



Board of County Commissioners
Budget Workshop Agenda
February 9, 2011
1:30 – 3:30 PM

Introduction	Michael Merrill, County Administrator
Overview of Revenues and Restricted Funds.....	Eric Johnson, Management Services Administrator and Budget Director
General Funds: Proforma 5-Year Forecasts	Kevin Brickey, County Economist Business and Support Services Dept.
Essential Services and Transition Plans	Michael Merrill, County Administrator
Discussion	Board of County Commissioners
▪ Further discussion of BOCC Committee process	
Adjourn	

The County's FY 11 Adopted Budget may be found on-line at
<http://www.hillsboroughcounty.org/managementbudget/budgets/adopted/fy11/>

Examining the FY 11 Budget by Type of Fund



February 9, 2011

Overall, Hillsborough County has a \$3.5 billion budget in FY 11.

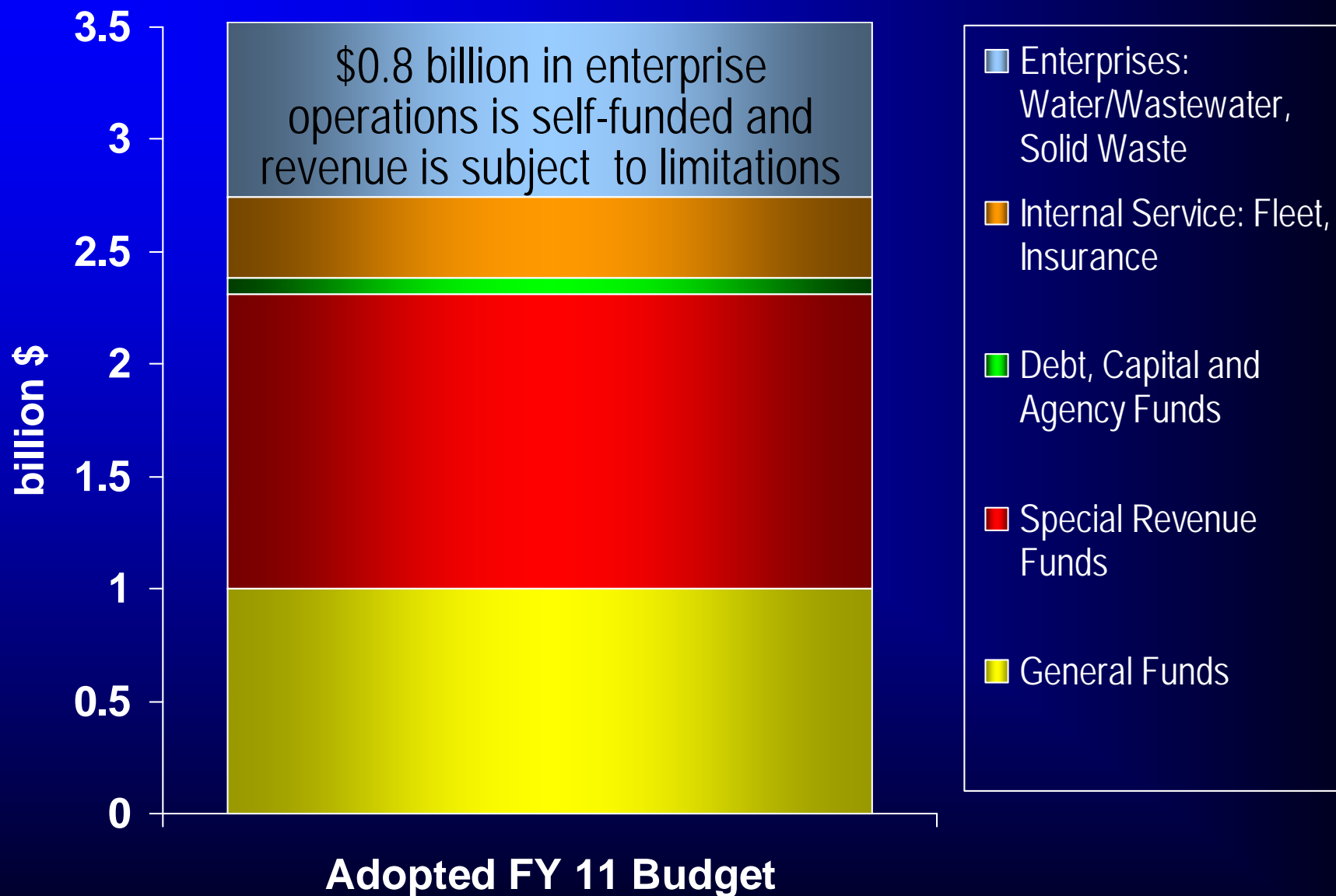
Much of the budget consists of restricted funds that have no reliance on property taxes and other general revenue: federal and State grants, enterprise activities and internal services entirely supported by rates and fees, taxes, and fees restricted in their use -

- the Indigent Care Tax,
- the Community Investment Tax (CIT),
 - gasoline taxes,
 - tourist taxes,
 - court fines, etc.

Overall, Hillsborough County has
a \$3.5 billion budget in FY 11.

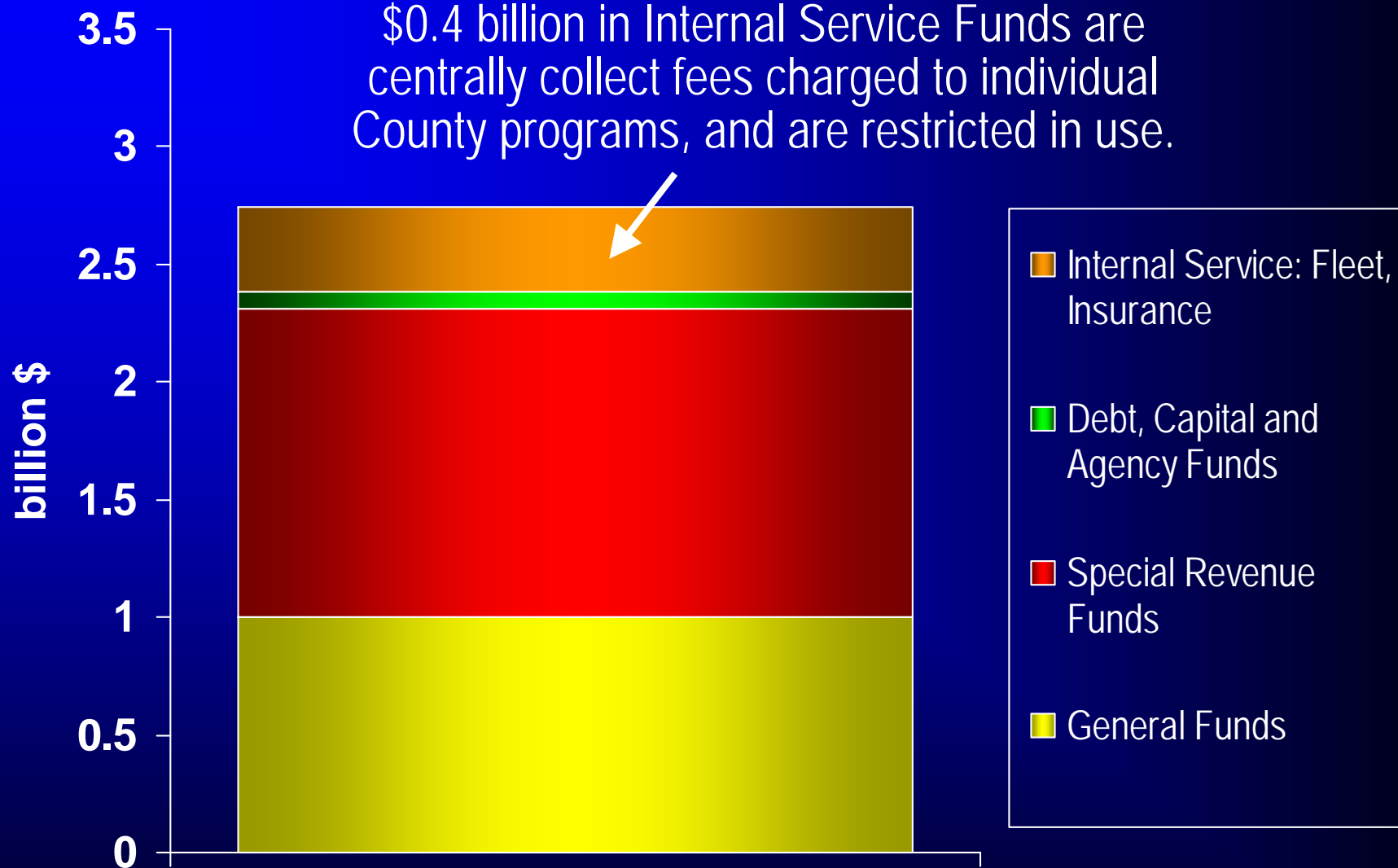
\$1 billion of the budget -- 28% -- is allocated through the
two major operating funds – the Countywide General Fund,
and the Unincorporated Area General Fund.

Hillsborough County Budget



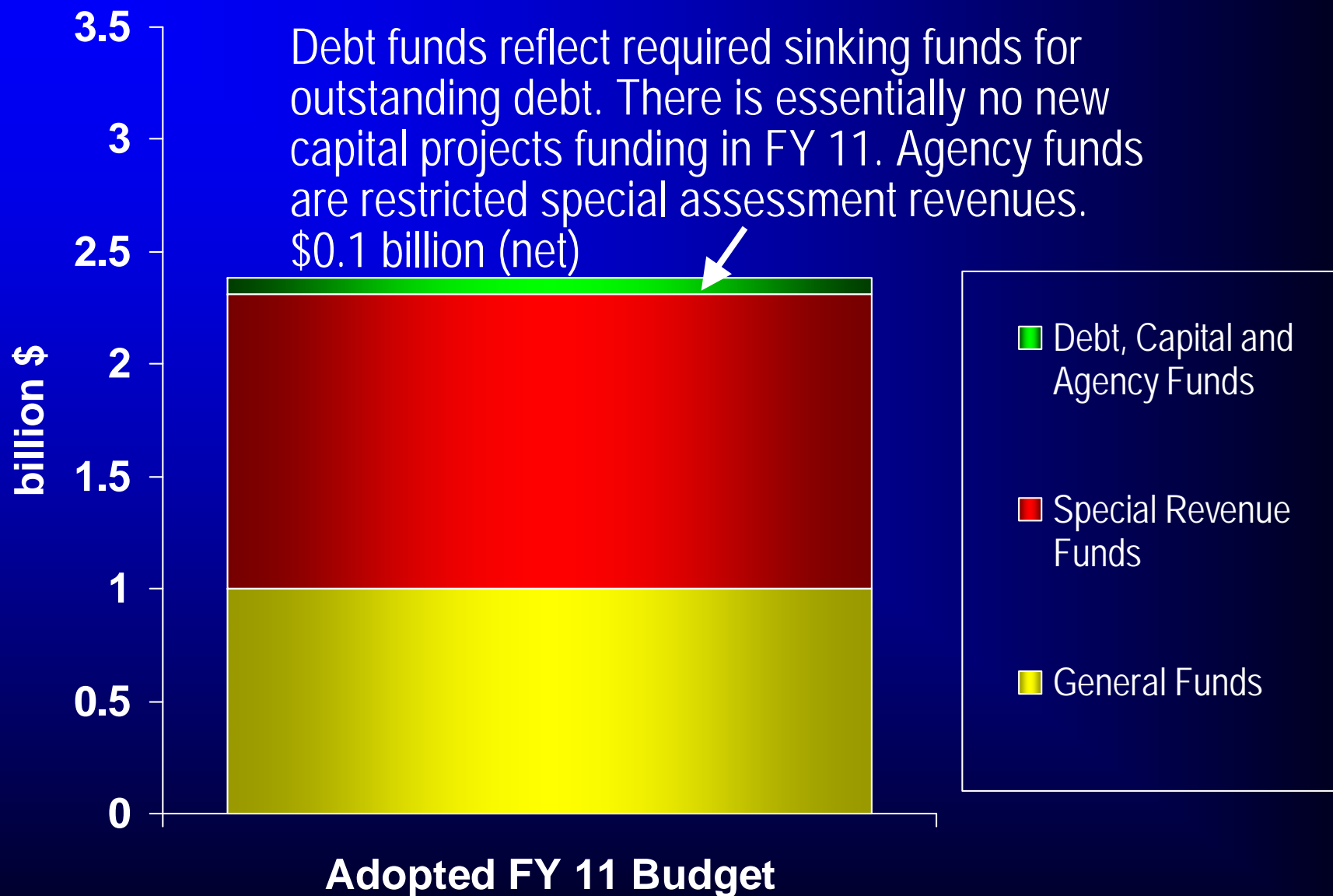
Hillsborough County Budget

\$0.4 billion in Internal Service Funds are centrally collect fees charged to individual County programs, and are restricted in use.



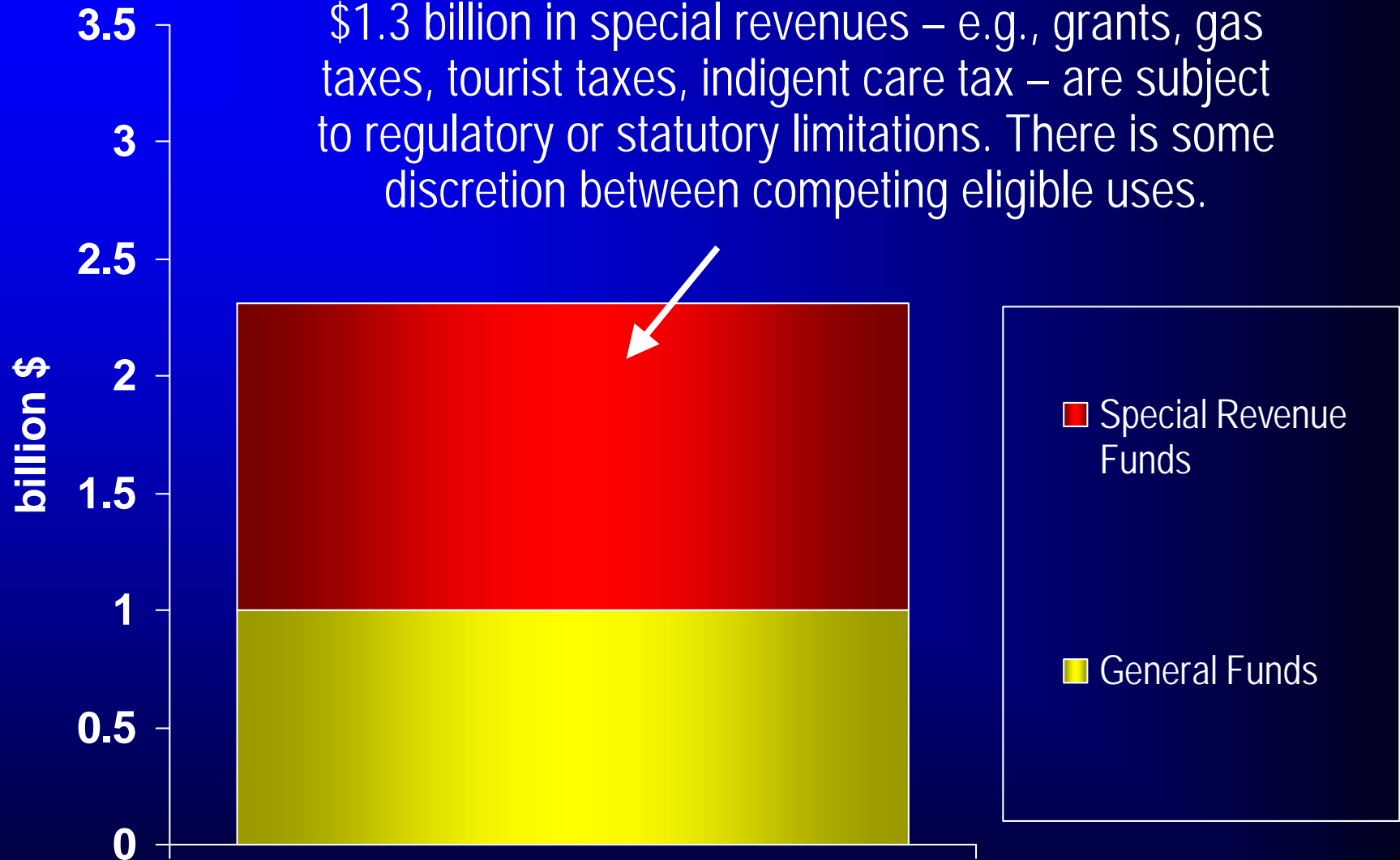
Adopted FY 11 Budget

Hillsborough County Budget



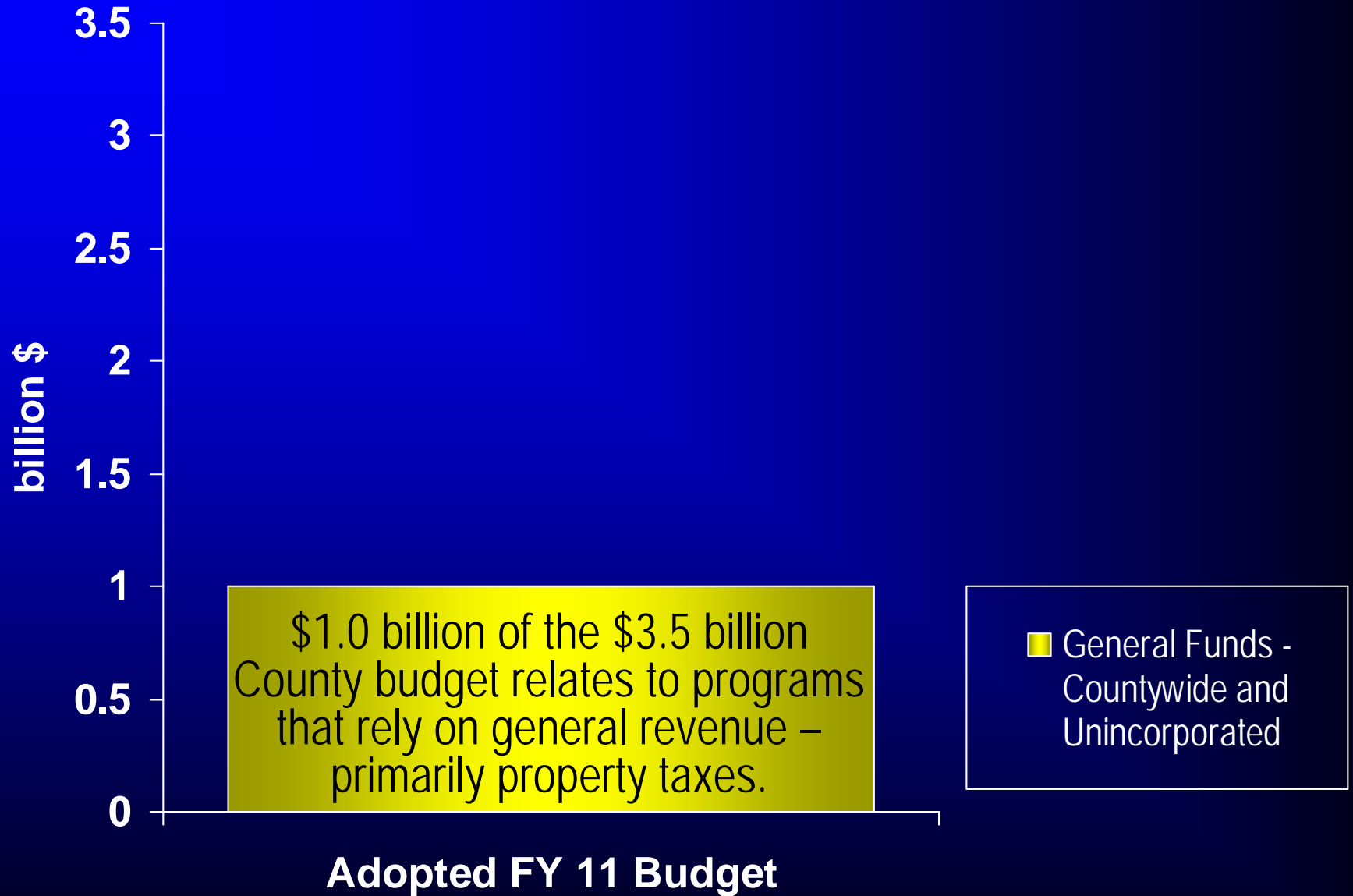
Hillsborough County Budget

\$1.3 billion in special revenues – e.g., grants, gas taxes, tourist taxes, indigent care tax – are subject to regulatory or statutory limitations. There is some discretion between competing eligible uses.

