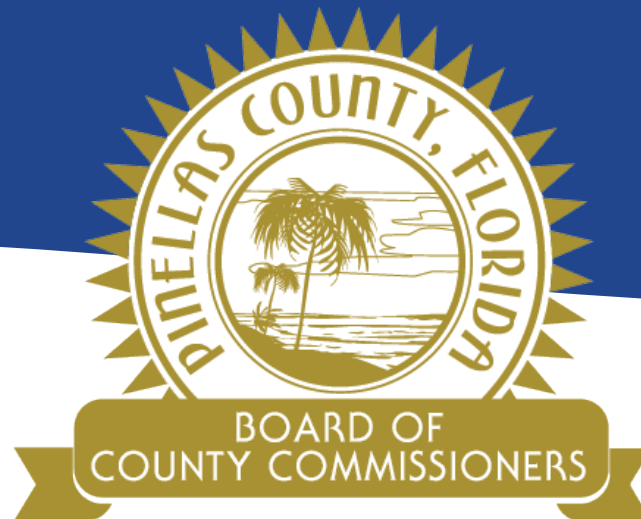


Budget Forecast: FY24 – FY29

Jim Abernathy

Office of Management & Budget

Operating Budget Manager



Our Vision:

To Be the Standard for
Public Service in America

Purpose of the Forecast

Strategic Plan #5.2 - Be responsible stewards of the public's resources

Objectives:

- Assess financial sustainability
- Understand impact of today's decisions
- Identify opportunities and challenges



Forecast Document

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Years

A large, three-dimensional red number 10 with a slight shadow underneath.

Funds

Forecast Document - Assumptions



Forecast Assumptions

	FY24	FY25	FY26	FY27	FY28	FY29
<u>Revenues</u>						
Property Taxes - Countywide	7.0%	5.9%	4.3%	3.9%	3.4%	3.1%
Millage Rate - Countywide	4.7398	4.7398	4.7398	4.7398	4.7398	4.7398
Property Taxes - MSTU	5.5%	4.4%	2.8%	2.4%	1.9%	1.6%
Millage Rate - MSTU	2.0857	2.0857	2.0857	2.0857	2.0857	2.0857
Half Cent Sales Tax	0.3%	3.3%	2.8%	2.9%	3.0%	3.0%
Revenue Sharing	0.3%	3.3%	2.8%	2.9%	3.0%	3.0%
Communications Svc Tax	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%
Grants	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest	4.5%	3.9%	3.3%	3.3%	3.3%	3.3%
Charges for Services	7.7%	3.8%	3.8%	3.8%	3.8%	3.8%
Other revenues	7.7%	3.8%	3.8%	3.8%	3.8%	3.8%
<u>Expenditures</u>						
Personal Services	3.8%	3.1%	3.1%	3.1%	3.1%	3.1%
Operating Expenses	7.7%	3.8%	3.8%	3.8%	3.8%	3.8%
Capital Outlay	7.7%	3.8%	3.8%	3.8%	3.8%	3.8%
Grants & Aids	7.7%	3.8%	3.8%	3.8%	3.8%	3.8%
Projected Economic Conditions / Indicators:						
Consumer Price Index, % change	7.7%	3.8%	3.8%	3.8%	3.8%	3.8%

