# Florida League of Cities
# Center for Municipal Research & Innovation
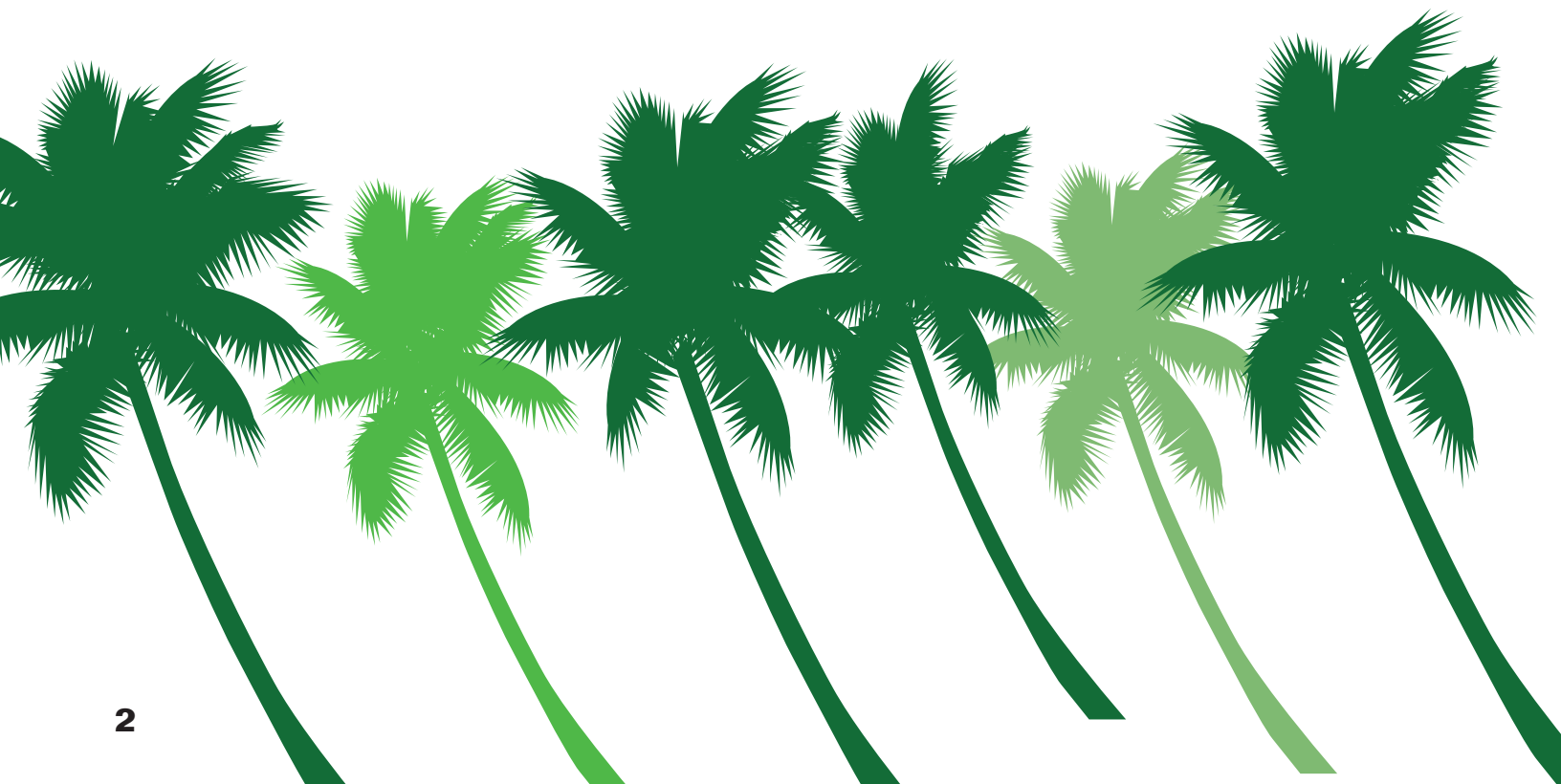
# 2012 Florida State of the Cities

# Introduction

**T**he Center for Municipal Research and Innovation was created in 2011 to serve as the central source of local government research and resources at the Florida League of Cities.

