



FY10 Proposed Budget

July 14, 2009

Outline

- **Budget Challenges**
- **Budget Background**
- **Multi-Year Budget Forecast**
- **Budget Targets**
- **Reductions Process**
- **Reductions Overview**

Outline

- **One-Time Funding**
- **Unincorporated Area (MSTU) Budget**
- **General Fund Reserve**
- **Capital Improvement Program**
- **Next Steps**



Budget Challenges

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**

FY10 Budget Strategy

- **Plan the budget based upon two, three year funding cycles (FY10-12 and FY13-15)**
 - The funding cycles are independent, yet linked together and are adjusted going forward
- **Transform the organization while limiting disruption and potential negative impacts**
 - Productivity and commitment of employees
 - Quality of remaining programs and services

FY10 Budget Strategy

GOAL

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



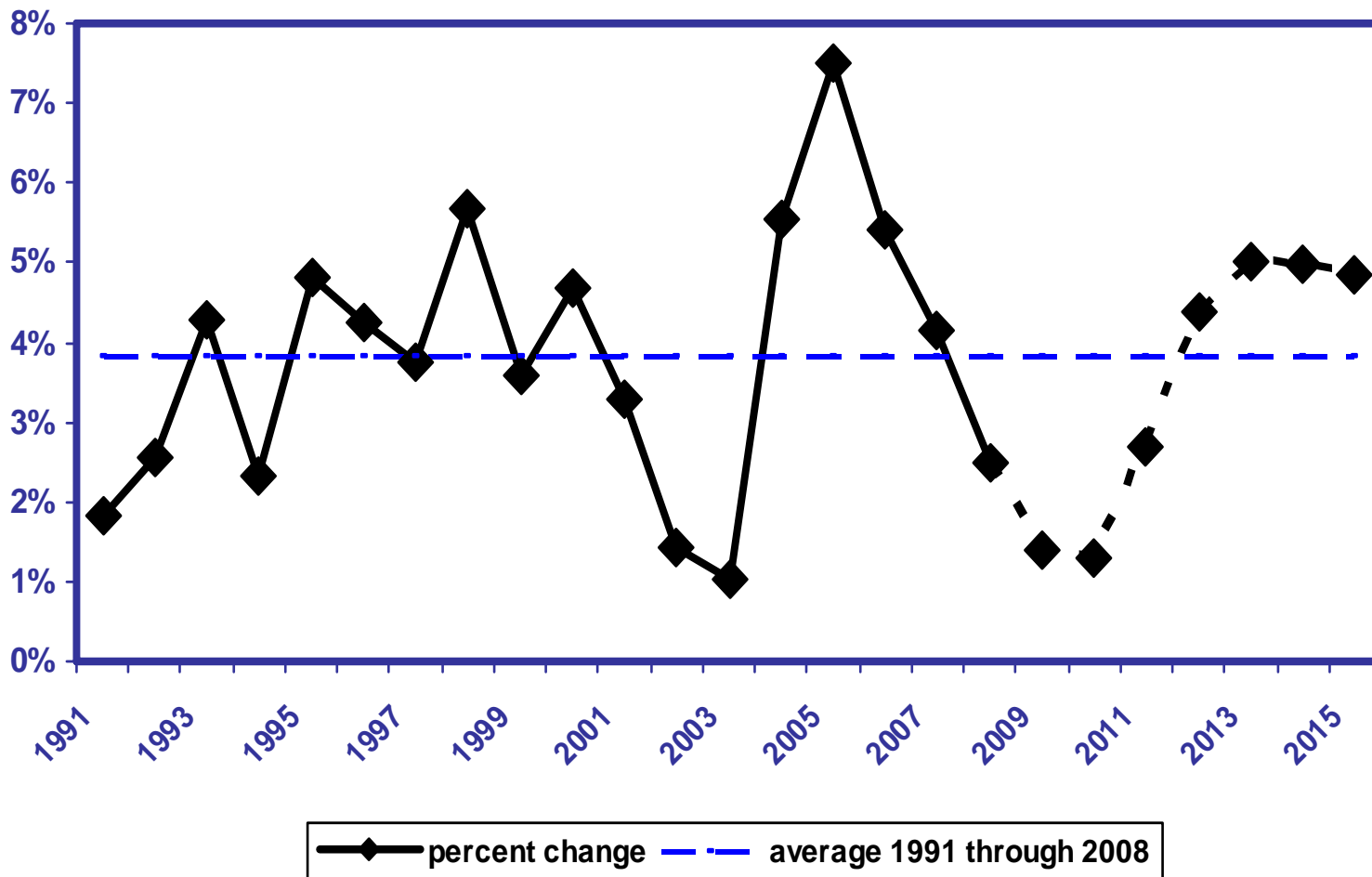
Budget Background

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
 - Effect is that property tax revenue will be constrained even if taxable values increase beyond the average increase in personal income

FY08 Background

Personal Income Growth: Actual 1991-2008, Estimate 2009-2015



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**

FY08 and FY09

- In the last two years, the General Fund budget has been reduced \$86M and 523 full-time positions were eliminated
- These reductions were necessary primarily due to legislative action and passing of Amendment One



Multi-Year Budget Forecast

Economic Conditions

- ◉ **Worst recession since the Great Depression**
- ◉ **Florida hit extra hard**
 - **Real estate market**
 - **Second in foreclosures in 2008**
 - **Construction**
 - **Commercial construction down over 50% since 2007**
 - **Total housing starts down over 50% since 2007**
 - **Unemployment**
 - **Second to Michigan in percentage jobs lost**
 - **Second to California in total number of jobs lost**
 - **Tourism off sharply**
 - **Slowest population growth since the 1950's**

Federal Stimulus Package

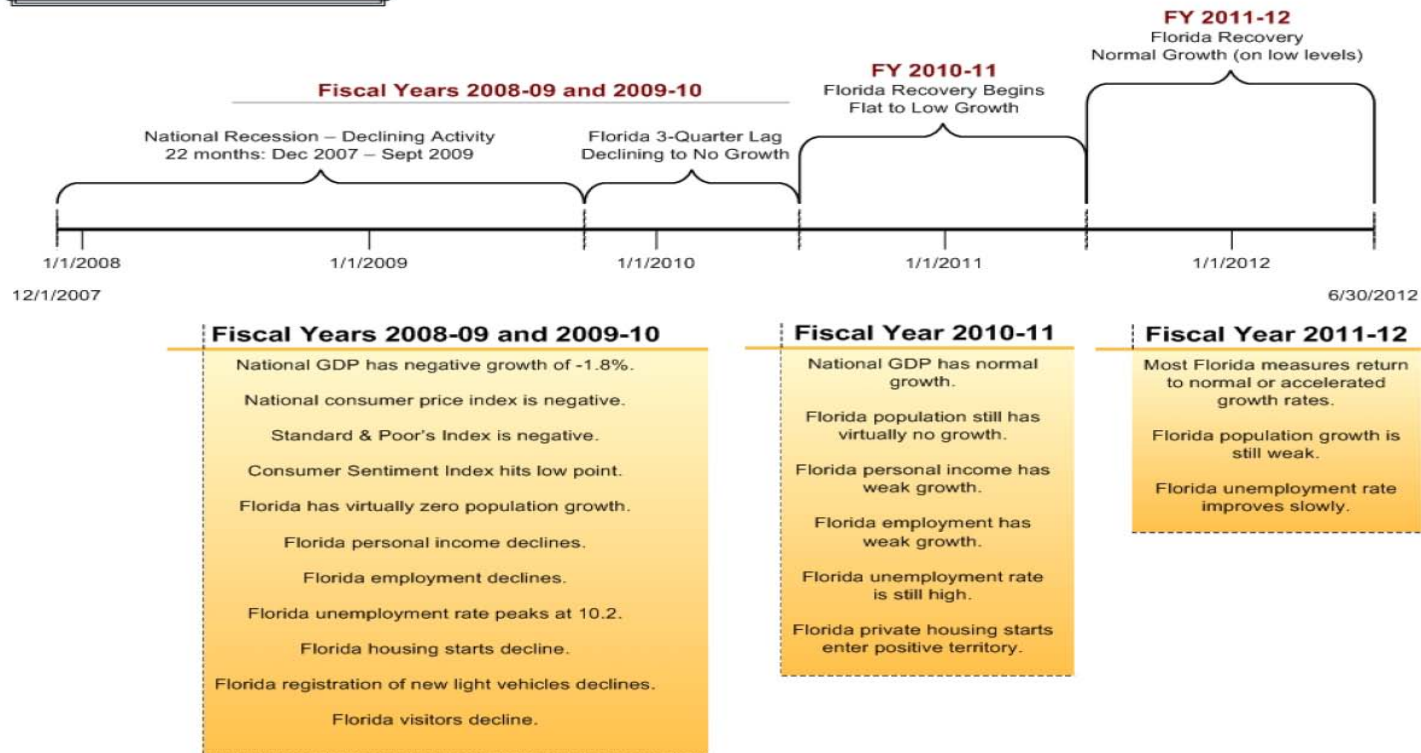
- ◉ **Most monies are directed to the states, not local governments**
- ◉ **Significant portion devoted to Florida Department of Transportation**
 - **Local impact: US 19 fly-over from north of Whitney Road to north of State Road 60**
 - **Stimulus covers \$45M of total \$132M cost**

Federal Stimulus Package

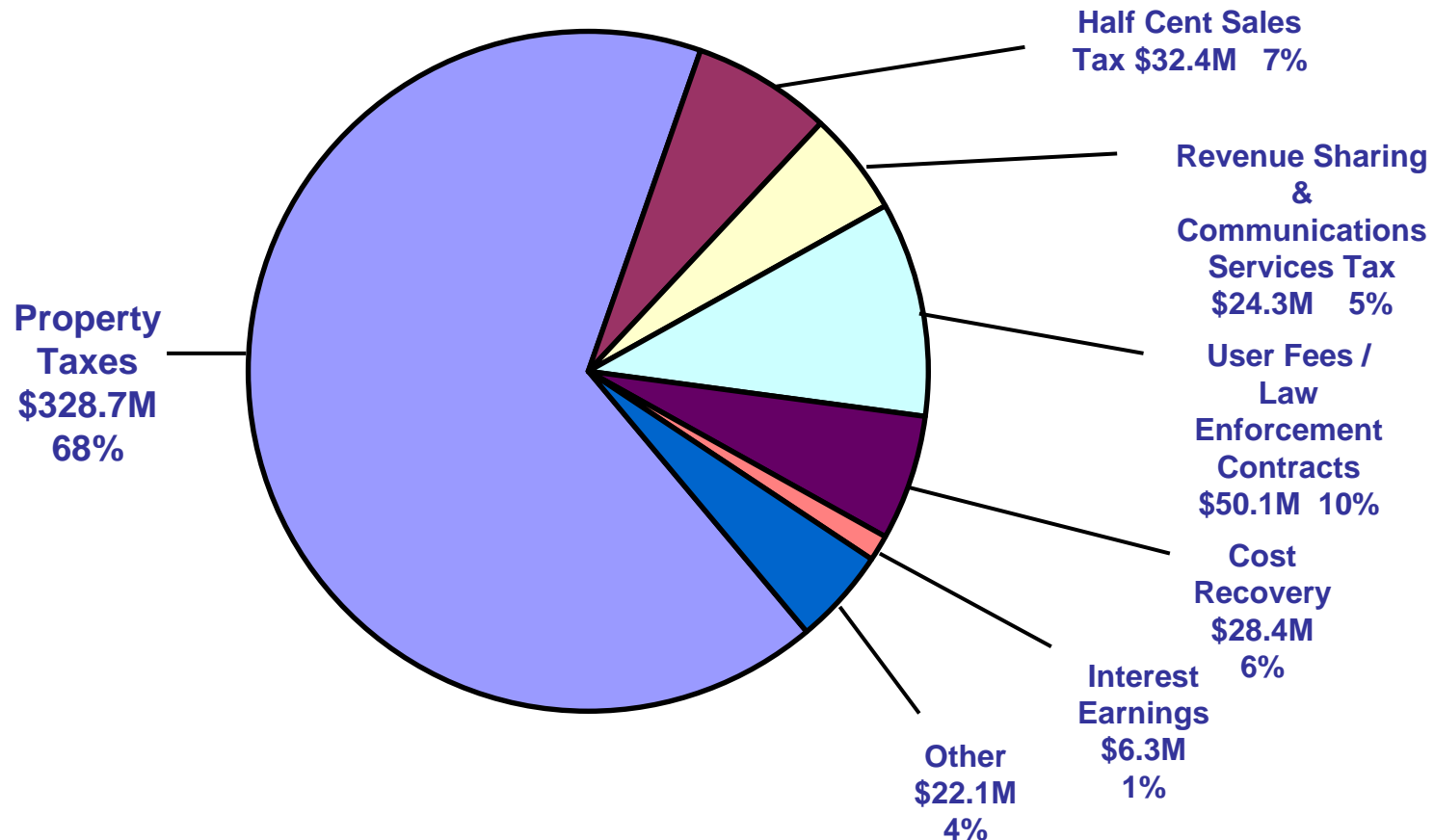
- ◉ **Pinellas County has applied for \$18M for various projects**
- ◉ **Current awards**
 - \$5.4M for airport's terminal renovation project and two passenger loading bridges
 - \$155K to add staff to the mobile medical unit to increase the number of indigent patients seen annually

