

POPULAR ANNUAL FINANCIAL REPORT



*For the Fiscal Year Ended
September 30, 2022*

About the City of Palm Coast



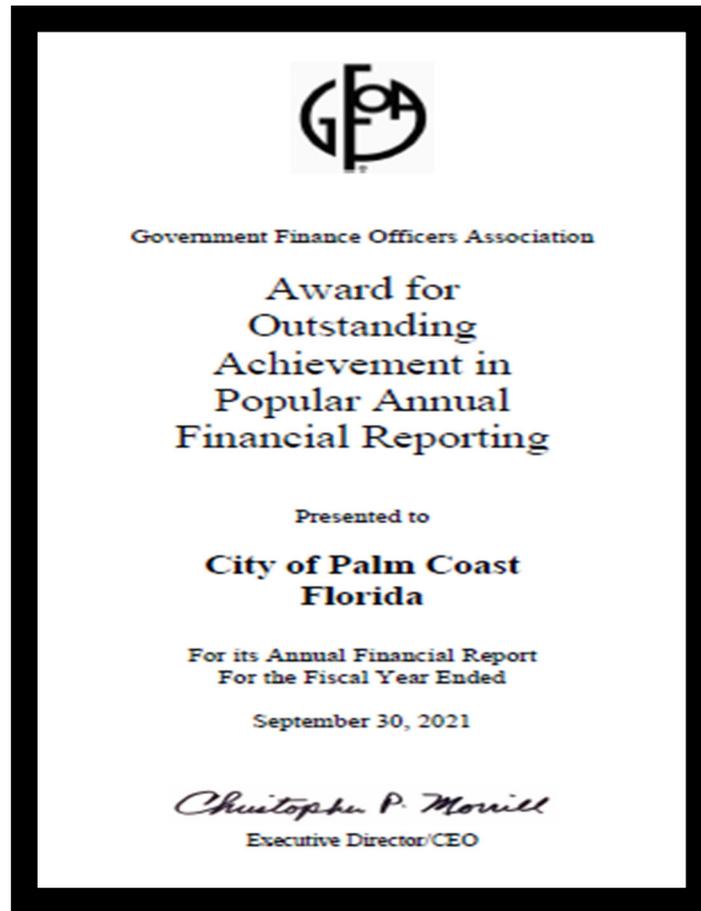
One of Florida's newest cities (incorporated 1999), Palm Coast is a Florida paradise situated on 70 miles of saltwater and freshwater canals and the Intracoastal Waterway and just minutes from pristine Atlantic Ocean beaches. Vibrant lifestyle and the natural environment go hand-in-hand here. The City offers a dozen beautiful parks, 130+ miles of connecting trails and paths for walking/bicycling, abundant fishing and boating, a year-round Running Series, and world-class tennis and golf. Lined with historic oaks, towering pines and indigenous vegetation, Palm Coast's parks and trails showcase the splendid elegance of the native Florida landscape. Bird-watching is popular at St. Joe Walkway and Linear Park, which are designated as Great Florida Birding & Wildlife Trails, and visitors can spot dolphins and seabirds as they stroll along the Intracoastal at Waterfront Park. We invite you to Find Your Florida in Palm Coast!



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About this Document



This Popular Annual Financial Report (PAFR) of the City of Palm Coast is being published in order to increase public awareness and provide a simplified overview of the City's financial position. It is designed to provide citizens, taxpayers, customers and creditors with a general overview of the financial condition.

The PAFR summarizes and condenses the financial activities of the City of Palm Coast governmental and business-type activities and derives its information from the Annual Comprehensive Financial Report for Fiscal Year 2022 which ended September 30, 2022. The comprehensive report was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and includes financial statements audited by the City's auditors. Unlike the comprehensive report, the PAFR is un-audited and presented on a non-GAAP basis. This means that it contains condensed financial information and does not provide all of the necessary financial statements and note disclosures required by GAAP for governmental entities. We invite you to review the City's audited comprehensive financial report which includes detailed information on the City's finances.

Financial reports are available online at <https://www.palmcoast.gov/finance/reports-and-documents> and paper copies are available upon request at City Offices.

Elected Officials

The Mayor and City Council members are elected at-large, for a term of four years. Council Members and the Mayor may serve no more than two consecutive four-year terms in the same seat.

RESIDENTS OF THE CITY OF PALM COAST



Mayor

David Alfin



District 1

Ed Danko



District 2

John Fanelli III



District 3

**Nick
Klufas**



District 4

**Eddie
Branquinho**

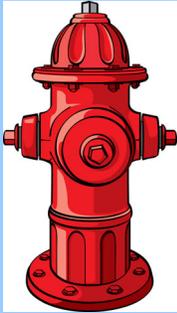
City Council meets in regular session on the first Tuesday of each month at 6:00 p.m. and the third Tuesday of each month at 9 a.m. at the Palm Coast City Hall, 160 Lake Ave. Live coverage may be viewed on the City's YouTube channel at <http://www.youtube.com/c/cityofpalmcosttv>. Meetings are also offered on demand on the City Council Agendas and Minutes page of the City website at <http://www.palmcoastgov.com/agendas>.

The City Council also conducts workshop meetings on the second Tuesday of each month at 9 a.m. Both workshop meetings and regular sessions of the City Council are open to the public.

