
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 FY03 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.

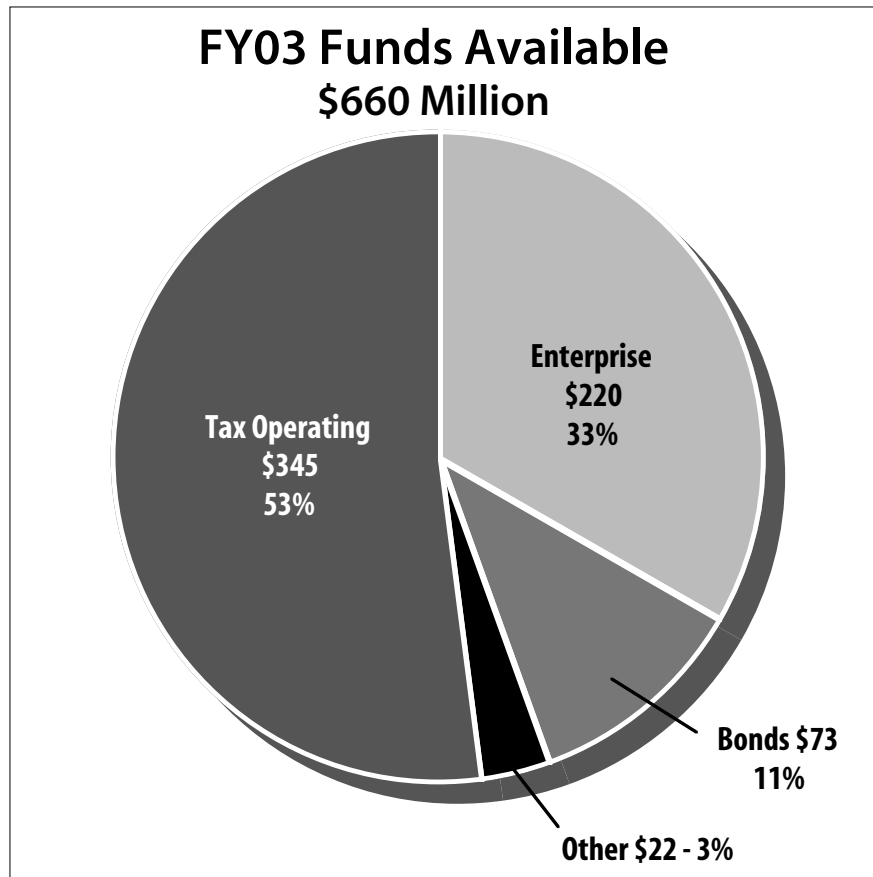
Community

- 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.

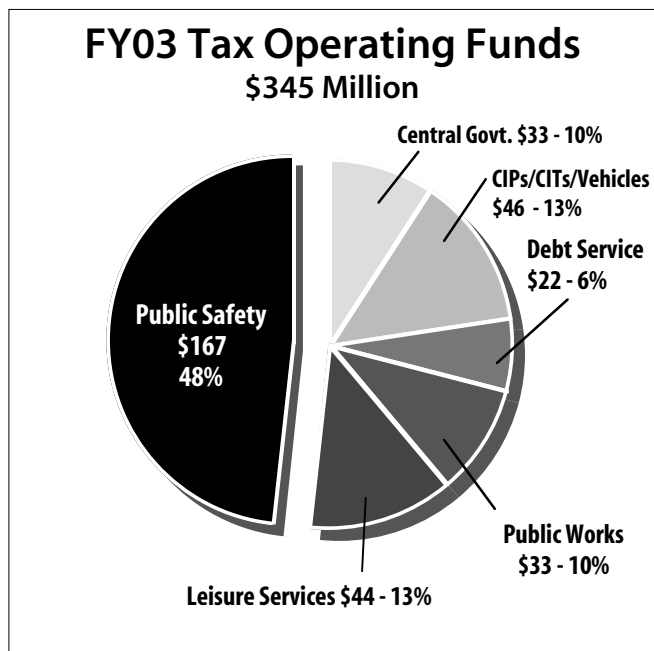
Intergovernmental

- 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.

