August 28, 1998

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 FY 1999 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 budget of $1,201,726,090 (net of transfers) represents a 4.2% increase in the operating budget. The increase over the revised FY98 budget of $1.137 billion can also be attributed to a 8.1% increase in non-recurring capital expenditures to fund both current and future infrastructure enhancements. The Adopted Budget includes 233 new positions (net), the majority of which relate to the Sheriff’s opening of the new jail.

The FY99 Annual Budget maintains a high level of services to the citizens of Pinellas County while maintaining the County-wide property tax levy at 6.251 mills. The Municipal Services Taxing Unit (MSTU) levy imposed exclusively within the unincorporated area reflects a nominal increase of two tenths of a mill at 1.856 mills. Based upon the FY98 levy, Pinellas County continues its leadership role with the lowest Per Capita County-wide levy among urban counties at $244.
The budget is based upon taxable value information provided by the Property Appraiser. This data reflects a robust 4.9% increase in County-wide taxable values over last year, while the Municipal Service Taxing Unit (MSTU), encompassing the unincorporated area, shows a 5.2% increase. Without new construction, taxable values would have increased 3.4% and 3.1%, respectively.

**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 optimize 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.

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. In order to meet the Board’s stated goal of maintaining the County-wide millage rate, however, some FY99 requests could not be funded in whole. In order to reconcile these competing needs in a fair and equitable way, Departments under my purview and the Sheriff, which were the primary sources of increased needs within the property tax dependent General fund, were asked to reduce their respective requirements by $4.9 million. Additionally, due to a reduction in the Florida Retirement System contributions approved by the Legislature last session, $1.9 million was released to assist in meeting the Board’s financial goals.

On a cautionary note, some departments and agencies have exhausted many of the opportunities to restrain the future growth of their budgets. While the successful extension of the Penny for Pinellas has provided the County with a dedicated, reliable revenue stream for capital projects which does not rely on property taxes, the very success of the Capital Improvement Program (CIP) places increasing financial demands on the operating budget. These costs manifest themselves in more lane miles of arterial roads to maintain, more ditches and drainage structures to clean, more parks and an expanded jail to staff. While revenue growth for FY99 is strong due in large measure to the robust economy and rising property values, revenues, particularly the property tax base, have been relatively flat in recent years due in large part to the passage of the Save Our Homes initiative, and the gradual build-out of the County. As a result, future growth may not continue at this aggressive pace. During those periods when the growth of revenues within the General Fund is below the annual cost of opening the doors which includes increased
costs related to general price levels (CPI) and wage and benefit adjustments dictated by the Unified Personnel System, maintaining a constant millage rate may become problematic. This dynamic coupled with the increased service related costs associated with operating and maintaining capital projects further conspire to drive expenditures beyond the annual growth in revenues. Accordingly, absent future revenue relief, further reductions may be leveraged directly on programs and service delivery.

**Budget Overview:**
The $1,201,726,090 Budget is comprised of $745.2 million for operating purposes and $456.5 million for capital construction. Depicted organizationally by expenditure type, the 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>
</tr>
<tr>
<td>Enterprise Services</td>
<td>$177,273,670</td>
<td>$324,599,320</td>
<td>$501,872,990</td>
</tr>
<tr>
<td>Governmental Services</td>
<td>238,675,620</td>
<td>113,830,200</td>
<td>352,505,820</td>
</tr>
<tr>
<td>Total County Administrator</td>
<td>$415,949,290</td>
<td>$438,429,520</td>
<td>$854,378,810</td>
</tr>
<tr>
<td><strong>Elected Officials</strong></td>
<td>184,572,690</td>
<td>10,346,140</td>
<td>194,918,830</td>
</tr>
<tr>
<td>Court Support Services</td>
<td>11,208,940</td>
<td>6,352,000</td>
<td>17,560,940</td>
</tr>
<tr>
<td>Independent Agencies</td>
<td>34,309,370</td>
<td>--</td>
<td>34,309,370</td>
</tr>
<tr>
<td>Support Funding</td>
<td>99,158,140</td>
<td>1,400,000</td>
<td>100,558,140</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td>$745,198,430</td>
<td>$456,527,660</td>
<td>$1,201,726,090</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>$246,109,060</td>
<td>20.48%</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>211,337,470</td>
<td>17.59%</td>
</tr>
<tr>
<td>Sales &amp; Use Taxes</td>
<td>86,070,690</td>
<td>7.16%</td>
</tr>
<tr>
<td>Federal, State &amp; Local Sources</td>
<td>98,295,880</td>
<td>8.18%</td>
</tr>
<tr>
<td>Other Resources</td>
<td>82,890,640</td>
<td>6.90%</td>
</tr>
<tr>
<td>Designated Funds &amp; Balances</td>
<td>477,022,550</td>
<td>39.69%</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td>$1,201,726,090</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

