
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 - July	Mayor reviews budgets and requests for additional funding.
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 FY02 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.

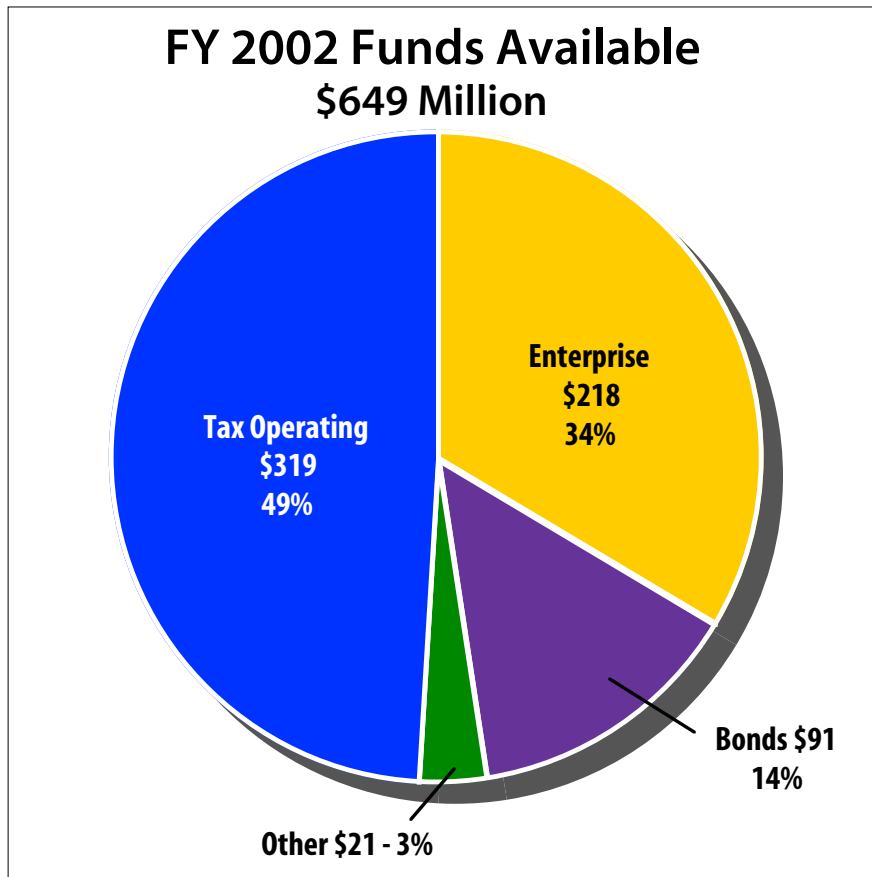
Community

- 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.

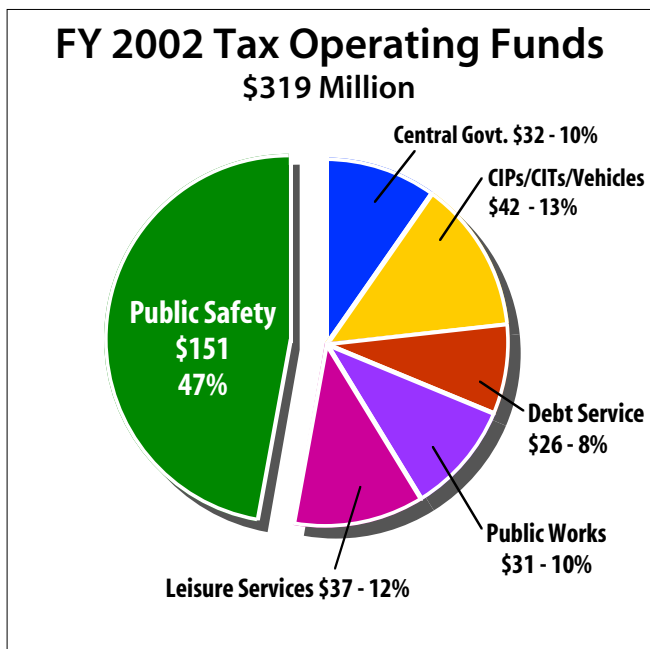
Intergovernmental

- 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.