Over the past two years, the center has compiled and collected research and statistics on key issues related to municipal government. One of the ways this data is collected is through an annual CityStats Survey, which has been administered electronically to all 410 municipalities in Florida. Begun in 2011, the survey consists of 48 questions on municipal operations, budgets, policies and services.

Based on the results from the 2012 CityStats Survey, this publication provides an overview of the current state of Florida cities and how they have changed over the past year.
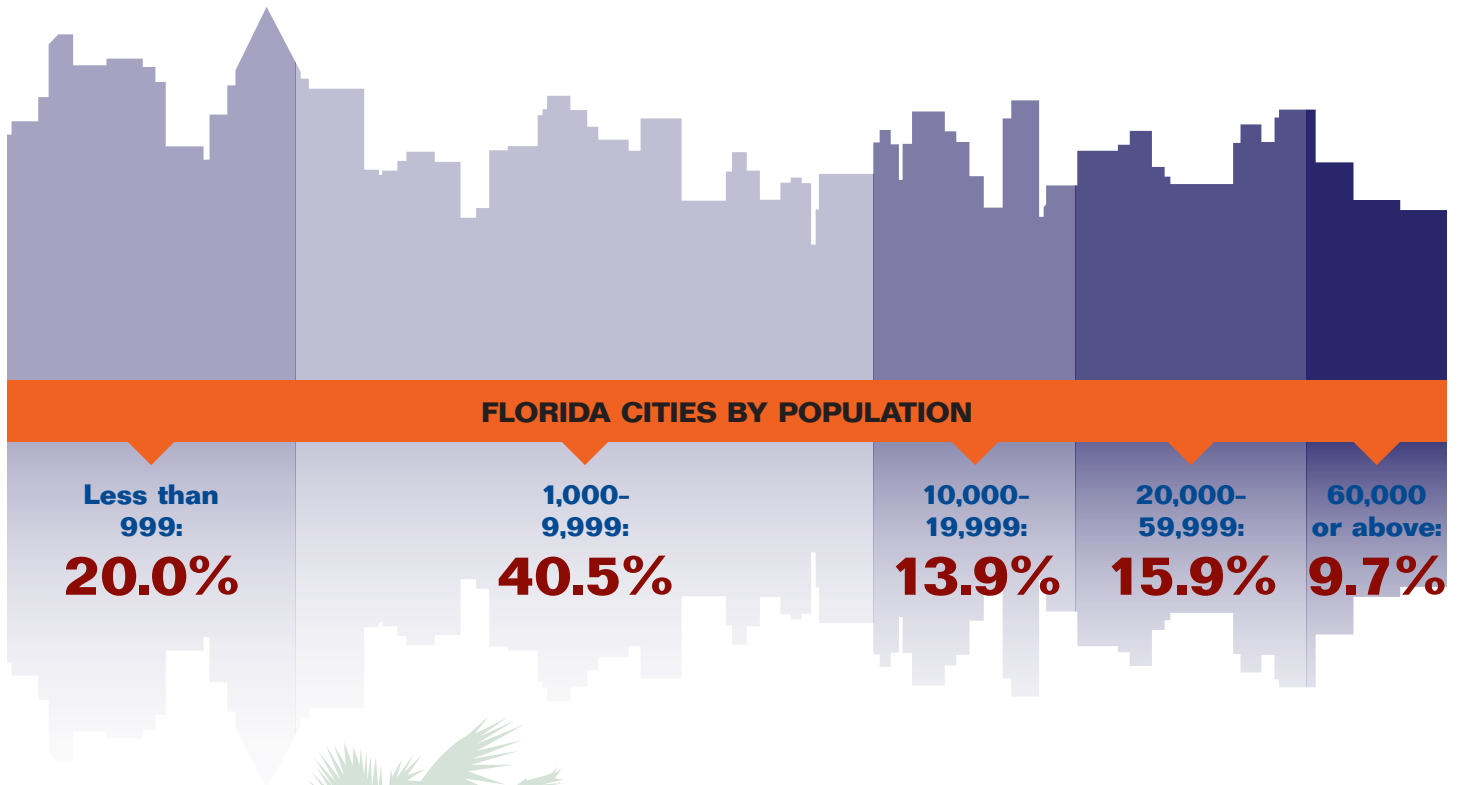
In Florida, a city, town or village is a municipal government. There is no legal difference between the three. In this document, the words municipality and city are used interchangeably.