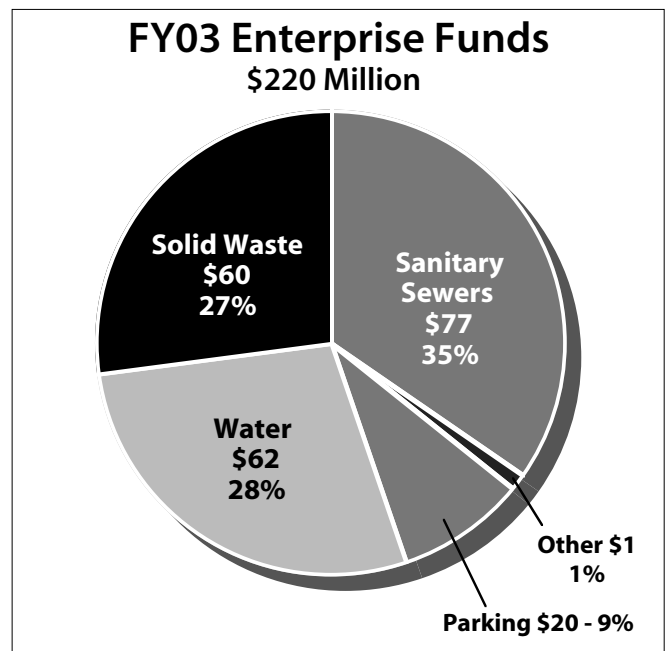
The FY03 Budget



Total funds available in FY03 will be \$660 million.



The Tax Operating funds amount to \$345 million, with nearly 50% allocated toward public safety.



Expenditures for Enterprise funds will total \$220 million, with the largest portion going to Sanitary Sewers.

Comparing FY02 and FY03

Funds available in FY03 will total \$660.1 million. Of this, \$587.1 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 (\$73.0 million).

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

	Total Funds Available (Millions)	
	FY02 Budget	FY03 Budget
Tax Operating Funds	\$ 319.0	\$ 345.2
Internal Service Funds	6.9	7.0
Enterprise Funds	218.4	220.1
Grant Funds	13.8	14.8
Total Being Appropriated	\$ 558.1	\$ 587.1
Bond/State Loan Funds Available	90.8	73.0
Grand Total	\$ 648.9	\$ 660.1

The net increase of \$11.2 million, from \$648.9 to \$660.1 million, reflects overall increases in the Tax Operating and Enterprise funds being offset by a reduction in Bond funds required.

The Tax Operating funds are increasing from \$319.0 to \$345.2 million and are distributed as follows:

	Tax Operating Funds (Millions)	
	FY02 Budget	FY03 Budget
General Fund	\$ 244.6	\$ 269.6
Utility Tax Funds	21.5	24.9
Community Investment Tax Fund	11.7	10.2
Gas Tax Fund	6.8	6.7
Transportation Impact Fee Fund	5.9	8.5
Cable Communications Fund	2.7	2.8
Debt Service	25.8	22.5
Total	\$ 319.0	\$ 345.2

