

CITY OF NORTH PORT, FLORIDA



ROAD AND DRAINAGE DISTRICT NON-AD VALOREM ASSESSMENT FEE STUDY AND COST ALLOCATION ANALYSIS

August 22, 2007



Public Resources Management Group, Inc.
Utility, Rate, Financial and Management Consultants



Public Resources Management Group, Inc.

Utility, Rate, Financial and Management Consultants

August 22, 2007

Mr. Branford N. Adumuah
Public Works Director
City of North Port
5640 North Port Blvd.
North Port, Florida 32487

Subject: **Road and Drainage District Non-Ad Valorem Assessment Fee Study and Cost Allocation Analysis**

Dear Mr. Adumuah:

We have completed our study of the financial sufficiency of the Road and Drainage District's (the "District") non-ad valorem assessment fees at existing levels and our analysis to allocate financial requirements among certain District services for the City of North Port (the "City"), and have summarized the results in this letter report for your consideration. This report summarizes our review of the District's assessment fee levels for transportation and drainage services necessary to meet the projected financial requirements for fiscal year ending September 30, 2007 ("Fiscal Year 2007") through the fiscal year ending September 30, 2011 (the "Forecast Period"). In order to prepare this financial forecast, we have relied upon certain information and data collected from the City including the Road and Drainage District's adopted Fiscal Year 2007 operating budget; its proposed Fiscal Year 2008 operating budget, its Capital Improvement Program; historical assessment records; and other information and data provided by the City. To the extent we have performed our analyses using the data and information obtained from the City and others, we have relied upon such information to be accurate and no assurances are intended and no representation or warranties are made with respect thereto or the use made herein. Subsequent to the financial forecast, we further categorized such costs to be recovered from non-ad valorem assessments among the various services provided by the District for Fiscal Year 2007 (the "Test Year") for use by Government Services Group, Inc. or GSG (the "Assessment Methodology Consultant") in determining an alternative assessment methodology for the District.

INTRODUCTION

The goal of this study is to assist the City in estimating annual assessments sufficient to recover the costs of operating the District through Fiscal Year 2011, and to provide a basis for categorizing such costs to be recovered through non-ad valorem assessments among the various services provided by the District. As outlined in this report, the existing assessment levels are not sufficient to support the District's financial requirements projected through Fiscal Year 2011.

K:\1111-11\Rpts\Final\Report.doc

341 NORTH MAITLAND AVENUE - SUITE 300 - MAITLAND, FL 32751
TEL (407) 628-2600 - FAX (407) 628-2610 - EMAIL PRMG@PRMGINC.COM

This projected deficiency does not reflect any changes in assessment revenues that could occur due to any proposed change to the assessment methodology. Generally, this task was completed to first identify assessment revenue deficiencies at the existing levels and to provide a basis to assign District costs to the various services for use by the Assessment Methodology Consultant in determining an alternative assessment methodology for the District.

Based on the existing non-ad valorem assessment levels and current methodology, the City can expect the following revenue deficiencies based on the District's projected financial requirements as shown in Table 1 for the Forecast Period:

Estimated District Assessment Deficiencies [1]					
	2007	2008	2009	2010	2011
Cumulative Deficiency	N/A	(0.0%)	(44.5%)	(43.3%)	(50.6%)

[1] Amounts derived from Table 1 based on a percent of existing assessment revenues.

The primary reasons for the projected deficiencies derived from the District's non-ad valorem assessment levels shown above, include: i) increasing operating expenses to satisfy level of service requirements; ii) increasing employee salaries and benefits; iii) funding ongoing renewals and replacements of roads, vehicles, and equipment; and iv) fewer operating reserves to continue to subsidize District operations. The projected deficiencies are based upon the existing assessment fee levels and the current methodology. Since the long-term goal of this study is to provide a basis to allocate District costs for use by the Assessment Methodology Consultant to determine an alternative assessment methodology, PRMG did not design nor is it currently proposing new assessment rates to be considered by the City Commission in order to cure these deficiencies. Instead, this information is submitted for consideration by the District to illustrate the revenue deficiencies that are projected to exist under the current assessment methodology.

The results of this study are based on a financial forecast developed for the Road and Drainage District. The financial forecast starts with the identification of operating and capital needs, next considers the capital financing plan and, finally, results in the identification of revenue deficiencies, if any. The following sections summarize the approach used to project the District's financial requirements used for the Forecast Period (Fiscal Years 2007 through Fiscal Year 2011) and then, details of our analysis for allocating the costs to the various services of the District.

REVENUE FORECAST

Based on the adopted Fiscal Year 2007 Budget, the District anticipates collecting approximately \$14.7 million in assessments, while currently, the District projects that it will only collect approximately \$13.2 million in assessment revenues for Fiscal Year 2008 based on recent calculations provided by the City's Finance Department. These amounts reflect the District's existing assessment methodology and assume that all assessments rendered are paid. Based on discussions with District staff, the City anticipates continued residential growth over the next five years and for the purposes of this forecast, it was assumed that assessment revenues at the

existing levels and current methodology beyond Fiscal Year 2008 would increase approximately three percent (3%) per year during the Forecast Period. Table 2 provides a listing of the estimated assessment revenues at existing levels for each Fiscal Year; however, PRMG has not made an attempt to estimate future assessment revenues that may be derived based on any alternative assessment methodology proposed by the Assessment Methodology Consultant.

The District also collects other miscellaneous income of which the majority is allocated directly to the capital plan to fund annual projects, while the remaining miscellaneous, operating income is used to reduce the total assessment requirements (expenses) to be recovered from non-ad valorem assessments. Excluded from this income are transportation impact fees which are restricted to the Impact Fee Fund and are estimated by District staff to be sufficient to pay for all expansion and growth-related road projects during the Forecast Period as identified in the District's capital plan. Included in the miscellaneous capital income is a new fee adopted by the City Commission, the Construction Traffic Road Fee, which is intended to repair only those roads that become damaged by construction vehicles and equipment in order to return the road surface back to its original condition prior to construction. Based on discussions with District staff, the estimated revenues to be collected from the Construction Traffic Road Fees are to be escrowed and restricted for future use by the District. Therefore, such revenues have not been considered as a source to pay for certain renewals and replacements of existing roads. Instead, the cash has been accounted for in a separate fund as shown at the bottom of Table 1.

Table 2 at the end of this report lists all revenues for the Forecast Period and its allocation to either capital or operating expenditures. Table 1 at the end of this report accounts for the miscellaneous, operating income that is then used to reduce the assessment requirements required by rates.

REVENUE REQUIREMENTS

The various components of cost associated with operating and maintaining the Road and Drainage District, as well as the cost of the renewal and replacement of roads, vehicles and equipment, are generally referred to as the cash assessment (revenue) requirements. The sum of these cost components, after adjustments for other income and miscellaneous revenues, represents the net assessment requirements. The assessment requirements for this study are predicated on the forecast of needs for the five (5) year period ending September 30, 2011. The projected assessment requirements include the various generalized cost components described below:

- **Operating Expenditures:** These expenses include the cost of labor, materials, supplies, vehicle lease payments, and other items necessary for the operation and maintenance of the District. For future coverage purposes, the District's transfer to the City's General Fund most likely would also be considered as an operating expenditure since such costs are based upon an indirect costing program to allocate administrative and management charges to the District.

- **Debt Service:** Installments on long-term debt, excluding capital lease payments that include the principal and interest on the obligations payable from the net operating revenues of the District. The District currently does not have outstanding any long-term debt.
- **Other Revenue Requirements:** This component of cost includes, in general, any ongoing capital improvements (capital outlay) to be financed from revenues such as vehicles, equipment and road resurfacing.

Principal Assumptions and Considerations

The projected cash assessment requirements as shown on Table 1 for the District reflect certain assumptions, considerations and analyses. The major assumptions, considerations and analyses that are included in the projected assessment requirements for the Forecast Period are as follows:

1. The adopted Fiscal Year 2007 Annual Budget and the proposed Fiscal Year 2008 Annual Budget associated with the operations of the Road and Drainage District serve as the basis for the expenditure projections that are shown in detail on Table 3. Unless otherwise noted, the remaining assumptions and expenditure amounts included therein are assumed to be reasonable and reflect anticipated operations. Such budgetary amounts are incorporated into the assessment requirement component of the study, except for adjustments and assumptions as noted hereunder.
2. The operating and on-going maintenance expenditures of the District adopted for Fiscal Year 2007 and proposed for Fiscal Year 2008 are projected for the remaining three (3) years of the Forecast Period (i.e., through Fiscal Year 2011). These operating cost projections are illustrated on Table 3. The most significant driver of the operating costs revolves around on-going labor and merit-related pay increases. The following provides a brief summary of annual increases applied to operating expenditures for Fiscal Years 2009 through 2011:
 - Labor-Related Increases = 5.0% annually
 - Health Insurance and Workers' Compensation = 15.0% annually
 - Professional Services = 4.0% annually
 - Repair and Maintenance = 4.0% annually
 - Street Lighting and Certain Operating Supplies = 5.6% annually [*]
 - Materials and Supplies = 5.0% annually
 - Inflation = 2.5% annually

[*] Amount based on the combined conversion of property from undeveloped to developed and changes in annual expenses based on inflationary pressures.

3. No additional employee positions have been identified at this time by District staff; however, the financial forecast assumes that all employee positions that are funded within the budget are filled.
4. The capital expenditures for the Road and Drainage District, excluding those charges for the renewal and replacement of roadways, are identified in the City's capital plan that is forecasted for the six years ending September 30, 2012. The estimated project and equipment costs for the six-year period are approximately \$104 million as shown in Table 4 at the end of this report. The following summarizes a few of the major capital expenditures:
 - Vehicles and Equipment Purchases and Replacements
 - Traffic Signal and Intersection Improvements
 - Roadway Expansions and Extensions
 - Sidewalk Construction
 - Master Drainage Study

This analysis assumes that on-going annual, equipment needs will be provided for through annual assessments; however, the remaining projects are anticipated to be funded through impact fees, capital revenues, leases, and/or other revenue sources. A summary of the funding sources is shown in the following tabulation and in Table 4:

Capital Funding Program	Total 2007-2012 [1]
Funding Sources	
Operating Reserves	\$565,000
Non-ad Valorem Assessments	4,270,123
Capital Revenues	8,127,000
Capital Lease Proceeds	2,603,300
FDOT Contributions	6,400,000
Impact Fees	<u>82,174,794</u>
Total Funding Sources	<u>\$104,140,217</u>

[1] Amounts derived from Table 4.

