



# City of Tallahassee, Florida

## A Report to Our Citizens

Fiscal Year 2010  
with selected 2011 information

### Mission

The mission of the City of Tallahassee is to provide excellent services and facilities to support a high quality of life for our community.

### Vision

Tallahassee, Florida, a city which remembers its past while focusing on the future - a vibrant capital city: fostering a strong sense of community, cherishing our beautiful natural environment, and ensuring economic opportunities for all our citizens.

### Organizational Values

1. Customer service is our business.
2. Demonstrate leadership and personal responsibility.
3. Promote and support employee excellence.
4. Practice teamwork.

### Strategic Priorities

The city commission establishes annual goals and target issues. Target issues are priorities identified to improve services to citizens.

### 2011 Target Issues:

**Economic Development** - to create and expand economic opportunities by encouraging investment and development, creating and sustaining jobs, increasing the tax base, and improving the quality of life in the community

**Environmental and Energy Resources** - to demonstrate leadership in environmental stewardship and sustainable practices

**Health and Human Services** - to support the delivery of essential human services to area residents and to promote the overall health and well being of the community

**Financial Viability** - to continually review and assess the City's five-year financial and strategic plans and to focus on utilities, debt financing, and refining programs to achieve efficiencies

**Long Range Planning** - to enhance community standards and propose solutions for managing growth and planning for future development



### City Organization and Operation

The City of Tallahassee is organized and operates under a council/manager form of government. The four city commissioners and an elected mayor who serves in a leadership capacity provide policy direction and lead efforts to address strategic priorities and target issues. The city commission appoints the city manager, city attorney, city treasurer-clerk, and city auditor. Collectively, the appointed officials are responsible for all administrative aspects of the government, with most of the administrative and operational functions falling under the purview of the city manager.

General government services include police protection, parks and recreation, public works, code enforcement, and animal control services. The city also provides services that are business in nature. For example, the city owns and operates electric, gas, and water utilities, and provides sewage collection, stormwater and flood control, fire, solid waste and recycling services. The city also owns and operates the Tallahassee Regional Airport, StarMetro transit system, and Hilaman and Jake Gaither golf courses.

The city general fund and business type funds have a 2011 operating budget of \$136 million and \$591 million, respectively. Revenues for the general fund come from franchise fees, licenses, fines, intergovernmental revenues, an annual transfer from utilities, and property taxes. Revenues from business type funds come primarily from utilities.

In 2010, property taxes generated \$35.1 million, or 26%, of total city general fund needs. To place the amount of property taxes received by the city into perspective, if a citizen with a \$200,000 home and a \$50,000 homestead exemption paid \$3,280.59 in property taxes, the city would receive \$566.10, only 17.3%. The remainder of the property taxes would go to Leon County (38.9%), School Board (43.6%), and the Water Management District (0.2%).

Demographics Information	2008	2009	2010
Population (Tallahassee, only incorporated city within Leon County)	177,852	177,879	178,923
Median family income	\$59,991	\$59,991	\$54,236
Median age	26.9	27.2	27.2
Average price of single family home	\$190,500	\$176,400	\$169,300
Number of full-time employees	2,931	2,849	2,841
Unemployment rate	5.4%	7.7%	7.8%



