



**FINANCIAL  
TREND  
MONITORING  
SYSTEM  
2015**

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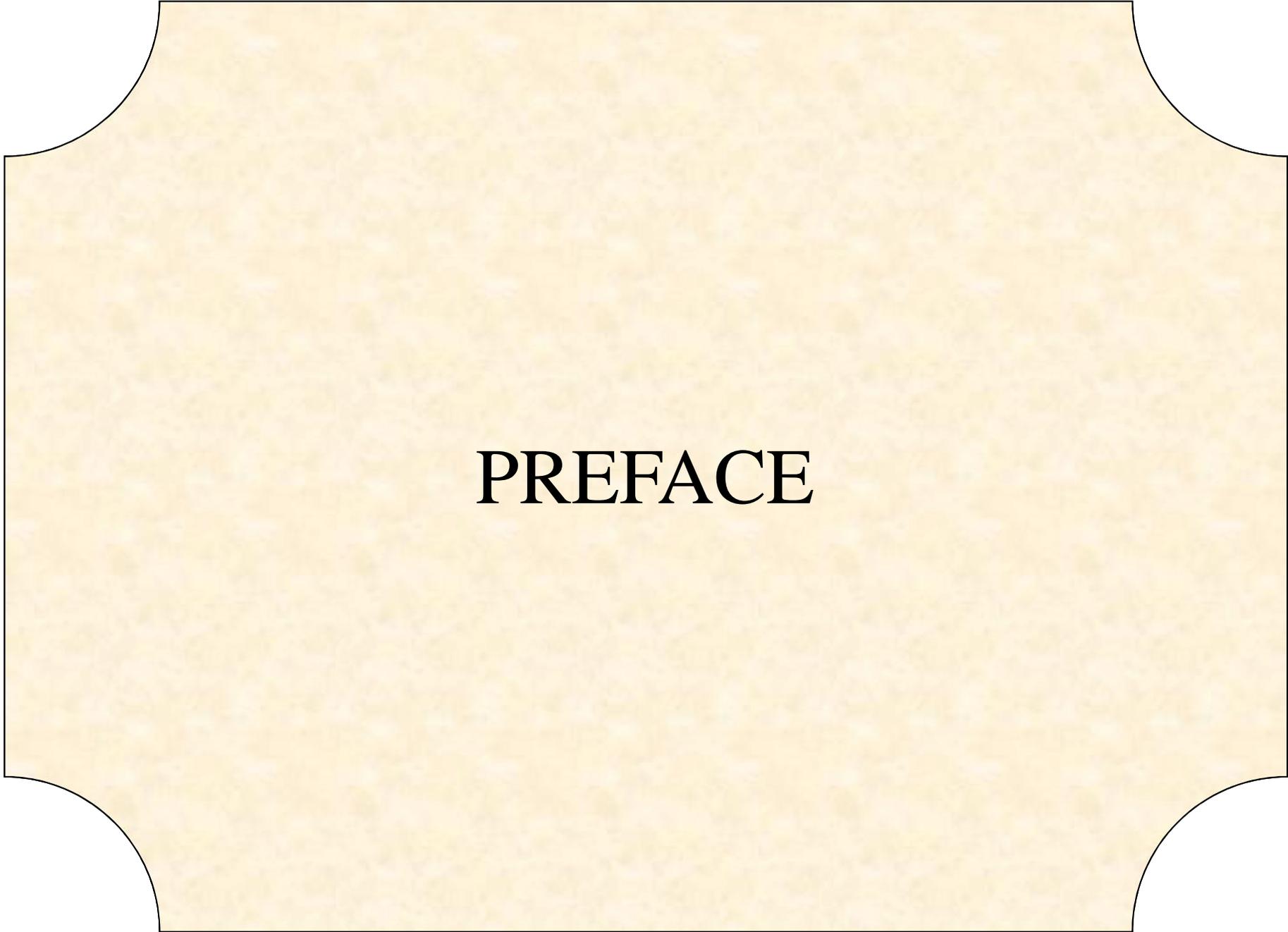
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# PREFACE

## PREFACE TO FISCAL YEAR 2013-2014 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 30<sup>th</sup>.**



**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.

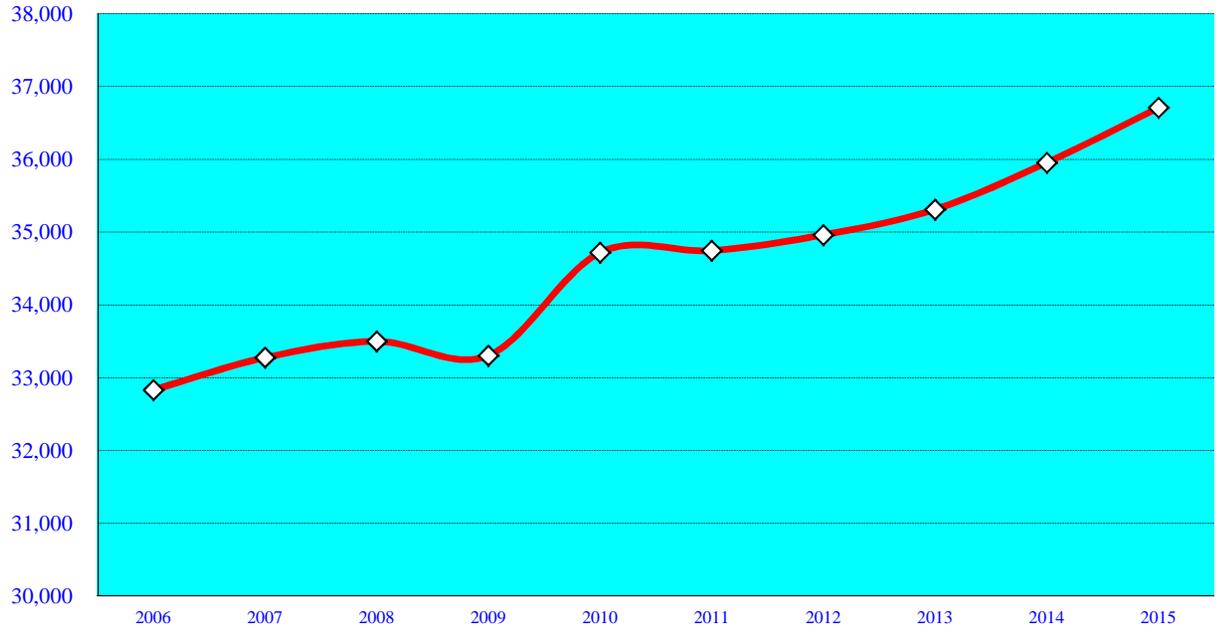
## **Population**

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**

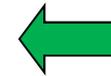
Plant City's population growth has only kept pace with Hillsborough County's population growth twice in the past ten years ( FY2008 and FY2015), but the gap is closing. However, Plant City has kept pace with the State of Florida's growth for five of the past ten years. Plant City, for FY2010, increased 4.25 percent, most likely as a result of the census. The population for FY2011 increased only 0.07 percent and for FY2012 increased 0.62 percent. The City's population for FY2013 grew 1.00 percent to 35,313 versus the State growth of 0.97 percent. For FY2014 the City's population grew 1.82 percent to 35,956 versus 1.29 percent for the State. In FY2015 the City's population grew 2.1 percent to 36,710 while the State's population only grew 1.58 percent. The City's population has grown at a rate of 1.13 percent per year over the past ten years. This percentage is up from the FY2014 financial trend report for ten years, which was 1.12 percent. For this reason, the chart continues to be classified as *Positive*.

# Population



## Plant City Trend

Positive



Marginal

Negative

**Warning Trend**  
**Rapid change**  
**in population**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Plant City Population	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313	35,956	36,710
<b>Percent Increase</b>	<b>1.31%</b>	<b>1.35%</b>	<b>0.67%</b>	<b>-0.58%</b>	<b>4.25%</b>	<b>0.07%</b>	<b>0.62%</b>	<b>1.00%</b>	<b>1.82%</b>	<b>2.10%</b>
Hillsborough County	1,164,425	1,192,861	1,200,541	1,196,892	1,229,226	1,238,951	1,256,118	1,276,410	1,301,887	1,325,563
<b>Percent Increase</b>	<b>2.91%</b>	<b>2.44%</b>	<b>0.64%</b>	<b>-0.30%</b>	<b>2.70%</b>	<b>0.79%</b>	<b>1.39%</b>	<b>1.62%</b>	<b>2.00%</b>	<b>1.80%</b>
Florida Population	18,349,132	18,680,367	18,807,219	18,750,483	18,801,310	18,905,048	19,074,434	19,259,543	19,507,369	19,815,183
<b>Percent Increase</b>	<b>2.40%</b>	<b>1.81%</b>	<b>0.68%</b>	<b>-0.30%</b>	<b>0.27%</b>	<b>0.55%</b>	<b>0.90%</b>	<b>0.97%</b>	<b>1.29%</b>	<b>1.58%</b>

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

## **Personal Income Per Capita**

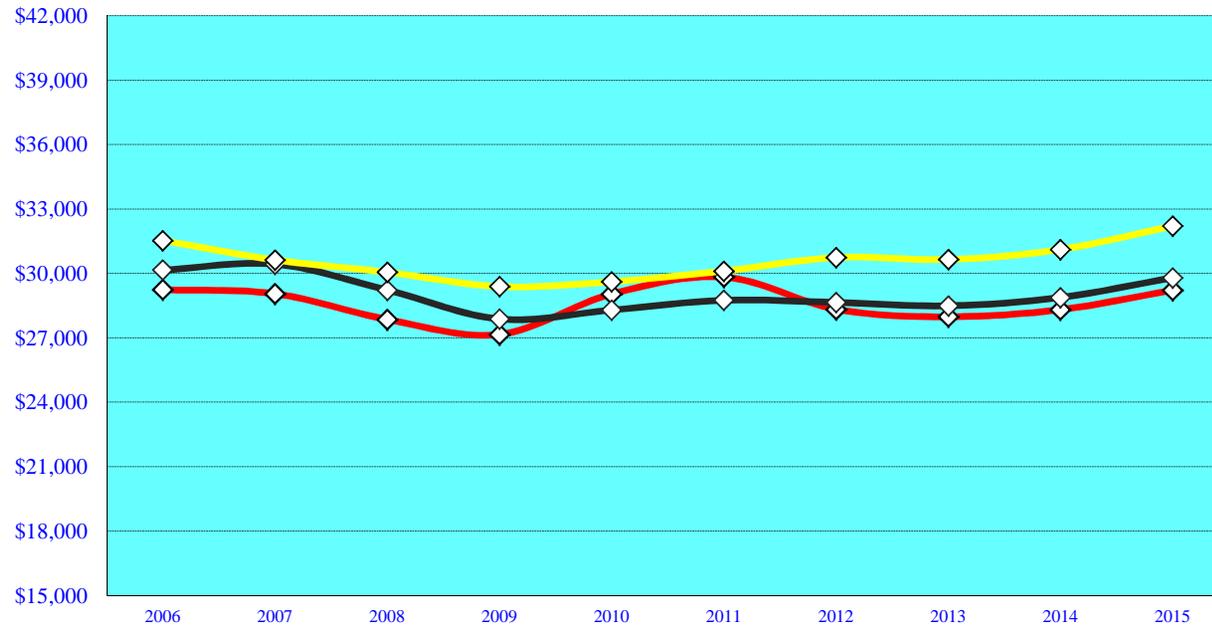
Personal income per capita is one measure of a community's ability to pay taxes: the higher the per capita income, the more property tax the community can generate. Credit rating firms use per capita income as an important measure of a local government's ability to repay debt. A decline in per capita 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 FY2006 through FY 2008. FY2009 income dropped as a result of the effects of the economy. FY2010 and FY2011 personal income per capita rose significantly, but in FY2012 personal income dropped as it did in FY2013. FY2014 personal income saw a rise. FY2015 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 rose to \$29,242 in FY 2006 and began a decent in FY 2007 through FY2009, bouncing up in FY2010 only to drop again in FY 2012 and FY 2013. -FY 2014 saw a slight increase and an even larger increase is estimated for 2015. For these reasons, the chart continues to be classified as *Marginal*.

# Personal Income Per Capita

## In Constant Dollars (Hillsborough County)

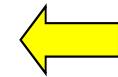


### Hillsborough Trend

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Hillsborough County										
Income Per Capita	36,845	37,473	37,880	36,389	39,497	42,059	40,878	40,568	41,902	43,236Est
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
<b>Income Per Capita In Constant Dollars</b>	<b>29,242</b>	<b>29,049</b>	<b>27,853</b>	<b>27,156</b>	<b>29,042</b>	<b>29,829</b>	<b>28,388</b>	<b>27,978</b>	<b>28,312</b>	<b>29,214</b>
Florida Income/Capita	37,996	39,256	39,736	37,350	38,478	40,538	41,249	41,309	42,739	44,101
<b>Fl Inc/Cap Cons \$</b>	<b>30,156</b>	<b>30,431</b>	<b>29,218</b>	<b>27,873</b>	<b>28,293</b>	<b>28,750</b>	<b>28,645</b>	<b>28,489</b>	<b>28,878</b>	<b>29,798</b>
US Income Per Capita	39,725	39,506	40,873	39,379	40,277	42,453	44,266	44,438	46,049	47,669
<b>US Inc/Cap Cons \$</b>	<b>31,528</b>	<b>30,625</b>	<b>30,054</b>	<b>29,387</b>	<b>29,615</b>	<b>30,109</b>	<b>30,740</b>	<b>30,647</b>	<b>31,114</b>	<b>32,209</b>

SOURCE: US BUREAU OF ECONOMIC ANALYSIS

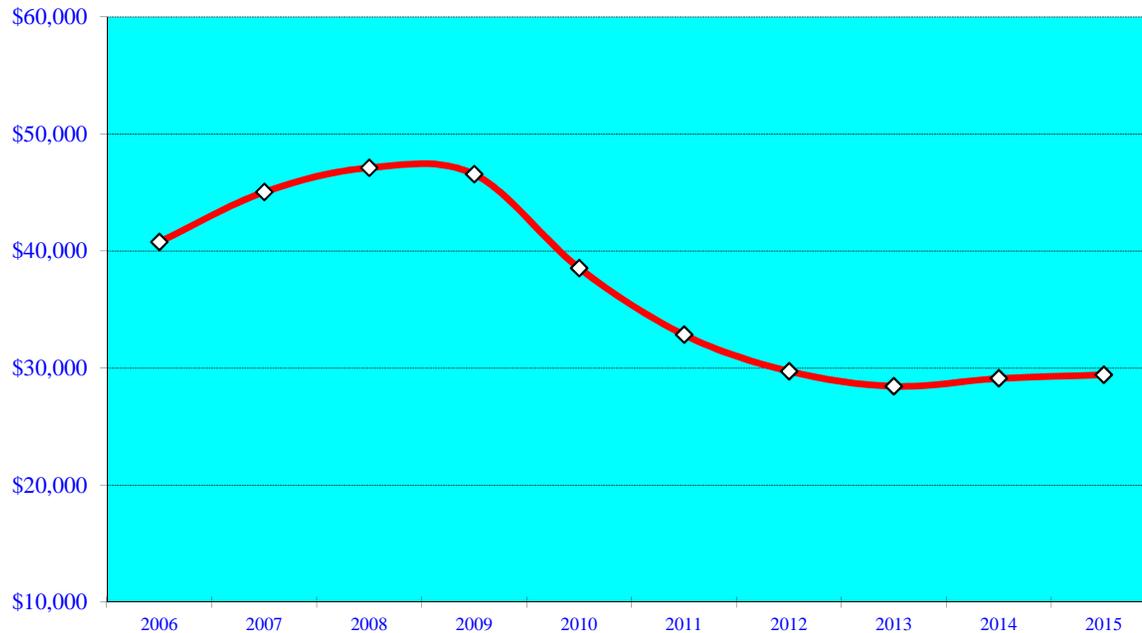
### **City Assessed Taxable Valuation Per Capita**

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 2006 through FY 2008 (\$2,146,703,453). Then in FY 2009, there was a drop to \$2,078,117,193, and became more severe in FY 2010 (\$1,819,964,573), FY 2011 (\$1,609,415,137), FY 2012 (\$1,497,018,114) and bottomed out in FY 2013 (\$1,456,713,542). FY 2014 saw the first valuation increase in six years at \$1,521,738,343. FY 2015 continued to see an increase in valuation to \$1,604,591,334. Similarly, assessed taxable valuation per capita, in constant dollars, had increased each year through FY 2008, reflecting an average increase of 9.4 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. Similarly, FY 2014 per capita taxable valuation saw the first valuation increase in six years at 29,117 per capita. FY 2015 again saw an increase in per capita taxable valuation at 29,534. For these reasons the chart has been reclassified from *Marginal* to *Positive*.

