars	40,857,747	49,508,011	117,798,193	59,384,757	55,260,424	23,888,643	37,886,960	31,594,204	33,841,733	29,983,980

NOTE: FY 2005-06 $87.5 million jump in construction was significantly aided by the $39 million addition of the Wastewater Treatment Plant.

Residential Construction Value

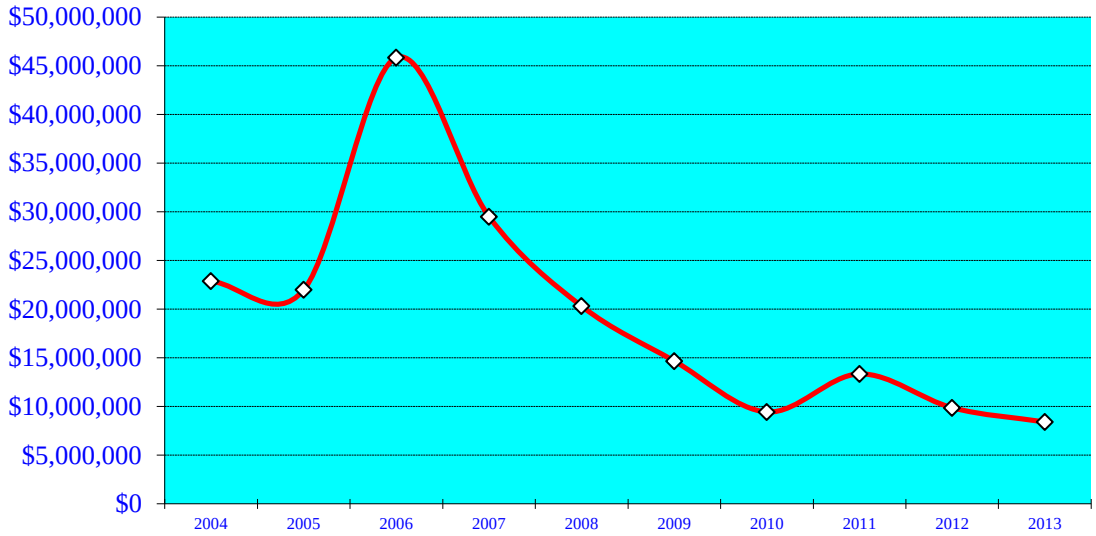
Changes in residential construction value are important because these indicators describe a community's wealth and its ability to generate revenues (that is, level of personal, commercial and industrial income). On the other hand, they constitute the demands which the community will make on its government such as public safety, capital improvements and social services. Residential development usually costs government more than the revenue receipts it receives. This is not true in high density residential areas occupied by middle-aged wealthy families who own expensive homes and whose children have already left home, spend generously on consumer goods, and who look to the government for few services.

WARNING TREND Declining constant dollar residential construction

Residential new construction, *in constant dollars*, peaked at $45,839,114 in FY 2006, with the Magnolia Green and Trapnell Ridge subdivisions. For FY 2007 there was a dramatic down turn in residential construction associated with the rapid decline in the housing industry. In FY 2008 the slump continued as a result of the financial woes of the mortgage lenders. FY 2009 continued to decline with the auto industry having to get financial help from the Federal Government in order to continue in business. FY 2010 the slump continued as a result of the very slow recovery of the nation's economy. For FY 2011 there was the beginning of a rebound with the construction back near the 2003 level. Then, in FY 2012 there was a decline back to the FY 2010 level. FY 2013 the decline continued down to $8,405,374, the lowest point in the ten year period. For these reasons, the chart continues to be classified as *Negative*.

Residential Construction Value

In Constant Dollars (000's)



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Declining constant dollar residential construction

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Residential Construction	26,980,596	27,042,015	57,757,284	38,058,808	27,607,216	19,660,861	12,839,135	18,815,478	14,213,466	12,187,792
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Residential Construction in Constant Dollars	22,864,912	21,985,378	45,839,114	29,502,952	20,299,424	14,672,284	9,440,540	13,344,311	9,870,463	8,405,374

Commercial Construction Value

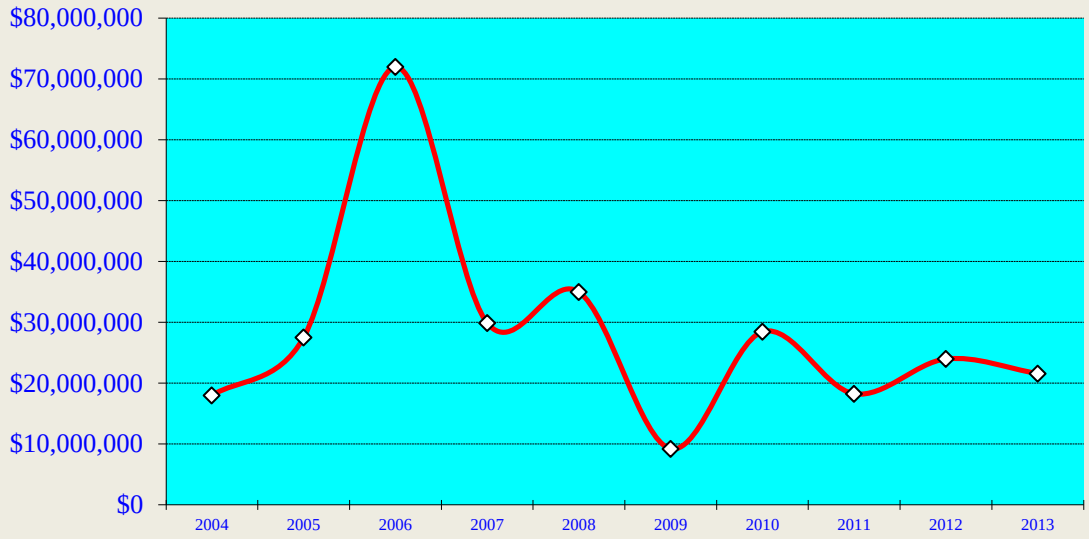
Changes in commercial construction value are important because these indicators describe a community's wealth and its ability to generate revenues (that is, level of personal, commercial and industrial income). On the other hand, they constitute the demands which the community will make on its government such as public safety, capital improvements and social services. Commercial development pays for itself and/or creates surpluses.

WARNING TREND Declining constant dollar commercial construction

Commercial new construction, like residential construction, also had a dramatic jump in FY 2006. The increase was generated by the new wastewater treatment plant, the Villages, Citrus Landing Office Park and Mendonsa Commercial Center. The wastewater treatment plant was $39 million alone. For FY 2007 there was a dramatic down turn in new construction associated with the rapid decline in the housing industry and the financial woes of the mortgage lenders. FY 2008 reflects an upward trend as a result of the new Fairfield Inn, the Publix enlargement on Jim Redman Highway, new office and bank building on Alexander Street, and a new Aviation Authority Hanger. FY 2009 saw another dramatic down turn in commercial construction with the auto industry having to get financial help from the Federal Government in order to continue in business. FY 2010 reflects an increase back to the 2003 level. FY 2011 saw another slump back down. FY 2012 reversed the trend and went back near the FY 2010 level. FY 2013 reflects a downward trend once again. For these reasons, the chart has been reclassified from *Positive* to *Negative*.

Commercial Construction Value

In Constant Dollars (000's)



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Declining constant dollar commercial construction

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Commercial Construction	21,231,546	33,852,839	90,668,439	38,547,529	47,546,961	12,349,920	38,687,131	25,732,349	34,518,630	31,288,979
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Commercial Construction in Constant Dollars	17,992,836	27,522,633	71,959,079	29,881,805	34,961,001	9,216,358	28,446,420	18,249,893	23,971,271	21,578,606

REVENUE INDICATORS

REVENUE INDICATORS

GENERAL INFORMATION

Revenues determine the capacity to provide services. Important issues to consider relative to revenues are growth, diversity, reliability, flexibility and administration. Under ideal conditions revenues will grow at a rate equal to or greater than the combined effects of inflation and expenditure pressures from new and/or expanded services. They will be sufficiently flexible (non-dedicated funding) to allow necessary adjustments in response to changing conditions. They will be diversified in their resources so as not to be overly dependent on residential, commercial or industrial land uses or on external funding sources such as federal grants or discretionary state aid. User fees would be regularly evaluated and revised to cover the true cost of providing services.

Analyzing a revenue structure will aid in identifying the following types of problems:

- Deterioration in revenue base;
- Internal procedures or legislative priorities that may adversely affect revenue;
- Over-dependence on obsolete or external revenue sources;
- User fees that are not covering the cost of providing services;
- Changes in tax burden;
- Lack of cost controls and poor revenue estimating practices;
- Inefficiency in collection or administration of revenue.

Revenue Per Capita

Examining per capita revenues shows changes in revenues relative to changes in population size. As population increases, it might be expected that revenues and the need for services would increase proportionately, and therefore that the level of per capita revenues would remain at least constant in real terms. If per capita revenues are decreasing, the government may be unable to maintain existing service levels unless it finds new revenue sources or ways to reduce costs. This assumes that the cost of services is directly related to population size.

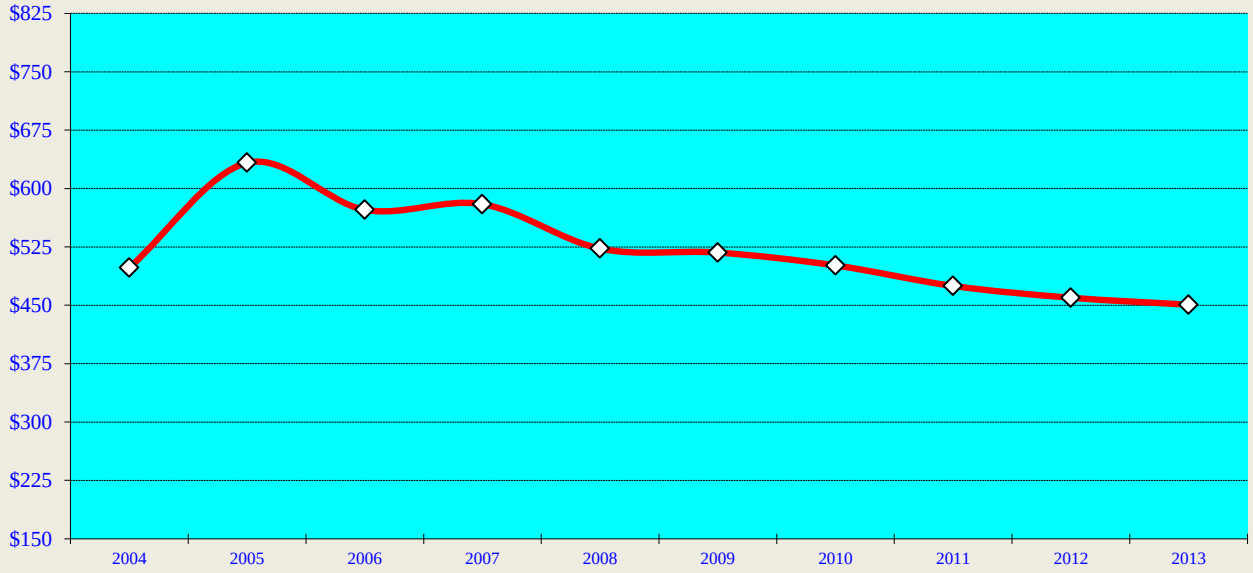
WARNING TREND Declining per capita revenue growth rate

After accounting for inflation, the City's per capita revenue in the General Fund increased from $498.39 in FY 2004 to $630.08 (a ten year high) in FY 2005, because of the debt issuance of $3,180,000 (to refinance a portion of the 1999 loan for the stadium), being recorded in the General Fund. From FY 2006 to FY 2007 revenues per capita increased slightly. From FY 2008 through FY 2013 revenues declined to a low of $450.73. For these reasons, the chart continues to be classified as Negative.

NOTE: General Fund gross operating revenues include total General Fund revenues, as well as, other financing uses (transfers in).

Revenue Per Capita - General Fund

In Constant Dollars



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Declining per capita revenue growth rate

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Gross Operating Revenue	18,938,135	25,235,808	23,693,634	24,894,362	23,819,798	23,108,396	23,667,108	23,262,502	23,145,047	23,078,863
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
In Constant Dollars	16,049,267	20,516,917	18,804,471	19,297,955	17,514,557	17,245,072	17,402,285	16,498,228	16,072,949	15,916,457
Population	32,202	32,408	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313
Operating Revenue Per Capita in Constant Dollars	498.39	633.08	572.71	579.92	522.82	517.78	501.20	474.82	459.71	450.73

Restricted Revenue

Restricted revenue is that which is legally earmarked or dedicated for a specific purpose. For example, gas tax revenue must be used for street maintenance or improvements. Grant revenue is also generally restricted to specific purposes. As a municipality's reliance on this type of revenue increases, it loses the latitude to respond to changing conditions. It also makes the municipality vulnerable to dictates from outside agencies. The restricted revenue indicator is one that has both a positive side and a negative side. Initially, an increase is positive, as operating revenue is not tapped to perform certain capital and infrastructure improvements. However, on a long term basis, it indicates that the municipality's recurring revenue sources are not sufficient to provide for necessary capital improvements.