In 2012, Florida's population totaled 19,074,434, with just over half, 9,603,954, residing in an incorporated area (city, town or village) and 9,470,480 residing in the unincorporated area of a county.

CityStats Surveys were collected from 337 of Florida's 410 municipalities. With this 82 percent participation rate, approximately 70.5 percent of Florida's total municipal population was accounted for in the 2012 survey. A copy of the full survey and the list of respondents are available upon request. Individual municipal profiles and the League's "Find a Peer City" database are available for viewing on our website at *www.floridaleagueofcities.com/ResearchMaterial.aspx*.

**FLORIDA CITIES BY POPULATION**

| Less than 999: | 1,000–9,999: | 10,000–19,999: | 20,000–59,999: | 60,000 or above: |
|---|---|---|---|---|
| **20.0%** | **40.5%** | **13.9%** | **15.9%** | **9.7%** |

# Employment and Economy...

The economies of Florida's cities have been hit hard by unemployment and the beleaguered real estate market over the past few years. However, recent studies by the National League of Cities and the Florida Office of Economic and Demographic Research indicate a recovery of both the national and state economies is well under way. On the national level, municipalities have reported improvement in several areas, including the number of new building permits, the number of business permits, the health of the retail sector and unemployment rates. Florida has also seen improvements in employment and economic indicators. During the past five years, Florida's unemployment rate has remained lower than the national average, and in 2011, the state's economic growth was positive for the second consecutive year after declining the previous two years.

**National Comparison: Cities across the nation are faced with budget shortfalls and many have been forced to cut positions to reduce personnel costs. According to data released by the U.S. Bureau of Labor Statistics in August 2012, total local government employment has decreased by approximately 650,000 jobs since levels peaked in 2008.**

## EMPLOYMENT

**Total full-time municipal employees in the state:**

**72,411**

**Total part-time employees:**

**12,231**

**Net increase in municipal employees:**

**5,597***



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**Did You Know? The average municipality in Florida is currently 78 percent developed and more than one-third are over 90 percent developed (built-out).**

*The difference between employees hired, 6,327, and filled positions eliminated, 1,240.

Source: Data from CityStat Survey responses (82 percent of Florida municipalities).

Based on the employment levels of municipalities from 2011 to 2012, there is a slight improvement in the financial state of Florida's cities. The number of eliminated positions decreased 50 percent in reporting cities during that time period, and respondents reported hiring a statewide total of 6,637 municipal employees during 2010-2011.

The average number of full-time employees varies greatly depending on the city's population, as shown on the top right chart.
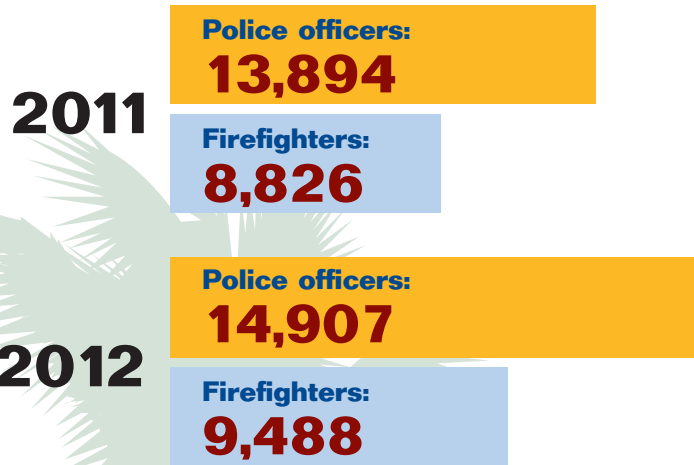
Respondents also reported an increase in the number of police officers and firefighters within their cities.

