
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.

Goals

There are four major goals of this administration:

- Investing in neighborhoods.
- Promoting economic development in our most challenged areas.
- Encouraging residential development in the Downtown area.
- Making Tampa a city of the arts.

The City's ongoing budget and management goals for FY04 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 appropriate and 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.
- Place a higher priority on seeking matching funds and "seed" money to leverage grants and other assistance.
- Prepare and maintain sound maintenance and replacement programs for city equipment and assets.
- Maintain the financial health of self supported and general tax supported funds in a fiscally conservative manner.
- Maintain adequate reserves and fund balances for unforeseen needs and emergencies.

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 ensure new development contributes to growth related infrastructure improvements.

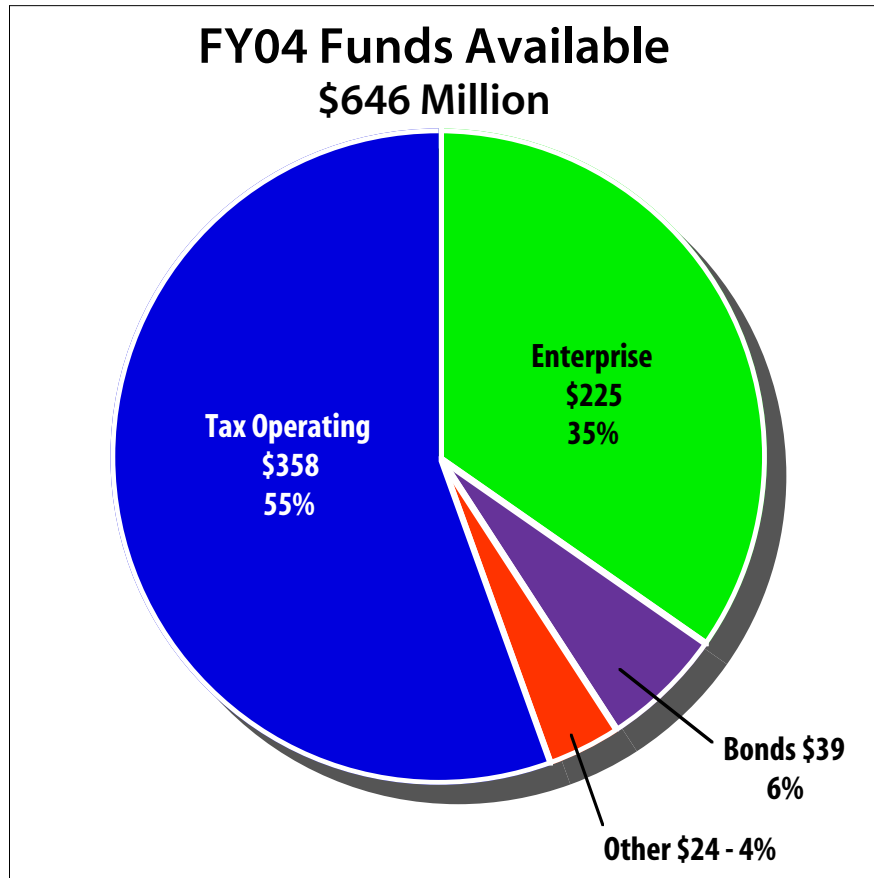
Community

- 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 consensus of the business community and citizens regarding potential projects.
- Utilize local universities and the business community where their expertise might offer improvements to city performance.
- Encourage participation of women and minority business enterprises in city contracts.