WARNING TREND **Increasing amount of restricted revenue as a percent of operating expenses**

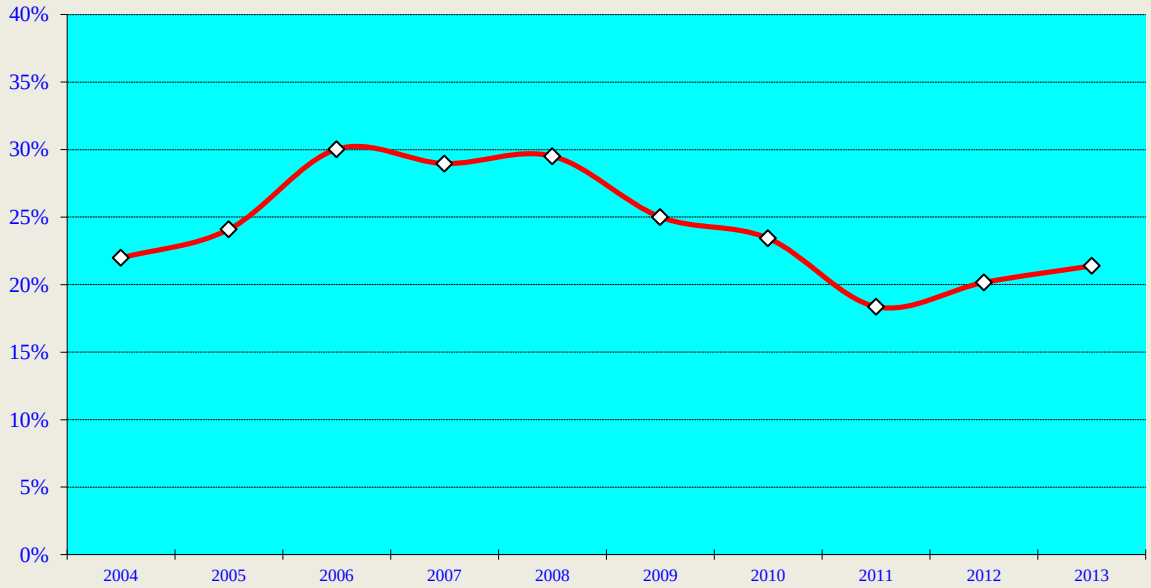
Plant City's restricted revenue in the Governmental Funds includes the General Fund, Streets and Stormwater*, Community Redevelopment Agency, Special Revenue Funds (Community Services, Community Investment Tax) and Debt Service Funds (Infrastructure Sales Tax Revenue Bonds, Stadium Loan, State Revolving Fund Loan) and Capital Projects Funds.

For FY 2011 Plant City achieved a ten year low of restricted operating revenue to net operating revenue, at 18.37 percent ratio. This was achieved as a result of restricted revenue decreasing while operating revenue also dropped. FY 2012 restricted revenues rose and operating revenues remained flat resulting in an increased ratio of 20.16 percent. The ten year high was 30.03 percent ratio of restricted operating revenue to net operating revenue in FY 2006. The increase in percent of operating revenues from FY 2005 (24.09 percent) was caused by significant additional impact fees (up $1,744,167) as a result of the impact fee for new homes going to an average of $2,627 on January 1, 2006, vs. an average of $104 prior to the fee schedule increase. Also, intergovernmental revenues increased $185,867 because of Streets and Stormwater grants. FY 2008 saw a slight increase in restricted revenues while operating revenues remained constant, thus the percentage moved up to 29.51 percent. FY 2009 saw both restricted and operating revenues decrease $2.2 million and $2.7 million respectively, resulting in a decrease to a 25.01 percent ratio. FY 2013 saw restricted revenue increase $436,987, while operating revenue only increased $367,923 which resulted in an increase in the percentage ratio (21.39%). For these reasons, the chart continues to be classified as *Marginal.*

*Effective 10-1-08, Stormwater became an enterprise fund and is excluded.

Restricted Revenue

As a Percent of Operating Revenues



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Increasing amount of restricted revenue as a percent of operating revenues

	2004	2005	2006	2007	2008	2009**	2010**	2011**	2012**	2013**
Restricted Revenue	5,320,136	6,902,690	9,658,132	9,697,707	9,877,904	7,708,440	7,240,174	5,234,618	5,843,902	6,280,889
Operating Revenue *	24,203,617	28,651,727	32,159,193	33,477,701	33,472,440	30,816,836	30,907,282	28,497,120	28,988,949	29,356,872
Restricted Revenue as a percent of Operating Revenues	21.98%	24.09%	30.03%	28.97%	29.51%	25.01%	23.43%	18.37%	20.16%	21.39%

* Includes General Fund, Streets & Stormwater, Community Redevelopment Agency and Non Major Governmental Funds.

** Excludes Stormwater Effective 10-1-08 as it is an Enterprise Fund.

Intergovernmental Revenue

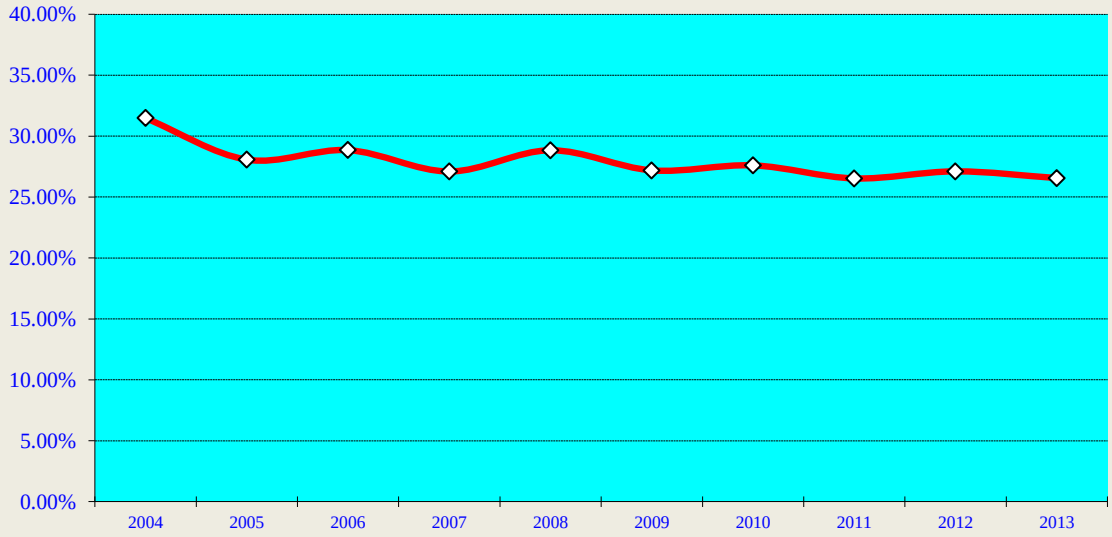
Intergovernmental revenue (revenue received from another governmental entity) is closely related to restricted revenue, in that, typically, it is intended to fund a specific activity. This is a marginal indicator, as an increasing dependence on intergovernmental revenue also provides little latitude in discretionary spending, and may be eliminated with little notice. Nevertheless, a municipality may want to maximize its use of intergovernmental revenues, consistent with its service priorities and financial condition. The primary concern in analyzing intergovernmental revenues is determining whether the local government is controlling its use of the external revenue – or whether these revenues are controlling the local government.

WARNING TREND Increasing amount of intergovernmental revenues as a percent of gross operating revenues

In FY 2005 the increase of $1,123,056 in intergovernmental revenue is due to a statutory provision affecting State Revenue Sharing Fund distribution, an increase in the half-cent sales tax revenue and FEMA reimbursements. Gross operating revenues increased $6,297,673 primarily due to the debt issuance of $3,180,000 (to refinance a portion of the 1999 loan for the stadium), being recorded in the General Fund and significant additional impact fees (up $1,744,167) as a result of the impact fee for new homes going to an average of $2,627 on January 1, 2006, vs. an average of $104 prior to the fee schedule increase. FY 2006 through FY 2013 intergovernmental revenues have continued to remain mostly stable at $6.8 million to $6.1 million while Gross Operating Revenues have continued to remain also stable at $23.0 million to $24.0 million, resulting in the percentage staying level at 26 to 27 percent. Communication Service Tax represents 23.2 percent of this revenue in FY 2013. In FY 2014 CST revenue will be shrinking. For these reasons, the chart continues to be classified as *Marginal.*

Intergovernmental Revenue

As a Percent of General Fund Revenues



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Increasing amount of intergovernmental revenues as a percent of gross operating revenues

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Intergovernmental Revenue	5,960,919	7,083,975	6,835,524	6,762,635	6,869,466	6,283,287	6,531,780	6,170,718	6,275,383	6,129,002
Gross Operating Revenue	18,938,135	25,235,808	23,693,634	24,169,994	23,819,798	23,108,396	23,667,108	23,262,502	23,145,047	23,078,863
Intergovernmental Revenue as a % of Operating Revenues	31.48%	28.07%	28.85%	27.98%	28.84%	27.19%	27.60%	26.53%	27.11%	26.56%

COMMUNICATIONS SERVICE TAX IS A LARGE PERCENT (23.2%) OF INTERGOVERNMENTAL REVENUE. FOR FY2014 AND BEYOND, THIS SOURCE OF REVENUE WILL BE SHRINKING

Property Tax Revenue Per Capita

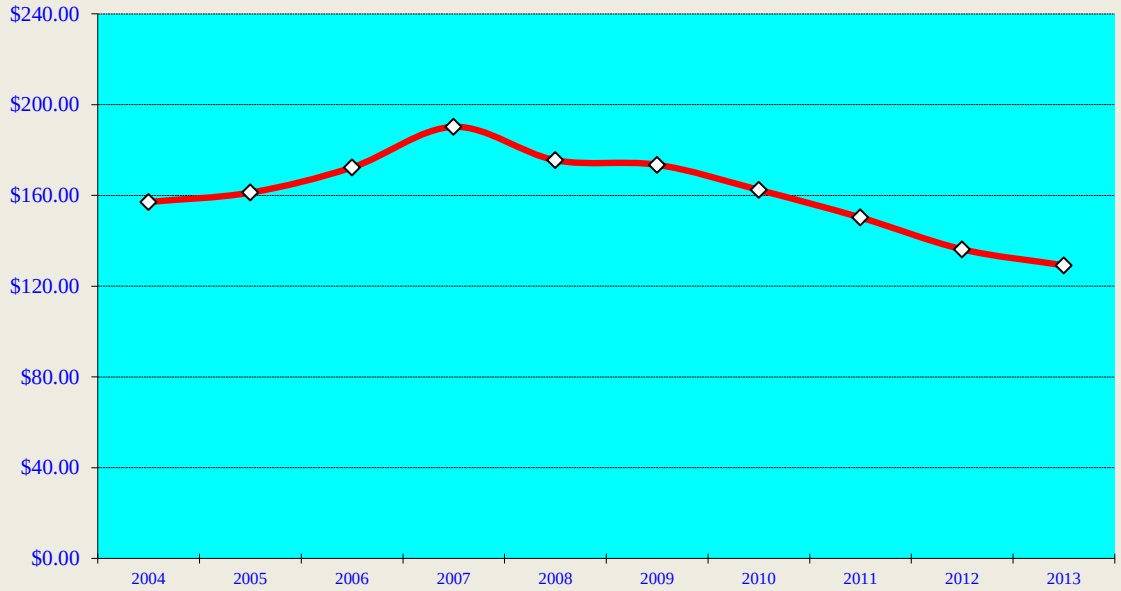
A decline or a diminished growth rate in property taxes can result from a number of causes. First, it may reflect an overall decline in property values resulting from the aging of buildings, a decline in local economic health, or a decline in total number of households, which can depress the housing market. Second, it may result from default on property taxes by property owners. Third, it may result from inefficient assessment or appraisal. Finally, a decline can be the result of changes imposed by state statute or Constitutional amendment.

WARNING TREND Declining or negative growth in property tax revenues

Plant City's property tax revenue per capita, *in constant dollars,* (after inflation) increased four years in a row. Then starting with FY 2008 property tax revenue per capita began a six year decline, down to $129.17 per capita, as a result of the economy and the devaluation in assessed property. In FY 2007 property tax revenue per capita peaked at $190.19. The millage rate had remained constant at 4.70 mills for four years (FY 2004 to FY 2007). In FY 2008 the millage was rolled back to 4.1653 mills, and the property tax revenue, *in constant dollars,* declined $449,881, while population increased, resulting in a lower per capita revenue at $175.49. In FY 2009 the millage rate was raised to 4.7157 mills, however, the property tax revenue, *in constant dollars,* declined, while population decreased, resulting in a lower per capita revenue at $173.48. FY 2010 the millage rate remained at 4.7157 mills, however the property tax revenue, *in constant dollars,* declined, while population increased (most likely as a result of the census), resulting in lower per capita revenue at $162.41. FY 2011 the millage rate remained level at 4.7157 mills; however the property tax revenue, *in constant dollars,* declined, while population remained level, resulting in lower per capita revenue at $150.24. FY 2012 the millage rate remained at 4.7157 mills, but property tax revenue, *in constant dollars,* continued to declined, while population increased, resulting in per capita revenue falling to $136.24. FY 2013 the millage rate remained at 4.7157 mills, but property tax revenue, *in constant dollars,* continued to decline, while population increased, resulting in per capita revenue dropping to the ten year low of $129.17. For these reasons, the chart continues to be classified as *Negative.*

Property Tax Revenue Per Capita

In Constant Dollars - General Fund



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Declining or negative growth in property tax revenues

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Property Tax Revenue	5,969,612	6,426,363	7,128,155	8,164,348	7,995,537	7,742,480	7,669,112	7,360,534	6,859,445	6,613,820
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Property Tax Revenue In Constant Dollars	5,058,993	5,224,685	5,657,266	6,328,952	5,879,071	5,777,970	5,639,053	5,220,237	4,763,503	4,561,255
Population	32,202	32,408	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313
Property Tax Revenue Per Capita In Constant Dollars	157.10	161.22	172.30	190.19	175.49	173.48	162.41	150.24	136.24	129.17

Uncollected Property Tax

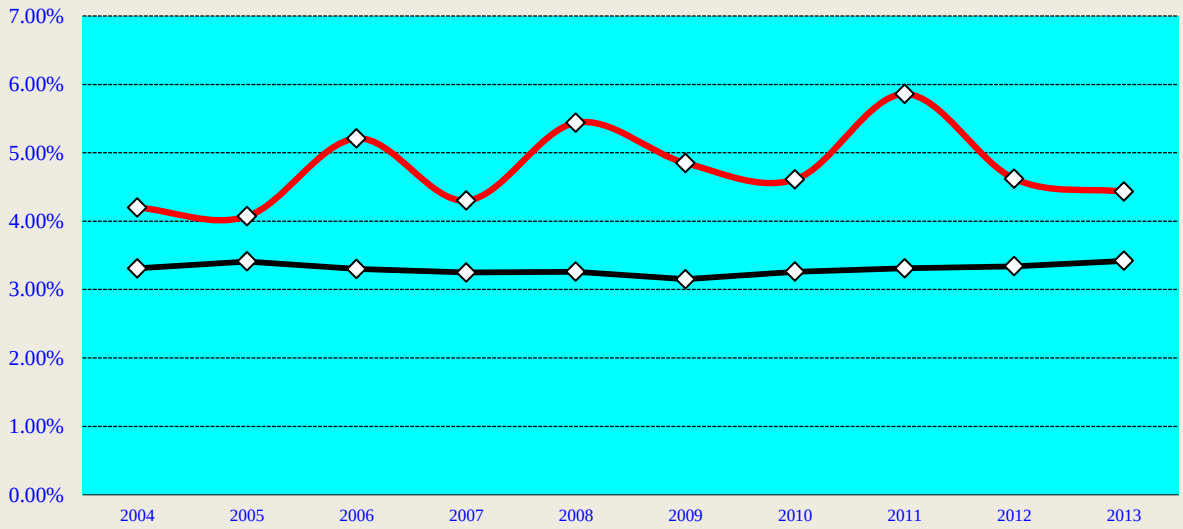
Every year, a percentage of property owners are unable to pay property taxes. If this percentage increases over time, it may indicate overall decline in the local government's economic health. Credit rating firms assume that local government will be unable to collect from 2 to 3 percent of its property taxes within the year that the taxes are due. If uncollected property taxes rise to more than 5 to 8 percent, they consider this a negative factor because it signals potential problems in the stability of the property tax base.

