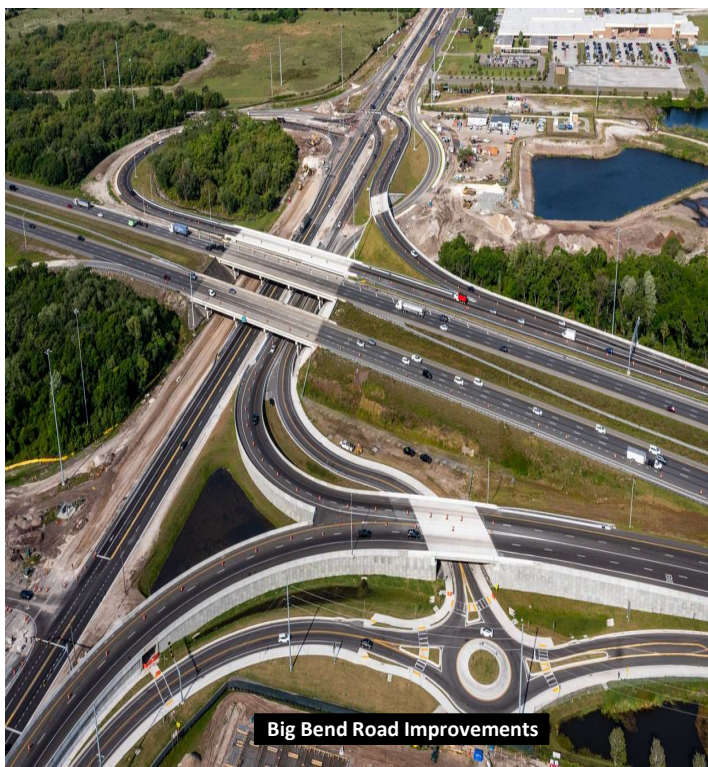


County Administrator's Recommended Budget

FY25



Big Bend Road Improvements



All People's Community Park & Life Center

GFOA Award, Received Since 1986



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Hillsborough County
Florida**

For the Biennium Beginning

October 01, 2023

Christopher P. Morill

Executive Director

Hillsborough County's budget document received outstanding category ratings in the areas of debt, departmental/program goals and objectives, and departmental/program descriptions.

AAA Credit Rating from the Three Leading Agencies



Moody's

"The County's financial position is very strong driven by sophisticated management and conservative budgeting practices which have led to nine consecutive general fund surpluses." May 20, 2024

S&P Global

"The 'AAA' rating reflects our opinion of the County's:

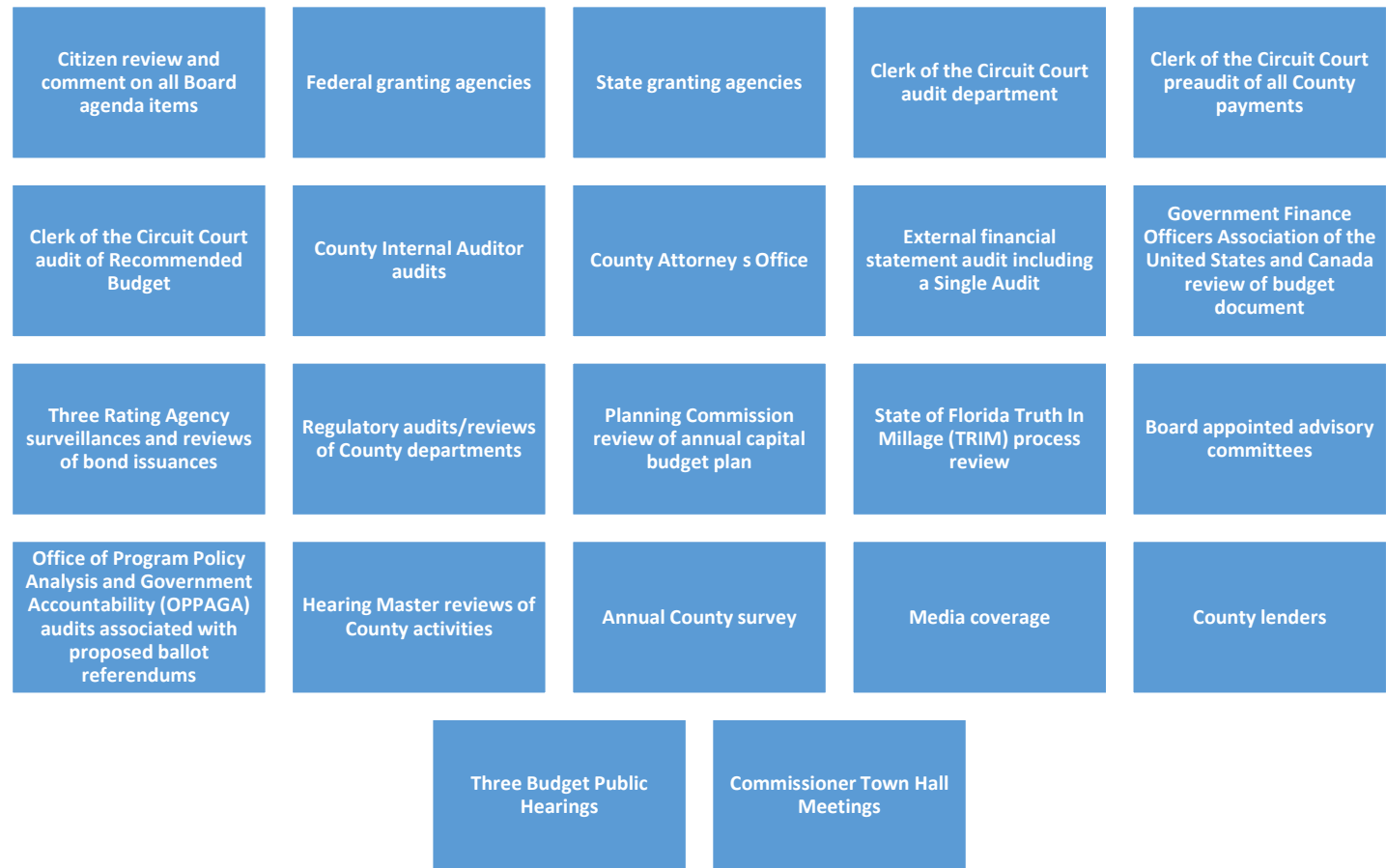
- Strong financial operations, consisting of a long track record of surplus operations and the maintenance of very strong reserves.*
- Very strong management conditions and a strong institutional framework score, which support financial operations." May 22, 2024*

