TOWN OF PALM BEACH, FLORIDA

COMPREHENSIVE ANNUAL BUDGET

FISCAL YEAR 2005
(October 1, 2004 - September 30, 2005)

Mayor and Town Council

Lesly S. Smith, Mayor (Term Expires 2/2005)
Allen S. Wyett, Town Council President (Term Expires 2/2005)
Samuel C. McLendon, Town Council President Pro-Tem (Term Expires 2/2005)
William J. Brooks, Town Councilman (Term Expires 2/2006)
Norman Goldblum, Town Councilman (Term Expires 2/2006)
Jack McDonald, Town Councilman (Term Expires 2/2005)

Town Manager

Peter B. Elwell

Prepared by the Finance Department
Jane Skittone, Finance Director
(561) 838-5400
www.townofpalmbeach.com

TOWN OF PALM BEACH
ORGANIZATIONAL STRUCTURE

CITIZENS OF PALM BEACH

ELECT

MAYOR
Lesly S. Smith

TOWN COUNCIL

PRESIDENT
Allen S. Wyett

PRESIDENT PRO-TEM
Samuel C. McLendon

William J. Brooks

Norman Goldblum

Jack McDonald

APPOINTS

TOWN ATTORNEY
John C. Randolph

TOWN MANAGER
Peter B. Elwell

ADVISORY BOARD AND COMMISSIONS

SUPERVISES

FINANCE DIRECTOR
Jane Skittone

ACTING FIRE-RESCUE CHIEF
Andrew Cox

HUMAN RESOURCES DIRECTOR
William C. Crouse

PLANNING, ZONING AND BUILDING
Robert L. Moore

POLICE CHIEF
Michael S. Reiter

PUBLIC WORKS DIRECTOR
H. Paul Brazil

RECREATION DIRECTOR
Russell E. Bitzer

TOWN CLERK
Mary A. Pollitt

Note: Organizational structure as of July 6, 2004

Guide for Readers

The following information may be helpful to the reader in finding information in the budget document for the 2005 programs, services and financial information. The Fiscal Year 2005 Town of Palm Beach Budget compiles financial and service delivery data in a single source document for easy reference. This guide explains the budget format and will assist in locating information which may be of particular interest. The 2005 budget is intended to serve four purposes.

THE BUDGET AS A POLICY DOCUMENT

As a policy document, the Budget indicates what services the Town of Palm Beach will provide during the twelve-month period beginning October 1, 2004, and reasons for these services. The Budget provides goals and objectives for each organizational unit in the Town of Palm Beach as well as the performance measures upon which programs will be monitored for the forthcoming fiscal year. All Town of Palm Beach funds are described in detail in their respective sections.

THE BUDGET AS AN OPERATIONS GUIDE

As an operations guide, the budget indicates how departments and funds are organized to provide services that will be delivered to the community. The Departments' budget sections provide a mission statement, goals and objectives, organization chart, authorized personnel, revenue and expenditure summaries with descriptions, and performance measures for each Town of Palm Beach Department.

THE BUDGET AS A FINANCIAL PLAN

As a financial plan, the budget outlines the cost of the Town of Palm Beach services and how they will be funded. The Revenues and Expenditures Section provides an overview of the Budget including major revenue and expenditure breakdowns and categories for the following Funds: General, Debt Service, Capital, Enterprise, Internal Service Activity and Trust & Agency. The introductory section includes a budget message, a discussion of the Town of Palm Beach accounting structure and financial policies, a description of the budget preparation process and the financial structure. The budget summary section details the approved budget as well as a comparison of financial activity over a multi-year period with an analysis of the Town reserves.

THE BUDGET AS A COMMUNICATIONS DEVICE

The Budget is designed to be user friendly with summary information in text, charts, tables and graphs. A glossary of financial budget terms is included for your reference. In addition to the reader's guide, the table of contents provides a listing of sections in the order in which they appear in this document. The statistical section includes miscellaneous information relevant to the Town of Palm Beach. Should you have a question about the Town of Palm Beach that this document does not answer, please feel free to call The Finance Department at (561) 838-5444. A Budget in Brief is also available from the Finance Department on the Town's web site, www.townofpalmbeach.com or by mail at, 360 South County Road, Palm Beach, Florida 33480.

Guide for Readers

A STEP BY STEP GUIDE

Given its size and the variety of information it contains, the budget document can be an overwhelming undertaking to review. The purpose of this section is to provide the reader with a guide to the document's contents: where and how to find the information and how to understand or use the information.

The budget document has been prepared in a summary format intended to be easily understood by the general public. The following describes each of its major sections:

Introduction

The budget message or transmittal letter is the best place to start. It is most important in understanding where we have been and where we are going in the upcoming year. The letter provides a broad perspective of services provided and discusses taxes and millage rates, changes in operations, significant differences in revenues and expenditures, and the focus and direction of the budget year.

The introduction section also includes general information about the Town, its budget philosophy and process, financial policies (which form the foundation of the Town's budget development and financial management processes), and other general information.

Budget Summary, General Fund, Revenues, Expenditures, Departmental tabs and Other

The Budget Summary, General Fund, Revenues, Expenditures including Departmental and Other tabs include various presentations of the general fund budget. The Budget Summary section includes summary budget information for all funds and an analysis of Town reserves. The General Fund section includes a financial trend analysis of Revenues and Expenditures. The Revenues tab includes a detailed five-year general fund revenue history, as well as narrative and charts regarding major general fund revenue history. The Expenditures tab includes an exhibit containing four years of expenditure history by program, as well as summary budget charts for FY2005.

An overview of each department/program, the largest portion of the General Fund budget, is included in this section. Each department's section may include the following: a revenue and expenditure summary, personnel complements, an organizational chart, mission statement, goals and objectives, performance measures and workload indicators.

Debt Service, Capital, Enterprise, Internal Service and Trust & Agency Funds

These sections include budget summaries, program descriptions, trend analyses and income statement analyses for the Town's governmental (other than general), enterprise, internal service and trust & agency funds.

Appendix

The appendix includes property tax and millage rate schedules, donation reserve account detail, financial policies, historical staffing levels, and other exhibits that may be helpful to the reader.

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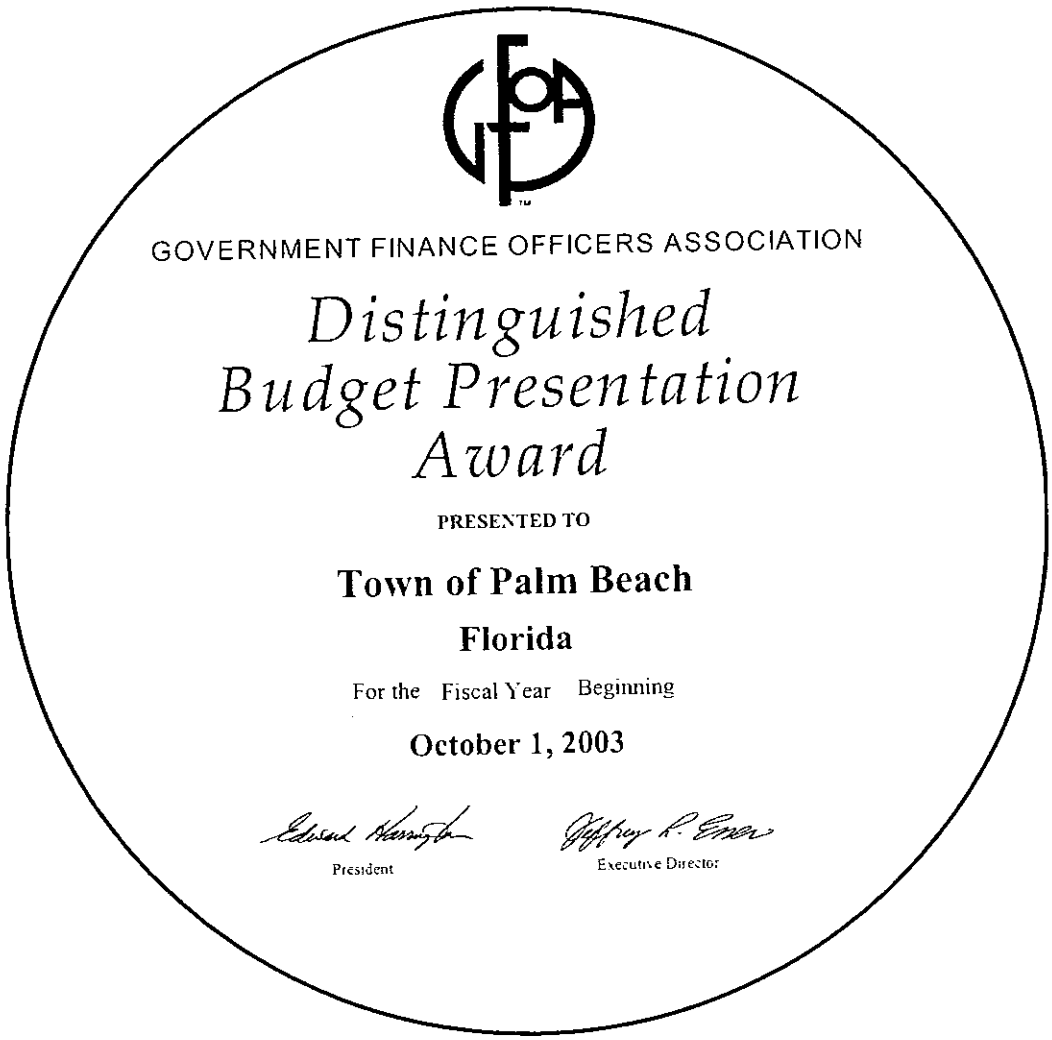
We sincerely hope this "how-to" has aided in finding and understanding information contained in the Town's budget. If any point is unclear, or if additional information is necessary, please call the Finance Department at (561)838-5444. Should the same requests repeatedly occur, we will make an effort to incorporate clarifications in next year's budget document.



The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the Town of Palm Beach for its annual budget for the fiscal year beginning October 1, 2003.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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TOWN OF PALM BEACH

Office of the Town Manager

October 1, 2004

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

I am pleased to present the Comprehensive Annual Budget for the Town of Palm Beach for fiscal year beginning October 1, 2004 and ending September 30, 2005, in accordance with Section 2-541 of the Town's Code of Ordinances and Chapter 95-495 of the laws of the State of Florida. The budget was prepared to comply with generally accepted accounting principles (GAAP) and all applicable Town, State, and Federal requirements. After careful review by the Mayor and Town Council, citizen input was invited at two (2) public hearings. The adopted budget was considered and tentatively approved on September 14, 2004, and the final budget was adopted by the Town Council on September 30, 2004.

This budget document is a financial plan that sets forth the policy framework of the Town and provides the Mayor, Town Council, interested citizens, and staff with information supporting the adopted policies. The document includes financial and organizational data, department mission statements, and program descriptions, with FY2005 initiative statements.

We have embarked on the Key Result Measurement and Management project. This FY2005 budget document identifies the key result statements and the measurement methodology for the eight departments and the Town Manager's Office. During FY2005 we will be working to cascade these statements and measures to all individual program areas.

An important aspect of the Key Result Measurement Project are the Town-wide Goals. The goals for FY2005, adopted by the Town Council at its meeting on April 15, 2004, are set forth below:

- Continue the implementation of the Town's Coastal Management Plan, including final permitting and construction of the Phipps Ocean Park Beach Restoration Project and permitting/design for Reach 2 (Reef Road to Via Los Incas). Reach 5 (Banyan Road to Widener's Curve), and Reach 8 (Ambassador Hotel to South Town Limits), will continue but on a slightly delayed time line due to the importance of Reach 2 construction to the overall success of the Coastal Management Program.

- Complete a Town-wide study of traffic and parking and develop a plan to improve traffic safety and flow both internally and externally (bridges and entrance roadways) and to improve parking utilization (and capacity, if necessary).

- Implement a key result measurement and management system that will align departmental services and programs with the Town's goals and strategic vision to

systematically measure results, including a "Quality of Life" citizen survey and measurement of results when/if suggested improvements are implemented.

- ❖ Complete the multi-year, multi-faceted R-B Zoning Study and make "final" decisions.

- ❖ Continue the implementation of the approved drainage improvement program for the basins north of Wells Road.

- ❖ Complete an independent compensation study to ensure fair and competitive pay and benefits for all Town employees.

GENERAL FUND

The FY2005 adopted budget strives to maintain the Town's high levels of service, to hold down costs wherever possible, and to anticipate necessary expenditure increases and plan for future Town financial needs. With the long-term financial plan as our guide, we are pleased to deliver a FY2005 Budget that closely aligns with the estimates we made a year ago.

The FY2005 budget achieves the Town Council's goal of avoiding an increase in the Town's millage rate. The FY2005 total millage rate of 4.0287 mills is slightly less than the FY2004 total millage rate. We have been able to provide for new initiatives that address emerging or deferred needs without imposing a tax rate increase, thanks in part to the diligent effort by all departments to identify all possible savings (without diminishing the Town's high levels of service) and in part to an 9.22% increase in the Town's total taxable value.

Status of FY2004 Budget

Prior to September, the FY2004 budget was anticipated to end the year with a sizable surplus. In September, due to unexpected expenditures related to Hurricanes Frances and Jeanne, the Town Council adopted a budget amendment ordinance authorizing additional expenditures of $4,300,000.

Budgeted revenues for FY2004 exceeded expectations in most categories. Revenue from licenses and permits will end the year approximately $2,000,000 higher than budget estimates. Ad Valorem and Non Ad Valorem Taxes will end the year above estimates. Miscellaneous Revenues are significantly above the budget standard due to the receipt of funds from the sale of the Pike Road property and the receipt of the donation of $150,000 for the Phipps Ocean Park tennis center that had been budgeted in a prior fiscal year. This revenue classification should end the fiscal year at approximately $2,100,000 over budget estimates. Investment earnings income will not meet budget estimates due to lower than anticipated interest rates. Public safety charges are lower than the budget due to a decline in special detail fees and a decline in EMS transport fees. Most all other revenue sources will end the year above the budget estimates.

In total, revenues are anticipated to exceed budget estimates at the end of the fiscal year by over $4,400,000.

General Fund expenditures are estimated to total approximately $51,000,000. This

amount reflects costs associated with the hurricanes and includes encumbrances. The amended FY2004 budget total is $52,087,635. It is anticipated that the General Fund will end FY2004 with a surplus of more than $600,000. The exact amount of the surplus will be determined during the FY2004 annual audit and will be published in the Town's Comprehensive Annual Financial Report issued early in 2005.

FY2005 Budget Highlights

The FY2005 budget achieves the Town Council's goal of avoiding any increase in the Town's millage rate. The FY2005 total millage rate of 4.0287 mills is .60% less than the FY2004 total millage rate of 4.0529.

Revenues

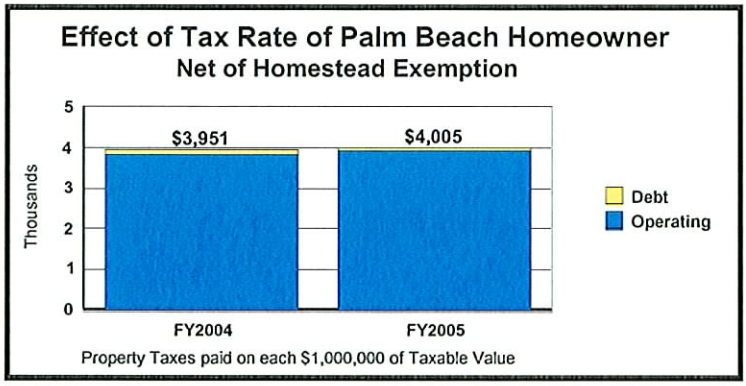
In the General Fund, total revenues are expected to increase by $4,891,303 (10.3%) from the adopted FY2004 budget.

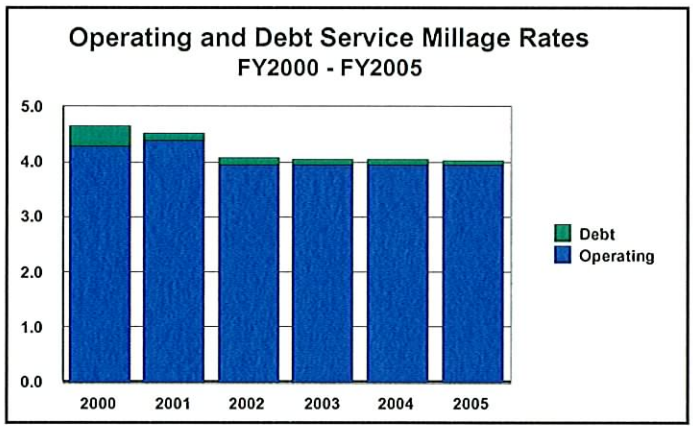
A comparison of the FY2004 vs. FY2005 revenue budget is shown below:

Revenue	Original FY2004	FY2004 Amended Budget	FY2005	Org. FY04 vs. FY05 Difference	% Change
Ad Valorem Taxes	$31,767,870	31,767,870	34,487,025	2,719,155	8.6%
Non Ad Valorem Taxes	6,059,100	6,059,100	6,064,500	5,400	0.1%
Licenses & Permits	3,982,450	3,982,450	4,297,575	315,125	7.9%
Intergovernmental	1,366,400	1,366,400	1,290,877	(75,523)	-5.5%
Charges for Services	2,247,000	2,247,000	2,217,800	(29,200)	-1.3%
Fines and Forfeitures	742,000	742,000	787,500	45,500	6.1%
Investment Earnings	608,240	608,240	617,379	9,139	1.5%
Miscellaneous	127,575	127,575	132,575	5,000	3.9%
Interfund Transfers	550,000	550,000	550,000	0	0.0%
Transfer From Fund Balance	0	4,637,000	1,935,500	1,935,500	0.0%
Total Revenue Budget	$47,450,635	52,087,635	52,380,731	4,930,096	10.4%

Ad Valorem Revenue

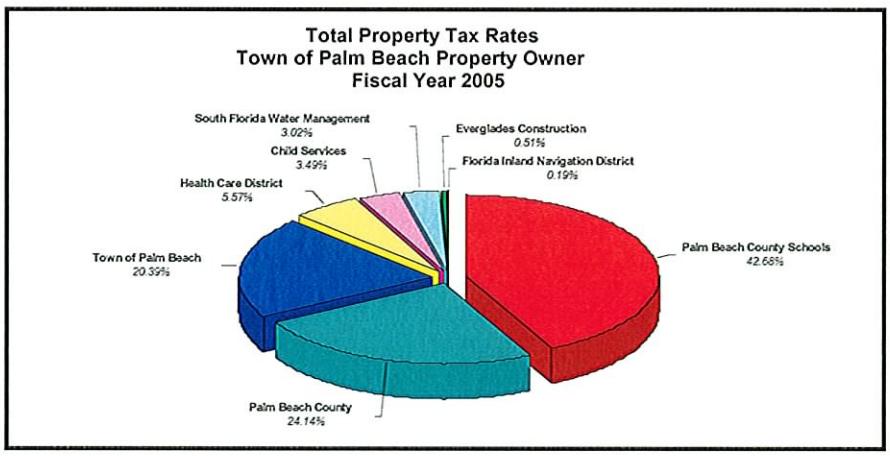
Ad valorem tax revenues will increase by $2,680,241 (8.4%) over the adopted FY2004 budget. The preliminary total taxable value in the town increased by 9.22%. An adopted operating millage rate of 3.9594 mills and a debt service millage rate of .0693 mills totaling 4.0287 mills is slightly lower than the FY04 millage rate of 4.0529. The aggregate impact of these changes on a Town taxpayer who maintains a homestead exemption on a property valued at $1,000,000 will be an increase of $53 in taxes paid to the Town.





The trend in the Town's total millage rate for the last six years including the FY2005 adopted rate is shown in the bar chart to the left. The rate has been declining from a high in FY1994 of 5.2039 to the current rate of 4.0287, a decrease of 23%. A more detailed chart showing taxable value and millage rate trends since FY1994 is located in the appendix.

The Town of Palm Beach millage rate represents 20.29% of the total tax bill for a Palm Beach property owner. In other words, for every $100 of property taxes paid by the property owner in the Town of Palm Beach, only $20 is returned to the Town. More details regarding the millage rate and total tax bill can be found in the appendix.



Non Ad Valorem Revenue

Total non ad valorem revenues are anticipated to increase by $266,395 from FY2004 budgeted revenues. The differences by revenue type are described in detail below:

- Non ad valorem taxes are expected to decrease by $5,400 (.1%) from the FY2004 budget.

- Licenses and Permits are projected to increase by $315,125 (7.9%) over the FY2004 budget. Building Permit Revenue is budgeted for $250,000 more than the FY2004 budget, but less than what was collected during FY2004. Occupational License revenue is anticipated to increase by $12,000 based upon revenue collections for FY2004.

- Intergovernmental Revenues are anticipated to decrease by $75,523. The County 911 funding is expected to decrease by approximately $188,300 and grant revenues are expected to increase by approximately $122,477.

- Charges for Services are projected to decrease by $29,200 (1.3%). EMS transport fees have been budgeted to decrease by $45,000 based upon FY2004 receipts. Slight increases are expected in solid waste fees and parking meter revenue.

- Fines and Forfeitures are anticipated to increase by $45,500(6.1%). This increase is due to improved collections of parking fees and fines.

- Interest Earnings on the Town's invested funds are expected to increase $9,260 from the FY2004 budget, due to the increased amount of reserves. The FY2005 budget for Interest Earnings was estimated using a 2.0% rate of return on the Town's surplus funds.

- Miscellaneous Revenue will increase by $5,000 due to the increase in charitable solicitation fee collections.

- The transfer from fund balance of $1,935,500 will be used to fund the one-time expenditures for a compensation study, taser guns and fire-rescue safety equipment and a portion of the Town Hall renovation project. The transfer will also provide for the first annual funding of the payment of accrued leave from the reserve for compensated absences.

Expenditures

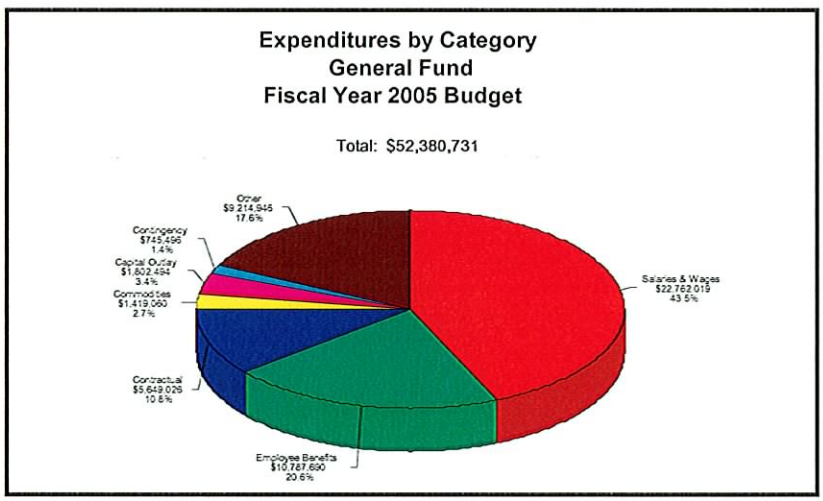
Total General Fund operating expenditures of represent a 6.3% increase from the original FY2004 budgeted operating expenditures. Total expenditures increased by 10.4%. The increase over operating expenditures is due to one-time expenditures for Town Hall renovation, taser guns and fire-rescue safety equipment, the funding of compensated absence payouts and a compensation study. Changes by department and program are highlighted on the detail sheets found in the departmental budget section of this book. Highlights of the overall changes by category are detailed below. The table on the following page shows a detailed comparison by category of expenses. The table shows the original FY2004 budget, the amended FY2004 budget and the FY2005 budget:

Expenditure Category	Original Budget FY2004	Amended Budget FY2004	Budget FY2005	Org.FY04 vs.FY05 Difference	% Change
Salary and Wages	$20,672,151	$21,503,151	$22,762,019	$2,089,868	10.1%
Employee Benefits	9,502,190	9,587,190	10,787,690	1,285,500	13.5%
Contractual	5,315,455	9,205,896	5,649,026	333,571	6.3%
Commodities	1,345,475	1,345,475	1,419,060	73,585	5.5%
Capital Outlay	1,599,131	1,685,006	1,802,494	203,363	12.7%
Other	9,016,233	8,760,917	9,960,442	944,209	10.5%
Total	$47,450,635	$52,087,635	$52,380,731	$4,930,096	10.4%

Salary and Wages
Salaries and Wages increased by $2,089,868 or 10.1% for FY2005. The increase is due to the following factors: An across the board competitive pay increase of 3%, merit pay increases, the funding of 4 new positions, and the funding for the anticipated payment of accrued leave.

Some expenditures included within the salary and wages category are partially reimbursable. These expenditures include special assignment overtime, education incentive pay, and Telecommunicator salary.

Employee Benefits
The increase in Employee Benefits is due primarily to the increase in the Town's actuarially determined contribution to the retirement fund of $746,692 and anticipated increases in health care costs of $347,166.



Contractual
The increase in the contractual category is due to the funding of the compensation study ($40,000), a citizen survey ($15,000) and increases for electric, water and building maintenance for the new central fire-rescue station. Also included in the budget are additional funds for the Comprehensive Plan related to the state-required Evaluation and Appraisal Report (EAR) ($45,000).

Commodities
The increase in commodities is primarily due to increases in fuel costs ($15,150) and additional safety equipment for fire-rescue personnel ($28,300).

Capital Outlay
The increase in Capital Outlay represents, in part, an increase in the annual depreciation funding for the equipment replacement fund of $64,000 for new capital equipment purchases made in FY2004. Expenditures for replacement equipment are

funded from the Equipment Replacement Fund. New equipment purchases include the purchase of tasers for the Police Department ($58,300) and increase for anticipated grant funding for fire-rescue equipment. ($123,500)

Other

The Other category includes transfers to other funds, including the Capital Improvement Fund, the Debt Service Funds and the Risk Insurance Fund. Also, included in this category is the General Fund Contingency.

The Other category increased due to an increase in the transfer to the Capital Improvement fund for the Town Hall renovation project ($1,171,000) and an increase in debt service funding ($84,700), offset by a decrease in the funding of the Risk Insurance program ($300,000).

Fund Balance

As of September 30, 2003, the Town's General Fund undesignated fund balance was $19,015,967. The General Fund Undesignated Fund Balance Policy requires that the General Fund maintain an undesignated fund balance of 25% of budgeted expenditures. This requires a minimum undesignated fund balance of $12,686,308 for FY2005. It is estimated that at the end of FY2004, the Undesignated Fund Balance for the General Fund will total over $17,651,000. This amount represents 34.8% of FY2005 budgeted operating expenditures or more than $4,900,000 over the required minimum level of 25%. A portion of these reserves ($1,280,500) will be used in the FY2005 budget for funding a portion of the Town Hall renovation project, a compensation study, Police and Fire-Rescue equipment purchases, and anticipated accumulated leave buyouts and contributions to the Retirement Health Savings Accounts. In addition, a portion of the Fund Balance has been designated to create a reserve for the accumulated leave balances. This reserve designation is expected to amount to $3,500,000.

After the funding of the above mentioned items from the General Fund Undesignated Fund Balance, the remaining balance of $12,870,500 represents 25.4% of the FY2005 operating budget, leaving $184,192 of "excess fund balance" over the required minimum. Once FEMA reimbursements for costs associated with Hurricanes Frances and Jeanne are received, excess fund balance will again comfortably exceed the minimum.

Personnel Complement

The total personnel complement (all funds Townwide) for FY2005 is 406.20 full-time equivalent personnel (FTEP), which represents an increase of 5.3 FTEP from the adopted FY2004 budget. The 5.3 increase is comprised of the addition of the following positions: Assistant Public Works Director (partial year funding), EMS Billing Specialist, Information Systems Specialist (+3). In addition, the increase includes the conversion of a Planning, Zoning and Building Plan Review/Combination project engineer from contractual to salaried (+1), the conversion of a project engineer for the drainage program from contractual to salaried (+1), the conversion of the part time secretary in the Town Manager's Office to a full time secretary, combined with the conversion of the part time secretary in Risk to a full time secretary (+1), the addition of part time employees in youth programs (+.3) and the reduction of a staff member at Par 3 (-1).

OTHER FUNDS

Debt Service Funds (200, 201, 203)

The Debt Service Funds provide for the payment of principal and interest on the Town's outstanding 1993 General Obligation Bonds and the 2000 and 2003 Series Revenue Bonds. Each year a debt millage is assessed to fund actual dollars needed to meet the annual debt payments for the 1993 General Obligation Bonds and related expenses. The 2000 and 2003 Revenue Bonds are funded from a transfer from the General Fund's non-ad valorem revenues, grant funds, and accumulated reserves in the coastal protection pay-as-you-go fund.

The Town's outstanding bonded debt as of September 30, 2004 is as follows:

Year Issued	Outstanding Principal Balance @ September 30, 2003	Purpose
2003	$24,340,000	To refinance the 2000 Beach Revenue Bonds and provide financing for the Town facilities projects.
2000	3,020,000	Outstanding balance of unrefunded maturities for 2000 Beach Revenue Bonds.
1993	680,000	To refund the callable portion of the 1986 Bond Issue. (Final payment 7/1/2005)
Total	$28,040,000	

As of September 30, 2004, the Town's gross bonded debt will amount to only 6.1% of the legal limit of $458,429,659 (5% of FY2004 preliminary taxable value of $9,168,593,174), as set forth in the Town's Charter.

As part of the preparation for the 2003 Revenue Bonds, the Town's GO and Revenue Bond ratings were reviewed by both Moody's and Standard & Poor's. The Town's conservative financial policies and strong management of its financial resources were recognized, and it resulted in rating upgrades in both revenue and general obligation categories. Moody's Investors Service upgraded the Town's credit rating to Aa1 from Aa2 for the 2003 Revenue Bonds and confirmed the Town's current Aaa GO credit rating. Standard and Poor's upgraded the credit rating on the Revenue Bonds to AA+ from A+ and upgraded the Town's 1993 General Obligation credit rating to AAA from AA. The AAA credit ratings are the highest ratings these two rating services issue and represent the highest quality investment grade debt. The Town is one of only three municipalities in the State of Florida to maintain a AAA rating from both Moody's and Standard & Poor's.

The 1993 GO debt service appropriation is $607,000 in FY2005 and is funded through a separate debt service levy of .0693 mills. The FY2005 appropriation will be the final appropriation for this bond. The 2000 and 2003 Series Revenue Bonds debt service appropriation of $4,340,785 is funded from non-ad valorem revenues, grant funding, and accumulated reserves in the coastal protection pay-as-you-go fund.

Capital Improvement Funds (307, 308, 309, 310)

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 FY2004, a transfer from the General Fund of $2,682,000 is funded to partially offset the anticipated costs of the scheduled projects, which include:

- Continuation of major drainage improvements
- Replacement of sanitary sewer mains
- Town Hall Renovation Project
- D-15 Cooling System Repair
- Tennis Facilities Study and Possible Expansion
- Recreation Center Shutters
- Town Dock Improvements

A comprehensive drainage improvement program was initiated in FY2001. Since March 13, 2001, $14,138,000 has been appropriated to drainage projects. Of this amount $7,500,000 has been funded from the General Fund Undesignated Fund Balance. In the FY2005 budget an additional $2,042,000 is allocated for drainage.

Debt service, planning, design, and permitting costs of the Town's coastal protection projects are 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 is funded by the proceeds of the Town's 2000 Revenue Bond proceeds and the interest accrued in CCMP Construction Fund (309).

Proceeds from the 2003 Revenue Bonds are designated for construction of the new central Fire-Rescue station and the Town Hall reconstruction project. These projects are funded from the Town Facilities Construction Fund (310), an additional appropriation of $1,171,000 from the General Fund, and a transfer from the Capital Fund (307) of $550,000 for a total of approximately $5,000,000.

Equipment Replacement Fund (320)

The Equipment Replacement Fund was established in FY2002 with a transfer from the General Fund undesignated fund balance for the accumulated depreciation of all fixed assets over the established thresholds of $2,500 for capital equipment and $1,500 for computer equipment.

The purpose of this fund is to pay for the replacement cost of existing equipment, vehicles, and computers when they reach the end of their useful lives. The reserve will significantly reduce budgetary fluctuations and eliminate the need for equipment financing.

The annual depreciation transfer for FY2005 is $1,066,295. Of this amount $207,000 represents the annual depreciation for computer equipment and $859,295 represents the annual depreciation for other fixed assets.

In FY2005, the total expenditures for equipment purchases from the equipment replacement fund will be $1,142,011. A detailed listing of equipment purchases is located in the Capital Funds section of this budget document.

The Leisure Services Enterprise Fund (403)

The Leisure Services Enterprise Fund comprises all leisure activities in the Town, including golf, tennis, other recreation activities for youth and adults, and operation of the Town docks.

A Business Plan was prepared by staff that reviewed the operations of each of the

activities of the Fund and made recommendations for improvements in operations. The Business Plan also included a forecast which anticipates net income for this fund to range from approximately $316,000 to $371,000 per year. The retained earnings balance through the forecast period is well over the required minimum of 25% of revenue. The forecasted retained earnings for FY2008 represent 40% of revenues or more than $707,000 over the required minimum.

The consolidated budget for the Leisure Services Enterprise Fund for FY2005 as compared to the FY2004 budgets for all Leisure Services activities is shown below:

	Budget FY2004	Budget FY2005	Change	Percent Change
Total Operating Revenue	$3,715,795	$3,820,705	$104,910	2.8%
Total Operating Expenses	2,873,471	3,161,694	288,223	10.0%
Net Operating Income	842,324	659,011	(183,313)	-21.8%
Investment Income	59,700	54,000	(5,700)	-9.5%
Transfer to General Fund	(550,000)	(550,000)	0	0.0%
Net Income from Operations	$352,024	$163,011	($189,013)	-53.7%

The FY2005 budget includes a Contingency Reserve for this fund. This is to be appropriated from the reserves of the fund at an amount equal to 5% of the budgeted expenses of the fund ($172,572). This reserve will be used upon Town Council approval to address unanticipated expenditures.

The Leisure Services Enterprise Fund Business Plan anticipated net income from operations to be $315,444 for FY2005. The creation of the Contingency Reserve was not anticipated in the business plan. If the appropriation for the contingency reserve is added back to the above net income, the "Net Income from Operations" would be $335,583 or $20,139 higher than anticipated in the forecast.

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 worker's 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 funded by a transfer from the General Fund of $2,510,033 and interest income earned on the retained earnings within the fund. The transfer from the General Fund has been decreased from FY2004 by $300,000. This decrease is due to the savings realized by the change in insurance programs in FY2004.

Included in the FY2005 budget is an increase for personnel. The current ½ - time secretary will be increased to a full time secretary.

A reserve for catastrophic exposures/emergencies in the amount of $2,500,000 and a contingency account in the amount of $500,000 have been included in the FY2005 budget per the Town's policy. Both amounts will be appropriated from the retained earnings of the fund to preclude having to amend the budget in case of an emergency. A portion of the deductible accounts have been funded from retained earnings for public officials coverage since they are not included in the loss fund.

Located below is a summary of the budgeted revenues and expenses for FY2005 as compared to the FY2004 budget for the Self Insurance Fund for Risk Management:

	Budget FY2004	Budget FY2005	Change	Percent Change
Operating Revenues: Transfer from General Fund	$ 2,810,033	$ 2,510,033	$ (300,000)	-10.7%
Interest Earnings	$ 100,400	$ 82,000	$ (18,400)	-18.3%
Total Operating Revenues	$ 2,910,433	$ 2,592,033	$ (318,400)	-10.9%
Expenses				
Salary and Wages	$ 90,002	$ 115,453	$ 25,451	28.3%
Employee Benefits	29,020	42,160	13,140	45.3%
Insurance Fixed	1,805,085	1,252,864	(552,221)	-30.6%
Insurance Claims	735,000	735,000	0	0.0%
Contractual Services	299,780	295,760	(4,020)	-1.3%
Commodities	4,150	4,150	0	0.0%
Other	3,000,000	3,000,000	0	0.0%
Total Expenditures	$ 5,963,037	$ 5,445,387	$ (517,650)	-8.7%
Transfer from Retained Earnings	$ (3,052,604)	$ (2,853,354)	$ 199,250	-6.5%

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. The program is funded by a transfer of $4,800,000, which includes the Town's contribution and the employee and retiree contributions, along with interest income earned on the retained earnings.

The Contingency Reserve for the Health Insurance Fund is funded at $500,000. The reserve was established to fund unanticipated expenditures of a nonrecurring nature and/or to meet unexpected increases in health insurance costs and claims exposure. The reserve has been appropriated from the retained earnings of the fund.

Budgeted expenditures for the Town's health insurance program in FY2005 have increased by $543,178 (10.5%) over the FY2004 budget due to increases in heath insurance costs. The budgeted revenues and expenses for FY2005 as compared to the FY2004 budget are shown on the following page:

	Budget FY2004	Budget FY2005	Change	Percent Change
Operating Revenues: Transfer from General Fund	$4,374,542	$4,877,720	$ 503,178	11.5%
Interest Earnings	300,000	340,000	40,000	13.3%
Total Revenues	$4,674,542	$5,217,720	543,178	11.6%
Expenses				
Salary and Wages	$ 76,735	$ 81,885	$ 5,150	6.7%
Employee Benefits	29,820	33,335	3,515	11.8%
Insurance Fixed	1,512,562	1,632,500	119,938	7.9%
Insurance Claims	3,038,125	3,436,000	397,875	13.1%
Contractual Services	15,400	31,200	15,800	102.6%
Commodities	1,900	2,800	900	47.4%
Other	500,000	500,000	0	0.0%
Total Operating Expenses	$5,174,542	$5,717,720	$543,178	10.5%
Transfer From Retained Earnings	$ (500,000)	$ (500,000)	$ 0	0.0%

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). On October 1, 2004 the Public Safety Pension Plan was split into two funds, the Police Pension Plan and the Fire-Rescue Pension Plan. A plan administrator has been hired to administer the accounting, payroll, meeting organization, minutes, and budgeting of the two new funds. The Town will still administer the General Employees' Retirement 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. The actuarially determined contribution for FY2005 increased by $762,009. This increase was mainly due to substantial investment losses in the funds in FY2001 and FY2002. Investment performance improved in FY2003, and gains have been recorded for fiscal year-to-date 2004. These gains and any realized in FY2005 will offset the prior year losses and reduce the amount of increases in retirement funding.

An analysis of the Town's share of the retirement funding costs for all Town funds is shown below:

	FY2004	FY2005	Change	% Change
General Employees	$ 1,475,454	$ 1,705,300	$ 229,846	15.6%
Lifeguards	44,204	76,252	32,048	72.5%
Police	1,106,450	1,312,615	206,165	18.6%
Fire-Rescue	822,201	1,116,151	293,950	35.8%
Total	$ 3,448,309	$ 4,210,318	$ 762,009	22.1%

Inventory of Assets

The inventory of parts, supplies, fuel and materials on hand as of October 1, 2004, is $464,784 and the total fixed asset inventory (which includes machinery, equipment, and vehicles with a value more than $2,500 and computer equipment with a value more than $1,500)is $11,220,000.

Financial Policies

Over the past three years the Town has adopted 15 financial 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. The Town Council approved the establishment of two new policies for FY2005. A Leisure Services Enterprise Fund Contingency Reserve and a Designation of General Fund - Fund Balance for payment of Accrued Liability Related to Compensated Absence Leave Balances (Reserve for Compensated Absences).

Designation of General Fund-Fund Balance for Payment of Accrued Liability Related to Compensated Absence Leave Balances (Reserve for Compensated Absences) - This reserve will fund the value of accrued compensated absences. This reserve will significantly reduce the budgetary fluctuations due to the payout of accrued leave to employees at the time that they conclude their Town employment. The reserve will also fund the Retirement Health Savings Plan contributions. The reserve will be funded at a rate of 100% of the estimated year end accrued vacation, sick and comp time balance. The reserve will be shown as a designation of the General Fund undesignated fund balance. Annually, estimated pay-outs will be appropriated to the General Government Section of the General Fund budget from the reserve.

Leisure Services Enterprise Fund - Contingency Reserve. The reserve would be appropriated annually for unanticipated expenditures of a nonrecurring nature. The reserve
will be funded at 5% of budgeted expenses and is to be appropriated from the retained earnings of the fund.

Health Insurance Fund Reserve. The Government Accounting Standards Board (GASB) has recently released Statement No. 43 regarding Financial Reporting for Postemployment Benefit Plans. A reserve policy will be prepared and presented during FY2005 that will address the requirement of the new GASB statement.

Copies of all adopted financial policies can be found in the appendix of this document.

Long Term Financial Plan

Staff has prepared an update to the Long Term Financial Plan. The plan serves as a tool to provide the Mayor, Town Council and staff with insight to address issues impacting the town's future financial condition. The plan contains the FY2005 budget as well as forecasts for FY2006 through FY2009. Copies of the Long Term Financial Plan are available for review in the Finance Department.

Budget Format and Structure

In our continuing effort to improve the clarity and efficiency of the budget document to

increase its value for policy making and public information, we have made the following substantive changes this year to the Town's budget format and structure:

- Each department of the Town has prepared a mission statement and has identified Key Results statements and measurement methodologies. The results of the measures will be reported in the FY2006 budget document.

- In the document, each program page contains a description of the program, workload indicators, initiatives that will be focused upon in FY2005, and a list of the program personnel.

- The Capital Fund section has been modified to include accomplishments for the current fiscal year by fund. In addition, a summary schedule for each project in the 5 year plan has been added to the document. These schedules identify the sources of funding for the project as well as a breakdown of the costs of the project over the next 5 years including any budgeted carryover from prior years. The project form also reflects any operating budget impact due to the project.

- Items that were previously included in the Legislative budget and in other sections of the budget that relate to general government operations have been reclassified to a General Government program (113).

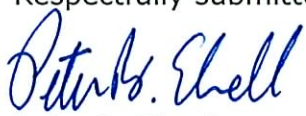
- All items relating to vehicle and equipment maintenance have been consolidated in the Public Works budget in the Equipment Operations and Maintenance program (571). This consolidation generated $28,200 in savings to the Public Works budget.

We will continue to seek ways in which to improve the budget document to assist the Mayor and Town Council in their policy making role and to better inform the public regarding the Town's financial affairs.

Acknowledgments

Preparation of this budget was a team effort involving substantive contributions by all departments. I am particularly grateful for the dedication, creativity, and dependably sound advice Finance Director Jane Skittone who, along with Assistant Finance Director Cheryl Somers, and Accounting Supervisor Amy Wood, provided overall leadership and coordination on this project. Finally, I extend the Town's gratitude to Mr. Richard Bowers for his guidance and training in development of our Key Results Measurement and Management system.

Respectfully submitted,



Peter B. Elwell
Town Manager

cc: All Department Directors
Thomas G. Bradford, Assistant Town Manager
Sarah E. Hannah, Assistant to the Town Manager
Spencer D. Wilson, Information Systems Manager
Karen Temme, Risk Manager

History of Palm Beach

Palm Beach is a barrier island sixteen miles long. The Town of Palm Beach is 3/4 mile at its widest part, 12.1 miles along the Atlantic Ocean, 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 cities of West Palm Beach and 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 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.

History of Palm Beach

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 quite 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 the early foundation as an effort to preserve the quality and beauty of Palm Beach.

The Town of Palm Beach has 8,351 registered voters in the year 2003 with approximately 9,676 full time residents. The population swells to approximately 25,000 during "season" which is from November to April. Residents and visitors enjoy the very best in dining, shopping, and luxurious surroundings. Worth Avenue shops attract visitors worldwide.

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 Overview/Demographics

Location

The Town of Palm Beach is a municipal corporation organized and existing under the laws of the State of Florida. The Town, located on a barrier 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 also bound on the west by 15.9 miles of Intracoastal frontage (Lake Worth), on the north by the Palm Beach Inlet, and on the south by the Town of South Palm Beach.

Listed below are various statistics regarding elevation and weather in Palm Beach:

Island Elevation
- Average.....4.0 ft. above sea level
- Maximum.....15.0 ft. above sea level

Temperature
- Annual Average.....74.7F degrees
- August Average.....82.5F degrees
- January Average.....65.1F degrees

Annual Precipitation.....60.7 inches

Economy

The Town is a unique, long-established, internationally famous upscale residential/estate community known for its distinctive architecture and landscaping, gracious homes and apartments, golf courses and clubs, attractive stores and restaurants. Commercial activities are restricted primarily to Town-serving sources rendered by banks, retail shops, hotels, and restaurants to its permanent population of 9,682 and seasonal residents. There is no industrial development within the Town.

Town Government

Incorporated on April 17, 1911, the Town 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 Town has 7,351 registered voters as of December 2003.

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 annually by the Governing Body. All of the Town departments and staff report to the Town Manager. As of September 30, 2004, the Town employed approximately 406 full and part time employees.

The Town of Palm Beach provides a full range of municipal services including Fire-Rescue and Police protection, Sanitation, Recreation, Streets and Roads Maintenance, Planning, Zoning and Building and General Administrative Services.

The following services are provided to residents by other governments:

Transit.....Palm Beach County
Solid Waste Disposal..Solid Waste Authority of Palm Beach County
Potable Water.....City of West Palm Beach
Sanitary Sewage Disposal..City of West Palm Beach

Population

The Town has a year round population of approximately 9,682. The Town's population will grow during the time of year

Town Overview/Demographics

traditionally known as the "Season" (generally from November 15th to April 1st) at which time the population swells to approximately 25,000. The Town has experienced considerable growth in its year-round resident population over the last few decades.

Year	Population	% Change
1950	3,886	
1960	6,055	+55.8%
1970	9,086	+50.1%
1980	9,432	+ 3.8%
1990	9,814	+ 4.1%
2000	9,676	- 1.4%

Demographics

Per Capita Income (2000).....$109,219
Median Household Income (2000)....$94,562
Median Age (2000).....66.6 years

Infrastructure

Police Stations (78 sworn officers).....1
Fire-RescueStations(78full-time firefighters)3
Fire Hydrants.....367
Public Elementary School(County).....1
Enrollment (Kindergarten - Fifth)...414
Public Libraries.....1
Recreation Facilities.
Tennis Courts.....9
Golf Course (Par 3).....1
Marina (88 Boat Slips).....1
Community Building.....1
Playfields.....5
Bicycle Paths.....9.3 miles
Picnic Tables.....77
Outdoor Grills.....28
Recreation Areas
Phipps Ocean Park.....24 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.....3.00 Acres
Municipal Beach.....5.60 Acres
Municipal Docks.....5.30 Acres
Peruvian/South County Rd... 0.24 Acres
Southern Boulevard Cswy....9.60 Acres
Nature Islands.....39.00 Acres
Public Roads - Paved.....90 Lane Miles

Bond Ratings

Rating Agency	2003 Rev Bd	General Obligation
Moody's	Aa2	Aaa
Standard & Poor's	AA+	AAA

Real Estate Parcels by Type

The following information reflects the taxable value of real estate by type:

Type	Taxable Value (In Bill.)	# of Parcels
Vacant Residential	$ 331.6	218
Single Family Residential	5,381.9	2,235
Multi-Family, > 10 units	61.3	9
Condominiums	2,184.8	5,495
Cooperatives	161.4	1,039
Retirement Homes & Misc.	1.2	1
Multi-Family < 10 Units	83.2	70
Vacant Commercial	1.0	3
Improved Commercial	770.8	198
Improved Industrial	.7	1
Institutional	58.9	23
Government	.0	49
Leasehold Interests	.0	2
Miscellaneous	1.9	34
Total	$9,038.7	9,377

Homestead Exemptions

All homesteaded property within the State of Florida is subject to a $25,000 exemption in taxable value. The annual increase in taxable value is limited to 3% or the National Consumer Price Index, whichever is less. The increase for FY2005 was 1.9%. The Town has 3,454 (36.8%) homesteaded properties.

Financial Policies

The Town of Palm Beach financial policies, compiled below, set forth the basic framework for the overall financial management of the Town. These policies assist the Town Council's decision-making process and provide guidelines for evaluating both current activities and proposals for future programs. Copies of Town Council adopted policies are located in the appendix section of this document.

General Policies

The Town of Palm Beach will:

- Annually prepare a budget, submit it to Council for approval and publicly issue a budget document.
- Identify costs and funding sources before recommending approval of capital and operating budgets.
- Provide for sound financial planning, the best possible bond rating, funding of depreciation and adequate working capital in all funds.
- Take measures to protect against catastrophic losses through a combination of insurance, funded self insurance, and cash reserves.
- Follow the Town of Palm Beach Charter when preparing the Town's budget.
- Estimate and review the long-term costs associated with proposed new programs or services.
- Assign all program costs as accurately as practical (including interfund transfers when necessary) utilizing intergovernmental service funds where indicated.
- Annually review all existing programs to determine whether a recommendation to the Town Council to maintain, decrease, or increase service levels is appropriate.
- Review annually all administrative policies governing accounting procedures, billing, purchasing, asset use and control, and risk management.

Operating Budget Policies

The Town of Palm Beach will:

- Pay for all current year operating expenses with current year revenues and/or available fund balances.
- Provide for adequate funding of all pension plans, as determined by the Town's actuary.

- Make all purchases in an impartial, economical, efficient, and competitive manner, in accordance with all Federal, State and municipal laws and coordinated through the Purchasing Division.

- The budget will be controlled at the program level within each department by the applicable department head. Budget amendment requests and transfers of funds between programs will originate from the applicable department head and the Finance Director and shall be subject to the approval of the Town Manager.

- The Town Manager may authorize transfers between departments if the action is deemed necessary to meet the obligations of the Town.

- Issue a Comprehensive Annual Budget Document and Budget in Brief after adoption.

Capital Budget Policies

The Town of Palm Beach will:

- Evaluate the relative merit of each capital project according to Council's goals and priorities.

- Rely on internally generated funds and/or grants to finance its capital needs. Debt will be issued for a capital project only in the case of an emergency, or when inclusion of a project in the Town's pay-as-you-go Capital program will preclude the construction of smaller necessary capital improvements.

- Thoroughly evaluate and update the Capital Improvements Program on an annual basis providing detailed information regarding operational impacts.

Revenue Management Policies

The Town of Palm Beach will:

- Levy taxes to adequately offset inflation and provide the desired level of service.

- Annually review all revenue schedules, including taxes, rates, licenses, user fees, and other charges, to insure compliance with Town Council's approved policies.

- Maintain a diversified revenue base to help mitigate the effects of short-term fluctuations in any one revenue source.

- Conservatively estimate annual revenues utilizing established industry standards along with historical trend information.

- Annually review all user fees for each Enterprise Fund and set same at a level that fully supports all direct and indirect costs of the activity.

- Review new sources of revenue to fund operating and capital costs consistent with the Town Councils' goals and priorities.

Financial Policies

Investment Management Policies

The Town of Palm Beach will:

- Make a cash flow analysis of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled to insure cash availability.
- Deposit funds only in financial institutions which are insured by the Federal Deposit Insurance Corporation or are approved for full collateralization by the public deposit protection act or other state statutes.
- Pool cash from all legally permitted funds for investment purposes.
- Maximize the investment rate of return. Adhere to lawful investment options. Safety of the principal shall be the dominant requirement, followed by sufficient liquidity to meet operating requirements, and then yield.
- Insure timely deposit of all collected revenues.

Debt Management Policies

The Town of Palm Beach will:

- Periodically approve the issuance of Debt Obligations on behalf of the Town to finance the construction or acquisition of infrastructure and other assets for the purpose of meeting its governmental obligations to its residents.
- Approve the issuance of Debt Obligations to refund outstanding debt when market conditions indicate or for management considerations.
- Assure that such Debt Obligations are issued and administered in such a manner as to ensure and sustain the long-term financial integrity of the Town, to achieve the highest possible credit rating and to preserve and enhance the quality of life, safety and welfare of its citizens.
- Assure that such Debt Obligations shall not be issued or debt proceeds used to finance current operations of the Town except as provided herein.
- Issue Debt Obligations if necessary to minimize the impact of construction or acquisition of infrastructure and other assets on the budget of the Town.
- Consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have an economic/useful life of at least five years.
- Not issue debt for periods exceeding the useful life or average useful lives of the project or projects to be financed.
- Normally rely on internally generated funds and/or grants to finance its capital needs. Debt will be issued for a capital project only in the case of an emergency, or when inclusion of a project in the Town's pay-as-you-go capital program will preclude the construction of smaller necessary capital improvements.

- Keep outstanding debt within the limits prescribed by Section 7.01 of the Town Charter.

Accounting, Auditing and Reporting Policies

The Town of Palm Beach will:

- Provide regular information concerning cash position and investment performance through its accounting system.
- Establish and maintain a high degree of accounting competency. Financial accounting and reporting will be done in accordance with methods prescribed by the Governmental Accounting Standards Board and the Government Finance Officers Association, or their equivalents.
- Present monthly and annual reports to the Town Council summarizing financial activity delineated by fund.
- Maintain financial systems to monitor expenditures, revenues and performance of all municipal programs on an ongoing basis.
- Provide full disclosure in annual financial statements and bond representations.
- Use an independent certified public accounting firm to perform an annual audit.
- Publicly issue a Comprehensive Annual Financial Report.
- Comply with all required reporting requirements related to bond issuance terms.

Reserve Policies

The Town of Palm Beach will:

- Maintain an undesignated fund balance in the General Fund equal to a minimum of 25% of current year General Fund budgeted expenditures.
- Maintain a contingency reserve in the General Fund equal to 2% of the proposed General Fund budget to address unexpected needs that occur throughout the year, subject to the formal affirmative vote of the Town Council.
- Maintain a contingency reserve in the Capital Fund equal to 10% of the proposed Capital Fund budget to address unexpected needs that occur throughout the year, subject to the formal affirmative vote of the Town Council.
- Maintain a contingency reserve in the Leisure Services Enterprise Fund equal to 5% of the proposed Leisure Services Enterprise Fund operating expense budget to address unexpected needs that occur throughout the year, subject to the formal affirmative vote of the Town Council.

Financial Policies

- Maintain a contingency reserve in the Self-Insurance Risk Fund of $500,000 to address unexpected needs that occur throughout the year, subject to the formal affirmative vote of the Town Council.

- Maintain a contingency reserve in the Self-Insurance Health Fund of $500,000 to address unanticipated expenditures and/or to meet unexpected increases in health insurance costs and claims exposure.

- Establish a reserve to designate fund balance in the amount equal to the Town's unpaid obligations, unfinished projects and prepaid expenses that carry over from one fiscal year into the next.

- Maintain minimum retained earnings levels equal to 25% of the proposed budgeted revenues in the Enterprise Fund.

- Maintain a minimum reserve of $2,500,000 for the Risk Fund designated as a reserve for catastrophic exposures/emergencies.

- Maintain a reserve for funding the replacement costs of existing equipment, vehicles, and computers when they reach the end of their useful lives. The reserve will be maintained at a rate of 100% of accumulated depreciation of the existing equipment.

- Maintain a reserve for funding a dock replacement fund. The reserve will be maintained at a rate of 100% of accumulated depreciation of the current docks.

- Maintain a designation of General Fund - fund balance for payment of liability related to compensated absences. This designation will be funded at a rate of 100% of the fiscal year end accrued balance.

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Budget Assumptions

BUDGET ASSUMPTIONS

During the initial phase of the budget process, the Finance Department compiles the Budget Preparation Manual. It is published on the Town's intranet and provides the budget calendar, guidelines for budget worksheets and sample budget forms. The assumptions listed below were used in the formation of expenditures and revenues budgets for Fiscal Year 2005.

Revenues

- ✓ **Assessed Value Growth:** The ad valorem revenue budget is calculated based on the preliminary assessed value provided by the Palm Beach County Property Appraiser's Office on July 1st. The assessed value used for the FY2005 budget was $9.169B which represented a 9.22% increase over FY2004.

- ✓ **Building Permit Revenue:** The budget for building permit revenue was established at $3.25M which represented a 8.33% increase over FY 2004.

- ✓ **Investment Rate of Return:** The investment rate of return used to calculate interest earnings was 2.0%.

- ✓ **Other Revenues:** Historical trends were used for certain revenue sources. Average historical revenue trends were used to forecast future revenue collections where appropriate.

Expenditures

- ✓ **Salaries:** An across the board competitive pay increase of 3.0% is included in the approved budget. Incentive increases were budgeted by the Departments at 0% - 7.5% on a per employee basis. Longevity increases were budgeted according to Town policy.

- ✓ **Retirement:** Actuarially determined employer contributions were budgeted at $4.21M which represents a 22.1% increase over FY2004. The FY05 budget amount per employee and increase in funding by retirement group was as follows: General Employees, $7,822 (+13.85%); Lifeguards, $8,472 (+72.48%); Police, $19,023 (+16.92%) and Fire-Rescue, $15,945 (+27.99%).

- ✓ **Health Insurance:** A transfer of $5.218M is budgeted to fund health insurance, which includes the Town's contribution and the employee and retiree contributions, along with interest income earned on the retained earnings.

- ✓ **FICA (Social Security and Medicare):** This item was budgeted at 7.65% of payroll.

- ✓ **General Fund Contingency**: This line item was calculated at 1.5% of budgeted General Fund Operating expenditures.

Other Funds

- ✓ **Leisure Services Enterprise Fund:**
  Par 3 Golf - Increases in fees are anticipated to increase revenue by approximately $70,000.

  Marina - An increase of 5% in the annual and seasonal rates is proposed for FY05. It is anticipated that this will increase revenues by approximately $104,340.

- ✓ **Risk Fund:** The transfer from the General Fund was budgeted at $2.51M which represents a 10.7% decrease over FY 2004.

Budget Preparation Process

Budget Preparation Process

The accounting policies and reporting practices of the Town conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant policies and practices.

Financial Reporting Entity

For financial reporting purposes, management has defined the reporting entity in accordance with criteria set forth in generally accepted accounting principles. The basic criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the Town's reporting entity.

Included within the reporting entity:
The Town of Palm Beach Employees' Retirement System and
The Town of Palm Beach Public Safety Retirement System

The Town administers the Town of Palm Beach Retirement Systems.

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

Excluded from the reporting entity:
East Central Regional Wastewater Treatment Facility ("Facility")

The Town participates in an interlocal agreement with Palm Beach County and the Cities of West Palm Beach, Riviera Beach and Lake Worth to provide wastewater treatment. The facility is governed by a Board of Directors comprised of one member from each participating entity. The Board of Directors has the authority to accept and disburse funds, approve an annual budget, transact business, enter into contracts and decide all other matters related to the Facility. The Town reimburses the Facility based upon usage and also provides funds for renewal and replacement costs. The Town does not exercise significant

oversight responsibility nor can the Town significantly influence the Facility's operations and, therefore, the Facility has not been included as part of the reporting entity.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized in the period in which they become susceptible to accrual, that is when they become measurable and available to pay liabilities of the current period.

Property taxes, utility and franchise taxes, intergovernmental revenues and charges for services are susceptible to accrual when collected in the current year or within sixty days subsequent to September 30th, provided that amounts received pertained to billings through the fiscal year just ended. Further, property taxes are recognized as revenue in the fiscal year for which they are levied. Investment earnings are recorded as earned since they are measurable and available. Permits, fines, forfeitures and contributions are not susceptible to accrual because, generally, they are not measurable until received in cash. Revenues collected in advance of the year to which they apply are recorded as deferred revenues.

Expenditures under the modified accrual basis of accounting are generally recognized when the related fund liability is incurred and expected to be liquidated with available resources. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All Proprietary Fund types and the Pension and Nonexpendable Trust Funds are accounted for using the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when they are incurred.

The Agency Funds are custodial in nature and do not involve measurement of results of operations. They are accounted for under the modified accrual basis of accounting. Assets and liabilities are recognized on the modified accrual basis.

Budget Basis

The budgets of general government type funds are prepared on a modified accrual basis. Briefly, this means that obligations of the Town are budgeted as expenses, but revenues are recognized only when they are actually received. Unencumbered appropriations lapse at fiscal year end.

The enterprise funds, on the other hand, are budgeted on a full accrual basis. Not only are expenditures recognized when a commitment is made but revenues are also recognized when they are obligated to the town.

Budget Preparation Process

The Comprehensive Annual Financial Report (CAFR) shows the status of the Town's finances on the basis of "generally accepted accounting principles" (GAAP) and fund expenditures/revenues on both a GAAP basis and budget basis for comparison purposes.

Budgets and Budgetary Requirements

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Under the Laws of the State of Florida and the Town Code, prior to July 31, the Town Manager submits to the Mayor and Town Council a proposed Annual Budget and Financial Plan for the fiscal year, commencing the following October 1st. The Annual Budget and Financial Plan is prepared by fund, function and activity and includes proposed expenditures and the means of financing them.

- Two Public hearings are conducted to obtain taxpayer comments.

- Prior to October 1st, the budget is legally enacted by the Town Council through passage of a resolution.

- Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the General Fund and Capital Projects Funds. On a Non-GAAP budgetary basis, encumbrances are recorded as expenditures of the current year. On a GAAP basis, encumbrances at year-end are reported as reservations of fund balance for subsequent-year expenditures.

- Budgets are adopted each fiscal year for the General, Debt Service, Capital Projects, Enterprise and Internal Service Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles except that budgetary comparisons for the General Fund and Capital Projects include encumbrances as expenditures.

- All annual unencumbered appropriations lapse at fiscal year end.

- Changes or amendments to the budgeted amounts at the fund level must be approved by the Town Council; however, changes between departments may be approved by the Town Manager.

Truth in Millage (Trim)

The budget and property tax rate adoption process is governed by the State Statute known as TRIM (truth in millage). In Florida, properties are assessed by the County Property Appraiser and property taxes are collected by the County Tax Collector. Property owners are eligible to receive a homestead exemption of $25,000 on their principal place of residence. All property is assessed at 85% of market value.

Budget Preparation Process

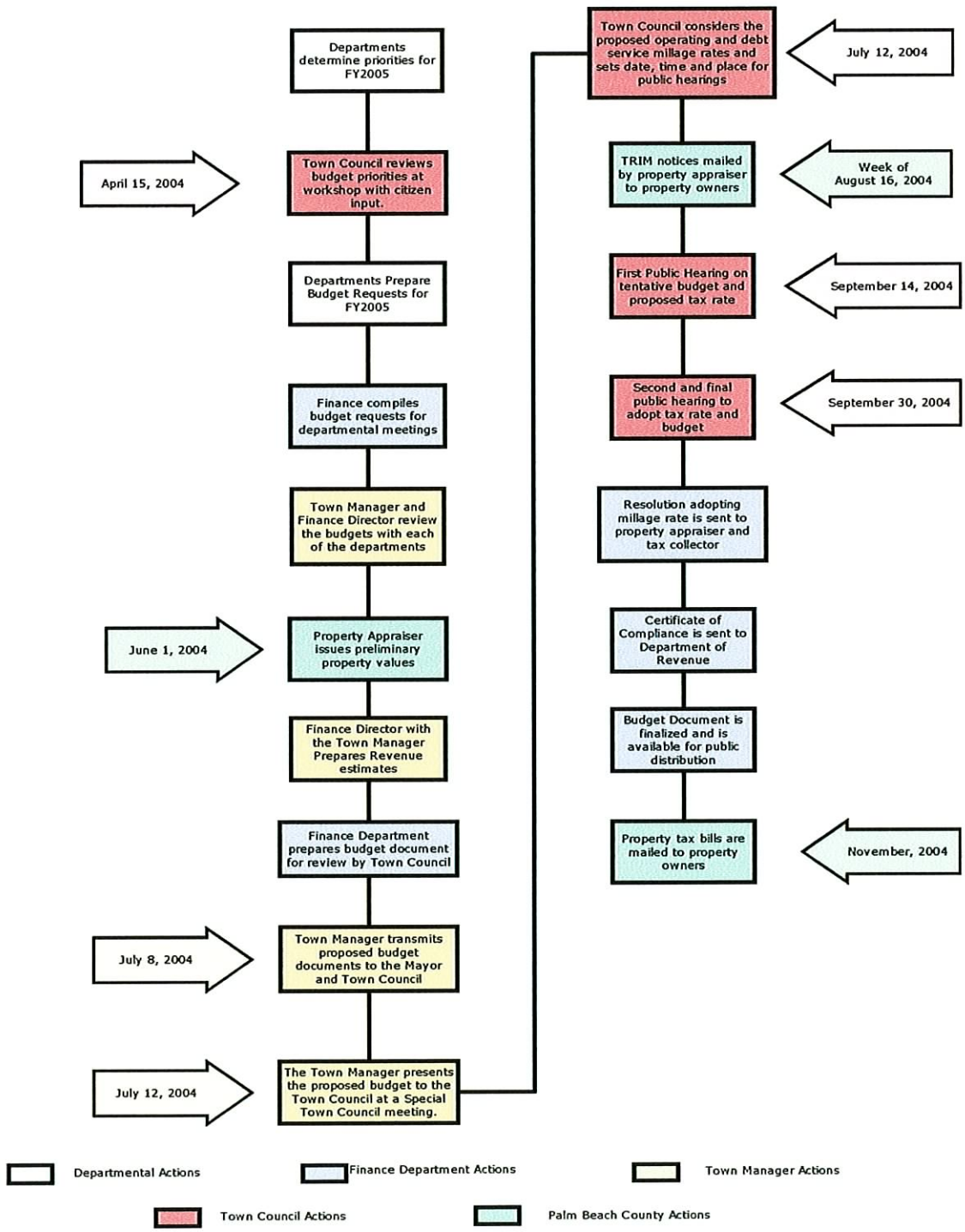
By State Law, the Town is required to hold two public hearings for adoption of a property tax rate and budget. The first public hearing is advertised by the Property Appraiser's mailing to each property owner a TRIM notice. In addition to notification of this first public hearing the TRIM notice contains the following information:

- The new assessed value and the assessed value for the prior year and any exemptions on the property;
- The prior year property taxes;
- The tax bill if the rolled-back rate is levied for the new year (the rolled-back rate is that property tax rate which would derive the same amount of revenue based on the new assessed values as was raised in the prior year at the old assessed values); and
- The property tax bill if the proposed budget is adopted.

The second public hearing is advertised by means of a newspaper advertisement which must be published not more than 5 days but not less than 2 days prior to the second public hearing. Accompanying this advertisement is a summary of the revenues and expenditures contained within the budget tentatively approved at the first public hearing.

Budget Process

Flow Chart of Budget Process



Adopted Budget Calendar

January

13 ***Regular monthly Town Council meeting***

February

10 ***Regular monthly Town Council meeting***

13 *Finance Department to distribute FY05 Proposed Budget instructions and capital improvement project requests to all departments*

25 ***Community Forum***

27 ***Community Forum***

March

9 ***Regular monthly Town Council meeting***

26 ***Special Town Council meeting re: Strategic Plan Review***

April

9 *Capital improvement project requests to be submitted to Finance Director and Public Works Director*

13 ***Regular monthly Town Council meeting***

15 ***Special Town Council meeting re: Annual Goals & Budget Forecasting***

23 *Departmental proposed budget requests due in Finance Department, Full Time Equivalent, Departmental Non-Ad Valorem Revenue estimates (Goals and Objectives and Performance Measures will be developed prior to budget distribution)*

Finance Director compiles Departmental Non-Ad Valorem revenues with the Ad Valorem and other Non-Ad Valorem revenues prepared by Finance Director

29 *First review of Information Systems and Police Department budgets*

January 2004

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2004

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29						

March 2004

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21	22	23	24	25	26	27
28	29	30	31			

April 2004

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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Adopted Budget Calendar

May

6 *First review of Fire-Rescue and Human Resources budgets*

11 ***Regular monthly Town Council meeting***

13 ***Department Information Presentation meetings (first of two)***

14 *First review of Planning/Zoning/Building budget*

20 *First review of Leisure Services, Public Works and Capital budgets*

24 *First review of Town Manager, Town Clerk, Finance, and Risk budgets*

31 *Memorial Day*

June

1 *Property Appraiser issues preliminary property values*

Week of June 1 - 4 *Second review of Departmental Budgets (if necessary)*

8 ***Regular monthly Town Council meeting***

9 ***Department Information Presentation Meetings(second of two)***

15, 16 *Key Result Measurement workshops*

July

1 *Notice from Property Appraiser of rolled back rate, F.S. 200.065(1) and Preliminary Certification of Taxable Value for 2004*

5 *Independence Day - Town Hall closed*

8 *Proposed FY2005 Budgets transmitted to the Mayor and Town Council*

12 ***Special Town Council meeting to review Town Staff's proposed FY2005 budgets with Department Heads***

Town Council considers proposed Operating and Debt Service millage rates, announces rolled-back millage rate and sets date, time, and place for public hearings

13 ***Regular monthly Town Council meeting***

August

10 ***Regular monthly Town Council meeting***

Week of 16 *Notice of Proposed Property Taxes is mailed from Palm Beach County Property Appraiser to property owners*

May 2004

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23	24	25	26	27	28	29
30	31					

June 2004

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July 2004

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August 2004

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22	23	24	25	26	27	28
29	30	31				

Adopted Budget Calendar

September

6 *Labor Day - Town Hall closed*

14 Town Council first public hearing on tentative budget and
5:01 pm proposed tax rate (if County Commission and School Board do not meet)

30 Town Council second public hearing on tentative budget and proposed
5:01 pm tax rate (if County Commission and School Board do not meet)

October

1 Rescheduled monthly Town Council meeting for September

1 Resolution adopting final millage rate is forwarded to Property Appraiser and the Tax Collector

1 Complete Certificate of Compliance with Provisions of F.S. Chapter 200 to the Property Tax Administration Program, Department of Revenue

12 Regular monthly Town Council meeting

November

9 Regular monthly Town Council meeting

11 Veteran's Day - Town Hall closed

25 & 26 Thanksgiving Holidays - Town Hall closed

December

14 Regular monthly Town Council meeting

24 Christmas Holidays - Town Hall closed

31 New Year's eve- Town Hall closed

September 2004

S	M	T	W	T	F	S
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October 2004

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24	25	26	27	28	29	30
31						

November 2004

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December 2004

S	M	T	W	T	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Financial Structure

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". The Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards (Codification*), Section 1300, defines a fund as:

> A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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, fees, licenses, permits, fines and forfeitures, intergovernmental and other general revenue. There can only be one general fund. Activities financed by the General Fund include the following:

General Government
Includes expenditures for Compensated Absences, Longevity, Annual Report and other Town-wide items.

Legislative
Includes expenditures for the Mayor and Town Council.

Town Manager
The budget of the Town Manager includes expenditures for administrative expenses relating to the Town Manager's Office, Advice and Litigation expenses for the Town Attorney and outside counsel and Information Systems.

Financial Structure

Human Resources
The Human Resources Department is responsible for the recruitment, screening, and selection of employees to serve the Town. The Department is also responsible for employee benefits administration and compensation analysis. The Town's Occupational Health Clinic is operated under this Department. The Human Resources Director is also the Plan Administrator for the Town's General Employee and Public Safety Retirement Systems.

Town Clerk
The Town Clerk is responsible for the records of the Town as well as conducting elections held within the Town. The Department also processes permits for charitable solicitations, special events, commercial motion picture-making, going-out-of-business sales, and door-to-door solicitations.

Finance
The Finance Department is responsible for the administration, development and monitoring of the operating and capital budgets, preparation of the comprehensive financial reports, investments, debt management, cash management, and the maintenance of accurate financial reporting systems to meet all of the Town needs. The Department also is responsible for the operation and management of the purchasing, payroll and accounts payable functions.

Planning, Zoning and Building
The Planning, Zoning and Building Department is responsible for zoning changes and the issuance of permits for building, mechanical, plumbing, electrical, gas, energy, and coastal construction. The Department also assists residents, businesses, and the construction industry in code compliance. The Department strives to preserve the aesthetic, historical, and economic values of Palm Beach.

Fire-Rescue
The Fire-Rescue Department provides fire suppression, fire prevention education, rescue and emergency medical care to the citizens and visitors to the Town. The Department conducts education programs on injury, heart attack and stroke prevention.

Police
The Police Department is responsible for the prevention of crime, preservation of peace, enforcement of laws and ordinances. This is accomplished through the patrol services, organized crime, vice and narcotics (OCVAN), crime scene/evidence, parking control enforcement, communications and beach rescue units.

Public Works
The Public Works Department is responsible for the repair, maintenance, and cleaning of streets within the Town, the maintenance of storm sewers and sanitary sewers, the collection and disposal of residential and commercial garbage and yard trash, beach cleaning, the maintenance of the Town parks and buildings, coastal management, and providing the general engineering services for the Town.

Other
Under this classification are expenditures relating to the Four Arts Library, disaster response expenditures and contingent appropriations.

Transfers to other Funds
This classification includes transfers to the capital and debt service funds.

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 budged is not adopted:

- (101) State Forfeiture Fund - Accounts for State confiscated property through the Police Department per Florida State Statutes Section 932. A semi-annual report is submitted to the State of Florida Department of Law Enforcement by April 10th and October 10th of each year. The audited balance in the State Forfeiture Fund as of September 30, 2003 was $48,166.

- (102) Federal Forfeiture Fund - Accounts for federally confiscated property through the Police Department. An annual report is submitted to the United States Department of Justice by October 31st of each year. The audited balance in the Federal Forfeiture Fund as of September 30, 2003 was $36,079.

- (103) Donations Fund - The Town of Palm Beach receives substantial donations each year from its residents. Most donations are earmarked for specific departments and/or purposes. The audited balance in the donations fund as of September 30, 2003 was $1,507,264.

Debt Service Funds

The Debt Service Funds are used to account for the payment of interest and principal on general and special obligation debts other than those payable from special assessments and debt issued for and serviced by a governmental enterprise. The sources of revenues in these funds are property tax levies and a transfer of non ad valorem revenue from the General Fund.

- (200) General Obligation Refunding Series 93 - This fund accounts for the debt repayment on the callable portion of the 1985 bond issue that financed the Police facility, renovations to the North Fire-Rescue station and B-1 compressor improvements (final payment July 1, 2005).

- (201)Revenue Bond Series 2003 - This fund accounts for debt repayment on $24,515,000 in Revenue Bonds for the refunding of the 2000 Revenue Bonds and construction of a new Central Fire-Rescue Station and Town Hall Renovations.

