

FY2012 Proposed Budget

July 12, 2011



**Pinellas
County**
www.pinellascounty.org

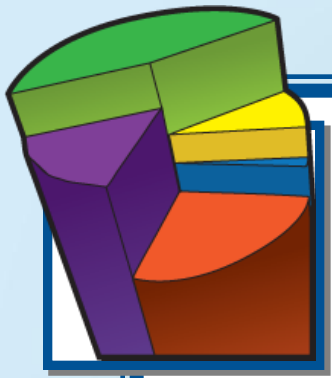
FY2012
Annual Operating and Capital Budget

Outline

- Budget background
- Budget challenges and strategy
- Multi-year budget forecast
- Original General Fund forecast in January
- Budget targets
- Reductions process and overview
- Revised General Fund forecast

Outline

- General Fund non-recurring allocations
- General Fund reserve
- Unincorporated area (MSTU) budget
- Other fund forecasts
- Capital Improvement Program (CIP)
- Next steps



Budget Background

Factors Impacting Property Tax Revenue

- FY2007: BCC reduces countywide millage rate by 7/10 of a mill
- FY2008: Mandatory 7% roll-back of the millage rate by Legislature



- FY2009: Amendment One “doubles” the Homestead Exemption and initial decline in real estate market
- FY2010, FY2011, FY2012: Dramatic drop in just values due to foreclosures and the recession

FY2007 Background

- **Board of County Commissioners proactively reduced the countywide millage rate by 7/10th of a mill (10.3%)**
 - ❑ Reduced property tax revenue by \$35.7M for amount projected without rate reduction
 - ❑ Expenditures were reduced by \$16.3M
 - ❑ 16 positions eliminated
 - ❑ Reserves reduced by \$19.4M

FY2008 Background

- In FY2008 property tax revenues decreased 4.6% or \$20M due to:
 - Legislature required Pinellas County to set property tax rate at 7% below rolled-back rate
 - EMS and Fire Districts cut to 3% below rolled-back rates
 - Implemented property tax cap of new construction and average percentage growth in Florida personal income
 - Effect is that property tax revenue will be constrained even if taxable values increase beyond the average increase in personal income

FY2009 Background

- In FY2009 property tax revenues decreased 8.7% or \$35M due to:
 - Amendment One
 - “Doubling” the homestead exemption (school taxes exempt)
 - Save Our Homes portability (up to \$500K)
 - 10% cap on assessments for non-homestead property (schools exempt)
 - Tangible personal property exemptions of \$25K
 - Decline of the real estate market
 - 8% decrease in total General Fund revenue

FY2010 Background

- In FY2010 property tax revenues decreased 11.4% or \$43M due to:
 - Decline in taxable values
 - Foreclosures and distressed sales depress prices
 - Excess inventory compared to demand
 - Low volume of new construction
 - 7.1% decrease in total General Fund revenue

FY2011 Background

- In FY2011 property tax revenues decreased 9.6% or \$32M due to:
 - Decline in taxable values
 - Foreclosures and distressed sales depress prices
 - Excess inventory compared to demand
 - Low volume of new construction
 - 8.8% decrease in total General Fund revenue
- Between FY2007 and FY2012
 - Property taxes have decreased 35%
 - Total General Fund revenues have decreased 30%

Position Reductions

(FY2007 to FY2011)

- **Constitutional Officers and Independent Agencies decreased 633 positions or 17%**
 - **Lowest position count since FY1995**
- **BCC Departments decreased 979 positions or 35%**
 - **Lowest position since FY1985**

Expenditure Reductions

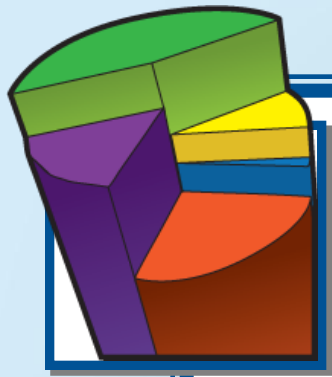
(FY2007 to FY2011)

- General Fund expenditure reductions from FY2007 to FY2011

| Agency | \$ | % |
|-------------------------------|-----------|-------|
| BCC Departments | (\$93.9M) | 36.4% |
| Sheriff | (\$58.3M) | 21.5% |
| Other Constitutional Officers | (\$14.4M) | 26.1% |
| Independent Agencies | (\$7.9M) | 32.5% |

Note:

- Comparisons are between FY2007 and FY2011 budget except the Sheriff (FY2008 and FY2011)



FY2012 Budget Challenges & Strategy

FY2012 Budget Challenge

- Budget pressure has impacted the organization over the last four fiscal years
- Many programs have been reduced or eliminated
- Staff have been negatively affected by continued layoffs and lack of stability
- Revenue sources continue to be impacted by the real estate market downturn and the economic recession
- Existing and potential new caps on property taxes will blunt the recovery for local governments

FY2012 Budget Strategy

- Goal: Reshape Pinellas County government by restructuring, reorganizing, and realigning the organization to provide an efficient and effective array of services



FY2012 Budget Strategy

- Plan the budget based upon ten-year forecasts for the County's major funds
 - Forecasts are updated throughout the year
 - Budget targets are developed based on the unique forecasts for each fund
- Develop the budget consistent with the Board's adopted budget policies
 - Budget Policies appear as Exhibit A of the Budget Message

FY2012 Budget Process

- Community outreach prior to budget development
- Mid-year budget presentations from each BCC department
- Focus on program-based budgeting and levels of service
- Evaluate new funding sources and cost savings
- Focus on ability to sustain programs given revenue decreases and ongoing property tax caps
- Constitutionals and Independents have individual budget work sessions with the Board

Strategic Planning

- The Board held eight **strategic planning meetings** from December to April
 - Began development of a new Strategic Plan
 - Provided priorities and direction for the FY2012 Budget Process
- The Board developed **operating principles** to provide direction and help make decisions

BCC Operating Principles

■ Governance

- **Govern proactively through the strategic planning process** while also responding to important emerging issues
- **Govern at the level closest to the citizen** (e.g. in, by, or through, strategic partners) where large infrastructure or public investment isn't necessary or already in place
- **Govern at the County level** where consistency and/or county wide governance are important
- **Consider both the current and future impact** of our decisions

BCC Operating Principles

- **Decision Making**

- **Provide consistency and efficiency by using an enterprise approach** with systems and processes while meeting specific business requirements
- **Make decisions as a commission with appropriate levels of public input**, based upon the complexity, public interest, and fiscal impact of the issue.

BCC Operating Principles

■ Financial

- **Align the beneficiary(ies)** of a service with the funding source for that service, where appropriate
- Maximize our returns by **undertaking a level of risk commensurate with our public/fiduciary responsibilities**
- **Utilize “pay as you go” funding strategy** unless there is a financial advantage or long-term public benefit from debt financing
- **Deliver service in the most cost effective way** while meeting established service standards

BCC Operating Principles

■ Other

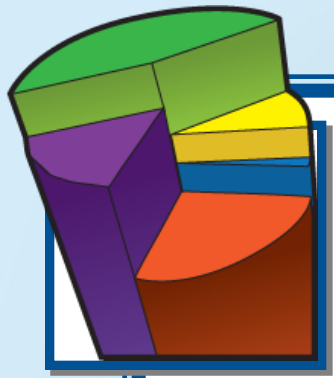
- **Collaborate to break down barriers** that exist which impact service delivery and quality
- **Provide the highest level of accountability** considering the community impact, dollar value, and cost of administering the accountability system
- **Leverage technology and information systems** over manual processes, especially in high volume transaction areas considering cost / sustainability / reduction in redundancy

Strategic Planning

- The Board provided direction regarding **budget priorities** to the County Administrator
 - Used to identify and develop proposed reductions for the BCC departments
- The Board developed a set of **Strategic Initiatives** to explore consolidation and cost-saving opportunities with the Constitutional Officers

Policy Decisions

- BCC focus on **policy decisions** regarding:
 - Tax policy
 - Funding for Constitutionals and Independent Agencies
 - New revenue sources
 - Reduction priorities of BCC department programs and levels of service



Multi-Year Budget Forecast

Multi-Year Budget Forecasts

- **FY2012 Proposed Budget document updates the ten-year fund forecasts provided on January 25th in the Budget Forecast document**
- **Second year of using long-range forecasting as integral part of the budget process**
- **Includes ten key funds:**
 - **General Fund**
 - **Tourist Development Fund**
 - **Transportation Trust Fund**
 - **Capital Projects Fund**
 - **Emerg. Medical Svcs. Fund**
 - **Fire Districts Fund**
 - **Airport Fund**
 - **Utilities Water Funds**
 - **Utilities Sewer Funds**
 - **Utilities Solid Waste Funds**

Forecast Information

- Forecasts are based on the best information we have at this time
- Model is designed to facilitate sensitivity analysis to demonstrate impact of changing key assumptions
- All assumptions and detail analysis (pro-formas) are provided
- Potential risks affecting the forecasts are identified and discussed
- Forecast information is updated throughout the year

Power of the Forecast

- Valuable tool that reflects the impact that decisions made in the present can have on future fiscal capabilities
 - Ex) adding a new program
 - Ex) approving a new revenue source
- Helps to identify future challenges, weigh potential options, and craft policy well in advance
- Provides transparency to the budget planning process

National Economic Outlook

- The recession officially ended in June 2009 and lasted 18 months
- Worst recession since the Great Depression

| Length of Recession (Contraction Peak to Trough) | No. of Months |
|---|---------------|
| August 1929 – March 1933 | 43 months |
| November 1973 – March 1975 | 16 months |
| July 1981 – November 1982 | 16 months |
| December 2007 – June 2009 | 18 months |

- The national economy is anticipated to grow by 2-3% annually over the next three years

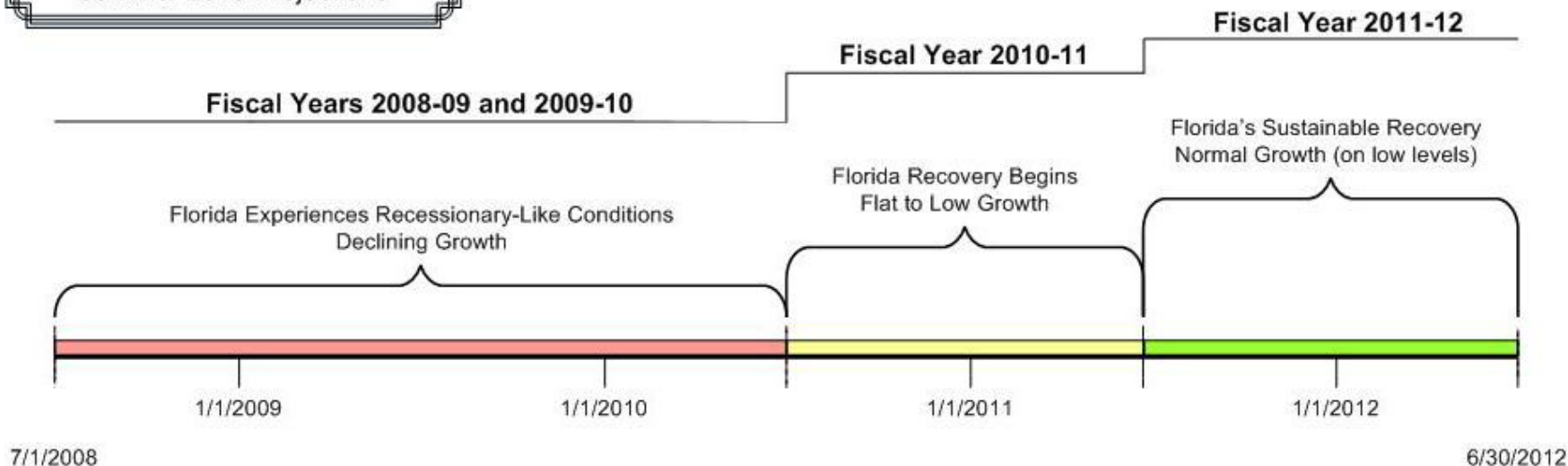
State Economic Outlook



- **Florida Economic Estimating Conference met in February 2011**
- **Expect “flat to low growth” through mid-2011**
- **A transition to “low level normal growth” from mid-2011 through 2012**
 - **Marked by weak population growth and a slow improvement in the unemployment rate**

Florida Recovery Timeline

Summer 2010 Projections



Fiscal Year 2009-10

National GDP has negative growth in 2008-09 and less than 1% growth in 2009-10.

National consumer spending has negative growth in 2008-09 and turns weakly positive in 2009-10.

National job growth sees decreases in both years.

National Wages & Salaries declines in both years.

Florida has negative population growth in both years.

Florida personal income declines in both years

Florida employment declines in both years

Florida unemployment rate moves into double-digits.

Florida housing starts decline in both years.

Florida Visitors decline in 2008-09 and turns weakly positive in 2009-10.

Fiscal Year 2010-11

National GDP has 3% growth.

Florida population has very low growth.

Florida personal income has weak growth.

Florida employment has weak growth.

Florida unemployment rate is only slightly off the peak.

Florida private housing starts enter positive territory.

Florida Visitors has weak growth.

Fiscal Year 2011-12

Most Florida measures return to normal or accelerated growth rates.

Florida population growth is still weak, but begins to slowly accelerate.

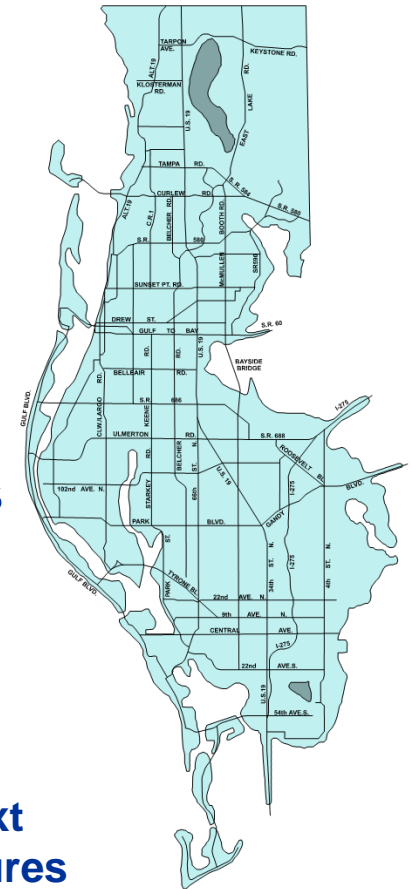
Florida unemployment rate improves slowly.

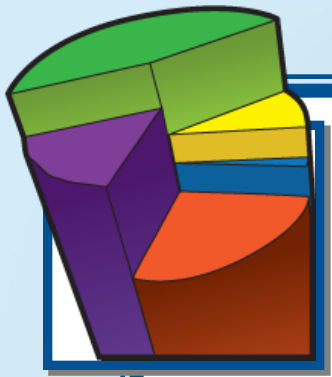
Local Economic Outlook

- Generally tracks with timing of recovery of Florida's economy
- Moderate growth expected in 2011

| Year | % Change in Gross Metro Product (MSA) |
|-------------|---------------------------------------|
| 2010 | 1.7% |
| 2011 (Est.) | 2.5% |
| 2012 (Est.) | 3.4% |
| 2013 (Est.) | 3.7% |

- Revenues driven by general economic conditions are expected to improve
 - Examples: Sales taxes and bed taxes
- However, until property values stabilize, property tax revenues will continue to decrease
 - Expect property values to bottom out sometime in the next two years; hindered by high unemployment and foreclosures

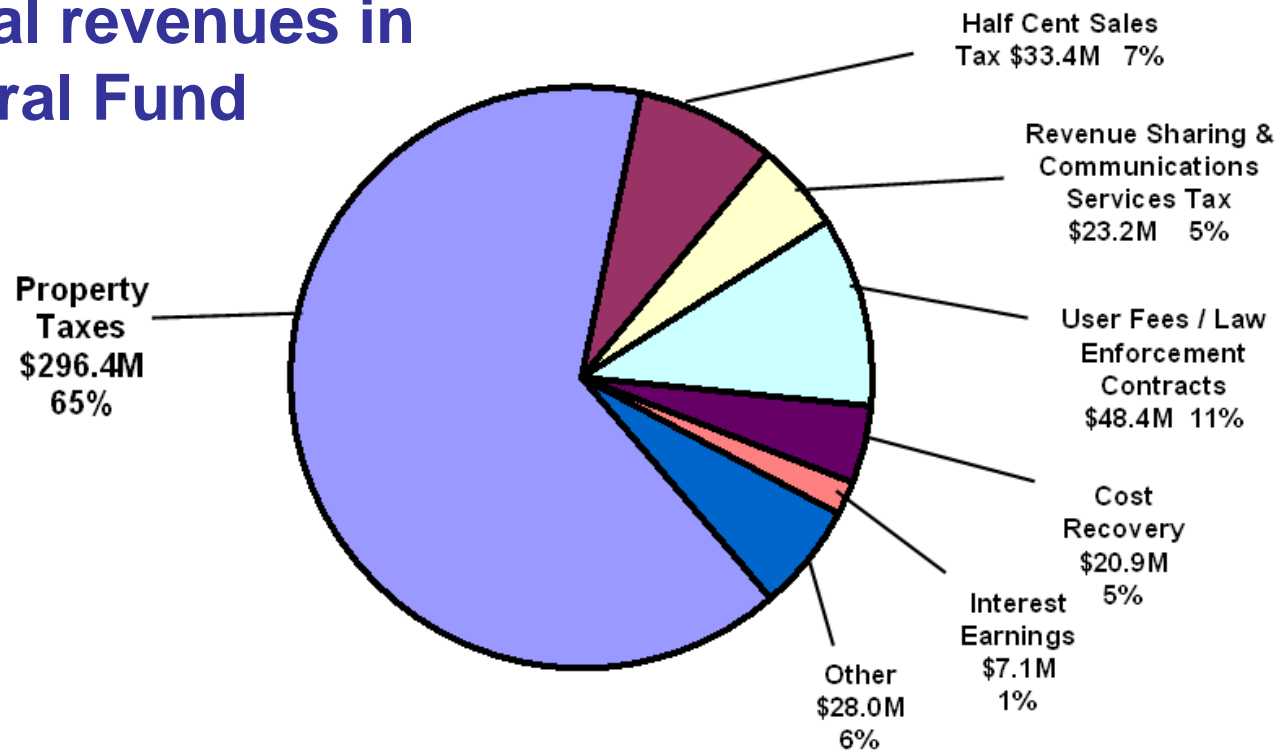




Original General Fund Forecast in January

General Fund Revenues

- Property taxes comprise 2/3 of total revenues in the General Fund



Source: FY2011 Adopted Budget

Foreclosure Filings

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------|--------------|--------------|---------------|---------------|---------------|--------------|
| Jan | 255 | 506 | 963 | 1,263 | 1,128 | 421 |
| Feb | 253 | 469 | 1,016 | 1,284 | 1,383 | 390 |
| Mar | 315 | 494 | 1,035 | 1,420 | 1,118 | 424 |
| Apr | 247 | 513 | 1,134 | 1,407 | 1,118 | 448 |
| May | 281 | 479 | 1,118 | 1,275 | 860 | |
| Jun | 259 | 557 | 1,112 | 1,236 | 1,025 | |
| Jul | 273 | 650 | 1,086 | 1,365 | 806 | |
| Aug | 321 | 642 | 999 | 1,142 | 989 | |
| Sept | 324 | 662 | 1,295 | 1,215 | 1,040 | |
| Oct | 403 | 899 | 1,390 | 1,239 | 658 | |
| Nov | 398 | 894 | 969 | 1,120 | 383 | |
| Dec | 369 | 773 | 1,198 | 1,487 | 438 | |
| TOTAL | 3,698 | 7,538 | 13,315 | 15,453 | 10,946 | 1,683 |

