



City of Tallahassee, Florida

A Report to Our Citizens

Fiscal Year 2016
with selected 2017 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.

Service Areas

Most City administrative and operational functions fall under the purview of the City Manager and are organized into the following four service areas:

Citizen Services - provides utilities, transportation, aviation, waste management, and public works services to approximately 250,000 residents and businesses each day. In addition, applicable departments are charged with the long-term planning, management, and health of the City's infrastructure, including roads, sidewalks, wastewater plants, electric power plants, and the airport.

Community Engagement and Public Safety - provides police, fire, and parks and recreational services; also, oversees the City's role in the joint City and County Consolidated Dispatch Agency, which provides emergency 911 services.

Development Services and Economic Vitality - associated departments manage the City's growth, development, and economic vitality. This area includes the Department of PLACE, which oversees several joint agencies and departments including: the joint City and County Planning Department, the City and County Office of Economic Vitality, and the City and County Blueprint Agency (administering the one cent sales tax collected in Leon County). This service area also oversees the City's role in the Community Redevelopment Agency and the Capital Regional Transportation Agency.

Administrative and Professional Services - provides centralized accounting, budgeting, procurement, facilities management, and environmental services. The area also includes the Community Housing and Human Services Department which assists in meeting the housing needs of low and moderate-income persons and neighborhoods.



Enjoy Tallahassee's first SMART park. Cascades Park has free WiFi.

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 infrastructure, code enforcement, and animal control services. The City also provides services that are business-like 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 International Airport, StarMetro transit system, and Hilaman and Jake Gaither golf courses.

The City general fund and business type funds have Fiscal Year (FY) 2017 operating budgets of \$151.6 million and \$549 million, respectively. Revenues for the general fund come from franchise fees, licenses and permits, fines, intergovernmental revenues, charges for services, an annual transfer from utilities, and property taxes. Revenues from business type funds come primarily from utilities and fire services fees.

In FY 2016, property taxes generated \$38.9 million, or 26.1%, 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 \$3,217.31 in property taxes, the City would receive \$630, only 19.6%. The remainder of the property taxes would go to Leon County (41.1%), the School Board (39.1%), and the Water Management District (0.2%).

| Demographics Information | 2014 | 2015 | 2016* |
|---|----------|-------------------------|---------|
| Population (Tallahassee, only incorporated city within Leon County) | 185,784 | 187,996 | 189,675 |
| Median family income | \$61,328 | \$63,367 (estimated) | NA* |
| Median age | 26.2 | 26.2 (estimated) | NA* |
| Number of full-time City employees | 2,817 | 2,875 | 2,868 |
| Unemployment rate | 5.8% | 5.2% | NA* |
| NA* - 2016 information and rate not yet determined by the U.S. Census Bureau, the U.S. Department of Labor, and the Florida Department of Economic Opportunity. | | | |



Additional information is available at www.talgov.com

What have we done with your money?

Progress by Service Area

| Selected City Performance Measures | | | |
|--|--------------|--------------|--------------|
| | FY2014 | FY2015 | FY2016 |
| POLICE | | | |
| Priority one average response time | 8.1 min | 7.6 min | 6.7 min |
| Priority two average response time | 13.5 min | 14.1 min | 13.5 min |
| Total calls for service | N/A | 97,204 | 106,272 |
| FIRE | | | |
| Fire and EMS calls with travel times < 6 minutes—rural | 42.02% | 47.09% | 48.95% |
| Fire and EMS calls with travel times < 4 minutes—urban | 46.71% | 47.51% | 51.13% |
| Total rural & urban incidences | 20,325 | 22,800 | 24,040* |
| AVIATION | | | |
| Deplaned passengers | 354,314 | 345,055 | 348,648 |
| Enplaned passengers | 353,798 | 346,950 | 349,420 |
| Persons using airport terminal facility | 1.40 million | 1.38 million | 1.40 million |
| STARMETRO TRANSIT SYSTEM | | | |
| Passenger trips carried | 4.2 million | 3.7 million | 3.7 million* |
| Basic system cost per passenger | \$3.24 | \$4.25 | \$4.27* |
| Basic system revenue per passenger | \$1.11 | \$1.55 | \$1.58* |
| PARKS AND RECREATION | | | |
| Percentage of expenditures recovered through user fees and charges | 22.5% | 23.3% | 21.7% |
| BUILDING INSPECTION | | | |
| Building inspections performed ** | 81,857 | 66,126 | 63,189 |
| New 1 & 2 family building permits processed | 272 | 300 | 313 |
| New multi-family dwelling units processed | 439 | 430 | 413 |

N/A - Not available for this year.