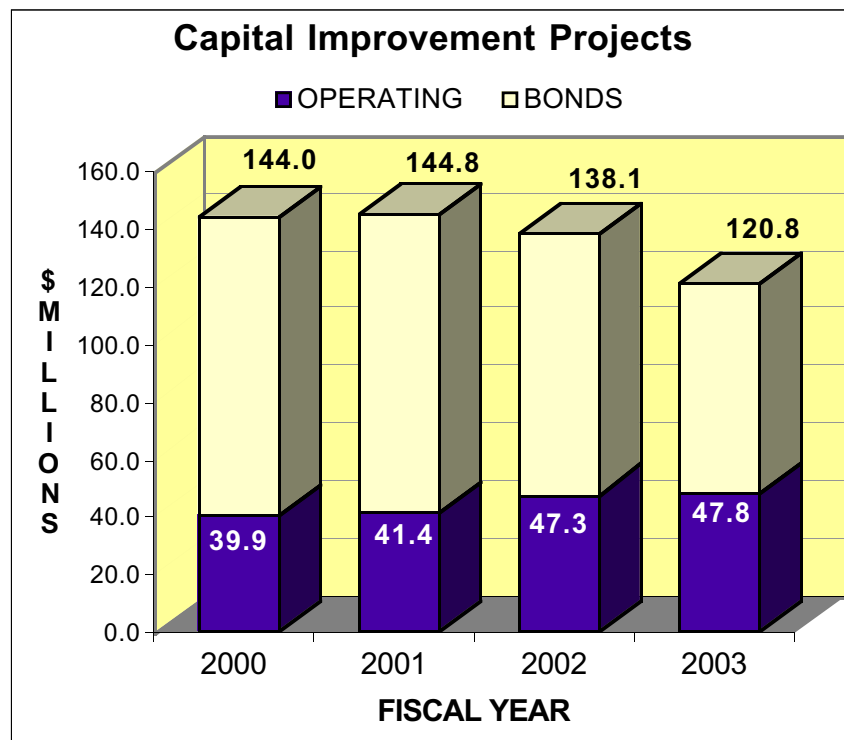
In FY03, Enterprise funds show a net increase of \$1.7 million, primarily due to reductions in the Water Fund offsetting increases in Sanitary Sewers, Parking and Solid Waste funds.

	Enterprise Funds (Millions)	
	FY02 Budget	FY03 Budget
Sanitary Sewers Fund	\$ 75.8	\$ 77.1
Water Fund	65.5	61.9
Utility Services Fund	1.0	1.0
Solid Waste Fund	58.4	59.5
Parking Fund	17.3	20.1
Marina Fund	0.4	0.5
Total	\$ 218.4	\$ 220.1

City-wide Construction Programs

In FY03, the Capital Improvement Program will be \$120.8 million. Capital projects funded for General Fund departments are up \$.3 million while projects funded by bonds or enterprise departments are down \$17.6 million, due to the completion of the McKay Bay Refuse-to-Energy Facility and the Hillsborough River Water Treatment Plant upgrades. Utility Tax projects in FY03 include the Central Business District Downtown Core Redevelopment Project for improvements to park land, boat docking facilities/slips, and additional streetscaping and sidewalks in the downtown area. Other large Utility Tax projects include improvements in Ybor City, elevator improvements at City Hall and the Tampa Municipal Office Building and stormwater drainage improvements. FY03 is the second year of the second five-year Community Investment Tax program which will provide \$1 million for neighborhood improvements for the Parks Department, \$2 million for neighborhood transportation projects and \$1 million for neighborhood recreation projects. Included in the \$41.4 million allocated in FY03 by the Community Investment Tax Bond is the Tampa Museum/Cultural Arts District at \$19 million, various parks improvements for \$10 million, recreation projects for \$6 million and roadway and intersection improvements for \$4.6 million.

Funding Sources (Millions)		
	<u>FY02</u>	<u>FY03</u>
Utility Tax	\$ 9.3	\$ 9.6
Cable	.1	
Community Investment Tax - FY97-01		1.4
Community Investment Tax - FY02-06	4.0	4.0
Community Investment Tax Bond - 2001A		41.4
Local Option Gas Tax	6.4	6.3
Local Option Gas Tax FY99 Bond	11.1	1.5
Transportation Impact Fee	5.3	5.1
Transportation Impact Fee International Plaza	.7	3.4
Enterprise Funds	20.8	17.4
Community Development Block Grant	.8	.5
Utility Tax Construction Bond	.1	
Utilities Tax Improvement Bonds	33.8	11.9
Water Bond/State Loan	24.6	18.2
Solid Waste Bond	21.0	
Fleet Maintenance	.1	.1
Total	<u>\$138.1</u>	<u>\$ 120.8</u>