Forecast Document – Pro Forma



(in \$ millions)				Forecast					
	Actual FY22	Budget FY23	Estimated FY23	Estimated FY24	Estimated FY25	Estimated FY26	Estimated FY27	Estimated FY28	Estimated FY29
Beginning Fund Balance	254.0	191.2	242.7	219.9	211.5	214.1	220.4	229.0	240.8
Revenues									
Property Taxes -Countywide	484.9	499.2	504.4	539.8	571.6	596.2	619.4	640.5	660.3
Property Taxes - MSTU	45.0	49.2	49.7	52.4	54.7	56.3	57.6	58.7	59.7
Half Cent Sales Tax	60.5	49.6	49.6	49.8	51.4	52.8	54.4	56.0	57.7
Revenue Sharing	27.4	21.2	21.2	21.3	22.0	22.6	23.2	23.9	24.7
Communications Svc Tax	8.2	6.3	7.7	7.5	7.2	7.0	6.8	6.6	6.4
Intergovernmental Revenue	45.7	36.0	36.0	36.7	37.4	38.2	39.0	39.7	40.5
Licenses and Permits	1.6	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.8
Interest	(5.0)	1.2	1.2	4.9	4.1	3.5	3.6	3.8	4.0
Charges for Services	58.8	56.3	56.3	60.7	62.9	65.3	67.8	70.3	72.9
Other revenues	53.5	20.9	20.9	22.6	23.4	24.3	25.2	26.1	27.1
Total Revenues	780.7	741.6	748.7	797.2	836.5	867.9	898.8	927.5	955.1
% vs prior year		-5.0%	-4.1%	6.5%	4.9%	3.8%	3.6%	3.2%	3.0%
Total Resources	1,034.7	932.8	991.4	1,017.1	1,048.0	1,082.0	1,119.2	1,156.5	1,195.9
Expenditures									
Personal Services	90.3	103.4	101.4	105.2	108.4	111.7	115.2	118.7	122.4
Operating Expenses	138.1	148.6	145.6	156.8	162.7	168.8	175.1	181.7	188.5
Capital Outlay	1.0	5.8	5.8	6.2	6.4	6.7	6.9	7.2	7.5
Grants & Aids	63.1	37.3	37.3	40.2	41.7	43.2	44.9	46.6	48.3
Transfers to Other Funds	83.5	38.9	38.9	41.9	43.5	45.1	46.8	48.5	50.4
Constitutional Officers Transfers	415.9	442.5	442.5	446.3	467.6	482.3	497.4	513.0	529.2
Future Year Commitments	-	-	-	9.1	3.7	3.8	3.9	-	-
Total Expenditures	792.0	776.5	771.5	805.7	833.9	861.6	890.1	915.7	946.2
% vs prior year		-2.0%	-2.6%	4.4%	3.5%	3.3%	3.3%	2.9%	3.3%
Ending Fund Balance	242.7	156.2	219.9	211.5	214.1	220.4	229.0	240.8	249.7
Ending Fund Balance as % of Revenue	31.1%	21.1%	29.4%	26.5%	25.6%	25.4%	25.5%	26.0%	26.1%
Total Requirements	1,034.7	932.8	991.4	1,017.1	1,048.0	1,082.0	1,119.2	1,156.5	1,195.9
Revenue minus Expenditures	(11.3)	(34.9)	(22.8)	(8.5)	2.6	6.3	8.6	11.8	8.9

Local Economic Outlook

U.S. Unemployment Rate 3.4% (January 2023 – Bureau of Labor Statistics)

- Florida 2.5%; Pinellas 2.1% (December 2022 – Bureau of Labor Statistics)

