
Introduction

This section contains a narrative summary of the budget process used by the City of Tampa as well as the major funding and service level decisions reflected in this budget.

The Budget Process

The City of Tampa’s annual budget process routinely begins in November with the preparation of initial revenue and expense estimates, which are reviewed with the Mayor. In February, departments develop service delivery objectives for use in building the budget for the coming year. Then amounts of funding, or target budgets, to be allocated to each department are determined. Targets are based on current budget levels, level of service desired by the Administration and estimates of available revenues. Each department then prepares its budget for the upcoming fiscal year within the target amount. The resulting budgets are reviewed and requests for additional funding are

considered. The completed Recommended City Budget is presented to City Council in August. Finally, budget hearings are held and the Budget is adopted by the end of the current fiscal year (September 30).

The Budget process allows for amendments as conditions change during the year. An amendment may be initiated by the Mayor at any time and, after City Council approval, the appropriations of funds are realigned.

For further explanation of budget and financial terms, refer to the Related Financial Information section of this document.

| | |
|---------------------|--|
| November - December | Initial revenue and expense estimates are prepared and reviewed. |
| February - March | Service delivery objectives are developed and funding levels are determined. |
| April | Target budgets are finalized and allocated to each department. |
| May | Departments prepare budgets within target amounts. |
| June | Mayor reviews budgets and requests for additional funding. |
| July - August | The Recommended Budget is presented to City Council. |
| September | Public hearings are held and the budget is approved by City Council. |
| October 1 | New fiscal year begins. |

Objectives

The City's major budget and management objectives for FY01 and future years are as follows:

Fiscal

- Keep recurring expenses in line with recurring revenues.
- Use private enterprise to supply public services when such agreements are cost effective.
- Use tax increment financing to combat blight and to promote economic development.
- Strive for continued excellence in budgeting and financial reporting.
- Review rates, fees and charges annually to be sure they continue to reflect the cost of services.
- Limit rate increases to one major enterprise (water, sewer, solid waste) a year, as necessary.
- Provide matching funds and "seed" money to leverage grants and other assistance.
- Prepare and maintain sound replacement programs for City assets.
- Prepare and maintain sound maintenance programs for City equipment and assets.
- Maintain adequate reserves and fund balances.

Personnel

- Recognize employees for exceptional performance and creativity.
- Provide employee development by promoting training programs.
- Offer City employees training, counseling and referral services for stress, drug abuse and other personal difficulties.
- Stabilize labor relations through multi-year contracts.

Service

- Promote the safety and welfare of Tampa's citizens by controlling and preventing crime.

- Provide high quality utility services at reasonable rates.
- Develop long-range plans in order to meet demands for City services.
- Support City housing programs by public and private financing.
- Contribute to the quality of life in Tampa by improving leisure services and facilities.
- Continue support of the State Growth Management Act.
- Maintain existing infrastructure and require that development contribute to growth related infrastructure improvements.

