

## Overview of the FY23 Tentative Budget

The Tentative Budget is the term in State law that describes the budget as adopted at the First Budget Hearing of Counties in the State of Florida. It is based upon the Proposed Budget as presented to the Board of County Commissioners (BCC) on July 19, 2022, plus technical changes and updates and known instances where departments and constitutional officers will not spend currently appropriated funding in FY22 and will instead spend the appropriations in FY23 (known instances of needed carry-forward funds).

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. This approach has resulted in recommendations that:

- 1) absorb cost increases across all funds of the budget such as salary (\$15.6M), insurance (\$1.3M), fuel (\$800,000), technology (\$3.8M), employee health benefits (\$7.9M), increased law enforcement (\$12.0M), court support services (\$1.1M), and other disbursed increases associated with the inflationary pressures worldwide;
- 2) include increased revenues as an offset, including grant revenue (\$893,540); interest revenue (\$807,500); miscellaneous revenue (\$2.2M); and Sheriff generated revenue (\$485,160);
- 3) include cost increases as discussed at the Budget Information Sessions and includes the funding dedicated to support the Transportation Trust Fund in FY22 without raising the property tax rate above the rolled back rate;
- 4) include a policy recommendation to increase the property tax above the rolled back rate only an additional 0.1738 mills to support the maintenance of roads, bridges, and transportation infrastructure (\$18.3M);
- 5) for a total proposed Countywide millage rate of 4.7398 mills, which is lower than the 5.1302 mills Adopted in FY22.

Attached at the end of this summary is a report titled “Total Fund Budgets – Changes to Proposed Budget” reflecting the fund totals for all funds including these recommendations.

### **I. General Fund – Fund 0001: (Increase by \$14,941,320, from \$917,821,560 to \$932,762,880)**

As described above, this includes a maximum millage rate to 4.7398 mills which represents a decrease from the FY22 millage rate of 5.1302.

- a. FY23 Revenue increased by \$1,852,800 from the Proposed due to the following adjustments:
  - i. Increased \$1,852,810 due to an increase in Intergovernmental Revenue for the Medical Examiner (\$102,813) and the Sheriff (\$1,750,000)
- b. Beginning Fund Balance increased by \$13,088,510, from \$178,099,860 to \$191,188,370
  - i. FY22 Estimated Revenue increased by \$11,799,600, mainly due to projected increase in Excess Fees from the Sheriff’s Office
  - ii. FY22 Estimated Expenditures decreased by \$1,288,910

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- c. Clerk - \$440,890 increase to personnel to support Projects Accounting (\$292,000) module and Finance Division subsequent salary 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
- d. Communications - \$41,900 increase to cost allocation due to reclassification of a position transferring from Communications to Business Technology Solutions
- e. Emergency Management - \$51,020 increase for position upgrade and three (3) career path adjustments
- f. Medical Examiner - \$112,040 increase to adjust medical examiner contract and increase in grant expenditures for training and equipment
- g. 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.
- h. Sheriff - \$11,050,000 increase for CAD Payments that will occur in FY23 instead of FY22, vehicle purchases, and mental health unit
- i. General Government - \$2,642,250 increase due to the following adjustments:
  - i. \$340,000 increase due to Transfers to Other Funds
  - ii. \$2,302,250 increase to Total Reserves due to impact of changes above

### **II. Emergency Medical Service (EMS) – Fund 1006: (Decrease \$3,843,890, from \$229,645,900 to \$225,802,010)**

- a. Decreased millage rate for EMS from 0.9158 to 0.8775 reduces the ad valorem tax revenue by \$3,843,890, with a corresponding decrease in EMS Fund reserves.

### **III. State Housing Initiative Partnership (SHIP) – Fund 1010: (Decrease by \$448,360, from \$13,879,500 to \$13,431,140)**

- a. \$448,360 decrease due to a reduction in anticipated funding for FY23 in SHIP funding – this was a change in anticipated to actual funding to be received from the State of Florida.

### **IV. Tree Bank Fund – Fund 1013: (Increase of \$60,000, from \$551,110 to \$611,110)**

- a. \$60,000 increase in Beginning Fund Balance due to updating FY22 expenditure projections with a corresponding increase to FY23 reserves.

