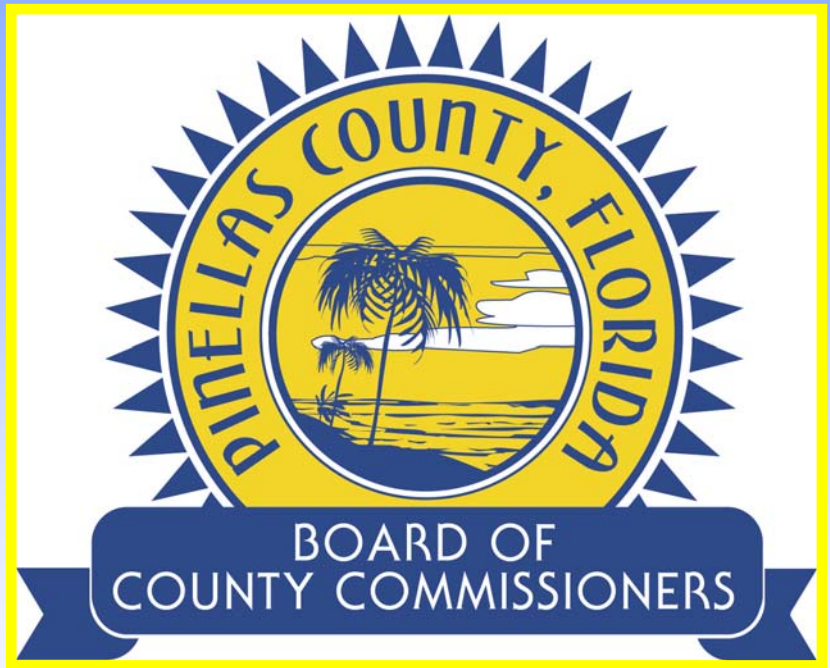


Pinellas County

Proposed Fiscal Year 2008 Budget



**First Public Hearing
September 4, 2007**

FY2008 Proposed Budget Highlights

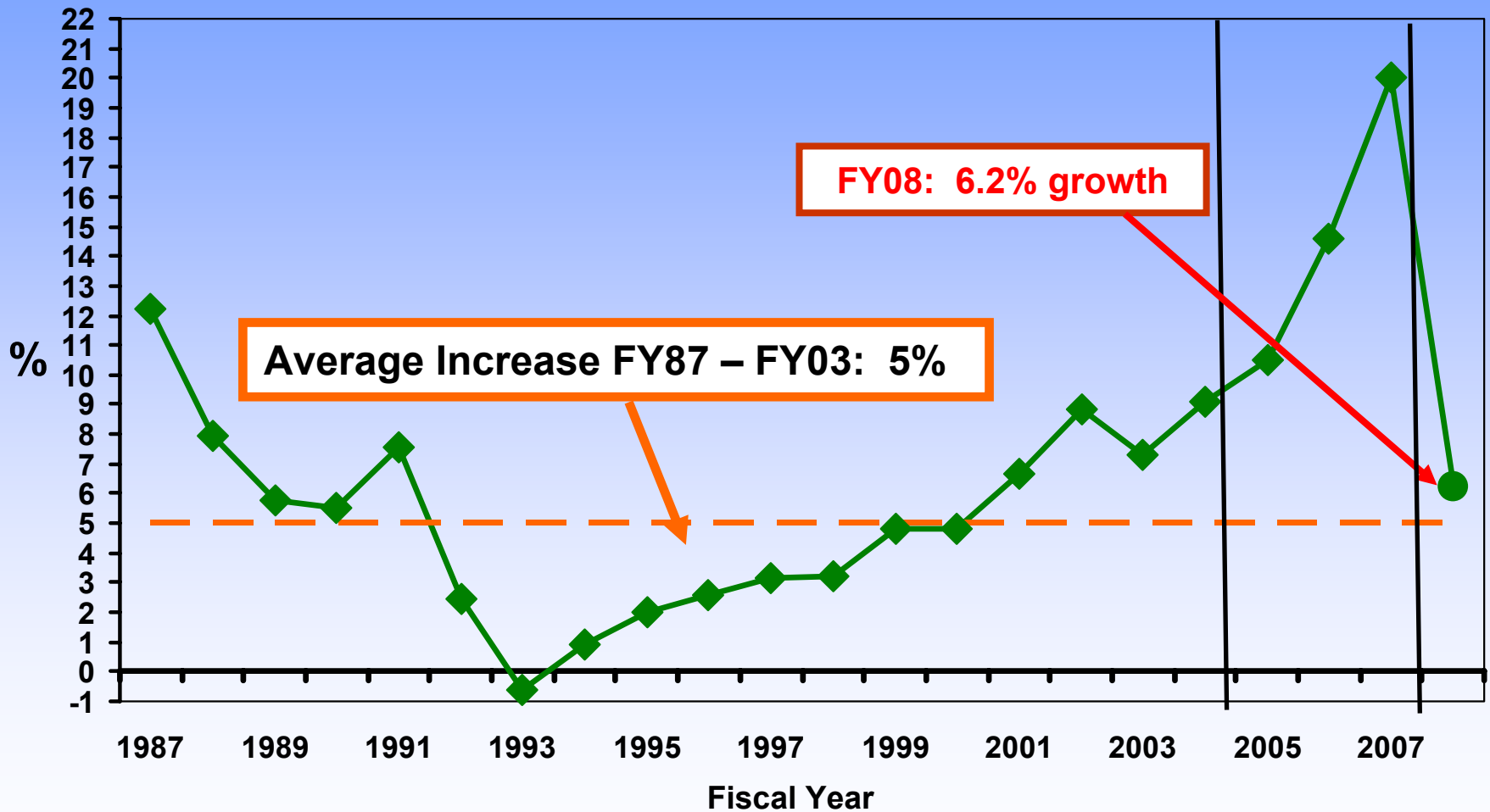
- \$2.0 billion proposed budget comprised of \$1.4 billion for operating purposes and \$0.6 billion for capital construction.
- Overall decrease in operating budget of -1.3% with reserves included
- Property taxes comprise 23.8% of County revenues, down from 26.3% in FY07.
- No increase in sewer rates or solid waste tipping fees. Water rate increase limited to 3%.

FY 2008 Proposed Budget Highlights - General Fund

- Countywide millage rate decreased from 6.1 mills to 5.462 mills, the lowest since 1987. Revenue decreased \$17.4 million (-4.5%)
- The unincorporated area (MSTU) millage rate decreased from 2.356 mills to 2.0857 mills. Revenue decreased \$2.8 million (-6.4%)
- General Fund reserves decreased from 22% to 15%, from \$147.9 million to \$108.9 million.
- Total of \$80.2 million cut from General Fund budget requests to date.