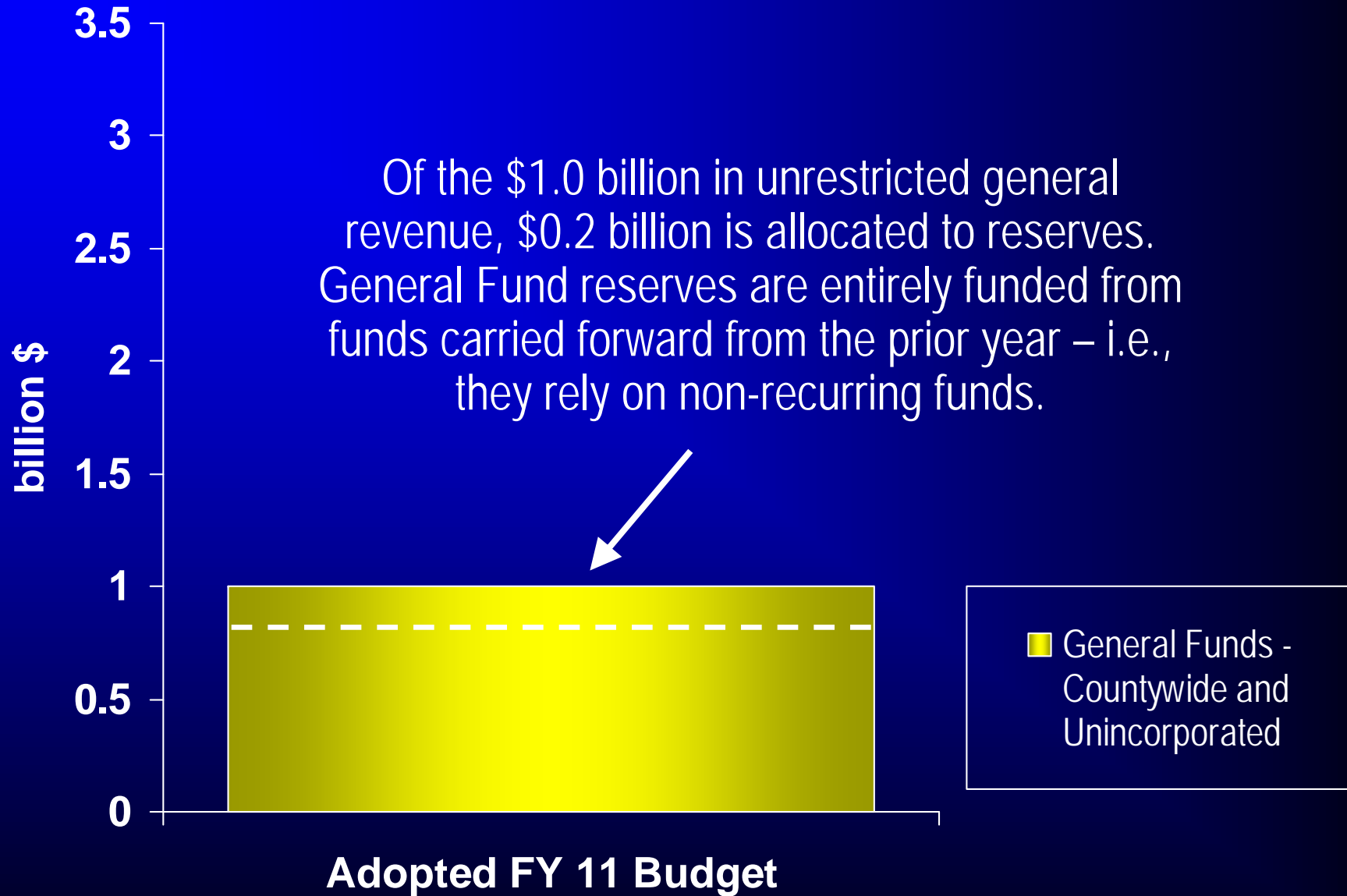


Adopted FY 11 Budget

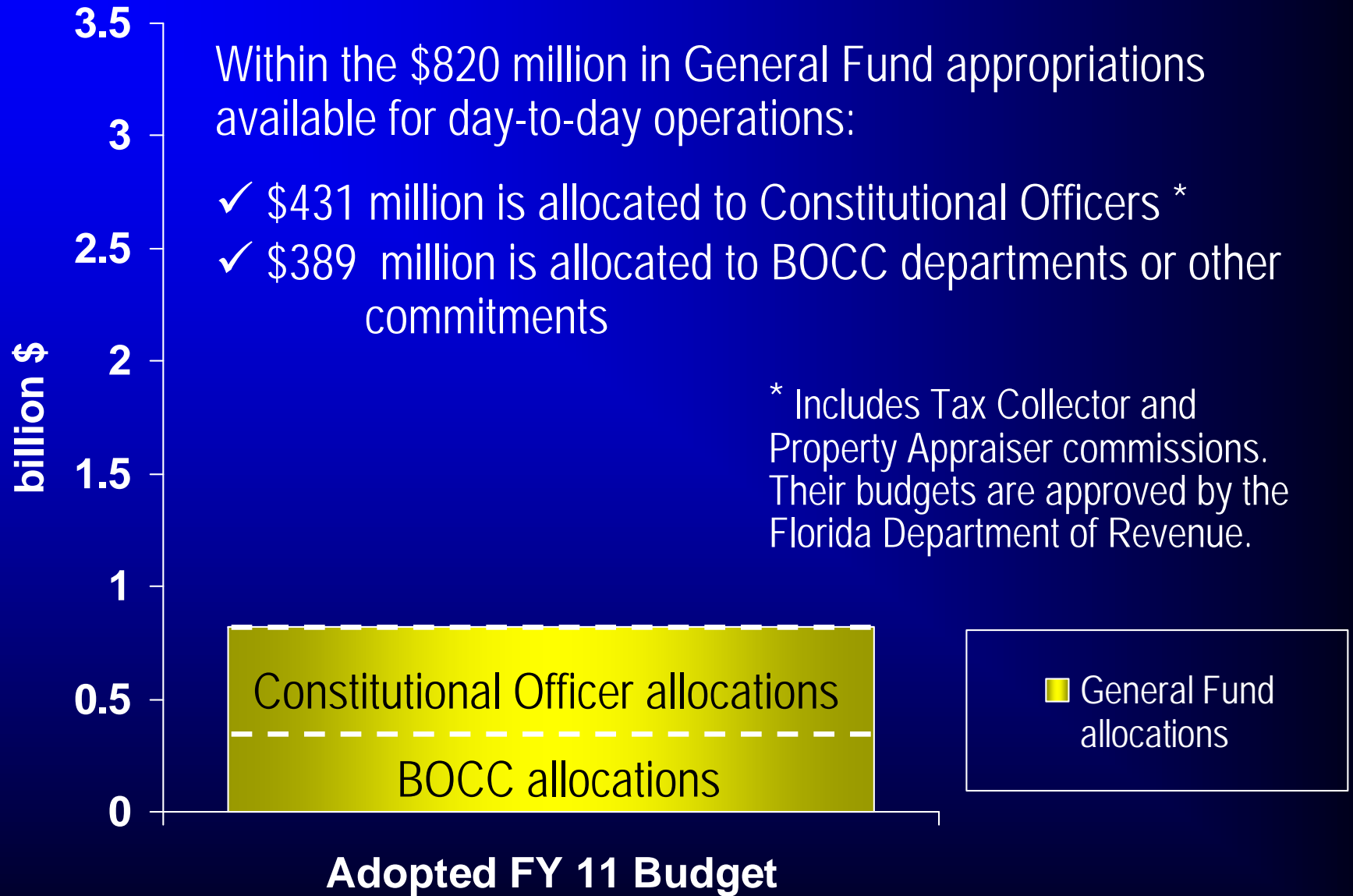
Hillsborough County Budget



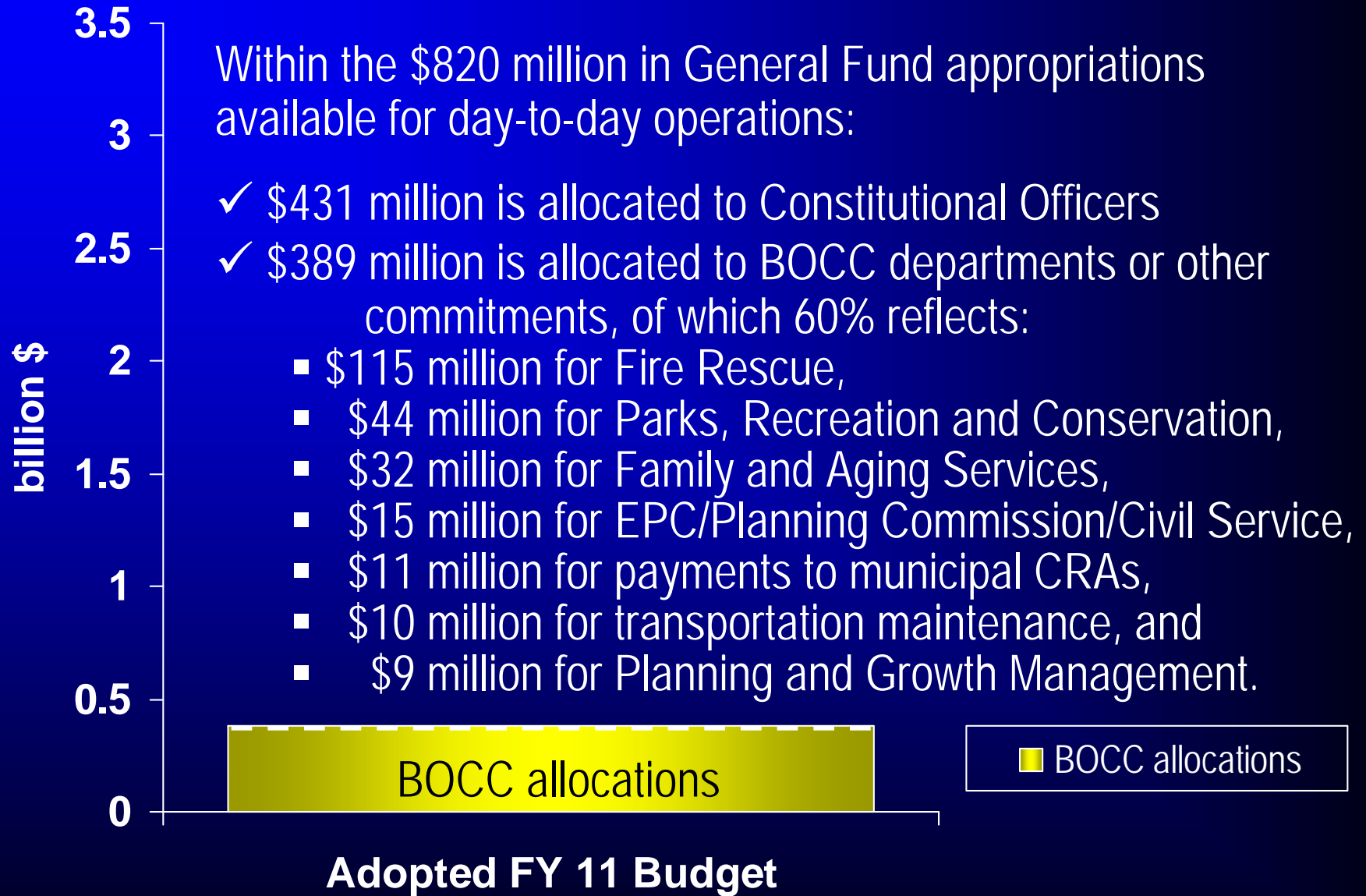
Hillsborough County Budget



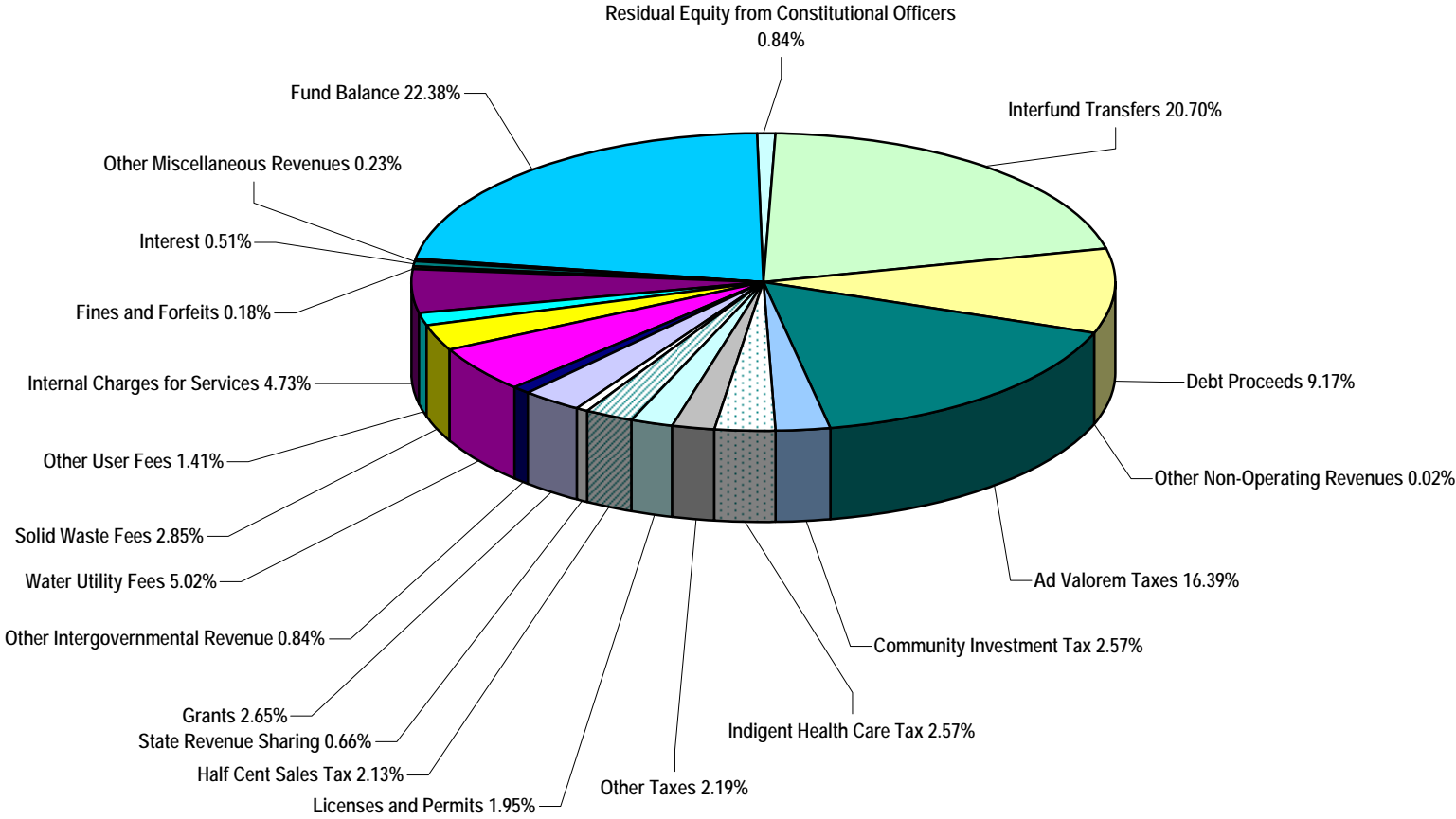
Hillsborough County Budget



Hillsborough County Budget

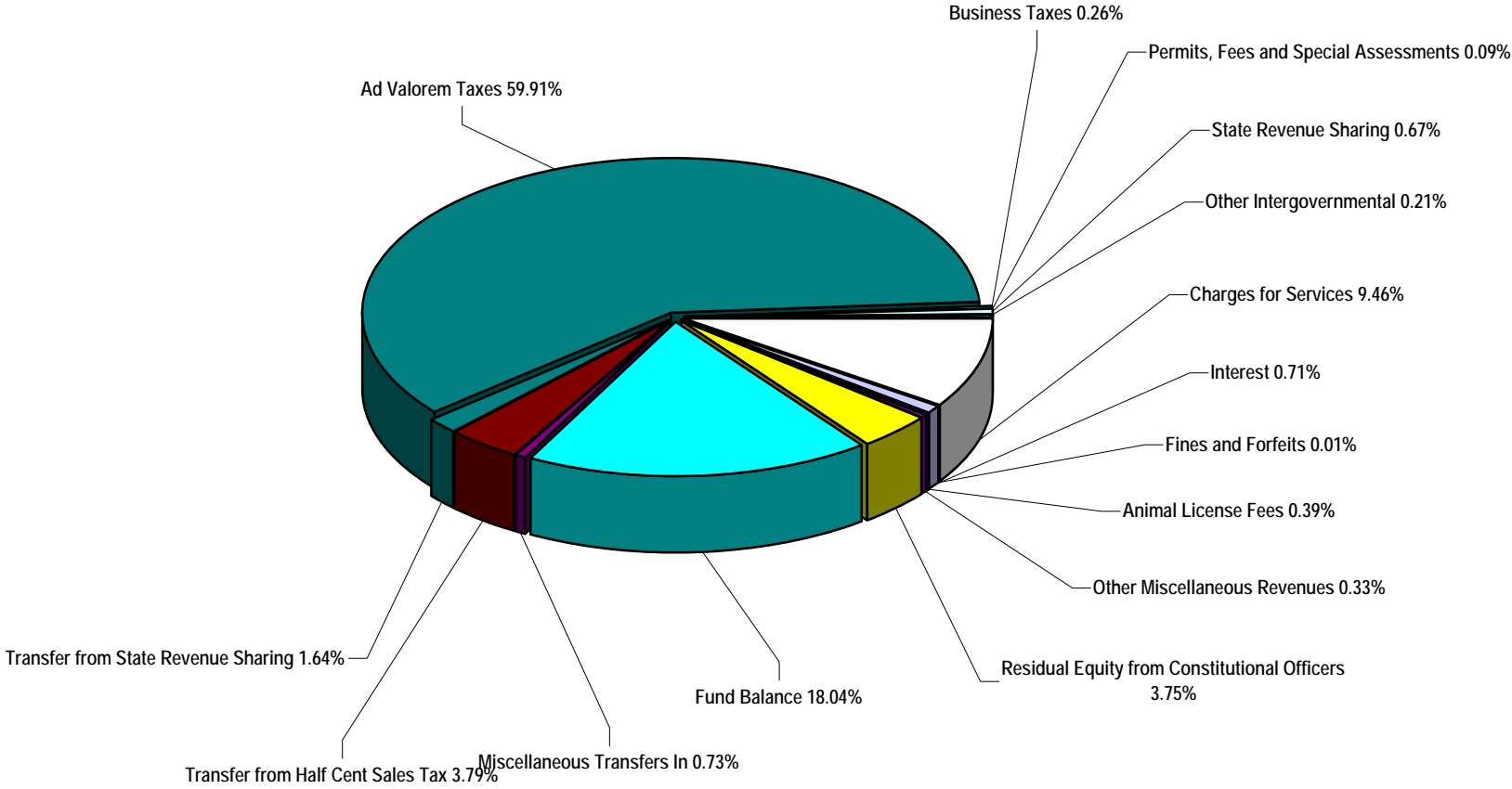


Revenues by Source All Funds - FY 11



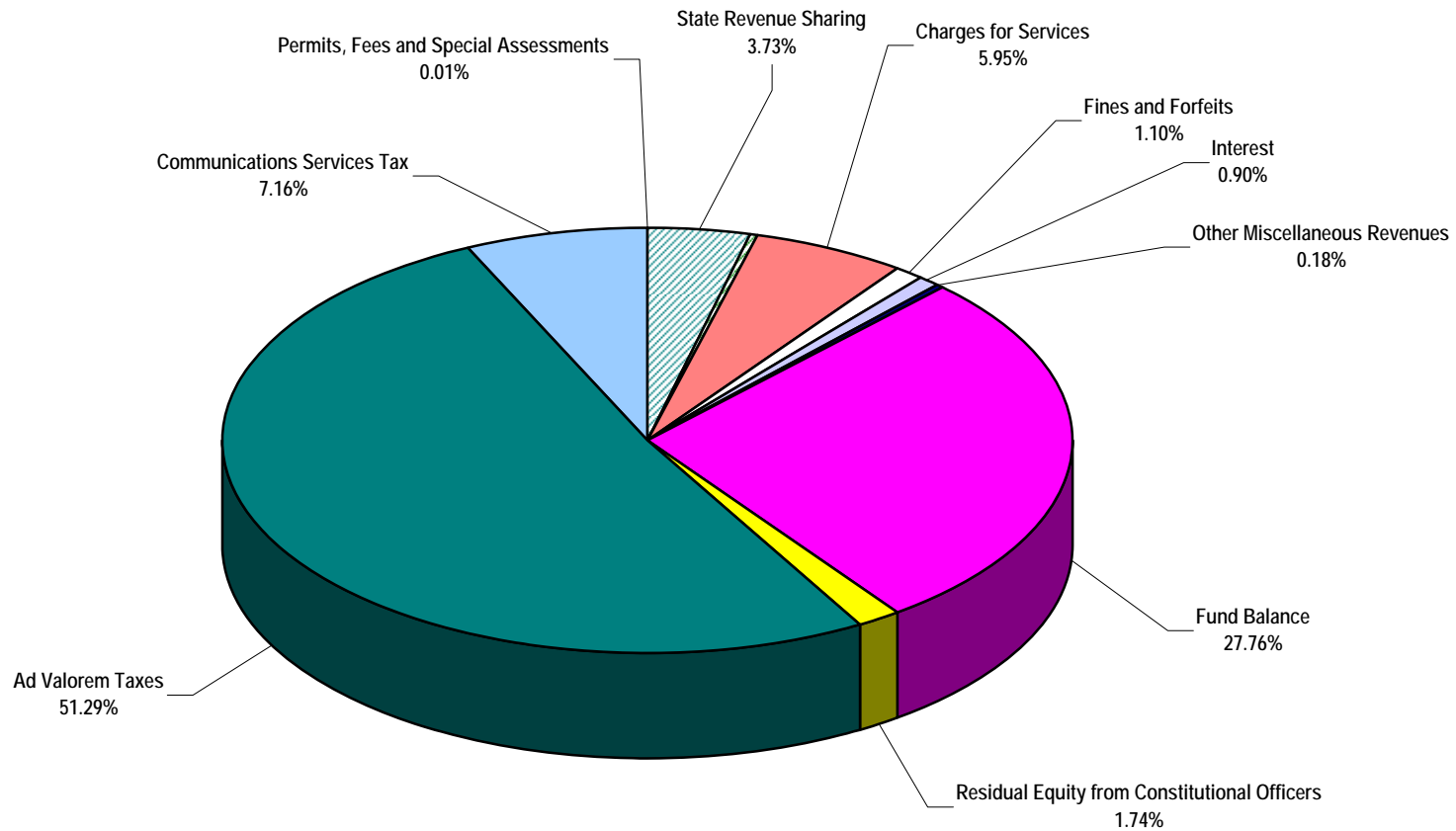
Each 1% equals \$35.2 million.
Total revenues equal \$3,521.0 million.

Revenues by Source Countywide General Fund - FY 11



Each 1% equals \$6.0 million.
Total revenues equal \$601.4 million.

Revenues by Source Unincorporated Area General Fund - FY 11



Each 1% equals \$4.0 million.
Total revenues equal \$397.3 million.

FY 11 Budgeted County Revenues by Source All Funds

<u>Revenue Source</u>	<u>Amount</u>	<u>Percentage</u>
Ad Valorem Taxes	\$588,238,031	16.71%
Community Investment Tax	92,285,866	2.62%
Indigent Health Care Tax	92,285,866	2.62%
Other Taxes	78,680,542	2.23%
Licenses and Permits	69,866,254	1.98%
Half Cent Sales Tax	76,616,842	2.18%
State Revenue Sharing	23,619,435	0.67%
Grants	95,218,793	2.70%
Other Intergovernmental Revenue	30,006,840	0.85%
Water Utility Fees	180,297,240	5.12%
Solid Waste Fees	102,255,410	2.90%
Other User Fees	50,476,014	1.43%
Internal Charges for Services	169,694,384	4.82%
Fines and Forfeits	6,520,793	0.19%
Interest	18,264,567	0.52%
Other Miscellaneous Revenues	8,188,298	0.23%
Fund Balance	803,297,871	22.81%
Residual Equity from Constitutional Officers	30,080,709	0.85%
Interfund Transfers	742,975,685	21.10%
Debt Proceeds	329,103,621	9.35%
Other Non-Operating Revenues	887,149	0.03%
5% Statutory Reduction	-67,843,867	-1.93%
Total Revenues	<u><u>\$3,521,016,343</u></u>	<u><u>100.00%</u></u>

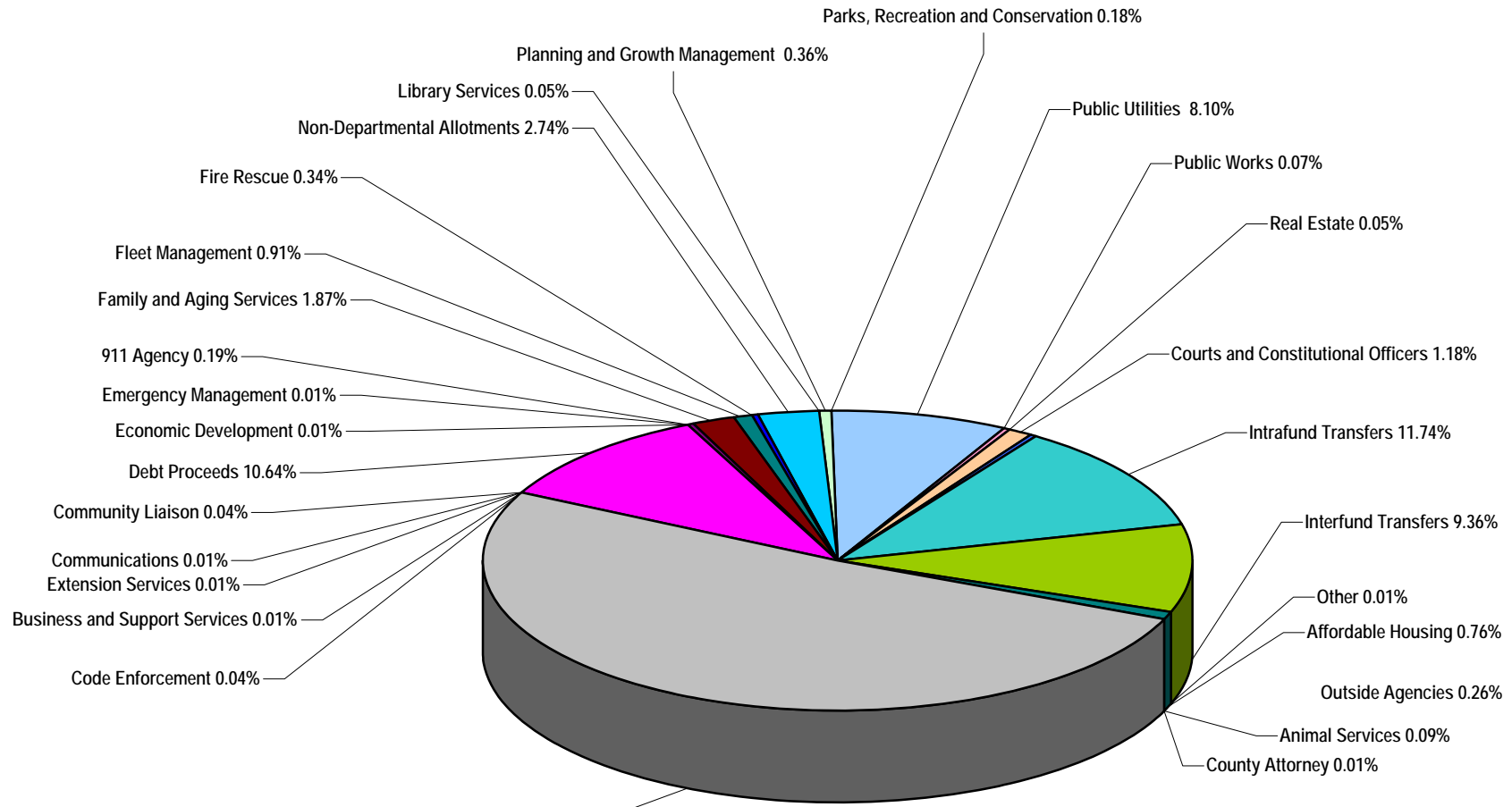
FY 11 Budgeted County Revenues by Source Countywide General Fund Only

<u>Revenue Source</u>	<u>Amount</u>	<u>Percentage</u>
Ad Valorem Taxes	373,801,800	62.16%
Business Taxes	1,596,273	0.27%
Permits, Fees and Special Assessments	545,073	0.09%
State Revenue Sharing	4,187,747	0.70%
Other Intergovernmental	1,332,940	0.22%
Charges for Services	59,049,509	9.82%
Fines and Forfeits	81,892	0.01%
Interest	4,457,837	0.74%
Animal License Fees	2,418,887	0.40%
Other Miscellaneous Revenues	2,070,625	0.34%
Residual Equity from Constitutional Officers	23,420,000	3.89%
Fund Balance	112,585,000	18.72%
Miscellaneous Transfers In	4,529,963	0.75%
Transfer from Half Cent Sales Tax	23,620,607	3.93%
Transfer from State Revenue Sharing	10,254,581	1.71%
5% Statutory Reduction	-22,600,296	-3.76%
Total Revenues	<u><u>\$601,352,438</u></u>	<u><u>100.0%</u></u>

FY 11 Budgeted County Revenues by Source Unincorporated Area General Fund Only

<u>Revenue Source</u>	<u>Amount</u>	<u>Percentage</u>
Ad Valorem Taxes	174,577,411	43.94%
Communications Services Tax	24,376,156	6.13%
Permits, Fees and Special Assessments	44,692	0.01%
State Revenue Sharing	12,679,214	3.19%
Other Intergovernmental Revenue	635,307	0.16%
Charges for Services	20,240,519	5.09%
Fines and Forfeits	3,738,286	0.94%
Interest	3,055,058	0.77%
Other Miscellaneous Revenues	607,331	0.15%
Fund Balance	94,474,000	23.78%
Residual Equity from Constitutional Officers	5,935,000	1.49%
Transfer from Half Cent Sales Tax	55,449,296	13.96%
Transfer from State Revenue Sharing	2,812,370	0.71%
Transfer from CST	8,684,006	2.19%
Miscellaneous Transfers In	2,167,882	0.55%
5% Statutory Reduction	-12,141,479	-3.06%
Total Revenues	<u><u>\$397,335,049</u></u>	<u><u>100.0%</u></u>

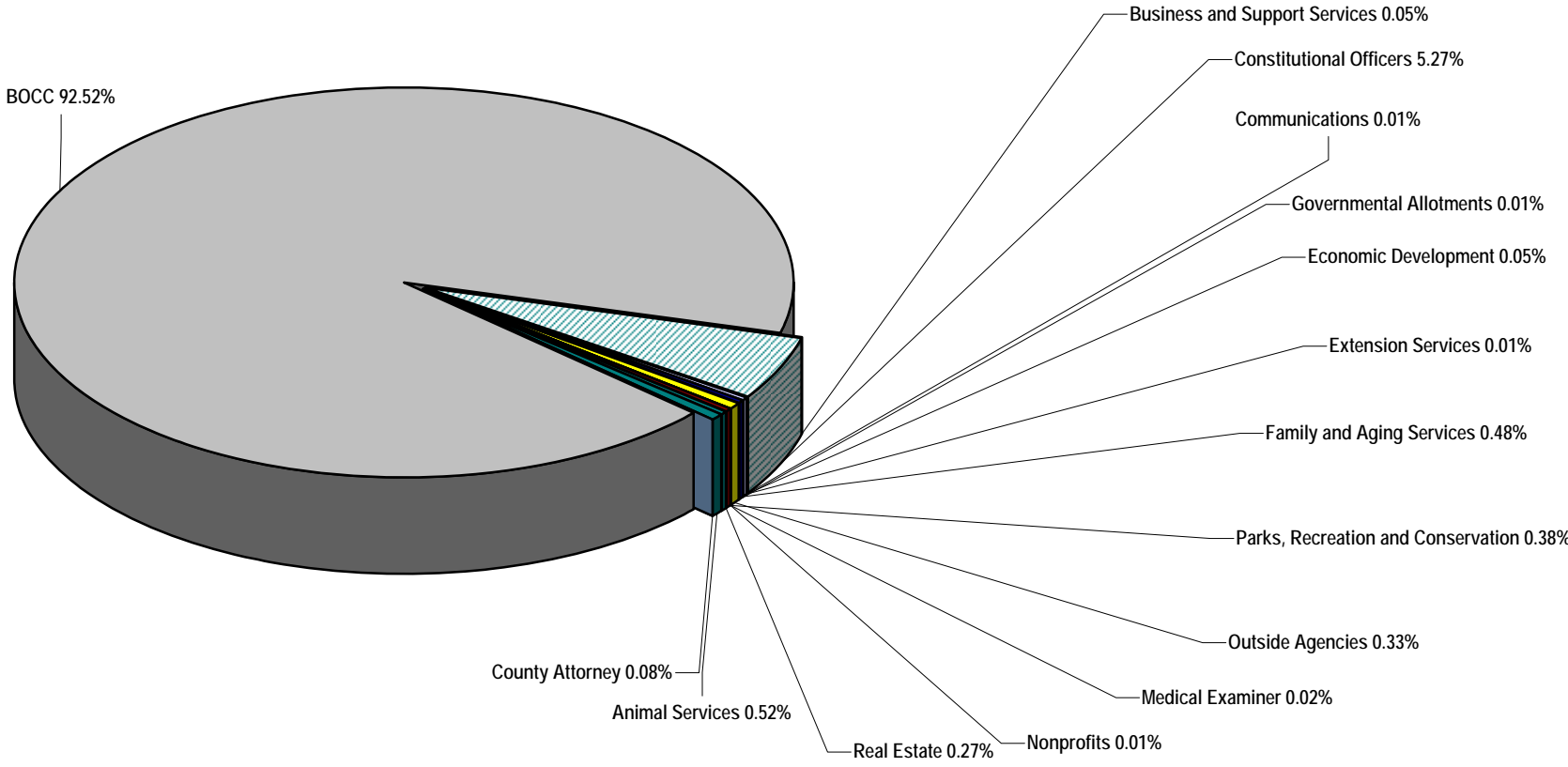
Revenues by Department All Funds - FY 11



**Each 1% equals \$35.2 million.
Total revenues equal \$3,521.0 million.**

Note: This schedule includes all County funds, including both unrestricted (property tax) funds and restricted funds. Other represents all other departments which generate less than .01% of total revenue.

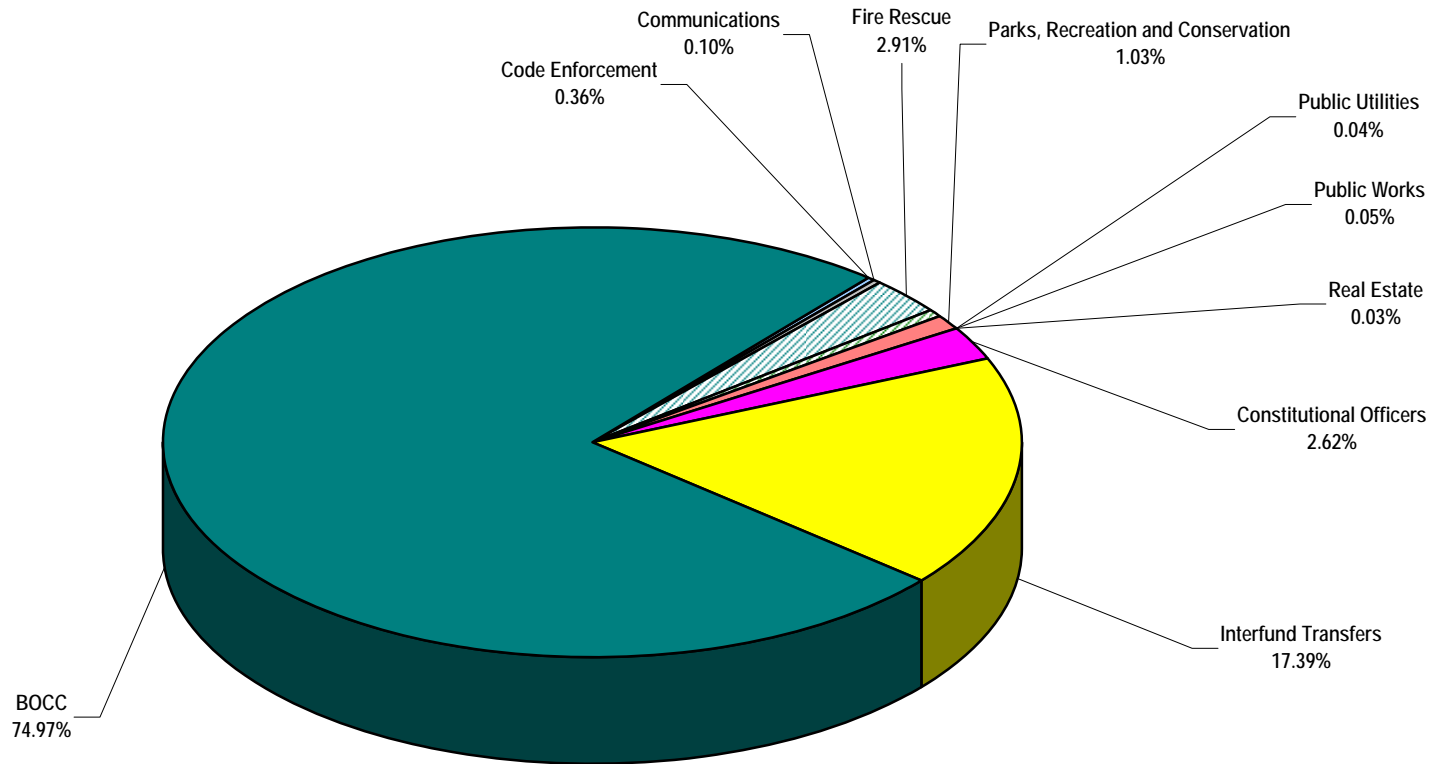
Revenues by Department Countywide General Fund - FY 11



Each 1% equals \$6.0 million.
Total revenues equal \$601.4 million.