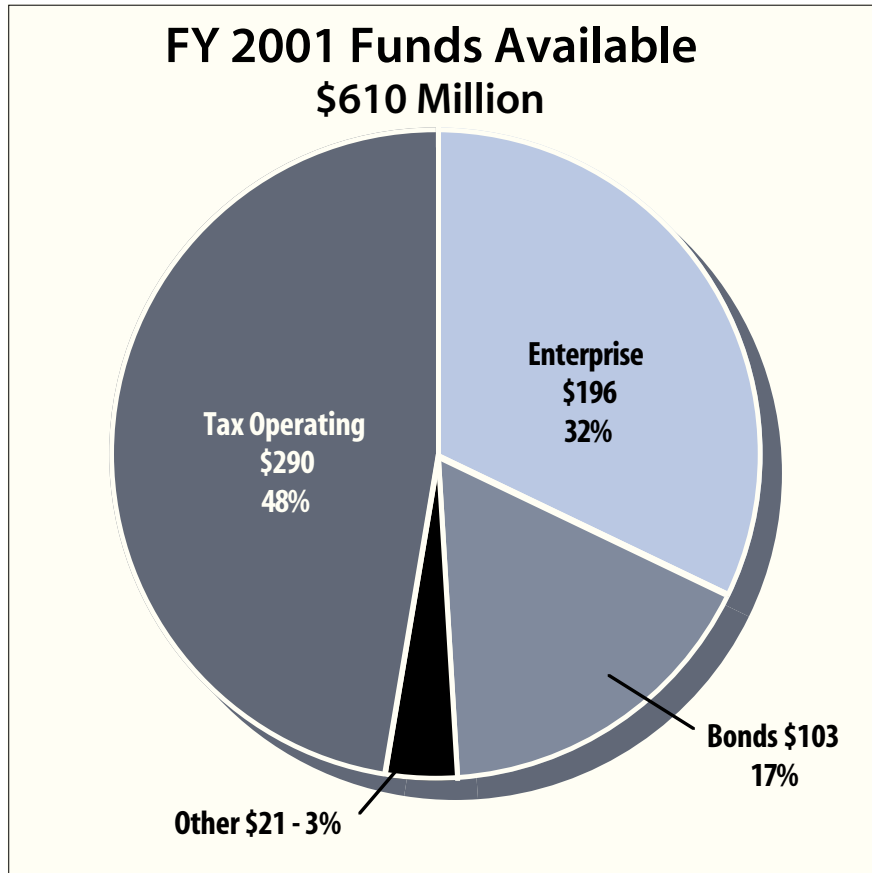
Community

- Encourage public participation in developing solutions to City problems.
- Encourage the development of neighborhood organizations as a means of public participation.
- Improve the City's image through reduction of petty crime, littering and illegal signage.
- Obtain the support of the business community for improvements desired by the citizens.
- Utilize local universities and the business community where their expertise might offer improvements to City performance.
- Promote participation of women and minority business enterprises in City contracts.

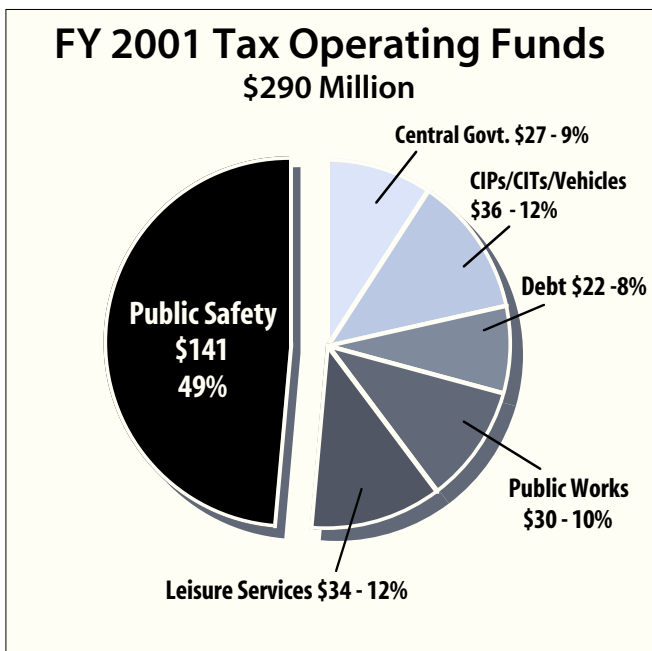
Intergovernmental

- Improve planning for growth within the City by coordination of various planning agency proposals.
- Cooperate with other local governments in matters of regional interest.
- Develop proposals for the Hillsborough County Legislative Delegation agenda on matters requiring State action.