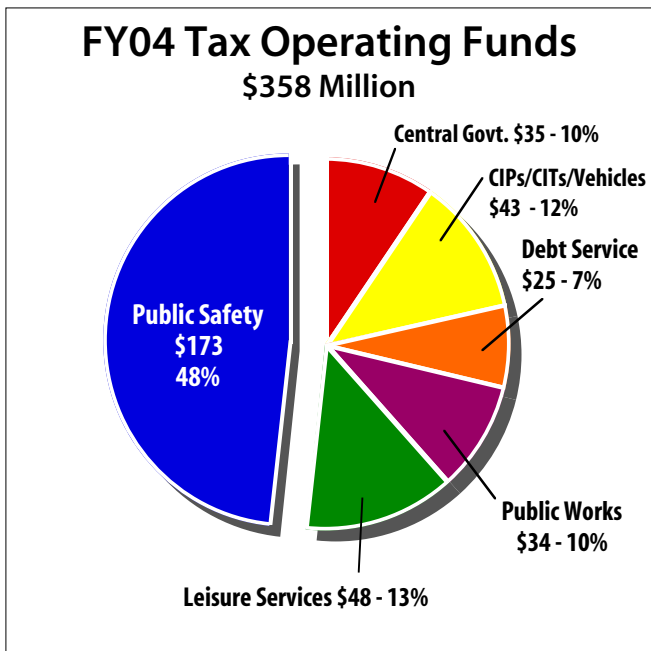
Intergovernmental

- 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.

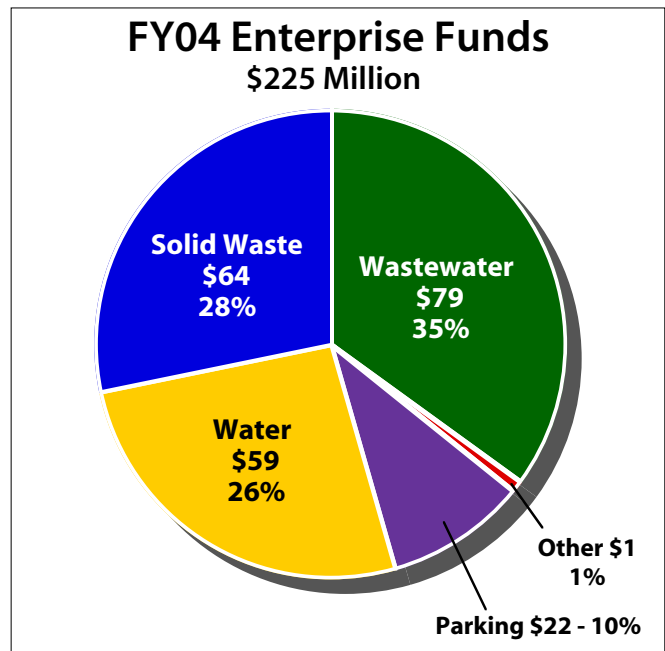
The FY04 Budget



Total funds available in FY04 are \$646 million.



The Tax Operating funds total \$358 million with nearly 50% allocated to Public Safety.



Expenditures for Enterprise funds total \$225 million with the largest portion going to Wastewater.

Comparing FY03 and FY04

Funds available in FY04 total \$646.3 million. Of this, \$607.6 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 (\$38.7 million).

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

	Total Funds Available (Millions)	
	FY03 Budget	FY04 Budget
Tax Operating Funds	\$ 345.2	\$ 358.4
Internal Service Funds	7.0	9.1
Enterprise Funds	220.1	225.4
Grant Funds	<u>14.8</u>	<u>14.7</u>
Total Being Appropriated	\$ 587.1	\$ 607.6
Bond/State Loan Funds Available	<u>73.0</u>	<u>38.7</u>
Grand Total	<u>\$ 660.1</u>	<u>\$ 646.3</u>

The net decrease of \$13.8 million, from \$660.1 to \$646.3 million, reflects overall increases in the Tax Operating and Enterprise funds being offset by a greater reduction in available Bond funds.

The Tax Operating funds are increasing from \$345.2 to \$358.4 million and are distributed as follows:

	Tax Operating Funds (Millions)	
	FY03 Budget	FY04 Budget
General Fund	\$ 269.6	\$ 277.8
Utility Tax Funds	24.9	19.8
Community Investment Tax Fund	10.2	10.3
Stormwater Fund	-	10.4
Gas Tax Fund	6.7	7.3
Transportation Impact Fee Fund	8.5	5.9
Cable Communications Fund	2.8	2.4
Debt Service	<u>22.5</u>	<u>24.5</u>
Total	<u>\$ 345.2</u>	<u>\$ 358.4</u>

In FY04 Enterprise funds show a net increase of \$5.3 million as reductions in the Water Fund offset increases in the Wastewater, Parking and Solid Waste funds.