Florida Recovery Timeline

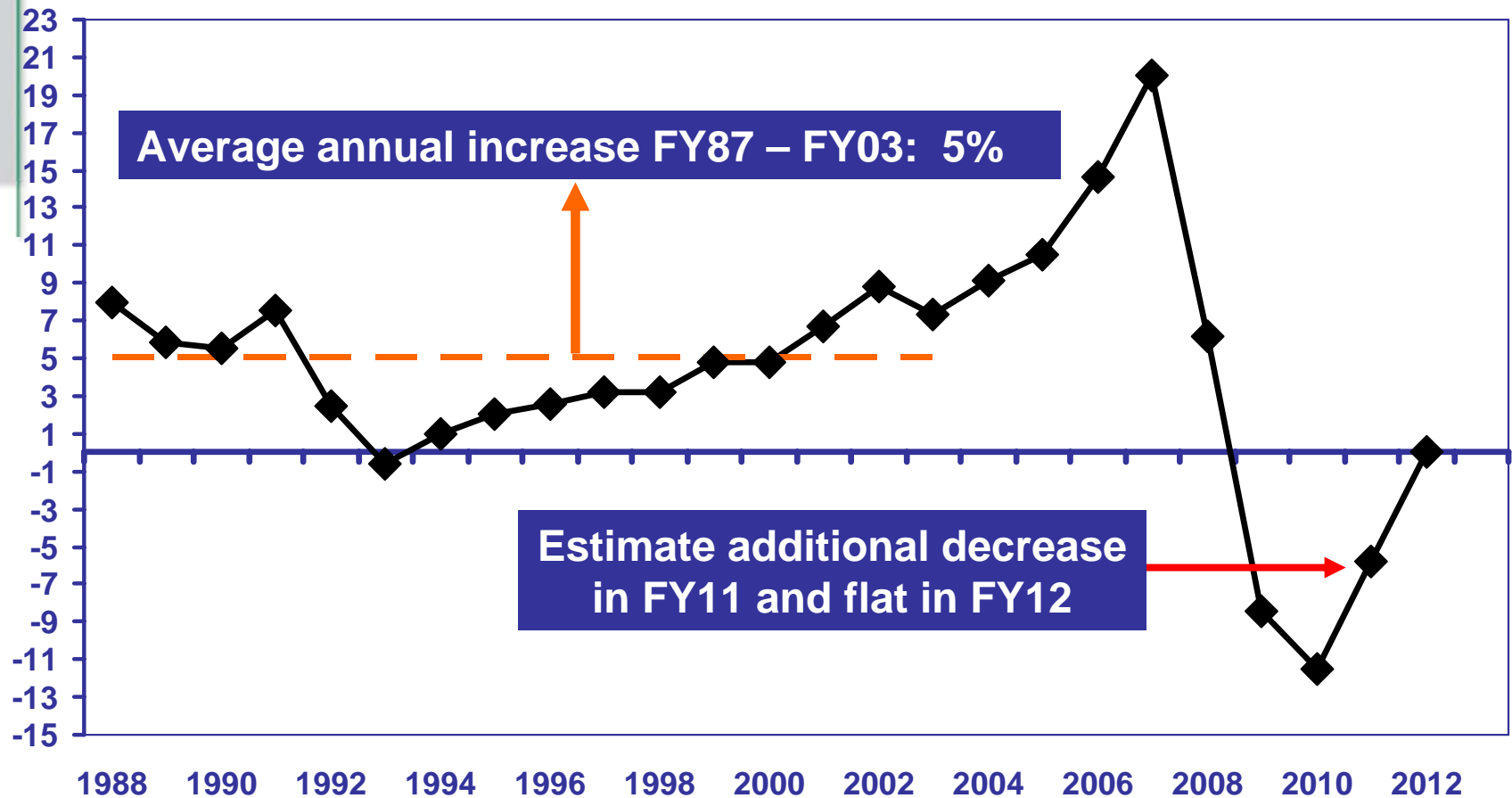
Florida Recovery Timeline Spring 2009 Projections



Property taxes are the largest General Fund revenues source



Countywide Taxable Values Annual Rate of Change



Foreclosure Filings

- **FY11 property tax revenue is built using the 2009 tax roll**
- **Foreclosures continue to be at record levels**

Pinellas County Foreclosure Case Filings Comparison 2006-2009

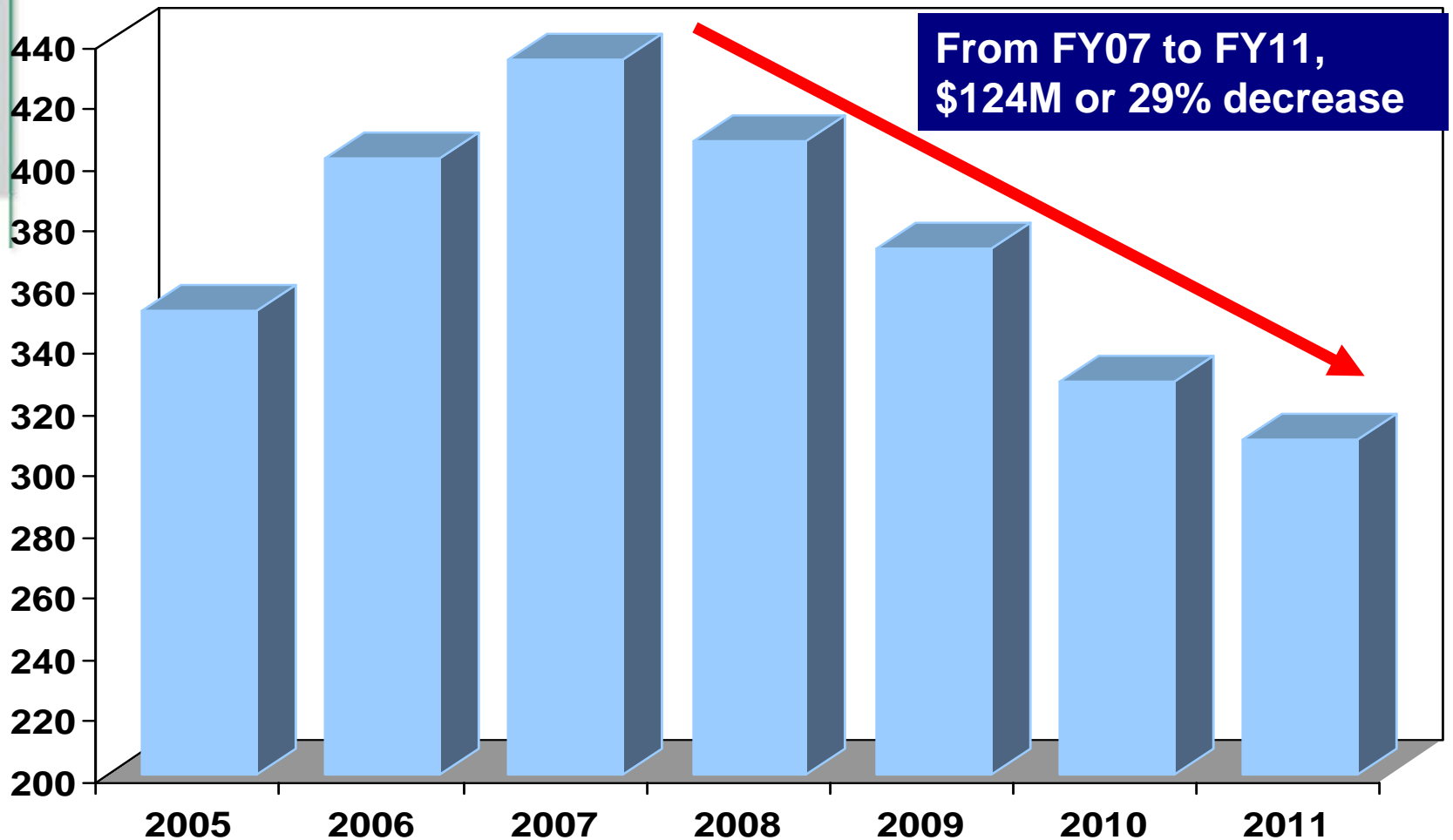
	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	TOTAL
2006	255	253	315	247	281	259	273	321	324	403	398	369	3,698
2007	506	469	494	513	479	557	650	642	662	899	894	773	7,538
2008	963	1,016	1,035	1,134	1,118	1,112	1,086	999	1,295	1,390	969	1,198	13,315
2009	1,263	1,284	1,420	1407	1,275								6,649

Taxable Values by Property Type

- ◉ **Residential and Condominia values may continue to be impacted by the high number of foreclosures**
- ◉ **Commercial property values may decrease further in the coming year**

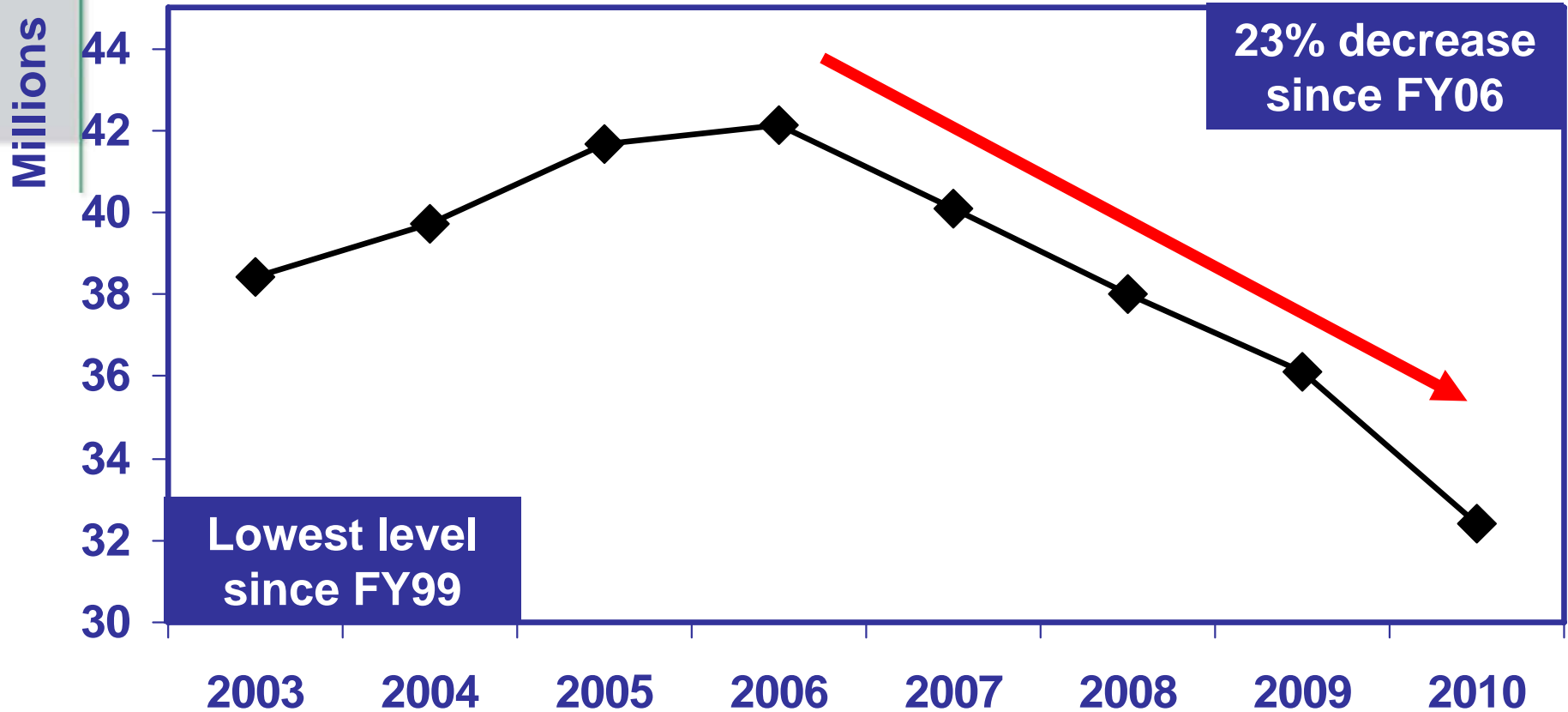
Single Family Residential	-10.2%
Condominia	-18.6%
Commercial	-9.3%
Industrial	-6.7%

