

**PINELLAS PLANNING COUNCIL  
AGENDA MEMORANDUM**

**AGENDA ITEM:** V B.

**MEETING DATE:** March 17, 2010

**SUBJECT:**

Preliminary Budget Discussion for FY 2010/11

**RECOMMENDATION:**

Council Receive and Discuss Preliminary Budget As Determined Appropriate  
(For Information Only – No Action Required)

**BACKGROUND**

As the Council is probably aware, the FY 11 budgeting process for Pinellas County is well underway, with budget forecasts and targets having been reviewed with the Board of County Commissioners, Constitutional Officers, and Agency Heads in January and February.

Under the County's budget schedule, the Council's preliminary budget information is due to the County Office of Management and Budget by March 12, 2010. Attached as Exhibit 1 for the Council's information and discussion is a copy of that transmittal which may be summarized as follows:

- The direction applicable to those agencies with separate ad valorem taxing authority is to prepare a budget anticipating a twelve (12) percent decline in ad valorem tax revenues, while maintaining the current millage rate.
- This translates to a projected reduction of \$94,820 in the Council's ad valorem proceeds as compared to the current year.
- The preliminary total budget proposed by the Executive Director is the same as for FY 10 - \$1,156,650.
- In order to balance the budget, some \$379,660 representing 35.1 percent of our audited FY 2009 fund balance will need to be appropriated – consistent with the three-year projection and approach approved in the formulation of the FY 10 budget.
- Given the significant reduction to the budget (- 23.4%), millage rate (- 26.5%), and ad valorem tax revenue (- 35.1%) last year, any further reductions to the budget or millage rate are unworkable.

**PINELLAS PLANNING COUNCIL ACTION:**

**COUNTYWIDE PLANNING AUTHORITY ACTION:**

**SUBJECT:** Preliminary Budget Discussion for FY 2010/11

- Attachment No. 1 to the accompanying memorandum summarizes the preliminary budget by major accounts for FY 11 in comparison to the current year. Additional details and refinement will be added over the next few months, based in part on the status of the current budget at mid-year to be reviewed with the Council in April.
- Attachment No. 2 allocates the proposed budget by major work program components
- Attachment No. 3 illustrates the current staff organization, following the loss of two positions in this year's budget.

While these numbers are very preliminary and will be refined as the Council works through the budgeting process, the fact is that we have very little latitude to adjust our work program or budget given the established parameters. The key will be to prioritize and focus our efforts on those tasks that the Council determines most important.

The Council's review and input on these preliminary budget numbers is requested. With the Council's input, and as preliminary estimates of ad valorem value are made available from the Property Appraiser by June 1<sup>st</sup>, this first draft of the budget will be refined and coordinated with the annual work program in subsequent meetings with the Council.

A summary of the schedule for budget-related matters is as follows:

- March 12<sup>th</sup> - Preliminary Budget Submission to OMB
- March 17<sup>th</sup> and April 15<sup>th</sup> – Preliminary Budget Review with PPC
- May 11<sup>th</sup> - PPC Budget Review Workshop with the Board of County Commissioners
- May 19<sup>th</sup> and June 16<sup>th</sup> – PPC Review and Refinement of Budget and Work Programs
- June 1<sup>st</sup> (at the latest) – Property Appraiser delivers Estimate of Taxable Value
- July 1<sup>st</sup> (at the latest) – Property Appraiser delivers Certification of Taxable Value
- July 15<sup>th</sup> - PPC Approval of Final Budget, Millage Rate and Work Programs and transmittal to Property Appraiser's Office and the Board of County Commissioners
- August 4<sup>th</sup> (at the latest) – PPC notifies Property Appraiser of proposed millage rate and completes form DR-420
- September 7<sup>th</sup> and 21<sup>st</sup> – Board of County Commissioners public hearings to adopt budgets and millage rates

The complete budget timetable and related key dates identified by the Property Appraiser is attached as Exhibit 2.


