September 1, 1995

The Honorable Chairman and Members of
the Board of County Commissioners
Pinellas County Courthouse
315 Court Street
Clearwater, Florida 34616

Members of the Board of County Commissioners:

In accordance with my statutory responsibilities as Budget Officer, I am pleased to transmit herein the Adopted FY1996 Annual Operating and Capital Budget.

With the guidance and input of the Board of County Commissioners and the diligent efforts of the Constitutional Officers, my Department Directors, and the Independent Agency heads, this adopted budget of $927.6 million (net of transfers) represents not only a reduction of $61 million from the revised FY1995 budget, but, moreover, tax relief for property owners in Pinellas County. The Adopted FY1996 Annual Budget maintains a high level of services to the citizens of Pinellas County while reducing the County-wide levy from 6.391 to 6.266 mills and the Municipal Services Taxing Unit (MSTU) levy from 1.537 mills to 1.513 mills. These mill levies reflect a 2.0% decrease in the County-wide millage and a 1.6% decrease in the MSTU millage. Additionally, the adopted aggregate millage rate (which includes all Board dependent millage levies) is below the rolled-back rate.

This budget was developed with the goal of optimizing the County's use of public funds by pursuing a comprehensive review of the programs and services which the County provides to the public and the manner in which these services are delivered. The emphasis of this process, in which the Board played a key role, was the elimination of undue bureaucracy and programs which are no longer relevant. This process resulted in the elimination of 31 full time, permanent
positions and the ability to reallocate positions to other vital programs. This decrease, however, was offset by the Sheriff’s request for an additional 47 positions associated with the new court facility, the Juvenile Assessment Center, and other law enforcement purposes, as well as, two (2) new positions requested by the Supervisor of Elections to accommodate work associated with the federally mandated National Voter Registration Act.

The budget is based upon estimated taxable value information provided by the Property Appraiser. The certified county-wide values reflected a 2.7% increase compared to 2.4% in FY95, while the Municipal Services Taxing Unit (MSTU) values show a 3.6% increase with 56% of this increase generated by new construction in the unincorporated area.

Finally, the FY96 Annual Operating and Capital Budget represents a "user-friendly" presentation which depicts the budget organizationally. The format has been dramatically revised to provide the user with highly summarized information, while continuing to reflect the traditional line-item detail that the Board is accustomed to. The companion document, the Executive Budget, has also been revamped to reflect summarized budget information, as well as, performance based measurements of departmental activity.

The Process:
The FY96 budget process was set in motion in November of 1994, shortly after the initiation of the FY95 budget. As part of the FY95 budget deliberation process, the Board of County Commissioners directed the County Administrator to conduct an evaluation of departments and agencies under Board appropriation (exclusive of the Constitutional Officers and the Judiciary). This information was intended to facilitate the determination of the Board’s funding priorities in the FY96 budget. In response, the County Administrator developed a matrix which identified the underlying funding requirements by categorizing each department/agency as Mandated (i.e., Charter, Federal/State law, County Ordinance), Required, or Discretionary.

Subsequent to this, the Board established the guiding principles for the FY96 budget process:

- Every program and activity must be crucial to the delivery of an essential public service.
- The essential services must be delivered in the best, most efficient way possible.
The policy direction of the Board was thus articulated:

*Scrutinize each budget through a comprehensive, self-evaluation with the goal of reducing, or at least limiting the FY96 budget request to the current budget levels.*

With this objective, the County Administrator scheduled a series of budget work sessions with the Board during April and May. The Board devoted approximately thirty (30) hours to this process and was provided with a detailed overview of departmental programs and activities. The Constitutional Officers similarly presented their budget requirements to the Board in early June.

