



Office of the City Manager City of Maitland, Florida

December 15, 2004

Mayor Rizzo, City Council Members, and Residents of Maitland:

As this budget was prepared and adopted, the State of Florida and our central Florida community was in the midst of weathering four hurricanes in a six week period. Needless to say, efforts to prepare the formal document have been significantly delayed. While faced with significant challenges throughout the budgeting process, we are pleased to present the recommended budget for fiscal year 2005, and financial plan for fiscal years 2006 through 2009. This document and the programs and projects were reviewed by various boards and the general public at multiple workshops and hearings throughout the Capital Improvement Program (CIP) and Budget process. The focus for this budget and future years, is the continued revitalization of the downtown area, while building sufficient municipal space to meet the needs of the community.

Program Performance Based Management Tools: To complement the Program Performance Based Budget concept, the City implemented a process to develop Essential Priorities, core functions that must be accomplished to continue Maitland's positive image. The priorities are used to develop Workplans and assist staff in focusing resources on service levels and projects that are most important to Council and the community. The adopted Essential Priorities are identified at the end of this section and were used to ensure that the available resources were directed in an appropriate manner.

This Budget reflects the City's continuing efforts to establish a fully functioning Program Performance Based Budget. The *Department/Program Information* section

presents the budget in Program Summary format, and reflects mission statements that drive each of the programs. Performance measures designed to help evaluate the workload and effectiveness of major services within each program are provided. Performance measures are constantly being reviewed and tested for appropriateness and functionality, and will always be dynamic.

Program Performance Based Budgeting was introduced to the City of Maitland in Fiscal Year 1997. Since 1997, significant progress has been made in developing and implementing performance measurement throughout the organization, and we are continually striving to improve information and enhance communications. In FY 01 we significantly enhanced performance evaluation and management tools by including a prioritization and project tracking system. The tasks, depending on their nature, are identified in either the City's Workplan or as a performance measurement. The Workplan serves the critical role of monitoring progress of capital projects and special assignments, as well as establishing a timeline for completion while performance measurement evaluates the on-going efforts of the departmental operations. The components mentioned above are summarized and reported on a quarterly basis in a report titled, "The Quarterly Snapshot Report." Further, a scorecard for the City Manager was developed that allows the Council to better communicate and evaluate performance. In addition to rating the Manager's performance through a scorecard, each Department Head has a scorecard, and this concept is being rolled out to all salaried employees within the organization.

Additionally, FY 05 marks the second year of the City's conversion to new financial software. During FY 05 the budget module will be enhanced by integrating it with the personnel payroll module. With each enhancement, we obtain more

information necessary to further performance measurement and project management.

Efforts to Implement Downtown Master Plan: Clearly the future of Maitland is bright, and two of the more exciting components are the potential for vastly improving Downtown (Orlando Avenue corridor) and meeting the City's space needs (Police/Fire/City Hall) within the Downtown corridor. At the end of fiscal FY03 the City and Orange County partnered in forming Maitland's first Community Redevelopment Agency (CRA) and this past July the voters overwhelmingly approved a tax levy of up to $\frac{1}{2}$ mill per year to support the City's single plan of finance for a new Public Safety building, City Hall and re-financing recently completed facilities on the City's Westside. Funding relative to improvements within Downtown and Space Needs assumes GO bonding at a level that can be supported by the $\frac{1}{2}$ mill levy. The budget assumes the bonding will take place such that the re-financing occurs by February 1, 2005; however, while the bonds have been validated by the courts, an appeal has been filed by a non-resident that will delay the bonding process. The City has designated funding within the Fund Balance for Westside debt service should the delay become reality. The CRA, along with grant funding, will be the primary funding mechanism for improvements other than Space Needs within the Downtown, specifically the Maitland Boulevard off-ramp, the extension of Sybelia Parkway (formerly Swoope Avenue), and the building of a regional pond that is projected to remove 34 percent of the phosphorous loading of Lake Minnehaha. The budget anticipates the CRA will issue bonds in support of the above projects, with related debt service covered by increased ad valorem revenues (City and County) generated by property valuation growth within the CRA district.