Additional information is available at <http://www.talgov.com>

Photo courtesy of Visit Tallahassee

# What have we done with your money?

## Target Issue Progress

Selected City Performance Measures		
	FY 2009 Actual <sup>1</sup>	FY 2010 Actual <sup>2</sup>
<b>POLICE</b>		
Priority one average response time	5.28 min	6.50 min
Priority two average response time	7.84 min	9.90 min
Total calls for service	139,641	151,324
<b>FIRE</b>		
Fire and EMS calls with travel times < 6 minutes—rural	61.15%	58.40%
Fire and EMS calls with travel times < 4 minutes—urban	60.29%	57.10%
Rural incidences	4,869	4,894
Urban incidences	16,201	16,342
<b>AVIATION</b>		
Deplaned passengers	365,195	341,352
Enplaned passengers	369,958	343,735
Persons using airport terminal facility	1.47 million	1.37 million
<b>STARMETRO TRANSIT SYSTEM</b>		
Passenger trips carried	3.85 million	4.79 million
Basic system cost per passenger	\$2.61	\$2.31
Basic system revenue per passenger	\$1.41	\$0.84
Dial-A-Ride cost per passenger	\$15.31	\$26.56
Dial-A-Ride revenue per passenger	\$2.37	\$2.35
<b>PARKS AND RECREATION</b>		
Percentage of expenditures recovered through user fees and charges	26.4%	25.6%
<b>BUILDING INSPECTION</b>		
Building inspections performed	65,554	44,656
New 1 & 2 family building permits processed	243	214
New multi-family dwelling units processed	295	45

### Economic Development Target Issue—Efforts to Create and Expand Economic Opportunities

- \$43 million is budgeted for Gaines Street Revitalization and FAMU Way with \$26.4 million spent so far. New construction includes water and sewer lines, sidewalks, streetscape, and landscaping. Gaines Street roadway completion is expected in late 2011.
- The Tallahassee Regional Airport is developing a master plan and long-term strategy to promote its 1,200 acres as a prime location for commercial development and high skill jobs.
- The Community Redevelopment Agency (CRA) offered \$8.9 million in gap financing to businesses in the Greater Frenchtown/Southside and Downtown District for building exterior enhancements and retail opportunities. During FY 2010 and into early 2011, these incentives resulted in over \$35.1 million in direct and near-term investments.
- The city and county, assisted by the Economic Development Council (EDC), provided \$234,000 in state-sponsored incentives to five firms with the expectation of over 600 new jobs in the next five years.

### Environmental and Energy Resources Target Issue—Promoting Stewardship and Sustainability

- The Advanced Wastewater Treatment Project is within its \$227 million budget, has created 250 jobs, and awarded over \$132 million in local contracts with \$3.2 million going to MBEs.
- The city's e+ program supports Demand Side Management (DSM) and energy efficiency measures. Two ARRA awards totaling over \$10.6 million will help fund city energy efficiency and Smart Grid efforts.
- A 20-Year Wastewater Collection Master Plan was completed and identified existing and future infrastructure capacity and operational needs.
- Stormwater launched the \$10 million Frenchtown Improvement Project.
- The state recognized the Gas Utility for its growth rate for volume of gas sold. Also, the customer base was expanded with conversion of 14 Leon County school buses to natural gas.
- Efforts continued for a 230 kV transmission expansion on the southwest side to improve reliability.

### Health and Human Services Target Issue—Promoting Health and Well Being

- A \$25,000 grant from the city and county Emergency and Basic Needs Program help fund the Cold Night Shelter Program. Starting December 1, 2010, this shelter program was open over 44 nights, averaging 75 homeless individuals. Numerous community organizations volunteered to support this program.
- The Big Bend Homeless Coalition conducted the Point-in-Time Survey to assess the homeless. The 683 individuals counted on January 25, 2011, were 68% male; 11% children; 19% veterans; and 43% disabled. Annually, an estimated 6,803 people are homeless in the community.
- In FY 2010/11 the Community Human Services Partnership allocated over \$5.1 million and for FY 2011/12 requests total over \$7.6 million. The CHSP was formed 15 years ago by Leon County, the City, and the United Way of the Big Bend to jointly fund and establish a distribution process for local nonprofit agencies.

### Financial Viability Target Issue—Achieving Efficiency

- The 2011 city budget of \$727 million is reflective of the current economic climate and continued commitment to provide quality service to citizens. The property millage rate of 3.7 mills has been the same since 2004.
- Since 2007, the city has eliminated 167 positions. By receiving American Reinvestment and Recovery Act (ARRA) funding, five Tallahassee Police Department officer positions were retained to ensure public safety.
- The city began the process to build up the deficiency fund which had been reduced below the policy level.
- The city received a "clean opinion" on its latest annual financial statement audit.