5. The Road and Drainage District addresses its on-going renewals and replacements of roads within its operating budget, which was estimated at approximately \$7.9 million for Fiscal Year 2007. Based on detailed discussions with District staff, the continued renewal and replacement of the City's existing roads is being reviewed to determine an annual funding requirement, and currently the City has not appropriated funds for any additional road repairs and maintenance for Fiscal Year 2008. The District has indicated planned renewals and replacements of approximately \$2.0 million for Fiscal Year 2009, \$2.5 million for Fiscal Year 2010, and \$3.0 million for Fiscal Year 2011. The incremental increase in the

estimated annual funding amount is anticipated capture increases in construction and material costs. To the extent available, PRMG then used capital revenues remaining after funding the capital plan identified in No. 4 above, if any, to fund a portion of the annual obligation. As noted earlier, Construction Traffic Road Fees were not used to further reduce this requirement during the Forecast Period. The following tabulation reflects the estimated funding of road renewals and replacements as provided in Table1:

Road and Drainage District	Fiscal Year Revenue Requirements [1]				
	2007	2008	2009	2010	2011
Road Rehabilitation and Construction					
On-going Road Rehabilitation Costs	\$7,932,967	\$0	\$2,000,000	\$2,500,000	\$3,000,000
Less Use of Construction Traffic Road Fees	0	0	0	0	0
Less Transfers from Remaining Capital Revenues [2]	<u>(2,531,226)</u>	<u>0</u>	<u>0</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>
Total Road Rehabilitation and Construction	\$5,401,741	\$0	\$2,000,000	\$1,000,000	\$1,500,000

[1] Derived from Table 1.

[2] During Fiscal Year 2009, once the capital plan was fully funded, no additional capital revenues were available to fund a portion of the annual road rehabilitation program.

6. The City attempts to recover its administration expenditures provided by the general fund through an annual General Fund Transfer. In Fiscal Year 2007, the adopted transfer is \$1,044,447, which has been increased by District staff to \$1,562,477 for Fiscal Year 2008. For Fiscal Years 2009 to 2011, this amount was increased annually by five percent (5.0%) in anticipation of rising labor costs. For future coverage purposes, the District's transfer to the City's General Fund most likely would be considered as an operating expenditure since such costs are based upon an indirect costing program to allocate administrative and management charges to the District. Table 5 at the end of this report outlines the anticipated transfers to the General Fund.

7. The City's objective is to maintain a minimum reserve balance of approximately fifteen percent (15%) of total revenues. If the Road and Drainage District does not cure the projected revenue deficiencies in the near term, the District will not maintain adequate cash reserves in order to meet the day-to-day funding needs throughout the Forecast Period. Table 6 at the end of this report provides estimated cash balances for all District funds for the Forecast Period including estimated unrestricted cash deficiencies based upon the projected revenue shortfall. Based on the proposed Fiscal Year 2008 Budget, the estimated operating and capital results are estimated to break-even; however, in order to balance the projected requirements for Fiscal Year 2009 and to help minimize an operating cash shortfall, an increase for Fiscal Year 2009 of approximately 45% above the existing assessment fee levels would be required. This requirement is shown in greater detail in the next section.

8. The City also earns other revenue from miscellaneous charges for specific requests or services as shown in the Fiscal Year 2007 and 2008 Budgets. The other revenue sources reduce the revenue requirements needed from annual assessments and are anticipated to increase by approximately three percent (3.0%) per year over the Forecast Period.

Summary of Net Assessment Requirements

The projected net assessment requirements to be recovered from assessments through Fiscal Year 2011 are estimated as follows:

<u>Road and Drainage District</u>	Fiscal Year Revenue Requirements [1]				
	2007	2008	2009	2010	2011
Operating Expenditures	\$10,508,166	\$13,013,599	\$15,035,546	\$16,297,019	\$17,314,168
Road Rehabilitation and Construction					
On-going Road Rehabilitation Costs	7,932,967	0	2,000,000	2,500,000	3,000,000
Less Use of Construction Traffic Road Fees [2]	0	0	0	0	0
Less Transfers from Remaining Capital Revenues	<u>(2,531,226)</u>	<u>0</u>	<u>0</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>
Total Road Rehabilitation and Construction	5,401,741	0	2,000,000	1,000,000	1,500,000
Debt Service Payments [3]	0	0	0	0	0
Capital Funded from Assessments [4]	793,000	100,800	1,081,600	1,124,864	1,169,859
General Fund Transfer [5]	1,044,447	1,562,477	1,640,601	1,722,631	1,808,762
Use of Operating Reserves	<u>(2,688,807)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Gross Assessment Requirements	\$15,058,547	\$14,676,876	\$19,757,747	\$20,144,514	\$21,792,790
Less Miscellaneous Income [6]	<u>314,500</u>	<u>(1,460,876)</u>	<u>(93,222)</u>	<u>(50,192)</u>	<u>(51,338)</u>
Net Assessment Requirements	<u>\$14,744,047</u>	<u>\$13,216,000</u>	<u>\$19,664,524</u>	<u>\$20,094,321</u>	<u>\$21,741,452</u>

- [1] Derived from Table 1.
- [2] Based on discussions with District staff, such revenues have been escrowed and are not being used during the Forecast Period to fund a portion of the road rehabilitation and construction costs.
- [3] Based on information provided by staff, the District does not plan to issue any long-term debt, excluding capital leases.
- [4] Amounts are used to fund on-going vehicle and equipment needs identified in Table 4, the capital plan.
- [5] For purposes of calculating debt service coverage on future debt obligations, this amount most likely would be included in operating expenditures since the purpose of this transfer is to reimburse the City's General Fund for indirect administrative and management expenses.
- [6] For Fiscal Year 2008, miscellaneous income includes capital revenues other than impact fees that are currently budgeted for the year and are remaining after, first, funding the capital plan.

As can be seen in the above summary, the estimated net assessment requirements for the Road and Drainage District for the five (5) years beginning with the Fiscal Year 2007 are anticipated to increase from \$14,744,047 to \$21,741,452 by Fiscal Year 2011. The primary reasons for this includes: i) increasing operating expenses to satisfy level of service requirements; ii) increasing cost of employees and benefits; iii) funding ongoing renewals and replacements of roads, vehicles, and equipment ; and iv) fewer operating reserves to continue to subsidize District operations.

(Remainder of page left intentionally left blank)

DEFICIENCY OF EXISTING ASSESSMENTS

As shown on Table 1, based on the forecast of revenues for the District and the assumptions and considerations set forth herein with respect to the estimation of operating requirements, the existing assessment revenue deficiency for the Forecast Period is anticipated to be as follows:

Road and Drainage District	Fiscal Year Revenue Requirements [1]				
	2007	2008	2009	2010	2011
Assessments at Existing Rates	\$14,744,047	\$13,216,000	\$13,612,480	\$14,020,854	\$14,441,480
Net Assessment Requirements	<u>14,744,047</u>	<u>13,216,000</u>	<u>19,664,524</u>	<u>20,094,321</u>	<u>21,741,452</u>
Cumulative Deficiency at Existing Rates	\$0	\$0	(\$6,052,044)	(\$6,073,467)	\$7,299,972)
Cumulative Revenue Deficiency	N/A	N/A	(44.5%)	(43.3%)	(50.6%)

[1] Derived from Table 1.

The calculated revenue deficiencies shown above are based upon the existing assessment fee levels and the current methodology. Since the long-term goal of this study is to provide a basis to allocate District costs for use by the Assessment Methodology Consultant to determine an alternative assessment methodology, PRMG did not design nor is it currently proposing new assessment rates to be considered by the City Commission. Instead, this information is submitted for consideration by the District to illustrate the revenue deficiencies that already exist under the current assessment methodology.

COST ALLOCATION ANALYSIS

The District currently maintains three (3) divisions; the Administration, Operations, and Infrastructure Assessment Divisions (the “District”). These divisions provide support to approximately twenty (20) City services including, but not limited to road maintenance, traffic control, debris removal, right-of-way mowing, drainage maintenance, pipe replacement, infrastructure evaluation, development plan review, and system support services. The primary goal of this section of the analysis is to provide a basis for allocating all division-related costs based on the net assessment requirements provided in earlier sections so that the Assessment Methodology Consultant may design and propose improvements to the existing non-ad valorem assessment methodology. While the criteria to allocate operating costs varies based on industry practices and standards, the proposed assignment of costs and cost allocations, as discussed later, were designed to achieve the following objectives:

- District services which place a direct demand on operating personnel, assets, and other resources are identified and assigned such operating costs;
- District services which place an indirect demand on administrative personnel, assets, and other resources are identified and assigned a reasonable allocation of administrative costs; and

- District services which are not directly linked to either administrative or operating costs share a reasonable allocation of such expenses.

To achieve the objectives above, the proposed allocation methods focused in part on interviews with District Management to identify all City services that are supported by the District, and to then identify direct employee labor hours which help support such services. Finally and based on working sessions with the Operations Manager, PRMG was able to create a series of allocation references that either incorporates direct assignment of costs to specific City services and/or groups certain costs among similar or shared services. Table 7 at the end of this report provides the existing employee hours allocation among the District's services that was prepared by District Management and was instrumental in designing and preparing other allocation references as provided in Table 8.

Table 8 provides a detailed listing of all allocation references including those that are based upon employee hours, employee salaries, direct operational assignment, and combined benefit. As noted previously, these allocation references were prepared beginning with the employee hours allocation as provided by the District followed by working sessions with the Operations Manager. Once the allocation references were identified, PRMG performed an allocation of net assessment requirements for the Test Year (Fiscal Year 2007) by assigning each District cost shown in Table 9 with an allocation reference developed from Table 8. Finally, Table 9 was reviewed with the Operations Manager to ensure that such assignment of costs among the District's services was applied reasonably and consistently across expense categories. As discussed earlier in this report, Table 1 provided a summary schedule for Fiscal Year 2007 that identified approximately \$14.7 million in net assessment requirements to be recovered from non-ad valorem assessments. Table 9 then provides the detailed charges for Fiscal Year 2007 to be recovered from non-ad valorem assessments as allocated among the various services provided by the District. The following is a brief discussion of how the allocation references are applied:

Employee Labor Hours and Salaries

The employee hours allocation worksheet prepared in conjunction with District staff served as the initial basis for the hours and salaries allocation references shown in Table 8. As discussed previously, the District maintains three (3) divisions, and among the Operations and Infrastructure Assessment Divisions several subordinate sections exist. These sections and the staff among them serve one and/or only a few District services. Therefore, it was necessary to ensure that costs could be allocated at the lowest demand level, section allocations, as required by the Operations Manager. Table 8 at the end of this report provides allocation references based upon individual section demand, combined division demand, and total District demand for services. Several cost functions related to employee benefits, training, and technical support were allocated to the various service categories based on the allocation of employee salaries, while other costs such as communication services, office supplies, and uniforms were allocated among District services based upon employee hours.