# City Assessed Taxable Valuation Per Capita In Constant Dollars (in thousands)



## Plant City Trend

Positive ←

Marginal

Negative

## **Warning Trend**

**Declining or negative growth  
in property taxable values**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Taxable Valuation (000's)	1,686,992	1,933,821	2,146,703	2,078,117	1,819,965	1,609,415	1,497,018	1,456,714	1,521,738	1,599,227
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Taxable Valuation In Constant Dollars	1,338,883	1,499,086	1,578,458	1,550,834	1,338,210	1,141,429	1,039,596	1,004,630	1,028,201	1,080,559
Population	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313	35,313	36,710
Assessed Valuation Per Capita In Constant Dollars	40,777	45,049	47,118	46,563	38,542	32,851	29,734	28,449	29,117	29,435

**NOTE: FY 2016 Taxable Value \$1,691,231,845. An increase of \$92,005,079 or a 5.0 percent increase.**

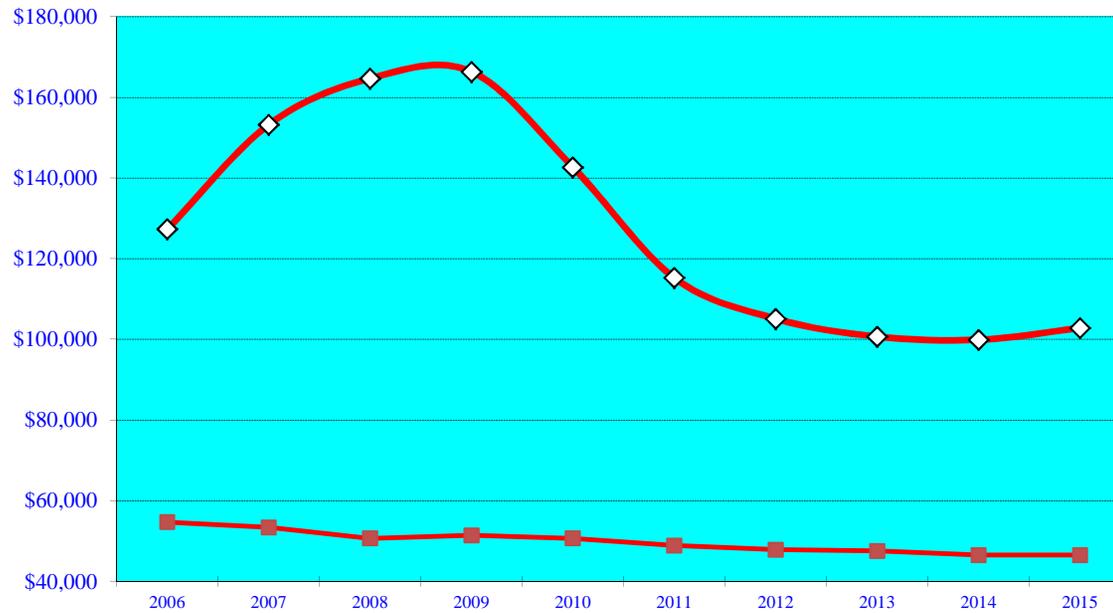
## **Community Redevelopment Agency Assessed Taxable Valuation**

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 2015 assessed taxable valuation is \$152,197,809 (An increase of \$4,345,426 from FY 2013 or a 2.93 percent increase.) and continues the upward mobility for the second year in a row. Assessed taxable valuation in the CRA had increased each year from FY 2006 through FY 2008. FY 2009 saw a slight decrease in valuation and significant decreases in FY 2010, FY 2011, FY2012 and FY 2013. FY 2014 saw a turnaround in assessed taxable valuation at \$147,852,383. Looking at assessed taxable valuation *in constant dollars* reflects valuation to be increasing from FY 2006 to FY 2009. FY 2010 taxable valuation (in constant dollars) started a downward trend that had continued through FY 2014 For FY2015 there is a beginning of an up swing. For this reason, the chart has been reclassified from *Negative* to *Marginal*.

# Community Redevelopment Agency Assessed Taxable Valuation in Constant Dollars (in thousands)



## Plant City Trend

Positive

Marginal ←

Negative

**Warning Trend**  
Declining or negative growth in  
property taxable value

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Taxable Valuation (000's)	160,446	197,689	224,007	222,951	194,060	162,517	151,368	146,037	147,852	152,198
Base Year Valuation (000's)	68,899	68,899	68,899	68,899	68,899	68,899	68,899	68,899	68,899	68,899
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Taxable Valuation										
In Constant Dollars	127,338	153,247	164,711	166,381	142,691	115,260	105,117	100,715	99,900	102,836
Base Year in Constant Dollars	54,682	53,410	50,661	51,417	50,661	48,865	47,847	47,517	46,553	46,553

NOTE: FY 2016 Taxable Value \$158,757,408. An increase of \$6,559,599 or a 4.0 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**

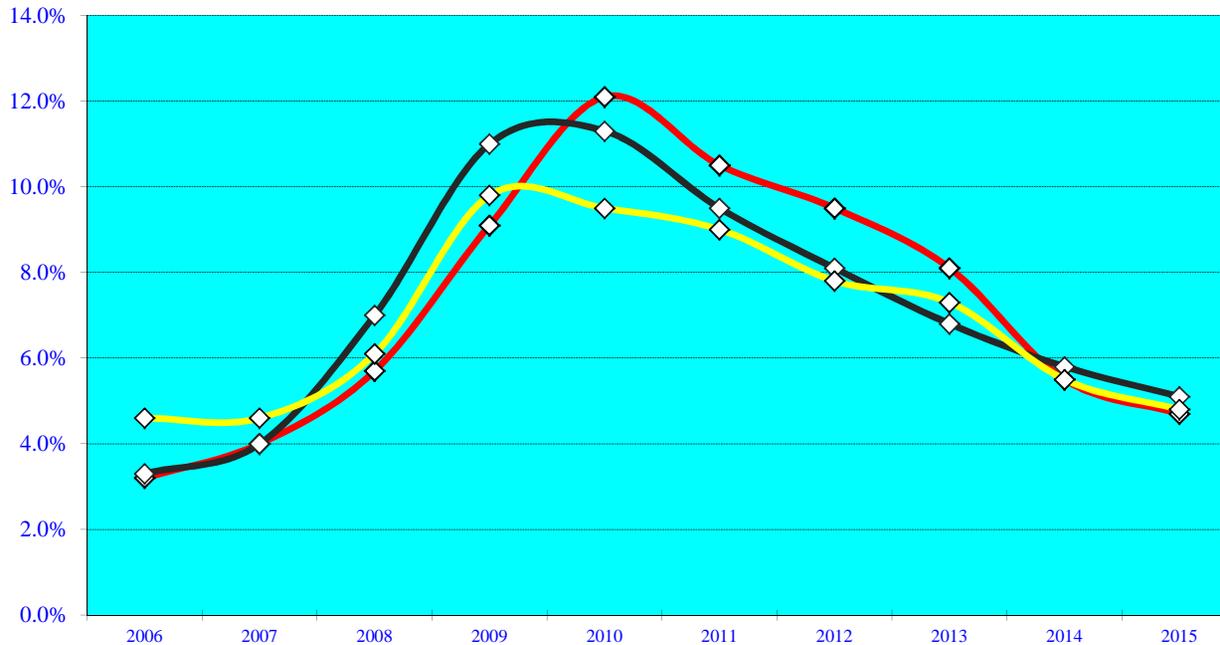
With the economy nationwide on shaky ground, unemployment rose from 3.2 percent in FY 2006 to 5.7 percent in FY 2008 as cash-strapped consumers pulled back and businesses slowed down. FY 2009 unemployment jumped to 9.1 percent as the auto industry announced it could not survive without financial help. FY 2010 unemployment continued to rise up to 12.1 percent, an all-time high. FY 2011 unemployment dropped to 10.5% and the decline has continued through FY 2015 at 4.7 percent unemployment.

From FY 2006 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. However, from FY 2010 through FY 2013 the State has been lower than the County. For FY 2014 and FY 2015 the State unemployment rate was again higher than the County's.

FY 2008 was the first time in the ten years presented that the U.S. unemployment rate was lower than the State at 6.1 percent, and continues to be lower through FY 2012. FY 2013 it was higher than the State, but in 2014 and FY2015 it was the same as the State. FY2010 was the first year that Hillsborough was higher than the U.S. and remained higher through FY2013. FY2014 and FY2015 the County was lower than the U.S. and the State. For these reasons, the chart continues to be classified as *Positive*.

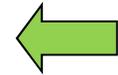
# Unemployment Rate

## 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				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Hillsborough County Unemployment Rate</b>	3.2%	4.0%	5.7%	9.1%	12.1%	10.5%	9.5%	8.1%	5.5%	4.7%
<b>FL Unemployment Rate</b>	3.3%	4.0%	7.0%	11.0%	11.3%	9.5%	8.1%	6.8%	6.0%	5.1%
<b>US Unemployment Rate</b>	4.6%	4.6%	6.1%	9.8%	9.5%	9.0%	7.8%	7.3%	6.0%	5.1%

**NOTE: March 2016 Unemployment - Hillsborough 5.1% ; Florida 4.9% ; United States 5.0%**

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

Percentages are as of September 30th

## **Total Construction Value**

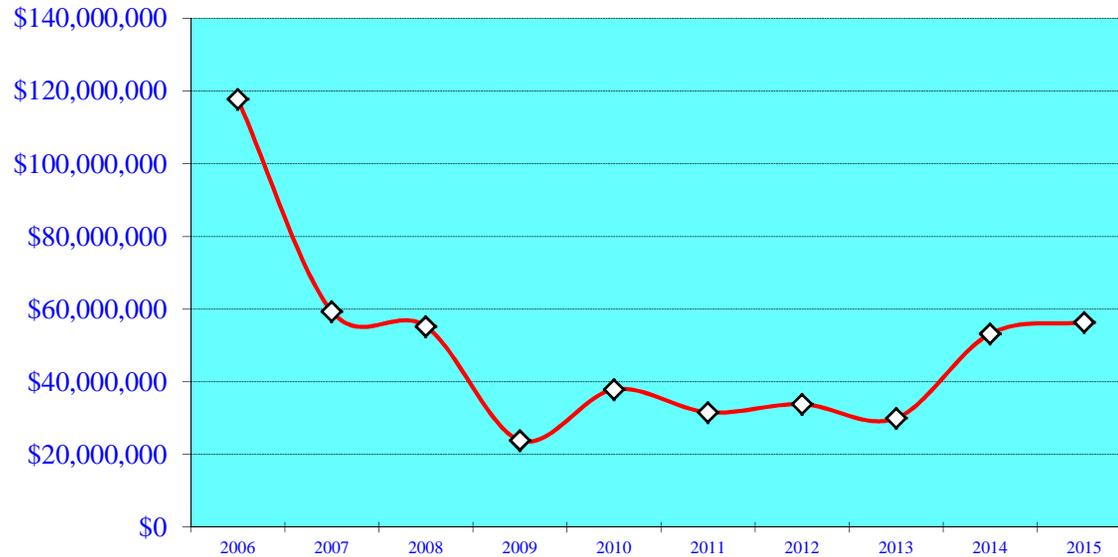
Changes in total construction value are important because these indicators describe a community's wealth and its ability to generate revenues (that is, level of personal, commercial and industrial income). On the other hand, they constitute the demands which the community will make on its government 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 FY 2009 level with residential construction down (\$8,405,374 the lowest point in the ten year period). FY 2014 jumped to \$53,213,803 and almost equaled FY 2008. FY 2015 shows a modest increase on total construction value exceeding FY 2009. For these reasons, the chart has been reclassified from *Marginal* back up to *Positive*.

# Total Construction Value

## In Constant Dollars



### Plant City Trend

Positive ←

Marginal

Negative

**Warning Trend**  
Declining constant dollar  
total construction

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Construction	148,425,723	76,606,337	75,154,177	32,010,781	51,526,266	44,547,827	48,732,096	43,476,771	78,756,428	83,517,043
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Commercial Construction in Constant Dollars	117,798,193	59,384,757	55,260,424	23,888,643	37,886,960	31,594,204	33,841,733	29,983,980	53,213,803	56,430,434

## **Residential Construction Value**

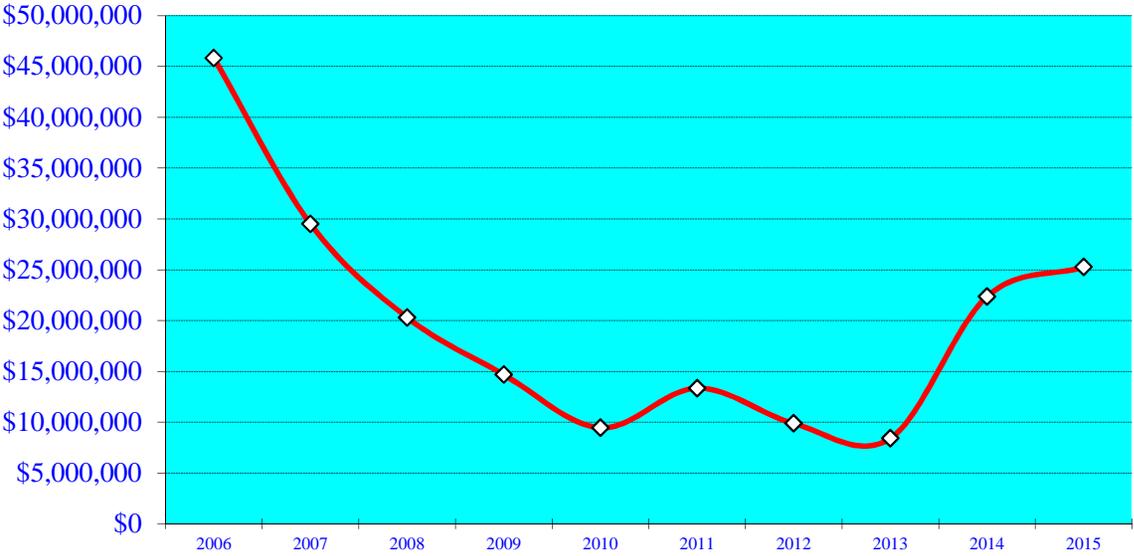
Changes in residential construction value are important because these indicators describe a community's wealth and its ability to generate revenues (that is, level of personal, commercial and industrial income). On the other hand, they constitute the demands which the community will make on its government 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 with the Magnolia Green and Trapnell Ridge subdivisions in FY 2006. 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. 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 (\$8,405,374 the lowest point in the ten year period). FY2014 saw a dramatic upturn and for FY2015 the increase continues, but at a slower pace than the previous year. For this reason, the chart has been reclassified from *Marginal* back up to *Positive*.