Note: Transfers from this fund to other funds have been included in this presentation. They have been incorporated into the appropriate department.

Revenues by Department Unincorporated Area General Fund - FY 11



Each 1% equals \$4.0 million.
Total revenues equal \$397.3 million.

Note: Transfers from this fund to other funds have been included in this presentation. They have been incorporated into the appropriate department.

FY 11 Budgeted County Revenues by Department All Funds

<u>Department</u>	<u>Amount</u>	<u>Percentage</u>
Affordable Housing	\$26,660,249	0.76%
Animal Services	3,136,069	0.09%
County Attorney	428,600	0.01%
BOCC	1,795,094,513	50.98%
Business and Support Services	276,079	0.01%
Clerk of the Circuit Court	200,000	0.01%
Code Enforcement	1,414,540	0.04%
Community Liaison	1,408,858	0.04%
Communications	473,705	0.01%
Capital Improvement Program	13,905	0.00%
Civil Service	258,282	0.01%
Extension Services	182,000	0.01%
Debt Proceeds	374,649,332	10.64%
Economic Development	276,566	0.01%
Emergency Management	356,687	0.01%
Environmental Protection Commission	6,300,431	0.18%
Equal Opportunity Administrator	34,300	0.00%
911 Agency	6,686,275	0.19%
Family and Aging Services	65,897,821	1.87%
Fleet Management	31,898,981	0.91%
Fire Rescue	11,853,758	0.34%
Governmental Agencies	37,000	0.00%
Information & Technology Services	1,791	0.00%
13th Judicial Circuit	369,842	0.01%
Non-Departmental Allotments	96,610,019	2.74%
Law Library	59,000	0.00%
Library Services	1,745,000	0.05%
Medical Examiner	107,000	0.00%
Metropolitan Planning Organization	1,583,318	0.04%
Nonprofits	45,000	0.00%
Planning Commission	593,092	0.02%
Planning and Growth Management	12,524,690	0.36%
Property Appraiser	213,050	0.01%
Parks, Recreation and Conservation	6,263,015	0.18%
Public Utilities	285,086,594	8.10%
Public Works	2,342,311	0.07%
Real Estate	1,814,335	0.05%
Supervisor of Elections	1,153,662	0.03%
Sheriff's Office	26,406,380	0.75%
State Attorney (Victims Assistance)	210,500	0.01%
Intrafund Transfers	413,399,737	11.74%
Tax Collector	13,165,008	0.37%
Value Adjustment Board	209,100	0.01%
Interfund Transfers	329,575,948	9.36%
Total Revenues	\$3,521,016,343	100.0%

FY 11 Budgeted County Revenues by Department Countywide General Fund Only

<u>Department</u>	<u>Amount</u>	<u>Percentage</u>
Animal Services	2,926,069	0.49%
County Attorney	428,600	0.07%
BOCC	520,812,885	86.61%
Business and Support Services	276,079	0.05%
Clerk of the Circuit Court	200,000	0.03%
Communications	82,717	0.01%
Extension Services	74,000	0.01%
Economic Development	276,566	0.05%
Environmental Protection Commission	1,635,034	0.27%
Family and Aging Services	2,693,831	0.45%
Governmental Allotments	37,000	0.01%
Information and Technology Services	1,791	0.00%
13th Judicial Circuit	122,000	0.02%
Medical Examiner	107,000	0.02%
Nonprofits	45,000	0.01%
Property Appraiser	170,000	0.03%
Parks, Recreation and Conservation	2,158,815	0.36%
Public Works	7,000	0.00%
Real Estate	1,515,874	0.25%
Supervisor of Elections	1,153,662	0.19%
Sheriff's Office	16,603,764	2.76%
State Attorney (Victims Assistance)	210,500	0.04%
Tax Collector	11,200,000	1.86%
Interfund Transfers	38,405,151	6.39%
Value Adjustment Board	209,100	0.03%
Total Revenues	\$601,352,438	100.0%

FY 11 Budgeted County Revenues by Department Unincorporated Area General Fund Only

<u>Department</u>	<u>Amount</u>	<u>Percentage</u>
BOCC	297,886,697	74.97%
Code Enforcement	1,414,540	0.36%
Communications	390,988	0.10%
Fire Rescue	11,582,247	2.91%
Planning and Growth Management	1,979,221	0.50%
Parks, Recreation and Conservation	4,103,200	1.03%
Public Utilities	140,000	0.04%
Public Works	195,200	0.05%
Real Estate	108,461	0.03%
Constitutional Officers	10,420,941	2.62%
Interfund Transfers	69,113,554	17.39%
Total Revenues	\$397,335,049	100.0%

County Services

Service/Function	Essential?	If Essential, Can we do less	Should the County Provide the Service
ADMINISTRATIVE SERVICES / General Government			
Administrative services - fiscal	Yes	Yes	Yes
Administrative services - support	Yes	Yes	Yes
Client services	Yes	Yes	Yes
AFFORDABLE HOUSING / Economic Environment			
Community Development Block Grant (CDBG) Section 8	Yes	No	Yes
First Time Homebuyers - Down Payment Assistance	Yes	No	Yes
Single Family Housing Rehabilitation	Yes	No	Yes
Housing redevelopment (Neighborhood Stabilization Program)	Yes	No	Yes
Loan management	Yes	No	Yes
Contract management	Yes	No	Yes
ANIMAL SERVICES / Human Services			
State Statute 767, 828 and County Ordinance Enforcement	Yes	No	Yes
Pet overpopulation & spay neuter	Yes	No	Yes
Rabies tags and licensing	Yes	No	Yes
Pet ownership/dog bite prevention education	Yes	No	Yes
Vet care & zoonotic disease prevention	Yes	No	Yes
Sheltering animals	Yes	No	Yes
Disaster Preparedness - Animals	Yes	No	Yes
Animal Adoption	Yes	No	Yes
BUSINESS AND SUPPORT SERVICES / General Government			
Operating budget	Yes	Yes	Yes
Capital budget/CIP/CIE	Yes	Yes	Yes
Dependent districts administration	Yes	Yes	Yes
PIT crew	No	NA	Yes
Informal awards, ratifications, renewals	Yes	Yes	Yes
P-Card	No	NA	Yes
Commodities and term contracts	Yes	Yes	Yes
Service contracts	Yes	Yes	Yes
Construction contracts	Yes	Yes	Yes
CCNA negotiations	Yes	Yes	Yes
Employee/labor relations/HRIS	Yes	No	Yes
Training programs	No	NA	Yes
Benefits administration	Yes	Yes	Yes
Risk management	Yes	Yes	Yes
CODE ENFORCEMENT / Public Safety			
Code enforcement inspections	Yes	Yes	Yes
False alarm enforcement	Yes	Yes	Yes
Sign enforcement	Yes	Yes	Yes
Condemnation and removal of dangerous structures	Yes	Yes	Yes
Property registration ordinance	Yes	Yes	Yes
COMMUNICATIONS / General Government			
HTV	Yes	Yes	Yes
Public notices	Yes	No	Yes
Public information transition plan	Yes	Yes	Yes
County website	Yes	Yes	Yes
Citizen board support	Yes	Yes	Yes

County Services

Service/Function	Essential?	If Essential, Can we do less	Should the County Provide the Service
COMMUNITY LIAISONS / General Government			
Community Liaisons	Yes	Yes	Yes
Collaborate to reduce crime	Yes	No	Yes
Juvenile detention share of cost/juv. criminal justice related functions	Yes	Yes	Yes
Criminal justice grant management	Yes	No	Yes
CONSUMER PROTECTION / Public Safety			
Intake/Investigation of complaints	Yes	Yes	Yes
Public education and outreach	Yes	Yes	Yes
Investigation and mediation	Yes	Yes	Yes
Pain management clinic licensing	Yes	Yes	Yes
COUNTY ATTORNEY / General Government			
General counsel	Yes	Yes	Yes
Defense of lawsuits	Yes	Yes	Yes
Eminent domain	Yes	Yes	Yes
ECONOMIC DEVELOPMENT / Economic Environment			
Agriculture industry development	Yes	Yes	Yes
Corporate business development	Yes	Yes	Yes
Small/Minority business development	Yes	Yes	Yes
Tourist development	Yes	Yes	Yes
COUNTY ADMINISTRATOR / General Government			
Administrative support to BOCC/meetings/agendas	Yes	No	Yes
Intergovernmental Relations	Yes	No	Yes
County's Federal and State legislative programs	Yes	No	Yes
Oversight of BOCC budget process	Yes	No	Yes
Administration of County programs	Yes	No	Yes
EQUAL OPPORTUNITY / General Government			
Investigation of human right complaints	Yes	Yes	Yes
Information and guidance to citizens	Yes	Yes	Yes
Investigation of internal employment protected category discrimination	Yes	Yes	Yes
Harassment prevention training	No	NA	No
EMERGENCY DISPATCH / Public Safety			
Fire/emergency dispatch	Yes	No	Yes
Emergency medical planning council	Yes	No	Yes
Emergency management	Yes	No	Yes
EMERGENCY MANAGEMENT / Public Safety			
Comprehensive emergency management plan	Yes	No	Yes
Public education	Yes	No	Yes

County Services

Service/Function	Essential?	If Essential, Can we do less	Should the County Provide the Service
EXTENSION / Physical Environment			
Agriculture education	Yes	Yes	Yes
Horticulture education	Yes	Yes	Yes
Family and consumer sciences education	Yes	Yes	Yes
4-H Youth development education	Yes	Yes	Yes
FAMILY AND AGING SERVICES / Various			
Nutrition Services / Human Services	Yes	Yes	Yes
Adult day care program / Human Services	Yes	Yes	Yes
Sunshine line / Human Services	Yes	No	Yes
Veteran's combat grant / Economic Environment	No	NA	No
In-home services / Human Services	Yes	Yes	Yes
Child and family counseling program - nonresidential / Human Services	Yes	Yes	Yes
Child care licensing / Human Services	Yes	Yes	TBD
Clinical services - parenting training / Human Services	No	NA	No
Early Head Start / Human Services	Yes	No	Yes
Head Start / Human Services	Yes	No	Yes
Residential services for children in need/families in need services / Human Services	Yes	No	Yes
Respite services-families of develop delayed/disabled children / Human Services	No	NA	No
Severely emotionally disturbed children (day treatment) / Human Services	No	NA	No
Severely emotionally disturbed children (residential) / Human Services	No	NA	No
Residential group care / Human Services	No	NA	No
Social services / Human Services	Yes	No	Yes
Employment opportunities program / Human Services	Yes	No	Yes
Veteran's affairs / Economic Environment	Yes	Yes	Yes
FIRE RESCUE / Public Safety			
Arson investigation (fire investigation)	Yes	No	Yes
Billing and collection	Yes	No	Yes
Fire inspection	Yes	No	Yes
Fire prevention	Yes	No	Yes
Fire suppression	Yes	No	Yes
Fire training (volunteers and county employees)	Yes	No	Yes
Paramedic services (advanced life support)	Yes	No	Yes
Plans review	Yes	NA	Yes
FLEET MANAGEMENT / General Government			
Repair & maintenance	Yes	No	Yes
Fuel services	Yes	No	Yes
Outside equipment & maintenance service contract management	Yes	No	Yes
Equipment acquisition	Yes	No	Yes
Motor pool	No	Yes	Yes
Parts management	Yes	No	Yes
INFORMATION AND TECHNOLOGY SERVICES / General Gov't.			
Business solutions/services	Yes	Yes	Yes
Infrastructure and communication services	Yes	No	Yes
Desktop services	Yes	No	Yes
Geographic information systems	Yes	No	Yes
Information distribution and data management services	Yes	No	Yes

County Services

Service/Function	Essential?	If Essential, Can we do less	Should the County Provide the Service
LIBRARY SERVICES / Culture/Recreation			
Operation of library buildings (member services)	Yes	Yes	Yes
Maintain collections of books/materials	Yes	Yes	Yes
Circulation of books/materials	Yes	Yes	Yes
Cultural and instructional programs	Yes	Yes	Yes
Reference and information	Yes	Yes	Yes
Programming	Yes	Yes	Yes
Temple Terrace and Plant City	No	NA	Yes
Sun City Center	No	NA	Yes
MEDICAL EXAMINER / Public Safety			
Cause of death determination	Yes	No	Yes
Disposition of dead bodies	Yes	No	Yes
9-1-1 ADMINISTRATION / Public Safety			
911 calls, accuracy of routing and location data	Yes	No	Yes
Assigning addresses	Yes	No	Yes
Address enforcement	No	NA	Yes
PARKS, RECREATION AND CONSERVATION / Various			
After-school recreation programs / Culture/Recreation	No	NA	No
Management of environmental lands (ELAPP) / Physical Environment	Yes	No	Yes
Marine public safety / Public Safety	Yes	No	Yes
General neighborhood, district, and regional park maintenance / Culture/Recreation	Yes	No	Yes
General neighborhood, district, and regional park programs / Culture/Recreation	No	NA	Yes
Organized adult athletic programs / Culture/Recreation	No	NA	Yes
Organized youth athletic programs / Culture/Recreation	No	NA	Yes
Summer enrichment program / Culture/Recreation	No	NA	Yes
Special needs/special population programs for the disabled / Culture/Recreation	No	NA	Yes
Special needs/special population programs for seniors / Culture Recreation	No	NA	Yes
PLANNING & GROWTH MANAGEMENT / Various			
Development services - zoning / General Government	Yes	No	Yes
Development services - site and subdivision / General Government	Yes	No	Yes
Building services / Public Safety	Yes	No	Yes
PUBLIC WORKS / Various			
Horizontal assets-transportation / Transportation	Yes	No	Yes
Horizontal assets-stormwater / Physical Environment	Yes	No	Yes
Traffic services / Transportation	Yes	No	Yes
Environmental engineering services / Physical Environment	Yes	No	Yes
Field operations / Transportation & Physical Environment	Yes	No	Yes
REAL ESTATE / Various			
Vertical assets / General Government	Yes	Yes	Yes
Real estate service / Transportation & Physical Environment	Yes	Yes	Yes
Surplus warehouse / General Government	No	NA	No
Geomatics / Transportation & Public Safety	No	NA	Yes

County Services

Service/Function	Essential?	If Essential, Can we do less	Should the County Provide the Service
PUBLIC UTILITIES / Physical Environment			
Potable water service	Yes	Yes	Yes
Wastewater service	Yes	Yes	Yes
Reclaimed water service	Yes	Yes	Yes
Residential solid waste collection	Yes	Yes	Yes
Solid waste disposal	Yes	Yes	Yes
ENVIRONMENTAL PROTECTION COMMISSION / Physical Environment			
Compliance and CPI Fees	Yes	No	Yes
Water quality monitoring	Yes	No	Yes
Phosphate related activities	Yes	No	Yes
State contracts/grants	Yes	No	Yes
Permitting	Yes	No	Yes
PLANNING COMMISSION / General Government			
Plan amendment fees	Yes	No	Yes
Plan amendment cycle	Yes	No	Yes

NA - not applicable

TBD - to be determined

This document excludes Constitutional Officers and certain other outside agencies funded by the County.



12 Month Transition Plan Summary Status Report

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
<p>AFFORDABLE HOUSING DEPARTMENT - <i>Section 8 Division</i>: Transfer the Section 8 Division from the department formerly known as Health and Social Services Department to the Affordable Housing Department (AHD) and also consolidate its fiscal, administrative and inspections functions within the AHD.</p>	<p>The transfer of the Section 8 Section from Health and Social Services (now Family and Aging Services Department) occurred on October 1, 2010. At that time, reporting requirements and changes in personnel and positions officially were recognized. In addition, a new interim director of Affordable Housing was in place to determine if the proposed adjustments in the transition plan required any further change.</p> <p>The financial reporting requirements of Section 8 through the Finance Manager of Affordable Housing has been accomplished. The Interim Director has determined that relocation of Section 8 to be housed in the same location as Affordable Housing is necessary to fully transition the Section 8 Section from an independent agency operation to being a part of the Affordable Housing Department. The proposed relocation is being coordinated through Real Estate and should occur in the Spring of 2011. The move will also allow the Interim Director to make further organizational changes affecting management assignments, counseling activities and technology improvements.</p> <p>Affordable Housing has also accomplished a transitional improvement to reassign 5 inspectors to Code Enforcement to allow consolidation of management of inspection functions and allow management opportunities in AHD for increased program monitoring of projects.</p>	<p>\$115,680</p>
<p>Review possible collaboration on Section 8 with the Tampa Housing Authority.</p>	<p>Formal discussions with Tampa Housing Authority have not yet begun. There is presently an agreement for exchange of Section 8 rental vouchers between the jurisdictions of the City of Tampa under the purview of THA and unincorporated county by the County's Section 8 Section. This exchange has worked well, although both offices concur that an increase in rental vouchers from HUD are needed by both programs. Meetings are being scheduled to discuss the opportunities that exist for further collaboration in all areas of the affordable housing program beyond the Section 8 agreement in place today.</p>	

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
<p>FAMILY AND AGING SERVICES DEPARTMENT – AGING SERVICES DIVISION – In-Home Services: Out-source in-home services except for those clients in grant-funded Nursing Home Diversion Program.</p>	<p>Implementation is under way to generate cost savings through staff reductions due to outsourcing an additional 7,000 hours of client in-home services to private vendors. A workforce analysis was submitted to the director of Human Resources for assessment of staffing impacts and development of employee retention rosters Official notification of affected employees began in early February 2011 and the reduction-in-force is slated to begin April 2, 2011. Anticipated annual cost savings upon full implementation is estimated to be \$272,197.</p>	
<p><i>Senior Centers – Model Day Care:</i> Implement a sliding-free co-pay schedule for existing and future clients with incomes exceeding 125% Federal Poverty Guidelines.</p>	<p>Starting in September 2010, Senior Adult Day Care clients meeting private –pay guidelines have been billed monthly for services they received according to a sliding-fee schedule based on their incomes that exceed 125% of Federal Poverty Guidelines. Private-pay revenues invoiced to those clients total \$60,769. Through January 2011, a total of 120 clients received private-pay adult day care services. Anticipated annual new revenue upon full implementation is estimated to total \$537,000.</p>	<p>New revenues collected: \$46,345</p>
<p><i>Case Management:</i> Streamline management and administrative support functions; relocate staff to County-owned facilities to eliminate rent and utility costs.</p>	<p>Beginning in October 2010, staff relocations have generated \$2,281.86 in monthly savings for rent and utilities charges at leased facilities. Due to case management operating needs, positions will be retained for two Human Services Supervisors who coordinate with external agencies and carry client workloads, in addition to overseeing the work of other case managers. Anticipated annual cost savings upon full implementation is estimated to total \$27,382.</p>	<p>Costs savings \$9,127.44</p>
<p>ANIMAL SERVICES DEPARTMENT - Core Public Safety, Communications and Field Operations, 24/7 Capabilities: Explore out-sourcing animal control and sheltering functions.</p>	<p>After considerable research efforts in mid-2010, the Department staff could find no viable alternatives for outsourcing current operations.</p> <p>In mid-2010, The Humane Society of Tampa Bay's Board of Directors voted, "to not assume any operations of the Hillsborough County Animal Services".</p> <p>We have no indication that any local law enforcement agencies would want to assume any of the Department's Field Operation responsibilities.</p> <p>Logistically, outsourcing the administration of the department's Low Cost Spay & Neuter Voucher Program could likely be facilitated. However, as the program is currently administered by 0.5 FTE and would still require department oversight, it is not anticipated that this action would yield any significant savings. Additionally, due to the 53% increase in the use of the program in FY10, which has in turn significantly increased the administrative workload, the program requires more than the currently allocated .5 FTE to administer. Because of this increased</p>	<p>None to date</p>

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
	workload, the department may request the FTE allocation be increased from .5 FTE to 1 FTE for FY12.	
Review options to generate additional revenues.	<p>In June 2010, the department implemented a new BOCC approved fee structure which, in conjunction with other department actions, has resulted in over \$142,000 in new revenue collected through December 2010.</p> <ul style="list-style-type: none"> • FY11 Pet Registration (Rabies tag) revenues collected to date (October through December) exceeded FY10 revenues by \$52,530 (an increase of 9.4%). • All FY11 revenues collected to date (October through December) exceeded FY10 levels by \$63,169 (an increase of 9.7%) <p>FY11 revenue is currently projected to exceed the Adopted Budget amount of \$3,136,069 by approximately \$250,000.</p> <p>In addition, the department and the Animal Advisory Committee is currently working on several initiatives to increase revenue. Specifically:</p> <ol style="list-style-type: none"> 1) The Animal Advisory Committee Registration Compliance Subcommittee continues to investigate options of increasing registration compliance and Departmental revenues. <ul style="list-style-type: none"> • The department's Software vendor is working with the software vendor of trial clinics to facilitate online pet registrations. 2) The department obtained data from the Clerk's office and is in the process of analyzing the received information to determine the amount of funds related to enforcement actions that are currently uncollected. Based on this data, the department is reviewing options that will help determine the feasibility and cost/benefit of collection attempts for these funds. 	<p>Approximately \$142,000 in new additional revenue has been collected as a result of the following new fees that were approved by the BOCC and became effective on June 1, 2010:</p> <p>New or increased fees are:</p> <ul style="list-style-type: none"> • Animal Euthanasia & disposal fees • Owner Surrender/Trapper Surrender Fees: • Chemical Capture Fees • Pet Transport Fee (pick-up or delivery) • Late Fees for Dangerous Dog Registration • Home quarantine inspection fees • Rabies testing(when outside of Department of Health protocol) • Board Fees – Investigation /Quarantined dogs & cats. • Pet adoption fees • Replacement Pet Registration Tag fees:
Use revised fees and identified cost reductions to fund program to maintain core public safety mission.	<p>Animal Services' 12 Month Transition Plans identified a target figure of \$1,090,455 in cost savings or new revenues needed to offset the one time funding provided to the department in FY10. To date, department actions, revised fees and cost reductions have totaled an estimated \$1,066,017 that can be allocated to fund programs and to maintain the core missions of: 1) protecting the public's safety and 2) the humane treatment of animals.</p> <p>The increased revenues and cost savings have been achieved by:</p> <ol style="list-style-type: none"> 1) Reducing Overtime Expenses: <ul style="list-style-type: none"> • Overtime averaged \$12,479 per month for the last four months of FY10, which is a 47.74% reduction as compared to an average of \$23,878 per month for the first eight months of FY10; and • Overtime for the first three months of FY11 has averaged \$9,023 per 	As identified above, approximately \$142,000 has been collected as new revenue since June 1, 2010

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
	<p>month, which is 27.7% reduction when compared to the last four months of FY10.</p> <p>2) Increasing Fees (Note: increasing pet registration fees was promoted by the Animal Advisory Committee and numerous Hillsborough County Citizens as a way to spare key Animal Services' programs from being eliminated/reduced).</p> <ul style="list-style-type: none"> • FY11 Pet Registration (Rabies tag) revenues generated from October to December exceed FY10 revenues by \$52,530 (an increase of 9.4%). • All department revenues collected from FY11 October through December exceed FY10 levels by \$63,169 (an increase of 9.7%). • FY11 revenue is projected to exceed the Adopted Budget amount of \$3,136,069 by \$250,000. <p>3) Increasing department efficiency and/or reducing expenses:</p> <ul style="list-style-type: none"> • Reclassification of employees; • Cross-training of employees; • Modified work schedules and staggered shifts; and • Reduction in after hours field operations capability. 	
<p>COUNTY ATTORNEY - Explore enhanced revenues; participate in the Sterling Award process and achieve savings through staff attrition and review of work processes.</p>	<p>Effectuated change in Florida Rules of Civil Procedure estimated to save \$2,400.00 annually. Completed Sterling Consultant's contracted training, entered into negotiation with region's County Attorneys to share revenues and possibly create a revenue source from fees.</p>	<p>\$10,000 attrition savings</p>
<p>COUNTY INSPECTIONAL SERVICES - Improve coordination and consolidation among inspection services including streamlining support services, reducing administrative costs and staff and cross-training field staff.</p>	<p>In conjunction with Public Utilities, 911 Administration, Planning and Growth Management, the Fire Marshal and Affordable Housing, Code Enforcement is set to embark on the Smartphone pilot program to better address Ordinance violations and citizen concerns. Field staff has been cross trained in matters relating to other departments, all phones have been issued with the App-Order software, and staff has been instructed on the proper use of the software.</p> <p>Several other inspectional functions have been merged into the Code Enforcement Department to allow for consolidation and or reductions in other departments. Code Enforcement continues to support the MOU with Planning and Growth Management whereby Code Enforcement receives and responds to complaints relating to construction without proper permits; however PGM retains the responsibility of investigation into licensed and unlicensed contractors.</p> <p>Enforcement of address posting, both residential and commercial, has been shifted to Code Enforcement to allow for reductions in 911 administration.</p>	

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
	<p>The inspection of pain management clinics is assigned to Code Enforcement, while the application process is handled by Consumer Protection. The transition of grant funded positions for inspection of homeowner rehabilitation projects from Affordable Housing to Code Enforcement is underway.</p>	
<p>CENTRALIZE PUBLIC INFORMATION OFFICERS - Centralize Public Information Officers (PIO) and re-distribute assignments; increase efficiencies through implementation of inter-department service agreements; standardize County information materials and increase use of social media.</p>	<ul style="list-style-type: none"> • The Administrative Order (A.O.) for centralizing PIO efforts under Communications was approved July 12th. As requested by the Public Works Department, the Community Relations team remained with the department until the end of the hurricane season (November 30). • Meetings began in August and September to determine the best method for merging staff. A template for the Memo of Understanding (MOU) was developed. This MOU outlines service levels and other conditions for PIOs transitioning to Communications but still servicing their department(s). • In late August, workspace was located and assigned for incoming employees to join Communications staff on the 16th floor. Cubicles, desks, phone and data lines were already in place. • Beginning in September, the PIO team, including transition employees, began developing Standard Operating Procedures using best practices for work products • On October 1st, fiscal transfers took place for the PIO positions in Public Utilities, Criminal Justice and Parks Departments; and for Community Relations staff from Public Works • In November, the Client Services Initiative by the County began including Public Works' Community Relations employees, under County Administration.. • In November, the M.O.U. with Public Utilities Department and Communications is finalized. <p>Status of Other Non-Transition Plan Initiatives:</p> <ul style="list-style-type: none"> • In December, six new Performance Measures were adopted and data captured from this month forward using Florida's Sterling Process approved measures. • In December, M.O.U. with Criminal Justice and Code Enforcement is drafted and under review. • In December, the retirement of one transition employee was announced. Plans to downgrade the General Manager position or to eliminate it are under consideration. • In January, .25 of the Animal Services' PIO time has been finalized, and the employee began work on several promotion/marketing assignments. • A centralized reporting software is now capturing PIO work assignments in one database. 	<ul style="list-style-type: none"> • Funding transfer and agreement for the Environmental Protection Commission's use of PIO Services is close to being finalized, for a total revenue of \$9,985. • Reclassification of a vacant General Manager position (due to retirement) will yield approximately \$30,000 in personnel savings. <p>Related to Status of Other Non-Transition Plan Initiatives:</p> <ul style="list-style-type: none"> • Other operating efficiencies are expected to be realized over the next few months. • The Department brought the sales agreement for the BRS license before the BOCC, yielding an upfront payment of more than \$76,000 with another \$685,233 at closing. • HTV revenues for meeting coverage cost-sharing and video services will provide FY 11 revenue estimated at \$82,717.

