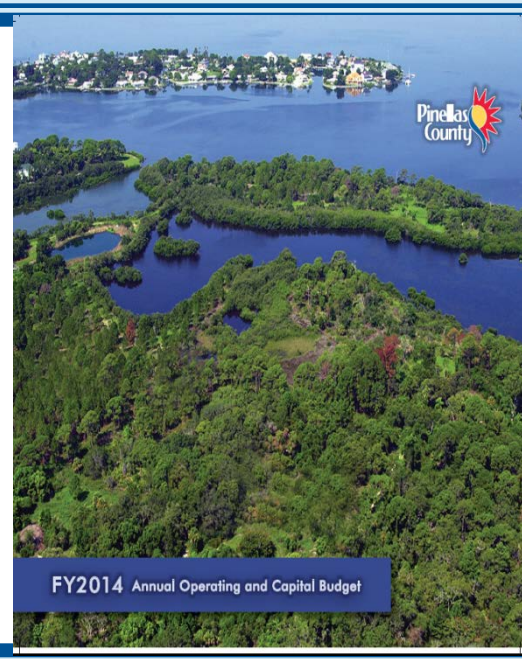


FY2014 Proposed Budget

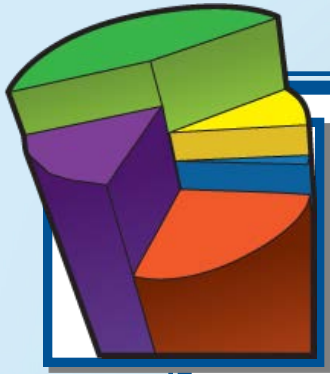
**First Public Hearing
September 5, 2013**



FY2014 Annual Operating and Capital Budget

Outline

- **FY2014 Budget strategy**
- **General Fund forecast (July 9)**
- **Changes to Proposed FY2014 Budget**
- **Updated General Fund forecast**
- **General Fund reserve**
- **Other funds**
- **Capital Improvement Program**
- **Next steps**



FY2014 Budget Strategy

FY2014 Budget Strategy

- “Stay the Course” with our multi-year budget plan that is intended to maintain a consistent and reliable set of services
- Maintain a vibrant community within the parameters of the new economic norm
- Continued focus on program-based budgeting and levels of service
- Engage the citizens

FY2014 Budget Strategy (cont.)

■ Sustainability

- ❑ Limit growth in the budget to revenue growth
- ❑ Continue streamlining processes and seeking efficiency reductions
- ❑ Reduce structural deficit



FY2014 Budget Strategy (cont.)

- 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 in the FY 2014 Proposed Budget Document Appendix

Community Outreach & Input

- Community Forum – April 10, 2013
- Telephone Survey of Citizen Values
- On-line Survey of Citizen Values
- Citizen Suggestions via County website
- Budget Information Sessions



Pinellas County FLORIDA Your Online County Connection **eTownHall**

2014 Budget Community Forum
Replay from Wednesday, April 10, 2013.

Links:

- ▶ How to Participate
- ▶ Terms of Participation
- ▶ Contact Us
- ▶ Citizens Guide to the Budget
- ▶ Participate in Our Online Survey
- ▶ Replay past eTownHall events.

Welcome to the Pinellas County 2014 Budget Community Forum Blog
The blog is now open! Please submit your comments or questions about the budget and strategies for our future in Pinellas County. The LIVE video event with the Pinellas County Board of County Commissioners and County Administrator Bob LaSala will begin Wednesday, Apr. 10 at 7 p.m. eastern standard time. *Please join us!!*

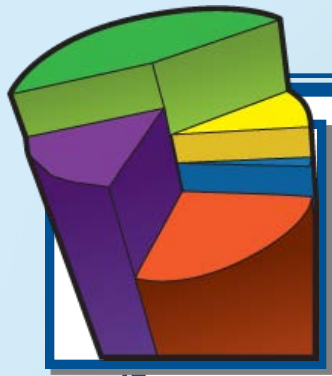
Monday April 8, 2013 9:01

The Pinellas County 2014 Budget Community Forum Blog
Blog entries are limited to 1000 characters, including spaces. Blog entries received with embedded active hyperlinks will be edited to remove hyperlink capability before posting to the blog. For more blog participation information, please see link to the left, *Terms of Participation*.

Monday April 8, 2013 9:25

The Community Forum has Ended





General Fund Forecast (July 9)

General Fund Assumptions

(July 9, 2013)

- Certified taxable values from the Property Appraiser as of July 1st are:
 - Countywide: 3.4% increase
 - MSTU: 2.9% increase
- Sustain 3.0% annual growth FY15 – FY23
- Salary Increases in FY14
 - 2.8% across-the-board pay increase for all eligible County employees
 - August 20, recommended that instead of a 2.8% increase that it should be increased to 3%.
 - Sheriff budget funds 4% increase

Millage Rate

- **County-wide Millage Rate**

- Proposed Budget: 5.2755 mills
- Increase of 0.2650 mills from FY2013 rate of 5.0105 mills
- Increase is necessary to address the structural deficit caused by expenditure levels driven by inflationary factors outstripping the growth of revenues

- **MSTU Millage Rate**

- Proposed Budget: 2.0857 mills
- No change in rate from FY2013



The total FY2014 millage proposal for a **single family residential home** with a taxable property value of \$100,000 (after a homestead exemption of \$50,000).