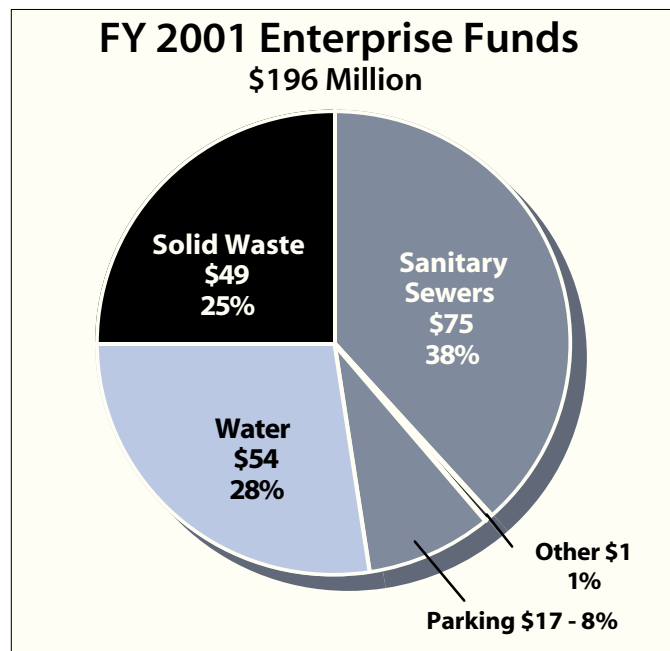
The FY2001 Budget



Total funds available in FY 01 will be \$610 million.



The Tax Operating funds amount to \$290 million, with nearly 50% allocated for public safety.



Expenditures for Enterprise funds will total \$196 million, with the largest portion going to Sanitary Sewers.

Comparing FY00 and FY01

Funds available in FY01 will total \$610.0 million. Of this, \$506.7 million is being appropriated in this document for the various Tax Operating, Enterprise, Internal Service and Grant funds. Additional funds available are Bond and State Loan funds (\$103.3 million).

A comparison of the major budget components is shown in the following table:

| | Total Funds Available (Millions) | |
|---------------------------------|-------------------------------------|-----------------|
| | FY00 Budget | FY01 Budget |
| Tax Operating Funds | \$ 272.8 | \$ 290.5 |
| Internal Service Funds | 7.1 | 6.8 |
| Enterprise Funds | 187.8 | 195.5 |
| Grant Funds | 12.7 | 13.9 |
| Total Being Appropriated | \$ 480.4 | \$ 506.7 |
| Bond/State Loan Funds Available | 104.1 | 103.3 |
| Grand Total | \$ 584.5 | \$ 610.0 |

The net increase of \$25.5 million, from \$584.5 to \$610 million, is primarily due to increases in Enterprise and Tax Operating funds.

The Tax Operating funds are increasing from \$272.8 to \$290.5 million, distributed as follows:

| | Tax Operating Funds (Millions) | |
|--------------------------------|-----------------------------------|-----------------|
| | FY00 Budget | FY01 Budget |
| General Fund | \$ 214.2 | \$ 226.0 |
| Utility Tax Funds | 16.6 | 18.2 |
| Community Investment Tax Fund | 9.0 | 11.5 |
| Gas Tax Fund | 6.6 | 6.8 |
| Transportation Impact Fee Fund | 2.3 | 2.5 |
| Cable Communications Fund | 2.3 | 3.5 |
| Debt Service | 21.8 | 22.0 |
| Total | \$ 272.8 | \$ 290.5 |

In FY 01, Enterprise funds show a net increase of \$7.7 million, primarily due to increases in the Water and Solid Waste Departments.