- Foreclosure filings appear to be decreasing

Source: Pinellas County Clerk of the Circuit Court

Note: 2011 figures added since original January forecast

Taxable Values by Property Type

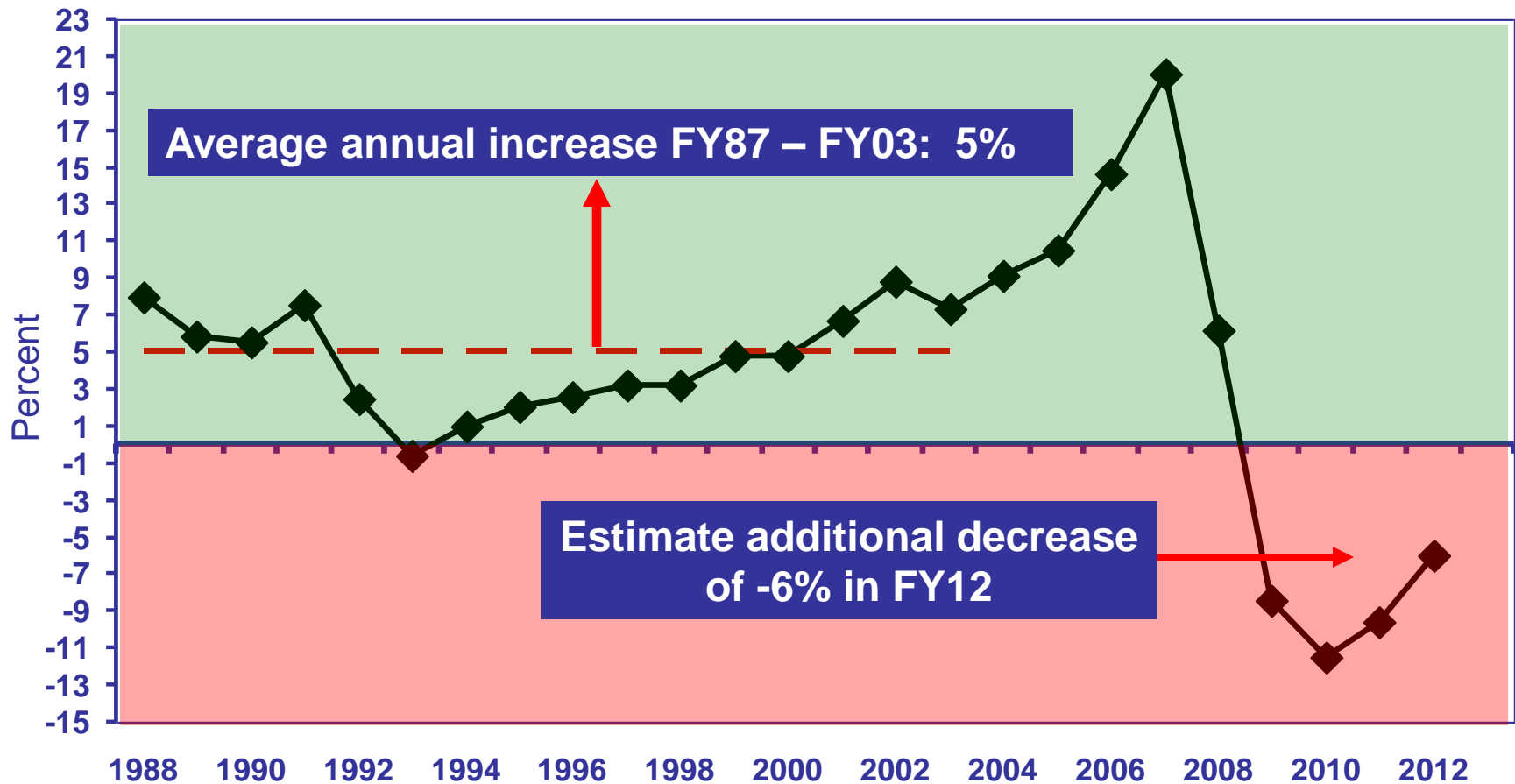
(Estimated 01/01/2011)

- Taxable values were estimated to decrease from 5 to 8%
- Forecast assumes property tax revenues to decrease by 6%

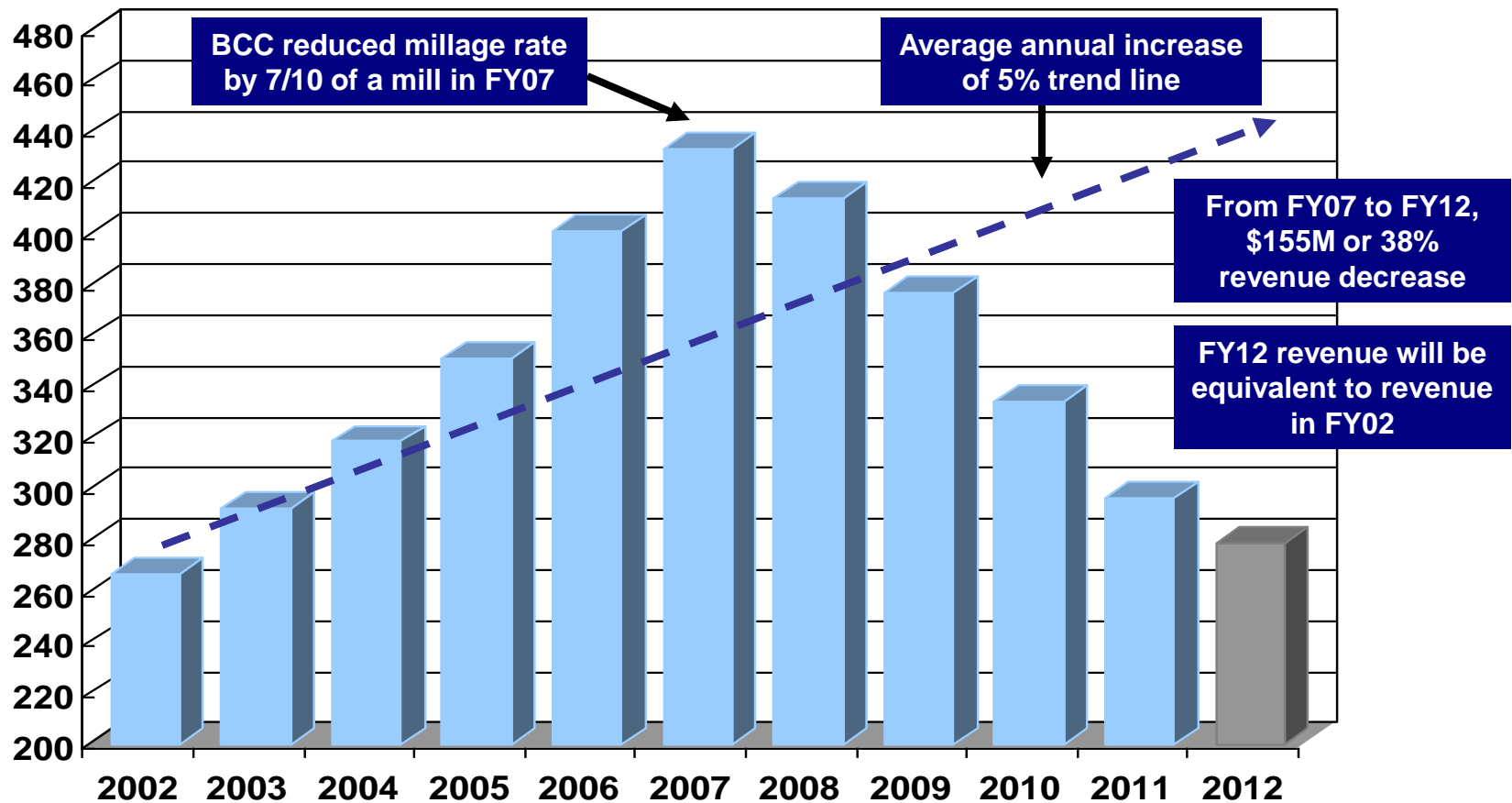
| | % Change in Value | | Est. Tax Base \$ Billion |
|----------------------------------|-------------------|---------------|-----------------------------|
| | Just Value | Taxable Value | |
| <i>Single Family Residential</i> | -7.0% | -6.0% | \$ 24.3B |
| <i>Condominium Residential</i> | -7.0% | -7.0% | \$ 9.4B |
| <i>Other Residential</i> | -7.0% | -7.0% | \$ 4.5B |
| <i>Non-Residential</i> | | | |
| Commercial & Industrial | -8.5% | -8.5% | \$ 12.2B |
| Personal Property | 0% | 0% | \$ 4.3B |
| <i>New Construction</i> | | | \$ 0.2B |
| Total | | -6.0% | \$ 54.9B |



Countywide Taxable Values Annual Rate of Change



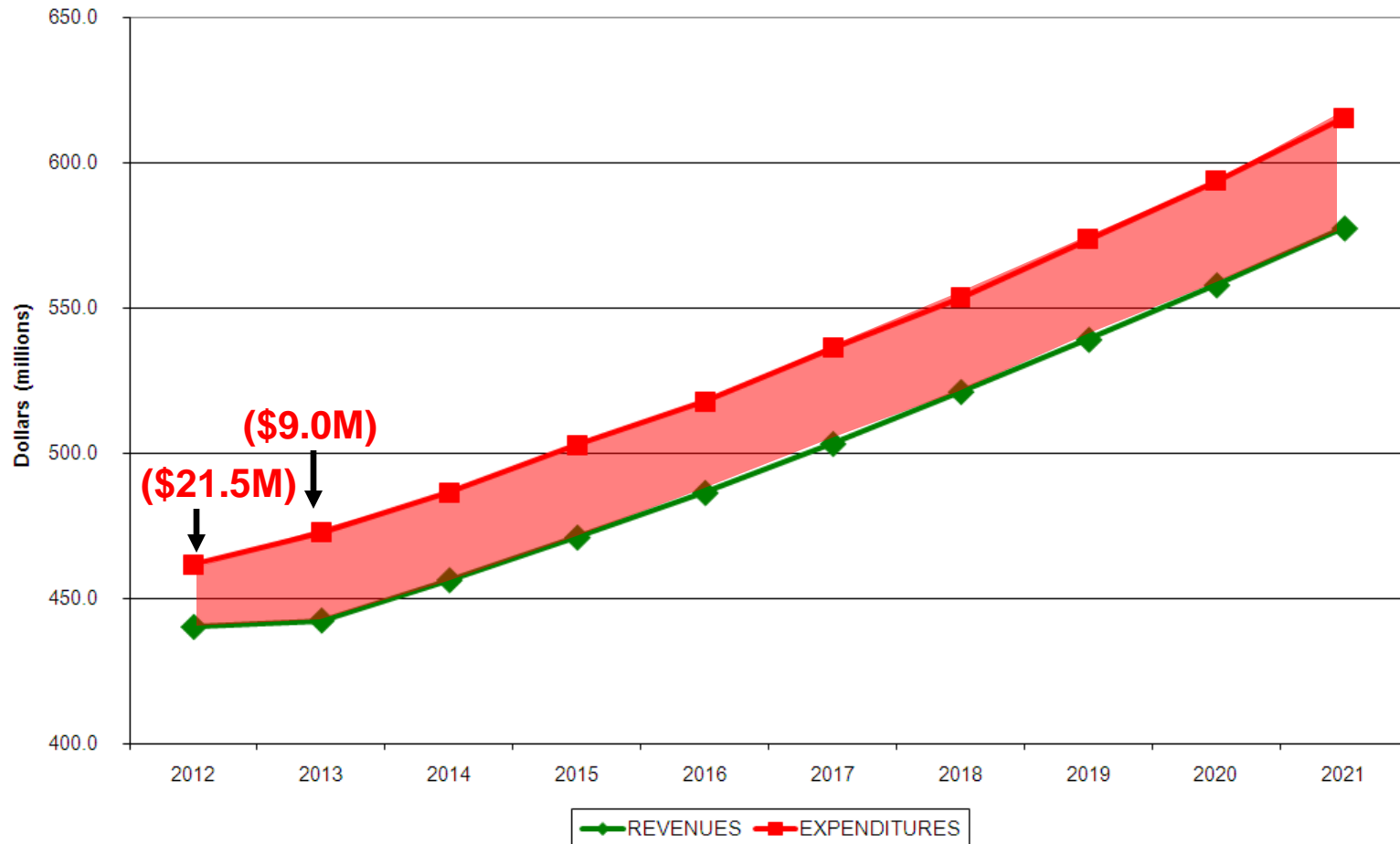
General Fund Property Tax Revenue (FY02-FY12) in millions

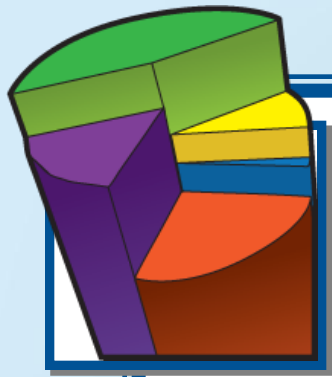


Original General Fund Forecast

- Fund is not balanced beginning in FY2012
 - Projected **\$21.5M** shortfall for FY2012
 - Additional **\$9M** shortfall projected for FY2013
- Balancing strategies
 - Target FY2012 budget at **6%** less than the FY2011 budget (based on adjusted base budget)
 - Rethink the services that the County provides and how we can best organize to deliver them

Original FY2012 General Fund Forecast





Budget Targets

FY2011 Expenditures

- There is no formal expenditure target for the current fiscal year
- The forecast assumes 99% expenditure rate
- In FY2010, BCC departments overall came in at around 98%
- Where possible, departments should continue to try and come in lower than 99%
 - ❑ Generates non-recurring funds for the Service Level Stabilization Account and/or non-recurring projects

FY2012 Target Methodology

- At the February 11th strategic planning meeting, the Board agreed on the following methodology:
 - Each agency will start with the variance from their FY11 budget targets, if any (total \$13.3M)
 - The difference between the FY12 projected shortfall of \$21.5M and last year's \$13.3M variance from the targets is \$8.2M
 - The \$8.2M will be distributed proportionately between the BCC, Constitutionals, and Independent Agencies using the adjusted base budget percentages
 - Target = FY11 target variance plus FY12 prop. share

FY2012 Target Methodology

- Variance from FY11 targets totaled **\$13.3M**

| Agency | Variance |
|-------------------------------|---------------------|
| Board of County Commissioners | \$653,670 |
| Sheriff | \$9,643,880 |
| Tax Collector | \$35,090 |
| Clerk of the Court | \$822,140 |
| Property Appraiser | \$965,420 |
| Supervisor of Elections | \$80,210 |
| Judiciary | \$0 |
| Public Defender | \$41,080 |
| State Attorney | \$0 |
| Business Technology Services | \$947,000 |
| Human Resources | \$112,620 |
| Human Rights | \$0 |
| Medical Examiner | \$0 |
| TOTAL | \$13,301,110 |



FY2012 Target Methodology

- The difference between the FY12 shortfall of \$21.5M and last year's \$13.3M variance from the targets is \$8.2M
- The **\$8.2M** was distributed proportionately using the adjusted base budget percentages

| Agency | % | Variance |
|-------------------------------|---------------|--------------------|
| Board of County Commissioners | 32.66% | \$2,677,757 |
| Sheriff | 52.87% | \$4,334,753 |
| Tax Collector | 2.00% | \$163,978 |
| Clerk of the Court | 1.85% | \$151,679 |
| Property Appraiser | 2.68% | \$219,730 |
| Supervisor of Elections | 1.36% | \$111,505 |
| Judiciary | 0.04% | \$3,280 |
| Public Defender | 0.15% | \$12,298 |
| State Attorney | 0.00% | \$0 |
| Business Technology Services | 5.26% | \$431,262 |
| Human Resources | 0.88% | \$72,150 |
| Human Rights | 0.19% | \$15,578 |
| Medical Examiner | 0.06% | \$4,919 |
| TOTAL | 100.0% | \$8,198,890 |



FY2012 Target Methodology

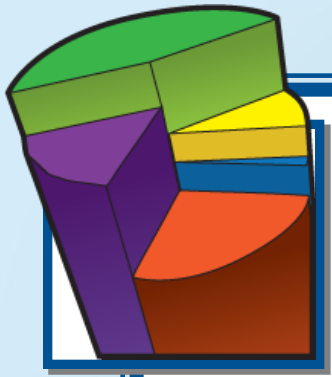
- Target = FY11 target variance plus FY12 proportional share

| Agency | Target |
|-------------------------------|---------------------|
| Board of County Commissioners | \$3,331,427 |
| Sheriff | \$13,978,633 |
| Tax Collector | \$199,068 |
| Clerk of the Court | \$973,819 |
| Property Appraiser | \$1,185,150 |
| Supervisor of Elections | \$191,715 |
| Judiciary | \$3,280 |
| Public Defender | \$53,378 |
| State Attorney | \$0 |
| Business Technology Services | \$1,378,262 |
| Human Resources | \$184,770 |
| Human Rights | \$15,578 |
| Medical Examiner | \$4,919 |
| TOTAL | \$21,500,000 |



