Pinellas County Budget Forecast:

FY2011-2020

Pinellas County, Florida
Office of Management & Budget

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Introduction

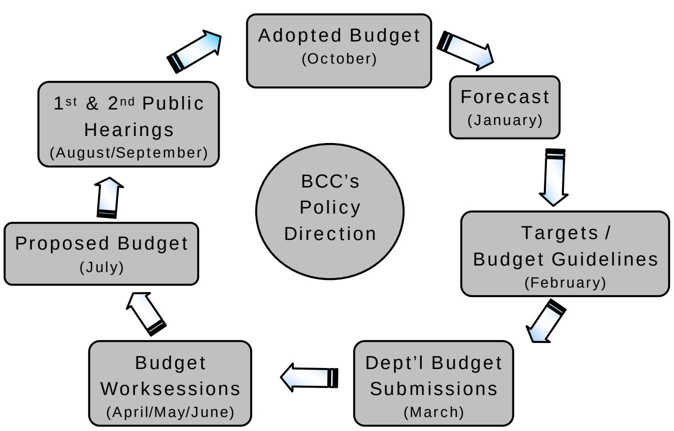
INTRODUCTION

The *Introduction* portion of the Budget Forecast: FY2011-2020 discusses how the Forecast dovetails with the annual budget process, how the Forecast is developed, and how the Forecast can be used as a planning tool to enhance decision making. It includes the following sections:

- Forecasting and the Annual Budget Process
- Developing the Forecast
- The Power of the Forecast
- Using This Document

Forecasting and the Annual Budget Process

The first step in the annual budget process is to update the Forecast in order to develop the budget guidelines for the FY2011 budget process.



Several of the County's key funds are included in the Forecast. Each fund is analyzed individually as part of the forecasting process.

Development of Budget Guidelines

The budget guidelines are developed by County Administration based on the results of the Forecast and policy direction from the Board of County Commissioners. If the results of the Forecast for a given fund indicate a shortfall, the budget guidelines would most likely include some kind of reduction target. If a surplus is expected, the guidelines would most likely include proposals for new or enhanced programs. The budget guidelines are communicated to the County's departments and agencies for use during their budget development. At this time all instructions and resources for preparing budget requests are also distributed.

Updating the Forecast

After the Forecast is prepared and presented to the Board of County Commissioners in the January timeframe, the Forecast is continually updated throughout the rest of the fiscal year in parallel with the budget development process.

Developing the Forecast

The Forecast is developed by the Office of Management & Budget (OMB) during November and December for presentation to the Board of County Commissioners in January.

Developing Projections

The Forecast is built upon an individual assessment of ten of the County's major funds: the General Fund, Tourist Development Fund, Transportation Trust Fund, Penny for Pinellas Fund, Emergency Medical Services Fund, Fire Districts Fund, Airport Fund, and Utilities Water, Sewer, and Solid Waste Funds.

The process for developing the Forecast includes updating the projections for FY2009 with actual revenue and expenditure information following the closeout of the fiscal year as of September 30, 2009. At the same time, the current FY2010 expenditures are projected on a preliminary basis by analyzing the actual expenditures to date and projecting the remaining months left in the fiscal year. These expenditure projections are further refined later in the process as department provide their expenditure projections. The coming FY2011 budget year is

forecasted based on the best information available at this point in time. The Forecast has a ten year horizon to help determine the long-term financial position of the County's funds as well as the impact of today's budget decisions. The out-years through FY2020 are forecasted using various projection methods such as trend analysis, linear regression, and moving averages.

Forecast Assumptions

The projections are modeled so that assumptions may vary each year to reflect future impacts of known variables and other anticipated events. The model is also designed to allow the key assumptions to be adjusted so that sensitivity analysis can be performed to demonstrate the impact of changing key assumptions. Additionally, unknown risks that could potentially affect the ten-year forecast have been identified and discussed.

Forecast Results

Major assumptions driving the revenue and expenditure projections are outlined to ensure a clear understanding for the basis of the results. Shortfalls and surpluses are cumulative in the sense that any individual year's surplus or deficit flows into the next year's fund balance, thus carrying a current year's balance forward. In using the information contained in the projection, it is important to understand that an indicated surplus or deficit reflects the model's assumptions and demonstrates a potential need for revenue increases, expenditure reductions, or a mix of both.

The Power of the Forecast

Developing a multi-year forecast provides decision-makers with at least two key benefits: (1) assessing the long-term financial sustainability of the County's Funds and (2) understanding the impact of today's decisions on the future.

Long-Term Fiscal Sustainability

One of the key purposes of developing a multi-year fund forecast is to identify potential actions necessary to balance revenues and expenditures over the long-term to ensure fiscal sustainability. Forecasting over a ten-year horizon can serve as a window into the future to warn of potential future challenges. For example, if a major capital project (i.e. jail expansion) will have a significant impact on the operating budget, that impact can be anticipated several years in advance and strategies can be developed and implemented to manage the negative impact to the budget. Conversely, if debt service on a bond is due to expire in the near future, additional funds may become available to increase service levels to certain programs or other uses.

Enhanced Decision-Making

Another benefit of long-term forecasting is the ability to assess the impact that decisions made in the present can have on future fiscal capabilities. If the Board is considering funding a new or enhancing an existing program, the Forecast can demonstrate the long-term impact to the budget. Similarly, if the Board is considering a new revenue source, the Forecast can show how much revenue could be anticipated over the years. Implementing cost-saving initiatives can also be forecasted and evaluated over time. In summary, the Forecast can be a powerful tool to understand how policy changes have real consequences that last far beyond a one-year budget solution.

Using This Document

The *Executive Summary* section of this document summarizes the key elements of the forecast as a whole over the ten year time horizon. The *Economic Overview* section features an overview of the national, state, and local economies. This section provides important context for the various forecasts in the document. This section is followed by the *Fund Forecasts* section which

includes individual forecasts for ten of the County's major funds. These forecasts are designed to be succinct and help focus the reader on the important elements in the ten-year forecasts for each fund. The assumptions, pro-formas, and a full-size forecast chart for each of the funds can be found in the *Assumptions & Pro-Formas* section. A *Glossary* has also been included to facilitate understanding of key terms.

Executive Summary

EXECUTIVE SUMMARY

Introduction

Although the County has prepared financial forecasts for many years, this is the first year that the forecast has been formalized into a stand-alone document. In addition, the time horizon for the forecast has been extended from six to ten years. The first step in the annual budget process is to update the Forecast and seek Board policy direction in order to develop the budget guidelines for the FY2011 budget process. Developing a multi-year forecast provides decision-makers with at least two key benefits: (1) assessing the long-term financial sustainability of the County's funds and (2) understanding the impact of today's decisions on the future.

Economic Overview

The national economy has appeared to stabilize and is anticipated to grow slightly through 2010 and experience moderate growth in 2011 and 2012. The State's economy can expect flat to low growth during 2010 and make a gradual transition to low level normal growth beginning in the first quarter of 2011 through 2012. This low-level normal growth is anticipated to be marked by weak population growth and a slow improvement in the unemployment rate. The Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA) economy was expected to hit bottom during 2009 and grow slightly in 2010 and 2011 before growing moderately in 2012 and 2013. The local recovery is anticipated to be hindered by double-digit unemployment, low prices and high inventory of residential property due to foreclosures, and the continuing deterioration of the commercial real estate market.

General Fund Forecast

The forecast for the General Fund shows expenditures exceeding revenues beginning in FY2011. Because of the unanticipated severity of the continuing recession, and also because not all of the FY2010 target reductions were achieved, there is a structural imbalance between the General Fund's recurring revenues and recurring expenditures. The forecast shows that if this situation is not addressed, the projected $40M shortfall in FY2011 will continue to grow in the future.

Tourist Development Fund Forecast

The forecast for the TDC Fund shows that the fund is balanced through the forecast period based on the assumption that the promotional activities budget would be adjusted to reflect any revenue increases or decreases that may occur. Beginning in FY2016, the fund is forecast to have additional capacity as the debt service on the Tropicana Field and the Dunedin Spring Training Facility is paid off in 2015. The additional capacity could be dedicated to new debt service or to supplement the promotional activities budget.

Transportation Trust Fund Forecast

The forecast for the Transportation Trust Fund indicates that expenses are projected to exceed the Fund's dedicated revenue sources causing a gradual erosion of fund balance. This results from inflationary pressures on expenditures that exceed the relatively flat growth in gas tax collections that are based upon the volume of gasoline pumped and are not indexed to the price of gas. After FY2012, action will need to be taken to manage this future gap such as potential revenue transfers from the General Fund, imposition of additional local option gas taxes, or reductions in current service levels.

Penny for Pinellas Fund Forecast

The forecast for the Penny Fund shows that the fund is balanced through the forecast period based on the assumption that expenditures in the Capital Improvement Plan will be modified in step with available revenue. Management will continue to reassess future resource allocations, prioritize projects, review project scopes for cost effectiveness, and examine the impact of future operating and maintenance costs.

Emergency Medical Services Fund Forecast

The forecast for the EMS Fund indicates the fund is not balanced through the forecast period. Various revenue and expenditure balancing strategies are available. On the revenue side, options include an increase in the countywide EMS millage rate or an increase in ambulance user fee revenues. On the expenditure side, a reduction in funding for first responder contracts, a reduction in funding for ambulance contracts, or a reduction in other expenditures within the fund would be necessary. The current ambulance service contract is in effect through FY2012, while First Responder contracts are negotiated on an annual basis.

Fire Districts Fund Forecast

The forecast for the Fire District Fund indicates that the fund is not balanced through the forecast period. Six of the twelve fire districts increased millage rates in FY2010 to support expenditures. Additional increases to millages for the individual fire districts will likely be necessary to cover expenditures over the forecast period. Potential millage rate increases will need to take into account the individual millage caps in each fire district.

Airport Fund Forecast

The forecast for the Airport Revenue and Operating Fund shows that the fund is balanced through the forecast period based on the assumptions that the capital projects budget would be adjusted to reflect the timing and amounts of any grants revenue and that the airport's operating budget would be adjusted to match revenues.

Utilities Water Funds Forecast

Water System retail and wholesale water sales revenues have declined with the slower economy, which will require rate increases to fund operations and maintain sufficient reserves during the 10-year forecast period. The forecast shows the need for rate increases of 13% in both FY2011 and FY2012 and 3% per year from FY2013 through FY2019.

Utilities Sewer Funds Forecast

Sewer System retail and wholesale revenues have declined with the slower economy, and will require rate increases to fund operations, sustain a debt service ratio of 1.5, and maintain sufficient reserves during the 10-year forecast period. The forecast shows the need for rate increases of 2.5% annually through FY2019.

Utilities Solid Waste Funds Forecast

Solid Waste tipping fees and electricity sales revenues have declined with the slower economy, but will remain sufficient to fund operations and maintain sufficient reserves during the 10-year forecast period.

Economic Overview

ECONOMIC OVERVIEW

The *Economic Overview* portion of the Budget Forecast: FY2011-2020 provides important context for the various forecasts in this document and includes the following sections:

- The National Economy
    - Background
    - National Outlook
- The State Economy
    - Background
    - Florida Outlook
- The Local Economy
    - Background
    - Local Outlook

The National Economy

BACKGROUND

The Great Recession

The current recession officially began in December 2007. A recession is defined by the U.S. National Bureau of Economic Research as a decline in gross domestic product in two successive quarters. This has been the longest recession since the Great Depression as shown below.

Length of Recession (Contraction Peak to Trough)	No. of Mths.
August 1929 – March 1933	43 months
May 1937 – June 1938	13 months
February 1945 – October 1945	8 months
November 1948 – October 1949	11 months
July 1953 – May 1954	10 months
August 1957 – April 1958	8 months
April 1960 – February 1961	10 months
December 1969 – November 1970	11 months
November 1973 – March 1975	16 months
January 1980 – July 1980	6 months
July 1981 – November 1982	16 months
July 1990 – March 1991	8 months
March 2001 – November 2001	8 months
December 2007 – March 2010 (est.)	28 months

This recession has been especially deep due to the overlap of a meltdown in the financial sector and a steep downturn in the real estate market. These two key sectors of the economy have reinforced each other in a downward spiral.

Housing Bubble

For generations, U.S. house price appreciation generally tracked with inflation. During the mid-1990's, however, home prices began rising at a rapid pace amid the strong economic growth of the late 1990's. During the last recession in 2001, two things happened that turned a strong housing market into a boom. In the wake of the dot-com stock market crash and the September 2001 terrorist attack, the Federal Reserve cut the short-term interest rates that determine what homeowners pay on adjustable-rate mortgages. From 2000 to 2003, the Federal Reserve lowered the federal funds rate target from 6.5% to 1.0%. At the same time, investors were desperate for someplace to invest their money other than the stock market and sought higher yields than those offered by U. S. Treasury bonds. Investors put their money into mortgage backed securities which helped drive down the cost of fixed-rate loans. By approximately 2003, the supply of mortgages originated at traditional lending standards had been exhausted. Unfortunately, double-digit annual price increases put most homes out of the reach of middle-income buyers. In April 2004, the U.S. Securities and Exchange Commission (SEC) relaxed the net capital rule, which encouraged the five largest investment banks to dramatically increase their financial leverage and aggressively expand their issuance of mortgage-backed securities. This applied additional competitive pressure to Fannie Mae and Freddie Mac, the biggest underwriters of home mortgages. The result was laxer lending standards and riskier lending. The real estate boom created overwhelming incentives to feed the enormous fees accruing to those throughout the mortgage supply chain, from the mortgage broker selling the loans, to small banks that funded the brokers, to the giant investment banks behind them.

Risky Loans and Mortgage Backed Securities

As the real estate market boomed, lenders did away with many of the safeguards built into the classic 30-year fixed rate mortgage with a 20% down payment. Riskier loans that were originally designed for a narrow band of home buyers such as interest only, adjustable rate, balloon payment, etc. were made increasingly available. Mortgages were in high demand from Wall Street which packaged the loans into securities to sell to investors looking to invest in "low risk" real estate. As a result, sub-prime and exotic mortgages, property flipping, and mortgage fraud increased dramatically. Mortgage brokers were motivated to originate as many mortgages and refinancings as possible to generate fees as they fed the demand on Wall Street for mortgages. Investment banks bundled together loans which were sold as mortgage-backed securities. The new owner of the mortgages used them as collateral to issue bonds to finance other deals. Money from thousands of homeowners covered the interest payments on those bonds. To attract investors the investment banks paid the credit rating agencies to rate the instruments. Because there was a perception that mortgage loans are solid investments in general, the bonds were incorrectly rated as investment grade or low risk.

Predatory Lending and Mortgage Fraud

Predatory lending refers to the practice of unscrupulous lenders to enter into unsafe or unsound secured loans for inappropriate purposes. A classic bait-and-switch method was used by some companies that advertised low interest rates for home refinancing. Such loans were written into extensively detailed contracts and swapped for more expensive loan products on the day of closing. For example an advertisement might state that 1% or 1.5% interest would be charged, but the consumer would actually be put into an adjustable rate mortgage in which the interest charged would be greater than the amount of interest paid. This created negative amortization, which the consumer might not notice until long after the loan transaction had been completed. In this example, when housing prices decreased, homeowners in ARMs had little incentive to pay their monthly payments since their home equity had disappeared. Many companies also engaged in mortgage fraud by falsifying mortgage documents and selling the mortgages to Wall Street banks. Others bought up dozens of properties, used false information to secure mortgages far in excess of the actual property values, and pocketed the difference. The properties would go into foreclosure and the banks and surrounding communities would bear the resultant burden.

Collatorized Debt Obligations

Adding to the exposure, several Wall Street firms created new finance products called collateralized debt obligations (CDO's) from pieces of other mortgage securities. These innovations enabled institutions and investors around the world to invest in the U.S. housing market. To rate the risk of these new complicated financial products, the rating agencies relied on financial models that were not well understood. These models theoretically showed that risks were much smaller than they actually proved to be in practice. The CDO enabled financial institutions to obtain investor funds to finance subprime and other lending which extended the housing bubble and generated large fees. The entire process was based on using borrowed money (home mortgages) as collateral to borrow more money (mortgage-backed securities) to borrow yet more money (CDO's).

Trigger of the Financial Crisis

The trigger of the financial crisis was the bursting of the housing bubble which peaked in approximately 2005-2006. Between July 2004 and July 2006, the Federal Reserve raised interest rates which contributed to an increase in 1-year and 5-year adjustable–rate mortgage (ARM) rates, making ARM interest rate resets

more expensive for homeowners. As interest rates began to rise and housing prices started to drop moderately in 2006-2007, refinancing became more difficult. Easy initial credit terms expired, home prices failed to increase as anticipated, and adjustable rate mortgage interest rates reset higher. Default rates and foreclosure activity increased dramatically on sub-prime and adjustable rate mortgages. Housing and financial assets declined substantially in value as the housing bubble burst. As more borrowers stop paying their mortgage payments, foreclosures and the supply of homes for sale increase. This places downward pressure on housing prices, which further lowers homeowner equity. The decline in mortgage payments also reduces the value of mortgage-backed securities, which erodes the net worth and financial health of banks. This vicious cycle was at the heart of the crisis.

Toxic Assets

Many hedge funds, banks, and financial institutions invested heavily in mortgage-backed securities and CDO's, often using borrowed money, and thus increasing their exposure. Borrowing at a lower interest rate and investing the proceeds at a higher interest rate is a form of financial leverage. These institutions were betting that house prices would continue to rise and that households would continue to make their mortgage payments. This strategy proved profitable during the housing boom, but resulted in enormous losses when house prices began to decline and mortgages began to default. These "toxic assets" were exported to banks around the world contributing to a general sense of panic as mortgage defaults rose and the house of cards collapsed. Without payment from the homeowners, the issuers could not pay off the bonds. The bonds lost value, and the hedge funds that borrowed money to buy the bonds had to put up more collateral or try to sell the bonds which caused their value to drop even more. The crisis rapidly developed and spread into a global economic shock.

Financial Meltdown

Policy makers did not recognize the increasingly important role played by financial institutions such as investment banks and hedge funds, also known as the "shadow banking system". Many experts believe these institutions had become as important as commercial banks in providing credit to the U.S. economy, but they were not subject to the same regulations. For example, in 2007 the total assets of the top five major investment banks totaled $4 trillion in comparison to the total assets of the top five bank holding companies which totaled $6 trillion. As the shadow banking system expanded in importance, it helped re-create some of the financial vulnerability that made the Great Depression possible. The International Monetary Fund estimated that large U.S. and European banks lost more than $1 trillion on toxic assets and from bad loans from January 2007 to September 2009. These losses are expected to top $2.8 trillion as additional losses are disclosed. U.S. bank losses are expected to hit $1 trillion and European bank losses to reach $1.6 trillion.

The Credit Crunch

As the scope of the damage became quantified, banks across the world that usually lend and borrow from each other were hesitant to do so until there was more clarity regarding the true financial condition of other banks. Without the ability to obtain investor funds in exchange for most types of mortgage-backed securities or asset-backed commercial paper, investment banks and other entities in the shadow banking system could not provide funds to mortgage firms and other corporations. This meant that nearly one-third of the U.S. lending mechanism was frozen and continued to be frozen into June 2009. As traditional banks tightened credit, the cost of financing corporate and private-equity deals increased, small businesses had difficulty obtaining lines of credit, and fewer people could get home mortgages or car loans. The credit

crunch brought the global financial system to the brink of collapse.

Government Reaction

Response to the crisis by governments and central banks around the world was swift and dramatic. This response was characterized by unprecedented fiscal stimulus, monetary policy expansion, and institutional bailouts.

Emergency Economic Stabilization Act of 2008

The Emergency Economic Stabilization Act, commonly referred to as a bailout of the U.S. financial system, authorized the Secretary of the Treasury to purchase distressed assets, especially mortgage-backed securities, and make capital injections into banks. President Bush signed the bill into law on October 3, 2008, creating a $700 billion Troubled Assets Relief Program (TARP) to purchase failing bank assets. The program was designed for immediate implementation and be large enough to restore market confidence and stabilize the economy.

Troubled Assets Relief Program (TARP)

This program used supervisory ratings of bank's overall financial condition to help the government decide which of the country's 8,500 banks are most likely to receive assistance. The Act requires financial institutions selling assets to TARP to issue preferred stock or equity warrants to the Treasury. Theses warrants are designed to protect taxpayers by giving the Treasury the possibility of profiting through its new ownership stakes in these institutions. Participants in the programs must also set limits on the compensation of their five highest paid executives and limit "golden parachute" contracts to avoid large compensation payments upon termination. TARP includes several major programs such as the Capital Purchase Program which supports banks (670 to date) to prop up capital reserves and encourage lending and the Public-Private Investment Program which are taxpayer funds used in partnership with private investment to purchase toxic assets from financial institutions. A list of all the programs and how much has been committed and invested as of November 2009, is shown below.

TARP Programs	Committed	Invested
American International Group (AIG)	$70B	$70B
Asset Guarantee Program	$12.5B	$5B
Auto Supplier Support Program	$5B	$3.5B
Automotive Industry Financing Program	$80B	$80B
Capital Purchase Program	$218B	$205B
Consumer & Business Lending Initiative	$70B	$20B
Making Home Affordable	$50B	$27B
Public-Private Investment Program	$100B	23B
Targeted Investment Program	$40B	$40B
New Initiatives	$127B	N/A
Funds Paid Back	($73B)	($73B)
TARP Total	**$700B**	**$404B**

Source: Bailout Tracker – CNNMoney.com

Too Big to Fail

American International Group (AIG) is one of the world's biggest public companies, with sales of $113 billion in 2006 and 116,000 employees in 130 countries. AIG is America's largest life and health insurer and second largest in property and casualty insurance. AIG is a huge provider of insurance to U.S. municipalities, pension funds, and other organizations through guaranteed investment contracts and other products that protect participants in 401(k) plans. AIG's Financial Products (FP) division operated like a hedge fund and built up a portfolio of $2.7 trillion in derivatives. Over the last several years, AIG FP aggressively offered to insure billions of dollars in derivative portfolios, building up potential liabilities many times its capacity to pay out if the portfolios defaulted. AIG, like other institutions, made millions from dealing in insurance-like derivatives connected to the U.S. real estate market. Companies that held CDO's could offset their risk by buying Credit-Default Swaps from AIG FP. As the financial crisis unfolded, holders of CDS demanded payment from AIG which was responsible for the repayment of billions that it did not have. Due to the extent and interconnectedness of AIG's business across the globe, its failure had potential to create a chain reaction of dangerous proportion.

Federal Reserve Rescue Efforts

The Federal Reserve (Fed) has taken an unprecedented level of action to restore liquidity to the financial markets. To help unlock the credit crunch, several actions such as: purchasing commercial paper to boost the market and provide critical short-term financing to businesses; purchasing mortgage-backed securities issued by Fannie Mae and Freddie Mac to reduce rates on home loans; stopping a run on money market funds used by companies to fund day-to-day operations by providing insurance to quell investor fears; and purchasing troubled assets for cash or Treasury bills to help the commercial lending market. A list of key programs and how much has been committed and invested as of November 2009, is shown below.

Federal Reserve Rescue Efforts	Committed	Invested
Asset-backed Commercial Paper Money Market Mutual Fund Liquidity Facility	Unlimited	$0
Bank of America, Bear Stearns, Citigroup Loan-Loss Backstop	$346B	$26B
Commercial Paper Funding Facility	$1.8T	$14B
Foreign Exchange Dollar Swaps	Unlimited	$29B
Fannie Mae & Freddie Mac Debt Purchases	$200B	$150B
Fannie Mae & Freddie Mac Mortgage-Backed Securities Purchases	$1.3T	$776B
Money Market Investor Funding Facility	$600B	$0
Term Asset-Backed Securities Loan Facility	$1T	$44B
Term Auction Facility	$500B	$110B
Term Securities Lending Facility	$250B	$0
U.S. Government Bond Purchases	$300B	$295B
Total	**$6.4T**	**$1.5T**

Source: Bailout Tracker – CNNMoney.com

Fannie Mae and Freddie Mac Takeovers

Fannie Mae and Freddie Mac are semi-acronyms for the Federal National Mortgage Association (Fannie) and the Federal Home Loan Mortgage Corporation (Freddie). These two government sponsored entities were converted into publicly traded companies owned by investors. They own, either directly or through mortgage pools they sponsor, $5 trillion in residential mortgages, which is about half the total U.S. mortgage market. These entities were created to buy mortgages from lenders, freeing up capital that could go to other borrowers. Over the years, these entities have helped pave the way for American home ownership by providing loans to low and middle-income buyers who otherwise might not have been considered creditworthy. Increasing home ownership has been the goal of several presidents since World War II. The involvement of Fannie Mae and Freddie Mac in the sub-prime market began in the mid-90's as government tax incentives were created for purchasing mortgage backed securities which included loans to low income borrowers. From 2002 to 2006 the sub-prime market grew almost 300% and Fannie Mae and Freddie Mac's financial exposure grew with it. In the Fall of 2008, concerns arose regarding the ability of these entities to make good on their guarantees as they were highly leveraged. These firms raise cash to buy mortgages from a variety of sources, including pension funds, mutual funds, and foreign governments. Their influence on economies at home and abroad is pervasive enough that the Federal government placed them in conservatorship. This action helped preserve the liquidity of the mortgage market, but exposed taxpayers to potential multi-billion dollar losses if housing prices do not stabilize.

American Recovery & Reinvestment Act of 2009

In February 2009, Congress passed the American Recovery and Reinvestment Act (ARRA) of 2009, sometimes referred to as the Stimulus Act, at the urging of President Obama, who signed it into law on February 17, 2009. A direct response to the economic crisis, the Recovery Act has three immediate goals: (1) Create new jobs as well as save existing ones; (2) Spur economic activity and invest in long-term economic growth; and (3) Foster unprecedented levels of accountability and transparency in government spending. The Recovery Act intends to achieve those goals by: providing $288 billion in tax cuts and benefits for millions of working families and businesses; increasing federal funds for education and health care as well as entitlement programs (such as extending unemployment benefits) by $224 billion; making $275 billion available for federal contracts, grants and loans; and requiring

recipients of Recovery funds to report quarterly on the amount of monies spent, the status of the project, the number of jobs created and/or saved, and other details, all of which are posted on Recovery.gov so that the public can track where the total $787 billion Recovery funds are going and how they are being spent.

In addition to offering financial aid directly to local school districts, expanding the Child Tax Credit, and underwriting a process to computerize health records to reduce medical errors and save on health care costs, the Recovery Act is targeted at infrastructure development and enhancement. For instance, the Act facilitates investment in the domestic renewable energy industry and the weatherizing of 75 percent of federal buildings as well as more than one million private homes around the country.

Construction and repair of roads and bridges as well as scientific research and the expansion of broadband and wireless service are also included among the many projects that the Recovery Act will fund. While many of Recovery Act projects are focused more immediately on jumpstarting the economy, others, especially those involving infrastructure improvements, are expected to contribute to economic growth for many years.

Stimulus Projects in Pinellas County

In Florida, a large portion of the stimulus funds are devoted to Florida Department of Transportation (FDOT) projects. In Pinellas County, stimulus funds will assist with the reconstruction of US 19 from north of Whitney Road to north of State Road 60 (Gulf to Bay), which includes the construction of a limited access mainline roadway, frontage roads, and three interchanges. The recipient of these Stimulus Package funds is Florida Department of Transportation, District 7. The District will be lead for the construction. The total amount of Stimulus Package funding for the project is $45M of which $21M is local stimulus funds. Total project cost is $132M.

The amount of funds that the Pinellas County government is eligible for is limited to county governments, highly urbanized areas, and to programs offered by Pinellas County. The County is not eligible for Stimulus funds that are targeted to functions provided by other local governments or agencies, such as, transit (PSTA), transportation (FDOT), weatherization (Urban League), education (school district and/or St. Petersburg College), and labor and development (Worknet).

Pinellas County has applied for ten grants funded from this act, seeking a total of $64,980,142. As of December, seven awards have been received:

<u>Health and Human Services</u> – Replace Mobile Medical Unit with more capable vehicle:

- $327,150 received June 25, 2009 (the county matched $30,000)

<u>Health and Human Services</u> – Increased services offered by Mobile Medical Unit:

- $155,125 received March 27, 2009, and an additional $1,000 on September 21, 2009

<u>Community Development</u> - Block Grant Recovery Act Funding for the creation of the Homeless Emergency Project's Community Service Center:

- $809,226 received July 22, 2009

<u>Community Development</u> – Short-term rental assistance for at-risk residents (See HPRP Fingertip Fact Card for details):

- $1,237,464 received June 19, 2009

<u>Office of Management and Budget</u> – Energy Efficiency and Conservation:

- $55,000 received August 31, 2009 (strategy development funding only)

Airport – Terminal improvements and renovations:

- $5,357,400 received April 8, 2009

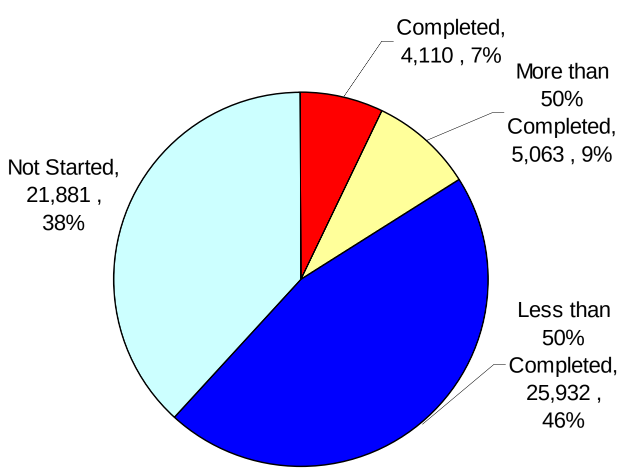
Justice & Consumer Services/Florida Department of Law Enforcement

- Edward Byrne Memorial Justice Assistance Grant
- $1,962,437 awarded August 4, 2009 (Acceptance of Program)
- Each project requires a separate grant agreement

For more information, go to the following website: www.pinellascounty.org/recovery

Implementation of the Stimulus

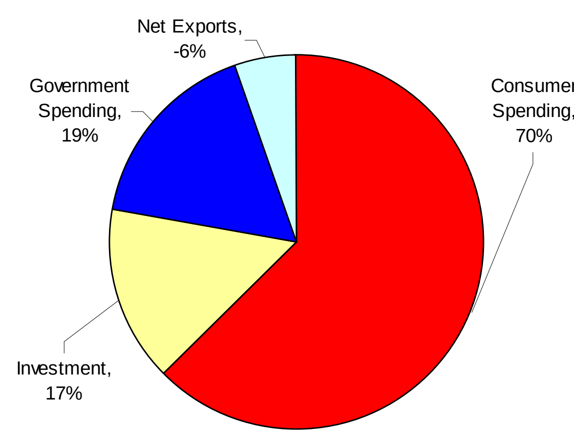
Although the Recovery Act was a single piece of legislation, it included thousands of funding streams for tens of thousands of projects. It is difficult to gauge the success of the Stimulus as much of it remains to be spent. Recipients of stimulus dollars recently completed the first round of official reporting as of October. As shown in the pie chart below, 84% of the awards have not started or are less than 50% completed.



Certain programs that have achieved some measure of success include the Car Allowance Rebate System, otherwise known as "Cash for Clunkers", and the Build America Bonds program. The Cash for Clunkers program subsidized the trade-in value of vehicles meeting certain criteria for gas mileage towards the purchase of a new more fuel efficient vehicle. The program ran for two months and generated close to 700,000 dealer transactions. The Build America Bonds (BAB's) program provides a federal subsidy to help states and local governments raise funds by lowering borrowing costs and providing liquidity to the municipal-bond market. As of early November the volume of BAB's had exceeded $50 billion and helped stabilize the municipal-bond market. However, the success of the overall Stimulus remains to be seen as the majority of its effects will not be known for some time.

NATIONAL OUTLOOK

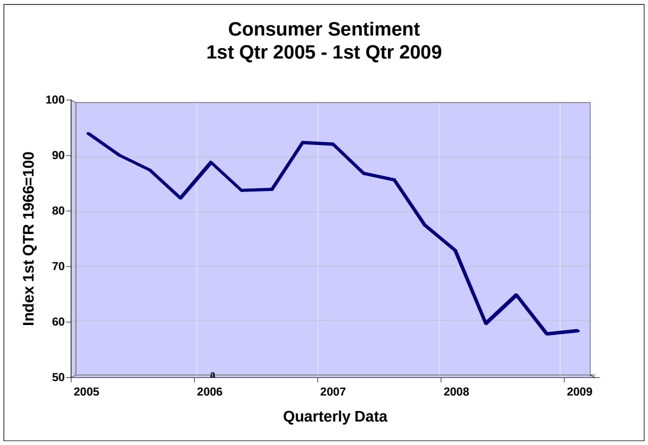
Gross Domestic Product (GDP) is the generally accepted measure of the size of the national economy. GDP measures the total market value of all final goods and services produced in a country in a given year. The major components of GDP are shown in the pie chart below.



Consumer Spending

At 70%, consumer spending easily represents the largest portion of GDP. Unfortunately, most economists expect low to moderate growth in consumption over the next couple of years. This expectation is based on relatively high levels of unemployment, an increase in household savings, a restrictive supply of credit, and potential tax increases.

ECONOMIC OVERVIEW



Source: St. Louis Federal Reserve

The latest Labor Department report showed unemployment hit 10.2% in October, which is the first time it has been in double digits in 26 years. Federal Reserve Chairman Ben Bernanke was quoted in November that "the best thing we can say about the labor market right now is that it may be getting worse more slowly." Economists expect unemployment to bottom out either in late 2009 or early 2010. According to the November survey by the National Association of Business Economics, payrolls are not expected to grow again until at least the second quarter of 2010.

The twin effects of the bursting of the housing bubble and the financial crisis resulted in a massive decline in household wealth. The unemployment picture has further exacerbated this trend. This decline will likely induce households to reduce their consumption and increase their savings in order to rebuild wealth. Unless there is a substantial rebound in housing prices or in financial assets, an increasing savings rate is likely to create a drag on the recovery in the short term while moving the economy to a more solid and sustainable position in the long term.

A more restrictive supply of credit will also likely impact consumer spending. Due to the financial crisis and resulting credit crunch, lenders have dramatically tightened the terms under which they will extend credit to households.

Consumer spending may also be constrained by a significant increase in taxes as several key tax provisions expire. The temporary higher exemption limits of the Alternative Minimum Tax (AMT) are scheduled to expire at the end of 2009, which would make many more taxpayers subject to the AMT. In addition the tax cuts provided by the Economic growth and Tax Relief Reconciliation Act of 2001, the Jobs and Growth Tax Relief Reconciliation Act of 2003, and the Making Work Pay tax credit enacted in the ARRA are schedule to expire by the end of 2010. Policymakers will be challenged to extend these tax provisions at the same time that additional revenue is needed to help offset huge costs associated with the financial bailouts and the stimulus.

Government Spending

The second largest component of GDP is Government Spending at 19%. As mentioned in the "Implementation of the Stimulus" section, 84% of the stimulus awards have not started or are less than 50% completed. In addition, many of the awards have not been made to date. The economic impact of the stimulus should be felt at least through 2010, and in some cases, for several years. Going forward, the combined impact on the national debt from the wars in Iraq and Afghanistan, the economic stimulus, the financial bailouts, and the recession itself, will be an area of great concern.

Investment

The third largest component of GDP is Investment at 17%. Business investment in equipment and structures is likely to be sluggish due to large amounts of excess capacity. In the manufacturing sector, low demand over the last two years has left capacity utilization extremely low relative to historical norms. The financial sector has shrunk substantially and is not following a traditional pattern of investing

heavily in high tech equipment. Investment in structures will likely see a significant contraction over the next year and a half as demand for office and retail space has plummeted. Residential fixed investment growth should finally see positive growth beginning in 2010. Finally, inventories have shown sustained growth as demand has appeared to stabilize.

Net Exports

The definition of net exports is exports minus imports. Current net exports are at a -6%. A key factor driving net exports is the value of the dollar. During the financial crisis there was a "flight to safety" by investors which resulted in a surge in the demand for the dollar. This resulted in a temporary sharp appreciation of the value of the dollar which has since abated as the global panic has dissipated. Many economists feel that the value of the dollar will depreciate slightly over the next few years which should help increase exports and reduce the negative net exports calculation.

Summary of National Outlook

Most economists agree that the economy has hit bottom and that we are emerging from the worst recession since the Great Depression. Normally economic recoveries are marked by real economic growth of around 5% in the first year of recovery due to pent up demand. It is anticipated that this particular recovery will more than likely be in the 2-3% range as shown below.

Economic Recovery	GDP Growth
1961-1962	7.5%
1970-1971	4.5%
1975-1976	6.2%
1982-1983	7.7%
1991-1992	2.6%
2001-2002	1.9%
Average	5.1%
2009-20010 Forecast (ML Forecast)	**2.6%**

Source: Merrill Lynch Economic Commentary, August, 2009

In summary, the national economy has appeared to stabilize and is anticipated to grow slightly through 2010 and experience moderate growth in 2011 and 2012.

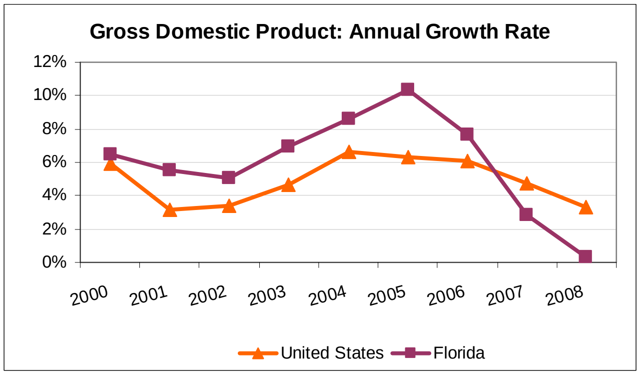
The State Economy

BACKGROUND

Until a few years ago, Florida was one of the nation's fastest growing states. With the end of the housing boom and the beginning of the real estate market correction, the state slipped to virtually no growth on a year-over-year basis. While Florida was not the only state to experience a significant deceleration in economic growth (California, Nevada and Arizona showed similar trends), it was one of the first and hardest hit. Looking across the 50 states, the three most-widely used indicators of government financial health illustrate these changes.

State Gross Domestic Product

Gross Domestic Product (GDP), the market value of all final goods and services produced or exchanged within a state, is one of the key economic measures for the comparison of states. While Florida has outperformed the nation as a whole in nine of the past eleven years, two of these years (2004 and 2005) were greatly influenced by the activity sparked by the 2004 and 2005 storms (primarily through insurance payments). In 2006, Florida returned to the national growth level before dropping below it in 2007 (4.8% US versus 2.8% FL) and 2008 (3.3% U.S. versus 0.3% Florida). Florida's nominal GDP in 2008 was just over $744 billion.

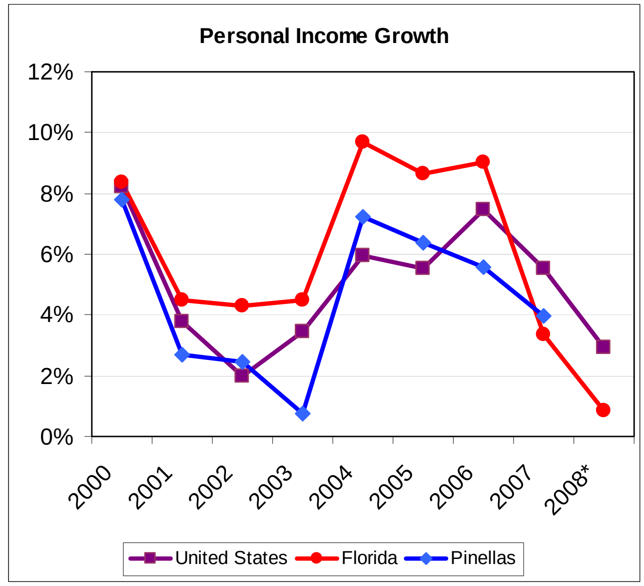


Source: Bureau of Economic Analysis

After adjusting for inflation, Florida's real growth in GDP ranked it 48th in the nation in 2008 with an outright decline of -1.6%. By way of comparison, Florida ranked 2nd in the nation in 2005. For Arizona, Nevada and Florida, losses in the construction sector accounted for a significant portion of the decline as it subtracted more than one percentage point from real GDP growth in each of these states.

Personal Income Growth

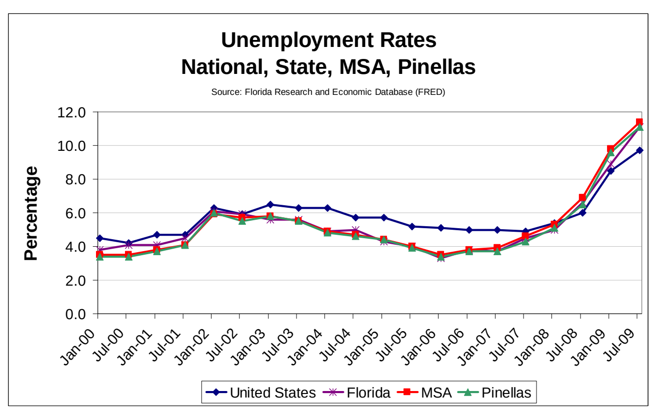
Other factors are frequently used to gauge the health of an individual state. The first of these measures is personal income growth, primarily related to changes in salaries and wages. Quarterly personal income growth is particularly good for measuring short-term movements in the economy. Over the past year, Florida has had four consecutive quarters of negative growth. The decline of 0.2% in the most recent quarter (Q2 of the 2009 calendar year) ranked Florida 41st in the country. Florida's personal income in 2008 was $719.7 billion. The latest personal income projection for 2009 (implied by the seasonally adjusted annual rate in the second quarter) was just over $699 billion. Personal Income growth has averaged about 3.8% from 1991-2008. It is anticipated that from 2009-2011, growth in personal income will be below average or only 1-3%.



Note: 2008 data not available for Pinellas County
Source: Bureau of Economic Analysis

Job Growth and Unemployment

The key measures of employment are job growth and the unemployment rate. While Florida led the nation on the good-side of these measures during the boom, the state is now worse than the national averages on both and the problems are widespread. Over the last year, the only sector to gain jobs among Florida's major industries was Education & Health Services. Within this sector, all of the increase was due to health services, primarily in nursing and residential care facilities. And in September of 2009, Florida's 11% unemployment rate ranked it 8th in the country – with 40 of the state's 67 counties experiencing double-digit unemployment rates.



Source: Florida Research and Economic Database (FRED)

Largely, increased unemployment is related to Florida's troubled housing market and the worsening national and global conditions. The growing inventory of unsold houses coupled with the spreading credit crisis dampened residential construction activity throughout 2009. In July 2008, the Florida Economic Estimating Conference (FEEC) had expected a meager 59,500 private housing starts for the year. In fact, new activity plummeted to just 16.2% (44,000 private housing starts) of the 2006 level. In yet another manifestation of the large housing market adjustment still facing Florida, existing single family home sales ended the 2009 fiscal year nearly 45% below the peak volume of the 2005 banner year, while the median home price continued its double-digit decline.

Financial Shocks

Florida's economy has essentially moved through three waves of responses to financial shocks: the collapse of the state's housing boom, a national recession, and a credit crisis severe enough to bring on a global contraction. At first, the end of the housing boom brought lower activity and employment in the construction and financial fields, as well as spillover consumption effects in closely related industries: landscaping and sales of appliances, carpeting, and other durable goods used to equip houses. This began in the summer of 2005 when the volume of existing home sales started to decline in response to extraordinarily high prices and increasing mortgage rates. Closely linked to the housing industry, Florida's nonagricultural employment annual growth rate began to retreat from its peak in the fall of 2005. By the summer of 2006, existing home prices began to fall, and owners started to experience negative wealth effects from the deceleration and losses in property value. Mortgage delinquencies and foreclosures became commonplace as property prices further tanked in 2007, and the unemployment rate began to climb as part of a slow slide into a national recession that was ultimately declared in December 2007. By the fall of 2008, Florida's homegrown problems with the housing market were giving way to several worldwide phenomena: a national recession that was spreading globally and a credit crisis that was threatening to bring down the world's largest financial institutions. As the sub-prime mortgage difficulties spread to the larger financial market, it became clear that any past projections of a relatively quick adjustment in the housing market were overly optimistic. Forecasts were dampened through the end of the fiscal year, and then again as the excess inventory of unsold homes was further swollen by foreclosures and slowing population growth arising from the national economic contraction.