- (203) Revenue Bond Series 2000 - This fund accounts for debt repayment on the outstanding balance of $5,890,000 in Revenue Bonds for the Beach Restoration Project.

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 except those financed by Enterprise and Internal Service Funds. The sources of revenue in these funds are revenue bonds, transfers from other funds and grants.

- (307) Capital Improvement Fund - This fund accounts for various construction projects undertaken by the Town. Any unexpended amounts at fiscal year end, are rolled over to the new fiscal year. A five year Capital plan is presented during the budget process, of which only the first year is adopted by the Town Council. This fund is financed on a pay-as-you go basis from the General Fund.

- (308) Comprehensive Coastal Management Plan (CCMP) Pay-As-You-Go - This fund was created during Fiscal Year 2000 to account for the pay-as-you-go portion of the Beach Restoration Project.

- (309) Comprehensive Coastal Management Plan (CCMP) Construction Fund - This fund was created during Fiscal Year 2000 to account for the Beach Restoration Project construction costs financed with proceeds from the 2000 Revenue Bond.

- (310) Town Facilities Project Fund - This fund was created during Fiscal Year 2003 to account for the construction costs of the new Fire-Rescue station and the renovation of Town Hall.

- (320) Equipment Replacement Fund - This reserve was established in 2001 to fund the replacement cost of existing equipment, vehicles and computers when they reach the end of their useful lives. The reserve will significantly reduce the budgetary fluctuation due to purchases of equipment and establish the fixed asset inventory and depreciation schedule required by GASB 34.

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.

- (403)Leisure Services Enterprise Fund - This fund was created in FY2004. This fund is comprised of all leisure activities in the Town. These include: Golf activities, Tennis activities, Recreation activities and Marina services.

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.

- (501) Risk Management Self Insurance Fund - This fund was established to account for the Town's Property, Liability and Worker's Compensation Insurance costs. Monthly funding transfers are made from the General Fund to the Risk Fund.

- (502) Health Insurance Self Insurance Fund - This fund was established to account for the Town's health insurance costs which include medical, dental, life, long-term disability accidental death/dismemberment and supplemental life insurance. Actuarily determined monthly funding transfers are made from the General Fund to the Health 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 fund, expendable trust fund, and agency funds.

Pension Trust Funds

Pension trust funds are used when governments manage pension plans. The sources of revenues in these funds are transfers from other funds, interest earnings and employee contributions.

- (600) Employees Retirement Fund - This fund accounts for the Town's defined benefit retirement program for General and Lifeguard employees.

- (601) Public Safety Retirement Fund - This fund accounts for the Town's defined benefit retirement program for Police and Fire-Rescue employees. This fund was established on January 1, 2000 and was previously contained within the (600) Employee Retirement Fund.

Non-Expendable and Expendable Trust Funds

These consist of resources received from non-Town sources and held by the Town as trustee to be expended or invested in accordance with the conditions of the trust. In a non-expendable trust, the government typically is only permitted to spend the investment earnings and not the assets. The Town does not have non-expendable and expendable trust funds at the present time.

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.

- (603) Kreusler Park Fund - This fund accounts for parking revenues and operating expenses associated with this Palm Beach County owned park that is operated by the Town.

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FY 05 Budget Summary by Fund Type, Revenues and Expenditures

	General	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Totals
Revenues							
Ad Valorem Taxes	$34,487,025	$608,000	$0	$0	$0	$0	$35,095,025
Sales and Use Taxes	6,064,500	0	0	0	0	0	6,064,500
Licenses and Permits	4,297,575	0	0	0	0	0	4,297,575
Intergovernmental	1,290,877	0	0	0	0	770,000	2,060,877
Charges for Services	2,217,800	0	0	3,819,770	0	0	6,037,570
Fines and Forfeitures	787,500	0	0	0	0	0	787,500
Contributions	0	0	40,000	0	0	5,597,316	5,637,316
Interest Earnings	617,379	5,000	666,000	54,000	422,000	9,400,000	11,164,379
Miscellaneous	132,575	0	0	2,535	0	8,700	143,810
Interfund Transfers	550,000	4,340,785	6,476,295	0	7,387,753	0	18,754,833
Subtotal	50,445,231	4,953,785	7,182,295	3,876,305	7,809,753	15,776,016	90,043,385
Appropriations from Fund Balance	1,935,500	105,000	2,650,875	907,389	3,353,354	0	8,952,118
Total Revenues	$52,380,731	$5,058,785	$9,833,170	$4,783,694	$11,163,107	$15,776,016	$98,995,503
Expenditures							
Personnel	$33,549,709	$0	$0	$1,650,338	$272,833	$0	$35,472,880
Contractual	5,649,026	0	0	897,729	7,383,324	7,527,400	21,457,479
Commodities	1,419,060	0	0	166,451	6,950	0	1,592,461
Capital Outlay	1,802,494	0	6,511,311	270,376	0	0	8,584,181
Debt Service	99,103	5,049,085	0	0	0	0	5,148,188
Interfund Transfers	8,870,843	0	2,317,975	1,622,000	0	0	12,810,818
Other	990,496	4,900	388,900	176,800	3,500,000	0	5,061,096
Subtotal	52,380,731	5,053,985	9,218,186	4,783,694	11,163,107	7,527,400	90,127,103
Transfer to Fund Balance/Retained Earnings	0	4,800	614,984	0	0	8,248,616	8,868,400
Total Expenditures	$52,380,731	$5,058,785	$9,833,170	$4,783,694	$11,163,107	$15,776,016	$98,995,503

Financial Ratios

	General	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total
Ad Valorem Taxes as percentage of total fund budget	65.84%	12.02%	0.00%	0.00%	0.00%	0.00%	35.45%
Ad Valorem Taxes per capita (9,682 population)	$3,562	$63	$0	$0	$0	$0	$3,625
Total expenditures per capita (9,682 population)	$5,410	$522	$1,016	$494	$1,153	$1,629	$10,225
Personnel as a percentage of the total budget	64.05%	0.00%	0.00%	34.50%	2.44%	0.00%	35.83%
Capital expenditures as percentage of total fund budget	3.44%	0.00%	66.22%	5.65%	0.00%	0.00%	8.67%
Capital expenditures per capita (9,682 population)	$186	$0	$673	$28	$0	$0	$887

Summary of Major Revenues by Fund Type
FY05 Budget

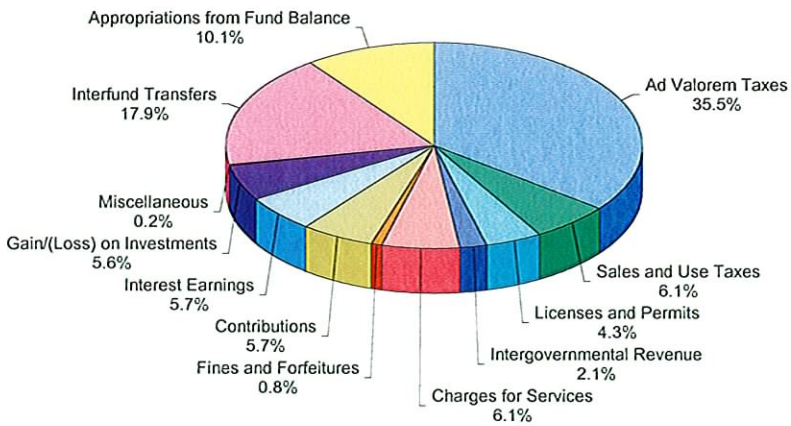
Description	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	FY05 Budget to FY04 Budget % Variance	FY2005 % of Total
General Fund							
Ad Valorem Taxes	$26,688,138	$29,201,359	$31,767,870	$31,767,870	$34,487,025	8.56%	65.84%
Sales and Use Taxes	6,089,775	6,106,741	6,059,100	6,020,592	6,064,500	0.09%	11.58%
Licenses and Permits	5,503,582	5,654,137	3,982,450	4,906,360	4,297,575	7.91%	8.20%
Intergovernmental Revenue	1,199,669	1,277,658	1,366,400	1,329,181	1,290,877	-5.53%	2.46%
Charges for Services	2,227,358	2,560,809	2,247,000	2,161,180	2,217,800	-1.30%	4.23%
Fines and Forfeitures	550,322	863,474	742,000	993,000	787,500	6.13%	1.50%
Contributions	250	0	0	0	0	0.00%	0.00%
Interest Earnings	665,829	583,091	608,240	517,500	617,379	1.50%	1.18%
Miscellaneous	223,201	122,067	127,575	2,096,392	132,575	3.92%	0.25%
Lease Proceeds	140,795	0	0	0	0	0.00%	0.00%
Interfund Transfers	682,500	675,000	550,000	550,000	550,000	0.00%	1.05%
Subtotal	43,971,419	47,044,336	47,450,635	50,342,075	50,445,231	6.31%	96.30%
Appropriations from Fund Balance	2,021,090	0	0	0	1,935,500	100.00%	3.70%
Total General Fund	$45,992,509	$47,044,336	$47,450,635	$50,342,075	$52,380,731	10.39%	100.00%
Debt Service Funds							
Ad Valorem Taxes	$593,496	$613,982	$610,140	$610,000	$608,000	-0.35%	12.02%
Interest Earnings	12,035	8,416	9,500	8,000	5,000	-47.37%	0.10%
Interfund Transfers	1,211,858	1,211,858	4,335,550	4,335,550	4,340,785	0.12%	85.81%
Subtotal	1,817,389	1,834,256	4,955,190	4,953,550	4,953,785	-0.03%	97.92%
Appropriations from Fund Balance	92,619	79,902	88,975	94,015	105,000	100.00%	2.08%
Total Debt Service Funds	$1,910,008	$1,914,158	$5,044,165	$5,047,565	$5,058,785	0.29%	100.00%
Capital Projects Funds							
Bond Proceeds	$0	$6,108,358	$0	$0	$0	0.00%	0.00%
Interest Earnings	1,672,383	1,314,260	632,700	613,000	666,000	5.26%	6.77%
Grants/Interlocal	448,245	5,013,766	785,000	635,000	0	0.00%	0.00%
Contributions	124,673	59,174	40,000	0	40,000	0.00%	0.41%
Miscellaneaous	0	18,000	0	150	0	0.00%	0.00%
Interfund Transfers	8,545,097	7,525,700	5,051,500	5,053,290	5,410,000	7.10%	55.02%
Subtotal	10,790,398	20,039,258	6,509,200	6,301,440	6,116,000	-6.04%	62.20%
Appropriations from Fund Balance	0	891,668	22,378,042	7,651,749	3,717,170	-83.39%	37.80%
Total Capital Projects Funds	$10,790,398	$20,930,926	$28,887,242	$13,953,189	$9,833,170	-65.96%	100.00%
Enterprise Funds							
Charges for Services	$2,840,450	$3,128,811	$3,690,385	$3,596,970	$3,789,720	2.69%	79.22%
Interest Earnings	50,844	55,287	59,700	50,700	59,700	0.00%	1.25%
Administrative Fee	6,000	6,000	24,000	24,000	24,000	0.00%	0.50%
Grants	3,000	0	0	0	0	0.00%	0.00%
Miscellaneous	973	2,660	1,410	3,215	1,285	-8.87%	0.03%
Subtotal	2,901,267	3,192,758	3,775,495	3,674,885	3,874,705	2.63%	81.00%
Appropriations from Fund Balance	0	0	1,189,000	975,824	908,989	0.00%	19.00%
Total Enterprise Funds	$2,901,267	$3,192,758	$4,964,495	$4,650,709	$4,783,694	-3.64%	100.00%
Internal Service Funds							
Interest Earnings	$444,049	$378,601	$400,400	$380,000	$422,000	5.39%	3.78%
Miscellaneous	0	94,969	0	400	0	0.00%	0.00%
Interfund Transfers	6,157,160	7,189,102	7,184,575	7,430,587	7,387,753	2.83%	66.18%
Subtotal	6,601,209	7,662,672	7,584,975	7,810,987	7,809,753	2.96%	69.96%
Appropriations from Fund Balance	0	0	3,552,604	0	3,353,354	-5.61%	30.04%
Total Internal Service Funds	$6,601,209	$7,662,672	$11,137,579	$7,810,987	$11,163,107	0.23%	100.00%

Summary of Major Revenues by Fund Type
FY05 Budget

Description	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	FY05 Budget to FY04 Budget % Variance	FY2005 % of Total
Trust & Agency Funds							
Intergovernmental	$719,900	$713,611	$780,000	$766,400	$770,000	-1.28%	4.88%
Interest Earnings	3,794,747	2,325,207	4,665,000	2,900,000	3,900,000	-16.40%	24.72%
Gain/Loss on Investments	(16,519,156)	18,374,928	7,800,000	4,500,000	5,500,000	-29.49%	34.86%
Miscellaneous	20,375	9,545	8,800	8,700	8,700	-1.14%	0.06%
Contributions	2,231,338	2,995,809	4,730,301	4,893,401	5,597,316	18.33%	35.48%
Subtotal	(9,752,796)	24,419,100	17,984,101	13,068,501	15,776,016	-12.28%	100.00%
Appropriations from Fund Balance	16,606,419	0	0	0	0	0.00%	0.00%
Total Trust & Agency Funds	$6,853,623	$24,419,100	$17,984,101	$13,068,501	$15,776,016	-12.28%	100.00%
All Funds							
Ad Valorem Taxes	$27,281,634	$29,815,341	$32,378,010	$32,377,870	$35,095,025	8.39%	35.45%
Bond Proceeds	0	6,108,358	0	0	0	0.00%	0.00%
Sales and Use Taxes	6,089,775	6,106,741	6,059,100	6,020,592	6,064,500	0.09%	6.13%
Licenses and Permits	5,503,582	5,654,137	3,982,450	4,906,360	4,297,575	7.91%	4.34%
Intergovernmental Revenue	1,919,569	1,991,269	2,146,400	2,095,581	2,060,877	-3.98%	2.08%
Charges for Services	5,067,808	5,689,620	5,937,385	5,758,150	6,007,520	1.18%	6.07%
Fines and Forfeitures	550,322	863,474	742,000	993,000	787,500	6.13%	0.80%
Contributions	2,356,261	3,054,983	4,770,301	4,893,401	5,637,316	18.18%	5.69%
Interest Earnings	6,639,887	4,664,862	6,375,540	4,469,200	5,670,079	-11.07%	5.73%
Gain/(Loss) on Investments	(16,519,156)	18,374,928	7,800,000	4,500,000	5,500,000	-29.49%	5.56%
Miscellaneous	250,549	253,241	161,785	2,132,857	166,560	2.95%	0.17%
Lease Proceeds	140,795	0	0	0	0	0.00%	0.00%
Interfund Transfers	16,596,615	16,601,660	17,121,625	17,369,427	17,688,538	3.31%	17.87%
Grants	451,245	5,013,766	785,000	635,000	0	100.00%	0.00%
Appropriations from Fund Balance	18,720,128	971,570	27,208,621	8,721,588	10,020,013	-63.17%	10.12%
Total All Funds	$75,049,014	$105,163,950	$115,468,217	$94,873,026	$98,995,503	-14.27%	100.00%

This table summarizes by fund type, the major revenue categories indicating category percentages of total fund revenues and percent of change from the prior year.

FY05 Budget by Revenue Type - All Funds



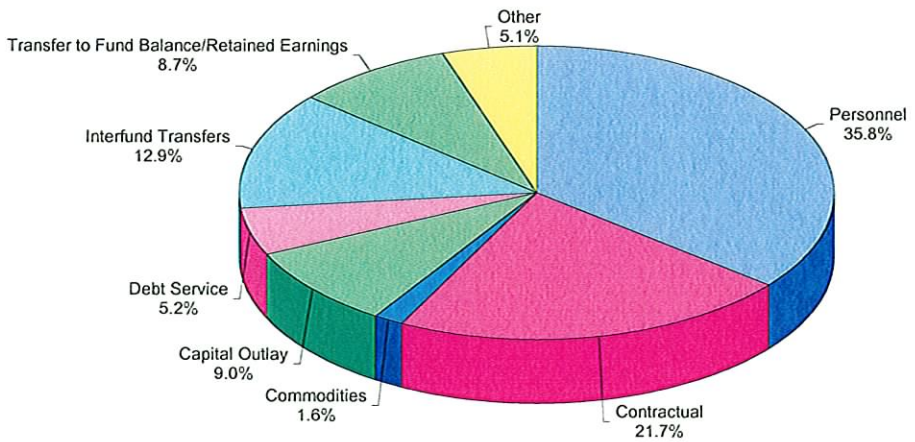
Summary of Expenditure Classifications by Fund Type
FY05 Budget

Description	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	FY05 Budget to FY04 Budget % Variance	FY2005 % of Total
General Fund							
Personnel	$25,837,666	$27,681,282	$30,174,341	$30,267,573	$33,549,709	11.19%	64.05%
Contractual	4,841,183	4,850,931	5,375,104	5,176,491	5,649,026	5.10%	10.78%
Commodities	1,243,488	1,289,730	1,345,475	1,311,380	1,419,060	5.47%	2.71%
Capital Outlay	5,646,320	1,240,942	1,681,637	1,721,864	1,802,494	7.19%	3.44%
Debt Service	171,408	144,400	146,000	146,000	99,103	-32.12%	0.19%
Interfund Transfers	7,666,607	11,484,473	7,972,033	7,972,033	8,870,843	11.27%	16.94%
Other	585,837	235,000	756,045	242,000	990,496	31.01%	1.89%
Subtotal	45,992,509	46,926,758	47,450,635	46,837,341	52,380,731	10.39%	100.00%
Transfer to Fund Balance	0	117,578	0	3,504,734	0	0.00%	0.00%
Total General Fund	$45,992,509	$47,044,336	$47,450,635	$50,342,075	$52,380,731	10.39%	100.00%
Debt Service Funds							
Debt Service	$1,908,633	$1,912,533	$5,039,165	$5,039,165	$5,049,085	0.20%	99.81%
Other	1,375	1,625	5,000	5,000	4,900	-2.00%	0.10%
Interfund Transfers	0	0	0	0	0	0.00%	0.00%
Subtotal	1,910,008	1,914,158	5,044,165	5,044,165	5,053,985	0.19%	99.91%
Transfer to Fund Balance	0	0	0	3,400	4,800	0.00%	0.09%
Total Debt Service Funds	$1,910,008	$1,914,158	$5,044,165	$5,047,565	$5,058,785	0.29%	100.00%
Capital Projects Funds							
Capital Outlay	$7,619,604	$11,917,521	$28,500,642	$13,953,189	$6,802,011	-76.13%	69.17%
Interfund Transfers	7,500	0	0	0	2,317,975	100.00%	23.57%
Other	0	0	386,600	0	388,900	0.59%	3.95%
Subtotal	7,627,104	11,917,521	28,887,242	13,953,189	9,508,886	-67.08%	96.70%
Transfer to Fund Balance	3,163,294	9,013,405	0	0	324,284	100.00%	3.30%
Total Capital Projects Funds	$10,790,398	$20,930,926	$28,887,242	$13,953,189	$9,833,170	-65.96%	100.00%
Enterprise Funds							
Personnel	$628,066	$683,686	$1,575,507	$1,563,001	$1,650,338	4.75%	34.50%
Contractual	553,067	519,488	881,967	857,761	897,729	1.79%	18.77%
Commodities	103,123	94,809	166,175	161,230	166,451	0.17%	3.48%
Capital Outlay	209,003	228,460	249,822	249,717	270,376	8.23%	5.65%
Debt Service	3,495	0	0	0	0	0.00%	0.00%
Interfund Transfers	675,000	675,000	1,819,000	1,819,000	1,622,000	-10.83%	33.91%
Other	2,462	2,100	0	0	176,800	100.00%	3.70%
Subtotal	2,174,216	2,203,543	4,692,471	4,650,709	4,783,694	1.94%	100.00%
Transfer to Retained Earnings	727,051	989,215	272,024	0	0	-100.00%	0.00%
Total Enterprise Funds	$2,901,267	$3,192,758	$4,964,495	$4,650,709	$4,783,694	-98.06%	100.00%
Internal Service Funds							
Personnel	$150,514	$184,934	$225,577	$229,651	$272,833	20.95%	2.44%
Contractual	5,640,120	6,667,157	7,405,584	6,879,996	7,383,324	-0.30%	66.14%
Commodities	4,159	7,972	6,050	6,050	6,950	14.88%	0.06%
Capital Outlay	1,943	3,084	368	0	0	100.00%	0.00%
Other	14,000	0	3,500,000	0	3,500,000	0.00%	31.35%
Subtotal	5,810,736	6,863,147	11,137,579	7,115,697	11,163,107	0.23%	100.00%
Transfer to Retained Earnings	790,473	799,525	0	695,290	0	0.00%	0.00%
Total Internal Sevice Funds	$6,601,209	$7,662,672	$11,137,579	$7,810,987	$11,163,107	0.23%	100.00%

Summary of Expenditure Classifications by Fund Type
FY05 Budget

Description	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	FY05 Budget to FY04 Budget % Variance	FY2005 % of Total
Trust & Agency Funds							
Contractual	$6,853,623	$7,165,247	$7,863,400	$7,440,900	$7,527,400	-4.27%	47.71%
Transfer to Fund Balance	0	17,253,853	10,120,701	5,627,601	8,248,616	-18.50%	52.29%
Total Trust & Agency Funds	$6,853,623	$24,419,100	$17,984,101	$13,068,501	$15,776,016	-12.28%	100.00%
Total: All Funds							
Personnel	$26,616,246	$28,549,902	$31,975,425	$32,060,225	$35,472,880	10.94%	35.83%
Contractual	17,887,993	19,202,823	21,526,055	20,355,148	21,457,479	-0.32%	21.68%
Commodities	1,350,770	1,392,511	1,517,700	1,478,660	1,592,461	4.93%	1.61%
Capital Outlay	13,476,870	13,390,007	30,432,469	15,924,770	8,874,881	-70.84%	8.96%
Debt Service	2,083,536	2,056,933	5,185,165	5,185,165	5,148,188	-0.71%	5.20%
Interfund Transfers	8,349,107	12,159,473	9,791,033	9,791,033	12,810,818	30.84%	12.94%
Transfer to Fund Balance/Retainec	4,680,818	28,173,576	10,392,725	9,831,025	8,577,700	-17.46%	8.66%
Other	603,674	238,725	4,647,645	247,000	5,061,096	8.90%	5.11%
Subtotal All Funds	$75,049,014	$105,163,950	$115,468,217	$94,873,026	$98,995,503	-14.27%	100.00%

FY05 Budget by Expenditure Classification
All Funds



FUND BALANCE AND RESERVE ANALYSIS

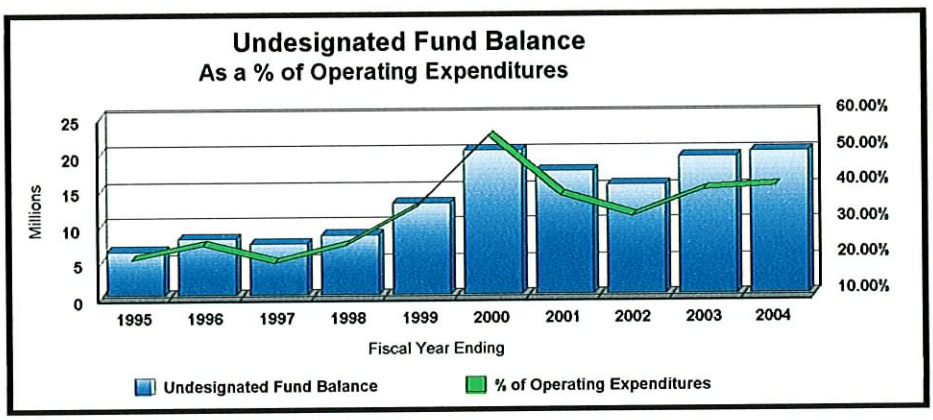
Since August, 2001 the Town Council adopted fifteen financial policies, twelve of which addressed reserves. The reserve policies serve to safeguard the Town's financial resources and ensure fiscal stability. The size of a municipalities' fund balance can affect its ability to withstand financial emergencies. It can also affect its ability to accumulate funds for capital purchases without having to borrow. Copies of the financial policies can be found in the appendix of the budget.

General Fund Reserves

The Town's policy is to maintain an undesignated 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 for a coastal community. Twenty-five percent of the proposed FY2005 General Fund operating budget of $50,745,231 is $12,686,308. Prior to the end of FY2004 the Town Council approved a budget amendment for $4,300,000 to appropriate funds from undesignated fund balance for expenditures related to Hurricanes Frances and Jeanne. It is estimated that at the end of FY2004, the Undesignated Fund Balance for the General Fund will total over $17,651,000. This amount represents 34.8% of FY2005 budgeted operating expenditures or more than $4,900,000 over the required minimum level of 25%. A portion of these reserves ($1,280,500) will be used in the FY2005 budget for funding a portion of the Town Hall renovation project, a compensation study, Policy and Fire-Rescue equipment purchases, and anticipated accumulated leave buyouts and contributions to the Retirement Health Savings Accounts. In addition, a portion of the Fund Balance has been designated to create a reserve for the accumulated leave balances. This reserve designation is expected to amount to $3,500,000.

After the funding of the above mentioned items from the General Fund Undesignated Fund Balance, the remaining balance of $12,870,500 represents 25.4% of the FY2005 operating budget, leaving $184,192 of "excess fund balance" over the required minimum. Once FEMA reimbursements for costs associated with the recent hurricanes are received, excess fund balance will improve.

The following graph shows the trend of General Fund undesignated fund balance as a percent of total expenditures:



Contingency Reserves

The General Fund Contingency for FY2005 is funded at $746,852 which represents 1.5% of budgeted operating expenditures which is a deviation of the Town policy of 2%. The contingency reserve is appropriated annually to address unexpected needs that occur throughout the year, subject to the formal affirmative vote of the Town Council.

The Capital Fund Contingency is appropriated at 10% of the capital budget which totals $388,900. The Risk Contingency is appropriated at $500,000. The Health Insurance Contingency is appropriated at $500,000. The Leisure Services Enterprise Fund Contingency is appropriated at 5% of budgeted expenses which totals $176,800.

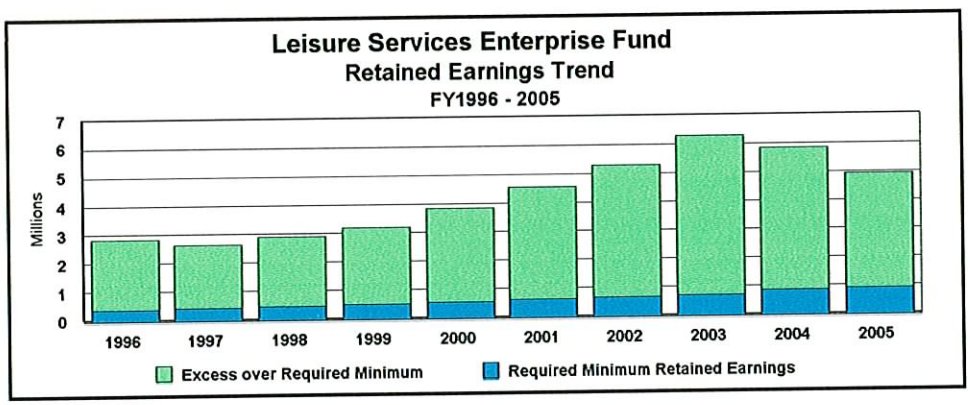
Leisure Services Enterprise Fund

In FY2004, the Golf and Marina enterprise funds were combined with the Recreation activities into one enterprise fund titled the Leisure Services Enterprise Fund (LSEF).

The Leisure Services Enterprise Fund reserve is to be maintained at a minimum retained earnings level equal to 25% of revenues. The percentage represents three months of revenues. Adequate levels of retained earnings will provide for unanticipated financial impacts as well as provide for one-time expenditures to improve the facilities.

At the end of FY2004, it is anticipated that the retained earnings balance for the Leisure Services Enterprise Fund will be approximately $5,700,000. This represents 147% of budgeted FY2005 revenues, and is well above the policy required minimum of $968,676.

The following graph shows the trend of the required minimum retained earnings of the Leisure Services Enterprise Fund through FY2005,and the excess over the required minimum.



In FY2003, a Marina Dock Replacement Reserve was established to fund the replacement of the Town's docks when they reach their useful lives. This Reserve is funded at 100% of accumulated depreciation with annual depreciation contributions. This reserve balance at the end of FY2004 is $1,298,000 and the FY2005 depreciation contribution is $187,000.

The decline shown in the above chart for Retained Earnings in FY2004 and FY2005 is due to transfers to the capital fund for the funding of capital projects at the marina and tennis facilities.

Equipment Replacement Reserve

The Equipment Replacement Reserve was established with a transfer of $4,386,910 from the General Fund Undesignated Fund balance in the FY2002 budget. This amount represented the accumulated depreciation of the Town's fixed assets through FY2002. The fund balance for this fund at fiscal year end 2004 is estimated to be $5,214,800. For FY2005, the depreciation transfer will total $1,066,295. This reserve is intended to fund the replacement cost of existing equipment, vehicles and computers when they reach the end of their useful life. This reserve will reduce the budgetary fluctuation due to purchases of equipment and establish the fixed asset inventory and depreciation schedule required by GASB34.

Reserve for Catastrophic Exposures/Emergencies - Risk Fund

The Reserve for Catastrophic Exposures/Emergencies for the Risk Fund has been established at $2,500,000 and included in the FY2005 budget. This reserve was established to set aside emergency funds to protect the Town against the potentially disastrous financial impacts of response to and recovery from a man-made or natural emergency situation or large judgments in excess of insurance coverage. A portion of this reserve was used to cover costs relating to Hurricanes Frances and Jeanne. Once insurance and FEMA reimbursements are received, it is possible that additional funds may need to be allocated to this reserve to maintain the minimum level.

Reserve for Compensated Absences

The Town Council approved a new reserve which would designate a portion of the General Fund - Fund Balance for the creation of a reserve for compensated absences. This reserve will significantly reduce the budgetary fluctuations due to the payout of accrued leave time to employees as they conclude their service to the Town. The reserve will also fund Retirement Health Savings Plan (RHSP) contributions of vacation and sick time, and any expenditures relating to the RHSP. The designation will be funded at a rate of 100% of the fiscal year end accrued balance of vacation, sick time, and compensatory time and related payroll tax liability. Funds will be appropriated annually from this reserve based upon estimates of termination and retirement pay-outs and estimated contributions of vacation and sick time to the Retirement Health Savings Plan.

The estimated designation of General Fund-Fund Balance for compensated absences for fiscal year ending 2004 would be $3,163,000. The proposed appropriation for fiscal year FY2005 is $655,000.

Summary

All reserves, are at or well over the policy established minimums. The General Fund undesignated fund balance is expected to exceed the minimum once FEMA reimbursements have been received. The financial strength of the Town can be measured by the health of its reserves. The recent upgrade in the Town's credit ratings were due in large part to the Town's healthy reserves.

Fund Balance and Reserve Analysis

The following table summarizes the trend of the undesignated fund/equity balances for FY1999 through an estimated FY2004 for all of the funds of the Town.

Undesignated Fund Balance/Retained Earnings Summary
Fiscal Years 1999 - 2004

Fund	1999	2000	2001	2002	2003	Est 2004
General Fund	$12,650,056	$19,925,376	$17,017,373	$15,212,417	$19,015,967	$12,870,500
Compensated Absence	0	0	0	0	0	3,163,000
Capital Fund	1,620,878	2,076,121	134,455	0	0	0
Equipment Replacement Fund	0	0	0	4,497,502	4,912,691	5,214,800
L.S. Enterprise Fund	3,224,878	3,835,715	4,552,574	5,279,622	6,268,837	5,700,000
Dock Replacement Fund	0	0	0	0	989,642	1,298,890
Health Fund	12,984,387	14,302,994	15,463,080	15,784,579	16,103,001	16,580,000
Risk Fund	3,022,637	3,133,567	3,518,595	3,968,573	4,449,672	4,690,000
Pension Funds	122,992,243	142,441,955	132,241,528	115,635,106	132,888,957	141,700,000
Total	$156,495,079	$185,715,728	$172,927,605	$160,377,799	$184,628,767	$191,217,190

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Town of Palm Beach, Florida
General Fund Revenues and Expenditures
Budget Comparison
Fiscal Years 2004 - 2005

	Original Budget FY2004	Amended Budget FY2004	Budget FY2005	Original FY04 and FY05 Difference	%Change	% of Total Budget
Revenues						
Ad Valorem Taxes	$31,767,870	$31,767,870	$34,487,025	$2,719,155	8.6%	68.4%
Non Ad Valorem Taxes	6,059,100	6,059,100	6,064,500	5,400	0.1%	12.0%
Licenses & Permits	3,982,450	3,982,450	4,297,575	315,125	7.9%	8.5%
Intergovernmental	1,366,400	1,366,400	1,290,877	(75,523)	-5.5%	2.6%
Charges for Services	2,247,000	2,247,000	2,217,800	(29,200)	-1.3%	4.4%
Fines and Forfeitures	742,000	742,000	787,500	45,500	6.1%	1.6%
Investment Earnings	608,240	608,240	617,379	9,139	1.5%	1.2%
Miscellaneous Revenues	127,575	127,575	132,575	5,000	3.9%	0.3%
Interfund Transfers	550,000	550,000	550,000	0	0.0%	1.1%
Total Operating Revenues	**$47,450,635**	**$47,450,635**	**$50,445,231**	**$2,994,596**	**6.3%**	**100.0%**
Expenditures						
Department						
Legislative	$56,286	$61,286	$56,825	$539	1.0%	0.1%
General Government	173,317	577,823	849,948	$676,631	390.4%	1.6%
Town Manager	881,770	906,770	960,989	79,219	9.0%	1.8%
Human Resources	628,745	628,745	667,546	38,801	6.2%	1.3%
Information Systems	1,187,768	1,187,768	1,182,385	(5,383)	-0.5%	2.3%
Town Clerk	285,332	291,832	312,629	27,297	9.6%	0.6%
Finance	1,214,952	1,231,452	1,334,712	119,760	9.9%	2.5%
Planning/Building/Zoning	2,577,448	2,649,734	2,759,182	181,734	7.1%	5.3%
Library	235,000	235,000	235,000	0	0.0%	0.4%
Fire-Rescue	7,927,653	8,072,653	8,879,708	952,055	12.0%	17.0%
Police	12,249,002	12,437,002	13,473,010	1,224,008	10.0%	25.7%
Hurricane Preparedness	60,000	3,751,000	64,085	4,085	6.8%	0.1%
Public Works	10,668,853	10,865,222	11,219,417	550,564	5.2%	21.4%
Transfer to Other Funds	8,793,464	8,793,464	9,639,799	846,335	9.6%	18.4%
Contingent Appropriations	511,045	397,884	745,496	234,451	45.9%	1.4%
Total Operating Expenditures	**$47,450,635**	**$52,087,635**	**$52,380,731**	**$4,930,096**	**10.4%**	**100.0%**
Transfer from Undesignated Fund for one-time expenditures	**$0**	**$4,637,000**	**$1,935,500**	**$1,935,500**	**100.0%**	
Revenue Over/Under Expenditures	**$0**	**$0**	**$0**	**$0**		

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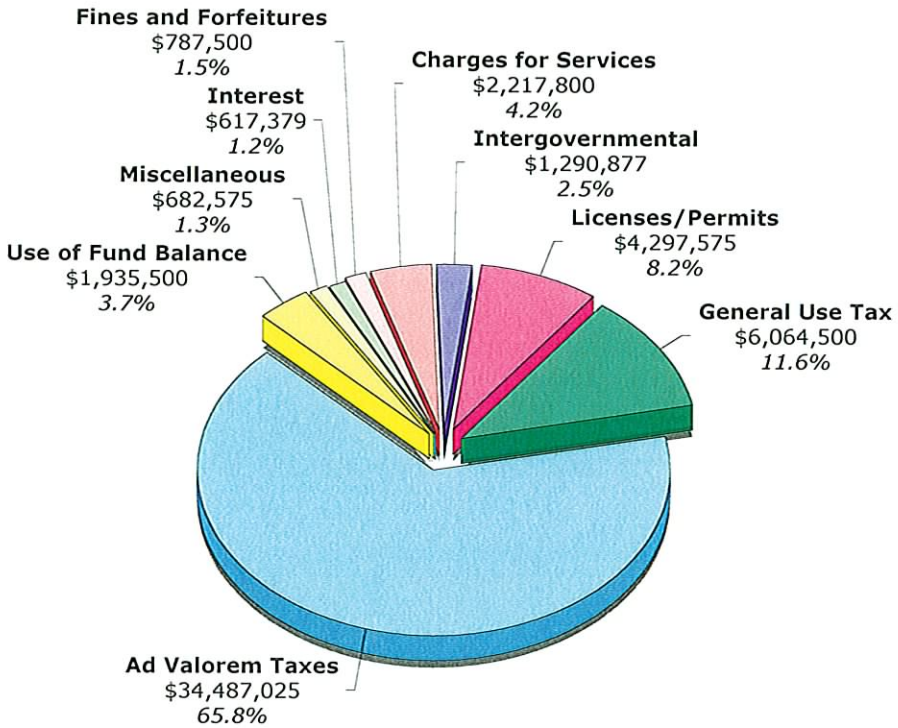
GENERAL FUND REVENUES
FY2005 BUDGET



Ad Valorem Taxes	$34,487,025
General Use Tax	6,064,500
Licenses/Permits	4,297,575
Intergovernmental	1,290,877
Charges for Services	2,217,800
Fines and Forfeitures	787,500
Interest	617,379
Miscellaneous	682,575
Use of Fund Balance	1,935,500
Total General Fund	$52,380,731

General Fund Revenues

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY 2002 ACTUAL	FY2003 ACTUAL	FY 2004 BUDGETED	FY 2004 PROJECTED	FY 2005 BUDGETED	% VARIANCE	% OF TOTAL GF BUDGET
AD VALOREM TAXES							
Current Ad Valorem Taxes	$26,691,866	$29,196,134	$31,767,870	$32,157,950	$34,487,025	8.56%	65.84%
Back Taxes	(3,728)	5,225	0	5,007	0	0.00%	0.00%
Total	$26,688,138	$29,201,359	$31,767,870	$32,162,957	$34,487,025	8.56%	65.84%
SALES & USE TAXES							
Local Option Gas Tax 6 Cents	$238,650	$152,568	$143,000	$149,675	$150,000	4.90%	0.29%
Local Option Gas Tax 5 Cents	112,699	71,949	67,600	70,080	70,000	3.55%	0.13%
Total	$351,349	$224,517	$210,600	$219,755	$220,000	4.46%	0.42%
FRANCHISE FEES							
Electricity	$1,539,254	$1,564,384	$1,500,000	$1,689,108	$1,650,000	10.00%	3.15%
Telephone	31,448	0	0	0	0	0.00%	0.00%
Gas	130,185	161,837	125,000	192,087	140,000	12.00%	0.27%
Cable T.V.	15,327	0	0	0	0	0.00%	0.00%
Total	$1,716,214	$1,726,221	$1,625,000	$1,881,195	$1,790,000	10.15%	3.42%
UTILITY SERVICE TAX							
Electricity	$1,922,313	$1,968,539	$1,925,000	$1,917,830	$1,950,000	1.30%	3.72%
Telephone	65,285	0	0	0	0	0.00%	0.00%
Water	595,553	693,893	695,000	648,605	700,000	0.72%	1.34%
Gas	180,290	177,862	200,000	198,849	200,000	0.00%	0.38%
Simplified Telecom Tax	1,254,895	1,311,508	1,400,000	1,213,252	1,200,000	-14.29%	2.29%
Propane	3,876	4,201	3,500	4,725	4,500	28.57%	0.01%
Total	$4,022,212	$4,156,003	$4,223,500	$3,983,261	$4,054,500	-4.00%	7.74%
OCCUPATIONAL LICENSES							
Town Occ Licenses	$580,405	$595,651	$600,000	$677,059	$610,000	1.67%	1.16%
Occ Lic Penalities	25,332	22,323	20,000	20,238	22,000	10.00%	0.04%
Total	$605,737	$617,974	$620,000	$697,297	$632,000	1.94%	1.21%
BUILDING PERMITS							
Building	$4,486,371	$4,571,164	$3,000,000	$4,837,673	$3,250,000	8.33%	6.20%
Radon Gas	78	61	50	51	75	50.00%	0.00%
Electrical	43,883	46,616	45,000	58,183	45,000	0.00%	0.09%
Plumbing	28,208	24,982	26,000	25,692	28,000	7.69%	0.05%
Except/Var. App.	69,750	93,200	50,000	99,770	50,000	0.00%	0.10%
Var./Spec. Exp. Consulting Fees	11,213	6,000	4,500	8,700	5,000	11.11%	0.01%
Special Plan Review Fee	3,975	40,600	20,000	107,100	60,000	200.00%	0.11%
Community Service Fees	0	0	0	0	0	0.00%	0.00%
Abandonments	0	616	0	1,851	500	100.00%	0.00%
Architectural Fees	52,643	50,391	45,000	52,525	50,000	11.11%	0.10%
Landmarks Submittal	4,450	5,075	4,000	4,475	5,500	37.50%	0.01%
Tax Abatement Program	0	0	1,200	0	1,200	0.00%	0.00%
Mechanical Permits	64,338	68,259	57,000	78,488	59,000	3.51%	0.11%
Sanitary Sewer Tap In Fee	16,125	0	0	0	0	0.00%	0.00%
Total	$4,781,034	$4,906,964	$3,252,750	$5,274,508	$3,554,275	9.27%	6.79%

General Fund Revenues

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY 2002 ACTUAL	FY2003 ACTUAL	FY 2004 BUDGETED	FY 2004 PROJECTED	FY 2005 BUDGETED	% VARIANCE	% OF TOTAL GF BUDGET
OTHER LIC., FEES & PERMITS							
Right Of Way Permits	$96,148	$114,574	$90,000	$131,127	$95,000	5.56%	0.18%
Right Of Way Permits - ATT	3,388	0	3,400	0	0	-100.00%	0.00%
Gainesville Plan	4,235	3,980	4,500	3,495	4,500	0.00%	0.01%
Arlington Plan	9,710	9,835	11,000	10,565	11,000	0.00%	0.02%
Registrations	2,520	0	0	0	0	0.00%	0.00%
Newsrack Encl. Admin. Fee	810	810	800	720	800	0.00%	0.00%
Total	$116,811	$129,199	$109,700	$145,907	$111,300	1.46%	0.21%
FEDERAL GRANTS							
Bullet Proof Vests Grant	$4,043	$3,298	$7,500	$0	$3,500	-53.33%	0.01%
Blk. Grant-Drug/Terrorism Interv.	10,023	0	0	0	0	0.00%	0.00%
FEMA Grant - Fire-Rescue	30,543	41,215	60,200	0	133,840	122.33%	0.26%
Total	$44,609	$44,513	$67,700	$0	$137,340	102.87%	0.26%
STATE GRANTS							
Historic Preservation	$0	$0	$20,000	$5,500	$25,000	25.00%	0.05%
Local Law Enforcement Block Grant	0	8,255	10,000	6,853	8,000	-20.00%	0.02%
Total	$0	$8,255	$30,000	$12,353	$33,000	10.00%	0.06%
STATE SHARED REVENUE							
State Revenue Sharing	$201,634	$201,128	$201,000	$213,623	$201,000	0.00%	0.38%
Alcoholic Beverage Lic.	24,051	31,699	22,000	22,624	22,000	0.00%	0.04%
Local Govt. Sales Tax	738,548	671,696	725,000	721,084	720,000	-0.69%	1.37%
Fire Supp. Comp.	18,700	18,506	21,200	19,140	21,500	1.42%	0.04%
Siezed Tag	250	2,433	1,000	783	1,000	0.00%	0.00%
Fuel Tax Refund	8,005	8,808	7,500	9,033	7,500	0.00%	0.01%
Total	$991,188	$934,270	$977,700	$986,287	$973,000	-0.48%	1.86%
GRANTS - LOCAL UNITS							
EMS Grant - Palm Beach County	$0	$0	$0	$12,712	$49,837	100.00%	0.10%
	$0	$0	$0	$12,712	$49,837	100.00%	0.10%
SHARED REV-LOCAL REVENUE							
County Occ. Licenses	$25,087	$23,875	$25,000	$26,551	$20,000	-20.00%	0.04%
911 Equip Reimbursement	138,785	266,745	266,000	64,101	77,700	-70.79%	0.15%
$12.50 Citation Monies	0	0	0	42,088	0		
Total	$163,872	$290,620	$291,000	$132,740	$97,700	-66.43%	0.19%
GENERAL GOVERNMENT							
Bep Code Sales	$610	$320	$500	$110	$700	40.00%	0.00%
Map/Sales Code	2,790	2,744	2,500	2,119	2,500	0.00%	0.00%
Certification Copy	319	894	300	298	300	0.00%	0.00%
Misc. Copies	2,255	3,506	2,000	1,449	2,000	0.00%	0.00%
Meeting Tapes Sales	370	629	400	800	400	0.00%	0.00%
Lien Search Fee	12,315	14,170	21,500	30,945	25,000	16.28%	0.05%
Micro-Fiche/Scanned Docs	12,010	13,557	9,000	10,343	9,000	0.00%	0.02%
Data Processing Services	40	275	0	180	0	0.00%	0.00%
Total	$30,709	$36,095	$36,200	$46,244	$39,900	10.22%	0.08%

General Fund Revenues

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY 2002 ACTUAL	FY2003 ACTUAL	FY 2004 BUDGETED	FY 2004 PROJECTED	FY 2005 BUDGETED	% VARIANCE	% OF TOTAL GF BUDGET
PUBLIC SAFETY							
Special Detail - Other	$483,998	$408,600	$450,000	$296,110	$362,000	-19.56%	0.69%
Police ID Cards	17,244	19,517	18,000	22,630	18,000	0.00%	0.03%
Burg. Alarm False Alarm Fees	61,150	56,100	55,000	39,480	55,000	0.00%	0.11%
Burg. Alarm Registration Fees	49,170	53,880	51,000	49,575	51,000	0.00%	0.10%
Burglar Alarm Penalties	0	0	0	230	0	0.00%	0.00%
Burglar Alarm-Direct Connect	0	2,400	10,000	4,750	8,000	-20.00%	0.02%
Valet Parking Permit	0	6,500	4,500	1,250	4,500	0.00%	0.01%
Operation Liberty Shield	0	3,138	0	0	0	0.00%	0.00%
Tent Permits	13,800	15,207	10,000	14,830	6,000	-40.00%	0.01%
Special Detail - Fire	34,350	59,675	30,000	31,415	40,000	33.33%	0.08%
Room Rental - South Fire	595	273	500	316	300	-40.00%	0.00%
Washer/Extractor Revenue	0	700	700	700	700	0.00%	0.00%
Fire-Rescue Community Ed. Program	2,300	250	0	0	0	0.00%	0.00%
Bldg. Insp. Fund Fees	156	122	100	142	100	0.00%	0.00%
EMS Transport Fees	0	314,422	320,000	219,013	275,000	-14.06%	0.53%
Total	$662,763	$940,784	$949,800	$680,441	$820,600	-13.60%	1.57%
PHYSICAL ENVIRONMENT							
Special Solid Waste	$10,274	$11,439	$10,000	$9,720	$10,000	0.00%	0.02%
Solid Waste	667,348	654,734	640,000	687,170	700,000	9.38%	1.34%
Comp. Garbage Collection Fee	174,237	176,873	193,800	165,471	166,600	-14.04%	0.32%
Yard Trash Collection	4,522	6,783	0	4,057	0	0.00%	0.00%
Beach Cleaning Citizens Assoc.	51,170	42,805	57,000	65,730	63,000	10.53%	0.12%
Total	$907,551	$892,634	$900,800	$932,148	$939,600	4.31%	1.79%
TRANSPORTATION							
Pkg. Meter Royal Palm Way Lot	$9,263	$8,222	$10,000	$8,848	$10,000	0.00%	0.02%
Pkg. Meter Australian Avenue	322	897	1,000	0	0	-100.00%	0.00%
Pkg. Meter Ocean Front	157,586	180,333	157,000	212,253	210,000	33.76%	0.40%
Pkg. Meter Lake Front	51,181	55,856	51,000	58,483	55,000	7.84%	0.11%
Pkg. Meter Phipps Ocean Front	27,875	47,876	30,000	40,920	30,000	0.00%	0.06%
Pkg. Meter Puruvian	74,971	69,676	77,000	73,058	75,000	-2.60%	0.14%
Pkg. Meter Main Post Office	1,984	2,008	2,200	2,116	2,200	0.00%	0.00%
Pkg. Meter Bradley Place	8,896	10,693	10,000	13,524	12,000	20.00%	0.02%
Pkg. Meter Phipps Plaza	4,136	6,720	6,000	5,709	6,000	0.00%	0.01%
Pkg. Meter North County	5,982	5,765	6,000	6,731	6,000	0.00%	0.01%
Pkg. Meter South County	9,299	10,568	10,000	11,412	11,500	15.00%	0.02%
Total	$351,495	$398,614	$360,200	$433,054	$417,700	15.96%	0.80%
CULTURE-RECREATION							
Tennis Program Regs. Fees	$500	$450	$0	$0	$0	0.00%	0.00%
Daily Tennis Court Fees	33,382	37,210	0	0	0	0.00%	0.00%
Annual Tennis Court Fees	45,937	52,902	0	0	0	0.00%	0.00%
Youth Program Regs. Fees	4,493	5,223	0	0	0	0.00%	0.00%
Adult Program Regs. Fees	604	670	0	0	0	0.00%	0.00%
Youth Program Regs. Fees	150,142	154,011	0	0	0	0.00%	0.00%
Facility Rental Fees	132	118	0	0	0	0.00%	0.00%
Adult Program Fees	27,650	30,098	0	0	0	0.00%	0.00%
Tennis Pro Admin. Fee	12,000	12,000	0	0	0	0.00%	0.00%
Total	$274,840	$292,682	$0	$0	$0	0.00%	0.00%

General Fund Revenues

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY 2002 ACTUAL	FY2003 ACTUAL	FY 2004 BUDGETED	FY 2004 PROJECTED	FY 2005 BUDGETED	% VARIANCE	% OF TOTAL GF BUDGET
JUDGMENTS AND FINES							
Penalty - Other Parking	$69,646	$79,652	$75,000	$147,040	$110,000	46.67%	0.21%
Penalty - Parking Meters	42,434	43,609	94,000	58,833	60,000	-36.17%	0.11%
Fines - Other Parking	234,987	475,283	290,000	318,768	350,000	20.69%	0.67%
Fines - Parking Meters	113,386	134,820	182,000	150,439	160,000	-12.09%	0.31%
Row Parking Violation Fines	28,155	16,825	35,000	22,913	25,000	-28.57%	0.05%
Moving Violations	41,607	49,227	45,000	43,940	48,000	6.67%	0.09%
Revenue/2nd $ Funding	3,125	3,982	3,500	3,424	3,500	0.00%	0.01%
Code Comp. Fee	12,182	53,976	10,000	194,675	25,000	150.00%	0.05%
Boot Fees	4,800	6,100	7,500	6,555	6,000	-20.00%	0.01%
Total	$550,322	$863,474	$742,000	$946,587	$787,500	6.13%	1.50%
INTEREST EARNINGS							
Interest - Checking	$51,919	$41,187	$34,000	$35,938	$41,000	20.59%	0.08%
State Board Interest	528,718	416,913	475,640	421,927	499,879	5.10%	0.95%
Inv. Earnings/Ad Valorem	47,624	101,544	70,000	50,824	60,000	-14.29%	0.11%
Marina Loan Interest	3,495	0	0	0	0	0.00%	0.00%
SBA Interest - ECR	34,073	23,447	28,600	18,997	16,500	-42.31%	0.03%
Total	$665,829	$583,091	$608,240	$527,686	$617,379	1.50%	1.18%
RENTS & ROYALTIES							
Rental Of Public Property	$44,220	$12,132	$0	$0	$0	0.00%	0.00%
Vending Machine Commissions	2,027	1,803	1,400	272	400	-71.43%	0.00%
AT&T Rooftop Lease	46,223	46,638	48,175	72,105	48,175	0.00%	0.09%
Total	$92,470	$60,573	$49,575	$72,377	$48,575	-2.02%	0.09%
SALE OF FIXED ASSETS							
Surplus Furn & Equipment	$46,123	($5,012)	$0	$0	$0	0.00%	0.00%
Inventory Adjustments	(4,200)	(2,880)	0	0	0	0.00%	0.00%
Total	$41,923	($7,892)	$0	$0	$0	0.00%	0.00%
CONTRIB/DONATIONS - PRIVATE							
Donations - Fire-Rescue	$250	$0	$0	$0	$0	0.00%	0.00%
Total	$250	$0	$0	$0	$0	0.00%	0.00%
OTHER MISC REVENUE							
Kreusler Park Admin.	$44,686	$27,136	$40,000	$34,180	$40,000	0.00%	0.08%
Rebate For Town Towing	239	338	500	1,581	500	0.00%	0.00%
Pike Road Property Sale	0	0	0	1,964,879	0		
Tennis Light Meter	135	115	0	0	0	0.00%	0.00%
Charitable Solicitations Fee	10,170	16,520	12,000	21,750	18,000	50.00%	0.03%
Charitable Solicit. Adv. Fee	16,475	15,920	15,000	16,500	15,000	0.00%	0.03%
Char. Solicit. Late Filing Fee	500	965	500	475	500	0.00%	0.00%
Miscellaneous Revenue	16,603	8,392	10,000	9,944	10,000	0.00%	0.02%
Total	$88,808	$69,386	$78,000	$2,049,309	$84,000	7.69%	0.16%

General Fund Revenues

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY 2002 ACTUAL	FY2003 ACTUAL	FY 2004 BUDGETED	FY 2004 PROJECTED	FY 2005 BUDGETED	% VARIANCE	% OF TOTAL GF BUDGET
INTERFUND TRANSFERS							
Transfer from CIP (307)	$7,500	$0	$0	$0	$0	0.00%	0.00%
Transfer From Undesignated FB	0	0	0	0	1,935,500	100.00%	3.70%
Interfund Transfer - Marina	650,000	650,000	525,000	525,000	525,000	0.00%	1.00%
Interfund Transfer - Golf	25,000	25,000	25,000	25,000	25,000	0.00%	0.05%
Total	$682,500	$675,000	$550,000	$550,000	$2,485,500	351.91%	4.75%
INSTALL PURCH PROCEEDS							
Lease Proceeds	$140,795	$0	$0	$0	$0	0.00%	0.00%
Total	$140,795	$0	$0	$0	$0	0.00%	0.00%
GRAND TOTAL	**$43,971,419**	**$47,044,336**	**$47,450,635**	**$51,746,818**	**$52,380,731**	**10.39%**	**100.00%**

MAJOR REVENUE SOURCES

PROPERTY TAX

General Description

Under State law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the property appraiser of each county and tax collector of each county. Municipalities are not permitted to levy property taxes at a rate of more than 10 mills for operating millage. There is no limitation as to rate or amount of ad valorem taxes levied for the purpose of paying debt service on general obligation bonds, pursuant to Florida Statues, but the Town, according to Section 7.01 of the Town Charter, cannot have a total indebtedness which exceeds an amount equal to five percent (5%) of the total assessed value of the taxable property within the Town's corporate limits. The laws of the State regulating tax assessment are designed to assure a consistent property valuation method statewide. The State Constitution does, however, permit different assessment standards for agricultural land, land used exclusively for noncommercial recreational purposes, tangible personal property held for sale as stock-in-trade and livestock.

Property Assessment Procedure

Municipal ad valorem taxes are levied based upon the assessed valuation of taxable real and tangible personal property located within the boundaries of the municipality. Property valuations are determined each year as of January 1 by the Property Appraiser. A tax roll is prepared by July 1 and each taxpayer whose property is subject to taxation is given notice of the assessment of such property. The property owner has the right to file an appeal with the Value Adjustment Board, which considers petitions relating to assessments and exemptions. The Value Adjustment Board certifies the assessment roll upon completion of the hearing of all appeals.

Exemptions

Every person who has the legal title or beneficial title in equity to real property in the State of Florida and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is entitled to an exemption from ad valorem taxation by counties up to the assessed valuation of $25,000 on the residence and contiguous real property. Other exemptions from the ad valorem tax include property owned by certain permanently and totally disabled persons; renewable energy sources improvements; inventory; property used by hospitals, nursing homes, homes for special services and property used by homes for the aged; educational property; property owned and used by labor organizations; community centers; governmental property; property owned by not-for-profit sewer and water companies; and the first $500.00 of property of every widow and widower. Blind persons and disabled persons receive an exemption based on percentage of disability.

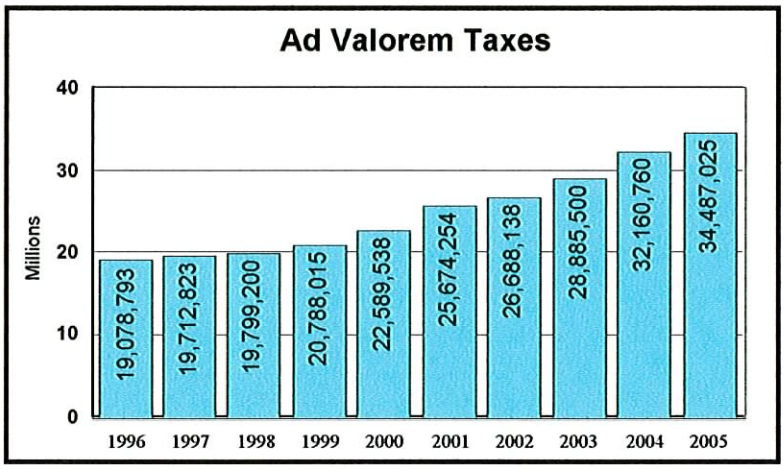
Major Revenue Sources

Levy of Ad Valorem Taxes

The Town is required to establish a budget for each fiscal year. The budget is required to provide for the estimated expenditures required to be made in respect to bonded indebtedness of the Town to be paid from ad valorem taxes. Upon adoption of a tentative budget, the Town is required to compute a proposed millage rate necessary to fund the tentative budget other than the portion of the budget to be funded from sources other than ad valorem taxes. After a procedure involving notice, hearings and public comment, the tentative budget and millage rate become final when approved by the Town Council. This procedure creates the tax roll which is then turned over to the Tax Collector on or about the first Monday in October.

Tax Collection Procedure

Upon receipt of the certified tax roll, the Tax Collector is required to mail to each taxpayer appearing on the assessment roll a tax notice stating, among other things, the amount of current taxes, including any ad valorem taxes due from the taxpayer. In general, each taxpayer is required to pay all taxes shown in the tax notice without preference in payment of any particular increment of the tax bill.



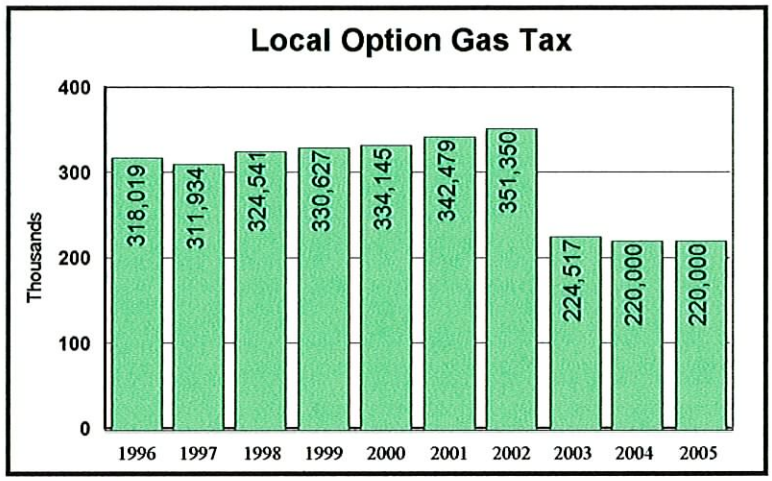
The Statutes relating to the enforcement of county ad valorem taxes (and thus municipal property taxes) provide that such taxes become due and payable on November 1 of the year in which assessed or as soon thereafter as the certified tax roll is received by the Tax Collector. If paid during November or the following three (3) months, the taxpayer is granted a discount which is equal to four percent (4%) in November and which decreases pro rata monthly to one percent (1%) in February. All taxes become delinquent on April 1 following the year in which they are assessed or immediately after sixty (60) days have expired from the mailing of the original tax notice, whichever is later, and the tax collector is required to collect taxes prior to the date of delinquency and to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers results in a delay throughout the process.

Major Revenue Sources

SHARED REVENUE

Local Option Gas Tax

Local governments are authorized to impose a tax of 1 cent to 6 cents on every gallon of motor fuel and special fuel sold at the retail level. Local Option Gas Taxes are enacted by a majority vote of a county's governing board or upon referendum approval, if an inter-local agreement concerning the distribution of the tax proceeds is established between the local governments in the county.



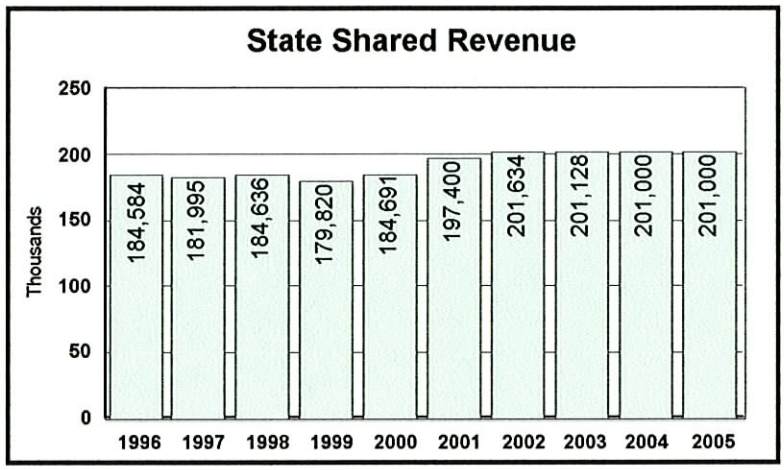
The Town participates in two separate and distinct Interlocal Agreements relative to Local Option Gas Tax as follows:

1. In 1986, an Interlocal Agreement was signed which provided a distribution formula for the six cent gas tax in effect of 1/3 of all sums collected to municipalities and 2/3 of all sums collected to the county. That Agreement was scheduled to sunset June 1, 1995. The Palm Beach County Municipal League aggressively negotiated with the County to retain that distribution formula when a new Agreement was signed.

2. A second Interlocal Agreement was signed in August 1993 providing a distribution formula for an additional five cent gas tax which the state legislation authorized the county commission to levy and the county commission approved on July 20, 1993. The approved distribution formula is 21% of all sums collected by the County from the State to municipalities and 79% of all sums collected to the County. The Agreement is written to terminate at such time as the gas tax proceeds are no longer collected and distributed, with the distribution formula scheduled for review annually.

State Shared Revenue

Sharing of certain state revenues with cities and counties began in Florida at least as early as 1931. Financial rescue of the counties from their overwhelming boom period road debts from the 1920's came principally through sharing of the state's motor fuel tax. Little sharing with cities occurred until the state cigarette tax collections were made available to them in 1949. The Florida Revenue Sharing Act of 1972 was a major attempt by the legislature to ensure an equitable distribution at a minimum level of revenue across counties and municipalities. The current structure of the revenue sharing program has three revenue sources for municipalities: Cigarette Tax, one-cent Municipal Gas Tax and the State Alternative Fuel Decal Users Fee. There are several criteria a local government must meet in order to qualify to receive funds. For Governments eligible in 1972: levy ad valorem taxes (excluding debt service and other special millage) that will produce the equivalent of three mills per dollar of

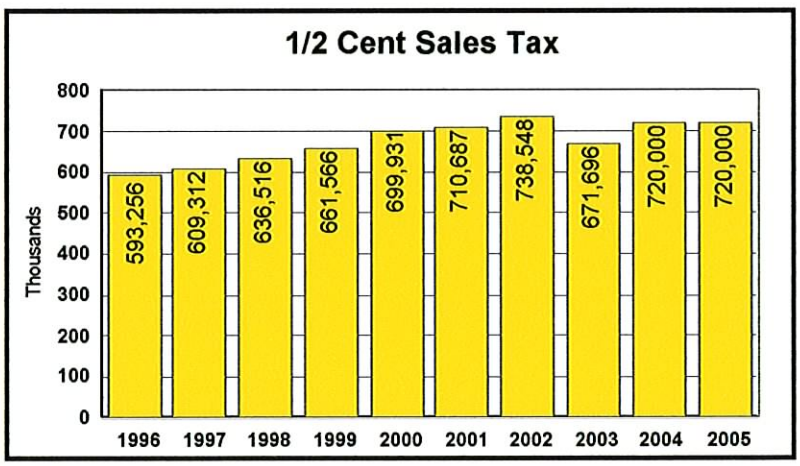


assessed valuation on the 1973 property tax base, or collect an equivalent amount of revenue from an occupational license tax, or a utility tax (or both) in combination with the ad valorem tax. Other requirements include annual post audits of financial accounts, certification of compliance with TRIM, and compliance with standards established by the State for police officers and firefighters employed by the Town.

Funds for the above referenced revenue sources are collected in a trust and net of administrative costs are distributed monthly to qualified recipients based on an apportionment formula comprised of three factors: weighted population, sales tax, and relative ability to raise revenue.

Half Cent Sales Tax

In 1982, the State sales tax was increased from 4% to 5% with .5% distributed to counties and municipalities. In 1985, the law was amended to provide that 9.697% of all sales tax receipts, except out-of-state taxes collected, is returned to municipalities and counties. The amount distributed to each local government is calculated by first determining the amount of sales tax to be distributed among the county government and the municipalities within the county based on a formula which is based on various population and other factors.



Like the sales tax itself, the proceeds from the sales tax distributed to local governments are subject to cyclical variations based on the level of economic activity within the particular month. In 1987, the State expanded the base upon which the sales tax is levied by including several services formerly exempted. Effective February 1, 1988, the sales tax on goods was increased to 6%.

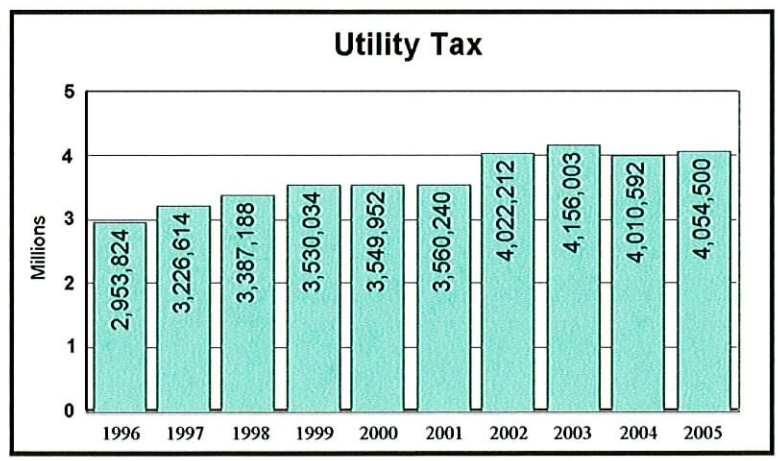
Major Revenue Sources

SHARED REVENUE COLLECTIONS					
Fiscal Year	Cigarette Tax	Local Option Gas Tax	State Shared Revenue	Half Cent Sales Tax	Total
2005 (Budgeted)	0	220,000	201,000	720,000	**1,141,000**
2004 (Anticipated)	0	220,000	201,000	720,000	**1,141,000**
2003	0	224,517	201,128	671,696	**1,097,341**
2002	0	351,349	201,634	738,548	**1,291,531**
2001	0	342,479	197,400	710,687	**1,250,566**
2000	21,896	334,145	184,691	699,931	**1,240,663**
1999	23,669	330,627	179,820	661,566	**1,195,682**
1998	26,123	324,541	184,636	636,516	**1,171,816**
1997	26,175	311,934	181,995	609,312	**1,129,416**
1996	29,008	318,019	184,584	593,256	**1,124,867**

UTILITY TAX

Pursuant to F.S.166.231, The Town levies a utility tax, or public service tax on the purchase of electricity, metered or bottled gas and water service. The Town levies this tax at the state allowed maximum of 10% for all services.

In FY2001, the Florida Legislature adopted the new Communications Tax Simplification law that went into effect on October 1, 2001. This legislation combined the Telecommunications utility tax as well as the Telecommunications franchise fee and cable franchise fee into one tax rate on a broad base of services. The Town adopted Resolutions 42-01 and 43-01 which set the tax rates for this tax. The rate is 5.1% plus .12% (additional rate for not charging separate permit fees) totaling 5.22%. In FY2002 the Town received one final payment from Bell South for utility tax under the old tax structure.



Major Revenue Sources

Collections from these taxes vary depending on utility usage. The water and electricity utility tax depends to a great extent on weather conditions. Fluctuations may be experienced from these revenue sources which are beyond the ability of the Town to predict or control.

UTILITY TAX							
Fiscal Year	**Electricity**	**Telephone**	**Communications Services Tax**	**Water**	**Gas**	**Propane**	**Total**
2005 (Budgeted)	1,950,000	0	1,200,000	700,000	200,000	4,500	**4,054,500**
2004 (Anticipated)	1,914,092	0	1,200,000	700,000	192,000	4,500	**4,010,592**
2003	1,968,539	0	1,311,508	693,893	177,862	4,201	**4,156,003**
2002	1,922,313	65,285	1,254,895	595,553	180,290	3,876	**4,022,212**
2001	1,884,332	847,346	0	618,427	206,362	3,773	**3,560,240**
2000	1,894,439	797,895	0	667,232	187,050	3,336	**3,549,952**
1999	2,013,794	704,998	0	634,430	174,486	2,326	**3,530,034**
1998	2,023,966	604,812	0	572,143	183,701	2,566	**3,387,188**
1997	1,973,752	588,069	0	484,580	177,777	2,436	**3,226,614**
1996	1,740,432	528,237	0	508,792	173,578	2,785	**2,953,824**

Major Revenue Sources

FRANCHISE FEES

Public utilities operating within the Town of Palm Beach must pay to the Town a franchise fee in return for the right to do business within the Town and for the right to use public rights-of-way. The following are the franchise agreements currently in effect.

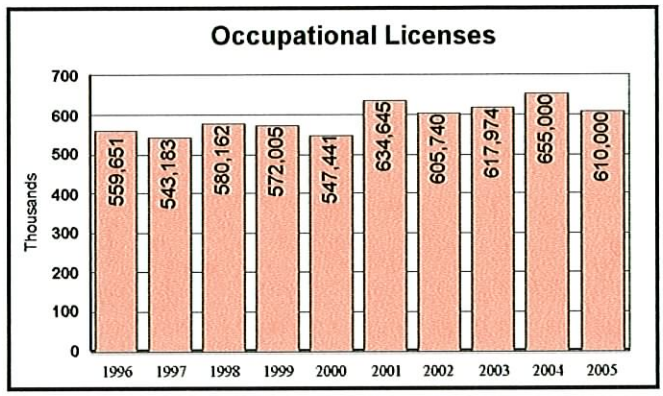
As mentioned under the Utility Tax section, the Communications Tax Simplification Law eliminates the franchise fees for Telephone and Cable companies and replaces it with a single rate on a broad base of telecommunication and cable services. In FY2002, the Town received the one final payment from both Bell South and Adelphia Cable for Franchise Fees under the old agreement.

FRANCHISE FEES					
Fiscal Year	**Electricity**	**Telephone**	**Gas**	**Cable Television**	**Total**
Provider	**Florida Power and Light**	**BellSouth Telecommunications**	**Florida Public Utilities**	**Adelphia Cable**	
Effective Date	**3/10/81**	**4/13/87**	**4/13/93**	**7/11/2000**	
Term	**30 years**	**10 years**	**30 years**	**15 years**	
Rate	**6%**	**1%**	**6%**	**5%**	
2005 (Budgeted)	1,650,000	0	140,000	0	**1,790,000**
2004 (Anticipated)	1,650,000	0	192,000	0	**1,842,000**
2003	1,564,384	0	161,837	0	**1,726,221**
2002	1,539,254	31,448	130,185	15,327	**1,716,214**
2001	1,528,985	131,348	206,835	181,957	**2,049,125**
2000	1,318,344	57,248	138,520	179,746	**1,693,858**
1999	1,393,276	47,162	113,322	172,186	**1,725,946**
1998	1,350,016	48,066	122,822	161,475	**1,682,379**
1997	1,371,872	45,972	125,590	144,533	**1,687,967**
1996	1,204,081	73,192	116,879	121,843	**1,515,995**
1995	1,221,604	41,853	83,270	123,017	**1,469,744**
1994	1,245,949	40,307	83,956	112,824	**1,483,036**
1993	1,181,584	40,342	78,461	247,469	**1,547,856**

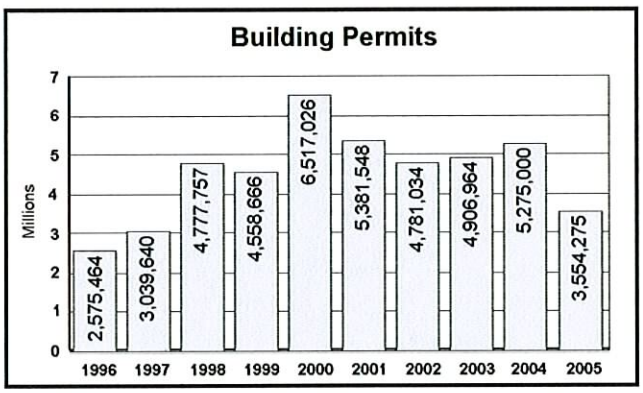
Major Revenue Sources

Occupational Licenses

Any person engaging in or managing any business, occupation or profession, within the limits of the Town of Palm Beach must obtain an occupational license. All licenses must be secured at the time the business begins operation and are renewed thereafter each October 1. The fee for each license is based on the business in which the entity is engaged.



