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 FY1997 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 $1,095,795,560 (net of transfers) represents a nominal two percent (2%) increase in the operating budget. The increase over the revised FY96 budget of $953.5 million can be attributed primarily to a 44.9% increase in non-recurring capital expenditures to fund infrastructure enhancements. In particular, the FY97 budget reflects bond proceeds (both new and carryover) in the amount of $110.3 million which relate to the Resource Recovery Facility Retrofit project and the South Cross Bayou Wastewater Treatment Plant project.

The Adopted FY97 Annual Budget maintains a high level of services to the citizens of Pinellas County while reducing the County-wide property tax levy from 6.266 to 6.251 mills. The adopted Municipal Services Taxing Unit (MSTU) levy imposed exclusively within the unincorporated area will increase from 1.513 mills to 1.656 mills in order to fund increased requirements identified by the Sheriff related to road patrol activities.
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 goal 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 eight (8) full-time, permanent positions and the ability to reallocate positions to other vital programs.

The budget is based upon taxable value information provided by the Property Appraiser. The certified county-wide values reflects a 3.1% increase in County-wide taxable values over last year, while the Municipal Service Taxing Unit (MSTU) shows a 4.5% increase. Without new construction, these taxable values increased 1.9% and 2.6%, respectively.

Finally, the FY97 Annual Operating and Capital Budget continues to represent a "user-friendly" presentation which depicts the budget organizationally. The format was revised in FY96 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 reflects continued improvement to show summarized budget information, as well as, performance based measurement of departmental activity.

The Process and Future Trends:
The Board of County Commissioners continues to play an active role in the formative steps of the budget deliberation process. During the months of April, May, and June, the Board participated in detailed discussions relative to the programs and activities of departments and agencies which are subject to Board appropriation. The goal of this process was to:

*Reduce or at least limit the FY97 budget request to the current budget levels through a comprehensive evaluation of programs and activities.*

As a whole, departments and agencies have done an admirable job of restraining their budget requirements and in some cases have decreased them. This has been accomplished by implementing innovative approaches to do more with less, and through the use of privatization and other cost saving techniques. Many departments and agencies have exhausted these opportunities and further reductions may be leveraged on programs and service delivery.
**Budget Overview:**
The $1,095,795,560 Adopted Budget is comprised of $679.7 million for operating purposes and $416.1 million for capital construction. Depicted organizationally by expenditure type, the Adopted Budget reflects the following:

<table>
<thead>
<tr>
<th>Organization Costs</th>
<th>Operating Costs</th>
<th>Capital Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>County Administrator:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Enterprise Services</td>
<td>$149,630,160</td>
<td>$304,705,090</td>
<td>$454,335,250</td>
</tr>
<tr>
<td>Governmental Services</td>
<td>203,691,000</td>
<td>82,059,180</td>
<td>285,750,180</td>
</tr>
<tr>
<td>Total County Administrator</td>
<td>$353,321,160</td>
<td>$386,764,270</td>
<td>$740,085,430</td>
</tr>
<tr>
<td><strong>Constitutional Officers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>165,013,960</td>
<td>14,851,330</td>
<td>179,865,290</td>
</tr>
<tr>
<td><strong>Court Support Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,078,770</td>
<td>7,799,070</td>
<td>17,877,840</td>
</tr>
<tr>
<td><strong>Independent Agencies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30,623,840</td>
<td>6,729,730</td>
<td>37,353,570</td>
</tr>
<tr>
<td><strong>Support Funding</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>120,613,430</td>
<td></td>
<td>120,613,430</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td>$679,651,160</td>
<td>$416,144,400</td>
<td>$1,095,795,560</td>
</tr>
</tbody>
</table>

In order to support these bottom-line requirements and meet the statutory mandates which require a balanced budget, matching resources have been identified as follows:

<table>
<thead>
<tr>
<th>Resources and Balances</th>
<th>Amount</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding Sources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$225,662,450</td>
<td>20.6%</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>201,408,880</td>
<td>18.4%</td>
</tr>
<tr>
<td>Sales &amp; Use Taxes</td>
<td>78,023,500</td>
<td>7.1%</td>
</tr>
<tr>
<td>Federal, State &amp; Local Sources</td>
<td>82,028,200</td>
<td>7.5%</td>
</tr>
<tr>
<td>Other Resources</td>
<td>99,494,290</td>
<td>9.1%</td>
</tr>
<tr>
<td>Designated Funds &amp; Balances</td>
<td>409,178,240</td>
<td>37.3%</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td>$1,095,795,560</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