COUNTYWIDE

\$26.50 General Fund

Current	\$501.05
Proposed	\$527.55



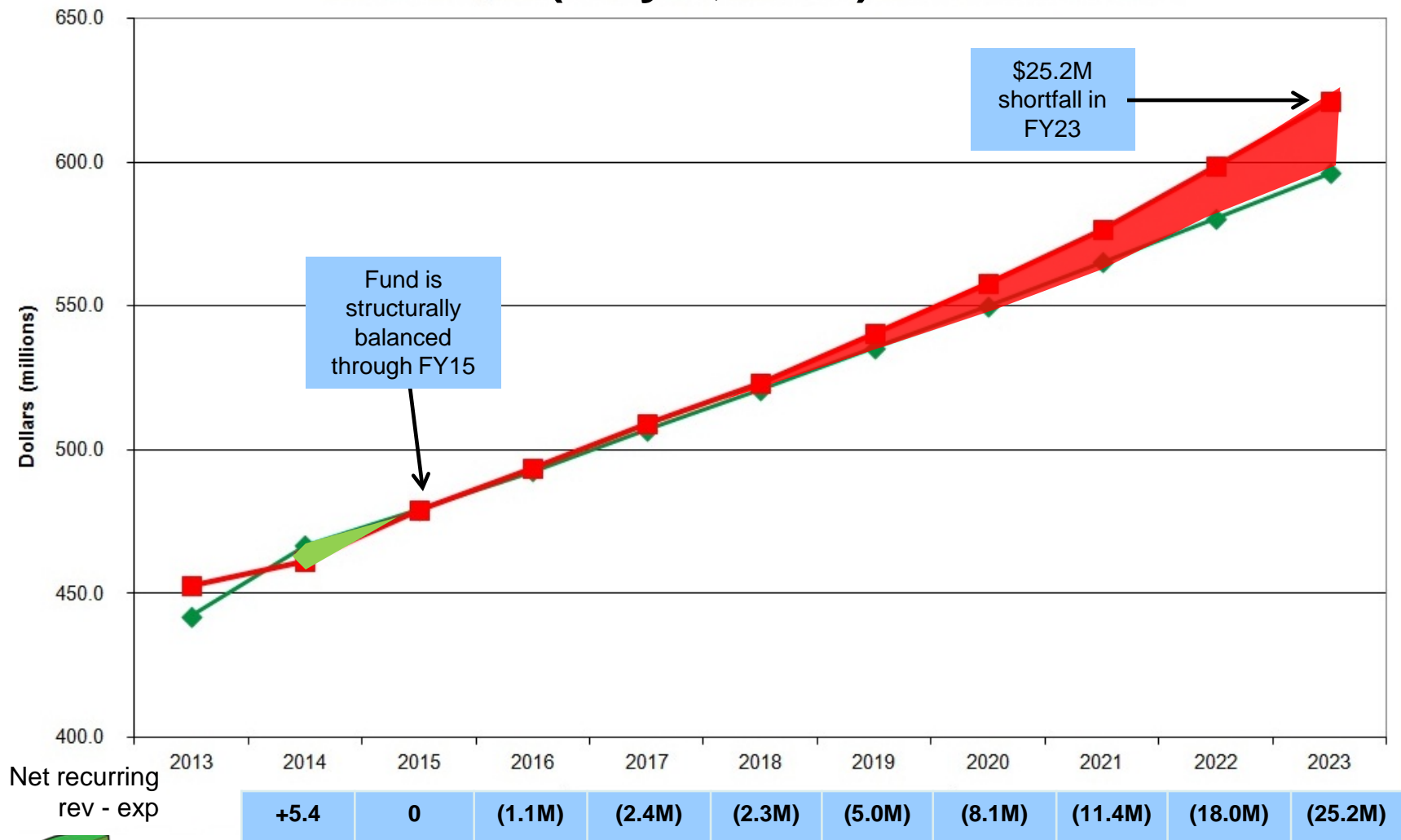
Estimated tax increase of
\$26.50

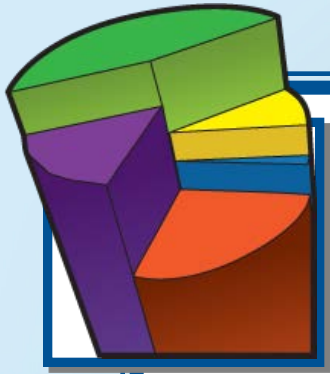


QUALITY PINELLAS COMMUNITY
FY2014
Fund Increase

General Fund **\$14.1M**

General Fund Forecast (July 9, 2013)





Changes to Proposed FY2014 Budget

Board Directed Actions

- July 16, 2013 BCC Work Session - fund MSTU Paving project with \$650K
- July 30, 2013 BCC Work Session - include \$551K to continue support for homeless initiatives and Social Action funding.
- July 30, 2013 BCC Work Session - reallocate balance of funds from the Service Level Stabilization Account (SLSA) to the Service Level Continuation Account (SLCA) created in the FY14 budget
 - Provide budgeted reserves to maintain sustainable levels of service in response to anticipated declines in revenues.