# Residential Construction Value

## In Constant Dollars



### Plant City Trend

- Positive
- Marginal
- Negative

**Warning Trend**  
Declining constant dollar residential construction

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Residential Construction	57,757,284	38,058,808	27,607,216	19,660,861	12,839,135	18,815,478	14,213,466	12,187,792	33,088,808	37,391,142
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Residential Construction in Constant Dollars	45,839,114	29,502,952	20,299,424	14,672,284	9,440,540	13,344,311	9,870,463	8,405,374	22,357,303	25,264,000

## **Commercial Construction Value**

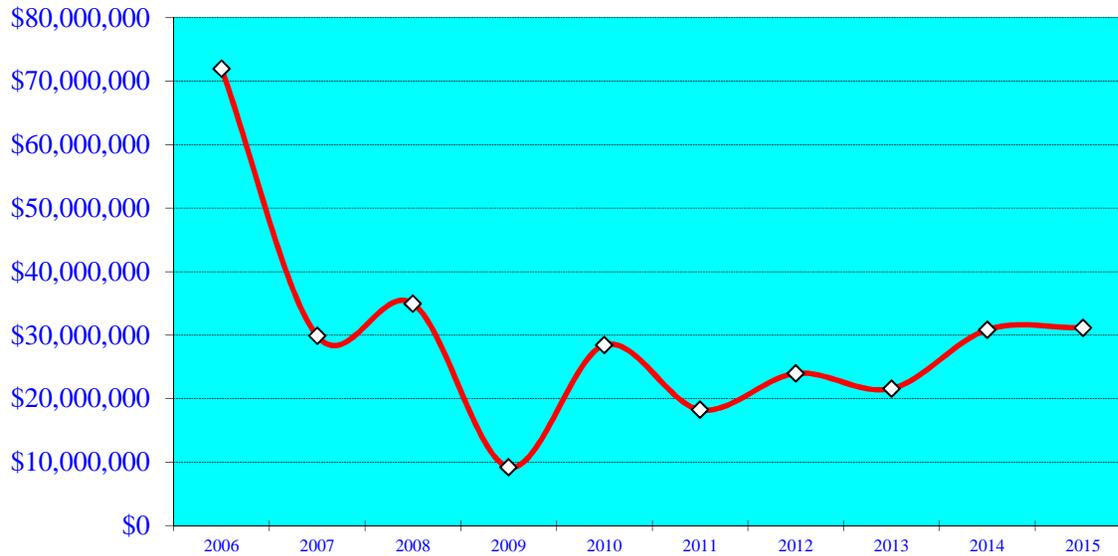
Changes in commercial construction value are important because these indicators describe a community's wealth and its ability to generate revenues (that is, level of personal, commercial and industrial income). On the other hand, they constitute the demands which the community will make on its government 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. FY2014 reflects an increase in Commercial construction greater than in FY2007 or FY2010. FY2015 commercial construction was slightly better than the previous FY and for these reasons, the chart remains classified as *Positive*.

# Commercial Construction Value

## In Constant Dollars



**Plant City Trend**

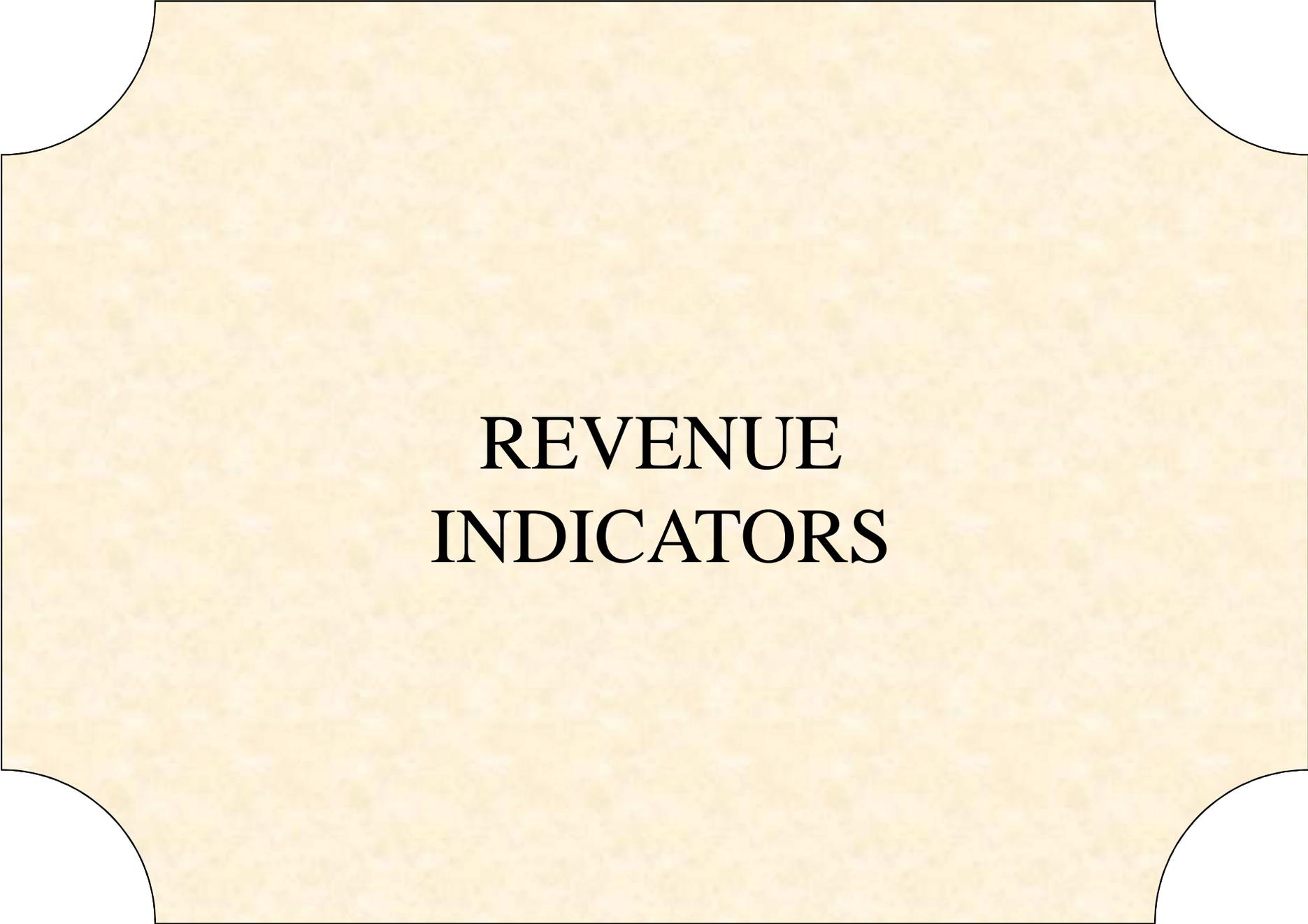
Positive ←

Marginal

Negative

**Warning Trend**  
Declining constant dollar commercial construction

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Commercial Constructic	90,668,439	38,547,529	47,546,961	12,349,920	38,687,131	25,732,349	34,518,630	31,288,979	45,667,670	46,125,904
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Commercial Construction in Constant Dollars	71,959,079	29,881,805	34,961,001	9,216,358	28,446,420	18,249,893	23,971,271	21,578,606	30,856,534	31,166,151



**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.

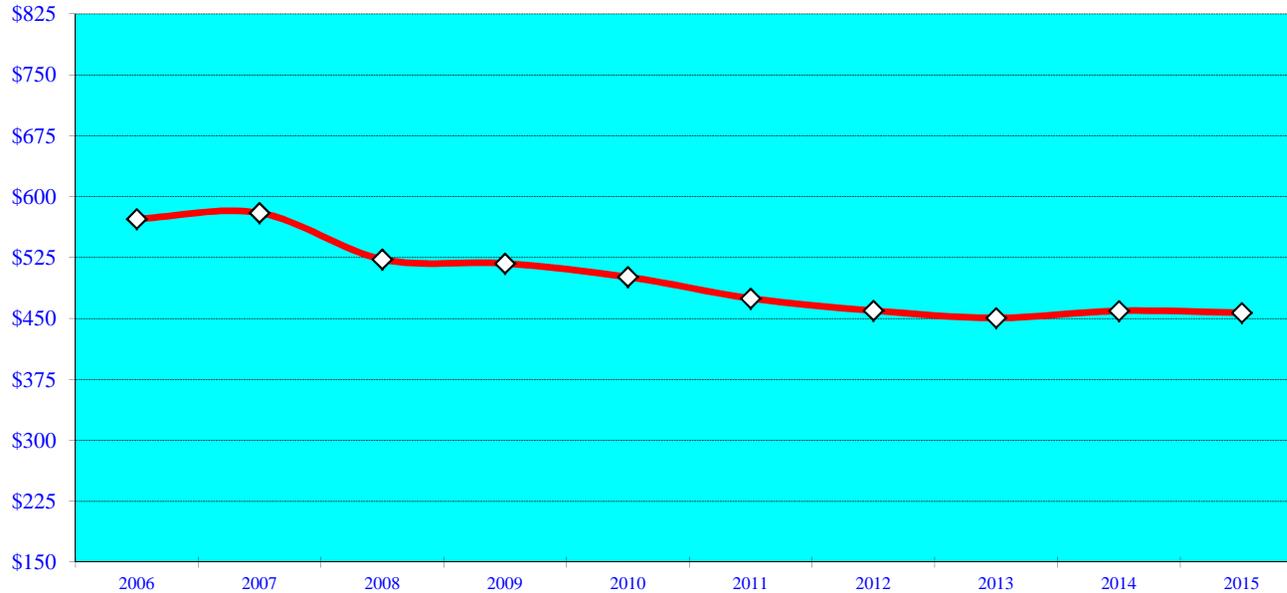
### **WARNING TREND Declining per capita revenue growth rate**

After accounting for inflation, the City's per capita revenue in the General Fund reached \$638.08 in FY 2005 (because the debt issuance of \$3,180,000 - to refinance a portion of the 1999 loan for the stadium was recorded in the General Fund). down to \$579.92 in FY 2006. FY 2007 revenues per capita increased slightly. From FY 2008 through FY 2013 revenue per capita declined to a low of \$450.73. Again, in FY2014 a slight increase in Revenues per Capita to \$459.50 However, for FY 2015 per capita revenue in constant dollars once again dropped down. 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

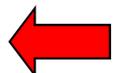
## In Constant Dollars



### Plant City Trend

Positive

Marginal

Negative 

### **Warning Trend**

**Declining per capita  
revenue growth rate**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Gross Operating Revenue	23,693,634	24,894,362	23,819,798	23,108,396	23,667,108	23,262,502	23,145,047	23,078,863	24,452,061	24,834,686
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
In Constant Dollars	18,804,471	19,297,955	17,514,557	17,245,072	17,402,285	16,498,228	16,072,949	15,916,457	16,521,663	16,780,193
Population	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313	35,956	36,710
Operating Revenue Per Capita in Constant Dollars	572.71	579.92	522.82	517.78	501.20	474.82	459.71	450.73	459.50	457.10

## 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**

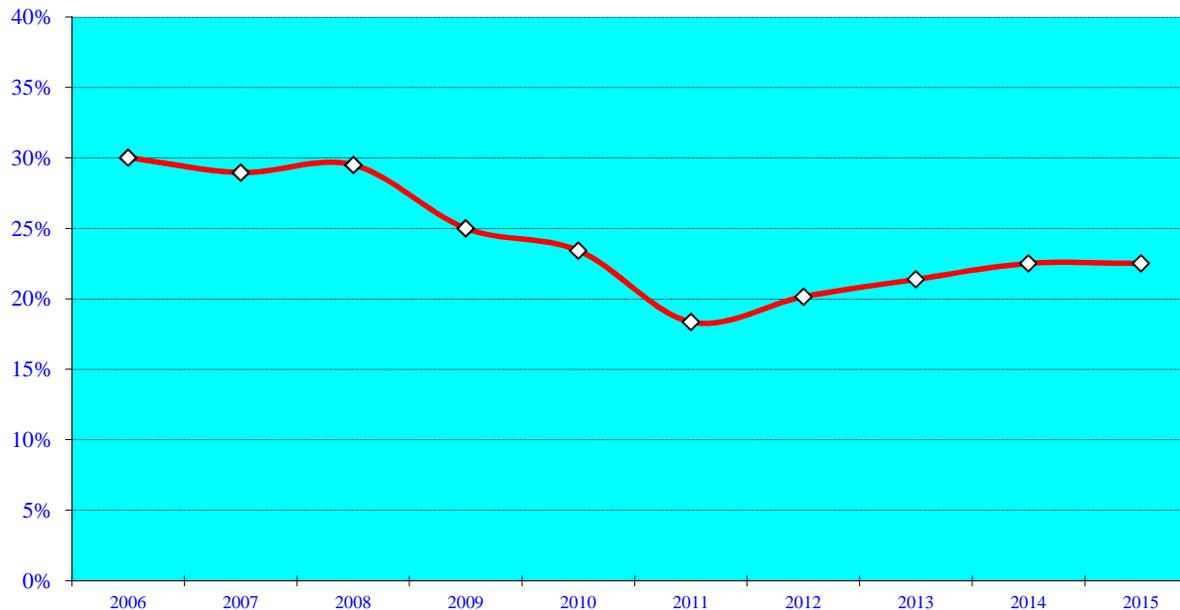
Plant City's restricted revenue in the Governmental Funds includes Streets and Stormwater\*, Community Redevelopment Agency, Special Revenue Funds (Community Services, Community Investment Tax) and Debt Service Funds (Infrastructure Sales Tax Revenue Bonds, Stadium Loan) and Capital Projects Funds.

The ten year high was 30.03 percent ratio of restricted operating revenue to net operating revenue in FY 2006. In FY 2007 restricted revenues remained level while operating revenues increased and lowered the percentage to 28.97 percent. 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 25.01 percent ratio. In FY 2010 a 23.43 percent ratio was achieved as a result of restricted revenue decreasing while operating revenue remained almost level. For FY 2011 a ten year low of restricted operating revenue to net operating revenue, at 18.37 percent ratio was achieved. FY 2012 restricted revenues rose and operating revenues remained flat resulting in an increased ratio of 20.16 percent. 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%). FY2014 saw restricted revenues increase while operating revenues increased \$2.2 million, thus an increase in the ratio to 22.52 percent. FY 2015 saw restricted revenue drop \$1.5 million while operating revenues dropped \$1.1 million resulting in a decrease in the percentage to 18.43. For this reason, the chart has been reclassified from *Marginal* up to *Positive*.

\*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

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009**</b>	<b>2010**</b>	<b>2011**</b>	<b>2012**</b>	<b>2013**</b>	<b>2014**</b>	<b>2015**</b>
Restricted Revenue	9,658,132	9,697,707	9,877,904	7,708,440	7,240,174	5,234,618	5,843,902	6,280,889	7,105,051	5,611,267
Operating Revenue *	32,159,193	33,477,701	33,472,440	30,816,836	30,907,282	28,497,120	28,988,949	29,356,872	31,552,371	30,445,953
Restricted Revenue as a percent of Operating Revenues	30.03%	28.97%	29.51%	25.01%	23.43%	18.37%	20.16%	21.39%	22.52%	18.43%

\* 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**

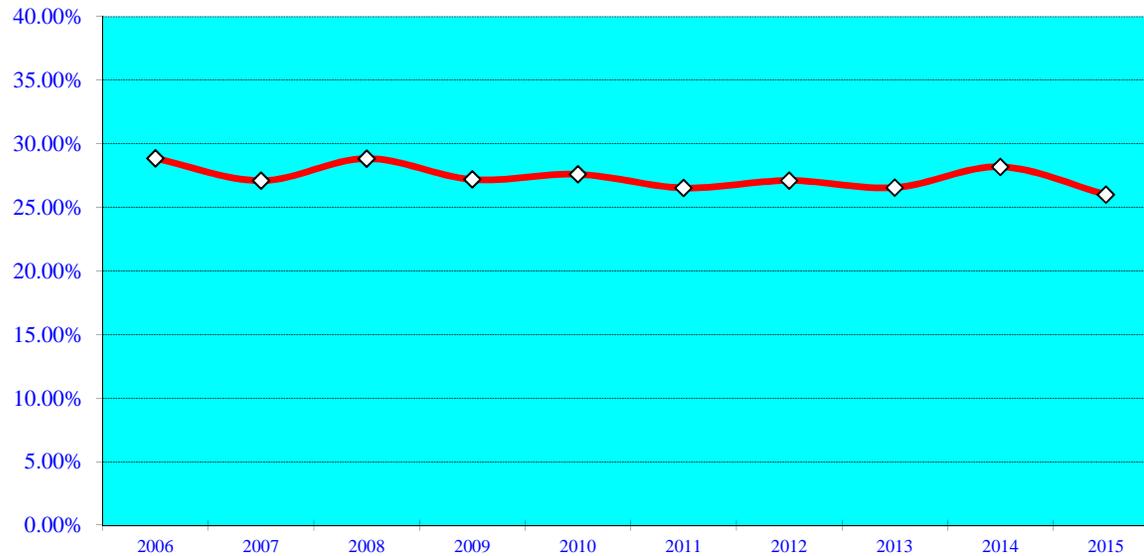
Intergovernmental revenue (revenue received from another governmental entity) is closely related to restricted revenue, in that, typically, it is intended to fund a specific activity. This is a marginal indicator, as an increasing dependence on intergovernmental revenue also provides little latitude 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**

FY 2006 through FY 2014 intergovernmental revenues have continued to remain mostly stable at \$6.9 million to \$6.1 million while Gross Operating Revenues have also continued to remain stable at \$23.0 million to \$24.0 million, resulting in the percentage staying level at 26 to 28 percent. FY 2015 intergovernmental revenues dropped \$0.4 million and Gross Operating Revenues increased \$0.4 million resulting in a drop in the percentage to 26 percent. For this reason, the chart has been reclassified from *Marginal* up to *Positive*.