Bridge to Recovery

In addressing the State's 2010 $6.1 billion deficit the Florida Legislature used $3.2 billion of federal stimulus funds, $2.3 billion of revenue enhancements, and $500 million of trust funds to minimize deep budget cuts and build a bridge to recovery. The stimulus funding and trust fund sweeps are non-recurring in nature. This means that the upcoming budget cycle will be extremely challenging given the flat to low growth expected in sales taxes, which are the State's primary revenue stream. It is possible that the Legislature will shift costs (mandates and funding formulas) to local governments in an effort to deal with fiscal pressures at the state level.

FLORIDA OUTLOOK

The forecast information below for the State's economy is derived primarily from the Florida Economic Estimating Conference which met in November 2009 to revise the forecast for the State's economy.

Labor Market

According to the latest nationwide data, Florida is still losing jobs (a job growth rate of -4.7% in September) at a greater pace than the nation as a

whole (-4.2%). Florida's nonagricultural employment actually peaked in March 2007. Since then, the state has lost 732,900 jobs. While the state's job losses began with the construction downturn, almost all of the major industries have now been affected. Overall employment is projected to decline a further 2.7% in 2010 and then increase by 1.6% in 2011, 2.8% in 2012, and 2.7% in 2013. Florida's job growth – once recovery begins – may be a little faster than the nation as a whole. However, even after three consecutive years of positive growth, Florida does not return to its 2007 employment level (the pre-recession, fiscal year peak) until 2014, and is not likely to surpass it until 2015. By contrast, the nation is expected to surpass its highest point (2008) in 2013. Florida clearly has substantial ground to recover over the next few years. Job restoration in the construction, manufacturing, information, financial activities, and natural resources & mining sectors will lag behind the other areas and not return to positive annual growth until 2012.

Following the same general pattern, the unemployment rate is expected to peak at 11.4% in 2010, producing an annual level of 11.2% for the fiscal year before very slowly returning to more normal levels. The unemployment rate for 2011 is projected to be 11.0%, followed by 9.8% in 2012 and 8.6% in 2013. The Florida forecast lags the national forecast by one quarter, with the national unemployment rate peaking at the beginning of the 2010 calendar year. The outlook for wages and salaries has similarly weakened. Originally projected to maintain positive growth throughout the recession, they are now expected to mirror the 3.9% decline experienced in 2009 with another 2.5% decline in 2010 before resuming growth at a slower than average rate in 2011. Normal growth will not return until 2012. Florida's long-term growth prospects are slightly better than the national forecast, however, Florida's average annual wages largely fall below the nation as a whole. In 2008, Florida's average annual wage for all industries was only 89% of the national average.

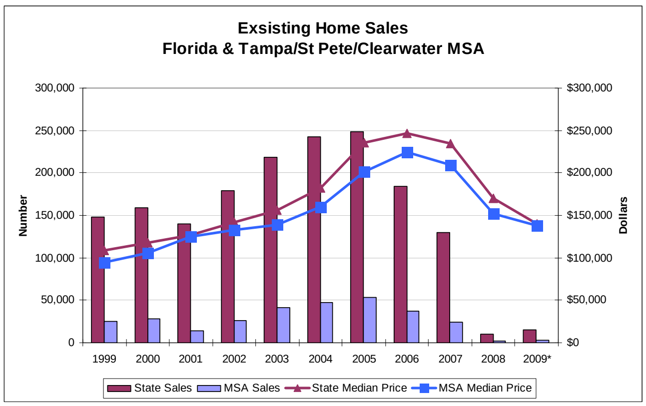
Housing and Construction

Vigorous home price appreciation that outstripped gains in income and the use of speculative financing arrangements made Florida particularly vulnerable to the decelerating housing market and interest rate risks. In 2006, almost 47% of all mortgages in the state were considered "innovative" (interest only and pay option ARM). With the ease of gaining access to credit, long-term homeownership rates were inflated to historic levels – moving Florida from a long-term average of 66% to a high of over 72%. Essentially, easy, cheap and innovative credit arrangements enabled people to buy homes that previously would have been denied.

The surging demand for housing led many builders to undertake massive construction projects that were left empty when the market turned. The national inventory of unsold homes is close to 8 months. In Florida, the picture is worse. Based on the most recent data, the excess supply of homes is now approaching 400,000. At any given point of time, an inventory of roughly 50,000 is normal – the 400,000 figure is on top of that level. Subtracting the "normal" inventory and using the most recent sales experience, the state will need significant time to work off the current excess which is estimated to take until the summer of 2011, likely longer. Because the state is so diverse, some areas will reach recovery much faster than other areas.

During the past ten months, existing home sales have grown by double-digit rates over the same month in the prior year. In the last six months, the sales volume has averaged nearly 65% of the level achieved in the 2005 banner year. Much of the sales increase has been driven by the increasing number of distressed sales. This can be seen in the continuing price declines. In 2007, the median price of an existing home declined

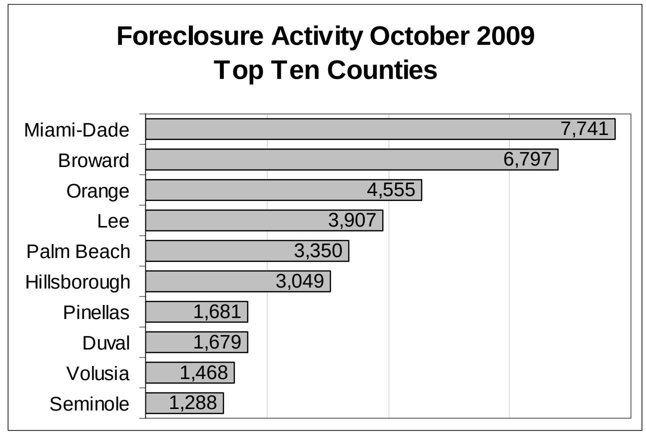
5% and in 2008, it declined another 20%. To date, 2009 is averaging a decline of 27%. From an economic perspective, double-digit price declines are a precursor to recovery, but still a painful adjustment. The inventory of unsold homes suggests that prices will continue to fall through the middle of 2010. From the peak in June 2006 to September 2009, the state had already seen a 44.9% decline in median price for existing homes.



Source: Florida Association of Realtors - * Thru October 2009

Foreclosures

Foreclosures have further swelled Florida's unsold inventory of homes. Originally related to mortgage resets and changes in financing terms that placed owners in default, recent increases have been boosted by the continually growing number of unemployed. RealtyTrac's Midyear 2009 Metropolitan Foreclosure Market Report shows that cities in California, Florida, Nevada and Arizona continued to document the nation's highest foreclosure rates in the first half of 2009, with those states accounting for 35 of the 50 highest foreclosure rates among metro areas with a population of 200,000 or more. Recent analysis suggests that a significant bubble of additional foreclosures is building in the pipeline.



Source: RealtyTrac.com

The Florida economy is unlikely to turn around until new construction comes back to life, and that is not expected to happen until the inventory is reduced. Tight conditions in the credit market and home prices that are less than construction costs are keeping single-family housing starts in a significant decline that shows little improvement through the end of 2010. A strong rebound is not expected until 2012, however, it is expected to last through the next five years. Total construction expenditures follow a similar pattern, not returning to the 2006 level until 2017.

Commercial Real Estate

As the availability of financing for commercial real estate tightens and loan losses mount, growth in private nonresidential construction expenditures is projected to fall another 22% this year after last seeing positive growth in 2008. The market is expected to stabilize next year, and then return to stronger growth in the out-years. Similarly, after posting a 19.4% gain in 2008, public construction activity dropped 15.8% in 2009 and is projected to stay virtually flat this fiscal year. However, growth is expected to return relatively quickly (11.2% next year and 6.7% in the following year).

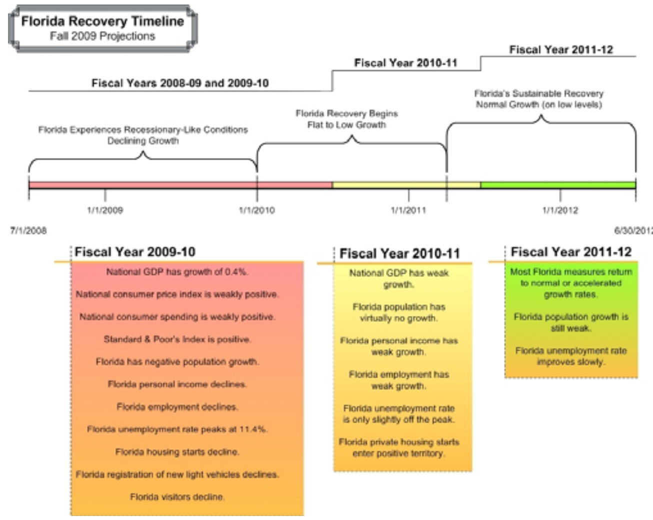
Population Growth

Population growth continues to be the state's primary engine of economic growth, fueling both employment and income growth. The national

economic contraction temporarily erased Florida's population gains, but this is not unexpected. Nearly 80% of the state's population growth comes from positive net migration, primarily from people moving into Florida from other states. From past studies, it is clear that people are reluctant to move during recessions because of the inability to sell their homes and because of the difficulty in finding new jobs.

Population growth hovered between 2.0% and 2.6% from the mid 1990's to 2006, then began slowing before turning negative in 2009 and 2010. In 2011 the slight gain will largely reflect the state's natural increase (positive births minus deaths) with projected growth of just 66,256 new residents. These extremely low rates of growth are unprecedented in Florida's modern history. Over the forecast horizon, population growth will moderately rebound – persisting above 1.1% after 2013. While this is still significant growth – Florida was adding a city roughly the size of Miami every year; in the future, it will be a city more like Clearwater – it is markedly lower than the average of the annual growth rates between 1970 and 1995 (3.0%). Overall, Florida's population was 15.9 million in 2000, was 18.7 million in 2009, and is on track to break the 20 million mark in 2015, surpassing New York to become the third most populous state around the same time.

Summary of Florida Outlook
As shown in the Florida Recovery Timeline below, Florida can expect flat to low growth during 2010 and make a gradual transition to low level normal growth beginning in the first quarter of 2011 through 2012. This low level normal growth is marked by weak population growth and a slow improvement in the unemployment rate.



The Local Economy

BACKGROUND
The context of this section is from the perspective of background impacting the County's budget.

Property Value Increases
From FY2002 to FY2007 there were unusually large increases in property values in Pinellas County and throughout the state. Across Florida, public budget hearings brought out many citizens who were upset about their proposed property taxes as presented on their "Truth in Millage" (TRIM) notices. Most of those who expressed their frustration were persons who owned property that was not homesteaded and therefore not protected by the "Save Our Homes" taxable value increase cap, such as commercial and rental business owners and owners of second homes. In response to the public's concerns, the Board of County Commissioners reduced the FY2007 county-wide millage rate by 0.701 mills (over 10%), the first millage rate reduction since the 1997 budget year.

Impact of Save Our Homes Amendment
Not all local governments were as responsive to the situation as Pinellas, and this dramatic growth in taxable values resulted in a surge in

property tax revenues that became the focus of legislative concern. In reality, the primary problem has been the systematic inequities resulting from the “Save Our Homes” amendment to the Florida Constitution which has capped the growth in taxable values for homesteaded properties (permanent residences) since 1996. The amendment was intended to protect homeowners from escalating property tax bills resulting from growth in market value, a situation that was perceived to be forcing some people, particularly residents on fixed incomes, to sell their homes.

While this objective has no doubt been achieved, there have been dramatic, and in many cases unforeseen, consequences as a result of Save Our Homes. Because of the large amount of market or “just” value not taxed due to the Save Our Homes exemption, a disproportionate share of any increase in tax revenue has been placed on properties that are not established permanent residences, such as businesses, rental properties, and newly purchased homes.

The increases in values for fiscal years 2002 through 2007 notwithstanding, the historical trend over the previous sixteen years in Pinellas has been an average annual increase of about 5% in values (including new construction). Most observers believed that the market would correct itself and return to more normal patterns. To some extent, the value growth part of the problem could be expected to correct itself over time.

Legislative Property Tax Roll-Backs

The Florida Legislature perceived property tax reform as one of the two most critical issues (along with property insurance reform) that needed to be addressed in 2007. In June, a three-day Special Session of the Legislature produced a mandate that was unlike anything ever seen before in its forced reductions in property taxing capability of local government in Florida. The Legislature did not make similar reductions to FY2008 school property taxes, which they control, even though these taxes make up about 40% of most property owners’ tax bills.

Unfortunately, this solution failed to address the real inequities that were the focus of public discontent and instead has the potential for even greater disparities in the future.

The Legislature adopted two key items impacting property tax reform. The first approach involved statutory changes requiring all counties, cities, and special districts to roll back property tax collections in FY08 to a point below the FY2007 collections adjusted for new construction (also known as the “rolled-back rate”). This target ranged from 3% to 9% below the rolled-back rate depending on the State’s calculation of how much the taxing authority’s property tax revenue increased from FY2002 to FY2007. Independent Districts, and Dependent Districts many of which have the primary purpose of providing Fire or Emergency Medical Services, were all targeted at 3% below the rolled-back rate.

These calculations, and the resulting reduction categories, did not adequately acknowledge the lower tax profile of Pinellas. Pinellas County was required to cut 7% below rolled-back (the second-most-severe level), even though:

- The County’s FY2002–FY2007 percentage increase in per capita property tax was below the state’s average increase for counties;
- The County’s FY2007 per capita property tax was less than Orange, Hillsborough (and other counties) that were in the 3% or 5% cutback categories;
- A city with the same percentage increase was required to cut only 5%;
- The State’s numbers did not reflect seasonal or tourist population impacts; and

- o The State's numbers did not take into account the additional cost pressures for an urban coastal county (such as property insurance).

Property Tax Revenue Cap

The other item adopted by the Legislature with important long-term implications was the implementation of a property tax revenue cap. Beginning in FY2009, property tax revenue increases will be limited to new construction plus the statewide percentage increase in per capita personal income. This percentage has averaged about 3.8% from 1991-2008. It is anticipated that from 2009-2011, growth in personal income will be below average or only 1-3%. Even this minor increase is neutralized by the historic decreases in property valuation.

The caps require that the maximum millage rate that can be approved by a simple majority vote of the Board of County Commissioners equals the prior year's maximum rolled-back rate adjusted for the change in per capita Florida personal income. A two-thirds vote of the Board may approve up to 110% of this maximum. Any higher millage rate requires a unanimous vote of the Board, or a referendum. Based on information from the Florida Department of Revenue, it appears that the County may have some flexibility for increases above the property tax revenue cap in the short term because the Board has not levied the maximum millage since the baseline was set in FY2008.

The long-term impact of this cap is that property tax revenue will be constrained even if taxable values increase beyond the average increase in personal income. To date, the County has not seen an impact from this cap because values have actually declined since it was passed. However, due to the bursting of the housing bubble and the negative impact of foreclosures, the baseline of values has been set artificially low, which will keep property tax revenues constrained by a higher than anticipated margin.

Impact of Amendment One

The FY2009 budget situation was unique in several ways. This was largely due to the passage of Amendment One, placed on the ballot by the Legislature and approved by the voters of Florida on January 29, 2008, which reduced property tax revenues. Also, the economic downturn which began in FY2008 intensified, which further reduced property taxes and also reduced revenues from other important sources.

Amendment One made the following changes which reduced taxable property values and revenues available to local government:

- o "Doubled" the existing $25,000 homestead exemption (except for school taxes)
- o Allows for up to $500,000 of the Save Our Homes exemption to be applied to another property (portability)
- o Imposed a 10% cap on assessments for non-homestead property (school taxes exempt)
- o Instituted a new tangible personal property exemption of $25,000

Impact of the Recession

At the same time that the impact of Amendment One was being felt, the real estate "bubble" burst, and market values for property declined dramatically. The result was an unprecedented decrease in the property tax base. Since World War II, the average annual increase in taxable value is about 5%. In the last two years, the Countywide taxable value has decreased 8.4% and 11.4% with another 12% decrease anticipated in FY2011. Normally, some of this revenue decrease would be offset by the rest of the revenue mix such as sales taxes, state revenue sharing, and other miscellaneous revenues. Unfortunately, the general economy deteriorated to the point that virtually the entire mix of non-property tax revenues also declined substantially. The end result of all of these changes was a large negative impact to the County's revenues which have resulted in

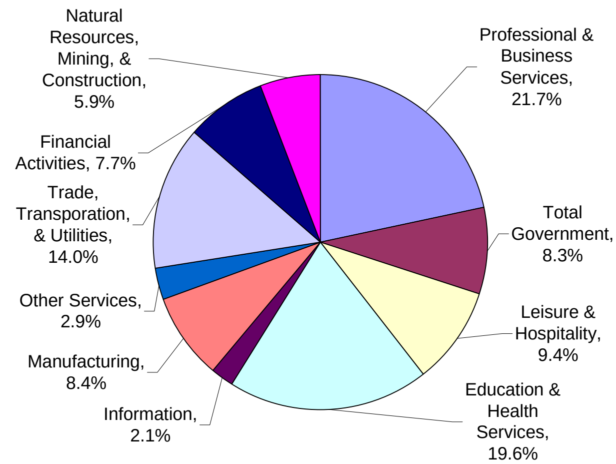
significant reductions across all of the County's funds.

Impacts to the Pinellas County Budget

Over the last three years, the County has been faced with resizing the organization to fit the new fiscal reality stemming from legislative action, the bursting of the housing bubble, and the recession. To provide some perspective, total positions have decreased 1,179 or 18%, since FY2007. Within that number, the BCC departments have decreased 678 positions or 25%, which is the lowest position count since FY1988. The Constitutionals and Independents have decreased 501 positions or 13% which is the lowest position count since FY2001. In the General Fund, the County's largest fund that funds most of its operations, recurring revenues are down 17% or $99 million over the last three years. This difference is expected to increase as property tax revenues continue to contract in FY2011.

LOCAL OUTLOOK

Pinellas County is the 6th largest county in population (938,461) and is the most densely populated in the State. Pinellas County is mostly built out and expects limited population growth in the future. The County is the most popular tourist destination on the Gulf of Mexico, drawing 13 million tourists annually. The County is part of the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA) comprised of Hernando, Hillsborough, Pasco, and Pinellas counties. Below is a chart of Employment by Industry (2006 data) for Pinellas County.



Over the last three years, several of these areas have seen substantial decreases: Natural resources, mining, and construction decreased 27%; Manufacturing 17%; Information 12%; Professional & Business Services 10%; Trade, Transportation, & Utilities, 8%; and Financial Activities 8%. The only area that has shown healthy growth since 2007 is Education & Health Services which has increased 8%.

Unemployment

In prior years, the average unemployment rate in the Tampa-St. Petersburg-Clearwater MSA has been 3.5%-4.5%. In the table below, local unemployment exceeds the average beginning in 2008 and is expected to crest in 2010 and remain above average at least through 2013.

Year	Unemployment Rate (MSA)
2004	4.5%
2005	3.9%
2006	3.4%
2007	4.2%
2008	6.5%
2009 (Est.)	10.9%
2010 (Est.)	11.3%
2011 (Est.)	10.6%
2012 (Est.)	9.4%
2013 (Est.)	8.3%

Source: UCF Institute for Economic Competitiveness
Florida & Metro Forecast, October, 2009

This means that even if the economy improves in the short-term, that unemployment will continue to be a factor for several years.

Tourism

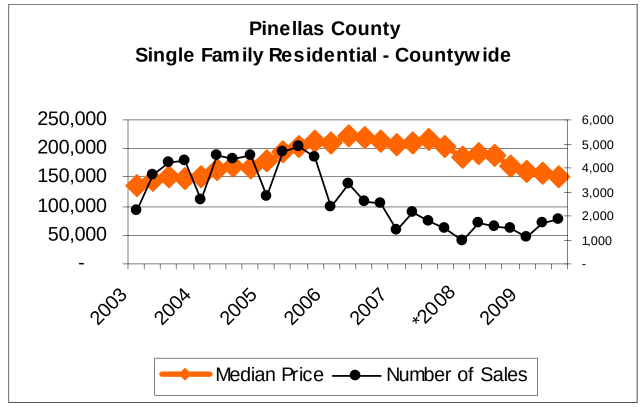
Tourism is a key economic driver of the economy in Pinellas County and contributes direct and indirect visitor expenditures of $6.7 billion annually. Tourism is very sensitive to economic conditions because it is discretionary in nature. Bed tax collections have decreased markedly over the last year as the recession deepened. It is important to note that the number of visitors have remained fairly flat, but their overall expenditures, booking trends, and length of stay have decreased. Most economists predict that the overall economy has bottomed out and tourism is expected to increase gradually over the next several years from 1.5% to 2.5% before returning to an average increase of approximately 3.5% a year. (See the Tourist Development Council Fund forecast in the Other Funds section of this document).

Real Estate

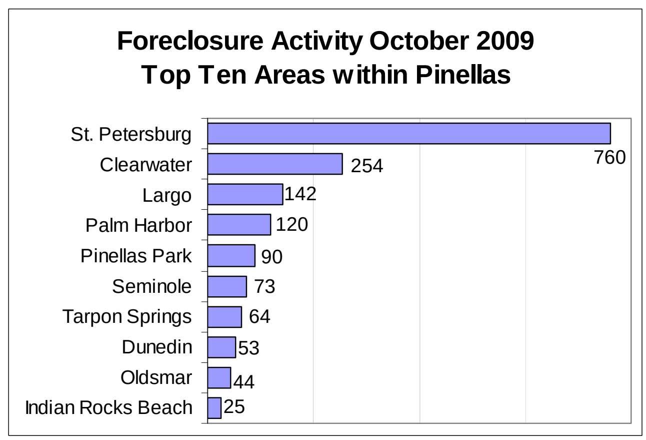
The real estate market in Pinellas County is struggling to recover from the bursting of the housing bubble. Pinellas, like the rest of Florida, experienced a dramatic rise in housing values for several years during the housing boom. Since the bubble burst, values countywide have declined by 8.4% and 11.4% in the last two years and another 12% decrease is expected next year.

Residential Real Estate

Over the last year, home sales in the Tampa Bay area have risen. However, almost half of all the sales are distressed sales involving foreclosed properties. Because distressed sales compose such a high proportion of the overall market, housing prices have decreased dramatically.



Foreclosures continue to hamper the recovery of the residential real estate market. In 2006, the monthly average of foreclosures was 308. In 2007, foreclosures doubled to 628 a month. In 2008 and 2009, foreclosures are averaging 1,200 a month, which is approximately four times the normal average.



Source: RealtyTrac.com

Bank-owned property has also spiked as the 61 banks headquartered in the Tampa Bay area have $120.5 million of property on their balance sheets in 2009 compared to $8 million in 2007.

Recovery in the residential real estate market is dependent on the strength of housing in several feeder markets, notably the Midwest and the Northeast. As those markets recover over the next two years, potential retirees and job hunters can sell houses in their home markets and help the Pinellas housing market decrease its current high level of inventory.

Commercial Real Estate

Although there are prospects of improvement in the residential market, the distress in the retail, industrial, hotel and office sectors has only begun to unfold. The Tampa-St. Petersburg-Clearwater MSA ranks No. 17 among all MSAs in terms of delinquent balances on loans that are rolled up into commercial mortgage-backed securities. Fifty of the 601 CMBS loans in the MSA were delinquent as of November 23, 2009, which is a higher delinquency rate than markets such as New York or Los Angeles. The Federal Reserve expects the situation to deteriorate further due to negative fundamentals. Also, borrowers' difficulty in paying-off balloon mortgages and other loans will have an adverse impact. The absence of liquidity is a major issue since without the ability to refinance expiring mortgages on projects, many owners will be forced to foreclose or trade commercial property in fire sales, further eroding values. In the Tampa Bay area the commercial market is not expected to hit bottom until the region has experienced at least two quarters of positive job growth. Unfortunately the Tampa-St. Petersburg-Clearwater MSA is forecast to have double digit unemployment for the next 2-3 years.

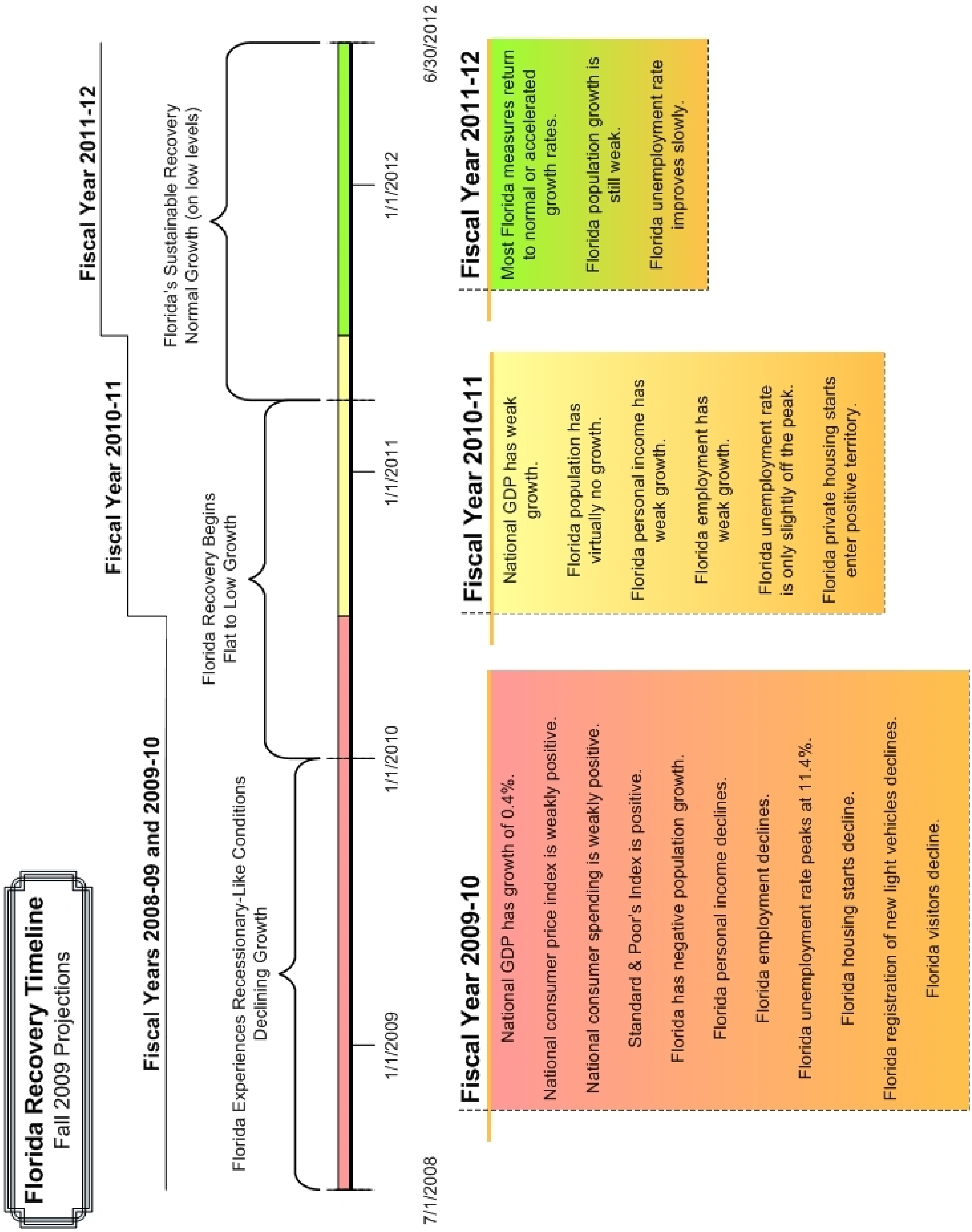
Summary of Local Outlook

The Tampa-St. Petersburg-Clearwater MSA economy is expected to hit bottom during 2009 and grow slightly in 2010 and 2011 before growing moderately in 2012 and 2013 as shown in the following chart.

Year	% Change in Gross Metro Product (MSA)
2004	4.5%
2005	5.6%
2006	4.0%
2007	-0.4%
2008	-1.3%
2009 (Est.)	-2.9%
2010 (Est.)	1.6%
2011 (Est.)	2.8%
2012 (Est.)	4.7%
2013 (Est.)	4.2%

Source: UCF Institute for Economic Competitiveness
Florida & Metro Forecast, October, 2009

In the short term, the local recovery is expected to grow slightly but will be hindered by double-digit unemployment, low prices and high inventory of residential property due to foreclosures, and the continuing deterioration of the commercial real estate market.


Florida Recovery Timeline
Fall 2009 Projections
Fiscal Years 2008-09 and 2009-10
Fiscal Year 2010-11
Fiscal Year 2011-12
Florida Experiences Recessionary-Like Conditions
Declining Growth
Florida Recovery Begins
Flat to Low Growth
Florida's Sustainable Recovery
Normal Growth (on low levels)
7/1/2008
1/1/2009
1/1/2010
1/1/2011
1/1/2012
6/30/2012
Fiscal Year 2009-10
National GDP has growth of 0.4%.
National consumer price index is weakly positive.
National consumer spending is weakly positive.
Standard & Poor's Index is positive.
Florida has negative population growth.
Florida personal income declines.
Florida employment declines.
Florida unemployment rate peaks at 11.4%.
Florida housing starts decline.
Florida registration of new light vehicles declines.
Florida visitors decline.
Fiscal Year 2010-11
National GDP has weak growth.
Florida population has virtually no growth.
Florida personal income has weak growth.
Florida employment has weak growth.
Florida unemployment rate is only slightly off the peak.
Florida private housing starts enter positive territory.
Fiscal Year 2011-12
Most Florida measures return to normal or accelerated growth rates.
Florida population growth is still weak.
Florida unemployment rate improves slowly.

Fund Forecasts

FUND FORECASTS

The *Fund Forecasts* portion of the Budget Forecast: FY2011-2020 includes ten-year forecasts for ten of the County's major funds:

- General Fund
- Tourist Development Fund
- Transportation Trust Fund
- Penny for Pinellas Fund
- Emergency Medical Services Fund
- Fire Districts Fund
- Airport Fund
- Utilities Water Funds
- Utilities Sewer Funds
- Utilities Solid Waste Funds

Sections in Each Fund Forecast

Each fund forecast includes the following sections:

- **Summary**: Provides an at-a-glance summary of the ten-year forecast. These results are also summarized in the Executive Summary.
- **Description**: Provides information concerning the fund such as: fund type, legal authority, authorized uses of proceeds, etc.
- **Revenues**: Provides a high level overview of the major revenues in the fund
- **Expenditures**: Provides a high level overview of the major expenditures in the fund
- **Ten Year Forecast**: Includes key assumptions in the forecast, a chart of the ten-year forecast, and key results interpreted from the forecast chart
- **Potential Risks:** Includes key factors that affect assumptions in the forecast over the forecast horizon
- **Balancing Strategies**: Includes potential revenue and expenditure options for balancing the funds

Additional Information

The fund forecasts in this section are intended to be high level, user-friendly summaries of the results of the ten-year forecast for each fund.

For more detailed information, please see the *Assumptions & Pro-Formas* portion of this document.

GENERAL FUND

Summary

The General Fund encompasses the principal governmental activities of the County, that is, those that are not primarily supported by dedicated revenues or by user fees. The four main revenue sources for the General Fund are Property Taxes, State Shared Half-Cent Sales Taxes, State Revenue Sharing, and Communications Services Taxes.

The forecast for the General Fund shows expenditures exceeding revenues beginning in FY2011 because of the unanticipated severity of the continuing recession, and also because not all of the FY2010 target reductions were achieved. There is a structural imbalance between the General Fund's recurring revenues and recurring expenditures. The forecast shows that if this situation is not addressed, the projected $40M shortfall in FY2011 will continue to grow.

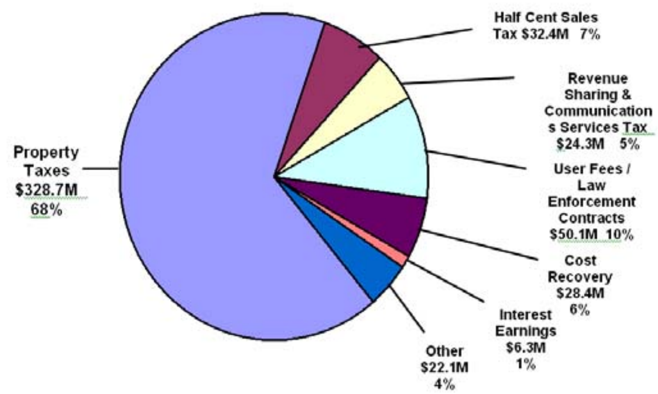
Description

The General Fund includes the primary governmental functions of the County that are not completely supported by dedicated resources. These activities include, but are not limited to: Sheriff's law enforcement, detention, and corrections; health and human services; emergency management and communications; parks and leisure services; and the operations of the Property Appraiser, Tax Collector, and Supervisor of Elections.

The General Fund includes operations for both county-wide functions and the unincorporated area. These segments are tracked separately within the fund. The unincorporated area is commonly referred to as the MSTU (Municipal Services Taxing Unit). MSTU expenditures are about 10% of the total (net of reserves).

Revenues

There are four primary funding sources for the General Fund: Property Taxes, State Shared Half-Cent Sales Taxes, State Revenue Sharing, and Communications Services Taxes. These sources comprise about 80% of the revenue. The remaining 20% is derived from a variety of resources, including User Fees, Grants, Interest, and Cost Recovery from other County funds.



Property Taxes

Ad valorem taxes, commonly called property taxes, are assessed on real property and on tangible personal (business) property. The tax rate is expressed in "mills". One mill is one dollar of taxes for each thousand dollars of taxable value. For example, a tax rate of 5.9 mills on a taxable value of $100,000 yields $590 in taxes.

The Florida Constitution imposes a cap of 10 mills on the total of all Countywide ad valorem rates (which includes the General Fund countywide levy plus the levies for the Health Department and for Emergency Medical Services). A cap of 10 mills is also imposed on the combined total of all MSTU ad valorem rates (which includes the General Fund MSTU levy plus the levies for other dependent districts).

The taxable values as of January 1st are established annually by the Property Appraiser and certified for budget purposes by July 1st. Final taxable values, following appeals and adjustments, are certified following the completion of the Value Adjustment Board (VAB)

appeals process, which recently has been extending into February of the next calendar year.

Millage rates are approved annually by the Board of County Commissioners by resolution as part of the budget process. This process must follow the "Truth in Millage" (TRIM) law, including timing, advertisement, and conduct of public hearings.

Federal, state, county and municipal property is exempt from property taxes. Besides the Homestead and Save Our Homes Exemptions discussed in the Economic Overview section, various other exemptions may be available depending on the type of property.

Property taxes for FY2010 were levied based on taxable values as of January 1, 2009. This means that the continuing decline in values during calendar year 2009 did not impact the FY2010 budget, but will have a major impact on FY2011. In determining the values as of January 1, 2010, which are the basis for FY2011 calculations, the Property Appraiser will factor in the impact of mortgage foreclosures, which have continued at record levels this calendar year. Foreclosures do not have a significant impact on current year collections of taxes levied because of the recovery mechanisms for delinquent taxes. If taxes are unpaid by June 1st, a Tax Certificate is offered for sale by the Tax Collector. The certificate is sold to an investor, and the County receives the equivalent of the taxes due. This recession has seen a dramatic increase in tax certificate sales.

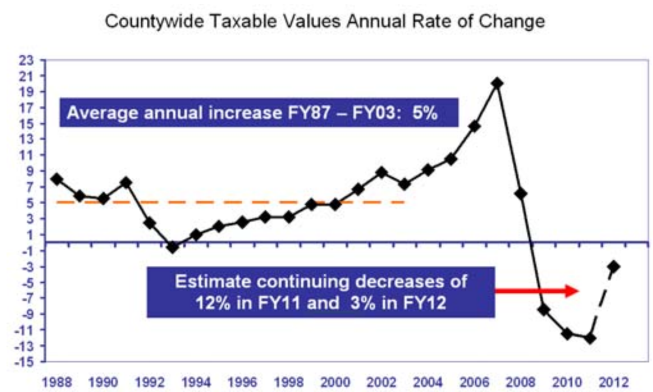
Although they do not affect the percentage of property taxes collected during the fiscal year, foreclosures tend to depress market values of surrounding properties and this has a negative impact on the tax base. Along with the rest of the state, Pinellas County foreclosure filings increased significantly beginning in 2007 and are currently averaging about four times higher than the historical norm.

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	1,236	1365	1,142	1,215	1,239	1,120	1,487	15,453

Source: Pinellas County Clerk of the Circuit Court

The taxable values for FY2010 were certified by the Property Appraiser on July 1, 2009. The county-wide value decreased by 11.4% compared to the FY2009 values. It was the second year in a row that the tax base declined. Prior to this the tax base only decreased once since World War II, a small -0.6% dip in FY1993.



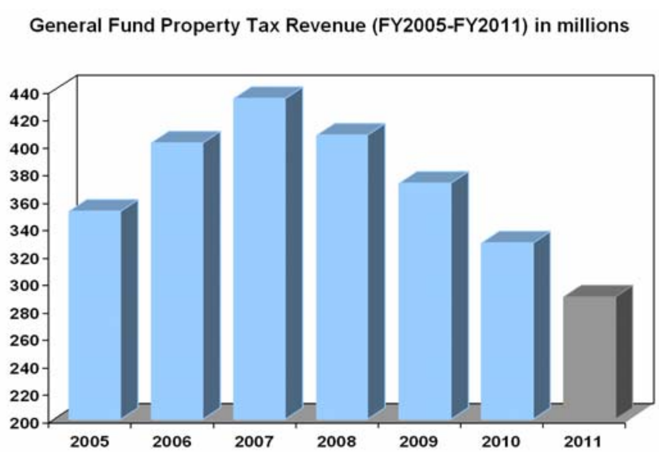
The growth in homesteaded taxable value is subject to the caps imposed by the Save Our Homes amendment. This limits the annual growth in a property's taxable value to the growth in the Consumer Price Index (CPI) or 3%, whichever is lower. If the CPI index is negative, the allowable change in taxable values is also negative.

Save Our Homes Cap for Fiscal Year Based on Change in Consumer Price Index				
2001	**2002**	**2003**	**2004**	**2005**
2.7%	3.0%	1.6%	2.4%	1.9%
2006	**2007**	**2008**	**2009**	**2010**
3.0%	3.0%	2.5%	3.0%	0.1%

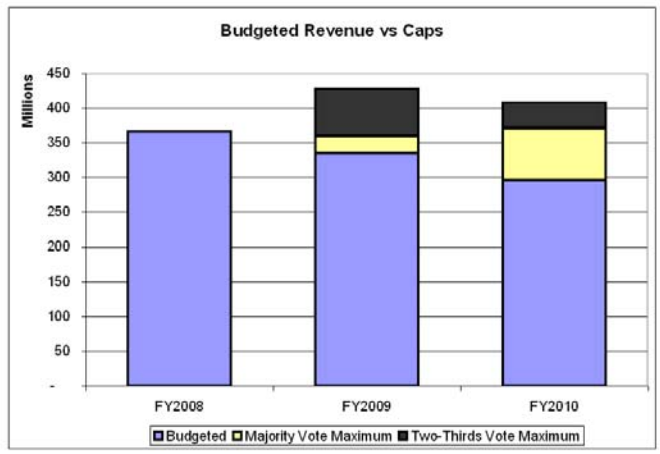
Source: Florida Department of Revenue

The factor used is the annual change in the CPI as of December each year. For example, the limit for FY2010 was the December, 2008 change percentage, +0.1%. The limit for FY2011 will be the December, 2009 index, +2.7%, which was issued by the U.S. Bureau of Labor Statistics on January 15, 2009.

Property taxes comprise more than two-thirds of the revenue supporting the General Fund. Property Taxes are normally one of the most reliable revenue sources available to local governments. As a result, most cities, counties, school districts, etc. rely on the stability of property taxes to build their budgets. Unfortunately, due to the combined result of mandatory legislative roll-backs, the passing of Amendment One, and a correction in the real estate market, taxable values have decreased dramatically resulting in a negative multi-year impact in property tax revenue. The decline in property tax revenue from FY2008 to FY2011 will exceed the increases that occurred from FY2004 though FY2007. The additional revenue resulting from the run-up in values from 2003 through 2006 is no longer available, and the FY2010 budgeted revenue is less than the FY2005 revenue. The combined General Fund property taxes for countywide and MSTU are expected to generate $328.7M in FY2010. From FY2007 to FY2011 property tax revenue is estimated to decrease $135M or 31%.



The revenue caps approved by the Legislature in 2007 require that beginning with FY2009, the maximum millage rate that can be approved by a simple majority vote of the Board of County Commissioners equals the prior year's maximum rolled-back rate adjusted for the change in per capita Florida personal income. A two-thirds vote of the Board may approve up to 110% of this maximum. Any higher millage rate requires a unanimous vote of the Board, or a referendum. The County may have some flexibility for increases in the short term because we did not levy the maximum millage in FY2009 or in FY2010.



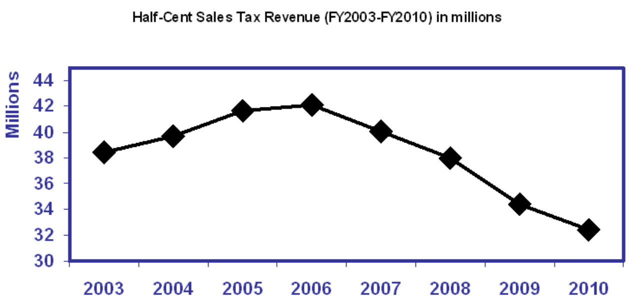
The negative impact from reduced property tax revenue is generally less pronounced for the municipalities in Pinellas County. Their General Fund revenue mix usually reflects other revenues such as franchise fees and utility taxes that can help mitigate the impact of a reduction in property tax revenue.

Sales Taxes

The second largest General Fund revenue source is the State Shared Half-Cent Sales Tax, which is 7% of total General Fund revenues. This is a portion of the State's six cent sales tax that is shared with counties and cities. First authorized in 1982, the program generates the largest amount of revenue for local governments among the state-shared revenue sources currently authorized by the Legislature. In addition to

food and medicine, certain other purchases are exempted from sales tax by legislation.

Sales tax revenues are highly elastic, increasing and falling with the health of the overall economy. Reflecting the recession, collections have declined over the past two years and are expected to decline again in FY2010 as shown in the chart below. The projected revenue for FY2010 is the lowest in eleven years (since FY1999).



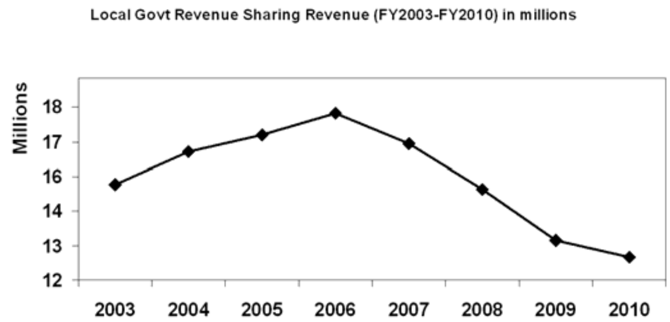
Estimated Sales Tax revenues for FY2010 are 23% under the peak year of FY2006. This tax is expected to generate $32.4M in FY2010.

State Revenue Sharing

The third major General Fund source, State Revenue Sharing, which is 3% of total General Fund revenues, is also primarily based on the State's sales tax revenue. The formula for Revenue Sharing is subject to adjustment by the Legislature.

This revenue source reflects a long-term decline due principally to legislative reductions in the formula, and similar to sales taxes, Revenue Sharing has been negatively impacted by the recession. The projected revenue for FY2010 is the lowest in eighteen years (since FY1992).

This source is expected to generate $12.8M in FY2010. The State's estimate for FY2011 will not be known until June or July 2010, after the approval of the State budget for their fiscal year which begins July 1st.



Communications Services Taxes

The fourth major revenue in the General Fund is the Communications Services Tax (CST). This tax, which is 2% of total General Fund revenues, is paid by unincorporated area residents and is dedicated entirely to providing services for them through the MSTU.

The CST legislation was enacted to restructure taxes on telecommunications, cable, direct-to-home satellite, and related services that existed prior to October 1, 2001. Previously, a county could impose franchise fees on telephone and cable television within its boundaries. Currently, for charter counties a local CST may be levied at a rate up to 5.1 percent, plus an add-on of up to 0.12 percent in lieu of imposing permit fees. The County has levied the maximum rate of 5.22% since January, 2003.

The CST is expected to generate $11.5M in FY2010, down from a peak of $13.8M in FY2007, due in part to Department of Revenue adjustments related to prior years' collections. Recent data indicates that this source is experiencing continued erosion as consumers reduce spending in response to the recession.