FY2012 Target Methodology

- Reduction targets were applied to the FY12 “cost of opening the doors” budget
- The forecast included inflationary adjustments for:
 - Health insurance
 - Florida Retirement System contributions
 - CPI-based inflation for operating expenses and capital outlay
 - Changes to cost allocation charges were netted out
- Ad valorem funds were asked to submit budgets assuming a 6% decrease in taxable values



Reductions Process & Overview

Community Outreach



- Received valuable public input at two community meetings
 - Thursday, March 10th—Palm Harbor University High School
 - 1900 Omaha Street, Palm Harbor
 - Tuesday, March 15th—Dixie Hollins High School
 - 4940 62nd St. N., St. Petersburg
- Over 150 attendees

Community Outreach

- Budget eTownHall meeting held on April 6th
- Helped reach, engage, and involve citizens not often able to attend public hearings
- Budget eTownHall engaged more than 10,500 participants as residents blogged, tweeted, and called in during the event



Community Input

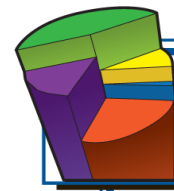
- **Telephone Citizens Preference Survey**
 - ❑ Independently conducted by HCP & Associates from April 19 to 29
 - ❑ Statistically valid telephone survey
 - ❑ Respondents met age, gender, and incorporation quotas set to avoid weighting of data to an unrepresentative base
 - ❑ Margin for error 6% at the 95 percent confidence level
 - ❑ Results can be found on Citizens' Guide to the Budget website

Community Input

- **On-line Citizens Preference Survey**
 - ❑ Survey link was e-mailed to more than 12,000 citizens who have previously signed up for electronic communication with the County
 - ❑ Survey was posted on the County's website, Facebook page, and Twitter account
 - ❑ Survey was open from April 25 to 29
 - ❑ Survey was completed by 2,937 participants
 - ❑ Results can be found on Citizens' Guide to the Budget website

Citizen Suggestions

- Citizen input through County's website
 - Submit suggestions
 - 76 to date
 - Sign up for budget news
 - 1,652 signed up since January, 2009
 - Link to Citizens' Guide to the Budget website
 - 53,063 aggregate hits since January
 - 10% more than last year



Citizens' Guide
to the Budget ←

www.pinellascounty.org/budget

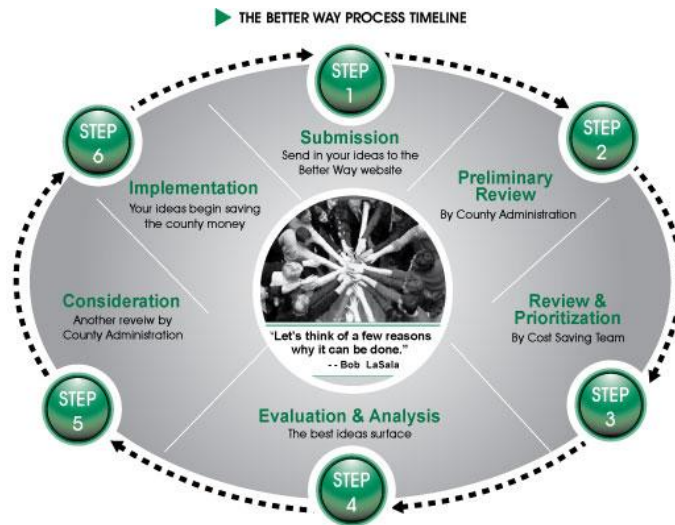


Citizens' Guide
to the Budget ←

Employee Suggestions

- Re-activated “A Better Way” website to receive employee suggestions for cost-saving and revenue ideas
 - 39 ideas received this year

[Submit Employee Suggestions Here](#)



- Re-activated Cost-Saving and Revenue Teams to turn ideas into actionable options to offset reductions



Citizens' Guide
to the **Budget** ◀

Revenue Ideas

- **New parking fees at Fort De Soto Park and Howard Park Beach & Causeway**
 - ❑ County currently charges parking fees at all other beach access parks
 - ❑ Consistent with results of the Citizens' Preference Survey
 - ❑ Charge \$5 per vehicle
 - ❑ \$75 annual pass
 - ❑ \$55 annual pass for 65 years and over
 - ❑ Bicyclists and pedestrians pay no fee
 - ❑ Existing daily boat trailer parking fee and annual boat ramp parking pass would allow for park entry

Revenue Ideas

- **New parking fees at Fort De Soto Park and Howard Park Beach & Causeway**
 - Estimated to generate \$2.25M
 - Restores \$1M of Park system budget reductions
 - Adds \$700K for 12 positions to provide enhanced security, cleaner bathrooms, and increased holiday coverage at all parks system-wide
 - Adds \$300K for capital improvements and repairs for bath houses at Fort De Soto Park and Howard Park
 - Adds \$250K for revenue collection costs (10 part-time positions)
 - Non-recurring costs of \$548K for equipment, entry station, and pavement improvements

Revenue Ideas

■ Fort De Soto Park



- Placement of entry station south of boat ramp and campground entrance to avoid queuing issues
- Eliminates high portion of larger vehicles and trailers
- Moves entry station approximately 2.2 miles from FDOT plaza

■ Howard Park Beach & Causeway

- Fee collected through pay and display machines
- Fee restricted to causeway and beach area
- No fee required for inland park use



Revenue Ideas

- **Building & Development Review Services Fees Analysis**
 - ❑ Engaged a consultant to review Building and DRS's current fee schedule
 - ❑ Benchmark with comparable jurisdictions
 - ❑ Recommend appropriate level of cost recovery
 - ❑ Identify potential revenue opportunities
 - ❑ Report will be ready in August

Cost-Saving Ideas

- **Merger of Public Works and Utilities into the new Department of Environment & Infrastructure**
 - ❑ This reorganization builds on the recent consolidation of engineering activities between the two departments
 - ❑ Management Council made up of members of both departments has helped guide the merger
 - ❑ Full implementation of the merger should result in numerous operational efficiencies
 - ❑ No savings from the merger are included in the FY2012 budget

Cost-Saving Ideas

- **Reorganization of Fleet Management into the Real Estate Management Department**
 - ❑ Staffing within both of these internal service departments have been significantly reduced over the past three years
 - ❑ Consolidation will increase staff capacity and provide an opportunity for synergism in the areas of management, administration, and inventory control, which will increase efficiency and customer service
 - ❑ Anticipate opportunities to reduce costs stemming from continuous improvement efforts over time
 - ❑ No savings from the reorganization are included in the FY2012 budget

Cost-Saving Ideas

■ Creation of Enterprise GIS Bureau

- ❑ Multiple Geographic Information Systems are maintained and operated by the County and Constitutional Officers for both internal and external users
- ❑ Consolidated enterprise GIS bureau will maximize cost efficiencies and leverage county-wide business technology assets to optimize the effective delivery of GIS services
- ❑ Enterprise GIS Steering Committee created by the BTS Board to provide governance
- ❑ Committee is chaired by the Property Appraiser and includes representatives from Supervisor of Elections, Utilities, County Administration, Business Technology Services, Sheriff's Office, and Public Works

Cost-Saving Ideas

- **Potential Consolidation and/or Sharing of Governmental Services**
 - ❑ Engaged a consultant in May to provide guidance for the potential consolidation and/or sharing of services between Pinellas County Government and local municipalities
 - ❑ Goal is to optimize production and delivery of products and services resulting in satisfied customers
 - ❑ Study will inventory potential programs/services/products that could be shared and identify specific opportunities that could be pursued in the short, intermediate, and long term
 - ❑ Study is anticipated to be complete in November

Cost Saving Ideas

- ❑ **Centralized Chiller Facility: \$7.5M** (financed by a loan from Solid Waste Fund)
 - Contributes the remaining non-recurring funding necessary to fully fund the total cost of the project. To date, \$3.0M has been budgeted for this project and \$1.5M of design costs are being paid for by a federal grant from the Department of Energy
 - The County will purchase chilled-water at a set rate based on the amount of investment towards the cost of the new facility



- Fully funding the project is estimated to result in \$507K of savings, \$3.8M of cost avoidance, and potential revenue opportunities of \$300-\$400K
- Project will be financed through a loan from the Solid Waste Fund

Reduction Process for BCC Departments

- The FY2012 budget target for the BCC departments is **\$3.3M**
- Departments were not asked to submit across-the-board reduction scenarios as in years past
- A more targeted approach was taken based on direction from strategic planning meetings with the Board of County Commissioners

Considerations for Reductions

- Should the County be providing this program?
- What is the impact to the community?
- What happens if this is eliminated?
- Can we reduce the service level and still have a viable program?
- Is this program sustainable given future revenue constraints?
- Is there a related potential negative economic impact from this reduction?
- Is the service level reduction consistent with BCC priorities?

Reductions Overview

- The BCC Departments have met the target of **\$3.3M**

| BCC Department | Reduction |
|---------------------------------|-----------|
| Parks & Conservation Resources* | \$1.5M |
| Health & Human Services | \$408K |
| Environment & Infrastructure | \$500K |
| Real Estate Management | \$1.1M |
| Total | \$3.5M |

- Note: \$1M of the reductions in Parks & Conservation Resources Department have been restored due to the implementation of the new parking fees at Ft. De Soto and Howard parks

Proposed Reductions: BCC Departments

■ Parks & Conservation Resources (\$1.5M)

□ Parks (\$322K)

- Operational efficiencies as a result of new organizational development with roving crews, centralizing functions, standardization of chemicals, dispensing, and cleaning supplies, centralized controls, reductions in inventory, and reduced volume of maintenance projects as a result of reduced staff (5 positions)

□ County Extension (\$178K)

- One position would be eliminated as part of efficiencies created by the merger of Parks & Conservation Resources Extension and Environmental Lands Education Centers
- With the realignment of duties, refocusing of priorities and the addition of a UF faculty position, no adverse impacts are anticipated for the public

Proposed Reductions: BCC Departments

- **Parks & Conservation Resources (\$1.5M)**
 - Reductions restored by implementation of the new parking fees at Fort De Soto Park and Howard Park Beach & Causeway
 - Close the parks two days a week (\$500K)
 - Eliminate lifeguards at Ft. De Soto, Sand Key and Howard Parks (\$500K)

Proposed Reductions: BCC Departments

- **Health & Human Services (\$408K)**

- **Social Action Funding (\$200K)**

- Eliminates funding for approximately 17 local non-profit social services agencies impacting their ability to leverage funding resulting in program eliminations and reduced service levels decreasing the number of residents served
 - Program has been reduced from \$950K to \$0 over the last few years

- **Healthcare Services Program (\$208K)**

- Based on current enrollment levels, this reduction will have no impact on current services
 - Increasing program eligibility to 115% of Federal Poverty Level will allow for an increase of services for 1,000 newly eligible clients

Proposed Reductions: BCC Departments

- **Environment & Infrastructure (\$500K)**
 - **Public Works: Mosquito Control (\$271K)**
 - Reduces operating supplies for Mosquito Control program to baseline funding level
 - If additional supplies are necessary, funding would have to come from General Fund Reserves
 - **Public Works: Various Programs (\$229K)**
 - Reduces various line items across several programs
 - Some contracted services will be absorbed by in-house staff

Proposed Reductions: BCC Departments

- **Real Estate Management (\$1.1M)**
 - ❑ **Utility Savings (\$600K)** from previous investments in non-recurring facility energy and conservation projects
 - ❑ **Example projects:**
 - Detention Facility Water Conservation Phase I and II
 - Lighting Retrofits and
 - Demand Control Ventilation Phase I and II
 - ❑ **Space Plan Implementation (\$500K)**
 - Significant reductions in force have reduced position counts to the point where opportunities exist to move departments from leased space to county-owned space

Proposed Reductions: BCC Departments

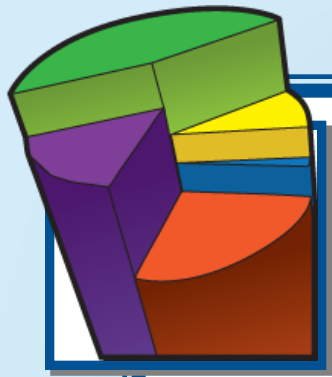
■ Approach to Reductions

- Consideration of Board's budget priorities and strategic initiatives as well as feedback from community outreach efforts
- Challenged ourselves to identify reductions that limit the impact to the public and preserve current service levels
- Proposed reductions reflect the benefit of good decisions over the last two years
 - Realizing efficiencies from reorganizations
 - Return on investment from cost-saving ideas such as non-recurring projects and space planning

Position Impacts for BCC Departments

| Agency/Department | Full-Time Position Changes |
|--|----------------------------|
| Parks & Conservation Resources | (6) |
| Airport – Airco Golf Course | (2) |
| Total Deletions | (8) |
| Service enhancement from new parking fee at Fort De Soto Park and Howard Park Beach & Causeway * | +12 |
| Net Position Impact | 4 |

* Also added 10 part-time positions for revenue collection related to the new parking fees



Revised General Fund Forecast

Updated Key Assumptions

- Target variance from Constitutionals and Independent Agencies
- Recurring issues requests
- Fuel update
- Medicaid update
- Miscellaneous revenues
- Ad valorem update
- FRS update

Target Variances

- Target variances from the Constitutional Officers, Court Support, and Independent Agencies total **\$924K**



- The BCC departments met the \$3.3M target
 - Actual reductions totaled \$3.5M

Target Variances

- Constitutional Officers and Court Support
 - Budgets presented on May 9th and 10th

| Agency | Submittal | Target | Variance | |
|----------------------|-------------|-------------|------------------|---------------|
| Sheriff | 213,029,030 | 213,079,030 | 50,000 | Met target |
| Tax Collector | 16,121,780 | 16,121,780 | 0 | Met target |
| Superv. of Elections | 4,716,610 | 4,722,480 | 5,870 | Met target |
| Clerk of the Court | 10,292,060 | 9,866,000 | (426,060) | Missed target |
| Property Appraiser * | 8,965,996 | 8,443,390 | (522,606) | Missed target |
| Judiciary | 467,010 | 475,380 | 8,370 | Met target |
| Public Defender | 509,490 | 469,630 | (39,860) | Missed target |
| State Attorney | N/A | N/A | N/A | N/A |
| Net Variance | | | (924,286) | |

* Property Appraiser amount adjusted for FRS savings included in budget submittal

Target Variances

- Independent Agencies
 - Budgets presented on June 7th

| Agency | Submittal | Target | Variance | |
|-----------------------|------------|------------|----------|--------------|
| Business Techn. Svcs. | 21,037,710 | 21,037,710 | 0 | Met target * |
| Human Resources | 3,392,840 | 3,392,840 | 0 | Met target |
| Human Rights | 936,610 | 936,610 | 0 | Met target |
| Medical Examiner | 4,370,450 | 4,370,450 | 0 | Met target |
| Net Variance | | | 0 | |

Independent Agencies with no General Fund impact

Health Department, Feather Sound Community Services District, Palm Harbor Recreation & Library District, Construction Licensing Board, Pinellas Planning Council, and Public Library Cooperative

* Not including Recurring Issues.

