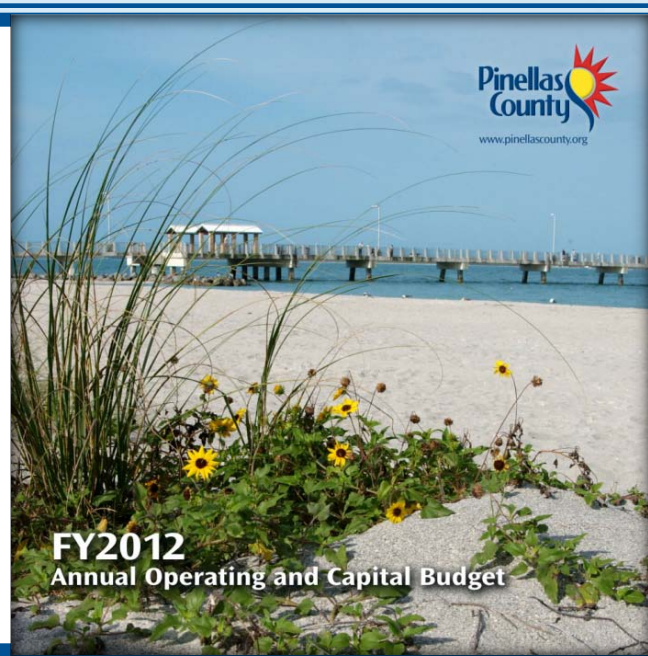


# FY2012 Proposed Budget

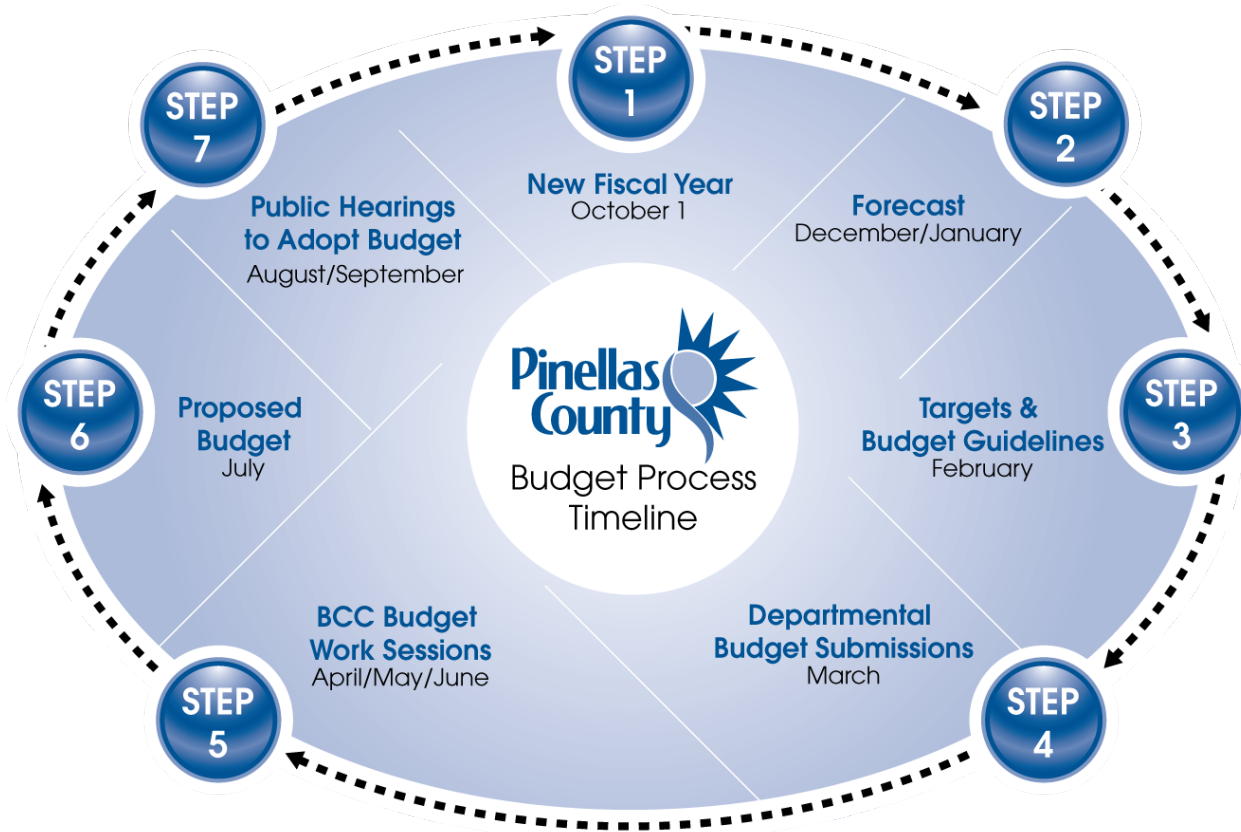
**First Public Hearing  
September 6, 2011**



