



FY10 Budget Challenge

Outline

- **Pinellas County Budget 101**
- **Budget reduction background**
- **General Fund financial forecast**
- **FY10 Budget challenges & strategy**
- **Citizen input**



Pinellas County Budget 101

Key Ideas

- **The County's budget is administered by separately elected public officials and independent agencies**
- **The County's budget is split up into 51 different funds to track the finances of specific functions and activities**
- **The County's General Fund budget is divided between Countywide services and Unincorporated Area services**

Board of County Commissioners (BCC)

- ◉ **Chief legislative and governing body**
- ◉ **Seven commissioners elected by voters for four year terms**
 - 4 single member districts; 3 at-large
- ◉ **Formulates policy and directs the County Administrator to implement their directives**
 - 25 departments

Constitutional Officers and Independent Agencies

- **Constitutional Officers are elected to administer a specific function of County Government and are directly accountable to the public**
 - Sheriff
 - Tax Collector
 - Property Appraiser
 - Supervisor of Elections
 - Clerk of the Circuit Court
- **Independent agencies are responsible for administering public policy functions independently of the Constitutional Officers and BCC**
 - Human Resources
 - Business Technology Services

Why Use Funds?

- **Local governments use multiple funds to track the finances of a specific function**
 - **Meet legal requirements**
 - Ex) Separate Airport fund because revenue can only be used for aviation purposes per the FAA
 - **Accountability**
 - Ex) Separate fund to track the projects paid for by the Penny for Pinellas
 - **Measure results**
 - Ex) Fleet Management fund to track the purchase and use of vehicles and equipment

FY09 Budget by Funds

Fund	# of Funds	FY09 Budget
General Fund	1	\$679M
Enterprise Funds	13	\$577M
Special Revenue Funds	28	\$261M
Capital Improvement Funds	4	\$247M
Internal Service Funds	4	\$175M
Debt Service Funds	1	\$24M
Total	51	\$1.9B

The General Fund

- The County's largest fund (\$679M)
- Revenues include property taxes, sales tax, fees, fines, grants, permits
- Can be used for any general government purpose
- Funds 34 departments and agencies
- Split between Countywide services (89%) and unincorporated area services (11%)

Countywide vs. Unincorporated (MSTU)

● **Countywide services**

- **Courts and Jail**
- **Animal services**
- **Economic develop.**
- **9-1-1 & EMS System**
- **Mosquito control**
- **Social services**
- **Arterial roads**

● **MSTU services**

- **Building permits**
- **Plan reviews**
- **Zoning**
- **Drainage**
- **Code enforcement**
- **Road patrol (Sheriff)**
- **Local road maintenance**

Unincorporated Area (MSTU)

- ◉ Another term for the unincorporated area is the Municipal Services Taxing Unit or MSTU
- ◉ The population of the MSTU is larger than any of the cities in the County (276,000)
- ◉ MSTU services are paid for by unincorporated area residents only
- ◉ MSTU residents do not pay utility taxes or franchise fees like most city residents



Budget Reduction Background

FY08 Background

- In FY08 property tax revenues decreased 4.6% or \$20M due to:
 - Legislature required Pinellas County to set property tax rate at 7% below rolled-back rate
 - EMS and Fire Districts cut to 3% below rolled-back Rates
 - Implemented property tax cap of new construction and average percentage growth in Florida personal income

FY09 Background

- **In FY09 property tax revenues decreased 8.7% or \$35.4M due to:**
 - **Amendment One**
 - “Doubling” the homestead exemption (school taxes exempt)
 - Save Our Homes portability (up to \$500K)
 - 10% cap on assessments for non-homestead property (schools exempt)
 - Tangible personal property exemption of \$25K
 - **Decline of the real estate market**
 - **8% decrease in total General Fund revenue**