WARNING TREND Increasing amount of uncollected property tax as a percent of taxes levied

Uncollected property tax, as a percent of property tax levied (per the Tax Collector*), varies over the ten year period with a high of 5.86 percent in FY 2011 to a low of 4.07 percent in FY 2005. An analysis of the Property Taxes Collected shows that in addition to "Discounts Allowed", there are "Unpaid Taxes" and "Uncollectible Taxes". "Discounts Allowed" is represented by the almost flat Black Line across the middle of the chart. This represents a low of 3.15 percent (FY 2009) of the amount uncollected in property tax up to a high of 3.42% (FY 2013). These amounts are more in line with what the credit rating firms assume will be uncollected (2 to 3 percent). Please note that the difference between what the Tax Collector reports as taxes collected differs from what City reports as taxes collected. In almost every case the difference is prior year taxes collected. City property tax collected includes delinquent taxes from prior years. For FY 2013 the gross uncollected percentage dropped from 4.62 percent in 2012 to 4.43 percent in 2013. For this reason, the chart continues to be classified as *Positive.*

Uncollected Property Tax

As a Percent of Property Taxes Levied



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Increasing amount of uncollected tax as a percent of taxes levied

LEGEND: **Red - Uncollected Property Tax (per Tax collector)** **Black - "Discounts Allowed"**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Property Tax Levied*	6,455,184	6,980,585	7,944,030	9,113,747	8,978,427	8,715,356	8,636,579	7,609,030	7,078,531	6,886,142
Property Tax Collected*	6,184,293	6,696,250	7,530,510	8,721,530	8,489,886	8,292,630	8,238,211	7,163,430	6,751,422	6,581,401
Percent Uncollected	**4.20%**	**4.07%**	**5.21%**	**4.30%**	**5.44%**	**4.85%**	**4.61%**	**5.86%**	**4.62%**	**4.43%**
Discounts*	213,932	238,135	261,964	296,060	292,890	274,392	281,945	252,024	236,257	235,520
Unpaid Taxes*	22,915	11,053	69,731	77,953	178,436	114,020	82,362	163,912	51,642	47,545
Uncollectible Taxes*	34,044	35,147	81,825	18,204	17,215	34,314	34,062	29,664	39,210	21,676
Property Tax Collected**	6,233,339	6,725,238	7,536,911	8,732,982	8,609,305	8,352,068	8,378,592	7,360,534	6,859,445	6,613,820
Difference	49,046	28,988	6,401	11,452	119,419	59,438	140,381	197,104	108,023	32,419
Prior Year Taxes**	213,061	28,988	6,401	9,960	119,419	58,772	140,381	197,104	108,023	36,443

Utility Tax Revenue

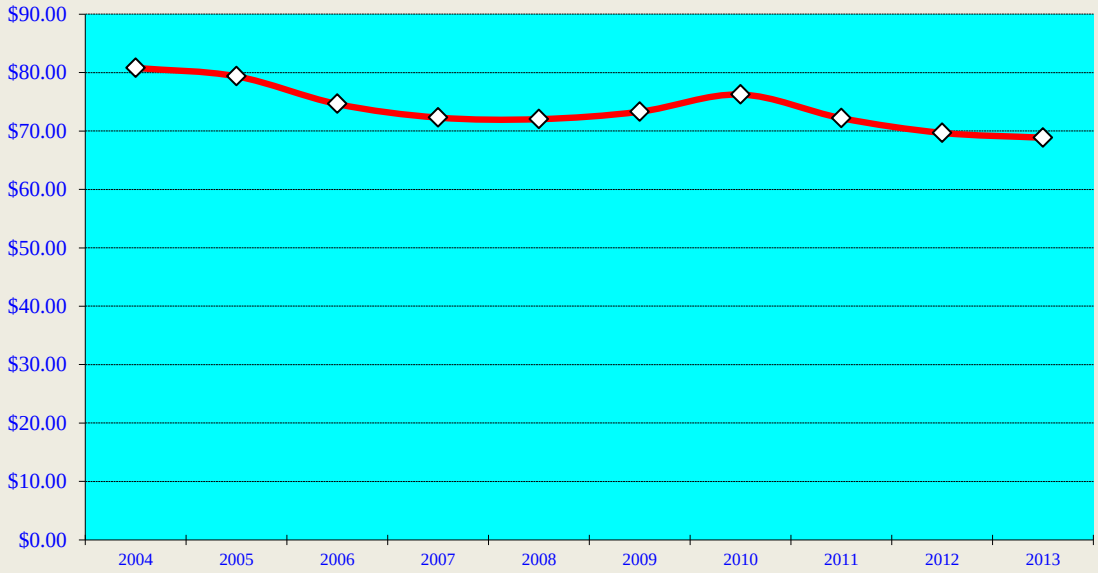
Examining per capita Utility Tax revenues shows changes in revenues relative to changes in population size. As population increases, it might be expected that revenues and the need for services would increase proportionately and therefore that the level of per capita revenues would remain at least constant in real terms. If per capita revenues are decreasing, the government may be unable to maintain existing service levels unless it finds new revenue sources or ways to reduce costs. This assumes that the cost of services is directly related to population size.

WARNING TREND Declining per capita revenue in constant dollars

This source of revenue includes Electric, Telephone, Water and Natural/Bottled Gas. FY 2005 Utility Tax Revenue is level with FY 2004 *in constant dollars.* FY 2006 saw a slight drop and leveled off through FY 2009 *in constant dollars.* FY 2010 Utility Tax Revenue increased from FY 2009 as a result of higher revenue in electric, water and bottled gas. This raised the Utility Tax Revenue per capita to $76.25. FY 2011 Utility Tax Revenue, *in constant dollars,* decreased slightly from FY 2010 and the population remained level, resulting in lowering the Utility Tax Revenue per capita to $72.20. FY 2012 revenue, *in constant dollars*, again decreased as a result of lower electric revenue, coupled with an increase in population, which resulted in further lowering the Utility Tax Revenue to $69.68. FY 2013 revenue, *in constant dollars*, again decreased as a result of level revenues, coupled with an increase in population, which further lowered the Utility Tax Revenue to a ten year low of $68.85. For these reasons, the chart continues to be classified as *Marginal.*

Utility Tax Revenue Per Capita

In Constant Dollars



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Declining per capita revenue in constant dollars

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Utility Tax Revenue	3,070,405	3,163,272	3,086,946	3,103,832	3,281,594	3,271,170	3,600,661	3,537,454	3,508,113	3,525,412
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
In Constant Dollars	2,602,038	2,571,766	2,449,957	2,406,071	2,412,937	2,441,172	2,647,545	2,508,833	2,436,190	2,431,319
Population	32,202	32,408	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313
Utility Tax Revenue Per Capita	80.80	79.36	74.62	72.30	72.03	73.30	76.25	72.20	69.68	68.85

Franchise Fee Revenue

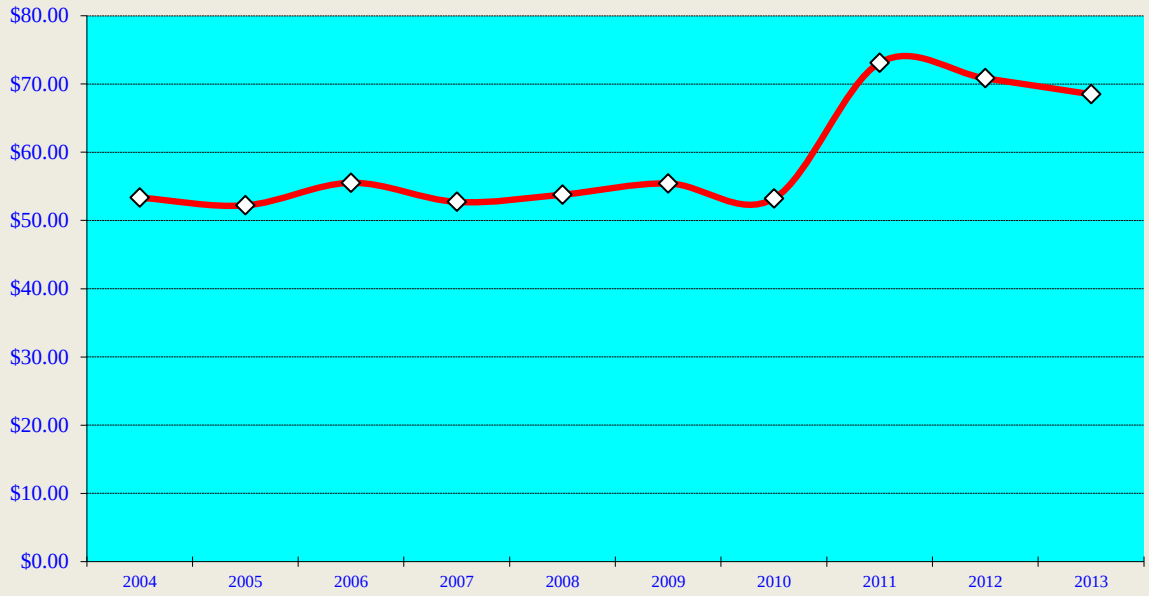
Examining per capita Franchise Fee revenues shows changes in revenues relative to changes in population size. As population increases, it might be expected that revenues and the need for services would increase proportionately and therefore that the level of per capita revenues would remain at least constant in real terms. If per capita revenues are decreasing, the government may be unable to maintain existing service levels unless it finds new revenue sources or ways to reduce costs. This assumes that the cost of services is directly related to population size.

WARNING TREND Declining per capita revenue in constant dollars

FY 2010 recorded new revenue from the gas franchise agreement. However, population increased significantly (1,415) and this resulted in a decrease in the per capita revenue down to $53.22. FY 2011 had a significant increase in gas franchise fees. Coupled with an almost level population, increased per capita revenue to a ten year high of $73.12. Effective with FY 2012 Electric Excise taxes saw lower electric revenue and resulted in a slightly lower per capita amount down to $70.84. FY 2013 again saw lower electric revenue and resulted in a slightly lower per capita amount down to $70.84. For this reason, the chart has been reclassified from *Positive* to *Marginal.*

Franchise Fee Revenue Per Capita

In Constant Dollars



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Declining per capita revenue in constant dollars

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Franchise Fee Revenue	2,027,382	2,081,123	2,297,086	2,477,595	2,450,539	2,474,062	2,512,966	3,582,448	3,566,479	3,507,254
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
In Constant Dollars	1,718,120	1,691,970	1,823,084	1,920,616	1,801,867	1,846,315	1,847,769	2,540,743	2,476,722	2,418,796
Population	32,202	32,408	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313
Franchise Fee Revenue Per Capita	53.35	52.21	55.52	57.72	53.79	55.43	53.22	73.12	70.84	68.50

EXPENDITURE INDICATORS

EXPENDITURE INDICATORS

GENERAL INFORMATION

Expenditures are a rough measure of service output. Generally, the more a government spends in constant dollars, the more services it provides. This reasoning does not take into account how effective the services are or how efficiently they are delivered.

The first issue to consider is the expenditure growth rate to determine whether an entity is living within its revenue. Most cities are required to have balanced budgets: therefore, it would seem unlikely that expenditure growth would exceed revenue growth. Nevertheless, there are a number of ways to balance an annual budget that create a long-term imbalance in which expenditure outlays and commitments exceed anticipated revenues. Some of the most common methods are utilizing bond proceeds for operations, using small amounts of intergovernmental grants, and borrowing or using reserve funds. Other ways are to defer maintenance on streets, buildings or other capital assets, defer funding of pension plan liabilities, or to finance operations through revenue windfalls.

A second issue to consider is expenditure flexibility. Flexibility refers to a municipality's ability to adjust its service levels to changing conditions. Ideally, the expenditure growth rate does not exceed its revenue growth rate, and as such, maximum flexibility to adjust spending would be available. Increases in the percentage of the budget going toward debt service, matching requirements, pension benefits, state and federal mandates, contractual agreements and maintenance of existing capital facilities usually means a decrease in the overall flexibility of spending decisions. Simply put, a city with increasing mandatory costs will be less able to adjust to change.