In an effort to increase economic development, many municipalities are offering economic development incentives to attract new companies in their area. More than half of the reporting municipalities (56 percent) provide some type of economic development incentive. The most common incentive offered is expedited permitting, followed by favorable land-development regulations.
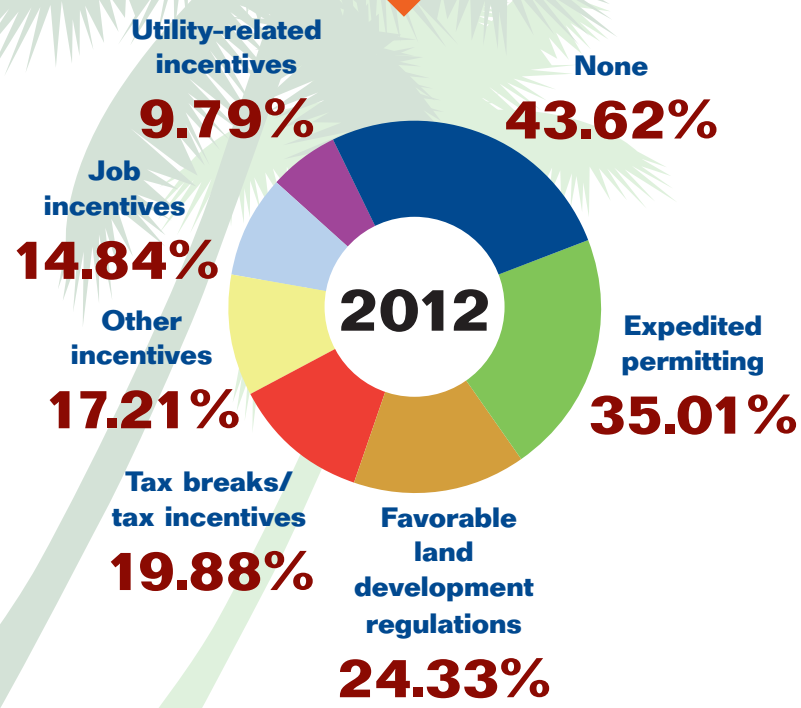
**2012 AVERAGE NUMBER OF FULL-TIME MUNICIPAL EMPLOYEES BY POPULATION**

| Greater than 120,000: | Between 60,000–120,000: | Between 20,000–60,000: | Between 10,000–20,000: | Between 5,000–10,000: | Less than 5,000: |
|---|---|---|---|---|---|
| **1,915** | **833** | **326** | **168** | **83** | **17** |

**POLICE AND FIREFIGHTERS**

**2011**

Police officers:
**13,894**

Firefighters:
**8,826**

**2012**

Police officers:
**14,907**

Firefighters:
**9,488**

**ECONOMIC DEVELOPMENT INCENTIVES**

Utility–related incentives
**9.79%**

None
**43.62%**

Job incentives
**14.84%**

Other incentives
**17.21%**

**2012**

Expedited permitting
**35.01%**

Tax breaks/ tax incentives
**19.88%**

Favorable land development regulations
**24.33%**

Source: Data from CityStat Survey responses (82 percent of Florida municipalities).

# Budgets...

**F**lorida is one of the largest and most diverse states in the nation, both in population and geography. Each of the Sunshine State's cities, towns and villages vary in size, location and needs. As such, each municipality in Florida develops its own customized budget to fit the unique needs of its residents.