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
<p>CONSOLIDATED PUBLIC SAFETY SERVICES - Consolidate of 911/emergency management services across the county. The goals are greater interoperability among neighboring public safety agencies; faster response times and long term cost savings.</p>	<p>At the June 18, 2009 BOCC Budget Workshop, the Office of Public Safety accepted the task to explore the potential for consolidation of 911/emergency services across the county. At that time, the 911 Agency initiated meetings with the operational staff of the nine jurisdictions providing emergency services throughout the County. By November 2009, operational staff had determined their efforts in discussing areas of consideration for collaboration and consolidation has reached its peak without support from their respective administration.</p> <p>A plan was devised to get the administration of each jurisdiction involved in the process and seek the buy-in so further progress could be made. As well, the plan included the use of a consultant to study the feasibility and practicality of consolidation. In June 2010, this plan was incorporated into the newly established Transition Plan.</p> <p>By October 2010, the administration of all jurisdictions met to discuss the goals of the Plan for a study to be conducted. All jurisdictions accepted the concept and requested clear expectations and scope of work be established for the study. The operational staff of the nine jurisdictions met and developed verbiage for the study. This verbiage was further refined and distributed for review. With all jurisdictions indicating approval, the verbiage is currently being further refined for inclusion in a Request for Bid (RFB).</p> <p>This final RFB verbiage will need to be approved by the administration of each jurisdiction. County Administration still needs to allocate funding for the study.</p>	None
<p>HEALTH AND SOCIAL SERVICES, AGING SERVICES AND CHILDREN'S SERVICES DEPARTMENT - Consolidate Aging Services, Children's Services, Head Start, and Health and Social Services to optimize services and outcomes provided to the clients served by these three areas.</p> <p>Initially the emphasis will be on the consolidation of management support functions.</p>	<p>The consolidation of Family and Aging Services administrative support functions is underway and will be implemented by the end of the Fiscal Year (there was not a dollar target attached to this transition plan).</p> <p>Short term, separate from longer term budget planning, Children's Services has developed and is implementing a plan to address a projected revenue shortfall for the current fiscal year of \$750,000. This revenue shortfall is the result of lower group foster care placements than projected at the beginning of this two-year budget cycle. All group foster care homes are experiencing this same challenge. Hillsborough Kids Inc. (HKI), the county's child welfare lead agency, decreasing its use of group foster care as an intervention.</p> <p>Longer term activities are noted below.</p>	
<p>However, there will also be an evolution of services and structure so that these areas operate in</p>	<p>In addition, there have been increased examples of informal coordination of functions and cross-use of support personnel. More formalized</p>	

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
a more coordinated fashion to increase the self-sufficiency of families and households.	<p>consolidation of client services and outcomes are being evaluated and implemented.</p> <p>For example, the Children's Services Roundtable is developing recommendations that will be presented to the BOCC as part of budget discussions. This includes addressing the role of Children's Services, out-of-school activities, child care licensing, and in general services for the county's children.</p> <p>This Roundtable's recommendation will include the identification of what should be the County's long term role in child welfare and services, as input to the budgets for the next two years and future budgets.</p> <p>As part of the need for increased inter-agency and community cooperation, an interlocal agreement with the Children's Board has been developed to purchase the services of their current deputy director to fill the position of the Director of the County's Children's Services. The development of this type of cooperation was a charge from the BOCC. The Children's Board has approved this interlocal agreement and it is scheduled to go to the BOCC for action on February 16.</p>	
PARKS, RECREATION AND CONSERVATION DEPARTMENT - <i>Early Childhood Learning Coalition Grants:</i> <i>Afterschool Program</i>	Evaluations are in progress of this program. Juvenile Justice Task Force also review services for Children with multiple groups. Current Program has experienced over 65% decline since 2008 and continues to drop. Other providers for this program have increased capacity and program to fill the need.	None
<i>Adult Athletics:</i> Use recently approved fees to fully fund the program from user fees.	Fees implemented in Sept 2009 have created revenue to cover the expenses to fully fund this program	\$250,000
<i>Blaze Sports Program:</i> Develop long term funding solutions to offset the estimated \$54,000 needed in FY 12 to fund the program. Identify possible community partners to provide services.	Reduction In vacant positions have reduced the operating budget for this program by the required \$54,000 to balance for FY 12 and beyond.	\$54,000
<i>Bakas Therapeutic Equestrian Program</i>	Revenue opportunities, increased volunteer support and reductions in staffing and other program expenses will bring this program into a more of a balance for financial sustainability. Work continues as the budget process begins.	\$200,000
PUBLIC WORKS DEPARTMENT - <i>Mosquito Control:</i> 1. An analysis of current County costs for Mosquito Control.	An analysis of the Aerial Operation current County costs for Mosquito Control Unit was completed by the Hillsborough County Process Improvement Team (PIT). According to the PIT report, prepared for the County Administrator, dated September 30, 2010, the "...FY10 cost comparison for inspection, larvicide application and adulticide applica-	

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
	<p>tion made vis-à-vis Clarke, a leading private sector Mosquito Control service provider, shown that County staff is able to provide the service using the County owned Bell Jet Ranger Helicopter at \$401,839.12 versus Clarke at \$1,206,439.20.”</p> <p>The identification of the yearly costs of all phases of operation was completed for the Mosquito and Aquatic Weed Control Unit as of January, 2011. All calculations were based on the numbers from the Fiscal Year 2010. The total cost of in house operation versus the cost of a private contractor represented a yearly savings of 32% for the County, with a dollar value of \$729,378.48.</p>	
<p>2. An analysis of the trends in recent costs and the variables causing the trends.</p>	<p>Based on the information of the cost of chemicals as it is reflected in the County Chemical Blanket, from FY08 thru FY09, there was an average increase of 9.17% and from FY09 thru FY10, this increase was 3.04%. Other elements of variability, as it reflects in Mosquito and Aquatic Weed Control final costs, are the cost of labor, parts, and insurance for the County owned aircrafts (helicopter and fixed wing). According to Lance Aviation (the approved FAA maintenance provider), there is an average increase of approximately 3.0 to 5.0% yearly.</p> <p>All operational costs were identified and analyzed during the build up of the spreadsheet that integrated all Mosquito and Aquatic Weed operations as related in the first element of this transition plan.</p>	
<p>3. A review of surrounding jurisdictions’ approach to mosquito control procedures.</p>	<p>A research questionnaire was submitted to 58 organized mosquito control operations in the State of Florida. When comparing the operational costs of other Tampa Bay Area mosquito control operations (Pinellas, Pasco, Manatee, Polk, Hernando and Citrus Counties), Hillsborough County Mosquito and Aquatic Weed Control offers the least expensive mosquito control service, at a final cost of \$1.92 per resident/year. Regarding mosquito control procedures, the HC Mosquito Control and all other State Agencies operate within the confines of the Chapter 388, Florida Statutes, the so called “Mosquito Law”.</p>	
<p>4. A presentation of options for alternative provision of services</p>	<p>In the State of Florida, Mosquito Control operations must follow what is established in Chapter 388, F.S. and Rule 5E-13 of the Florida Administrative Code that dictates the rights and responsibilities of mosquito control operations and authorizes state oversight of mosquito control efforts.</p> <p>The alternatives for rendering mosquito control services in the State of Florida, can be identified as: a] providing a full complete mosquito control services; b] providing partial mosquito control services; and c] providing no mosquito control.</p>	

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
5. A comparison of the risks and benefits for each alternative option.	<p>Mosquito control activities are conducted for many reasons – economics, agricultural productivity, recreational enjoyment, and livestock health and safety. None of these reasons can trump the most important one of protecting the human population from death and disability from mosquito-borne diseases.</p> <p>Therefore, the risks of providing partial mosquito control and/or not providing it at all are clearly stated thru the decline in the health and economic segments of our society.</p> <p>The benefits of providing an effective mosquito control operation is, first and foremost, to protect the lives and wellbeing of the resident population, to be an active element of the local economy (especially on a State that depends so much on the tourism industry) and a supporter of the important agricultural segment.</p>	
6. Recommendations for the future.	<p>Some of the preliminary recommendations are:</p> <p>A) Implementation of the Vector Control Management System software mobile component which will allow us to be more effective and operate totally paperless.</p> <p>B) Implementation of the PIT recommendations.</p> <p>C) Improve the ratio Aerial Inspection to Larval Applications to 0.8 to 1:00.</p> <p>D) Augment the capability for ground larviciding employing All Terrain Vehicles (ATVs).</p>	
<p>REAL ESTATE - Building Maintenance and Repair: Maintenance and repair program for over 315 County-owned buildings.</p>	<p>All Maintenance and Repair (M&R) services provided by existing in-house staff to include buildings and clients served have been indentified. Annually over \$4.0 million is spent outsourcing essential services needed to supplement our in-house operations such as after hours heavy custodial cleaning, land care, and other essential service contracts. Twenty of the largest counties surveyed showed their facilities management operations to be generally patterned after our County's and most outsourced similar services. Within our organization operational efficiencies continued to be recognized during the period of this analysis for work done in-house and its cost effectiveness which has been borne out by comparing those costs against contractor proposals.</p> <p>Benchmarking data was compared against 8 similar Florida counties. Their average operating cost was \$2.76 per sq. ft. against our \$2.23 per sq. ft. Our technicians also service over 22% more square feet of space above the average covered by the other Counties. Assessments of the success of the outsourcing effort was done at MacDill AFB, State and Federal GSA operations in Tampa. The type contracts were reviewed. All agreed the contract is only as good as the details spelled out in the document; most indicated it took well over a year just putting such a document together, even with all the resources provided through their</p>	<p>During the period of this Transition Plan in 2010, the Facilities Management employees have saved the County over \$125,000 in cost avoidance by undertaking significant equipment repairs in-house when compared to proposals received from qualified contractors and vendors. These actions not only saved us money but reduced the downtime for critical equipment that would impact the operation of County buildings.</p> <p>Another \$40,000 was reduced in annual expenditures for water usage at the Central Chiller Plant through the use of an installed well. This reduced the water and sewer charges from the City of Tampa. An annual increase in revenue amounting to over \$65,000 resulted from an agreement with TECO to shut the Central Plant down during peak energy demand in the Tampa area. This commitment guarantees the County quarterly</p>

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
	<p>military command structure and federal contracting service assistance.</p> <p>None of those interviewed had concrete data that revealed exactly how much was saved through their outsourcing effort. MacDill was trying now to compare the cost of one contractor of 7 years vs. the other just on the job about a year. We saw some success stories as well as major problem areas especially with the loss of existing knowledgeable and skilled technicians. It was also evident that the lack of qualified oversight staff played an important part in ensuring that what was paid for was received. A lack of that oversight allowed contractors to make decisions and spend funds without the necessary checks and balances in many instances. To be effective such outsourced contracts must be a performance based contract for 5-7 years with a built in escalation cost. The last MacDill contract renewal was held up over a year due to protests. The General Services Administration (GSA) contract for Florida only covers 9 large federal buildings so the oversight is not as extensive, yet we found strong evidence that the quality of contractor workmanship was very poor in the Tampa Federal Courthouse and equipment was being replaced at half its life cycle due to poor maintenance. Most of those contracts provide the contractor an annual dollar amount to be used to order equipment, parts and materials to meet their maintenance needs. The only controls are a dollar limit that requires approval for costs that exceed that level. It is questionable how much those expenditures are scrutinized and validated throughout the year especially when they revealed the limited staff they had to oversee those contracts.</p> <p>Staff also met with a private contractor who performed the same contracting services to organizations similar to the ones we investigated. We provided the representative an overview of our organizations staffing level and duties of our technicians, the locations and sizes of buildings served, equipment maintained, etc. and asked them to review the data and provide us some idea of what a contract for that level of service might cost. That meeting was in mid December and we have not received a response yet. We are now prepared to conclude this Transition Plan effort and will be preparing a final report outlining this investigation, finding, conclusions and recommendations.</p>	<p>payments even if a shut down is not needed. Two shut downs so far have also provided added revenue per this agreement.</p> <p>In addition to the actions above ongoing actions by in-house work force has aided Library Services with a cost avoidance of \$11,497 for controls for their air conditioning equipment and not having to use an outside vendor.</p> <p>The Faulkenburg Warehouse complex of buildings has a chilled water system to cool those building using 48 individual DX air conditioning units. Facilities Management undertook the maintenance responsibility of those units in 2009 and found most were in deplorable condition. All of the drain pans had deteriorated to where the units cannot continue to run. Many are secured to the rafters 25 feet above the floor. In order to sustain their operational life, those drain pans must be replaced. Contractor cost proposals were received and after assessing the condition determined that it could be done in-house with the use of existing equipment and minimal material expenditure with a cost avoidance amounting to \$62,263.</p>
<p><i>Geographic Information Services:</i> Evaluate current work program including an assessment of time/costs allocated to all projects. Review policies and procedures for streamlining. Evaluate programmatic changes that would include eliminating or dramatically curtailing services. Evaluate the impacts of various alternatives to the cur-</p>	<p>Identified and described the services provided under the Geomatics Division (Surveying & Mapping, Geographical Information Services (GIS) and Asset Management Sections). Identified historic staff level reductions and operating improvements. Compiled information regarding project delivery and performance, project time reports, operating costs and backup information regarding work programs.</p>	<ol style="list-style-type: none"> 1. Removed four printers from use. All printing needs handled through centralized copier/scanner/ printer. 2. Minimized travel expenses by taking advantage of local training opportunities. 3. Eliminated use of overtime. 4. Decreased personnel costs by refraining

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
<p>rent standard of responsiveness to Administrative Referrals.</p>	<p>Analyzed the delivery components of each service/program performed by each section. Reviewed the need/requirement for those services to be provided, including the review of statutory requirements, County policies/ordinances and internal policies.</p> <p>Evaluated the service efficiency of each section which included compiling data of existing performance criteria, cost analysis, necessity, prioritization and alternative service methods.</p> <p>Analyses and evaluations will culminate a comprehensive report which will be completed in the month of February. Results from that report will be incorporated into our bi-annual budget proposal.</p>	<p>from filling four (4) vacant positions.</p>
<p><i>Surplus Warehouse:</i> Management of the 17,000 centralized surplus property warehouse.</p>	<p>A Request for Information (RFI) was advertised in September for interested non-profits and for-profit organizations interested in operating the County's Surplus Tangible Property Warehouse. All non-profits declined to undertake that endeavor. Previous reports have outlined the fact that the warehouse is used to serve more than just a property storage and distribution center but other County operations as well, Aging Services, ITS, and Solid Waste all participate in activities out of that site.</p> <p>Staff reviewed other municipalities, both cities and states as well as the federal government and found most managed large scale surplus operations and many exceeded Hillsborough County in terms of operating budgets; their organizational structures were similar only larger. Some cities use the internet to dispose of surplus equipment, but are forced to retain staff to manage the operation. The State of Florida decentralized its disposal operation to each State agency to perform that function and did not outsource it.</p> <p>During Fiscal Year 2010, 5,205 items were received into the warehouse, from which 1,535 (30%) were re-issued back to County agencies. Another 30% were donated to non-profits agencies; and, another 40% were sold at auctions. This recycling action has saved the departments by meeting their equipment needs without having to expend capital equipment dollars which most did not have. The non-profit agencies benefit from receiving these items and, in turn, lessens their reliance upon the County to fund a portion of their operating costs. In December the Board surplused another 865 items for non-profit use or auction. Of those items 66% were computer related equipment; 34% were non-computer related equipment; and, only 5% actual furniture items. Overall the Surplus warehouse is providing significant substantial benefits.</p> <p>The management of the surplus equipment program is governed by</p>	<p>Since June 2010 a total of \$64,545 was received in revenue from surplus property auctions and sale of scrap metal from the warehouse site. The reuse of existing furniture by County organizations brought savings to the County as well. A previous analysis conducted on the warehouse operation established a minimum average value of the property items recycles back to organizations to be \$200 per item. Considering that value, the 1,535 items recycled back to County agencies last year would have been valued at \$307,000.</p> <p>The warehouse is also used to store surplus systems furniture removed from the County Center whenever cubicles are modified. Previously the County had to pay warehouse fees to the vendor to store those inventoried and owned products. The reuse of those existing furniture components from our warehouse inventory for organizations that need new work stations or reconfigured ones anywhere around the County usually reduces the material and parts cost by 75%.</p> <p>In addition to the values identified above, there is also a further cost avoidance for the agencies now occupying space in the warehouse for their own operation which would have had to be housed elsewhere. That cost could have been as high as \$45,350 had they had to rent office and warehouse space elsewhere. It is</p>

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
	<p>Florida Statutes and BOCC Policies that have specific requirements as to the management and transfer of tangible property. Discussion with the Clerk of the Circuit Court Auditor's Office on the potential closure of this operation raised many concerns should the program be changed, both from a workers compensation issues related to moving furniture, but as to where surplus items would be housed be the various organizations and the inability to enforce the State Statutes governing this property management. All computers have to be cleaned out before they can be surplus and ITS now has that done at the warehouse by a contractor. The Clerk of the Circuit Court also must inventory all equipment and furniture items whose initial purchase was \$1,000 or more annually at the Surplus Warehouse. Closing that operation would significantly impair their ability to meet the mandate of the State Statute. Under the present procedure being followed at the warehouse, it is evident that proper transfer actions are being complied with; should the warehouse operation cease there is no way to verify how property would be managed and disposed of in the future.</p> <p>No further action will be taken on this Transition Plan. A Final report will be forthcoming with a summary of actions, findings, conclusions and recommendations.</p>	<p>evident when examining this operation that the operating cost (salaries and operations) of the entire operation was offset by revenues received to be less than \$70,000. Operating costs could also be substantially lowered to under \$25,000 when considering the value the County receives in avoiding rental cost for space to house the other occupants using that facility.</p>
<p>WATER RESOURCE SERVICES AND SOLID WASTE DEPARTMENTS - Consolidation: Comprehensive plan for merging services.</p>	<p>Over the last six months Water Resource Services and the Solid Waste Management Department have begun to consolidate into one, more efficient, department currently know as the Public Utilities Department (PUD). To determine how and what to merge, the new department formed a Transition Committee that has identified 53 transition actions, to date. Thirty-two of these actions have been completed and 18 more are currently active. All actions can be seen on the attached Public Utilities Transition Schedule.</p> <p>The primary objectives accomplished to date include the consolidation of the following functions and associated personnel: finance and budget, customer service and call centers, information and technology, and employee services. At the same time secondary functions identified, that have been or are in the process of transition and consolidation include: regulatory enforcement, capital project management, facilities maintenance, operational staffing, asset management and administrative processes.</p> <p>Many more transition action items have been or are being pursued, as reflected in the PUD Transition Schedule.</p> <p>The most significant cost savings identified to date are primarily related to the consolidation of enforcement functions of the Solid Waste Man-</p>	<p>The most significant cost savings identified to date are primarily related to the consolidation of enforcement functions of the Solid Waste Management Division and Administrative Services Division. The consolidation of these functions and the elimination of an annual \$1.2 million payment to the County Sherriff Further savings to be realized by several actions initiated will be delayed due to the requirement to enhance the Solid Waste Management Division's IT systems in order to fully consolidate these systems with other more robust systems within the Public Utilities Department. A baseline study has been initiated to identify the processes that can actuate the alignment of these systems. Thereafter, real savings will be realized though organizational restructuring, HR reductions/downgrading and the enhanced utilization of asset management capabilities.</p>

Transition Plan Component	Status Since June 2010	Cost Savings or New Revenues Since June 2010
	<p>agement Division and Administrative Services Division. The consolidation of these functions and the elimination of an annual \$1.2 million payment to the County Sherriff dwarf other potential savings identified in the absence of the HR reductions, currently being evaluated.</p> <p>Further savings to be realized by several actions initiated will be delayed due to the requirement to enhance the Solid Waste Management Division's IT systems in order to fully consolidate these systems with other more robust systems within the Public Utilities Department. A baseline study has been initiated to identify the processes that can accuate the alignment of these systems. Thereafter, real savings will be realized though organizational restructuring, HR reductions/downgrading and the enhanced utilization of asset management capabilities.</p>	
<p>Environmental Protection Commission – Maintain and enhance the agency's level of service without further increased reliance on the County-wide General Fund.</p>	<p>Fleet reduction Weekend On-Call efficiency Centralized printer stations (on-going)</p>	<p>est. \$30,000 savings est. \$5,000 savings est. \$50,000 savings</p>
<p>Continue looking for efficiency options in all aspects of agency operation to streamline activities to better serve the citizens. On going during the transition, staff has recommended adjustments in fees to accurately reflect the true expense in managing various activities (user fees) and reduce property tax reliance.</p>	<p>CPI and Compliance fee adjustments (proposed)</p> <p>Increase Phosphate Severance Fund allotment to offset water quality Monitoring activities involving phosphate (proposed)</p> <p>Seeking financial partnerships to offset cost of the water quality monitoring program; data utilized by numerous public/private entities</p>	<p>est. \$250,000 - \$450,000 revenue</p> <p>est. \$120,000 revenue</p> <p>est. revenue unknown</p>
<p>Pursue cross media sharing of personnel, increased coordination with county services such as IT and communications, privatization where it makes sense and take advantage of our Sterling Management review to pursue other efficiencies.</p>	<p>Direct Inspection Programs/Cross-Media Inspections (on-going)</p> <p>Outsourcing of Public Outreach Activities (Communications Dept. ILA)</p> <p>Outsourcing of some SQL & GIS functions (EPC positions RIFed end of FY10; work now performed by contractors)</p>	<p>savings to be determined</p> <p>est. \$148,000 savings</p>
<p>Seek grant and contract opportunities in all operational areas to enhance service and environmental stewardship.</p>	<p>Secured two Federal grants to enhance EPC's ongoing monitoring of Tampa Bay.</p>	<p>\$72,000 revenue</p>

**Pro Forma Budget
Countywide General Fund
Unincorporated Area General Fund
FY 11 through FY 16**

**Hillsborough County
Business and Support Services Department
January 2011**



Summary

The Pro Forma operating budget for Hillsborough County's two major operating funds is prepared as a tool for understanding the future course of the County budget, given certain assumptions about growth in the revenues and expenditures that comprise each fund and general economic conditions. Separate models have been prepared for the County's Countywide General Fund and Unincorporated Area General Fund.

The Countywide General Fund is the operating fund that pays for most countywide services. It covers a variety of social service programs, criminal justice programs, administrative services costs, and various other programs that serve all County residents such as environmental protection, regional parks, County roads, and comprehensive planning. The single largest component of this fund's budget is for operation of County jails by the Hillsborough County Sheriff's Office.

The Unincorporated Area General Fund is the operating fund that pays for municipal services provided by Hillsborough County to those residents and businesses not located within one of the three municipalities. About 2 of every 3 residents live in the unincorporated area. The Unincorporated Area General Fund covers typical municipal services such as neighborhood and district parks, Sheriff's patrol services, fire suppression and ambulance services, code enforcement, planning and zoning, and stormwater management.

FY 11 reflects the Adopted FY 11 Budget. Projected budgets for FY 12 through FY 16 are model-driven. The model is constructed so that assumptions may vary each year to reflect impact of the business cycle and other anticipated or possible events.

The Appendix contains a section outlining the major assumptions used in this model. Sensitivity analysis has been conducted to

show the implications of alternate property tax assumptions (page 13). The number of assumptions is intentionally limited so that the risk of inconsistent assumptions being used to drive the forecast is reduced. The benefits of sophisticated modeling techniques are carefully weighed against ease of use and the opaqueness that can sometimes accompany greater complexity.

Projections indicate 5-year accumulated deficits for the Countywide General Fund and the Unincorporated Area General Fund. Projections include the requirements of previous tax reform legislation passed by the Florida Legislature and from the constitutional amendment approved by voters on January 29, 2008. Large declines in home values since mid-2006 and the effects of slow economic recovery from the 2008-2009 recession are critical constraints on the early years of this year's Pro Forma. A fourth straight year of decline in Countywide taxable values is expected for FY 12, albeit a more moderate decline.

National and local home sales improved in late 2009 and early 2010 due to federal tax credits but sales and prices fell again after the tax credit's expiration in April. While sales improved by December home prices are still behind year ago levels. Declines in property values during 2010 will result in declines in property tax revenue for FY 12. High forecast risk exists in this Pro Forma due to the uncertainty surrounding the timing of sustained recovery in housing markets as well as the long term impacts of tax reform. Risks appear greater that property values will have declined more than state forecasts for FY 12 rather than less.

Many forecasters expect weak recovery in 2010 will be followed by stronger growth in 2011 and 2012. Reflecting this consensus opinion, revenue growth, other than property taxes, is projected to turn positive for FY 11. Revenue growth is likely to accelerate in FY 12 and FY 13. Gathering economic recovery in late 2010 and in 2011 will positively affect other revenues especially sales

tax based revenues. Year to year taxable sales growth returned in mid-2010 with total 2010 annual sales exceeding 2009. This is the first year of annual growth since 2006. However, FY 12 growth in these revenues will only offset a portion of lost property tax revenues.

Consequently, we should be realistic in our expectations of what can feasibly be afforded during the forecast period. The model incorporates consensus forecast assumptions (described in the Appendix, page 23) regarding economic growth.

The combined result of the modeled revenue and expenditure assumptions and estimated policy impacts are an \$18.6 million deficit in the Countywide General Fund and an \$8.1 million surplus in the Unincorporated Fund for FY 12. (In contrast to previous Pro Formas the Unincorporated Area General Fund Pro Forma includes a full transfer back of Communications Services Tax revenue earmarked for Fire Rescue.) A projected cumulative FY 16 deficit (including fund balance and reserves) of \$63.1 million arises in the Countywide Fund. In the Unincorporated Fund the projected FY 16 cumulative deficit is \$91.9 million and is largely attributable to the replacement of expired local option fuel tax revenues, supporting the Transportation Trust Fund, with Unincorporated Area General Fund revenue.

Consistent with the model's construction, deficits and surpluses build over the forecast period. Deficits and surpluses are

cumulative in the sense that any current year surplus or deficit will flow into the next year's fund balance, thus carrying a current year's balance forward.

In using the information contained in this report, it is important to understand that an indicated deficit or surplus reflects the models' economic assumptions and shows what could happen in the absence of policy direction to cut costs or increase funding. Deficits or surpluses that develop are allowed to accumulate over the forecast period. In reality, the Board of County Commissioners must balance each year's budget, so interim steps would have to be taken to prevent deficits. Similarly, an indicated surplus shows what could happen in the absence of policy direction to expand programs or reduce funding (e.g. cut the millage rate). A cumulative deficit or surplus representing a small share of total 5-year budget expenditure is likely to be within the range of estimation error and not materially different from characterizing the projected fund to be in balance over that period. **The purpose of this forecast exercise is to determine the extent of actions necessary to close the gap between revenues and other sources, and expenditures and other uses.** Graphics have been used to communicate the significance of potential deficits or surpluses.

Analysis

The Pro Forma projects an \$18.6 million deficit in the Countywide General Fund and an \$8.1 million surplus in the Unincorporated Fund for FY 12. The projected 5-year accumulated FY 16 Countywide General Fund deficit is \$63.1 million. The Unincorporated Area General Fund's FY 16 deficit is \$91.9 million (see graphs, pages 10 and 12). The projected FY 16 Countywide surplus is 1.96% of FY 12 through FY 16 expenditures (\$63.1 million of \$3222.4 million), while the projected FY 16 Unincorporated deficit is 4.10% of FY 12 through FY 16 expenditures (\$91.9 million of \$2,241.6 million). These 5-year projections reflect on-going tax reform implications and continuing weakness in housing markets during 2010, while also incorporating improving economic performance in other areas such as consumer spending.

Tax Reform

The Pro Forma incorporates requirements of tax reform enacted by the 2007 Florida Legislature and by a 2008 voter-approved constitutional amendment. The initial legislative rollback reduced Hillsborough County's FY 08 property tax revenue by \$109 million from what would have occurred without any action. The reduction to Countywide General Fund property tax revenue was \$68.1 million. The Unincorporated Area General Fund reduction was \$33.8 million. The remaining \$7.1 reduction came from the Library Tax District Fund. Each year this legislation requires a rollback of property tax millage rates, with a permitted adjustment to reflect growth in Florida Per Capita Income.

The constitutional amendment provisions reduced taxable property values. An added homestead exemption of \$25,000 for a total of up to \$50,000 and the initial impact of portability of the Save Our Homes exemption resulted in a \$53.3 million reduction in FY 09 property tax revenue for the Countywide Fund and \$19.7 million for the Unincorporated Fund.

Economic Conditions

After weathering national fears of a double dip recession the economy emerged from a disappointing summer and fall to end 2010 with stronger consumer spending, rising home sales and a return of modest job growth. Many forecasters expected growth to slow in mid-2010 as business inventory restocking slowed, the federal fiscal stimulus faded from the high levels of 2009 and the federal homebuyers tax credit ended in April. National and local home sales and prices, which displayed signs of stabilizing during the tax credit period, weakened in the fall. Expected or not, this slowdown in recovery hampered job growth and negatively impacted consumer and business confidence in autumn 2010.

More positively, November and December economic data indicate a stronger finish to 2010. The Bureau of Economic Analysis reports that US Gross Domestic Product (GDP) accelerated to 3.2% growth for the fourth quarter of 2010.

December housing data suggest the aftereffects of the tax credit have run their course. Greater Tampa Association of Realtors (GTAR) reports December 2010 existing home sales rose 3.9% over the previous December. National existing home sales improved to a 2.9% decline but the December monthly increase of 12.3% was the strongest since 1999. While these are improvements, sales are still at low levels historically and home prices, negatively affected by foreclosures, finished 2010 below 2009 levels.

Both Florida and the Tampa Metropolitan Area posted modest annual job gains in late 2010. During December 2009 to December 2010 Florida gained 43,700 jobs and Metro Tampa gained 1,800. November 2010 was the first month since June 2007 that Metro Tampa jobs exceeded year-ago levels. Slow job growth has not been fast enough, however, to significantly lower

unemployment rates. Hillsborough County's December 2010 unemployment rate is 11.6%, compared to 12.1% a year ago.

Florida and Hillsborough consumer spending is reflecting national trends. Hillsborough County taxable sales in December 2010 were up 4.6% compared to December 2009. Annual 2010 taxable sales were up 0.5% in Hillsborough and 1.7% in Florida. These are the first annual gains since 2006. Improving economic conditions in 2011 will support further gains in taxable sales.