General Fund Property Tax Revenue (FY05-FY11) in millions

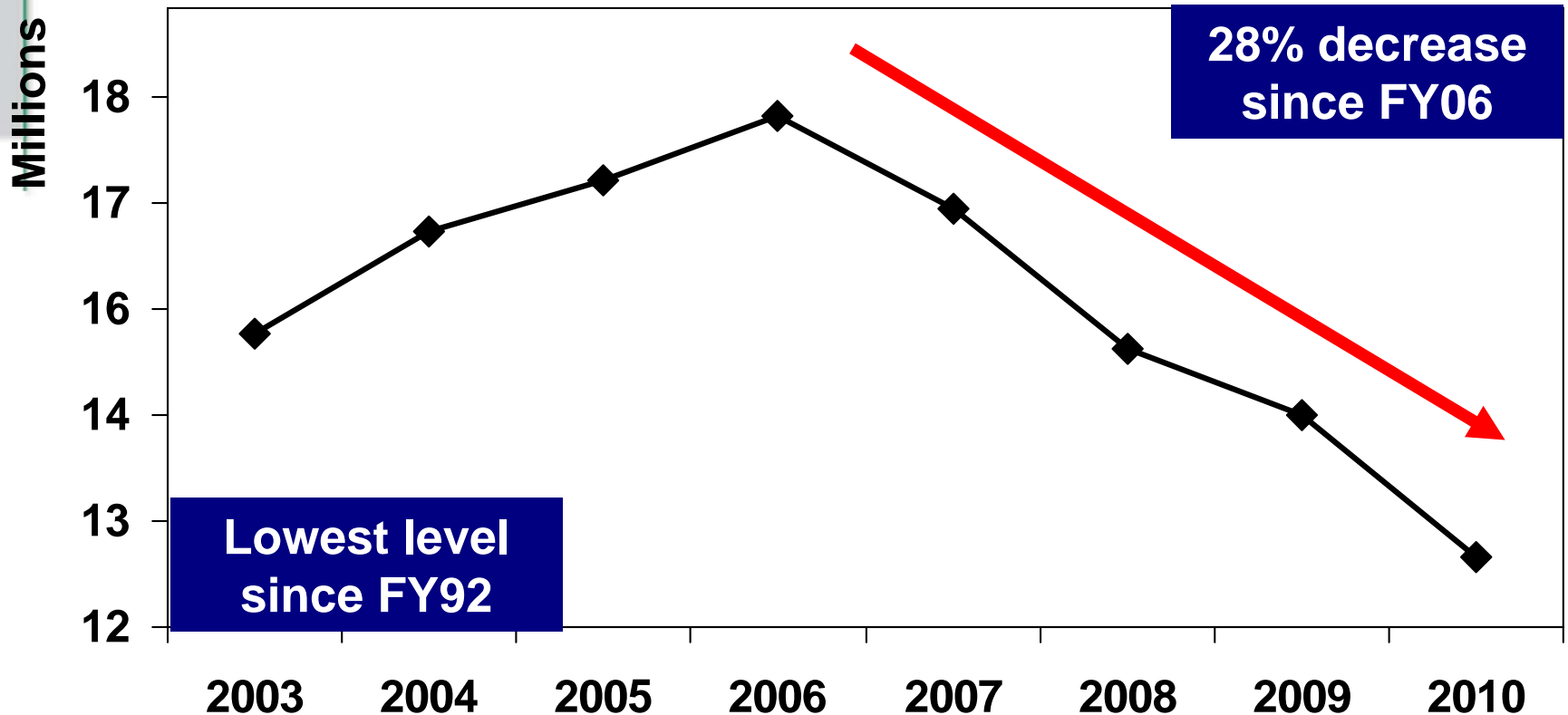


Note: FY11 amount is based on preliminary estimate of -6%

Half-Cent Sales Tax (FY03-FY10)



State Revenue Sharing (FY03-FY10)



Other Revenues

○ 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
necessary over a two year period**

Power of the Forecast

- **Valuable tool that reflects the impact that decisions made in the present can have on future fiscal capabilities**
 - Ex) adding a new program
 - Ex) approving a new revenue source
- **Helps to identify future challenges, weigh potential options, and craft policy well in advance**
- **Provides transparency to the planning process**

Forecast Assumptions

• Forecast Cycle 1 (FY10-12)

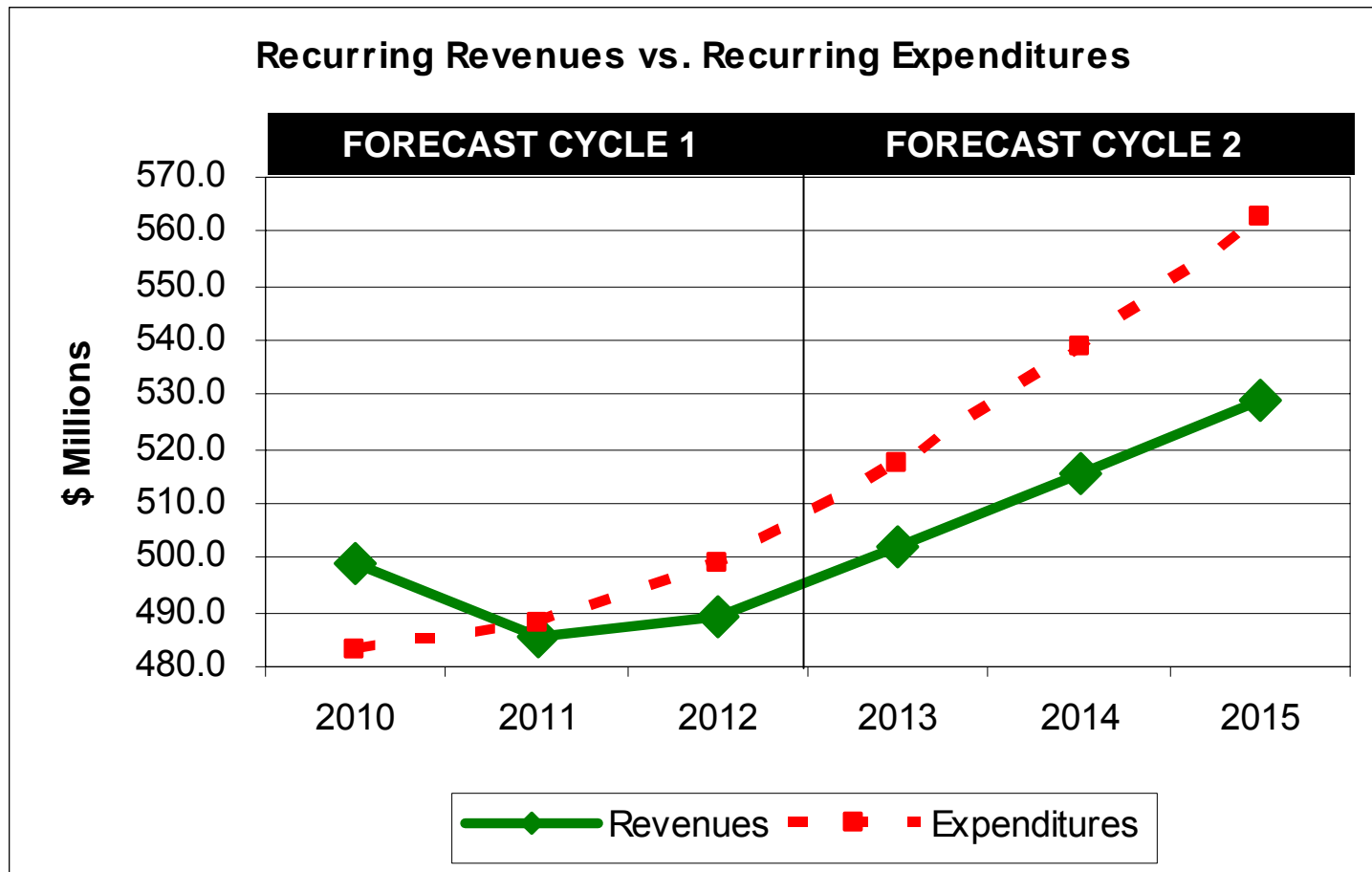
- Revenues: assumes property tax decrease in FY11 and flat growth in FY12
- Expenditures: assumes no merit increases and minimal inflationary adjustments in FY10 and FY11; assumes minimal merit increases and slight cost inflation in FY12

• Forecast Cycle 2 (FY13-15)

- Revenues: assumes moderate growth in revenues
- Expenditures: assumes 0-3% merit increases and normal cost inflation

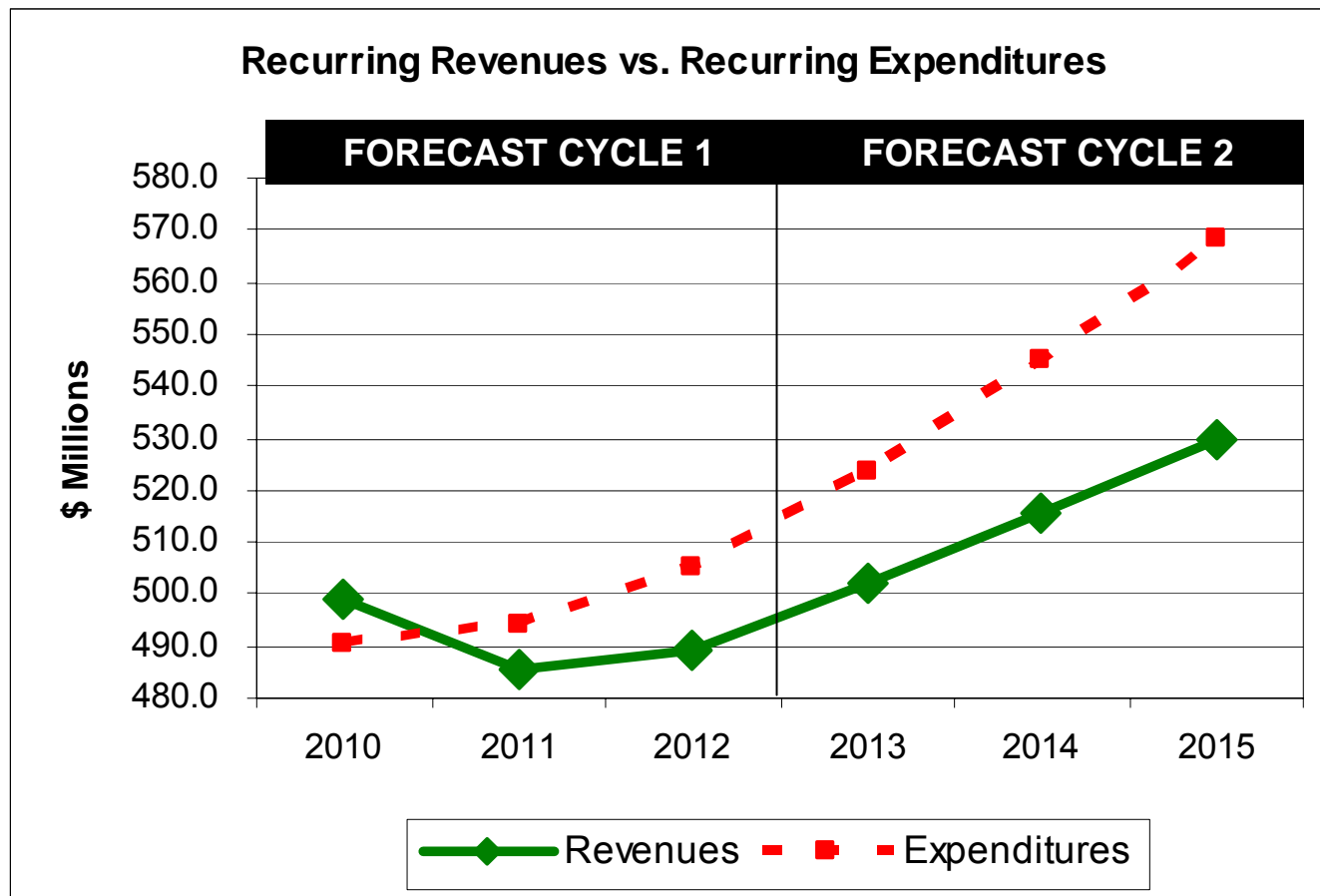
Original Multi-Year Forecast

- FY10 includes **\$15M Service Level Stabilization Account**
- FY10 and FY11 are balanced



