
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 January, departments consider strategic and city-wide goals, and develop service delivery objectives for use in building the budget for the coming year. Then amounts of funding or threshold budgets for each department are determined. Thresholds 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 threshold amount. The resulting budgets are reviewed and requests for additional funding are considered. The Recommended Annual 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.

November - December	Initial revenue and expense estimates are prepared and reviewed.
January - March	Service delivery objectives are developed and funding levels are determined.
April	Threshold budgets are finalized and allocated to each department.
May	Departments prepare budgets within threshold 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.

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

City-Wide Goals

Strategic Focus Areas

The City of Tampa strategic planning process is the cornerstone for the city's delivery of services and operations. Before we can allocate our available resources, we must first understand the needs of our community and develop a vision for our future. By looking ahead and determining our needs, we establish a vision for what level of service we will provide, along with an understanding of what resources will be necessary to provide them. The City of Tampa will concentrate efforts into the following five strategic focus areas to transform the City of Tampa into a diverse and progressive city - celebrated as the most desirable place to live, learn, work and play.

- Investing in Neighborhoods:
Advance the quality of life in Tampa's neighborhoods, by delivering consistent, quality services, maintaining their health, safety, and appearance, and instilling community pride.
- Economic Development in Our Most Challenged Areas-Using East Tampa as a Model: Transform East Tampa into a community of vibrant residential, business, recreational, social and cultural life through the implementation of a strategic, neighborhood asset focused economic development model that can be replicated in other challenged areas within the City of Tampa.
- Creating a Downtown Residential Community: By 2010, our downtown will have a safe, pedestrian oriented neighborhood of 2,000

residential units serving a broad mix of incomes and providing homes to all individuals and families.

- Efficient City Government focused on Customer Service:
The City of Tampa will become a model of government efficiency and effectiveness, delivering the highest quality of services at the best possible value, while providing outstanding customer service in all areas of operations.
- Tampa as a City of the Arts:
Tampa will be a place that celebrates the works of artists, writers and performers; providing opportunities for residents and visitors of all ages to enjoy and be enriched by a wide array of creative pursuits.

The five strategic focus areas are major goals of this administration. By coordinating the strategic planning and budget development processes, city-wide goals and department goals are combined, allowing us to deliver the best quality and highest level of services. In addition, needs for changes in the level of services we provide are evaluated and prioritized based on their impact as we work to achieve our goals

Management and Budget Goals

The city's ongoing budget and management goals for FY05 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.
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Budget Highlights

- 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.

