

TAXPAYER'S GUIDE TO THE HILLSBOROUGH COUNTY BUDGET



Board of County Commissioners

Thomas Scott, Chair
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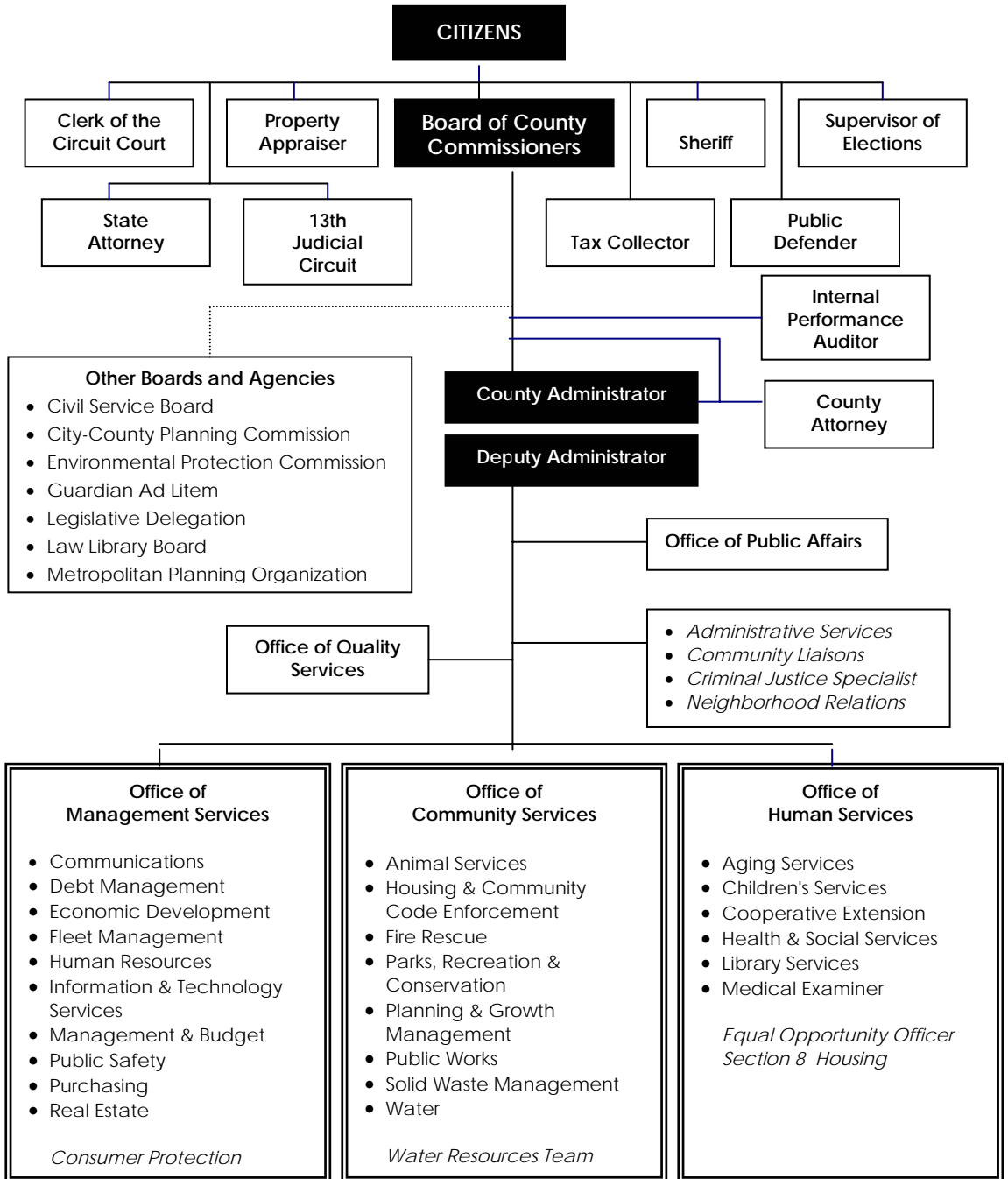
Produced by the Hillsborough County Management and Budget Department as an aid to understanding the Hillsborough County budget

For more information, please call the Management and Budget Department at (813) 272-5890

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On the Internet at www.hillsboroughcounty.org

HILLSBOROUGH COUNTY ORGANIZATION CHART





Hillsborough County
Florida



Board of County Commissioners

***Back row left to right: Jim Norman (Vice-Chair) (Countywide-District 5),
Ken Hagan (District 2); Thomas Scott, Chairman (District 3)
Front row left to right: Kathy Castor (District 1), Pat Frank (Countywide-District 7)
Ronda Storms (District 4), Jan K. Platt (Countywide-District 6)***





Mission, Vision and Values

MISSION - The mission of Hillsborough County government is to provide effective, quality service at a reasonable cost with courtesy, integrity, and accountability in a manner which protects and enhances the quality of life of our diverse population. -- *Adopted by the Board of County Commissioners, March 18, 1998*

VISION - In the year 2020, all of Hillsborough County will take pride in the progress which has made our community remarkable. We will have embraced and be inclusive of our diverse population. Both the government and the local economy will be financially sound providing opportunity and success for our citizens. We will have balanced growth with protecting the environment while providing high quality services. All of this culminating in Hillsborough County being the leader for providing a quality of life second to none in the country.

HILLSBOROUGH COUNTY, AS A COMMUNITY, VALUES

- A Spirit of Caring
- Individual Freedom
- Human Rights
- Private Property Rights
- Citizen Participation in Government
- Integration, Planning and Feasibility of Public Services
- Educational Opportunity
- Personal Responsibility
- Economic Self-sufficiency
- Sustainable Environment
- Racial and Cultural Harmony
- Health and Public Safety

- *Adopted by the Board of County Commissioners on April 21, 1999*

HILLSBOROUGH COUNTY, AS AN ORGANIZATION, VALUES THE FOLLOWING

ACCOUNTABILITY - Accepting individual responsibility to perform quality work that contributes to quality service at a reasonable cost.

DIVERSITY - Organizational effectiveness can best be achieved by recruiting and retaining a work force that represents the diversified population of Hillsborough County.

EFFICIENCY AND COST EFFECTIVENESS - The timeliness of meeting our obligations and performing each task; the stewardship and best use of our resources.

EMPOWERMENT - The freedom and power to act, command, or decide on a course of action.

OPEN AND HONEST COMMUNICATION - An expression of a professional work environment which facilitates the exchange of information, ideas, and divergent opinions among all levels of an organization in an atmosphere of respect and genuine concern for the best interest of the County, its employees, and citizens/customers.

QUALITY - Meeting citizens/customers requirements the first time and every time.

RESPECT - The quality of accepting and holding in high esteem all persons right to their beliefs, values, autonomy, and differences while treating them with dignity, worth, courtesy, civility, and politeness.

RESPONSIVENESS - The willingness and ability to provide information, reply to requests, answer questions, and complete tasks promptly.

TEAMWORK - The ability of a group of individuals to work together towards a common vision by each doing their part to achieve the efficiency of the whole.

- - *Adopted by the Board of County Commissioners on April 21, 1999*

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How to Use this Booklet: We designed this booklet to help educate and inform the public about the Hillsborough County budget. We suggest reading Part I first to learn the concepts and terminology of governmental budgeting in general and, in particular, budgeting in Florida and Hillsborough County. This will help in understanding the information in Parts II and III. Like the budget, this booklet is published biennially, once every two years. After the FY 05 budget is adopted in 2004, we will publish a smaller booklet to supplement the materials in this booklet.

For additional copies of this booklet at no charge, please contact the Management and Budget Department at 813-272-5890.

We also encourage you to go to our Web page to review the complete **Adopted Biennial Budget for FY 04 and FY 05**. The address is www.hillsboroughcounty.org/mbd/.

ACKNOWLEDGEMENT

The photo used on the cover is an adaptation of this 1935 photograph taken from the top of the Bay View Hotel in downtown Tampa. It depicts the Hillsborough County Courthouse once located on the northeast corner of Franklin St. and East Kennedy Boulevard. Built in 1892 at a cost of \$60,000, it was demolished in 1952. It was designed by the same architect who designed the Tampa Bay Hotel, known as the University of Tampa. The structure is commemorated in the design of the gazebo now located in Courthouse Square. The photo is from the Burgert Brothers collection housed at the John F. Germany Library. This courthouse is also the model for the seal used by the Board of County Commissioners.



The Management and Budget Department wishes to thank the Library Services Department for allowing use of the photo for this document. The original photo was manipulated using Adobe Photoshop Elements®.



PART I

INTRODUCTION TO COUNTY BUDGETING

The organization under the Board of County Commissioners of Hillsborough County, Florida provides services to over 1 million people. Pursuant to the county charter and State law, general purpose government is responsible for the money used to support programs to serve citizens with such services and facilities as jails, animal control, and social services regardless of where in Hillsborough County they live. But this government also serves over 600,000 citizens living outside municipalities with law enforcement services, fire protection, and other municipal services. Like many growing communities in Florida, Hillsborough County government must balance its resources and programs between urban, suburban, and rural communities.

Budgeting for a government, even one as large as Hillsborough County, is essentially the process of allocating scarce resources to provide services and projects benefiting the community. The process is complex because unlike private business, Hillsborough County has a broad range of responsibilities. It is expected to address the community's social issues. It must protect citizens' interests. It must enforce laws. Its decisions are made in public forums. And, it is accountable to its citizens while pursuing goals of efficiency and effectiveness.

The budget of a local government serves many purposes. It can be a policy-making tool showing how resources are allocated to programs and activities in the order of the jurisdiction's priorities. The budget of a local government can also be a management tool helping identify potential problems, producing data to determine what programs are working and measuring the quantity and quality of government services. The budget can also be a financial tool showing the anticipated financial condition of the jurisdiction and a history of financial transactions.

We encourage readers to take the time to read Part I carefully. This information gives the reader a basis to more fully understand Hillsborough County's adopted Biennial Budget for FY 04 and FY 05 and what conditions drive the budget over the years. Part I discusses budget terms and concepts, the organization of the budget and the process Hillsborough County uses to develop and adopt its budget. This part of the booklet also explores the major sources of the County's revenues, other specialized governments and the roles Hillsborough County government serves. And finally, it discusses the consolidated tax bill and how ad valorem taxes are calculated.

Besides reading this booklet about the budgeting process and the Hillsborough County budget, we encourage you to review the County's budget in detail by going to the County's website, www.hillsboroughcounty.org

TERMS, CONCEPTS and ORGANIZATION of the HILLSBOROUGH COUNTY BUDGET

--- To understand and appreciate the Hillsborough County Biennial Budget for FY 04 and FY 05, it is necessary to understand some very important budgeting terms and concepts. Another important component is how the budget is organized and why. Some terms and concepts will be familiar to those who have had business or accounting training. However, many are unique to government budgeting and accounting.

Budget

The term "budget" refers to the plan for a single fiscal year. In the case of local governments in Florida, this period is October 1 through September 30. When referring to a particular fiscal year, the acronym "FY" is used along with the last two digits of a year. For example, FY 04 refers to the period from October 1, 2003 to September 30, 2004.

Simply, a budget is a plan for using the County government's financial resources. The budget discloses proposed expenditures for a given period and the proposed means of paying for these expenditures. Two basic components of a budget are the revenue or sources section and the expenditure or uses section.

The adopted FY 04 budget of Hillsborough County covers 59 different organizations and departments. The total FY 04 budget is **\$3 billion**. This reflects the wide diversity of activities and needs of its residents in the cities and unincorporated areas of Hillsborough County.

In 1995, the Board of County Commissioners adopted a biennial budget process. This means its staff prepares a budget for two fiscal years. The first fiscal year, always an even-number, is the budget that is legally adopted. The second fiscal year, always

an odd-number, is approved as a plan. The second year's budget is later updated and officially adopted. This biennial budget process allows departments and agencies as well as the Board of County Commissioners to plan beyond the immediate budget. This promotes better fiscal planning. For more explanation, please go to page 6 of this booklet.

Unlike the federal government, the County budget is always balanced. This means the amount of proposed sources must be the same amount as the proposed uses. Therefore, Hillsborough County has no budget deficit. State law requires local governments to have balanced budgets.

Another important term is "revenue." Revenue is an *increase* in financial resources of a govern-

Revenue

ment. Hillsborough County has a large variety of revenue sources. Some examples of local government revenues are property taxes, assessments, permits and fees, licenses, fines, charges for service, grants, and payments from other governments. These plus funds carried over from the previous fiscal year and transfers between different internal accounts or funds can be categorized as the "sources" side of the budget equation.

Expenditure

A third important term is "expenditure." An expenditure is a *decrease* in financial resources. There are three basic types of expenditures: operating, capital and debt. Operating expenditures include, for example, current day-to-day expenses such as salaries, utilities, supplies, and purchase of vehicles, equipment or property. Examples of capital expenditures include construction of parks and roads and purchase of land. Debt is the expense related to principal and interest on long-term bonds and notes issued by the County.

Besides these expenditure categories, the "uses" side of the budget includes money set aside as reserves and transfers among various internal accounts or funds.

FUND BALANCE

At the end of a fiscal year, when there are more resources than expenditures, the remainder is called "fund balance." This is sometimes referred to as "carried forward fund balance" because the resources can be "carried" into the next fiscal year. This is an important resource because some may be used in combination with revenues to fund new expenses. Fund balance can be restricted or unrestricted. Restricted fund balance may be set aside for funding certain programs and activities.

Fund balance is considered a resource and is shown on the "sources" side of the budget.

Over the years, budgeting and accounting professionals in government have devised a means of organizing the way a budget is

presented. This was necessary because of the complexity and number of resources, programs, types of expenditures, and restrictions imposed on government. This important concept is the division of the budget into categories called funds. Budgeting and accounting for revenues and expenditures from these funds is called fund accounting.

ORGANIZING THE BUDGET: Funds and subfunds

Fund accounting allows a government to budget and account for revenues restricted by law or policy. Some of these restrictions are imposed by national accounting standards, others by the federal government and the State of Florida, and still others by the Board of County Commissioners. As a result, the County develops a budget with categories to reflect the restrictions and limitations imposed by these standards. This is done by using a number of funds and subfunds. These funds and subfunds allow the County to segregate certain revenues and then account for expenditures using these revenues.

The County budget has 35 funds. These are further divided into 180 subfunds. Each fund and subfund accounts for a pool of restricted revenues. The County uses these funds, for example, to make payments on different types of County debt or to track fees collected to pay for certain County services.

This organization of funds and subfunds is analogous to a family having a separate bank account for one spouse's paycheck and making the mortgage payment only

from this account. In the County's case, there are 180 accounts.

Each fund and subfund must balance - that is, sources must equal uses - and each must be separately monitored. When we talk about "balancing the budget" the process actually means assuring that sources equal uses in each fund and subfund. The County budget, adopted each year by the Board of County Commissioners, is actually the total of the separate funds or subfunds.

Transfers

Further complicating the structure of the budget and the process of adopting a budget are numerous movements of dollars among the funds. The amount transferred out of one fund is recorded and the amount transferred into another fund is also recorded. We record this "transfer" in order to more accurately represent financial activity. Transfers provide money to programs that may not have adequate revenue from grants or fees generated by the program.

Line item detail: Showing what we are getting

Line item detail is a way of allowing the County to budget and account for funds by showing the individual revenues and expenditures attributed to a specific department, organization, or fund. The structure of these categories is a hierarchy going from the most general category, such as operating costs, to the most detailed level, such as a line item for electricity for a specific building managed by the Facilities Management Division of the Real Estate Department. This most detailed level of information is called the *line item detail*.

At this most detailed level, there are 16,540 individual line items budgeted and monitored in FY 04. In addition to this detail, the Tax Collector, Property Appraiser, Clerk of the Circuit Court and Sheriff manage their own budgets and accounting systems.