	Enterprise Funds (Millions)	
	FY03 Budget	FY04 Budget
Wastewater Fund	\$ 77.1	\$ 78.7
Water Fund	61.9	58.8
Utility Services Fund	1.0	0.9
Solid Waste Fund	59.5	64.2
Parking Fund	20.1	22.3
Marina Fund	<u>0.5</u>	<u>0.5</u>
Total	<u>\$ 220.1</u>	<u>\$ 225.4</u>

City-wide Construction Programs

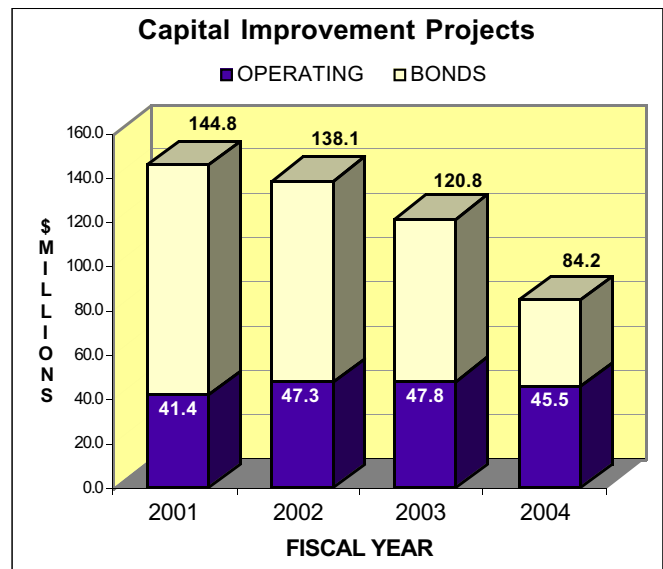
In FY04 the Capital Improvement Program (CIP) will be \$84.2 million, a \$36.6 million reduction from FY03. Bond funded projects account for almost all (\$34.3 million) of this reduction, which resulted from designing or constructing the following projects:

- Community Investment Tax Bond Fund-2001A - reduced \$12.7 million. The FY03 program included funds for the Lowry Park Zoo Expansion, Cotanchobee Ft. Brooke Park Development, Ballfield Relocations and a higher level of funding for Ribbon of Green Park Development.
- Utility Tax Improvement Bonds - reduced \$5.4 million. The reduction reflects final contract awards for Community Center Improvements and Athletic and Aquatic Center Improvements.
- Water Bond/State Loan - reduced \$16.2 million. During FY03 contracts were awarded for the South Tampa Area Reclaimed project.

The remaining reduction (\$2.3 million) includes a number of increases and decreases in the remaining funds. Some of these changes include:

- Utility Tax and Stormwater Funds - increased \$2.6 million. In FY03 funding for the Stormwater CIPs was included within the Utility Tax funding. For FY04 Stormwater is being established as a special revenue fund with the same level of funding. An increase of \$1.3 million to upgrade the Police headquarters and Air Service hangar and \$1 million in Parks and Recreation for the new Water Works Park adjacent to the Hillsborough River accounts for most of the increase.
- Impact Fee Fund - decreased \$2.6 million. The FY03 program included \$3.4 million in a separate impact fee account for the International Plaza-O'Brien road project for construction of a three-lane roadway. This project is delayed beyond FY04. This is offset by an \$800 thousand increase in the regular Impact Fee Fund resulting from increased revenues received.
- Enterprise Funds - decreased \$3.7 million. This decrease is reflected in the Water (\$3 million) and Wastewater (\$.7 million) departments. Projects previously funded in the operating programs are being reviewed for funding with bond and state revolving loan dollars remaining from completed projects.

Funding Sources (Millions)	FY03	FY04
	Utility Tax	\$ 9.6
Community Development Block Grant	.5	1.0
Stormwater		3.8
Community Investment Tax - FY97-01	1.4	1.8
Community Investment Tax - FY02-06	4.0	4.0
Community Investment Tax Bond - 2001A	41.4	28.7
Local Option Gas Tax	6.3	6.8
Local Option Gas Tax FY99 Bond	1.5	1.5
Transportation Impact Fee	5.1	5.9
Transportation Impact Fee International Plaza	3.4	
Enterprise Funds	17.4	13.7
Utilities Tax Improvement Bonds	11.9	6.5
Water Bond/State Loan	18.2	2.0
Fleet Maintenance	.1	.1
Total	<u>\$120.8</u>	<u>\$ 84.2</u>



Budget Highlights

Investing in Neighborhood Projects

The theme of the FY04 budget is investing in neighborhoods. To this end significant funding increases for parks and recreation facilities and transportation projects are included in the FY04 budget. The following charts reflect these increases.

