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The City of Tallahassee was awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada (GFOA) for the fiscal year 2017 budget. This is the 31st year the City of Tallahassee has received this award. In addition, fiscal year 2017 was the first year that the City of Tallahassee has been awarded this Distinguished Budget Presentation Award using an electronic budget document. The continued recognition is due to the strong leadership of current and prior City Commissions ensuring that the City's budget is transparent, understandable and accessible to our citizens. This recognition also validates observations from the recent peer review of our budget process and document that indicated that the City of Tallahassee is ahead of other municipalities in our transparency and communication efforts.

### **Definitions**

**ACCRUAL BASIS** - A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

**AD VALOREM TAXES** - Taxes levied on both real and personal property according to the property's valuation and the tax rate.

**ADVERTISING** - Costs for legal advertisements, posters, publication of public notices, resolutions, ordinances, and bid invitations.

**APPROPRIATION** - A legal authorization to incur obligations and to make expenditures for specific purposes.

**AVAILABLE (UNDESIGNATED) FUND BALANCE** - This refers to the funds remaining from the prior year which are available for appropriation and expenditure in the current year.

**BAD DEBT** - The estimated amount of accounts owed to the city (receivables) that will not be collected during the year. This includes utility accounts, accident damage repair accounts, and other miscellaneous account receivables which are deemed uncollectible.

**BALANCED BUDGET**- The revenues must equal the expenditures. Florida Statute 166 reads, "The amount available from taxation and other sources, including balances brought forward from prior fiscal years, must equal the total appropriations for expenditures and reserves."

**BOND** - Evidence of the local government's obligation to repay a specified principal amount on a future maturity date, plus interest. Bonds are issued to obtain money for capital projects. Revenue bonds pledge a particular source of revenue usually generated by the new asset as the means of repayment.

**BOND REFERENDUM** - The process by which voters approve or disapprove a proposed general obligation bond issue.

**BOND REFINANCING** - The payoff and re-issuance of bonds to obtain better interest rates and/or bond conditions.

**BOND RESOLUTION** - The document by which the local government authorizes the sale of bonds.

**BUDGET** - The formal allocation of resources (dollars) to various programs with the intent of performing a service.

**BUDGETARY BASIS** - The basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

**BUDGET CALENDAR** - The schedule of key dates that the city follows in the preparation and adoption of the budget.

**CAPITAL ASSETS** - Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

**CAPITAL BUDGET** - The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.

**CAPITAL IMPROVEMENTS** (Capital Projects) - Expenditures related to the acquisition, expansion, or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

**CAPITAL IMPROVEMENTS PLAN** (CIP) - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

**CAPITAL OUTLAY** - Fixed assets which have a value of \$750 or more and have a useful economic lifetime of more than one year or assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.

**CAPITALIZED OVERHEAD** - Charges assessed to capital projects for administrative and labor related services.

**CAPITALIZED WAGES** – Direct salaries or wages of city employees which are paid from funding appropriated in the capital budget.

**CASH BASIS** - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

**CITY CONTINGENCY** - Amount budgeted to meet unexpected operating expenditures that occur during the current year.

**COST OF GOODS SOLD (COGS) FUEL STORES** - Fuel purchased by the city garage and then resold by the city for use in the city fleet.

**COST OF GOODS SOLD (COGS) MATERIALS STORES** - The cost of materials and supplies which are resold by the city. This includes articles for resale by the city garage parts division, the city warehouse, and golf courses.

**COST OF GOODS SOLD (COGS) NATURAL GAS** - This account represents the cost of natural gas purchased by the city electric department for use to generate electricity and natural gas sold by the gas utility department to gas customers.

**COLLECTIVE BARGAINING AGREEMENT** - A legal contract between the city and representatives of a recognized bargaining unit for specific terms and conditions of employment (e.g., hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

**CONSUMER PRICE INDEX (CPI)** - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

**CONTRACTUAL SERVICES** - Services rendered to the city by private firms, individuals, or other governmental agencies. Examples include maintenance agreements and professional consulting services.