Property Taxes

Countywide Taxable Values Annual Rate of Change



Legislative Reaction

- Special Session was held June 11 - 13
- Required FY 2008 Property Tax Cuts for Pinellas County:
 - 7% below Roll-Back Rates except for EMS & Fire
 - EMS and Fire Districts cut to 3% below Roll-Back Rates
- Property Tax Revenue increases in future years will be limited to new construction and percentage growth in personal income
- Referendum on the proposed Constitutional Amendment to change Homestead Exemptions is scheduled for January 29, 2008

FY2008 Impact of Property Tax Revenue Cuts and Roll-Back

- **Pinellas County is required to cut 7% below roll-back (the second-most-severe level), but:**
 - Our FY02 – FY07 percentage increase in per capita property tax is below the state's average increase for counties
 - Our FY07 per capita property tax is less than Orange, Hillsborough (and other counties) that are in the 3% or 5% cutback categories
 - A city with the same percentage increase would be required to cut only 5%
 - The State's numbers do not reflect seasonal or tourist population impacts
 - The State's numbers do not take into account the additional cost pressures for an urban coastal county (such as property insurance)

Among Big Counties, Pinellas Has Lowest Property Taxes but Second-Highest Rollback

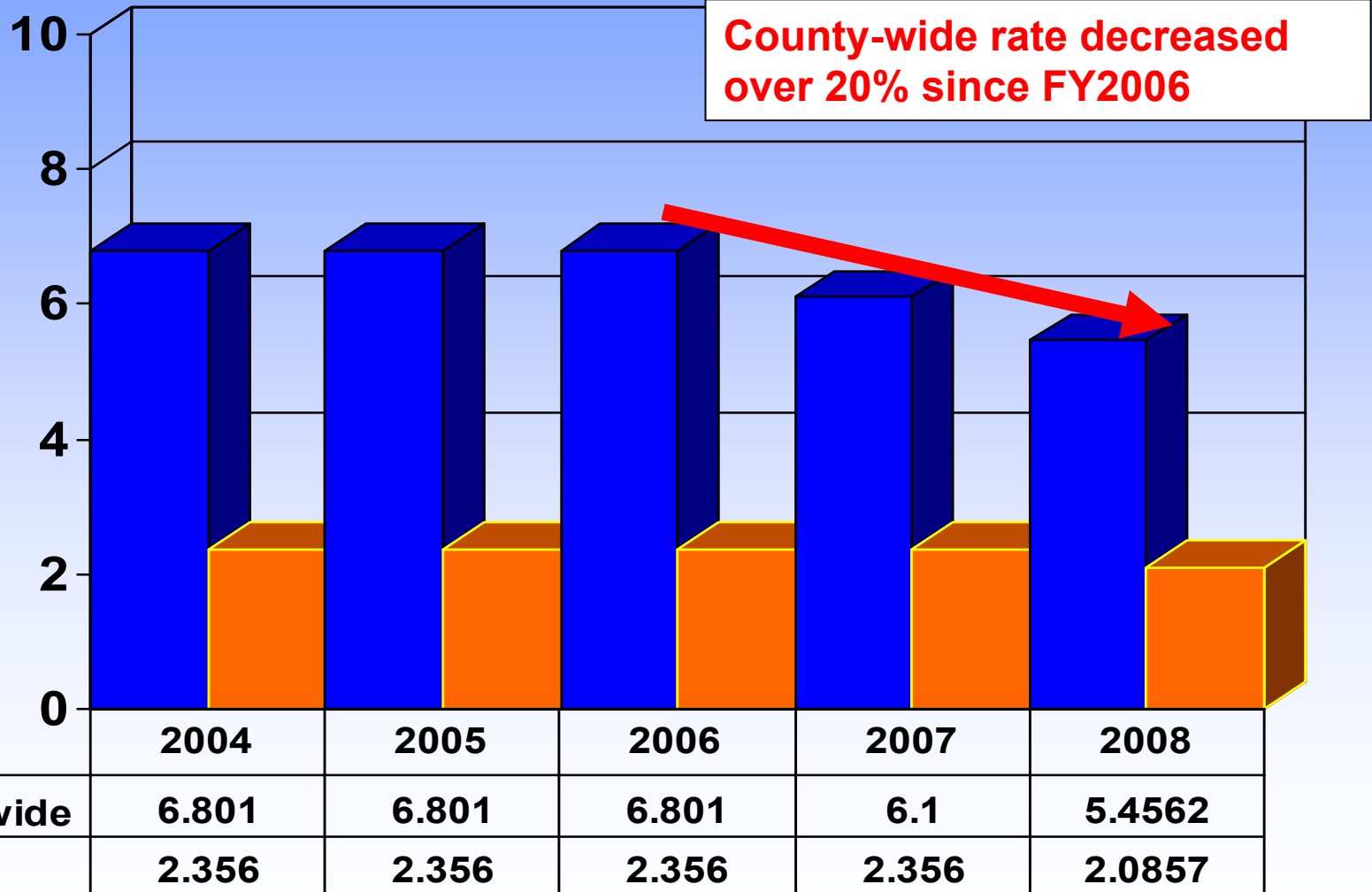
	2006 Per capita Property Taxes	Growth 2001 to 2006	Required Rollback
Hillsborough	\$ 693.1	8.43%	-5%
Palm Beach	\$ 588.8	11.08%	-9%
Duval	\$ 557.4	6.23%	-3%
Orange	\$ 549.6	7.25%	-5%
Miami-Dade	\$ 520.9	13.30%	-9%
Broward	\$ 512.8	8.41%	-5%
Pinellas	\$ 496.6	9.62%	-7%

Proposed County-wide Millage Rate

	Actual	FY08		
	FY07	Roll-Back	Proposed	
General Fund *	5.4000	5.1742	4.8108	
Health Dept	0.0700	0.0669	0.0622	
EMS	0.6300	0.6012	0.5832	**
Total	6.1000	5.8423	5.4562	
% DECREASE from roll-back rate			-6.6%	**
TOTAL MILLAGE DECREASE			-0.644	
% DECREASE FROM ACTUAL FY06 RATE			-10.6%	
* includes Mosquito Control				
** EMS District was required to cut 3% rather than 7% under roll-back rate				

Property Tax Rates FY2004-2008

1 Mill = \$1 Tax per \$1,000 of Taxable Value



Dependent MSTU Fire Protection Districts – Ad Valorem Millages Reduced to 3% Below Rolled-Back Rate

	FY07 Millage	FY08 Proposed Millage	Variance FY07/FY08 Millages
Belleair Bluffs	0.9283	0.8535	(0.0748)
Clearwater	2.0441	1.8628	(0.1813)
Dunedin	2.1412	2.0102	(0.1310)
Gandy	1.2744	1.2072	(0.0672)
Largo	2.0488	1.9005	(0.1483)
Pinellas Park	2.5437	2.3675	(0.1762)
Safety Harbor	2.0044	2.0093	0.0049
Tarpon Springs	1.8040	1.6837	(0.1203)
Seminole	2.1324	1.9581	(0.1743)
High Point	2.6416	2.4410	(0.2006)
Tierra Verde	1.5000	1.3997	(0.1003)
South Pasadena	2.4408	2.2188	(0.2220)

Other Millage Rates Reduced to 7% below Roll-Back Rate

- **Municipal Services Taxing Unit (MSTU)**
- **Public Library Cooperative**
- **Feather Sound Community Services District**
- **Palm Harbor Community Services District**
- **Pinellas Planning Council**

*** “Truth in Millage”**



* YOUR FINAL TAX BILL MAY CONTAIN NON-AD VALOREM ASSESSMENTS WHICH MAY NOT BE REFLECTED ON THIS NOTICE SUCH AS ASSESSMENTS FOR ROADS, FIRE, GARBAGE, LIGHTING.