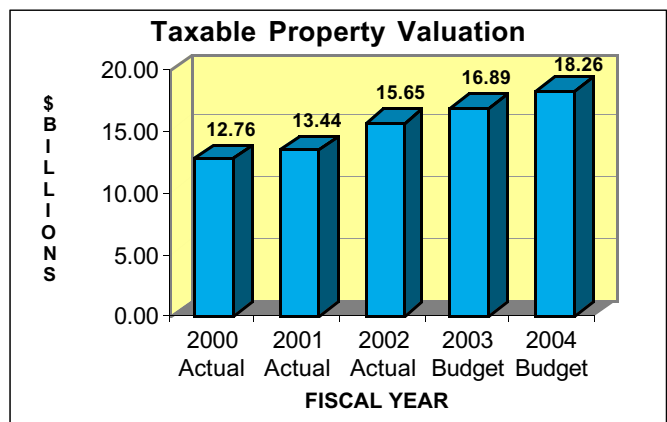
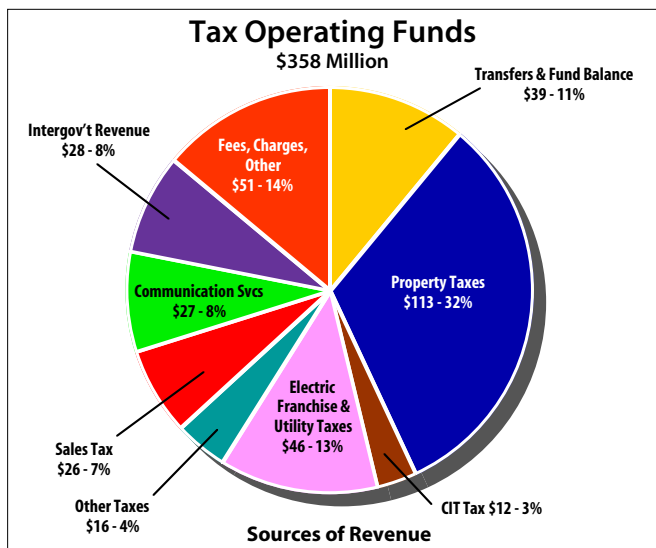
Parks and Recreation	FY03	FY04
Neighborhood Park Projects	\$1,150,000	\$1,540,000
Neighborhood Recreation Projects	1,000,000	1,140,000
Total	\$2,150,000	\$2,680,000

Parks and recreation programs increase approximately 25% in FY04. Park's funding includes \$1 million from Community Investment Taxes for improvements of varying magnitude for 28 parks throughout the city. In addition, \$140,000 is funded to continue the 1,000 trees program (sixth year) and \$400,000 for ancillary and play equipment, fall surfaces, sidewalks and trails. Recreation also receives \$1 million from Community Investment Taxes for improvements to the Henry and Ola Playground, Hyde Park Craft Center and Highland Pines Playground. Also, \$140,000 is provided for play features for swimming pools.

Transportation	FY03	FY04
Traffic Calming	\$310,000	\$1,010,000
Sign Programs	100,000	350,000
Sidewalk Programs	1,675,000	1,790,000
Street Maintenance / Resurfacing	500,000	850,000
Total	\$2,585,000	\$4,000,000

Transportation funding for neighborhood projects increases 55%. While the traffic calming program is relatively new it has generated an extremely high level of interest from neighborhood residents and associations. Traffic calming devices can vary depending upon the situation. The solution could be sidewalks, signage, speed tables, cul de sacs, etc. The FY04 funding will help the department make significant progress on their sign maintenance backlog. The Neighborhood Sidewalk Program contains an extensive list of candidate locations that give neighborhood groups the opportunity to help prioritize new sidewalk needs. The increased funding in street maintenance and resurfacing will help the department to catch up on these programs. In addition to this capital funding, another \$200,000 in operating funds has been provided to accelerate the school crossing sign replacement program and the signs and markings inventory.