Position Reductions Comparing FY09 to FY07

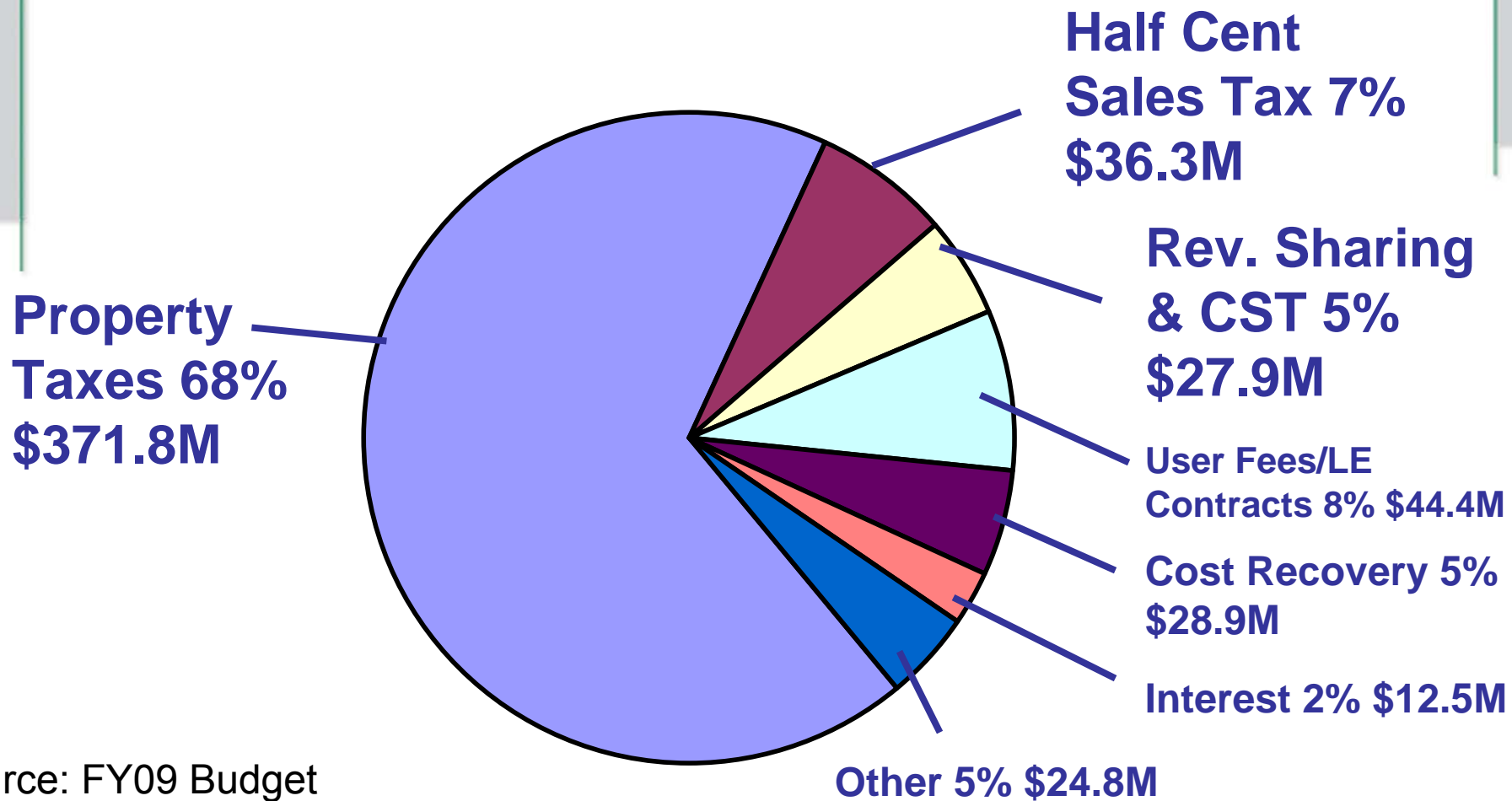
- 487 positions have been eliminated in last two years
- Lowest position count since FY99

Permanent Full-Time Positions	FY07	FY09	Diff.	%
BCC / County Administrator	2,803	2,442	(361)	(13%)
Sheriff	2,865	2,777	(88)	(3%)
Other Constitutional Officers & Independent Agencies	917	879	(38)	(4%)
<i>Total</i>	<i>6,585</i>	<i>6,098</i>	<i>(487)</i>	<i>(7%)</i>



