

## PALM HARBOR RECREATION AND LIBRARY DISTRICT

The Palm Harbor Recreation & Library District (PHRLD) is a special taxing district within unincorporated Pinellas County. This special taxing district, formed by the residents of Palm Harbor, was established for the purpose of providing recreation facilities and library facilities and services to the residents of Palm Harbor. These facilities and services are funded by ad valorem taxes. Property owners within the district are levied a separate millage for this purpose. The maximum millage rate that can be levied is 0.5 mills.

### 0281 PALM HARBOR RECREATION AND LIBRARY DISTRICT FUND

#### Library Revenues by Fund / Account

		FY09 Budget	FY09 Projection	FY10 Request
0281	AD VALOREM REVENUES - LIBRARY	892,700	890,290	768,020
	FEDERAL GRANTS	-	102,200	
	STATE GRANTS	-	200,000	-
	RENTS AND SURPLUSES - FRIENDS OF THE LIBRARY	-	100,000	-
	CHARGE FOR SERVICES	3,170	3,170	3,170
	INTEREST EARNINGS	4,660	6,450	7,140
	SUBTOTAL LIBRARY REVENUE	900,530	1,302,110	778,330
	BEGINNING FUND BALANCE	187,750	533,970	421,640
	TOTAL LIBRARY REVENUE & FUND BALANCE	1,088,280	1,836,080	1,199,970

#### Recreation Revenues by Fund / Account

		FY09 Budget	FY09 Projection	FY10 Request
0281	AD VALOREM REVENUES - RECREATION	892,700	890,290	768,020
	CHARGE FOR SERVICES	3,170	3,170	3,170
	INTEREST EARNINGS	3,760	3,360	5,750
	SUBTOTAL RECREATION REVENUE	899,630	896,820	776,940
	BEGINNING FUND BALANCE	149,210	166,020	195,900
	TOTAL RECREATION REVENUE & FUND BALANCE	1,048,840	1,062,840	972,840

#### TOTAL REVENUE & FUND BALANCE

<b>2,137,120</b>	<b>2,898,920</b>	<b>2,172,810</b>
------------------	------------------	------------------

Millage Rate

0.4378

0.4378

#### Department Expenditures by Cost Center

		FY09 Budget	FY09 Projection	FY10 Request
0281	1151000 LIBRARY OPERATIONS	892,700	1,414,440 *	1,019,960
	LIBRARY RESERVES	195,580	-	180,010
	1152000 RECREATION OPERATIONS	892,700	866,940	846,370
	RECREATION RESERVES	156,140	-	126,470
	<b>TOTAL EXPENDITURES</b>	<b>2,137,120</b>	<b>2,281,380</b>	<b>2,172,810</b>
	Less Reserves	-351,720	0	-306,480
	<b>TOTAL EXPENDITURES W/O RESERVES</b>	<b>1,785,400</b>	<b>2,281,380</b>	<b>1,866,330</b>

#### Personnel Summary

Total Permanent Positions

0

0

#### Target Reconciliation

FY09 Projection Target of 97%:

97%

FY10 Budget Request Target:

Not Applicable

\* Includes \$547,500 in non-recurring expenses related to the Library Expansion program. These were not included in the target.

Pinellas County FY10 Budget Development

Major Program Budget Service Level Changes

Palm Harbor Recreation and Library District

<u>Program/Service</u>	<u>Financial Impact</u>	<u>FTE</u>	<u>Result</u>
Library Operations	(\$133,900)	0*	Lay-off two full time staff members (\$62,400). Maintain three frozen part time positions (\$33,000). Salary freeze (\$22,000). Reduced number of books (\$8,700). Reduce IRA contributions to a 1% match (\$7,800)
Recreation Operations	(\$79,000)	0*	Reduction of two full-time positions in Field Maintenance and Recreation divisions respectively (\$58,000). Reduction of 1,500 total part time hours (\$13,000). Reduce simple IRA contribution to 1% (\$8,000).
Total	(\$212,900)	0	

\* The district employs their own personnel.

