Smarter investments for tomorrow’s Tampa

City of Tampa
Recommended Annual Budget for Fiscal Year 2015

Bob Buckhorn
Mayor
OVERVIEW

• BUDGET HIGHLIGHTS
• LEGACY OF THE RECESSION
• FY2015 RECOMMENDED BUDGET SUMMARY
• SMARTER INVESTMENTS FOR TOMORROW’S TAMPA
• FY2015 RECOMMENDED BUDGET OVERVIEW
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• ENTERPRISE DEPARTMENT BUDGET
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THE CITY OF TAMPA

- “America’s 50 Best Cities” – *Bloomberg Businessweek*
- “8th Best City for Millennials” – *Forbes*
- “2nd Best City for Young Entrepreneurs” – *Forbes*
- “Top 10 for Job Growth” – *Business Insiders*
- “7th Best City for Veterans to Find Jobs” – *USAA*
- “Tampa is one of the most affordable cities in the country” – *Forbes*
- “One of the best American Cities to do business in” – *Forbes*
- “#4 Most Affordable City in the U.S. for Young Urban Professionals” – *Locality.com*
- “Among the Florida metros, Tampa is performing among the best, if not the best.” – *Brookings*
BUDGET HIGHLIGHTS
15th INTERNATIONAL INDIAN FILM ACADEMY AWARDS

- Tampa was the first American city to host the International Indian Film Academy (IIFA) Awards in April 2014
- Four-day event commenced in Curtis Hixon Park and ended with the awards at Raymond James Stadium
- Approximately 30,000 visitors
- $19.9 million in direct spending
- $26.4 million in total spending
**BUDGET HIGHLIGHTS**

**ECONOMIC DEVELOPMENT**

- **Building Permits**
  - 10% increase in commercial permits from FY2013 Actuals to FY2014 Projections
  - 10% increase in residential permits from FY2013 Actuals to FY2014 Projections

- **Home Starts** *
  - Tampa Bay Area 6,443 single family starts – 1st Quarter
  - 73% projected annual increase in single family home starts from 2014 to 2015

- **Population Growth** *
  - Tampa-St. Petersburg-Clearwater expected to average 1.2% annually

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*Source: Institute for Economic Competitiveness, College of Business Administration, University of Central Florida Florida & Metro Forecast 2014-2017, March 2014 Report*
LE MÉRIDIEN TAMPA HOTEL

- Transforms the century-old historic federal courthouse, recognized by the National Register of Historic Places, into a 130 room boutique hotel
- $25 million private investment into our City
- Bizou Brasserie - French bistro & bar
- Longitude Bar
- Outdoor dining
- Over 4,000 sq. ft. meeting space including 2,200 sq. ft. ballroom
- Art gallery showcasing some of Tampa’s finest regional artists
BUDGET HIGHLIGHTS
ECONOMIC DEVELOPMENT

• Pierhouse at Channelside – 360-unit multi-family project in Channelside with 4,800 feet of retail space; completed September 2013

• The Manor – 300-unit “condo-ready” multifamily residential tower on Harbour Island from the Related Group

• Residences at the Riverwalk – 35-story high riverfront art deco apartment tower near Curtis Hixon Waterfront Park, the Tampa Museum of Art and the David A. Straz Jr. Center for the Performing Arts.
  – Proposed as a joint venture between the Intown and Framework Group.
  – 620-space parking garage
  – 10,000 square feet of first-floor shops and restaurants
  – The project cost is estimated at $88 million.
  – Scheduled to begin construction mid 2015.

