



# CITY OF ORLANDO

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## City of Orlando Budget

### Impact of Amendment 1 on the City of Orlando's Budget

In 2008, Florida voters approved a statewide-referendum that capped the amount of property tax revenues local governments can receive. While beneficial to residents and businesses, during the economic recession, this referendum limits the amount of revenue the City of Orlando can recover, even as property values increase as the economy improves.

**In 2009, the City of Orlando generated \$137 million in property tax revenues. In the current fiscal year, the City will generate \$102 million.**

The City's general fund includes multiple revenue streams, but the primary source to the general fund is revenue collected from local property taxes. Residents might be surprised to know that property taxes do not even cover the cost of police and fire protection. **In 2014, the budget for police and fire departments is \$197 million -- \$95 million more than property tax revenues.**

### Budget Priorities

During the economic downturn, the Orlando City Council decided not to further burden our citizens with a property tax increase. Instead the City Council made substantial cuts to the budget and a reduction in services:

- Since 2002, **\$379 million has been cut from the City's general fund budget.**
- In 2002, each civilian City employee served 87 residents; now in 2014 every civilian employee serves 139 residents.

Even in the face of budget limitations, the Orlando City Council's top priority remained public safety. Since 2009, we have increased our investment in public safety programs by \$90 million. Orlando now boasts more police officers per resident than any major city in the State and our Fire Department maintains the highest national levels of accreditation.

**As a part of its continued financial prudence, the City Council has recommended a reduction in the general fund budget of \$17 million for Fiscal Year 2014/2015.**

### Impact of a Millage Increase

Since 2009, cities across Florida have increased their millage rate to counter the impacts of Amendment 1 and the economic recession. The City of Orlando has maintained the same millage rate since 2009. Despite having the same millage rate, the revenue produced by property taxes has declined:

- In 2009 at a 5.65 millage, the City's budget included \$137 million in property tax revenues.
- In 2015, without a millage rate increase, property taxes are projected to produce \$109 million.
- An increased millage rate of 6.65 in 2015 would generate an estimated \$128 million in property tax revenues.

In order to continue to provide the high level of services that Orlando residents expect, the City of Orlando is proposing to increase the millage rate to 6.65 for Fiscal Year 2014/2015.

**Homeowners will pay on average the same amount as they did in 2009 for property taxes.** Residents paid \$667.11 in 2009 for property taxes and in 2015 would pay \$662.60 with the proposed property tax increase.

### Headline Projects

Did you know that many of the City's large-scale projects such as the Community Venues, SunRail and Creative Village that frequently make the news headlines have little to no impact on the City's general fund budget?

Of the \$1 billion in construction funding for the Community Venue projects (Amway Center, Dr. Phillips Center for the Performing Arts, Orlando Citrus Bowl and the soccer stadium) **less than 2% was** from the City's general fund. The majority of the public funding was from Tourist Development Taxes and the Downtown Orlando Community Redevelopment agency. These funding sources have restrictions on their usage and cannot support general fund services like police and fire.

**One percent** of the City's general fund budget in FY2014/2015 will support ongoing operations of these initiatives.

The Community Venue projects have resulted in significant economic impact for the local community. Nearly 300 local companies have been a part of the construction of the Amway Center, Dr. Phillips Center for the Performing Arts and the Orlando Citrus Bowl. Additionally, once open these venues are hosting events that are drawing international and national visitors to Central Florida. The NBA All-Star Game in 2012 generated \$95 million for our local economy with tens of thousands of attendees staying in our hotels, eating at our restaurants, shopping at our retailers.