**CURRENT SERVICE LEVEL (CSL)** - A level of service which is the same as the current year.

**DEBT SERVICE** - The amount of money needed to 1) pay interest on outstanding bonds, 2) pay the principal on maturing bonds, and 3) make contributions to a sinking fund for term bonds, debt service is calculated on a fiscal year basis.

**DEDICATED TAX** - A tax levied to support a specific government program or purpose.

**DEFICIT** - The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

**DEPARTMENT** - Organizational unit of government, which is functionally unique in its delivery of services.

**DEPRECIATION** - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

**EMPLOYEE BENEFITS** - Costs incurred by the city for pension, health insurance, and other benefits provided to employees.

**ENCUMBRANCE** - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure. **ENTERPRISE FUND** - A fund established for services that are predominantly self-supported by user fees and charges.

**EQUIPMENT SUPPLIES** - The cost of materials and supplies used in conjunction with the operation of machinery and equipment.

**EXPENDITURE** - The payment of cash or the transfer of property or services for the purpose of acquiring goods and/or services or settling a loss.

**EXPENSE** - Charges incurred (whether paid immediately or to be paid at a later date) for operations, maintenance, interest, or other charges.

**FISCAL YEAR** - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The fiscal year for the City of Tallahassee is October 1 through September 30.

**FULL TIME EQUIVALENT (FTE)** - A method of measuring the number of authorized employees based on a full-time equivalent of 2,080 hours per year.

**FUND** - A fiscal/accounting entity that is established to accomplish specific objectives and carry out specific activities. Examples: debt service fund, capital projects fund, and special assessment fund.

**FUND BALANCE** - The excess of the assets of a fund over its liabilities, reserves, and carryover.

**GENERAL GOVERNMENT CAPITAL IMPROVEMENT FUND (GG/CIF)** – Undesignated capital funding that serves as a contingency for all capital funding sources in the general government.

**GENERAL GOVERNMENT CAPITAL PROJECT ACCOUNT (GG/CPA)** – Funding provided from the general fund operating budget to support general government capital projects.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** - Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

**GENERAL FUND** - The fund used to finance all non- enterprise operations of local government.

**GOAL** - A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless. Glossary of Key Terms

**GRANT** - A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the intended usage of the grant proceeds.

**INCREASED SERVICE LEVEL (ISL)** - A change in service delivery which exceeds the current level of service.

**INDIRECT COST** - A cost necessary for the functioning of the organization as a whole that cannot be directly assigned to one service.

**INFRASTRUCTURE** - The physical assets of a government (e.g., streets, water works, sewer lines, public buildings, and parks).

**IN LIEU OF TAXES** - Income received by local governments to compensate for the loss of revenue from tax-exempt property.

**INSURANCE** - Costs associated with workers' compensation claims including administration and medical costs, dishonesty bonds, and property and casualty insurance premiums.

**INTER-FUND TRANSFER** - Legally authorized transfers from a fund receiving revenue to a fund through which resources are to be expended.

**INTEREST EXPENSE** - Cost of utilizing borrowed funds (long-term debt).

**INTERGOVERNMENTAL REVENUE OR SHARED REVENUE** - Tax/fee money collected by one level of government and distributed to another level of government.

**INTERNAL SERVICE FUNDS** - Funds established to distribute costs to user departments for administrative services provided by another unit of government, such as data processing or insurance funded from a central pool.

**INTRA-FUND TRANSFER** - Legally authorized transfers within a fund.

**LEVY** - To impose taxes for the support of government activities.

**LONG-TERM DEBT** - Debt with a maturity of more than one year after the date of issuance.

**MILLAGE RATE** - The rate in mills (1 mill = 1/1000 of a dollar or .001) at which property is taxed.

**MISSION** - A description of the purpose, values, strategies, and behavior standards that guide an organization and move it toward its vision. A mission states what the organization is, what it does, for whom, and why.

**MISSION STATEMENT** – A formal summary of the aims and values of a company or organization.

**OBJECTIVE** - A specific/quantifiable statement of what the city, a department, or a unit expects to accomplish in a fiscal year.