Recurring Issues Requests

- **Business Technology Services: \$1.73M**
 - ❑ Enterprise Licenses & Maintenance: \$533K
 - ❑ Enterprise GIS – Personnel & Training: \$327K
 - ❑ Enterprise Capacity Plan: \$873K



Fuel Update

- Fuel costs are significantly higher than the original Forecast assumption
 - FY2011 impact of \$380K
 - FY2012 impact of \$770K



Medicaid Update

- **Pinellas County is billed by the State for Medicaid expenses**
- **The County pays the State for in-patient hospital care for days 11 through 45**
 - Difficult to forecast
 - No apparent strong correlation between the County's Medicaid bill and an increase in unemployment from the Recession



Medicaid Update

- The average annual cost of Medicaid since FY2003 is **\$9.0M**
 - Past variances have been attributed in part to timing of accruals and periodic variation in State's billing backlog

| | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | FY10 |
|-----|------|------|-------|-------|-------|-------|-------|-------|
| BUD | 8.0M | 8.0M | 8.0M | 10.2M | 12.0M | 11.2M | 11.3M | 9.5M |
| ACT | 7.1M | 8.2M | 10.2M | 9.0M | 8.6M | 9.0M | 7.4M | 11.5M |

- FY2011 Budget is **\$9.5M**
 - FY2011 Forecast projected \$10M
 - FY2011 updated Projection is **\$13M**
 - Last four months have increased significantly
 - Difference will need to come from General Fund Reserves

Medicaid Update

- Forecast assumed FY2012 Budget of \$10M
 - Recommend adjustment of Medicaid budget to \$12M
 - Negative impact of \$2M to General Fund forecast
- Impact from recent Legislative changes to Medicaid program unknown at this time



Health Insurance

- Mitigating health insurance increase to active employees in the General Fund in FY12 totals \$1.4M



- UPS departments and agencies: \$700K
- Sheriff: \$700K

Ad Valorem Update

- Budget forecast assumed 6% decrease of taxable values for FY2012
- Preliminary estimates of taxable values from the Property Appraiser as of July 1st are:
 - ❑ Countywide: 4.5% decrease
 - ❑ MSTU: 3.5% decrease
- Positive impact to the General Fund forecast is \$4.1M
- Revised FY2013 assumption for taxable value from 0% to a 3% decrease



FRS Update

- Major changes to the Florida Retirement System were passed by the Legislature on May 6th

| | Current | New |
|--|---|---|
| Employee contribution | 0% | 3% |
| Avg. final compensation | Highest 5 years | Highest 8 years |
| Vesting period | 6 years | 8 years |
| Normal retirement date for regular class, senior members, elected officers | 62 with 6 yrs. of svc. or 30 years of service | 65 with 8 yrs. of svc. or 33 years of service |
| Normal retirement date for special risk | 55 with 6 yrs. of svc. or 25 years of service | 60 with 8 yrs. of svc. or 30 years of service |
| DROP interest rate | 6.5% | 1.3% |

Applies to new hires after 7/1/11

FRS Update

- **Employee contribution rate will increase from 0% to 3%**
 - **Employer contribution rates will be reduced and shifted to employees**
 - **The adjustment will accrue to the County, not the State**
 - **General Fund adjustment for FY2012 is estimated at \$13.0M**
 - **Employee contributions are effective July 1, 2011**
 - **Expect positive impact of about \$900K in current fiscal year**
 - **Per Board direction, this amount will be added to Service Level Stabilization Account**



Florida Retirement System



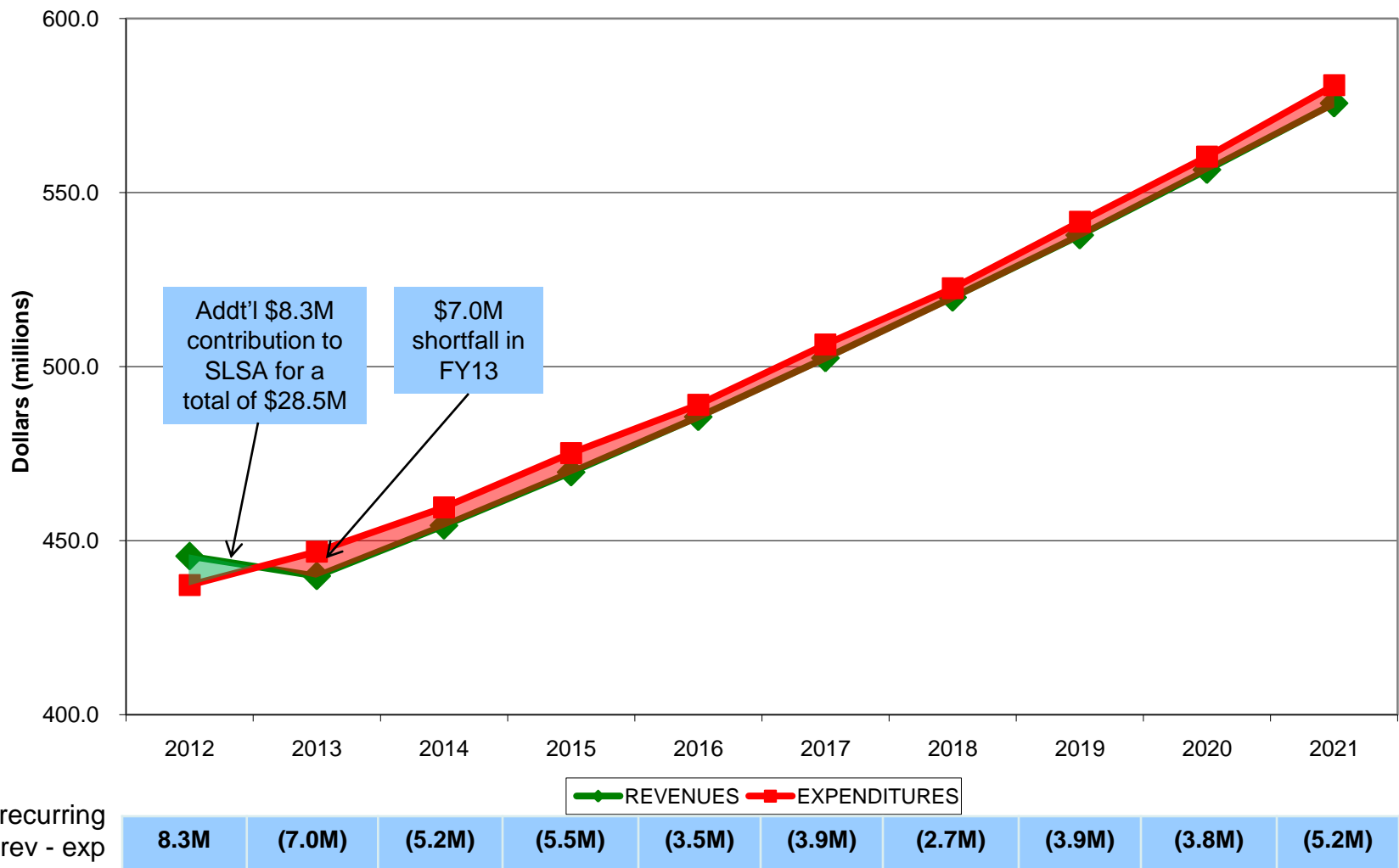
FRS Update

| Agency | FRS Adjustment |
|--|----------------|
| BCC Departments and Independent Agencies | \$3.8M |
| Sheriff | \$7.6M |
| Tax Collector | \$704K |
| Clerk of the Circuit Court | \$444K |
| Property Appraiser | \$302K |
| Supervisor of Elections | \$121K |
| TOTAL | \$13.0M |

Net Impact to FY2012 General Fund Budget

| Item | Impact |
|---------------------------------|----------------|
| Target Variance-Const. & Indep. | (\$924K) |
| Recurring Issues | (\$1.7M) |
| Fuel | (\$770K) |
| Health Insurance | (\$1.4M) |
| Medicaid | (\$2.0M) |
| Miscellaneous Revenues | (\$2.3M) |
| Target Variance-BCC Depts | +\$250K |
| Ad valorem | +\$4.1M |
| FRS adjustment | +\$13.0M |
| Net Impact | +\$8.3M |

Revised General Fund Forecast



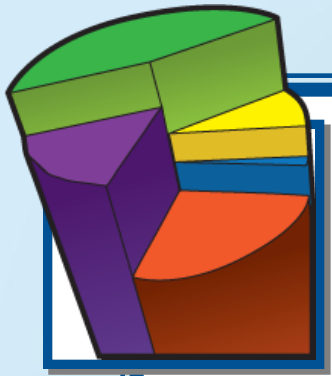
Citizens' Guide
to the Budget

Budget Strategy

- The FY2012 Proposed Budget reflects reductions of \$8.3M over and above the amount necessary to balance the budget
- The additional \$8.3M will be added to the Service Level Stabilization Account (SLSA) for a new total of \$28.5M
 - \$28.5M includes additional \$900K from FRS savings in FY2011
- The SLSA will be used over the next few years to cover potential shortfalls in the General Fund
 - The SLSA provides flexibility in the budget to avoid making reductions to the point where revenues bottom out
 - The SLSA will allow us to bridge to a time when the budget has stabilized and begins to improve

Budget Strategy

- Due to prudent fiscal planning over the last several years, the organization will be able to avoid further significant reductions for the foreseeable future
 - Barring any unforeseen circumstances such as a double-dip recession, etc.
- The community should realize the benefits of achieving organizational stability and sustainability



General Fund Non-Recurring Allocations

Non-Recurring Revenue

- **Non-Recurring Funds =**

- (Revenues – Expenditures) – Reserve Target**

- Additional fund balance resulting from recurring revenue in excess of recurring expenditures
- Over and above the General Fund's reserve target
- Over and above the Service Level Stabilization Account target
- Available amount varies from year to year
- Non-recurring and should be used for non-recurring purposes consistent with adopted budget policy
- As budgets get tighter, ability to generate non-recurring funds is constrained
- If non-recurring funds are not allocated, funds increase reserves

Project Allocation Criteria

- Return on investment
- Cost avoidance
- Recurring savings to operating budget
- Organizational impact

Non-Recurring Project Allocations

- **FY2012 non-recurring funding totals \$6.6M**

- **Justice CCMS project: \$1.0M**

- Funds the anticipated expenditures through the third year of the project. To date, \$7.7M will have been budgeted for this project. Additional funding in future years will be needed to complete this project (\$3.9M)



- **Supervisor of Elections: \$1.6M**

- Funds non-recurring expenditures associated with the 2012 Presidential Preference Primary (occurs every 4 years) and 2012 Redistricting (occurs every 10 years)



- **Homeless Initiatives: \$840K**

- Allocates funding to support homeless initiatives in Pinellas County, such as Pinellas Hope and street outreach activities in the south, mid, and north regions of the county



Citizens' Guide
to the Budget ←

Non-Recurring Project Allocations

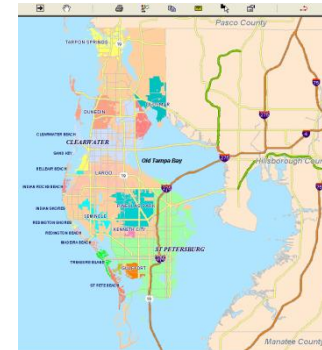
□ Business Technology Services – Mainframe Retirement Project: \$1.1M



- Funds the anticipated expenditures associated with retiring the mainframe over three years until completion of the OPUS and Justice CCMS projects.

□ Business Technology Services – Enterprise GIS: \$980K

- Funds non-recurring costs such as imaging, applications, hardware, and software for the new Enterprise GIS bureau



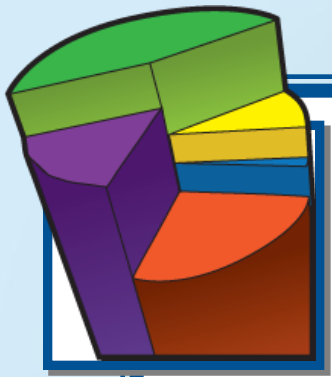
□ Business Technology Services – Enterprise: \$655K

- Funds various enterprise-wide non-recurring expenditures such as security maintenance, application maintenance, infrastructure maintenance, server storage and hardware for the Supervisor of Elections, network switch replacement for the Sheriff, and Wi-Fi expansion

Non-Recurring Project Allocations

- **Implementation of parking fees at Ft. De Soto and Howard Parks: \$548K**
 - Funds non-recurring expenditures associated with the implementation of the fees including equipment, entry station, and pavement improvements.





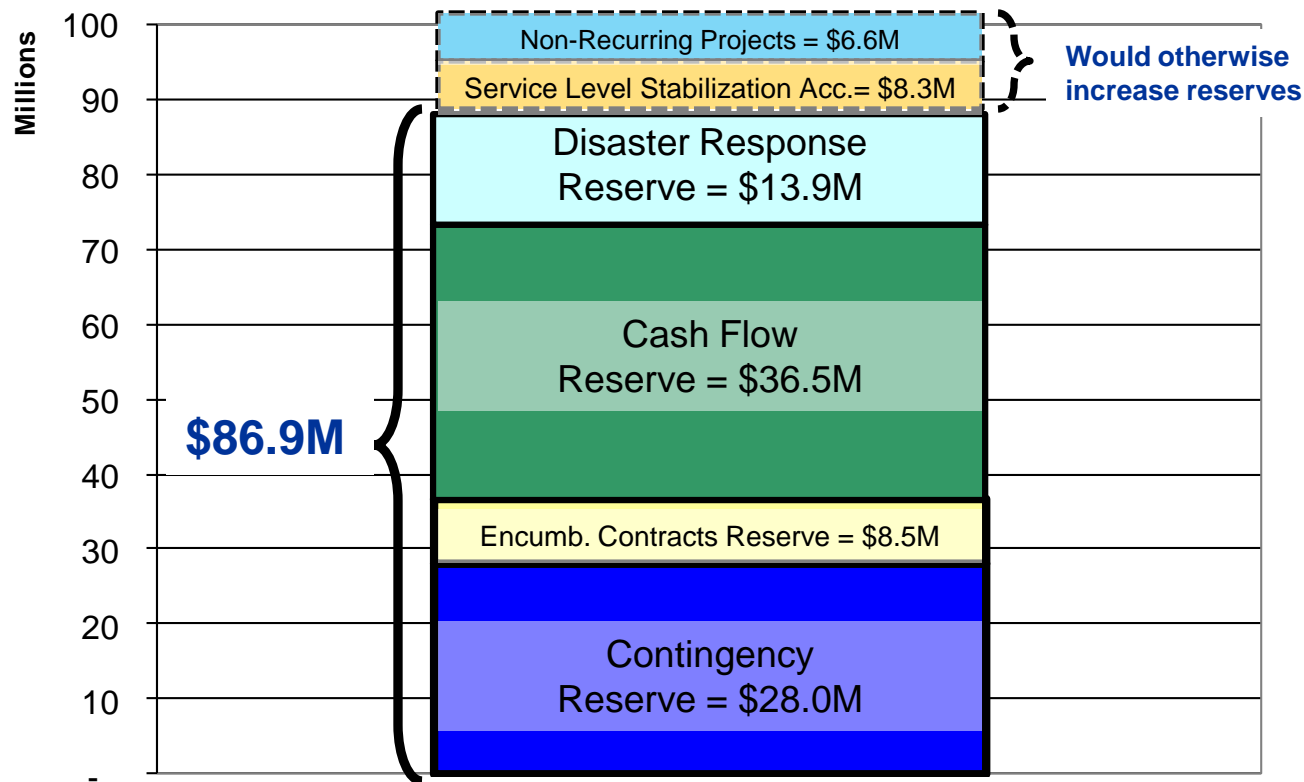
General Fund Reserve

General Fund Reserve Policy

- Budget reserve of at least 15% of General Fund Resources
 - ❑ Consistent with recent County practice
 - ❑ Aligned with Government Finance Officers Association Recommended Best Practice
 - ❑ Board indicated desire to bolster reserves when possible
- Reserve is currently budgeted at \$94M
- Propose **\$86.9M** in FY2012 budget (16%)
 - ❑ Reduced from \$94M to fund non-recurring allocations

Proposed FY2012 General Fund Reserve

- FY2012 Reserve of **\$86.9M (16%)** is consistent with adopted reserve policy of at least 15% of General Fund Resources



Components of Reserve

- **Contingencies Reserve: \$28.0M**
 - Unanticipated revenue shortfalls or expenditures
 - Revenue examples
 - Sales tax proceeds
 - Local government sharing from the State
 - Development driven revenues such as building permits and zoning fees
 - Expenditure examples
 - Volatile fuel costs
 - Electric rate increases
 - Water/Sewer rate increases
 - Leave payouts for laid off positions

Components of Reserve

- **Encumbered Contracts Reserve: \$8.5M**
 - Resources committed to be expended in the following fiscal years due to timing issues
 - Accrued leave earned but not used
 - Encumbrances
 - Grants revenue received but not spent
- **Cash Flow Reserve: \$36.5M**
 - Necessary to meet cash flow needs (working capital)
 - Property tax revenue represents two-thirds of total revenues and most is not received for at least two months

Components of Reserve

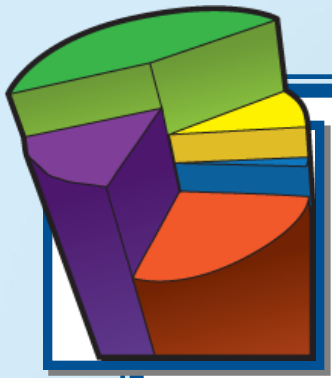
- **Disaster Reserve: \$13.9M**
 - Pinellas is a high hazard coastal county
 - Need cash on hand to pay for disaster response
 - Emergency operations center and emergency shelters
 - Sheriff overtime
 - Public Works emergency response personnel
 - Debris removal
 - FEMA or State reimbursement only covers a portion of the costs and may not be received for months or years
 - Depending on timing, other available reserves could also be used for disaster response



Costs for Recent Hurricanes

| Year | Event | Location | Cost |
|------|-------------------|-------------------|--------|
| 2004 | Hurricane Dennis | Escambia County | \$29M |
| 2004 | Hurricane Charley | Charlotte County | \$124M |
| 2004 | Hurricane Ivan | Escambia County | \$196M |
| 2005 | Hurricane Wilma | Palm Beach County | \$325M |





Unincorporated Area (MSTU) Budget

Unincorporated Area (MSTU)

- Another term for the unincorporated area is the Municipal Services Taxing Unit or MSTU
- The population of the MSTU is larger than any of the cities in the County (276,000)
- MSTU services are paid for by unincorporated area residents only
- MSTU residents do not pay utility taxes or franchise fees like most city residents

Countywide vs. Unincorporated (MSTU)

▪ Countywide services

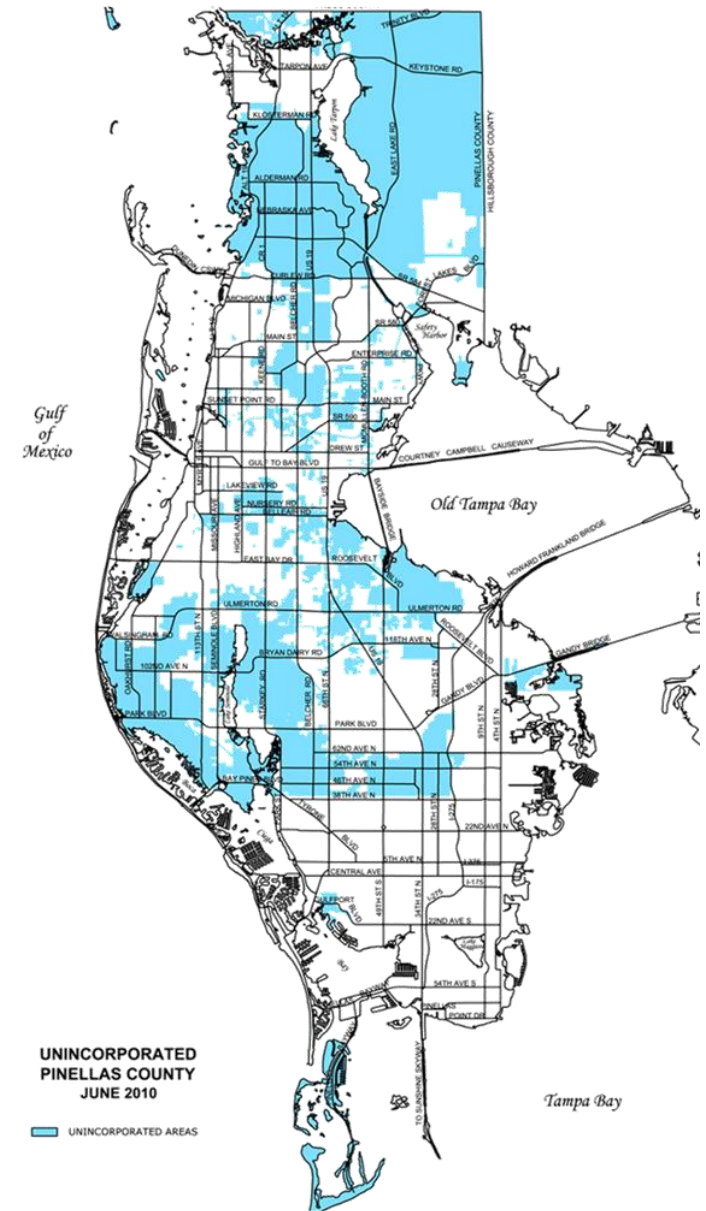
- ❑ Courts and Jail
- ❑ Animal services
- ❑ Economic develop.
- ❑ 9-1-1 & EMS System
- ❑ Mosquito control
- ❑ Social services
- ❑ Arterial roads