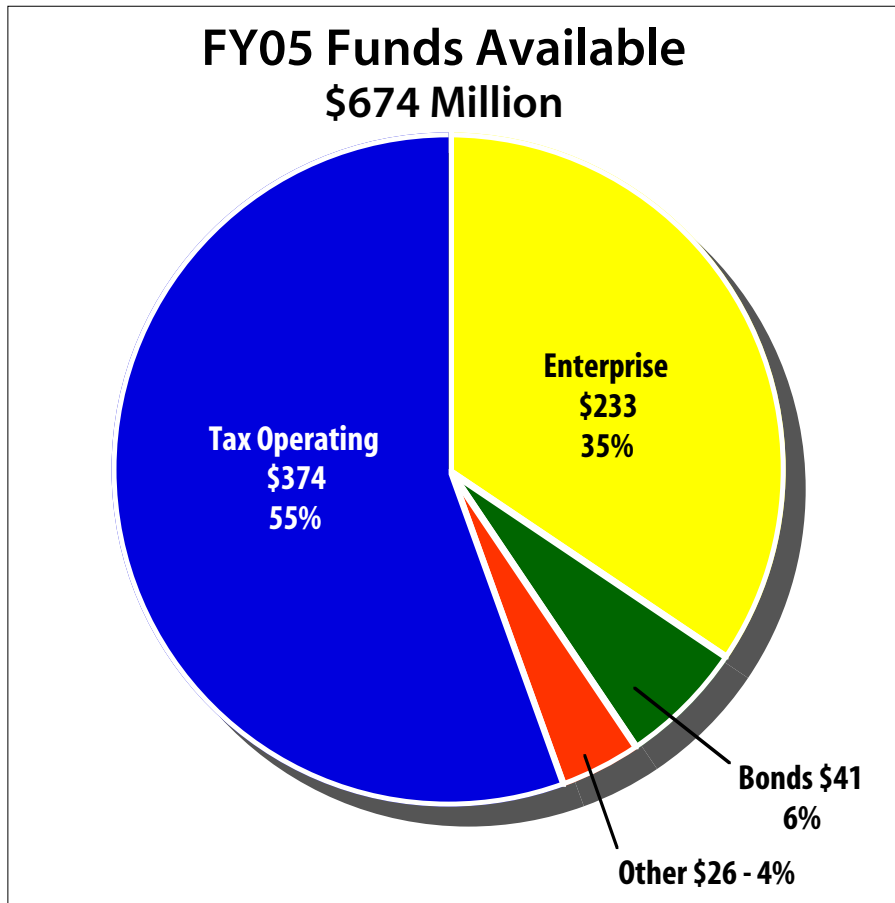
Community

- 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.

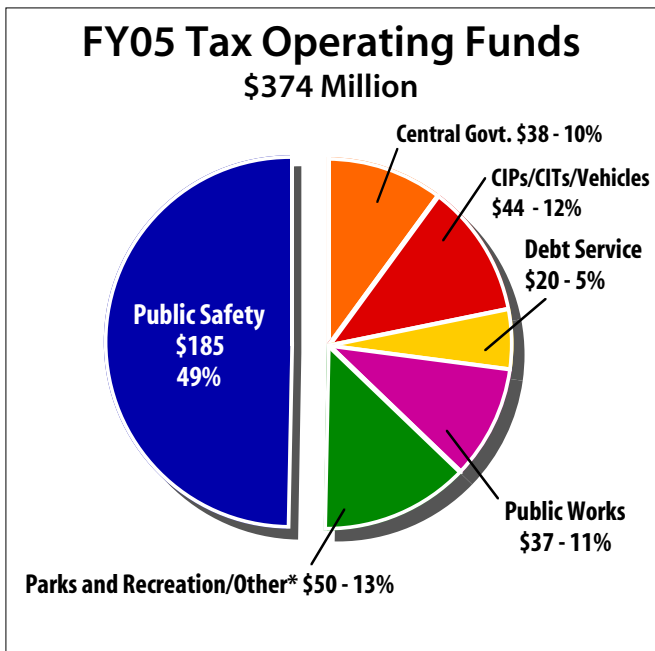
Intergovernmental

- 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.
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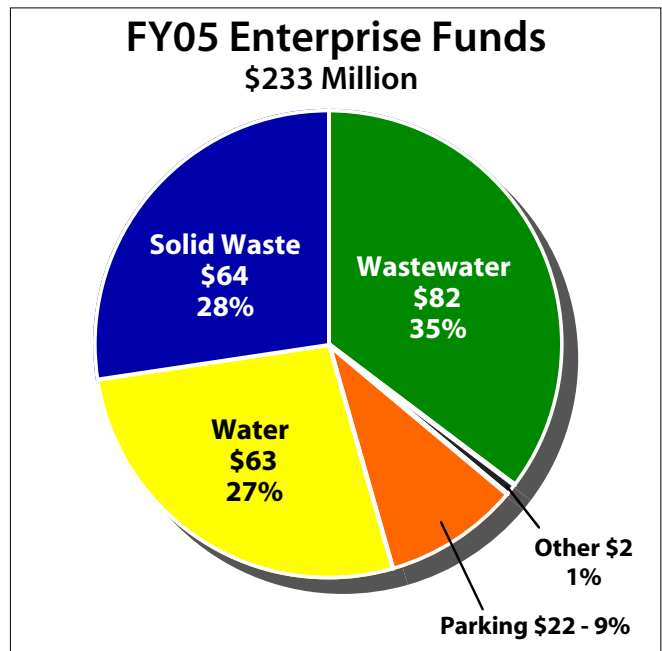
The FY05 Budget



Total funds available in FY05 are \$674 million.



The Tax Operating funds total \$374 million with nearly 50% allocated to public safety.



Expenditures for enterprise funds total \$233 million with the largest portion going to wastewater.

Comparing FY04 and FY05

Funds available in FY05 total \$673.8 million. Of this, \$632.8 million is being appropriated in this document for the various Tax Operating, Enterprise, Internal Service and Grant funds. The additional \$41 million available are Bond/State Loan funds.