Looking forward, the model incorporates consensus economic forecast assumptions (described in more detail in the Appendix, pages 23 and 24). Forecasters are expecting economic growth to be stronger in 2011 with rising job growth compared to disappointing growth for most of 2010. The University of Central Florida forecasts modest job gains for Tampa Bay during 2011. More robust job growth is expected in late 2011 and 2012.

Stronger economic and job growth will support continuing improvements in national and local home sales during 2011. High foreclosure activity was a primary force driving home prices down in 2010. With the expected expiration of the "robosigning" foreclosure moratoria, foreclosures are likely to resume at elevated levels during early to mid 2011. These will exert additional downward pressure on homes even as sales rise. Analysts do not foresee sustainable price increases, nationally or locally, before late 2011.

The FY 11 to FY 16 Pro Forma reflects continued, but more moderate declines in home prices during 2010 (see Appendix, page 24). The sum of all taxable values is, consequently, expected to fall for FY 12 due to these home price declines. Depending on the severity of 2011 foreclosure activity, low growth in total taxable property values may return for FY 13.

Non-property tax revenues are projected to rise in FY 11 and FY 12. Stronger hiring will continue to support rising sales tax revenues and growth in fees, charges and investment earnings

for FY 11 and FY 12. Firming job markets in 2011 will also relieve pressure on commercial real estate.

High forecast risk exists in this Pro Forma due to the uncertainty surrounding the timing of price recovery in housing markets and the strength of job growth, as well as the long term impacts of tax reform. Risks appear greater that the taxable value decline for FY 12 will prove deeper than modeled herein rather than lower. Prolonged weakness in 2011 could negatively impact FY 13 property tax revenue. These types of alternatives are considered in the Sensitivity Analysis section (page 13).

Recent expenditure growth has been constrained by the loss of revenue due to Tax Reform and the decline in home values. Expenditure growth is assumed remain constrained for FY 12 and FY 13.

Expenditure growth rates are likely to rise in later years more closely reflecting, but not necessarily reaching, historical patterns. State and County population fell in 2009. The University of Florida reported positive growth of 7,680 for 2010 and projects average annual growth of 16,400 for 2011-2015 and 20,900 for 2015-2020. Some expenditures are, by policy, designed to keep pace with population demands. The model incorporates the estimated impacts on revenue and/or expenditures arising from adopted Board policy including the operating impacts of the Capital Improvement Program.

Projections

Reflecting economic weakness and home price declines in Hillsborough County and Metro Tampa during 2010, the standard Pro Forma scenario assumes taxable property values declined during 2010 (January 1, 2011 values for FY 12). This is the fourth year of declines. During 1997-2007 Countywide taxable values increased by an average annual rate of 11.7%. Unincorporated Area taxable values increased 12.4% annually. The December 3, 2010 State of Florida Revenue Estimating Conference's (REC) Ad Valorem forecast is incorporated in this

Pro Forma. The REC forecasts Countywide taxable value will fall 1.3% for FY 12 (2011 values), followed by low growth of 1.9% for FY 13 and accelerating to 7.0% by FY 16. The REC's forecast remains below the 1997-2007 average annual rate for all years; however, revenue growth rises in later years as taxable value growth rises. (See page 24 of the Appendix for further detail on property valuations and the rolled-back millage calculations.)

Since the REC released its forecast, the Bureau of Labor Statistics reported the Consumer Price Index rose 1.5% for the December 2009 to December 2010 period. This is the index and time period the Department of Revenue uses to determine the maximum Save Our Homes (SOH) increase in assessed values for homestead properties. DOR rules require assessed values be increased as long as assessed value is below just value, even in a year when just value falls.

Business and Support Services (BSS) examined the 2010 tax roll database of more than 461,000 records to consider the combined impact of the 1.5% SOH limit and the latest data on home prices available from various sources. The REC forecast a 3.0% decline in Hillsborough home values for 2010. The closely watched national 20-city S&P/Case-Shiller home price index fell 1.6% during November 2009 – November 2010. The Metro Tampa index fell 4.0%. Other measures of local prices indicate late 2010 price declines of 3.6% to 5.6%. (See page 24 of the Appendix for further detail.) These alternatives are included in the Sensitivity Analysis (see page 13).

BSS applied a 4.0% decline in home values, the 1.5% SOH limit and the REC's estimated 5.7% decline in nonresidential values to estimate a 1.9% decline in Countywide taxable value for FY 12. The Pro Forma uses this 1.9% decline, instead of the REC's 1.3% decline, as the baseline for FY 12. The REC forecasts a 1.0% decline in home values for FY 13 along with positive growth in nonresidential values and new construction. The positive impacts for FY 13 are expected to outweigh forecasted home price declines and produce a small increase in taxable value.

These valuation projections have been combined with the millage requirements of tax reform in order to forecast ad valorem revenues. At current millage rates FY 12 Countywide property tax revenue is forecast to drop 1.9% or \$7.1 million from FY 11. Unincorporated revenue is forecast to drop 1.3% or \$2.3 million. FY 13 Countywide property tax revenue is forecasted to rise 0.96% or \$3.5 million. Unincorporated revenue is forecast to rise 1.55% or \$2.6 million for FY 13. The Pro Forma adopts REC forecasts for FY 14 – FY 16.

Growth in consumer spending since mid-2010 has benefited state-shared revenues based on sales taxes. Monthly Half-cent Sales Tax and State Revenue Sharing revenue has exceeded year ago levels since July. These revenues are recovering before property tax revenue which has a long lag time. These revenues have a larger impact on the Unincorporated Area General Fund. The current BSS FY 11 forecast based on statewide December REC projections estimates a 3.9% increase in Half-cent Sales Tax revenue compared to FY 10. FY 12 should benefit from a slowly recovering job market and firmer consumer spending. Half-cent Sales tax revenue is forecast to rise 6.9% for FY 12, followed by more robust recovery with 7.6% growth for FY 13. The Pro Forma incorporates about average growth of 5.75% in Half-cent Sales Tax revenues for FY 15 and FY 16. State sales tax revenue is the primary source of State Revenue Sharing Growth Money. This results in similar, if not identical, growth as occurs for Half-cent Sales Tax revenue. (See Appendix, page 24 for revenues transferred to the General Funds.)

Charges for services are modeled to rise at a 2.6% rate, slightly above long term average inflation of 2.5%. Updated internal service charges are included in both funds for FY 12.

Other individual revenues are relatively small as a share of total revenue. The impact of other major revenues is discussed in the Sensitivity Analysis section (page 13).

Selected Expenditure Details

Recent expenditure growth has been constrained by the loss of revenue due to Property Tax Reform and recession. Expenditure growth is assumed to be constrained for FY 12 and FY 13. Expenditure growth rates are likely to rise in later years more closely reflecting historical patterns.

No pay raises are included for FY 12 or FY 13. Pay increases equal to 10-year average annual rate of consumer inflation of 2.5% are modeled annually for FY 14 through FY 16. These are modeled to reflect partial savings from employee turnover. FY 12 projected personnel costs include an 11.4% increase in state retirement contribution rates. FRS costs are modeled to rise in conjunction with overall pay increases during FY 14 – FY 16. Future legislative changes to FRS contributions would alter this assumption. Health costs are modeled to rise 4.9% annually for FY 12 and FY 13. (See Appendix, page 26 for further discussion.)

Some revenues are transferred from both General Funds to other funds. These include transfers for transportation, courts, and maintenance and repair. The Major Repair and Maintenance program is funded by transfers from both General Funds to their respective Major Maintenance and Repair Fund. Transfers are planned for FY 12 to FY 16. The FY 11 cost is \$4.3 million and \$2.3 million for the Countywide Fund and Unincorporated Fund respectively. The program’s cumulative five-year costs are \$24.0 million for the Countywide Fund and \$13.0 million for the Unincorporated Fund. These figures do not include \$4.5 million and \$3.0 million, respectively, pre-paid in FY 10 to each Special Purpose Fund. This pre-payment reduces the amounts annually transferred from the Countywide Fund by \$1.5 million and from the Unincorporated Fund by \$1 million for FY 12 to FY 14.

Transfers of ad valorem revenue from the Countywide General Fund to the Countywide Construction Fund are not programmed after FY 10. Planned transfers for Fire Rescue projects from the

Unincorporated Area General Fund to the Unincorporated Construction Fund of \$1.9 million for both FY 12 and FY 13, \$3.3 million for FY 14, and \$1.4 million for FY 15 are included.

The Communications Services Tax (CST) is levied at 4.0% with one and one-half points of the tax set aside for future Fire Rescue purposes. The earmarked CST revenue is transferred back into the Unincorporated Area General Fund for Fire Rescue operating purposes for FY 11. This Pro Forma continues that practice during the forecast period, FY 12 – FY 16. The cumulative amount of the full one and one-half points for FY 12 through FY 16 is \$47.1 million. The FY 12 amount is \$9.0 million. The Sensitivity section (page 13) considers the impact of not returning the earmarked revenue to the Unincorporated Fund.

Estimated Cost Impact of Known Policies

Item	FY 12 (millions)	FY 16 - Cumulative (millions)
Countywide GF:		
Major Repair/Maintenance	\$ 4.5	\$ 24.0
Delay of Jail Expansions (VI & VII (A))	-\$23.0	-\$119.5
New Parks Facilities	\$ 0.0	\$ 7.9
Unincorporated Area GF:		
Major Repair/Maintenance	\$ 2.4	\$ 13.0
FY 11 – FY 15, 1 ½ points of Communications Services Tax (CST) to Fire Rescue	\$ 9.0	\$ 47.1
1.7 Deputies/1,000 Population	\$ 1.4	\$ 22.3
1 Code Enforcement Officer /18,000 Uninc. Population	\$ 0.0	\$ 0.5
Transfers to Transportation	\$10.2	\$ 57.3
Replace Expired Fuel Taxes	\$ 3.2	\$110.0
New Parks Facilities	\$ 0.3	\$ 2.1

Property tax revenue is transferred to the Transportation Trust Fund. For FY 11 \$10.2 million is transferred from the Unincorporated Fund while no funds are transferred from the

Countywide Fund. The Unincorporated transfers continue for FY 12 to FY 15 with a five-year cost of \$57.3 million.

Local Option Fuel taxes are not directly related to the two General Funds and have not been substantive factors in previous Pro Formas. The 9th-cent Fuel Tax and the 6-cents Local Option Fuel Taxes are, however, relevant to this year's Unincorporated Area General Fund Pro Forma. The 9th-cent tax is scheduled to expire on December 31, 2011 and the 6-cents tax is due to expire on August 31, 2013. The Pro Forma does not assume that the Transportation Trust Fund expenditures supported by these expiring fuel taxes cease. As the fuel taxes expire the Pro Forma models the Unincorporated Fund replacing those lost revenues with a transfer of general revenue to the Transportation Trust Fund. The expiration of the 9th-cent tax affects the Unincorporated Fund during FY 12 with a cost of \$3.2 million. The 5 year cumulative cost of both expiring taxes is \$110.0 million. As an alternate scenario replacing none of the revenue is considered in the Sensitivity Analysis section (see page 13).

During recent years' budget processes decisions were made to indefinitely delay the construction of some new projects. This removed the operating impact from near term budgets. Some projects, however, remain and do have impacts on both funds (see page 38). Particularly important is the moving of the operating impact of the jail expansions (Phases VI and VII(A)) beyond the FY 16 horizon of this Pro Forma. The FY 09 – FY 14 Pro Forma included \$23 million of annual projected operating costs for FY 12 through FY 14. If these costs were include in the current Countywide General Fund Pro Forma for FY 12 through FY 16 the 5-year \$63.1 deficit would increase to \$182.6 million.

Public safety demand from a growing population is a major driver of Unincorporated Fund expenditures and with the exception of jail costs does not directly affect the Countywide Fund. The cost of meeting the Board's policy of maintaining 1.7 deputies per 1,000 population is part of the Unincorporated Fund Pro Forma. The Sheriff has indicated that his office will not seek to increase deputies on the basis of that ratio for FY 10 and FY 11. The Pro

Forma does include additional deputies for FY 12 to FY 16. The 5-year cumulative cost impact is \$22.3 million. The Pro Forma includes the addition of equipment costs along with the increase in deputies. The Board has enacted a second staffing ratio for Code Enforcement Officers to maintain 1 position per 18,000 unincorporated population. The 5-year impact is \$0.5 million.

The result of modeled assumptions and policy impacts are an \$18.6 million deficit in the Countywide General Fund and an \$8.1 million surplus in the Unincorporated Fund for FY 12. The projected Countywide FY 16 cumulative deficit is \$63.1 million. The projected Unincorporated Area FY 16 deficit is \$91.9 million.

Prior to the 2007 enactment of tax reform by the Legislature, the Board of County Commissioners adopted a spending limitation for the general funds. Spending growth, excluding amounts budgeted to Constitutional Officers and amounts to fund state and federal mandates and prior Board commitments, is limited to the combined rate of increase of population and government inflation as measured by the US Bureau of Economic Analysis (BEA). The projected FY 12 Countywide General Fund and Unincorporated General Fund budgets fall below the calculated tentative cap. BEA will revise the price index in late March. The caps will be recalculated and further impact analysis conducted.

Summary Tables

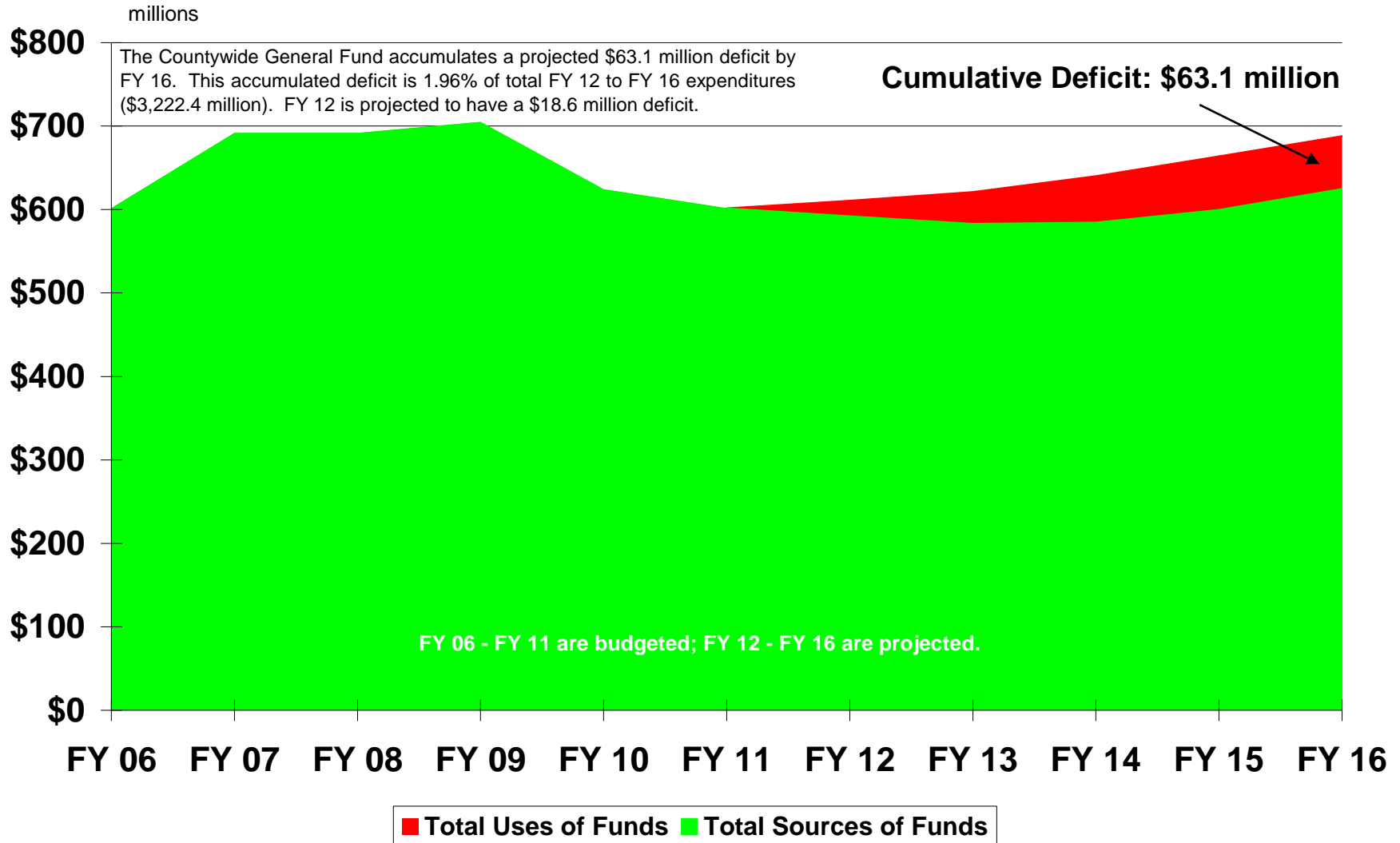
The following Summary tables show the impact of declining home values, early stages of economic recovery, continuing limitations of tax reform, and the indefinite delay of some capital projects. The Countywide General Fund is in deficit all years, FY 12 - FY 16. The Unincorporated Area General Fund is in deficit FY 14 - FY 16. These deficits cause falling fund balances in later years.

How would other ad valorem growth assumptions affect surpluses or deficits? Other economic or policy changes, such as new spending commitments, could also alter the Pro Forma's results. Alternate possibilities are examined in Sensitivity Analysis section (page 13).

COUNTYWIDE GENERAL FUND PROFORMA FY 11 - FY 16

	Adopted Budget FY 11	Projected Budget FY 12	Projected Budget FY 13	Projected Budget FY 14	Projected Budget FY 15	Projected Budget FY 16
Beginning Fund Balance	\$112.6	\$114.1	\$97.1	\$76.3	\$64.1	\$55.0
Revenues:						
Ad Valorem Taxes	373.8	366.7	370.2	388.0	413.2	442.2
Other Revenues	99.2	102.6	104.9	108.0	109.9	114.7
Less: 5% of Revenues	(22.6)	(22.3)	(22.6)	(23.6)	(25.0)	(26.6)
Transfers In	<u>38.4</u>	<u>30.8</u>	<u>33.1</u>	<u>35.3</u>	<u>37.3</u>	<u>39.4</u>
Total Sources of Funds	\$601.4	\$591.9	\$582.7	\$584.1	\$599.6	\$624.7
Expenditures:						
Personal Services	90.7	92.0	92.4	94.9	97.5	100.2
Operating Expenses	39.9	40.9	42.0	43.5	45.5	47.6
Capital Equipment	0.6	0.6	0.6	0.7	0.7	0.7
Operating Impact of CIP	0.0	0.9	2.0	2.6	2.6	2.7
Capital Projects	0.3	0.3	0.3	0.3	0.3	0.3
Grants & Aids	26.1	27.3	28.0	29.1	30.1	31.2
Transfers to Constitutionals	319.2	325.2	333.1	344.7	359.3	374.9
Transfers	32.2	31.1	31.4	32.6	35.6	37.2
Reserves and Refunds	<u>92.3</u>	<u>92.1</u>	<u>90.9</u>	<u>91.4</u>	<u>92.0</u>	<u>92.9</u>
Total Uses of Funds	\$601.4	\$610.4	\$620.7	\$639.8	\$663.7	\$687.7
Surplus/(Deficit) - Cumulative	\$0.0	-\$18.6	-\$38.0	-\$55.7	-\$64.1	-\$63.1

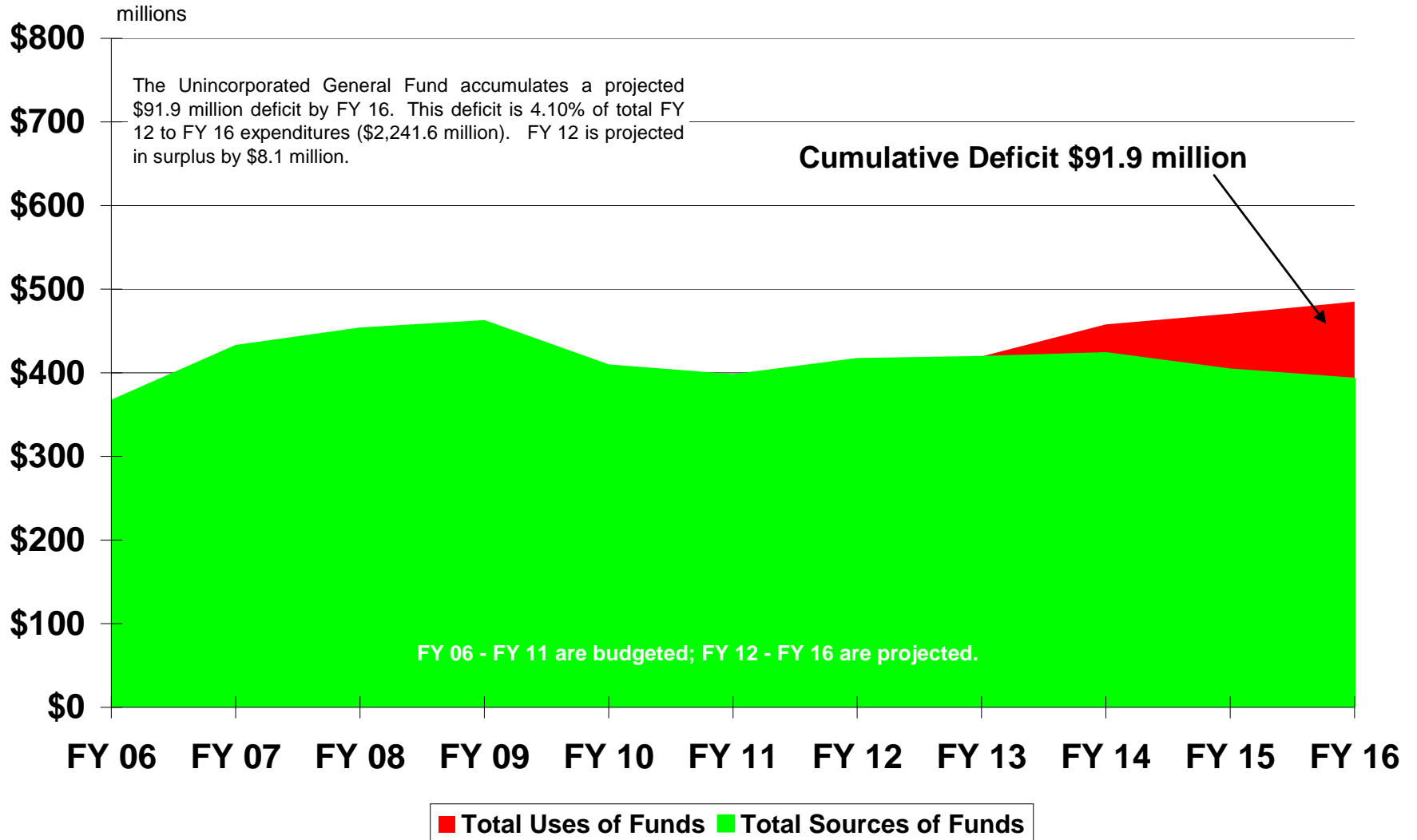
Countywide General Fund



UNINCORPORATED GENERAL FUND PROFORMA FY 11 - FY 16

	Adopted Budget FY 11	Projected Budget FY 12	Projected Budget FY 13	Projected Budget FY 14	Projected Budget FY 15	Projected Budget FY 16
Beginning Fund Balance	\$94.5	\$112.9	\$114.2	\$103.3	\$65.7	\$34.7
Revenues:						
Ad Valorem Taxes	174.6	172.3	174.9	184.4	197.5	212.6
Communications Services Tax	24.4	24.1	24.5	25.0	25.6	26.2
Other Revenues	46.9	48.8	50.9	52.9	54.3	55.8
Less: 5% of Revenues	(12.1)	(12.0)	(12.2)	(12.8)	(13.6)	(14.4)
Transfers In	<u>69.1</u>	<u>70.3</u>	<u>66.7</u>	<u>70.6</u>	<u>74.3</u>	<u>78.1</u>
Total Sources of Funds	\$397.3	\$416.4	\$418.9	\$423.4	\$403.9	\$393.0
Expenditures:						
Personal Services	129.9	132.5	133.2	136.9	140.8	144.7
Operating Expenses	46.6	47.9	49.1	50.9	53.9	57.1
Capital Equipment	0.0	0.0	0.0	0.0	0.1	0.1
Operating Impact of CIP	0.0	0.4	0.5	0.6	0.6	0.6
Capital Projects	0.1	0.1	0.1	0.1	0.1	0.1
Grants in Aid	1.4	1.4	1.4	1.4	1.4	1.5
Transfers to Constitutionals	111.2	115.4	119.9	125.1	130.9	138.0
Transfers	22.3	24.4	29.7	57.1	56.8	56.0
Reserves and Refunds	<u>85.8</u>	<u>86.4</u>	<u>85.4</u>	<u>85.9</u>	<u>86.3</u>	<u>86.9</u>
Total Uses of Funds	\$397.3	\$408.4	\$419.4	\$458.0	\$470.8	\$484.9
Surplus/(Deficit) - Cumulative	\$0.0	\$8.1	-\$0.5	-\$34.6	-\$67.0	-\$91.9

Unincorporated General Fund



Sensitivity Analysis

The Pro Forma models for both funds are designed to allow changes to the primary underlying assumptions. Selectively changing assumptions to determine the impact on the model's results is commonly referred to as "sensitivity analysis". Essentially, it measures the significance of any assumption in projecting the results. A one-percentage point higher or lower growth rate in any one variable will have an impact in dollar terms of similar magnitude, whether positive or negative. Due to the multiplicative, rather than additive, nature of compounding, however, the impacts will not be exactly identical absolute value. For instance the five year cumulative effect of a one-percentage point higher growth rate in a revenue may reduce the overall deficit by \$10.7 million; whereas, a one-percentage point decline in that revenue's growth rate may increase the overall deficit by \$10.2 million. Similar, but not identical, magnitudes occur. (See table, page 16)

Since about 80% of Countywide General Fund and 70% of Unincorporated Area General Fund direct revenues arise from Ad Valorem property taxes changing the taxable value growth assumption would have the most significant impact. Reflecting REC forecasts, declining home values and tax reform limitations, the Pro Forma assumes a 1.9% decline in Countywide property values and revenues for FY 12. The magnitude of decline for FY 12 is expected to be less than in recent years. Slow growth is expected resume for FY 13.

Property valuation forecasts are uncertain in the current atmosphere. How will foreclosures affect overall home prices and how will that affect property appraisals? How have nonresidential markets performed? The answers will be known when the Property Appraiser's Office issues its preliminary values in June. Early indications are often available in April. Until then alternative assumptions may be considered.

Business and Support Services (BSS) examined the 2010 tax roll database of more than 461,000 records to consider alternative taxable value scenarios. The December REC just value forecasts for residential (-3.0%) and nonresidential property (-5.7%) were combined with the 1.5% SOH limitation and applied to the database. Where the resulting January 1, 2011 estimated assessed value for a particular parcel still exceeded the January 1, 2010 just value, January 1, 2011 taxable value was estimated on the assessed value. If the estimated just value fell below the estimated assessed value, assessed value was adjusted to the lower just value. Taxable value was then estimated. This exercise estimated a 1.3% decline in Countywide taxable value for FY 12, matching the REC's taxable forecast.

Late 2010 home price data from S&P Case Shiller indicated Metro Tampa home prices declined 4.0% during November 2009 to November 2010. BSS performed the above analysis with this 4.0% decline and estimated a 1.9% drop in total taxable value. This 1.9% estimate has been used as the baseline estimate for this Pro Forma. Alternatively, using the more optimistic REC estimate of a 1.3% decline would result in a \$2.1 million decline in the FY 12 Countywide deficit and a \$1.0 million increase in the Unincorporated surplus.

Late 2010 estimated declines in regional home values range from 3.6% to 5.6%. Commercial market values are also uncertain. Risks appear greater that taxable values for FY 12 may have fallen more than the REC estimate of 3.0% than less.

Using an alternative forecast based on a 5.6% drop in residential just value (December 2010 Greater Tampa Association of Realtors average price data for Hillsborough) for FY 12, BSS devised a sensitivity scenario with a 2.9% fall in Countywide taxable value.

A 2.9% decline in Countywide taxable value for FY 12 would increase the Countywide deficit \$3.0 million to \$21.6 million and would raise the FY 16 5 year deficit to \$93.3 million. A similar assumption for the Unincorporated Area Fund would result in a \$1.6 million decline in the FY 12 surplus. The Unincorporated FY 16 cumulative deficit would rise to \$107.4 million. If, in addition to a 5.6% drop in 2010 home values, 2011 home values dropped 5.0% instead of the REC estimate of 1% the Countywide FY 16 cumulative deficit would rise further to \$126.5 million and the Unincorporated deficit would rise to \$124.3 million.

Combining a 5.6% drop in residential just value and a 13% drop in nonresidential just value resulted in an estimated 5.0% drop in Countywide taxable value for FY 12. This scenario translates to a larger \$28.3 million FY 12 deficit for the Countywide Fund, a \$9.7 million increase, and a smaller \$3.2 million surplus for the Unincorporated Fund, a \$4.9 million fall. The 5-year Countywide deficit would rise \$53.1 million to \$116.2 million. The Unincorporated deficit would increase \$27.1 million to \$119.0 million.