▪ MSTU services

- ❑ Building permits
- ❑ Plan reviews
- ❑ Zoning
- ❑ Drainage
- ❑ Code enforcement
- ❑ Road patrol (Sheriff)
- ❑ Local road maintenance

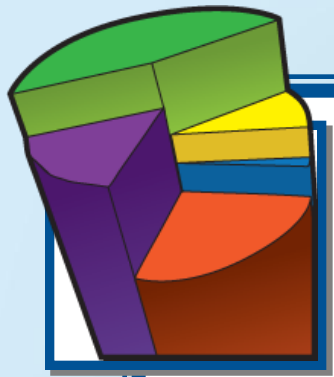
MSTU Budget

- Overall revenues decreased \$2.1M or 4.1%
- Property taxes represent 59% of total revenues
 - Ad valorem millage rate remains the same at 2.0857 mills
 - Values decreased 3.5%
 - Revenue decrease of \$1.1M



MSTU Budget

- **Overall expenditures reduced \$3.9M or 8.2%**
 - **Sheriff is 74% of expenditures**
 - Reduced \$3.2M (9.1%)
 - **Other reductions**
 - **East Lake Library operating support**
 - Reduced 3.5% or \$7,290
 - FY2012 support is \$200,990



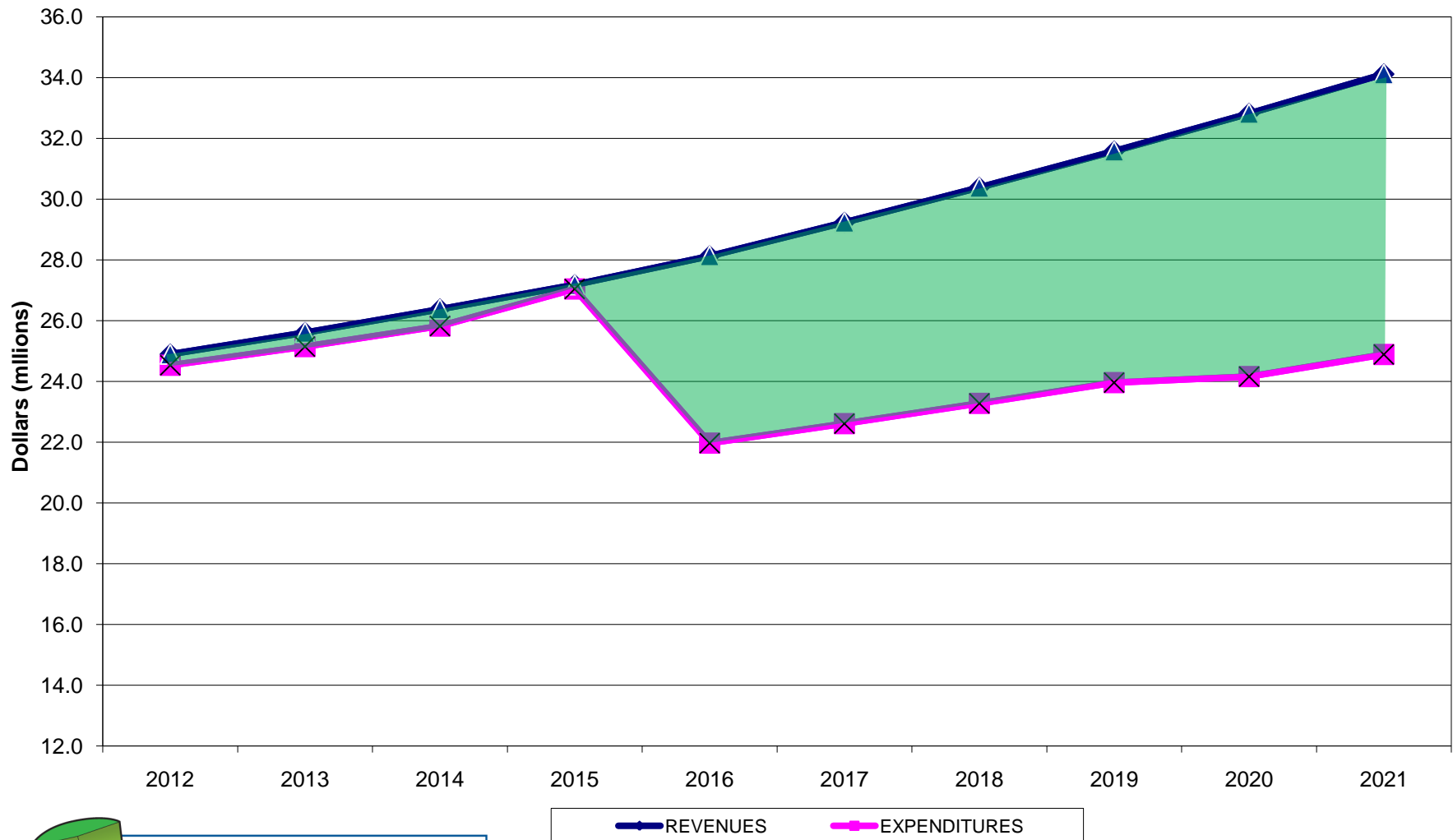
Other Funds

Fund Review: Tourist Development Fund

- **Fund is balanced through the forecast period**
 - Tourist development tax collections are expected to grow from 2.5% to 3.5%
 - Promotional activities budget has been increased \$450K and reserves have been increased to 15%
 - Additional capacity beginning in FY2016 as debt service is paid off
 - Continue to adjust the promotional activities budget to match revenues



Tourist Development Fund Forecast



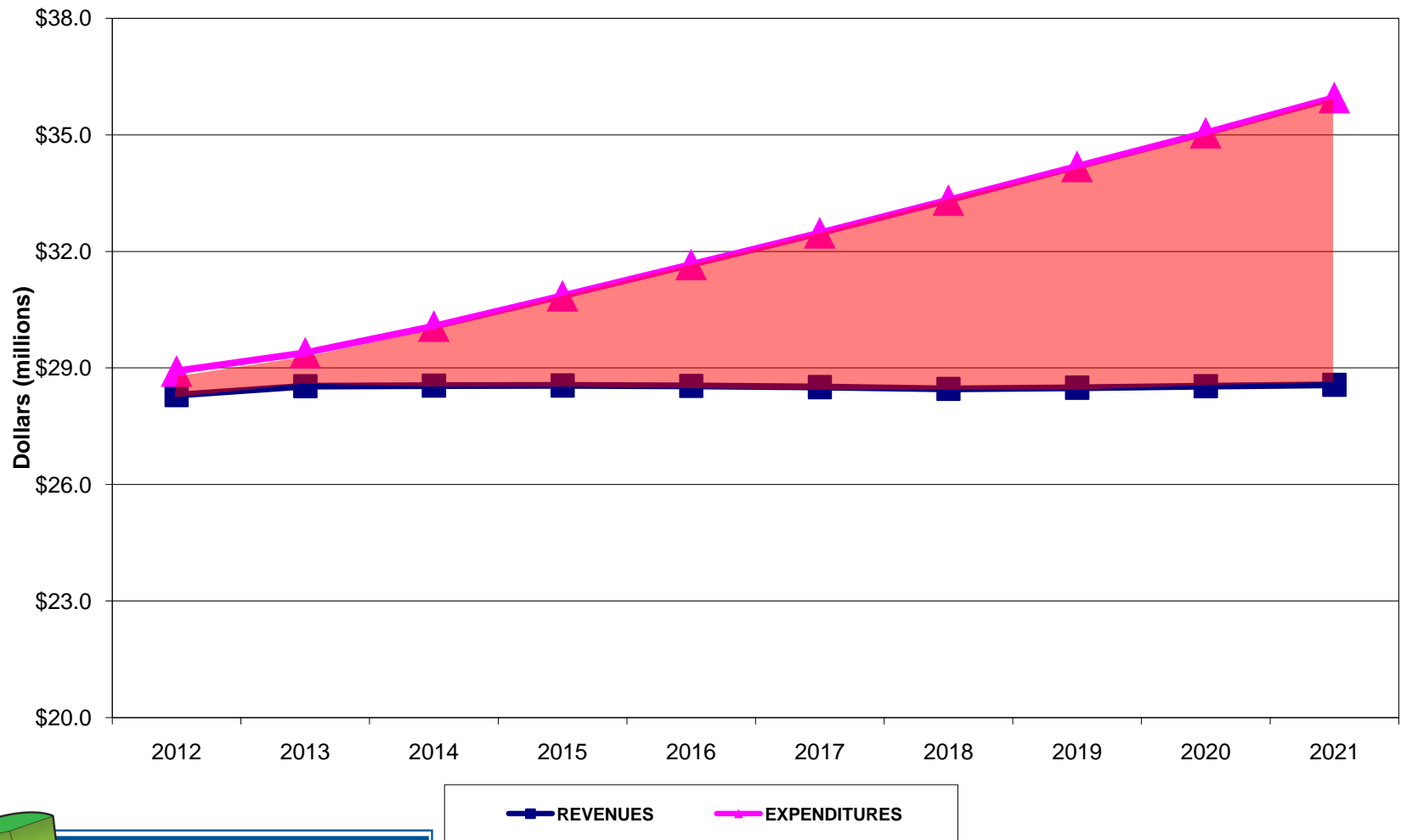
Fund Review: Transportation Trust Fund

- Fund is not in balance beginning in resulting in an exhaustion of fund balance by FY2017
 - Results from inflationary pressures on expenditures exceeding the relatively flat growth in gas tax collections



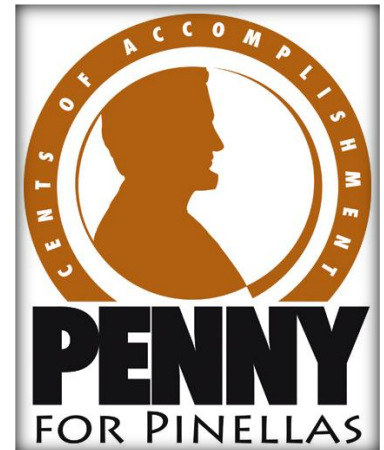
- Balancing strategies
 - Revenue transfer from General Fund
 - Imposition of additional local option gas taxes
 - Reductions in program service levels

Transportation Trust Fund Forecast



Fund Review: Capital Projects Fund

- Fund is balanced through the forecast period
 - Original \$12.0M shortfall closed due to reductions to various ten-year Penny Program allocations
 - Potential cash flow issues have been resolved by smoothing out project expenditures as much as possible to minimize the amount of interfund loan necessary to maintain adequate cash flow (authorized up to \$85M from Solid Waste R&R Fund)
 - Penny Program originally anticipated \$150M bond issue for cash flow purposes
 - Continue to monitor revenues such as Penny for Pinellas and potential expenditure impacts from construction and material price increases

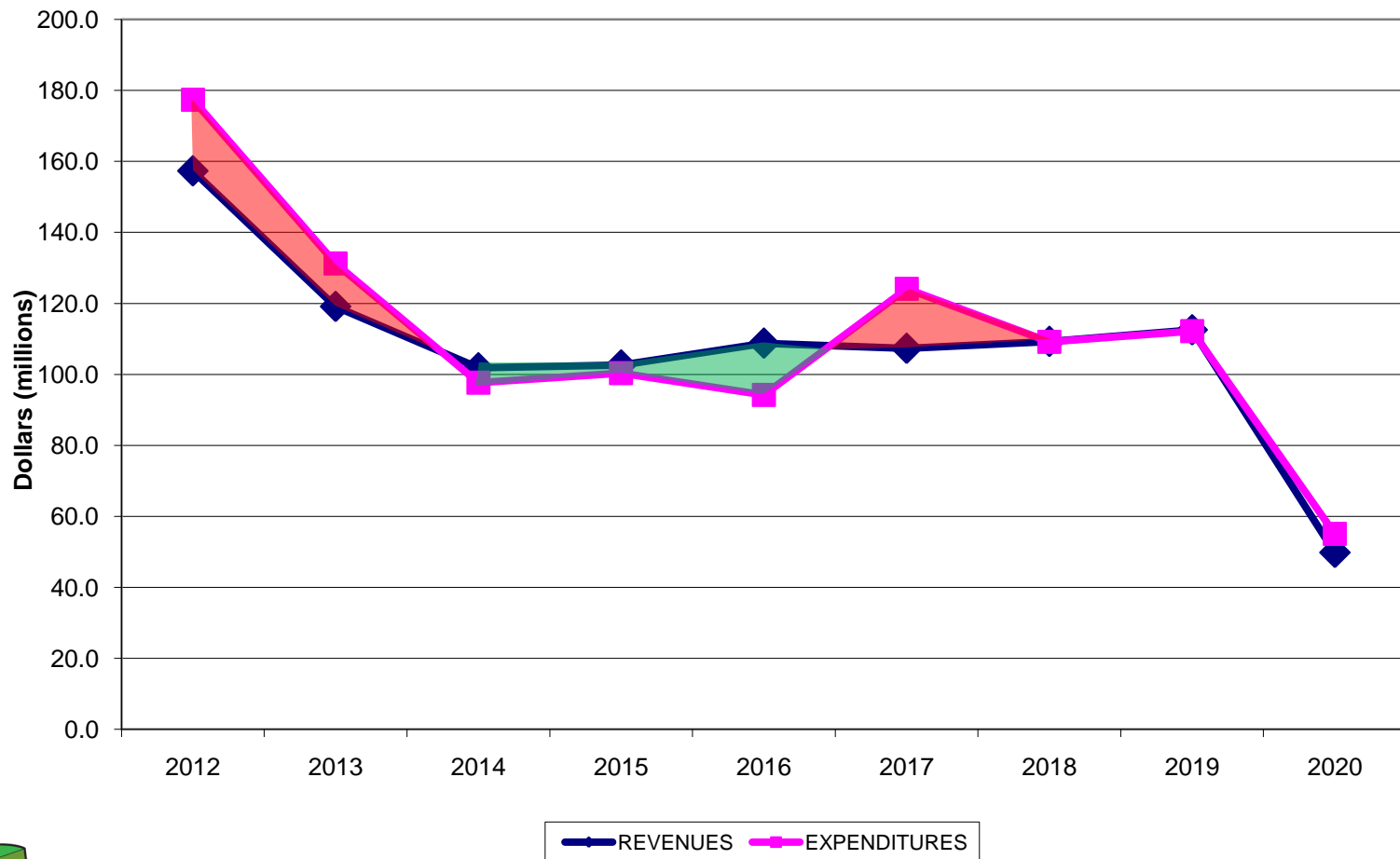


Proposed Penny Program Reductions

- 2010 – 2020 Penny Program includes **\$12.0M** in proposed project reductions to balance the ten-year forecast

| Projects/Programs | Current Allocation | Reduction | Revised Allocation |
|---|--------------------|---------------------|--------------------|
| Unincorp. Recreation/Comm. Centers | \$3,000,000 | \$2,000,000 | \$1,000,000 |
| Traffic Signal Mast Arm Install. - MSTU | \$4,000,000 | \$2,500,000 | \$1,500,000 |
| Road Underdrains Annual Contracts | \$5,500,000 | \$1,000,000 | \$4,500,000 |
| Countywide Road Improv. Program | \$50,000,000 | \$5,500,000 | \$44,500,000 |
| General School & Sidewalk Program | \$10,000,000 | \$1,000,000 | \$9,000,000 |
| <i>Reduction Total</i> | | \$12,000,000 | |

