

TOWN OF PALM BEACH, FLORIDA

BUDGET IN BRIEF

FISCAL YEAR 2001/2002

Town Council

Mayor Lesly S. Smith, Mayor (Term Expires 2/2003)

Jack McDonald, Town Council President (Term Expires 2/2002)

Samuel C. McLendon, Town Council President Pro-Tem (Term Expires 2/2003)

William J. Brooks, Town Councilman (Term Expires 2/2002)

Norman P. Goldblum, Town Councilman (Term Expires 2/2002)

Allen S. Wyett, Town Councilman (Term Expires 2/2003)

Town Manager

Peter B. Elwell

Prepared by the Finance Department

Copies of the detailed budget plan
are available for inspection in the
Finance Department at Town Hall.

Direct inquiries to the Finance office at :
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360 South County Road
Palm Beach, FL 33480

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HISTORY OF PALM BEACH

Palm Beach is a barrier island sixteen miles long. The Town of Palm Beach is 12 miles long, 3/4 mile at its widest part, and contains approximately 3.75 square miles. To the east is the Atlantic Ocean and to the west is Lake Worth- the Intracoastal Waterway - which separates the Town from the City of West Palm Beach and the City of Lake Worth.

According to early settler accounts, Palm Beach received its name from a shipwreck named the “Providencia”. The ship washed ashore in January of 1878 with a load of coconuts bound from Havana to Barcelona. Early settlers lost no time claiming salvage and planting the coconuts which were not native to South Florida in an effort to launch tropical South Florida on a commercial coconut industry.

In 1893 millionaire industrialist Henry M. Flagler and his second wife honeymooned in St. Augustine. Impressed with the beauty and history of the area, he envisioned an “American Riviera”. Flagler had left home at age 14 with an eighth-grade education. Later, with John D. Rockefeller and Samuel Adams, he founded Standard Oil, and the rest is history. Having invested large sums in several hotels in the St. Augustine area, Flagler extended his holdings southward. He bought and improved existing railways anticipating the tremendous potential for South Florida. His railway was named the Florida East Coast Railway.

Flagler’s agents soon were buying acres of land on the island of Palm Beach. Many early homesteaders found themselves very wealthy, as orders had been given to buy “at any price”. Ground was broken May 1, 1893, and on February 11, 1894, the Royal Poinciana Hotel, the largest wood structure in the world, opened in Palm Beach and welcomed 17 guests. A month after the opening, the first train pulled from the station on Loftin Street (later used as an office and warehouse by the Town of Palm Beach) in West Palm Beach on the newly built bridge across Lake Worth to deliver vacationing residents, some in their own private railway cars, to the new hotel. Henry Flagler built his own house in 1902, Whitehall, as a wedding present for his third wife, Mary Lily Kenan. Whitehall is now the Henry Morrison Flagler Museum and is open to the public.

Flagler continued to develop the Royal Poinciana Hotel property and built a second hotel, the Palm Beach Inn, on the beachfront portion of the Royal Poinciana's property. When the Palm Beach Inn burned in 1903 the first Breakers Hotel was built. Destroyed by a fire in 1925, it was rebuilt as the splendid hotel it is today. The Breakers is listed in the National Register of Historic Places.

On April 17, 1911, a meeting of the registered and qualified voters of Palm Beach, Florida, was held at the Palm Beach Hotel for the purpose of incorporating the Town of Palm Beach. Thirty-four qualified voters voted to incorporate the Town.

In 1918, before the end of World War I, Addison Mizner, an established New York architect who was born in California and studied in Spain, accepted an invitation from Paris Singer to recuperate from a leg injury in Palm Beach. As Mizner's health improved his boredom turned into creativity, and he transformed Singer's bungalow into a Chinese villa. The conversion was a success, but Singer looked forward to a larger project. Having established two hospitals in France, Paris Singer decided to build a convalescent home in Palm Beach for service men returning from the war. The buildings were completed, but before the opening of the club house in January 1919, the "Touchstone Convalescent Club" had been transformed into the exclusive Everglades Club on Worth Avenue where it still is today. Mizner's era had begun and was to continue along the southeast Florida coast through the 1920's.

The Town of Palm Beach soon began long range plans to develop and protect this island paradise, and the beauty which Town residents now enjoy is due to the efforts of several generations of planning activity. In 1929, the Garden Club of Palm Beach joined the Town and formally sponsored the preparation of a Town Plan. The overall goal of the 1929 Plan stated the following:

"One attractive and well managed public bath and beach, the concentration of general traffic upon a limited number of streets, beautification without especial reference to main arteries of travel, and a system of leisurely and convenient byways free from

automobiles, punctuated with gardens: this is a plan which will localize recreation seeking crowds, discourage trespassing, and provide safety and quiet for residents of Palm Beach.”

Also included in the plan was the following statement:

“There are many communities which can be said to be beautiful. The places in which charm is the additional attribute are very few. The element of charm is the thing which lifts a community out of the ordinary and makes it distinctive. The attribute of charm may be produced by an intelligent development of physical advantages in an unusual way.”

Today’s Comprehensive Plan in Palm Beach builds on that early foundation. Also, in an effort to preserve the quality and beauty of Palm Beach, the Town Council created a Strategic Planning Board in early 2001. By the spring of 2003, this board will have created a strategic plan for the future of the Town.

The Town of Palm Beach has 8,210 registered voters in the year 2000 with approximately 9,500 full time residents. The population swells to 20,000+ during the “season” which is from November to April. Residents and visitors enjoy the very best in dining, shopping, and luxurious surroundings.

Palm Beach continues into the 21st Century as an oasis of beauty and elegance.

Sources for this article:

Town of Palm Beach Comprehensive Plan

On Lake Worth, Beverly Mustaine

Palm Beach Chamber of Commerce

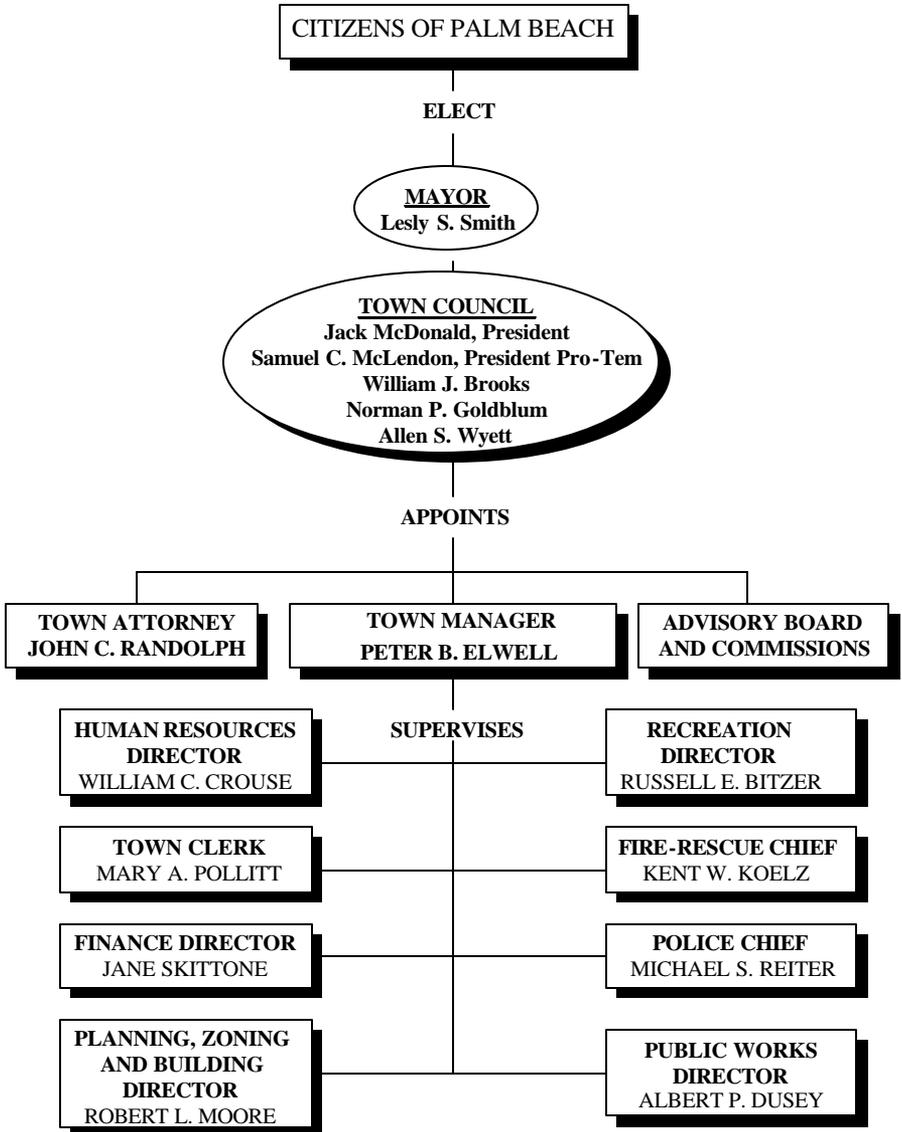
Historic Sites Survey, Research Atlantica, Inc. 1997

Palm Beach Sun, 1947

Compiled by:

Mary A. Pollitt, Town Clerk, Palm Beach

TOWN OF PALM BEACH ORGANIZATIONAL STRUCTURE



TOWN OF PALM BEACH

Office of the Town Manager

October 15, 2001

Dear Honorable Mayor, Town Council and
Citizens of the Town of Palm Beach

The Town staff is pleased to present the Town of Palm Beach Budget in Brief for fiscal year beginning October 1, 2001 and ending September 30, 2002. This document contains a concise summary of the Town's Comprehensive Annual Budget document.

