TOWN OF PALM BEACH, FLORIDA

COMPREHENSIVE ANNUAL BUDGET

FISCAL YEAR 2006
(October 1, 2005 - September 30, 2006)

Mayor and Town Council

Jack McDonald, Mayor (Term Expires 2/2007)
William J. Brooks, Town Council President (Term Expires 2/2006)
Norman Goldblum, Town Council President Pro-Tem (Term Expires 2/2006)
Denis P. Coleman, Town Councilman (Term Expires 2/2007)
Richard M. Kleid, Town Councilman (Term Expires 2/2006)
Allen S. Wyett, Town Councilman (Term Expires 2/2007)

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
Jack McDonald

Town Council

PRESIDENT
William J. Brooks

PRESIDENT PRO-TEM
Norman P. Goldblum

Denis P. Coleman

Richard M. Kleid

Allen S. Wyett

APPOINTS

TOWN ATTORNEY
John C. Randolph

TOWN MANAGER
Peter B. Elwell

ADVISORY BOARD AND COMMISSIONS

SUPERVISES

FINANCE DIRECTOR
Jane Struder

FIRE-RESCUE CHIEF
Edward J. Moran

HUMAN RESOURCES DIRECTOR
William C. Crouse

PLANNING, ZONING AND BUILDING DIRECTOR
Veronica B. Close

POLICE CHIEF
Michael S. Reiter

PUBLIC WORKS DIRECTOR
H. Paul Brazil

ACTING RECREATION DIRECTOR
Alan E. Brown

Note: Organizational structure as of June 15, 2005

Guide for Readers

The following information might be helpful to the reader in finding information in the budget document for the 2004 programs, services and financial information. The Fiscal Year 2004 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 2004 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, 2003, 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 FY2004.

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.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Town of Palm Beach

Florida

For the Fiscal Year Beginning

October 1, 2004

President

Executive Director

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, 2004.

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, 2005

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, 2005 and ending September 30, 2006, 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 final budget adoption occurred on September 29, 2005.

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 aggregate financial and organizational data as well as individual program descriptions and expenditure information for every functional area of the Town.

This is the second year of our Key Result Measurement and Management project. This FY2006 budget document identifies the key result measurement statements and the measurement methodology for the individual programs of the Town.

The Townwide Goals for FY2006, adopted by the Town Council at the special Town Council meeting on April 12, 2005, are set forth below:

- Continue the implementation of the Town's Coastal Management Plan, including construction of beach restoration projects at Reach 7 and at Mid-Town. Continue with expedited permitting for Reach 8 and construct it, too, if possible.

- Complete Royal Poinciana Way "Undergrounding" demonstration project and finalize a long-range plan to bury electric, telephone, and cable wires.

- Implement changes in the Town's zoning code and/or processes, to the extent that such changes are authorized by the Town Council after review of recommendations from the Planning and Zoning Commission, Town staff, and the Siemon and Larsen Report.

- 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).

- Continue to develop, establish, and enforce policies that limit negative impacts of construction projects on the quality of life in Palm Beach.

GENERAL FUND

The FY2006 adopted budget strives to maintain the Town's high levels of service while holding down costs wherever possible. We have, at the same time, attempted to be prudent in anticipating necessary expenditure increases, in identifying areas for potential increases in levels of service, and in planning for future Town financial needs. We are pleased to deliver a FY2006 budget that reduced the millage rate by 3% to a level substantially below what was anticipated in the long-term financial plan.

Status of FY2005 Budget

The Town Council approved an amendment to the FY2005 budget for $5,563,660. This amendment covered hurricane expenditures, a pension shortfall, an increase in the depreciation transfer, and a transfer to the Risk Fund. It is estimated that a transfer from the General Fund undesignated fund balance of $500,000 will be necessary. The FY2005 amended budget appropriated $3,700,652 for this purpose.

FY2006 Budget Highlights

The FY2006 budget achieves the Town Council's goal of avoiding an increase in the Town's millage rate. The budget includes 5.5 new employees and a number of other initiatives that address emerging or deferred needs while decreasing the millage rate by 3%, due to a variety of expenditure savings, non-ad valorem revenue increases and a 12.41% increase in the Town's total taxable value.

Revenues

In the General Fund, total revenues are expected to increase by $5,163,344 (9.9%) from the original adopted FY2005 budget. Approximately $3.6 million of this increase is due to the increase in ad valorem revenue. The original FY2005 budget included a transfer from Fund Balance of $1,935,500 to fund a portion of the renovation of Town Hall, a compensation study, and estimated pay-outs from the reserve for compensated absences. The transfer from Fund Balance for FY2006 of $1,070,000 includes funding for the estimated pay-outs from the reserve for compensated absences and funding for the purchase of a police radio system.

A comparison of the FY2005 vs. FY2006 revenue budget is shown in the table on the following page:

Revenue	FY2005	FY2006	Difference	% Change
Ad Valorem Taxes	$34,487,025	$38,113,459	$3,626,434	10.5%
Non Ad Valorem Taxes	6,064,500	6,418,000	353,500	5.8%
Licenses & Permits	4,297,575	5,173,800	876,225	20.4%
Intergovernmental	1,290,877	1,561,800	270,923	21.0%
Charges for Services	2,217,800	2,407,513	189,713	8.6%
Fines and Forfeitures	787,500	899,500	112,000	14.2%
Investment Earnings	617,379	1,187,103	569,724	92.3%
Miscellaneous	132,575	162,900	30,325	22.9%
Interfund Transfers	550,000	550,000	0	0.0%
Transfer From Fund Balance	1,935,500	1,070,000	(865,500)	100.0%
Total Revenue Budget	$52,380,731	$57,544,075	$5,163,344	9.9%

Ad Valorem Revenue

Ad valorem tax revenues will increase by $3,626,434 (10.5%) over the adopted FY2005 budget. The preliminary total taxable value in the town increased by 12.41%. The operating millage rate of 3.9080 mills is 3% less than the FY05 millage rate of 4.0287 mills. There will be no debt service millage rate since the 1993 GO bonds were paid in full in FY2005.

Owners of homesteaded property will pay the same amount in taxes as they paid in FY2005. The calculation of property taxes for a sample $1,000,000 home for FY2005 and FY2006 is shown below:

Comparison of Property Taxes for Sample $1,000,000 home
FY2005 vs FY2006

		FY2005		***FY2006***
Assessed Value		*$1,000,000*		*$1,030,000*
Homestead exemption		*25,000*		*25,000*
Taxable Value		*$975,000*		*$1,005,000*
		Taxes		**Taxes**
Operating Millage	*3.9594*	*$3,860*	*3.9080*	*$3,928*
Debt Service Millage	*.0693*	*68*	*0*	*0*
Total	*4.0287*	*$3,928*	*3.9080*	*$3,928*
Change from prior year				***0***

Property Values reflect an increase of 3% in assessed value from 2005 to 2006. Homeowners with a homestead exemption and no transfer of title or remodeling may not be reassessed more than 3%.

Non Ad Valorem Revenue

Total non ad valorem revenues (excluding transfers of fund balance) are anticipated to increase by $2,402,410 from FY2005 budgeted revenues. The differences by revenue type are described in detail below:

- Non ad valorem taxes are expected to increase by $353,500 (5.8%) from the FY2005 budget. The change is due to the combination of an increase in the revenue received for the franchise fees and utility service taxes for electricity and for natural gas and the decrease in the funds received from the communication services tax.

- Licenses and Permits are projected to increase by $876,225 (20.4%) over the FY2005 budget. Building Permit Revenue is budgeted for $750,000 more than the FY2005 budget, but less than what is anticipated to be actually collected this year. Special plan review fees are expected to increase by $40,000 in FY2006 but the budgeted fees are slightly less than FY2005 year-end estimates. In addition, occupational license fees are expected to increase by $65,000 due to the recently adopted increase in the fee schedule.

- Intergovernmental Revenues are anticipated to increase by $270,923 (21.0%). The County 911 funding is expected to increase by approximately $107,500 and grant revenues are expected to increase by approximately $105,823. State shared revenues are expected to increase by $57,000 based upon current trends.

- Charges for Services are projected to increase by $189,713 (8.6%). The increase is comprised of increases in solid waste fees and the addition of new fees for fire prevention services totaling $123,255. An increase in EMS transport fees are anticipated to generate an additional $25,000 over FY2005 budgeted revenue. Increases in solid waste collection fees represent an additional $75,908 in income over the FY2005 budget. In addition, slight decreases in parking meter revenue are anticipated based upon current trends.

- Fines and Forfeitures are anticipated to increase by $112,000 (14.2%). This increase is due to the current trend of improved collection of out of state parking ticket fines and penalties by the collection agency. In addition, a new code compliance administrative fee is anticipated to generate $10,000 in revenue annually.

- Investment Earnings on the Town's surplus funds are expected to increase $569,724 (92.3%) from the FY2005 budget. The budget for FY2005 used an interest rate assumption of 2%. Interest earnings for FY2006 have been estimated using a 3.5% rate of return on the Town's surplus funds. Due to recent interest rate hikes, the current SBA rate of return is 3.67%.

- Miscellaneous Revenue is projected to increase by $30,325 (22.9%) due primarily to the addition of the rooftop lease with Nextel.

- The transfer from fund balance is $1,070,000. A portion ($510,000) of the transfer is from the designated reserve for compensated absences to provide for the payment of accrued leave and payments to the Retirement Health Savings Plan. The balance of $560,000 is to fund the purchase of the police radio system.

Expenditures

Total General Fund expenditures of $57,544,075 represent an 9.8% increase from the original adopted FY2005 budgeted operating expenditures. 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 of expenses for the original FY2005 budget vs. FY2006 budgets are detailed on the table below:

Expenditure Category	FY2005	FY2006	Difference	% Change
Salary and Wages	$22,762,019	$24,180,122	$1,418,103	6.2%
Employee Benefits	10,787,690	12,065,459	1,277,769	11.8%
Contractual	5,971,114	6,518,291	547,177	9.2%
Commodities	1,491,135	1,869,046	377,911	25.3%
Capital Outlay	1,752,494	2,967,495	1,215,001	69.3%
Other	9,621,279	9,943,662	322,383	3.4%
Total	$52,385,731	$57,544,075	$5,158,344	9.8%

Salary and Wages
An across the board competitive pay increase of 3% ($715,000) was approved to maintain the Town's strong position in our local municipal marketplace. The costs for the implementation of the compensation study increased the budget by approximately $312,000. In addition, five and one half new positions are included in the budget. The anticipated salary amount budgeted for the new personnel is $213,638. These increases are partially offset by a 22.2% ($145,000) decrease in the anticipated payouts of accumulated 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 reimbursement through the County 911 Funding. New revenue sources will partially offset the costs of the increase in fire prevention level of service.

Employee Benefits
The increase in employee benefits is due primarily to an increase in the Town's actuarially determined contribution to the retirement fund of $718,274 and anticipated increases in health care costs of $470,071.

Contractual
The increase in the contractual category is due to the funding of the traffic and parking improvement plan ($150,000), a mailing to citizens 3 times per year ($15,000), and a community education program in Fire-Rescue ($15,000). In addition, increases are budgeted for building maintenance ($72,000 to replace the air conditioning unit at the south fire station), generator maintenance ($9,500), sewage treatment ($32,000), electricity ($51,500) operation of sand transfer plant ($45,000), and commercial garbage collection ($44,300). Also included in the budget are additional funds to cover the increase for a contractual plan reviewer ($66,700) from part time to full time.

Commodities
The increase in commodities is primarily due to the first year implementation costs of the townwide software replacement plan ($230,000 - see IS plan in appendix) and the purchase of computer equipment ($41,960). Other increases include, fuel costs ($109,910) and vehicle and building maintenance supplies ($19,400).

Capital Outlay
The capital outlay section includes vehicle and equipment purchases totaling $321,204 which will be detailed in the "Highlights by Department" section of this message. In addition, $665,000 is included for the purchase of the police radio system. A total of $340,000 is included for Fire-Rescue equipment that will only be purchased if grant funds are secured. Grant revenue is included to offset $326,000 of the total cost of the equipment.

The annual depreciation contribution to the equipment replacement fund increased by $156,300 for new equipment purchases in FY05. Expenditures for replacement equipment are funded from the Equipment Replacement Fund.

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 contains an increase in debt service funding ($830,650) and an increase in funding to the Capital Improvement Fund ($116,559) offset by a decrease in the funding of the Risk Insurance program ($120,033).

The General Fund Contingency for FY2006 is funded at 1.5% ($835,000) of total General Fund operating expenditures.

Budget Highlights

Listed below are 5.5 new positions that are included in the FY2006 budget:

• Mechanic I - Water Resources Division	$40,362
• Equipment Operator I - Water Resources Division	$40,362
• 2 Fire Prevention Officers (Funded for 3/4 year)	$93,974
• Office Assistant - Fire Prevention (Funded for 3/4 year)	$17,940
• Part Time Code Compliance Officer - Planning Zoning & Building	$21,000

In addition to the above personnel, the following one-time items have been included in the FY2006 budget to address Town-wide goals and certain operating needs:

General Government
✓ Traffic and parking improvement plan - $150,000

Information Systems
✓ Town-wide software implementation plan - $230,000 (The first year of a multi-year program to upgrade the Town's software systems. For more information please see the Information Systems backup in the Appendix)

Fire Rescue

- ✓ 2 vehicles for new fire inspectors - $32,000
- ✓ Amkus power unit tools - $32,000
- ✓ 3 portable generators - $10,500
- ✓ Office furniture for new fire prevention positions - $5,000
- ✓ 11 communication and ear protection headsets - $30,000
- ✓ Grant equipment - $340,000, offset by $326,000 in estimated grant revenue

Police Department

- ✓ System for monitoring and managing public safety dispatch protocols - $5,875
- ✓ Equipment for new patrol vehicles - $31,223
- ✓ Digital video system - $39,122 (Total cost $94,823, equipment replacement funding of $55,701)
- ✓ Computer equipment for video system - $15,000
- ✓ Target retrieval and control system - $26,950
- ✓ Floor scrubber - $4,834
- ✓ 1 lifeguard towers for Phipps Ocean Park - $15,000

Fund Balance

The budget includes a $510,000 transfer from the designated fund balance reserve for compensated absences, established in FY2005. This amount represents the payment of anticipated accrued leave buyouts for employees who retire, resign, or are terminated, as well as contributions of sick and vacation time to the Retirement Health Savings Plan. In addition, $560,000 is transferred from the undesignated fund balance for the funding of the police radio system.

As of September 30, 2004, the Town's General Fund undesignated fund balance was $15,625,847. The General Fund Undesignated Fund Balance Policy requires that the General Fund maintain an undesignated fund balance of 25% of budgeted operating expenditures. This requires a minimum undesignated fund balance of $14,118,519 for FY2006. We anticipate the fund balance at the end of FY2005 to be approximately $17,300,000. Therefore, after the transfer of $560,000 for the police radio system, the Town's General Fund undesignated fund balance is expected to be approximately $2,600,000 over the policy required minimum at the end of FY2005.

Personnel Complement

The total personnel complement (all funds Townwide) for FY2006 is 412.36 full-time equivalent personnel (FTEP), which represents an increase of 6.09 FTEP from the adopted FY2005 budget. As stated previously, this increase includes the addition of the following positions: Mechanic I and Equipment Operator for Public Works; 2 Fire Prevention Officers; an Office Assistant for Fire-Rescue; and a part time Code Compliance Officer for Planning Zoning & Building. In addition, part-time employees have been increased by .59 in the recreation programs.

Inventory of Assets

The inventory of parts, supplies, fuel and materials on hand as of October 1, 2005, is $466,802 and the total fixed asset inventory (which includes machinery, equipment, and vehicles with a value over $2,500 and computer equipment with a value over $1,500) is $11,800,000

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 bonds. During FY2005 the 1993 General Obligation Bonds were paid in full. There will be no debt service millage for GO bonds in FY2006. The unrefunded maturities from the 2000 Revenue Bond were also paid-off in FY2005. The 2003A Revenue Bonds represent the refunded portion of the 2000 revenue bonds that will be paid in full in 2010. The 2003B bonds were issued for Town facility projects including the new Fire-Rescue station and the renovation of Town Hall. The 2003 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 non-ad valorem revenue transfer for the 2003 revenue bonds from the General Fund for FY2006 is $3,018,482. This amount increased over FY2005 by $830,650 as had been planned in the original cash flow projections for these bonds.

The Town's outstanding bonded debt as of September 30, 2005 is shown below:

Year Issued	***Outstanding Principal Balance @ September 30, 2005***	***Purpose***
2003	$23,990,000	To refinance the 2000 Beach Revenue Bonds and provide financing for the Town facilities projects.

As of September 30, 2005, the Town's net bonded debt amounted to only 5.3% of the legal limit of $456,627,394 (5% of FY2004 final taxable value of $9,132,547,880), as set forth in the Town's Charter.

The Town's credit rating with Moody's Investors Service is Aa1 for the 2003 Revenue Bonds and Aaa for the GO credit rating. Standard and Poor's credit rating on the Revenue Bonds is AA+ and the GO credit rating is AAA. 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 3 municipalities in the State of Florida to maintain a AAA rating from both Moody's and Standard & Poor's.

The 2003 Series Revenue Bonds debt service appropriation of $4,332,985 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 FY2006, a transfer from the General Fund of $2,876,601 is included to partially offset the anticipated costs of the following scheduled projects:

- Continuation of major drainage improvements
- Sanitary sewer force main improvements
- Fuel Tank Replacement Program
- D-15 Cooling System Repair

A comprehensive drainage improvement program was initiated in FY2001. To date, $16,180,000 has been appropriated for drainage projects. In the FY2006 budget, an additional $1,705,000 is included for this drainage program.

Debt service, planning, design, and permitting costs of the Town's coastal protection projects are funded 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).

Project detail for the Capital Improvement program, the Coastal Management Plan and Town facilities projects can be found in the Capital Funds section of this document.

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 has significantly reduced budgetary fluctuations and eliminated the need for replacement equipment financing.

The annual depreciation transfer for FY2006 is $1,304,193. Of this amount $340,000 represents the annual depreciation for computer equipment and $964,193 represents the annual depreciation for other fixed assets.

In FY2006 the total expenditures for equipment purchases will be $930,374. A detailed listing of equipment purchases is located in the Capital Funds section of this budget document.

The Leisure Services Enterprise Fund (403, 404, 405)

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's marina.

The consolidated budget for the Leisure Services Enterprise Fund for FY2006 as compared to the FY2005 budget for all Leisure Services activities is shown below:

	Budget FY2005	**Budget FY2006**	**Change**	**Percent Change**
Total Operating Revenue	$3,820,705	$3,962,619	$141,914	3.7%
Total Operating Expenses	3,161,694	3,207,846	46,152	1.5%
Net Operating Income	659,011	754,773	95,762	14.5%
Investment Income	54,000	100,000	46,000	85.2%
Transfer to General Fund	(550,000)	(550,000)	0	0.0%
Net Income from Operations	$163,011	$304,773	$141,762	87.0%

The FY2006 budget includes a Contingency Reserve of $301,000 for this fund. The contingency is appropriated from the reserves of the fund at an amount equal to 5% of the budgeted expenses, including capital expenditures, of the fund.

The Leisure Services Enterprise Fund - Capital Fund is funded with a transfer from the retained earnings of the Leisure Services Enterprise Fund of $1,850,370. Projects for FY2006 include the Seaview Tennis Center renovation, funding for Town dock improvements and a small drainage project for the Par 3 Golf Course.

The Town Council approved the establishment of an equipment replacement fund for the Leisure Services Enterprise Fund. The initial funding for the accrued replacement value depreciation is $403,300 and is funded by a transfer from the retained earnings of this fund.

After the above transfers for capital projects and the establishment of the equipment replacement fund, the retained earnings balance at the end of FY2006 is estimated to be over $2,491,000, well over the policy minimum of $939,000.

Details regarding each of the activities of the Leisure Services Enterprise Fund, the LSEF - Capital Improvement Fund and the LSEF - Equipment Replacement Fund can be found in the Leisure Services Enterprise Fund section of this document.

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 $2,390,000 and interest income earned on the retained earnings within the fund. The transfer from the General Fund has been decreased from FY2005 by $120,033.

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 FY2006 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.

The following page contains a summary of the Risk Fund budgeted revenues and expenses for FY2006 as compared to the FY2005 budget:

	Budget FY2005	Budget FY2006	Change	% Change
Operating Revenues: Transfer from General Fund	$ 2,510,033	$ 2,390,000	$ (120,033)	-4.8%
Interest Earnings	$ 82,000	$ 175,000	$ 93,000	113.4%
Total Operating Revenues	$ 2,592,033	$ 2,565,000	$ (27,033)	-1.0%
Expenditures				
Salary and Wages	$ 115,453	$ 113,640	$ (1,813)	-1.6%
Employee Benefits	42,160	44,788	2,628	6.2%
Insurance Fixed	1,252,864	1,429,999	177,135	14.1%
Insurance Claims	735,000	700,000	(35,000)	-4.8%
Contractual Services	295,760	273,805	(21,955)	-7.4%
Commodities	4,150	4,200	50	1.2%
Other	3,000,000	3,000,000	0	0.0%
Total Expenditures	$ 5,445,387	$ 5,566,432	$ 121,045	7.8%
Transfer from Retained Earnings	$(2,853,354)	$(3,001,432)	$ (148,078)	5.2%

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 $5,371,376 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 will be appropriated from the retained earnings of the fund.

Budgeted expenditures for the Town's health insurance program in FY2006 have increased by $391,623 (6.8%) over the FY2005 budget due to increases in health insurance costs.

The budgeted Health Fund revenues and expenses for FY2006 as compared to the FY2005 budget are shown on the following page:

	Budget FY2005	Budget FY2006	Change	Percent Change
Operating Revenues: Transfer from General Fund	$ 4,877,720	$ 5,371,376	$ 493,656	10.1%
Interest Earnings	340,000	450,000	110,000	32.4%
Total Revenues	$ 5,217,720	$ 5,821,376	603,656	11.6%
Expenses				
Salary and Wages	$ 81,885	$ 81,812	$ (73)	-0.1%
Employee Benefits	33,335	35,331	1,996	6.0%
Insurance Fixed	1,632,500	1,702,500	70,000	4.3%
Insurance Claims	3,436,000	3,750,000	314,000	9.1%
Contractual Services	31,200	36,900	5,700	18.3%
Commodities	2,800	2,800	0	0.0%
Other	500,000	500,000	0	0.0%
Total Operating Expenses	$ 5,717,720	$ 6,109,343	$ 391,623	6.8%
Transfer From Retained Earnings	$ (500,000)	$ (287,967)	$ 212,033	-42.4%

Trust Funds - Retirement (600, 606, 607)

The Town administers the Town of Palm Beach General Employees' Retirement Plan (600). The Town of Palm Beach Police Officers' Pension Plan (606) and Town of Palm Beach Firefighters' Pension Plan (607) are administered by The Pension Resource Center.

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 FY2006 increased by $718,284. This increase was mainly due to the continued impact of substantial investment losses in the funds in FY2001 and FY2002, and wage increases that have been higher than the actuary's assumption. Investment performance has improved since FY2003, and gains have been recorded for fiscal year 2005. Any gains over the 8% return assumption realized in FY2005 will eventually offset the prior year losses.

An analysis of retirement funding cost and the funded ratio for the retirement plans is shown on the following page. Town contributions have increased by 354% since FY2002 and the funded ratio for each of the plans has declined from over 100% funded to 85 - 90% funded. The Town is monitoring this closely and making the actuarially required contributions to the plan.