Additional Funding Approved

- **General Fund (\$1.84M; 1 FTE)**
 - **Electronic Poll Book System (SOE): \$1.64M**
 - Streamline voter verification, check-in time and administrative processes
 - **Software Initiative Brief Bank and Case/Document Management System (County Attorney) : \$40K**
 - Efficiently retrieve previous work product and it is not cost effective to upgrade the current software
 - **Programmer (Safety & Emergency Services): \$92.3K; 1 FTE**
 - As we move forward with the initiative to merge law enforcement call-taking functionality and ambulance dispatch, there is a need for an additional programmer
 - Savings from future reorganization will offset this cost in two years
 - **Hiring Process Streamlining (Human Resources): \$70K**
 - Pursue changes to expedite our processes and allow for just-in-time hiring

Additional Funding Approved (cont.)

- **BTS (\$3.71M; 7 FTEs)**

- **Public Safety Complex: \$1.3M in FY2014, \$236K recurring starting in FY2015**
 - Infrastructure needed to allow moving Data Center located in 315 Court Street basement to the Public Safety Complex (PSC)
- **Clerk Paperless/Tyler Gap: \$1.6M**
 - Close functionality gaps required by the Justice community for paperless workflow throughout the judicial system
- **Network Fiber: \$154K**
 - Partner with DEI to expand transportation fiber infrastructure projects to bring St. Petersburg Courthouse onto the fiber optic network

Additional Funding Approved (cont.)

■ BTS (cont.)

□ Additional Personnel: \$657K; 7 FTEs

- Infrastructure Server Support (\$186K; 2 FTEs)
- Organizational Change Management (\$93K; 1 FTE)
- Customer Support Center (\$78K; 1 FTE)
- Project Management (\$85K; 1 FTE)
- Vendor Contract Management (\$130K, 1 FTE)
- Technology Trainer (\$85K, 1 FTE)

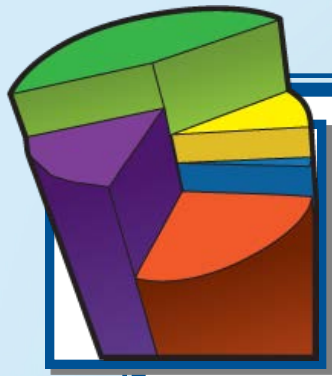
Additional Funding Approved (cont.)

■ BDRS (\$481K; 5.7 FTEs)

- **Additional BDRS Plan Coordinator for the DRS Program: \$44K; 0.7 FTEs**
 - Due to the ongoing increases in DRS workload a part-time position (28 hours weekly) is requested
- **Additional State Licensed Inspectors for the Building Permit Program: \$284K; 3 FTEs**
 - To normalize the level of increased and sustained workloads and to provide flexibility to adapt to shifts in service demands between inspection disciplines as well as plan review
- **Document and Plan Scanning Initiative for the Building Permit Program : \$153K; 2 FTEs**
 - Reduce costs of managing, handling and storage of plans for building permits to a more cost effective and sustainable level
 - Includes one-time cost for 2 scanners needed to perform this function

