

**FLAGLER COUNTY, FLORIDA**  
**BOARD OF COUNTY COMMISSIONERS**

**APPROVED BUDGET**

**FISCAL YEAR 2013/2014**  
**October 1, 2013 – September 30, 2014**

## About Flagler County

### GEOGRAPHY

Located on the northeast coast of Florida, Flagler County is 31 miles south of St. Augustine and 24 miles north of Daytona Beach. The county is bordered by St. Johns County to the north, Putnam County to the west, Volusia County to the south, and the Atlantic Ocean to the east. Flagler County is about 23 miles wide at its widest point east to west, and 29 miles long at its longest point north to south. Flagler County occupies approximately 571 square miles consisting of 485 square miles of land area and 86 square miles of water area. With a population of 95,696 (2010 U.S. Census), the county is comprised of five municipalities – Palm Coast, Flagler Beach, Beverly Beach, Bunnell and Marineland. The County's municipalities have incorporated roughly 48% of the land area within Flagler County. While the bulk of the County's population lives in Palm Coast, its largest city (by geography) is Bunnell. About 52% of the land area within Flagler County remains unincorporated. There is a developed and connected roadway system providing access to SR A1A, Interstate 95, U.S. 1 and SR 100. The Intracoastal Waterway, which bisects the eastern portion of Flagler County is navigable from Miami to Canada's St. Lawrence Seaway. The Atlantic Ocean can be accessed at Ponce Inlet to the south or St. Augustine to the north. The Atlantic Ocean beachfront area is 18 miles long with pristine beaches. There are over 40 parks and preserves, and more than 90 miles of trails for hiking, biking and paddling. Flagler County is a desirable destination for tourists, visitors, businesses and residents.



## About Flagler County

### HISTORY

Flagler County, named after the famous railroad builder Henry Flagler, was created in 1917 from portions of Volusia and St. Johns Counties. The story of Flagler County is rich in American History, beginning with the Native Americans who migrated seasonally collecting resources along the eastern shoreline. It is believed that The Timucuan Indians were among the area's earliest inhabitants, who settled in Northeast Florida as early as 2000 BC. European settlement in Flagler County began during the time of the Spanish occupation of St. Augustine. During the subsequent British occupation, "Kings Road" was built connecting South Georgia with the Turnbull Colony at New Smyrna, providing greater access to the area. Portions of this road remain today, as Old Kings Road, and it still serves as one of Flagler County's major north-south corridors.

The City Of Bunnell, is the county seat for Flagler County and one of the oldest communities on the east coast of Florida. Officially incorporated as a town in 1913, and a city in 1924, Bunnell's history dates back to the 1880's. As with many Florida communities, Bunnell's history is tied to the railroad industry. The area grew in time with small farms that successfully raised sugar cane, corn, sweet potatoes, cucumbers and hay. Flagler Beach became incorporated in April on 1925 and has grown from a sleepy fishing village to a unique seaside community that has retained much of its original charm. The city is home to six miles of uncrowded beaches, great fishing spots (including the Flagler Beach Municipal Pier), restaurants, gift shops and recreational facilities. Palm Coast, which was developed by ITT Corporation in 1969, is now home to 76,450 residents. The project, operated by ITT Community Development Corporation, targeted retirement age urban residents and professionals from the North and Midwest by offering slices of land cut from miles of forest, and the promise of a 500-mile infrastructure of roads, utilities and sewer line. As a result, Palm Coast became the largest planned unit development in Florida history.

### CLIMATE

Over the course of a year, the temperature reaches 80 degrees by mid April and remains in the 80's until mid October. The climate is a warm and humid temperature with hot summers and precipitation that is moderate to light rain. On average, there are 225 sunny days per year. There is plenty of sunshine to enjoy the beaches, recreational activities, or spending the day enjoying one of the many county parks and preserves.