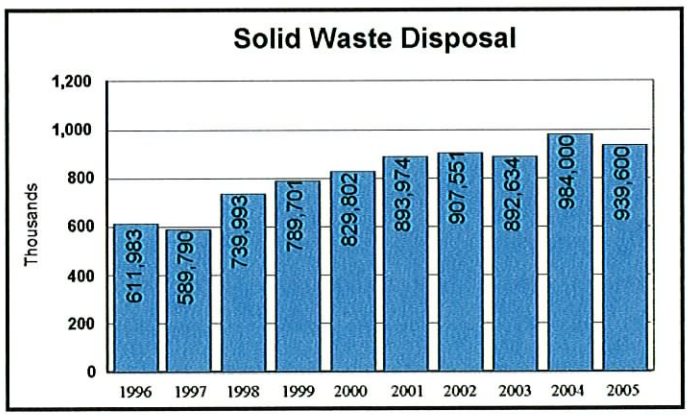
Building Permits



Permits must be issued to any individual or business who does construction work within the corporate limits of the Town of Palm Beach. Permits are issued for building, electrical, plumbing, and mechanical construction. The Revenue from Building Permits fluctuates based upon current economic conditions and major construction projects. In recent years, Building Permit revenue has been exceeding expectations. This revenue source is budgeted conservatively in case of a downturn in the construction on the island.

Solid Waste Disposal

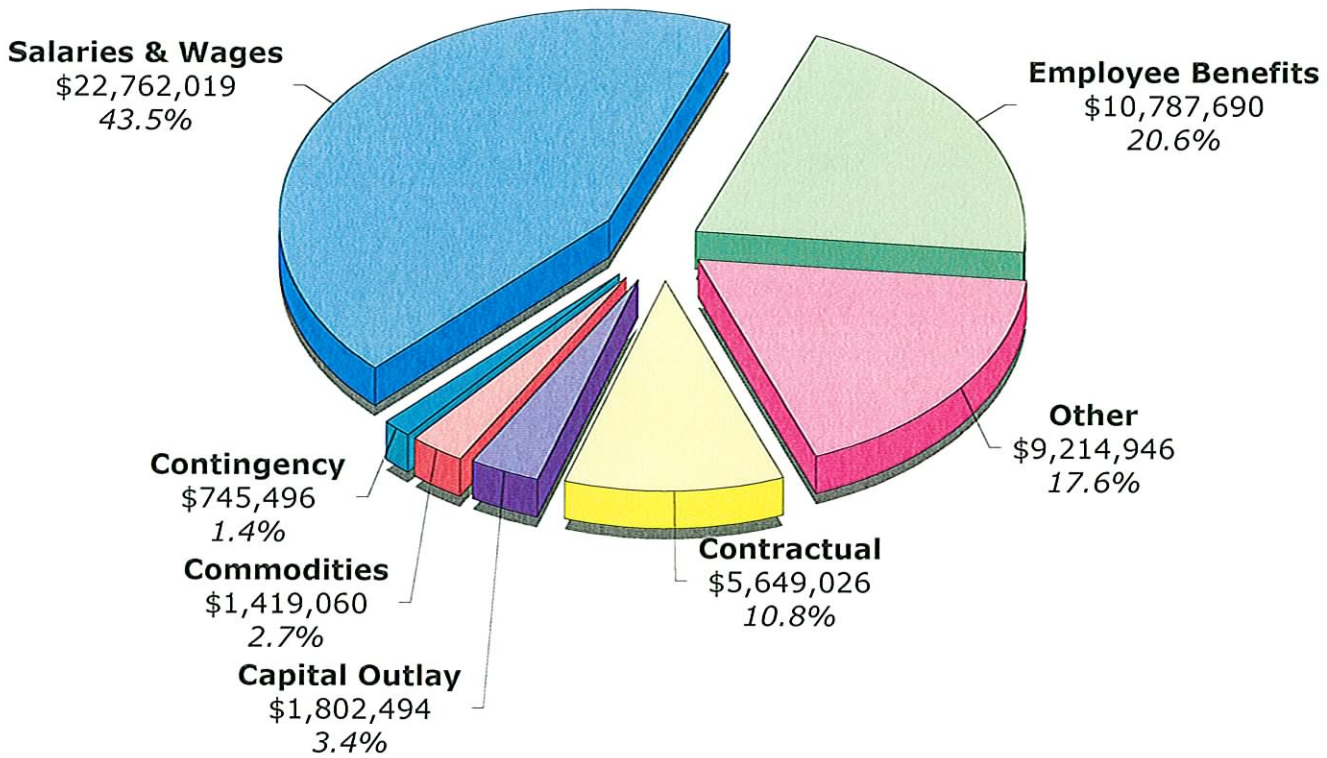
Commercial establishments, including apartments, are charged a monthly fee for collection and disposal costs based upon the type of facility being serviced. Town Council, from time to time, will adjust the rate structure to cover anticipated costs. The Solid Waste Authority of Palm Beach County assesses commercial facilities for a portion of their disposal costs while the Town is responsible for the remainder.



The Town is the sole provider of garbage service to its residents and all commercial properties. Most commercial properties are serviced five times per week, except restaurants which are serviced seven times per week.

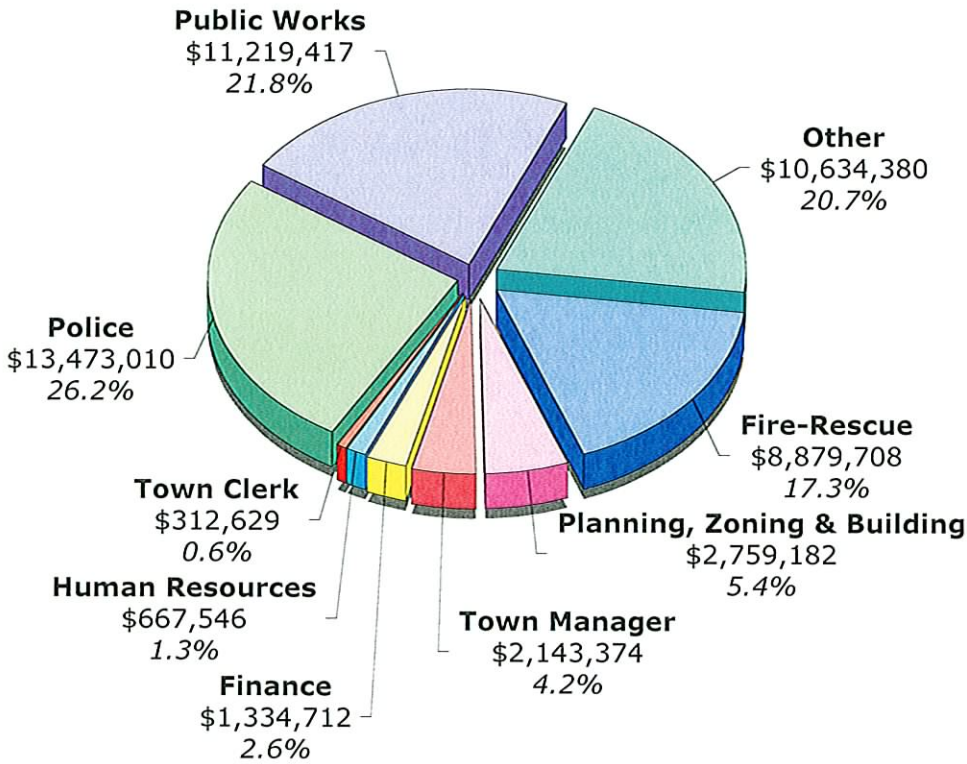
In FY2004, the Solid Waste Disposal charges were billed as a Non-Ad Valorem Assessment on the customer's property tax bill. This new process has improved the efficiency of the collection of this fee.

GENERAL FUND EXPENDITURES
FY2005 BUDGET
BY EXPENDITURE TYPE



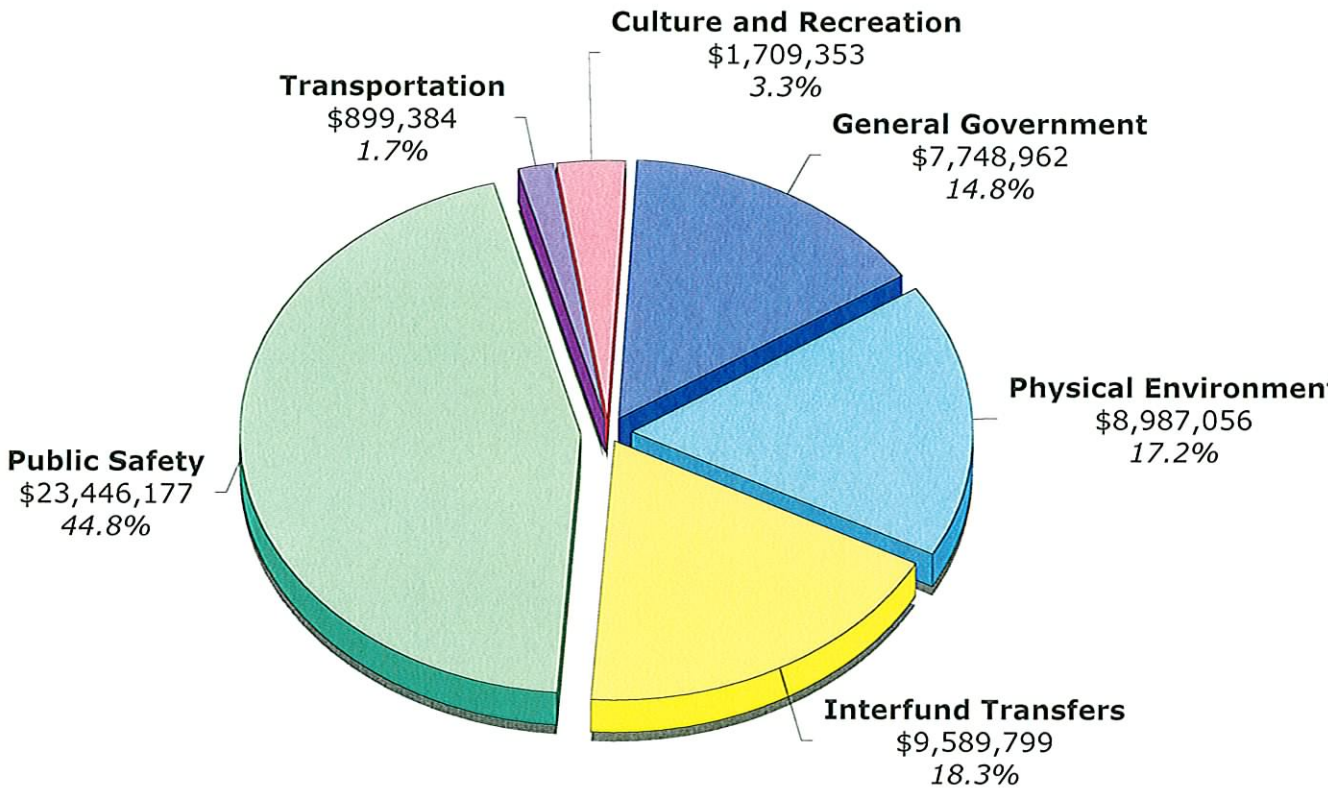
Salaries & Wages	$22,762,019
Employee Benefits	10,787,690
Contractual	5,649,026
Commodities	1,419,060
Capital Outlay	1,802,494
Contingency	745,496
Other	9,214,946
Total General Fund	$52,380,731

GENERAL FUND EXPENDITURES
FY2005 BUDGET
BY DEPARTMENT



Legislative	$56,825
General Government	899,948
Town Manager	2,143,374
Human Resources	667,546
Town Clerk	312,629
Finance	1,334,712
Planning, Zoning & Building	2,759,182
Fire-Rescue	8,879,708
Police	13,473,010
Public Works	11,219,417
Other	10,634,380
Total General Fund	$52,380,731

GENERAL FUND EXPENDITURES
FY2005 BUDGET
BY FUNCTION



General Government	$7,748,962
Public Safety	23,446,177
Physical Environment	8,987,056
Transportation	899,384
Culture and Recreation	1,709,353
Interfund Transfers	9,589,799
Total General Fund	$52,380,731

GENERAL FUND AND OTHER FUNDS EXPENDITURES
SUMMARY BY PROGRAM

PROGRAM		FY02 ACTUAL	FY03 ACTUAL	FY04 BUDGET AS ADOPTED	FY04 BUDGET AS AMENDED	FY04 PROJECTED	FY05 BUDGET	% VARIANCE	% OF TOTAL GF BUDGET
LEGISLATIVE	111	**$91,233**	**$35,653**	**$66,286**	**$56,286**	**$51,825**	**$56,825**	**1.0%**	**0.1%**
GENERAL GOVERNMENT	113	**$116,396**	**$101,824**	**$133,817**	**$570,317**	**$462,543**	**$899,948**	**57.8%**	**1.7%**
TOWN MANAGER									
Administrative Management	121	606,017	511,771	596,770	596,770	573,116	675,989	13.3%	1.3%
Advice & Litigation	122	315,303	233,260	285,000	315,000	310,828	285,000	-9.5%	0.5%
Information Systems	125	727,766	926,384	1,187,768	1,187,768	1,174,205	1,182,385	-0.5%	2.3%
		$1,649,086	**$1,671,415**	**$2,069,538**	**$2,099,538**	**$2,058,149**	**$2,143,374**	**2.1%**	**4.1%**
HUMAN RESOURCES	123	**$566,492**	**$586,244**	**$628,745**	**$628,745**	**$603,924**	**$667,546**	**6.2%**	**1.3%**
RECORDS MANAGEMENT	131	**$238,208**	**$253,833**	**$285,332**	**$291,832**	**$291,067**	**$312,629**	**7.1%**	**0.6%**
FINANCE									
Financial Management	141	$677,573	$740,953	$804,919	$821,419	$819,379	$893,550	8.8%	1.7%
Purchasing	144	365,702	382,078	410,033	410,033	410,097	441,162	7.6%	0.8%
		$1,043,275	**$1,123,031**	**$1,214,952**	**$1,231,452**	**$1,229,476**	**$1,334,712**	**8.4%**	**2.5%**
PLANNING/ZONING/BUILDING									
Planning & Zoning	211	$523,473	$554,371	$550,511	$599,446	$526,066	$649,273	8.3%	1.2%
Permit Issuance	212	653,735	672,353	874,572	874,572	811,549	939,159	7.4%	1.8%
Inspection/Compliance	213	700,755	795,002	828,583	848,583	846,965	847,274	-0.2%	1.6%
Landmarks Preservation	214	136,210	143,199	155,951	155,951	125,008	141,376	-9.3%	0.3%
Fire Prevention	215	168,893	96,193	161,182	171,182	169,373	182,100	6.4%	0.3%
		$2,183,066	**$2,261,118**	**$2,570,799**	**$2,649,734**	**$2,478,961**	**$2,759,182**	**4.1%**	**5.3%**
RECREATION									
Administrative Management	311	$145,500	$251,247	$0	$0	$0	$0	0.0%	0.0%
Tennis Program	312	311,496	299,368	0	0	0	0	0.0%	0.0%
Adult Programs	313	29,105	31,582	0	0	0	0	0.0%	0.0%
Youth Programs	314	369,269	341,000	0	0	0	0	0.0%	0.0%
		$855,370	**$923,197**	**$0**	**$0**	**$0**	**$0**	**0.0%**	**0.0%**
LIBRARY SERVICES	321	**$235,000**	**$235,000**	**$235,000**	**$235,000**	**$235,000**	**$235,000**	**0.0%**	**0.4%**
FIRE-RESCUE									
Fire Administration	411	$517,610	$529,339	$627,441	$627,441	$611,816	$757,097	20.7%	1:4%
Operations	417	5,148,590	6,087,739	7,098,740	7,268,740	7,266,726	7,944,423	9.3%	15.2%
Training	418	125,038	151,768	176,472	176,472	165,959	178,188	1.0%	0.3%
		$5,791,238	**$6,768,846**	**$7,902,653**	**$8,072,653**	**$8,044,501**	**$8,879,708**	**10.0%**	**17.0%**
POLICE									
Administrative Management	421	$769,413	$822,454	$912,413	$912,413	$894,184	$972,666	6.6%	1.9%
Org Crime/Vice/Narcotics	422	417,714	483,832	550,307	570,307	568,443	614,543	7.8%	1.2%
Records Information Systems	423	234,686	252,882	263,403	263,403	257,872	214,895	-18.4%	0.4%
Training/Per/Pub Enf	424	235,348	246,066	261,722	262,722	262,159	348,251	32.6%	0.7%
Communications	425	1,088,955	1,033,686	1,193,022	1,205,022	1,203,666	1,327,482	10.2%	2.5%
Crime Scene/Evidence	426	295,023	310,714	358,236	358,236	340,143	359,522	0.4%	0.7%
Patrol Services	428	5,643,446	5,620,420	6,317,458	6,402,458	6,400,107	6,997,633	9.3%	13.4%
Criminal Investigation	429	1,135,443	1,180,160	1,365,119	1,412,119	1,409,937	1,494,958	5.9%	2.9%
Parking Control	430	365,446	448,388	448,098	471,098	470,078	484,681	2.9%	0.9%
Beach Rescue	432	565,059	548,299	579,224	579,224	569,985	658,379	13.7%	1.3%
		$10,750,533	**$10,946,901**	**$12,249,002**	**$12,437,002**	**$12,376,574**	**$13,473,010**	**8.3%**	**25.7%**

GENERAL FUND AND OTHER FUNDS EXPENDITURES
SUMMARY BY PROGRAM

PROGRAM		FY02 ACTUAL	FY03 ACTUAL	FY04 BUDGET AS ADOPTED	FY04 BUDGET AS AMENDED	FY04 PROJECTED	FY05 BUDGET	% VARIANCE	% OF TOTAL GF BUDGET
PUBLIC WORKS									
Administrative Management	511	$487,411	$538,335	$589,055	$602,055	$600,099	$638,810	6.1%	1.2%
Street Repair/Maintenance	521	229,878	228,707	362,143	362,143	232,841	407,695	12.6%	0.8%
Traffic Control	523	137,489	144,380	175,111	184,611	183,317	190,906	3.4%	0.4%
Street Lighting	524	244,134	271,887	288,777	301,777	300,420	300,783	-0.3%	0.6%
Storm Sewer Maintenance	531	409,822	357,000	502,682	502,682	358,976	504,512	0.4%	1.0%
Sanitary Sewer Maintenance	532	915,090	945,935	1,104,033	1,104,033	1,044,654	1,143,070	3.5%	2.2%
Sanitary Sewer Treatment	533	1,180,807	1,315,396	1,273,100	1,273,100	1,237,694	1,273,100	0.0%	2.4%
Residential Collection	541	483,237	569,094	598,973	633,973	632,225	616,537	-2.8%	1.2%
Commercial Collection	542	635,734	714,041	768,934	768,934	741,139	761,641	-0.9%	1.5%
Refuse Disposal	543	26,385	97,418	70,000	70,000	68,642	70,000	0.0%	0.1%
Yard Trash Collection	544	1,335,666	1,337,419	1,454,650	1,579,650	1,575,260	1,494,934	-5.4%	2.9%
Recycling	545	178,908	216,588	240,697	240,697	233,239	248,140	3.1%	0.5%
Beach Cleaning	546	106,914	138,946	153,363	153,863	153,431	147,485	-4.1%	0.3%
Parks	551	920,352	959,279	1,099,103	1,099,103	1,052,943	1,185,492	7.9%	2.3%
Facilities Maintenance	554	849,398	676,972	685,132	703,513	688,757	767,786	9.1%	1.5%
Parking Meter Maint & Collections	558	50,794	40,255	56,553	56,553	51,970	61,516	8.8%	0.1%
General Engineering Services	561	312,274	344,074	363,750	383,750	362,809	387,547	1.0%	0.7%
Right of Way Inspections	565	71,367	81,343	89,749	90,249	89,974	96,392	6.8%	0.2%
Equip Operations/Maintenance	571	385,473	427,621	454,147	454,147	427,530	594,595	30.9%	1.1%
Coastal Management	581	252,671	294,937	307,895	307,895	262,983	328,476	6.7%	0.6%
		$9,213,804	**$9,699,627**	**$10,637,847**	**$10,872,728**	**$10,298,903**	**$11,219,417**	**3.2%**	**21.4%**
TRANSFER TO OTHER FUNDS									
Cap Impr Program (307/308/320)	611	$8,545,097	$7,525,700	$2,682,000	$2,682,000	$2,682,000	$3,788,000	41.2%	7.2%
Debt Service Fund (203/204)	612	1,211,858	1,211,858	2,480,000	2,480,000	2,480,000	2,572,810	3.7%	4.9%
Donation Fund (103)	613	0	29,430	0	50,000	50,000	0	-100.0%	0.0%
Group Health Ins. (502)	621	690,000	753,301	763,731	763,731	763,731	712,256	-6.7%	1.4%
Risk-W/C, Liab.Prop. (501)	622	2,292,624	2,746,915	2,810,033	2,810,033	2,810,033	2,510,033	-10.7%	4.8%
Employee Retirement Fund (600)	624	3,130	1,885	2,000	2,000	1,835	1,900	-5.0%	0.0%
Public Safety Retire Fund (601)	625	4,479	5,144	5,700	5,700	3,696	4,800	-15.8%	0.0%
		$12,747,188	**$12,274,233**	**$8,743,464**	**$8,793,464**	**$8,791,295**	**$9,589,799**	**9.1%**	**18.3%**
EMERGENCY/DISASTER RESPONSE	710	**$19,375**	**$45,836**	**$60,000**	**$3,751,000**	**$2,004,133**	**$64,085**	**-98.3%**	**0.1%**
CONTINGENT APPROPRIATIONS	711	**$350,837**	**$0**	**$653,200**	**$397,884**	**$0**	**$745,496**	**87.4%**	**1.4%**
CAPITAL LEASE AQUISITIONS	722	**$141,408**	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0%**	**0.0%**
General Operating Fund (001) Total		**$33,245,321**	**$34,652,525**	**$38,707,171**	**$43,294,171**	**$40,135,056**	**$42,790,932**	**-1.2%**	**81.7%**
Transfers to Other Funds		$12,747,188	$12,274,233	$8,743,464	$8,793,464	$8,791,295	$9,589,799	**9.1%**	18.3%
TOTAL GENERAL FUND		**$45,992,509**	**$46,926,758**	**$47,450,635**	**$52,087,635**	**$48,926,351**	**$52,380,731**	**0.6%**	**100.0%**

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Legislative

Mayor, Town Council and Town Manager

Legislative Department

PROGRAM: LEGISLATIVE 111

Pursuant to the Town's Charter, the Mayor and Town Council are elected at large by the electors of the Town. As needed for regulatory and enforcement purposes, the Town Council enacts ordinances and resolutions, reviews and adopts the annual budget, and establishes policies and other measures which promote the general welfare of the Town protecting the health and safety of its citizens. Town Council members are elected for two-year terms, two in odd numbered years and three in even numbered years. The Mayor runs in odd numbered years for a two-year term and is not a voting member of the Council, but may vote to break a tie and may veto ordinances and resolutions, subject to Town Council override. Elected officials serve without pay.

This program also includes a funding allocation for Mayor and Town Council interaction with other government related agencies. These agencies include the Palm Beach County League of Cities, the Florida League of Cities, National League of Cities, the Countywide Intergovernmental Coordination Program, and other local, State and Federal government organizations. Formal and informal interaction with other government representatives improves existing information exchange networks, and enables Town officials to provide better services to the community and protect the Town's interests in Federal, State, and County legislative and administrative matters.

Focus Forward

- Monitor continued implementation of the Strategic Plan.
- Monitor progress on major construction projects.
- Monitor staff implementation of Key Results Measures and Management System.
- Monitor Town Manager efforts in transition of leadership in Fire-Rescue and Public Works Departments.
- Monitor, review and act upon Compensation Study.
- Monitor, review and act upon Citizen's Satisfaction Survey.
- Review and act upon additional recommendations of the Planing and Zoning Commission to appropriately regulate redevelopment in the R-B District.

Legislative

Program 111 - Legislative
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	73,020	20,542	44,625	40,569	44,625	0.00%
Commodities	16,746	14,188	10,700	10,436	12,200	14.02%
Capital Outlay	1,467	923	961	820	0	-100.00%
Other	0	0	0	0	0	0.00%
TOTALS	91,233	35,653	56,286	51,825	56,825	0.96%

EXPENDITURES

Contractual:
No change

Commodities:
Increase in membership dues

Capital Outlay:
Decrease in depreciation expense due to the transfer of the assets to the new General Government Program.

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General Government

Town Manager's Office

PROGRAM: GENERAL GOVERNMENT 113

In accordance with Florida's Uniform Accounting System Manual, this program represents the cost of general government services and activities which are not specifically or reasonably classified elsewhere within departmental program classifications of the Town's General Fund budget. The majority of desired outcomes and workload indicators for this program are overseen by the Town Manager's office.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Completion of Town-Wide Compensation Study[1]	yes	n/a	n/a	n/a
Completion of Citizen's Satisfaction Survey[2]	n/a	n/a	n/a	n/a
Produce and Distribute Four Quarterly Issues of the Employee Newsletter[3]	n/a	n/a	n/a	n/a

1 To be done by Human Resources Department using an outside contractor.
2 To be done by the Town Manager's Office using an outside contractor.
3 To be done by the Town Manager's Office using an outside contractor for printing.

Focus Forward

➢ Completion of the projects referred to above under "Workload Indicators."

General Government

Program 113 - General Government
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	39,038	45,824	416,722	362,907	730,398	75.27%
Contractual	77,358	56,000	153,595	99,636	169,200	10.16%
Commodities	0	0	0	0	0	0.00%
Capital Outlay	0	0	0	0	350	100.00%
Other	0	0	0	0	0	0.00%
TOTALS	116,396	101,824	570,317	462,543	899,948	57.80%

EXPENDITURES

Employee Benefits:
Increase due to budgeted estimate of FY2005 compensated absence account payments. Payments have not been budgeted for in the past. Also included in this area is the budget for extraordinary longevity.

Contractual:
Major increase due to addition of Compensation Study ($40,000) and Citizen's Survey ($15,000).

Capital Outlay:
Annual depreciation expense budgeted here for the first time.

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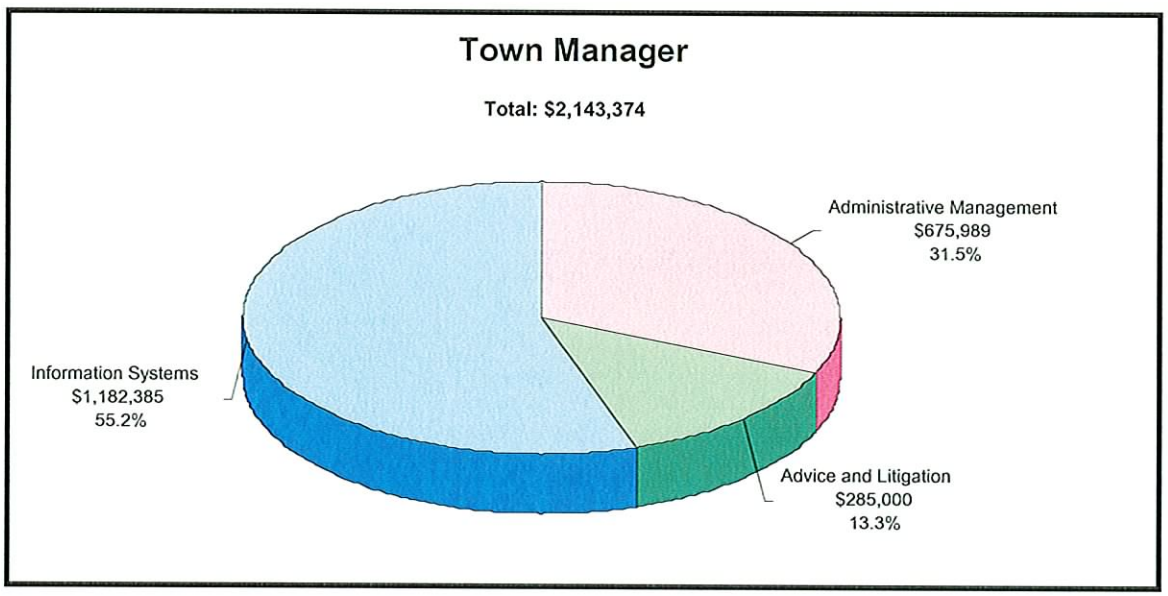
Town Manager's Office

Town Manager's Office

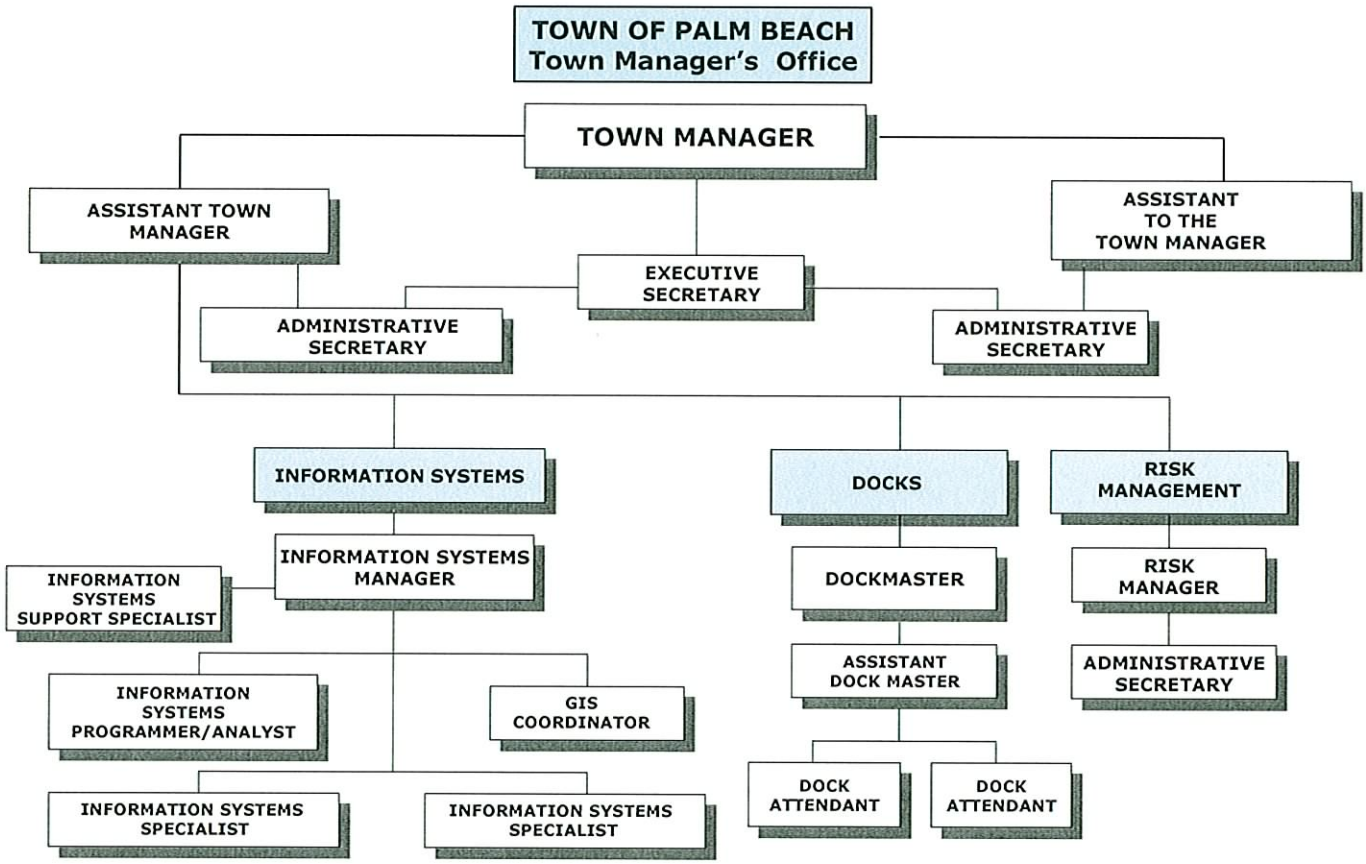
Mission

The Town Manger's Office is dedicated to effectively advising the Mayor and Town Council regarding policy formation; keeping the Mayor, Town Council and community informed on Town government issues of importance; and setting overall administrative direction for all operating departments. The Town Manager, as the primary administrative official of the Town, provides the linkage between the policies set by the Mayor and Town Council and the operations of the Town staff.



	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2005 Budget
Expenditures	$1,649,086	$1,671,415	$2,099,538	$2,143,374

Town Manager's Office



	FY2002	FY2003	FY2004	FY2005
Total Full Time Equivalent Employees	11	10.5	10.5	12.0

Town Manager's Office

Key Results and Measurement Methodology

Key Result #1	Desired outcomes are achieved in most efficient manner.
Measurement	Increase in department budget over prior year measured in following formats: gross increase, increase adjusted for inflation, and increase adjusted for other factors beyond control of department.
Key Result #2	Internal and external customer satisfaction is achieved.
Measurement	Results from satisfaction survey(s) indicate at least a 90% or higher approval rating in the combined categories of "excellent" or "good".
Key Result #3	Department budgets approved by the Town Manager demonstrate linkages to organizational and community vision and goals.
Measurement	Implementation of an organizational visioning process. Departments will cascade the Key Result Measurement (KRM) process throughout all programs. Town Manager will analyze integration of department KRM's and budget requests with organizational vision, Townwide strategic plan and annual goals.
Key Result #4	Employee work environment is positive, encourages open communication, and is regularly monitored for ways to improve.
Measurement	Document new and expanded methods of improved communication vertically and horizontally throughout the organization.

Town Manager's Office

Town Manager's Office - All Programs
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	742,735	668,634	752,506	735,964	824,355	9.55%
Employee Benefits	175,299	191,689	234,515	228,622	312,633	33.31%
Contractual	485,280	437,747	623,669	610,249	640,233	2.66%
Commodities	94,546	138,464	165,450	160,967	116,050	-29.86%
Capital Outlay	106,087	185,480	272,398	273,678	246,000	-9.69%
Other	45,139	49,401	51,000	49,102	4,103	-91.95%
TOTALS	1,649,086	1,671,415	2,099,538	2,058,582	2,143,374	2.09%

EXPENDITURES

Salaries and Wages:
Increase is due to the addition of an Information Systems Specialist position, the increase from a ½ time to full time administrative secretary position, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Increase is due to the addition of a budget line for the estimate of FY2005 compensated absence account payments, significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
increase due to addition of Compensation Study ($40,000), Citizen's Survey ($15,000), and Townwide Parking and Traffic Study ($140,000).

Commodities:
This decrease is due to a reduction of hardware purchases and software purchases for FY2005.

Capital Outlay:
The decrease in Capital Outlay is due to a reduction in the purchase of new computer equipment for FY2005 since most equipment is purchased through the equipment replacement program.

Other:
The decrease is due to the completion of a three year lease on the Town's main ISeries system.

Town Manager's Office

PROGRAM: ADMINISTRATIVE MANAGEMENT 121

The Town Manager's Office, including support staff, supplies and equipment, is included in this program. The Town Manager is the chief administrative officer of the Town and is responsible for planning, organizing, and directing the activities of Town departments. The Town Manager implements policies established by the Town Council; recommends public policy alternatives and various actions to the Mayor and Town Council; appoints and supervises appointive administrative officers (Department Directors); appoints, disciplines or removes, as needed, all Town employees pursuant to approved procedures, or pursuant to the Town Charter (including the delegation of this authority to any administrative officer subject to the Town Manager's direction and supervision with respect to subordinate employees in that administrative officer's department, office or agency); prepares and submits the proposed annual budget and capital improvement program to the Town Council; administers the financial activities of all operating and capital improvement funds; signs contracts on behalf of the Town; and takes such other action as may be directed by the Town Council from time to time.

Focus Forward

- Continue implementation of the Strategic Plan.
- Ensure substantial progress on major construction projects.
- Continue implementation of Key Results Measures and Management System.
- Oversee transition of leadership in Fire-Rescue and Public Works Departments.
- Oversee completion of Compensation Study.
- Initiate and complete Citizen Satisfaction Survey.
- Timely production and issuance of quarterly employee newsletter.
- Continue improvement and maintenance of the Town's website.
- Pursue other initiatives to continue improving internal and external communications.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Town Manager	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00
Assistant to the Town Manager	1.00	1.00	1.00	1.00
Executive Secretary	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00
Administrative Secretary (Shared)	0.50	0.50	0.50	0.00
Administrative Secretary	0.00	0.00	0.00	1.00
	5.50	5.50	5.50	6.00

Town Manager's Office

Program 121 - Administrative Management
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	456,044	362,019	432,252	412,510	465,380	7.66%
Employee Benefits	102,110	104,741	129,079	124,281	175,226	35.75%
Contractual	37,580	22,561	22,939	25,005	24,083	4.99%
Commodities	10,283	15,041	12,500	11,753	11,300	-9.60%
Capital Outlay	0	7,409	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	606,017	511,771	596,770	573,549	675,989	13.27%

EXPENDITURES

Salaries and Wages:
A portion of the increase is due to a change from a ½ time to a full time administrative secretary position. The balance of the increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is primarily due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase attributed to increase in internal allocation of copy machine costs based upon departmental usage.

Commodities:
Decrease attributable to expenditure allocation reduction in office supplies account.

Town Manager's Office

PROGRAM: ADVICE AND LITIGATION 122

The Town Attorney advises the Town's elected officials and staff regarding legal matters concerning the Town of Palm Beach. The Town Attorney represents the Town in lawsuits, hearings, and other litigation matters and prepares contracts, deeds, ordinances, resolutions and other legal instruments for the Town. The Town Attorney, or his designee, attends Town Council, Architectural Commission, Code Enforcement Board, Landmarks Preservation Commission, Planning and Zoning Commission and other Town meetings to provide legal advice and direction regarding issues related to the deliberations of the Mayor, Town Council, Boards and Commissions. The Town Attorney is a contractual position serving at the pleasure of the Town Council.

Focus Forward

- Work closely with Town staff and elected officials to provide legal advice as may be needed or requested when lawsuits are assigned to attorneys selected by the Third Part Administrator for the Town's Insurance Program.

- Continuously strive to provide effective legal representation to the Town at the lowest possible cost.

Town Manager's Office

Program 122 - Advice and Litigation
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	315,303	233,260	315,000	310,828	285,000	-9.52%
Commodities	0	0	0	0	0	0.00%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	315,303	233,260	315,000	310,828	285,000	-9.52%

EXPENDITURES

Contractual:
The initial FY2004 expenditure budget was $285,000, but was amended to $315,000 at year end to provide funds to cover a forecasted program expenditure overage. Accordingly, FY2005 budget of $285,000 appears as an expenditure reduction, but is in reality level funding equal to the initial FY2004 budget.

PROGRAM: INFORMATION SYSTEMS 125

The Office of Information Systems is responsible for establishing information systems guidelines and providing computer related support for all Town Departments. This support includes hardware/software recommendations, acquisitions, installations, training, analysis, design, problem determination and resolution. The Office of Information Systems currently supports over three hundred users, two hundred personal computers, one hundred printers and at least one hundred different software applications on both the iSeries server and on the personal computers. The Office also is fully responsible for all telephone activities and telephone systems within the Town. The Office consists of six employees: one Information Systems Manager who is responsible for all Information Systems operations as well as programming on the iSeries server, one Programmer Analyst, one GIS Coordinator, two Information Systems Specialists, and a Support Specialist who are responsible for all other activities within the office. The Office of Information Systems is a division of the Town Manager's Office and the Information Systems Manager reports to the Assistant Town Manager.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Computer Availability (%)	100%	100%	100%	100%
Computer Upgrades-Hardware & Software (# of Implementations)	60	70	110	100
Computer Connectivity (%)	98%	100%	100%	100%
Number of Failures (Reliability)	0	0	1	0
Provide Training and Support (# of People Trained)	70	90	100	100
Response Times to Calls for Service	4-8 hours	1-4 hours	1-4 hours	1-2 hours
Number of Off-Hour Calls for Service	15	10	10	10

Focus Forward

- Improving service response to Town computer user service requests to a two hour response.
- Planning and implementing a multi-year town-wide software integration project.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Information Systems Manager	1.00	1.00	1.00	1.00
Information Systems Programmer/Analyst	1.00	1.00	1.00	1.00
GIS Coordinator	0.00	1.00	1.00	1.00
Information Systems Specialist	2.00	1.00	1.00	2.00
Information Systems Support Specialist	1.00	1.00	1.00	1.00
	5.00	5.00	5.00	6.00

Town Manager's Office

Program 125 - Information Systems
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	286,691	306,615	320,254	323,454	358,975	12.09%
Employee Benefits	73,189	86,948	105,436	104,341	137,407	30.32%
Contractual	132,397	181,926	285,730	274,416	331,150	15.90%
Commodities	84,263	123,423	152,950	149,214	104,750	-31.51%
Capital Outlay	106,087	178,071	272,398	273,678	246,000	-9.69%
Other	45,139	49,401	51,000	49,102	4,103	-91.95%
TOTALS	727,766	926,384	1,187,768	1,174,205	1,182,385	-0.45%

EXPENDITURES

Salaries and Wages:
The major portion of this increase is due to the addition of an Information Systems Specialist position. This increase in personnel compliment brings the total number of employees in this program up to six. Part of this increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

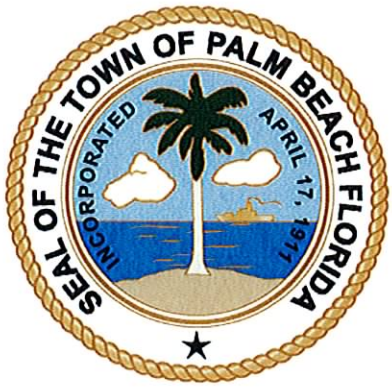
Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs and the addition of the position described above.

Contractual:
The increase is solely due to the rising costs of both hardware and software maintenance for all Town program.

Commodities:
This decrease is due to a reduction of hardware purchases and software purchases for FY2005.

Capital Outlay:
The decrease in Capital Outlay is due to a reduction in the purchase of new computer equipment for FY2005 since most equipment is purchased through the equipment replacement program.

Other:
The decrease is due to the completion of a three year lease on the Town's main ISeries system.



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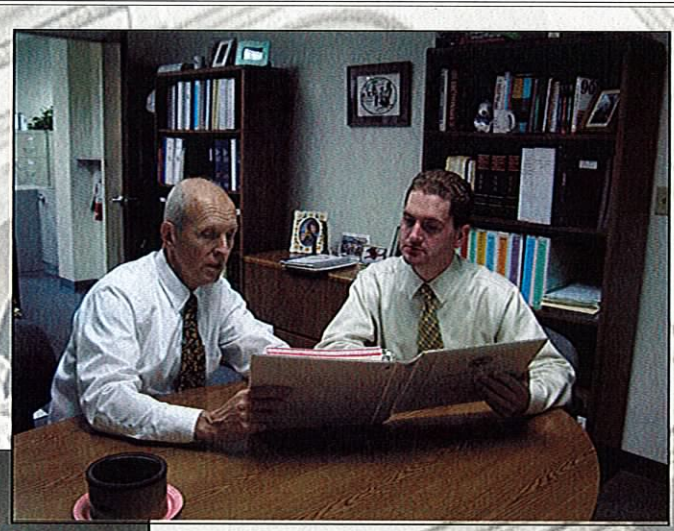
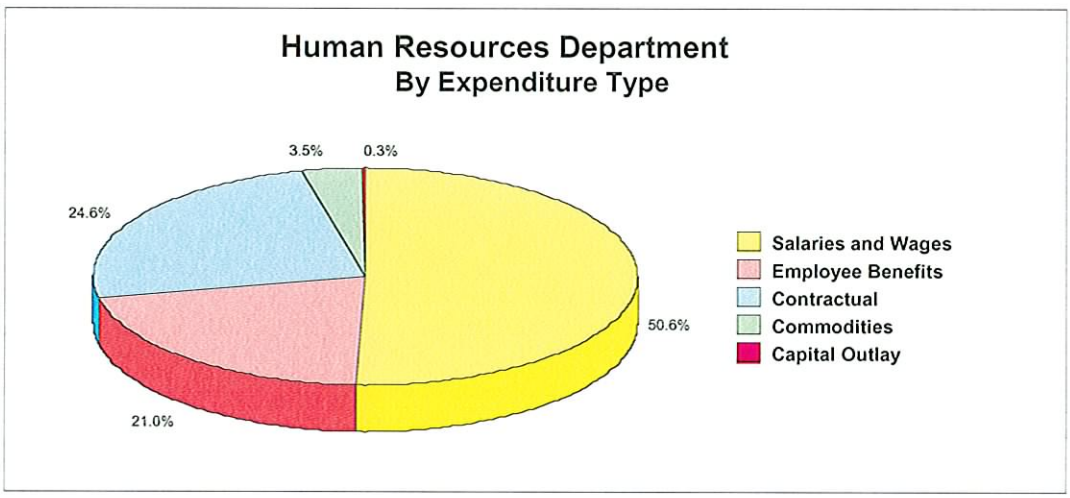
Human Resources



Human Resources Department

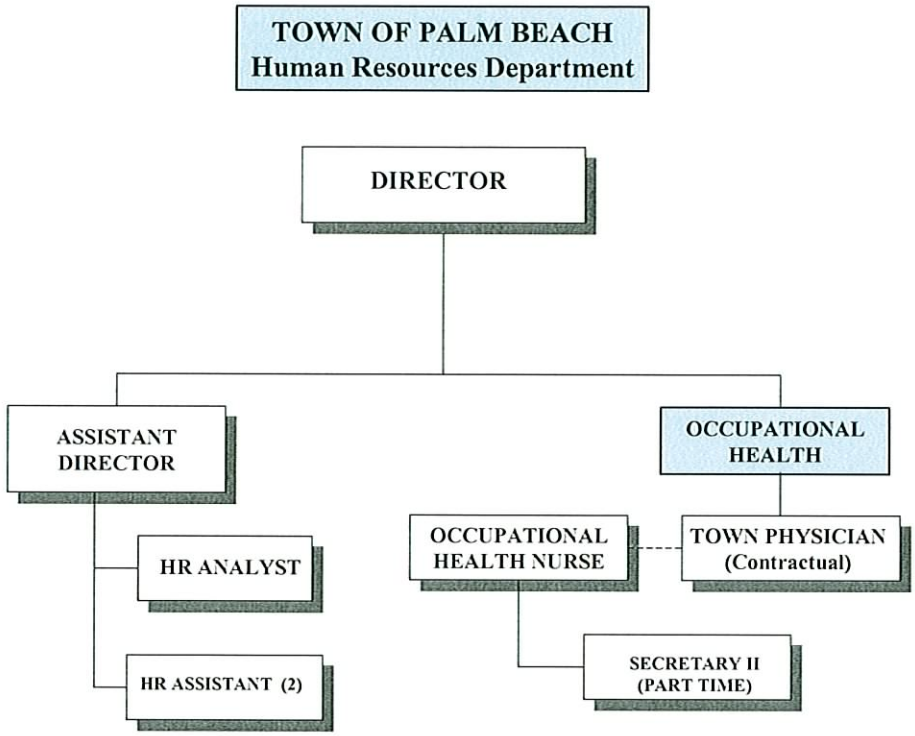
Mission

The Human Resources Department is dedicated to supporting the goals and challenges of the Town by providing top level services and attracting, developing, and retaining quality employees. We seek and provide solutions to workplace issues that support and optimize the operating principles of the Town of Palm Beach. We strive to maintain a diverse, well-trained, and effective workforce and accomplish this by providing cost effective and competitive compensation and benefit plans. In addition, we shield the Town from costly litigation related to employment issues. Our goals are to employ methods and technology that enhance service, communication, and productivity, and to provide support to employees which enable them to serve with pride our elected officials, fellow employees, and the residents of the Town of Palm Beach.



	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2005 Budget
Expenditures	$566,492	$586,244	$628,745	$667,546

Human Resources Department



	FY2002	FY2003	FY2004	FY2005
Total Full Time Equivalent Employees	4.90	4.90	4.90	4.90

Human Resources Department

Key Results and Measurement Methodology

Key Result #1	Desired outcomes are achieved in most efficient manner.
Measurement	Increase in department budget over prior year measured in following formats: gross increase, increase adjusted for inflation, and increase adjusted for other factors beyond control of department.
Key Result #2	Internal and external customer satisfaction is achieved.
Measurement	Results from satisfaction survey(s) indicate at least a 90% or higher approval rating in the combined categories of "excellent" or "good".
Key Result #3	Maintain a cost efficient and highly competitive health care plan.
Measurement	Maintain a health care plan with benefits that are in the top quartile of plans offered by Palm Beach County governmental employers and ensure that cost increases to the plan do not exceed annual increases experienced by the national and Florida trends as determined by the Town's Third Party Administrator.
Key Result #4	Recruit and retain a productive workforce.
Measurement	Maintain an employee turnover rate of 8.5% or lower
Key Result #5	Maintain a pay system that is competitive in the marketplace.
Measurement	Conduct exit interviews to insure that less than 5% of employees leave for similar employment in the public sector because of pay. Maintain pay that is in the top quartile relevant to the measurement of benchmark positions as they relate to the market and to job content.

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Human Resources Department

PROGRAM: HUMAN RESOURCES 123

Human Resources provides for the management of programs related to the recruitment, selection, and retention of qualified employees. Responsibilities include: recruitment and selection; compensation and classification; benefits administration; employee relations; legal compliance; policies and procedures; and operation of the Town's Occupational Health Clinic. The Human Resources program also provides for the preparation and administration of the Town's Equal Employment Opportunity Plan which is required by state statute and Federal regulations.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Respond to Requests for Applications	n/a	n/a	1,480	1,242
Process and Screen Applications	n/a	n/a	886	733
Administer Employment and Promotional Exams	n/a	n/a	236	301
Provide Training and Orientation to New Employees	n/a	n/a	37	38
Process Employee Performance Evaluations	n/a	n/a	289	431

Focus Forward

- Oversee the implementation of a new computerized Performance Evaluation system for use throughout the organization and provide appropriate training for same.
- Conduct regional salary and benefits surveys to ensure internal and external pay equity of all positions within the organization.
- Monitor and develop legally defensible policies and procedures to shield the Town from costly litigation.
- Maintain an employee turnover rate of 8.5% or lower.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Director of Human Resources	0.80	0.80	0.80	0.80
Assistant Director	1.00	1.00	1.00	1.00
Occupational Health Nurse	1.00	1.00	1.00	1.00
Human Resources Analyst	0.30	0.30	0.30	0.30
HR Assistant	1.30	1.30	1.30	1.30
Secretary II/Clinic (p/t)	0.50	0.50	0.50	0.50
	4.90	4.90	4.90	4.90

Human Resources Department

Program 123 - Human Resources
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	305,551	310,471	319,094	320,206	337,630	5.81%
Employee Benefits	101,295	106,579	120,998	114,795	140,368	16.01%
Contractual	138,140	149,293	163,800	141,518	164,395	0.36%
Commodities	21,506	18,048	23,000	25,552	23,300	1.30%
Capital Outlay	0	1,853	1,853	1,853	1,853	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	566,492	586,244	628,745	603,924	667,546	6.17%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Established budget for office equipment maintenance and increased copy machine charges.

Commodities:
Increase in office supplies and membership dues.

Capital Outlay:
No change.

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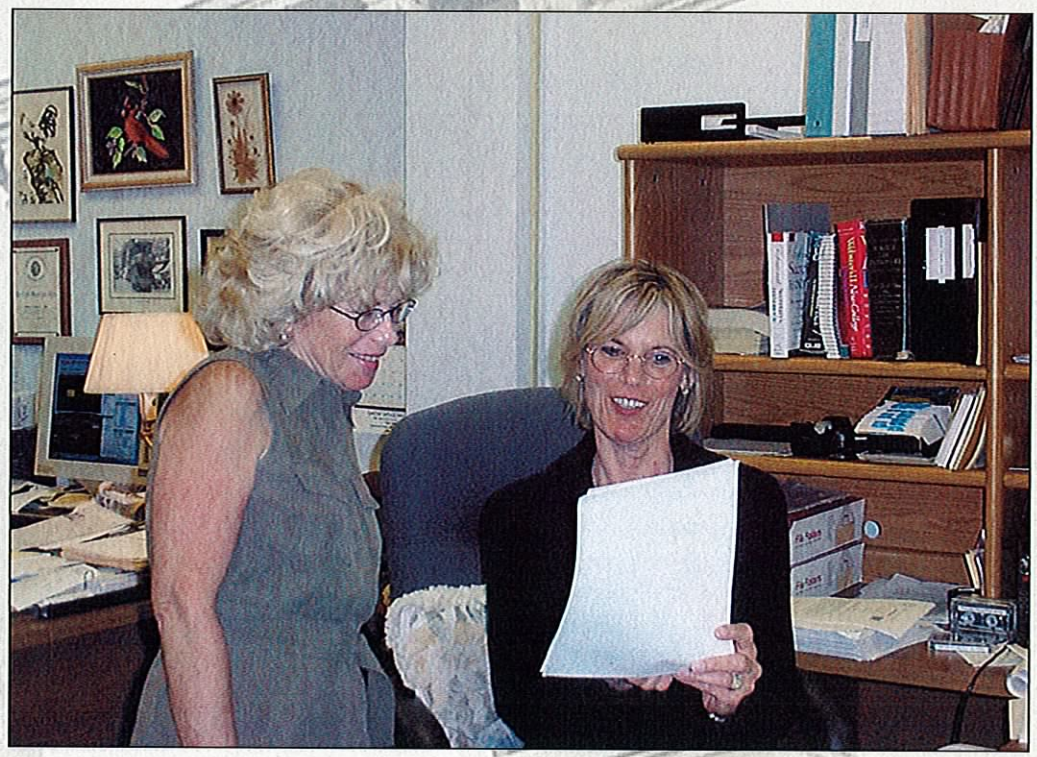
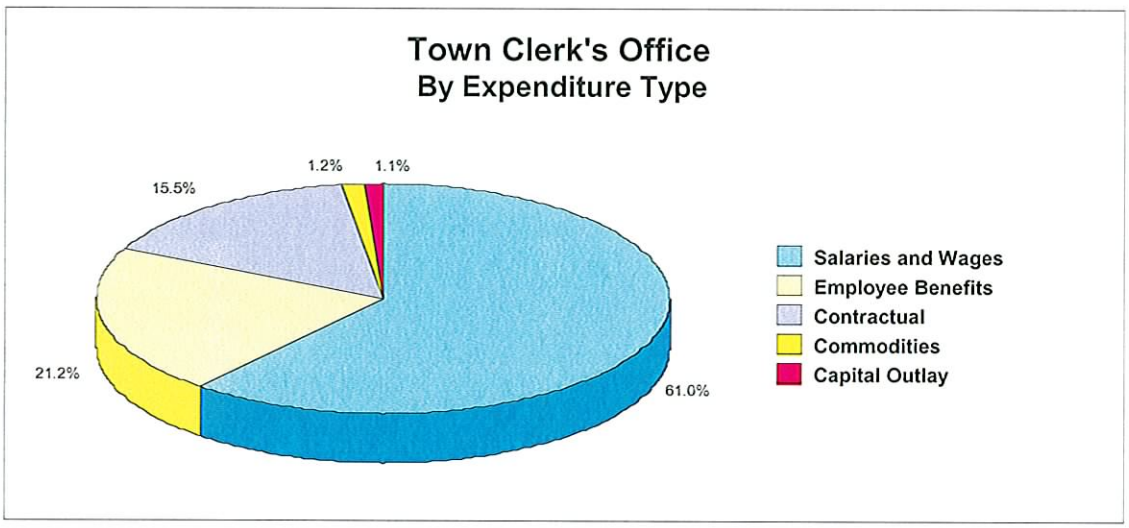
Town Clerk



Town Clerk's Office

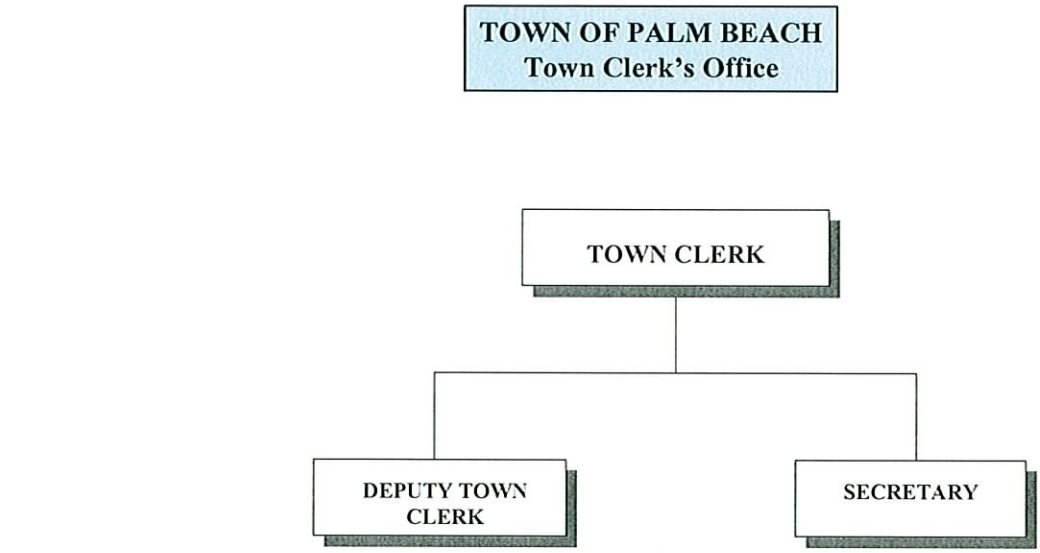
Mission

To be the keeper of the Town's vital records and key information. The Town Clerk manages the record system to assure accuracy, accessibility and efficiency. The Town Clerk's office provides a sense of stability and trust for the community and the organization. We continue to maintain and improve the continuity associated with the operation of the Town Clerk's office.



	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2005 Budget
Revenues	$27,515	$34,034	$27,900	$33,900
Expenditures	$238,208	$253,833	$291,832	$312,629

Town Clerk's Office



	FY2002	FY2003	FY2004	FY2005
Total Full Time Equivalent Employees	3.00	3.00	3.00	3.00

Town Clerk's Office

Key Results and Measurement Methodology

Key Result #1	Desired outcomes are achieved in most efficient manner.
Measurement	Increase in department budget over prior year measured in following formats: gross increase, increase adjusted for inflation, and increase adjusted for other factors beyond control of department.
Key Result #2	Internal and external customer satisfaction is achieved.
Measurement	Results from satisfaction survey(s) indicate at least a 90% or higher approval rating in the combined categories of "excellent" or "good".
Key Result #3	Provide administrative support services to Town Council and Committees. Maintain and make accessible all official Town records.
Measurement	■ Minutes are to be complete within three weeks of the meeting and be submitted and approved at the monthly Town Council meeting following the meeting in question. Minutes are then available on the Town's website. ■ Ordinances and Resolutions are adopted and advertised according to Town Code.
Key Result #4	Municipal elections are successfully held, upholding the integrity of the electoral system, adhering to State Statutes, Town Charter, and Town Code of Ordinances.
Measurement	Successful municipal elections will be held without error.
Key Result #5	Review and ensure compliance to permits issued by the Town Clerk's office in an efficient and timely manner.
Measurement	■ Charitable solicitation permits processed and issued with compliance to Town Code. ■ Amount raised by charitable organizations obtaining permits from the Town of Palm beach.

Town Clerk's Office

Program 131 - Records Management
Revenue Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Charitable Solicitations Fee	10,170	16,520	12,000	21,750	18,000	50.00%
Charitable Solicitations Advertising Fee	16,475	15,920	15,000	16,500	15,000	0.00%
Charitable Solicitations Late Filing Fee	500	965	500	475	500	0.00%
Meeting Tape Sales	370	629	400	800	400	0.00%
TOTALS	27,515	34,034	27,900	39,525	33,900	21.51%

REVENUES

Charitable Solicitations Fee:
The fee for Charitable Solicitation permits is $230.00 per permit if the event is expected to raise $10,000 or more and $25.00 if the event is expected to raise under $10,000. Additionally, advertising fees are adjusted yearly. Based on the results form, filed after the event, additional charges may be levied if the applicant raised more than $10,000 and paid the lesser amount initially.

The number of permits issued remains steady in the 100 - 120 range.

Charitable Solicitations Advertising Fee:
The advertising fee is $170.00 per permit. This fee is subject to change as the Palm Beach Daily News adjusts its advertising rates. This revenue is offset by an equal expenditure for advertising.

Charitable Solicitations Late Filing Fee:
The late filing fee for results forms is $25.00 per permit. This form has to be filed 90 days after the last event. No changes anticipated.

Meeting Tape Sales:
Recordings of meetings are available on cassette tape at a cost of $10.00 per tape. No changes anticipated.

Town Clerk's Office

PROGRAM: RECORDS MANAGEMENT 131

The Town Clerk of Palm Beach records the official minutes of the Town Council and its committees; issues and/or processes permits for:

- Charitable Solicitations
- Going Out of Business Sales
- Special Events
- Door-to-Door Solicitations
- Commercial Motion Picture Making

The Town Clerk's Office also conducts Town elections; has forms for voter registrations; maintains custody of all official records not specifically handled by other departments; maintains custody of the municipal seal; signs official documents; maintains service and legal documents; maintains the Town Code of Ordinances; and provides notary services.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Charitable Solicitation Permits Issued	108	106	102	98
All Other Permits Issued	18	15	12	11
Meetings Attended - Minutes Transcribed	53	52	43	33

Focus Forward

- Expand and improve records retention system with purchase of shredder for disposal of appropriate public records, and determined by State Statues.

- Begin preservation program for historically significant Town records.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Town Clerk	1.00	1.00	1.00	1.00
Deputy Town Clerk	1.00	1.00	1.00	1.00
Secretary III	1.00	1.00	1.00	1.00
	3.00	3.00	3.00	3.00

Town Clerk's Office

Program 131 - Records Management
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	166,519	175,138	186,830	187,821	190,596	2.02%
Employee Benefits	44,232	51,291	58,951	59,346	66,216	12.32%
Contractual	23,974	23,348	41,560	39,676	48,410	16.48%
Commodities	3,483	3,390	3,825	3,558	3,825	0.00%
Capital Outlay	0	666	666	666	3,582	437.84%
Other	0	0	0	0	0	0.00%
TOTALS	238,208	253,833	291,832	291,067	312,629	7.13%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increased election costs plus initiation of an historic preservation program for records resulted in a 16.5% increase.

Commodities:
No anticipated increase.

Capital Outlay:
$3,000 has been budgeted for a document shredder to be shared by all departments to be located in the Records Storage Area in the old Purchasing Building in West Palm Beach. The $582 amount is depreciation.

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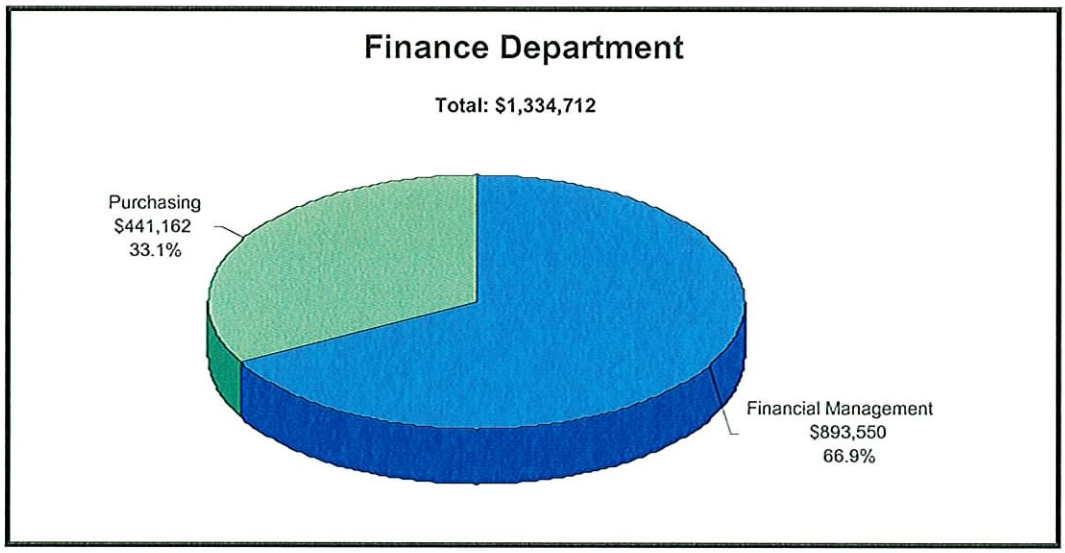
Finance

Finance Department

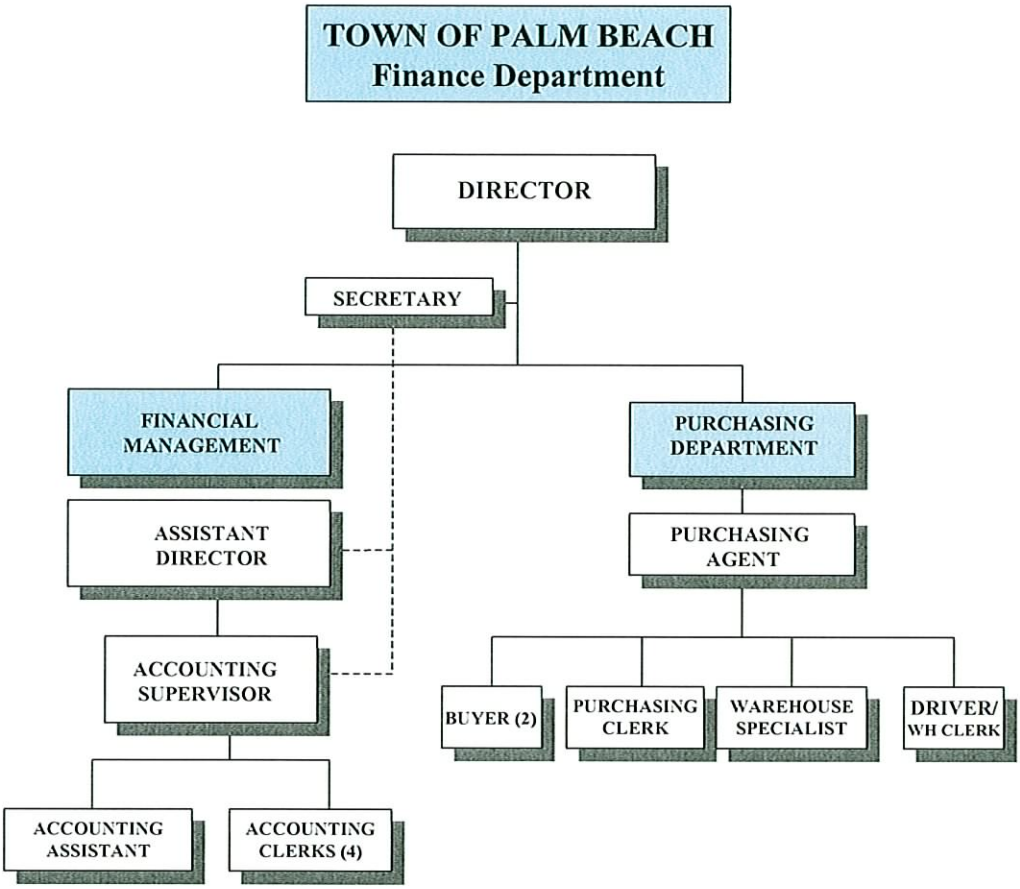
Mission

The Finance Department is dedicated to providing the highest quality service through a commitment to excellence, integrity and teamwork. We serve the finance and purchasing needs of the Town Council, citizens, Town Manager, Town employees and general public. We provide publications and information to inform citizens and other interested parties regarding the financial position and operations of the Town. We use Generally Accepted Accounting Principles and GFOA budgeting standards to assure that policy-makers and the community are well informed and the Town remains fiscally strong. It is important to us to perform our duties efficiently, effectively, reliably, and accurately. We take pride in serving our elected officials, our fellow employees and our community.



	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2005 Budget
Revenues	$12,315	$14,170	$21,500	$25,000
Expenditures	$1,043,275	$1,123,031	$1,231,452	$1,334,712

Finance Department



	FY2002	FY2003	FY2004	FY2005
Total Full Time Equivalent Employees	15	15	15	15

Finance Department

Key Results and Measurement Methodology

Key Result #1	Desired outcomes are achieved in most efficient manner.
Measurement	Increase in department budget over prior year measured in following formats: gross increase, increase adjusted for inflation, and increase adjusted for other factors beyond control of department.
Key Result #2	Internal and external customer satisfaction is achieved.
Measurement	■ Achieve 90% or higher approval rating from survey of Town Departments for services. ■ Results from citizen satisfaction survey indicate at least a 90% or higher approval rating in the combined categories of "excellent" or "good".
Key Result #3	Budget is balanced and is a clear operational and financial representation of Town services, investments, revenues and expenditures.
Measurement	■ Budget is recognized by the GFOA in the certificate of achievement program and receives outstanding ratings in a minimum of 10 of the 26 criteria.
Key Result #4	Strong, sustainable fiscal position with established policies to guide decision-making.
Measurement	■ Maintain AAA General Obligation ratings with Moody's and Standard and Poor's ■ Fund Balance as a percentage of operating budget.

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Finance Department

Finance Department - All Programs
Revenue Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Lien Search Fee	12,315	14,170	21,500	30,945	25,000	16.28%
TOTALS	12,315	14,170	21,500	30,945	25,000	16.28%

REVENUES

Lien Search Fee:
The Lien Search Fee is charged to offset the cost of performing a title search of the Town's records when properties within the Town are sold or refinanced. The Town charges $35.00 per request. The fee was initially implemented in December 1993 and increased from $5.00 to $20.00 in July 1997. An increase to $35 per request was approved by the Town Council effective October 1, 2003. The Town charges a $100.00 fee for a 24 hour rush lien search.

Finance Department

Finance Department - All Programs
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	707,337	753,418	804,450	805,177	854,639	6.24%
Employee Benefits	200,803	230,466	275,525	275,192	315,317	14.44%
Contractual	117,644	119,223	130,665	128,477	139,800	6.99%
Commodities	17,491	17,417	18,000	18,624	21,400	18.89%
Capital Outlay	0	2,507	2,812	2,006	3,556	26.46%
Other	0	0	0	0	0	0.00%
TOTALS	1,043,275	1,123,031	1,231,452	1,229,476	1,334,712	8.39%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to increased costs for postage, printing, bank service charges and replacing the department's current copier with a color copier.

Commodities:
Increase due to the replacement of all wooden shelving in Central Stores and the purchase of an additional credit card machine.

Capital Outlay:
Increase in the amount of annual depreciation charged.

Finance Department

PROGRAM: FINANCIAL MANAGEMENT 141

This program provides for the management of the Town's financial records. Responsibilities include: collection of revenues, payment of invoices, investment activities, processing employee/retiree payroll and providing assistance to the Town Manager and elected officials with financial issues. The program also provides for the preparation and administration of the Town's annual budget and independent audit, which are required by State Statute and the Town's annual report.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 PROJECTED	FY2004 PROJECTED
Parking Tickets Issued	24,303	25,103	25,703	26,203
Parking Tickets Paid	21,179	22,090	22,618	23,085
Parking Ticket Collection Rate	87.15%	88.00%	88.00%	88.10%
GO Bond Ratings				
Moody's Investor Services	Aaa	Aaa	Aaa	Aaa
Standard & Poor's	AA	AA	AAA	AAA
Investment Yield - Blended	4.1%	2.1%	1.5%	1.6%

Focus Forward

- Oversee the implementation of the Key Result Measurement Program throughout the organization to all programs.
- Work with the Investment Advisory Committee to optimize investment income on surplus cash resources.
- Monitor and review cash handling policies to ensure the safety of the Town's financial resources.
- Prepare the Town's Comprehensive Budget Document in CD format.
- Review new methods to improve the collection of parking ticket revenues.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Finance Director	1.00	1.00	1.00	1.00
Assistant Finance Director	1.00	1.00	1.00	1.00
Accounting Supervisor	1.00	1.00	1.00	1.00
Accounting Assistant	1.00	1.00	1.00	1.00
Accounting Clerk	4.00	4.00	3.00	3.00
Accounting Clerk/Receptionist	0.00	0.00	1.00	1.00
Secretary	1.00	1.00	1.00	1.00
	9.00	9.00	9.00	9.00

Finance Department

Program 141 - Financial Management
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	439,692	472,016	511,209	507,410	545,428	6.69%
Employee Benefits	117,008	141,530	173,357	173,516	201,634	16.31%
Contractual	108,681	113,385	122,565	124,893	131,700	7.45%
Commodities	12,192	12,739	12,700	11,972	13,200	3.94%
Capital Outlay	0	1,283	1,588	1,588	1,588	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	677,573	740,953	821,419	819,379	893,550	8.78%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to increased costs for postage, printing, bank service charges and replacing the department's current copier with a color copier.

Commodities:
Increase due to the purchase of an additional credit card machine.

Capital Outlay:
Annual depreciation.

Finance Department

PROGRAM: PURCHASING 144

This program provides for the operation and management of the purchasing function. This includes purchasing all of the supplies, equipment and services for all departments. Purchasing is also responsible for managing the Purchasing Card Program, managing the Town's fixed asset inventory, maintaining both central stores and office supplies warehouses, managing surplus property and managing the annual Town auction.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Purchase Orders Written	1,057	1,110	1,070	800
Dollars Spent Using Purchasing Card Program	$352,136	$395,260	$461,056	$600,000

Focus Forward

- Simplify the purchasing process by raising the dollar threshold for written purchase orders from $500 to $1,000.
- Promote the Town's use of purchasing cards for as many purchases as possible under the $1,000 purchase order limit.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Purchasing Agent	1.00	1.00	1.00	1.00
Buyer	2.00	2.00	2.00	2.00
Purchasing Clerk	1.00	1.00	1.00	1.00
Store Clerk	1.00	1.00	1.00	1.00
Driver/Delivery Person	1.00	1.00	1.00	1.00
	6.00	6.00	6.00	6.00

Finance Department

Program 144 - Purchasing
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	267,645	281,402	293,241	297,767	309,211	5.45%
Employee Benefits	83,795	88,936	102,168	101,676	113,683	11.27%
Contractual	8,963	5,838	8,100	3,584	8,100	0.00%
Commodities	5,299	4,678	5,300	6,652	8,200	54.72%
Capital Outlay	0	1,224	1,224	418	1,968	60.78%
Other	0	0	0	0	0	0.00%
TOTALS	365,702	382,078	410,033	410,097	441,162	7.59%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
All professional development was cancelled in FY2004. The funds were diverted to replace all wooden pallets in the Central Stores warehouse due to termite infestation. For FY2005, professional development was reinstated.