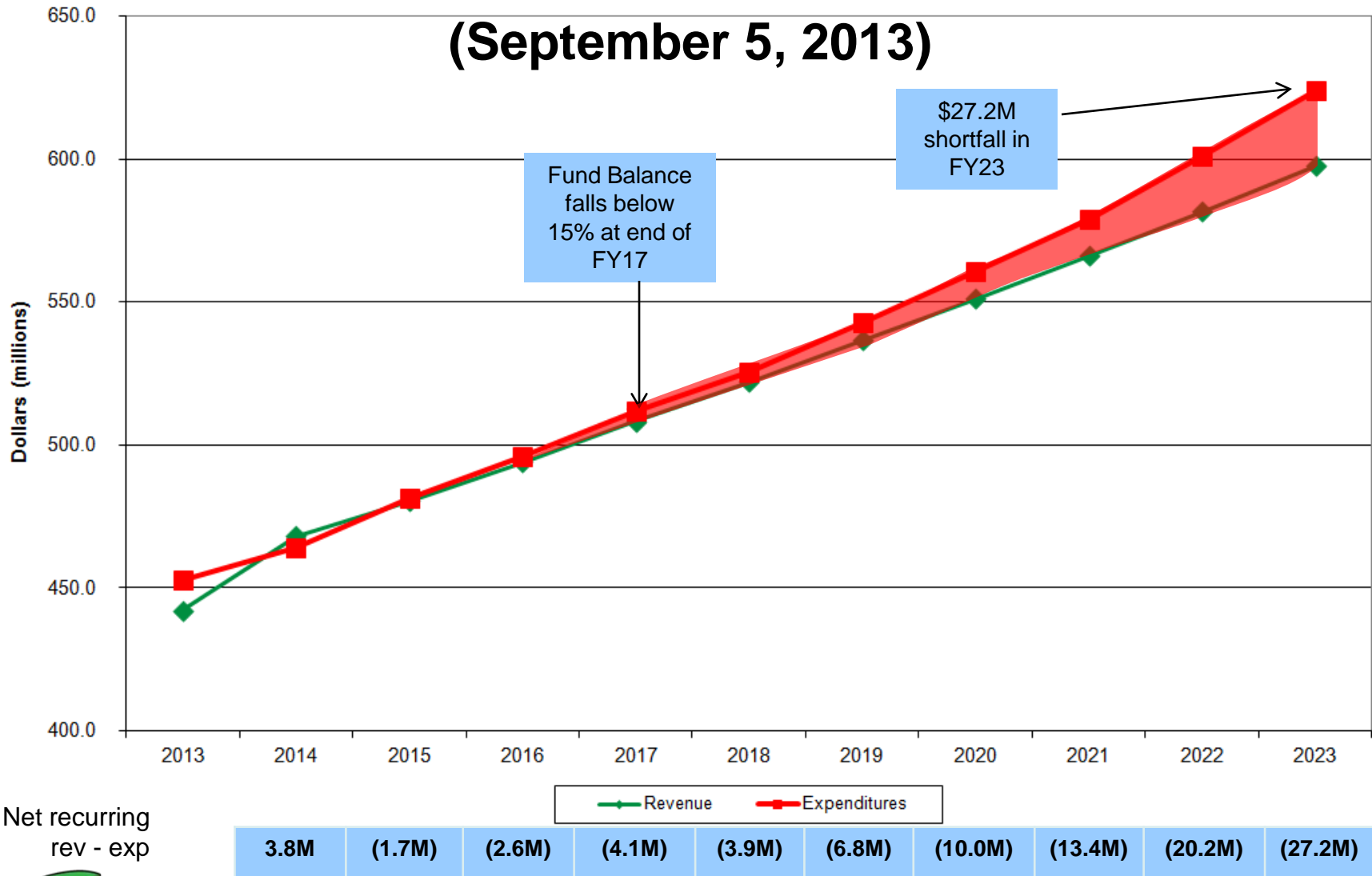
Additional Funding Approved (cont.)

- **TDC (\$507K; 5.0 FTEs)**
 - **Senior CVB Sales Rep: \$93K; 1 FTE**
 - Dedicated to the Midwest Meetings market
 - **CVB Sales Rep: \$170K; 2 FTEs**
 - One rep dedicated to Meetings' clients while they are in the destination
 - One rep dedicated to Sports clients while they are in the destination
 - **Business Assistant : \$160K; 2 FTEs**
 - One assistant dedicated to the Education Department
 - One assistant dedicated to Latin American Sales
 - **Increased Operating Expenditures: \$84K; 0 FTEs**
 - Media Asset Management System contract to enhance web presence
 - Contracting an in-market sales rep in Chicago and the Northeast region
 - Operating costs associated with FY2013 vehicle purchases, international travel costs, trade shows, etc.



Updated General Fund Forecast

Revised General Fund Forecast (September 5, 2013)



Net recurring
rev - exp



Citizens' Guide
to the Budget

Multi-Year Budget Strategy

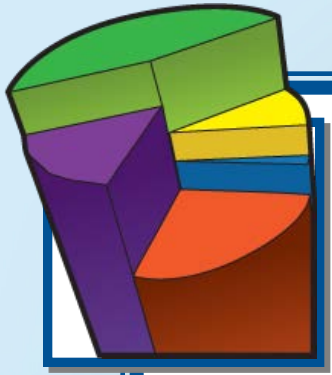
- Forecasted long-term structural shortfall of \$10-30M
 - Balancing options
 - Make recurring reductions needed to structurally balance the General Fund over the long-term
 - Increase revenues to offset all or a portion of projected shortfalls
 - Blend of expenditure reductions and revenue increases

Multi-Year Budget Strategy

- **Potential Risks to the Forecast**
 - ❑ **Florida Retirement System Costs**
 - ❑ **Fragile Economic Recovery**
 - ❑ **Potential Constitutional Amendments**
 - ❑ **State Response to Affordable Care Act**
 - ❑ **Other State Mandates**
 - ❑ **Property Valuation**
 - **Effect of elimination of FEMA subsidy on flood insurance premiums**
 - ❑ **Labor Market Competition - Sheriff**

Multi-Year Budget Strategy

- Due to prudent fiscal planning over the last several years, the organization will be able to minimize service 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