Master Planning: The City takes great pride in our long range

planning efforts and the community involvement associated with the plans. The City has several master plans in place that were developed and created through the hard work of talented community volunteers. These master plans include the Stormwater Lakes Management Plan, Cultural Corridor, Bicycle Sidewalk Network, and the Orlando Avenue/Downtown Maitland, the Parks Systems, and the Facilities and Equipment Advisory Team Master Plan. Once master plans are developed, they are used to communicate projects and practices to the community and set priorities for budgeting within the CIP.

In addition to citizen driven master plans, staff prepares replacement schedules for various types of infrastructure and equipment. This includes pavement, sidewalks, water and sewer lines, vehicles and computers. The replacement schedules are based on specific performance measurements that are evaluated annually.

Budget Components

Total appropriations for FY 05 are \$24,868,135, which includes the General Fund, Utility Fund and the Solid Waste Fund. The total General Fund Budget is \$18,822,301, which is 2.8% less than the 2004 Budget.

Funding Sources: FY 05 General Fund budgeted revenues of \$18.8M are projected to be 2% less than those projected in FY 04. A majority of the lost revenues can be attributed to the reduction in the Simplification Communications Tax. While more detail is provided in Section 4, key revenue notes include:

- On July 13, 2004 a referendum was finalized to

determine if tax payers would support a single plan for financing necessary city facilities. The referendum passed and beginning on the 2004 tax roll, tax payers are being levied an additional $\frac{1}{2}$ mill to fund the debt service related to the projects.

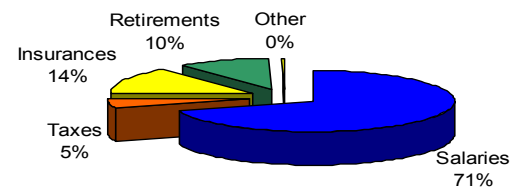
- Ad valorem taxes are based on 4.30 mills or \$4.30 per thousand dollars of valuation, which includes the $\frac{1}{2}$ mill of newly voted debt.
- The City's franchise fees, utility taxes, and simplified communications tax constitute 29.4% of projected revenues.
- Maitland does not impose a utility tax on water and sewer billings.
- The Simplified Communications Tax administered by the State of Florida experienced a sharp decline during FY 04 and has been projected to remain at reduced levels in FY05. This reduction created a discrepancy of approximately \$500K between the FY 05 Plan and the FY 05 budget.

As mentioned in previous budgets, seeking alternative funding sources and adjusting rates on established services may be required to balance future budgets. Efforts to update the award winning Stormwater Lakes Management Plan (SLMP) began in FY04, and will be completed in FY05. Exploration of potential funding mechanisms is chief among the key components being addressed. Anticipating the need to enhance funding to support this program, revenues equivalent to a dedicated millage rate of 0.3 mills per year have been programmed in FY08 and FY09. Additionally, occupational license fees were increased for FY05 are planned to be

adjusted again in FY07.

Personal Services: Like most municipal budgets, the single largest component of this budget is personnel costs. Containing personnel costs was one of the most significant challenges in preparing the budget and produced some of the most significant deviations in assumptions. The adopted personnel budget includes no layoffs and exempts all sworn police positions and paramedics from hiring freezes. Five positions have been frozen and are unfunded. These positions became open through attrition at which time the City reorganized and created efficiencies. Positions will be reevaluated as they become open throughout FY 05 to search for additional efficiencies. The total General Fund personal services budget for FY 05 is \$11.5M. Below is a graph which shows how those dollars are spent.

Total General Fund Personnel Costs \$11.5M



The budget focuses on maintaining a high quality and talented staff. Consistent with Policy 1999-3C, a pay plan study was conducted. The study was performed following guidelines identified by the City's 2002 Classification and Compensation

Consultant, HRMP. The study was reviewed and validated by HRMP, and showed that only minor adjustments of \$80K, or 1.05% of total salary costs, were required.