### GOVERNING THE COUNTY

Flagler County's government is configured to be responsive and accessible to the general public. The County, is governed by an elected five-member Board Of County Commissioners. In addition to the Commissioners, citizens also elect five Constitutional Officers: Tax Collector, Property Appraiser, Clerk Of The Circuit Court, Sheriff and Supervisor Of Elections. The County's administrative departments are housed under

## **About Flagler County**

the purview of the County Administrator and include Public Works, Community Services, Growth Management, Financial Services, General Services, Emergency Services and Engineering.

### **POPULATION**

According to the 2010 Census figure for Flagler County the population stood at 95,696 residents. This was a 92 percent increase from the year 2000. Flagler County has been named as the fastest growing county in the U.S. by percentage of the 2000 population, having grown by over 53% in a five-year period. Flagler County has a 2012 population of 97,160 and is projected to grow to a population of 114,700 by 2015. The median age of all Flagler County residents is 47.5 years. 24.5 % of the population is age 65 or over, and 19.9 % of the population is under the age of 18.

### **EDUCATION**

Flagler County Public Schools enroll about 13,000 students per school year. This includes two public high schools, 5 elementary schools and 2 middle schools. In addition, there is a college campus in Palm Coast which is a branch of Daytona State College.

### **ECONOMY**

As the economy has started to improve and stabilize, Flagler County government continues to operate on a conservative budget. Enthusiasm in the Flagler County market is growing steadily and unemployment numbers are falling, as new businesses continue to open and local tourism continues to progress. The residential construction industry and agriculture-related businesses continue to be important elements of Flagler County's economy. According to the latest information, the four largest employers in the private sector are Florida Hospital Flagler, Palm Coast Data, Publix Supermarkets and Hammock Beach Resort. The median household income in Flagler County is \$49,159, which is 12.3% above the state average of \$44,755. Likewise, the percentage of Flagler County residents living below the poverty level is 11.3%, well below the state average of 15.0%. Flagler County will continue to balance the growth and protect the environment while providing high quality services that are in the best interest of the residents and community.

**Board of County  
Commissioners**

1769 E. Moody Blvd Bldg 2  
Bunnell, FL 32110



[www.flaglercounty.org](http://www.flaglercounty.org)

Phone: (386)313-4001

Fax: (386)313-4101

November 27, 2013

Honorable Chairman and County  
Commissioners  
Flagler County, Florida

Dear Commissioners:

In accordance with the provisions of Sections 129.03(3) and 200.065(2), Florida Statutes, it is my pleasure to present the approved year 2013-14 budget for Flagler County, Florida, in the amount of \$173,710,787.

As approved, the county wide and dependent special taxing district budgets for fiscal year 2013-14 are as follows:

<u>Taxing Entity</u>	<u>Fiscal Year 2013-14 Budget</u>
County Wide Budget	\$143,201,825
Transportation Impact Fee Funds	27,443,174
Parks Impact Fee Funds	507,392
Municipal Services Fund	558,890
Building Department Fund	925,471

<u>Taxing Entity</u>	<u>Fiscal Year 2013-14 Budget</u>
\$3,730,000 Special Assessment Bond, Series 2002 Debt Service Fund (Colbert Lane)	\$ 328,758
Daytona North Service District Fund	712,336
Rima Ridge Mosquito Control District Fund	12,246
Espanola Mosquito Control District Fund	8,255
Bimini Gardens Road Maintenance Fund	12,440
<b>Totals - All Taxing Entities</b>	<u>\$173,710,787</u>

This approved budget is the culmination of a process that included careful consideration of the goals of the Board of County Commissioners, analysis of current and desired service levels, and availability of funds. Departments initially submitted budgets. The Financial Services Department, Department Directors and the County Administrator then reviewed the initial requests and adjusted the budget as necessary to meet the County's needs while still maintaining fiscal responsibility.

I believe the approved budget for Fiscal Year 2013-2014 reflects your priorities and

direction. We held a series of budget workshops and two public hearings to allow opportunities for citizens to address their concerns and priorities before final decisions are made. The first Truth in Millage (TRIM) Public Hearing on Thursday, September 5, 2013 and the 2nd and Final Public Hearing held on Thursday, September 19, 2013.