Example: Comparison of 2008 and 2007 Tax Bills For a Typical Residential Property Owner

Taxable Value * Property Tax Rate = Property Tax

	Actual FY 07		Proposed FY 08		
Taxable Value	\$ 139,640		\$ 143,130		
	Tax Rate	Tax Bill	Tax Rate	Tax Bill	% of Bill
TOTAL COUNTY-WIDE	6.1000	\$ 851.80	5.4562	\$ 780.95	27%
TOTAL SCHOOL DISTRICT	8.2100	\$ 1,146.44	7.7310	\$ 1,106.54	39%
TOTAL CITY (example)	5.2088	\$ 727.36	4.6777	\$ 669.52	24%
TOTAL OTHER	2.2452	\$ 313.53	2.0722	\$ 296.59	10%
GRAND TOTAL	21.7640	\$ 3,039.13	19.9371	\$ 2,853.60	100%
REDUCTION FY08 VS FY07				\$ (185.53)	-6%

FY07 Taxable Value reflects the average taxable value for a house or condominium

FY08 Taxable Value assumes an increase of 2.5% (Save-Our-Homes cap)

Millage Rates shown are for a Clearwater resident (FY07 Actual, FY08 TRIM Notice)

Preparing the Budget

Budget Development Calendar

- **Board Budget Information Sessions (BIS):**
 - * April 5
 - * April 10
 - * April 19
 - * April 26
 - * May 3
 - * May 8
 - * May 17
 - * May 22
 - * June 7
 - * June 21
 - * June 26
 - * July 10
- **May 4: Regular Session of Legislature ends**
- **June 11- 13: Special Session of Legislature**
- **June 27: Property Appraiser certifies tax roll**
- **July 13: Proposed Budget submitted to Board**

Public Information and Involvement

- All BIS sessions televised
- Public comments at all BIS sessions
- Budget Updates throughout process
- Improved Citizen-Friendly Budget Development Website



FY08 General Fund

Strategy to Balance the Budget

At 7% Below Roll-Back Millage Rates

• Eliminate non-essential program improv. requests	\$	28.7
• Reduce administrative costs, non-direct services, and pay-for-performance wage adjustments *		18.7
• Reduce reserve funds to equal 15% of resources		12.2
• Increase user fees approximately 10%		1.0
• Reduce lower-priority public services		19.6
Total Reductions **		\$ 80.2

* County employees DO NOT receive a cost-of-living adjustment (COLA)

** Reductions from budget requests (which were targeted to 2% above FY07)

FY08 General Fund

Program Improvements

(\$ millions)

	<u>Amount</u>
Recurring costs:	
Sheriff operations - new Jail Medical Wing	1.1
Maintenance of new Jail Medical Wing	0.7
Medical Examiner DNA Lab	0.5
Others (9-1-1 system, Human Rights)	0.2
Non-Recurring Costs:	
Housing Trust Fund (year 2 of 3)	5.0
State Mandated Voting Equipment	2.3
Purchase Supervisor of Elections building	3.0
Jail Campus Master Plan	0.4
SRI Project (year 1 of 2)	3.0
TOTAL	16.2

Major Program Reductions

Affordable Housing Trust (\$5M)

- Offset reduction by potentially supplementing the allocation by accelerating \$30M in Penny Program funds from the Affordable Housing Land Assembly project.

Recreation reimbursements (\$400K)

- Eliminates reimbursements to unincorporated residents (4,654 participants in FY06) for cost differential between non-residents and residents for city recreation programs.

Recreation Initiative Grants in MSTU (\$1.8M)

- Eliminates recreation grant program (in FY06 awarded \$1.5M to 14 agencies for 17 projects) for enhancing recreational opportunities for unincorporated residents.

Major Program Reductions

Reduce uncompensated care payments to hospitals (\$1.3M)

- Strengthen focus on preventative and primary care programs through coordination and efficiencies with the goal of reducing inappropriate emergency room usage.

Neighborhood Enhancement grants in MSTU (\$250K)

- Eliminates program for community and home owners associations (23 in FY07) in the unincorporated area.

Major Program Reductions

Early Voting sites (\$463K)

- Reduction from 15 to 5 early voting sites. Three of the remaining five sites are at the SOE's offices in Clearwater, St. Petersburg, and Largo. The other two are yet to be determined.

Public Access cable channel (\$349K)

- Eliminates public access program.

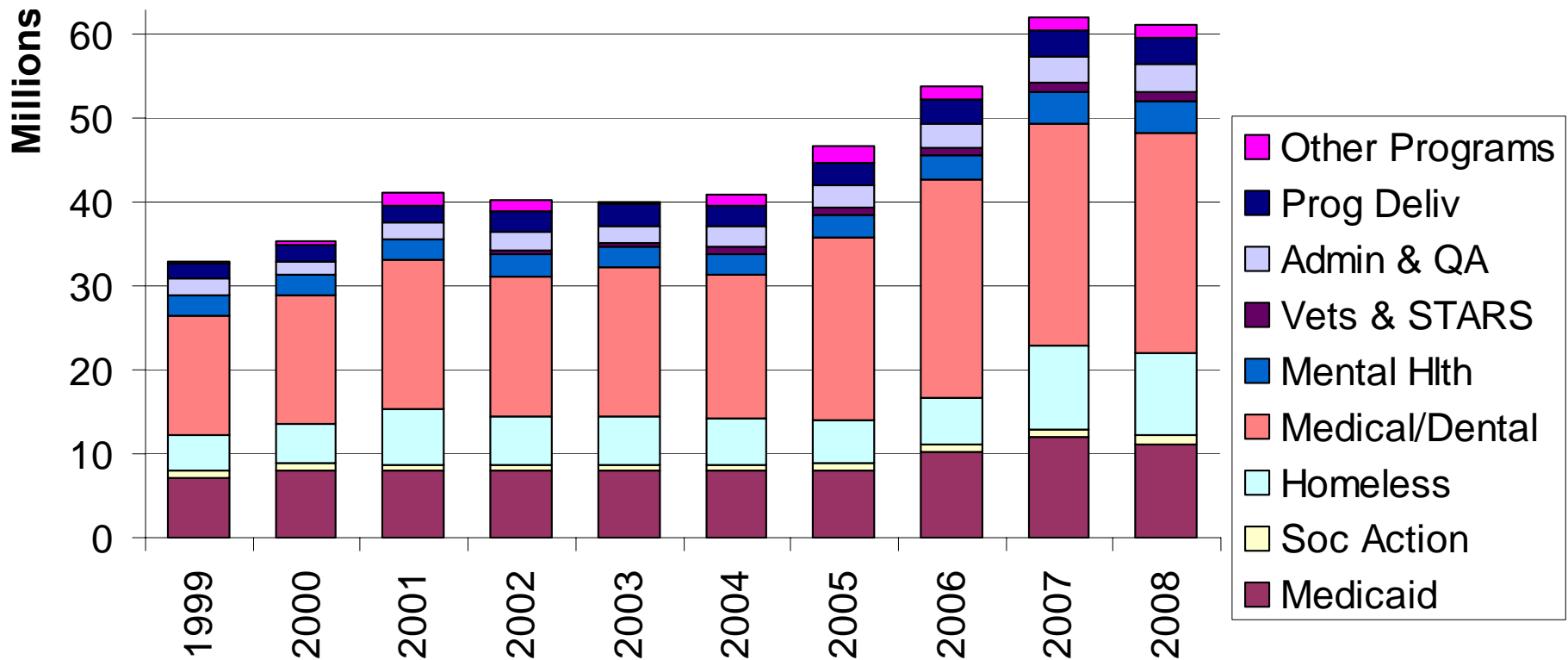
MSTU Road & Street program (\$750K)

- Reduced from \$3.0M in FY07 to \$2.25M in FY08
- FY06 funding level was \$1.5M.