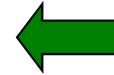
# Intergovernmental Revenue

## 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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Intergovernmental Revenue	6,835,524	6,762,635	6,869,466	6,283,287	6,531,780	6,170,718	6,275,383	6,129,002	6,891,998	6,457,610
Gross Operating Revenue	23,693,634	24,169,994	23,819,798	23,108,396	23,667,108	23,262,502	23,145,047	23,078,863	24,452,061	24,834,686
Intergovernmental Revenue as a % of Operating Revenues	28.85%	27.98%	28.84%	27.19%	27.60%	26.53%	27.11%	26.56%	28.19%	26.00%

Communications Service Tax is a large percent (18.9%) of Intergovernmental Revenue. For FY 2017 and beyond, this source of revenue will continue to shrink.

## Property Tax Revenue Per Capita

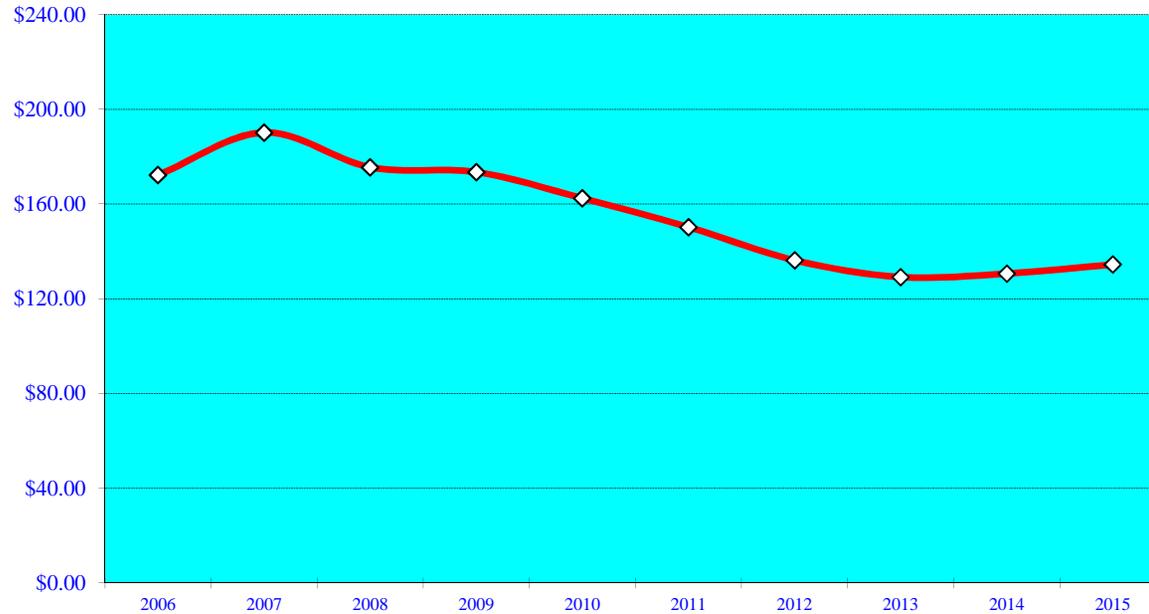
A decline or a diminished growth rate in property taxes can result from a number of causes. First, it may reflect an overall decline in property values resulting from the aging of buildings, a decline in local economic health, or a decline in total number of households, which can depress the housing 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*, increased two years in a row. Then starting with FY 2008 property tax revenue began a six year decline, down to \$129.17 as a result of the economy and the devaluation in assessed property. FY 2007 property tax revenue per capita peaked at \$190.19 as the millage rate remained constant at 4.70 mill). In FY 2008 the millage was rolled back to 4.1653 mills, and the property tax revenue, *in constant dollars*, declined while population increased, resulting in a lower per capita revenue. FY 2009 the millage rate was raised to 4.7157 mills, but the property tax revenue declined, as population decreased, resulting in a lower per capita revenue. 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 lo , while population remained level, resulting in lower per capita revenue. FY 2012 the millage rate remained at 4.7157 mills and property tax revenue continued to declined, while population increased and resulted in lower per capita revenue. FY 2013 the millage rate remained at 4.7157 mill and property tax revenue continued to declined, while population increased, resulting in per capita revenue dropping to the low of \$129.17. FY2014 property revenues once again began to increase while the millage rate remained unchanged. FY 2015 Gross Operating Revenues, in constant dollars, rose slightly while population made a more significant rise, and per capita revenue continued to increase. For this reason the chart has been reclassified from *Negative* up to *Marginal*.

# Property Tax Revenue Per Capita

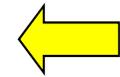
## In Constant Dollars - General Fund



### Plant City Trend

Positive

Marginal



Negative

### **Warning Trend**

**Declining or negative  
growth in property tax  
revenues**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Property Tax Revenue	7,128,155	8,164,348	7,995,537	7,742,480	7,669,112	7,360,534	6,859,445	6,613,820	6,950,821	7,293,582
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Property Tax Revenue In Constant Dollars	5,657,266	6,328,952	5,879,071	5,777,970	5,639,053	5,220,237	4,763,503	4,561,255	4,696,501	4,928,096
Population	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313	35,956	36,710
Property Tax Revenue Per Capita In Constant Dollars	172.30	190.19	175.49	173.48	162.41	150.24	136.24	129.17	130.62	134.24

## **Uncollected Property Tax**

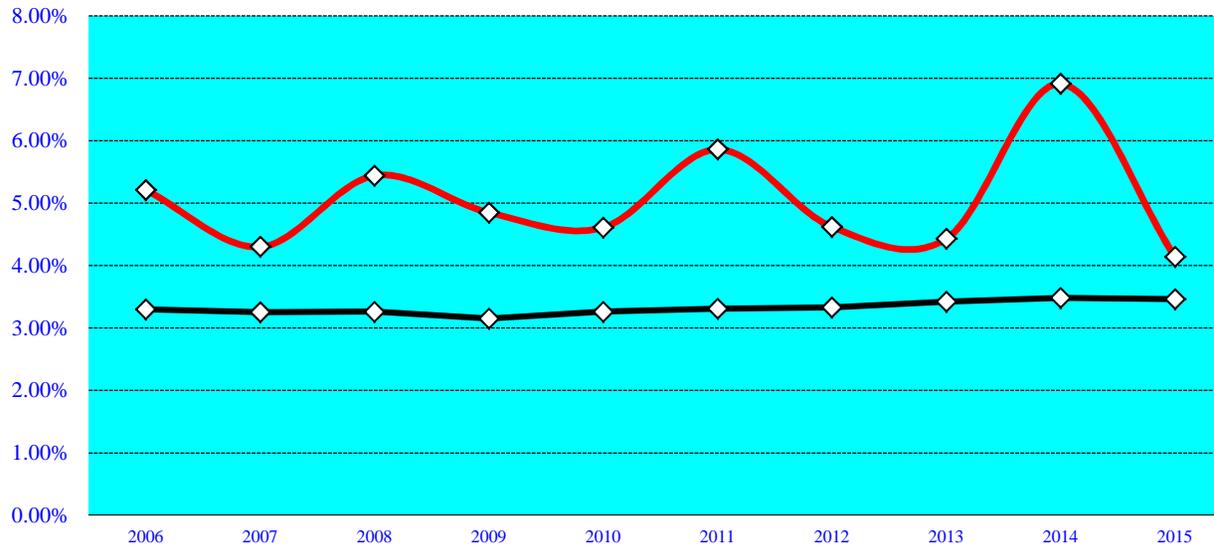
Every year, a percentage of property owners are unable to pay property taxes. If this percentage increases over time, it may indicate overall decline in the local government's economic health. Credit rating firms assume that local government will be unable to collect from 2 to 3 percent of its property 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 6.91 percent in FY 2014 to a low of 4.14 percent in FY 2015. 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 3.48% (FY 2014). 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 2015 the gross uncollected percentage decreased from 6.91 percent in 2014 down to 4.14 percent in 2015. For this reason, the chart has been reclassified from *Marginal* up to *Positive*.

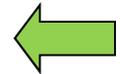
# Uncollected Property Tax

## 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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Property Tax Levied*	7,944,030	9,113,747	8,978,427	8,715,356	8,636,579	7,609,030	7,078,531	6,886,142	7,185,572	7,587,866
Property Tax Collected*	7,530,510	8,721,530	8,489,886	8,292,630	8,238,211	7,163,430	6,751,422	6,581,401	6,688,804	7,273,454
<b>Percent Uncollected</b>	<b>5.21%</b>	<b>4.30%</b>	<b>5.44%</b>	<b>4.85%</b>	<b>4.61%</b>	<b>5.86%</b>	<b>4.62%</b>	<b>4.43%</b>	<b>6.91%</b>	<b>4.14%</b>
Discounts*	261,964	296,060	292,890	274,392	281,945	252,024	236,257	235,520	250,014	262,353
Unpaid Taxes*	69,731	77,953	178,436	114,020	82,362	163,912	51,642	47,545	33,879	17,419
Uncollectible Taxes*	81,825	18,204	17,215	34,314	34,062	29,664	39,210	21,676	21,908	34,640
Property Tax Collected**	7,536,911	8,732,982	8,609,305	8,352,068	8,378,592	7,360,534	6,859,445	6,613,820	6,950,821	7,293,582
Difference	6,401	11,452	119,419	59,438	140,381	197,104	108,023	32,419	262,017	20,158
Prior Year Taxes**	6,401	9,960	119,419	58,772	140,381	197,104	108,023	36,443	62,237	20,158
* Per Tax Collector	** Per City									

## **Utility Tax Revenue**

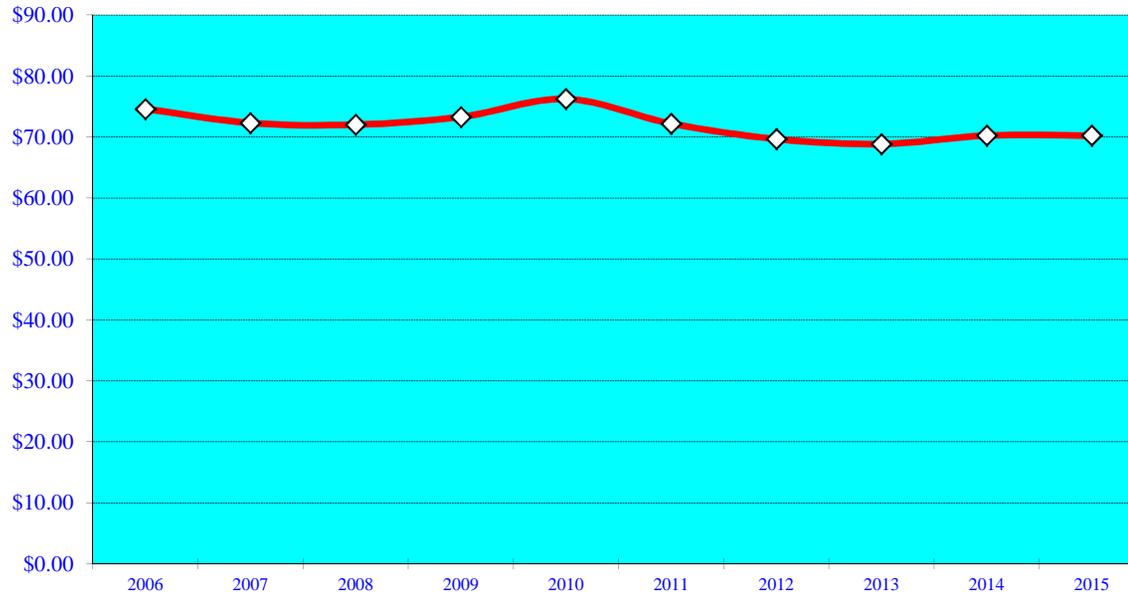
Examining per capita Utility Tax revenues shows changes in revenues relative to changes in population size. As population increases, it might be expected that revenues and the need for services would increase proportionately and therefore that the level of per capita revenues would remain at least constant 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, Water and Natural/Bottled Gas. In *constant dollars* FY 2006 Intergovernmental Revenue (\$2,449,957) is almost level with FY 2015 (2,578,873). Utility Tax Revenue per capita ranges from a low of \$68.85 in FY2013 to a high of \$76.25 in FY2013. Both FY 2014 and FY 2015 Utility Tax Revenue, *in constant dollars* is at \$70.25 which is almost the low for the period. For this reason, the chart continues to be classified as *Positive*.

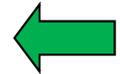
# Utility Tax Revenue Per Capita

## In Constant Dollars



### Plant City Trend

Positive



Marginal

Negative

### **Warning Trend**

**Declining per capita  
revenue in constant dollars**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Utility Tax Revenue	3,086,946	3,103,832	3,281,594	3,271,170	3,600,661	3,537,454	3,508,113	3,525,412	3,738,382	3,816,732
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
In Constant Dollars	2,449,957	2,406,071	2,412,937	2,441,172	2,647,545	2,508,833	2,436,190	2,431,319	2,525,934	2,578,873
Population	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313	35,956	36,710
Utility Tax Revenue Per Capita	74.62	72.30	72.03	73.30	76.25	72.20	69.68	68.85	70.25	70.25

## **Franchise Fee Revenue**

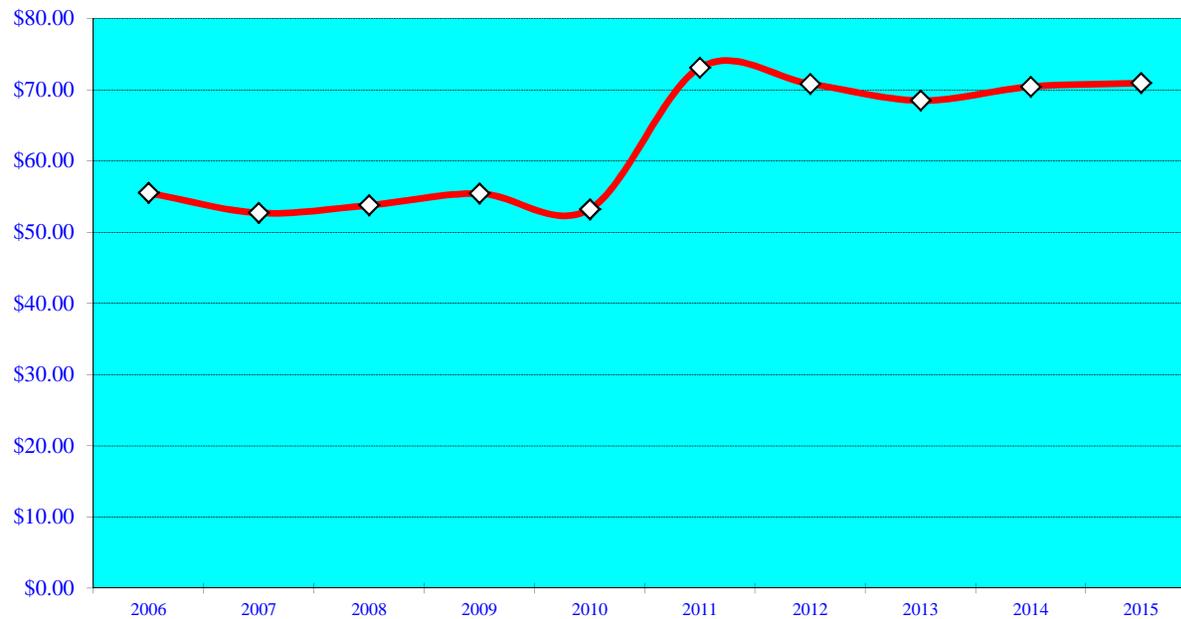
Examining per capita Franchise Fee revenues shows changes in revenues relative to changes in population size. As population increases, it might be expected that revenues and the need for services would increase proportionately and therefore that the level of per capita revenues would remain at least 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**

For the 10 year period Electric franchise fees have increased, due in the most part to rising fuel costs (Through FY2012). Plant City has a 6 percent Franchise fee for TECO and the fee covers all revenues including the Fuel Adjustment Charge. The Fuel Adjustment Charge is based on the rise or fall of fuel (primarily oil and natural gas) used to produce electricity. Fuel Adjustment Charges are passed on to the customers without going to the State for a rate change. Thus, the City has received a 6% fee on these additional charges. FY 2014 Electric franchise fees increased \$234,008 and revenue from the gas franchise increased \$7,335. FY 2015 Electric franchise fees increased \$93,936 and revenue from the gas franchise increased \$12,570. For these reasons the chart continues to be classified as *Positive*.