There are several reasons why Hillsborough County organizes its budget in a way

Reasons for this method of organization

that may be confusing to the casual reader. While it does not take an accountant to understand a local government budget, the reader should understand a local government develops its budget in accordance with some uniform accounting standards and budgeting practices. Some of the more important factors are:

- **National Accounting Standards** - Just as businesses follow what is known as generally accepted accounting principles (abbreviated as "GAAP"), governments follow national accounting standards for financial reporting. Standards for government vary from those for businesses to reflect the unique information requirements of each type of organization.

A government using consistent standards can look at itself over time to measure its financial strengths. Comparisons can also be made with other units of government to measure comparative strength and performance. This is similar to a business measuring itself over time and comparing itself with similar businesses.

Hillsborough County follows the standards set by the Governmental Accounting Standards Board (GASB).

- ***State of Florida Budgeting Requirements*** - The State of Florida establishes a variety of budgeting and financial requirements for local Florida governments. An example is its requirement for timing of the annual budget cycle. The "fiscal year" for counties begins October 1st and ends September 30th of the following calendar year. Another example is State requirements on how a county adopts its budget and how a county sets its property tax rates.
- ***Federal and State Grant Requirements*** - Hillsborough County receives grants from several federal and State agencies. To ensure the County uses these funds for specific programs, these agencies require the County to keep these grant dollars separate from other County revenues. This segregation requires a more complex financial structure to manage these "restricted" dollars.
- ***Local Policies and Practices*** - Finally, the Board of County Commissioners may establish policies and guidelines for using revenues to insure they are spent on specific programs. Examples

of revenues with such self-imposed restrictions are: impact fees, stormwater assessments and permit fees.

The County has a set of a comprehensive financial policies adopted by the Board of County Commissioners to strengthen its management of financial resources.

With 16,540 line items and 59 organizations, Hillsborough County relies on computers with sophisticated software to help with budgeting and accounting.

Tracking the budget and accounting transactions

The Hillsborough County Management and Budget Department, under the direction of the County Administrator, prepares the budget using a computerized budget preparation system linked with the Clerk of the Circuit Court's accounting system. Like many counties in Florida, the Clerk of the Circuit Court is responsible for day-to-day accounting activities such as writing checks to vendors and processing payrolls. The Clerk also manages the computerized accounting system and invests County revenue.

THE PROCESS OF DEVELOPING THE HILLSBOROUGH COUNTY BIENNIAL BUDGET FOR FY 04 AND FY 05

-- The process of compiling the biennial budget actually is a year-round activity. The basis for the process is a framework of statutory deadlines established by the State of Florida. The County Administrator and the Management and Budget Department establish the remainder of the process. County administration sets interim deadlines to insure necessary information is collected, priorities are determined and recommendations can be made by the County Administrator to the Board of County Commissioners.

The County Administrator is the designated budget officer for the Hillsborough County Board of County Commissioners (BOCC). The BOCC, in turn, establishes tax rates and adopts the annual budget. There are specific Florida laws governing how the millage rates are set and how the budget is adopted and used.

Since FY 1996, Hillsborough County has had a biennial or two-year budget. In 1995, the Board of County Commissioners directed staff to prepare a two-year budget encompassing FY 96 and FY 97. Satisfied with the success of the biennial budget process, the BOCC decided to continue this policy with succeeding budgets. While Florida Statutes require a minimal budget process to adopt an annual budget for the succeeding year, there is no prohibition on local governments from developing a budget plan for a second year. Based on this direction, the Board adopted a budget for FY 04 and approved a planned budget for FY 05. The FY 05 budget will be updated next year after an abbreviated review and be adopted in compliance with State law.

Planning phase

The planning phase began October 1, 2002 with in-house review of the FY 04 and FY 05 biennial budget process and comments from the review of the prior year's budget by the Government Finance Officers Association of the United States and Canada. During this phase, staff developed instructions for departments and other training materials.

Preparation phase

The County began this phase with a formal "kick-off" meeting with departments and agencies in early January 2003. At this meeting, the Management and Budget Department distributed written

instructions on how to prepare the FY 04 and FY 05 budgets. Department and agency staff were offered training in using the computerized budget preparation system, the computerized position system, formulating performance measures and developing "decision units" for presenting their budget requests.

Departments and agencies were told to prepare budgets at what is called the "continuation level;" that is, pricing FY 03 services and activity levels with modest cost increases. Continuation is the level of funding needed to provide the same services in the next fiscal year as was provided in the current fiscal year. It does not necessarily

provide funding for growth in demand for services. A discussion of “decision units” follows this section.

Between January and April 2003, the County Administrator also had four budget workshops with the Board to discuss budget issues and priorities.

Review phase

Beginning in March 2003, this phase consisted of numerous meetings attended by the County Administrator, Assistant County Administrators, individual department directors, and Management and Budget Department staff to review department decision units and budget requests. County Commissioners were invited to attend as well as the public.

As a result of these meetings, the County Administrator made decisions about priorities, service levels, and funding for inclusion in his recommended budget. There were also 4 budget workshops with the Board of County Commissioners to solicit its input.

Adoption phase

This phase began with the formal presentation of the **County Administrator’s Recommended Biennial Budget for FY 04 and FY 05 Budget** on June 4, 2003. This phase included 7 workshops with the BOCC and four public hearings of which two were required by State law. Although two of these public hearings were not required by State law, the BOCC wanted to give county residents opportunities for input to the

budget prior to the Board setting proposed millage rates.

At the last workshop on July 31st, called the budget reconciliation workshop, the BOCC approved changes on various budget issues and set proposed millage rates. These rates were then used by the Property Appraiser to prepare Truth-in-Millage (TRIM) notices mailed to property owners in mid-August.

At the first State-required public hearing in September, the BOCC adopted tentative millage rates and a tentative FY 04 budget. These were then advertised in accordance with State law. At the second State-required public hearing September 18th, the BOCC adopted the final millage rates and a final budget for FY 04. These millage rates are used to calculate the Hillsborough County portion of property taxes imposed on property in Hillsborough County.

In accordance with Florida statutes, the adopted budget was filed with the Florida Department of Revenue effective October 1, 2003. The Tax Collector’s Office mailed the tax bills in early November 2003 to county property owners.

For the second year of the biennial budget, FY 05, there will still be four phases. However, there will be less time devoted to preparation and review because a majority of the decisions were approved during the previous year. Departments may submit new requests to address unanticipated needs or new mandates that arose in FY 04.

FY 05

BUILDING the BUDGET with DECISION UNITS – Hillsborough County uses a “zero-base budgeting” technique to examine its basic programs and services to determine if they are still needed and, if so, prioritizing them in accordance with available resources and desired outcomes.

Each department or agency reviews its programs and divides them into distinct units. These are called “decision units.” The “decision units” describe distinct services and levels at which these services may be offered. Each decision unit builds on preceding decision units. Decision units should also relate to the department’s mission, key objectives, any appropriate capital projects and performance measures.

The first level, called the “minimum service level,” reflects the most basic program or programs that the organization delivers. Subsequent decision units build on that minimum, pricing the organization’s services at today’s prices, but without funding for growth in the demand for services. This builds to a “continuation” level. Departments can submit decision units for program expansions, enhancements, and new programs. These build to a “desired service level.” Department or agency management then ranks each decision unit by funding source against all decision units in the funding source and in the department. The ranking of “decision units” gives management a means of evaluating what services could be offered at a variety of funding levels by a department.

By building the budget from the ground up through the ranking of decision units, an organization presents what is known as a “zero-base budget.” In some cases, the starting point for the review of an organization’s budget needs is the minimum service level. In other cases, the starting point is zero dollars. For the two year (biennial) budget, departments ranked and priced decision units for both fiscal years.

Each decision unit is documented on an electronic decision unit form. Besides showing if this unit is “minimum”, “continuation” or “desired” service level, the form also shows the ranking of the unit within the service level. It has information relating to the funding source, amount requested, number and types of positions, what program it provides and how the service relates to the County’s strategic plan. A detailed description and justification section is also included. An electronic file of all decision units is made available to the BOCC and for public viewing and indicates whether or not individual decision units are recommended for funding by the County Administrator.

COUNTY REVENUES – No discussion of the Hillsborough County budget would be complete without talking about the County’s many revenue sources in general and property taxes in particular. Hillsborough County government, like other Florida counties, provides municipal services to the area of the county outside cities and also provides services to all regardless of where in the county they live. In essence, the County is budgeting for more than one entity, but it is all included in one budget. In this section, we will be discussing the County’s revenue sources and the annual tax bill.

Property taxes

When most people think of County revenues, they think of property taxes. In fact, property taxes account for only 18.7% of the \$3 billion budget. This is, however, a critical source of funding for many day-to-day services provided by County government.

A property tax, more specifically called an ad valorem tax, is a tax based on the value of the property. The term “ad valorem” is from a Latin phrase meaning “according to value.” The Hillsborough County Board of County Commissioners levies a county-wide property tax, a municipal services tax unit property tax, and a library services tax.

Property taxes for long-term debt

Florida law also allows a county to levy separate property tax rates to pay for long-term bonds. Bonds using property taxes to guarantee the payment principal and interest are known as “general obligation” (G.O.) bonds. The County issues the bonds only after voters

have approved the bonds. Hillsborough County has two general obligation bond issues being financed through property taxes.

In 1991, voters approved a bond issue for financing the Environmental Land Acquisition and Protection Program. The County levies a tax on all properties in Hillsborough County for this bond issue. Then, in 1992, voters approved a park construction bond program for a series of neighborhood and district parks in the unincorporated area. Only owners of properties in the unincorporated area pay this tax.

Property owners in the City of Tampa and the unincorporated area

Property tax for libraries

pay a separate property tax to operate a network of regional and branch libraries. This tax also pays for the construction of new libraries and acquisition of library materials. Because unincorporated residents use the library facilities of Temple Terrace and Plant City, the County contributes a portion of State grant revenue to the two municipalities.

Other County revenues

Hillsborough County gets revenues from other sources such as fees, permits, charges for services and grants. It also uses funds not spent in the prior year. These other sources account for *81.3%* of the funds used in Hillsborough County's budget.

It is important to understand the County can combine property taxes and other revenues to support a broad range of activities. This includes supplementing programs that receive funds from the State and federal governments. In the past several years, some of these grant funds have decreased and rather than reduce service, the County has funneled more local revenue to these programs in order to maintain the levels of service.

Utility fees, based on consumption of water and sewer services, fund these services in the County's utility service area the unincorporated portion of the county. New users pay *capacity fees* to offset the cost of building water and wastewater treatment facilities.

Gasoline taxes fund new roads, bridges, intersections and sidewalks, and maintenance of the existing County transportation network. There are federal, State and local gas taxes charged on each gallon of gasoline or diesel purchased. The State of Florida collects gasoline taxes and distributes the taxes based on State statutes.

Taxes on short-term living accommodations (generally hotel and motel rooms) are called **tourist taxes**. This revenue supports agencies and activities that promote tourism. Some agencies receiving tourist taxes

are the Tampa/Hillsborough Convention and Visitors Association, the Tampa Convention Center, the Tampa Bay Performing Arts Center, the Plant City Softball Complex, Legends Field for the New York Yankees organization, the St. Pete Times Forum used by the Tampa Bay Lightning professional hockey team, and several chambers of commerce and other local organizations.

Local Sales Taxes - A special *1/2 cent sales surtax* funds the County's innovative program for the medically indigent. This program emphasizes investing in preventive and primary care so eligible county residents can avoid costly emergency care. The revenues from this tax may only be used for this program.

In 1996, the voters approved levying another **1/2 cent sales surtax**, referred to as the **Community Investment Tax**. Proceeds from this 30 year tax finance numerous infrastructure improvements for the School Board (25% of all revenue), Hillsborough County government, and the three municipalities. Over the life of the tax, about 6% of revenue will pay for Raymond James Stadium used by the Tampa Bay Buccaneers professional football team and the University of South Florida football team.

State and Federal Grants - The County also receives **State and federal grants** to operate specific programs. For example, the federal government funds the County's Community Development Block Grant Program to help redevelop neighborhoods with substandard housing and provide need social services. Other grants heavily subsidize the cost of programs for children such as the Head Start and Early Headstart programs while other grants provide services to

the elderly. In some cases, the County receives grant dollars that are passed in part through to municipalities or to service providers in surrounding counties.

Impact fees, paid by those who build new homes or other structures, provide a portion of the funds to build improvements such as roads, bridges and sidewalks, neighborhood and district parks, and fire stations. The County also collects school impact fees on behalf of the School Board of Hillsborough County for the purchase of land for new schools.

Special Assessments - Another source of funds are **special assessments**. A special assessment, also called a *non-ad valorem assessment*, is a fee levied on certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit those properties. The popularity of special assessments as a source of revenue has risen nationwide because of pressure to alleviate ad valorem tax rates. The value of the property is not considered when calculating a special assessment. Instead, the cost of the facility or the service is allocated to the benefited properties in a defined area.

Hillsborough County levies several special assessments in the unincorporated area. One is the **Stormwater Program Assessment**. This provides money to design and construct new stormwater facilities to prevent flooding. Another is the **Residential Solid Waste Disposal Fee**. It finances a portion of the debt service and operating costs of the Solid Waste Resource Recovery Facility. Another, the **Residential Solid Waste Collection Fee**, replaces the fee paid directly to commercial collection services by solid waste customers. Then, there is the **Residential Street Lighting Assessment**. It pays for the cost of electricity and maintenance of residential street lighting in sections of the unincorporated county.

Some properties in the County's utility service area pay special assessments for **Reclaimed Water Improvement Units**. This is a program to promote the use of treated wastewater for residential irrigation. Two other special assessments levied in sections of the County's utility service area are the **Water Capacity Fee Assessment** and the **Wastewater Capacity Fee Assessment**. These assessments allow the property owner to spread the cost of the capacity fees over time.

HOW the COUNTY'S DIFFERENT ROLES IMPACT the TAX BILL - In Florida, a county government may serve two roles. It can provide some services to all county residents regardless of whether or not the residents live in a city and it may also provide city-type services to the residents living outside city limits. In a county with a large population, large land mass, and diverse service demands, these two roles can significantly impact the size and complexity of a budget.

The services provided to all citizens in Hillsborough County are called "countywide" services and may use the **Countywide Property Tax** as a means of paying for services.

Examples of services and activities available to all Hillsborough County residents and financed with the countywide property tax are: jail operations, shelters for abused or abandoned children, day care and activities for the county's elderly, shelter and care for impounded animals, monitoring and licensing of private day care facilities, general assistance for the indigent, centers for assisting low-income county residents, autopsies in cases of unexplained death, consumer protection, mosquito control and operation of a system of regional parks.

This property tax also provides funding for special programs oriented towards countywide coordination and administration such as environmental protection, and comprehensive planning. It pays for a variety of administrative functions required of a large organization: purchasing, budget, human resources, finance, legal services, facilities management, public information, and equal opportunity.

The County also uses the countywide property tax to fund a variety of outside agencies and organizations providing social and cultural services to county residents.

A county may also provide city-type services to residents in all or part of the unincorporated area. This property tax is called the **Municipal Service Taxing Unit Tax or MSTU Tax**. Generally, a county is prohibited from using the countywide property tax to finance municipal services to unincorporated county residents. Instead, a county may levy a separate property tax on properties only in the unincorporated area or portions of the unincorporated area.

Examples of services and activities available to residents of Hillsborough County's unincorporated area and paid for with the MSTU tax are: land use planning and zoning, code enforcement, emergency medical services, fire suppression and arson investigation, operating and staffing a system of neighborhood and district parks, and maintenance of existing stormwater systems. This tax also funds the Sheriff's patrol program that provides law enforcement services in the unincorporated area.

Why is this distinction important?

In Hillsborough County, this distinction between the two roles and property taxes is important because, although according to the estimates of the University of Florida's Bureau of Economic and Business Research, the April 1, 2003 population of Hillsborough County was 1,055,617, 65% live in the unincorporated area; i.e., they do not live in the cities of Tampa, Temple Terrace or Plant City. That means 690,391 residents of the unincorporated area rely on Hillsborough County government to deliver municipal services like fire and police protection.