Commodities:
Increase in FY2004 was result of purchase of resin pallets to replace all wood pallets in Central Stores. An additional $2,800 is needed in FY2005 to replace all wooden shelving in Central Stores.

Capital Outlay:
Increase in the amount of annual depreciation charged.

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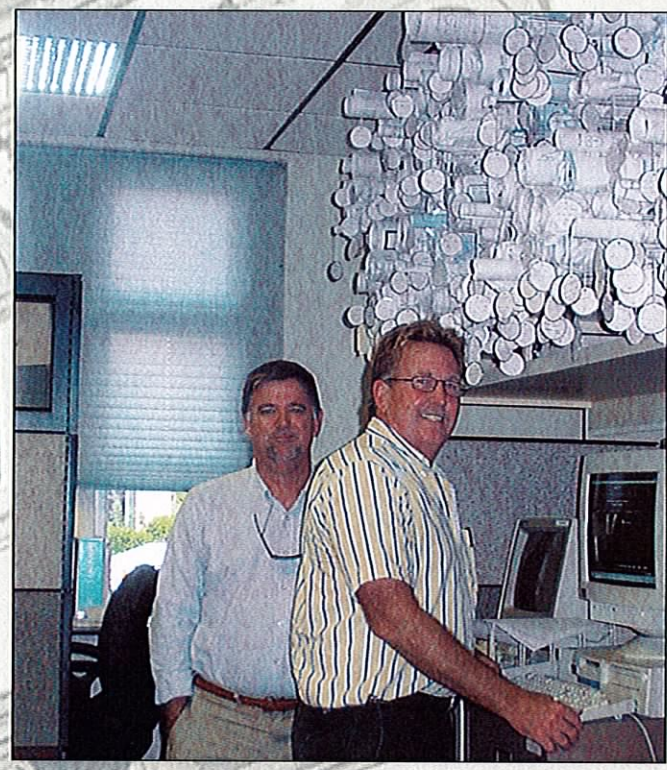
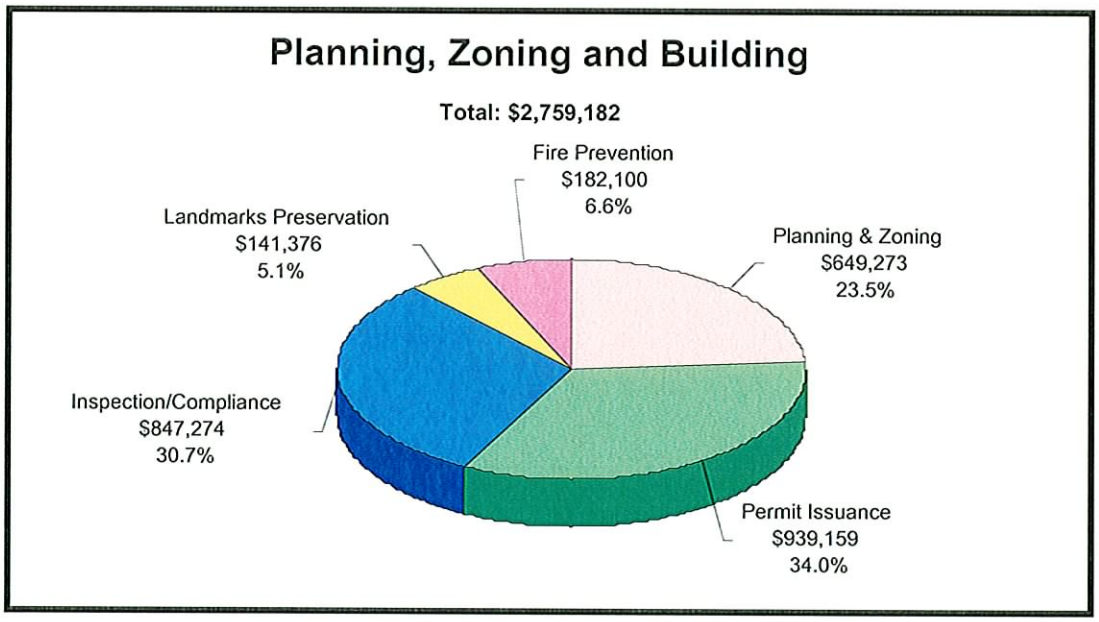
Planning, Zoning and Building



Planning, Zoning & Building Department

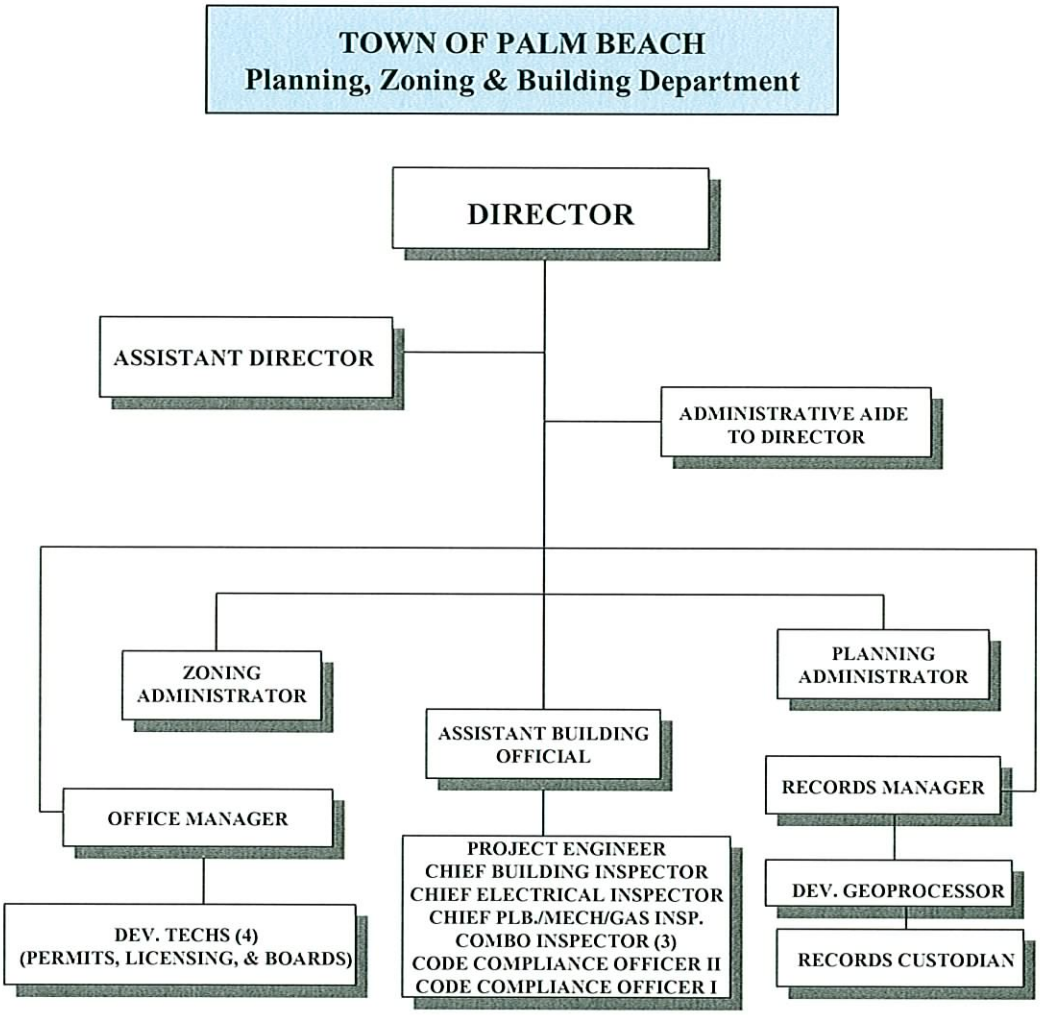
Mission

The Planning, Zoning and Building Department identifies, recommends and implements the vision of the community, as expressed through the policies of the Town Council, relative to the development, redevelopment and use of real property, to ensure the beauty, quality of life and character of the Town, and the health, safety and welfare of our residents, businesses and visitors, while providing the highest quality of service to our customers.



	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2005 Budget
Revenues	$5,552,393	$5,750,207	$4,040,150	$4,369,875
Expenditures	$2,183,066	$2,261,118	$2,649,734	$2,759,182

Planning, Zoning & Building Department



	FY2002	FY2003	FY2004	FY2005
Total Full Time Equivalent Employees	23.00	23.00	23.50	24.50

Planning Zoning & Building Department

Key Results and Measurement Methodology

Key Result #1	Desired outcomes are achieved in most efficient manner.
Measurement	Increase in department budget over prior year measured in following formats: gross increase, increase adjusted for inflation, and increase adjusted for other factors beyond control of department.
Key Result #2	Internal and external customer satisfaction is achieved.
Measurement	Results from satisfaction survey(s) indicate at least a 90% or higher approval rating in the combined categories of "excellent" or "good".
Key Result #3	Promoting and maintaining quality of construction and safety of building systems through complete review of plans and protective inspections.
Measurement	■ Measure the number of comments generated on plans submitted for review; categorize the most common types of corrections; conduct seminars with architects, engineers, designers and builders regarding Town requirements concerning these corrections. Conduct follow-up by measurement of the number of comments generated in future, and alter information program accordingly. ■ Track the percentage of failed inspections before and after development and implementation of the checklists. ■ Measure the ISO rating and individual component scores from year to year.
Key Result #4	Customers fully informed of Department programs through adequate education/information.
Measurement	Develop and disseminate brochures on Department programs and track through pre and post-survey the level of public awareness of Department programs.
Key Result #5	Department activities promote a variety of Town-serving businesses.
Measurement	Develop strategies for promoting Town-serving businesses. Track change in types of businesses and average size of businesses annually.
Key Result #6	Department activities promote and maintain desirable neighborhoods.
Measurement	Conduct an annual evaluation of neighborhood condition, and develop strategies for those areas where condition or desirability is decreasing. Track property values as an indicator of change.
Key Result #7	Review of construction plans in a timely manner which exceeds industry standards.
Measurement	Develop guidelines for the optimum review time required by permit type, including reviews by other Departments. Work with other Departments in promoting conformance to the guidelines. Track the length of time to process permits, establish a base line and track this measure over time.

Planning, Zoning, and Building Department

Planning, Zoning and Building Department - All Programs
Revenue Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Town Occupational Licenses	580,405	595,651	600,000	677,059	610,000	1.67%
Occupational License Penalties	25,332	22,323	20,000	20,238	22,000	10.00%
Building Permits	4,486,371	4,571,164	3,000,000	4,837,673	3,250,000	8.33%
Radon Gas	78	61	50	51	75	50.00%
Electrical Permits	43,883	46,616	45,000	58,183	45,000	0.00%
Plumbing Permits	28,208	24,982	26,000	25,692	28,000	7.69%
Except/Variance App.	69,750	93,200	50,000	99,770	50,000	0.00%
Consultants Fees	11,213	6,000	4,500	8,700	5,000	11.11%
Special Plan Review Fee	3,975	40,600	20,000	107,100	60,000	200.00%
Abandonments	0	616	0	1,851	500	100.00%
Architectural Fees	52,643	50,391	45,000	52,525	50,000	11.11%
Landmarks Submittal	4,450	5,075	4,000	4,475	5,500	37.50%
Tax Abatement Program	0	0	1,200	0	1,200	0.00%
Mechanical Permits	64,338	68,259	57,000	78,488	59,000	3.51%
Sanitary Sewer-Tap-In Fee	16,125	0	0	0	0	0.00%
Right of Way Permits	96,148	114,574	90,000	131,127	95,000	5.56%
Contractor Registrations	2,520	0	0	0	0	0.00%
Historic Preservation Grant	0	0	20,000	5,500	25,000	25.00%
County Occupational License	25,087	23,875	25,000	26,551	20,000	-20.00%
Bldg/Elec/Plumbing Code Sales	610	320	500	110	700	40.00%
Map/Sales Code	2,790	2,744	2,500	2,119	2,500	0.00%
Certification Copy	319	894	300	298	300	0.00%
Microfiche/Scanned Documents	12,010	13,557	9,000	10,343	9,000	0.00%
Tent Permits	13,800	15,207	10,000	14,830	6,000	-40.00%
Building Inspection Fund Fees	156	122	100	142	100	0.00%
Code Compliance Fines	12,182	53,976	10,000	194,675	25,000	150.00%
TOTALS	5,552,393	5,750,207	4,040,150	6,357,500	4,369,875	8.16%

Planning, Zoning, and Building Department

REVENUES

Town Occupational Licenses:
All businesses located in the Town are required to obtain occupational licenses. The fees for these licenses are recorded in this account. A slight increase is expected based upon actual revenue in prior years.

Occupational License Penalties:
This account consists of penalty fees collected when a late fee occurs relative to occupational licenses.

Building Permits:
This account is composed of fees associated with the issuance of building permits. Construction is expected to increase slightly in the near future.

Radon Gas:
This revenue is a percentage of funds collected by the Town on behalf of the State. Construction is expected to increase slightly for the near future.

Electrical Permits:
This account is composed of fees associated with the issuance of electrical permits. Electrical permit activity is expected to remain the same in the near future.

Plumbing Permits:
This account is composed of fees associated with the issuance of plumbing permits. A slight increase is expected for repairs and replacements.

Exception/Variance Applications:
This account is composed of fees associated with zoning applications. Application activity is expected to remain the same in the near future.

Consultants Fees:
This account is composed of fees reimbursed to the Town for consultant expenses regarding zoning applications. This revenue is offset by various traffic consultants expense. A slight increase in fees collected is expected for upcoming required traffic studies.

Special Plan Review Fee:
This account consists of fees reimbursed to the Town for expedited special plan reviews. This is a special program which was introduced in FY04. This revenue is offset by an overtime expense in Program 212. This service has been very successful and we expect a continual increase in use by our customers for this service.

Abandonments:
This account reflects revenue received for abandonment of Town easements. Due to the recent actual revenue received, we have budgeted a minimum revenue for this account.

Architectural Fees:
This account is composed of fees associated with Architectural Commission applications. Applications are expected to increase slightly in the near future.

Planning, Zoning, and Building Department

Landmarks Submittal:
This account is composed of fees associated with Landmark Preservation Commission applications. Applications are expected to increase slightly in the near future.

Tax Abatement Program:
This account consists of fees reimbursed to the Town for tax abatement projects processed by the Town's Landmark Consultant. Revenue in this new program is offset by expenses incurred in Program 214. No change is expected.

Mechanical Permits:
This account is composed of fees associated with the issuance of mechanical permits. A slight increase is expected for repairs and replacements.

Sanitary Sewer-Tap-In Fee:
This account is for the collection of sanitary capital connection charges based on the water meter size. Revenue is not expected due to the code requirements (increase of existing water main lines) for collection of this fee.

Right of Way Permits:
This account is composed of fees associated with the issuance of right of way parking permits. A slight increase is expected and is based upon actual revenues for prior years.

Contractor Registrations:
Discontinued collection of this fee in FY02.

Historic Preservation Grant:
This account reflects any grant funds received under the State Historic Preservation Program. An increase is due to the possibility of a grant for underground utilities. Offsetting expenses required for match are reflected in the budget.

County Occupational Licenses:
This account represents that portion of occupational license taxes collected by the County and apportioned to the Town. A slight decrease is reflected based upon actual revenues in prior years.

Building/Electric/Plumbing Code Sales:
This account is for the collection of fees paid for the sale of amendments to the respective codes. A slight increase is expected due to the updates of these various building codes.

Map/Sales Code:
This account is for the collection of fees paid for the sale of maps. No meaningful changes are expected.

Certification Copy:
This account consists of revenue for sales of certified copies of Town documents. No meaningful changes are expected.

Microfiche Copies:
This account consists of revenue for sales of copies of Town microfiche documents. No meaningful changes are expected.

Planning, Zoning, and Building Department

Tent Permits:
This account is composed of fees associated with the issuance of tent permits. A decrease is expected due to a decrease in tent permit applications.

Building Inspection Fund Fees:
This account is composed of State mandated fees generated for building inspector professional development. No meaningful changes are expected.

Code Compliance Fines:
This account consists of fines paid in connection with a code compliance violation. An increase is expected due to the collections of some long outstanding fines.

Planning, Zoning, and Building Department

Planning, Zoning and Building Department - All Programs
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	1,313,282	1,337,248	1,495,371	1,455,950	1,531,737	2.43%
Employee Benefits	342,748	391,458	484,993	480,215	582,489	20.10%
Contractual	467,606	467,458	590,760	462,637	573,850	-2.86%
Commodities	37,143	32,431	36,350	35,877	44,650	22.83%
Capital Outlay	22,287	32,523	42,260	44,282	26,456	-37.40%
Other	0	0	0	0	0	0.00%
TOTALS	2,183,066	2,261,118	2,649,734	2,478,961	2,759,182	4.13%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase. Increase is also due to overtime expense for overnight expedited plan reviews.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs, as well as the conversion of a temporary/part-time employee (our Storm Drainage Project Engineer) to a full time employee who will now receive benefits.

Contractual:
The major contributors of this decrease were a reduction ($20,000) in plan review services provided by contract and a decrease ($10,000) in the microfilming/digital scanning effort by vendor, along with the loss of the Public School Grant ($25,000). These decreases were partially offset by an increase for upcoming EAR (Evaluation and Appraisal Report) ($45,000, travel for Board/Commission members, and anticipated litigation regarding the closure of Laurie Lane.

Commodities:
Increase is for the purchase of two (2) emergency radios for emergency disaster training and implementation, new building code books or disks (CD's), membership dues, various software updates and additional minor computer equipment.

Capital Outlay:
Decrease is due to the reduction in major computer equipment and furniture requirements.

Planning, Zoning & Building Department

PROGRAM: PLANNING AND ZONING 211

This program provides staff support to the Mayor and Town Council, Planning and Zoning Commission, Architectural Commission, individuals, businesses, and civic organizations in identifying opportunities and designing innovative solutions which will stabilize and preserve the aesthetic, historical and economic values of Palm Beach as reflected in the Town's Strategic Plan, Comprehensive Plan and Land Development Regulations.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Zoning Applications	116	91	83	85
Zoning Study Items	25	14	33	16
Zoning Inquiries	5,200	5,700	6,000	6,200
ARCOM Applications	154	140	158	175
ARCOM Staff Approvals	240	230	300	315

Focus Forward

- Adding additional staff person to assist with zoning reviews and study items.
- Modifying staff review procedures to improve customer service.
- Initiate comprehensive planning activities in preparation for the upcoming Evaluation and Appraisal Report.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Director/Building Official	0.70	0.70	0.70	0.70
Assistant Director	1.00	1.00	1.00	1.00
Zoning Administrator	1.00	1.00	1.00	1.00
Planning Administrator	0.70	0.70	0.40	0.40
Administrative Aide	0.90	0.90	0.90	0.90
Office Manager	0.00	0.00	0.12	0.12
TOTAL	4.30	4.30	4.12	4.12

Planning, Zoning, and Building Department

Program 211 - Planning and Zoning
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	300,916	305,409	296,950	295,759	313,046	5.42%
Employee Benefits	79,815	80,303	87,661	87,424	114,827	30.99%
Contractual	132,884	160,992	207,235	136,833	212,500	2.54%
Commodities	9,858	6,427	7,600	6,050	8,900	17.11%
Capital Outlay	0	1,240	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	523,473	554,371	599,446	526,066	649,273	8.31%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs, as well as the additional clerical/technical employee.

Contractual:
The majority of this increase is due to the upcoming EAR (Evaluation and Appraisal Report) ($45,000) and other increases are travel for Board/Commission members, and anticipated litigation regarding the closure of Laurie Lane.

Commodities:
A slight increase is for software updates and additional minor computer equipment.

Capital Outlay:
No depreciation expense charged to FY2005.

Planning, Zoning & Building Department

PROGRAM: PERMIT ISSUANCE 212

This program provides assistance to residents, businesses and developers in confirming to the Florida Building Code and Town codes though plan review and issuance of building permits for all new construction, alterations and additions to structures. Also included is the Records Division which digitizes Department documents, and makes them available to the public. This Program also processes Public Works permits.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Construction Permits Issued	6,715	6,808	6,527	6,600
Right-of-Way Permits Issued	1,290	1,041	1,111	1,075
Certificates of Occupancy Issued	91	58	51	55
Master Property Files Digitally Maintained	1,000	1,500	2,350	2,700
Number of Records Digitized	38,000	115,000	120,300	137,000
Number of Days to Scan Current Records	n/a	n/a	60	35
Property Record Inquiries On-Site	1,800	1,400	1,550	1,700
Property Record Inquiries-Telephone	1,500	1,200	1,450	1,500
Number of Special Plan Reviews Conducted	n/a	n/a	181	500

Focus Forward

- Institute new procedures for submitting and tracking permit applications.
- Institute new scanning procedure for adding plans into scanned documents.

Planning, Zoning, and Building Department

Program 212 - Permit Issuance
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	378,020	425,241	513,484	512,979	562,277	9.50%
Employee Benefits	97,274	118,175	169,616	170,024	209,585	23.56%
Contractual	139,114	110,404	160,875	103,061	134,500	-16.39%
Commodities	18,655	10,275	15,000	15,560	19,700	31.33%
Capital Outlay	20,672	8,258	15,597	9,925	13,097	-16.03%
Other	0	0	0	0	0	0.00%
TOTALS	653,735	672,353	874,572	811,549	939,159	7.39%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to pay for performance plan and the competitive pay increase. Increase is also due to the overtime expense ($7,640) incurred for our overnight expedited plan review service which is offset by revenue for this special program.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs, as well as the conversion of temporary/part-time employee (our Storm Drainage Project Engineer) to a full time employee, who will now receive benefits.

Contractual:
Decrease is attributed to the decline of plan review services provided by contractor and decrease in microfilm/digital scanning effort by vendor.

Commodities:
Increase is due to GIS software and membership dues.

Capital Outlay:
Decrease is due to the reduction in the need for office furniture.

Planning, Zoning & Building Department

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Assistant Building Official	1.00	1.00	1.00	1.00
Planning Administrator	0.00	0.00	0.30	0.30
Administrative Aide	0.10	0.10	0.10	0.10
Chief Construction Inspectors	0.30	0.30	0.30	0.30
Plan Reviewer/Combination Inspector	0.00	0.50	0.50	0.50
Development Geoprocessor	1.00	1.00	1.00	1.00
Storm Water Engineer	1.00	1.00	0.00	1.00
Permit Technician	1.00	1.00	1.00	1.00
Office Manager	0.00	0.00	0.53	0.53
Development Review Secretary III	1.00	1.00	1.00	1.00
Development Review Secretary II	1.50	1.50	1.50	1.50
Records Manager	1.00	1.00	1.00	1.00
	7.90	8.40	8.23	9.23

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Planning, Zoning & Building Department

PROGRAM: INSPECTION & COMPLIANCE 213

This program provides protective services to residents and businesses through inspections of construction sites to ensure compliance with the Florida Building Code s amended by the Town Council, and compliance with land development regulations utilizing the powers of the Code Enforcement Board. This program also provides assistance in promoting and retaining town-serving businesses through the occupational license program.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Construction Inspections	21,842	21,577	21,109	22,308
Number of Occupational Licenses 9/30	2,257	2,000	2,203	2,250
Code Violation Reports	n/a	n/a	3,100	3,200
Code Violation Cases Scheduled for CEB	175	166	146	175

Focus Forward

- The Department's Code Compliance Program will be focusing on a more proactive approach in seeking code compliance within the Town.
- The Department will be implementing changes to its Code Compliance Program which will enable the Department to more effectively monitor code compliance activity within the Town.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Director/Building Official	0.20	0.20	0.20	0.20
Chief Construction Inspectors	2.70	2.70	2.70	2.70
Combination Inspector	2.00	2.50	2.50	2.50
Code Compliance Officer II	1.00	1.00	1.00	1.00
Code Compliance Officer I	1.00	1.00	1.00	1.00
Development Review Secretary III	1.00	1.00	1.00	1.00
Development Review Secretary II	0.50	0.50	0.50	0.50
	8.40	8.90	8.90	8.90

Planning, Zoning, and Building Department

Program 213 - Inspection and Compliance
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	419,490	460,336	514,753	466,748	482,452	-6.28%
Employee Benefits	113,135	139,389	163,517	160,701	183,363	12.14%
Contractual	159,048	159,374	135,150	173,851	157,300	16.39%
Commodities	7,467	12,878	8,500	11,308	10,800	27.06%
Capital Outlay	1,615	23,025	26,663	34,357	13,359	-49.90%
Other	0	0	0	0	0	0.00%
TOTALS	700,755	795,002	848,583	846,965	847,274	-0.15%

EXPENDITURES

Salaries and Wages:
A slight decrease is indicated due to the loss of a long term employee replaced by a new hire. The decrease is offset by an increase due to merit pay increases for eligible personnel pursuant to pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs. Increase is also due to an additional employee's clothing allowance.

Contractual:
Increase is based on prior actual expense of contracted inspection services, to obtain additional certification training, and Board/Commission member travel.

Commodities:
Increase is due to the need for radios (2) for use in emergencies, and for new building code books or disks (CD's).

Capital Outlay:
Decrease is due to the reduction in need for major computer equipment.

Planning, Zoning & Building Department

PROGRAM: LANDMARKS PRESERVATION 214

The Landmarks program promotes the identification and preservation of properties of special, notable, aesthetic or architectural character or historic interest of value which represent or reflect elements of the Town's cultural, social, economic, political, and architectural history. This program provides professional expertise in research and presentation of properties of historic preservation interest or value.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Designations/Undesignations Considered	7	4	1	3
Tax Abatements Considered	4	6	0	3
Certificate of Appropriateness Applications	39	25	29	24
Designation Reports Updated	0	1	6	5
Master Site Files Updated	0	0	0	1243*

*Historic Survey Grant - FY03/04

Focus Forward

➤ Continue seeking additional grant funds for historic preservation activities.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Director/Building Official	0.10	0.10	0.10	0.10
Planning Administrator	0.30	0.30	0.30	0.30
Office Manager	1.00	1.00	0.35	0.35
	1.40	1.40	0.75	0.75

Planning, Zoning, and Building Department

Program 214 - Landmarks
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	76,609	78,948	49,544	58,571	51,397	3.74%
Employee Benefits	22,582	27,207	17,857	17,039	19,879	11.32%
Contractual	36,560	36,688	87,500	48,809	69,050	-21.09%
Commodities	459	356	1,050	589	1,050	0.00%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	136,210	143,199	155,951	125,008	141,376	-9.35%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Decrease is due to the loss of the Public School Grant ($25,000).

Commodities:
No change

Planning, Zoning & Building Department

PROGRAM: FIRE PREVENTION 215

The focus of the Fire Prevention program is two fold. First, Fire Prevention is responsible to the Community to ensure safety through public awareness and education; fire inspections for both new and existing structures; and code enforcement. The Fire Prevention Division also conducts all fire investigations and reviews all construction plans to ensure code compliance.

Additionally, the Fire Prevention Division is charged with overseeing internal programs within the Fire-Rescue Department that effect the safety of all personnel as well as members of the Community. These programs include Special Detail Assignments (required by Town Code), Material Safety Data Sheets (OSHA requirement), Pre-Incident Profiles, Maintaining the Department's web site, the Knox Box program, and testing and inventory of fire hose and hydrants. Personnel costs for the Fire Marshal and a portion of the Administrative Lieutenant are funded through this program.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Occupancies Inspected	753	715	725	725
Code Violations Corrected	883	643	474	450
Hours of Inspection	914	808	854	830
Number of Buildings	590	585	574	574
Fire Loss	$150,600	$1,129,400	$1,013,650	$200,000
Value of Property Protected	6.030B	6.987B	8.153B	8.274B
Plans Reviewed	351	562	615	615
Technical Inspections	131	98	82	82

Focus Forward

- Implement all fire prevention maintenance programs (hydrant, hose inventory, knox box) on a web based format to facilitate data entry and retrieval.
- Research a false alarm billing program for residential and commercial occupancies with excessive false alarm activations.
- Research and assembly permit program to identify potential life safety hazards that can arise in assembly occupancies.
- Implement a risk assessment analysis of all occupancies within Town to assure proper classification and frequency of fire inspections.
- Create new public education programs as requested by public.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Fire Marshal	1.00	1.00	1.00	1.00
Fire Inspector	1.00	1.00	0.00	0.00
Administrative Lieutenant	0.00	0.00	0.50	0.50
	2.00	2.00	1.50	1.50

Planning, Zoning, and Building Department

Program 215 - Fire Prevention
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	138,247	67,314	120,640	121,893	122,565	1.60%
Employee Benefits	29,942	26,384	46,342	45,027	54,835	18.33%
Contractual	0	0	0	83	500	100.00%
Commodities	704	2,495	4,200	2,370	4,200	0.00%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	168,893	96,193	171,182	169,373	182,100	6.38%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Travel and professional development not previously budgeted in this program.

Commodities:
No change

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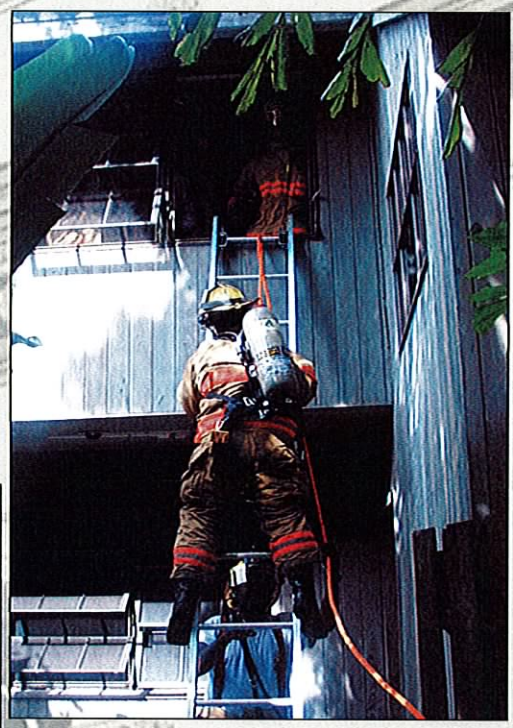
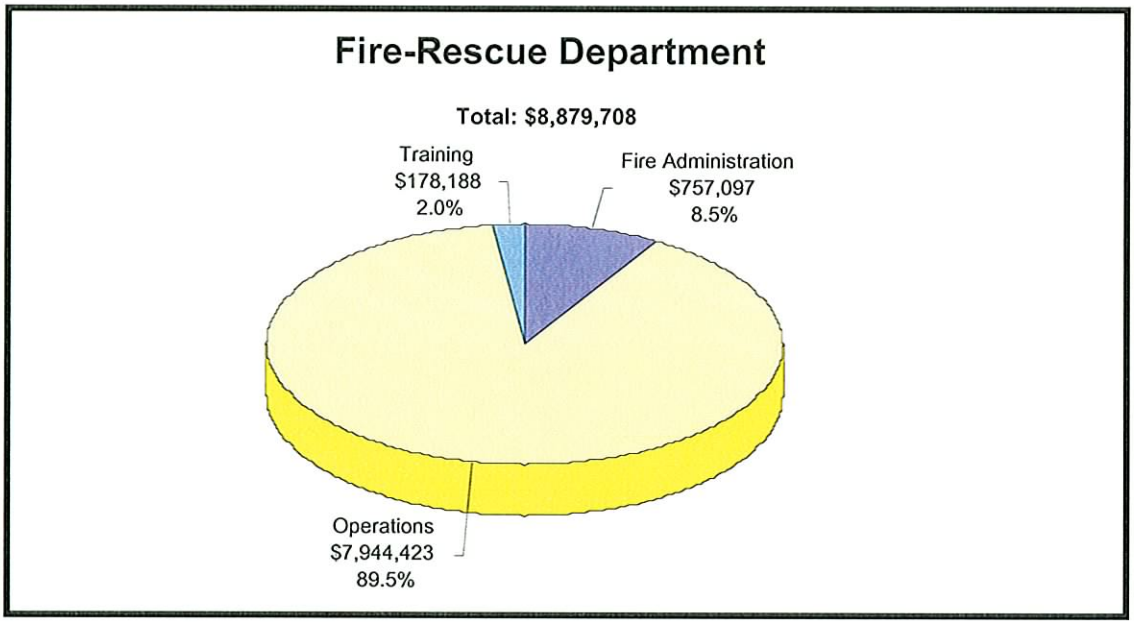
Fire-Rescue



Fire-Rescue Department

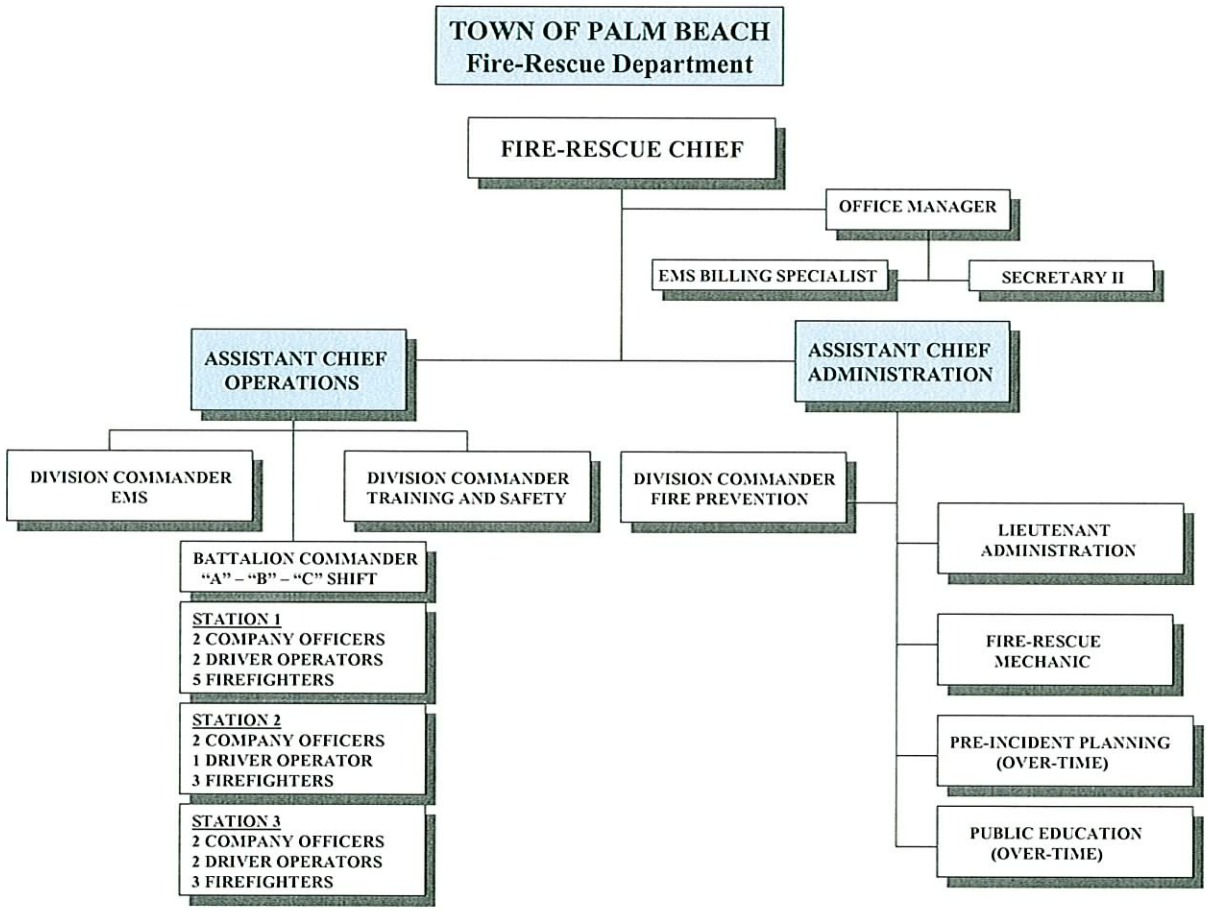
Mission

To provide for a high-quality of life for the residents and visitors to the Town of Palm Beach through the protection of life and property, provision of pre-hospital care for the sick and injured, and mitigation of man made and natural emergencies. We will accomplish this through the effective and efficient delivery of emergency and non-emergency services.



	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2005 Budget
Revenues	$86,488	$434,341	$431,900	$470,640
Expenditures	$5,791,238	$6,768,846	$8,072,653	$8,879,708

Fire-Rescue Department



	FY2002	FY2003	FY2004	FY2005
Total Full Time Equivalent Employees	71.00	75.00	78.50	79.50

Fire-Rescue Department

Key Results and Measurement Methodology

Key Result #1	Desired outcomes are achieved in most efficient manner.
Measurement	Increase in department budget over prior year measured in following formats: gross increase, increase adjusted for inflation, and increase adjusted for other factors beyond control of department.
Key Result #2	Internal and external customer satisfaction is achieved.
Measurement	Results from satisfaction survey(s) indicate at least a 90% or higher approval rating in the combined categories of "excellent" or "good".
Key Result #3	Improve response time to meet the industry standards for arrival at emergency scenes.
Measurement	Average Response Time - 4 minutes or less for 90% of the time.
Key Result #4	Improve patient care through standardized field evaluation of heart attack patients.
Measurement	12 lead EKG and Cardiac Enzyme Test for at least 90% of all cardiac patients
Key Result #5	Reduce number of vehicle accidents and personnel injuries
Measurement	New Safety Committee will review backlog of reports for past three years and review at least 90% of all accident and injury reports
Key Result #6	Reduce property loss and personal injuries for residential fires
Measurement	Confine fires to room of origin in at least 90% of all residential fires
Key Result #7	Improve public awareness of fire and life safety
Measurement	Teach CPR classes to at least 90% of all Town Employees

Fire-Rescue Department

Fire Department - All Programs
Revenue Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
FEMA Grant	30,543	41,215	60,200	0	133,840	122.33%
Fire Supplemental Compensation	18,700	18,506	21,200	19,140	21,500	1.42%
Special Detail	34,350	59,675	30,000	31,415	40,000	33.33%
Room Rental - South Fire	595	273	500	316	300	-40.00%
Community Education Program	2,300	250	0	0	0	0.00%
EMS Transport Fees	0	314,422	320,000	219,013	275,000	-14.06%
TOTALS	86,488	434,341	431,900	269,884	470,640	8.97%

Fire-Rescue Department

REVENUES

FEMA Grant:
A FEMA Grant for FY04 in the amount of $66,863 was awarded in December 2003. It is a 10% matching grant with the Federal share being $60,177 and the Town's share being $6,686. The grant is being used to purchase vehicle exhaust systems for the North and South fire stations. These systems have been delivered and should be installed by the end of FY04. A FEMA Grant for FY05 in the amount of $133,840 was submitted in April 2004 and is waiting review. If awarded the funds will be used to purchase personal protective gear for all operations personnel. The FY05 grant is a 90/10 matching grant with the Federal share being $120,456 and the Town share $13,384.

Fire Supplemental Compensation:
Any firefighter who holds an Associates Degree or a Bachelors Degree may receive funding from the Firefighters' Supplemental Compensation Program. These funds are paid to the employee monthly through the payroll program and are reimbursed 100% by the State on a quarterly basis. Currently, the Department has approximately 23 employees who receive supplemental compensation.

Special Detail:
Whenever an employee is assigned to work special details such as large events, parties, etc., the employee is paid time and one-half his hourly rate of pay for the number of hours worked. The organization, business, or individual is required to pay for this special detail service at a rate of $50 per hour per detailed employee. Additional charges may be incurred for the use of apparatus on standby.

Room Rental - South Fire:
The South Fire Rescue Station meeting room may be used by groups or organizations. They are required to pay a room deposit of $200 and a fee of $28 per hour for the use of the room with a minimum fee of $40. The room deposit is refundable.

Community Education Program:
It is the responsibility of the Department's Community Education Coordinator to creatively educate the public on the various services the Fire-Rescue Department offers, as well as coordinate and conduct CPR and AED classes. The Department conducts quarterly classes; however, individuals or organizations may request these services be conducted at their place of business or home. The course fee is $50 per hour per instructor.

EMS Transport Fees:
The revenue from the new E.M.S. Transport Billing program is expected to be approximately $275,000. These funds are expected to come from Medicare, private insurance, and the patient. The revenue is expected to decrease based upon prior year actual receipts.

Fire-Rescue Department

Fire Department - All Programs
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	4,137,285	4,577,343	5,182,621	5,199,298	5,494,996	6.03%
Employee Benefits	1,205,443	1,466,476	2,062,702	2,047,727	2,454,594	19.00%
Contractual	154,827	116,522	126,500	115,632	135,005	6.72%
Commodities	188,342	190,742	212,000	199,807	237,965	12.25%
Capital Outlay	2,825	322,764	393,830	387,038	462,148	17.35%
Other	102,516	94,999	95,000	95,000	95,000	0.00%
TOTALS	5,791,238	6,768,846	8,072,653	8,044,502	8,879,708	10.00%

EXPENDITURES

Salaries and Wages:
Increase is due to the addition of an EMS billing clerk position, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increases for personal protective gear cleaning and inspection as required by law, fitness assessments, electronic billing of Medicare claims, air quality testing, administrative vehicle maintenance, replacement of copiers for the administrative office and Station #3, and employee recognition awards.

Commodities:
Increases for South Station meeting room table and chairs, EMS billing software updates, new uniforms for operations personnel.

Capital Outlay:
Increase in annual depreciation and anticipated grant funds for equipment, as well as safety equipment and facilities improvement.

Other:
Fourth year of a seven year lease.

Fire-Rescue Department

PROGRAM: FIRE ADMINISTRATION 411

The Fire Administration program functions as the Fire-Rescue Department's management service team responsible for budget development, direction and control, records, development of policies and procedures for emergency operations, purchasing of equipment and supplies, and personnel employment and payroll.

Fire Administration provides information management on emergency and non-emergency incidents, equipment inventory, staffing, and other essential elements of the Fire-Rescue Department. This information is then reported to the residents, elected officials, Town Manager, and other State and local officials.

Personnel costs for the Fire-Rescue Chief, Assistant Chief of Administration, Medical Director, EMS Coordinator, Office Manager, Secretary II, and a portion of the Administrative Lieutenant appear in this program.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Hours of Officer Training	240	240	240	240
Transport Revenue	n/a	n/a	$314,422	$275,000

Focus Forward

- Integrate new Billing Specialist position into department operations.
- Development of an effective strategic plan.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Fire-Rescue Chief	1.00	1.00	1.00	1.00
Assistant Chief	1.00	1.00	1.00	1.00
EMS Division Commander (EMS Coordinator)	1.00	1.00	1.00	1.00
Administrative Lieutenant	0.00	0.00	0.50	0.50
Office Manager	1.00	1.00	1.00	1.00
Secretary II	1.00	1.00	1.00	1.00
EMS Billing Specialist	0.00	0.00	0.00	1.00
TOTALS	5.00	5.00	5.50	6.50

Fire-Rescue Department

Program 411 - Fire Administration
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	358,969	362,676	432,200	413,406	482,437	11.62%
Employee Benefits	96,873	104,853	132,959	126,394	191,769	44.23%
Contractual	53,065	44,907	43,000	44,431	49,005	13.97%
Commodities	8,703	8,940	10,900	11,681	17,300	58.72%
Capital Outlay	0	7,963	8,382	15,904	16,586	97.88%
Other	0	0	0	0	0	0.00%
TOTALS	517,610	529,339	627,441	611,816	757,097	20.66%

EXPENDITURES

Salaries and Wages:
Increase is due to the addition of an EMS billing clerk position, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Added funds for Town's employee recognition program and replacement of failing copiers.

Commodities:
Increase for EMS Billing software updates, replacement table and chairs for the South Station meeting room facility, and the allocation of training funds.

Capital Outlay:
Increase in annual depreciation.

Fire-Rescue Department

PROGRAM: OPERATIONS 417

The Operations program supports the Department's Firefighting personnel, Assistant Chief of Operations, Fire-Rescue Mechanic, and provides the resources necessary to successfully manage emergency and non-emergency services. This program provides for the day-to-day operations of the three fire stations and assigned emergency vehicles and equipment, as well as activities such as testing and inspecting of hydrants, hose, and pumps.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Number of Medical Calls	1,590	1,617	1,594	1,600
Average Response Time (EMS)	3:23	3:31	3:54	3:54
Number of Patients	1,703	1,520	1,575	1,580
Number of Transports	1,087	1,028	957	980
Number of Fire Calls	1,209	1,219	1,109	1,200
Average Response Time (Fire)	4:24	4:23	4:20	4:20
Fire Loss	$150,600	$1,129,400	$1,013,650	$200,000

Focus Forward

- Design the three new state-of-the-art Rescue Units to incorporate the best pre-hospital technology and most current advanced life support equipment available to provide the highest quality of patient care, treatment and transport for the residents of the Town of Palm Beach.
- Evaluate the improvement in water supply for firefighting operations by researching the use of 5" supply lines.
- Update standard operating procedures to comply with ISO rating of Class 2, NFPA industry standards and accreditation through the Commission on Accreditation International, Inc.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Assistant Chief	1.00	1.00	1.00	1.00
Battalion Commander	0.00	0.00	3.00	3.00
Captain	3.00	3.00	0.00	0.00
Lieutenant	12.00	12.00	15.00	15.00
F/F, D/O, Paramedic	48.00	52.00	52.00	52.00
Fire Mechanic	1.00	1.00	1.00	1.00
TOTAL	65.00	69.00	72.00	72.00

Fire-Rescue Department

Program 417 - Operations
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	3,704,026	4,125,725	4,662,727	4,701,069	4,918,673	5.49%
Employee Benefits	1,085,357	1,333,700	1,893,465	1,887,652	2,221,023	17.30%
Contractual	75,840	38,997	33,500	30,762	50,400	50.45%
Commodities	178,026	179,517	198,600	181,110	213,765	7.64%
Capital Outlay	2,825	314,801	385,448	371,134	445,562	15.60%
Other	102,516	94,999	95,000	95,000	95,000	0.00%
TOTALS	5,148,590	6,087,739	7,268,740	7,266,727	7,944,423	9.30%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increases for personal protective gear cleaning and inspection as required by law, fitness assessments, electronic billing of Medicare claims, air quality testing, administrative vehicle maintenance and the reallocation of training expenses.

Commodities:
Increase in uniform costs.

Capital Outlay:
Includes safety items such as replacement of the pole at the North Fire Station and new nozzles. Anticipated increase in grant funding for fire and medical equipment.

Other:
Fourth year of a seven year lease.

Fire-Rescue Department

PROGRAM: TRAINING 418

The Training program funds all mandated and necessary training and education to ensure employee competence and to maintain certifications and licenses required by Federal and State standards. All costs associated with training equipment and the Training and Safety Officer are located in this program.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Supervisory Training Hours	140	121	120	120
Annual Training Hours	50,714	53,901	54,044	52,000

Focus Forward

- Implement performance based training competencies where appropriate.
- Provide in-house risk reduction training for department apparatus Driver/Operators and Acting Driver/Operators.
- Provide in-house training for advanced airway techniques for all department paramedics.
- Develop an updated training matrix to allow for appropriate budgeting for future training needs.
- Evaluate training records maintenance program for more efficient and effective records management.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Training and Safety Officer	1.00	1.00	1.00	1.00
Total	1.00	1.00	1.00	1.00

Fire-Rescue Department

Program 418 - Training
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	74,290	88,942	87,694	84,823	93,886	7.06%
Employee Benefits	23,213	27,923	36,278	33,681	41,802	15.23%
Contractual	25,922	32,618	50,000	40,439	35,600	-28.80%
Commodities	1,613	2,285	2,500	7,016	6,900	176.00%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	125,038	151,768	176,472	165,959	178,188	0.97%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Decrease in training funds which were reallocated to other programs.

Commodities:
Increase due to training equipment and training instruction materials.

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Police

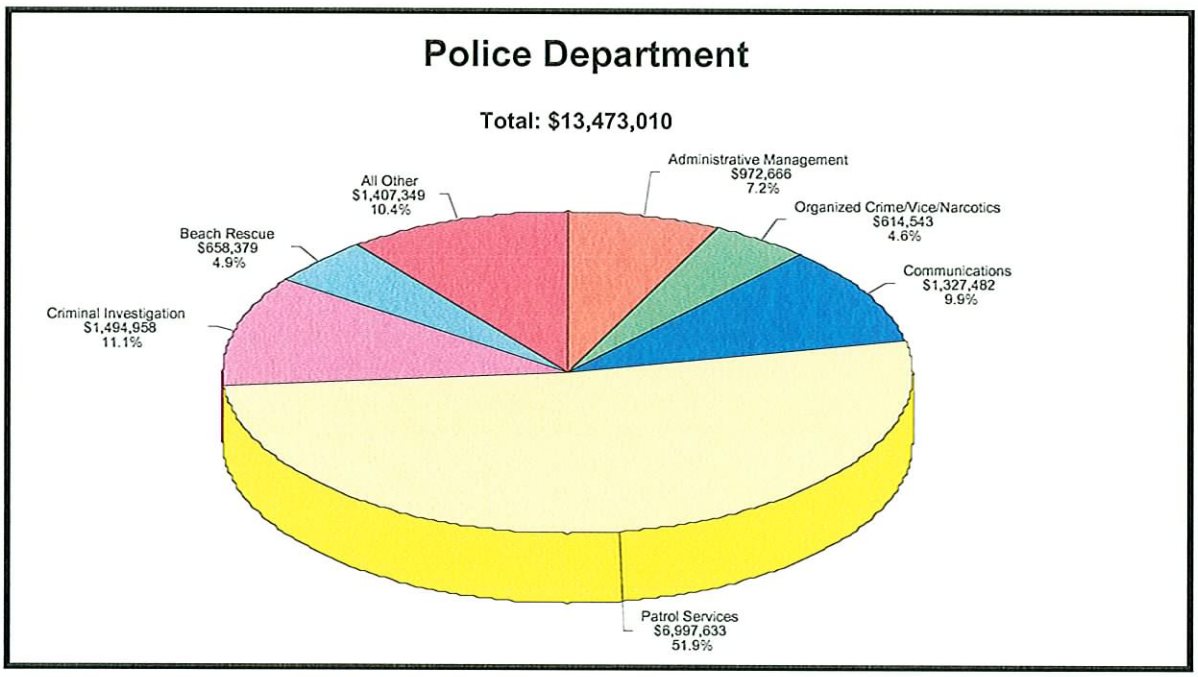
Police Department

Mission

The Palm Beach Police Department is dedicated to:

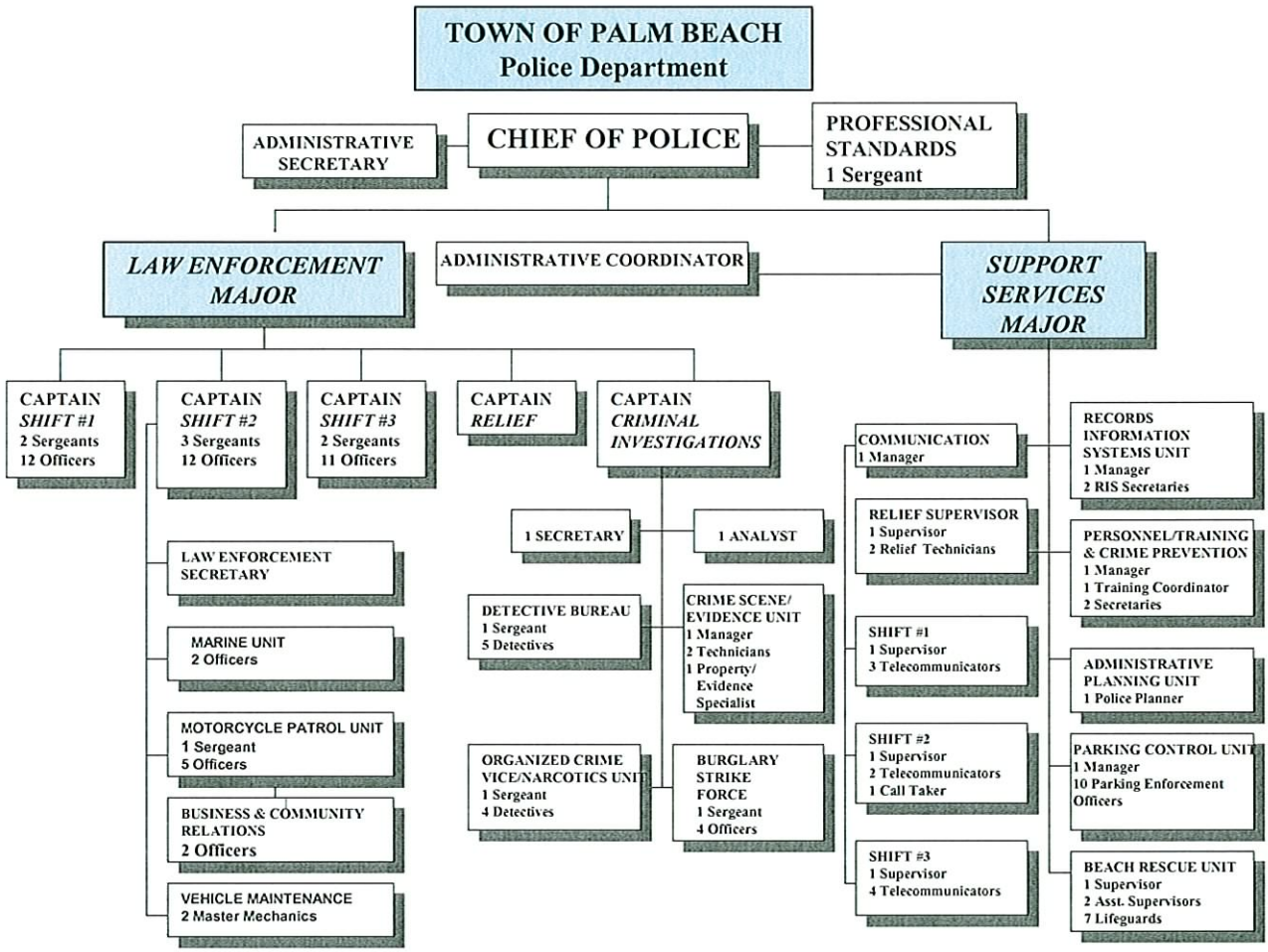
- the prevention of crime and the protection of life and property;
- the preservation of peace, order and safety;
- the enforcement of laws and ordinances; and
- the safeguarding of constitutional guarantees

through pro-active and creative means.



	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2005 Budget
Revenues	$1,274,648	$1,620,401	$1,570,000	$1,326,201
Expenditures	$10,750,533	$10,946,901	$12,249,002	$13,414,710

Police Department



	FY2002	FY2003	FY2004	FY2005
Total Full Time Equivalent Employees	131.00	131.00	131.00	131.00

Police Department

Key Results and Measurement Methodology

Key Result #1	Desired outcomes are achieved in most efficient manner.
Measurement	Increase in department budget over prior year measured in following formats: gross increase, increase adjusted for inflation, and increase adjusted for other factors beyond control of department.
Key Result #2	Internal and external customer satisfaction is achieved.
Measurement	Results from satisfaction survey(s) indicate at least a 90% or higher approval rating in the combined categories of "excellent" or "good".
Key Result #3	The community feels safe.
Measurement	At least 85% of respondents choosing responses of either "Excellent" or "Good" to the following survey question: "Overall, how safe do you feel in the Town of Palm Beach?"
Key Result #4	Prevent crime and protect life and property.
Measurement	Crime rate for serious crime below that of the US and State of Florida averages.
Key Result #5	Police operations and programs are effective in maintaining or increasing the quality of life in the community.
Measurement	At least 85% of respondents choosing responses of either "Excellent" or "Good" to the following survey question: "Overall, how well does the Palm Beach Police Department perform in maintaining or increasing the quality of life in the community?"
Key Result #6	A successful police mission is accomplished via education, training and community partnerships.
Measurement	At least 85% of respondents choosing responses of either "Excellent" or "Good" to the following survey question: "How well does the Palm Beach Police Department achieve its mission through education, training and community partnerships?"
Measurement	Memberships to Palm Beach Crime Watch and the Palm beach Marine Crime Watch equal or exceed 10% of the resident population as defined by the US Census Bureau
Measurement	The Palm Beach Police Department's internet web site experiences an average of at least 2,500 successful hits per day.
Measurement	Provide Citizen and Teen Police Academy programs to at least 75 persons.

Police Department

Police Department - All Programs
Revenue Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Bullet Proof Vests Grant	4,043	3,298	7,500	0	3,500	-53.33%
Block Grant-Drug/Terrorism Intervention	10,023	0	0	0	0	0.00%
Local Law Enforcement Block Grant	0	8,255	10,000	6,853	8,000	-20.00%
Seized Tag	250	2,433	1,000	783	1,000	0.00%
911 Equipment Reimbursement	138,785	266,745	266,000	64,101	77,700	-70.79%
Special Assignment Overtime	483,998	408,600	450,000	296,110	362,000	-19.56%
Police ID Cards	17,244	19,517	18,000	22,630	18,000	0.00%
Burglar Alarm False Alarm Fees	61,150	56,100	55,000	39,480	55,000	0.00%
Burglar Alarm Registration Fees	49,170	53,880	51,000	49,575	51,000	0.00%
Burglar Alarm Penalty	0	0	0	230	0	0.00%
Burglar Alarm Direct Connect	0	2,400	10,000	4,750	8,000	-20.00%
Valet Parking Permit	0	6,500	4,500	1,250	4,500	0.00%
Fines-Parking Meters	113,386	134,820	182,000	150,439	160,000	-12.09%
Penalties-Parking Meters	42,434	43,609	94,000	58,833	60,000	-36.17%
Fines-Other Parking	234,987	475,283	290,000	318,768	350,000	20.69%
Penalties-Other Parking	69,646	79,652	75,000	147,040	110,000	46.67%
Moving Violations	41,607	49,227	45,000	43,940	48,000	6.67%
Revenue/2nd $ Funding	3,125	3,982	3,500	3,424	3,500	0.00%
Boot Fees	4,800	6,100	7,500	6,555	6,000	-20.00%
TOTALS	1,274,648	1,620,401	1,570,000	1,214,761	1,326,200	-15.53%

Police Department

REVENUES

Bulletproof Vests Partnership Grant:
The Bureau of Justice Assistance (BJA) provides funding to departments to contribute to the purchase of protective body armor. Since the Bulletproof Vest Partnership (BVP) Program began in 1999, BJA has provided over $94 million to support the purchase of vests nationwide.

The Police Department is currently proposing to budget for 10 vests per year at a cost of $8,000. While reimbursement is not guaranteed, jurisdictions with a population of less than 100,000 will receive priority funding to cover 50% of total vests costs.

Local Law Enforcement Block Grant:
Based on legislative action, the U.S. Department of Justice awards fund to States through the Local Law Enforcement Block Grants Program. States in turn award funds to units of local government based on locally reported Part I crime statistics. Appropriate funding expenditure areas are designated by the State's administrative agency, the Florida Department of Law Enforcement.

Seized Tag:
Revenue is received from the county based on the number of tags seized. The Town receives $50 per tag.

911 Equipment Reimbursement:
In an effort to assist municipalities in attracting and retaining 911 call takers, Palm Beach County 911 Management has agreed to reimburse municipalities for call-taker expenses for the portion of their time spent taking and transferring "911" calls. A maximum of 25% in Call Taker expenses and 100% in equipment and maintenance expenses will be reimbursed by Palm Beach County's E911 Program each fiscal year. The decrease is due to lack of funding at the County. The County anticipates reimbursing 9% of Call Taker expenses for FY05 instead of the maximum 25% that has been reimbursed in the past.

Special Assignment:
Special Assignment Overtime(SAO) revenue is generated by the demand for police officers to perform police functions at the request of private persons or organizations. The private entity is charged at a rate of $50 per hour per police officer which off-sets the officer's salary and associated expenses. The use of SAO officers ensures that such services are being performed by a person who is qualified and trained to do so. Additionally, the presence of SAO officers increases the readiness of the police department and makes additional police officers immediately available in the case of an emergency. Revenue has decreased due to a significant drop in demand during FY04.

Police ID Cards:
The Crime Scene Evidence Unit is responsible for the issuance of all voluntary identification cards, chauffeur permits and bank employee security identification cards and charges $10.00 per card.

Burglar Alarm False Alarm Fees:
Revenues collected from alarm permit holders that have had more than six (6) false alarms within any period of 12 calendar months.

Burglar Alarm Registration Fees:
Revenues collected as a result of the established permit fees for alarm users.

Police Department

Burglar Alarm Direct Connect:
The Direct Connect system allows for businesses in the community to register their alarm systems (with minor alarm equipment modification) to enable the Police Department to receive immediate alarm activation notification at the same time the businesses' alarm company is notified. This direct notification will allow the police department to immediately dispatch officers to a business alarm without the delays encountered during the notification procedures typically practiced by alarm companies. During fiscal year 2004, the Direct Connect registration fee was adjusted to reflect fees based on the size of the business. Two categories were created: businesses under 1000 square feet are charged a yearly fee of $100; and businesses that are over 1000 square feet are charged a yearly fee of $250.

Valet Parking Permit Application Fee:
Revenues collected from the owner/operator of any business located within a commercially zoned district in the Town who provides valet service in connection with the conduct of that business.

Fines-Parking Meters:
Monies collected from the payment of parking tickets issued for expired parking meters. Funds in FY04 were incorrectly allocated to the parking penalty and fine accounts. The FY05 budget reflects estimates of revenue based upon FY04 collections.

Penalties-Parking Meters:
Monies collected as a result of failing to pay parking tickets issued for parking meter violations in a timely manner. Funds in FY04 were incorrectly allocated to the parking penalty and fine accounts. The FY05 budget reflects estimates of revenue based upon FY04 collections.

Fines-Other Parking:
Monies collected from the payment of parking tickets issued for all parking violations except parking meter violations. Funds in FY04 were incorrectly allocated to the parking penalty and fine accounts. The FY05 budget reflects estimates of revenue based upon FY04 collections.

Penalties-Other Parking:
Monies collected as a result of failing to pay parking tickets issued for "other" parking violations in a timely manner. Funds in FY04 were incorrectly allocated to the parking penalty and fine accounts. The FY05 budget reflects estimates of revenue based upon FY04 collections.

Moving Violations:
A portion of monies received from the Palm Beach County Clerk of the Court for payment of traffic violations issued on Uniform Traffic Citations.

Revenue/2nd $ Funding:
This revenue is provided by the county for the express purpose of funding police training.

Boot Fees:
Fees assessed to parking violators who have 3 or more late, unpaid parking citations and have had a vehicle immobilization device placed on their vehicle. Revenues based on prior years history.

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Police Department

Police Department - All Programs
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	7,164,038	7,288,495	7,668,999	7,807,542	8,188,210	6.77%
Employee Benefits	2,290,312	2,629,925	3,607,509	3,500,553	3,989,512	10.59%
Contractual	362,841	375,992	415,360	344,754	494,197	18.98%
Commodities	285,770	291,766	311,700	297,167	357,020	14.54%
Capital Outlay	623,819	360,723	423,434	426,558	434,071	2.51%
Other	23,753	0	10,000	0	10,000	0.00%
TOTALS	10,750,533	10,946,901	12,437,002	12,376,574	13,473,010	8.33%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to the department's participation in dual State and National Accreditation on-site assessments in December 2004 and the attendance of accreditation conferences.

Commodities:
Increase due to the proposed purchase of various items such as P90s, stop sticks, drug weighing scales, Special Operations ammunition as well as maintenance for the dispatch consoles.

Capital Outlay:
Budget reflects annual depreciation and new capital purchases.

Other:
No change

Police Department

PROGRAM: ADMINISTRATIVE MANAGEMENT 421

The police administrative component provides administration and organizational leadership of all police operations. Functions include planning, staffing, organizing, developing, controlling, budgeting and the assessment of the quality of police services provided to the community. This contributes to the safety of the community, the professionalism of Palm Beach police officers and the response to citizen's needs by providing the effective delivery of police services. The program focuses on the provision of highly effective and efficient law enforcement. Law enforcement services are continuously evaluated to plan and provide for the current and future needs of the community.

Focus Forward

➤ Continually evaluate and refine the design, function, and services of the Palm Beach Police Department to pro-actively address the needs of the community.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Police Chief	1.00	1.00	1.00	1.00
Assistant Chief	1.00	0.00	0.00	0.00
Major	0.00	2.00	2.00	2.00
Captain	1.00	0.00	0.00	0.00
Sergeant	1.00	1.00	1.00	1.00
Administrative Planner	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00	1.00
TOTAL	**7.00**	**7.00**	**7.00**	**7.00**

Police Department

Program 421 - Administrative Management
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	507,355	534,731	561,260	574,210	587,793	4.73%
Employee Benefits	157,238	175,924	233,323	229,745	244,499	4.79%
Contractual	60,920	61,864	59,329	41,617	74,020	24.76%
Commodities	43,900	45,841	46,400	42,756	48,900	5.39%
Capital Outlay	0	4,094	2,101	5,856	7,454	254.78%
Other	0	0	10,000	0	10,000	0.00%
TOTALS	769,413	822,454	912,413	894,184	972,666	6.60%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to the department's participation in dual State and National Accreditation on-site assessments in December of 2004 and the attendance of accreditation conferences.

Commodities:
Increase due to the proposed purchase of 8 conference room chairs.

Capital:
Increase due in annual depreciation funding for new equipment purchased in FY04.

Other:
Grant Matching Funds.

Police Department

PROGRAM: O.C.V.A.N. 422

The Organized Crime, Vice and Narcotics (OCVAN) unit is a multi-functional unit responsible for investigating matters involving criminal organizations, racketeering, major financial crime, drug trafficking and sales, gambling and vice-related crimes. The unit also develops and maintains current intelligence files on persons and organizations involved in criminal activity through collection, collation, analysis and investigation of information. This intelligence is used in investigations to develop the necessary evidence for arrests, indictments, and/or seizures of contraband. This unit is also responsible for pro-actively coordinating the gathering and investigation of all intelligence related to terrorism.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Total Cases Investigated	294	434	269	350
Total Intelligence Reports	795	757	354	500
Disseminated Intelligence Bulletins	111	153	90	100

Focus Forward

- Pro-actively target and suppress criminal enterprises which conduct major fraud, illegal narcotics trafficking, and other organized criminal operations.

- Coordinate and promote intelligence collection, analysis and dissemination through cooperation with federal, state, and local law enforcement agencies in order to safeguard the community from potential terrorist attacks.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Police Sergeant	1.00	1.00	1.00	1.00
Police Officer	4.00	4.00	4.00	4.00
TOTAL	**5.00**	**5.00**	**5.00**	**5.00**

Police Department

Program 422 - Organized Crime/Vice/Narcotics
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	273,822	308,643	339,789	347,275	360,244	6.02%
Employee Benefits	94,172	113,856	164,694	168,573	190,025	15.38%
Contractual	35,671	45,272	46,400	34,088	45,600	-1.72%
Commodities	6,114	7,068	10,150	9,233	9,400	-7.39%
Capital Outlay	7,935	8,993	9,274	9,274	9,274	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	417,714	483,832	570,307	568,443	614,543	7.76%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
No significant change

Commodities:
No significant change

Capital Outlay:
No change

Police Department

PROGRAM: RECORDS INFORMATION SYSTEM UNIT 423

The Records Information Systems Unit is responsible for centralized record keeping of all reports, uniform crime reporting, and property inventory programs. The unit also provides secretarial services, conducts computer queries for planning purposes and accepts and manages subpoenas for the police department.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Incident Reports	2,468	2,111	2,006	2,088
Citations/Violations Processed	3,518	3,847	4,625	4,492

Focus Forward

- Provide reports and statistical data to the Police Department, Town government and members of the community in order to assist in evaluating the effectiveness and efficiency of Police Department operations.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Records Supervisor	1.00	1.00	1.00	1.00
Records Information Secretary	3.00	3.00	3.00	2.00
TOTAL	**4.00**	**4.00**	**4.00**	**3.00**

Police Department

Program 423 - Records Information Systems Unit
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	158,595	164,136	167,987	168,737	133,813	-20.34%
Employee Benefits	56,385	66,316	76,153	75,971	62,341	-18.14%
Contractual	16,078	16,098	13,400	9,522	13,450	0.37%
Commodities	3,628	5,569	5,100	2,879	5,100	0.00%
Capital Outlay	0	763	763	763	191	-74.97%
Other	0	0	0	0	0	0.00%
TOTALS	234,686	252,882	263,403	257,872	214,895	-18.42%

EXPENDITURES

Salaries and Wages:
Decrease is the result of transferring one Records Information System Unit secretary position to the Personnel/Training/Crime Prevention Unit.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs, offset by the transfer mentioned above.

Contractual:
No significant change

Commodities:
No change

Capital:
Annual depreciation

Police Department

PROGRAM: TRAINING/PERSONNEL/CRIME PREV./PUBLIC INFO. 424

This unit is responsible for designing and implementing programs related to the prevention of crime in our community. The unit manager assumes the role of Executive Director of Palm Beach Crime Watch, Inc. and as such is responsible for all activities and fund-raising efforts of this organization including planning and implementation of special events, production of printed material and participation in community and business organizations. This unit coordinates and administers the department's citizen volunteer program and the college intern program. The unit manager serves as the department's Public Information Officer and spokesperson and issues daily news releases and coordinates all media requests. The Manager is on-call for all events and situations requiring contact with the media.

This unit is responsible for the department's in-service training program as well as supervising the external training of department personnel. The training section is responsible for scheduling, administration, staffing and invoicing of special assignment overtime.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Crime Prevention Activities (hrs)	3,200	3,200	3,960	6,000
Volunteer Hours	3,518	3,847	4,656	12,000
Palm Beach Crime Watch Members	350	760	900	1,040

Focus Forward

- Promote efficiency and effectiveness of police operations through the use of citizen volunteers for assistance in natural and man-made disasters and in day-to-day department activities.
- Enhance public safety and security through crime watch, Citizen Police and Teen Academies, security surveys, and other department community outreach programs.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Civilian Manager	1.00	1.00	1.00	1.00
Civilian Training Coordinator	1.00	1.00	1.00	1.00
Secretary I	1.00	1.00	1.00	1.00
Secretary II	0.00	0.00	0.00	1.00
TOTAL	**3.00**	**3.00**	**3.00**	**4.00**

Police Department

Program 424 - Training/Personnel/Crime Prevention/Public Info.
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	158,136	150,580	162,335	164,195	201,619	24.20%
Employee Benefits	48,334	55,791	64,036	64,215	89,019	39.01%
Contractual	12,645	13,800	15,850	14,470	33,525	111.51%
Commodities	16,233	18,865	15,920	15,097	19,695	23.71%
Capital Outlay	0	7,030	4,581	4,182	4,393	-4.10%
Other	0	0	0	0	0	0.00%
TOTALS	235,348	246,066	262,722	262,159	348,251	32.55%

EXPENDITURES

Salaries and Wages:
Increase is the result of transferring one Records Information Systems Unit secretary to the Personnel/Training/Crime Prevention Unit. Increases are also due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to Assessment Center fees for promotions ($7,500) and an increase in the costs of police academy participants ($12,000) due to the planned retirement of several police personnel.

Commodities:
Increase is the result of budgeting for additional Special Operations training ammunition.

Capital Outlay:
Annual depreciation

Police Department

PROGRAM: COMMUNICATIONS UNIT 425

The Communications Unit is staffed and managed by civilian personnel who are responsible for receiving emergency and non-emergency requests for assistance from the public and directing the response of police, fire and emergency medical units. The Police Communications Center also handles 911 telephone calls, provides lifesaving emergency medical instructions to callers, operates and controls both Police and Fire-Rescue radio systems and operates the department's teletype system. The Communications Unit supports police officers by processing and relaying information on wanted and missing persons, drivers licenses and tag information and stolen vehicles and property after retrieving the information from numerous law enforcement databases.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Police Calls	83,190	85,315	79,119	80,000
Fire Calls	1,583	1,495	1,316	1,400
Medical Calls	2,189	2,146	2,014	2,100

Focus Forward

➤ Provide the community with professional and rapid response to all calls for public safety assistance through effective training of personnel and continual evaluation.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Telecommunications Manager	1.00	1.00	1.00	1.00
Telecommunications Supervisor	4.00	4.00	4.00	4.00
Telecommunicator	11.00	11.00	11.00	11.00
Call-Taker	1.00	1.00	1.00	1.00
TOTAL	**17.00**	**17.00**	**17.00**	**17.00**

Police Department

Program 425 - Communications Unit
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	607,318	615,019	695,142	718,494	779,712	12.17%
Employee Benefits	213,793	252,639	358,049	350,157	393,115	9.79%
Contractual	125,017	122,336	131,683	115,375	134,030	1.78%
Commodities	4,117	4,352	5,450	6,026	7,025	28.90%
Capital Outlay	114,957	39,340	14,698	13,614	13,600	-7.47%
Other	23,753	0	0	0	0	0.00%
TOTALS	1,088,955	1,033,686	1,205,022	1,203,666	1,327,482	10.16%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to an increase in West Palm Beach Police Beach user fee ($3,000) and the start of annual maintenance on the Communication's dispatch consoles ($9,888).

Commodities:
Increase due to costs for internet training programs for telecommunicators.

Capital Outlay:
Annual depreciation

Police Department

PROGRAM: CRIME SCENE/EVIDENCE UNIT 426

The Crime Scene/Evidence Unit (CSEU) is responsible for processing crime scenes, the developing and collection of physical evidence to include latent fingerprints, hairs, fibers, tool marks, footwear impressions, biological fluids and other trace evidence for presentation in a court of law to prove or disprove a complaint. CSEU is responsible for all evidence and property received by the police department. The unit provides photographic services for the police department, other Town departments, and provides copies of photographs, audio and video tapes pursuant to Florida public records law. The CSEU provides identification cards to all Town employees and is responsible for the issuance of voluntary identification cards, chauffeur permits and bank employee security cards. The unit is responsible for processing Town solicitation permits and outside agency background checks. Fingerprint cards from arrested persons, Town employees and police applicants are classified, filed and maintained by the unit.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Latent Print Comparisons	17,231	70,235	13,650	18,500
Fingerprint Identifications	74	228	87	50
Crime Scenes Processed	132	139	171	140

Focus Forward

- Effectively process crime scenes for physical evidence, utilizing the latest modern technology, procedures, and training of personnel in order to identify and apprehend persons responsible.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Police Officer/Manager	1.00	1.00	1.00	1.00
ID Technician	2.00	2.00	2.00	2.00
Evidence and Property Specialist	1.00	1.00	1.00	1.00
TOTAL	**4.00**	**4.00**	**4.00**	**4.00**

Police Department

Program 426 - Crime Scene/Evidence Unit
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	190,531	197,295	191,140	181,184	200,448	4.87%
Employee Benefits	65,657	76,401	88,298	87,314	98,782	11.87%
Contractual	21,543	19,480	26,300	21,455	17,900	-31.94%
Commodities	14,792	10,690	17,950	12,704	24,500	36.49%
Capital Outlay	2,500	6,848	34,548	37,486	17,892	-48.21%
Other	0	0	0	0	0	0.00%
TOTALS	295,023	310,714	358,236	340,143	359,522	0.36%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Decrease is the result of the removal of the Palm Beach County Imaging Consortium fee of $3,338.