Performance based merit increases for eligible employees on their annual evaluation date have been planned at an average rate of 3.5 percent of the target point. This budget maintains the philosophy implemented in 2003 to recognize the development of newly hired employees as they become proficient in their positions. This program allows evaluators the flexibility to base increases off the "target point" of the pay plan for employees that meet or exceed the expectations of the position and have actual salaries below the target point for the specific classification. As planned, this budget eliminates the traditional annual merit bonus program and replaces it with a team based reward system.

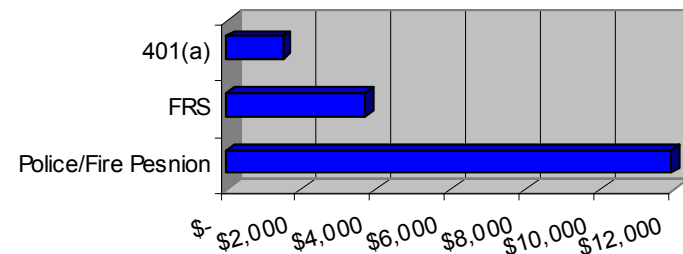
The rising cost of health insurance continues to be a concern for many municipalities, private companies, and families. The City currently funds 100% of employee coverage and contributes \$35 bi-weekly towards dependent health coverage. Based on information provided by Allied Group Insurance Services, and various other sources, we projected a 13% increase in premiums. This forecast follows increases of 11% in FY 04, 25% in FY 03, and 18% in FY 02. The anticipated cost to provide medical insurance during FY 05 is just over \$1M for current employees and \$140K for retirees. Should premiums exceed the projected increase, employees and retirees may be faced with reduced benefits or additional cost sharing of premiums.

Workers' compensation premiums, too, have increased over the past several years. Increases in payroll, the number of claims, severity of claims, and laws providing police and fire with heart and lung presumption benefits have all been contributing

factors. In FY 05, the City projects to spend \$586K on workers comp insurance. This is up 18% from FY04 (\$497,765), and reflects an 89% increase from FY03 premiums of \$308,631.

City employees participate in one of three pension programs. These programs include the Florida Retirement System (FRS), the City of Maitland General Employee Defined Contribution Plan (401a) and the Police/Fire Pension Plan. Citywide, the City is projected to contribute \$1.2M to the combined pension funds. Funding for the City's Police/Fire Pension Fund comes from three sources. Those sources include the State of Florida, the plan participants (4.7% of their salary) and the City (approx 28% of salaries). The FRS rate of 7.39% of salaries is consistent with the 2004 contribution rate. The 401a plan remains at 5% of salaries.

Average City Contribution per Participant in Each Plan



As adopted, the City will employ 209 full-time positions in 2005. In November 2003, after an unsuccessful attempt to bid the mowing contract, the City increased the staffing table by 6 to begin an in-house mowing program. The only additional position approved for 2005 is an Information Technology

Specialist that will assist in maintaining the City's growing computer network. Since 1999 the City has experienced a 67% increase in the computer inventory. On average, IT handles approximately 500 work orders per quarter, and the recommendation was brought forward with full support from all operating programs.

Operations: Performance Based Program budgets are used to develop the operating budgets, which fund the core services provided by the City. Public Safety continues to be a key component in our operations. The City officially opened a second fire station during 2004 and continues to move forward with plans to construct an East Side Public Safety Building to replace the existing Police and Fire Stations. In addition to opening a new fire station on the west side of the City, all Public Works facilities were moved to an adjacent location allowing for increased productivity and concentrated services.

This budget incorporates two key organizational changes. The Building Inspection and Code Enforcement Division was moved from the Fire Department to Community Development to create efficiencies in the zoning and permitting process. The Parks and Recreation Department was similarly reassigned to Management Services and renamed Leisure Services, maximizing shared use of departmental resources.

CIP Overview: Capital Improvement Program expenditures constitute 4.2% of the FY 05 General Fund budget, which is down from 10.1% in FY 04. Many master plans and projects within the CIP have been extended to be completed over a lengthier timeline to accommodate budget reduction initiatives. This effort was accomplished through a logical prioritization effort based on the details of the various

Master Plans and citizen advisory boards previously mentioned.

