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# City of Tampa's Financial Structure

The City provides the full range of municipal services as provided by State statute and City charter. These include public safety, water, sewer, solid waste, parking, public improvements, cultural, recreational and general administrative services.

A summary of City funds, attendant revenue sources and their purposes is provided below.

## Tax Operating Funds

- General
- Utility Tax
- Guaranteed Entitlement State Revenue Sharing and Occupational License Revenue
- Cable Communications
- Local Option Gas Tax
- Capital Improvement Projects
- Community Investment Tax
- Transportation Impact Fee

Major services included under the Tax Operating Funds are:

- Public Safety (Police and Fire Rescue)
- Leisure and Cultural
- Public Works
- Central Government
- Capital Improvement Projects
- Debt Service

Major revenues in these funds are:

- Property Taxes
- Utility Taxes
- Franchise Fees
- Licenses and Building Fees
- Taxes shared with the State
- Interest Earnings

## Internal Service Funds

- Self Insurance
- Utility Accounting
- Administrative Service
- Fleet Maintenance (including Electronics)
- Fire and Police Pension
- General Employee Pension

Funding for these activities include user charges assessed on operating departments, contributions from the City, employees' and retirees' contributions, and interest earnings from investments.

## Enterprise Funds

The City's five enterprise funds obtain their revenue primarily from user charges, and are structured to be entirely self-supporting.

- Parking

The Parking Department owns and operates on-street metered parking spaces, several downtown and Ybor City parking garages and lots throughout the City. The Department is funded by garage and lot fees and parking meter collections and fines.

- Sanitary Sewers

Services include the collection, treatment, and disposal of wastewater and are supported by user fees and connection charges.

- Water

The City's full-service water utility includes pumping, treatment, and distribution facilities. The system is supported by user fees and connection charges.

- Solid Waste

The City owns and operates a refuse collection and disposal system for City residents, with certain areas contracted out to a private provider. The City also owns a refuse-to-energy incinerator facility. The system is supported by user fees and resale of energy generated by the disposal facility.

- Marina

The City owns and operates two marinas. Services include leasing and maintenance of boat slips and a refueling station. The marinas are supported by boat slip rentals and fuel charges.

## Federal and State Grant Funds

Other funds include projects which are funded in whole or in part by State and/or Federal grants.

- Community Development Block Grant

This program funds activities related to the development and redevelopment of target areas in the City. Services include capital improvements in target areas and improvements to the housing stock. The program is funded by the U.S. Department of Housing and Urban Development.

- Other Federal and State Grants

Other funds to be received from the U.S. Department of Housing and Urban Development include the Home Investment Partnerships Program (HOME), the Emergency Shelter Grant Program (ESGP), and the Housing Opportunities for Persons With AIDS (HOPWA) Grants.

These grants provide affordable housing and/or rehabilitation programs to benefit low and moderate income households

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including facilities and services for the homeless and specialized housing services for persons with AIDS.

State Housing Initiatives Program (SHIP) funds are received from the State of Florida based on an additional 10 cent documentary stamp tax and a general revenue match on real estate transactions. A variety of housing programs are available through this funding source.

### **Budget and Budgetary Control**

The City of Tampa follows these procedures in preparing budget documents:

- Prior to September 1, the Mayor submits to City Council a recommended budget for the fiscal year commencing October 1. The budget includes proposed expenditures and the means to finance them.
- City Council holds two public hearings in September to obtain taxpayer comments.
- Prior to October 1, the budget is enacted by ordinance.
- During the fiscal year, budgetary control is maintained at the department level. Revisions are approved by City Council.
- The annual budget for the General Fund, enterprise funds and all annually appropriated special revenue funds are prepared in accordance with generally accepted accounting principles. This includes an original appropriation ordinance, a budget amendment for encumbrances outstanding at the end of the previous year and other budget amendments adopted by the City Council. Appropriations for these funds lapse at the end of each fiscal year.
- Project budgets are adopted for the Community Development Block Grant, other special revenue funds, and bond funds. Appropriations in these funds remain open and carry over to succeeding years until planned expenditures are made, or until they are amended or cancelled. Because these funds involve multi-year projects, comparison on an annual basis does not provide meaningful information and, accordingly, is not presented.
- The budget process allows for amendments as conditions change during the year. An amendment may be initiated by the Mayor and, after City Council approval, the appropriations of funds are realigned.

### **Accounting System Control and Budgetary Basis**

The City of Tampa's accounting records for general government operations are maintained on the modified accrual basis, with revenues recorded when measurable and available, and expenditures recorded when the services or goods are received

and the liabilities incurred. Accounting records for the City's pension plans, enterprise funds and internal service operations are maintained on an accrual basis, with revenues recorded when earned, and expenses recorded when the liabilities are incurred. The budgetary basis is the same as the accounting basis.

In developing and modifying the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance that assets are safeguarded and financial records are reliable.

### **Capital Spending Decisions and Their Impact on Future Operational Costs**

In general terms, governments must control their day-to-day operating costs, if funds are to be made available for new and efficient capital equipment and needed construction of roads, parks, water and sewer facilities. The City of Tampa continues the policy of containing operating costs so that adequate funds are available for capital projects.

The City reviews each capital improvement project in terms of cost versus benefits. An analysis is made of each project and resulting operating costs are included in budget estimates, the department targets and in the Recommended Annual Budget as appropriate.

### **Summary of Fund Balances**

In the tax operating funds, the City's policy is to budget approximately 1% in a reserve for contingencies (\$3.5 million) and transfers of \$1 million to the fund balance accounts of the General and Utilities Tax Funds. Barring unforeseen circumstances, the fund balances at the end of FY02 for the tax funds are generally not expected to significantly exceed those amounts.

In the Enterprise and Intergovernmental funds, reserves of approximately 6-10% are anticipated for the following reasons. First, bond covenants require various coverage levels. The Water and Sanitary Sewers Funds, which are separate enterprises with separate rate structures, have been combined for bond coverage requirements. Therefore, at the end of the year, one fund may have little or no reserves with the coverage coming from the other which has a larger fund balance. Second, as a policy, the City prefers not to increase more than one City utility rate in one given year. As an example, the residential rate payer would not be asked to pay increasing bills for Water, Sanitary Sewers and Solid Waste in the same year. Therefore, rates for each separate utility are set on a multi-year plan resulting in a surplus in the first year of a rate change, which is then consumed in the subsequent periods.