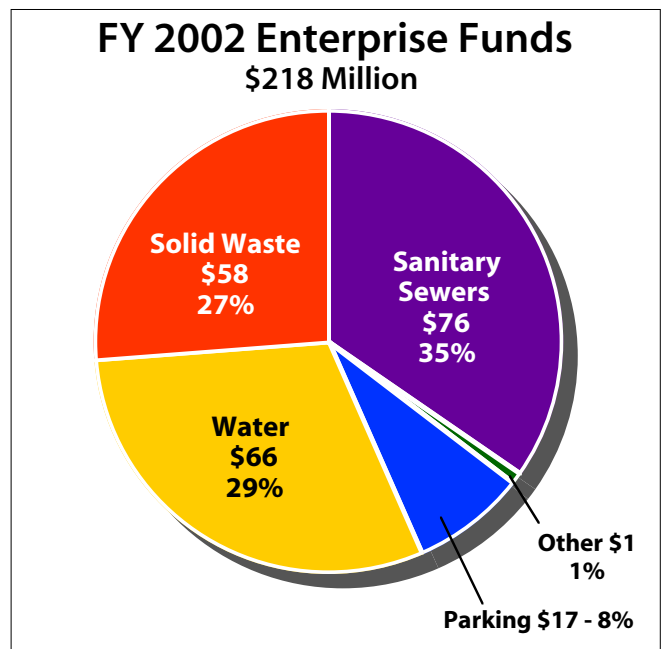
The FY2002 Budget



Total funds available in FY 02 will be \$649 million.



The Tax Operating funds amount to \$319 million, with nearly 50% allocated for public safety.



Expenditures for Enterprise funds will total \$218 million, with the largest portion going to Sanitary Sewers.

Comparing FY01 and FY02

Funds available in FY02 will total \$648.9 million. Of this, \$558.1 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 (\$90.8 million).

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

	Total Funds Available (Millions)	
	FY01 Budget	FY02 Budget
Tax Operating Funds	\$ 290.5	\$ 319.0
Internal Service Funds	6.8	6.9
Enterprise Funds	195.5	218.4
Grant Funds	<u>13.9</u>	<u>13.8</u>
Total Being Appropriated	\$ 506.7	\$ 558.1
Bond/State Loan Funds Available	<u>103.3</u>	<u>90.8</u>
Grand Total	<u>\$ 610.0</u>	<u>\$ 648.9</u>

The net increase of \$38.9 million, from \$610.0 to \$648.9 million, is primarily due to increases in Enterprise and Tax Operating funds.

The Tax Operating funds are increasing from \$290.5 to \$319.0 million, distributed as follows:

	Tax Operating Funds (Millions)	
	FY01 Budget	FY02 Budget
General Fund	\$ 226.0	\$ 244.6
Utility Tax Funds	18.2	21.5
Community Investment Tax Fund	11.5	11.7
Gas Tax Fund	6.8	6.8
Transportation Impact Fee Fund	3.5	5.9
Cable Communications Fund	2.5	2.7
Debt Service	22.0	25.8
Total	<u>\$ 290.5</u>	<u>\$ 319.0</u>

In FY 02, Enterprise funds show a net increase of \$22.9 million, primarily due to increases in the Water and Solid Waste Departments.