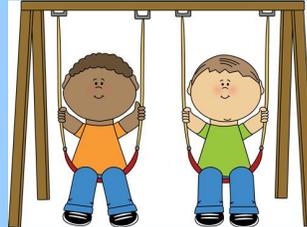
About Palm Coast

INITIAL INCORPORATION—DECEMBER 31, 1999

FORM OF GOVERNMENT—COUNCIL/MAYOR



5
FIRE STATIONS



8
PLAYGROUNDS



1
SWIMMING POOL



1
COMMUNITY
CENTER



50 +
SPORTS FIELDS/
COURTS



130+
MILES OF TRAILS
& PATHS



564
MILES OF PAVED
STREETS



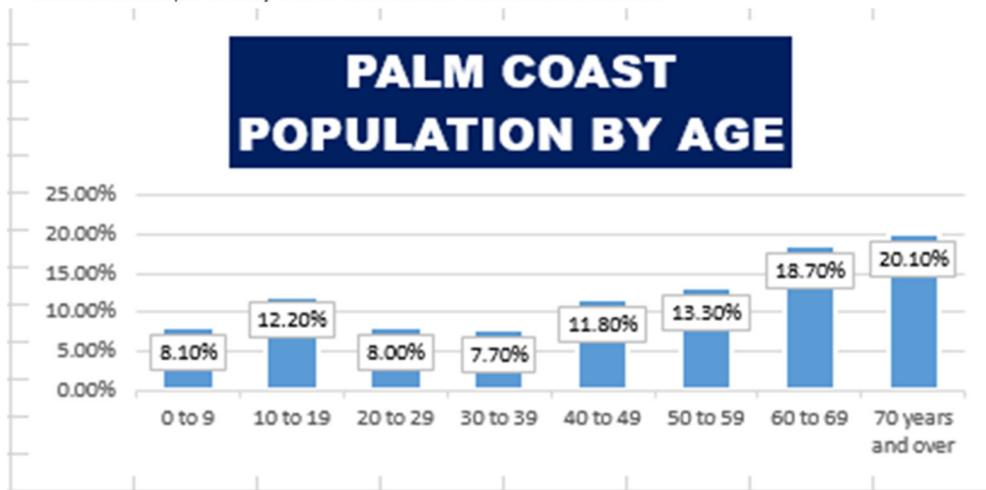
130
MILES OF SIDE-
WALKS & PATHS

POPULATION

FLAGLER COUNTY POPULATION

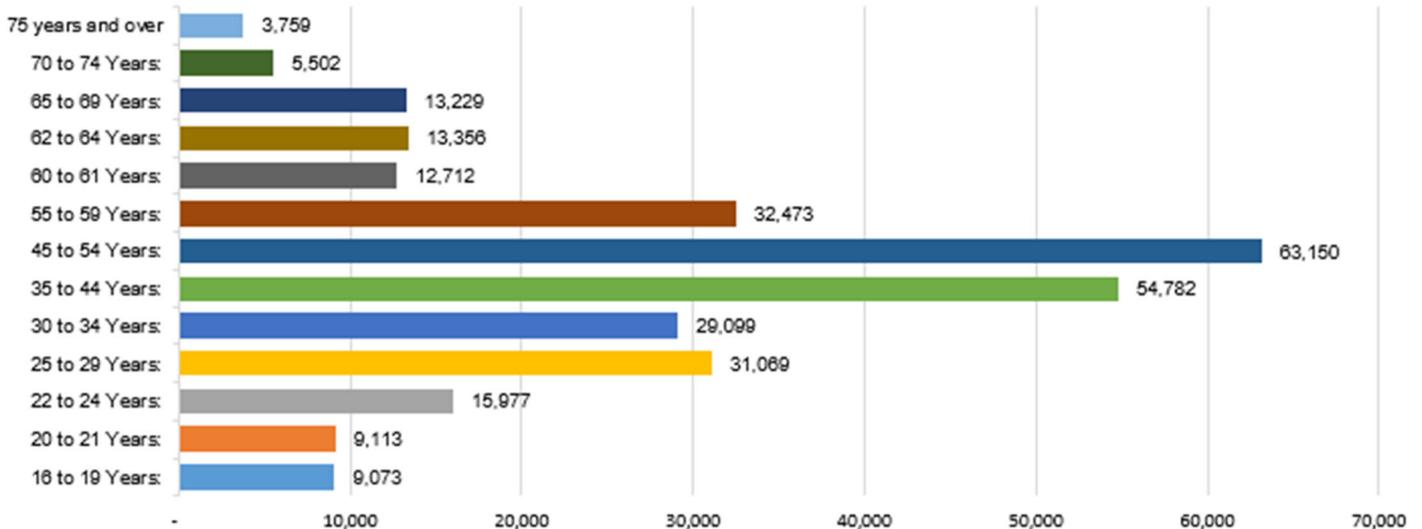
County/City	Apr-10 (Census)	Apr-22 (Estimate)	Total Change
Flagler County	95,696	124,202	28,506
Beverly Beach	338	490	152
Bunnell	2,676	3,752	1,076
Flagler Beach (part)	4,424	5,182	758
Marineland (part)	16	12	(4)
Palm Coast	75,180	96,504	21,324
UNINCORPORATED	13,062	18,262	5,200

**This information provided by Bureau of Economic and Business Research*



Source: United States Census Bureau, American Community Survey 2021, ACS 1-Year

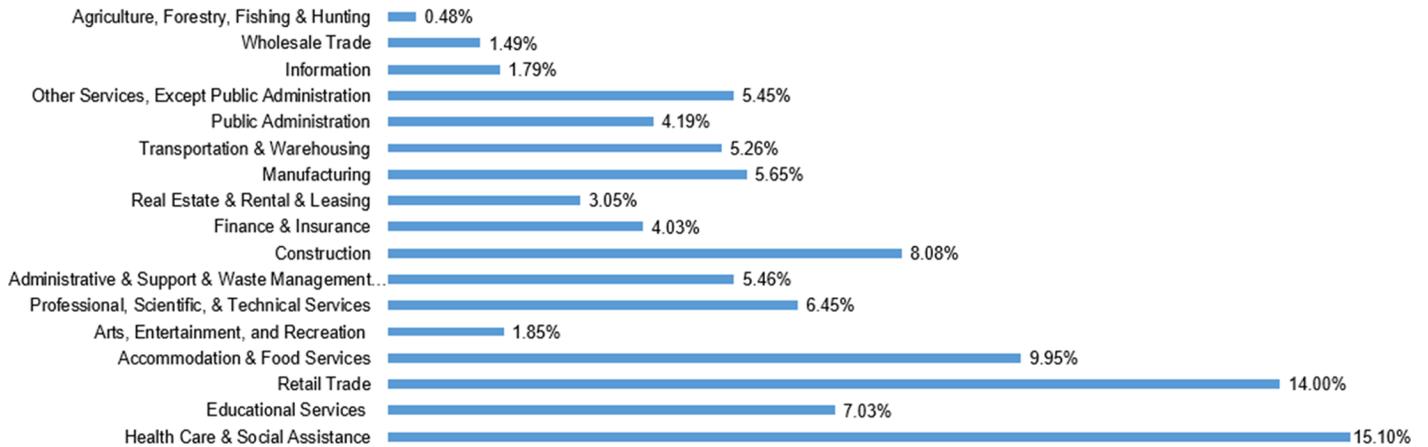
LABOR FORCE Flagler County and Volusia County Labor Force by Age



Source: https://lmsresources.labormarketinfo.com/labor_supply/index.html

EMPLOYMENT

EMPLOYMENT BY INDUSTRY



Source: datausa.io/profile/geo/flagler-county-fl#economy

LARGEST PRIVATE EMPLOYERS

Advent Health Palm Coast	1,177
Publix Supermarkets	830
ALSW LLC	766
Boston Whaler	430
Hammock Beach Resort	410
Home Depot	211
Lowe's	195
Palm Coast Data	192
Target	178

LARGEST PUBLIC EMPLOYERS

Flagler County Schools	1,974
City of Palm Coast	529
Flagler County Board of County Commissioners	476
Flagler County Sheriff's Office	321

Source: Florida Research and Economic database for civilian workforce, and Career Source.