The 4% Communications Services Tax (CST) is an Unincorporated Area General Fund revenue. The Pro Forma models growth at 0.2% for FY 12 rising to 2.5% for FY 16. The communications industry is undergoing rapid technological change causing some taxable activity to shift to currently non-taxable activity. Future experience will test this assumption. If Communications Services Tax revenues grow 1% faster for all years the FY 12 Unincorporated surplus would rise by \$0.2 million while the accumulated FY 16 deficit would fall by \$3.6 million.

A more significant baseline assumption regarding the CST is the transfer back to the Unincorporated Fund of the one and one-half points of the tax set aside for future Fire Rescue purposes. If, by contrast, none of those one and one-half points were transferred back to the fund the Unincorporated FY 12 surplus of \$8.1 million would become a \$1 million deficit and the accumulated FY 16

deficit would increase from \$91.9 million to \$140.5 million. A summary table on page 17 shows the Unincorporated Fund in deficit all years, FY 12 – FY 16, in comparison to significant deficits for FY 14 – FY 16 in the baseline summary on page 11. (Note: the summary on page 17 retains the baseline assumption that the Unincorporated Fund replaces expired fuel tax revenues in the Transportation Trust Fund.)

Another very significant assumption in the baseline Unincorporated Area General Fund Pro Forma is the replacement of expired fuel tax revenues by Unincorporated general revenue (see page 8). If, alternatively, the fuel taxes were renewed and/or the Unincorporated Fund does not replace the fuel tax revenues in the Transportation Trust Fund, the Unincorporated Fund FY 12 surplus would increase to \$11.3 million and the FY 16 cumulative deficit of \$91.9 million would switch to an \$18.1 million surplus. Indeed, the Unincorporated Fund would be in surplus for all years, FY 12 – FY 16 as shown on the summary on page 19. (Note: the summary on page 19 retains the baseline assumption that all CST revenues earmarked for Fire Rescue purposes are transferred back to the Unincorporated Fund.)

One percent higher growth in License/Permit, Charges, Fines, and Other Revenues would cause the FY 12 Countywide deficit to drop \$0.7 million and the Unincorporated surplus to increase \$0.2 million. The accumulated Countywide FY 16 deficit would fall \$11.5 million while the Unincorporated deficit would fall \$4.6 million.

If Half-cent revenues and related State Revenue Sharing grew one-percentage point faster than the baseline model in all years the FY 16 Countywide General Fund deficit would fall \$5.5 million. The Unincorporated Area General Fund deficit would fall \$11.6 million for FY 16. The FY 12 impact would be less than \$1 million for each Fund.

On the expenditure side, changes in Personal Service expense and Transfers to Constitutional Officers growth rates would cause the most significant impacts. The Pro Forma includes no pay raises for FY 12 and FY 13. Increases of 2.5%, about the average annual long-term rate of inflation, are modeled thereafter. If Personal Service costs were to rise 1% less in each year the FY 16 Countywide deficit would fall \$17.3 million while the Unincorporated deficit would decline \$21.0 million. The Countywide FY 12 deficit would fall \$1.1 million and the Unincorporated FY 12 surplus would rise \$1.3 million.

One-percentage point slower growth in Transfers to Constitutional Officers would cause a \$47.9 million decrease in the accumulated FY 16 Countywide General Fund deficit and a \$16.8 million reduction in the Unincorporated Area General Fund deficit. The FY 12 Countywide deficit would fall \$3.0 million and the Unincorporated surplus would rise \$1.0 million.

Other expenditure categories are relatively small in comparison to personal services costs and Transfers to Constitutionals. The following sensitivity analysis table shows the relatively minor impact of changing these expenditures' growth assumptions.

SENSITIVITY ANALYSIS
MEASURING THE FISCAL IMPACT OF ALTERNATIVE ASSUMPTIONS

Millions of dollars

	Countywide General Fund		Unincorporated General Fund	
	FY 12	5 Years	FY 12	5 Years
Projected Pro Forma Surpluses/(Deficits)	(18.6)	(63.1)	8.1	(91.9)

Yearly Growth Rate Alternatives

Positive numbers increase surpluses (decrease deficits) whereas, negative numbers decrease surpluses (increase deficits)

Comparisons are in relation to Pro Forma Surpluses/(Deficits).

Changes in opposite direction will have opposite effect of similar magnitude.

	Countywide General Fund		Unincorporated General Fund	
	FY 12	5 Years	FY 12	5 Years
Revenues				
1% less - Ad Valorem, each year	(3.1)	(50.6)	(1.6)	(25.9)
1% higher - Ad Valorem, each year	3.2	52.0	1.6	26.5
1% lower - Ad Valorem for FY 12 only	(3.1)	(17.2)	(1.6)	(8.8)
1% lower - Ad Valorem for FY 12 and FY 13 only	(3.1)	(30.7)	(1.6)	(15.7)
3.0% decline in Residential Just Values for FY 12 instead of 4.0% decline - Smaller FY 12 Ad Valorem decline	2.1	23.8	1.0	12.1
5.6% decline in Residential Just Values for FY 12 instead of 4.0% decline - Greater FY 12 Ad Valorem decline	(3.0)	(30.2)	(1.6)	(15.5)
5.6% decline in Residential Just Values for FY 12 instead of 4.0% decline and 5.0% decline for FY 13 instead of 1.0% decline - Greater FY 12 and FY 13 Ad Valorem decline	(3.0)	(63.4)	(1.6)	(32.4)
5.0% Decline in FY 12 Countywide Taxable Value	(9.7)	(53.1)	(4.9)	(27.1)
1% higher - Communications Services Tax (CST), each year	0.0	0.0	0.2	3.6
None of the One and One-half Points of CST for Fire Rescue is Transferred Back to the Unincorporated Fund	0.0	0.0	(9.1)	(48.6)
1% higher - Other Revenues (License/Permit, Charges, Fines, Other), each year	0.7	11.5	0.2	4.6
1% higher - Half-cent revenue (Transfers In) and State Revenue Sharing , each year	0.3	5.5	0.6	11.6

Expenditures				
1% less - Personal Services, each year	1.1	17.3	1.3	21.0
No FY 12 increase in FRS costs	1.1	5.6	1.9	10.3
1% higher - Personal Services, each year	(1.0)	(17.7)	(1.4)	(21.6)
1% less - Operating expense, each year	0.5	6.7	0.4	7.7
1% less - Grants & Aids expense, each year	0.3	4.3	0.0	0.1
1% less - Capital expenses, each year	0.1	0.1	0.0	0.0
1% less - Transfers to Constitutionals, each year	3.0	47.9	1.0	16.8
1% less - Transfers out (not Constitutionals), each year	0.2	3.6	0.0	0.7
9th Cent Fuel Tax is renewed without interruption and/or expired revenues are not replaced	0.0	0.0	3.2	25.3
6 Cents Fuel Tax is renewed without interruption and/or expired revenues are not replaced	0.0	0.0	0.0	84.6
Both Fuel Taxes are renewed without interruption and/or expired revenues are not replaced	0.0	0.0	3.2	110.0

SENSITIVITY 1: UNINCORPORATED GENERAL FUND PROFORMA FY 11 - FY 16

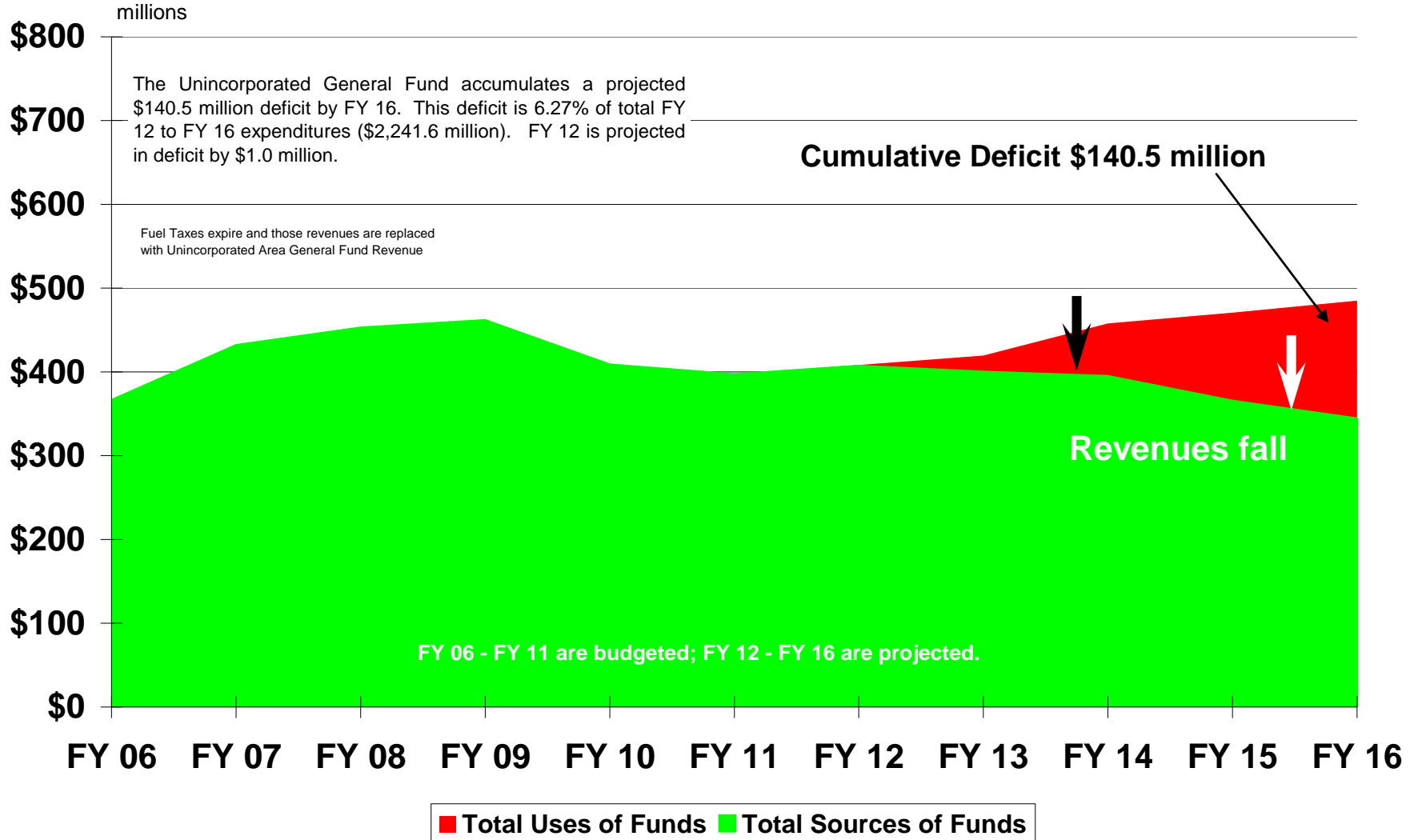
CST revenue earmarked for Fire Rescue is not transferred back to Unincorporated Area General Fund

Fuel Taxes expire and those revenues are replaced with Unincorporated Area General Fund Revenue

	Adopted Budget FY 11	Projected Budget FY 12	Projected Budget FY 13	Projected Budget FY 14	Projected Budget FY 15	Projected Budget FY 16
Beginning Fund Balance	\$94.5	\$112.9	\$104.8	\$84.3	\$37.0	-\$4.0
Revenues:						
Ad Valorem Taxes	174.6	172.3	174.9	184.4	197.5	212.6
Communications Services Tax	24.4	24.1	24.5	25.0	25.6	26.2
Other Revenues	46.9	48.8	50.9	52.9	54.3	55.8
Less: 5% of Revenues	(12.1)	(12.0)	(12.2)	(12.8)	(13.6)	(14.4)
Transfers In	<u>69.1</u>	<u>61.3</u>	<u>57.5</u>	<u>61.2</u>	<u>64.7</u>	<u>68.2</u>
Total Sources of Funds	\$397.3	\$407.4	\$400.3	\$395.1	\$365.5	\$344.4
Expenditures:						
Personal Services	129.9	132.5	133.2	136.9	140.8	144.7
Operating Expenses	46.6	47.9	49.1	50.9	53.9	57.1
Capital Equipment	0.0	0.0	0.0	0.0	0.1	0.1
Operating Impact of CIP	0.0	0.4	0.5	0.6	0.6	0.6
Capital Projects	0.1	0.1	0.1	0.1	0.1	0.1
Grants in Aid	1.4	1.4	1.4	1.4	1.4	1.5
Transfers to Constitutionals	111.2	115.4	119.9	125.1	130.9	138.0
Transfers	22.3	24.4	29.7	57.1	56.8	56.0
Reserves and Refunds	<u>85.8</u>	<u>86.4</u>	<u>85.4</u>	<u>85.9</u>	<u>86.3</u>	<u>86.9</u>
Total Uses of Funds	\$397.3	\$408.4	\$419.4	\$458.0	\$470.8	\$484.9
Surplus/(Deficit) - Cumulative	\$0.0	-\$1.0	-\$19.1	-\$62.9	-\$105.3	-\$140.5

Sensitivity 1: Unincorporated General Fund

CST revenue earmarked for Fire Rescue is not transferred back to Unincorporated Area General Fund



SENSITIVITY 2: UNINCORPORATED GENERAL FUND PROFORMA FY 11 - FY 16

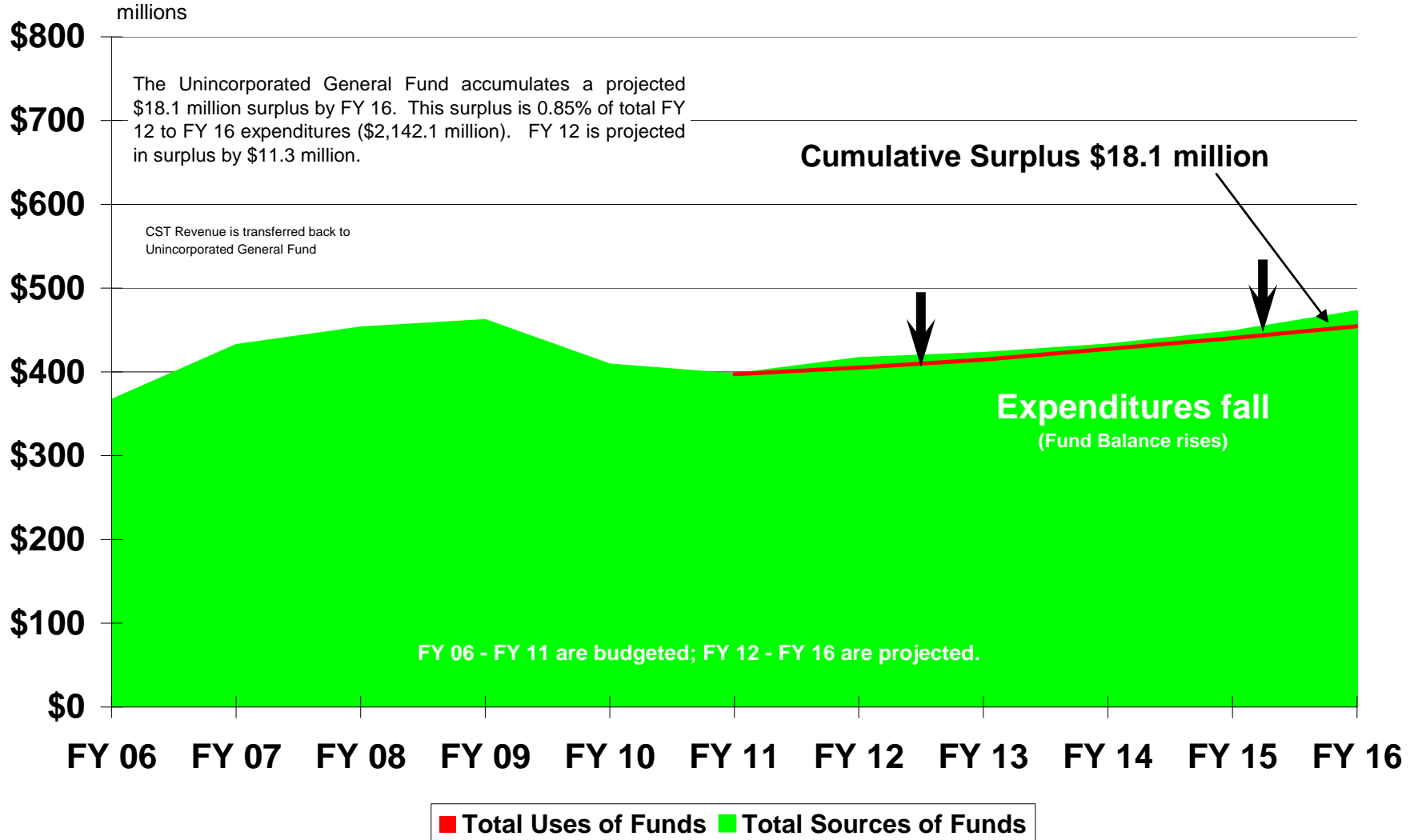
Expiring Fuel Taxes are renewed and/or General Revenues do not replace Fuel Tax Revenues

CST Revenue is transferred back to
Unincorporated General Fund

	Adopted Budget FY 11	Projected Budget FY 12	Projected Budget FY 13	Projected Budget FY 14	Projected Budget FY 15	Projected Budget FY 16
Beginning Fund Balance	\$94.5	\$112.9	\$117.9	\$112.6	\$110.2	\$114.4
Revenues:						
Ad Valorem Taxes	174.6	172.3	174.9	184.4	197.5	212.6
Communications Services Tax	24.4	24.1	24.5	25.0	25.6	26.2
Other Revenues	46.9	48.8	50.9	52.9	54.3	55.8
Less: 5% of Revenues	(12.1)	(12.0)	(12.2)	(12.8)	(13.6)	(14.4)
Transfers In	<u>69.1</u>	<u>70.3</u>	<u>66.7</u>	<u>70.6</u>	<u>74.3</u>	<u>78.1</u>
Total Sources of Funds	\$397.3	\$416.4	\$422.6	\$432.8	\$448.3	\$472.6
Expenditures:						
Personal Services	129.9	132.5	133.2	136.9	140.8	144.7
Operating Expenses	46.6	47.9	49.1	50.9	53.9	57.1
Capital Equipment	0.0	0.0	0.0	0.0	0.1	0.1
Operating Impact of CIP	0.0	0.4	0.5	0.6	0.6	0.6
Capital Projects	0.1	0.1	0.1	0.1	0.1	0.1
Grants in Aid	1.4	1.4	1.4	1.4	1.4	1.5
Transfers to Constitutionals	111.2	115.4	119.9	125.1	130.9	138.0
Transfers	22.3	21.2	24.9	26.7	26.4	25.6
Reserves and Refunds	<u>85.8</u>	<u>86.4</u>	<u>85.4</u>	<u>85.9</u>	<u>86.3</u>	<u>86.9</u>
Total Uses of Funds	\$397.3	\$405.1	\$414.6	\$427.6	\$440.4	\$454.5
Surplus/(Deficit) - Cumulative	\$0.0	\$11.3	\$8.1	\$5.2	\$8.0	\$18.1

Sensitivity 2: Unincorporated General Fund

Expiring Fuel Taxes are renewed and/or General Revenues do not replace Fuel Tax Revenues



Conclusion

The Pro Forma is constructed in accordance with data confirming moderating declines in home prices during 2010 and slowly accelerating economic growth in late 2010 and 2011. The 2010 home price declines will likely cause a decline in FY 12 property values that are not likely to be offset by renewed growth in other revenues. Tax reform is a continuing limiting factor.

FY 12 Countywide property tax revenue is forecast to drop 1.9% or \$7.1 million from FY 12. Unincorporated revenue is forecast to drop 1.3% or \$2.3 million. The estimated Countywide General Fund FY 12 deficit is \$18.6 million. The estimated Unincorporated Area General Fund FY 12 surplus is \$8.1 million. The Countywide General Fund FY 16 cumulative deficit of \$63.1 million is 1.96% of FY 12 to FY 16 expenditures.

The Unincorporated Area General Fund FY 16 deficit of \$91.9 million is 4.10% of FY 12 to FY 16 expenditures and is largely attributable to the replacement of expired local option fuel tax revenues, supporting the Transportation Trust Fund, with Unincorporated Area General Fund revenue. If general revenue does not replace these fuel taxes the Unincorporated Area General Fund would be in surplus for all years through FY 16. The FY 16 cumulative surplus would be \$18.1 million.

A decision to not transfer back to the Unincorporated Fund of the one and one-half points of the tax set aside for future Fire Rescue purposes would increase the FY 16 deficit \$48.6 million.

Preliminary spending cap data suggest the projected Countywide General Fund and Unincorporated General Fund would fall below the reduced spending cap through FY 13. The projected FY 14

Unincorporated General Fund may be above the reduced cap due to the replacement of expired fuel tax revenues with general revenues. Data revisions in late March will result in recalculated caps.

Both General Funds are very sensitive to the growth of taxable values. Uncertainty exists in the near term path of housing markets. Sensitivity analysis considered alternative possibilities that housing markets and the economy may perform worse or better than expected.

A greater than expected fall in FY 12 property values would adversely affect both General Funds. Continued high levels of foreclosures could also extend price declines into later 2011, possibly causing lower or negative growth for FY 13.

Any change in economic performance, state policy, board policy, or other unforeseen events could also result in dramatic changes in the funds' forecasted balances.

Uncertainty also prevails in the Florida Legislature which may enact additional tax reform measures or shift costs to local governments.

The factors discussed above and in the Sensitivity Analysis indicate the ongoing and significant impact from the decline in home values and the limitations of property tax reform. In that light, future expenditure commitments should be made with caution.

Appendix:
Model Assumptions
Ad Valorem Graphs
Pro Forma Detail
Operating Impact of CIP

Assumptions

The Economy

The primary forecast and accompanying sensitivity analysis reflect weak 2010 economic growth and expectations for stronger recovery in 2011 and 2012.

After weathering national fears of a double dip recession the economy emerged from a disappointing summer and fall to end 2010 with stronger consumer spending, rising home sales and a return of modest job growth. Many forecasters expected growth to slow in mid-2010 as business inventory restocking slowed, the federal fiscal stimulus faded from the high levels of 2009 and the federal homebuyers tax credit ended in April. National home sales and prices, which displayed signs of stabilizing during the last half of 2009, weakened in the fall. The slowdown in recovery hampered job growth and consumer and business confidence in autumn 2010. More positively, November and December economic data indicate a stronger finish to 2010.

National job growth returned in the fourth quarter after summer losses. Nationally, 1,124,000 jobs have been gained year-to-date in December. That is, however, only a fraction of the 8.4 million US jobs lost from December 2007 to December 2009. While businesses have been strongly investing in equipment and software, they have been reluctant to hire. Unemployment remains high and home prices weak, consequently, consumer confidence remains in historically low territory. Late 2010 improvements in job growth have, however, lifted both national and Florida consumer confidence from their summer dips.

Retail sales, consequently, continue to improve from the low levels of 2009. Year-ago retail sales growth stood above 8% in the spring. August sales were only 4.2% above a year ago as doubt regarding the recovery's resilience weighed on consumers. Summer sales growth slowed as overall economic growth slowed but by late 2010, consumers seem to feel the worst is over and are more willing to spend on delayed items. September posted a 7.7% gain, followed by 7.9%, 7.5% and 7.9% gains in October, November and December respectively, indicating a strong reacceleration in sales growth. Late 2010 data also indicate a reacceleration in manufacturing activity and, after languishing for much of 2010, services. The Bureau of Economic Analysis reports that US Gross Domestic Product (GDP) accelerated to 3.2% growth for the fourth quarter of 2010. The underlying details of the report indicated a strong increase in demand among both consumers and business.

As in the nation, both Florida and the Tampa Metropolitan Area posted modest annual job gains in late 2010 despite weakness in the summer. During December 2009 to December 2010 (not seasonally adjusted) Florida gained 43,700 jobs and Metro Tampa gained 1,800. November 2010 was the first

month since June 2007 that Metro Tampa jobs exceeded year-ago levels. During 2010 retail trade, leisure/hospitality services and professional services returned to positive job growth, gaining 1,200, 2,300 and 5,300 jobs respectively. Those industries joined education and health services (2,600 jobs) in gaining jobs. Job losses are still evident, however, in construction, -4,500, and manufacturing, -2,500. These losses are, however, at much lower rates than during the recession. The University of Central Florida forecasts modest job gains for Tampa Bay during 2011. More robust job growth is expected in late 2011 and 2012. As job losses have abated initial unemployment compensation claims in both Florida and Hillsborough County fell 11.5% during 2010.

Slow job growth has not been fast enough to significantly lower unemployment rates. Hillsborough County's December 2010 unemployment rate (not seasonally adjusted) is 11.6%, compared to 12.1% a year ago and 7.9% two years ago. US unemployment also remains high at 9.1% (not seasonally adjusted) for December 2010, under the previous December's rate of 9.7% and the peak rate of 10.6% for January 2010. Florida's December rate is also 11.6% (not seasonally adjusted).

Florida and Hillsborough consumer spending is reflecting national trends. April through December monthly data show Hillsborough County's taxable sales have risen on a year ago basis for the first time since February 2007. Hillsborough County taxable sales in December 2010 were up 4.6% compared to December 2009. Florida taxable sales rose 5.3%. Annual 2010 taxable sales were up 0.5% in Hillsborough and 1.7% in Florida. These are the first annual gains since 2006. Improving economic conditions in 2011 will support further gains in taxable sales.

While job markets, business investment, and consumer spending are beginning to improve, housing still lags. Greater Tampa Association of Realtors (GTAR) data show the expected affect of the April expiration of the federal homebuyers tax credit. After twenty-four consecutive months of annual gains in home sales, July through November existing home sales in Hillsborough declined compared to a year ago. June 2010 sales rose 16.6% over June 2009. October and November sales both fell about 20.3% compared to a year ago when the original first-time buyers tax credit was in effect. Sales did, however, exceed November 2008 levels. The tax credits also moved national sales forward as well. National November existing home sales were down 27.9%.

December housing data, however, suggest the aftereffects of the tax credit have run their course. GTAR reports December 2010 existing home sales rose 3.9% over the previous December. Hillsborough unsold inventory declined to

8.1 months from November's 10.9 months. National existing home sales improved to a 2.9% decline but the December monthly increase of 12.3% was the strongest since 1999. While these are improvements, sales are still at low levels historically and home prices finished 2010 below 2009 levels. High unemployment and tight credit are impediments to stronger housing demand.

Supported by the tax credit, home prices improved modestly, on a year-ago basis, in the first half of 2010, and for the first time since late 2007. The tax credit expiration caused not only sales to resume falling but contributed to resumed price declines as well. The other, and likely more important force driving prices down are foreclosures. Home Encounter reports that half of Hillsborough County home sales in October were either foreclosures or short sales. Furthermore, foreclosure sales sold at about half the prices of conventional sales.

The closely watched national 20-city S&P/Case-Shiller home price index fell 1.6% during November 2009 – November 2010. The Metro Tampa index fell 4.0%. Before the tax credit expiration the 20-city indexed had shown modest increases. Other home price sources reveal resumed price declines in later 2010. The Federal Housing Finance Agency third quarter 2010 data show a 12-month drop of 3.1% for the nation and a 3.6% drop for Metro Tampa. GTAR reports December 2010 Hillsborough average prices were 5.6% below December 2009. (Each measure of home price uses differing methodologies.)

National and Hillsborough County foreclosure activity declined in late 2010 due to lender moratoria related to "robosigning" problems. Once this problem is concluded foreclosures are likely to resume and continue downward pressure on prices in 2011. Job growth will be a boost to housing but may not offset the impact of foreclosures.

Commercial real estate has been a cause for concern but has weathered the recession better than many expected. Market reports indicate growing market stabilization in late 2010. The University of Florida's Survey of Emerging Market Conditions reports a positive investment outlook in Florida and Metro Tampa for 2011. Commercial real estate may serve as a support to taxable values for FY 13.

As various indicators point to renewed growth, Economy.com now expects about 4.0% GDP growth for the 2011 and 2012. Congress's December extension of tax cuts and jobless benefits will add about one percentage point to 2011 growth according to Economy.com. The Fed has also indicated its willingness to support growth by keeping interest rates low well into 2011. Economy.com expects rising job growth to push unemployment rates down in 2011 and 2012 which will also support housing and consumer markets. Hillsborough County economic growth will find a sounder footing in 2011 as

well. High joblessness and weak housing markets are downside risks to these forecasts.

Taxable Property Values

Property tax revenue fell further for FY 11 due to rapid decline in housing values during 2009. Countywide taxable value fell 11.33% for FY 11. Countywide property tax revenue fell \$47.7 million and Unincorporated revenue fell \$20.6 million as a result of declining values.

Reflecting weak economic recovery in 2010 and the resumption of home price declines in Hillsborough County and Metro Tampa during the last half of 2010, the baseline Pro Forma scenario assumes taxable property values declined during 2010 (January 1, 2011 values for FY 12). Taxable values have declined since 2008. This is in contrast to rapid growth that reflected booming housing markets. During 1997-2007 Countywide taxable values increased by an average annual rate of 11.7%. Unincorporated Area taxable values increased 12.4% annually.