"Hillsborough County's GO bonds are eligible to be rated above the sovereign because we believe the county can maintain better credit characteristics than the U.S. in a stress scenario." May 22, 2024

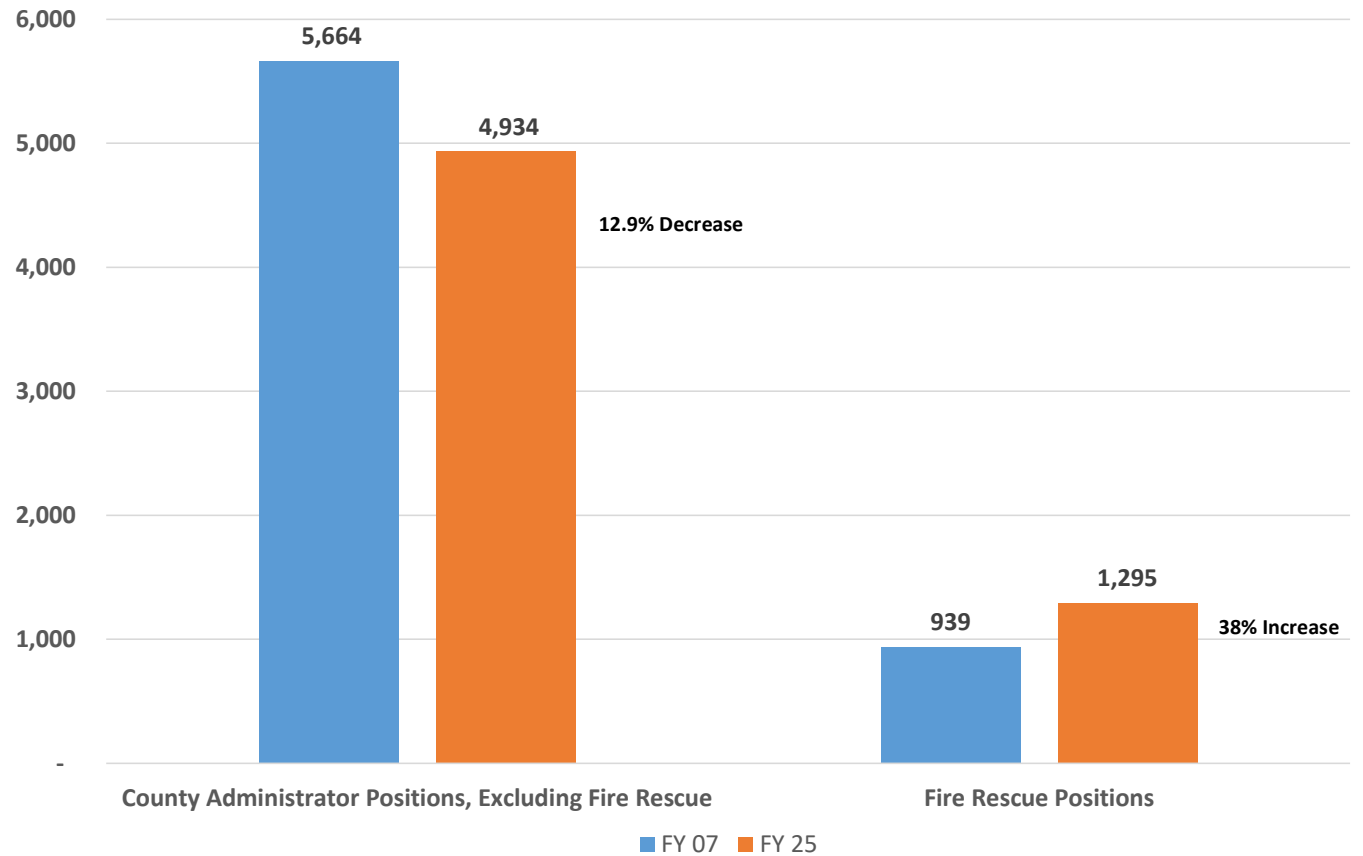
Fitch Ratings

"Hillsborough's 'AAA' IDR and GO bond ratings reflect 'strong' financial resilience evidenced by a history of reserves maintained notably above 10% of spending and high expense and revenue raising controls." May 20, 2024