LABOR FORCE & UNEMPLOYMENT (as of September 2022)

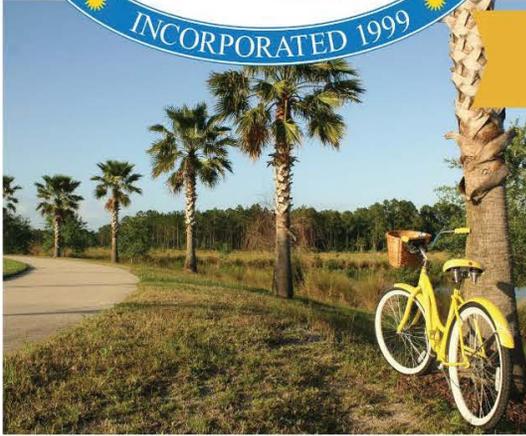
Rate	3.20%
Unemployment	1,604
Employment	49,316
Labor Force	50,920

Source: https://data.tc.palm.co/m/unemployment/flagler_county_fl/CN120350000000/2022-September/



CORE BELIEFS

OUR VISION



A multigenerational community recognized as one of Florida's premier cities that values...

- *Building a diverse, sustainable economic base to support innovation while providing necessary infrastructure and services.*
- *Providing exceptional amenities and standards that support a high quality lifestyle.*
- *Protecting the environment and beauty of Palm Coast while conserving natural resources.*

OUR MISSION

To provide our residents, visitors, and business community with exceptional government services in order to improve the quality of life, grow the local economy, and protect the natural environment through a planned, integrative approach using available technology.



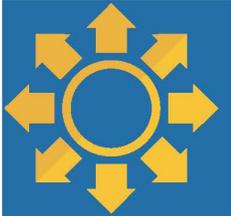
OUR VALUES



Pride - Passion in working together for a better tomorrow. **Accountability** - Accept responsibility for our actions and decisions. **Leadership** - Courage to shape our City today and in the future in a transparent manner. **Motivated** - Seek continuous improvement in all services. **Collaborative** - Dedicated to building partnerships that address community concerns and needs. **Ownership** - Take responsibility for our action and inactions. **Achievement** - Seek Excellence in all that we do. **Stewardship** - Protectors of our natural environment. **Trust** - Mindful of our responsibility, we pledge to use taxpayer resources efficiently.



CORE BELIEFS



EXPANSION

To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.



ECONOMIC

To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.



FINANCE

To leverage our financial strengths while ensuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses.



ENVIRONMENTAL

To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.



QUALITY OF LIFE

To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife.



WORKPLACE TALENT

To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.



Innovation
District



Business
Friendly
Initiative



Community
Engagement



Smart City



Service Delivery
and Efficiency



Street
Maintenance



Streetlights
and Safety



Fiber

What we accomplished in FY 22

COMPLETED PROJECTS

Old Kings Road 4 Lane Widening Road Project

Citation Parkway Improvements

SR100/I95 Interchange Landscaping Improvements

Section E Canal Improvements to Stormwater System

Land Purchased for Fire Station #22 Replacement

Park Renovations:

Indian Trails Sports Complex - Phase II Field Conversion



STRONG RESILIENT ECONOMY

2023 CITY COUNCIL PRIORITIES

Town Center should promote and partner with well-known higher education institutions to become a regional center for learning. Partnerships will be enhanced by a home for arts & culture offering opportunities for performance, display, creative expression & training.

- Evaluate Town Center land for potential acquisition of open space to meet the need of future growth.

Palm Coast brands its' future as a regional destination for health care training complimented by research and technology innovation while fostering relationships.

Strengthen and maintain relationships with key community stakeholders through reoccurring meetings and other proactive approaches to further key initiatives.

- Staff should provide City Council a list of stakeholders, top 10 biggest employers and periodic communications on relationship feedback.

Develop economic opportunity tools and communication strategies to enhance the need for regional growth.

- Create a portfolio and make available for business when they inquire about locating to our community.
- Focus on green and clean industry.

The westward expansion is guided by master planning for smart, managed, growth. Economic development is driven by Town Center regional destination initiatives. Economic growth and community marketing are supported by competitive youth sport activity centers catering to young athletes, families, and fans from regional and distant locations.

Inventory, assess, and identify optimal use of city land assets.

To ensure continued smart/sustainable long-term growth of the City of Palm Coast, staff will develop a timeline and propose a budget accordingly to conduct a comprehensive Evaluation and Appraisal Report (EAR) analysis to an updated planning horizon of 2045.

- Staff shall conduct a survey on resident feedback on multi-family house in Palm Coast.



CIVIC ENGAGEMENT

In the spirit of the Arts District, create an arts program with community partners for the original blue & white neighborhood entry way signs to transform them into art in public places.

- Program proposals should focus on enhancing the visual appeal. Focus on a modern, classy, easy to read, and pleasant to the eye style.
- Evaluate the process and address funding sources for this project.

Seek out opportunities to engage Flagler County students on civic programs.

Staff to provide an inventory of potential facilities according to the Public Renaming Policy in honor of Mayor Netts.

Research other cities communications strategies on how they respond in proactive and reactive manners with social media applications.



SAFE & RELIABLE SERVICES

Ensure that the Maintenance and Operations Facility is top priority facility project and commence with initial improvements based on Capital Improvement Plan timeline.

Identify local recreation demands (i.e. aquatics, fields, senior services, etc.) to balance the need of regional activity centers.