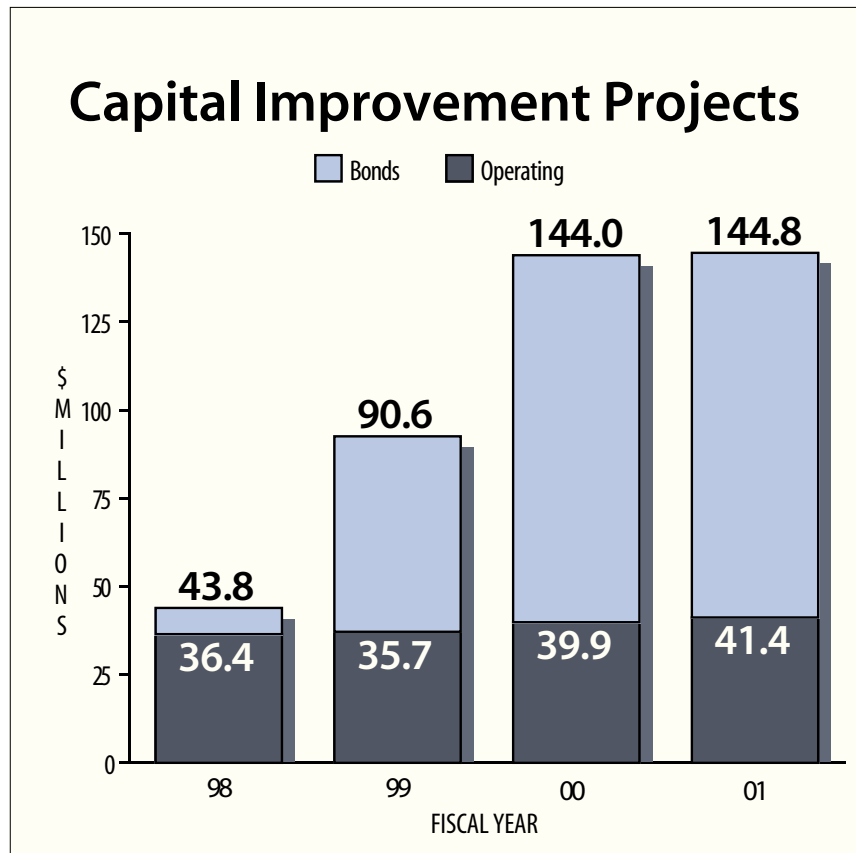
| | Enterprise Funds (Millions) | |
|-----------------------|--------------------------------|-----------------|
| | FY00 Budget | FY01 Budget |
| Sanitary Sewers Fund | \$ 73.3 | \$ 74.6 |
| Water Fund | 51.1 | 54.1 |
| Utility Services Fund | 1.0 | 1.0 |
| Solid Waste Fund | 46.9 | 48.8 |
| Parking Fund | 15.3 | 16.8 |
| Marina Fund | .2 | .2 |
| Total | \$ 187.8 | \$ 195.5 |

City-wide Construction Programs

In FY01, the Capital Improvement Program will be \$144.8 million. Capital projects funded for General Fund departments are up \$6.5 million while projects funded by bonds for enterprise departments are down \$5.7 million. This decrease is largely due to the completion of major parking projects, primarily the Fort Brooke Garage expansion and the new Ybor City Garage. Utility Tax projects in FY01 include the Central Business District Downtown Core Development for design and construction of the Fort Brooke Park. Other large Utility Tax projects include Ybor City Improvements, North Seminole Youth League Lighting and Stormwater Drainage Improvements. FY01 is the last year of the first five-year Community Investment Tax program and will provide \$1.5 million for Poinsettia Pond Pump Station Improvements, \$2.3 million for public works and fire rescue and \$1.7 million for parks and recreation projects. The McKay Bay Retrofit project, which is half completed, and a new administrative building are funded at \$42.1 million from bonds in FY01.

The following table is a comparison of funding sources. Major projects are summarized in the following narrative. For specific project descriptions, see the Recommended Capital Improvement Budget book.

| Funding Sources (Millions) | | |
|--------------------------------------|-------------------|-------------------|
| | FY00 | FY01 |
| Utility Tax | \$ 7.4 | \$ 9.2 |
| Community | | |
| Investment Tax | 5.7 | 6.1 |
| Local Option Gas Tax | 5.9 | 6.4 |
| Local Option Gas Tax Bond | 13.3 | 11.5 |
| Transportation Impact Fee | 2.3 | 3.5 |
| Enterprise Funds | 18.3 | 15.3 |
| Community Development | | |
| Block Grant | .3 | .9 |
| Utility Tax Construction Bond | 4.1 | 3.6 |
| Utility Tax Improvement Bonds | 34.7 | 17.8 |
| Water Bond/State Loan | 17.0 | 28.3 |
| Solid Waste Bond | 34.9 | 42.1 |
| Fleet Maintenance | .1 | .1 |
| | <u> </u> | <u> </u> |
| Total | <u>\$144.0</u> | <u>\$ 144.8</u> |