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

	Total Funds Available (Millions)	
	FY04 Budget	FY05 Budget
Tax Operating Funds	\$ 358.4	\$ 374.3
Internal Service Funds	9.1	10.3
Enterprise Funds	225.4	232.9
Grant Funds	14.7	15.3
Total Being		
Appropriated	\$ 607.6	\$ 632.8
Bond/State Loan		
Funds Available	38.7	41.0
Grand Total	\$ 646.3	\$ 673.8

The total city budget is increasing in FY05 by 4.3% or \$27.5 million, from \$646.3 to \$673.8 million. This reflects an overall \$25.2 million increase in the Tax Operating, Internal Service, Enterprise, and Grant funds, while Bond/State Loan funds available increased by \$2.3 million over the FY04 budget.

Tax Operating funds are growing by 4.4% or \$15.9 million in FY05, from \$358.4 to \$374.3 million. The General fund is increasing by \$16.6 million, representing a 6.0% increase over the FY04 budget. Primary factors contributing to this increase include: annual salary adjustments; rising pension and health insurance costs; new positions to implement the city's Investing in Neighborhoods strategic initiatives; and higher oil prices and their cumulative effect on various operating costs such as electricity, fuel, materials

and supplies. A comparison of the FY04 and FY05 Tax Operating funds budgets is as follows:

	Tax Operating Funds (Millions)	
	FY04 Budget	FY05 Budget
General Fund	\$ 277.8	\$ 294.4
Utility Tax Funds	19.8	17.4
Community Investment Tax Fund	10.3	11.8
Stormwater Fund	10.4	12.4
Gas Tax Fund	7.3	8.7
Transportation Impact Fee Fund	5.9	6.6
Cable Communication Fund	2.4	2.8
Debt Service	24.5	20.2
Total	\$ 358.4	\$ 374.3

For FY05, Enterprise funds appropriations are increasing by 3.3% or \$7.5 million over the FY04 budget and reflects the results of department reorganizations and efforts to contain costs. Operating increases in the Wastewater (\$3.2 million), Water (\$4.5 million) and Marina (\$0.1 million) funds were partially offset by a \$0.3 million cost saving in the Solid Waste fund.

	Enterprise Funds (Millions)	
	FY04 Budget	FY05 Budget
Wastewater Fund	\$ 78.7	\$ 81.9
Water Fund	58.8	63.3
Utility Services Fund	0.9	0.9
Solid Waste Fund	64.2	63.9
Parking Fund	22.3	22.3
Marina Fund	0.5	0.6
Total	\$ 225.4	\$ 232.9

City-wide Construction Programs

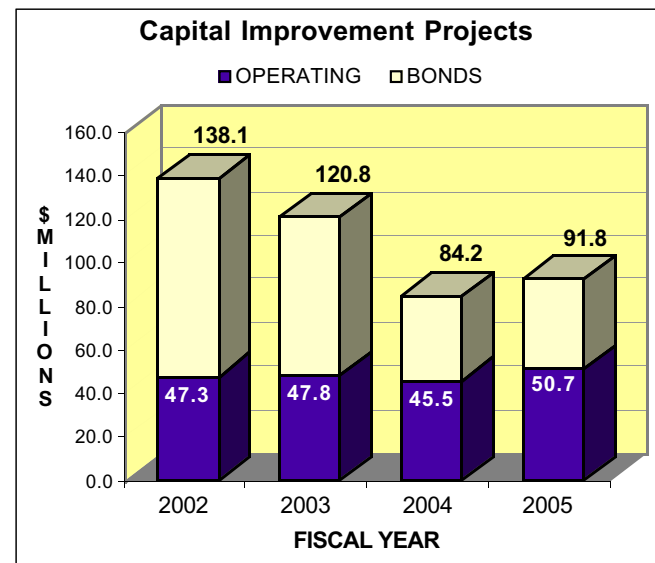
In FY05, the Capital Improvement Program (CIP) will be \$91.8 million, a \$7.6 million increase over FY04. Bonds/State Loan account for \$2.4 million and operating funded projects account for \$5.2 million of the increase, which resulted from designing or constructing the following projects:

- Community Investment Tax Bond Fund-2001A- reduced \$3.6 million due mainly to awarding the Cuscaden Pool renovation and Ribbon of Green projects in FY04.
- Utility Tax Improvement Bonds - reduced \$3.2 million due to the construction of the Marjorie Park Marina during FY04.
- Water Bond/State Loan reduced \$.7 million due to South Tampa Area Reclaimed water expenditures.
- Water Construction - \$5.1 million for security improvements and conversion to less hazardous chemicals.