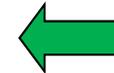
# Franchise Fee Revenue Per Capita

## In Constant Dollars



### Plant City Trend

Positive



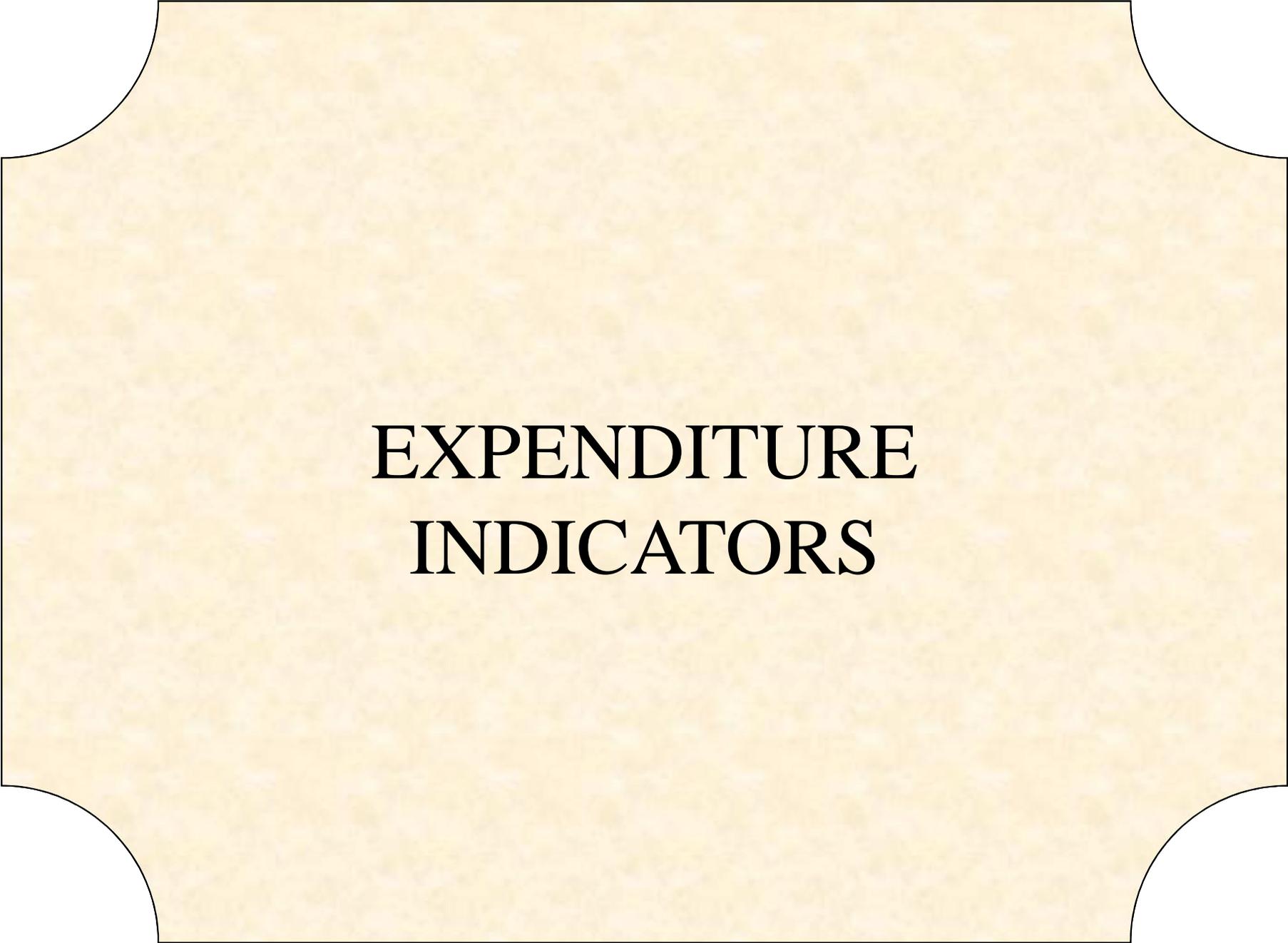
Marginal

Negative

### **Warning Trend**

**Declining per capita  
revenue in constant dollars**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Franchise Fee Revenue	2,297,086	2,477,595	2,450,539	2,474,062	2,512,966	3,582,448	3,566,479	3,507,254	3,748,597	3,855,103
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
In Constant Dollars	1,823,084	1,920,616	1,801,867	1,846,315	1,847,769	2,540,743	2,476,722	2,418,796	2,532,836	2,604,799
Population	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313	35,956	36,710
Franchise Fee Revenue Per Capita	55.52	57.72	53.79	55.43	53.22	73.12	70.84	68.50	70.44	70.96



**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**

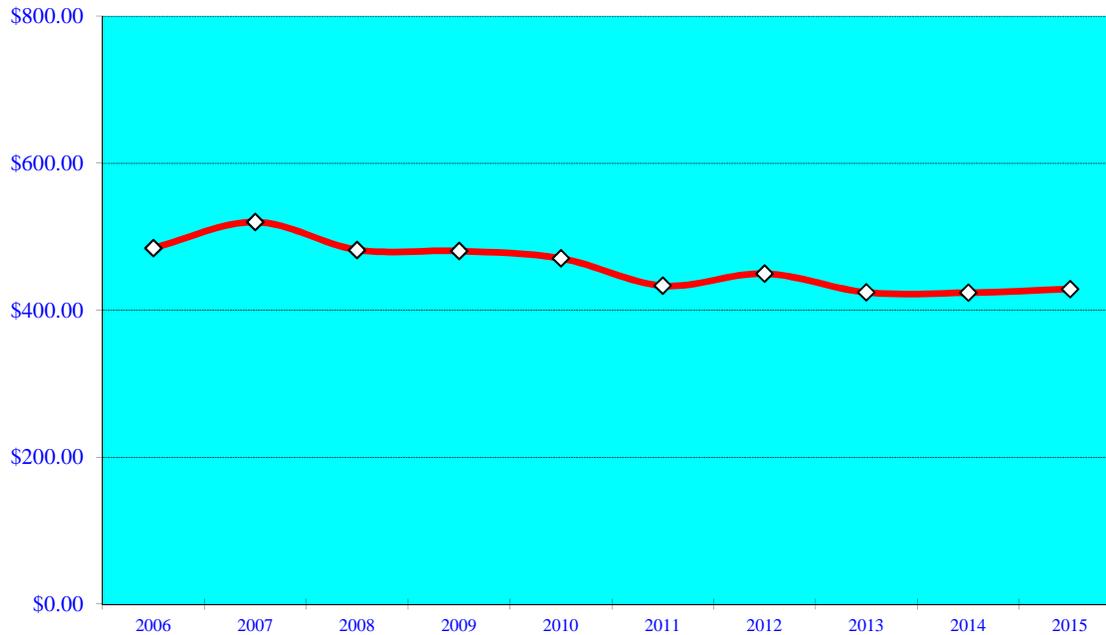
Increasing per capita expenditures can indicate that the cost of providing services is outstripping the community's ability to pay, especially if spending is increasing faster than the residents' collective personal income. If the increase in spending is greater than can be accounted for by inflation 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**

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 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, *in constant dollars*, decreased by \$746,979 for a decrease to \$424.23 per capita. FY2014 operating expenditures increased \$259,925 mainly the result of all employees receiving a 5.0 percent salary increase, the first in five years. The CIP increased as did population resulting in a new per capita low of \$423.87. FY 2015 operating expenditures increased \$502,592 and population increased 2.1 percent resulting in per capita expenditures to \$428.86. For these reasons, the chart continues to be classified as *Positive*.

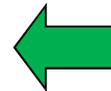
# Operating Expenditures Per Capita

## General Fund In Constant Dollars



### Plant City Trend

Positive



Marginal

Negative

### **Warning Trend**

**Increasing per capita  
expenditures in  
constant dollars**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total General Fund										
Operating Expenditures	20,052,242	22,325,528	21,964,802	21,450,617	22,219,012	21,226,871	22,648,125	21,722,284	22,556,400	23,300,236
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Operating Expenditures In Constant Dollars	15,914,478	17,306,611	16,150,590	16,007,923	16,337,509	15,054,518	15,727,865	14,980,886	15,240,811	15,743,403
Population	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313	35,956	36,710
Operating Expenditures Per Capita In Constant Dollars	484.70	520.08	482.11	480.63	470.54	433.27	449.84	424.23	423.87	428.86

## **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.

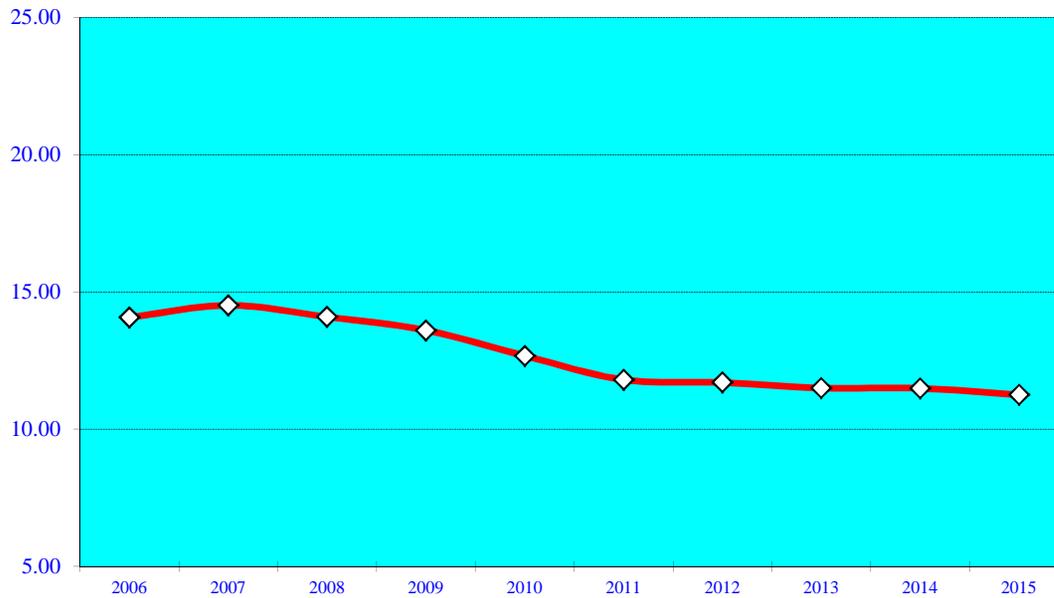
### **WARNING TREND Increasing number of employees per 1,000 citizens**

In FY 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. FY2014 total employees increased by seven with two in the City Manager's Office, one in Community Services, three in the Building Department and one in Engineering. FY 2015 total employees remained at the FY2014 level while, population increased by 754 resulting in a ten year low of 11.25 employees per 1,000 citizens. 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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Full - Time Employees	462	483	472	453	440	410	409	406	413	413
Population	32,834	33,277	33,500	33,306	34,721	34,746	34,963	35,313	35,956	36,710
Employees Per 1,000 Citizens	14.07	14.51	14.09	13.60	12.67	11.80	11.70	11.50	11.49	11.25

## 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**

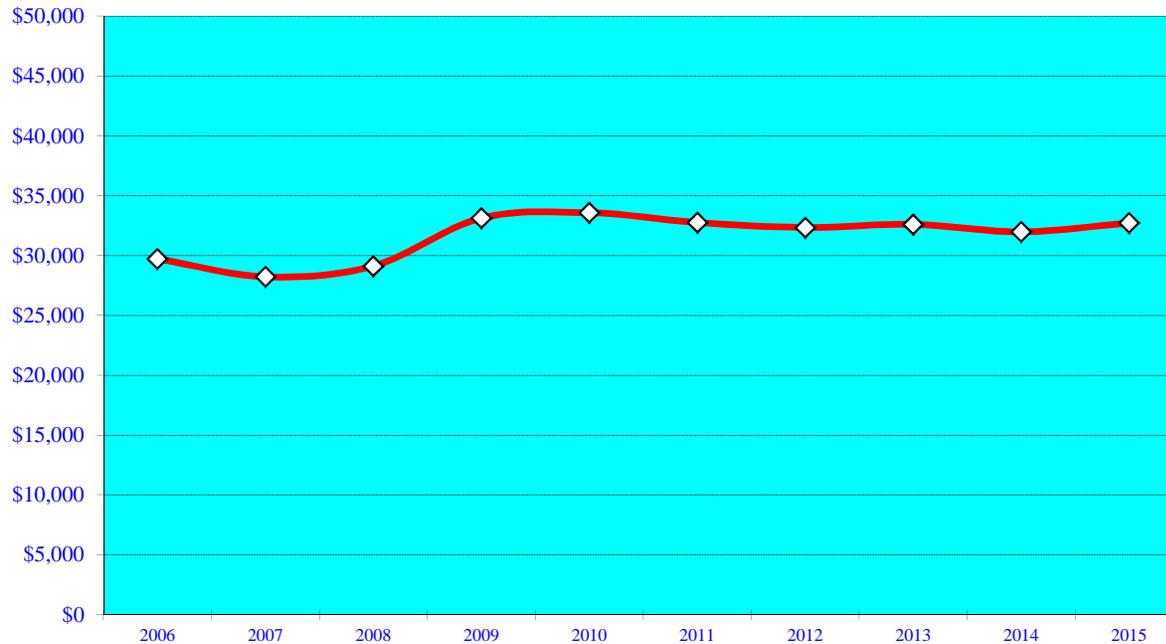
In FY 2006 a 4.25 percent general wage increase was given to all employees. In FY 2007 a 4.2 percent general wage increase was granted all employees. In FY 2008 the number of full-time employees decreased by eleven and a 5.0 percent general wage increase was granted to all employees. In FY 2009 a 4.0 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. 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. 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. FY2014 all employees received a 5.0 percent increase and the number of employees increased by seven and the average salary per employee, *in constant dollars*, dropped to \$31,989. In FY2015 a 2.5 percent was given all non-step employees and the number of employee's remained level with the previous year. The result, average salary per employee, *in constant dollars*, increased to \$32,734. At this level it is still lower than FY2009, FY2010 and FY2011. For these reasons, the chart continues to be classified Positive.

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

Salaries & wages exclude Temporary Pay.

# Average Employee Salary

## General Fund Only - In Constant Dollars



### Plant City Trend

Positive ←  
Marginal  
Negative

**Warning Trend**  
Consistent constant dollar  
increases / decreases

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Full - Time Employees	289	315	304	274	262	248	246	245	250	250
Salaries and Wages - Less Temp Pay	10,825,734	11,472,746	12,045,586	12,167,009	11,966,549	11,458,155	11,459,991	11,588,386	11,836,056	12,111,523
Average Salary	37,459	36,421	39,624	44,405	45,674	46,202	46,585	47,300	47,344	48,446
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Average Salary Per Employee In Constant Dollars	29,729	28,233	29,135	33,138	33,584	32,767	32,351	32,621	31,989	32,734

## Fringe Benefits

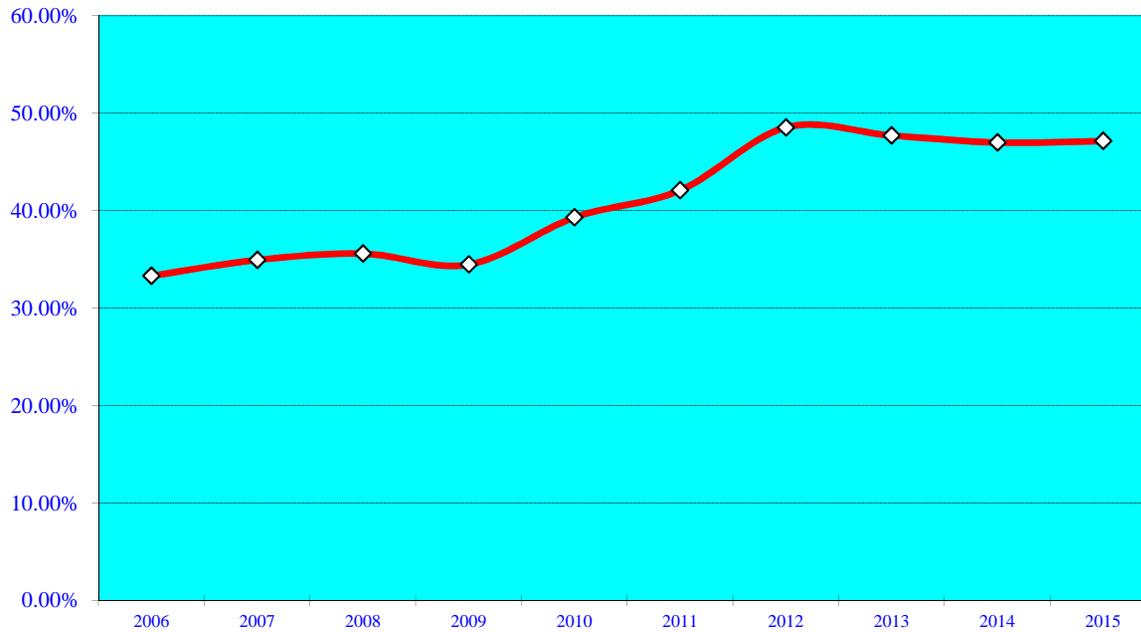
The most common forms of fringe benefits are pension, health insurance, vacation, sick and holiday leave, as well as deferred compensation. Benefits represent a significant share of operating costs, often amounting to more than 25 percent of employee compensation. Because the funding and recording of 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 the first three years. 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 as a result of both salary and benefits remaining level with FY2012. FY2014 the downward trend continued to 47.0 percent. FY2015 the percentage of fringe benefits to salaries increased to 47.15 percent as a result of fringe benefits increasing \$135,095 (2.4%) and salaries increasing \$248,467 (2.0%). This increase of 47.15 percent is lower than FY2012 and FY2013. For these reasons, the chart continues to be classified as *Marginal*.