### **V. Emergency Communications 911 System – Fund 1025: (Increase of \$726,020, from \$12,490,300 to \$13,216,320)**

- a. \$340,000 increase in Revenue from the General Fund Transfer to support half the salary and benefits increases associated with a market rate adjustment to 911 Public Safety Telecommunicators' compensation – for recruitment and retention
- b. \$340,000 corresponding increase in Regional 911 Expenditures for half the estimated salary and benefits increases associated with a market rate adjustment to 911 Public Safety Telecommunicators' compensation
- c. \$252,560 decrease in fund reserves to appropriate \$252,560 in Communication Services due to increased costs and a contract extension with Frontier

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Communications for 911 network services.

- d. \$193,000 carry forward budgeted for the purchase of NICE Recorder Software in FY22 to FY23, increasing the Beginning Fund Balance and reserves in the Emergency Communications 911 System Fund. Increase fund revenue \$190,890 in FY23 for an unanticipated grant award to upgrade the software. Increase expenditures accordingly.
- e. \$55,220 decrease in 911 fund reserves resulting from net impact of changes above.

### **VI. Tourist Development Tax – Fund 1040: (Increase by \$9,411,500, from \$203,892,390 to \$213,303,890)**

- a. \$4,039,960 increase in Beginning Fund Balance due to updating FY22 revenue and expenditure projections and reimbursement of County staff time from CARES Coronavirus Relief Fund
- b. \$4,990,860 increase in Beginning Fund Balance due to updating FY22 Tourist Development Tax (TDT) revenue projections
- c. \$4,420,640 increase in FY23 TDT revenue based on updated projections
- d. \$368,230 increase in Transfer to Capital Projects Fund for beach renourishment projects based on increased revenue projections in FY23
- e. \$9,043,270 increase in Reserves resulting from net impact of changes above

### **VII. American Rescue Plan Act (ARPA) Fund – Fund 1045: Increase \$4,684,620, from 60,310,070 to 65,429,620)**

- a. \$4,684,620 carry forward to FY23 due to updated spending plan estimates that were not included in the Proposed Budget, with corresponding increase to FY23 revenue.
- b. CIP projects reflected in this change are:
  - i. \$915,000 moved from project 006007A ARPA Toytown Study to project 005583A Toytown Remediation Phase 1. No net change to the fund. This resulted in a change to the Department from BTS to Convention and Visitors Bureau, cost center from 641112 BTS Cyber Security Service to 415100 CIP Economic Environment and program from 7021 Enterprise IT Services to 1904 Economic Development
  - ii. \$350,000 decrease to project 002123A Roosevelt Creek Channel 5 Improvements. See corresponding increase to the Capital Projects Fund 3001/Penny funded as local match for Southwest Florida Water Management District (SWFWMD) grant requirement
  - iii. \$324,000 decrease to project 003900A Stormwater Starkey Facility M10 Modification. See corresponding increase to the Capital Projects Fund 3001/Penny funded as local match for Southwest Florida Water Management District (SWFWMD) grant requirement
  - iv. \$1,108,930 increase to the following projects in FY23 due to increased estimates. Corresponding decrease to project 004116A Joe's Creek Greenway Trail and Stormwater Management within the ARPA fund; however, in FY25 & FY26.
    - a. \$300,000 increase to project 006028A Lealman Drainage

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- b. \$125,000 increase to project 006020A Local Group resurfacing Taylor Lake, Ridgecrest, Oak Village Subdivisions
- c. \$45,000 increase to project 006021A Local Group resurfacing Martin Terrace
- d. \$40,000 increase to project 006022A Local Group resurfacing Gulf Terrace and Rainbow Village Subdivisions
- e. \$518,930 increase to project 006027A Local Group resurfacing Sunny Lawn Estates & Adjacent Subdivisions
- f. \$80,000 increase to project 006029A Local Group resurfacing Various High Point Subdivision

### **VIII. Fire Districts – Fund 1050: (Decrease \$1,769,230 in total requirements, from \$58,731,300 to \$56,962,070)**

Due to lowering millage rates for eleven (11) fire districts, total ad valorem revenue decreases \$1,769,230 (from \$22,457,120 to \$20,687,890), with corresponding decreases in reserves (from \$37,169,640 to \$35,400,410). These districts have sufficient reserve levels to provide for future planned capital and projected property values that can support annual operations.