Other Revenues

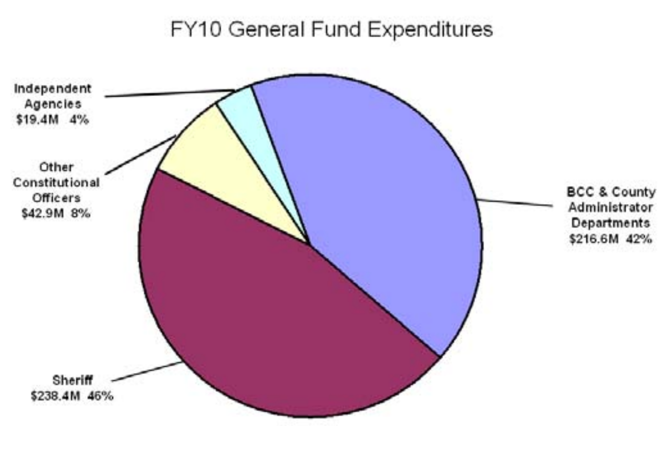
Lesser revenue sources include User Fees, Sheriff's Law Enforcement Contracts, Cost Recovery from other funds, Interest Earnings, and various other sources including Federal and State grants. In general these revenues have decreased as a result of the recession, but are

mostly expected to resume moderate growth in future years.

Expenditures

The General Fund includes the primary governmental functions of the County that are not completely supported by dedicated resources. These activities include, but are not limited to: Sheriff's law enforcement, detention, and corrections; support of the Court system, including facilities and technology; health and human services; environmental management; emergency management and communications; parks and leisure services; general administration; and the operations of the Property Appraiser, Tax Collector, and Supervisor of Elections.

The expenditures in the General Fund total $517.3M (net of reserves) and can be summarized in four groups: the Board of County Commissioners, the Sheriff, Other Constitutional Officers, and Independent Agencies.



Board of County Commissioners

This grouping of departments includes the departments under the County Administrator as well as the County Attorney's Office and the BCC. They are $216.6M or 42%, of total FY2010 General Fund expenditures (excluding reserves). Some of the major programs include: social services; matching funds for State Managed Healthcare; building operations and maintenance (including the courts, jail, and Sheriff's headquarters); parks maintenance; environmental protection; environmental preserves; cultural affairs; emergency management; animal shelter; rabies control; economic development; consumer services; veteran's services; the county extension service; Florida Botanical Gardens; Heritage Village; public information; the County cable television station; planning; budget; purchasing; and State-mandated support of juvenile detention.

Over the past three years, this department group has declined as a percentage of the total General Fund budget due to program reductions, reorganizations, and new operating efficiencies.

Sheriff

The Sheriff is an independently elected Constitutional Officer. The Sheriff's budget is $238.4M, or 46%, of total FY2010 General Fund expenditures (excluding reserves). Detention and Corrections programs comprise 52% of this total. The Sheriff also provides support to the Court System and provides Law Enforcement services to both the unincorporated area (MSTU) and by contract to 12 municipalities. The Sheriff's adopted budget is often supplemented during the year by grants from Federal and State agencies such as the U.S. Department of Justice and the Florida Department of Law Enforcement.

Other Constitutional Officers

These agencies, which are headed by independently elected officials, comprise $42.8M, or 8%, of total FY2010 General Fund expenditures (excluding reserves). In most cases, the General Fund only reflects part of the total agency budgets.

The Tax Collector and Property Appraiser's budgets are determined by statutory formulas and are approved by the State Department of Revenue. Only about 85% of the Tax Collector and Property Appraiser total budgets are included in General Fund expenditures. The

remainder is supported by other funds and by revenue sources that are specific to certain functions. An example of the latter is the processing of driver's licenses, which receives some state support but not enough to cover the Tax Collector's cost of providing the service.

The Clerk of the Circuit Court has two separate budgets for activities in support of the Board of County Commissioners and for support of the Court system. The latter is fee supported and is not included in the County's budget; it is funded and approved by the State. The Board-related functions comprise about 25% of the Clerk's total budget.

The budget for the Supervisor of Elections experiences annual fluctuations which result from the varying number and scope of elections in a given year. The Supervisor is responsible for preparing and conducting all Federal, State, County, and Municipal elections within the County. The Supervisor's budget fluctuates from year to year depending on the number of elections to be conducted.

Independent Agencies

These agencies are $19.4M, or 4%, of total FY2010 General Fund expenditures (excluding reserves). They include the County's support for the Judiciary, the State Attorney, the Public Defender, and the Criminal Justice Information System. Much of this support is driven by statutory mandates that require the County to fund certain technology expenses, programs, and facilities. Only about 13% of the Judiciary's total budget, 6% of the Public Defender's budget, and 1% of the State Attorney's budget are funded by Pinellas County. This funding includes some local programs, such as non-mandated Court options and the Public Defender's Jail Diversion efforts. The Sixth Judicial Circuit encompasses both Pinellas and Pasco counties. Pasco County provides funding for similar functions at a lower level due to its relative size. The balance of these agency budgets are funded by the State.

The Medical Examiner also serves the entire Sixth Judicial Circuit, and therefore is supported by both Pinellas and Pasco Counties. The Medical Examiner is not a government employee, but provides forensic investigative and laboratory services to the County by contract.

Two other agencies receive General Fund support. The Office of Human Rights provides County citizens protection from employment and housing discrimination and also acts as the County's internal affirmative action agency. The Human Resources department manages the Unified Personnel System (UPS) which provides centralized personnel services for the BCC and most of the other County elected officials and independent agencies. The major exception is the Sheriff, who operates a separate personnel system.

Types of Expenditures

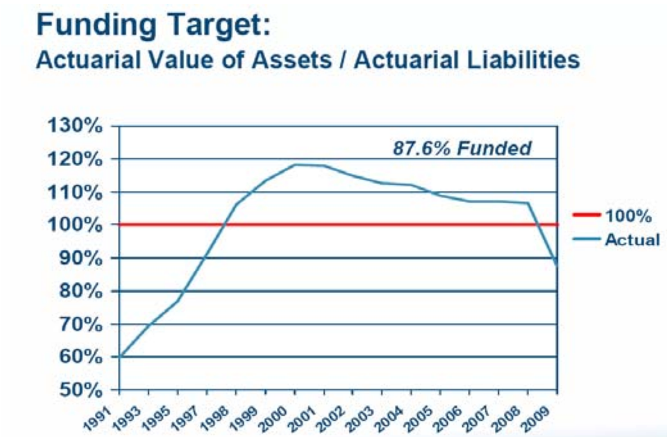
In addition to the breakout of organizational responsibilities, another way of looking at General Fund requirements is to consider the types of expenditure required for those organizations to carry out their responsibilities. As defined in the State Uniform Chart of Accounts, these categories are Personal Services, Operating Expenses, Capital Outlay, Debt Service, Grants & Aids, and Transfers.

The cost of Personal Services (salaries and benefits) is the single largest category of expense in the General Fund. Prior to FY2009, the range of salary merit adjustments generally varied from 0 to as high as 7%. No automatic cost of living increases have been granted to County employees in recent years.

The two key drivers for employee benefits are the County's share of pensions and health insurance costs. The County is required to participate in the Florida Retirement System (FRS), a State public pension plan. From 1998 to 2008, FRS had been one of the few state systems that had an actuarial surplus. This lowered the

required contributions set by the Legislature that are based on an employee's salary and benefit category (public safety employees have higher benefits).

As with most other pension systems, the financial system crisis in the fall of 2008 had a significant effect on the value of FRS investments.



Source: Milliman presentation to FRS Actuarial Estimating Conference, October 16, 2009

Although the impact is tempered by the method used by actuaries to determine rates over a long period of time, it is very likely that there will be increases in the FRS contribution requirements over the next several fiscal years.

Health insurance costs for the County have followed the national trend and outpaced inflation in recent years. These increases have been mitigated by the County's aggressive cost containment measures including the renegotiation of pharmacy and health contracts, the creation of a medication management program, and the introduction of a fully insured Medicare Advantage Group plan for Medicare-eligible retirees.

The cost of services, commodities, and equipment (Operating Expenses and Capital Outlay) are driven by inflation. Many costs will track close to the Consumer Price Index (CPI), but fuel, chemicals, and construction materials often exceed that pace.

Unlike many other local governments, Pinellas County has no outstanding bond issues which are supported by a pledge of property taxes or other general revenue. The only budgeted expenses for Debt Service (principal and interest payments) are for lease/purchase agreements and short term cash flow needs.

The Grants and Aids expenditure category includes several types of funding provided by the County to other entities, such as Tax Increment Financing (TIF) payments to cities for redevelopment areas, financial assistance for low income residents, and support of community non-profit social action agencies.

Transfers between funds may be ongoing or non-recurring in nature. For example, an ongoing transfer to the Employee Health Benefits Fund is budgeted to address unfunded liabilities for Other Post Employment Benefits (OPEB). In FY2010, a non-recurring transfer to the Capital Projects Fund is budgeted for energy efficiency capital projects.

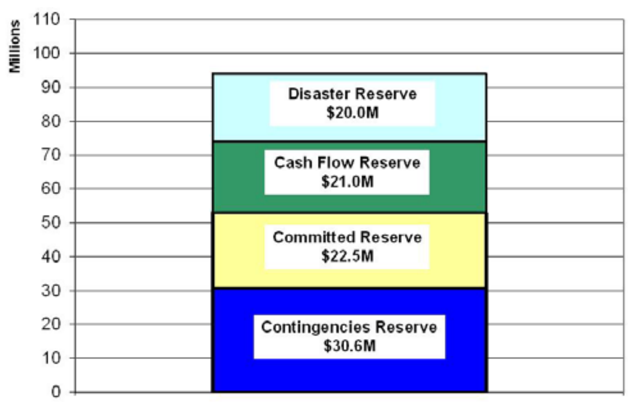
Non-recurring funds may also be included in the other expenditure categories. At the end of each fiscal year, non-recurring funds may be realized as additional fund balance resulting from revenue in excess of expenditures in a given fund. The FY2010 Budget allocates non-recurring funds for a variety of one-time projects. Many of these projects will yield recurring savings in future years. The amount of non-recurring or one-time funds can vary significantly from year to year. As stated in the County's budget policies, non-recurring funds should be applied to increase reserves or used for one-time purposes only. They should not be used to fund ongoing programs.

Reserves

Reserves are not expenditures, but they are included in the budgeted total requirements for the fund. Maintaining adequate reserves is key to the County's ability to deal with potential

emergencies and unforeseen events such as fuel price increases or a natural disaster. This is even more important in view of our geographic location on the Florida Gulf Coast. We need to have the ability to maintain critical public safety, transportation, and other services during and after hurricanes and other severe storms. We need the resources to provide these services immediately and not rely on Federal funding, which is often made available as reimbursements and received months or years after the event. Having an adequate reserve also demonstrates stability to the financial markets. Although Pinellas has the lowest general revenue debt of any major Florida county, this stability enhances our ability to raise capital through bonding at a lower cost if required in the future.

The FY2010 General Fund budget includes a projected reserve of $94.1M which meets the Board's 15% policy target. The components of the estimated FY2010 year-end reserves are Contingencies, Committed, Cash Flow, and Disaster Reserves. As the overall General Fund budget decreases, the 15% target will equate to a smaller proportional reserve amount.



An amount equal to 5% of resources is appropriated for contingencies during the year. The Contingency reserve, which is budgeted at $30.6M in FY2010, is for unanticipated revenue shortfalls or expenditures. For example, fuel costs have been highly volatile for the past two years, and electricity rate increases have exceeded normal inflation. Another example is the need for accrued leave payouts in FY2010 due to layoffs.

At year end, specific resources are committed to be expended in the following fiscal years due to timing issues. The $22.5M in this category for FY2010 includes accrued leave earned by employees but not yet paid to them, encumbrances, and also grants revenue that has been received but not yet spent .

The Cash Flow reserve is required to meet cash flow needs. During the first two months of the fiscal year, expenditures exceed revenues because most of the property tax revenue is not received until December. Property tax revenue represents 68% of the total General Fund revenue. The FY2010 amount for the Cash Flow reserve, $21.0M, is equal to 6% of the property tax revenue for the year.

As a high hazard coastal county, Pinellas needs to have Disaster Reserve funds on hand in case of an emergency such as a hurricane or other man-made or natural disasters. In FY2010, $20.0M is budgeted in this reserve. Reimbursement from the Federal Emergency Management Agency (FEMA) and the State usually cover only a portion of the costs, is not available at the beginning of a disaster, and often is not received for many months or years. For example, FEMA funds for the three 2004 hurricanes which brushed Pinellas County (Jeanne, Charley, Frances) were not fully received until 2007, after extensive and protracted appeals through FEMA and the State. Approximately $1M of the $8.6M total costs was not reimbursed for these storm events.

The County is the primary coordinating agency for disaster response, and extraordinary unbudgeted expenses are required to respond to such a situation. Resources are needed to pay for extended work hours for Sheriff's deputies and other emergency first response personnel and to operate emergency shelters and the emergency communications center. Public works crews and equipment, and possibly private contractors, are needed to repair storm damage. Debris removal

funding may be required if solid waste resources are not available. Since storms may vary greatly in their impact, it is not possible to predict the exact amount which would be required.

Ten-Year Forecast

Key Assumptions - Revenues

For the purposes of this forecast, it is assumed that the General Fund millage rates for both countywide and MSTU purposes will remain the same as in FY2010. The millage rates have not changed since FY2008, at which time they decreased due to action by the State Legislature. The countywide millage rate is currently 4.8108 mills, the lowest since FY1990, and the MSTU rate is 2.0857 mills.

In establishing revenue assumptions, we have reviewed data and forecasts from a variety of economists and other sources, including the State of Florida's Revenue Estimating Conferences. The State utilizes a professional, nonpartisan consensus process involving the Legislature, the Governor's Office, and the State's Division of Economic and Demographic Research in developing national and state economic forecasts that are used in all planning and budgeting actions of the state. The County is not required to use this data, but it provides useful background information for projecting changes in revenues and expenditures. The current Conference projections end at FY2019. The projections are available on-line at http://edr.state.fl.us/conferences.htm.

The assumption in the forecast is that taxable values will decline again for FY2011 and FY2012 before returning to a growth mode in FY2013.

Change in Taxable Values - Countywide				
2011	**2012**	**2013**	**2014**	**2015**
-12.0%	-3.0%	3.0%	3.0%	5.0%
2016	**2017**	**2018**	**2019**	**2020**
5.0%	5.0%	5.0%	5.0%	5.0%

In FY2011, the overall taxable value decrease of 12% in countywide taxable values reflects differing anticipated changes in the major components of the tax base. Within these categories, changes in individual properties may vary significantly due to many factors, including location (for example, beach vs. inland) or use (for example, hotel vs. retail).

	% Change in Value		Est. Tax Base
	Just Value	Taxable Value	$ Billion
Single Family Residential			
Homesteaded	-12%	-6%	$ 18.1B
Non-Homesteaded	-12%	-12%	$ 7.9B
Condominium Residential			
Homesteaded	-20%	-6%	$ 2.8B
Non-Homesteaded	-20%	-20%	$ 6.8B
Other Residential			
Homesteaded	-12%	-6%	$ 0.8B
Non-Homesteaded	-12%	-12%	$ 4.2B
Non-Residential			
Commercial & Industrial	-20%	-20%	$ 12.1B
Personal Property	-0.5%	-0.5%	$ 4.2B
Total		**-12.0%**	$ 56.9B

These decreases are greater than previously anticipated both in the County multi-year forecast in the FY2010 budget, and also in other economic projections. An expected leveling out of sales prices in the third quarter of 2009 did not materialize. Instead, although the number of sales has increased, prices have continued to decline. News reports on the perceived recovery of the real estate market often emphasize the growing number of sales rather than the downward price trend.

Another aspect of the declining market values (and the "doubling" of the Homestead Exemption from $25,000 to $50,000) has been the erosion of the amount of value exempt from taxes due to Save Our Homes. Prices are now at the point where in some instances homesteaded

residential market values have decreased below last year's taxable value. This means that unlike prior years, some parcels covered by Save Our Homes may see decreases in their taxable value for FY2011.

Our assumptions for the FY2011 taxable values are more conservative than those of the State Ad Valorem Revenue Estimating Conference, which projected a decline of 8.6% in residential and 14.4% in commercial market values. The forecast decrease of 12% in residential taxable values is based on our review of the median sales price data provided by the Property Appraiser and other local market information.

It may be of interest to note that the December Revenue Estimating Conference numbers for Pinellas deteriorated from the July numbers.

The 20% decrease in non-residential taxable values recognizes the significance of vacancy rates in the commercial sector and the overbuilding of retail as discussed in the Economic Outlook section of this forecast.

In the future, the growth in property tax revenues will be restrained by the caps put in place by the Legislature in 2007. The amount of new construction in Pinellas County will not provide the boost that other counties that are not essentially built-out will enjoy. For example, Orange and Hillsborough counties have large undeveloped areas that are available for major residential, commercial and industrial expansions. In FY2008, the new construction in Orange County essentially offset the mandated Legislative property tax rollback. Our forecast, however, anticipates that the rate of growth will be 3% in FY2012 and FY2013, before returning to the 5% average growth which occurred in the years before the real estate boom.

For the State Shared Half-Cent Sales Tax, in FY2011 and later years, we anticipate a return to a growth mode, but because the recovery will be slow, the growth is not expected to approach historical patterns. A 3% growth rate is assumed for the 10-year forecast period. This projection is more conservative than the State General Revenue Estimating Conference, which anticipates a large FY2011 – FY2012 recovery "bump" in total statewide sales tax receipts that would bring collections up to the FY2008 level by FY2012. We believe this is overly optimistic and are not anticipating a return to the FY2008 level of our Half-Cent Sales Tax revenues until FY2015.

Change in Half-Cent Sales Tax Revenue				
2011	**2012**	**2013**	**2014**	**2015**
3.0%	3.0%	3.0%	3.0%	3.0%
2016	**2017**	**2018**	**2019**	**2020**
3.0%	3.0%	3.0%	3.0%	3.0%

For State Revenue Sharing, the forecast assumes that there will not be any changes to the sharing formula. We expect a return to the pattern of moderate growth in this revenue source that predated the economy's boom and bust cycle, and are assuming an annual increase of 2% through the forecast period.

Change in State Revenue Sharing Revenue				
2011	**2012**	**2013**	**2014**	**2015**
2.0%	2.0%	2.0%	2.0%	2.0%
2016	**2017**	**2018**	**2019**	**2020**
2.0%	2.0%	2.0%	2.0%	2.0%

For other revenues in the General Fund, the forecast assumes flat to moderate growth which reflects the anticipated gradual economic recovery.

Change in Other Revenue (aggregate)				
2011	**2012**	**2013**	**2014**	**2015**
2.0%	2.0%	2.0%	2.0%	2.0%
2016	**2017**	**2018**	**2019**	**2020**
2.0%	2.0%	2.0%	2.0%	2.0%

Key Assumptions - Expenditures

The forecast assumes a continuation of current (FY2010) programs and service levels. As described in the Economic Outlook section of this document,

The basic assumptions for Personal Services and Operating Expenses that are used throughout the forecast apply to the General Fund. The forecast does not assume any net additional positions except those required for new facilities scheduled for construction in the Capital Improvement Program.

As with other operating funds, no salary adjustments are included in FY2011. In future years, moderate pay for performance merit increases are expected to resume in order to maintain a compensation structure that can attract and retain quality employees. No automatic cost of living increases are anticipated in the forecast.

Change in Salaries (Merit Increases – Net)				
2011	**2012**	**2013**	**2014**	**2015**
0.0%	2.5%	2.5%	2.5%	2.5%
2016	**2017**	**2018**	**2019**	**2020**
2.5%	2.5%	2.5%	2.5%	2.5%

Due to the decline in value of the State's pension fund investments, we are assuming continued increases in the FRS contribution requirements over the next several fiscal years. The FY2011 forecast assumes a 5% increase in the dollar amount the County contributes to FRS.

Change in FRS Pension Contributions				
2011	**2012**	**2013**	**2014**	**2015**
5.0%	5.0%	9.0%	9.0%	6.0%
2016	**2017**	**2018**	**2019**	**2020**
6.0%	6.0%	6.0%	6.0%	6.0%

The forecast assumes that the County's aggressive health insurance cost containment measures will continue. The Obama Administration's effort on the national level to restructure and contain health insurance costs could have a significant impact, but the forecast does not assume any changes in the current situation. A 10% increase in the County's Health Insurance contribution is anticipated for FY2011.

Change in Health Insurance Contributions				
2011	**2012**	**2013**	**2014**	**2015**
10.0%	10.0%	8.0%	8.0%	9.0%
2016	**2017**	**2018**	**2019**	**2020**
9.0%	9.0%	9.0%	9.0%	9.0%

The combined result of the forecast changes in salaries and benefits results in the following overall change to Personal Services costs.

Change in Personal Services Expenditures (Net Total Salary and Benefit Changes)				
2011	**2012**	**2013**	**2014**	**2015**
1.7%	3.9%	3.9%	3.9%	3.9%
2016	**2017**	**2018**	**2019**	**2020**
3.9%	3.9%	3.9%	3.9%	3.9%

The forecast assumes that the cost of services, commodities, and equipment will in the aggregate track the CPI increases developed by the State in their consensus Revenue Estimating Conference.

Change in Non-Personnel Expenditures				
2011	**2012**	**2013**	**2014**	**2015**
1.6%	2.3%	1.9%	1.9%	1.9%
2016	**2017**	**2018**	**2019**	**2020**
2.0%	2.0%	1.9%	2.0%	2.0%

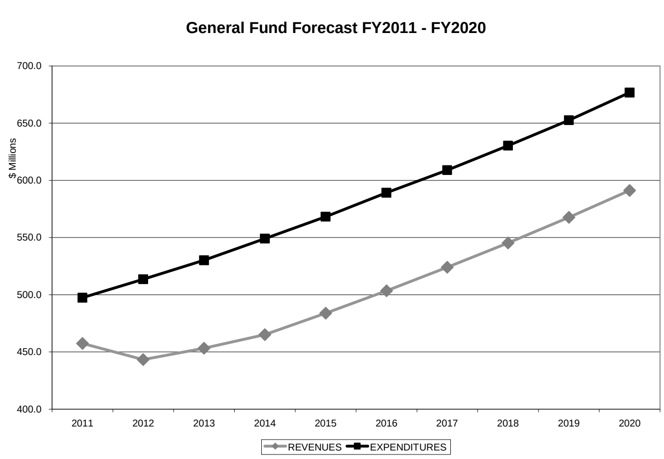
As discussed previously, the County has no outstanding bond debt supported by property taxes or other general revenues. No such bond issues are anticipated during the term of the forecast.

GENERAL FUND

Because of the uncertain nature of non-recurring funds, none are anticipated in the forecast with the exception of those estimated to be available in FY2011.

No new programs funded by the Federal economic stimulus (ARRA) or other non-routine grants are included in the forecast. The assumption is that any such expenditures will be dedicated for non-recurring purposes or will cease when the grant funds are no longer available. In the recent past, the Sheriff in particular has been very proactive in seeking Federal and State funding for public safety purposes that supplement but not supplant existing budgets. While this is desirable and likely to continue, for the purposes of the forecast these unpredictable expenses and their offsetting revenue are not included.

As identified in the FY2010 Executive Summary Budget, several capital improvement projects are expected to require increased operating expenditures when completed. These projections have been incorporated into the forecast. In FY2011, for example, Eagle Lake Park, Wall Springs Park, the Public Works Emergency Responders Building, and the Lake Seminole Alum Injection project will place additional demands on General Fund resources. As specific needs are identified, to the extent possible these new demands will be accommodated within existing budgets.



Key Results

The forecast projects that in FY2011, recurring expenditures will exceed recurring revenues in the General Fund by an estimated $40M. Without action to address this problem, the gap will continue to grow throughout the forecast period.

The FY2011 gap would have been even larger if not for the reduction of operations in the FY2010 budget. The goal was to resize the County government to deliver a sustainable basket of quality services in a consistent, predictable, and reliable manner. A significant part of this task was accomplished, but not all of the target reductions were achieved. Because of this, and the unanticipated severity of the continuing recession, there remains a structural imbalance between the General Fund's recurring revenues and recurring expenditures. The forecast shows that if this situation is not addressed, the imbalance will continue to grow.

Forecast Budget Gap Without Corrective Action				
2011	**2012**	**2013**	**2014**	**2015**
$40.0M	$70.1M	$77.0M	$84.0M	$84.4M
2016	**2017**	**2018**	**2019**	**2020**
$85.7M	$84.9M	$84.9M	$84.8M	$85.6M

Therefore, the decision point for action to address the situation in the General Fund is FY2011.

Potential Risks

Revenue Factors

There are many factors that can alter the ten-year forecast of the General Fund. The primary concern, due to this fund's reliance on property taxes for a significant portion of revenue, is the performance of the real estate market.

The timing of the valuation of property for tax purposes as of January 1, 2009 is important. This means that the FY2011 values will reflect

the continuing deterioration of the property tax base during the 2009 calendar year, whether prices continue to decline or begin to recover between now and the approval of the budget in September.

A change of 1% in the FY2010 countywide taxable value would result in a $3M change in revenue at the current millage rate of 4.8108. Similarly, a change of 0.1 mills in the rate using the FY2010 taxable value would result in a $6M change in revenue. In the following years, these impacts would be amplified by the other growth factors.

Another variable is the homesteaded taxable value increase cap imposed by the Save Our Homes amendment, which is based on the annual change (December to December) in the Consumer Price Index. From March through October of 2009 the annual CPI change was negative, reaching a low of -2.1% in July.

2009 Change in Consumer Price Index (over previous 12 months)				
Feb	**Mar**	**Apr**	**May**	**Jun**
+0.2%	-0.4%	-0.7%	-1.3%	-1.4%
Jul	**Aug**	**Sept**	**Oct**	**Nov**
-2.1%	-1.5%	-1.3%	-0.2%	+1.8%

Source: U.S. Bureau of Labor Statistics

The index turned positive in November, and ended the year at +2.7% for December. Under "normal" circumstances, as homesteaded properties represent about 35% of the total FY2010 countywide taxable value, a change of 1% in the CPI (positive or negative) at the current millage rate would produce a change in revenue of approximately $1M. However, because of the anticipated steep decline in market values, and the greatly reduced amount of value that is shielded by Save Our Homes, the forecast assumes no increase in taxable values in FY2011 due to this change in the CPI. Instead, we are projecting a decline of 6% in the taxable value of homesteaded properties, half of the projected market value decline.

The 2009 Legislature authorized a November, 2010 statewide referendum on two proposed expanded property tax exemptions. The first proposal would reduce the cap on the annual change in taxable values for non-homesteaded property from 10% to 5%. The second would grant a 50% property tax exemption (up to $250,000) to homeowners who previously have not owned a home in Florida in the last 8 years. If approved, either of these proposals will result in further reductions to the tax base. Other new exemptions as well as revenue and expenditure caps have been discussed and their passage would have negative revenue impacts as well.

In the unincorporated area, the property tax base and revenue in the MSTU would be affected by annexations or by the creation of new municipalities. If a significant reduction in the tax base occurs, costs could be spread across a much smaller population. A thorough reevaluation of the scope and delivery methodology for MSTU services would be required if these changes reach a tipping point in the economies of scale.

The three other major revenue sources – Sales Tax, Revenue Sharing, and CST - are highly sensitive to economic conditions. If the economy improves, collections could be higher than anticipated as disposable income increases. The reverse would be true if the economy deteriorates into a "double dip" recession.

Last year, the State used non-recurring revenues, including $3.2 billion of federal stimulus funds and a $500 million sweep of trust fund balances, to address the State budget deficit. The upcoming budget cycle will be extremely challenging given the flat to low growth expected in sales taxes, which are the State's primary revenue stream. In dealing with the upcoming multi-billion dollar State budget gap, the Legislature may consider the possibility of reducing the amount of revenue it shares with local governments.

In light of the State's serious budget problems, legislative changes to the formulas for sales tax and revenue sharing are a real possibility. There is an unfortunate precedent for this type of action. Effective in July, 2005, the counties' share of sales tax and revenue sharing revenues was decreased in response to the implementation of Article V / Section 7 court funding reforms. The current statewide downturn in this revenue source could be used as a justification to revise the formula and reduce the amount of funding provided to local governments. A 10% change in the formula would reduce the County's revenues by $3.3M. The 3% annual growth in the Sales Tax forecast generates about $1M in additional revenue each year, which would be impacted by variations from the anticipated economic recovery assumptions.

The forecast assumes that Revenue Sharing will grow at 2% per year, a rate slightly less than the 3% growth in Sales Tax. However, there is no Constitutional prohibition against the State changing the formula to reduce or eliminate this revenue source unless the funds have been committed for debt service (which is restricted to 50% of the prior year's proceeds). Pinellas has no Revenue Sharing pledged to support debt and the entire allocation, currently about $13M, is subject to revision by the Legislature.

Similarly, there has been repeated pressure from the telecommunications industry to reduce the scope of services that are subject to the Communications Services Tax. To date, the Legislature has resisted major changes that would reduce local CST revenues.

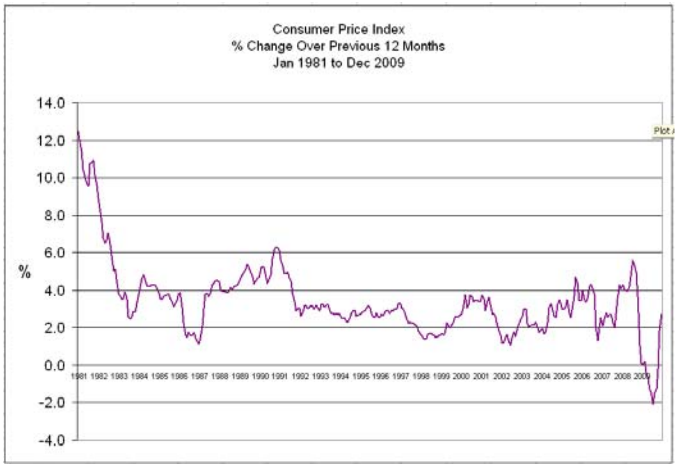
A cautionary note for long term planning relates to the scarcity of undeveloped land in Pinellas County. We will see relatively fewer new residents in the future compared to other counties with more opportunities for expansion. Because the distribution formulas for both shared sales taxes and revenue sharing are partially based on population, Pinellas will represent a declining percentage of the state total and therefore the percentage of these revenues will decline also. However, this is not expected to have a major impact in the short term, and the slowing of overall population growth in the State will delay the effect. Some erosion will result for those grants and other revenues that are allocated by population-driven formulas.

Expenditure Factors

On the expenditure side of the equation, the Consumer Price Index is a key element. For consistency, the CPI changes used in the forecast are those produced by the State of Florida's October 13, 2009 National Economic Estimating Conference. It should be noted that this is a consensus process which involves the Legislature, the Governor's Office, and the State's Division of Economic and Demographic Research. The intent is to produce a professional, nonpartisan basis for development of the State's budget that melds a variety of perspectives, and therefore does not necessarily reflect any one participant's economic model.

One measure of the outlook for consumer prices is the gap between yields on Treasury bonds and Treasury Inflation Protected Securities (TIPS). Over the last year the market for TIPS indicated deflationary expectations. However, the latest gap in yields for December, 2009 shows that traders expect inflation rather than deflation over the coming months.

Historically, although inflation was as high as 12.5% in 1981, in the years since 1989 the change in the CPI has averaged about 3%.



The State's projections for the change in CPI are 1.6% in FY2011, 2.3% in FY2012, and then approximately 2% per year from FY2013 to FY2019. (Note that the State is scheduled to update its projections in late January 2010).

The true inflation rate will have a significant effect on future requirements. For example, an increase of 1% in the CPI, if applied to all FY2010 recurring costs, would require an additional $5M in expenditures. A change of 1% in the salary and benefits assumptions would produce a cost variance of $3M and an increase in the inflation rate of 1% would result in a $2M change in operating expenses in FY2011, and would trigger escalating impacts going forward

Because salaries and benefits are such a significant part of General Fund expenditures, higher than projected FRS contribution rates or health insurance cost increases could have significant negative impacts. The FRS rates for the State 2011 fiscal year (July 1, 2010 to June 30, 2011) will not be known until the Legislature sets them. This usually occurs late in the regular legislative session. A December, 2009 Senate issue brief indicated that the Legislature may change some of their actuarial assumptions or require employee contributions to the pension system. There is an incentive to mitigate the impact on employer contribution rates since about 20% of FRS participants are State employees. The forecast assumes that the end result will be a 5% increase in the County's FRS contribution in FY2011 and other increases in the following years to gradually address the unfunded liability. If the rates rise more quickly toward their preliminary "normal" levels as determined by the State's consultants, the impact could add $5M or more to General Fund requirements.

Health insurance costs are impacted by inflation and also by the package of benefits offered. An additional unknown this year is the effect of Federal health insurance reform on costs and services, including any related mandates to programs such as Medicaid.

Operating expenses have been assumed to generally follow the CPI inflation rate, but costs such as fuel and electricity are subject to unforeseeable variations and could impact this scenario.

One other key point is that since the forecast assumes continuation of services at the FY2010 budget level, expansions or enhancements would add to expenditures and to the structural imbalance.

No new State or Federal mandates have been included in the forecast. As the State deals with their budget shortfall, there is likely to be growing pressure to push expenses down to local governments even while imposing more restrictions or rollbacks on local revenues. For example, previous Legislatures have considered altering the Medicaid Matching Funds and Mental Health Matching Funds requirements. In FY2011, these obligations totaled nearly $12M for Pinellas County.

Theoretically, Article VII Section 18 of the Florida Constitution has a prohibition against imposing unfunded mandates on counties and cities. In practice, the Legislature can avoid this prohibition in many ways, through exemptions (such as mandates to enforce criminal laws) or exceptions, including declaring that the mandate

"fulfills an important state interest" and is approved by a 2/3 vote of both the Senate and House. According to a report prepared by the Legislative Committee on Intergovernmental Relations (LCIR), in 2008 alone the Legislature enacted 54 laws containing 83 provisions that imposed mandates on counties and municipalities.

Balancing Strategies

There are several balancing strategies that could be considered to address the ongoing structural gap in revenues and expenditures beginning in FY2011.

Expenditure reductions are an option to be considered. The efforts to find efficiencies and streamline operations will continue to be pursued. Due to reductions over the last three years, General Fund costs have been trimmed to the point that any further cuts would directly impact programs and service levels.

Revenue increases are another option. The property tax rate could be increased to make up some or all of the shortfall in property tax revenue without exceeding the "rolled up" rate. Technically, this would not be defined as a property tax increase under the state definition. The County is currently collecting less than the maximum allowed majority-vote property tax revenue.

The County does not have a wide range of other revenue options. User fees can be increased but need to be considered in the context of the local marketplace and the effect on economic recovery. In the FY2010 budget process, both County employees and the general public identified ideas which merit additional consideration. In addition to increasing user fees, some of these ideas include a local business tax (formerly known as occupational tax), payments in lieu of taxes or a return on equity from enterprise funds, collecting entrance fees to selected park facilities, and creating a fee-based stormwater utility.

The use of fund balance to close the gap is not a viable or fiscally responsible long-term strategy. Sound financial management and stewardship of the public's funds requires solutions that will ultimately result in recurring revenues supporting recurring expenditures.

TOURIST DEVELOPMENT COUNCIL FUND

Summary

The Tourist Development Council (TDC) Fund is primarily funded by tourist development taxes that are very sensitive to general economic conditions. Tourist Development tax revenues have declined dramatically due to the recession and are forecast to increase gradually during the forecast period matching anticipated gradual growth as part of the recovery in the broader U.S. economy.

The forecast for the TDC Fund shows that the fund is balanced through the forecast period based on the assumption that the promotional activities budget would be adjusted to reflect any revenue increases or decreases that may occur. Beginning in FY2016, the fund is forecast to have additional capacity once the debt service on the Tropicana Field and the Dunedin Spring Training Facility is paid off in 2015. The additional capacity could be dedicated to new debt service or to supplement the promotional activities budget.

Description

The TDC Fund is a special revenue fund that accounts for the 5% tourist development tax (i.e. bed tax) on rents collected for temporary lodgings. Section 125.0104, Florida Statutes, was enacted by the State in 1977. The Board of County Commissioners enacted an ordinance in 1978 to levy this 2% tax to promote tourism in Pinellas County, and was approved at a referendum held on October 5, 1978. In 1988, the ordinance was amended to increase the tax by an additional 1% with one-half of this amount earmarked to fund beach re-nourishment projects. In January 1996, an additional 1% was levied to provide additional funds for promotional activities, beach re-nourishment, and to service debt on the County's obligation to the City of St. Petersburg's bonds for Tropicana Field. In December 2005, an additional 1% was levied to provide funding for promoting and advertising tourism.

The TDC Fund supports the Tourist Development Council, serving as the St. Petersburg/Clearwater Area Convention and Visitors Bureau through taxes collected on rents for temporary lodgings (also called “bed taxes”). The Bed Tax is used to enhance the County’s economy by increasing tourism and direct visitor expenditures through marketing and promoting the destination.

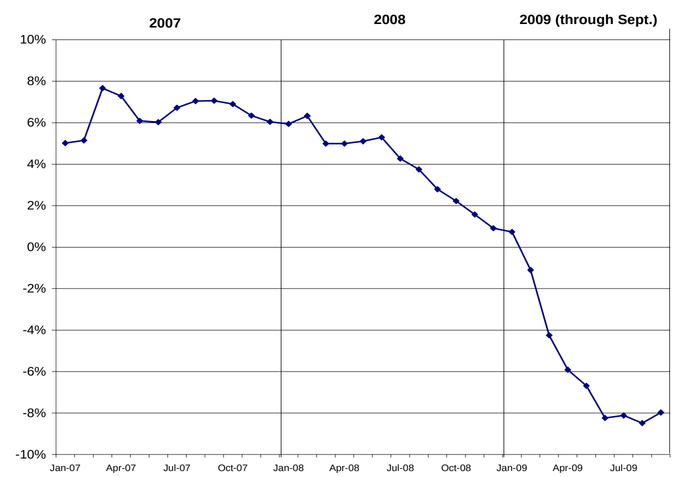
Revenues

The TDC Fund consists almost exclusively of one primary funding source: tourist development taxes.

Tourist Development Taxes

Tourism is a key economic driver of the economy in Pinellas County and contributes direct and indirect visitor expenditures of $6.7 billion annually. This tax is expected to generate $22.9M in FY2010.

Tourist Development tax collections are very sensitive to economic conditions due to the close relationship between disposable income and leisure travel. As the recession has progressed, collections have decreased dramatically since 2007. The chart below showing a 12-month moving average of collections from 2007 to September 2009 seems to indicate that collections have bottomed out.



In addition, transient rental occupancy increased 1.9% from September 2009 compared to September 2008. From this point, collections are expected to grow slightly in 2010 and grow moderately over the next 2-3 years as the general economic recovery continues.

The chart below compares visitor origins between September 2009 and September 2008 and shows that although foreign visitors have decreased, that the domestic market has picked up for a net total increase of 2.5%.

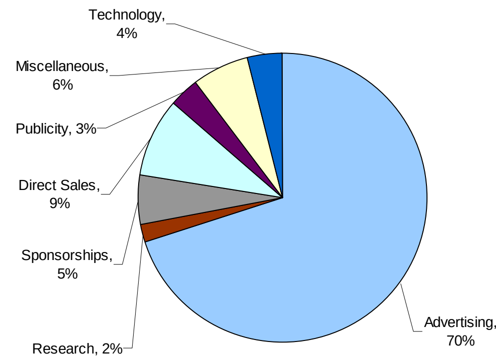
Visitor Segments	2008	2009	% Change
Florida	34,159	40,743	+19.3%
Southeast	6,392	7,780	+21.7%
Northeast	35,957	68,901	+8.2%
Midwest	42,149	45,657	+8.3%
Canada	10,188	8,190	-19.6%
Europe	65,521	58,351	-10.9%
U.S. Opp. Mkts.	5,394	5,118	-5.1%
Latin America	N/A	N/A	N/A
Total	**199,760**	**204,740**	**+2.5%**

Source: September 2009 Visitor Profile, Research Data Services, Inc.

Expenditures

The TDC Fund supports budgeted expenditures and reserves in FY2010 totaling $25.1M. The primary expenditures in the fund are $10.9M for promotional activities, $5.5M for debt service for three sports facilities, $2.9M for three transfers, and $1.3M in reserves.

Promotional Activities
This budget helps pay for the promotional activities to promote the St. Petersburg/ Clearwater destination. As the pie chart below shows, advertising is the largest component of promotional activities at 70%. Due to significant deterioration in revenue collections during FY2009, the TDC Board took action in May 2009, to reduce promotional activities expenditures by $2.4M.



Debt Service
The TDC fund dedicates the entire $4.7M in proceeds of the 4th cent of tourist development revenue to the City of St. Petersburg to fund debt service on bonds for Tropicana Field (expires 2015). At the City of St. Petersburg's request, ownership of Tropicana Field was turned over to the County by the City in October 2002, as the County is exempt from paying property taxes on the facility. The County leases back the property to the City under terms that provide the City the same rights and responsibilities for the property that it had prior to the transfer of ownership. This fund also pays debt service in the amount of $588K for the City of Clearwater's spring training facility (expires 2021) and $288K for the City of Dunedin's spring training facility (expires 2015).

Transfers
The TDC fund transfers half of the proceeds of the 3rd cent or $1.9M, to the Capital Projects fund for beach nourishment projects. The transfer for Cultural Tourism Grants of $750K began in FY2008, but decreased to $350K in FY2010. These grants help cultural organizations market their attractions to tourists. The transfer to the Tax Collector of $687K represents 3% of tax revenues to cover the costs of collection.

Reserves
The reserve level in the TDC fund is currently at 5%, which is the level requested by the Tourist Development Council. This is at the low end of the 5-15% reserve level budget policy adopted by the Board. From a budget perspective, this

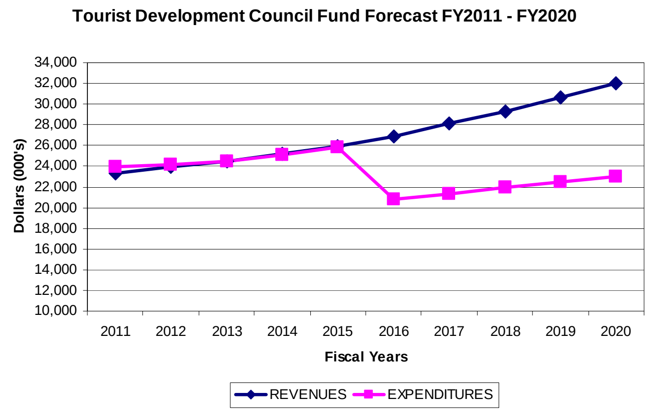
fund would ideally carry a reserve on the high end of the range to serve as a fiscal shock absorber in case tourist development tax revenue deteriorate as it tends to do quickly due to its sensitivity to economic conditions. For example, tourist development revenues declined dramatically in FY2002 after the September 11th terrorist attack, in FY2005 as a result of multiple hurricane landfalls in Florida, and most recently in FY2009 as a result of the financial crisis.

Reserves need to be maintained at a minimum of a 5% level if not higher to maintain liquidity in the fund. The TDC fund has several large expenditures, such as debt service, that early in the fiscal year and then some occur later in the fiscal year, while peak revenues primarily occur throughout the Spring with tourists coming for Spring Break and the Easter timeframe. Since such seasonality occurs for both revenues and expenditures and these fluctuations do not match when they occur, the shortfalls of revenues during these times would be made up by using reserves until the revenues come in.

Ten-Year Forecast

Key Assumptions

The revenue forecast for tourist development taxes assumes only a minor increase of 1.5% in FY2011 reflecting slight growth following the bottoming out of the economy. The next two years are expected to increase 2.5% as the recovery takes hold and climb to 3.0% in FY2014 and FY2015 before leveling out at the "new normal" of 3.5% growth through the rest of the forecast horizon. On the expenditure side, the promotional activities budget is assumed to be increased to match the increase in revenue through FY2015. Beginning in FY2016, a substantial amount of debt service will be paid off. The forecast does not assume that the additional capacity will be re-approved to service new debt or allocated to supplement the promotional activities budget.