Transparency and Oversight



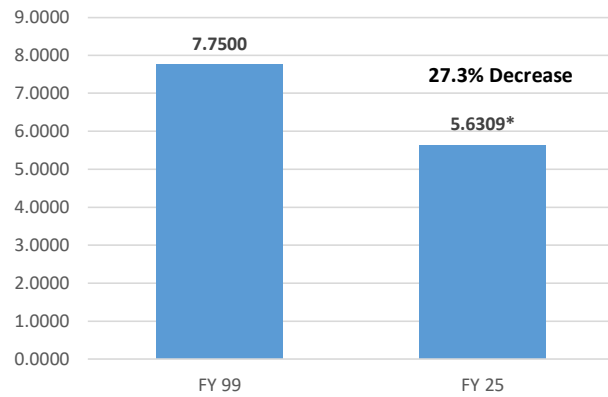
Operational Efficiency/Effectiveness



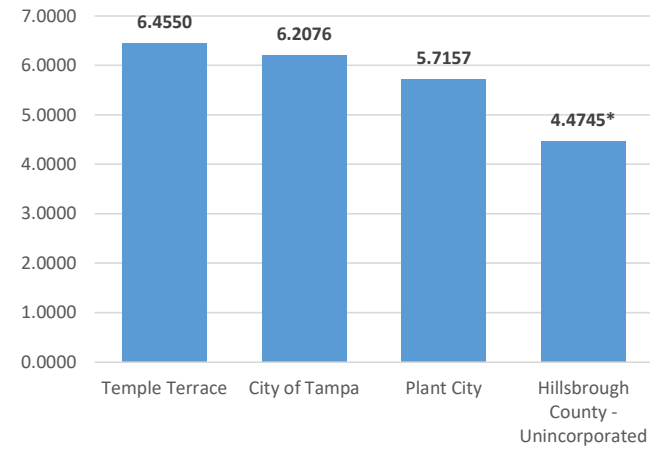
Population is 25% greater in FY 25 than FY 07

Millage Rates and Credit Ratings

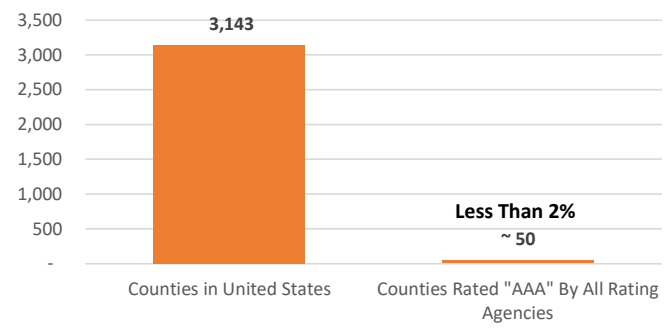
Countywide Millage Rate



Millage Rates



Hillsborough County "AAA" Credit Rating Analysis



*Proposed millage rates for FY 25

FY 25 Budget Environment



- Inflation remains above 3% while the Federal Government's target is around 2%
- Taxable value growth down to 6.9% in FY 25 from 11.6% in FY 24
- Recurring Revenues in the unincorporated area remain constrained
- Strong ad valorem and sales tax growth and interest earnings in recent years have provided resources for one-time uses in FY 25
- The Fire Union contract expires at the end of FY 24
- Rising jail populations and law enforcement response times necessitate the need for additional resources (7.9% increase)
- New government mandates – homeless, Florida Retirement System (FRS), and Fair Labor Standards Act (FLSA)

FY 25 Budget Strategies/ Actions



Eliminate long-term vacant positions

Implement new Fire Rescue initiatives to reduce response times

Reduce half-cent sales tax reserves for one-time capital uses

Utilize “Pay Go” Community Investment Tax (CIT) funds for one-time capital uses

Implement a general fund millage swap

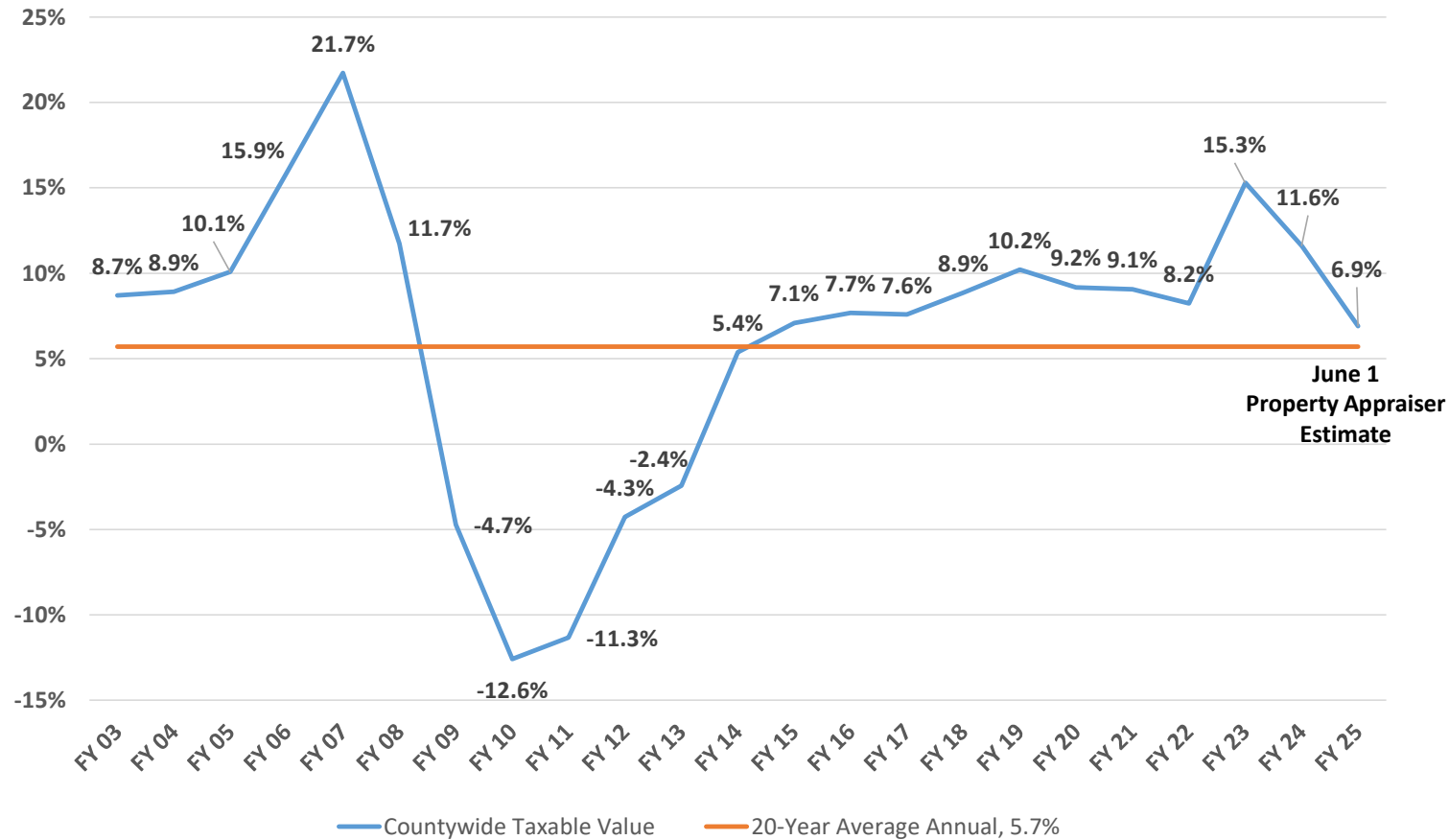
Fund inmate health care with Indigent Health Care Funds