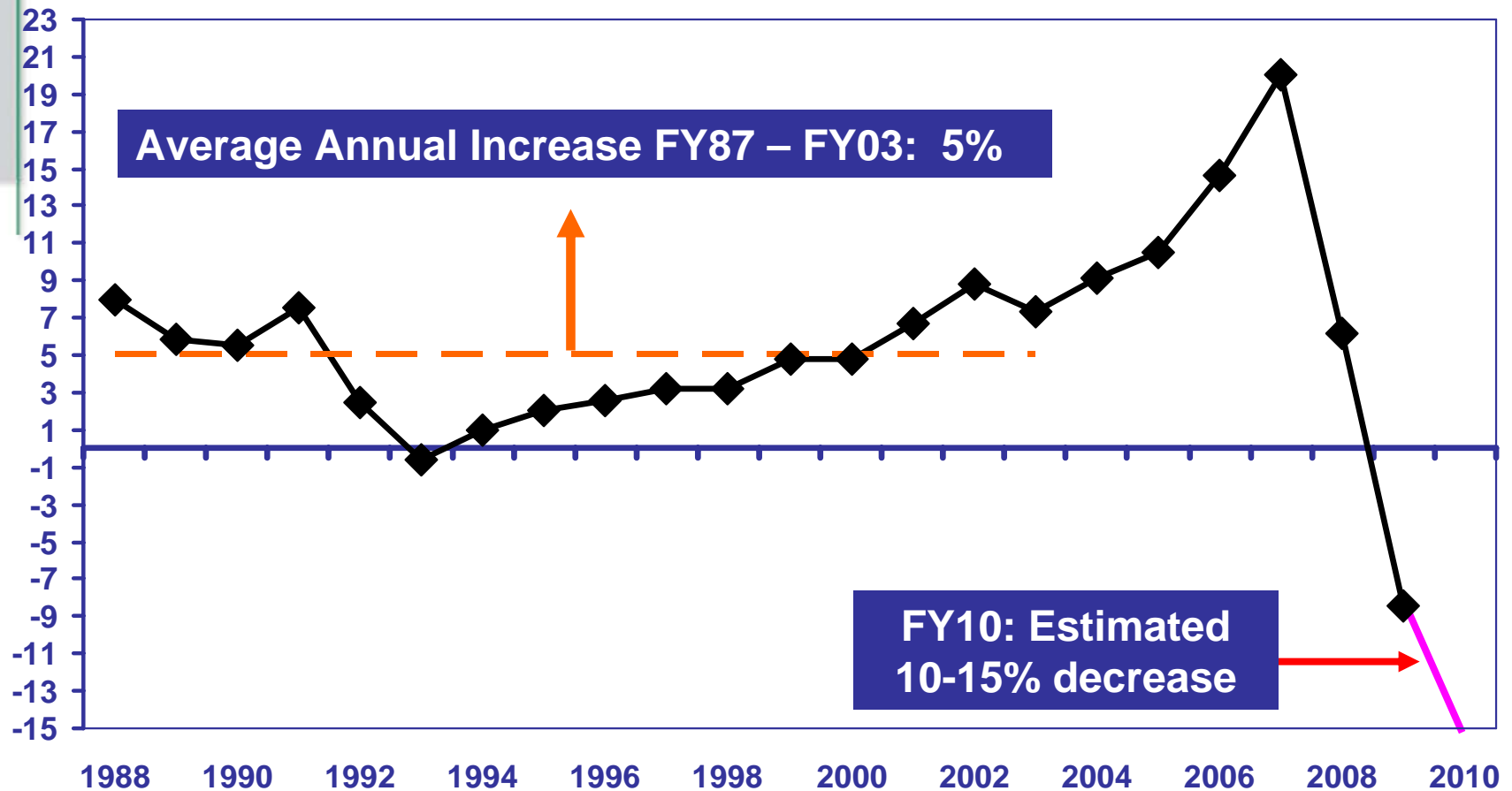
General Fund Financial Forecast

Property taxes are the largest General Fund revenues source

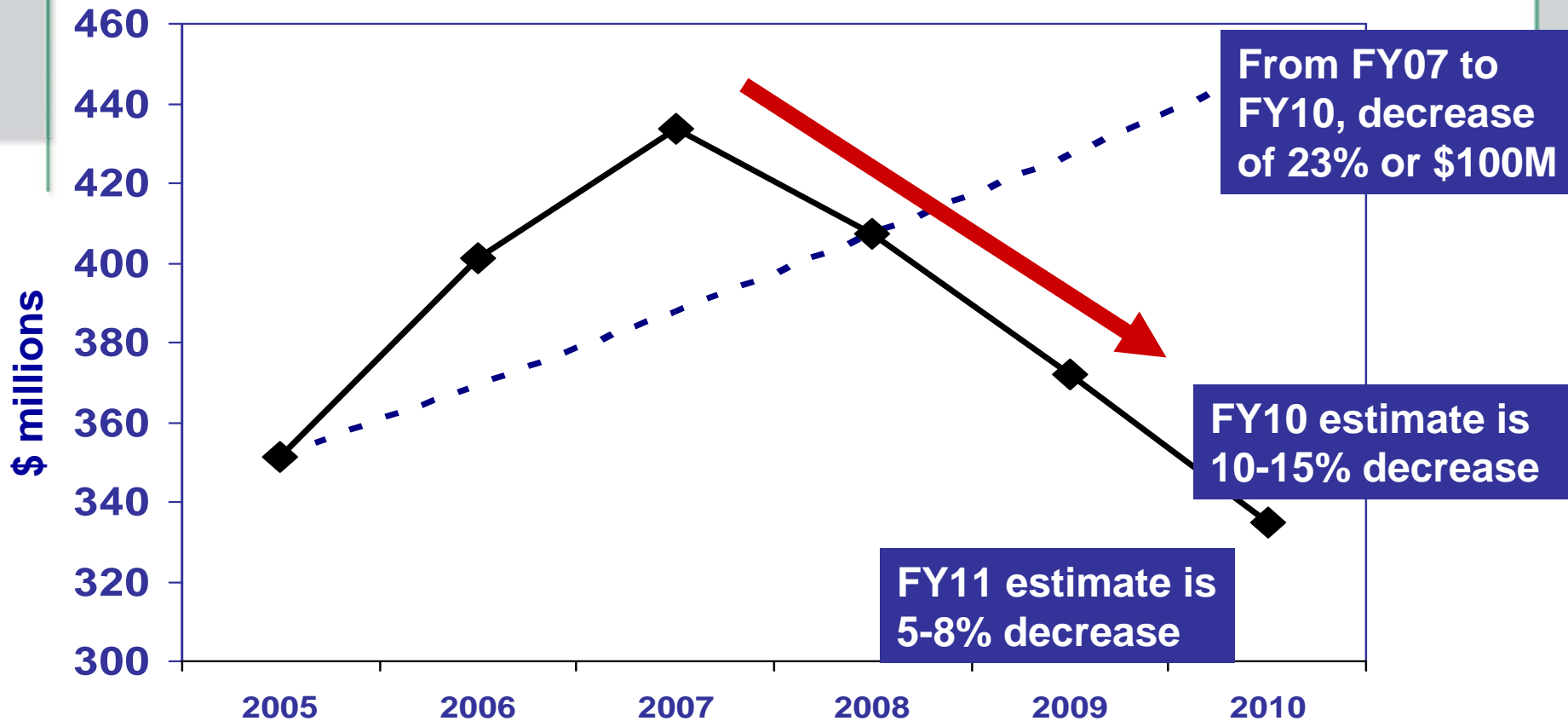


Source: FY09 Budget

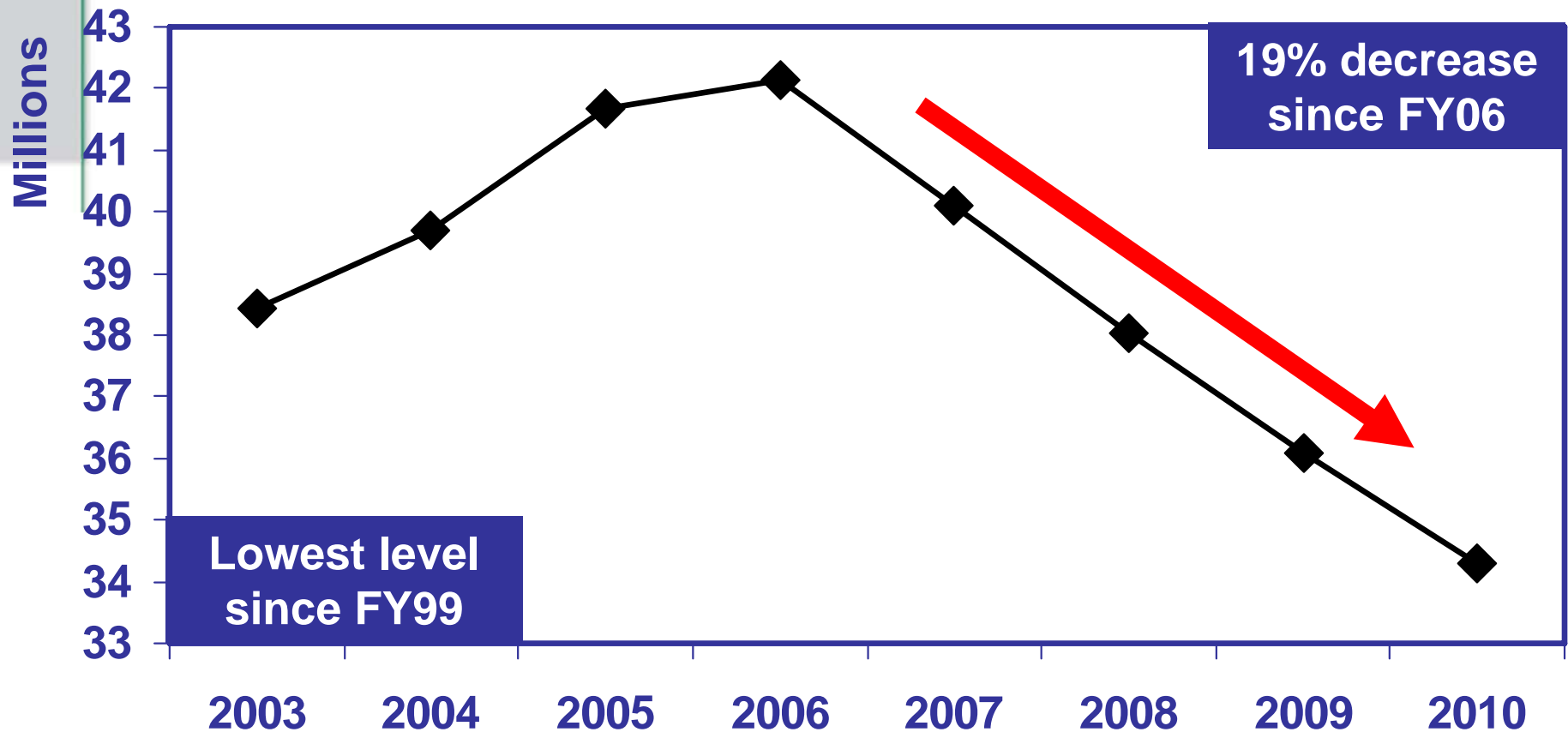
Countywide Taxable Values Annual Rate of Change



General Fund Property Tax Revenue (FY05-FY10)



Half-Cent Sales Tax (FY03-FY10)



Other Revenues

○ State revenue sharing*	-\$4.1M (23%)
○ Interest earnings**	-\$5.1M (33%)
○ Fines & forfeits**	-\$1.0M (54%)
○ Recording fees***	-\$2.0M (58%)
○ Building permits***	-\$0.8M (20%)
○ Zoning fees****	-\$0.2M (33%)

** FY10 Estimate vs. FY06 Actual*

*** FY08 Actual vs. FY07 Actual*

**** FY08 Actual vs. FY06 Actual*

*****FY08 Actual vs. FY05 Actual*

Forecast Summary

- **Forecast estimate**

- **Total impact: \$85M decrease**



FY10 Budget Challenges & Strategy

FY10 Budget Challenges

- ◉ **Budget pressure has impacted the organization over the last two fiscal years**
- ◉ **Non-mandatory program areas and administrative support capability have taken the bulk of the impact**
- ◉ **Economic forecasts show further economic weakness through 2010 with a modest recovery in 2011**
- ◉ **Existing and potential new caps on property taxes will blunt the recovery for local governments**