Key Results

The forecast for the TDC Fund shows expenditures exceeding revenues in FY2011 as fund balance in excess of the 5% reserve is burned off. From FY2012 to FY2015, revenues and expenditures are in-line as the promotional activities budget is increased to match the gradual increases in tourist development revenue, while maintaining a 5% reserve. Beginning in FY2016, revenues exceed expenditures by a wide margin as the debt service of Tropicana Field and the Dunedin Spring Training Facility is paid off. The decision point in FY2016 will be whether to continue to use this portion of the proceeds of the 4th cent of tourist development for debt service on sports facilities or use it for other approved tourism development purposes such as promoting and advertising the St. Petersburg-Clearwater destination or to increase the reserves.

Potential Risks

There are many impacts that can alter the ten-year forecast of tourist development tax collections. The primary concern is the strength of the national economy due to the sensitivity of collections to economic conditions. If the economy improves, collections could be higher than anticipated as disposable income increases. The reverse would be true if the economy deteriorates. Increases in fuel costs are a big

factor for visitors driving to Pinellas County. In the past an increase in hurricane activity has had a negative effect on tourism as have red tide outbreaks in Tampa Bay. The appreciation or depreciation of the U.S. dollar also has an impact on the number of foreigners visiting Pinellas County. The TDC Fund could experience a potential windfall from a lawsuit filed by Pinellas County (similar lawsuits have been filed by other counties and the State of Florida) against on-line tourism companies for uncollected sales taxes. It is estimated that the County could realize an additional $1.4 million annually.

Alternatively, the possibility of offshore drilling in Florida's gulf coast could discourage tourism due to the potential negative ecological effects of that industry. Additional competition from potential tourism development in Cuba could also be a factor in the future.

Balancing Strategies

The forecast does not show any structural gaps in revenues and expenditures as the fund is balanced through the forecast period. The assumption is that the promotional activities budget is increased or decreased to match the tourist development tax revenue stream. The additional capacity forecast to begin in FY2016 will most likely be applied to newly approved debt service, to supplement promotional activities, or to increase the reserves.

TRANSPORTATION TRUST FUND

Summary

The Transportation Trust Fund is primarily funded by state and local fuel taxes and has been impacted by a downturn in recent collections due to the recession's effect on the number of miles driven and gallons of fuel sold. Because of the built out nature of Pinellas County, more efficient cars, and fuel conservation efforts, as well as State law that does not allow indexing fuel taxes for inflation, future revenue growth is projected to be relatively flat and lag increases in consumer or industrial prices on the expenditure side.

The forecast for the Transportation Trust Fund indicates that expenses are projected to exceed the Fund's dedicated revenue sources causing a gradual erosion of fund balance. This results from inflationary pressures on expenditures that exceed the relatively flat growth in gas tax collections that are based upon the volume of gasoline pumped and are not indexed to the price of gas. After FY2012, action will need to be taken to manage this future gap such as potential revenue transfers from the General Fund, imposition of additional local option gas taxes, or reductions in current service levels.

Description

The County Transportation Trust Fund is a special revenue fund required by Florida Statute 336.022 to account for revenues and expenditures used for the operation and maintenance of transportation facilities and associated drainage infrastructure. Activities include road and right of way maintenance (e.g., patching, mowing), bridge maintenance and operation, traffic engineering, traffic signal operation including Intelligent Transportation Systems, traffic control signage and striping, sidewalk repair and construction, and maintenance of ditches, culverts and other drainage facilities. Resources to support these activities are provided from gas taxes collected and distributed on a shared basis to all Florida Counties by the State of Florida, and local option gas taxes levied by the County. There are two local option taxes that have been imposed by the Board of County Commissioners. The most recent was a one cent levy (referred to by statute as the "Ninth Cent") beginning January, 2007 dedicated to the installation, operation, and maintenance of advanced technological traffic signal and messaging systems (Intelligent Transportation Systems). The other local levy is a six cents per gallon tax that is shared by Interlocal agreement between the County and all municipalities within Pinellas County. The County's share of collections is 60% of total receipts and the municipalities each receive portions of the remaining 40%. This six cent local option tax was recently extended for a ten year period commencing January, 2007.

Revenues

The Transportation Trust Fund consists mainly of three primary funding sources: State shared gas taxes ($9.8 million), a transfer amount from revenues generated by a six cent per gallon local option gas tax ($11.0 million), and a one cent per gallon gas tax (the "Ninth Cent") earmarked for intelligent traffic systems ($3.5 million). The remaining revenues of the fund include interest and other miscellaneous revenues such as reimbursements from other governments for the County's work on municipal and state traffic signal systems.

State Shared Gas Taxes

This resource is the equivalent of three cents per gallon on motor fuel collected statewide then redistributed to Florida Counties by a formula related to population, geographic area, and local collections. This resource is driven by the gallons of fuel used, and is therefore sensitive to economic activity such as commuting and tourism trips, or increases in the price of oil that might reduce demand for gasoline usage. The

move toward more fuel efficient cars also has an effect in offsetting any population growth that might result in more vehicle trips; therefore this must be considered a relatively flat growth revenue source. As shown below, this has trended downward due to the recent general economic activity though not as dramatically as other County tax sources.

Six Cent Local Option Gas Tax (LOGT)

This resource is a six cent per gallon tax on all motor fuel sold within the County including diesel. Unlike the Ninth Cent it is shared with municipalities. By Interlocal agreement, the County retains 60% of monthly collections with municipalities sharing the remaining 40%. This resource is directly tied to the Pinellas County economy and its affect on gallons of fuel consumed. Since Pinellas County's growth in population has slowed, this resource can be impacted to a greater extent by more efficient cars and fuel conservation efforts. This is projected to be a relatively flat growth revenue source because economic growth that might spur increased demand in fuel is mitigated by these factors.

Ninth Cent Gas Tax

This resource is a one cent per gallon tax on all motor fuel sold within the County including diesel. It is not shared with municipalities. This resource is also directly tied to the Pinellas County economy and its affect on gallons of fuel consumed. As with the six cent local option tax, since Pinellas County's growth in population has slowed, this resource can be impacted to a greater extent by more efficient cars and fuel conservation efforts. This is projected to be a relatively flat growth revenue source because economic growth that might spur increased demand in fuel is mitigated by the factors discussed above.

Expenditures

The Transportation Trust Fund supports expenditures totaling approximately $29.6 million.

Transportation Programs

These expenditures include staff and operating expenses to maintain and operate the County's traffic controls, bridges, roads, and associated drainage systems. Key program expenditure areas include mowing County right of way and ditch maintenance activities ($4.2 million), traffic signal and traffic control activities ($6.5 million), and bridge and concrete structures maintenance ($7.7 million)

Intelligent Transportation Systems

As a part of traffic signal and traffic control activities the County is actively pursuing technological improvements to improve the flow of traffic in Pinellas County. This activity is tied to the Ninth Cent gas tax resource and is being focused on high priority traffic corridors in order to size the program to available resources. The current operating expenses for this program are approximately $600,000.

Transfers

Following the inception of the Ninth Cent gas tax a transfer from the Transportation Trust Fund to the Capital Projects Fund has been made to support the installation of capital structures needed to implement the Intelligent Transportation System, such as traffic signal controllers, fiber optics, cameras, and message boards. Depending upon available revenues after deductions for operating expenses, an annual average of approximately $3.0 million is transferred to the Capital Projects Fund to match state and federal grants available to implement the system on major County and State road corridors.

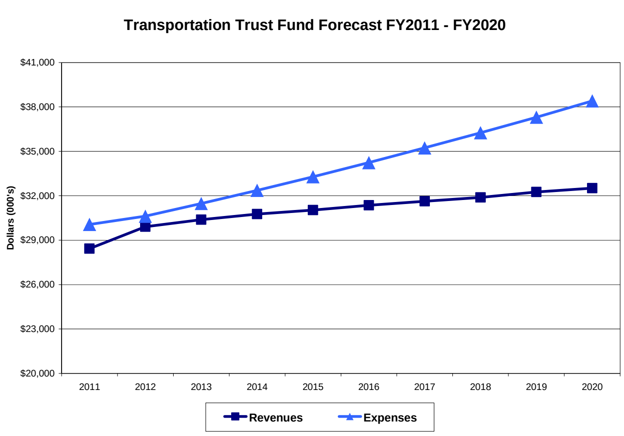
Reserves

The reserve level in the Transportation Fund is 19%, which is higher than the 5-15% reserve level budget policy adopted by the Board. This is the result of savings gained through recent budgetary reductions and efficiency initiatives. This reserve level will allow the Fund to operate with a positive balance in the next few years despite revenues projected to be lower than expenses.

Ten-Year Forecast

Key Assumptions

As discussed, the main revenue sources for this fund are state shared gas taxes and local option gas taxes. Revenue growth assumptions have been based on the State's Revenue Estimating Conference's forecast of gallons of motor fuel consumed annually in Florida. The State's annual average growth rate is 2.1% To tailor this forecast to recognize Pinellas County's built out condition, this forecast assumes an average 1.6% growth rate. Based on the historical and future growth patterns, current gas tax revenues are not predicted to keep up with current and projected inflationary expenditure demand on transportation operation and expenditure needs. The ten year forecast assumes that the current six cent local option gas tax levy will be extended beyond its current expiration year of 2017. The "Ninth Cent" levy is in effect until year 2026.



Key Results

The forecast for the Transportation Trust Fund show expenses exceeding revenues throughout the forecast period which causes a gradual erosion of fund balance until the fund assumes a negative cash position in FY2015. In FY2012 the fund's forecasted ending fund balance as a percentage of resources is 12%, which is still within the Board's adopted policy of 5-15%. After FY2012, potential revenue and expenditure options will need to be implemented to keep the fund in balance.

Potential Risks

Impacts on this forecast include macro-economic conditions such as increases or decreases in the price of oil that could affect demand for motor fuel. Changes in the price of commodities such as concrete and asphalt could also affect the expenditure side of this forecast as the Transportation Trust Fund activities utilize large amounts of physical commodities. An unanticipated increase in fuel conservation efforts or mass transit efforts could also affect the outer years of this forecast. Also a decision to not extend the current six cent local option gas tax levy would have a major impact on this analysis.

Balancing Strategies

Major strategies to manage the forecasted gap in revenues versus expenditures include a continuation of actions to reduce future costs on the expenditure side, transfer of General Fund revenue to support transportation activities, or the imposition of additional local option gas taxes.

On the expenditure side, the County has experienced recent labor cost efficiencies in the Public Works operational areas as the result of improved preventive maintenance, work scheduling, and equipment utilization practices. Public Works should continue these

improvement practices. Policy decisions could also be made to reduce service levels, such as cutting right of way areas 9 times per year rather than 11 for example.

From an enhanced revenue standpoint, the County has authority to impose an additional five cents tax per gallon of fuel sold within the County, however by statute proceeds realized would have to be shared with municipalities. The County's estimated share of one cent of local option gas tax is now approximately $2.0 million, therefore, assuming current sharing percentages, one additional cent would need to be imposed no later than year 2012, rising to a need to impose three cents by year 2020, in order to maintain a 15% ending fund balance position, and to avoid the negative cash position forecast for year 2015. For comparison purposes, other Florida Counties that impose greater local option taxes than Pinellas County’s seven cents are shown in the following table.

Counties Imposing Local Option Taxes Greater than Seven Cents	Cents Imposed
Alachua	12
Broward	12
Charlotte	12
Citrus	12
Collier	12
DeSoto	12
Hardee	12
Highlands	12
Lee	12
Mamatee	12
Martin	12
Miami-Dade	10
Okeechobee	12
Palm Beach	12
Polk	12
Sarasota	12
Suwanee	12
Volusia	12
Highlands	12

PENNY FOR PINELLAS FUND

Summary

The Penny for Pinellas Infrastructure Sales Tax Fund (the "Penny"), is funded by a one cent local option sales tax that is very sensitive to general economic conditions. Penny tax revenues have declined dramatically due to the recession and are predicted to increase gradually during the forecast period matching general economic growth as part of the recovery in the local, state, and national economy.

The forecast for the Penny Fund shows that the fund is balanced through the forecast period based on the assumption that CIP expenditures will be modified in step with available revenue. Management will continue to reassess future resource allocations, prioritize projects, review project scopes for cost effectiveness, and examine the impact of future operating and maintenance costs.

Description

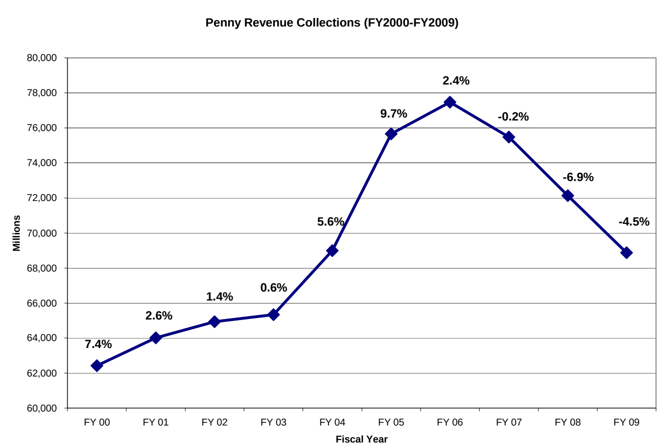
Penny for Pinellas revenues are proceeds of an additional one cent Local Government Infrastructure Surtax on Sales, pursuant to Section 212.055(2), Florida Statutes, imposed in Pinellas County. The authorized use of these funds is generally restricted to infrastructure projects only and cannot be used for ongoing operation and maintenance costs. The Penny for Pinellas Infrastructure Sales Tax Fund is a special revenue fund used to account for the collections and distribution of the County's share of these proceeds. The Penny became effective February 1, 1990 for an initial period of ten years and has been extended by referendums in 1997 and 2007 for two additional ten year periods (until 2020). This is the primary source of revenue supporting the County's Capital Improvement Program. In accordance with statutory requirements, and interlocal agreements with each municipality in Pinellas County, the County's receives approximately 52.3% of the total monthly collections generated by this tax, following the deduction of a dedicated amount "off the top" for countywide use in improving Court and Jail facilities. In order to accurately account for these revenues, Penny proceeds are collected and deposited into this separate fund. The proceeds are then transferred to the Capital Projects Fund to support specific capital projects, and, if necessary, to the Debt Service Fund for repayment of any outstanding Capital Improvement Revenue Bonds.

Revenues

The Penny Fund consists almost exclusively of one primary funding source: a local option sales tax.

Local Sales Taxes

Sales tax as a revenue source is highly elastic and is very sensitive to local and national economic conditions, such as inflation, wage growth, unemployment, and tourism. Normally sales taxes increase with economic activity and inflation, but reflecting the depth of the recent recession, collections have declined since 2007. The chart below shows the fluctuation in annual growth rates experienced since year 2000.



Expenditures

The Penny Fund supports budgeted transfers to finance the implementation of the County's governmental portion of its Capital Improvement Program.

Transfers

The Penny fund transfers a majority of its proceeds to the Capital Projects fund for infrastructure projects in the areas of transportation, storm water drainage and water quality, parks, environmental preservation, courts, jails, public safety, and other public facilities. In FY2010, $55 million is forecast to be transferred. Total transfers forecast over the ten year period are estimated at $888 million. The current and projected policy is that capital projects will be financed on a pay as you go basis moving forward, therefore no transfers for debt service are shown in this forecast.

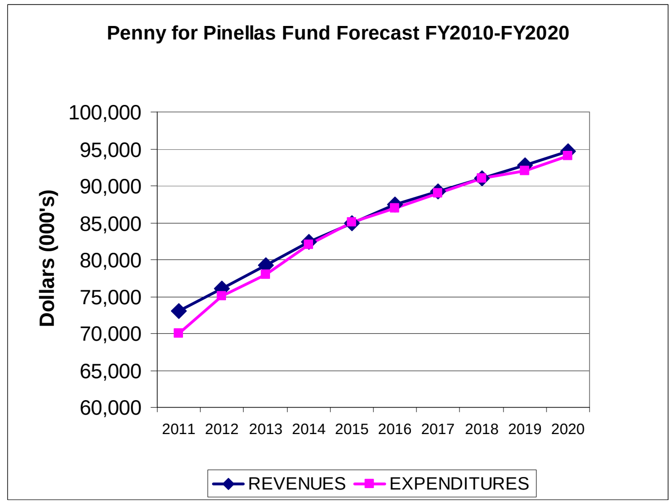
Reserves

The Penny fund reserve totals $4.3 million or 5%. This is in the range of the 5-15% reserve level budget policy adopted by the Board. From a budget perspective, this should be adequate for a capital projects fund where the resource allocations and timing of project implementation can be scheduled and controlled by County management.

Ten-Year Forecast

Key Assumptions

The revenue forecast for the Penny sales tax assumes 3% growth in FY2011 following the bottoming out of the recent economic slowdown. The growth rates in FY2012-2014 are expected to increase to the historical long term average annual growth of the Penny of 4%. For FY2015-2016 we project 3% growth and 2% from FY2017-2020 to be more conservative in our projections of out years' growth. As previously stated, the forecast assumes that capital projects will be financed on a pay as you go basis, therefore no debt service impacts are included in this forecast.



Key Results

The forecast for the Penny for Pinellas Fund shows balanced revenues and expenditures over the forecast period reflecting transfers to the Capital Projects Fund in line with estimated revenues while maintaining reasonable reserve amounts in accordance with Board policy.

Potential Risks

There are many impacts that can alter the ten-year forecast of the Penny tax collections. The primary concern is the strength of the local economy due to the sensitivity of collections to economic conditions. If the economy improves, collections could be higher than anticipated as consumer activity increases. The reverse would be true if the economy deteriorates. The County could also decide to bond Penny revenues in order to advance the implementation of certain projects, which would impact the expenditure side due to the cost of servicing debt obligations. There are also risks of increases in major commodities used in capital project construction such as steel or concrete, such as those the County experienced in 2005-2007 where prices escalated as much as 60-80% for these key materials. This forecast also assumes the Penny will be extended so that a full year of revenue will be collected in FY2020. Should this extension not occur, the revenue forecasted for

FY2020 will be reduced by 75%, as the Penny would sunset on December 31, 2019.

Balancing Strategies

The forecast does not show any structural gaps in revenues and expenditures as the fund is balanced through the forecast period. The assumption is that the capital projects budget and cash flow needs are increased or decreased, through planning and development of the Capital Improvement Program, to not exceed the sales tax revenue stream available for transfer.

Pinellas County

EMERGENCY MEDICAL SERVICE FUND

Summary

The Emergency Medical Service (EMS) Fund provides countywide emergency response life support throughout all of Pinellas County. This fund is sensitive to property values as it is funded primarily by ad valorem (property) tax revenue collected from property owners countywide and ambulance user fee revenues. Property tax revenues have declined dramatically in recent years due to a downturn in real estate markets and statewide legislation. It is expected these revenues will only increase gradually during the forecast period. Ambulance user fee revenue is also expected to gradually increase, but not at a level high enough to offset the estimated increases in ambulance contract expenditures through the forecast period.

The forecast for the EMS Fund indicates the fund is not balanced through the forecast period. Various revenue and expenditure balancing strategies are available. On the revenue side, options include an increase in the countywide EMS millage rate or an increase in ambulance user fee revenues. On the expenditure side, a reduction in funding for first responder contracts, a reduction in funding for ambulance contracts, or a reduction in other expenditures within the fund would be necessary. The current ambulance service contract is in effect through FY2012, while First Responder contracts are negotiated on an annual basis.

Description

The EMS Fund is a special revenue fund established by referendum in 1980, which allows up to 1.5 mills to be levied annually on a county-wide basis to finance the operation of a comprehensive county-wide emergency medical service system. This system provides advanced life support emergency medical response and transport services to all citizens of Pinellas County. The County maintains EMS contracts with 19 fire service agencies (first responders), and one ambulance provider (Paramedics Plus, operating in Pinellas County under the trade name "Sunstar"). This operation is funded by a combination of property taxes and ambulance user fees. The ambulance user fees support the ambulance contractual expenditures and property taxes are intended to support the first responder expenditures.

The EMS Fund provides for a dual-response public utility model in which the local government retains control of and sets standards for the ambulance system and maintains contracts with 19 fire service agencies and one ambulance provider (Paramedics Plus, operating under the trade name "Sunstar"). Under the dual-response system, this means that both a first responder (firefighters, paramedics or emergency medical technicians (EMT), and an ambulance go to the scene of an emergency when it occurs.

The EMS Fund was established by referendum in 1980 by the Special Act (Chapter 80-585, Laws of Florida) that created the EMS Authority as a Dependent Special District. In 1988, Pinellas County Ordinance 88-12 solidified the current EMS system design. The Fiscal Policy guidelines within Ordinance 88-12 state that the Board of County Commissioners, sitting as the Emergency Medical Services Authority, directs the following fiscal policy guidelines that governs the financial operations of the County's EMS system: (a) To establish sound business controls and long term cost containment incentives throughout the County EMS system; (b) To provide adequate funding to upgrade all EMS components to state-of-the-art-levels, and to maintain that progress in future years; (c) To provide for long term financial stability sufficient to sustain quality EMS operations far into the future; (d) To reduce the County EMS system's excessive dependence upon local tax support by developing a more balanced approach to EMS funding; and (e) To provide the Board of County Commissioners with a wider range of EMS financing options than have been available in the past.

Revenues

The primary funding sources for the EMS Fund are property taxes and ambulance user fees. Property taxes account for approximately half of total revenue and ambulance user fees account for the balance of total revenue in this fund.

Ambulance User Fees

The ambulance service user fees provide funding for the ambulance provider (Paramedics Plus) contractual expenditures. Ambulance user fees are based on transport volume and transport charges. An average charge is $525 per transport. Billing for the service is done by Pinellas County and collection is currently about 68% of billing for the transport service. The County also bills for Medicare, Medicaid and private insurance companies for transport service. The County handles transports for non-emergencies and mental health transports as well. The County utilizes the 9-1-1 System to dispatch calls for the proper response to the call. Ambulance user fee revenue is expected to generate $38.9M in FY2010. The Board of County Commissioners has the authority to increase ambulance user fees as necessary.

The County also offers an ambulance user fee membership program that citizens can utilize to minimize the cost of EMS transports for frequent users. For FY2010, membership revenue is estimated to generate $269.2K.

Property Taxes

Property taxes are used to fund first responder expenditures. Property tax revenues have decreased significantly over the last three years due to legislative rollbacks, the passage of Amendment One, the decline in the real estate market, and the recession. Property taxes are expected to generate $33.6M in FY2010.

The EMS millage rate is a county-wide millage rate that has remained flat since FY2008 at 0.5832. The millage cap for this revenue is 1.5000 although it has never increased to that level within the last ten years. The chart below shows the history of the EMS millage rate and projected ad valorem revenue collected from FY2006 to FY2010. Over the past five years, the EMS millage rate has declined 0.0768 while property tax revenues have decreased $3.2M due to taxable values decreasing during that timeframe. The Board of County Commissioners has the authority to increase or decrease this millage rate.

Emergency Medical Service Fund
Ad Valorem Revenue & Millage History

Fiscal Year	Millage	Budget $ (000's)
2010	0.5832	$ 33.6
2009	0.5832	$ 38.3
2008	0.5832	$ 41.9
2007	0.6300	$ 42.6
2006	0.6600	$ 36.8

Expenditures

The Emergency Medical Service Fund supports budgeted expenditures and reserves in FY2010 totaling $108.8M for all twenty first responders and the ambulance contractor. The primary expenditures in the fund are $33.9M for payments to the ambulance contractor, $38.4M for contractual payments to the first responders and $25.4M in reserves.

Ambulance Contractor Payments

The County contracts with Paramedics Plus for the County's SUNSTAR ambulance system. Contracts with the County's ambulance provider were renegotiated in FY2010 with a minimum 3% increase per year through September 30, 2012. A 4% increase was included in the forecast from FY2013 through FY2020 as these contracts can increase an amount for the medical consumer price index (MCPI) up to a maximum of 5.5% annually. During the FY2010 Budget development, the County negotiated with the contractor to decrease operating expenditures. However, once the contract will be up for negotiation in FY2012, expenditures are

estimated to increase as the economy rebounds and fuel and labor costs will continue to increase which impact the ambulance contractor.

First Responder Contractual Payments

The County contracts with the twenty first responder EMS providers that respond to calls using paramedics and that utilize Advanced Life Support (ALS) or Basic Life Support (BLS) equipment and personnel. During FY2010, the County negotiated with each EMS provider to reduce overall expenditures. However, fund balance was necessary to make up the shortfall where expenditures exceeded property tax revenues.

In FY2010, the first responder agreements also include an agreement of $625K with Bayflite for EMS air transport and $31.5K for Eckerd College for basic life support water rescue. The costs of these combined agreements for FY2010 were $656.5K.

Administrative Costs

The County has administrative costs (Personal Services and Operating Expenditures) to support both the ambulance function and the first responder function that are allocated between these functions.

Ambulance operating expenditures of $4.8M include personnel and operating expenditures attributable to the medical billing function as well as the other ambulance support functions. These expenditures include the Office of the Medical Director, St. Pete College training expenses, and system medical supplies allocated between the ambulance and first responder functions. There are approximately 34 positions associated with the medical billing function. First responder expenditures of $4.6M include those personnel and operating expenditures attributable to the first responder function.

Transfers

The Emergency Medical Service fund has transfers to the Property Appraiser and Tax Collector to cover the costs for collection of ad valorem revenues. FY2010 costs for this function are $1.2M. The commissions for the Property Appraiser and Tax Collector are pursuant to Florida Statutes.

Reserves

Pinellas County Ordinance 88-12, which was amended with Resolution 89-208, authorizes the establishment of a prudent reserve equal to one-third of the annual budget for this fund. This guideline exceeds the 5-15% reserve policy adopted by the Board. Reasons for such a high reserve level include disasters, such as a hurricane, where a large amount of equipment/vehicles may need to be replaced quickly to sustain EMS service and enough working capital for a potential transition if contract requirements are not met by the service provider. The FY2010 budgeted reserve level is 30%, which reflects a use of fund balance to offset the decrease in property tax revenue.

Ten-Year Forecast

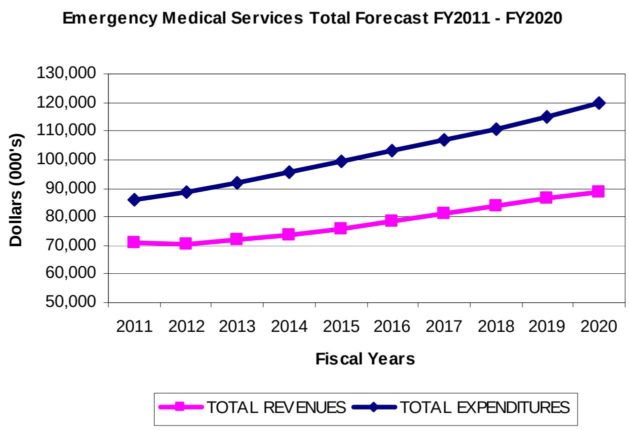
Key Assumptions

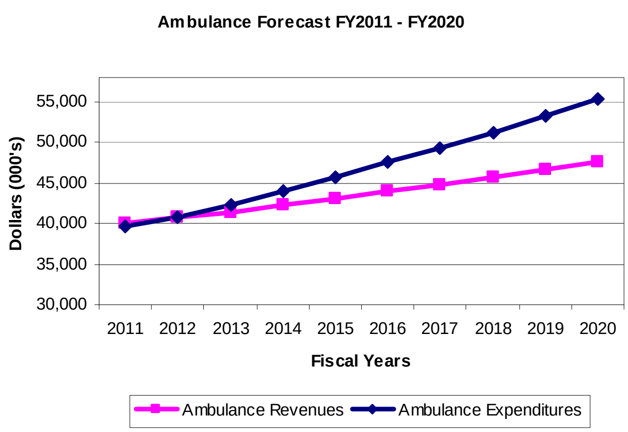
The EMS countywide FY2010 millage is assumed to remain flat at 0.5832 through the remainder of the forecast period. However, property tax revenue is forecasted to decrease in FY2011 by 12% due to additional decreases in taxable values during this timeframe, and then minimally decrease by 3% in FY2012. From FY2013 to FY2014, a 3% growth factor is assumed as taxable values should begin to slowly recover as the economy begins to recover and the housing market starts to rebound. Ambulance revenue user fees are estimated to increase by 2.0-2.2% over the forecast period.

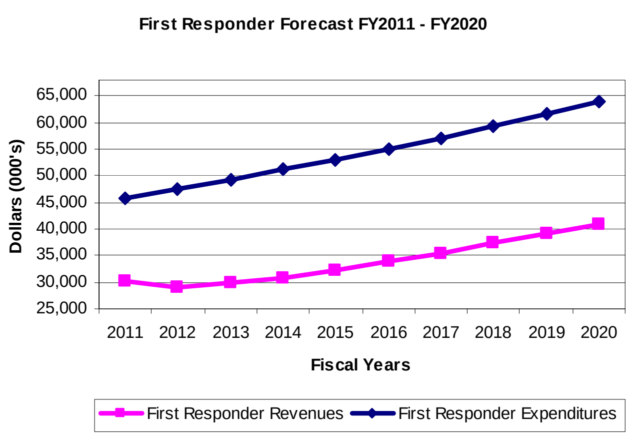
First responder contractual expenditures are estimated to increase at 4% through the forecast period.

Contractual payments to the ambulance contractor are assumed to increase by 3% through FY2012 as the ambulance contract with Paramedics Plus has been renegotiated through this period. The contractual expenditures are

then increased to 4% for the remainder of the forecast period as contracted expenditures have the potential to increase up to a maximum of 5.5% annually.







Key Results

In the first chart for the total EMS Fund, the forecast shows total expenditures exceeding revenues beginning in FY2011 and throughout the entire forecast period for the total fund. The chart illustrates that the total EMS Fund is not in balance. Fund balance will be utilized until it is completely used up if balancing strategies for the fund are not employed.

The ambulance chart details ambulance revenues and expenditures and shows that expenditures exceed user fee revenues despite 2% increases built into the forecast period. Initially, ambulance revenues cover the expenditures in FY2011 with $460K, however expenditures exceed revenue throughout the remainder of the forecast period. The decision point will be whether to increase ambulance user fees and/or decrease expenditures to balance.

The first responder chart more specifically shows that first responder ad valorem revenues are outpaced by contractual expenditure growth throughout the entire forecast period. The decision point will be whether to increase the EMS millage and/or decrease expenditures to make up this shortage.

Potential Impacts

The major impact to future revenues is ad valorem revenue and taxable values. If taxable values begin to rebound then the opportunity for higher revenues will increase. This will be one of the major drivers for increased revenues in the forecast.

Another major impact for future revenues will be ambulance user fee revenues. Tourism and inflow into the local area of more visitors and residents will impact number of users to the EMS system.

Continued aging of the general population (baby boomers) could result in more transport volume in the ambulance area.

The County has a long-standing relationship with Paramedics Plus, the ambulance contractor. However, if this contractor does not meet contract requirements then the County would be negatively affected.

An EMS study is currently being performed by a consultant, engaged by the County that should provide the County with an overview of the entire EMS System on how the County could better serve the citizens with EMS services. This information will be sent to the Office of Program Policy Analysis and Government Accountability (OPPAGA), which is a special unit of the Florida Legislature.

Balancing Strategies

The forecast shows structural gaps in the revenues and expenditures as the fund is not balanced through the forecast period. The County has the option of increasing the millage as necessary to raise the necessary revenue to assist in balancing the fund to pay for the first responders. Ambulance user fee increases beyond the 2% annual increase will most likely need to occur to assist in balancing the fund and help pay for the ambulance contractual expenditures. Fund balance may assist in making up for some of the immediate shortfall. However, this is a short-term measure and not a long-term solution for balancing funds. On the expenditure side, the County could continue to pursue system efficiencies or lower service levels.

FIRE DISTRICTS FUND

Summary

The Fire Districts Fund provides fire protection service to the unincorporated areas of Pinellas County through twelve separate dependent fire protection districts that are funded entirely by ad valorem taxes collected from property owners within these districts. This fund forecast is presented in a high-level consolidated manner. Property taxes have declined dramatically in recent years due to a downturn in the economy and real estate markets and statewide legislation. Property tax revenues are forecast to increase gradually during the forecast period.

The forecast for the Fire District Fund indicates that the fund is not balanced through the forecast period. Six of the twelve fire districts increased millage rates in FY2010 to support expenditures. Additional increases to millages for the individual fire districts will likely be necessary to cover expenditures over the forecast period. Potential millage rate increases will need to take into account the individual millage caps in each fire district.

Description

In 1973, a Special Act of the Florida Legislature (Chapter 73-600, Laws of Florida) created the Pinellas County Fire Protection Authority. This special legislation subsequently assumed ordinance status as Article II, Chapter 62 of the Pinellas County Code. The Board of County Commissioners is designated as the Fire Protection Authority, with responsibility to "establish and implement a permanent plan of fire protection for Pinellas County and each of its municipalities" and is granted the authority to establish and abolish fire protection districts, and levy ad valorem taxes to fund fire protection services within these districts.

At present, the Fire Districts Fund consists of twelve separate municipal services taxing units (MSTUs) that provide fire protection services in the unincorporated areas of Belleair Bluffs, Clearwater, Dunedin, Gandy, Largo, Pinellas Park, Safety Harbor, Tarpon Springs, Seminole, High Point, Tierra Verde, and South Pasadena. These districts were formed at differing times, after the electors in the affected unincorporated areas approved their creation and the levy of ad valorem taxes to fund fire protection. Nine of these districts have a millage cap of 5 mill, Seminole and High Point have a millage cap of 10 mill and Tierra Verde has a millage cap of 1.5 mill.

Per County Code 62-32, compensation to each fire service provider is based on the pro rata share of the fire department's budget in each fire district. The pro rata share is allocated based on the value of real property for the unincorporated area in that district.

Revenues

The Fire Districts Fund consists of primarily one funding source: property taxes (ad valorem revenue).

Property Taxes

Property tax revenues have decreased significantly over the last three years due to legislative rollbacks, the passage of Amendment One, the decline in the real estate market, and the recession. These revenues are affected by taxable values for properties in the local economy. Overall, property taxes are expected to generate $14.3M in FY2010 across all districts.

Each dependent fire district has a separate ad valorem millage rate that is the major revenue source for each of the fire districts. The chart illustrates that half of the fire districts required an increase in millage rates in FY2010 to fund fire service provider expenditures. These districts were Belleair Bluffs, Gandy, Largo, Safety Harbor, Tarpon Springs, and High Point.

Dependent MSTU Fire Protection Districts

Ad Valorem Millage Rates & Millage Rate Caps

	Millage Rate Caps	FY09 Millage	FY10 Adopted Millage	Variance FY09/FY10 Millages
Belleair Bluffs	5.0000	0.8535	1.7320	0.8785
Clearwater	5.0000	1.8628	1.8628	0.0000
Dunedin	5.0000	2.0102	2.0102	0.0000
Gandy	5.0000	1.2072	1.3143	0.1071
Largo	5.0000	1.9005	2.4416	0.5411
Pinellas Park	5.0000	2.3675	2.3675	0.0000
Safety Harbor	5.0000	2.0093	2.4252	0.4159
Tarpon Springs	5.0000	1.6837	2.3745	0.6908
Seminole	10.0000	1.9581	1.9581	0.0000
High Point	10.0000	2.4410	2.7275	0.2865
Tierra Verde	1.5000	1.3997	1.3997	0.0000
South Pasadena	5.0000	2.2188	2.2188	0.0000

In addition to millage adjustments in FY2010, each district is subject to a mandated millage cap. The millage cap threshold for Belleair Bluffs, Clearwater, Dunedin, Gandy, Largo, Pinellas Park, Safety Harbor, Tarpon Springs, and South Pasadena are set at 5 mills while Seminole and Highpoint have a 10 mill cap. Tierra Verde has the lowest millage cap at 1.5 mills, which will not be enough ad valorem revenue to support operating expenditures in the near term.

The next chart shows the variation in the taxable values between unincorporated fire districts due to the composition of properties within the districts, e.g. beach properties, condominiums, etc. All of the FY2010 taxable values decreased from the prior year as a result of the real estate market downturn and economic recession.

Unincorporated Fire Districts

Percentage Change in Taxable Values FY09/2010

Taxing Authority	FY09 Taxable Values	FY10 Taxable Values	% Chge
Belleair Bluffs	338,375,397	302,132,712	-10.7%
Clearwater	1,226,844,685	1,063,357,542	-13.3%
Dunedin	365,995,848	318,203,981	-13.1%
Gandy	74,548,298	68,635,651	-7.9%
Largo	787,076,586	671,906,442	-14.6%
Pinellas Park	343,892,020	310,084,387	-9.8%
Safety Harbor	89,300,768	77,093,607	-13.7%
Tarpon Springs	234,119,418	208,109,166	-11.1%
Seminole	2,802,250,941	2,549,928,095	-9.0%
Highpoint	1,015,041,078	852,506,073	-16.0%
Tierra Verde	948,341,521	831,346,783	-12.3%
South Pasadena	136,974,555	117,571,016	-14.2%

Expenditures

The Fire District Fund supports budgeted expenditures and reserves in FY2010 totaling $23.1M for all twelve districts. The primary expenditures in the fund are $14.9M for contractual payments to the municipalities and other independent agencies for fire and rescue services and $7.3M in reserves.

Contractual Fire Payments

Contracts for fire protection services are negotiated with providers on an annual basis. The forecast includes an annual 3.5% increase for the service contracts through the forecast period. Fire departments submit their operating and capital budget requests on an annual basis and the County provides funding based on the unincorporated pro-rata share of property values within the district.

Administrative Costs

Administrative costs from the County are allocated to each fire district based proportionately on the amount of budgeted ad valorem revenue collected. In FY2010, this cost of $359K has decreased in recent budget years as reductions have been made to this allocation.

FIRE DISTRICTS FUND

Operating Expenses for this fund is the distribution of the County's administrative expenses, such as personal services, repair services and intergovernmental charges, and other operating charges, to the twelve fire districts.

Transfers
The Fire District fund has transfers to the Property Appraiser and Tax Collector to cover the costs of collection for ad valorem revenues. FY2010 costs for these were $426K and fluctuate with ad valorem revenue estimates.

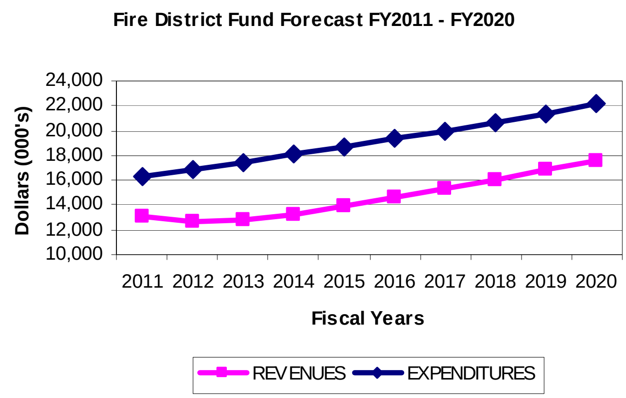
Reserves
The reserve level in the Fire District fund fluctuates as a whole, but each fire district is evaluated individually. The minimum reserve level that each district maintains is 5% reserve for contingency, which is at the low end of the 5-15% reserve level budget policy adopted by the Board. Several of the individual fire districts maintain a 5% minimum reserve including Belleair Bluffs, Gandy, Largo, Safety Harbor, Tarpon Springs, HighPoint, Tierra Verde, and South Pasadena. Some of the districts maintain a 10% reserve level, such as Clearwater, Dunedin, Pinellas Park, and Seminole Fire Districts, that serves as a buffer to shield the district from economic downturn in their area.

In addition, fire districts set aside funds in Reserve for Future Years for long-term capital projects, such as a new fire truck purchase or improvements to a fire station. Districts can request these funds with the County sharing their portion of this request based on the unincorporated value of the district.

Ten-Year Forecast

Key Assumptions
FY2010 fire district millages are assumed to remain flat through the remainder of the forecast period for each of the districts. However, property tax revenue is forecasted to decrease in FY2011 by 12% due to additional decreases in taxable values during this timeframe, and then minimally decrease by 3% in FY2012. From FY2013 to FY2014, a 3% growth factor is assumed as taxable values slowly recover as the housing market begins to rebound and the economy recovers.

On the expenditure side, the contractual payments to the cities are assumed to increase by 3.5% through the forecast period, which outpaces most of the property tax revenues for the districts. Expenditures are increasing by approximately 2 to 3% while the major revenue source of ad valorem revenue is estimated to decrease by 12% in FY2011 and 3% in FY2012.



Key Results
The chart above shows that expenditures exceed revenues throughout the forecast period as expenditures outpace the ad valorem revenue projections forecasted. The fire district fund is presented in a consolidated manner for all of the individual unincorporated twelve districts. Specific fire districts will vary in how much reserves are maintained and fund balance is utilized. However, each individual district must be analyzed individually for their specific situations.

Overall, the revenues are outpaced by expenditures in several of the individual fire districts due to the high costs of the contracts. As the main source of revenue in this fund is ad valorem, which is not anticipated to recover immediately, many of the districts will utilize fund balance through the forecast period to pay for long-term capital projects and current operating expenditures. Some of the unincorporated fire districts will also have to

increase millage rates in the future to keep up with expenditures.

For the four districts (Clearwater, Dunedin, Pinellas Park, and Seminole) that have 10% in Reserve for Contingencies and have not had to utilize their fund balances, they are well positioned going into FY2011 through FY2020 without immediately having to increase millage rates for their districts.

For the other eight districts (Belleair Bluffs, Gandy, Largo, Safety Harbor, Tarpon Springs, HighPoint, Tierra Verde, and South Pasadena) that have minimal 5% in Reserve for Contingencies and have had to borrow from fund balances, the forecast shows that these districts may have to increase millage rates for their districts to meet their individual district personnel and operating expenditures unless forecasted operating requests decrease.

Potential Risks

The major variable impacting future revenues is ad valorem revenue and taxable values. If taxable values begin to rebound then the opportunity for higher revenues will increase. This will be one of the major drivers for increased revenues in the forecast.

Another potential impact is annexation of the unincorporated fire district areas. As cities increasingly annex more of the available unincorporated properties area, there are less unincorporated properties to share the burden of costs of the service among the rest of the unincorporated area in a fire district.

An impact to fire service would be increased costs of Emergency Medical Service funding. Since most of these same fire service providers provide EMS services, if EMS funding is reduced by the County due to increased expenditure pressures and reduced forecasted revenues, these same providers may increase what they are requesting in their operating expenditure requests from the County in their funding formula, which the County funds per the Special Act.

The opportunity for consolidation is also a possibility for the fire districts. Consolidation may result in considerable efficiencies that could reduce operating costs without reducing service levels.

A study is currently being performed by the Florida Office of Program Policy Analysis and Governmental Accountability (OPPAGA) that should provide the County with feedback on how the County and municipalities could better serve the citizens with fire services. This study is estimated to be completed this year.

Balancing Strategies

The forecast shows structural gaps in the revenues and expenditures as the fund is not completely balanced through the forecast period. This fund cannot be taken as a whole, but each district must be looked at individually. Until the ad valorem revenue forecast situation improves further out into the forecast, the individual districts will feel pressure to increase their millage rates. On the expenditure side, the contractual costs from the fire service providers' requests should be reviewed for efficiency opportunities.

Some of the individual districts can continue to use fund balance as long as it is available to them and as long as the minimum reserve of 5% is prudently maintained to continue funding their district personnel and operating expenditures.

AIRPORT FUND

Summary

Airport Revenue and Operating fund revenues have remained constant in recent years due to the rental/lease terms and Allegiant Airlines' popularity. Revenues are forecast to increase gradually during the forecast period matching anticipated gradual growth as part of the recovery in the broader U.S. economy.

The forecast for the Airport Revenue and Operating Fund shows that the fund is balanced through the forecast period based on the assumptions that the capital projects budget would be adjusted to reflect the timing and amounts of any grants revenue and that the airport's operating budget would be adjusted to match revenues.

Description

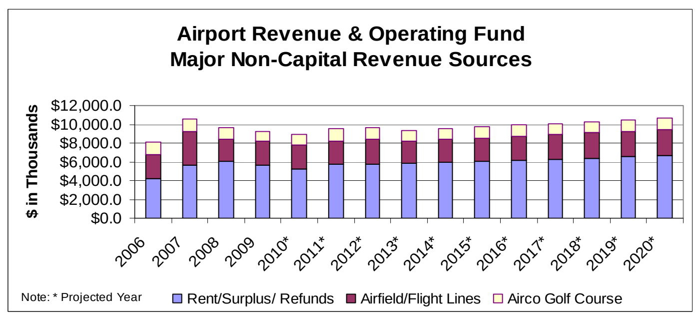
The Airport Operating and Revenue Fund is an enterprise fund that accounts for revenues received from activities on the Airport property. No Pinellas County ad valorem (property) tax dollars are used to support the operation of the airport.

