FUND REVIEWS

The *Fund Reviews* portion of the FY2013 Budget Message includes ten-year forecasts for ten of the County's major funds:

- General Fund
- Tourist Development Fund
- Transportation Trust Fund
- Capital Projects Fund
- Emergency Medical Services Fund
- Fire Districts Fund
- Airport Fund
- Water Funds
- Sewer Funds
- 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.
- **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 reviews 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 *Key Assumptions* section and Exhibit F that contains pro-formas for each fund.

FUND REVIEWS: 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 projects that beginning in FY2013, recurring expenditures will exceed recurring revenues in the General Fund. This is primarily due to decreased taxable property values in FY2013 and FY2014, with a return to increasing property tax revenue not occurring until FY2016. There is a long-term structural imbalance of approximately $20M to $30M per year over the forecast period absent action to address this problem.

The balancing strategy for the General Fund is to completely cover the shortfall in FY2013 and partially cover the shortfall in FY2014 by utilizing the Service Level Stabilization Account (SLSA). Beginning in FY2014, additional expenditure reductions or revenue increases may be required to address the structural imbalance. The extent of the changes will be heavily dependent on the pace of the economic recovery, particularly the real estate market.

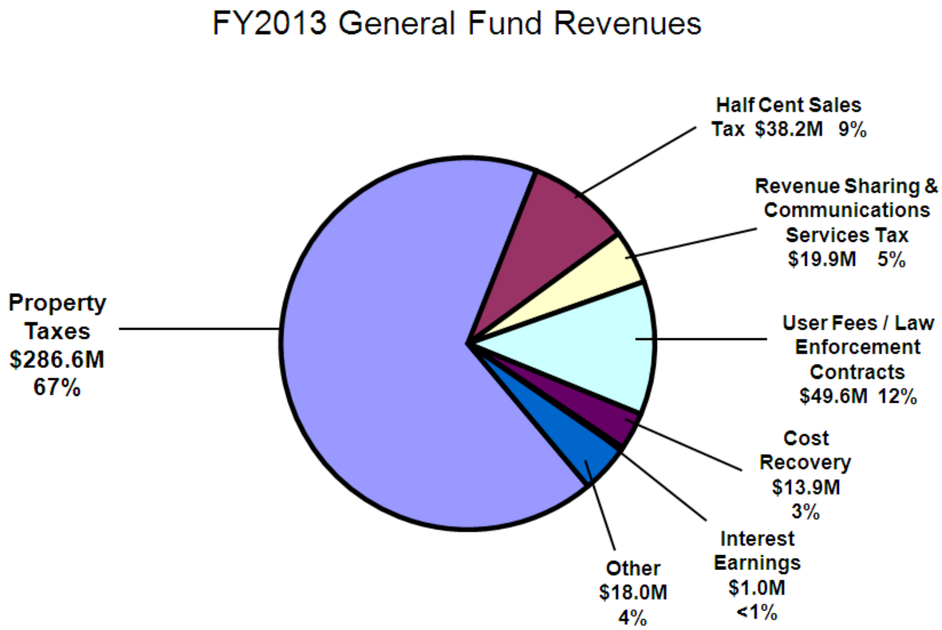
Description

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 9% of the total (net of reserves).

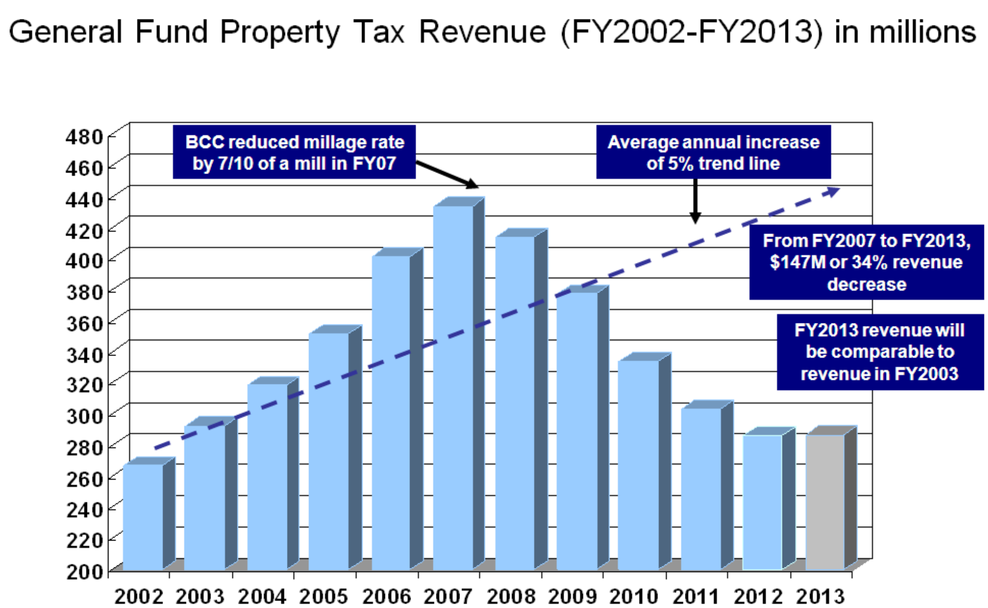
Revenues

Property Taxes are the single largest source of General Fund revenues, accounting for more than two-thirds of the total. The four primary funding sources for the General Fund (Property Taxes, State Shared Half-Cent Sales Taxes, State Revenue Sharing, and Communications Services Taxes) comprise about 81% of the revenue. The remaining 19% is derived from a variety of resources, including User Fees, Grants, Interest, and Cost Recovery from other County funds.



Property Taxes

The decline in property tax revenue from FY2008 to FY2012 exceeded the increases that occurred from FY2004 though FY2007. The FY2013 budgeted revenue is comparable to the revenue collected in FY2003. The chart below features a dotted line showing what the historical average of 5% growth in property tax revenue would look like. It shows that the above-average amounts collected in FY2004 through FY2008 have been overcome by the large gap between current property tax revenues and where they would have been if the historical 5% growth had taken place.



The State's mandated increase in the County's costs discussed in detail in the "Medicaid" section of the Budget Message adversely affected the General Fund. In order to stay the course on the established, multi-year strategy for achieving financial sustainability, the FY2013 budget includes an increase of 0.1997 mills in the county-wide millage rate. There is no increase in the MSTU millage rate.

The combined General Fund property taxes for countywide and MSTU are expected to generate $286.6M in FY2013. The total property tax revenue will be comparable to FY2003, and is $147M, or 34%, less than the FY2007 peak revenue.

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 9% of total General Fund revenues. Sales Tax collections have begun to recover from the effects of the recession, but estimated revenues for FY2013 are still 9% under the peak year of FY2006. This tax is expected to generate $38.2M in FY2013.

State Revenue Sharing

The third major General Fund source, State Revenue Sharing, which is 2% of total General Fund revenues, is also primarily based on the State's sales tax revenue. This source would be expected to generate $14.2 million in FY2013. This is 20% less than the FY2006 peak year revenue. However, the State's implementation of the Medicaid mandate, which holds back funds for the "backlog" of Medicaid billings, means that the County can only expect to receive $9.2 million in FY2013.

The State also plans to reduce the County's Revenue Sharing amounts for FY2014 through FY2017.

Communications Services Taxes

The fourth major revenue in the General Fund is the Communications Services Tax (CST). The CST is expected to generate $10.7M in FY2013, down from a peak of $13.2M in FY2007. Pinellas County's revenue reflects the statewide trend for this source, which has experienced continued erosion due to heightened competition in the wireless market and reduced consumer spending following the recession.

Other Revenues

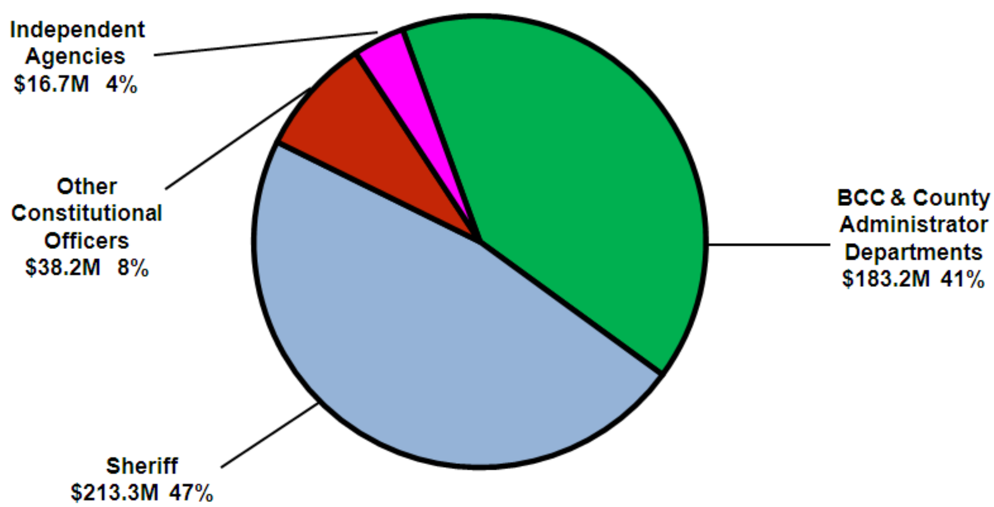
Lesser revenue sources include User Fees, Sheriff's Law Enforcement Contracts, Cost Recovery from other funds, Interest Earnings, and various other sources including Federal and State grants. In general these revenues decreased as a result of the recession, but are mostly expected to resume moderate growth in FY2013 and 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 budgeted expenditures in the General Fund total $451.4M (net of reserves and the Service Level Stabilization Account) and can be summarized in four groups: the Board of County Commissioners, the Sheriff, Other Constitutional Officers, and Independent Agencies.

FY2013 General Fund Expenditures



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 Board of County Commissioners (BCC). They are $183.2M or 41% of total FY2013 General Fund expenditures (net of reserves and Service Level Stabilization Account).

Some of the major BCC programs include: social services; matching funds for Medicaid; 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.

Sheriff

The Sheriff is an independently elected Constitutional Officer. The Sheriff's budget is $213.3M or 47% of total FY2013 General Fund expenditures (net of reserves and Service Level Stabilization Account). Detention and Corrections programs comprise 53% 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 $38.2M or 8% of total FY2013 General Fund expenditures (net of reserves and Service Level Stabilization Account). 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 80% of the Tax Collector and 85% of the 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.

Independent Agencies

These agencies are $16.7M, or 4%, of total FY2013 General Fund expenditures (net of reserves and Service Level Stabilization Account). They include the County's support for the Judiciary, the State Attorney, the Public Defender, the Criminal Justice Information System (CJIS), the Medical Examiner, the Office of Human Rights, and Human Resources.

<u>Court Support</u>

Much of the County's court support is driven by statutory mandates and Article V of the State Constitution that require the County to fund certain technology expenses, programs, and facilities. Only about 12% of the Judiciary's total budget, 8% 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 over and above the mandated requirements, such as Teen Court, Drug Court, 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.

Other Agencies

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. Personal Services, Operating Expenses, and Capital Outlay in the General Fund are similar to those in other County funds. Several of the other expenditure categories merit additional discussion: Grants & Aids, Debt Service and Transfers.

Grants and Aids

The Grants and Aids expenditure category includes several types of funding provided by the County to other entities, such as financial assistance for low income residents and support of community non-profit social action agencies.

Grants and Aids also include Tax Increment Financing (TIF) payments to cities for community redevelopment areas (CRAs). Nine cities within the county have established a total of twelve CRAs. The County is required by interlocal agreements to contribute funds annually based on formulas that reflect the amount of growth in taxable values compared to a specified base year. In FY2013, the County will contribute a total of $6.3M in TIF payments to the cities.

Debt Service

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 potential short term cash flow needs.

Transfers

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). FY2013 includes the first of five $1.5M transfers to the Capital Projects Fund to support the Centralized Chiller project which had been advance-funded from other sources.

Non-recurring funds may also be included in the other expenditure categories. For example, FY2013 Operating Expenses includes $3.9M in cost allocation charges from BTS to complete funding for the Justice Consolidated Case Management System (CCMS) project.

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 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 for one-time purposes only. They should not be used to fund ongoing programs.

Ten-Year Forecast

Key Assumptions – Revenues

For the purposes of the forecast, it is assumed that the General Fund millage rates for both countywide and MSTU purposes will remain the same as the rates for FY2013. The FY2013 countywide millage rate is 5.0105 mills, and the MSTU rate is 2.0857 mills.

As explained in the Key Forecast Assumptions section of this document, the forecast is that taxable values will decrease by 2% in FY2014 before returning to positive growth of 2% in FY2015. In FY2016 and later years, the forecast assumes an annual growth rate of 4%, slightly less than the 5% historical average growth which occurred in the years before the real estate boom.

For the State Shared Half-Cent Sales Tax, we anticipate a 3.5% annual growth for the FY2013-FY2022 forecast period.

The underlying sources of State Revenue Sharing are expected to return to a pattern of moderate growth slightly less than the sales tax, with an annual increase of 2.5% through the forecast period. However, the implementation of the Medicaid mandate will result in the State reducing the amount of revenue sharing funds the County receives for FY2013 through FY2017.

Communications Services Tax revenue is forecast to decline by less than one percent in FY2013, before returning to annual growth ranging from about 1% to 2% in FY2014 through FY2022.

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

Key Assumptions - Expenditures

The forecast assumes a continuation of current (FY2013) programs and service levels.

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.

However, certain expenses such as electricity, fuel, and state-mandated Medicaid charges result in the General Fund's Operating Expense growth differing somewhat from the basic Consumer Price Index (CPI).

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.

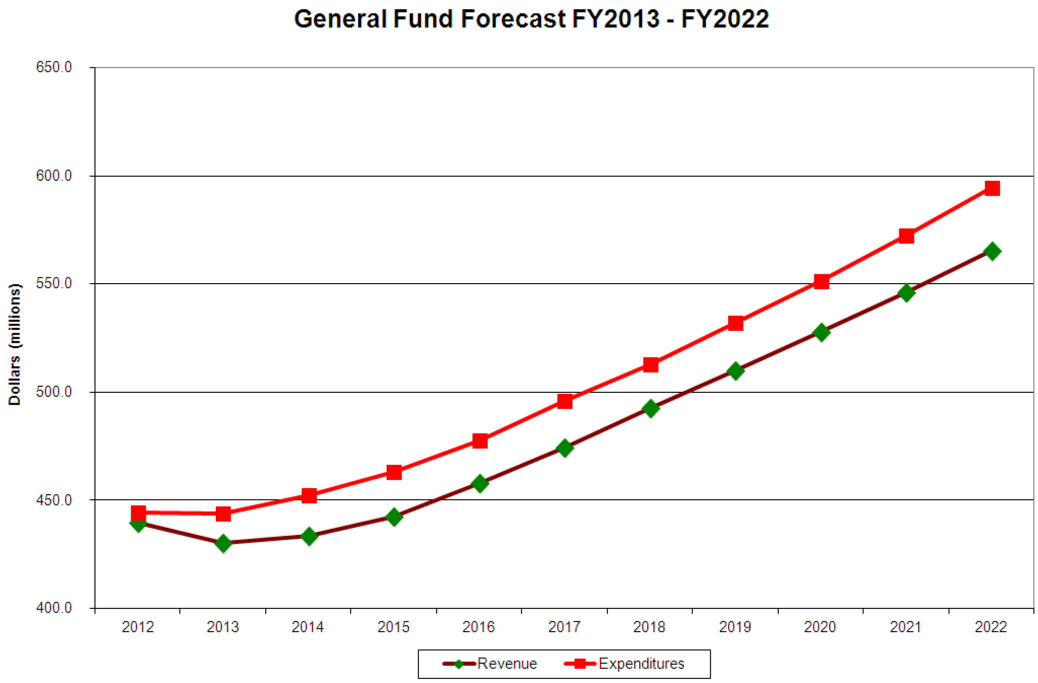
Because of the uncertain nature of non-recurring funds, none are anticipated in the forecast with the exception of those estimated to be available in FY2013 and $1.5M per year for FY2014 through FY2017.

No new programs funded by 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.

Several capital improvement projects are expected to impact operating expenditures when completed. These projections have been incorporated into the forecast. For example, several energy conservation projects currently in progress are anticipated to reduce future ongoing utilities costs. Conversely, completion of the Lake Seminole Alum Injection project will place additional demands on General Fund resources. As specific increased needs are identified, to the extent possible these new demands will be accommodated within existing budgets.

Key Results

The forecast projects that in FY2013, recurring expenditures will exceed recurring revenues in the General Fund by an estimated $13.6M. A structural gap of approximately $20M to $30M would remain throughout the forecast period without action to address this problem. The millage increase of 0.1997 mills in FY2013 to support mandated Medicaid expenditure allows us to stay the course and maintain the multi-year balancing strategy developed over the last several fiscal years.



Forecast Budget Gap Without Corrective Action				
2013	**2014**	**2015**	**2016**	**2017**
($13.6M)	($18.9M)	($20.6M)	($19.7M)	($21.9M)
2018	**2019**	**2020**	**2021**	**2022**
($20.4M)	($22.0M)	($23.5M)	($26.5M)	($29.4M)

Potential Risks

REVENUE FACTORS

Taxable Values

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 is important. The FY2013 values (as of January 1, 2013) reflect the market conditions at the end of the 2012 calendar year.

A change of 1% in the FY2013 countywide taxable value would result in a $2.6M change in revenue at the FY2013 millage rate of 5.0105. Similarly, a change of 0.1 mills in the rate using

the FY2013 taxable value would result in a $5.2M change in revenue. In the following years, these impacts would be amplified by the other growth factors.

Save Our Homes Impact

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. Under "normal" circumstances, as homesteaded properties represent about 35% of the total 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. Because of the decline in market values, the amount of value that is shielded by Save Our Homes has been greatly reduced. When the real estate market returns to a pattern of growth, Save Our Homes will limit the amount of the increased value that is subject to property taxes.

Potential Property Tax Exemptions

There will be five proposed amendments to the State Constitution related to property taxes on the November, 2012 general election ballot. Two would have relatively minor impact on the tax base. Amendment 2 would expand the property tax discount on the homesteads of disabled combat veterans to include those who were not Florida residents when they entered the military. Amendment 9 would authorize the Legislature to provide property tax relief to surviving spouses of military veterans or emergency first responders who died in the line of duty.

Amendment 11 would authorize the Legislature to allow local governments to increase exemption amounts for low-income seniors who have maintained permanent residency for at least 25 years. The Legislative staff has estimated this would have a negative impact on local government revenues of more than $9M statewide beginning in FY2015.

Amendment 10 would increase the amount of the tangible personal property exemption from $25,000 to $50,000. The Legislative staff has estimated this would have a negative impact on local government revenues of more than $20M statewide beginning in FY2014.

Amendment 4 includes three proposed expansions of property tax exemptions. The first would reduce the cap on the annual change in taxable values for non-homesteaded property from 10% to 5%. The second would allow the Legislature to eliminate the "recapture rule" and prevent the assessed value of a property from increasing when its market value declines, even if the assessed value is less than the market value. The third would grant an additional initial homestead exemption of 50% of market value to homeowners who have not had a homestead exemption in Florida in the previous 3 years. If approved, these proposals would result in further significant reductions to the tax base. The Legislative staff has estimated the cumulative impact of the proposals to be a revenue loss to local governments of nearly $1 billion statewide by FY2016. The Florida Association of Counties estimates the potential revenue loss for Pinellas County at $3.7M in FY2014, growing to $12.7M annually by FY2017.

Based on the Property Appraisers' Office projections of reductions in the tax base, it is estimated that approval of these five amendments would result in an annual revenue loss to Pinellas County taxing districts of more than $6.5M annually.

Other new exemptions as well as revenue and expenditure caps have been discussed and their passage in future legislative sessions would have negative revenue impacts as well.

Annexations

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.

Economic Conditions

The three other major revenue sources – Sales Tax, Revenue Sharing, and Communications Services Tax - 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 economic recovery stalls or deteriorates into a new recession.

The Sales Tax is highly sensitive to economic conditions. If consumer confidence does not continue to improve, consumption will not grow at the moderate pace assumed in the forecast. The 3.5% annual growth in the Sales Tax forecast for FY2013 generates about $1.3M to $1.8M in additional revenue each year, which would be impacted by variations from the anticipated economic recovery assumptions.

The forecast assumes that the sources tied to Revenue Sharing will grow at 2.5% per year, a rate slightly less than the growth in Sales Tax. However, as mentioned previously, the State's implementation of the Medicaid mandate, which holds back funds for the "backlog" of Medicaid billings, means that the County will receive less than the full amount for the next several fiscal years. This illustrates the point that 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 is subject to revision by the Legislature.

State Budget Impacts

For the fourth year in a row, the State faced a significant budget gap for its FY2013 budget. Upcoming budget cycles will continue to be challenging given the reliance on sales taxes as the State's primary revenue stream. In dealing with upcoming State budget gaps, the Legislature may continue to reduce the amount of revenue it shares with local governments or cost shift more state responsibilities to the counties and cities.

The Medicaid mandate is only the most recent example of this tactic. Previously, for example, 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.

These formula changes can have serious impacts on the General Fund. A 10% cut in the Sales Tax formula would reduce revenues by over $3.8M.

Similarly, there has been repeated pressure from the telecommunications industry to reduce the scope of services that are subject to the Communications Services Tax (CST). The 2012 Legislature approved a bill, subsequently signed by the Governor, which will have a negative statewide impact on local CST revenues of more than $25M. The impact on Pinellas County revenues is undetermined at this time.

Limiting Factors

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. For example, in the 2000 Census Pinellas represented 5.8% of the State's 16 million residents. By the 2010 Census, Pinellas' population remained virtually the same, while the State population grew to 18.8 million. As a result, Pinellas represented 4.9% of the State's population in 2010. Although 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

Inflation

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 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.

Historically, although inflation was as high as 12.5% in 1981, in the years from 1989 to 2008 the change in the CPI averaged about 3%. 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 FY2013 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 FY2013, and would trigger escalating impacts going forward.

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.

Florida Retirement System

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 bill approved in 2012 tentatively establishes increased rates for the

State 2014 fiscal year (July 1, 2013 to June 30, 2014) to address the system's unfunded liability. These rates are subject to change in next year's legislative session. The forecast assumes that the State will increase rates significantly to address the unfunded liability over the next two years, as contemplated in the 2012 legislation, after which the rates should stabilize, but there is a large degree of uncertainty in that the Legislature and Governor have demonstrated that they are willing to make major structural changes to the pension system.

In addition to this general uncertainty, the requirement for employee contributions to FRS has been challenged by a lawsuit filed on behalf of public employees by several labor organizations. The case is currently before the Florida Supreme Court, which heard oral arguments in September 2012 and is expected to issue its ruling in October. If the employee contribution requirement is overturned, the County would face increases to employer contributions which would negatively impact personnel costs in FY2013 and future years. Depending on how the State structures the new contribution requirements, the increased cost to the General Fund in FY2013 could be as much as $13M.

Health Insurance

Health insurance costs are impacted by inflation and also by the package of benefits offered. The extent to which the ratio of active employees to retirees changes will also impact the County's employer contributions to the health plans. An additional unknown is the effect of Federal health insurance reform on costs and services, including any related mandates to programs such as Medicaid.

