



PAM IORIO  
MAYOR

August 7, 2008

The Honorable Tom Scott and  
Members of Tampa City Council

Dear Chairman Scott and Members of Tampa City Council:

I am pleased to present for your consideration the Recommended Annual Budget for the City of Tampa for the fiscal year beginning October 1, 2008 and ending September 30, 2009.

This year's budget theme is "Commitment to Progress." Despite shrinking property tax revenue and a sluggish economy, we believe that the city should aggressively repair, maintain and improve its infrastructure. It is also important to maintain high levels of public safety and basic core services that the public depends upon.

The budget for FY09 totals \$836 million. This represents a 9.8% increase from the FY08 level of \$761 million, mainly due to an increase in enterprise and bond funds available primarily for infrastructure improvements. Our Tax Operating Funds, the operational part of city government that includes property taxes, grew by less than 2%.

Over the past two years, due to the 2007 Legislative session which required a rollback of the millage rate, and the 2008 impact of the voter approved Amendment 1 that generally doubled the size of the homestead exemption, the City of Tampa has seen recurring property tax revenues decrease by approximately \$28 million. Economic problems across the state and country, particularly in the real estate market, have caused stress on other revenue sources such as sales taxes. Rapidly increasing gas prices have strained the average person's budget as well as the city's budget.

The City of Tampa has adopted a long-term strategy to address these challenges. The issues we face are not peculiar to this fiscal year, but rather, reflect a changing reality for local governments. Our prospects for increased revenue are unlikely, and rising energy costs are part of global market forces and national energy policies that have no quick fixes.

The foundation of this budget and future budgets is based on guiding principles. They include:

- Protect those key services that the public depends upon.
- Look for better ways of doing business.
- Continue to make progress – move our city forward in capital infrastructure improvements and other investments that continue to make life better for our residents.
- Preserve our reserves so that the city remains financially healthy.
- Strategically shrink the size of city government.

#### Continued Progress and Capital Investments

This year's budget reflects the following new investments:

- In FY09, the Investing in Neighborhoods program will increase 15.5%. This program, which provides for street resurfacing, sidewalks, signage and traffic calming, is now funded at \$7.45 million, almost three times higher than the FY03 level of \$2.6 million.
- In June, Tampa Fire Rescue applied for a U.S. Department of Homeland Security Staffing for Adequate Fire and Emergency Response (SAFER) grant to fund up to 36 additional firefighter positions. If awarded, the additional positions will help Tampa achieve and maintain staffing goals per the National Fire Protection Association guidelines and help staff the two additional fire rescue stations for the north Tampa area. The first year's match of over \$210,000 is included in this budget.
- The city plans to acquire ownership of the Tampa Theatre lobby and two adjacent ground level spaces in order to eliminate existing lease payments. The estimated \$2 million purchase will help protect the future of one of our most historic buildings. The Tampa Theatre Foundation is assisting with the acquisition by paying various closing costs.
- Over \$2.1 million will go to replace the exterior windows at historic City Hall that are exhibiting visible deterioration.
- Over \$19 million will go to replace 20,500 feet of deteriorating pipe as part of the 12th Street wastewater force main project.
- The Water Department is embarking on nearly \$150 million worth of projects ranging from the expansion of the water pipeline replacement program, improving the distribution systems, providing minimum flows to the lower Hillsborough River, expanding the reclaimed water program and beginning construction on a major pipeline project to improve service to Downtown and South Tampa.
- Continue progress on Stormwater's five-year capital improvement program with an investment of up to \$42 million during the coming year.
- Continue the Community Investment Tax (CIT) programs third five-year program and bond projects such as the Seminole Garden Center, Springhill Park Community Center, Cotanchobee Fort Brooke Park-Heroes Plaza, and the Ballast Point Pier and Boat Ramp. We will also design and start construction on a new fire station to serve New Tampa.

## Reducing the Size of City Government

Over the past two fiscal years we have decreased our workforce by 382 positions. During this same period Tampa's population has continued to grow, while our workforce has decreased by 7.6%. Given the outlook for future revenues, we will carry on with strategic cutbacks in areas where we believe the public will be minimally affected. We have minimized our reductions in filled positions, but where we have eliminated a filled position we have given each employee 90 days notice and have offered assistance with finding other employment. Some people think that if a vacant position has been eliminated it really does not have much of an effect on a department. Nothing could be further from reality. A funded position is a position the department needs in order to fulfill its mission and a temporary vacancy in that position does not diminish its worth.

We are also addressing the rate of pay increases. The firefighters' contract currently under negotiation calls for the elimination of their merit/step increase plan, which has allowed for large increases depending on seniority. We hope that our proposal for a 3% cost of living and a 3.5% merit increase will be implemented and will set the tone for future negotiations with both the Amalgamated Transit Union (ATU) and Police Benevolent Association (PBA).

Our Efficiency and Effectiveness Task Force, comprised of employees throughout various departments, continues to look at how we can bring about savings. Their work is on-going and over time will bring about lower operational costs. The task force has identified and implemented ways to save money by doing business more efficiently while retaining the high quality of services citizens expect. An example of an improved process that has brought in additional revenue is the promotion of "online auctions." Additional savings are being realized from the Police Department's internal efficiency and effectiveness task force. Areas reviewed included records management where advancements in technology and processes reduced data entry workloads, courier redundancies and associated operating costs.

Our Police Department has made internal reductions in the way they do business, but street level operations that serve the public have not been affected. Their continual success in bringing down our crime rate is a key factor in a positive quality of life.

Many times when cutbacks are necessary, the arts and cultural monies are the first to be cut. I do not believe in this approach. We are committed to being a City of the Arts and our investment in the arts is returned over and over again in economic development activity and a better quality of life. We have not reduced the subsidies we give to the many art and cultural organizations that enrich the lives of so many in our community.

We have also had few if any reductions in other areas that help the city maintain high standards for our citizens such as Code Enforcement, Clean City and Public Works. We have made strategic cuts to Parks and Recreation but they will have minimal impact to our citizens.

I want to make a point about our employees. Though resources have shrunk in almost every department, the employees have risen to the challenge of continuing to provide quality services. When the public calls, they answer. When City Council makes requests, they respond. They do this with a sense of mission and commitment. It is not easy to accomplish this when all around you important positions are being eliminated and operational dollars are being reduced. It would be easy for employees to do less but that is not their attitude.

The upcoming Super Bowl is a case in point. On February 1, 2009 Tampa will host Super Bowl XLIII. Although the event is six months away, considerable planning is taking place to ensure that the event is successful. Our employees in many different departments are doing considerably more work in addition to their current duties. And all departments are doing it with fewer employees than they had two years ago. And yet, their commitment to excellence is apparent.

As we discuss the budget in the coming weeks, I hope you will always keep in mind the remarkable job our employees are doing throughout every department during these difficult times of reduction.

So today I present to you a budget that reflects our commitment to continued progress. We know that times are tough. We know that means we have to step up for the public we serve – make cuts that protect their quality of life – make investments that continue to allow Tampa to be one of the best cities in America.

Sincerely,

A handwritten signature in cursive script that reads "Pam Iorio".

Pam Iorio