FY 05 initiatives center on Downtown Revitalization, and incorporate various elements of the individual master plans that facilitate the development of the Downtown area.

Additional summary information related to the CIP, may be found in the Capital Improvements section of this document.

Fund Balance: The City currently maintains several designations within the unreserved fund balance. The designations have been established for specific purposes or to smooth funding in specific situations. More information on the individual components that make up the Fund Balance may be found in the Budget Data and Information Summary section of this document.

The City's five year plan calls for the drawing down of the *Designation for Capital Improvements*. This designation was originally created to position the City to maintain a stable millage rate while meeting its capital needs. Funding for this designation is established through capital and operating savings from previous budgets. As the City begins to embark on significant improvements to facilities, roads, stormwater systems, and parks, the planned savings have been utilized to balance the capital budget.

Enterprise Funds: The City continues to be challenged with reduced Water and Sewer Sales as a result of water conservation efforts, wet weather and losing commercial customers to well based irrigation systems. Rates were adjusted in FY 03 and FY 04. During FY 05 the City plans to contract for in depth analysis of the rates as well as connection fees and other capital related costs.

Many improvements have been made to the City's wastewater system over the last 2 years. The City has rehabilitated more than 50 leaking or failing manhole structures, installed 3350 feet of pipe liner to broken and leaking sewer lines, and identified and repaired 191 leaking pipe joints in the Dommerich and Mohican service area. Through reducing the inflow and infiltration into the system, the total amount of wastewater being treated is reduced, thereby reducing the city's contracted cost to clean the water.

Solid Waste services are contracted through Waste Services, Inc. The City maintains the responsibility for customer service and billing while the contractor is responsible for all field aspects of the service. Rates were increased 2.94% or \$0.40 per residential unit to \$13.87 per month, in accordance with Council policy and the contract.

Conclusion: The Budget is consistent with the policies, philosophies, and service levels established in the Comprehensive Development Plan (CDP), and voiced by Council and citizen boards throughout the year. The Budget represents a team effort on the part of Staff, Council, Planning & Zoning Commission, Parks and Recreation Advisory Board, Lakes Advisory Board, Transportation Advisory Board, Senior Citizens Advisory Board and other participating citizens. We are confident that, together, we have produced a fiscally responsible budget. We look forward to the continuing opportunity to make the Budget document even more user friendly and customer driven so that future financial planning efforts involve an even greater proportion of citizenry.

We are confident this budget is in the best interest of our citizens, and lays the groundwork for continued financial stability. Together we are Building a Community for Life!

Respectfully,

Dean E. Sprague, City Manager



City of Maitland Essential Priorities

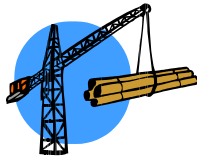


Financial Planning and Management

Integrate CRA Budget Including Credit Requirements into the City's Financial Plan

Focus on grants for Planned Programs/Initiatives

Manage Personnel Related Expenses (Benefits)



Economic Development/Infrastructure

Implement Downtown Master plan

Replace City Facilities on East-Side of I-4 (Public Safety and City Hall)

Move Towards Electrical Municipalization

Ensure Quality Development (controlled growth)

Implement Transportation Relating to Downtown Redevelopment

Implement Quality Neighborhood Programs (Ridgewood/Greenwood Gardens/Dommerich)



Communication

Maintain current customer services levels

Provide Quality Marketing of the City



City of Maitland Essential Priorities



Recreation/Cultural/Environmental

Protect Existing Capital and Maintain Quality Appearance

Protect Residential Character

Update Stormwater and Sewer master plans

Implement Cultural Corridor

Maintain School Partnering Opportunities

Promote Parks Master Plan



Core City Services

Maintain Quality, Cost-Effective City Services

Continue Resident's Perception of Safety

Maintain Community Presence (visibility)