Other governments levying property taxes

Besides Hillsborough County, other local governments levy ad valorem taxes and special assessments. Thirty-five percent (35%) of the county's residents live in municipalities. These municipalities levy separate millages and have separate budgets.

Other units of government levying property taxes are the School Board, Hillsborough Area Regional Transit Authority (HARTline), the Tampa Port Authority, the Children's Board, and a multi-county district -- the Southwest Florida Water Management District (SWFWMD). The boards of these units govern separately from the Board of County Commissioners.

Special Districts - A number of special districts also exist in Hillsborough County. These are governments that deliver customized services in a specific area. These districts may be dependent or independent of the Board of County Commissioners or municipalities. They have separate budgets and revenues. Most rely on special assessments as their revenue sources.

For example, the Board has established 43 special dependent districts at the request of homeowners associations in order to maintain public and common properties. The two largest districts of this type serve Northdale and Bloomingdale.

Another type of special district is a Community Development District. There are 28 Community Development Districts in Hillsborough County and most of them are in the unincorporated area. These districts levy special assessments independent of the Board of County Commissioners or a municipality and tend to be located in new developments. The districts use the revenues to primarily finance infrastructure construction - such as roads, sewers and water lines - within the district boundaries. A Board of Supervisors independent of the Board of County Commissioners manages each district.

The TAX BILL - Rather than have each government send separate tax bills to notify each property owner of his/her annual ad valorem and special assessment obligations, Florida law requires each county's Tax Collector to send one consolidated tax bill. All local governments and special districts in Hillsborough County use this single tax bill. State statutes define the process and the timing of the notifications. Other local governments collecting their property tax and special assessment revenues through the tax bill are: the School Board, the Children's Board, Southwest Florida Water Management District (SWFWMD) and its basin boards, Hillsborough Regional Transit Authority, the Tampa Port Authority, municipalities and special districts.

The Property Appraiser's Office sends a notice of the proposed ad valorem tax rates and updated value of real estate in August to each property owner. This notice is commonly referred to as the TRIM Notice. "TRIM" is an acronym for "Truth in Millage." Non-ad valorem assessments are not included on the TRIM notice. Property owners are notified by mail of proposed special non-ad valorem assessments the first time the assessment is levied or when the assessment is increased over its previous legal maximum.

Then, after required public budget hearings, each taxing authorities sets its millage and special assessment rates. These rates are used to prepare the annual consolidated tax bills. The tax bills are mailed to property owners or their escrow agents in early November. The Hillsborough County Tax Collector's Office is responsible for the notification, collection and enforcement of property tax and special assessment obligations imposed on properties within the county. The Tax Collector is a separately elected official.

The annual consolidated tax bill contains information about all taxing authorities as well as about the assessed value, the tax-

able value and exemptions that may apply to an individual piece of property.

In Florida, there are three factors for calculating the amount of property tax. These factors are: the value of the property, the amount of the value not subject to the tax due to exemptions, and the tax rate. Each county's Property Appraiser's Office calculates the value of the property and Florida law dictates exemptions and limitations on the rate of increase in the value of residential property. The property tax rates are set by the various local governments authorized according to Florida law.

The property tax rate or millage rate is expressed in "mills." A mill is a monetary unit equal to one one-thousandth of a dollar. It is also expressed as \$0.001. The rate at which the tax is charged is called the "millage rate." It is much easier to think of the rate as how many dollars of tax will be paid for each thousand dollars of property value. For example, if the property is valued at \$10,000 and the millage rate is 8 mills, you would pay \$8 per \$1,000 in value or \$80.

Calculating property taxes



PART II WHAT DRIVES THE BUDGET?

Hillsborough County's adopted FY 04 budget is for the period of October 1, 2003 to September 30, 2004. FY 04 is the first year of the two-year or biennial budget cycle. This two-year budget cycle is the result of a policy adopted by the Board of County Commissioners in 1995.

Below is a summary as adopted by the Board of County Commissioners, as reported to the State of Florida and as presented in local news media. This table shows the FY 03 and FY 04 adopted budgets for ease of comparison. The Planned FY 05 budget is shown in several tables in Part III of this booklet.

**TABLE A
ADOPTED FY 04 BUDGET**

(in millions)

SOURCES	FY 03 Adopted	FY 04 Adopted
Beginning Fund Balance	\$567.5	\$586.5
Revenue	1,420.5	1,528.5
Transfers In	687.8	695.1
Other	139.2	198.2
Less 5% by Law	-44.2	-48.0
Total Available	\$2,770.9	\$2,960.2

USES	FY 03 Adopted	FY 04 Adopted
Operating Budget	\$1,221.9	1,373.8
Reserves and Refunds	524.3	559.0
Debt Service	169.3	173.8
Capital Budget	167.5	210.5
Transfers Out	687.8	695.1
Total Budget	\$2,770.9	\$2,960.2

Detail may not add to totals due to rounding.

PARTS of the BUDGET NOT SPENT in the CURRENT FISCAL YEAR - The \$3 billion FY 04 budget includes dollars the County does not intend to spend in the current year and dollars allocated to uses other than day-to-day operations. Those funds are in budget categories called *reserves*, *debt service*, *capital budget* and *transfers out*.

The first category, called *reserves*, may include a portion of borrowed funds that must be set aside to cover any future revenue shortfalls which might prevent the payment of principal and interest on the County's debt. Portions of the *reserves* serve as "rainy day" accounts to help cover excess costs of Sheriff's deputies, fire fighters, road maintenance crews and others who would respond in the event of a disaster. Reserves have been increased in the FY 04 budget consistent with new policies intended to strengthen County finances.

Another category, called *debt service*, includes dollars used to pay principal and interest on short-term and long-term debt -- much like a family budget includes car payments and mortgage payments.

The budget includes a category called *capital budget*. This category includes dollars set aside to pay for building roads, fire stations, utility improvements, parks, etc. These are called *capital projects*. The County uses an accounting practice that allows unspent dollars to be carried-over into the next fiscal year without being re-budgeted. This is called "all-years budgeting." Prior to FY 00, funds for capital projects were re-budgeted if the funds were not spent by the end of the year resulting in the same dollars being budgeted over and over again.

Finally, the budget has categories called *transfers-in* and *transfers-out*. These categories include dollars moved within the internal structure of the budget and the accounting system between funds and subfunds. We refer to these dollars as *transfers*. While these amounts inflate the budget's bottom line, they are necessary to meet accounting standards. Movement of dollars between funds does not reflect any additional spending on programs or projects.

What's available for day-to-day operations

Table B better illustrates the amount available for the day-to-day delivery of services including such things as salaries, supplies, contracted services and fuel for vehicles. As shown in this table, the amount available for day-to-day operations in FY 04 is \$1.3 billion -- much less than the \$3 billion budget shown in *Table A*. This represents an increase of **\$117.4 million** or **9.6%**

TABLE B
ADOPTED FY 04 BUDGET
AVAILABLE FOR OPERATIONS

(in millions)

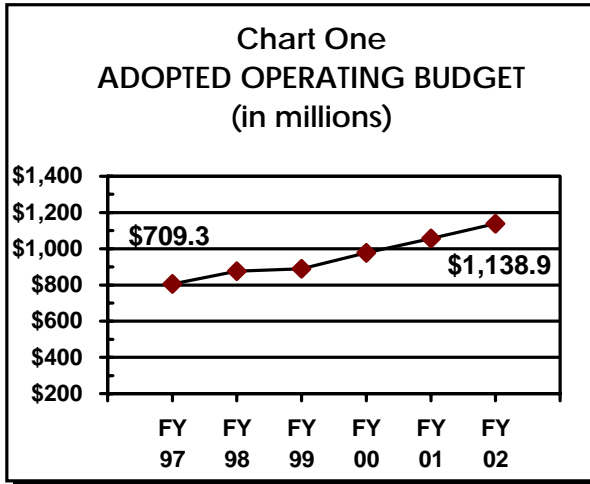
	FY 03 Adopted	FY 04 Adopted
Beginning Fund Balance	\$567.5	\$586.5
<i>Less:</i> Reserves	524.3	541.5
Available Fund Balance	\$43.2	\$45.0
<i>Plus:</i> Revenue and Other	1,515.5	1,678.6
Total Available	\$1,558.8	\$1,723.6
<i>Less:</i> Capital Projects	-167.5	-210.5
Debt Service	-169.3	-173.8
Available for Operations	\$1,221.9	\$1,339.3

Detail may not add to totals due to rounding.

Some of the increase in the operating budget can be attributed to funds passing through the County's accounting structure to other jurisdictions. For example, **71%** of the increase in the FY 04 operating budget can be attributed to accounting rules requiring the County to place **\$83 million** from the Community Investment Tax (CIT), a 1/2 percent sales surtax, in the operating budget before distribution to municipalities and the School Board. Another example of a pass-through is the amount of federal funds awarded to the County specifically for distribution to other jurisdictions. For example, Ryan White AIDS grants are entered in the County's financial system before distribution to providers in Pinellas and Pasco Counties. Another example is the increased distribution of countywide property taxes to municipalities, especially the City of Tampa, for a redevelopment incentive program called Tax Increment Financing

Another change only affecting one part of the organization is the increase in bulk water rates. The County purchases water from Tampa Bay Water and, in turn, passes the cost through the County's financial system to its customers both as revenue and expense. Similarly, as new residential solid waste customers are added each year, additional residential assessment revenue flows through the County's budget to private collection companies.

CHANGES in the BUDGET over TIME - To better understand how the operating budget has evolved, we need to focus on the underlying factors that affect the operating budget. We do this by looking at recent fiscal years for a historical perspective.



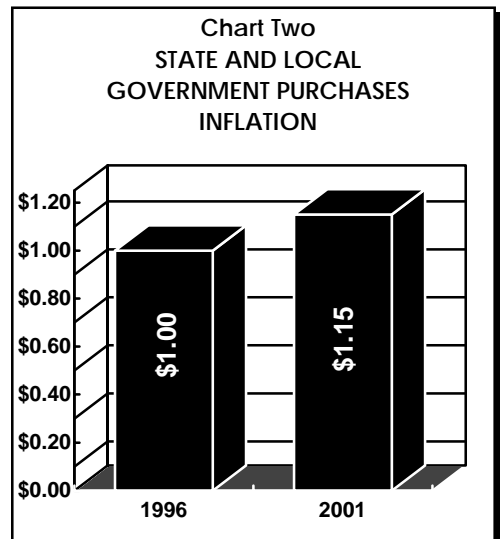
During the five-year period from FY 97 to FY 02 the County's operating budget increased from **\$709.3 million** to **\$1,138.9 million**. This is an increase of about **60.6%** or an average annual rate of **9.9%**. *Chart One* illustrates this.

Some factors for Increases in the operating budget

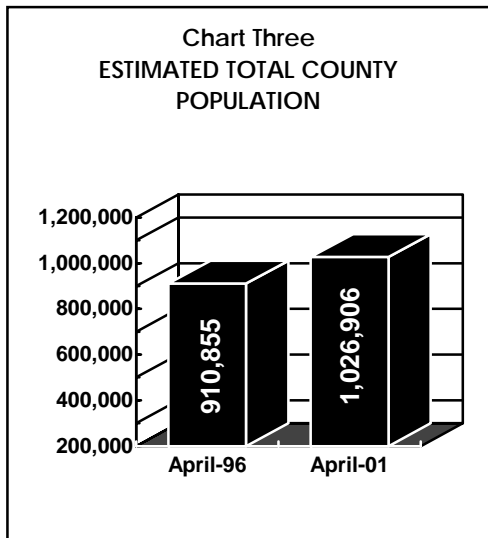
To understand the growth in the operating budget it is important to focus on broad trends rather than year-to-year changes. This section looks at the trends in some factors leading to increases in the County's operating budget.

First - Inflation in the cost of personnel and operating expenses - Governments, like individuals and companies, must deal with the effects of inflation. *Chart Two* shows inflation's effect over five-year period preceding preparation phase of the FY 04 budget cycle.

According to data supplied by the United States Department of Commerce, Bureau of Economic Analysis, what state and local governments could purchase for **\$1.00** in 1996 cost **\$1.15** in 2001. This national average illustrates how inflation may have affected Hillsborough County's costs.



Although inflation was relatively low during this period, state and local governments' costs of doing business – purchasing goods and services – increased **15%** over a five-year period or an average annual rate of change of **2.8%**.

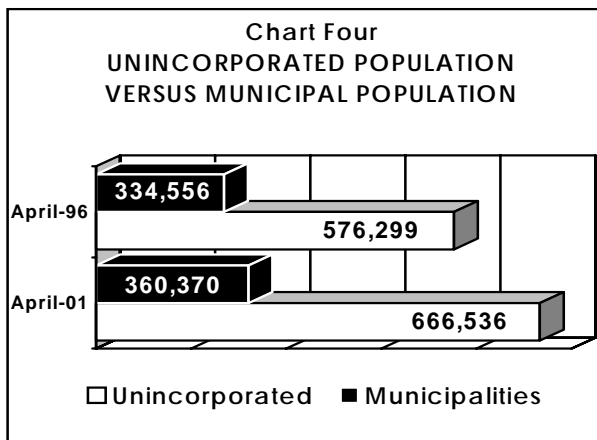


Second, growth in demand for services due to an expanding service population - A simple way of measuring growth in demand for County services is population growth. **Charts Three and Four** reference two points in time because these are the populations whose service needs and demands the County considered when preparing the FY 97 and FY 02 budgets.

According to the University of Florida's Bureau of Business and Economic Research's estimates, the county's total population, including cities, increased by **116,051** persons from April 1, 1996 to April 1, 2001 - an increase of **12.7%** over five years or an average annual rate of **2.4%** per year.

Countywide population growth is an important factor because the County delivers services such as social services, mosquito control and animal services regardless of municipal boundaries. However, the County is the provider of municipal-type services to the population of the unincorporated area. The unincorporated area's population is estimated to have grown by

90,237 persons or **15.7%** over the same five-year period.



Although the three municipalities are important residential and commercial centers, the population in the municipalities grew by only **25,814** or **7.7%** during the same period. Almost seventy-eight percent (**77.8%**) of the county's total five-year population growth can be attributed to growth in the unincorporated county area's population.

It is significant that as of April 1, 2001, **64.9%** of the county's total population resided in the unincorporated area of Hillsborough County. **If the unincorporated area of Hillsborough County were a municipality, it would be Florida's second largest city.** As more areas of the unincorporated county are developed, Hillsborough County government will provide municipal services to an even larger segment of the county's total population.

Third, regulatory changes requiring the County to change how it provides services and to add new services – Some major programs affected by regulatory changes are:

- ◆ Health Insurance Portability and Accountability Act of 1996
- ◆ State regulations pertaining to the construction industry
- ◆ Homeland Security
- ◆ Changes in voting technology

Fourth, local initiatives to add or increase services - Besides the changes caused by state and federal mandates, there are local initiatives to add new services or to increase the levels of service of current programs.

- ◆ Initiate a litter control program for roadsides and neighborhoods
- ◆ Expand community code enforcement
- ◆ Monitor of Tampa Bay Water projects
- ◆ Promote affordable housing
- ◆ Expand economic development initiatives
- ◆ Establish mandatory residential solid waste collection
- ◆ Implement dual training for fire fighters and paramedics
- ◆ Expand funding of vehicle replacement to reduce out-of-service time and increase productivity

Examples of increased workload - The following examples of increased workload show increases in many County programs well in excess of population growth. Some represent increased demand for services by county residents. Others represent increases due to expanding facilities to maintain service standards to an expanding population.

Chart Five
Reference Questions Answered

The number of questions answered by Library Services Reference Department staff increased **92.3%** over five years or an average annual rate of **14.0%**. During this time, the reference staff was also implementing internet connections and other multi-media reference sources.