Commodities:
Increase for the purchase of one digital camera outfit for use by the Crime Scene Investigator ($3,092) and 2 Mettler electronic drug weighing scales ($4,600).

Capital Outlay:
Reduction as the result of minor capital purchases for FY05.

Police Department

PROGRAM: PATROL 428

The primary responsibilities of Patrol are to protect life and property, prevent and suppress crime, preserve the public order, and apprehend violators of laws and ordinances. Patrol is the first level of law enforcement response, having the greatest influence upon the safety and security of the public. Officers are assigned to shifts which provide protection to the community 24 hours a day. In addition to the routine vehicle patrol services, Patrol includes a Motorcycle Unit, Marine Unit and a Bicycle Unit. Patrol also uses foot and all terrain vehicle patrol in their continued efforts of successful community policing. Uniformed personnel investigate suspicious persons and incidents to deter as well as detect criminal activity. Patrol activities establish omnipresence through frequent and conspicuous patrol throughout the community. Officers respond to incidents to resolve various types of problems and conflicts in order to preserve the peace. Officers also enforce traffic regulations, investigate accidents and maintain an orderly flow of traffic. Patrol personnel employ a proactive approach intended to deter criminals and prevent crime.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Calls for Service	41,758	43,038	38,365	44,010
Arrest by Patrol Officers	1,211	1,190	1,713	1,480
Business Security Checks	183,312	170,387	214,063	210,000
Closed House Checks	15,765	17,039	17,798	13,500
Field Interview Reports	518	766	619	662

Focus Forward

- Reduce the opportunity for persons to commit crime through pro-active patrol procedures and rapid response to all serious offenses.
- Promote a positive and supportive relationship with the community through bicycle and foot patrol.
- Insure traffic and pedestrian safety using both educational and selective enforcement techniques to encourage compliance with traffic laws.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Police Captain	4.00	4.00	4.00	4.00
Sergeant	9.00	8.00	8.00	8.00
Police Officer	48.00	43.00	44.00	44.00
Patrol Secretary	1.00	1.00	1.00	1.00
Police Mechanic	1.00	1.00	1.00	1.00
Police Master Mechanic	1.00	1.00	1.00	1.00
TOTAL	**64.00**	**58.00**	**59.00**	**59.00**

Police Department

Program 428 - Patrol Services
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	3,794,669	3,877,819	3,982,704	4,070,043	4,297,210	7.90%
Employee Benefits	1,133,320	1,295,635	1,885,789	1,791,837	2,046,287	8.51%
Contractual	62,226	65,943	86,790	67,749	133,664	54.01%
Commodities	180,959	172,448	179,130	182,207	210,300	17.40%
Capital Outlay	472,272	208,575	268,045	288,271	310,172	15.72%
Other	0	0	0	0	0	0.00%
TOTALS	5,643,446	5,620,420	6,402,458	6,400,107	6,997,633	9.30%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to the lease of the PID System ($36,600)and an increase in the costs of changing over the motorcycle equipment ($17,250).

Commodities:
Increase due to the proposed purchase of P90s ($17,677); high security gun lockers ($7,644) and traffic stop sticks ($5,150).

Capital Outlay:
Increase due to annual depreciation.

Police Department

PROGRAM: CRIMINAL INVESTIGATION UNIT 429

The Detective Bureau is responsible for the investigation of criminal activities taking place within the Town. The Detective Bureau provides investigative support to other units of the Police Department as well as other departments of the Town. These services include the investigation of criminal activity, the interviewing of witnesses, the interrogation of suspects and the dissemination of criminal intelligence. The Detective Bureau assists with the coordination and flow of investigations and information between other local, county, state, federal, and foreign law enforcement agencies. Computer Voice Stress Analysis are conducted on criminal suspects and as required on job applicants. The Detective Bureau also provides dignitary protection for qualified protectees. The Burglary Strike Force Unit is a component within the Criminal Investigation Unit and is primarily responsible for reducing residential burglary through pro-active strategic and tactical operations, including surveillance, intelligence gathering, stakeouts, and directed plainclothes patrol. The Burglary Strike Force is otherwise responsible for unmarked crime suppression activities and general support of both the patrol and investigative functions.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Number of Crimes Investigated	457	522	365	422
Investigative Clearance Rate (Part 1)	26.8%	27%	24%	25%
BSF Patrol Activity Hours (foot, bicycle)	n/a	1,242	1,910	1,537

Focus Forward

- Actively investigate all reports of criminal activity, pursuing all leads and keeping victims of crime informed as to the progress of cases being investigated.
- Conduct pro-active police patrol operations through the use of surveillance and other covert means in order to prevent and identify criminal activity.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Police Captain	1.00	1.00	1.00	1.00
Sergeant	2.00	2.00	2.00	2.00
Police Officer	10.00	9.00	9.00	9.00
Crime Analyst	1.00	1.00	1.00	1.00
Detective Secretary	1.00	1.00	1.00	1.00
TOTAL	**15.00**	**14.00**	**14.00**	**14.00**

Police Department

Program 429 - Criminal Investigation Unit
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	841,564	829,035	904,678	916,541	931,993	3.02%
Employee Benefits	268,169	303,731	432,316	428,545	488,584	13.02%
Contractual	17,672	18,703	24,758	22,033	26,958	8.89%
Commodities	8,038	12,445	16,350	15,679	16,100	-1.53%
Capital Outlay	0	16,246	34,017	27,139	31,323	-7.92%
Other	0	0	0	0	0	0.00%
TOTALS	1,135,443	1,180,160	1,412,119	1,409,937	1,494,958	5.87%

EXPENDITURES

Salaries and Wages:
Net increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to acquiring Nextel phones for the Burglary Strike Force Unit.

Commodities:
No significant change

Capital Outlay:
Annual depreciation

Police Department

PROGRAM: PARKING CONTROL UNIT 430

The function of the Parking Control Unit is to administer an on-street parking system conducive to community needs. An increasing number of vehicles present in the Town presents an ongoing challenge requiring balanced enforcement and frequent traffic and parking surveys. Parking personnel conduct enforcement through issuing parking citations, and the application of the vehicle immobilization device. Other responsibilities of the Parking Control Unit include daily handling of pedestrian and vehicular traffic at school zones, major intersections and responding to parking complaints. The Manager reviews construction plans for recommendations regarding traffic hazards, traffic flow, and parking for special events as needed.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Parking Tickets	15,507	10,823	13,669	18,270
Meter Tickets	8,245	6,201	7,532	9,108
Traffic Boots	124	105	121	122

Focus Forward

➤ Provide for efficient use of limited public parking space availability though active enforcement of all parking ordinances, rules and regulations.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Civilian Parking Control Supervisor	1.00	1.00	1.00	1.00
Parking Enforcement Officer	6.00	7.00	7.00	7.00
Crossing Guard	1.00	0.00	0.00	0.00
TOTAL	**8.00**	**8.00**	**8.00**	**8.00**

Police Department

Program 430 - Parking Control Unit
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	235,781	258,186	271,209	275,756	285,530	5.28%
Employee Benefits	95,432	114,715	136,961	137,007	153,095	11.78%
Contractual	5,201	9,701	7,000	16,094	10,500	50.00%
Commodities	2,877	7,852	7,650	5,654	7,650	0.00%
Capital Outlay	26,155	57,934	48,278	35,567	27,906	-42.20%
Other	0	0	0	0	0	0.00%
TOTALS	365,446	448,388	471,098	470,078	484,681	2.88%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to rising costs of parking scooter repairs that cannot be performed by the mechanic.

Commodities:
No change

Capital Outlay:
Decrease due to vehicle purchase in FY04, not in FY05.

Police Department

PROGRAM: BEACH RESCUE 432

The Beach Rescue Unit holds the distinction of being one of the few lifesaving agencies in the United States that is a part of a police department. The Beach Rescue is one of only a few agencies in Florida that has received a formal national accreditation from the United States Lifesaving Association. The Town's Beach Rescue is responsible for the safety of bathers using the two designated public bathing areas, the Mid-Town Beach and Phipps Ocean Park. In addition to life guarding responsibilities, Beach Rescue participates in first-aid training programs, parking enforcement operations, and in a local sea turtle monitoring and conservation program.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 PROJECTED	FY2004 PROJECTED
Beach Attendees Protected	246,138	248,351	252,477	382,700
Preventive Actions	3,400	3,270	3,190	4,000
Rescues	9	15	15	21
Enforcements	3,071	3,909	3,163	3,720

Focus Forward

- Provide for the safety and security of beach patrons, adopting procedures and maintaining accreditation as set forth by the United States Lifesaving Association.
- Establish Emergency Medical Technician (EMT) certification as a goal for all lifeguards in order to provide effective first responder medical services and achieve Advanced Agency Certification through the United States Lifesaving Association.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Supervisor Lifeguard	1.00	1.00	1.00	1.00
Assistant Supervisor Lifeguard	2.00	2.00	2.00	2.00
Lifeguard	7.00	7.00	7.00	7.00
Public Works Employees	0.04	0.00	0.00	0.00
TOTAL	**10.04**	**10.00**	**10.00**	**10.00**

Police Department

Program 432 - Beach Rescue
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	396,267	353,051	392,755	391,107	409,848	4.35%
Employee Benefits	157,812	174,917	167,890	167,189	223,765	33.28%
Contractual	5,868	2,795	3,850	2,351	4,550	18.18%
Commodities	5,112	6,636	7,600	4,932	8,350	9.87%
Capital Outlay	0	10,900	7,129	4,406	11,866	66.45%
Other	0	0	0	0	0	0.00%
TOTALS	565,059	548,299	579,224	569,985	658,379	13.67%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs. Additionally, an incentive has been established for lifeguards who are certified by the United States Lifesaving Association in the $150 per month.

Contractual:
Increase for EMT school for one lifeguard.

Commodities:
Increase in publication and membership accounts.

Capital Outlay:
Cost of rescue boat not covered by accumulated replacement funds ($5,100)

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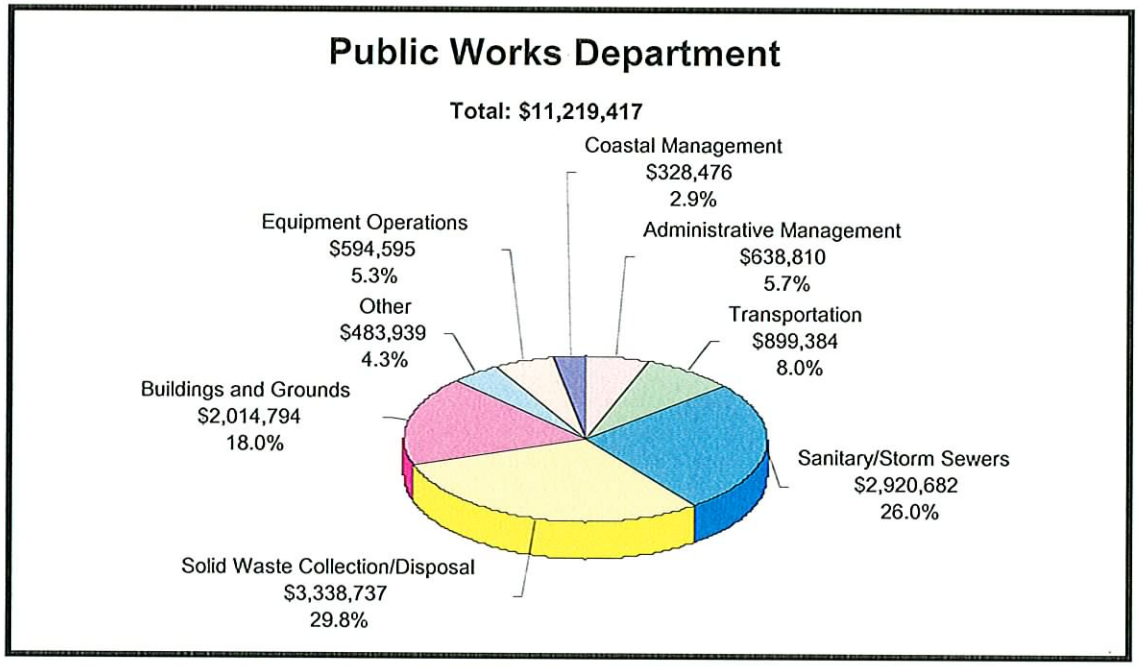
Public Works

Public Works Department

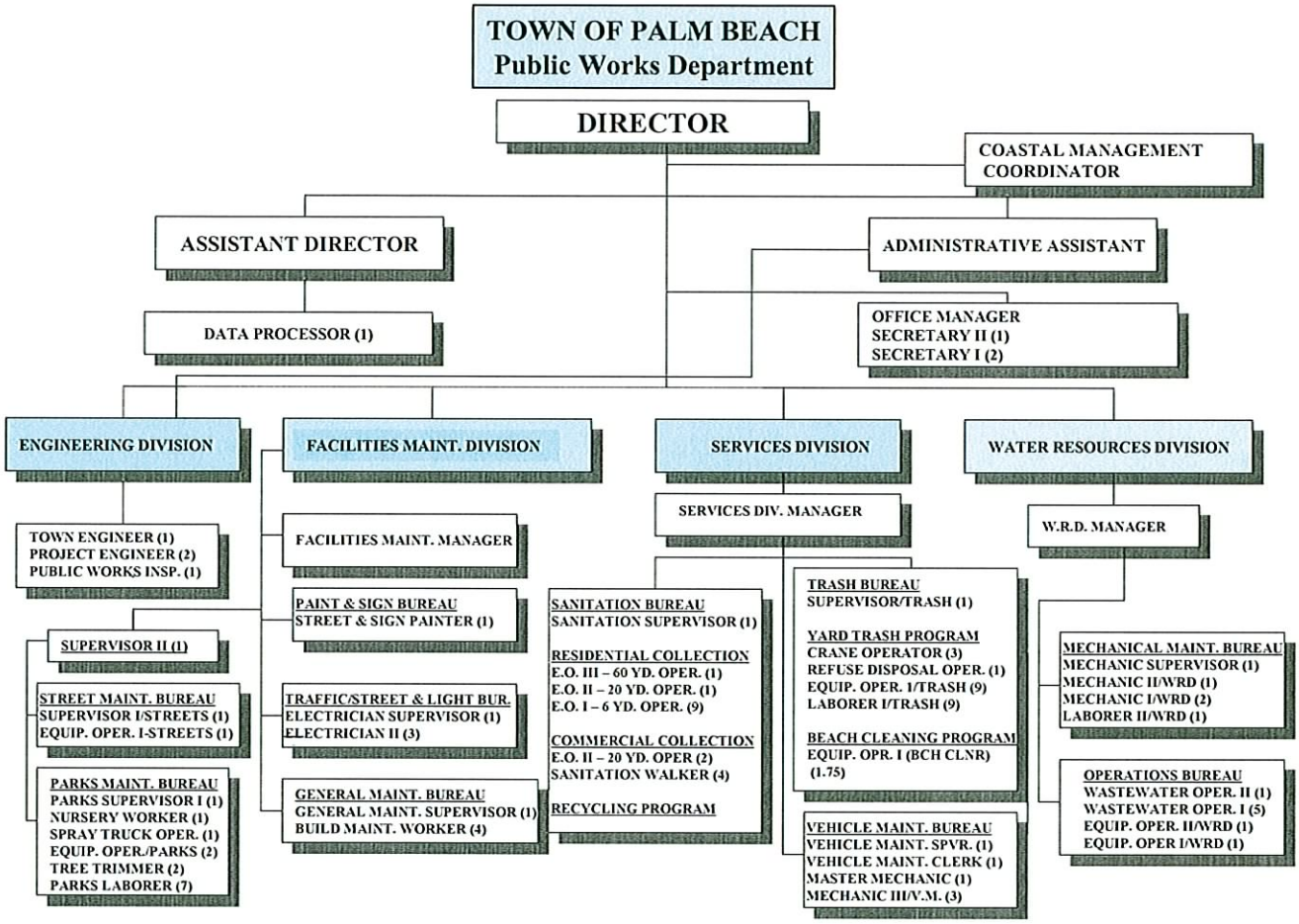
Mission

Public Works exists to create and maintain an attractive, safe, pleasing, and clean environment for the citizens of Palm Beach and an efficient, effective environment for all of the employees who serve this community by applying systems and techniques that provide for excellent operation/maintenance/repair of public buildings and grounds, continuous upgrading of general infrastructure systems and services, coastal systems improvements, and engineering and construction services.



	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2005 Budget
Revenues	$935,706	$909,459	$935,800	$964,600
Expenditures	$9,213,804	$9,699,627	$10,872,728	$11,219,417

Public Works Department



	FY2002	FY2003	FY2004	FY2005
Total Full Time Equivalent Employees	101.97	101.14	99.14	99.74

Public Works Department

Key Results and Measurement Methodology

Key Result #1	Desired outcomes are achieved in most efficient manner.
Measurement	Increase in department budget over prior year measured in following formats: gross increase, increase adjusted for inflation, and increase adjusted for other factors beyond control of department.
Key Result #2	Internal and external customer satisfaction is achieved.
Measurement	Results from satisfaction survey(s) indicate at least a 90% or higher approval rating in the combined categories of "excellent" or "good".
Key Result #3	The citizens of the community will be proud of the appearance of Palm Beach and the effectiveness of public services and consider both as points of pride.
Measurement	A citizen satisfaction survey will be conducted. Results from satisfaction survey(s) should indicate more than 90% approval rating in the combined categories of "excellent" or "good" as related to Town appearance and public services.
Key Result #4	Performance and work management systems consistent with the highly developed, progressive applications used in Palm Beach...Public Works seen as a leader in their application.
Measurement	Information Systems and Public Works continue to work closely together to ensure our computerized work order system, GIS information, and Town infrastructure components will be integrated for complete record keeping and retrieval. Performance measures are built into the work order system to track and maintain optimum levels of service as required by Public Works standards; i.e., for street lighting - repairable electric line problems will be handled within one day of notification, photo-cell malfunctions will be repaired within two hours of notification, and bulbs will be replaced within one hour of notification. This is applicable to all Public Works work items.
Key Result #5	Create and maintain a work environment in which employees find motivation, relevance, and appreciation for the work they do.
Measurement	An employee survey will be conducted to determine employee morale, motivation, relevance and appreciation for tasks and work performed by Public Works Department personnel. Results from employee survey should indicate over 90% approval rating in combined categories of "excellent" or "good" in areas of motivation, relevance and appreciation.
Key Result #6	The Town's facilities and infrastructure will be designed, constructed and maintained for optimum efficiency and effectiveness.
Measurement	We will utilize only qualified consultants selected by using the Consultants' Competitive Negotiation Act to plan and design the Town's infrastructure and facility needs. All consultants and design professionals will be instructed to take into consideration future maintenance requirements of any facilities designed. For construction needs, either a pre-qualification process to identify contractors with an excellent performance record or hourly rate contractors that have demonstrated competence for the town in the past will be hired for public projects.

Public Works Department

Public Works - All Programs
Revenue Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Special Solid Waste	10,274	11,439	10,000	9,720	10,000	0.00%
Solid Waste	667,348	654,734	640,000	687,170	700,000	9.38%
Compacted Garbage Collection Fee	174,237	176,873	193,800	165,471	166,600	-14.04%
Yard Trash Collection	4,522	6,783	0	4,057	0	0.00%
Beach Cleaning-Citizen's Association	51,170	42,805	57,000	65,730	63,000	10.53%
Right of Way Parking Violation Fines	28,155	16,825	35,000	22,913	25,000	-28.57%
TOTALS	935,706	909,459	935,800	955,061	964,600	3.08%

Public Works Department

REVENUES

Special Solid Waste:
The Town provides a service for the collection and disposal of household items that cannot be included in our garbage collection, such as white goods and old furniture. A fee is charged for this service based upon the quantity collected. No control over demand or charges.

Solid Waste:
Commercial establishments in Town will be charged via the uniform method of non-ad valorem assessment for garbage collection and disposal. Solid waste revenues are projected to increase in FY05 because of more accurate billing and better collection of revenues since switching to the non-ad valorem tax assessment method.

Compacted Garbage Collection Fee:
Eight properties in Town compact their garbage and are serviced by a private collection company under contract to the Town. The Town charges these facilities the amount bid by the contractor plus a 2% administrative fee. Contract provides for adjustment in collection costs which are passed on to customers. Compacted garbage collection revenues reflect the drop in charges to the Town produced by a lower than anticipated bid for compacted collection from our service provider.

Yard Trash Collection:
The Town provides a service for the collection of yard trash to commercial facilities such as golf courses. Each facility is allowed a specific volume that is collected without an additional fee. If a facility exceeds their allotment, a fee is charged for this service based upon the additional volume collected. No control over demand or charges.

Beach Cleaning-Citizen's Association:
The Town cleans the beaches south of Sloan's Curve three times per week with a tractor/rake and charges the Citizen's Association for the service. The Citizen's Association, in turn, charges its membership for the service. Actual charges based on time spent.

Right of Way Parking Violation Fines:
Contractors that violate the provisions of the Town's Right-of-Way manual are fined based upon the nature of the violation. Fines controlled by contractor non-compliance with Town's rules.

Public Works Department

Public Works Department - All Programs
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	4,207,940	4,382,238	4,733,280	4,732,165	4,714,856	-0.39%
Employee Benefits	1,352,839	1,596,481	1,890,844	1,892,153	2,102,207	11.18%
Contractual	2,776,055	2,887,218	3,163,400	2,821,331	3,231,770	2.16%
Commodities	528,046	541,792	564,450	517,116	602,650	6.77%
Capital Outlay	348,924	291,898	520,754	336,138	567,934	9.06%
Other	0	0	0	0	0	0.00%
TOTALS	9,213,804	9,699,627	10,872,728	10,298,903	11,219,417	3.19%

EXPENDITURES

Salaries and Wages:
The decrease shown factors in FY2004 budget increases to fund hurricane recovery, offset by costs due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
No significant increase anticipated.

Commodities:
Increases in fuel/motor oil and supplies (material for in-house work).

Capital Outlay:
Change in annual depreciation due to purchase of new equipment in FY04.

Public Works Department

PROGRAM: ADMINISTRATIVE MANAGEMENT 511

This program provides for the overall administration of the Public Works Department. Administrative services provided include record-keeping/filing, complaint management, requests for service, data processing, typing, weekly and bi-weekly payroll processing, accident/injury processing, maintenance of leave records, processing of solid waste billings and non-ad valorem tax assessments, processing of requisitions and payment to vendors, budget management/preparation and safety programs. Administrative policy and guidance within the Department is provided for the operation of 21 programs that make up the five divisions: Administration, Engineering, Water Resources, Services, and Facilities Maintenance.

Focus Forward

- Provide oversight to all Public Works operations to ensure we maintain or improve levels of service and safety measures for all programs.
- We will manage and direct all Town activities as they relate to the implementation of the Town's Capital Improvement Program and the adopted Drainage Improvement Plan.
- We will manage all projects authorized by the Mayor and Town Council in the Public Works jurisdiction relative to the Strategic Plan.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Public Works Director	1.00	1.00	1.00	1.00
Assistant Director	1.00	1.00	1.00	2.00
Administrative Assistant	0.50	0.50	0.50	0.50
Office Manager	1.00	1.00	1.00	1.00
Secretary II	1.00	1.00	1.00	1.00
Secretary I	1.00	1.00	1.00	1.00
Records Maintenance Clerk	1.00	1.00	1.00	1.00
Data Processor	1.00	1.00	1.00	1.00
TOTAL	**7.50**	**7.50**	**7.50**	**8.50**

Public Works Department

Program 511 - Administrative Management
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	374,879	381,615	415,782	410,830	435,876	4.83%
Employee Benefits	102,349	117,899	147,473	149,503	163,299	10.73%
Contractual	5,267	31,731	31,500	31,551	30,200	-4.13%
Commodities	4,916	5,325	7,300	6,788	8,200	12.33%
Capital Outlay	0	1,765	0	1,427	1,235	100.00%
Other	0	0	0	0	0	0.00%
TOTALS	487,411	538,335	602,055	600,099	638,810	6.10%

EXPENDITURES

Salaries and Wages:
Increase is due to an additional Assistant Director position and merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Radio repair and parts moved to Vehicle Maintenance program code 571.

Commodities:
Minor increases in office and data processing supplies.

Capital:
Annual depreciation

Public Works Department

PROGRAM: STREET REPAIR & MAINTENANCE 521

This program provides for the maintenance of 43.3 lane miles of Town streets and 9.3 miles of bike trails. The Town's annual street resurfacing project is associated with this program, along with miscellaneous clean-up/hand sweeping, material hauling, and storm sewer inlet cleaning.

The street cleaning portion of this program provides for contracted mechanized sweeping of commercial streets three times per week and residential streets (public and private) once each week. The contract sweeping of the north end bike path is included in this program. Hand sweeping supplements the mechanized sweeping whenever necessary to maintain conformance with program goals.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Storm Inlets Cleaned and Inspected	n/a	n/a	1,137	1,137
Streets Resurfaced	n/a	n/a	0	36,268 s.y.
Sidewalk Squares Replaced	n/a	n/a	125 s.y.	125 s.y.
Potholes Patched	n/a	n/a	9 s.y.	18 s.y.

Focus Forward

- An even, smooth, and safe surface for traveling on the Town's street system will be provided.
- We will maintain the Town's sidewalk and bike trail systems to provide safe walkways and minimize tripping hazards.
- The street system will be swept to keep it free from dirt and debris and to reduce foreign matter that enters storm sewer catch basins and causes flooding.
- This program will assist in town-wide efforts to ensure the storm sewer system functions at full capacity during extreme weather conditions.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Facilities Maintenance Manager	0.10	0.10	0.10	0.10
Streets/Parks Supervisor	0.00	0.11	0.11	0.11
Parks Supervisor I	0.01	0.01	0.01	0.00
Supervisor/Streets	0.83	0.75	0.75	0.75
Equipment Operator I/Streets	0.73	0.75	0.75	0.75
Spray Truck Operator	0.01	0.01	0.01	0.01
TOTAL	**1.68**	**1.73**	**1.73**	**1.72**

Public Works Department

Program 521 - Street Repair and Maintenance
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	56,502	63,430	79,341	65,955	80,638	1.63%
Employee Benefits	23,248	27,568	34,997	33,626	37,736	7.83%
Contractual	128,294	120,049	128,900	115,733	132,700	2.95%
Commodities	9,448	11,632	13,100	11,430	10,900	-16.79%
Capital Outlay	12,386	6,028	105,805	6,097	145,721	37.73%
Other	0	0	0	0	0	0.00%
TOTALS	229,878	228,707	362,143	232,841	407,695	12.58%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Annual increase in street sweeping contract.

Commodities:
Vehicle repair expense moved to Vehicle Maintenance program code 571

Capital Outlay:
Additional street resurfacing proposed.

Public Works Department

PROGRAM: TRAFFIC CONTROL 523

The Traffic Control Program maintains all street paint markings, street name signs, traffic control signs, and all other traffic signals in the Town. Street markings, signs, and traffic controllers are maintained on a regular basis to ensure optimum operation and visibility. Policies are in place that set the required level of service to replace damaged or stolen signs and traffic signals and provide inspection schedules.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Inspections Performed on System	n/a	n/a	2	2
Traffic Control Signs Replaced	n/a	n/a	500	500
Street Name Signs Replaced	n/a	n/a	100	100
Control Lines Painted	n/a	n/a	29,200 ft.	29,200 ft.
Thermoplastic Lines Refurbished	n/a	n/a	560 ft.	2,948 ft.
Traffic Signal Replacement (LED)	n/a	n/a	16	24

Focus Forward

- This program will provide Traffic Control Systems to allow safe utilization of the Town's street system per *Manual on Uniform Traffic Control Devices (MUTCD)*.
- We will examine inspection schedules and level of service policies for replacement of damaged or stolen signs and traffic signals for possible improvement.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Facilities Maintenance Manager	0.10	0.10	0.10	0.10
Electrician Supervisor	0.20	0.20	0.20	0.20
Streets/Parks Supervisor	0.01	0.01	0.01	0.01
General Maintenance Supervisor	0.06	0.06	0.06	0.02
Parks Supervisor I	0.03	0.03	0.11	0.11
Parks Laborer	0.01	0.01	0.01	0.01
Equipment Operator/Parks	0.11	0.11	0.05	0.00
Electrician II	0.35	0.35	0.35	0.33
Building Maintenance Worker	0.03	0.07	0.04	0.04
Street & Sign Painter	0.48	0.48	0.48	0.48
TOTAL	**1.38**	**1.42**	**1.41**	**1.30**

Public Works Department

Program 523 - Traffic Control
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	57,041	56,135	79,317	87,935	75,181	-5.21%
Employee Benefits	17,067	22,713	28,637	29,451	30,142	5.26%
Contractual	42,955	38,968	48,800	34,937	57,650	18.14%
Commodities	20,426	23,660	25,100	24,659	26,000	3.59%
Capital Outlay	0	2,904	2,757	6,335	1,933	-29.89%
Other	0	0	0	0	0	0.00%
TOTALS	137,489	144,380	184,611	183,317	190,906	3.41%

EXPENDITURES

Salaries and Wages:
Original budget for FY2004 was $73,317. This amount was increased by $6,000 to cover extensive overtime costs associated with hurricane recovery. The decrease shown factors in this budget adjustment, offset by costs due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Traffic signal lights to be painted (scheduled once every three years).

Commodities:
Anticipated increase in fuel and motor oil.

Capital:
Reduction in equipment costs.

Public Works Department

PROGRAM: STREET LIGHTING 524

This program provides for maintenance and operation of Town-owned street lights. It also includes payment for electrical service to the street lights owned and maintained by Florida Power & Light.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Inspections of Entire System	n/a	n/a	12	12
Turtle Shades Placed/Removed	n/a	n/a	258	258

Focus Forward

- As a minimum standard, use the preventive maintenance schedule to minimize outages and keep the Town's street areas well lit by maintaining the lighting system at original design levels.
- We will provide uniformity of street light fixtures throughout the Town by continuing replacement of older, out-of-style poles.
- Roadway lighting will be enhanced for public safety from November 1st to March 1st when sea turtles are not nesting.
- Endangered sea turtles will be protected by ensuring compliance with Town Ordinances as they pertain to shading of street lights during sea turtle nesting season.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Electrician Supervisor	0.43	0.46	0.46	0.46
Electrician II	1.11	1.23	1.23	1.23
Facilities Maintenance manager	0.10	0.10	0.10	0.10
TOTAL	**1.64**	**1.79**	**1.79**	**1.79**

Public Works Department

Program 524 - Street Lighting
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	93,815	118,647	128,532	140,505	119,073	-7.36%
Employee Benefits	34,206	34,707	40,310	41,661	45,038	11.73%
Contractual	81,038	77,205	90,900	83,704	101,300	11.44%
Commodities	32,210	35,334	30,700	24,444	23,000	-25.08%
Capital Outlay	2,865	5,994	11,335	10,106	12,372	9.15%
Other	0	0	0	0	0	0.00%
TOTALS	244,134	271,887	301,777	300,420	300,783	-0.33%

EXPENDITURES

Salaries and Wages:
Original budget for FY2004 was $115,532. This amount was increased by $13,000 to cover extensive overtime costs associated with hurricane recovery. The decrease shown factors in this budget adjustment, offset by costs due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Anticipated increase in electrical service and repair costs.

Commodities:
Maintenance of vehicles moved to Vehicle Maintenance program code 571. Reduction in minor operating equipment costs.

Capital Outlay:
Annual depreciation

Public Works Department

PROGRAM: STORM SEWER MAINTENANCE 531

The Water Resources Division maintains twelve storm water pumping stations, seventeen miles of storm sewer lines, eleven exfiltration trenches, approximately 1300 catch basins, and eighty outfalls to manage storm water runoff and reduce flooding and hazards to residents and property.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Weekly Check Storm Water Pump Stations	n/a	n/a	624	624
Bi-Annual Preventive Maintenance on Components	n/a	n/a	36	36
Maintain Clean Storm Lines and Catch Basins	n/a	n/a	as needed	as needed
System Pumps Repaired Within One Week In-House	n/a	n/a	3	4
Telemetry of Each Station Checked 5 days/week	n/a	n/a	3,120	3,120

Focus Forward

- The storm water pump stations and storm sewer collection system will be operated and maintained to be one-hundred percent operational at all times so that storm water is removed as effectively as possible.
- We will operate and maintain the storm water pump stations and storm sewer collection system to meet design criteria.
- Proactive response to major storm events will be coordinated to minimize flooding.

Public Works Department

Program 531 - Storm Sewer Maintenance
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	116,982	123,111	192,622	134,558	164,567	-14.56%
Employee Benefits	37,909	52,359	69,101	63,618	101,686	47.16%
Contractual	115,394	100,067	136,200	92,311	129,100	-5.21%
Commodities	46,675	37,654	48,500	39,064	52,900	9.07%
Capital Outlay	92,862	43,809	56,259	29,425	56,259	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	409,822	357,000	502,682	358,976	504,512	0.36%

EXPENDITURES

Salaries and Wages:
Decrease due to FY2004 being overbudgeted. FY2005 adjusted to bring more in line with historical trends.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs and the addition of the new mechanic position.

Contractual:
Maintenance of vehicles moved to Vehicle Maintenance program code 571. Reduction in building maintenance and contractual repair costs.

Commodities:
Increase in fuel/motor oil expenses. Additional parts and material for in-house repairs and associated reduction in contractual repairs.

Capital Outlay:
No change.

Public Works Department

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
General Maintenance Supervisor	0.01	0.00	0.00	0.00
Spray Truck Operator	0.01	0.01	0.01	0.01
WRD Manager	0.27	0.30	0.30	0.30
Mechanic Supervisor/WRD	0.25	0.25	0.25	0.37
Electrician Supervisor	0.03	0.03	0.03	0.03
Wastewater Operator II	0.20	0.25	0.25	0.38
Mechanic II/WRD	0.25	0.25	0.20	0.38
Parks Supervisor I	0.01	0.01	0.02	0.02
Building Maintenance Worker	0.02	0.02	0.01	0.02
Equipment Operator II/WRD	0.20	0.20	0.20	0.25
Wastewater Operator I	1.00	1.00	1.00	1.25
Mechanic I/WRD	0.50	0.50	0.50	0.50
Tree Trimmer	0.04	0.04	0.02	0.04
Equipment Operator I/WRD	0.20	0.20	0.25	0.25
Equipment Operator/Parks	0.02	0.02	0.02	0.00
Laborer	0.20	0.20	0.25	0.25
Parks Laborer	0.04	0.05	0.01	0.03
Electrician II	0.21	0.21	0.21	0.21
TOTAL	**3.46**	**3.54**	**3.53**	**4.29**

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Public Works Department

PROGRAM: SANITARY SEWER MAINTENANCE 532

This program provides for the maintenance and repair of 54 pump stations, almost thirty-nine miles of gravity pipe lines, eighteen and one-half miles of force mains, and one thousand manholes throughout the Town. This system collects sewage from the Town and transports it for treatment to the West Palm Beach treatment facility to protect the residents of the Town, the Atlantic Ocean, and the Lake Worth Lagoon from the environmental exposures of untreated sewage.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Reduce inflow and infiltration	n/a	n/a	10%	15%
Inspect/Operate Sanitary Pump Stations	n/a	n/a	3,172	3,172
Semi-annual Preventive Maintenance on Sanitary Components	n/a	n/a	60	60
Telemetry of Each Station Checked 5 Days/Week	n/a	n/a	12,480	12,480
Quarterly Test Each Station Alarm Points	n/a	n/a	192	192
Inspect and Repair/Replace Manholes	n/a	n/a	100	100

Focus Forward

- The sanitary sewer collection and pumping system will be operated and maintained to be one-hundred percent operational at all times.
- We will operate and maintain the sanitary sewer collection and pumping system to meet design criteria.
- Maintenance and treatment costs will be reduced as this program works to reduce inflow and infiltration into the system through approved methods.
- We will continue televising gravity lines and complete any gravity system line repairs.
- We will begin the review and evaluation of the Town's force mains.

Public Works Department

Program 532 - Sanitary Sewer Maintenance
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	532,630	551,579	530,958	555,451	550,433	3.67%
Employee Benefits	164,181	187,053	222,793	221,277	231,883	4.08%
Contractual	101,657	80,242	115,300	105,110	103,200	-10.49%
Commodities	83,519	94,337	107,900	91,376	113,800	5.47%
Capital Outlay	33,103	32,724	127,082	71,440	143,754	13.12%
Other	0	0	0	0	0	0.00%
TOTALS	915,090	945,935	1,104,033	1,044,654	1,143,070	3.54%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Vehicle maintenance and radio repair & parts moved to Vehicle Maintenance program 571.

Commodities:
Anticipated increase in fuel/motor oil. Planned landscaping improvements at main stations.

Capital Outlay:
Increase in depreciation. Purchase of replacement portable pump.

Public Works Department

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
General Maintenance Supervisor	0.02	0.01	0.01	0.01
WRD Manager	0.68	0.70	0.70	0.70
Mechanic Supervisor/WRD	0.75	0.75	0.75	0.63
Wastewater Operator II	0.80	0.75	0.75	0.61
Electrician II	0.72	0.60	0.60	0.60
Mechanic II/WRD	0.75	0.75	0.63	0.63
Parks Supervisor I	0.02	0.02	0.02	0.00
Electrician Supervisor	0.23	0.20	0.25	0.15
Mechanic I/WRD	1.50	1.50	1.38	1.50
Street & Sign Painter	0.04	0.01	0.01	0.01
Wastewater Operator I	4.00	4.00	4.00	3.75
Equipment Operator II/WRD	0.80	0.80	1.00	0.75
Tree Trimmer	0.04	0.04	0.06	0.04
Equipment Operator I/WRD	0.80	0.80	0.75	0.75
Equipment Operator/Parks	0.02	0.02	0.06	0.02
Spray Truck Operator/Parks	0.01	0.01	0.01	0.01
Laborer	0.80	0.80	0.75	0.75
Parks Laborer	0.16	0.15	0.15	0.10
Building Maintenance Worker	0.03	0.01	0.02	0.02
TOTAL	**12.17**	**11.92**	**11.90**	**11.03**

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Public Works Department

PROGRAM: SANITARY SEWAGE TREATMENT 533

This program reflects the costs of treating our sanitary sewage which is pumped either directly to the West Palm Beach treatment facility or to the West Palm Beach facility via Lake Worth.

In September 1992, the Town entered into a joint interlocal agreement (the "Agreement") with Palm Beach County and three municipalities (West Palm Beach, Riviera Beach and Lake Worth) whereby prior separate agreements were consolidated into a single unified agreement to establish rules and procedures for the operation and management of the existing East Central Regional Wastewater Treatment Facility (ECR) in which each participating entity had a financial interest. ECR was created to receive, treat, and dispose of sewage generated within each municipality and the County. The initial term of the Agreement is for thirty years with a renewable term of thirty years. In the event ECR is sold or disposed of, proceeds of the sale or disposition shall be prorated among the entities, based on their reserve capacity as of the date of disposition. As of September 30, 2003, the Town had a 9.091% interest in ECR.

The Agreement provides for the establishment of a Governing Board (the "Board"), consisting of one representative from each entity participating in the Agreement, to administer the ECR. Under the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Section 163.01(7) of Florida Statutes. In accordance with the Agreement, the City of West Palm Beach operates and manages ECR on behalf of the Board.

All costs of operating the ECR, excluding depreciation, are shared by each of the entities based on actual flows of wastewater. Costs associated with capital projects, renewal and replacement, and debt service are shared among the participating governments based on their pro-rata share of reserve capacity. Since the Town's interest in ECR represents an equity interest primarily in capital assets and since the Town's investment was funded from General Fund monies, the Town's net investment in ECR is recorded in the General Fixed Asset Account Group based upon the Town's 9.091% interest in the net assets of ECR. To date, ECR has only experienced losses as a result of depreciation on contributed fixed assets. The Town does not believe that the joint venture is accumulating significant financial resources or experiencing financial stress that may cause a future benefit or burden to the Town.

Based on a "Participatory Agreement" signed by all participants in April 1993, ECR constructed improvements amounting to approximately $22,377,000, which was financed by the State of Florida Department of Environmental Protection Revolving Loan Fund. Pledged revenue consisting of all fees and payments received by ECR will be used to repay the debt. As of September 30, 2003, the outstanding balance due to the State Loan Fund was $15,379,174.

Each entity's interest as of September 30, 2003 is as follows:

Participant	Reserve Capacity Percentages
City of West Palm Beach	30.909%
Palm Beach County	22.727%
City of lake Worth	22.727%
City of Riviera Beach	14.546%
Town of Palm Beach	9.091%

Public Works Department

Program 533 - Sanitary Sewage Treatment
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	1,180,807	1,315,396	1,273,100	1,237,694	1,273,100	0.00%
Commodities	0	0	0	0	0	0.00%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	1,180,807	1,315,396	1,273,100	1,237,694	1,273,100	0.00%

EXPENDITURES

Contractual:
No anticipated increase.

Public Works Department

PROGRAM: RESIDENTIAL COLLECTION 541

This program provides for collection of all single family residential properties on a four day a week basis with the fifth day devoted to recycling. Condominium residential properties in the Town are collected on a five day a week basis. Employees work on a task system and must cover their entire collection route before going home. Residential garbage will generally not be picked up on holidays.

Costs of this program are traditionally included in the tax rate. Costs include 75% of the operation and maintenance of the transfer station located off of Pinewalk. Approximately 8,000 tons of garbage are collected annually.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Tons Collected	n/a	n/a	7,900	8,000
Reported Misses	n/a	n/a	22	20

Focus Forward

- We will continue to provide a level of service to promote health, safety, and welfare of the community, minimize foul odors/pests, and protect the environment.
- Ongoing efforts will be made to reduce the number of reported and verified garbage misses on each route.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Sanitation Supervisor	0.40	0.40	0.40	0.40
SWD Manager	0.00	0.00	0.00	0.28
Equipment Operator II 20/60 Yd	1.13	1.13	1.13	1.13
Equipment Operator I/6 Yd	7.20	7.20	7.20	7.20
Equipment Operator I/Trash	0.10	0.10	0.10	0.10
Laborer I/Trash	1.10	1.10	1.10	0.40
Services Manager	0.28	0.28	0.28	0.00
General Maintenance Supervisor	0.01	0.01	0.01	0.01
Building Maintenance Worker	0.07	0.02	0.02	0.02
TOTAL	**10.29**	**10.24**	**10.24**	**9.54**

Public Works Department

Program 541 - Residential Collection
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	313,183	330,611	374,051	373,331	362,379	-3.12%
Employee Benefits	121,909	146,882	179,432	180,511	192,167	7.10%
Contractual	7,739	7,806	9,100	4,685	2,100	-76.92%
Commodities	40,406	49,929	42,100	44,341	30,200	-28.27%
Capital Outlay	0	33,866	29,290	29,357	29,691	1.37%
Other	0	0	0	0	0	0.00%
TOTALS	483,237	569,094	633,973	632,225	616,537	-2.75%

EXPENDITURES

Salaries and Wages:
Original budget for FY2004 was $339,051. This amount was increased by $35,000 to cover extensive personnel costs associated with hurricane recovery. The decrease shown factors in this budget adjustment, offset by costs due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
External vehicle repair moved to Vehicle Maintenance program 571. Anticipated increase in fuel/motor oil.

Commodities:
Internal vehicle maintenance moved to program 571, Vehicle Maintenance. Anticipated increase in fuel/motor oil.

Capital Outlay:
Increased depreciation.

Public Works Department

PROGRAM: COMMERCIAL COLLECTION 542

Commercial collection is provided five days a week for commercial establishments. Restaurants are serviced seven days a week, including holidays. Commercial establishments are charged a user fee for this service. Contract collection of compacted waste at eight locations is provided by this program. Twenty-five percent of the cost of the Town's transfer station is included in this program.

Employees work a task system and must complete their route before going home. These crews pick up about 2,500 tons of garbage a year.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Tons Collected	n/a	n/a	2,200	2,660
Reported Misses	n/a	n/a	0	3

Focus Forward

➤ We will continue to provide a level of service to promote health, safety, and welfare of the community, minimize foul odors/pests, and protect the environment.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Sanitation Supervisor	0.40	0.40	0.40	0.40
Equipment Operator III/60 Yd	0.25	0.25	0.25	0.25
Equipment Operator II/20 Yd	2.13	2.13	2.13	2.13
Sanitation Walker	4.00	4.00	4.00	4.00
Services Manager	0.15	0.15	0.15	0.15
Laborer I/Trash	0.10	0.10	0.10	0.10
TOTAL	**7.03**	**7.03**	**7.03**	**7.03**

Public Works Department

Program 542 - Commercial Collection
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	335,295	352,612	369,744	371,303	390,028	5.49%
Employee Benefits	96,917	118,284	143,143	141,962	159,566	11.47%
Contractual	177,193	190,378	200,500	169,557	164,900	-17.76%
Commodities	26,329	25,020	27,800	30,570	19,400	-30.22%
Capital Outlay	0	27,747	27,747	27,747	27,747	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	635,734	714,041	768,934	741,139	761,641	-0.95%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
External vehicle repair moved to Vehicle Maintenance program 571.

Commodities:
Internal vehicle maintenance moved to program 571, Vehicle Maintenance.

Capital:
No change.

Public Works Department

PROGRAM: REFUSE DISPOSAL 543

This program pays for the cost of garbage disposal at the County landfill for Town owned properties. This program also pays for garbage from residential and commercial properties that is hauled to the county landfill for disposal via two 65 cubic yard tractor/trailer compactors operating out of our transfer station at Pinewalk.

The Town is now servicing more commercial customers due to being the sole provider. This has resulted in substantial increases in disposal costs which have been offset by increased collection fee revenue. However, the Town is also now receiving a credit for yard trash placed in Town landfills, which is saving about $50,000 per year.

Focus Forward

- Disposal costs paid to the Solid Waste Authority will be reduced by encouraging participation in the recycling program and ensuring yard trash credit is renewed.

Public Works Department

Program 543 - Refuse Disposal
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	26,385	97,418	70,000	68,642	70,000	0.00%
Commodities	0	0	0	0	0	0.00%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	26,385	97,418	70,000	68,642	70,000	0.00%

EXPENDITURES

Contractual:
No anticipated increase.

Public Works Department

PROGRAM: YARD TRASH COLLECTION 544

Yard trash is collected from the street right-of-way and disposed of at two Town-owned compost landfills. This program provides for all costs of collection and disposal. Also included in the program are the special collections on Tuesdays and Thursdays for white goods or non-yard trash. From May to November the special collection service is changed to one day per week (Friday), due to a decrease in demand.

Yard trash is collected once per week along four designated collection routes which are serviced Tuesday through Friday all year. Trash stored in off-road collection or "stash" areas throughout the Town are serviced on Monday. All material collected in this program is trucked to Town owned composting facilities for processing. These actions result in more than $720,000 in disposal cost savings for material that is not taken to the Solid Waste Authority.

The program includes a pilot project to test the feasibility of containerizing small clippings and servicing the 95 gallon containers using a specialized compactor truck once per week. The goal of this project is to minimize clogging of drainage inlets. Preliminary evaluation of the pilot project indicates that this is an effective program in reducing drainage problems. This program is ongoing pending a final disposition.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Collect, Transport and Dispose of Yard Trash	n/a	n/a	150,000 c.y.	150,000 c.y.

Focus Forward

- This program will provide weekly curbside collection, transport and disposal of yard waste from all properties in the Town.
- Clogging of drainage inlets caused by grass and hedge clippings will be reduced by the prompt removal of yard trash and enforcement of set-out schedules.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Services Manager	0.30	0.30	0.30	0.30
Trash Supervisor	0.90	0.90	0.90	0.90
Crane Operator/Trash	3.00	3.00	3.00	3.00
Equipment Operator I/Trash	7.41	7.36	7.36	7.35
Equipment Operator II 20/60 Yd	0.50	0.50	0.50	0.50
Equipment Operator I/6 Yd	0.00	0.00	0.00	0.20
Refuse Disposal Operator	1.00	1.00	1.00	1.00
Equipment Operator I/Streets	0.25	0.25	0.25	0.25
Laborer I/Trash	7.31	7.36	7.35	8.26
General Maintenance Supervisor	0.02	0.01	0.01	0.01
Streets/Parks Supervisor	0.02	0.02	0.02	0.02
Spray Truck Operator	0.00	0.01	0.01	0.01
Streets Supervisor	0.25	0.25	0.25	0.25
Building Maintenance Worker	0.04	0.01	0.02	0.02
Electrician II	0.02	0.02	0.02	0.03
TOTAL	**21.02**	**20.99**	**20.99**	**22.10**

Public Works Department

Program 544 - Yard Trash Collection
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	785,753	807,554	972,778	967,633	888,771	-8.64%
Employee Benefits	275,099	328,033	396,393	402,699	451,998	14.03%
Contractual	20,516	26,828	45,200	27,056	4,600	-89.82%
Commodities	109,939	103,779	94,700	99,961	74,500	-21.33%
Capital Outlay	144,359	71,225	70,579	77,911	75,065	6.36%
Other	0	0	0	0	0	0.00%
TOTALS	1,335,666	1,337,419	1,579,650	1,575,260	1,494,934	-5.36%

EXPENDITURES

Salaries and Wages:
Original budget for FY2004 was $847,778. This amount was increased by $125,000 to cover extensive personnel costs associated with hurricane recovery. The decrease shown factors in this budget adjustment, offset by costs due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
External vehicle maintenance moved to program 571, Vehicle Maintenance.

Commodities:
Internal vehicle maintenance moved to program 571.

Capital Outlay:
Increase in depreciation.

Public Works Department

PROGRAM: RECYCLING 545

The recycling program provides for back door pick-up of material on a one-time per week basis. Materials to be recycled include newspaper, aluminum, corrugated cardboard, drink boxes, magazines & catalogs, milk and juice cartons, plastic containers and glass. These recyclables are sent to the Solid Waste Authority for processing. Recycling service is available to all single-family, multi-family, and commercial facilities in Town.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Residential Participation Rate	n/a	n/a	70%	75%
Commercial Participation Rate	n/a	n/a	75%	80%
Tons Collected	n/a	n/a	1,600	1,600

Focus Forward

➤ We will continue to reduce waste directed to landfills, utilize reusable resources and reduce disposal costs by publicizing and encouraging participation in recycling programs.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Services Division Manager	0.17	0.17	0.17	0.17
Equipment Operator I/6 Yd	1.80	1.80	1.80	1.60
Equipment Operator I/Trash	1.45	1.45	1.45	1.45
Sanitation Supervisor	0.20	0.20	0.20	0.20
Laborer I/Trash	0.30	0.30	0.10	0.10
Equipment Operator III/60 yd	0.00	0.00	0.20	0.00
TOTAL	**3.92**	**3.92**	**3.92**	**3.52**

Public Works Department

Program 545 - Recycling
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	121,466	129,923	135,837	131,479	144,255	6.20%
Employee Benefits	42,120	56,600	69,464	68,612	72,334	4.13%
Contractual	2,206	457	2,400	0	100	-95.83%
Commodities	13,053	15,491	15,100	13,197	11,500	-23.84%
Capital Outlay	63	14,117	17,896	19,951	19,951	11.48%
Other	0	0	0	0	0	0.00%
TOTALS	178,908	216,588	240,697	233,239	248,140	3.09%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
External vehicle maintenance moved to program 571, Vehicle Maintenance.

Commodities:
Internal vehicle maintenance moved to program 571.

Capital:
Increased depreciation.

Public Works Department

PROGRAM: BEACH CLEANING 546

Debris such as plastics, lumber, paper and other non-seaweed waste are removed from the beach rack line, or high tide line, once per week over the twelve-mile length of the island. Seaweed is considered part of the natural environment and is left on the beach.

The Town continued in an agreement in 2003 with the Citizens Association of Palm Beach to mechanically clean the beach from Sloan's Curve to the south-end of the Town. The Town provides the service three times per week with the Association paying for the actual time, equipment, and parts spent on this section of beach. An Old South Ocean Boulevard beach access point has been developed to be utilized as a key access point. The equipment and manpower are used on Town-owned beaches the remainder of the time.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Entire Rack Line Cleaned, Weekly	n/a	n/a	52	52
Non-Biotic Waste Collected, Tons	n/a	n/a	130	130

Focus Forward

- Safety of the beach environment will be improved by continuously cleaning beach areas to the rack line at least once a week.
- Litter build up along the coastline will be reduced and maintenance of the natural beauty of the beaches will be enhanced by the constant diligence of the beach cleaning program.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Beach Cleaner	1.75	1.75	1.75	1.75
Equipment Operator I/Trash	0.14	0.14	0.14	0.09
Laborer I/Trash	0.09	0.09	0.09	0.14
Trash Supervisor	0.10	0.10	0.10	0.10
TOTAL	**2.08**	**2.08**	**2.08**	**2.08**

Public Works Department

Program 546 - Beach Cleaning
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	58,090	75,928	80,343	82,420	82,314	2.45%
Employee Benefits	21,652	29,748	34,524	34,715	38,455	11.39%
Contractual	8,148	15,115	17,600	14,458	14,100	-19.89%
Commodities	8,865	12,119	14,700	15,472	6,100	-58.50%
Capital Outlay	10,159	6,036	6,696	6,366	6,516	-2.69%
Other	0	0	0	0	0	0.00%
TOTALS	106,914	138,946	153,863	153,431	147,485	-4.15%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
External vehicle maintenance moved to program 571, Vehicle Maintenance.

Commodities:
Internal vehicle maintenance moved to program 571.

Capital Outlay:
Decreased depreciation.

Public Works Department

PROGRAM: LANDSCAPE MAINTENANCE 551

This program provides for maintenance of all parks within the Town and entry ways to the Town. Lakeside Park, Bradley Park, Boyd Park, Seaview Park, Phipps Ocean Park, Peruvian Avenue Park, Inlet-Dock Park, the Public Beach, Beach Access Points, Wells Road at the Bike Trail, Park Avenue Mini-Park, Wrightsman Estate, Phipps Plaza, Memorial Fountain, and the Ibis Island Park, Post Causeway, are parks maintained under this program.

Within the general street right-of-way areas are twenty-one locations maintained by this program and the main entry ways to Palm Beach, Royal Palm Way and Royal Poinciana Way. The south end bike trail is included in this program for maintenance. The program also integrates light, routine maintenance of historic/specimen trees for owners of these trees who have signed a maintenance agreement requesting that the Town do this work.

This program provides inoculations for approximately 2,600 palms by contractual service, located on public property which are susceptible to lethal yellowing. Beginning this fiscal year, Town-owned Jamaican Tall, Malayan and Maypan palms will be injected three times per year. Susceptible palm species are injected three times per year with 1.5 grams of tetracycline to reduce mortality rates. Residents whose palms have died of lethal yellowing are notified by certified mail to remove them. Affected Town owned palms are removed by contract. In addition, twenty-four new locations will be spot checked quarterly for the disease as a control measure to control the spread of lethal yellowing disease. Residents will be able to utilize Town contract prices for injecting their palms.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Royal Palms Trimmed	n/a	n/a	550	550
Lethal Yellowing Inoculation	n/a	n/a	$33,689	$34,920

Focus Forward

- The Town's public areas will be maintained in an optimum condition by adhering to the established maintenance work program that enhances aesthetics within the Town while containing costs.
- Additional injections of tetracycline will reduce the mortality rate of coconut palms and control lethal yellowing disease.
- Light maintenance, as required, will be provided on the designated historic/specimen trees within the Town.
- This year we will begin the removal of exotic species of trees and plants from Town owned property as required by Town Ordinance.

Public Works Department

Program 551 - Landscape Maintenance
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	547,749	516,108	514,570	523,158	520,262	1.11%
Employee Benefits	190,586	201,001	212,278	211,839	240,254	13.18%
Contractual	130,528	157,485	284,400	246,981	335,420	17.94%
Commodities	51,445	59,598	64,500	48,042	64,700	0.31%
Capital Outlay	44	25,087	23,355	22,923	24,856	6.43%
Other	0	0	0	0	0	0.00%
TOTALS	920,352	959,279	1,099,103	1,052,943	1,185,492	7.86%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Anticipated increase in annual landscaping contract.

Commodities:
Anticipated increase in gas/motor oil. Landscaping upgrades in Town parks and medians.

Capital Outlay:
Increased depreciation.

Public Works Department

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Facilities Maintenance Manager	0.30	0.60	0.60	0.60
Nursery Worker	0.35	0.93	0.90	0.90
Parks Supervisor I	0.42	0.86	0.84	0.84
Spray Truck Operator/Parks	0.43	0.89	0.91	0.91
Electrician Supervisor	0.01	0.02	0.02	0.02
Electrician II	0.03	0.06	0.06	0.06
Equipment Operator/Parks	0.92	1.80	1.90	0.98
Parks Laborer	3.52	6.10	3.12	4.77
General Maintenance Supervisor	0.04	0.03	0.03	0.03
Building Maintenance Worker	0.06	0.17	0.16	0.16
Tree Trimmer	1.06	1.70	1.80	1.80
Streets/Parks Supervisor	0.42	0.86	0.86	0.86
Street & Sign Painter	0.01	0.01	0.01	0.01
TOTAL	**7.57**	**14.03**	**11.21**	**11.94**

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Public Works Department

PROGRAM: FACILITY MAINTENANCE 554

The Facility Maintenance program includes building maintenance and utilities for all of the Town's buildings and structures. Included in these facilities are Town Hall, Police Facility, three Fire-Rescue Stations, the Public Works complex, Pumping Stations and Life Guard facilities.

This program provides for maintenance and repair of public areas and Town facilities with features requiring electrical, plumbing, masonry, carpentry, and painting skills. The program maintains all Town buildings and other items such as beach stairs, Town benches, trash receptacles, and additional miscellaneous fixtures such as all fountains in park areas.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 PROJECTED	FY2004 PROJECTED
Building Inspections	n/a	n/a	288	288
A/C Duct Cleaning	n/a	n/a	3	2
Buildings Painted	n/a	n/a	0	1
Benches Pressure Cleaned	n/a	n/a	86	88
Public Containers Pressure Cleaned	n/a	n/a	82	83

Focus Forward

- Town buildings and other public structures will be kept in a well maintained condition while controlling costs by the use of inspections and proper maintenance techniques.
- Town buildings will be kept hygienically free of foreign particles and molds to provide an environmentally friendly and safe work place.
- Public benches and waste containers will be kept free of mildew and debris accumulations to provide a clean, healthy environment.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
General Maintenance Supervisor	0.04	0.46	0.68	0.67
Tree Trimmer	0.06	0.16	0.20	0.00
Parks Laborer	0.08	0.69	0.50	0.00
Spray Truck Operator	0.01	0.07	0.01	0.01
Street Sign Painter	0.10	0.48	0.42	0.42
Electrician Supervisor	0.02	0.07	0.03	0.08
Electrician II	0.08	0.41	0.31	0.30
Building Maintenance Worker	0.10	1.16	1.15	1.14
Parks Supervisor I	0.01	0.07	0.10	0.00
Equipment Operator/Parks	0.00	0.05	0.04	0.00
Nursery Worker	0.00	0.07	0.10	0.00
Facilities Maintenance Manager	0.00	0.10	0.10	0.10
TOTAL	**0.50**	**3.79**	**3.64**	**2.72**

Public Works Department

Program 554 - Facility Maintenance
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	199,162	188,828	143,573	189,774	157,403	9.63%
Employee Benefits	51,837	60,841	65,828	68,837	61,025	-7.30%
Contractual	500,839	380,927	432,800	385,653	506,400	17.01%
Commodities	46,411	39,622	32,000	29,043	33,100	3.44%
Capital Outlay	51,149	6,754	29,312	15,450	9,858	-66.37%
Other	0	0	0	0	0	0.00%
TOTALS	849,398	676,972	703,513	688,757	767,786	9.14%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs, offset by a reallocation of employees to other programs.

Contractual:
Anticipated increases in water and electricity costs for new Fire-Rescue building. Annual increase in janitorial contract.

Commodities:
Anticipated increase in fuel costs.

Capital Outlay:
Reduction in depreciation, along with capital purchases in FY2004 not being made in FY2005.

Public Works Department

PROGRAM: METER MAINTENANCE AND COLLECTION 558

The Public Works Department has responsibility for the maintenance and collection of all parking meters within the Town. This includes maintenance and collection of coins from parking meters in Kreusler Park, which is owned and operated by Palm Beach County. A service fee and maintenance costs are charged to the County for this service. The program cost will be offset by about $23,300 in charges to Palm Beach County.

Coins from meters in high traffic areas are collected twice per week and all other areas once per week.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Inspections	n/a	n/a	104	104
Collections	n/a	n/a	104	104

Focus Forward

- This program will provide quality service to ensure meters are reliable, accurate and are always in service.
- Maintenance time on the meter system will be reduced by performing inspections each time coins are collected and ensuring backup replacement heads for both mechanical and electronic meters are available when repairs are needed.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
General Maintenance Supervisor	0.04	0.09	0.11	0.12
Building Maintenance Worker	0.48	0.48	0.46	0.46
TOTAL	**0.52**	**0.57**	**0.57**	**0.58**

Public Works Department

Program 558 - Meter Maintenance and Collection
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	23,954	22,482	26,716	20,685	28,048	4.99%
Employee Benefits	6,129	8,421	10,632	10,093	12,063	13.46%
Contractual	543	680	700	1,426	1,700	142.86%
Commodities	20,168	7,267	17,100	18,361	18,300	7.02%
Capital Outlay	0	1,405	1,405	1,405	1,405	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	50,794	40,255	56,553	51,970	61,516	8.78%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Anticipated increase in contractual meter repair/replacement.

Commodities:
Purchase of a new parking meter system for the north parking lot of Phipps Ocean Park.

Capital:
No change.

Public Works Department

PROGRAM: GENERAL ENGINEERING SERVICES 561

The primary function of the Engineering Division is to develop and administer the Town's engineering program to prepare budget estimates, plan, design and over see contractors for sanitary sewer systems, storm sewer systems, pumping stations, bulkheads, seawalls, beaches, streets, buildings, docks, and other public facilities. The Engineering Division also reviews site plans for development on private property and subdivision plans.

During the course of the year, Town Council, the Town Manager, or other Town departments request engineering surveys, cost estimates, design and specifications for small projects and miscellaneous engineering studies for projects which are not specifically budgeted elsewhere. Additionally, engineering time is spent for coordination on meetings with State DOT, West Palm Beach Utilities, other public utilities, and in the engineering investigation of citizen requests.

This program provides both staff time and engineering consultant fees to respond to these needs. Also included is contract administration and development review.

Focus Forward

- This program will continue to provide engineering services for the Town that are cost effective, timely, and that protect the Town's interests.
- Drainage facilities in the Town will be improved in a timely and cost effective manner in accordance with the Town Council approved Drainage Improvement Program.
- The Town's infrastructure will continue to be improved and maintained via the Capital Improvement Program as designed and constructed by this program's engineers or the Town's consultants with Engineering Division oversight.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Town Engineer	0.90	0.90	0.90	0.90
Project Engineer	2.00	2.00	2.00	2.00
Administrative Assistant	0.50	0.50	0.50	0.50
	3.40	**3.40**	**3.40**	**3.40**

Public Works Department

Program 561 - General Engineering Services
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	222,301	244,294	251,254	257,465	265,836	5.80%
Employee Benefits	53,249	64,647	75,145	74,563	84,933	13.03%
Contractual	33,989	28,590	47,500	24,152	27,800	-41.47%
Commodities	2,735	3,063	5,200	3,213	4,900	-5.77%
Capital Outlay	0	3,480	4,651	3,416	4,078	-12.32%
Other	0	0	0	0	0	0.00%
TOTALS	312,274	344,074	383,750	362,809	387,547	0.99%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Decrease in general engineering services.

Commodities:
Decrease in office supplies/equipment.

Capital:
Decrease in depreciation.

Public Works Department

PROGRAM: RIGHT OF WAY INSPECTIONS 565

This program provides for permit review and field inspections of work performed by contractors, utility companies, and private property owners within the rights-of-way and easements of the Town. The purpose of the permit/inspection process is to ensure that work performed is done in a safe and least disruptive way, and that restoration is completed in accordance with Town standards.

Approximately 1,000 permits are reviewed and inspected during the year. The permits are accepted and issued by the Planning, Zoning, and Building Department with review of the applications and actual inspections performed by the Public Works Department. Program costs are offset by permit fees which are estimated at $50,000 per year.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Permits Processed	n/a	n/a	1,000	1,000
Violations	n/a	n/a	120	140

Focus Forward

➤ Contractors work activities will comply with Town's Right-of-Way Standards Manual by administering our permitting and inspection program.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Town Engineer	0.10	0.10	0.10	0.10
Public Works Inspector	1.00	1.00	1.00	1.00
TOTAL	**1.10**	**1.10**	**1.10**	**1.10**

Public Works Department

Program 565 - Right of Way Inspections
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	56,796	62,568	66,373	67,665	69,926	5.35%
Employee Benefits	13,263	16,921	20,862	20,408	23,291	11.64%
Contractual	25	0	800	0	400	-50.00%
Commodities	1,283	1,134	1,550	1,237	1,400	-9.68%
Capital Outlay	0	720	664	664	1,375	107.08%
Other	0	0	0	0	0	0.00%
TOTALS	71,367	81,343	90,249	89,974	96,392	6.81%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
External vehicle maintenance and radio repair moved to program 571, Vehicle Maintenance.

Commodities:
Internal vehicle maintenance moved to program 571.

Capital Outlay:
Annual depreciation.

Public Works Department

PROGRAM: EQUIPMENT OPERATION & MAINTENANCE 571

This program provides for preventive and corrective maintenance on all Town equipment, except Police and Fire vehicles which are maintained by their respective Departments. Personnel order parts and materials, schedule maintenance, coordinate external or contracted repairs, perform road service as needed, and issue personal and vehicle gas cards to Town employees who use the West Palm Beach fueling facility.

Personnel maintain over 150 pieces of equipment ranging from lawn mowers to 65 cubic yard sanitation vehicles.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Preventive Maintenance Scheduled Services	n/a	n/a	1,440	1,440

Focus Forward

- We will maintain the Town's fleet in top condition at the lowest possible operating cost.
- The quality control program and monthly preventive maintenance schedules will be continued and will be one-hundred percent completed each month.
- Preventive maintenance procedures will be kept current and meet inspection needs of specialized equipment by reviewing/revising maintenance procedures as needed.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Services Manager	0.10	0.10	0.10	0.10
Vehicle Maintenance Supervisor	1.00	1.00	1.00	1.00
Mechanic IV	1.00	1.00	1.00	1.00
Mechanic III/Vehicle Maintenance	3.00	3.00	3.00	3.00
Vehicle Maintenance Clerk	1.00	1.00	1.00	1.00
TOTAL	**6.10**	**6.10**	**6.10**	**6.10**

Public Works Department

Program 571 - Equipment Operation and Maintenance
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	283,009	297,422	310,103	287,083	309,808	-0.10%
Employee Benefits	90,437	107,551	121,623	120,295	135,569	11.47%
Contractual	2,690	3,114	5,400	3,695	46,800	766.67%
Commodities	7,403	11,297	11,100	10,339	96,300	767.57%
Capital Outlay	1,934	8,237	5,921	6,118	6,118	3.33%
Other	0	0	0	0	0	0.00%
TOTALS	385,473	427,621	454,147	427,530	594,595	30.93%

EXPENDITURES

Salaries and Wages:
Slight decrease is due to retirement of long-term employee who worked as a Master Mechanic.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
External vehicle maintenance for all other programs consolidated into one account which provides a savings of approximately $21,700.

Commodities:
Internal vehicle maintenance for all other programs consolidated into one account which provides a savings of approximately $5,300.

Capital Outlay:
Increase in depreciation.

Public Works Department

PROGRAM: COASTAL MANAGEMENT 581

This program provides for a Coastal Management Coordinator to administer and implement the Town's Comprehensive Coastal Management Plan. Elements of the plan include monitoring coastal processes, reviewing alternative analyses, obtaining permits, and directing construction projects to address coastal erosion throughout the Town of Palm Beach as defined in the Coastal Management Plan adopted on December 1, 1999.

The program also includes a goal for increasing public awareness relative to coastal erosion issues and the CCMP, as well as funding to pay for Palm Beach County to operate and maintain the sand transfer plant at the Lake Worth Inlet.

Focus Forward

- Continue to implement coastal related projects in a timely manner, within permitting constraints, to ensure maximum effectiveness of the Town's Coastal Management Plan.
- Continue to increase public awareness of the overall goals of the Comprehensive Coastal Management Plan and the components of its implementation.
- Maximize bypassing of sand at the Lake Worth Inlet to restore longshore transport of sand on the Town's beaches.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Coastal Management Coordinator	1.00	1.00	1.00	1.00
TOTAL	**1.00**	**1.00**	**1.00**	**1.00**

Public Works Department

Program 581 - Coastal Management
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	29,333	59,391	61,386	64,935	70,058	14.13%
Employee Benefits	10,681	15,253	18,209	18,483	20,768	14.05%
Contractual	209,842	214,762	222,300	173,986	230,200	3.55%
Commodities	2,815	5,531	6,000	5,579	7,450	24.17%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	252,671	294,937	307,895	262,983	328,476	6.68%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Anticipated increase in the Sand Transfer Plant operations and maintenance expenses.

Commodities:
Anticipated increases in office supplies, minor office equipment, and data processing supplies.

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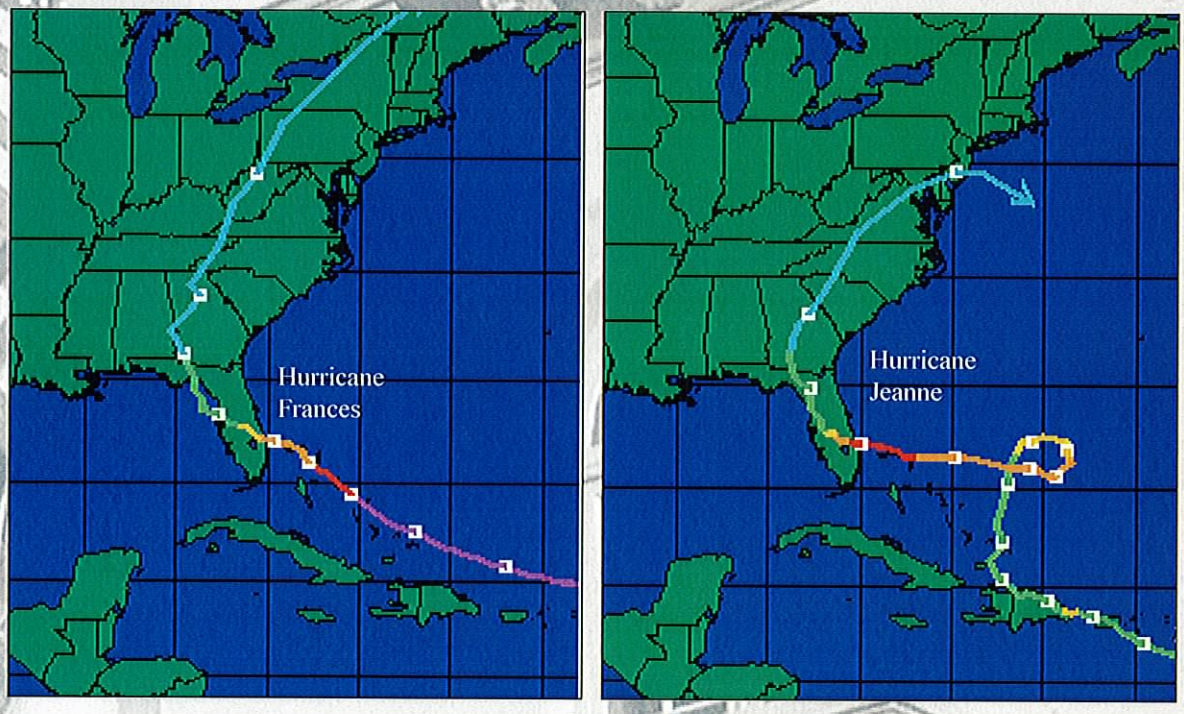
Other Programs

Society of the Four Arts Library



Emergency Management

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Other Programs

The Town contracts with The Society of the Four Arts Library to provide library services to its residents. The library maintains exceptional collection of books, audio, and video tapes and periodicals on the arts. It also sponsors special events and activities for its patrons. This annual appropriation takes the place of, and is substantially less than, property taxes that would be levied upon the residents by the Palm Beach County Library District.

Program 321 - Library Services
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	0	0	0	0	0	0.00%
Commodities	0	0	0	0	0	0.00%
Capital Outlay	0	0	0	0	0	0.00%
Other	235,000	235,000	235,000	235,000	235,000	0.00%
TOTALS	235,000	235,000	235,000	235,000	235,000	0.00%

EXPENDITURES

Other:
Yearly funding of the Society of the Four Arts Library, which serves as the local public library for the Town of Palm Beach.

Other Programs

The following are transfers made from the general fund into other funds within the Town.