Direct Cost Assignment and Composite

Certain operating costs occur during the normal course of business that are directly attributable to one and/or a few District services. Direct charges that are limited to a select number of services should not be pooled and allocated among all District services, but rather this cost should be directly assigned to those identifiable services. For charges where only one District service clearly received the benefit of such costs, PRMG allocated 100% of these charges to the benefited service. As shown in Table 9, certain charges were directly allocated to District services such as street lighting, landfill disposal charges, aquatic weed control and street signs. For other charges, several services benefited from the same expenditure as identified by the Operations Manager; therefore, PRMG designed unique allocation references to be applied to those charges only, composite allocations. The use of these composite cost allocations helps ensure that all costs are fully and fairly allocated to the services that receive the benefits. The following table summarizes a few of the composite allocation references developed during this study:

- Engineering and Architecture Composite
- Materials and Supplies Composite
- Structure Maintenance Composite
- Rentals and Leases Composite
- Vehicles and Equipment Composite
- Heavy Equipment Composite
- Capital Projects Composite

ALLOCATED RESULTS

Table 9 at the end of this report provides a detailed listing of the Test Year allocation of the net assessment requirements among the District's services. Based upon a review of these allocated results with District Management, Table 9 will be used to provide a basis for the Assessment Methodology Consultant to design and propose an alternative assessment methodology for the District's non-ad valorem assessments. As summarized from Table 9, the cost of providing the various district services is as follows:

	Test Year – Allocation of Net Assessment Requirement [1]				
	Operating Division			Infrastructure Assessment Division	Total Road & Drainage District
	Road Section	Drainage Section	Waterways & Structures Section		
<u>Road and Drainage District</u>					
Operating Expenditures	\$3,540,421	\$3,283,624	\$1,570,193	\$2,113,928	\$10,508,166
Road Rehabilitation and Construction	0	0	0	5,401,741	5,401,741
Capital Funded from Assessments	64,763	671,648	19,606	36,983	793,000
General Fund Transfer	234,873	414,536	116,150	278,888	1,044,447
Use of Operating Reserves	(581,787)	(662,047)	(258,458)	(1,186,515)	(2,688,807)
Less Miscellaneous Income	<u>(68,050)</u>	<u>(77,438)</u>	<u>(30,230)</u>	<u>(138,782)</u>	<u>(314,500)</u>
Net Assessment Requirements	<u>\$3,190,220</u>	<u>\$3,630,323</u>	<u>\$1,417,261</u>	<u>\$6,506,243</u>	<u>\$14,744,047</u>
Percent of Total District	22%	25%	10%	43%	100%

[1] Amounts summarized from Table 9. Table 9 at the end of this report provides a detailed allocation among all District services within each Division/Section.

CONCLUSIONS AND RECOMMENDATIONS

Based on our studies, assumptions, considerations, and analyses as summarized herein, PRMG is of the opinion that:

1. The City's existing assessment levels based on the current assessment methodology used by the District will not recover the District's projected financial requirements for the fiscal years ending September 30, 2009 through 2011. An increase of approximately 45% above existing assessment levels is estimated to fund the projected requirements beginning in Fiscal Year 2009, with subsequent adjustments thereafter.
2. The estimated financial forecast assumes that all assessments charged are paid and does not attempt to estimate the increase or decrease in assessment revenues based upon an alternative assessment methodology that may be proposed by the Assessment Methodology Consultant.
3. The cost allocation of the Test Year net assessment requirements among the District's services is reasonable based on information provided by the District and discussions with District staff.
4. The financial forecast should be updated following any modification to the current assessment methodology as adopted by the City.

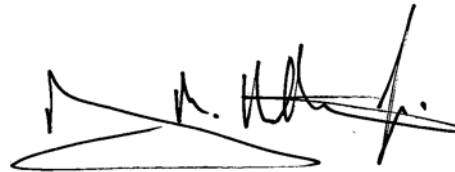
We appreciate the opportunity to be of service to the City.

Respectfully submitted,

Public Resources Management Group, Inc.



Henry L. Thomas
Vice President



Murray M. Hamilton, Jr.
Rate Analyst

HLT/mmh
Attachments

**CITY OF NORTH PORT, FLORIDA
ROAD AND DRAINAGE DISTRICT NON-AD VALOREM
ASSESSMENT FEE STUDY AND COST ALLOCATION ANALYSIS**

LIST OF TABLES

Table No.	Description
<hr/>	
1	Projected Assessment Requirements
2	Projected Revenues and Funding Sources
3	Projected Operating Expenditures
4	Capital Funding Program
5	Determination of General Fund Transfer
6	Projected Fund Balances
7	Existing Employee Hours Allocation
8	Development of Assessment Allocations
9	Allocation of Assessment Requirements – Fiscal Year 2007

Table 1
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Projected Assessment Requirements

Line No.	Description	Fiscal Year Ending September 30,				
		2007	2008	2009	2010	2011
1	Operating Expenditures [1]	\$10,508,166	\$13,013,599	\$15,035,546	\$16,297,019	\$17,314,168
2	Contingency [2]	0.00% 0	0	0	0	0
3	Total Operating Expenditures	\$10,508,166	\$13,013,599	\$15,035,546	\$16,297,019	\$17,314,168
Road Rehabilitation and Construction						
4	On-going Rehabilitation of Roads [3]	\$7,932,967	\$0	\$2,000,000	\$2,500,000	\$3,000,000
5	Less Use of Construction Traffic Road Fees [4]	0	0	0	0	0
6	Less Transfers from the Capital Fund (Excluding Impact Fees) [5]	(2,531,226)	0	0	(1,500,000)	(1,500,000)
7	Total Road Rehabilitation and Construction	\$5,401,741	\$0	\$2,000,000	\$1,000,000	\$1,500,000
Other Revenue Requirements						
Debt Service						
8	Existing Debt Service [6]	\$0	\$0	\$0	\$0	\$0
9	Proposed Debt Service [7]	0	0	0	0	0
10	Less Amount Paid By Impact Fees [8]	0	0	0	0	0
11	Total Debt Service	\$0	\$0	\$0	\$0	\$0
12	Operating Capital Funded from Assessments [9]	\$793,000	\$100,800	\$1,081,600	\$1,124,864	\$1,169,859
13	Transfers Required to the Capital Fund (Excluding Impact Fees)	0	0	0	0	0
14	Transfer to General Fund [10]	1,044,447	1,562,477	1,640,601	1,722,631	1,808,762
15	Operating Reserves - Deposits to/(Uses of) [11]	(2,688,807)	0	0	0	0
16	Total Other Revenue Requirements	(\$851,360)	\$1,663,277	\$2,722,201	\$2,847,495	\$2,978,621
17	Gross Revenue Requirements	\$15,058,547	\$14,676,876	\$19,757,747	\$20,144,514	\$21,792,790
Less Income and Funds from Other Sources						
18	Other Operating Revenue [12]	64,500	1,198,376	49,080	50,192	51,338
19	Unrestricted Interest Income [13]	250,000	262,500	44,142	0	0
20	Net Assessment Requirements	\$14,744,047	\$13,216,000	\$19,664,524	\$20,094,321	\$21,741,452
Road and Drainage District Service Revenue						
21	Existing Revenue - Assessments [14]	\$14,744,047	\$13,216,000	\$13,612,480	\$14,020,854	\$14,441,480
22	Prior Year Rate Adjustments	0	0	0	0	0
23	Total Rate Revenue Before Current Year Adjustment	14,744,047	13,216,000	13,612,480	14,020,854	14,441,480
<u>Current Year Rate Adjustments</u>						
24	Current Year Rate Adjustment Effective Month	0.0%	0.0%	0.0%	0.0%	0.0%
25	% of Current Year Effective	100.00%	100.00%	100.00%	100.00%	100.00%
26	Total Revenue from Current Year Adjustments	\$0	\$0	\$0	\$0	\$0
27	Total Revenue from Rates	\$14,744,047	\$13,216,000	\$13,612,480	\$14,020,854	\$14,441,480
28	Revenue Surplus/(Deficiency)	\$0	\$0	(\$6,052,044)	(\$6,073,467)	(\$7,299,972)
29	Surplus/(Deficiency) - Percent of Rate Revenues	0.00%	0.00%	-44.46%	-43.32%	-50.55%
Estimated Cash Balances						
		Fiscal Year Ending September 30,				
		2007	2008	2009	2010	2011
	Operating Reserve Fund	\$6,115,580	\$6,115,580	(\$501,465)	(\$6,574,931)	(\$13,874,903)
	Impact Fee Fund	14,470,221	6,695,837	6,915,638	7,199,222	7,190,038
	Capital Fund (Excluding Impact Fees)	0	0	181,008	793,828	308,704
	Escrow Fund - Construction Traffic Road Fee	0	966,750	1,933,500	2,900,250	3,867,000
Total Estimated Cash Balances at Year-End		\$20,585,800	\$13,778,167	\$8,528,682	\$4,318,369	(\$2,509,161)

Table 1
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Projected Assessment Requirements

Footnotes:

-
- [1] Derived from the City's proposed budget as identified in Table 3.
 - [2] Estimated contingency to account for unforeseen expenditures has not been assumed.
 - [3] Amounts as provided by the City.
 - [4] Reflects the estimated use of Construction Traffic Road Fee revenues currently held in escrow.
 - [5] Reflects estimated use of other capital revenues derived from Table 2 that are remaining after funding capital projects listed under the Capital Funding Program in Table 4.
 - [6] Other than capital leases which are reflected in total operating expenditures, the District does not have any existing annual debt service payment requirements.
 - [7] Based on the District's capital plan in Table 4, the City does not anticipate issuing bonds in the near term.
 - [8] Reduces the net revenue requirements applicable to rates based on projects assignable to new growth that were estimated to be funded with future debt proceeds.
 - [9] Amount reflects capital projects to be funded directly with assessment revenues.
 - [10] Reflects the annual transfer to the General Fund as determined in Table 5.
 - [11] As indicated, operating reserves are used to fund operating deficiencies based on the existing Fiscal Year 2007 Budget plus additional uses of reserves of \$158,455 to fund changes in the Capital Plan subsequent to adopting the budget and reductions in planned assessment revenues based upon the Property Appraisers records.
 - [12] Reflects miscellaneous revenues as proposed in the City's budget and shown in Table 2.
 - [13] Amounts based upon the Fiscal Year 2007 and 2008 Budgets as provided by the City.
 - [14] Estimated assessments as determined in Table 2 and at existing rates.