• The Martin at Meridian – 316-unit apartment tower in Channelside

• SkyHouse – 26 story development in downtown Tampa with completion expected early 2015 from Atlanta's Novare Group
• Redevelopment of Water Works Park on Tampa Heights Riverfront
• Ulele Restaurant
• Stage pavilion and open festival lawn for special events
• Splash pad, playground, picnic shelters, dog run, and river overlook
• Extension of Riverwalk through park
• Restoration of Ulele Spring with $0.5 million in grant funding from SWFWMD
• Total investment of $8.5 million
• **Kennedy Boulevard Plaza Segment**
  – Crown jewel of the Riverwalk featuring 1,460-foot over-water walkway, four shaded gathering areas
  – Links MacDill Park to Curtis Hixon Waterfront Park providing 1.8 miles of continuous Riverwalk
  – Expected completion date: January 2015

• **Doyle Carlton Segment**
  – 2,050-foot connector links the Straz Center with the newly opened Water Works Park
  – Completes the Riverwalk providing a total 2.4 miles
  – Construction expected to begin late 2014
  – Expected completion date: November 2015
• The goal is to create a genuinely diverse and economically integrated community over the next 10 years
• Focus on a 120-acre area bounded by Rome Avenue, Columbus Drive, the Hillsborough River, and Interstate-275
• Reconnects the streets and blocks to each other
• Strong ties with public education and community services
• Focus on linkages along the Hillsborough River to emergent activities south of I-275 in North Hyde Park to the waters of Tampa Bay
• More than 1,600 new residential units with a variety of housing styles and affordability
BUDGET HIGHLIGHTS
WEST RIVER TRAIL

• Renovation and expansion of an existing recreational trail from Cass Street to Columbus Drive
• Approximately one-mile trail along the west bank of the Hillsborough River
• Includes exercise and play stations along the trail
• Eventually, the trail will extend from Bayshore Boulevard to Columbus Drive
• Segments of the trail will eventually traverse the University of Tampa and Julian B. Lane Riverfront Park
**BUDGET HIGHLIGHTS**

**NEIGHBORHOOD ENHANCEMENT**

- **Code Enforcement**
  - Aggressive approach with flagrant code violators
  - More civil citations issued; 85% compliance within 21 days
  - Five Solid Waste employees trained to issue citations
  - Additional front end loader to remove heavy debris

- **Operation W.I.N.**
  - Clean-up effort the third Saturday of each month
  - Focus to maintain alleys, remove illegal dumping and clean up abandoned properties

- **Neighborhood University**
  - Identify and develop next generation of Tampa's civic and community leaders
  - Cultivating leadership skills
  - Experience City of Tampa administration
• Nehemiah Project
  – Revitalize Sulphur Springs community
  – 92 structures legally qualified for demolition
  – 47 structures demolished, to date
  – 11 new homes constructed
  – Dedicated code enforcement crews assigned to neighborhood - facilitate continued revitalization
  – 193 tons of debris removed in past year
  – Crime rate down 20%
LEGACY OF THE RECESSION

• **Staff reductions since 2008 – 713 positions**
  – Rebalancing staff within government
  – FY2015 reduction of 1 position while increasing Construction Services Center staffing by 7 positions

• **Deferred public safety vehicle replacement**
  – $4 million for Police vehicles
  – $1.1 million for fire apparatus
  – Significant backlog remains

• **Deferred infrastructure needs**
  – Stormwater
  – Repaving roadways
FY2015 RECOMMENDED BALANCED OPERATING BUDGET

Projected FY2015 Operating Budget Shortfall $ (6.3)

Solutions
Reduced Required Pension Contributions $ 4.3
Downtown CRA Loan Repayment 1.0
Departmental Reductions 1.0
Total Solutions $ 6.3
Balanced FY2015 Operating Budget - $0 -

Structurally Balanced Operating Budget
$1.3 Million Contribution Back to Reserves
FY2015 RECOMMENDED BALANCED BUDGET

FUND BALANCE

- FY2015 Contribution to Reserves - $1.3 million
- FY2015 Fund Balance $94.8 million; 25% of General Fund / Utilities Services Tax expenditures
SMARTER INVESTMENTS FOR TOMORROW’S TAMPA

• Why Now?
  – Low interest rate environment
  – Reasonable construction cost
  – Positive economic outlook
  – Low debt burden