- Staff to provide a branding outline that represents the community recreation needs for the southern extent of the City.
- Prioritize projects on the Parks & Recreation Capital Improvement Plan.

Seek opportunities for the Community Center to help relieve parking pressures through the following approaches.

- Evaluating the utilization of the Community Center playground, basketball courts and tree area for additional parking.
- Conducting a detailed analysis of city-owned lands and facilities in the vicinity of the Community Center to determine optimum use value.
- Repurpose Fire Station 22 to preserve historical value and expand visitor awareness of Palm Coast.

On high value service contracts, provide adequate quality control to ensure contractual compliance.



SUSTAINABLE ENVIRONMENT & INFRASTRUCTURE

Develop a comprehensive Cybersecurity plan to focus on safety and security of all infrastructure and critical functions.

Collaborate with FPL/other stakeholders to provide electric vehicles fast charging stations across multiple locations in City.

- Engage local interest in expanding opportunities.

Conduct a solar feasibility study and expand the scope to include solar retrofits for current and future facilities.

- Seek out grant opportunities.

Multifaceted approach, including TPO, collaboration with City lobbyists, and direct communication with our legislative team to encourage the inclusion of Phase II and III of Old Kings Road widening in the FDOT 5 year work plan.

Develop a plan for maintenance of the saltwater canals.

STATEMENT OF NET POSITION

The following financial summary is based upon a condensed view of the City's assets, liabilities, and deferred inflows/outflows for the three most recent fiscal years:

	Governmental Activities	Business-type Activities	2022 Total	2021 Total	2020 Total
Current and other assets	\$ 111,575,322	\$ 111,447,722	\$ 223,023,044	\$ 170,860,397	\$ 147,945,005
Capital assets	336,738,827	268,226,644	604,965,471	589,211,094	578,540,655
Total assets	448,314,149	379,674,366	827,988,515	760,071,491	726,485,660
Total deferred outflows of resources	1,366,930	2,955,066	4,321,996	4,064,704	2,231,370
Long-term liabilities	10,506,112	156,336,099	166,842,211	165,325,463	173,673,569
Other liabilities	28,777,786	1,848,750	30,626,536	21,754,205	18,507,840
Total liabilities	39,283,898	158,184,849	197,468,747	187,079,668	192,181,409
Total deferred inflows of resources	1,060,561	4,093,720	5,154,281	2,816,045	1,286,706
Net position:					
Net Investment in capital assets	331,376,902	120,319,349	451,696,251	438,206,581	419,990,193
Restricted	37,340,992	53,330,263	90,671,255	61,225,960	46,838,384
Unrestricted	40,618,726	46,701,251	87,319,977	74,807,941	68,420,338
Total net position	\$ 409,336,620	\$ 220,350,863	\$ 629,687,483	\$ 574,240,482	\$ 535,248,915

Government-wide Overall Financial Analysis

The City of Palm Coast's net position was \$629,687,483 at the close of the most recent fiscal year. Of this, 14% falls in the unrestricted category. Unrestricted net position is the amount that can be used to provide services to residents. Net position increased city-wide by \$55,447,001. The previous year increase in net position from 2020 to 2021 was \$38,991,567.

Approximately 14% of net position represents resources that are subject to external restrictions and are not available to provide services to residents. By far, the largest portion of the City of Palm Coast's net position (72%) reflects its investment in capital assets less any outstanding related debt used to acquire those assets. Capital assets, which include an investment in land, buildings or roads, are not available for future spending. Resources needed to repay debt must be provided from future revenue sources.

Current and Other Assets - Assets that include cash, securities, receivables, inventory and prepaid assets, and can be converted into cash usually within one year.

Capital Assets - Long-term investments in land, buildings, equipment, improvements, infrastructure, and construction in progress.

Current and Other Liabilities - These are primarily debts that can be paid off in one year or less. This includes accounts payable, accrued payroll, and accrued interest payable.

Deferred Inflows/Outflows - Acquisition/consumption of net position applicable to future reporting periods.

Long-Term Liabilities - Represents mainly debt obligations of the City. The proceeds from these various debt issues are used to finance large projects such as building and roadway construction, renovations and major equipment purchases.

Net Position - Total assets and deferred outflows less liabilities and deferred inflows.

Restricted Net Position - Resources whose use is subject to externally imposed restrictions.

Unrestricted Net Position - These are resources that are accessible to the City to provide services to the residents if there were no additional revenues or resources available.

STATEMENT OF ACTIVITIES

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. The Statement of Activities distinguish functions of the City of Palm Coast that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

	Governmental Activities	Business-type Activities	2022 Total	2021 Total	2020 Total
Revenues:					
Program revenues:					
Charges for services	\$ 4,362,965	\$ 83,741,830	\$ 88,104,795	\$ 75,864,273	\$ 70,761,625
Operating grants and contributions	4,545,259	-	4,545,259	4,379,320	5,139,123
Capital grants and contributions	27,546,190	18,508,821	46,055,011	34,713,726	18,908,785
General revenues:					
Property taxes	29,413,435	524,669	29,938,104	27,725,373	26,028,565
Other taxes	8,996,381	-	8,996,381	7,974,502	7,103,276
Intergovernmental	5,847,983	-	5,847,983	5,254,442	4,578,298
Other	(537,790)	(768,768)	(1,306,558)	1,126,773	3,179,620
Total revenues	80,174,423	102,006,552	182,180,975	157,038,409	135,699,292
Expenses:					
General government	8,011,828	-	8,011,828	11,229,978	7,149,206
Public safety	17,843,411	-	17,843,411	13,579,443	13,391,373
Transportation and physical environment	21,609,665	-	21,609,665	20,273,231	21,314,827
Culture and recreation	9,106,759	-	9,106,759	7,867,389	7,449,374
Utility	-	44,761,380	44,761,380	42,430,005	40,835,726
Solid waste	-	11,078,167	11,078,167	9,132,145	8,756,625
Stormwater	-	10,509,526	10,509,526	9,879,087	8,795,629
Building permits	-	2,707,992	2,707,992	2,574,502	2,375,314
Information technology	-	720,585	720,585	671,142	593,411
Interest on long-term debt	384,661	-	384,661	409,920	436,890
Total expenses	56,956,324	69,777,650	126,733,974	118,046,842	111,098,375
Increase (decrease) in net position before transfers					
	23,218,099	32,228,902	55,447,001	38,991,567	24,600,917
Transfers	2,938,530	(2,938,530)	-	-	-
Increase (decrease) in net position	26,156,629	29,290,372	55,447,001	38,991,567	24,600,917
Net position - beginning	383,179,991	191,060,491	574,240,482	535,248,915	510,647,998
Net position - ending	\$ 409,336,620	\$ 220,350,863	\$ 629,687,483	\$ 574,240,482	\$ 535,248,915