## Pinellas County FY10 Budget Development

### Budget Summary Analysis

#### **SFA: Environment, Open Spaces, Recreation, and Culture**

#### **Department: Palm Harbor Recreation and Library District**

#### **Fund 0281 – Palm Harbor Recreation and Library Fund**

- The FY09 Projection meets the 97% target. The FY09 Projection is \$1,733,800 or 97% of the FY09 Budget. This projection does not include \$547,500 in one-time expenditures related to the Library Expansion program.
- The FY10 Request target is not applicable. The District is funded from a separate property tax levy and at the current millage rate of 0.4378 mills will experience a reduction 13.5% in ad valorem collections. The rate may need to be adjusted depending on the actual certified taxable values provided by the Property Appraiser.
  - To meet the reduction target for FY10, the Library Division will reduce its staff, freeze positions, freeze salaries, reduce collections, and reduce IRA contributions. The total reductions equal \$133,900.
  - The Recreation Division will reduce two full-time positions, eliminate 1,500 part time hours, and reduce IRA contributions. The total reductions equal \$79,000. Recreation will collect \$40,000 in additional revenue from increased user fees. These new fees will not be reflected in the County's figures but will be reflected as part of their revenues directly to the district.
  - Palm Harbor Recreation and Library District (PHRLD) requests the imposition of the maximum 0.5 mill tax levy (0.25 Library and 0.25 Recreation) for the residents within the Palm Harbor District. The maximum millage rate would generate \$218,220 more than the current millage rate of 0.4378 mills. This millage is levied only against the residents of the district and does not affect the overall countywide millage. PHRLD receives no General Fund support as a special district.
  - Comparing FY09 to FY10, the increase of 4.3% in FY10 is a reflection of the District's request to appropriate some of their reserves into their operating budget. Without this appropriation of reserves, the FY10 request would be \$330,290 less which would be 14% less than the FY09 Adopted Budget. Without this appropriation, Library reserves would be 36% of their budget instead of the requested 15% and Recreation reserves would be 21% of their budget instead of the requested 13%. Requested FY10 reserve levels are within recommended budgetary guidelines.
- The Library completed its expansion and remodeling in December 2008 and held its grand opening in January 2009.

## Pinellas County FY10 Budget Development

### Budget Summary Analysis

#### **Fund 0101 (MSTU) - East Lake Community Library**

- The East Lake Community Library serves residents of Pinellas County in the northeastern unincorporated area. The library is operated by an independent board, receiving monetary support from the Public Library Cooperative and the County General Fund (MSTU portion), and limited administrative support from the Palm Harbor Library District. The staff members at East Lake are not Pinellas County employees.
- General Fund support from unincorporated area (MSTU) revenues was \$200,000 from FY02 through FY06. In FY07, General Fund support was increased by \$116,500 to fund additional staff and programs at the library. In FY08, General Fund support remained unchanged at \$316,500. The FY09 budget included a 10% reduction consistent with the MSTU property tax revenue decrease that reduced this support to \$284,850. For FY10, a reduction of 13.5% to reflect the anticipated decrease in MSTU revenues is projected. This reduces the amount of support for FY10 to \$246,400.

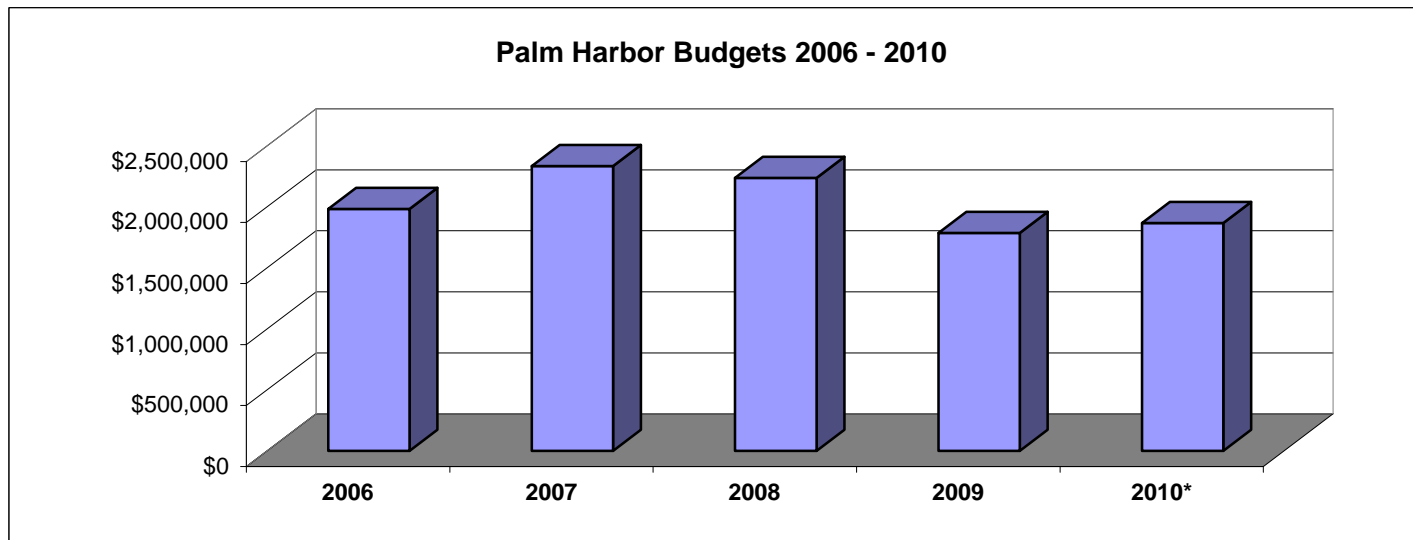
Program	Classification	Description	FY10 Total Program Allocation (\$)	FTE's *	FY10 Total Program Revenue (\$)	Performance Measures	Estimated FY10
Department:	PALM HARBOR RECREATION AND LIBRARY DISTRICT						
Strategic Focus Area:	ENVIRONMENT, OPEN SPACE, RECREATION, AND CULTURE						
Library Operating	Mandatory	Library Services to residents of the Palm Harbor unincorporated community. Amount not to exceed ad valorem revenues collected.	\$1,019,960	0	see note	n/a	n/a
Recreation Operating	Mandatory	Recreation Services to residents of the Palm Harbor unincorporated community. Amount not to exceed ad valorem revenues collected.	\$846,370	0	see note	n/a	n/a
SUBTOTAL - PROGRAMS:			\$1,866,330	0.0			
Library Reserves			\$180,010				
Recreation Reserves			\$126,470				
GRAND TOTALS:			\$2,172,810	0.0			

