


Lesson 3: How a City Operates


Objectives Students should be able to describe the basic organization of city government; examine the powers of local government; and explain how major taxes and other revenues for local government affect services for citizens.


Materials Facts on Florida Cities
Local Government Vocabulary
Activity 3-1: City Revenue of Sunshine Beach
Transparency Master 3-2: City Revenue of Sunshine Beach (this is a hypothetical revenue chart based on a typical Florida city.)

Vocabulary

<i>City Government terms:</i>	city	city attorney
	city clerk	city council
	city hall	city manager
	code	mayor
	ordinance	
<i>City Finance terms:</i>	ad valorem tax	budget
	grant	homestead exemption
	intergovernmental	license fee
	local option	local option sales tax
	millage rate	property tax
	revenue	tax
	tax digest	user fee

Strategies  Introduce the city government terms by writing them on the board and discussing them; explain the duties involved if the term describes a person. Be especially sure to cover the duties of a citizen in the community, and emphasize that everyone in the community is a citizen. Discuss the rights and responsibilities of citizenship – the right to have a voice in government and take part in it along with the responsibilities of obeying the laws and participating.

 Lesson 2 covered city charters and how the form of city government is established in its charter. The Facts on Florida Cities Pages contains a table, “Duties of Municipal Officials in Different Forms of Government.” It lists the general powers of the mayor, the city council and the city manager under each of the forms of city government that are common in Florida. If students are able to survey their own city Web site, they may already know what form of government exists in their city. If not, you will have to provide that information. If possible, give them the names of the mayor, council members and, if applicable, city manager as well. As you discuss forms of city government, point out that the city council is the “legislative branch” of government and the executive branch will vary based on the charter.

 Cities need people to administer the government, and they need money to operate. Ask students if they know where the city gets the money it needs to carry out its functions. Their response may be “taxes!” and they are correct, but that isn’t the only source of funds. City revenue comes from a variety of sources. Activity 3-1 is a pie chart of where money comes from to operate a city. Prior to distributing Activity 3-1, you may want to make and project Transparency Master 3-2 (which is the same pie chart) and use it to discuss each revenue source. Activity 3-1 has questions using the pie chart; questions 8 and 9 require higher level thinking. The city finance terms provide additional information about city government revenues. Lesson 4 covers ways in which the revenue is spent and the services provided.

Activity 3-1: City Revenue of Sunshine Beach

14% – **Property taxes** are assessed on land, buildings, and tangible personal property.

1% – **Occupational license taxes** are charged to operate businesses, professions and occupations within a municipality's jurisdiction.

10% – **Intergovernmental revenue** is money transferred from federal, state or local governments to help pay for roads, buildings, municipal services and other projects.

47% – **User fees** are charged for services such as garbage collection, building code inspections, parking, recreation and various permits. User fees also include *public utility revenues* for the operation of water and sewer systems, electric and gas supply systems, solid waste collection, and stormwater collection and treatment systems.

9% – **Special-use taxes** include taxes on alcoholic beverages, insurances premiums, lodging bills for hotels and motels, and on franchises such as electric, gas, and solid waste collection companies doing business in the city. Some of these taxes are approved by the city or county, and others by the voters.

3% – **Sales tax** is 6 percent in Florida, of which cities share in a portion. Voters within a county can approve an additional local optional sales tax for its county and city government, as well one for educational purposes.

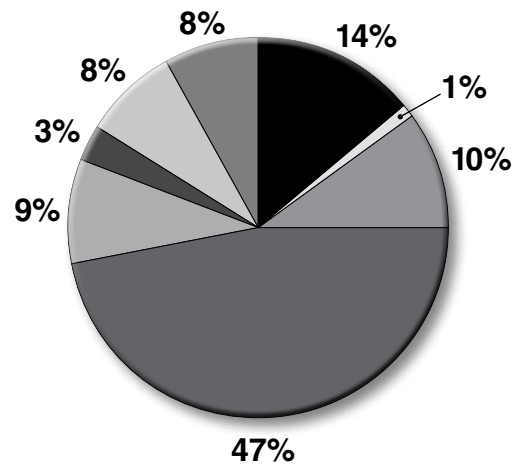
8% – **Interest income** includes revenue generated by city accounts at banks and in other investments.

8% – **Miscellaneous income** includes donations, fines and forfeiture monies, and other small revenue sources not defined above.

How well can you “digest” the revenue pie chart?

(write your answers on a separate sheet of paper)

1. What is the smallest source of revenue for Sunshine Beach?
2. Give two examples of public utilities that a city may own or operate.
3. What is the second largest source of revenue for cities?
4. What kind of revenue are you providing when you put money into a parking meter?
5. Excluding user fees, what percent do the next three largest sources of revenue add up to?
6. Using the results from question 5, complete this statement with the correct fraction. The next three largest sources of revenue bring in just over (one-fourth, one-third, one-half) of the city's income.
7. Name a tax that requires approval by local citizens.
8. Review all the sources of revenue and give an example of a situation in which a person who does not live inside the city limits would pay a tax that would go toward city revenues.
9. Why would the state or federal government pay money to a city to help build or maintain a road?



Transparency Master 3-2

City Revenue of Sunshine Beach