The remaining \$5.2 million increase includes a number of increases and decreases in the remaining funds. Some of these changes include:

- Utility Tax - decreased \$2.1 million due to the completion of the HVAC and roofing projects at the police headquarters.
- Enterprise Funds - increased \$2.6 million. This increase is primarily due to additional capital projects funding to address the aging infrastructure.
- Community Investment Taxes - increased \$1.3 million for fire station and police headquarters facility improvements and various parks and recreation playgrounds and centers improvements.
- Local Option Gas Taxes and Impact Fees - increased \$2.3 million for various transportation improvement projects.
- Community Development Block Grant - increased \$1 million for District III police headquarters and various parks and recreation playgrounds and centers improvements.

Funding Sources (Millions)	FY04	FY05
	Utility Tax	\$ 8.4
Community Development Block Grant	1.0	2.0
Stormwater	3.8	3.9
Community Investment Tax- FY97-01	1.8	1.9
Community Investment Tax- FY02-06	4.0	5.2
Community Investment Tax Bond-2001A	28.7	25.1
Cable Communications		.1
Local Option Gas Tax	6.8	8.4
Local Option Gas Tax FY99 Bond	1.5	1.1
Transportation ImpactFee	5.9	6.6
Enterprise Funds	13.7	16.3
Utilities Tax Improvement Bonds	6.5	3.3
Wastewater State Loan		5.2
Water Bond/State Loan	2.0	1.3
Water Construction		5.1
Fleet Maintenance	.1	
Total	\$ 84.2	\$ 91.8



Investing in Tampa-Neighborhood Projects

Significant funding increases for transportation projects and parks and recreation facilities were identified in FY04 with still further increases included in this year's program. The FY04 Investing in Tampa Neighborhoods budget was increased approximately 47% over FY03 and with this year's budget a further increase of approximately 11% over FY04.

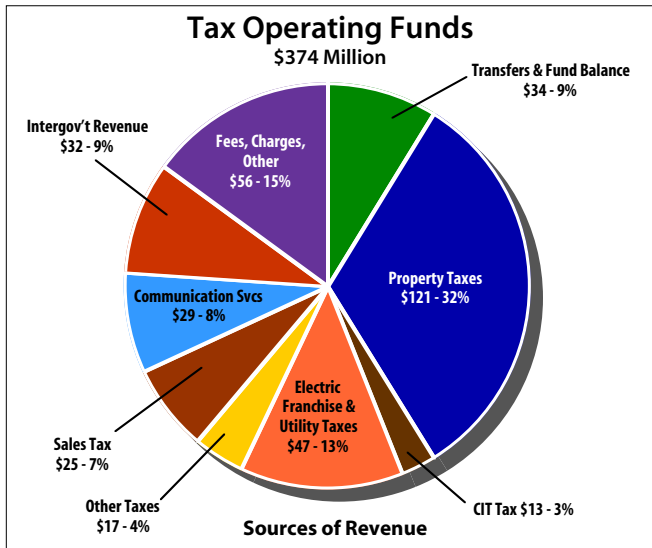
	<u>FY04</u>	<u>FY05</u>
Transportation	\$4,200,000	\$4,885,449
Parks and Recreation	<u>2,680,000</u>	<u>2,765,000</u>
Total	<u><u>\$6,880,000</u></u>	<u><u>\$7,650,449</u></u>

The transportation program for neighborhood projects in FY04 increased 55% and will see another increase of approximately 16% (\$685,449) in FY05. This level of funding allows for continuing roadway improvements for street resurfacing, new and reconstructed sidewalks, sign replacements and traffic calming. Up until FY04 the public works department's backlog for street resurfacing and signage replacements continued to grow. The FY04 and FY05 programs have turned this around and these backlogs are being reduced. As a note, the sign replacement program includes upgrading and replacing all school signs and markings over a three-year period. There are 97 public schools in the City of Tampa. The Neighborhood Sidewalk Program contains an extensive list of candidate locations that give neighborhood groups the opportunity to help