Unfunded Mandates

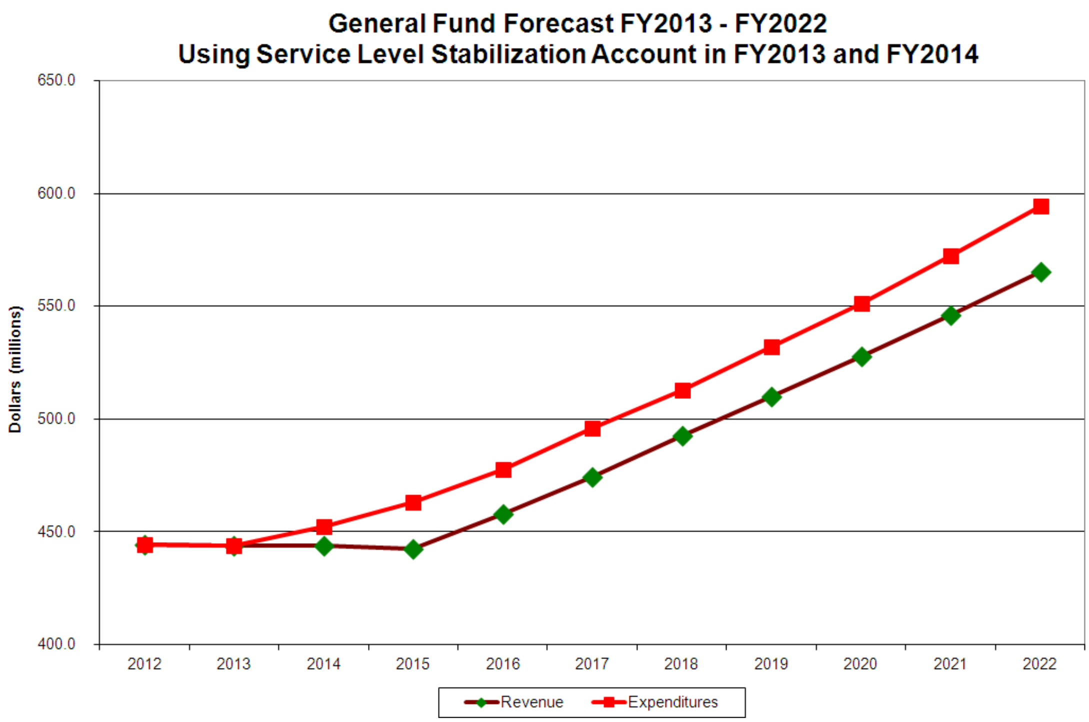
No new State or Federal mandates have been included in the forecast. As the State deals with its budget problems, there is likely to be growing pressure to push expenses down to local governments even while imposing more restrictions or rollbacks on local revenues. The 2012 Legislature's Medicaid mandate illustrates this point.

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 2009 alone the Legislature enacted 25 laws containing 74 provisions that imposed mandates on counties and municipalities.

Balancing Strategies

One of the key financial strategies employed over the past three years has been the creation of a Service Level Stabilization Account (SLSA) in the General Fund. The SLSA represents non-recurring funds generated by taking reductions in FY2010, 2011, and 2012 over and above what was necessary to balance the budget. The current balance in the SLSA is $28.6M and none of the SLSA has been reallocated by the Board of County Commissioners to be expended.

The $28.6M in the SLSA can be used to cover shortfalls in the General Fund over the next two budget cycles. The SLSA helps provide flexibility in the budget to avoid making reductions to the point where revenues bottom out and allows us to bridge to a time when the budget has stabilized and begins to improve. Because it is a non-recurring funding source, it is very important that we carefully monitor the structural balance of the General Fund as the SLSA is spent down. The chart below assumes that growth in expenditures is limited to inflation and that the SLSA is used in FY2013 and FY2014 to address the forecasted shortfalls in those two years.

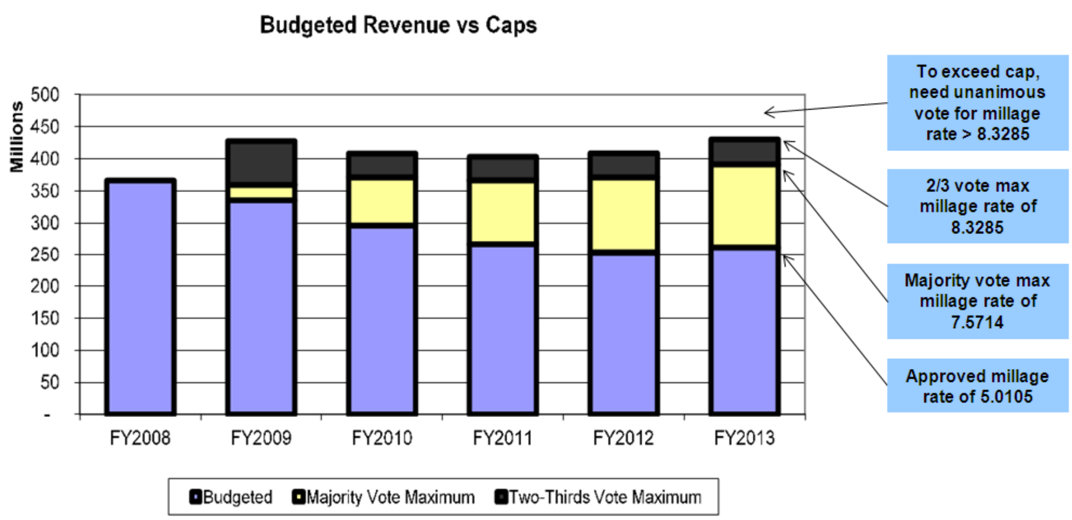


Forecast Budget Gap With use of Service Level Stabilization Account				
2013	**2014**	**2015**	**2016**	**2017**
$0	($8.6M)	($20.6M)	($19.7M)	($21.9M)
2018	**2019**	**2020**	**2021**	**2022**
($20.4M)	($22.0M)	($23.5M)	($26.5M)	($29.4M)

Assuming that the balance in the SLSA is drawn down over FY2013 and FY2014, there are several balancing strategies that could be considered to address the ongoing structural gap in revenues and expenditures.

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 five years, General Fund costs have been reduced to the point that any further cuts would directly impact the continuation of programs as well as service levels.

Revenue increases are another option. In a year where taxable values are negative, the property tax rate could be increased to make up some or the entire 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. In 2007, the Legislature enacted new limitations on property tax revenue increases for local governments. The caps limit growth in property tax revenue to the average growth in Florida personal income and new construction. The caps went into effect beginning in FY2009, using the FY2008 level of property tax revenue as the base. As shown in the chart below, capacity under the cap has increased as property tax revenues have decreased. There is currently a wide spread between the FY2013 millage rate of 5.0105 and the cap limit of 8.3285.



Another revenue balancing option is the implementation of a storm water strategy that includes a new dedicated funding source. If a dedicated funding source was available, approximately $3.1 million of storm water costs currently funded in the Municipal Services Taxing Unit (MSTU) could be freed up to create additional capacity.

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 past budget processes, both County employees and the general public identified potential revenue generating ideas. In addition to increasing user fees, some of these ideas include a local business tax (formerly known as occupational tax) and payments in lieu of taxes or a return on equity from enterprise funds.

GENERAL FUND RESERVES

The *General Fund Reserves* portion of the FY2013 Budget Message describes the purpose of reserves, the relevant industry standards, the County's budget policies on reserves, and the specific components of the FY2013 General Fund Reserves. It includes the following sections:

- Purpose of Reserves
- New Accounting Standards and Best Practices
- General Fund Reserve Policy
- FY2013 Budgeted Reserves
- FY2013 Estimated Ending Fund Balance

Purpose of Reserves

Reserves are not expenditures, but they are included in the budgeted total requirements for the fund. In order to be expended, the BCC must take formal action reappropriating these funds.

Maintaining adequate reserves is key to the County's ability to deal with potential emergencies and unforeseen events such as fuel price increases, unanticipated dips in revenues 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. Also, federal (FEMA) reimbursements typically cover only 75% of the loss. Additionally, due to conditions in the insurance marketplace, our coverages are less than the County's total asset base. The County's property value is estimated at approximately $1.2 billion (net of the Solid Waste and South Cross facilities). We carry $100M worth of insurance. This means that we have approximately $500M of exposure depending on the kind of damage we could receive in a storm event or natural disaster.

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. Even with the recalibration of credit scores by the bond rating agencies, Pinellas County earned a AAA rating (the highest) for general obligation debt by Fitch Ratings.

New Accounting Standards and Best Practices

In 2002, the Board of County Commissioners adopted a comprehensive series of budget policies which included reserve requirements. In June 2010, the BCC reviewed revisions to the Budget Policies on General Fund Reserves. These changes incorporated the new fund balance categories defined by the Government Accounting Standards Board (GASB) and best practices adopted by the Government Finance Officers Association (GFOA).

GENERAL FUND RESERVES

GASB Statement 54

The Government Accounting Standards Board is an independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. Established in 1984 by agreement of the Financial Accounting Foundation (FAF) and 10 national associations of state and local government officials, the GASB is recognized by governments, the accounting industry, and the capital markets as the official source of generally accepted accounting principles (GAAP) for state and local governments.

In February, 2009, GASB issued Statement 54 which became effective for the County's FY2011 financial statements. The two main changes resulting from this statement are redefining how Reserves (Fund Balances) are to be reported, and changing the definitions of Special Revenue funds and other fund types.

For Reserves (Fund Balances), GASB 54 changed the focus from what is available for appropriation in reserves, to what the constraints on spending are. Those constraints identify who sets the restrictions on the spending and the amounts assigned to each category.

The budget policies for General Fund Reserves (Fund Balance) have been revised in accordance with GASB 54 and are summarized in the following table.

<table>
<tr><th></th><th>GASB Category</th><th>Working Definition</th><th>General Fund Definition</th></tr>
<tr><td></td><td>•Non-spendable</td><td>By nature, cannot be spent</td><td>Inventory</td></tr>
<tr><td></td><td>•Restricted</td><td>Spend only per outside agency</td><td>Grants</td></tr>
<tr><td rowspan="3">Unrestricted Categories</td><td>•Committed</td><td>Specific amount or percentage set by BCC</td><td>* Contingency Reserve</td></tr>
<tr><td>•Assigned</td><td>Amounts determined by Admin in accordance with BCC policy</td><td>* Cash Flow Reserve
* Encumbered Contracts Reserve
* Disaster Response Reserve</td></tr>
<tr><td>•Unassigned</td><td>Fund Balance in excess of Reserves</td><td>Non-recurring funds for one-time expenses</td></tr>
</table>

The amount and use of Non-Spendable and Restricted Reserves are defined by the value of inventories and limitations imposed by external entities such as grants that are being carried forward from the previous year. The budget policies address the other "unrestricted" categories.

GFOA Best Practice

The Government Finance Officers Association (GFOA) is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. GFOA's purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

GENERAL FUND RESERVES

In October, 2009 the GFOA issued a Recommended Best Practice on the Appropriate Level of Unrestricted Reserves (Fund Balance) in the General Fund which states:

> *GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain a reserve in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. The choice of revenue or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.*
> *Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level.*

Based on the new requirements from GASB 54 and the updated GFOA Best Practice, the Board of County Commissioners revised the General Fund reserve policy.

General Fund Reserve Policy

Prior to FY2011, the General Fund reserve policy was "at a minimum, no less than 5% to 15% of operating revenues, or no less than one to two months of operating expenditures." Over the last several years, the Board of County Commissioners set a conservative General Fund reserve target of 15% of total resources.

For FY2011, the Board revised its budget policy to incorporate this more conservative approach given that Pinellas County is a high hazard, coastal county. The revised budget policy states:

> ***The General Fund Reserve (Ending Balance) should be budgeted at a level of no less than 15% of total resources.***

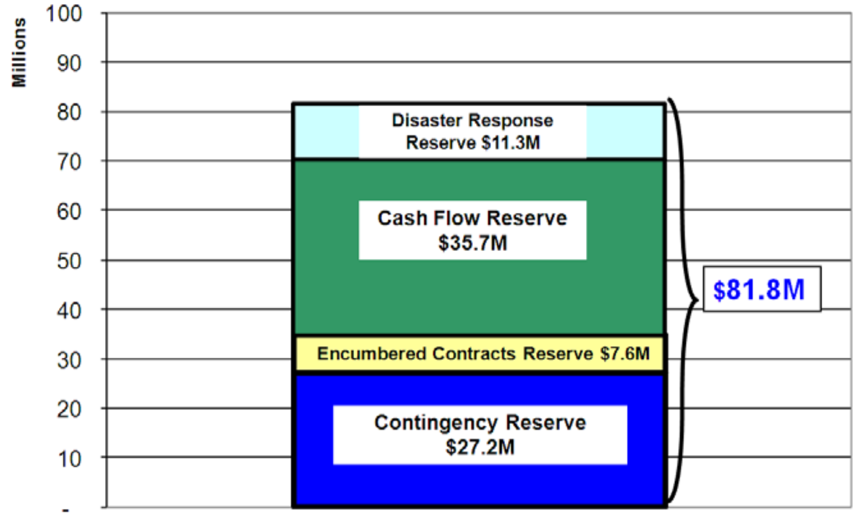
The policy essentially sets a floor of 15% for the reserve level and does not set a cap to limit the reserve. The complete list of Budget Policies is presented in Exhibit A of the Budget Message.

FY2013 Budgeted Reserves

The FY2013 General Fund budget includes a projected reserve of $81.8M which meets the Board's 15% policy target.

The components of the estimated FY2013 year-end reserves are Contingency, Encumbered Contracts, Cash Flow, and Disaster Response.

GENERAL FUND RESERVES



Contingency Reserve

The Contingency Reserve, which is budgeted at $27.2M in FY2013, is an amount equal to 5% of resources to be used for unanticipated revenue shortfalls or expenditures. For example, fuel costs and electricity rate increases have been highly volatile and often exceed normal inflation. Another example is the need for accrued leave payouts due to layoffs.

Encumbered Contracts Reserve

During the year, at any given time there are purchase orders and service contracts that have been approved and are subject to payment as work is completed or goods delivered. The $7.6M in the Encumbered Contracts Reserve for FY2013 represents the average amount that was encumbered at month's end for the 12-month period ending May 2012.

Cash Flow Reserve

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 about 68% of the total General Fund revenue. The FY2013 amount for the Cash Flow reserve, $35.7M, is equal to one-twelfth of all General Fund revenue budgeted for the fiscal year.

Disaster Response Reserve

As a high hazard coastal county, Pinellas needs to have Disaster Response Reserve funds on hand in case of an emergency such as a hurricane or other man-made or natural disasters. In FY2013, $11.3M 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 $1.6M of the $9.3M total cost was not reimbursed for these storm events.

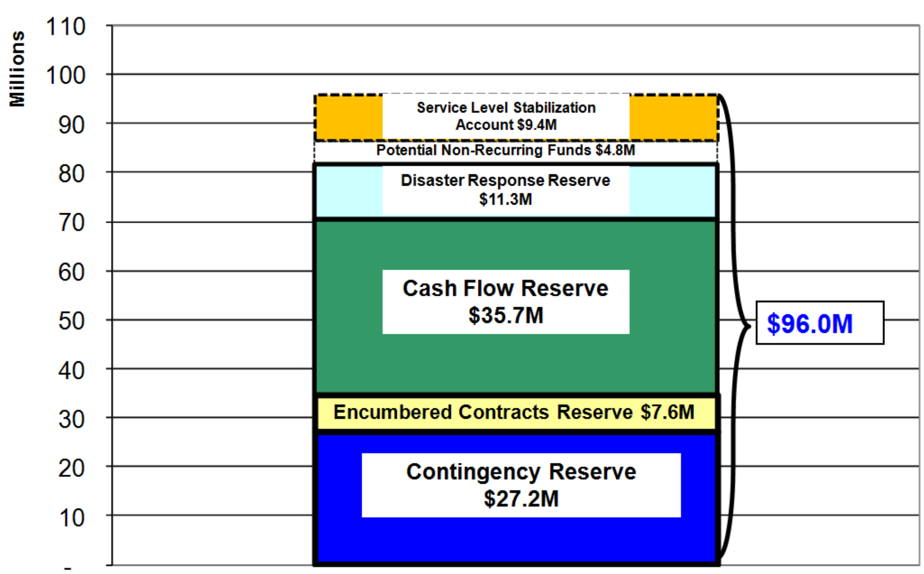
There are other economic impacts which can result from a major disaster. With a substantial portion of the county's highest taxable value properties located on the shoreline or in lower elevation coastal areas, there is the potential for a reduction in the tax base if properties are damaged or destroyed by a storm surge or high winds. This would result in a decline in property tax revenue in the following year. Sales and other taxes would also decrease due to the negative effects on tourism from the storm. Rebuilding would generate additional revenues, but it would take time to offset the losses in the aftermath of the disaster. As an indication of the size of this problem, a seven-county area of Florida impacted by 2004's Hurricane Charley sustained over $6.6 Billion in losses to residential, commercial, and industrial properties.

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.

FY2013 Estimated Ending Fund Balance

It is anticipated that at the end of FY2013, the Ending Balance in the General Fund will be higher than the Reserves amount reflected in the budget. This is due to the impact of the Service Level Stabilization Account, the method of budgeting revenues that is required by Florida Statute, and the potential for spending less than the total amount budgeted in the fund.

When these adjustments are factored in, it is estimated that the actual FY2013 General Fund Balance reflected in the Comprehensive Annual Financial Report will be approximately $96.0M.



Service Level Stabilization Account

The Service Level Stabilization Account is included in the budgeted appropriations for the General Fund. These funds will not be expended unless explicitly authorized by the Board of County Commissioners in response to an unanticipated emergency need. The multi-year strategy for the General Fund is that these appropriations will not be spent and will return to the fund balance at the end of the fiscal year. They will then be available to help mitigate the shortfall in FY2014.

Potential Non-Recurring Funds

Non-recurring funds are realized as additional fund balance resulting from revenue in excess of expenditures in a given fund. In the General Fund, non-recurring funds are in addition to the reserve target and the amount for the Service Level Stabilization Account.

Non-Recurring Funds =
(Revenues – Expenditures) – Reserve Target – Service Level Stabilization Account

The primary sources for the non-recurring funds estimated to be available at the end of FY2013 budget are additional revenues received over and above the 95% statutory requirement and actual expenditures which may be less than originally projected.

Florida Statutes require that most revenues be budgeted at 95% of the projected amount. Under normal circumstances, this will result in additional revenues being received during the fiscal year over and above the amount reflected in the budget.

While every effort is made to avoid budgeting funds that will not be spent, the historical average is that taken as a whole, departments will spend about 99% of the budget. Any amounts above this average help generate additional non-recurring funds.

The 10-year forecast for the General Fund reflects adjustments for the additional revenue and the expenditure savings to avoid overstating potential future shortfalls.

Non-recurring funds can vary significantly from year to year. Because they are non-recurring they should be used for one-time purposes only as stated in the County's budget policies (Exhibit A). As budgets get tighter, the ability to build additional fund balance becomes more limited.

The $4.8M in potential Non-Recurring Funds is shown here for purposes of illustration only. The actual amount, if any, may vary significantly and will be dependent on actual revenues and expenditures during FY2013.

UNINCORPORATED AREA (MSTU) BUDGET

The *Unincorporated Area (MSTU) Budget* portion of the FY2013 Budget Message provides an overview to the unincorporated area budget. It includes the following sections:

- Municipal Services Taxing Unit (MSTU)
- MSTU Revenues
- MSTU Expenditures
- MSTU Reductions
- Summary of MSTU Budget

Municipal Services Taxing Unit (MSTU)

The Municipal Services Taxing Unit (MSTU) is the part of the County budget that is devoted to providing services that are delivered exclusively to the unincorporated area. These services, such as law enforcement and building permitting, are similar to those which most cities provide. Florida Statutes require that MSTU services are to be provided "from funds derived from service charges, special assessments, or taxes within such unit only" {F.S. 125.01(1)(q)}. The Pinellas MSTU was established in 1975 and is codified as Chapter 114, Article X of the County Code.

The general operating revenue and expenditures for the MSTU are included within the County's General Fund and the Building and Development Review Services Fund. Other MSTU-related operating expenditures, such as traffic sign and signal maintenance, are budgeted in other funds, as are capital improvement expenditures such as Penny for Pinellas projects.

MSTU Revenues

MSTU Revenues consists of the following:

- Property Taxes (also known as ad valorem taxes): A millage rate is adopted by the Board of County Commissioners and collected in the unincorporated area to support MSTU services. The millage rate for FY2013 is 2.0857 mills. This rate has remained the same since FY2008.. The tax base for the MSTU declined by 3.3% compared to FY2012.

- Revenues Totally Generated by the MSTU: There are a number of County revenues that are totally generated by activity in the unincorporated area. These revenue sources have traditionally been credited to the Pinellas MSTU. In FY2013, these revenues include: communications services taxes; fees for building permits, tree removal, lot clearing, and zoning; administrative reimbursements for transportation impact fees; and mobile home licenses.

- Revenues Specifically Allowed by State Law: Chapter 218.64 of the Florida Statutes authorizes the County to allocate a portion of the One-Half Cent Sales Tax (a state shared revenue) to the MSTU. Sales tax support for the MSTU is $3.4M, which is based on the MSTU's percentage of total General Fund operating expenses.

-

- Other Revenues: Pinellas County has traditionally assigned a portion of other revenue sources to the MSTU, generally based on the ratio between the MSTU budget and the overall County General Fund budget. In FY2013, those revenues include interest income, and excess fees for the Tax Collector and Property Appraiser. These revenues are related to specific MSTU expenditures or to the other MSTU revenues previously identified.

Unlike many cities, the Pinellas MSTU has no utility taxes or franchise fees, which add to the cost of utility services. For example, some city residents pay up to a 10% utility tax and a 6% franchise fee on their electricity bills.

MSTU Expenditures

MSTU Expenditures include both direct and indirect costs and consist of the following activities:

- Sheriff's Office Law Enforcement: The Sheriff provides law enforcement services (road patrol) to the unincorporated area. The budget is determined by the Sheriff's Office based on an analysis of the resources (patrol officers, vehicles, etc.) that are anticipated. The current methodology for this allocation was reviewed and revised by an independent consultant in 2003. In FY2013, 32% of the Sheriff's law enforcement activity is dedicated to the MSTU.

- Departments or Programs entirely dedicated to the MSTU: Several agencies are engaged in providing services exclusively to the unincorporated area. In the FY2013 Budget, these activities are building inspection, development review services, code enforcement, lot clearing, local stormwater drainage maintenance, and the East Lake Library operating grant.

- Departments or Programs partially dedicated to the MSTU: Departments whose services, and therefore costs, are allocated between countywide and MSTU activities include Planning (zoning services only) and Economic Incentive Grants for job creation.

- Activities associated with revenue collection: The budgets for the elected Property Appraiser and Tax Collector are determined by statutory formulas that spread their costs in proportion to the property tax and other revenue they are responsible for supporting. Their budgets are approved by the State Department of Revenue. At the end of the fiscal year, any charges in excess of what these agencies actually required to operate are returned in the same manner.

The following table is a summary of the MSTU budget for FY2013.