In March 1941 construction started for the airport at its present site. After Pearl Harbor, the airport, known as Pinellas Army Airfield, was used as a military flight-training base. After WWII, many army airfields were declared surplus and turned over to cities, counties, and state sponsors to manage. The Pinellas Army Airfield property was granted to Pinellas County by the U.S. Government to operate as a commercial airport. It was originally called the Pinellas International Airport, and given the airport call letters, PIE.

The Airport Revenue and Operating Fund is used to account for the self-supporting operations of St. Petersburg - Clearwater International Airport (airport code PIE) and its surrounding land uses on the airport's 2,000 acres. Approximately, half of this property is dedicated to the airfield and supporting terminal and other facilities. The remaining acreage includes the 110 acre AIRCO Golf Course, a 200 acre Airport Business Center, and leased industrial, commercial, and governmental operations. All of the entire Airport property is a designated Foreign Trade Zone. All activities necessary for Airport operations (e.g. administration, operating and maintenance expense) is included in this fund. Also included are airport facility capital improvements, which receive federal and state grant funding of up to 95% of costs, depending on the type of project.

Revenues

Excluding capital contributions, the major funding sources supporting the Airport Revenue and Operating Funds during the forecast period Rentals/Leases (60 to 65%), Airfield/Flight Lines (25%), and Airco Golf Course (10-15%).



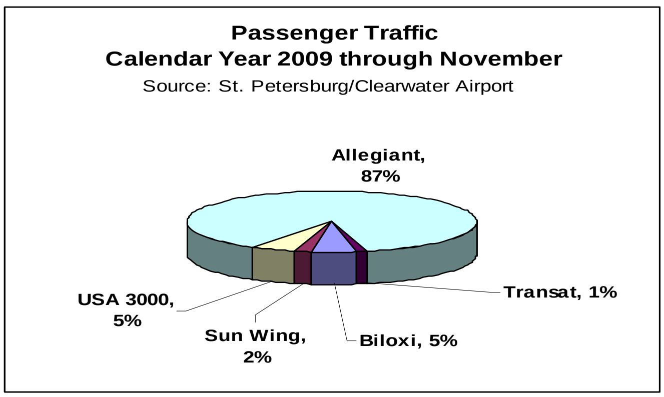
Rentals/Leases

Due to the size of the property and the proximity of Tampa International Airport, the perceived highest and best use of the St. Petersburg/Clearwater Airport land are aviation support and land leases. Pinellas County Criminal and Juvenile Courts, Cracker Barrel Restaurant, Dynamet Inc., and GE Aviation Systems are just a few examples of long term leases at the airport. Also included in this revenue source are businesses operating inside the airport terminal, such as the gift shop and restaurant.

Airfield/Flight Line

Airfield fees are charges for the use of the runways and taxiways. Flight Line leases are for aircraft parking areas and maintenance hangars. These revenue sources are expected to remain constant over the near future.

The following chart shows that Allegiant Airlines represents 87% of the passengers served on commercial carriers from St. Petersburg/Clearwater Airport. Terminal Leases and Airfield fees in the near future are dependent on this airline capacity.



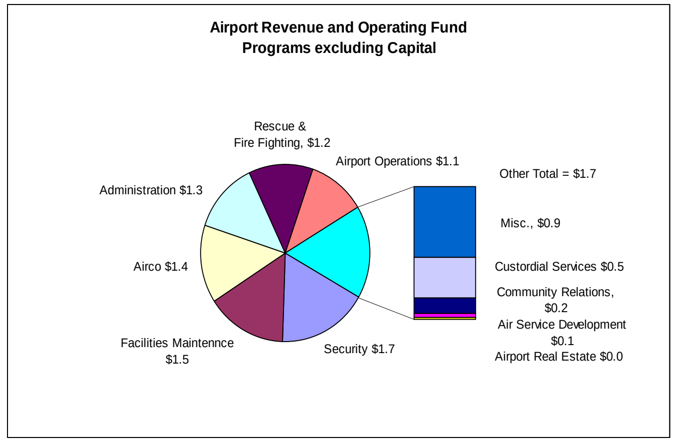
Expenditures

The Airport Revenue and Operating Fund supports budgeted expenditures and reserves in FY2010 totaling $34.5M of which $13.2M is allocated for capital projects and $11.1M is reserves.

Airport Programs

Of the remaining $10.2 in operating expenditures, the primary program expenditure is $1.7M for Security and Utilities. Other major program expenditures include $1.5M for Maintenance, $1.4M for Airco Golf Course, $1.2M for Airport Rescue & Fire Fighting, and $1.1M for Airport Operations.

The airport real estate program ensures compliance to Federal Aviation Administration (FAA) lease requirements. This program has FY2010 budgeted expenditures of $200K. However, the program revenues are budgeted for $2.6M.

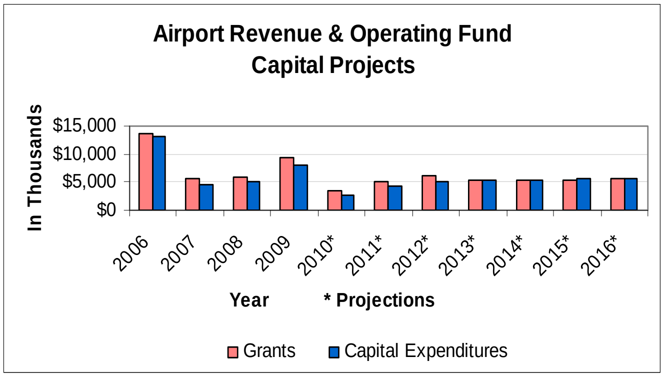


Personal Services

The Personal Services expenses are for the salaries and benefits of those positions needed to operate the Airport. The Airport as a proprietary fund is required by GASB #45 to record the entire annual required contribution (ARC) accrual for the cost of OPEB (Other Post Employment Benefits). As this accrual is not a cash expenditure, the Airport forecast does not include OPEB costs. If those annual costs were included, Personal Services costs would be approximately $355,000 higher annually, increasing by 3% each year.

Capital Projects

The FY2010 Budget for Capital Projects is $13.2M. These projects receive funding in the form of grants from the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT). These projects will only commence when the appropriate grants funding is made available. The following chart shows the relationship between the scheduling of the revenues and the expenditures of capital projects.



Reserves

The total reserve level in the Airport Revenue and Operating fund is currently at 32%. This level is the result of capital projects completion dates lapsing into subsequent fiscal years. The reserve level net of capital projects is 9%. This amount is consistent with the 5-15% reserve policy adopted by the Board.

Ten-Year Forecast

Key Assumptions

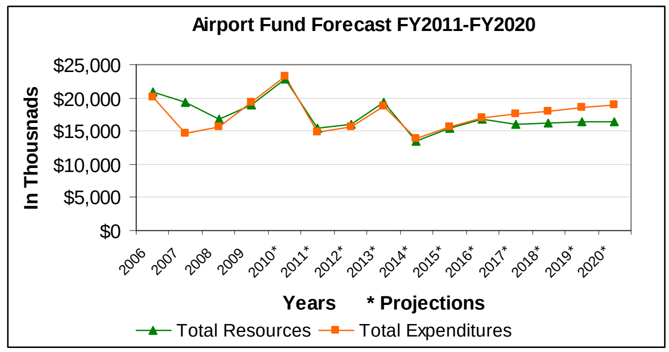
The revenue forecasts of funding total resources are conservative due to the current economic conditions.

Airfield/Flight Line revenue for FY2011 and FY2012 is based on the current level of carriers and passenger numbers. For FY2013 through FY2020, an increase of 2% is forecast. The forecast is conservative, as no new carriers or agreement renewals have been included. Flight Line Leases are projected at a conservative 2% growth rate over the forecast period.

Rent/Surplus/Refunds revenue for FY2011 and FY2012 is based on current leases/agreements through the termination of these lease agreements. No lease escalations are included in these years of the forecast. In FY2013 through FY2020, an increase of 2% is forecast. The forecast also assumes that current agreements are not renewed.

Airco Golf Course revenues are forecast based on a moving average of actual revenues. Therefore, revenues fluctuate between small negative and positive growth between years. The Airco Golf Course is assumed to operate through the entire forecast period.

Capital expenditures track the County's Capital Improvements Program costs until FY2015 when a 2% annual growth rate is included in the forecast.



Key Results

The forecast for the Airport Fund shows over the forecast period revenues decrease slowly as fund balance decreases and reserves are utilized. This is based on the assumption of no new leases.

From FY2011 to FY2016, revenues and expenditures are relatively stable through the period. After FY2016 revenues decline when reserves are utilized to deal with recurring operating expenditures.

The fluctuation magnitudes in both revenues sources and expenditures shown between years in the following chart are caused by the timing of capital projects. Capital project impact to both revenues and expenditures is neutral, since the projects are dependent on the availability of grants. If the grants are not forth coming, the projects are not started.

Potential Risks

Several items can alter the ten-year forecast of Airport revenue collections. A primary concern is the strength of the airline industry and the continued success of Allegiant Airlines. Revenues could increase if the airports can attract new passengers and other carrier services. Increases in rental/leases income would result when current leases are renewed and rate formula escalations occur.

One of the major impacts on revenue is the conversion of the Airco Golf Course lands to different land uses. It has been presented to the Board of County Commissioners a feasibility study to use the golf course land for other revenue endeavors. The timing of this land use change would affect the forecast. Revenues from the golf course would be eliminated during the conversion between land uses, but would be presumably more than offset by additional revenue from new rental/leases.

The potential lease income value of the Airco parcel is well over $1M annually. In addition, other vacant land parcels could add another $200K -$500K in annual lease income if fully leased. In this instance, the fund balance would not be utilized.

Also, this forecast does not add any new passenger service. An increase of 250,000 new airline passengers could provide over $1M in additional income without a significant increase in operating expenses.

Balancing Strategies

The forecast does not show any structural gaps in revenues and expenditures as the fund is balanced through the forecast period assuming that the operating and capital budget would be adjusted in step with revenues.

UTILITIES WATER FUNDS

Summary

The Pinellas County Utilities Water Funds are proprietary funds dedicated solely to supporting the Pinellas County Utilities Water System (Water System).

Water System retail and wholesale water sales revenues have declined with the slower economy, which will require rate increases to fund operations and maintain sufficient reserves during the 10-year forecast period. The forecast shows the need for rate increases of 13% in both FY2011 and FY2012 and 3% per year from FY2013 through FY2019.

Description

The Pinellas County Water System is responsible for the provision of quality, cost effective potable water service to County retail and wholesale customers by planning, developing, constructing, financing, operating and maintaining water treatment and distribution facilities in accordance with State and Federal laws, rules and regulations. The Water System is continually being upgraded to provide customers with a safe and sufficient water supply for domestic needs as well as an ample supply for fire protection. The Water System also continues to educate its customers on important water conservation issues.

The Water Funds are enterprise funds, and are committed solely to support Water System functions. Water utilizes four funds: Revenue and Operating, Debt Service, Renewal and Replacement (capital), and Impact Fees. This forecast covers all funds, except for Debt Service, since it is not utilized at this time.

Revenues

The Water Funds generate revenues budgeted in FY2010 totaling \$81.4M. The Water Funds have two primary funding sources: retail water sales of \$60.3M and wholesale water sales of \$18.6M.

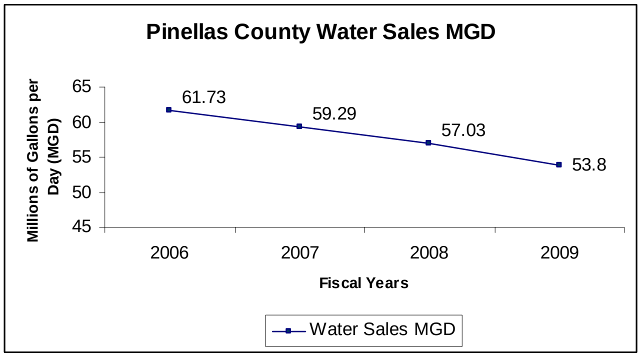
Retail Water Sales

The Water System charges \$3.24 per month base rate and \$4.62 per 1,000 gallons for retail water service. This rate became effective 10/1/2009, an increase of 8.0% from the previous rate. Retail customers are commercial and residential customers in the Pinellas County Utilities Water Service Area. The volume of water purchased has declined 14% from FY2006 to FY2009. The amount of water purchased is affected by economic conditions, housing and commercial vacancies, and levels of conservation.

Wholesale Water Sales

The Water System charges \$3.1844 per 1,000 gallons for wholesale water service. This rate became effective 10/1/2009, an increase of 8.0% from the previous rate. Wholesale customers are five cities within Pinellas County that purchase water from the Water System in bulk and distribute it to their retail water customers. The cities of Clearwater, Tarpon Springs, Safety Harbor, Oldsmar, and Pinellas Park are the wholesale customers of the Water System. Similar to retail water sales, the volume of water purchased has declined 14% from FY2006 to FY2009. The amount of water purchased is affected by economic conditions, housing and commercial vacancies, and levels of conservation.

The graph below shows the recent history of the volume of Water sales by the Water System.



Source: Pinellas County Water System

Expenditures

The Water Funds support budgeted expenditures and reserves in FY2010 totaling $121.8M. The primary expenditures in the fund are $49.0M for the purchase of water, $22.4M for capital outlay, $17.6M for personal services costs, $7.3M for operating expenses, and $16.7M in reserves.

Purchase of Water

Under Section 373.1963 of the Florida Statutes, the Water System is required to purchase its water from Tampa Bay Water, the regional water supply authority. In 1997, 373.1963 F.S. was implemented by the signing of the Interlocal Agreement and the Master Water Supply Contract, under which Tampa Bay Water provides water to its members: Pinellas County, Hillsborough County, Pasco County, City of St. Petersburg, City of Tampa, and City of New Port Richey. Tampa Bay Water sets their rates according to their adopted budget and collects those rates from all members, according to the Master Water Supply Contract. Tampa Bay Water raised their rates by 7% for FY2010.

Capital Outlay

The Water System must maintain its equipment, facilities, pipelines, and plants in good working order, utilizing revenues generated within their proprietary funds. Capital outlay reflects the construction and purchase needs as estimated by Pinellas County Utilities engineering in the CIP six year work plan and beyond.

Personal Services

The Water System employs 242 full-time employees in FY2010, down from 265 in FY2009. The Personal Services expenses are for the salaries and benefits of those positions needed to operate the Water System. Water System benefits includes the cost of OPEB (Other Post Employment Benefits), as proprietary funds are required by GASB #45 to record the entire annual required contribution (ARC) accrual.

Operating Expenses

The Water System incurs annual recurring costs for repair and maintenance, supplies, fuel, and communications. The Water System also pays for electrical power to run its facilities and for chemicals to treat the water.

Reserves

The reserve level in the Water System is 14%, which is within the 5-15% reserve level budget policy adopted by the Board. The Water System maintains these reserves for cash flow and future capital needs.

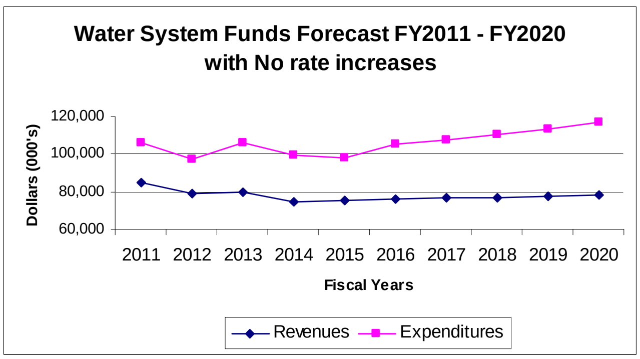
Ten-Year Forecast

Key Assumptions

The revenue forecast assumes only a 0.25% to 0.75% annual increase in retail water demand over the forecast period due to the expected slow growth in the economy. The wholesale water demand reflects a steep 61% decline in demand through FY2014, due to the projected loss of sales to three cities (Clearwater, Tarpon Springs, and Oldsmar), as they develop their own water resources. For expenditures, Personal Services and Operating Expenses fluctuate with the consumer price index in the forecasted years. A major expense to the Water System is the purchase of water. The cost per thousand gallons of purchasing water from Tampa Bay Water is forecasted to increase by 9.8% in FY2011, 1.62%

in FY 2012, 6.36% in FY 2013, 0.05% in FY 2014, and -0.99% in FY 2015, then 2.5% each year for FY2016 through FY2020 (source: Tampa Bay Water long-range budget). Electricity and chemicals costs are forecasted to increase by 7% per year through the entire forecast period. The capital outlay forecast reflects the construction and purchase needs as estimated by the Pinellas County Utilities engineering department. This forecast does not include any future costs of a water blending facility.

The graph below shows Water System revenues and expenditures under the above assumptions if there are no future rate increases.



Key Results

The forecast for the Water System Funds shows that the forecasted expenditures are well above forecasted revenues for the next 10 years, with the gap widening each year and all reserves depleted by the end of FY2011. With the forecasted rate of increase in expenditures, current revenues are insufficient to maintain reserves and fund capital replacement needs.

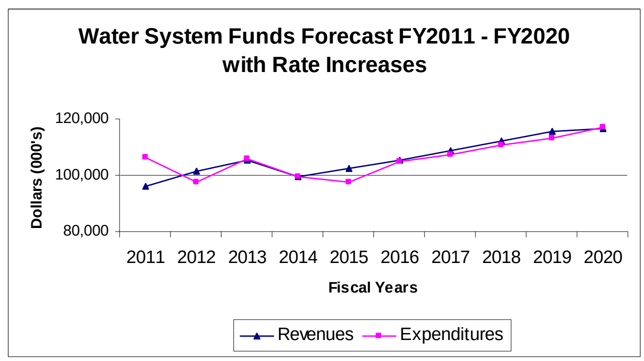
Potential Risks

There are some impacts that can alter the ten-year forecast of the Water System. A continued economic decline would further reduce water demand, which would reduce revenue more than expenses. Operating costs (including Tampa Bay Water) could increase more (or less) than forecasted, causing higher (or lower) operating expenditures than forecasted. The Water System could experience a need for more maintenance than anticipated, causing increased capital costs.

Balancing Strategies

To balance revenues with forecasted expenditures, rate increases will be necessary for both retail and wholesale rates. Burton and Associates, Utility Finance and Economics Independent Consultants have computed that the following rate increases are necessary to meet the forecasted expenses and reserve needs at the forecasted water demand levels: increases of 13% in each of FY2011 and FY2012, then increases of 3% each year from FY2013 through FY2019.

The graph below shows Water System revenues and expenditures, assuming the above rate increases are adopted:



With the rate increases recommended by Burton and Associates, Water System revenues will be sufficient to cover forecasted expenditures and maintain sufficient reserves.

Pinellas County

UTILITIES SEWER FUNDS

Summary

The Pinellas County Utilities Sewer Funds are proprietary funds dedicated solely to supporting the Pinellas County Utilities Sewer System (Sewer System).

Sewer System retail and wholesale revenues have declined with the slower economy, and will require rate increases to fund operations, sustain a debt service ratio of 1.5, and maintain sufficient reserves during the 10-year forecast period. The forecast shows the need for rate increases of 2.5% annually through FY2019.

Description

The Pinellas County Sewer System is responsible for the provision of quality, cost effective sewer service to the citizens residing in County sewer service areas by planning, developing, constructing, financing, operating, and maintaining sewage collection, transmission, treatment and disposal facilities in accordance with State and Federal laws, rules, and regulations. It provides an environmentally safe and sanitary means of collecting and transmitting discharged domestic wastes from residential, commercial, and industrial users. The Sewer System provides for the treatment and disposal of objectionable materials and organisms from these wastes in order to protect public health, property, and environment.

The Sewer Funds are enterprise funds, and are committed solely to support Sewer System functions. Sewer utilizes four funds: Revenue and Operating, Renewal and Replacement (capital), Interest and Sinking (Debt Service), and Construction Series 2008. This forecast covers all funds, except for Construction Series 2008, since it is only used for the restricted proceeds of the 2008 bond issue. The Sewer System is required to maintain a debt service coverage ratio of 1.25 per the bond covenants, but the bond ratings services recommend a debt service coverage ratio of 1.5 to sustain a bond rating of A1.

Revenues

The Sewer Funds generate revenues budgeted in FY2010 totaling $59.8M. The Sewer Funds have four primary funding sources: retail sewer charges of $43.1M, wholesale sewer charges of $6.6M, retail reclaimed water charges of $2.1M, and wholesale reclaimed water charges of $0.3M.

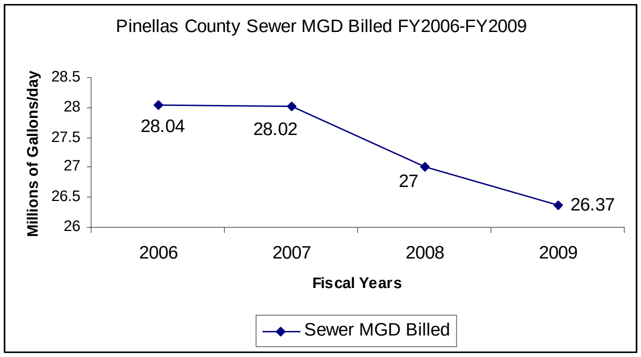
Retail Sewer Charges

The Sewer System charges $10.35 per month base rate and $3.78 per 1,000 gallons for retail sewer service. This rate became effective 10/1/2009, an increase of 3.5% from the previous rate. Prior to this rate increase, there had been no increase in six years. Retail customers are commercial and residential customers in the Pinellas County Utilities Sewer Service Area. The volume of waste processed has declined 5.4% from FY2006 to FY2009. The amount of sewage processed is affected by economic conditions, housing and commercial vacancies, and levels of water conservation.

Wholesale Sewer Sales

The Sewer System charges $2.92 per 1,000 gallons for wholesale sewer service. This rate became effective 10/1/2009, an increase of 3.5% from the previous rate. Wholesale customers are four cities within Pinellas County that purchase sewer service from the Sewer System in bulk after collecting it from their retail sewer customers. The cities of Redington Beach, Redington Shores, Indian Rocks Beach, and Pinellas Park are the wholesale customers of the Sewer System. Similar to retail sewer sales, the volume of waste processed has declined 5.4% from FY2006 to FY2009. The amount of waste processed is affected by economic conditions, housing and commercial vacancies, and levels of water conservation.

The graph below shows the recent history of the volume of waste billed by the Sewer System.



Source: Pinellas County Sewer System

Retail Reclaimed Water Charges

The Reclaimed Water System charges $10.00 per month base rate and $0.32 per 1,000 gallons for retail reclaimed water service for unfunded systems (systems without existing distribution lines) and $8.89 per month base rate and $0.32 per 1,000 gallons for funded systems (systems with pre-existing distribution lines). Rates for funded systems are higher as the Sewer System must recover the cost of constructing the reclaimed water distribution lines. Only those accounts that have metered service pay the volumetric rate, with most paying only the flat monthly rate. These rates became effective 10/1/2009, an increase of 11% from the previous rate.

Wholesale Reclaimed Water Charges

The Reclaimed Water System charges volumetric rates by contract for wholesale reclaimed water service. Wholesale customers are four cities within Pinellas County that purchase reclaimed water service from the Reclaimed Water System in bulk and distribute it to their retail customers. The cities of St. Pete Beach, South Pasadena, Belleair, and Pinellas Park are the wholesale customers of the Reclaimed Water System.

Expenditures

The Sewer Funds support budgeted expenditures and reserves in FY2010 totaling $95.5M. The primary expenditures in the funds are $16.7M for personal services costs, $15.2 for debt service, $10.0M for operating expenses, $9.3M for capital outlay, and $31.7M in reserves.

Personal Services

The Sewer System employs 232 full-time employees in FY2010, down from 254 in FY2009. The Personal Services expenses are for the salaries and benefits of those positions needed to operate the Sewer System. Sewer System benefits includes the cost of OPEB (Other Post Employment Benefits), as proprietary funds are required by GASB #45 to record the entire annual required contribution (ARC) accrual. This cost is included in the calculation of the debt service coverage ratio.

Debt Service

The Sewer System has $205M of outstanding bonds, requiring annual principal and interest repayments averaging $15.2M per year until 2029. The bonds were issued to fund various sewer system capital projects. The bonds maturity dates are from 2017 through 2032.

Operating Expenses

The Sewer System incurs annual recurring costs for repair and maintenance, supplies, fuel, and communications. The Sewer System also pays for electrical power to run its facilities and for chemicals to treat the waste.

Capital Outlay

The Sewer System must maintain its equipment, facilities, pipelines, and plants in good working order, using revenues generated within their proprietary funds. Capital outlay reflects the construction and purchase needs as estimated by Pinellas County Utilities Engineering Department in the CIP six year work plan and beyond. In this

forecast, the capital outlay only relates to those projects funded by the Renewal and Replacement fund, and not those funded by bond proceeds.

Reserves

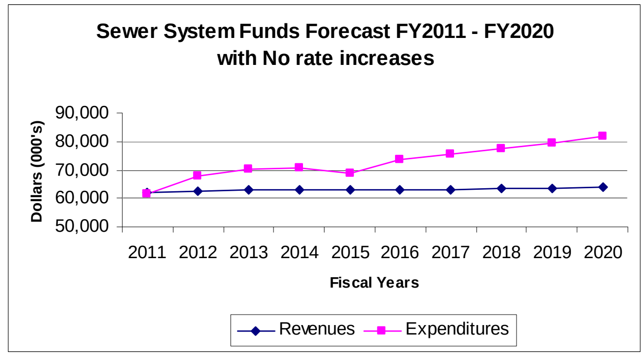
The reserve level in the Sewer System is 33%, which is higher than the 5-15% reserve level budget policy adopted by the Board. The Sewer System maintains $7.8M of reserves for cash flow and $ 21.9M to fund future capital needs. In addition, the 2008 bond issue requires a debt service reserve of $1.97M.

Ten-Year Forecast

Key Assumptions

The revenue forecast assumes only a 0.25% annual increase in retail and wholesale sewer demand due to the expected slow growth in the economy. The revenue forecast assumes a 0.25% annual increase in retail reclaimed water sales, but a 2% annual increase in wholesale reclaimed sales, as the demand for more small cities to provide reclaimed water continues. For expenditures, Personal Services and Operating Expenses fluctuate with the consumer price index in the forecasted years. Electricity and chemicals costs are forecasted to increase by 7% per year through the entire forecast period. The capital outlay forecast reflects the construction and purchase needs as estimated by the Pinellas County Utilities Engineering Department. This forecast does not include any capital expenditures from bond proceeds.

The graph below shows Sewer System revenues and expenditures under the above assumptions if there are no future rate increases.



Key Results

The forecast for the Sewer Funds shows that the forecasted revenues are in line with forecasted expenditures through FY2011. In the following years, forecasted expenditures are well above forecasted revenues, with the gap widening and all reserves depleted by the end of FY2016. With the forecasted rate of increase in expenditures, current revenues are insufficient to maintain reserves, sustain the recommended debt service coverage ratio, and fund capital replacement needs.

Potential Risks

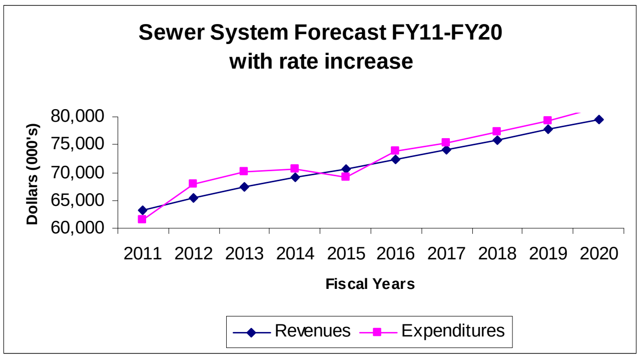
There are some impacts that can alter the ten-year forecast of the Sewer System. A continued economic decline would further reduce water demand, which reduces sewer revenue that is based on volume. Operating costs could increase more (or less) than forecasted, causing higher (or lower) operating expenditures than forecasted. The Sewer System could experience a need for more maintenance than anticipated, causing increased capital costs.

Balancing Strategies

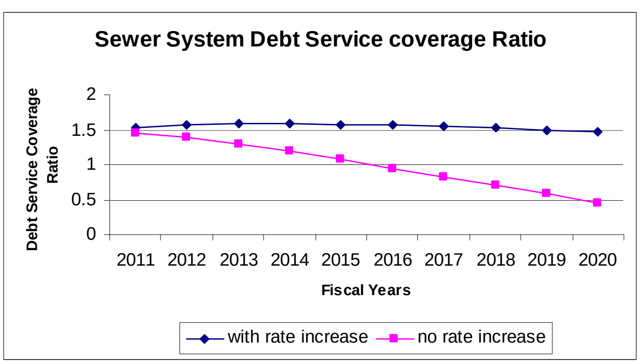
To balance revenues with forecasted expenditures, rate increases will be necessary for both retail and wholesale rates. Burton and Associates, Utility Finance and Economics Independent Consultants have computed that sewer rate increases of 2.5% per year for each year through FY2019 are necessary to meet the

forecasted expenses and reserve needs at the forecasted sewer demand levels. Burton and Associates has also computed that reclaimed water rate increases of 2.5% in each of the years FY2011 through FY2020 are necessary.

The following graph shows Sewer System revenues and expenditures, assuming the above rate increases are adopted:



With the rate increases recommended by Burton and Associates, Sewer System revenues will be sufficient to cover forecasted expenditures, maintain sufficient reserves, and sustain the recommended debt service coverage ratio of 1.5. The chart below shows the forecasted debt service coverage ratio with and without the recommended rate increases.



UTILITIES SOLID WASTE FUNDS

Summary

The Pinellas County Solid Waste Funds are proprietary funds dedicated solely to supporting the Solid Waste functions.

Solid Waste tipping fees and electricity sales revenues have declined with the slower economy, but will remain sufficient to fund operations and maintain sufficient reserves during the 10-year forecast period.

Description

The Pinellas County Solid Waste department provides safe and environmentally sound integrated solid waste services to all citizens of Pinellas County. These services emphasize public awareness and communication to enable the citizens to make educated choices concerning proper management of their solid waste and to help maintain the quality of life in Pinellas County. In support of that mission, the Solid Waste department operates the landfill, the waste-to-energy plant, hazardous waste collection, recycling programs, and litter-reduction.

The Solid Waste Funds are enterprise funds, and are committed solely to support Solid Waste functions. Solid Waste utilizes two funds: Revenue and Operating, and Renewal and Replacement (capital).

Revenues

The Solid Waste Funds generate revenues budgeted in FY2010 totaling $77.4M. The Solid Waste Funds consist almost exclusively of two primary funding sources: tipping fees of $34.0M and electricity sales of $41.1M.

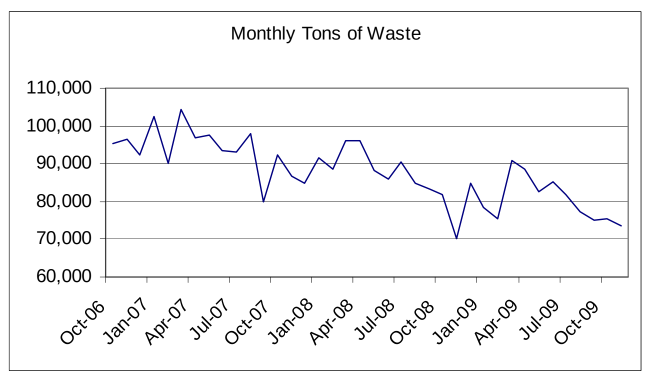
Tipping Fees

Solid Waste charges $37.50 per ton for all waste brought to the Solid Waste Facility. That rate has not changed since 1988. The volume of waste brought to the Solid Waste Facility declined in FY2009 and also in FY2010. The amount of waste brought to the facility is affected by economic conditions and levels of recycling.

Electricity Sales

Solid Waste receives revenue from the electrical capacity contract with Progress Energy for power produced by the waste-to-energy plant. The revenue from this contract is defined by rates specified in the contract, which expires in 2024. Solid Waste also receives revenue for electricity sales in excess of the capacity contract with Progress Energy. This revenue stream is affected by the amount of waste received by the plant and the operating capacity of the plant. Due to slow growth in the economy and no planned increases in plant capacity for the next 10 years, this revenue is forecast to increase by 0.5% per year from FY2011 through FY2020.

The graph below shows the tons of waste delivered to the Solid Waste Facility.



Source: Pinellas County Solid Waste Mgmt Tonnage Activity Reports

Expenditures

The Solid Waste Funds support budgeted expenditures and reserves in FY2010 totaling $202M. The primary expenditures in the fund are $28.5M for the Waste-to-Energy service contract, $26.1M for recycling programs, $10.8M for the Landfill service contract, $62.7M for capital investment, and $55.5M in reserves.

Waste-to-Energy Service Contract
Solid Waste is under contract with Veolia, Inc. to operate the Waste-to-Energy (WTE) plant. This contract expires in 2024, and has 10 one-year extensions.

Landfill Service Contract
Solid Waste is under contract with Veolia, Inc. to operate the landfill. This contract expires in 2015, and has a 3-year extension.

Recycling
Solid Waste begins it curbside recycling program in FY2010. Solid Waste is planning to contract with service providers for the unincorporated areas of the county and to provide grants to cities for operation of their programs. The first year expenses include $12.5M of startup costs and $9.7M of ongoing costs. The ongoing costs are forecast to increase by an average of 6.7% per year through FY2015 and then by 2% per year through FY2020. In FY2010, Solid Waste is also starting their recycling program for beach communities, which includes $376K in startup costs and $249K of ongoing costs.

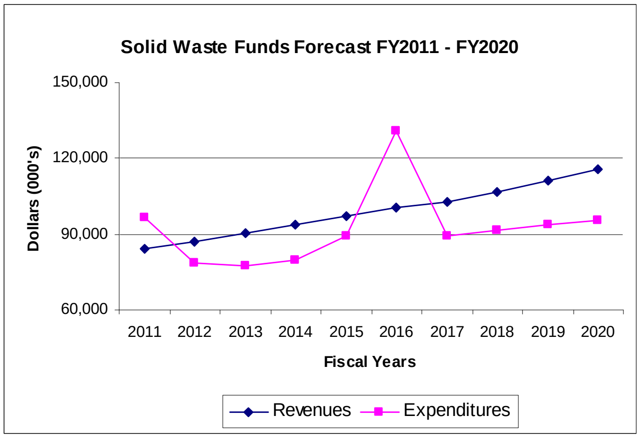
Capital Outlay
Solid Waste must maintain its equipment, facilities, and plants in good working order, utilizing revenues generated within their proprietary fund. Capital outlay reflects the construction and purchase needs as estimated in the consulting engineering services report from Camp, Dresser & McKee, Inc.

Personal Services
The Solid Waste System employs 90 full-time employees in FY2010, up from 81 in FY2009. The Personal Services expenses are for the salaries and benefits of those positions needed to operate the Solid Waste System. Solid Waste System benefits includes the cost of OPEB (Other Post Employment Benefits), as proprietary funds are required by GASB #45 to record the entire annual required contribution (ARC) accrual.

Reserves
The reserve level in the Solid Waste System is 28%, which is above the 5-15% reserve level budget policy adopted by the Board. Solid Waste maintains the following reserves: $7.5M required reserves per the Veolia contracts, $10M for insurance deductibles, $10M for 3-months of operating expenses, and the remainder of $28M is for future capital needs.

Ten-Year Forecast

Key Assumptions
The revenue forecast assumes only a 0.5% increase in tipping fees and electricity sales throughout the forecast horizon due to the expected slow growth in the economy, increased recycling, and no planned capacity increases to the WTE plant. The revenue forecast does not include any increases in tipping fee rates. The economy does affect the tons of waste brought to the solid waste facility, because less consumption and lower tourism means less waste. For expenditures, Personal Services and Operating Expense fluctuate with the consumer price index in the forecasted years after the start-up of the recycling programs. The capital outlay forecast reflects the construction and purchase needs as estimated by the consulting engineering services report. There is a large capital need forecasted for FY2016 to install additional air pollution measures, in anticipation of tighter regulatory requirements.



Key Results

The forecast for the Solid Waste Funds shows that the forecasted revenues are sufficient to provide for the forecasted expenditures over the next 10 years, while still maintaining sufficient reserves. The revenues are sufficient without any increases in tipping fees. The reserves increase during the forecast period and reach the level of 112% of revenues in FY2020. Those reserves are planned to fund considerable future capital replacement needs in the Solid Waste 25-year plan.

Potential Risks

There are some impacts that can alter the ten-year forecast of the Solid Waste Funds. A continued economic decline would further reduce incoming waste, which would reduce revenue from both the tipping fees and electricity sales. The WTE plant could experience more maintenance downtime than anticipated, reducing electricity sales and causing increased capital costs.

Balancing Strategies

The forecast does not show any structural gaps in revenues and expenditures as the fund is balanced through the forecast period.

Assumptions & Pro-Formas

ASSUMPTIONS & PRO-FORMAS

The *Assumptions & Pro-Formas* portion of the Budget Forecast: FY2011-2020 includes the detailed assumptions behind the ten-year fund pro-formas as well as full-size forecast charts for ten of the County's major funds:

- General Fund
- Tourist Development Fund
- Transportation Trust Fund
- Penny for Pinellas Fund
- Emergency Medical Services Fund
- Fire Districts Fund
- Airport Fund
- Utilities Water Funds
- Utilities Sewer Funds
- Utilities Solid Waste Funds

Sections for Each Fund

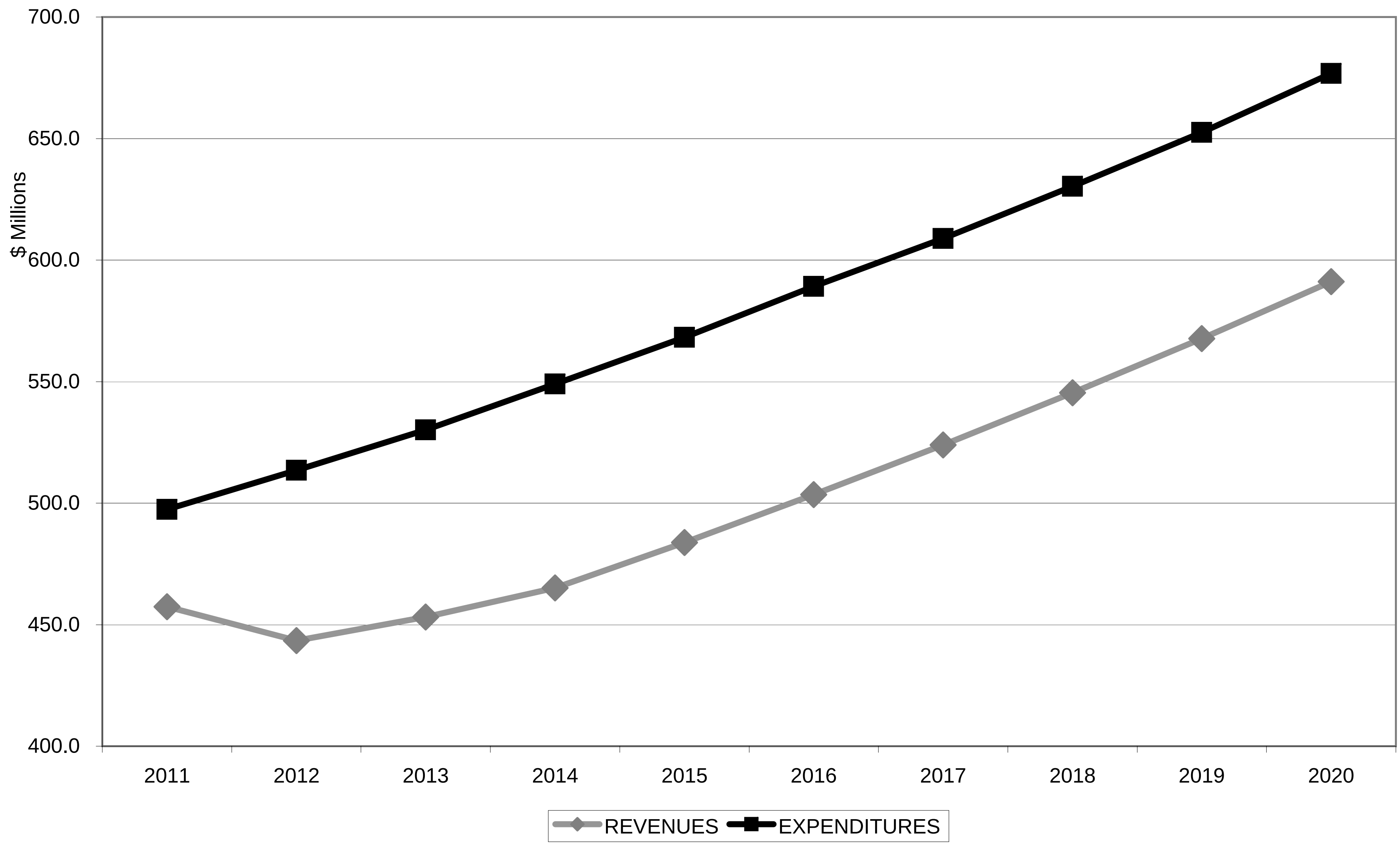
Each fund has the following information:

- **Forecast Chart:** Provides a forecast of revenues (net of fund balance) and expenditures (net of reserves) for each fund over a ten-year period
- **Assumptions:** Provides the key assumptions for each year in the forecast horizon that feed the pro-formas for each fund
- **Pro-Formas**: Provides the detailed revenue and expenditure projections over ten years for each fund based on key assumptions

Additional Information

The information in this section provides the detail behind the forecast summaries prepared in the *Fund Forecasts* portion of this document. The fund forecasts are intended to be high level, user-friendly summaries of the results of the ten-year forecast for each fund. The information in this section is much more granular and was used by the Office of Management & Budget as well as other contributing departments to produce the forecasts.