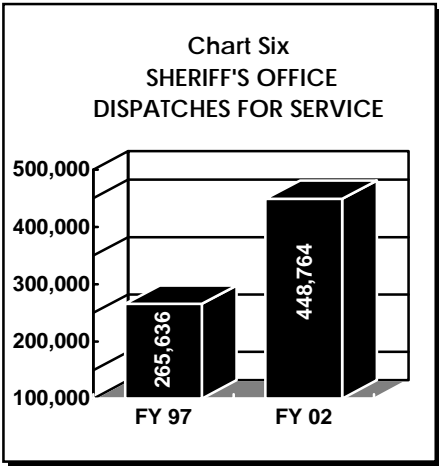
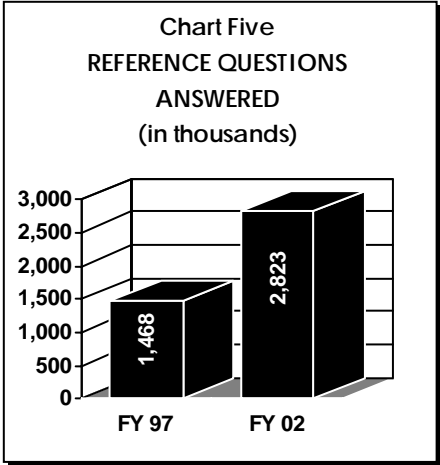


Chart Six
Sheriff's Office
Dispatches for Service

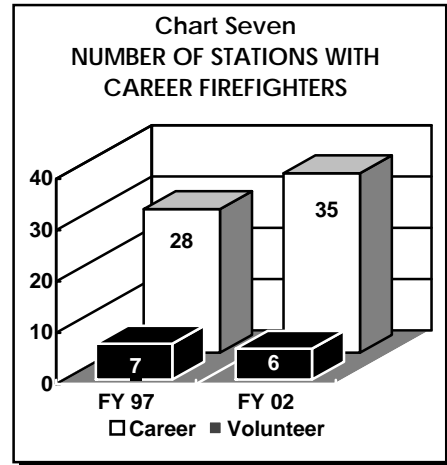
The Sheriff's Office's dispatches for service increased in the unincorporated area of the county by **68.9%** over five years or an average annual growth rate of **11.1%**.

Such dispatches would require the dispatch of a deputy with car. At the same time, the Sheriff's Office was trying to maintain a ration of 1.7 deputies per thousand persons.

Another measure reflects a shift in the way services are delivered:

**Chart Seven
Number of Stations with Career
Firefighters**

The chart shows that County-paid fire-fighters operated 7 more fire stations in FY 02 than in FY 97 -- an increase of **25%** while the number of the number of volunteer stations decreased by **14%**. During this time, one volunteer station was converted to a County-staffed station and the department opened 6 new stations staffed with career firefighters. During this same period, the Fire Department merged with the Emergency Medical Services Department to provide integrated fire rescue services.



Effects of these factors on the budget

These factors validate the growth experienced in the County's day-to-day operating budget from FY 97 to FY 02. Inflation accounted for one-quarter (24.7%) of the increase in the operating budget. Population growth can account for another large share, 21.0%. The increasing tendency to use the County as a pass-through agency for local taxes (for example, the Community Investment Tax) and federal and State grants accounts for another large portion of the increase. The growing demand for existing services far exceeding the population growth experienced during the five years – also increased the operating budget.

Finally, State and federal regulatory requirements, State unfunded mandates and

local initiatives redefined the levels and types of services supplied by the County to the residents and businesses of Hillsborough County. In all, these factors more than account for the growth of the operating budget.

Other factors helped slow growth of the County's operating budget. Two limits on residential property values affect the residential property tax base. One is a State restriction, known as the "Save Our Homes" provision of the Florida Constitution that caps the increase in values of owner-occupied residential properties. The other is the local option Senior Homestead Exemption, which the County adopted in November 1999. In FY 02, \$20,000 of the value of residential property owned by low-income senior citizens was exempt from the imposition of the Countywide property tax.

The Senior Homestead Exemption increased to the legal maximum of \$25,000 in FY 03. This is in addition to the \$25,000 Homestead Exemption available for primary owner-occupied residences. Both "Save Our Homes" and the Senior Homestead Exemption reduce the tax base.

Budget reductions in existing programs

In recent years, the County's budget has reflected cost savings in existing programs for trimming costs.

The County implemented a series of recommendations made by a Blue Ribbon Committee on County Finances and the Florida Tax Watch. In the FY 02 and FY 03 budget process alone, over \$3 million in efficiencies were implemented. Some of the implemented recommendations include an aggressive energy management program for County-owned buildings and facilities, downsizing the vehicle fleet and a quality improvement program.

Changes in property taxes

Chart Eight shows how property taxes levied by Hillsborough County changed from FY 97 to FY 02. These amounts show the portion of the tax bills issued in November 1996 and November 2001 reflecting property taxes charged by the Board of County Commission to fund the budgets for FY 97 and FY 02.

The chart reflects the taxes on a house located in the unincorporated area valued at \$100,000, less a \$25,000 homestead exemption. Included are taxes levied countywide, library district taxes and the MSTU (unincorporated area services) taxes. It

does not include city tax and school taxes, special district property taxes, or special assessments.

Chart Eight
PROPERTY TAXES LEVIED BY
HILLSBOROUGH COUNTY

FY 02	\$999
FY 01	\$1,010
FY 00	\$1,017
FY 99	\$1,027
FY 98	\$1,034
FY 97	\$1,047

Millage rate reductions in the Countywide property tax and in the millages for two voter-approved tax levies account for the **\$48** reduction from FY 97 to FY 02. .

Changes in county utility rates

Water and sewer fees charged by the County's Water Department to customers in its service area also changed. The monthly residential water and wastewater bill (based on water consumption of 10,000 gallons) increased from **\$61.61** per month in FY 97 to **\$64.47** in FY 02 - an increase of **4.6%** over 5 years, or an average of **0.9%** per year.

These increases in water and wastewater rates reflect increased operating costs, such as the cost of purchasing water from Tampa Bay Water, and having to modify operations due to regulatory changes such as a rate structure encouraging water conservation.

Changes in county special assessment rates

As mentioned before, property owners in the unincorporated area may also pay special or non-ad valorem assessments to Hillsborough County. It is important to remember that not all property owners are assessed these special assessments. Some are imposed only in certain areas and only after property owners petition the County for the service or capital improvement.

Over the period of FY 97 to FY 02, the assessments for services have remained static. This stability may result from the efforts of departments to become more efficient. However, future economic conditions, such as increases in electricity rates, may require the County to consider rate adjustments.

Some of the special assessments driven by the desire for increased services are:

- ◆ **Stormwater Program Assessment** - First levied on the 1991 tax bill, this assessment funds neighborhood stormwater improvements. Since its inception, there has been no change in the assessment of **\$12** per equivalent residential unit. All properties in the unincorporated area pay this assessment.

For information about the Stormwater Assessment, contact the Public Works Department at 272-7021 extension 3606.

- ◆ **Solid Waste Special Assessments** - These special assessments are imposed on all residential units in the unincorporated area and some portions of the City of

Tampa. The Solid Waste Disposal Assessment covers the cost of disposing of solid waste collected from residences. The annual assessment on a single family home for the Residential Solid Waste Disposal Fee was \$89.71 for FY 97. In FY 98 this assessment decreased to \$85.43 and remained unchanged.

In 1997, the Board of County Commissioners approved a Solid Waste Collection Assessment for the mandatory collection of residential solid waste. This replaces the service fees previously paid by residential customers directly to commercial collection services and represents significant savings to unincorporated county residents. At the same time, it flows millions of additional dollars through the County operating budget each year. The annual assessment on a single family home was **\$76.20** from its inception to the 2003 tax year when it increased to **\$80.68**.

For information about the assessments for solid waste, contact the Solid Waste Management Department at 813-272-5680.

- ◆ **Residential Street Lighting Assessments** - This assessment pays for poles, maintenance, and electricity costs provide by the local electric utility, TECO (Tampa Electric). It varies depending on the type of fixture. It is imposed after property owners petition the County for service. Despite electricity rate increases, the assessment for a street lighting district with concrete poles remained **\$55.10** per year from FY 97 through FY 02.

For information about the Residential Streetlighting Assessment Program, contact the Public Works Department at 813- 272-5551.

Some of the special assessments driven by the desire for increased capital improvements are:

◆ ***Reclaimed Water Improvement Unit Assessments*** - First levied on the 1994 tax bill, this program allows residents in the County's utility service area to pay for reclaimed water distribution systems in their subdivisions after petitioning. This will help dispose of treated effluent from the County's wastewater system and conserve potable water by funding the cost of laying pipes in specific residential areas and amortizing the costs over 20 years. Only property owners in specific units pay the assessment. The per-unit assessments will vary from area to area depending on the cost of installing the distribution systems.

For information about the Reclaimed Water Improvement Unit Assessments, contact the Water Department at 813-272-5977 extension 2364.

◆ ***Water and Wastewater Capacity Unit Assessments*** - First levied on the 1997 tax bill, this program allows developers, builders, and homeowners in the County's utility service area to finance one-half of water and wastewater capacity fees over time as special assessments. Only property owners in defined geographic areas pay the assessments after petitioning the County.

For information about the Water and Wastewater Capacity Unit Assessments, contact the Water Department at 813-272-5977 extension 2130.

◆ ***Transportation Impact Fee Assessment*** - First instituted in 2003, this program allows developers, builders and homeowners in the unincorporated area to finance one-half of their transportation impact fees over time as special assessments. Only property owners in defined geographic areas pay the assessments after petitioning the County.

For more information about this program, contact the Impact Fee Program, 813- 307-3552



PART III ADOPTED BIENNIAL BUDGET FOR FY 04 AND FY 05 FOR HILLSBOROUGH COUNTY

December 5, 2003

Members of the Board of County Commissioners:

It is my pleasure as your County Administrator to present to you the biennial or two-year budget of \$3.0 billion for FY 04 and \$3.0 billion for FY 05. This budget includes property tax millage rate reductions for the ninth and tenth years in a row.

The budget reflects the results of a budget process that began in January with a series of budget workshops that culminated in two public hearings in September. On September 18th you adopted a budget for the fiscal year beginning October 1, 2003 and ending September 30, 2004 – FY 04. At that time, the biennial process included approval of a planned budget for the period October 1, 2004 through September 30, 2005 – FY 05. This reflects the fifth time the Board of County Commissioners (BOCC) adopted a biennial budget covering two separate fiscal years. The biennial budget process is an innovative means of providing important and consistent policy direction, minimizing the annual replication of a labor-intensive budget preparation process, while allowing critical issues to be re-addressed as necessary in the “off year” of the process.

At the same time, we integrate the biennial budget process with a six-year capital improvement program (CIP) of which the first two years reflect the capital budget component of this biennial budget. The combination of a two-year budget and a six-year capital plan allows members of our community to look at a broad picture of how resources will be allocated to meet community needs.

The Budget for FY 04 and FY 05

The Budget totals \$3.0 billion for FY 04 and \$3.0 billion for FY 05. The total budget amount can be somewhat deceiving since nearly a quarter of the budget each year reflects counting the movement of funds between accounts (i.e., “transfers”). The budget increases by \$189.3 million or 6.8 percent for FY 04 and

by only \$12.7 million or less than one-half of one percent for FY 05. The operating budget, which generally reflects the day-to-day cost of providing services, reflects a \$117.4 million increase for FY 04, and a \$34.5 million increase for FY 05.

A more appropriate year-to-year comparison may be made at an organizational level where underlying factors are more readily apparent. The Sheriff's budget, for



example, will increase \$23.7 million in FY 04 or 9.9 percent due to a combination of cost increases, a BOCC commitment to a staffing standard for law enforcement officers and the planned opening of new correctional facilities. In FY 05, the growth is slower: a \$17.9 million or 6.8 percent increase.

The Process

Earlier this year, the BOCC held four monthly budget workshops, beginning in January. Those workshops allowed an opportunity to consider the upcoming biennial budget process within the context of our five-year Pro Forma projections for major operating funds, with consideration of State of Florida legislative proposals that could shift costs to county governments or reduce revenues, and with an understanding of the nature and scope of unfunded capital requests.

Starting the budget process within the context of budget projections allows us to recognize the challenges we will face – not only in preparing a balanced budget for the next one-to-two years, but with an understanding of how existing commitments in the CIP will impact future operating budgets. For example, a fire station may have been fully funded in a prior budget cycle and have no financial impact on the current budget, but require \$1.5 million in new resources in a future year for annual operation.

A Balanced Budget – As your designated budget officer, the County Administrator presents you a balanced budget. The budget prepared for your review and delivered in June was balanced in each of the numerous funds that constitute this

budget and for each of the two years. That Recommended Budget was prepared consistent with BOCC policies, priorities and direction. The Recommended Budget however, is a working document and you scheduled a series of workshops and four public hearings to allow the budget to be further refined to meet your priorities and to allow the public opportunities to address their concerns and priorities before final decisions were made. Two of those public hearings were specifically scheduled to allow public input prior to any tentative decision on maximum tax rates, which you set at a workshop on July 31st.

Developing a Budget Within the Context of Multi-year Forecasts

– Our five-year “Pro Forma” projections reflected some slowing of revenue growth to reflect uncertainty in the economy mixed with continued strong residential construction activity. Expenditures reflected BOCC commitments to staffing standards in certain areas, an expectation that compensation costs will continue to grow based on comparisons with public and private employers and based on State retirement contribution rates rising to reflect actuarial sound funding, and recognition that certain funded capital projects will have significant operating costs when they are completed. Our forecasts did not account for potential shifting of costs by – or reduction in revenues from – the State of Florida. Overall, our Countywide General Fund appeared to be in balance for the next five years but the Unincorporated Area General Fund (which provides municipal-type services to unincorporated area residents and businesses) appeared to have a small but measurable deficit based on the cost of

staffing new parks, fire stations, and our staffing standard for law enforcement. It is important to note that the Pro Forma, with limited exceptions, provides a projection of what we refer to as a "continuation level" budget. That is defined to update costs for existing staffing levels and existing contracts, services and commodities, but not to add staff to maintain service delivery ratios or to serve additional clients. A growing population and slow growth in grant revenues may strain our ability to function at such a level. The Pro Forma provides useful context upon which we can build a budget for the upcoming biennial period.

Budget Development – As we collected information to prepare a balanced budget for BOCC consideration, we monitored the State budget process, obtained early estimates of tax base growth from the Property Appraiser's Office, and projected the budgets for Constitutional Officers who deliver official budget requests much later in the process than other organizations. As we would later find out, each of these factors led us to believe our financial situation was graver than it turned out to be. The State inflicted measurable, but limited impacts on our budget. The early suggestions that our ad valorem (property) tax base would grow by only 4 to 5 percent turned out to be far below the official estimates provided at the end of June. Both the Sheriff and the Clerk requested funding slightly below our projections. While the Supervisor of Elections request exceeded our projections in FY 04, the largest impact is a one-time expenditure for additional voting equipment that can be funded with one-time revenue.

In the final analysis, we weathered both the impacts of what, until very recently, appeared to be a slow economic recovery as well as the shifting of a portion of the State's financial burden much better than we feared. As a result, we are in a much stronger financial position than the majority of local governments across the country.

There were certain opportunities that facilitated funding decisions reflected in this budget. One was the opportunity to address some of our greatest non-recurring needs. The key to doing so was by ensuring that we used non-recurring (i.e., one-time) funds to fund non-recurring needs.

Prior to the economic downturn we accumulated reserves in two State-shared revenues as actual annual collections exceeded budget. As these revenues grew, we increased subsequent budgets, but the excess revenue collections that had been received accumulated in reserves. One revenue is referred to as State Revenue Sharing. While it historically was based largely on intangibles tax revenue, it is now primarily based on State sales taxes. The second revenue is referred to as the Half Cent Sales Tax. That source, shared by the State of Florida with both cities and counties, is based on a percentage of State sales taxes collected within each county. We previously tapped State Revenue Sharing to provide the \$12 million "war chest" for our Water Resources Team as a means of ensuring that we could afford careful examination as Tampa Bay Water – the provider of our community's potable water – located new sources within Hillsborough County. The

Half Cent Sales Tax has been committed, in part, to debt service on County bonds.