Operating Expenditures Per Capita

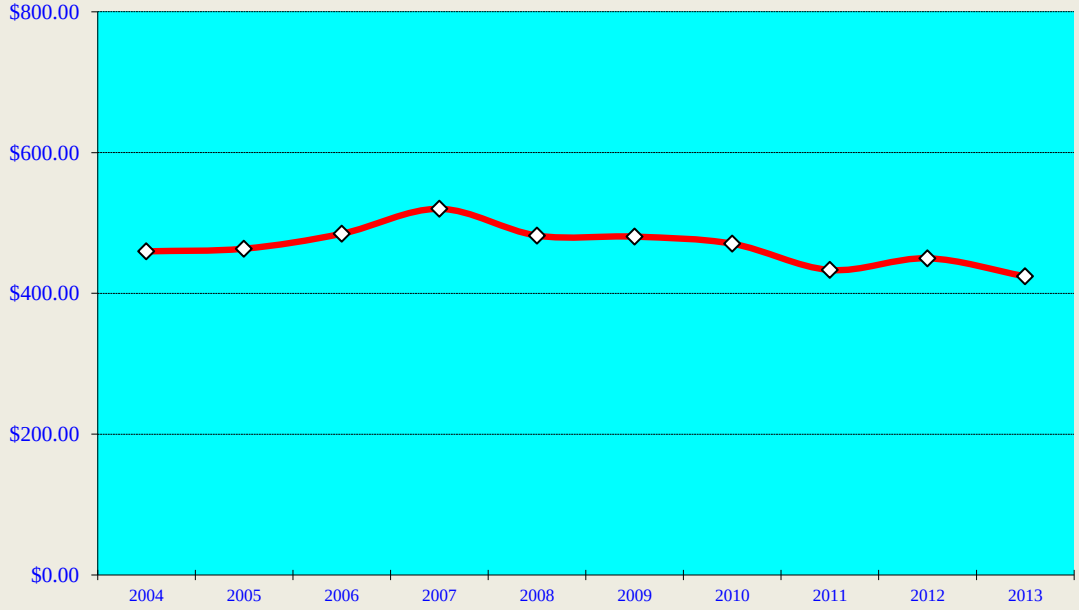
Increasing per capita expenditures can indicate that the cost of providing services is outstripping the community's ability to pay, especially if spending is increasing faster than the residents' collective personal income. If the increase in spending is greater than can be accounted for by inflation or the addition of new services, it may indicate declining productivity – that is, that the government is spending more real dollars to support the same level of services.

WARNING TREND Increasing per capita expenditures in constant dollars

Operating expenditures, in constant dollars, gradually increased through FY 2006. In FY 2007 General Fund operating expenditures increased to $17,306,611, in constant dollars, as a result of adding twenty-one General Fund positions which raised the per capita operating expenditures, in constant dollars to a new high of $520.08. However, FY 2008 and FY 2009 reflect a reversal of the trend, with expenditures being below the FY 2007 level, as a result of eleven (FY 2008) and nineteen (FY 2009) less employees in the General Fund. In FY 2010 employees decreased by thirteen, however, operating expenditures increased $768,395 due to Public Safety expenditures being $982,390 higher. FY 2011, employees decreased by thirty, while operating expenditures decreased $992,141. FY 2012 employees decreased by one, but operating expenditures increased $1,421,254, as a result of Public Safety ($792,753) and Capital Outlay ($863,151). FY 2013, employees decreased by three, and operating expenditures decreased by $985,841 for an all-time low of $424.23 per capita. For these reasons, the chart continues to be classified as *Positive*.

Operating Expenditures Per Capita

General Fund In Constant Dollars



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Increasing per capita expenditures in constant dollars

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total General Fund Operating Expenditures	17,469,730	18,475,162	20,052,242	22,325,528	21,964,802	21,450,617	22,219,012	21,226,871	22,648,125	21,722,284
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Operating Expenditures In Constant Dollars	14,804,856	15,020,457	15,914,478	17,306,611	16,150,590	16,007,923	16,337,509	15,054,518	15,727,865	14,980,886
Population	32,202	32,408	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313
Operating Expenditures Per Capita In Constant Dollars	459.75	463.48	484.70	520.08	482.11	480.63	470.54	433.27	449.84	424.23

Employees Per Thousand Citizens

Citizens demand services from local government and also provide tax revenue to pay for those services. Because personnel costs are a substantial and constant portion of any city's budget, an increasing proportion of employees to citizens might indicate declining productivity due to inefficient work protocols, use of obsolete technology, or overstaffing. On the other hand, it also might indicate citizen demand for higher levels of service.

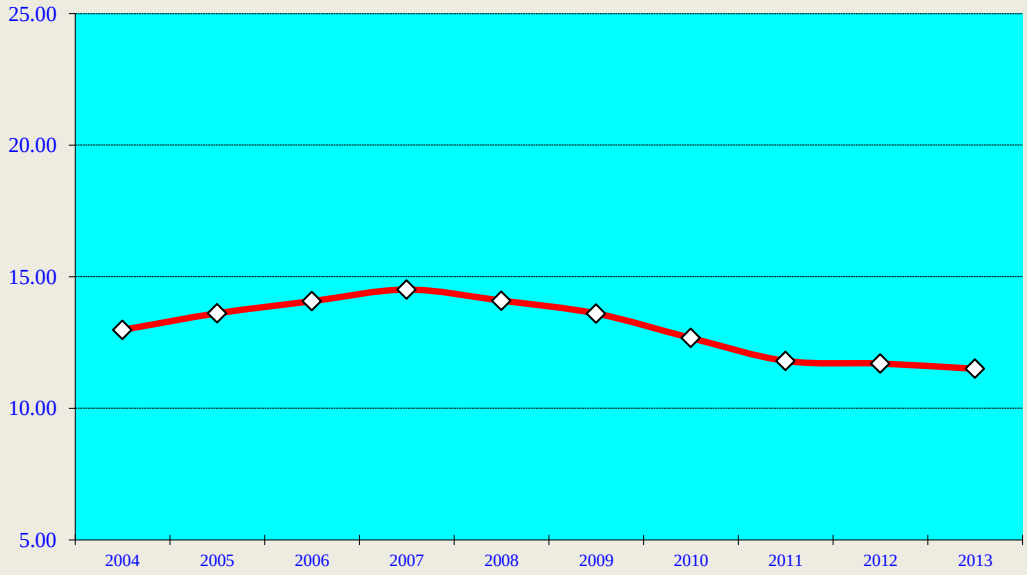
WARNING TREND Increasing number of employees per 1,000 citizens

In FY 2005, twenty-three employees were added to respond to increased service demands in Stormwater, Recreation/Parks, Engineering, Utilities and Police. In FY 2006, twenty-one employees were added to respond to increased service demands in Stormwater, Mass Transit, Sanitation, and Utilities. In FY 2007, a net of twenty-one more employees were added as Stormwater transferred six employees to Parks. The General Fund increased by twenty employees in addition to the Parks employees, and Utilities increased by one employee. FY 2008 the number of employees was reduced to 472 with reductions in the Development Services area. FY 2009 the number of employees was again reduced to 453 with reductions in Public Transit, Police and Development Services areas. FY 2010 the number of employees was again reduced to 440 with reductions in Utilities, Stormwater, Cemeteries, Fire, Recreation and Management Information Systems. FY 2011 the number of employees was again reduced to 410 with reductions in the City Manager's Office, Human Resources, Purchasing, Police, Planning, Recreation and Parks, Building, Utilities, Stormwater and Streets. FY 2012 the total employees was reduced by a net of one. FY 2013 the total employees were reduced by 3, with reductions in Development Services. For these reasons, the chart continues to be classified as *Positive*.

NOTE: Full-time employees only. No Part-time employees.

Employees Per Thousand Citizens

All Funds



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Increasing number of employees per 1,000 citizens

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Full - Time Employees	418	441	462	483	472	453	440	410	409	406
Population	32,202	32,408	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313
Employees Per 1,000 Citizens	12.98	13.61	14.07	14.51	14.09	13.60	12.67	11.80	11.70	11.50

Average Employee Salary

Salary and wages represent a significant share of operating costs, often amounting to as much as 60% of a municipality's expenditures. It also represents regularly-reoccurring cash outlays to meet a defined payroll schedule. As such it has a significant impact on a municipality's cash position throughout the fiscal year. A longer-term impact is felt when municipalities adjust their wage scales. Attracting and retaining quality employees often is a primary goal of most organizations (both public and private), and an appropriate wage scale is one tool used to accomplish this goal. Therefore, most organizations periodically adjust their wage scales to account for market conditions or competitive pressures. The challenge is to attract and retain the best employees possible while maintaining reasonable payroll costs.

WARNING TREND Consistent constant dollar increases/decreases

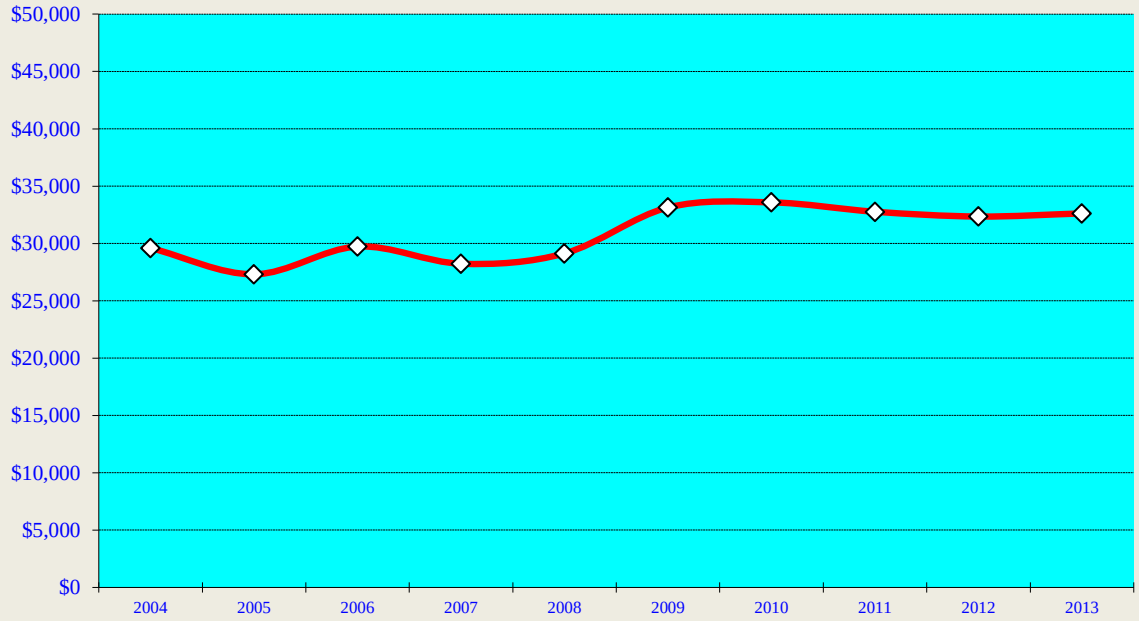
The rise in FY 2004 was caused by a 65.2 percent increase in overtime due to the three hurricanes that hit central Florida. Because of this, the average employee salary (in constant dollars) was higher in FY 2004 than in FY 2008. In FY 2005 all employees received a 3.0 percent general wage increase. In FY 2006 a 4.25 percent general wage increase was given to all employees. In FY 2007 a 4.2 percent general wage increase was granted all employees. In FY 2008 the number of full-time employees decreased by eleven and a 5.0 percent general wage increase was granted to all employees. In FY 2009 a 4.0 percent general wage increase (capped at a maximum of $2,000) was granted to all employees and the number of employees decreased by thirty. In FY 2010 no salary increases were given and the number of employees decreased by twelve. In FY 2011 no salary increases were given and the number of employees decreased by fourteen, resulting in the average salary, in constant dollars, dropping to $32,767. In FY 2012 no salary increases were given and the number of employees dropped by two, resulting in the average salary, in constant dollars, dropping to $32,351. Again, in FY 2013 no salary increases were given and the number of employees dropped by one, resulting in the average salary, in constant dollars, increasing to $32,621. For these reasons, the chart continues to be classified Positive.

NOTE: No Salary increases were given for FY 2014.

Full-time employees only. No Part-time employees.

Average Employee Salary

General Fund Only - In Constant Dollars



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Consistent constant dollar increases / decreases

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Full - Time Employees	277	290	289	315	304	274	262	248	246	245
Salaries and Wages - Less Temp Pay	9,676,747	9,742,666	10,825,734	11,472,746	12,045,586	12,167,009	11,966,549	11,458,155	11,459,991	11,588,386
Average Salary	34,934	33,595	37,459	36,421	39,624	44,405	45,674	46,202	46,585	47,300
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Average Salary Per Employee In Constant Dollars	29,605	27,313	29,729	28,233	29,135	33,138	33,584	32,767	32,351	32,621

Fringe Benefits

The most common forms of fringe benefits are pension, health insurance, vacation, sick and holiday leave, as well as deferred compensation. Benefits represent a significant share of operating costs, often amounting to more than 25 percent of employee compensation. Because the funding and recording of fringe benefits is a complex process, these costs can escalate almost unnoticed, straining the government's finances.