Table 2
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Projected Revenues and Funding Sources

Line No.	Description	Account	Classification	Test Year 2007			Escalation Reference	Fiscal Year Ending September 30.				
				Budget [1]	Adjustments	Adjusted		2007	2008 [2]	2009	2010	2011
Road and Drainage District Revenues and Funding Sources												
<u>Road and Drainage Services</u>												
1	Non-ad Valorem Assessments	107-0000-344.10-00		\$15,152,502	(\$408,455)	\$14,744,047	Revenue	\$14,744,047	\$13,216,000	\$13,612,480	\$14,020,854	\$14,441,480
2	Other Assessments			0	0	0	Eliminate	0	0	0	0	0
3	Total Road and Drainage Services Revenue [3]			\$15,152,502	(\$408,455)	\$14,744,047		\$14,744,047	\$13,216,000	\$13,612,480	\$14,020,854	\$14,441,480
<u>Miscellaneous Revenues and Other Funding Sources</u>												
4	Delinquent Assessments		Operating	5,000	0	5,000	Eliminate	5,000	5,000	0	0	0
5	County Voted \$0.01 Gas Tax	107-0000-312.20-00	Capital	183,016	0	183,016	Revenue	183,016	177,138	182,452	187,926	193,563
6	Local Option Gas Tax	107-0000-312.40-00	Capital	1,035,955	0	1,035,955	Revenue	1,035,955	1,150,638	1,185,157	1,220,712	1,257,333
7	FY 2001 Local Option Gas Tax	107-0000-312.50-00	Capital	768,615	0	768,615	Revenue	768,615	829,382	854,263	879,891	906,288
8	Electric Franchise Fees	107-0000-313.10-00	Capital	0	0	0	Revenue	0	0	0	0	0
9	Natural Gas Franchise Fee	107-0000-313.40-00	Operating	25,000	0	25,000	Revenue	25,000	36,000	37,080	38,192	39,338
10	Federal Grants	107-0000-331.20-00	Capital	0	0	0	Revenue	0	0	0	0	0
11	FEMA Reimbursement	107-0000-331.20-10	Capital	0	0	0	Revenue	0	0	0	0	0
12	State Grants / Public Safety	107-0000-334.20-00	Capital	0	0	0	Revenue	0	0	0	0	0
13	Municipal Gas Tax	107-0000-335.12-00	Capital	347,640	0	347,640	Revenue	347,640	263,923	271,841	279,996	288,396
14	Motor Fuel Tax Refund	107-0000-335.41-00	Capital	0	0	0	Revenue	0	0	0	0	0
15	DOT Agreements	107-0000-344.40-00	Capital	30,000	0	30,000	Constant	30,000	25,420	25,420	25,420	25,420
16	Construction Traffic Road Fee [4]	107-0000-344.94-00	Capital	3,937,500	(3,937,500)	0	Constant	0	966,750	966,750	966,750	966,750
17	Other Charges	107-0000-349.00-00	Capital	916,000	0	916,000	Constant	916,000	193,875	193,875	193,875	193,875
18	Miscellaneous	107-0000-360.00-00	Operating	2,500	0	2,500	Revenue	2,500	0	0	0	0
19	Rental Income	107-0000-362.00-00	Operating	12,000	0	12,000	Constant	12,000	12,000	12,000	12,000	12,000
20	Dispose of Fixed Assets	107-0000-364.00-00	Operating	20,000	0	20,000	Eliminate	20,000	5,000	0	0	0
21	Interfund Transfers	107-0000-381.00-00	Capital	0	0	0	Calculated	0	0	0	0	0
22	CICLA Transfer In	107-0000-381.30-20	Capital	420,000	0	420,000	Constant	420,000	100,000	100,000	100,000	100,000
23	Interest [5]	107-0000-361.00-00	Operating	250,000	(250,000)	0	Calculate	0	0	0	0	0
24	Capital Lease Proceeds	107-0000-383.00-00	Capital Lease	1,606,150	0	1,606,150	Eliminate	1,606,150	997,150	0	0	0
25	Fund Balance Reserves [6]	107-0000-389.90-00	Capital	2,530,352	(2,530,352)	0	Revenue	0	0	0	0	0
26	Escrow of Construction Traffic Road Fee [7]	107-0000-389.91-00	Capital	(3,937,500)	3,937,500	0	Eliminate	0	(966,750)	(966,750)	(966,750)	(966,750)
27	Total Miscellaneous Revenues and Other Sources			8,152,228	(2,780,352)	5,371,876	0	5,371,876	3,795,526	2,862,088	2,938,012	3,016,214
28	Total Road and Drainage District Revenues and Funding Sources			\$23,304,730	(\$3,188,807)	\$20,115,923	\$0	\$20,115,923	\$17,011,526	\$16,474,568	\$16,958,867	\$17,457,694
Summary of Miscellaneous Revenues - Uses of												
34	Operating Revenues [8]			\$314,500	(\$250,000)	\$64,500		\$64,500	\$58,000	\$49,080	\$50,192	\$51,338
35	Capital Revenues [9]			6,231,578	(2,530,352)	3,701,226		3,701,226	2,740,376	2,813,008	2,887,820	2,964,876
36	Capital Lease [10]			1,606,150	0	1,606,150		1,606,150	997,150	0	0	0
36	Total			<u>\$8,152,228</u>	<u>(\$2,780,352)</u>	<u>\$5,371,876</u>		<u>\$5,371,876</u>	<u>\$3,795,526</u>	<u>\$2,862,088</u>	<u>\$2,938,012</u>	<u>\$3,016,214</u>

Footnotes continued on the following page.

Table 2
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Projected Revenues and Funding Sources

Footnotes:

- [1] Amounts reflected as provided in the City's Adopted Fiscal Year 2007 Budget.
- [2] Amounts based upon the Proposed Fiscal Year 2008 Budget as provided by the City excluding interest income that is calculated in Table 6 and required assessment increases derived from Table 1. The budgeted assessment revenues were prepared by the City's Finance Department and includes assessable properties including those properties that are currently disputing the existing assessment methodology. The forecasted revenues are then reconciled to the Fiscal Year 2008 Budget as follows:
- | | |
|---|---------------------|
| | <u>2008</u> |
| Total Road and Drainage District Revenues and Funding Sources | \$17,011,526 |
| Plus Staff Proposed Increases to Assessments | 0 |
| Plus Interest Income | 262,500 |
| | <u> </u> |
| Total Revenue as Budget by City Staff | <u>\$17,274,026</u> |
- [3] Assessments estimated based on the Fiscal Year 2007 Budget as revised by GSG to reconcile to the Property Appraiser's assessment records, and the Proposed Fiscal Year 2008 Budget based on existing levels and conditions. Future assessment revenues are estimated to increase above existing levels by approximately 5% per year based on discussions with City staff.
- [4] Amounts reduced based upon recent development trends and other information provided by City staff. Such new fees are expected to begin in April 2007.
- [5] Interest income is removed from this schedule and is provided separately in Tables 1 and 6 based upon the estimated average daily balances of the District's unrestricted cash accounts.
- [6] Amount is reduced in this schedule and reflected separately in Table 1. Unless otherwise forecasted in Table 1, the regular use of reserves to fund on-going District programs is not considered appropriate.
- [7] Amounts reflect the escrow of such new revenues into the Escrow Fund in Table 6. Subsequently, these funds may be used in Table 1 to reduce the dependency of road rehabilitation on assessment revenues.
- [8] Amounts reflected as other operating revenues in Table 1 to reduce the financial burden on assessment revenues.
- [9] Amounts are deposited into the Capital Fund (excluding impact fees) shown in Table 6 and is subsequently used to fund the Capital Funding Program in Table 4.
- [10] Amount used to fund vehicle and equipment purchases as provided in the Capital Funding Program in Table 4.

Table 3
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Projected Operating Expenditures [1]