# Fringe Benefits

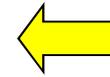
As a Percent of General Fund Salaries and Wages



## Plant City Trend

Positive

Marginal



Negative

## **Warning Trend**

**Increasing fringe benefit expenditures as a percentage of salaries and wages**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Fringe Benefit Costs (GF)	3,606,517	4,008,070	4,287,327	4,193,912	4,704,622	4,823,801	5,563,292	5,529,953	5,575,129	5,710,224
Salaries and Wages - Less Temp Pay	10,825,734	11,472,746	12,045,586	12,167,009	11,966,549	11,458,155	11,459,991	11,588,386	11,863,056	12,111,523
Fringe Benefits as a % of Salaries and Wages	33.31%	34.94%	35.59%	34.47%	39.31%	42.10%	48.55%	47.72%	47.00%	47.15%

## **Salaries and Wages as a Percent of General Fund Expenditures**

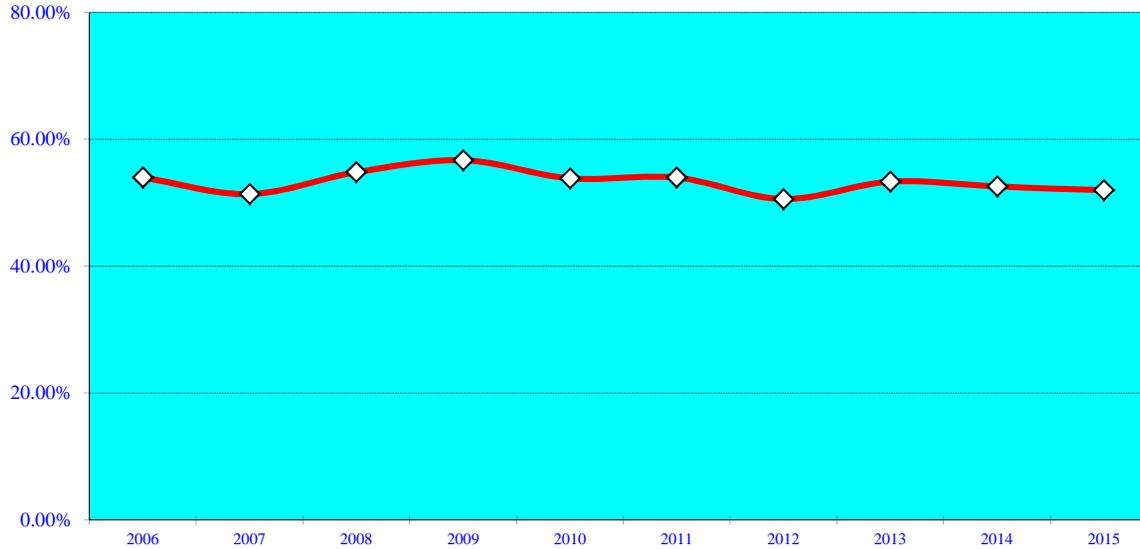
Salary and wages represent a significant share of operating costs, often amounting to as much as 60% of a municipality's expenditures. As stated on page 39, attracting and retaining quality employees often is a primary goal of most organizations (both public and private), and an appropriate wage scale 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**

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. FY 2014 a 5.0 percent increase, the first in five years, was given to all employees. The result, salaries increased \$397,670 while operating expenditures increased \$834,116 and the percent dropped to 52.59. FY2015 a 2.5 percent increase was given all non-step employees and the number of employee's remained level with the previous year. This resulted in salaries increasing \$248,467 while operating expenditures increased \$743,836 and the percent decreased to 51.98. For these reasons, the chart continues to be classified as *Positive*.

# 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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Salaries and Wages -										
Less Temp Pay	10,825,734	11,472,746	12,045,586	12,167,009	11,966,549	11,458,155	11,459,991	11,588,386	11,863,056	12,111,523
Total General Fund										
Operating Expenditures	20,052,242	22,325,528	21,964,802	21,450,617	22,219,012	21,226,871	22,648,125	21,722,284	22,556,400	23,300,236
Salaries & Wages as a percent of GF Operating Expenditures	53.99%	51.39%	54.84%	56.72%	53.86%	53.98%	50.60%	53.35%	52.59%	51.98%

## **Total Personnel Services as a Percent of General Fund Expenditures**

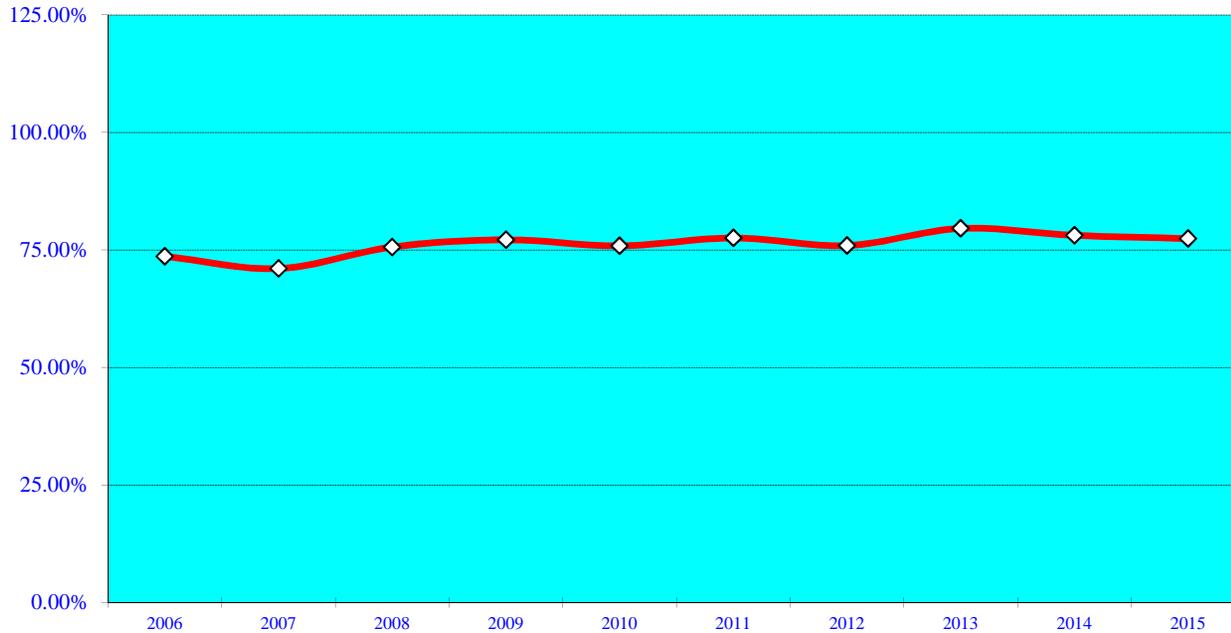
Because total personnel services are a substantial and constant portion of any local government's budget, often amounting to as much as 80 percent of operating expenditures, it is necessary to review and see that this ratio is not out of line. As stated on page 39, attracting and retaining quality employees 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**

FY 2005 the percentage remained at the low to mid 70 percent range through FY 2008. In FY 2009 this percentage increased to 77.58 percent. In FY 2010 the percentage dropped to 75.89 percent. In FY 2011 the percentage increased to 77.58 percent. In FY 2012 the percentage decreased to 75.97 percent. In FY 2013 the percentage increased to 79.6 percent, the highest level in the 10 year period. FY2014 the percentage dropped to 78.13 percent. In FY 2015 the percentage decreased to 77.43 percent. 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

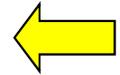
## As a Percent of General Fund Expenditures



### Plant City Trend

Positive

Marginal

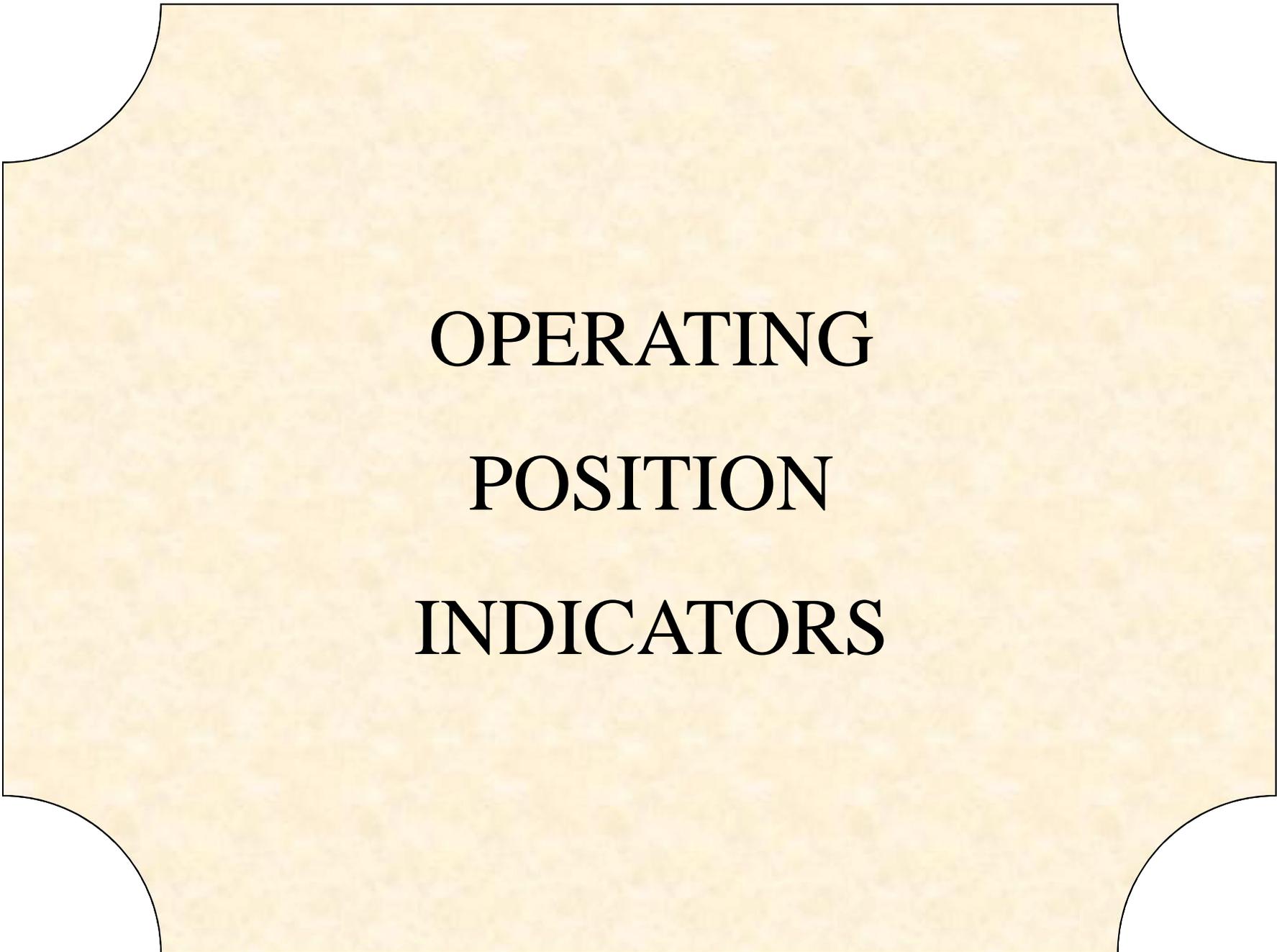


Negative

### **Warning Trend**

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Personnel Services (GF)	14,771,501	15,865,379	16,617,068	16,555,322	16,861,396	16,468,297	17,205,743	17,290,979	17,623,064	18,041,514
Total General Fund Operating Expenditures	20,052,242	22,325,528	21,964,802	21,450,617	22,219,012	21,226,871	22,648,125	21,722,284	22,556,400	23,300,236
Personnel Services as a percent of GF Operating Expenditures	73.67%	71.06%	75.65%	77.18%	75.89%	77.58%	75.97%	79.60%	78.13%	77.43%



**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**

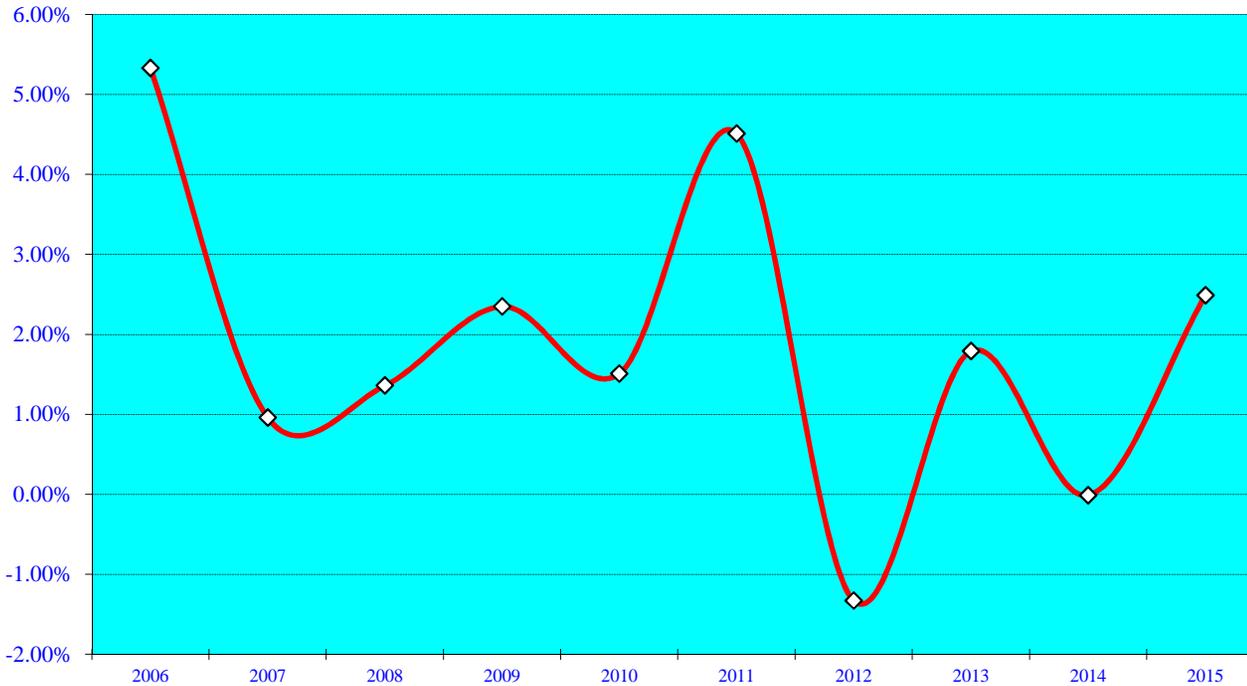
An operating surplus develops when current revenues exceed current expenditures. An operating deficit develops when the reverse occurs. This may not mean that the budget will be out of balance (budget deficit), because reserves (fund balances) from prior years can be used to cover the difference. It 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**