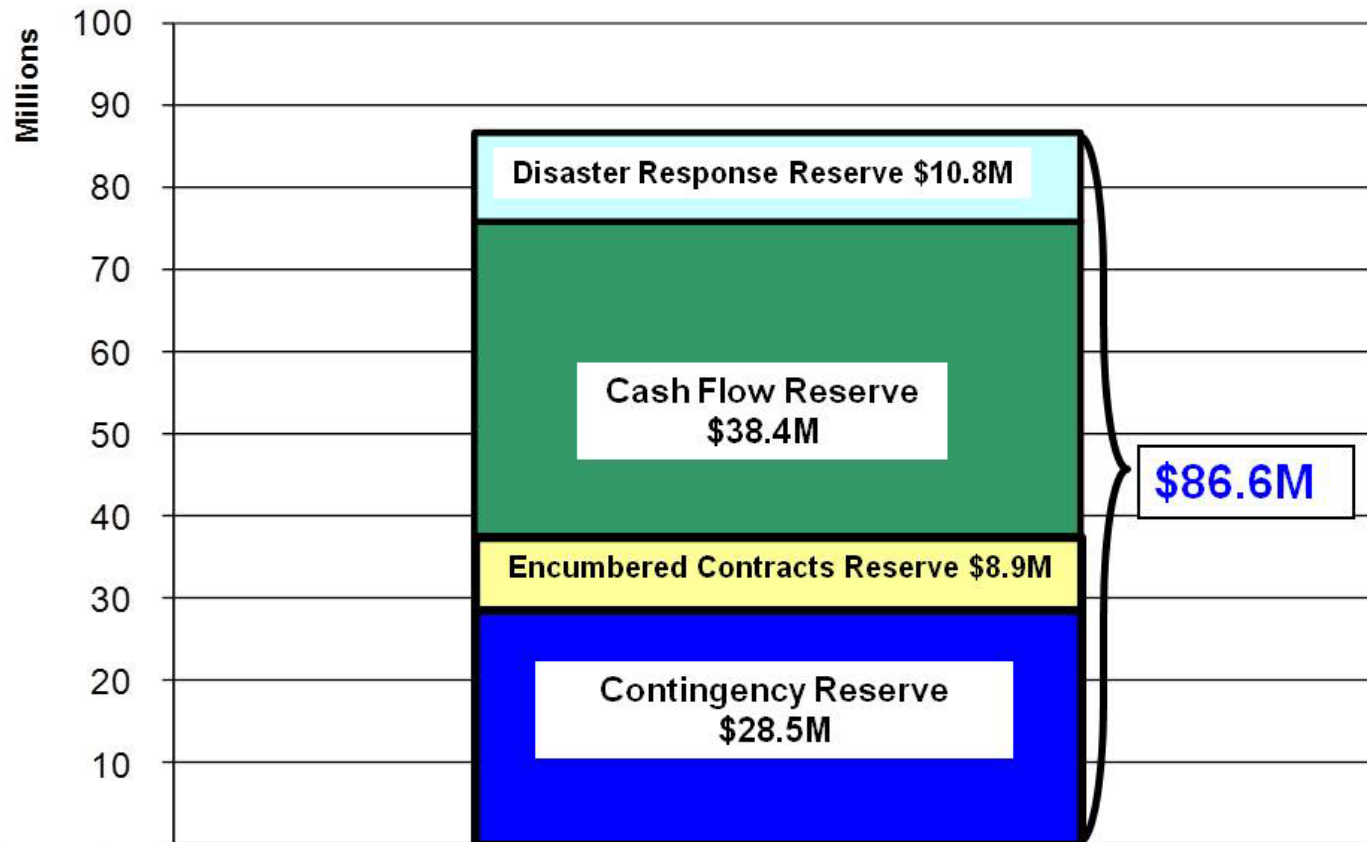
General Fund Reserve

General Fund Reserve Policy

- Budget reserve of at least 15% of General Fund Resources
 - Consistent with County practices and policies
 - Aligned with Government Finance Officers Association Recommended Best Practice
 - Board indicated desire to bolster reserves when possible
- Propose **\$86.6M** in FY2014 budget (15%)
 - Accommodates funding of non-recurring allocations

Proposed FY2014 General Fund Reserve

- FY2014 Reserve of **\$86.6M** is consistent with adopted reserve policy of at least 15% of General Fund Resources



Components of Reserve

- **Contingency Reserve: \$28.5M**
 - **Unanticipated revenue shortfalls or expenditures**
 - **Revenue examples**
 - Sales tax proceeds
 - Local government sharing from the State
 - Development driven revenues such as building permits and zoning fees
 - **Expenditure examples**
 - Volatile fuel costs
 - Electric rate increases

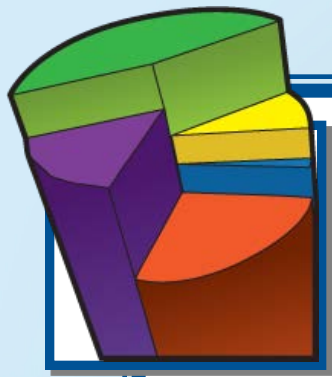
Components of Reserve

- **Encumbered Contracts Reserve: \$8.9M**
 - Resources committed to be expended in the following fiscal years due to timing issues
 - Accrued leave earned but not used
 - Encumbrances
 - Grants revenue received but not spent
- **Cash Flow Reserve: \$38.4M**
 - Necessary to meet cash flow needs (working capital)
 - Property tax revenue represents two-thirds of total revenues and most is not received for at least two months