**Pinellas  
County**  
[www.pinellascounty.org](http://www.pinellascounty.org)

**FY2012**  
Annual Operating and Capital Budget

# Budget Process Timeline



Meeting videos and documentation are available at  
[www.pinellascounty.org/budget](http://www.pinellascounty.org/budget)

# Outline

- **FY2012 Proposed Budget Highlights**
- **Budget Challenges & Strategy**
- **Original Forecast & Budget Targets**
- **Budget Process**
- **Budget Reductions**
- **Revised General Fund Forecast**

# FY2012 Proposed Budget Highlights

- **\$1.6 billion proposed budget (all funds)**
  - \$1.25 billion for operating purposes
  - \$381 million of capital expenditures
- **General Fund budget decreased \$26.7 million or 4.9%**
  - Decrease of 4.5% in countywide taxable values and 3.5% in MSTU taxable values
  - General Fund countywide rate remains at 4.8108 mills and unincorporated rate is unchanged at 2.0857 mills

# FY2012 Proposed Budget Highlights

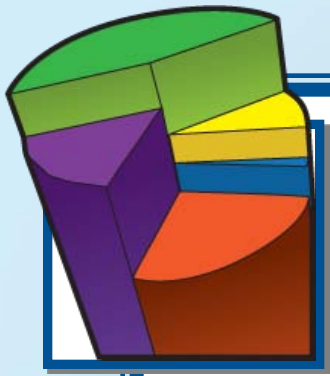
- Property tax revenues in the General Fund have decreased \$151 million or 35% from FY2007 to FY2012
- 93 total positions reduced in FY2012
- BCC Departments full-time positions have decreased 979 or 35% since FY2007
  - Lowest BCC position count since FY1985

# FY2012 Proposed Millage Rates

	FY2012 Proposed Millage	Vote Required for Approval
General Fund - County-wide	4.8108	Simple Majority
EMS	0.8506	Simple Majority
Health Department	0.0622	Simple Majority
MSTU (Unincorporated Area)	2.0857	Simple Majority
Public Library Cooperative	0.4437	Simple Majority
Palm Harbor Recreation and Library District	0.4378	Simple Majority
Feather Sound Community Services District	0.5660	Simple Majority
Pinellas Planning Council	0.0125	Simple Majority

# FY2012 Proposed Fire District Millage Rates

Fire Districts	FY2011 Adopted Millage	FY2012 Proposed Millage	Variance	Millage Caps	Vote Required for Approval
Belleair Bluffs/Largo	1.7320	1.7320	-	5.0	Simple Majority
Clearwater	2.1385	2.6591	0.5206	5.0	Simple Majority
Dunedin	2.0102	2.2576	0.2474	5.0	Simple Majority
Gandy	2.1594	2.2602	0.1008	5.0	Simple Majority
Largo	3.4384	3.5133	0.0749	5.0	Simple Majority
Pinellas Park	2.3675	2.3675	-	5.0	Simple Majority
Safety Harbor	2.6800	2.6800	-	5.0	Simple Majority
Tarpon Springs	2.3745	2.3745	-	5.0	Simple Majority
Seminole	1.9581	1.9581	-	10.0	Simple Majority
High Point	3.2644	4.1916	0.9272	10.0	Super Majority
Tierra Verde	1.7382	1.9087	0.1705	3.0	Simple Majority
South Pasadena	2.2188	3.1257	0.9069	5.0	Simple Majority