Capital Projects Fund Forecast



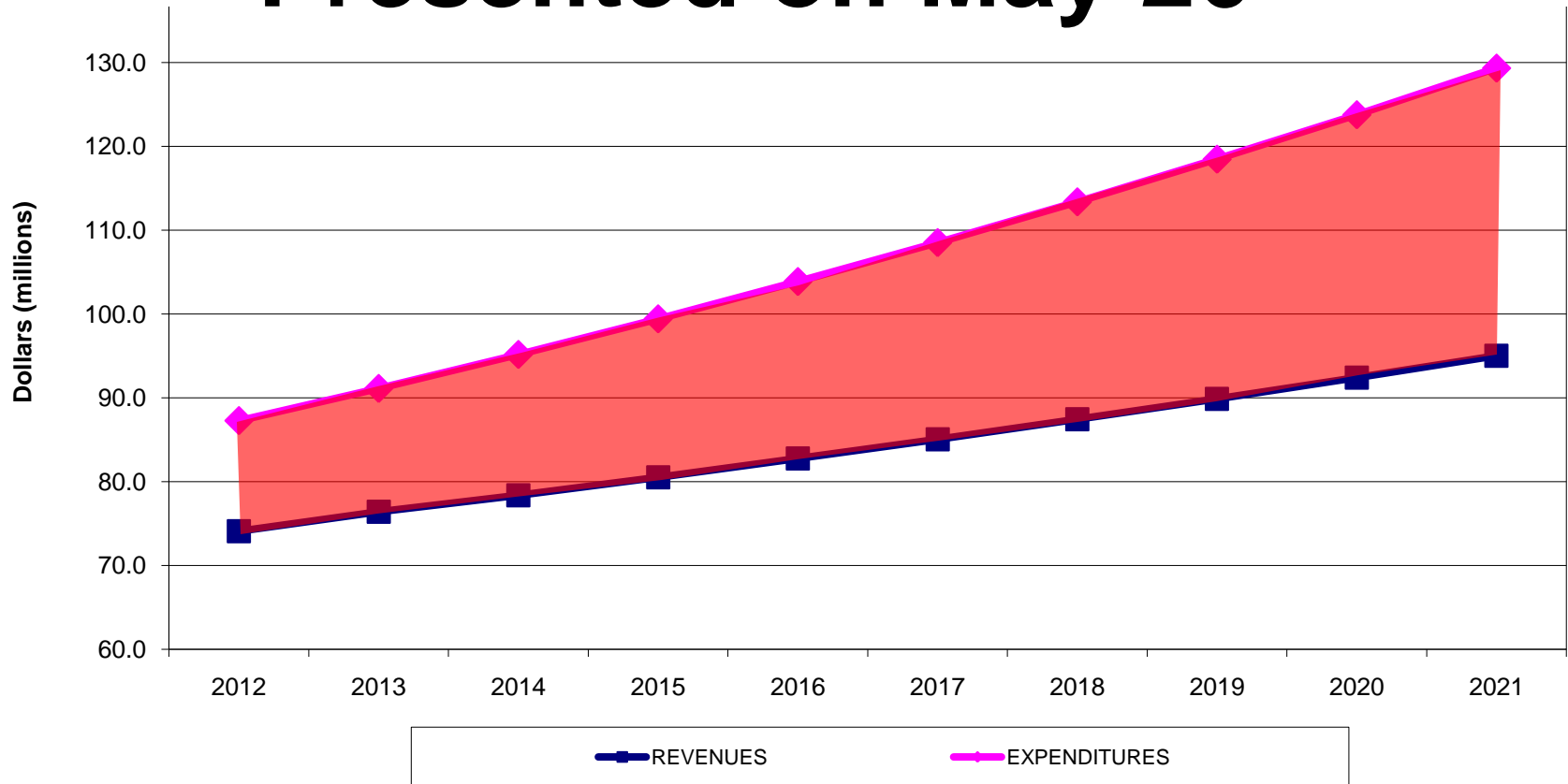
EMS Fund Forecast

Presented on May 26th

- Fund is currently not in balance resulting in a depletion of fund balance by FY2013
 - Project shortfalls of **\$13.2M** in FY2012 and **\$14.7M** in FY2013 due to reduced property tax revenue collections and structural imbalance in the fund that has developed over the last several years

EMS Fund Forecast

Presented on May 26th



| | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Total Revenues | \$ 74,089 | \$ 76,396 | \$ 78,358 | \$ 80,525 | \$ 82,758 | \$ 85,062 | \$ 87,437 | \$ 89,888 | \$ 92,416 | \$ 95,024 |
| Total Expenditures | \$ 87,282 | \$ 91,115 | \$ 95,169 | \$ 99,421 | \$ 103,870 | \$ 108,516 | \$ 113,378 | \$ 118,466 | \$ 123,773 | \$ 129,335 |
| Ending Fund Balance | \$ 6,574 | \$ (8,146) | \$ (24,957) | \$ (43,853) | \$ (64,965) | \$ (88,419) | \$ (114,360) | \$ (142,938) | \$ (174,295) | \$ (208,606) |
| Res as % of Exp | 7.5% | -8.9% | -26.2% | -44.1% | -62.5% | -81.5% | -100.9% | -120.7% | -140.8% | -161.3% |
| Rev Less Exp | \$ (13,193) | \$ (14,719) | \$ (16,811) | \$ (18,897) | \$ (21,111) | \$ (23,455) | \$ (25,941) | \$ (28,578) | \$ (31,357) | \$ (34,311) |

EMS Fund Balancing Options

- Revenue scenario (millage rate increase) does not balance the fund
- Expenditure scenario (EMS study savings) does not balance the fund

EMS Fund Balancing Options

- Balancing the fund will likely require a blend of a millage rate increase and expenditure reductions recommended by the EMS Study

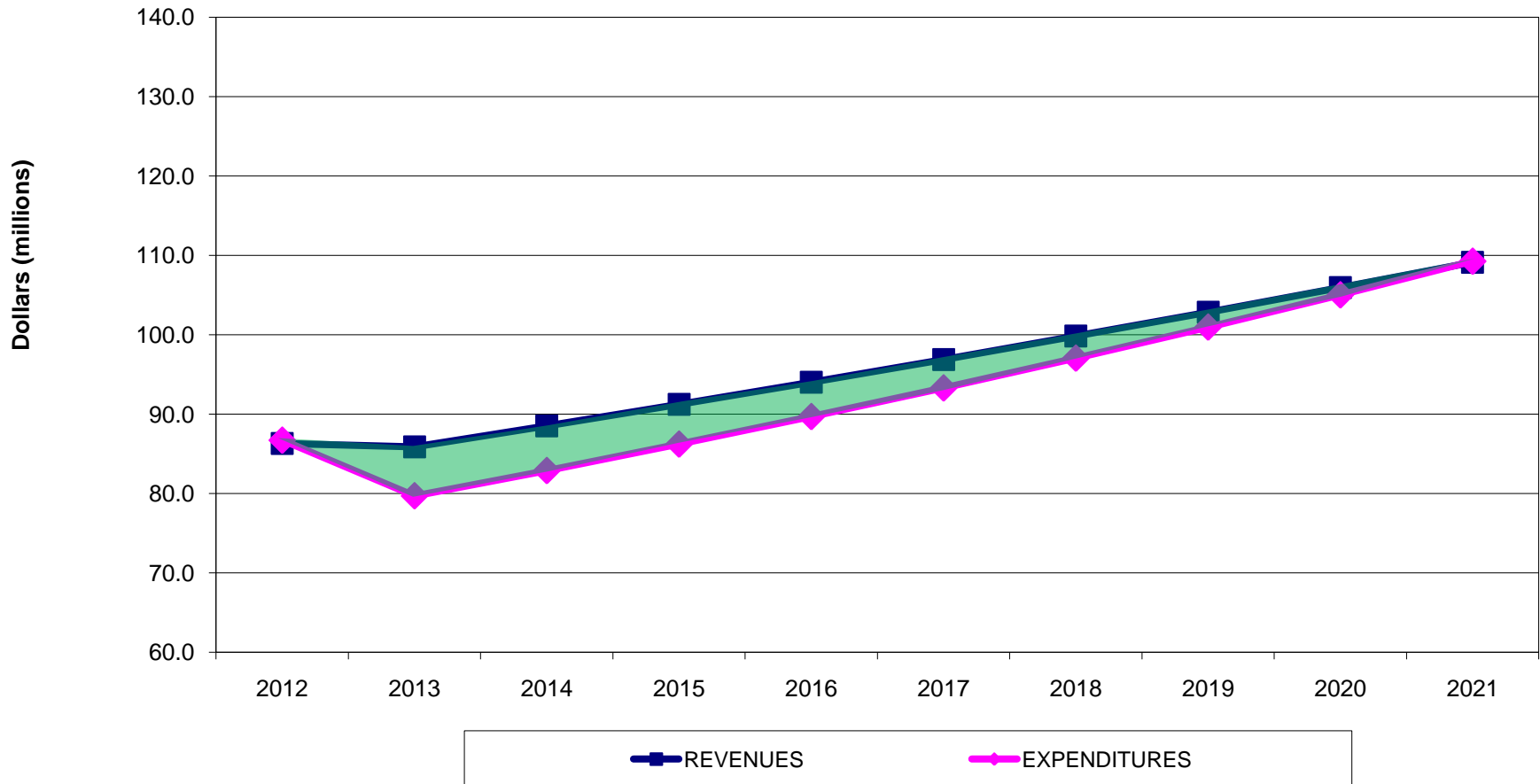
Fund Review: EMS Fund

- Fund is balanced through the forecast period
 - Reflects expenditure reductions recommended in the EMS Study beginning in FY2013



- Increases countywide EMS millage rate from 0.5832 to 0.8506
 - Millage rate can be approved with a simple majority vote
- Provides sustainable funding of Emergency Medical Services

EMS Fund Forecast

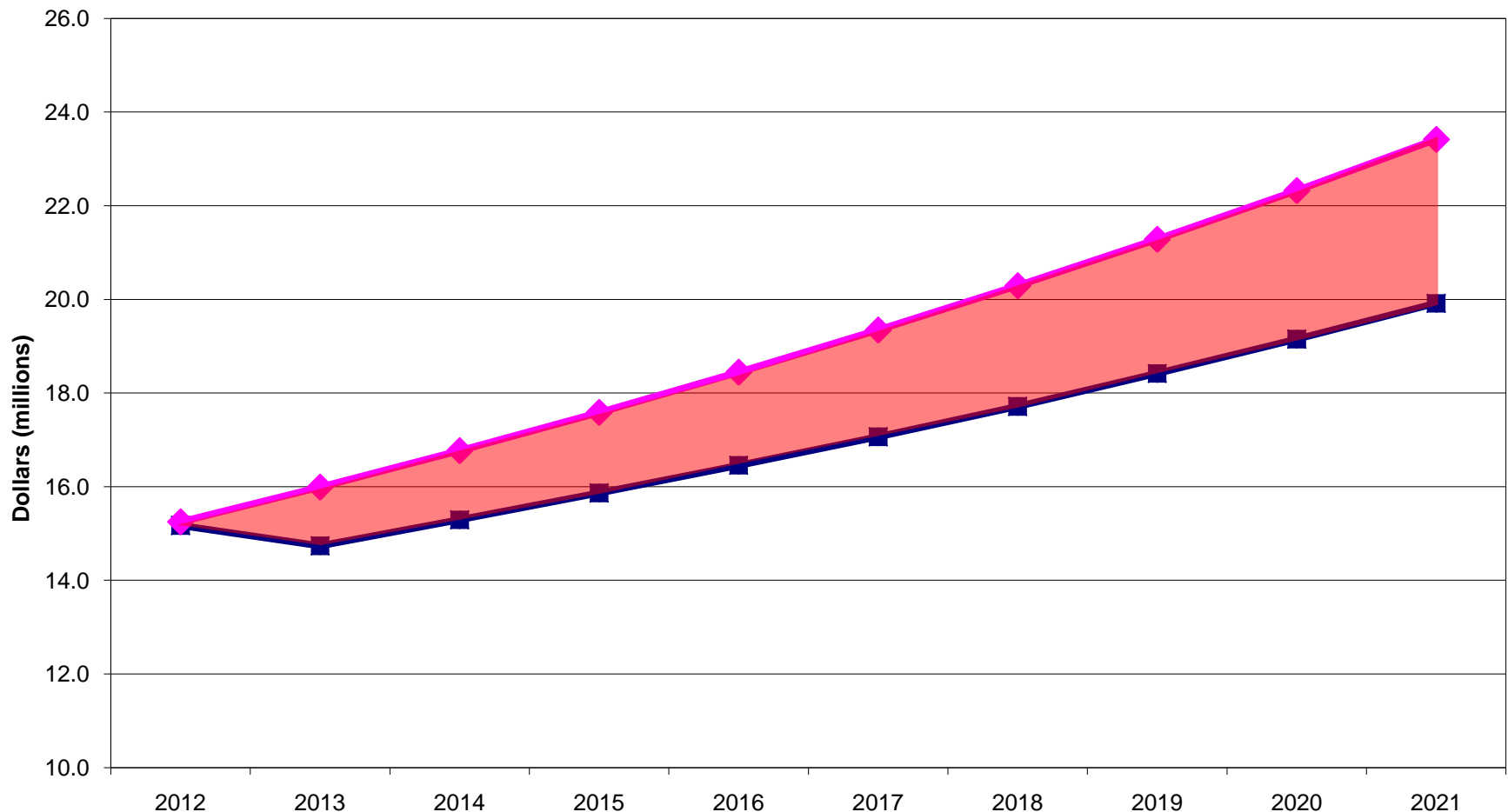


Fund Review: Fire Districts Fund

- Fund is not in balance due to reductions in property tax revenue collections
 - Fund information presented in a consolidated manner to provide a high level perspective
 - Budgetarily, each fire district is balanced separately
 - Taxable values decreased in all fire districts (2.7% to 21.3%)
 - 7 out of 12 fire districts have proposed millage increases in FY2012



Fire Districts Fund Forecast



Citizens' Guide
to the Budget

■ REVENUES ◆ EXPENDITURES

Fire District Millage Rates

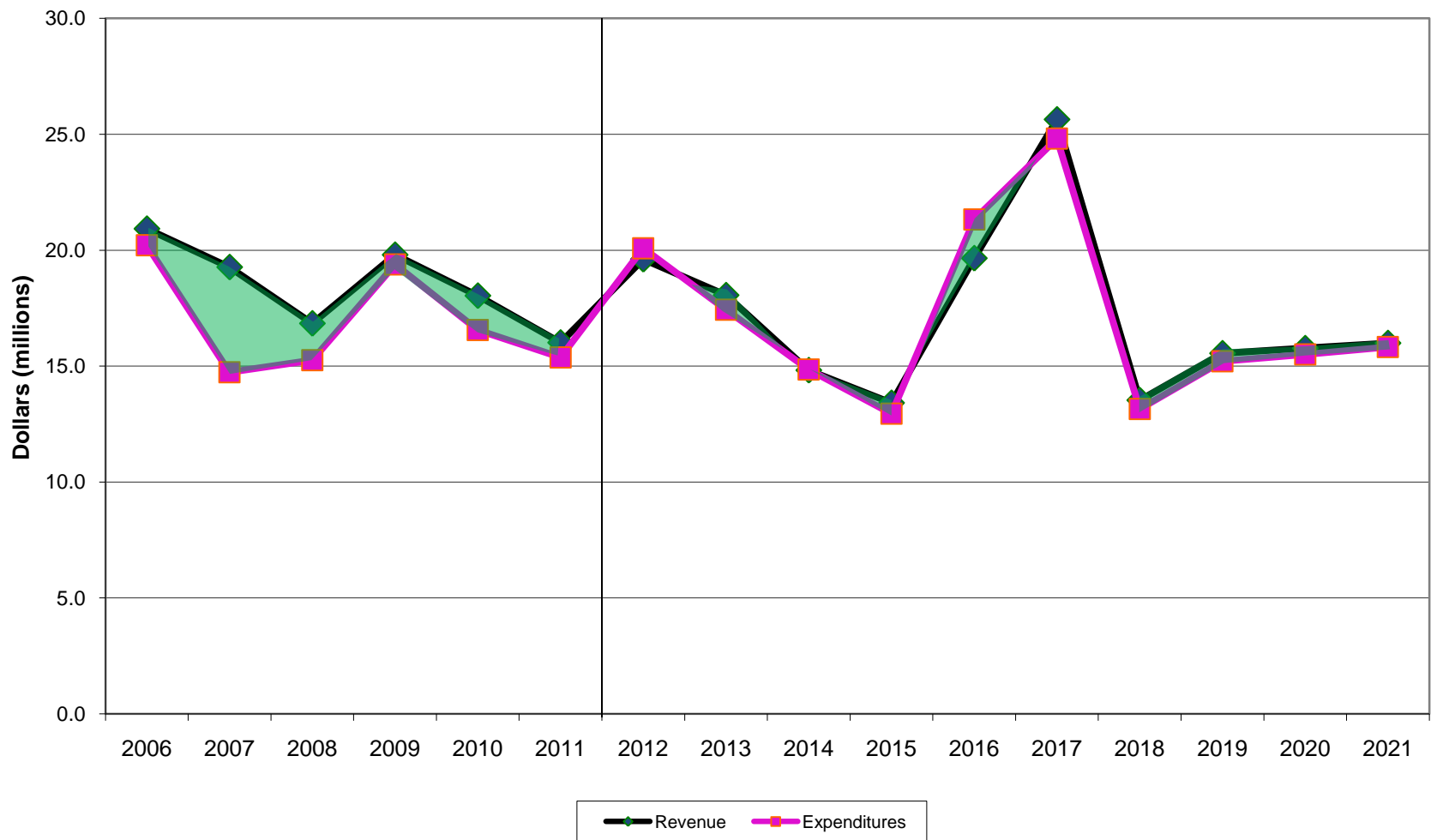
| Fire Districts | FY2011 Adopted Millage | FY2012 Proposed Millage | Variance | Millage Caps | Millage Increase Drivers |
|-----------------------|------------------------------|-------------------------------|----------|-----------------|---|
| Belleair Bluffs/Largo | 1.7320 | 1.7320 | - | 5.0 | |
| Clearwater | 2.1385 | 2.6591 | 0.5206 | 5.0 | Decrease in BFB (\$238K), Taxable Value estimated decrease of 4.9% |
| Dunedin | 2.0102 | 2.2576 | 0.2474 | 5.0 | Decrease in BFB (\$102K), District Operating Request Increase (\$23K) |
| Gandy | 2.1594 | 2.2602 | 0.1008 | 5.0 | Taxable Value estimated decrease of 21.3% |
| Largo | 3.4384 | 3.5133 | 0.0749 | 5.0 | Taxable Value estimated decrease of 12.0% |
| Pinellas Park | 2.3675 | 2.3675 | - | 5.0 | |
| Safety Harbor | 2.6800 | 2.6800 | - | 5.0 | |
| Tarpon Springs | 2.3745 | 2.3745 | - | 5.0 | |
| Seminole | 1.9581 | 1.9581 | - | 10.0 | |
| High Point | 3.2644 | 4.1916 | 0.9272 | 10.0 | Decrease in BFB (\$306K), District Operating Request Increase (\$118K), Taxable Value estimated decrease of 8.6% |
| Tierra Verde | 1.7382 | 1.9087 | 0.1705 | 3.0 | Decrease in BFB (\$283K), Includes \$280K repayment for vehicle repayment to CIP, District Operating Request Increase (\$38K) |
| South Pasadena | 2.2188 | 3.1257 | 0.9069 | 5.0 | Decrease in BFB (\$86K), District Operating Request Increase (\$57K), Reserve Request Increase (\$32K) |

Fund Review: Airport Fund

- **Fund is balanced through the forecast period**
 - **Balanced based on the following assumptions:**
 - Capital projects budget will be adjusted to reflect the timing and amounts of any grants revenue
 - Airport's operating budget would be adjusted to match revenues
 - **Continue to adjust operating and capital expenditures to match revenues**