Components of Reserve

- **Disaster Reserve: \$10.8M**
 - ❑ Pinellas is a high hazard coastal county
 - ❑ Need cash on hand to pay for disaster response
 - Emergency operations center and emergency shelters
 - Sheriff overtime
 - Public Works emergency response personnel
 - Debris removal
 - ❑ FEMA or State reimbursement only covers a portion of the costs and may not be received for months or years
 - ❑ Depending on timing, other available reserves could also be used for disaster response





Other Funds

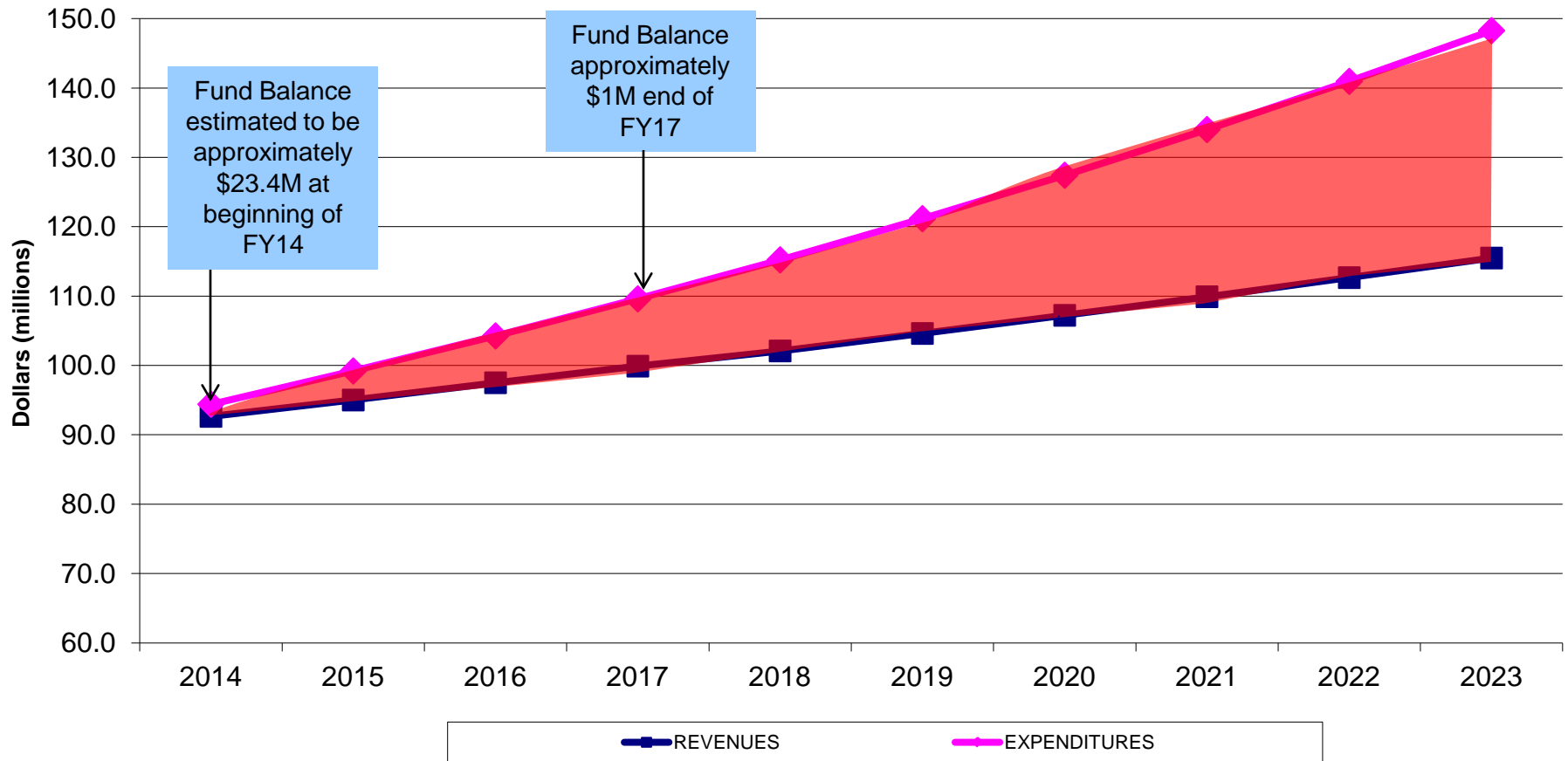
Fund Review: EMS Fund

- Fund is not balanced through the forecast period



- ❑ Board directed staff to maintain the millage rate at the FY13 level of 0.9158
- ❑ Proposed millage rate requires two-thirds vote
- ❑ Lowers reserve rate in Forecast to 22.9% (\$21.6M)
- ❑ Additional millage increases will be necessary to sustain same level of service with current delivery model
- ❑ Millage cap is 1.5000