FY2008 General Fund Positions Eliminated

● Classified - filled	78
● Classified - vacant	77
<i>This is a decrease of 5.5% in total Classified positions</i>	
● Exempt - filled	8
● Exempt - vacant	24
<i>This is a decrease of 6.3% in total Exempt positions</i>	
● Temporary, Grant Workers, & Interns - filled	25
● Temporary, Grant Workers, & Interns - vacant	80
Total	292

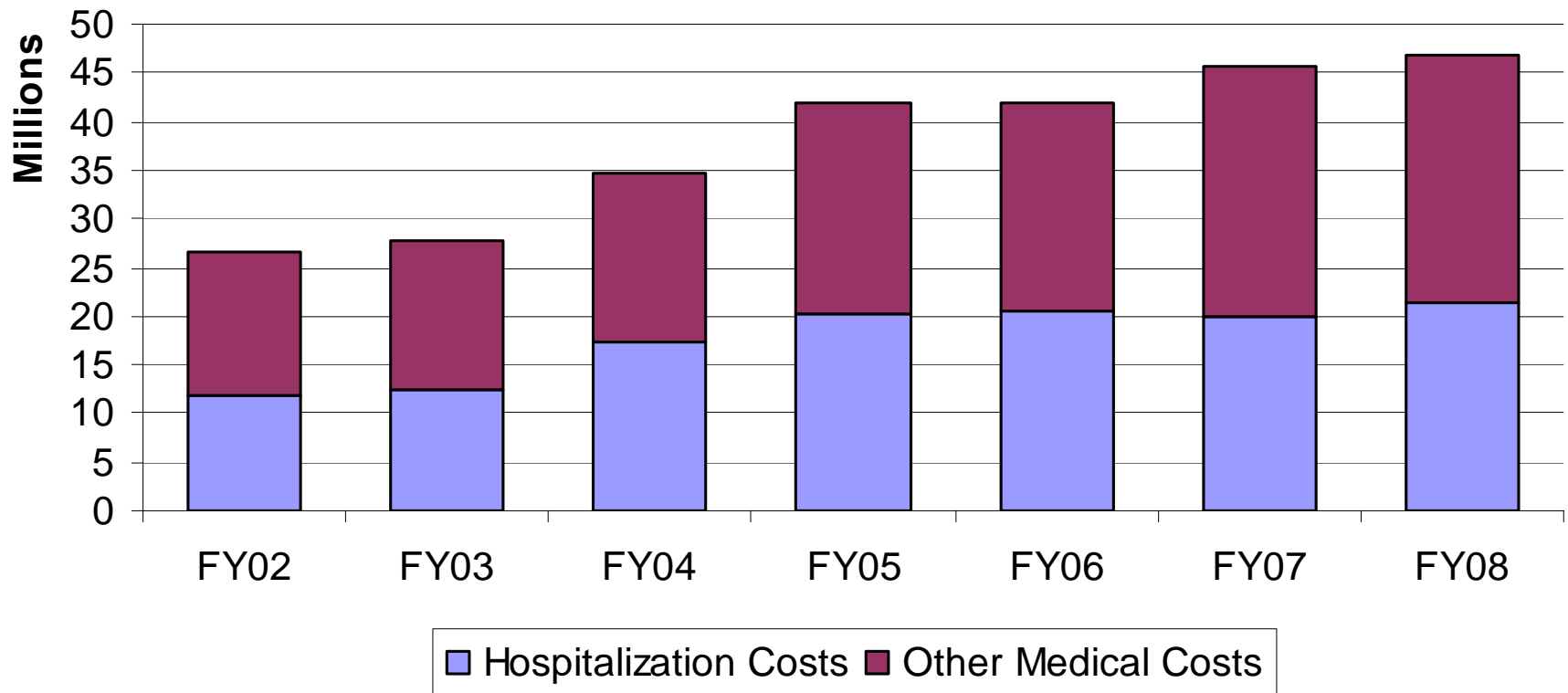
Historical General Revenue Funding to Health & Human Services



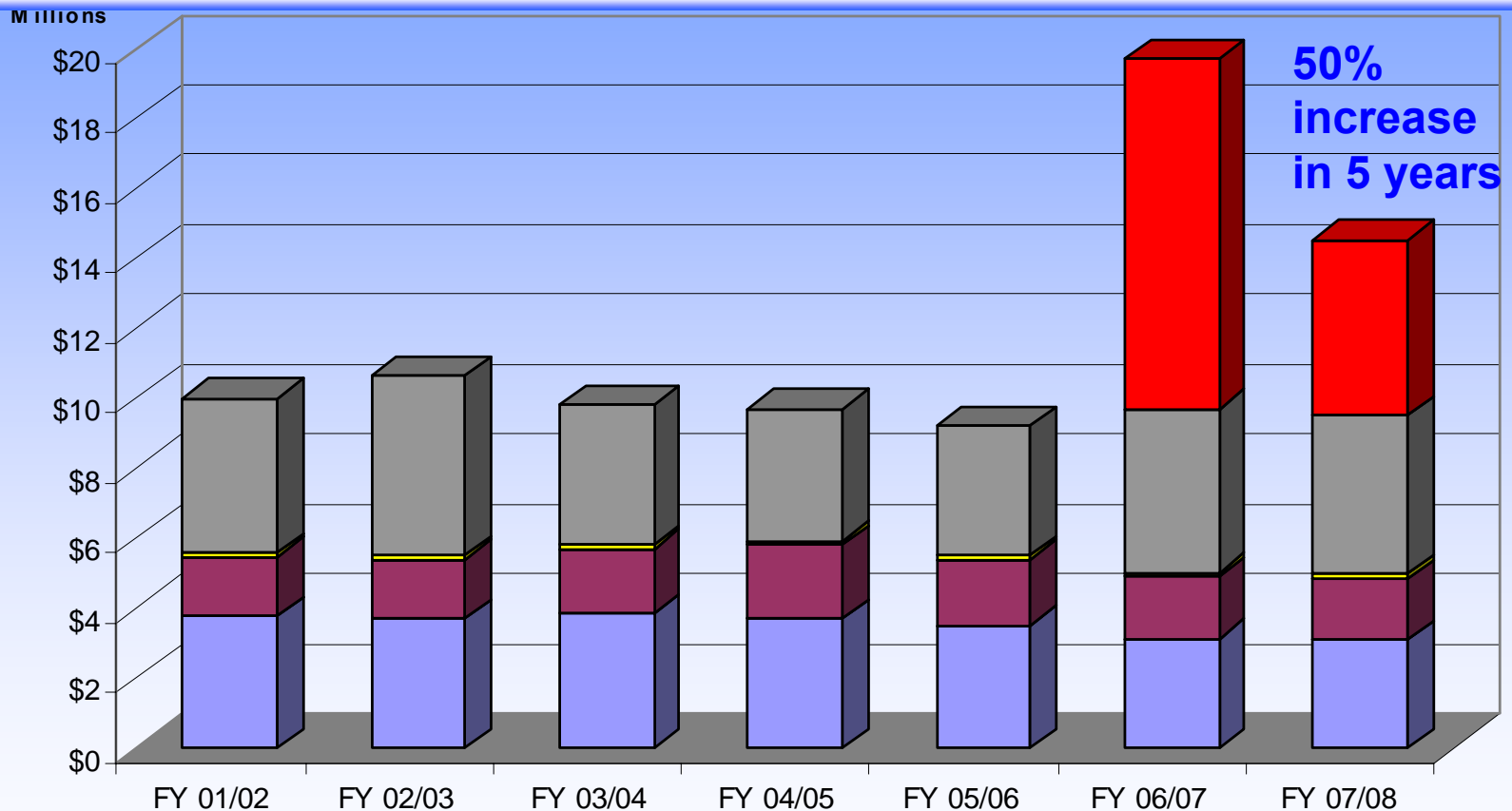
Source: Annual Operating and Capital Budget