As we entered the downturn, funds were retained as "revenue stabilization" reserves because we recognized that State-shared revenues could be impacted dramatically by either of two events:

- First, a sharp slowdown in consumer activity that would shrink revenues tied so directly to consumer purchases. In the aftermath of the September 11th terrorist attacks, one of the first things we did was step up the detailed level at which we monitored both of these revenues.
- Second, the potential for the State to change the allocation formula in response to the State's own budgetary crisis. North Carolina is an example of a State that did exactly that to local governments in order to solve a State crisis by taking back revenue previously distributed to local governments. Article V implementation, which I discuss later, may still impact one or both of these revenues as the mechanism by which the State adjusts revenues to offset the costs absorbed by the State in response to Florida voters' approval of Constitutional Revision 7.

Now that the economy has entered a growing recovery, we are in a position to define a less conservative reserve level for each of these sources and release the balance to address high priorities for non-recurring funding. We targeted drawing down reserves in each case to a level equal to about 10 percent of annual projected collections. That is twice the offset

typically required by Florida Statutes, but it recognizes the greater potential volatility of these revenues.

A Commitment to Meeting Board of County Commissioners Policies and Priorities

In several areas, this budget supports key policies and priorities previously identified by the BOCC:

Law Enforcement – The Board is committed to law enforcement through the retention of a standard of 1.7 sworn law enforcement officers for each 1,000 unincorporated area residents. As our unincorporated population continues to grow, this standard justifies a steady stream of additional Sheriff's deputies. Over the next two years, the Sheriff will add a total of 50 deputies including 5 school resource officers.

Fire Protection – A Tampa Shores Station will open in February 2005. This continues a BOCC commitment to the opening of additional fire stations to address unincorporated population growth and to prevent a deterioration of response times. The budget also adds a rescue unit to the River Oaks Station and takes over staffing for a water tanker that volunteers are unable to continue staffing. In addition, we are implementing technology that should improve our ability to dispatch units through global positioning system (GPS) equipment that tracks the location of our vehicles. The latter is largely a non-recurring cost. The staffing increases present recurring costs.

The BOCC also took a bold move towards funding future needs by raising the Com-

munications Services Tax rate from 2 percent on communications services to 4 percent. The revenue from one percent of the tax was set aside in reserves in FY 04 and FY 05 for future expansion of fire protection. The higher tax rate will be levied in unincorporated Hillsborough County beginning January 1, 2004. Even at the higher rate, the County will levy a lower rate than all three municipalities within the County, and a rate lower than other charter counties.

Sign Enforcement – The budget takes a significant step towards enforcing land use regulations related to signs in the unincorporated area. This has been a community concern and involves both permitted signs that may not meet regulations and unpermitted signs. To initiate adequate resources to have a noticeable impact, we added staffing in the Planning and Growth Management Department to provide follow-up on permitted signs to ensure regulations are met. We also added staffing in the Housing and Community Code Enforcement Department to address illegal signs posted in public right-of-way.

Implementing the Town 'N Country Plan – A notable proposal that came out of our community-based planning activities was the prospect of replacing the Westgate Library rather than continue our plans to expand the existing facility. When we examined the long-term financial viability of our library system earlier this year, we determined that the library system, with its separate millage rate and other revenues could absorb additional one-time costs but was approaching the limit in regard to an ability to absorb recurring costs. That worked well with the proposal to replace

the Westgate Library since we already had planned to operate a 25,000 square foot facility with the associated recurring costs. This budget funds the replacement of the existing facility with a new facility. The added cost of \$3.2 million is affordable and future operating costs may actually be slightly less due to the efficiency of a new facility over the expansion of an existing facility.

Other aspects of the Plan are also addressed: Transportation funding of \$3.8 million was included in transportation projects funding approved by the BOCC in FY 02, and a \$2.0 million Senior Center was also previously funded. To address needed parks improvements, \$0.5 million is budgeted in FY 04 and an additional \$0.5 million is budgeted in FY 05 for Westgate Park improvements.

Parks and Recreation Facilities Maintenance, Development and Operation – Several commitments are reflected in the budget to address BOCC policies and priorities. First, BOCC policy is to maintain existing assets as a priority over new construction. The BOCC has committed one percent of revenues in the Countywide General Fund and in the Unincorporated Area General Fund to fund repair and maintenance projects. A backlog in needed maintenance of parks and recreation facilities requires a higher level of commitment in the near term to bring these facilities to a condition that can be maintained by the ongoing commitment of operating revenues. To address this backlog, the budget uses excess State-shared revenues that accumulated prior to the economic slowdown. We adjusted reserves for revenue stabilization (to re-

serve 10 percent of projected annual revenue) to provide reasonable safeguards against future revenue fluctuations and, as a result, freed up excess reserves to fund these non-recurring maintenance needs. This approach to stepping up maintenance efforts is not new: We used a similar approach over a several-year period to upgrade the condition of our motor vehicle and heavy equipment fleet. The result of our investment in our fleet was a reduction in downtime and lower ongoing maintenance costs – opening up opportunities for County departments to operate more efficiently and effectively. Our investment in improving the average condition of our parks and recreational facilities should be similar; improved availability of facilities and lower ongoing maintenance costs. Included in these investments is a specific investment to upgrade the condition of lighting systems at athletic facilities.

In addition, we are using the same one-time source (excess State-shared funds) to fund one-time needs for two trails projects: Upper Tampa Bay Trail Phase IV and the Northdale/Lake Park Greenway Trail. The Upper Tampa Bay Trail needed \$2.8 million for land acquisition by FY 05 to be eligible for federal TEA-21 (transportation) funding for design and construction. The Trail will be qualified for up to \$6.5 million in federal funding. The Northdale/Lake Park Greenway Trail needed about \$0.3 million for construction.

Plant City requested the County continue to contribute funding for Phase I of the Ellis Methvin Park. The City bases its request on usage by unincorporated area residents. The County previously assisted with the cost of land for the Park. The County will

provide \$0.7 million – split between FY 04 and FY 05.

The budget provides ongoing staffing for new County facilities funded from our Countywide and Unincorporated Area General Funds, as appropriate. In FY 04, funding is provided to staff the Gardenville Community Center and for maintenance staff for several newly opened parks. In FY 05, funding is provided to staff the gymnasium at the All Peoples Life Center, as well as the Westchase Park, the Carrollwood Meadows Park, and an addition to the Northdale Park.

The budget also adds staff at four athletic complexes: two existing facilities and two new facilities. This continues the BOCC's commitment to developing higher maintenance standards for selected athletic facilities.

Monitoring Tampa Bay Water Projects – The BOCC committed to closely monitor new water supply projects in our community through the funding of a Water Resources Team. This interorganizational group had been originally intended to sunset at the end of FY 01, but funding was continued through FY 03 to address our ongoing concern over the projects Tampa Bay Water intends to build in our community. The number of outstanding issues to be resolved including new proposals for projects requires us to continue this essential program. Sufficient funds will be carried forward to meet staffing costs but an added \$2.8 million was infused into this program to provide sufficient funding for the use of consultants at an estimated cost of \$1.4 million per year.

Consumer Protection – Recognizing the value of protecting County residents against consumer fraud, we will double our consumer protection staff over the next two years. That amounts to eight new staff in this public safety function.

Expanded Transportation Capital Program

– The BOCC increased its annual commitment to transportation during the last biennial budget period by \$10 million per year and authorized an added \$132 million in projects financed with the Community Investment Tax, a local option sales tax for infrastructure. To address the expanded commitment, this budget shifts staff previously committed to the accelerated stormwater capital program to transportation projects. The stormwater program is winding down so five staff in the County Attorney's Office, seven staff in the Public Works Department, and four staff in the Real Estate Department will make the transition to transportation. The ongoing funding of these positions is contingent on recovering the full direct cost of each position through monthly reimbursements from the transportation projects on which they work. Should there be inadequate work to justify the continued need for any of these positions or should the appropriate department not manage the reimbursement process adequately, we will not be able to retain these positions.

We adjusted our existing transportation program through a plan to split the funding with the City of Tampa for the widening of a 1.33-mile segment of Cross Creek Boulevard. Each government will contribute \$1.8 million. We also initiated funding over the next five years (FY 04 through FY 08) for project development and environ-

mental study of the extension of Citrus Park Drive.

Grant Funding – In Children's Services, funding from a transitional living grant will allow us to open two shelter group homes for homeless teenage girls.

Slower growth in grant revenues has made it more difficult to maintain services where the County provides limited matching funds. Much as the HealthCare program has undergone a streamlining of administrative costs, we intend to phase down administrative costs in the Head Start and Early Head Start programs, cutting 50 positions. Existing vacancies were cut and employees in other positions targeted for elimination are being placed in other County positions as they become vacant. Hillsborough County has been highly successful in avoiding layoffs during past periods of slow revenue growth. As long as the number of positions being cut is small, we should be able to avoid layoffs.

The BOCC approved a pilot program intended to stabilize service delivery in a grant-funded program over the course of a fiscal year. The innovative program created an "overdraft" reserve for Aging Services grant-funded programs. The reserve is intended to allow services to the elderly to remain in place for the balance of a year even if grant revenues fall short of budget – as long as the shortfall fits within a pre-determined limit of \$0.5 million. In the absence of such protection, the County could be forced to adjust services during a grant year simply on the suggestion that funding might be less than anticipated. This pilot program will be assessed in the next budget cycle to determine if it

has been successful and should be continued and, if successful, whether it should be expanded to cover other grant-funded programs.

Commitment to Our Seniors – Due to insufficient grant funding to absorb cost increases, the Countywide General Fund picked up added costs in order to avoid reducing clients in Aging Services' Community Care for the Elderly (CCE) program. Funding was also added to serve Adult Protective Service clients, for which the County serves as the Lead Agency.

In an effort to expand in-home services to 200 of the highest priority individuals on a waiting list of over 1,200 seniors, the BOCC committed \$1.2 million per year to expand services. At an annual average cost of nearly \$5,800 per client, the program compares favorably with nursing home care these clients would likely need that can cost in excess of \$40,000 per year.

Commitment to Our Children – Our commitment to children is also a priority in the changes reflected in this budget. The budget implements a new program to provide services to families of developmentally disabled children, including County-provided respite care. The budget also provides matching funding for the Healthy Start Coalition, contingent on funding from the Children's Board.

To keep pace with growth, we added a child care licensing inspector in FY 04 and a second inspector in FY 05. The budget also provides County vehicles for use by child care inspectors. It was inequitable that other programs have historically provided County vehicles to inspectors while this program required employees to regu-

larly drive their own vehicles. This is largely a one-time cost. On-going costs for maintenance and vehicle replacement charges will be partly offset by reduced mileage reimbursements.

Commitment to Our Employees Through Proactive Human Resources Services –

During the past year we found that we need to step up our training programs for County employees, improve our employee communications, and provide an avenue for proper investigation into complaints of inappropriate treatment. In response to a review by the Craig Group and its subsequent recommendations, we have enhanced our funding commitment to each of these areas in the budgets for FY 04 and FY 05. Combined with new leadership in the area of Human Resources, we intend to ensure that Hillsborough County is a preferred employer with a reputation for valuing the diversity of its employees and the diversity of the community we serve.

Library Expansion Program – The FY 04 and FY 05 budgets reflect the BOCC's commitment to library expansions and renovations. The West Tampa Library expansion and the Lutz Library expansion will both be completed in FY 04, with extension of service hours and staffing. In FY 05, both the South Brandon Library and the Upper Tampa Bay Library will open. The BOCC approved enlarging these new facilities earlier this year from 10,000 square feet to 15,000 square feet.

Security of New Facilities – The FY 04 budget provides security services and maintenance and custodial services to the new Edgecomb Building and security services for the Floriland Mall court facility.

Funding of Constitutional Officers – In accordance with law, this budget fully funds the requested FY 04 and FY 05 budgets for the Sheriff, the Clerk, and the Supervisor of Elections. The amounts shown in the budget for the Tax Collector reflect commissions to be paid on the taxes collected by that Office. For FY 05, those commissions are projected based on projected tax rates and growth in tax bases. The amounts reflected for the Property Appraiser reflect that portion of the Property Appraiser's budget for which the BOCC is responsible—more than 92 percent of the total budget. With the exception of the Supervisor of Elections, the Constitutional Officers maintain their own accounting systems and provide more summarized information than that requested through the BOCC budget process.

Other Agencies – Civil Service Board funding has been provided that is slightly above the statutory minimum, which is based on the payrolls of the government authorities that it serves. Recognizing that Civil Service serves authorities that do not currently receive BOCC funding, we send an invoice to the Port Authority, the Aviation Authority, the Children's Board, Expressway Authority and the Tampa Sports Authority for their proportionate shares of the Civil Service budget. The BOCC approved a pay and classification study covering both classified positions under the Civil Service system and unclassified (management) positions within County Administration. The study is intended to provide a basis for compensation adjustments in the next biennial budget process (FY 06 and FY 07).

The Planning Commission has been funded at a higher level than the adopted FY 03 budget: funding includes a position added during FY 03 that will be fully reimbursed by MPO grants. The Law Library will receive continued County funding to make up for inadequate court fees. Legislative action to increase these fees was unsuccessful.

The Environmental Protection Commission received an expanded commitment to three programs – open burning regulation, wetlands, and GIS services – funded through user fees approved by the BOCC.

Other Organizations – The BOCC committed funding to several other organizations – both public and nonprofit:

- A commitment of \$0.5 million split between FY 04 and FY 05 for the Children's Museum, contingent on matching funds and other provisions.
- A commitment of \$1.0 million for the Performing Arts Center School of Performing Arts: \$0.5 million in FY 04 and the balance split between FY 05 and FY 06.
- A commitment to a University of South Florida high technology incubator program of \$0.5 million split between FY 04 and FY 05.
- A commitment to partner with the Tampa Port Authority and the City of Tampa on funding a protocol officer.
- A commitment to youth sports development programs through the Tampa Sports Commission in an amount of \$0.1 million in FY 04 and \$0.15 million in FY 05.

- Expanded support to Hillsborough Area Regional Transit (HART) for circulator service and weekend service.

Compensation – This budget follows BOCC policy on maintaining pay comparability with public and private employers at the 50th percentile. The FY 04 budget provides compensation adjustments consistent with a Civil Service labor market survey and subject to a maximum annual market adjustment of 3.5 percent for any job class. A similar assumption is made for FY 05 and will be adjusted during the budget update for FY 05 to reflect a survey conducted in early FY 04. We continue to provide employees not subject to collective bargaining the ability to progress through their pay ranges based on merit increases as well. While the adjustments reflected in the biennial budget are consistent with BOCC policy, the previously-described pay and classification study should provide an opportunity for a current and comprehensive assessment of pay rates.

The budget is built on the assumption that employees covered through collective bargaining agreements will have pay increases comparable to rank and file employees.

Benefits – The State retained Florida Retirement System contribution rates below those that would be consistent with actuarial levels for a second year. Because of differences in the fiscal years of the State and local governments, we assume rates will rise to actuarial-sound levels on July 1, 2004 – nine months into FY 04. The higher rates have been factored into both the FY 04 budget (pro-rated for three months) and the FY 05 budget. Balancing the

budget to these higher rates is sound financial planning. It is particularly important as the BOCC looks at the affordability of future program costs such as those associated with operation of new parks, libraries, and fire stations that are staff-intensive.

The budget was built on new employee health insurance costs for our self-funded program. In FY 04, that resulted in a \$35 per month increase in the County's share of the employee health insurance for those employees with County-provided health insurance, combined with a \$10 per month increase in the cafeteria benefit for all employees. Employees who participate in the County-provided health care program would pay \$10 more per month. In FY 05, we assumed the County and employees would split any increase in health insurance cost.

Modification of Policy on Budget Adjustment for Turnover Savings (BOCC Policy 03.02.02.25) – Since adoption in 1998, this BOCC Policy has allowed us to set aside a portion (previously, 2 percent) of budgeted personnel costs in our major operating funds. On the recommendation of the Clerk of the Circuit Court, these turnover (attrition) savings are reserved in the event departments are unable to operate within the remaining amount. Based on an examination earlier this year of our experience, only a modest amount of this reserve has been used. Beginning with the FY 04 budget, the BOCC approved a recommendation that we tighten the budget by continuing to adjust departments' budgets for turnover savings as has been the policy, but reserve only a portion of the adjustment based on experience.