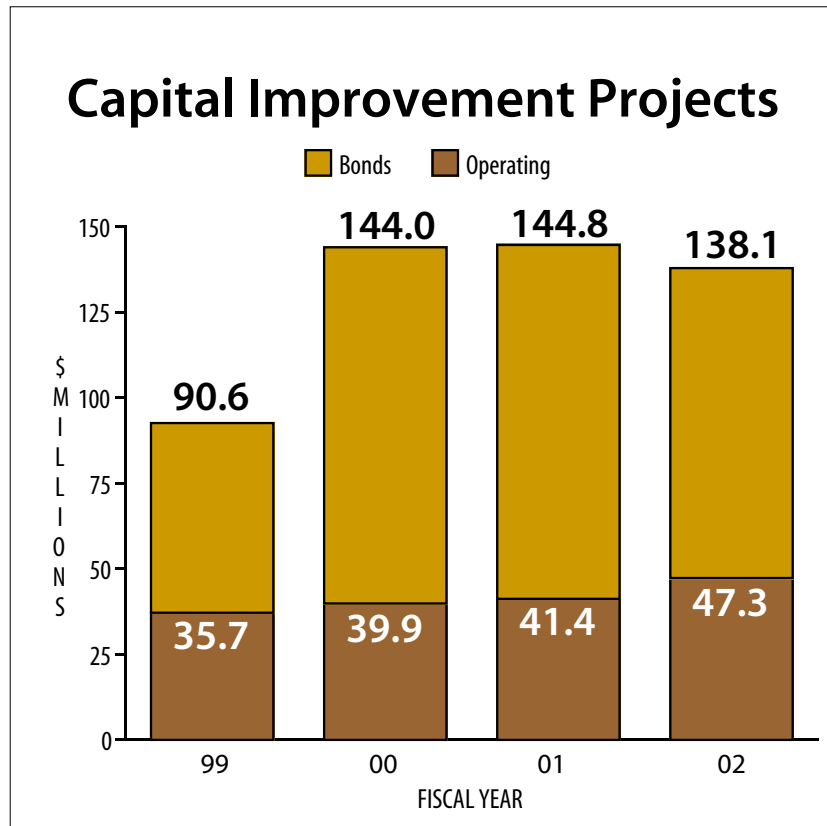
	Enterprise Funds (Millions)	
	FY01 Budget	FY02 Budget
Sanitary Sewers Fund	\$ 74.6	\$ 75.8
Water Fund	54.1	65.5
Utility Services Fund	1.0	1.0
Solid Waste Fund	48.8	58.4
Parking Fund	16.8	17.3
Marina Fund	<u>.2</u>	<u>.4</u>
Total	<u>\$ 195.5</u>	<u>\$ 218.4</u>

City-wide Construction Programs

In FY02, the Capital Improvement Program will be \$138.1 million. Capital projects funded for General Fund departments are down \$.2 million while projects funded by bonds or enterprise departments are down \$6.5 million. This decrease is largely due to the completion of the McKay Bay Refuse-to-Energy Plant and the Hillsborough River Water Treatment Plant expansion projects. Utility Tax projects in FY02 include the Central Business District Downtown Core Redevelopment for the acquisition of park land, boat docking facilities/slips and additional streetscaping and sidewalks in the downtown area. Other large Utility Tax projects include improvements in the Ybor City and Westshore areas and Stormwater Drainage Improvements. FY02 is the first year of the second five-year Community Investment Tax program and will provide \$1 million for Neighborhood Improvements for the Parks Department, \$2 million for public works and \$1 million for neighborhood recreation projects. The McKay Bay Retrofit project, which is scheduled to be completed October 2001, and a new Solid Waste administrative building planned to be completed December 2001 are funded at \$21 million from bonds in FY02.

The following table is a comparison of funding sources.