### Long Range Community Based Planning Target Issue—Managing Growth and Development

- A Temporary Economic Emergency Concurrency Relief Program was adopted. The EDC estimates goods and services produced will be over \$900 million and over 7,500 new jobs.
- The Community Code was adopted and established new standards for the 18 square mile Multimodal District. Improvements include building closer to the street, trees along the sidewalks, and owner use of more acreage for small parcels in urban areas. The Code supports infill development and a more walkable pedestrian and transit oriented environment.
- The Midtown Action Plan was adopted and supports local businesses through community events, district branding, arts and culture, improved parking, and a safer environment for pedestrians, cyclists, and motorists.
- StarMetro reviewed existing bus stops and infrastructure improvement needs to support Nova2010. The scheduled launch date is July 11, 2011.

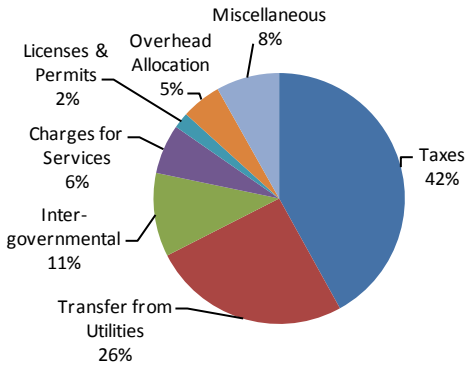
<sup>1</sup> Complete list of city performance measures available in FY 2011 budget.

<sup>2</sup> Complete list of city performance measures available in FY 2012 budget.

# The City's Budget: General Fund and Business Type Funds; Revenues and Expenses

## Sources of Revenue

### GENERAL FUND SOURCES FY11



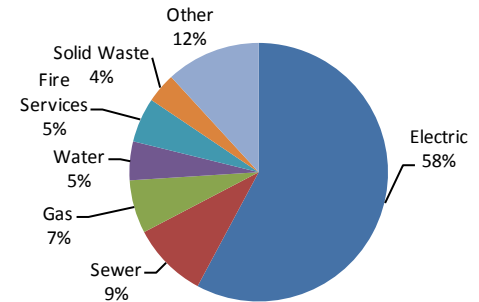
SOURCE	2011 REVENUE
Taxes & Franchise Fees	\$56,925,966
Transfer from Utilities	34,620,031
Intergovernmental	14,630,176
Charges for Services	8,674,311
Licenses & Permits	2,788,993
Overhead Allocation	6,967,664
Other	11,040,582
<b>TOTAL</b>	<b>\$135,647,723</b>

⇒ With total operating revenues of \$727 million, more than \$591 million, or almost 81%, of city revenues comes from business services provided by the city. Business type activities include utilities and are expected to be self-supporting and funded entirely from user fees for services.

⇒ For FY 2011, \$34.6 million is budgeted to be transferred from business fund sources into the general fund. This transfer is necessary because city and county government, state government, and local universities and colleges (which pay for city provided utility services) are exempt from paying property taxes. This transfer helps to offset the loss of property tax revenues.

- ⇒ Number of customers served by city utilities:
- \* Electric: 100,723
  - \* Natural gas: 26,111
  - \* Water system: 75,436
  - \* Sewage collection: 64,382
  - \* Stormwater and flood control: 78,360
  - \* Solid waste and recycling collection: 62,926

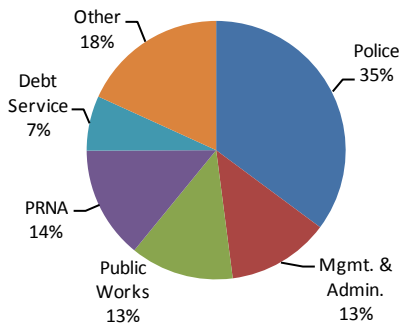
### BUSINESS TYPE FUNDS FY11



SOURCE	2011 REVENUE
Electric	\$341,901,601
Sewer	56,181,653
Gas	39,364,389
Water	28,677,222
Fire Services	33,024,185
Solid Waste	22,140,245
Other	69,933,971
<b>TOTAL</b>	<b>\$591,223,266</b>

