



CITY OF CLEARWATER

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CITY MANAGER

City Council
City of Clearwater
Clearwater, Florida

October 18, 2006

Honorable Mayor and Members of the City Council,

It is my pleasure to present to you the City Council's Adopted Annual Operating and Capital Improvement Budget for the fiscal year beginning October 1, 2006 and ending September 30, 2007. The City's adopted budget across all operations totals \$333 million for the new fiscal year and the General Fund budget of \$122 million reflects a 9% increase over the 2005/06 budget of \$111 million.

The City Council's adopted budget reflects a new millage rate of 5.2088 mills, which is a further reduction of the recommended rate of 5.42 mills in June, and represents a 9.5% reduction from the 2005/06 millage rate of 5.753 mills.

In order to lower the millage further, Council action in the final budget hearings addressed several changes to the preliminary budget including reduced levels of funding for the Jolley Trolley program, salaries, and streets and sidewalk maintenance. In addition, recommendations for funding an enhanced subsidy to the Performing Arts Center and Theater and an expansion of the Sailing Center were funded through other means in order to allow this further reduction in the millage. The only increase in funding level from my recommended budget was an increased subsidy for the Florida Orchestra. All details related to these changes are outlined in the following pages.

The year ahead of us will be full of challenges and opportunities. We have referenda for both the Penny for Pinellas extension and the implementation of Coachman Park boat slips coming in the Spring. Throughout the State of Florida, the combined pressures of rising insurance costs, escalating property values due to the recent boom in the real estate market, and the impact of the Save Our Homes cap on our local businesses, brought citizens to public hearings in unprecedented numbers asking for relief in their property taxes.

I expect property tax issues will be a hot topic of discussion for the next several years throughout the State of Florida. We will be watching the State elections and actions of the State legislature carefully for changes that may impact our community and budgeting processes. And here at home, I embrace the City Council's decision to seat a Budget Task Force and look forward to helping make this process a success. A focus on this budget, as well as future budgets, will be a major priority of my administration in the new fiscal year.

As a final note, I would like to extend my personal thanks to the City Council and our City employees for the considerable amount of time and effort spent in the process of developing and adopting this budget.

Respectfully submitted,

William B. Horne, II
City Manager

FRANK HIBBARD, MAYOR

JOHN DORAN, COUNCILMEMBER
BILL JONSON, COUNCILMEMBER

HOYT HAMILTON, COUNCILMEMBER
CARLEN A. PETERSEN, COUNCILMEMBER



"EQUAL EMPLOYMENT AND AFFIRMATIVE ACTION EMPLOYER"