Organizational Development

Continue to Provide Single Health Insurance at No Cost to Employee

Implement Recent Salary Survey Findings to Pay Plan

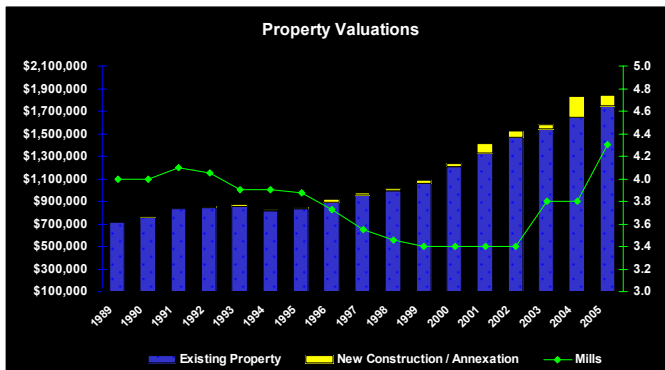
BUDGET OVERVIEW

The following overview provides a glance at various General Fund revenues, operations, contributions.

General Fund Revenues: A brief description of the methodology used to project revenues for 2005 and the planning years follows:

Taxes And User Fees

Ad Valorem Tax: Ad Valorem tax is the single largest revenue producer for the City, accounting for approximately one third of total general fund revenue. The amount of revenue generated is determined by the taxable values established by the Orange County Appraiser and the millage rate set by the City. The ad Valorem revenue estimate for 2005 reflects an increase of 2.17% percent over 2004. The operating millage rate is projected at 3.8 mills for FY 2005 through FY 09. Increased revenues in future years are projected based on anticipated construction, renovations and growth in property valuation.



In addition to the operating ad valorem taxes, a voter approved $\frac{1}{2}$ mill has been added to the total ad valorem rate bringing it to 4.30 mills or \$4.30 per thousand dollars of valuation. These funds will be used for debt service on General Obligation (GO) Bonds allocated for construction of the Police and Fire Station east of Interstate-4, as well as City Hall.

Property valuations in the Downtown Maitland CRA are frozen at their base (2002 tax year) values for calculating the City's operating Ad Valorem revenue. This allows the CRA to capture both the City and County's portion of the incremental ad valorem taxes for improvements in that district.

The City is currently in the process of updating the Stormwater Lakes Management Plan. Part of the update to the Master Plan is the consideration of a long term funding source. While the appropriate source has yet to be determined, this five year plan assumes funding equivalent to 3/10 of a mill starting in FY 08.

The Maitland Center area is home to approximately 500,000 square feet of "class A" office space ideally located in Central Florida. Occupancy rates remain competitive; however, it is important to recognize that the City relies heavily on ad valorem revenues generated from non-homesteaded properties. Should the area West of I-4 experience devaluation, as in 1993; ad valorem tax revenues would significantly decline.

Local Option Gas Tax: This six cents per gallon county-wide tax is allocated to the City based upon an inter-local agreement with Orange County. The City's allocation is dependent upon both gallons of gas sold and shifts in statewide population. The distribution formula for the local

option fuel (gas) tax is based upon a population formula that will be updated annually based on data provided by the Bureau of Economic and Business Research at the University of Central Florida to the Executive Office of the Governor.

Franchise Fees: Fees are levied on certain utilities by the City for the privilege of doing business within the City. Franchise holders include Progress Energy Florida, Inc., Peoples Gas Company, and Florida Recycling Services, Inc. Most fees are based on gross revenues, and fluctuate with changes in consumption and rates charged by the franchise holders. The existing franchise for electrical power expires in August 2005 and is expected to generate approximately \$1.38M in FY 2005. Solid waste franchise revenues are specific to construction and expected to generate approximately \$25K annually over the next five years. Franchise fees on telecommunications and Cable Television have been consolidated into a single collection pool and are distributed by the State of Florida.

Utility Service Tax: A utility tax is charged on homes and businesses located within the City. These taxes are assessed on the total amount of monthly bills issued to customers by utility providers. Taxes are collected by the utilities and remitted to the City on a monthly basis. The present tax levy is 10 percent on electric, natural gas, fuel oil, and propane. There is no utility tax charged on water and sewer services and telecommunications taxes have been consolidated by the State of Florida and will be remitted according to the new legislation. This overall category is expected to increase three percent over FY 2004 projections.