The improvement in FY 2006 (\$1.2 million) from FY2005 (\$0.9 million) 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, reduced by annual transfers of \$2.0 million (partially offset by the sale of Capital Assets) resulted in \$0.2 million. FY 2008 reflected a gross surplus of \$1.6 million reduced by transfers of \$1.3 million, resulting in an increase to \$0.3 million. FY 2009 saw 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) resulting in a net \$0.5 million. FY 2010 reflected a gross surplus of \$1.6 million reduced by transfers of \$1.3 million. For FY 2010 a gross surplus of \$1.5 million was reduced by transfers of \$1.1 million resulted in a net \$0.4 million. FY 2011 a gross surplus of \$2.0 million was reduced by transfers of \$1.0 million netting \$1.0 million. FY 2012 a gross surplus of \$0.5 million was erased by transfers of \$0.9 million resulting in a loss of \$0.3 million. FY 2013 a gross surplus of \$1.4 million was partially erased by transfers of \$0.9 million resulted in a surplus of \$0.4 million. FY2014 gross surplus of \$1.9 million was erased by transfers of \$1.9 million. FY2015 gross surplus of \$1.5 million was reduced by transfers of \$0.9 million resulting in a surplus of \$0.6 million. This resulted in a 2.49 percent surplus as a percent of operating revenue. 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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Operating Surplus / (Deficit)	1,198,241	229,368	321,501	542,848	357,659	1,048,815	(307,727)	413,135	(1,566)	618,110
Operating Revenue	22,501,061	23,779,994	23,594,536	23,108,396	23,667,108	23,262,502	23,145,047	23,075,983	24,447,320	24,834,698
Surplus (Deficit) as a percent of Operating Revenue	5.33%	0.96%	1.36%	2.35%	1.51%	4.51%	-1.33%	1.79%	-0.01%	2.49%

## **Unassigned Fund Balance - General Fund**

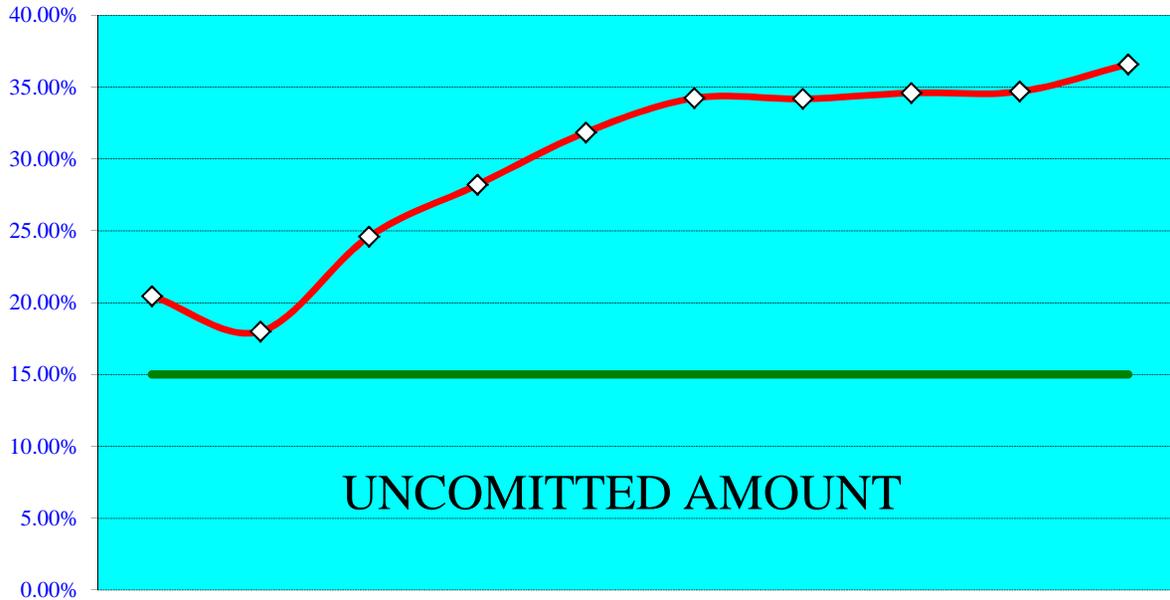
The General Fund fund balance is also known as reserves, although the “fund balance” in the Annual Financial Report is not always synonymous with “available for appropriation.” The report may show reservations on the fund balance, such as “Reserve for Prior Year’s Encumbrances”. The size of a government’s 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. Plant City has balanced the budget by using unassigned fund balance of the previous year. Those budget appropriations have been removed from the unassigned fund balance figures below. The unassigned fund balance in FY2015 is the largest amount in the ten year period, as well as the highest percentage as a percentage of net operating revenue at 36.82 percent. FY2007 through FY2013 operating revenues remained almost level while unassigned fund balance rose significantly during the same period. One reason for this rise is that operating departments did not spend their entire budget and the favorable excess would fall back into fund balance. As budgeting expenditures became more difficult, operating budgets were severely tightened up. The end result was departments spent their budget and less excess fell to surplus. Plant City has maintained a General Fund reserve in excess of 18 percent over the last ten years, with a high of 36.59 percent in FY 2015. These percentages are well above the 15 percent level required by Commission Policy. 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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Unassigned Fund Balance after next year's Budget Appropriation	4,603,702	4,279,868	5,801,791	6,516,276	7,538,808	7,962,266	7,910,435	7,982,002	8,481,712	9,088,018
Operating Revenue	22,501,061	23,779,994	23,594,536	23,108,396	23,667,108	23,262,502	23,145,047	23,075,983	24,447,320	24,834,686
Unassigned Fund Balance as a percent of Net Operating Revenue	20.46%	18.00%	24.59%	28.20%	31.85%	34.23%	34.18%	34.59%	34.69%	36.59%

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**

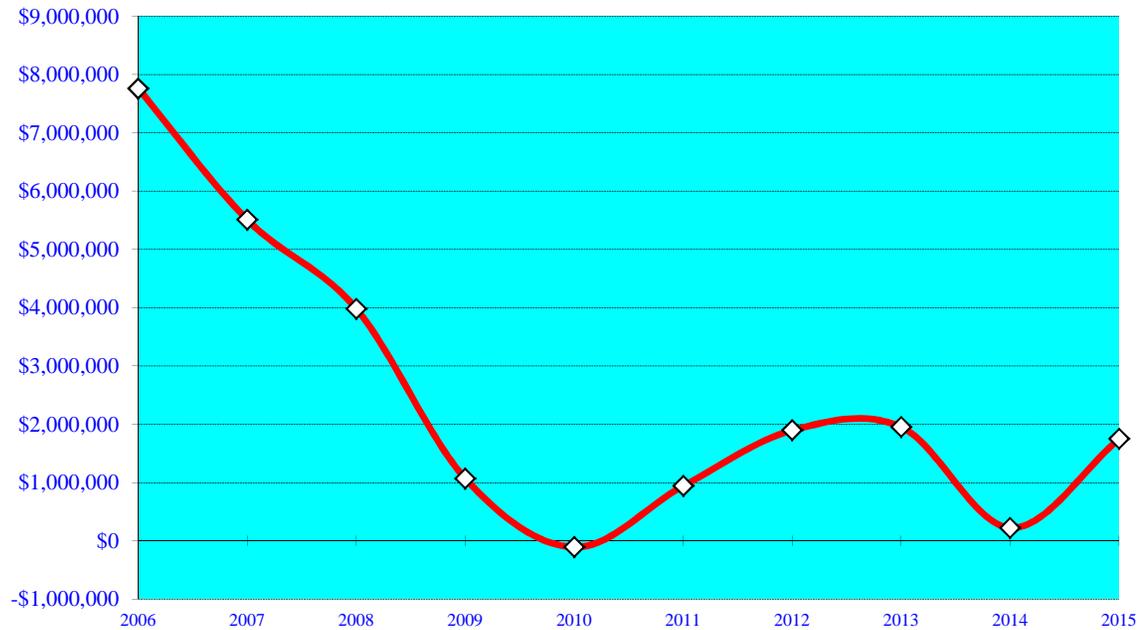
Beginning in April 2004, rates were increased an average of 3 percent for water and 9 percent for sewer. Furthermore, rates were indexed to increase each October 1 in FY 2005 through FY 2008 at an average of 3 percent for water and 9 percent for sewer each year. The indexed increases were the result 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. FY2013 was a repeat FY 2012. FY 2014 revenues remained level while expenses increased, as did transfers out (\$1,575,891 for fleet replacement) and lowered net profit. FY2015 revenues increased \$0.5 million and operating expenses down \$0.2 million. For this reason, the chart has been reclassified from *Marginal* up to *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.

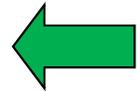
# Water and Sewer

## Constant Dollar Profit (Loss)



### Plant City Trend

Positive



Marginal

Negative

### **Warning Trend**

Consistent enterprise  
fund losses

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Profit (Loss)	9,776,799	7,103,757	5,415,537	1,433,690	(144,179)	1,331,969	2,732,930	2,831,484	333,781	2,590,831
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Profit (Loss) In Constant Dollars	7,759,364	5,506,788	3,982,013	1,069,918	(106,014)	944,659	1,897,868	1,952,748	225,528	1,750,561

## **Solid Waste Enterprise Fund Operations**

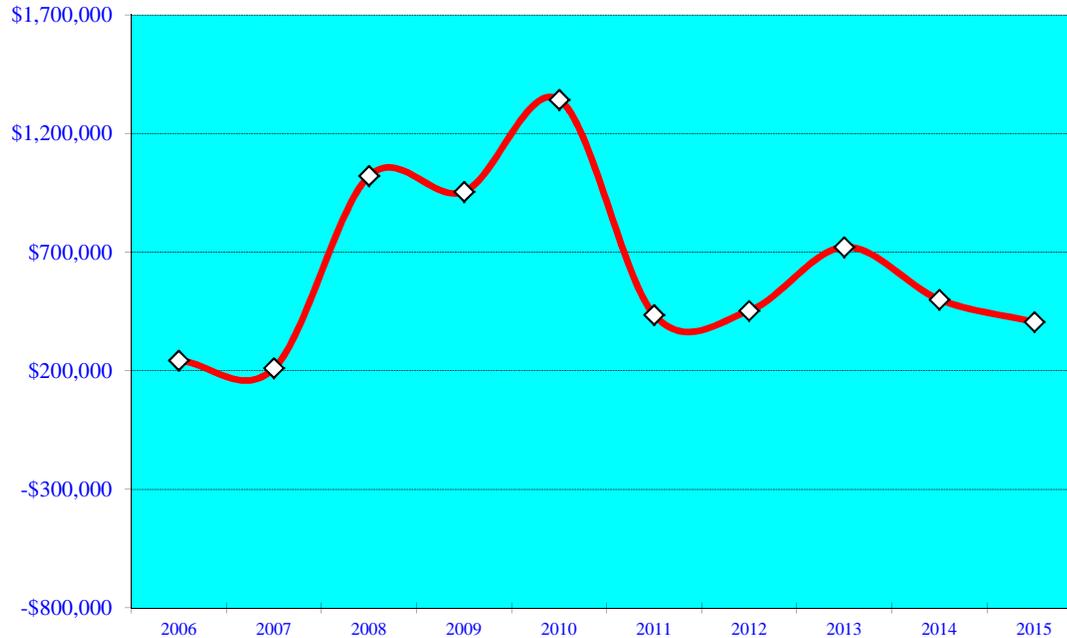
Enterprise losses are a special and highly visible type of operating deficit because enterprise fund programs are expected to function as if they were commercially operated private entities, rather than governmental “not for profit” entities. This means that the costs of providing services to the public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

### **WARNING TREND Consistent enterprise fund losses**

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 3 percent increase was scheduled for 2009, 2010, 2011, 2012, 2013, 2014 and 2015, but these were not put into effect because the operation has a large fund balance. 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 Solid Waste 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 transfers of almost \$500,000 less than in FY2011 resulted in a gain in profit. FY 2013 revenues increased \$189,227 and Non-operating revenue increased \$206,565, while expenses decreased \$307,407. FY2014 revenues were level while expenses increased \$571,908. FY2015 revenues were again level with the previous year as were expenses but transfers increased \$156,000 reducing income to \$600,000. For these reasons, the chart has been reclassified from *Marginal to Negative*.

# Solid Waste

## Constant Dollar Profit (Loss)



### Plant City Trend

Positive

Marginal

Negative

**Warning Trend**  
Consistent enterprise  
fund losses

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Profit (Loss)	306,663	272,229	1,389,250	1,279,808	1,826,139	613,472	652,937	1,046,336	740,447	599,674
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Profit (Loss) In Constant Dollars	243,383	211,030	1,021,507	955,081	1,342,749	435,087	453,428	721,611	500,302	405,185

## **Stormwater 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**

Effective October 1, 2008 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. FY2009 revenues were \$2.0 million and expenses were \$1.6 million. Grants added another \$0.5 million for a profit of \$0.9 million. FY2010 saw revenues and expenses both level but grants were down to \$0.1 million for a profit of \$0.6 million. FY2011 saw revenues level and expenses up \$0.3 million with grants adding \$0.6 million. FY2012 saw revenues again level but expenses climbed up \$0.5 million. Grants added \$0.5 million and profits dropped to \$0.2 million. FY2013 saw revenues up \$0.1 million and expenses down \$0.3 million and no grants. Profit dropped to \$0.4 million. FY2014 saw revenues up \$0.1 million and expenses up almost \$0.3 million and again no grants. Transfers of \$0.7 million to the Fleet Replacement Fund resulted in a loss of \$0.8 million. FY2015 saw revenues up \$0.075 million and expenses slightly less than FY2014. Transfers of \$0.1 million to the Fleet Replacement Fund resulted in a loss of \$0.2 million. For this reason, the chart has been reclassified from *Negative* up to *Marginal*.

# Stormwater

## Constant Dollar Profit (Loss)



### Plant City Trend

Positive

Marginal

Negative

**Warning Trend**  
Consistent enterprise fund losses

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Profit (Loss)	Stormwater was not an enterprise fund until October 1, 2008. It was part of the Street Fund (Governmental Fund)			887,635	633,977	852,768	201,054	372,521	(837,148)	(199,809)
CPI				1.34	1.36	1.41	1.44	1.45	1.48	1.48
Profit (Loss) In Constant Dollars				662,414	466,160	604,800	139,621	256,911	(565,641)	(135,006)

## **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.

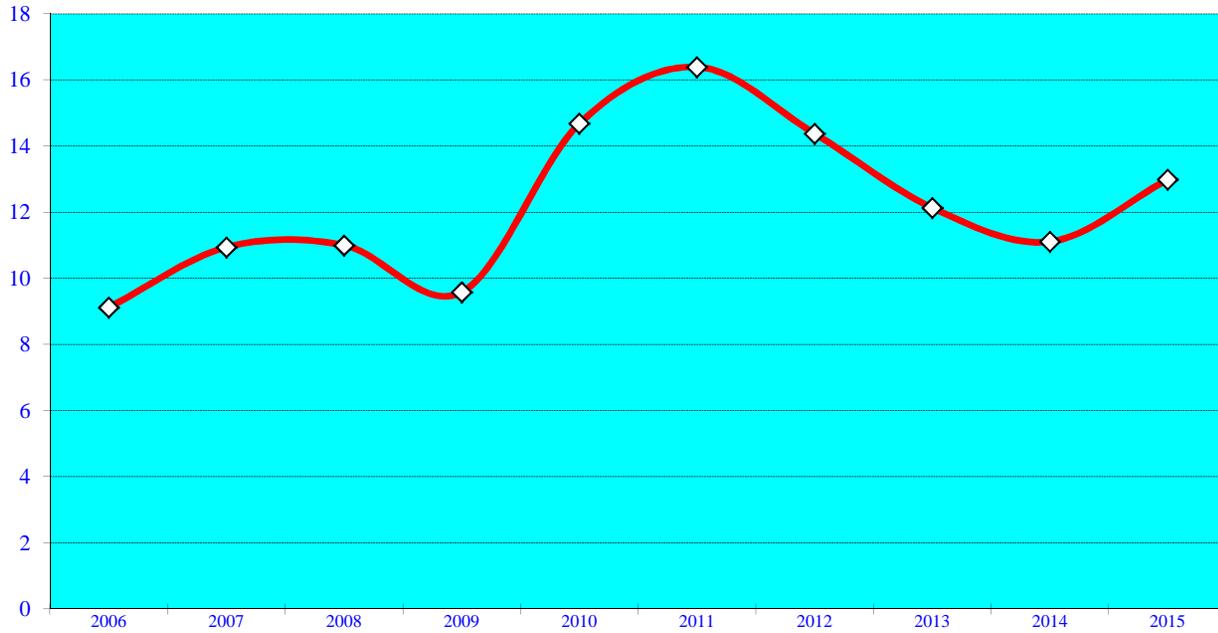
### **WARNING TREND Declining ratio of liquid assets to current liabilities and a ratio of less than 1.0**

FY 2011 the liquidity ratio reached a ten year high of 16.39. FY 2015 Cash and Liquid Assets increased while Current Liabilities decreased resulting in an increase in the ratio to 12.99.