Employer Contribution increase
FY2005 vs FY2006

	FY2005	FY2006	Change	% Change
General Employee	$ 1,705,300	$ 1,919,026	$ 213,726	12.5%
Lifeguards	76,252	87,955	11,703	15.3%
Police	1,395,026	1,652,583	257,557	18.5%
Fire-Rescue	1,116,151	1,351,449	235,298	21.1%
Total	$ 4,292,729	$ 5,011,013	$ 718,284	16.7%

The 5 year trend in Town retirement funding since FY2002 is as follows:

Total Employer Funding
FY2002 - FY2006

	FY2002	FY2003	FY2004	FY2005	FY2006
General	$516,344	$893,843	$1,475,454	$1,705,300	$1,919,026
Lifeguards	41,336	58,142	44,204	76,252	87,955
Police	310,756	452,334	1,106,450	1,395,026	1,652,583
Fire-Rescue	233,590	337,218	822,201	1,116,151	1,351,449
Total	$1,102,026	$1,741,537	$3,448,309	$4,292,729	$5,011,013

Employer Funding Per Employee
FY2002 - FY2006

	FY06 # of Employees	FY2002	FY2003	FY2004	FY2005	FY2006
General	228	2,437	4,134	6,871	7,822	8,417
Lifeguards	10	4,134	6,497	4,912	8,472	8,796
Police	77	4,638	6,751	16,271	19,023	21,462
Fire-Rescue	76	3,959	5,439	12,458	15,945	17,782

Since FY2000 the funded ratio for the each of the pension plans has decreased. The trend is shown in the chart below:

As of Fiscal Year End	FY2000	FY2001	FY2002	FY2003	FY2004
General & Lifeguards	125%	115%	99%	95%	91%
Police	112%	97%	93%	92%	90%
Fire-Rescue	112%	97%	93%	87%	85%

Financial Policies

Over the past four years the Town has adopted 17 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. For FY2006, the Town Council approved the creation of two new policies and an amendment to an existing policy as follows:

Contingency Reserve - General Fund. The Town Council approved an amendment to the General Fund Contingency policy. The original policy states that the General Fund Contingency should be annually appropriated at a level of 2% of the General Fund Operating Budget. Due to budgetary constraints in recent years, the contingency was not funded it at this level since FY2002. The Town Council approved an amendment to require a reserve level of 1.5%. In the years that the reserve was appropriated for less than 2% there were sufficient funds to meet the Town's unexpected needs.

Leisure Services Enterprise Fund - Contingency Reserve - Capital Fund. The Town Council approved the establishment of a Capital Fund Contingency Reserve for the recently established Leisure Services Enterprise Fund - Capital Fund. The reserve will be appropriated annually for unanticipated expenditures of a nonrecurring nature. The reserve is to be funded at 5% of budgeted expenses and is to be appropriated with a transfer from the retained earnings of the Leisure Services Enterprise fund.

Leisure Services Enterprise Fund - Equipment Replacement Fund. The Town Council approved the establishment of an Equipment Replacement Fund for the Leisure Services Enterprise Fund. This reserve will be initially funded with a transfer from the Leisure Services Enterprise Fund Retained Earnings. Annually, a transfer will be made from the Leisure Services Enterprise Fund for the estimated annual depreciation for the fixed assets in the fund. This reserve will be funded using a depreciation calculation based upon replacement cost rather than original cost.

Health Insurance Fund Reserve. The Government Accounting Standards Board (GASB) has recently released Statement No. 43 - Accounting for Other Post-Employment Benefits. This statement changes the way the Town accounts for retiree benefits. To this point, expenses relating to retiree health benefits were accounted for on a pay-as-you-go basis. The new statement requires the Town to accrue the expense over the working lifetime of the employees, similar to retirement benefits. The disclosure of these liabilities will cause a significant increase in the expenses and liabilities that government organizations will be required to recognize on their financial statements. This new standard will go into affect for periods after December 15, 2006. We are well prepared for this change. An actuarial valuation was completed in April and we have sufficient reserves in the health fund to offset the liability. During fiscal year 2006, staff will be working on developing a comprehensive policy for post employment benefits and we will be working to create a trust fund for the assets currently held in the Health Fund. The trust fund will be similar to the retirement trust funds and will be able to be invested in assets other than the SBA which should improve the rate of return and actuarially decrease the total liability of the retiree benefits.

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

Key Results Measurement and Management Program Update

Town staff has been working on a project to improve the Town's organizational performance measurement system. During the past year, staff has developed and implemented an organizational vision and values statement. A Visioning Committee of 20 employees representing each department and every level of authority developed the draft vision and values statement with the assistance of our consultant, Mr. Dick Bowers. This draft statement was reviewed by all Town employees and, based on the comments received, the Visioning Committee and I finalized the vision and values statement that can be found in the section titled, *Key Results Measurement Update*, immediately following this letter. To launch our effort to live the values and achieve the vision, the management team and Visioning Committee conducted interactive meetings with every employee of the Town. Many of the ideas from these meetings are already being implemented and other ideas will be studied for possible implementation in the future.

With the vision and values in place, we then worked with Mr. Bowers to develop Key Result Measures and the measurement methodology for the individual programs of the Town. The results of this endeavor can be found in the *Key Results Measurement Update* section and in the program budget section of this document. Since this is the initial year of our Key Result Measurement program, actual measures are not available. We will be monitoring our progress throughout the year and the results will be presented in the FY2007 budget document.

Long Term Financial Plan & Business Plan

Staff has prepared an update to the Long Term Financial Plan and the Leisure Services Enterprise Fund Business Plan. These plans serve as a tool to provide the Mayor, Town Council and staff with insight to address issues impacting the Town's future financial condition. The plans contain the FY2006 budget as well as forecasts for FY2007 through FY2010. Copies of the Long Term Financial Plan and Business plan are available for review in the Finance Department.

Acknowledgements

Preparation of this budget was a team effort involving substantive contributions by all departments and the staff of the Town Manager's Office. I am particularly grateful for the dedication, creativity, and dependably sound advice of Finance Director Jane Struder 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 Dick Bowers for his continued guidance, training, and enthusiastic support in the development of our Vision and Values Statement and our Key Results Measurement and Management system.

Respectfully submitted,

Peter B. Elwell
Town Manager

cc: Department Directors
Assistant Department Directors
Thomas G. Bradford, Deputy Town Manager
Sarah E. Hannah, Assistant Town Manager
Spencer D. Wilson, Information Systems Manager

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Key Results Measurement Update

Key Results Measurement and Management Program Update

For the past two years, Town staff has been working on a project to improve the Town's organizational performance measurement system. During the past year, staff has developed and implemented an organizational vision and values statement. A Visioning Committee of 20 employees representing each department and every level of authority developed the draft vision and values statement with the assistance of consultant Mr. Dick Bowers. This draft statement was reviewed by all Town employees and, based on the comments received, the Visioning Committee and the Town Manager finalized the vision and values statement. The final vision and values statement is as follows:

OUR VISION

The Town of Palm Beach delivers the highest quality service by continuously improving and always striving to be the standard by which others are measured.

Our Town
Rich in history...
Rich in service...
Always exceptional!

OUR VALUES

The employees of the Town of Palm Beach commit to and are guided by the following values:
Respect for everyone
Highest ethical standards
Cooperation and teamwork
Commitment to quality
Spirit of innovation
Open, timely communication
Personal responsibility and accountability

This is a commitment by the employees of the Town of Palm Beach.
Our success as a team is dependent upon our actions being consistent with the vision & values we profess.

To launch our effort to live the values and achieve the vision, the management team and Visioning Committee conducted interactive meetings with every employee of the Town. Many of the ideas generated from these meetings are already being implemented and other ideas will be studied for possible implementation in the future.

Key Results Measurement Update

Department KRM Results

Last year each department prepared Key Result Measures representing the most critical targets for their operations. Two of the measures were identical for each department, an efficiency measure and a measure of customer service. The results for these measures are described in more detail below. The other department specific results are shown in the department section of the budget document.

Efficiency Results

Efficiency measures assess the relationship between program inputs and outputs. The Global efficiency KRM for all departments is stated as follows:

***KRM**: Desired outcomes are achieved in most efficient manner.*
Measurement: Increase in department budget over prior year measured in the following formats: gross increase, increase adjusted for inflation and increase adjusted for other factors beyond control of department.

The efficiency measure results for each department are shown in the table below:

Department	Gross Increase	Gross Increase Less Inflation	Gross Increase Less Inflation, Health & Retirement
Town Manager	6.50%	3.00%	2.27%
Information Systems	44.11%	40.61%	40.01%
Human Resources	10.14%	6.64%	5.59%
Finance	5.86%	2.36%	1.93%
Planning, Zoning & Building	16.90%	13.40%	10.59%
Fire-Rescue	12.10%	8.60%	5.79%
Police	10.92%	7.42%	4.63%
Public Works	11.63%	8.13%	7.03%
Total Budget	**9.86%**	**6.36%**	**4.68%**

The Gross increase is high for most departments due to the increased costs of retirement and health benefits. If you back out the effects of these increases and back

out inflation factors (3.5%), the increases are reasonable. The larger variances are explained below:

- Information Systems increase includes the first year cost of a multi year town-wide software replacement program.

- The Human Resource increase is due to increased cost for recruitment and for the implementation of assessment center testing for public safety positions.

- Planning, Zoning and Building increases are due to the addition of 2 Fire-Prevention officers and a secretary to expand the Fire-Prevention services for the Town. To offset some of the increased costs, new fire-inspection fees were implemented. In addition to the Fire-Prevention positions, a part time code enforcement officer was added to the budget and vehicles and equipment for the new positions were also included in the budget.

- The Fire-Rescue budget increased due to the potential purchase of new equipment using grant funds.

- The Police budget increased due to new equipment including: a new police radio system, a new firing range system, digital video systems for patrol vehicles and a new lifeguard tower.

- The Public Works budget increased due to the addition of a mechanic and an equipment operator for the Water Resources Division. Also, increases in fuel costs, sewage disposal charges, and solid waste cost increases added to the higher percentage increase.

Citizen Satisfaction Results

The KRM for citizen satisfaction is as follows:

KRM: *Internal and external customer satisfaction is achieved.*
Measurement: Results from satisfaction survey indicate at least a 90% or higher approval rating in the combined categories of "excellent" or "good".

During January and February of 2005, a citizen satisfaction survey was conducted by O'Neil Associates. A total of 400 telephone interviews were conducted with Town citizens to measure residents' attitudes toward the overall quality of life in the Town of Palm Beach and to understand residents' impressions of the job currently being performed by Town government in several key areas.

Overall, residents were very satisfied with the quality of life in Palm Beach. Satisfaction was measured at 95% with 71% of residents stating they were "very satisfied" and an additional 24% were "satisfied".

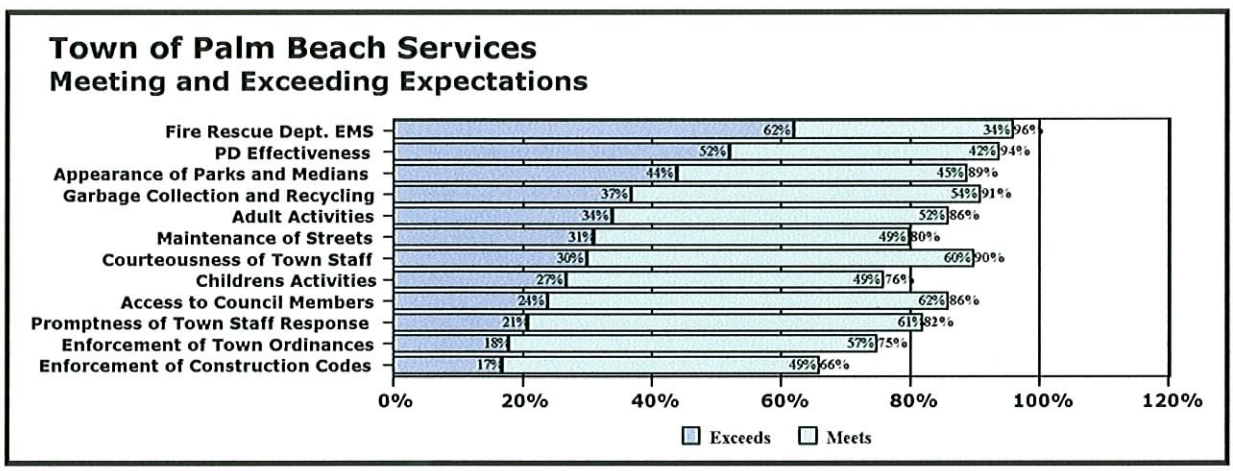
Key Results Measurement Update

Town residents were most impressed with emergency services, including, Fire-Rescue emergency medical services and Police Department effectiveness. Ninety-six percent (96%) of Palm Beach residents say that EMS services meet or exceed their expectations and 94% of Palm Beach residents say that Police services meet or exceed their expectations.

A total of 96% of residents responded with either strongly agree or agree to the statement: "I feel safe in Palm Beach."

A total of 97% of all residents either strongly agree or agree with the statement: "I am proud of the appearance of Palm Beach."

The chart below illustrates a sample of results from the survey.



Overall, we achieved an approval rating of 86% or better in most areas. We are working on ways to improve in the areas where we did not meet our 90% goal.

For full results please visit the Town's web page at www.Townofpalmbeach.com. We expect to conduct citizen surveys on a bi-annual basis.

For the Future

During the past year we worked with Mr. Dick Bowers to expand Key Result Measures and the measurement methodology to all the programs of the Town. The results of this endeavor can be found in the program budget section of this document. Since this is the initial year of Key Result Measurements for each program, actual measures will not be available. We will be monitoring our progress throughout the year and the results for both department and program measures will be presented in the FY2007 budget document.

Town of Palm Beach

Introductory Information

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 9,662 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 7,935 registered voters as of December 2004.

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, 2005, the Town employed approximately 412 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 9,662. The Town's population will grow during the time of year traditionally known as the "Season" (generally from November 15th to April 1st)

Town Overview/Demographics

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(75full-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	$ 332.9	219
Single Family Res.	5,359.5	2,234
Multi-Family,>10 units	61.3	9
Condominiums	2,181.3	5,495
Cooperatives	161.2	1,039
Retirement Homes &Misc	1.2	1
Multi-Family < 10 Units	83.2	70
Vacant Commercial	1.0	3
Improved Commercial	770.3	198
Improved Industrial	.6	1
Institutional	58.9	23
Government	.0	49
Leasehold Interests	.0	2
Miscellaneous	2.0	34
Total	$9,013.4	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 FY2006 was 3.0%. 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.

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 1.5% 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.

- Maintain a contingency reserve in the Leisure Services Capital Fund equal to 5% of the budget expenses 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 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 General Fund 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 the replacement costs of Leisure Services Fund 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 calculated at replacement cost 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.

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 2006.

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 FY2006 budget was $10.266B which represented a 12.41% increase over FY2005.

- ✓ **Building Permit Revenue:** The budget for building permit revenue was established at $4.0M which represented a 23.08% increase over FY 2005.

- ✓ **Investment Rate of Return:** The investment rate of return used to calculate interest earnings was 3.5%.

- ✓ **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% and wage adjustments resulting from the WMS Compensation Study are 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 $5.01M which represents a 16.7% increase over FY2005. The FY06 budget amount per employee and increase in funding by retirement group are as follows: General Employees, $8,417 (+7.6%); Lifeguards, $8,796 (+3.82%); Police, $21,462 (+12.82%) and Fire-Rescue, $17,551 (+10.07%).

- ✓ **Health Insurance:** A transfer of $5.821M 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 $60,000.

  Marina - Increases from $.02-$.05/ft./day in the annual, seasonal and winter rates are proposed for FY06. It is anticipated that this will increase revenues by approximately $101,000.

- ✓ **Risk Fund:** The transfer from the General Fund was budgeted at $2.39M which represents a 4.78% decrease over FY 2005.

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
The Town of Palm Beach Police Officers Retirement System
The Town of Palm Beach Fire-Rescue 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.

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 within a function or activity may be approved at the administrative level.

Budget Preparation Process

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.

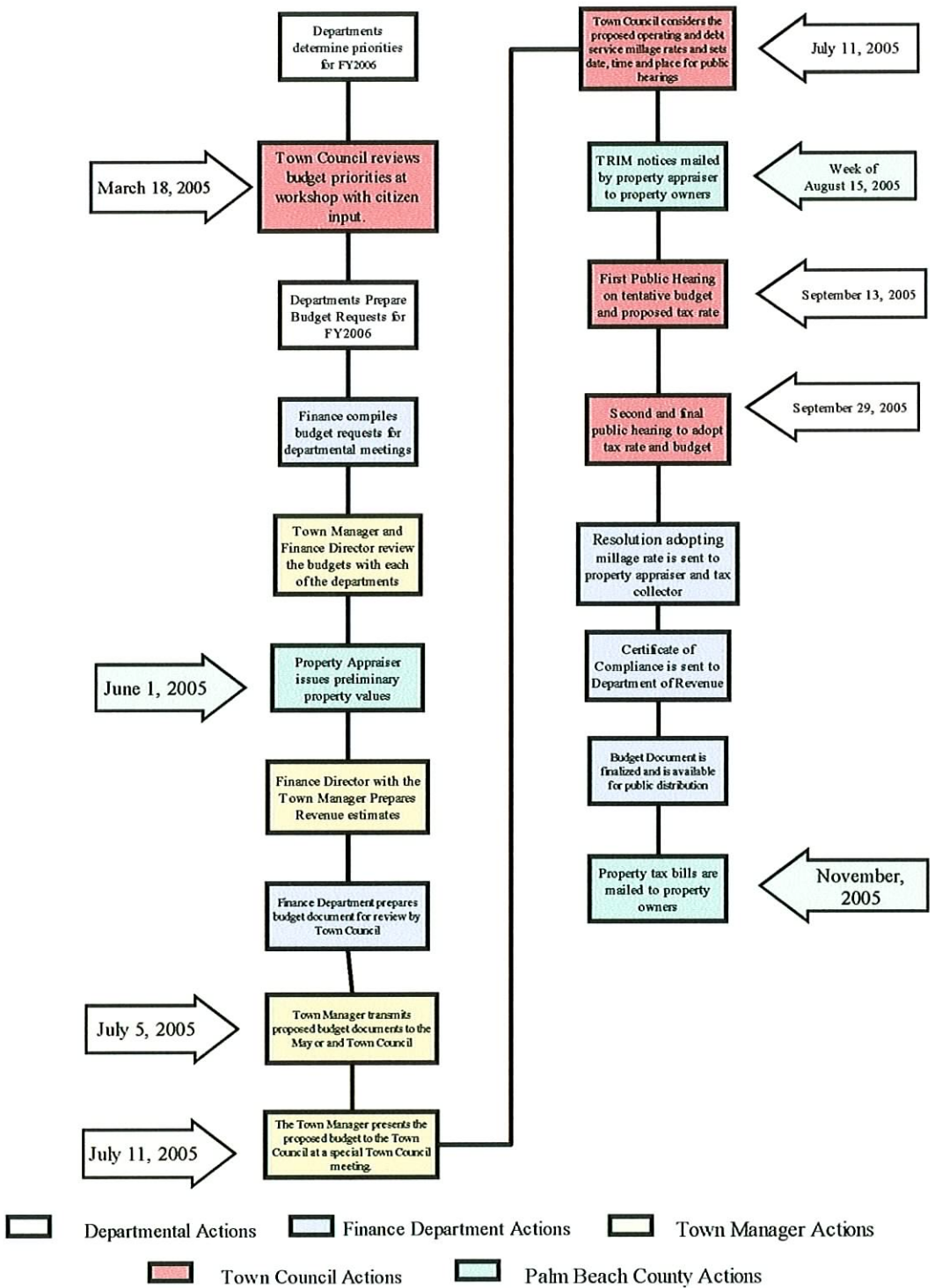
By State Law, the Town is required to hold two public hearings for adoption of a property tax rate and budget. The first public hearing is advertised by the Property Appraiser's mailing to each property owner a TRIM notice. In addition to notification of this first public hearing the TRIM notice contains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

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

17 *Town Hall closed - Martin Luther King, Jr. Day*

January 2005

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

8 *Election Day*

11 *Finance to distribute FY06 Proposed Budget instructions and capital improvement project requests to all departments*

15 ***Regular monthly Town Council meeting***

February 2005

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					

March

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

18 ***Special Town Council meeting to discuss survey, Strategic Plan, and FY2006 Budget***

March 2005

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		

April

1 *Capital Improvement Project requests to be submitted to Finance Director and Public Works Director*

12 ***Regular monthly Town Council meeting***

22 *Departmental proposed budget requests due in Finance Department, Full Time Equivalent, Departmental Non-Ad Valorem Revenue estimates*

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

29 *First review of Fire-Rescue and Town Clerk budgets*

April 2005

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

Adopted Budget Calendar

May

10	***Regular monthly Town Council Meeting***
12	*First review of Leisure Services Enterprise Fund budget*
19	*First review of Planning/Zoning/Building and Human Resources budgets (including Health)*
20	*First review of Public Works and Capital budgets*
26	*First review of Town Manager, Finance, and Risk budgets*
30	*Town Hall closed - Memorial Day*

June

1	*Property Appraiser issues preliminary property values*
1	*Second review of departmental budgets, KRM, and Long Term Financial Plan requests for Planning, Zoning, and Building, Human Resources, Town Manager, Finance and Risk*
2	*Second review of departmental budgets, KRM, and Long Term Financial Plan requests for Information Systems and Police*
3	*Second review of departmental budgets, KRM, and Long Term Financial Plan requests for Fire Rescue and Town Clerk*
14	***Regular monthly Town Council meeting***
16	*Second review of departmental budgets, KRM, and long term Financial Plan requests for Leisure Services Enterprise Fund*
17	*Second review of Public Works and Capital budgets, KRM, and Long Term Financial Plan requests*
21	*Department Director meeting to discuss Final Budget and resolve penidng issues*

July

1	*Notice from Property Appraiser of rolled back rate, F.S. 200.065(1)and Preliminary Certification of Taxable Value for 2004*
4	*Town Hall closed - Independence Day*
11	***Special Town Council meeting to review Town Staff's proposed FY2006 budgets with Department Heads***
12	***Regular monthly Town Council meeting***

August

9	***Regular monthly Town Council meeting***
Week of 15	*Notice of Proposed Property Taxes is mailed from Palm Beach County Property Appraiser to property owners*

May 2005

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

June 2005

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			1	2	3	4
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July 2005

S	M	T	W	T	F	S
					1	2
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24	25	26	27	28	29	30
31						

August 2005

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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			

Adopted Budget Calendar

September

5 *Labor Day - Town Hall closed*

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

13 5:01 pm ***Town Council first public hearing on tentative budget and proposed tax rate***

29 5:01 pm ***Town Council second public hearing on tentative budget and proposed tax rate***

October

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

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

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

November

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

11 *Veteran's Day - Town Hall closed*

24 & 25 Thanksgiving Holidays - Town Hall closed

December

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

23 *Town Hall closed - Christmas holiday*

30 *Town Hall closed - New Year's eve holiday*

September 2005

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	

October 2005

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

November 2005

S	M	T	W	T	F	S
		1	2	3	4	5
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December 2005

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

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 Retirement System.

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.
During FY2005, the Town Clerk's Office became a division of the Finance Department. The Town Clerk's Office 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.

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, 2004 was $69,196.

- (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, 2004 was $21,657.

- (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, 2004 was $841,570.

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.

- (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.

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 Central 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.