# **Budget Challenges & Strategy**



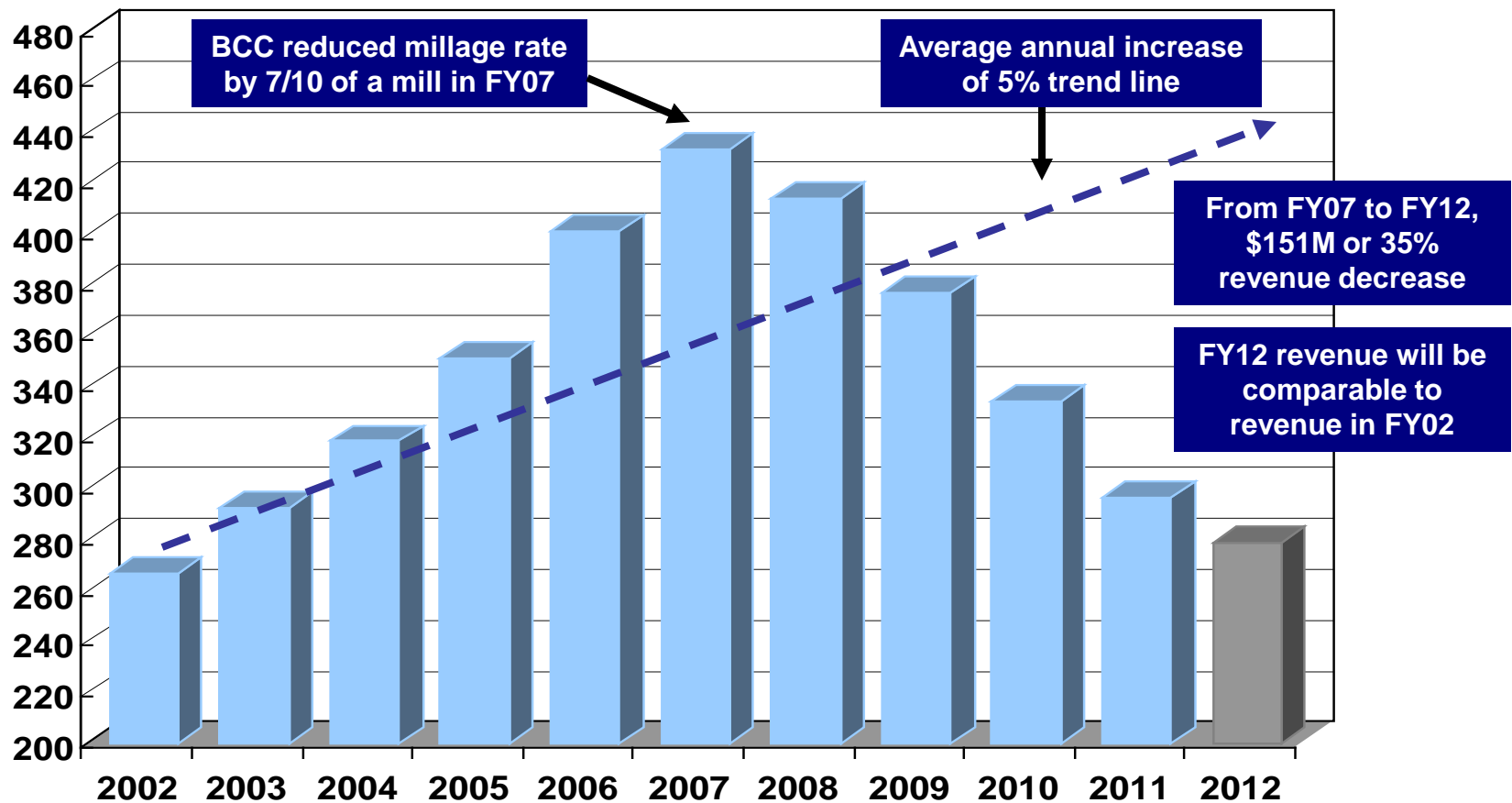
# FY2012 Budget Challenges

- Significant budget pressure has impacted the organization over the last four fiscal years
- Many programs have been reduced or eliminated
- Staff have been negatively affected by continued layoffs and lack of stability
- Revenue sources continue to be impacted by the real estate market downturn and the economic recession
- Existing and potential new caps on property taxes will blunt the recovery for local governments

# Factors Impacting General Fund Revenue

- Property taxes comprise **2/3** of total revenues in the General Fund
- Between FY2007 and FY2012
  - Property taxes have decreased **35%**
  - Total General Fund revenues have decreased 30%
- Impact of mandatory legislative roll-backs, “doubling” of the Homestead Exemption, and decline in the real estate market
- Other revenues such as sales taxes, permit fees, and document fees have also been significantly impacted because of the economic recession

# General Fund Property Tax Revenue (FY02-FY12) in millions



# FY2012 Budget Strategy

- **Goal:** Reshape Pinellas County government by restructuring, reorganizing, and realigning the organization to provide an efficient and effective array of services