The document presented to you is a financially strong budget in light of the ongoing revenue challenges, including dramatic reductions in taxable property values that we experienced over the last five years.

With your leadership, we have dealt with decreasing property values by reducing staff, adjusting our self-insured health insurance plan, renegotiating our property/casualty/liability insurance, privatization, restructuring and surgically cutting budgets throughout the County, and incurring minimal service reductions to the public.

Other highlights include; maintaining emergency disaster, and helicopter replacement reserve accounts. This approved budget is the result of a process that included careful consideration of the goals of the Board of County Commissioners, analysis of current and desired service levels, and availability of funds.

The countywide operating millage rate is approved at 8.1897 mills, 100% of which is being used to fund the general fund. The general fund millage rate of 8.1897 mills will generate a total of \$48,291,203 (@ 95%), which is an increase of \$6,900,737 or 6.14% from the amount of property tax revenue included in the adopted fiscal year 2012-13 budget. The approved countywide operating millage rate of 8.1897 mills is 15.82% above the rolled back rate of 7.0709 mills and represents an increase of 1.1097 mills from the 7.0800 mills levied in the fiscal year 2012-13.

**Comments on Estimated Revenues and Other Receipts**

**Millage Rate** – The approved fiscal year 2013-14 general fund budget includes an approved millage rate of 8.1897 mills.

In the approved fiscal year 2013-14 budget for the general fund, property taxes represent 82% of the current year revenues in the general fund (i.e. total available resources of \$66,128,804 less cash carried forward of \$7,702,598).

Based on certified fiscal year 2013-14 taxable values, which were received from the Property Appraiser on July 1, 2013, the

following is a summary of the property tax revenues included within the approved fiscal year 2013-14 budget:

Fund	Approved Millage Rate	Ad Valorem Tax Revenue @100%
General Fund	7.9906 Mills	\$49,597,046
<b>Debt Service Funds:</b>		
2005 ESL	0.0768 Mills	476,692
2009 ESL	0.1357 Mills	842,280
2010 ESL	0.0375 Mills	232,760
2005 Bonds	0.3347 Mills	2,077,457
<b>Total – All Funds</b>	<b>8.5753 Mills</b>	<b>\$53,226,235</b>

**Non-Ad Valorem (Per Parcel or Per Front Foot) Assessment Revenues** – As presented, the approved fiscal year 2013-14 budget includes a total of \$1,563,003 in non-ad valorem (per parcel or per front foot) special assessment revenues which will be collected by the tax collector as a part of the tax bill process. The specific amounts included within the budget document are as follows:

Taxing Entity	Fiscal Year 2013-14 Special Assessments @100%
Residential Solid Waste Collection Fund	\$ 1,289,723
Daytona North Service District Fund	264,080
Rima Ridge Mosquito Control Fund	2,400
Espanola Mosquito Control Fund	1,200

Bimini Gardens MSBU Fund	5,600
<b>Total</b>	<b>\$1,563,003</b>

The special assessments for the Colbert Lane Bond Debt Service Fund were last assessed in FY2011-2012. The required debt service payments will end in 2014 and there is sufficient fund balance to make the payments required in FY 2013-14.

**Sales and Use Taxes** – The approved fiscal year 2013-2014 budget contains a total of \$4,090,698 in sales and use taxes from the following sources:

Description	Approved Fiscal Year 2013-14 Revenues @100%
Local Government Half-Cent Sales Tax	\$ 2,023,730
Local Option Small County Half-Cent Sales Surtax	\$1,726,675
Local Communications Services Tax	197,493
Local Option Tourist Development Tax (4%)	1,428,000
<b>Total</b>	<b>\$4,090,698</b>

Estimated proceeds from the Local Government Half-cent Sales Tax Clearing Trust Fund of \$2,023,730 have been included in the approved fiscal year 2013-14 budget. This represents an increase of \$82,580 from the \$1,941,150 included in the fiscal year 2012-13 budget.