- (404)Leisure Services Enterprise Capital 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.

- (405)Leisure Services Enterprise Equipment Replacement Fund - This fund was created in FY2006. This fund accounts for the replacement cost of existing infrastructure, equipment, vehicles and computers when they reach the end of their useful lives for Leisure Services activities.

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.

- (606) Police Officers Retirement Fund - This fund accounts for the Town's defined benefit retirement program for Police employees. This fund was established in October 2004 and was previously contained within the (601) Public Safety Retirement Fund.

- (607) Firefighters Retirement Fund - This fund accounts for the Town's defined benefit retirement program for FIre-Rescue employees. This fund was established in October 2004 and was previously contained within the (601) Public Safety 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.

FY 06 Budget Summary by Fund Type, Revenues and Expenditures

	General	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Totals
Revenues							
Ad Valorem Taxes	$38,113,459	$0	$0	$0	$0	$0	$38,113,459
Sales and Use Taxes	6,418,000	0	0	0	0	0	6,418,000
Licenses and Permits	5,173,800	0	0	0	0	0	5,173,800
Intergovernmental	1,561,800	0	12,609,317	0	0	810,000	14,981,117
Charges for Services	2,407,513	0	0	3,937,599	0	0	6,345,112
Fines and Forfeitures	899,500	0	0	0	0	0	899,500
Contributions	0	0	40,000	0	0	6,694,013	6,734,013
Interest Earnings	1,187,103	1,500	810,000	173,000	625,000	11,162,000	13,958,603
Miscellaneous	162,900	0	0	25,020	0	8,900	196,820
Interfund Transfers	550,000	4,337,985	4,188,174	2,253,670	7,761,376	0	19,091,205
Subtotal	56,474,075	4,339,485	17,647,491	6,389,289	8,386,376	18,674,913	111,911,629
Appropriations from Fund Balance	1,070,000	0	8,174,710	2,249,897	3,289,399	0	14,784,006
Total Revenues	$57,544,075	$4,339,485	$25,822,201	$8,639,186	$11,675,775	$18,674,913	$126,695,635
Expenditures							
Personnel	$36,245,581	$0	$0	$1,799,484	$275,571	$0	$38,320,636
Contractual	6,518,291	0	0	953,351	7,893,204	8,318,200	23,683,046
Commodities	1,869,046	0	0	172,255	7,000	0	2,048,301
Capital Outlay	3,072,496	0	19,974,130	2,108,100	0	0	25,154,726
Debt Service	95,000	4,332,985	0	0	0	0	4,427,985
Interfund Transfers	9,508,661	0	1,215,097	2,253,670	0	0	12,977,428
Other	235,000	3,000	290,000	640,970	3,500,000	0	4,668,970
Subtotal	57,544,075	4,335,985	21,479,227	7,927,830	11,675,775	8,318,200	111,281,092
Transfer to Fund Balance/Retained Earnings	0	3,500	4,342,974	711,356	0	10,356,713	15,414,543
Total Expenditures	$57,544,075	$4,339,485	$25,822,201	$8,639,186	$11,675,775	$18,674,913	$126,695,635

Financial Ratios

	General	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total
Ad Valorem Taxes as percentage of total fund budget	66.23%	0.00%	0.00%	0.00%	0.00%	0.00%	30.08%
Ad Valorem Taxes per capita (9,662 population)	$3,945	$0	$0	$0	$0	$0	$3,945
Total expenditures per capita (9,662 population)	$5,956	$449	$2,673	$894	$1,208	$1,933	$13,113
Personnel as a percentage of the total budget	62.99%	0.00%	0.00%	20.83%	2.36%	0.00%	30.25%
Capital expenditures as percentage of total fund budget	5.34%	0.00%	77.35%	24.40%	0.00%	0.00%	19.85%
Capital expenditures per capita (9,662 population)	$318	$0	$2,067	$218	$0	$0	$2,603

Summary of Major Revenues by Fund Type
FY06 Budget

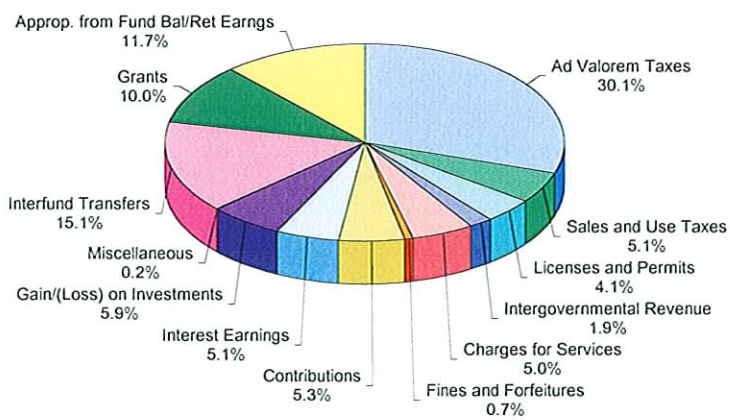
Description	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	FY06 Budget to FY05 Budget % Variance	FY2006 % of Total
General Fund							
Ad Valorem Taxes	$29,201,359	$32,162,957	$34,487,025	$34,921,000	$38,113,459	10.52%	66.23%
Sales and Use Taxes	6,106,741	6,084,211	6,064,500	6,119,800	6,418,000	5.83%	11.15%
Licenses and Permits	5,654,137	6,116,488	4,297,575	5,170,400	5,173,800	20.39%	8.99%
Intergovernmental Revenue	1,277,658	3,295,937	1,290,877	4,232,031	1,561,800	20.99%	2.71%
Charges for Services	2,560,809	2,054,178	2,217,800	2,076,750	2,407,513	8.55%	4.18%
Fines and Forfeitures	863,474	1,046,677	787,500	1,123,000	899,500	14.22%	1.56%
Contributions	0	150,000	0	4,000	0	0.00%	0.00%
Interest Earnings	583,091	527,686	617,379	887,000	1,187,103	92.28%	2.06%
Miscellaneous	122,067	2,093,106	132,575	198,108	162,900	22.87%	0.28%
Lease Proceeds	0	0	0	0	0	0.00%	0.00%
Interfund Transfers	675,000	550,000	555,000	550,000	550,000	-0.90%	0.96%
Subtotal	47,044,336	54,081,240	50,450,231	55,282,089	56,474,075	11.94%	98.14%
Appropriations from Fund Balance	0	0	1,935,500	0	1,070,000	100.00%	1.86%
Total General Fund	$47,044,336	$54,081,240	$52,385,731	$55,282,089	$57,544,075	9.85%	100.00%
Debt Service Funds							
Ad Valorem Taxes	$613,982	$615,374	$608,000	$608,000	$0	-100.00%	0.00%
Interest Earnings	8,416	10,188	3,500	9,950	1,500	-57.14%	0.03%
Interfund Transfers	1,211,858	4,335,550	4,342,285	4,340,785	4,337,985	-0.10%	99.97%
Subtotal	1,834,256	4,961,112	4,953,785	4,958,735	4,339,485	-12.40%	100.00%
Appropriations from Fund Balance	79,902	81,055	105,000	99,500	0	-100.00%	0.00%
Total Debt Service Funds	$1,914,158	$5,042,167	$5,058,785	$5,058,235	$4,339,485	-14.22%	100.00%
Capital Projects Funds							
Bond Proceeds	$6,108,358	$0	$0	$0	$0	0.00%	0.00%
Interest Earnings	1,314,260	743,237	666,000	907,000	810,000	21.62%	3.14%
Grants/Interlocal	5,013,766	607,210	0	230,000	12,609,317	100.00%	48.83%
Contributions	59,174	82,140	40,000	40,400	40,000	0.00%	0.15%
Miscellaneaous	18,000	121	0	0	0	0.00%	0.00%
Interfund Transfers	8,417,368	4,825,713	5,549,908	5,706,081	4,185,603	-24.58%	16.21%
Subtotal	20,930,926	6,258,421	6,255,908	6,883,481	17,644,920	182.05%	68.33%
Appropriations from Fund Balance	0	3,067,378	31,923,820	10,529,535	8,177,281	-74.39%	31.67%
Total Capital Projects Funds	$20,930,926	$9,325,799	$38,179,728	$17,413,016	$25,822,201	-32.37%	100.00%
Enterprise Funds							
Charges for Services	$3,128,811	$3,518,015	$3,795,770	$3,739,070	$3,937,599	3.74%	45.58%
Interest Earnings	55,287	56,939	54,000	103,000	173,000	220.37%	2.00%
Administrative Fee	6,000	24,000	24,000	24,000	24,000	0.00%	0.28%
Grants/Donations	0	0	0	50,000	0	100.00%	0.00%
Interfund Transfers		175,592	2,914,807	2,206,268	2,253,670	-22.68%	26.09%
Miscellaneous	2,660	1,075	935	1,070	1,020	9.09%	0.01%
Subtotal	3,192,758	3,775,621	6,789,512	6,123,408	6,389,289	-5.89%	73.96%
Appropriations from Retained Erngs.	0	0	1,300,629	1,823,603	2,249,897	72.99%	26.04%
Total Enterprise Funds	$3,192,758	$3,775,621	$8,090,141	$7,947,011	$8,639,186	6.79%	100.00%
Internal Service Funds							
Interest Earnings	$378,601	$393,802	$422,000	$325,000	$625,000	48.10%	5.35%
Miscellaneous	94,969	334	0	0	0	0.00%	0.00%
Interfund Transfers	7,189,102	7,513,265	7,387,753	7,507,953	7,761,376	5.06%	66.47%
Subtotal	7,662,672	7,907,401	7,809,753	7,832,953	8,386,376	7.38%	71.83%
Appropriations from Retained Erngs.	0	790,696	3,353,354	68,662	3,289,399	-1.91%	28.17%
Total Internal Service Funds	$7,662,672	$8,698,097	$11,163,107	$7,901,615	$11,675,775	4.59%	100.00%

Summary of Major Revenues by Fund Type
FY06 Budget

Description	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	FY06 Budget to FY05 Budget % Variance	FY2006 % of Total
Trust & Agency Funds							
Intergovernmental	$713,611	$744,342	$770,000	$790,000	$810,000	5.19%	4.34%
Interest Earnings	2,325,207	2,522,613	3,900,000	3,202,000	3,652,000	-6.36%	19.56%
Gain/Loss on Investments	18,374,928	11,810,587	5,500,000	6,745,000	7,510,000	36.55%	40.21%
Miscellaneous	9,545	7,254	8,700	11,900	8,900	2.30%	0.05%
Contributions	2,995,809	4,941,551	5,597,316	6,128,921	6,694,013	19.59%	35.84%
Subtotal	24,419,100	20,026,347	15,776,016	16,877,821	18,674,913	18.38%	100.00%
Appropriations from Fund Balance	0	0	0	0	0	0.00%	0.00%
Total Trust & Agency Funds	$24,419,100	$20,026,347	$15,776,016	$16,877,821	$18,674,913	18.38%	100.00%
All Funds							
Ad Valorem Taxes	$29,815,341	$32,778,331	$35,095,025	$35,529,000	$38,113,459	8.60%	30.08%
Bond Proceeds	6,108,358	0	0	0	0	0.00%	0.00%
Sales and Use Taxes	6,106,741	6,084,211	6,064,500	6,119,800	6,418,000	5.83%	5.07%
Licenses and Permits	5,654,137	6,116,488	4,297,575	5,170,400	5,173,800	20.39%	4.08%
Intergovernmental Revenue	1,991,269	4,040,279	2,060,877	5,022,031	2,371,800	15.09%	1.87%
Charges for Services	5,689,620	5,572,193	6,013,570	5,815,820	6,345,112	5.51%	5.01%
Fines and Forfeitures	863,474	1,046,677	787,500	1,123,000	899,500	14.22%	0.71%
Contributions	3,054,983	5,173,691	5,637,316	6,173,321	6,734,013	19.45%	5.32%
Interest Earnings	4,664,862	4,254,465	5,662,879	5,433,950	6,448,603	13.87%	5.09%
Gain/(Loss) on Investments	18,374,928	11,810,587	5,500,000	6,745,000	7,510,000	36.55%	5.93%
Miscellaneous	253,241	2,125,890	166,210	235,078	196,820	18.42%	0.16%
Lease Proceeds	0	0	0	0	0	0.00%	0.00%
Interfund Transfers	17,493,328	17,400,120	20,749,753	20,311,087	19,088,634	-8.01%	15.07%
Grants	5,013,766	607,210	0	280,000	12,609,317	100.00%	9.95%
Approp. from Fund Bal/Ret Earngs	79,902	3,939,129	38,618,303	12,521,300	14,786,577	-61.71%	11.67%
Total All Funds	$105,163,950	$100,949,271	$130,653,508	$110,479,787	$126,695,635	-3.03%	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.

FY06 Budget by Revenue Type - All Funds



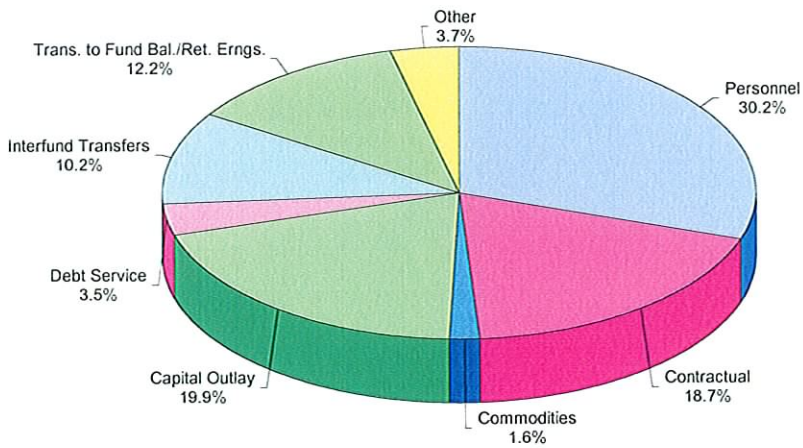
Summary of Expenditure Classifications by Fund Type
FY06 Budget

Description	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	FY06 Budget to FY05 Budget % Variance	FY2006 % of Total
General Fund							
Personnel	$27,681,282	$31,584,764	$33,549,709	$33,543,071	$36,245,581	8.04%	62.99%
Contractual	4,850,931	6,206,873	5,981,114	7,562,302	6,518,291	8.98%	11.33%
Commodities	1,289,730	1,553,718	1,491,135	1,459,134	1,869,046	25.34%	3.25%
Capital Outlay	1,240,942	1,387,384	1,752,494	1,908,744	3,072,496	75.32%	5.34%
Debt Service	144,400	144,101	99,104	99,104	95,000	-4.14%	0.17%
Interfund Transfers	11,484,473	7,972,033	9,277,175	8,875,843	9,508,661	2.50%	16.52%
Other	235,000	235,000	235,000	235,000	235,000	0.00%	0.41%
Subtotal	46,926,758	49,083,873	52,385,731	53,683,198	57,544,075	9.85%	100.00%
Transfer to Fund Balance	117,578	4,997,367	0	1,598,891	0	0.00%	0.00%
Total General Fund	$47,044,336	$54,081,240	$52,385,731	$55,282,089	$57,544,075	9.85%	100.00%
Debt Service Funds							
Debt Service	$1,912,533	$5,036,581	$5,049,085	$5,049,085	$4,332,985	-14.18%	99.85%
Other	1,625	3,086	4,900	4,900	3,000	-38.78%	0.07%
Interfund Transfers	0	0	0	0	0	0.00%	0.00%
Subtotal	1,914,158	5,039,667	5,053,985	5,053,985	4,335,985	-14.21%	99.92%
Transfer to Fund Balance	0	2,500	4,800	4,250	3,500	-27.08%	0.08%
Total Debt Service Funds	$1,914,158	$5,042,167	$5,058,785	$5,058,235	$4,339,485	-14.22%	100.00%
Capital Projects Funds							
Capital Outlay	$11,917,521	$7,470,249	$34,457,530	$13,836,402	$19,974,130	-42.03%	77.35%
Interfund Transfers	0	1,855,550	3,031,514	3,031,546	1,215,097	-59.92%	4.71%
Other	0	0	366,400	0	290,000	-20.85%	1.12%
Subtotal	11,917,521	9,325,799	37,855,444	16,867,948	21,479,227	-43.26%	83.18%
Transfer to Fund Balance	9,013,405	0	324,284	545,068	4,342,974	1239.25%	16.82%
Total Capital Projects Funds	$20,930,926	$9,325,799	$38,179,728	$17,413,016	$25,822,201	-32.37%	100.00%
Enterprise Funds							
Personnel	$683,686	$1,674,355	$1,650,338	$1,620,188	$1,799,484	9.04%	20.83%
Contractual	519,488	884,362	917,190	869,384	953,351	3.94%	11.04%
Commodities	94,809	134,864	166,451	162,350	172,255	3.49%	1.99%
Capital Outlay	228,460	403,499	2,476,644	666,553	2,108,100	-14.88%	24.40%
Debt Service	0	0	0	0	0	0.00%	0.00%
Interfund Transfers	675,000	(161,430)	2,206,268	2,206,268	2,253,670	2.15%	26.09%
Other	2,100	550,000	673,250	550,000	640,970	-4.79%	7.42%
Subtotal	2,203,543	3,485,650	8,090,141	6,074,743	7,927,830	-2.01%	91.77%
Transfer to Retained Earnings	989,215	289,971	0	1,872,268	711,356	100.00%	8.23%
Total Enterprise Funds	$3,192,758	$3,775,621	$8,090,141	$7,947,011	$8,639,186	6.79%	100.00%
Internal Service Funds							
Personnel	$184,934	$221,593	$272,833	$272,833	$275,571	1.00%	2.36%
Contractual	6,667,157	8,360,912	7,383,324	7,471,024	7,893,204	6.91%	67.60%
Commodities	7,972	5,524	6,950	7,058	7,000	0.72%	0.06%
Capital Outlay	3,084	8,818	0	0	0	0.00%	0.00%
Other	0	101,250	3,500,000	150,700	3,500,000	0.00%	29.98%
Subtotal	6,863,147	8,698,097	11,163,107	7,901,615	11,675,775	4.59%	100.00%
Transfer to Retained Earnings	799,525	0	0	0	0	0.00%	0.00%
Total Internal Sevice Funds	$7,662,672	$8,698,097	$11,163,107	$7,901,615	$11,675,775	4.59%	100.00%

Summary of Expenditure Classifications by Fund Type
FY06 Budget

Description	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	FY06 Budget to FY05 Budget % Variance	FY2006 % of Total
Trust & Agency Funds							
Contractual	$7,165,247	$8,196,206	$7,527,400	$9,617,150	$8,318,200	10.51%	44.54%
Transfer to Fund Balance	17,253,853	11,830,141	8,248,616	7,260,671	10,356,713	25.56%	55.46%
Total Trust & Agency Funds	$24,419,100	$20,026,347	$15,776,016	$16,877,821	$18,674,913	18.38%	100.00%
Total: All Funds							
Personnel	$28,549,902	$33,480,712	$35,472,880	$35,436,092	$38,320,636	8.03%	30.25%
Contractual	19,202,823	23,648,353	21,809,028	25,519,860	23,683,046	8.59%	18.69%
Commodities	1,392,511	1,694,106	1,664,536	1,628,542	2,048,301	23.06%	1.62%
Capital Outlay	13,390,007	9,269,950	38,686,668	16,411,699	25,154,726	-34.98%	19.85%
Debt Service	2,056,933	5,180,682	5,148,189	5,148,189	4,427,985	-13.99%	3.49%
Interfund Transfers	12,159,473	9,666,153	14,514,957	14,113,657	12,977,428	-10.59%	10.24%
Trans. to Fund Bal./Ret. Erngs.	28,173,576	17,119,979	8,577,700	11,281,148	15,414,543	79.70%	12.17%
Other	238,725	889,336	4,779,550	940,600	4,668,970	-2.31%	3.69%
Subtotal All Funds	$105,163,950	$100,949,271	$130,653,508	$110,479,787	$126,695,635	-3.03%	100.00%

FY06 Budget by Expenditure Classification
All Funds



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Reserve Analysis

Town of Palm Beach Reserves

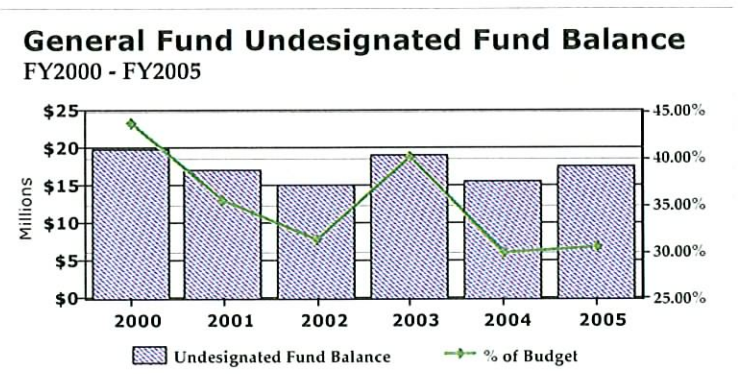
The Town Council has adopted seventeen financial policies, twelve of which addressed reserves. The reserve policies serve to safeguard the Town's financial resources and ensure fiscal stability. The size of a municipality's fund balance can affect its ability to withstand financial emergencies. Reserves can also be used to accumulate funds for capital purchases or capital projects without having to borrow.

Undesignated Fund Balance - General Fund

Pursuant to adopted policy, the undesignated fund balance for the General Fund is to be maintained at a minimum level of 25% of current year General Fund budgeted expenditures. This minimum level is to be maintained to protect the Town against economic downturns, temporary revenue shortfalls, unpredicted one-time expenditures, and for tax rate stabilization purposes. Twenty-five percent of the proposed FY2006 General Fund operating budget of $56,474,075 is $14,118,519. It is estimated that at the end of FY2005, the Undesignated Fund Balance for the General Fund will total over $17,500,000. This amount represents 31.1% of FY2006 budgeted operating expenditures or more than $3,400,000 over the required minimum level of 25%. A portion of these reserves ($560,000) will be used in the FY2006 budget for funding the purchase of a police radio system.

After the funding of the radio system from the General Fund Undesignated Fund Balance, the remaining balance of approximately $17,000,000 represents 30% of the FY2006 operating budget, leaving approximately $2,881,000 of "excess fund balance" over the required minimum.

The General Fund Undesignated Fund Balance has consistently exceeded the required minimum level of 25%. The chart details the General Fund Undesignated Fund Balance and the percent of budgeted expenditures the balance represents. Transfers from Fund Balance to establish the equipment replacement fund and compensated absence reserve, drainage and town facilities projects, and to fund hurricane expenditures have reduced the balance of the reserve. Even after these transfers the reserve level has exceed the minimum required balance of 25%.



Reserve for Catastrophic Exposures/Emergencies - Risk Fund

The Reserve for Catastrophic Exposures/Emergencies for the Risk Fund is funded at a minimum of $2,500,000. 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. This reserve is funded from the Retained Earnings of the Risk Fund. This reserve was used to fund a litigation settlement and was reimbursed by General Fund reserves during FY2005.

Enterprise Fund Reserves

The Enterprise Fund reserve is to be maintained at a minimum level of 25% of budgeted revenues. The purpose of the reserve is to provide an adequate level of retained earnings to provide for unanticipated financial impacts as well as to provide for one-time expenditures to improve the facilities.