# FY2012 Budget Strategy

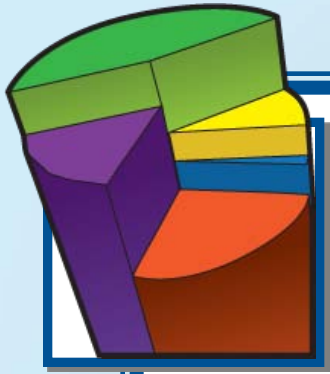
- Plan the budget based upon **ten-year forecasts** for the County's major funds
  - Forecasts are updated throughout the year
  - Budget targets are developed based on the unique forecasts for each fund
- Develop the budget consistent with the Board's adopted **budget policies**
  - Budget Policies appear as Exhibit A of the Budget Message
  - <http://www.pinellascounty.org/budget/12budget/budget-message12.htm>

# Strategic Planning

- The Board held eight **strategic planning meetings** from December to April
  - Began development of a new Strategic Plan
  - Provided priorities and direction for the FY2012 Budget Process
- The Board developed **operating principles** to provide direction and help make decisions

# Strategic Planning

- The Board provided direction regarding **budget priorities** to the County Administrator
  - Used to identify and develop proposed reductions for the BCC departments
- The Board developed a set of **Strategic Initiatives** to explore consolidation and cost-saving opportunities with the Constitutional Officers



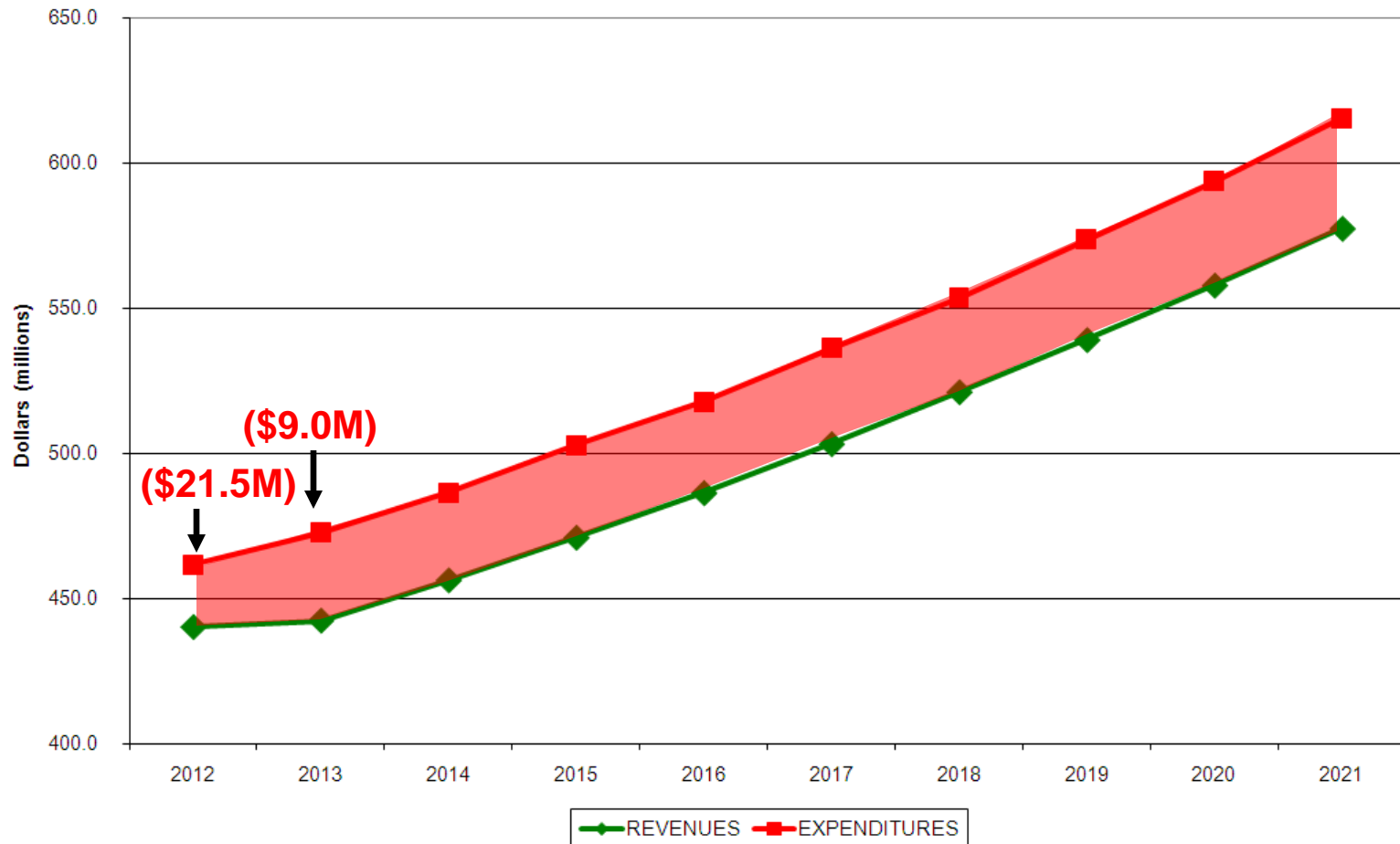
# **Original Forecast & Budget Targets**



