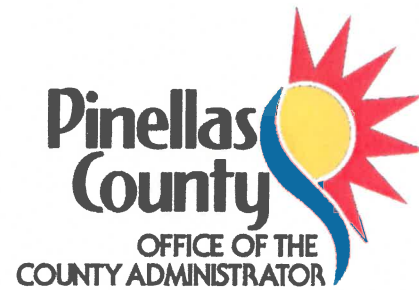


BOARD OF COUNTY
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Mark S. Woodard
Interim County Administrator

July 15, 2014

TO: The Honorable Chairman and
Members of the Board of County Commissioners

In accordance with our statutory responsibilities, we are pleased to present the **Proposed Fiscal Year 2015 Annual Operating and Capital Budget** for your consideration. As a result of the Board's engagement and input throughout the budget development process, this proposed budget reflects the priorities you have defined for continuing to deliver outstanding service to our citizens, businesses and partners. We are grateful for the support and guidance the Board has provided.

Pinellas County Budget FY2015
Total \$1,921,991,020

<u>Governmental</u>	<u>Enterprise</u>	<u>Constitutional</u>	<u>Other</u>
\$626,737,530	\$620,656,960	\$314,850,230	\$359,746,300

There is no proposed change to the General Fund countywide millage rate of 5.2755 mills, nor to the unincorporated area (MSTU) millage rate of 2.0857 mills. The General Fund is the primary operating fund of the County. The FY15 budget is \$590,460,480 representing an increase of \$14.4 million or 2.5% compared to FY14. This increase reflects a pay increase of 3.0% for all eligible County employees to recognize their hard work and keep the County competitive within the labor market. Within this balanced budget, the Board's funding priorities including public safety (Sheriff), Veterans Services and dental care for those in need are all met.

The overall budget presented to you today of \$1,921,991,020 continues the County's tradition of providing high quality services to the Public while prudently managing public funds. The total FY15 Budget is \$148.9 million or 8.4% more than the total FY14 Budget, which reflects a net increase in operating, capital, reserves, and enterprise functions. Again, no increase in the countywide nor MSTU millage rates are required to balance the budget and meet important needs.

This Proposed Budget was built upon three themes: A commitment to "doing things" that serve the Public, building constructive relationships with our partners and supporting the hard work of our employees.

Doing things that serve the Public - Our citizens and partners rely upon Pinellas County Government to deliver a diverse array of services that improve their daily lives. We will prioritize our resources to deliver core services that will bring about a higher level of trust, appreciation and recognition from our stakeholders. Our talented and dedicated staff are committed to public service and will derive a greater sense of satisfaction by seeing the positive benefits of their work in the community.

With partners we get more done - We are also committed to building constructive relationships with our partners in the community. By doing so, we will collectively improve the services for the benefit of all. In the past three months, we have made significant progress toward resolution of the Emergency Medical Services (EMS) issue. The Board approved an agreement with the City of St. Petersburg and other agreements are now being finalized. Also, the Veterans Services Office received more resources and an organizational realignment to improve support of our Veterans, payment of delinquent property taxes for County-owned land in Pasco County was made, and relationships with various community partners have improved.

Grow our own talent and promote from within - We remain committed to our employees and will provide opportunities for career growth and learning while seeking to promote from within wherever possible. Significant resources have been dedicated to the High Performing Organization (HPO) initiative over the past three years, however, we believe the staff has demonstrated that it is already high performing. The results of our Annual Citizen Satisfaction Survey showing 87.3% of the public have trust and confidence in our work, supports this claim. Our staff has also proven to be subject matter experts in their respective jobs. As such, a number of management and strategic consulting contracts have been eliminated and those funds have been repurposed to providing services that directly benefit the Public. Finally, we will continue to administer the Achieve Global curriculum to each other to foster the basic principles: Focus on the situation, issue, or behavior, not on the person; maintain the self-confidence and self-esteem of others; maintain constructive relationships; take the initiative to make things better; lead by example; and think beyond the moment.

The Proposed Budget and its underlying assumptions are based on a positive, optimistic outlook for our future. As an example, our economy shows several signs of sustained improvement. Tourist development tax collections continue to set historical records, airport passenger growth is approaching all-time highs, development review activity is nearly twice as high as two years ago, building permits and inspections are demonstrating sustained growth, the real estate market continues to improve and sales tax revenues are showing modest growth.

This optimistic outlook coupled with a change in our budget approach created capacity to meet the needs and Board funding priorities. For example, we engaged the Board early and sought input to the Proposed Budget providing the Board additional flexibility and time for deliberation. Also, using historical trends and carefully reviewing our expenditure patterns, we were able to anticipate unspent funds as part of budget development enabling the Board to meet its funding priorities and best serve the Public.

Further, we appropriated the Service Level Continuation Account (SLCA) that was established in FY14 to provide stability during the next recessionary period. Since

we are forecasting positive trends for the next several years, these funds can provide more benefit to the Public today. Importantly, the use of the SLCA does not erode our 15% rainy day reserve account that is maintained in accordance with the Board's established budget policies.

The Proposed Budget also includes the new taxing district to support recreation services in the East Lake community approved by the Board last month. This decision resulted from a request from that community through the East Lake Youth Sports Association (ELYSA). In FY15, the proposed millage rate for East Lake Recreation Services is 0.25 mills.

The Dunedin fire district rate has been decreased as a non-recurring capital project has been completed. All other operating and capital improvement budgets, not specifically mentioned in this letter, have been adjusted to achieve balance and maintain as high a level of service as possible based upon available revenues.

The Budget Message following this letter presents a comprehensive overview, with detailed information contained in the budget document.

CONCLUSION

The FY2015 Proposed Budget we have developed working together is sustainable over the forecast period based on the positive outlook of the economy and our careful management of funds. Our partnership in building this budget assures that it meets the needs defined by our talented staff and the Board as the community's elected representatives. By focusing on "doing things", building constructive relationships with our partners, and supporting our employees, Pinellas County Government will continue to demonstrate to the Public that it is high performing and dedicated to providing services that improve our daily lives.

A special note of appreciation to my fellow employees for their support in producing this Proposed Budget.

Respectfully submitted,



Mark S. Woodard
Interim County Administrator

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