The annual budget for fiscal year 2002 maintains the Town's high levels of service while decreasing the Town's millage rate. The Town of Palm Beach General Fund Operating Budget for FY2002 is \$43,630,556. This amount is 3.7% higher than the FY2001 adopted General Operating Budget of \$42,081,597.

Revenue Highlights

The General Fund total revenues are expected to increase by \$1,548,959 (3.7%) over the adopted FY2001 budget.

General Fund Ad Valorem tax revenues will increase by \$1,126,350 (4.5%) over the adopted FY2001 budget. Since the preliminary total taxable value in Town increased by 15.9%, this increased yield can be achieved with an operating millage rate of 3.9757 mills (9.68% lower than FY2001). The debt service millage rate will be .0884 mills (15.0% lower than FY2001). The total millage rate of 4.0641 is a reduction from FY2001 of .4418 mills (9.8%). The impact of this change for a Town taxpayer who maintains a homestead exemption on a property valued at \$1,000,000 would be a \$309 reduction in property taxes paid to the Town. Non ad valorem revenues are expected to increase by \$422,609 (2.5%) over the FY2001 budget.

The following chart shows the operating fund millage, debt service millage, and total millage, for FY2002 as compared to FY1999 through FY2001.

	FY2002	FY2001	FY2000	FY1999
Operating Fund	3.9757	4.4019	4.3000	4.3400
Debt Service	0.0884	0.1040	0.3452	0.4128
Total Millage	4.0641	4.5059	4.6452	4.7528

Expenditure Highlights

Total General Fund operating expenditures of \$43,630,556 represent a 3.7% increase over FY2001. The largest increases to the budget relate to salaries, insurances, the general contingency account, and capital projects, while significant decreases are noted in retirement system funding, vehicle purchases, and transfers to the capital improvement funds for special projects and coastal protection projects.

Use of Fund Balance

For the second year in a row, the budget does not include any use of fund balance as a revenue source to balance the operating budget. The staff believes this is an important improvement in the Town's financial management. It will provide tax rate stability for the long term, while enabling the creation of appropriate reserve accounts for specific purposes to address Town needs that are either unforeseeable in nature or catastrophic in scale.

At September 30, 2000, the Town's Undesignated General Fund Balance was \$19,925,376. During FY2001 the Town Council authorized the transfer of \$3,600,000 from the Undesignated General Fund Balance to the Capital Improvement Fund to finance the emergency expansion of the drainage improvement program. Through favorable experience with both revenues and expenditures, we anticipate adding approximately \$3,000,000 to the fund balance during FY2001, so we expect that at September 30, 2001, the General Fund balance will exceed \$19,000,000.

An Equipment Replacement Fund has been established in FY2002. This fund will be created by transferring \$4,386,910 from the Undesignated General Fund Balance and will be maintained through annual transfers equivalent to the depreciation which accumulates on the equipment, vehicles, and computers owned by the Town. The fund will be used to pay for the replacement of these items when they reach the end of their useful lives. It will significantly reduce future budgetary fluctuations due to purchases of equipment.

Personnel Complement

The total personnel complement (all funds Townwide) for FY2002 is 393.94 full-time equivalent personnel (FTEP), which represents an increase of 4.18 FTEP from the adopted FY2001 budget. (The FTEP figure is not a whole number because of the extensive use of part-time positions throughout the Town.) One of these FTEPs is the Coastal Projects Coordinator position which was created during FY2001. The remaining 3.18 FTEP increase includes the following:

- 1.0 FTEP for a Driver/Delivery person in Purchasing
- 1.0 FTEP to staff the proposed Phipps Ocean Park tennis facility
- 0.5 FTEP for an Administrative Secretary in Risk Management
- 0.5 FTEP to increase a part-time Information Systems Support Specialist to full-time
- 0.18 FTEP resulting from minor adjustments to part-time positions in Recreation

OTHER FUNDS

Debt Service Funds (200, 203)

The Debt Service Funds provide for the payment of principal and interest on the Town's outstanding 1993 General Obligation Bond and the 2000 Revenue Bond. Each year a debt millage is assessed to fund actual dollars needed to meet the annual debt payments for the 1993 General Obligation Bond and related expenses. The 2000 Revenue Bond is funded from a transfer from the General Fund's non-ad valorem revenues.

The Town's outstanding bonded debt is as follows:

<i>Year Issued</i>	<i>Outstanding Principal Balance @ September 30, 2001</i>	<i>Purpose</i>
2000	\$23,530,000	To finance the Coastal Protection Project
1993	<u>2,515,000</u>	To refund the callable portion of the 1986 Bond Issue. (Final payment 7/1/2005)
Total	<u><u>\$26,045,000</u></u>	

At September 30, 2001 the Town's net bonded debt will be well below the Town Charter's legal limit of \$301,517,206 (5% of FY2001 final taxable value of \$6,030,344,117).

The Town's Revenue Bonds have been rated Aaa by Moody's Investors Service, Inc. and AAA by Standard & Poor's Rating Services based upon insurance issued by Financial Security Assurance, Inc. (FSA). The Bonds have been rated Aa2 by Moody's and A+ by Standard and Poor's without regard to the bond insurance policy.

The Town has maintained an underlying Aaa rating with Moody's Investor Services, Inc. since 1988.

Capital Improvement Funds (307, 308, 309)

Most of the Town's capital projects are funded on a pay-as-you-go basis. The five-year Capital Improvement Program is updated annually, but only the current year is actually adopted and funded. For FY2002, a transfer from the General Fund of \$3,378,291 will partially offset the anticipated costs of the scheduled projects, which include:

- Continuation of major drainage improvements
- Replacement of sanitary sewer mains
- Creation of a tennis facility at Phipps Ocean Park
- Construction of a new Central Fire-Rescue Station (proposed to be financed with bonds or other borrowed funds)

Planning, design, and permitting of the Town's coastal protection projects have been funded on a pay-as-you-go basis through the Comprehensive Coastal Management Plan (CCMP) pay-as-you-go Fund (308). Construction of these projects will be funded by the proceeds of the Town's 2000 Revenue Bond and the interest accrued in CCMP Construction Fund (309).

Enterprise Funds - Golf Course (401)

The Palm Beach Golf Course, which operates as an enterprise fund, recovers the majority of its costs through user charges such as membership fees, play tickets, daily green fees, cart rentals and driving range fees. The Par 3 Golf Course is staffed with professionals who provide private lessons, group clinics, and special events throughout the year.

Rate increases and other factors are anticipated to increase revenues by \$97,950 (13.3%) over FY2001 budgeted revenues. This will foster continued improvement of the financial condition of the Golf Course Fund, which owed the General Fund \$173,761 at September 30, 2000.

Enterprise Funds - Marina (402)

The Town Docks (at Brazilian, Australian, and Peruvian Avenues) have a total of 86 slips ranging from 50 feet to 262 feet. Slips are leased seasonally or annually; transient vessels are accepted on a short-term basis when slips are available.

Rate increases and other factors are anticipated to increase revenues by \$522,150 (31.0%) over FY2001 budgeted revenues and \$149,045 (7.2%) over FY2001 anticipated revenues.

Internal Service Funds - Self Insurance Fund for Risk Management (501)

The Office of Risk Management is responsible for administering the Town's property, liability and workers compensation coverage, and the related safety and loss control programs. The cost of operating the Office of Risk Management and of funding the Town's self-insurance

and excess insurance programs are to be funded by a transfer from the General Fund of \$2,292,628 and interest income earned on the retained earnings within the fund. The transfer from the General Fund has been increased from FY2001 to reflect increases in premiums, the loss fund, and the contingency reserve. A reserve for catastrophic exposures/emergencies has been appropriated in the FY2002 budget. The reserve amount of \$2,400,000 will be allocated from the retained earnings of the fund.

Internal Service Funds - Self Insurance Fund for Health (502)

The health insurance program for Town employees and retirees, and their dependents, consists of medical, dental, life, long-term disability, accidental death and dismemberment, supplemental life insurance, specific reinsurance, aggregate reinsurance, medical conversion, COBRA, network access fees, utilization review, consulting services, flexible spending program and claims administration. Administration of this fund is performed under the direction of the Human Resources Director. The program is funded by a transfer of \$3,700,000, along with interest income earned on the retained earnings, and payroll deductions of Town employees and retirees.