a-iii
County Administrator Appropriations

Departments under the purview of the County Administrator comprise 71% of the County budget or $854.4 million. Of this amount, $501.9 million or 59% of these appropriations is associated with self-supporting enterprise activities encompassing Utilities (Water, Sewer and Solid Waste Management) and the Airport. The balance, 41% relates to governmental funds. Additionally, 51%, or $438.4 million of the County Administrator's appropriations from both enterprise and governmental sources are associated with capital construction funded primarily on a pay-as-you-go basis.

This Adopted Budget provides funding and staffing for a number of Board initiatives which resulted in part from the Visioning effort and the success of the Penny for Pinellas. The operating expenditures for governmental programs under the County Administrator’s purview has risen a nominal 5.0% while funding the enhanced programs and services. If the self-supporting enterprise departments are included, the overall operating increase is 7.3%. There is an increase of 35 positions within the governmental programs with no new positions requested within the enterprise activities.

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

The FY99 Utilities budget represents the fifth year 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, general maintenance, and laboratory operations. During FY98, a best business practices review was conducted by an outside consultant to further identify opportunities for management and operational improvements. During FY99, many of these private sector practices will be implemented and opportunities to migrate them to other departments will be reviewed. No rate increases are contemplated for the Utilities functions in the FY99 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 $83.3 million bond was issued in September of 1996. It is anticipated that $13.1 million will be expended on this effort during FY99 with the project slated for completion in FY00.

The Sewer System continues to develop the County’s reclaimed water system. In July, a refunding of the $69.8 million Sewer Revenue Bonds, Series 1994 was undertaken to capitalize
on favorable interest rates and resulted in a net present value savings of about $3.1 million. The 1994 bond was issued to partially fund the improvements to the South Cross Bayou Wastewater Treatment Plant (WWTP). This $159 million project will upgrade the WWTP to meet the requirements of a reclaimed water system with secondary discharge capabilities and encompass the expansion of the reclaimed water system to the beach communities. The refunding included approximately $30 million of new money which will provide supplemental resources for the reclaimed water system.

The Water System reflects a status quo budget for FY99. Pending the finalization of the specific financial and budgetary aspects related to the formation of Tampa Bay Water, further budget alignments may be required in FY99.

FY99 marks a return to growth for the St. Petersburg/Clearwater International Airport after experiencing a softening of weekly flight schedules by the principal airlines during FY98. In order to enhance customer service at the Airport, starting in FY99 law enforcement activities will be handled by the Sheriff under contract providing for the elimination of 12 positions. Eight (8) new Customer Service Agent positions will supplement the services provided by the Sheriff providing assistance in ground and air traffic flow, parking, and the provision of information to customers. Three (3) new custodial/maintenance positions will offer facilities support. The FY99 operating budget reflects a 11.1% increase and the net reduction of one (1) position. To meet the future demands of airline customers, this Adopted budget also includes funding for the $7.0 million expansion of the Terminal Baggage Claim facility. The majority of this project is funded by state and federal grants and the project is scheduled for completion in December of 1999.

The ability to leverage technology in the workplace has enabled BCC Information Systems to decrease its budget requirements in recent years. For FY99, the budget reflects a 11.7% increase with three (3) new positions to aggressively support the implementation of the ORACLE platform acquired by the Board in 1997. This department will continue to support the Geographic Information System (GIS), coordinate Information System (IS) needs, and monitor IS acquisitions, and hardware/software maintenance contracts.

The Cooperative Extension Service is requesting a 15% increase in its FY99 budget together with three (3) new positions and associated equipment to support the Botanical Gardens project. The fee based Build Green and Profit program, which will educate builders and the allied trades in environmentally friendly building construction techniques, will continue to develop its curriculum and will work in concert with the development of a Windstorm Mitigation Training Center. This facility could be funded in part with a grant from the State Department of Insurance.
The Community Development department is scheduled to receive a $700,000 infusion of general fund dollars to serve as the local match for a variety of federal and state grants. This represents an enhancement of $200,000 over the historical match of $500,000 and will enable additional State and Federal dollars to be secured. One (1) new position is requested to provide administrative support to neighborhood redevelopment efforts in the Dansville Target Area. For FY99, Community Development has leveraged this local support into a $16.1 million budget.