**Did You Know?** **52 percent of municipalities have a written policy on budget-ing for reserves.**

The most recent survey results indicate that from 2011 to 2012, the average budget size increased for large and small cities and decreased for medium-size cities. An increase or decrease in budget size is largely affected by the flucuation of available revenue sources. If revenue sources such as ad-valorem taxes, state funding, and/or fees generated by municipal services decrease, a city may be forced to make budget cuts. An increase for both small and large municipalities may be a sign that revenues are beginning to increase after the significant economic downturn that began in 2008.

The survey also shows many municipalities preparing for financial emergencies by budgeting for reserves. Approximately 52 percent of cities have adopted a written policy on budgeting for reserves. These policies ensure a municipality is saving a certain amount of money each year, and with a defined policy in place, administrations are able to budget equal amounts each year.

There are many different types of reserves a municipality can utilize — the two most common are restricted and unrestricted reserves. Restricted reserves are designated for a predetermined purpose, while unrestricted reserves are typically held in a general multi-use fund. Specific reserve funds can also be created for certain departments or projects, such as a utility reserve. A utility reserve fund is money set aside for a specific utility, such as water or waste water, to be available in the case of a utility budget shortfall in future years.

## AVERAGE GENERAL FUND BUDGETS BY POPULATION

| 2011 | 2012 |
|------|------|
| **Greater than 60,000:** | **Greater than 60,000:** |
| $113,503,624 | $129,772,919 |
| **Between 20,000–60,000:** | **Between 20,000–60,000:** |
| $39,719,490 | $33,182,125 |
| **Less than 20,000:** | **Less than 20,000:** |
| $6,679,017 | $8,836,818 |

**National Comparison:** Florida isn't the only state facing budget challenges at the local level. With economic conditions making balancing a city budget even more challenging in recent years, reserves, or "ending balances," have been increasingly utilized to fill the gap. Research from the National League of Cities shows a 25 percent decrease in city budget reserves over the past four years.

Source: Data from CityStat Survey responses (82 percent of Florida municipalities).

# Services and Utilities...

Historically, Florida's municipalities have provided a number of services to their residents, depending on the size, geography, and needs of the city, town or village. Most cities provide police, fire services, water utilities, sewer utilities, parks, recreational facilities/ centers, garbage collection, maintenance of sidewalks and city streets.

Municipalities have faced the challenge of coming up with ways to provide more services and utilities as their communities continue to grow. These municipalities typically provide services in three ways — directly via city employees, through a contract with another government entity (such as a county), or through a contract with a private company.

**National Comparison:**
While many cities in Florida are increasing services provided directly by the city, there is a trend toward decreasing services in general at the national level. A 2010 survey by the National League of Cities reported **52 percent of cities surveyed will continue to decrease services if tax and fee revenues do not increase.**

## FLORIDA CITIES WITH THE LARGEST POPULATION INCREASES FROM 2010-2012

**Cape Coral**
grew by
**5,879,**
increasing its population from 154,305 to 160,184.

**Tampa**
grew by
**6,062,**
increasing its population from 335,709 to 341,771.

**Sweetwater**
grew by
**6,464,**
increasing its population from 13,499 to 19,630.

**Orlando**
grew by
**7,102,**
increasing its population from 238,300 to 245,402.

**Miami**
grew by
**15,243,**
increasing its population from 399,508 to 414,751.

Source: Florida Office of Economic and Demographic Research
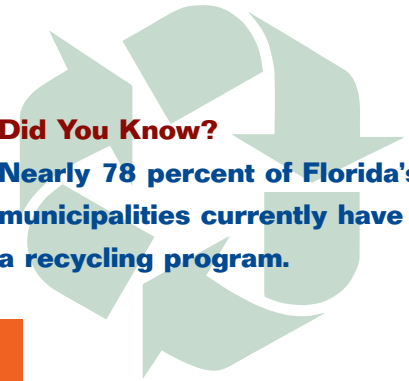
According to the CityStat Survey, the top three services provided directly by cities are parks, police and fire.

