

## ACKNOWLEDGMENTS

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## **INTRODUCTION**

The City of Orlando Revenue Manual was developed to provide a comprehensive review of all revenues collected by the City. This document includes a description of the revenue source, fees and charges associated with revenue generation, method and frequency of collection and other comments or special requirements that may be of interest to the reader. Also listed is the legal authority supporting the collection of each revenue, and a five-year revenue collection history.

This document was published to provide a resource for anyone wishing to understand the revenues received by the City of Orlando.

## REVENUE SUMMARY

Ad valorem taxes are the single largest source of general revenue. Ad valorem tax revenue is a function of assessed property values and the millage rate set by City Council. In 1980, the millage rate was over eight mills--meaning that for every \$1,000 of assessed property value, a property owner would pay eight dollars. From 1980 through 1988, the millage rate decreased. Because property values continued to increase, actual revenues were not adversely impacted. In fact, revenues increased although the proportion of total General Fund revenue they represent decreased.

In the mid 1980's, State and Federal revenues were implemented which lifted a substantial portion of the revenue burden from local governments. The following years, however, witnessed a reversal of this trend. Federal revenue sharing has been completely eliminated and State revenue sharing suffers from a stagnant composition of revenue and a restrictive allocation formula. The formula that distributes the funds is based in part on a municipality's ability to generate its own revenue via property taxes. As a growing city with expanding boundaries, Orlando did not fare well in the competition for supplemental State revenue sharing funds. Effective July 1994, the State legislature amended the law by increasing the distribution for emergency and supplemental funds, and thereby increasing the City's revenue.

Over the years many local governments were forced to balance their annual budgets with increased property taxes. The City of Orlando did raise its millage rate in 1989 and 1990. However, the rate then remained at the 1990 level of 6.0666 mills for twelve years. It was reduced to the roll back rate of 5.6916 for 2001/2002 and remains at that rate.

The summary on the next page compares the General Fund revenue budgets for the current and past fiscal year.

- The increase in Ad Valorem and Utility Taxes reflects the City's continued growth through both new construction and annexations.
- License and permits fees, along with Franchise and Other Fees continue to increase with the City's commercial growth.
- The decrease in Federal revenues reflects a smaller police staffing grant contribution.
- The decrease in State revenues reflects lower revenue sharing.
- Local revenue is primarily profit sharing revenue from the Orlando Utilities Commission. Revenue is based on a formula computed and forecast by OUC. The City currently receives 60 percent of OUC net income.
- Charges for services include revenues such as building inspection fees, recreation fees, fees from the Orlando International Airport for Orlando Police Department services and reimbursements from other funds for General Fund provided services. The increase primarily reflects increased reimbursements from other funds and the General Fund absorption of former internal service funds employees.
- The decrease in miscellaneous revenue reflects a decrease in investment earnings and one-time revenues that were included in the 2002/2003 budget.
- The decrease in nonoperating revenue reflects one time transfers from other funds that were included in the 2002/2003 budget.

**REVENUE COMPARISON  
GENERAL FUND #100**

	<u>REVISED</u> <u>FY 2002/2003</u>	<u>APPROVED</u> <u>FY 2003/2004</u>	<u>PERCENT</u> <u>CHANGE</u>
AD VALOREM TAXES	\$ 72,544,207	\$ 76,831,480	5.91%
UTILITY TAXES	36,500,000	37,500,000	2.74%
FRANCHISE AND OTHER	22,323,954	23,112,985	3.53%
LICENSES AND PERMITS	4,993,000	5,417,000	8.49%
FEDERAL/STATE	40,875,102	37,477,887	(8.31%)
LOCAL	29,160,639	31,660,000	8.57%
CHARGES FOR SERVICES	21,567,460	26,904,096	24.74%
FINES AND FORFEITURES	1,854,000	1,815,300	(2.09%)
MISCELLANEOUS REVENUE	15,525,800	12,726,204	(18.03%)
NONOPERATING REVENUE	<u>16,113,762</u>	<u>3,102,864</u>	<u>(80.74%)</u>
	<b>\$ 261,457,924</b>	<b>\$ 256,547,816</b>	<b>(1.88%)</b>