*Estimated as of November 2016.

**After FY 2014 the method for calculating inspections was changed to reflect the number of trips to a site rather than the number of components inspected during those site visits.

Citizen Services

- A pilot tree trimming program was completed in the Orange Avenue area; power outages greater than one minute were reduced by 75% as a result.
- Planning and negotiations for construction of the first solar farm in the Big Bend region were completed.
- The Free Fare Rides Program for Leon County students was launched.
- Continued to maintain City electric rates below the statewide average.
- Through coordinated efforts with other entities, provided timely restoration of power and utility infrastructure and debris removal after suffering impacts of Hurricane Hermine.
- South City Neighborhood street lights were upgraded to LED technology; South City was one of the first City neighborhoods to be upgraded.
- Neighborhood REACH Program returned to the South City Neighborhood to address homes not previously visited during the program's onset.
- Deployed new quality assurance and control processes to ensure accounting and billing information is correct for new City utility customers.
- Multiple City departments worked in collaboration with the Silver Ridge Homeowner's Association to address code enforcement, traffic patrol, storm water debris, and a sewer system upgrade.
- Terminal upgrades were completed at the Tallahassee International Airport.

Community Engagement and Public Safety

- Tallahassee Police Department's (TPD) focus on violent crime through implementation of the Violent Crimes Response Team and the enhancement of community relationships resulted in a 19% reduction in violent crime through the first seven months of 2016.
- Created a Juvenile Services Unit within TPD to serve as a single point of contact between TPD and the community, law enforcement partners, and social service providers.
- To help combat violent crime, obtained alternative funding from multiple sources in the form of grants for TPD personnel, operations, and equipment.
- Parks, Recreation, and Neighborhood Affairs hosted a number of events and tournaments that provided over \$15 million in economic benefits to the community.

Development Services and Economic Vitality

- Through collaboration with Leon County, the Office of Economic Vitality was created to promote economic development in the area; the community's first Economic Development Strategic Plan was developed and approved by the City and County commissions.
- The City and Leon County minority, women, and small business enterprise (MWSBE) functions were consolidated into a single department within the newly created Office of Economic Vitality to facilitate the delivery of services.
- Through collaboration with other agencies completed the Capital Cascades Crossing and other segments of the Capital Cascades Trail.
- Removed the restriction (cap) on the number of applications for the expedited building permitting program that will be accepted, which resulted in an 82% increase in expedited applications, thereby saving the business community additional time and money.
- Sold multiple City-owned properties in efforts to promote development, to include sale of the "Arts Exchange" parcel on Railroad Avenue for the development of a Hampton Inn hotel and Publix grocery store.

Administration and Professional Services

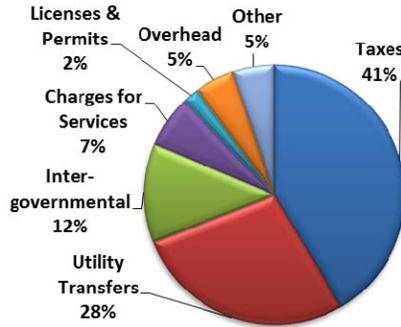
- The budget preparation process was enhanced and made more transparent with greater community engagement, a peer review, ten City Commission meetings/workshops, and implementation of a new public budget portal.
- The City Commission approved a \$3 million reduction in taxes; and authorized \$5.5 million in additional funds for maintenance and investment in roadways, sidewalks, and City facilities.
- Reorganized City departments and functions and eliminated ten managerial positions.
- Achieved an unmodified (clean) opinion on the City's financial statements, with no significant control or compliance issues reported by the external auditors.
- Centralized grants management citywide through creation of Office of Grants Management.
- To promote environmental remediation and economic development in the Southside, successfully achieved designation of approximately 300 properties in the South Monroe Street corridor as a state brownfields site.