MUNICIPAL SERVICES TAXING UNIT (MSTU)
FY2013 BUDGET

REVENUES	FY2012 Budget	FY2013 Budget
Ad Valorem Taxes	28,556,950	27,558,160
Delinquent Taxes & Tax Redemptions	118,240	112,330
Franchise Fee - I-Net	5,560	-
Franchise Fee - PEG	324,240	-
Communications Services Tax	10,900,000	10,735,680
Building Permits	3,832,530	4,273,970
Tree Removal Permits	229,890	218,390
Mobile Home Licenses	81,880	74,870
Local Gov't 1/2¢ Sales Tax	3,200,000	3,437,580
Tax Collector Excess Fees	182,050	170,000
Sheriff Excess Fees	212,670	202,500
Property Appraiser Excess Fees	-	-
Reimbursement of Impact Fee Admin.	5,000	4,750
Zoning Fees	409,380	388,910
Sheriff Civil Income	75,420	86,630
Lot Clearing	72,200	95,210
Interest and Miscellaneous	236,780	112,490
Subtotal - Revenues	48,442,790	47,471,470
Beginning Fund Balance	18,540,920	25,035,680
TOTAL RESOURCES	**66,983,710**	**72,507,150**
EXPENDITURES AND RESERVES		
Building Inspection	3,453,010	3,642,850
Prior Years' Recreation Grants outstanding	145,930	-
Development Review Services	2,233,880	2,253,770
Zoning (in Planning Dept, formerly in DRS)	218,700	205,680
Economic Incentive Grants	41,160	43,770
Environmental Codes Enforcement	1,398,710	1,409,840
Public Works Permitted Facilities(Stormwater)	3,107,010	2,703,560
Property Appraiser Fees	304,940	307,740
Tax Collector Fees	607,410	571,540
Sheriff	32,549,080	34,043,070
East Lake Library Operating Grant	242,990	242,990
Subtotal - Expenditures	44,302,820	45,424,810
Reserve for Contingencies	3,349,190	3,625,360
Reserve - Fund Balance	19,331,700	23,456,980
TOTAL EXPENDITURES & RESERVES	**66,983,710**	**72,507,150**

Note: This summary includes both General Fund and BDRS Fund MSTU revenues and expenditures.

FUND REVIEW: TOURIST DEVELOPMENT COUNCIL FUND

Summary

The Tourist Development Council (TDC) Fund is primarily funded by tourist development taxes that are extremely sensitive to general economic conditions. Tourist Development tax revenues have been steadily improving since Spring 2010, and are anticipated to continue to increase at 3.0% throughout the forecast period matching anticipated gradual growth as part of the recovery in the broader U.S. economy.

The forecast for the Tourist Development Council 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 capital outlay, as with the Board approved Salvador Dali Museum funding, new debt service, or to supplement the promotional activities budget. In FY2010, the Board revised the Tourist Development Plan to allow funding of capital projects for non-profit museums that are open to the public and the Board also approved a review of the Tourist Development Plan every five years.

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. In November 2010, the Board approved an extension of the 5% tourist development tax to 2021. After 2015, it was determined that no more than 80% of the money generated by the 4th cent would be used for a new stadium proposed by the Tampa Bay Rays (Major League Baseball team leasing Tropicana Field), while the 5th cent would be dedicated for tourism promotion.

The fund supports the Tourist Development Council, serving as Visit St. Pete/Clearwater through the bed tax. 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

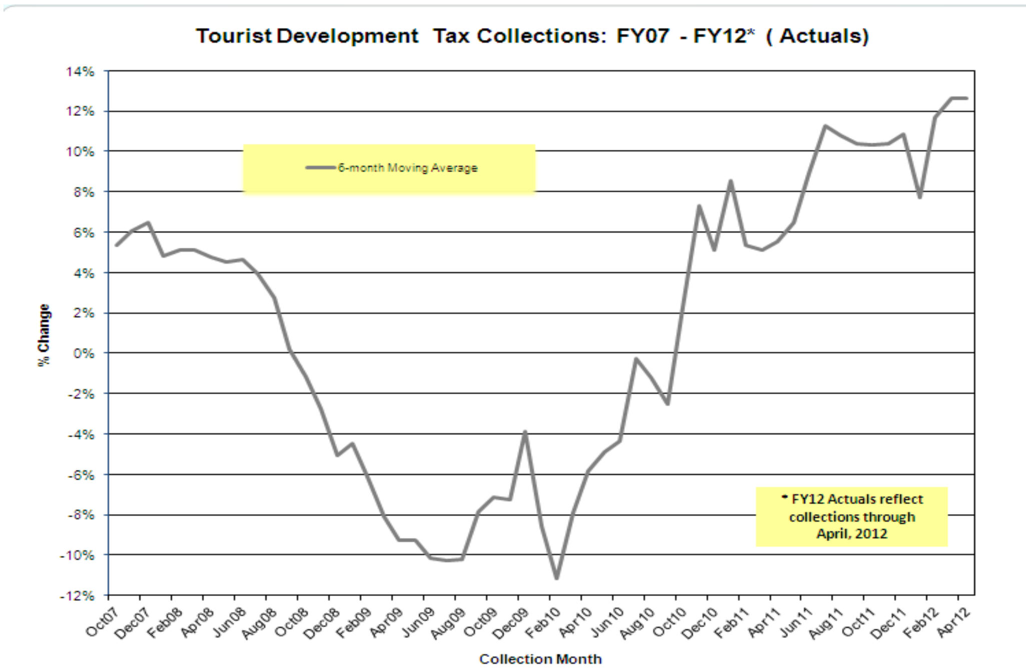
The TDC Fund consists almost exclusively of one primary funding source: tourist development taxes.

FUND REVIEW: TOURIST DEVELOPMENT COUNCIL FUND

Tourist Development Taxes

Tourism is a key economic driver of the economy in Pinellas County and contributes direct and indirect visitor expenditures of approximately $6.8 billion annually. This tax is budgeted to generate $28.5M in FY2013.

Tourist Development tax collections are very sensitive to economic conditions due to the close relationship between disposable income and leisure travel. The following chart showing a 6-month moving average of collections from 2007 to May 2012 indicates that collections bottomed out at the beginning of 2010, but have been rapidly increasing again as the economy has begun to rebound. Over the past year, the rebound in tax revenue has outpaced the overall economy. This chart demonstrates how sensitive tourist tax collections are to economic and other conditions and why having reserves to withstand changing conditions is necessary.



In addition, transient rental occupancy increased 7.4% in the first four months of 2012 as compared to the same period the year before. Collections in FY2012 have grown 11.8% year-to-date in FY2012 and will experience a boost from the 2012 Republican National Convention in August. From FY2013 through FY2022, collections are expected to increase 3% annually as the general economic recovery continues. While recent trends may suggest a stronger rate of recovery, the long-range forecast is conservative due to the sensitivity of this revenue source.

The chart below compares visitor origins between April 2011 and April 2012 and shows that there is a net overall increase of 3.2%. Within this figure, the Southeast visitor segment increased 8.7% and European visitors increased 9.5%.

Visitor Segments	2011	2012	% Change
Florida	84,756	84,153	-0.7%
Southeast	30,674	33,328	+8.7%
Northeast	234,895	248,294	+5.7%
Midwest	270,412	274,956	+1.7%
Canada	66,190	65,823	-0.6%
Europe	105,743	115,815	+9.5%
U.S. Opp. Markets.	14,530	10,831	-25.5%
Total	**807,200**	**833,200**	**+3.2%**

Source: April 2012 Visitor Profile, Research Data Services, Inc.

The European visitor segment represents about 14% of total visitors. Although a slight recession is anticipated for the Eurozone, the number of European visitors is not anticipated to decrease due to the characteristics of the market segment and increased access to the destination. European visitors to Pinellas are a younger, wealthier market segment generally insulated from economic cycles. In addition, the European market will gain increased access from additional air service providing easy access to the destination from cities throughout Europe and Germany. For example, in May 2012, Edelweiss Air started twice weekly, non-stop flights from Tampa to Zurich, Switzerland.

The chart below lists the Annual Average Daily Rate (ADR) that hotels are able to collect and the number of Annual Overnight Visitors since 2000. As a result of hurricanes, red tide, and the economic downturn, ADR stayed flat from 2007 to 2010 and visitor counts declined from a peak of 5.3M in 2007. Since 2010, ADR and visitor counts have rebounded.

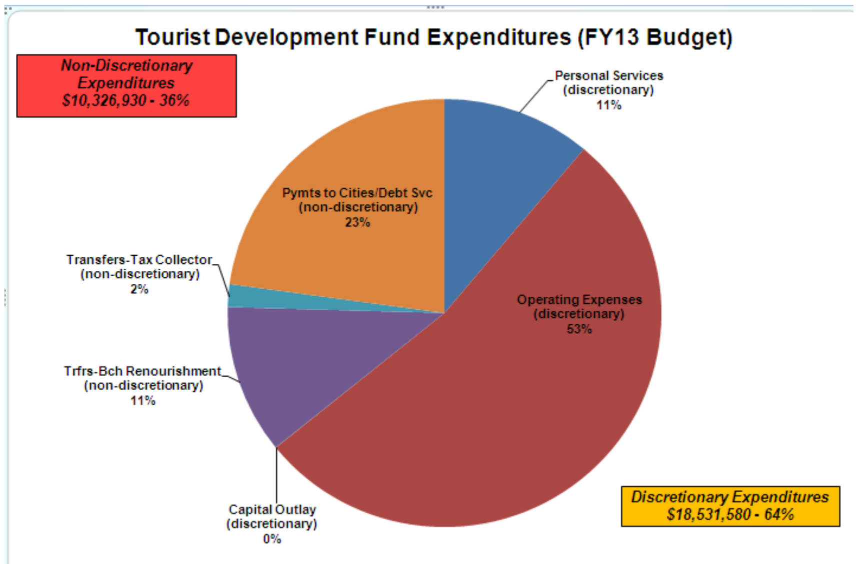
Year	Annual ADR	Annual Overnight Visitors
2000	$71.62	4,700,140
2001	$74.16	4,726,161
2002	$73.16	4,714,432
2003	$74.91	4,837,998
2004	$78.11	5,077,280
2005	$84.32	5,212,435
2006	$93.18	5,254,255
2007	$100.00	5,300,220
2008	$104.38	5,193,980
2009	$101.71	4,991,410
2010	$100.15	5,041,200
2011	$104.83	5,235,200
2011 (thru Apr)	$114.51	1,995,100
2012 (thru Apr)	$122.43	2,080,800

Source: Research Data Services, Inc

FUND REVIEW: TOURIST DEVELOPMENT COUNCIL FUND

Expenditures

The TDC Fund supports budgeted expenditures and reserves in FY2013 totaling $34.4M. The primary expenditures in the fund are $13.7M for promotional activities, $6.6M for debt service for three sports facilities, $3.7M for two transfers, and $5.6M in reserves.



Promotional Activities

This budget of $13.7M helps to pay for the promotional activities that promote the St. Petersburg / Clearwater destination. Promotional activities are primarily comprised of the advertising contract at 63%. The balance of the funding supports such programs as sponsorships, publicity, and promotion via technology.

The promotional activities budget was increased in FY2012 due to the higher actual collections as compared to the budget. This is due to actual beginning fund balance being $1.0M higher than anticipated in FY2012 for non-recurring expenditures. In addition, tourist tax revenues have been higher than originally anticipated providing an additional $3.2M in capacity for recurring expenditures.

Over the forecast period, the promotional activities budget will be adjusted to reflect any future revenue increases or decreases that may occur.

Capital Outlay

In FY2010, the Board revised the Tourist Development Plan to allow funding of capital projects for non-profit museums that are open to the public and the Board also approved a review of the Tourist Development Plan every five years. Also in FY2010, the Board approved an agreement that provides payments of $500K annually to the Salvador Dali Museum from FY2015 to FY2019.

Debt Service

This fund dedicates the entire $5.7M in proceeds of the 4^{th} 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 the property back 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 fixed debt service in the amount of $588K for the City of Clearwater's spring training facility (expires 2021) and $298K for the City of Dunedin's spring training facility (expires 2015).

Transfers

The TDC fund transfers half of the proceeds of the 3^{rd} cent to the Capital Projects Fund for beach nourishment projects to support tourism and maintain property values. The transfer is budgeted at $3.2M for FY2013 and is higher than total anticipated collections to account for increased tax collections in FY2012.

This fund transfers $494K to the Tax Collector in FY2012 for administration and collection of the tourist development taxes. This cost is approximately 1.7% of collections.

Reserves

On a budget basis, the reserve level in this fund is currently at 16%, which is slightly above the reserve level requested by the Tourist Development Council. This fund reflects a 15% reserve to serve as a fiscal shock absorber in case tourist development tax revenues deteriorate in response to changes in economic conditions. For example, tourist development revenues declined dramatically in FY2002 after the September 11^{th} terrorist attack, in FY2005 as a result of multiple hurricane landfalls in Florida, in FY2009 as a result of the financial crisis, and most recently in FY2010 as a result of the British Petroleum (BP) oil spill.

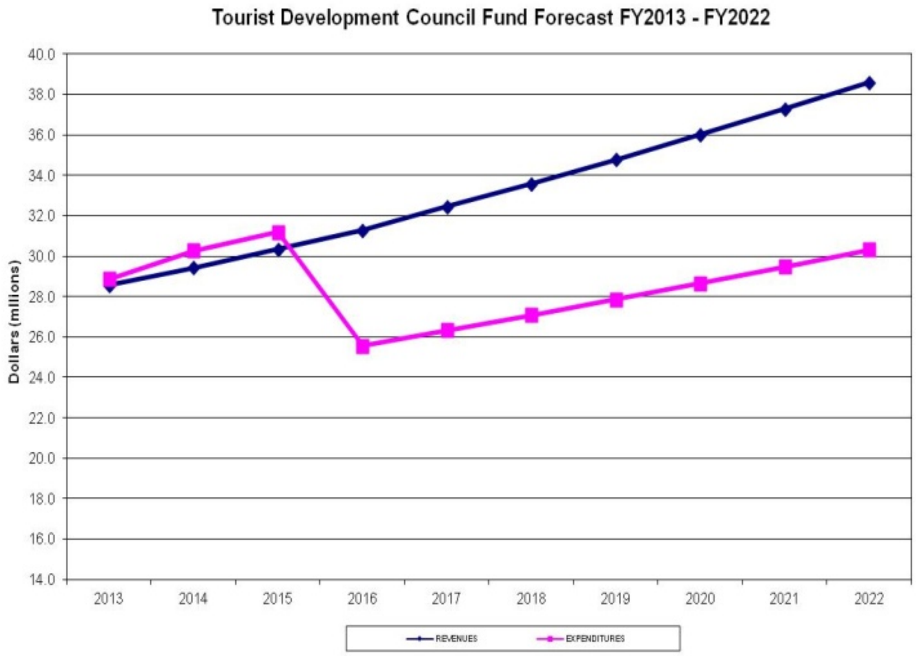
In order to maintain liquidity in this fund, adequate reserves need to be maintained at a minimum level of 10%. This fund has several large expenditures, such as debt service, that come early in the fiscal year and then some occur later in the fiscal year, while peak revenues primarily occur during Spring Break and the Easter timeframe. Since such seasonality occurs for both revenues and expenditures and these fluctuations do not match when they occur, working capital needs would be maintained by using reserves until the revenues are collected.

Ten-Year Forecast

Key Assumptions

The revenue forecast for tourist development taxes assumes only an increase of 3.0% throughout the forecast period, reflecting increasing growth in the economy. On the expenditure side, the promotional activities budget has been 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-authorized to service new debt or allocated to supplement the promotional activities budget, except for the additional capital outlay approved for the Dali Museum beginning in FY2015.

FUND REVIEW: TOURIST DEVELOPMENT COUNCIL FUND



Key Results
The forecast for this fund from FY2013 to FY2015 shows that revenues and expenditures are in-line while the fund maintains at least a 15% reserve. Beginning in FY2016, revenues exceed expenditures by a wide margin as the debt service for Tropicana Field and the Dunedin Spring Training Facility is paid off. Even with the Board approved capital outlay to support the Dali Museum for $2.5M from FY2015 through FY2019, revenues will continue to exceed expenditures. 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.

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 also a 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 international visitors to Pinellas County.

The possibility of offshore drilling in Florida's Gulf Coast could discourage tourism due to the potential negative ecological effects of that industry.

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 beginning in FY2016 will most likely be applied to newly approved debt service or to supplement promotional activities.

FUND REVIEW: 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 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 not keep pace with inflationary increases for expenditures in this fund.

The forecast for the Transportation Trust Fund indicates that the fund is not in balance beginning in FY2013, resulting in a depletion of fund balance by FY2018. This imbalance primarily results from inflationary pressures on expenditures that exceed the relatively flat growth in gas tax collections that are based upon the volume of fuel. By FY2017, 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%. The interlocal agreement will expire in 2017.

Revenues

The Transportation Trust Fund consists mainly of three primary funding sources: State shared gas taxes ($9.2 million), a six cent per gallon local option gas tax ($12.6 million), and a one cent per gallon gas tax (the "Ninth Cent") earmarked for the Advanced Traffic Management System / Intelligent Transportation System ($3.7 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.

FUND REVIEW: TRANSPORTATION TRUST FUND

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. The amount of revenue 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. As a result, this revenue source is anticipated to experience relatively flat growth.

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. The proceeds are shared with the municipalities through an interlocal agreement stipulating that the County retains 60% of monthly collections and municipalities sharing the remaining 40%.

Ninth Cent Gas Tax
This resource is a one cent per gallon tax on all motor fuel sold within the County including diesel. Unlike the Six Cent Local Option Gas Tax, the proceeds are not shared with the municipalities. This gas tax funds the creation and maintenance of the Advanced Traffic Management System/Intelligent Transportation System in the county.

Expenditures

The Transportation Trust Fund supports expenditures totaling approximately $30.4 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 ($6.7 million), traffic signal and traffic control activities ($7.4 million), and bridge and concrete structures maintenance ($5.8 million).

Intelligent Transportation Systems
As a part of improving 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 $1.2 million.

Capital Improvement Project Impacts
Some capital improvement projects have the potential to require increased operating expenditures when completed. Beginning in FY2014, the forecast includes estimated operating expenditures to support completed capital improvement projects.

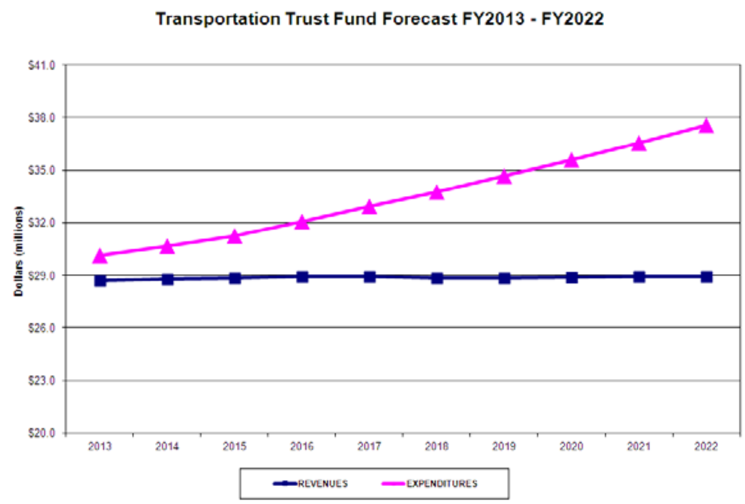
Transfers
Since the inception of the Ninth Cent gas tax, a transfer takes place annually from the Transportation Trust Fund to the Capital Projects Fund. This transfer pays for the installation of capital structures needed to implement the Intelligent Transportation System such as traffic signal controllers, fiber optics, cameras, and message boards. Depending upon available revenues after deductions for operating expenses, an average of approximately $2.5 million is transferred annually 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 projected reserve level in the Transportation Fund is approximately 29%, 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. The reserve also includes the fund balance previously carried in the Local Option Gas Tax fund, which was merged into the Transportation Trust Fund in accordance with new accounting standards (GASB Statement 54) for FY2012. This reserve level will gradually be reduced after expenditures begin to exceed revenues in FY2012.

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%. These taxes are based on gallons consumed and not fuel prices. Pinellas County's built-out condition, and the likelihood of future mandated vehicle fuel efficiency standards, leads to this forecast assuming no growth in these revenues. Based on the historical and future growth patterns, current gas tax revenues are not predicted to keep up with 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.

FUND REVIEW: TRANSPORTATION TRUST FUND



Key Results
Beginning in FY2013, Transportation Trust Fund expenditures exceed revenues throughout the forecast period, which causes a gradual erosion of fund balance until the fund assumes a negative cash position in FY2017. By FY2016, 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, an increase in electric vehicles, or mass transit efforts could also affect the outer years of this forecast.

In addition, 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.

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 $2.2 million. 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
Hendry	9
Hernando	9
Highlands	12
Lee	12
Manatee	12
Marion	12
Martin	12
Miami-Dade	10
Monroe	10
Okeechobee	12
Palm Beach	12
Polk	12
Putnam	12
St. Lucie	12
Sarasota	12
Suwanee	12
Volusia	12

Another balancing option is the implementation of a storm water strategy that includes a new dedicated funding source. If a dedicated funding source was available, approximately $10.5 million of storm water costs currently funded in the Transportation Trust Fund could be freed up to create additional capacity.

FUND REVIEW: CAPITAL PROJECTS FUND

Summary

The Capital Projects Fund is used to account for all governmental capital projects throughout the County. This fund's primary revenue source is the "Penny for Pinellas" one cent local option sales tax that is very sensitive to general economic conditions. Penny tax revenues declined for several years instead of increasing at the original projected rate due to the recession, but 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 Capital Projects Fund shows that the fund is balanced over the forecast period. Additional cash flow necessary in the first half of the ten-year period is being addressed through an interfund loan from the Solid Waste Replacement & Renewal Fund. The forecast includes repayment of the loan from FY2013 to FY2020.

Description

The Capital Projects Fund is used to account for all the governmental capital projects throughout the County. Such projects include roads, bridges, drainage, beach nourishment, park development, and construction of facilities necessary to provide County services.

Revenues

The major revenue components of the Capital Projects Fund are the Penny for Pinellas, Grants and Reimbursements, and Transfers from Other Funds.

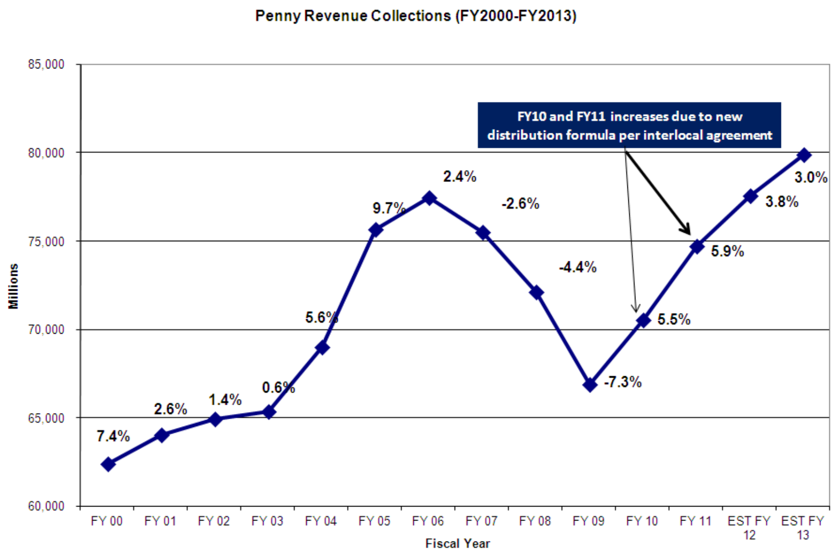
Local Option Sales Tax (Penny for Pinellas)
Penny for Pinellas revenues are proceeds of an additional one cent Local Government Infrastructure Surtax on Sales, pursuant to Section 212.055(2), Florida Statutes, imposed in Pinellas County. The authorized use of these funds is generally restricted to infrastructure projects only and cannot be used for ongoing operation and maintenance costs.