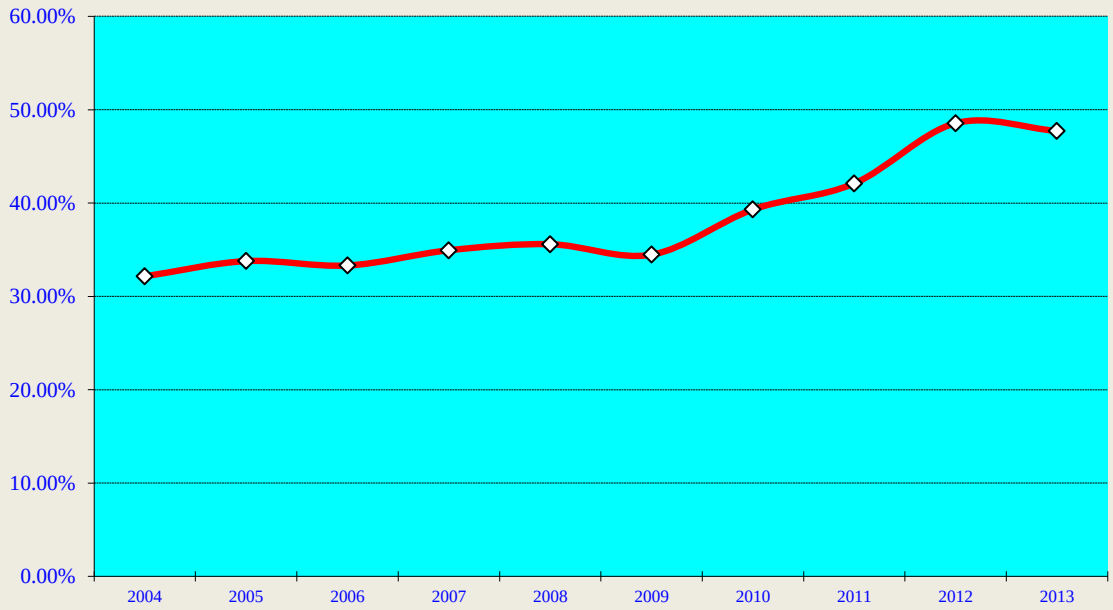
WARNING TREND Increasing fringe benefit expenditures as a percent of salaries and wages

The percentage of fringe benefits to salaries continued to gradually increase from FY 2004 through FY 2008. In FY 2009 it decreased to 34.47 percent as a result of Salaries and Wages decreasing $121,423, while Fringe Benefits decreased $93,415, caused by reductions in workers compensation ($60,786) along with a decrease in health insurance costs. Total benefit costs dropped 2.1 percent while salaries and wages increased 1.0 percent. In FY 2010 the percentage of fringe benefits to salaries reached 39.31 percent. Salaries and Wages decreased 1.6 percent while Fringe Benefits increased 13.9 percent. This increase is attributed to safety employees' pension costs. FY 2011 the percentage of fringe benefits to salaries reached 42.1 percent. Salaries and Wages decreased 4.2 percent while Fringe Benefits increased 2.5 percent. This increase is also attributed to safety employees' pension costs. FY 2012 the percentage of fringe benefits to salaries reached a ten year high of 48.55 percent. Salaries and Wages increased ever so slightly while Fringe Benefits increased 15.3 percent, due mainly to safety employee's pension costs. FY 2013 the percentage of fringe benefits to salaries decreased downward to 47.72 percent. For this reason, the chart has been reclassified from *Negative* to *Marginal.*

NOTE: Salaries & wages exclude Temporary Pay.

Fringe Benefits

As a Percent of General Fund Salaries and Wages



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Increasing fringe benefit expenditures as a percentage of salaries and wages

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Fringe Benefit Costs (GF)	3,111,464	3,291,139	3,606,517	4,008,070	4,287,327	4,193,912	4,704,622	4,823,801	5,563,292	5,529,953
Salaries and Wages - Less Temp Pay	9,676,747	9,742,666	10,825,734	11,472,746	12,045,586	12,167,009	11,966,549	11,458,155	11,459,991	11,588,386
Fringe Benefits as a % of Salaries and Wages	32.15%	33.78%	33.31%	34.94%	35.59%	34.47%	39.31%	42.10%	48.55%	47.72%

Salaries and Wages as a Percent of General Fund Expenditures

Salary and wages represent a significant share of operating costs, often amounting to as much as 60% of a municipality's expenditures. As stated on page 39, attracting and retaining quality employees often is a primary goal of most organizations (both public and private), and an appropriate wage scale is one tool used to accomplish this goal. Therefore, most organizations periodically adjust their wage scales to account for market conditions or competitive pressures. The challenge is to attract and retain the best employees possible while maintaining reasonable payroll costs. This chart differs from the Average Employee Salary chart found on page 40, which measures salaries and wages to number of employees and puts it in constant dollars, whereas this chart measures salaries and wages to total operating expenditures (which includes salaries and wages).

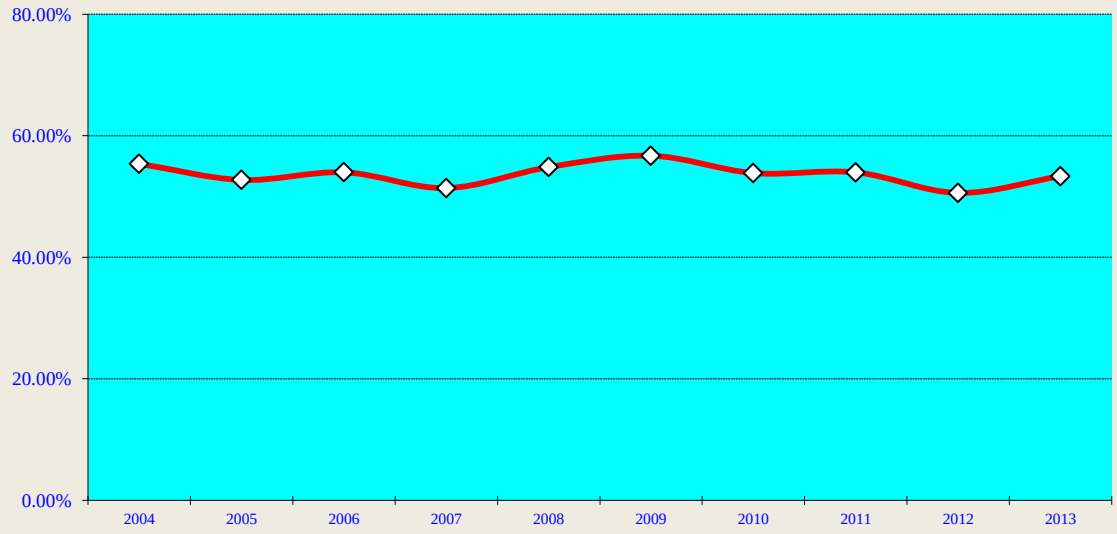
WARNING TREND Increasing salary & wage expenditures as a percent of General Fund operating expenditures

The FY 2004 increase from 54.98 percent to 55.39 percent was caused by a 65.2 percent increase in overtime due to the three hurricanes that hit central Florida. Also, all employees received a 2.5 percent general wage increase as well as pay adjustments recommended by a salary study. In FY 2005 all employees received a 3.0 percent general wage increase. In FY 2006 a 4.25 percent general wage increase was given to all employees. In FY 2007 a 4.2 percent general wage increase was granted to all employees. In FY 2008 a 5.0 percent general wage increase was granted to all employees. In FY 2009 a 4.0 percent general wage increase (capped at a maximum of $2,000) was granted to all employees. In FY 2010 no salary increases were given, wages dropped by $200,460. In FY 2011 no salary increases were given, wages dropped by $508,394. In FY 2012 no salary increases were given but wages remained at the same level because a one-time bonus, up to $750 was given to employees, and operating costs increased $1,421,254. This resulted in a drop to 50.6 percent, the lowest in the ten year period. In FY 2013 no salary increases were given but wages increased because a one-time bonus of 3.0 percent was given to employees, and operating costs dropped $925,841 resulting in a jump to 53.35 percent. For these reasons, the chart continues to be classified as *Positive*.

NOTE: No Salary increases were given for FY 2014.

Salaries and Wages

As a Percent of General Fund Expenditures



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Increasing salary & wage expenditures as a percent of General Fund operating expenditures

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Salaries and Wages - Less Temp Pay	9,676,747	9,742,666	10,825,734	11,472,746	12,045,586	12,167,009	11,966,549	11,458,155	11,459,991	11,588,386
Total General Fund Operating Expenditures	17,469,730	18,475,162	20,052,242	22,325,528	21,964,802	21,450,617	22,219,012	21,226,871	22,648,125	21,722,284
Salaries & Wages as a percent of GF Operating Expenditures	55.39%	52.73%	53.99%	51.39%	54.84%	56.72%	53.86%	53.98%	50.60%	53.35%

Total Personnel Services as a Percent of General Fund Expenditures

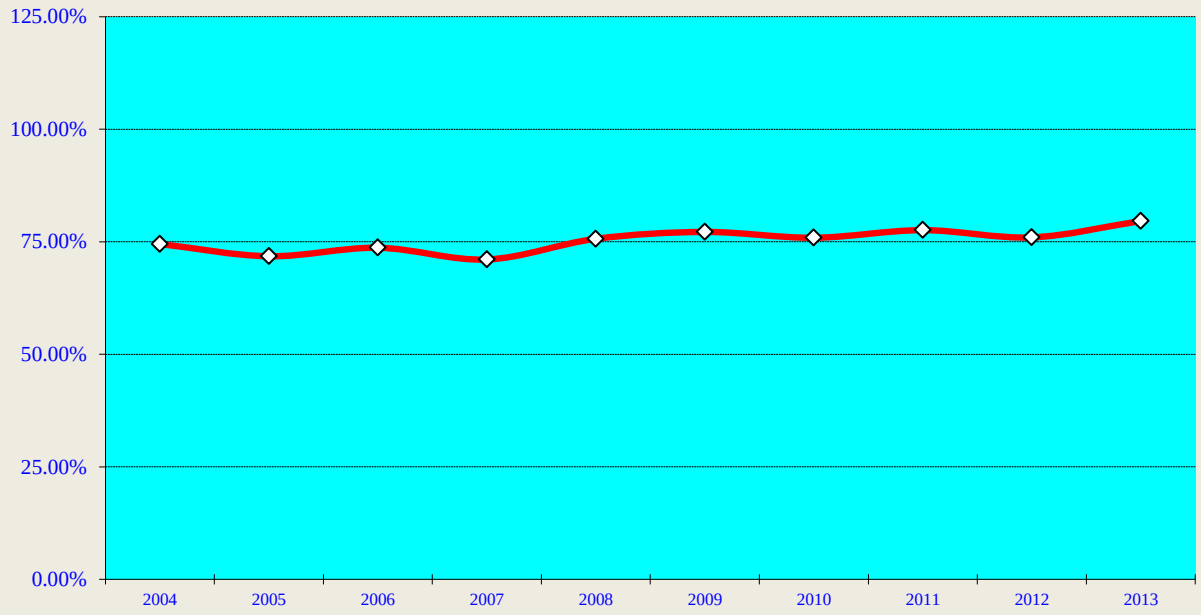
Because total personnel services are a substantial and constant portion of any local government's budget, often amounting to as much as 80 percent of operating expenditures, it is necessary to review and see that this ratio is not out of line. As stated on page 39, attracting and retaining quality employees often is a primary goal of most organizations (both public and private), and an appropriate wage scale is one tool used to accomplish this goal. Total personnel services is the combination of employee benefit costs and salaries and wages. This chart differs from the Salary and Wages chart found on page 43, which measures salaries and wages to total operating expenditures, whereas this chart measures total personal services to total operating expenditures (which includes total personnel services).

WARNING TREND Increasing total personnel services as a percent of General Fund operating expenditures

From FY 2004 the percentage of Total Personnel Services to General Fund Operating Expenditures remained at the low to mid 70 percent range through FY 2007. In FY 2008 this percentage increased to 75.65 percent. For FY 2009 the percentage once again rose to 77.18 percent. In FY 2010 the percentage dropped to 75.89 percent. For FY 2011 the percentage again increased to 77.58 percent. In FY 2012 the percentage decreased to 75.97 percent. For FY 2013 the percentage increased to 79.6 percent, the highest level in the 10 year period. The reasons for these percentage increases and decreases have already been mentioned in the previous two graphs on Salaries and Wages and Fringe Benefits. For these reasons, the chart continues to be classified as *Marginal.*

Total Personnel Services

As a Percent of General Fund Expenditures



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Increasing personnel services expenditures as a percent of General Fund operating expenditures

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Personnel Services (GF)	13,014,446	13,260,834	14,771,501	15,865,379	16,617,068	16,555,322	16,861,396	16,468,297	17,205,743	17,290,979
Total General Fund Operating Expenditures	17,469,730	18,475,162	20,052,242	22,325,528	21,964,802	21,450,617	22,219,012	21,226,871	22,648,125	21,722,284
Personnel Services as a percent of GF Operating Expenditures	74.50%	71.78%	73.67%	71.06%	75.65%	77.18%	75.89%	77.58%	75.97%	79.60%

OPERATING POSITION INDICATORS

OPERATING POSITION INDICATORS

GENERAL INFORMATION

Operating position refers to the government's ability to 1) balance the budget on a current basis, 2) maintain reserves for emergencies, and 3) maintain sufficient liquidity to pay bills on a timely basis.

An analysis of operating position can help to identify the following conditions:

- Pattern of operating deficits;
- Decline in reserves;
- Decline in liquidity;
- Ineffective revenue forecasting techniques;
- Ineffective budgetary controls.

Balancing the Current Budget

During a typical year, an entity will generate either an operating surplus or an operating deficit. An operating surplus develops when current revenues exceed current expenditures. An operating deficit develops when the reverse occurs. While operating deficits are not unusual or necessarily negative, and are usually funded from prior years' unrestricted reserves, a continuing deficit can indicate potential problems. An operating surplus or deficit may be created intentionally because it is difficult to predict precisely revenues and expenditures on an annual basis. Deficits are usually funded from unrestricted reserves; surpluses are generally used to increase unrestricted reserves.