The City's FY 2017 Budget

General Fund and Business Funds; Revenues and Expenses

Sources of Revenue

GENERAL FUND SOURCES FY17



| SOURCE | 2016 REVENUE | 2017 REVENUE |
|-------------------------|----------------------|----------------------|
| Taxes | \$63,525,850 | \$62,864,167 |
| Transfer from Utilities | 41,414,107 | 41,786,834 |
| Intergovernmental | 17,790,015 | 18,746,555 |
| Charges for Services | 8,486,039 | 9,850,810 |
| Licenses & Permits | 970,474 | 2,937,360 |
| Overhead Allocation | 7,500,590 | 7,500,590 |
| Other | 9,346,963 | 7,899,457 |
| TOTAL | \$149,034,038 | \$151,585,773 |

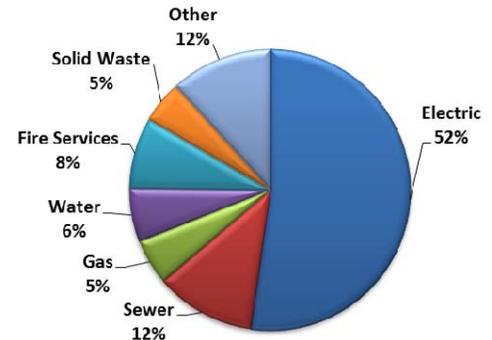
With total City operating revenues of \$701 million, approximately \$549 million, or 78%, comes from business services provided by the City. Business activities include utilities that are expected to be self-supporting and funded entirely from user fees for services.

For FY 2017, \$41.8 million is budgeted to be transferred from business fund sources into the general fund. This transfer is necessary because city, county, and state governments and local universities and colleges (which pay for City provided utility services) are exempt from paying property taxes. This formula driven transfer helps to offset the loss of property tax revenues.

Number of customers served by City utilities:

- Electric: 102,319
- Natural gas: 28,469
- Water system: 76,022
- Sewage collection: 64,932
- Stormwater and flood control: 79,877
- Solid waste and recycling collection: 63,400

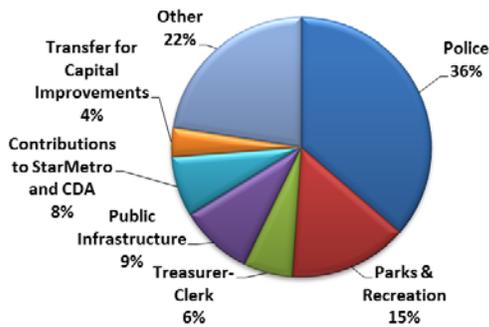
BUSINESS FUND SOURCES FY17



| SOURCE | 2016 REVENUE | 2017 REVENUE |
|---------------|----------------------|----------------------|
| Electric | \$297,671,225 | \$286,822,115 |
| Sewer | 63,609,562 | 63,325,762 |
| Gas | 30,845,884 | 29,027,751 |
| Water | 32,370,897 | 33,633,817 |
| Fire Services | 41,962,043 | 45,121,052 |
| Solid Waste | 25,812,104 | 26,579,057 |
| Other | 65,459,403 | 64,500,396 |
| TOTAL | \$557,731,118 | \$549,009,950 |

Functional Expenses

GENERAL FUND USES FY17



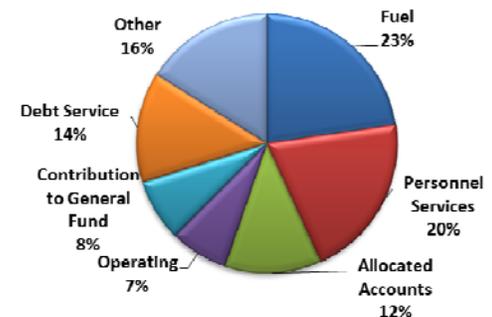
| ACTIVITY | 2016 EXPENSE | 2017 EXPENSE |
|---|----------------------|----------------------|
| Police | \$54,537,146 | \$55,111,019 |
| Parks & Recreation | 22,144,924 | 22,370,548 |
| Treasurer-Clerk (debt service included) | 8,310,983 | 9,221,582 |
| Public Infrastructure | 18,768,504 | 13,776,888 |
| Contributions to StarMetro and Consolidated Dispatch Agency (CDA) | 12,437,730 | 11,394,848 |
| Transfer for Capital Improvements | 186,804 | 5,495,444 |
| Other | 32,647,947 | 34,215,444 |
| TOTAL | \$149,034,038 | \$151,585,773 |

The general fund makes up 22% of the total City operating budget and provides traditional government services such as police, parks and recreation, public infrastructure, and neighborhood and community services. The general fund also supports mass transit and consolidated dispatch operations.

The personnel costs included in FY 2017 general fund expenses amount to \$84.9 million (56% of total general fund expenses). A large portion of business fund expenses (\$125 million) is for fuel.