Health & Human Services

Health Care Expenditures



Community Development Housing Funds



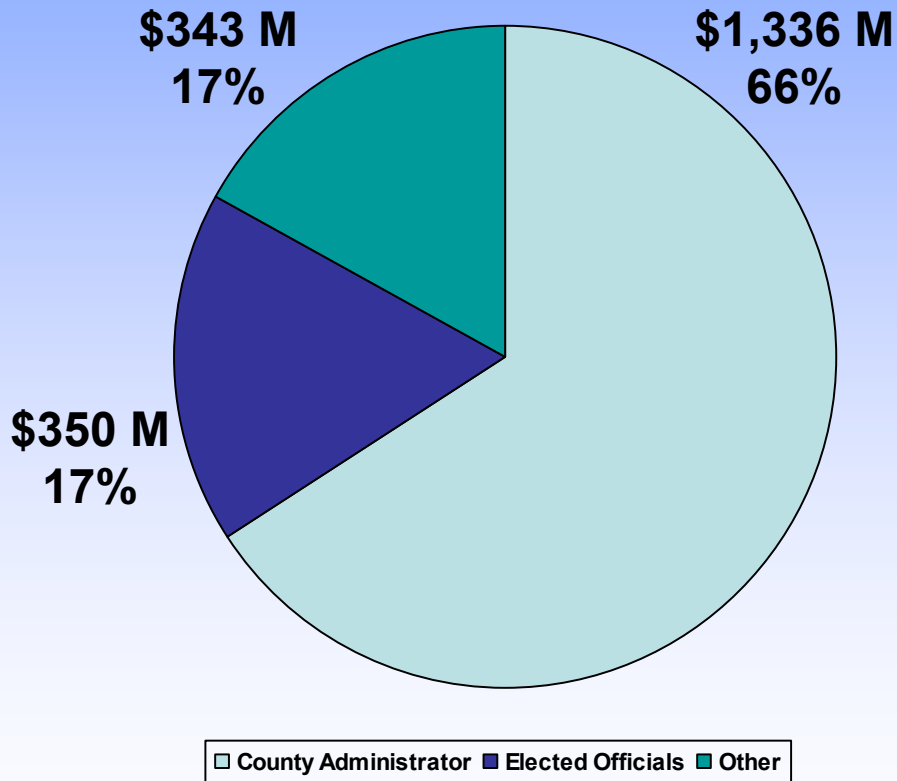
- Community Development Block Grant (CDBG)
- Emergency Shelter Grant (ESG)
- Pinellas Community Housing Trust Fund
- HUD HOME Grant
- State Housing Initiatives Partnership (SHIP)