Budgeted expenditures for the Town's health insurance program in FY2002 have increased by \$378,744 (11.2%) over the FY2001 Budget.

Trust Funds - Retirement (600, 601)

The Town administers the Town of Palm Beach General Employees' Retirement Plan (600) and the Town of Palm Beach Public Safety Retirement Plan (601).

The Town and each plan's participants are obligated to fund that plan's costs based upon annual actuarial valuations. The Town Council is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. The total budgetary impact of the fiscal year 2002 budget is a decrease of \$1,040,305. The decrease relates to favorable investment return experience as determined by an actuary.

Reserve Policies

The establishment of specific reserve policies is an important part of prudent financial management and the practice is strongly recommended by the Government Finance Officers Association (GFOA) and the National Advisory Committee on State and Local Budgeting (NACSLB). Reserve policies reduce ambiguity and guide the creation, maintenance, and use of resources for financial stabilization purposes.

During fiscal year 2001, the Town Council adopted the following eight (8) reserve policies:

- Undesignated Fund Balance & Stabilization Reserve - General Fund
- Equipment Replacement Reserve
- Contingency Reserve - General Fund
- Contingency Reserve - Capital Fund
- Contingency Reserve - Risk Fund
- Reserve for Catastrophic Exposures & Emergencies - Risk Fund
- Reserve for Encumbrances, Continuing Appropriations, and Prepaid Expenses
- Enterprise Fund Reserves

The Town Council also adopted the following two (2) important financial management policies:

- Budgetary Control Policy
- Debt Management Policy

Staff will be developing policies in fiscal year 2002 to address the Self-Insurance Reserves.

FISCAL YEAR 2001 ACCOMPLISHMENTS

During fiscal year 2001 the following major accomplishments occurred:

- , Staff proposed and the Town Council adopted ten new financial policies that address reserves, budgetary control, and debt management.
- , The Town Council created a Strategic Planning Board, chaired by Mayor Lesly S. Smith, to develop a Town-wide mission statement and a strategic plan for the Town.
- , The Human Resource Department worked with WMS and Company to complete a comprehensive compensation and employee benefit study.
- , The Information Systems Department implemented a Town-wide GIS (Geographical Information System).
- , Twenty-two citizens graduated from the second Citizen Police Academy.
- , The Police Department initiated a Teen Police Academy.
- , The Police Department installed a Reverse 911 system. The new system will allow the department to notify residents of potential disasters, emergencies, or in-progress serious crimes.
- , The Police Department purchased, through a donation, external defibrillators that are installed in every marked police car. The Fire-Rescue Department purchased eight new defibrillators.
- , The Fire-Rescue Department purchased two new Mobile Intensive Care Units with donated funds, saving the Town approximately \$260,000.
- , The Fire-Rescue Department purchased three new Fire-Rescue pumpers replacing 1986 models. Donated funds of \$140,000 were used to offset the total cost of the three pumpers.

- , Large scale, multi-year projects were initiated to improve the aging infrastructure of the Town, including storm drainage (by the Town) and potable water distribution (by the City of West Palm Beach).
- , Interdepartmental policies were established to respond promptly and effectively to heavy rainfall events, reducing property damage and inconvenience to residents.
- , The Town of Palm Beach was presented with an Award of Excellence from the Safety Council of Palm Beach County for worker safety.
- , Comcast's transfer to Adelphia was completed on December 31, 2000. Adelphia is now the Town's cable TV provider and has initiated an upgrade of the Town's cable system. The upgrade will be completed by December 31, 2001. The new 1 ghz. cable system will provide two-way high speed internet access and will establish an Institutional Network (I-Net), which will provide enhanced technological services to the Town by linking governmental buildings with dedicated fiber optic cable.

GOALS FOR FISCAL YEAR 2002

Goals for fiscal year 2002 for the Town of Palm Beach include:

- , The construction of a new Tennis facility at Phipps Ocean Park.
- , The commencement of construction of a new Fire-Rescue facility to meet the space needs of the Fire-Rescue Department and to open space within Town Hall to accommodate space needs of the Planning, Zoning, and Building Department and other Town staff.
- , The continuation of the Drainage Improvement Program implemented in fiscal year 2001.
- , Final preparations for construction of the Mid-Town and Phipps Ocean Park projects within the Coastal Management program.

- , The completion of the installation of the Townwide phone system and the installation of the I-net.
- , Initiating team building programs for management and customer service training for all Town employees.
- , The implementation of a process to improve the program goals and objectives by making them more measurable and integrating them with Town-wide goals and objectives to be established by the Strategic Planning Board and the Town Council.
- , Improvement of the Town's performance evaluation system, including the participation of all employees and additional training for all supervisors.
- , Improvement of the Town's standard form contract, contracting procedures, and capital project management.
- , Continue preparations for the implementation of GASB Statement 34 for the fiscal year ending September 30, 2003.

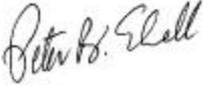
Summary

The review and adoption of the annual budget is one of the most important policy-making responsibilities of the Town Council. The Budget is utilized to guide Town staff toward defined commitments and goals, and communicates to the Town's taxpayers the Town's financial status, objectives, policies, and performance standards.

The budget process provides an important opportunity for the Town Manager to communicate to the Town's policy decision makers the short term and long term impact that policy decisions have on the operating and capital expenses of the Town.

The fiscal year 2002 General Fund Budget represents our continued effort to provide a high level of municipal services to Town taxpayers in the most cost effective manner.

Respectfully submitted,



Peter B. Elwell
Town Manager

FUND OVERVIEW

Description of Funds and Fund Types

For accounting purposes a state or local government is not treated as a single, integral entity. Rather, a government is viewed instead as a collection of smaller, separate entities known as “funds.”

All of the funds used by a government must be classified into one of seven “fund types.” Four of these fund types are used to account for a state or local government’s “governmental-type” activities and are known as “governmental funds.” Two of these fund types are used to account for a government’s “business-type” activities and are known as “proprietary funds.” Finally, the seventh fund type is reserved for a government’s “fiduciary activities.”

Governmental Funds

Four fund types are used to account for governmental-type activities. These are the general fund, special revenue funds, debt service funds, and capital projects funds.

General Fund

The General Fund is used to account for most of the day-to-day operations of the Town, which are financed from property taxes and other general revenue. Activities financed by the General Fund include those of line and staff departments within the Town except for activities of the Enterprise Funds. There can only be one General Fund.

Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government and

which therefore cannot be diverted to other uses. The Town has the following special revenue funds for which an annual budget is not adopted:

- State Forfeiture Fund
- Federal Forfeiture Fund
- Donations Fund

Debt Service Funds

The Debt Service Funds are used to account for the payment of interest and principal on general, special obligation debts, and revenue bonds other than those payable from special assessments and debt issued for and serviced by a governmental enterprise. The Town has two Debt Service Funds.

- General Obligation Refunding Series 93
- Revenue Bond Series 2000

Capital Projects Funds

The Capital Projects Funds account for all resources used for the acquisition and/or construction of capital equipment and facilities by the Town including the Comprehensive Coastal Management Plan (CCMP) except those financed by Enterprise and Internal Service Funds.

- Capital Improvement Fund
- CCMP Pay As You Go Fund
- CCMP Bond Proceeds Construction Fund
- Equipment Replacement Fund

Proprietary Funds

Two fund types are used to account for a government's business-type activities (activities that receive a significant portion of their funding through user fees). These are the enterprise funds and the internal service funds.

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; where the intent of the government's board is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's board has decided that periodic determination of net income is appropriate for accountability purposes.

- Par 3 Golf Course Fund
- Marina Fund

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of a government to other department or agencies on a cost reimbursement basis. Accounting for Internal Service Funds as a proprietary fund type is designed to accumulate the total cost (including depreciation) of providing a particular service. Costs for services are reimbursed by the departments or agencies to which the services are provided.

- Risk Management - Self Insurance Fund
- Health Insurance - Self Insurance Fund

Fiduciary Funds

These funds are used when a government holds or manages financial resources in an agent or fiduciary capacity. This single type is subdivided into four "sub-fund types" to account for various types of fiduciary obligations. These are pension trust funds, nonexpendable trust funds, expendable trust funds, and agency funds. The Town does not have nonexpendable or expendable trust funds at this time.

Pension Trust Funds

Pension trust funds are used when governments manage pension plans.

- Employees Retirement Fund
- Public Safety Retirement Fund

Agency Funds

Trust funds typically involve some degree of financial management. Agency funds are used when the government plays a more limited role by just collecting funds on behalf of a third party. The Town has one agency fund.