Property valuation projections have been combined with the requirements of tax reform in order to forecast ad valorem revenues through FY 16. Prior to FY 08 future Pro Forma millage rates were not changed in the model without current policy direction to do so. The legislative rollback provisions now require the County to limit millage to the Maximum Millage Rate (which can be adopted by simple majority). This rate is the rolled-back rate adjusted by the previous year's rate of increase in Florida Per Capita Income (FPCPI). A rollback reduces millage rates to a level that only collects the previous year's property taxes on currently existing property (i.e. no additional revenue is collected due to assessment increases). The rollback rate reflects the prior year's Maximum Millage Rate adjusted upward by FPCPI and is then applied to previously existing property and to new construction. Property tax revenue growth is limited to income growth and new construction (as a proxy for population growth).

The December State Revenue Estimating Conference (REC) forecasted Countywide taxable value will decline 1.3% for FY 12 (2011 values), followed by low growth of 1.9% for FY 13 and accelerating to 7.0% by FY 16. The Business and Support Services Department examined the current property tax roll and various measures of home prices to test the REC forecast and recognizes that the decline for FY 12 will likely prove worse than the REC forecasted given the declines in market values. Further discussion of taxable values occurs on pages 5 and 6 of the Analysis section and alternate scenarios are considered in the Sensitivity Analysis section (see page 13).

Transfers to the General Funds

Transfers of revenues from other funds primarily reflect Half-cent Sales Tax revenue and State Revenue Sharing. These revenues are transferred to the

General Funds after meeting debt service requirements for bond issues against which they are pledged and any other budgeted transfers. The easing of financial troubles and job losses and the beginning of economic recovery have encouraged consumer spending, especially in late 2010. The current Business and Support Services FY 11 forecast, based on statewide REC projections, estimates a 3.9% increase in Half-cent Sales Tax revenue compared to FY 10. FY 11 should benefit from stronger consumer spending as economic growth and job growth accelerate in 2011. Half-cent Sales tax revenue is forecast to rise 6.9% for FY 12, followed by a more robust recovery with 7.6% growth for FY 13. The Pro Forma incorporates about average growth of 5.75% in Half-cent Sales Tax revenues for FY 15 and FY 16.

A number of one-time transfers into the General Funds occurred in FY 10 or FY 11. Many facilitated debt defeasance. These do not continue after FY 11.

Communications Services Tax

The Local Communications Services Tax increased, effective January 1, 2004, to 4.0% raising about \$24 million in revenue annually. This is an Unincorporated Area General Fund revenue. One and one-half points of the 4% tax or 37.5% of the tax's revenue has been earmarked for future Fire Rescue purposes. This earmarked revenue is transferred from the Unincorporated Area General Fund to the Unincorporated Area Construction Fund. (For FY 08 and FY 09 only one-half point was set aside in order to offset some of the initial impact of tax reform.) The earmarked CST revenue is transferred back into the Unincorporated Area General Fund for Fire Rescue operating purposes for FY 11. This Pro Forma continues that practice during the forecast period, FY 12 – FY 16. As an alternate scenario transferring none of the earmarked revenue back to the Unincorporated Fund is considered in the Sensitivity Analysis section (see page 13).

Rapid technological change in the communications industries further complicates forecasting of this revenue. The industry is subject to much price competition, consolidation and technological convergence which may materially restrain growth in this revenue. After a flat performance for FY 12, revenues are modeled at about 1.5% to 2.5% growth annually during FY 13 through FY 16. This reflects REC forecasts.

Local Option Fuel Taxes

Local Option Fuel taxes are not directly related to the two General Funds and have not been substantive factors in previous Pro Formas. The 9th-cent Fuel Tax and the 6-cents Local Option Fuel Taxes are, however, relevant to this year's Unincorporated Area General Fund Pro Forma. The 9th-cent tax is scheduled to expire on December 31, 2011 and the 6-cents tax is due to expire on August 31, 2013. The Pro Forma does not assume that the Transportation

Trust Fund expenditures supported by these expiring fuel taxes cease. As the fuel taxes expire the Pro Forma models the Unincorporated Fund replacing those lost revenues with a transfer of general revenue to the Transportation Trust Fund. As an alternate scenario replacing none of the expired revenue is considered in the Sensitivity Analysis section (see page 13).

Other Revenues

The Federal Reserve has continued aggressive action to support economic growth. The Fed's key Federal Funds Rate target has been reduced to 0.0% to 0.25%. This action restrains interest earnings to low returns. Rates are assumed to remain low through FY 11 before rising slowly in early FY 12. This will likely translate to rising interest earnings after 2011.

The return of unused or residual revenues to the General Funds by Constitutional Officers is modeled to more closely reflect higher rates of recent years for FY 12 and FY 13. Residual rates are modeled to gradually decline thereafter.

The County's share (estimated \$2 million annually) of prospective revenues from the Seminole Gaming Compact is not factored in this Pro Forma.

Fund Balance

Fund balance calculations reflect anticipated actual revenue and expenditure rates. These are based on recent historical patterns and are imbedded within the model. In essence, they adjust for the fact that expenditures typically fall short of the budgetary "ceiling" and some revenues exceed conservative budget estimates.

Expenditures

Many County revenues and expenditures have a relationship to inflation and population growth. Indeed, some revenues and expenditures may be forecast by applying the inflation and/or population growth rates. In general, inflation is assumed to remain relatively low and is modeled at the 10-year average annual rate which has recently been 2.5% to 2.6%.

Recent expenditure growth has been constrained by the loss of revenue due to Property Tax Reform and recession. Expenditure growth is assumed to be constrained for FY 12 and FY 13. (No assumption is made regarding the unknown impacts of FY 11 transition plans.) Expenditure growth rates are likely to rise in later years more closely reflecting historical patterns. Population growth slowed in 2007 and 2008 and turned negative for 2009. The University of Florida reported growth of 7,680 for 2010 and projects average annual growth of 16,400 for 2011-2015 and 20,900 for 2015-2020.

Staffing costs are primarily reflected in this model in three areas: Personal Services, transfers to Constitutional Officers and the staffing associated with the operation and/or maintenance of funded capital improvement projects which is reflected in a separate line, Operating Impact of CIP.

The increase in transfer of funds to Constitutional Officers reflected in this model assumes the constrained increases of FY 08 through FY 11 will continue for FY 12. Constitutional transfers for FY 13 through FY 16 are modeled to rise, progressively, at rates more closely reflecting historical patterns. A direct adjustment to transfers to Constitutional Officers in the Unincorporated Area General Fund has been made to include new deputies and equipment needed to meet the Board's FY 99 commitment to maintain a ratio of 1.7 deputies per 1,000 unincorporated population. The Sheriff has indicated that his office will not seek to increase deputies on the basis of that ratio for FY 10 and FY 11. The Pro Forma does include additional deputies for FY 12 to FY 16.

The operating impact of the CIP has been limited by the prior cancellation or deferral of some capital projects. The Pro Forma does include the FY 12 to FY 16 impact of remaining projects. The opening of Jail Phases VI and VII(A) are now beyond FY 16 and, therefore, not included in this Pro Forma. Previously estimated operating costs for the expansions were \$23.0 million annually. A past study of jail costs indicated that the cost to add a new inmate above designed capacity is about \$16,000 annually. Recent reports indicate the 2009 average daily jail population was 3,461, well below rated capacity of 4,190. Modeling a return to the 1997-2009 average incarceration rate per 1,000 county population (3.46) by FY 16 would result in above capacity usage in FY 15 and FY 16. For those years the Pro Forma models \$1.3 million and \$2.9 million in over capacity costs respectively. These costs are included in Transfers to Constitutional Officers in the Countywide General Fund.

In May 2001 the Board adopted a further staffing ratio for code enforcement officers. This standard calls for 1 code enforcement officer per 18,000 unincorporated population. The Unincorporated Area General Fund Pro Forma adds one code additional enforcement officer in FY 13, FY 15 and FY 16.

Personal Services expenditure is modeled in accordance with Civil Service rules and Board approved policy. Pro Forms previous to FY 06 modeled these increases at 7.0%. The FY 07 Pro Forma modeled 5% increases and the FY 08 Pro Forma modeled 3.5%. Following Adopted FY 10 and FY 11 practice, pay increases for FY 12 and FY 13 are modeled at 0%. Pay increases for FY 14 to FY 16 are modeled at 2.5% (about the long run average annual rate of inflation). Cost savings from turnover and vacancy are captured by applying actual historical spending rates which are consistently below budget.

Other future changes in Florida Retirement System (FRS) contributions or benefit structure, state budgetary priorities, impacts from future collective bargaining agreements, or employee health insurance adjustments could adversely affect future budgets. FY 12 projected personnel costs include an 11.4% increase in state retirement costs (see Sensitivity Analysis, page 16 for an assumption of no increase). FRS costs are modeled to rise in conjunction with overall pay increases during FY 14 – FY 16. Health care costs are modeled to rise 4.9% annually for FY 12 and FY 13. This reflects the 2004 – 2010 average annual increase in the Bureau of Labor Statistics Cost of Compensation data for health care costs paid by state and local governments. For FY 14 to FY 16 health care costs are modeled to rise 6.6% annually, more reflective of rates of increase prevailing before the 2008-2009 recession.

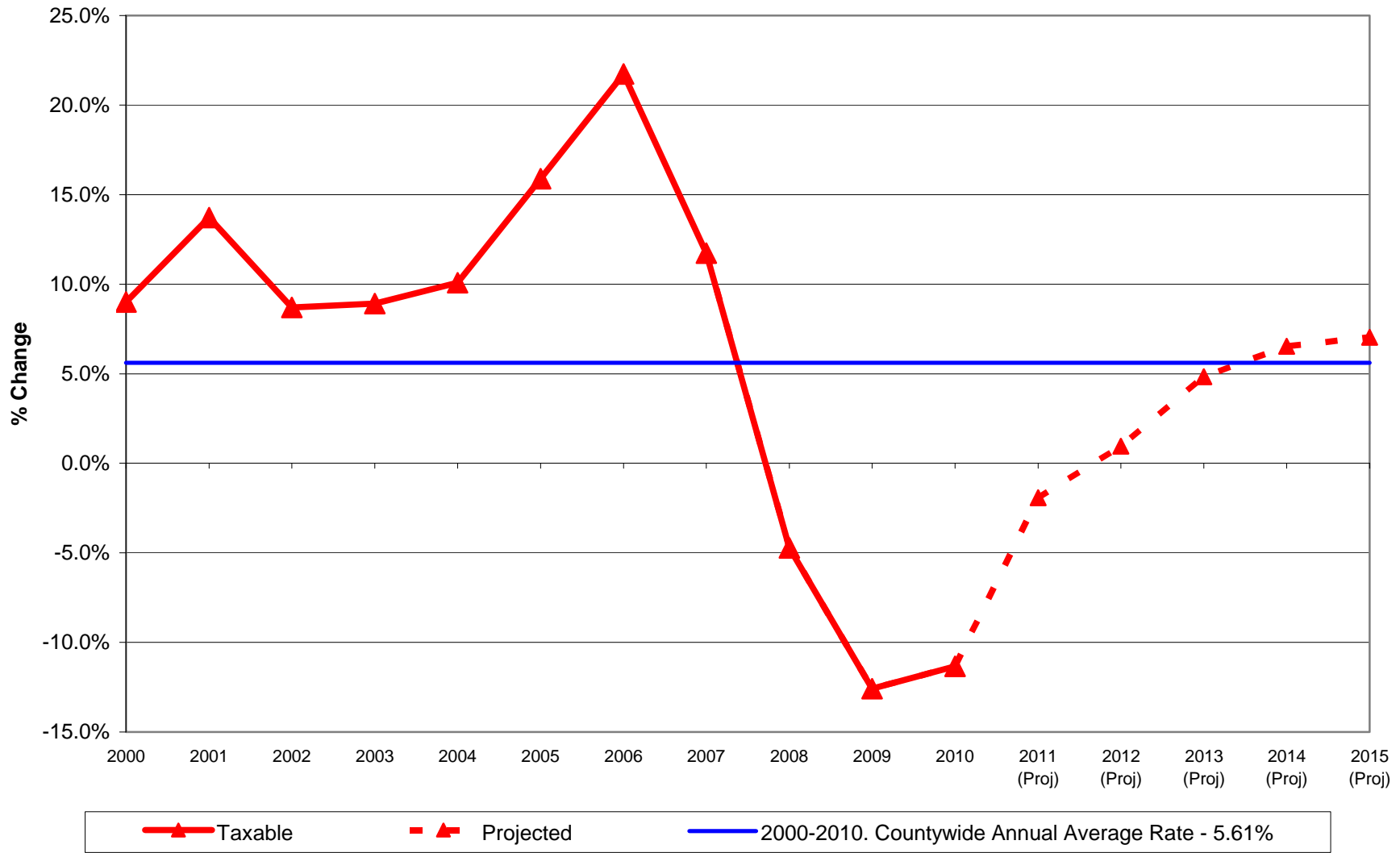
As the Pro Forma reflects staffing increases relating only to the operation and/or maintenance of funded capital improvement projects and those relating to adopted Board policy (such as the commitment to maintain a ratio of 1.7 deputies per 1,000 population), service levels may be expected to gradually decline as population rises.

Transfers from Unincorporated General Fund to other funds include ongoing commitments to transportation projects. The Unincorporated General Fund's operating and maintenance subsidy transfer to the Transportation Trust Fund also continues and, after one time adjustments for non-designated Trust Fund and fuel tax reserves for FY 12 only, grows proportionately with other operating and personal services expenditures. A further operating transfer of \$7.15 million to the Transportation Trust Fund occurs each year, FY 12 – FY 16.

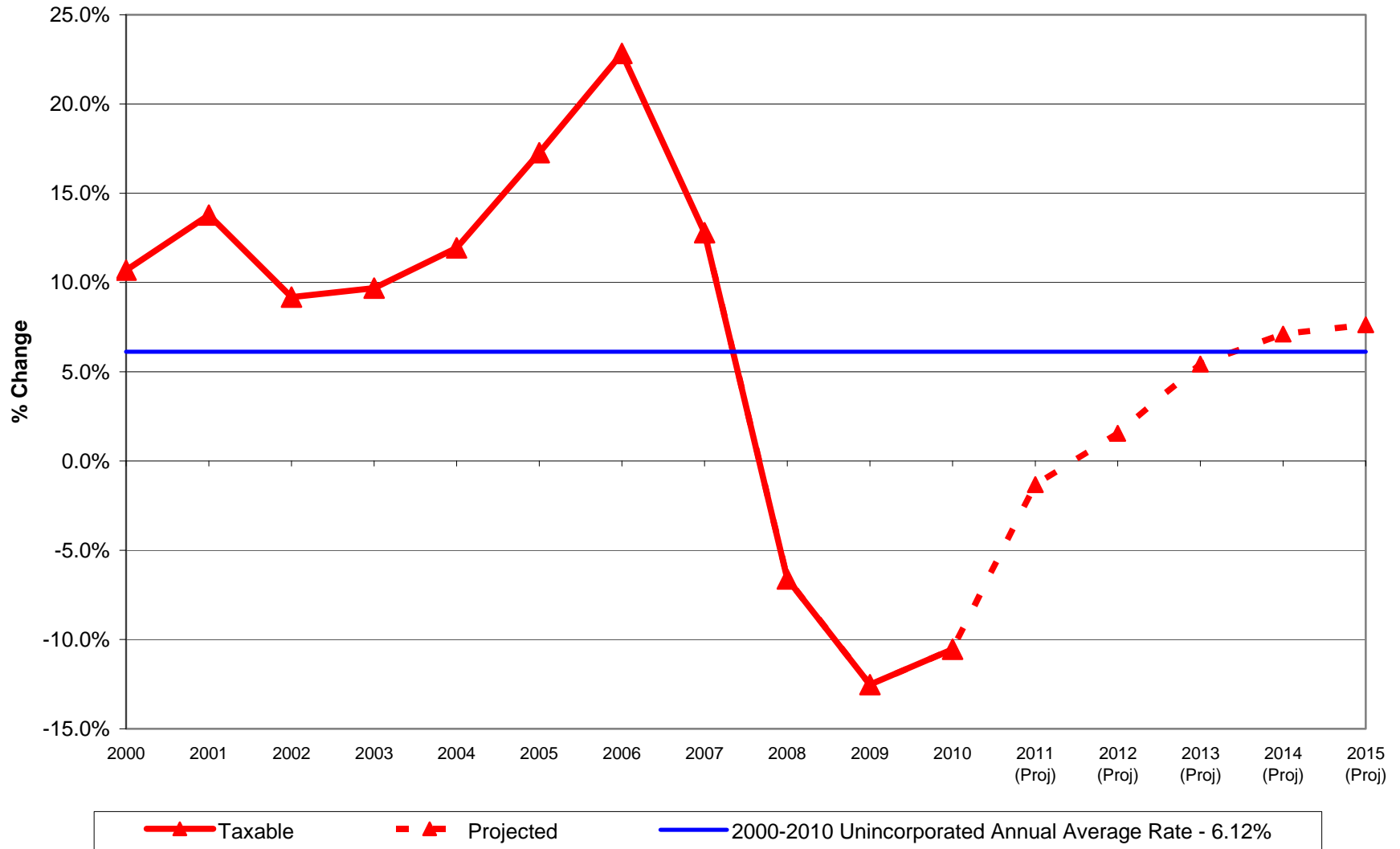
Ad valorem revenue transfers from the Countywide General Fund to the Countywide Construction Fund fell from \$34.0 million in FY 09 to \$21,807 in FY 10 and to zero thereafter. Transfers from the Unincorporated Area General Fund are reduced from \$12 million in FY 09 to zero for FY 10 and 650,420 for FY 11. Transfers of \$1.9 million for both FY 12 and FY 13, \$3.3 million for FY 14, and \$1.4 million for FY 15 are included for planned Fire Rescue projects. The FY 10 reductions primarily reflect the ending of one-time FY 09 transfers for Economic Development Initiatives, the BOCC Financial System Replacement, and the Affordable Housing Task Force Program. One percent of tax revenues from the General Funds are transferred to the Major Maintenance and Repair Funds. (See page 7 regarding partial pre-payment for FY 12 through FY 14.) Other transfers from the General Funds are modeled to grow at rates commensurate with personal services and operating expenses.

Reserves are modeled per Board policies.

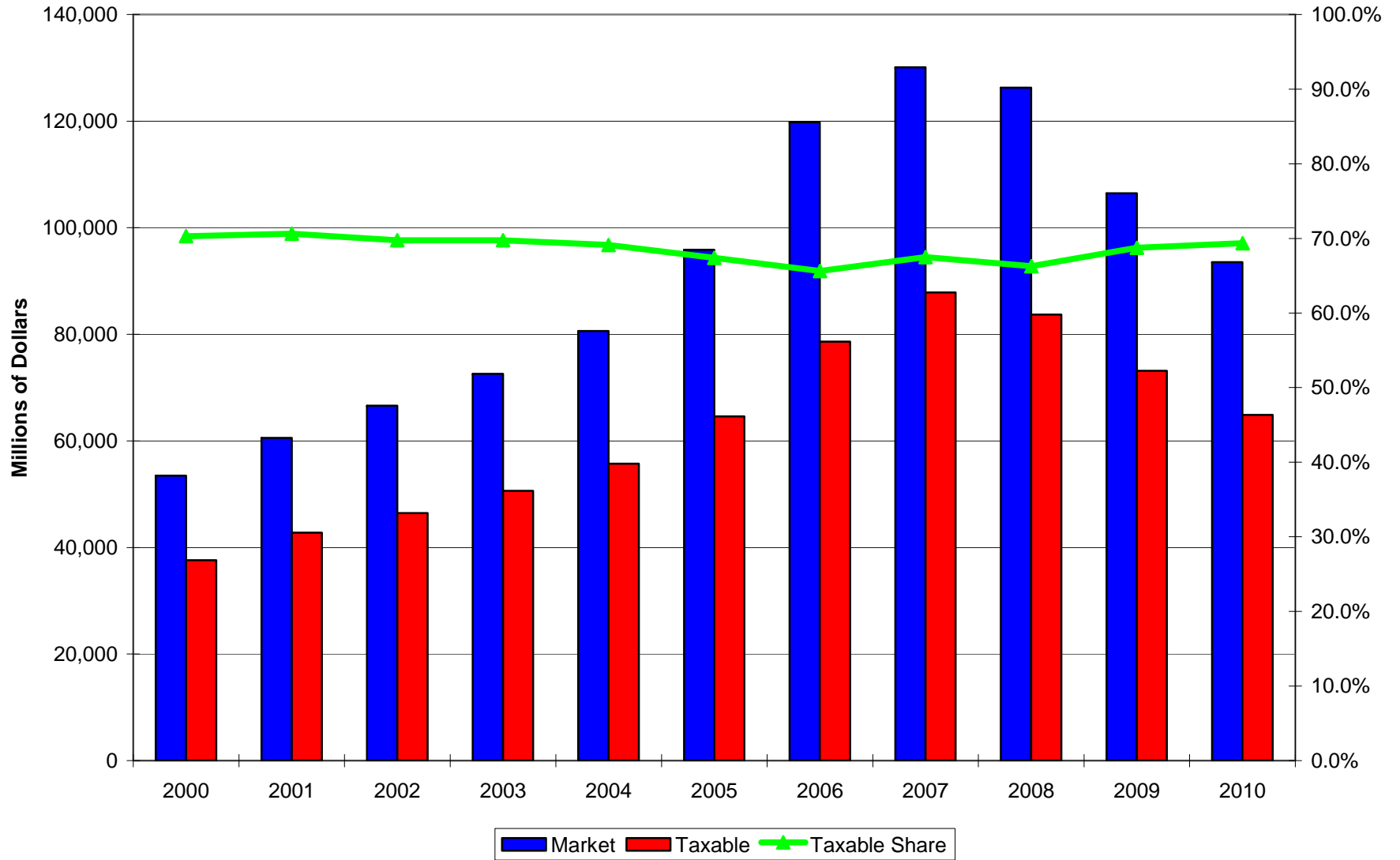
Countywide Taxable Property Values Growth



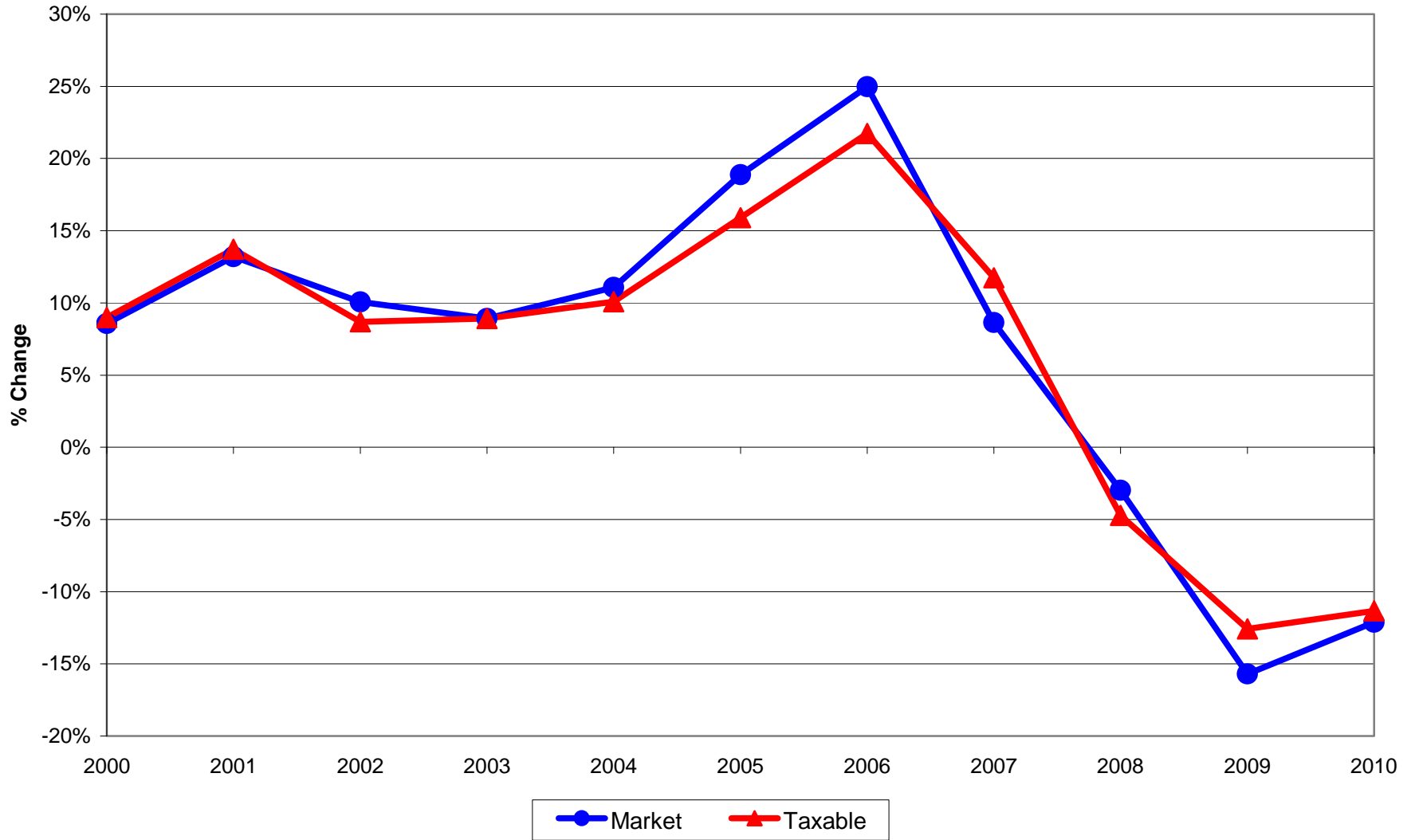
Unincorporated Taxable Property Values Growth