Specifically, that we adjust personnel budgets in our General Funds down by 2 percent and reserve an amount equal to one-quarter of that adjustment. That should be sufficient to meet the needs of departments that do not always experience turnover savings. As a result we were able to achieve a one-time budget savings that could be used for non-recurring needs of about \$2.5 million.

Article V Implementation - Probably the most significant budgetary change for this biennial period will be the implementation of Revision 7 to the Florida Constitution, which requires the State to assume costs for Article V that had been passed to county governments. The implementation is still not clear. Initially, counties regarded the shift of responsibility for Article V as an opportunity for savings that could be used for tax relief and/or meeting local priorities. Since the passage of Revision 7, there have been suggestions that counties would be penalized through the implementation process. Our implementation of the changes will occur on July 1, 2004 – nine months into the first year of our biennial cycle. In this biennial budget, we took steps towards that transition. First, in the various funds that pay for court-related programs, we budgeted court-related revenues for both years. On the uses side, we appropriated funds for nine months of FY 04 and created reserves for the remaining three months of FY 04 and for all of FY 05. That ensures that any revenues that we retain can be allocated to court programs while preventing any potential for excessive spending in programs that might shift to the State on July 1, 2004. If we lose the revenues with implementation, then we can proportionately cut reserves as we

lower budgeted revenues. If we retain revenues, we can appropriate the reserves to the relevant programs and continue local funding.

The BOCC took an added step, recognizing that some court-related programs exist because they reflect local priorities and values – e.g., a drug court created to reduce the need to incarcerate people who could be diverted to drug treatment programs at much lower cost to the public. The BOCC set aside more than \$3 million by FY 05 in Countywide General Fund dollars to sustain programs unlikely to be funded with State dollars even though they are currently funded with restricted court revenues and those sources are likely to be assumed by the State. The implication of the BOCC action is that continuation of several programs is certain because adequate local funds have been set aside.

One of the values of biennial budgeting is that the State will finalize its implementation during FY 04 and that will allow us to address Article V issues during the “off year” of our biennial cycle. Most other Florida counties will have Article V implementation issues impinging on other budget issues while we will largely have the FY 05 budget out of the way and be able to focus our attention on this issue.

Outside Agencies – We completed the biennial review of public service agency applications—both applications for Community Development Block Grant (CDBG) funding and applications for general revenue. This has been a challenging period because other funding sources have cut back funding to some agencies we

fund. For those non-profits that participated in the competitive process, we recommended additional funding for the highest ranked agencies of up to ten percent. The overall increase in spending is not great, but rewarding the high performers sends a message that we do, in fact, have pay-for-performance contracts. As in the past, the evaluation of applications was conducted by committee process using members of the BOCC-appointed Citizens Advisory Committee on both the committee that reviews CDBG funding and the committee that reviews Countywide General Fund funding.

The application process was adopted by the BOCC with the intent of channeling nonprofit agency requests to a defined process. At the same time, we recognize that some agencies will appear during the public hearings on the budget to solicit higher funding levels or to make their case for funding directly to the BOCC. A limited number of supplemental funding requests were approved by the BOCC as we considered public comment on the budget.

Museum of Science and Industry (MOSI) –

While independently operated, MOSI remains a County asset and responsibility. As the existing structures age, a commitment is needed to maintain our past investments. The budget includes \$1.75 million in excess reserves from Phase I of the Community Investment Tax (CIT) to address needs at MOSI: \$0.75 million for maintenance of the roof over the original structure and \$1 million for repairs, resealing, and re-caulking of the newer structure. Despite cost-cutting measures, MOSI required supplemental funding in FY 04. We doubled our operational support from

\$0.3 million to \$0.6 million in FY 04. Our funding support drops back to \$0.3 million in FY 05.

Jail Construction – One of the signs of a growing population is the unfortunate need to construct additional jail facilities. Even as Phase V facilities are being completed at the Falkenburg Road Jail with the addition of 27 detention personnel in FY 04, the demand for additional facilities is driving the need to fund Phase VI. Total projected cost for Phase VI including significant administrative facilities currently inadequate at that site, is \$50.5 million. In FY 04, we will use \$4 million in State sales tax reserves to begin design of the new facilities. The balance of the funding, \$44.5 million in FY 06 for construction and \$2 million in FY 07 for equipment will require us to finance the project through an allocation of the Community Investment Tax (CIT). This project will use our remaining capacity within Phase II of the CIT, which commits funds through January 2008. To address this project on top of our prior commitments, the Debt Management Department will manage a program of short term commercial paper to meet our cash requirements for capital projects including the jail and then replace the short term financing as CIT revenue grows to a level that can support long-term debt.

Mosquito Control Facility Relocation – The Aviation Authority has advised us that the County's lease for mosquito control facilities at Tampa International Airport will not be extended past FY 07. We have identified Vandenburg Airport as a relocation site and have committed \$2.5 million for land and construction of a secure site.

Property Tax Rate Cuts – This budget provides modest millage rate reductions for all County taxpayers in both FY 04 and FY 05 – the ninth and tenth consecutive tax rate reductions. We continue to recognize the importance of controlling our reliance in the Countywide General Fund on property tax revenues through a series of annual reductions in the tax rate and the message it sends taxpayers that we don't simply allow revenues to rise with assessments without consideration of the tax rates applied to those assessed values. By FY 05, we will have a decade of property tax savings amounting to nearly a one-mill reduction. More importantly, even if there is no further reduction in the millage rate after FY 05, savings that will have accumulated from the reductions will continue to build over the next decade – for a total savings between FY 96 and FY 15 of over \$815 million. For the owner of a \$100,000 home, the comparable savings over the same period will be \$1,432. For the owner of a \$200,000 home, the savings will amount to more than twice as much – \$3,209 – because the \$25,000 homestead exemption is the same regardless of the assessed value of a home.

A Stake in the Future of Our Community

A Commitment to Revenue Diversity in Funding Future Needs – The BOCC addressed two issues in setting the Communications Services Tax rate at a comparatively modest 4 percent rate from an unusually low 2 percent level that previously existed.

First, the use of the additional revenue addresses revenue diversification by reducing our relative reliance on ad

valorem (property) tax revenue to pay for Unincorporated Area services. Revenue diversification insulates County programs against the potential volatility of funding if we relied too heavily on one source. This diversification was one of 59 recommended budget practices identified by the National Council on State and Local Budgeting – many of which we previously adopted in order to strengthen our budgeting process.

Second, the BOCC has facilitated an opportunity to address funding needs for the services the County provides to Unincorporated Area residents. As indicated earlier, the County's Pro Forma forecasts a deficit of revenue to meet future funding needs – particularly as we address the cost of operating new fire stations and parks. The BOCC split the additional revenue from the higher tax rate into two shares: one was "earmarked" for future consideration in expanding fire protection while the second share was made available for any Unincorporated Area service. By FY 05, when we will have a full year's receipts from the higher rate, each share will amount to about \$6 million per year. All of the FY 04 and FY 05 shares for fire protection (\$3.8 million and \$6.0 million, respectively) are reserved for future allocation. The majority of the second share has also been reserved for future allocation: more than \$2.1 million in FY 04 and more than \$5.0 million in FY 05. The second share presents an opportunity to address the future deficits foretold by the Pro Forma forecast.

A Strategy of Planning for the Future – We took an important step earlier this year with the adoption of a strategic plan for

Hillsborough County. That initial plan was completed too late to be incorporated into the biennial budget process for FY 04 and FY 05. That plan does, however, become a foundation on which we will refine our strategic planning processes. Departments are using that framework to develop their own plans – linked to the Countywide plan where appropriate but providing supplemental measurable strategies and objectives that can reflect the broad spectrum of services and clients we serve. As we continue our development of strategic plans, we will have the opportunity to effectively link those plans to the biennial budget development process for FY 06 and FY 07. They will also lead to further refinement of existing performance measures and identification of opportunities for process improvement. Ultimately, we will be armed with objectives and measures that will allow us to more concretely assess our workload, efficiencies, and effectiveness in serving our community – leading to better decisions on how scarce resources should be allocated to our highest needs.

Conclusion

This budget reflects strategies consistent with BOCC direction on priorities and policies. Strong fiscal policy adopted by the

BOCC accounts for how well we weathered the economic slowdown.

We are positioned to control our own destiny -- retaining or expanding services at a time when many governments at both the State and local level have faced financial crises. At the same time, we are sensitive to our impact on taxpayers in the revenues that we collect and mindful that many in our community are still waiting to be aided by the economic recovery. The strategies we have used avoid budget gimmicks that defer obligations to future periods. To the contrary, we have carefully compared recurring revenues with recurring expenditures and set aside funds to address future needs. We recognize the impact new facilities will have on operating budgets so that we can assure our ability to meet those funding obligations – for jails, parks, fire stations, and libraries – as new facilities are completed. Our capital budget commits heavily to maintenance of existing assets as a priority and our reserve policies are conservative – recognizing the importance of being prepared for unexpected events where our community will expect the County to assume a leadership role in serving our residents and businesses.

I look forward to continuing our service to the citizens of Hillsborough County with the commitments reflected in this biennial budget.

Respectfully Submitted,



Patricia G. Bean
County Administrator

FY 04 BUDGET SUMMARY

Fiscal Year	FY 02 Actual	FY 03 Adopted	FY 03 Adopted	FY 05 Planned
PROPERTY TAX RATES (In Mills)				
Countywide ⁽¹⁾	7.5622	7.3122	7.2922	7.2722
Library District ⁽²⁾	0.6423	0.6423	0.6423	0.6423
General Purpose MSTU ⁽³⁾	5.1205	5.1121	5.1076	5.1060
VALUE OF 1 MILL (In Millions of \$) ⁽⁴⁾				
Countywide	\$42.8	\$46.5	\$50.6	\$53.9
Library District	40.6	44.3	48.3	51.4
Unincorporated	25.1	27.3	30.0	32.1
BUDGET SUMMARY (In Millions of \$)				
Operating	\$1,118.3	\$1,221.9	\$1,339.3	\$1,373.8
Capital (net of reserves) ⁽⁵⁾	185.5	167.5	210.5	186.6
Debt Service	179.3	169.3	173.8	129.3
Reserves & Refunds ⁽⁵⁾	0.6	524.3	541.5	559.0
MAJOR ORGANIZATION OPERATING BUDGET (In Millions of \$)				
Board of County Commissioners	\$1.7	\$1.8	\$2.3	\$2.5
County Administrator	614.5	672.6	749.3	778.0
County Attorney	6.8	7.7	8.4	9.1
Elected Officials	288.8	308.9	336.3	343.0
Judicial	17.0	19.1	17.9	6.2
Guardian Ad Litem	0.0	0.0	0.5	0.4
Boards, Commissions & Agencies	20.8	21.8	24.4	25.5
Non-Departmental	168.6	190.1	200.3	209.1
TOTAL OPERATING	\$1,118.3	\$1,221.9	\$1,339.3	\$1,373.8
CAPITAL BUDGET (In Millions of \$)				
Fire	3.6	6.3	2.4	4.0
Governments Facilities	65.2	13.0	22.3	27.3
Libraries	1.7	3.7	11.5	7.2
Parks	7.8	22.4	27.2	12.9
Solid Waste	9.3	2.6	2.5	2.0
Stormwater	16.4	14.4	4.1	4.2
Transportation	36.9	76.6	83.0	52.5
Water/Wastewater & Reclaimed Water	38.5	23.7	51.2	68.0
Other Non-CIP	6.2	4.8	6.3	8.4
TOTAL CAPITAL	\$185.5	\$167.5	\$210.5	\$186.6

Detail may not add to totals because of rounding

Note: In FY 00 the County implemented an all years budget process for capital projects and grants(see glossary for definition of all years budget process).

(1) See the pages in the Adopted Biennial Budget for FY 04 and FY 05 entitled Millage Comparison for an explanation of countywide millage rates. Includes millage levies for debt service.

(2) Includes properties within the City of Tampa and the unincorporated areas of the county.

(3) Unincorporated area - includes Parks General Obligation millage.

(4) Based on Property Appraiser taxable assessed values as of July 1 for FY 01, FY 03 & FY 04. FY 05 is an estimate.

(5) Reserves are budgeted but not expended. Actual expenditures for the operating budget, capital budget, or debt service may include drawdown of reserves. Actual expenditures shown in previous years reflect refunds.

IMPACT OF LOCAL TAXES

Impact of local property taxes on a family in the unincorporated area of Hillsborough County with a home assessed at \$100,000, less \$25,000 homestead exemption. This results in a taxable value of \$75,000.

Assumptions:

- ✓ Excludes any exemptions other than the homestead exemption.
- ✓ Excludes any non-ad valorem assessment, i.e. street lighting tax district, stormwater fee, or maintenance district.
- ✓ For the purpose of consistency for the Southwest Florida Water Management District basin millage, the Hillsborough River basin was selected. Other basins have different tax rates.
- ✓ Taxes actually appear on a tax bill dated the previous year. For example, property taxes supporting the FY 04 budget are levied on the year 2003 tax bill.

	FY 02 Adopted	FY 03 Adopted	FY 04 Adopted	FY 05 Planned
TAXES LEVIED COUNTYWIDE				
BOCC - General Fund	\$557.62	\$539.87	\$539.08	\$537.96
BOCC - General Obligation Debt	9.55	8.55	7.84	7.46
Southwest Florida Water Mgmt District *	31.65	31.65	31.65	31.65
School Board (incl. General Oblig. Debt)*	643.95	644.63	636.00	636.00
Children's Board *	31.28	37.50	37.50	37.50
Port Authority*	21.75	21.75	21.75	21.75
TOTAL COUNTYWIDE TAXES	\$1,295.79	\$1,283.94	\$1,273.82	\$1,272.32
TAXES LEVIED IN A SPECIFIC AREA				
Library District **	\$48.17	\$48.17	\$48.17	\$48.17
Municipal Services Taxing Unit (MSTU) **	379.66	379.66	379.66	379.66
MSTU Parks General Obligation Debt **	4.38	3.75	3.41	3.29
Hillsborough Area Regional Transit*	37.50	37.50	37.50	37.50
Hillsborough River Basin*	21.38	21.38	21.38	21.38
TOTAL TAXES WITHIN AN AREA	\$491.09	\$490.46	\$490.12	\$490.00
TOTAL AD VALOREM TAXES	\$1,786.88	\$1,774.40	\$1,763.93	\$1,762.31

Notes:

- * Not a tax levy, assessment, or fee of the Board of County Commissioners (BOCC).
- ** The Library District tax is not levied in Temple Terrace or Plant City.
- *** Levied only on properties in the unincorporated area. Homeowners residing within the municipalities of Tampa, Temple Terrace, or Plant City pay city taxes instead of MSTU taxes.
- **** The Hillsborough Area Regional Transit tax is not levied in Plant City.