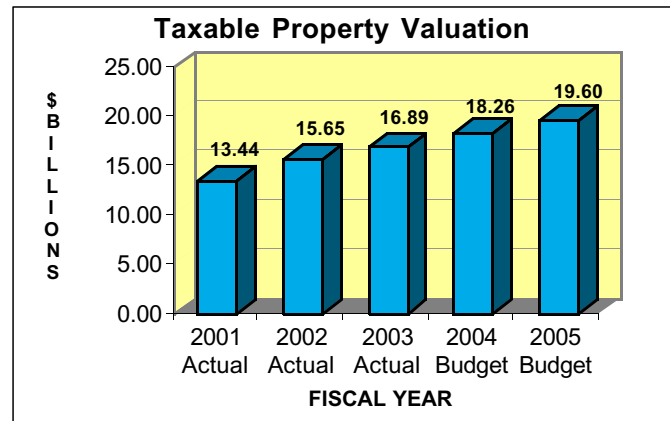
prioritize new sidewalk needs. The traffic calming program has generated an extremely high level of interest from neighborhood residents and associations. Traffic calming devices vary depending upon the situation. The solution could be sidewalks, signage, speed tables, cul-de-sacs, etc. Also included in the transportation program is over \$1 million for neighborhood roadway enhancements on North 22nd Street, Lake Avenue, and Nebraska Avenue.

The parks and recreation program increases by 3.2% over FY04. This program includes \$1 million from Community Investment Taxes for improvements of varying magnitude for 21 parks throughout the city. These include improvements, additions and upgrades of such items as security lighting, installing grills, benches, drinking fountains, new signage, and rubberized play surfaces, and court renovations. An additional \$1 million from Community Investment Taxes for recreation facility improvements at the American Legion Playground (add covered patio, renovate restroom), Fair Oaks Playground (cover basketball court), Freedman Tennis Complex (court irrigation system), and Riverfront Park (cover basketball court, soccer field sod and irrigation, resurface basketball courts) is funded. For the seventh year, funds are provided to continue to plant 1,000 trees annually (\$140,000) plus \$25,000 is funded for trees in East Tampa. Ancillary, playground equipment and fall surfaces replacements are budgeted at \$400,000.

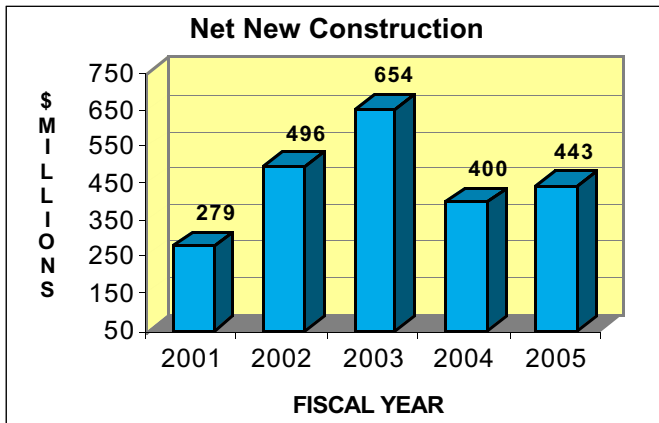
Tax Operating Funds Revenues/Property Taxes



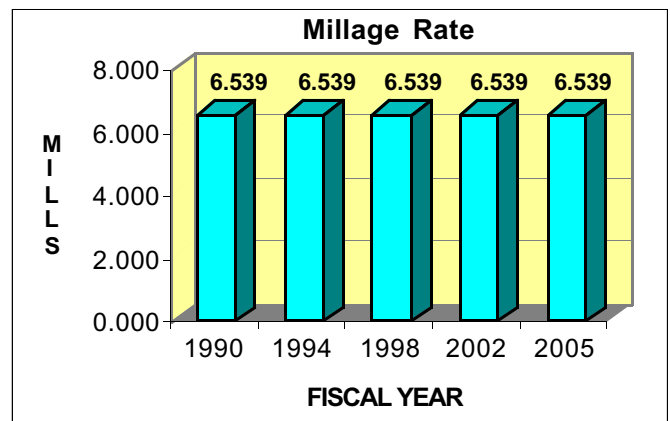
For FY05 property taxes are \$121.5 million and represent only 32% of total tax operating funds revenue.