Funding Sources		
	(Millions)	
	<u>FY01</u>	<u>FY02</u>
Utility Tax	\$ 9.2	\$ 9.3
Cable		.1
Community Investment Tax	6.1	4.0
Local Option Gas Tax	6.4	6.4
Local Option Gas Tax Bond	11.5	11.1
Transportation Impact Fee	3.5	5.3
Transportation Impact Fee Int'l Plaza		.7
Enterprise Funds	15.3	20.8
Community Development Block Grant	.9	.8
Utility Tax Construction Bond	3.6	.1
Utilities Tax Improvement Bonds	17.8	33.8
Water Bond/State Loan	28.3	24.6
Solid Waste Bond	42.1	21.0
Fleet Maintenance	.1	.1
Total	<u>\$144.8</u>	<u>\$ 138.1</u>

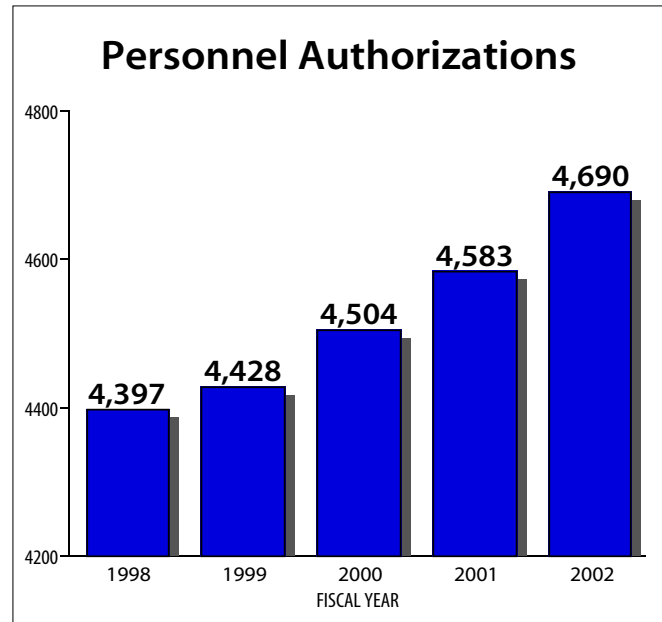


Personnel Authorizations

In FY02, the City of Tampa will provide the necessary municipal services to the citizens of Tampa with 4,690 authorized full-time equivalent positions, a net increase of 107 from the October 2000 level. The City began the year with 4,583 authorized positions. A net addition of 19 positions increased the personnel count to 4,602 during FY01. Twelve of these positions were added for the Solid Waste expanded curbside recycling program.

The net staffing additions of 88 for FY02 are outlined in the following paragraphs, to include: Parks and Recreation increased by 47 positions relating to new construction and rehabilitation of centers and greenways; five guards were added for increased security at parks; and two recreation part-time positions were changed to full-time.