In FY97, the Board increased the Emergency Phone Service line charge from $0.30 to $0.40 in order to fund enhancements to the 911 system. At that time, there was an expectation that the Florida Legislature would take action to impose the line charge on cellular phones, which are currently exempt, to help fund the federal mandates which primarily benefit cell-phone users. This support has not come to fruition. In order to fund the FCC Phase I and soon to be announced FCC Phase II requirements, the budget anticipates an increase in the line charge of $0.10 from $0.40 to $0.50. Presently, fifty three (53) counties assess the maximum line charge of $0.50. The Emergency Communications/911 department reflects an increase of 12.4% which in part reflects the effect of the line charge.

Based upon the Board’s direction from the Visioning sessions held last year, the Department of Economic Development was established. The upcoming fiscal year marks the first full year of operations and the introduction of a variety of new initiatives including the Small Business Assistance Resource Center, and the Business Assistance Program which are outgrowths of the highly successful Economic Summit. For FY99, the budget reflects a 18.4% increase with five (5) new positions. In preparation of the dissolution of the Industry Council (PCIC) in July of 1999, the FY99 budget shows the PCIC budget which was previously categorized as Independent Agency as a County Administrator department to facilitate the transition.

The Emergency Medical Services system estimates 106,000 transports for the upcoming fiscal year. For FY99, the budget reflects a decrease of 4.3% with no new positions. This decrease results primarily from the non-recurring $1.1 million settlement with the State over Medicaid payments which occurred in FY98. The federal Medicare audit is still pending and it is possible that some of the $1.6 million previously paid to the Federal government will be returned to the County. In early August the County did receive a settlement check of approximately $528,000 from Medicare and will continue efforts to recover the balance. Late this fiscal year, revisions updating the EMS Ordinance will be brought to the Board for consideration. These will set the stage for competitively bidding the new ambulance contract during FY99. The Adopted budget includes a $150,000 contribution toward the acquisition of land to site the Adopted future Fire/EMS Training facility.
In FY99, the department of Environmental Management will implement the Board’s initiatives within the Ecosystem Management area and the Sign Ordinance. The majority of the 26% increase relates to the eight (8) new positions required at the Brooker Creek and Weedon Island Preserves. Due to the realignment of the existing Weedon Island cost center from the Park department to Environmental Management, five (5) existing positions are reflected in Environmental Management's position count with a corresponding decrease in Park's (offset by one (1) new position within Park administration). Two (2) new inspection positions are required to enforce the Board's sign ordinance. For FY99, the Air Quality program anticipates qualifying once again for the full $0.75 share of tag fee funds from the State.

Fleet Management has reduced staffing levels by twenty (20) positions since FY94 as a result of consolidating functions, outsourcing selected processes, and expanding the tasks assigned to staff. This has been accomplished with no reduction in the provision of core services. The FY99 budget shows an increase of 8.3%, primarily related to Fleet's increased contribution to the general fund to help defray its overhead, with the reduction of one (1) position.

Public Affairs requires a 29% increase in operating costs to initiate a five (5) year plan to upgrade and replace equipment associated with government access television (PCGA-TV). Equipment totaling $1.7 million has been identified to upgrade the PCGA-TV facility including provision for the next generation of digital high definition television. In order to fund these and other related public information activities, and provide property tax relief, the Adopted budget includes an increase in the CATV franchise fee to be imposed in the unincorporated area from 3% to 5%. The overwhelming majority of cities have historically imposed the full 5% franchise fee. The Adopted budget also includes one (1) new support position.

