



Pinellas County

Staff Report

File #: 22-1662A, Version: 1

Subject:

Fiscal Year 2022 Board Budget Amendment No. 5 to realign appropriation from the Street Lighting Districts Fund Reserves and Street Lighting Districts Department operating budget for unanticipated Fiscal Year 2022 expenditures.

Recommended Action:

Approval of the Fiscal Year 2022 Board Budget Amendment No. 5 realigning Fiscal Year (FY) 2022 appropriation from the Street Lighting Districts Fund Reserves and Street Lighting Districts Department operating budget for unanticipated FY22 expenditures.

- Amending the FY22 Street Lighting Districts Department budget will cover unanticipated expenditures from Duke Energy.
- Funds to cover these unanticipated energy costs will come from the Street Lighting Districts Fund Reserves.
- Moving forward, an annual fund forecast will be conducted on the Street Lighting Fund to monitor expenditures, rate setting, and reserve levels more responsively.

Strategic Plan:

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support

Summary:

This amendment increases \$200,000 in appropriations from the Street Lighting Districts Fund Reserves to the Street Lighting Districts Department operating budget for unanticipated Fiscal Year 2022 expenditures.

Background Information:

Street Lighting services for property owners in unincorporated areas of Pinellas County are provided through neighborhood area self-funded districts. The Street Lighting Districts (SLD) are created in the unincorporated areas of Pinellas County when 60.0% or more of the affected property owners in each area petition the Board of County Commissioners to form a district. Once a year all property owners in these districts are assessed based on their pro-rata share of the costs of operation and maintenance of the district's lighting system, with the costs being added as a non-ad valorem assessment to their tax bill. Pinellas County Public Works coordinates and arranges for lighting installation and provides the annual assessment roll, while lighting services are provided by Duke Energy Corporation.

Due to the increase in energy costs and rate increases by Duke Energy that took place at the beginning of calendar year 2022, expenditures for Duke Energy increased nearly 30%. This requires the Street Lighting fund to utilize reserves to cover unanticipated costs.

Fiscal Impact:

Duke Energy actual expenditures in FY22 are expected to exceed budget by 30%. This will deplete reserves during FY22. Actual expenditures will need to be monitored closely during FY23 to determine whether an additional budget amendment and a rate increase in FY24 will be needed.

Staff Member Responsible:

Abigail Lloyd, Budget and Financial Management Analyst

Partners:

N/A

Attachments:

Budget Amendment BA-22-05