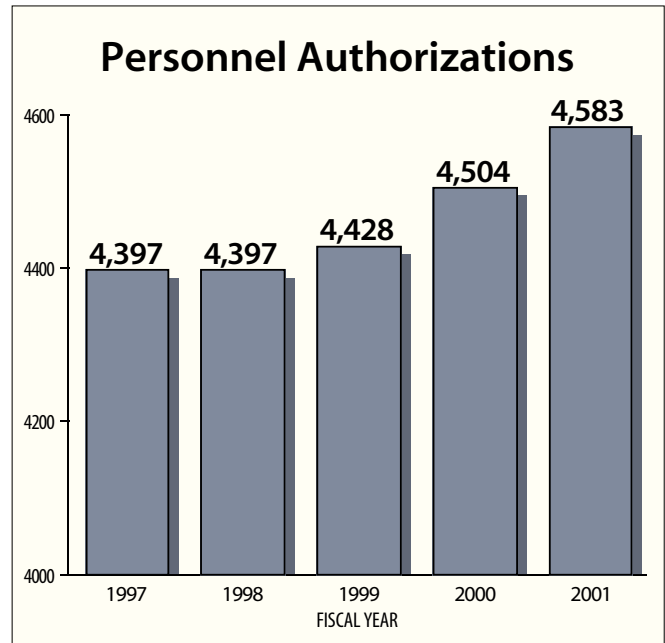
Personnel Authorizations

In FY01, the City of Tampa will provide the necessary municipal services to the citizens of Tampa with 4,583 authorized full-time equivalent positions, a net increase of 79 from the FY00 budget level. The City began the year with 4,504 authorized positions. A net addition of 14 positions increased the personnel count to 4,518 during FY00. The additions were comprised of 6 real estate positions to respond to the City's accelerated development activity and 5 critical police positions.

The net increase of 65 more positions for FY01 is distributed as follows: Fire Rescue staffing additions for FY01 include 17 firefighters needed for New Tampa's fire station, 5 administrative positions and an occupational nurse. Police staffing changes include a new pilot program of 8 police service officers who will respond only to non-violent crimes and 7 administrative support positions. Six sworn officers were also added with 3 assigned to the New Tampa and Ybor City areas. The others are 2 school resource officers and one pilot.

Parks and Recreation added 13 positions relating to new construction and rehabilitation of centers and greenways, as well as 4 administrative positions.

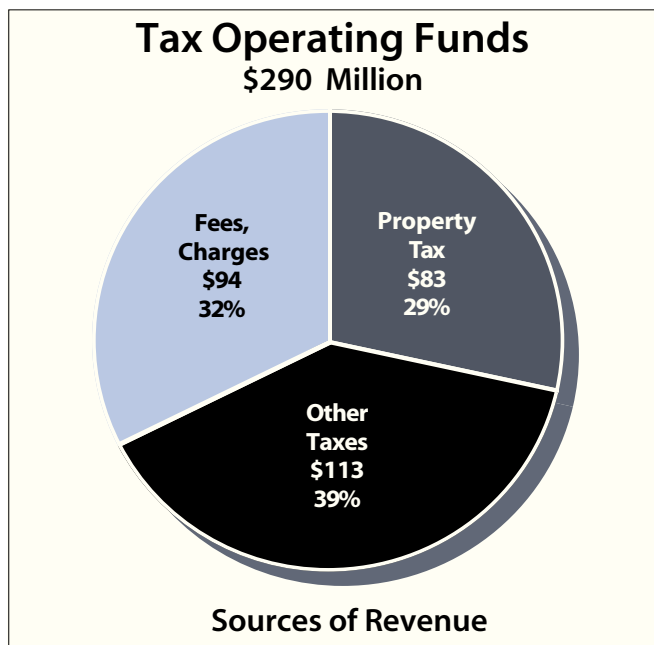
Public Works increased their special events crew by 4 employees and, due to the increased number of City Facilities and a desire for a higher level of Maintenance, added 3