The Penny 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). In accordance with statutory requirements, and interlocal agreements with each municipality in Pinellas County, the County receives approximately 52.3% of the total monthly collections generated by this tax, following the deduction of a dedicated amount for countywide use in improving Court and Jail facilities.

The Penny for Pinellas is the primary source of revenue supporting the County's Capital Improvement Program. 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 declined about 15% from FY2007 to FY2009.

Collections increased in FY2010 and FY2011 due to the transition to the new revenue distribution formula that began in February, 2010 and results in a higher percentage of

collections going to the County primarily due to the increase in the Courts & Jail amount from $80M to $225M over the ten year period. The revenue increase to the County is misleading as the underlying Penny revenues actually decreased in FY2010 and FY2011. In FY2013 the Penny is anticipated to increase 3%, which is consistent with the general improvement in the economy. The chart below shows the fluctuation in annual growth rates experienced since FY2000.



Grants and Reimbursements

The second largest sources of revenue in the Capital Projects fund are grants. The FY2013 budget includes $32.7M in local grants, state grants, federal grants, and reimbursements from agencies like the Southwest Florida Water Management District and the Florida Department of Transportation. Grant and reimbursement revenues are highly variable over the forecast period. The forecast only includes grants that either have been awarded or are highly anticipated to be awarded.

Transfers from Other Funds

The Capital Projects Fund also receives several transfers from other funds to cover or contribute to costs for specific capital projects.

The FY2012 and FY2013 Budgets include a transfer of $52.5M and $10.0M respectively from the Solid Waste Renewal and Replacement Fund as part of the interfund loan to the Capital Projects Fund. On September 21, 2010, the Board approved a resolution authorizing an interfund loan amount of up to $85 million in lieu of a $150M bond issue originally planned to finance key projects in the 2010 to 2020 Capital Project Fund.

The outstanding principal in FY2013 will be $77.5 million (including the FY2013 loan amount of $10 million). The annual rate of interest is a variable rate which is currently less than 1%. Payments on outstanding loan principal are required to begin no later than FY2016 and the loan shall be paid in full no later than December 31, 2019. The benefits of an interfund loan

versus bonding include lower borrowing costs, no reserve requirements, interest accrues to a county entity, and more flexibility in the implementation and terms of the loan.

The loan is being tracked separately for the Centralized Chiller Facility project vs. the cash flow needed for capital projects in total. The loan amount for capital projects consists of $15 million in FY2010, $45 million in FY2012 and $10 million in FY2013. The principal payment on the $70 million loan for capital projects is budgeted for FY2015 – FY2020.

The loan amount for the Centralized Chiller Facility project is $7.5 million in the FY2012 budget. The principal payment on the Centralized Chiller project is budgeted for FY2013-FY2017. This project funds the construction of a new centralized chiller facility for the downtown Clearwater campus. The County will purchase chilled water at a set rate based on the amount of investment towards the cost of the facility. Fully funding this project is estimated to result in $507K of annual savings, $3.8M of cost avoidance, and potential revenue opportunities of $300-400K a year. The total project cost is estimated at $12.0M, of which $1.5M of design costs are being paid for by a federal grant from the Department of Energy and $3.0M was allocated from non-recurring funding in the General Fund in the FY2011 Budget.

The General Fund transfer in FY2013 for $1.8 million covers the cost of two items. The first item is $300K of recurring capital costs paid for by recurring revenue from the implementation of the new parking fees at Fort De Soto Park and Howard Park Beach & Causeway. These funds will be used annually to maintain and improve the bathhouses at the two parks. The second item is $1.5 million for the principal payment on the Centralized Chiller Facility project.

The FY2013 transfer of $2.2M from the Transportation Trust Fund (proceeds of the 9th cent Local Option Gas Tax) contributes to the cost of several Intelligent Transportation System / Advanced Transportation Management System projects.

The FY2013 transfer of $3.2M from the Tourist Development Council Fund (half of the proceeds of the 3rd cent) funds beach nourishment projects in the Coastal Management area.

The Transportation Impact Fee Fund transfer of $1.6M in FY2013 is to cover or contribute to the current or past costs of authorized transportation projects in the twelve geographic transportation impact fee districts of the county.

Expenditures

Expenditures in the Capital Projects Fund consist of capital project expenditures and debt service costs.

Capital Projects

The majority of expenditures in the Capital Projects fund are 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. Planned expenditures in this fund over the forecast period cover the project allocations from the 2010 to 2020 Penny

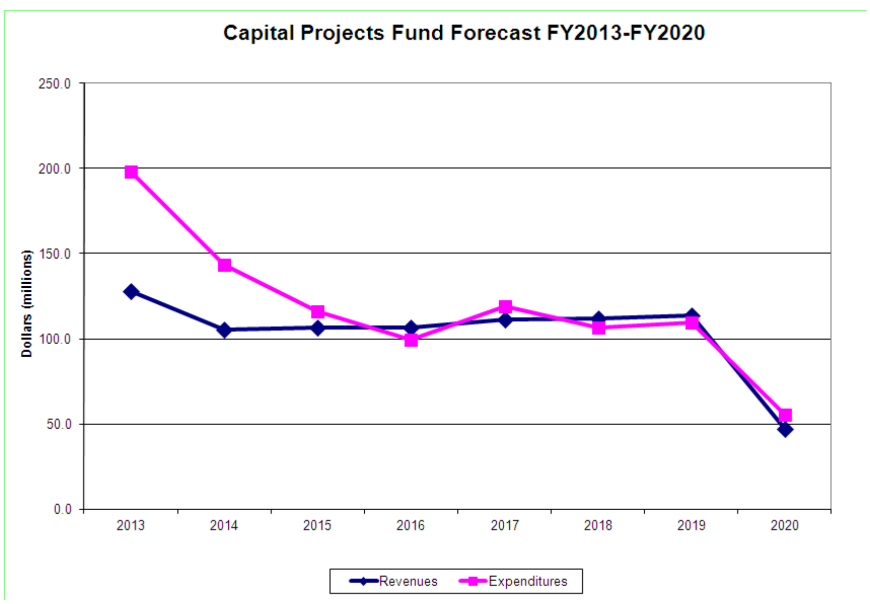
Program. Please see the "Capital Improvement Program" section of the FY2013 Budget Message for expenditure highlights of the One-Year CIP and the Ten-Year CIP.

Debt Service
Debt service costs over the forecast period are associated with the interfund loan from the Solid Waste Renewal and Replacement Fund. The loan consists of $70M to help necessary liquidity in the Capital Projects Fund related to the acceleration of projects in the first half of the 2010-2020 Penny Program and $7.5M for the balance of the remaining cost for the Centralized Chiller Facility. This project has already been funded $1.5M by a Department of Energy grant and $3.0 by non-recurring funds in the General Fund.

Ten-Year Forecast

Key Assumptions
The revenue assumptions for the overall Penny sales tax are consistent with the Half-Cent sales tax in the General Fund at 3.5% growth from FY2013 to FY2020. However, the growth rate in the Capital Projects Fund for the Penny sales tax is less at 3.0% growth from FY2013 to FY2020. This is because the Courts & Jail allocation is a fixed amount that does not grow over time resulting in a slightly smaller growth rate for the County's overall share of the Penny.

The expenditure assumptions for the Capital Projects Fund assume consistency with the 2010 to 2020 Penny Program allocations.



Key Results
The forecast for the Capital Projects Fund shows that the fund is balanced over the forecast period. Additional cash flow necessary in the first half of the ten-year period is being addressed through an interfund loan from the Solid Waste Renewal & Replacement Fund. A primary driver of cash flow is $81M of expenditures associated with the Public Safety Complex project that started in FY2012. The forecast includes repayment of the loan from FY2013 to FY2020.

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. There are 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.

Balancing Strategies

The forecast for the Capital Projects Fund shows that the fund is balanced over the forecast period. The assumption is that expenditures will be decreased or increased to match the Penny for Pinellas and other revenue streams that support the CIP.

FUND REVIEW: 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 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 property values and statewide legislation.

The forecast for the EMS Fund indicates the fund is not balanced over the forecast period. On the revenue side, the FY2013 Adopted Budget includes an increase of 0.0652, or 7.7%, in the countywide EMS millage rate from 0.8506 to 0.9158. With this increase, the EMS budget maintains the status quo with respect to level of service and the delivery system and balances the fund only for FY2013. The millage increase is not enough to fund the system and maintain the fund's reserve at 25% pursuant to Board policy adopted by ordinance. The forecast estimates the reserve at 21.5% in the FY2013 ending fund balance, and 11.5% at the end of FY2014 if the tax rate is not increased again or expenditures are not significantly reduced.

Future expenditure savings will be addressed with the results of an operational study and accounting study that are underway to analyze variations of EMS service under consideration for Pinellas County. In late 2011, the Pinellas County Legislative delegation created an EMS Fire Transport Special Committee to select a nationally recognized firm that would operationalize, analyze, and compare costs for three variations of EMS service: 1) The current EMS system; 2) The system as proposed in the Integral Performance Solutions Study; and 3) The Sanford-Millican proposal for fire based transport.

The current ambulance service contract is in effect through FY2014, with a one (1) year extension option, while First Responder contracts are currently funded based on actual First Responder costs as defined in Resolution 09-38. It is expected that a combination of revenue increases and expenditure savings will be needed to make up for deficits in prior years and increase reserves to a sustainable level throughout the forecast period.

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 18 fire service agencies (first responders), and one ambulance provider (Paramedics Plus, operating in Pinellas County under the trade name "Sunstar"). The EMS System 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 System 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.

Ambulance User Fees

The ambulance service user fees provide funding for the ambulance program, which includes the ambulance provider (Paramedics Plus) contractual expenditures, ambulance billing costs, and ambulance program support costs. Ambulance user fees are based on transport volume and transport charges. An average retail rate charge is $600 per transport. The County bills Medicare, Medicaid, private insurance, and various other payors for transport service. Billing for the service is done by Pinellas County. The collection rate is currently about 70% (net of Medicare/Medicaid non-allowable charges) of billing for the 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 budgeted to generate $42M in FY2013. The Board of County Commissioners has the authority to increase ambulance user fees as necessary. In addition, Board Resolution 89-208 calls for an automatic increase in user fee rates by the percentage increase in the medical consumer price index for the previous year until the prudent reserve level is reached (25%).

The County also offers an ambulance user fee membership program that citizens can join to minimize the cost of EMS transports. For FY2013, membership revenue is budgeted to generate $200K.

Property Taxes

Property taxes are used to fund the first responder program. Property tax revenues have decreased significantly over the last several years due to legislative rollbacks, the passage of Amendment One, the decline in the real estate market and the recession.

The EMS millage rate is a county-wide millage rate that remained flat from FY2008 through FY2011 at 0.5832. The Board of County Commissioners has the authority to increase or decrease this millage rate. In FY2012 the millage rate increased to 0.8506, and for FY2013 a millage rate of 0.9158 was approved in order to balance the fund and approach a beginning balance/reserve of 25% (level set by County Ordinance, approved by the Board on December 20, 2011). The millage cap for this revenue is 1.5000 mills, and the rollback rate for FY13 is 0.8698. With the millage increase, tax revenue increases $2.2 from FY2012 to FY2013, and the

FUND REVIEW: EMERGENCY MEDICAL SERVICE FUND

EMS Fund has a forecasted FY2013 budget deficit of $1.7M. Without another millage increase, or significant expenditure reductions in the next two years, the deficit will grow to $8.6M in FY2014 and leave a projected 11.5% fund reserve balance going into FY2015. Then a projected deficit of $11.3M would deplete the remaining reserves in FY2015.

Emergency Medical Service Fund

Ad Valorem Revenue & Millage History

Fiscal Year	Millage	Budget $ (000's)	
2013	0.9158	$	43.8
2012	0.8506	$	41.6
2011	0.5832	$	30.0
2010	0.5832	$	33.6
2009	0.5832	$	38.3

Note: Budget figures are at 95% of revenue

Expenditures

The Emergency Medical Service Fund supports budgeted expenditures and reserves in FY2013 totaling $107.5M for all eighteen first responders and the ambulance contractor. The primary expenditures in the fund are $38.2M for payments to the ambulance contractor, $40.1M for contractual payments to the first responders, and $12.2M in program support and billing of ambulance claims.

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 FY2012 with an annual reduction to base service payments of $2 Million. A 6% increase was included in the forecast from FY2013 through FY2021 to account for annual CPI increases and increases to transport volume. However, once the contract is up for negotiation, expenditures may change as the economy rebounds and fuel and labor costs and other factors change.

First Responder Contractual Payments

The County contracts with the eighteen 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 FY2013, budgets submitted by the 18 agencies included an overall increase of 5%.0

In FY2013, the first responder agreements also include an agreement of $35.6K to Eckerd College for basic life support water rescue.

EMS Program Support Costs

The County incurs program support costs (Personal Services and Operating Expenditures) to support the EMS program. These costs are allocated between the ambulance function and the first responder function.

Costs allocated to both functions include the Office of the Medical Director, St. Pete College training expenses, communication and EKG equipment and maintenance, and personnel and operating expenses to administer all contracts within the program.

The FY2013 Ambulance program support expenditures of $6.3M pay for those support items listed above and the ambulance billing function that includes a staff of 34. The FY2013 First Responder program support expenditures of $4.4M include those allocated support items listed above.

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. FY2013 costs for this function are $1.3M. 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. On December 20, 2011, the Board approved changing the prudent reserve amount to 25%. 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. In addition, this reserve level will provide cash flow needs in the event of interruptions to ambulance collections due to a disaster or a Medicare and/or Medicaid audit. With high monthly contractor payments, it is critical cash flow needs are met. With the budgeted level of all revenues at the statutory required 95%, the FY2013 reserve level is estimated to be 18.6%. On a forecast basis, with Ad Valorem revenue at 96% and Ambulance revenues at 100%, the estimated reserve level is projected at 21.5% going into FY2014. Without additional increases in the millage rate, or substantial decreases in expenditures, the reserves are forecasted to decline to 11.5% by the end of FY2014 and be completely depleted in FY2015.

Ten-Year Forecast

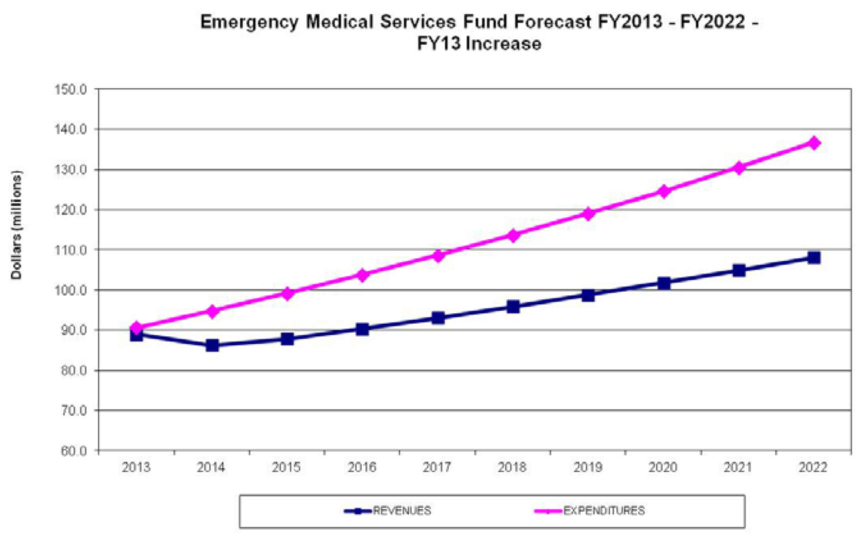
Key Assumptions

The EMS countywide millage is assumed to remain at the FY2013 approved rate of 0.9158 mills through the forecast period. The FY2013 increased millage helps overcome the forecasted decline in property tax revenue of 2% that is projected for FY2014. Revenue is projected to grow 2% in FY2015, followed by a 4% annual growth factor from FY2016 to FY2022, as taxable values should begin to recover as the economy improves and the housing market rebounds. During the forecast period, ambulance revenue user fees are estimated to increase by 2.0%.

FUND REVIEW: EMERGENCY MEDICAL SERVICE FUND

First responder contractual expenditures increased 5% from FY2012 to FY2013 and are estimated to increase at 4% through the forecast period.

Contractual payments to the ambulance contractor are assumed to increase by 6% through the forecast period as contracted expenditures will increase due to increased transport volume and increases in the CPI as stipulated in the contract. The County will work with the provider to negotiate the lowest possible contract while still maintaining quality service.



Key Results
In the chart for the total EMS Fund above, the forecast shows expenditures exceeding revenues over the forecast period. Balance for FY2013 is achieved through the FY2013 millage rate increase and use of reserves. Without another millage rate increase and/or expenditure savings, reserves will be exhausted in FY2015.

Potential Impacts

The major impact to future revenues is declining property tax revenues. 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. The ambulance contract will be up for re-negotiation in FY2014 with potential impacts to expenditures.

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.

Balancing Strategies

The forecast shows that the fund is not in balance over the forecast period, with future balancing strategies to be developed from information gathered in the EMS system operational study.

FUND REVIEW: 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. Budgetarily, each Fire District is balanced separately. Property taxes have declined dramatically in recent years due to a downturn in property values and statewide legislation. Property tax revenues are forecast to decrease in FY2014 before increasing gradually during the forecast period.

The forecast for the Fire District Fund indicates that the fund is not balanced through the forecast period. Four of the twelve fire districts are proposing millage rate increases for FY2013 to support increasing expenditures. Largo is the fifth district needing a millage rate increase. Although Largo Fire District's budgeted expenditures decreased from FY2012 to FY2013, the millage rate increase is needed due to another decline in property values. 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 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/ Largo, 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.

Those Fire Districts that were created under Chapter 73-600, Laws of Florida receive compensation 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).

FUND REVIEW: FIRE DISTRICTS FUND

Property Taxes

Property tax revenues have decreased significantly over the last several 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 budgeted to generate $14.8M in FY2013 across all districts.

Each dependent fire district has a separate ad valorem millage rate that is the sole revenue source for each of the fire districts. The next chart illustrates five of the fire districts require an increase in millage rates in FY2013 to fund fire service provider expenditures. These five districts are Clearwater, Dunedin, Largo, Safety Harbor and Tierra Verde.

Dependent MSTU Fire Protection Districts

Ad Valorem Millage Rates & Millage Rate Caps

	Millage Rate Caps	FY13 Proposed Millage	FY12 Adopted Millage	Variance FY13/FY12 Millages
Belleair Bluffs/Largo	5.0000	1.7320	1.7320	0.0000
Clearwater	5.0000	3.2092	2.6591	0.5501
Dunedin	5.0000	3.5525	2.2576	1.2949
Gandy	5.0000	2.2602	2.2602	0.0000
Largo	5.0000	3.5609	3.5133	0.0476
Pinellas Park	5.0000	2.3675	2.3675	0.0000
Safety Harbor	5.0000	2.7631	2.6800	0.0831
Tarpon Springs	5.0000	2.3745	2.3745	0.0000
Seminole	10.0000	1.9581	1.9581	0.0000
High Point	10.0000	4.1916	4.1916	0.0000
Tierra Verde	3.0000	1.9118	1.9087	0.0031
South Pasadena	5.0000	0.9137	3.1257	-2.2120

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 3.0 mills, which was increased by the Board from 1.5 mills in June, 2010 to meet increasing operating expenditures.

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. For nine of the 12 Fire Districts, FY2013 taxable values decreased from the prior year due to the continued decline in the real estate market. Three districts gained taxable value in FY2013, recovering some of the lost value through FY2012.

Unincorporated Fire Districts

Percentage Change in Taxable Values FY2011/2012

Taxing Authority	FY12 Taxable Values	FY13 Taxable Values	% Chge
Belleair Bluffs/Largo	281,332,094	267,962,625	-4.75%
Clearwater	888,428,781	831,260,703	-6.43%
Dunedin	280,773,821	279,367,691	-0.50%
Gandy	46,246,094	45,444,402	-1.73%
Largo	534,088,892	512,659,658	-4.01%
Pinellas Park	268,204,137	253,431,862	-5.51%
Safety Harbor	63,339,041	64,246,370	+1.43%
Tarpon Springs	168,715,814	164,963,370	-2.22%
Seminole	2,203,015,774	2,106,822,294	-4.37%
Highpoint	675,532,802	657,217,037	-2.71%
Tierra Verde	714,080,020	736,173,857	+3.09%
South Pasadena	99,826,357	101,553,248	+1.73%

Expenditures

The Fire District Fund supports estimated expenditures and reserves in FY2013 totaling $23M for all twelve districts. The primary expenditures budgeted in the fund are $13.9M for contractual payments to the municipalities and other independent agencies for fire and rescue services and $8.3M in reserves.

Contractual Fire Payments

Contracts for fire protection services are negotiated with providers on an annual basis. The forecast includes an annual 4.0% 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. The exception is the new contract with the city of St. Petersburg for services to the South Pasadena district, which is set at $75K per year for five years.

Administrative Costs

Administrative costs from the County are allocated to each fire district based proportionately on the amount of budgeted ad valorem revenue collected. This cost has decreased in recent budget years as reductions have been made to this allocation. The FY2013 budget is $264.5K. 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, that are allocated out to the twelve fire districts.

Transfers
The Fire District fund has transfers to the Property Appraiser and Tax Collector to cover the costs of appraisals and collection of ad valorem revenues. These amounts are set by Florida Statute and fluctuate with ad valorem revenue estimates. FY2013 costs for are estimated at $458K.

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. This is at the low end of the 5-15% reserve level budget policy adopted by the Board. Several of the individual fire districts currently maintain a 5% minimum reserve including Clearwater, Dunedin, Gandy, Largo and Tierra Verde. Safety Harbor's contingency reserve is decreased from 10% to 5% in FY2013, which helped reduce the required millage increase. Some of the districts, including Belleair Bluffs/Largo, Pinellas Park, Tarpon Springs and Seminole Fire Districts, maintain a 10% reserve level that serves as a buffer to shield the district from economic downturn in their area. In FY2013, High Point is able to increase its contingency reserve from 5% to 8% with no increase in millage from FY2012, and South Pasadena increases from 5% to 10%.