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County Administrator Appropriations

Departments under the purview of the County Administrator comprise sixty-eight percent (68%) of the County budget or $740.1 million. Of this amount, $454.3 million or sixty-one (61%) of these appropriations is associated with self-supporting enterprise activities encompassing Utilities (Water, Sewer and Solid Waste Management) and the Airport. Additionally, fifty-two percent (52%), or $386.8 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 streamline programs under the County Administrator's purview, operating expenditures have increased by a nominal 1.6% percent. Without the grant funded enhancements within the Department of Community Development, operating expenditures for departments within my purview have been limited to a mere six-tenths of one percent (0.6%). This has been accomplished with a decrease of three (3) positions within the governmental programs. Additionally, another thirteen (13) positions within the enterprise activities were eliminated for a net reduction of sixteen (16) positions.

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

The FY97 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 seventeen (17) permanent positions and the overall increase in the operating budget has been limited to 0.6%. In addition to the synergies resulting from consolidation, Utilities was also able to capitalize upon other expenditure reductions, including decreases in the contractual cost of sludge hauling and the operation of the Resource Recovery facility. Additional savings have also been realized by the introduction of new, more efficient facilities. In particular, savings have been recognized at South Cross and the North plants as these facilities are inherently more efficient than the package treatment facilities found on the east side of Lake Tarpon. As previously approved by the Board, the FY97 budget reflects the final 15% rate increase for Sewer. No other rate increases are contemplated for the Utilities functions in the FY97 budget. Other major Utilities highlights include:
In order to fund the emission control retrofit project for the Resource Recovery facility at Solid Waste Management, a $80.3 million bond is scheduled to be issued late in FY96. These bond proceeds will be reflected in the FY97 budget as beginning fund balance and will be appropriated to the Air Pollution Control Retrofit project which includes the relocation of the materials recovery system (MRS). The increase in the FY97 budget is in large part due to the inclusion of these bond proceeds.

The Sewer System will move forward with $30 million in additions and improvement to the South Cross Bayou Wastewater Treatment Plant (WWTP). This $93 million project will upgrade the WWTP to meet the requirements of a reclaimed water system with secondary discharge capabilities. This project was funded by the $69.8 million Sewer Revenue Bonds, Series 1994. The proceeds generated by this issue were placed in a Municipal Investment Contract (MIC) in order to net fund the project based upon the original contractor’s draw schedule. The MIC will mature in November of 1997.

The Water System reflects a $2.9 million decrease in its operating budget due to continuing efforts to consolidate functional responsibilities within Utilities. For FY97, $14.3 million will be allocated to Production and Transmission facilities, $8.2 million to the Water Distribution system, and $2.2 million for expanded Re-Use systems.

During the course of the last four years, the St. Petersburg/Clearwater International Airport has experienced unprecedented growth achieving historic records in both scheduled and charter emplanements. For FY97, however, it is anticipated that the rate of growth will slow somewhat. Accordingly, the operating budget reflects a 8.8% increase which is within the anticipated growth of revenues. In order to keep pace with the increased operating and maintenance pressures associated with growth at the Airport, four (4) new positions have been requested. Additionally, to meet the growing demands of airline customers, this budget also includes $250,000 as initial funding for a $3.1 million expansion of the Baggage Claim facility.

The department of Public Works, encompassing Engineering, Mosquito Control and Highway, reflects a 6.4% increase to $31.2 million. As a result of the aggressive transportation and storm water management capital construction programs, maintenance costs associated with the county’s 500 acres of storm water mitigation areas and 1,500 miles of roadways have increased. In order to support these maintenance functions, $6.8 million will be funded by local option gasoline tax revenues.
Development Review Services is in the midst of its first full year of operation as a centralized function providing one-stop permitting and is estimated to serve 28,000 walk-in customers. The FY97 budget reflects an 11.8% decrease in operating expenditures and an associated six (6) position decrease in its staffing due to further consolidations and the discontinuation of the SWFWMD permitting delegation agreement.

The Community Development department is scheduled to receive a $500,000 infusion of general fund dollars to serve as the local match for a variety of federal and state grants. For FY97, Community Development has leveraged this support into a $16.1 million budget. This budget reflects a 29% increase over the current year, with the increase entirely funded with housing related grants.