**Budget Overview:**
The $927.6 million Adopted Budget is comprised of $638.8 million for operating purposes and $288.8 million for capital construction. Depicted organizationally, by expenditure type, the Adopted Budget reflects the following:

<table>
<thead>
<tr>
<th>Organization Costs (in millions of dollars)</th>
<th>Operating Costs</th>
<th>Capital Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Administrator:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise Services</td>
<td>$131.8</td>
<td>$208.6</td>
<td>$340.4</td>
</tr>
<tr>
<td>Governmental Services</td>
<td>196.7</td>
<td>66.5</td>
<td>263.2</td>
</tr>
<tr>
<td>Total County Administrator</td>
<td>$328.5</td>
<td>$275.1</td>
<td>$603.6</td>
</tr>
<tr>
<td>Constitutional Officers</td>
<td>164.8</td>
<td>12.8</td>
<td>177.6</td>
</tr>
<tr>
<td>Independent Agencies</td>
<td>26.9</td>
<td>0</td>
<td>26.9</td>
</tr>
<tr>
<td>Support Funding</td>
<td>118.6</td>
<td>0.9</td>
<td>119.5</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td><strong>$638.8</strong></td>
<td><strong>$288.8</strong></td>
<td><strong>$927.6</strong></td>
</tr>
</tbody>
</table>

In order to support these bottom-line requirements and meet the statutory mandates which require a balanced budget, matching resources in the amount of $927.6 million have been identified as follows:
Resources and Balances (in million of dollars)

<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>Amount</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$218.3</td>
<td>23.5%</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>181.9</td>
<td>19.6%</td>
</tr>
<tr>
<td>Sales &amp; Use Taxes</td>
<td>67.6</td>
<td>7.3%</td>
</tr>
<tr>
<td>Federal, State &amp; Local Sources</td>
<td>73.5</td>
<td>7.9%</td>
</tr>
<tr>
<td>Other Resources</td>
<td>86.3</td>
<td>9.3%</td>
</tr>
<tr>
<td>Designated Funds &amp; Balances</td>
<td>300.0</td>
<td>32.4%</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td>$927.6</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

County Administrator Appropriations

Departments under the purview of the County Administrator comprise sixty-five percent (65%) of the County budget or $603.6 million. $340.4 million or fifty-six percent (56%) of these appropriations is associated with self-supporting enterprise activities encompassing Utilities (Water, Sewer and Solid Waste Management) and the Airport. Additionally, forty-six percent (46%), or $275.1 million of the County Administrator’s appropriations are associated with capital construction funded primarily on a pay-as-you-go basis.

Through a series of consolidations and other actions to stream-line programs under the County Administrator’s purview, governmental (i.e., non-enterprise) operating expenditures have increased by less than one percent (1%). This has been accomplished with a decrease of nineteen (19) positions within the governmental programs. Additionally, another five (5) positions within the enterprise activities were eliminated for a net reduction of twenty four (24) positions. The bottom-line operating cost increase for the County Administrator, including the enterprise departments, is two and one-half percent (2.5%).

Notable budget highlights for departments under the purview of the County Administrator include:

The FY96 Utilities budget represents the continuation of the consolidation process which was initiated in FY95. As a result of the organizational merger of three discrete departments: Water, Sewer and Solid Waste Management, economies of scale have been realized in several areas, including administration and general maintenance. Accordingly, the staffing level for Utilities has been decreased by five (5) permanent positions. A majority of the 3.4% operating cost increase in Utilities can be attributed to the increased cost of raw water purchased from the West Coast
Regional Water Supply Authority (WCRWSA), additional sludge disposal costs required to comply with federal and state environmental regulations, and projected costs associated with representing the County on an array of water and environmental issues. FY96 will be the final year of the previously approved three year program to increase sewer rates. No rate increases are contemplated for Solid Waste Management in the budget.

FY96 marks the initiation of the $72.2 million retrofit of the Resource Recovery facility at Solid Waste Management. In FY96, $15 million has been appropriated to address the engineering and preliminary construction phase to retrofit the emission controls at the facility.

The Sewer System moves forward in FY96 with construction of $23.2 million in additions and improvements to the South Cross Wastewater treatment plant (WWTP). This $118.4 million project will upgrade the WWTP to meet the requirements of a reclaimed water system with secondary discharge capabilities.