Current Multi-Year Forecast

- FY10 includes **\$7.2M Service Level Stabilization Account**
- FY11 is not balanced; additional reductions or revenue will be necessary



Forecast Results

- **By not hitting target of \$85M (\$7.8M short)**
 - FY11 will not be in balance
 - Current gap of \$7.8M is anticipated to grow to **\$10.2M** in FY11 due to inflationary adjustments
- **Even a smaller basket of services is not sustainable over the six-year period**
 - Continually need to adjust revenues and/or expenditures to balance annually

Power of the Forecast

- ◉ **Valuable tool that reflects the impact that decisions made in the present can have on future fiscal capabilities**
 - Ex) adding a new program
 - Ex) approving a new revenue source
- ◉ **Helps to identify future challenges, weigh potential options, and craft policy well in advance**
- ◉ **Provides transparency to the planning process**

Service Level Stabilization Account

- **FY10 budget includes \$7.2M in Service Level Stabilization Account**
 - \$7.2M amount is less than the original \$15M target
- **Represents reductions taken in FY10 over and above what is necessary to balance the budget in anticipation of further reductions in FY11**
- **One-time funding source that can help bolster the budget in case revenues are worse than forecast**

Potential New Impacts

- **Potential new impacts approved by the Legislature for state-wide referendum on the November, 2010 ballot**
 - 5% cap on assessments for non-homesteaded property (currently 10%)
 - 25% exemption to homeowners who previously have not owned a home in Florida in the last 8 years (up to \$100K)
- **Ongoing potential budget pressure on the State**
 - Future unfunded mandates
 - Funding formulas for:
 - Half-cent sales tax
 - Local government revenue sharing
 - Gas taxes



Budget Targets

FY09 Target Strategy

- **Slow spending in FY09**
 - Freeze hiring, operating equipment purchases, non-essential travel
- **FY09 projection target of 97%**
 - Estimated FY09 revenue loss = \$12M
 - 2% expenditure savings over normal 1% will generate approximately \$12M

FY10 Target Strategy

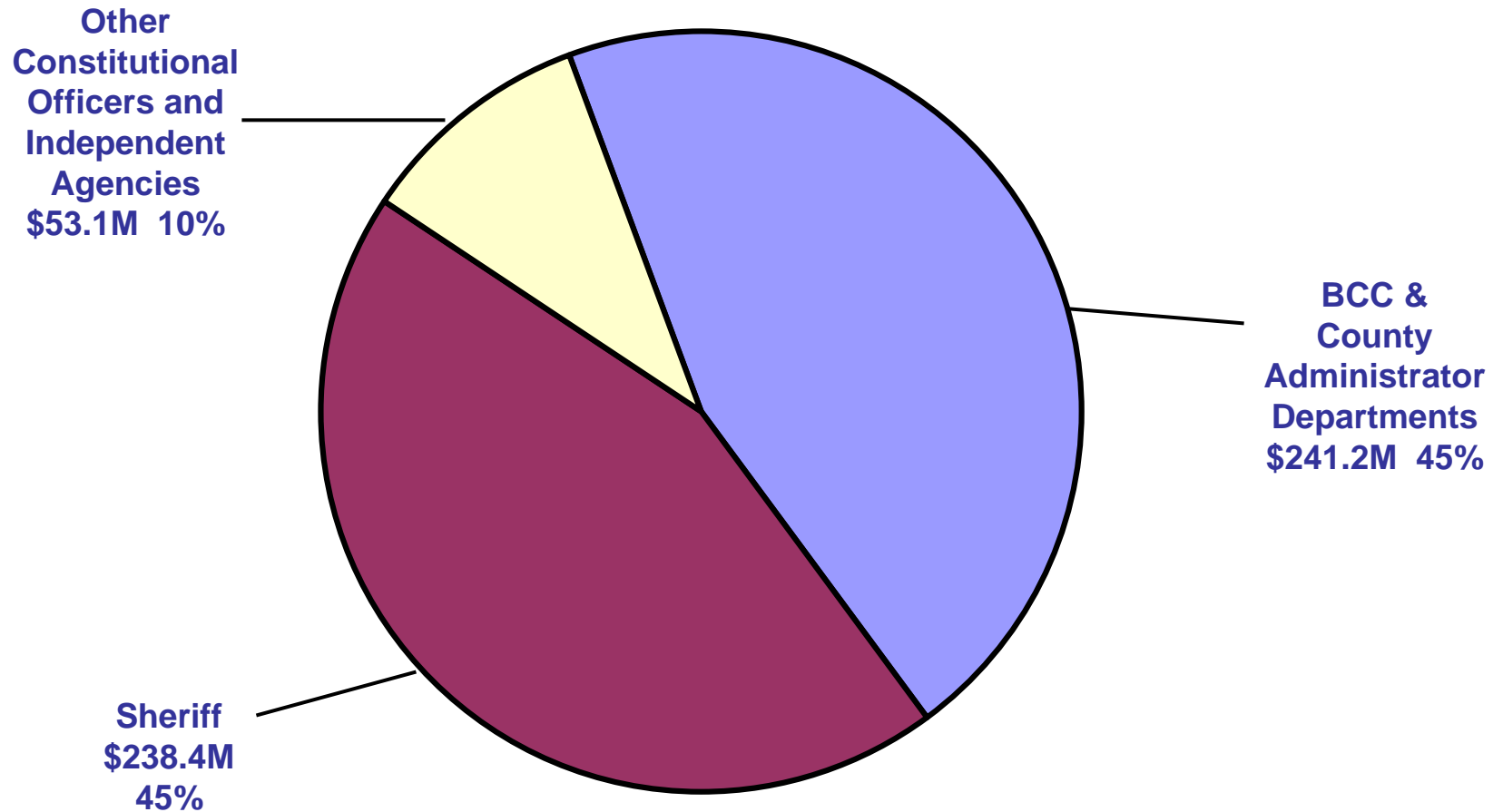
- **In the General Fund, seek the equivalent of a two-year reduction in FY10 to avoid or mitigate the disruption of further cuts in FY11**
 - Assumes reduction needed of \$70M in FY10 and \$15M in FY11
- **Benefits of making reductions in advance include:**
 - Stabilizing the organization—reduce anxiety about further cuts and focus on transformation processes and optimizing remaining programs
 - Allows for more holistic view of reductions versus only seeing an incremental part of reductions

Reduction Targets

- Overall impact to the General Fund budget estimated at **\$85M**
- Targets allocated proportionately between BCC departments and Constitutional Officers & Independent Agencies

General Fund Target	%	\$
BCC Departments	45%	\$38M
Constitutionals & Independents	55%	\$47M
Total	100%	\$85M

General Fund Expenditures



Note: Expenditures net of reserves

Reduction Targets – Other Funds

- **Ad valorem supported funds**

- Submit budgets that can be supported by their revenue streams including significant property tax revenue decreases in FY10 and FY11

- **Utilities**

- Water operating expenditures to be reduced 8% in FY09 and kept at that level in the FY10 budget
- Sewer operating expenditures to be reduced 10% in FY09 and kept at that level in the FY10 budget

- **Tourist Development Fund**

- FY09 expenditure target of 11% and FY10 budget target of 20% less than the FY09 budget



Reductions Process

Community Outreach

- **Received input at three 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
- **Over 500 attendees**

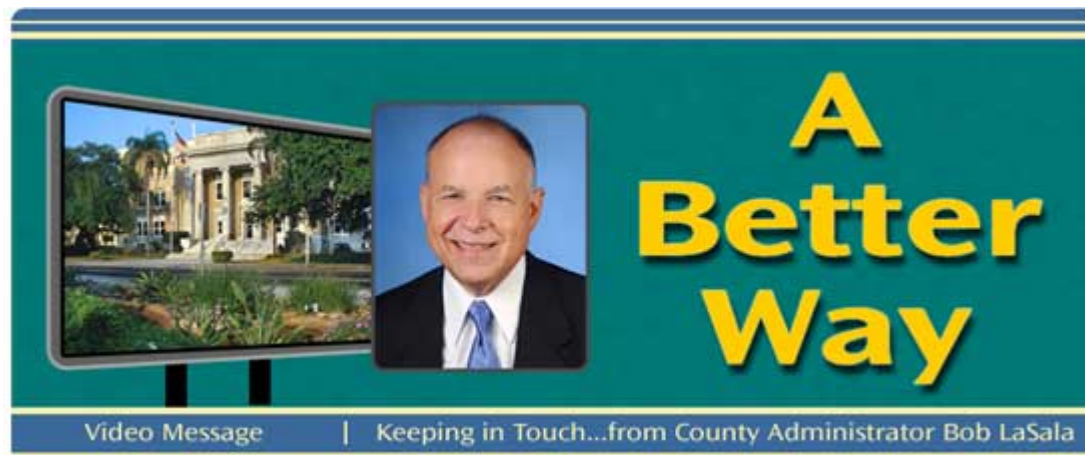
Citizen Suggestions

- **Citizen input through County's website**
 - **Submit suggestions**
 - 131 (March to June)
 - **Sign up for budget news**
 - 1,500 signed up over last three years
 - **Link to Citizens' Guide to the Budget website**
 - 67,000 hits since January



Employee Suggestions

- **New website: “A Better Way”**
 - **Employee suggestions for cost-saving and revenue ideas**
 - 819 received to date (January through June)
 - **Keep in touch with employees regarding latest budget information**



[Submit Employee
Suggestions Here](#)



Cost-Saving and Revenue Ideas

- **Two teams were formed to review:**
 - **Cost-saving ideas**
 - **Revenue ideas**
- **Made up of directors and other key staff**
- **Turn ideas into actionable options to help offset reductions**

Cost Saving Ideas

- ◉ Energy and water conservation projects
- ◉ Consolidation of procurement functions
- ◉ Printer and fax optimization
- ◉ Cell phone utilization
- ◉ Mowing responsibilities in right-of-way (ROW)
- ◉ Consolidation of communication functions
- ◉ Fleet optimization

Revenue Ideas

- ◉ **Ft. DeSoto admission charge**
- ◉ **Fred Howard Park admission charge**
- ◉ **Beach Access parking**
- ◉ **Local Business / Occupational tax**
- ◉ **Admission fees for Florida Botanical Gardens, County Extension, and Heritage Village**
- ◉ **Additional Article V fee for facilities costs**

Considerations for Reductions

- ◉ **Should the County be doing this?**
- ◉ **What is the impact to the community?**
- ◉ **What happens if this is eliminated?**
- ◉ **Can we reduce the service level and still have a viable program?**
- ◉ **Is this program sustainable given future revenue constraints?**
- ◉ **Is there a related potential negative economic impact from this reduction?**
- ◉ **Is the service level reduction consistent with BCC priorities?**