The implementation of the Intergovernmental Radio Communications Program (800 MHz system) is presently underway. For FY97, the Emergency Communications/911 department reflects a decrease due to the completion of the 50% cost share program with municipal police departments and other law enforcement agencies for the expenses incurred in acquiring equipment necessary to access the 800 MHz system. In order to recognize the demand placed on the 911 system by cellular phone users (whom are presently exempt from this charge) and projected increases in operating expenses and equipment enhancements, a proposal is before you to increase the Emergency Phone Service line charge from $0.30 to $0.40. Relative to the 63 counties which have 911 systems, a $0.40 charge would be in the bottom 13%. Forty seven counties currently assess the maximum $0.50. This revenue enhancement is not reflected within the FY97 budget, however, these revenues will be incorporated if approved by the Board.

The Emergency Medical Services system provided 103,000 transports for the year ended FY95. For FY97, savings will be realized as a result of the reduced cost of the Medical Director’s contract and a decrease in debt service requirements due to the refunding of the Second Guaranteed Entitlement Bond, Series 1988, earlier this year. As a result of these savings, the FY97 millage levy will decrease slightly while simultaneously funding a $1.1 million enhancement in reserves to provide a further financial hedge against uncertainties in federal Medicare/Medicaid reimbursements.

For FY97, the department of Environmental Management will optimize its use of state shared revenues to fund the local air pollution control program by qualifying to receive an additional
$0.25 for each vehicle registration in the county. Increasing the County’s share of this state tag fee revenue to $0.75 will generate an additional $180,500 for a new total of $579,500.

**Constitutional Officers Appropriations**

The budgets of the elected Constitutional Officers represent $179.9 million or 16% of the FY97 Adopted Budget. Excluding capital projects, the combined operating budgets (including statutory fees) are $165 million, or $5.1 million more than the current year, an increase of 3.2%.

The $28.2 million operating budget of the Clerk of the Circuit Court, including the Public Records Modernization Fund, require a 0.7% increase, with no personnel additions to the current 580 staffing.

The **Supervisor of Elections** operating budget of $3.1 million is 0.8% less reflecting the one-time appropriation in FY96 for the new Voter Registration System. Staffing has been reduced by three (3) employees bringing the new level of staffing to 31.

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 FY97 budget 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. Staffing has been increased by one (1) employee bringing the new level of staffing to 212.

Statutory fees to be paid to the **Property Appraiser** are reflected in the Adopted Budget. The Property Appraiser's requested staffing will remain unchanged at 158.

The **Sheriff's** FY97 budget of $116.7 million, inclusive of the School Crossing Guard Trust Fund, represents a 4% increase over the current year revised budget. The Sheriff's request identifies 4 new positions for an adjusted total of 1,957. Approximately one-half of the $4.5 million increase relates to the provision of road patrol within the unincorporated portion of the County.
which is funded by the Municipal Services Taxing Unit (MSTU) property tax levy. The Sheriff's jail facility expansion project requires $14.9 million in FY97 to facilitate further planning, design, and preliminary construction.

**Court Support Appropriations**

The Court Support portion of the FY97 budget encompassing the Judiciary, State Attorney and Public Defender is $17.9 million, or 1.6% of the total budget. This includes $7.8 million for Board funded capital construction. The operating budget of $10.1 million reflects an increase of 5.6%. The FY97 budget reflects an increase of one (1) position for an adjusted total of 76 County funded positions within the Judiciary.

The ongoing construction effort at the Judiciary’s new Criminal Courts facility for Phases III and IV and the restoration of the Old Courthouse will require $7.8 million in FY97.

The county supported portion of the State Attorney’s budget reflects a small increase of $25,260 or 6% for a FY97 budget of $439,660. 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 $37.4 million, or 3.4% of the total budget. For FY97, the Independent Agencies reflect an increase of five (5) positions for a total of 224.

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 Lockheed-Martin facility from defense to civilian purposes. For FY97, the Industry Council traditional programs are appropriated within the Board’s General Fund for $697,680. The facility conversion budget request of $5.6 million is reflected in a stand-alone special revenue fund and includes three (3) new positions.

The FY97 budget includes a $1.6 million appropriation to initiate design and construction on a new $3.1 million facility for the Medical Examiner.
The Law Libraries reflect a 28% increase to $972,580 with three (3) new positions identified. Much of this increase is related to new furnishings and equipment for the library to be located in the Old Courthouse. The Chief Judge is currently reviewing the budget requests of her appointed library boards and may recommend a plan to fund these requirements within court revenues. Any modifications to these budgets will be implemented in early October.

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 FY97, Support Funding, which includes debt service not reflected elsewhere in the budget, comprises $120.6 million, or 11% of the total budget. There are no county paid positions associated with this budget.