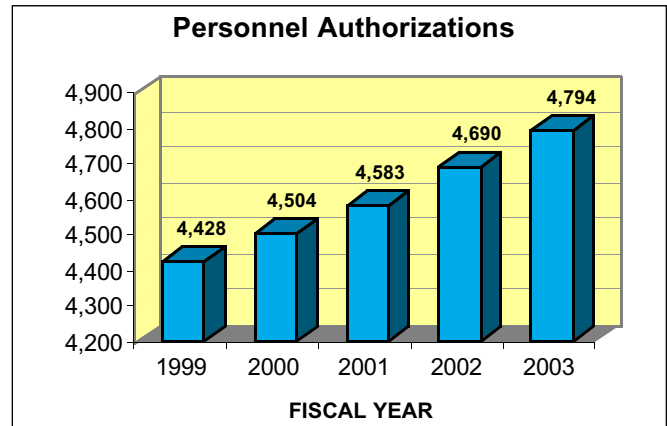


Personnel Authorizations

In FY03, the City of Tampa will provide the necessary municipal services to the citizens of Tampa with 4,794 authorized full-time equivalent positions, a net increase of 104 from the October 2001 level. The City began the year with 4,690 authorized positions. A net addition of 37 positions increased the personnel count to 4,727 during FY02. Twenty of those positions were added for the opening of the Fernando Noriega, Jr. Palm Avenue Parking Garage and four security guards were added to protect the City's Water Plants and the Hillsborough River Dam.

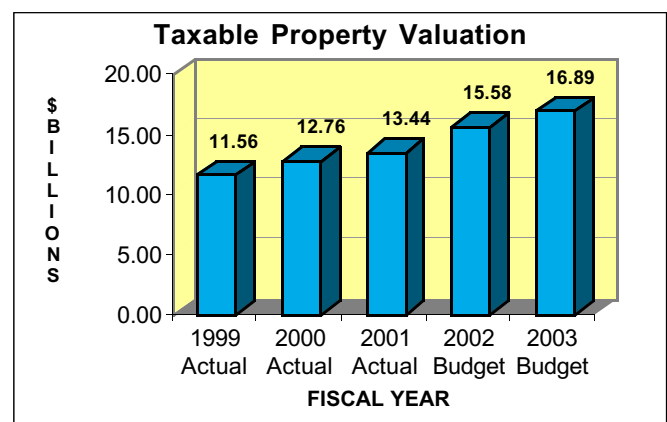
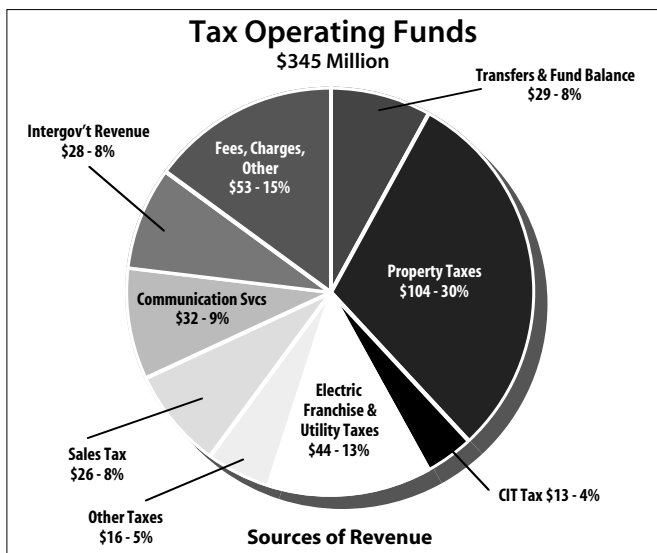
The highlights of the net staffing additions of 67 for FY03 are outlined as follows:

- The Recreation Department added 31 positions relating to the construction and rehabilitation of community centers, one part-time position was changed to a full-time position and one computer supervisor position was created for Recreation's new computer labs.
- The Parks Department added five guards and a security superintendent for increased security at parks.
- The Police Department was allocated ten officers for the Community Oriented Policing Squad (COPS) assigned in the Belmont Heights Estate District. The Universal Hiring Grant Program will primarily fund these positions, supplemented with funds from other grants. A Police payroll supervisor was also included to direct the day-to-day operations of the payroll staff.
- A Human Rights Investigator was added to Community Affairs to fulfill the City's contract with the U.S. Equal Employment Opportunity Commission.