Potential New Impacts

- ◉ **5% cap on assessments for non-homesteaded property (currently 10%)**
- ◉ **50% exemption to homeowners who previously have not owned a home in Florida (up to \$250K)**
- ◉ **Eliminate the ability to recapture value capped under Save Our Homes if values decrease**
- ◉ **Revenue caps that limit increases in total revenue to inflation and growth (currently just property taxes)**

FY10 Budget Strategy

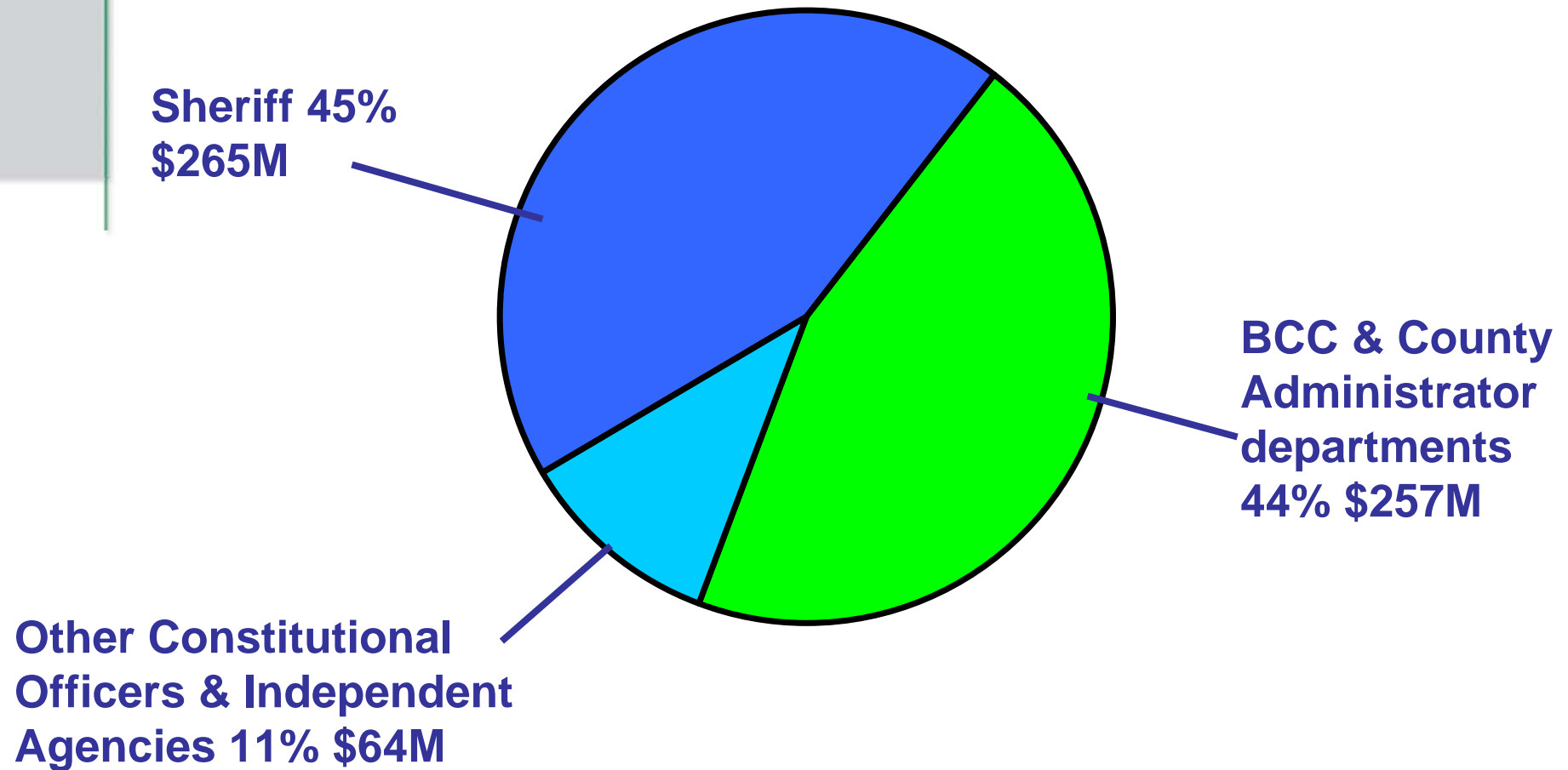
GOAL

- **Resize government to deliver a sustainable basket of quality services in a consistent, predictable, and reliable manner**

