



# FY10 Budget Update

June 22, 2009

# Outline

- **Closing the gap**
- **Multi-year General Fund forecast**
- **Next steps**



# Closing the Gap

# 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%	<b>\$38M</b>
Constitutionals & Independents	55%	<b>\$47M</b>
Total	100%	<b>\$85M</b>

# 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

# Community Outreach

- **Received input at 3 Community Meetings**
  - **Tuesday, March 3rd—Palm Harbor University High School**
    - 1900 Omaha Street, Palm Harbor
  - **Monday, March 23<sup>rd</sup>—Osceola High School**
    - 9751 98<sup>th</sup> Street North, Seminole
  - **Thursday, March 26<sup>th</sup>—Gibbs High School**
    - 850 34<sup>th</sup> Street South, St. Petersburg
- **Over 500 attendees**

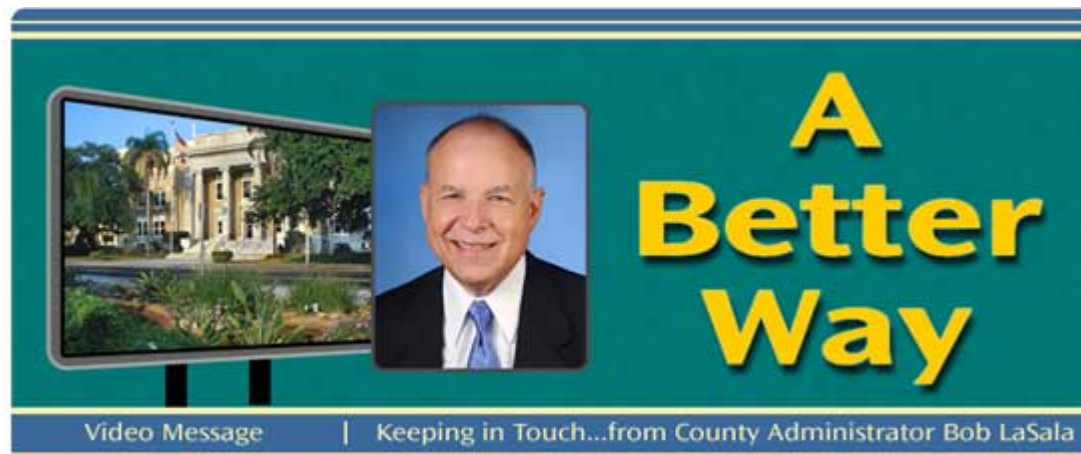
# Citizen Suggestions

- **Citizen input through County's website**
  - **Submit suggestions**
    - 109 (March to April)
  - **Sign up for budget news**
    - 1,497 signed up over last three years
  - **Link to Citizens' Guide to the Budget website**
    - 50,258 hits since January



# Employee Suggestions

- **New website: “A Better Way”**
  - **Employee suggestions for cost-saving and revenue ideas**
    - 791 received to date (January through April)
  - **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**

# 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?**

# FY10 Budget Targets

- BCC Departments have met the **\$38M** target in the General Fund

# Preliminary BCC Budget Reductions by Fund

GENERAL FUND	REDUCTION	FULL-TIME POSITIONS
<b>General Fund - Recurring</b>	<b>\$38.8M</b>	<b>266</b>
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
Emerg. Comm. 9-1-1 System Fund 0225	\$42K	0
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	44
<b>Total</b>	<b>\$71.1M</b>	<b>367</b>

# 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%
<b>Total</b>			<b>(92,350)</b>	<b>20%</b>

- 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
<b>Total</b>			<b>11,670,591</b>	<b>16%</b>

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

# Reduction Targets

- ◉ **Constitutionals & Independents are (\$11.6M) short of the \$47M target**
  - **Constitutionals: (\$11.7M)**
  - **Independents: \$92K**

# Updated FY10 Forecast

- **FY10 Revenue update**

- **The revised Countywide ad valorem estimate of (11.5%) is better than the forecast of (13.5%)**

- **Net increase of \$6.8M**

- **Half-Cent Sales Tax and Local Government Revenue Sharing have decreased more than forecasted**

- **Net decrease of (\$3.0M)**

- **Total impact: additional \$3.8M**



# Updated Budget Gap

- ◉ **Constitutionals & Independents are (\$11.6M) short of target**
- ◉ **Updated FY10 Forecast revenues result in additional \$3.8 M**
- ◉ **Updated budget gap of (\$7.8M)**