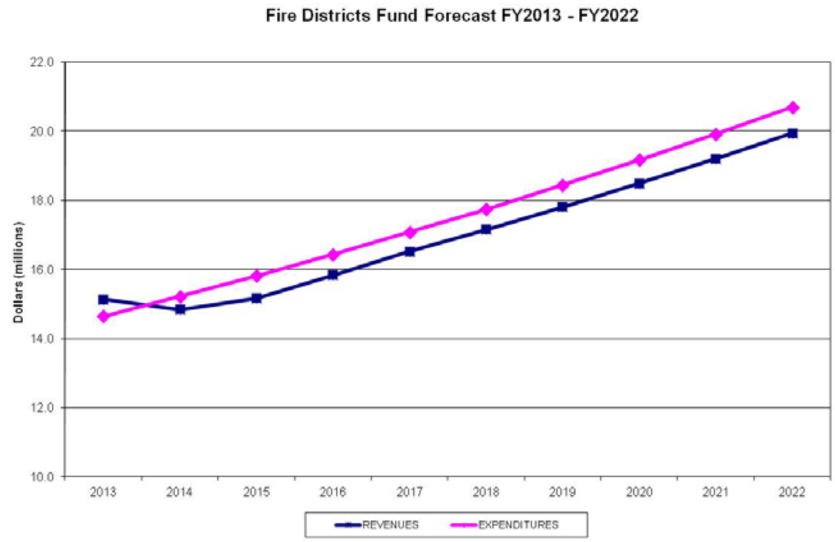
In addition, some fire districts set aside funds in Reserve for Future Years for long-term capital projects, such as a new fire truck purchase or improvements to a fire station. Districts can request these funds with the County sharing their portion of this request based on the unincorporated value of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

Ten-Year Forecast

Key Assumptions
The fire district millages are assumed to remain at the approved FY2013 rates through the remainder of the forecast period for each of the districts. Property tax revenue is forecasted to decrease in FY2014 by 2% due to additional decreases in taxable values during the forecast and then increase by 2% in FY2015. Annual growth of 4% is projected through the rest of the forecast period as the housing market begins to rebound.

On the expenditure side, the contractual payments to the cities are assumed to increase by 4.0% through the forecast period, which outpaces the property tax revenues for the complete forecast period.

FUND REVIEW: FIRE DISTRICTS FUND



Key Results

The chart above shows that expenditures exceed revenues from FY2014 through the forecast period. 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 operating and capital funds are requested, 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 most of the individual fire districts. As the main source of revenue in this fund is property taxes, which is not anticipated to recover immediately, several 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 each budget year to keep up with expenditures.

Potential Risks

The major variable impacting future revenues for this fund is ad valorem revenue and taxable values. If taxable values begin to rebound, then the opportunity for higher revenues will increase. This is the main driver for increased revenues in the forecast.

However, if taxable values continue to decrease as they have in the past several years, then the major revenue stream for the fire districts will be impacted. As the districts continue to increase their operating requests and as taxable values decrease, the pressure on increasing millage rates for the fire districts will continue each budget year.

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. The funding formula in most fire districts allows for the

remaining unincorporated payment to decrease proportionately. The exception to this practice is those Highpoint properties annexed by the City of St. Petersburg.

Another impact to fire service costs would be increased costs of Emergency Medical Service funding. If EMS funding is reduced by the County there is a high probability these same providers may shift those costs to their fire district budget.

Balancing Strategies

The forecast shows that this fund is not balanced during the forecast period. This fund cannot be taken as a whole, but each district must be looked at individually. Until the ad valorem revenue projection 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 are being reviewed for continued 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.

FUND REVIEW: AIRPORT FUND

Summary

The Airport Operating and Revenue Fund is an enterprise fund that accounts for revenues and expenditures at St. Petersburg – Clearwater International Airport. This includes management of airport properties in addition to airfield operations. The airport is self-supporting, and no property tax dollars are used to support the operation of the airport.

Airport revenues have remained stable 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 ability to forecast the availability of capital contributions and other grant funding after FY2018 is limited. Therefore, intergovernmental revenues in FY2019 through FY2022 are forecast at a conservative lower level.

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

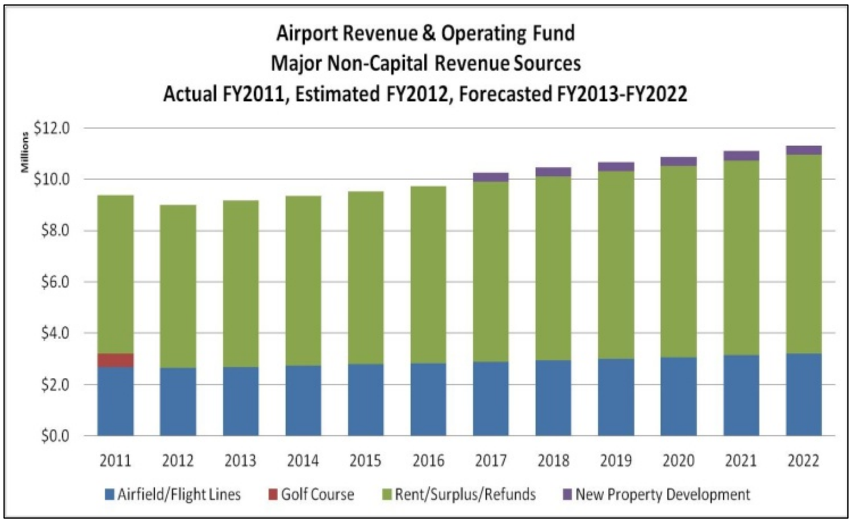
In March 1941 construction started for the airport at its present site. After Pearl Harbor, the airport, known as Pinellas Army Airfield, was used as a military flight-training base. After WWII, many army airfields were declared surplus and turned over to cities, counties, and state sponsors to manage. 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 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 129 acre planned development site (former 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) are 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.

In recognition of the quality of operations and innovative and efficient management, the Florida Department of Transportation recognized St. Petersburg – Clearwater International Airport as the 2010 Commercial Service Airport of the Year. In 2011, Allegiant Airlines recognized the Airport's terminal renovation project as their system's airport construction project of the year.

Revenues

Excluding capital contributions and grants, the two major funding sources supporting the Airport Revenue and Operating Fund during the forecast period are Rentals/Leases/Concession income and Airfield/Flight Line Fees.



Rentals/Leases

St. Petersburg-Clearwater International Airport, which is classified as small-hub airport by the FAA, provides commercial and private aviation services for the community. The Airport also has a significant amount of land which is leased under long-term leases providing a stable source of revenues. 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 concessions operating at airport terminal, such as the paid parking, car rentals, gift shop and restaurant. These revenue sources are expected to increase by 2% over the 10 year forecast.

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 increase by 2% over the 10 year forecast.

The following chart for passenger traffic in 2011 shows that Allegiant Airlines represents 89.3% of the passengers served on commercial carriers from St. Petersburg-Clearwater International Airport. Revenues from Terminal concession leases, along with airline landing fees and fuel flowage fees, are dependent on passenger airline service.

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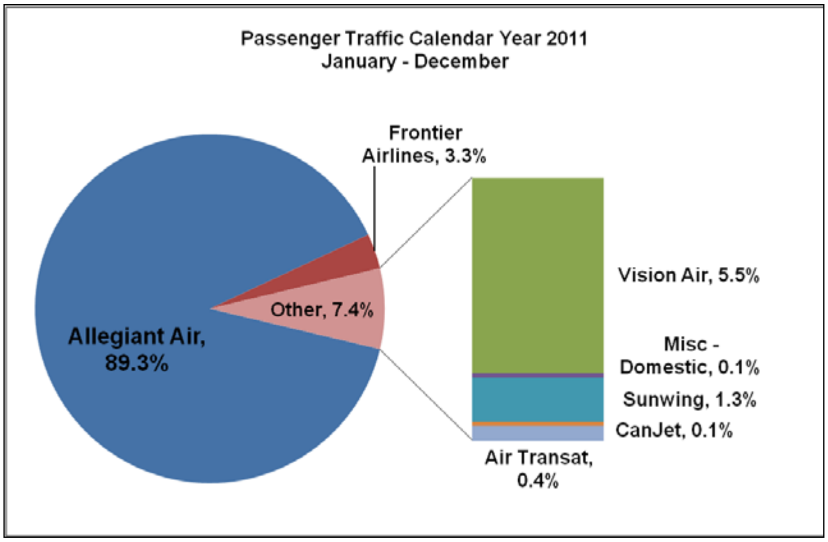


Capital Contributions and Grants

Capital Contributions funding is in the form of grants from the Federal Aviation Administration (FAA), the Florida Department of Transportation (FDOT), along with Passenger Facility Charges (PFCs). These are the revenue sources typically used for the Airport's capital project funding. There are also occasions when Airport Reserves are used to assist with funding of CIP Projects.

Other Revenues

AIRCO Golf Course, which had been operating on airport property, closed in FY2011. Revenue from new development on this property is not expected to be produced until FY2017.

Expenditures

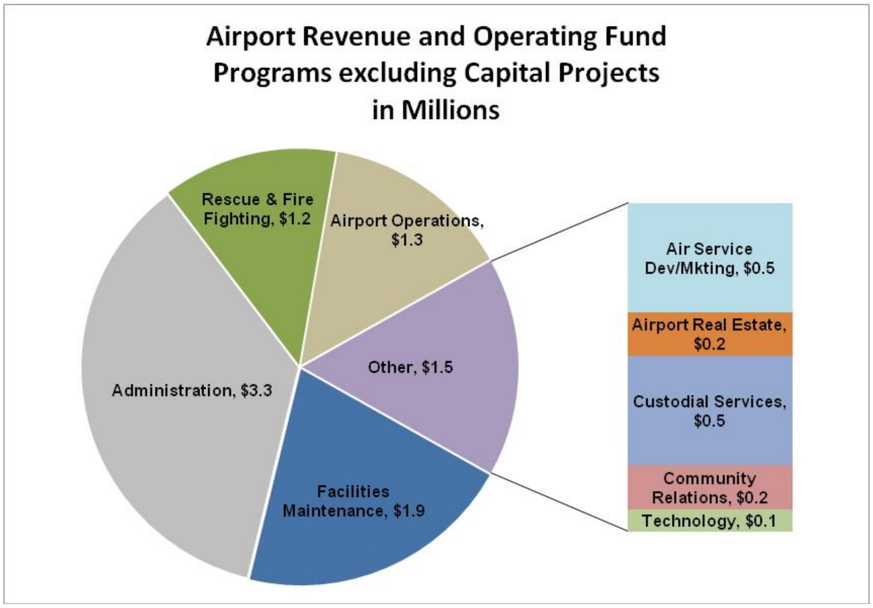
The Airport Revenue and Operating Fund supports estimated expenditures and reserves in FY2013 totaling $32.9M of which $12.4M is allocated for capital projects and $11.4M is reserves.

Airport Programs

Of the remaining $9.1M in operating expenditures, the primary program expenditure is $3.3M for Administration. Other major program expenditures include $1.9M for Facilities Maintenance, $1.3M for Airport Operations, and $1.2M for Airport Rescue & Fire Fighting.

The airport real estate program ensures compliance to Federal Aviation Administration (FAA) lease requirements. This program has FY2013 budgeted expenditures of $233K.

FUND REVIEW: AIRPORT FUND

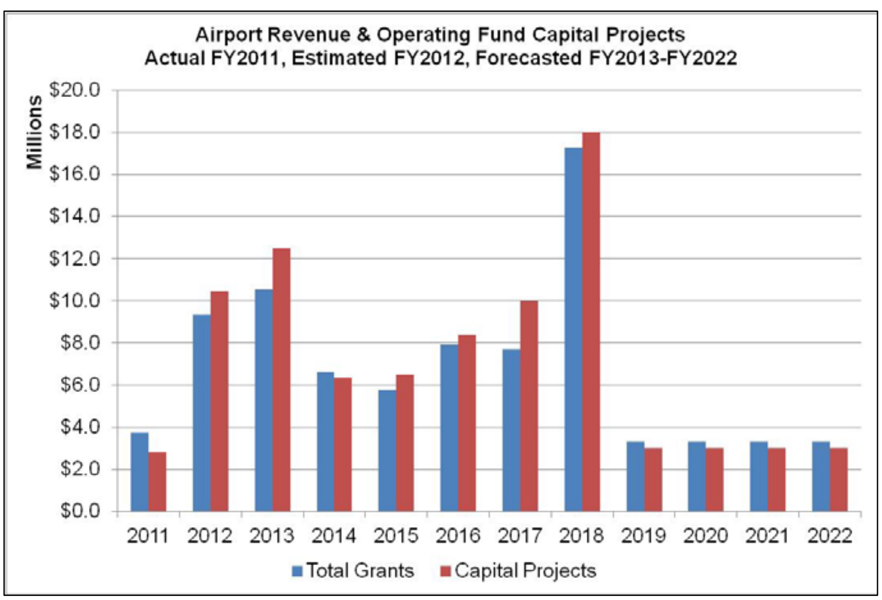


Personal Services

Personal Services expenses are for the salaries and benefits of the 64 positions needed to operate the Airport. Personal Services expenditures in FY2013 total $4.3M.

Capital Projects

The FY2013 Budget for Capital Projects is $12.4M. 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.



FUNDRE VIEW: AIRPORT FUND

Reserves
The total reserve level in the Airport Revenue and Operating fund is budgeted at $11.4M in FY2013. This reserve level is the result of the Airport building reserves over the past several years. The reserves are then available in the event of unanticipated revenue shortfalls and, as well as, support future capital funding needs. Airport Reserves also include the projected cost of Other Post Employment Benefits (OPEB), as proprietary funds are required by GASB #45 to record the entire annual required contribution (ARC) accrual on the financial statements.

Ten-Year Forecast

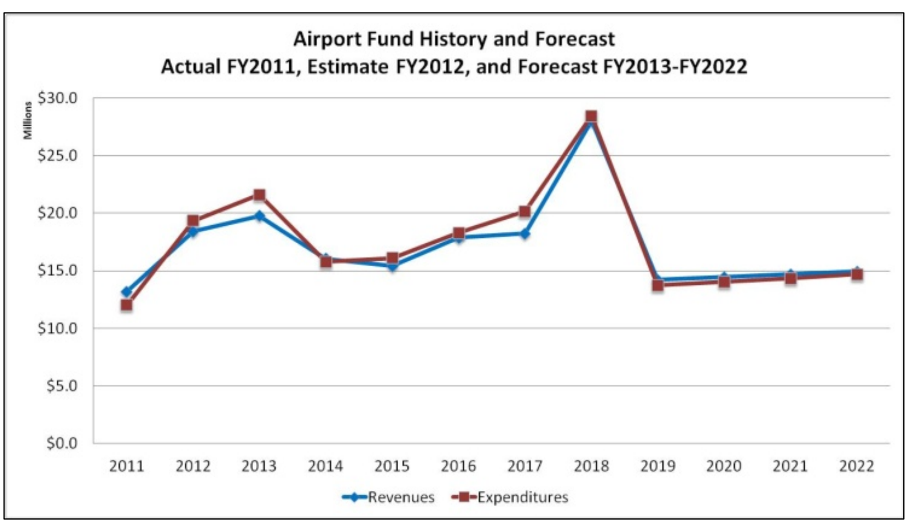
Key Assumptions
The revenue forecasts of funding total resources are conservative due to the current economic conditions.

Airfield/Flight Line revenue for FY2013 is based on the current level of carriers and passenger numbers. For FY2014 through FY2022, an increase of 2% per fiscal year is forecast. The forecast is conservative, as no new carriers or agreement renewals have been included.

Rent/Surplus/Refunds revenue for FY2013 is based on current leases/agreements through the termination of these lease agreements. In FY2014 through FY2022, an increase of 2% is forecasted for each fiscal year.

No new revenue from commercial or industrial development on the former golf course acreage is projected in the forecast until FY2017. However, new property development will depend on factors such as site restrictions and future economic conditions.

Capital expenditures track the estimated capital contributions and estimates of current project completions in forecasted years. FY2018 shows preliminary planned improvements such as new T-hangers and expanded cargo ramp.



FUND REVIEW: AIRPORT FUND

Key Results
The forecast for the Airport Fund is balanced over the forecast period.

The fluctuation in total revenues and expenditures is caused by the timing of capital projects. Capital project impact to both revenues and expenditures is fund neutral, since the projects are dependent on the availability of grants. If the grants are not forthcoming, 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 airport can attract new passengers and other carrier services. Increases in rental/leases income would result when current leases and agreements are renewed and rate formula escalations occur.

The former AIRCO Golf Course has been rezoned for future aviation and commercial development. The potential lease income value of this parcel is approximately $1.5M annually when all land is fully leased. In addition, other vacant land parcels could add another $100K to $300K in annual lease income if fully leased.

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.

FUND REVIEW: WATER FUNDS

Summary

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

The forecast for the Water System Funds shows that the multi-year rate increases approved as part of the FY2012 budget process will provide sufficient revenues to maintain reserves and fund capital replacement needs through FY2015. The forecast revenues include an additional 2% per year annual increase in rates from FY2016 through FY2022. In FY2012 through FY2014, recurring expenditures will exceed recurring revenues as fund balance is drawn down as major capital projects are completed. From FY2015 through FY2022, the Water Funds are structurally balanced as recurring expenditures are in line with recurring revenues.

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, Renewal and Replacement (capital), Impact Fees, and Construction Fund. This forecast covers all funds.

Revenues

The Water Funds generate revenues budgeted in FY2013 totaling $81.4 million. The Water Funds have two primary funding sources: retail water sales of $62.1 million and wholesale water sales of $15.1 million.

Retail Water Sales

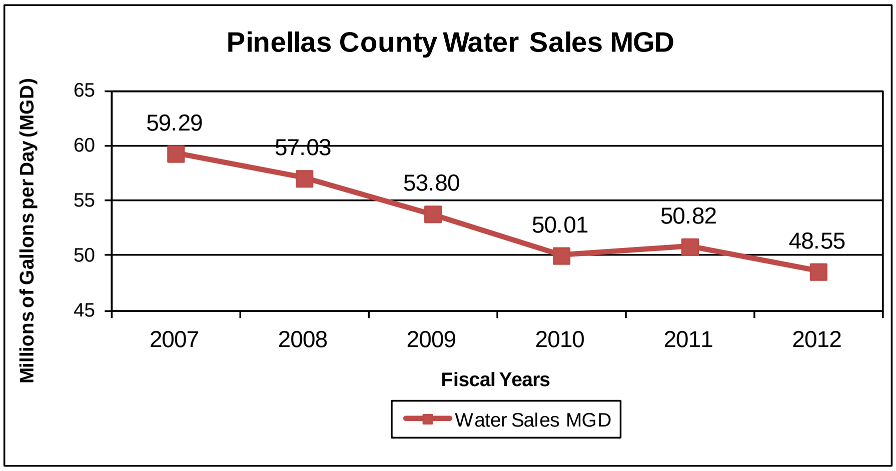
The Water System charges $3.35 per month base rate and $4.78 per 1,000 gallons for retail water service. There was no retail rate increase adopted for FY2012. In future years, the approved multi-year rate increases add $1.00 to the base rate in FY2013, FY2014 and FY2015 for revised base rates of $4.35, $5.35 and $6.35 respectively. Retail customers are commercial and residential customers in the Pinellas County Water service area. The volume of water purchased has declined 9% from FY2007 to FY2011. The amount of water purchased is affected by economic conditions, housing and commercial vacancies, and levels of conservation.

Wholesale Water Sales

The Water System charged $3.4277 per 1,000 gallons for wholesale water service. The approved rate increase is 4% each year from FY2013 to FY2015 resulting in revised rates of

$3.5648, $3.7074, and $3.8557 respectively. Wholesale customers are six 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, Belleair and Pinellas Park are the wholesale customers of the Water System. The volume of water purchased has declined 24% from FY2007 to FY2011, partially due to some cities developing their own water sources. The amount of water purchased is also 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 FY2013 totaling $121.4 million. The primary expenditures in the fund are $46.3 million for the purchase of water, $18.5 million for capital outlay, $14.5 million for personal services and associated costs, and $16 million for operating expenses.

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.

Capital Outlay

The Water System must maintain its equipment, facilities, pipelines, and plants in good working order, utilizing revenues generated within its proprietary funds. Capital outlay reflects the construction and purchase needs as estimated by Pinellas County Department of Environment and Infrastructure Engineering Division in the CIP ten year work plan and beyond.

Personal Services

The Water System employs 202 full-time employees in FY2013. The Personal Services expenses of $14.5 million are for the salaries and benefits of those positions needed to operate the Water System. Water System benefits include the $1.3 million cost of Other Post Employment Benefits (OPEB), 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 21%, which is above the 5-15% reserve level budget policy adopted by the Board. The Water System maintains these reserves for cash flow and future capital needs.

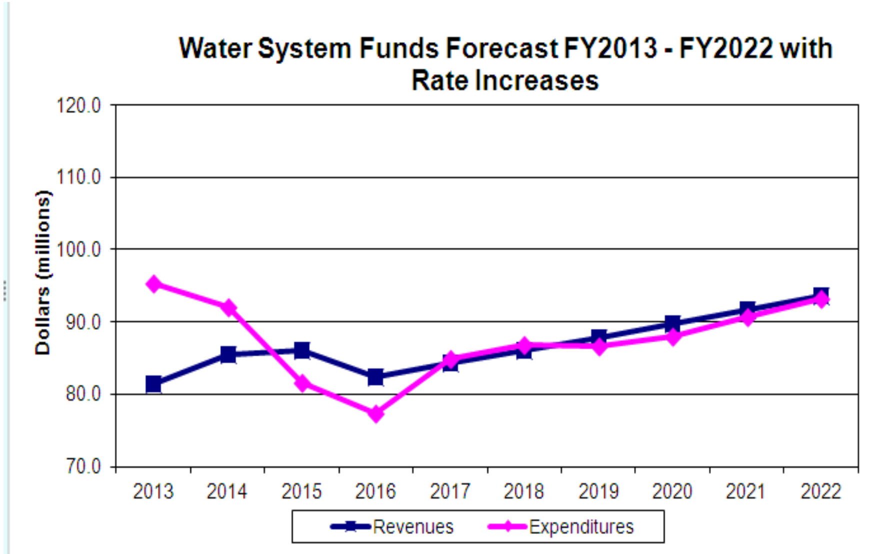
Ten-Year Forecast

Key Assumptions

The revenue forecast assumes a small decline in FY2013 of 1.36%, 0% decrease from FY2014 through FY2016, and then increases of .09% in FY2017, .18% in FY2018 and .27% from FY2019 through FY2022 in retail water demand over the forecast period due to the expected slow growth in the economy. The wholesale water demand reflects a steep 70% decline in demand FY2007 through FY2016, 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 reflect the forecast trends described in the Key Assumptions section of this document. Electricity and chemicals costs are forecasted to increase by 5% and 7% per year respectively through the entire forecast period. The capital outlay forecast reflects the construction and purchase needs as estimated by the Pinellas County Department of Environment and Infrastructure Engineering Division.

To balance revenues with forecasted expenditures, future rate increases will be necessary for both retail and wholesale rates. Burton and Associates, Utility Finance and Economics Independent Consultants computed that rate increases for FY2016 through FY2022 are needed at 2% per year, based on a blend of growth and consumption assumptions, inflationary cost increases, and capital needs at the forecasted water demand levels.

FUND REVIEW: WATER FUNDS



Key Results
The forecast for the Water System Funds shows that the approved rate increases, and future rate increases starting in FY2016, will provide sufficient revenues to maintain reserves and fund capital replacement needs. In FY2013 and FY2014, recurring expenditures will exceed recurring revenues as fund balance is drawn down as major capital projects are completed. From FY2015 through FY2022, the Water Funds are structurally balanced as recurring expenditures are in line with recurring revenues.

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 operating and capital costs.

Balancing Strategies

With the multi-year rate increases approved during the FY2012 budget process and future rate increases, Water System revenues will be sufficient to cover forecasted expenditures and maintain sufficient reserves over the forecast period.