The Water System anticipates the payment of approximately $14.7 million to the West Coast Regional Water Supply Authority (WCRWSA) in FY96 for the loop system. This payment constitutes the County's ongoing commitment to the regional water system as part of the phase IA & IB effort which includes a wellfield, fifty (50) miles of pipeline, and a 50 mgd pump station. The FY96 budget reflects a bond issue in the amount of $23.8 million to address the FY96 and FY97 obligation to the loop system. Based upon the increasing certainty of WCRWSA's contractor draws and improving rates in the bond market, it is anticipated that a bond issue will be issued in early FY96 to refund and consolidate various existing debt and fund improvements to the system.

The St. Petersburg/Clearwater International Airport continues to experience increased passenger activity resulting in increasing operating costs. It is anticipated that the enhanced revenues generated by the elevated passenger counts will outstrip the associated expenditures. In order to further the Board's commitment to the improvement of the Airport facility, and ensure the competitiveness of the Airport as a viable regional facility, additional capital enhancements are programmed for FY96. Among these are: Passenger Loading Bridges, Expansion of the Baggage Claims Area, Noise Abatement Measures, Parking Facility Expansion, and Airfield Shoreline Restoration. The FY96 Airport budget reflects bond proceeds in the amount of $3.7 million to address the projects first year outlays associated with this effort. The phasing of these projects
is currently under evaluation to determine if financing on a pay-as-you-go basis is a viable alternative. If so, the projects will be funded accordingly, thereby negating the need for a long-term debt issue. The Airport will privatize a portion of the custodial services delivered at the Airport in FY96 in an effort to constrain operating costs.

FY96 marks the opening of the new Animal Services facility. The start-up costs associated with the new facility coupled with an aggressive rabies abatement program, which includes the distribution of oral wildlife rabies vaccine bait, have resulted in a twenty-three percent (23%) increase in operating costs. To mitigate future operating budget increases and provide for the reallocation of resources to the vital customer services area, a privatization scenario is being explored for the data entry and accounting functions associated with the license program.

The newly consolidated one-stop permitting function, Development Review Services, will experience its first full year of operation in FY96. This department represents a merger of permit related functions which were previously distributed in a variety of departments (i.e., Zoning, Public Works, Environmental Management and Building Inspection). This consolidation of the permit function under one roof will streamline the process and thereby provide enhanced service to the public.

The Community Development department annually receives an infusion of general fund dollars to serve as the local match for a variety of federal and state grant funds. For FY96, Community Development has leveraged $500,000 of general fund support into $9.7 million in federal and state funding to support housing programs in Pinellas County.

With the Emergency Communications/911 department, the award earlier this year of the 800 Mhz radio system contract to integrate law enforcement communications has led to the evaluation of a viable funding mechanism. The $650,000 generated annually by the $12.50 surcharge assessed on moving violations is not adequate to keep pace with projected contractor draws. Additionally, under the cost-sharing provision of the Agreement, the County is reimbursing municipal police departments and other law enforcement agencies for fifty percent (50%) of the cost of radios and other hardware necessary to enter the system which places an additional demand on this revenue stream. In FY96, $2.7 million in debt proceeds have been identified to fund the 800 Mhz project. Specific financing options including the issuance of long/short term debt, and commercial paper, are being explored.
The Park Department reflects virtually no increase in its FY96 operating budget of $12.4 million with a decrease of 16 positions. This accomplishment was made possible by the revision of the opening date for Wall Springs Park and the use of privatization in the maintenance of park facilities, particularly to the beach access parks.

**Constitutional Officers Appropriations**

The budgets of the elected Constitutional Officers represent $158.2 million or 17% of the FY96 Adopted Budget. Excluding capital projects, the combined operating budgets (including statutory fees) are $155.2 million, or $5.7 million more than the current year, an increase of 3.8%.

The operating budgets of the Clerk of the Circuit Court, including the Public Records Modernization Fund, require a 2.5% increase, with no personnel additions to the current 581 staffing.

The Supervisor of Elections operating budget is 8.9% more, with 2 new employees bringing the level of staffing to 34. These increased operating requirements are primarily associated with the new federal mandates set forth in the National Voter Registration Act (Motor Voter).