- Management Information Systems (MIS) staff was increased by one senior database analyst.
- Nine new positions were also added to the Solid Waste Department to enhance the residential recycling and community clean-up programs, and to provide more drivers for the residential and special services divisions.
- Eight Sanitary Sewers positions have been identified for deletion through the on-going Optimization program.
- Water Department increased by five new positions; an Occupational Safety and Security Officer to coordinate the security program; one GIS computer analyst; an ombudsman to oversee the utility review process, acquisitions, permitting and drafting complex water main projects; and an engineering technician and customer service representative to supplement the STAR program.

Tax Operating Funds Revenues/Ad Valorem Taxes



Above: Taxable property values within the City have increased by 8.4% from the FY02 Budget to the FY03 Budget.

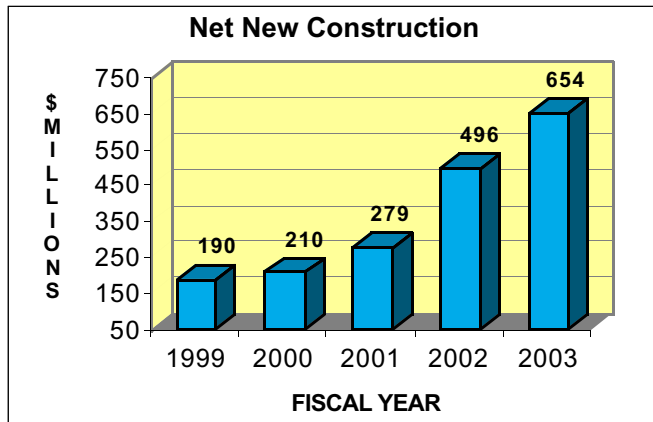
Left: For FY03, Property Taxes are \$104 million and represent only 30% of total Tax Operating Funds revenue.

Tax Operating Funds Revenues/Ad Valorem Taxes (continued)

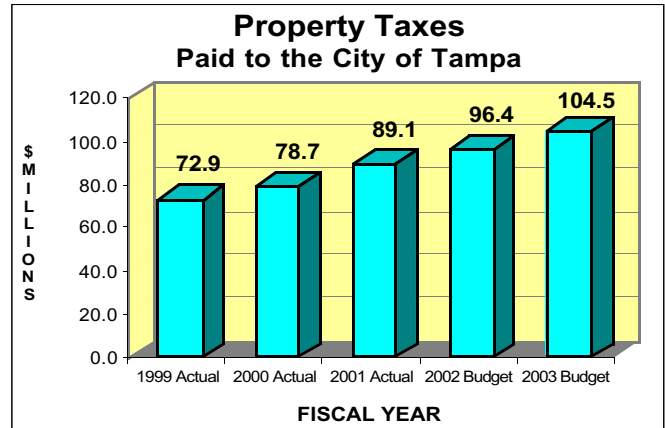
Senior Homestead Exemption

Florida voters approved an amendment to the State Constitution in 1998 allowing cities and counties to authorize an additional property tax exemption of up to \$25,000 for qualifying low-income homeowners over the age of 65. Florida Statutes Section 196.075 was enacted to implement the amendment.

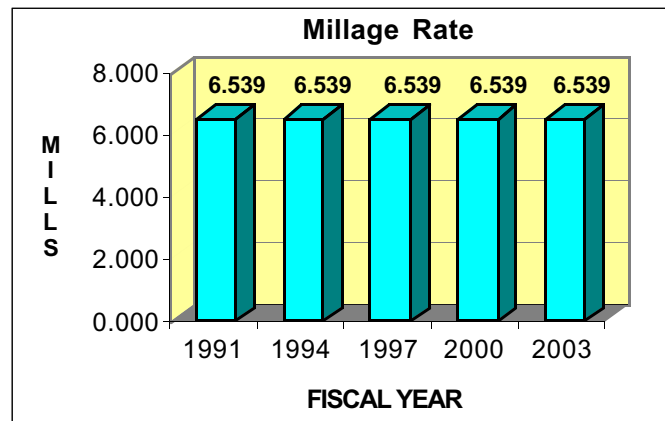
In November 2001, Tampa City Council adopted an ordinance, per the Statute, which authorized the full \$25,000 exemption for qualifying Tampa homeowners. Over 2,000 homeowners received the exemption for Tax Year 2002 (Fiscal Year 2003) for a total tax yield reduction of \$285,000. A homeowner receiving the maximum exemption will save \$163 in annual City of Tampa taxes. Up to \$186 will be saved on county-wide taxes because Hillsborough County's phased implementation of the exemption reached \$25,000 this year.