The department of Public Works, encompassing Engineering, Mosquito Control and Highway, reflects a 8.7% increase to $39 million. As a result of the aggressive transportation and storm water management capital construction programs funded with the Penny for Pinellas, maintenance costs associated with the county's 900 acres of storm water mitigation areas and 1,530 miles of roadways have increased. In order to support these maintenance functions, $9.1 million will be funded by local option gasoline tax (LOGT) revenues. As recently as FY90, almost all of the highway maintenance needs in the County were addressed by state shared gas tax (the Constitutional gas tax). Due to the relatively flat growth in this revenue stream (versus the increasing costs of maintaining the expanding transportation and drainage inventory) ever increasing portions of the LOGT must be allocated. This implies that fewer funds from this source can be used for Transportation construction. Indeed, highway maintenance and debt service on the Series 1993A and 1994B Transportation bonds consume all available LOGT revenue. The FY99 budget includes five (5) new positions and the associated operating and
capital resources to pursue Board initiatives in storm water permit compliance, roadway beautification and the environmental planting program as well as the lake management program.

In FY97, the delivery of medical and dental services was privatized in order to expand the number of clients served. The current fiscal year marked the introduction of the County’s second mobile medical van to provide direct service delivery to medically needy residents. For FY99, the Adopted Social Services' budget shows a 6.0% increase in operating costs with no new positions. The budget features a funding enhancement for the Social Action Funding program from $529,000 to $750,000 and an increase in the federally funded Summer Food Program for disadvantaged youth. This summer, the County will contract with the Pinellas County School Board to provide this service.

**Elected Officials Appropriations**

The budgets of the Elected Officials, including Court Support further detailed below, represent $212.4 million or 18% of the FY99 Budget. Excluding capital projects, the combined operating budgets (including statutory fees) are $195.7 million, or $8.4 million more than the current year, an increase of 4.5%.

The $30.4 million operating budget of the Clerk of the Circuit Court, including the Public Records Modernization Fund, requires a 3.2% increase, with no new positions for a total of 591.

The Supervisor of Elections’ operating budget of $3.3 million reflects a 3.2% increase with no new positions for a total of 32.

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 FY99 Adopted 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. Five (5) new positions are requested as part of a pilot program involving the collection of delinquent State Intangible Taxes for a total of 233.

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 FY99 budget of $132.8 million, inclusive of the School Crossing Guard Trust Fund, represents a 5.8% increase over the current year revised budget. The Sheriff’s request identifies 189 new positions for an adjusted total of 2,159. It should be noted that the Sheriff has made a
diligent effort to constrain his budget from the initial $136.6 million requested. The majority of the Sheriff’s increase relates to the opening of the new jail in FY99. As the jail will not be fully staffed during FY99, the subsequent FY00 budget will reflect yet another substantial increase as operating expenditures are reflected for a full year and the Sheriff proceeds to fully staff the facility. Regarding the Sheriff’s capital requirements, the jail facility expansion project requires $10.3 million in FY99. The current year budget contemplates $19.5 in debt proceeds for the jail project. Should construction draws exceed *Penny for Pinellas* funds earmarked for the jail project, a borrowing may be required later this year.

**Court Support Appropriations**

The Court Support portion of the FY99 budget encompassing the Judiciary (and the Law Library), State Attorney and Public Defender is $17.6 million, or 1.5% of the total budget. This includes $6.4 million for Board funded capital construction. The operating budget of $11.2 million reflects a decrease of 2.0% with no new positions added to the 80 County funded positions within the Judiciary.

For FY99, the **Judiciary** reflects a 1% decrease in the operating budget with no new positions. The ongoing construction effort at the new Criminal Justice Center for Phase IV will require $3.3 million in FY99. The inclusion of the replacement of the deck at the St. Petersburg Judicial complex and other miscellaneous projects bring the total to $6.4 million.

The county supported portion of the **State Attorney's** budget reflects an increase of 10.5% for an FY99 budget of $506,780 resulting from the acquisition of office copiers & printers.

The **County portion of the Public Defender's** budget reflects a decrease of 13% for an adjusted total of $826,580 due to non-recurring capital acquisitions in FY98.

**Independent Agencies Appropriations**

Independent agencies which receive funding from the Board of County Commissioners constitute $34.3 million, or 3% of the total budget. For FY99, the Independent Agencies reflect an increase of four (4) positions for a total of 221.

The $11.7 million FY99 **Management Information Services (MIS)** budget reflects a 18.4% decrease due to the procurement of the ORACLE platform which is reflected in the FY98 budget. In addition to the user charges assessed by MIS, a $2 million transfer from the General Fund has been included to provide additional resources for the Vision 2000 initiative and to fund continued work toward the resolution of the Year 2000 issue. The Vision 2000 initiative will provide a
standardized platform for the benefit of the entire organization which will lead to long term cost savings in development, training, and increased productivity.