From 2011 to 2012, Florida municipalities reported a decrease in the number of services provided by contract.

**Did You Know?**
**Nearly 78 percent of Florida's municipalities currently have a recycling program.**
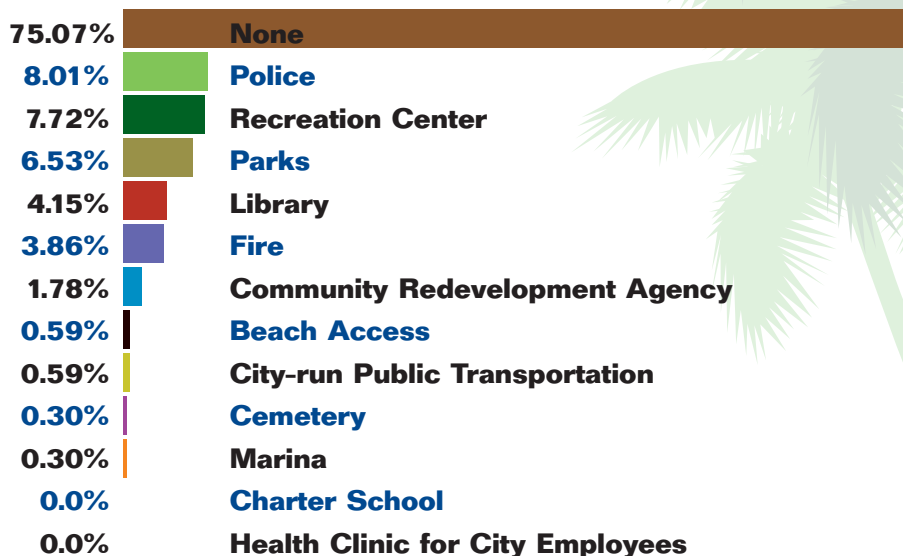
## INCREASING SERVICES VS. DECREASING SERVICES

### INCREASED FUNDING:

| Percent | Service |
|---|---|
| 75.37% | None |
| 8.90% | Parks |
| 6.82% | Police |
| 3.86% | Fire |
| 3.56% | Recreation Center |
| 1.48% | City-run Public Transportation |
| 1.18% | Library |
| 1.18% | Marina |
| 0.89% | Charter School |
| 0.89% | Community Redevelopment Agency |
| 0.59% | Beach Access |
| 0.59% | Cemetery |
| 0.30% | Health Clinic for City Employees |

### DECREASED FUNDING:

| Percent | Service |
|---|---|
| 75.07% | None |
| 8.01% | Police |
| 7.72% | Recreation Center |
| 6.53% | Parks |
| 4.15% | Library |
| 3.86% | Fire |
| 1.78% | Community Redevelopment Agency |
| 0.59% | Beach Access |
| 0.59% | City-run Public Transportation |
| 0.30% | Cemetery |
| 0.30% | Marina |
| 0.0% | Charter School |
| 0.0% | Health Clinic for City Employees |

Source: Data from CityStat Survey responses (82 percent of Florida municipalities).