- Kreusler Park Fund

BUDGET SUMMARY
TOWN OF PALM BEACH - FISCAL YEAR 2001-2002

	Millage per \$1,000	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	ENTER- PRISE FUND	INTERNAL SERVICE FUND	TRUST FUND	TOTAL BUDGET
APPROPRIATIONS OF FUND BALANCE		\$4,386,910	\$88,000	\$20,078,229	\$0	\$2,463,428	\$0	\$27,016,567
ESTIMATED REVENUES:								
Taxes:								
Ad Val Taxes - Operating	3.9757	\$26,389,250						\$26,389,250
Ad Val Taxes - Debt	0.0884		587,775					587,775
Sales and Use Taxes		5,782,400						5,782,400
Licenses and Permits		5,126,600						5,126,600
Intergovernmental Revenue		1,071,700					563,000	1,634,700
Charges for Services		2,122,650			3,001,545	5,992,628		11,116,823
Fines and Forfeitures		645,000						645,000
Contributions							2,117,900	2,117,900
Interest		1,316,206	27,000	1,902,984	49,000	810,000	8,430,000	12,535,190
Miscellaneous		356,750			8,560		15,740	381,050
Installment Purchase Proceeds		145,000						145,000
Interfund Transfers		675,000	1,211,850	8,549,035				10,435,885
Grants				50,000				50,000
TOTAL ESTIMATED REVENUES		\$48,017,466	\$1,914,625	\$30,580,248	\$3,059,105	\$9,266,056	\$11,126,640	\$103,964,140
EXPENDITURES/EXPENSES:								
General Government		\$6,128,543		\$715,229		\$8,954,072	\$2,283,400	\$18,081,244
Public Safety		17,788,280		3,253,000			4,382,700	25,423,980
Physical Environment		7,714,243		20,359,834				28,074,077
Transportation		1,388,518			1,341,389			2,729,907
Culture and Recreation		2,095,629		482,291	796,358			3,374,278
Capital Lease Acquisitions		145,000						145,000
Interfund Transfers		12,757,253			36,992			12,794,245
Principal Retirement			1,791,858					1,791,858
Interest and Fees			118,775					118,775
TOTAL APPROPRIATED EXPENDITURES		\$48,017,466	\$1,910,633	\$24,810,354	\$2,174,739	\$8,954,072	\$6,666,100	\$92,533,364
Reserves			\$3,992	\$5,769,894	\$884,366	\$311,984	\$4,460,540	\$11,430,776
TOTAL APPROPRIATED EXPENDITURES AND RESERVES		\$48,017,466	\$1,914,625	\$30,580,248	\$3,059,105	\$9,266,056	\$11,126,640	\$103,964,140

Town of Palm Beach, Florida General Fund Revenues and Expenditures Budget Comparison Fiscal Years 2001 - 2002				
	Budget	Budget		
	FY2001	FY2002	Difference	%Change

Revenues

Ad Valorem Taxes	\$25,262,900	\$26,389,250	\$1,126,350	4.5%
Non Ad Valorem Taxes	5,392,500	5,782,400	389,900	7.2%
Licenses & Permits	4,552,100	5,126,600	574,500	12.6%
Intergovernmental	983,280	1,071,700	88,420	9.0%
Charges for Services	1,964,644	2,122,650	158,006	8.0%
Fines and Forfeitures	705,500	645,000	(60,500)	-8.6%
Contributions	0	180,000	180,000	0.0%
Investment Earnings	1,583,817	1,316,206	(267,611)	-16.9%
Miscellaneous Revenues	211,856	176,750	(35,106)	-16.6%
Installment Purchase Proceeds	750,000	145,000	(605,000)	-80.7%
Interfund Transfers	675,000	675,000	0	0.0%
Total Operating Revenues	\$42,081,597	\$43,630,556	\$1,548,959	3.7%

Expenditures

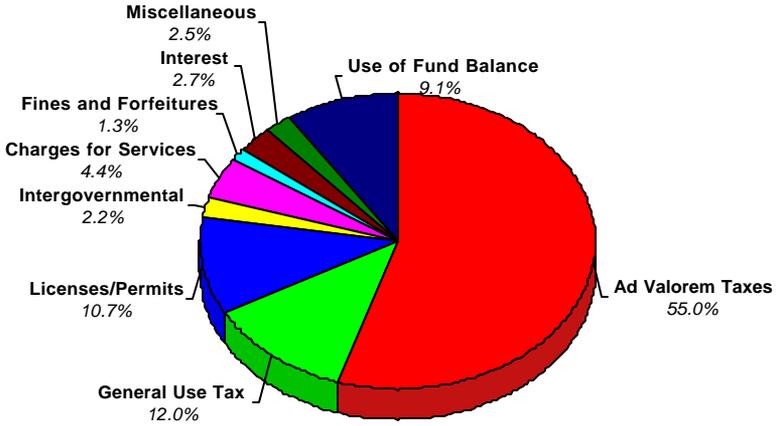
Department				
Town Manager	\$1,072,725	\$1,083,866	11,141	1.0%
Human Resources	559,324	584,361	25,037	4.5%
Town Hall Maintenance	180,162	199,742	19,580	10.9%
Information Systems	490,723	749,968	259,245	52.8%
Town Clerk	242,965	252,179	9,214	3.8%
Finance	1,007,287	1,063,777	56,490	5.6%
Planning/Building/Zoning	2,092,052	2,274,704	182,652	8.7%
Recreation	915,148	1,010,529	95,381	10.4%
Library	125,000	235,000	110,000	88.0%
Fire-Rescue	6,325,868	6,097,419	(228,449)	-3.6%
Police	10,485,896	10,726,229	240,333	2.3%
Hurricane Preparedness	110,000	110,000	0	0.0%
Public Works	9,043,838	9,811,155	767,317	8.5%
Transfer to Other Funds	8,018,116	8,370,343	352,227	4.4%
Capital Lease Acquisitions	750,000	145,000	(605,000)	-80.7%
Contingent Appropriations	662,493	916,284	253,791	38.3%
Total Operating Expenditures	\$42,081,597	\$43,630,556	\$1,548,959	3.7%

Transfer from Undesignated Fund

Balance to Capital Funds	\$3,600,000	\$4,386,910	\$786,910	21.86%
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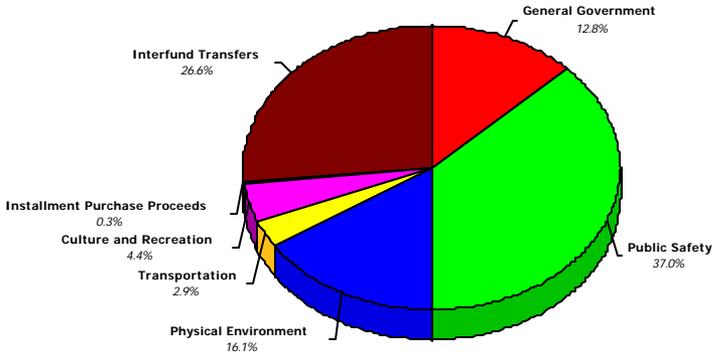
Total General Fund Budget	\$45,681,597	\$48,017,466	\$2,335,869	5.11%
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**GENERAL FUND REVENUES
FY2002 BUDGET**



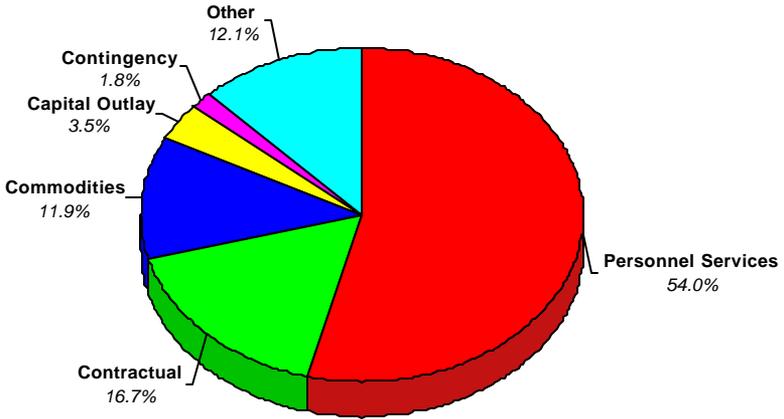
Ad Valorem Taxes	\$26,389,250
General Use Tax	5,782,400
Licenses/Permits	5,126,600
Intergovernmental	1,071,700
Charges for Services	2,122,650
Fines and Forfeitures	645,000
Interest	1,316,206
Miscellaneous	1,176,750
Use of Fund Balance	<u>4,386,910</u>
Total General Fund	<u><u>\$48,017,466</u></u>