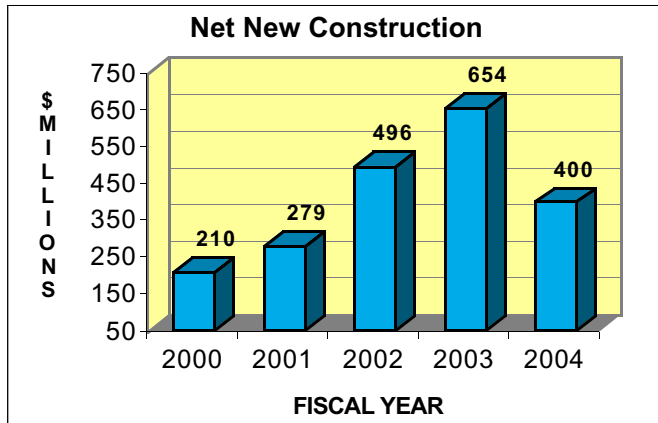
Tax Operating Funds Revenues/Ad Valorem Taxes



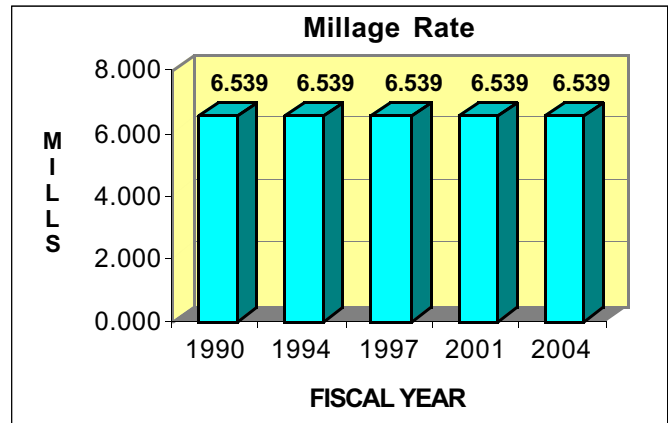
Above: Taxable property values within the City have increased 8.1% from the FY03 Budget to the FY04 Budget.

Left: For FY04 Property Taxes are \$113 million and represent only 32% of total Tax Operating Funds revenue.

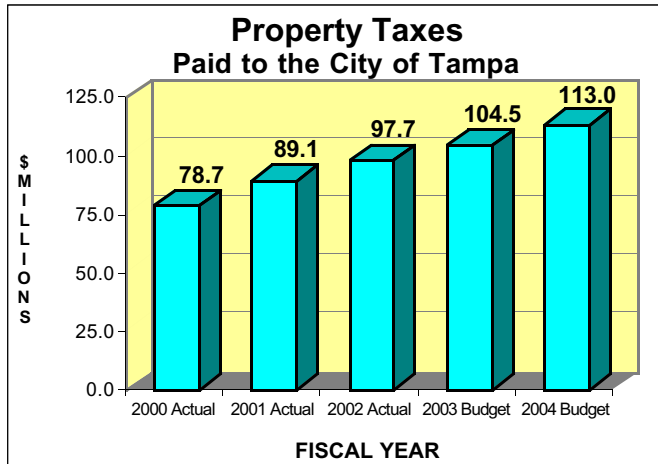
Tax Operating Funds Revenues/Ad Valorem Taxes (continued)