Line No.	Description	Account	Test Year 2007			Escalation Reference	Fiscal Year Ending September 30,				
			Budget	Adjustments	Adjusted		2007	2008	2009	2010	2011
Road and Drainage District - Operating and Supplemental											
<u>Personnel Services</u>											
1	Executive Salaries	107-5000-541.11-00	\$437,355	\$0	\$437,355	Labor	\$437,355	\$701,460	\$736,533	\$773,360	\$812,028
2	Additional Personnel Costs		0	0	0	Input	0	0	0	0	0
3	Additional Incremental Costs [2]		0	0	0	Input	0	0	1,297,920	1,839,153	2,322,169
4	Regular Salaries	107-5000-541.12-00	2,051,333	0	2,051,333	Labor	2,051,333	3,406,302	3,576,617	3,755,448	3,943,220
5	Other Salaries, Wages, and Benefits	107-5000-541.13-00	762,150	0	762,150	Labor	762,150	75,802	79,592	83,572	87,750
6	Overtime	107-5000-541.14-00	60,000	0	60,000	Labor	60,000	96,000	100,800	105,840	111,132
7	FICA	107-5000-541.21-00	181,442	0	181,442	Labor	181,442	306,472	321,796	337,885	354,780
8	Florida Retirement System	107-5000-541.22-01	194,864	0	194,864	Labor	194,864	444,713	466,949	490,296	514,811
9	Florida League Retirement	107-5000-541.22-03	0	0	0	Labor	0	0	0	0	0
10	Insurance - Life and Health	107-5000-541.23-00	416,442	0	416,442	Insurance	416,442	485,893	558,777	642,593	738,983
11	Vision Care	107-5000-541.23-02	5,356	0	5,356	Insurance	5,356	5,986	6,884	7,916	9,104
12	Workers' Compensation	107-5000-541.24-00	366,497	0	366,497	Insurance	366,497	363,629	418,173	480,899	553,034
13	Unemployment Compensation	107-5000-541.25-00	15,000	0	15,000	Insurance	15,000	1,700	1,955	2,248	2,585
14	Compensated Absences	107-5000-541.26-00	0	0	0	Labor	0	0	0	0	0
15	Total Personnel Services		4,490,439	0	4,490,439		4,490,439	5,887,957	7,565,996	8,519,211	9,449,596
<u>Other Expenditures</u>											
16	Educational Assistance	107-5000-541.27-00	0	0	0	Inflation	0	0	0	0	0
17	Professional Services	107-5000-541.31-00	35,000	0	35,000	OutSource	35,000	150,000	156,000	162,240	168,730
18	Legal Contingency	107-5000-541.31-02	5,000	0	5,000	OutSource	5,000	0	0	0	0
19	Engineering / Architect	107-5000-541.31-03	250,000	0	250,000	OutSource	250,000	50,000	52,000	54,080	56,243
20	Medical Services	107-5000-541.31-04	2,500	0	2,500	OutSource	2,500	7,434	7,731	8,041	8,362
21	Other Professional Services	107-5000-541.31-05	10,000	0	10,000	OutSource	10,000	257,000	267,280	277,971	289,090
22	Water Quality Testing	107-5000-541.31-06	20,000	0	20,000	Inflation	20,000	20,000	20,500	21,013	21,538
23	CDM Model Update	107-5000-541.31-09	0	0	0	Inflation	0	0	0	0	0
24	NPDES (Monitoring)	107-5000-541.31-10	25,000	0	25,000	Inflation	25,000	25,000	25,625	26,266	26,922
25	Surveyor	107-5000-541.31-11	483,000	0	483,000	OutSource	483,000	130,000	135,200	140,608	146,232
26	Other Contractual Service	107-5000-541.34-00	532,000	0	532,000	OutSource	532,000	507,500	527,800	548,912	570,868
27	Training and Travel	107-5000-541.40-00	18,000	0	18,000	Inflation	18,000	25,471	26,108	26,760	27,429
28	Communication Services	107-5000-541.41-00	85,302	0	85,302	Inflation	85,302	88,449	90,660	92,927	95,250
29	Postage and Mailing	107-5000-541.42-00	1,106	0	1,106	Property	1,106	2,000	2,112	2,229	2,353
30	Water and Sewer	107-5000-541.43-01	3,000	0	3,000	Inflation	3,000	3,000	3,075	3,152	3,231
31	Electric	107-5000-541.43-02	40,450	0	40,450	Inflation	40,450	52,560	53,874	55,221	56,601
32	Street Lights Electric	107-5000-541.43-03	249,310	0	249,310	Property	249,310	350,000	369,513	390,113	411,862
33	Traffic Lights Electric	107-5000-541.43-07	5,500	0	5,500	Property	5,500	11,000	11,613	12,261	12,944
34	Extend Line for St. Light	107-5000-541.43-10	25,000	0	25,000	Property	25,000	5,000	5,279	5,573	5,884
35	Rentals and Leases	107-5000-541.44-00	92,000	0	92,000	Inflation	92,000	113,224	116,055	118,956	121,930
36	Insurance	107-5000-541.45-00	156,771	0	156,771	Insurance	156,771	342,301	393,646	452,693	520,597
37	General Liability Insurance	107-5000-541.45-01	0	0	0	Insurance	0	0	0	0	0
38	Repair and Maintenance - Office	107-5000-541.46-01	25,000	0	25,000	Repair	25,000	7,000	7,280	7,571	7,874
39	Repair and Maintenance - Communication	107-5000-541.46-02	2,000	0	2,000	Repair	2,000	7,000	7,280	7,571	7,874
40	Repair and Maintenance - Veh & Eqp	107-5000-541.46-03	40,000	0	40,000	Repair	40,000	40,000	41,600	43,264	44,995
41	Repair and Maintenance - Building	107-5000-541.46-04	15,000	0	15,000	Repair	15,000	320,000	332,800	346,112	359,956
42	Repair and Maintenance - Road and Drainage City)	107-5000-541.46-06	0	0	0	Repair	0	250,000	260,000	270,400	281,216
43	Repair and Maintenance - Road and Drainage (Contracted) [3]	107-5000-541.46-06	7,932,967	(7,932,967)	0	Repair	0	0	0	0	0
44	Traffic Light Electric	107-5000-541.46-07	0	0	0	Property	0	0	0	0	0
45	Repair and Maintenance - Traffic Signals	107-5000-541.46-08	10,000	0	10,000	Inflation	10,000	25,000	25,625	26,266	26,922
46	Landscaping	107-5000-541.46-09	0	0	0	Inflation	0	0	0	0	0
47	Fleet Services Charge	107-5000-541.46-50	835,000	0	835,000	Repair	835,000	925,003	962,003	1,000,483	1,040,503
48	Printing and Binding	107-5000-541.47-00	12,000	0	12,000	Inflation	12,000	15,500	15,888	16,285	16,692
49	Promotional Activities	107-5000-541.48-00	0	0	0	Inflation	0	0	0	0	0
50	Cash Over / Short	107-5000-541.49-02	0	0	0	Inflation	0	0	0	0	0
51	Safety Training	107-5000-541.49-10	0	0	0	Inflation	0	0	0	0	0
52	Ads and Public Notices	107-5000-541.49-12	1,000	0	1,000	Property	1,000	1,224	1,292	1,364	1,440

Table 3
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Projected Operating Expenditures [1]

Line No.	Description	Account	Test Year 2007			Escalation Reference	Fiscal Year Ending September 30,				
			Budget	Adjustments	Adjusted		2007	2008	2009	2010	2011
53	Tags, Fees and Licenses	107-5000-541.49-14	2,600	0	2,600	Inflation	2,600	4,650	4,766	4,885	5,008
54	Special Election Costs	107-5000-541.49-15	0	0	0	Inflation	0	0	0	0	0
55	Property Appraiser	107-5000-541.49-30	46,626	0	46,626	Inflation	46,626	47,559	48,748	49,967	51,216
56	Landfill Disposal Charges	107-5000-541.49-60	75,000	0	75,000	Inflation	75,000	55,000	56,375	57,784	59,229
57	Payment to the General Fund [4]	107-5000-541.49-70	1,044,447	(1,044,447)	0	Inflation	0	0	0	0	0
58	Payment to Fire Rescue	107-5000-541.49-71	0	0	0	Inflation	0	0	0	0	0
59	Payment to Solid Waste	107-5000-541.49-72	12,170	0	12,170	Inflation	12,170	7,464	7,651	7,842	8,038
60	Waterway Improvement / Boat Fees	107-5000-541.49-80	0	0	0	Inflation	0	0	0	0	0
61	Office Supplies	107-5000-541.51-00	14,000	0	14,000	Inflation	14,000	26,423	27,084	27,761	28,455
62	Other Operating Supplies	107-5000-541.52-01	75,000	0	75,000	Property	75,000	81,900	86,466	91,286	96,376
63	Gasoline	107-5000-541.52-02	220,000	0	220,000	Property	220,000	390,282	412,040	435,011	459,263
64	Oil and Lube	107-5000-541.52-03	0	0	0	Property	0	0	0	0	0
65	Diesel	107-5000-541.52-04	0	0	0	Property	0	0	0	0	0
66	Herbicide, Pesticide and LNDSC	107-5000-541.52-05	0	0	0	Inflation	0	0	0	0	0
67	Aquatic Weed Control	107-5000-541.52-06	220,000	0	220,000	Inflation	220,000	250,000	256,250	262,656	269,223
68	Uniforms	107-5000-541.52-07	45,000	0	45,000	Inflation	45,000	61,135	62,663	64,230	65,836
69	Canal Maintenance	107-5000-541.52-11	30,000	0	30,000	Inflation	30,000	30,000	30,750	31,519	32,307
70	Structure Maintenance	107-5000-541.52-12	360,000	0	360,000	Inflation	360,000	60,000	61,500	63,038	64,613
71	Hydroseeding Supplies	107-5000-541.52-13	75,000	0	75,000	Inflation	75,000	250,000	256,250	262,656	269,223
72	Street Signs	107-5000-541.52-16	200,000	0	200,000	Property	200,000	200,000	211,150	222,922	235,349
73	Minor Operating Equipment	107-5000-541.52-50	30,800	0	30,800	Inflation	30,800	34,020	34,871	35,742	36,636
74	Road Materials and Supplies	107-5000-541.53-00	600,000	0	600,000	Materials	600,000	894,059	938,762	985,700	1,034,985
75	Books, Publications, and Subscriptions	107-5000-541.54-00	2,470	0	2,470	Inflation	2,470	3,535	3,623	3,714	3,807
76	Lease Purchase Payments [5]	107-5000-541.73-00	1,030,122	0	1,030,122	Input	1,030,122	998,949	1,052,763	1,052,763	811,470
77	Capital Land	107-5000-541.61-00	0	0	0	Inflation	0	0	0	0	0
78	Capital Buildings [6]	107-5000-541.62-00	0	0	0	Inflation	0	0	0	0	0
79	Improvements other than Building [6]	107-5000-541.63-00	2,080,000	(2,080,000)	0	Inflation	0	0	0	0	0
80	Lighting [6]	107-5000-541.63-02	20,000	(20,000)	0	Inflation	0	0	0	0	0
81	Toledo Blvd. [6]	107-5000-541.63-03	0	0	0	Inflation	0	0	0	0	0
82	Capital Machinery and Equipment [6]	107-5000-541.64-00	1,719,150	(1,719,150)	0	Inflation	0	0	0	0	0
83	Capital Vehicles [6]	107-5000-541.64-02	0	0	0	Inflation	0	0	0	0	0
84	Total Other Expenditures		18,814,291	(12,796,564)	6,017,727		6,017,727	7,125,642	7,469,550	7,777,808	7,864,572
85	Total Expenditures		<u>\$23,304,730</u>	<u>(\$12,796,564)</u>	<u>\$10,508,166</u>		<u>\$10,508,166</u>	<u>\$13,013,599</u>	<u>\$15,035,546</u>	<u>\$16,297,019</u>	<u>\$17,314,168</u>

Footnotes:

[1] As provided by the City.

[2] Amounts reflect incremental repair and maintenance costs of roads adjustment for inflation as provided by the City based on the adopted 2007 and the proposed 2008 Budgets.

[3] Costs to rehabilitate roads reflects only those charges paid by the District and is then adjusted from the budget and calculated separately in Table 1.

[4] General Fund Transfer adjusted from budget and calculated separately in Table 5.

[5] Amount reflects estimated lease payments through the Fiscal Year 2008 proposed lease. No additional leases are assumed going forward.

[6] Capital Expenditures adjusted from budget and calculated separately in Table 4.