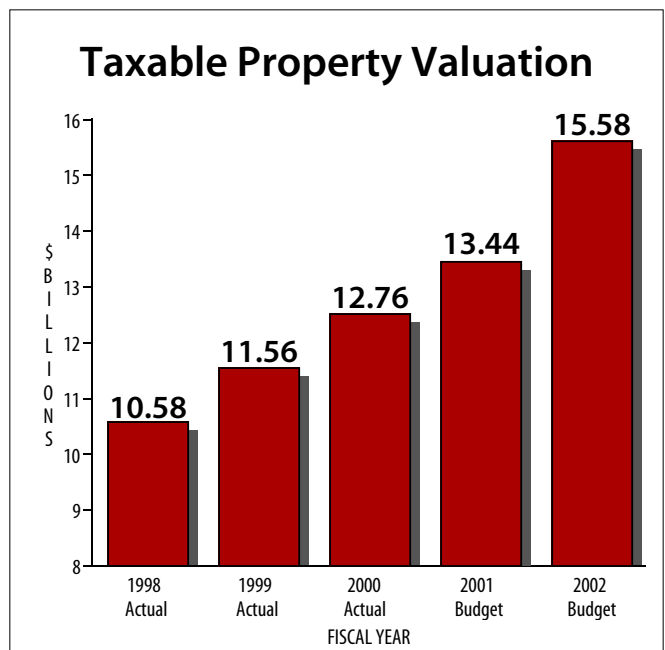
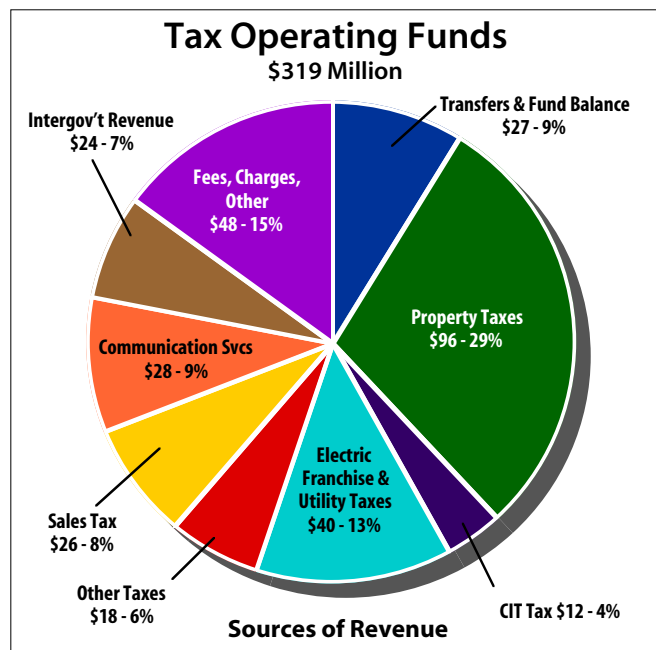
The Police Department was allocated eight officers for an additional QUAD Squad and nine officers assigned to the Tampa Heights, Channel District and New Tampa areas. The Universal Hiring Grant II will primarily fund these positions, supplemented with funds from other grants. The Management Information Systems Division increased by six in order to implement phase two of the MIS Service Center expansion and the planned Payroll/Human Resource system, along with additional support for Fire Rescue's specialized software systems. Business and Community Services' Historic Preservation, Construction Services Center and Administration



were allocated two planning research analysts, two building inspectors and a construction investigator.

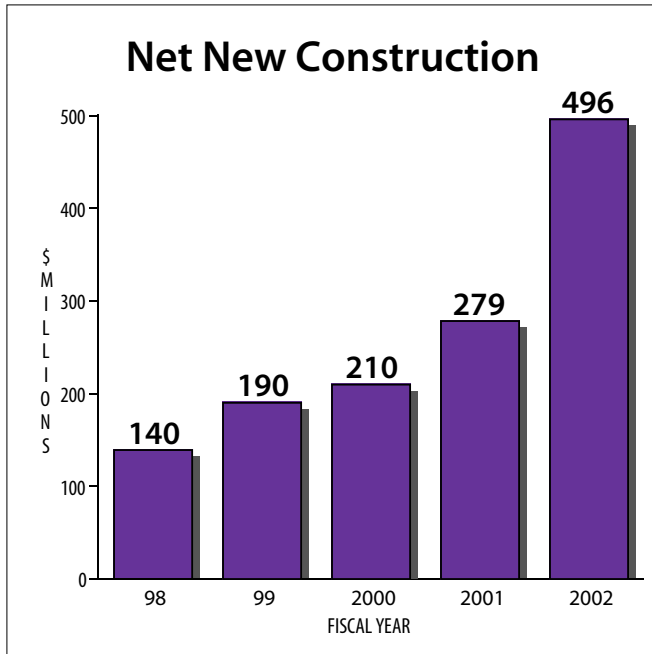
Ten new positions were also added to the Water Department to enhance the high performance organization and for customer service support. Reorganization, increased automation, and refined work practices continues in the new fiscal year with 17 planned Sanitary Sewers positions reductions.