• Address long-term needs
  – Long-term commitment to address the City’s stormwater issues
  – Short-term solution on roadway infrastructure
  – Aging buildings
43rd Street Regional Outfall Drainage Improvements

- Multi-year project to address extensive flooding within the 1,150 acre drainage basin in East Tampa
- Project boundaries include: Hillsborough Avenue, Adamo Drive, 50th Street, and 40th Street
- Provides for construction and upsizing of undersized drainage conveyance systems
- Property acquisition and construction of a regional stormwater pond
- Total project cost: $28.2 million
- FY2015 Budget: $5.4 million
  - City’s Share - $2.9 million
  - SWFWMD cooperative funding - $2.5 million
- Construction expected to begin in FY2015
• Upper Peninsula Regional Drainage Improvements
  – Multi-year project to address extensive flooding affecting over 1,000 acres
  – Improve conveyance of stormwater and improve the quality of discharged stormwater
  – Project boundaries include: northern portion of the South Tampa Peninsula to include the Vasconia, Palma Ceia, Beach Park, and Hyde Park neighborhoods; along Dale Mabry Highway at Henderson Boulevard, Watrous Avenue, and Neptune Street
  – Total project cost: $28.6 million
  – FY2015 Budget: $5.4 million
    – City’s Share - $2.9 million
    – SWFWMD cooperative funding - $2.5 million
  – Construction expected to begin in FY2015
• **Drew Park**
  
  – Stormwater improvements – flood relief
  – Bike lanes
  – Sidewalk construction
  – Decorative pedestrian lights
  – High-efficiency street lights
  – Decorative and striped crosswalks
  – Tree planting and landscaping
SMARTER INVESTMENTS FOR TOMORROW’S TAMPA

• **Watrous Canal Rehabilitation**
  – Replacement of portions of seawall
  – Improvements to culverts (Ferncroft and Westshore)
  – Increase conveyance of storm flows from drainage basin
  – Estimated cost: $4.1 million
  – Improved conveyance system serves as outfall for new stormwater system planned for FY2016 to relieve flooding on Dale Mabry Highway between Henderson Boulevard and Neptune Street (Upper Peninsula Phase II)
  – Construction expected to begin in mid FY2015

• **Kensington Avenue Stormwater Project**
  – Construct underdrain system
  – Replacement of roadway, sidewalk, driveway aprons
  – Upgrade sewer lines
  – Estimated cost: $800,000
  – Construction expected to begin in FY2015
• **Marjory Avenue Stormwater Project**
  – Standing water, poor stormwater runoff on roadway
  – Improve stormwater runoff conveyance
  – Regrade, replace, resurface roadway
  – Replace sidewalks & driveway aprons
  – Estimated cost: $600,000
  – Construction expected to begin in FY2015

• **Edison Avenue Stormwater Project**
  – Algae growth, trees killed
  – Construct underdrain system
  – Estimated cost: $600,000
  – Construction expected to begin in FY2015
SMARTER INVESTMENTS FOR TOMORROW’S TAMPA

Stormwater Capital Projects Funding


$ Millions

7.3 15.5 21.1 18.0 18.0 18.0 17.8
SMARTER INVESTMENTS FOR TOMORROW’S TAMPA

• Old City Hall
  – Centennial in 2015
  – Multi-year refurbishment of Old City Hall to include the following:
    • Exterior envelope sealing
    • Plumbing
    • HVAC
    • Electrical
  – Estimated cost: $16.6 million
SMARTER INVESTMENTS FOR TOMORROW’S TAMPA

- **Cuscaden Pool**
  - Receipt of study May 2014
  - Design/permitting in FY2015 - Estimated cost: $300,000
  - Construction expected to begin in FY2016
  - Estimated cost: $1.5 million
  - Neighborhood engagement

- **Dog Park Upgrades**
  - Shared cost with community partners
SMARTER INVESTMENTS FOR TOMORROW’S TAMPA