Table 4
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Capital Funding Program [1]

Line No.	Description	Funding Source	Fiscal Year Ending September 30,							Total Capital Plan	
			2007	Adjustments	2007	2008	2009	2010	2011		2012
48	Price Blvd. Improvements Phase II	Impact	0	0	0	0	0	0	0	1,524,400	1,524,400
49	Price Blvd. Improvements Phase III	Impact	0	0	0	0	0	0	0	0	0
50	Sidewalk Construction	Capital	950,000	0	950,000	1,100,000	750,000	650,000	650,000	650,000	4,750,000
51	Toledo Blade Boulevard Improvements	Impact	4,500,000	0	4,500,000	13,505,000	0	0	0	0	18,005,000
52	Traffic Signal Installation at Price, Haberland, & Toledo	Impact	525,000	0	525,000	0	0	0	0	0	525,000
53	Public Services Facility	N/A	0	0	0	0	0	0	0	0	0
54	Sumter Boulevard Construction - Phase II	Impact	11,200,000	0	11,200,000	0	0	0	0	0	11,200,000
55	Sumter Boulevard Construction - Phase II	FDOT	6,400,000	0	6,400,000	0	0	0	0	0	6,400,000
56	Sumter Boulevard Construction - Phase III	Impact	0	0	0	9,560,923	8,139,077	7,700,000	0	0	25,400,000
57	Construct Extension of Spring Haven Drive	Impact	3,150,000	0	3,150,000	0	3,500,000	0	0	0	6,650,000
58	US-41 Corridor, Sidewalks & Bus Stops	Capital	0	0	0	0	282,000	0	0	0	282,000
59	US-41 Improvements Phase I	Operating	0	0	0	0	565,000	0	0	0	565,000
60	Repair Stormwater Structures on Chancellor Boulevard	Capital	450,000	(450,000)	0	500,000	0	0	0	0	500,000
61	Lighting	Capital	0	20,000	20,000	0	0	0	0	0	20,000
62	On-going Capital Projects	Capital	0	0	0	0	0	0	0	0	0
63	Total Capital Projects		\$28,169,794	(\$430,000)	\$27,739,794	\$24,665,923	\$18,536,077	\$15,475,000	\$10,850,000	\$8,236,251	\$105,503,045
64	Total Road and Drainage District		\$28,169,794	\$1,969,150	\$30,138,944	\$25,763,873	\$19,617,677	\$16,599,864	\$12,019,859	\$9,452,904	\$113,593,121
Funding Sources											
Road and Drainage District											
65	Use of Operating Reserves for Operating Capital	Operating	\$0	\$0	\$0	\$0	\$565,000	\$0	\$0	\$0	\$565,000
66	Direct Assessment Revenues	Assessments	0	793,000	793,000	100,800	1,081,600	1,124,864	1,169,859	1,216,653	4,270,123
67	Capital Fund	Capital	1,600,000	(430,000)	1,170,000	1,600,000	2,632,000	775,000	1,950,000	650,000	8,127,000
68	Capital Lease	Lease	0	1,606,150	1,606,150	997,150	0	0	0	0	2,603,300
69	FDOT / TRIP	FDOT	6,400,000	0	6,400,000	0	0	0	0	0	6,400,000
70	Grant	Grant	0	0	0	0	0	0	0	0	0
71	Impact Fee	Impact	20,169,794	0	20,169,794	23,065,923	15,339,077	14,700,000	8,900,000	7,586,251	82,174,794
72	Future Bonds	Bond 1	0	0	0	0	0	0	0	0	0
73	Future Bonds	Bond 2	0	0	0	0	0	0	0	0	0
74	Total Funding Sources		\$28,169,794	\$1,969,150	\$30,138,944	\$25,763,873	\$19,617,677	\$16,599,864	\$12,019,859	\$9,452,904	\$104,140,217

Footnotes:

[1] As provided by the City and estimated capital outlay beyond Fiscal Year 2007 has been adjusted for inflation.

Table 5
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Determination of General Fund Transfer [1]

Line No.	Description	Test Year 2007			Escalation Reference	Fiscal Year Ending September 30,				
		Budget	Adjustments	Adjusted		2007	2008	2009	2010	2011
Road and Drainage District										
1	General Fund Transfer	\$0	\$1,044,447	\$1,044,447	Admin Labor	\$1,044,447	\$1,562,477	\$1,640,601	\$1,722,631	\$1,808,762
2	Other Transfers to the General Fund	0	0	0	Admin Labor	0	0	0	0	0
3	Total General Fund Transfers	\$0	\$1,044,447	\$1,044,447		\$1,044,447	\$1,562,477	\$1,640,601	\$1,722,631	\$1,808,762

Footnotes:
 [1] As provided by the City. The City determines this transfer based on an indirect costing program. For the purposes of this analysis, we have assumed that future transfer needs will increase consistently with changes in General Fund salaries or 5% per year.

Table 6
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Projected Fund Balances

Line No.	Description	Reference	Fiscal Year Ending September 30,				
			2007	2008	2009	2010	2011
OPERATING RESERVE FUND							
1	Beginning Balance		\$8,804,387	\$6,115,580	\$6,115,580	(\$501,465)	(\$6,574,931)
2	Transfers In		14,744,047	13,216,000	13,612,480	14,020,854	14,441,480
3	Transfers Out		14,744,047	13,216,000	19,664,524	20,094,321	21,741,452
4	Transfers Out - CIP		0	0	565,000	0	0
5	End of Year Transfer In / (Out)		(2,688,807)	0	0	0	0
6	Interest Rate	Short Term	1.50%	1.50%	1.50%	1.50%	1.50%
7	Interest Income		250,000	262,500	42,106	(53,073)	(153,374)
	Transfer of Interest Income						
8	to Revenue Fund		250,000	262,500	42,106	(53,073)	(153,374)
9	Ending Balance		6,115,580	6,115,580	(501,465)	(6,574,931)	(13,874,903)
10	Target Ending Balance	15.00%	1,851,842	2,201,531	2,663,662	2,871,677	3,043,918
11	Target Days Available Cash		64	62	65	64	64
12	Calculated Days Available Cash (Net Rev. Requirements)		212	172	(12)	(147)	(292)
IMPACT FEE FUND							
13	Beginning Balance		\$21,074,788	\$14,470,221	\$6,695,837	\$6,915,638	\$7,199,222
14	Transfers In		13,169,794	15,056,070	15,407,453	14,826,558	8,730,738
15	Transfers Out		20,169,794	23,065,923	15,339,077	14,700,000	8,900,000
16	Transfers Out - Debt Service	0.00%	0	0	0	0	0
17	Interest Rate	Medium Term	2.25%	2.25%	2.25%	2.25%	2.25%
18	Interest Income		395,433	235,469	151,426	157,026	160,078
	Transfer of Interest Income						
19	to Revenue Fund		0	0	0	0	0
20	Ending Balance		14,470,221	6,695,837	6,915,638	7,199,222	7,190,038
CAPITAL FUND - EXCLUDING IMPACT FEES							
21	Beginning Balance		\$0	\$0	\$0	\$181,008	\$793,828
22	Transfer In (Capital Revenues)		3,701,226	2,740,376	2,813,008	2,887,820	2,964,876
23	Transfers Out (Capital Plan)		1,170,000	1,600,000	2,632,000	775,000	1,950,000
24	Transfers Out		2,531,226	1,140,376	0	1,500,000	1,500,000
24	Transfer In (Operating Fund)		0	0	0	0	0
25	Interest Rate	Medium Term	2.25%	2.25%	2.25%	2.25%	2.25%
26	Interest Income		0	0	2,036	10,967	12,403
	Transfer of Interest Income						
27	to Revenue Fund		0	0	2,036	10,967	12,403
28	Ending Balance		0	0	181,008	793,828	308,704
ESCROW FUND - CONSTRUCTION TRAFFIC ROAD FEE							
29	Beginning Balance		\$0	\$0	\$966,750	\$1,933,500	\$2,900,250
30	Transfers In		0	966,750	966,750	966,750	966,750
31	Transfers Out		0	0	0	0	0
32	Interest Rate	None	0.00%	0.00%	0.00%	0.00%	0.00%
33	Interest Income		0	0	0	0	0
	Transfer of Interest Income						
34	to Revenue Fund		0	0	0	0	0
35	Ending Balance		0	966,750	1,933,500	2,900,250	3,867,000
INTEREST INCOME							
36	Restricted		\$395,433	\$235,469	\$151,426	\$157,026	\$160,078
37	Unrestricted		\$250,000	\$262,500	\$44,142	(\$42,106)	(\$140,970)
38	TOTAL INTEREST INCOME		\$645,433	\$497,969	\$195,568	\$114,920	\$19,108

**Table 7
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis**

Existing Employee Hours Allocation

Line No.	Road and Drainage District Divisions	Number of FTE Employees	Allocation Reference	Percent Employee Hours Allocated to District Services										
				Road Section				Drainage Section				Concrete Structure Maintenance		
				Road Maintenance by City Staff	Traffic Control Devices	By City Staff (In-house)	By Service Contract	By City Staff (In-house)	By Service Contract	Primary Drainage Maintenance	Secondary Drainage Maintenance	Sidewalk Maintenance	Concrete Structures	Pipe Replacement
ADMINISTRATION DIVISION														
1	Director	1	District-salaries	7%	0%	5%	0%	10%	0%	21%	10%	2%	2%	4%
2	Business Manager	1	District-hours	7%	0%	6%	0%	11%	0%	22%	9%	2%	2%	3%
3	Executive Assistant	1	Admin-hours	5%	0%	4%	0%	7%	0%	15%	7%	2%	2%	2%
4	Operations Manager	1	Operations-salaries	8%	0%	7%	0%	12%	0%	26%	12%	3%	3%	4%
5	Administrative Services Coordinator	1	Admin-salaries	5%	0%	4%	0%	8%	0%	16%	7%	2%	2%	3%
6	Staff Assistant I	3	Admin-hours	5%	0%	4%	0%	7%	0%	15%	7%	2%	2%	2%
7	Executive Assistant	1	Infrastructure-hours	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	Project Administrator	1	District-hours	7%	0%	6%	0%	11%	0%	22%	9%	2%	2%	3%
9	Operations Engineer	1	Infrastructure-salaries	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	TOTAL ADMINISTRATIVE DIVISION	11		5%	0%	4%	0%	7%	0%	15%	7%	2%	2%	2%
OPERATIONS DIVISION														
Road Section														
11	Superintendent	1	Input	40%	20%	10%	10%	10%	10%	0%	0%	0%	0%	0%
12	Supervisors	3	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Heavy Equipment Operators	2	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Equipment Operators	10	Input	20%	0%	20%	0%	60%	0%	0%	0%	0%	0%	0%
15	Maintenance Workers	10	Input	38%	0%	31%	0%	31%	0%	0%	0%	0%	0%	0%
16	Traffic Control Technicians	2	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Drainage Section														
17	Superintendent	1	Input	0%	0%	0%	0%	0%	0%	40%	40%	10%	10%	0%
18	Field Supervisors	3	Input	0%	0%	0%	0%	0%	0%	32%	17%	17%	17%	17%
19	Heavy Equipment Operators	16	Input	0%	0%	0%	0%	0%	0%	40%	40%	3%	3%	14%
20	Maintenance Workers	13	Input	0%	0%	0%	0%	0%	0%	82%	2%	8%	8%	0%
Waterways and Structures Section														
21	Superintendent	1	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
22	Field Supervisors	1	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Aquatic Spray Technicians	2	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
24	Equipment Operators	4	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	Maintenance Workers	2	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
26	TOTAL OPERATIONS DIVISION	71		9%	0%	7%	0%	13%	0%	26%	11%	3%	3%	4%
INFRASTRUCTURE ASSESSMENT DIVISION														
Field Section														
27	Engineering Technician	0	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
28	Infrastructure Inspectors	3	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Infrastructure Inspectors	3	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Infrastructure Inspectors	4	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
System Support Section														
31	System Support Administrator	0	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Infrastructure Data Analyst	1	Input	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
33	TOTAL INFRASTRUCTURE ASSESSMENT DIVISION	11		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
34	TOTAL DISTRICT	93		7%	0%	6%	0%	11%	0%	22%	9%	2%	2%	3%