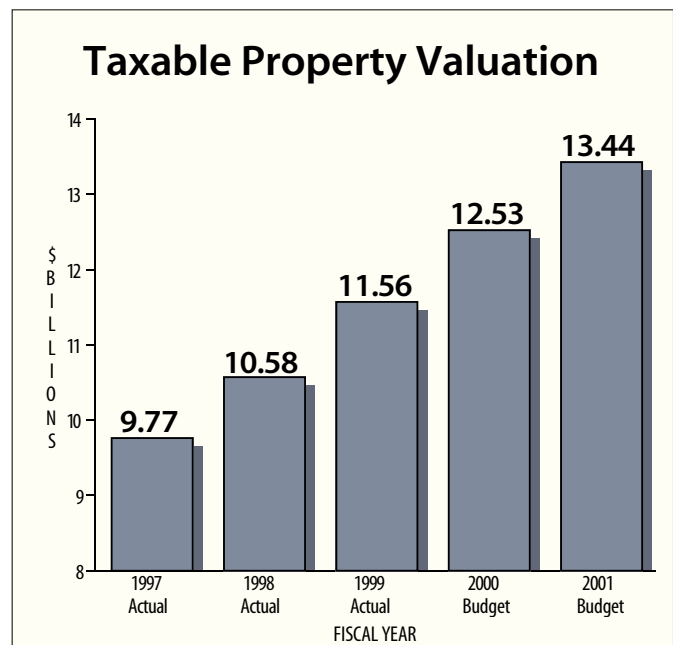
Building Maintenance staff. Business and Community Service's new Historic Review division and the Historic Preservation division each were allocated an urban planner and an office support specialist.

Reorganization, increased automation, and refined work practices led to a net decrease of 15 positions in Water and 6 positions in Sanitary Sewers.

Tax Operating Funds Revenues/Ad Valorem Taxes

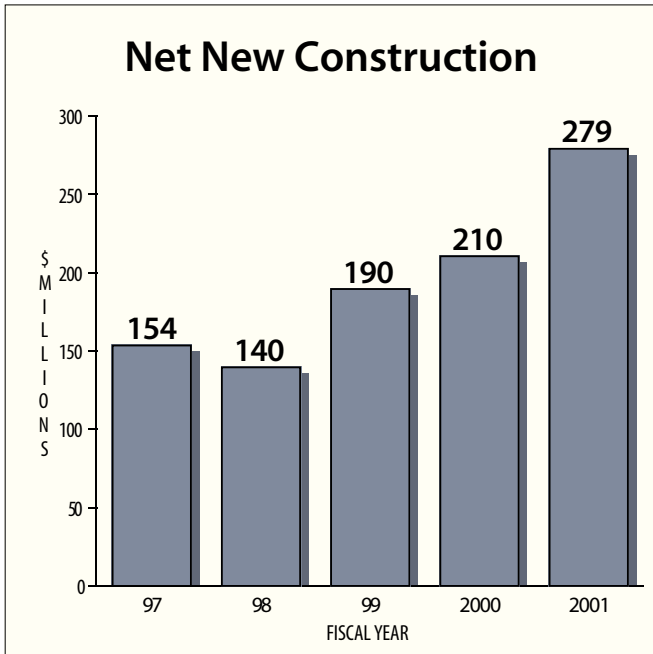


Property tax revenue is \$83 million, or 29% of Tax Operating funds. Other State and local taxes supply \$113 million (39%), and various fees, charges, and interest account for the balance.