Reserves

Reserves are built through the accumulation of operating surpluses. They are maintained for the purpose of providing a financial cushion in the event of:

- Loss of a revenue source;
- Economic downturn;
- Unanticipated expenditure demands due to natural disasters, insurance loss, etc.;
- Need for large capital expenditure or other non-recurring expense;
- Uneven cash flow.

Reserves may actually be budgeted as a contingency account, or may be reflected as part of one or more fund balances.

Operating Surplus/(Deficit) – General Fund

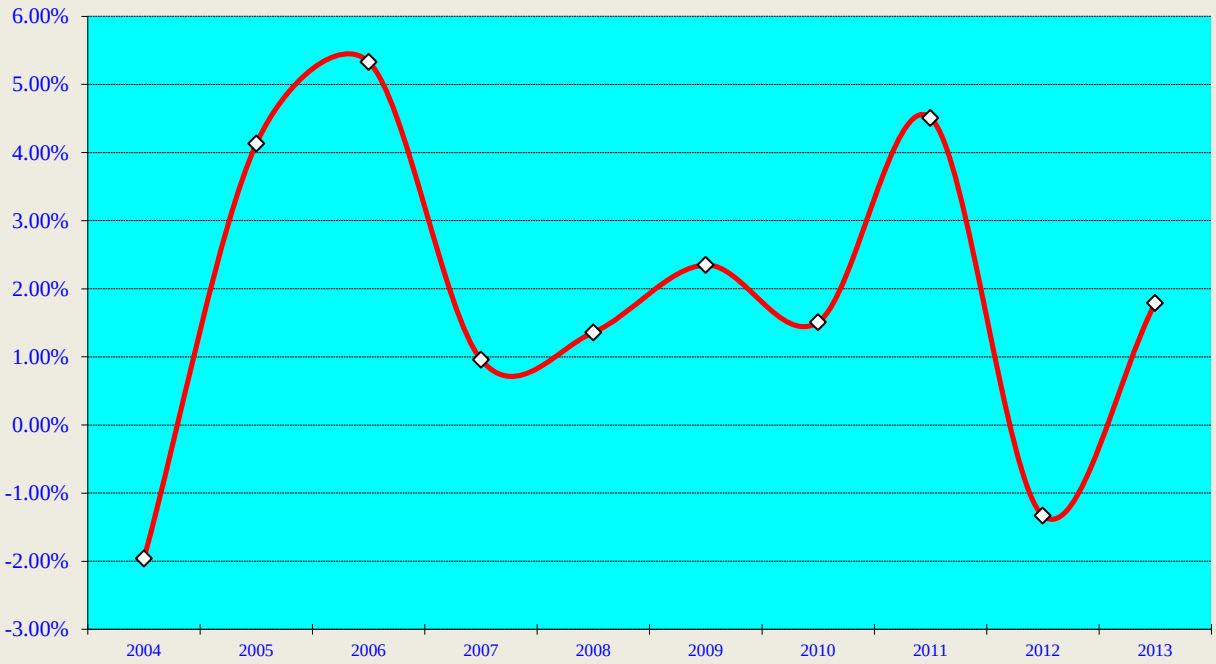
An operating surplus develops when current revenues exceed current expenditures. An operating deficit develops when the reverse occurs. This may not mean that the budget will be out of balance (budget deficit), because reserves (fund balances) from prior years can be used to cover the difference. It does mean, however, that during the current fiscal year, the government spends more than it receives. An operating deficit in any one year may not be cause for concern, but frequent and increasing deficits can indicate that current revenues are not supporting current expenditures and that serious problems may lie ahead.

WARNING TREND Consistent General Fund operating deficits as a percent of General Fund operating revenue

In FY 2004 revenues were $18.9 million and at the same time expenditures were $17.5 million. The annual transfer of $1.8 million resulted in the deficit. The FY 2005 improvement was the result of a gross surplus of $3.3 million reduced by annual transfers of $2.5 million. The improvement in FY 2006 was the result of the sale of capital assets in the amount of $1.2 million. FY 2007 had a gross surplus of $1.5 million, but the annual transfer of $2.0 million (partially offset by the sale of Capital Assets) reduced the surplus to $0.2 million. FY 2008 reflected a gross surplus of $1.6 million reduced by transfers of $1.3 million down to $0.3 million. For FY 2009 a gross surplus of $1.6 million was reduced by transfers of $1.4 million (partially offset by the sale of capital assets of $0.3 million) down to $0.5 million. For FY 2010 a gross surplus of $1.5 million was reduced by transfers of $1.1 million down to $0.4 million. FY 2011 a gross surplus of $2.0 million was reduced by transfers of $1.0 million down to $1.0 million. FY 2012 a gross surplus of $0.5 million was erased by transfers of $0.9 million, offset partially by the sale of capital assets. This resulted in a negative surplus of $0.3 million, lowering the percentage of surplus vs. operating revenue to minus 1.33 percent. FY 2013 a gross surplus of $1.4 million was partially erased by transfers of $0.9 million, raising the percentage of surplus vs. operating revenue to 1.79 percent. For this reason, the chart is being reclassified from *Negative* to *Positive*.

Operating Surplus/(Deficit) - General Fund

As a Percent of General Fund Operating Revenue



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Consistent General Fund operating deficits as a percentage of General Fund operating revenue

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating Surplus / (Deficit)	(370,026)	898,486	1,198,241	229,368	321,501	542,848	357,659	1,048,815	(307,727)	413,135
Operating Revenue	18,883,481	21,749,037	22,501,061	23,779,994	23,594,536	23,108,396	23,667,108	23,262,502	23,145,047	23,075,983
Surplus (Deficit) as a percent of Operating Revenue	-1.96%	4.13%	5.33%	0.96%	1.36%	2.35%	1.51%	4.51%	-1.33%	1.79%

Unassigned Fund Balance - General Fund

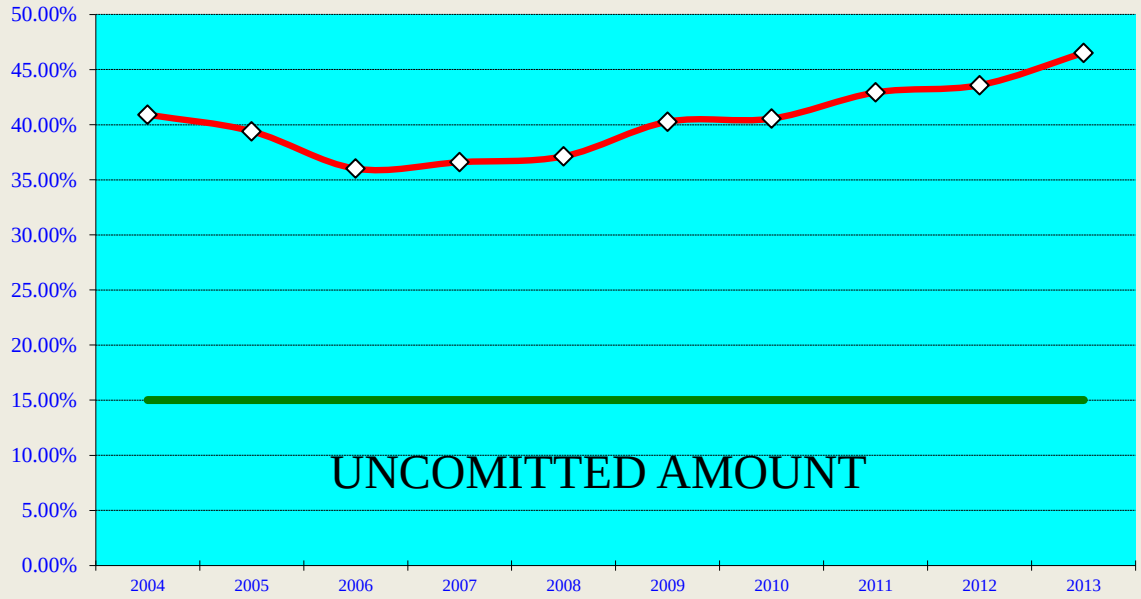
The General Fund fund balance is also known as reserves, although the "fund balance" in the Annual Financial Report is not always synonymous with "available for appropriation." The report may show reservations on the fund balance, such as "Reserve for Prior Year's Encumbrances". The size of a government's reserves can affect its ability to withstand financial emergencies. It is generally accepted that a fund balance of 10 to 15 percent (green bar on chart) is adequate for contingencies.

WARNING TREND Decreasing unassigned fund balance as a percent of General Fund operating revenue

The City of Plant City continues to maintain a healthy General Fund reserve per the Annual Financial Statement. The Annual Financial Statements only recognize as "unassigned" that which is encumbered by a purchase order. It does not recognize funds carried forward to the new fiscal year, nor the budget appropriation utilized to balance the new year's budget. The FY 2007 unassigned fund balance of $8.7 million did not reflect the Fleet Replacement account reserve of $1.0 million nor the $3.8 million appropriation to balance the FY 2008 budget. The FY 2008 unassigned fund balance of $8.8 million does not reflect the $2.8 million appropriation to balance the FY 2009 budget. The FY 2009 unassigned fund balance of $9.3 million does not reflect the $2.1 million appropriated to balance the FY 2010 budget. The FY 2010 unassigned fund balance of $9.6 million does not reflect the $2.0 million appropriated to balance the FY 2011 budget. The FY 2011 unassigned fund balance of $10.1 million does not reflect the $2.2 million appropriated to balance the FY 2012 budget. The FY 2013 unassigned fund balance of $10.7 million does not reflect the $2.8 million appropriated to balance the FY 2014 budget. Plant City has maintained a General Fund reserve in excess of 36 percent over the last ten years, with a high of 46.52 percent in FY 2013. For these reasons the chart continues to be classified as *Positive*.

Unassigned Fund Balance - General Fund

As a Percent of General Fund Operating Revenue



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Decreasing unassigned fund balance as a percentage of general operating revenue

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Unassigned Fund Balance	7,725,527	8,569,732	8,103,702	8,702,617	8,760,962	9,304,850	9,597,687	9,985,963	10,088,069	10,735,999
Operating Revenue	18,883,481	21,749,037	22,501,061	23,779,994	23,594,536	23,108,396	23,667,108	23,262,502	23,145,047	23,075,983
Unassinged Fund Balance as a percent of Net Operating Revenue	40.91%	39.40%	36.01%	36.60%	37.13%	40.27%	40.55%	42.93%	43.59%	46.52%

Note: Green Bar denotes 15 percent level - considered healthy fund balance

Water and Sewer Enterprise Fund Operations

Enterprise losses are a special and highly visible type of operating deficit because enterprise fund programs are expected to function as if they were commercially operated private entities, rather than governmental "not for profit" entities. This means that the costs of providing services to the public are to be recovered through user charges. Enterprise operations are typically subject to the laws of supply and demand. Raising rates may cause revenues to actually decrease because customers limit their use of the service.

WARNING TREND Consistent enterprise fund losses

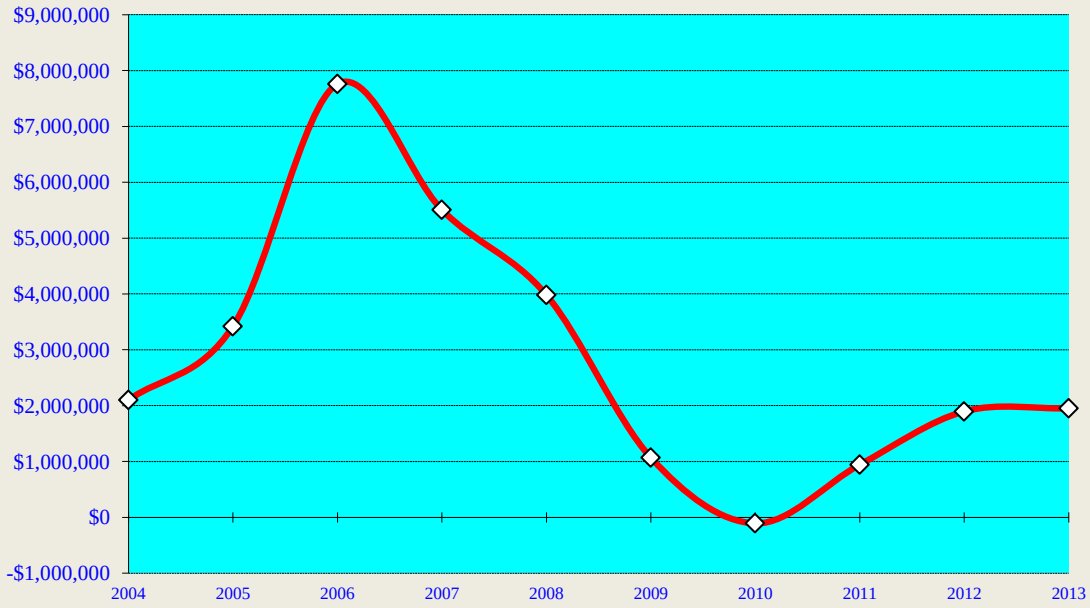
The Administration had recommended and beginning in April 2004, rates were increased an average of 3 percent for water and 9 percent for sewer. Furthermore, rates were indexed to increase each October 1 in FY 2005 through FY 2008 at an average of 3 percent for water and 9 percent for sewer each year. The indexed increases were the result of a planned upgrade to the wastewater treatment plant, which was funded with a $29.2 million bond issue in FY 2005 and a $16.8 million bond issue in FY 2006 and a $9.7 million bond issue in 2008. FY 2007 net income (in constant dollars) dropped to $5.5 million as a result of a $3.0 million decrease in grant revenue. FY 2008 net income (in constant dollars) dropped to $4.0 million as a result of approximately $0.5 million less in grant revenue and $0.84 million less in interest income. FY 2009 net income (in constant dollars) dropped to $1.1 million as a result of lower water and sewer sales ($560,000) and industrial waste ($580,000) and higher debt service costs of $1.3 million. FY 2010 a loss (in constant dollars) of $0.1 million was recorded for the same reasons as FY 2009. FY 2011 a profit of almost $1.0 million (in constant dollars) returned. Revenues were up $0.4 million and operating expenses were down $1.1 million. FY 2012 a profit of almost $1.9 million (in constant dollars) was twice the gain in FY 2011. FY was a repeat FY 2012. For these three reasons, the chart continues to be classified as *Positive*.