**Table 7
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis**

Existing Employee Hours Allocation

Line No.	Road and Drainage District Divisions	Percent Employee Hours Allocated to District Services															Total Hours Allocated
		Waterways and Structure Section					Infrastructure Assessment Division					Other		Total			
		Number of FTE Employees	Bridge Maintenance	Water Control Structures	Mowing of Drainage Areas		Control of Aquatic Vegetation	Direct Cost Assignment		Infrastructure Evaluation		System Support Services	ROW Permit Processing		Other Indirect District Services		
By City Staff (In-house)	By Service Contract				Road Rehabilitation by Contract	Right of Way Inspections		Roads	Drainage	Development Plan Review	Contract Admin.						
ADMINISTRATION DIVISION																	
1	Director	1	1%	3%	1%	2%	4%	6%	6%	3%	3%	2%	1%	3%	2%	0%	100%
2	Business Manager	1	1%	3%	2%	2%	4%	6%	6%	3%	2%	2%	1%	4%	1%	0%	100%
3	Executive Assistant	1	1%	2%	1%	2%	3%	10%	14%	6%	5%	4%	2%	4%	3%	0%	100%
4	Operations Manager	1	1%	3%	2%	3%	4%	3%	0%	1%	1%	1%	1%	3%	1%	0%	100%
5	Administrative Services Coordinator	1	1%	2%	1%	2%	3%	9%	13%	6%	4%	3%	2%	4%	3%	0%	100%
6	Staff Assistant I	3	1%	2%	1%	2%	3%	10%	14%	6%	5%	4%	2%	4%	3%	0%	100%
7	Executive Assistant	1	0%	0%	0%	0%	0%	20%	33%	14%	10%	8%	5%	6%	6%	0%	100%
8	Project Administrator	1	1%	3%	2%	2%	4%	6%	6%	3%	2%	2%	1%	4%	1%	0%	100%
9	Operations Engineer	1	0%	0%	0%	0%	0%	20%	33%	14%	10%	8%	5%	6%	6%	0%	100%
10	TOTAL ADMINISTRATIVE DIVISION	11	1%	2%	1%	2%	3%	10%	14%	6%	5%	4%	2%	4%	3%	0%	100%
OPERATIONS DIVISION																	
Road Section																	
11	Superintendent	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
12	Supervisors	3	0%	0%	0%	0%	0%	65%	5%	10%	5%	0%	15%	0%	0%	0%	100%
13	Heavy Equipment Operators	2	0%	0%	0%	0%	0%	0%	5%	15%	15%	25%	0%	20%	0%	0%	100%
14	Equipment Operators	10	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
15	Maintenance Workers	10	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
16	Traffic Control Technicians	2	0%	0%	0%	0%	0%	0%	0%	5%	5%	0%	0%	90%	0%	0%	100%
Drainage Section																	
17	Superintendent	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
18	Field Supervisors	3	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
19	Heavy Equipment Operators	16	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
20	Maintenance Workers	13	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Waterways and Structures Section																	
21	Superintendent	1	25%	25%	12%	13%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
22	Field Supervisors	1	5%	15%	10%	10%	60%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
23	Aquatic Spray Technicians	2	10%	10%	0%	0%	80%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
24	Equipment Operators	4	5%	45%	0%	40%	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
25	Maintenance Workers	2	8%	2%	60%	0%	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
26	TOTAL OPERATIONS DIVISION	71	1%	3%	2%	3%	5%	3%	0%	1%	1%	1%	1%	3%	1%	0%	100%
INFRASTRUCTURE ASSESSMENT DIVISION																	
Field Section																	
27	Engineering Technician	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
28	Infrastructure Inspectors	3	0%	0%	0%	0%	0%	65%	5%	10%	5%	0%	15%	0%	0%	0%	100%
29	Infrastructure Inspectors	3	0%	0%	0%	0%	0%	0%	5%	15%	15%	25%	0%	20%	20%	0%	100%
30	Infrastructure Inspectors	4	0%	0%	0%	0%	0%	0%	75%	15%	10%	0%	0%	0%	0%	0%	100%
System Support Section																	
31	System Support Administrator	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Infrastructure Data Analyst	1	0%	0%	0%	0%	0%	20%	33%	14%	10%	8%	5%	6%	6%	0%	100%
33	TOTAL INFRASTRUCTURE ASSESSMENT DIVISION	11	0%	0%	0%	0%	0%	20%	33%	14%	10%	8%	5%	6%	6%	0%	100%
34	TOTAL DISTRICT	93	1%	3%	2%	2%	4%	6%	6%	3%	2%	2%	1%	4%	1%	0%	100%

Table 8
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Development of Assessment Allocations

Line No.	Description	Reference	Percent Employee Hours Allocated to District Services										
			Road Section				Drainage Section						
			Road Maintenance by City Staff	Traffic Control Devices	By City Staff (In-house)	By Service Contract	Primary Drainage Maintenance	Secondary Drainage Maintenance	Sidewalk Maintenance	Concrete Structures	Pipe Replacement		
				Debris Removal	Mowing of Rights of Way								
				By City Staff (In-house)	By Service Contract	By City Staff (In-house)	By Service Contract	Primary Drainage Maintenance	Secondary Drainage Maintenance	Sidewalk Maintenance	Concrete Structures	Pipe Replacement	
1	Administration Division	Admin-hours	5%	0%	4%	0%	7%	0%	15%	7%	2%	2%	2%
2	Road Section	Roads-hours	22%	1%	19%	0%	33%	0%	0%	0%	0%	0%	0%
3	Drainage Section	Drainage-hours	0%	0%	0%	0%	0%	56%	23%	6%	6%	8%	0%
4	Waterways and Structures Section	Waterways-hours	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Operations Division	Operations-hours	9%	0%	7%	0%	13%	0%	26%	11%	3%	3%	4%
6	Field Section	Field-hours	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	System Support Section	System-hours	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8	Infrastructure Assessment Division	Infrastructure-hours	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Total District	District-hours	7%	0%	6%	0%	11%	0%	22%	9%	2%	2%	3%
10	Administration Division	Admin-salaries	5%	0%	4%	0%	8%	0%	16%	7%	2%	2%	3%
11	Road Section	Roads-salaries	22%	1%	18%	1%	32%	1%	0%	0%	0%	0%	0%
12	Drainage Section	Drainage-salaries	0%	0%	0%	0%	0%	53%	26%	6%	6%	9%	0%
13	Waterways and Structures Section	Waterways-salaries	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Operations Division	Operations-salaries	8%	0%	7%	0%	12%	0%	26%	12%	3%	3%	4%
15	Field Section	Field-salaries	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	System Support Section	System-salaries	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Infrastructure Assessment Division	Infrastructure-salaries	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Total District	District-salaries	7%	0%	5%	0%	10%	0%	21%	10%	2%	2%	4%
19	Road and Maintenance by City Staff	City Road Maint.	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	Traffic Control Devices	Traffic Control	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
21	Debris Removal - Split 50/50	Debris Removal	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%
22	Mowing Rights of Way by the City	City Right of Way Mowing	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
23	Mowing Rights of Way by Contract	Contracted Right of Way Mowing	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
24	Primary Drainage Maintenance	Primary Drainage	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%
25	Secondary Drainage Maintenance	Secondary Drainage	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%
26	Sidewalk Maintenance	Sidewalk Maintenance	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%
27	Concrete Structures	Concrete Structures	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%
28	Replacement Pipe	Replacement Pipe	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
29	Bridge Maintenance	Bridge Maintenance	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Water Control Structures	Water Control	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Mowing Drainage Areas by the City	City Drainage Mowing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Mowing Drainage Areas by Contract	Contracted Drainage Mowing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
33	Control of Aquatic Vegetation	Aquatic Vegetation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
34	Road Rehabilitation by Contract	Contracted Road Rehab.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
35	Right of Way Inspections	Inspect Right of Way	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
36	Infrastructure Road Evaluations	Road Evaluations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
37	Infrastructure Drainage Evaluations	Drainage Evaluations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
38	Development Plan Review	Plan Review	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
39	Contract Administration	Contract Administration	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
40	System Support Services	System Support	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
41	ROW Permit Processing	Permit Processing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
42	Other Indirect District Services	Other Services	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
43	Operating and Maintenance Expense Allocation	O&M Expenses	8%	6%	4%	0%	8%	6%	17%	7%	2%	2%	4%
44	Assessment Revenue Allocation	Assessments	6%	4%	3%	0%	5%	3%	13%	6%	1%	1%	3%
45	Engineering / Architect Composite	Engineering Composite	2%	0%	1%	0%	2%	0%	5%	2%	1%	1%	1%
46	Rentals and Leases Composite	Rentals Composite	19%	0%	0%	0%	0%	0%	57%	24%	0%	0%	0%
47	Structure Maintenance Composite	Structure Composite	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
48	Capital Funded from Assessments Composite	Capital Assessment Composite	2%	1%	2%	0%	3%	1%	47%	20%	5%	5%	7%
49	Capital Funded from the Capital Fund	Capital Fund Composite	1%	2%	1%	0%	2%	0%	4%	2%	82%	1%	1%
50	Infrastructure Composite	Infrastructure Composite	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
51	Roads Composite	Roads Composite	29%	17%	12%	1%	25%	16%	0%	0%	0%	0%	0%
52	Drainage Composite	Drainage Composite	0%	0%	0%	0%	0%	0%	54%	23%	5%	5%	13%
53	Waterways Composite	Waterways Composite	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
54	Mowers Composite	Mowers	0%	0%	0%	0%	93%	0%	0%	0%	0%	0%	0%
55	Equipment Composite	Equipment	14%	9%	7%	1%	14%	9%	19%	8%	2%	2%	4%
56	Vehicles Composite	Vehicles	9%	5%	4%	0%	7%	5%	26%	11%	3%	3%	6%
57	Combined Vehicles and Equipment Composite	Vehicles & Equipment	14%	6%	4%	0%	15%	5%	22%	9%	2%	2%	5%
58	Heavy Equipment Composite	Heavy Equipment	0%	0%	0%	0%	0%	0%	36%	36%	3%	3%	12%
59	Road Materials & Supplies Composite	Materials & Supplies	60%	0%	0%	0%	0%	0%	15%	0%	0%	0%	25%
60	Contracted Mowing Allocation	Mowing Composite	0%	0%	0%	0%	0%	88%	0%	0%	0%	0%	0%