**GENERAL FUND EXPENDITURES
FY2002 BUDGET
BY FUNCTION**



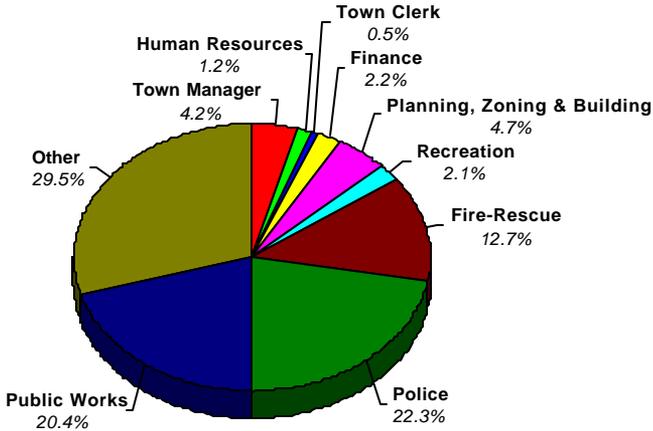
General Government	\$6,128,543
Public Safety	17,788,280
Physical Environment	7,714,243
Transportation	1,388,518
Culture and Recreation	2,095,629
Installment Purchase Proceeds	145,000
Interfund Transfers	<u>12,757,253</u>
Total General Fund	<u>\$48,017,466</u>

**GENERAL FUND EXPENDITURES
FY2002 BUDGET
BY EXPENDITURE TYPE**



Personnel Services	\$25,936,792
Contractual	8,033,486
Commodities	5,712,265
Capital Outlay	1,692,773
Contingency	852,652
Other	<u>5,789,498</u>
 Total General Fund	 <u>\$48,017,466</u>

**GENERAL FUND EXPENDITURES
FY2002 BUDGET
BY DEPARTMENT**



Town Manager	\$2,033,576
Human Resources	584,361
Town Clerk	252,179
Finance	1,063,777
Planning, Zoning & Building	2,274,704
Recreation	1,010,529
Fire-Rescue	6,097,419
Police	10,726,229
Public Works	9,811,155
Other	<u>14,163,537</u>
 Total General Fund	 <u><u>\$48,017,466</u></u>

DEBT SERVICE FUND

The outstanding debt for the Town of Palm Beach is summarized as follows:

Analysis of Debt Service Requirements As of October 1, 2001		
	General Obligation Bond	Revenue Bond
Issue Date	1993	2000
Retirement	2005	2010
Original Debt	\$6,675,000	\$23,530,000
Outstanding Principal	\$2,515,000	\$23,530,000
Interest Rate	4.4% - 4.75%	5% - 5.25%
Annual Debt Service Requirements		
2002	696,775	1,207,765
2003	700,675	1,207,765
2004	707,615	4,010,890
2005	712,300	4,008,515
2006	0	4,008,640
2007	0	4,008,677
2008	0	4,011,570
2009	0	4,012,662
2010	0	4,012,637
Total	\$2,817,365	\$30,489,121

**General Obligation Refunding
Series 93 (Fund 200)**

	FY2000 ACTUAL	FY2001 APPROVED	FY2001 PROJECTED	FY2002 BUDGET
REVENUES				
Ad Valorem Taxes	\$712,335	\$597,635	\$600,000	\$587,775
Interest Earnings	36,157	30,000	30,000	22,000
Transfer from Debt Service 202 Fund	0	125,259	114,238	0
Total Revenues	\$748,492	\$752,894	\$744,238	\$609,775
EXPENDITURES				
Debt Service	705,280	832,894	821,873	697,775
Total Expenditures	\$705,280	\$832,894	\$821,873	\$697,775
TOTAL REVENUES OVER/ (UNDER) EXPENDITURES	\$43,212	(\$80,000)	(\$77,635)	(\$88,000)
Beginning Total Fund Balance	279,353	322,565	242,565	164,930
Ending Total Fund Balance	\$322,565	\$242,565	\$164,930	\$76,930

**Revenue Bond Series 2000
(Fund 203)**

	FY2000 ACTUAL	FY2001 APPROVED	FY2001 PROJECTED	FY2002 BUDGET
REVENUES				
Ad Valorem Taxes	\$0	\$0	\$0	\$0
Interest Earnings	593	0	3,451	5,000
Bond Proceeds	53,860	0	0	0
Transfer from General Fund	0	1,309,802	1,309,802	1,211,850
Total Revenues	\$54,453	\$1,309,802	\$1,313,253	\$1,216,850
EXPENDITURES				
Debt Service	0	1,366,706	1,367,706	1,216,850
Total Expenditures	\$0	\$1,366,706	\$1,367,706	\$1,216,850
TOTAL REVENUES OVER/ (UNDER) EXPENDITURES	\$54,453	(\$56,904)	(\$54,453)	\$0
Beginning Total Fund Balance	0	54,453	54,453	0
Ending Total Fund Balance	\$54,453	(\$2,451)	\$0	\$0

CAPITAL PROJECTS FUNDS

The Town has four Capital Funds. They are as follows:

- Capital Improvement Fund - This fund accounts for various construction projects undertaken by the Town.
- CCMP Pay As You Go Fund - This fund accounts for the pay-as-you-go portion of the Beach Restoration Project.
- CCMP Bond Proceeds Construction Fund - This fund accounts for the Beach Restoration Project construction costs financed with proceeds from the 2000 Revenue Bond.
- Equipment Replacement Fund - Reserve to fund the replacement costs of existing equipment, vehicles and computers when they reach the end of their useful lives.

Listed below are the various construction projects contained within the Capital Improvement Fund:

Capital Improvement Program - Fund (307)

Project Name	FY2002 Budget Amount (a)
Police Station Expansion	\$57,000
North Fire-Rescue Station Generator	44,000
Central Fire-Rescue Station	3,290,500
Clarendon Ave Storm Drainage D-17	619,600
WPB Transmission Facilities	608,000
WPB Central Pump Bypass	95,001
Force Main Isolation Valves	98,141
Sanitary Sewer Improvements	3,515,777
Pipe Replacement	238,391
D-16 (El Vedado/Jungle)	26,774
D-12 (Wells to Royal Poinciana)	124,218
D-14 Stormwater Collection Phase III	90,757
D-14 Stormwater Pump Station (RPW)	54,977
Drainage Improvements	4,272,000
Town Hall Renovation	219,000
Boynton Landscape Property	194,846
Townwide Phone System	80,000
I-Net Equipment	50,000
ADA-Phipps Ocean Park	100,935
Town Hall Generator	85,121
Underground Conduit North Lake Way	75,551
Intracoastal Bulkhead Repair	74,559
Security Lighting Southern Blvd.	10,540
Underground Street Lights	6,712
Phipps Ocean Park - Tennis Courts	489,291
Par 3 Reclaimed Water Design Costs	15,000
Par 3 Driving Range Drainage	18,000
Total	\$14,554,691

(a) The FY2002 Budget amount includes FY2002 new appropriations of \$7,152,291 and reappropriated budgets of \$7,402,400.

**Capital Improvement Program
(Fund 307)**

	FY2000 ACTUAL	FY2001 APPROVED	FY2001 PROJECTED	FY2002 BUDGET
REVENUES				
Transfer from General Fund	\$3,433,418	\$6,833,481	\$6,625,271	\$3,378,291
Interest Earnings	644,311	229,300	735,000	400,000
Miscellaneous	80,903	0	569,978	50,000
Grants	404,339	675,000	69,031	0
Transfers	19,000	18,000	0	0
Total Revenues	\$4,581,971	\$7,755,781	\$7,999,280	\$3,828,291
EXPENDITURES				
Projects	1,676,582	17,159,839	7,428,367	7,152,291
Investment Management Fees	2,478	4,300	1,700	0
Transfer to General Fund	0	0	0	0
Transfer to CCMP (309) Fund	0	0	0	0
Transfer to CCMP (308) Fund	0	1,933,875	2,476,093	0
Capital Contingency	0	0	0	715,229
Total Expenditures	\$1,679,060	\$19,098,014	\$9,906,160	\$7,867,520
TOTAL REVENUES OVER/ (UNDER) EXPENDITURES	\$2,902,911	(\$11,342,233)	(\$1,906,880)	(\$4,039,229)
Beginning Total Fund Balance	9,809,827	12,712,738	12,712,738	10,805,858
Ending Total Fund Balance	\$12,712,738	\$1,370,505	\$10,805,858	\$6,766,629

**CCMP Pay As You Go Fund
(Fund 308)**

	FY2000 ACTUAL	FY2001 APPROVED	FY2001 PROJECTED	FY2002 BUDGET
REVENUES				
Transfer from General Fund	\$0	\$1,263,198	\$1,263,198	\$783,834
Transfer from CIP (307) Fund	0	2,729,971	2,476,093	0
Interest Earnings	34	367,742	75,000	120,000
Bond Proceeds	108,278	0	0	0
Grants	0	8,026,000	0	0
Total Revenues	\$108,312	\$12,386,911	\$3,814,291	\$903,834
EXPENDITURES				
Projects	0	0	0	150,000
Transfers	0	0	0	0
Other Expenses	105,178	2,000	0	753,834
Total Expenditures	\$105,178	\$2,000	\$0	\$903,834
TOTAL REVENUES OVER/ (UNDER) EXPENDITURES	\$3,134	\$12,384,911	\$3,814,291	\$0
Beginning Total Fund Balance	0	3,134	3,134	3,817,425
Ending Total Fund Balance	\$3,134	\$12,388,045	\$3,817,425	\$3,817,425