Budget Overview

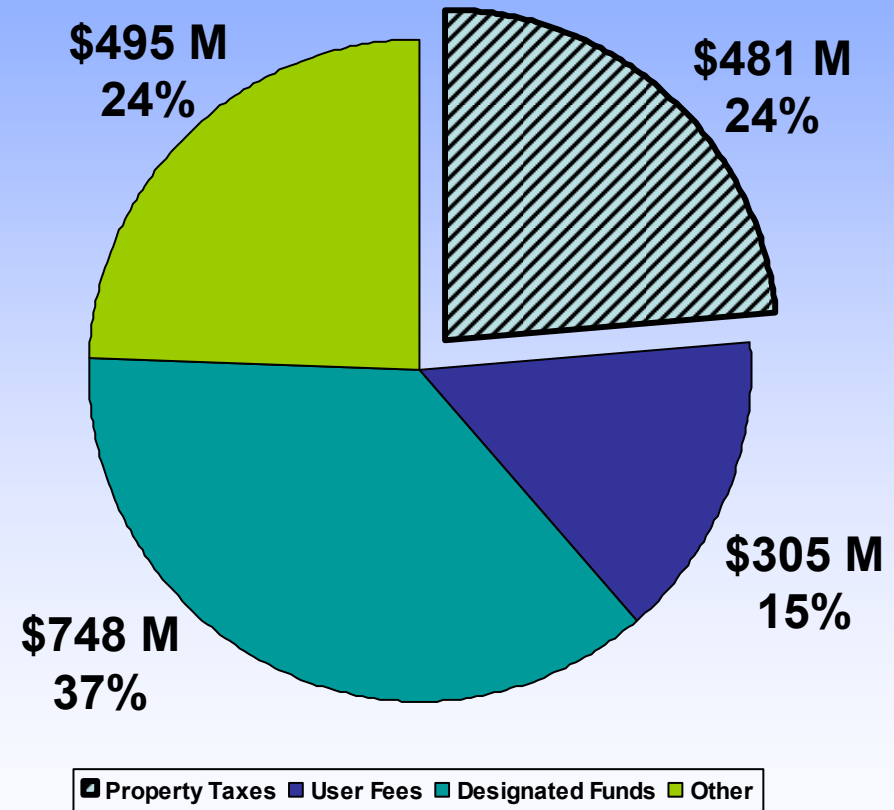
Pinellas County FY 2008 Total Budget

\$2,028,661,720

Budget by Organization



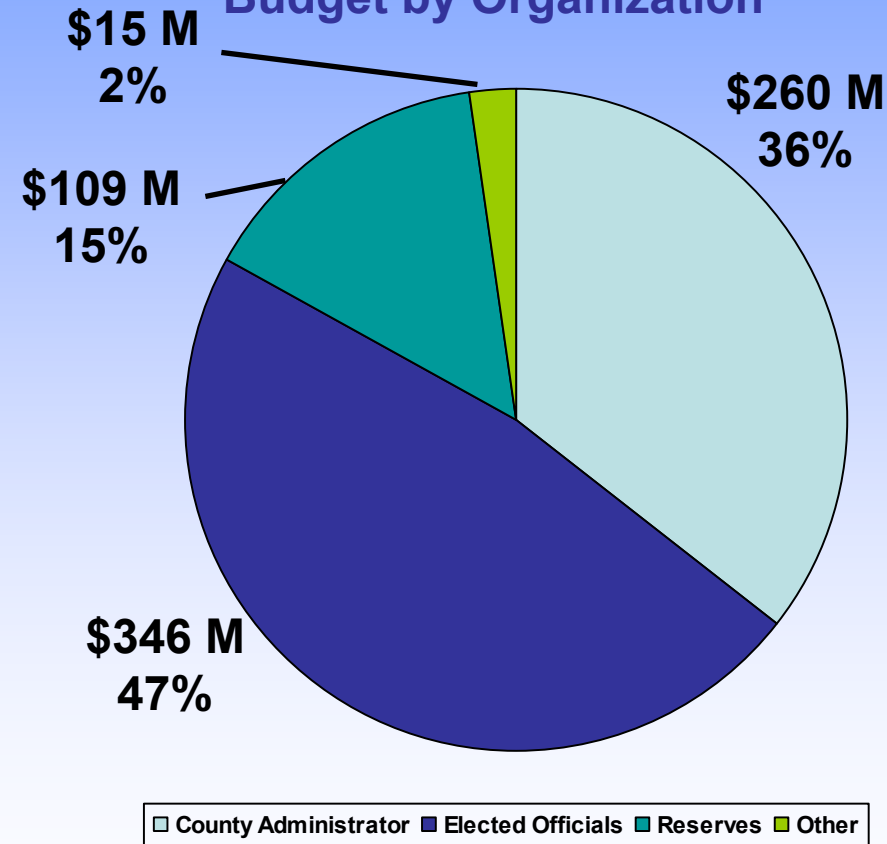
Budget by Source



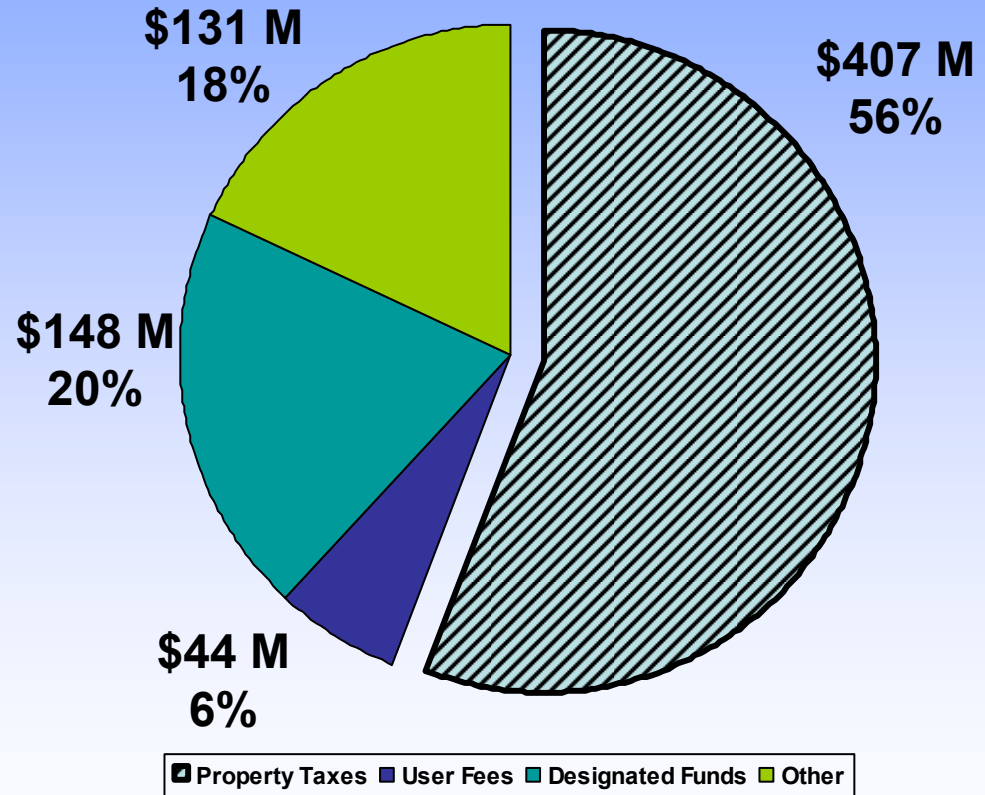
FY 2008 General Fund Budget

\$730,353,200

Budget by Organization

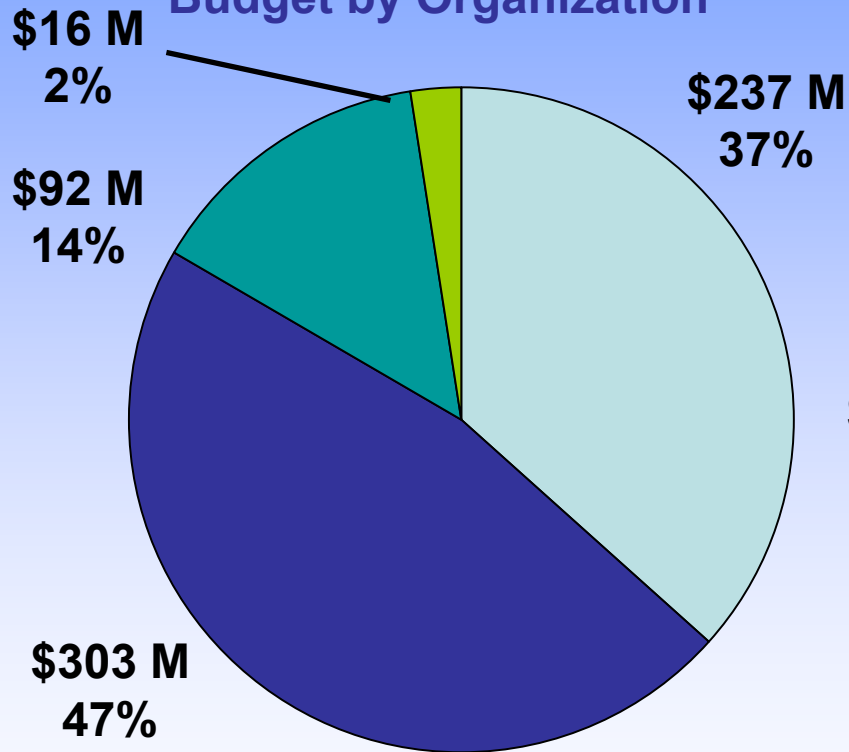


Budget by Source



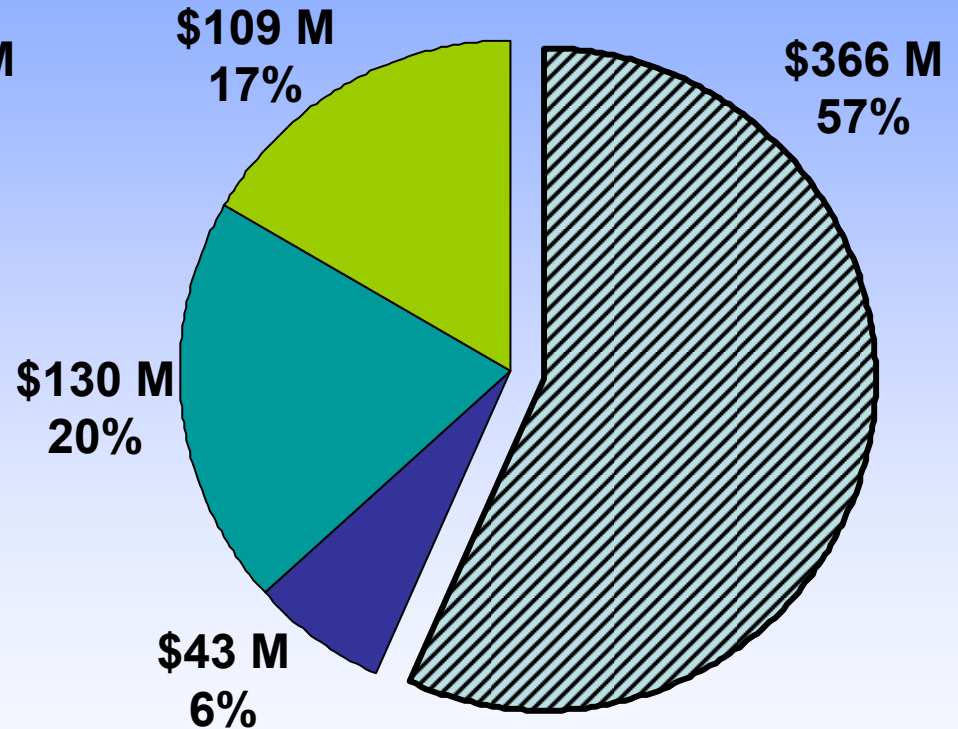
FY 2008 General Fund Budget: Countywide \$647,651,080

