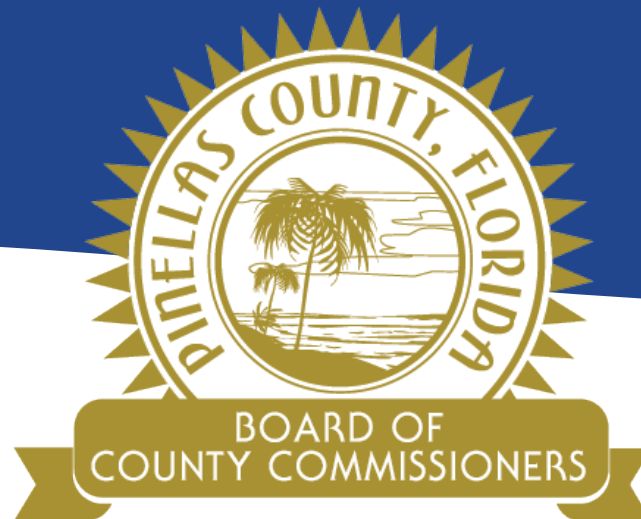


Tentative FY23 Annual Operating and Capital Budget

Chris Rose

Director, Office of Management & Budget



Our Vision:
To Be the Standard for
Public Service in America

FY23 Tentative Budget



As discussed in the Budget Information Sessions in June, County Administration has developed the budget by both collaborating and challenging County Departments and other stakeholders to keep expenditures as low as possible while delivering high-quality services to the residents, businesses, and visitors of Pinellas County.

FY23 Tentative Budget



The budget includes recommendations that:

- absorb all natural cost increases across all funds of the budget and includes the funding dedicated to support the Transportation Trust Fund in FY22, and
- increases funding to the Sheriff (including raising the pay of nurses in the County Jail and other cost increases – such as vehicles), and
- does not raise the property tax rate above the rolled back rate; and

FY23 Tentative Budget



- The only property tax increase being recommended above the rolled back rate is an additional 0.1738 mills to support the maintenance of roads, bridges, and transportation infrastructure;

The Countywide Property Tax Rate Proposed to be Reduced



Countywide General Fund

- FY22 Adopted: 5.1302 mills
- FY23 Proposed: 4.7398 mills (includes TTF and \$18.3M dedicated)

22 Different Property Tax Rates



Rates from FY22 to FY23

- 13 Decreasing (Countywide, EMS, 11 Fire Districts)
- 8 Staying the Same (MSTU, Special Districts, 1 Fire District)
- 1 Increasing (Pinellas Planning Council)

Property Tax Rates Proposed to be Reduced



- **Emergency Medical Services** from 0.9158 mills to 0.8775 mills
- **Belleair Bluffs Fire** from 1.4600 mills to 1.3900 mills
- **Clearwater Fire** from 2.6163 mills to 2.3187 mills
- **Dunedin Fire** from 2.0000 mills to 1.7997 mills
- **Gandy Fire** from 1.0679 mills to 0.9972 mills

Property Tax Rates Proposed to be Reduced



- **Highpoint Fire** from 2.6700 mills to 2.4000 mills
- **Largo Fire** from 2.9132 mills to 2.5789 mills
- **Pinellas Park Fire** from 3.1976 mills to 2.9440 mills
- **Safety Harbor Fire** from 2.0000 mills to 1.8096 mills
- **Seminole Fire** from 1.7287 mills to 1.6300 mills
- **Tarpon Springs Fire** from 2.3745 mills to 2.3000 mills
- **Tierra Verde Fire** from 1.9118 mills to 1.8550 mills

Property Tax Rates Proposed to Stay the Same



- **Health Department** at 0.0790 mills
- **Municipal Services Tax District** at 2.0857 mills
- **Library Services District** at 0.5000 mills
- **Palm Harbor Community Services District** at 0.5000 mills
- **Feather Sound District** at 0.7000 mills
- **East Lake Library Services District** at 0.2500 mills
- **East Lake Recreation Services District** at 0.2500 mills
- **South Pasadena Fire** at 0.2900 mills

One Property Tax Rate Proposed to Increase



Pinellas Planning Council

- FY22 Adopted: 0.0150 mills
- FY23 Proposed: 0.0235 mills
- Approved by the Forward Pinellas Board on June 8
- Will require a unanimous vote at the Second Budget Hearing

In relation to Countywide general fund reserve policies, it should be noted that the current policy is a 15 percent threshold.