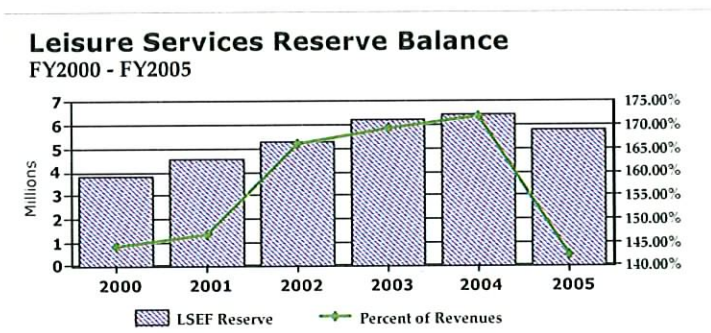
The Town's enterprise fund, includes the operations of the Town Dock, the Par 3 Golf Course, Tennis activities and Youth and Adult recreation programs.

At the end of FY2005, it is anticipated that the retained earnings balance for the Leisure Services Enterprise Fund will be approximately $5,400,000. This represents 133% of budgeted revenues, and is well above the required minimum of $1,015,654.

During FY2005, $2,206,260 was transferred to the Leisure Services Capital Improvement Fund for the construction of an additional tennis court at the Phipps Ocean Park Tennis facility, and funding for dock improvement projects.

In addition to the $5,400,000 in retained earnings, $1,475,000 has been set aside in the Dock Replacement Reserve. This reserve was created to fund the replacement cost of the construction of the Town's docks whenever it is determined they must be replaced. The replacement reserve is to be maintained at 100% of accumulated depreciation plus accumulated interest earned on the reserve.

The Leisure Services Enterprise Fund has well exceeded the required minimum of 25% of budgeted revenues. The Leisure Services Enterprise fund will have sufficient reserves to fund, on a pay-as-you-go basis, any proposed capital projects for the marina, golf, tennis and recreation activities for the foreseeable future.



The Leisure Services Enterprise Fund established an Equipment Replacement Fund in the FY2006 budget. This fund will allow for the purchase of capital equipment and is funded with an initial transfer of the total accumulated depreciation from the Leisure Services Retained Earnings. The annual funding will be calculated using replacement cost depreciation and transferred from the LSEF.

Reserve Analysis

Equipment Replacement Fund

The Equipment Replacement Reserve was established with a transfer of $4,386,910 from the General Fund Undesignated Fund balance in the FY2002 budget. The amount represented the accumulated depreciation of the Town's fixed assets through FY2002. For FY2005 the income including the depreciation transfer will total approximately $1,400,000. The total estimated balance in the equipment replacement fund for year end FY2005 will be approximately $5,200,000 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 significantly reduce the budgetary fluctuations due to purchases of large pieces of equipment and establish the fixed asset inventory and depreciation schedule required by GASB34.

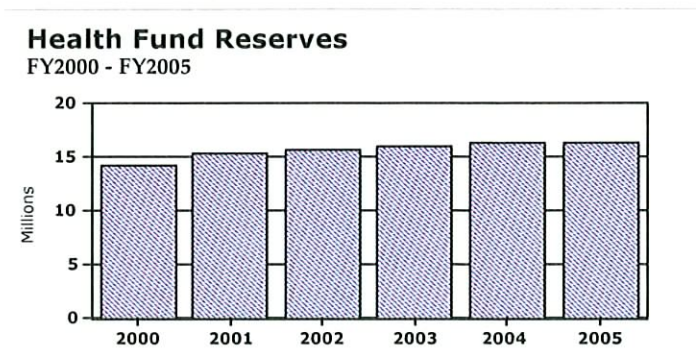
Staff will research and may propose a change to the Equipment Replacement Fund in the future. The current funding of depreciation based on acquisition cost may be changed to fund depreciation based upon replacement value. This will allow for sufficient funding to be available to replace large capital items with long useful lives.

Designation of General Fund - Fund Balance for Payment of Liability Related to Compensated Absences Leave Balances

The Town Council approved the establishment of a Reserve for Compensated Absences with the FY2005 budget. This 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. This reserve will be funded at a rate of 100% of the fiscal year end accrued leave balances. Funds will be appropriated annually from this reserve based upon estimates of pay-outs of eligible accrued vacation, sick and compensatory time and the related payroll tax liability. The appropriation for FY2006 to the General Fund from this reserve is $510,000. The balance in the reserve as of September 30, 2005 is $3,094,977.

Health Insurance Reserve

The Health Insurance Fund has a significant reserve balance that has accrued in anticipation of the issuance of a policy from the Government Accounting Standards Board (GASB). GASB has issued statements 43 and 45 relating to accounting standards for post employment benefits, which will include the establishment of a liability for actuarially determined costs of retiree health benefits. In FY2006 a trust fund will be created using a significant portion of the Health Insurance Fund reserves provide for post employment benefits. The Town is well ahead of other government agencies in the funding of this liability.



Contingency Reserves

Contingency reserves were established for the General Fund, Capital Fund, Leisure Services Enterprise Fund, Leisure Services Enterprise Fund - Capital Fund, Risk Insurance Fund and

Health Insurance Fund to provide for unanticipated unbudgeted expenditures of a nonrecurring nature. The amount of the General Fund Contingency has been funded at 1.5% of the budget for FY2006. The Capital Fund Contingency is appropriated at 10% of the proposed capital budget, the Risk and Health Contingency Reserves are appropriated at $500,000. The Leisure Services Enterprise Fund Contingency is funded at 5% of the proposed operating expenses as is the Leisure Services Capital Fund Contingency.

Undesignated Fund Balance/Retained Earnings Summary

All reserves are at or over the policy established minimum. The financial strength of the Town can be measured by the health of its reserves. The rating agencies look closely at the fund balance levels and the financial policies in place when rating a municipality. During FY2003, when the rating agencies reviewed the Town's credit ratings, they cited the Town's healthy reserves, solid fiscal policies resulting in strong reserve levels, conservative and solid management practices as some of the reasons to upgrade our bond ratings. Moody's Investors Service upgraded the Town's credit rating to Aa1 from Aa2 for the Revenue Bonds that were issued, and confirmed the Town's Aaa credit rating for General Obligation issues. Standard and Poor's upgraded the credit rating on the Revenue bonds to AA+ from A+ and upgraded the Town's 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 response to and recovery from the back to back hurricanes did not cause any reserve balances to decline below the minimum established by policy. The Town's healthy reserves allowed us to "weather the storms" without having to borrow funds.

The table below summarizes the trend of the undesignated fund balance, net asset balances, compensated absence, and replacement reserve balances for FY2000 through FY2005 (estimated) for all of the funds of the Town.

Fiscal Years 2000 - 2005

Fund	2000	2001	2002	2003	2004	Est 2005
General Fund	$19,925,376	$17,017,373	$15,212,417	$19,015,967	$15,625,847	$17,560,000
Compensated Absence (GF)	0	0	0	0	2,496,068	3,094,977
Equipment Replacement Fund	0	0	4,497,502	4,912,691	5,214,800	5,200,000
LSEF	3,835,715	4,552,574	5,279,622	6,268,837	6,488,789	5,400,000
Dock Replacement	0	0	0	989,642	1,295,094	1,475,000
Health Fund	14,302,994	15,463,080	15,784,579	16,103,001	16,356,507	16,300,000
Risk Fund	3,133,567	3,518,595	3,968,573	4,449,672	3,782,648	5,800,000
Pension Funds	142,441,955	132,241,528	115,635,106	132,888,957	144,719,097	150,000,000
Total	183,639,607	172,793,150	160,377,799	184,628,767	195,978,850	204,829,977

Town of Palm Beach, Florida
General Fund Revenues and Expenditures
Budget Comparison
Fiscal Years 2005 - 2006

	Budget FY2005	Budget FY2006	Difference	%Change	% of Total Budget
Revenues					
Ad Valorem Taxes	$34,487,025	$38,113,459	$3,626,434	10.5%	67.5%
Non Ad Valorem Taxes	6,064,500	6,418,000	$353,500	5.8%	11.4%
Licenses & Permits	4,297,575	5,173,800	$876,225	20.4%	9.2%
Intergovernmental	1,290,877	1,561,800	$270,923	21.0%	2.8%
Charges for Services	2,217,800	2,407,513	$189,713	8.6%	4.3%
Fines and Forfeitures	787,500	899,500	$112,000	14.2%	1.6%
Investment Earnings	617,379	1,187,103	$569,724	92.3%	2.1%
Miscellaneous Revenues	132,575	162,900	$30,325	22.9%	0.3%
Interfund Transfers	550,000	550,000	$0	0.0%	1.0%
Total Operating Revenues	**$50,445,231**	**$56,474,075**	**$6,028,844**	12.0%	100.0%
Expenditures					
Department					
Legislative	$56,825	$58,800	$1,975	3.5%	0.1%
General Government	$154,948	$356,611	$201,663	130.1%	0.6%
Town Manager	960,989	1,023,446	$62,457	6.5%	1.8%
Human Resources	667,546	735,252	$67,706	10.1%	1.3%
Information Systems	1,182,385	1,711,659	$529,274	44.8%	3.0%
Town Clerk	312,629	289,630	($22,999)	-7.4%	0.5%
Finance	1,334,712	1,454,219	$119,507	9.0%	2.6%
Planning/Building/Zoning	2,759,182	3,225,384	$466,202	16.9%	5.7%
Library	235,000	235,000	$0	0.0%	0.4%
Fire-Rescue	8,879,708	9,954,180	$1,074,472	12.1%	17.6%
Police	13,403,510	14,384,560	$981,050	7.3%	25.5%
Hurricane Preparedness	64,085	92,192	$28,107	43.9%	0.2%
Public Works	11,219,417	12,523,790	$1,304,373	11.6%	22.2%
Transfer to Other Funds	8,468,799	9,594,352	$1,125,553	13.3%	17.0%
Contingent Appropriations	745,496	835,000	$89,504	12.0%	1.5%
Total Operating Expenditures	**$50,445,231**	**$56,474,075**	**$6,028,844**	**12.0%**	**100.0%**
Transfer from Undesignated Fund for one-time expenditures	**$1,935,500**	**$1,070,000**	**($865,500)**	**-44.7%**	
Total General Fund Budget	**$52,380,731**	**$57,544,075**	**$5,163,344**	**9.9%**	

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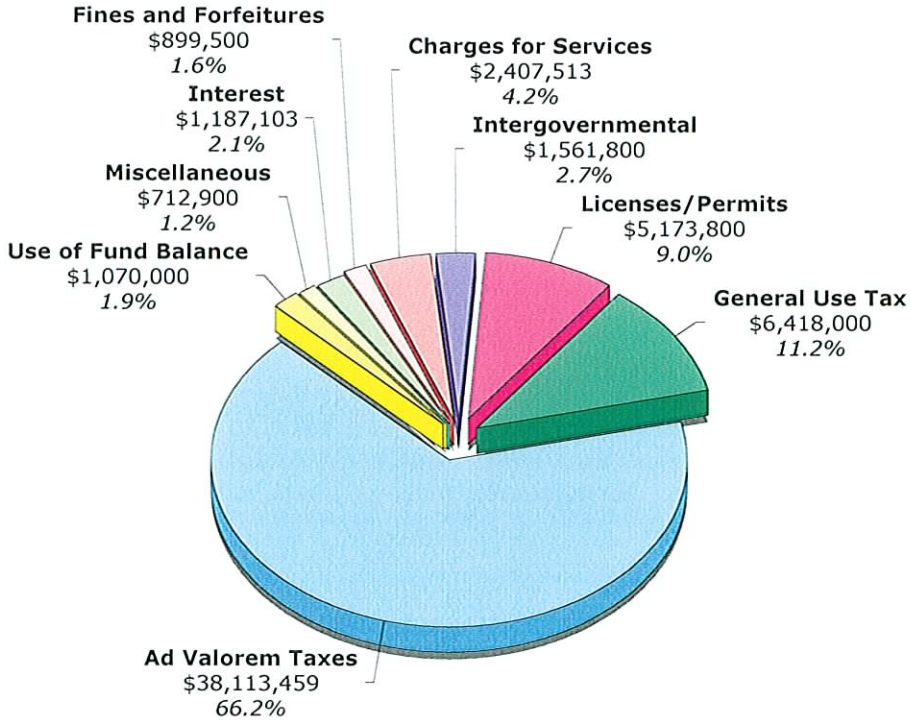
GENERAL FUND REVENUES
FY2006 BUDGET



Ad Valorem Taxes	$38,113,459
General Use Tax	6,418,000
Licenses/Permits	5,173,800
Intergovernmental	1,561,800
Charges for Services	2,407,513
Fines and Forfeitures	899,500
Interest	1,187,103
Miscellaneous	712,900
Use of Fund Balance	1,070,000
Total General Fund	$57,544,075

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY2003 ACTUAL	FY 2004 ACTUAL	FY 2005 BUDGETED	FY 2005 PROJECTED	FY 2006 BUDGETED	% VARIANCE	% OF TOTAL GF BUDGET
AD VALOREM TAXES							
Current Ad Valorem Taxes	$29,196,134	$32,157,950	$34,487,025	$34,894,523	$38,113,459	10.52%	66.23%
Back Taxes	5,225	5,007	0	33,866	0	0.00%	0.00%
Total	$29,201,359	$32,162,957	$34,487,025	$34,928,389	$38,113,459	8.60%	66.23%
SALES & USE TAXES							
Local Option Gas Tax 6 Cents	$152,568	$149,675	$150,000	$152,525	$150,000	0.00%	0.26%
Local Option Gas Tax 5 Cents	71,949	70,080	70,000	69,705	70,000	0.00%	0.12%
Total	$224,517	$219,755	$220,000	$222,230	$220,000	0.00%	0.38%
FRANCHISE FEES							
Electricity	$1,564,384	$1,689,108	$1,650,000	$1,735,550	$1,905,000	15.45%	3.31%
Gas	161,837	192,087	140,000	231,574	220,000	57.14%	0.38%
Total	$1,726,221	$1,881,195	$1,790,000	$1,967,124	$2,125,000	18.72%	3.69%
UTILITY SERVICE TAX							
Electricity	$1,968,539	$1,917,830	$1,950,000	$1,946,260	$1,995,000	2.31%	3.47%
Water	693,893	648,605	700,000	811,970	770,000	10.00%	1.34%
Gas	177,862	198,849	200,000	245,600	250,000	25.00%	0.43%
Simplified Telecom Tax	1,311,508	1,213,252	1,200,000	1,120,895	1,052,000	-12.33%	1.83%
Propane	4,201	4,725	4,500	6,800	6,000	33.33%	0.01%
Total	$4,156,003	$3,983,261	$4,054,500	$4,131,525	$4,073,000	0.46%	7.08%
OCCUPATIONAL LICENSES							
Town Occ Licenses	$595,651	$677,059	$610,000	$650,560	$675,000	10.66%	1.17%
Occ Lic Penalities	22,323	20,238	22,000	15,000	20,000	-9.09%	0.03%
Total	$617,974	$697,297	$632,000	$665,560	$695,000	9.97%	1.21%
BUILDING PERMITS							
Building	$4,571,164	$4,835,549	$3,250,000	$5,562,420	$4,000,000	23.08%	6.95%
Radon Gas	61	51	75	60	50	-33.33%	0.00%
Electrical	46,616	58,183	45,000	79,810	52,000	15.56%	0.09%
Plumbing	24,982	25,692	28,000	27,000	28,000	0.00%	0.05%
Except/Var. App.	93,200	99,770	50,000	82,000	52,000	4.00%	0.09%
Var./Spec. Exp. Consulting Fees	6,000	8,700	5,000	5,100	5,000	0.00%	0.01%
Special Plan Review Fee	40,600	107,900	60,000	200,000	100,000	66.67%	0.17%
Abandonments	616	1,851	500	110	500	0.00%	0.00%
Architectural Fees	50,391	52,625	50,000	59,000	45,000	-10.00%	0.08%
Landmarks Submittal	5,075	4,475	5,500	5,000	4,500	-18.18%	0.01%
Tax Abatement Program	0	0	1,200	1,200	3,600	200.00%	0.01%
Mechanical Permits	68,259	78,488	59,000	65,000	62,000	5.08%	0.11%
Total	$4,906,964	$5,273,284	$3,554,275	$6,086,700	$4,352,650	22.46%	7.56%
OTHER LIC., FEES & PERMITS							
Right Of Way Permits	$114,574	$131,127	$95,000	$129,315	$110,000	15.79%	0.19%
Gainesville Plan	3,980	3,495	4,500	4,000	4,500	0.00%	0.01%
Arlington Plan	9,835	10,565	11,000	10,145	11,000	0.00%	0.02%
Newsrack Encl. Admin. Fee	810	720	800	650	650	-18.75%	0.00%
Total	$129,199	$145,907	$111,300	$144,110	$126,150	13.34%	0.22%
FEDERAL GRANTS							
Bullet Proof Vests Grant	$3,298	$0	$3,500	$3,500	$0	-100.00%	0.00%
FEMA/FDOT Hurricane Reim.	0	2,023,282	0	3,000,000	0	0.00%	0.00%
FEMA Grant - Fire-Rescue	41,215	58,962	133,840	100,000	276,000	106.22%	0.48%
Total	$44,513	$2,082,244	$137,340	$3,103,500	$276,000	100.96%	0.48%

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY2003 ACTUAL	FY 2004 ACTUAL	FY 2005 BUDGETED	FY 2005 PROJECTED	FY 2006 BUDGETED	% VARIANCE	% OF TOTAL GF BUDGET
STATE GRANTS							
Historic Preservation	$0	$11,000	$25,000	$0	$0	-100.00%	0.00%
Marine Block Grant	0	0	0	1,931	0	0.00%	0.00%
Local Law Enforcement Block Grant	8,255	6,853	8,000	8,000	0	-100.00%	0.00%
Total	$8,255	$17,853	$33,000	$9,931	$0	-100.00%	0.00%
STATE SHARED REVENUE							
State Revenue Sharing	$201,128	$213,623	$201,000	$258,000	$250,000	24.38%	0.43%
Alcoholic Beverage Lic.	31,699	22,624	22,000	25,500	24,000	9.09%	0.04%
Local Govt. Sales Tax	671,696	721,084	720,000	750,000	720,000	0.00%	1.25%
Fire Supp. Comp.	18,506	19,140	21,500	21,430	27,200	26.51%	0.05%
Siezed Tag	2,433	783	1,000	3,500	1,900	90.00%	0.00%
Fuel Tax Refund	8,808	9,033	7,500	9,900	7,500	0.00%	0.01%
Total	$934,270	$986,287	$973,000	$1,068,330	$1,030,600	5.92%	1.79%
GRANTS - LOCAL UNITS							
EMS Grant - Palm Beach County	$0	$12,712	$49,837	$0	$50,000	0.33%	0.09%
Vegetation Clearing Grant - PBC	0	0	0	20,992	0	0.00%	0.00%
	$0	$12,712	$49,837	$20,992	$50,000	0.33%	0.04%
SHARED REV-LOCAL REVENUE							
County Occ. Licenses	$23,875	$26,551	$20,000	$23,705	$20,000	0.00%	0.03%
City of West Palm Beach	0	0	78,631	102,631	0	-100.00%	0.00%
911 Equip Reimbursement	266,745	128,202	77,700	77,700	185,200	138.35%	0.32%
$12.50 Citation Monies	0	42,088	0	21,453	0	0.00%	0.00%
Total	$290,620	$196,841	$176,331	$225,489	$205,200	16.37%	0.36%
GENERAL GOVERNMENT							
Bep Code Sales	$320	$110	$700	$200	$500	-28.57%	0.00%
Map/Sales Code	2,744	2,119	2,500	2,150	2,500	0.00%	0.00%
Certification Copy	894	298	300	700	650	116.67%	0.00%
Misc. Copies	3,506	1,449	2,000	2,565	2,400	20.00%	0.00%
Meeting Tapes Sales	629	800	400	770	600	50.00%	0.00%
Lien Search Fee	14,170	30,945	25,000	27,500	25,000	0.00%	0.04%
Micro-Fiche/Scanned Docs	13,557	10,343	9,000	17,000	12,000	33.33%	0.02%
Data Processing Services	275	180	0	250	0	0.00%	0.00%
Total	$36,095	$46,244	$39,900	$51,135	$43,650	9.40%	0.08%
PUBLIC SAFETY							
Special Detail - Other	$408,600	$296,010	$362,000	$280,000	$355,000	-1.93%	0.62%
Police ID Cards	19,517	22,630	18,000	31,045	20,000	11.11%	0.03%
Burg. Alarm False Alarm Fees	56,100	39,480	55,000	31,000	35,000	-36.36%	0.06%
Burg. Alarm Registration Fees	53,880	49,575	51,000	95,150	50,000	-1.96%	0.09%
Burglar Alarm-Direct Connect	2,400	4,750	8,000	8,500	6,000	-25.00%	0.01%
Burglar Alarm - Penalties	0	230	0	3,500	3,500	100.00%	0.01%
Valet Parking Permit	6,500	1,250	4,500	4,500	4,500	0.00%	0.01%
Operation Liberty Shield	3,138	0	0	0	0	0.00%	0.00%
Tent Permits	15,207	14,830	6,000	4,500	1,500	-75.00%	0.00%
Special Detail - Fire	59,675	31,415	40,000	70,000	50,000	25.00%	0.09%
Room Rental - South Fire	273	916	300	0	300	0.00%	0.00%
Washer/Extractor Revenue	700	700	700	700	700	0.00%	0.00%
Fire-Rescue Community Ed. Program	250	0	0	0	0	0.00%	0.00%
Fire Prevention Fireworks	0	0	0	0	15,000	100.00%	0.03%
Fire Prevention Bonfires	0	0	0	0	1,500	100.00%	0.00%
Fire Prevention Fire Hydrant	0	0	0	0	12,500	100.00%	0.02%
Fire Prevention Hot Work	0	0	0	0	7,500	100.00%	0.01%