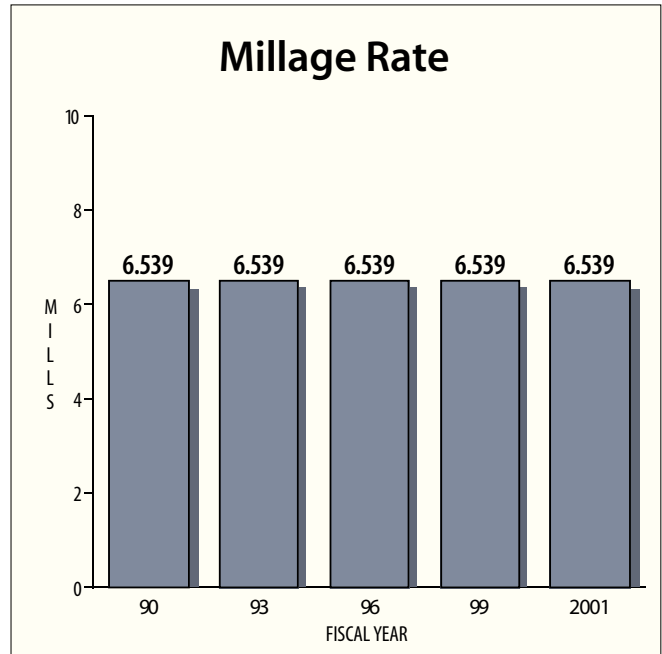


Taxable property values within the City have increased by 7.3% from the FY00 Budget to the FY01 Budget. Property valuation of approximately \$191 million was not included due to pending litigation.

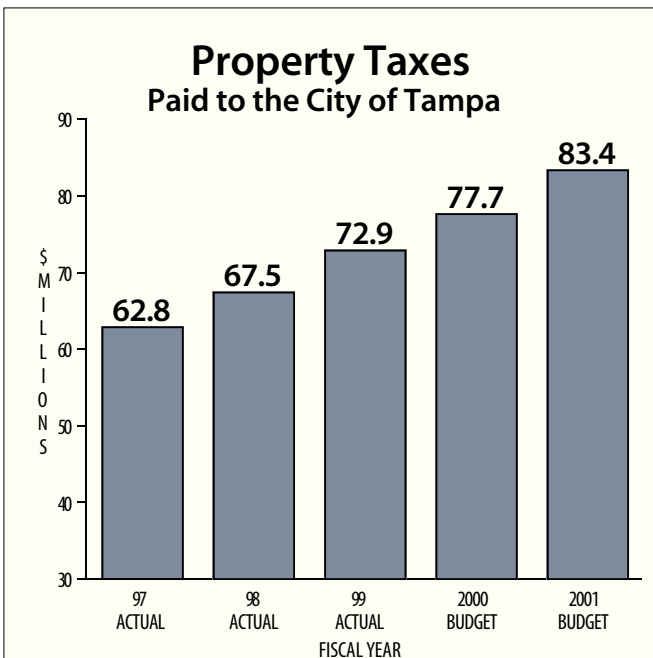
Tax Operating Funds Revenues/Ad Valorem Taxes (continued)



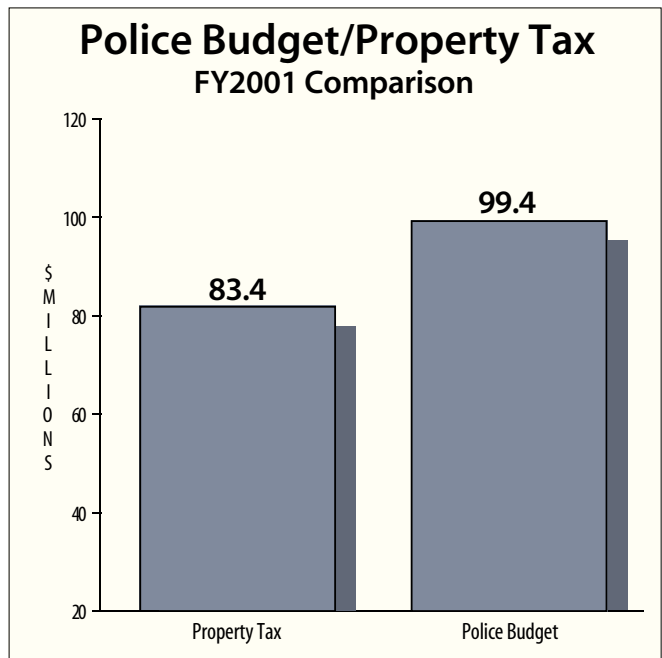
Newly constructed properties, placed on the tax rolls for the first time in FY01, make up \$279 million of the \$13.4 billion tax roll, a 33% increase from the FY00 level. Approximately \$191 million of new construction in FY 2000 is excluded due to pending litigation.