Counties and Cities more often than not employ 17 percent as an appropriate reserve threshold, which is the equivalent of two months of operating costs. To assist with these discussions, one percent of current reserves is equivalent to \$1.6M for FY22.

FY23 Reserves



FY20 Budget

- Total Reserves: \$105.9M
- Reserves Above 15%: \$10.1M
- Reserves Below 17%: **-\$-2.7M**
- Reserve Percent of Revenue: 16.6%

FY21 Budget

- Total Reserves: \$165.7M
- Reserves Above 15%: \$62.9M
- Reserves Above 17%: \$49.2M
- Reserve Percent of Revenue: 24.2%

FY22 Budget

- Total Reserves: \$159.3M
- Reserves Above 15%: \$51.8M
- Reserves Above 17%: \$37.4M
- Reserve Percent of Revenue: 22.2%

FY23 Budget

- Total Reserves: \$156.2M
- Reserves Above 15%: \$45.0M
- Reserves Above 17%: \$30.2M
- Reserve Percent of Revenue: 21.0%

FY23 Reserves



Staff from OMB also reviewed all one-time expenditures in the FY23 Proposed budget and were unable to find additional one-time expenses to allow the use of one-time reserves to fund the recurring expense of \$18.3M for maintenance of roads, bridges, and transportation infrastructure. One-time expenses identified in the GF budget that are supported by the use of current reserves include: the behavioral health Coordinated Access Model (\$1.3M), the one-time salary supplement (\$1.7M), Oracle ERP Modernization (\$2.0M), and smaller one-time purchases throughout the budget that use reserves to offset the hyperinflation that is being experienced in the short-term.

FY23 Reserves



Regarding the dedicated support for roads, bridges, and transportation maintenance, the Proposed Budget includes recurring property tax revenues in the amount of \$18.3M, potentially growing. This represents only half of the \$36.6M needed annually. If the County were to bond \$165M (\$18.3M multiplied by nine years), the annual debt service on this would be \$11.5M (20 years of level debt at a 3% assumed interest rate). If the County were to bond \$330M (\$36.6M multiplied by nine years), the annual debt service on this would be \$23.1M (20 years of level debt at a 3% assumed interest rate). It should be noted that not all of the need is in fact bondable.

Changes Recommended from the Proposed Budget to the Tentative Budget



- **General Fund – Fund 0001: (Increase by \$14,941,320, from \$917,821,560 to \$932,762,880)**
 - FY23 Revenue increased by \$1,852,800 from the Proposed due to the following adjustments:
 - Beginning Fund Balance increased by \$13,088,510, from \$178,099,860 to \$191,188,370

Changes Recommended from the Proposed Budget to the Tentative Budget



- **General Fund (continued)**
 - Clerk - \$440,890 increase to personnel to support Projects Accounting (\$292,000) module and Finance Division subsequent enhancements (\$148,890), while reducing the Office of Management and Budget support for Project Accounting module (\$139,090) – for a total net increase of \$301,800
 - Communications - \$41,900 increase to cost allocation due to reclassification of a position transferring from Communications to Business Technology Solutions

Changes Recommended from the Proposed Budget to the Tentative Budget



- **General Fund – (continued)**
 - Emergency Management - \$51,020 increase for position upgrade and three (3) career path adjustments
 - Medical Examiner - \$112,040 increase to adjust medical examiner contract and increase in grant expenditures for training and equipment
 - Safety and Emergency Services - \$682,310 increase to fund recommended market wage adjustments to address retention challenges; \$340,000 of this is being funded by Fund 1025.