# Original General Fund Forecast

- Forecast was presented on January 25<sup>th</sup>
  - [http://www.pinellascounty.org/budget/12Budget/presentations/FY12-21\\_ForecastDocument.pdf](http://www.pinellascounty.org/budget/12Budget/presentations/FY12-21_ForecastDocument.pdf)
- Fund is not balanced beginning in FY2012
  - Projected **\$21.5M** shortfall for FY2012
  - Additional **\$9M** shortfall projected for FY2013
- Balancing strategies
  - Target FY2012 budget at **6%** less than the FY2011 budget (based on adjusted base budget)
  - Rethink the services that the County provides and how we can best organize to deliver them

# Original FY2012 General Fund Forecast



# FY2012 Target Methodology

- At the February 11<sup>th</sup> strategic planning meeting, the Board agreed on the following methodology:
  - Each agency will start with the variance from their FY11 budget targets, if any (total \$13.3M)
  - The difference between the FY12 projected shortfall of \$21.5M and last year's \$13.3M variance from the targets is \$8.2M
  - The \$8.2M will be distributed proportionately between the BCC, Constitutionals, and Independent Agencies using the adjusted base budget percentages
  - Target = FY11 target variance plus FY12 prop. share

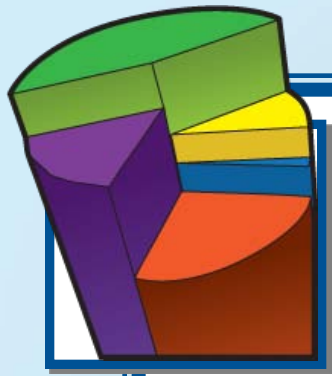
# FY2012 Target Methodology

- **Target** = FY11 target variance plus FY12 proportional share

Agency	Target
Board of County Commissioners	\$3,331,427
Sheriff	\$13,978,633
Tax Collector	\$199,068
Clerk of the Court	\$973,819
Property Appraiser	\$1,185,150
Supervisor of Elections	\$191,715
Judiciary	\$3,280
Public Defender	\$53,378
State Attorney	\$0
Business Technology Services	\$1,378,262
Human Resources	\$184,770
Human Rights	\$15,578
Medical Examiner	\$4,919
<b>TOTAL</b>	<b>\$21,500,000</b>

# FY2012 Target Methodology

- Reduction targets were applied to the FY12 “cost of opening the doors” budget
- The forecast included inflationary adjustments for:
  - ❑ Health insurance
  - ❑ Florida Retirement System contributions
  - ❑ CPI-based inflation for operating expenses and capital outlay
  - ❑ Changes to cost allocation charges were netted out
- Ad valorem funds were asked to submit budgets assuming a 6% decrease in taxable values



# Budget Process

# FY2012 Budget Process

- Community outreach prior to budget development
- Mid-year budget presentations from each BCC department
- Focus on program-based budgeting and levels of service
- Evaluate new funding sources and cost savings
- Focus on ability to sustain programs given revenue decreases and ongoing property tax caps
- Constitutionals and Independents have individual budget work sessions with the Board

# Community Outreach



- Received valuable public input at **two community meetings**
  - Thursday, March 10<sup>th</sup>—Palm Harbor University High School
    - 1900 Omaha Street, Palm Harbor
  - Tuesday, March 15<sup>th</sup>—Dixie Hollins High School
    - 4940 62<sup>nd</sup> St. N., St. Petersburg
- Over 150 attendees



# Community Outreach

- **Budget eTownHall meeting held on April 6<sup>th</sup>**
- **Helped reach, engage, and involve citizens not often able to attend public hearings**
- **Budget eTownHall engaged more than 10,500 participants as residents blogged, tweeted, and called in during the event**



# Community Input

- **Telephone Citizens Preference Survey**
  - Independently conducted by HCP & Associates from April 19 to 29
  - Statistically valid telephone survey
  - Respondents met age, gender, and incorporation quotas set to avoid weighting of data to an unrepresentative base
  - Margin for error 6% at the 95 percent confidence level
  - Results can be found on Citizens' Guide to the Budget website