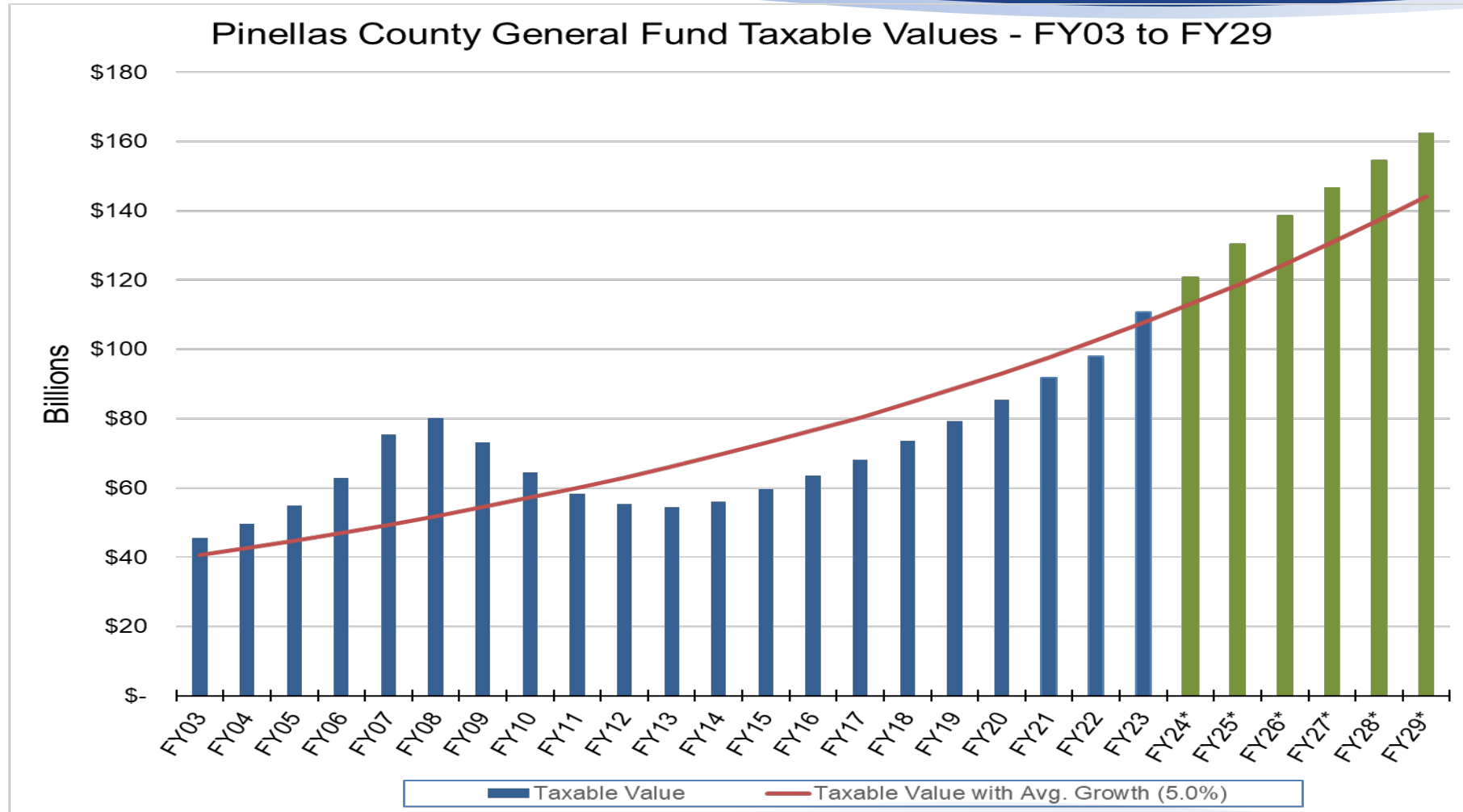
Home Sales Price Rising, Volume Falling

- Median Price up in 2022
 - 16.6% in Florida (Florida Realtors)
 - 20.3% in Pinellas (Pinellas Realtor Organization)
- Volume down 18.0% statewide, down 21.9% in Pinellas



Taxable values up 13.1% in FY23 to \$110.8B

Local Economic Outlook



Potential Impacts to the Forecast

- **Slower economic growth or recession**
- **Inflation**
- **Need to address wages for county employees**
- **Property tax exemptions, Save Our Homes**
- **New federal or state mandates**
- **Environmental**
- **Additional programs added during budget development**



Fund Reviews

Emergency Medical Services Fund

- No millage rate change
- Maintains target reserve level (>25.0%)
- Ambulance Contract Funding Request
- First Responder Funding Requests

Surface Water Utility Fund

- Expenditures exceed revenue through the forecast period
- ERU growth flat
- Mitigation credits negatively impact revenues
- Reserves exhausted in FY26

Capital Projects Fund

- Fund is balanced for FY24 and FY25
- Expenditures exceed revenue through FY26
- Fund is balanced again in FY29

Airport Revenue & Operating Fund (Enterprise Fund)

- Revenues exceed expenditures thru FY26
- Use of Grants and Fund Balance for planned capital projects
- Reserves exceed the 100% throughout the forecast period

Transportation Trust Fund

- Expenditures exceed revenues through the forecast period
- Fund Balance projected decrease each year, from \$24.9M in FY24 to \$12.3M in FY29
- Revenue growth is minimal during the forecast period
 - The dedicated millage contributes more than 52% each year of the forecast

Water Funds (Enterprise Fund)

- Annual expenditures exceed revenues
- Annual rate increases end after FY23
- Reserves under target level of 25% by end of FY27 – reflects projected increases in Capital Improvements Plan

Solid Waste Fund (Enterprise Fund)

- Operating expenses remain relatively constant with minimal growth
- Capital expenses vary according to planned needs (between \$18M and \$35M)
- The forecast includes tipping fee increases of 6.8 percent through FY25
- Power Purchase Agreement discontinuing in its current form in December 2024 causing an annual deficit in FY25 and each year following
- Will use accumulated funds to balance through the forecast period