Budget by Organization



□ County Administrator ■ Elected Officials ■ Reserves ■ Other

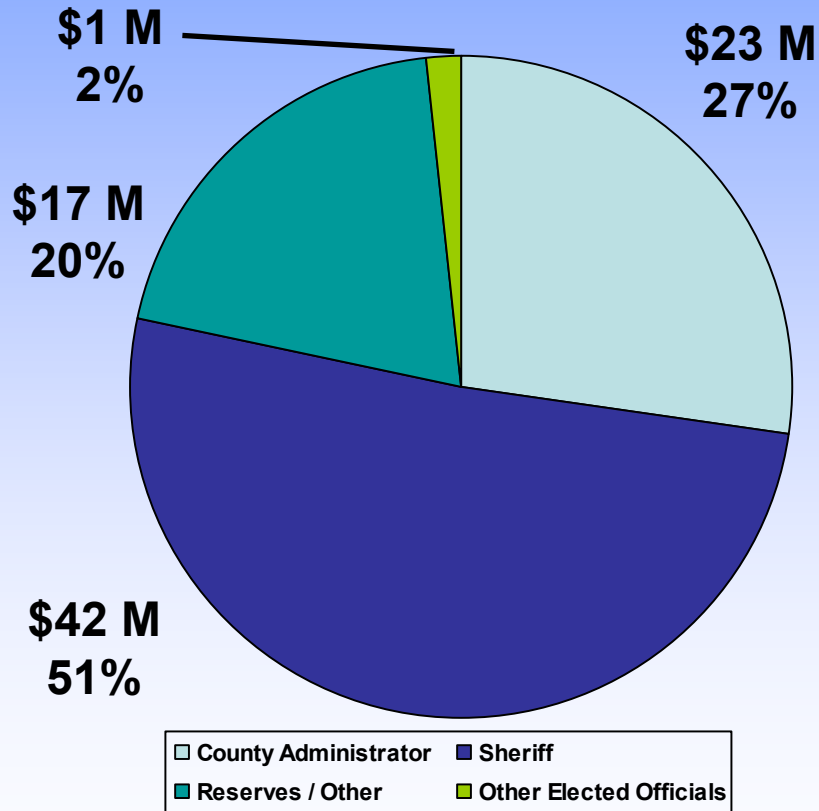
Budget by Source



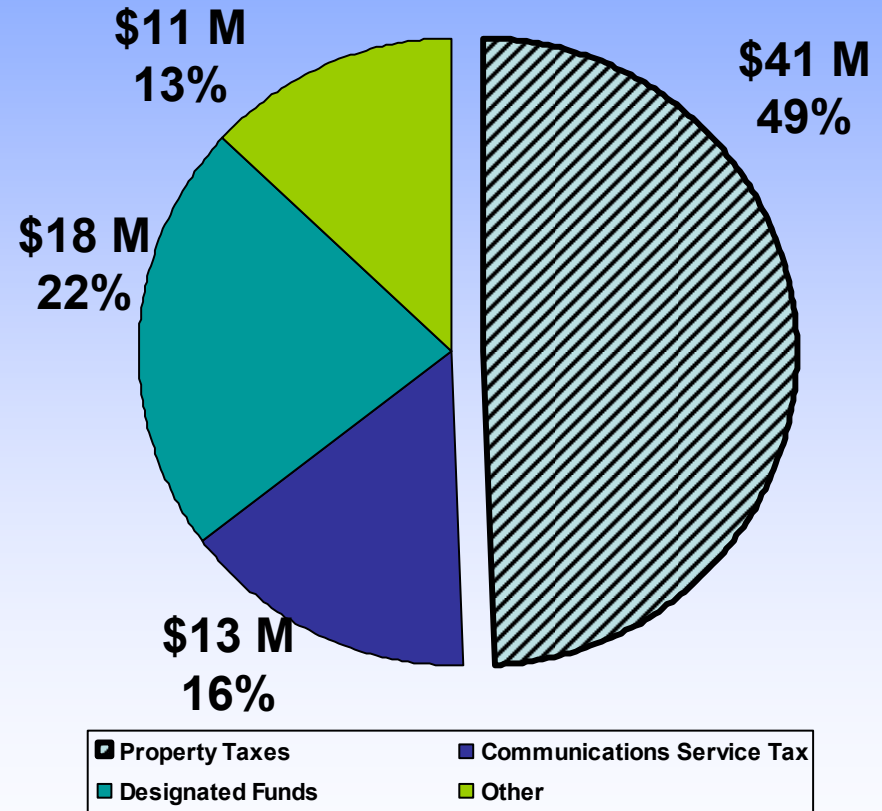
■ Property Taxes ■ User Fees ■ Designated Funds ■ Other