In prior years, 100% of the Local Option Infrastructure Sales Surtax Revenues was pledged for the repayment of the \$34,105,000 Capital Improvement Revenue Bonds, Series 2005. This revenue stream expired on January 1, 2013. The debt service schedule of the bonds was created taking this into account, decreasing payments accordingly. Included in the approved FY13-14 budget is \$1,726,675 from the Local Option Small County Sales Surtax that replaced the Infrastructure Surtax on January 1, 2013. The adopted infrastructure surtax utilizes the state prescribed default formula to distribute proceeds which generated over \$1.4M for the nine months ended September 30, 2013. These proceeds are budgeted in a new Capital Projects Fund which includes expenditures for projects such as the Jail Design and Sheriff's Operations Center.

The amount expected to be received from the Local Communications Services Tax is decreased in fiscal year 2013-14 compared to fiscal year 2012-13. A total of \$228,045 was included in the approved fiscal year 2012-13 budget from this source. This amount is expected to decrease by \$30,552 to \$197,493 in fiscal year 2013-14. The proceeds from the Local Communications Services Tax are utilized for the repayment of the \$34,105,000 Capital Improvement Revenue Bonds, Series 2005.

It is anticipated that the amount of tourist development tax revenues generated will increase by approximately \$141,000 over the previous fiscal year. Included in the approved fiscal year 2013-14 is \$1,428,000 from Local Option Tourist Development Tax.

Pursuant to the provisions of Flagler County Ordinance Number 2010-11, funds generated from the tourist development tax are to be allocated to the following categories:

Category	Percentage
Capital Projects (Fund 109)	22.50%
Promotions & Advertising (Fund 110)	66.25%
Beach Restoration & Maintenance (Fund 111)	11.25%
<b>Total</b>	<b>100.00%</b>

**Motor Fuel Taxes** – A total of \$2,397,912 is included within the approved fiscal year 2013-14 budget in motor fuel tax revenues. This amount may be summarized as follows:

Description	Approved Fiscal Year 2013-14 Revenues @100%
Local Option Fuel Tax	\$ 445,937
Constitutional Fuel Tax	1,070,440
County (Seventh- Cent) Fuel Tax	471,830
Ninth-Cent Fuel Tax	409,705
<b>Total</b>	<b>\$2,397,912</b>

The \$2,397,912 included from these sources in the approved fiscal year 2013-14 budget represents an increase of 3% from

the \$2,327,737 included in the fiscal year 2012-13 budget.

**Licenses, Permits, and Fees** – The amounts included within the fiscal year 2013-14 budget from these sources total \$409,000 which represents an increase of \$92,075 from the \$316,925 included within the approved fiscal year 2012-13 budget. This revenue category includes a number of different sources including building permit fees and right of way utilization fees.

**Cash Carry Forward (Fund Balance) or Net Assets** – These amounts are defined as the expected amounts that the preceding year's actual receipts exceed expenditures. These amounts are generally used to fund the various budgets until receipt of ad valorem tax and non-ad valorem per parcel assessment revenues, which normally occurs in November or early December. The approved fiscal year 2013-2014 budget includes a total of \$46,669,755 in fund balance/Net Assets brought forward, which represents 26.8% of the total approved budget of \$173,710,787. Approximately 71% of the budgeted amount of Fund Balance/Net Assets brought forward is included in 15 funds, which may be summarized as follows:

Fund	Budgeted Fund Balance/ Net Assets
General Fund	\$9,767,646
Tourist Development Funds	3,562,807
Constitutional Gas Tax Fund	2,424,751

Environmentally Sensitive Lands Funds (3)	1,691,752
Transportation Impact Fee (Old East) Fund	2,691,869
Transportation Impact Fee (Palm Coast) Fund	2,122,463
Capital Construction Sinking (Debt Service) Fund	3,372,755
½ Cent Discretionary Sales Tax Fund	2,005,500
Solid Waste Fund	1,991,718
Bunnell Flagler County Utility Fund	1,153,850
Health Insurance (Internal Service) Fund	<u>2,454,973</u>
Subtotal	<b>\$33,240,084</b>
All other Funds	13,429,671
<b>Totals – All Funds</b>	<b><u>\$46,669,755</u></b>

**Debt Proceeds** – There are no Debt Proceeds budgeted for fiscal year 2013-2014 except the rollover of the \$3,400,000 Florida Association of Counties loan approved in September 2013 included in Cash Carry Forward (Fund Balance) of the ½ Cent Discretionary Sales Tax Fund and the Bunnell Flagler County Utility Fund which received \$2,300,000 and \$1,100,000 respectively.