Decreased millages for the following districts:

- Belleair Bluffs decreased from 1.4600 to 1.3900
- Clearwater decreased from 2.6163 to 2.3187
- Dunedin decreased from 2.0000 to 1.7997
- Gandy decreased from 1.0679 to 0.9972
- High point decreased from 2.6700 to 2.4000
- Largo decreased from 2.9132 to 2.5789
- Pinellas Park decreased from 3.1976 to 2.9440
- Safety Harbor decreased from 2.0000 to 1.8096
- Seminole decreased from 1.7287 to 1.6300
- Tarpon Springs decreased from 2.3745 to 2.3000
- Tierra Verde decreased from 1.9118 to 1.8550

In the Tierra Verde Fire District Fund, move \$650,210 from the Contingency Reserve to the Reserve for Future Years (RFY), with a net \$0 impact in FY23. Designate the RFY funds for replacement of Engine 21, and appropriate in the FY24 budget, when delivery of the new truck is anticipated.

### **IX. Air Quality - Tag Fee – Fund 1075: (Decrease \$382,000, from \$2,392,170 to \$2,010,170)**

- a. \$382,000 decrease in Beginning Fund Balance due to updating FY22 expenditure projections.
- b. \$175,000 increase in FY23 expenditures to ensure the fund balance threshold is achieved for maximum tag fee fund revenue qualifications.
- c. \$557,000 decreased in Reserves resulting from net impact of changes above.

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### **X. Capital Projects – Fund 3001: (Increase \$2,062,230 from \$374,218,900 to \$376,281,130)**

- a. \$350,000 increase to project 002123A-Roosevelt Creek Channel 5 Improvements (Penny) as local match for Southwest Florida Water Management District (SWFWMD) grant requirement. See corresponding decrease to the ARPA Fund 1045.
- b. \$324,000 increase to project 003900A-Stormwater Starkey Facility M10 Modification (Penny) as local match for Southwest Florida Water Management District (SWFWMD) grant requirement. See corresponding decrease to the ARPA Fund 1045.
- c. \$1,300,000 increase for new project 005543A Pinellas Suncoast Fire Rescue Ladder Truck 28 offset by \$1,300,000 decrease to project 004176A Future Facilities. These projects are funded by the General Fund and transferred to the Capital Projects Fund. No net change to the fund.
- d. \$1,212,000 increase to the following projects to recognize a portion of the \$9.5M state appropriation for North County Stormwater Management applicable to FY23:
  - i. \$200,000 increase to project 005587A-Bee Branch Erosion Control - Omaha to Outfall
  - ii. \$169,000 increase to project 003896A-Crystal Beach Drainage Improvements (\$194,000 increase for state appropriation, offset by a decrease of \$25,000 Penny funding.)
  - iii. \$518,000 increase to project 005585A-Sutherland Area Drainage Improvements
  - iv. \$148,000 increase to project 004243A-Palm Harbor Regional Stormwater Facility Improvements (\$605,000 increase for state appropriation, offset by a decrease of \$457,000 Penny funding.)
  - v. \$177,000 increase for new project 005586A Pinellas Trail Green Infrastructure at Wall Springs Park
- e. \$368,230 increase in Tourist Development Tax transfer to the Capital Projects Fund for projected increased revenue in FY23.
- f. \$176,230 increase in Reserves resulting from net impact of changes above.

### **XI. Airport Revenue & Operating – Fund 4001: (Increase \$623,000 from 106,966,690 to 107,589,690)**

- a. \$1,300,000 decrease to Beginning Fund Balance due to updating FY22 expenditure projection for project 001546A Airport Landside Improvements.
- b. \$1,923,000 increase in state grant revenue for project 003343A Airport Passenger Terminal Improvements (previously coded as Passenger Facility Charges)
- c. \$623,000 increase to Reserves resulting from net impact of changes above.