FY10 Reduction Target

- ◉ Overall impact to the General Fund budget estimated at **\$85M**
- ◉ Target of **20%** less than the FY09 budget to close projected shortfall

General Fund Expenditures



Note: Expenditures net of reserves

Source: FY09 Budget



Citizen Input

Community Outreach

● 3 Community Meetings

- Tuesday, March 3rd—Palm Harbor University High School
 - 1900 Omaha Street, Palm Harbor
- Monday, March 23rd—Osceola High School
 - 9751 98th Street North, Seminole
- Thursday, March 26th—Gibbs High School
 - 850 34th Street South, St. Petersburg

Opportunities for Input

- **Board Budget information sessions**

- April 28
 - May 21
 - June 9

- May 12
 - June 4
 - June 18

- **September 8th: 1st Public Hearing**

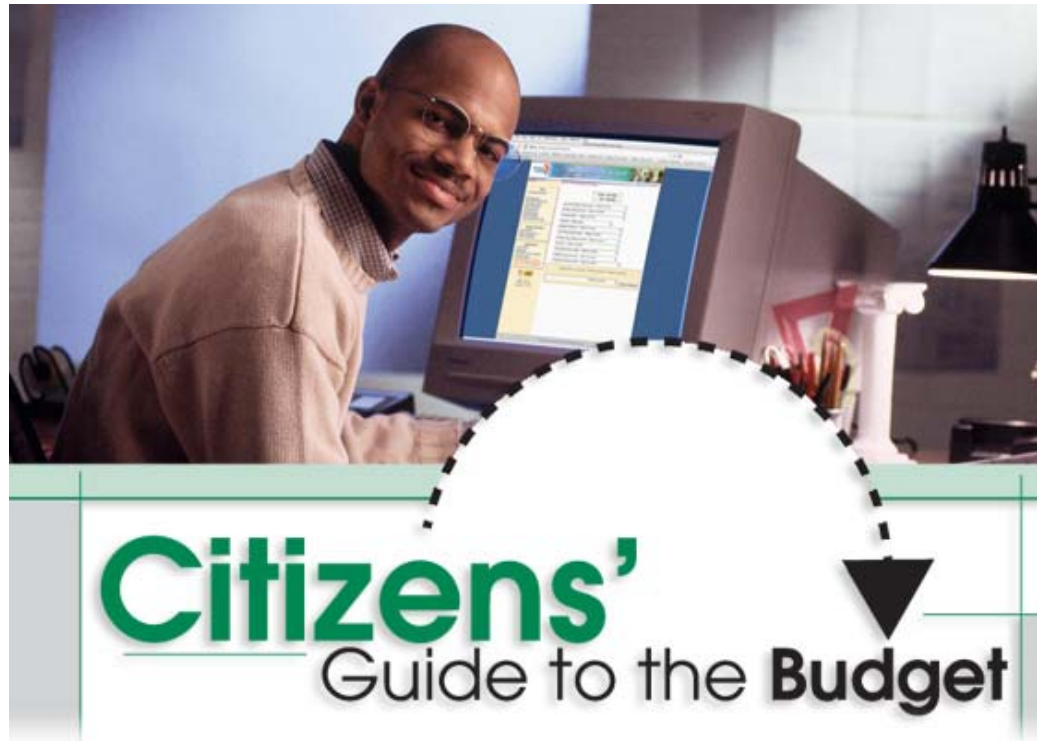
- **September 22nd: 2nd Public Hearing**

Other key dates

- **July 7th: Proposed Budget presentation**

- **August 24th: TRIM notices mailed by Property Appraiser**

Information on the Pinellas County Budget



www.pinellascounty.org