**CCMP Bond Proceeds Construction Fund
(Fund 309)**

	FY2000 ACTUAL	FY2001 APPROVED	FY2001 PROJECTED	FY2002 BUDGET
REVENUES				
Interest Earnings	407,570	335,681	1,232,984	1,232,984
Bond Proceeds	23,000,000	0	0	0
Grants	0	0	0	0
Total Revenues	\$23,407,570	\$335,681	\$1,232,984	\$1,232,984
EXPENDITURES				
Reach 3 & 4 Midtown Beach Nourishment	0	960,000	0	6,778,000
Reach 5 South of Midtown	0	425,000	0	0
Reach 2 North End Restoration	0	480,000	0	0
Reach 8 South End Restoration	0	482,000	0	0
Reach 7 Phipps Ocean Park	0	1,343,000	0	9,261,000
Other	0	0	0	0
Total Expenditures	\$0	\$3,690,000	\$0	\$16,039,000
TOTAL REVENUES OVER/ (UNDER) EXPENDITURES	\$23,407,570	(\$3,354,319)	\$1,232,984	(\$14,806,016)
Beginning Total Fund Balance	0	23,407,570	23,407,570	24,640,554
Ending Total Fund Balance	\$23,407,570	\$20,053,251	\$24,640,554	\$9,834,538

**Equipment Replacement Fund
(Fund 320)**

	FY2000 ACTUAL	FY2001 APPROVED	FY2001 PROJECTED	FY2002 BUDGET
REVENUES				
Transfer from General Fund	\$0	\$0	\$0	\$4,386,910
Interest Earnings	0	0	0	150,000
Total Revenues	\$0	\$0	\$0	\$4,536,910
EXPENDITURES				
Capital Outlay - Equipment				
Capital Outlay - Computers				
Other	0	0	0	0
Total Expenditures	\$0	\$0	\$0	\$0
TOTAL REVENUES OVER/ (UNDER) EXPENDITURES	\$0	\$0	\$0	\$4,536,910
Beginning Total Fund Balance	0	0	0	0
Ending Total Fund Balance	\$0	\$0	\$0	\$4,536,910

ENTERPRISE FUNDS

The Town of Palm Beach has two Enterprise Funds, the Golf Course Fund and the Marina Fund.

Golf Course Fund (Fund 401)

The Palm Beach Golf Course is a scenic and challenging eighteen hole, par 3 course with holes ranging in length from 100 to 240 yards. Four of the holes border the Atlantic Ocean and three run along the Intracoastal Waterway.

The Par 3 is staffed with P.G.A. professionals with private lessons and group clinics available throughout the year. The Golf Course recovers the majority of its costs through user fees.

	FY00 ACTUAL	FY01 APPROVED	FY01 PROJECTED	FY2002 BUDGET
REVENUES				
Golf pro admin fee	\$6,000	\$6,000	\$6,000	\$6,000
Resident permit fees	22,604	24,000	23,604	25,000
Non-resident permit fees	8,443	10,000	8,200	10,000
Resident play tickets	35,780	39,000	36,000	42,000
Non-resident play tickets	30,266	35,000	20,000	24,000
Resident green fees	72,436	75,000	87,000	96,000
Non-resident green fees	292,899	300,000	305,000	335,000
Riding cart rental	97,085	106,000	112,000	123,000
Pull cart rental	25,840	27,000	27,000	30,000
Driving range	83,881	89,000	93,000	98,000
Maintenance and improvement fee	0	17,500	17,500	37,500
Sales tax commission	351	300	350	350
Vending machine commissions	360	600	500	500
Miscellaneous	10,613	7,000	7,000	7,000
Total revenues	\$686,558	\$736,400	\$743,154	\$834,350
EXPENSES				
Personal services	\$423,211	\$422,647	\$423,648	\$434,452
Contractual	181,000	178,854	217,604	210,300
Commodities	113,618	92,275	93,212	94,000
Capital Outlay	0	34,772	34,766	29,000
Other	0	0	0	65,598
Total expenses	\$717,829	\$728,548	\$769,230	\$833,350
TOTAL REVENUES OVER/ (UNDER) EXPENSES	(\$31,271)	\$7,852	(\$26,076)	\$1,000
Beginning retained earnings	\$293,856	\$262,585	\$262,585	\$236,509
ENDING FUND EQUITY	\$262,585	\$270,437	\$236,509	\$237,509

Marina (Fund 402)

The Marina has three docks with a total of eighty-four slips. The slips range in length from fifty feet to two hundred sixty two feet. Slips are leased seasonally or annually and transient vessels are accepted on a short term basis when slips are available.

	FY00 ACTUAL	FY01 APPROVED	FY01 PROJECTED	FY2002 BUDGET
REVENUES				
Peruvian Avenue Docks	\$443,032	\$367,465	\$507,000	\$525,435
Australian Avenue Docks	882,059	761,911	848,000	990,605
Brazilian Avenue Docks	470,850	421,959	540,000	588,535
Electricity	63,930	43,710	65,000	70,470
Interest on Investments	115,158	107,000	115,000	49,000
Sales Tax commissions	348	360	360	360
Miscellaneous Revenue	320	200	350	350
Total revenues	\$1,975,697	\$1,702,605	\$2,075,710	\$2,224,755
EXPENSES				
Personal services	\$117,715	\$163,268	\$154,571	\$165,140
Contractual	1,096,657	1,092,066	1,111,305	1,136,600
Commodities	13,089	12,320	11,195	10,200
Other	106,130	72,400	72,400	27,400
Total expenses	\$1,333,591	\$1,340,054	\$1,349,471	\$1,339,340
TOTAL REVENUES OVER/ (UNDER) EXPENSES	\$642,106	\$362,551	\$726,239	\$885,415
Beginning retained earnings	\$2,931,022	\$3,573,128	\$3,573,128	\$4,299,367
ENDING FUND EQUITY	\$3,573,128	\$3,935,679	\$4,299,367	\$5,184,782

INTERNAL SERVICE FUNDS

The Town of Palm Beach has two Internal Service Funds, the Risk Management Self Insurance Fund that accounts for the Town's property, liability, and workman's compensation insurance and the Self Insurance Health Fund that accounts for the Town's employee health insurance costs.

Risk Management Self Insurance Fund (Fund 501)

The Risk Management Division is responsible for planning, organizing, implementing and directing the activities of the Town's Risk Management Program.

Work in this division is performed under the direction of the Assistant Town Manager. Responsibility includes self-insurance and excess insurance management; claims investigation and administration including litigation strategies; contractual review regarding hold harmless, indemnification and insurance requirements of vendors, contractors, etc.; safety, loss prevention and control programs; and comprehensive review of proposed legislation which could impact the Town from a Risk Management perspective.

	FY2000 ACTUAL	FY2001 APPROVED	FY2001 PROJECTED	FY2002 BUDGET
REVENUES:				
Worker's Compensation	\$550,023	\$560,527	\$564,227	\$589,455
Liability Coverage	572,757	569,969	569,969	1,037,729
Property Funding	531,948	571,601	571,601	665,444
Transfer from General Fund Conting	0	245,968	245,968	0
Interest on Investments	281,741	250,000	237,000	190,000
Total Revenues	\$1,936,469	\$2,198,065	\$2,188,765	\$2,482,628
EXPENSES:				
Personal Services	\$481,370	\$624,368	\$632,964	\$702,456
Contractual	802,416	1,433,063	1,184,055	1,338,800
Commodities	3,808	5,088	4,789	4,800
Capital Outlay	0	1,360	1,451	0
Other	103,687	500,000	500,000	2,900,000
Prior Years	434,258	0	275,670	0
Total Expenses	\$1,825,539	\$2,563,879	\$2,598,929	\$4,946,056
REVENUES OVER/(UNDER) EXPENSES	\$110,930	(\$365,814)	(\$410,164)	(\$2,463,428)
BEGINNING FUND EQUITY	3,368,637	3,479,567	3,479,567	3,069,403
ENDING FUND EQUITY	\$3,479,567	\$3,113,753	\$3,069,403	\$605,975

Self Insurance Health Fund (Fund 502)

The Human Resources Department is responsible for planning, organizing, implementing and directing the self insurance fund as it pertains to the Town’s Health Insurance Program.

The Health Insurance program consists of medical, dental, life, long-term disability, accidental death and dismemberment, supplemental life insurance, specific reinsurance, aggregate reinsurance, medical conversion, COBRA, network access fees, utilization review, consulting services, flexible spending program and claims administration. The program administrator is also responsible for comprehensive review of proposed legislation which could impact the plan.