Airport Fund Forecast

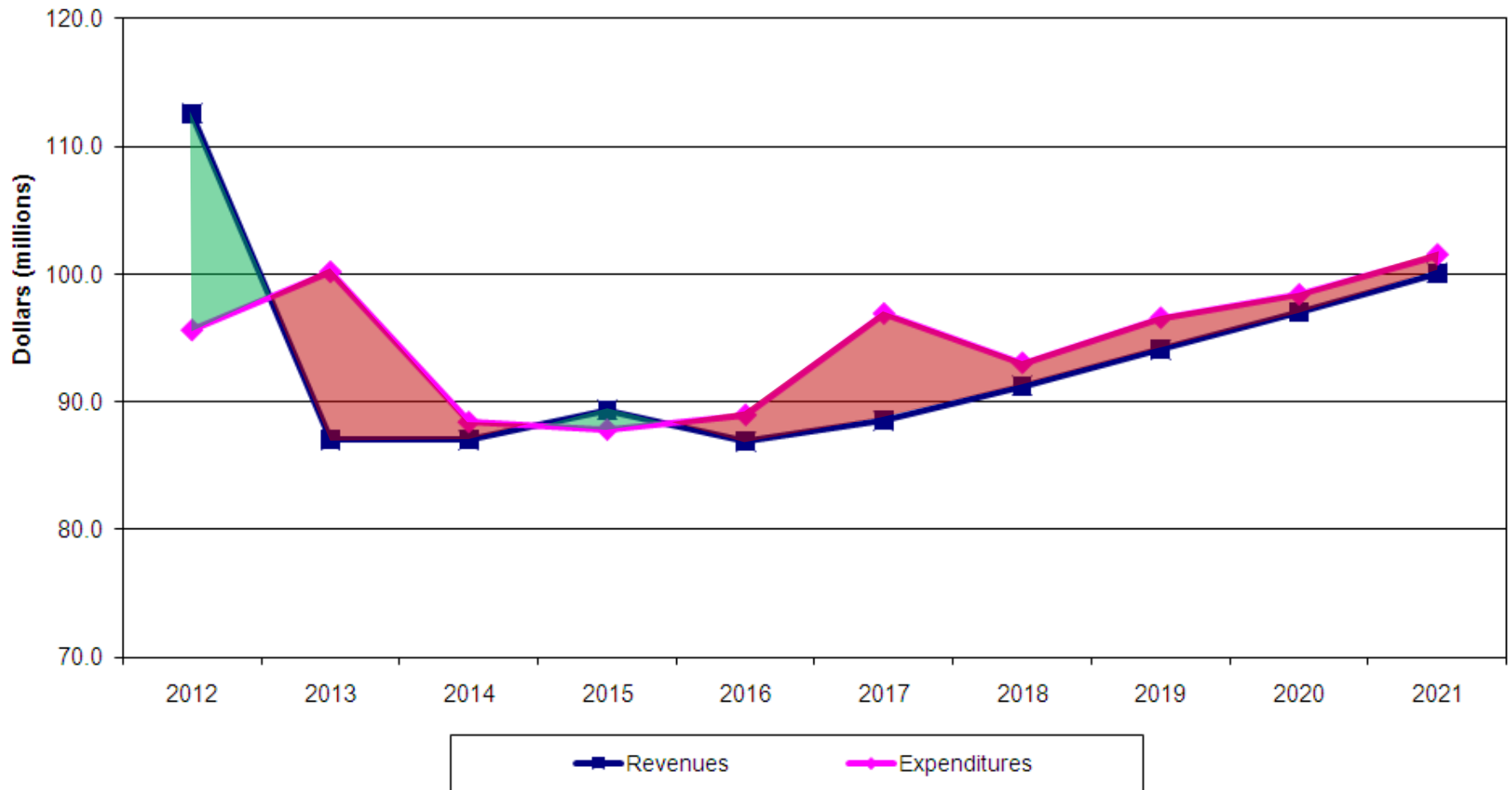


Fund Review: Utilities-Water Funds

- Fund is balanced through forecast period
 - Retail and wholesale demand has decreased 16% since FY07
 - Need for \$23.5M revenue bond issue for Keller Facility Improvements and Pump Station upgrades
 - Additional projected demand reductions through FY2016 as Clearwater, Oldsmar, and Tarpon Springs develop their own water sources
 - No increase in retail rate proposed in FY12
 - Add \$1 to base rate annually from FY13 to FY15
 - Wholesale rates are proposed to increase 4% each year from FY12 to FY15



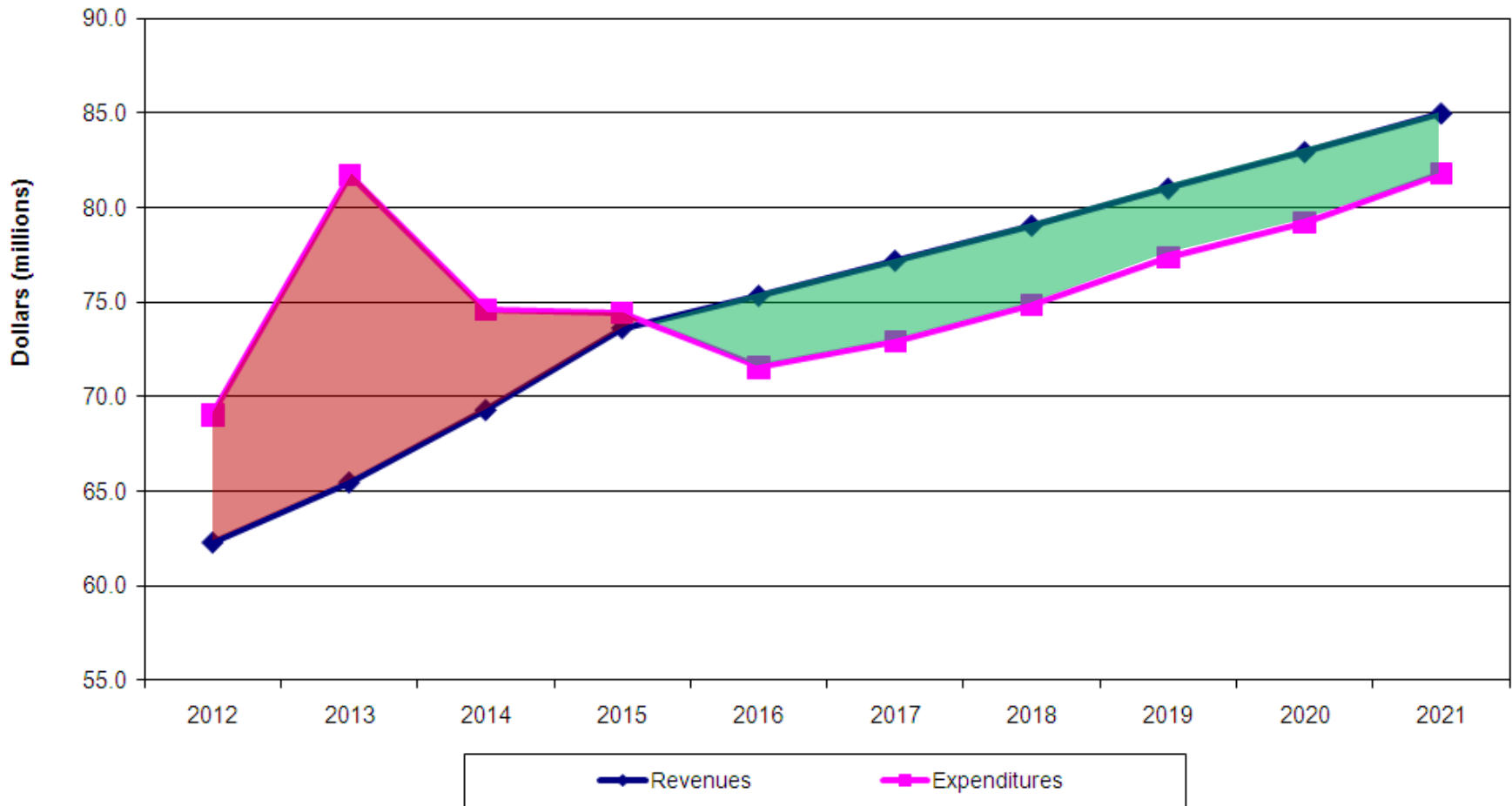
Utilities-Water Funds Forecast



Fund Review: Utilities-Sewer Funds

- Fund is balanced through forecast period
 - Retail and wholesale demand has decreased 12% since FY07
 - Need to maintain required debt service coverage and reserves to avoid further credit downgrades
 - Need to have enough cash and reserves to fund \$72M of capital projects over next six years
- 
- Retail rates are proposed to increase 6% each year from FY12 to FY15
 - Wholesale rates are proposed to increase 9% each year from FY12 to FY15
 - Retail reclaimed water rates are proposed to add \$1 to the monthly charge and increase 8 cents per 1,000 gallons from FY12 to FY15

Utilities-Sewer Funds Forecast

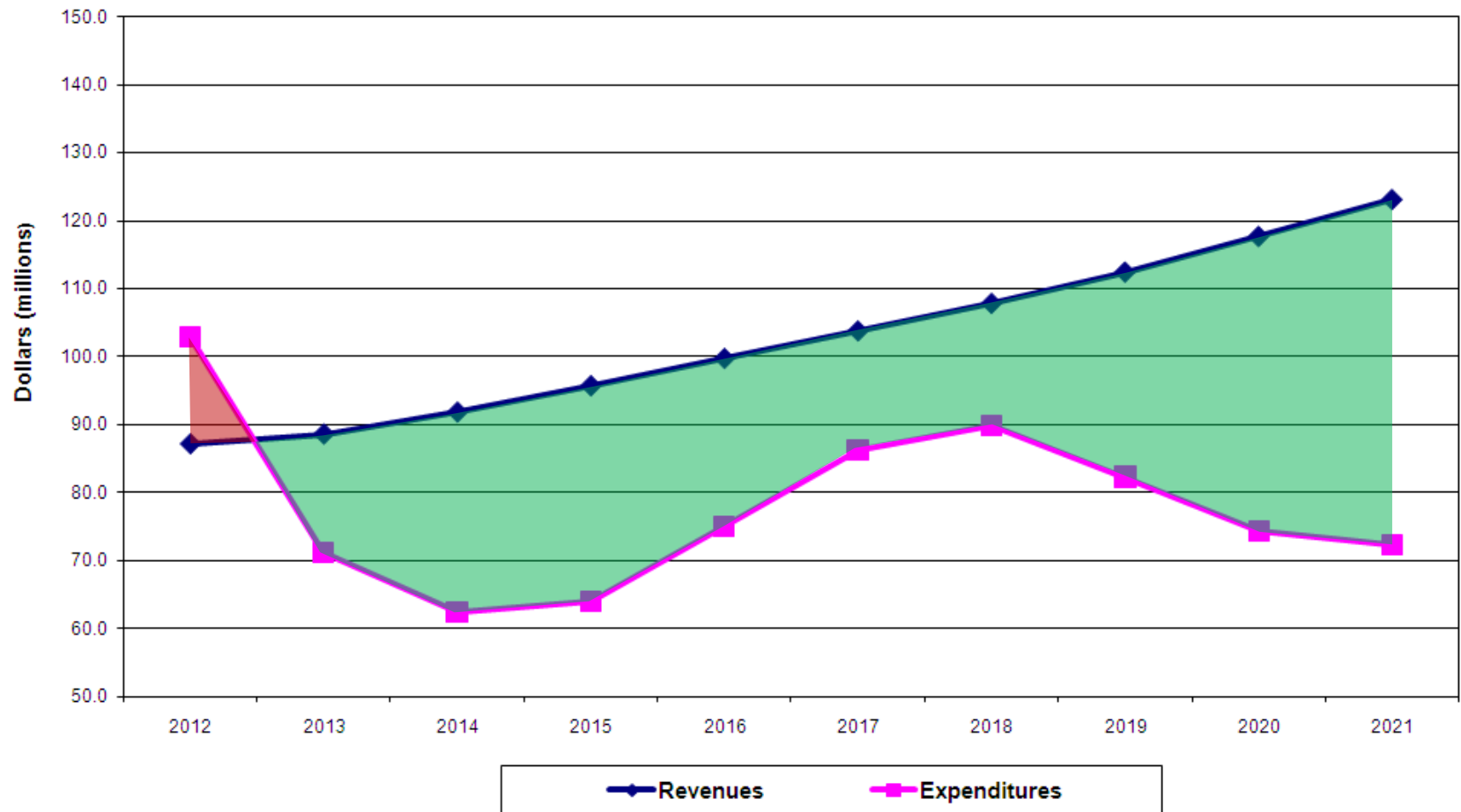


Fund Review: Utilities-Solid Waste Funds

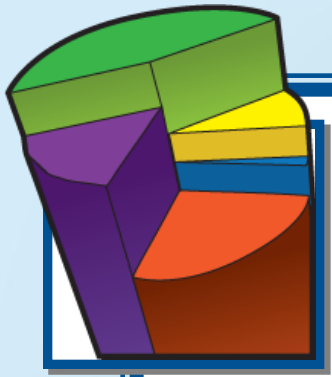
- **Fund is balanced through forecast period**
 - ❑ **Solid Waste tipping fees and electricity sales have declined with the recession, but remain sufficient to fund operations and reserves through FY2021**
 - ❑ **Reserves are being accumulated for future capital replacement needs consistent with the 25 year capital plan**
 - ❑ **Continue to adjust operating and capital expenditures to match revenues**



Utilities-Solid Waste Funds Forecast



Note: Does not include Capital Projects Fund loan activity



Capital Improvement Program (CIP)

FY2012-2017 CIP Development

- **Overall CIP Goal – To 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 levels of service identified in the County's adopted Comprehensive Plan

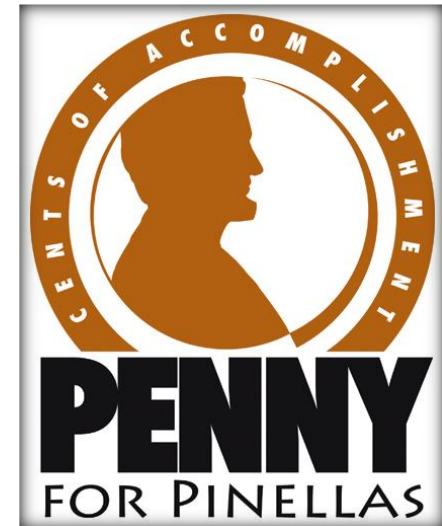
FY2012-2017 CIP Development

- The County's multi-year CIP is updated annually as part of the annual budget process
- First year of adopted CIP must be balanced and funds legally appropriated
- Out years reflect a financial and production plan for future capital project needs
- CIP provides financial and management planning data for future operations and maintenance impacts

FY2012-2017 CIP Development

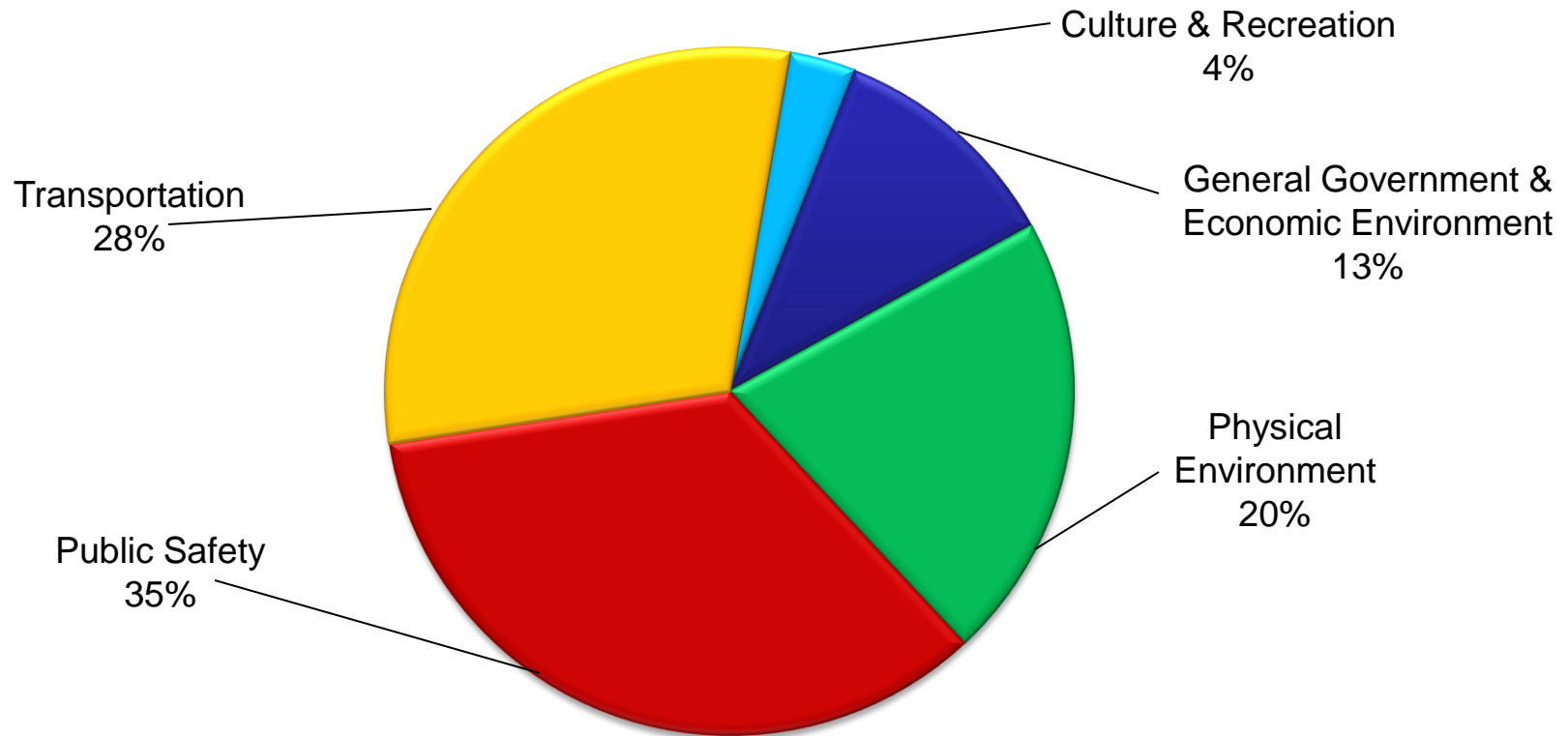
■ Major Revenue Sources

- ❑ Penny for Pinellas
- ❑ Transportation Impact Fees
- ❑ “9th Cent” Gas Tax for Intelligent Transportation System
- ❑ Grants and Reimbursements
- ❑ Tourist Development Tax half-cent for beach nourishment
- ❑ Enterprise Funds (Airport & Utilities)