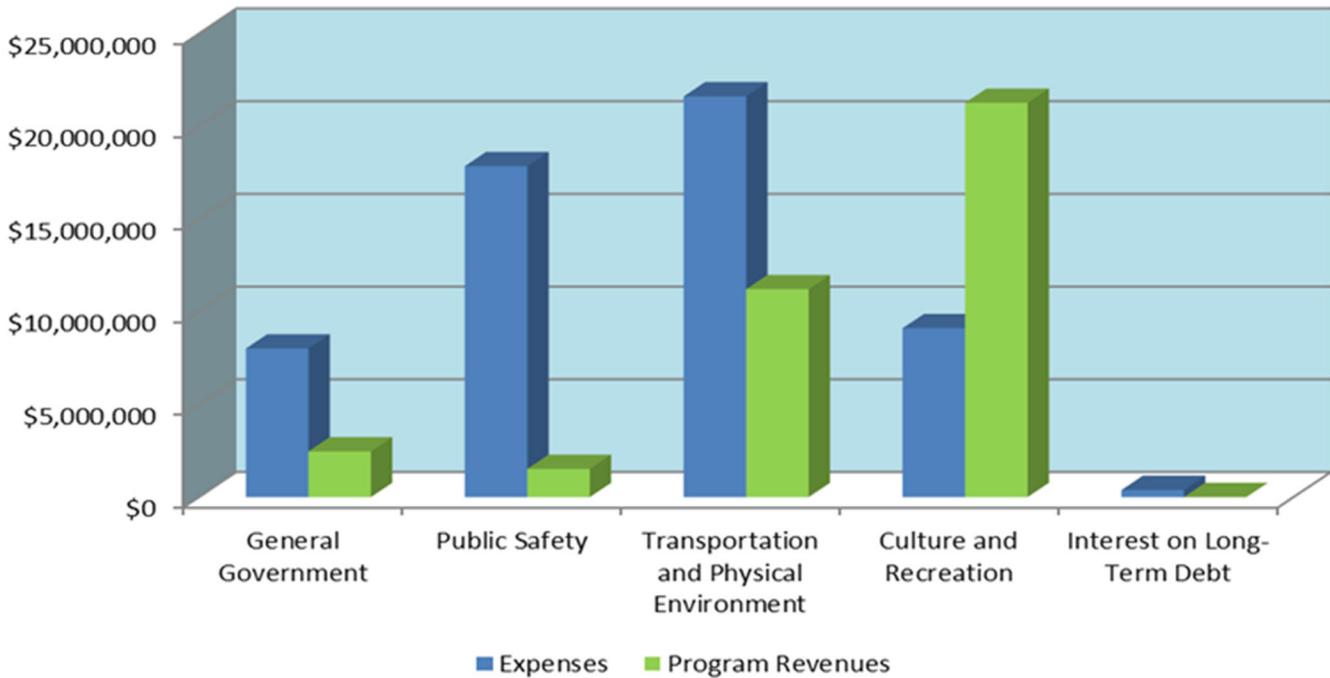
Governmental Activities - Activities which provide services to citizens and are primarily financed through taxes and intergovernmental grants.

Business - Type Activities - Activities that are carried out primarily to provide specific services in exchange for a specific user fee.

Program Revenues - Charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function.

The governmental activities of the City of Palm Coast include general government, public safety, transportation and physical environment, and culture and recreation. Amounts reported as program revenues are charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. In addition, program revenues include grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function. Any expenses not covered by program revenues are supplemented with taxes and other general revenues.

Governmental Activities



Governmental activities increased the City of Palm Coast’s net position by \$26,156,629 during the current fiscal year. Factors include revenues in excess of expenditures in the general fund, accumulation of impact fees due to increased development, and land donated to the City.

Governmental activities unrestricted net position increased by \$5,059,943. The primary driver for this increase was revenues in excess of expenditures in the general fund and increase in committed funds for construction in the capital projects fund.

Capital grants and contributions increased by \$14,602,845 primarily due to capital asset land donated during the fiscal year. Operating grants and contributions increased by \$165,939 primarily due to grant funding received. Property taxes increased \$2,211,183 due to a 9.93% increase in taxable value throughout the City.