FUND REVIEW: SEWER FUNDS

Summary

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

The forecast for the Sewer System Funds shows that the multi-year rate increases approved in FY2012 will provide sufficient revenues to maintain reserves, sustain the recommended debt service coverage ratio of 1.5, and fund capital replacement needs through FY2015. The forecast revenues include an additional 2.75% per year annual increase in rates from FY2016 through FY2022. In FY2013 through FY2015, recurring expenditures will exceed recurring revenues as fund balance is drawn down as major capital projects are completed. From FY2016 through FY2022, the Sewer Funds are structurally balanced as recurring expenditures are in line with recurring revenues.

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. The Sewer System is required to maintain a debt service coverage ratio of 1.25x per the bond covenants, but the bond rating agencies recommend a debt service coverage ratio of 1.5x to sustain our current bond ratings.

Revenues

The Sewer Funds generate revenues budgeted in FY2013 totaling $61.1 million. The Sewer Funds have four primary funding sources: retail sewer charges of $48.4 million, wholesale sewer charges of $6.8 million, retail reclaimed water charges of $3.9 million, and wholesale reclaimed water charges of $0.33 million.

Retail Sewer Charges

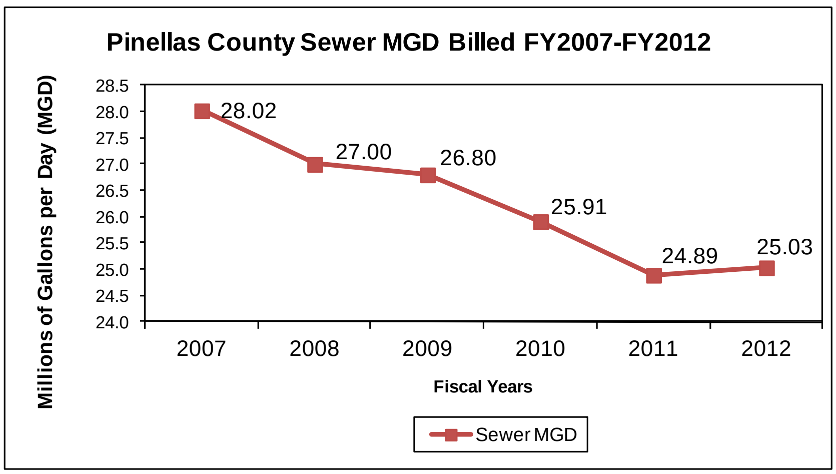
The Sewer System charges $11.13 per month base rate and $4.07 per 1,000 gallons for retail sewer service. The FY2013 increase of 6% for retail customers (adopted in 2012) will result in a base rate of $11.80 per month and $4.31 per 1,000 gallons. Retail customers are commercial and residential customers in the Pinellas County Sewer service area. Total billed retail demand has declined 12% from FY2007 to FY2011. The amount of sewage processed is affected by

economic conditions, housing and commercial vacancies, and levels of water conservation. Prior to this approved rate increase, there was a 6% increase in 2012, a 1.5% increase in FY2011, a 3.5% increase in FY2010 and no rate increases from FY2004 thru FY2009.

Wholesale Sewer Sales

The Sewer System charges $3.2264 per 1,000 gallons for wholesale sewer service. The adopted FY2013 increase of 9% for wholesale customers (adopted in 2012) will equate to $3.5168 per 1,000 gallons. 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 North Redington Beach, Redington Shores, Indian Rocks Beach, and Pinellas Park are the wholesale customers of the Sewer System. Similar to retail sewer sales, the total billed wholesale demand has declined 8% from FY2007 to FY2011. 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 $16.00 per month rate for unfunded un-metered service (systems without existing distribution lines) and $7.00 per month availability charge and $0.72 per 1,000 gallons for retail reclaimed water service for metered service unfunded systems (systems without existing distribution lines) and $15.00 per month base rate for funded un-metered service (systems with pre-existing distribution lines) and $0.72 per 1,000 gallons for metered funded systems (systems with pre-existing distribution lines). Rates for unfunded 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. The FY2013 budget includes approved rate increases of $1.00 per year for un-metered service and a user fee per 1,000 gallon increase of $.08 per year for metered service. The rates for FY2013 (adopted in FY2012) will be: $17.00 for unfunded un-metered service; and $0.80 user fee per 1,000 gallons for unfunded metered service; $16.00 for funded un-metered service; $0.80 user fee per 1,000 gallons for funded metered service.

Wholesale Reclaimed Water Charges

The Reclaimed Water System charged volumetric rates by contract for wholesale reclaimed water service. No increase for wholesale rates was proposed for FY2012. 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 FY2013 totaling $108.7 million. The primary expenditures in the funds are $16.5 million for personal services costs, $14.8 million for debt service, $24.0 million for operating expenses, $23.4 million for capital outlay, and $30.4 million in reserves.

Personal Services
The Sewer System employs 222 full-time employees in FY2013. The Personal Services expenses of $16.5 million are for the salaries and benefits of those positions needed to operate the Sewer System. Sewer System benefits include the $1.3 million cost of Other Post Employment Benefits (OPEB), 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.

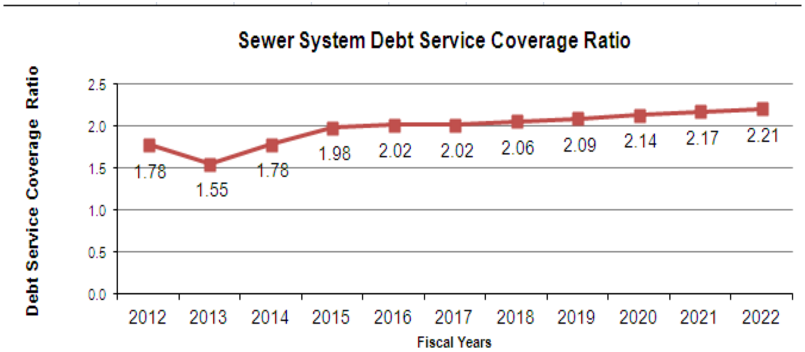
Debt Service
The Sewer System has $184.3 million principal of outstanding bonds as of June 30, 2012, requiring annual principal and interest repayments ranging from $5.4 million to $14.8 million per year until 2032. The bonds were issued to fund various sewer system capital projects. The bonds maturity 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 the Department of Environment and Infrastructure Engineering Division in the CIP ten year work plan and beyond.

Reserves
The reserve level in the Sewer System is 22%, which is higher than the 5-15% reserve level budget policy adopted by the Board. The Sewer System maintains $8.0 million of reserves for cash flow and $21.4 million to fund future capital needs. In addition, the 2008 bond issue

requires a debt service reserve of $1.97 million to maintain the recommended debt service ratio of 1.5x.

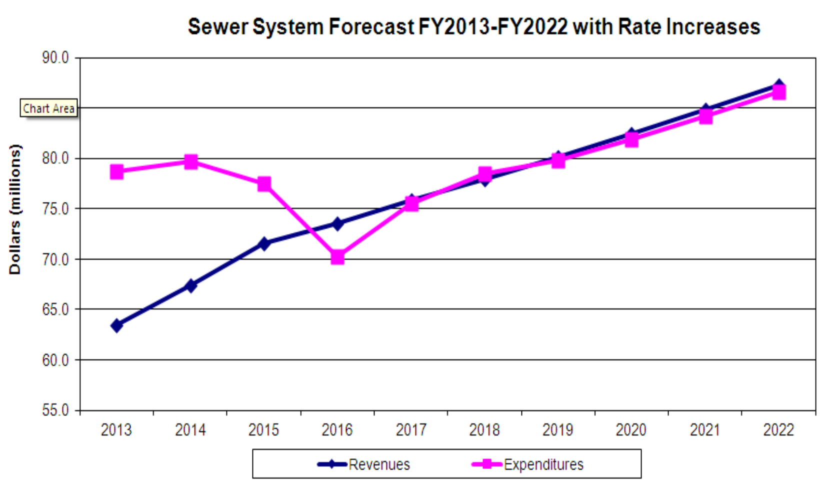


Ten-Year Forecast

Key Assumptions

Due to expected slow growth in the economy, the forecast assumes 0% increase from FY2012 to FY2016, a 0.07% annual increase in FY2017, a .14% in FY2018, and a .21% from FY2019 to FY2022 in retail and wholesale sewer demand. For expenditures, Personal Services and Operating Expenses reflect the forecast trends described in the Key Assumptions section of this document. Electricity and chemicals costs are forecasted to increase by 5% and 7% respectively per year through the entire forecast period. The capital outlay forecast reflects the construction and purchase needs as estimated by the Department of Environment and Infrastructure Engineering Division.

To balance revenues with forecasted expenditures, multi-year rate increases were approved during the FY2012 budget process for both retail and wholesale rates. Burton and Associates, Utility Finance and Economics Independent Consultants have computed that the following sewer rate increases were necessary to meet the forecasted expenses and reserve needs at the forecasted sewer demand levels: 6% each year FY2012–FY2015 for retail sewer; and 9% each year FY2012–FY2015 for wholesale sewer; Reclaimed water/retail customers: $1.00 to the monthly charge each year FY2012–FY2015 for unmetered service and an increase of $0.08 to the user fee per 1,000 gallons each year FY2012 to FY2015. These multi-year rates were approved by the Board of County Commissioners in September, 2011. Rate increases for FY2016 through FY2022 are assumed at 2.75%, based on a blend of growth and consumption assumptions, inflationary cost increases, capital needs, and minimum amount of reserves necessary to meet required debt service ratios.



Key Results

The forecast for the Sewer System Funds shows that the multi-year rate increases approved in FY2012 and future rate increases starting in FY2016, will provide sufficient revenues to maintain reserves, sustain the recommended debt service coverage ratio of 1.5x, and fund capital replacement needs over the forecast period. In FY2013 through FY2015, recurring expenditures will exceed recurring revenues as fund balance is drawn down as major capital projects are completed. From FY2016 through FY2022, the Sewer Funds are structurally balanced as recurring expenditures are in line with recurring revenues.

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

With the rate increases approved during the FY2012 budget process and future rate increases, Sewer System revenues will be sufficient to cover forecasted expenditures, maintain sufficient reserves, and sustain the recommended debt service coverage ratio of 1.5x.

FUND REVIEW: SOLID WASTE FUNDS

Summary

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

The forecast for the Solid Waste Funds shows that the fund is balanced through the forecast period. 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 forecast period. Reserves are being accumulated for future capital replacement needs consistent with the 25 year capital plan.

Description

Pinellas County Solid Waste 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, Solid Waste 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

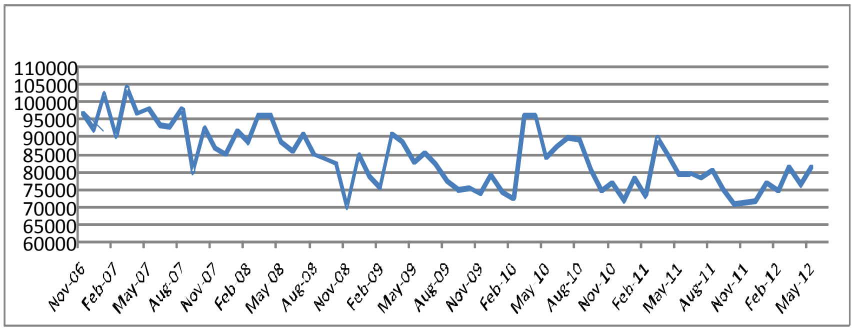
The Solid Waste Funds generate revenues budgeted in FY2013 totaling $83.2 million. The Solid Waste Funds consist almost exclusively of two primary funding sources: tipping fees of $33.7 million and electricity sales of $48.6 million.

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 is expected to increase slightly in FY2013. 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 ten years, this revenue is forecast to increase by 0.5% per year from FY2013 through FY2022.

FUND REVIEW: SOLID WASTE FUNDS

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



Source: Pinellas Co. Solid Waste Mgmt. Tonnage Activity Reports

Interfund Loan Repayment

Debt service revenues over the forecast period are associated with an interfund loan from the Solid Waste Renewal and Replacement Fund to the Capital Improvement Fund. On September 21, 2010 the Board authorized the first interfund loan up to $85 million to assist with cash flow in the Capital Projects Fund through FY2019. The original 2010 to 2020 Penny Program was anticipated to be financed with a $150 million bond issue in order to accelerate several key projects. The benefits of an interfund loan versus bonding include lower borrowing costs, no reserve requirements, interest accrues to a county entity, and more flexibility in the implementation and terms of the loan. Interest will be collected in FY2011 through FY2020, and loan repayment in FY2015 through FY2020.

An additional loan to the Capital Projects Fund will be necessary to cover the remaining $7.5 million of costs to fully fund the Centralized Chiller Facility project. This project funds the construction of a new centralized chiller facility for the downtown Clearwater campus. The County will purchase chilled water at a set rate based on the amount of investment towards the cost of the facility. Repayment of the loan will take place from FY2013 to FY2017 at $1.5 million annually. The loan will be repaid from the General Fund, but because it is a capital project, the expenditures and repayment are taking place from the Capital Projects Fund.

Based on the forecast, it is anticipated that only $77.5 million of the authorized $85 million will ultimately need to be transferred to the Capital Projects Fund.

Expenditures

The Solid Waste Funds support budgeted expenditures and reserves in FY2013 totaling $189.6 million. The primary expenditures in the fund are $31.3 million for the Waste-to-Energy service contract, $11.4 million for the Landfill service contract, $39.9 million for capital investment, and $87.8 million 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.

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 CDMSmith, Inc.

Personal Services

The Solid Waste System employs 90 full-time employees in FY2013. The Personal Services expenses are for the salaries and benefits of those positions needed to operate the Solid Waste System. Solid Waste System benefits include the cost of Other Post Employment Benefits (OPEB), as proprietary funds are required by GASB #45 to record the entire annual required contribution (ARC) accrual.

Interfund Loan to Capital Projects Fund

The forecast includes a transfer of $52.5 million in FY2012 and $10.0 million in FY2013 from the Solid Waste Renewal and Replacement Fund as part of the interfund loans to the Capital Projects Fund for cash flow purposes and for the Centralized Chiller Facility project.

Reserves

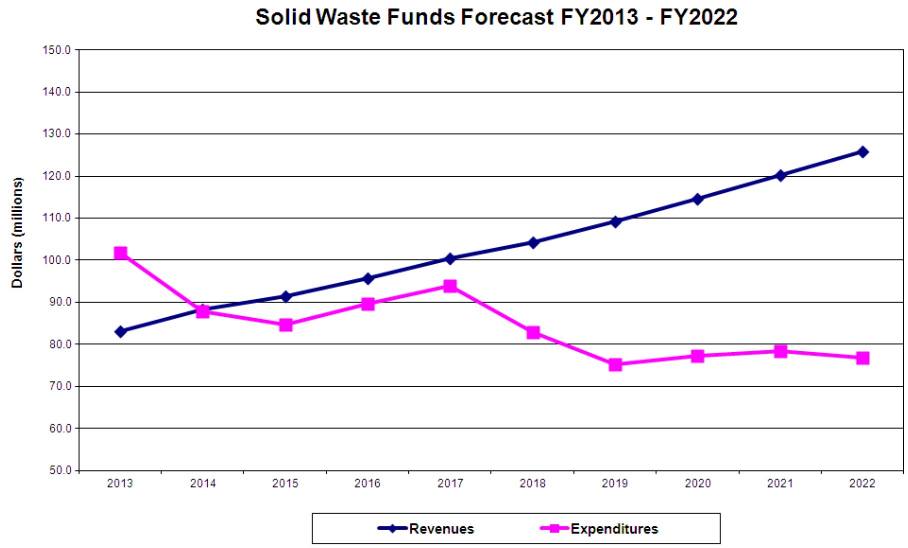
The reserve level in the Solid Waste System is 36%, which is above the 15% reserve level budget policy adopted by the Board. Solid Waste maintains the following reserves: $7.5 million required reserves per the contract with Veolia, $11 million for insurance deductibles, $15.5 million for three months of operating expenses, and the remainder of $53.8 million is for future needs consistent with the 25 year capital plan.

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 reflect the forecast trends described in the Key Assumptions section of this document. 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 FY2017 and FY2018 to install additional air pollution measures, in anticipation of tighter regulatory requirements.

FUND REVIEW: SOLID WASTE FUNDS



Note: Does not include Capital Projects Fund loan activity

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 ten years, while still maintaining sufficient reserves. Expenditures exceed revenue in FY2013 due to the capital projects within the Solid Waste Renewal and Replacement fund. (The forecast chart does not include the loans to the Capital Projects Fund or the future repayments from that fund.) Solid waste revenues exceed expenditures from FY2014 through FY2022. In FY2016, FY2017 and FY2018 expenditures reflect non-recurring costs associated with additional air pollution measures. The recurring revenues are sufficient to support recurring operations without any increases in tipping fees. Reserves increase during the forecast period and reach the level of 83% of revenues in FY2021. The 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.

CAPITAL IMPROVEMENT PROGRAM

The *Capital Improvement Program* portion of the FY2013 Budget Message provides an overview of the FY2013-2022 Capital Improvement Program (CIP), project highlights, Penny for Pinellas program, and other useful information. It includes the following sections:

- Capital Improvement Program (CIP)
- CIP Objectives
- CIP Goals
- CIP Policy
- CIP Project Definition and Criteria
- Penny for Pinellas
- Pay-As-You-Go Approach
- Overview of One-Year CIP Budget
- Overview of Ten-Year CIP Work Plan

Capital Improvement Program (CIP)

The Pinellas County Capital Improvement Program (CIP) is a comprehensive ten-year plan of proposed capital projects, intended to identify and balance the capital needs of the community within the fiscal capabilities and limitations of the County. It is primarily a planning document and is updated annually and subject to change as the needs of the community become more defined and the adopted projects move closer to final approval. In prior years, the CIP was presented as a six-year plan. The plan is now presented as a ten-year plan FY2013-FY2022 consistent with the forecast.

The first year of the program is the basis for actual appropriations authorized by the Board of County Commissioners for capital projects when adopting the Annual Budget.

The remaining nine years are a guide for the future development of the County's new and replacement infrastructure needs. The overall CIP schedule is formulated to reflect County priorities and needs, by taking into consideration the County's goals and policies, strategic plan, urgency of a project, the County's ability to administer a project, the involvement of outside agencies, and the potential for future project funding.

The CIP brings together needs identified through many capital processes. Projects are established in the CIP based on input from citizen requests and prior public discussions, safety needs, planned rehabilitation cycles, grant funding processes, County staff, and Commissioners, as well as the County's Growth Management Plan, Metropolitan Planning Organization's (MPO) Long Range Transportation Plan, and other County master plans. While capital projects originate from a variety of sources, projects most often come forward through the sponsoring department that is responsible for their implementation.

CIP Objectives

The objectives used to develop the CIP include:

- To preserve and improve the basic infrastructure of Pinellas County through public facility construction and rehabilitation;
- To maximize the useful life of capital investments by scheduling renovations and modifications at the appropriate time in the life-cycle of the facility;
- To identify and examine current and future infrastructure needs and establish priorities among projects so that available resources are used to the community's best advantage; and
- To improve financial planning by comparing needs with resources, estimating future borrowing needs, and identifying fiscal implications.

Department management reviews each project submitted for inclusion in the CIP and submits qualified projects to County Administration for review and approval. County Administration reviews a project request for its merit and relationship to overall County needs. The Board of County Commissioners conducts a final review of the program at public budget workshops, and at annual public budget hearings prior to adoption of the Annual Budget.

CIP Goals

The following are the goals of the County in developing its annual capital budget and associated CIP:

- Identify and prioritize infrastructure requirements based upon a coordinated needs assessment methodology. The CIP is a comprehensive guide for the allocation of financial resources and provision of public service for a ten year period. The CIP serves as a "blueprint" for the future of the community. It is a dynamic tool, not a static accounting document. The CIP requires each department to look to the future, anticipate the need for projects and justify that need. This requires the thoughtful integration of financial, engineering, and planning functions.

- Classify projects to ensure that those submitted for inclusion in the CIP are capital projects, not operating requirements. An accurate CIP relies upon the proper classification of projects. Requests which do not meet the specified criteria for a capital project should be considered in the operating budget.

- Identify the state growth management Capital Improvement Element (CIE) projects from the non-CIE projects within the CIP. The CIP and CIE are closely related, but they are not the same. Some projects within the CIP will also be contained in the CIE; these projects should be separately identified. The funding of these projects is a high priority and must be balanced against the non-CIE projects that are also in the CIP.

- Develop a realistic funding scenario for the CIP that identifies resources on a project specific basis.

CIP Policy

It is the policy of the Pinellas County Board of County Commissioners to maintain a continuing Capital Improvement Program that will, when implemented, provide physical facilities that are:

- Responsive to the needs and demands of the public and county government;
- Supportive of the long and short-range economic, social, and environmental development policies of the county;
- Necessary to achieve the level of service identified in the adopted Comprehensive Plan.

The Capital Improvement Plan represents the planned implementation of various comprehensive plans that serve as a guide for future growth and development as adopted and amended by the Board of County Commissioners.

CIP Project Definition and Criteria

The following definition and criteria shall be utilized in determining the appropriateness of capital improvement budget requests:

Capital projects are defined as activities that lead to the acquisition, construction, or extension of the useful life of capital assets. Capital assets include things such as land, buildings, parks, streets, utilities, and other items of value from which the community derives benefit for a minimum number of years.

1. All projects in the Capital Budget must have a total cost greater than $50,000 and a useful life of more than five years.
2. Capital projects are considered to be one-time outlays, which are non-recurring in nature. Purchases involving ongoing debt service or lease/purchase costs are typically not budgeted in the Capital Budget.
3. Capital projects must add to, enhance the value of, or extend the life of the County's physical assets. Major equipment purchases must be associated with a capital project and must meet the definition of a capital item in order to be placed in the Capital Budget.
4. County vehicular equipment purchases will not be addressed in the Capital Budget. Fleet appropriations are to be considered within the Operating Budget.
5. Expenditures for maintenance, supplies and materials or replacement items shall be budgeted as an operating item. These items may not be appropriated in the capital budget.

The CIP is divided into two main sections: Governmental projects and Enterprise projects. Enterprise projects support the Airport and Utilities systems of Water, Sewer, and Solid Waste. These areas are run like businesses in which the revenues generated by these areas support

their operations. These projects are funded by grants, airport fees, and water, sewer, and solid waste user fee charges. All other capital projects such as roads, drainage, public safety buildings, and park projects are included in the Governmental side of the CIP. Funding for the Governmental projects include the "Penny for Pinellas" which is a one cent local option sales surtax approved by vote of Pinellas citizens, grants and reimbursements, transportation impact fees, local option gas taxes, and tourist development tax.

Penny for Pinellas

The Penny for Pinellas funds approximately 70% of the Governmental CIP. This funding source was first established as an alternate means of funding Pinellas County's capital improvement program in 1989. It is approved by voter referendum for 10 years at a time. If the Penny had not been extended, the County's governmental capital improvements would have to be funded primarily by property taxes in the General Fund.

Impact of the Penny for Pinellas
Without the Penny, it is estimated that property owners would have to pay another 1.5 mills on their property taxes or many public projects would not be completed until years into the future or not done at all. Besides allowing for funding of capital projects without relying on property taxes, another benefit is that tourists and other visitors pay about a third of the Penny which relieves County residents of much of the tax burden. Per State statute, the Penny for Pinellas can only be used for capital projects and cannot be used for operating and maintenance purposes such as maintaining parks or funding social service programs. This funding source is shared between the County and the 24 municipalities through an interlocal agreement. The County receives approximately 52.3% of the total monthly collections generated by this tax, following the deduction of a dedicated amount for countywide use in improving jail and criminal justice related facilities (Courts and Jail).