**Comments on Expenditures**

**Personal Services** – As included in the approved fiscal year 2013-2014 budget,

appropriations for personal services total \$19,192,066, which represents an increase of \$1,163,741 from the \$18,028,325 included in the approved fiscal year 2012-13 budget. The increase is primarily attributable to the 2.5% salary increase included in the FY2013-14 budget for the first time since FY2008-09.

As presented, the approved fiscal year 2013-14 budget includes a total of 308.95 full time equivalent (FTE) positions in county departments (i.e. excluding constitutional officers). This represents an increase of 8.80 FTE from the 300.15 FTE positions included in the fiscal year 2012-13 budget.

The reduction of hours included in the FY2012-13 budget was added back for FY2013-14 including an increase of 2 part time positions. General Services added 7 new positions including the 3 fleet positions transferred during FY2012-13 from the Sheriff's Office. A position was also added for the new Pre-Trial Services Program added to the General Fund to assist with the overcrowding at the Flagler County Inmate Facility.

As included in the fiscal year 2013-14 budget, there is a total of \$736,166 in budgeted overtime costs. This represents a decrease of \$83 from the \$736,249 included in the fiscal year 2012-13 budget. Over 98% of the budgeted overtime is included in the Emergency Services Department for Fire Services, in both regular and special overtime.

Employer retirement contributions included in the approved fiscal year 2013-14 budget

total \$1,638,931, which represents an increase of \$376,407 from the \$1,262,524 in the approved fiscal year 2012-13 budget. The following is a retirement rate comparison from last fiscal year to the current approved budget:

Employee Class	Rates for FY2012-13	Rates for FY2013-14
Regular	5.18%	6.95%
Special Risk	19.56%	19.06%
Elected Officers	10.23%	33.03%
Senior Management	6.3%	18.31%
DROP	5.44%	12.84%

The increased rates were based on the 2012 actuarial valuation and uniform blended rates recommended by the consulting actuary for the State of Florida. This is the first year the legislature required employers to pay the full Unfunded Actuarial Liability (UAL) contribution recommended by the actuary for all membership classes and Deferred Retirement Option Program (DROP) participants. Overall, this change in funding the full UAL cost Flagler County over \$800,000.

We are expecting the cost of the County's fully insured workers' compensation program to increase slightly. The cost of this program is allocated on the basis of the manual premium rates established by the State of Florida. For employees of the

Board of County Commissioners only, total workers compensation premiums are expected to increase by \$19,532 from \$399,440 in the adopted fiscal year 2012-13 budget to \$418,972 in the fiscal year 2013-14 budget.

The County presently provides health care coverage to all full time employees through a self insured health care program, which provides for the payment of employee health and medical claims and is managed by the County and a third party administrator. Key components of the program include a prescription medication plan and a Preferred Provider Organization (PPO).

In an effort to give employees additional options (as well as to reduce the cost of the plan to the County), the Blue Options Plan was offered in addition to the existing Blue Choice Plan. The Blue Options Plan allows for lower monthly premiums for the employees but higher deductibles and co-pays when the individual utilizes the plan.

Other efforts to keep medical cost trends at a minimum include the Employee Health Clinic which opened in late November, 2011. The clinic offers primary care services to covered employees and their covered dependents at no cost. These services include physician services, blood work and dispensing of certain maintenance medications. Utilization of the clinic has increased such that the hours of operation were expanded from 24 hours per week to 40 hours per week during fiscal year 2011-12.