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY2003 ACTUAL	FY 2004 ACTUAL	FY 2005 BUDGETED	FY 2005 PROJECTED	FY 2006 BUDGETED	% VARIANCE	% OF TOTAL GF BUDGET
Fire Prevention Technical Fire Insp.	0	0	0	0	15,000	100.00%	0.03%
Fire Prevention Public Assembly	0	0	0	0	10,000	100.00%	0.02%
Fire Prevention Annual Inspection Fee	0	0	0	0	61,755	100.00%	0.11%
Bldg. Insp. Fund Fees	122	142	100	50	100	0.00%	0.00%
EMS Transport Fees	314,422	243,514	275,000	170,000	300,000	9.09%	0.52%
Total	$940,784	$705,442	$820,600	$698,945	$949,855	15.75%	1.65%
PHYSICAL ENVIRONMENT							
Special Solid Waste	$11,439	$9,815	$10,000	$12,000	$10,000	0.00%	0.02%
Solid Waste	654,734	624,378	700,000	700,390	730,000	4.29%	1.27%
Comp. Garbage Collection Fee	176,873	165,471	166,600	209,155	212,508	27.56%	0.37%
Yard Trash Collection	6,783	4,057	0	0	0	0.00%	0.00%
Beach Cleaning Citizens Assoc.	42,805	65,730	63,000	55,410	60,000	-4.76%	0.10%
Total	$892,634	$869,451	$939,600	$976,955	$1,012,508	7.76%	1.76%
TRANSPORTATION							
Pkg. Meter Royal Palm Way Lot	$8,222	$8,848	$10,000	$7,745	$9,000	-10.00%	0.02%
Pkg. Meter Australian Avenue	897	0	0	0	0	0.00%	0.00%
Pkg. Meter Ocean Front	180,333	212,253	210,000	193,095	200,000	-4.76%	0.35%
Pkg. Meter Lake Front	55,856	58,483	55,000	59,675	55,000	0.00%	0.10%
Pkg. Meter Phipps Ocean Front	47,876	40,920	30,000	20,305	25,000	-16.67%	0.04%
Pkg. Meter Puruvian	69,676	73,058	75,000	75,730	75,000	0.00%	0.13%
Pkg. Meter Main Post Office	2,008	2,116	2,200	1,900	2,000	-9.09%	0.00%
Pkg. Meter Bradley Place	10,693	13,524	12,000	12,000	12,000	0.00%	0.02%
Pkg. Meter Phipps Plaza	6,720	5,709	6,000	6,500	6,000	0.00%	0.01%
Pkg. Meter North County	5,765	6,731	6,000	6,545	6,000	0.00%	0.01%
Pkg. Meter South County	10,568	11,412	11,500	9,915	11,500	0.00%	0.02%
Total	$398,614	$433,054	$417,700	$393,410	$401,500	-3.88%	0.70%
CULTURE-RECREATION							
Tennis Program Regs. Fees	$450	$0	$0	$0	$0	0.00%	0.00%
Daily Tennis Court Fees	37,210	0	0	0	0	0.00%	0.00%
Annual Tennis Court Fees	52,902	0	0	0	0	0.00%	0.00%
Youth Program Regs. Fees	5,223	0	0	0	0	0.00%	0.00%
Adult Program Regs. Fees	670	0	0	0	0	0.00%	0.00%
Youth Program Regs. Fees	154,011	0	0	0	0	0.00%	0.00%
Facility Rental Fees	118	0	0	0	0	0.00%	0.00%
Adult Program Fees	30,098	0	0	0	0	0.00%	0.00%
Tennis Pro Admin. Fee	12,000	0	0	0	0	0.00%	0.00%
Total	$292,682	$0	$0	$0	$0	0.00%	0.00%
JUDGMENTS AND FINES							
Penalty - Other Parking	$79,652	$147,040	$110,000	$226,525	$175,000	59.09%	0.30%
Penalty - Parking Meters	43,609	58,833	60,000	136,275	75,000	25.00%	0.13%
Fines - Other Parking	475,283	418,858	350,000	333,315	350,000	0.00%	0.61%
Fines - Parking Meters	134,820	150,439	160,000	190,000	160,000	0.00%	0.28%
Row Parking Violation Fines	16,825	22,913	25,000	30,000	25,000	0.00%	0.04%
Moving Violations	49,227	43,940	48,000	67,145	70,000	45.83%	0.12%
Revenue/2nd $ Funding	3,982	3,424	3,500	4,770	3,500	0.00%	0.01%
Code Comp. Fee	53,976	194,675	25,000	200,000	25,000	0.00%	0.04%
Code Comp. Admin Fee	0	0	0	0	10,000	100.00%	0.02%
Boot Fees	6,100	6,555	6,000	5,000	6,000	0.00%	0.01%
Total	$863,474	$1,046,677	$787,500	$1,193,030	$899,500	14.22%	1.56%

General Fund Revenues

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY2003 ACTUAL	FY 2004 ACTUAL	FY 2005 BUDGETED	FY 2005 PROJECTED	FY 2006 BUDGETED	% VARIANCE	% OF TOTAL GF BUDGET
INTEREST EARNINGS							
Interest - Checking	$41,187	$35,938	$41,000	$130,000	$80,000	95.12%	0.14%
State Board Interest	416,913	421,927	499,879	850,000	1,017,103	103.47%	1.77%
Inv. Earnings/Ad Valorem	101,544	50,824	60,000	63,300	65,000	8.33%	0.11%
SBA Interest - ECR	23,447	18,997	16,500	32,555	25,000	51.52%	0.04%
Total	$583,091	$527,686	$617,379	$1,075,855	$1,187,103	92.28%	2.06%
RENTS & ROYALTIES							
Rental Of Public Property	$12,132	$0	$0	$0	$0	0.00%	0.00%
Vending Machine Commissions	1,803	272	400	450	400	0.00%	0.00%
AT&T Rooftop Lease	46,638	72,105	48,175	50,040	74,000	53.61%	0.13%
Total	$60,573	$72,377	$48,575	$50,490	$74,400	53.17%	0.13%
SALE OF FIXED ASSETS							
Surplus Furn & Equipment	($5,012)	($5,657)	$0	($860)	$0	0.00%	0.00%
Inventory Adjustments	(2,880)	(22,387)	0	(625)	0	0.00%	0.00%
Total	($7,892)	($28,044)	$0	($1,485)	$0	0.00%	0.00%
CONTRIB/DONATIONS - PRIVATE							
Donations	$0	$150,000	$0	$4,035	$0	0.00%	0.00%
Total	$0	$150,000	$0	$4,035	$0	0.00%	0.00%
OTHER MISC REVENUE							
Kreusler Park Admin.	$27,136	$34,180	$40,000	$43,000	$40,000	0.00%	0.07%
Rebate For Town Towing	338	1,581	500	1,595	1,000	100.00%	0.00%
Pike Road Property Sale	0	1,964,879	0	0	0	0.00%	0.00%
State Highway Lighting Maint.	0	0	0	55,917	0	0.00%	0.00%
Tennis Light Meter	115	0	0	16	0	0.00%	0.00%
Charitable Solicitations Fee	16,520	21,750	18,000	20,560	20,000	11.11%	0.03%
Charitable Solicit. Adv. Fee	15,920	16,500	15,000	16,920	17,000	13.33%	0.03%
Char. Solicit. Late Filing Fee	965	475	500	500	500	0.00%	0.00%
Miscellaneous Revenue	8,392	9,408	10,000	15,000	10,000	0.00%	0.02%
Total	$69,386	$2,048,773	$84,000	$153,508	$88,500	5.36%	0.15%
INTERFUND TRANSFERS							
Transfer from CIP (307)	$0	$0	$5,000	$5,000	$0	-100.00%	0.00%
Transfer From Undesignated FB	0	0	7,415,529	0	1,070,000	-85.57%	1.86%
Interfund Transfer - Marina	650,000	525,000	525,000	525,000	525,000	0.00%	0.91%
Interfund Transfer - Golf	25,000	25,000	25,000	25,000	25,000	0.00%	0.04%
Total	$675,000	$550,000	$7,970,529	$555,000	$1,620,000	-79.68%	2.82%
GRAND TOTAL	**$47,044,336**	**$54,081,253**	**$57,944,391**	**$57,724,758**	**$57,544,075**	**-0.69%**	**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.

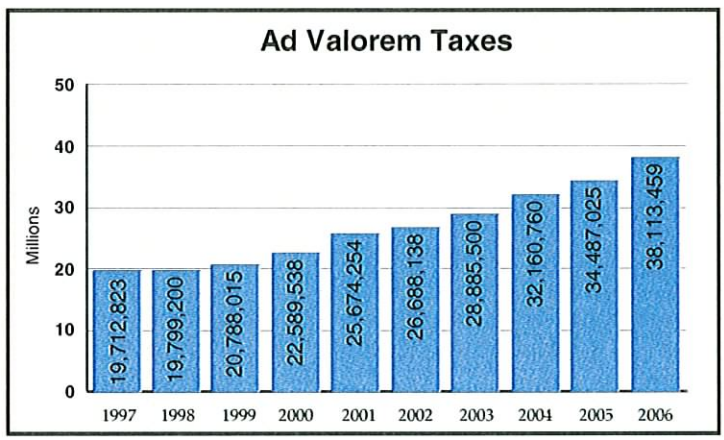
Levy of Ad Valorem Taxes

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.

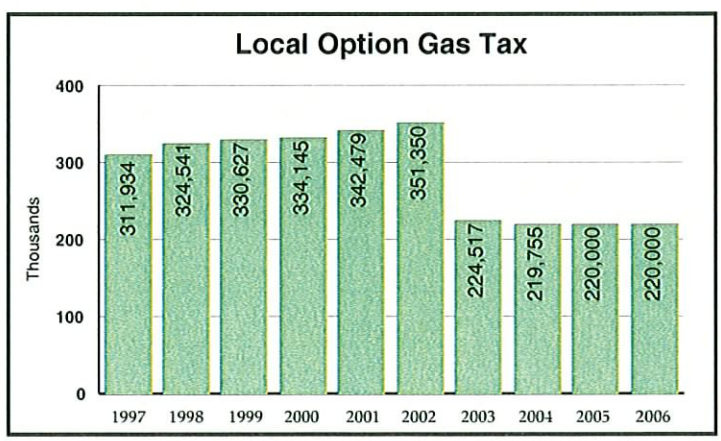


The Statutes relating to the enforcement of county ad valorem taxes (and thus municipal property taxes) provide that such taxes become due and payable on November 1 of the year in which assessed or as soon thereafter as the certified tax roll is received by the Tax Collector. If paid during November 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.

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.



Major Revenue Sources

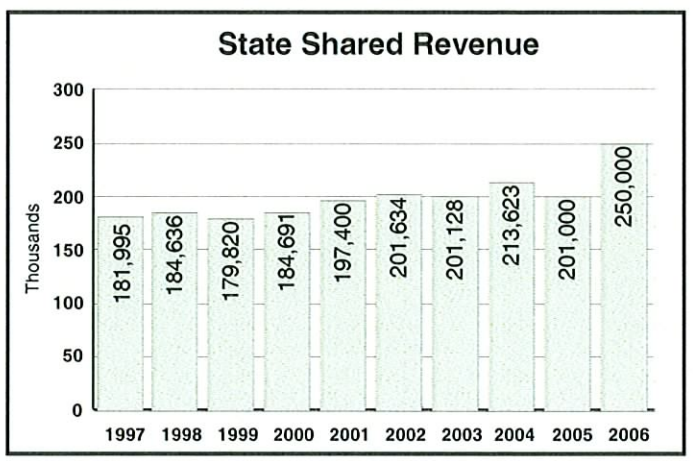
The Town participates in two separate and distinct Interlocal Agreements relative to Local Option Gas Tax as follows:

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.

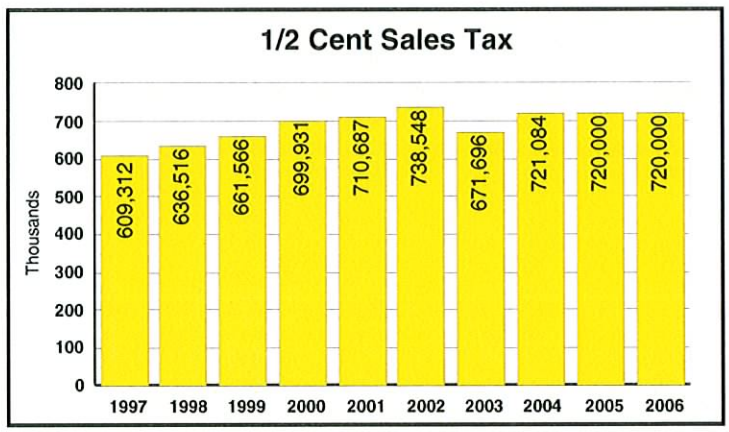


Funds for the above referenced revenue sources are collected in a trust and net of administrative costs are distributed monthly to qualified recipients based on an apportionment formula comprised of three factors: weighted population, sales tax, and relative ability to raise revenue.

Major Revenue Sources

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%.

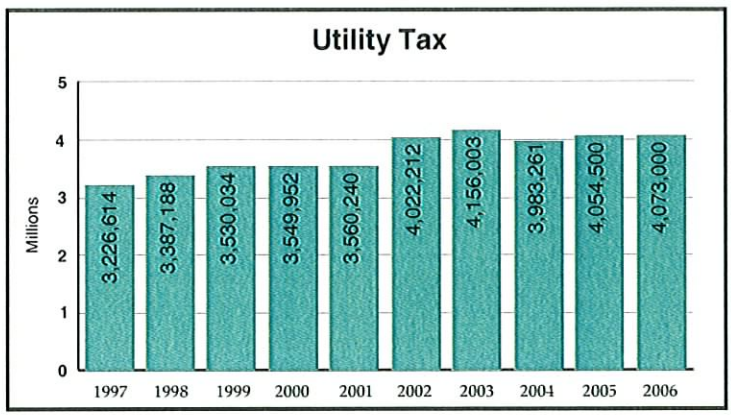
SHARED REVENUE COLLECTIONS					
Fiscal Year	**Cigarette Tax**	**Local Option Gas Tax**	**State Shared Revenue**	**Half Cent Sales Tax**	**Total**
2006 (Budgeted)	0	220,000	250,000	720,000	**1,190,000**
2005 (Anticipated)	0	220,000	250,000	720,000	**1,190,000**
2004	0	219,755	213,623	721,084	**1,154,462**
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**

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.

Major Revenue Sources

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.



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**	**Commun-ications Services Tax**	**Water**	**Gas**	**Propane**	**Total**
2006 (Budgeted)	1,995,000	0	1,052,000	770,000	250,000	6,000	**4,073,000**
2005 (Anticipated)	1,903,000	0	1,121,000	770,000	240,000	5,800	**4,039,800**
2004	1,917,830	0	1,213,252	648,605	198,849	4,725	**3,983,261**
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**

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.

Major Revenue Sources

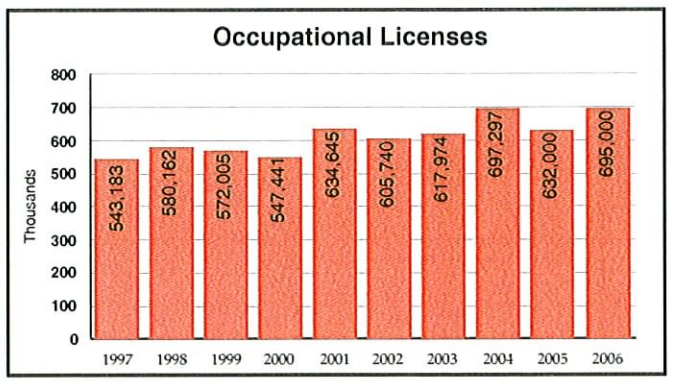
As mentioned under the Utility Tax section, the Communications Tax Simplification Law eliminates the franchise fees for Telephone and Cable companies and replaces it with a single rate on a broad base of telecommunication and cable services. In FY2002, the Town received the one final payment from both 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%**	
2006 (Budgeted)	1,905,000	0	220,000	0	**2,125,000**
2005 (Anticipated)	1,700,000	0	200,000	0	**1,900,000**
2004	1,689,108	0	192,087	0	**1,881,195**
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**

Major Revenue Sources

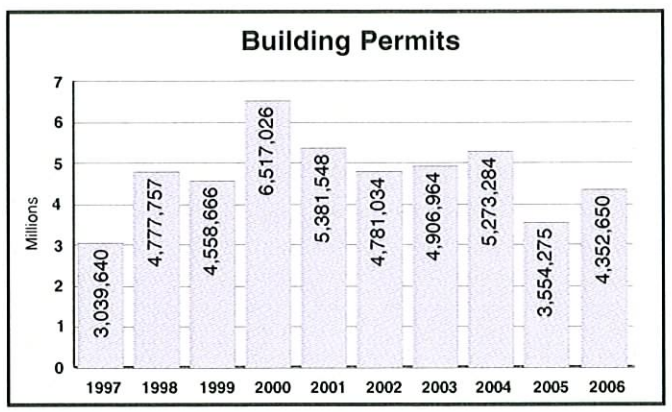
Occupational Licenses

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._For FY 2006 Occupational License fees were increased by 5%.



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.



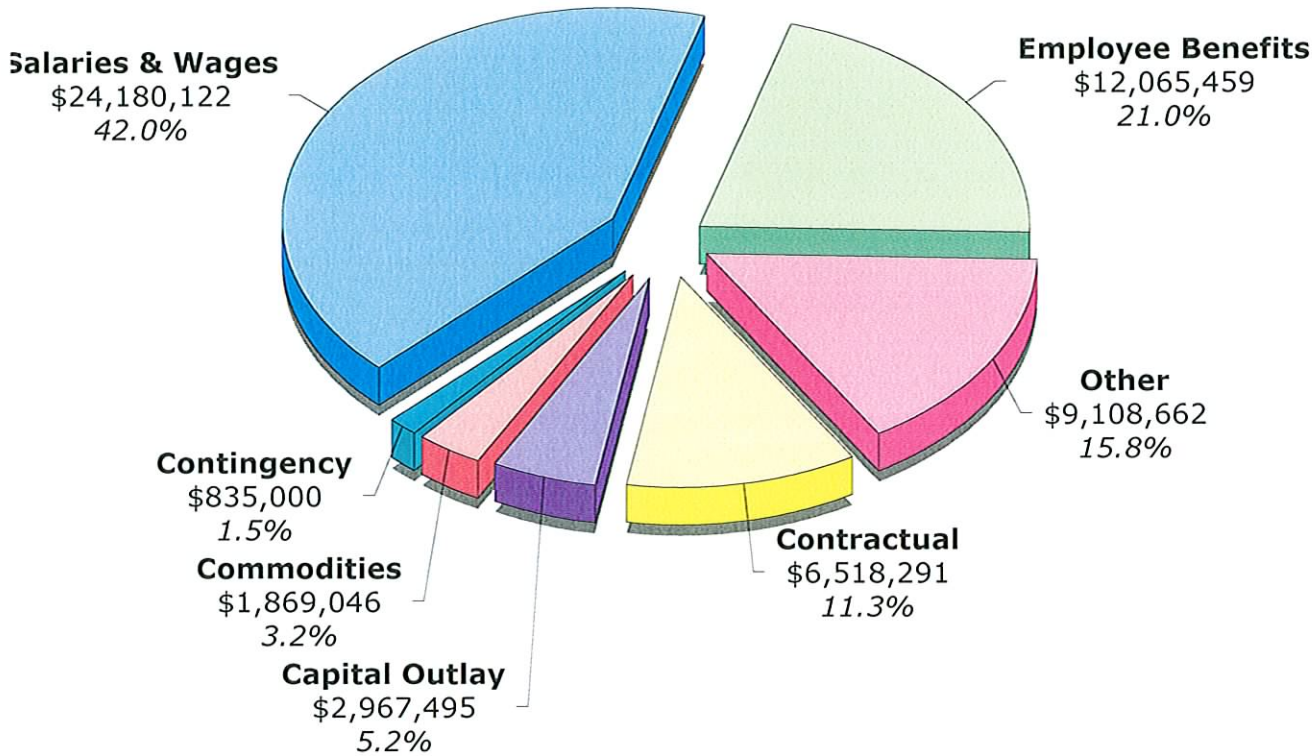
Solid Waste Disposal

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.

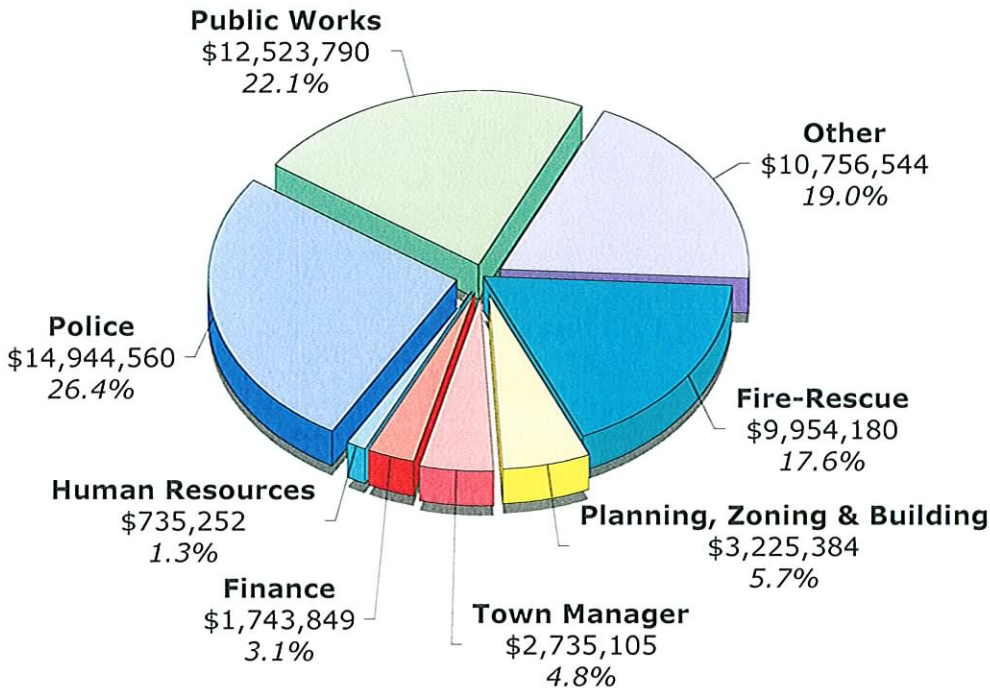
Beginning in FY2004, the Solid Waste Disposal charges were billed as a Non-Ad Valorem Assessment on the customer's property tax bill. This new process has improved the efficiency of the collection of this fee.