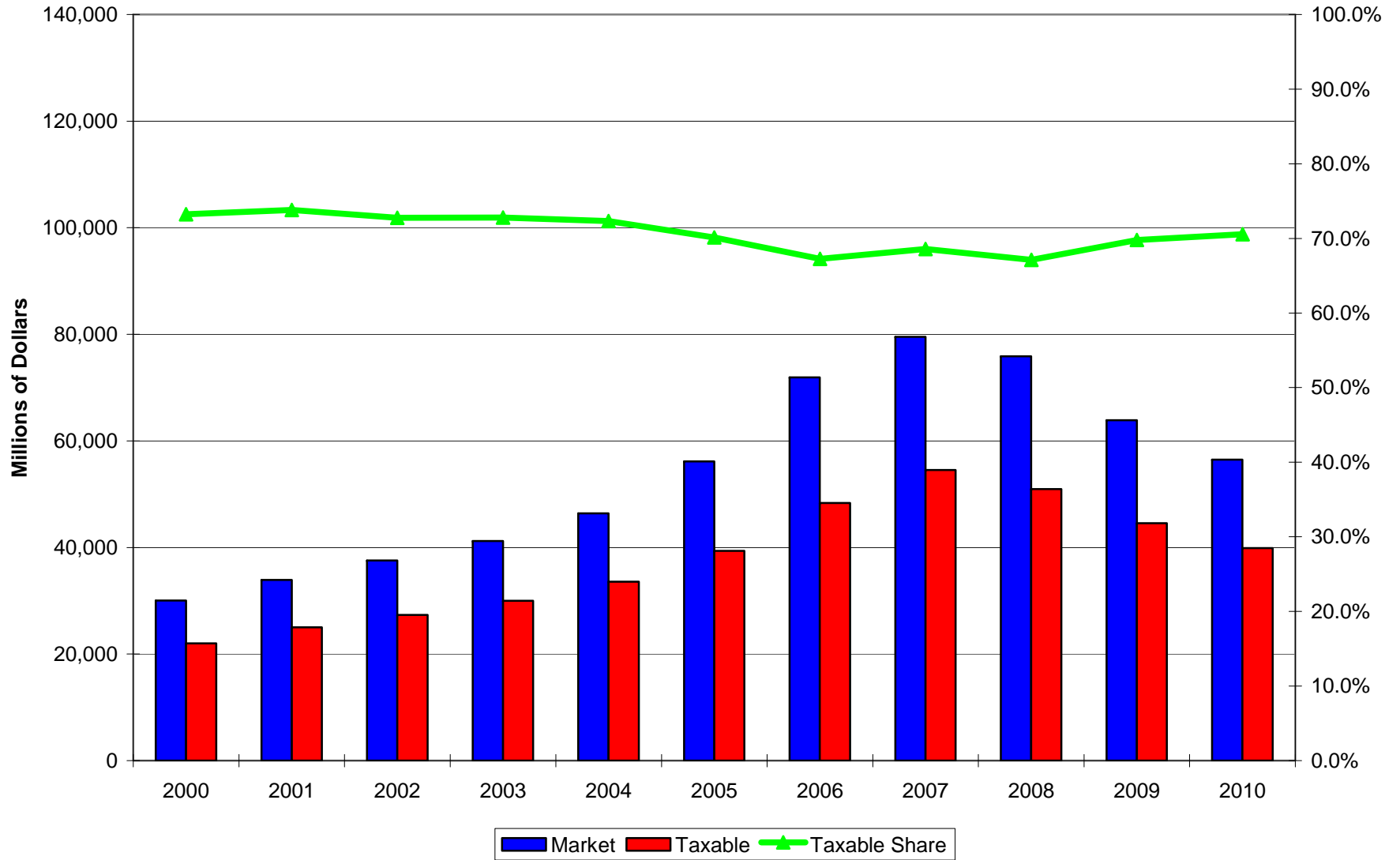
Countywide Property Values



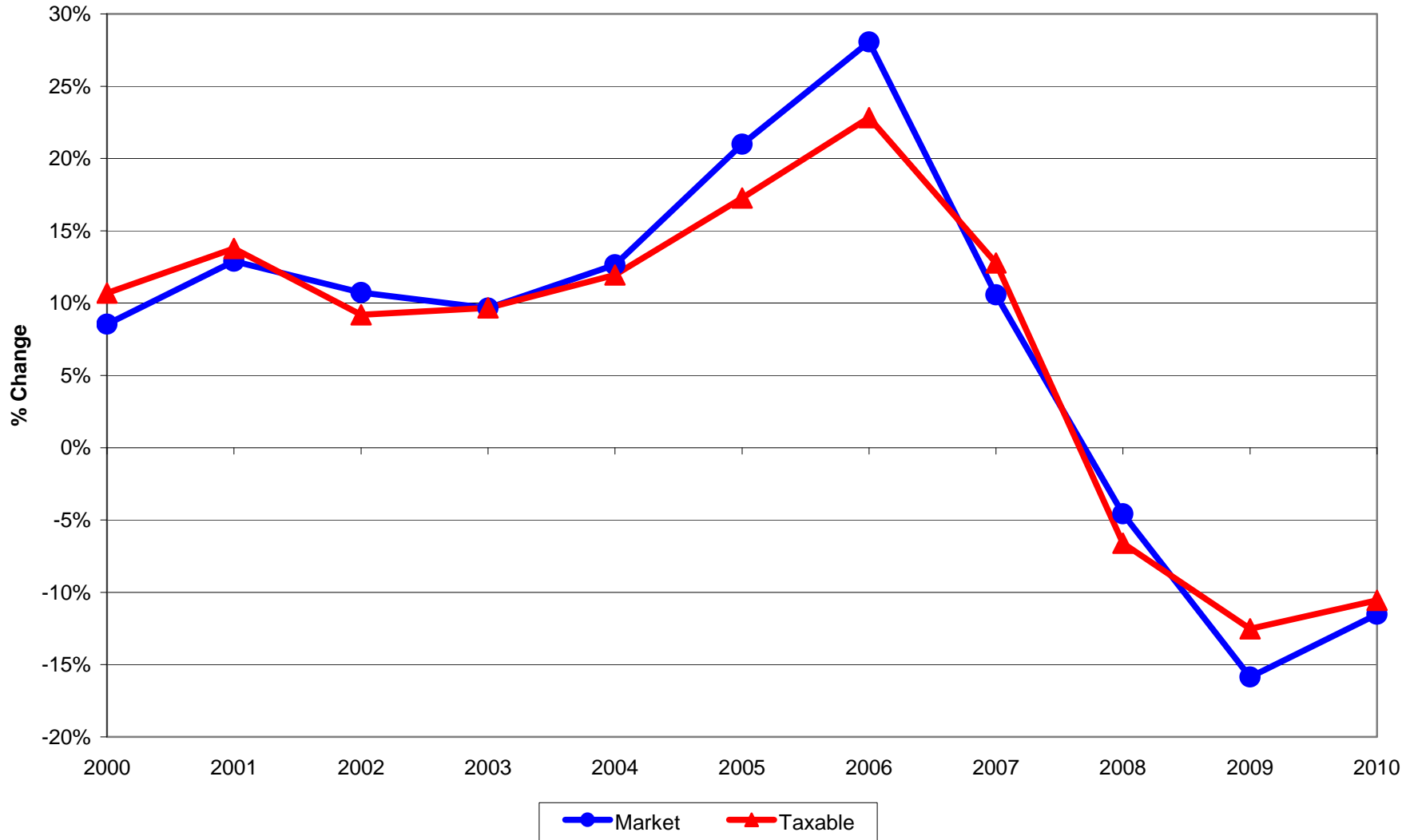
Countywide Property Values Growth



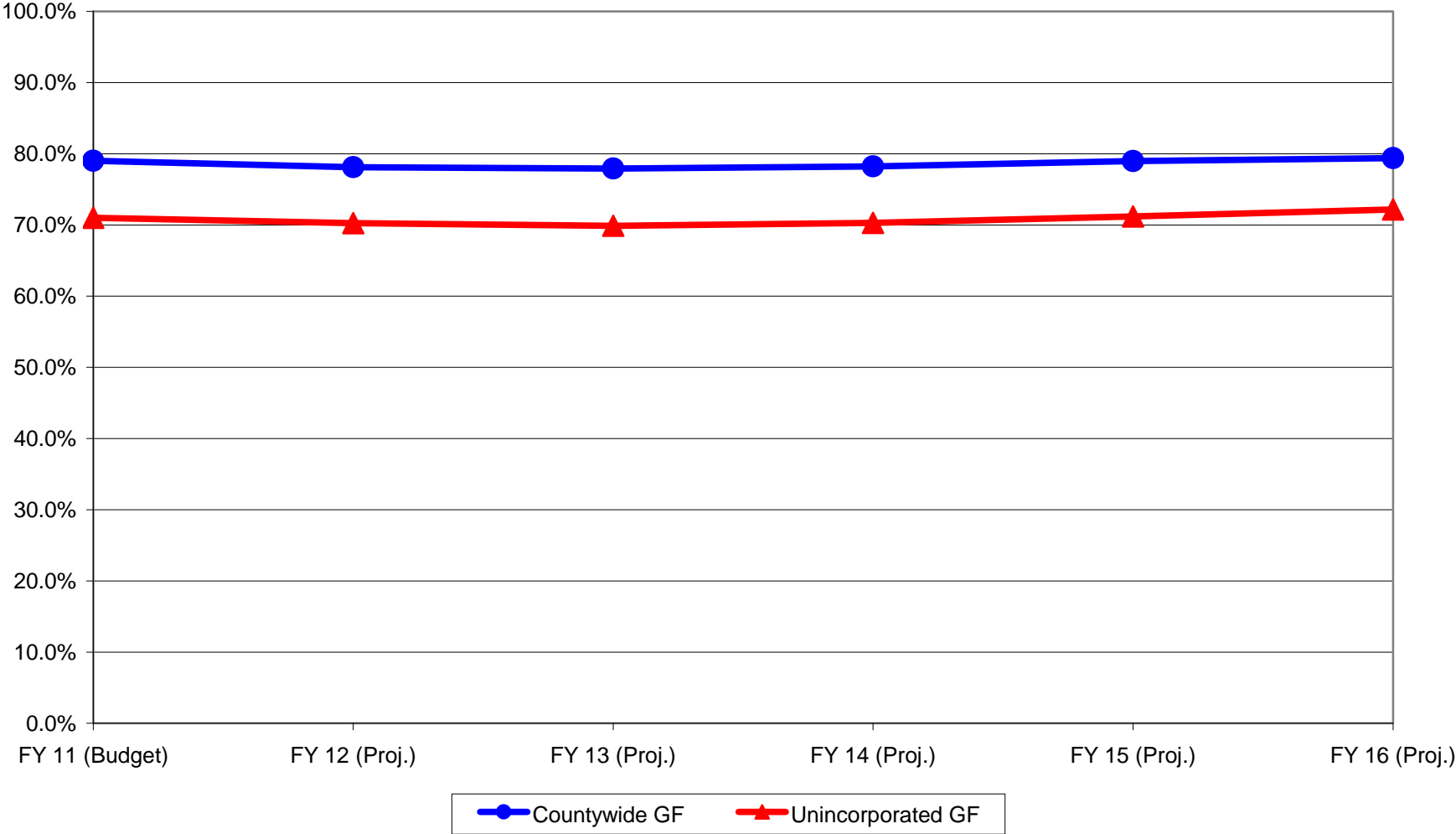
Unincorporated Property Values



Unincorporated Property Values Growth



Ad Valorem Revenue's Share of All Fund Revenues (excluding Transfers In)



COUNTYWIDE GENERAL FUND PROFORMA FY 11 - FY 16

	Adopted Budget FY 11	Projected Yearend FY 11	Projected Budget FY 12	Projected Yearend FY 12	Projected Budget FY 13	Projected Yearend FY 13	Projected Budget FY 14	Projected Yearend FY 14	Projected Budget FY 15	Projected Yearend FY 15	Projected Budget FY 16
Ad Valorem Tax	\$372,401,800	\$355,643,719	\$365,269,313	\$350,877,702	\$368,773,279	\$354,243,612	\$386,608,569	\$371,376,192	\$411,848,413	\$395,621,585	\$440,822,432
Delinquent Ad Valorem	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
Federal & State Grants	5,074,187	5,238,083	5,424,620	5,599,836	5,834,189	6,022,634	6,235,564	6,436,973	6,594,109	6,807,098	6,973,270
Parimutuel Tax	446,500	\$446,500	446,500	446,500	446,500	446,500	446,500	446,500	446,500	446,500	446,500
Local Business Tax	1,596,273	1,726,369	1,628,198	1,760,897	1,660,762	1,796,115	1,693,978	1,832,037	1,727,857	1,868,678	1,762,414
License/Permit Revenue	545,073	589,496	555,974	601,286	567,094	613,312	578,436	625,578	590,005	638,090	601,805
Charges for Services	59,049,509	61,629,973	62,708,582	65,448,947	64,339,005	67,150,620	66,011,820	68,896,536	69,048,363	72,065,777	72,224,588
Fines and Forfeits	81,892	136,833	84,021	140,391	86,206	144,041	88,447	147,786	90,747	151,629	93,106
Other Revenues	8,947,349	8,947,349	7,899,412	7,899,412	8,037,652	8,037,652	8,178,311	8,178,311	8,321,431	8,321,431	8,467,056
Less: 5% of Budget	-22,600,296	0	-22,270,831	0	-22,557,234	0	-23,562,081	0	-25,003,371	0	-26,639,559
Transfers	38,405,151	40,306,206	30,778,080	35,994,965	33,127,956	38,743,144	35,324,273	45,310,107	37,286,254	43,606,274	39,361,010
Other Non-Revenue	23,420,000	30,629,999	23,861,069	31,206,854	23,914,562	30,276,236	24,751,363	31,335,639	23,105,675	31,756,828	24,106,658
Beginning Fund Balance	<u>112,585,000</u>	<u>113,774,053</u>	<u>114,105,547</u>	<u>111,105,547</u>	<u>97,118,513</u>	<u>94,118,513</u>	<u>76,296,033</u>	<u>73,296,033</u>	<u>64,125,823</u>	<u>61,125,823</u>	<u>55,045,096</u>
Total Sources of Funds	\$601,352,438	\$620,468,581	\$591,890,487	\$612,482,337	\$582,748,485	\$602,992,378	\$584,051,211	\$609,281,692	\$599,581,805	\$623,809,713	\$624,664,376
Personal Services	90,676,427	88,092,149	91,973,920	89,352,663	92,400,036	89,766,635	94,929,697	92,224,200	97,528,613	94,749,047	100,198,680
Operating Expenses	39,858,678	34,218,675	40,895,004	35,108,361	41,958,274	36,021,178	43,468,772	37,317,940	45,503,110	39,064,420	47,632,656
Capital Equipment	604,830	137,780	620,556	141,363	636,690	145,038	663,367	151,115	691,162	157,447	720,122
Operating Impact of CIP	0	0	918,964	892,774	1,993,180	1,936,375	2,571,201	2,497,922	2,641,594	2,566,308	2,713,913
Capital Projects	300,473	389,653	300,473	389,653	300,473	389,653	300,473	389,653	300,473	389,653	300,473
Grants & Aids	26,116,306	25,549,582	27,328,330	26,735,305	28,038,867	27,430,423	29,059,481	28,428,891	30,117,246	29,463,702	31,213,514
Transfers to Constitutionals	319,228,753	322,421,041	325,240,791	328,493,199	333,071,900	336,402,619	344,726,502	348,173,767	359,341,759	362,935,176	374,909,139
Transfers	32,231,951	37,630,803	31,117,758	36,329,982	31,430,783	36,695,439	32,597,850	38,057,990	35,562,227	41,518,900	37,160,001
Reserves and Refunds	<u>92,335,020</u>	<u>923,350</u>	<u>92,052,404</u>	<u>920,524</u>	<u>90,898,566</u>	<u>908,986</u>	<u>91,438,998</u>	<u>914,390</u>	<u>91,996,208</u>	<u>919,962</u>	<u>92,899,937</u>
Total Uses of Funds	\$601,352,438	\$509,363,033	\$610,448,199	\$518,363,823	\$620,728,768	\$529,696,345	\$639,756,341	\$548,155,868	\$663,682,392	\$571,764,616	\$687,748,436
Surplus/(Shortfall) of Sources Less Uses:											
Excluding Fund Balance	0	111,105,547	-18,557,713	-16,987,034	-19,422,571	90,283,067	-36,282,559	-29,157,244	-27,818,028	81,202,340	-35,266,032
Including Fund Balance	0	111,105,547	-18,557,712	94,118,513	-37,980,283	73,296,033	-55,705,129	61,125,823	-64,100,587	52,045,096	-63,084,060
Sources (excluding Fund Bal.)	488,767,438	506,694,528	477,784,939	501,376,789	485,629,971	508,873,865	507,755,178	535,985,659	535,455,982	562,683,889	569,619,280
Uses (excluding Reserves)	509,017,418	508,439,683	518,395,794	517,443,299	529,830,202	528,787,360	548,317,343	547,241,478	571,686,184	570,844,654	594,848,499
Current Surplus/(Shortfall)	-20,249,980	-1,745,155	-40,610,855	-16,066,510	-44,200,231	-19,913,495	-40,562,164	-11,255,820	-36,230,202	-8,160,765	-25,229,219

COUNTYWIDE GENERAL FUND ASSUMPTIONS

Revenue Growth Rate Assumptions, by Year:

RATE, BY YEAR:	Ad Valorem Tax Base (Budget)	State & Federal Grants (Budget)	License Revenue (Budget)	Charges for Services (Budget)	Fines and Forfeitures (Budget)	Transfers (Budget)	Other Revenue (Annual Rate)
FY 12	-1.92%	6.91%	2.00%	2.60%	2.60%	-19.86%	1.75%
FY 13	0.96%	7.55%	2.00%	2.60%	2.60%	7.63%	1.75%
FY 14	4.84%	6.88%	2.00%	2.60%	2.60%	6.63%	1.75%
FY 15	6.53%	5.75%	2.00%	4.60%	2.60%	5.55%	1.75%
FY 16	7.04%	5.75%	2.00%	4.60%	2.60%	5.56%	1.75%
Actuals = %:	96.06%	103.23%	108.15%	104.37%	167.09%	116.95%	100.00%

Expenditure Growth Rate Assumptions, by Year:

RATE, BY YEAR:	Personal Services (Budget)	Operating Expenses (Budget)	Capital Equipment (Budget)	Capital Projects (Budget)	Grants & Aid (Budget)	Transfers to Constitutionals (Budget)	Transfers (80% P.S.. 20% O.E.) (Budget)	Reserves (Budget)	Operating Impact of CIP (Budget)
FY 12	1.43%	2.60%	2.60%	0.00%	2.60%	1.88%	1.66%	0.00%	See personal services assumptions
FY 13	0.46%	2.60%	2.60%	0.00%	2.60%	2.41%	0.89%	0.00%	
FY 14	2.74%	3.60%	4.19%	0.00%	3.64%	3.50%	2.91%	0.00%	
FY 15	2.74%	4.68%	4.19%	0.00%	3.64%	4.24%	3.13%	0.00%	
FY 16	2.74%	4.68%	4.19%	0.00%	3.64%	4.33%	3.13%	0.00%	
Actuals = %:	97.15%	85.85%	22.78%	129.68%	97.83%	101.00%	116.75%	1.00%	97.15%

UNINCORPORATED GENERAL FUND PROFORMA FY 11 - FY 16

	Adopted Budget FY 11	Projected Yearend FY 11	Projected Budget FY 12	Projected Yearend FY 12	Projected Budget FY 13	Projected Yearend FY 13	Projected Budget FY 14	Projected Yearend FY 14	Projected Budget FY 15	Projected Yearend FY 15	Projected Budget FY 16
Ad Valorem Tax	\$174,377,411	\$166,861,745	\$172,066,445	\$165,510,714	\$174,732,242	\$168,074,943	\$184,213,883	\$177,195,334	\$197,327,198	\$189,809,031	\$212,373,628
Delinquent Ad Valorem	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Federal & State Grants	13,314,521	13,447,666	14,234,048	14,376,388	15,308,745	15,461,833	16,361,940	16,525,560	17,302,752	17,475,780	18,297,660
Licenses and Permits	44,692	45,139	45,854	46,313	47,046	47,517	48,269	48,752	49,524	50,020	50,812
Communications Services Tax	\$24,376,156	24,050,820	24,098,441	24,580,409	24,503,294	24,993,360	25,015,658	25,515,971	25,603,526	26,115,597	26,246,175
Charges for Services	20,240,519	20,442,924	20,766,772	20,974,440	21,306,709	21,519,776	21,860,683	22,079,290	22,429,061	22,653,351	23,012,216
Fines and Forfeits	3,738,286	5,233,600	3,835,481	5,369,674	3,935,204	5,509,286	4,037,519	5,652,527	4,142,495	5,799,493	4,250,200
Other Revenues	3,662,389	4,421,236	3,757,611	4,536,188	3,855,309	4,654,129	3,955,547	4,775,136	4,058,391	4,899,290	4,163,909
Less: 5% of Budget	-12,141,479	0	-11,950,233	0	-12,194,427	0	-12,784,675	0	-13,555,647	0	-14,429,730
Transfers	69,113,554	70,862,127	70,328,639	73,162,884	66,651,999	69,338,074	70,592,598	73,437,480	74,254,307	77,246,755	78,090,953
Other Non-Revenue	5,935,000	14,753,977	6,155,836	15,302,960	6,397,407	15,291,815	6,674,128	15,315,133	6,329,299	15,358,040	5,981,724
Beginning Fund Balance	<u>94,474,000</u>	<u>99,296,076</u>	<u>112,904,595</u>	<u>110,904,595</u>	<u>114,164,741</u>	<u>112,164,741</u>	<u>103,258,833</u>	<u>101,258,833</u>	<u>65,716,450</u>	<u>63,716,450</u>	<u>34,744,231</u>
Total Sources of Funds	\$397,335,049	\$419,615,310	\$416,443,491	\$434,964,565	\$418,908,268	\$437,255,473	\$423,434,384	\$442,004,017	\$403,857,356	\$423,323,807	\$392,981,778
Personal Services	129,943,653	126,915,966	132,472,494	129,836,291	133,207,014	130,556,194	136,895,934	134,171,705	140,766,178	137,964,931	144,745,793
Operating Expenses	46,602,355	44,537,871	47,872,792	45,752,028	49,117,485	46,941,580	50,885,714	48,631,477	53,893,060	51,505,597	57,078,140
Capital Equipment	45,456	45,456	46,638	9,328	47,850	9,570	49,095	9,819	50,371	10,074	51,681
Operating Impact of CIP	0	0	352,869	0	516,455	506,177	555,648	544,590	582,938	571,338	599,081
Capital Projects	62,400	78,000	62,400	78,000	62,400	78,000	62,400	78,000	62,400	78,000	62,400
Grants in Aid	1,363,055	780,894	1,376,686	788,703	1,390,452	796,590	1,404,357	804,556	1,440,870	825,475	1,478,333
Transfers to Constitutionals	111,244,982	113,492,131	115,384,311	117,715,074	119,912,290	122,334,518	125,099,107	127,626,109	130,903,916	133,548,175	137,984,427
Transfers	22,309,920	22,405,853	24,397,812	28,162,394	29,733,356	34,321,213	57,148,051	65,965,996	56,847,207	65,618,731	56,045,659
Reserves and Refunds	85,763,228	454,545	86,416,335	458,007	85,433,391	452,797	85,908,253	455,314	86,274,811	457,257	86,879,303
Total Uses of Funds	\$397,335,049	\$308,710,715	\$408,382,336	\$322,799,824	\$419,420,693	\$335,996,640	\$458,008,559	\$378,287,566	\$470,821,751	\$390,579,577	\$484,924,817
Surplus/(Shortfall) of Sources Less Uses:											
Excluding Fund Balance	0	110,904,595	8,061,155	1,260,146	-8,573,580	99,998,687	-26,000,595	-36,282,237	-40,963,801	69,026,467	-50,979,239
Including Fund Balance	0	110,904,595	8,061,155	112,164,741	-512,425	101,258,833	-34,574,175	63,716,450	-66,964,395	32,744,231	-91,943,039
Sources (excluding Fund Bal.)	302,861,049	320,319,234	303,538,896	324,059,970	304,743,527	325,090,732	320,175,551	340,745,184	338,140,905	359,607,357	358,237,547
Uses (excluding Reserves)	311,571,821	308,256,170	321,966,001	322,341,818	333,987,302	335,543,843	372,100,306	377,832,252	384,546,940	390,122,320	398,045,514
Current Surplus/(Shortfall)	-8,710,772	12,063,064	-18,427,105	1,718,152	-29,243,775	-10,453,111	-51,924,755	-37,087,069	-46,406,034	-30,514,963	-39,807,967

UNINCORPORATED GENERAL FUND ASSUMPTIONS

Revenue Growth Rate Assumptions, by Year:

RATE, BY YEAR:	Ad Valorem Tax Base (Budget)	State & Federal Grants (Budget)	Communications Services Tax (Budget)	Charges for Services (Budget)	Fines and Forfeitures (Budget)	Transfers (Budget)	Other Revenue (Annual Rate)
FY 12	-1.33%	6.91%	0.20%	2.60%	2.60%	1.76%	2.60%
FY 13	1.55%	7.55%	1.68%	2.60%	2.60%	-5.23%	2.60%
FY 14	5.43%	6.88%	2.09%	2.60%	2.60%	5.91%	2.60%
FY 15	7.12%	5.75%	2.35%	2.60%	2.60%	5.19%	2.60%
FY 16	7.63%	5.75%	2.51%	2.60%	2.60%	5.17%	2.60%
Actuals = %:	96.19%	101.00%	102.00%	101.00%	140.00%	104.03%	120.72%

Expenditure Growth Rate Assumptions, by Year:

RATE, BY YEAR:	Personal Services (Budget)	Operating Expenses (Budget)	Capital Equipment (Budget)	Capital Projects (Budget)	Grants & Aid (Budget)	Transfers to Constitutionals (Budget)	Transfers (80% P.S.. 20% O.E.) (Budget)	Reserves (Budget)	Operating Impact of CIP (Budget)
FY 12	1.95%	2.60%	2.60%	0.00%	1.00%	2.33%	2.08%	0.00%	See personal services assumptions
FY 13	0.50%	2.60%	2.60%	0.00%	1.00%	2.70%	0.92%	0.00%	
FY 14	2.77%	3.60%	2.60%	0.00%	1.00%	3.11%	2.94%	0.00%	
FY 15	2.77%	5.91%	2.60%	0.00%	2.60%	3.42%	3.40%	0.00%	
FY 16	2.77%	5.91%	2.60%	0.00%	2.60%	3.69%	3.40%	0.00%	
Actuals = %:	98.01%	95.57%	20.00%	125.00%	57.29%	102.02%	115.43%	0.53%	

**HILLSBOROUGH COUNTY
ESTIMATED CIP OPERATING COST IMPACT DETAIL
FY 11- FY 16**

OPERATING FUND	PROJECT TITLE	OPER. DATE	NEW POSITIONS	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
MSTU	FIRE STATION # 25 RELOCATION (Formerly Springhead FS)	Dec-12	0	\$0	\$0	\$8,000	\$8,000	\$8,000	\$8,000
MSTU	RUSKIN FIRE STATION RELOCATION	Apr-11	0	4,000	8,000	8,000	8,000	8,000	8,000
MSTU	UNIVERSITY AREA FIRE STATION #14 (Formerly 139th Ave.)	Oct-10	0	105,000	105,000	105,000	105,000	105,000	105,000
MSTU	TOTAL FIRE FACILITIES		0	\$109,000	\$113,000	\$121,000	\$121,000	\$121,000	\$121,000
GEN FUND	CLERK'S TRAFFIC DEPARTMENT BUILD-OUT	Sep-12	0	\$0	\$0	(\$450,000)	(\$450,000)	(\$450,000)	(\$450,000)
GEN FUND	EAST COUNTY COURT REDEVELOPMENT / REGIONAL SVC CTR	Oct-11	0	0	906,000	906,000	906,000	906,000	906,000
GEN FUND	USF GENERATOR	Oct-10	0	3,500	3,500	3,500	3,500	3,500	3,500
GEN FUND	TOTAL GOVT. FACILITIES		0	\$3,500	\$909,500	\$459,500	\$459,500	\$459,500	\$459,500
MSTU	APOLLO BEACH PARK EXPASION	Oct-11	0	\$0	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
MSTU	BELLAMY PLAYGROUND RECREATION CENTER ADDITION	Jun-12	0	0	3,000	8,000	8,000	8,000	8,000
MSTU	BRANCHTON AREA PARK PD&E & CONSTRUCTION	Jun-12	0	0	13,000	40,000	40,000	40,000	40,000
MSTU	BRANDON SKATEBOARD PARK	Oct-11	0	0	15,000	15,000	15,000	15,000	15,000
MSTU	BY PASS CANAL ROWING FACILITY PHASE II	Dec-11	0	0	6,000	6,000	6,000	6,000	6,000
MSTU	CITRUS PARK COMMUNITY CENTER	TBD	0	0	0	30,000	30,000	30,000	30,000
MSTU	CONCESSION/ RESTROOM REPLACEMENT	Various	0	0	8,000	10,000	12,000	15,000	15,000
GEN FUND	COUNTYWIDE SOCCER COMPLEX	Dec-12	2	0	0	1,500,000	2,000,000	2,000,000	2,000,000
MSTU	CROSS CREEK SPORTS COMPLEX COSTRUCTION	Jun-12	0	0	13,000	40,000	40,000	40,000	40,000
MSTU	EAST COUNTY THERAPEUTIC EQUESTRIAN FACILITY	Oct-12	0	0	0	4,000	4,000	4,000	4,000
MSTU	FISH HAWK COMMUNITY PLAYGROUND CONSTRUCTION	Dec-12	0	0	0	18,000	24,000	24,000	24,000
MSTU	FISH HAWK/ ALAFIA CREEK IMPROVEMENTS	Oct-11	0	0	8,000	8,000	8,000	8,000	8,000
MSTU	LUTZ/OSCAR COOLER FOOTBALL PRACTICE FIELD RENOVATIO	Sep-11	0	0	20,000	20,000	20,000	20,000	20,000
MSTU	MISCELLANEOUS NEIGHBORHOOD PARK IMPROVEMENTS	Various	0	0	15,000	20,000	20,000	20,000	20,000
MSTU	MULTI-PURPOSE GYMNASIUM NORTHWEST	Dec-12	0	0	7,000	20,000	20,000	20,000	20,000
MSTU	NORTHWEST RECREATIONAL CORRIDOR MAINTENANCE BLDG.	TBD	0	0	5,000	5,000	5,000	5,000	5,000
MSTU	NORTHWEST SKATEBOARD PARK	Oct-10	0	0	15,000	15,000	15,000	15,000	15,000
MSTU	PROGRESS VILLAGE SPORTS COMPLEX CONSTRUCTION	Oct-10	0	0	48,000	48,000	48,000	48,000	48,000
MSTU	ROTARY ALL PERSONS WATER PLAY AREA AT CLAYTON PARK	TBD	0	0	36,000	36,000	36,000	36,000	36,000
MSTU	SOUTH COAST GREENWAY PHASE I- PD&E/CONSTRUCTION	TBD	1	0	45,000	45,000	45,000	45,000	45,000
MSTU	VETERANS MEMORIAL PARK EXPANSION	Nov-11	0	0	6,000	6,000	6,000	6,000	6,000
MSTU	WHEELCHAIR SOFTBALL FIELDS	Aug-11	0	0	12,000	12,000	12,000	12,000	12,000
MSTU	WILLIAM OWENS PASS PARK IMPROVEMENTS (CIT-II)	Jun-11	0	0	14,000	14,000	14,000	14,000	14,000
MSTU	YOUTH ATHLETICS COMPLEXES IMPROVEMENTS	Various	0	0	20,000	30,000	40,000	48,000	48,000
	TOTAL PARKS FACILITIES		3	\$0	\$339,000	\$1,980,000	\$2,498,000	\$2,509,000	\$2,509,000
MSTU	TOTAL STORMWATER		0	\$23,813	\$26,946	\$35,899	\$41,539	\$41,539	\$41,539
Countywide				3,500	909,500	1,959,500	2,459,500	2,459,500	2,459,500
Less FY 11					906,000	1,956,000	2,456,000	2,456,000	2,456,000
Unincorporated				132,813	478,946	636,899	660,539	671,539	671,539
Less FY 11					346,133	504,086	527,726	538,726	538,726