Changes Recommended from the Proposed Budget to the Tentative Budget



- **General Fund (continued)**
 - Sheriff - \$11,050,000 increase for CAD Payments and vehicle purchases that will occur in FY23 instead of FY22
 - General Government - \$2,642,250 increase for various

Changes Recommended from the Proposed Budget to the Tentative Budget



Non-GF Changes

- Emergency Medical Service (EMS) – Fund 1006: (Decrease \$3,843,890, from \$229,645,900 to \$225,802,010)
- State Housing Initiative Partnership (SHIP) – Fund 1010: (Decrease by \$448,360, from \$13,879,500 to \$13,431,140)
- Tree Bank Fund – Fund 1013: (Increase of \$60,000, from \$551,110 to \$611,110)

Changes Recommended from the Proposed Budget to the Tentative Budget



Non-GF Changes

- Emergency Communications 911 System – Fund 1025: (Increase of \$726,020, from \$12,490,300 to \$13,216,320)
- Tourist Development Tax – Fund 1040: (Increase by \$9,411,500, from \$203,892,390 to \$213,303,890)
- American Rescue Plan Act (ARPA) Fund – Fund 1045: Increase \$4,684,620, from 60,310,070 to 65,429,620)

Changes Recommended from the Proposed Budget to the Tentative Budget



Non-GF Changes

- Fire Districts – Fund 1050: (Decrease \$1,769,230 in total requirements, from \$58,731,300 to \$56,962,070)
- Air Quality - Tag Fee – Fund 1075: (Decrease \$382,000, from \$2,392,170 to \$2,010,170)
- Capital Projects – Fund 3001: (Increase \$2,062,230 from \$374,218,900 to \$376,281,130)

Changes Recommended from the Proposed Budget to the Tentative Budget



Non-GF Changes

- Airport Revenue & Operating – Fund 4001: (Increase \$623,000 from 106,966,690 to 107,589,690)
- Water Revenue & Operating — Fund 4031: (Increase \$433,150, from \$124,150,220 to \$124,583,370)
- Water Renewal & Replacement — Fund 4034: (Increase \$160,000 from \$119,962,330 to \$119,962,490)

Changes Recommended from the Proposed Budget to the Tentative Budget



Non-GF Changes

- Sewer Revenue & Operating – Fund 4051: (Increase \$77,670, from \$136,403,110 to \$136,480,780)
- Sewer Renewal & Replacement – Fund 4052: (no net change; budget is \$74,961,370 including Reserves)
- Business Technology Solutions (BTS) – Fund 5001: (no net change; budget is \$57,748,650)

Changes Recommended from the Proposed Budget to the Tentative Budget



Utilities Fees

- All Utilities Department user fee changes are included in the Proposed Budget as discussed at the Budget Information Sessions, except for Water Impact Fees and Sewer Connection Fees. Changes in these two fees are not included in the Tentative Budget and are recommended to be put on hold pending additional review.

Changes Recommended from the Proposed Budget to the Tentative Budget



Utilities Fees

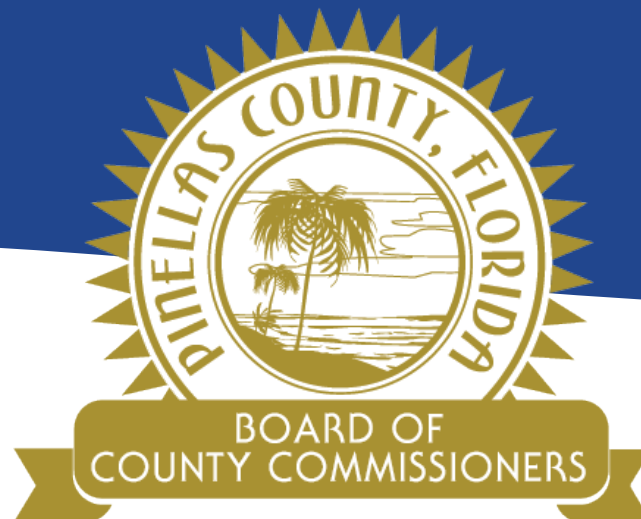
- The Tentative Budget adds two new fees that were not in the Proposed document.
- Utilities plans to initiate on-call weekend and holiday water service restoration options for customers who make payment to restore service that was disconnected for non-payment (delinquency).

Next Steps



- September 22 – Second Budget Hearing
- October 1 – New Fiscal Year Begins
- October 21 - Adopted Budget Published on the County's Website

Discussion



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