General Fund Forecast



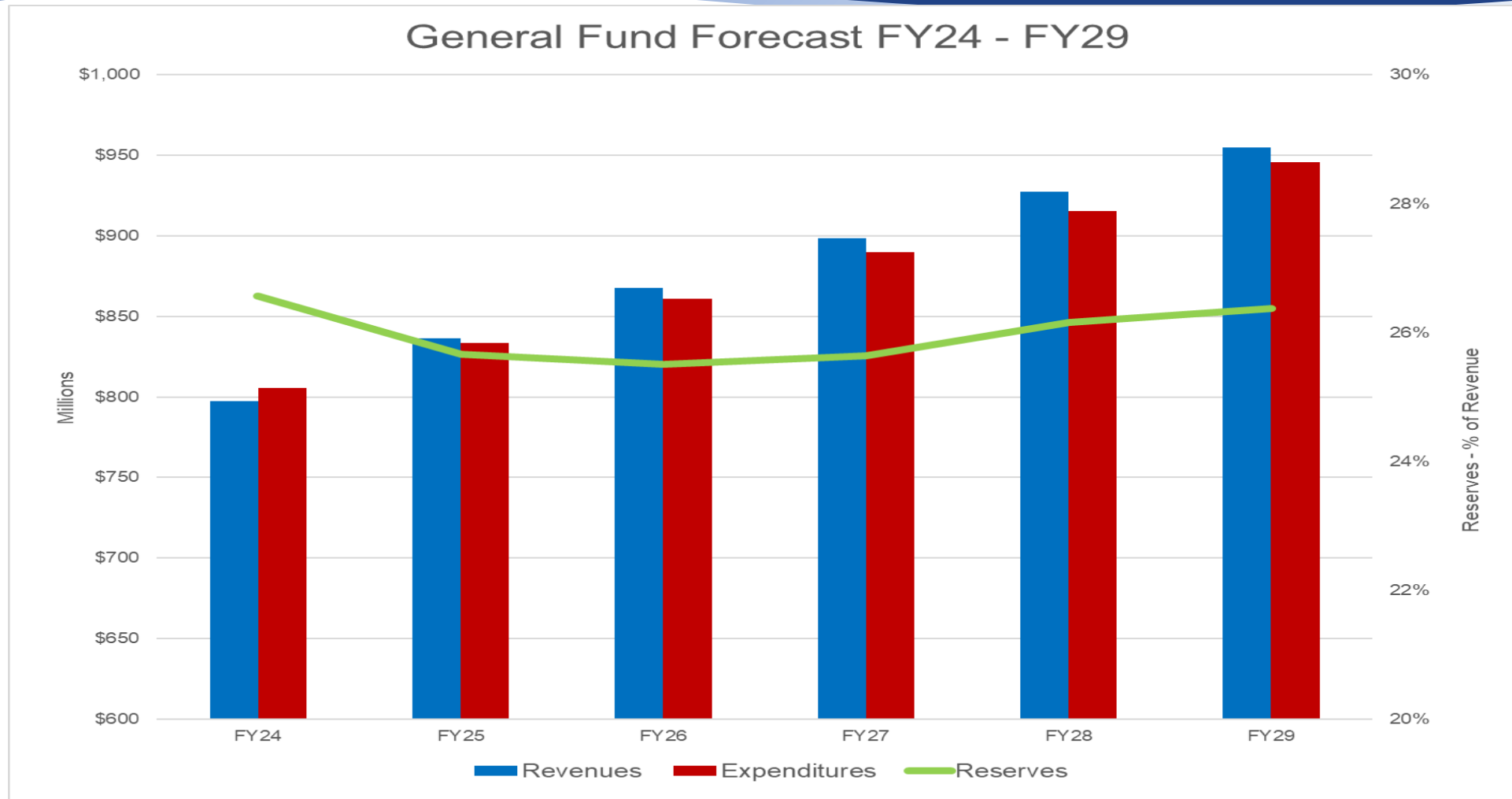
Balanced

- Without increasing millage rate
 - Current rate of 4.7398 for Countywide millage
- Maintains reserve level between 25% - 27%