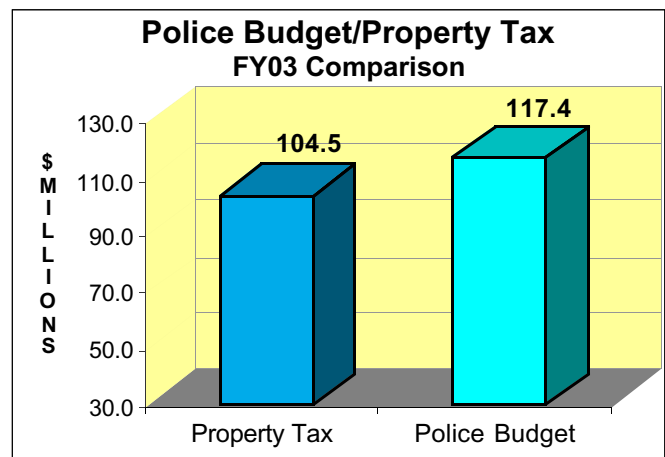
Newly constructed properties, placed on the tax rolls for the first time in FY03, make up \$654 million of the \$16.9 billion tax roll, a 31.9% increase from the FY02 level, reflecting continued growth in commercial and residential construction.



In FY03, estimated ad valorem taxes collected by the City will total \$104.5 million. The net \$8.1 million increase over the FY02 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.



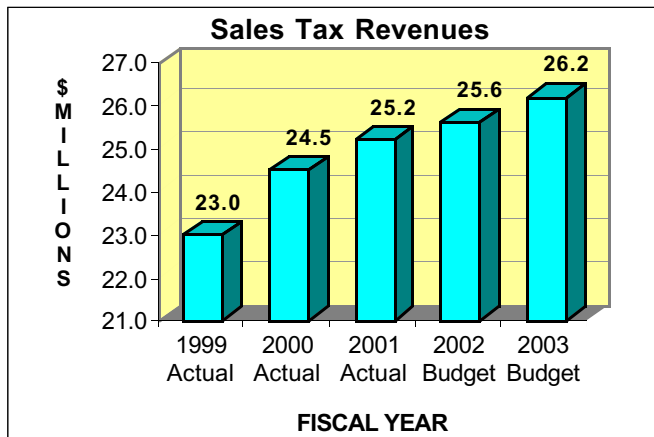
The property tax rate remains at 6.539 mills, the same rate used for the last 14 years, mainly due to overall economic growth and continued efforts to contain costs through budget control measures.



Again in FY03, the cost of police services alone exceeds property tax revenues.

Sales Tax

The FY03 Sales Tax estimate is \$26.2 million, 2.3% higher than the \$25.6 million budgeted for FY02. The Florida Sales Tax rate remains at 6% and Hillsborough County has added a local option 1/2 cent for indigent health care and 1/2 cent for Community Investment Tax projects.



Other Taxes and Fees

For FY03, franchise fees, utility and communication services taxes are expected to increase 6.2% over the FY02 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 enacted in 2001, telecommunication and cable franchise fees and utility taxes, formerly collected locally, have been replaced by a single communications services tax. This tax is collected and administered by the Florida Department of Revenue.

Franchise Fees, Utility and Communications Services Taxes (Millions)

	FY02 Budget	FY02 Projection	FY03 Budget
Electric Franchise Fee	\$ 16.5	\$ 18.6	\$ 18.7
Electric Utility Taxes	24.0	24.8	25.0
Telecommunications Franchise Fees	0.1	-	-
Telecommunications Utility Taxes	1.8	-	-
Communications Services Tax	27.9	30.6	31.6
Water Utility Taxes	2.3	2.5	2.6
Gas Franchise Fees	0.7	0.5	0.5
Gas Utility Taxes	1.0	0.7	0.7
Cable Franchise Fees	0.2	-	-
Total	\$ 74.5	\$ 77.7	\$ 79.1