The City’s liquidity ratio has consistently been at or above the 9.12 level 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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Cash and Liquid Assets	13,066,595	13,063,004	13,361,913	14,220,205	14,054,714	15,028,814	14,803,800	15,484,956	15,612,808	16,109,807
Current Liabilities	1,432,388	1,193,614	1,215,084	1,483,849	957,481	917,036	1,030,434	1,276,130	1,405,354	1,239,937
Liquidity Ratio	9.12	10.94	11.00	9.58	14.68	16.39	14.37	12.13	11.11	12.99

# 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**

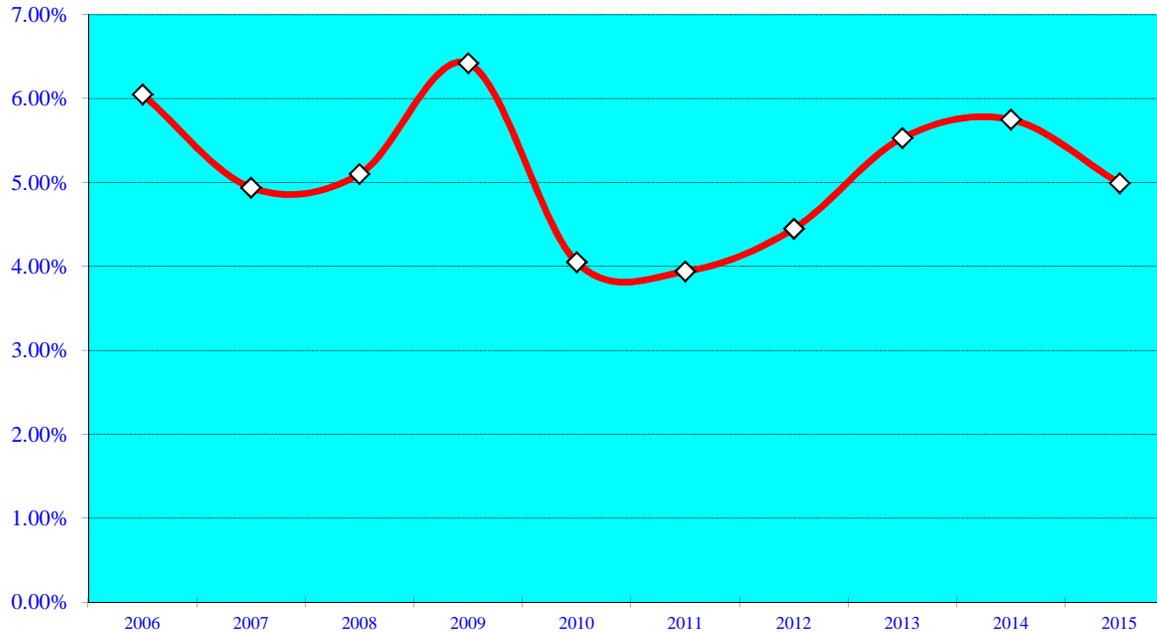
Current liabilities for Plant City include:

- Accounts Payable
- Due to Other Funds
- Due to Other Governments
- Deferred Revenue
- Customer Deposits
- Other Current Liabilities

The low percentage of current liabilities to General Fund operating revenues dropped back to the FY2007 level at 4.99 percent for FY 2015. For this reason, the chart has been reclassified from *Marginal* up to *Positive*.

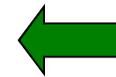
# Current Liabilities

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**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Current Liabilities	1,432,388	1,193,614	1,215,084	1,483,849	957,481	917,036	1,030,434	1,276,130	1,405,354	1,239,937
Gross Operating Revenue	23,693,634	24,169,994	23,819,798	23,108,396	23,667,108	23,262,502	23,145,047	23,078,863	24,452,061	24,834,686
Current Liabilities as a percent of Operating Revenue	6.05%	4.94%	5.10%	6.42%	4.05%	3.94%	4.45%	5.53%	5.75%	4.99%

## Long Term Debt Per Capita

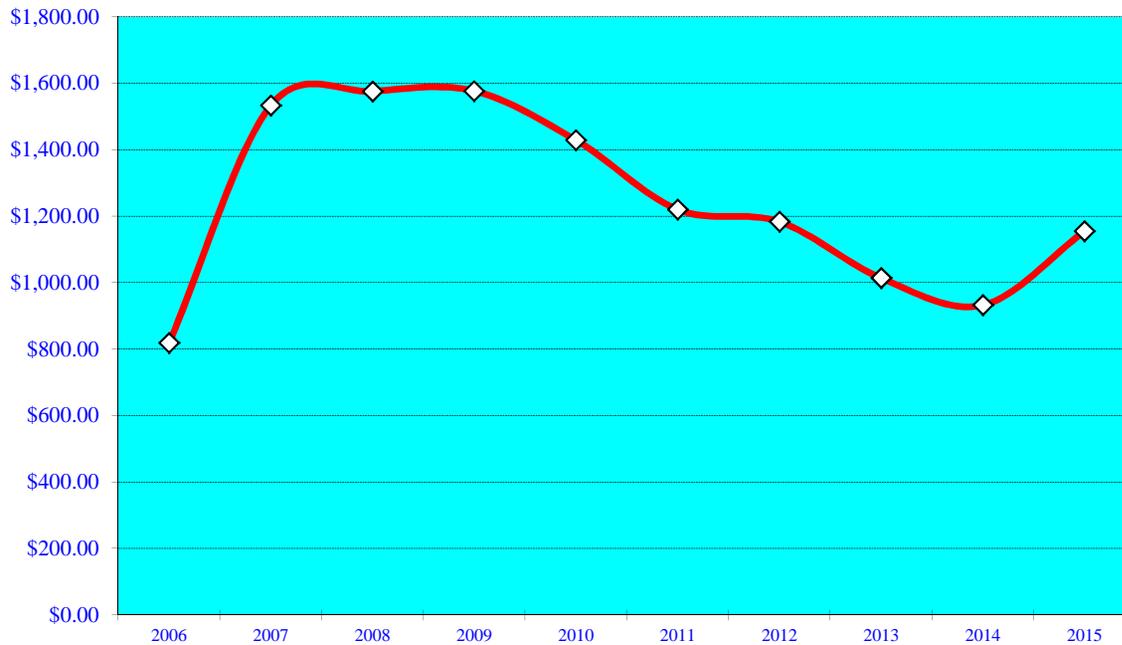
Long term debt of a government includes both net direct debt (bonded debt which the government has pledged its full faith and credit to levy ad valorem taxes) and self-supporting debt (bonded debt that the government has pledged to repay from revenue sources separate from its ad valorem tax revenue). As noted on the previous trend chart, the City did not have any direct debt during the period FY 1999 through FY 2008.

### **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. 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 dropped 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. FY2013 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. FY2014 Net Long Term Debt was \$50,109,127 with per capita debt down to \$932.37 in constant dollars. FY2015 Governmental Accounting Standards Board Statement No.68 *Accounting and Financial Reporting for Pensions* was implemented and required the City to restate the beginning net position as of October 1, 2014 for Net Pension Liability. This caused Long Term Debt to increase by \$16,562,693 as of September 30, 2015. *For* this reason, the chart has been reclassified from *Positive* to *Marginal*.

# 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**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Long Term Debt	36,643,415	68,620,639	77,355,908	75,951,043	72,108,896	69,351,916	65,371,401	54,440,717	51,557,531	65,152,725
Reserve for Debt Srvce	2,777,853	2,802,037	5,571,270	5,586,965	4,653,832	4,424,989	5,794,868	2,533,853	1,941,484	2,390,416
Net Long Term Debt	33,865,562	65,818,602	71,784,638	70,364,078	67,455,064	64,926,927	59,576,533	51,906,864	49,616,047	62,762,309
CPI	1.26	1.29	1.36	1.34	1.36	1.41	1.44	1.45	1.48	1.48
Constant Dollars	26,877,430	51,022,172	52,782,822	52,510,506	49,599,312	46,047,466	41,372,592	35,797,837	33,524,356	42,406,966
Population	32,834	33,277	33,500	33,306	34,721	37,746	34,963	35,313	35,956	36,710
Long Term Debt Per Capita	818.59	1,533.26	1,575.61	1,576.61	1,428.51	1,219.93	1,183.33	1,013.73	932.37	1,155.19

## **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.

### **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).

### **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, 2014, the City had drawn a total of \$251,250 of the available funds.

## **Long Term Debt**

### **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 \$499,590. 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).

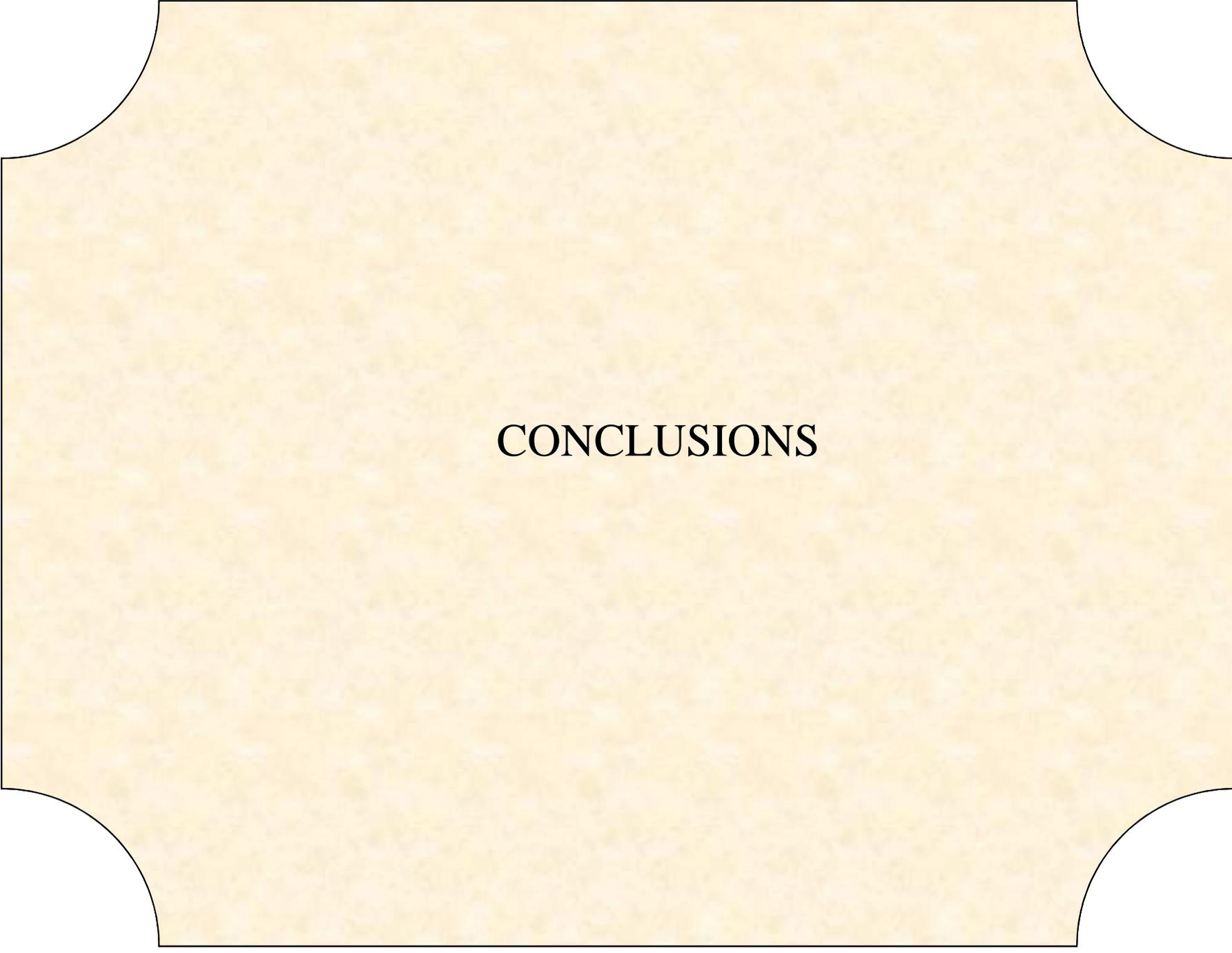
#### **2007 Loan**

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).

### **OTHER DEBT**

#### **Net Pension Liability**

At September 30, 2015, as a result of the Governmental Accounting Standards Board Statement No.68 *Accounting and Financial Reporting for Pensions*, which was implemented and it required the City to restate the beginning net position as of October 1, 2014 for Net Pension Liability. This caused Long Term Debt to increase by \$16,562,693.



## CONCLUSIONS

## CONCLUSIONS

The nation's economy continues to show signs of improvement, as evidenced by the 2015 assessed taxable value of Plant City (FY2015-16) projected to be increasing from the FY2014-15 level by 5.3 percent. However, the indicators in this report are for 2015 and continue to reflect a slower recovery in Plant City's financial indicators.

The Community Resources indicator of *population* (Pg. 4) and *Unemployment rate* (Pg. 12) and commercial *construction value* (Pg. 18) all remained *Positive*. *City assessed valuation per capita in constant dollars* (Pg. 8) moved from *Marginal* to *Positive*, as did *Total construction value* (Pg.14) and *Residential construction* (Pg. 16). *Personal Income* (Pg. 6) remained at *Marginal*. *CRA assessed valuation per capita in constant dollars* (Pg. 10) moved from *Negative* to *Marginal*.

The Revenue indicator of *revenue per capita* (Pg. 21) remained as *Negative*. The indicator *restricted revenue* (Pg. 23) *intergovernmental revenue* (Pg. 25) and the indicator of *uncollected property tax* (Pg. 29) all moved from *Marginal* up to *Positive*. The indicators of *utility tax revenue* (Pg. 31) and *franchise tax revenue* (Pg. 33) remained at *Positive*. The indicator *property tax revenue* (Pg. 27) moved from *Negative* to *Marginal*.

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* again this year. The indicators of *fringe benefits* (Pg. 42) and *Total personal services* (Pg. 46) remained as *Marginal* again this year.

Operating Position indicator of *Operating surplus/(deficit)* (Pg.49) jumped from *Negative* to *Positive*. The indicators of *unassigned fund balance* (Pg. 51),and *liquidity ratio* (Pg.59) both remained as *Positive*. The indicator of *water and sewer* (Pg. 53), moved up from *Marginal* to *Positive*. The indicator of *solid waste* (Pg. 55) moved from *Marginal* down to *Negative*. The indicator *stormwater* (Pg. 57) was classified as *Negative* and has now moved up to *Marginal*.

Debt indicator for *Long term debt per capita* (Pg. 64) has been downgraded from *Positive* to *Marginal*. The indicator *current liabilities* (Pg. 62) has been reclassified from *Marginal* up to *Positive*.

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

<u>Chart</u>	<u>Positive</u>	<u>Marginal</u>	<u>Negative</u>
<b><u>Community Resources</u></b>			
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		
<b><u>Revenues</u></b>			
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		
<b><u>Expenditures</u></b>			
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	
<b><u>Operating Position</u></b>			
Operating Surplus/(Deficit) (Page 49)	X		
Unassigned Fund Balance (Page 51)	X		
Water and Sewer (Page 53)	X		
Sanitation (Page 55)			X
Stormwater (Page 57)		X	
Liquidity Ratio (Page 57)	X		
<b><u>Debt</u></b>			
Current Liabilities (Page 60)	X		
Long Term Debt per Capita (Page 62)		X	
<b>TOTAL</b>	<b>20</b>	<b>7</b>	<b>2</b>

**THE END**