## Functional Expenses

### GENERAL FUND USES FY11



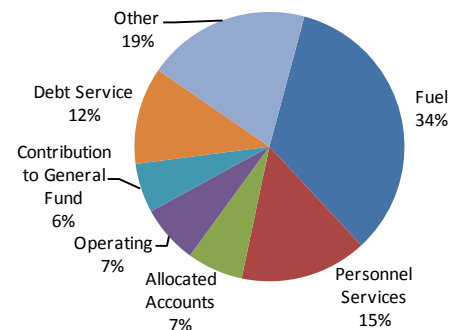
ACTIVITY	2011 EXPENSE
Police	\$47,702,858
Mgmt. & Admin.	17,345,871
Public Works	17,546,949
Parks, Recreation & Neighborhood Affairs	19,061,042
Debt Service	9,310,576
Other	24,680,427
<b>TOTAL</b>	<b>\$135,647,723</b>

⇒ The general fund makes up 18.6% of the total city operating budget and provides traditional government services such as police, parks and recreation, public works, and neighborhood and community services.

⇒ General fund personnel costs (not shown) amount to \$76.7 million (56% of total general fund expenses). A large portion of business fund expenses (\$200 million) is for fuel.

⇒ Not shown on this page is an additional \$207 million budgeted in 2011 for capital improvements and a total of over \$826 million in improvements planned for the next five years. Major improvements for 2011 include: \$17 million for aviation/mass transit, \$9 million for public works, \$37 million for general government, and \$141 million for utilities. A portion of capital projects are funded from the additional one cent sales tax that also funds Blueprint 2000 projects.

### BUSINESS FUND USES FY11



ACTIVITY	2011 EXPENSE
Fuel	\$200,427,663
Personnel Services	89,746,238
Allocated Accounts	39,663,064
Operating	41,362,531
Contribution to General Fund	34,941,951
Debt Service	68,921,999
Other	115,459,626
<b>TOTAL</b>	<b>\$591,223,266</b>

◆ The Office of the City Auditor reviewed information presented on this page and concludes that it is reliable and verifiable.

◆ Complete financial information is available at the city's website, <http://www.talgov.com>.

◆ City Budget, <http://www.talgov.com/dma/budget/fy11/fy11budget.cfm>, External Audit of city financials, <http://www.talgov.com/dma/accounting/annualrpts.cfm>

◆ City Auditor Reports, <http://www.talgov.com/auditing/auditreports.cfm>

◆ We want your input! Do you like this report? What additional information would you like to see included? Please respond to [citizenreport@talgov.com](mailto:citizenreport@talgov.com) or (850) 891-8397.

# What's Next

## Future Challenges and Economic Outlook

**Economic Development and the Economy** While there have been modest improvements in the economy, unemployment continues to be a concern. From March 2010 to March 2011, the state unemployment rate decreased from 11.3% to 11.1% and the Tallahassee rate decreased from 8.2% to 7.8%. Tallahassee has fared better than the rest of the state, but the anticipated loss of 600 local state jobs is a community concern. To promote job creation and diversify, the city is marketing economic incentive programs, such as the state-sponsored Qualified Targeted Industries Program and the Targeted Business Program. The city has also improved the “fast track” development process to reduce project review time and mitigation fees to increase construction activity and jobs. Additional strategies include the revitalization of the Gaines Street corridor and downtown and airport improvements. The city continues to work with FAMU, FSU, and TCC to find opportunities to capitalize on ongoing research and development and to create new businesses, increase job opportunities, and diversify the economic base. While there have been signs of improvement, recovery will be slow.