**OFFICE EQUIPMENT** - Furniture, fixtures and equipment with an initial cost of \$750 or more.

**OPERATING REVENUE** - Funds received by the city as income to pay for on-going operations, including taxes, fees, interest earnings, and grant revenues.

**OPERATING EXPENSES** - The cost for personnel, materials, and equipment required for a department to function.

**ORDINANCE** - Legislation enacted by the City Commission which has the full force and effect of law within the municipal boundaries.

**ORGANIZATIONAL CHART** – A graphic representation of the structure of an organization, showing the relationships of the positions or jobs within it

**OTHER SALARY ADJUSTMENTS** - Items of employee compensation that are not directly related to the regular or overtime hours worked.

**OVERTIME** - Compensation to eligible employees for hours worked beyond 40 hours within a specific workweek.

**PAY-AS-YOU-GO BASIS** - A term used to describe a financial policy by which capital projects (infrastructure) are financed from current revenues rather than through borrowing.

**PENSION CURRENT** - City contribution to employee pension plan for participating employees.

**PENSION MATCHED ANNUITY PENSION PLAN (MAPP)** - City contribution to employee matched annuity pension plan for participating employees.

**PER CAPITA COST** - Cost per unit of population to provide a particular service in the community.

**PERFORMANCE INDICATORS** - Specific quantitative and qualitative measures of work planned by specific departments or programs.

**PERFORMANCE MEASURE** - Data collected to determine how effective or efficient a program is in achieving its objectives (performance indicators).

**PRIOR-YEAR ENCUMBRANCES** - Unpaid, legally binding obligations from previous fiscal years in the form of purchase orders, contracts, or salary commitments, which are chargeable to a prior appropriation and for which a part of that appropriation is reserved.

**PRO-FORMA** – The financial assumptions or projections for the 14 operating funds

**PROGRAM** - A collection of activities directed at accomplishing similar objectives.

**PROGRAM PERFORMANCE BUDGET** - A method of budgeting whereby the services provided to the residents are broken down in identifiable service or performance units and funding is appropriated for a given level of service or units.

**PROPERTY TAX** - An ad valorem tax based on the fair market value of real property (land and buildings) and personal property (business equipment). Fair market or "just" value is determined by the county property appraiser as of January 1 of each year, under the guidelines of Chapter 193, Florida Statutes.

**REDUCED SERVICE LEVEL (RSL)** - A level of program service which is less than that of the current year.

**REPAIRS, REPLACEMENTS & IMPROVEMENTS (RR&I)** - The portion of the cost of fixed assets (excluding land) charged as an expense during a particular period due to expiration in service life, attributable to wear and tear through use and lapse of time, obsolescence, inadequacy, or other physical or functional cause.

**RESERVE** - An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

**RESERVE TRANSFER** - Those payments necessary to adequately meet the current requirements for reserve funds.

**RESOLUTION** - A special or temporary order of a legislative body that requires less legal formality than an ordinance or statute.

**REVENUE** - Money that flows into the local government. It is recurring if it is received on a consistent basis (e.g., sales taxes and property taxes) and nonrecurring if it is received irregularly (e.g., federal and state grants). The four main types of local revenue are taxes, user fees, licenses and permits, and intergovernmental revenue. **ROLLED-BACK MILLAGE RATE** - A tax rate, which applied to the current year's tax base, will bring in the same amount of taxes as levied the prior year. Newly constructed property or other property added to or deleted from the prior year's base is excluded.

**SALARIES AND WAGES** - Regular weekly and monthly compensation for work performed as defined by the personnel pay scale for position classifications.

**SERVICE LEVEL** - Services or products which comprise actual or expected output of a given program.

**SOCIAL SECURITY** - City contribution to employee Social Security for participating employees.

**SPECIAL ASSESSMENT** - A tax on property owners who receive a benefit not received by all other taxpayers.

**SPECIAL REVENUE FUND**- Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**SUPPLEMENTAL APPROPRIATION** - An additional appropriation made by the governing body after the budget year has started.

**TAX BASE** - The total taxable value of property within the local government's legal boundaries.

**TAX ROLL** - The master list of the assessed value of all taxable property within the government's jurisdiction. The list is certified to all local taxing authorities by the property appraiser by July 1 of each year.