The Employee Life and Health Benefits fund reflects the return of $4.8 million to the General Fund which was made available to it in FY94. Claims expenditures appear to have stabilized based upon experience during FY95 and projections for FY96. Should this downward trend be confirmed during FY97, Personnel may recommend an adjustment to the current premium structure.

The Public Library Cooperative will continue to serve the library services needs of residents in the unincorporated area with a $4 million budget reflecting a 6.7% increase. For FY97, the millage levy required to fund the provision of this service through cooperative agreements with 13 municipal library systems, approaches the 0.5 mil cap at 0.493 mills.

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 decrease of $0.4 million for a total of $16.1 million. Separate millages are levied within each district to fund fire suppression services based upon the provider's fire budget in relation to incorporated versus unincorporated property values.
Capital Projects Appropriations
Capital construction appropriations of $416.2 million or 38% of the total FY97 budget represents the Board’s investment in community infrastructure. The majority, $304.7 million is related to the current and future capital construction efforts of the self-supporting enterprise activities (Utilities and Airport) under the County Administrator. The remainder, $111.5 million, is shared with $29.4 million associated with the Sheriff, the Judiciary, and various Independent Agencies as previously discussed. A wide spectrum of transportation and other governmental infrastructure improvements totaling $82.1 million are also under my purview. Major projects include:

$48.1 million for Transportation improvements
• $8.2 million to reconstruct East Lake Road-Tarpon Woods Boulevard/Keystone Road.
• $3.9 million for construction of Tampa Road-US 19/Curlew Road.
• $3.6 million for Drew Street-NE Coachman Road/US 19.
• $3.5 million for Phase I of Belcher Road-Curlew Road/Tampa Road.
• $2.5 million for right-of-way acquisition for Bryan Dairy Road-66th Street/US 19.
• $1.4 million for Ulmerton Road-62nd Street/Roosevelt Boulevard.
• $1.4 million for the annual resurfacing program.
• $1.3 million to reconstruct/replace a variety of bridge structures including, Belleair, Dunedin, Park Boulevard and Betty Lane.
• $1.1 million for construction of the East-West Parkway, Forest Lakes Boulevard/Racetrack Road.
• $730,000 for the ongoing school sidewalk construction program, and ADA sidewalk ramp improvements.

$6.6 million for Surface Water Management projects
• $1.7 million for construction of Water Quality improvement features at Sawgrass Lake Park.
• $1.1 million for the replacement and rehabilitation of storm sewers.
• $960,000 for channel improvement at Roosevelt Creek.
• $930,000 for improvement at Lake Seminole.
• $280,000 for drainage improvement at 46th Avenue.
$27.4 million of other governmental improvements:

- $4.7 million for various improvements at existing Parks, $0.7 million for the continued development of Walsingham park, $1 million for Wall Springs Park, and $2.9 million for development of the Weedon Island Preserve.
- $4.3 million for upgrading and enhancing the 800 MHz Emergency Communication Radio System.
- $3.5 million for the acquisition of endangered lands.
- $1.8 million for the construction phase of the McKay Creek Botanical Arts & Educational Center.
- $1.4 million for beach renourishment including $0.7 million for the Sand Key beach renourishment project and $0.4 million for renourishment of the beach at Howard Park.

The Penny for Pinellas continues to be the primary funding source for the County's governmental (i.e., non-enterprise) capital program. In total, the Penny is projected to generate about $91.2 million in FY97 to be used by the county and the municipalities for infrastructure investment. The County will receive $51.2 million next year, inclusive of the $8 million earmarked for court and jail facilities. The success of the extension of this program is the key to the continuation of a vibrant capital program which represents an investment in the community to benefit our citizens today, and into the future. The current program has provided the Board with the resources to construct the Bayside Bridge as a non-toll facility, acquire irreplaceable environmentally sensitive land, expand the jail and the Criminal Courts complex, provide important recreational amenities such as the Pinellas Trail, and a myriad of other quality of life improvements. All of this has been accomplished without placing a burden on property owners through increased property taxes, rather, tourists and seasonal residents who utilize our infrastructure have materially shared in funding these improvements. The acceptance of the extension of the Penny by the voters in March of 1997, will provide the funding certainty that is necessary to continue our construction program and complete the infrastructure improvements identified in the Board’s Comprehensive Plan.

As always, I look forward to the Board's guidance in the upcoming fiscal year as the FY97 Budget is implemented.

Sincerely,

Fred E. Marquis
County Administrator