Fund a portion of the Fire Rescue Department budget with Indigent Health Care Funds

Taxable Value Changes, FY 03 to FY 25



Percent Change in Countywide Taxable Value



The 6.9% increase in taxable values results in increased general fund ad valorem revenues of approximately \$84 million. Increased general fund budgets for the Sheriff's Office and Fire Rescue combined is approximately \$80 million.

Change in Total County Budget, FY 24 to FY 25



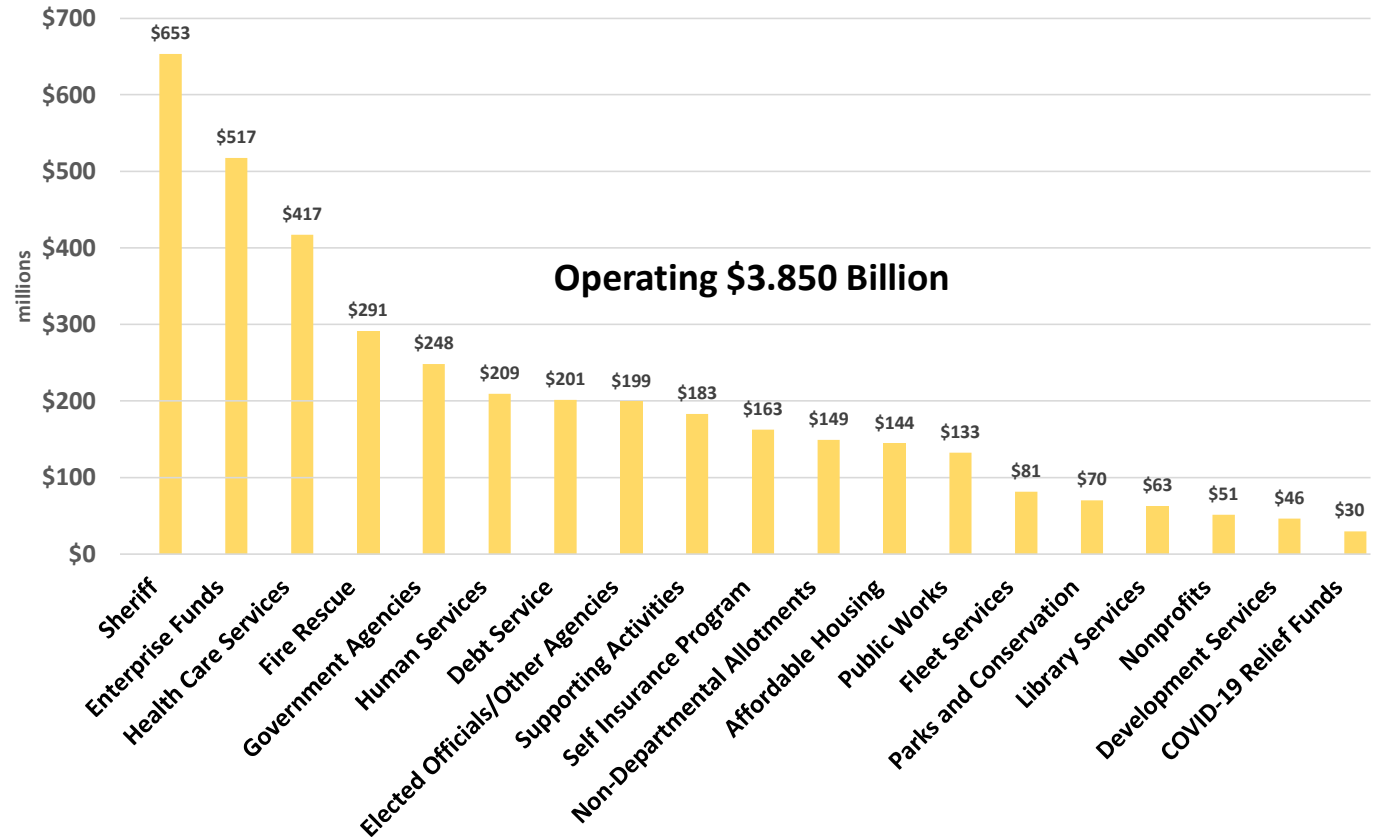
(In Billions)

FY 25 Recommended Budget	\$10.154
FY 24 Adopted Budget	<u>\$ 9.033</u>
FY 25 Budget Increase	<u>\$ 1.121</u>

Explanation of Major Increases:

Transfers	\$432	School Impact Fees	\$65
Water Fund CIP	\$213	Sheriff's Office	\$51
All Other CIP	\$155	Fire Rescue	\$30
Reserves	\$117	Health Care Services	\$26

FY 25 Total Recommended Budget, \$10.154 Billion



Reserves = \$2.419 Billion
 Transfers = \$1.902 Billion
 Capital Projects = \$1.983 Billion

Government Agencies = Community Redevelopment Areas, Tampa Sports Authority, Community Investment Tax to Cities
 Elected Officials/OA = Property Appraiser, Tax Collector, Supervisor of Elections, Clerk of the Circuit Court, Courts, Environmental Protection Agency, Planning Commission