Programs 611 to 625 - Transfers
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Capital Improvement Fund (307)	3,378,291	6,662,000	2,682,000	2,682,000	2,617,000	-2.42%
Comprehensive Coastal Management Plan (308)	783,834	863,700	0	0	0	0.00%
Town Facilities (310)	0	0	0	0	1,171,000	100.00%
Equipment Replacement (320)	4,382,972	0	0	0	0	0.00%
Debt Service Fund (203)	1,211,858	1,211,858	2,103,100	2,103,100	2,187,832	4.03%
Debt Service Fund (201)	0	0	376,900	376,900	384,978	2.14%
Donations Fund (103)	0	29,430	50,000	50,000	0	-100.00%
Group Health	690,000	753,301	763,731	763,731	712,256	-6.74%
Risk - W/C, Liab, Prop	2,292,624	2,746,915	2,810,033	2,810,033	2,510,033	-10.68%
Retirement - General Employee	3,130	1,885	2,000	1,835	1,900	-5.00%
Retirement - Public Safety Employee	4,479	5,144	5,700	3,696	4,800	-15.79%
TOTALS	12,747,188	12,274,233	8,793,464	8,791,295	9,589,799	9.06%

Other Programs

EXPENDITURES

Capital Improvement Fund:
(307) Fund - This represents a decrease in the General Fund funding for the pay-as-you-go portion of the capital projects fund.
(308) Fund - No change
(310) Fund - Additional Funding for Town Hall Renovations from Undesignated General Fund Balance.
(320) Fund - The initial funding for accumulated depreciation through FY02 for the Equipment Replacement Program was budgeted in this program. The annual depreciation for FY05 is budgeted throughout the program budgets.

Debt Service Fund:
(203) Fund - Represents the transfer to the 2000 Revenue Bond Debt Service Fund.
(201) Fund - Represents the transfer to the 2003 Revenue Bond Debt Service Fund.

Donations:
This represents the Town's contribution to Palm Beach Cats. In FY2005, the budgeted funds were moved to program 113, General Government.

Group Health:
This represents a decrease of Employer Funding of Retiree Health Insurance Premiums.

Risk - W/C, Liability, Property:
This represents a decrease in funding for the Risk program.

Retirement - General Employee Retirement System:
This represents the General Fund supplement for retiree's pensions who receive less than $1,200 per year to bring their annual retirement to $1,200. As those retirees pass away, the supplement from the General Fund decreases.

Retirement - Public Safety Retirement System:
This represents the General Fund supplement for retiree's pensions who receive less than $1,200 per year to bring their annual retirement to $1,200. As those retirees pass away, the supplement from the General Fund decreases.

Other Programs

This program provides for the continuing training of Town officials, employees and contractors in responding to emergencies. Costs associated with preparing and updating the Town's Storm Emergency Response Plan (SERP) and Comprehensive Emergency Management Plan (CEMP), including contractual assistance related to the CEMP and other emergency management projects also are allocated here.

Program 710 - Emergency Disaster Response
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	10,875	45,836	3,744,456	2,002,933	57,541	-98.46%
Commodities	0	0	0	0	0	0.00%
Capital Outlay	8,500	0	6,544	1,200	6,544	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	19,375	45,836	3,751,000	2,004,133	64,085	-98.29%

EXPENDITURES

Contractual:
The original budget for this expenditure category was $53,456. The increase from the FY2004 budget to the FY2005 budget is due to anticipated annual maintenance for new EOC equipment and anticipated increase in contractual services agreement for Emergency Management Coordinator.

The budget for FY2004 increased due to an amendment to fund expenditures in recovery after Hurricanes Jeanne and Frances.

Capital Outlay:
No change

Other Programs

This program contains the budget for the General Fund Contingency account.

The budget for the General Fund Contingency Account is established at 1.5% of the proposed budget and is adjusted throughout the year by Town Council approved transfers. Appropriations are transferred out of this line item and into line items designated by Town Council. Expenditures are not reflected in this program, but in the program approved by Town Council.

The Contingent Appropriations Program reflects expenditures which are not readily identifiable to a Program, and are not under the direction of any one Department.

Program 711 - Contingent Appropriations
Budget Summary

	FY2002 Budget	FY2003 Budget	FY2004 Budget	FY2005 Budget	% Change
Expenditures					
Salaries and Wages	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0.00%
Contractual	0	0	0	0	0.00%
Commodities	0	0	0	0	0.00%
Capital Outlay	0	0	0	0	0.00%
Other	852,652	443,284	653,200	745,496	14.13%
TOTALS	852,652	443,284	653,200	745,496	14.13%
Percent of Budget	2%	1%	1.39%	1.5%	

EXPENDITURES

Other:
The General Fund Contingency is budgeted at 1.5% of budgeted operating expenditures.

Other Programs

This program provides for the accounting of lease commitments for capital purchases.

Program 722 - Capital Lease Acquisitions
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	0	0	0	0	0	0.00%
Commodities	0	0	0	0	0	0.00%
Capital Outlay	141,408	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	141,408	0	0	0	0	0.00%

EXPENDITURES

Capital Outlay:
The amount for FY02 represents lease financing for an AS-400. No financing for capital acquisitions is planned for FY05.

Debt Service Fund

General Obligation Bonds

General Obligation Bonds offer maximum security to investors through the pledge of the municipalities full faith and credit, which for the Town of Palm Beach requires voter approval. The Town has a 5% debt limit as a percent of assessed valuation per Section 7.01 of the Town Charter.

Resolution 19-93 authorized the issuance of $6,675,000 General Obligation Refunding Bonds, Series 1993. The bonds were issued for the purpose of refunding the Town's General Obligation Refunding Bonds, Series 1986. The original bonds were issued for the purpose of providing for the acquisition of land for, and the construction of a police facility, the renovation of the North Fire-Rescue Station, and to make improvements to the sanitary sewer system. The Series 1993 Bonds are payable from an ad valorem tax levy on all taxable property within the Town, sufficient to pay the principal and interest on the bonds as it becomes due. Interest on these bonds is payable semiannually on January 1 and July 1 and principal payments are due July 1. In FY2005 the final payment will be made on this bond. The debt service requirement and interest rate for the final payment on the Series 1993 Bonds are as follows:

Fiscal Year	Interest Rate	Principal	Interest	Total
2005	4.75%	680,000	32,300	712,300

Revenue Bonds

In FY2000, the Town Council approved the issuance of Revenue Bonds for the purpose of funding the Coastal Protection Project. The proceeds of the Bonds are to be used for beach improvement, restoration and renourishment through the placement of sand and possible construction of groin fields and environmental mitigation for beach stabilization in all or a portion of the beaches located in the Town.

In FY2003, the Town Council approved the issuance of Revenue Bonds for refunding the 2000 Revenue Bonds at a lower rate and for the issuance of $6,130,000 for the Town facilities projects.

The Bonds are special obligations of the Town payable solely from and secured solely by the Pledged Revenues. Pledged Revenues shall mean (a) Town Monies, (b) any proceeds of Bonds originally deposited with the Town and all monies deposited and held from time to time by the Town in the funds and accounts established under the Resolution, in each case until applied in accordance with the Resolution, (c) investment income received by the Town in the funds and accounts established under the Resolution, and (d) any other monies received by the Paying Agent in connection with repayment of the Bonds.

Town Monies shall mean the monies budgeted and appropriated by the Town and deposited into the Sinking Fund or any other Fund established by the Resolution, from Non-Ad Valorem Revenues pursuant to the Town's covenant to budget and appropriate Non-Ad

Valorem Revenues, contained in the Bond Resolution.

The Debt Service Reserve requirement shall equal the lesser of (i) one hundred twenty-five percent (125%) of the average annual amount of debt service on all series of bonds Outstanding for the current fiscal year or any future fiscal year, (ii) ten percent (10%) of the respective proceeds of each Series of Bonds, or (iii) the maximum annual aggregate debt service on all Series of Bonds outstanding for the then current fiscal year or any future fiscal year.

The Town has covenanted that in each fiscal year of the Town, while the Bonds are outstanding, the total Non-Self-Supporting Debt service due for the fiscal year of the Town shall not exceed 50% of Non-Ad Valorem Revenues of the Town. In addition, the Town has covenanted and agreed that it will not issue any indebtedness or incur any indebtedness payable from or supported by a pledge of the Non-Ad Valorem Revenues unless the Town can show that following the issuance of, or incurrence of such additional indebtedness, (i) the total amount of Non-Ad Valorem Revenues will be greater than 2.00 times the Maximum Debt Service and (ii) the total amount of Non-Ad Valorem Revenues in each fiscal year in which Bonds are outstanding will be greater than 2.00 times the Non-Self-Supporting Debt in each such fiscal year.

As part of the preparation for the 2003 Revenue Bond, the Town's GO and Revenue Bond ratings were reviewed by both Moody's and Standard & Poor's. The Town's conservative financial policies and strong management of its financial resources were recognized, and it resulted in rating upgrades in both revenue and general obligation categories. Moody's Investors Service upgraded the Town's credit rating to Aa1 from Aa2 for the 2003 Revenue bonds and confirmed the Town's current Aaa GO rating. Standard and Poor's upgraded the credit rating on the Revenue bonds to AA+ from A+ and upgraded the Town's 1993 General obligation credit rating to AAA from AA. The AAA credit ratings are the highest ratings these two rating services issue and represent the highest quality investment grade debt.

The revenue bond upgrades provided cost savings to the Town. Credit quality spreads in the current market enabled many of the maturities to be offered without insurance, instead using the Aa1/AA+ ratings and avoiding the insurance premium required to elevate the rating to the insured Aaa/AAA level. As a result, insurance costs that were estimated to be $90,000 were actually only $25,394. This cost reduction was passed onto the Town in the form of lower debt service on the new money bonds and increased savings on the refunding bonds.

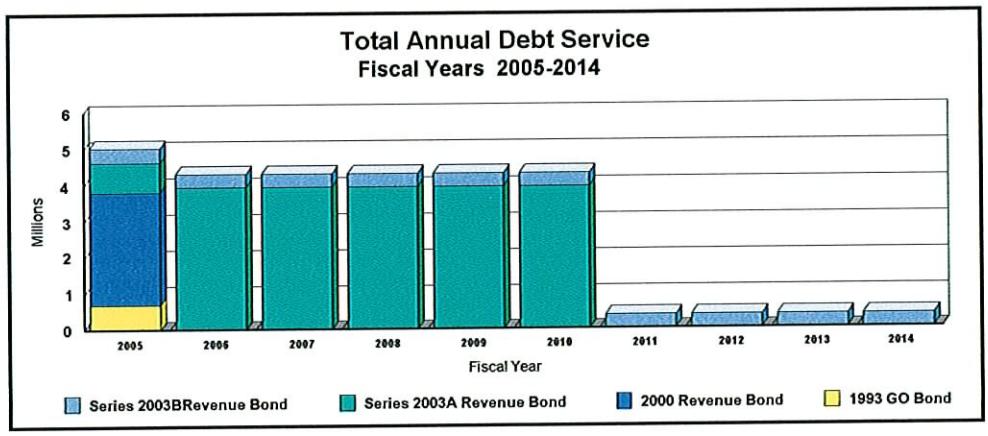
Principal payments are due on January 1, and interest payments are due on January 1 and July 1 of each year. The annual debt service requirements for the outstanding revenue bonds through 2014 are shown on the following page:

Debt Service Fund

Fiscal Year	2000 Revenue Bond	2003A Revenue Bond	2003B Revenue Bond	Total
2005	3,095,500	860,308	380,978	4,336,786
2006	0	3,954,408	378,578	4,332,986
2007	0	3,954,383	380,971	4,335,354
2008	0	3,952,223	377,940	4,330,163
2009	0	3,955,313	379,365	4,334,678
2010	0	3,952,069	380,221	4,332,290
2011	0	0	380,578	380,578
2012	0	0	380,445	380,445
2013	0	0	379,913	379,913
2014	0	0	379,118	379,118
Total	$3,095,500	$20,628,704	$3,798,107	$27,522,311

The outstanding debt service on the 2000 Revenue Bond represents the amount of unrefunded maturities that were in place before the call date in 2005. The final payment for the 2000 Revenue Bond will be made in FY2005. The 2003A Revenue Bond represents the refunded portion of the 2000 Revenue Bonds. The 2003A bond will be paid in full in 2010. The new bond did not extend the maturity of the original bond.

The chart below shows the Town's total annual debt service for FY2005 through FY2014. As you can see, the debt service declines dramatically in FY2011 after the 2003A bonds are paid in full.



Debt Service Fund

Legal Debt Margin

The Town of Palm Beach has a 5% debt limit as a percent of assessed valuation per Section 7.01 of the Town Charter. The following is a computation of the Town of Palm Beach Legal Debt Margin:

Preliminary Assessed Valuation		$9,168,593,174
Legal Debt Margin:		
Debt Limitation - 5% of assessed value		$ 458,429,659
Debt Applicable to Limitation:		
Bonded Debt	$ 680,000	
Less: Amount available for repayment of Bonds	(105,000)	
Net Debt Applicable to Limitation		575,000
Legal Debt Margin		$ 457,854,659

Debt Summary

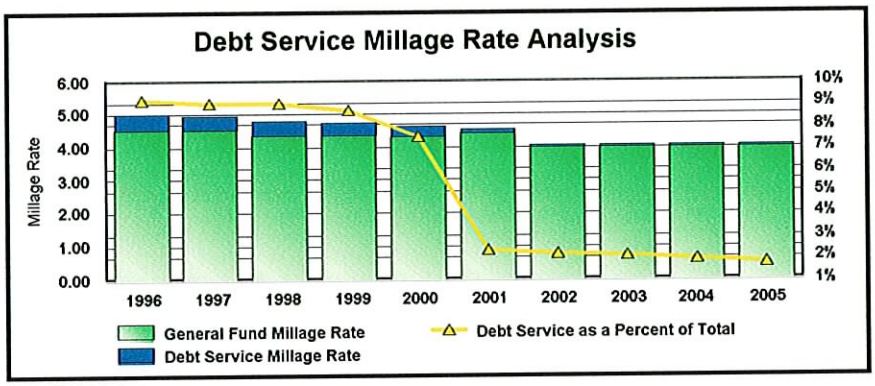
Outstanding debt as of September 30, 2004	
Gross bonded debt (all debt with a General Obligation Pledge)	$ 680,000
General Fund Pledge Obligations Non-Ad Valorem Revenue Bonds	27,360,000
Total Gross Debt	$28,040,000

Debt Ratios:

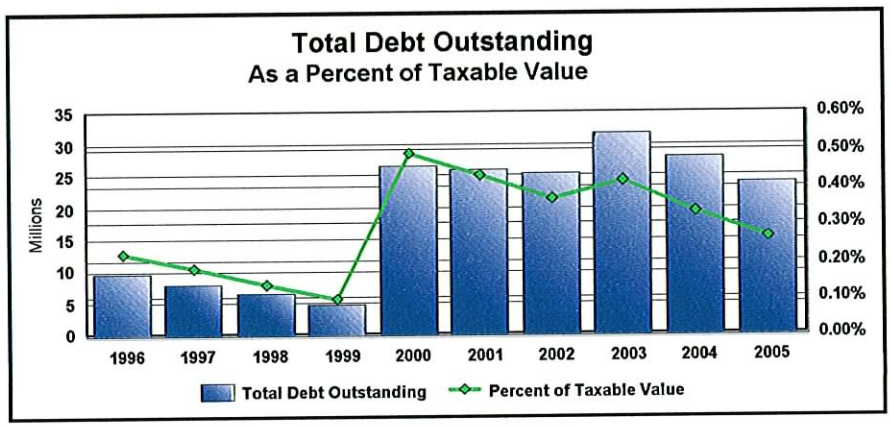
		Per Capita
2002 Population	9,682	
Taxable Value	$9,168,593,174	$946,973
Gross Bonded Debt	680,000	$70
Total Gross Debt	28,040,000	$2,896

Debt Service Fund

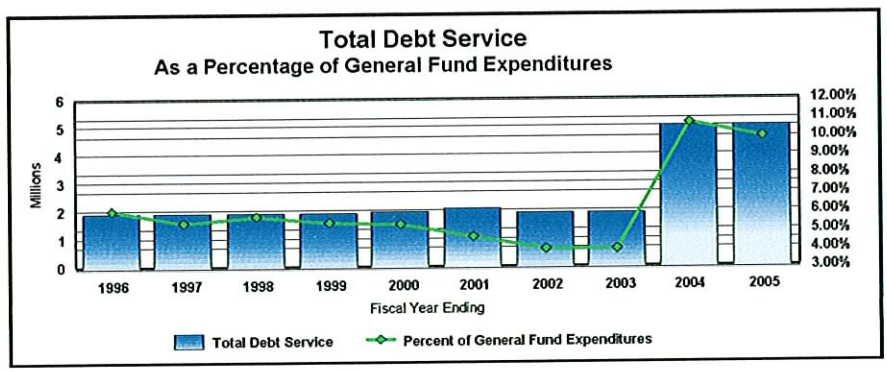
The debt service millage rate for fiscal year 2005 is .0693, which represents a decrease of 8.94% from the debt service millage rate for fiscal year 2004 of .0761. The chart below compares the Debt Service and General Fund millage rates for the period of 1996 through 2005. The debt service millage rate represents only 1.7% of the total millage rate of 4.0392.



The chart below shows the ratio of total debt outstanding as a percent of taxable value.



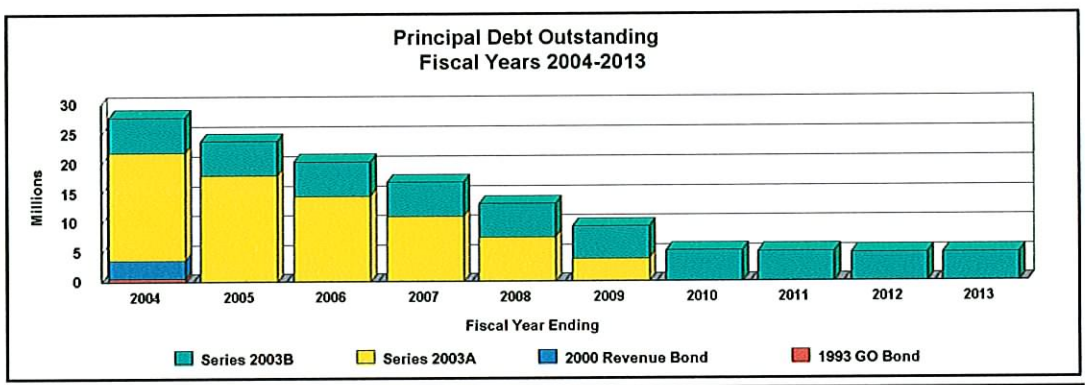
The chart below shows total debt service as a percentage of general fund expenditures.

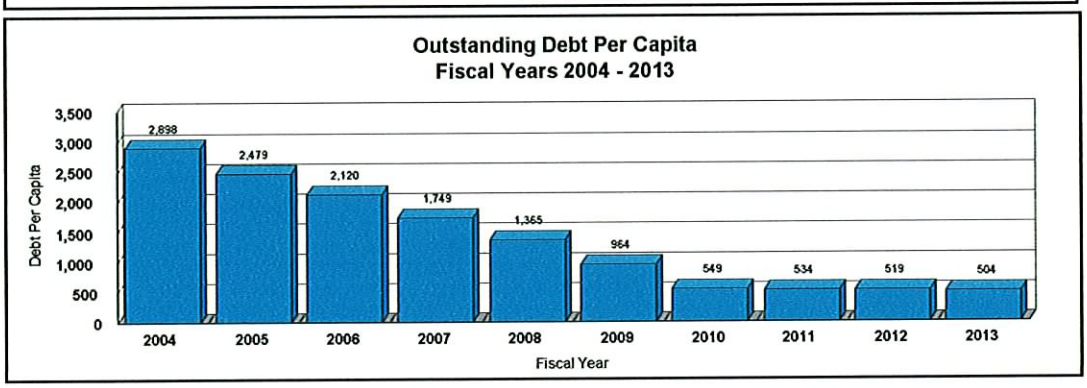


Debt Service Fund

Town of Palm Beach
Principal Debt Outstanding
FY2003 - FY2013

Fiscal Year Ending	1993 GO Bond	2000 Revenue Bond	2003A Revenue Bond	2003B Revenue Bond	Total Debt Outstanding	Debt Per Capita 9,676
2004	680,000	3,020,000	18,275,000	6,065,000	28,040,000	2,898
2005	0	0	18,045,000	5,945,000	23,990,000	2,479
2006	0	0	14,685,000	5,825,000	20,510,000	2,120
2007	0	0	11,225,000	5,700,000	16,925,000	1,749
2008	0	0	7,630,000	5,575,000	13,205,000	1,365
2009	0	0	3,885,000	5,445,000	9,330,000	964
2010	0	0	0	5,310,000	5,310,000	549
2011	0	0	0	5,170,000	5,170,000	534
2012	0	0	0	5,025,000	5,025,000	519
2013	0	0	0	4,875,000	4,875,000	504





Debt Service Fund

Fund 200 - Series 1993 GO Debt Service Fund
Revenue and Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Ad Valorem Taxes	593,496	613,982	610,140	615,374	608,000	-0.35%
Interest Earnings	11,987	7,841	9,500	5,646	1,500	-84.21%
TOTALS	605,483	621,823	619,640	621,020	609,500	-1.64%
Expenditures						
Debt Service Principal	580,000	610,000	645,000	645,000	680,000	5.43%
Debt Service Interest	116,775	90,675	62,615	62,615	32,300	-48.41%
Other Bond Expenses	850	1,050	1,000	1,000	2,200	120.00%
TOTALS	697,625	701,725	708,615	708,615	714,500	0.83%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	(92,142)	(79,902)	(88,975)	(87,595)	(105,000)	
Beginning Fund Balance	371,063	278,921	199,019	199,019	111,424	
ENDING FUND BALANCE	278,921	199,019	110,044	111,424	6,424	

REVENUE

Ad Valorem Taxes:
Represents the tax revenue generated from the GO debt service millage.

Interest:
Represents interest earned on the fund. The interest was calculated using a 2% return on surplus funds.

EXPENDITURES

Debt Service Principal:
Represents the amount of Principal due on the 1993 GO bonds in FY2005.

Debt Service Interest:
Represents the amount of Interest due on the 1993 GO bonds in FY2005.

Other Bond Expenses:
Represents amounts paid to the paying agent on the bonds.

Debt Service Fund

Fund 201 - Series 2003 Revenue Bond
Revenue and Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Interest Earnings	0	0	0	2,585	1,500	0.00%
Transfer from General Fund	0	0	376,900	376,900	384,978	2.14%
Transfer from CCMP PAYG Fund	0	0	864,900	864,900	859,307	-0.65%
TOTALS	0	0	1,241,800	1,244,385	1,245,785	0.32%
Expenditures						
Debt Service Interest	0	0	1,063,800	1,063,716	891,285	-16.22%
Debt Service Principal	0	0	175,000	175,000	350,000	100.00%
Other Bond Expenses	0	0	3,000	1,511	2,000	-33.33%
TOTALS	0	0	1,241,800	1,240,227	1,243,285	0.12%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	0	0	0	4,158	2,500	
Beginning Fund Balance	0	0	0	0	4,158	
ENDING FUND BALANCE	0	0	0	4,158	6,658	

REVENUES

Transfer from General Fund:
Represents the transfer of funds from the General Fund.

Transfer from CCMP PAYG Fund:
Represents the transfer of funds from the Coastal Protection Pay-As-You-Go Fund to fund debt service.

EXPENDITURES

Debt Service Interest:
Represents the amount of Interest due on the 2003 Revenue bonds in FY2005.

Debt Service Principal
Represents the amount of Principal due on the 2003 Revenue bonds in FY2005.

Other Bond Expenses:
Represents amounts paid to the paying agent on the bonds.

Debt Service Fund

Fund 203 - Series 2000 Revenue Bond Series
Revenue and Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Interest Earnings	48	575	0	1,957	2,000	0.00%
Transfer from General Fund	1,211,858	1,211,858	2,103,100	2,103,100	2,187,832	4.03%
Transfer from CCMP PAYG Fund	0	0	990,650	990,650	908,668	-8.28%
TOTALS	1,211,906	1,212,433	3,093,750	3,095,707	3,098,500	0.15%
Expenditures						
Debt Service Interest	1,211,858	1,211,858	222,750	222,750	75,500	-66.11%
Debt Service Principal	0	0	2,870,000	2,870,000	3,020,000	5.23%
Other Bond Expenses	525	575	1,000	575	700	-30.00%
TOTALS	1,212,383	1,212,433	3,093,750	3,093,325	3,096,200	0.08%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	(477)	0	0	2,382	2,300	
Beginning Fund Balance	477				2,382	
ENDING FUND BALANCE	0	0	0	2,382	4,682	

REVENUE

Interest:
Represents interest earned on the fund. The interest was calculated using a 2% return on surplus funds.

Transfer from General Fund:
Represents the transfer of Non Ad Valorem revenues from the General Fund to fund debt service.

Transfer from CCMP PAYG Fund:
Represents the transfer of funds from the Coastal Protection Pay -As-You-Go Fund to fund debt service.

EXPENDITURES

Debt Service Interest:
Represents the amount of Interest due on the 2000 Revenue bonds in FY2005.

Debt Service Principal:
Represents the amount of Principal due on the 2000 Revenue bonds in FY2005.

Other Bond Expenses:
Represents amounts paid to the paying agent on the bonds.

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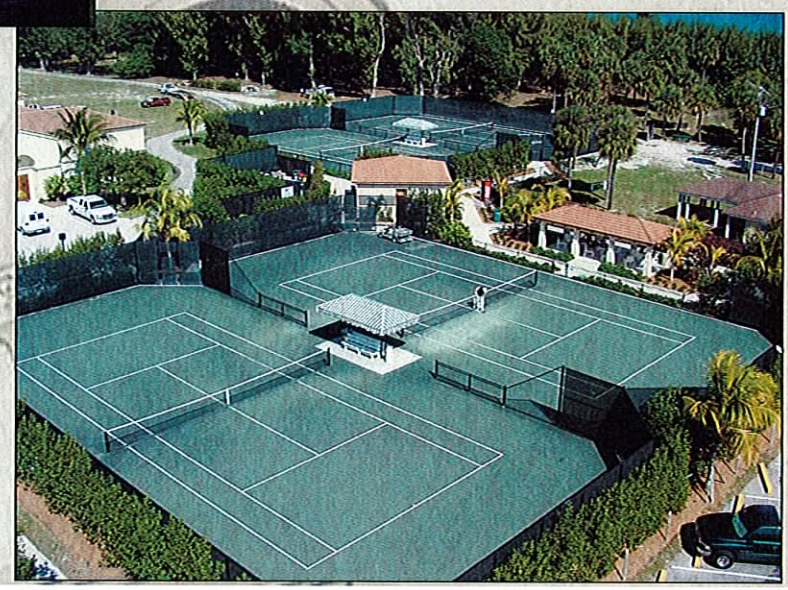
Capital Funds



CAPITAL FUNDS

Introduction:

The format of the Capital Improvement Fund section has been modified in the FY05 budget document to include accomplishments for the current fiscal year by fund. In addition, a summary schedule is included to reflect each ongoing project and/or projects with carry-over funds from prior years that will be utilized at some point in the future for a designated purpose. Each project has a completed project form which indicates the source of funding and projected costs for a five year period, in addition to an estimate of carry-over funds from FY04 and prior. The project form also reflects any operating budget impact due to the project.

Description of Funds:

The Town accounts for five Capital Funds as described below:

1) Capital Improvement Program (307)

The Capital Improvement Program represents a multi-year analysis of financial requirements, infrastructure needs and policy intention. The Program provides the best assessment of anticipated capital improvements based upon available information and preliminary engineering evaluations and opinions. However, the changing conditions of the Town's infrastructure require that the Program be reviewed and revised annually to insure that potential capital emergencies are averted and that improvements are planned in a timely and cost effective manner.

The magnitude of the cost of many capital projects often causes municipal officials to defer funding for the short-term purpose of avoiding taxation. The longer term analysis provided by our five-year plan is designed to emphasize the continuing need to adequately address the Town's infrastructure requirements which, over the longer term, will provide much greater and necessary benefits to the Town's taxpayers.

The Capital Improvement Program incorporates the policy of "pay as you go" for meeting the infrastructure needs of Palm Beach. This policy was adopted in 1985 and provides major benefits to taxpayers by providing for our infrastructure needs in a timely manner, at the lowest overall cost. This funding policy will also reduce, if not eliminate, the Town's future dependency on general obligation bonds for capital improvements, and will enhance the long term financial stability of the Town of Palm Beach.

While the Capital Improvement Program encompasses a five year period,

only the first year of the Program is actually adopted each year by the Town Council for funding and implementation. The out years of the Program is not a budget but provides appropriate financial information for prudent budget and planning recommendations and assists the Town's Elected Officials and Management Staff in the decision making process. Through budgetary action, the first year of the Program becomes the Capital Projects allocation which is funded from the General Operating Budget for the Town. For FY2005 $2,617,000 has been allocated by the General Fund and $1,072,000 from the Leisure Services enterprise Fund for capital projects. The FY2005 budget amount includes FY2005 new appropriations of $3,889,000 and reappropriated budgets of $14,095,147.

2) Comprehensive Coastal Management Plan (CCMP) (308)

This fund accounts for the pay-as-you-go portion of the Beach Restoration Project.

3) Comprehensive Coastal Management Plan (CCMP) (309)

This fund accounts for the Beach Restoration Project construction costs financed with proceeds from the 2000 Revenue Bond (refunded in 2003). The proceeds of the Bonds are being used for beach improvement, restoration and renourishment through the placement of sand and possible construction of groin fields and environmental mitigation for beach stabilization in all or a portion of the beaches located in Town.

4) Town Facilities Project Fund (310)

This fund accounts for construction costs for the New Fire-Rescue Station and Town Hall Renovations with proceeds from the 2003 Revenue Bond and transfers from the Capital Improvement and General Funds. The proceeds of the bonds will be used for financing the acquisition, construction and equipping of the new Fire-Rescue facility (including an emergency operations center) and renovation of Town Hall (including security upgrades).

5) Equipment Replacement Fund (320)

The purpose of this fund is to create a reserve to fund the replacement cost of existing equipment, vehicles and computers when they reach the end of their useful lives. The fund will significantly reduce budgetary fluctuations due to the purchase of large costly pieces of equipment. This fund also contains the fixed asset inventory and depreciation schedule as required by GASB34. This fund will receive an annual appropriated transfer from the General Fund equal to the annual depreciation amount on the assets in the fund.

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Capital Improvement Program

FUND (307) - CAPITAL IMPROVEMENT PROGRAM
FY04 ACCOMPLISHMENTS

✓ **Storm Water Drainage Improvements**

Lake Way - Replaced West Palm Beach water main between Orange Grove Road and Mediterranean Road. Constructed new storm sewer lines that are part of approved plan between these limits. Performed sanitary sewer repairs. Repaved roadway. Constructed storm sewer line between Emerald Lane and the D-4 Pump Station near Miraflores.
D-4 Basin (Miraflores) - Designed additional pump station D-3, at Tangier Avenue.
Phipps Plaza - Provided additional connection to Seaview Avenue.

✓ **Storm Water Collection Phase III (D-14)**

This was the final phase of the D-14 system improvements. Replacement of the alleyway paving was completed.

✓ **Sanitary Sewer Improvements**

General improvements to the sanitary sewerage system including replacement of collection system lines, lining of existing mains, and unscheduled emergency repairs at major and minor pumping stations were completed under this project.

✓ **Town Dock Improvements**

This funding covered development of a master plan for constructing new dock houses at the three Town docks (Peruvian, Brazilian and Australian), slip expansion projects (Brazilian & Peruvian) and parking improvements. The original FY04 budget included plans for the new Peruvian dock house, now scheduled for FY06.

✓ **Phipps Ocean Park - Tennis Courts**

This project constructed a fourth tennis court at Phipps Ocean Park.

✓ **Seaview Park Irrigation Improvement**

Modifications to the irrigation system at Seaview Park were made to improve the ability to water the site.

✓ **Public Works - Expand Office Space**

This project converted the paint and sign shop and a portion of the Purchasing warehouse into Engineering Division offices. This expansion allows sufficient space for the Engineering Division employees and a small conference room.

Capital Improvement Program

✓ **Public Works Building - Replace Roof**

This project replaced the existing 20,000 square foot roof at the Public Works facility and has a 30 year life expectancy.

✓ **North Fire-Rescue Station Shutters**

This project replaced the existing storm shutters with shutters meeting the current building code. The new shutters match the existing shutters so there was no impact upon the appearance of the building.

✓ **North Fire-Rescue Station Decontamination Room**

The funds for this project constructed a room at the North Fire-Rescue Station to decontaminate equipment used in the transport unit. The room consists of a shower and wash down area for cleansing equipment used during transport.

✓ **Underground Street Light Cables**

This project funded replacement of old underground street light cables.

✓ **Bury FPL Overhead Lines**

In accordance with one of the Town's major goals of pursuing opportunities to place utilities underground, as outlined in the Strategic Plan, this project funded two studies: (1) underground utility work for State Roads and (2) underground utility work for Town roads. These studies evaluated the technological and economic feasibility of installing utility lines underground and provided information to decide on the desirability of proceeding with a long term project. The Strategic Plan recommended that the Town investigate opportunities for limited, prioritized, high visibility "demonstration" projects, including financing mechanics and public-private costs sharing by year-end 2003. The project included a budget for an Florida Power & Light (FP&L) engineering deposit for a detailed design for burying FP&L lines along Royal Poinciana Way.

✓ **Police Station Shutters**

This project replaced 16 year old hurricane shutters at the Police Department.

Fund (307) - Capital Improvement Program: FY04 Carry-over and Five year Plan

Project	FY04 Est. Carry-over Budget	FY05 Proposed	FY06 Proposed	FY07 Proposed	FY08 Proposed	FY09 Proposed	Total
Storm Water Management							
Improvements	2,865,443	2,042,000	1,735,000	1,885,000	2,180,000	2,180,000	12,887,443
D-1 Pump Station N. Ocean Blvd.	2,183,115	0	0	0	0	0	2,183,115
D-3 Pump Station Tangier Ave.	2,559,048	0	0	0	0	0	2,559,048
D-8 Pump Station Expansion	288,400	0	0	0	0	0	288,400
D-12 Wells to Royal Poinciana	655,922	0	0	0	0	0	655,922
D-15 Cooling System Repair	0	200,000	130,000	0	0	0	330,000
D-17 Clarendon Ave	664,259	0	0	0	0	0	664,259
Rehabilitate Storm Pump Structures	0	0	0	0	500,000	500,000	1,000,000
Total Storm Water Management	9,216,187	2,242,000	1,865,000	1,885,000	2,680,000	2,680,000	20,568,187
Sanitary Sewer Improvements	2,756,369	575,000	1,025,000	995,000	400,000	400,000	6,151,369
WPB Transmission Facilities Reserve	706,149	0	0	0	0	0	706,149
WPB Central Pump Bypass	77,363	0	0	0	0	0	77,363
Fuel Tank Replacement Program	0	0	0	0	100,000	105,000	205,000
Central Fire-Rescue Station	48,159	0	0	0	0	0	48,159
Town Hall Renovation	550,000	0	0	0	0	0	550,000
Intracoastal Bulkhead Repair Reserve	20,000	0	0	0	0	0	20,000
Streets and Roads							
Underground Conduit North Lake Way	75,551	0	0	0	0	0	75,551
Leisure Services Enterprise Fund							
Town Dock Improvements	581,500	399,000	945,000	1,043,000	949,000	0	3,917,500
Phipps Ocean Park Tennis							
Tennis Center - Phase III	28,869	525,000	0	0	0	0	553,869
Tennis Center - Maintenance Building	35,000	0	0	0	0	0	35,000
Seaview Recreation Center							
Shutter Replacement	0	60,000	0	0	0	0	60,000
Tennis Center - Renovation	0	88,000	762,000	0	0	0	850,000
Tennis Center - Lighting of Courts 5&6	0	0	60,000	0	0	0	60,000
Total Leisure Services Enterprise Fund	645,369	1,072,000	1,767,000	1,043,000	949,000	0	5,476,369
Total	$14,095,147	$3,889,000	$4,657,000	$3,923,000	$4,129,000	$3,185,000	$33,878,147

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Storm Sewer Drainage Improvements
Department/Division: Public Works/Engineering

Project Description and Justification: Multi-year Drainage Improvement Program
Fourth year of a 10-year program to improve north-end drainage. Includes construction of one new pump station and improvements to one existing pump station. FY05 projects include: design new pump station at D-1 at Ocean Drive; and East Inlet Drive and trunkline on Ocean Blvd. to Indian Road; install new drainage lines to alleviate flooding at Regents Park Road and at D-8 Basin/ Country Club Road construct an additional stormwater pump station near intersection of Country Club Road and Slope Trail.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go	1,842,000	1,465,000	1,565,000	1,830,000	1,880,000	8,582,000	
Grants:						0	
Agency_____							
Grant Program Name_____							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest	200,000	270,000	320,000	350,000	300,000	1,440,000	
Other (Specify)						0	8,551,928
Total Projected Revenues	2,042,000	1,735,000	1,885,000	2,180,000	2,180,000	10,022,000	8,551,928

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design	206,300	274,600	288,300	418,000	373,900	1,561,100	
Construction	2,607,200	1,168,800	1,555,500	1,633,900	2,367,400	9,332,800	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carry-over						0	8,551,928
Total Projected Costs	2,813,500	1,443,400	1,843,800	2,051,900	2,741,300	10,893,900	8,551,928

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	15,000	Operations & Maintenance personnel, new station
Operating Costs	16,000	Electric & Water
Capital Outlay		Warranty
Depreciation		
Other		
Revenue		
Total Impact	31,000	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: D-15 Cooling System Repair
Department/Division: Public Works/Water Resources Division

Project Description and Justification: Repair of failed cooling system at the D-15 Pump Station
Work includes replacing the existing well (source of cooling water), pump, and associated parts.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go	200,000	130,000				330,000	
Grants:						0	
Agency_____							
Grant Program Name_____							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues	200,000	130,000				330,000	0

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction	200,000	130,000				330,000	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below)						0	
Total Projected Costs	200,000	130,000				330,000	0

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: D-17 Clarendon Avenue
Department/Division: Public Works/Water Resources Division

Project Description and Justification: This project constructs a new storm water pumping station at the west end of Clarendon Avenue and installs a collection system in Lake Park Drive from Clarendon Avenue to Vita Serena. Completion scheduled for November 2004.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency_____							
Grant Program Name_____							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	664,259
Total Projected Revenues						0	664,259

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction						0	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below)						0	664,259
Total Projected Costs							664,259

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Storm Sewers - Rehabilitate Storm Structures
Department/Division: Public Works/Water Resources Division

Project Description and Justification: Rehabilitation of existing storm sewer structures.
First year of a multi-year Town wide program.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go				500,000	500,000	1,000,000	
Grants:						0	
Agency							
Grant Program Name							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues				500,000	500,000	1,000,000	0

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction				500,000	500,000	1,000,000	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below)						0	
Total Projected Costs				500,000	500,000	1,000,000	0

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Sanitary Sewer Improvements - Force Main
Department/Division: Public Works/Water Resources Division

Project Description and Justification: Sanitary Sewer Force Main Improvements
First year of a multi-year program to systematically replace an aging force main system and install air release valves as necessary.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go	575,000	1,025,000	995,000	400,000	400,000	3,395,000	
Grants:						0	
Agency							
Grant Program Name							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	2,756,369
Total Projected Revenues	575,000	1,025,000	995,000	400,000	400,000	3,395,000	2,756,369

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design	100,000	25,000				125,000	
Construction	475,000	1,000,000	995,000	400,000	400,000	3,270,000	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carry-over						0	2,756,369
Total Projected Costs	575,000	1,025,000	995,000	400,000	400,000	3,395,000	2,756,369

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: West Palm Beach Transmission Facilities Reserve
Department/Division: Public Works/Water Resources Division

Project Description and Justification: This project pertains to a renewal and replacement account initiated to fund planned or emergency repairs to the Town's sewage force main or sewerage facilities shared with the City of West Palm Beach leading to the regional sewage treatment facility.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency_____							
Grant Program Name_____							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify): Carry-over						0	706,149
Total Projected Revenues	0	0	0	0	0	0	706,149

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction						0	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carry-over						0	706,149
Total Projected Costs	0	0	0	0	0	0	706,149

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: West Palm Beach Central Pump Bypass
Department/Division: Public Works/Water Resources Division

Project Description and Justification: This project represents initial funding to plan a complete bypass of the Central Pump Station. Public Works has initiated work to design a booster pump station utilizing in-line variable speed pumps. This will allow reduction of operation and maintenance costs at the Central Pump Station.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency							
Grant Program Name							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify): Carry-over						0	77,363
Total Projected Revenues	0	0	0	0	0	0	77,363

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction						0	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carry-over						0	77,363
Total Projected Costs	0	0	0	0	0	0	77,363

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Fuel Tank Replacement Program
Department/Division: Public Works/Engineering Division

Project Description and Justification: Replacement program for all existing underground full storage tanks to meet new DEP requirements. Estimate completion in 2010

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go				100,000	105,000	205,000	
Grants						0	
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues				1,000,000	105,000	205,000	0

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction				100,000	105,000	205,000	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below)						0	
Total Projected Costs				100,000	105,000	205,000	0

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Central Fire-Rescue Station
Department/Division: Public Works/Engineering Division

Project Description and Justification: These funds were initially budgeted in prior years for the Central Fire-Rescue Station. This remaining balance will be used to offset the current costs for this project accounted for in the (310) Fund, Town Facilities.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency							
Grant Program Name							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify): Carry-over						0	48,159
Total Projected Revenues	0	0	0	0	0	0	48,159

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction						0	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carry-over						0	48,159
Total Projected Costs	0	0	0	0	0	0	48,159

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Town Hall Renovation
Department/Division: Public Works/Engineering Division

Project Description and Justification: These funds were initially budgeted in prior years for various Town Hall renovation projects. This remaining balance will be used to offset the current renovation of Town Hall funded with the 2003 Bond issue and accounted for in the (310) Fund, Town Facilities.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency_____							
Grant Program Name_____							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify): Carry-over						0	550,000
Total Projected Revenues	0	0	0	0	0	0	550,000

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction						0	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carry-over						0	550,000
Total Projected Costs	0	0	0	0	0	0	550,000

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Intracoastal Bulkhead Repair Reserve
Department/Division: Public Works/Engineering Division

Project Description and Justification: These funds are held in reserve to repair Town-owned bulkheads along Lake Worth Lagoon.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency_____							
Grant Program Name_____							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify): Carry-over						0	20,000
Total Projected Revenues	0	0	0	0	0	0	20,000

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction						0	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carry-over						0	20,000
Total Projected Costs	0	0	0	0	0	0	20,000

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Underground Conduit North Lake Way
Department/Division: Public Works/Engineering Division

Project Description and Justification: Bell South Proposed a replacement cable overhead in lieu of underground. Town Council wanted th ecable buried and funded the placement of underground conduits along Lake Way. This work is completed, however, the Town has not been billed by Bell South.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency							
Grant Program Name							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify): Carry-over						0	75,551
Total Projected Revenues	0	0	0	0	0	0	75,551

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction						0	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carry-over						0	75,551
Total Projected Costs	0	0	0	0	0	0	75,551

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Town Dock Improvements
Department/Division: Town Manager's Office

Project Description and Justification: Enhance Town Dock amenities with phased replacement/expansion of Brazilian Dock Building, Australian Dock Building, construction of a Peruvian Dock Building and parking improvements.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency_____							
Grant Program Name_____							
Enterprise Fund	399,000	945,000	1,043,000	949,000		3,336,000	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify): Carry-over						0	581,500
	399,000	945,000	1,043,000	949,000	0	3,336,000	581,500

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design		100,000	91,000	107,000		298,000	
Construction	399,000	845,000	952,000	842,000		3,038,000	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carrry-over						0	581,500
Total Projected Costs	399,000	945,000	1,043,000	949,000	0	3,336,000	581,500

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Phipps Ocean Park Tennis Center - Phase III
Department/Division: Public Works/Engineering Division

Project Description and Justification: Third and final phase of the Phipps Park Tennis Center construction project. Work includes the construction of courts #5 & #6, relocation of an existing restroom and associated improvements.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency_____							
Grant Program Name_____							
Enterprise Fund	525,000					525,000	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify): Carry-over						0	28,869
Total Projected Revenues	525,000	0	0	0	0	525,000	28,869

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction	525,000					525,000	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carry-over						0	28,869
Total Projected Costs	525,000	0	0	0	0	525,000	28,869

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Phipps Ocean Park Tennis Center - Maintenance Bldg.
Department/Division: Public Works/Engineering Division

Project Description and Justification: This project involves the construction of a 12' x 16' maintenance building to house the tennis court maintenance equipment and supplies. This building will extend the life of the maintenance equipment which is currently stored outside. Construction is scheduled to be completed in October 2004.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency_____							
Grant Program Name_____							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify): Carry-over						0	35,000
Total Projected Revenues	0	0	0	0	0	0	35,000

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction						0	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below): Carry-over						0	35,000
Total Projected Costs	0	0	0	0	0	0	35,000

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Seaview Recreation Center - Shutter Replacement
Department/Division: Public Works/Engineering Division

Project Description and Justification: Scheduled replacement and upgrade of the Recreation Center storm shutters.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go	60,000					60,000	
Grants:						0	
Agency_____							
Grant Program Name_____							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues	60,000					60,000	0

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction	60,000					60,000	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below)						0	
Total Projected Costs	60,000					60,000	0

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Seaview Tennis Center Renovation
Department/Division: Recreation

Project Description and Justification: Replace existing tennis court surfacing, lights, fencing and court amenities with a more modern design. The existing clay courts are more than 50 years old. The court layout is of an old design with the courts being very close together. The clay court base material is expensive and difficult to obtain. The existing court surface is maintenance intensive and costly to maintain. Courts are often closed for long periods of time following inclement weather which impacts programs and revenues. Existing lighting and several large sections of the fencing have reached the end of their useful life, are in poor shape with visible rust and detreioration and will need replacing within the next couple of years.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency							
Grant Program Name							
Enterprise Fund	88,000	762,000				850,000	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues	88,000	762,000	0	0	0	850,000	0

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.		167,900				167,900	
Engineering/Architect Design	88,000					88,000	
Construction		427,800				427,800	
Equipment/Furnishings		42,900				42,900	
Plans/Studies						0	
Other (Specify Below)		123,400				123,400	
Total Projected Costs	88,000	762,000	0	0	0	850,000	0

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Seaview Tennis Center Lighting of Courts 5 & 6
Department/Division: Public Works/Engineering Division

Project Description and Justification: Upgrade of tennis court lighting if the Tennis Center is approved for renovation.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency							
Grant Program Name							
Enterprise Fund		60,000				60,000	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues						60,000	0

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design		6,000				6,000	
Construction		54,000				54,000	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify Below)						0	
Total Projected Costs		60,000				60,000	0

First Year General Fund Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs	0	
Operating Costs	0	
Capital Outlay	0	
Depreciation	0	
Other	0	
Revenue	0	
Total Impact	0	

Capital Improvement Program

Fund 307 - Capital Improvement Program
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Transfer from General Fund	3,378,291	6,662,000	2,682,000	2,682,000	2,617,000	-2.42%
Transfer from Leisure Services Fund	0	0	1,269,000	1,269,000	1,072,000	-15.52%
Bonding/ Reserves	0	0	0	0	0	0.00%
Interest on Investments	280,991	187,556	225,000	225,000	200,000	-11.11%
Miscellaneous	50,000	10,000	0	0	0	0.00%
Grants/Local Revenue	161,848	2,446,243	150,000	0	0	-100.00%
TOTALS	3,871,130	9,305,799	4,326,000	4,176,000	3,889,000	-10.10%
Expenses						
Projects	6,958,608	5,569,377	3,939,400	5,926,352	3,889,000	-1.28%
Investment Management Fees	0	0	0	0	0	0.00%
Transfer to CCMP Fund (308)	0	0	0	0	0	0.00%
Transfer to Town Facilities Fund (310)	0	0	0	0	550,000	100.00%
Transfer to General Fund (001)	7,500	0	0	0	0	0.00%
Capital Contingency	0	0	386,600	0	388,900	0.59%
TOTALS	6,966,108	5,569,377	4,326,000	5,926,352	4,827,900	11.60%
TOTAL REVENUES OVER/(UNDER) EXPENSES	(3,094,978)	3,736,422	0	(1,750,352)	(938,900)	
Beginning Fund Equity	13,921,019	10,826,041	14,562,463	14,562,463	12,812,111	
ENDING FUND EQUITY	10,826,041	14,562,463	14,562,463	12,812,111	11,873,211	

Fund 307 - Capital Improvement Program

REVENUES

Transfer from General Fund:
This represents the annual pay-as-you-go funding transferred from the General Fund to the Capital Fund.

Transfer from Leisure Services Enterprise Fund:
This represents funding for Leisure Services projects contained within the Capital Fund.

Interest on Investments:
The interest rate used to project the return on investments was increased from 1.9% in FY04 to 2.0% in FY05.

Miscellaneous:
$50,000 was received from Adelphia in FY02 in accordance with the franchise agreement. $10,000 was received from the Garden Club in FY03 for the Town Park at County Road and Peruvian.

Grants/Local Revenue:
FY02 - Phipps Dune Walkover Grant; Palm Beach County Interlocal D-12. FY03 - City of West PalmBeach Interlocal. FY04 - South Florida Water Management District

EXPENDITURES

Projects:
The FY05 budget amounts do not include unexpended carry over amounts from prior years.

Transfer to General Fund:
The amount budgeted in FY02 represents a transfer from Capital Fund Contingency approved by Town Council on January 8, 2002 for additional traffic counts to be used in a townwide traffic study.

Transfer to Town Facilities Fund:
The amount budgeted in FY05 represents the transfer of a remaining balance from an existing projects for Town Hall Renovations to the Town Facilities Fund (310).

Capital Contingency:
Per Town policy, 10% of the approved Capital Fund budget is budgeted in a line item entitled Capital Fund Contingency for unbudgeted items that arise during the course of the fiscal year. Amounts transferred out of this line item must have Town Council approval.

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FUND (308/309)
COMPREHENSIVE COASTAL MANAGEMENT PROGRAM
FY04 ACCOMPLISHMENTS

Reach 2
Onondaga Avenue to El Mirasol

The Feasibility Study for Reach 2 has been completed and the Design and Permitting phase has begun for a small scale "feeder beach" to re-establish longshore transport as mitigation for the effects of Lake Worth Inlet. This low-moderate volume sand placement on a relatively frequent schedule is designed to take advantage of sand that may become available through regional inlet channel dredging operations and the Town is working cooperatively with the U.S. Army Corps of Engineers (USACE) in Jacksonville toward permitting this area for that purpose. Additional geotechnical and biological data will be collected in support of filing the permit application for Reach 2.

Reach 3 & 4
Mid Town Beach Nourishment & Expansion Project

Sea turtle monitoring is ongoing in the Mid-Town project area and will continue according to permit conditions as we monitor any effects of the renourishment on sea turtle nesting. Biological monitoring of hardbottom areas in the vicinity of the project as well as physical monitoring of the movement of sand to track project performance are also ongoing tasks of this program. Dune vegetation, including sea oats and other sea grasses as well as flowering plants, have been planted throughout the project area for dune stabilization. To date, performance of the 2002-2003 project is consistent with our design and expectations. The photograph (March 2004) to the left shows dune vegetation being added in 2004 to the Mid-Town beach renourished in 2002-2003.

Reach 5
Banyon Road to Widner's Curve

The Feasibility Study for Reach 5 will be completed by the end of this fiscal year. This area has benefitted significantly as a result of being downdrift of the Mid-Town project area. Ongoing monitoring in this area including elevation surveys and aerial cartographic photography will assist in determining the most appropriate course of action necessary at this time to ensure storm protection for this section of shoreline.

Capital Improvement Funds

Reach 7 Phipps Ocean Park Beach Nourishment Project

The Phipps Ocean Park Project is scheduled for construction in 2005 pending issuance of the federal permit. Pre-construction sea turtle monitoring is ongoing. The photograph (June 2004) to the left illustrates the 3.1 acre, natural limestone Phipps Ocean Park artificial mitigation reef, built in May-June 2004 in compensation for expected impacts to nearshore hardbottom in the project area. The mitigation reef is just south of Widner's Curve in approximately 8 to 12 feet of water within approximately 100 feet of shore. Having been built six months prior to construction of the project, the new reef will have time to develop a rich diversity of biota prior to any impacts to the hardbottom at Phipps, resulting in no net impacts to habitat.

Reach 8
Ambassador Hotel to La Bonne' Vie

The Feasibility Study for Reach 8 will be completed by the end of this fiscal year. The Town has requested that the Florida Department of Environmental Protection (FDEP) re-evaluate this area relative to the severity of the erosion and include the majority or all of the area in their "critically eroded" designation. This area is downdrift of the Phipps Ocean Park project area and should benefit significantly within a reasonable time following the construction of that project. Ongoing monitoring of this area will assist in determining the most appropriate course of action necessary to ensure storm protection for this section of shoreline.

Fund (309) - Comprehensive Coastal Management Program
Five Year Plan

Projected State Grant Revenues	FY05 Proposed	FY06 Proposed	FY07 Proposed	FY08 Proposed	FY09 Proposed	Total
Reach 2 Onondaga Avenue to El Mirasol	$140,000	$182,500	$2,668,500	$212,500	$212,500	$3,416,000
Reach 3 & 4 Mid Town Beach Nourishment and Expansion Project	232,500	232,500	232,500	120,000	0	817,500
Reach 5 Banyon Road to Widner's Curve	15,000	112,500	357,500	3,439,000	232,500	4,156,500
Reach 7 Phipps Ocean Park Nourishment Project	4,024,358	177,909	177,909	177,909	0	4,558,085
Reach 8 Ambassador Hotel to La Bonne' Vie	4,536	118,088	1,279,908	70,308	70,308	1,543,148
Total Comp. Coastal Mgmnt Program	$4,416,394	$823,497	$4,716,317	$4,019,717	$515,308	$14,491,233

Projected Costs	FY05 Proposed	FY06 Proposed	FY07 Proposed	FY08 Proposed	FY09 Proposed	Total
Reach 2 Onondaga Avenue to El Mirasol	$280,000	$365,000	$5,337,000	$425,000	$425,000	$6,832,000
Reach 3 & 4 Mid Town Beach Nourishment and Expansion Project	465,000	465,000	465,000	240,000	0	1,635,000
Reach 5 Banyon Road to Widner's Curve	30,000	365,000	715,000	6,878,000	465,000	8,453,000
Reach 7 Phipps Ocean Park Nourishment Project	10,518,449	465,000	465,000	465,000	0	11,913,449
Reach 8 Ambassador Hotel to La Bonne' Vie	30,000	781,005	8,465,000	465,000	465,000	10,206,005
Total Comp. Coastal Mgmnt Program	$11,323,449	$2,441,005	$15,447,000	$8,473,000	$1,355,000	$39,039,454

Town of Palm Beach
Capital Improvement Plan - Comprehensive Coastal Management Program
FY2004-2005 to FY2008-2009

Project Name:	Reach 2 Feeder Beach
Department/Division:	Public Works/Coastal Management
Project Description:	The Reach 2 Feeder Beach Project (between Onondaga Avenue and El Mirasol) is designed to provide low-moderate volume sand placement on a relatively frequent schedule and take advantage of sand that may become available through inlet maintenance dredging activities, expansion of the settling basin, or other local excavations of beach quality sand.
Project Justification:	Implementation of the Town's Comprehensive Coastal Management Plan and the first priority of the Strategic Management Plan.

Projected Revenues	**Five Year Capital Program**						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:	140,000	182,500	2,668,500	212,500	212,500	3,416,000	
Agency: Florida Dept. Environmental Protection							
Grant Program Name: Contract 00PB1 & 97PB5							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues	140,000	182,500	2,668,500	212,500	212,500	3,416,000	0

Projected Costs	**Five Year Capital Program**						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Feasibility Study						0	
Design & Permitting	280,000	250,000				530,000	
SEIS Document			2,312,000			2,312,000	
Mitigation			2600000			2,600,000	
Construction		115,000	425,000	425,000	425,000	1,390,000	
Monitoring						0	
Interest						0	
Other (Specify Below)						0	
Total Projected Costs	280,000	365,000	5,337,000	425,000	425,000	6,832,000	0

Town of Palm Beach
Capital Improvement Plan - Comprehensive Coastal Management Program
FY2004-2005 to FY2008-2009

Project Name:	Reaches 3&4
Department/Division:	Public Works/Coastal Management
Project Description:	The Mid-Town Beach Renourishment & Expansion Project (El Mirasol to El Vedado excluding the area in front of the Breakers' seawall) is designed to provide storm protection to upland properties and a recreational beach for residents and visitors. Additionally, this project has resulted in measurable benefits to downdrift beaches. This project was originally constructed in 1995-96 and was nourished in 2002-03.
Project Justification:	Implementation of the Town's Comprehensive Coastal Management Plan and the first priority of the Strategic Management Plan.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:	232,500	232,500	232,500	120,000	0	817,500	
Agency: Florida Dept. Environmental Protection Grant Program Name: Contract 00PB1 & 97PB5							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues	232,500	232,500	232,500	120,000	0	817,500	0

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Feasibility Study						0	
Design & Permitting						0	
SEIS Document						0	
Mitigation						0	
Construction						0	
Monitoring	465,000	465,000	465,000	240,000		1,635,000	
Interest						0	
Other (Specify Below)						0	
Total Projected Costs	465,000	465,000	465,000	240,000	0	1,635,000	0

Town of Palm Beach
Capital Improvement Plan - Comprehensive Coastal Management Program
FY2004-2005 to FY2008-2009

Project Name:	Reach 5 Beach Restoration Project
Department/Division:	Public Works/Coastal Management
Project Description:	The Reach 5 Beach Restoration Project (between Banyan Road and Widner's Curve) is designed to provide storm protection for upland properties and a recreational beach for residents. This project area benefits significantly from being downdrift of the Mid-Town Beach Project area. Ongoing monitoring and adaptive management practices will address the changing conditions in this area.
Project Justification:	Implementation of the Town's Comprehensive Coastal Management Plan and high priority of the Town's Strategic Management Plan.

Projected Revenues	**Five Year Capital Program**						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:	15,000	112,500	357,500	3,439,000	232,500	4,156,500	
Agency: Florida Dept. Environmental Protection							
Grant Program: Contract 00PB1 & 97PB5						0	
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues	15,000	112,500	357,500	3,439,000	232,500	4,156,500	0

Projected Costs	**Five Year Capital Program**						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Feasibility Study	30,000					30,000	
Design & Permitting		225,000	250,000			475,000	
SEIS Document						0	
Construction (Mitigation)				1,000,000		1,000,000	
Construction				5,413,000		5,413,000	
Monitoring		140,000	465,000	465,000	465,000	1,535,000	
Interest						0	
Other (Specify Below)						0	
Total Projected Costs	30,000	365,000	715,000	6,878,000	465,000	8,453,000	0

Town of Palm Beach
Capital Improvement Plan - Comprehensive Coastal Management Program
FY2004-2005 to FY2008-2009

Project Name:	Reach 7 Phipps Ocean Park
Department/Division:	Public Works/Coastal Management
Project Description:	The Phipps Ocean Park Project (Widner's Curve to the Ambassador II Condominium) is designed to provide storm protection for upland properties and a recreational beach for residents and visitors. This project will also provide significant benefits to downdrift beaches in Reach 8.
Project Justification:	Implementation of the Town's Comprehensive Coastal Management Plan and high priority of the Town's Strategic Management Plan.

Projected Revenues	**Five Year Capital Program**						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:	4,024,358	177,909	177,909	177,909	0	4,558,085	
Agency: Florida Dept. Environmental Protection							
Grant Program: Contract 00PB1 & 97PB5						0	
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues	4,024,358	177,909	177,909	177,909	0	4,558,085	0

Projected Costs	**Five Year Capital Program**						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Feasibility Study						0	
Design & Permitting	95,000					95,000	
SEIS Document						0	
Construction (Mitigation)	1,405,040					1,405,040	
Construction	8,841,709					8,841,709	
Monitoring	176,700	465,000	465,000	465,000	0	1,571,700	
Interest						0	
Other (Specify Below)						0	
Total Projected Costs	10,518,449	465,000	465,000	465,000	0	11,913,449	0

Project Name:	Reach 8 Beach Restoration Project
Department/Division:	Public Works/Coastal Management
Project Description:	The Reach 8 Beach Restoration Project (Ambassador II Condominium to La Bonne' Vie) is designed to provide storm protection for upland properties and a recreational beach for residents. This project area will benefit significantly from being downdrift of the Phipps Ocean Park Beach Project area. Ongoing monitoring and adaptive management practices will address changing conditions in this area.
Project Justification:	Implementation of the Town's Comprehensive Coastal Management Plan and high priority of the Town's Strategic Management Plan.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:	4,536	118,088	1,279,908	70,308	70,308	1,543,148	
Agency: Florida Dept. Environmental Protection							
Grant Program: Contract 00PB1 & 97PB5						0	
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest						0	
Other (Specify)						0	
Total Projected Revenues	4,536	118,088	1,279,908	70,308	70,308	1,543,148	0

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Feasibility Study	30,000					30,000	
Design & Permitting		541,005				541,005	
SEIS Document						0	
Construction (Mitigation)			2,000,000			2,000,000	
Construction			6,000,000			6,000,000	
Monitoring		240,000	465,000	465,000	465,000	1,635,000	
Interest						0	
Other (Specify Below)						0	
Total Projected Costs	30,000	781,005	8,465,000	465,000	465,000	10,206,005	0

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Fund 308 - Comprehensive Coastal Management Program
Pay-As-You-Go
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Transfer from General Fund	783,834	863,700	0	0	0	0.00%
Transfer from CIP (307) Fund	0	0	0	0	0	0.00%
Interest on Investments	85,400	81,362	89,200	83,000	66,000	-26.01%
Grants	286,397	2,567,523	635,000	635,000	0	-100.00%
TOTALS	1,155,631	3,512,585	724,200	718,000	66,000	-90.89%
Expenses						
Other Expenses	365,609	10,252	0	10,000	10,000	100.00%
Transfer to Debt Service 2000 (203)	0	0	990,650	990,650	908,668	-8.28%
Transfer to Debt Service 2003B (201)	0	0	864,900	864,900	859,307	-0.65%
TOTALS	365,609	10,252	1,855,550	1,865,550	1,777,975	-4.18%
TOTAL REVENUES OVER/(UNDER) EXPENSES	790,022	3,502,333	(1,131,350)	(1,147,550)	(1,711,975)	
Beginning Retained Earnings	3,758,868	4,548,890	8,051,223	8,051,223	6,903,673	
ENDING FUND EQUITY	4,548,890	8,051,223	6,919,873	6,903,673	5,191,698	

Fund 308 - Comprehensive Coastal Management Program Pay-As-You-Go

REVENUES

Interest on Investments:
The interest rate used to project the return on investments is 2% for FY05.

Grants:
Reimbursements from the State of Florida for beach restoration projects are recorded in this item.

EXPENDITURES

Other Expenses:
Miscellaneous Pay-as-you-go costs.

Transfer to Debt Service 2000 (203 Fund):
Pay-as-you-go transfer to repay debt service on 2000 Beach Restoration bond issue.

Transfer to Debt Service 2003B (201 Fund):
Pay-as-you-go transfer to repay debt service on 2003 Refunding of the 2000 Beach Restoration bond issue.

Fund 309 - Comprehensive Coastal Management Program
Bond Proceeds Construction Fund
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Interest on Earnings	33,151	103,761	185,000	240,000	320,000	72.97%
Bond Interest	1,232,984	828,839	0	0	0	0.00%
Bond Proceeds	0	0	0	0	0	0.00%
TOTALS	1,266,135	932,600	185,000	240,000	320,000	72.97%
Expenses						
Projects	295,387	4,717,221	1,500,000	2,050,000	0	-100.00%
TOTALS	295,387	4,717,221	1,500,000	2,050,000	0	-100.00%
TOTAL REVENUES OVER/(UNDER) EXPENSES	970,748	(3,784,621)	(1,315,000)	(1,810,000)	320,000	
Beginning Retained Earnings	23,977,714	24,948,462	21,163,841	21,163,841	19,353,841	
ENDING FUND EQUITY	24,948,462	21,163,841	19,848,841	19,353,841	19,673,841	

Fund 309 - Comprehensive Coastal Management Program Bond Proceeds Construction Fund

REVENUES

Interest on Investments:
The interest rate used to project the return on investments is 2% for FY05.

EXPENDITURES

Projects:
The FY05 budget amount does not include unexpended carry over amounts from FY04.

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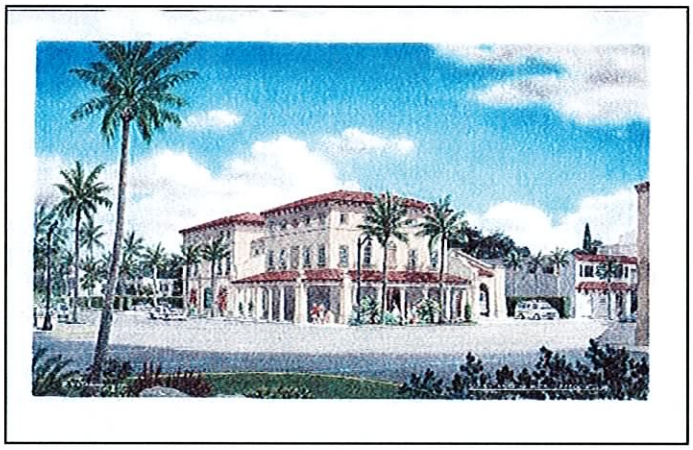
FUND (310) - TOWN FACILITIES
FY04 ACCOMPLISHMENTS

✓ **New Central Fire-Rescue Station -** Estimated to be completed in December 2004, the new Central Fire-Rescue Station, adjacent to Town Hall, replaces the existing station located in Town Hall. Construction of the 22,000 square foot facility includes space for the operation of the Fire-Rescue station as well as two vehicle maintenance bays for the Police Department, and space on the third floor for a future Emergency Operations Center (EOC). Construction of this facility began in May 2003 and is expected to cost $4,252,000.

Architect's rendering.....



New Central Fire Rescue Station.....

Town of Palm Beach
Capital Improvement Plan
FY2004-2005 to FY2008-2009

Project Name: Town Hall Renovations
Department/Division: General Government

Project Description and Justification:	Major Town Hall renovations are scheduled to begin in the Fall of 2004 upon completion of the new Central Fire-Rescue station in late summer 2004. The floor plan, construction schedule and budget were approved by Town Council on June 8, 2004. The renovations will include window and door replacement and structural repairs.

Projected Revenues	Five Year Capital Program						
Revenue Source	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
General Fund Pay-as-you-go						0	
Grants:						0	
Agency							
Grant Program Name							
Enterprise Fund						0	
Bond/Bank Financing						0	
Special Assessment						0	
Interest	40,000					40,000	
Other (Specify): Transfer from General Fund Undesignated Fund Balance	1,721,653					1,721,653	3,201,867
Total Projected Revenues	1,761,653	0	0	0	0	1,761,653	3,201,867

Projected Costs	Five Year Capital Program						
Classification	FY04-05	FY05-06	FY06-07	FY07-08	FY08-09	5 Yr. Total	Carry-over
Land Acquisition/Site Prep.						0	
Engineering/Architect Design						0	
Construction						0	
Equipment/Furnishings						0	
Plans/Studies						0	
Other (Specify): Transfer from General Fund Undesignated Fund Balance	1,761,653					1,761,653	3,201,867
Total Projected Costs	1,761,653	0	0	0	0	1,761,653	3,201,867

First Year Operating Budget Impact	Estimated Inc/(Dec)	Describe Increase/Decrease in Costs/Revenues
Personnel Costs		
Operating Costs		
Capital Outlay		
Depreciation		
Other		
Revenue		
Total Impact	0	

Town Facilities Project Fund

Fund 310 -
Town Facilities Project Fund
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Interest Earnings	0	35,294	45,000	45,000	40,000	-11.11%
Transfer from General Fund	0	0	0	0	1,171,000	100.00%
Transfer from CIP (307)	0	0	0	0	550,000	100.00%
Transfer from Donation Fund	0	0	1,100,500	1,102,290	0	-100.00%
Bond Proceeds	0	6,108,358	0	0	0	0.00%
Grants	0	0	0	0	0	0.00%
TOTALS	0	6,143,652	1,145,500	1,147,290	1,761,000	53.73%
Expenses						
Central Fire-Rescue Station	0	899,101	700,000	3,078,505	0	-100.00%
Town Hall Renovations	0	0	2,500,000	11,000	1,761,000	-29.56%
Bond Issuance Costs	0	100,469	0	0	0	0.00%
TOTALS	0	999,570	3,200,000	3,089,505	1,761,000	-44.97%
TOTAL REVENUES OVER/(UNDER) EXPENSES	0	5,144,082	(2,054,500)	(1,942,215)	0	
Beginning Retained Earnings	0	0	5,144,082	5,144,082	3,201,867	
ENDING FUND EQUITY	0	5,144,082	3,089,582	3,201,867	3,201,867	

Town Facilities Project Fund

Fund 310 - Town Facilities Project Fund

REVENUES

Interest Earnings:
This represents interest earned on the fund. The interest was calculated using a 2.0% return on investable funds.

Transfer from General Fund:
This item represents a transfer from Undesignated General Fund Balance to supplement original Town Hall Renovation costs for two unforeseen structural conditions and window/door replacement. This transfer was approved by Town Council on June 15, 2004.

Transfer from CIP Fund (307):
This item represents a transfer of prior year unexpended project balances for Town Hall Renovations originally budgeted in the 307 Fund.

EXPENDITURES

Town Hall Renovations:
This item represents additional appropriations required for Town Hall Renovation costs for two unforeseen structural conditions and window/door replacement.

Equipment Replacement Fund

Equipment Replacement Fund - 320

The fund was established to provide a means to replace equipment, excluding enterprise fund equipment, when the end of its useful life has been reached. The fund includes both capital equipment as well as computer equipment. This fund was established in FY2002 with a transfer from the General Fund for the accumulated depreciation of the fixed assets through FY2002.

Equipment is replaced when it is determined that due to its age, condition, operation and maintenance costs, obsolescence, and depreciation, it is no longer economical to keep.

Annually, depreciation funds are transferred from the various departments to the Equipment Replacement Fund based on the economic life and replacement cost of the equipment utilized by each department.

A summary of equipment by department that is expected to be purchased through the Equipment Replacement Fund in FY2005 is as follows:

Department	Cost
Fire-Rescue Department Mobile Intensive Care Unit	$150,000
Planning, Zoning & Building Vehicle	13,000
Finance/Purchasing Van	16,500
Police Department 5 Crown Victorias	142,500
Boat Engines	12,000
Parking Scooter	20,711
4 Detective Vehicles	77,000
Laser Speed Gun	4,000
Ford Explorer	23,000
Rescue Boat	7,500
Laser Fax Machine	2,000
Public Works 2 Utility Dump Trucks	77,600
Ford Ranger (Short Box)	15,000
Skid Steer Loader	42,000
Platform Lift	62,000
Ford F250	19,000

Equipment Replacement Fund

Cargo Van	18,500
66' Tree Trimmers Bucket Truck	95,000
Ford Ranger Compact Pickup	18,000
2 Ford Ranger Pickups	36,000
Information Systems Computer Equipment	60,700
Itronix Mobile MDC Computers (PD 12, FR 4)	80,000
IBM ISeries Model 820	150,000
Total Equipment Replacement Fund Expenditures	$1,142,011

Depreciation for the fixed assets is calculated using the straight line method which takes the original purchase price less anticipated salvage value divided by the expected useful life of the asset.

The established asset value threshold for inclusion in the Equipment Replacement Fund is: $2,500 for fixed assets, and $1,500 for computer assets.

The depreciation charges by department for FY2005 are as follows:

Department	Depreciation Amount
General Government	
Fixed Assets	$350
Information Systems	
IS Assets	207,000
Human Resources	
Fixed Assets	1,853
Town Clerk	
Fixed Assets	582
Finance	
Fixed Assets	3,556
Planning, Zoning and Building	
Fixed Assets	15,956
Fire-Rescue Department	
Fixed Assets	236,193
Police Department	
Fixed Assets	332,170
Department of Public Works	
Fixed Assets	268,635
Total Depreciation	$1,066,295

Equipment Replacement Fund

Fund 320 - Equipment Replacement Fund
Revenue and Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Interest on Investments	39,857	77,448	88,500	20,000	40,000	-54.80%
Surplus Equipment Proceeds	74,673	67,174	40,000	40,150	40,000	0.00%
Transfer from General Fund	4,382,972	891,668	1,001,632	1,001,632	1,066,295	6.46%
TOTALS	4,497,502	1,036,290	1,130,132	1,061,782	1,146,295	1.43%
Expenditures						
Capital Outlay - Equipment	0	531,798	745,600	564,597	851,311	14.18%
Capital Outlay - IS Equipment	0	89,303	198,700	195,000	290,700	100.00%
TOTALS	0	621,101	944,300	759,597	1,142,011	20.94%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	4,497,502	415,189	185,832	302,185	4,284	
Beginning Fund Balance	0	4,497,502	4,912,691	4,912,691	5,214,876	
ENDING FUND BALANCE	4,497,502	4,912,691	5,098,523	5,214,876	5,219,160	

REVENUE

Interest:
Represents interest earned on the fund. The interest was calculated using a 2.0% return on surplus funds.

Surplus Equipment Proceeds:
Represents the sale of surplus equipment from the Town Auction.

Transfer from General Fund:
The transfer represents the depreciation expense for FY2005. In FY2002, the fund was established with the total accumulated depreciation to date.

EXPENDITURES

Capital Outlay - Equipment:
Estimated purchases of replacement capital equipment.

Capital Outlay - IS Equipment:
Estimated purchases of replacement IS equipment.