BUDGET SOURCES AND USES

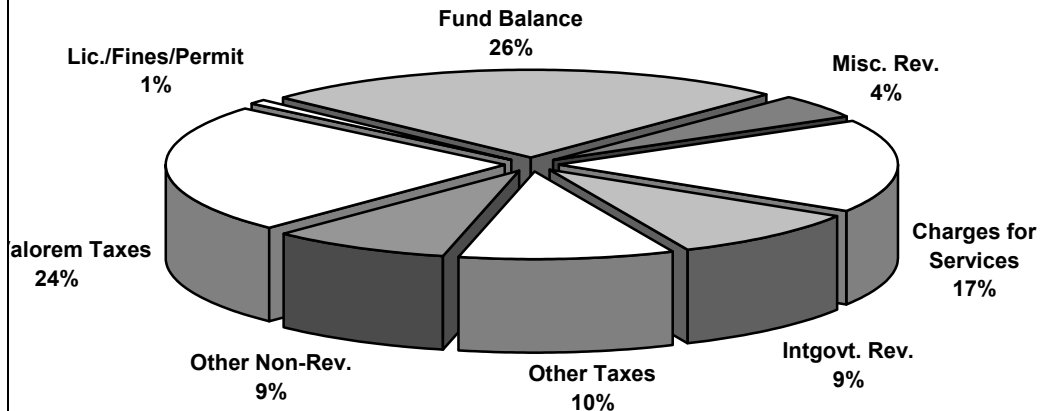
SOURCES	FY 02 Actual	FY 03 Adopted	FY 04 Adopted	FY 05 Planned
Fund Balance Begin Of Year	\$557.2	\$567.5	\$586.5	\$569.0
Revenue:				
Ad Valorem Taxes	459.8	509.2	554.5	589.9
Other Taxes	211.1	220.0	235.5	251.4
Licenses And Permits	12.8	15.2	17.1	17.4
Intergovernmental Revenue	210.0	211.9	218.8	226.2
Charges For Services	360.5	366.1	396.8	407.9
Fines And Forfeits	5.1	2.4	3.6	3.6
Misc. Revenue (includes interest)	131.6	95.7	102.4	105.6
Total Revenue	\$1,390.9	\$1,420.5	\$1,528.5	\$1,602.0
Transfers	626.3	687.8	695.1	724.2
Other Non-Revenues	212.4	139.2	198.2	128.8
Less 5% Required By Law	0.0	(44.2)	(48.0)	(51.0)
TOTAL AVAILABLE	\$2,786.8	\$2,770.9	\$2,960.2	\$2,972.9
USES				
Operating Budget:				
Compensation	\$477.8	\$532.8	\$587.7	\$622.8
Operating Expenses	586.0	638.7	694.8	695.9
Equipment	54.4	50.4	56.8	55.1
Total Operating	\$1,118.3	\$1,221.9	\$1,339.3	\$1,373.8
Capital Budget (net of reserves)	185.5	167.5	210.5	186.6
Debt Service	179.3	169.3	173.8	129.3
Transfers	626.3	687.8	695.1	724.2
Reserves and Refunds:				
Operating	0.6	439.8	511.1	488.2
Capital	0.0	(3.5)	(25.4)	0.9
Debt	0.0	88.0	55.8	70.0
Total Reserves and Refunds	0.6	524.3	541.5	559.0
TOTAL USES	\$2,109.9	\$2,770.9	\$2,960.2	\$2,972.9

Detail may not add to totals because of rounding.

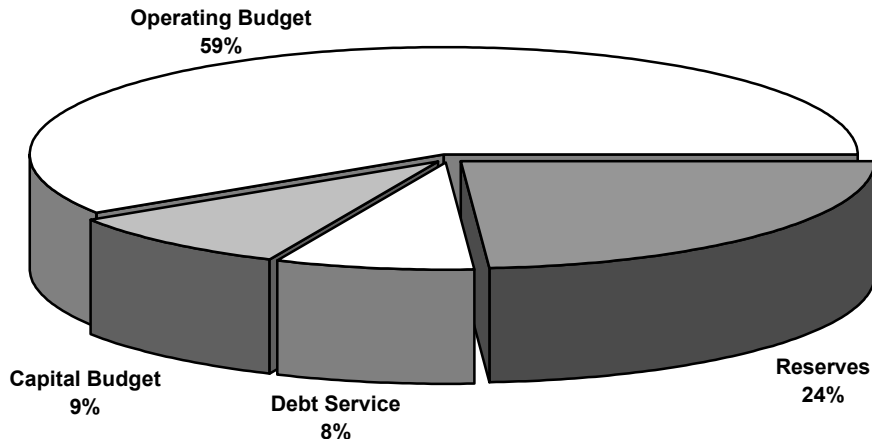
Amounts expressed in millions of dollars, rounded to the nearest one hundred thousand.

Note: In FY 00 the County implemented an all years budget process for capital projects and grants. This means that beginning in FY 00 the current year's budget will only reflect changes in funding, such as additional funds being added to a project budget or unneeded funds being subtracted. Prior year funding will remain with the project until completion and will not need to be reappropriated every year.

Sources - Where the Money Comes From FY 04 All Funds



Uses - Where the Money Goes FY 04 All Funds



Sources and Uses shown above exclude \$695.1 million in Transfers In and Transfers Out, respectively. With the exception of Fund Balance, Other Non-Revenues, and Transfers In, many of the other revenues are subject to statutory 5% reduction. That is, only 95% of anticipated revenue may be budgeted. As the reduction may apply only to selected revenues in any category, the numbers in this chart have not been reduced. Totals may not add up to 100% due to rounding.

CAPITAL PROJECTS BUDGET SOURCES & USES OF FUNDS

(in Millions of \$)

SOURCES ⁽¹⁾	FY 02 Actual	FY 03 Adopted	FY 04 Adopted	FY 05 Planned
Revenues:				
Ad Valorem Taxes	\$30.0	\$10.6	\$43.8	\$31.2
Community Investment Tax	36.0	34.4	34.6	37.0
Enterprise Fees	38.1	20.9	5.6	51.3
Gasoline Taxes	18.1	10.1	5.8	6.3
Grants & Shared Revenues	8.9	2.7	11.6	1.1
Impact Fees	18.3	11.1	15.9	16.1
Miscellaneous Revenues ⁽²⁾	23.6	7.9	3.0	3.5
User Fees	4.4	0.0	4.7	4.4
Total Revenue	177.4	97.6	125.0	150.9
Other Non Revenue-Financing	69.2	66.4	60.1	36.6
TOTAL SOURCES	\$246.6	\$164.0	\$185.1	\$187.5

USES ⁽¹⁾	FY 02 Actual	FY 03 Adopted	FY 04 Adopted	FY 05 Planned
Fire	3.6	6.3	2.4	4.0
Governments Facilities	65.2	13.0	22.3	27.3
Libraries	1.7	3.7	11.5	7.2
Parks	7.8	22.4	27.2	12.9
Solid Waste	9.3	2.6	2.5	2.0
Stormwater	16.4	14.4	4.1	4.2
Transportation	36.9	76.6	83.0	52.5
Water/Wastewater & Reclaimed Water	38.5	23.7	51.2	68.0
Other Non-CIP ⁽³⁾	6.2	4.8	6.3	8.4
Total Capital Budget	185.5	167.5	210.5	186.6
Reserves ⁽⁴⁾	0.0	(3.5)	(25.4)	0.9
TOTAL USES (Including Reserves)	\$185.5	\$164.0	\$185.1	\$187.5

Notes:

(1) In FY 00 the County implemented an all years budget process for capital projects and grants. This means that beginning in FY 00 the current year's budget will only reflect changes in funding, such as additional funds being added to a project budget or unneeded funds being subtracted. Prior year funding will remain with the project until completion and will not need to be reappropriated every year. Estimated beginning fund balance for FY 00 is \$210.8 million.

(2) Other Non-CIP expenditures are Capital Budget Expenditures not related to the Capital Improvement Program.

(3) Other Non-CIP expenditures are Capital Budget Expenditures not related to the Capital Improvement Program, such as capital equipment, leasehold improvements and some land acquisitions.

(4) A negative reserve reflects a drawdown of reserves to meet capital projects funding requirements.

DEPARTMENT BUDGET SUMMARY COMPARISON

	FY 02 Actual	FY 03 Adopted	FY 04 Adopted	FY 05 Planned
BOARD OF CNTY COMMISSIONERS				
Board of Cnty Commissioners	\$1,711,848	\$1,844,237	\$2,007,622	\$2,179,644
Cty Internal Perform Auditor	0	0	255,009	275,974
TOTAL BOARD OF COUNTY COMMISSIONERS	1,711,848	1,844,237	2,262,631	2,455,618
COUNTY ATTORNEY	6,837,320	7,660,650	8,406,196	9,117,092
COUNTY ADMINISTRATOR				
Administrative Services Sec	350,704	412,320	443,272	465,502
Aging Services	12,202,335	14,396,209	17,694,978	18,285,347
Animal Services	5,432,561	6,041,796	6,901,600	7,275,000
Children's Services	34,400,788	36,344,123	39,076,077	40,860,740
Communications Dept	4,297,036	4,367,220	4,625,157	4,858,925
Community Liaison Section	3,095,900	3,368,924	2,983,918	3,021,011
Consumer Protection Agency	505,018	526,641	779,801	1,030,428
Cooperative Extension	1,304,083	1,480,174	1,591,051	1,664,860
County Administrator	1,242,522	1,338,971	1,491,475	1,616,680
Debt Management	605,282	668,526	744,434	795,641
Economic Development	3,245,981	3,567,197	2,254,562	1,740,184
Equal Opportunity Admin	251,181	234,719	413,104	386,994
Fire Rescue	56,614,968	64,857,866	69,514,548	74,708,571
Fleet Management	22,025,353	21,447,537	21,737,100	21,317,308
Health & Social Services	125,846,948	122,023,730	125,834,500	127,820,704
Housing & Comm Code Enforce	25,957,141	25,370,022	17,818,991	18,039,689
Human Resources	3,023,906	4,283,528	5,340,556	5,589,276
Information & Technology Serv	15,321,226	19,021,273	19,212,513	20,682,681
Library Services	22,387,563	24,906,129	28,383,344	31,855,260
Management & Budget	1,838,659	2,292,254	2,767,092	3,070,045
Medical Examiner	2,584,559	3,791,046	4,076,032	4,266,538
Neighborhood Relations	362,176	451,123	635,748	652,118
Office of Public Affairs	153,879	322,967	340,106	364,533
Office of Quality Services	535,442	384,325	418,764	449,304
Parks, Recreation & Conserv	32,602,904	38,639,044	41,488,315	45,910,065
Planning & Growth Mngnt	19,301,476	22,951,966	26,443,973	28,827,108
Public Safety	8,406,319	11,019,897	12,200,222	12,970,154
Public Works	57,823,865	63,220,518	69,777,474	73,165,351
Purchasing Department	1,899,418	2,201,761	2,316,714	2,519,398

	FY 02 Actual	FY 03 Adopted	FY 04 Adopted	FY 05 Planned
Real Estate	20,168,855	24,863,606	29,849,979	30,543,155
Sec. 8 US Housing Act; Wd & Sd	0	0	13,554,759	13,557,041
Solid Waste Management	53,350,383	59,258,435	64,354,674	65,122,311
Water Department	79,233,562	88,479,196	114,242,538	114,517,639
Water Resources Team	321,644	531,745	432,504	461,750
TOTAL	616,693,637	673,064,788	749,739,875	778,411,311
ELECTED OFFICIALS				
BOCC Judicial Services Cost	4,175,366	4,320,611	3,449,927	136,314
Clerk of the Circuit Court	24,853,839	26,589,813	26,114,519	20,517,969
Hillsborough County Sheriff	224,388,918	240,583,364	264,334,442	282,238,872
Property Appraiser	9,592,703	9,855,675	10,419,729	11,066,580
Public Defender	1,286,483	1,473,558	1,603,571	686,463
State Attorney Part I	1,149,183	1,276,304	1,046,950	377,450
State Attorney Part II (Vict Assist)	1,811,524	2,063,409	2,231,122	2,427,620
Supervisor of Elections	5,109,969	3,947,295	6,588,056	3,757,071
Tax Collector	16,175,714	18,513,844	19,958,014	21,228,499
Value Adjustment Board	291,121	287,639	539,176	567,870
TOTAL	288,834,820	308,911,512	336,285,506	343,004,708
JUD BRANCH (ADMIN OFC/COURTS)	17,056,433	19,084,233	17,858,028	6,154,491
GUARDIAN AD LITEM	0	0	463,077	448,229
BOARDS, COMM & AGENCIES				
Charter Review Board	0	0	0	57,012
City-County Planning Comm	4,810,293	5,342,085	5,760,203	6,228,343
Civil Service Board	1,865,950	2,211,191	2,919,612	2,592,915
Environmental Prot Comm	12,031,327	12,381,538	13,598,304	14,481,791
Law Library Board	476,911	576,850	591,622	624,389
Legislative Delegation	167,809	188,265	204,192	220,661
Metropolitan Planning Org	1,232,857	851,683	1,070,886	1,070,886
Soil & Water Conserv Board	206,972	206,351	222,596	241,929
TOTAL	20,792,119	21,757,963	24,367,415	25,517,926
NON-DEPARTMENTAL				
Capital Improve Prog Proj*	175,279,606	157,745,613	196,878,028	173,527,241
Debt Service Accounts	181,394,182	169,629,176	173,910,868	129,403,667
Governmental Agencies	68,679,974	69,505,207	72,428,730	74,496,142

	FY 02 Actual	FY 03 Adopted	FY 04 Adopted	FY 05 Planned
Major Mainten & Repair Prog	3,174,989	4,346,443	7,572,332	7,997,616
Non-Departmental Allotments	84,153,286	105,854,594	114,015,505	120,150,496
Nonprofit Organizations	18,467,935	19,346,007	19,402,201	19,008,435
TOTAL	531,149,972	526,427,040	584,207,664	524,583,597
TRANSFERS, RESERVES & REFUNDS				
Reserves and Refunds	576,495	524,307,293	541,535,369	559,042,592
Intrafund Transfers	293,775,523	290,971,122	331,270,170	340,902,060
Interfund Transfers	332,487,437	396,850,138	363,826,414	383,248,730
TOTAL	626,839,455	1,212,128,553	1,236,631,953	1,283,193,382
TOTAL BOARD OF COUNTY COMMISSIONERS AND CONSTITUTIONAL OFFICERS	\$2,109,915,604	\$2,770,878,976	\$2,960,222,345	\$2,972,886,354

*Excludes funding for Capital Projects under the specific control of various operating departments.

**BUDGET BY PROGRAM
ALL FUNDS**

Program	FY 02 Adopted	FY 03 Adopted	FY 04 Adopted	FY 05 Planned
Public Safety				
Law Enforcement	126,832,335	139,518,709	153,958,178	165,275,308
Fire Rescue	65,827,886	71,268,607	72,434,048	79,096,355
Detention/Corrections	112,832,456	104,675,289	116,877,828	119,053,605
Public Safety Prot Inspect	11,322,634	12,251,604	15,076,983	16,722,291
Emerg & Disaster Relief Serv	6,541,575	8,122,672	8,374,876	8,881,310
Ambulance & Rescue	98,638	0	0	0
Medical Examiner	2,720,958	4,268,046	4,076,032	13,389,538
Consumer Affairs	503,737	526,641	779,801	1,030,428
Other Public Safety	2,003,192	2,695,193	2,622,885	2,744,902
Subtotal	328,683,411	343,326,761	374,200,631	406,193,737
Physical Environment				
Physical Environ/Solid Waste	66,819,661	61,860,864	66,839,674	67,137,311
Water/Sewer Combo Serv	101,795,454	115,225,841	167,640,141	184,802,589
Conserv & Resource Manage	14,925,908	28,818,697	30,706,048	25,898,921
Flood Control	26,944,754	25,883,880	16,882,879	17,714,613
Other Physical Environment	787,902	324,466	327,777	339,550
Subtotal	211,273,679	232,113,748	282,396,519	295,892,984
Transportation				
Road & Street Facilities	100,680,575	125,104,659	134,817,133	111,993,868
Transport Transit Systems	742,960	1,017,960	1,673,524	1,701,524
Other Transportation	0	3,500,000	3,510,000	10,000
Subtotal	101,423,535	129,622,619	140,000,657	113,705,392
Economic Environment				
Economic Employ Opportunity	2,307,748	2,163,706	622,001	0
Industry Development	19,229,187	19,625,636	19,168,965	19,972,482
Veterans Services	314,296	327,035	349,926	378,598
Housing & Urban Dev	25,838,323	23,641,281	30,878,141	30,719,775
Other Economic Environ	1,548,500	2,248,500	2,803,500	1,028,500
Subtotal	49,238,054	48,006,158	53,822,533	52,099,355
Human Services				
Health	115,723,512	111,154,204	115,391,768	117,636,199
Human Services Public Assist	7,966,195	11,420,511	9,896,824	10,203,781
Other Human Services	65,203,071	75,934,126	79,967,850	88,253,503
Subtotal	188,892,778	198,508,841	205,256,442	216,093,483
Culture/Recreation				
Libraries	24,842,868	28,877,129	40,221,154	39,288,260
Parks & Recreation	37,641,819	46,360,294	58,945,402	53,262,699
Cultural Services	641,391	2,946,458	9,084,946	2,808,941
Special Recreation Facilities	9,402,987	9,321,211	9,906,017	10,042,973
Other Culture/Recreation	706,222	978,500	2,986,203	4,016,203
Subtotal	73,235,287	88,483,592	121,143,722	109,419,076

