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Mark S. Woodard  
County Administrator

July 19, 2016

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

In accordance with our statutory responsibilities and in the interest of transparency, we are pleased to present the **Proposed Fiscal Year 2017 Annual Operating and Capital Budget**. This Proposed Budget reflects the strategic plan and associated priorities you have identified as we aspire to achieve our Vision to be the standard for public service in America.

We are proud of the results of the 2016 Citizen Values Survey that reflected a 91 percent approval rating by our citizens, the highest number recorded since the County officially began its citizen surveys in 2012. This trust and confidence rating outperformed the national average of 70 percent for local governments. Survey results also showed that a vast majority of residents would recommend Pinellas County as a place to live (94%), work (89%), raise children (91%), and retire (94%). Citizens also reported that their experiences are closer than ever to their expectations across a wide spectrum of community characteristics including parks, personal safety, and support services for the homeless.

We are grateful for the Board's active engagement and guidance throughout the budget development process. Likewise, we appreciate the support of fellow employees, the Constitutional Officers, and Independent Agency heads for their support in producing this Proposed Budget.

Within this balanced budget, funding is aligned to support each of your strategic goals: Create a quality workforce in a positive, supportive organization; Ensure public health, safety, and welfare; Practice superior environmental stewardship; Foster continual economic growth and vitality; and Deliver first-class services to the public and our customers. The budget provides the resources necessary to continue our focus on "Doing Things" to serve the Public and our customers and pursue our belief that "With Partners we can do more."

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The overall budget presented to you today of \$2,185,397,210 continues the County's tradition of providing high-quality services to the Public and our customers while prudently managing public funds. The total FY17 Proposed Budget increases \$127.3 million or 6.2% over the total FY16 Budget, which reflects a net increase in personal services, capital, and reserves. No increase in the countywide millage rates is required to balance the budget and meet important needs and priorities.

Pinellas County Budget FY17  
Total \$2,185,397,210

Governmental	Enterprise	Constitutional	Other Agencies
\$766,756,010	\$647,772,990	\$373,799,960	\$397,068,250

The countywide millage rates of 5.2755 mills for General Fund, 0.9158 for Emergency Medical Services, 0.0622 for Health Department, and 2.0857 for the unincorporated area (MSTU) remain unchanged. The General Fund is the primary operating fund of the County. This operating budget is \$659,605,650 for FY17, representing an increase of \$18.6 million or 2.9% compared to the prior fiscal year. The 15% policy target reserve level is met with \$82.0M. The total reserve level in the FY17 budget is \$89.1M and includes \$7.1M in funds from the settlement of the BP/Deepwater Horizon Oil Spill litigation. The Board is proactively engaging the public, distinct from FY17 budget development, to determine the most effective investment of this one-time funding source.

The Proposed Budget was built upon the noted strategic goals, as well as the County's Mission, Vision, and Values. Inherent in this is a commitment to "Doing Things" that serve the Public and our customers, building meaningful relationships with our partners, and supporting the hard work of our dedicated employees.

Following the Board's strategic direction, we have carefully and incrementally restored service levels to meet pressing community needs in a financially prudent manner. Key areas include:

Ensure Public Health, Safety, and Welfare

- Homeless support to enable rapid re-housing, case management, and care coordination.
- Health program enhancements including HIV/AIDS educational outreach, dental sealant for elementary and middle school children, and 211 after-hours staffing to reduce call wait times.
- Increased staffing for code enforcement to reduce response times.
- Additional veterinary medical team to increase live release rate and reduce surgery backlogs.
- Implementation of adult pre-arrest diversion program through coordination with justice and community partners to reduce impact on court system and avoid criminal arrest records for individuals.

- Public safety investments to enable the Sheriff to ensure a safe community, and Medical Examiner DNA laboratory to maintain response rate that maintains current standards while exceeding newly established statutory standards.

#### Practice Superior Environmental Stewardship

- Dual inlet study to understand sand movement processes in Shell Key Preserve and surrounding area.
- Achievement of target service level for surface water program in unincorporated area with sustainable funding source to maintain this improvement.
- Pursuit of additional improvement in rating for Community Rating System (CRS) that demonstrates floodplain management activities exceeding minimum National Flood Insurance Program requirements. An improvement from rating of Class 7 to Class 5 provides 25% discount on flood insurance premiums for residents and businesses in unincorporated areas, saving over \$5.3M annually.

#### Foster Continual Economic Growth and Vitality

- Increase funding commitment to Creative Pinellas, our non-profit local arts agency, enabling it to sustain and expand its role in supporting the creative community.
- Establishment and funding for Community Redevelopment Area (CRA) in Lealman to enable targeted improvements to services and infrastructure, as guided by the community.
- Housing Trust Fund investment to enable additional construction and rehabilitation of affordable housing through partnership with the Housing Finance Authority and other public and private partners.
- Re-prioritizing Penny for Pinellas appropriations to enable projects that will make a difference now, including transportation and drainage projects within Lealman community, eliminating sidewalk gaps throughout unincorporated communities, and accelerating work on several priority transportation projects.

Our employees are the foundation of our strategic plan. We remain committed to creating and maintaining a quality workforce in a positive, supportive organization through: competitive pay and classification; adopting OSHA as a County standard; seeking a diverse workforce that reflects our community; and promoting from within when candidates are the best qualified. Our talented workforce, through its dedication and support of the Board's strategic goals, helps us achieve the outcome of delivering first-class services to the Public and our customers.

The Proposed Budget and its underlying assumptions are based on a positive, optimistic, yet realistic outlook for our future. Our local economy demonstrates sustained improvement: tourism continues to set historical records; airport passenger growth is surpassing all-time highs; new construction continues at an accelerated pace; building permits, inspections, and development review activity reflect sustained increases; the real estate market continues to improve; and sales tax revenues are growing. Most importantly, relationships with our partners are better than ever.

This optimistic outlook, along with careful analysis of revenue and expenditure trends and two key balancing strategies, created capacity to address Board funding priorities. One of those strategies consisted of revising our reserve policy to recognize best practices among our peers by adopting a less conservative approach while maintaining prudent reserve levels of 15% of total revenues. The second strategy reflects re-prioritizing of Penny for Pinellas funding to meet immediate community needs, including investment in public safety vehicles for the Sheriff. This strategy realigns funding for those vehicles from the General Fund, thereby creating capacity for additional priorities.

Once again, our staff team engaged the Board early and sought input for this Proposed Budget, providing it additional flexibility and time for deliberation regarding the priorities that best serve the Public.

The Budget Message following this letter presents a comprehensive overview; more detailed information is contained in the budget document.

The FY17 Proposed Budget we have developed together is sustainable over the forecast period based on a realistic outlook of the economy and our careful management of funds. Our partnership in building this budget assures that it meets the needs identified by the Board as our 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 that it is meeting the needs and concerns of our citizens today and tomorrow.

Sincerely,



Mark S. Woodard  
County Administrator