Both the Property Appraiser and the Tax Collector are fee officers and present their respective budgets to the Department of Revenue (DOR) for approval. The amounts presented in the FY96 adopted budget only represents the estimated statutory fees and commissions to be paid by the Board.

The Tax Collector has again voluntarily capped his General Fund statutory fees to $5.5 million. This enables the Board to utilize cash that if paid over to the Tax Collector would not be available until after the new year. The current staffing level of 211 is unchanged.

Statutory fees to be paid to the Property Appraiser from the General fund are 4.8% greater. The Property Appraiser's staffing will remain unchanged at 158.

The Sheriff's FY96 budget of $107.5 million, inclusive of the School Crossing Guard Trust Fund, represents a 4% increase over the current year revised budget. The Sheriff's budget identifies 47 net new positions which includes: 30 positions associated with the opening of the new court facility inclusive of 23 Bailiffs, 9 detention deputies for the Juvenile Assessment Center, positions
for the reopening of "A" barracks, and school safety officers for new schools. The Sheriff's jail facility expansion project requires $3 million in FY96 to facilitate further planning, design, and preliminary construction.

Court Support Appropriations

The Court Support portion of the FY96 budget is $19.3 million, or 2% of the total budget. This includes $9.8 million for Board funded capital construction. The operating budget of $9.5 million reflects a slight overall decrease. The FY96 budget reflects a decrease of six (6) positions from 81 for an adjusted total of 75.

The $8.3 million operating budget of the Judiciary reflects a minimal budget decrease for FY96, with an associated decrease of six (6) positions for the County supported functions. The Judiciary is scheduled to occupy the new courts facility in January of 1996. The Judiciary budget does not reflect the cost of office furnishings and accessories for the new facility. At the time that the projected costs for these items are known with greater certainty, the Judiciary may request additional Board funding.

The ongoing construction effort at the new courts facility and the restoration of the Old Courthouse will require $9.8 million in FY96.

The county supported portion of the State Attorney's budget, which also reflects a small decrease, is $414,400 for FY96. The Public Defender's budget is unchanged at $838,710.

Independent Agencies Appropriations

Independent agencies which receive funding from the Board of County Commissioners constitute $27.9 million, or 3.0% of the total budget. For FY96, the Independent Agencies reflect a reduction of one (1) position for a total of 219.

The Industry Council is the recipient of a $6 million defense conversion grant from the federal Department of Energy (DOE) to facilitate the reconfiguration of the Martin-Marietta facility from defense to civilian purposes. These grant proceeds, which include support for staff and other administrative expenses as well as $900,000 for capital construction in FY96, will be received over the course of three (3) years and account for the increase in the Industry Council's budget.
A separate fund was recently established to ensure the proper tracking of these grant proceeds and the expenditures associated with the project.

Earlier this year, the Board approved the imposition of the additional fourth cent Tourist Development Tax in order to release funds to address marketing, promotions and beach renourishment activities under the Tourist Development Council (TDC). This levy is scheduled to be imposed in January 1996, and sunset concurrent with the County's existing commitment to debt service on the Thunderdome facility in the year 2016. This budget does not reflect these additional revenues as the Interlocal Agreement with the City of St. Petersburg regarding improvements at the Thunderdome has not been executed. Additionally, the TDC has not yet identified the specific program enhancements which will be funded. A budget supplement will be presented to the Board in early FY96 at the time that these issues have been finalized.

**Support Funding Appropriations**

The Board of County Commissioners provides support funding to a variety of internal entities which are not organizationally aligned with a specific department or agency as well as external Special Dependent Districts which utilize the general taxing authority of the Board. In FY96, Support Funding comprises $86.4 million, or 9.3% of the total budget. There are no county paid positions associated with this budget.

The Employee Life and Health Benefits fund reflects an 8% increase to account for additional contributions made by the County in accordance with recommendations set forth in an Actuarial Study. This enhancement will allow premium contributions made by both the County and the employees to support projected claims expenditures without the need for additional contributions from the general fund. Personnel is currently exploring opportunities to curtail future increases in claims expenditures through a detailed analysis of claims and medical provider experience.