General Fund Forecast FY2011 - FY2020



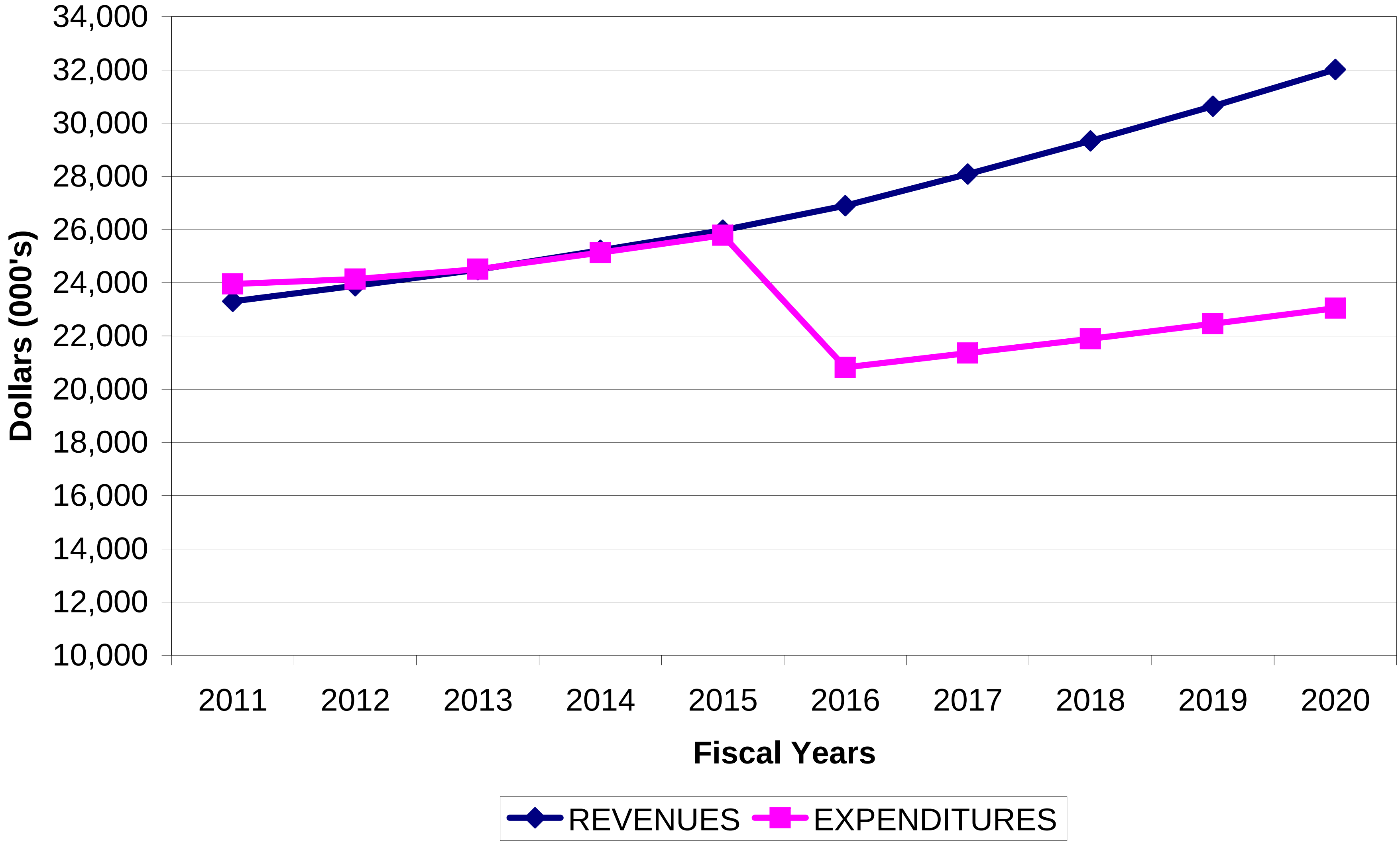
GENERAL FUND FORECAST
January, 2009
Fund 0101

Forecast Assumptions	Notes	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES											
Property Taxes - Countywide	taxable value decrease in FY2011; moderate growth in later years	-12.0%	-3.0%	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Property Taxes - MSTU	assumes one-half percent less than county-wide change (except FY12)	-12.5%	-3.5%	2.5%	2.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Half Cent Sales Tax	FY11& FY12 are more conservative than State estimates	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenue Sharing	assumes moderate growth, but less than sales tax	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Communications Svc Tax	FY10 less than budgeted; only minor growth in FY11-FY20	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Building Permits	this revenue and related expenditures are budgeted in BDRS Fund beginning in FY10										
Grants (fed/state/local)	moderate growth; does not include stimulus funds or other non-routine sources	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest	percentage earnings on fund balance (not year-to-year percentage change)	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Tax Collector Excess Fees	percent of expenditure budget; adjusted to achieve moderate net budget growth	41.5%	40.5%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Excess Fees - Sheriff (% of budget)	assumes that 99% of budget will be expended	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Excess Fees - Other (% of budget)	assumes that 99% of budget will be expended	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Cost Recovery	decreases in FY2011 & F20Y12 based on lower costs in FY2009 & FY2010	-6.0%	-10.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Charges for Services	assumes adjustments equal to change in CPI	0.5%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Transfers from Other Funds	no new sources are anticipated	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other revenues	only minor growth in other sources	1.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EXPENDITURES											
Personal Services	no merit increases in FY2011; moderate merit increases in FY2012 and later years	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Operating Expenses	assumes adjustments equal to change in CPI	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
BTS /IT Cost Alllocation (OpExp)	asssumes recurring cost savings in FY12 as a result of OPUS and CJIS projects	1.7%	-5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Capital Outlay	assumes adjustments equal to change in CPI	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Grants & Aids	assumes adjustments equal to change in CPI	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
TIF payments to cities (G&A)	after FY12, assumes change 2% higher than change in property tax revenue	-12.0%	-3.0%	5.0%	5.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Sheriff	for FY2011-FY2013, increase percentage is equal to % change in Personal Services	1.7%	3.9%	3.9%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Tax Collector	percent of property tax revenue	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Other Constitutionals	for FY2011-FY2013, increase percentage is equal to % change in Personal Services	1.7%	3.9%	3.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Transfers to CIP	no General Fund support of capital projects scheduled after FY2010	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Transfers	no new transfers are anticipated	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt Service	no new debt is anticipated	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.50	1.00	-	-	-	1.00	-	-	-	1.00
Projected Economic Conditions / Indicators:											
Consumer Price Index, % change		*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth		*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base		*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

GENERAL FUND FORECAST
January, 2009
Fund 0101

(in $ millions)	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Budget 2010	Projected 2010	FORECAST Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	134.4	165.6	177.0	165.9	119.1	138.3	118.7	78.7	8.6	(68.4)	(152.3)	(236.7)	(322.4)	(407.3)	(492.2)	(577.0)
REVENUES																
Property Taxes -Countywide	363.3	389.5	**372.9**	340.4	296.1	296.1	260.6	252.8	260.3	268.1	281.6	295.6	310.4	325.9	342.2	359.3
Property Taxes - MSTU	38.1	44.1	**41.3**	36.9	32.5	32.5	28.4	27.4	28.1	28.8	30.1	31.5	32.9	34.4	**35.9**	37.5
Half Cent Sales Tax	42.1	40.1	38.0	34.4	32.4	32.4	33.4	34.4	35.4	36.5	37.6	38.7	39.8	41.0	42.3	43.5
Revenue Sharing	17.8	16.7	15.2	13.4	12.8	12.8	13.1	13.3	13.6	13.9	14.1	14.4	14.7	15.0	15.3	15.6
Communications Svc Tax	12.7	13.1	13.1	11.8	11.5	11.1	11.1	11.2	11.3	11.3	11.4	11.4	11.5	11.5	11.6	11.7
Building Permits	3.8	3.5	3.3	2.6	-	-	-	-	-	-	-	-	-	-	-	-
Grants (fed/state/local)	12.0	8.7	10.9	8.7	6.0	6.0	6.1	6.2	6.4	6.5	6.6	6.8	6.9	7.0	7.2	7.3
Interest	11.9	15.2	10.2	5.7	6.3	6.3	7.1	2.4	0.3	-	-	-	-	-	-	-
Tax Collector Excess Fees	5.9	9.0	13.7	12.1	9.0	9.0	6.0	5.7	5.8	5.9	6.2	6.5	6.9	7.2	7.6	7.9
Excess Fees - Sheriff	4.4	4.3	7.5	5.4	2.3	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3.1	3.2	3.3	3.4
Excess Fees - Other	5.8	2.9	1.3	2.5	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Cost Recovery	21.5	28.4	29.7	28.9	28.4	27.6	25.9	23.3	24.1	24.8	25.5	26.3	27.1	27.9	28.7	29.6
Charges for Services	28.1	27.7	30.2	34.9	38.6	38.6	38.8	39.7	40.4	41.2	42.0	42.8	43.7	44.5	45.4	46.3
Transfers from Other Funds	2.0	10.3	3.1	3.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other revenues	7.9	10.7	11.0	11.5	13.2	13.2	13.4	13.6	13.9	14.2	14.5	14.7	15.0	15.3	15.7	16.0
Adjust Property Taxes to 96%						3.1	2.7	2.7	2.7	2.8	3.0	3.1	3.3	3.4	3.6	3.8
Adjust Major Revenue to 98%						1.8	1.8	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.2
Adjust Other Revenue to 98%						3.4	3.3	3.1	3.1	3.1	3.2	3.3	3.3	3.4	3.5	3.6
TOTAL REVENUES	577.3	624.2	601.4	552.9	492.3	499.3	457.4	443.4	453.2	465.1	483.8	503.5	524.0	545.4	567.7	591.2
% vs prior year		*8%*	*-4%*	*-11%*	*-11%*	*-10%*	*-8%*	*-3%*	*2%*	*3%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*
TOTAL RESOURCES	711.7	789.8	778.4	718.8	611.4	637.6	576.2	522.1	461.8	396.7	331.5	266.8	201.6	138.1	75.5	14.1
EXPENDITURES																
Personal Services	96.4	108.7	106.6	95.6	80.5	80.5	81.9	85.1	88.4	91.8	95.4	99.1	103.0	107.0	111.2	115.5
Operating Expenses *	94.4	98.6	95.2	98.1	88.4	88.4	89.8	91.9	93.6	95.4	97.2	99.2	101.1	103.1	105.0	107.1
BTS /IT Cost Alllocation (OpExp)	15.6	16.4	15.2	20.3	14.2	14.2	14.4	13.7	14.1	14.6	15.0	15.4	15.9	16.4	16.9	17.4
Capital Outlay	9.6	7.5	17.4	1.1	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1
Grants & Aids	18.9	19.6	21.6	21.6	15.8	15.8	16.1	16.4	16.7	17.1	17.4	17.7	18.1	18.4	18.8	19.1
TIF payments to cities (G&A)	6.6	8.1	8.5	8.7	8.0	8.0	7.0	6.8	7.2	7.5	8.1	8.6	9.2	9.9	10.6	11.3
Sheriff	248.9	277.8	285.6	272.2	238.4	238.4	242.5	251.9	261.7	272.2	283.1	294.4	306.2	318.4	331.2	344.4
Tax Collector	17.9	20.1	20.4	19.9	17.5	17.5	14.5	14.0	14.4	14.8	15.6	16.4	17.2	18.0	18.9	19.8
Other Constitutionals	29.8	33.5	31.0	28.5	25.3	25.3	26.2	28.3	28.3	29.2	30.0	31.9	31.9	32.8	33.8	35.8
Transfers to CIP	3.3	7.5	5.2	4.8	-	-		-	-	-	-	-	-	-	-	-
Other Transfers	1.6	1.9	0.7	1.4	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Debt Service	3.1	3.1	0.1	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Service Level Stabilization Acct	-	-	-	-	7.2	7.2	-	-	-	-	-	-	-	-	-	-
Non-recurring expenditures		INCLUDED ABOVE			16.0	16.0	-	-	-	-	-	-	-	-	-	-
Expenditure Lapse 1% **						(2.0)	(2.0)	(2.1)	(2.1)	(2.2)	(2.3)	(2.3)	(2.4)	(2.5)	(2.5)	(2.6)
Prior Year Funds Reappropriations						3.6										
Potential Issues:																
a) Housing Trust Fund (G&A)	-	10.0	5.0	4.2	-	-	-	-	-	-	-	-	-	-	-	-
b) OPEB Liability Funding	-	-	-	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
c) BTS non-recurring project costs							-	-	-	-	-	-	-	-	-	-
d) CIP Operating Impacts (cumulative)							1.1	1.5	1.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6
TOTAL EXPENDITURES	546.1	612.8	612.5	580.5	517.3	518.9	497.4	513.5	530.1	549.1	568.2	589.2	608.9	630.3	652.5	676.8
% vs prior year		*12%*	*0%*	*-5%*	*-11%*	*-11%*	*-4%*	*3%*	*3%*	*4%*	*3%*	*4%*	*3%*	*4%*	*4%*	*4%*
ENDING FUND BALANCE ASSUMING NO ACTION TAKEN TO RESOLVE SHORTFALLS	165.6	177.0	165.9	138.3	94.1	118.7	78.7	8.6	(68.4)	(152.3)	(236.7)	(322.4)	(407.3)	(492.2)	(577.0)	(662.6)
Ending balance as % of Resources	*23%*	*22%*	*21%*	*19%*	*15%*	*19%*	***14%***	*2%*	*-15%*	*-38%*	*-71%*	*-121%*	*-202%*	*-356%*	*-764%*	*-4686%*
TOTAL REQUIREMENTS	711.7	789.8	778.4	718.8	611.4	637.6	576.2	522.1	461.8	396.7	331.5	266.8	201.6	138.1	75.5	14.1
REVENUE minus EXPENDITURES *(NOT cumulative)*	31.2	11.4	(11.1)	(27.6)	(25.0)	(19.6)	(40.0)	(70.1)	(77.0)	(84.0)	(84.4)	(85.7)	(84.9)	(84.9)	(84.8)	(85.6)
note: non-recurring expenditures					23.2	26.8	-	-	-	-	-	-	-	-	-	-
net recurring rev- exp					(1.8)	7.2	(40.0)	(70.1)	(77.0)	(84.0)	(84.4)	(85.7)	(84.9)	(84.9)	(84.8)	(85.6)

Tourist Development Council Fund Forecast FY2011 - FY2020



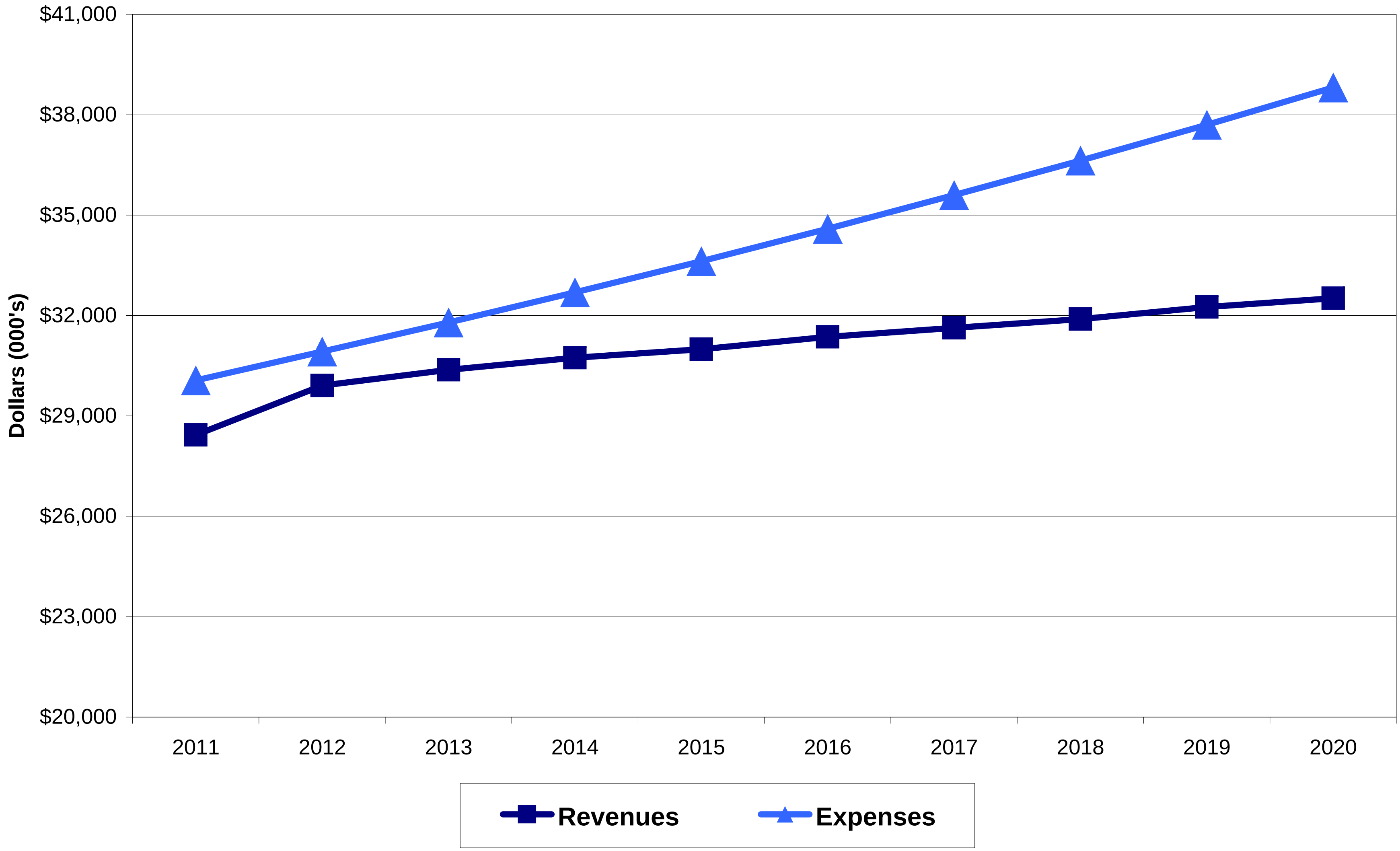
TOURIST DEVELOPMENT COUNCIL FUND FORECAST
Fund 0240

Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Tourist Development Taxes	1.5%	2.5%	2.5%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%
Interest	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other revenues (Int - TC)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EXPENDITURES										
Personal Services	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Operating Expenses	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Advertising Expense	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Capital Outlay	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth	*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base	*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

TOURIST DEVELOPMENT COUNCIL FUND FORECAST
Fund 0240

(in $ thousands)	Actual 2009	@95% Budget 2010	@100% Projected 2010	FORECAST Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	**4,533.3**	**2,220.6**	**3,086.4**	**2,179.6**	**1,530.7**	**1,282.2**	**1,262.3**	**1,347.1**	**1,544.6**	**7,619.9**	**14,348.1**	**21,778.8**	**29,958.7**
REVENUES													
	24,548.2	22,907.7	22,907.7	23,251.3	23,832.6	24,428.4	25,161.3	25,916.1	26,823.2	27,762.0	28,733.6	29,739.3	30,780.2
	65.3	17.7	17.7	43.6	45.9	51.3	50.5	53.9	61.8	304.8	573.9	871.2	1,198.3
	2.7	7.2	7.2	7.3	7.5	7.6	7.8	7.9	8.1	8.3	8.4	8.6	8.8
Adjust Revenue to 97%			0.5	1.1	1.1	1.2	1.2	1.3	1.5	6.6	12.3	18.5	25.4
REVENUES	**24,616.2**	**22,932.6**	**22,933.1**	**23,303.3**	**23,887.1**	**24,488.6**	**25,220.8**	**25,979.2**	**26,894.5**	**28,081.6**	**29,328.3**	**30,637.6**	**32,012.7**
	-5%	*-7%*	*-7%*	*2%*	*3%*	*3%*	*3%*	*3%*	*4%*	*4%*	*4%*	*4%*	*4%*
TOTAL REVENUES	**29,149.5**	**25,153.2**	**26,019.5**	**25,482.9**	**25,417.9**	**25,770.8**	**26,483.1**	**27,326.4**	**28,439.2**	**35,701.5**	**43,676.3**	**52,416.4**	**61,971.5**
EXPENDITURES													
	2,860.8	2,800.2	2,800.2	2,847.8	2,958.9	3,074.3	3,194.2	3,318.7	3,448.2	3,582.6	3,722.4	3,867.5	4,018.4
	6,233.1	5,120.4	5,120.4	5,202.3	5,322.0	5,423.1	5,526.1	5,631.1	5,743.8	5,858.6	5,969.9	6,083.4	6,205.0
	7,184.4	**7,416.4**	**7,416.4**	**7,416.4**	**7,216.4**	**7,216.4**	**7,432.9**	**7,655.9**	**7,885.6**	**8,122.1**	**8,365.8**	**8,616.8**	**8,875.3**
	-												
	4.2	4.3	4.3	4.4	4.5	4.6	4.6	4.7	4.8	4.9	5.0	5.1	5.2
	-												
	727.6	687.2	687.2	697.5	715.0	732.9	754.8	777.5	804.7	832.9	862.0	892.2	923.4
	2,692.3	1,897.8	1,897.8	1,897.8	1,916.8	1,935.9	1,955.3	1,974.9	1,994.6	2,014.6	2,034.7	2,055.0	2,075.6
	750.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
	5,610.7	5,563.6	5,563.6	5,536.0	5,652.2	5,771.4	5,918.0	6,068.9	587.7	587.7	587.7	587.7	587.7
				-	-	-	-	-	-	-	-	-	-
FY10 Supplemental Appropriations			-										
Potential Issues:													
			-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-
EXPENDITURES	**26,063.1**	**23,839.9**	**23,839.9**	**23,952.2**	**24,135.7**	**24,508.5**	**25,135.9**	**25,781.7**	**20,819.3**	**21,353.4**	**21,897.5**	**22,457.7**	**23,040.6**
	4%	*-9%*	*-9%*	*0%*	*1%*	*2%*	*3%*	*3%*	*-19%*	*3%*	*3%*	*3%*	*3%*
ENDING FUND BALANCE	**3,086.4**	**1,313.3**	**2,179.6**	**1,530.7**	**1,282.2**	**1,262.3**	**1,347.1**	**1,544.6**	**7,619.9**	**14,348.1**	**21,778.8**	**29,958.7**	**38,930.9**
Ending balance as % of Resources	*11%*	*5%*	*8%*	*6%*	*5%*	*5%*	*5%*	*6%*	*27%*	*40%*	*50%*	*57%*	*63%*
TOTAL REQUIREMENTS	**29,149.5**	**25,153.2**	**26,019.5**	**25,482.9**	**25,417.9**	**25,770.8**	**26,483.1**	**27,326.4**	**28,439.2**	**35,701.5**	**43,676.3**	**52,416.4**	**61,971.5**
REVENUE minus EXPENDITURES	(1,446.9)	(907.3)	(906.8)	(648.9)	(248.6)	(19.9)	84.9	197.5	6,075.2	6,728.2	7,430.8	8,179.9	8,972.2
note: non-recurring expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
net recurring rev- exp	**(1,446.9)**	**(907.3)**	**(906.8)**	**(648.9)**	**(248.6)**	**(19.9)**	**84.9**	**197.5**	**6,075.2**	**6,728.2**	**7,430.8**	**8,179.9**	**8,972.2**

Transportation Trust Fund Forecast FY2011 - FY2020



TRANSPORTATION TRUST FUND FORECAST
Fund 0201

Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Ninth Cent Gas Tax	**1.0%**	**2.7%**	**2.1%**	**1.8%**	**1.9%**	**1.7%**	**1.4%**	**1.3%**	**1.3%**	**1.3%**
State Shared Gas Taxes	**1.0%**	**2.7%**	**2.1%**	**1.8%**	**1.9%**	**1.7%**	**1.4%**	**1.3%**	**1.3%**	**1.3%**
Local Option Gas Taxes	**1.0%**	**2.7%**	**2.1%**	**1.8%**	**1.9%**	**1.7%**	**1.4%**	**1.3%**	**1.3%**	**1.3%**
Interest	**2.0%**	**3.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Other revenues	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
EXPENDITURES										
Personal Services	**1.7%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**	**3.9%**
Operating Expenses	**1.6%**	**2.3%**	**1.9%**	**1.9%**	**1.9%**	**2.0%**	**2.0%**	**1.9%**	**1.9%**	**2.0%**
Capital Outlay	**1.6%**	**2.3%**	**1.9%**	**1.9%**	**1.9%**	**2.0%**	**2.0%**	**1.9%**	**1.9%**	**2.0%**
Grants & Aids	**1.6%**	**2.3%**	**1.9%**	**1.9%**	**1.9%**	**2.0%**	**2.0%**	**1.9%**	**1.9%**	**2.0%**
Transfers	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	***1.6%***	***2.3%***	***1.9%***	***1.9%***	***1.9%***	***2.0%***	***2.0%***	***1.9%***	***1.9%***	***2.0%***
FL Per Capita Personal Income Growth	***1.5%***	***3.0%***	***3.7%***	***2.7%***	***2.5%***	***2.3%***	***2.3%***	***2.2%***	***2.4%***	***2.3%***
Estimated New Construction % of tax base	***0.2%***	***0.5%***	***1.0%***	***1.0%***	***1.0%***	***1.0%***	***1.0%***	***1.0%***	***1.0%***	***1.0%***

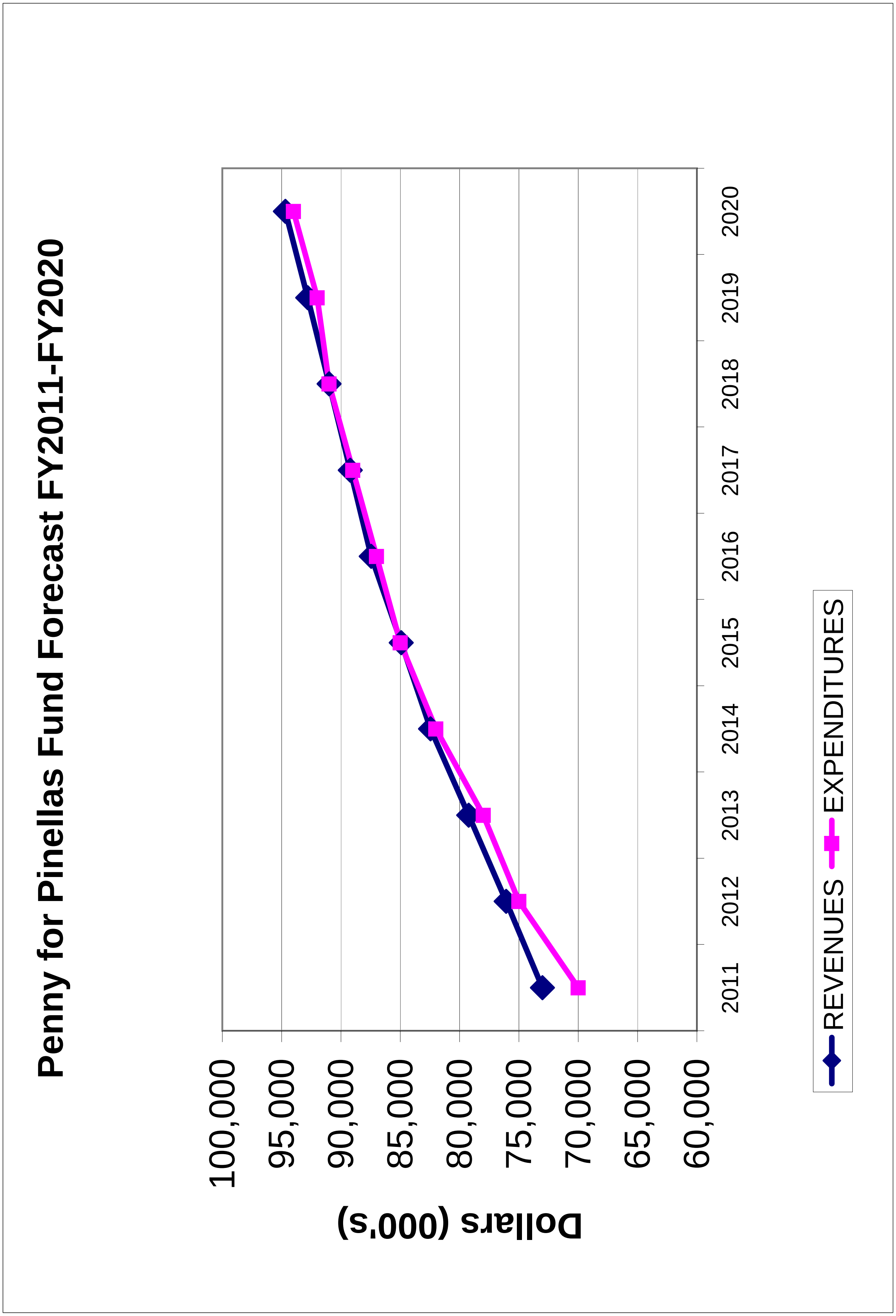
TRANSPORTATION TRUST FUND FORECAST
Fund 0201

Note: Yellow shaded cells are formulas not associated with the assumptions table.

(in $ thousands)	Actual 2009	Budget 2010	Projected 2010	FORECAST Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	6,903.4	3,322.6	9,000.0	7,058.6	5,426.4	4,415.4	3,003.3	1,050.7	(1,577.9)	(4,810.4)	(8,781.8)	(13,526.6)	(18,973.6)
REVENUES													
	3,550.9	3,854.8	3,854.8	3,893.3	3,998.5	4,082.4	4,155.9	4,234.9	4,306.9	4,367.2	4,423.9	4,481.5	4,539.7
	9,970.5	10,178.9	10,178.9	10,280.7	10,558.3	10,780.0	10,974.0	11,182.5	11,372.6	11,531.9	11,681.8	11,833.6	11,987.5
	71.7	95.0	95.0	141.2	162.8	176.6	120.1	42.0	-	-	-	-	-
	15,081.9	11,000.0	11,000.0	11,500.0	12,500.0	12,600.0	12,700.0	12,700.0	12,800.0	12,800.0	12,800.0	12,900.0	12,900.0
	2,839.4	2,133.8	2,133.8	2,176.5	2,220.0	2,264.4	2,309.7	2,355.9	2,403.0	2,451.1	2,500.1	2,550.1	2,601.1
Adjust Other Revenue to 98%			417.8	436.3	470.0	475.0	477.8	476.8	480.1	481.6	483.2	487.9	489.5
TOTAL REVENUES	31,514.4	27,262.5	27,680.3	28,428.0	29,909.5	30,378.4	30,737.6	30,992.1	31,362.6	31,631.7	31,889.0	32,253.1	32,517.8
	9%	*-13%*	*-12%*	*3%*	*5%*	*2%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*
TOTAL RESOURCES	38,417.8	30,585.1	36,680.3	35,486.6	35,336.0	34,793.8	33,740.9	32,042.8	29,784.7	26,821.3	23,107.2	18,726.5	13,544.2
EXPENDITURES													
	14,352.6	13,730.4	13,730.4	13,963.8	14,508.4	15,074.2	15,662.1	16,273.0	16,907.6	17,567.0	18,252.1	18,963.9	19,703.5
	9,005.4	10,613.4	10,613.4	10,783.2	11,031.2	11,240.8	11,454.4	11,672.0	11,905.5	12,143.6	12,374.3	12,609.4	12,861.6
	240.4	150.6	150.6	153.0	156.5	159.5	162.5	165.6	168.9	172.3	175.6	178.9	182.5
	-	-	-	-	-	-	-	-	-	-	-	-	-
	2,809.9	2,361.9	2,361.9	2,409.1	2,481.4	2,580.7	2,683.9	2,791.3	2,902.9	3,019.0	3,139.8	3,265.4	3,396.0
	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
	9.5	10.3	10.3	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Lapse 1% **			(244.9)	(249.0)	(257.0)	(264.7)	(272.8)	(281.1)	(289.8)	(298.8)	(308.0)	(317.5)	(327.5)
FY10 Supplemental Appropriations			-										
Potential Issues:													
			-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	29,417.8	29,866.6	29,621.7	30,060.2	30,920.6	31,790.5	32,690.2	33,620.7	34,595.1	35,603.1	36,633.8	37,700.1	38,816.1
	3%	*2%*	*1%*	*1%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*
ENDING FUND BALANCE ASSUMING NO ACTION TAKEN TO RESOLVE SHORTFALLS	9,000.0	718.5	7,058.6	5,426.4	4,415.4	3,003.3	1,050.7	(1,577.9)	(4,810.4)	(8,781.8)	(13,526.6)	(18,973.6)	(25,272.0)
Ending balance as % of Resources	*23%*	*2%*	*19%*	*15%*	*12%*	*9%*	*3%*	*-5%*	*-16%*	*-33%*	*-59%*	*-101%*	*-187%*
TOTAL REQUIREMENTS	38,417.8	30,585.1	36,680.3	35,486.6	35,336.0	34,793.8	33,740.9	32,042.8	29,784.7	26,821.3	23,107.2	18,726.5	13,544.2
REVENUE minus EXPENDITURES	2,096.6	(2,604.1)	(1,941.4)	(1,632.1)	(1,011.1)	(1,412.1)	(1,952.6)	(2,628.6)	(3,232.5)	(3,971.4)	(4,744.8)	(5,447.1)	(6,298.4)
note: non-recurring expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
net recurring rev- exp	**2,096.6**	**(2,604.1)**	**(1,941.4)**	**(1,632.1)**	**(1,011.1)**	**(1,412.1)**	**(1,952.6)**	**(2,628.6)**	**(3,232.5)**	**(3,971.4)**	**(4,744.8)**	**(5,447.1)**	**(6,298.4)**

** Operating Expenses net of Full Cost Allocation*

*** Expenditure lapse is calculated on Personal Services, Operating Expenses, Capital Outlay, and Grants & Aids only.*


Penny for Pinellas Fund Forecast FY2011-FY2020
Dollars (000's)
100,000
95,000
90,000
85,000
80,000
75,000
70,000
65,000
60,000
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
REVENUES
EXPENDITURES

PENNY FOR PINELLAS INFRASTRUCTURE TAX FUND FORECAST
Fund 0408

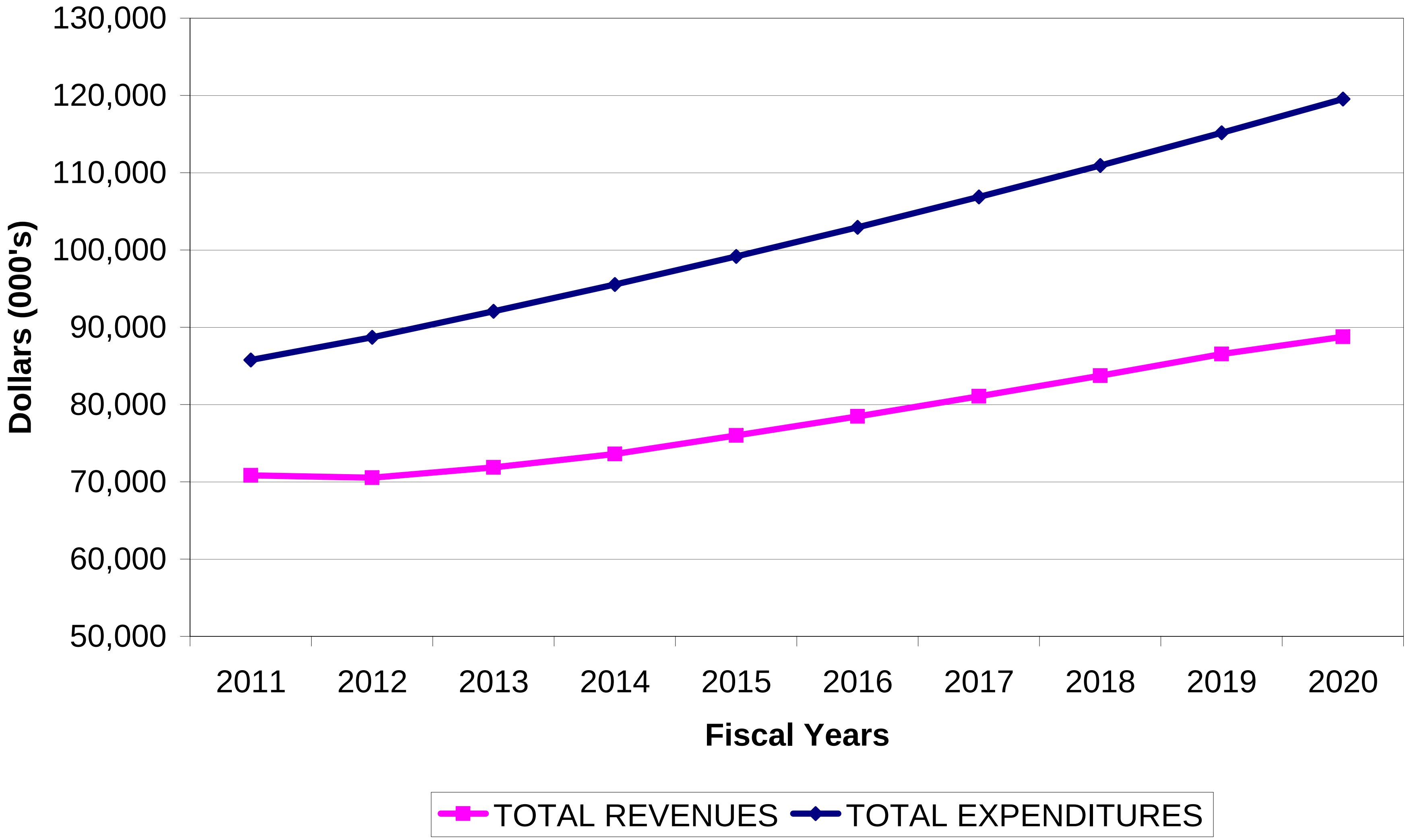
Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Infrastructure Sales Tax	3.0%	4.0%	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%
Interest	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other revenues	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EXPENDITURES										
n/a										
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth	*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base	*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

PENNY FOR PINELLAS INFRASTRUCTURE TAX FUND FORECAST
Fund 0408

(in $ thousands)	Actual 2009	Budget 2010	Projected 2010	FORECAST Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	**12,480.1**	**17,427.0**	**11,366.1**	**4,312.2**	**7,339.8**	**8,423.1**	**9,661.1**	**10,105.7**	**10,030.1**	**10,486.7**	**10,702.9**	**10,703.7**	**11,515.7**
REVENUES													
	66,873.7	70,814.2	70,814.2	72,938.6	75,856.2	78,890.4	82,046.0	84,507.4	87,042.6	88,783.5	90,559.2	92,370.3	94,217.8
	73.7	245.9	245.9	86.2	220.2	336.9	386.4	404.2	401.2	419.5	428.1	428.1	460.6
	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjust Other Revenue to 98%			7.8	2.7	7.0	10.6	12.2	12.8	12.7	13.2	13.5	13.5	14.5
TOTAL REVENUES	**66,947.4**	**71,060.1**	**71,067.9**	**73,027.6**	**76,083.3**	**79,238.0**	**82,444.7**	**84,924.4**	**87,456.5**	**89,216.2**	**91,000.8**	**92,812.0**	**94,692.9**
	-13%	*6%*	*6%*	*3%*	*4%*	*4%*	*4%*	*3%*	*3%*	*2%*	*2%*	*2%*	*2%*
TOTAL RESOURCES	**79,427.5**	**88,487.1**	**82,434.0**	**77,339.8**	**83,423.1**	**87,661.1**	**92,105.7**	**95,030.1**	**97,486.7**	**99,702.9**	**101,703.7**	**103,515.7**	**106,208.6**
EXPENDITURES													
	45,000.0	55,000.0	55,000.0	70,000.0	75,000.0	78,000.0	82,000.0	85,000.0	87,000.0	89,000.0	91,000.0	92,000.0	94,000.0
	23,061.4	23,121.8	23,121.8	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Lapse 1% **			-	-	-	-	-	-	-	-	-	-	-
FY10 Supplemental Appropriations			-										
Potential Issues:													
			-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**68,061.4**	**78,121.8**	**78,121.8**	**70,000.0**	**75,000.0**	**78,000.0**	**82,000.0**	**85,000.0**	**87,000.0**	**89,000.0**	**91,000.0**	**92,000.0**	**94,000.0**
	-18%	*15%*	*15%*	*-10%*	*7%*	*4%*	*5%*	*4%*	*2%*	*2%*	*2%*	*1%*	*2%*
ENDING FUND BALANCE ASSUMING NO ACTION TAKEN TO RESOLVE SHORTFALLS	**11,366.1**	**10,365.3**	**4,312.2**	**7,339.8**	**8,423.1**	**9,661.1**	**10,105.7**	**10,030.1**	**10,486.7**	**10,702.9**	**10,703.7**	**11,515.7**	**12,208.6**
Ending balance as % of Resources	*14%*	*12%*	*5%*	*9%*	*10%*	*11%*	*11%*	*11%*	*11%*	*11%*	*11%*	*11%*	*11%*
TOTAL REQUIREMENTS	**79,427.5**	**88,487.1**	**82,434.0**	**77,339.8**	**83,423.1**	**87,661.1**	**92,105.7**	**95,030.1**	**97,486.7**	**99,702.9**	**101,703.7**	**103,515.7**	**106,208.6**
REVENUE minus EXPENDITURES	(1,114.0)	(7,061.7)	(7,053.9)	3,027.6	1,083.3	1,238.0	444.7	(75.6)	456.5	216.2	0.8	812.0	692.9
note: non-recurring expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
net recurring rev- exp	**(1,114.0)**	**(7,061.7)**	**(7,053.9)**	**3,027.6**	**1,083.3**	**1,238.0**	**444.7**	**(75.6)**	**456.5**	**216.2**	**0.8**	**812.0**	**692.9**

** Operating Expenses net of Full Cost Allocation*
*** Expenditure lapse is calculated on Personal Services, Operating Expenses, Capital Outlay, and Grants & Aids only.*
Note: Assumes extension of Penny for Pinellas through the full fiscal year 2020

Emergency Medical Services Total Forecast FY2011 - FY2020

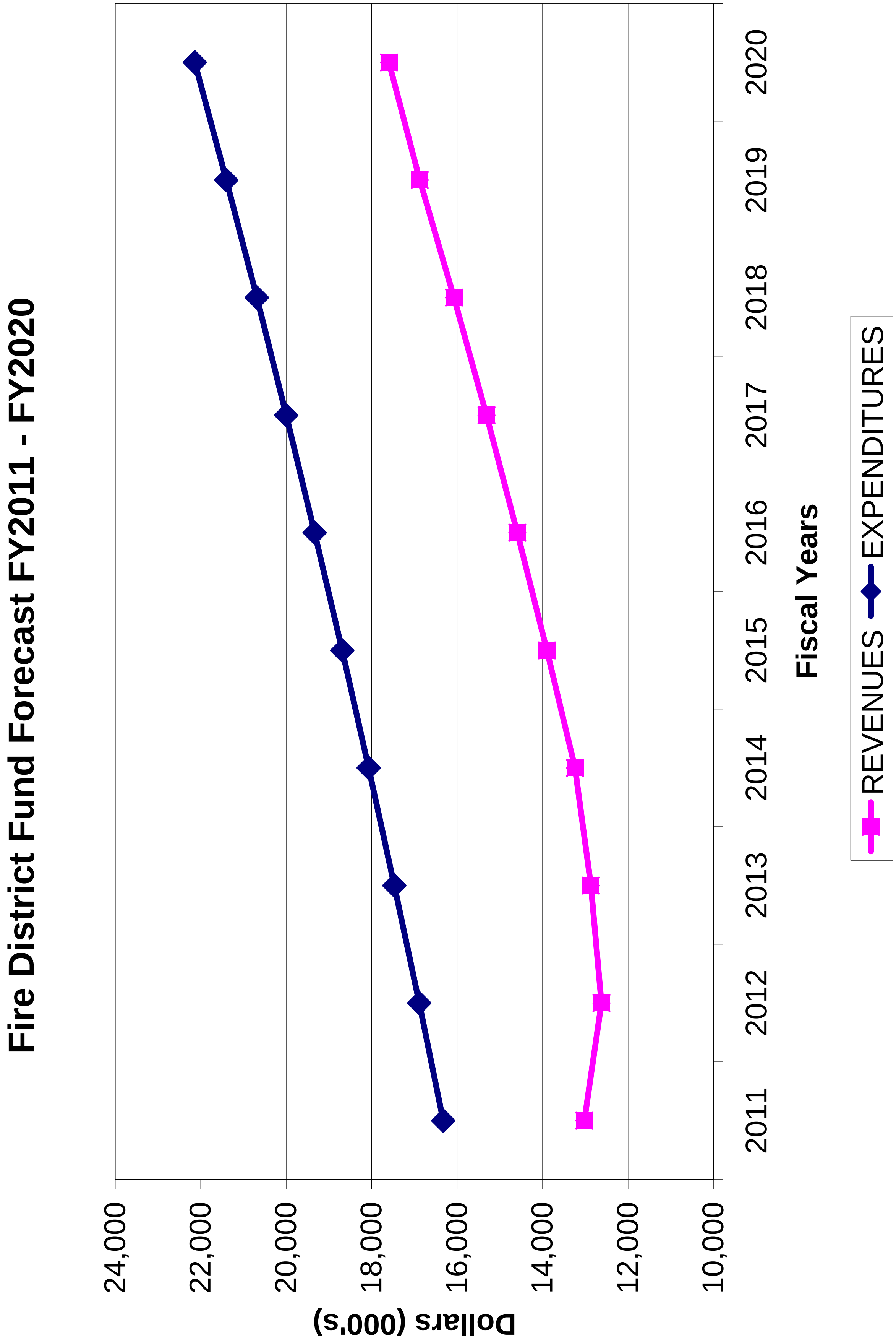


EMERGENCY MEDICAL SERVICES FUND FORECAST
Fund 0206

Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Ad Valorem Revenue (@95%)	-12.0%	-3.0%	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Ambulance Svc Contract Fees	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Ambulance Annual Members Fees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Revenue (EMS Trust Fund)	0.0%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cty Off Fees (TC & PA)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other revenues (ref of prior yrs exp)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EXPENDITURES										
Personal Services	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Operating Expenses	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Capital Outlay	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Ambulance Contract	3.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
EMS Trust Fund Grant Expenditures	0.0%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Grants & Aids (First Responder Agmts)	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Trfrs to PA & TC	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth	*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base	*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