The property tax rate remains at 6.539 mills, the same rate used for the last 12 years, due to continued efforts to contain costs and through budget control measures.



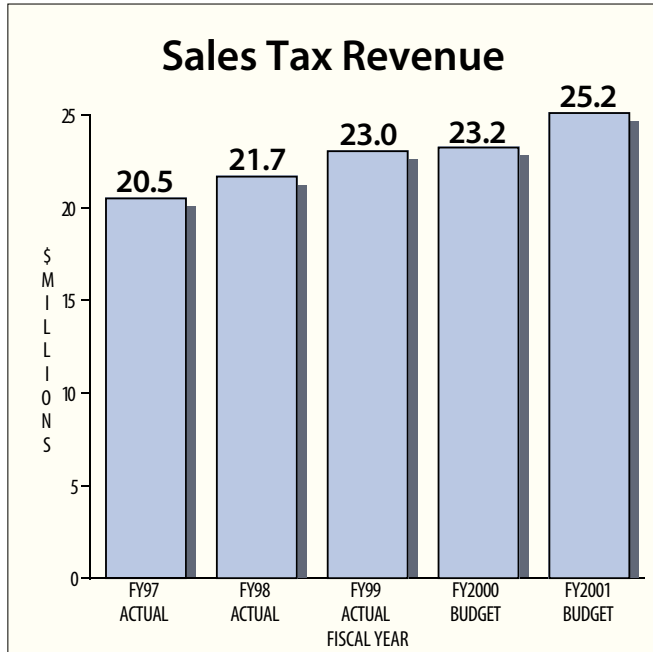
In FY01, estimated ad valorem taxes collected by the City will total \$83.4 million. The net \$5.7 million increase over the FY00 Budget resulted from changes in property valuation, addition of previously untaxed property to the tax rolls and a reserve of \$1.6 million for potentially uncollectable revenue due to pending litigation.



Again in FY01, the cost of police services alone exceeds property tax revenues.

Sales Tax

The FY01 Sales Tax estimate is \$25.2 million; 8.6% higher than the \$23.2 million budgeted for FY00. The Florida Sales Tax rate remains at 6% and Hillsborough County has added a local option 1/4 cent for indigent health care and a 1/2 cent for Community Investment Tax projects.



Other Taxes and Fees

In FY01, Franchise Fees are expected to increase 2.6% above the FY00 budget level. The rates charged are 6% on electricity, 5% on gas service and cable communications, and 1% on telecommunications.

Franchise Fees (Millions)

| | FY00 Budget | FY00 Projection | FY01 Budget |
|--------------------|----------------|--------------------|----------------|
| Electric | \$ 15.3 | \$ 15.3 | \$ 15.5 |
| Telecommunications | 1.0 | .9 | .9 |
| Gas | .7 | .7 | .7 |
| Cable | 2.1 | 2.3 | 2.5 |
| Total | \$ 19.1 | \$ 19.2 | \$ 19.6 |

Utility Tax Revenues are expected to increase by 5.8% over the FY00 budget level primarily due to increased demand for telecommunication services. The tax rate for utility services is 10%, except for telecommunications which is taxed at 7%.

Utility Taxes (Millions)

| | FY00 Budget | FY00 Projection | FY01 Budget |
|--------------------|----------------|--------------------|----------------|
| Electric | \$ 22.4 | \$ 22.6 | \$ 22.8 |
| Telecommunications | 19.0 | 20.5 | 21.0 |
| Water | 2.4 | 2.4 | 2.5 |
| Gas | .9 | .9 | 1.0 |
| Total | \$ 44.7 | \$ 46.4 | \$ 47.3 |