Renewed 2010 to 2020 Penny Program
The last renewal of the Penny for Pinellas took place on March 13, 2007 to extend the Penny for a third decade, 2010-2020. The revenue projections for the original 2010 to 2020 Penny Program were prepared in 2006. These projections assumed that the Penny would generate $1.94 billion between 2010 and 2020: $225 million for Courts & Jail projects, $817 million to support projects for the 24 municipalities, and $898 million available to County projects (including $56 million reserve).

Revised Projected Penny Revenue
The Penny for Pinellas is a sales tax and as such, is extremely sensitive to economic conditions. Unfortunately, due to the impacts of the Great Recession, Penny revenue decreased for several years instead of increasing at the original projected rate. As a result, the projected revenues for the 2010 to 2020 Penny Program were revised in 2009 to reflect the new economic reality. This resulted in considerable changes to the Penny Program project allocations. The revenue projections are revised annually as part of the budget process. The revised projections assume that the Penny will generate $1.4 billion between 2010 and 2020 for Pinellas County, including the municipalities. As revenue projections increase or decrease, changes in the Penny Program Project allocations are made to match the revenue constraints.

FY2013 Changes to Penny Program Allocations

During this year's budget process, $7.3 million became available for allocation to projects. There were three sources for this additional allocation. The final amount requested for the Friendship Trail Bridge Demolition project is $500K, providing savings of $4M from the original funding of $4.5M. A reimbursement of $3.2M was received from the Florida Forever Program for the purchase of the Wilde property; $600K of the reimbursement money had been allocated to the Wilde property sports complex, leaving $2.6 million in surplus funds. The East Lake Fire Control Equipment project request was approved to be moved forward from FY2018 to FY2014 at a reduced amount from $2.25M to $1.5M, allowing $750K in savings.

In keeping with the original funding represented to the public before the Penny referendum, the unanticipated revenue, or surplus funds, was allocated to the following programs: increase the Countywide Road Improvement Program by $2M, increase Regional Stormwater Quality Improvement Program by $3M in order to address the new total maximum daily load (TMDL) requirements; and increase the allocation for Stormwater Conveyance System Improvement Program by $2.3M allowing deferred maintenance to be conducted resulting in less overall repairs. (See table below for revised allocations.)

Projects/Programs	Current Allocation	Revision	Revised Allocation
Friendship Trail Bridge Demolition	$4.5M	($4.0M)	$0.5M
Reimbursement from Florida Forever	NA	($2.6M)	NA
East Lake Fire Control Equipment	$2.25M	($0.7M)	$1.5M
Countywide Road Improvement Program	$44.5M	$2.0M	$46.5M
Reg. Stormwater Quality Imp. Program	$4.9M	$3.0M	$7.9M
Stormwater Conv. Sys. Imp. Prog.	$50.0M	$2.3M	$52.3M
Total		**($0.0M)**	

Revised Penny Program Allocations

On an annual basis the 2010 to 2020 Penny Program allocations are updated to match the projected revenues in the Capital Projects forecast. The tables below show all of the current Penny Program allocations, including the adjustments made as part of the FY2013 budget process. We have included a column for the original allocations from 2006 in order to track any adjustments that have taken place over time to the Penny Program allocations.

CAPITAL IMPROVEMENT PROGRAM

Transportation & Traffic Flow

Projects/Programs	Original FY2006 Allocation	Revised FY2013 Allocation
Road Resurfacing & Rehabilitation Program	$66.0M	$66.0M
ADA Sidewalk Ramp Improvements	$2.5M	$2.5M
General School & Sidewalk Program	$10.0M	$9.0M
118th Avenue Expressway	$70.0M	$70.0M
Intersection Capacity Program	$44.5M	$33.5M
Bridge Rehabilitation Program	$50.0M	$50.0M
Rail Crossing Improvements	$5.0M	$3.7M
Countywide Road Improvements Program	$50.0M	$46.5M
62nd Avenue - 66th to 49th Street	$15.0M	$0
Friendship Trail Bridge Demolition	$0	$0.5M
Roadway Beautification Program	$6.0M	$0
Traffic Signal Mast Arm Installations (MSTU)	$4.0M	$1.5M
Road Underdrains Annual Contracts	$7.5M	$4.5M
Park Boulevard Drainage Improvements	$2.0M	$0
Pinellas Trail Expansion	$8.0M	$6.0M
Gulf Boulevard Improvements	$35.0M	$35.0M
Park Boulevard - 113th Street to Seminole Blvd.	$12.6M	$0
Total	**$388.1M**	**$328.7M**

Public Safety & Hurricane Preparedness

Projects/Programs	Original FY2006 Allocation	Revised FY2013 Allocation
Palm Harbor Fire Control Equipment	$3.0M	$2.2M
East Lake Fire Control Equipment	$3.0M	$1.5M
Emergency Responders Building	$34.0M	$34.0M
Community Building Emergency Shelter Projects	$10.0M	$7.5M
Public Safety Countywide Radio System	$14.5M	$14.5M
Public Safety Facilities & Central Commun. Center	$70.0M	$70.0M
Total	**$134.5M**	**$129.7M**

Parks, Recreation, & Culture

Projects/Programs	Original FY2006 Allocation	Revised FY2013 Allocation
East Lake Community Library Expansion	$4.1	$0
Palm Harbor Library Expansion	$5.8M	$0
Countywide Park Infrastructure Replacements	$29.0M	$22.0M
Pinellas Trail Repair and Renovation	$3.0M	$3.0M
Heritage Village – Master Plan Implementation	$10.0M	$0
Howard Park Infrastructure	$7.5M	$5.0M
Eagle Lake Park Development	$3.0M	$3.0M
Fort De Soto Park Infrastructure	$7.0M	$5.0M
Countywide Park Boat Ramp Land Acq. & Develop.	$7.5M	$0
Unincorporated Recreation/Community Centers	$16.0M	$1.0M
Community Parks Land Acquisition & Develop.	$10.0M	$6.6M
Total	**$103.0M**	**$45.6M**

Environmental Restoration & Protection

Projects/Programs	Original FY2006 Allocation	Revised FY2013 Allocation
Regional Stormwater Water Quality Imp. Program	$5.5M	$7.9M
Environmental Habitat Restoration	$2.4M	$2.4M
Weedon Island Preserve Projects	$3.5M	$1.0M
Brooker Creek Preserve Projects	$3.5M	$1.0M
Beach Access Acquisition & Development	$15.0M	$0
Upper Tampa Bay Recirculation & Restoration	$10.0M	$0
Lake Seminole Sediment Removal Project	$8.0M	$8.6M
County Extension Center Building Replacement	$7.5M	$0
Environmentally Sensitive Lands Acquisition	$18.0M	$16.0M
Total	**$73.4M**	**$36.9M**

Drainage & Stormwater Management

Projects/Programs	Original FY2006 Allocation	Revised FY2013 Allocation
Stormwater Conveyance System Impr. Program	$50.0M	$52.3M
Creek Erosion Control	$8.0M	$8.0M
Drainage Pond Compliance Projects	$5.0M	$3.75M
Drainage Channel Dredging Program	$5.0M	$3.75M
Cross Bayou Drainage & Watershed Impl. Project	$5.0M	$0
Total	**$73.0M**	**$67.8M**

Government Service Facilities

Projects/Programs	Original FY2006 Allocation	Revised FY2013 Allocation
Building Repair & Replacement Projects	$40.0M	$30.0M
Total	**$40.0M**	**$30.0M**

Housing, Jobs, and Human Services

Projects/Programs	Original FY2006 Allocation	Revised FY2013 Allocation
Affordable Housing Land Assembly Fund	$30.0M	$15.0M
Total	**$30.0M**	**$15.0M**

Courts & Jail Improvements

Projects/Programs	Original FY2006 Allocation	Revised FY2013 Allocation
Courts & Jail Projects	$225.0M	$225.0M
Total	**$225.0M**	**$225.0M**

Additional information regarding current and past Penny for Pinellas programs can be found at the following website: http://www.pinellascounty.org/Penny/

Pay-As-You-Go Approach

During the FY2010 budget process, it was determined that due to the uncertainty in the bond and credit markets, over the next several years the CIP will attempt to be funded on a "Pay-As-You-Go" basis as much as possible. The "Pay-As-You-Go" approach is recommended as the most prudent way of financing capital projects due to the unstable short term financial environment we are facing. The benefits of this approach include:

- Being fiscally conservative helps avoid marketing and financing costs of current credit market.

- A "pay-as-you-go" plan can be a positive factor in future credit analysis of the County and its long term debt rating.

- Provides a deliberative approach to the implementation of projects in accordance with the priorities and needs of the community.

- Specific projects can be considered for stand alone bonding if the priority and cost benefit is warranted.

During FY2008 and FY2009 several projects were accelerated from the 2010-2020 Penny program in order to:

- Enhance hurricane preparation: Emergency Responders Building; Public Safety Facilities & Central Communications Center; Emergency Shelter Program

- Take advantage of the availability of key endangered and park land parcels: Endangered Lands Acquisition; Community Park Lands Acquisition

- Advance project design funding to FDOT: 118th Avenue Expressway

- Address key infrastructure concerns: Howard Park Bridge Replacement; Eagle Lake Park

Funding for the accelerated projects was anticipated to come from a $150M bond issue similar to previous Penny programs. Due to the new pay-as-you-go policy implemented in FY2010, we do not plan to significantly bond the Penny program.

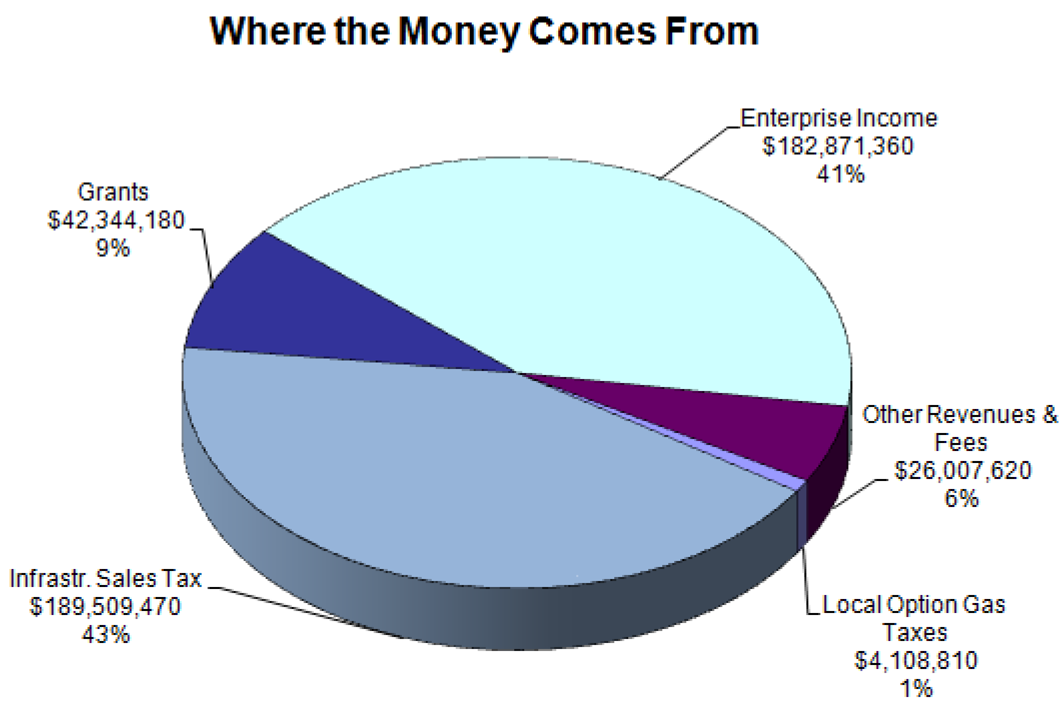
Interfund Loans from Solid Waste R&R Fund

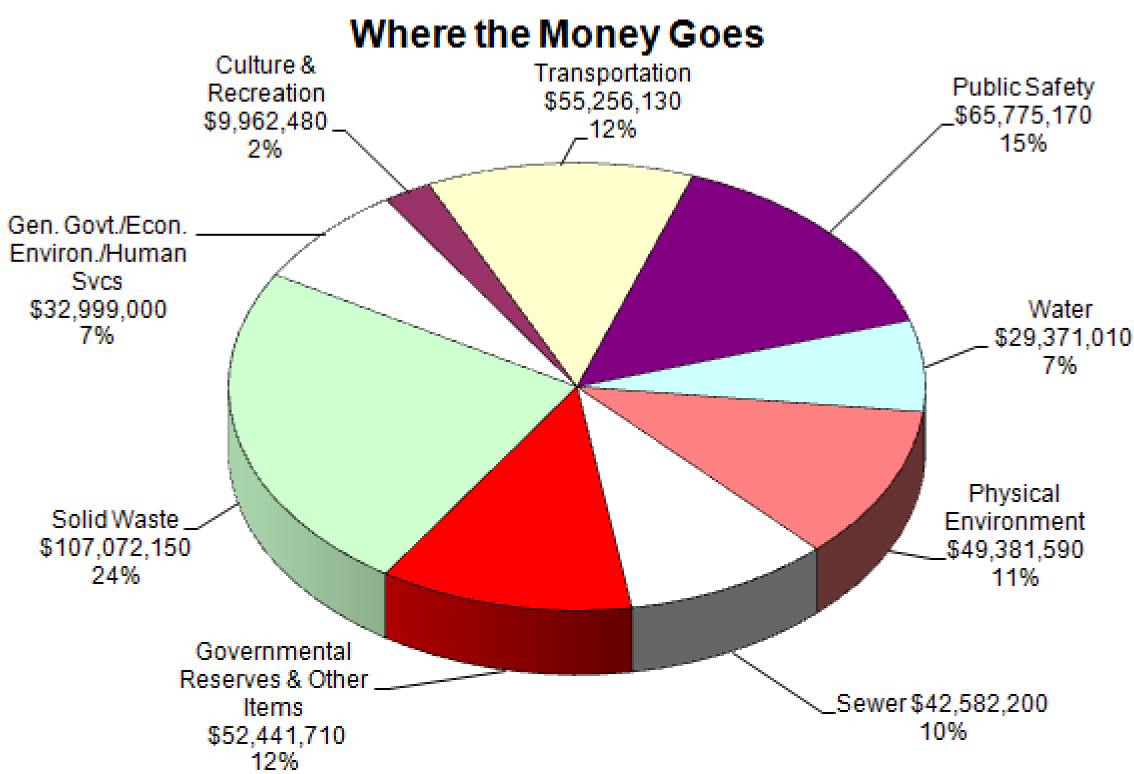
In the absence of a bond issue, a limited interfund loan from the Solid Waste Renewal & Replacement Fund will be necessary to provide liquidity in the Capital Projects fund to cover expenditures related to the accelerated projects. On September 21, 2010, the Board approved a resolution authorizing a loan amount of up to $85 million. The outstanding principal in FY2013 will be $77.5 million (including the FY2013 loan amount of $10 million). The annual rate of interest is a variable rate which is currently less than 1%. Payments on outstanding loan principal are required to begin no later than FY2016 and the loan shall be paid in full no later than December 31, 2019. The benefits of an interfund loan versus bonding include lower borrowing costs, no reserve requirements, interest accrues to a county entity, and more flexibility in the implementation and terms of the loan.

Overview of One-Year CIP Budget

The first year of the Capital Improvement Program, FY2013, is the basis for actual appropriations authorized by the Board of County Commissioners for capital projects when adopting the Annual Budget. The total FY2013 CIP budget is $444.8M. This amount includes both Governmental and Enterprise projects as well as non-project items such as reserves.

FY2013 CAPITAL IMPROVEMENT BUDGET
Total: $444,841,440

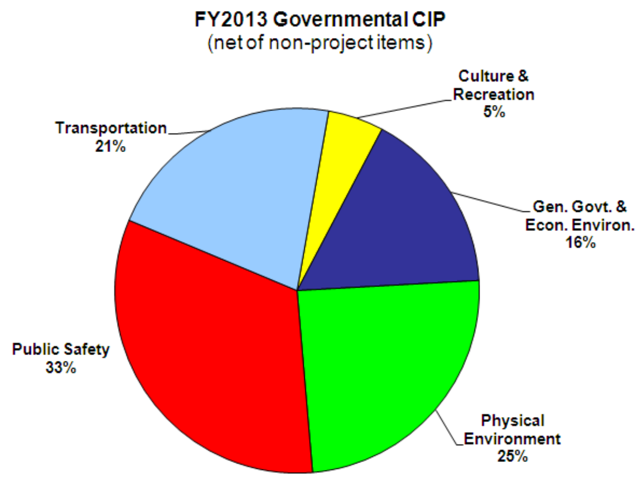




CAPITAL IMPROVEMENT PROGRAM

FY2013 Governmental CIP

The expenditure total (net of non-project items) for the FY2013 Governmental CIP is $201M. The pie chart below shows the percentage distribution of expenditures amongst the functional areas of the CIP.



Major project highlights in the **Governmental One-Year CIP** are listed below by functional area.

Public Safety ($65.8M):
- Public Safety Facilities & Central Communications Center ($48.1M)
- Public Safety Radio System ($4.5M)
- Detention/Correction Program Projects ($6.5M)

Transportation ($42.9M):
- Keystone Road-US 19 to East Lake Road ($4.7M)
- Various Intelligent Transportation/Advanced Traffic Management System projects ($7.5M)
- Gulf Boulevard Improvements ($3.5M)
- Road Resurfacing & Rehab Program ($6.7M)
- Pinellas/Progress Energy Trail Extension ($2.4M)
- La Plaza Bridge ($1.7M)
- Bridge Rehab Program ($1.3M)

Physical Environment ($49.4M):
- Honeymoon Island Improvements ($6.2M)
- Lake Seminole Sediment Removal ($6.1M)
- Stormwater Conveyance System ($3.6M)
- Bee Branch Drainage Improvements ($1.9M)
- Bear Creek Channel Improvements ($2.7M)
- Curlew Creek Channel A Improvements ($6.2M)
- Mobbly Bay Habitat Restoration ($2.0M)

General Government/Economic Environment ($33.0M):

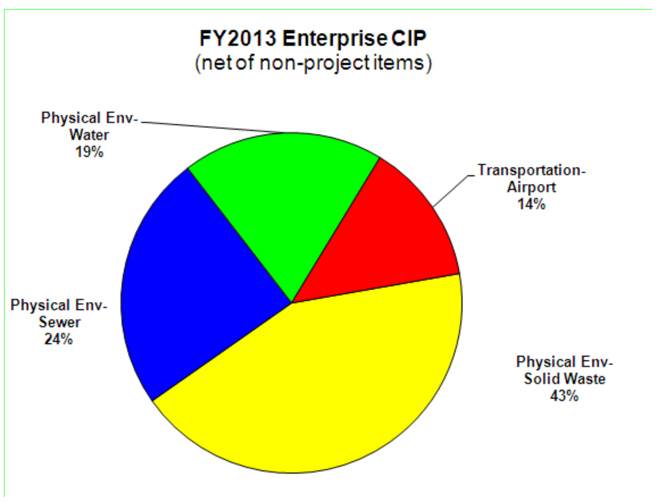
- Centralized Chiller Facility ($6.3M)
- Space Plan Implementation ($1.0M)
- Centralized Traffic Court ($1.4M)
- CJC Parking Garage ($12.4M)

Culture & Recreation ($9.9M):

- Countywide Park Roads & Parking Areas ($1.4M)
- Fort De Soto Bay Pier Replacement ($1.1M)
- Park Utility Infrastructure ($900K)
- Joe's Creek Greenway-Lealman ($460K)
- Fort De Soto Water Circulation Infrastructure ($824K)

FY2013 Enterprise CIP

The expenditure total (net of non-project items) for the FY2013 Enterprise CIP is $91.3M. The pie chart below shows the percentage distribution of expenditures amongst the functional areas of the CIP.



Major project highlights in the **Enterprise One-Year CIP** are listed below by functional area.

Transportation-Airport ($12.4M):

- Terminal Improvements – Phase II ($3.8M)
- Taxiway L Rehab ($6.3M)

Physical Environment ($78.9M):

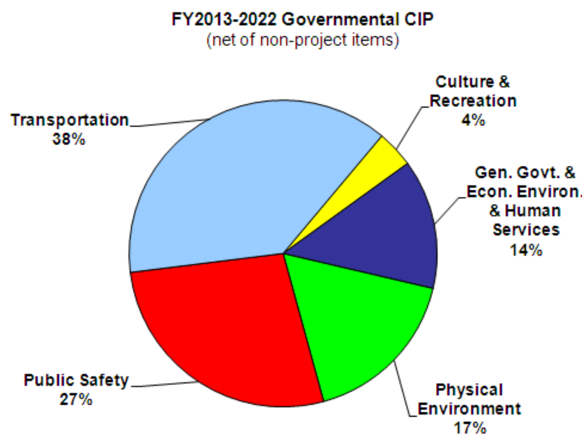
- Solid Waste Side Slope Closures ($10.5M)
- Bridgeway Acres Gradient Control System ($4.5M)
- Keller Transfer Pumping Station ($5.4M)
- Logan Station Booster Pump ($1.8M)
- Sewer System UV/Ozone Project ($13.5M)
- South Cross Upgrades ($2.3M)

Overview of Ten-Year CIP Work Plan

In the Ten-Year CIP work plan, only the first year, FY2013, is actually appropriated. The remaining nine years are a work plan that is subject to change as time goes on. In prior years, the CIP was presented as a six-year plan. The plan is now presented as a ten-year plan FY2013-FY2022 consistent with the forecast; however since the Penny is approved through FY2020, the governmental projects within the capital fund are budgeted through FY2020. Several of the enterprise projects are budgeted through FY2022. The total FY2013-2022 CIP budget is $1.54B. This amount includes both Governmental and Enterprise projects as well as non-project items such as reserves.

FY2013-2022 Governmental CIP

The expenditure total (net of non-project items) for the FY2013-2022 Governmental CIP is $884.4M. The pie chart below shows the percentage distribution of expenditures amongst the functional areas of the CIP.



Major project highlights in the **Governmental Ten-Year CIP** are listed below by functional area and estimated year of commencement. The focus of this list are the out years of FY2013 through FY2022 as the FY2013 projects are covered in more detail in the "Overview of the One-Year CIP" section.