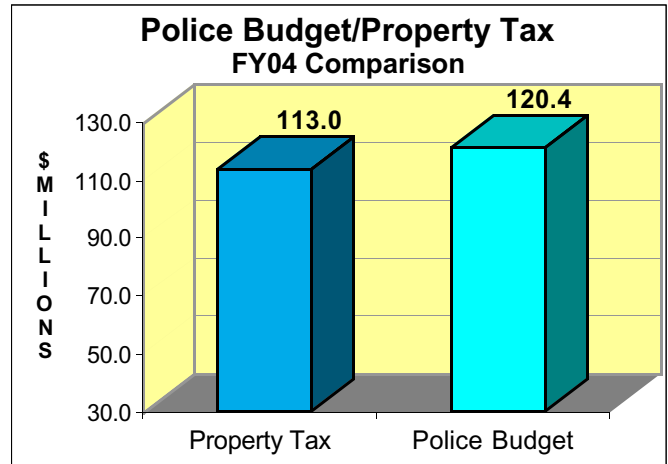
Newly constructed properties, placed on the tax rolls for the first time in FY04, make up \$400 million of the \$18.3 billion tax roll, a 38.8% decline from the FY03 level, reflecting slowed growth in commercial and residential construction.



The property tax remains at 6.539 mills, the same rate used for the last 15 years, mainly due to overall economic growth and continued efforts to contain costs through budget control measures.



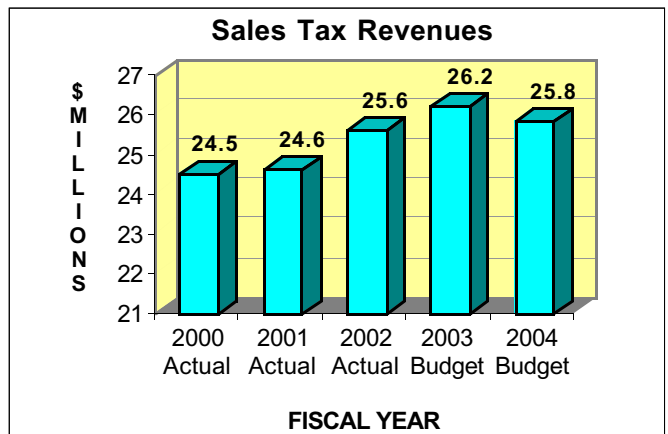
In FY04 estimated ad valorem taxes to be collected by the City will total \$113 million. The net \$8.5 million increase over the FY03 Budget resulted from changes in property valuation, addition of previously untaxed property to the tax rolls and a reserve of \$0.7 million for potentially uncollectable revenue due to pending litigation.



Again in FY04, the cost of police services and support alone exceeds property tax revenue.

Sales Tax

The FY04 Sales Tax estimate is \$25.8 million, 1.5% lower than the \$26.2 million budgeted for FY03. This is primarily attributable to recent Florida legislative changes (House Bill 113-A and Senate Bill 12-A) reducing the percentage of state sales taxes transferred to the Local Government Half-Cent Sales Tax Program distributed to municipalities. A corresponding increase in Municipal Revenue Sharing distributions is intended to make the legislation revenue neutral. 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 FY04 franchise fees, utility and communication services taxes are expected to decrease 2.4% from the FY03 budget level. Increases totaling \$2.9 million for electric and water franchise fees and utility taxes have been offset by the decline of communication services taxes of \$4.8 million. Franchise fee rates are 4.6% on electric and 5% on gas services. Utility services for electricity, water and gas are taxed at 10%.

Franchise Fees, Utility and Communications Services Taxes
(Millions)

	FY03 Budget	FY03 Projection	FY04 Budget
Electric Franchise Fee	\$ 18.7	\$ 19.9	\$ 20.2
Electric Utility Taxes	25.0	25.9	26.3
Communications Services Tax	31.6	28.4	26.8
Water Utility Taxes	2.6	2.6	2.7
Gas Franchise Fees	0.5	0.5	0.5
Gas Utility Taxes	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
Total	<u>\$ 79.1</u>	<u>\$ 78.0</u>	<u>\$ 77.2</u>

City Government Reorganization

Extensive reorganization by the new administration in the second half of FY03 was implemented to better serve neighborhoods. This was accomplished by creating several new departments, combining departments, creating one new fund and renaming certain departments. The City's new organization chart is shown at the front of this book.

- An Administrator for Neighborhood Services oversees the Parks and Recreation, Code Enforcement, Neighborhood Relations and Community Affairs Departments. Assessments will be performed in Tampa's neighborhoods to determine their individual needs.
- The Recreation Department and the Parks Department have been combined to form the Parks and Recreation Department. The physical and fiscal merger will occur in the next fiscal year. This was done to improve efficiencies of locations and combine manpower to provide enhanced programs and projects. In the near future the Parks Department's Administration Division will move to 1420 Tampa Street where the Recreation Department's Administration currently resides.