Balancing strategies

- Pursue efficiencies without compromising services
- Use non-recurring funds for one-time expenditures
- Expenditure reductions and/or revenue increases

General Fund Forecast



Sewer Funds Forecast



Expenditures exceed revenues through most of the forecast period

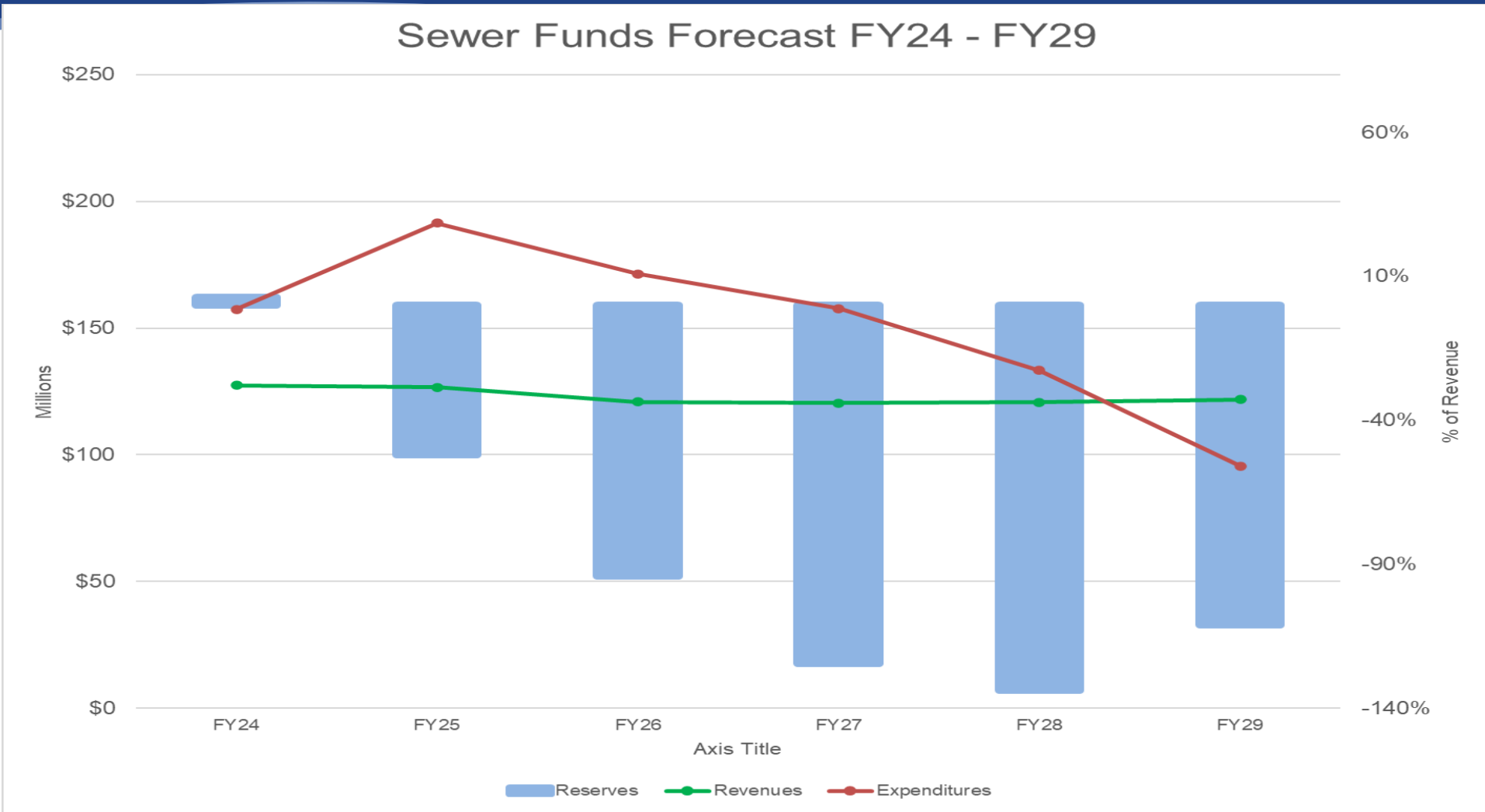
- Due to high capital needs to maintain and replace
- Without additional funding, capital needs will not be met