Human Services = Aging Services, Children's Services, Social Services, Medical Examiner, Homeless Services, Sunshine Line

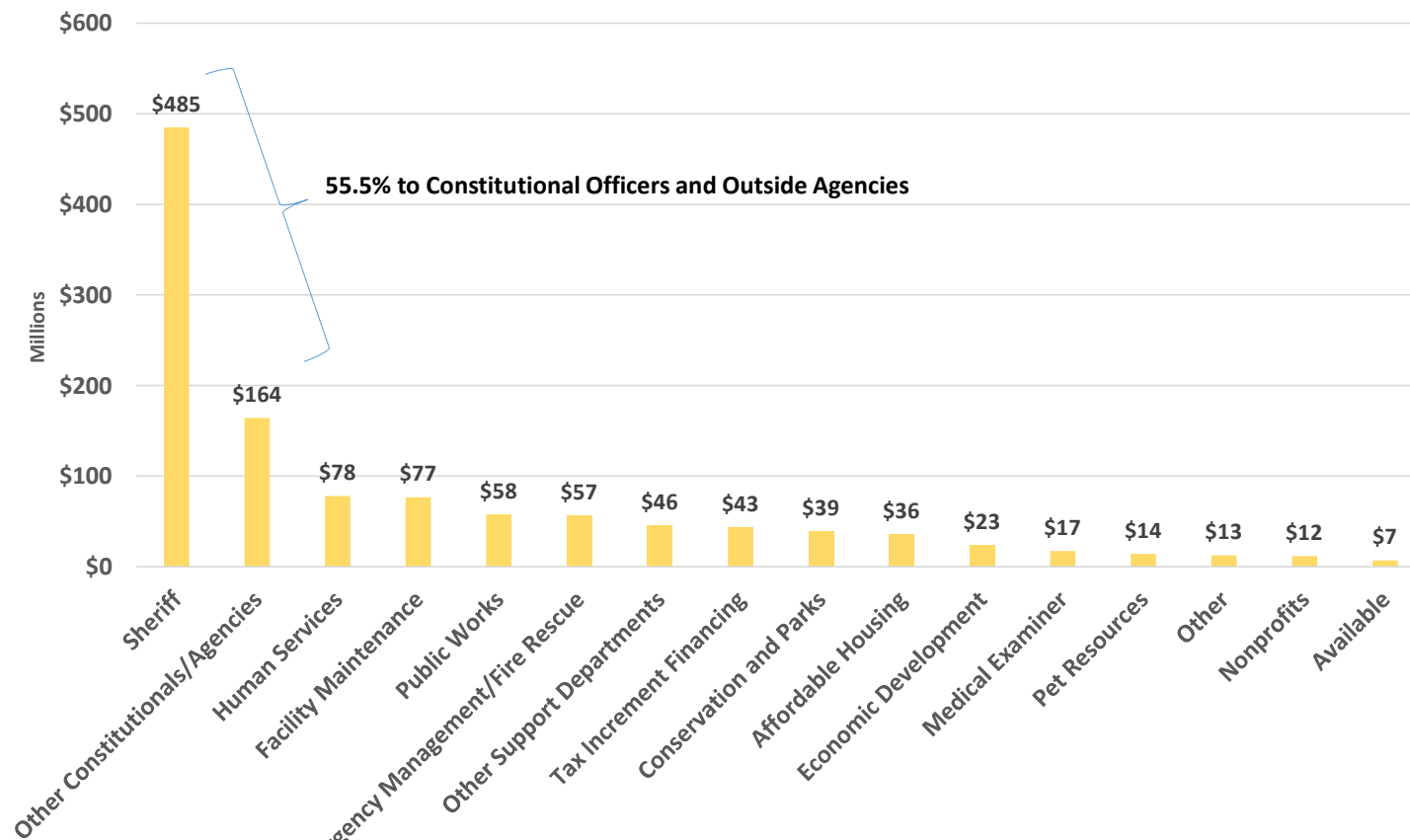
Supporting Activities = Budget, Procurement, Human Resources, Facilities, Risk Management, Technology Services, Financial Services, County Attorney, Internal Auditor, Communications, Customer Service, County Administration

Countywide General Fund Characteristics



- Funds services for all Hillsborough County residents
- Operating millage rate of 5.6309 mils assessed on all properties (FY 25)
 - \$1,689 on a home with an assessed value of \$350,000
- Services
 - Sheriff – primarily jail operations
 - Clerk of Courts, Supervisor of Elections, Tax Collector, Property Appraiser
 - Court Operations
 - Human Services
 - Conservation and Parks
 - Economic Development
 - Affordable Housing
 - Emergency Management
 - Medical Examiner
 - Pet Resources
 - Support Services – HR, Budget, Procurement, IIO, etc.
 - Environmental Protection Commission

FY 25 Recommended Countywide General Fund, \$1.576 Billion



Reserves = \$315 million
 Intrafund Transfers = \$14.0 million

Other Constitutional Officers/Agencies = Supervisor of Elections, Property Appraiser, Tax Collector, Clerk of the Court, Public Defender, Courts, State Attorney, Environmental Protection Commission, Planning Commission, Soil and Water, Guardian Ad Litem