- Business and Community Services was renamed Business and Housing Development to reflect the department's revised focus on neighborhood investment and community redevelopment.
- The Code Enforcement Division, removed from Business and Housing Development (formerly Business and Community Services), became a separate General Fund department. This department will respond to complaints as well as patrol neighborhoods and cite offenders.
- An Economic Development Administrator oversees Arts and Cultural Affairs, Convention Center and Tourism, Urban Planning, Minority Business Development and Business and Housing Development.
- Employee Relations and the Personnel divisions have been merged to create a separate Human Resources Department.
- The Office of Planning and Management has combined with the Management Information Systems (MIS) Department to form the Strategic Planning and Technology Department.
- A separate Stormwater Fund has been created. This department will be partially funded by the proposed Stormwater charge to be used for City-wide storm drainage improvements.
- The Department of Sanitary Sewers was renamed the Wastewater Department.

Several new appointments and strategically added positions are also an important component of the Mayor's commitment to invest in neighborhoods. More in-depth explanations will appear in the Highlights and Departmental Summaries sections for departments where these additions have occurred.

Personnel Authorizations

In FY04 the City of Tampa will provide the necessary municipal services to the citizens of Tampa with 4,873 authorized full-time equivalent positions, a net increase of 79 from the October 2002 level. The City began FY03 with 4,794 authorized positions. A net increase of twelve positions changed the personnel count to 4,806 during FY03. Of the eight positions added to the Police Department, five Communication Technician positions were added to enhance the Tampa Police Department's Communication Center staff. In addition, three Crime Analyst positions were added to allow assignment of a Crime Analyst in each patrol district. The following three newly created positions were also added: a Creative

Budget Highlights

Industries Manager to establish the City as a cultural destination; an East Tampa Development and Community Lending Manager to lead the revitalization efforts in that section of the city; and, a Director of Communications.

Highlights of the 67 net additional staffing for FY04 are outlined as follows:

- The Parks and Recreation Department added 32 positions relating to new construction and the rehabilitation of community centers and ballfields. A special grounds maintenance crew of four was added to focus on the Central Business District to cover the recent additions of the third phase of Cotanchobee Ft. Brooke Park, Ribbon of Green and Museum Park.
- Five Code Enforcement Officers were added to the new Code Enforcement Department to assist with the department's mission change from reactive to proactive enforcement.
- Neighborhood Relations increased their staff by one assistant. This position will improve responsiveness when residents call, write or visit the Neighborhood and Community Relations Office.
- A position was added to the City Clerk's Department. This position will assist with the increase in Code Enforcement Board cases in conjunction with the additional Code Enforcement Officers.
- The Department of Public Works added four positions. One position will provide maintenance of City owned streetlights, relieving the sign personnel who replace neighborhood signs; and three positions are for special events.
- Strategic Planning and Technology added four Application Analysts for Website payment processing and to provide additional support for public safety applications such as emergency management and homeland security.

- The Police Department received five new police officers. Two officers are for the Weed and Seed program in Sulphur Springs and one officer is to help communities develop youth programs. The final two officers are for the Crime Prevention through Environmental Design program, which does projects such as the new streetlight upgrade program and better engineering for safer parks and recreation facilities.
- Seven firefighters are being added in the Fire Rescue's engine and aerial companies of high volume areas. Three positions will be eliminated as part of the department's reorganization strategy. A Medical Records Specialist has been added to organize and process firefighters' medical information.
- Solid Waste will receive an application systems analyst to support the new solid waste operating and routing system.
- The Water Department increased staffing by adding two equipment mechanics needed to maintain the South Tampa Area Reclaimed (STAR) project's backflow meters required by the State of Florida Department of Environmental Protection (DEP) regulations. Two more Security Officers were added to enhance the department's ability to protect the Morris Bridge and David L. Tippen water treatment plants.
- The Utility Accounting Department increased their staff by one water meter reader to handle the 15 years of growth in bi-monthly meter reading.