In addition, the fiscal year 2013-14 budget as approved includes offering Wellness Incentives to all employees enrolled in the health plan. A Flexible Spending Account will be established for those that participate in certain Wellness Programs. Up to \$100 per covered individual will be deposited in the account for the employee to use toward out-of-pocket medical costs. These funds do not rollover year to year and the county does not incur an expense unless the employee meets established criteria.

The County has historically funded the cost to provide health care coverage for the employee plus a substantial portion of the additional cost of providing dependent health care coverage as a flat amount per employee (i.e. without regard to the cost of providing the service or the dependent care option selected). The amount per employee funded historically is as follows:

Fiscal Year	Amount Budgeted Per Employee
2007-08	\$10,000
2008-09	9,000
2009-10	8,000
2010-11	8,175
2011-12	8,300
2012-13	8,300
2013-14	8,500

The total amount budgeted in the Insurance Fund has decreased by \$252,842 from \$9,890,047 in the adopted fiscal year 2012-13 budget to \$9,637,205 in the fiscal year 2013-14 budget.

By September 30, 2013, we believe the retained earnings balance in the health insurance fund will be \$2,454,973. The County will continue to monitor this fund. It would be our intention to utilize any undesignated balance of retained earnings (i.e after subtracting the estimated amount necessary to pay for claims incurred but not paid) for the purpose of creating a method of stabilizing the premiums charged for participation in the health care program.

**Operating Expenditures** – Total operating expenditures budget increased \$2,575,021 from \$23,908,713 in fiscal year 2012-13 to \$26,483,734 in the fiscal year 2013-14 budget. An increase of \$1,300,000 is noted in the new ½ Cent Discretionary Tax Fund (311) which is a capital project fund for the ½ Percent Small County Surtax approved on 10/1/2012. This tax was levied for infrastructure needs as a more equitable means of securing revenue from those benefitting from infrastructure projects including visitors and part-time residents. Another new fund, the Bunnell Flagler County Utility Fund (406) is an enterprise fund accounting for the Plantation Bay utility acquired jointly by the City of Bunnell and Flagler County during FY2012-13. The FY2013-14 approved budget for this fund is \$1,014,884.

**Constitutional Officers** – As included in the approved fiscal year 2013-14 budget, the total funding support recommended for the Flagler County Constitutional Officers represents an increase of \$917,970 from \$24,347,244 in the fiscal year 2012-13 budget, to \$25,265,214 in the fiscal year 2013-14 budget. The funding provided to

each of the five constitutional officers may be summarized as follows:

Constitutional Officer	Funding
Sheriff	\$ 18,801,739
Property Appraiser	2,085,615
Tax Collector	2,348,371
Clerk of the Circuit Court	1,163,310
Supervisor of Elections	697,073
Judicial/Other	169,106
<b>Total</b>	<b>\$25,265,214</b>

**Capital Outlay** – The \$1,650,498 in Capital Outlay Expenditures included in the approved fiscal year 2013-14 budget represents a decrease of \$182,766 from the \$1,833,264 included in the fiscal year 2012-13 budget.

In an effort to bring expenditures in line with current revenues, only essential equipment is being replaced this fiscal year.

**Capital Improvement Program** – The approved Capital Improvement Program for this fiscal year is \$39.5 million dollars with 14 minor projects and 50 major projects. Major Capital projects include replacement of bridges and widening and resurfacing County Road 305, Sidewalk improvements on Matanzas Woods Parkway and State Road 100, Park Improvements at Princess Place, Betty Steflik Park and Bing's Landing, Jail Expansion and Marine Land Acres Drainage as well as various Airport projects. A detailed listing of these projects is provided in section 7 of this document.

The following summarizes the Major Capital Projects by function:

Project	Fiscal Year 2013-14 Budget
Parks, Trails & Sidewalks	\$ 3,363,933
Roads and Bridges	25,512,424
Utility	1,011,332
Airport	6,944,975
County Buildings and Structures	2,401,618
Canals and Drainage	295,000
<b>Total</b>	<b>\$ 39,528,982</b>

The majority of the funding for these projects comes from state and federal grants and earmarks. Other major sources include impact fees, gas taxes and the general fund.