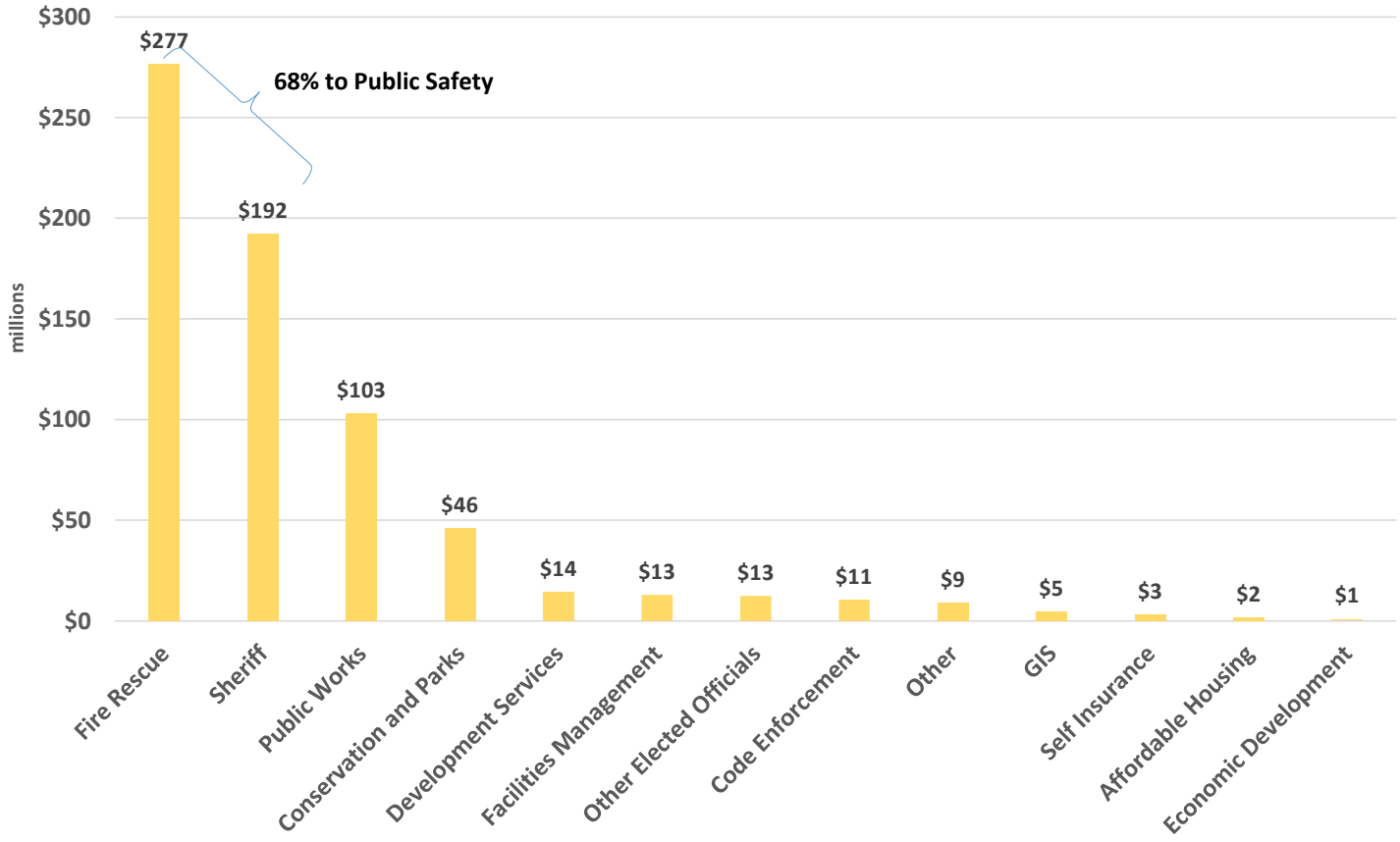
Other support departments are net of indirect cost reimbursements of \$78 million. These departments include Management and Budget, Procurement, Communications, Human Resources, Risk Management, etc.

Unincorporated Area General Fund Characteristics



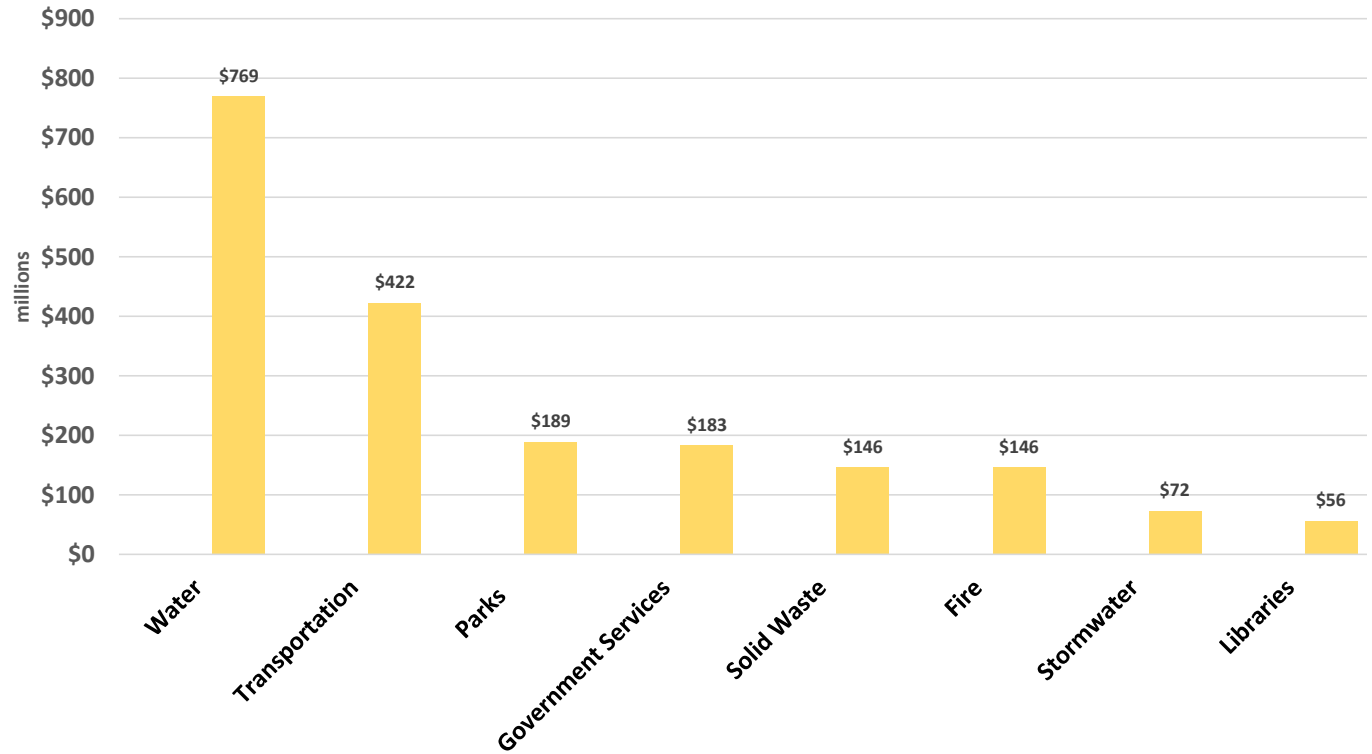
- Funds services for unincorporated area residents of Hillsborough County – services typically closely mirror those provided to city residents through city millage assessments
- Operating millage rate of 4.4745 mills assessed on all unincorporated area properties (FY 25)
 - \$1,342 on a home with an assessed value of \$350,000
 - City of Tampa’s millage is 6.2076, Plant City’s millage is 5.7157, and Temple Terrace’s millage is 6.4550 (FY 24)
- Services:
 - Sheriff – primarily patrol operations
 - Fire Rescue
 - Parks and Recreation
 - Code Enforcement
 - Development Services
 - Public Works