# Closing the Gap

- **Revenue options**

- **Millage rate increase of approximately 0.12 to fund the gap of \$7.8M**
- **Potential additional revenue to the Sheriff from the State Department of Corrections of \$7.6M**
  - No agreement currently in place
  - If revenue does not materialize, the Sheriff would have to make additional reductions in FY11
- **Return-on-equity (ROE) from Solid Waste fund**
  - Would likely result in future rate increases

# Closing the Gap

- **Expenditure options**
  - **Pursue additional reductions from Constitutional Officers**
  - **Pursue additional reductions from BCC departments**

# 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**

# 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

# New Revenues

- **Included in the Proposed Budget, but revenue is not anticipated during FY10 due to timing and offsetting one-time costs**
  - **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
  - **Additional Article V fee for facilities costs**
    - Public hearing scheduled for July 7<sup>th</sup> to amend ordinance to double the fee from \$15 to \$30

# EMS/Fire

- **First Responders**

- In negotiations; assumes no increase in millage rate per Board direction
- Long-term solution being pursued

- **Fire Districts**

- Millage rate increases may be needed to fund requests per Special Act



# Multi-Year General Fund Forecast



# Multi-Year Forecast

## ● Forecast Cycle 1 (FY10-12)

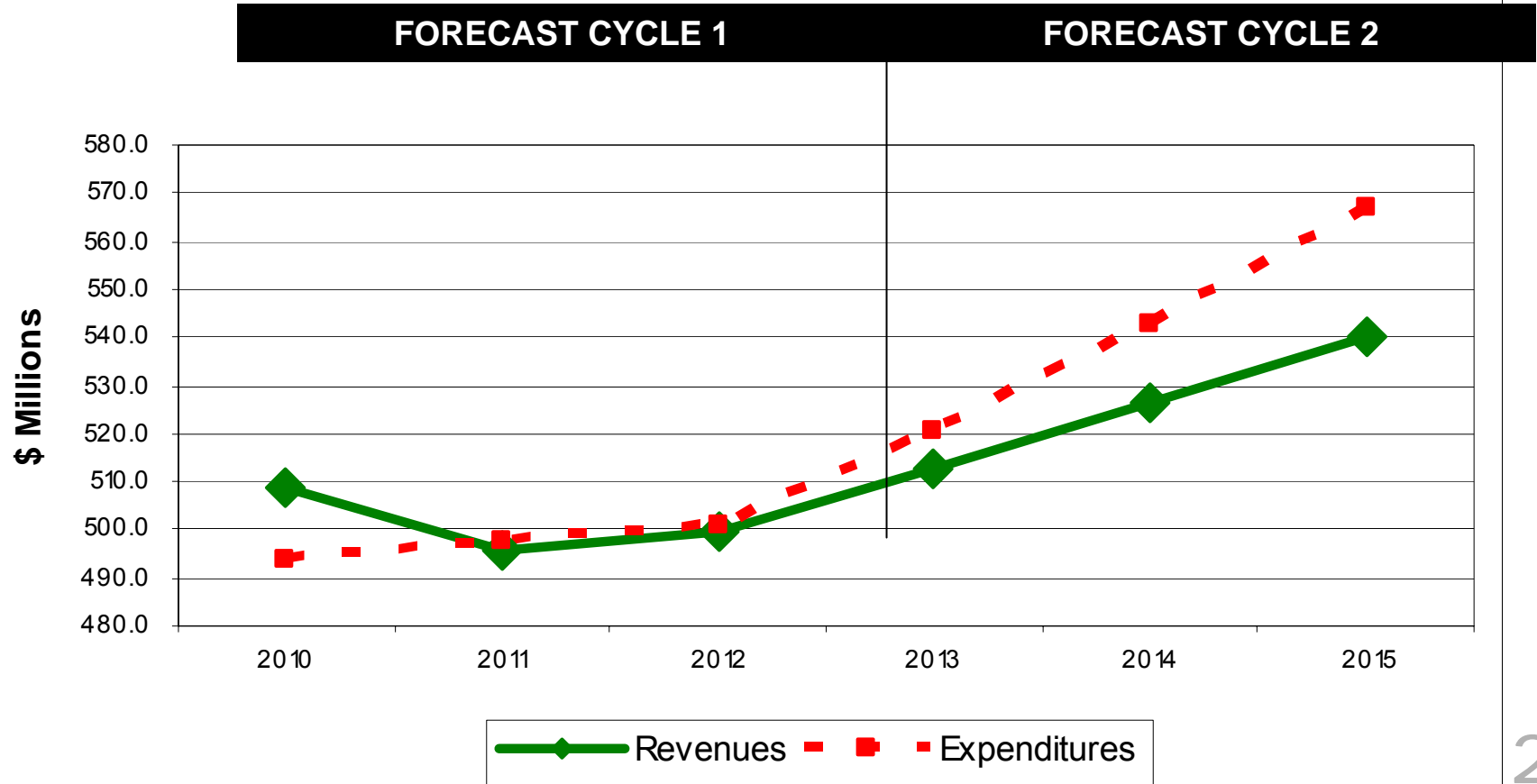
- Assuming the remaining gap is closed in FY10, the next three years are balanced
  - Revenues: assumes property tax decrease in FY11 and flat growth in FY12
  - Expenditures: assumes no merit increases and minimal inflationary adjustments