NOTES

1. For years the City has operated an enterprise fund for land development, called Industrial Park. Most of the land has been sold and developed, and for the most part is no longer a functioning enterprise fund, and as such, has not been included in this trend analysis. 2. For Fiscal year 2009 the City transferred the stormwater department out of the Streets and Stormwater Fund, which was a governmental fund, and created a new enterprise fund called Stormwater Fund. With only five years, it is not included in this trend analysis.

Water and Sewer

Constant Dollar Profit (Loss)



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Consistent enterprise fund losses

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Profit (Loss)	2,480,111	4,205,628	9,776,799	7,103,757	5,415,537	1,433,690	(144,179)	1,331,969	2,732,930	2,831,484
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Profit (Loss) In Constant Dollars	2,101,789	3,419,210	7,759,364	5,506,788	3,982,013	1,069,918	(106,014)	944,659	1,897,868	1,952,748

Sanitation Enterprise Fund Operations

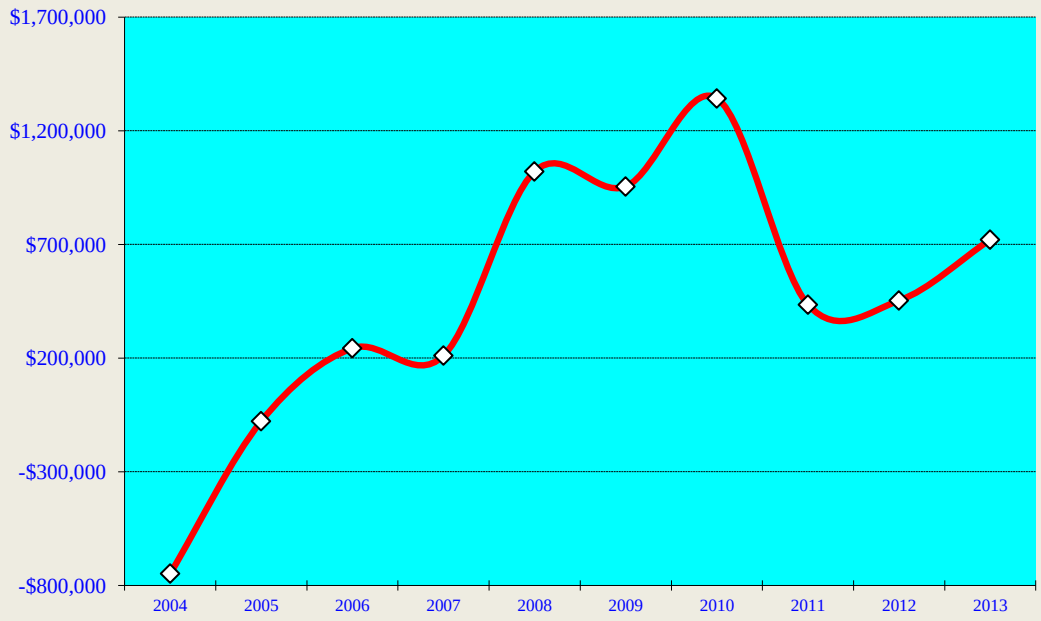
Enterprise losses are a special and highly visible type of operating deficit because enterprise fund programs are expected to function as if they were commercially operated private entities, rather than governmental "not for profit" entities. This means that the costs of providing services to the public are to be recovered through user charges.

WARNING TREND Consistent enterprise fund losses

In the early 1990's, the State required the City to cap the Sparkman Road landfill at a cost of over $1.0 million. As a result, rates were raised 15% in FY 1992 to $18.34 per month. When the landfill was capped, rates remained at the same level in order to absorb the City's share of potential costs for the mitigation of the Taylor Road landfill and Peak Oil litigation. Sanitation net income spiraled downward from a net profit *in constant dollars* of $583,224 in FY 1997 to a loss *in constant* dollars of $748,191 in FY 2004. The loss in FY 2004 was the result of cleanups from three hurricanes, in the amount of $600,000. It should be noted that these funds were recovered from FEMA in FY 2005. As recommended by the Administration, effective October 1, 2005 the City increased rates 21.3 percent and another 8 percent each year on October 1, 2006, 2007, and 2008. A 5 percent increase was scheduled for 2009, 2010, 2011, 2012 and 2013, but these were not put into effect. The earlier rate increases resulted in a net profit for FY 2006 and FY 2007. An accounting change was made in FY 2007 with the Equipment Replacement Fund becoming a stand alone fund, which had been a part of the Sanitation Fund, and reduced net income by $523,681. FY 2008 revenues increased $586,000 and expense increased $143,000. FY 2009 revenues increased $187,000 and expense decreased $628,000, but this was offset by an $865,000 transfer. FY 2010 revenues dropped $143,513 and expenses dropped $141,657 offsetting the lower revenue. FY 2011 revenues dropped $161,730 and expenses increased $213,296 decreasing profit. FY 2012 revenues dropped $180,000 and expenses increased $261,000 while were transfers almost $500,000 less than in FY2011which resulted in a gain in profit. FY 2013 revenues increased $189,227 and Non-operating revenue increased $206,565, while expenses decreased $307,407. This resulted in a $268,183 gain in profit (in constant dollars) for FY 2013. For all of these reasons, the chart continues to be classified as *Positive.*

Sanitation

Constant Dollar Profit (Loss)



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Consistent enterprise fund losses

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Profit (Loss)	(882,865)	(95,176)	306,663	272,229	1,389,250	1,279,808	1,826,139	613,472	652,937	1,046,336
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Profit (Loss) In Constant Dollars	(748,191)	(77,379)	243,383	211,030	1,021,507	955,081	1,342,749	435,087	453,428	721,611

Liquidity Ratio

Liquidity refers to the flow of cash in and out. Revenues are received in large installments at infrequent intervals during the year. If revenues are received before they need to be spent, a positive liquidity or cash flow is present. It is advantageous to maintain some excess liquidity or "cash reserves" as a cushion in the event of an unanticipated delay in the receipt of revenues, an unexpected decline or loss of a revenue source, or an unanticipated need to make a large expenditure.

A good measure of a local government's short-term financial condition is its cash position. Cash position, which includes cash on hand and in the bank, as well as other assets that can be easily converted to cash, determines a government's ability to pay its short-term obligations. This is also known as liquidity, and the immediate effect of insufficient liquidity is insolvency – the inability to pay bills. Entities use a standard ratio of liquidity by dividing cash, short-term investments and accounts receivable by current liabilities. Industry benchmarks state that a ratio of less than 1.0 would indicate the entity could be facing liquidity problems.

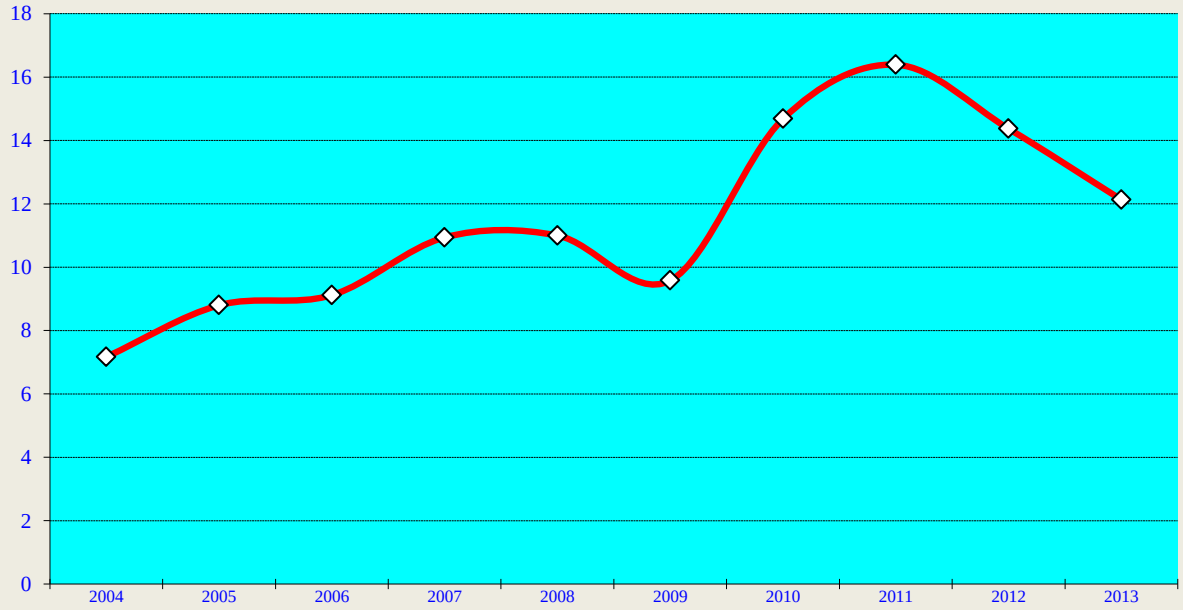
WARNING TREND Declining ratio of liquid assets to current liabilities and a ratio of less than 1.0

FY 2011 the liquidity ratio reached a ten year high of 16.39. FY 2013 Cash and Liquid Assets increased while Current Liabilities also increased resulting in a drop in the ratio to 12.13.

The City's liquidity ratio has consistently been above 7.17 throughout the ten year period. For this reason, the chart continues to be classified as *Positive.*

Liquidity Ratio

General Fund



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Declining ratio of liquid assets to current liabilities and ratio of less than 1.0

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Cash and Liquid Assets	11,112,931	11,774,696	13,066,595	13,063,004	13,361,913	14,220,205	14,054,714	15,028,814	14,803,800	15,484,956
Current Liabilities	1,550,399	1,338,137	1,432,388	1,193,614	1,215,084	1,483,849	957,481	917,036	1,030,434	1,276,130
Liquidity Ratio	7.17	8.80	9.12	10.94	11.00	9.58	14.68	16.39	14.37	12.13

DEBT INDICATORS

DEBT INDICATORS

GENERAL INFORMATION

Debt is an effective method of financing capital improvements, and may even be used to stabilize short-term revenue fluctuations. Its misuse can cause serious financial problems. Even a temporary inability to repay can result in loss of credit rating and increased cost of future borrowing.

The most common forms of long-term debts are general obligations, special obligations and revenue bonds. Even when these types of debt are used exclusively for capital projects, the outstanding debt can not exceed the ability to repay as measured by the wealth of the community in the form of property value or personal and business income. Another method to evaluate ability to repay is to consider the amount of principal and interest or "debt service" that is obligated to be repaid each year

Under the most favorable circumstances, debt should be proportionate in size and growth to the tax base, not extend beyond the useful life of the facilities which it finances, not be used to finance or balance the operating budget, not require a repayment schedule which places an inordinate strain on the City's operating budget, and not be so high as to jeopardize the government's credit rating.

An examination of debt structure may reveal the following conditions:

- Inadequacies in cash management procedures;
- Inadequacies in expenditure controls;
- Increasing reliance on long-term debt;
- Decreases in expenditure flexibility due to increased fixed costs in the use of short-term debt to finance operation.
- Use of short-term debt to finance operations.

Reserves may actually be budgeted as a contingency account, or may be reflected as part of one or more fund balances.

Current Liabilities

Current liabilities are defined as the sum of all liabilities due at the end of the fiscal year, including short term debt, and the current portion of long term debt.

WARNING TREND Increasing current liabilities as a percent of operating revenues

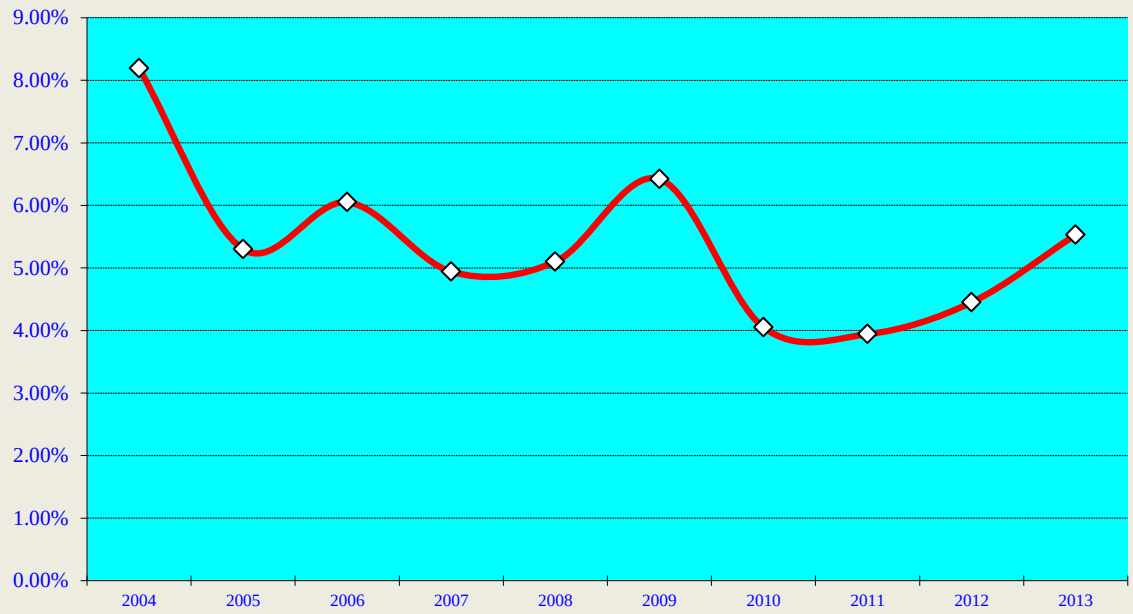
Current liabilities for Plant City include:

Accounts Payable
Due to Other Funds
Due to Other Governments
Deferred Revenue
Advances from Other Funds
Customer Deposits

The low percentage of current liabilities to General Fund operating revenues continues to climb through FY 2013. For this reason, the chart has been reclassified from *Positive* to *Marginal.*

Current Liabilities

As a Percent of General Fund Operating Revenue



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Increasing current liabilities as a percentage of operating revenues

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Current Liabilities	1,550,399	1,338,137	1,432,388	1,193,614	1,215,084	1,483,849	957,481	917,036	1,030,434	1,276,130
Gross Operating Revenue	18,938,135	25,235,808	23,693,634	24,169,994	23,819,798	23,108,396	23,667,108	23,262,502	23,145,047	23,075,983
Current Liabilities as a percent of Operating Revenue	8.19%	5.30%	6.05%	4.94%	5.10%	6.42%	4.05%	3.94%	4.45%	5.53%

Long Term Debt Per Capita

Long term debt of a government includes both net direct debt (bonded debt which the government has pledged its full faith and credit to levy ad valorem taxes) and self-supporting debt (bonded debt that the government has pledged to repay from revenue sources separate from its ad valorem tax revenue).