Licenses and Permits

Occupational Licenses: A person or company doing business within the City must have an occupational/professional license. The majority of this revenue comes from yearly renewals, with the remainder coming from new applicants. Following review, most of these fees were reduced in FY 1997, resulting in a 19% reduction in revenue compared to 1996. Collection estimates have been adjusted according to existing businesses and construction estimates and are expected to remain constant over the three-year period. Rates were adjusted in FY 05 and are planned to be adjusted again in FY 07.

Building Permits: Revenues are generated from a combination of fees including: permit, inspection, electrical, plumbing, and special items. Permits are issued for new commercial and residential structures, alterations, roofs, mechanical projects, swimming pools, signs, fences, and fire protection systems. After issuing a permit, the City performs various inspections of the property to ensure compliance with appropriate plumbing, mechanical, gas, Americans with Disabilities Act, flood protection and fire codes.

Boat User Fees: A user fee is charged to boat owners wishing to use the Maitland/Winter Park Chain of Lakes. Fees are based on boat and motor size. Projections are based on historical trends. Projected revenues for FY 2005 remain constant with FY 2004 projections.

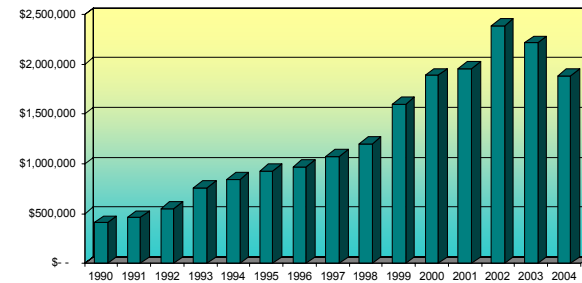
Intergovernmental Revenues

State Revenue Sharing: The Municipal Revenue Sharing Program is based on a percentage of taxes and user fees collected by the State of Florida and allocated based on a formula that considers population, taxes collected within the

area and ability to maintain collection. This tax was modified during the 2003 legislative session.

State Sales Tax: Revenues are allocated from a base consisting of one half of the fifth cent of sales tax remitted to the state. Factors considered in this distribution formula are: total sales tax collected and distributed by the state, population of the City, population of the county and population of the incorporated areas of the county. Sales tax is expected to remain constant with FY 04 budget estimates.

Simplified Communications Tax: The Simplified Communications Services Tax allows both the state tax and local communications service tax to be imposed on a broad base of telecommunications and cable services and does not discriminate between services or providers. The tax base includes the transmission of voice, data, audio, video or other information services, including cable services. The State of Florida is responsible for collecting the tax and remitting it to the various local agencies. The FY05 budget of \$1.87M, is 20% lower than the projected 2004 budget, but in line with actual receipts collected to date in FY 04. Staff is currently working with the Department of Revenue and the Florida League of Cities to identify the cause of the shortfall as it appears other communities in the Central Florida area have not experienced reductions of this magnitude.



Years FY 90 through FY 01 reflect revenues from Utility Taxes and Franchise Fees for Telecommunications and Cable. In FY 02 all these revenues are combined into one revenue "Communications Service Tax."

General Government: Revenues consist of zoning fees, sales of maps/publications, equipment repair verification, and copying. These revenues represent an insignificant portion of overall revenues.

Public Safety: Revenues primarily include fees for responses to false burglary alarms, and for fire alarm violations. These revenues represent a very minor portion of the City's total revenues, as they are intended to provide incentive to the property owner to correct a malfunctioning system.

Culture/Recreational: The bulk of these revenues are user fees, which are generated by the Maitland Activities Club (MAC), Summer Fun Time, and Holiday Fun Time programs. Additional user fees are received for tennis, basketball, softball, racquetball, and concessions. These fees are expected to cover most of the direct costs associated with the above-mentioned programs.

Fines and Forfeitures

Court Fines: This revenue is the result of fines and penalties imposed by the court system for crimes committed in Maitland. The City maintains some degree of control over the number of tickets issued and arrests made, but no control over judicial sentencing. FY 05 revenues are estimated at \$310K.