**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 FY99, Support Funding, which includes debt service not reflected elsewhere in the budget, comprises $100.6 million, or 8.3% of the total budget. There are no county paid positions associated with this budget.

For FY99, the Adopted budget includes a $0.1 million enhancement to the Pinellas County Arts Council regranting program for major cultural institutions. Work will continue through the balance of this year on the development of an Art in Public Places Ordinance to be considered by the Board in the fall. Additional funding may need to be considered in FY99 for the administration of this program.

The Employee Life and Health Benefits fund reflects the return of $3.2 million to the General Fund which was previously made available to it. In FY98, the County partially transitioned from a fully self-insured health program to an insured point of service product. The reductions in the FY99 budget reflect the continuation of this transition.

The FY99 budget includes a $1.4 million appropriation to initiate design and construction on a new $2.8 million facility for the Medical Examiner.

The Public Library Cooperative will continue to serve the library services needs of residents in the unincorporated area with a $4.5 million budget reflecting a 5.3% increase. For FY99, the millage levy required to fund the provision of this service through cooperative agreements with 13 municipal library systems, is at the 0.5 mill cap.

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 $0.5 million for a total of $17.4 million. The budget includes a $50,000 contribution toward the acquisition of land to site the proposed future Fire/EMS Training facility. 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. The budget does not reflect funding for the proposed third station within the East Lake fire district. At the Boards direction, a referendum
will be conducted within the East Lake community this fall. At this time, a determination will be made as to the support for this station and for the associated millage increase required to find it. If approved, the funding will be incorporated in the FY00 proposed budget.

**Capital Projects Appropriations**

Capital construction of $456.5 million or 38% of the total FY99 budget represents the Board's investment in community infrastructure. The majority, $324.6 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, $131.9 million, is shared with $18.1 million associated with the Sheriff, the Judiciary, and various Independent Agencies as previously discussed. This includes a wide spectrum of transportation and other governmental infrastructure improvements totaling $113.8 million that are also under my purview. Major projects include:

**$62.3 million for Transportation Improvements**

- $9.6 million for the County Road 1 Corridor including $5.6 million for the Keene Road segment from Druid Road to Sunset Point Road, and $1.6 million each for the Sunset Point Road to Virginia Ave. and Curlew to Tampa Road segments respectively.
- $6.4 million for the County Road 296 corridor including $5.5 million for Bryan Dairy Road from 72nd St. to US 19.
- $4.7 million for the County Road 576 Corridor, principally Sunset Point Road from US 19 to McMullen Booth Road.
- $2.6 million for Gulf Boulevard, County Road 183, from the Sand Key Bridge to the Clearwater city limits.
- $2.8 million for construction of the East-West Parkway from Forest Lakes Boulevard to Race Track Road.
- $10.3 million for Road and Street Support Projects, including $3.5 million to repair storm damaged streets, $1.5 million for the annual resurfacing program and $1.0 million for ongoing underdrain construction.
- $2.9 million for intersection improvements including $1.6 million for improvement of the East Lake Road intersection at the Boot Ranch subdivision.
- $1.5 million toward replacement of the Belleair Causeway Bridge.
- $1.3 million for the Northeast Extension of the Pinellas Trail and continued enhancement of the trail's spine.

**$8.7 million for Surface Water Management projects**

- $1.5 million for the replacement and rehabilitation of storm sewers and other county wide improvements.
- $2.1 million for channel and other improvements in the Joe's Creek Drainage Basin.
- $1.2 million for improvements at Lake Seminole.
$16.8 million for Conservation & Resource Management projects

- $2.0 million for Treasure Island Beach renourishment.
- $1.1 million for nourishment of the north segment (Upham Park) of Long Key.
- $1.3 million for environmental enhancements at the Brooker Creek and Weedon Island Preserves.
- $8.8 million for the Botanical Arts and Education Center.

$10.1 million for Culture & Recreation projects

- $4.1 million for the acquisition of environmentally sensitive land.
- $1.9 million for the general development of Wall Springs Park.
- $1.9 million for the general enhancement of facilities at various county parks.
- $1.5 million for pier and ramp enhancements at Ft. Desoto Park.

As always, I look forward to the Board’s guidance in the upcoming fiscal year as the FY99 Budget is implemented.

Sincerely,

Fred E. Marquis
County Administrator