EMERGENCY MEDICAL SERVICES FUND FORECAST
Fund 0206

		@95%	@100%	FORECAST (@100% Revenue)									
(in $ thousands)	Actual 2009	Budget 2010	Projected 2010	Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	38,148.7	34,826.9	36,209.9	26,824.0	11,871.5	(6,282.4)	(26,470.4)	(48,413.5)	(71,588.9)	(96,051.3)	(121,849.9)	(149,027.4)	(177,635.4)
REVENUES													
Ad Valorem Revenue (@95%)	38,924.8	33,613.9	33,613.9	29,580.2	28,692.8	29,553.6	30,440.2	31,962.2	33,560.3	35,238.4	37,000.3	38,850.3	40,792.8
Ambulance Svc Contract Fees	41,981.7	38,678.0	38,678.0	39,528.9	40,319.5	41,125.9	41,948.4	42,787.4	43,643.1	44,516.0	45,406.3	46,314.4	47,240.7
Ambulance Annual Members Fees	274.4	269.2	269.2	269.2	269.2	269.2	269.2	269.2	269.2	269.2	269.2	269.2	269.2
Grant Revenue (EMS Trust Fund)	310.7	918.5	918.5	310.7	316.9	326.4	336.2	346.3	356.7	367.4	378.4	389.8	
Cty Off Fees (TC & PA)	328.7	235.6	235.6	240.3	245.1	250.0	255.0	260.1	265.3	270.6	276.0	281.6	
Interest	1,313.9	628.7	628.7	536.5	356.1	-	-	-	-	-	-	-	-
Other revenues (ref of prior yrs exp)	3.6	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
Adjust Property Taxes to 96%				311.4	302.0	311.1	320.4	336.4	353.3	370.9	389.5	409.0	429.4
Adjust Other Revenue to 98%				17.8	12.1	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
TOTAL REVENUES	83,137.8	74,370.9	74,370.9	70,822.0	70,540.8	71,864.1	73,597.3	75,989.5	78,475.8	81,060.3	83,747.6	86,542.0	88,760.0
	5%	*-11%*	*-11%*	*-5%*	*0%*	*2%*	*2%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*
TOTAL RESOURCES	121,286.5	109,197.8	110,580.8	97,646.0	82,412.3	65,581.7	47,126.9	27,576.0	6,886.9	(14,991.0)	(38,102.3)	(62,485.3)	(88,875.4)
EXPENDITURES													
Personal Services	2,860.4	2,861.4	2,861.4	2,910.0	3,023.5	3,141.5	3,264.0	3,391.3	3,523.5	3,660.9	3,803.7	3,952.1	4,106.2
Operating Expenses	5,387.3	6,497.8	6,497.8	6,601.8	6,753.6	6,881.9	7,012.7	7,145.9	7,288.8	7,434.6	7,575.9	7,719.8	7,874.2
Capital Outlay	242.8	0	0	246.7	252.4	257.2	262.0	267.0	272.4	277.8	283.1	288.5	294.2
Ambulance Contract	34,451.5	33,850.0	33,850.0	34,865.5	35,911.5	37,347.9	38,841.8	40,395.5	42,011.3	43,691.8	45,439.5	47,257.0	49,147.3
EMS Trust Fund Grant Expenditures	310.6	918.5	918.5	310.6	316.8	326.3	336.1	346.2	356.6	367.3	378.3	389.6	401.3
Grants & Aids (First Responder Agmts)	40,706.2	38,093.9	38,093.9	39,617.7	41,202.4	42,850.5	44,564.5	46,347.1	48,200.9	50,129.0	52,134.1	54,219.5	56,388.3
Trfrs to PA & TC	1,117.8	1,210.2	1,210.2	1,222.3	1,234.5	1,246.9	1,259.3	1,271.9	1,284.7	1,297.5	1,310.5	1,323.6	1,336.8
* Amt Includes Bayflite & Eckerd Contracts													
FY10 Supplemental Appropriations													
Budget Resolution:													
St. Pete Beach 01-19-2010		*325.0*	*325.0*	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	85,076.6	83,756.8	83,756.8	85,774.6	88,694.7	92,052.1	95,540.5	99,164.9	102,938.2	106,858.9	110,925.0	115,150.1	119,548.4
	4%	*-2%*	*-2%*	*2%*	*3%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*
ENDING FUND BALANCE ASSUMING NO ACTION TAKEN TO RESOLVE SHORTFALLS	36,209.9	25,441.0	26,824.0	11,871.5	(6,282.4)	(26,470.4)	(48,413.5)	(71,588.9)	(96,051.3)	(121,849.9)	(149,027.4)	(177,635.4)	(208,423.8)
Ending balance as % of Resources	*29.9%*	*30.4%*	*32.0%*	*13.8%*	*-7.1%*	*-28.8%*	*-50.7%*	*-72.2%*	*-93.3%*	*-114.0%*	*-134.3%*	*-154.3%*	*-174.3%*
TOTAL REQUIREMENTS	121,286.5	109,197.8	110,580.8	97,646.0	82,412.3	65,581.7	47,126.9	27,576.0	6,886.9	(14,991.0)	(38,102.3)	(62,485.3)	(88,875.4)
REVENUE minus EXPENDITURES	(1,938.8)	(9,385.9)	(9,385.9)	(14,952.5)	(18,153.8)	(20,188.0)	(21,943.1)	(23,175.4)	(24,462.4)	(25,798.6)	(27,177.5)	(28,608.0)	(30,788.4)
note: non-recurring expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
net recurring rev- exp	(1,938.8)	(9,385.9)	(9,385.9)	(14,952.5)	(18,153.8)	(20,188.0)	(21,943.1)	(23,175.4)	(24,462.4)	(25,798.6)	(27,177.5)	(28,608.0)	(30,788.4)
Ambulance Revenues	42,914.9	39,275.1	39,275.1	40,079.9	40,780.3	41,408.6	42,231.1	43,070.1	43,925.8	44,798.7	45,689.0	46,597.1	47,523.4
Ambulance Expenditures	38,731.1	38,406.1	38,406.1	39,620.0	40,811.7	42,388.4	44,027.1	45,730.3	47,503.1	49,345.6	51,257.8	53,245.3	55,313.9
Current Rev Less Exp	4,183.8	869.0	869.0	459.8	(31.4)	(979.9)	(1,796.0)	(2,660.2)	(3,577.2)	(4,546.9)	(5,568.8)	(6,648.2)	(7,790.5)
First Responder Revenues	39,912.3	34,177.4	34,177.4	30,102.3	29,129.5	29,817.1	30,708.7	32,235.9	33,839.2	35,522.5	37,289.8	39,145.4	40,806.3
First Responder Expenditures	46,034.9	44,107.2	44,107.2	45,843.9	47,566.2	49,337.3	51,177.2	53,088.4	55,078.6	57,146.0	59,288.9	61,515.2	63,833.1
Current Rev Less Exp	(6,122.7)	(9,929.9)	(9,929.9)	(15,741.6)	(18,436.6)	(19,520.2)	(20,468.5)	(20,852.6)	(21,239.4)	(21,623.6)	(21,999.1)	(22,369.8)	(23,026.8)



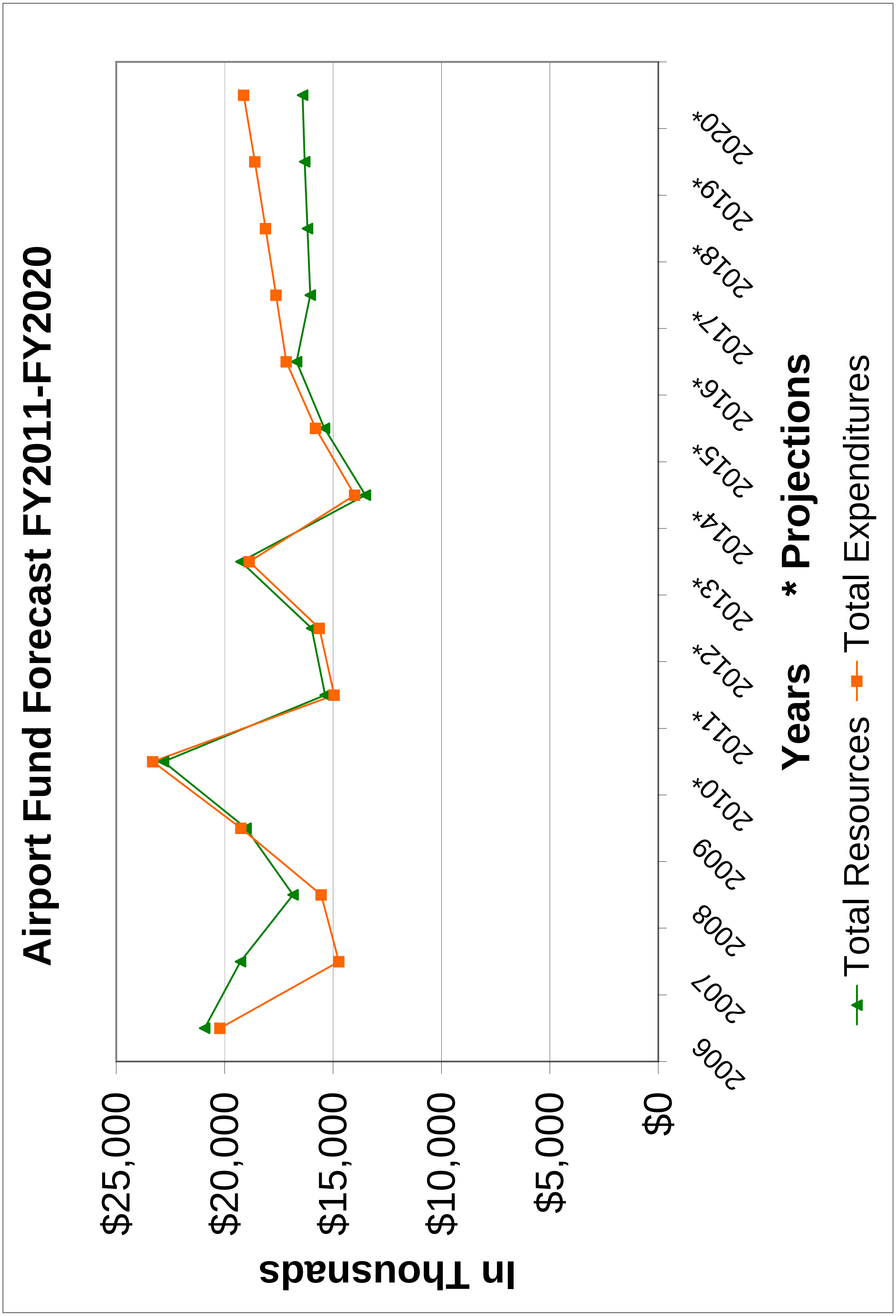
Fire District Fund Forecast FY2011 - FY2020
Dollars (000's)
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Fiscal Years
REVENUES
EXPENDITURES

FIRE DISTRICTS FUND FORECAST
Fund 0250

Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Ad Valorem Tax Revenue (@95%)	-12.0%	-3.0%	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Cty Off Fees (TC & PA)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Interest - Tax Collector	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EXPENDITURES										
Personal Services	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Operating Expenses	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Capital Outlay	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Debt Service	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants & Aids (Cty Pymts)	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Trfrs to PA & TC	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth	*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base	*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

FIRE DISTRICTS FUND FORECAST
Fund 0250

(in $ thousands)	Actual 2009	@95% Budget 2010	@100% Projected 2010	FORECAST (@100% Revenue) Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	**9,072.0**	**8,540.5**	**9,116.0**	**7,900.5**	**4,598.7**	**333.4**	**(4,267.9)**	**(9,099.2)**	**(13,893.6)**	**(18,640.2)**	**(23,326.6)**	**(27,939.6)**	**(32,465.0)**
REVENUES													
Ad Valorem Revenue	15,367.8	14,343.1	14,343.1	12,621.9	12,243.3	12,610.6	12,988.9	13,638.3	14,320.2	15,036.3	15,788.1	16,577.5	17,406.3
Cty Off Fees (TC & PA)	134.0	96.1	96.1	98.0	100.0	102.0	104.0	106.1	108.2	110.4	112.6	114.8	
Other Rev (Interest, Gain/Loss Inv)	290.8	102.7	102.7	158.0	138.0	13.3	-	-	-	-	-	-	-
Interest - Tax Collector	3.9	4.3	4.3	4.4	4.5	4.6	4.7	4.7	4.8	4.9	5.0	5.1	5.2
Adjust Property Taxes to 96%				132.9	128.9	132.7	136.7	143.6	150.7	158.3	166.2	174.5	183.2
Adjust Other Revenue to 98%				8.2	7.7	3.8	3.4	3.5	3.6	3.6	3.7	3.8	0.2
TOTAL REVENUES	**15,796.5**	**14,546.2**	**14,546.2**	**13,023.4**	**12,622.2**	**12,867.0**	**13,237.7**	**13,896.2**	**14,587.6**	**15,313.5**	**16,075.6**	**16,875.8**	**17,595.0**
	-12%	*-8%*	*-8%*	*-10%*	*-3%*	*2%*	*3%*	*5%*	*5%*	*5%*	*5%*	*5%*	*4%*
TOTAL RESOURCES	**24,868.5**	**23,086.7**	**23,662.2**	**20,923.9**	**17,220.9**	**13,200.3**	**8,969.8**	**4,797.0**	**694.0**	**(3,326.7)**	**(7,251.0)**	**(11,063.9)**	**(14,870.0)**
EXPENDITURES													
Personal Services	169.7	127.2	127.2	129.4	134.4	139.6	145.1	150.8	156.6	162.7	169.1	175.7	182.5
Operating Expenditures	174.6	231.5	231.5	235.2	240.6	245.2	249.8	254.6	259.7	264.9	269.9	275.0	280.5
Curr Chgs & Oblig (Cty Fire Admin Chgs)	346.1	358.7	358.7	364.4	372.8	379.9	387.1	394.5	402.4	410.4	418.2	426.2	434.7
Capital Outlay	-	0	0	25.0	25.6	26.1	26.6	27.1	27.6	28.2	28.7	29.2	29.8
Debt Service	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Grants & Aids (Cty Payments)	14,952.1	14,976.7	14,976.7	15,500.9	16,043.4	16,604.9	17,186.1	17,787.6	18,410.2	19,054.5	19,721.5	20,411.7	21,126.1
Trfrs to PA & TC	455.2	426.1	426.1	434.6	443.3	452.2	461.2	470.4	479.9	489.5	499.2	509.2	519.4
Pro-Rate Clearing (Cty Fire Admin Chgs)	(345.2)	(358.7)	(358.7)	(364.4)	(372.8)	(379.9)	(387.1)	(394.5)	(402.4)	(410.4)	(418.2)	(426.2)	(434.7)
FY10 Supplemental Appropriations													
Potential Issues:		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**15,752.5**	**15,761.7**	**15,761.7**	**16,325.3**	**16,887.5**	**17,468.2**	**18,069.0**	**18,690.7**	**19,334.2**	**20,000.0**	**20,688.6**	**21,401.1**	**22,138.6**
	-6%	*0%*	*0%*	*4%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*
ENDING FUND BALANCE ASSUMING NO ACTION TAKEN TO RESOLVE SHORTFALLS	**9,116.0**	**7,325.0**	**7,900.5**	**4,598.7**	**333.4**	**(4,267.9)**	**(9,099.2)**	**(13,893.6)**	**(18,640.2)**	**(23,326.6)**	**(27,939.6)**	**(32,465.0)**	**(37,008.6)**
Ending balance as % of Resources	*36.7%*	*31.7%*	*33.4%*	*22.0%*	*1.9%*	*-32.3%*	*-101.4%*	*-289.6%*	*-2685.9%*	*701.2%*	*385.3%*	*293.4%*	*248.9%*
TOTAL REQUIREMENTS	**24,868.5**	**23,086.7**	**23,662.2**	**20,923.9**	**17,220.9**	**13,200.3**	**8,969.8**	**4,797.0**	**694.0**	**(3,326.7)**	**(7,251.0)**	**(11,063.9)**	**(14,870.0)**
REVENUE minus EXPENDITURES	44.0	(1,215.5)	(1,215.5)	(3,301.8)	(4,265.3)	(4,601.2)	(4,831.3)	(4,794.4)	(4,746.5)	(4,686.5)	(4,613.0)	(4,525.3)	(4,543.6)
note: non-recurring expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
net recurring rev- exp	**44.0**	**(1,215.5)**	**(1,215.5)**	**(3,301.8)**	**(4,265.3)**	**(4,601.2)**	**(4,831.3)**	**(4,794.4)**	**(4,746.5)**	**(4,686.5)**	**(4,613.0)**	**(4,525.3)**	**(4,543.6)**


Airport Fund Forecast FY2011-FY2020
In Thousands
$25,000
$20,000
$15,000
$10,000
$5,000
$0
2006
2007
2008
2009
2010*
2011*
2012*
2013*
2014*
2015*
2016*
2017*
2018*
2019*
2020*
Years * Projections
Total Resources
Total Expenditures

AIRPORT FUND FORECAST
Fund 0501

Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Airfield/Flight Lines	0.7%	4.0%	-8.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Golf Course	11.0%	-7.4%	-4.5%	1.6%	4.9%	-0.6%	-3.6%	0.6%	1.9%	0.2%
Rent/Surplus/Refunds	8.9%	0.6%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Capital Contributions	-60.1%	8.0%	58.1%	-65.5%	53.4%	23.8%	-12.7%	0.0%	0.0%	0.0%
Interest	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other revenues	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EXPENDITURES										
Personal Services	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Operating Expenses	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Capital Outlay	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Grants & Aids	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth	*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base	*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

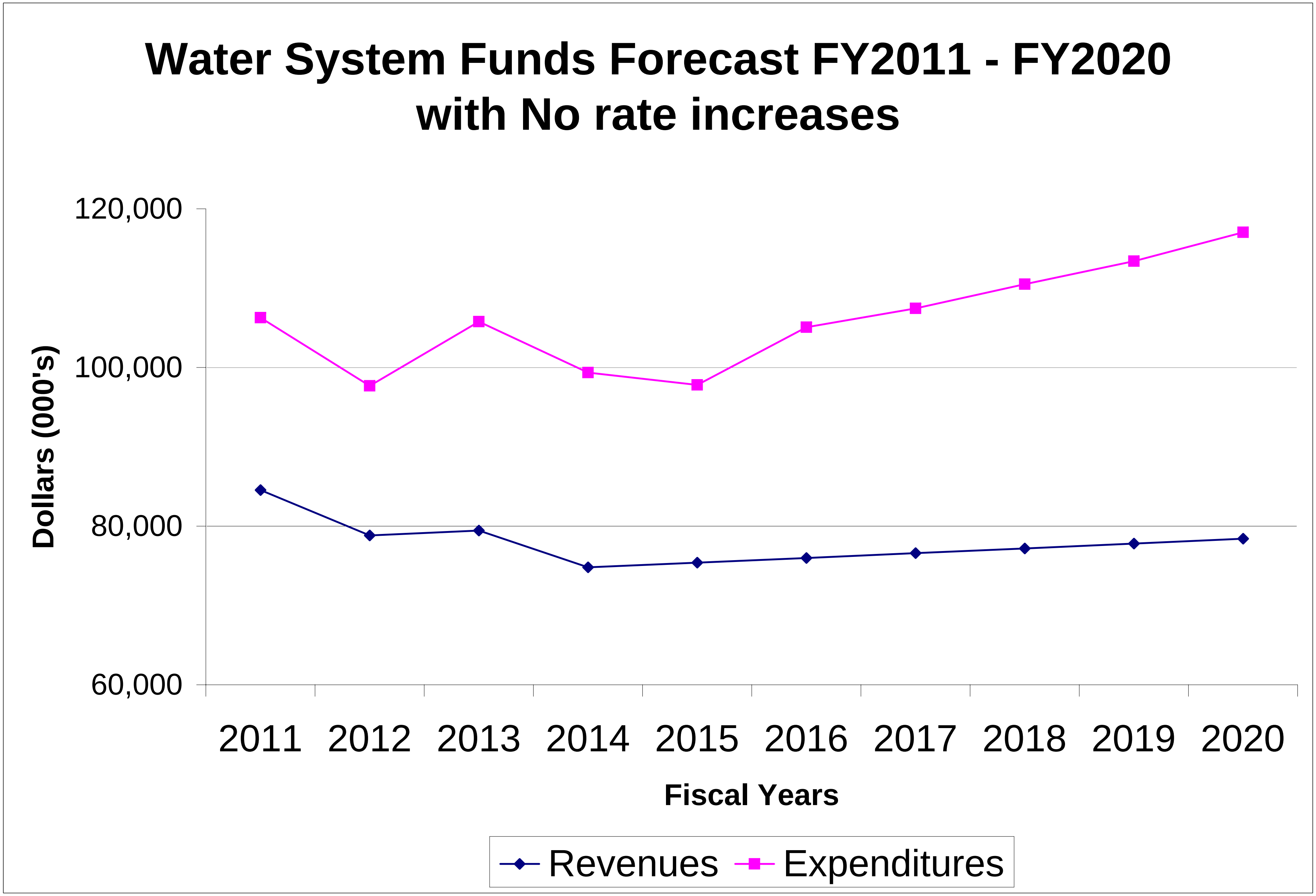
AIRPORT FUND FORECAST
Fund 0501

(in $ thousands)	Actual 2009	Budget 2010	Projected 2010	FORECAST Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	10,936.5	11,733.9	11,134.9	10,638.8	11,061.2	11,415.3	11,798.9	11,300.9	10,888.2	10,417.4	8,834.7	6,901.9	4,609.6
REVENUES													
Airfield/Flight Lines	2,523.2	2,516.4	2,516.4	2,535.0	2,637.0	*2,420.5*	*2,468.9*	*2,518.2*	*2,568.6*	*2,620.0*	*2,672.4*	*2,725.8*	*2,780.3*
Golf Course	1,037.3	1,178.1	1,178.1	1,308.0	1,211.0	1,156.0	1,174.0	1,232.0	1,225.0	1,181.0	1,188.0	1,211.0	1,213.0
Rent/Surplus/Refunds	5,680.2	5,239.2	5,239.2	5,708.0	5,744.0	5,803.8	*5,919.9*	*6,038.3*	*6,159.0*	*6,282.2*	*6,407.9*	*6,536.0*	*6,666.7*
Grants	132.4	241.5	241.5	*246.3*	*251.3*	*256.3*	*261.4*	*266.6*	*272.0*	*277.4*	*283.0*	*288.6*	*294.4*
Capital Contributions	9,279.5	13,343.9	13,343.9	5,318.0	5,745.0	9,085.0	3,136.0	4,812.0	5,955.0	5,198.0	5,198.0	5,198.0	5,198.0
Interest	273.2	289.8	289.8	212.8	331.8	456.6	472.0	452.0	435.5	416.7	353.4	276.1	184.4
Transfers from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	82.9	1.9	1.9	28.0	54.0	*55.1*	*56.2*	*57.3*	*58.5*	*59.6*	*60.8*	*62.0*	*63.3*
Adjust Revenue to 97%			9.2	7.6	12.2	16.2	16.7	16.1	15.6	15.0	13.1	10.7	7.8
TOTAL REVENUES	19,008.7	22,810.8	22,820.0	15,363.7	15,986.3	19,249.4	13,505.0	15,392.6	16,689.2	16,050.0	16,176.5	16,308.2	16,408.0
	-1%	*20%*	*20%*	*-33%*	*4%*	*20%*	*-30%*	*14%*	*8%*	*-4%*	*1%*	*1%*	*1%*
TOTAL RESOURCES	29,945.2	34,544.7	33,954.9	26,002.5	27,047.5	30,664.7	25,303.9	26,693.4	27,577.4	26,467.4	25,011.2	23,210.2	21,017.6
EXPENDITURES													
Personal Svcs.	4,385.4	4,681.4	4,681.4	4,761.0	4,946.7	5,139.6	5,340.0	5,548.3	5,764.7	5,989.5	6,223.1	6,465.8	6,717.9
Operating Exp. Less Full Cost Alloc.	4,344.7	4,652.7	4,652.7	4,727.1	4,835.9	4,927.7	5,021.4	5,116.8	5,219.1	5,323.5	5,424.6	5,527.7	5,638.3
Capital Outlay	111.7	30.6	30.6	31.1	31.8	32.4	33.0	33.7	34.3	35.0	35.7	36.4	37.1
Grants & Aids	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Cost Allocation	939.3	857.6	857.6	874.8	901.0	937.0	974.5	1,013.5	1,054.0	1,096.2	1,140.0	1,185.6	1,233.1
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-recurring expenditures	9,464.2	13,187.5	13,187.5	4,642.5	5,015.0	7,930.0	2,738.0	4,200.0	5,198.0	5,302.0	5,402.7	5,505.3	5,615.5
Expenditure Lapse 1% **			(93.6)	(95.2)	(98.1)	(101.0)	(103.9)	(107.0)	(110.2)	(113.5)	(116.8)	(120.3)	(123.9)
FY10 Supplemental Appropriations			-										
Potential Issues:													
			-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	19,245.3	23,409.8	23,316.2	14,941.3	15,632.2	18,865.8	14,003.0	15,805.2	17,160.0	17,632.7	18,109.3	18,600.5	19,117.9
	31%	*22%*	*21%*	*-36%*	*5%*	*21%*	*-26%*	*13%*	*9%*	*3%*	*3%*	*3%*	*3%*
ENDING FUND BALANCE ASSUMING NO ACTION TAKEN TO RESOLVE SHORTFALLS	10,699.9	11,134.9	10,638.8	11,061.2	11,415.3	11,798.9	11,300.9	10,888.2	10,417.4	8,834.7	6,901.9	4,609.6	1,899.7
Ending balance as % of Resources	*36%*	*32%*	*31%*	*43%*	*42%*	*38%*	*45%*	*41%*	*38%*	*33%*	*28%*	*20%*	*9%*
TOTAL REQUIREMENTS	29,945.2	34,544.7	33,954.9	26,002.5	27,047.5	30,664.7	25,303.9	26,693.4	27,577.4	26,467.4	25,011.2	23,210.2	21,017.6
REVENUE minus EXPENDITURES	(236.6)	(599.0)	(496.1)	422.4	354.1	383.6	(498.0)	(412.7)	(470.8)	(1,582.7)	(1,932.8)	(2,292.3)	(2,709.9)
note: non-recurring expenditures	9,464.2	13,187.5	13,187.5	4,642.5	5,015.0	7,930.0	2,738.0	4,200.0	5,198.0	5,302.0	5,402.7	5,505.3	5,615.5
net recurring rev- exp	9,227.6	12,588.5	12,691.4	5,064.9	5,369.1	8,313.6	2,240.0	3,787.3	4,727.2	3,719.2	3,469.9	3,213.0	2,905.5

** Operating Expenses net of Full Cost Allocation*

*** Expenditure lapse is calculated on Personal Services, Operating Expenses, Capital Outlay, and Grants & Aids only.*

Cost Allocation % of Total Expenditures	4.9%	3.7%	3.7%	5.9%	5.8%	5.0%	7.0%	6.4%	6.1%	6.2%	6.3%	6.4%	6.4%
Cost Allocation % of Personnel & Oper. Expenditures	10.8%	9.2%	9.2%	9.2%	9.2%	9.3%	9.4%	9.5%	9.6%	9.7%	9.8%	9.9%	10.0%
Personal Services	1.6%	6.7%											
Operating Expenses	5.5%	4.3%											



Water System Funds Forecast FY2011 - FY2020
with No rate increases
Dollars (000's)
120,000
100,000
80,000
60,000
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Fiscal Years
Revenues
Expenditures

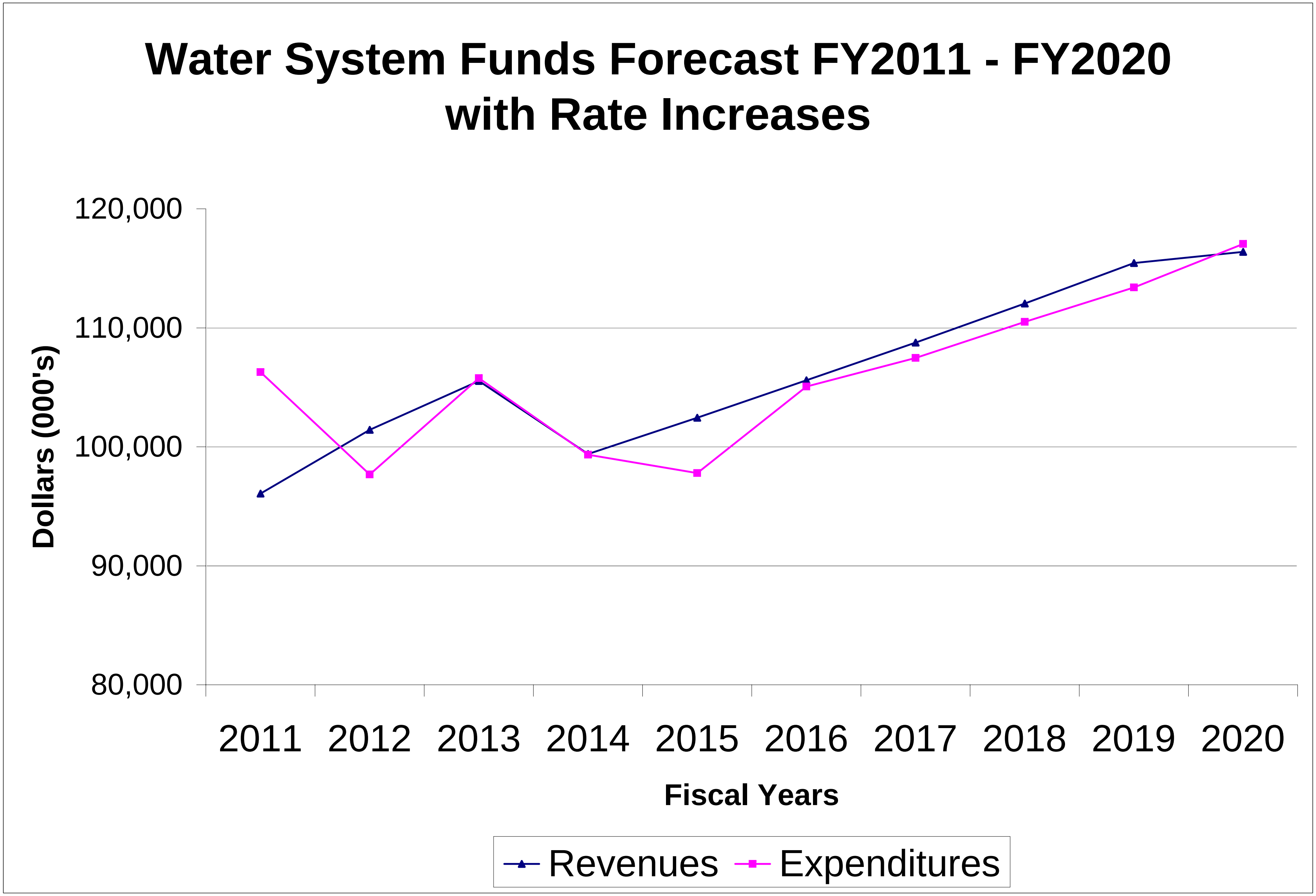
WATER WITHOUT RATE INCREASE
Fund 0531, 0534, 0536 & 0560

Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Water Sales-Retail	0.3%	0.5%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Water Sales-Wholesale	-5.7%	-31.3%	0.7%	-40.7%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Interest	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other revenues	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EXPENDITURES										
Personal Services	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Operating Expenses	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Purchase of Water	8.9%	-7.8%	7.2%	-8.9%	-0.2%	3.3%	3.3%	3.3%	3.3%	3.3%
Power	6.9%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Chemicals	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth	*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base	*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

WATER WITHOUT RATE INCREASE
Fund 0531, 0534, 0536 & 0560

(in $ thousands)	Actual 2009	Budget 2010	Projected 2010	FORECAST Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	**51,541.0**	**40,430.0**	**40,430.0**	**16,659.0**	**(5,081.1)**	**(23,933.7)**	**(50,264.2)**	**(74,804.9)**	**(97,205.7)**	**(126,292.2)**	**(157,166.9)**	**(190,467.1)**	**(226,058.1)**
REVENUES													
Water Sales - Retail	56,917.0	60,317.0	63,491.0	63,649.7	63,968.0	64,447.7	64,931.1	65,418.1	65,908.7	66,403.0	66,901.1	67,402.8	67,908.3
Water Sales - Wholesale	20,221.0	18,614.0	19,593.0	18,376.0	12,634.0	12,727.0	7,555.0	7,611.7	7,668.7	7,726.3	7,784.2	7,842.6	7,901.4
Interest	1,147.0	297.0	324.0	333.2	-	-	-	-	-	-	-	-	-
Other Revenues	2,293.0	2,156.0	2,464.0	2,180.0	2,223.6	2,268.1	2,313.4	2,359.7	2,406.9	2,455.0	2,504.1	2,554.2	2,605.3
TOTAL REVENUES	**80,578.0**	**81,384.0**	**85,872.0**	**84,538.9**	**78,825.6**	**79,442.8**	**74,799.5**	**75,389.4**	**75,984.4**	**76,584.3**	**77,189.4**	**77,799.6**	**78,415.0**
% vs prior year	*-7%*	*1%*	*7%*	*-2%*	*-7%*	*1%*	*-6%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*
TOTAL RESOURCES	**132,119.0**	**121,814.0**	**126,302.0**	**101,197.9**	**73,744.5**	**55,509.1**	**24,535.3**	**584.5**	**(21,221.3)**	**(49,707.8)**	**(79,977.5)**	**(112,667.4)**	**(147,643.0)**
EXPENDITURES													
Personal Services	15,624.0	15,807.0	15,836.0	16,105.2	16,733.3	17,385.9	18,064.0	18,768.5	19,500.4	20,260.9	21,051.1	21,872.1	22,725.1
OPEB	1,686.0	1,752.0	1,752.0	1,781.8	1,851.3	1,923.5	1,998.5	2,076.4	2,157.4	2,241.5	2,329.0	2,419.8	2,514.2
Operating Expenses	7,254.0	7,309.0	7,309.0	7,425.9	7,596.7	7,741.1	7,888.2	8,038.0	8,198.8	8,362.8	8,521.7	8,683.6	8,857.2
Purchase of Water	46,259.0	48,981.0	48,981.0	53,362.0	49,199.0	52,721.0	48,054.0	47,936.0	49,503.0	51,121.0	52,792.0	54,518.3	56,301.0
Power	1,776.0	1,868.0	1,868.0	1,996.0	2,135.7	2,285.2	2,445.1	2,616.3	2,799.4	2,995.4	3,205.1	3,429.4	3,669.5
Chemicals	929.0	883.0	883.0	944.8	1,010.9	1,081.7	1,157.4	1,238.5	1,325.1	1,417.9	1,517.2	1,623.4	1,737.0
Grants & Aids	35.0	260.0	260.0	60.0	60.0	60.0	-	-	-	-	-	-	-
Cost Allocation	5,340.0	5,891.0	5,891.0	5,985.3	6,122.9	6,239.3	6,357.8	6,478.6	6,608.2	6,740.3	6,868.4	6,998.9	7,138.9
Expenditure Lapse 1%**			(827.8)	(876.6)	(847.1)	(894.4)	(859.7)	(871.5)	(900.9)	(931.4)	(962.8)	(995.5)	(1,029.4)
	-												
Capital Outlay	12,786.0	22,404.0	22,338.0	20,307.0	14,391.0	17,948.0	14,828.0	11,989.0	16,541.0	15,886.0	15,800.0	15,459.0	15,768.2
Expenditure Lapse 4% ***			(893.5)	(812.3)	(575.6)	(717.9)	(593.1)	(479.6)	(661.6)	(635.4)	(632.0)	(618.4)	(630.7)
TOTAL EXPENDITURES	**91,689.0**	**105,155.0**	**103,396.7**	**106,279.0**	**97,678.2**	**105,773.3**	**99,340.2**	**97,790.2**	**105,070.9**	**107,459.1**	**110,489.5**	**113,390.6**	**117,051.0**
% vs prior year	*(0.06)*	*15%*	*13%*	*3%*	*-8%*	*8%*	*-6%*	*-2%*	*7%*	*2%*	*3%*	*3%*	*3%*
TOTAL ENDING FUND BALANCE	**40,430.0**	**16,659.0**	**22,905.3**	**(5,081.1)**	**(23,933.7)**	**(50,264.2)**	**(74,804.9)**	**(97,205.7)**	**(126,292.2)**	**(157,166.9)**	**(190,467.1)**	**(226,058.1)**	**(264,694.0)**
Ending balance as % of Resources	*31%*	*14%*	*18%*	*-5%*	*-32%*	*-91%*	*-305%*	*-16630%*	*595%*	*316%*	*238%*	*201%*	*179%*
TOTAL REQUIREMENTS	**132,119.0**	**121,814.0**	**126,302.0**	**101,197.9**	**73,744.5**	**55,509.1**	**24,535.3**	**584.5**	**(21,221.3)**	**(49,707.8)**	**(79,977.5)**	**(112,667.4)**	**(147,643.0)**
REVENUE minus EXPENDITURES *(NOT cumulative)*	(11,111.0)	(23,771.0)	(17,524.7)	(21,740.1)	(18,852.6)	(26,330.5)	(24,540.7)	(22,400.7)	(29,086.5)	(30,874.8)	(33,300.1)	(35,591.0)	(38,635.9)

** Operating Expenses net of Full Cost Allocation*
*** Expenditure lapse is calculated on Personal Services, Operating Expenses, and Grants & Aids only.*
**** Expenditure lapse is calculated on Capital Outlay only*


Water System Funds Forecast FY2011 - FY2020
with Rate Increases
Dollars (000's)
120,000
110,000
100,000
90,000
80,000
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Fiscal Years
Revenues
Expenditures

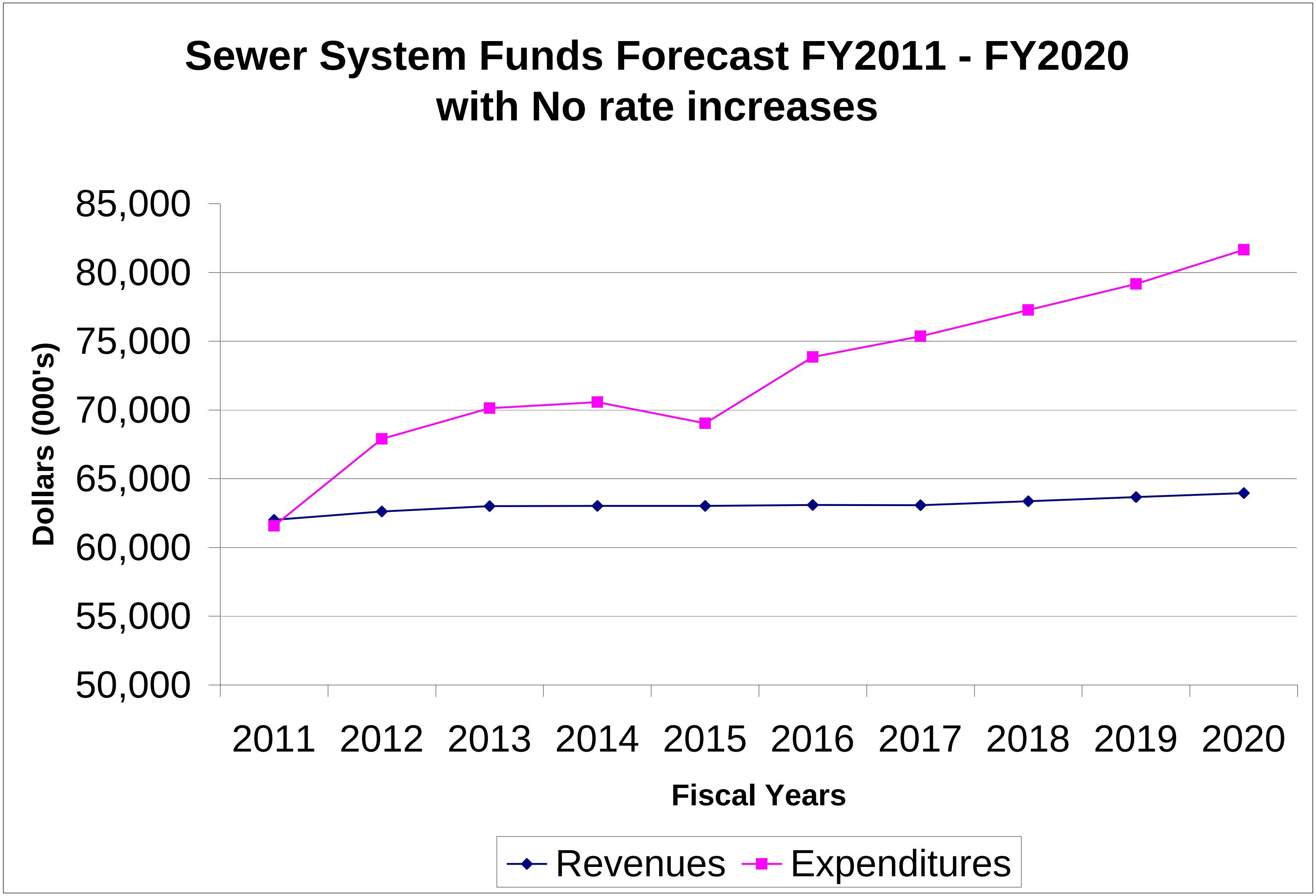
WATER WITH RATE INCREASE
Fund 0531, 0534, 0536 & 0560

Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Water Sales-Retail	14.6%	13.5%	3.9%	0.7%	3.00%	3.00%	3.00%	3.00%	3.00%	0.75%
Water Sales-Wholesale	6.0%	-22.3%	3.8%	-40.6%	3.00%	3.00%	3.00%	3.00%	3.00%	0.75%
Interest	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other revenues	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EXPENDITURES										
Personal Services	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Operating Expenses	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Purchase of Water	8.9%	-7.8%	7.2%	-8.9%	-0.2%	3.3%	3.3%	3.3%	3.3%	3.3%
Power	6.9%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Chemicals	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth	*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base	*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

WATER WITH RATE INCREASE
Fund 0531, 0534, 0536 & 0560

(in $ thousands)	Actual 2009	Budget 2010	Projected 2010	FORECAST Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	**51,541.0**	**40,430.0**	**40,430.0**	**16,659.0**	**6,423.1**	**9,913.3**	**9,383.6**	**9,124.1**	**13,342.4**	**13,474.4**	**14,339.4**	**15,417.7**	**16,942.7**
REVENUES													
Water Sales - Retail	56,917.0	60,317.0	63,491.0	72,765.0	82,619.0	85,840.0	86,455.0	89,048.7	91,720.1	94,471.7	97,305.9	100,225.0	100,976.7
Water Sales - Wholesale	20,221.0	18,614.0	19,593.0	20,765.0	16,133.0	16,739.0	9,937.0	10,235.1	10,542.2	10,858.4	11,184.2	11,519.7	11,606.1
Interest	1,147.0	297.0	324.0	333.2	192.7	396.5	375.3	365.0	533.7	539.0	573.6	616.7	677.7
Other Revenues	2,293.0	2,156.0	2,464.0	2,180.0	2,223.6	2,268.1	2,313.4	2,359.7	2,406.9	2,455.0	2,504.1	2,554.2	2,605.3
TOTAL REVENUES	**80,578.0**	**81,384.0**	**85,872.0**	**96,043.2**	**101,168.3**	**105,243.6**	**99,080.8**	**102,008.4**	**105,202.9**	**108,324.1**	**111,567.8**	**114,915.7**	**115,865.8**
% vs prior year	*-7%*	*1%*	*7%*	*12%*	*5%*	*4%*	*-6%*	*3%*	*3%*	*3%*	*3%*	*3%*	*1%*
TOTAL RESOURCES	**132,119.0**	**121,814.0**	**126,302.0**	**112,702.2**	**107,591.4**	**115,156.9**	**108,464.4**	**111,132.5**	**118,545.2**	**121,798.5**	**125,907.2**	**130,333.3**	**132,808.5**
EXPENDITURES													
Personal Services	15,624.0	15,807.0	15,836.0	16,105.2	16,733.3	17,385.9	18,064.0	18,768.5	19,500.4	20,260.9	21,051.1	21,872.1	22,725.1
OPEB	1,686.0	1,752.0	1,752.0	1,781.8	1,851.3	1,923.5	1,998.5	2,076.4	2,157.4	2,241.5	2,329.0	2,419.8	2,514.2
Operating Expenses	7,254.0	7,309.0	7,309.0	7,425.9	7,596.7	7,741.1	7,888.2	8,038.0	8,198.8	8,362.8	8,521.7	8,683.6	8,857.2
Purchase of Water	46,259.0	48,981.0	48,981.0	53,362.0	49,199.0	52,721.0	48,054.0	47,936.0	49,503.0	51,121.0	52,792.0	54,518.3	56,301.0
Power	1,776.0	1,868.0	1,868.0	1,996.0	2,135.7	2,285.2	2,445.1	2,616.3	2,799.4	2,995.4	3,205.1	3,429.4	3,669.5
Chemicals	929.0	883.0	883.0	944.8	1,010.9	1,081.7	1,157.4	1,238.5	1,325.1	1,417.9	1,517.2	1,623.4	1,737.0
Grants & Aids	35.0	260.0	260.0	60.0	60.0	60.0	-	-	-	-	-	-	-
Cost Allocation	5,340.0	5,891.0	5,891.0	5,985.3	6,122.9	6,239.3	6,357.8	6,478.6	6,608.2	6,740.3	6,868.4	6,998.9	7,138.9
Expenditure Lapse 1%**			(827.8)	(876.6)	(847.1)	(894.4)	(859.7)	(871.5)	(900.9)	(931.4)	(962.8)	(995.5)	(1,029.4)
Capital Outlay	12,786.0	22,404.0	22,338.0	20,307.0	14,391.0	17,948.0	14,828.0	11,989.0	16,541.0	15,886.0	15,800.0	15,459.0	15,768.2
Expenditure Lapse 4% ***			(893.5)	(812.3)	(575.6)	(717.9)	(593.1)	(479.6)	(661.6)	(635.4)	(632.0)	(618.4)	(630.7)
TOTAL EXPENDITURES	**91,689.0**	**105,155.0**	**103,396.7**	**106,279.0**	**97,678.2**	**105,773.3**	**99,340.2**	**97,790.2**	**105,070.9**	**107,459.1**	**110,489.5**	**113,390.6**	**117,051.0**
% vs prior year	*(0.06)*	*15%*	*13%*	*3%*	*-8%*	*8%*	*-6%*	*-2%*	*7%*	*2%*	*3%*	*3%*	*3%*
TOTAL ENDING FUND BALANCE	**40,430.0**	**16,659.0**	**22,905.3**	**6,423.1**	**9,913.3**	**9,383.6**	**9,124.1**	**13,342.4**	**13,474.4**	**14,339.4**	**15,417.7**	**16,942.7**	**15,757.6**
Ending balance as % of Resources	*31%*	*14%*	*18%*	*6%*	*9%*	*8%*	*8%*	*12%*	*11%*	*12%*	*12%*	*13%*	*12%*
TOTAL REQUIREMENTS	**132,119.0**	**121,814.0**	**126,302.0**	**112,702.2**	**107,591.4**	**115,156.9**	**108,464.4**	**111,132.5**	**118,545.2**	**121,798.5**	**125,907.2**	**130,333.3**	**132,808.5**
REVENUE minus EXPENDITURES *(NOT cumulative)*	(11,111.0)	(23,771.0)	(17,524.7)	(10,235.9)	3,490.1	(529.7)	(259.5)	4,218.2	132.0	865.1	1,078.2	1,525.0	(1,185.1)