Reductions Overview

Reductions Process for BCC Departments

- Potential reductions submitted totaling 30% of department budgets
- Reviewed and prioritized list of potential reductions to achieve overall reductions equal to \$38M target for BCC departments
- Individual departments experienced reductions that are more or less than 20% to reach the overall target

Proposed Reductions: BCC Departments

- Reductions meeting the \$38M target have been identified for the BCC departments
- Reduction details are included in Exhibit C to the Budget Message
 - Format shows the reduction in a programmatic format and the anticipated impact of the reduction
- The following slides are sorted by Strategic Focus Area (SFA) and highlight some of the key reductions

Proposed BCC Budget Reductions by Fund

GENERAL FUND and BDRS Fund	REDUCTION	FULL-TIME POSITIONS
General Fund - Recurring	\$37.3M	245
Building & Development Review Services Fund 0230*	\$1.5M	23
General Fund - Non-Recurring (One Time)	\$6.6M	0
OTHER FUNDS	REDUCTION	FULL-TIME POSITIONS
SHIP Fund 0210	\$4.5M	5
Community Housing Trust Fund 0229	\$2.1M	0
Emergency Communications 9-1-1 System Fund 0225	\$42K	0
Emergency Medical Service Fund 0206	\$5.6M	4
Fire Districts Fund 0250	\$188K	1
County Transportation Trust Fund 0201	\$3.7M	29
Risk Financing Fund 0605	\$925K	7
Fleet Management Fund 0602	\$2.3M	11
Tourist Development Fund 0240	\$4.2M	4
Utilities Service Fund 0560	\$7.8M	45
Total	\$76.7M	374

Note: BDRS Fund 0230 recently created from the General Fund

Strategic Focus Area: Economic Development, Redevelopment, & Housing



SFA: Economic Development, Redevelopment, & Housing

Reduction Summary by Department

Department	Reduction	%	Full-Time Positions
Building & Development Review Services-Fund 0230	\$1.5M	23%	23
Community Development	\$5.7M	81%	5
Community Development-Fund 0210	\$4.5M	58%	5
Community Development-Fund 0229	\$2.1M	40%	0
Economic Development	\$387K	20%	2
Planning	\$517K	15%	8
Tourist Develop. Council-Fund 0240	\$4.2M	17%	4
Total	\$18.9M	28%	47

SFA: Economic Development, Redevelopment, & Housing

Building & Development Review Services

- **Building Inspection program**
 - Next day inspections may not be possible
 - Implemented multi-disciplinary inspectors to increase number of inspections per day
 - Eliminate inspection appointments and move to 4 hour window for expected inspection times
 - Plan review time will increase from 5-10 days to 20-30 days
- **Permitting & Customer Service program**
 - Walk-in customers response time to increase from a few minutes to about 1 hour
 - All contractors will be required to call inspection requests using the automated system. No staff available to accept calls.
 - Permits turnaround time could increase by 33%

SFA: Economic Development, Redevelopment, & Housing

Building & Development Review Services continued

- Site Plan Review program
 - Site plan review anticipated to increase from 21 days to 27 days
- Habitat program
 - Tree permit inspections will increase from 2 days to 8-10 days

Community Development

- County Connection Centers program
 - Elimination of in-depth customer service to 12,000 citizens annually
- Housing Trust Fund Contribution program
 - Elimination of one-time contribution of scheduled \$5M to the Housing Finance Authority for distribution to participating jurisdictions, including the County

SFA: Economic Development, Redevelopment, & Housing

Economic Development

- **Business Assistance program**
 - Reduction of the number of business assistance partnerships from 8 to 3 – face to face contacts with small businesses will decrease by over 1,000 per year
- **Business Attraction program**
 - 30% reduction in capacity to assist firms considering relocation to Pinellas County – may result in 30 fewer relocation prospects and 250 to 500 fewer new high wage jobs annually

Strategic Focus Area: Effective Government



SFA: Effective Government

Reduction Summary by Department

Department	Reduction	%	Full-Time Positions
Communications	\$738K	27%	9
County Administrator	\$415K	22%	4
County Attorney	\$395K	7%	3
Fleet Management-Fund 0602	\$2.3M	21%	11
General Government	\$2.6M	22%	0
Management & Budget	\$197K	19%	2
Purchasing	\$219K	14%	3
Real Estate Management	\$4.8M	18%	35
Risk Management-Fund 0605	\$525K	29%	7
Risk Management-(Liab./WC/Insur.)	\$400K	3%	0
Total	\$12.6M	16%	74

SFA: Effective Government

Communications

- **Television & Video Services program**
 - Reduction in informative and educational television programs
 - Good Business Pinellas (8 shows annually); Inside Pinellas (15 shows monthly)
- **Public Information, Education, & Outreach program**
 - Place primary focus on County's website

County Administrator's Office

- Eliminate 4 positions (Asst. Co. Adm., Mgr. Intergovernmental Relations, and 2 support staff)

Fleet Management

- **Maintenance & Repair/Fuel programs**
 - Resize program in proportion to reductions in the overall fleet size
 - Eliminate 2.5 positions due to implementation of automated fuel system and reduce fuel budget in proportion to reductions in the overall fleet size

SFA: Effective Government

General Government

- **Other Post-Employment Benefits (OPEB) program**
 - Reduce County's partial contribution from \$4M to \$2M
- **East Lake Community Library program**
 - Reduce annual contribution for operating support of the library by 20%

Purchasing

- **Purchasing/Procurement program**
 - Reduce program due to reductions in overall procurement activity while absorbing additional workload from functional consolidation with Public Works and Utilities
 - Eliminate position providing in-house vendor notification and contract with a third party vendor to post bids and bid addenda to the Internet

SFA: Effective Government

Risk Management

- **Employee Safety program**
 - Resize program in proportion to reductions in County workforce

Real Estate Management

- **Facility Operations & Maintenance program**
 - Resize program to minimum level necessary to support current and future assets
 - Requests for service will be triaged to prioritize critical requests
 - Non-critical requests will be responded to within 48-72 hours
- **Lease Management & Real Property program**
 - Customer support to the public for applications to release or vacate property rights will be reduced to statutory support levels
 - Applicants may need to seek private professional service assistance

Strategic Focus Area: Environment, Open Spaces, Recreation & Culture



SFA: Environment, Open Spaces, Recreation & Culture

Reduction Summary by Department

Department	Reduction	%	Full-Time Positions
Culture, Education, & Leisure	\$6.0M	28%	71
CEL-Cultural Affairs	\$1.4M	63%	4
CEL-Heritage Village	\$440K	48%	7
CEL-Extension	\$547K	22%	8
CEL-Parks & Recreation	\$3.6M	24%	52
Environmental Management	\$2.6M	25%	33
Total	\$8.6M	28%	104

SFA: Environment, Open Spaces, Recreation & Culture

Culture, Education, & Leisure: Cultural Affairs

- **Cultural Grants program**
 - Cultural development grant awards to 31 non-profit organizations will be reduced by 83%
 - Cultural tourism grant awards to 13 organizations will be reduced by 53%
- **Public Art & Design program**
 - Eliminates program and all new public art projects

SFA: Environment, Open Spaces, Recreation & Culture

Culture, Education, & Leisure: Heritage Village

- **General Visitor Experience program**
 - Reduce hours by closing to the public on Tuesday
 - Currently closed on Mondays
- **Program Participant program**
 - Elimination of facility rentals, programs, camps, and fee based curriculum
 - Impacts over 3,500 program participants and results in \$44,000 revenue loss due to reductions in staff levels
 - Ex) Living history camps, Passport Adventures, Saturday Doodle Bugs, pre-school ramblers, home school programs

SFA: Environment, Open Spaces, Recreation & Culture

Culture, Education, & Leisure: Extension

- 4-H Youth Development program
 - Eliminate over 125 programs per year on youth life skill development impacting over 5,400 youth
- Family & Consumer Services program
 - Eliminate over 130 programs per year impacting over 7,000 participants
 - Ex) Senior health and nutrition, diabetes prevention, train the trainer for health and nutrition

SFA: Environment, Open Spaces, Recreation & Culture

Culture, Education, & Leisure: Parks & Recreation

- **Landscape Services program**
 - Reduce mowing cycles from 26 to 17 annually
 - Reduce tree pruning frequency from 4 times to 2 times a year
- **Facility Management program**
 - Reduce availability of less popular restrooms in 15 regional parks from Monday to Friday
 - Reduce power washing of picnic shelters from weekly to monthly
- **Resource Management program**
 - Eliminate all park interpretive programs, which will impact school groups, speaker requests, bus tours, etc.

SFA: Environment, Open Spaces, Recreation & Culture

Culture, Education, & Leisure: Parks & Recreation

- **Safety & Security program**
 - Rangers will rove between 3-4 regional parks rather than be assigned to single park locations
 - Parks will be closed the day after Thanksgiving and Christmas day
 - Fort DeSoto Park piers will be closed at 11 p.m. instead of open 24 hours

SFA: Environment, Open Spaces, Recreation & Culture

Environmental Management

- **Environmental Lands program**
 - Public access to the preserves, excluding the education centers will be reduced from 7 days to 4 days per week
 - Reduce education center hours from 5 days to 3 days per week
- **Code Enforcement program**
 - Reduce code enforcement to complaint driven model
 - Code officers will no longer patrol neighborhoods for violations
 - Complaint response time reduced from 1 day to 10 days
- **Water & Navigation program**
 - Turnaround time for single family dock permits will increase from 14 to 28 working days

Strategic Focus Area: Health & Human Services



SFA: Health & Human Services

Reduction Summary by Department

Department	Reduction	%	Full-Time Positions
Health & Human Services	\$10.8M	19%	14
Total	\$10.8M	19%	14

SFA: Health & Human Services

Health & Human Services

- **Social Support program**
 - 40% reduction in funding for community non-profit organizations – reduce service delivery and ability to leverage other funding
- **Health Care Services program**
 - Elimination of evening Mobile Medical Unit – reduced access of care for 1,200 uninsured working poor
 - \$3.8M reduction in health care – impacting ability to leverage funds and those needing specialty and inpatient care
- **Homeless Services program**
 - Elimination of one-time funding for Pinellas Hope

Strategic Focus Area: Public Safety



SFA: Public Safety

Reduction Summary by Department

Department	Reduction	%	Full-Time Positions
Animal Services	\$817K	16%	13
Public Safety Services	\$1.0M	18%	1
Public Safety Services-Fund 0206	\$5.6M	7%	4
Public Safety Services-Fund 0225	\$42K	1%	0
Public Safety Services-Fund 0250	\$188K	35%	1
Emergency Mgmt.	\$257K	24%	2
Justice & Consumer Services	\$928K	22%	3
Total	\$8.8M	8%	24

SFA: Public Safety

Animal Services

● Animal Shelter program

- Reduction of holding periods for stray or lost pets from 5 to 3 days
- Less staff results in 25% reduction in spay and neuters
- Reduced hours on Saturdays from 9 a.m. to 4 p.m. to 9 a.m. to 1 p.m.
 - Open 9 a.m. to 6 p.m. on Monday, Tuesday, Wednesday, Friday
 - Closed Thursday and Sunday

● Field Enforcement program

- Only respond to high priority calls
 - Anonymous calls (unless involving animal cruelty or imminent threat) will no longer receive a physical response

SFA: Public Safety

Emergency Management

- **Comprehensive Emergency Management Plan (CEMP) program**
 - Disaster planning will be a lower priority, delaying full development of these plans for up to 2 years
 - No funding to enhance shelter operations
 - Ex) Portable air conditioning units, water filtration units, cots/bedding, evacuee registration and tracking system, etc.