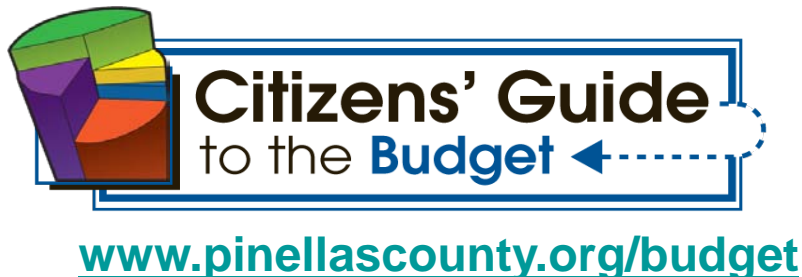
# Community Input

## ■ On-line Citizens Preference Survey

- ❑ Survey link was e-mailed to more than 12,000 citizens who have previously signed up for electronic communication with the County
- ❑ Survey was posted on the County's website, Facebook page, and Twitter account
- ❑ Survey was open from April 25 to 29
- ❑ Survey was completed by 2,937 participants
- ❑ Results can be found on Citizens' Guide to the Budget website

# Citizen Suggestions

- **Citizen input through County's website**
  - Submit suggestions
    - 78 to date
  - Sign up for budget news
    - 1,652 signed up since January, 2009



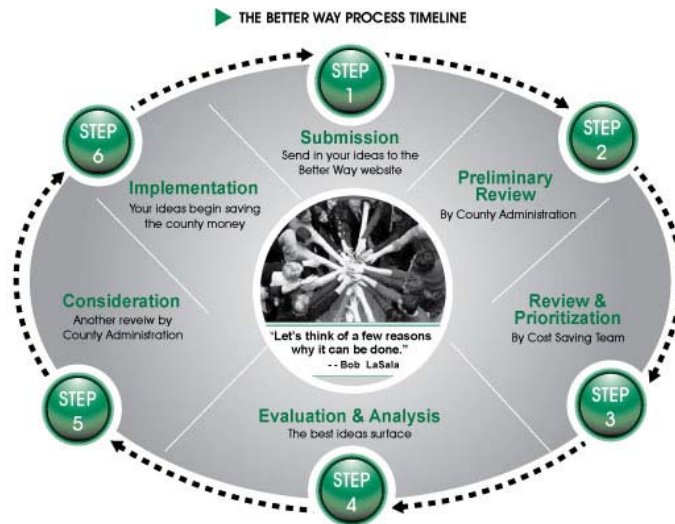
- Link to Citizens' Guide to the Budget website
  - 70,361 aggregate hits since January



# Employee Suggestions

- Re-activated “A Better Way” website to receive **employee suggestions** for cost-saving and revenue ideas
  - 49 ideas received this year

[Submit Employee Suggestions Here](#)



- Re-activated **Cost-Saving and Revenue Teams** to turn ideas into actionable options to offset reductions



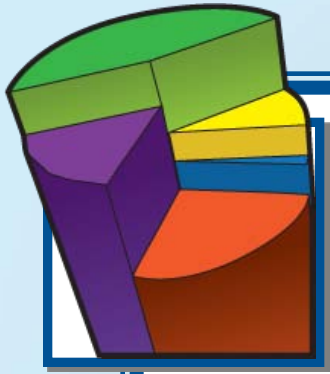
**Citizens' Guide**  
to the **Budget** ←

# Revenue Ideas

- **New parking fees at Fort De Soto Park and Howard Park Beach & Causeway**
  - County currently charges parking fees at all other beach access parks
  - Consistent with results of the Citizens' Preference Survey
  - Charge \$5 per vehicle
  - \$75 annual pass; \$55 annual pass for 65 years and over
  - Bicyclists and pedestrians pay no fee
  - Existing daily boat trailer parking fee and annual boat ramp parking pass would allow for park entry
- **Building & Development Review Services Fees Analysis**

# Cost-Saving Ideas

- **Merger of Public Works and Utilities into the new Department of Environment & Infrastructure**
- **Reorganization of Fleet Management into the Real Estate Management Department**
- **Creation of Enterprise GIS Bureau**
- **Potential Consolidation and/or Sharing of Governmental Services**
- **Centralized Chiller Facility: \$7.5M (financed by a loan from Solid Waste Fund)**