Not shown on this page is an additional \$143 million budgeted in FY 2017 for capital improvements and a total of \$891 million in improvements planned for the next five years. Major improvements for FY 2017 include: \$12.6 million for aviation, \$11.6 million for public infrastructure, \$3 million for public safety, \$14.9 million for general government, and \$101.3 million for utilities. A portion of capital projects is funded from the additional one cent sales tax that also funds Blueprint projects.

BUSINESS FUND USES FY17



| ACTIVITY | 2016 EXPENSE | 2017 EXPENSE |
|------------------------------|----------------------|----------------------|
| Fuel | \$136,761,308 | \$124,598,524 |
| Personnel Services | 106,705,767 | 112,543,309 |
| Allocated Accounts | 61,797,910 | 66,057,663 |
| Operating | 43,754,227 | 39,872,393 |
| Contribution to General Fund | 41,804,824 | 42,161,190 |
| Debt Service | 75,956,512 | 75,507,903 |
| Other | 90,950,570 | 88,268,968 |
| TOTAL | \$557,731,118 | \$549,009,950 |

This report was prepared by the Office of the City Auditor extracting information from the City Budget and financial records and compiling statements and information from management and staff regarding progress and challenges in meeting City Commission priorities. This is not an audit. This report is intended to provide information for the benefit of the City Commission and general public. The City Budget can be accessed and viewed on the City's website, www.talgov.com.

The City wants your input! Do you like this report? What additional information would you like to see included? Please respond to citizenreport@talgov.com or (850) 891-8397.

What's Next?

Future Challenges by Service Area

Citizen Services

- Achieving additional efficiencies in service delivery through process improvement initiatives while ensuring a continued high level of services to citizens.
- Implementing lessons learned during Hurricane Hermine relative to electric service restoration, water and wastewater service, debris collection, information updates, and communications.
- Increasing the number of airline carriers at the Tallahassee International Airport, and maximizing the use of the airport's land and facility assets for air cargo, aviation training, and other aeronautical logistics.

Community Engagement and Public Safety

- Continued efforts to address and reduce violent crime through the deployment of additional resources and the addition of the Violent Crime Response Team and through the building of community relationships with the assistance of Parks, Recreation, and Neighborhood Affairs.
- Providing proactive intervention services for local youth through the TPD Juvenile Services Unit.
- Engaging Southside residents, businesses, and other entities in a manner that results in a coordinated approach to improving quality of life in Southside neighborhoods.

Development Services and Economic Vitality

- Continued leveraging of funds from other sources to assist with completing sales tax projects such as Market District, Governor's Walk, and FAMU Way.
- Preferred development of the City-owned properties adjacent to Cascades Park, to include the Bloxham and Meridian Street properties, the old City Waterworks building, and the Parks and Recreation Administrative Complex.
- Implementing the Economic Development Plan approved by the Blueprint Intergovernmental Agency on October 27, 2016.
- Obtaining resources and developing a comprehensive plan to enact positive development in the Southside neighborhoods.

Administration and Professional Services

- Identifying and accessing resources to increase the availability and provision of affordable housing to the low and moderate-income population.
- Identifying and engaging additional viable organizations to enhance the delivery of housing and health services to the low and moderate-income population.
- Maintaining a stable but flat revenue model for the General Fund and enterprise funds so as to allow for modest growth in ad valorem revenue through increased property values and continued low utility rates and conservation measures.
- Developing a long-term maintenance plan for City facilities, currently comprised of 500 structures across 160 acres.

Engaging the public and helping you find your way around Tallahassee



DigiTally
customer gateway to
City services



TallyParks
features the best
parks and trails that
Tallahassee has to offer



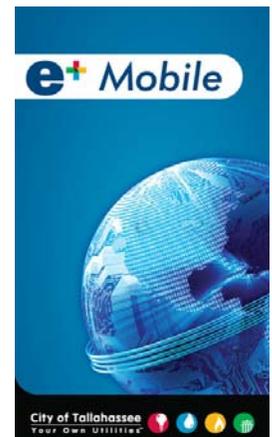
Association of Government Accountants, www.agacfm.org
Citizen Centric Reporting - A method to improve transparency and accountability by providing citizens numbers they can understand.



OpenGov
open access to Tallahassee's financial information



Talgov.com
official website of the
City of Tallahassee



e+ Mobile
convenient service for
City utility customers