SFA: Public Safety

Justice & Consumer Services

- **Consumer Protection program**
 - Limit proactive initiatives to major consumer problem areas indicated by multiple complaints
- **Drug Court program**
 - County supported substance abuse services will be reduced
 - Impacted areas could include juvenile or adult services and could include residential or outpatient services
 - Reductions are partially offset by new grant funding of \$300K

Public Safety Services

- **EMS / Fire Dispatch program**
 - Eliminate 9-1-1 public education
- **EMS First Responders program**
 - Eliminates 24 hour security for EMS Facility

Strategic Focus Area: Transportation, Utilities, & Stormwater



SFA: Transportation, Utilities, & Stormwater

Reduction Summary by Department

Department	Reduction	%	Full-Time Positions
Public Works	\$5.6M	25%	37
Public Works-Fund 0201	\$3.7M	12%	29
Utilities: Water-Fund 0560	\$3.2M	6%	23
Utilities: Sewer-Fund 0560	\$4.6M	7%	22
Total	\$17.1M	10%	111

SFA: Transportation, Utilities, & Stormwater

Public Works

- **Transportation CIP program**
 - **Eliminate the MSTU Local Paving and Sidewalk improvement program**
 - **The highest priority roadways have been improved since program inception in 2003**
- **Roadway Landscaping & Beautification program**
 - **Eliminate new median landscaping installations**
 - **Reduce maintenance cycles for existing locations from 15 to 12 cycles annually**
- **Residential Traffic Management program**
 - **Reduce new traffic control device installations in neighborhoods from 7 to 2 per year (received 60 RTM requests in FY08)**

SFA: Transportation, Utilities, & Stormwater

Utilities: Water System

- **Tampa Bay Water program**
 - Increase in cost of water from Tampa Bay Water of 6.8%
- **Treatment program**
 - Reduction in water quality sampling and monitoring for retail customers including elimination of after hours standby response
- **Engineering / CIP program**
 - Reduction in inspection staff used as customer liaisons during the reclaimed water and Gulf Blvd. construction projects
 - Reduction in project management staff which may affect timely delivery of projects

SFA: Transportation, Utilities, & Stormwater

Utilities: Sewer System

- **Treatment program**
 - Postponement of major maintenance items at both Water Reclaim Facilities resulting in less redundancy
- **Customer Service program**
 - Increase in customer call wait times
 - From 34% to 42% of calls may exceed industry standard of 2 minutes
 - Percentage of abandoned calls expected to increase from 13% to 17%
- **Collection program**
 - Clean out installation program put on hold for next year
 - Cycle times for wastewater pipe cleaned will extend beyond 6 year plan resulting in greater risk of inflow and infiltration into the wastewater collection system

SFA: Transportation, Utilities, & Stormwater

Utilities: Sewer System

- Engineering / CIP program
 - Reduction in inspection staff used as customer liaisons during the reclaimed water and Gulf Blvd. construction projects
 - Reduction in project management staff which may affect timely delivery of projects

FY10 Budget Targets: Independent Agencies

Agency	Target	Submittal	Variance*	% Decr.
Business Techn. Svcs.	23,201,780	23,201,780	0	20%
Human Resources	3,247,840	3,247,840	0	20%
Human Rights	983,540	983,540	0	20%
Medical Examiner	323,670	231,320	(92,350)	43%
Total			(92,350)	20%

- Positive number in variance column means agency did not meet target.
- Negative number in variance column means agency exceeded the target.

Independent Agencies with no General Fund impact

Health Department, Feather Sound Community Services District, Palm Harbor Recreation & Library District, Construction Licensing Board, Pinellas Planning Council, and Public Library Cooperative

FY10 Budget Targets: Constitutionals

Agency	Target	Submittal	Variance*	% Decr.
Sheriff	221,988,010	231,889,740	9,901,730	16%
Tax Collector	18,184,060	17,497,240	(686,820)	23%
Clerk of the Court	10,289,740	10,466,110	176,370	19%
Property Appraiser	8,063,790	9,541,751	1,477,961	5%
Supervisor of Elections	4,711,550	5,435,820	724,270	8%
Judiciary	473,650	481,130	7,480	19%
Public Defender	278,400	348,000	69,600	0%
State Attorney	N/A	N/A	N/A	N/A
Total			11,670,591	16%

- Positive number in variance column means agency did not meet target.
- Negative number in variance column means agency exceeded the target.

Remaining Gap to Meet Target

- ◉ **Constitutionals & Independents are (\$11.6M) short of target**
- ◉ **Updated FY10 Forecast revenues result in additional **\$3.8 M****
- ◉ **Updated budget gap of (\$7.8M)**
 - Results in \$7.2M Service Level Stabilization Account instead of \$15M target
 - The FY11 budget is not in balance
 - Current gap of \$7.8M is anticipated to grow to **\$10.2M** in FY11 due to inflationary adjustments

Position Reductions

- Proposed reductions include **739** position deletions or **12%** of FY09 total positions
- Since FY07 total positions decreased 1,181 positions or **18%**
 - BCC Departments decreased 705 positions or **25%**
 - Constitutionals and Independents decreased 476 positions or **13%**
- Lowest BCC position count since FY88
- Lowest Constitutionals & Indep. position count since FY01

Permanent Full-Time Positions	FY10 Reductions	% of FY09 Total Positions
BCC Departments	(374)	(16%)
Constitutional Officers & Independent Agencies	(365)	(10%)
Total	(739)	(12%)

Revenue Changes

● User Fees

- Move toward full cost recovery for services (direct costs + indirect costs)
 - ex) Building Inspection
 - ex) Development Review
- Proposed user fee increases to result in \$760K more than FY09 budget amount (\$9.9M)
- Fees are paid by users of the service rather than services being subsidized by property taxes
- Doubled Article V fee for facilities costs from \$15 to \$30

● Utilities rate changes

- Water: 8% increase
- Sewer: 5% increase

New Revenues

- **Included in the Proposed Budget, but revenue is not anticipated during FY10 due to timing and offsetting one-time costs**
 - **Ft. DeSoto admission charge**
 - Discussions ongoing with FDOT regarding toll plaza
 - Possible exit fee vs. entrance fee due to stacking issues
 - Estimated \$328K one-time cost for road work & toll booth
 - **Fred Howard Park admission charge**
 - Estimated \$50K one-time cost for road work & toll booth
 - **Beach Access parking**
 - Currently renegotiating contracts with municipalities to seek higher percentage of revenue
 - Potential \$540K one-time cost if County operates
 - **Admission fees for Florida Botanical Gardens, County Extension, and Heritage Village**
 - Pending additional research
 - Admission fee would not have one-time cost
 - Parking fee would have one-time cost of \$220K

EMS/Fire

● First Responders

- Assumes no increase in millage rate per Board direction
 - Due to reductions of 12.1% in taxable values, property tax revenue will decrease by \$2.9M
- Negotiations with First Responders resulted in an overall reduction in funding of \$4.7M
- \$3.2M of one-time revenue necessary to cover costs of the First Responder contracts
- Consultant to be engaged to study the system

● Fire Districts

- Millage rate increases are necessary for several districts to meet requests

Fire District Millage Rates

	FY09 Millage	FY10 Proposed Millage	Variance
Belleair Bluffs	0.8535	2.6430	1.7895
Clearwater	1.8628	1.8628	-
Dunedin	2.0102	2.0102	-
Gandy	1.2072	1.3143	0.1071
Largo	1.9005	2.4769	0.5764
Pinellas Park	2.3675	2.3675	-
Safety Harbor	2.0093	2.4252	0.4159
Tarpon Springs	1.6837	2.3745	0.6908
Seminole	1.9581	1.9581	-
High Point	2.4410	2.7478	0.3068
Tierra Verde	1.3997	1.5000	0.1003
South Pasadena	2.2188	2.2188	-



One-Time Funding (General Fund)

One-Time Revenue

- **One Time Funding =
(Revenues – Expenditures) – Reserve Target**
 - Additional fund balance resulting from recurring revenue in excess of recurring expenditures
 - Over and above the General Fund's 15% reserve
 - Over and above the Service Level Stabilization Account
 - Available amount varies from year to year
 - Not recurring and should be used for one-time purposes consistent with adopted budget policy
 - As budgets get tighter, ability to generate one-time funds is constrained

One-Time Allocations

- **FY10 one-time funding totals \$14.7M**
 - **Justice CCMS project: \$2.7M**
 - Funds the anticipated expenditures for the first year of the project. Additional funding in future years will be needed to complete this project.
 - **BTS Capital Equipment: \$1.5M**
 - Funding for the Capacity Plan to replace aging or obsolete equipment and avoid unanticipated breaks in service
 - \$500K will be appropriated each year for 3 years
 - **Facilities Energy & Conservation projects: \$1.4M**
 - Projects recommended by Progress Energy audit which result in reduced operating and maintenance costs
 - Projects have at least a 3 year payback

One-Time Allocations

- **FY10 one-time funding continued**

- **Homeless initiative: \$1.0M**

- **Paperless initiative: \$300K**

- Expands paperless processes from the Clerk of the Court departments to the BCC and other agencies.

- **Metro Ethernet: \$150K**

- Split \$300K total cost with BTS to migrate from wide-area network to consolidated metro ethernet service provider solution

- Results in higher performance and lower cost

One-Time Allocations

- **FY10 one-time funding continued**
 - **Allocation towards future costs for OPUS (Oracle Project Unified Solution) project and Justice CMMS project: \$7.65M**
 - **Project cost estimates will be available this Fall**
 - **OPUS project**
 - To date, \$7.5M has been budgeted for OPUS
 - Anticipate additional **\$8M** to complete the project
 - **Justice CMMS project**
 - FY10 request is \$2.7M
 - Anticipate additional **\$5M** to complete the project
 - **These funds will be added to reserves in the BTS fund; cannot access without Board approval**



Unincorporated Area (MSTU) Budget

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

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

MSTU Budget

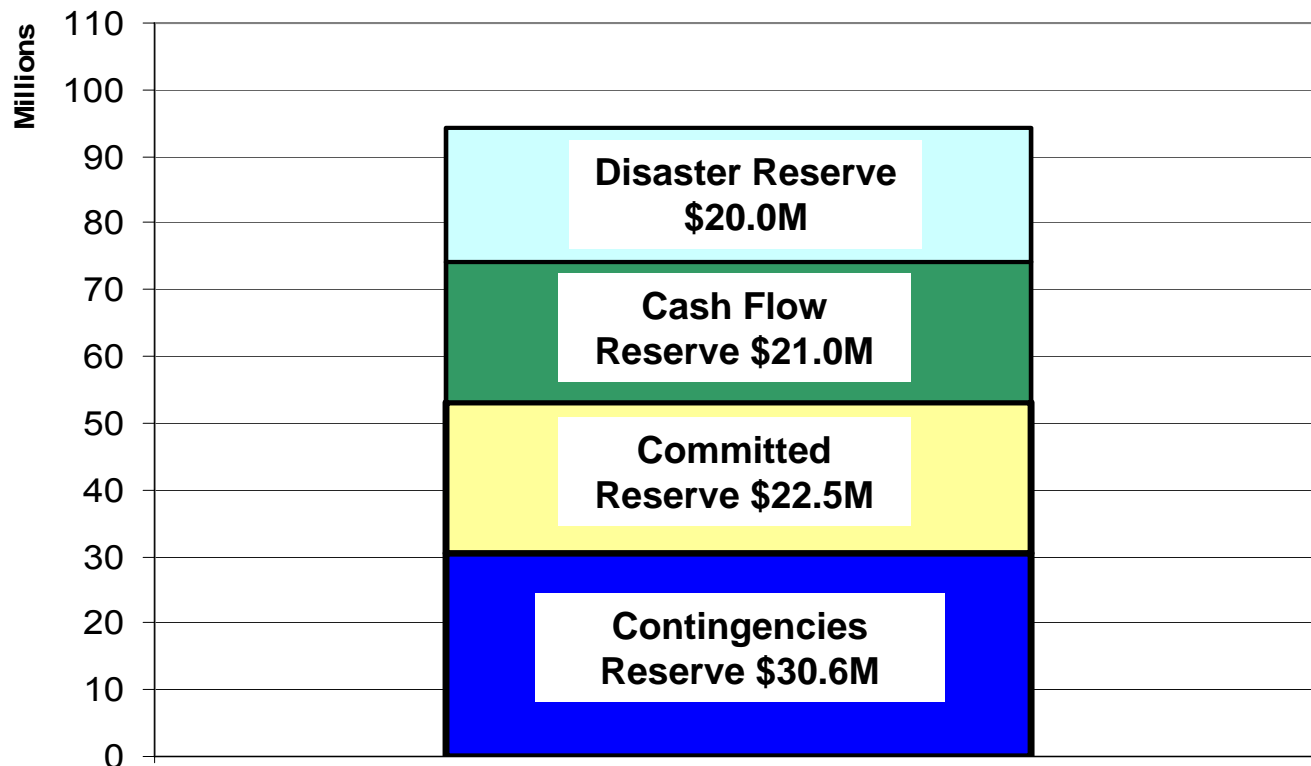
- **Overall revenues decreased \$6.0M or 10.1%**
- **Property taxes represent 61% of total revenues**
 - Ad valorem millage rate remains the same at 2.0857 mills
 - Values decreased 11.0%
 - Revenue decrease of \$3.9M
- **Overall expenditures reduced \$7.2M or 11.9%**
 - Sheriff is 73% of expenditures
 - Reduced 1.9%
 - Other reductions
 - MSTU Road Paving/Sidewalks/ADA program eliminated
 - County Connection Centers eliminated
 - Building inspections, DRS, and Zoning reduced