## ● Forecast Cycle 2 (FY13-15)

- These three years are out of balance
  - Revenues: assumes moderate growth in revenues
  - Expenditures: assumes 0-3% merit increases and normal cost inflation

# Multi-Year Forecast

- Forecast assumes remaining FY10 budget gap is closed
- If budget gap is not closed in FY10, additional reductions will be necessary in FY11



# 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



# Next Steps

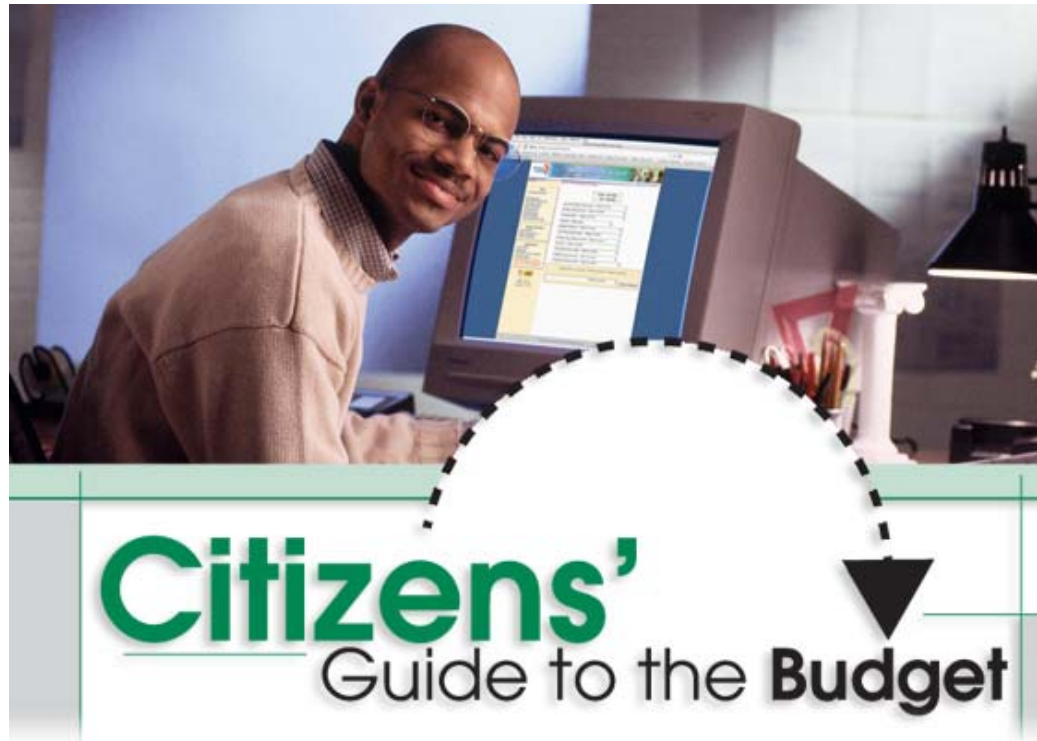
# Key Dates

- **July 14<sup>th</sup>: Proposed Budget presentation**
- **July 28<sup>th</sup>: Board budget information session**
- **August 4<sup>th</sup>: Property Appraiser is notified of proposed millage rates**
  - After this date, millage rates cannot be increased but they can be decreased.
- **August 24<sup>th</sup>: TRIM notices mailed by Property Appraiser**
- **Additional budget information sessions can be scheduled in July and August as needed.**

# Key Dates

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

# Information on the Pinellas County Budget



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