GENERAL FUND EXPENDITURES
FY2006 BUDGET
BY EXPENDITURE TYPE



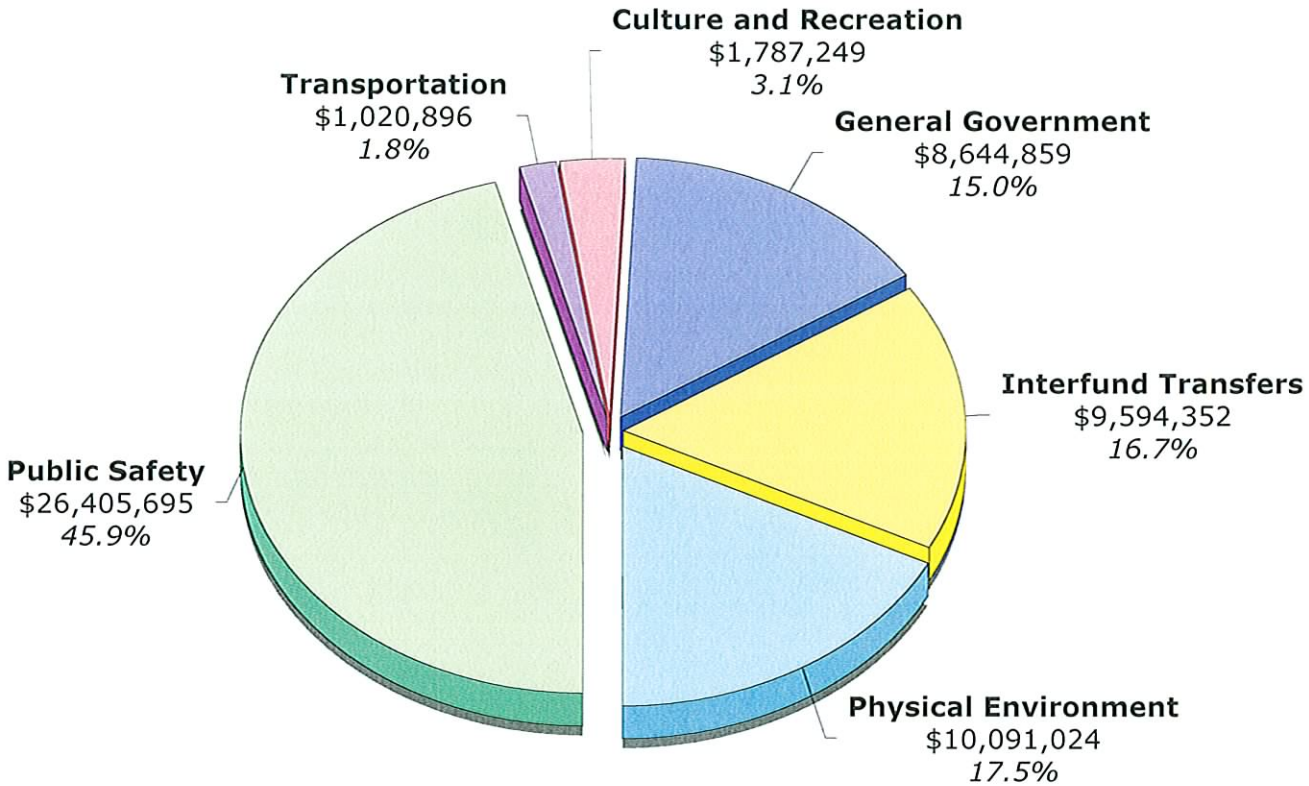
Salaries & Wages	$24,180,122
Employee Benefits	12,065,459
Contractual	6,518,291
Commodities	1,869,046
Capital Outlay	2,967,495
Contingency	835,000
Other	9,108,662
Total General Fund	$57,544,075

GENERAL FUND EXPENDITURES
FY2006 BUDGET
BY DEPARTMENT



Legislative	$58,800
General Government	866,611
Town Manager	2,735,105
Human Resources	735,252
Finance	1,743,849
Planning, Zoning & Building	3,225,384
Fire-Rescue	9,954,180
Police	14,944,560
Public Works	12,523,790
Other	10,756,544
Total General Fund	$57,544,075

GENERAL FUND EXPENDITURES
FY2006 BUDGET
BY FUNCTION



General Government	$8,644,859
Public Safety	26,405,695
Physical Environment	10,091,024
Transportation	1,020,896
Culture and Recreation	1,787,249
Interfund Transfers	9,594,352
Total General Fund	$57,544,075

GENERAL FUND AND OTHER FUNDS EXPENDITURES
SUMMARY BY PROGRAM

PROGRAM		FY03 ACTUAL	FY04 ACTUAL	FY05 BUDGET	FY05 PROJECTED	FY06 BUDGET	% VARIANCE	% OF TOTAL GF BUDGET
LEGISLATIVE	111	**$35,653**	**$51,825**	**$56,825**	**$56,129**	**$58,800**	**3.5%**	**0.1%**
GENERAL GOVERNMENT	113	**$101,824**	**$462,543**	**$970,011**	**$1,007,514**	**$866,611**	**-10.7%**	**1.5%**
TOWN MANAGER								
Administrative Management	121	511,771	574,379	678,759	673,459	724,446	6.7%	1.3%
Advice & Litigation	122	233,260	310,828	325,000	344,335	299,000	-8.0%	0.5%
Information Systems	125	926,384	1,174,205	1,388,555	1,422,237	1,711,659	23.3%	3.0%
		$1,671,415	**$2,059,412**	**$2,392,314**	**$2,440,031**	**$2,735,105**	**14.3%**	**4.8%**
HUMAN RESOURCES	123	**$586,244**	**$604,668**	**$744,280**	**$722,354**	**$735,252**	**-1.2%**	**1.3%**
FINANCE								
Records Management	131	$253,833	$291,067	$313,168	$318,858	$289,630	-7.5%	0.5%
Financial Management	141	740,953	819,379	898,100	912,870	970,748	8.1%	1.7%
Purchasing	144	382,078	410,097	444,412	447,021	483,471	8.8%	0.8%
		$1,376,864	**$1,520,543**	**$1,655,680**	**$1,678,749**	**$1,743,849**	**5.3%**	**3.0%**
PLANNING/ZONING/BUILDING								
Planning & Zoning	211	$554,371	$526,066	$686,893	$613,867	$656,952	-4.4%	1.1%
Permit Issuance	212	672,353	811,549	941,049	924,499	1,013,290	7.7%	1.8%
Inspection/Compliance	213	795,002	846,965	852,434	892,233	911,450	6.9%	1.6%
Landmarks Preservation	214	143,199	125,008	141,696	129,231	140,379	-0.9%	0.2%
Fire Prevention	215	96,193	169,373	182,100	204,736	503,313	176.4%	0.9%
		$2,261,118	**$2,478,961**	**$2,804,172**	**$2,764,566**	**$3,225,384**	**15.0%**	**5.6%**
RECREATION								
Administrative Management	311	$251,247	$0	$0	$0	$0	0.0%	0.0%
Tennis Program	312	299,368	0	0	0	0	0.0%	0.0%
Adult Programs	313	31,582	0	0	0	0	0.0%	0.0%
Youth Programs	314	341,000	0	0	0	0	0.0%	0.0%
		$923,197	**$0**	**$0**	**$0**	**$0**	**0.0%**	**0.0%**
LIBRARY SERVICES	321	**$235,000**	**$235,000**	**$335,000**	**$335,000**	**$235,000**	**0.0%**	**0.4%**
FIRE-RESCUE								
Fire Administration	411	$529,339	$619,553	$801,826	$742,058	$657,401	-18.0%	1.1%
Operations	417	6,087,739	7,265,832	8,120,253	8,274,930	9,061,685	11.6%	15.7%
Training	418	151,768	165,959	178,188	189,039	235,094	31.9%	0.4%
		$6,768,846	**$8,051,344**	**$9,100,267**	**$9,206,027**	**$9,954,180**	**9.4%**	**17.3%**
POLICE								
Administrative Management	421	$822,454	$894,184	$977,161	$996,625	$985,992	0.9%	1.7%
Org Crime/Vice/Narcotics	422	483,832	568,443	629,562	614,769	646,124	2.6%	1.1%
Records Information Systems	423	252,882	257,872	215,675	215,704	224,939	4.3%	0.4%
Training/Per/Pub Enf	424	246,066	262,159	349,410	341,405	387,745	11.0%	0.7%
Communications	425	1,033,686	1,203,666	1,335,992	1,275,394	2,091,386	56.5%	3.6%
Crime Scene/Evidence	426	310,714	340,143	362,128	338,818	385,520	6.5%	0.7%
Patrol Services	428	5,620,420	6,400,107	7,163,484	7,129,869	7,379,211	3.0%	12.8%
Criminal Investigation	429	1,180,160	1,409,937	1,522,604	1,497,327	1,579,237	3.7%	2.7%
Parking Control	430	448,388	470,766	484,429	492,964	526,800	8.7%	0.9%
Beach Rescue	432	548,299	569,985	659,941	660,261	737,606	11.8%	1.3%
		$10,946,901	**$12,377,262**	**$13,700,386**	**$13,563,136**	**$14,944,560**	**9.1%**	**26.0%**

GENERAL FUND AND OTHER FUNDS EXPENDITURES
SUMMARY BY PROGRAM

PROGRAM		FY03 ACTUAL	FY04 ACTUAL	FY05 BUDGET	FY05 PROJECTED	FY06 BUDGET	% VARIANCE	% OF TOTAL GF BUDGET
PUBLIC WORKS								
Administrative Management	511	$538,335	$600,099	$643,725	$644,473	$787,074	22.3%	1.4%
Street Repair/Maintenance	521	228,707	249,761	411,155	410,750	509,013	23.8%	0.9%
Traffic Control	523	144,380	183,052	226,111	232,803	186,088	-17.7%	0.3%
Street Lighting	524	271,887	300,093	304,193	314,902	325,795	7.1%	0.6%
Storm Sewer Maintenance	531	357,000	360,988	504,512	501,514	753,680	49.4%	1.3%
Sanitary Sewer Maintenance	532	945,935	1,137,467	1,161,305	1,190,245	1,208,965	4.1%	2.1%
Sanitary Sewer Treatment	533	1,315,396	1,237,694	1,351,731	1,305,120	1,380,100	2.1%	2.4%
Residential Collection	541	569,094	631,947	630,247	662,083	702,747	11.5%	1.2%
Commercial Collection	542	714,041	741,139	766,696	779,569	842,324	9.9%	1.5%
Refuse Disposal	543	97,418	68,642	70,000	70,000	70,000	0.0%	0.1%
Yard Trash Collection	544	1,337,419	1,572,658	1,579,551	1,609,438	1,604,464	1.6%	2.8%
Recycling	545	216,588	233,114	248,140	250,723	265,439	7.0%	0.5%
Beach Cleaning	546	138,946	153,431	151,565	149,614	154,257	1.8%	0.3%
Parks	551	959,279	1,062,295	1,215,542	1,241,833	1,257,613	3.5%	2.2%
Facilities Maintenance	554	676,972	694,834	775,786	789,156	911,578	17.5%	1.6%
Parking Meter Maint & Collections	558	40,255	51,970	61,516	61,556	63,921	3.9%	0.1%
General Engineering Services	561	344,074	362,641	403,922	398,561	392,646	-2.8%	0.7%
Right of Way Inspections	565	81,343	89,974	97,367	97,776	101,699	4.4%	0.2%
Equip Operations/Maintenance	571	427,621	427,530	600,100	600,932	623,797	3.9%	1.1%
Coastal Management	581	294,937	262,983	328,586	330,522	382,590	16.4%	0.7%
		$9,699,627	**$10,422,312**	**$11,531,750**	**$11,641,570**	**$12,523,790**	**8.6%**	**21.8%**
TRANSFER TO OTHER FUNDS								
Cap Impr Program (307/308/320)	611	$7,525,700	$2,682,000	$4,933,613	$4,933,615	$2,876,601	-41.7%	5.0%
Debt Service Fund (203/204)	612	1,211,858	2,480,000	2,572,810	2,572,810	3,402,060	32.2%	5.9%
Donation Fund (103)	613	29,430	50,000	0	0	0	0.0%	0.0%
Group Health Ins. (502)	621	753,301	763,731	712,256	712,256	918,991	29.0%	1.6%
Risk-W/C, Liab.Prop. (501)	622	2,746,915	2,810,033	4,294,410	2,510,033	2,390,000	-44.3%	4.2%
Employee Retirement Fund (600)	624	1,885	1,835	1,900	1,900	1,900	0.0%	0.0%
Public Safety Retire Fund (601)	625	5,144	3,696	4,800	4,800	4,800	0.0%	0.0%
		$12,274,233	**$8,791,295**	**$12,519,789**	**$10,735,414**	**$9,594,352**	**-23.4%**	**16.7%**
EMERGENCY/DISASTER RESPONSE	710	**$45,836**	**$2,028,708**	**$1,996,717**	**$1,997,116**	**$92,192**	**-95.4%**	**0.2%**
CONTINGENT APPROPRIATIONS	711	**$0**	**$0**	**$137,200**	**$0**	**$835,000**	**508.6%**	**1.5%**
CAPITAL LEASE AQUISITIONS	722	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0%**	**0.0%**
General Operating Fund (001) Total		**$34,652,525**	**$40,292,578**	**$45,424,602**	**$45,412,192**	**$47,949,723**	**5.6%**	**83.3%**
Transfers to Other Funds		$12,274,233	$8,791,295	$12,519,789	$10,735,414	$9,594,352	**-23.4%**	16.7%
TOTAL GENERAL FUND		**$46,926,758**	**$49,083,873**	**$57,944,391**	**$56,147,606**	**$57,544,075**	**-0.7%**	**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.

Legislative

Program 111 - Legislative
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	20,542	34,428	44,625	43,490	45,900	2.86%
Commodities	14,188	10,436	12,200	12,639	12,900	5.74%
Capital Outlay	923	6,961	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	35,653	51,825	56,825	56,129	58,800	3.48%

EXPENDITURES

Contractual:
To pay for anticipated increase in telecommunication services, the allocation for telephone tolls has been increased.

Commodities:
The change reflects a slight increase in costs for membership dues.

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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.

General Government

Program 113 - General Government
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	45,824	362,907	702,398	738,860	564,664	-19.61%
Contractual	56,000	99,636	265,088	266,129	299,500	12.98%
Commodities	0	0	0	0	0	0.00%
Capital Outlay	0	0	2,525	2,525	2,447	-3.09%
Other	0	0	0	0	0	0.00%
TOTALS	101,824	462,543	970,011	1,007,514	866,611	-10.66%

EXPENDITURES

Employee Benefits:
Expenditure reduction due to anticipated reduction in pay outs of accumulated leave upon employee separation.

Contractual:
Increase in costs to print and mail annual report and calendar, addition of $15,000 for 3 direct mailings to all Town addresses, replacement of a large number of the holiday tree decorations, and a slight increase in costs for the Fourth of July celebration.

Capital Outlay:
Annual depreciation expense.

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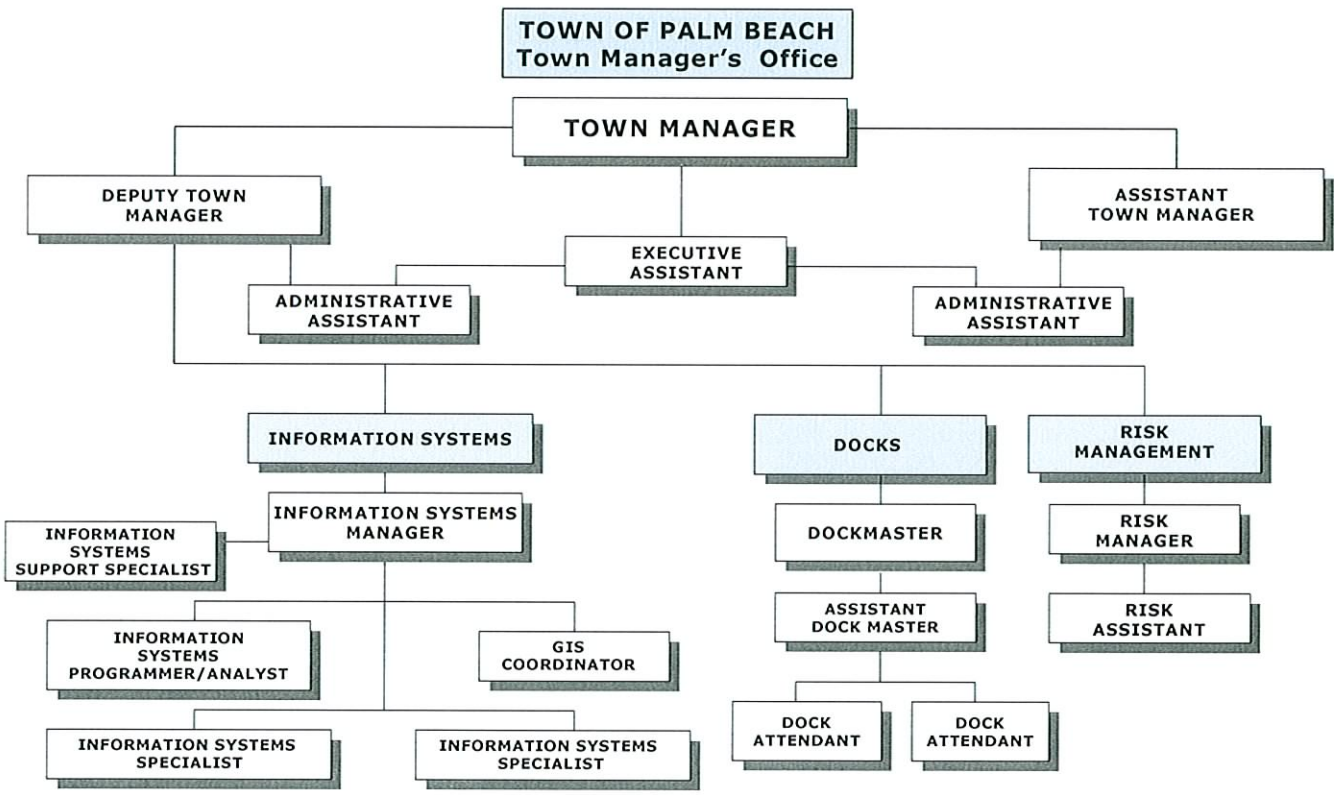
Town Manager's Office

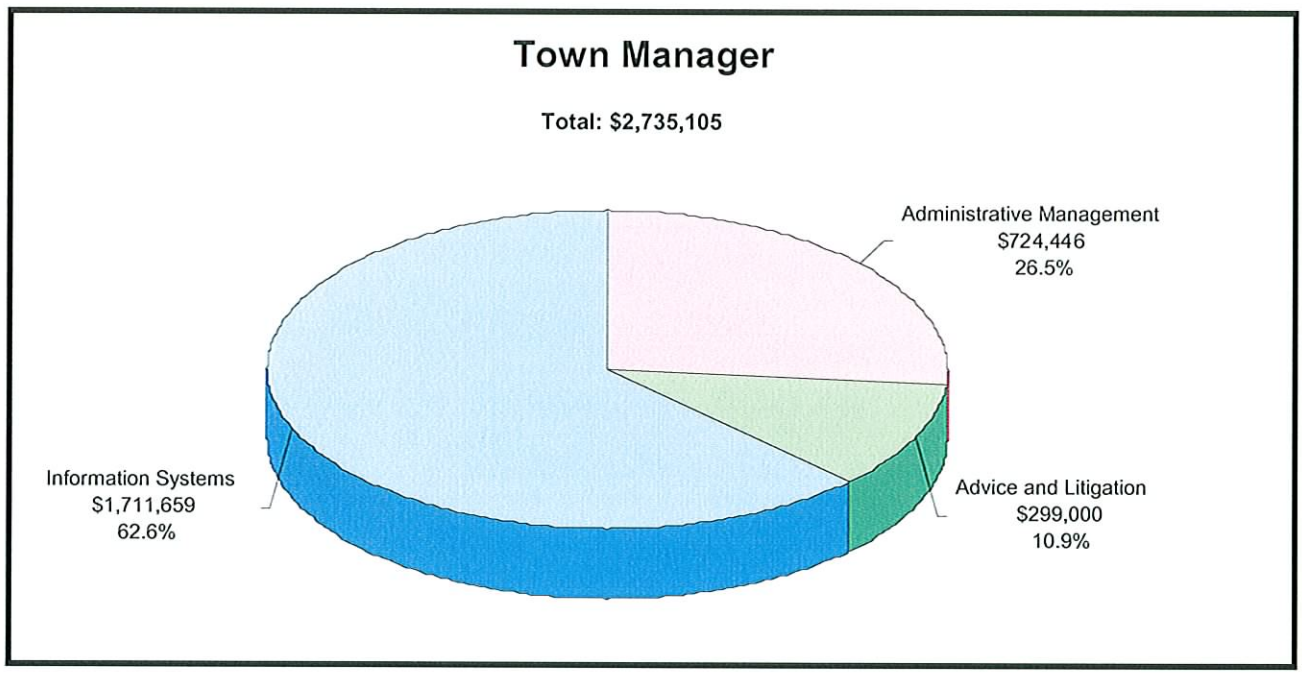
Town Manager's Office



	FY2003	FY2004	FY2005	FY2006
Total Full Time Equivalent Employees	10.5	10.5	12.0	12.0

Town Manager's Office

Mission: The Town Manager'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.



	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2006 Budget
Expenditures	$1,671,415	$2,059,412	$2,392,314	$2,735,105

Town Manager's Office

Key Results and Measurement Methodology

Key Result #1	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. 2005 Results: Vision & Values Committee formed in December 2004. Vision & Values finalized in January 2005. Employee Vision/Values "roll out" meetings in May/June 2005. KRM cascading completed during summer/fall 2005. (Use of KRM's in budget analysis will begin in 2006.)
Key Result #2	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. 2005 Results: Bi-weekly "Payday Post" implemented January 2005. All employees participated in Vision/Value roll out meetings. 2-Day Orientation (new and existing employees) begun September 2005.

Town Manager's Office

Key Result #3	Accomplish Mayor and Town Council's top priority goals for the year.
Measurement	Assess degree to which each identified goal was accomplished. <u>2005 Results:</u> Continued Implementation of Comprehensive Coastal Management Plan Multi-year permitting completed for Reach 7 Beach Project. Construction planned for 2006 for Reach 7 Beach Project, Mid-Town Beach Project, Reaches 7 and 8 Due Project, and (if timely permits are received) modified Reach 8 Beach Project. Traffic and Parking Improvement Plan Postponed in 2005. Included in 2006 Budget. KRM Implementation Creation of system is complete. Operation of system is ongoing. Completion of R-B Zoning Study Study completed. Analysis and decision making (including an extensive process inviting public input) phase will continue into 2006. Continued implementation of drainage improvements Completed construction of two new pump stations and design work related to future pump stations and pipe improvements. Independent Study of Employee Compensation Study completed. Recommendations completely implemented for salary ranges and partially implemented for benefits.
Key Result #4	Maintain or improve Mayor and Town Council's scores on Town Manager's annual performance evaluation.
Measurement	Assess degree to which evaluation scores are maintained or increased. <u>2005 Results:</u> 2004 & 2005 scores were 4 or above (scale of 1 to 5) in all categories. "Overall Performance" score improved from 4.90 (2004) to 4.92 (2005).
Key Result #5	Department operations are provided in most efficient manner
Measurement	The percentage of general fund budget dedicated to this department will not increase from year to year, except to reflect increases in levels of service.

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Town Manager's Office

Town Manager's Office - All Programs
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	668,634	735,964	830,295	852,584	939,777	13.19%
Employee Benefits	191,689	228,756	312,633	288,851	329,478	5.39%
Contractual	437,747	610,249	800,233	838,206	718,500	-10.21%
Commodities	138,464	181,006	116,050	127,286	362,850	212.67%
Capital Outlay	185,480	254,335	329,000	329,000	384,500	16.87%
Other	49,401	49,102	4,103	4,104	0	-100.00%
TOTALS	1,671,415	2,059,412	2,392,314	2,440,031	2,735,105	14.33%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. Also, the additional position is created in FY05 for half a year is now funded for a full year.

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:
See individual program expenditure explanations.

Commodities:
See individual program expenditure explanations.

Capital Outlay:
See individual program expenditure explanations.

Other:
See individual program expenditure explanations.

Town Manager's Office

PROGRAM: ADMINISTRATIVE MANAGEMENT 121

Mission: Town Manager's Office provides oversight and direction to all Town departments to promote continuous improvement of service delivery consistent with Town Council policy.

Main Activities:

- Advise Mayor and Town Council to promote the adoption of sound policy decisions.
- Promote the Town's vision/values.
- Communicate clearly and continuously with residents, elected officials, staff, and others both inside and outside the community.
- Monitor and manage staff progress on various Town programs and projects.
- Deliver exceptional customer service to residents, elected officials, staff, and others both inside and outside the community.

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Town Manager	1.00	1.00	1.00	1.00
Deputy Town Manager	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	2.00	2.00	2.00
Administrative Assistant (Shared)	0.50	0.00	0.00	0.00
	5.50	6.00	6.00	6.00

Town Manager's Office

Program 121 - Administrative Management
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	362,019	412,510	468,150	482,754	511,754	9.31%
Employee Benefits	104,741	124,415	175,226	151,341	174,892	-0.19%
Contractual	22,561	25,005	24,083	26,468	25,600	6.30%
Commodities	15,041	12,449	11,300	12,896	12,200	7.96%
Capital Outlay	7,409	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	511,771	574,379	678,759	673,459	724,446	6.73%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

Employee Benefits:
Employee benefits decreased due to a FY05 budget error.

Contractual:
Contractual services have been increased due to increases in printing of the quarterly newsletter, and lease and per copy costs for the copy machine.

Commodities:
Commodities increased due to the costs of office supplies and a minor increase for publications/subscriptions.

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.

Town Manager's Office

Program 122 - Advice and Litigation
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	233,260	310,828	325,000	344,335	299,000	-8.00%
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	233,260	310,828	325,000	344,335	299,000	-8.00%

EXPENDITURES

Contractual:
The decrease is due to eliminating the budget allocation for legal services with regard to FPL with future funding to be requested from the General Fund Contingency, if needed.