**TAXABLE VALUE** - The assessed value of property less exemptions.

**TAXES** - Compulsory charges levied by a government for the purpose of financing services for the common benefit of the people.

**TEMPORARY WAGES** - Seasonal or temporary employees' compensation computed on hourly or monthly rates.

**TERM BONDS** - Bonds comprising a large part or all of a particular bond issue which come due in a single maturity.

**TRAVEL AND TRAINING** - The cost of attending meetings, conferences, short conferences, etc.

**TRUST FUND** - A fund established to collect and distribute monies for a specific function or operation.

**UNCLASSIFIED EQUIPMENT** - New equipment not otherwise classified, including air conditioners, traffic signals, field stripers, water fountains, etc. This includes all tangible personal property to be purchased which has a value of \$1,000 or more. This equipment, as with all capital equipment, is subject to inventory control.

**UNCLASSIFIED PROFESSIONAL FEES** - The cost of personnel service under expressed or implied contracts to individuals, companies, or corporations engaged as a contractor to perform a specific professional or expert service for the city.

**UNCLASSIFIED SUPPLIES** - Consumable materials and supplies used in conjunction with projects or operations not specifically classified.

### **Abbreviations**

**AHAP** Affordable Housing Assistance Program

**CAD** Computer Aided Dispatch

**CDA** Consolidated Dispatch Agency

**CDBG** Community Development Block Grant

**CHSP** Community Human Service Partnership

**CIP** Capital Improvement Plan

**CIS** Customer Information System

**COCA** Council on Culture and Arts

**COPS** Community-Oriented Policing Services

**GG/CPA** General Government/Capital Projects Account

**GIS** Geographic Information Systems



**HOME** Home Investment Partnership Program  
**HUD** Housing and Urban Development  
**IAFF** International Association of Firefighters  
**IRP** Integrated Resource Planning  
**ISO** Insurance Service Office  
**ISS** Information Systems Services  
**JARC** Juvenile Assessment Receiving Center  
**CPI** Consumer Price Index  
**KWH** Kilowatt Hour  
**CRA** Community Redevelopment Agency  
**CUSB** Consolidated Utility System Bond  
**DEP** Department of Environmental Protection  
**DIA** Downtown Improvement Authority  
**DRI** Development of Regional Impact  
**EAP** Employee Assistance Program  
**EEO** Equal Employment Opportunity  
**EOC** Emergency Operations Center  
**ERU** Equivalent Residential Unit  
**EWD** Equity and Workforce Development  
**FAA** Federal Aviation Authority  
**FAMU** Florida Agricultural and Mechanical University  
**FDOT** Florida Department of Transportation  
**FEMA** Federal Emergency Management Agency  
**FERC** Federal Energy Regulatory Commission  
**FDEP** Florida Department of Environmental Protection  
**FHWA** Federal Highway Administration  
**FSU** Florida State University  
**FTA** Federal Transportation Administration  
**FTE** Full-time Equivalent  
**GASB** Governmental Accounting Standards Board  
**GF** General Fund  
**GG/CIF** General Government/Capital Improvement Fund  
**LLEB** Local Law Enforcement Block Grant  
**MAPP** Matched Annuity Pension Plan  
**MBE** Minority Business Enterprise  
**MGD** Million Gallons Daily  
**MSA** Metropolitan Statistical Area  
**MW** Megawatt  
**NPDES** National Pollution Discharge Elimination System  
**PASS** Pedestrian and Street Safety  
**PBA** Police Benevolent Association  
**PETS** Permit Enforcement Tracking System

**PSC** Public Service Commission  
**PUD** Planned Unit Development  
**RFP** Request for Proposal  
**RR&I** Repairs, Replacements, and Improvements  
**SCADA** System Control and Data Acquisition  
**SHIP** State Housing Initiative Plan  
**SPRP** Stormwater Pollution Reduction Program  
**TCC** Tallahassee Community College  
**TDP** Transit Development Plan  
**TFD** Tallahassee Fire Department  
**TMDL** Total Maximum Daily Load  
**TPD** Tallahassee Police Department  
**TSA** Transportation Safety Administration