FY 25 Recommended Unincorporated Area General Fund, \$833 Million

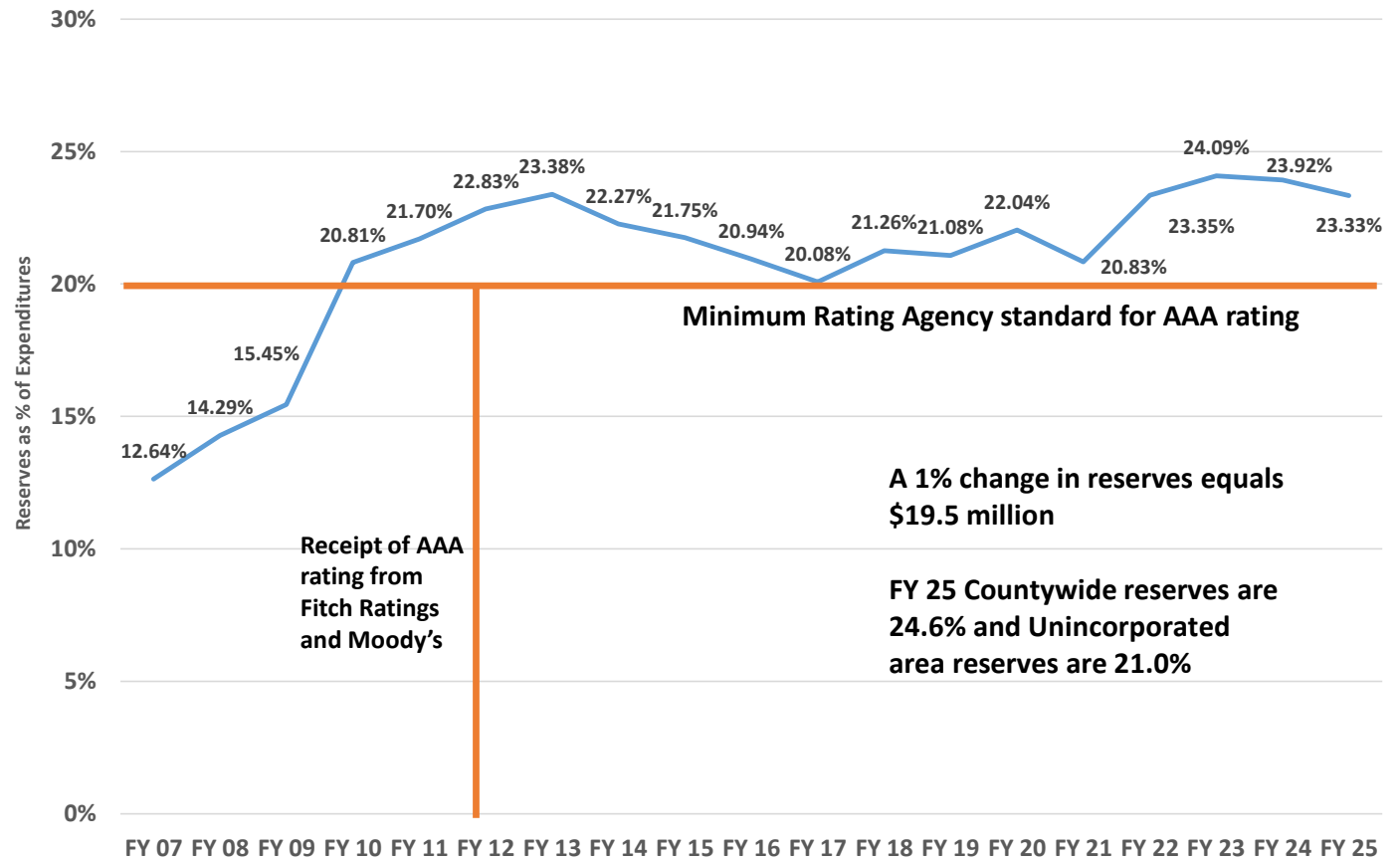


Reserves = \$144.5 million
 Intrafund Transfers = \$1.0 million

FY 25 Recommended Capital Budget, \$1.983 Billion



General Fund Reserve Analysis



Millage Swap Options



	Countywide	Unincorporated Area	Net Change in Revenue
June 1, 2024 Taxable Value	\$ 168,100,000,000	\$ 100,300,000,000	
Impact of a 0.100 mil swap	\$ (16,810,000)	\$ 10,030,000	\$ (6,780,000)
Impact of a 0.175 mil swap	\$ (29,417,500)	\$ 17,552,000	\$ (11,865,500)
Impact of a 0.250 mil swap	\$ (42,025,000)	\$ 25,075,000	\$ (16,950,000)

Based on June 1, 2024 Property Appraiser Taxable Values

A 0.100 millage swap has been included in the FY 25 Recommended Budget. The swap was facilitated by using Indigent Health Care Trust Funds to fund inmate health care and a portion of the Fire Rescue budget. The additional revenue made available to the Unincorporated Area General Fund will be used to support planned new Fire Rescue initiatives to reduce response times and provide relief to current Fire Rescue staff.