Transportation ($336.5M):
- 118th Avenue Expressway (FY2014)
- Gulf Boulevard Improvements (FY2013)

Public Safety ($241.5M):
- Jail Expansion & Court Improvements (FY2013)

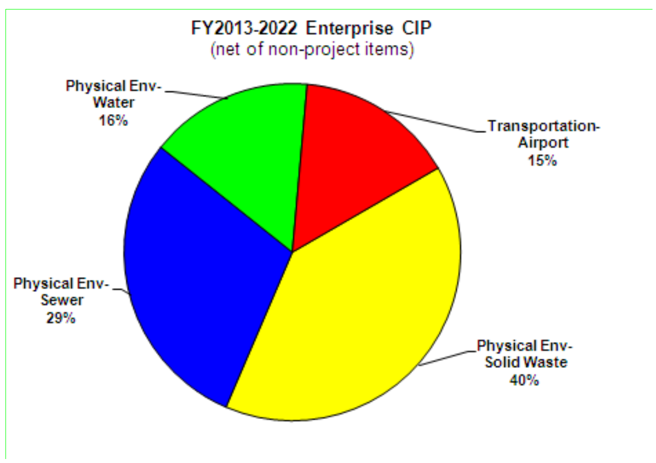
Physical Environment ($151.2M):
- Pass-A-Grille Beach Nourishment (FY2013)
- Treasure Island Nourishment (FY2013)
- Upham Beach Stabilization (FY2013)
- Sand Key Nourishment (FY2013)
- Regional Stormwater Quality (FY2013)

General Government/Economic Environment/Human Services ($120.6M):
- Affordable Housing Land Assembly Program (FY2017)
- CJC Security System Upgrade (FY2013)
- CJC Judicial Consolidation (FY2014)
- STAR Center AHU Center Upgrades (FY2012)

Culture & Recreation ($34.6M):
- Wall Springs McMullen (FY2016)
- Pinellas Trail Improvements (FY2013)

FY2013-2022 Enterprise CIP

The expenditure total (net of non-project items) for the FY2013-2022 Enterprise CIP is $424.0M. The pie chart below shows the percentage distribution of expenditures amongst the functional areas of the CIP.

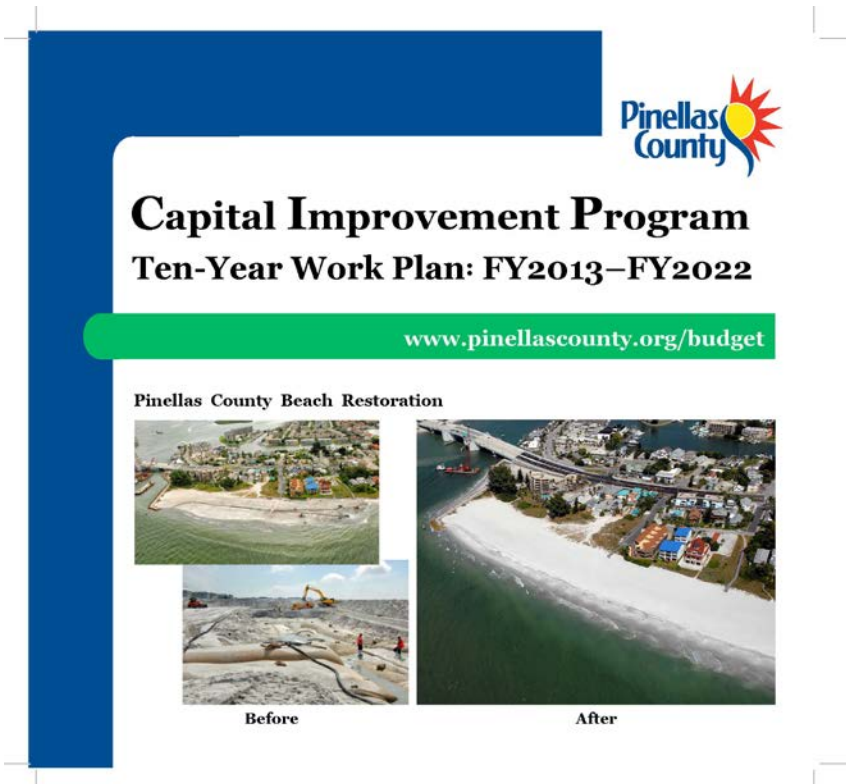


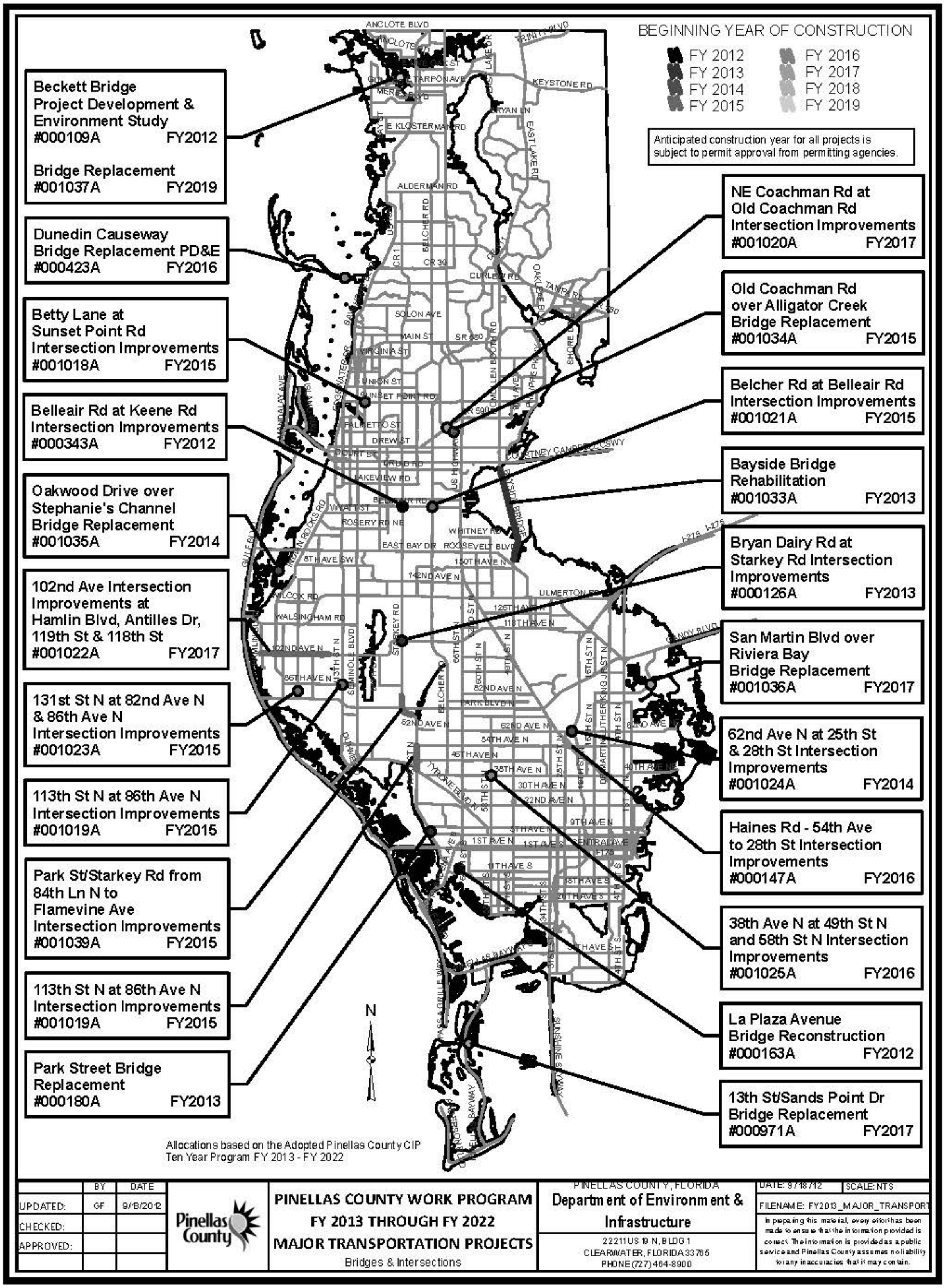
Major project highlights in the **Enterprise Ten-Year CIP** are listed below by functional area and estimated year of commencement. The focus of this list are the out years of FY2013 through FY2022 as the FY2013 projects are covered in more detail in the "Overview of the One-Year CIP" section.

Physical Environment-Utilities ($359.3M):
- WTE Air Pollution Control Upgrade (FY2013)
- Landfill Gas Collection Flaring System (FY2015)
- Lake Tarpon ASR Construction (FY2014)
- Sludge Thickening Improvements (FY2014)
- Water Mains Installations (FY2013)

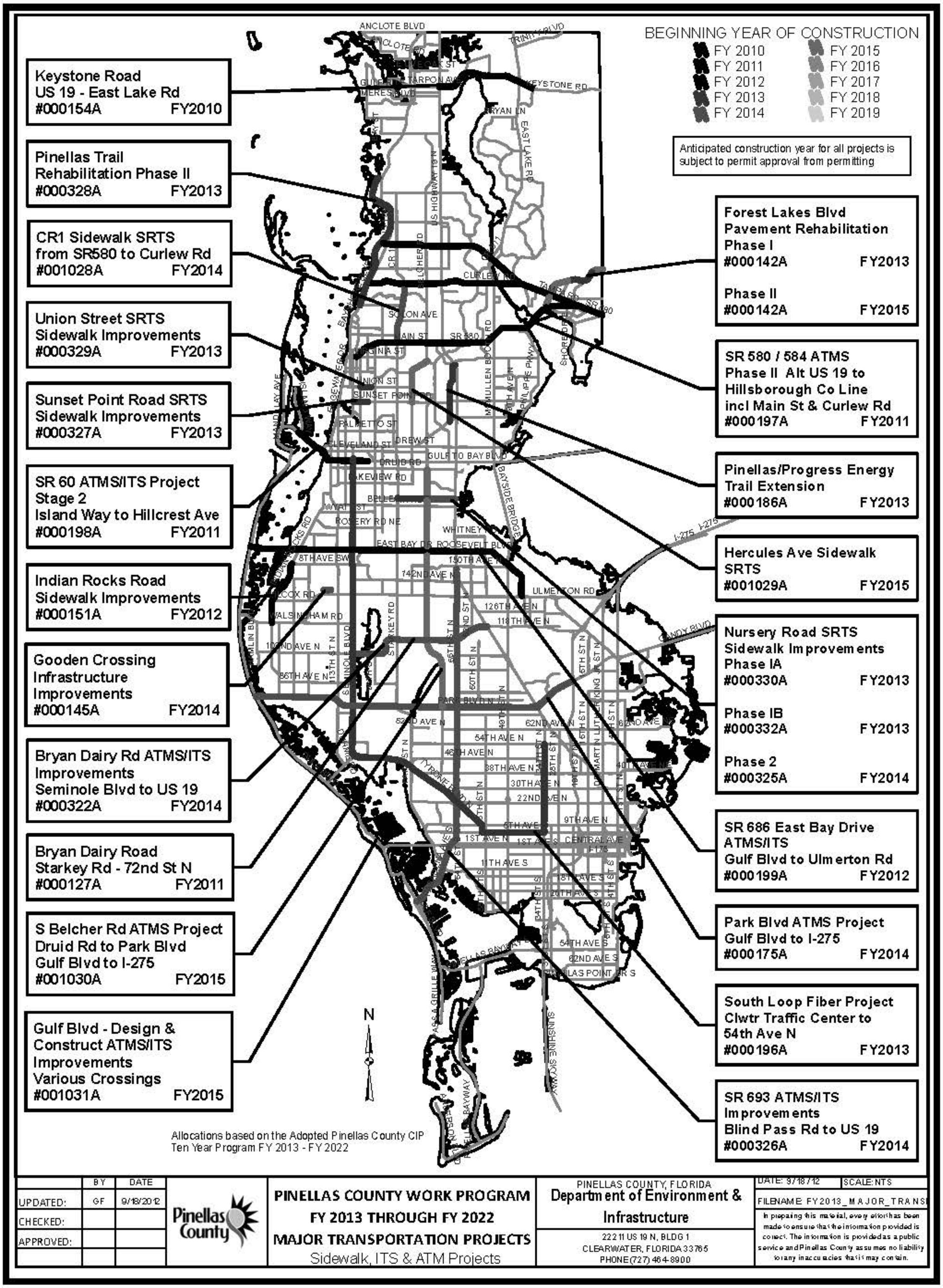
Transportation-Airport ($64.7M):
- Cargo Apron Construction (FY2018)
- New General Aviation Taxiways/Ramps (FY2017)
- New T-Hangars (FY2018)
- Airco Site Development (FY2017)

Overall, there are more than 300 projects or program areas that comprise the ten-year CIP. A complete listing of CIP expenditure allocations is included in the "CIP by Function & Activity Report" in Exhibit C. In addition, a summary of changes between this year's CIP and last year's CIP can be found in Exhibit D. The detailed FY2013-2022 CIP document is available on the County's website at: http://www.pinellascounty.org/budget/.





BEGINNING YEAR OF CONSTRUCTION
FY 2012
FY 2013
FY 2014
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019
Anticipated construction year for all projects is subject to permit approval from permitting agencies.
Beckett Bridge Project Development & Environment Study #000109A FY2012
Bridge Replacement #001037A FY2019
Dunedin Causeway Bridge Replacement PD&E #000423A FY2016
Betty Lane at Sunset Point Rd Intersection Improvements #001018A FY2015
Belleair Rd at Keene Rd Intersection Improvements #000343A FY2012
Oakwood Drive over Stephanie's Channel Bridge Replacement #001035A FY2014
102nd Ave Intersection Improvements at Hamlin Blvd, Antilles Dr, 119th St & 118th St #001022A FY2017
131st St N at 82nd Ave N & 86th Ave N Intersection Improvements #001023A FY2015
113th St N at 86th Ave N Intersection Improvements #001019A FY2015
Park St/Starkey Rd from 84th Ln N to Flamevine Ave Intersection Improvements #001039A FY2015
113th St N at 86th Ave N Intersection Improvements #001019A FY2015
Park Street Bridge Replacement #000180A FY2013
NE Coachman Rd at Old Coachman Rd Intersection Improvements #001020A FY2017
Old Coachman Rd over Alligator Creek Bridge Replacement #001034A FY2015
Belcher Rd at Belleair Rd Intersection Improvements #001021A FY2015
Bayside Bridge Rehabilitation #001033A FY2013
Bryan Dairy Rd at Starkey Rd Intersection Improvements #000126A FY2013
San Martin Blvd over Riviera Bay Bridge Replacement #001036A FY2017
62nd Ave N at 25th St & 28th St Intersection Improvements #001024A FY2014
Haines Rd - 54th Ave to 28th St Intersection Improvements #000147A FY2016
38th Ave N at 49th St N and 58th St N Intersection Improvements #001025A FY2016
La Plaza Avenue Bridge Reconstruction #000163A FY2012
13th St/Sands Point Dr Bridge Replacement #000971A FY2017
N
Allocations based on the Adopted Pinellas County CIP Ten Year Program FY 2013 - FY 2022
BY
DATE
UPDATED: GF 9/18/2012
CHECKED:
APPROVED:
Pinellas County
PINELLAS COUNTY WORK PROGRAM
FY 2013 THROUGH FY 2022
MAJOR TRANSPORTATION PROJECTS
Bridges & Intersections
PINELLAS COUNTY, FLORIDA
Department of Environment & Infrastructure
22211 US 19 N, BLDG 1
CLEARWATER, FLORIDA 33765
PHONE (727) 464-8900
DATE: 9/18/12
SCALE: NTS
FILENAME: FY2013_MAJOR_TRANSPORT
In preparing this material, every effort has been made to ensure that the information provided is correct. The information is provided as a public service and Pinellas County assumes no liability for any inaccuracies that it may contain.



BEGINNING YEAR OF CONSTRUCTION
FY 2010
FY 2011
FY 2012
FY 2013
FY 2014
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019
Anticipated construction year for all projects is subject to permit approval from permitting
Keystone Road US 19 - East Lake Rd #000154A FY2010
Pinellas Trail Rehabilitation Phase II #000328A FY2013
CR1 Sidewalk SRTS from SR580 to Curlew Rd #001028A FY2014
Union Street SRTS Sidewalk Improvements #000329A FY2013
Sunset Point Road SRTS Sidewalk Improvements #000327A FY2013
SR 60 ATMS/ITS Project Stage 2 Island Way to Hillcrest Ave #000198A FY2011
Indian Rocks Road Sidewalk Improvements #000151A FY2012
Gooden Crossing Infrastructure Improvements #000145A FY2014
Bryan Dairy Rd ATMS/ITS Improvements Seminole Blvd to US 19 #000322A FY2014
Bryan Dairy Road Starkey Rd - 72nd St N #000127A FY2011
S Belcher Rd ATMS Project Druid Rd to Park Blvd Gulf Blvd to I-275 #001030A FY2015
Gulf Blvd - Design & Construct ATMS/ITS Improvements Various Crossings #001031A FY2015
Forest Lakes Blvd Pavement Rehabilitation Phase I #000142A FY2013
Phase II #000142A FY2015
SR 580 / 584 ATMS Phase II Alt US 19 to Hillsborough Co Line incl Main St & Curlew Rd #000197A FY2011
Pinellas/Progress Energy Trail Extension #000186A FY2013
Hercules Ave Sidewalk SRTS #001029A FY2015
Nursery Road SRTS Sidewalk Improvements Phase IA #000330A FY2013
Phase IB #000332A FY2013
Phase 2 #000325A FY2014
SR 686 East Bay Drive ATMS/ITS Gulf Blvd to Ulmerton Rd #000199A FY2012
Park Blvd ATMS Project Gulf Blvd to I-275 #000175A FY2014
South Loop Fiber Project Clwtr Traffic Center to 54th Ave N #000196A FY2013
SR 693 ATMS/ITS Improvements Blind Pass Rd to US 19 #000326A FY2014
ANCLOTE BLVD
KEYSTONE RD
TARPON AVE
CURLEW RD
SR 580
SUNSET POINT RD
GULF TO BAY BLVD
DRUID RD
EAST BAY DR
ULMERTON RD
PARK BLVD
1ST AVE N
CENTRAL AVE
54TH AVE
62ND AVE S
I-275
N
Allocations based on the Adopted Pinellas County CIP Ten Year Program FY 2013 - FY 2022
BY
DATE
UPDATED: GF 9/18/2012
CHECKED:
APPROVED:
Pinellas County
PINELLAS COUNTY WORK PROGRAM
FY 2013 THROUGH FY 2022
MAJOR TRANSPORTATION PROJECTS
Sidewalk, ITS & ATM Projects
PINELLAS COUNTY, FLORIDA
Department of Environment & Infrastructure
22211 US 19 N, BLDG 1
CLEARWATER, FLORIDA 33765
PHONE (727) 464-8900
DATE: 9/18/12
SCALE: NTS
FILENAME: FY2013_MAJOR_TRANS
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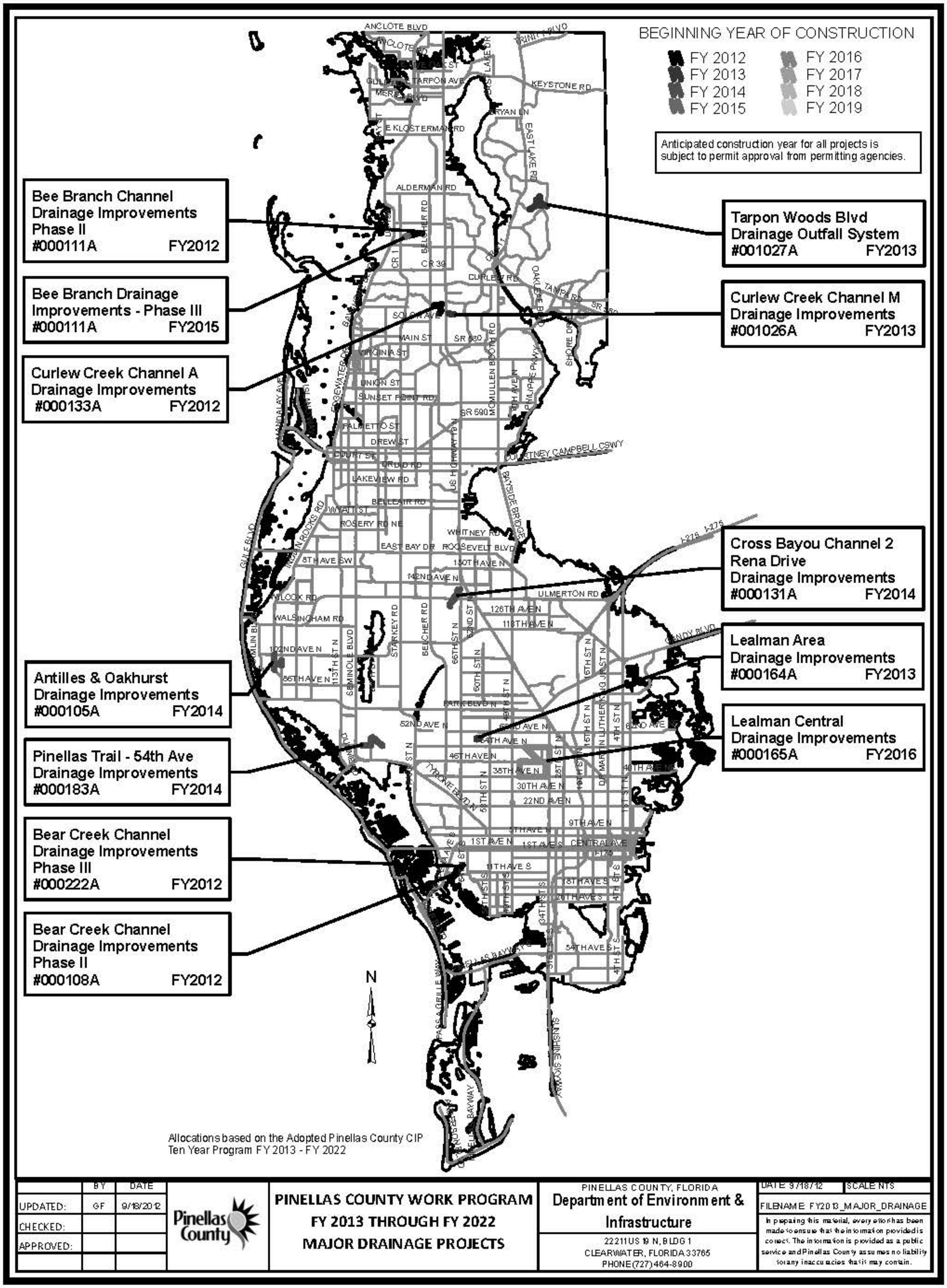
BEGINNING YEAR OF CONSTRUCTION
FY 2012
FY 2013
FY 2014
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019
Anticipated construction year for all projects is subject to permit approval from permitting agencies.
Bee Branch Channel Drainage Improvements Phase II #000111A FY2012
Bee Branch Drainage Improvements - Phase III #000111A FY2015
Curlew Creek Channel A Drainage Improvements #000133A FY2012
Tarpon Woods Blvd Drainage Outfall System #001027A FY2013
Curlew Creek Channel M Drainage Improvements #001026A FY2013
Cross Bayou Channel 2 Rena Drive Drainage Improvements #000131A FY2014
Lealman Area Drainage Improvements #000164A FY2013
Lealman Central Drainage Improvements #000165A FY2016
Antilles & Oakhurst Drainage Improvements #000105A FY2014
Pinellas Trail - 54th Ave Drainage Improvements #000183A FY2014
Bear Creek Channel Drainage Improvements Phase III #000222A FY2012
Bear Creek Channel Drainage Improvements Phase II #000108A FY2012
N
Allocations based on the Adopted Pinellas County CIP Ten Year Program FY 2013 - FY 2022
BY
DATE
UPDATED: GF 9/18/2012
CHECKED:
APPROVED:
Pinellas County
PINELLAS COUNTY WORK PROGRAM
FY 2013 THROUGH FY 2022
MAJOR DRAINAGE PROJECTS
PINELLAS COUNTY, FLORIDA
Department of Environment & Infrastructure
22211 US 19 N, BLDG 1
CLEARWATER, FLORIDA 33765
PHONE (727) 464-8900
DATE 9/18/12
SCALE NTS
FILENAME FY2013_MAJOR_DRAINAGE
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