• Perry Harvey, Sr. Park
  – Major redevelopment of the park incorporating cultural heritage
  – Musical themed entrance statue, interactive water feature
  – New skate park including replica of existing skate bowl, multipurpose space for events and activities
  – History walk along Central Avenue, ‘Leader’s row’ celebrating prominent community leaders

• Julian B. Lane Riverfront Park
  – Redevelopment of the 23-acre park on the west bank of the Hillsborough River
  – Neighborhood engagement
  – Master Plan due September 2014
  – Design in FY2015
  – Construction in FY2016
• **Bike Share Program**
  – Will launch in approximately one month
  – 30 rental locations provide over 300 bikes to Ybor City, the Channel District, downtown, Davis Islands and Hyde Park
  – The rental sites will predominantly be on public property — the City’s only contribution to the program

• **Bike-Pedestrian Program**
  – Doubled number of bike lanes over the past 3 years
  – Completed Walk-Bike Projects (over 44 miles)
  – Planned Walk-Bike Projects (over 17 miles)

• **Sidewalks**
  – Sidewalk construction, $2.1 million
  – Includes complete streets projects
    – Cypress Street Shared Use Path
    – Palm Avenue
SMARTER INVESTMENTS FOR TOMORROW’S TAMPA

• **Major Road Projects**
  – East Cass Street and East Tyler Street Two-way Conversion
  – Cleveland Street Roadway Improvements
  – Advanced Traffic Management System (ATMS)
  – Armenia Avenue Improvements
  – Cypress Street Road Widening
  – Intersection Improvements

• **Street Resurfacing**
  – $4 million one-year expansion of the City’s resurfacing program that will total $12.2 million in FY2015
  – Provides for additional 21 lanes miles, for a total of 63 miles, of roads to be repaved
SMARTER INVESTMENTS FOR TOMORROW’S TAMPA

Investing in Neighborhoods

Fiscal Year

Millions

2003 $2.6
2004 $4.2
2005 $4.9
2006 $5.5
2007 $6.2
2008 $6.4
2009 $7.5
2010 $8.8
2011 $10.0
2012 $12.4
2013 $15.1
2014 $15.5
2015 $18.7
SMARTER INVESTMENTS FOR TOMORROW’S TAMPA

- $18.7 million in FY2015
- $125.7 million from FY2015 – FY2019
- Approximately $117.8 million dedicated to program since FY2003

### FY2015 Investing in Neighborhoods by Program Initiative

<table>
<thead>
<tr>
<th>Program Initiative</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Complete Streets</td>
<td>$436,000</td>
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<tr>
<td>Neighborhood Projects</td>
<td>670,000</td>
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<tr>
<td>Parks Facilities Expansion</td>
<td>2,300,000</td>
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<tr>
<td>Sidewalk Construction</td>
<td>948,000</td>
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<tr>
<td>Stormwater</td>
<td>2,000,000</td>
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<tr>
<td>Street Resurfacing</td>
<td>12,200,000</td>
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<tr>
<td>Transportation Signage</td>
<td>150,000</td>
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<td><strong>Total</strong></td>
<td><strong>$18,704,000</strong></td>
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FY2015 RECOMMENDED BUDGET
ALL FUNDS

FY2015 Net Budget All Funds
($876.2 million)

General Fund
$363.3
41.5%

Fiduciary
$4.8
0.5%

Grants
$8.0
0.9%

Internal Service
$20.0
2.3%

Debt Svc.
$36.9
4.2%

Other Govt.
$102.0
11.6%

Enterprise
$339.0
38.7%

Utilities
Services Tax
$0.2
0.1%

Construction
$2.0
0.2%
FY2015 RECOMMENDED BUDGET
PROPERTY TAXES

Millage Rate

<table>
<thead>
<tr>
<th>Years</th>
<th>Mills</th>
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<tbody>
<tr>
<td>FY2007</td>
<td>6.4080</td>
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<tr>
<td>FY2008</td>
<td>5.7326</td>
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<td>FY2009</td>
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<td>FY2011</td>
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<td>5.7326</td>
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<tr>
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<tr>
<td>FY2014</td>
<td>5.7326</td>
</tr>
<tr>
<td>FY2015</td>
<td>5.7326</td>
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FY2015 RECOMMENDED BUDGET
GENERAL FUND REVENUES