** Operating Expenses net of Cost Allocation*
*** Expenditure lapse is calculated on Personal Services, Operating Expenses, and Grants & Aids only.*
**** Expenditure lapse is calculated on Capital Outlay only*


Sewer System Funds Forecast FY2011 - FY2020
with No rate increases
Dollars (000's)
85,000
80,000
75,000
70,000
65,000
60,000
55,000
50,000
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Fiscal Years
Revenues
Expenditures

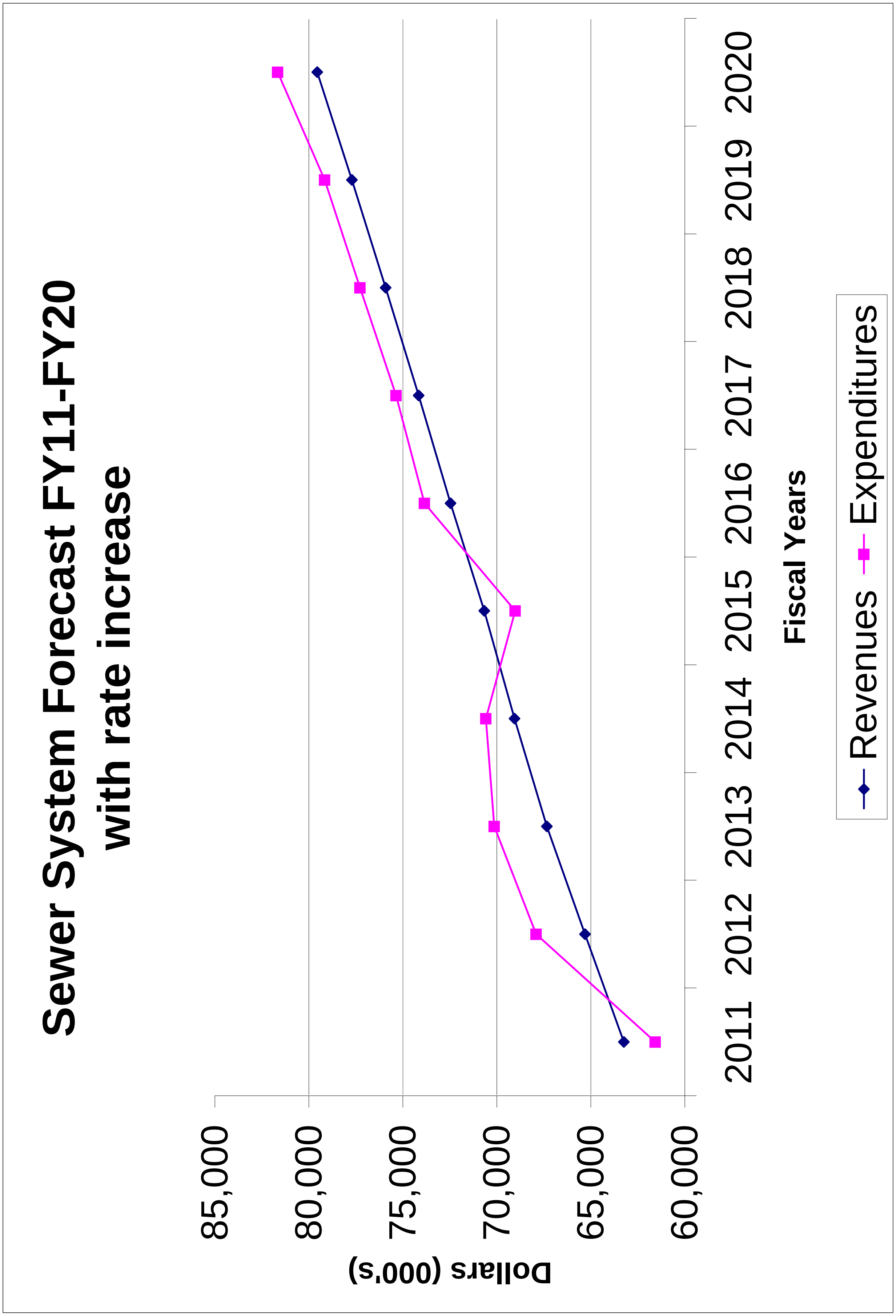
SEWER WITHOUT RATE INCREASE
Fund 0551, 0552, 0553 & 0560

Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Sewer Charges - Retail	0.0%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Sewer Charges - Wholesale	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Reclaimed - Retail	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Reclaimed - Wholesale	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other revenues	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EXPENDITURES										
Personal Services	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Operating Expenses	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Power & Chemicals	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Capital Outlay	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Grants & Aids	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth	*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base	*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

SEWER WITHOUT RATE INCREASE
Fund 0551, 0552, 0553 & 0560

(in $ thousands)	Actual 2009	Budget 2010	Projected 2010	FORECAST Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	**37,183.0**	**35,642.0**	**35,642.0**	**31,661.0**	**32,095.8**	**26,806.0**	**19,671.7**	**12,090.2**	**6,041.6**	**(4,788.7)**	**(17,071.0)**	**(30,978.6)**	**(46,481.1)**
REVENUES													
Sewer Charges - Retail	42,884.0	43,054.0	45,320.0	45,320.0	45,433.3	45,546.9	45,660.8	45,774.9	45,889.3	46,004.1	46,119.1	46,234.4	46,350.0
Sewer Charges - Wholesale	6,928.0	6,605.0	6,952.0	6,969.4	6,986.8	7,004.3	7,021.8	7,039.3	7,056.9	7,074.6	7,092.3	7,110.0	7,127.8
Reclaimed - Retail	2,270.0	2,064.0	2,173.0	2,178.4	2,183.9	2,189.3	2,194.8	2,200.3	2,205.8	2,211.3	2,216.8	2,222.4	2,227.9
Reclaimed - Wholesale	381.0	334.0	352.0	359.0	366.2	373.5	381.0	388.6	396.4	404.3	412.4	420.7	429.1
Interest	1,189.0	294.0	309.0	633.2	962.9	1,072.2	786.9	483.6	241.7	-	-	-	-
Other Revenues	7,761.0	7,498.0	7,893.0	6,550.0	6,681.0	6,814.6	6,950.9	7,089.9	7,231.7	7,376.4	7,523.9	7,674.4	7,827.9
TOTAL REVENUES	**61,413.0**	**59,849.0**	**62,999.0**	**62,010.1**	**62,614.1**	**63,000.9**	**62,996.1**	**62,976.7**	**63,021.9**	**63,070.7**	**63,364.5**	**63,661.8**	**63,962.6**
% vs prior year	*0%*	*-3%*	*3%*	*-2%*	*1%*	*1%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
TOTAL RESOURCES	**98,596.0**	**95,491.0**	**98,641.0**	**93,671.1**	**94,709.9**	**89,806.9**	**82,667.9**	**75,067.0**	**69,063.5**	**58,282.0**	**46,293.5**	**32,683.2**	**17,481.5**
EXPENDITURES													
Personal Services	14,722.0	15,264.0	15,264.0	15,523.5	16,128.9	16,757.9	17,411.5	18,090.5	18,796.1	19,529.1	20,290.8	21,082.1	21,904.3
OPEB	1,393.0	1,447.0	1,447.0	1,471.6	1,529.0	1,588.6	1,650.6	1,715.0	1,781.8	1,851.3	1,923.5	1,998.5	2,076.5
Operating Expenses	9,654.0	10,045.0	9,940.0	10,099.0	10,331.3	10,527.6	10,727.6	10,931.5	11,150.1	11,373.1	11,589.2	11,809.4	12,045.6
Power	5,391.0	5,661.0	5,661.0	6,057.3	6,481.3	6,935.0	7,420.4	7,939.8	8,495.6	9,090.3	9,726.7	10,407.5	11,136.0
Chemicals	2,804.0	2,858.0	2,858.0	3,058.1	3,272.1	3,501.2	3,746.3	4,008.5	4,289.1	4,589.3	4,910.6	5,254.3	5,622.1
Cost Allocation	3,794.0	4,021.0	4,021.0	4,085.3	4,179.3	4,258.7	4,339.6	4,422.1	4,510.5	4,600.7	4,688.1	4,777.2	4,872.8
Expenditure Lapse 1%**			(391.9)	(402.9)	(419.2)	(435.7)	(453.0)	(471.1)	(490.2)	(510.3)	(531.3)	(553.3)	(576.6)
Debt Service	15,710.0	15,236.0	15,236.0	15,237.0	15,246.0	15,238.0	15,237.0	15,239.0	15,243.0	15,238.0	15,233.0	15,233.0	15,239.0
Capital Outlay	9,486.0	9,298.0	9,486.0	6,715.0	11,620.0	12,254.0	10,935.0	7,448.0	10,496.0	9,991.0	9,835.0	9,537.0	9,727.7
Expenditure Lapse 4% ***			(379.4)	(268.6)	(464.8)	(490.2)	(437.4)	(297.9)	(419.8)	(399.6)	(393.4)	(381.5)	(389.1)
TOTAL EXPENDITURES	**62,954.0**	**63,830.0**	**63,141.7**	**61,575.2**	**67,903.9**	**70,135.2**	**70,577.6**	**69,025.4**	**73,852.2**	**75,352.9**	**77,272.1**	**79,164.3**	**81,658.3**
% vs prior year	*(0.19)*	*1%*	*0%*	*-2%*	*10%*	*3%*	*1%*	*-2%*	*7%*	*2%*	*3%*	*2%*	*3%*
TOTAL ENDING FUND BALANCE	**35,642.0**	**31,661.0**	**35,499.4**	**32,095.8**	**26,806.0**	**19,671.7**	**12,090.2**	**6,041.6**	**(4,788.7)**	**(17,071.0)**	**(30,978.6)**	**(46,481.1)**	**(64,176.8)**
Ending balance as % of Resources	*36%*	*33%*	*36%*	*34%*	*28%*	*22%*	*15%*	*8%*	*-7%*	*-29%*	*-67%*	*-142%*	*-367%*
TOTAL REQUIREMENTS	**98,596.0**	**95,491.0**	**98,641.0**	**93,671.1**	**94,709.9**	**89,806.9**	**82,667.9**	**75,067.0**	**69,063.5**	**58,282.0**	**46,293.5**	**32,683.2**	**17,481.5**
Debt Service Coverage			**1.6**	**1.5**	**1.4**	**1.3**	**1.2**	**1.1**	**1.0**	**0.8**	**0.7**	**0.6**	**0.5**
REVENUE minus EXPENDITURES *(NOT cumulative)*	(1,541.0)	(3,981.0)	(142.6)	434.8	(5,289.8)	(7,134.3)	(7,581.5)	(6,048.7)	(10,830.3)	(12,282.3)	(13,907.6)	(15,502.5)	(17,695.7)

** Operating Expenses net of Cost Allocation*
*** Expenditure lapse is calculated on Personal Services, Operating Expenses, and Grants & Aids only.*
**** Expenditure lapse is calculated on Capital Outlay only*


Sewer System Forecast FY11-FY20
with rate increase
Dollars (000's)
85,000
80,000
75,000
70,000
65,000
60,000
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Fiscal Years
Revenues
Expenditures

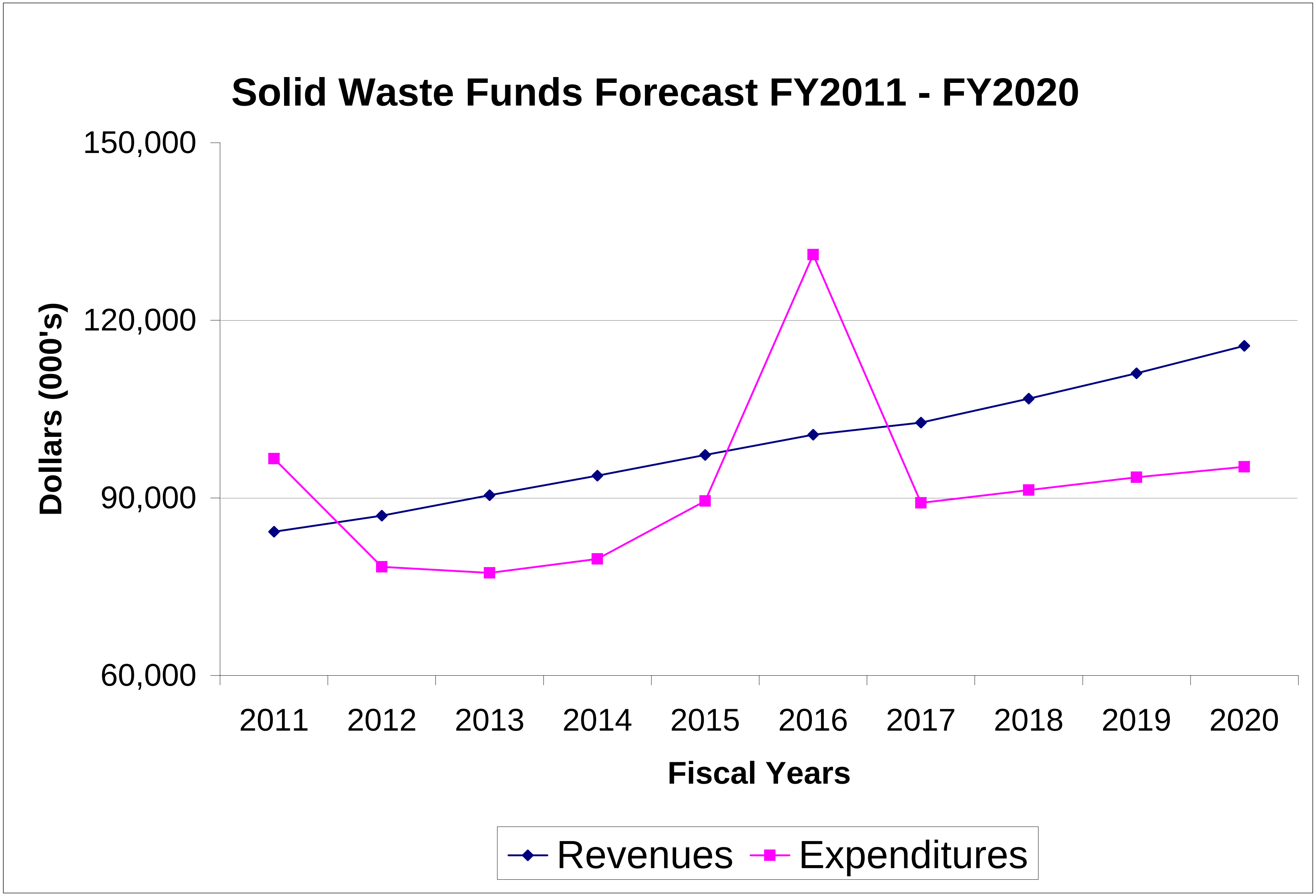
SEWER WITH RATE INCREASE
Fund 0551, 0552, 0553 & 0560

Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Sewer Charges - Retail	0.0%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Sewer Charges - Wholesale	0.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Reclaimed - Retail	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Reclaimed - Wholesale	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other revenues	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EXPENDITURES										
Personal Services	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Operating Expenses	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Power & Chemicals	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Capital Outlay	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Grants & Aids	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth	*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base	*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

SEWER WITH RATE INCREASE
Fund 0551, 0552, 0553 & 0560

(in $ thousands)	Actual 2009	Budget 2010	Projected 2010	FORECAST Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	**37,183.0**	**35,642.0**	**35,642.0**	**31,849.4**	**33,521.3**	**30,930.7**	**28,122.0**	**26,570.3**	**28,169.7**	**26,707.9**	**25,430.2**	**23,968.5**	**22,386.2**
REVENUES													
Sewer Charges - Retail	42,884.0	43,054.0	45,320.0	46,334.0	47,665.0	49,023.0	50,425.0	51,685.6	52,977.8	54,302.2	55,659.8	57,051.3	58,477.5
Sewer Charges - Wholesale	6,928.0	6,605.0	6,952.0	7,077.0	7,248.0	7,472.0	7,678.0	7,870.0	8,066.7	8,268.4	8,475.1	8,687.0	8,904.1
Reclaimed - Retail	2,270.0	2,227.3	2,227.3	2,283.0	2,340.1	2,398.6	2,458.6	2,520.0	2,583.0	2,647.6	2,713.8	2,781.6	2,851.2
Reclaimed - Wholesale	381.0	359.0	359.0	366.2	373.5	381.0	388.6	396.4	404.3	412.4	420.7	429.1	437.7
Interest	1,189.0	294.0	309.0	637.0	1,005.6	1,237.2	1,124.9	1,062.8	1,126.8	1,068.3	1,017.2	958.7	895.4
Other Revenues	7,761.0	7,498.0	7,893.0	6,550.0	6,681.0	6,814.6	6,950.9	7,089.9	7,231.7	7,376.4	7,523.9	7,674.4	7,827.9
TOTAL REVENUES	**61,413.0**	**60,037.4**	**63,060.4**	**63,247.2**	**65,313.3**	**67,326.4**	**69,026.0**	**70,624.7**	**72,390.3**	**74,075.3**	**75,810.4**	**77,582.0**	**79,393.8**
% vs prior year	*0%*	*-2%*	*3%*	*0%*	*3%*	*3%*	*3%*	*2%*	*2%*	*2%*	*2%*	*2%*	*2%*
TOTAL RESOURCES	**98,596.0**	**95,679.4**	**98,702.4**	**95,096.6**	**98,834.6**	**98,257.2**	**97,148.0**	**97,195.1**	**100,560.0**	**100,783.1**	**101,240.6**	**101,550.5**	**101,780.0**
EXPENDITURES													
Personal Services	14,722.0	15,264.0	15,264.0	15,523.5	16,128.9	16,757.9	17,411.5	18,090.5	18,796.1	19,529.1	20,290.8	21,082.1	21,904.3
OPEB	1,393.0	1,447.0	1,447.0	1,471.6	1,529.0	1,588.6	1,650.6	1,715.0	1,781.8	1,851.3	1,923.5	1,998.5	2,076.5
Operating Expenses	9,654.0	10,045.0	9,940.0	10,099.0	10,331.3	10,527.6	10,727.6	10,931.5	11,150.1	11,373.1	11,589.2	11,809.4	12,045.6
Power	5,391.0	5,661.0	5,661.0	6,057.3	6,481.3	6,935.0	7,420.4	7,939.8	8,495.6	9,090.3	9,726.7	10,407.5	11,136.0
Chemicals	2,804.0	2,858.0	2,858.0	3,058.1	3,272.1	3,501.2	3,746.3	4,008.5	4,289.1	4,589.3	4,910.6	5,254.3	5,622.1
Cost Allocation	3,794.0	4,021.0	4,021.0	4,085.3	4,179.3	4,258.7	4,339.6	4,422.1	4,510.5	4,600.7	4,688.1	4,777.2	4,872.8
Expenditure Lapse 1%**			(391.9)	(402.9)	(419.2)	(435.7)	(453.0)	(471.1)	(490.2)	(510.3)	(531.3)	(553.3)	(576.6)
Debt Service	15,710.0	15,236.0	15,236.0	15,237.0	15,246.0	15,238.0	15,237.0	15,239.0	15,243.0	15,238.0	15,233.0	15,233.0	15,239.0
Capital Outlay	9,486.0	9,298.0	9,486.0	6,715.0	11,620.0	12,254.0	10,935.0	7,448.0	10,496.0	9,991.0	9,835.0	9,537.0	9,727.7
Expenditure Lapse 4% ***			(379.4)	(268.6)	(464.8)	(490.2)	(437.4)	(297.9)	(419.8)	(399.6)	(393.4)	(381.5)	(389.1)
TOTAL EXPENDITURES	**62,954.0**	**63,830.0**	**63,141.7**	**61,575.2**	**67,903.9**	**70,135.2**	**70,577.6**	**69,025.4**	**73,852.2**	**75,352.9**	**77,272.1**	**79,164.3**	**81,658.3**
% vs prior year	*(0.19)*	*1%*	*0%*	*-2%*	*10%*	*3%*	*1%*	*-2%*	*7%*	*2%*	*3%*	*2%*	*3%*
TOTAL ENDING FUND BALANCE	**35,642.0**	**31,849.4**	**35,560.7**	**33,521.3**	**30,930.7**	**28,122.0**	**26,570.3**	**28,169.7**	**26,707.9**	**25,430.2**	**23,968.5**	**22,386.2**	**20,121.7**
Ending balance as % of Resources	*36%*	*33%*	*36%*	*35%*	*31%*	*29%*	*27%*	*29%*	*27%*	*25%*	*24%*	*22%*	*20%*
TOTAL REQUIREMENTS	**98,596.0**	**95,679.4**	**98,702.4**	**95,096.6**	**98,834.6**	**98,257.2**	**97,148.0**	**97,195.1**	**100,560.0**	**100,783.1**	**101,240.6**	**101,550.5**	**101,780.0**
Debt Service Coverage			**1.6**	**1.5**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.5**	**1.5**	**1.5**	**1.5**
REVENUE minus EXPENDITURES *(NOT cumulative)*	(1,541.0)	(3,792.6)	(81.3)	1,672.0	(2,590.6)	(2,808.7)	(1,551.7)	1,599.4	(1,461.8)	(1,277.7)	(1,461.7)	(1,582.3)	(2,264.5)

** Operating Expenses net of Cost Allocation*
*** Expenditure lapse is calculated on Personal Services, Operating Expenses, and Grants & Aids only.*
**** Expenditure lapse is calculated on Capital Outlay only*



Solid Waste Funds Forecast FY2011 - FY2020
Dollars (000's)
150,000
120,000
90,000
60,000
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Fiscal Years
Revenues
Expenditures

SOLID WASTE FUND FORECAST
0521 AND 0523

Forecast Assumptions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Tipping Fees	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Electricity Sales	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Electrical Capacity	6.3%	6.3%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
Recycling Revenue	33.3%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest	2.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Insurance Proceeds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other revenues	63.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EXPENDITURES										
Personal Services	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
OPEB	1.7%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Operating Expenses	9.9%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
WTE Service Fee	-2.5%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Landfill Service Fee	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Curbside Recycling	-57.0%	8.7%	4.9%	13.9%	4.1%	2.0%	2.0%	1.9%	1.9%	2.0%
Litter Program	-6.2%	-7.6%	1.4%	1.4%	1.3%	2.0%	2.0%	1.9%	1.9%	2.0%
Beach Recycling	-60.2%	-8.0%	-3.5%	0.9%	1.4%	2.0%	2.0%	1.9%	1.9%	2.0%
Grants & Aids	27.7%	-1.2%	0.0%	0.0%	0.0%	2.0%	2.0%	1.9%	1.9%	2.0%
Cost Allocation	1.6%	2.3%	1.9%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	2.0%
Projected Economic Conditions / Indicators:										
Consumer Price Index, % change	*1.6%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*	*2.0%*
FL Per Capita Personal Income Growth	*1.5%*	*3.0%*	*3.7%*	*2.7%*	*2.5%*	*2.3%*	*2.3%*	*2.2%*	*2.4%*	*2.3%*
Estimated New Construction % of tax base	*0.2%*	*0.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*

SOLID WASTE FUND FORECAST
0521 AND 0523

(in $ thousands)	Actual 2009	Budget 2010	Projected 2010	FORECAST Estimated 2011	Estimated 2012	Estimated 2013	Estimated 2014	Estimated 2015	Estimated 2016	Estimated 2017	Estimated 2018	Estimated 2019	Estimated 2020
BEGINNING FUND BALANCE	**125,520**	**124,376**	**124,376**	**61,203**	**48,857**	**57,519**	**70,635**	**84,707**	**92,460**	**61,995**	**75,532**	**90,940**	**108,484**
REVENUES													
Tipping Fees	34,323	34,013	35,803	35,982	36,162	36,343	36,524	36,707	36,891	37,075	37,260	37,447	37,634
Electricity Sales	8,379	10,105	10,637	10,690	10,744	10,797	10,851	10,906	10,960	11,015	11,070	11,125	11,181
Electrical Capacity	24,547	30,994	32,625	34,696	36,897	39,244	41,738	44,390	47,212	50,219	53,412	56,814	60,433
Recycling Revenue		712	750	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195
Interest	3,805	1,142	1,202	1,224	1,466	2,301	2,825	3,388	3,698	2,480	3,021	3,638	4,339
Insurance Proceeds	2,500	0	0	0	0	0	0	0	0	0	0	0	0
Other revenues	846	409	429	700	714	728	743	758	773	788	804	820	837
TOTAL REVENUES	**74,400**	**77,375**	**81,446**	**84,292**	**87,002**	**90,453**	**93,743**	**97,231**	**100,638**	**102,703**	**106,717**	**111,015**	**115,619**
% vs prior year	*-6%*	*4%*	*9%*	*3%*	*3%*	*4%*	*4%*	*4%*	*4%*	*2%*	*4%*	*4%*	*4%*
TOTAL RESOURCES	**199,920**	**201,751**	**205,822**	**145,495**	**135,860**	**147,972**	**164,378**	**181,938**	**193,098**	**164,698**	**182,249**	**201,956**	**224,103**
EXPENDITURES													
Personal Services	5,297	5,996	5,996	6,098	6,336	6,583	6,840	7,106	7,383	7,671	7,971	8,281	8,604
OPEB	338	351	351	357	371	385	400	416	432	449	467	485	504
Operating Expenses *	9,773	8,438	8,456	9,292	9,506	9,687	9,871	10,058	10,259	10,465	10,663	10,866	11,083
WTE Service Fee	17,964	28,451	28,451	27,736	28,374	28,913	29,462	30,022	30,622	31,235	31,828	32,433	33,082
Landfill Service Fee	9,724	10,834	10,834	11,007	11,261	11,474	11,692	11,915	12,153	12,396	12,632	12,872	13,129
Curbside Recycling		22,181	22,181	9,534	10,360	10,872	12,385	12,897	13,155	13,418	13,673	13,932	14,211
Litter Program		845	845	793	733	743	753	763	778	794	809	824	841
Beach Recycling		625	625	249	229	221	223	226	231	235	240	244	249
Grants & Aids	497	3,250	3,250	4,150	4,100	4,100	4,100	4,100	4,182	4,266	4,347	4,429	4,518
Cost Allocations	2,383	2,524	2,524	2,564	2,623	2,673	2,724	2,776	2,832	2,888	2,943	2,999	3,059
Capital Outlay	29,568	62,729	62,567	25,833	5,240	2,467	2,025	10,103	50,400	6,250	6,660	7,050	6,950
Expenditure Lapse 1% **			-1,461	-976	-791	-781	-805	-904	-1,324	-901	-922	-944	-962
TOTAL EXPENDITURES	**75,544**	**146,224**	**144,619**	**96,638**	**78,341**	**77,337**	**79,671**	**89,478**	**131,103**	**89,166**	**91,309**	**93,472**	**95,267**
% vs prior year	*-7%*	*94%*	*91%*	*-33%*	*-19%*	*-1%*	*3%*	*12%*	*47%*	*-32%*	*2%*	*2%*	*2%*
ENDING FUND BALANCE ASSUMING NO ACTION TAKEN TO RESOLVE SHORTFALLS	**124,376**	**55,527**	**61,203**	**48,857**	**57,519**	**70,635**	**84,707**	**92,460**	**61,995**	**75,532**	**90,940**	**108,484**	**128,835**
Ending balance as % of Resources	*62%*	*28%*	*30%*	*34%*	*42%*	*48%*	*52%*	*51%*	*32%*	*46%*	*50%*	*54%*	*57%*
TOTAL REQUIREMENTS	**199,920**	**201,751**	**205,822**	**145,495**	**135,860**	**147,972**	**164,378**	**181,938**	**193,098**	**164,698**	**182,249**	**201,956**	**224,103**
REVENUE minus EXPENDITURES *(NOT cumulative)*	(1,144)	(68,849)	(63,173)	(12,345)	8,661	13,116	14,072	7,753	(30,465)	13,537	15,408	17,544	20,351
note: non-recurring expenditures net recurring rev- exp	**(1,144)**	**(68,849)**	**(63,173)**	**(12,345)**	**8,661**	**13,116**	**14,072**	**7,753**	**(30,465)**	**13,537**	**15,408**	**17,544**	**20,351**

** Operating Expenses net of Full Cost Allocation*

*** Expenditure lapse is calculated on Personal Services, Operating Expenses, Capital Outlay, and Grants & Aids only.*

Actual figures based on Utilities Financial Statements. For proprietary funds, the recording of Other Post Employment Benefits (OPEB) as expenditures at the full-accrual level is required by GASB.

Glossary

GLOSSARY

AD VALOREM TAX - A tax levied in proportion to the value of the property against which it is levied.

ADOPTED BUDGET - The financial plan for the fiscal year beginning October 1. Required by law to be approved by the Board of County Commissioners at the second of two public hearings.

AMENDMENT ONE – Approved by the voters of Florida on January 29, 2008, and made the following changes which reduced taxable property values and revenues available to local government:

- "Doubled" the existing $25,000 homestead exemption (except for school taxes)
- Allows for up to $500,000 of the Save Our Homes exemption to be applied to another property (portability)
- Imposed a 10% cap on assessments for non-homestead property (school taxes exempt)
- Instituted a new tangible personal property exemption of $25,000

AMERICAN RECOVERY & REINVESTMENT ACT OF 2009 - In February 2009, Congress passed the American Recovery and Reinvestment Act (ARRA) of 2009 at the urging of President Obama, who signed it into law on February 17th. A direct response to the economic crisis, the Recovery Act has three immediate goals: (1) Create new jobs as well as save existing ones; (2) Spur economic activity and invest in long-term economic growth; and (3) Foster unprecedented levels of accountability and transparency in government spending.

AMT - Alternative Minimum Tax. The temporary higher exemption limits of the Alternative Minimum Tax (AMT) are scheduled to expire at the end of 2009, which would make many more taxpayers subject to the AMT.

APPROPRIATION - The legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in the amount and as to the time when it may be expended. It is the act of appropriation that funds the budget.

ARM - Adjustable–rate mortgage.

ASSESSED VALUE - A valuation set upon real estate or other property by a government as basis for levying taxes. Taxable valuation is calculated from an assessed valuation. The assessed value is set by the Property Appraiser.

BEGINNING FUND BALANCE - The Ending Fund Balance of the previous period. (See Ending Fund Balance definition.)

BOARD OF COUNTY COMMISSIONERS (BCC) - The Board of County Commissioners is the seven (7) member legislative and governing body for Pinellas County.

BOND - Written evidence of the issuer's obligation to repay a specified principal amount on a certain date (maturity date), together with interest at a stated rate, or according to a formula for determining that rate.

BUDGET - A financial plan containing an estimate of proposed revenues and expenditures for a given period (typically a fiscal year).

CAPITAL BUDGET - The financial plan of capital project expenditures for the fiscal year beginning October 1. It incorporates anticipated revenues and appropriations included in the first year of the six year Capital Improvements Program (CIP), and any anticipated unspent appropriation balances from the previous fiscal year. The Capital Budget is adopted by the Board of County Commissioners as a part of the annual County Budget.

CAPITAL IMPROVEMENT PROGRAM (CIP) - A proposed plan, covering each year of a fixed period of years, for financing long-term work projects that lead to the physical development of the County.

CAPITAL OUTLAY OR CAPITAL EQUIPMENT - Items such as office furniture, fleet equipment, data processing equipment, and other operating equipment with a unit cost of $1,000 or more.

CAPITAL PROJECT - An improvement or acquisition of major facilities, roads, bridges, buildings, or land with a useful life of at least five years.

CHARGE FOR SERVICES - Charges for a specific governmental service which covers the cost of providing that service to the user (e.g., building permits, animal licenses, park fees).

CONSTITUTIONAL OFFICERS - They are elected to administer a specific function of County government and are directly accountable to the public for its proper operation. Constitutional Officers include the Clerk of the Circuit Court, the Property Appraiser, the Sheriff, the Supervisor of Elections, and the Tax Collector.

COST CENTER - A budgeting entity which encompasses object level accounts (appropriations) that are used to monitor organization or program level expenditures.

DEBT SERVICE - The dollars required to repay funds borrowed by means of an issuance of bonds or a bank loan. The components of the debt service payment typically include an amount to retire a portion of the principal amount borrowed (i.e., amortization), as well as interest on the remaining outstanding unpaid principal balance.

DEBT SERVICE FUND - An account into which the issuer makes periodic deposits to assure the timely availability of sufficient monies for the payment of debt service requirements (i.e., principal and interest). The revenues to be deposited into the debt service fund and payments there from are determined by terms of the bond covenants.

DEBT SERVICE COVERAGE RATIO – A ratio indicating the amount of cash available to meet annual principal and interest payments on debt. The general calculation is net operating income divided by the total debt service amount.

DEPENDENT SPECIAL DISTRICT - A special district, whose governing body or whose budget is established by the governing body of the County or municipality to which it is dependent.

DESIGNATED FUNDS – Funds that are set apart for a specific purpose to fund on-going or one-time expenditure. Examples are bond proceeds, reserves for fund balance, reserve for contingencies ("Rainy Day Fund") and "pay as you go" reserves for future facility renewal & replacement found mostly in the EnterpriseFunds.

ELECTED OFFICIALS - Elected Officials include the Board of County Commissioners, the Judiciary, the State Attorney, the Public Defender and five Constitutional Officers: the Clerk of the Circuit Court, the Property Appraiser, the Sheriff, the Supervisor of Elections and the Tax Collector.

ENDING FUND BALANCE - Funds carried over at the end of the fiscal year. Within the fund, the revenue on hand at the beginning of the fiscal year, plus revenues received during the year, less expenses equals ending fund balance. The Ending Fund Balance becomes the Beginning Fund balance in the next fiscal year.

ENTERPRISE FUND - A fund used to account for operations that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of

providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

FANNIE MAE –***Federal National Mortgage Association*** (FNMA) **–** A government-sponsored enterprise (GSE) that was created in 1938 to expand the flow of mortgage money by creating a secondary mortgage market. Fannie Mae is a publicly traded company which operates under a congressional charter that directs Fannie Mae to channel its efforts into increasing the availability and affordability of homeownership for low-, moderate-, and middle-income Americans. Fannie Mae purchases and guarantees mortgages that meet its funding criteria. Through this process it secures mortgages to form mortgage-backed securities (MBS). The market for Fannie Mae's MBS is extremely large and liquid.

FIRE PROTECTION DISTRICT - A designated area in the County where ad valorem revenues are collected from property owners and distributed to local cities and other agencies to finance fire suppression services to the area.

FISCAL YEAR - A twelve-month period of time to which the annual budget applies. At the end of this time, a governmental unit determines its financial position and the results of its operations. The Pinellas County fiscal year begins on October 1 and ends on September 30 of the subsequent calendar year.

FORECLOSURE - A legal process by which a mortgagee's right to redeem a mortgage is taken away, usually because of failing to make payments.

FREDDIE MAC – ***Federal Home Loan Mortgage Corp*** **(**FHLMC) **-** A stockholder-owned, government-sponsored enterprise (GSE) chartered by Congress in 1970 to keep money flowing to mortgage lenders in support of homeownership and rental housing for middle income Americans. The FHLMC purchases, guarantees and securitizes mortgages to form mortgage-backed securities. The mortgage-backed securities that it issues tend to be very liquid and carry a credit rating close to that of U.S. Treasuries.

FUND - An accounting entity with a complete set of self balancing accounts established to account for finances of a specific function or activity. The resources and uses are segregated from other resources and uses for the purpose of carrying on specific activities or attaining specific objectives in accordance with special regulations, restrictions, or limitations.

FUND ACCOUNTING – Accounting method generally used by governmental agencies. Usually consists of eleven classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

FUNDING SOURCES - The type or origination of funds to finance ongoing or one-time expenditures. Examples are ad valorem taxes, user fees, licenses, permits, and grants.

GENERAL FUND - This fund accounts for all financial transactions except those required to be accounted for in other funds. The fund's resources, ad valorem taxes, and other revenues provide services or benefits to all residents of Pinellas County.

GROSS DOMESTIC PRODUCT - Gross Domestic Product (GDP) is the generally accepted measure of the size of the national economy. GDP measures the total market value of all final goods and services produced in a country in a given year.

GROSS METRO PRODUCT - Similar to Gross Domestic Product, Gross Metropolitan Product (GMP) is defined as the market value of all final goods and services produced within a metropolitan area in a given period of time.

INDEPENDENT AGENCIES - A variety of agencies, councils, and other organizational entities responsible for administering public policy functions independently of the Constitutional Officers and County Administrator. These entities are subject to Board of County Commissioner appropriation, but operate under the purview of a legislative/policy making body other than the Board of County Commissioners.

INFRASTRUCTURE - Infrastructure is a permanent installation-such as a building, road, or water transmission system that provides public services.

INTERGOVERNMENTAL REVENUE - Revenue collected by one government and distributed (usually through some predetermined formula) to another level of government.

INTERNAL SERVICE FUND - A fund established to finance and account for services and commodities furnished by one department to other departments on a cost reimbursement basis.

MANDATE - A requirement imposed by a legal act of the federal, state, or local government.

METROPOLITAN STATISTICAL AREA (MSA) – MSA is a formal definition of a metropolitan area established by the United States Office of Management and Budget division. MSA's are used to group counties and cities into specific geographic areas for the purposes of a population census and the compilation of related statistical data.

MILLAGE RATE - A rate applied to a property's taxable value to determine property tax due. As used with ad valorem (property) taxes, the rate expresses the dollars of tax per one thousand dollars of taxable value (i.e., a 5 mill tax on $1,000 equals $5.00).

MISSION STATEMENT - A broad statement of purpose, which is derived from organization and/or community values and goals.

MORTGAGE BACKED SECURITIES (MBS) - A type of security whose cash flows come from debt such as mortgages, home-equity loans and subprime mortgages. This is a type of security that typically focuses on residential instead of commercial debt. MBS are sold and purchased in the open market. Holders of a MBS receive interest and principal payments that come from the holders of the debt.

MUNICIPAL SERVICES TAXING UNIT (MSTU) - A special district authorized by the State Constitution Article VII and Florida Statutes 125.01. The MSTU is the legal and financial mechanism for providing specific services and/or improvements to a defined geographical area. An MSTU may levy ad valorem taxes without a referendum. An MSTU may also use assessments, service charges, or other revenue to provide its sources of income. In Pinellas County, the MSTU is all the unincorporated areas of the County.

NET EXPORTS - Exports minus imports.

OPERATING BUDGET - The operating budget includes appropriations for recurring and certain one-time expenditures that will be consumed in a fixed period of time to provide for day-to-day operations (e.g., salaries and related benefits; operating supplies; contractual and maintenance services; professional services, and software).

PERSONAL SERVICES - Expenses for salaries, wages and related employee benefits provided

for all persons, whether full-time, part-time, temporary, or seasonal.

PREDATORY LENDING - The practice of unscrupulous lenders to enter into unsafe or unsound secured loans for inappropriate purposes.

PRO-RATE - A budgetary convention (used in Community Development and Fire Administration) that allows for centralized departmental services to be budgeted for in one cost center, with the actual costs being allocated to the specific users of the service in other cost centers. This is technically accomplished by appropriating a negative amount for the total central departmental service. An allocation of the central services total appropriation is then budgeted in each of the user cost centers, thereby reflecting the total cost to that particular function.

RECESSION - A significant decline in activity across the economy, lasting longer than a few months, that is visible in industrial production, employment, real income and wholesale-retail trade. The technical indicator of a recession is two consecutive quarters of negative economic growth as measured by a country's gross domestic product (GDP).

RESERVES - Included in this category are funds required to meet both anticipated and unanticipated needs; the balance of anticipated earmarked revenues not required for operation in the budget year; those required to be set aside by bond covenants, and accumulated funds set aside to finance capital construction on a pay-as-you-go basis.

REVENUE - The amount estimated to be received from taxes, fees, permits, or other sources during a fiscal year.

REVISED BUDGET - The current year adopted budget adjusted to reflect all budget amendments approved by the Board of County Commissioners through January 31.

ROLLED-BACK RATE - The millage rate which, when applied to the total amount of taxable value of property (excluding new construction), produces the same amount of tax dollars as the previous year. Calculation of the "rolled-back rate" is governed by Florida Statutes.

SAVE OUR HOMES AMENDMENT - The amendment was intended to protect homeowners from escalating property tax bills resulting from growth in market value, a situation that was perceived to be forcing some people, particularly residents on fixed incomes, to sell their homes.

SHADOW BANKING SYSTEM - All financial intermediaries involved in facilitating the creation of credit across the global financial system, but whose members are not subject to regulatory oversight. Shadow Banking System also refers to unregulated activities by regulated institutions. Examples of intermediaries not subject to regulation, include hedge funds, unlisted derivatives and other unlisted instruments.

SPECIAL ASSESSMENT FUND - A fund used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

SPECIAL REVENUE FUND - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

STATUTE - A written law enacted by a duly organized and constituted legislative body.

SUPPORT FUNDING - Support funding is provided by the Board of County Commissioners for those activities for which costs do not apply

solely to any specific county department's function, but are either applicable to the operation of county government as a whole, or are provided for the public good.

TAXABLE VALUE - The assessed value of property minus any authorized exemptions (i.e., agricultural, homestead exemption). This value is used to determine the amount of property (ad valorem) tax to be levied.

TAXES - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

TOXIC ASSETS –The term "toxic asset" was coined in the financial crisis of 2008/09, in regards to mortgage-backed securities, collateralized debt obligations and credit default swaps, all of which could not be sold after they exposed their holders to massive losses. A toxic asset is one that becomes illiquid when its secondary market disappears. Toxic assets cannot be sold, as they are often guaranteed to lose money. Many hedge funds, banks, and financial institutions invested heavily in mortgage-backed securities and collateralized debt obligations, often using borrowed money, and thus increasing their exposure. This strategy proved profitable during the housing boom, but resulted in enormous losses when house prices began to decline and mortgages began to default. These “toxic assets” were purchased by banks around the world contributing to a general sense of panic as mortgage defaults rose and liquidity fell.

TRANSFERS - Because of legal or other restrictions, monies collected in one fund may need to be expended in other funds. This is accomplished through Transfer-In (a source of funds) for the recipient fund and an equal Transfer-Out (a use of funds) for the donor fund. When this movement occurs between different funds, it is known as the Interfund Transfer.

UNINCORPORATED AREA - That portion of the County which is not within the boundaries of any municipality.