Tax Operating Funds Revenues/Ad Valorem Taxes

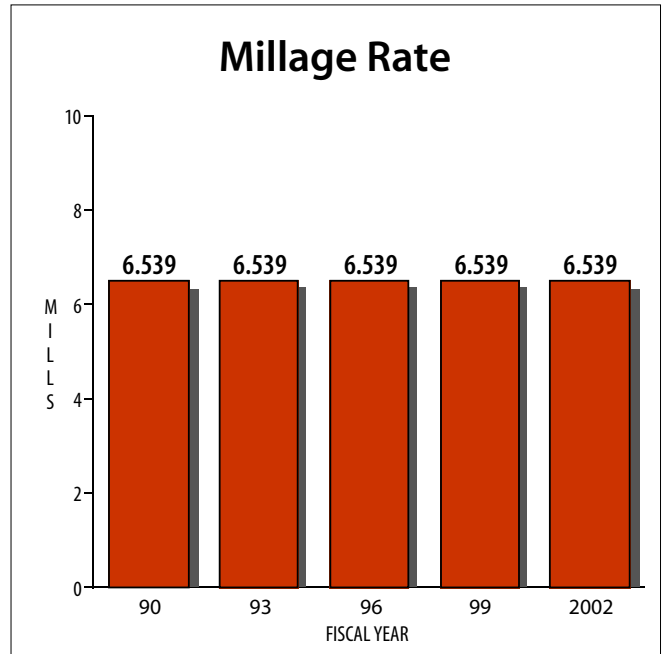


Taxable property values within the City have increased by 15.9% from the FY01 Budget to the FY02 Budget.

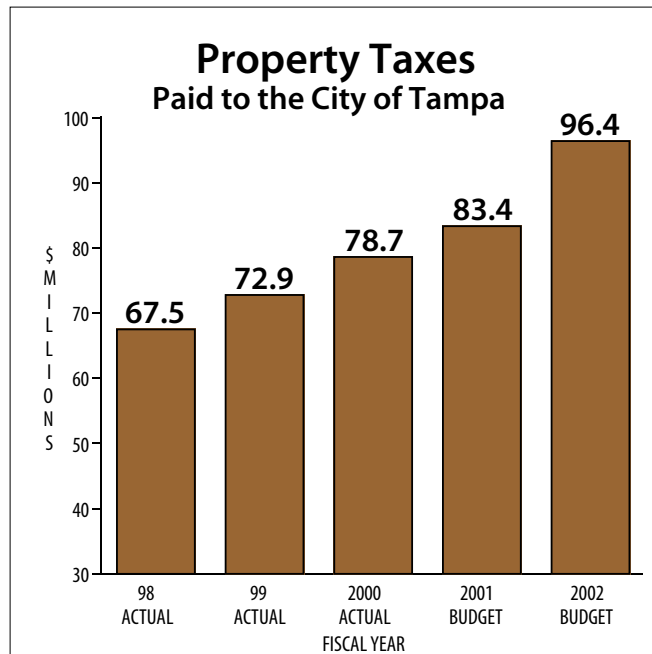
Tax Operating Funds Revenues/Ad Valorem Taxes (continued)



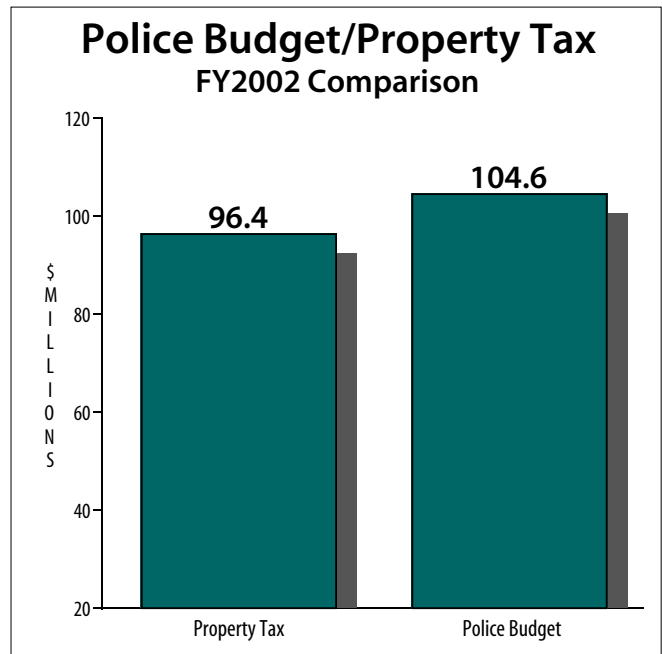
Newly constructed properties, placed on the tax rolls for the first time in FY02, make up \$496 million of the \$15.6 billion tax roll, a 78% increase from the FY01 level, mainly due to the increased level of residential construction.