**NOTE:** This budget is totally supported by a separate property tax levy for the Palm Harbor Recreation and Library District.

## Pinellas County FY10 Budget Development - Growth Trends - 5-Year History

### Palm Harbor Recreation and Library District

Year	Adopted Budget	Increase (Decrease) from Previous Year	Percent Change from Previous Year	Positions	Increase (Decrease) from Previous Year	Percent Staff Change From Previous Year
2006	\$1,981,820	\$280,170	16.5%	0	0	
2007	\$2,333,660	\$351,840	17.8%	0	0	
2008	\$2,236,420	(\$97,240)	-4.2%	0	0	
2009	\$1,785,400	(\$451,020)	-25.3%	0	0	
2010*	\$1,866,330	\$80,930	4.3%	0	0	



\* The budget amounts do not include reserves. However, the increase of 4.3% in FY10 is a reflection of the District's request to appropriate some of their reserves into their operating budget. Without this appropriation of reserves, the FY10 request would be \$330,290 less which would be 14% less than the FY09 Adopted Budget.

**ZIMMET, UNICE & SALZMAN, P.A.**  
**ATTORNEYS AT LAW**

2570 CORAL LANDINGS BOULEVARD  
SUITE 201  
PALM HARBOR, FLORIDA 34684

JEFFREY D. JENSEN  
KEVIN M. MEHLER  
HUONG T. NGUYEN  
ANDREW J. SALZMAN  
T.R. UNICE, JR.\*  
ALAN S. ZIMMET\*\*

Telephone: (727) 723-3772  
Facsimile: (727) 723-1421  
Spring Hill: (352) 683-5040

WEBSITE: [www.zimmetunice.com](http://www.zimmetunice.com)

\*Board Certified in City,  
County and Local Government  
\*\*Board Certified Civil Trial Lawyer  
\*\*American Board of Trial Advocates  
// Certified Circuit Court Mediator

**MEMORANDUM**

TO: Marguerite Smirlis, Chairperson  
Jim Kleymen, Vice-Chairperson  
Arlene Zimmerman, Treasurer  
Drew Valk, Secretary  
John Myers, Director  
Ernie Smith, Director  
Rex Haslam, Director

FROM: Andrew J. Salzman, Esquire

RE: Ad Valorem Taxation

DATE: March 3, 2009

rec'd 4/17.  
4/17/09  
FYE  
CC: Long, Dennis  
Coele/Sabin  
OMB John +  
Chris

Ordinance 85-28, the enacting ordinance creating the Municipal Services Taxing Unit, provided for the levy of up to one-quarter mill ad valorem tax annually for library and for recreation services individually. An Agreement entered into on August 11, 1998, between the Palm Harbor Community Services District and Palm Harbor Community Services Agency provided that the District, which is made up of the Pinellas County Board of County Commissioners, would contract with the Palm Harbor Community Services Agency (Corporation) for the administration and operation of the business affairs of the District. Funding by the District for the year 1998 provided for library services at \$873,490.00 and recreation services in the amount of \$882,800.00. After 1998, the Palm Harbor Community Services Agency was required to submit an annual budget to the Pinellas County Commission setting forth the reasonable and customary cost of providing the services described in the Act (recreation and library). Upon approval of the budget by the Board of County Commissioners, the District would provide monthly pro rata payments to Palm Harbor Community Services Agency at the

00122331.WPD

March 3, 2009

Page 2

---

commencement of the fiscal year. Pursuant to this Agreement, the parties agree that the submission and approval of the budget shall determine the amount of payment by the District to the Corporation (Pinellas County Community Services Agency) for the services to be rendered under the Agreement.

A review of the applicable case law and Attorney General Opinions finds that the Florida Constitution establishes a maximum millage rate for ad valorem taxation but not a minimum millage rate. The language of the referendum creating the quarter mill, by the County, allows for up to a quarter mill in taxation. It appears, based on that language, that the County's actions are permissible. However, the Agency may wish to pursue a writ of mandamus and/or an Attorney General Opinion to clarify this matter.

00122331.WPD