### **XII. Water Revenue & Operating — Fund 4031: (Increase \$433,150, from \$124,150,220 to \$124,583,370)**

- a. \$431,150 increase in Beginning Fund Balance due to updating FY22 expenditure projections
- b. \$130,000 carry forward in the SCADA budget for the Cityworks Integration project
- c. \$200,000 carryforward for the Asset Management Criticality Measures consulting project

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- d. \$100,000 carryforward for the Lead and Copper Rule Conformance Assessment consulting project

### **XIII. Water Renewal & Replacement — Fund 4034: (Increase \$160,000 from \$119,962,330 to \$119,962,490)**

- a. \$160 increase to Beginning Fund Balance due to updating FY22 projections
- b. \$160 increase in FY23 fund reserves resulting from impact of change above
- c. No other changes in Fund 4034

### **XIV. Sewer Revenue & Operating – Fund 4051: (Increase \$77,670, from \$136,403,110 to \$136,480,780)**

- a. \$77,670 increase Beginning Fund Balance due to updating FY22 expenditure projections
- b. \$75,000 carry forward for the Sanitary Sewer Overflow Monitoring System project
- c. \$75,000 increase for the Accela software configuration needed to support the new Private Sewer Systems program (part of the Private Sewer Laterals Policy Initiative)
- d. \$135,000 increase for Generator Rental at the W. E. Dunn Water Reclamation Facility six (6) months during the 2023 hurricane season to ensure continuity of operations. Necessitated by failure of one generator in 2022
- e. \$500,000 increase for removing hazardous materials from biological basins at both wastewater treatment facilities: W. E. Dunn (\$300,000) and South Cross Bayou (\$200,000) – proactive maintenance to reduce reactive maintenance and to prevent equipment failures
- f. \$452,000 increase in chemical supplies budget at the W. E. Dunn (\$54,000) and South Cross Bayou (\$398,000) facilities due to recent, substantial vendor price increases for Chlorine and Nalmet (a chemical for copper control)
- g. \$1,159,330 decrease in fund reserves resulting from net impact of changes above

### **XV. Sewer Renewal & Replacement – Fund 4052: (no net change; budget is \$74,961,370 including Reserves)**

- a. \$625,000 increase for FY23 expenditure estimate for two new projects:
  - i. \$ 250,000 for project 005582A 24 in Force Main replacement at 53rd Avenue and Duhme Rd.
  - ii. \$375,000 for project 005584A Countywide Concrete Force Main Replacement
- b. \$625,000 decrease in Reserves resulting from net impact of changes above

### **XVI. Business Technology Solutions (BTS) – Fund 5001: (no net change; budget is \$57,748,650)**

- a. \$0 net change due to reclassification of a position transferring from Communications to Business Technology Solutions (see 1.d).

### **XVII. Fleet Management – Fund 5002: (Increase \$2,782,910, from \$38,539,900 to \$41,322,810)**

\$2,782,910 increase to Beginning Fund Balance due to updating FY22 expenditure projections for carry forward of Vehicle Replacement Program (VRP) to FY23 due to supply chain delivery delays for 77 vehicles.

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### **XVIII. 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.

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). Staff will be rotating on-call coverage during the weekends and holidays (service hours 8:00am to 4:00pm). The new weekend and holiday reconnection charges are based on employee overtime pay rates, which results in a 1.5% increase from the weekday customer charges to recover operational costs.

New Fees below:

- Delinquent turn-on future date (Saturday, Sunday, Holidays: service 8:00am to 4:00pm)
- Delinquent turn-on same date (Saturday, Sunday, Holidays: service 8:00am to 4:00pm)

NOTE: Technical corrections were applied to several funds to better align the budget with desired financial reporting. Those impacting fund balance are listed above. Granicus ID may be associated with contracts/agreements that have not completed approval routing.