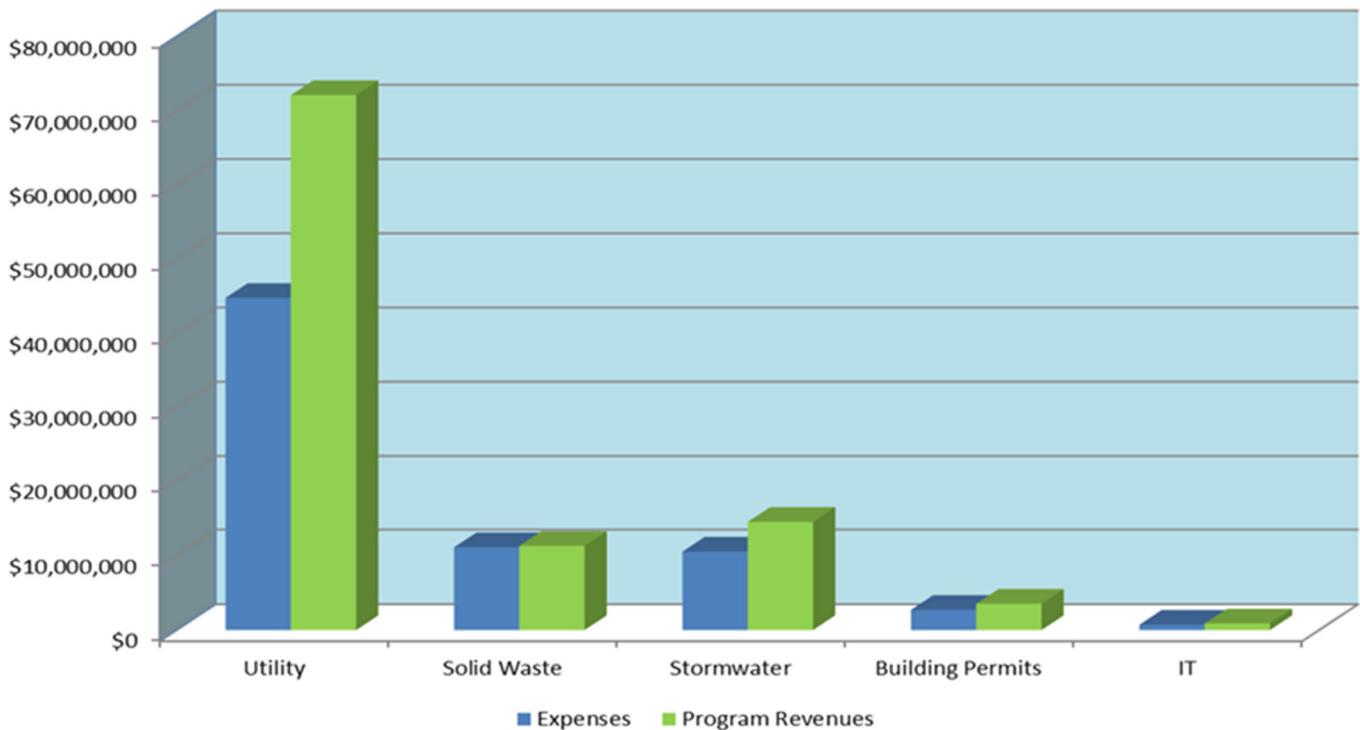
<p>General Government - General services which include Human Resources, the City Clerk, Administration and Financial Services.</p> <p>Public Safety - Provide citizens with Police and Fire services.</p>	<p>Transportation & Physical Environment - Includes street construction, resurfacing and maintenance.</p> <p>Culture & Recreation - Includes recreational programs and maintenance to city parks.</p>
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The business-type activities of the City of Palm Coast include a water and sewer utility, solid waste collection, stormwater management, building permits and inspections and information technology (IT).

Business-type activities increased the City of Palm Coast's net position by \$29,290,372. The increase in net position was attributable to an approximately \$26 million increase in the utility fund. The increase was mainly due to capital grants and contributions received, the continuing effect of a multi-year rate increase designed to improve reserves and allocate additional amounts for capital projects, and increased revenues due to development. Utility expenses also increased due to the increasing customer base, but at a slower rate than revenues.

Stormwater net position increased approximately \$2 million for the year due to increase in revenue rates for projects and maintenance pursuant to Council's focus on improving the stormwater system. Building permits fund net position increased by \$1 million due to increased development in the community. The net results of these activities above were the primary drivers of business-type activities unrestricted net position increasing by approximately \$9 million. The increase of almost \$17 million in restricted net position was primarily related to impact fees collected, and projected transfers to capital projects of the Utility.

Business-Type Activities



Bond Proceeds - Funds used to finance a project or purpose for which the bonds were issued and to pay certain costs of the issuance.

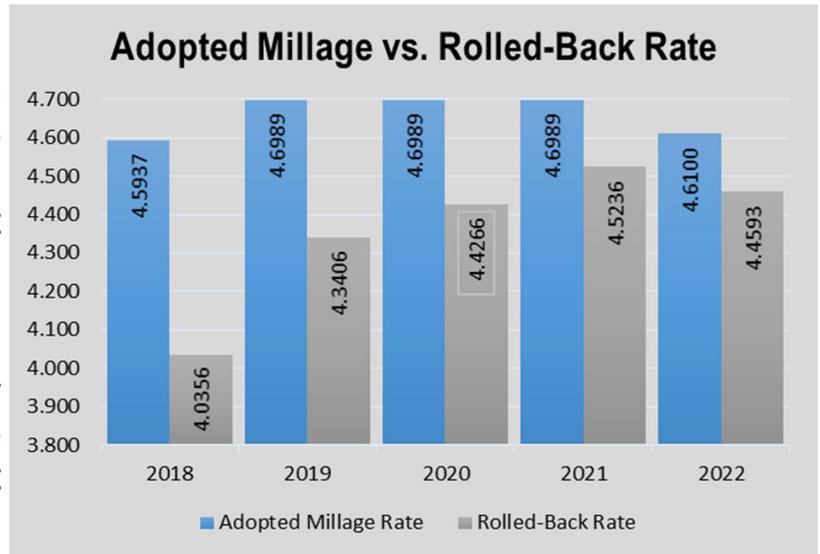
Capital Projects - Projects with long range returns and useful life spans. These projects are relatively expensive and have physical presence such as buildings or roads.

General Fund - The largest fund within the City. This fund accounts for most of the traditional services provided by cities. Revenues include property taxes, licenses, local taxes and service charges.