EMS Fund Forecast



Fund Review: Fire Districts Fund

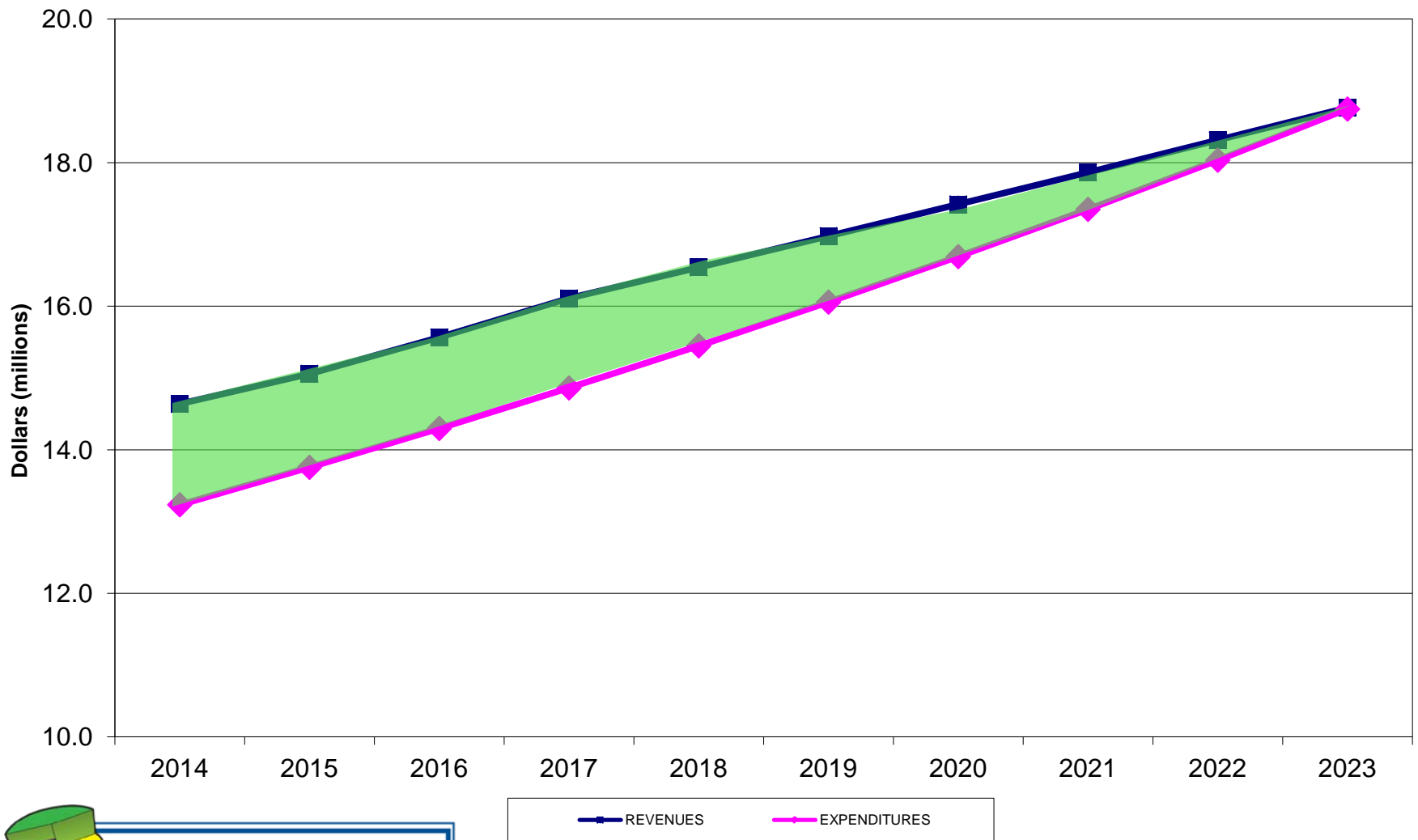
- **Fund is in balance during most of the forecast period**
 - ❑ Forecast has improved since presented in February 2013 in part due to growth in taxable values (2.5% vs. 2.0%)
 - ❑ Each fire district is balanced separately
 - ❑ Taxable values increased in 11 of 12 fire districts
 - ❑ 3 out of 12 fire districts have proposed millage increases in FY2014
 - ❑ High Point reduced from 4.1916 mills to 2.6700 mills

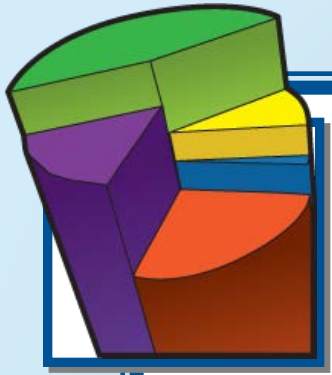


Fire District Millage Rates

Fire Districts	FY2013 Adopted Millage	FY2014 Proposed Millage	Variance	Millage Caps	Millage Increase/(Decrease) Drivers
Belleair Bluffs	1.7320	1.7320	-	5.0	
Clearwater	3.2092	3.2092	-	5.0	
Dunedin	3.5525	3.5525	-	5.0	
Gandy	2.2602	2.2977	0.0375	5.0	The provider's budget request increased 5% in each expenditure category, while Taxable Value increased only 2.68%.
Largo	3.5609	3.5609	-	5.0	
Pinellas Park	2.3675	3.0163	0.6488	5.0	The provider's retirement contributions were the main factor in personnel expenses increasing 6.8%. The budget request increased a net 5.5%, while Taxable Value increased only 2.39%.
Safety Harbor	2.7631	2.8118	0.0487	5.0	Taxable value decrease of 0.4%
Tarpon Springs	2.3745	2.3745	-	5.0	
Seminole	1.9581	1.9581	-	10.0	
High Point	4.1916	2.6700	(1.5216)	10.0	Cost savings from new contract.
Tierra Verde	1.9118	1.9118	-	3.0	
South Pasadena	0.9137	0.9137	-	5.0	