# Budget Reductions



# Reduction Process for BCC Departments

- The FY2012 budget target for the BCC departments is **\$3.3M**
- Departments were not asked to submit across-the-board reduction scenarios as in years past
- A more **targeted approach** was taken based on direction from strategic planning meetings with the Board of County Commissioners
- The reductions were included in the FY2012 Proposed Budget document distributed on July 12<sup>th</sup>
  - <http://www.pinellascounty.org/budget/12budget/budget/FY2012.htm>

# Reductions Overview

- The BCC Departments met the target of **\$3.3M**

BCC Department	Reduction
Parks & Conservation Resources*	\$1.5M
Health & Human Services	\$408K
Environment & Infrastructure	\$500K
Real Estate Management	\$1.1M
Total	\$3.5M

- Note: \$1M of the reductions in Parks & Conservation Resources Department have been restored due to the implementation of the new parking fees at Ft. De Soto and Howard parks

# Position Impacts for BCC Departments

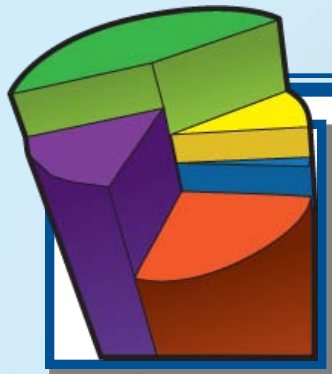
Agency/Department	Full-Time Position Changes
Parks & Conservation Resources	(6)
Airport – Airco Golf Course	(2)
<b>Total Deletions</b>	<b>(8)</b>
Service enhancement from new parking fee at Fort De Soto Park and Howard Park Beach & Causeway *	+12
<b>Net Position Impact</b>	<b>4</b>

\* Also added 10 part-time positions for revenue collection related to the new parking fees

# Proposed Reductions: BCC Departments

## ■ Approach to Reductions

- ❑ Consideration of Board's budget priorities and strategic initiatives as well as feedback from community outreach efforts
- ❑ Challenged ourselves to identify reductions that limit the impact to the public and preserve current service levels
- ❑ Proposed reductions reflect the benefit of good decisions over the last two years
  - Realizing efficiencies from reorganizations
  - Return on investment from cost-saving ideas such as non-recurring projects and space planning



# **Revised General Fund Forecast**

# Net Impact to FY2012 General Fund Budget

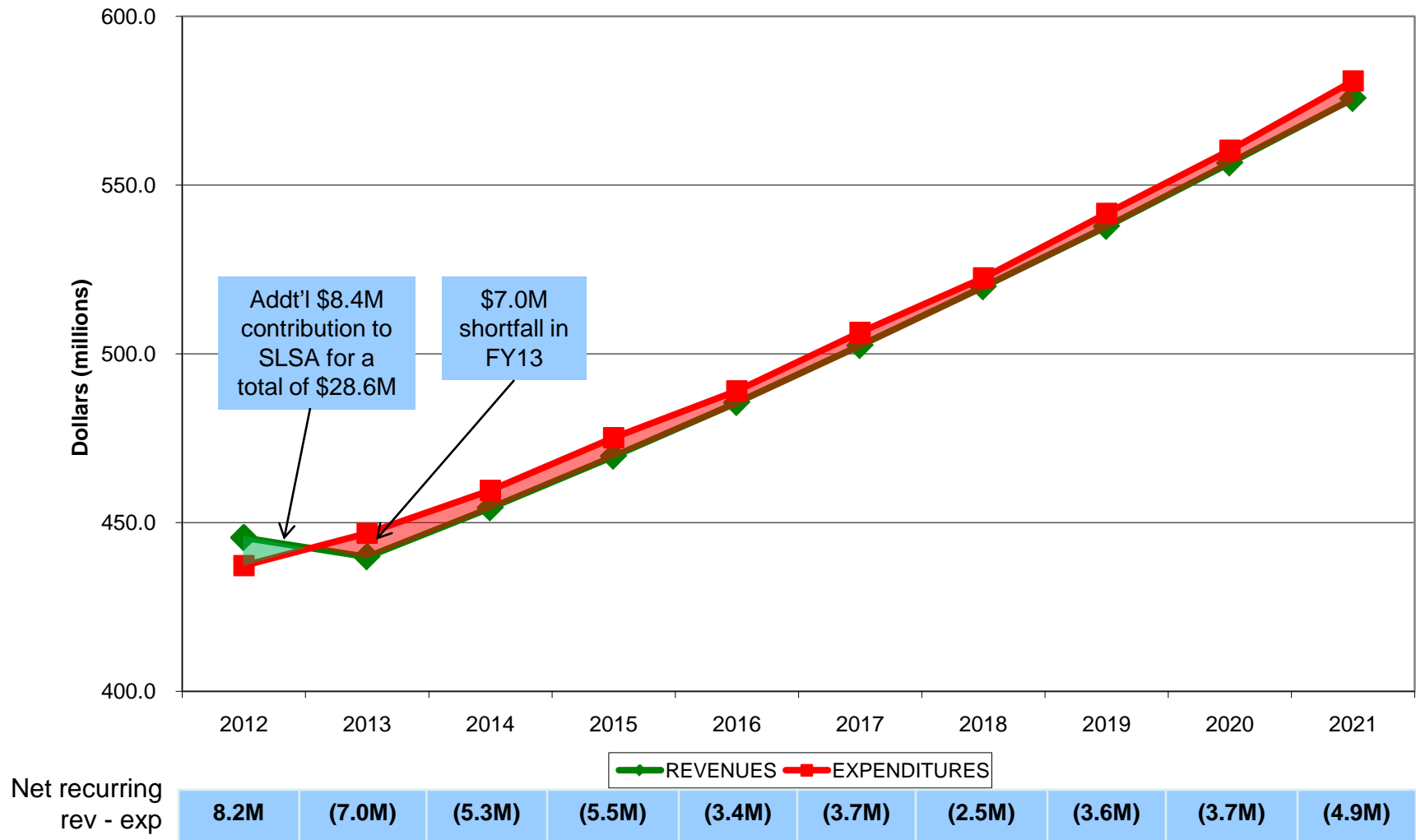
Item	Impact
Target Variance-Const. & Indep.	(\$924K)
Recurring Issues	(\$1.7M)
Fuel adjustment	(\$770K)
Health Insurance adjustment	(\$1.4M)
Medicaid adjustment	(\$2.0M)
Miscellaneous Revenues adj.	(\$2.3M)
Target Variance-BCC Depts	+\$250K
Ad valorem adjustment	+\$4.1M
FRS adjustment	+\$13.0M
<b>Net Impact</b>	<b>+\$8.3M</b>