General Fund Reserve

FY10 General Fund Reserve

- FY10 Reserve of \$94.1M meets 15% target consistent with adopted budget policies**



Components of Reserve

- **Contingencies Reserve: \$30.6M**
 - **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
 - Water/Sewer rate increases
 - Leave payouts for laid off positions

Components of Reserve

- **Committed Reserve: \$22.5M**

- **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: \$21.0M**

- **Necessary to meet cash flow needs (working capital)**

- **Property tax revenue represents 68% of the total revenues and most is not received for at least two months**

Components of Reserve

- **Disaster Reserve: \$20.0M**

- **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**

Costs for Recent Hurricanes

Year	Event	Location	Cost
2004	Hurricane Dennis	Escambia County	\$29M
2004	Hurricane Charley	Charlotte County	\$124M
2004	Hurricane Ivan	Escambia County	\$196M
2005	Hurricane Wilma	Palm Beach County	\$325M
2005	Hurricane Katrina	Miami Dade County	\$1B



Capital Improvement Program

Introduction

- **Change forced by economic realities**
- **Departure from previous direction**
- **Changing Focus (Sustain what we have – cautious development of new assets)**

FY10 to 15 CIP Development

- ◉ The County's multi-year CIP is updated yearly as part of the annual budget process
- ◉ It is subject to change as the needs of the community become more defined and planned projects move closer to final implementation
- ◉ First year of adopted CIP must be balanced and funds legally appropriated
- ◉ Out years reflect a financial and production plan for future capital projects based on anticipated priorities and needs
- ◉ The CIP provides financial and management planning data to determine future operations and maintenance impacts on the County's operating budget

FY10 to 15 CIP Development

- **Overall Goal – Reprioritize and update the proposed six year program to reflect a pay as you go funding approach**
 - **Fiscally conservative – avoids financing costs of current credit market**
 - **A pay as you go plan can be a positive factor in future credit analysis of the County and its long term debt rating**
 - **Provides a deliberative approach to the implementation of projects in accordance with the priorities and needs of the community.**
 - **Specific projects can be considered for stand alone bonding if the priority and cost benefit is warranted.**

CIP Major Revenue Sources

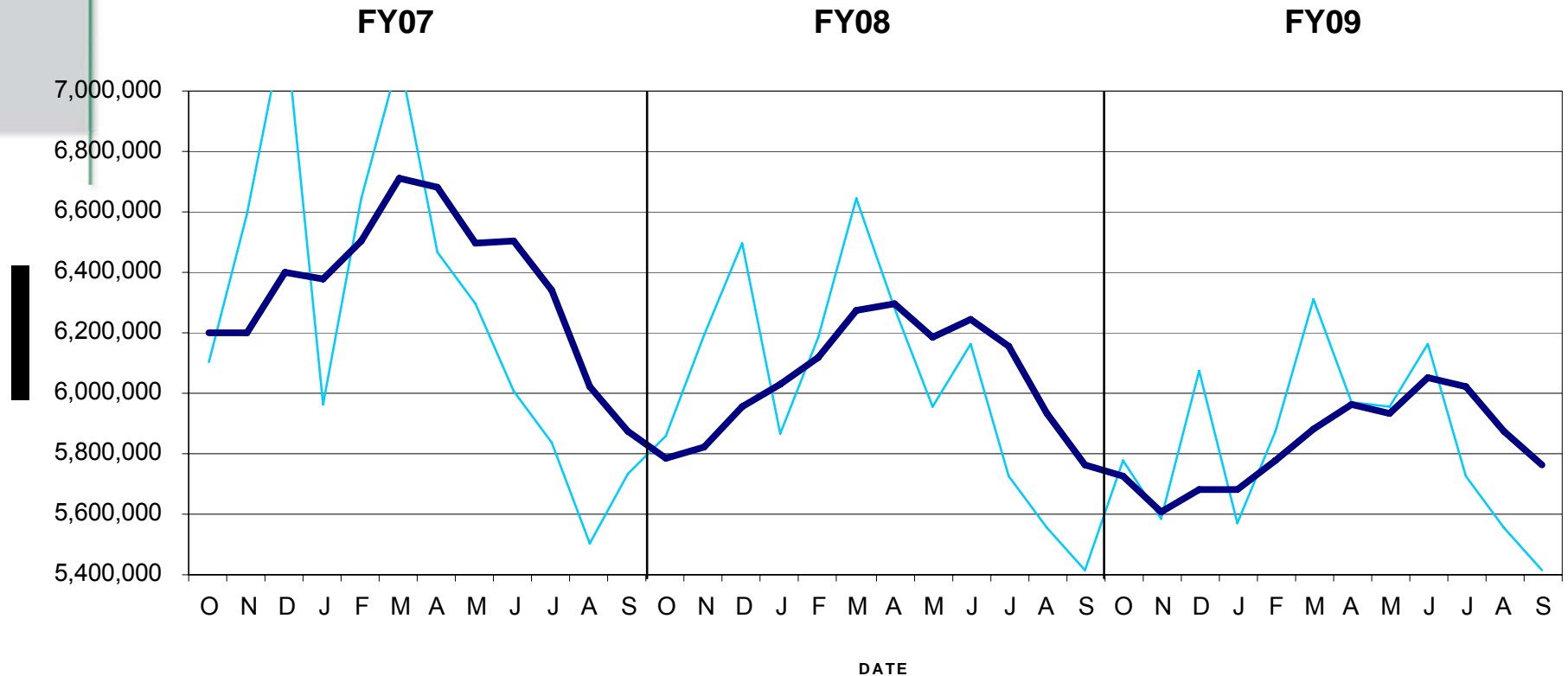
- ◉ Penny for Pinellas
- ◉ Transportation Impact Fees
- ◉ “9th Cent” Gas Tax for Intelligent Transportation System
- ◉ Grants and Reimbursements
- ◉ Tourist Development Tax - ½ Cent
- ◉ Enterprise Funds (Airport & Utilities)

Revenue Outlook

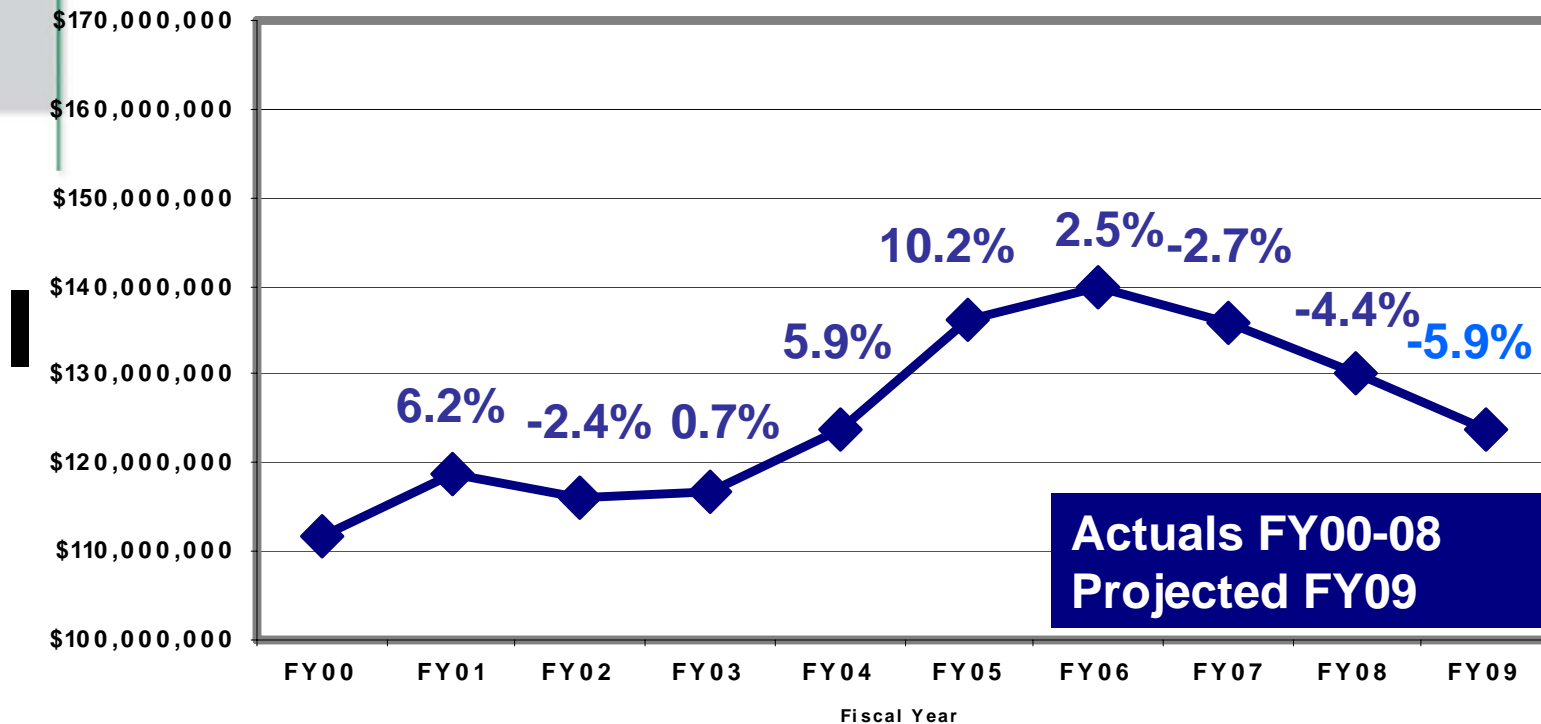
- **Actual revenues lagging current year estimates in almost all categories**

- Penny for Pinellas – projected to be down approximately 6% from last year's actual.
- Transportation Impact Fees – down approximately 50% from previous year
- “9th Cent” Gas Tax for Intelligent Transportation System – Down approximately 3% from previous year
- Tourist Development Tax (Beach Nourishment) and Enterprise Funds (Airport & Utilities) that flow to the CIP are also experiencing revenue issues

Penny Moving Average Trends FY07-FY09



Current Penny Program Total Revenues Annual Trends (2000-2009)



FY10 to 15 CIP Development

- **Penny for Pinellas is the major resource that drives the development of the Governmental CIP**
 - In 2006 total Penny collections yielded approximately \$140 million and were projected to rise to approximately \$160 million in 2010.
 - Due to the severe recession, collections in 2009 are now estimated to fall to the \$125 million level.
 - Revenues in the 2010 to 2020 Penny extension will be affected due to the base year for future projections (2010) dropping from approximately \$160 million to \$127 million.