Program	FY 02 Adopted	FY 03 Adopted	FY 04 Adopted	FY 05 Planned
Courts				
Court-Related Services	31,171,800	34,765,949	34,933,224	19,766,639
Subtotal	31,171,800	34,765,949	34,933,224	19,766,639
Total Citizen Programs	\$983,918,544	\$1,074,827,668	\$1,211,753,728	\$1,213,170,666
General Government Services				
Legislative	\$1,886,581	\$1,988,133	\$2,448,323	\$2,644,721
Executive	4,079,847	3,916,333	4,636,409	4,868,000
Financial & Administrative	132,448,621	147,952,905	149,523,667	150,361,932
Legal Counsel	7,542,067	8,281,850	9,027,396	9,738,292
Comprehensive Planning	15,057,771	17,014,001	18,316,114	19,649,268
General Govern Debt Service	117,824,360	120,234,070	125,498,719	83,491,091
Other General Government	130,879,558	135,140,357	153,973,887	159,856,426
Subtotal	409,718,805	434,527,649	463,424,515	430,609,730
Nonexpenditure Disbursements				
Transfers	601,367,139	687,821,260	695,096,584	724,150,790
Reserves & Refunds	491,865,036	524,307,293	541,535,369	559,042,592
Subtotal	1,093,232,175	1,212,128,553	1,236,631,953	1,283,193,382
Other Nonoperating Costs				
Other Nonoperating	9,550,000	12,542,500	15,681,982	13,778,067
Other Uses/Debt Service	37,426,206	36,852,606	32,730,167	32,134,509
Subtotal	46,976,206	49,395,106	48,412,149	45,912,576
Grand Total	\$2,533,845,730	\$2,770,878,976	\$2,960,222,345	\$2,972,886,354

The categories used in this schedule are defined by the State of Florida in the State Uniform Accounting System Manual.

Note: In FY 00 the County implemented an all years budget process for capital projects and grants. This means that beginning in FY 00, the current year's budget will only reflect changes in funding, such as additional funds being added to a project budget or unneeded funds being subtracted. Prior year funding will remain with the project until completion and will not need to be reappropriated every year.

**SUMMARY OF FUNDED FULL-TIME EQUIVALENT POSITIONS
AND FUNDED POSITIONS**

Organization	FY 02 Adopted	FY 03 Adopted	FY 04 Adopted	FY 05 Planned
County Administrator				
Funded FTE	5,052.72	5,219.14	5,296.70	5,356.40
Funded Positions	5,148.00	5,313.00	5,394.00	5,459.00
Sheriff				
Funded FTE	2,947.00	3,045.00	3,176.75	3,203.75
Funded Positions	3,198.00	3,293.00	3,371.00	3,398.00
Clerk of the Circuit Court				
Funded FTE	304.00	305.00	260.00	119.00
Funded Positions	304.00	305.00	307.00	119.00
Boards, Commissions, and Agencies				
Funded FTE	263	263.00	267.00	269.00
Funded Positions	263.00	267.00	269.00	268.00
Judicial				
Funded FTE	159.00	162.00	167.00	44.85
Funded Positions	159.00	162.00	168.00	47.00
Guardian Ad Litem				
Funded FTE	0.00	0.00	5.00	5.00
Funded Positions	0.00	0.00	5.00	5.00
County Attorney				
Funded FTE	86.00	86.00	86.00	86.00
Funded Positions	86.00	86.00	86.00	86.00
Other Elected Officers				
Funded FTE	533.00	536.00	533.50	533.50
Funded Positions	533.00	536.00	534.00	534.00
Board of County Commissioners				
Funded FTE	21.00	21.00	23.00	23.00
Funded Positions	21.00	21.00	23.00	23.00
Total Funded FTE's	9,365.72	9,641.14	9,816.95	9,639.50
Total Funded Positions	9,712.00	9,983.00	10,157.00	9,939.00

PART IV

FACTS ABOUT HILLSBOROUGH COUNTY, FLORIDA



**Hillsborough
County**

Located midway along the west coast of Florida, the county's boundaries embrace 1,048 square miles of land and 24 miles of inland water for a total of 1,072 square miles. With the largest bay in Florida opening to the Gulf of Mexico, the coast spans 76 miles.

The unincorporated area encompasses 87% of the total county land area. The municipalities of Tampa (the County seat), Temple Terrace and Plant City account for the remainder. According to the latest estimates from the University of Florida's Bureau of Economic and Business Research, the county's total population as of April 1, 2002 was 1,055,617 of which 690,391 or 65% live in the unincorporated area making it the fourth most populous county in the state.

Under Four Flags

Hillsborough County takes its name from the British Colonial Secretary of 1772. The Spanish first mapped and explored the area in the early 16th century. Between 1559 and 1819, the area now called Florida was under the rule of four nations: Spain, France, Great Britain and, finally, the United States. The United States purchased Florida from Spain in 1821 for \$5 million. In 1845, it was granted statehood.

On January 25, 1834, the U.S. Legislative Council for the Territory of Florida approved an act organizing Hillsborough as Florida's 19th county. Its area then was 5.5 million acres and included the present counties of Hillsborough, Pinellas, Polk, Pasco, Manatee, Sarasota, Charlotte, DeSoto, Hardee, and Highlands.

The civilian population in 1834 was less than 100.

Hillsborough County's Board of County Commissioners held its first meeting on January 25, 1846. The County's first courthouse was a frontier cabin burned by Indians in 1836. In 1847, Capt. James McKay built a two story courthouse at a cost of \$1,358. A third structure was erected in 1855 and was used until 1891, when a red brick, domed structure mimicking the architecture of the Tampa Bay Hotel was built, occupying a square block in downtown Tampa. This is the courthouse depicted on the front cover of this book and on today's County seal. The current courthouse was built in 1952 and a new county government administration building, called Fred B. Karl County Center, opened in 1994.

Hillsborough County has a diversified economic base including a large service sector, a large manufacturing sector and a thriving retail trade sector.

County Economy

According to the latest information, the four largest employers in the public sector are the Hillsborough County School Board followed by Hillsborough County government, the University of South Florida, and MacDill Air Force Base. Major private sector employers are Verizon (telecommunications), St. Joseph's Hospital (medical facility), Publix Food Centers (supermarkets), Tampa Electric Corporation (electric utility), Busch Entertainment Corporation (theme park), Bank of America (banking services), Kash 'n Karry Food Centers (supermarkets), Tribune Company (newspaper publishing), and USAA Insurance Company.

The Port of Tampa serves as the closest port in the United States to the Panama Canal. It is also the largest tonnage port in Florida and the tenth largest port in the United States with respect to annual tonnage. Ninety-eight percent of the cargo moving through the port is bulk-phosphate, phosphate chemicals, rock, coal and petroleum products.

Another significant element of the economy is agriculture. The county's total agricultural production ranks fifth in the state. It is the nation's top producer of winter strawberries and tropical fish.

Tourism is another major component of the economy. The number of tourists visiting Florida is expected to continue growing. Busch Gardens of Tampa is one of the leading tourist attractions in the nation. There are numerous attractions in Hillsborough County such as the Florida Aquarium; the County's Museum of Science and Industry; the Lowry Park Zoo; the 2000 World Champion New York Yankees spring training facility; and the St. Petersburg Times

Forum in downtown Tampa for the National Hockey League team, the Tampa Bay Lightning. The county is also the home of the 2003 Superbowl Champions, the Tampa Bay Buccaneers playing in the Raymond James Stadium

Hillsborough County is a political subdivision of the State of Florida guided by an elected seven-member Board of County Commissioners.

**Governing
the County**

**Board of
County
Commissioners**

Through partisan elections, three are elected to represent the entire county as a district and four are elected to represent single-member districts. Under a Charter Ordinance effective May 1985, the Board is restricted to performing the legislative functions of government by developing policy for the management of Hillsborough County. The County Administrator, a professional appointed by the Board, and his staff are responsible for the implementation of those policies. A 2002 Charter amendment created the position of County Internal Performance Auditor reporting to the Board of County Commissioners.

The Board of County Commissioners is responsible for functions and services delivered throughout the county including municipalities and for municipal services to residents and businesses in the unincorporated area. The countywide responsibilities include such services as local social services, health care for the medically indigent, animal services, mosquito control, consumer protection, and a regional park system. Its responsibilities to the residents and businesses in the unincorporated area include, for example, fire protection, local

parks, emergency medical services, planning, zoning, and code enforcement.

The Board of County Commissioners also serves as the Environmental Protection Commission. Individual Board members serve on various other boards, authorities, and commissions, such as the Hillsborough Area Rapid Transit Authority, Tampa Bay Regional Planning Council, Tampa Bay Water, Aviation Authority, Expressway Authority, Sports Authority, Arts Council, Drug Abuse Coordinating Council, Metropolitan Planning Organization, Council of Governments and the Committee of 100 of the Greater Tampa Chamber of Commerce.

Role of the County Administrator

The Board of County Commissioners appoints the County Administrator. He is responsible for carrying out all decisions, policies, ordinances and motions of the Board.

The departments under the County Administrator are responsible for providing services such as social services and public assistance to residents countywide. Departments are also responsible for providing municipal-type services to residents of the unincorporated areas of Hillsborough County such as road construction and maintenance, solid waste disposal, parks and recreation, emergency services and water and wastewater treatment.

The departments under the County Administrator are grouped into three offices: Management Services, Community Services, and Human Services. The Office of Quality Services and the Office of Public

Affairs are two additional offices reporting directly to the County Administrator.

In addition to the members of the Board, citizens also elect five Constitutional Officers: Tax Collector, Property

Constitutional Officers and Other Elected Officials

Appraiser, Clerk of the Circuit Court, Sheriff, and Supervisor of Elections. These Officers are not governed by the Board of County Commissioners, but Board funds all or, in some cases, a portion of the operating budgets of these Constitutional Officers. The Constitutional Officers maintain separate accounting systems and expanded budget detail information.

The citizens also elect the State's Attorney and the Public Defender. Their budgets are included in this document to the extent of funding by the Board of County Commissioners.

Based on the degree of budgetary authority, taxing authority, the ability to obligate funds to finance any deficits

Other Government Agencies

and the ability to fund any significant operational subsidies, several other governmental entities also have their budgets reviewed and approved by the Board of County Commissioners: the Environmental Protection Commission, the Civil Service Board, the Planning Commission, the Legislative Delegation, and the Law Library Board. The budgets of these offices and the Constitutional Officers are included in this document to the extent of funding by the Board of County Commissioners.



HILLSBOROUGH COUNTY STATISTICS

Estimated Population	2002
Tampa	311,880
Temple Terrace	21,632
Plant City	31,714
Unincorporated	690,391
Total County Population	1,055,617
Population Diversity	2000
White	75%
Hispanic	18%
Black/African American	15%
Asian	2%
Median Age 2000	35.1 years
Housing (Estimates)	2000
Total Number Households	391,357
Persons Per Household	2.51
Total Housing Units (2003)	462,380
Average Residential Sale Price (year-to-date 2002)	\$156,093
Income in Hillsborough	1999
Family Income	\$48,223
Climate	
Average Summer Temperature	82° - 90°F
Average Winter Temperature	50° - 56°F
Average Annual Rainfall	53 inches
Non-residential Construction	2002
Private Sector (in thousands)	\$188,987
Public Sector (in thousands)	\$83,525

Residential Construction	2002
Single Family	9,275
Multi-family	2,437

Banks, Savings Loan Deposits (in thousands)	2001
Commercial Banks	\$11.8 billion
Savings and Loans	\$417 million

Public School Enrollment	2001
Kindergarten thru Elementary	76,361
Middle School (6-8)	37,405
Senior High (9-12)	41,278
Exceptional Education	5,674

County Services	2002
Calls for Emergency Help to 9-1-1	885,709
Books, Videos/CD, and Other Items Loaned by Library	5.6 million
Number Visitor Trips to Hillsborough County Regional Parks	3.3 million
Tons of Residential Solid Waste Collected	295,877
Number of households provided with General Social Assistance	10,974

For more information, go to:
www.hillsboroughcounty.org/com_stats/home.html

RECOGNITION for the HILLSBOROUGH COUNTY BUDGET - Hillsborough County submits its annual budget documents to the Government Finance Officers Association of the United States and Canada (GFOA) for its review. GFOA has a program for the review of budget documents to insure that budget documents serve four distinct functions by meeting certain criteria established by career government budget officials. The four functions are:

1. **The budget must serve as a policy document** for elected officials and administration to convey how the organization will operate, and what process will be used to adopt and amend the annual budget.
2. **The budget must serve as an operations guide** to the departments and agencies that receive funding through the budget. That includes identifying the resources (dollars and staffing) to be provided and the objectives to be met.
3. **The budget must serve as a financial plan**, divulging all sources of funding. The budget should show data for multiple years for comparison.
4. **The budget must serve as a communications device** to convey essential information to the diverse groups who use budget information -- elected officials, the public, the news media, bond rating agencies and investors. This purpose is served through a variety of devices: charts and tables, summary explanations, a glossary, assumptions, trends, etc.

Hillsborough County received GFOA's **Distinguished Budget Presentation Award** for its **FY 02 and FY 03 Biennial Annual Budget** and for each of the eleven preceding years' budget documents. Continued participation in the GFOA review program insures that these documents will continue to convey information in a usable form for the variety of groups who use the budget documents.

The GFOA has also honored Hillsborough County's budget with several special awards. In 1993, Hillsborough County received one of GFOA's highest honors, Award for Excellence in Budgeting and Financial Planning, for the **Taxpayer's Guide to the Hillsborough County Budget**, produced for the first time in 1992. The *Taxpayer's Guide* was chosen for its unique application as an educational tool on local government budgeting and as a model for use. Then, in 1998, for the second consecu-

tive time, GFOA gave the Hillsborough County's biennial budget for FY 98 and FY 99 special honor as an Outstanding Communications Device. In 2003, the Hillsborough County received special recognition for its incorporation of performance measures in its Biennial Budget for FY 02 and FTY 03.

Since receiving the awards, nearly 450 state and local governments throughout the United States and the United States and Canada have requested copies of the guide. The Government Finance Officers Association and the Lincoln Institute of Land Policy - both prestigious organizations - have published features on the **Taxpayer's Guide** in their professional journals.

Getting more information

The **Adopted Biennial Budget for FY 04 and FY 05** and the **Capital Improvement**

Program FY 04 – FY 09 are both available in three different formats.

Both books may be viewed and downloaded from the internet along with on-line versions of the Management and Budget Department's **Community Statistics** and the **Taxpayers Guide**. The address is www.hillsboroughcounty.org/mbd/

Paper copies of the two books are available for viewing and reference at the five regional libraries, the County Communica-

tions Department and the Management and Budget Department. The Communications Department and Management and Budget Department are located at 601 E. Kennedy Blvd., Tampa, Florida 33602.

A compact disk containing both books, **Community Statistics** information, and the **Taxpayers Guide** is available at no cost by calling the **Management and Budget Department** by calling **813-272-5890**.

Additional copies of the **Taxpayers Guide** are also available at no cost from the Management and Budget Department. We encourage community groups, scout troops, teachers, etc. to call



The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to Hillsborough County with Special Performance Measures Recognition for its biennial budget for the fiscal years beginning October 1, 2001.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of two years only. We believe the biennial budget for FY 04 and FY 05 will continue to conform to program requirements. Upon adoption by the Board of County Commissioners, we will submit to GFOA to determine its eligibility for another award.