***ATTACHMENTS***

- Exhibit 1 Transmittal Memorandum to Office of Management and Budget and accompanying Attachments 1, 2, and 3.
- Exhibit 2 Property Appraiser Memorandum re: Complete Property Value Roll Schedule

600 Cleveland Street, Suite 850 • Clearwater, Florida 33755-4160  
Telephone 727.464.8250 • Fax 727.464.8212 • www.pinellasplanningcouncil.org

TRANSMITTAL MEMORANDUM

TO: Office of Management and Budget  
John Woodward, Budget Director

FROM: Pinellas Planning Council   
David P. Healey, Executive Director

COPIES: Robert LaSala, County Administrator  
Katherine Burbidge, Office of Management and Budget  
Members, Pinellas Planning Council

SUBJECT: Transmittal of Preliminary Budget Information for  
Pinellas Planning Council

DATE: March 12, 2010

Mayor Pat Gerard, *Chairman*  
Councilmember John Doran, *Vice Chairman*  
Mayor Jim Ronecker, *Secretary*  
Commissioner John Morroni, *Treasurer*  
Vice Mayor Nina Bandoni  
Mayor Beverley Billiris  
Councilmember Sandra L. Bradbury  
Commissioner Dave Carson  
Councilmember Jim Kennedy  
Vice Mayor Jerry Knight  
School Board Member Linda S. Lerner  
Commissioner Stephanie Oddo  
Mayor Patricia J. Shontz

David P. Healey, AICP  
Executive Director

Please find the accompanying information as requested by Pinellas County for the FY 11 budget process. Please understand that this submission is preliminary and has not yet been reviewed with the Planning Council. Any revisions and refinements resulting from review with the Council, as well as those that may be necessary based on ad valorem taxable value to be established by the Property Appraiser, will be forwarded to you.

Included are the following:

Preliminary FY 11 Budget Submittal

- The preliminary budget is set forth in Attachment No. 1. The total budget amount of \$1,156,650 is the same as the current FY 10 budget amount. Given the significant reductions to the budget (-23.4%), millage rate (-26.5%), and ad valorem tax revenue (-35.1 %) last year, there is no additional opportunity to reduce the budget and carry out the required functions of the Council.

FY 11 Program Information

- The program information is set forth in Attachment No. 2. and represents the main program functions mandated under the Special Act (Chapter 88-464, Laws of Florida). These program headings are consistent with the Council's mission statement, role and work program, and reflect the minimum, mandatory functions of the Council as identified in previous budget submittals.

### Organizational Chart

- The organizational chart for the Council is identified in Attachment No. 3. and reflects the staff reductions and reorganization resulting from the budget cuts in the current FY 10 budget.

### Reconciliation of FY 10 Budget to 97 Percent Target

- The adopted FY 10 Planning Council budget is \$1,156,650.
- The Council will meet or exceed the County's target reduction of 3 percent, such that the expenditures for FY 10 will not exceed the 97 percent level, or \$1,121,951.
- This will result in a savings of some \$31,700 as compared to budgeted expenditures, which savings will be applied to the carry-forward/encumbered funds in FY 11 to assist in reducing the impact of the projected decline in ad valorem tax revenues.

### Preparation of FY 11 Budget Submission to Accommodate Projected 12 Percent Reduction in Ad Valorem Tax Revenues

- The preliminary FY 11 budget for the Council has been prepared to recognize a projected 12 percent reduction in ad valorem tax revenue from the final current year taxable value, yielding a preliminary ad valorem revenue target of \$674,590, a reduction of \$94,820 as compared to the FY 10 budget.
- This reduction in ad valorem revenue is proposed to be offset by an increase in the allocation of carry-forward/encumbered funds from the fund balance.
- The fund balance is being allocated incrementally over a three-year period as set forth in the three-year budget projection prepared last year for FY 10, FY 11, and FY 12.