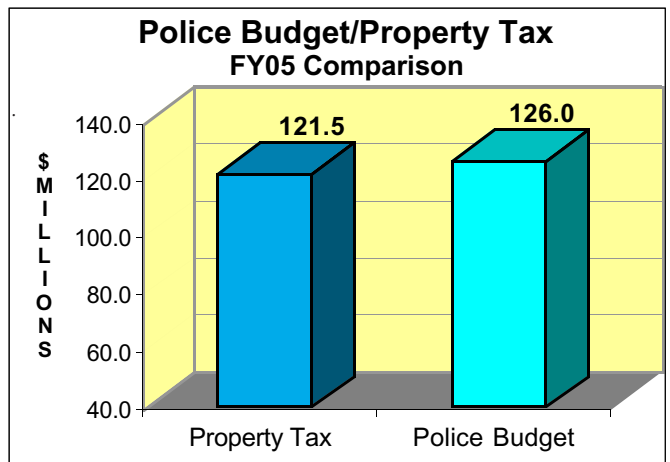
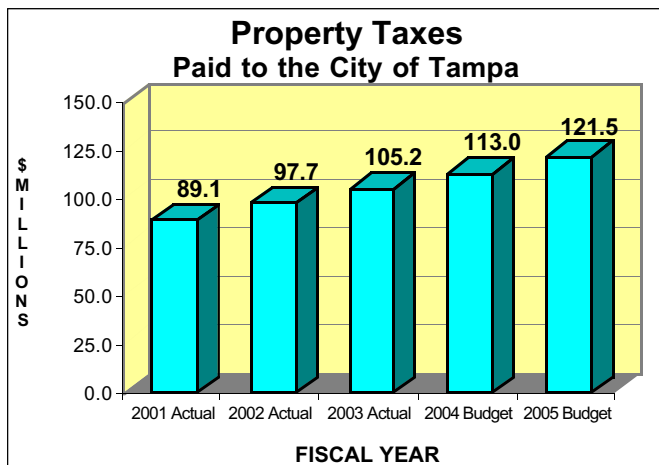
Taxable property values within the city have increased 7.3% from FY04 to FY05.



Newly constructed properties, placed on the tax rolls for the first time in FY05, make up \$443 million of the \$19.6 billion tax roll, a 11% increase over the FY04 level, reflecting steady growth in new commercial and residential construction.



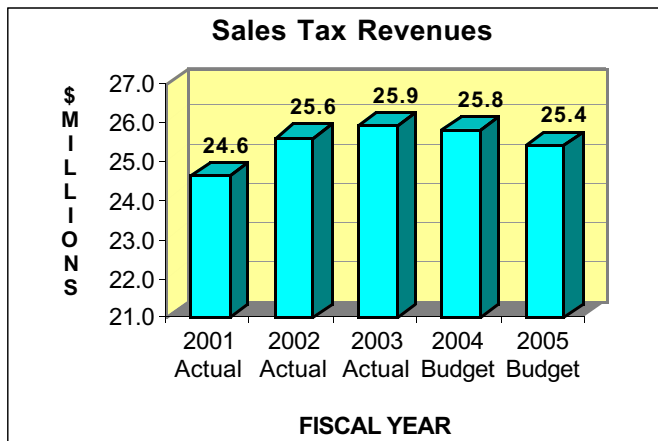
The property tax millage remains at 6.539 mills, the same rate used for the last 16 years, mainly due to overall economic growth and continued efforts to contain costs through budget control measures.



Left: The net \$8.5 million increase over the FY04 budget resulted from changes in property valuation, addition of previously untaxed property to the tax rolls and a reserve of \$0.6 million for potentially uncollectable revenue due to pending litigation. Above: As is prior years, the cost of police services and support alone, exceeds property tax revenues.

Sales Tax

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. The FY05 sales tax estimate is \$25.4 million, 1.6% lower than the \$25.8 million budgeted for FY04. The FY05 estimate represents implementation of 2003 and 2004 state legislation reducing the municipalities' Local Government Half-Cent Sales Tax program distribution rate to assist funding the state judicial court system. Effective July 1, 2004, the city started receiving 8.814% of eligible taxable sales within Hillsborough County, down from the previous rate of 9.653%. See Related Financial Information section for further discussion.