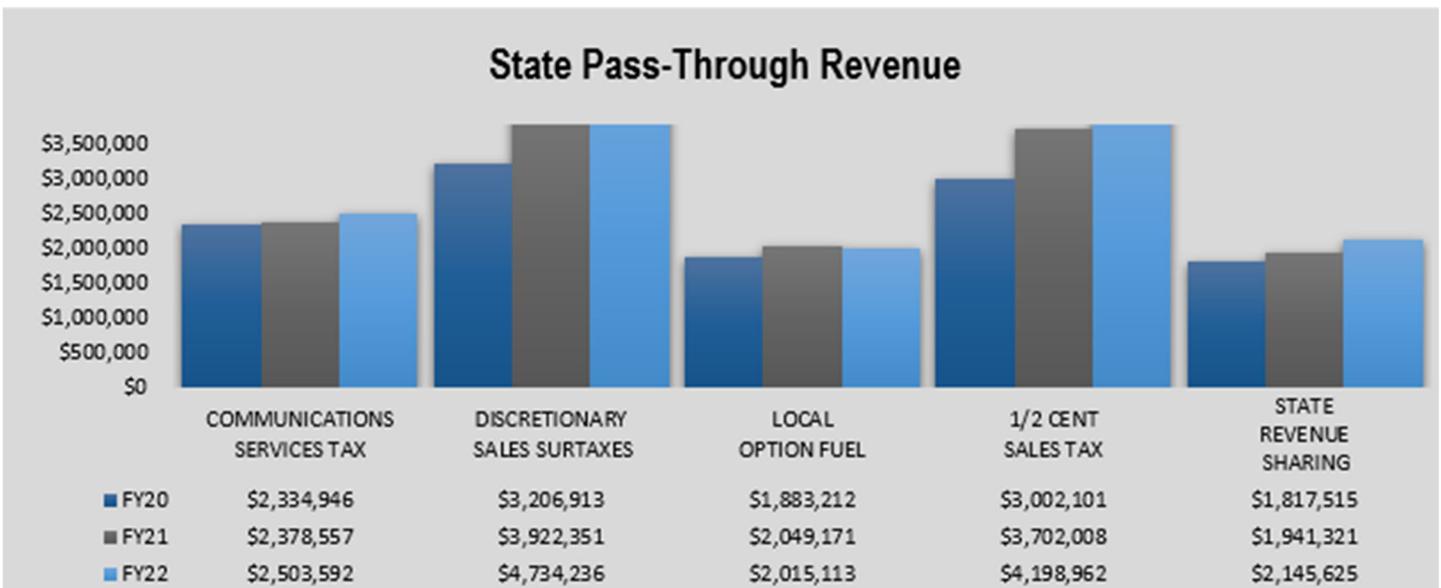
REVENUES

For fiscal year 2022, City Council adopted a millage rate of 4.6100. Property taxes are approximately 12% of the total City revenue budget, however they remain the largest revenue source for the General Fund.

City Council has been sensitive to the public's desire to maintain level property taxes, but inflationary pressure and future infrastructure requirements will have an effect on future tax collections.



Other major sources of tax revenue for the General Fund include the Communication Services Tax and the Half-Cent Sales Tax. Revenue diversification in the General Fund provides opportunities to mitigate the effect of rising costs, service level enhancements, and infrastructure funding.



Ad Valorem Tax - (Property or Real Estate Taxes) Taxes assessed on a portion of a property's value.

Communications Services Tax - The communications services tax applies to telecommunications, video, direct-to-home satellite and related services at a rate of 5.22%. These tax revenues may be used for any public purpose.

Half Cent Sales Tax - This program generates the largest amount of revenue for local governments among the state-shared revenue sources currently authorized by Legislature. It distributes a portion of the state 6% sales tax.

Millage Rate - For property tax purposes, a rate established per \$1,000 of assessed taxable value. A property tax millage rate of 3.5 mills for example, would mean property with a taxable value of \$100,000 would pay \$350 in property taxes.

Rolled-Back Rate - The millage necessary to raise the same amount of Ad Valorem Tax Revenue as the previous year, excluding taxes from new construction.

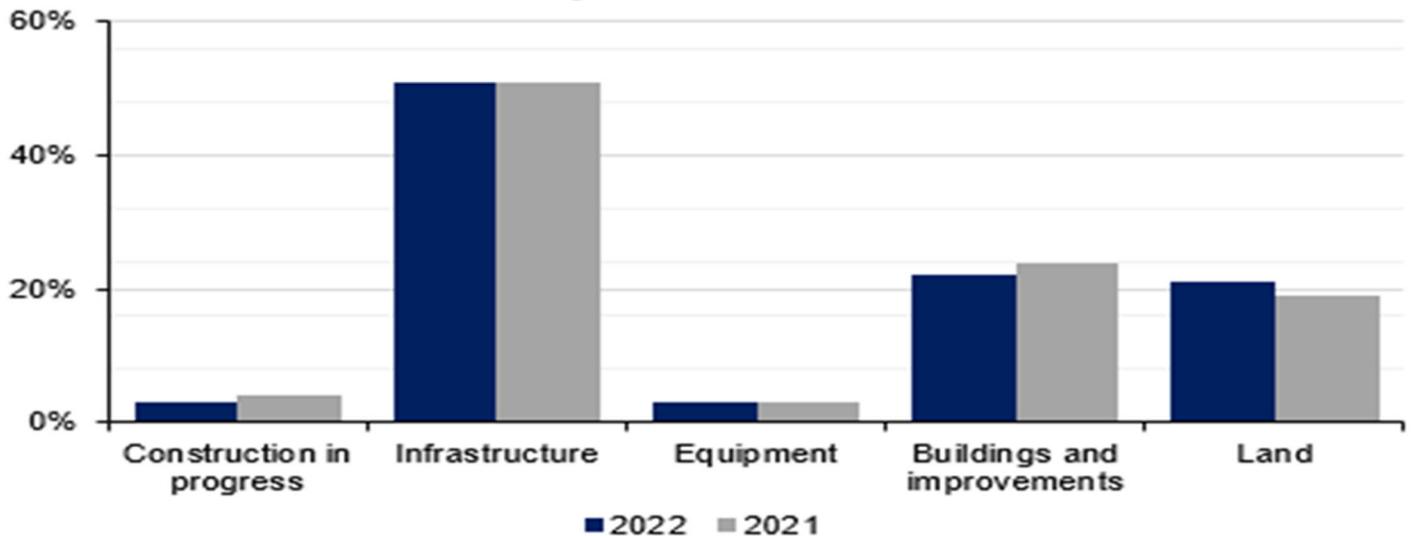
CAPITAL ASSETS

The City of Palm Coast's investment in capital assets as of September 30, 2022, amounts to \$604,354,355 (net of accumulated depreciation). This investment increased by \$15,615,483 for the current fiscal year. The overall increase is due to road expansions, bridge rehabilitation, utility infrastructure and park expansions, offset by regular depreciation expense that occurred during the fiscal year.

Table III
City of Palm Coast's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 113,300,352	\$ 97,650,173	\$ 14,509,680	\$ 14,503,027	\$ 127,810,032	\$ 112,153,200
Buildings and improvements						
other than buildings	53,863,202	56,835,490	80,433,931	83,644,489	134,297,133	140,479,979
Infrastructure	148,734,881	145,399,252	158,603,850	153,593,040	307,338,731	298,992,292
Equipment	14,994,836	14,979,888	381,207	363,492	15,376,043	15,343,380
Construction in progress	5,234,440	13,514,194	13,913,422	8,255,827	19,147,862	21,770,021
Right-to-use leased equipment	-	-	384,554	-	384,554	-
Total	\$ 336,127,711	\$ 328,378,997	\$ 268,226,644	\$ 260,359,875	\$ 604,354,355	\$ 588,738,872

Capital Assets



Asset - Property owned by the City, which has monetary value.