Millage Swap Impact on \$350,000 Home



Unincorporated Area Homestead with Assessed Value of \$350,000

	<u>Countywide</u>	<u>Unincorporated Area</u>	<u>Total</u>
Impact of a 0.100 mil swap	\$ (30)	\$ 30	No Impact
Impact of a 0.175 mil swap	\$ (53)	\$ 53	No Impact
Impact of a 0.250 mil swap	\$ (75)	\$ 75	No Impact

City Homestead with Assessed Value of \$350,000

	<u>Countywide</u>	<u>Unincorporated Area</u>	<u>Total</u>
Impact of a 0.100 mil swap	\$ (30)	\$ -	\$ (30)
Impact of a 0.175 mil swap	\$ (53)	\$ -	\$ (53)
Impact of a 0.250 mil swap	\$ (75)	\$ -	\$ (75)

There will be **no change** in taxes in the **unincorporated** area because of the millage swap.

Properties in the **incorporated** areas will see a **slight reduction** in taxes because of the millage swap.

New Fire Rescue Initiatives to Reduce Response Times



Adopting a three-person rescue service model for 11 existing rescue units at stations with highest call volumes



Deploying six roving rescue units with existing crews and reserve vehicles using overtime for additional 12-hour shifts at high call volume stations



Adopted a System-of-Care Transport Policy which transports patients to the closest facility within a patient's system of care



Ordering 10 new rescue units which will be deployed at high call volume stations in years beyond FY 25



Community Investment Tax – New Pay Go Funds for FY 25 – \$60 Million



Intersections and Bridges
\$20 million



Sidewalks and Safe Routes to Schools
\$18 million



New Sligh/Anderson Road Fire Station
\$12 million



Road Resurfacing
\$10 million



FY 25 Use of Half-Cent Sales Tax Reserves - \$53.5 Million



One-Time Capital Investments

Fire Rescue - \$43.3 Million

- Midway Fire Station Replacement
- Brandon Fire Station Replacement
- West Hillsborough Fire Station Replacement
- 10 Additional Fire Rescue Units
- 6 New Peak Time Fire Rescue Units

Parks - \$9.4 Million

- Thonotosassa Park Expansion
- Renovation of Softball Fields – Ed Radice Park
- Improvements - Heavily Used Sport Complexes

Public Facility Improvements - \$0.8 Million

- Security System Upgrades – Multiple Facilities



FY 25 General Fund Budget Additions – Parks and Conservation



Staff and Operating Cost Increases for New and Existing Parks

- Bealsville Park & Recreation Center
- Southshore Sportsplex – impact fees
- Northlakes pickleball facility
- New Branchton Park
- New Cross Creek Park

Other Parks Initiatives

- Enhanced maintenance – splash pads/astroturf/tree trimming
- Enhanced maintenance – pressure washing/sanitation
- Improvements at various parks including Apollo Beach Nature Preserve

FY 25 General Fund Budget Additions - Other



- New repaving team – five positions
- Medical Examiner facility expansion
- Sheriff’s Headquarters relocation
- African American Arts and Cultural Center – additional contribution
- New Pet Resources facility – seed funds
- Staffing for new Fire Rescue unit
- Additional chemicals for Mosquito Control
- Increased resources for Medical Examiner – increased workload
- Full funding for Upper Tampa Bay Trail
- Major jail maintenance
- Additional funds for Public Safety Operations Complex improvements
- Funds requested by outside agencies – Planning Commission, State Attorney, Soil and Water
- Various other departmental requests to maintain a continuation level of service
- Commissioner initiatives

FY 25 General Fund Budget Additions - Normal Course of Business



- Employee compensation
- Inflationary impacts
- Insurance – health care, property, general liability, auto
- Reserve maintenance
- Equipment replacements
- New mandates – homeless, FRS, and FLSA
- Emergency reserve balances
- Constitutional Officer budget requests
- Other mandates – Tax Increment Financing, Tax Collector and Property Appraiser commissions

New Nonprofit Policy



- **All FY 24 nonprofit awards were one-time**
- **Any new nonprofit awards are one-time**
- **Nonprofit funding proposals must be submitted one week in advance of Board consideration**
- **County Administrator cannot add or change nonprofit funding provided by general funds**



Commissioner Flagging Process

- **Budget Flag = Commissioner desired budget change**
- **Flags are used to change the County Administrator's Recommended Budget delivered to the Board**
- **County Administration creates a list of all Commissioner flags gathered through individual Commissioner meetings, budget workshops, and public hearings**
- **Commissioners first vote on flagged items at the Budget Reconciliation Public Hearing on July 31**
- **Commissioners may vote on additional items at the Final Budget Public Hearing in September. However, most available resources are allocated at the Budget Reconciliation Public Hearing on July 31**

Budget Calendar



Budget Delivery

- July 17 – FY 25 Recommended Budget

Budget Workshops

- *March 27 – Budget Overview*
- *April 24 – Solid Waste and Public Safety*
- *May 8 – Public Safety and Indigent Health Care Fund*

Budget Reconciliation Public Hearing

- July 31 - Flagging and TRIM

Final Public Hearings

- September 12 – Adopt Tentative Budget and Millages
- September 19 – Adopt Final Budget and Millages