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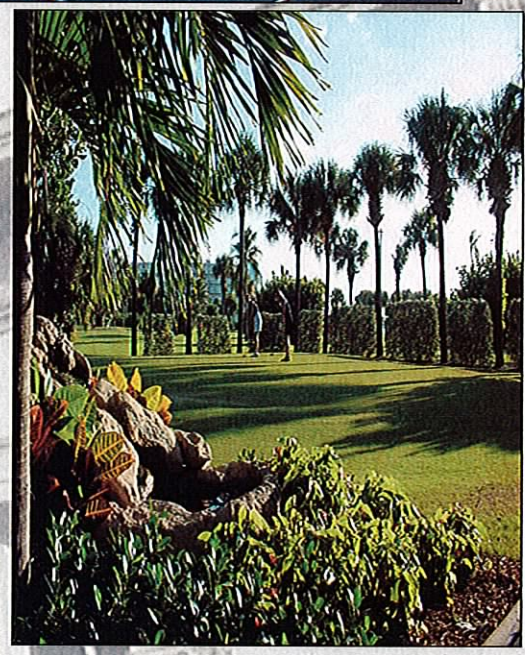
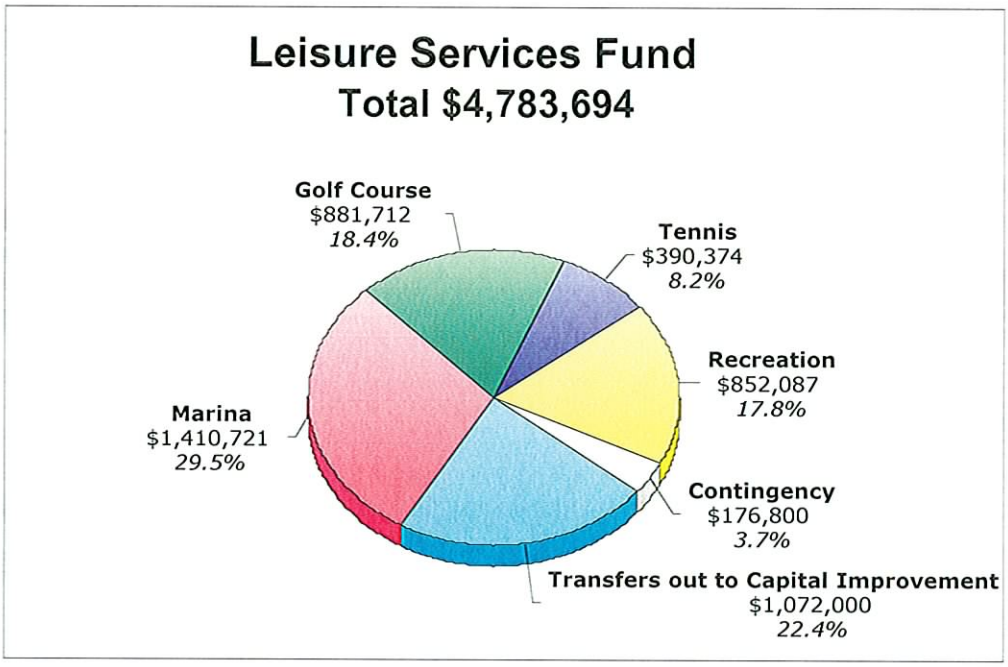
Leisure Services Enterprise Fund



Leisure Services Enterprise Fund

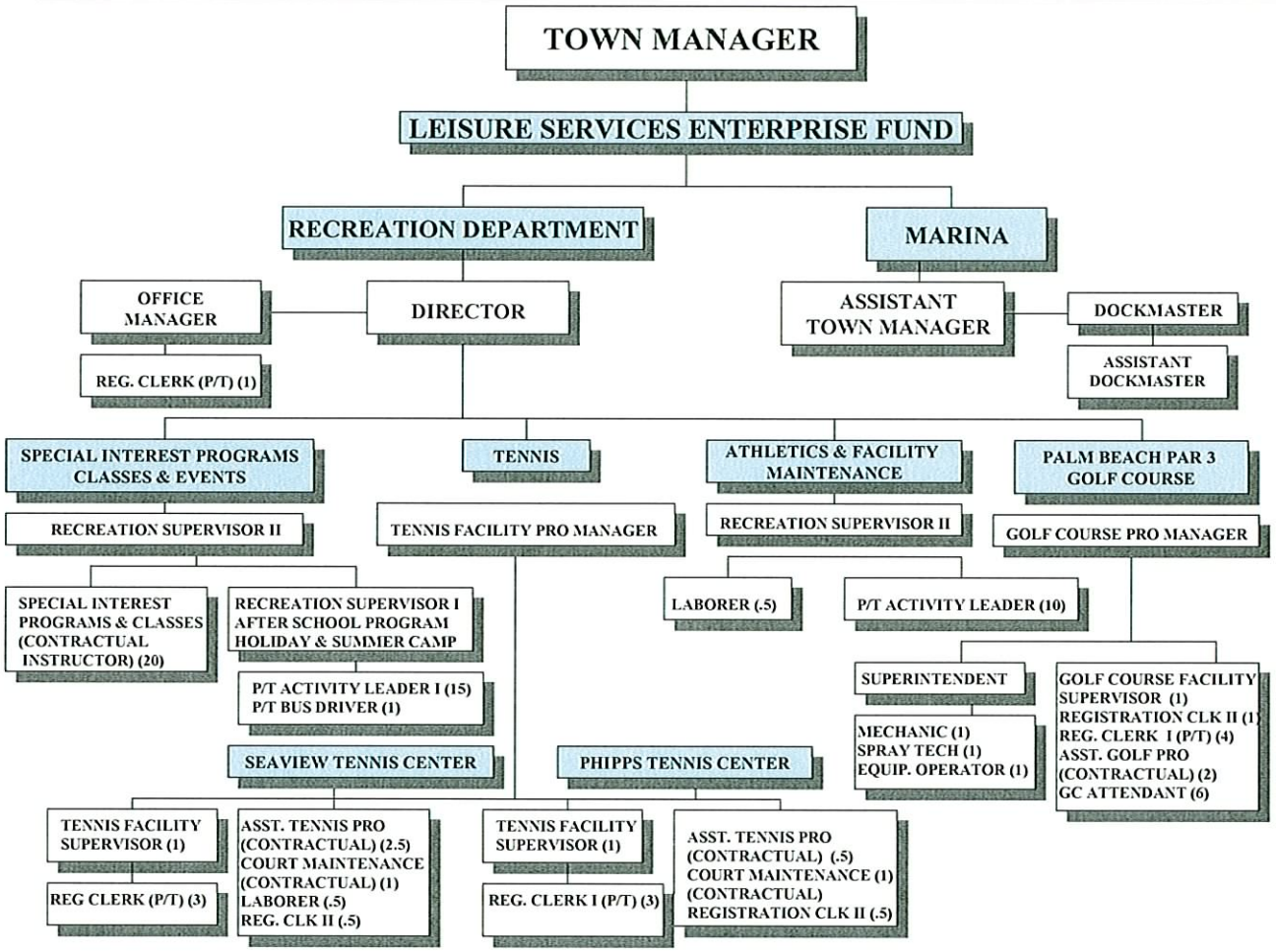
Mission

The mission of the Leisure Services Fund is to provide outstanding programs, facilities and services that enhance the quality of life of our residents and visitors. The staff of the Marina, Golf, Tennis, Adult and Youth programs are dedicated to providing customer service in a helpful and courteous manner. We provide safe, clean and well-maintained facilities and strive to offer fun and enriching programs and activities that reflect both the uniqueness and interests of our community.



	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2005 Budget
Revenues	$3,176,242	$3,485,555	$3,775,495	$3,874,705
Expenditures	$3,029,586	$3,126,740	$3,423,471	$3,711,694

Leisure Services Enterprise Fund



	FY2002	FY2003	FY2004	FY2005
Total Full Time Equivalent Employees	28.73	29.24	30.13	29.83

Leisure Services Enterprise Fund

Key Results and Measurement Methodology

Key Result #1	Desired outcomes are achieved in most efficient manner.
Measurement	Increase in department budget over prior year measured in following formats: gross increase, increase adjusted for inflation, and increase adjusted for other factors beyond control of department.
Key Result #2	Internal and external customer satisfaction is achieved.
Measurement	Results from satisfaction survey(s) indicate at least a 90% or higher approval rating in the combined categories of "excellent" or "good". Marina: Track participation and responses at annual Owner/Captain meeting and track number of repeat customers.
Key Result #3	Provide training and education opportunities that seek state of the art approaches to service delivery.
Measurement	Track number of hours of training for Recreation Department employees
Key Result #4	Increase recreation program participation.
Measurement	Trans number of program participation registrants annually.
Key Result #5	Increase rounds of golf played.
Measurement	Track number of rounds of golf played per fiscal year.
Key Result #6	Expand marina capacity to increase revenue streams.
Measurement	Annually measure total income, profit margin and net income figures.
Key Result #7	Create measurement formula to track marina staff efficiency related to transient slip rentals.
Measurement	Measure efficiency of how well dock staff fill vacant slips with transient customers utilizing "empty slip days formula"
Measurement	Track Marketing response on reservations sheets for: Web Page, Waterway Guide, Yachtsman's Guide to the Bahamas and Direct Mail

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Leisure Services Fund

Leisure Services Fund
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Peruvian Avenue Docks	521,096	555,985	599,300	553,377	625,700	4.41%
Australian Avenue Docks	1,001,750	1,110,142	1,166,500	1,182,603	1,215,120	4.17%
Brazilian Avenue Docks	570,336	662,619	677,500	649,380	706,820	4.33%
Electricity	66,415	64,415	70,500	53,941	70,470	-0.04%
Ice Sales	0	178	0	300	0	0.00%
Interest on Investments	50,844	55,287	59,700	56,939	54,000	-9.55%
Grants	3,000	0	0	0	0	0.00%
Sales Tax Commissions	713	720	720	679	670	-6.94%
Golf Pro Admin Fee	6,000	6,000	12,000	12,000	12,000	0.00%
Resident Permit Fees	21,661	16,147	15,755	19,840	22,000	39.64%
Non-resident Permit Fees	11,632	6,132	6,469	13,451	15,000	131.88%
Resident Play Tickets	29,328	28,545	0	0	0	0.00%
Non-resident Play Tickets	15,263	19,321	0	0	0	0.00%
Play Tickets	0	0	72,784	49,406	53,500	-26.49%
Twilight Play Tickets	0	0	0	5,896	7,560	100.00%
Resident Green Fees	80,455	82,510	0	0	0	0.00%
Non-resident Green Fees	283,577	308,956	0	0	0	0.00%
Green Fees	0	0	496,116	215,935	243,000	-51.02%
Twilight Green Fees	0	0	0	185,523	193,670	100.00%
Riding Cart Rental	98,711	114,797	133,355	120,756	131,610	-1.31%
Pull Cart Rental	24,541	26,164	28,735	27,727	30,495	6.12%
Driving Range	85,466	99,479	113,870	100,184	112,350	-1.33%
Maint. and Improvement Fee	30,219	33,421	39,516	33,354	48,000	21.47%
Vending Machine Commission	0	1,034	300	3,948	6,000	1900%
Tennis Program Registration	500	450	0	722	0	0.00%
Daily Tennis Court Fees	33,382	37,210	30,250	30,236	31,000	2.48%
Annual Tennis Court Fees	45,937	52,902	49,700	46,356	50,000	0.60%
Tennis Pro Administration Fees	12,000	12,000	12,000	12,000	12,000	0.00%
Light Meter	135	115	150	92	150	0.00%
Use of Facilities	0	0	0	29,059	31,800	100.00%
Youth Program Registration	4,493	5,223	5,000	3,906	5,000	0.00%
Adult Program Registration Fees	604	670	500	485	700	40.00%
Youth Program Fees	150,142	154,011	153,000	160,018	160,000	4.58%
Facility Rental Fees	132	118	175	1,025	625	257.14%
Adult Program Fees	27,650	30,098	31,000	28,080	33,000	6.45%
Seaview Park Concession	0	0	300	2,418	2,000	566.67%
Miscellaneous Revenue	260	906	300	366	465	55.00%
TOTALS	3,176,242	3,485,555	3,775,495	3,600,002	3,874,705	2.63%

Leisure Services Fund

Leisure Services Fund
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenses						
Salaries and Wages	1,000,446	1,061,481	1,144,418	1,144,369	1,178,457	2.97%
Employee Benefits	270,981	339,983	431,089	429,927	471,881	9.46%
Contractual	1,381,630	1,346,240	1,431,967	1,418,672	1,447,729	1.10%
Commodities	153,538	136,301	166,175	136,883	166,451	0.17%
Capital Outlay	217,034	240,635	249,822	244,117	270,376	8.23%
Other	5,957	2,100	0	0	176,800[a]	100.00%
TOTALS	3,029,586	3,126,740	3,423,471	3,373,968	3,711,694	8.42%
Operating Revenue over/(under) Expenses	146,656	358,815	352,024	226,034	163,011	
Transfers out to Capital Improvement Fund	0	0	(1,269,000)	(794,000)	(1,072,000)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	146,656	358,815	(916,976)	(567,966)	(908,989)	
Beginning Retained Earnings			6,268,837	6,268,837	5,768,013	
ENDING RETAINED EARNINGS			5,351,861	5,700,871	4,859,024	

a FY05 Contingency reserve for all of the Leisure Services Programs.

Leisure Services Fund

PROGRAM: MARINA

The Marina has three main piers with a total of 88 slips. The slips range in length from 50 feet to 262 feet. Slips are leased annually, seasonally, or daily. As part of the marina property, there are three buildings, three waste oil collection sites, large electrical service panels, three sewage pump-out systems and three parking lots. The buildings contain electrical terminals, heads, showers, lounge and office space.

The Dockmaster is responsible for daily supervision of three employees, slip assignments, safety, and the daily collection of revenues in accordance with established policies.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Annual and Seasonal Occupancy %	100%	100%	100%	100%
Annual Occupancy %	94%	97%	94%	97%
Total Transient Vessels	504	530	653	722

Focus Forward

- Work toward enhancing site amenities and services through Town Docks Master Plan.
- Develop Key Results Measurement tool: "Empty Slip Days" to more accurately reflect marina efficiency.
- Promote Town Docks with expanded marketing efforts.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Dockmaster	1.00	1.00	1.00	1.00
Assistant Dockmaster	1.00	1.00	1.00	1.00
Water Resources Manager	0.05	0.00	0.00	0.00
Seasonal Dock Attendant	1.53	1.53	1.53	1.53
Public Works Employees	0.20	0.49	0.45	0.74
TOTAL	**3.78**	**4.02**	**3.98**	**4.27**

Leisure Services Fund

Marina
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Peruvian Avenue Docks	521,096	555,985	599,300	553,377	625,700	4.41%
Australian Avenue Docks	1,001,750	1,110,142	1,166,500	1,182,603	1,215,120	4.17%
Brazilian Avenue Docks	570,336	662,619	677,500	649,380	706,820	4.33%
Electricity	66,415	64,415	70,500	53,941	70,470	-0.04%
Ice Sales	0	178	0	300	0	0.00%
Interest on Investments	50,844	55,287	59,700	56,939	54,000	-9.55%
Grants	3,000	0	0	0	0	0.00%
Sales Tax Commissions	354	360	360	331	210	-41.67%
Miscellaneous Revenue	260	906	300	363	460	53.33%
TOTALS	2,214,055	2,449,892	2,574,160	2,497,234	2,672,780	3.83%
Expenses						
Salaries and Wages	135,811	141,357	150,744	155,836	162,410	7.74%
Employee Benefits	33,083	43,840	55,152	56,008	67,157	21.77%
Contractual	1,024,665	1,011,005	971,033	979,442	982,729	1.20%
Commodities	6,228	11,506	9,325	8,799	11,425	22.52%
Capital Outlay	152,538	171,184	187,000	187,000	187,000	0.00%
Other	3,495	0	0	0	0	0.00%
TOTALS	1,355,820	1,378,892	1,373,254	1,387,085	1,410,721	2.73%
Operating Revenues over/(under) Expenses	858,235	1,071,000	1,200,906	1,110,149	1,262,059	
Transfer out to Capital Improvement Fund	0	0	(679,000)	(679,000)	(399,000)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	858,235	1,071,000	521,906	431,149	863,059	

Leisure Services Fund

REVENUE

Peruvian Avenue Docks:
Increase in revenue is attributed to proposed slip lease rate increase of $.04 cents/ft/day for Annual and Seasonal lease categories and a $.00 cents/ft/day for winter and summer transient lease categories.

Australian Avenue Docks:
Increase in revenue is attributed to proposed slip lease rate increase of $.04 cents/ft/day for Annual and Seasonal lease categories and a $.00 cents/ft/day for winter and summer transient lease categories.

Brazilian Avenue Docks:
Increase in revenue is attributed to proposed slip lease rate increase of $.04 cents/ft/day for Annual and Seasonal lease categories and a $.00 cents/ft/day for winter and summer transient lease categories.

Electricity:
No significant change expected.

Ice Sales:
Bags of ice are available for purchase at the Town docks.

Interest on Investments:
The decrease in interest revenue is the result of smaller reserves.

Grants:
Grant applications are not anticipated to be applied for in FY2005.

Sales Tax Commissions:
Discount received from the State of Florida for timely filing and payment of sales tax returns.
Small numbers, no appreciable change.

Miscellaneous Revenue:
No meaningful changes are expected.

EXPENSES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the proposed competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Change is due to slight increases in State Land lease fees, planned dock maintenance, and electricity costs.

Commodities:
Increase due to the replacement of one computer and the purchase of two dumpsters.

Capital Outlay:
No change.

Transfer out to Capital Improvement Fund:
FY04 - Cost for Dock Expansion Pilings and to reconstruct the Peruvian Dock House.
FY05 - Cost of planned dredging and parking improvements

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Leisure Services Fund

PROGRAM: PAR 3 GOLF COURSE

The Palm Beach Par 3 Golf Course is a scenic and challenging eighteen hole 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. Situated in the middle of the course are the pro shop, clubhouse and driving range. Balls for the driving range, clubs, electric carts and pull carts can be rented from the clubhouse. The pro shop sells a variety of golf apparel and equipment. The Golf Pro-Manager is responsible for the supervision and management of the golf course. The golf pro-manager hires and pays P.G.A. professionals for private lessons and group clinics available throughout the year.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Rounds of Golf	35,553	39,108	35,426	37,500
Discount Coupons	n/a	n/a	1,000	1,150

Focus Forward

- Initiate intensive effort to reduce #1 complaint of golfers - slow pace of play.
- Encourage more foursome play through discounts applicable to foursomes only.
- Gather golfer reaction at conclusion of round with immediate short survey when carts are returned.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Recreation Director	0.10	0.00	0.00	0.00
Pro-Manager	1.00	1.00	1.00	1.00
Golf Course Superintendent	1.00	1.00	1.00	1.00
Golf Course Facility Supervisor	1.00	1.00	1.00	1.00
Registration Clerk II	1.00	1.00	1.00	1.00
Golf Mechanic	1.00	1.00	1.00	1.00
Equipment Operator	1.00	1.00	1.00	1.00
Spray Tech/Equip. Operator	1.00	1.00	1.00	0.00
Golf Laborer	0.93	0.15	0.15	0.15
Registration Clerk	0.95	1.95	1.95	1.95
Part-time Equipment Operator	0.00	0.00	0.00	0.95
Public Works employees	0.09	0.13	0.18	0.14
TOTAL	**9.07**	**9.23**	**9.28**	**9.19**

Leisure Services Fund

Par 3 Golf Course
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Golf Pro Admin Fee	6,000	6,000	12,000	12,000	12,000	0.00%
Use of Facilities	0	0	0	6,603	6,800	100.00%
Resident Permit Fees	21,661	16,147	15,755	19,840	22,000	39.64%
Non-resident Permit Fees	11,632	6,132	6,469	13,451	15,000	131.88%
Resident Play Tickets	29,328	28,545	0	0	0	0.00%
Non-resident Play Tickets	15,263	19,321	0	0	0	0.00%
Play Tickets	0	0	72,784	49,406	53,500	-26.49%
Twilight Play Tickets	0	0	0	5,896	7,560	100.00%
Resident Green Fees	80,455	82,510	0	0	0	0.00%
Non-resident Green Fees	283,577	308,956	0	0	0	0.00%
Green Fees	0	0	496,116	215,935	243,000	-51.02%
Discount Green Fees	0	0	0	185,523	193,670	100.00%
Riding Cart Rental	98,711	114,797	133,355	120,756	131,610	-1.31%
Pull Cart Rental	24,541	26,164	28,735	27,727	30,495	6.12%
Driving Range	85,466	99,479	113,870	100,184	112,350	-1.33%
Maint. and Improvement Fee	30,219	33,421	39,516	33,354	48,000	21.47%
Sales Tax Commission	359	360	360	288	400	11.11%
Vending Machine Commission	0	1,034	300	3,948	6,000	1900%
Miscellaneous Revenue	0	0	0	3	5	100.00%
TOTALS	687,212	742,866	919,260	794,914	882,390	-4.01%
Expenses						
Salaries and Wages	357,190	369,397	372,860	365,562	368,456	-1.18%
Employee Benefits	101,982	129,092	148,527	147,734	147,680	-0.57%
Contractual	203,402	183,483	207,901	215,154	200,200	-3.70%
Commodities	96,895	83,303	94,550	81,376	88,076	-6.85%
Capital Outlay	56,465	57,276	51,146	51,146	77,300	51.14%
Other	2,462	2,100	0	0	0	0.00%
TOTALS	818,396	824,651	874,984	860,972	881,712	0.77%
Operating Revenues over/(under) Expenses	(131,184)	(81,785)	44,276	(66,058)	678	
Transfer out to Capital Improvement Fund	0	0	(475,000)	0	0	
TOTAL REVENUES OVER/(UNDER) EXPENSES	(131,184)	(81,785)	(430,724)	(66,058)	678	

Leisure Services Fund

REVENUE

Golf Pro Administration Fee:
Fee paid by Golf Pro as part of annual contract agreement.

Use of Facilities:
Fee paid to the Town for the use of the course for lessons. The rate charged is $5.00 per lesson per pro and is set as part of the annual contract agreement.

Resident Permit Fees:
Fee paid by resident for annual permit. Increase due to renewed interest and rate increase.

Non-resident Permit Fees:
Fee paid by non-resident for annual permit. Increase due to renewed interest.

Play Tickets:
Fee paid for 12 play multi use ticket. Percentage is misleading because regular and twilight play ticket monies were combined in FY 04 budget.

Twilight Play Tickets:
Fee paid for 12 play multi use ticket valid after 2:00 pm. Percentage is misleading because regular and twilight play ticket monies were combined in FY 04 budget.

Green Fees:
Fee paid for daily play on golf course. Percentage is misleading because regular and discounted greens fees were combined in FY 04 budget.

Discount Green Fees:
Fee paid for daily play on Golf course at discounted rates. Percentage is misleading because regular and discounted greens fees were combined in FY 04 budget.

Riding Cart Rental:
Fee paid for rental of golf cart during play on course. Slight decrease due to overestimate in FY 04 budget.

Pull Cart Rental:
Fee paid for rental of golf club pull cart. Expecting a small increase due to increased popularity of walking.

Driving Range:
Fee paid for use of buckets of golf balls on driving range. Slight decrease due to overestimate in FY 04 budget.

Maintenance and Improvement Fee:
Fee paid per round of golf for maintenance and improvement of course. Expecting small increase in play and increase in rate during high season.

Sales Tax Commission:
Discount received from the State of Florida for timely filing and payment of sales tax returns.

Vending Machine Commission:
All vending machine commission revenue. Increase due to renegotiation of contract with vendor.

Leisure Services Fund

EXPENSES

Salaries and Wages:
Slight decrease due to transfer of full time position to part-time offsetting merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the proposed competitive pay increase.

Employee Benefits:
Change is due to elimination of one full time position offsetting significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Decrease primarily due to small decrease in promotional line item. This is part of pro/managers business plan.

Commodities:
Small decrease due to cost cutting efforts.

Capital Outlay:
Increase due to scheduled replacement of fairway mower.

Transfer out to Capital Improvement Fund:
Cost to develop alternative water supply. Project cancelled due to less than desired return on investment.

Leisure Services Fund

PROGRAM: TENNIS

The Tennis Pro-Manager is responsible for the supervision and management of the Town's tennis facilities. The Tennis program provides lessons, group clinics, tournaments and league competition for children and adults throughout the year. In addition to these activities the Tennis Pro coordinates the use of twelve tennis courts at two facilities throughout the year for open play. Assistant Tennis Instructors are hired and paid by the Tennis Pro-Manager. Tennis lesson fees paid by participants cover 100% of the cost of tennis lessons given by the Tennis Pro-Manager and assistant instructors. Recreation Maintenance personnel provide daytime tennis court maintenance service five days a week, while public works personnel provide maintenance on weekends and holidays. Monthly maintenance and annual reconditioning are also contracted.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Youth Participants*	n/a	n/a	n/a	4,500
Adult Participants*	n/a	n/a	n/a	19,100

*Participants in private lessons, clinics, organized match play and tournaments were the performance measurement standards for previous fiscal years. Future standards will focus on total participation figures.

Focus Forward

- Complete construction of Phipps Ocean Park Tennis Facility.
- Develop Master Plan for the renovation of Seaview Park Tennis Facility.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Office Manager	0.10	0.00	0.00	0.00
Recreation Director	0.25	0.00	0.00	0.00
Tennis Pro-Manager	1.00	1.00	1.00	1.00
Tennis Facility Supervisor	2.00	2.00	2.00	2.00
Recreation Maintenance Worker	0.50	0.50	0.50	0.50
Registration Clerk I	1.77	2.60	3.00	3.20
Public Works Employees	0.16	0.00	0.13	0.13
TOTAL	**5.78**	**6.10**	**6.63**	**6.83**

Leisure Services Fund

Tennis
Revenue and Expense Summary

	FY2002 Actual	*FY2003 Actual*	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Tennis Program Registration Fees	*500*	*450*	0	722	0	0.00%
Daily Tennis Court Fees	*33,382*	*37,210*	30,250	30,236	31,000	2.48%
Annual Tennis Court Fees	*45,937*	*52,902*	49,700	46,356	50,000	0.60%
Tennis Pro Administration Fees	*12,000*	*12,000*	12,000	12,000	12,000	0.00%
Use of Facilities	*0*	*0*	0	22,456	25,000	100.00%
Light Meter	*135*	*115*	150	92	150	0.00%
TOTALS	*91,954*	*102,677*	92,100	111,862	118,150	28.28%
Expenses						
Salaries and Wages	*184,715*	*173,361*	197,534	210,683	212,882	7.77%
Employee Benefits	*56,417*	*64,109*	99,505	100,402	112,922	13.48%
Contractual	*50,916*	*45,012*	53,311	41,756	49,900	-6.40%
Commodities	*13,217*	*10,517*	13,000	10,101	14,400	10.77%
Capital Outlay	*6,231*	*6,369*	270	313	270	0.00%
Other	*0*	*0*	0	0	0	0.00%
TOTALS	*311,496*	*299,368*	363,620	363,255	390,374	7.36%
Operating Revenues over/(under) Expenses	*(219,542)*	*(196,691)*	(271,520)	(251,393)	(272,224)	
Transfer out to Capital Improvement Fund	*0*	*0*	(115,000)	(115,000)	(613,000)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	*(219,542)*	*(196,691)*	(386,520)	(366,393)	(885,224)	

Amounts in italics are presented for comparison purposes. Actual revenues and expenditures recorded in the general fund, Recreation Department, program #312. During FY04, the general fund Recreation Department was combined with the Marina and the Par 3 Golf Course, to form the Leisure Services Enterprise Fund.

Leisure Services Fund

REVENUES

Tennis Program Registration Fees:
This account consolidated into Adult and Youth program registration fees.

Daily Tennis Court Fees:
All revenues related to daily court reservations at Tennis facilities. Anticipated increase of play in FY05.

Annual Tennis Court Fees:
All revenues related to annual tennis facility permits. No appreciable change.

Tennis Pro Administrative Fees:
Fee paid by Tennis Pro as part of annual contract agreement.

Use of Facilities:
Fee paid to the Town for the use of the course during lessons. Rate is calculated as $6.00 per pro court hour of usage and is set as part of the annual contract agreement.

Tennis Light Meter:
All revenue related to use of lights at Seaview Tennis facility.

EXPENSES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the proposed competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Decrease due to A/C compressor repair in FY 04 and some reduction in janitorial costs.

Commodities:
Small increase in building maintenance supplies.

Capital Outlay:
Annual depreciation

Transfer out to Capital Improvement Fund:
FY04 - Cost to construct Phipps Ocean Park tennis maintenance building and an additional court at Phipps Ocean Park.
FY05 - Construction of two additional courts and the relocation of bathroom facilities at Phipps Ocean Park ($525,000). Engineering and design in FY05 for the FY06 Seaview Tennis Center Renovation ($88,000).

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Leisure Services Fund

PROGRAM: RECREATION

Administrative management responsibilities include leadership and organizational management of all Recreation Department operations. The administrative management team is responsible for budget development and control, policies and procedures, record keeping, filing, recruitment, training and development of staff, payroll processing, coordinating/processing work requests, requisitions and contracts. Administrative management duties also include overseeing maintenance of all Town Recreation Facilities, complaint management and conflict resolution, enforcement of ordinances, rules and regulations at all Town recreation facilities; processing of financial data through fee collection, cash handling and utilizing financial documents, and the evaluation of Recreation Department programs and services offered to the community.

A variety of adult programs are offered at the Recreation Center throughout the year. Revenue received from participant program fees cover all direct costs, to include class supplies and contractual instructors. Some examples of programs offered include: exercise, investing, foreign languages, painting, photography, tap, yoga, line dancing and calligraphy.

Youth programs include athletics, arts & crafts, dance, self defense and a variety of other instructional classes. In addition to these activities, the Town offers an after school youth program throughout the school year, an eight week day camp during the summer months, school holiday camps, and a variety of annual special events. Additional help in conducting these programs is provided free of charge to the Town by Recreation Department Volunteers. All class instructors and officials are hired contractually. The total cost for instructors and class materials are totally paid for through participant program fees and sponsor donations.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Hours of Training at Seminars and Conferences	250	250	250	300
Sports Sponsorships and Donations	n/a	n/a	$12,750	$13,750
Family Oriented Special Events Offered	5	5	5	5
Adult Participants	1,221	1,500	1,194	1,200
Youth Participants	2,377	2,500	1,889	1,900

Focus Forward

- Complete construction of Phipps Ocean Park Tennis Facility.
- Develop Master Plan for the renovation of Seaview Park Tennis Facility.

Leisure Services Fund

Recreation
Revenue and Expense Summary

	FY2002 Actual	*FY2003 Actual*	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Youth Program Registration Fees	*4,493*	*5,223*	5,000	3,906	5,000	0.00%
Adult Program Registration Fees	*604*	*670*	500	485	700	40.00%
Youth Program Fees	*150,142*	*154,011*	153,000	160,018	160,000	4.58%
Facility Rental Fees	*132*	*118*	175	1,025	625	257.14%
Adult Program Fees	*27,650*	*30,098*	31,000	28,080	33,000	6.45%
Seaview Park Concession	*0*	*0*	300	2,418	2,000	566.67%
Sales Tax Commission	*0*	*0*	0	60	60	100.00%
TOTALS	*183,021*	*190,120*	189,975	195,992	201,385	6.01%
Expenses						
Salaries and Wages	*322,730*	*377,366*	423,280	412,288	434,709	2.70%
Employee Benefits	*79,499*	*102,942*	127,905	125,783	144,122	12.68%
Contractual	*102,647*	*106,740*	199,722	182,320	214,900	7.60%
Commodities	*37,198*	*30,975*	49,300	36,607	52,550	6.59%
Capital Outlay	*1,800*	*5,806*	11,406	5,658	5,806	-49.10%
Other	*0*	*0*	0	0	0	0.00%
TOTALS	*543,874*	*623,829*	811,613	762,656	852,087	4.99%
Operating Revenues over/(under) Expenses	*(360,853)*	*(433,709)*	(621,638)	(566,664)	(650,702)	
Transfer out to Capital Improvement Fund	*0*	*0*	0	0	(60,000)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	*(360,853)*	*(433,709)*	(621,638)	(566,664)	(710,702)	

Amounts in italics are presented for comparison purposes. Actual revenues and expenditures recorded in the general fund, Recreation Department, program #311, 313 and 314. During FY04, the general fund Recreation Department was combined with the Marina and the Par 3 Golf Course, to form the Leisure Services Enterprise Fund.

Leisure Services Fund

REVENUES

Youth Program Registration Fees:
All revenues related to annual registration fees for youth participants.

Adult Program Registration Fees:
All revenue related to annual registration fees for adult participants. More participants in programs.

Youth Program Fees:
All revenues related to fees paid for a variety of youth programs. Increase due to increased participation in programs and small increase in fees.

Facility Rental Fees:
All revenues related to fees paid for rental of rooms at Seaview Recreation Center. Increase in amount of rentals and small fee increase.

Adult Program Fees:
All revenues related to fees paid for a variety of adult programs. Increase due to increased attendance of adult programs.

Seaview Park Concession:
Proceeds from vending machines at Seaview Park. Increase due to renegotiation of contract with vendor.

Sales Tax Commission:
Discount received from the State of Florida for timely filing and payment of sales tax returns.

EXPENSES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the proposed competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to small maintenance related increases. Increases in instructor payments due to increased participation in programs. These increases are offset by increases in revenue.

Commodities:
Increase due to rise in material costs and replacement of necessary operating equipment.

Capital Outlay:
Annual depreciation

Transfer out to Capital Improvement Fund:
Cost of the scheduled replacement and upgrade of storm shutters for the Seaview Recreation Center.

Leisure Services Fund

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Recreation Director	0.65	1.00	1.00	1.00
Recreation Supervisor II	2.00	2.00	2.00	2.00
Recreation Supervisor I	1.00	1.00	1.00	1.00
Recreation Office Manager	0.90	1.00	1.00	1.00
Recreation Maintenance Worker	0.50	0.50	0.50	0.50
Registration Clerk I	0.05	0.05	0.05	0.05
Bus Driver	0.31	0.31	0.31	0.31
Activity Leader	3.99	4.03	4.03	3.18
Public Works Employees	0.70	0.00	0.35	0.50
TOTAL	**10.10**	**9.89**	**10.24**	**9.54**

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Self Insurance: Workers Comp, Liability, Property

PROGRAM: SELF INSURANCE FUND (RISK MANAGEMENT) 501

The Office of Risk Management is responsible for planning, organizing, implementing and directing the activities of the Town's Risk Management Program, including Loss Control, Claims Management, Community Rating System and Safety Programs.

Work in this division is performed under the direction of the Assistant Town Manager. Responsibilities include risk retention and risk transfer through self-insurance and excess insurance management; claims management and investigations including litigation strategies; review of agreements, contracts and leases regarding insurance requirements; loss prevention and control programs; comprehensive review of proposed legislation which could impact the Town from a Risk Management perspective.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Claims Processed	139	145	147	140
Safety Program Training Sessions	n/a	n/a	5	12
Safety Bulletins Produced	n/a	n/a	5	12
Community Rating System (CRS) Rating	n/a	n/a	Class 7	Class 7

Focus Forward

- Conduct annual, or as needed, evaluations of the insurance program coverages, limits, deductibles and premiums. Choose the appropriate risk control techniques (insurance retention, or transfer) to best protect the Town's assets and its employees.
- Educate and instruct all new employees on the policies and procedures of risk management during the orientation process.
- Prepare monthly claim reports by department and claim type (workers' compensation, property, automobile liability and general liability) to identify frequency and severity of claims.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Risk Manager	1.00	1.00	1.00	1.00
Administrative Secretary	0.00	0.50	0.50	1.00
	1.00	1.50	1.50	2.00

Risk Management

Fund 501 - Self Insurance, Worker's Comp, Liability, Property
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Risk Funding	2,303,060	2,761,360	2,810,033	2,816,958	2,510,033	-10.68%
Miscellaneous Revenue	0	94,969	0	334	0	0.00%
Interest on Investments	107,542	86,818	100,400	92,934	82,000	-18.33%
TOTALS	2,410,602	2,943,147	2,910,433	2,910,226	2,592,033	-10.94%
Expenses						
Salaries and Wages	59,950	80,442	90,002	85,116	115,453	28.28%
Employee Benefits	398,886	545,598	621,889	518,297	782,160	25.77%
Contractual	1,484,674	1,830,825	2,246,996	1,086,779	1,543,624	-31.30%
Commodities	3,114	4,472	4,150	3,402	4,150	0.00%
Capital Outlay	0	709	0	0	0	0.00%
Other	14,000	0	3,000,000	101,250	3,000,000	0.00%
TOTALS	1,960,624	2,462,046	5,963,037	1,794,844	5,445,387	-8.68%
TOTAL REVENUES OVER/(UNDER) EXPENSES	449,978	481,101	(3,052,604)	1,115,382	(2,853,354)	
Beginning Retained Earnings	3,518,595	3,968,573	4,450,383	4,450,383	5,565,765	
Capital Outlay (adj to GAAP)	0	709	0	0	0	
ENDING FUND EQUITY	3,968,573	4,450,383	1,397,779	5,565,765	2,712,411	

Risk Management

REVENUES

Risk Funding:
The decrease results from the change in the amount of the fund transfer from the general fund.

Interest on Investments:
The interest revenue is based upon the financial market conditions.

EXPENSES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase and also due to increasing the administrative secretary position from part-time to full-time.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
The decrease is a result of the re-structuring of the insurance program.

Commodities:
No change is anticipated.

Other:
Reserve funds established to cover catastrophic losses, emergencies and contingencies.

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Self Insurance: Health

PROGRAM: SELF INSURANCE FUND (HEALTH BENEFIT) 502

This program provides for the management of the employee health insurance program. Responsibilities include: planning, organizing, implementing, and directing the self-insurance fund of the Town's Health Insurance Program. This program also provides certain health insurance benefits for retired employees and their dependents in accordance with State and Federal regulations.

Workload Indicators	FY2001 ACTUAL	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 PROJECTED
Assist with Medical Claims	n/a	n/a	1,134	1,286
Process Requests for Insurance	n/a	n/a	27	24
Provide Benefits Training to New Employees	n/a	n/a	37	38
Provide Wellness Programs for Employees	n/a	n/a	4	5

Focus Forward

- Monitor costs and research alternatives for the health plan to reduce the impact of future health care cost increases.
- Maintain compliance with Federal Statute Health Insurance Portability and Accountability Act and provide training to new employees.
- Coordinate and oversee an employee Health Fair and provide bi-monthly health and wellness programs to employees.

Full Time Equivalent Employees	FY2002	FY2003	FY2004	FY2005
Human Resources Director	0.20	0.20	0.20	0.20
Human Resources Assistant	0.00	0.70	0.70	0.70
Human Resources Analyst	0.70	0.70	0.70	0.70
Secretary II	0.70	0.00	0.00	0.00
	1.60	1.60	1.60	1.60

Self Insurance - Health

Fund 502 - Self Insurance, Health
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
Group Medical	3,854,100	4,427,742	4,374,542	4,696,313	4,877,720	11.50%
Interest on Investments	336,507	291,783	300,000	300,868	340,000	13.33%
TOTALS	4,190,607	4,719,525	4,674,542	4,997,181	5,217,720	11.62%
Expenses						
Salaries and Wages	52,298	58,879	76,735	74,750	81,885	6.71%
Employee Benefits	3,780,094	4,330,958	4,580,507	4,678,468	5,101,835	11.38%
Contractual	14,730	5,389	15,400	16,935	31,200	102.60%
Commodities	1,045	3,500	1,900	2,122	2,800	47.37%
Capital Outlay	1,943	2,375	0	0	0	0.00%
Other	19,000	0	500,000	0	500,000	0.00%
TOTALS	3,869,110	4,401,101	5,174,542	4,772,275	5,717,720	10.50%
TOTAL REVENUES OVER/(UNDER) EXPENSES	321,497	318,424	(500,000)	224,906	(500,000)	
Beginning Retained Earnings	15,463,080	15,784,577	16,103,001	16,103,001	16,586,441	
ENDING FUND EQUITY	15,784,577	16,103,001	15,603,001	16,327,907	16,086,441	

Self Insurance - Health

REVENUE

Group Medical:
Increased Town and employee contributions by $503,178.

Interest on Investments:
Budgeted at 2% for FY05.

EXPENSES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the competitive pay increase.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Increase due to additional actuarial report required by GASB Statement 43 - Financial Statement for Post Employment Benefits.

Commodities:
Increased budget for office supplies and publications.

Capital Outlay:
No budget.

Other:
Contingency.

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Retirement Funds

RETIREMENT FUNDS

The Town administers two single defined benefit pension plans. The General Employees' Pension Trust Fund covers all full time general employees and lifeguards, and the Public Safety Pension Trust Fund covers all full time police and fire-rescue personnel. With the creation of House Bill 261 passed by the Florida Legislature and approved by the Governor in 1999, the Town has amended Chapter 82 of the Town of Palm Beach Code of Ordinances establishing a separate retirement plan for public safety officers. Prior to January 1, 2000, both plans were part of a single defined pension plan, the Town of Palm Beach Employees' Retirement System. On October 1, 2004, the Public Safety Pension Plan was split into two separate plans: the Police Pension Plan and the Fire-Rescue Plan.

The Town Council is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. The contributions are segregated between general employees (including lifeguards) and public safety employees (police and fire-rescue). The Public Safety Pension Plan also receives payments from the State of Florida pursuant to Chapters 175 and 185 of the Florida Statutes for the benefit of police officers and fire-rescue personnel. Approximately 350 active employees and 200 retirees are covered by the two Plans.

The contribution requirements of the Plan members and the Town are established and may be amended by the Town Council. Plan members are required to contribute a percentage of their annual covered salary as described in the following table. The Town is required to contribute at an actuarially determined rate. The contribution rates for the FY05 budget year as a percentage of the employees annual compensation, will be as follows.

Description	Member Contribution	Town and State Contribution
General Employees	6.47%	16.75%
Lifeguards	7.21%	22.39%
Police	6.98%	33.09%
Fire-Rescue	6.82%	36.75%

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

	FY2004	FY2005	Change	% Change
Gen.Employees	$ 1,475,454	$ 1,705,300	$ 229,846	15.6%
Lifeguards	44,204	76,252	32,048	72.5%
Police	1,106,450	1,312,615	206,165	18.6%
Fire-Rescue	822,201	1,116,151	293,950	35.6%
Total	$ 3,448,309	$ 4,210,318	$ 762,009	22.1%

Retirement Funds

The employer funding history for the last five years follows:

	FY2001	FY2002	FY2003	FY2004	FY2005
General	$ 787,146	$ 516,344	$ 893,843	$1,475,454	$ 1,705,300
Lifeguards	56,075	41,336	58,142	44,204	76,252
Police	765,237	299,892	452,334	1,106,450	1,312,615
Fire-Rescue	576,996	197,289	337,218	822,201	1,116,151
Total	$ 2,185,454	$1,054,861	$ 1,741,537	$3,448,309	$ 4,210,318

Retirement Benefits for the General Employees Retirement System are:

Normal Retirement:

Eligibility -

a) *General:* 30 or more years of service, regardless of age; or age 55 with 10 or more years of service

b) *Lifeguards:* Age 50 with 10 or more years of service. Members with at least 10 years of service who retire after February 9, 1993 are eligible when the individual's age plus credited service totals 65 years or more.

Pension Amount

a) *General:* Average final compensation times the sum of a) 2.75% for service earned after September 30, 1990, to a maximum of 82.5%, plus 2.35% for service earned on or before September 30, 1990 for the first 30 years of service, plus, b) 1.0% for service in excess of 30 years.

b) *Lifeguards:* Average final compensation times the sum of a) 2.85% for the first 25 years of service with a maximum of 71.25% of AFC, plus, b) 1.0% for service in excess of 25 years.

For members hired on or after January 1,1980, the sum of the employer financed portion of the pension and social security cannot exceed 100% of final average compensation. The normal form of pension is a pension payable for life. Also, see Automatic Death Benefit After Retirement heading.

DROP Retirement:

Eligibility - Same as Normal Retirement, election must be made within 7 years of the date the member first reaches general retirement eligibility.

Pension Amount - 98% of member's accrued benefit at the date of election to participate in DROP.

Early Retirement (General):

Eligibility -Age 50 with 10 or more years of service.

Pension Amount - Computed as a normal retirement benefit but reduced 6/10 of 1% (3/10 of 1% if service credit is 20 or more years) for each month early retirement precedes the member's normal retirement date.

Type of Final Average Compensation -Highest 2 consecutive years within the member's last 5 years of credited service.

Deferred Retirement (Vested Termination Benefit):

Eligibility - 10 or more years of service. Pension begins upon meeting requirement for normal retirement. Contributions must be left on deposit in the System; failure to do so results in forfeiture of the vested benefit.

Pension Amount - Computed as for normal retirement, based upon service and average final compensation at time of termination.

Duty Disability Retirement:

Eligibility - No age or service requirements.

Pension Amount - To earliest normal retirement eligibility date: Computed as a regular retirement with additional service credit granted from date of disability to earliest normal retirement eligibility date. Minimum benefit is 60% of average final compensation. At earliest normal retirement date: computed as a regular retirement. The minimum shall be applicable for at least 5 years if the member attains such age for retirement less than 5 years after duty disability benefits commence.

Non-Duty Disability Before Retirement:

Eligibility - 10 or more years of service.

Pension Amount - Computed as for normal retirement.

Duty Death Before Retirement:

Eligibility - No age or service requirements.

Pension Amount - A pension to each surviving child of 25% of the member's average final compensation not to exceed 50% or equal share of 75% of the member's AFC when there are 4 or more surviving children being paid. A pension to the widow of the difference, if any, between 75% of the retirant's AFC and the aggregate amount paid to children for the month.

Non-Duty Death Before Retirement:

Eligibility - 10 or more years of service

Pension Amount - 75% of normal retirement benefit to a surviving spouse or equal shares of 75% of the normal retirement benefit to surviving unmarried children under 18.

Automatic Death After Retirement Pension:

To Surviving Child(ren): 25% of the retirant's pension payable to age 18, not to exceed an equal share of 75% of the retirant's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable.

To Surviving Spouse: The difference, if any, between 75% of the deceased retirant's pension and the aggregate amount paid to any surviving children for the month.

Retirement Funds

Post-Retirement Cost-of-Living Adjustments:

Members who retire after September 30, 1968 and prior to October 1, 1990 receive an annual 1.0% increase computed on the base benefit. Other adjustments have been made periodically. Pensions effective after September 30, 1990 will be increased 2.0% annually based on the total pension payable subsequent to an initial 3 year deferral period.

Supplemental Pension Distribution

Amount determined on investment return, if any, after expenses, between 8.0% and 10.0% of assets, subject to accumulated gains/(losses) limitation.

Retirement Benefits for the Public Safety Retirement System are:

Normal Retirement:

Eligibility - *Public Safety:* 20 or more years of service, regardless of age; or, age 50 with 10 or more years of service; or, members with at least 10 years of service who retire after September 30,1990 are eligible when the individual's age plus credited service totals 65 years or more.

Pension Amount - *Public Safety:* Average final compensation multiplied by the sum of

a) 3.25% of credited service rendered after September 30,1980, to a maximum of 81.25% plus

b) 2.5% of credited service rendered prior to October 1,1980,plus

c) 2.0% of credited service, if any, in excess of 25 years, provided that the years of credited service under a. and b. shall not exceed 25 years.

For members hired on or after January 1, 1980, the sum of the employer financed portion of the pension and social security cannot exceed 100% of final average compensation. The normal form of pension is a pension payable for 10 years certain. Also, see Automatic Death Benefit After Retirement heading.

Final Average Compensation:

Highest 2 consecutive years within the member's last 5 years of credited service.

DROP Retirement:

Eligibility - Same as Normal Retirement, election must be made within 7 years of the date the member first reaches retirement eligibility.

Pension Amount - 100% of the member's accrued benefit at the date of election to participate in DROP.

Deferred Retirement (Vested Termination Benefit):

Eligibility - 10 or more years of service. Pension begins upon meeting requirement for normal retirement. Contributions must be left on deposit in the System; failure to do so results in forfeiture of the vested benefit.

Pension Amount - Computed as for normal retirement. Minimum benefit is 30% of average final compensation.

Retirement Funds

Duty Disability Retirement:

Eligibility - No age or service requirements.

Pension Amount - To earliest normal retirement eligibility date: Computed as a regular retirement with additional service credit granted from date of disability to earliest normal retirement eligibility date. Minimum benefit is 60% of average final compensation. At earliest normal retirement eligibility date: computed as a regular retirement. The minimum shall be applicable for at least 5 years if the member attains such age for retirement less than 5 years after duty disability benefits commence.

Non-Duty Disability Before Retirement:

Eligibility - 10 or more years of service.

Pension Amount - Computed as for normal retirement. Minimum benefit is 30% of average final compensation.

Duty Death Before Retirement:

Eligibility - No age or service requirements.

Pension Amount - A pension to each surviving child of 25% of the member's average final compensation not to exceed 50% or an equal share of 75% of the member's AFC when there are 4 or more surviving children being paid. A pension to the widow of the difference, if any, between 75% of the retirant's AFC and the aggregate amount paid to children for the month.

Non-Duty Death Before Retirement:

Eligibility - 10 or more years of service.

Pension Amount - 75% of normal retirement benefit to a surviving spouse or equal shares of 75% of the normal retirement benefit to surviving unmarried children under 18.

Automatic Death After Retirement Pension:

To Surviving Child(ren): 25% of the retirant's pension payable to age 18, not to exceed an equal share of 75% of the retirant's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable.

To Surviving Spouse: The difference, if any, between 75% of the deceased retirant's pension and the aggregate amount paid to any surviving children for the month.

Post-Retirement Cost-of-Living Adjustments:

Members who retire after September 30, 1968 and prior to October 1, 1990 receive an annual 1.0% increase computed on the base benefit. Other adjustments have been made periodically. Pensions effective after September 30, 1990 will be increased 2.0% annually based on the total pension payable subsequent to an initial 3 year deferral period.

Supplemental Pension Distribution

Amount determined on investment return, if any, after expenses, between 8.0% and 10.0% of assets, subject to accumulated gains/(losses) limitation.

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Retirement Funds

Fund 600 - General Employees' Retirement System
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
General Fund Supplement	3,130	1,885	2,000	1,900	1,900	-5.00%
Employer Contributions	557,680	952,315	1,519,650	1,519,650	1,781,550	17.23%
Employee Contributions	633,203	665,185	677,000	704,000	737,000	8.86%
Gain/(Loss) on Investments	(6,665,625)	6,497,699	3,300,000	2,000,000	2,500,000	-24.24%
Miscellaneous	6,194	1,687	1,000	1,000	1,000	0.00%
Interest on Investments	1,680,288	1,301,968	1,965,000	1,700,000	1,900,000	-3.31%
TOTALS	(3,785,130)	9,420,739	7,464,650	5,926,550	6,921,450	-7.28%
Expenses						
Contractual	2,633,702	2,665,057	2,975,400	2,637,400	2,754,400	-7.43%
TOTALS	2,633,702	2,665,057	2,975,400	2,637,400	2,754,400	-7.43%
TOTAL REVENUES OVER/(UNDER) EXPENSES	(6,418,832)	6,755,682	4,489,250	3,289,150	4,167,050	
Beginning Net Assets	50,015,637	43,596,805	50,352,487	50,352,487	54,941,637	
ENDING FUND EQUITY	43,596,805	50,352,487	54,841,737	53,641,637	59,108,687	

Retirement Funds

REVENUES

General Fund Supplement:
The General Fund supplements the pension checks for retirees who receive less than $1,200 per year to bring their annual retirement to $1,200. As these retirees pass away, the supplement from the General Fund decreases.

Employer Contributions:
The employer contributions are actuarially determined.

Employee Contributions:
Employee contributions are calculated based on the eligible employee's salary multiplied by a contribution rate established by the retirement board and approved by Town Council. The contribution rate has not changed from FY04 and remains at 6.47% for employees and 7.21% for lifeguards. Deferred Retirement Option Plan retirees (DROP) do not contribute to the plan.

Gain/(Loss) on Investments:
Due to the uncertainty in the marketplace, a conservatively higher amount was budgeted in this line item.

Miscellaneous:
No change.

Interest on Investments:
Due to the uncertainty in the marketplace, a conservative amount was budgeted in this line item.

EXPENSES

Contractual:
The budget was decreased to more accurately reflect anticipated pension and operating costs.

Retirement Funds

Fund 601 - Public Safety Retirement System
Revenue and Expense Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Revenues						
State of Florida	719,900	713,611	780,000	766,400	770,000	-1.28%
General Fund Supplement	4,479	5,144	5,700	4,800	4,800	-15.79%
Employer Contributions	497,181	789,552	1,928,651	1,928,651	2,428,766	25.93%
Employee Contributions	543,274	588,757	605,000	741,100	650,000	7.44%
Gain/(Loss) on Investments	(9,853,531)	11,877,229	4,500,000	2,500,000	3,000,000	-33.33%
Miscellaneous	6,572	829	100	1,000	1,000	900.00%
Interest on Investments	2,114,459	1,023,239	2,700,000	1,200,000	2,000,000	-25.93%
TOTALS	(5,967,666)	14,998,361	10,519,451	7,141,951	8,854,566	-15.83%
Expenses						
Contractual	4,219,921	4,500,190	4,888,000	4,803,500	4,773,000	-2.35%
TOTALS	4,219,921	4,500,190	4,888,000	4,803,500	4,773,000	-2.35%
TOTAL REVENUES OVER/(UNDER) EXPENSES	(10,187,587)	10,498,171	5,631,451	2,338,451	4,081,566	
Beginning Net Assets	82,225,888	72,038,301	82,536,472	82,536,472	88,167,923	
ENDING FUND EQUITY	72,038,301	82,536,472	88,167,923	84,874,923	92,249,489	

Retirement Funds

REVENUES

General Fund Supplement:
The General Fund supplements the pension checks for retirees who receive less than $1,200 per year to bring their annual retirement to $1,200. As these retirees pass away, the supplement from the General Fund decreases.

Employer Contributions:
The employer contributions are actuarially determined.

Employee Contributions:
Employee contributions are calculated based on the eligible employee's salary multiplied by a contribution rate established by the retirement board and approved by Town Council. The contribution rate has not changed from FY04 and remains at 6.98% for Police and 6.82% for Fire-Rescue. Deferred Retirement Option Plan retirees (DROP) do not contribute to the plan.

Gain/(Loss) on Investments:
Due to the uncertainty in the marketplace, a conservatively higher amount was budgeted in this line item.

Miscellaneous:
The amount budgeted was increased to more accurately reflect anticipated for FY04.

Interest on Investments:
Due to the uncertainty in the marketplace, a conservative amount is budgeted in this line item.

EXPENSES:

Contractual:
The budget was decreased to more accurately reflect anticipated pension and operating costs.

Town of Palm Beach
FY2005 Adopted Millage Rate - Change on Homestead Property
Taxable Value Comparison FY2004 vs. FY2005

	2003(FY2004) Final	2004(FY2005) Preliminary		Difference	% Difference
Operating Taxable Value	$8,394,664,371	$9,168,593,174		$773,928,803	9.22%
Debt Service Taxable Value	8,425,454,262	9,229,497,734		804,043,472	9.54%

Millage Rate/Ad Valorem Revenue Budget Comparison FY2004 vs. FY2005

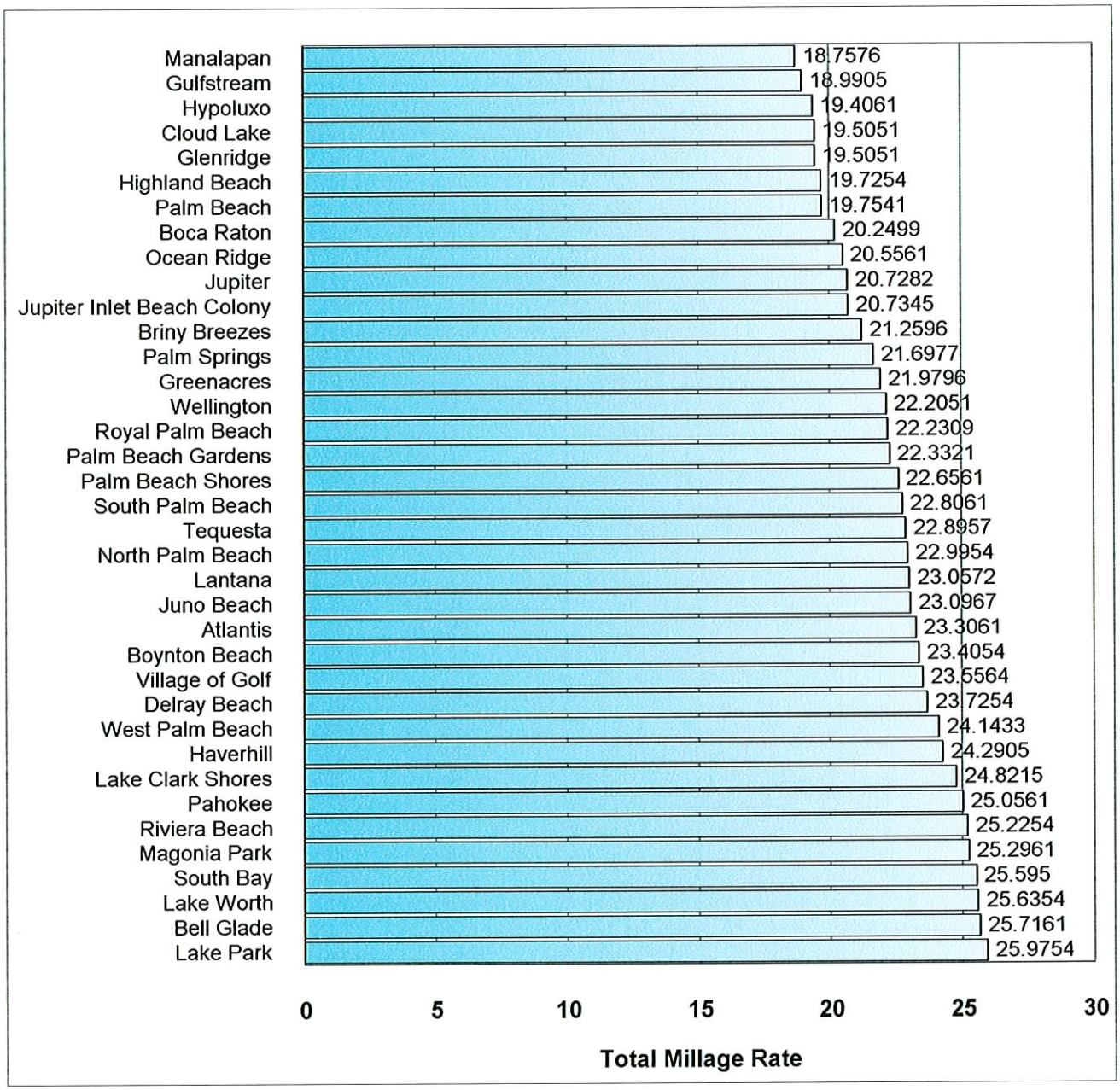
	FY2004 Adopted	FY2005 Adopted		Difference	% Difference
Operating Millage	3.9768	3.9594	(1)	-0.0174	-0.44%
Debt Service Millage	0.0761	0.0693		-0.0068	-8.94%
Total	4.0529	4.0287		-0.0242	-0.60%
Operating Revenue	$31,714,706	$34,487,021	(2)	$2,772,315	8.74%
Debt Service Revenue	$609,118	$607,624		(1,494)	-0.25%
Total	$32,323,824	$35,094,645		$2,770,821	8.57%

Effect of FY2005 Adopted Millage Rate Change on Homestead Property

	FY2004	FY2005	$ Difference	% Difference
Example I at $500,000				
Taxable Value	$500,000	$509,500 (3)		
Homestead	(25,000)	(25,000)		
Adjusted Taxable Value	475,000	484,500		
Millage	4.0529	4.0287		
Town Taxes	$1,925	$1,952	27.00	1.40%
Example II at $1,000,000				
Taxable Value	$1,000,000	$1,019,000 (3)		
Homestead	(25,000)	(25,000)		
Adjusted Taxable Value	975,000	994,000		
Millage	4.0529	4.0287		
Town Taxes	$3,952	$4,005	53.00	1.34%
Example III at $1,500,000				
Taxable Value	$1,500,000	$1,528,500 (3)		
Homestead	(25,000)	(25,000)		
Adjusted Taxable Value	1,475,000	1,503,500		
Millage	4.0529	4.0287		
Town Taxes	$5,978	$6,057	79.00	1.32%

(1) 3.9594 Operating mills is 7.85% higher than the rolled-back millage of 3.6712 mills.
(2) One mill at 95% would generate $ 8,710,164 in taxes. One mill equals $1.00 of taxes per $1,000 of taxable value
(3) Save our homes percentage increase of 1.9% is applied to FY04 taxable value.

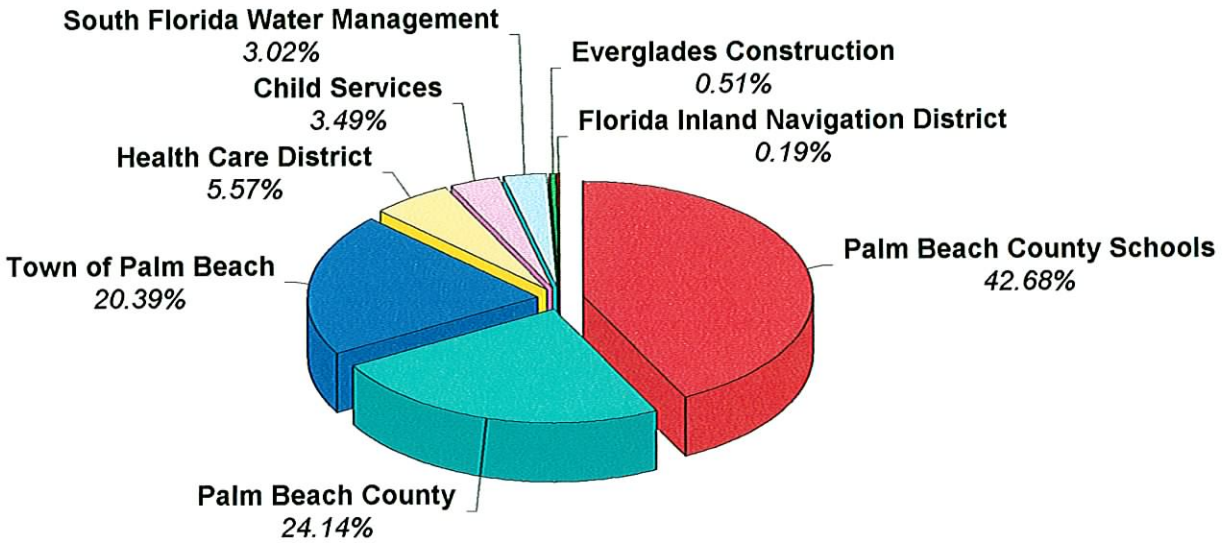
Total Millage Rates for Palm Beach County Municipalities
Fiscal Year 2005



Total millage rate includes the municipal millage, municipal debt, county, shool district, and all other levies.

Information obtained from the Palm Beach County Property Appraiser

TOTAL PROPERTY TAX RATES
TOWN OF PALM BEACH PROPERTY OWNER
FISCAL YEAR 2005



TAXING DISTRICTS	ADOPTED MILLAGE RATES	% OF TOTAL
Town of Palm Beach	4.0287	20.39%
Palm Beach County	4.7677	24.14%
Palm Beach County Schools	8.4320	42.68%
Health Care District	1.1000	5.57%
Child Services	0.6902	3.49%
South Florida Water Management	0.5970	3.02%
Florida Inland Navigation District	0.0385	0.19%
Everglades Construction	0.1000	0.51%
Total	19.7541	100.00%

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

Of every $100 paid in property taxes, only $20 is returned to the Town

Town and Overlapping Government Tax Rates

Taxing Authority	Millage Rates/Percent of Total FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05
Palm Beach	**5.1679**	**4.9960**	**4.9810**	**4.7901**	**4.7528**	**4.6452**	**4.5059**	**4.0641**	**4.0541**	**4.0529**	**4.0287**
	22.87%	**22.82%**	**23.09%**	**22.14%**	**22.08%**	**22.31%**	**21.85%**	**19.92%**	**20.14%**	**20.29%**	**20.39%**
P.B. County	4.5193	4.5191	4.5191	4.8666	4.8582	4.9456	4.9362	4.9351	4.8084	4.7910	4.7677
	20.00%	20.64%	20.95%	22.49%	22.57%	23.75%	23.94%	24.19%	23.89%	23.99%	24.14%
P.B.C. Schools	10.185	9.7970	9.7880	9.5850	9.6820	9.0430	8.9180	8.9480	8.7790	8.5710	8.4320
	45.07%	44.74%	45.37%	44.30%	44.98%	43.44%	43.24%	43.86%	43.61%	42.92%	42.68%
Other:											
S. Fla. Water Mgmt	0.6470	0.6470	0.5720	0.6220	0.5970	0.5970	0.5970	0.5970	0.5970	0.5970	0.5970
	2.86%	2.95%	2.65%	2.87%	2.77%	2.87%	2.89%	2.93%	2.97%	2.99%	3.02%
S. Lake Worth Inlet*	0.1017	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Children Services	0.3515	0.3730	0.3756	0.4530	0.4403	0.4696	0.5000	0.5703	0.6228	0.6902	0.6902
	1.56%	1.70%	1.74%	2.09%	2.05%	2.26%	2.42%	2.80%	3.09%	3.46%	3.49%
Florida Inland Navigation	0.0490	0.0400	0.0380	0.0500	0.0470	0.0440	0.0410	0.0385	0.0385	0.0385	0.0385
	0.22%	0.18%	0.18%	0.23%	0.22%	0.21%	0.20%	0.19%	0.19%	0.19%	0.19%
Health Care District	1.4750	1.4250	1.2000	1.1700	1.0500	0.9750	1.0250	1.1500	1.1300	1.1300	1.1000
	6.53%	6.51%	5.56%	5.41%	4.88%	4.68%	4.97%	5.64%	5.61%	5.66%	5.57%
Everglades Constr.**	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
	0.44%	0.46%	0.46%	0.46%	0.46%	0.48%	0.48%	0.49%	0.50%	0.50%	0.51%
Grand Total	22.5964	21.8971	21.5737	21.6367	21.5273	20.8194	20.6231	20.4030	20.1298	19.9706	19.7541

* Applicable To Properties In Town of Palm Beach, South of Southern Blvd.

** The Everglades Construction Project is mandated by the Everglades Forever Act of 1994. Under this law, the South Florida Water Management District (SFWMD) is required to dedicate one-tenth of a mill of its Ad Valorem taxing capacity to a specific project to clean up and restore the Everglades. Effective with the 1994 tax roll, this funding commitment which was previously included with SFWMD's millage, is listed separately.

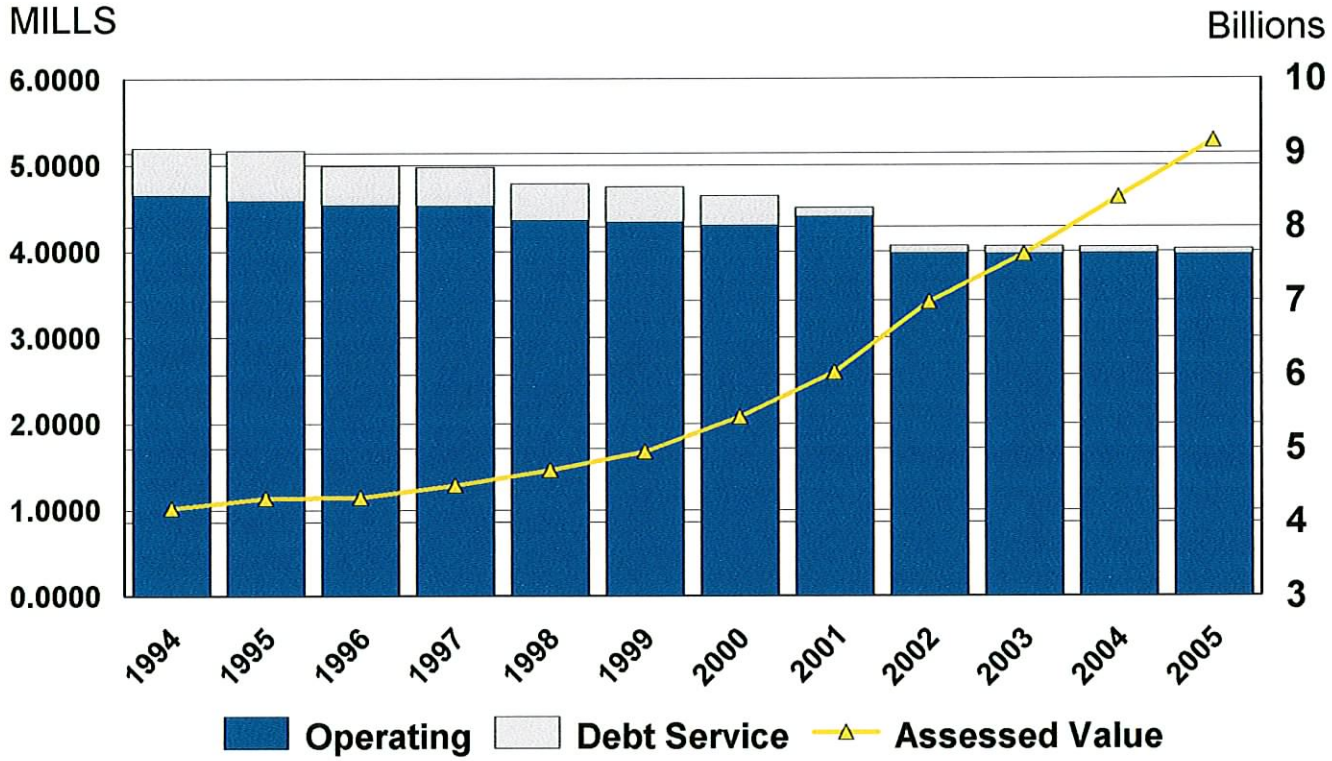
Note: 1 Mill = $1.00 per $1,000 of Taxable Value

Millage Rates and Taxable Values for Palm Beach County Municipalities
Fiscal Year 2005

	Preliminary Taxable Value	City Millage	City Debt	County, School & Other	Total Millage Rate
Atlantis	$393,295,342	7.0000	0.0000	16.3061	23.3061
Bell Glade	255,483,583	9.4100	0.0000	16.3061	25.7161
Boca Raton	14,471,064,585	3.1500	0.4046	16.6953	20.2499
Boynton Beach	3,627,964,287	7.5000	0.1800	15.7254	23.4054
Briny Breezes	29,081,397	4.9535	0.0000	16.3061	21.2596
Cloud Lake	4,597,686	0.0000	0.0000	19.5051	19.5051
Delray Beach	5,385,366,954	7.4500	0.5500	15.7254	23.7254
Glenridge	13,303,003	0.0000	0.0000	19.5051	19.5051
Greenacres	1,265,339,937	5.5962	0.0773	16.3061	21.9796
Gulfstream	541,997,667	3.2651	0.0000	15.7254	18.9905
Haverhill	59,889,796	4.7854	0.0000	19.5051	24.2905
Highland Beach	1,547,546,324	3.5512	0.4488	15.7254	19.7254
Hypoluxo	274,296,136	3.1000	0.0000	16.3061	19.4061
Juno Beach	838,647,016	3.5000	0.0000	19.5967	23.0967
Jupiter	5,932,030,035	2.6195	0.1619	17.9468	20.7282
Jupiter Inlet Beach Colony	183,480,099	4.3368	0.0000	16.3977	20.7345
Lake Clark Shores	189,434,566	5.3164	0.0000	19.5051	24.8215
Lake Park	428,766,868	8.3500	1.9000	15.7254	25.9754
Lake Worth	1,176,147,711	8.4000	1.5100	15.7254	25.6354
Lantana	622,974,086	7.3318	0.0000	15.7254	23.0572
Magonia Park	141,612,491	8.9900	0.0000	16.3061	25.2961
Manalapan	692,869,288	3.0322	0.0000	15.7254	18.7576
North Palm Beach	1,438,706,133	7.2700	0.0000	15.7254	22.9954
Ocean Ridge	603,341,939	4.2500	0.2946	16.0115	20.5561
Pahokee	74,743,566	8.7500	0.0000	16.3061	25.0561
Palm Beach	**9,159,149,054**	**3.9594**	**0.0693**	**15.7254**	**19.7541**
Palm Beach Gardens	6,070,837,626	5.7680	0.2580	16.3061	22.3321
Palm Beach Shores	404,137,095	6.3500	0.0000	16.3061	22.6561
Palm Springs	455,061,035	4.7714	1.2009	15.7254	21.6977
Riviera Beach	2,373,956,486	9.5000	0.0000	15.7254	25.2254
Royal Palm Beach	1,718,326,405	5.8900	0.0348	16.3061	22.2309
South Bay	44,383,452	9.2889	0.0000	16.3061	25.5950
South Palm Beach	258,993,492	6.5000	0.0000	16.3061	22.8061
Tequesta	716,596,753	6.4980	0.0000	16.3977	22.8957
Village of Golf	112,353,235	7.8310	0.0000	15.7254	23.5564
Wellington	4,361,019,509	2.7000	0.0000	19.5051	22.2051
West Palm Beach	7,839,753,546	7.9000	0.5179	15.7254	24.1433

Information Obtained from Palm Beach County Property Appraiser

TOWN OF PALM BEACH
ASSESSED VALUES AND PROPERTY TAX RATES
FISCAL YEARS 1990- 2005



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

FISCAL YEAR	ASSESSED VALUATION	GENERAL FUND	DEBT SERVICE	TOTAL	REVENUE GENERATED
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	$25,674,254
2002	6,986,984,760	3.9757	0.0884	4.0641	$26,688,138
2003	7,634,262,235	3.9706	0.0835	4.0541	$28,885,500
2004	8,408,734,361	3.9768	0.0761	4.0529	$31,767,862
2005	9,168,593,174	3.9594	0.0693	4.0287	$34,448,111

AUTHORIZED POSITIONS

The Chart below shows the distribution of authorized positions, full and part-time, by departments, for the years 2002 through 2005. The number of full and part-time employees for the Fiscal year 2005 is 406.27, which is a 5.30 increase over Fiscal Year 2004 of 400.97.