Property Taxes (Compared to FY2007)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Property Taxes Received</td>
<td>166.2</td>
<td>163.6</td>
<td>160.0</td>
<td>139.4</td>
<td>122.0</td>
<td>119.4</td>
<td>117.4</td>
<td>123.5</td>
<td>132.2</td>
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<tr>
<td>Property Taxes Lost Compared to FY2007</td>
<td>2.6</td>
<td>6.2</td>
<td>26.8</td>
<td>44.2</td>
<td>46.8</td>
<td>48.8</td>
<td>42.7</td>
<td>34.0</td>
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</table>
FY2015 RECOMMENDED BUDGET
GENERAL FUND EXPENDITURES

FY2015 General Fund Expenditures
($363.3 million)

- Public Safety: $227.2 million (62%)
- Central Govt: $45.8 million (13%)
- Parks & Rec: $45.6 million (13%)
- Public Work: $20.0 million (5%)
- Economic Dev: $24.7 million (7%)
FY2015 RECOMMENDED BUDGET
PERSONNEL

- Retaining Our Valued Employees:
  - Step/merit pay increase for all employees
  - Negotiated pay increase for all employees
  - Net reduction of 5 positions
General Employees Pension
City of Tampa Annual Required Contribution

- **Pension year:** 1 Jan – 31 Dec
- **Funded ratio:** 99.5%
- **City Annual Required Contribution:** 100%
FY2015 RECOMMENDED BUDGET
PENSIONS

Fire & Police Employees Pension
City of Tampa Annual Required Contribution

Pension year: 1 Oct – 30 Sept
Funded ratio: 93.7%
City Annual Required Contribution: 100%
FY2015 RECOMMENDED BUDGET
HEALTHCARE COSTS

Annual Healthcare Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Cost (City employees &amp; retirees)</th>
<th>Annual Cost (if no changes had been made)</th>
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</thead>
<tbody>
<tr>
<td>CY2011</td>
<td>40.3</td>
<td>41.7</td>
</tr>
<tr>
<td>CY2012</td>
<td>43.2</td>
<td>46.5</td>
</tr>
<tr>
<td>CY2013</td>
<td>48.1</td>
<td>51.1</td>
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<tr>
<td>CY2014 Projected</td>
<td>50.0</td>
<td>56.2</td>
</tr>
<tr>
<td>CY2015 Projected</td>
<td>53.7</td>
<td>62.4</td>
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# MEDICAL TREND RATES

<table>
<thead>
<tr>
<th>Local Jurisdiction</th>
<th>Medical Trend</th>
<th>% Premium Increase (next fiscal year)</th>
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<tbody>
<tr>
<td>City of Tampa</td>
<td>8.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td>City of St. Petersburg</td>
<td>8.2%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Hillsborough County</td>
<td>9.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Palm Beach County</td>
<td>9.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>City of Lakeland</td>
<td>9.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>District School Board of Pasco County</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
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</table>

Source: Florida Department of Insurance Regulation
PROPERTY TAXES COMPARED TO FIRE AND POLICE

- **Property Taxes**: $132.2
- **Police/Fire Expenses**: $217.7
  - **Fire**: $74.5
  - **Police**: $143.2