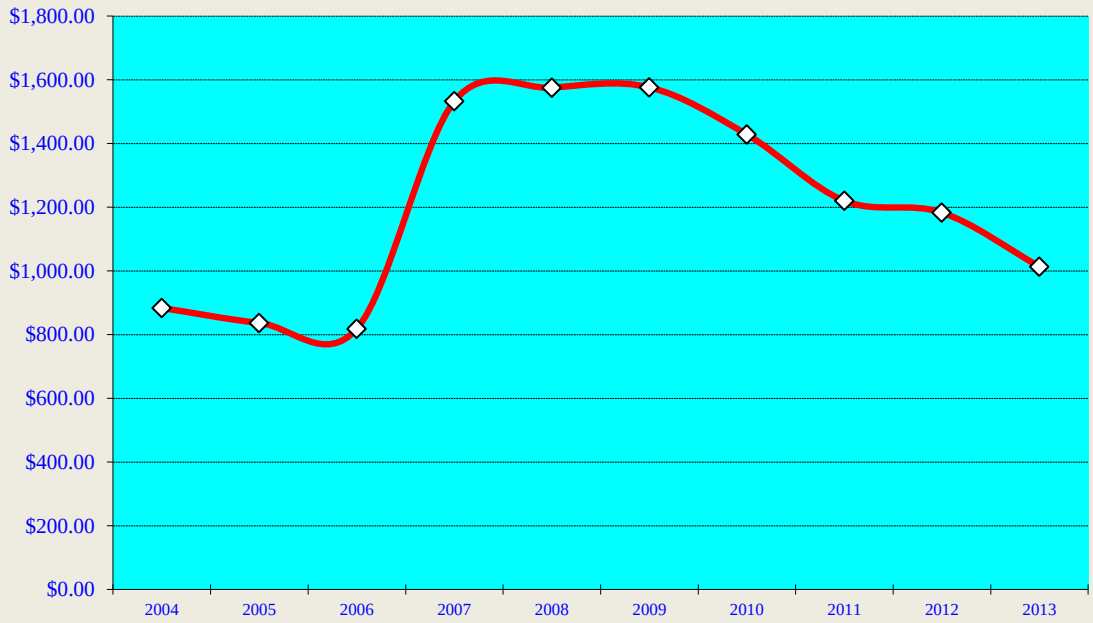
WARNING TREND **Increasing amount of long term debt per capita in constant dollars**

Plant City's long term debt consists of bonded debt that the City has pledged revenue sources separate from its ad valorem tax revenue (self-supporting debt). In FY 2007 $33,261,667 in debt was recorded for the upgrade and expansion of the wastewater treatment plant. Also, Capital leases increased $318,604 for a Fire Pumper Truck. In FY 2008 $10,487,541 was recorded for the wastewater treatment plant, which became operational October 2008. In FY 2009 $2,465,740 was recorded for the completion of the wastewater treatment plant, which was completely offset by the decrease for the debt service payments. In FY 2010 the 1999 Infrastructure Sales Tax Bonds were refunded with a $4.61 million Note Payable maturing September 1, 2024. The 1999 Utility Bonds were refunded with a $7.045 million Refunding Bond issued in 2010 and maturing October 1, 2020. In FY 2011 Long Term Debt drops to $69.3 million with a per capita debt of $1,219.93, in constant dollars, a reduction of $208.58 from the previous year. FY 2012 Long Term Debt dropped $3.9 million with a per capita debt of $1,183.33 in constant dollars. FY 2013 Long Term Debt dropped $10.9 million with a per capita debt of $1,013.73, in constant dollars. This was accomplished by paying off two bond issues in Water and Sewer. For these reasons, the chart continues to be classified *Positive.*

A detailed listing of that debt follows immediately past the chart on Long Term Debt as a percent of Assessed Valuation. See pages 63, 64 and 65.

Long Term Debt Per Capita

In Constant Dollars



Plant City Trend

Positive

Marginal

Negative

Warning Trend

Increasing amount of long term debt per capita in constant dollars

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Long Term Debt	36,319,517	36,120,624	36,643,415	68,620,639	77,355,908	75,951,043	72,108,896	69,351,916	65,371,401	54,440,717
Reserve for Debt Srvice	2,739,409	2,762,074	2,777,853	2,802,037	5,571,270	5,586,965	4,653,832	4,424,989	5,794,868	2,533,853
Net Long Term Debt	33,580,108	33,358,550	33,865,562	65,818,602	71,784,638	70,364,078	67,455,064	64,926,927	59,576,533	51,906,864
CPI	1.18	1.23	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45
Constant Dollars	28,457,719	27,120,772	26,877,430	51,022,172	52,782,822	52,510,506	49,599,312	46,047,466	41,372,592	35,797,837
Population	32,202	32,408	32,834	33,277	33,500	33,306	34,721	37,746	34,963	35,313
Long Term Debt Per Capita	883.73	836.85	818.59	1,533.26	1,575.61	1,576.61	1,428.51	1,219.93	1,183.33	1,013.73

Long Term Debt

Plant City's long term debt consists of bonded debt that the City has pledged revenue sources separate from its ad valorem tax revenue.

INFRASTRUCTURE SALES TAX REVENUE BONDS

2004 Series Bonds

Issued March 15, 2004 in the amount of $5,340,000. Used to pay the cost of the re-construction and equipping of buildings into a police station, a general services facility and a fleet maintenance facility. This issue was partially refunded by the Non-Ad Valorem Refunding Revenue Note, Series 2012, with final payment on the remaining balance on September 1, 2014.

Non-ad Valorem Refunding Revenue Notes Payable

2010 Series Note

Issued June 3, 2010 in the amount of $4,610,000. Used to refund the Infrastructure Sales Tax Revenue Bonds, Series 1999 and towards the cost of street resurfacing. The 1999 bonds were used finance the construction and acquisition of a new City Hall.

2012 Series Note

Issued November 1, 2012 in the amount of $3,290,000. Used to advance refund the principal amount of the City's Infrastructure Sales Tax Revenue Bonds, Series 2004 and to pay the costs of issuance. Interest is payable semi-annually at a rate of 2.035% with final maturity on September 1, 2024.

FLORIDA MUNICIPAL LOAN COUNCIL REVENUE BONDS

2005 Series bonds

Issued May 26, 2005 in the amount of $3,180,000. Used to refund a portion of the Florida Municipal Loan Council Revenue Bonds, Series 1999, which mature on November 1, 2010, through November 1, 2019. Final maturity November 1, 2019. (Paid from County Tourist Tax Revenues).

Long Term Debt

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STATE REVOLVING FUND LOANS

1999 Loan

Agreement dated June 30, 1999 in the amount of $405,530. Used to construct the Pistol Range and Regional Stormwater Treatment Facility in agreement with the Westside Canal Stormwater Management Master Plan. Final maturity August 15, 2020. (Paid from Stormwater Utility fees)

2003 Loan

Agreement dated March 17, 2003 in the amount of $509,313. Used to fund land costs for the Grant/Hunter Pond Contract in agreement with the Westside Canal Stormwater Management Master Plan. Final maturity April 15, 2023. (Paid from Stormwater Utility fees)

2005 Loan

Agreement dated July 7, 2005 in the amount of $2,670,199. Used to finance the expansion and upgrading of the wastewater treatment plant. Final maturity on July 15, 2028. (Paid from revenues of water and sewer system)

2006 Loan

Agreement dated January 18, 2006 in the amount of $40,000,000. Used to finance the expansion and upgrading of the wastewater treatment plant. Final maturity on July 15, 2028. (Paid from revenues of water and sewer system).

2007 Loan

Agreement dated October 29, 2007 in the amount of $5,000,000. Used to finance the expansion and upgrading of the wastewater treatment plant. Final maturity on July 15, 2028. (Paid from revenues of water and sewer system).

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Long Term Debt

SunTrust Bank

$2,000,000 Loan Payable, –Funds borrowed to finance the cost of various capital improvements within the CRA, to repay advances to the CRA from other funds, and to provide for the cost of issuance. The loan is secured by a pledge of the Tax Increment Fund revenues received by the CRA from Hillsborough County for capital improvement purposes. The loan is payable over 10 years with final maturity on January 1, 2014, with annual payments including interest at 3.42%.

Investment Company

$232,518 Loan Payable, –Funds borrowed to finance the purchase of property within the Community Redevelopment Agency. The loan is secured by a letter of credit. The loan is payable over 2 years, with quarterly payments including interest at 3.00%.

Hillsborough County

$400,000 Loans Payable to –Funds borrowed by the CRA under the Florida Brownfields Act for the redevelopment of two City properties. The loans are non-interest bearing to be repaid upon sale of the properties or at maturity in 10 years. At September 30, 2013, the City had drawn a total of $251,250 of the available funds.

Other Debt

Compensated Absences - $493,593

Other Post-Employment Benefits - $827,889

CONCLUSIONS

CONCLUSIONS

The nation's economy shows signs of some recovery, as evidenced by the 2014 assessed taxable value of Plant City projected to be increasing from the 2013 level by 3.84 percent. However, the indicators in this report are for 2013 and continue to reflect a slow recovery in Plant City's financial indicators.

The *Community Resources* indicator of *population* (Pg. 4) moved from *Marginal* to *Positive*. *Personal Income (Pg. 6)* and U*nemployment rate* (Pg. 12) remained at *Marginal. Total construction value* (Pg14) moved from *Marginal* back to *Negative.* R*esidential construction* (Pg. 16) remained *Negative* this year, while *commercial construction value* (Pg. 18) moved from *Positive* to *Marginal. City assessed valuation per capita in constant dollars* (Pg. 8) and *CRA assessed valuation per capita in constant dollars* (Pg. 10), as well as *residential* construction (Pg. 12) all continue to remain at *Negative,* mainly because of the economy.

The *Revenue* indicator of *revenue per capita* (Pg. 21) and *Property tax revenue per capita* (Pg. 27) both remained as *Negative.* The indicator *restricted revenue* (Pg. 23) remained as *Marginal* as well as did the indicators of *intergovernmental revenue* (Pg. 25); and *utility tax revenue*. The indicator of *franchise tax* revenue went from *Positive* to *Marginal.* The indicator of and *uncollected property tax* (Pg. 29) remained *Positive.*

The *Expenditure* indicators of *operating expenditure (*Pg. 36), *employees per 1000 citizens (Pg. 38), average employee salary* (Pg.40) and *salaries & wages* (Pg. 44), all remained classified as *Positive* this year. The indicator of *fringe benefits* (Pg. 42) moved from *Negative* to *Marginal* this year. T*otal personal services* (Pg. 46) remained as *Marginal* again this year.

Operating Position indicators of *Operating surplus/(deficit)* jumped from *Negative* to *Positive. Unassigned fund balance* (Pg. 51), *water and sewer* (Pg. 53), *sanitation* (Pg. 55) and *liquidity ratio* (Pg.57) remained all classified as *Positive.*

Debt indicators for *Long term debt per capita* (Pg. 62) remained classified as *Positive*. The indicator *current liabilities* (Pg. 60) went from *Positive* to *Marginal.*

In order to evaluate long term trends this report should be updated periodically to monitor emerging fiscal trends and establish effective fiscal policies.

CHART SUMMARY

Chart	Positive	Marginal	Negative
Community Resources			
Population (Page 4)	X		
Personal Income (Page 6)		X	
City Assessed Valuation (Page 8)			X
CRA Assessed Valuation (Page 10)			X
Unemployment (Page 12)	X		
Total Construction Value (Page 14)			X
Residential Construction Value (Page 16)			X
Commercial Construction Value (Page 18)		X	
Revenues			
Revenue Per Capita (Page 21)			X
Restricted Revenue (Page 23)		X	
Intergovernmental Revenue (Page 25)		X	
Property Tax Revenue (Page 27)			X
Uncollected Property Tax (Page 29)	X		
Utility Tax Revenue (Page 31)		X	
Franchise Tax Revenue (Page 33)		X	
Expenditures			
Operating Expenditures (Page 36)	X		
Employees per 1000 Citizens (Page 38)	X		
Average Employee Salary (Page 40)	X		
Fringe Benefits (Page 42)		X	
Salaries and Wages (Page 44)	X		
Total Personal Services (Page 46)		X	
Operating Position			
Operating Surplus/(Deficit) (Page 49)	X		
Unassigned Fund Balance (Page 51)	X		
Water and Sewer (Page 53)	X		
Sanitation (Page 55)	X		
Liquidity Ratio (Page 57)	X		
Debt			
Current Liabilities (Page 60)		X	
Long Term Debt per Capita (Page 66)	X		
TOTAL	13	9	6