Town Manager's Office

PROGRAM: INFORMATION SYSTEMS 125

Mission: This division exists to maximize the capacity of information systems and technology to leverage human potential in service to the Town of Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

- Provide support and services to each department allowing them to best perform their jobs
- Support collaboration of emerging technology among Town personnel and residents
- Keep an electronic and technologic consensus between Town employees that allows for a more educated, informed and connected government
- Main frame systems support, service and programming
- PC maintenance, upgrades, software concurrency
- Coordinate, regulate and educate regarding all computer, telephone and electronic systems

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	100% systems availability
Measure:	Track downtime % and report exceptions
Result:	Assure data integrity and security
Measure:	Protection systems in place with security exceptions noted
Result:	Employees will have the knowledge to take advantage of available systems and software.
Measure:	Classes provided and customer satisfaction by user surveys
Result:	Maximum interoperability among a broad spectrum of applications
Measure:	Success rate of bringing data and software together and customer satisfaction
Result:	High service level to minimize limitations to productive work...24/7 timely response to priority requests
Measure:	Timeliness of response call to response and customer satisfaction
Result:	Maintain an advanced knowledge base of emergent technologies among I.S. staff
Measure:	Relevant training hours and report new ideas and approaches

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Computer Availability (%)	100%	100%	100%	100%
Computer Upgrades-Hardware & Software (# of Implementations)	70	110	110	125
Computer Connectivity (%)	100%	100%	100%	100%
Number of Failures (Reliability)	0	1	0	0
Provide Training and Support (# of People Trained)	90	100	100	150
Response Times to Calls for Service	1-4 hours	1-4 hours	1-4 hours	1-4 hours
Number of Off-Hour Calls for Service	10	10	10	12

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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	1.00	1.00	1.00	1.00
Information Systems Specialist	1.00	1.00	2.00	2.00
Information Systems Support Specialist	1.00	1.00	1.00	1.00
	5.00	5.00	6.00	6.00

Program 125 - Information Systems
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	306,615	323,454	362,145	369,830	428,023	18.19%
Employee Benefits	86,948	104,341	137,407	137,510	154,586	12.50%
Contractual	181,926	274,416	451,150	467,403	393,900	-12.69%
Commodities	123,423	168,557	104,750	114,390	350,650	234.75%
Capital Outlay	178,071	254,335	329,000	329,000	384,500	16.87%
Other	49,401	49,102	4,103	4,104	0	-100.00%
TOTALS	926,384	1,174,205	1,388,555	1,422,237	1,711,659	23.27%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. Also, the additional position that was created in FY05 for half a year is now funded for a full year.

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 the decrease in contractual programming where money was funded in FY05 for Software Consulting services.

Commodities:
Change is mostly due to budgeted amounts for the possible future software systems initial implementation. A small portion of the increase is for software applications being implemented in FY06.

Capital Outlay:
The increase in capital outlay is solely due to the increased amount needed for computer equipment depreciation.

Other:
The decrease in other is due to the final payment made during FY2005 for one of the ISeries servers.

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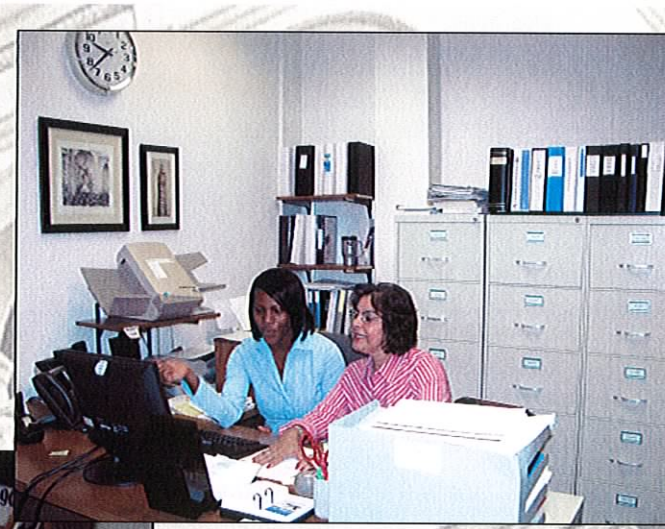
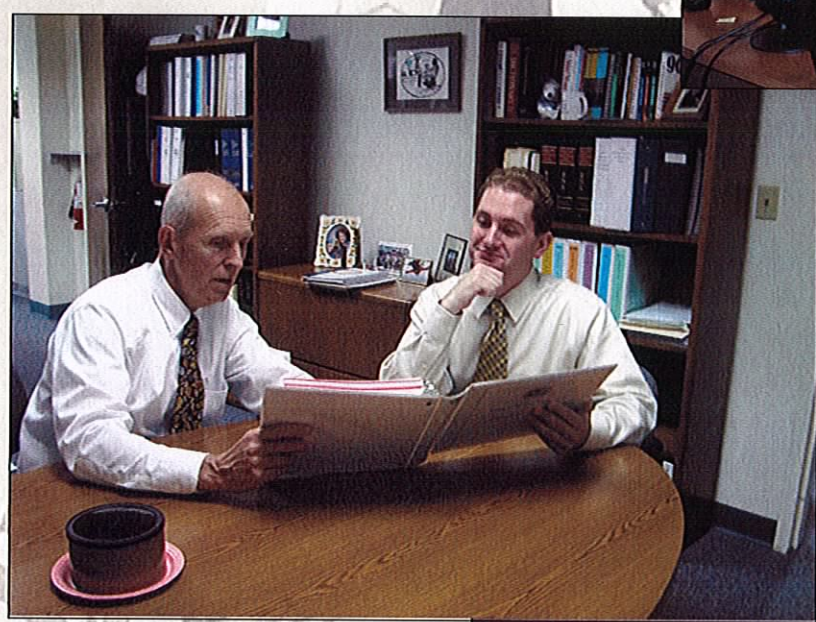
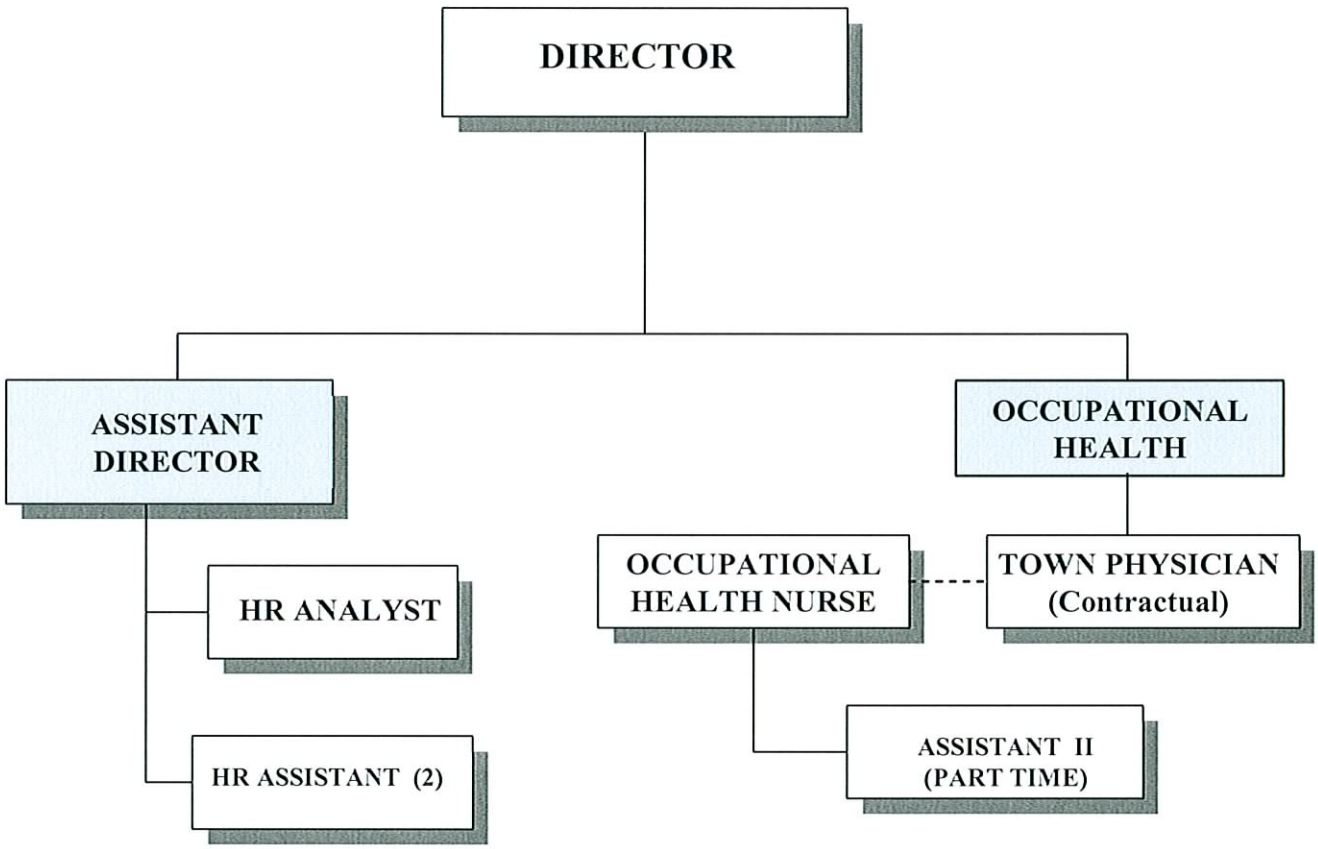
Human Resources





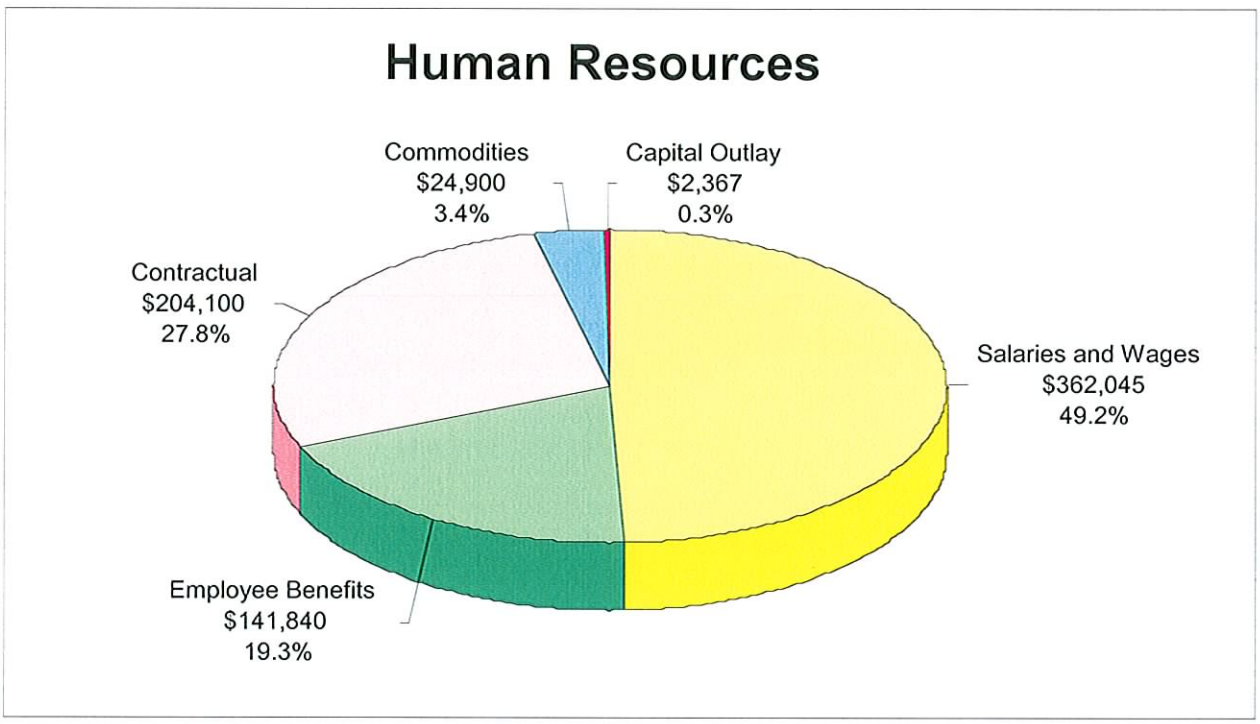
Human Resources Department



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

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.



	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2006 Budget
Expenditures	$586,244	$604,668	$744,280	$735,252

Human Resources

Key Results and Measurement Methodology

Key Result #1	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. <u>2005 Results:</u> The results of the 2005 benefit survey demonstrate that the Town's benefits and health care plan are in the top quartile of plans offered by Palm Beach County governmental employers. The Town experienced an over 5% reduction of expenditures related to health care costs, while the national trend ran approximately 11%.
Key Result #2	Recruit and retain a productive workforce.
Measurement	Maintain an employee turnover rate of 8.5% or lower <u>2005 Results:</u> During the past 12 months, there have been 47 separations from Town employment resulting in a 12.2% turnover rate, which is unusually high for the Town. Exit interviews indicate no major concerns relative to the organization's pay or benefits. State and national turnover rates were also unusually high during this period, with the Town's annual turnover rate slightly lower than the national trend of 13%
Key Result #3	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. <u>2005 Results:</u> Results of the 2005 salary survey demonstrate that the Town maintains pay that is in the top quartile relative to benchmark positions for Palm Beach County governmental employers. Exit interviews indicate that career opportunities and location are the reasons for leaving, and that pay and benefits are not issues.

Human Resources

Key Result #4	Establish and maintain policies that are administered consistently throughout the Town
Measurement	Complete the update of the Employee Personnel Manual and educate the organization on its use.
Key Result #5	Administer an employee health plan that is understandable, useful, and competitive.
Measurement	Measure annual costs to an identified fixed external trend and seek employee feedback at open enrollment.
Key Result #6	Department will operate in the most efficient manner
Measurement	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.

Human Resources Department

PROGRAM: HUMAN RESOURCES 123

Main Activities: The most important things we do to fulfill the mission are to provide cost effective and competitive compensation and benefit plans to employees; shield the Town from costly litigation related to employment issues; and provide support to employees which enables them to serve the Town with pride.

	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Respond to Requests for Applications	n/a	1,480	1,628	1,790
Process and Screen Applications	n/a	886	854	1,200
Administer Employment and Promotional Exams	n/a	236	482	451
Provide Training and Orientation to New Employees	n/a	37	27	38
Process Employee Performance Evaluations	n/a	289	362	380

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	310,471	320,206	340,150	337,963	362,045	6.44%
Employee Benefits	106,579	115,539	140,368	130,665	141,840	1.05%
Contractual	149,293	141,518	238,095	220,879	204,100	-14.28%
Commodities	18,048	21,902	23,300	30,480	24,900	6.87%
Capital Outlay	1,853	5,503	2,367	2,367	2,367	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	586,244	604,668	744,280	722,354	735,252	-1.21%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

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

Contractual:
The 2005 budget was abnormally high in this area due to the need to advertise, interview and select two new department directors to replace retiring employees and also to fill a new Assistant Public Works Director position.

Commodities:
Change is due to increases in medical testing and supplies.

Capital Outlay:
Annual depreciation

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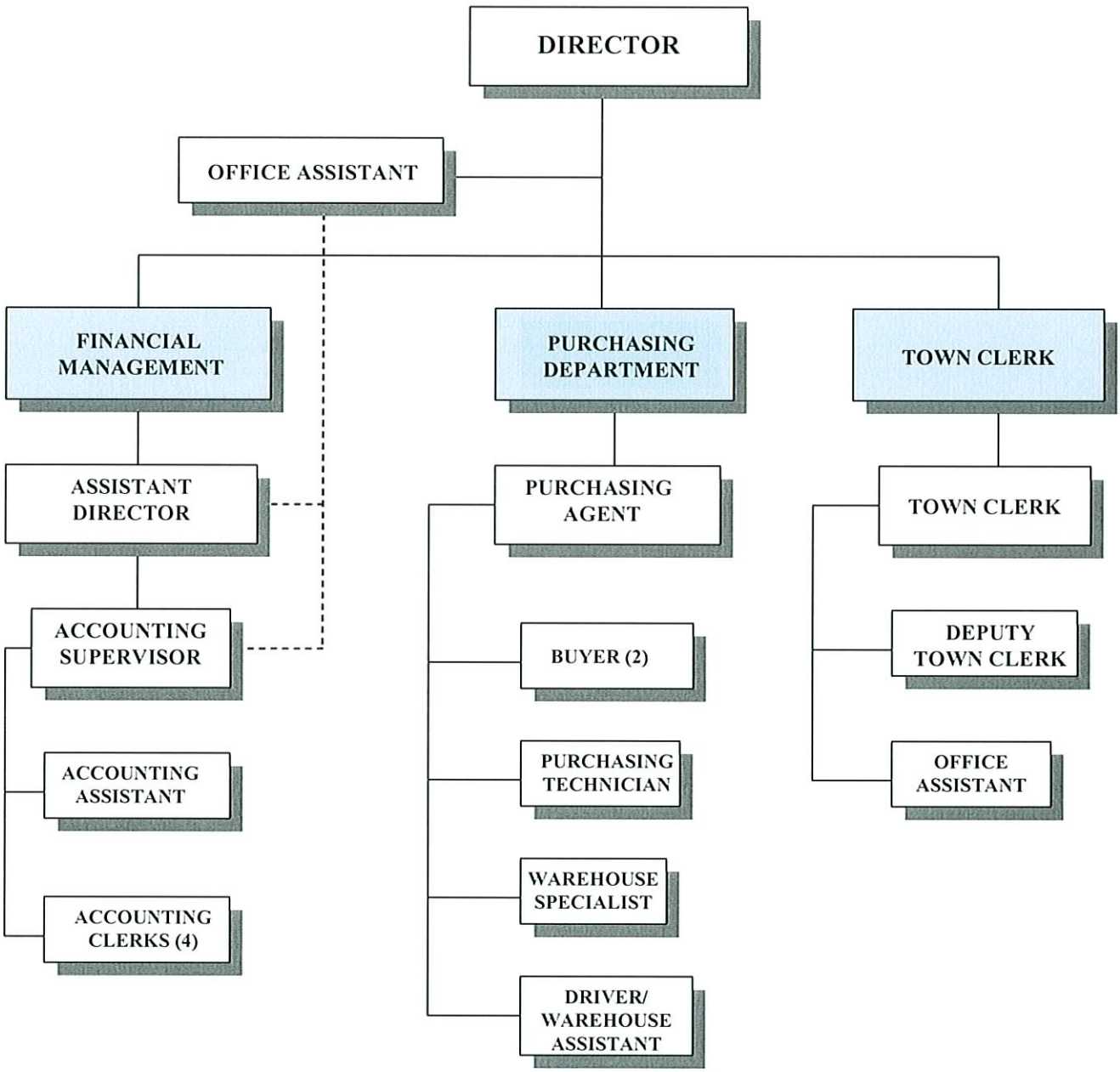
Finance

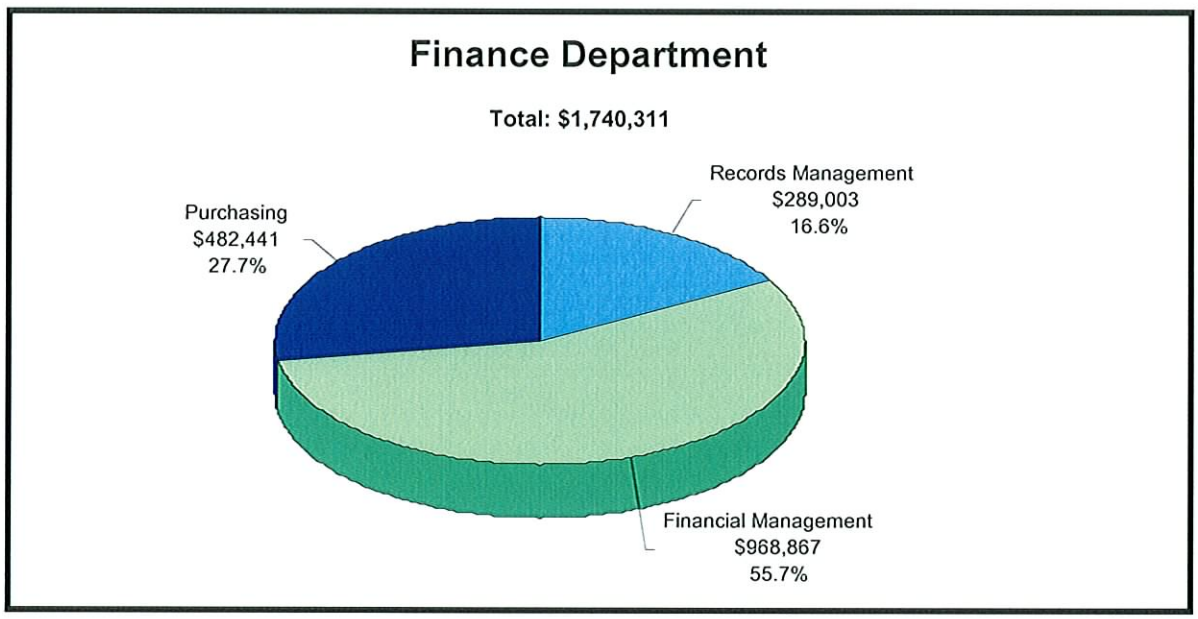
Finance Department



	FY2003	FY2004	FY2005	FY2006
Total Full Time Equivalent Employees	18	18	18	18

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, purchasing and record management 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.



	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2006 Budget
Revenues	$48,204	$70,470	$58,900	$63,100
Expenditures	$1,376,864	$1,520,543	$1,655,680	$1,743,849

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Finance Department

Key Results and Measurement Methodology

Key Result #1	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. <u>2005 Results:</u> ▸ Received GFOA Distinguished Budget Presentation Award
Key Result #2	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. <u>2005 Results:</u> ▸ AAA ratings with Moody's and Standard and Poor's ▸ Fund Balance represents 31% of operating budget

Finance Department

Finance Department - All Programs
Revenue Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Lien Search Fee	14,170	30,945	25,000	27,500	25,000	0.00%
Charitable Solicitations Fee	16,520	21,750	18,000	20,560	20,000	11.11%
Charitable Solicitations Advertising Fee	15,920	16,500	15,000	16,920	17,000	13.33%
Charitable Solicitations Late Filing Fee	965	475	500	500	500	0.00%
Meeting Tape Sales	629	800	400	770	600	50.00%
TOTALS	48,204	70,470	58,900	66,250	63,100	7.13%

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 Town charges a $100.00 fee for a 24 hour rush lien search.

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 is $25.00 per permit. The results form has to be filed 90 days after the last event.

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

Finance Department

Finance Department - All Programs
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	928,556	992,998	1,053,150	1,052,131	1,081,186	2.66%
Employee Benefits	281,757	334,538	381,548	379,526	421,790	10.55%
Contractual	142,571	168,153	188,210	210,000	212,110	12.70%
Commodities	20,807	21,942	25,225	32,045	23,650	-6.24%
Capital Outlay	3,173	2,912	7,547	5,047	5,113	-32.25%
Other	0	0	0	0	0	0.00%
TOTALS	1,376,864	1,520,543	1,655,680	1,678,749	1,743,849	5.33%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 following factors: Increase in bank service charges $2,600; increase in copy machine changes $2,100; increase in fees for offsite storage due to disposal costs of old records $2,200; increase in report printing charges due to more color pages $5,000; increase in election costs $1,000; increase in legal advertising fees $1,500; increase in professional development $3,700; increase in postage due to projected increase during FY2006 $1,200; and an increase in auditing costs $5,700.