### **Environmental and Energy Resources**

**Electricity Demand and Cost** To address this issue, i) electric rates have been reduced over 22% since 2008 as a result of improved generating fleet efficiency and reduced natural gas costs; ii) Phase I of the “Smart Grid Program” is nearing completion and will provide improved and expanded service options; and iii) expansion of the DSM plan will provide opportunities for efficient energy use and reduced energy consumption. Notwithstanding, energy strategies are directly affected by fuel cost and having a diversified fuel source. Except for the hydroelectric plant on Lake Talquin that provides 1% of total power needs, the rest of generated electricity comes from natural gas or fuel oil. Because citizens have mandated clean burning natural gas, strategies are reduced when compared to utilities having a diversified fuel portfolio. The city is encouraging customers to use energy efficiently through its e+ program that saves energy, money, and water and is environmentally responsible. The Double Rebate Program has increased customers in the e+ program by encouraging the purchase of high-efficiency Natural Gas and Energy Star appliances. The recent Neighborhood REACH Program provides energy audits, installation of free energy conservation items, information on e+ incentives, and provides assistance to income-based residential customers using a whole-neighborhood, door-to-door delivery strategy.

**Water Quality** Of critical importance to long-term wastewater management is development of environmentally sound and cost-effective alternatives and solutions for disposal of treated effluent, especially with emerging regulatory requirements and standards. A long-range effluent disposal study is underway to evaluate existing facilities and future alternatives. Effluent disposal is as much a part of the treatment process as is the wastewater treatment plant itself. Unfortunately, the city’s options are becoming increasingly limited by environmental, financial and political constraints.

**Supervisory Control and Data Acquisition** The SCADA system monitors and remotely controls portions of the city’s water distribution system and wastewater collection system. Changes in state licensing require city SCADA personnel to obtain a Class-C water plant operator’s license within three years, resulting in increased training and compensation costs. Also, an overhaul of the SCADA system will occur over the next several years to upgrade and improve equipment serving all areas of Underground Utilities.

**Health and Human Services** Proposed federal and state cuts complicate the task of funding the community’s highest priority needs. Community Development Block Grant (CDBG) funding that contributes to the CHSP process is scheduled to be reduced by 16% and many applicant agencies are uncertain about their futures. The increase in demand for social services with steadily decreasing resources threatens every aspect of the social services network. We are challenged to implement the recommendations from the CHSP Needs Assessment and Process Evaluation Report with reduced resources and ever escalating needs.

**Financial Viability** As a result of taking significant actions in 2009-10 to reduce the workforce, employee benefits, and overtime, the city’s financial outlook is somewhat improved for 2011. City priorities continue to be to provide quality services and to be fiscally responsible and accountable. Priorities going forward include incorporating cost containment measures for employee benefits, maintaining infrastructure, and carefully monitoring and developing strategies in response to changes in customer use of utilities and the cost to provide those services. The city is also committed to increasing general fund reserves to an acceptable level. To continue to have a balanced budget, combinations of increases in revenues and/or reductions in expenses will be necessary.

**Long Range Planning** A private sector fast tracking system was initiated in FY 2010 and included customer service enhancements and policy/ordinance changes to streamline the development review process without compromising community standards. Any legislative changes to the growth management legislation will require both Comprehensive Plan policy reconsiderations and Comprehensive Plan amendment procedural changes.

The lack of State Housing Initiatives Partnership Program (SHIP) funding for the past two years has dramatically impacted rehabilitation of owner occupied housing. Programs maintained will be completed using federal funding that requires compliance with a number of additional federal regulations. Federal funding cuts in CDBG (16%) and HOME programs (12%) further reduces funding for affordable housing programs while demand increases. Even with reduced funding there have been noteworthy accomplishments. With state and federal funds received in FY 2009-2010, over 200 low and moderate income households were provided assistance through emergency repair, rehabilitation, down-payment assistance, and homebuyer counseling. Additionally, case management, emergency housing, childcare, healthcare, and transitional and emergency housing support services were provided to over 1,300 households. The impact of proposed reductions are worsened by funding use restrictions. As a result, estimated service level outputs will be reduced by at least 15%, given the proposed reductions.

*The future of downtown Tallahassee...*



**Cascades Park**



**Gaines Street**