Full Time Equivalent Employees	***FY2002***	***FY2003***	***FY2004***	***FY2005***
Town Manager				
Town Manager	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00
Assistant to the Town Manager	1.00	1.00	1.00	1.00
Executive Secretary	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	2.00
Shared Secretary	1.00	0.50	0.50	0.00
Information Systems Manager	1.00	1.00	1.00	1.00
Information Systems Specialist	2.00	1.00	1.00	2.00
Information Systems Programmer/Analyst	1.00	1.00	1.00	1.00
GIS Coordinator	0.00	1.00	1.00	1.00
Information Systems Support Specialist	1.00	1.00	1.00	1.00
	11.00	10.50	10.50	12.00
Human Resources				
Human Resources Director	0.80	0.80	0.80	0.80
Assistant Director	1.00	1.00	1.00	1.00
Occupational Health Nurse	1.00	1.00	1.00	1.00
Secretary II	0.30	0.00	0.00	0.00
HR Assistant	1.00	1.30	1.30	1.30
Secretary II (p/t)	0.50	0.50	0.50	0.50
HR Analyst	0.30	0.30	0.30	0.30
	4.90	4.90	4.90	4.90
Town Clerk				
Town Clerk	1.00	1.00	1.00	1.00
Deputy Town Clerk	1.00	1.00	1.00	1.00
Secretary III	1.00	1.00	1.00	1.00
	3.00	3.00	3.00	3.00
Finance				
Finance Director/Treasurer	1.00	1.00	1.00	1.00
Assistant Finance Director	1.00	1.00	1.00	1.00
Purchasing Agent	1.00	1.00	1.00	1.00

AUTHORIZED POSITIONS

Full Time Equivalent Employees	*FY2002*	*FY2003*	*FY2004*	*FY2005*
Accounting Supervisor	1.00	1.00	1.00	1.00
Accounting Assistant	1.00	1.00	1.00	1.00
Buyer	2.00	2.00	2.00	2.00
Accounting Clerk	3.00	3.00	3.00	3.00
Purchasing Clerk	1.00	1.00	1.00	1.00
Warehouse Specialist	1.00	1.00	1.00	1.00
Store Clerk (position upgraded to Warehouse Specialist)	0.00	0.00	0.00	0.00
Accounting Clerk/Receptionist	1.00	1.00	1.00	1.00
Secretary	1.00	1.00	1.00	1.00
Driver/Warehouse Clerk	1.00	1.00	1.00	1.00
	15.00	15.00	15.00	15.00
Planning, Zoning and Building				
Director/Building Official	1.00	1.00	1.00	1.00
Assistant Director	1.00	1.00	1.00	1.00
Zoning Administrator	1.00	1.00	1.00	1.00
Administrative Aide	1.00	1.00	1.00	1.00
Planning Administrator	1.00	1.00	1.00	1.00
Development Review Secretary II	2.00	2.00	2.00	2.00
Permit Technician	1.00	1.00	1.00	1.00
Assistant Building Official	1.00	1.00	1.00	1.00
Chief Construction Inspectors	3.00	3.00	3.00	3.00
Development Geoprocessor	1.00	1.00	1.00	1.00
Development Review Secretary III	2.00	2.00	2.00	2.00
Storm Water Engineer	1.00	1.00	0.00	1.00
Building Inspector	0.00	0.00	0.00	0.00
Combination Inspector	2.00	2.00	3.00	3.00
Code Compliance Officer II	1.00	1.00	1.00	1.00
Code Compliance Officer I	1.00	1.00	1.00	1.00
Office Manager	1.00	1.00	1.00	1.00
Records Manager	0.00	0.00	0.00	0.00
Administrative Lieutenant	0.00	0.00	0.50	0.50
Fire Marshal	1.00	1.00	1.00	1.00
Fire Inspector	1.00	1.00	1.00	1.00
	23.00	23.00	23.50	24.50
Fire-Rescue				
Fire-Rescue Chief	1.00	1.00	1.00	1.00
Assistant Chief	2.00	2.00	2.00	2.00
EMS Coordinator	1.00	1.00	1.00	1.00

AUTHORIZED POSITIONS

Full Time Equivalent Employees	*FY2002*	*FY2003*	*FY2004*	*FY2005*
EMS Billing Specialist	0.00	0.00	0.00	1.00
Office Manager	1.00	1.00	1.00	1.00
Secretary II	1.00	1.00	1.00	1.00
Captain	3.00	3.00	3.00	3.00
Shift Commander	0.00	0.00	3.00	3.00
Lieutenant	12.00	12.00	12.00	12.00
Administrative Lieutenant	0.00	0.00	0.50	0.50
F/F, D/O, Paramedic	48.00	52.00	52.00	52.00
Fire Mechanic	1.00	1.00	1.00	1.00
Training and Safety Officer	1.00	1.00	1.00	1.00
	71.00	75.00	78.50	79.50
Police				
Police Chief	1.00	1.00	1.00	1.00
Assistant Police Chief	0.00	0.00	0.00	0.00
Major	2.00	2.00	2.00	2.00
Captain	5.00	5.00	5.00	5.00
Sergeant	12.00	12.00	12.00	12.00
Administrative Planner	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00
Secretary I	1.00	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00	1.00
Police Officer	58.00	58.00	58.00	58.00
Evidence and Property Specialist	1.00	1.00	1.00	1.00
Records Supervisor	1.00	1.00	1.00	1.00
Records Information Secretary	3.00	3.00	3.00	3.00
Civilian Manager	1.00	1.00	1.00	1.00
Civilian Training Coordinator	1.00	1.00	1.00	1.00
Telecommunications Manager	1.00	1.00	1.00	1.00
Telecommunications Supervisor	4.00	4.00	4.00	4.00
Telecommunicator	11.00	11.00	11.00	11.00
Call-Taker	1.00	1.00	1.00	1.00
ID Technician	2.00	2.00	2.00	2.00
Patrol Secretary	1.00	1.00	1.00	1.00
Police Mechanic	1.00	1.00	1.00	1.00
Detective Secretary	1.00	1.00	1.00	1.00
Crossing Guard	0.00	0.00	0.00	0.00
Supervisor Lifeguard	1.00	1.00	1.00	1.00
Assistant Supervisor Lifeguard	2.00	2.00	2.00	2.00
Lifeguard	7.00	7.00	7.00	7.00

AUTHORIZED POSITIONS

Full Time Equivalent Employees	*FY2002*	*FY2003*	*FY2004*	*FY2005*
Civilian Parking Control Supervisor	1.00	1.00	1.00	1.00
Parking Enforcement Officer	7.00	7.00	7.00	7.00
Police Master Mechanic	1.00	1.00	1.00	1.00
Crime Analyst	1.00	1.00	1.00	1.00
	131.00	131.00	131.00	131.00
Public Works				
Public Works Director	1.00	1.00	1.00	1.00
Assistant Director	1.00	1.00	1.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00
Data Processor	1.00	1.00	1.00	1.00
Public Works Inspector	1.00	1.00	1.00	1.00
Town Engineer	1.00	1.00	1.00	1.00
Coastal Management Coordinator	1.00	1.00	1.00	1.00
Project Engineer	2.00	2.00	2.00	2.00
Managers	3.95	4.00	4.00	4.46
Supervisors	9.39	8.64	8.64	8.32
Secretaries	3.00	3.00	3.00	3.00
Electricians	2.84	2.87	2.87	2.76
Mechanics	7.15	7.00	7.00	7.01
Equipment Operators	38.71	39.75	39.75	38.70
Laborers	16.99	16.00	14.00	14.91
Sanitation Walker	4.00	4.00	4.00	4.00
Maintenance Worker	1.96	1.96	1.96	1.88
Nursery Worker	1.02	1.00	1.00	0.90
Tree Trimmer	2.02	1.94	1.94	1.88
Painter	0.94	0.98	0.98	0.92
Vehicle Maintenance Clerk	1.00	1.00	1.00	1.00
	101.97	101.14	99.14	99.74
Capital Fund				
Construction Manager	0.00	0.00	0.00	1.00
Leisure Services Fund				
Dockmaster	1.00	1.00	1.00	1.00
Assistant Dockmaster	1.00	1.00	1.00	1.00
Seasonal Dock Attendant	1.53	1.53	1.53	1.53
Recreation Supervisor II	2.00	2.00	2.00	2.00
Recreation Office Manager	1.00	1.00	1.00	1.00
Tennis Pro-Manager	1.00	1.00	1.00	1.00

AUTHORIZED POSITIONS

Full Time Equivalent Employees	*FY2002*	*FY2003*	*FY2004*	*FY2005*
Tennis Facilities Supervisor	2.00	2.00	2.00	2.00
Recreation Supervisor	1.00	1.00	1.00	1.00
Recreation Maintenance Worker	1.00	1.00	1.00	1.00
Bus Driver	0.31	0.31	0.31	0.31
Activity Leader I	3.99	4.03	4.03	3.18
Recreation Director	1.00	1.00	1.00	1.00
Golf Pro-Manager	1.00	1.00	1.00	1.00
Golf Course Superintendent	1.00	1.00	1.00	1.00
Golf Course Facility Supervisor	1.00	1.00	1.00	1.00
Registration Clerk II	1.00	1.00	1.00	1.00
Golf Mechanic	1.00	1.00	1.00	1.00
Equipment Operator	1.00	1.00	1.00	1.95
Spray Tech/Equip. Operator	1.00	1.00	1.00	0
Golf Laborer	0.93	0.15	0.15	0.15
Registration Clerk	2.77	4.60	5.00	5.20
Public Works Employees	.24	.67	1.11	1.51
	27.77	29.29	30.13	29.83
Self Insurance Fund - Risk				
Risk Manager	1.00	1.00	1.00	1.00
Administrative Secretary	0.50	0.50	0.50	1.00
	1.50	1.50	1.50	2.00
Self Insurance Fund - Health				
Human Resource Director	0.20	0.20	0.20	0.20
HR Assistant	0.00	0.70	0.70	0.70
HR Analyst	0.70	0.70	0.70	0.70
HR Secretary II	0.70	0.00	0.00	0.00
	1.60	1.60	1.60	1.60
Kruesler Park				
Various	2.20	2.20	2.20	2.20
Grand Total Authorized Positions	**393.94**	**398.13**	**400.97**	**406.27**

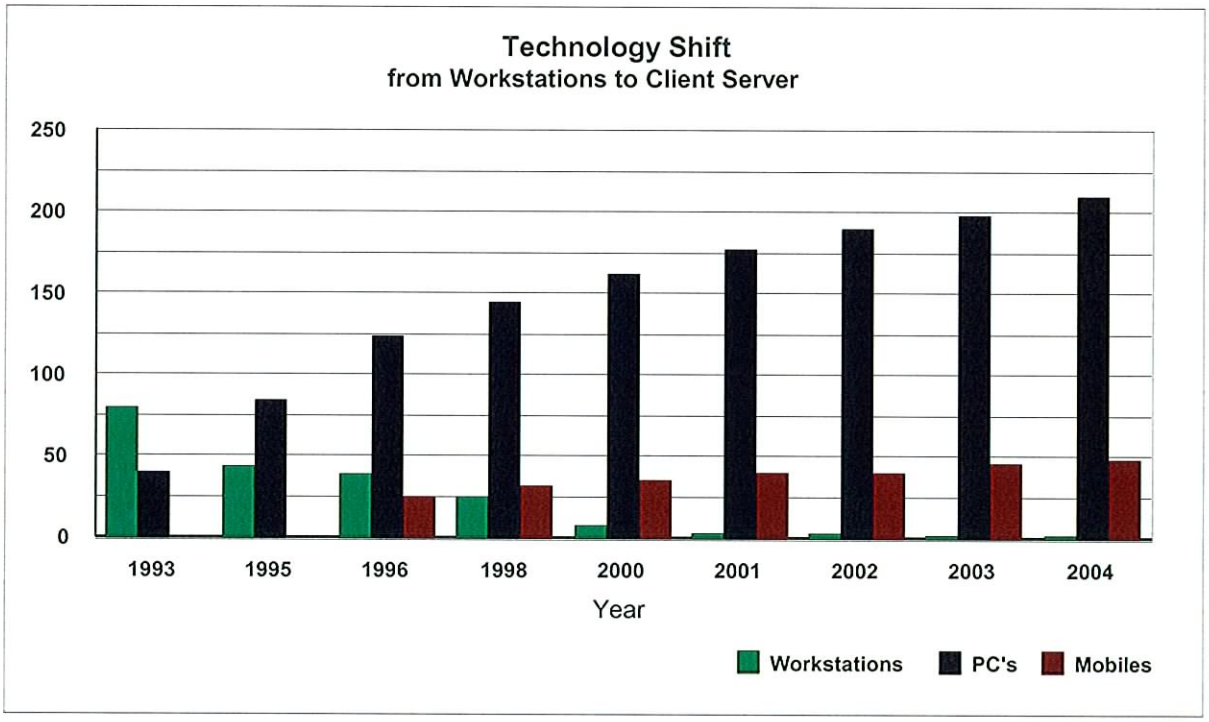
TOWN OF PALM BEACH
DONATION RESERVE ACCOUNT SUMMARY
PERIOD ENDED SEPTEMBER 30, 2004

DONATION ACCOUNT DESCRIPTION	BALANCE AT 10/01/03	REVENUES FISCAL Y-T-D	EXPENDITURES FISCAL Y-T-D	BALANCE AT 09/30/2004
Bicentennial Eagle	11,903.94	158.37	653.46	11,408.85
Co-Worker Recognition Program	0.00	93,000.00	0.00	93,000.00
Drinking Fountain (Bradley Pl & Bike Path)	694.00	0.00	141.50	552.50
DuPont Training (Police)	44.96	0.00	(5.01)	49.97
Employee Fitness Center	0.00	170,000.00	85,944.24	84,055.76
Employee of the Year Award	0.00	3,500.00	3,500.00	0.00
Feral Cats	26,953.09	90,895.19	104,802.42	13,045.86
Finance	19.00	0.00	0.00	19.00
Fire-Rescue	113,651.03	36,072.72	77,377.70	72,346.05
Fire-Rescue Athletic Activities	0.00	50.00	50.00	0.00
Fire-Rescue Central Fire Station	51,610.77	109.99	51,720.76	0.00
Fire-Rescue MICU	0.00	350,000.00	0.00	350,000.00
Fourth on Flagler (WPB)	0.00	0.00	0.00	0.00
Gift Catalog	260.48	0.00	0.00	260.48
Holiday Trees	5,800.00	0.00	5,800.00	0.00
Ilyinsky Memorial Fund	0.00	8,000.00	0.00	8,000.00
July 4th Celebration	9,873.95	1,524.47	0.00	11,398.42
LaSalle Felheim Trust (Fire-Rescue)	1,048,434.86	2,134.09	1,050,568.95	0.00
Legal Defense Fund	300.00	0.00	0.00	300.00
LPC Celebration	0.00	0.00	0.00	0.00
Memorial Fountain Lighting	1,360.51	0.00	0.00	1,360.51
Newsrack Covers	784.00	0.00	0.00	784.00
Par 3 Golf Tournament	382.87	0.00	307.27	75.60
PEPIE (H-R)	1,124.27	500.00	134.10	1,490.17
Phipps Plaza Fountain	10,372.00	900.00	11,257.60	14.40
Planning, Zoning & Building	(247.12)	247.12	0.00	0.00
Police Department	26,747.79	47,810.25	57,516.21	17,041.83
Police Scholarship Fund	138,169.09	27,249.98	22,500.00	142,919.07
Public Works Department	624.05	0.00	0.00	624.05
Recreation Department	17,606.57	27,106.75	23,670.48	21,042.84
Strategic Planning Board	$1,500.94	0.00	0.00	1,500.94
Thorson Flagpole (Royal Palm Way)	489.87	0.00	0.00	489.87
Town Beautification	3,858.16	6,579.88	6,529.23	3,908.81
Town Scholarship Fund	3,000.00	3,000.00	3,000.00	3,000.00
Undesignated Donations	2,620.00	6,500.00	0.00	9,120.00
TOTALS:	$1,477,939.08	$875,338.81	$1,505,468.91	$847,808.98

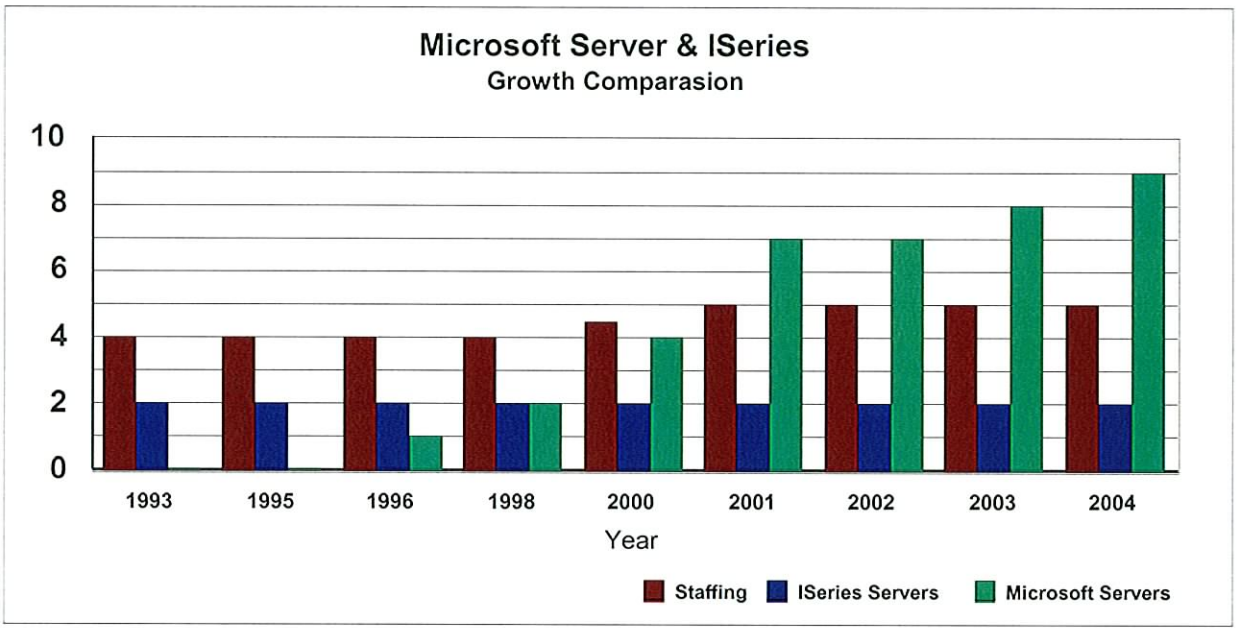
Information Systems FY2005
Approved Budget

The following is an outline of the major items included in the FY2005 Office of Information Systems Budget.

Additional I.S. Specialist Position: The need for this additional staff member comes from factors that are directly related to the growth of the computer industry and the growth of the use of technology within the Town. Over ten years ago, the computer usage within the Town was small and simple. Workstations connected to a central computer and all functions were done at the central system level. With the use of personal computers, laptops and various other devices, there has been an industry shift to a client/server structure of computing. This allows for the users of computers to have all the power and control they need to perform their jobs. The major draw back to client/server technology is that what used to be a dumb terminal at the users desk that required no maintenance or software has turned into a very complex computer system that requires a major amount of maintenance, software and support. This change of computing use requires so much more time to manage and maintain. In the chart below, I have shown the change from workstation to personal computer to show the tremendous increase in computing use in the Town. During this period the Office of Information Systems has only grown from four staff members to 5.

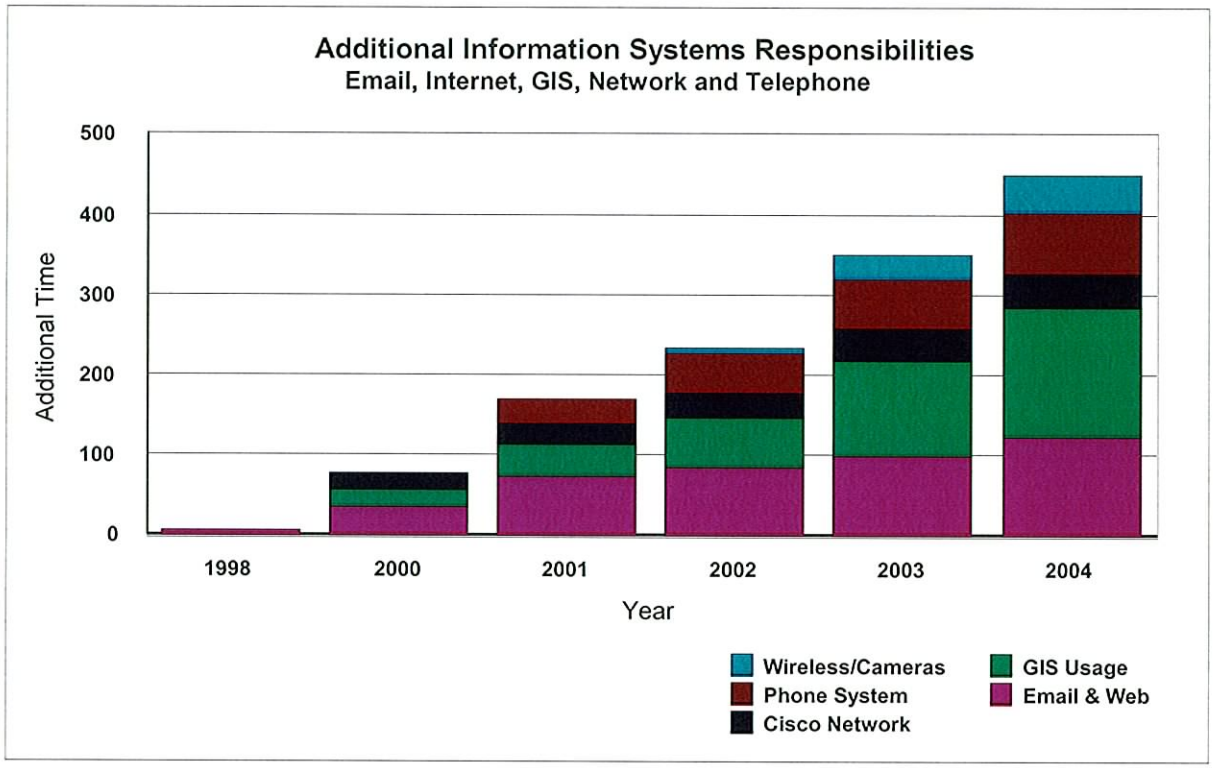


Also during this time, the use of client/server technology has required the use of Microsoft servers. The addition of these servers requires more I.S. Staff time for software maintenance. One constant over the past ten years has been the use of the Town's two mainframe systems. The Town has managed to expand and grow in many areas while continuing to use the ISeries (AS/400) mainframe platform. The hardware has grown but the number of machines has not unlike the number of Microsoft servers. The chart below illustrates the comparison in growth from the server side while the staffing level has remained the same.

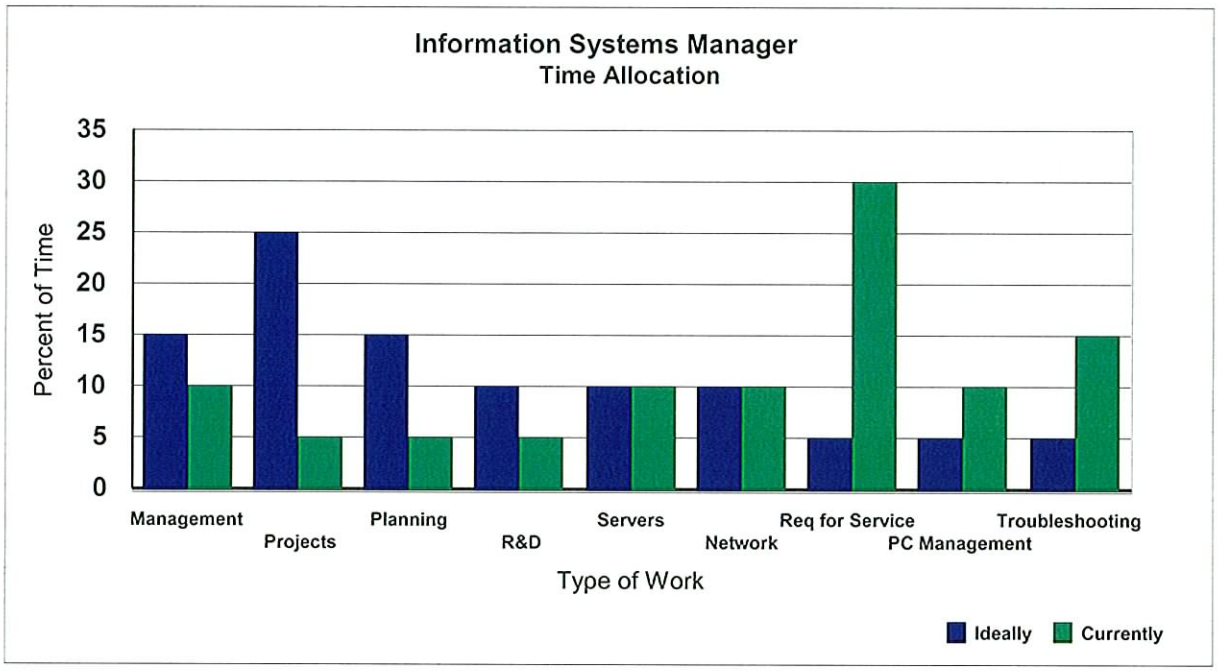


A third item that has caused an increased need for staffing is the additional computer related systems, networks and software that has been implemented in the Town over the past 10 years. In 1996, mobile computing was installed for public safety and is a service that requires many hours a week from I.S. Staff. In 1998, email and Internet use started and has become a major part of Town operations. This too requires many hours a week from I.S. Staff. In 2000, the fiber optic network was installed along with an intelligent Cisco network. Maintenance and monitoring along with daily growth on the network are also an additional I.S. staff responsibility.

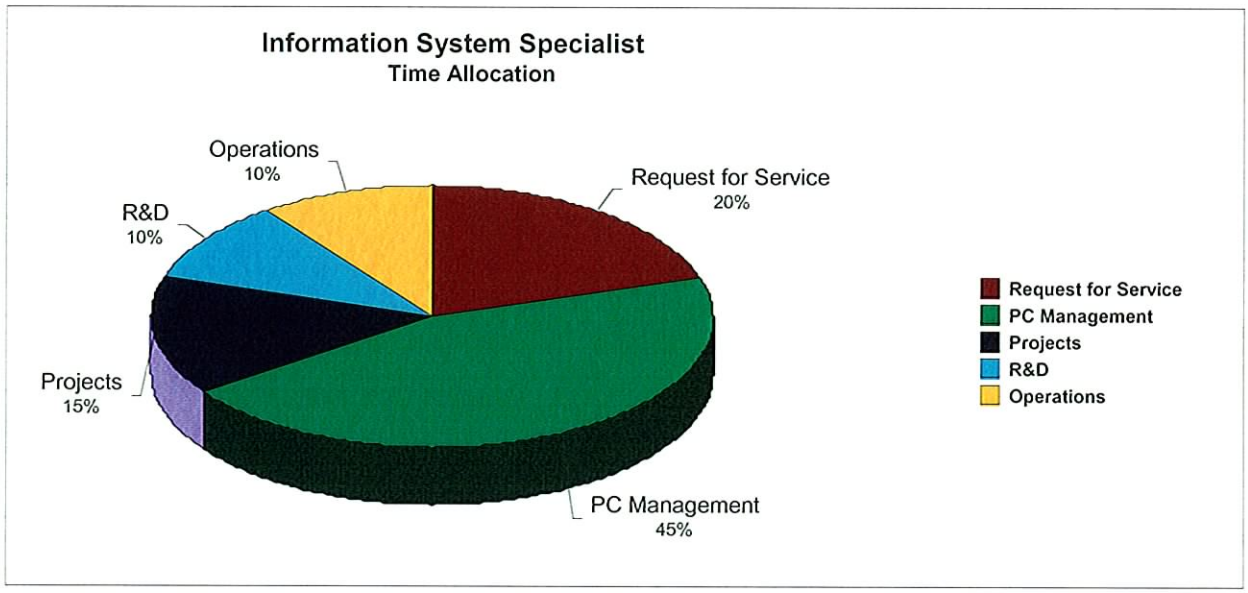
During 2000, there was the addition of an Information Systems Support Specialist from a part time to a full time that increased the total to five staff members. It was also at this time that the Town began it's GIS system. The GIS project is and always will require a completely dedicated person to oversee and coordinate all of the Departments input and usage. In essence, this one additional responsibility took away a person to handle all of the other tasks within the Office. The last major item added was the telephones. This system requires constant maintenance, day to day operations along with continued growth. Future items that will also require more time is the implementation of a internal wireless network, cameras, web applications and exploding growth in the GIS system. The next chart illustrate these items.



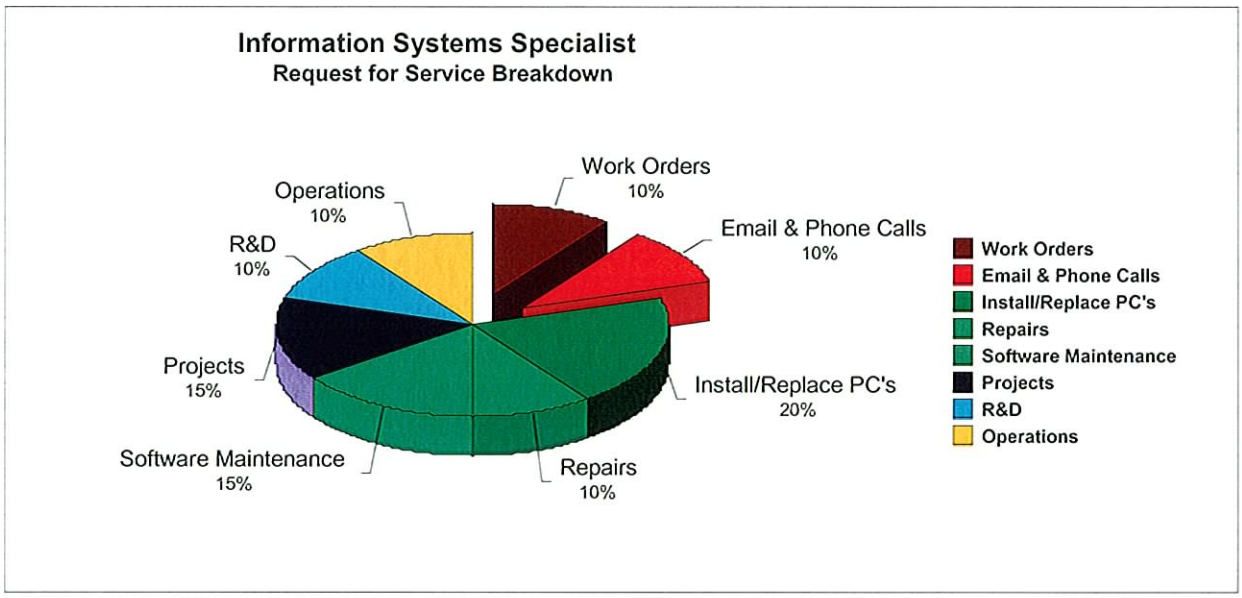
The last but one of the most important reasons for the addition of an I.S. Specialist is the actual workload that has been generated by all of the above. Because PC's, phones, networks, servers and software systems require daily attention, these items have to be handled and cannot be ignored. The problem is that with a lack of staff, something has to be ignored and at this time it is very apparent that the duties of the Information Systems Manager are not being done. The overload in request for service and PC Management has resulted in projects not getting done, little or no planning and the overall management of the Town's information technology not being performed. This has also been a major topic of discussion within several of the other Town Departments. It is very important that the Office of Information Systems be proactive and be prepared for the future. With the workload and staffing levels as they are, this is becoming more and more difficult. The following chart shows the ideal time allocation for the I.S. Manager in comparison to the current time allocation.



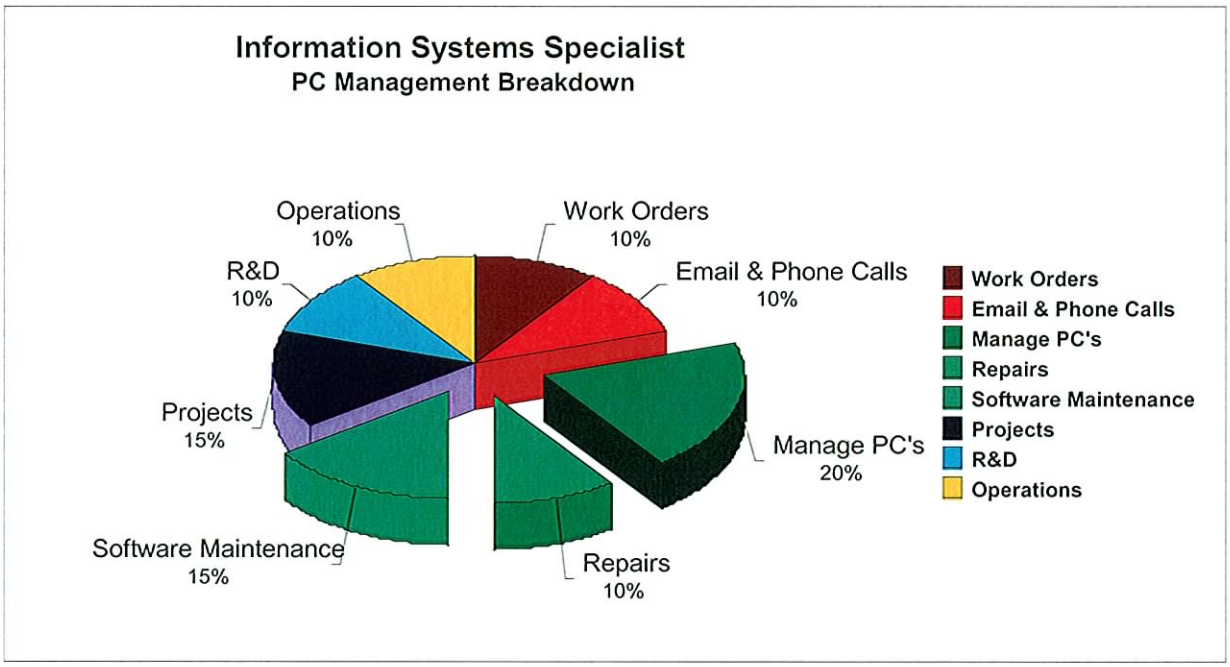
The general time allocation for an Information Systems Specialist is broken down into five categories as shown in the chart below:



Requests for service are an important part of the position and this block of time is made up of work orders, email and phone calls. Over the last year, the Office of Information Systems handled 1660 work orders for a total of almost 800 hours. This is approximately 10 percent of the total time of four staff members that handle work orders. Email and Phone calls make up the other 10 percent of request for service.



PC Management is the other major function of the Information Systems Specialist. This comprises up to 45 percent of the position's time allocation. This part of the job is made up of three functions. Installation and replacement of PC's, repairs of equipment and software maintenance.



In summary, an additional staff member will allow the Town to continue to move forward while handling the daily, weekly and monthly tasks in a proactive and efficient manner. With one of the goals of the Town and the Office of Information Systems to look into the Town's software needs over the next year or so, it is even more critical that this staff member be available to assist with Town operations. This will allow the I.S. Manager to focus on the management and planning for these new systems.

Town Wide Training: Approved in the FY2005 budget is $10,000 to be used to set up information technology training on a Town wide basis. This will be used to have instructors provide classes on site in any area of software that is needed. I anticipate at least 5 or 6 classes from outside sources as well as several that will be provided by Information Systems Staff.

Public Works Work Management Software: This software system is not currently in the FY2005 Information Systems budget but is on the table for discussion. For the past six months our office has been investigating software solutions that will assist Public Works in several facets of their operation. The underlying goal is to provide management the ability to do accurate and efficient manpower allocation. Several key requirements of the system were as follows:

1. The ability to schedule and budget for preventative maintenance tasks.
2. The ability to handle on demand work request from both the public as well as internally in an electronic format.
3. The ability to interact with the Town's GIS system and create data that can be pulled from the maps.
4. There needs to be integrate modules that can handle future needs such as signal and light system management. Storm and sewer management. Pavement and sign management.
5. The system will need to be able to export work order and PM labor hours into payroll.
6. Integration with the internet for internal and public access.
7. Statistical analysis and reports that meet the requirements of Public Works Management.

After looking at several vendors and systems, there is a package that will handle these basic requirements along with many other more detailed issues that I feel would benefit the Department is so many ways. The software is designed to be used by both upper level management as well as field level supervisors. The abilities to extract information from all levels of management is crucial to helping staff perform their tasks more efficiently. The integration with GIS will expand the capabilities of this system to other Departments. The internet and web features extend this system even further out to the public for work requests and tracking.

It is my recommendation along with Cory Cordero and Paul Brazil that the Town fund this very important software system. The initial costs for the base system for FY2005 is $45,000. The other modules that could be used in future years can be implemented over time as needed. The total costs of all of these other modules is estimated to be $40,000.

Hardware Purchases: Included in the FY2005 budget are only a few hardware items most of which are less than $1,500 and are not part of the equipment replacement program. There are 20 personal computers in which all but three are replacements to old outdated machines. There are 9 printers,13 monitors and 2 scanners. There are six computers that are over $1,500 included that will be added to the equipment replacement program in the future. Two other items include a fiber switch and router for the new Fire station to allow redundancy for the Town network and phone system.

Hardware Maintenance: The FY2005 budget includes an increase of $10,000 for hardware maintenance. With the increasing need for computer equipment in all aspects of the Town's functions comes the need to make sure that equipment works properly and can be maintained. All of the maintenance cost for the Town are handled by the Office of Information Systems. Each year we evaluate each piece of equipment to determine the priority and need for maintenance. We then can propose an estimate of the costs for maintaining all of this equipment. It is an ever increasing challenge as we balance necessity with costs to come up with an affordable plan for taking care of the Town's computers, networks and phones. Because of the growth and increased need, this amount has gone up from $65,000 to $75,000 for FY2005.

Software Maintenance: Another increase in the approved FY2005 budget is for Software Maintenance. This amount has gone up $33,221 from $108,779 to $142,000 for all Town software systems. The major reason for this increase is due to additional software that has been installed and implemented during FY2004. This includes GIS Mapping for Public safety along with reporting and AVL. Software maintenance also includes annual licensing fees for software products that are used within the Town. As with hardware maintenance, all software maintenance is handled by the Office of Information Systems and is evaluated each year. We have to keep an accurate account of the number of licenses and users of these licenses. This allows us to maintain, update and upgrade software packages Town wide within the licensing arrangements we have with the software companies. There have been increases to the number of licenses for many of the software packages that are in use Town wide that have also contributed to the overall increase in the budget.

Summary

The Information Systems budget is $1,202,300 which is an increase of $14,532 or 1.2%. This includes the additional position, the training and the Public Works software system. Overall, the Town's network infrastructure, computer systems and phone systems are up to date and functioning well. There is a continued need for more growth and expansion in the Town's network which is being addressed now and in FY2005. Wireless communications has become an integral part of the Town's network and has proven to be a valuable tool. The Town's GIS system is providing more and more information each day to Town departments and continues to be a valuable asset that expands every month. There is still a steady growth in the use of computers for many new and existing applications within the Town. The next few years will be focused on software systems and how the Town can improve in this area.

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Financial Policies

Town of Palm Beach, Florida

Subject Policy: Undesignated Fund Balance, Stabilization Reserve - General Fund

Effective Date: October 1, 2001

Purpose: The Town should maintain a prudent level of financial resources to protect against reducing service levels, or unnecessarily raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures due to a severe economic downturn or other major event(s) affecting the General Fund. The development of a reserve plan in advance of such situations may be viewed positively by rating agencies when evaluating a government's credit quality. The reserve is also needed to provide funding for the timing of the receipt of ad valorem taxes and tax stabilization purposes. The undesignated fund balance provides flexibility to respond to unexpected opportunities that may help a government achieve its goals.

Policy: It is the policy of the Town of Palm Beach that the Town maintain an undesignated fund balance in the General Fund equal to a minimum of 25% of current year General Fund budgeted expenditures. The percentage is based on a reserve of 3 months of budgeted General Fund expenditures.

Responsibility: It is the responsibility of the Town Manager and the Finance Director to implement this policy. The Town Manager will report regarding the status of the fund balance in the annual budget message and/or in the Comprehensive Annual Financial Report.

Approval Date: August 14, 2001

Financial Policies

Town of Palm Beach, Florida

Subject Policy: Contingency Reserve - General Fund

Effective Date: October 1, 2001

Purpose: The purpose of this policy is to provide for a Contingency Reserve that will be appropriated annually for unanticipated expenditures of a nonrecurring nature and/or to meet unexpected increases in costs and provide a clear guideline restricting the use of the Contingency Reserve within the General Fund.

Policy: It is the policy of the Town of Palm Beach to annually appropriate a Contingency Reserve of 2% of the proposed General Fund budget to address unexpected needs that occur throughout the year, subject to the formal affirmative vote of the Town Council. Examples of the use of this reserve may include:

1. Requests that could not be reasonably anticipated during the budget process for the current year and without funding would result in a detriment to the Town;

2. Unfunded federal/state mandates that require immediate funding;

3. Expenses that are offset by unbudgeted revenues that cannot be appropriated in the current year.

All requests will require a detailed justification to be submitted to the Town Manager, including a statement as to why it is in the Town's best interests to provide the requested funding prior to the next budget cycle.

Responsibility: It is the responsibility of the Town Manager and/or Finance Director to advise the Town Council when it may be appropriate to draw down this reserve, identifying the need(s) being met and the reason(s) that the expenditures cannot or should not wait until the next budget cycle.

Approval Date: August 14, 2001

Financial Policies

Town of Palm Beach, Florida

Subject Policy: Designation of General Fund - Fund Balance for Payment of Liability Related to Compensated Absences Leave Balances

Effective Date: September 30, 2004

Purpose: The purpose of this policy is to designate a portion of the General Fund - Fund Balance to create a reserve to fund the value of accrued compensated absences. The reserve will significantly reduce the budgetary fluctuations due to the payout of accrued leave time to terminated or retired employees. The reserve will also fund Retirement Health Savings Plan contributions of vacation and sick time, and any expenditures relating to the plan.

Policy: It is the policy of the Town of Palm Beach to designate a portion of the Town's General Fund - Undesignated Fund Balance as a reserve for funding the value of accrued compensated absences. The reserve includes accrued vacation, sick time and compensatory time and related payroll tax liability. The designation will be adjusted annually during the year end process and will be funded at a rate of 100% of the fiscal year end accrued balance. The Town Council will annually give consideration to appropriate funds from this reserve based upon estimates of pay- outs of eligible accrued vacation, sick and compensatory time and the related payroll tax liability. In addition, funds may be appropriated from this reserve for employees that elect to use their vacation or sick time as a contribution to the Retirement Health Savings Plan. The reserve fund will be increased or decreased annually based upon the fiscal year end accrued balance. The annual appropriation for estimated pay-outs will be shown in the General Government program of the General Fund budget.

Responsibility: It is the responsibility of the Town Manager and the Finance Director to advise the Town Council annually during the budget process of the amount to be appropriated from this fund. In addition, the full reserve value will be shown as a designation of General Fund - Fund Balance in the Comprehensive Annual Financial Report. The Town Council has the authority to annually appropriate funds during the budget process for this purpose.

Approval Date: August 10, 2004

Town of Palm Beach, Florida

Subject Policy: Reserve for Encumbrances, Continuing Appropriations, and Prepaid Expenses

Effective Date: October 1, 2001

Purpose: In order to honor unpaid obligations, unfinished projects and prepaid expenses for the budget period, a reserve of fund balance will be established at the end of the fiscal year for encumbrances, continuing appropriations and prepaid expenses.

Policy: It is the policy of the Town of Palm Beach that at the end of every fiscal year a reserve will be established to designate fund balance in the amount equal to the Town's unpaid obligations, unfinished projects and prepaid expenses that carry over from one fiscal year to into the next. Departments shall encumber funds with a purchase order or with written approval by the Town Manager in a memorandum making the request.

Responsibility: It is the responsibility of the Town Manager and the Finance Director to implement this policy.

Approval Date: August 14, 2001

Town of Palm Beach, Florida

Subject Policy: Contingency Reserve - Capital Fund

Effective Date: October 1, 2001

Purpose: The purpose of this policy is to provide for a Contingency Reserve that will be appropriated annually for unanticipated expenditures of a nonrecurring nature and/or to meet unexpected increases in costs and provide a clear guideline for the use of the Contingency Reserve within the Capital Fund.

Policy: It is the policy of the Town of Palm Beach to annually appropriate a Contingency Reserve of 10% of the proposed Capital budget to address unexpected needs that occur throughout the year, subject to the formal affirmative vote of the Town Council. Examples of the use of this reserve may include:

1. Requests that could not be reasonably anticipated during the budget process for the current year and without funding would result in a detriment to the Town;

2. Expenses that are offset by unbudgeted revenues that cannot be appropriated in the current year;

3. Unforeseen expenses that would be more cost effective to be completed with a current project;

4. Expenses in excess of the budgeted contingency for any budgeted capital improvement project.

All requests will require a detailed justification to be submitted to the Town Manager, including a statement as to why it is in the Town's best interests to provide the requested funding prior to the next budget cycle.

Responsibility: It is the responsibility of the Town Manager and/or Finance Director to advise the Town Council when it may be appropriate to draw down this reserve, identifying the need(s) being met and the reason(s) that the expenditures cannot or should not wait until the next budget cycle.

Approval Date: August 14, 2001

Financial Policies

Town of Palm Beach, Florida

Subject Policy: Equipment Replacement Reserve

Effective Date: October 1, 2001

Purpose: The purpose of this policy is to create a reserve to fund the replacement cost of existing equipment, vehicles and computers when they reach the end of their useful lives. The reserve will significantly reduce the budgetary fluctuations due to the purchase of large costly pieces of equipment. The reserve will also establish the fixed asset inventory and depreciation schedule as required by GASB34.

Policy: It is the policy of the Town of Palm Beach to maintain a reserve for funding the replacement costs of existing equipment, vehicles, and computers when they reach the end of their useful lives. The fund is to be maintained at a rate of 100% of accumulated depreciation. Funds will be drawn from this reserve to purchase replacement equipment that has been fully depreciated and must be replaced. New purchases (non replacement items) shall be appropriated in the requesting department's budget and added to the fixed asset listing when purchased. They will then be depreciated annually for replacement upon the end of the asset's useful life. The fund will receive an annual appropriated transfer from the General Fund equal to the annual depreciation amount on the assets held in the fund. The annual depreciation amount will be allocated to each department as an appropriated expenditure based on the assets held by the department.

The proceeds, net of costs, from the sale of surplus equipment from the equipment replacement fund shall be deposited in the equipment replacement fund.

Requests for replacement of equipment should be made annually through the budget process and should coincide with the 5 year equipment replacement plan. All requests will be reviewed for approval by the Town Manager.

Excess reserves in the fund that have built up over time may be used to fund new purchases (non replacement items). Distribution of the excess reserves for new purchases shall be a decision of the Town Manager and the requesting department's proportionate share of the funds assets will be a consideration in making distribution decisions.

Responsibility: It is the responsibility of the Town Manager and the Finance Director to advise the Town Council annually through the budget process of the items and dollar amount for each that will be purchased from the equipment replacement fund and to advise to the adequacy of the funding level of this reserve.

Approval Date: August 14, 2001

Town of Palm Beach, Florida

Subject Policy: Leisure Services Enterprise Fund Reserve

Effective Date: October 1, 2001

Purpose: The purpose of this policy is to establish an appropriate level of Retained Earnings in the Town's enterprise fund. Adequate levels of retained earnings will provide for unanticipated financial impacts as well as provide for one-time expenditures to improve the facilities.

Policy: It is the policy of the Town of Palm Beach that the Town maintain minimum Retained Earnings levels equal to 25% of the proposed budgeted revenues. The percentage represents three months of revenue.

Responsibility: It is the responsibility of the Town Manager and the Finance Director to implement this policy. The Town Manager will report regarding the status of the Retained Earnings in the annual budget message and/or in the Comprehensive Annual Financial Report.

Approval Date: August 14, 2001

Financial Policies

Town of Palm Beach, Florida

Subject Policy: Marina - Dock Replacement Reserve

Effective Date: October 1, 2002

Purpose: The purpose of this policy is to create a reserve to fund the replacement cost for the construction of the Town's docks when each of the three docks (at Brazilian, Australian, and Peruvian Avenues) reaches the end of its useful life. The reserve will significantly reduce, if not eliminate, the need for borrowing funds to finance the re-building of the docks.

Policy: It is the policy of the Town of Palm Beach to maintain a reserve for funding the replacement costs of the Town docks. The reserve fund is to be maintained at a rate of 100% of accumulated depreciation. Funds will be drawn from this reserve for the construction of new docks when ever it is determined that they must be replaced. The reserve fund will be increased by an annual appropriation equal to the annual depreciation and any interest earned on the reserve will be allocated to the account. The depreciation will be calculated using the straight line method with an estimated useful life of 25 years from the construction date for each dock.

An account will be established with the initial transfer on October 1, 2002, of the accumulated depreciation through September 30, 2002, from available funds.

Responsibility: It is the responsibility of the Town Manager and the Finance Director to advise the Town Council as to the adequacy of the funding level of this reserve. The Town Manager and Finance Director will recommend an appropriation of funds from this reserve to the Town Council whenever it is necessary for construction of a replacement dock(s) is to take place.

Approval Date: August 13, 2002

Financial Policies

Town of Palm Beach, Florida

Subject Policy: Contingency Reserve - Leisure Services Enterprise Fund

Effective Date: October 1, 2004

Purpose: The purpose of this policy is to provide for a Contingency Reserve that will be appropriated annually for unanticipated expenditures of a nonrecurring nature and provide a clear guideline restricting the use of the Contingency Reserve within the Leisure Services Enterprise Fund.

Policy: It is the policy of the Town of Palm Beach to annually appropriate a Contingency Reserve of 5% of the proposed Leisure Services Enterprise Fund operating expense budget to address unexpected needs that occur throughout the year, subject to the formal affirmative vote of the Town Council. Examples of the use of this reserve may include:

1. Requests that could not be reasonably anticipated during the budget process for the current year and without funding would result in a detriment to the Town and/or the activities of the fund and,

2. Expenses that are offset by unbudgeted revenues that cannot be appropriated in the current year.

All requests will require a detailed justification to be submitted to the Town Manager, including a statement as to why it is in the Town's best interests to provide the requested funding prior to the next budget cycle.

Responsibility: It is the responsibility of the Town Manager and/or Finance Director to advise the Town Council when it may be appropriate to draw down this reserve, identifying the need(s) being met and the reason(s) that the expenditures cannot or should not wait until the next budget cycle.

Approval Date: August 10, 2004

Financial Policies

Town of Palm Beach, Florida

Subject Policy: Reserve for Catastrophic Exposures/Emergencies - Risk Fund

Effective Date: October 1, 2001

Revised: October 1, 2002

Purpose: The purpose of this policy is to set aside emergency reserves that will protect the Town of Palm Beach against the potentially disastrous financial impacts of response to and recovery from a man made or natural emergency situation.

Policy: It is the policy of the Town of Palm Beach to maintain a Reserve for Catastrophic Exposures/Emergencies within the Town's Self Insurance - Risk Fund for events of such magnitude that they could not otherwise be covered by available budgeted funds. This reserve shall be used only for one or more of the following events:

1. Local disaster response and recovery costs resulting from a natural or man-made disaster requiring Town expenditures not reimbursable from insurance carriers or the Federal and State governments;

2. Local disaster response and recovery costs resulting from a natural or man-made disaster that are paid up-front to expedite effective emergency management prior to reimbursement by insurance carriers or the Federal and State governments, with reimbursements, if any, paid back to the reserve;

3. Large judgments in excess of insurance coverage, or uninsured claims not covered by policies;

4. Budget stabilization purposes in response to increases in premium rates and/or loss fund increases.

The amount of the reserve will be maintained at a *minimum* level of $2,500,000, and may be adjusted annually based on market conditions, inflation rates, insured retention levels, and potential claims. This amount will be appropriated annually from Retained Earnings, in order to avoid amending the budget in case of an emergency.

Responsibility: It is the responsibility of the Town Manager and/or the Finance Director to advise the Town Council when it may be necessary to draw down this reserve, identifying the criterion which has been met. The Town Manager may draw down this reserve without Town Council approval if necessary to aid in the payment of local disaster response and recovery costs.

Approval Date: August 14, 2001

Town of Palm Beach, Florida

Subject Policy: Contingency Reserve -Risk Fund

Effective Date: October 1, 2001

Purpose: The purpose of this policy is to provide for a Contingency Reserve that will be appropriated annually for unanticipated expenditures of a nonrecurring nature and/or to meet unexpected increases in costs and provide a clear guideline for the use of the Contingency Reserve within the Risk Fund.

Policy: It is the policy of the Town of Palm Beach to annually appropriate a Contingency Reserve of $500,000 to address unexpected needs that occur throughout the year, subject to the formal affirmative vote of the Town Council. Examples of the use of this reserve may include:

1. Uninsured losses of $500,000 or less or,

2. Rate increases which exceed forecasted, budgeted amounts.

All requests will require a detailed justification to be submitted to the Town Manager, including a statement as to why it is in the Town's best interests to provide the requested funding prior to the next budget cycle.

Responsibility: It is the responsibility of the Town Manager and/or Finance Director to advise the Town Council when it may be appropriate to draw down this reserve, identifying the need(s) being met and the reason(s) that the expenditures cannot or should not wait until the next budget cycle.

Approval Date: August 14, 2001

Financial Policies

Town of Palm Beach, Florida

Subject Policy: Contingency Reserve -Health Insurance Fund

Effective Date: October 1, 2003

Purpose: The purpose of this policy is to provide for a Contingency Reserve that will be appropriated annually for unanticipated expenditures of a nonrecurring nature and/or to meet unexpected increases in health insurance costs and claims exposure, and provide a clear guideline for the use of the Contingency Reserve within the Health Insurance Fund.

Policy: It is the policy of the Town of Palm Beach to annually appropriate a Contingency Reserve of $500,000, or an amount deemed necessary and prudent by the Town Manager as indicated in his/her annual budget proposal, from the Retained Earnings of the fund to address unexpected needs that may occur throughout the year. Examples of the use of this reserve may include:

1. A large volume of claims that exceed the forecasted, budgeted amounts;

2. Rate increases which exceed forecasted, budgeted amounts.

All requests for expenditures from this reserve will require a detailed justification to be submitted to the Town Manager for his/her prior approval.

Responsibility: It is the responsibility of the Town Manager and/or Finance Director to advise the Town Council annually or as necessary on the use of this contingency reserve.

Approval Date: August 12, 2003

Town of Palm Beach, Florida

Subject Policy: Budgetary Control

Effective Date: October 1, 2001

Purpose: The purpose of this policy is to formalize the Town's level of budgetary control, and to provide for the administrative realignments of funds by the Town Manager and Finance Director to deal with unexpected needs as long as service to the public is not negatively impacted.

Policy: It is the policy of the Town of Palm Beach that the budget be controlled at the program level within each department by the applicable department head. Budget amendment requests, transferring funds between programs will originate from the applicable department head and the Finance Director and shall be subject to the approval of the Town Manager. The Town Manager may authorize transfers between departments if the action is deemed necessary to meet the obligations of the Town.

Reserves and new revenues may not be appropriated through this process, interfund transfers may not be made, and total appropriations of the Town shall not be changed, without prior affirmative action of the Town Council.

Responsibility: It is the responsibility of the Finance Director, under the direction of the Town Manager, to implement this policy.

Approval Date: August 14, 2001

Town of Palm Beach, Florida

Subject: Debt Management Policy

Effective Date: October 1, 2001

Purpose: To establish parameters and guidance for the issuance, management, monitoring, assessment and evaluation of all Debt Obligations (defined below) issued by the Town of Palm Beach.

Policy: It is the policy of the Town of Palm Beach:

(a) To periodically approve the issuance of Debt Obligations on behalf of the Town to finance the construction or acquisition of infrastructure and other assets for the purpose of meeting its governmental obligations to its residents;
(b) To approve the issuance of Debt Obligations to refund outstanding debt when indicated by market conditions or management of Debt Obligations to refund outstanding debt when indicated by market conditions or management considerations;
(c) That such Debt Obligations are issued and administered in such a manner as to ensure and sustain the long-term financial integrity of the Town, to achieve the highest possible credit rating and to preserve and enhance the quality of life, safety and welfare of its citizens;
(d) That such Debt Obligations shall not be issued or debt proceeds used to finance current operations of the Town except as provided herein;
(e) To minimize the impact of construction or acquisition of infrastructure and other assets on the budget of the Town;
(f) That the Town will consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have an economic/useful life of at least five years;
(g) That the Town will not issue debt for periods exceeding the useful life or average useful lives of the project or projects to be financed;
(h) That the Town normally will rely on internally generated funds and/or grants to finance its capital needs. Debt will be issued for a capital project only in the case of emergency, or when inclusion of a project in the Town's pay-as-you-go Capital program will preclude the construction of smaller necessary capital improvements;
(i) That the Town will keep outstanding debt within the limits prescribed by Section 7.01 of the Town Charter.

Debt Obligations shall mean bonds, notes, letters and lines of credit, lease purchases, or other securities issued by the Town against a pledge of a specific revenue source or sources, the proceeds of which are used to fund a capital project providing a public benefit.

Responsibility: It is the responsibility of the Finance Director under the direction of the Town Manager, to implement this policy. Departments should submit requests to use debt obligations for financing and submit to the Town Manager for review and approval.

Approval Date: August 14, 2001

Town of Palm Beach, Florida

Subject Policy: Revenue Shortfall Plan

Effective Date: October 1, 2002

Purpose: To establish a plan to address financial conditions which could result in a net shortfall of revenues as compared to expenditures. The plan is divided into the following three components:

Indicators, which serve as warnings that potential budgetary impacts are increasing in probability. Indicators will be shown as a percentage reduction in revenues. The Town will monitor key revenue sources as well as inflation factors and national and state trends.
Phases, which will serve to classify and communicate the severity of the situation, as well as identify the actions to be taken at the given phase.

Actions, which are the preplanned steps to be taken in order to prudently address and counteract the anticipated shortfall.

The recession plan and classification of the severity of the economic downturn, will be used in conjunction with the Town's policy regarding the importance of maintaining the Undesignated Fund Balance reserves to address economic uncertainties.

The following is a summary of the phase classifications, indicators and the corresponding actions to be taken:

Phase 1
Alert: An anticipated net reduction in budgeted revenue vs. actual receipts of 1% up to 5%. The actions associated with this phase are as follows:

Actions:
A. Delaying expenditures where reasonably possible, while maintaining the same level of service.
B. Departments shall monitor their individual budgets to ensure that only essential expenditures are made to maintain service levels.
C. Non-essential capital expenditures may be deferred.
D. Hiring for vacant positions will be closely scrutinized and may result in delaying the recruitment process and using temporary help where possible.

Phase 2
Minor: A reduction in total budgeted revenues vs. actual receipts in excess of 5% to 9%. The objective at this level is still to maintain the same level of service where possible. Actions associated with this level may be:

Actions:
A. Intensifying the review process for large items such as contract services, consulting services, and capital expenditures including capital improvements.

B. Hiring to fill vacant positions only with special justification and authorization.
C. Closely monitoring and reducing expenditures for travel and seminars.

Phase 3
Moderate: A reduction in total budgeted revenues vs. actual receipts of 10% to 15% Initiating cuts of service levels by:

Actions:
A. Deferring large expenditures.
B. Deferring capital expenditures.
C. Reducing CIP appropriations from the General Fund and deferring projects.
D. Institute a hiring freeze.
E. Eliminate expenditures for travel and seminars.
F. Consider across the board departmental budget cuts.

Phase 4
Major: A reduction in total budgeted revenues vs. actual receipts of 16% to 25% Implementation of major service cuts may include:

Actions:
A. Reducing the temporary work force.
B. Deferring merit wage increases.
C. Further reducing capital expenditures.
D. Preparing a strategy for reduction in work force.
E. Instituting across the board departmental budget cuts.
F. Draw on excess undesignated fund balance to compensate for lost revenue.

Phase 5
Crisis: A reduction in total budgeted revenues vs. actual receipts of over 25%. Actions may include:

Actions:
A. Implementing reduction in work force or other personnel cost reduction strategies.
B. Eliminate programs.
C. Eliminate capital improvement projects.
D. Draw on undesignated fund balance to compensate for lost revenue.

Responsibility: It is the responsibility of the Town Manager and the Finance Director to advise the Town Council of a revenue shortfall as soon as it is apparent based upon the established indicators. The Town Manager and Finance Director will recommend actions based upon the Phase classifications.

Approval Date: August 13, 2002

Glossary

The definition of terms listed are provided to assist the user in the understanding of terminology used throughout the text of the budget document.

-A-

ACCOUNT NUMBER: A system of designating accounts, entries, invoices, vouchers, that quickly references certain required information.

ACCOUNTING PERIOD: A period at the end of which and for which financial statements are prepared. The Town's accounting period is from October 1 through September 30.

ACCOUNTING PROCEDURES: All processes which discover, record, classify and summarize financial information to produce financial reports and provide internal control.

ACCOUNTING SYSTEM: The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government or any of its funds, fund types, balanced account groups, or organizational components.

ACCOUNTS PAYABLE: A liability account reflecting amounts on open accounts owing to private persons or organizations for goods and services received by a government.

ACCOUNTS RECEIVABLE: An asset account reflecting amounts owing on open accounts from private persons or organizations for goods and services provided by a government.

ACCRUAL BASIS: The basis of accounting under which transactions are recognized when they occur regardless of the timing of related cash flow.

ACCUMULATED DEPRECIATION: Accumulated depreciation is the total depreciation taken for an asset since it was placed in service. Also known as life-to-date depreciation and depreciation reserve.

ACTIVITY CLASSIFICATION: A grouping of expenditures on the basis of specific lines of work performed by organizational units. For example: sewage treatment and disposal, solid waste collection, and street cleaning are activities performed in carrying out the function of sanitation and the segregation of the expenditures is made for each of these activities constitutes an activity classification.

AD VALOREM: A tax levied in proportion to value of the property against which it is levied.

AMORTIZATION: (1) Gradual reduction, redemption or liquidation of the balance of account according to a specific schedule of times and amounts. (2) Provision for the extinguishment of a debt by means of a Debt Service Fund.

APPRAISE: To make an estimate of value, particularly of the value of property. If the property is valued for purposes of taxation, the less-inclusive term "assess" is substituted for this term.

APPROPRIATION: A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

ASSESSED VALUATION: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Glossary

ASSESSMENT ROLL: In the case of real property, the official list containing the legal description of each parcel of property and its assessed valuation. The name and address of the last known owner are also usually shown. In the case of personal property, the assessment roll is the official list containing the name and address of the owner, a description of the personal property and its assessed value.

AUDIT: A methodical examination of utilization of resources. It concludes in a written opinion of its findings. An audit is a test of management's accounting system to determine the extent to which internal accounting controls are both available and being used.

AUTHORITY: A government or public agency created to perform a single function or a restricted group of related activities. Usually such units are financed from service charges, fees and tolls, but in some instances they also have taxing powers. An authority may be completely independent of other governments or partially dependent upon other governments for its creation, its financing or the exercise of certain powers

AVAILABLE FUND BALANCE: This refers to the funds remaining from the prior year which are available for appropriation and expenditure in the current year.

-B-

BALANCED BUDGET: A budget in which planned funds available equal planned expenditures.

BOND: A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

BUDGET: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan is finally approved by that body. It is either usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body.

BUDGET MESSAGE: A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body.

BUDGETARY CONTROL: The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

-C-

CAPITAL EQUIPMENT: Equipment with an expected life of more than one year and a value of more than $500, such as automobiles, typewriters, and furniture.

CAPITAL OUTLAYS: Expenditures which result in the acquisition or addition of fixed assets.

CAPITAL PROGRAM: A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

Glossary

CAPITAL PROJECT FUNDS: One or more governmental type of funds established to account for resources used for the acquisition of large capital improvements, other than those accounted for in proprietary or trust funds.

CURRENT ASSETS: Those assets which are available or can be made readily available to finance current operations or to pay current liabilities. Those assets which will be used upon or converted into cash within one year. Some examples are cash, temporary investments and taxes receivable which will be collected within one year.

-D-

DEBT LIMIT: The maximum amount of gross or net debt which is legally permitted.

DEBT SERVICE: The payment of principal and interest on borrowed funds, such as bonds.

DEBT SERVICE FUNDS: One or more funds established to account for revenues and expenditures used to repay the principal and interest on debt.

DEBT SERVICE REQUIREMENT: The amount of money required to pay the principal and interest on outstanding debt, serial maturities of principal for serial bonds and required contributions to accumulate monies for future retirement of term bonds.

DEFICIT: An excess of liabilities and reserves of a fund over its assets.

DEPRECIATION: The decrease in value of physical assets due to use and the passage of time.

DISTINGUISHED BUDGET PRESENTATION PROGRAM: A voluntary program administered by the Government Finance Officers Association to encourage governments to publish efficiently organized and easily readable budget documents and to provide peer recognition and technical assistance to the fiscal officers preparing them.

-E-

ENCUMBRANCE: An amount of money committed for the payment of goods and services not yet received or pair for.

ENTERPRISE FUND: A self supporting fund designed to account for activities supported by user charges. Examples are: Water, Solid Waste, and Sewer funds.

EXPENDITURES: Decreases in net current financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

EXPENSES: Decrease in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

-F-

FIDUCIARY FUNDS: Trust and/or agency funds used to account for assets held by the Town in a trustee capacity, or as an agent for individuals, private organizations, other governments, and/or other funds.

Glossary

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. By State Law, the fiscal year for the Town of Palm Beach, and all Florida local governments, is October 1 to September 30.

FIXED ASSETS: Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, and machinery and equipment.

FRANCHISE: A special privilege granted by a government regulating the continuing use of public property such as city streets and usually involving the elements of monopoly and regulation.

FULL FAITH AND CREDIT: A pledge if the general taxing power for the payment of debt obligations. Bonds carrying such pledges are referred to as general obligation bonds or full faith and credit bonds

FULL-TIME POSITION: A position which qualifies for full Town benefits, usually required ti work 40 hours per week. Full-time fire personnel work 50.4 hours per week and all part-time personnel working in excess of 30 hours per week are granted benefits as full-time employees.

FUNCTIONAL CLASSIFICATION: Expenditures classification according to the principal purposes for which expenditures are made. Examples are public safety, general government, culture/recreation, etc.

FUND: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE: The fund equity of governmental funds. Changes in fund balances are the result of the difference of revenues to expenditures. When revenues exceed expenditures in a given period, fund balance increase and when expenditures exceed revenue, fund balance decreases.

FUND TYPE: In governmental accounting, all funds are classified into eight generic fund types; General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

-G-

GENERAL FUND: A fund containing revenues such as property taxes not designated by law for a special purpose. Some of the departments that are part of the General Fund include Fire, Police, Public Works, Administration and Recreation.

GENERAL OBLIGATION BONDS: Bonds for the payment of which the full faith and credit of the issuing government are pledged.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP): Uniform minimum standards of/and guidelines for financial accounting and reporting. They govern the form and content of the basic financial statement of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard to measure financial presentations. The primary authoritative statement of the application of GAAP to state and local governments are NCGA pronouncements. Every government should prepare and publish financial statements in conformity with GAAP. The objectives of government GAAP financial reports are different from and much broader than, the objective of business GAAP financial reports.

Glossary

GOVERNMENTAL FUNDS: Governmental funds account for the activities of a typical state or local government's operations (e.g. public safety, public health). Governmental funds can be further classified into four generic fund types - general fund, special revenue funds, capital projects funds, and debt service funds.

GRANTS: Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity or facility.

-H-

HOMESTEAD EXEMPTION: Pursuant to the Florida State Constitution, the first $25,000 of assessed value of a home which the owner occupies as principal residence is exempt from the property tax.

-I-

INFRASTRUCTURE: Assets which are immovable and of value only to the governmental unit (e.g. sidewalks, gutters, bridges.)

INTERGOVERNMENTAL REVENUE: Revenue collected by one government and distributed (usually through some predetermined formula) to another level of government(s).

INTERNAL SERVICE FUNDS: One or more funds that accounts for the goods and services provided by one department to another within government on a cost-reimbursement basis.

INVESTMENTS: Securities and real estate held for the production of revenues in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in government operations.

-L-

LEVY: (Verb) To impose taxes, special assessments or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments or service charges imposed by a government.

LIABILITIES: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

-M-

MILLAGE RATE: The tax rate applied to each thousand dollars of taxable assessed valuation which results in the tax levy. Example: A 4.0 millage rate applied to property with a taxable valuation of $500,000 would generate tax in the amount of $2,000.00 (4.0 x 500) of ad valorem revenue.

MODIFIED ACCRUAL BASIS: The accrual basis of accounting adopted for the governmental fund type. In this basis of accounting, expenditures are recognized when the goods or services are received and revenues, such as taxes, are recognized when measurable and available to pay expenditures in the current accounting period.

-N-

NON-EXPENDABLE TRUST FUNDS: When a government uses a non-expendable trust fund, the principal must remain intact, but it can expend the earnings.

Glossary

-O-

OBJECTIVE: A simply stated, readily measurable statement of the aim of expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program:

(a) An operational objective focuses on service delivery.

(b) A managerial objective focuses on those aspects of management that help staff achieve operational objectives, i.e., staff training, work plan development, etc.

OBLIGATIONS: Amounts which a government may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

OPERATING BUDGET: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending and service delivery activities of a government are controlled. The use of an annual operating budget is required by law.

OPERATING COSTS: Expenses for such items such as expendable supplies, contractual services, and utilities.

ORDINANCE: A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

OTHER COSTS: Costs which are not personnel, operating or capital in nature, such as debt service and transfers between funds.

OUTSIDE AGENCY: Governmental or not-for-profit entities that provide services to Town residents or to the Town under terms of a contract or agreement. Example: The Town of Palm Beach administers the financial and parking enforcement operations for Kreusler Park which is utilized by Town residents and visitors, but is owned by Palm Beach County.

-P-

PART-TIME: Part-time employees work less than 30 hours per week and are not entitled to full-time employee benefits.

PAY-AS-YOU-GO BASIS: A term used to describe the financial policy of a governmental unit which finances all of its capital outlays from current revenues rather than by long-term borrowing.

PERFORMANCE BUDGET: A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

PERSONNEL COSTS: Costs directly associated with employees, including salaries and fringe benefits.

PROGRAM: A distinct, clearly identifiable activity, function, cost center, or organizational unit which is budgeted as a sub-unit of a department. A program budget utilizes the separate programs as its basic component.

PROPERTY TAX: A tax levied on the assessed value of real property. This tax is also known as ad valorem tax.

Glossary

PROPRIETARY FUND TYPES: Proprietary funds account for activities that are common in the private sector, which the government operates in a manner similar to their counterparts in the commercial world. The primary source of revenues for this fund type is user charges. Proprietary funds can by further classified into two fund types - enterprise funds and internal service funds.

PURCHASE ORDER: A document which authorizes the delivery of specified merchandise or the rendering of certain services.

-R-

RECLASSIFICATION: The moving of an existing position from one personnel classification (title) to another based upon the different performance of duties.

REQUISITION: A written demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.

RESERVE FOR CONTINGENCIES: An amount set aside that can subsequently be appropriated by the Town Council to meet unexpected needs.

RESOLUTION: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

RETAINED EARNINGS: An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

REVENUE BONDS: A particular kind of bond in which the revenue to pay back the bond and interest comes from the project that the borrowed money was used to create, expand, or improve. Pledged revenues may be derived from operation of the financed project, grants, and excise or other non-ad valorem taxes. Generally, no election is required prior to issuance or validation of such obligations.

REVENUES: Increases in governmental fund-type net current assets from other than expenditure refunds and residual equity transfers. Under NCGA Statement 1, general long-term debt proceeds and operating transfers-in are classified as "other financing sources" rather than revenues.

ROLLED BACK RATE: That tax rate which when applied to the current year's adjusted taxable value, generates the same ad valorem tax revenue as the prior year.

-S-

SAVE OUR HOMES: Provisions in Florida Statutes, Section 193.155(1) limit the annual increase in the taxable value of a homesteaded property. Beginning in 1995, or the year after the property receives homestead exemption, an annual increase in assessment shall not exceed the lower of the following:

a. Three percent of the assessed value of the property for the prior year; or

b. The percentage change in the Consumer Price Index (CPI) for all urban consumers, U.S. city average, all items 1967 = 100 or successor reports* for the preceding calendar year as initially reported by the U.S. Department of Labor, Bureau of Labor Statistics.

STATUTE: A written law enacted by a duly organized and constituted legislative body.

Glossary

-T-

TAX RATE: The amount of tax stated in terms of a unit of a tax base. The State of Florida uses a mill as its tax rate. A mill is the rate applied to each thousand dollars of taxable appraised value. For example, 3.170 mills applied to property valued at $150,000 would generate taxes of $475.50 (3.170 x 150) of ad valorem revenue. In accordance with Florida Statute, 200.071, except as otherwise provided herein, no ad valorem tax millage shall be levied against real property and tangible personal property by counties in excess of 10 mills, except for voted levies.

TAX RATE LIMIT: The maximum rate at which a government may levy a tax. The limit may apply to taxes raised for a particular purpose, or to taxes imposed for all purposes, and may apply to a single government, to a class of governments or to all governments operating in a particular area. Overall tax rate limits usually restrict levies for all purposes and of all governments, state and local, having jurisdiction in a given area.

TAX ROLL: The official list showing the amount of taxes levied against each taxpayer or property. Frequently, the tax roll and the assessment roll are combined, but even in these cases the two can be distinguished.

TAXABLE VALUE: The assessed value of property minus the homestead exemption and any other exemptions which may be applicable.

TAXES: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for service rendered only to those paying such charges as, for example, development fees.

TEMPORARY POSITION: A temporary position is filled for a specific period of time, is not permanent in nature, and does not qualify for regular town benefits.

TRANSFERS IN/OUT (INTER-FUND TRANSFERS): Amounts transferred from one fund to another to assist in financing the services of the recipient fund. Transfers do not constitute revenues or expenditures of the governmental unit. Thus, they are budgeted and accounted for separately from other revenues and expenditures as other financing sources or uses.

TRUST FUNDS: Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other government and/or other funds.

-U-

USER CHARGES: The payment of a fee for direct receipt of a public service by the party benefitting from the service.

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