	FY2000 ACTUAL	FY2001 APPROVED	FY2001 PROJECTED	FY2002 BUDGET
REVENUES:				
Group Medical	\$3,809,023	\$3,700,000	\$3,790,600	\$3,700,000
Interest on Investments	841,578	765,000	828,000	620,000
Total Revenues	\$4,650,601	\$4,465,000	\$4,618,600	\$4,320,000
EXPENSES:				
Personal Services	\$80,318	\$95,219	\$97,318	\$103,716
Contractual	3,250,822	3,288,800	3,312,800	3,903,300
Commodities	853	1,000	1,000	1,000
Capital Outlay	0	1,300	2,240	0
Total Expenses	\$3,331,993	\$3,386,319	\$3,413,358	\$4,008,016
REVENUES OVER/(UNDER) EXPENSES	\$1,318,608	\$1,078,681	\$1,205,242	\$311,984
BEGINNING FUND EQUITY	13,132,387	14,450,995	14,450,995	15,656,237
ENDING FUND EQUITY	\$14,450,995	\$15,529,676	\$15,656,237	\$15,968,221

RETIREMENT FUNDS

Due to the passage of House Bill 261 passed by the Florida Legislature and approved by the Governor, the Town has amended Chapter 82 of the Town of Palm Beach Code of Ordinances establishing a separate retirement plan for public safety officers, reconstituting the Board of Trustees to become the General Employee Board of Trustees, establishing a Public Safety Officer Board of Trustees and amending various definitions and other items relating to the plans to comply with the State Law. The contributions and benefits of the Plans are segregated between those that relate to Public Safety and General employees.

Contributions for the Town are accrued based on amounts required to be funded by actuarial evaluation. These contributions are designed to fund the Plan's current service cost on a current basis and to fund, over a period of 22-30 years, the unfunded actuarial accrued liability.

Approximately 350 active employees and 200 retirees are covered by the Plan.

The Town and each plan's participants are obligated to fund that plan's costs based upon annual actuarial valuations. The Town Council is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels.

An analysis of the Town's share of the retirement funding costs is as follows:

Town Contributions	FY2001	FY2002	Change	% Change
General Employees	\$787,146	\$516,344	(\$270,802)	-34.4%
Lifeguards	56,075	41,336	(14,739)	-26.3%
Police	710,691	310,756	(399,935)	-56.3%
Fire-Rescue	588,419	233,590	(354,829)	-60.3%
Total	\$2,142,331	\$1,102,026	(\$1,040,305)	-48.6%

**Retirement - General Employees
Fund (600)**

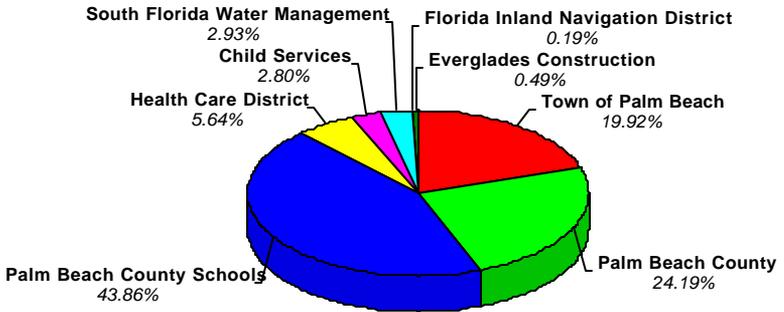
	FY2000 ACTUAL	FY2001 APPROVED	FY2001 PROJECTED	FY2002 BUDGET
ADDITIONS				
State of Florida	\$91,794	\$0	\$0	\$0
General Fund Supplement	10,703	9,000	8,800	8,610
Town of Palm Beach				
Police	220,287	0	0	0
Fire	192,869	0	0	0
Beach Patrol	57,334	56,100	56,100	41,300
General	985,449	787,200	787,200	516,000
Employees				
Police	90,129	0	0	0
Fire	61,751	0	0	0
Beach Patrol	25,442	22,000	25,500	26,000
General	522,873	468,000	518,400	520,000
Gain (loss) on investments	13,967,193	2,671,000	1,200,000	1,200,000
Firefighters supplemental	82,588	0	0	0
Miscellaneous	0	1,000	2,500	1,000
Interest	2,447,231	1,643,000	2,025,000	1,965,000
Total Additions	\$18,755,643	\$5,657,300	\$4,623,500	\$4,277,910
DEDUCTIONS				
Personal Services	0	0	0	0
Contractual	2,716,750	2,187,504	2,146,504	2,283,400
Commodities	0	0	0	0
Capital Outlay	0	0	0	0
Total Deductions	\$2,716,750	\$2,187,504	\$2,146,504	\$2,283,400
Net Increase/(Decrease)	\$16,038,893	\$3,469,796	\$2,476,996	\$1,994,510
Beginning Net Assets	122,992,243	56,711,954	56,711,954	59,188,950
Transfer to Public Safety Retirement	(82,319,182)	0	0	0
Ending Net Assets	56,711,954	60,181,750	59,188,950	61,183,460

**Retirement - Public Safety
Fund (601)**

	FY2000 ACTUAL	FY2001 APPROVED	FY2001 PROJECTED	FY2002 BUDGET
ADDITIONS				
State of Florida	\$386,164	\$403,589	\$403,589	\$407,000
General Fund Supplement	3,436	5,160	5,130	5,130
Town of Palm Beach				
Police	621,249	710,700	710,700	311,000
Fire	507,435	588,500	588,500	233,600
Employees				
Police	186,298	240,000	273,700	270,000
Fire	136,523	156,000	200,000	200,000
Gain (loss) on investments	2,207,804	3,200,000	2,400,000	2,500,000
Firefighters supplemental	0	0	156,000	156,000
Miscellaneous	0	0	2,500	1,000
Interest	2,140,208	2,794,000	3,150,000	2,765,000
Total Additions	\$6,189,117	\$8,097,949	\$7,890,119	\$6,848,730
DEDUCTIONS				
Personal Services	0	0	0	0
Contractual	2,778,297	3,842,204	3,908,204	4,382,700
Commodities	0	0	0	0
Capital Outlay	0	0	0	0
Total Deductions	\$2,778,297	\$3,842,204	\$3,908,204	\$4,382,700
Net Increase/(Decrease)	\$3,410,820	\$4,255,745	\$3,981,915	\$2,466,030
Beginning Net Assets	0	85,730,002	85,730,002	89,711,917
Transfer from General Employee:				
Retirement	82,319,182	0	0	0
Ending Net Assets	85,730,002	89,985,747	89,711,917	92,177,947

Appendix

**TOTAL PROPERTY TAX RATES
TOWN OF PALM BEACH PROPERTY OWNER
FISCAL YEAR 2002**



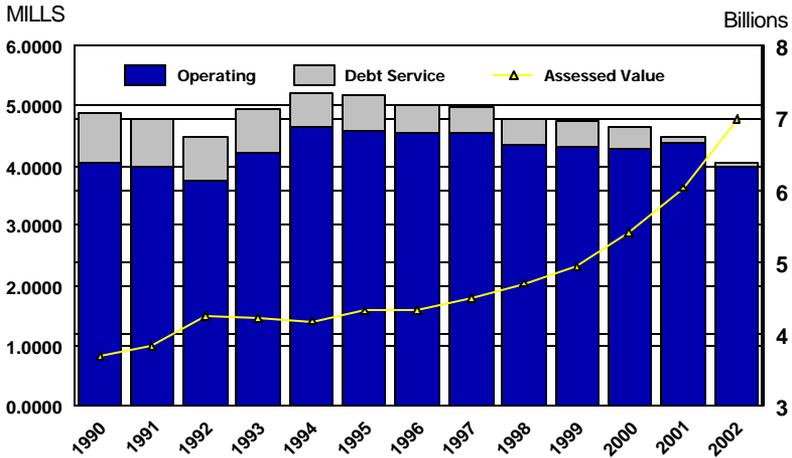
TAXING DISTRICTS	ADOPTED MILLAGE RATES	% OF TOTAL
Town of Palm Beach	4.0641	19.92%
Palm Beach County	4.9351	24.19%
Palm Beach County Schools	8.9480	43.86%
Health Care District	1.1500	5.64%
Child Services	0.5703	2.80%
South Florida Water Management	0.5970	2.93%
Florida Inland Navigation District	0.0385	0.19%
Everglades Construction	<u>0.1000</u>	<u>0.49%</u>
Total	20.4030	100.00%