$ Millions
## Capital Improvement Program

**FY2015 - FY2019 Summary**

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Convention Center</td>
<td>$5,500,000</td>
</tr>
<tr>
<td>Facilities Management</td>
<td>22,000,000</td>
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<tr>
<td>Parking</td>
<td>1,950,000</td>
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<tr>
<td>Parks &amp; Recreation</td>
<td>17,025,000</td>
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<tr>
<td>Solid Waste</td>
<td>6,074,560</td>
</tr>
<tr>
<td>Stormwater</td>
<td>92,915,740</td>
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<tr>
<td>Technology &amp; Innovation</td>
<td>550,000</td>
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<tr>
<td>Transportation</td>
<td>83,172,747</td>
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<tr>
<td>Wastewater</td>
<td>110,337,300</td>
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<tr>
<td>Water</td>
<td>125,821,684</td>
</tr>
<tr>
<td>Other Projects</td>
<td>3,165,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$468,512,031</strong></td>
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</tbody>
</table>
Major projects include:
- Edison Avenue Stormwater
- Marjory Avenue Stormwater
- Kensington Avenue Stormwater
- Hyde Park Dog Park
- West Gandy Boulevard Intersection
- Moveable Bridge Improvements
- Cleveland Street Roadway Improvements
- Bayshore Boulevard Upgrades
- Bayshore Beautiful Distribution Line
- Bayshore Gardens Distribution Line
- Rome Avenue Relocation Design
Major projects include:

- 43rd Street Outfall
- Cypress Street Outfall
- 30th Street Outfall
- Perry Harvey, Sr. Park Improvements
- Julian B. Lane Riverfront Park
- West River Trail North Boulevard/Columbus
- Cuscaden Pool Renovation
- Laurel Street Bridge
- Moveable Bridge Improvements
- Sidewalks –including Palm Avenue, 12th Street, Giddens Avenue, 25th Street, and 15th Street
- D. L. Tippin Water Plant Upgrades
- Tyler-Cass Pipe Ext/St Conversion
- Rome Avenue Relocation
- Convention Center Escalator/Elevator Upgrades
Major projects include:

- Peninsula Regional Drainage
- Watrous Canal Rehabilitation
- Neptune Lagoon Stormwater
- Armenia Avenue Improvements
- Cypress Street Road Widening
- Sidewalks including North Rome Avenue, Lois Avenue, Matanzas Avenue, and Azeele Street
- Cypress Street Shared Use Path
- Rome Pump Station Rehabilitation
- Hanna Pump Station Rehabilitation
- Dazzo Pump Station Rehabilitation
- Louisiana Pump Station Rehabilitation
- Airport Pump Station Design
Major projects include:
- Greco Sports Complex
- New Tampa Community Dog Park Upgrades
- North Tampa Pressure Enhancements
- Annie Street Sidewalk
- Linebaugh Avenue Sidewalk
- 22nd Street Sidewalk
FY2015 RECOMMENDED BUDGET
ENTERPRISE DEPARTMENTS

FY2015 Enterprise Funds
($338.9 million)

- Wastewater
  - $123.5
  - 36%
- Water
  - $121.4
  - 36%
- Parking
  - $13.8
  - 4%
- Solid Waste
  - $80.2
  - 24%
Fitch Ratings upgraded Tampa Water, Sewer Bonds on July 10, 2014

- From ‘AA+’ to ‘AAA’
- Second rating increase in 3 years

Fitch Ratings comments

- “….liquidity is strong despite judicious pay-as-you-go capital funding,“
- Existing water and wastewater systems are “in a state of good repair.”
- “Tampa remains the economic anchor for the region with a diverse and improving employment base.”
- Unemployment rate in area dropped from 8.6% in April 2012 to 5.9% in April 2014
SMARTER INVESTMENTS FOR TOMORROW’S TAMPA

• Balanced budget supports 3 primary goals:
  – Changing Tampa’s Economic DNA;
  – Continuing to empower our neighborhoods; and
  – Keeping our streets safe.

• Strong Fund Balance
  – Exceeds 20% Policy contributing $1.3 million to reserves

• Investing in our infrastructure

• Retaining our employees
FY2015 BUDGET CALENDAR

- Non-Ad Valorem Public Hearing August 28, 2014

- Budget Public Hearings
  - Preliminary September 4, 2014
  - Final Adoption September 17, 2014