### Ideas for Additional Revenue or Expenditure Savings

- Additional revenue options include:
  - 1) Levying an application fee for processing Countywide Plan Map amendments – payable by local government directly, or as a surcharge to a property owner applicant, as part of amendment process; and

- 2) Providing additional local assistance to member local governments on a fee basis.

The first of these options either increases costs to local government or is a pass-thru to the private sector and would be counterproductive to encouraging the participation of local government in maintaining consistency with the Countywide Plan and an unwelcome burden on the private sector given the state of the economy and the desire to incent redevelopment.

The second option, while it generates additional revenue, is essentially budget- neutral to the Council, but should prove cost-efficient to the local government receiving the service and thus an overall benefit to our member local governments.

- Additional savings options include:

- 1) Eliminating or substantially reducing the legal requirement for publication of notice of public hearings in the newspaper and the attendant cost thereof. This would require state legislation, but would mean considerable savings to not only the Council, but all government entities. This archaic requirement could be replaced with mailed, personal notice, and a newspaper notice of where to find the details of the noticed hearing on the website, or through direct contact with staff which would improve the clarity and detail of the information at a substantial cost savings.

While we have achieved significant cost savings in FY 10 by adjusting our advertising schedule to take advantage of the newspaper's varied rates based on day of publication, these costs are still significant relative to our total budget.

- 2) Continuing to assess opportunities to fully integrate all countywide planning functions under the auspices of the Planning Council, reducing redundant costs to local government, including the County's General Fund.

#### Other Relevant Details/Insights

By way of background and perspective, please note that the Planning Council has reduced both its millage rate and budget in recent years as follows:

- Millage Rates – The millage rate has been consistently and incrementally reduced over the past four years as set forth below, resulting in a 35.9 percent reduction.

In FY 10 alone, the millage rate was reduced from the prior year by 26.5 percent.

2006-07	-	.0195	
2007-08	-	.0170	( - .0025 or - 12.8%)
2008-09	-	.0170	( - 0 - )
2009-10	-	<u>.0125</u>	<u>( - .0045 or - 26.5%)</u>
		Total:	( - .0070 or - 35.9%)

For the ten-year period from 2000-01 to 2009-10, the millage rate for the Council has been reduced from .0225 to .0125 – a reduction of .0100 mills or 44.4 percent. At the current and proposed millage rate of .0125, the Council tax levy is at 7.5 percent of its authorized maximum levy of .1666 mills.

- **Budget** – The budget has similarly been reduced over the past four years, resulting in a total reduction of \$537,230 or 31.7 percent. In FY 10 alone, the budget was reduced from the prior year by \$352,850 or 23.4 percent.

2006-07	-	\$1,693,880	
2007-08	-	1,598,140	( - \$ 95,740 or - 5.65%)
2008-09	-	1,509,500	( - 88,640 or - 5.55%)
2009-10	-	<u>1,156,650</u>	<u>( - 352,850 or - 23.4%)</u>
		Total:	( - \$537,230 or - 31.7%)

- **Tax Revenue** – The combination of reduced millage rates and budgets over this same four-year period has resulted in a total reduction in tax revenue of \$632,120 or 45.1 percent. In FY 10 alone, the tax generated was reduced from the prior year by \$415,310 or 35.1 percent.

2006-07	-	\$1,401,530	
2007-08	-	1,294,650	( - \$106,880 or - 7.6%)
2008-09	-	1,184,720	( - 109,930 or - 8.5%)
2009-10	-	<u>769,410</u>	<u>( - 415,310 or - 35.1%)</u>
		Total:	( - \$632,120 or - 45.1%)

I believe this preliminary transmittal is consistent with your request. Please let me know if there is anything additional you need at this time, and I will keep you apprised of input and direction by the Council at our March and April meetings in order that we may have any necessary refinements for the Council's budget workshop with the Board scheduled for May 11, 2010.