One Year CIP - Governmental

▪ **FY2012 Expenditure Total: \$179.2M**



Note: Expenditure Total is net of Non-Project Items

One Year CIP – Governmental Project Highlights

- **Public Safety (\$62.9M)**
 - Public Safety Facilities & Central Communications Center (\$45.9M)
 - Public Safety Radio System (\$4.5M)
 - Jail Expansion & Court Improvements (\$9.3M)



One Year CIP – Governmental Project Highlights

■ Transportation (\$50.6M)

- Keystone Road-US19 to East Lake Road (\$12.1M)
- ITS/ATMS Projects (\$8.7M)
- Bryan Dairy-Starkey Road to 72nd Street (\$7.5M)
- Road Resurfacing & Rehab Program (\$5.5M)
- Pinellas/Progress Trail Extension (\$2.0M)
- LaPlaza Bridge (\$2.0M)
- Bridge Rehab Program (\$1.8M)



One Year CIP – Governmental Project Highlights

- **Physical Environment (\$35.3M)**
 - ❑ Sand Key Nourishment (\$7.5M)
 - ❑ Lake Seminole Alum Injection (\$4.8M)
 - ❑ Stormwater Conveyance System (\$3.4M)
 - ❑ Bee Branch Drainage Improvements (\$3.3M)
 - ❑ Bear Creek Channel Improvements (\$2.9M)
 - ❑ Curlew Creek Channel A Improvements (\$2.4M)
 - ❑ Mobbly Bay Habitat Restoration (\$2.2M)



One Year CIP – Governmental Project Highlights

- **General Government / Economic Environment (\$24.1M)**

- Centralized Chiller Facility (\$12.0M)
- Space Plan Implementation (\$2.9M)



- St. Petersburg Judicial Tower Renovations (\$3.2M)
- 501 Garage Structural Repair (\$1.0M)
- Star Center Chiller #1 Replacement (\$624K)

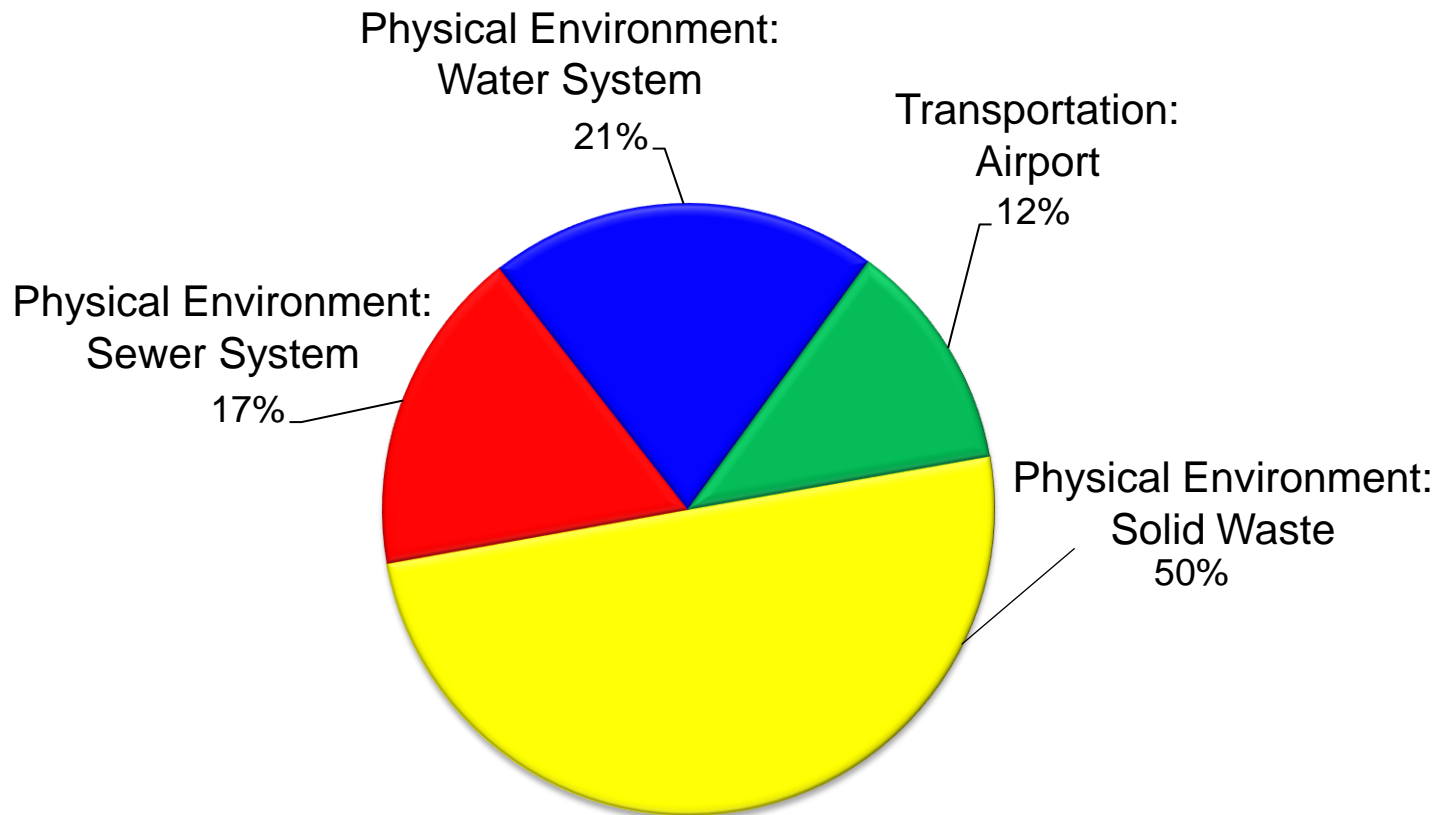
One Year CIP – Governmental Project Highlights

- **Culture & Recreation (\$6.1M)**
 - Unincorporated Recreation Fields Development (\$1.0M)
 - Fort De Soto Water Circulation II (\$862K)
 - Wall Springs CA IV Restoration (\$479K)
 - Joe's Creek Greenway (Lealman) (\$347K)
 - Wall Springs Dev. Phase III (\$213K)
 - Fort De Soto Dune Walkovers (\$176K)



One Year CIP - Enterprise

- **Expenditure Total: \$91.8M**

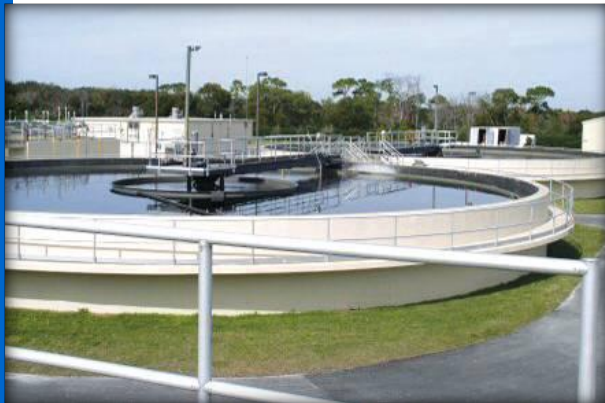


Note: Expenditure Total is net of Non-Project Items

One Year CIP – Enterprise Project Highlights

■ Physical Environment (\$80.6M) - Utilities

- ❑ Solid Waste Additions & Improvements (\$45.9M)
- ❑ South Cross Waste Water Treatment Projects (\$10.3M)
- ❑ Water System Improvements (\$9.5M)
- ❑ Water Transmission Mains (\$5.8M)
- ❑ Water Distribution Mains Projects (\$3.2M)
- ❑ Sewer System Modifications & Rehabs (\$3.1M)



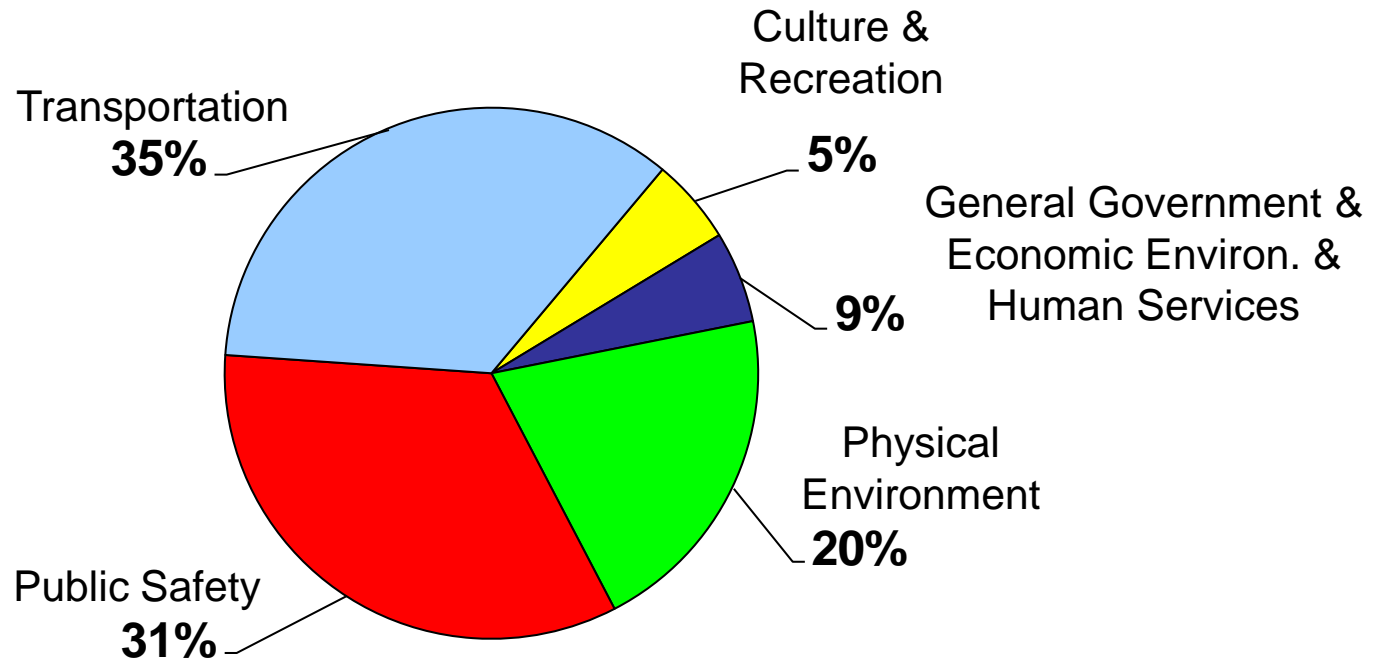
One Year CIP – Enterprise Project Highlights

- **Transportation (\$11.2M) - Airport**
 - Rehab Runway 4/22 Pavement & Lighting (\$5.5M)
 - Terminal Improvements – Phase II (\$1.3M)
 - Taxiway L Rehab (\$1.1M)



Six Year CIP - Governmental

- **FY2012-2017 Expenditure Total: \$708.6M**



Note: Expenditure Total is net of Non-Project Items

Six Year CIP – Governmental Project Highlights

- **Transportation (\$246.1M)**

- 118th Avenue Expressway (FY2014)
- Gulf Boulevard Improvements (FY2013)



- **Public Safety (\$222.5M)**

- Jail Expansion & Court Improvements (FY2012)
- Public Safety Facilities & Central Communications Center (FY2012)

Six Year CIP – Governmental Project Highlights

■ Physical Environment (\$143.6M)

- ❑ Honeymoon Island Improvements (FY2012)
- ❑ Long Key Upham Beach (FY2013)
- ❑ Pass-A-Grille Beach Nourishment (FY2013)
- ❑ Treasure Island Nourishment (FY2013)
- ❑ Upham Beach Stabilization (FY2013)
- ❑ Lake Seminole Sediment Removal (FY2012)

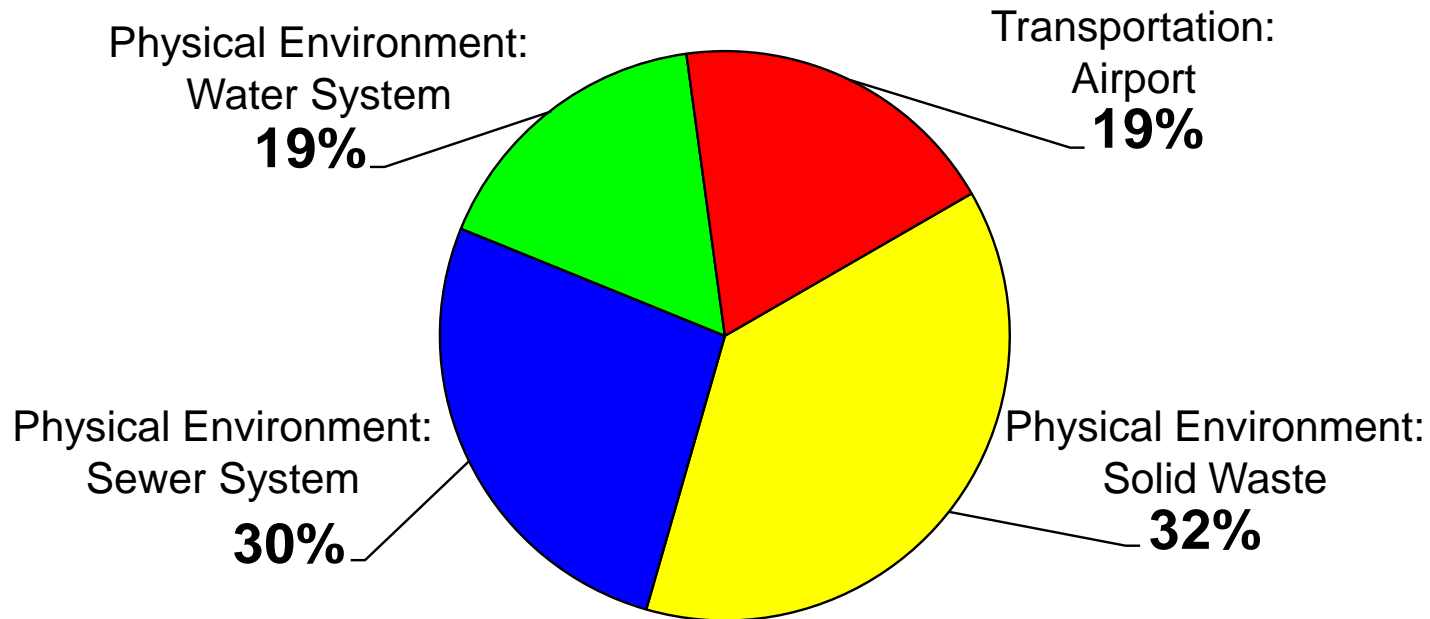


Six Year CIP – Governmental Project Highlights

- **Culture & Recreation (\$35.1M)**
 - Friendship Trail Bridge Demolition (FY2015)
 - Unincorporated Recreation Fields Development (FY2012)
 - Pinellas Trail Improvements (FY2013)
- **General Gov't/Econ. Environment/Human Services (\$61.1M)**
 - Affordable Housing Land Assembly Program (FY2017)
 - 315 Court Curtain Wall Replacement (FY2013)
 - STAR Center Roof Replacement (FY2013)

Six Year CIP - Enterprise

o FY2012-2017 Expenditure Total: \$294.5M



Note: Expenditure Total is net of Non-Project Items

Six Year CIP – Enterprise Project Highlights

■ Physical Environment (\$239.7M) - Utilities

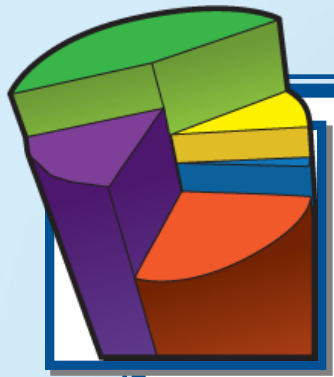
- ❑ Solid Waste Additions & Improvements (FY2012)
- ❑ Water Transmission Mains (FY2012)
- ❑ South Cross Waste Water Treatment Projects (FY2012)
- ❑ Sewer System Modifications & Rehab (FY2012)
- ❑ Water Distribution Mains (FY2012)



Six Year CIP – Enterprise Project Highlights

- **Transportation (\$54.8M) - Airport**
 - ❑ Cargo Apron Construction (FY2016)
 - ❑ New General Aviation Taxiways/Ramps (FY2016)
 - ❑ New Maintenance Facility (FY2016)
 - ❑ Rehabilitate Runway 17/35 (FY2017)
 - ❑ Terminal Apron/Hardstand Rehab (FY2012)





Next Steps

Next Steps

July

July 19:
BCC Feedback Regarding
FY2012 Proposed Budget

July 28:
Budget Recap and Discussion
to Finalize proposed millage
rates for inclusion in the TRIM
notice

August

August 4: Property
Appraiser is notified of
proposed millage rates for
develop. of TRIM notices

August: Budget
Information Sessions –
as needed

August 22: TRIM notices
mailed to all property owners

Next Steps

September

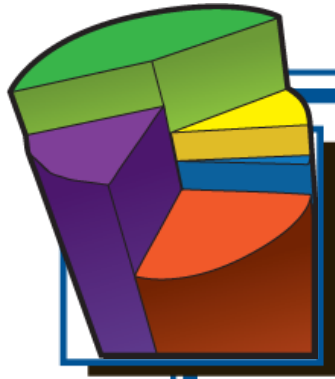
September 6: 1st Public Hearing – BCC adopts **tentative** FY2012 millage rates and budgets

September 15: 2nd Public Hearing – BCC adopts **final** FY2012 millage rates and budgets

October

October 1:
Beginning of fiscal year 2012





Citizens' Guide to the Budget

www.pinellascounty.org/budget



FY2012
Annual Operating and Capital Budget