Police Education: This revenue is derived from a \$2 assessment on all moving traffic violations. The use of this revenue is restricted to police educational expenses.

Miscellaneous

Interest: This represents interest earned on checking accounts, investments in the State Board of Administration Pooled Investment Account (SBA). The City's primary investment goal remains the preservation of principal.

Rents: The City currently owns one property that it leases. The rental property is the O'Heir property (Thurston House).

Administrative Fees: These revenues to the General Fund represent expenses to the Enterprise Funds. The major component of the calculated revenues is charges for personnel and building expenses. The number is recalculated each year with input from the operating departments, which furnish support to the Enterprise Funds.

Operations: The operating program budgets support our primary business of providing core municipal services in an efficient, cost-effective manner. In addition to the core services of police and fire protection; maintenance of streets,

parks, physical properties, street signs, and traffic signals; recreational programming; building construction review; and administrative services including planning, zoning, fiscal management and personnel administration, we present a budget that:

Police

- Attempts to reduce the number of vehicle crashes through increased education and enforcement efforts
- Continues efforts to communicate with the community through neighborhood watch and other safety programs
- Maintains high standards so as to ensure Re-Accreditation
- Continues our coordination with other local agencies to ensure interoperability and communication regarding Homeland Security issues
- Increases neighborhood patrols
- Maintains our mentoring program for police officers to provide continuing guidance and training

Public Works

- Provide for all curbed Maitland streets to be swept on an average of twice a month and supplement our in-house sweeping activities with assistance from a private sweeping company during periods of heavy leaf fall.
- Allow for monthly lake water testing of our 21 lakes,

analyzing for 19 potential contaminants

- Maintain and responds to citizen requests for service via online form on city website
- Mow turf and provide plant health care for all city owned property
- Address the up-keep, implementation, and beautification of City-owned grounds and athletic fields under contractual agreement with OCPS
- Provide for proactive street tree maintenance

Leisure Services Division

- Provide for Minnehaha Park - Phase II Design
- Provide for Fennell Street Park Tennis Court Development
- Continue Community Park operations including coordination of reservations for park facilities throughout the park system
- Continue athletic programming including tennis lessons, partnering with adult tennis leagues, open gym activity, youth and adult basketball leagues and partnering with youth sport leagues
- Continue children's programming including enhanced before and after-school programming, spring break programming, and summer day camp programming

- Continue community events programming including Season of Lights, Party in the Park/5K event , Back-to-School Skate Party, and Concerts in the Park
- Continue employee appreciation events.

Fire Rescue Department

- Continues the two fire station operation with a staffed fire engine and a transport capable EMS/Rescue unit on both the East and West sides of the City.
- Continues paramedic-level on scene treatment and transport for residents, visitors, and business community members to area hospitals.
- Continues to survey transported patients to determine performance information and improve our levels of service
- Continues funding for training for Fire Suppression and Emergency Medical Services.
- Continues funding for resources that facilitate improvement in response time performance and attainment of the 5 Minute Response Time goal on 90% of emergency incidents.
- Continues funding that facilitates pursuit of Fire Department Accreditation.
- Continues funding that facilitates acquisition of Aerial Truck support from Winter Park Fire Department and

dispatching services from Orange County Fire Rescue.

- Continues funding for positions that ensure timely completion of fire plans review and fire inspections.

Contributions: The City has long been a supporter of "cultural" activities, and this budget continues that tradition. The Library contribution of \$593,840 constitutes a 10.5% increase from FY 04. Details regarding the funding are available in the Library's Recommended Budget. When classifying our funding to the Library as a "contribution," it is important to note that Maitland citizens do not pay an Orange County Library Tax. The Library's total budget of \$702K is less than the equivalent County tax.

The Art Center contribution constitutes a 5.0 percent increase in the City's contribution to \$302K in FY 05. Their recommended contribution is consistent with the recommended FY 05 Plan as prepared last year.

In recent years the Historical Society has made significant progress in reducing the amount of operating support required from the City. Despite increased fund raising, reductions in state grants and increased insurance costs require a contribution of \$187K in FY 05, which is an increase of approximately 23%.