Capital Assets - Long-term investments in land, buildings, equipment, improvements, infrastructure, and construction in progress.

Construction in Progress - Construction work which has been started but is not yet completed.

Depreciation - A measurement of the decline in value of an asset over a period of time.

Infrastructure - Basic equipment and structures, such as roads and bridges, needed for the City to function properly.

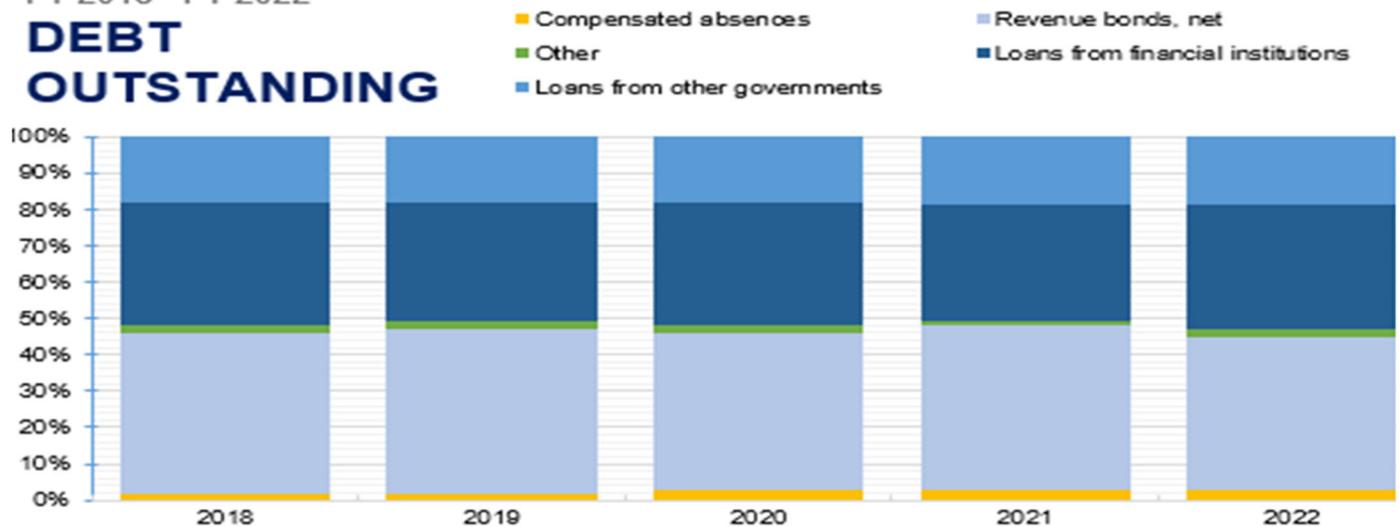
CITY DEBT

The City of Palm Coast owes \$70,298,885 in revenue bonds, including premiums, used for the purchase and expansion of the utility system. There are State Revolving Fund loans and bank loans totaling \$83,326,818 primarily for utility and stormwater improvements. The City also has two CRA revenue loans for redevelopment costs with a balance of \$4,750,809 at year end. The remainder of the long-term debt is made up of compensated absences, an unfunded total OPEB liability, and a net pension liability. The total long-term debt of the City is \$166,842,211.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Loans from other governments	\$ -	\$ -	\$ 32,114,818	\$ 30,841,301	\$ 32,114,818	\$ 30,841,301
Loans from financial institutions	4,750,809	5,517,809	51,212,000	47,852,000	55,962,809	53,369,809
Revenue bonds, net	-	-	70,298,885	74,527,475	70,298,885	74,527,475
Net pension liability	1,740,684	646,483	-	-	1,740,684	646,483
OPEB liability	1,027,692	966,986	276,762	247,957	1,304,454	1,214,943
Compensated absences	2,986,927	2,811,407	2,041,839	1,914,045	5,028,766	4,725,452
Leases payable	-	-	391,795	-	391,795	-
TOTAL	\$ 10,506,112	\$ 9,942,685	\$ 156,336,099	\$ 155,382,778	\$ 166,842,211	\$ 165,325,463

FY 2018 - FY 2022

DEBT OUTSTANDING



CRA - Community Redevelopment Area - A special district in which any future increases in property taxes are set aside to support economic development projects within the district.

Compensated Absences - Expected payments to employees who miss work because of illness, vacation or holidays.

OPEB - Other post employment benefits - Post employment benefits that an employee will begin to receive at the start of retirement.

Revenue Bond - A special type of municipal bond distinguished by its guarantee of repayment solely by revenues generated by a specified revenue-generating entity associated with the purpose of the bonds.

Net Pension Liability - Liability related to Florida Retirement System (FRS) pension benefits.

Long Term Debt - Debt that is due in one year or more.

NEXT YEAR'S BUDGET AND RATES

During the current fiscal year, unassigned fund balance in the general fund increased to \$18,755,123. The available fund balance, as a percentage of prior year expenditures and transfers out is approximately 35.6%.

The City Council approved a millage rate of 4.6100 mills for fiscal year 2023. Of the total millage, .0716 mills will be dedicated to the stormwater fund. The balance of 4.538 mills is assigned to the general fund. Market values of properties have increased for the tenth consecutive year. The increase in taxable value was approximately 19.7%. New construction added approximately 4.93% to the taxable value, therefore the City had a net 14.77% increase in taxable property value for the year.

The water and sewer rates increased for fiscal year 2023 as a result of a rate study performed as part of the 2003 bond refinancing. The water and sewer rates increased by an average of 9.1% for all customers effective October 1, 2022 and will receive annual C.P.I. adjustments. These rate increases are necessary to cover anticipated increases in operating costs and capital replacement needs. As a result of these actions, Fitch rated the City's bond rating to AA.

The City Council adopted a policy of having new development help fund its impact on infrastructure in the community through impact fees. These fees are annually indexed and will increase approximately 2% for fiscal year 2023.

The fiscal year 2023 budget includes over \$147 million invested in new and replacement infrastructure City-wide. This investment includes roadway expansions, refurbished recreational facilities, bridge rehabilitation, stormwater control structure replacements, and utility infrastructure expansion and replacements.

Additional requests for information:

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