Note: 1 MILL = \$1.00 per \$1,000 of Taxable Value

TOWN OF PALM BEACH

ASSESSED VALUES AND PROPERTY TAX RATES

FISCAL YEARS 1990-2002



**HISTORICAL PROPERTY TAX RATES
(IN MILLS)
1 MILL = \$1,000 OF TAXABLE VALUE**

FISCAL YEAR	ASSESSED VALUATION	GENERAL FUND	DEBT SERVICE	TOTAL	REVENUE GENERATED
1990	3,696,563,373	4.0550	0.8453	4.9003	\$14,125,762
1991	3,838,353,643	3.9679	0.8192	4.7871	\$14,372,550
1992	4,250,881,608	3.7707	0.7397	4.5104	\$15,205,679
1993	4,212,856,866	4.1984	0.7338	4.9322	\$16,725,385
1994	4,187,821,700	4.6526	0.5513	5.2039	\$18,427,993
1995	4,328,630,328	4.5888	0.5791	5.1679	\$18,918,705
1996	4,336,830,534	4.5371	0.4589	4.9960	\$19,078,793
1997	4,498,027,409	4.5319	0.4491	4.9810	\$19,712,823
1998	4,710,632,410	4.3588	0.4313	4.7901	\$19,799,200
1999	4,954,502,270	4.3400	0.4128	4.7528	\$20,788,015
2000	5,428,850,566	4.3000	0.3452	4.6452	\$22,589,538
2001	6,030,344,117	4.4019	0.1040	4.5059	\$25,270,900
2002	6,986,984,760	3.9757	0.0884	4.0641	\$25,674,253

**Town of Palm Beach
FY2002 Adopted Millage Rate - Change on Homestead Property**

Taxable Value Comparison FY2001 vs. FY2002

	2000(FY2001) Final	2001(FY2002) Preliminary	Difference	% Difference
Operating Taxable Value	\$6,030,344,117	\$6,986,984,760	\$956,640,643	15.86%
Debt Service Taxable Value	6,038,103,376	6,998,310,019	960,206,643	15.90%

Millage Rate/Ad Valorem Revenue Budget Comparison FY2001 vs. FY2002

	FY2001 Adopted	FY2002 Adopted	Difference	% Difference
Operating Millage	4.4019	3.9757 (1)	-0.4262	-9.68%
Debt Service Millage	0.1040	0.0884	-0.0156	-15.00%
Total	4.5059	4.0641	-0.4418	-9.80%
Operating Revenue	\$25,262,900	\$26,389,250 (2)	\$1,126,350	4.46%
Debt Service Revenue	597,635	587,775	(9,860)	-1.65%
Total	\$25,860,535	\$26,977,025	\$1,116,490	4.32%

Effect of FY2002 Adopted Millage Rate Change on Homestead Property

	FY2001	FY2002	\$ Difference	% Difference
Example I at \$500,000				
Taxable Value	\$500,000	\$515,000 (3)		
Homestead	(25,000)	(25,000)		
Adjusted Taxable Value	475,000	490,000		
Millage	4.5059	4.0641		
Town Taxes	\$2,140	\$1,991	(149.00)	-6.96%
Example II at \$1,000,000				
Taxable Value	\$1,000,000	\$1,030,000 (3)		
Homestead	(25,000)	(25,000)		
Adjusted Taxable Value	975,000	1,005,000		
Millage	4.5059	4.0641		
Town Taxes	\$4,393	\$4,084	(309.00)	-7.03%
Example III at \$1,500,000				
Taxable Value	\$1,500,000	\$1,545,000 (3)		
Homestead	(25,000)	(25,000)		
Adjusted Taxable Value	1,475,000	1,520,000		
Millage	4.5059	4.0641		
Town Taxes	\$6,646	\$6,177	(469.00)	-7.06%

(1) 3.9757 Operating mills is 2.7618% higher than the rolled-back millage of 3.86880 mills.

(2) One mill at 95% would generate \$ 6,637,636 in taxes. One mill equals \$1.00 of taxes per \$1,000 of taxable value.

(3) Save our homes percentage increase of 3% is applied to FY01 taxable value.

FUND BALANCE/RETAINED EARNINGS ANALYSIS

The Town’s policy is to maintain an unappropriated fund balance to address economic downturns, temporary revenue shortfalls, unpredicted one-time expenditures and for rate stabilization purposes at a minimum level of 25% of budgeted expenditures. This retention amount would provide for approximately three months of expenditures and is considered prudent. The estimated fund balance for Fiscal Year ending September 30, 2001 of \$19,300,000 represents 44.24% of budgeted expenditures.

The following table reflects the trend of the fund/equity balances for FY1995 through an estimated FY2001.

Town of Palm Beach, Florida Fund Balance/Retained Earnings Analysis Fiscal Years 1995 - 2001							
Funds	Actual FY1995	Actual FY1996	Actual FY1997	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001
General Fund (undesignated)	\$6,258,488	\$7,910,296	\$7,103,865	\$8,467,263	\$12,650,056	\$19,925,376	\$19,300,000
Capital Projects Fund (undesignated)	668,977	785,035	532,109	709,262	1,620,878	2,076,121	1,400,000
Enterprise Funds:							
Marina	2,216,818	2,321,097	2,201,276	2,561,759	2,931,022	3,573,128	3,700,000
Golf	721,079	545,209	456,994	339,952	293,856	262,587	235,000
Internal Service Funds:							
Group Health	6,132,543	8,116,191	10,019,074	11,593,639	12,984,387	14,302,994	15,000,000
Property, Liability & Workers Comp	1,997,523	2,368,185	2,803,603	2,601,985	3,022,637	3,133,567	2,600,000
Pension Trust Fund (combined)	67,512,373	75,266,398	101,425,546	109,078,270	122,992,243	142,441,955	149,000,000
Total	\$85,507,801	\$97,312,411	\$124,542,467	\$135,352,130	\$156,495,079	\$185,715,728	\$191,235,000

THE TOWN

The Town is a municipal corporation organized and existing under the laws of the State of Florida. The Town, located on an island, is on the east coast of Florida in the eastern portion of Palm Beach County. The land area of the Town is approximately 3.77 square miles with 12.1 miles of coastline on the Atlantic Ocean. The Town is a unique, internationally famous residential/estate community known for its distinctive architecture and landscaping, gracious homes and apartments, golf courses and clubs, attractive stores and restaurants. The Town is bound on the West by the Intracoastal Waterway (Lake Worth) the north by the Palm Beach Inlet, the east by the Atlantic Ocean and on the south by the Town of South Palm Beach.

TOWN GOVERNMENT

The Town, incorporated in 1911, is governed by an elected Mayor and a five member Council. The Mayor's term is for two years. The five members of the Town Council are elected at large and serve overlapping two year terms.

The Governing Body meets in regular session once each month for purposes of setting policy and carrying out the legislative matters of the Town. The administrative day-to-day responsibilities are carried out through the Town Manager who is appointed by the Governing Body. All of the Town departments and staff report to the Town Manager. For FY2001 the Town budgeted approximately 394 full time equivalent employees.

The Town has a year round population of approximately 10,468. The Town's population will grow during the time of year traditionally known as the "season" (generally from November 15th to April 1st) at which time the population peaks at approximately 25,000. The Town has experienced considerable growth in its year-round resident population over the last few decades. In 1950 the estimated permanent population of the Town was 3,886 and by 1960 it had increased to 6,055. By 1970 the estimated permanent population had grown to 9,086 and increased to 10,468 by 2001.

Demographics (cont.)

Police Station	1
Number of Sworn Officers	78
Fire Stations	3
Number of Full-time Firefighters	70
Fire Hydrants	367
Public Libraries	1
Public Roads - Paved (Lane Miles)	90 Miles
Bicycle Paths	9.3 Miles
Recreation Facilities	
Tennis Courts	8
Golf Course (Par 3)	1
Boat Slips	86
Community Building	1
Playfields	5
Outdoor Grills	28
Picnic Tables	77
Recreation Areas	
Phipps Ocean Park	24.0 Acres
Seaview Park	4.6 Acres
Neighborhood Parks	
Bradley Park	4.5 Acres
Kaplan Park	0.3 Acres
Special Use Parks/Facilities	
Public Park on Beach	3.0 Acres
Municipal Beach	5.6 Acres
Municipal Docks	5.3 Acres
Southern Boulevard Causeway	9.6 Acres
Nature Islands	39.0 Acres

Community Profile

Form of Government	Council/Manager
Date Incorporated:	1911
Governing Body	5 council Members elected at large for overlapping two (2) year terms. A Mayor whose term is for two (2) years.
Administration	Town Manager appointed annually by Town Council. Department Heads are appointed by the Town Manager.
Town Services	Public Safety, Sanitation, Recreation, Streets and Roads, Planning, Zoning and Building and General Administrative Services.
Services Provided by other Governments	Potable water and sanitary sewage disposal - City of West Palm Beach Transit - Palm Beach County Solid Waste Disposal - Solid Waste Authority of Palm Beach County
Per Capital Income (as a % of County 1998)	367%
Median Family Income (as a % of County 1998)	244%
Median Age (1998)	67.8 years
Median Housing Value (1998)	\$754,065