Table 9
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Allocation of Assessment Requirements - Fiscal Year 2007 [1]

Line No.	Description	Test Year 2007	Allocation Reference [2]	Percent Employee Hours Allocated to District Services										
				Road Section				Drainage Section						
				Debris Removal		Mowing of Rights of Way		Primary Drainage Maintenance		Secondary Drainage Maintenance		Concrete Structure Maintenance		
				Road Maintenance by City Staff	Traffic Control Devices	By City Staff (In-house)	By Service Contract	By City Staff (In-house)	By Service Contract	Primary Drainage Maintenance	Secondary Drainage Maintenance	Sidewalk Maintenance	Concrete Structures	Pipe Replacement
71	Hydroseeding Supplies	75,000	Primary Drainage	0	0	0	0	0	0	75,000	0	0	0	0
72	Street Signs	200,000	Traffic Control	0	200,000	0	0	0	0	0	0	0	0	0
73	Minor Operating Equipment	30,800	District-hours	2,233	74	1,871	37	3,312	37	6,654	2,756	770	770	1,000
74	Road Materials and Supplies	600,000	Materials & Supplies	360,000	0	0	0	0	0	90,000	0	0	0	150,000
75	Books, Publications, and Subscriptions	2,470	Admin-hours	122	5	101	3	180	3	375	169	44	44	60
76	Lease Purchase Payments	1,030,122	Vehicles & Equipment	144,217	61,807	41,205	0	154,518	51,506	226,627	92,711	20,602	20,602	51,506
77	Capital Land	0	O&M Expenses	0	0	0	0	0	0	0	0	0	0	0
78	Capital Buildings [2]	0	O&M Expenses	0	0	0	0	0	0	0	0	0	0	0
79	Improvements other than Building [2]	0	O&M Expenses	0	0	0	0	0	0	0	0	0	0	0
80	Lighting [2]	0	O&M Expenses	0	0	0	0	0	0	0	0	0	0	0
81	Toledo Blade Blvd. [2]	0	O&M Expenses	0	0	0	0	0	0	0	0	0	0	0
82	Capital Machinery and Equipment [2]	0	O&M Expenses	0	0	0	0	0	0	0	0	0	0	0
83	Capital Vehicles [2]	0	O&M Expenses	0	0	0	0	0	0	0	0	0	0	0
84	Total Other Expenditures	6,017,727		717,224	636,154	156,051	38,090	392,021	591,077	804,613	282,609	60,189	60,189	293,790
85	Total Operating Expenditures	\$10,508,166		\$1,014,873	\$650,637	\$400,396	\$45,332	\$830,864	\$598,319	\$1,751,344	\$736,742	\$170,432	\$170,432	\$454,674
Road Rehabilitation and Construction														
86	On-going Rehabilitation of Roads	\$7,932,967	Contracted Road Rehab.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
87	Less Use of Construction Traffic Road Fees	0	Contracted Road Rehab.	0	0	0	0	0	0	0	0	0	0	0
88	Less Transfers from the Capital Fund (Excluding Impact Fees)	(2,531,226)	Contracted Road Rehab.	0	0	0	0	0	0	0	0	0	0	0
89	Total Road Rehabilitation and Construction	\$5,401,741		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue Requirements														
90	Debt Service	\$0	O&M Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91	Operating Capital Funded from Assessments	793,000	Capital Assessment Composite	18,407	5,681	12,145	689	22,574	5,267	373,902	154,853	43,191	43,191	56,511
92	Transfers Required to the Capital Fund (Excluding Impact Fees)	0	Capital Fund Composite	0	0	0	0	0	0	0	0	0	0	0
93	Transfer to the General Fund	1,044,447	District-salaries	69,231	3,369	56,833	1,684	102,072	1,684	220,204	105,628	25,642	25,642	37,420
94	Operating Reserves - Deposits to / (Uses of)	(2,688,807)	Assessments	(167,036)	(99,946)	(71,112)	(7,228)	(144,764)	(91,701)	(355,347)	(151,084)	(36,250)	(36,250)	(83,116)
95	Total Other Revenue Requirements	(\$851,360)		(\$79,397)	(\$90,896)	(\$2,135)	(\$4,855)	(\$20,118)	(\$84,750)	\$238,759	\$109,397	\$32,583	\$32,583	\$10,815
96	Less Income and Funds from Other Sources	(314,500)	Assessments	(19,538)	(11,690)	(8,318)	(845)	(16,933)	(10,726)	(41,564)	(17,672)	(4,240)	(4,240)	(9,722)
97	Net Assessment Requirements	\$14,744,047		\$915,938	\$548,051	\$389,944	\$39,632	\$793,814	\$502,842	\$1,948,540	\$828,467	\$198,775	\$198,775	\$455,768
98	Percent of Total Program	100.00%		7%	4%	3%	0%	5%	3%	13%	6%	1%	1%	3%

Footnotes:
 [1] Amounts derived from Tables 1 and 3.

[2] Reference allocations presented based on discussions with the Operation's Manager, which are derived from Table 8.

Table 9
City of North Port, Florida
Road and Drainage Assessment Fee Study and Cost Allocation Analysis

Allocation of Assessment Requirements - Fiscal Year 2007 [1]

Line No.	Description	Percent Employee Hours Allocated to District Services															Total Hours Allocated	
		Waterways and Structure Section						Infrastructure Assessment Division					Other		Total			
		Test Year 2007	Bridge Maintenance	Water Control Structures	Mowing of Drainage Areas		Control of Aquatic Vegetation	Direct Cost Assignment		Infrastructure Evaluation			System Support Services	ROW Permit Processing		Other Indirect District Services		
					By City Staff (In-house)	By Service Contract		Rehabilitation by Contract	Right of Way Inspections	Roads	Drainage	Development Plan Review						Contract Admin.
71	Hydroseeding Supplies	75,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	75,000
72	Street Signs	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	200,000
73	Minor Operating Equipment	30,800	311	882	511	662	1,242	1,713	1,790	949	714	568	395	1,097	455	0	0	30,800
74	Road Materials and Supplies	600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	600,000
75	Books, Publications, and Subscriptions	2,470	18	50	28	38	67	242	342	153	114	88	56	102	70	0	0	2,470
76	Lease Purchase Payments	1,030,122	10,301	30,904	10,301	10,301	30,904	61,807	10,301	0	0	0	0	0	0	0	0	1,030,122
77	Capital Land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
78	Capital Buildings [2]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
79	Improvements other than Building [2]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
80	Lighting [2]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
81	Toledo Blade Blvd. [2]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
82	Capital Machinery and Equipment [2]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
83	Capital Vehicles [2]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
84	Total Other Expenditures	6,017,727	139,042	397,747	47,301	123,060	363,670	656,009	97,992	38,072	28,327	24,239	14,892	35,738	19,630	0	0	6,017,727
85	Total Operating Expenditures	\$10,508,166	\$183,802	\$525,358	\$114,330	\$219,653	\$527,050	\$930,560	\$385,696	\$189,047	\$141,637	\$116,272	\$78,250	\$179,207	\$93,257	\$0	\$0	\$10,508,166
Road Rehabilitation and Construction																		
86	On-going Rehabilitation of Roads	\$7,932,967	\$0	\$0	\$0	\$0	\$0	\$7,932,967	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,932,967
87	Less Use of Construction Traffic Road Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
88	Less Transfers from the Capital Fund (Excluding Impact Fees)	(2,531,226)	0	0	0	0	0	(2,531,226)	0	0	0	0	0	0	0	0	0	(2,531,226)
89	Total Road Rehabilitation and Construction	\$5,401,741	\$0	\$0	\$0	\$0	\$0	\$5,401,741	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,401,741
Other Revenue Requirements																		
90	Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91	Operating Capital Funded from Assessments	793,000	1,734	4,979	2,548	3,675	6,670	8,367	8,757	4,617	3,470	2,792	1,931	4,819	2,233	0	0	793,000
92	Transfers Required to the Capital Fund (Excluding Impact Fees)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
93	Transfer to the General Fund	1,044,447	10,411	29,681	15,590	22,467	38,001	63,859	66,918	35,116	26,355	21,406	14,737	33,370	17,125	0	0	1,044,447
94	Operating Reserves - Deposits to / (Uses of)	(2,688,807)	(29,687)	(84,845)	(20,069)	(37,239)	(86,618)	(970,316)	(69,900)	(34,661)	(25,977)	(21,282)	(14,380)	(32,937)	(17,062)	0	0	(2,688,807)
95	Total Other Revenue Requirements	(\$851,360)	(\$17,542)	(\$50,185)	(\$1,931)	(\$11,097)	(\$41,947)	(\$898,090)	\$5,776	\$5,071	\$3,847	\$2,916	\$2,287	\$5,252	\$2,297	\$0	\$0	(\$851,360)
96	Less Income and Funds from Other Sources	(314,500)	(3,472)	(9,924)	(2,347)	(4,356)	(10,131)	(113,494)	(8,176)	(4,054)	(3,038)	(2,489)	(1,682)	(3,852)	(1,996)	0	0	(314,500)
97	Net Assessment Requirements	\$14,744,047	\$162,788	\$465,249	\$110,051	\$204,200	\$474,972	\$5,320,716	\$383,296	\$190,064	\$142,446	\$116,699	\$78,855	\$180,607	\$93,558	\$0	\$0	\$14,744,047
98	Percent of Total Program	100.00%	1%	3%	1%	1%	3%	36%	3%	1%	1%	1%	1%	1%	1%	0%	0%	100.00%

Footnotes:
 [1] Amounts derived from Tables 1 and 3.
 [2] Reference allocations presented based on discussions with the Operation's Manager