Other Taxes and Fees

Franchise fee rates are 4.6% on electric and 5% on gas services. Utility services for electricity, water and gas are taxed at 10%. FY05 franchise fees, utility and communications services taxes are anticipated to increase approximately 4.7% or \$3.6 million over the FY04 budget level. A local communications services tax of 5.22% is charged on all telephone, telegram and cable services and is collected and administered by the Florida Department of Revenue. Communication services taxes are expected to increase by \$2.0 million in

FY05 from the FY04 budget. See Related Financial Information section for further discussion.

Franchise Fees, Utility and Communications Services Taxes (Millions)

	FY04 Budget	FY04 Projection	FY05 Budget
Electric Franchise Fees	\$ 20.2	\$ 20.8	\$ 21.2
Electric Utility Taxes	26.3	25.5	26.2
Communications Services Tax	26.8	28.7	28.8
Water Utility Taxes	2.7	2.9	3.0
Gas Franchise Fees	0.5	0.7	0.7
Gas Utility Taxes	0.7	0.8	0.9
Total	\$77.2	\$ 79.4	\$ 80.8

Personnel Authorizations

Reorganizations occurred throughout FY04 continuing this administration's commitment to improve public service. The primary reorganizations were the merging of the Parks and Recreation Departments and establishing an Urban Development Department.

Parks and recreation had a net reduction of ten positions during FY04. Eight positions were deleted as a result of the merging of the two departments. The remaining two positions were deleted to fund a contract with the Mayor's Beautification Program to take over the adopt-a-median program. The establishment of the new urban development department was achieved by transferring various positions in Business and Housing Development and adding two positions. The increased number of Code Enforcement Officers and a significant increase in cases has resulted in the need to add four administrative positions to this department. City Council, after re-addressing the need for its own City Council Attorney, added one position. In order to reduce

Budget Highlights

our commitments to outside law firms, the Legal/City Attorney Department added an additional attorney and support position. A Public Works and the Utility Services Administrator position was created, along with an administrative support position to oversee this very large area of municipal government services. Additional authorizations and adjustments were approved in various departments to provide further improvements in services provided to our citizens.

In FY05, the City of Tampa will provide the necessary municipal services to the citizens of Tampa with 4,935 authorized full-time equivalent (FTE) positions. Highlights of the staffing additions for FY05 are outlined as follows:

- The Parks and Recreation Department will increase by 47 full and part-time positions. A majority of these positions are needed to staff the soon to open new Cuscaden Pool, playground and center, Hunt Community Center, Highland Pines playground and center and to enhance the Police Athletic League's programs. The city will continue a summer reading program for children with the help of teacher interns. Neighborhood Environmental Action Team members were added to maintain medians and rights-of-way.
- The Urban Development Department, charged with the redevelopment and revitalization of some of Tampa's most challenged areas will add a position.
- Five additional building inspectors were required in order to reduce permitting turn-around time and meet the demand of new environmental requirements.
- The City Clerk will add a position to manage the electronic records management system.
- For a second year, seven more firefighters are being added to staff engine and aerial companies in high incident areas. A grants writer and

accreditation officer has been approved as well as an administrative position for the airport staff.

- Due to legislative and judicial changes, increased redevelopment agencies and ethic code requirements, the Legal/City Attorney Department will add a paralegal.
- Eight positions will be added to the police department. One School Resource Officer; 2 positions were needed for increased crime investigation and analysis; 2 civilian positions were established in order to re-deploy police officers to police duty; and 3 additional administrative positions for the new District III.
- A part-time Disability Rights Coordinator was approved for Community Relations, a division of Neighborhood Services Department to administer the Mayor's Alliance for Persons with Disabilities program and enforcement of the city's Human Rights Ordinance for the Americans with Disabilities Act.
- The Convention Center reduced four positions in order to better utilize the funds for temporary labor which can be used as business at the Convention Center dictates.
- The Public Works Department's Building Maintenance Division was approved for three positions to meet the needs required for new city facilities.
- Stormwater will increase by eight positions to address an inventory and assessment program, a truck crew and improve customer service.