*Attachment – Total Fund Budgets – Changes to Proposed Budget*

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### Total Fund Budgets

	FY22 Budget	FY23 Request	Change	+/- %
<b>General Funds</b>				
<b>General Fund</b>	<b>969,229,200</b>	<b>932,762,880</b>	<b>(36,466,320)</b>	<b>-3.8%</b>
<b>Special Revenue Funds</b>				
County Transportation Trust	50,860,470	85,459,760	34,599,290	68.0%
Health Department Fund	9,238,940	10,418,780	1,179,840	12.8%
Pinellas County Health Program	108,980	-	(108,980)	-100.0%
Emergency Medical Service	208,040,420	225,802,010	17,761,590	8.5%
Community Developmnt Grant	28,438,040	28,996,230	558,190	2.0%
State Housing Initiatives Partnership (SHIP)	8,975,840	13,431,140	4,455,300	49.6%
Gifts for Animal Welfare Trst	620,770	585,920	(34,850)	-5.6%
Tree Bank Fund	286,640	611,110	324,470	113.2%
Public Library Cooperative	6,796,920	7,557,650	760,730	11.2%
School Crossng Guard Trust	132,470	128,730	(3,740)	-2.8%
Intergovernmental Radio Communication	1,218,490	1,217,660	(830)	-0.1%
STAR Center	11,054,170	10,372,000	(682,170)	-6.2%
Emergency Communications 911 System	13,003,790	13,216,320	212,530	1.6%
Community Housing Trust	1,512,870	1,569,310	56,440	3.7%
Building Services	11,675,560	13,829,320	2,153,760	18.4%
Tourist Development Tax Fund	132,627,720	213,303,890	80,676,170	60.8%
American Rescue Act Fund	94,690,770	65,429,620	(29,261,150)	-30.9%
Fire Districts	50,862,950	56,962,070	6,099,120	12.0%
Construction License Board	1,953,110	2,085,930	132,820	6.8%
Air Quality Tag Fee Fund	2,122,800	2,010,170	(112,630)	-5.3%
Palm Harbor Community Services District	2,797,710	3,015,250	217,540	7.8%
Feather Sound Community Services District	269,780	304,520	34,740	12.9%
East Lake Library Services District	855,140	930,410	75,270	8.8%
East Lake Recreation Services District	855,050	930,370	75,320	8.8%
Drug Abuse Trust Fund	67,610	45,880	(21,730)	-32.1%
Lealman Community Redevelopment Area Trust	3,211,880	6,324,040	3,112,160	96.9%
Street Lighting Districts Fund	1,503,130	1,361,480	(141,650)	-9.4%
Lealman Solid Waste Collection & Disposal District	1,878,790	1,770,640	(108,150)	-5.8%
Surface Water Utility	33,346,270	30,632,330	(2,713,940)	-8.1%
<b>Subtotal</b>	<b>679,007,080</b>	<b>798,302,540</b>	<b>119,295,460</b>	<b>17.6%</b>



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	FY22 Budget	FY23 Request	Change	+/- %
<b><u>Governmental Capital Project Funds</u></b>				
Capital Projects	364,227,180	376,281,130	12,053,950	3.3%
Multimodal Impact Fees	1,624,240	2,814,090	1,189,850	73.3%
<b>Subtotal</b>	<b>365,851,420</b>	<b>379,095,220</b>	<b>13,243,800</b>	<b>3.6%</b>
<b><u>Enterprise Funds</u></b>				
Airport Funds	82,249,100	107,589,690	25,340,590	30.8%
Water Funds	231,931,900	245,247,310	13,315,410	5.7%
Sewer Funds	216,803,080	226,017,190	9,214,110	4.2%
Solids Waste Funds	424,495,490	505,514,430	81,018,940	19.1%
<b>Subtotal</b>	<b>955,479,570</b>	<b>1,084,368,620</b>	<b>128,889,050</b>	<b>13.5%</b>
<b><u>Internal Service Funds</u></b>				
Business Technology Services	56,486,790	57,753,070	1,266,280	2.2%
Fleet Management	38,873,870	41,322,810	2,448,940	6.3%
Risk Financing	51,668,150	53,737,540	2,069,390	4.0%
Employee Health Benefits	173,348,670	181,270,230	7,921,560	4.6%
<b>Subtotal</b>	<b>320,377,480</b>	<b>334,083,650</b>	<b>13,706,170</b>	<b>4.3%</b>
<b>REPORT TOTAL</b>	<b>\$3,289,944,750</b>	<b>\$3,528,612,910</b>	<b>\$238,668,160</b>	<b>7.3%</b>