The 24.2% increase for the Palm Harbor Recreation and Library District results from the FY96 budget reflecting the proceeds from a County borrowing on behalf of the district to fund recreational amenities. The property owners within the Palm Harbor Recreation and Library District levy a voted one-half mill of property tax to fund library and recreational facilities for their use.
The 14 Fire Protection Districts which provide fire suppression services to the unincorporated areas of the County under contract with the Board, show a collective increase of $1.1 million for a total of $16.5 million, a 7.4% increase. Separate millages are levied within each district to fund fire suppression services.

**Capital Projects Appropriations**

Appropriations for capital construction of $288.8 million represent 31% of the total FY96 budget. The majority of this, $208.6 million is related to the current and future capital construction efforts of the self-supporting enterprise activities (i.e., Utilities). The balance of the capital appropriations, $80.2 million, relates to projected FY96 expenditures for a variety of previously discussed projects including the $3 million jail expansion and the $9.8 million courts facilities projects, under the auspices of the Sheriff and the Judiciary, respectively. The Industry Council has $900,000 in grant proceed from the federal government for the Martin and Marietta plant conversion appropriated in FY96.

The majority of governmental capital projects fall under the purview of the County Administrator. Major projects include:

**$39.9 million for transportation improvements**

- $650,000 for initial design and right-of-way acquisition for Bryan Dairy Road-66th Street/US 19.
- $1.5 million for phase I of Belcher Road-Curlew Road/Tampa Road.
- $4 million to construct 1.8 miles of Tampa Road-US 19/McMullen Booth Road.
- $1.9 million for County Road 1-New York Avenue/Alderman Road.
- $4.6 million to reconstruct East Lake Road-Tarpon Woods Boulevard/Keystone Road.
- $2.6 million for Drew Street-Coachman Road/US 19.
- $3.3 million to reconstruct/replace a variety of bridge structures including, Belleair, Dunedin, Park Boulevard and Betty Lane.
- $1.5 million for the annual resurfacing program.
- $500,000 for the ongoing school sidewalk construction program.

**$5.2 million for surface water management projects**

- $800,000 for improvements at Lake Seminole.
- $600,000 for channel improvements at Church Creek.
- $420,000 for the replacement of a storm sewer at Hetrick Circle and Oakglen Drive.
- $400,000 for initial construction of Water Quality improvement features at Sawgrass Lake Park.
- $1 million for the replacement and rehabilitation of storm sewers.
$21.4 million of other governmental improvements:

- $4.5 million for beach renourishment including, $1 million for Long Key, North Segment (Upham Park) and $1 million for Sand Key Phase IV.
- $2.7 million for the purchase of endangered lands.
- $5.1 million for various improvements at existing Parks and the continued development of Walsingham, preliminary development of Boca Ciega Park, and $1.6 million for Weedon Island.
- $345,000 for the planning phase of the McKay Creek Botanical Gardens.

The Penny for Pinellas has become the primary funding source for the County's governmental (i.e., non-enterprise) capital program. The portion of the total receipts received by the County, after the municipalities receive their allotment, is about $42 million annually, inclusive of the $8 million earmarked for the court facility. The ambitious Penny for Pinellas program has been so successful in terms of the County's ability to plan, design and construct those projects identified by the Board such as the Bayside Bridge and numerous arterial road improvements, the Courts facility, the Pinellas Trail, and acquisition of endangered lands, that current revenues and reserve balances have been strained. As a result, project scheduling has been revised to fit expenditures to revenues. The key to the future success of a vibrant capital program which represents an investment in the community, is the continuation of the Penny for Pinellas. Should the program be extended beyond the year 2000, when it is currently scheduled to sunset, an opportunity would exist to accelerate the construction of various key projects through advance funding from future revenues.

With the adoption of the FY96 Annual Operating and Capital Budget, together with the associated millage levies and the six year Capital Improvement Program, the final statutory milestone of the budget development process has been met.

As always, I look forward to the Board's guidance during the upcoming fiscal year as the FY96 Budget is implemented.

Sincerely,

Fred E. Marquiss
County Administrator

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