Revenue growth does not keep-up with inflationary needs

- Forecast does not assume a rate increase
- Costs for electric and chemicals are elevated throughout the period

Reserves are expended early in FY25

Sewer Funds Forecast



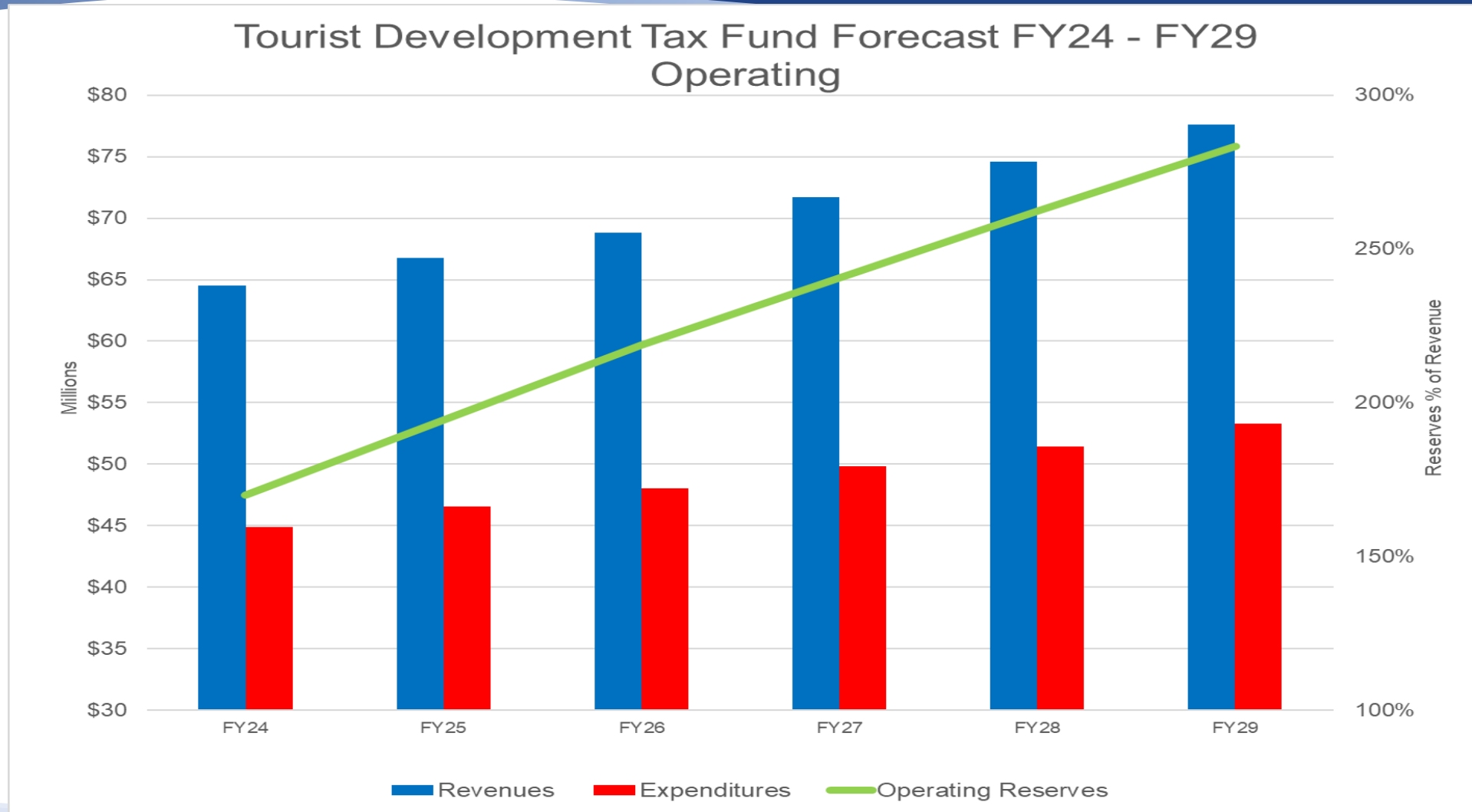
Tourist Development Tax Fund Forecast



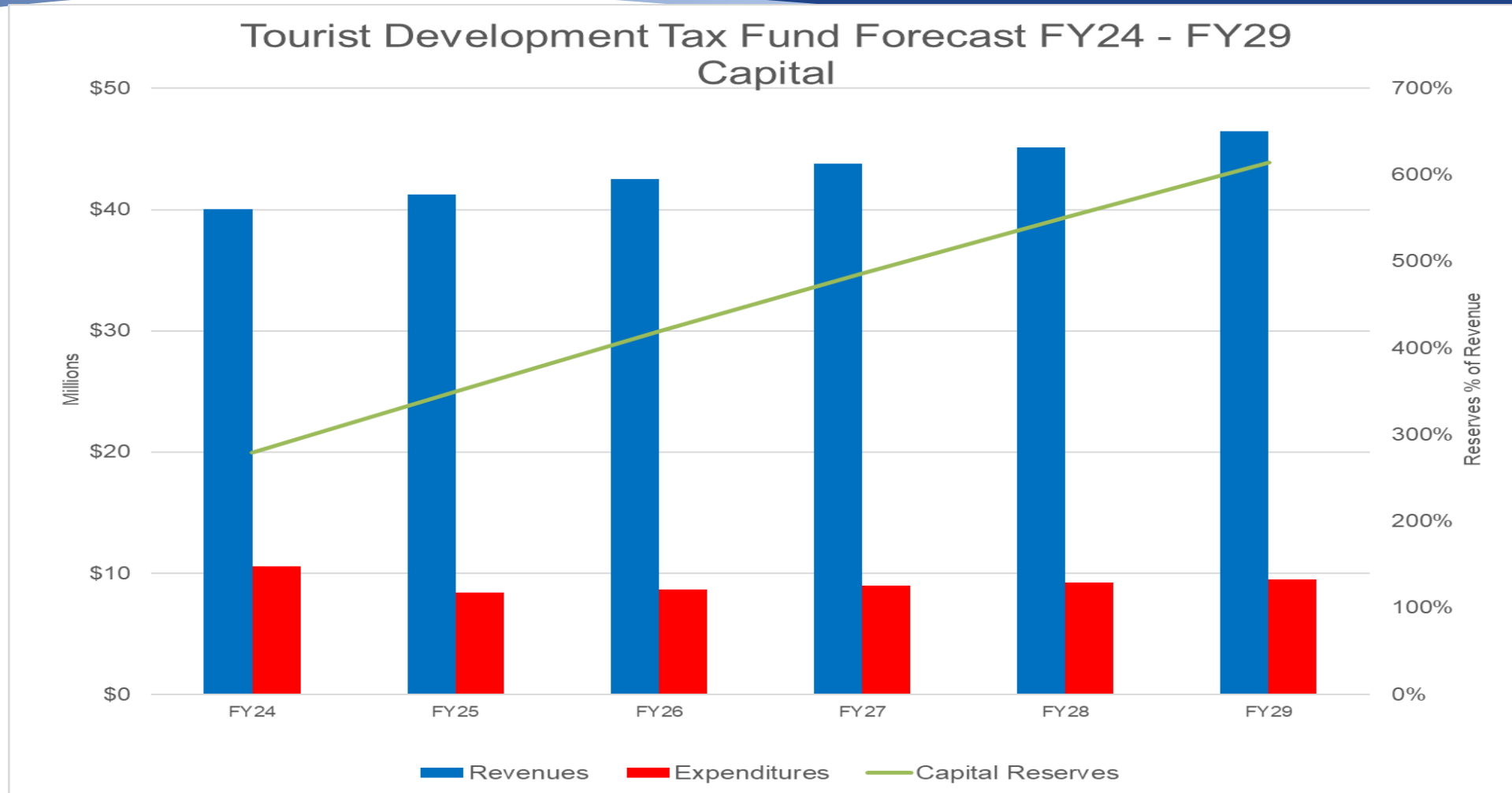
Balanced

- Commitments to capital projects end in FY23
- Maintains 60/40 split of current TDT revenue between Marketing & Advertising and Capital projects
- Does not include any capital funding requests not already approved by BCC
- Continues a minimum of $\frac{1}{2}$ of the third percent of TDT for beach renourishment projects

Tourist Development Tax Fund Forecast



Tourist Development Tax Fund Forecast



Citizens Guide to the Budget

Budget Forecast FY23 – FY28



Pinellas County, Florida
Office of Management & Budget



www.pinellascounty.org/budget