FY 2008 General Fund Budget: MSTU \$82,702,120

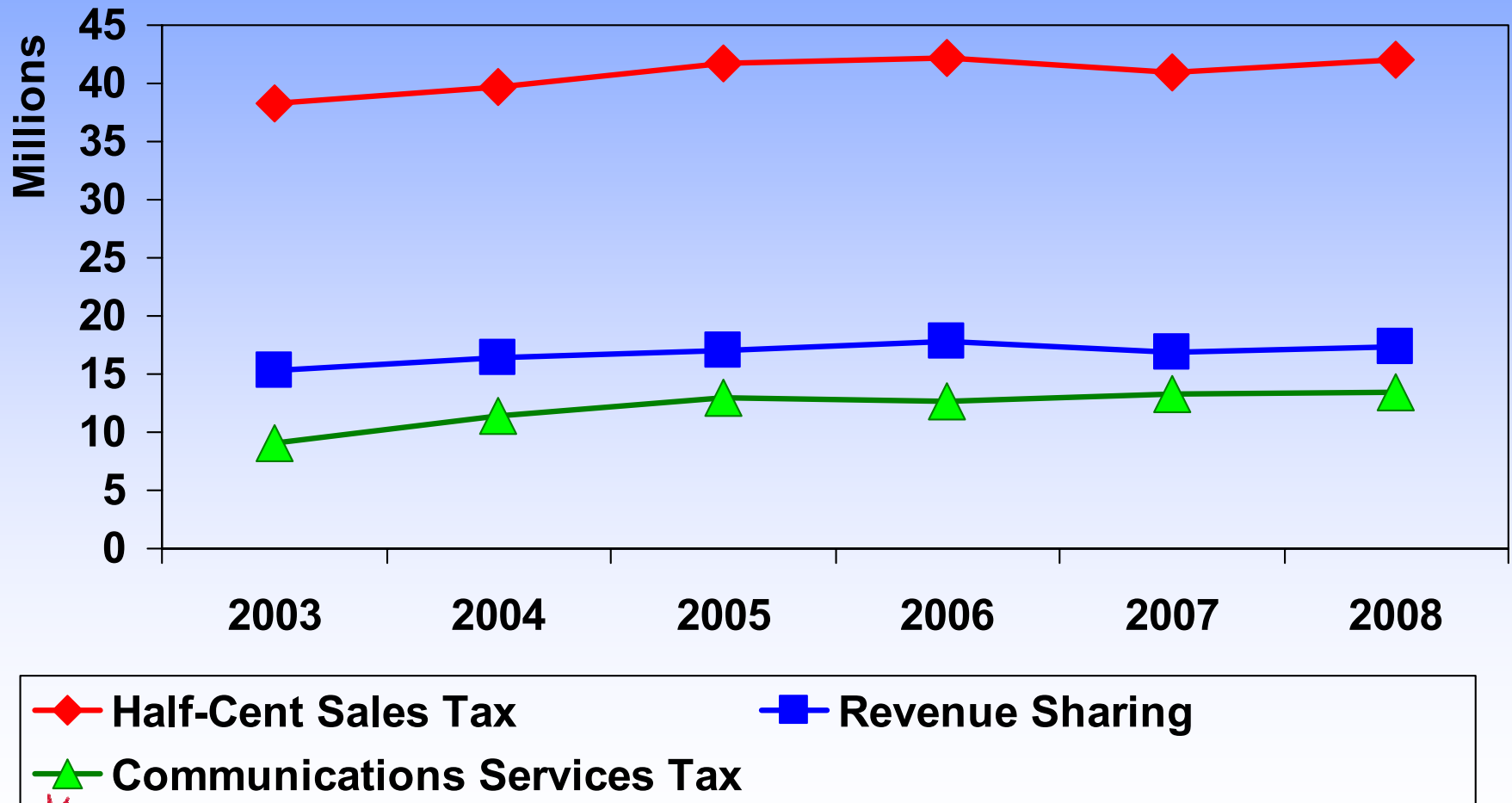
Budget by Organization



Budget by Source

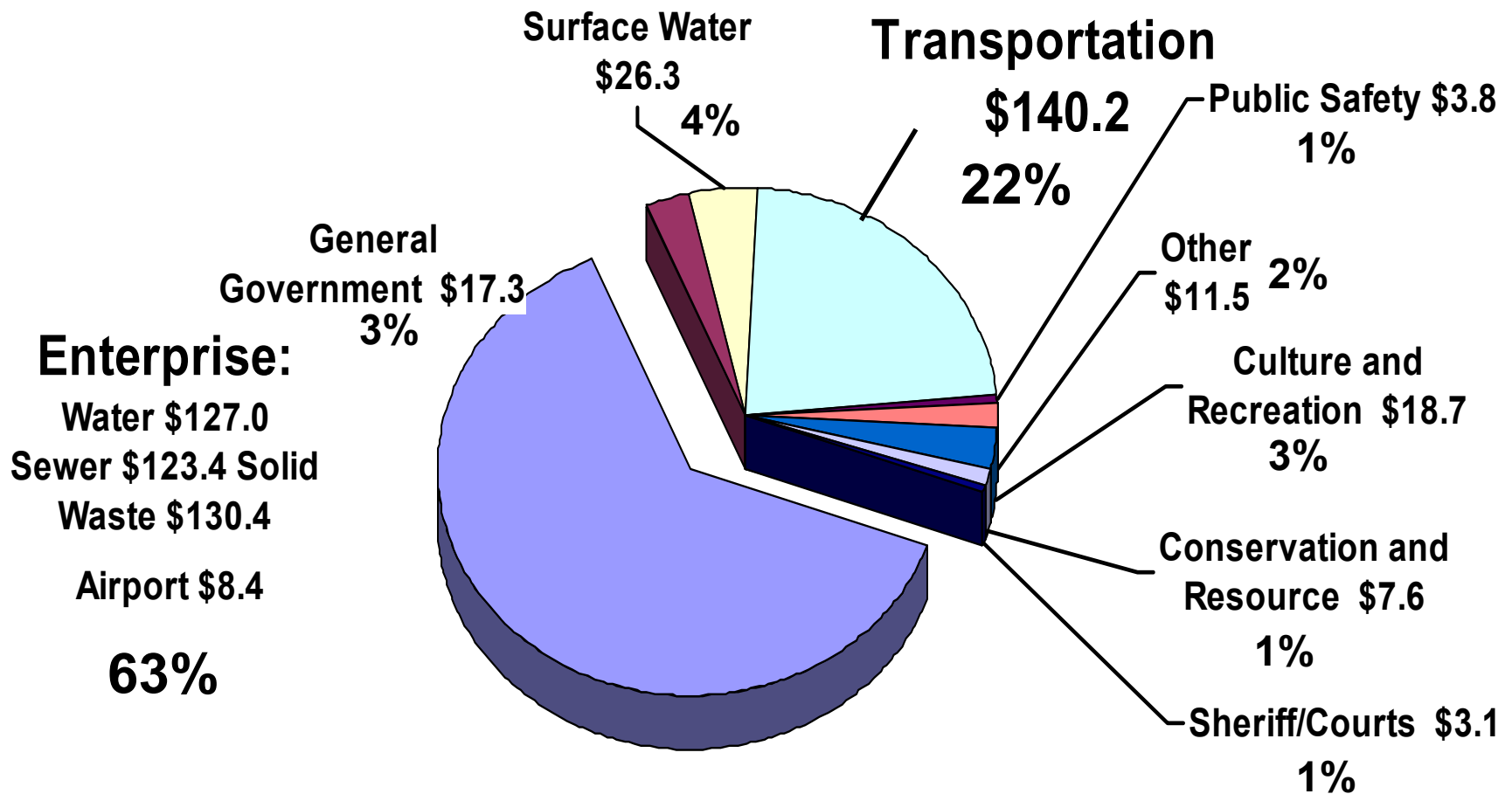


Other Major Revenue Sources Show Little Or No Growth



Capital Improvement Program

FY 2008 Capital Projects: \$617.7 million



Capital Improvement Program: Penny for Pinellas Projects

- **Extension to 2010 approved on March 13th by 57% of voters**
- **Major Projects in FY 2008:**
 - Belleair Causeway Bridge Replacement (now under construction)
 - Keystone Road from US 19 to East Lake Road
 - Park/Starkey Road from Tyrone Boulevard to Bryan Dairy Road
 - 22nd Avenue South from 34th Street to 58th Street
 - Haines Road from US 19 to I-275
 - Intelligent Transportation System (ITS) implementation (ninth cent gas tax project)
- **Accelerated implementation of select new Penny Program projects will be discussed by BCC on September 11**

Capital Improvement Program: Major Enterprise Fund Projects

- **Water**
 - Blending Facility
 - Water Main replacements and improvements
- **Sewer**
 - Reclaimed Water System extensions
 - Sewer Line replacements and improvements
- **Solid Waste**
 - Waste-to-Energy facility upgrades
- **Airport**
 - Terminal Expansion

Future Challenges and Next Steps

Future Challenges

- **Proposed Constitutional Amendment referendum on January 29, 2008**
- **Ongoing Property Tax Revenue Caps**
 - Increases limited to new construction and percentage growth in State average personal income
- **Unfunded Legislative Mandates**
 - Example: Medicaid cost shift
- **Retiree Health Cost Funding Requirements (OPEB)**
- **Economic Uncertainty**
 - Inflation, Real Estate Market, Sales Tax, Revenue Sharing

The Proposed Constitutional Amendment Would Affect the Budget Beginning in Fiscal Year 2009

- The Property Appraiser's Office estimates that the Amendment would reduce the county-wide General Fund tax base by **11%**
- If it had been in effect for the 2008 Budget, it would have required **additional cuts of \$36.9 million** to General Fund county-wide operations

More Impacts of the Proposed Constitutional Amendment

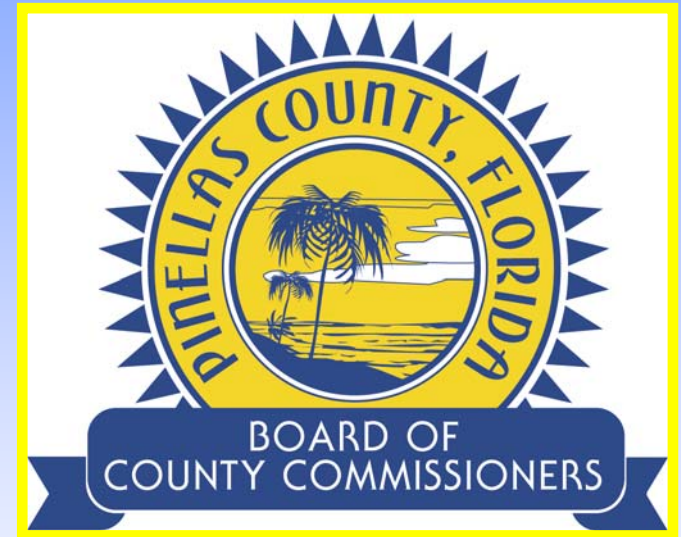
- The MSTU and all other taxing districts would also be affected
- If it had been in effect for the 2008 Budget, it would have required additional cuts:
 - MSTU: \$5.7 million
 - EMS: \$4.4 million
 - Fire Districts: \$2.5 million
 - Library Cooperative and Others: \$1.8 million

Timeline for Budget Approval

- August 20th – TRIM notices were sent out to property owners
- **Tonight - September 4th – First Public Hearing**
– **BCC adopts tentative FY08 millage rates & budgets**
- September 14th - Second Public Hearing advertised in the newspaper
- September 18th – Second Public Hearing
– BCC adopts final FY08 millage rates & budgets

The Pinellas County

**Proposed
Fiscal Year
2008 Budget**
is available for review
on the County website:



www.pinellascounty.org