The property tax rate remains at 6.539 mills, the same rate used for the last 13 years, due to continued efforts to contain costs and through budget control measures.



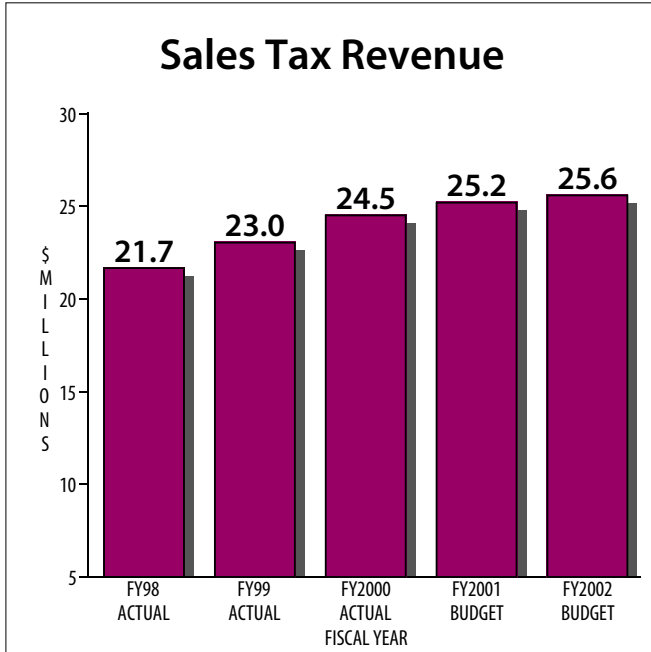
In FY02, estimated ad valorem taxes collected by the City will total \$96.4 million. The net \$13.0 million increase over the FY01 Budget resulted from changes in property valuation, addition of previously untaxed property to the tax rolls and a reserve of \$0.7 million for potentially uncollectable revenue due to pending litigation.



Again in FY02, the cost of police services alone exceeds property tax revenues.

Sales Tax

The FY02 Sales Tax estimate is \$25.6 million; 1.6% higher than the \$25.2 million budgeted for FY01. 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

For FY 02, franchise fees, utility and communications services taxes are expected to increase 11.4% over the FY 01 budget level. Franchise fee rates are 4.6% on electric and 5% on gas services. Utility services for electricity, water, and gas are taxed at 10%. Due to Florida legislative changes, telecommunications and cable franchise fees and utility taxes, formerly collected locally, have been replaced by a communications services tax. This tax will be collected and administered by the Florida Department of Revenue.

Franchise Fees, Utility and Communications Services Taxes (Millions)

	FY01 Budget	FY01 Projection	FY02 Budget
Electric Franchise Fee	\$ 15.5	\$ 16.3	\$ 16.5
Electric Utility Taxes	22.8	23.8	24.0
Telecommunications Franchise Fees	0.9	1.1	0.1
Telecommunications Utility Taxes	21.0	21.1	1.8
Communicatons Services Tax			27.9
Water Utility Taxes	2.5	2.3	2.3
Gas Franchise Fees	0.7	0.7	0.7
Gas Utility Taxes	1.0	0.9	1.0
Cable Franchise Fees	2.5	2.8	0.2
Total Franchise Fee, Utility and Communications Svcs. Taxes	\$ 66.9	\$ 69.0	\$ 74.5