# Changes to the General Fund Proposed Budget

Proposed Budget as of July 12th	\$8.3M
Reduction in Juvenile Justice mandate	+\$300K
Restoration of Social Action Funding program	(\$200K)
Restoration of two positions in Human Resources	(\$147K)
Additional support to East Lake Library	(\$42K)
Net Impact of Board Changes to the Proposed Budget	\$8.2M

- Board changes to the Proposed Budget resulted in \$100K increase to the Service Level Stabilization Account and a \$189K decrease in Reserves

# Revised General Fund Forecast





# Budget Strategy

- The FY2012 Proposed Budget reflects reductions of **\$8.4M** over and above the amount necessary to balance the budget
- The additional \$8.4M will be added to the **Service Level Stabilization Account (SLSA)** for a new total of \$28.6M
  - \$28.6M includes additional \$900K from FRS savings in FY2011
- The SLSA will be used over the next few years to cover potential shortfalls in the General Fund
  - The SLSA provides flexibility in the budget to avoid making reductions to the point where revenues bottom out
  - The SLSA will allow us to bridge to a time when the budget has stabilized and begins to improve

# Budget Strategy

- Due to prudent fiscal planning over the last several years, the organization will be able to **avoid further significant reductions** for the foreseeable future
  - Barring any unforeseen circumstances such as a double-dip recession, etc.
- The community should realize the benefits of achieving organizational stability and sustainability

# Next Steps

## September

### Tonight:

1st Public Hearing – BCC  
adopts **tentative** FY2012  
millage rates and budgets

### September 11:

Advertise notice of final  
public hearing on the  
FY2012 budget

### September 15:

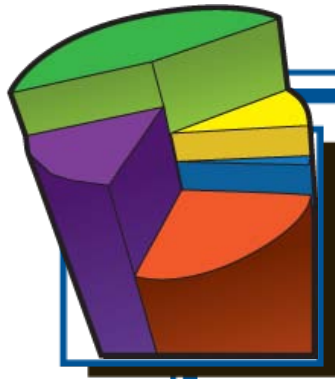
2nd Public Hearing – BCC  
adopts **final** FY2012 millage  
rates and budgets

## October

### October 1:

Beginning of fiscal year  
2012





# Citizens' Guide to the Budget

[www.pinellascounty.org/budget](http://www.pinellascounty.org/budget)



**FY2012**  
Annual Operating and Capital Budget