**Debt Service** – Debt service includes the costs of liquidating long-term liabilities of the County, such as principal and interest on bond issues and notes and contracts payable and related expenditures. The debt service expenditures of \$6,071,616 included in the approved fiscal year 2013-14 budget represents a decrease of \$574,767 from the \$6,646,383 included in the fiscal year 2012-13 budget.

Debt service expenditures vary depending on the amount of the periodic installments of principal and interest due on long-term obligations during a particular fiscal year. The county has no legal debt limits.

**Interfund Transfers Out** – As presented, the approved budget includes a total of \$367,978 in interfund transfers. There are a total of six transfers included in this category.

**Reserves and Contingencies** – A total of \$36,207,820 has been included in the approved fiscal year 2013-14 budget for the provision of reserves. These reserves, which are generally governed by the provisions of Section 129, Florida Statutes, typically fit into one of four categories; reserves for contingencies; reserves for cash to be carried forward; reserves for debt service; and reserves for capital outlay. Reserves for contingencies are included to provide a safety net in the event that unforeseen expenditures occur during the fiscal year. Reserves for contingencies are statutorily limited to no more than 10% of the total fund budget. Reserves for cash to be carried forward are generally created when there is a need to carry forward funds to continue operations until revenues are received in the new fiscal year. These reserves are statutorily limited to no more than 20% of the fund budget. Pursuant to the provisions of the Board's adopted fund balance reserve policy the Board is required to fund a reserve for cash to be carried forward in the general fund between 7% and 12% of the current fiscal year budget for the fund. The fiscal year 2013-14 budget includes \$4,000,000 or 6% of the budget for this reserve. Reserves for debt service are created as legally required by the documents underlying the issuance of the debt, and are not governed by the provisions of Section 129, Florida Statutes. Reserves for capital outlay are generally

established to provide the opportunity to cash fund major future capital outlay requirements.

### **Format of Document**

We are pleased to present the approved budget to you in the same format as prior year. The budget consists of eight main sections. Capital Projects have been financially detailed, and described with a narrative that will allow the average citizen to better understand the major projects the County is proposing to undertake and why.

### **Distinguished Budget Presentation Award –**

The Government Finance Officers Association of the United States and Canada (GFOA) established the Distinguished Budget Presentation Awards Program in 1984 to recognize exemplary budget documentation by state, provincial and local governments, as well as public universities and colleges. Entities

participating in the program submit copies of their operating budget for review. Each budget document is evaluated using a comprehensive evaluation checklist and those judged proficient receive the Award. On April 4, 2013, GFOA awarded Flagler County the Distinguished Budget Presentation Award for the adopted fiscal year 2012-13 budget. Flagler County has received the Distinguished Budget Presentation Award for each of the past four years. We believe that our current budget document continues to conform to the Distinguished Budget Presentation Award program requirements, and we will submit it to the GFOA to determine its eligibility for another award.

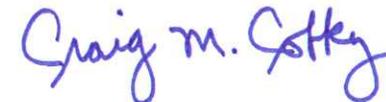
### **Acknowledgements –**

An annual budget document of this complexity could not have been prepared without the efficient and dedicated service of all staff members involved. I would like to

give special recognition for the outstanding efforts of Diane Den Bleyker, Lorie Bailey-Brown and Kristi Moss for their efforts in the preparation of the document.

The above comments are intended to clarify areas in which we felt additional information was necessary. If there are any other questions concerning the approved budgeted budget as presented, we would be pleased to discuss those questions with you, or to explain any of the procedures followed in the preparation of the budget document.

Respectfully submitted,



Craig M. Coffey  
County Administrator



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Flagler County  
Florida**

For the Fiscal Year Beginning

**October 1, 2012**

*Christopher P. Moivell*

President

*Jeffrey R. Emery*

Executive Director