# Public Safety...

A top priority for cities and residents, public safety is the most common service provided by municipalities. While public safety encompasses a number of different emergency services, police, fire and rescue are the most prevalent among cities. Police services include crime prevention, suppression and investigation, in addition to uniformed patrol and response. Fire and rescue services include fire prevention, fire suppression and rescue services.
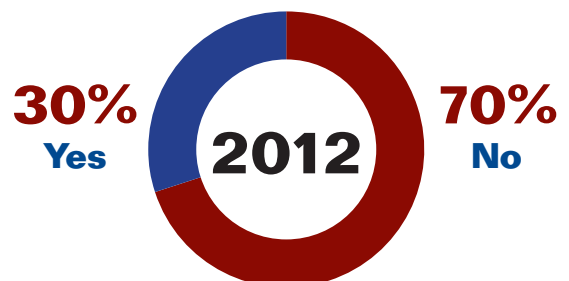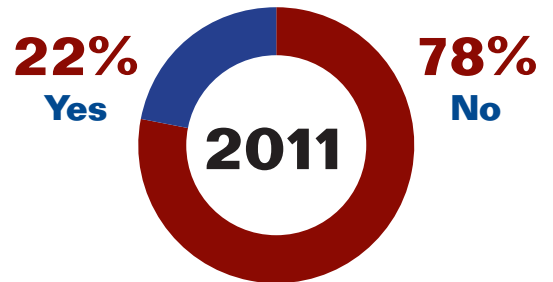
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**Did You Know?**
**30 percent of Florida's municipalities operate either full or combination volunteer fire departments.**

**FIRE ASSESSMENT FEES**

**22%**
**Yes**
**2011**
**78%**
**No**

**30%**
**Yes**
**2012**
**70%**
**No**

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Source: Data from CityStat Survey responses (82 percent of Florida municipalities).

# ...The Breakdown

A large majority of reporting municipalities, 69 percent, provide city-run police services. Twenty-four percent contract with another entity (such as the county sheriff's office or another city's police department) for public safety services. Only 7 percent do not provide any police services in addition to the minimum level of law enforcement provided county-wide by the sheriff's office. By law, cities are not required to provide law enforcement and fire services. Cities that do not provide these services rely on the county and/or volunteer services.

Fifty-five percent of reporting cities provide fire services directly by city-employed firefighters. From 2011 to 2012, municipalities reported an increase in providing fire services in-house, as opposed to contracting out. Some fire departments fund their operations by levying fire assessment fees. The revenues generated through these fees are used to cover fire operating expenses. From 2011 to 2012, the number of municipalities utilizing a fire assessment fee increased from 22 percent to 30 percent.

## BREAKDOWN OF FIRE SERVICES

### 2011
**54.7%** provided directly by the city
**30.7%** contracted out to another entity
**14.6%** do not provide fire services

### 2012
**59.09%** provided directly by the city
**26.06%** contracted out to another entity
**14.85%** do not provide fire services

## BREAKDOWN OF POLICE SERVICES

### 2011
**69%** provided directly by the city
**24%** contracted out to another entity
**7%** do not provide police services

### 2012
**69%** provided directly by the city
**23%** contracted out to another entity
**8%** do not provide police services

# Center for Municipal Research and Innovation

**B**y collaborating and facilitating local government-focused research, the League's Center for Municipal Research and Innovation is the place to find the most current and pertinent research and resources related to municipal government in Florida.

The Center for Municipal Research and Innovation offers the following:

- **Online Research and Resources:** The center's website houses valuable research and resources covering a variety of local government topics. Online resources include current reports and data from researchers across the state; a municipal search engine; results from the Florida League of Cities' CityStats Survey; municipal profiles of all 410 Florida cities, and the "Find a Peer City" database.
- **Workshops:** Research-focused workshops are being developed for Florida League of Cities and affiliate organizations' conferences. These workshops will provide an opportunity for practitioners to utilize current research.
- **Research Symposium:** An annual statewide research symposium brings together public administrators, elected officials and the academic community. The symposium focuses on a specific local government issue and how research, statistics and trends can be used in the local government setting.
- **Research Publication:** An electronic quarterly newsletter highlighting research and reports in a concise and usable format that gives readers an overview of research being conducted in Florida. The newsletter includes articles, reports and data from many different sources.

A main goal of the Center for Municipal Research and Innovation is to serve as a key link between Florida's public policy researchers and municipal governments. Ongoing communication and partnerships between the center and researchers bridges the gap between academics and public policy makers and administrators.

To learn more about the Center for Municipal Research and Innovation and access its online resources, visit *www.floridaleagueofcities.com/ResearchMaterial.aspx*.