FY10 to 15 CIP Development

- **Sales Taxes Can Be Volatile**

- **As stated in the 2006 Penny forecast, *“revenue generated by a sales tax is extremely sensitive to economic conditions. Projections are based upon continued economic growth in Pinellas County and is subject to changes in the national economy. Projections may be revised from time to time”.***

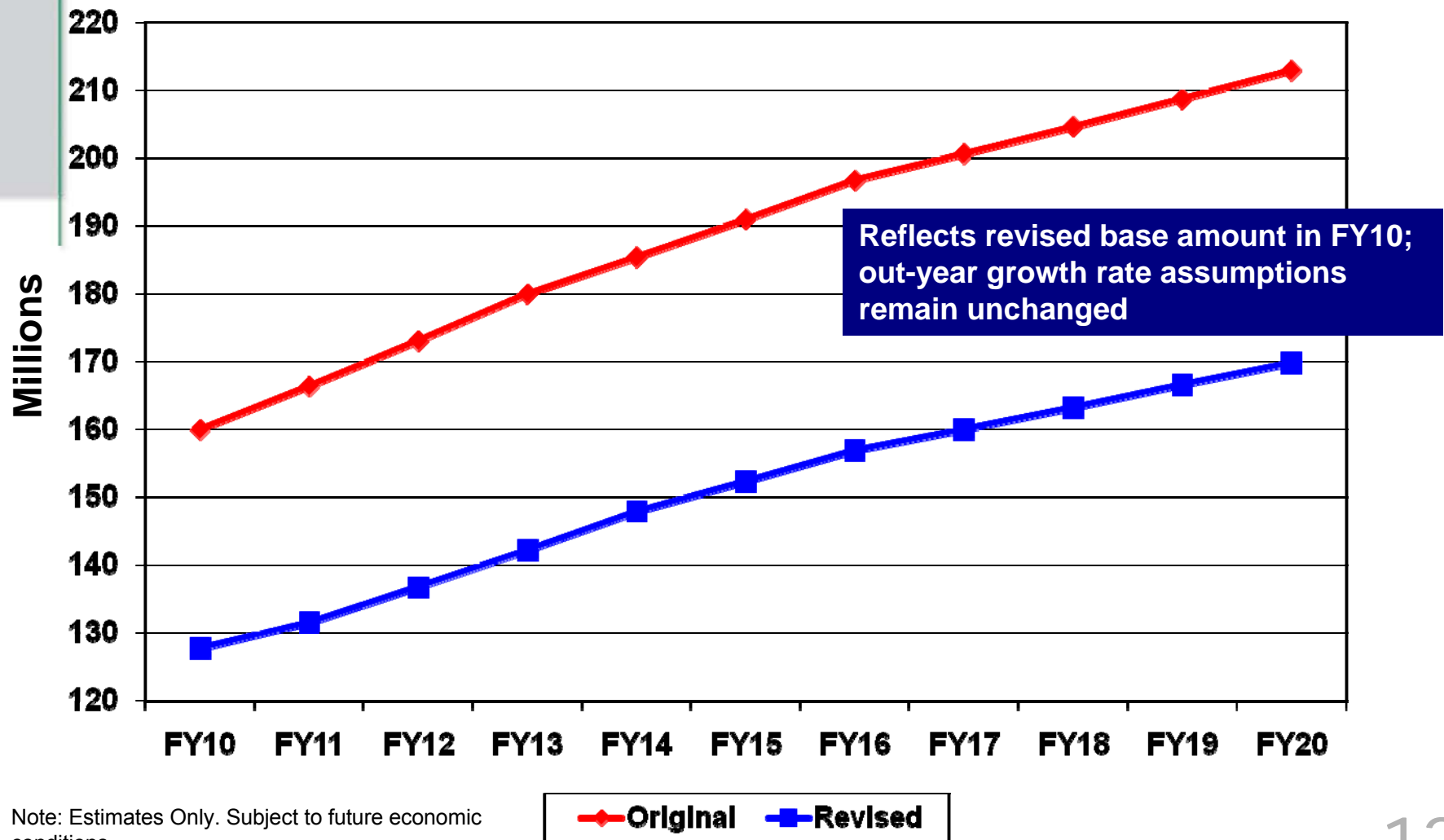
FY10 to 15 CIP Development

- **The Penny 2010 – 2020 potential resources to be available were based on the following assumed growth factors**
 - **FY07-FY13 = 4% (historical growth rate)**
 - **FY14-FY16 = 3%**
 - **FY17-FY20 = 2%**
- **As previously shown, we have instead experienced a contraction in revenues in FY07, FY08, and projected for FY09**

FY10 to 15 CIP Development

- ◉ **Growth rates could certainly recover to historical norms, however, the shrinking of the base year revenue, upon which growth would occur, will most likely affect our revenue streams through the term of the Penny extension from 2010 to 2020**
- ◉ **It is prudent to take steps now to address the new reality**

Difference in Potential Penny Revenue 2010-2020 Penny Program



Revised Revenue Projections 2010-2020 Penny Program

	Original Projection	Revised Projection	Difference
Pinellas County Share	\$898M	\$665M	(\$233M)

Note: Estimate Only. Subject to future economic conditions.

FY10 to 15 CIP Development

- ◉ In light of reduced resources, a review of the current 2010 to 2020 planned allocation of funds to various projects and programs previously approved by the Board in 2006 was undertaken.
- ◉ This is key, as the allocation plan is used as a guide in planning the production and timing of future projects, the distribution of resources, and the limits of our financial capabilities

FY10 to 15 CIP Development

- **The review indicated a need to recommend revisions to the current 2010 to 2020 allocation plan as the new six-year work program moves into year 2010 and beyond. Toward that end Staff has:**
 - **Reviewed and prioritized projects in all areas**
 - **Reviewed project scopes to make projects as cost effective as possible**
 - **Re-examined O&M impact in light of current and future decreases in ad valorem revenue in the operating budget**
 - **Balanced immediate needs within available revenue**

Penny/CIP Prioritization Criteria

- **Public health/life safety impact/benefit**
- **Economic development impact/benefit**
- **Infrastructure renewal replacement need (taking care of what we have)**
- **Direct impact to citizens/public use benefit**
- **Supports BCC Strategic Plan**
- **Future operating & maintenance impact**

FY10 to 15 CIP Development

- **The Proposed Budget includes revised ten-year Penny program allocations to match the updated revenue projections for the Penny**
- **The details of the revised program allocations were presented to the Board at the June 22nd work session**
 - **Details included in the Budget Message of the Proposed Budget**

FY10 to 15 CIP Development

- ◉ **Using the revised Penny Allocation Plan as a basis, the FY10 to 15 Six Year Work Program was developed**
- ◉ **The “Pay As You Go” approach was also a major driver in determining the scheduling of projects in the Proposed Work Plan**

FY10 to 15 CIP- Governmental

Highlights/Proposed Changes to Current Program

Major Projects Scheduled for 2010-2012 Three Year CIP Cycle

- Keystone - US 19 to East Lake
- Bryan Dairy – Starkey to 72nd
- Sand Key Beach Nourishment
- Belleair Causeway Bridge/New Park-Boat Ramp (continuing construction)
- Public Works Emergency Responders Hurricane Hardened Building (continuing construction)
- Tarpon Woods Drainage Improvements
- Lake Seminole Water Quality Alum Injection (continuing construction)
- ITS/ATMS Signal System Expansion (continue implementation)
- Renewal/Replacement Projects (roads/drainage/parks/county buildings, etc.)

FY10 to 15 CIP- Governmental

Highlights/Proposed Changes to Current Program

Major Projects Scheduled for 2010-2012 Three Year CIP Cycle (cont.)

- Dunedin Causeway Bridge Repairs
- Public Safety Facility/Central Communications Center
- Progress Energy Trail Next Phase
- Community Buildings Emergency Shelter Program
- McMullen Booth Road at Drew Street and Enterprise Intersection Improvements
- Antilles & Oakhurst Drainage Improvements
- Bee Branch Drainage Improvements Phase 2
- Bear Creek Drainage Improvements Phase 2
- Curlew Creek Drainage Improvements Phase 2
- The Glades Drainage Improvements
- St. Petersburg Judicial Tower Renewal
- Joe's Creek Greenway Park Next Phase

FY10 to 15 CIP- Governmental

Highlights/Proposed Changes to Current Program

Major Projects Scheduled for Next 2013-2015 Three Year CIP Cycle

- 118th Avenue Expressway
- Jail Facilities Replacement and Expansion
- Gulf Boulevard Streetscape/Undergrounding Improvements
- Affordable Housing Land Assembly Projects
- Park/Starkey – Tyrone to Bryan Dairy Road Widening
- East Lake/Palm Harbor Fire Equipment Replacement
- Pass-A-Grille and Treasure Island Beach Nourishments
- Renewal/Replacement Projects (roads/drainage/parks/county buildings, etc.)

FY10 to 15 CIP- Governmental

Highlights/Proposed Changes to Current Program

Projects Recommended for **Deferral** Based on Penny Allocations Review and Pending any Potential Revenue Recovery

- Art in Public Places Funding
- Heritage Village Interpretive Facility
- Beach Access Land Acquisition & Development
- Boat Ramps/Marinas Land Acquisition & Development
- Community Parks Land Acquisition & Development
- New Community Recreation Buildings
- East Lake/Palm Harbor Library Expansions
- Roadway Beautification Program
- Starkey North, 102nd Ave, Belcher South, Sunset Point, Park Blvd, and 22nd Ave South Road Widenings (rehab/resurface only)
- Ulmerton Road – Local Funding to FDOT

FY10 to 15 CIP- Enterprise

Highlights/Proposed Changes to Current Program

- **St. Petersburg – Clearwater International Airport**
 - No major changes
- **Utilities**
 - Water Blending Facility delayed (To be determined)
 - Reduced funding for Water Distribution Main projects
 - Reclaimed Water Distribution System Completed (no new funding)
 - Waste to Energy Facility Projects – no major changes



Next Steps

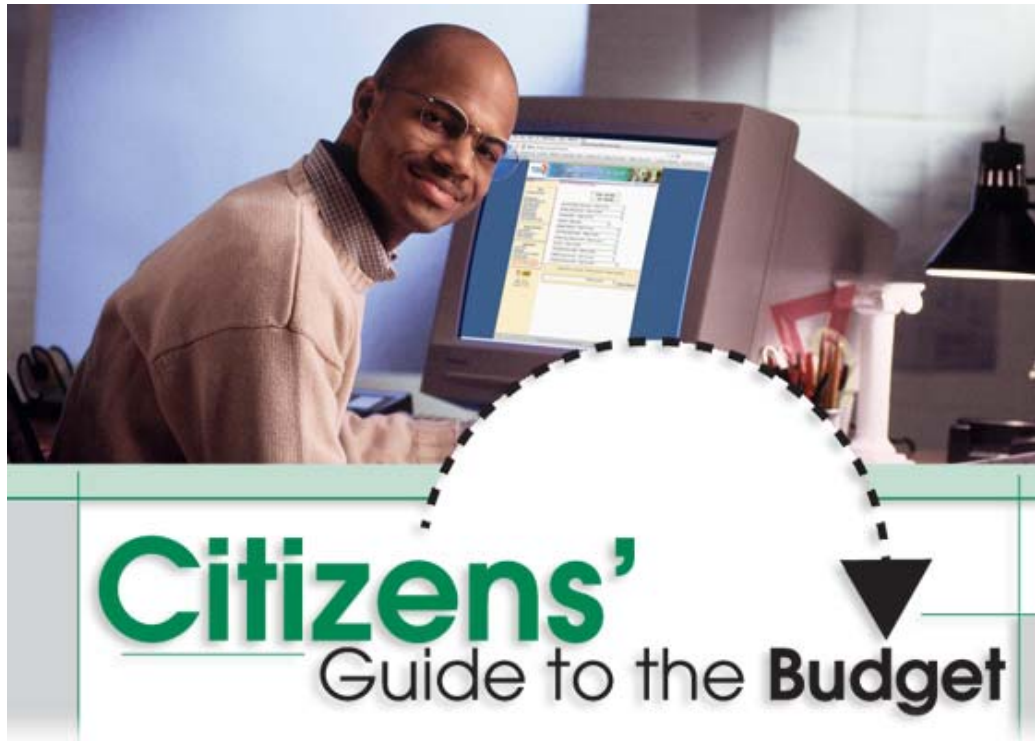
Key Dates

- **July 20th: Board budget information session**
 - Present more detailed information on issues identified by the Board
- **July 28th: Board budget information session**
- **August 4th: Property Appraiser is notified of proposed millage rates**
 - After this date, millage rates cannot be increased but they can be decreased
- **August 24th: TRIM notices mailed by Property Appraiser**
- **Additional budget information sessions can be scheduled in July and August as needed**

Key Dates

- September 8th: 1st Public Hearing
- September 22nd: 2nd Public Hearing and Budget Adoption
- October 1st: Beginning of new fiscal year
- Fall: Strategic Plan update

Information on the Pinellas County Budget



www.pinellascounty.org