Fire Districts Fund Forecast





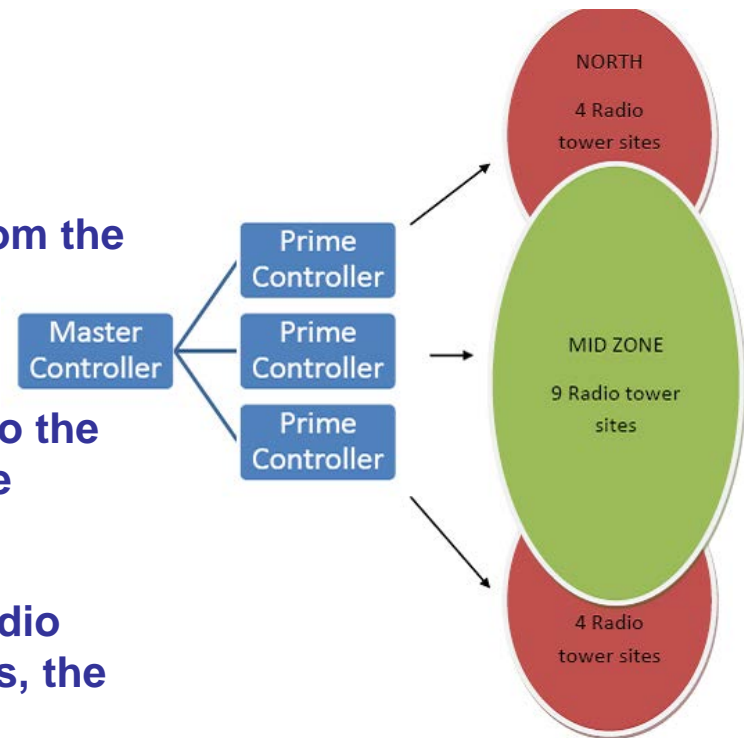
Capital Improvement Program (CIP)

Approved New Projects

■ Master & Prime Site Radio Equipment Relocation

□ Request of \$9.0M:

- Equipment is the brains of the radio system and needs to be protected from the threat of storms
- Relocate master & prime site radio equipment from its current location to the new Public Safety Campus to provide category 5 protection
- 10,000 subscribers (radios) on the radio system, including all fire departments, the Sheriff's department all police departments, except for Clearwater PD



Approved New Projects (cont.)

Radio Tower Replacement

- Request of \$0.5M in FY2014:
 - Replace 1 tower each year at a cost of \$500K per tower from FY2014 to FY2019 for a total cost of \$3M for 6 radio towers
 - Losing a tower could endanger public safety responders who require constant communication with each other as well as dispatchers during incidents
 - Towers are the backbone of the countywide radio system



Approved Changes to Existing Projects

■ Palm Harbor Fire District

- Previously budgeted for \$2.25M in FY2018
 - For replacement apparatus, and equipment needs
- Approved moving up the allocation at a reduced amount to FY2014
 - Funds would offset the cost to replace two engines and their heavy rescue squad

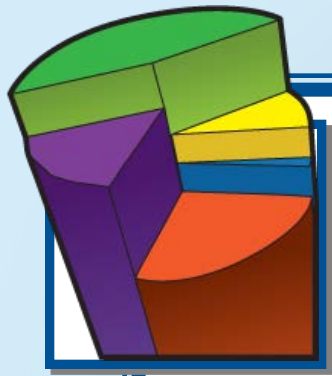


- Moving the allocation forward relieves the County of \$750K for a new commitment of \$1.5M

Approved Changes to Existing Projects (cont.)

- **Affordable Housing Land Assembly Program**
 - ❑ Funding to support land acquisition to assemble parcels suitable for affordable workforce housing developments
 - ❑ \$5M previously allocated per year in FY2017, FY2018 and FY2019
 - ❑ Approved moving up the allocation to FY2014, FY2015 and FY2016





Next Steps

Budget Timeline

September

September 5: 1st Public Hearing – BCC adopts **tentative** FY2014 millage rates and budgets

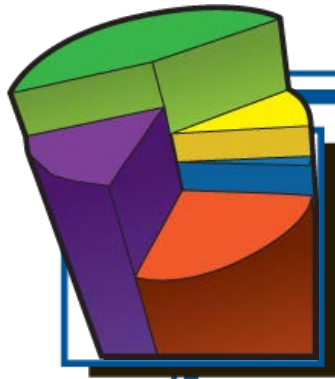
September 10: Proposed Surface Water Assessment Fee Hearing

September 17: 2nd Public Hearing – BCC adopts **final** FY2014 millage rates and budgets

October

October 1: Beginning of fiscal year 2014





Citizens' Guide to the Budget

www.pinellascounty.org/budget