Commodities:
Decrease is due to completion of Central Stores warehouse shelving upgrade during FY2005 $2,700.

Capital Outlay:
Decrease due to elimination of $3,000 budgeted for document shredder, offset by an increase to depreciation expense caused by the addition of a delivery van purchased in FY2005.

Finance Department

PROGRAM: RECORDS MANAGEMENT 131

Mission: This division exists to provide reliable record keeping and efficient election management that meets the standards of the community.

Main Activities: The most important things we do to fulfill the mission are:
- Take minutes and transcribe in an accurate and timely fashion
- Maintain official codes and documents
- Coordinate and manage municipal elections
- Process and issue various permits
- Fulfill public records requests
- Ensure record availability both electronically and by hard copy

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Maintain accurate minutes that are transcribed and available in a timely fashion
Measure:	Satisfaction of users measured by annual citizen survey and internal survey
Result:	Elections conducted without error or valid complaint
Measure:	Errors reported and user feedback on citizen survey
Result:	Permits issued in a timely fashion with excellent customer service
Measure:	User satisfaction by solicited feedback on each transaction
Result:	Public records are complete, accessible and accurate
Measure:	Feedback from users along with errors and omissions reported to Town Clerk
Result:	Conduct the work of the Town Clerk's Office in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.
Result:	Continually improve service using state of the art techniques
Measure:	Interact with others in the field to seek and apply new ideas and projects. Report both the contacts and impact of applied ideas

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Charitable Solicitation Permits Issued	106	102	95	98
All Other Permits Issued	15	12	13	15
Meetings Attended - Minutes Transcribed	52	43	49	53

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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 Department

Program 131 - Records Management
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	175,138	187,821	190,726	193,116	163,381	-14.34%
Employee Benefits	51,291	59,346	66,216	66,341	69,668	5.21%
Contractual	23,348	39,676	48,410	50,895	51,910	7.23%
Commodities	3,390	3,318	3,825	7,015	3,850	0.65%
Capital Outlay	666	906	3,991	1,491	821	-79.43%
Other	0	0	0	0	0	0.00%
TOTALS	253,833	291,067	313,168	318,858	289,630	-7.52%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. Due to retirement of Town Clerk in April 2005, decrease in budgeted amount for salaries/wages.

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

Contractual:
Increase due to costs associated with municipal election, and to increase in general legal advertising fees.

Commodities:
Slight increase as a result of increase in costs of publications/subscriptions.

Capital Outlay:
Decrease due to elimination of $3,000 budgeted for document shredder, which will no longer be necessary.

Finance Department

PROGRAM: FINANCIAL MANAGEMENT 141

Mission: This division exists to provide central accounting, fiscal control and professional advice and recommendations in the formation of sound fiscal policies to ensure long term financial strength for the Town of Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

- Advise the Town Council and Manager regarding financial matters
- Development and recommend administrative and Council fiscal policy
- Provide internal checks and balances regarding financial control and purchasing procedures
- Develop and submit an annual budget that is reliable and balanced
- Direct purchasing activities in an efficient effective manner
- Participate in professional organizations to stay current and seek validation

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Budget is an understandable policy document, operations guide, financial plan and communications device.
Measure:	Each department has Key Result Measures that are useful to them in managing operations as measured by internal survey and feedback. Annually receive the GFOA Distinguished Budget Presentation Award.
Result:	Maximize rate of return while applying the GFOA Best Practices guidelines
Measure:	The Town's yearly rate of return exceeds that of the State Board of Administration rate of return.
Result:	Provide the highest quality service to both internal and external customers
Measure:	Internal and external surveys with at least 90% satisfied - very satisfied responses
Result:	Sound financial and accountability system with established policies to guide decision-making
Measure:	AAA Bond rating, "clean" audit report with 3 or fewer management comments per year
Result:	Conduct the work of Financial Management in an efficient manner
Measure:	The percentage of general fund budget dedicated to this department will not increase from year to year, except to reflect increases in levels of service.

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Parking Tickets Issued	25,103	25,703	23,244	25,000
Parking Tickets Paid	22,090	22,618	20,567	20,000
Parking Ticket Collection Rate	88.00%	88.00%	88.50%	80.00%
GO Bond Ratings				
Moody's Investor Services	Aaa	Aaa	Aaa	Aaa
Standard & Poor's	AA	AAA	AAA	AAA
Investment Yield - Blended	2.1%	1.5%	1.5%	2.5%

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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	3.00	3.00	3.00
Accounting Clerk/Receptionist	0.00	1.00	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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	472,016	507,410	549,963	545,085	584,083	6.20%
Employee Benefits	141,530	173,516	201,649	199,462	220,277	9.24%
Contractual	113,385	124,893	131,700	150,815	151,400	14.96%
Commodities	12,739	11,972	13,200	15,920	13,400	1.52%
Capital Outlay	1,283	1,588	1,588	1,588	1,588	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	740,953	819,379	898,100	912,870	970,748	8.09%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 following factors: Increase in bank service charges $2,600; increase in copy machine changes $2,100; increase in fees for offsite storage due to disposal costs of old records $2,200; increase in report printing charges due to more color pages $5,000; increase in postage due to projected increase during FY2006 $1,200; and an increase in auditing costs $5,700.

Commodities:
No significant increase.

Capital Outlay:
Depreciation funding

Finance Department

PROGRAM: PURCHASING 144

Mission: This division exists to purchase supplies, equipment and services for all departments in an efficient, effective manner and to manage the purchasing card program, the fixed asset inventory, central stores and office supplies warehouse, and managing surplus property.

Main activities: The most important things we do to fulfill the mission are:

- Develop and administer purchasing policies consistent with sound business practice
- Continually seek to improve processes and save the Town money while providing top quality service and products
- Ensure delivery of critical purchases on time
- Pay vendor invoices within 30 days to maintain positive vendor relationships
- Manage warehouse supplies to minimize long term storage and obsolete materials

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Manage inventory to meet Town Departments' requirements without overstock or waste.
Measure:	Annual inventory shows reduction of 10% and minimal obsolescence while annual customer survey shows high satisfaction level
Result:	Good relationships with vendors to secure best bids from best vendors
Measure:	Vendor payments within 30 days of invoice, receipt of merchandise or completion of project 100% of the time.
Result:	Conduct the work of the Purchasing Department in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.
Result:	Provide the highest quality service to both internal and external customers
Measure:	Internal and external surveys with at least 90% satisfied-very satisfied

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Purchase Orders Written	1,110	1,070	1,106	1,050
Dollars Spent Using Purchasing Card Program	$395,260	$461,056	$594,125	$800,000

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	281,402	297,767	312,461	313,930	333,722	6.80%
Employee Benefits	88,936	101,676	113,683	113,723	131,845	15.98%
Contractual	5,838	3,584	8,100	8,290	8,800	8.64%
Commodities	4,678	6,652	8,200	9,110	6,400	-21.95%
Capital Outlay	1,224	418	1,968	1,968	2,704	37.40%
Other	0	0	0	0	0	0.00%
TOTALS	382,078	410,097	444,412	447,021	483,471	8.79%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 in professional development to accommodate needs of new Purchasing Agent and new Assistant Purchasing Agent.

Commodities:
Decrease is due to completion of Central Stores warehouse shelving upgrade during FY2005.

Capital Outlay:
Depreciation expense increased due to new delivery van purchased in FY2005.

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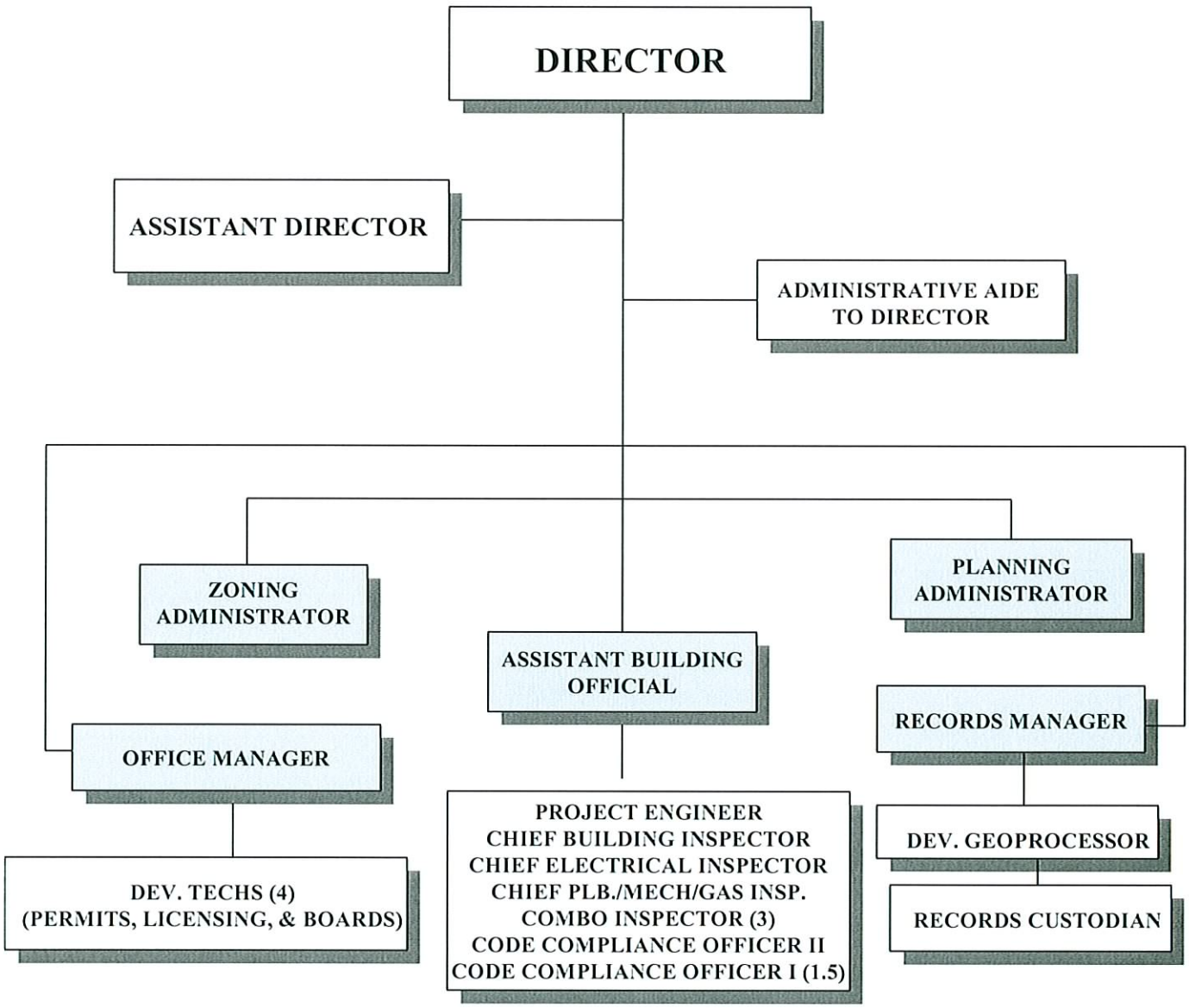
Planning, Zoning and Building

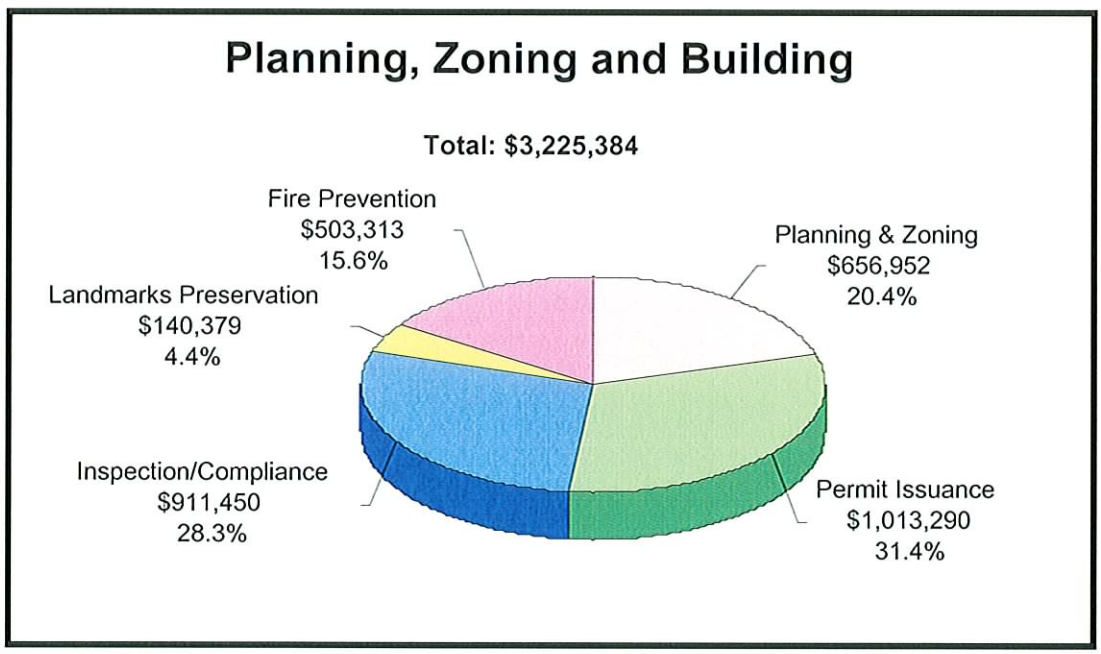
Planning, Zoning & Building Department



	FY2003	FY2004	FY2005	FY2006
Total Full Time Equivalent Employees	23.00	23.50	24.50	28.98

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.



	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2006 Budget
Revenues	$5,750,207	$6,361,776	$4,369,875	$5,229,900
Expenditures	$2,261,118	$2,478,961	$2,804,172	$3,225,384

Planning, Zoning and Building

Key Results and Measurement Methodology

Key Result #1	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. <u>2005 Results:</u> Checklists formulated and ready for implementation in 2006.
Key Result #2	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. <u>2005 Results:</u> Code Compliance Brochures developed and disseminated. Additional information is being developed department wide for implementation in 2006.
Key Result #3	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. <u>2005 Results:</u> Computerization of department in formulation stages. New system will provide ability to track changes.
Key Result #4	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. <u>2005 Results:</u> Annual evaluations of all landmarked properties budget for FY2006

Planning, Zoning and Building

Key Result #5	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. <u>2005 Results:</u> Influx of permit applications above norm during summer have increased review time. Training of new staff of FY2005 should be completed by FY2006. Computerization to be implemented in FY2007 to track review times.

Planning, Zoning, and Building Department

Planning, Zoning and Building Department - All Programs
Revenue Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Town Occupational Licenses	595,651	677,059	610,000	650,560	675,000	10.66%
Occupational License Penalties	22,323	20,238	22,000	15,000	20,000	-9.09%
Building Permits	4,571,164	4,835,549	3,250,000	5,562,420	4,000,000	23.08%
Radon Gas	61	51	75	60	50	-33.33%
Electrical Permits	46,616	58,183	45,000	79,810	52,000	15.56%
Plumbing Permits	24,982	25,692	28,000	27,000	28,000	0.00%
Except/Variance App.	93,200	99,770	50,000	82,000	52,000	4.00%
Consultants Fees	6,000	8,700	5,000	5,100	5,000	0.00%
Special Plan Review Fee	40,600	107,900	60,000	200,000	100,000	66.67%
Abandonments	616	1,851	500	110	500	0.00%
Architectural Fees	50,391	52,625	50,000	59,000	45,000	-10.00%
Landmarks Submittal	5,075	4,475	5,500	5,000	4,500	-18.18%
Tax Abatement Program	0	0	1,200	1,200	3,600	200.00%
Mechanical Permits	68,259	78,488	59,000	65,000	62,000	5.08%
Right of Way Permits	114,574	131,127	95,000	129,315	110,000	15.79%
Historic Preservation Grant	0	11,000	25,000	0	0	-100.00%
County Occupational License	23,875	26,551	20,000	23,705	20,000	0.00%
Bldg/Elec/Plumbing Code Sales	320	110	700	200	500	-28.57%
Map/Sales Code	2,744	2,119	2,500	2,150	2,500	0.00%
Certification Copy	894	298	300	700	650	116.67%
Microfiche/Scanned Documents	13,557	10,343	9,000	17,000	12,000	33.33%
Tent Permits	15,207	14,830	6,000	4,500	1,500	-75.00%
Building Inspection Fund Fees	122	142	100	50	100	0.00%
Code Compliance Fines	53,976	194,675	25,000	200,000	25,000	0.00%
Code Comp Admin Fee	0	0	0	0	10,000	100.00%
TOTALS	5,750,207	6,361,776	4,369,875	7,129,880	5,229,900	19.68%

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. An increase is expected due to a 5% increase in license fees for FY06.

Occupational License Penalties:
This account consists of penalty fees collected when a late fee occurs relative to occupational licenses. It is expected to decrease due to proactive code compliance activities.

Building Permits:
This account is composed of fees associated with the issuance of building permits. Construction is expected to remain level in the near future, and proposed revenue reflects a closer approximation of actual revenues anticipated.

Radon Gas:
This revenue is a percentage of funds collected by the Town on behalf of the State. Construction is expected to remain level.

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. Plumbing permit activity is expected to remain the same in the near future.

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

Consultants Fees:
This account is composed of fees reimbursed to the Town for consultant expenses regarding zoning, architectural review, and building permit applications. This revenue is offset by the various consultant expenses. A slight increase in fees collected is expected to accommodate new requirements for consultant reviews.

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.

Architectural Fees:
This account is composed of fees associated with Architectural Commission applications. Applications are expected to decrease somewhat in the near future, reflecting level construction activity.

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

Planning, Zoning, and Building Department

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. An increase is expected, as applicants become more familiar with this program.

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

Historic Preservation Grant:
This account reflects any grant funds received under the State Historic Preservation Program. No grants are anticipated during FY06.

County Occupational Licenses:
This account represents that portion of occupational license taxes collected by the County and apportioned to the Town. This account is expected to remain level in the near future.

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 decrease is expected due to the recent-completed 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 from actual revenues from FY05.

Microfiche Copies:
This account consists of revenue for sales of copies of Town microfiche documents. An increase is expected in this account as this service becomes more publicized.

Tent Permits:
This account is composed of fees associated with the issuance of tent permits. A decrease is expected due to the completion of the Mar-A-Lago pavilion.

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. No meaningful changes are expected, since the majority of outstanding fines have been collected.

Code Compliance Administration Fee:
This account represents court costs paid in connections with a code compliance violation. This is a new fee to be enacted in the current budget year.

Planning, Zoning, and Building Department

Planning, Zoning and Building Department - All Programs
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	1,337,248	1,455,950	1,541,727	1,557,962	1,752,632	13.68%
Employee Benefits	391,458	480,215	582,489	579,063	680,521	16.83%
Contractual	467,458	462,637	608,850	672,595	664,950	9.21%
Commodities	32,431	35,149	44,650	56,175	58,650	31.36%
Capital Outlay	32,523	45,010	26,456	27,407	68,631	159.42%
Other	0	0	0	0	0	0.00%
TOTALS	2,261,118	2,478,961	2,804,172	2,893,202	3,225,384	15.02%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. Increase also reflects additional part-time Code Compliance position, two Fire Prevention Officers and an Office Assistant.

Employee Benefits:
Changes due to significant increases in the actuarially determined retirement costs and increases in health insurance costs as well as the additional positions listed above.

Contractual:
Increase due to increase in contractual plan review services, contractual clerical help, professional development costs, funding for community education programs, and an increase in the cost per unit of service.

Commodities:
Change in commodities costs reflects increases in vehicle costs, additional safety equipment and noise meters and new equipment and supplies for the new Fire Prevention Officers positions.

Capital Outlay:
Additional computers, vehicles and office furniture for new positions.

Planning, Zoning & Building Department

PROGRAM: PLANNING AND ZONING 211

Mission: This division exists to stabilize and preserve the aesthetic, historical and economic values of Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

- Coordination and support of commissions
- Conduct planning and zoning studies, and recommend changes where necessary
- Develop, recommend, implement and enforce policies in a highly professional manner
- Maintain all maps and data contained in the Comprehensive Plan and LDR
- Interpret zoning code, Comprehensive Plan and LDR and process application
- Keep citizens informed of policies and procedures and solicit input from citizens
- Work continually to improve the efficiency and effectiveness of systems and staff

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Property values are maintained or increased from year to year
Measure:	Value indicators established and measured annually
Result:	The quality of life meets or exceeds the community's expectations
Measure:	Annual community survey indicates satisfaction level of 90% or better
Result:	The community receives accurate and consistent information about its zoning code, LDR and Comprehensive Plan
Measure:	Decrease in amount of conflicting information and time involved in resolving conflicts
Result:	Conduct the work of Planning and Zoning in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service
Result:	The Comprehensive Plan and zoning amendments process is clear, straightforward and regulatory applications are structured to as to elicit complete and correct information.
Measure:	Time spent answering questions, mistakes on applications and work contemplated is clear and understood
Result:	Staff continually examines and improves systems and procedures for greatest efficiency and effectiveness.
Measure:	Outreach efforts, benchmarking and organizational participation reported with new ideas and systems applied

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Zoning Applications	91	83	81	90
Zoning Study Items	14	33	23	15
Zoning Inquiries	5,700	6,000	6,250	6,300
ARCOM Applications	140	158	134	140
ARCOM Staff Approvals	230	300	360	360

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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	0.40	0.40	0.40
Administrative Aide	0.90	0.90	0.90	0.90
Office Manager	0.00	0.10	0.10	0.10
TOTAL	4.30	4.10	4.10	4.10

Planning, Zoning, and Building Department

Program 211 - Planning and Zoning
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	305,409	295,759	315,666	314,030	322,746	2.24%
Employee Benefits	80,303	87,424	114,827	114,576	105,506	-8.12%
Contractual	160,992	136,833	247,500	262,535	219,200	-11.43%
Commodities	6,427	6,050	8,900	11,185	7,500	-15.73%
Capital Outlay	1,240	0	0	50	2,000	100.00%
Other	0	0	0	0	0	0.00%
TOTALS	554,371	526,066	686,893	702,376	656,952	-4.36%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

Employee Benefits:
Change is due to FY2005 full time equivalent positions being overstated by one.

Contractual:
Slight increase from 2005 originally approved budget due to zoning season study items. FY2005 budget was increased mid-year for variance study performed by outside consultant.

Commodities:
Decrease attributed to less computer equipment needed.

Capital Outlay:
Increase is for the purchase of a new computer.

Planning, Zoning & Building Department

PROGRAM: PERMIT ISSUANCE 212

Mission: This division exists to provide for the life safety and welfare of Palm Beach citizens and visitors through the permitting and enforcement of building codes and accurate and accessible historical records of all Departmental files.

Main Activities: The most important things we do to fulfill the mission are:

- Review building permit applications and plans for adherence to Town codes and policies and issue building permits
- Communicate town requirements with contractors, designers, property owners and other Town departments
- Ensure that contractors working in the Town have a valid contractor license
- Process departmental revenues accurately
- Organize, digitize and retrieve Departmental records for public use

Key Results Measures: The desired outcomes we produce and the way we measure them:

Result:	Timely issuance of construction related permits with attention to all Town codes and requirements
Measure:	Average 10-day turnaround with exceptions reported beyond 20 days for unique projects and user feedback survey and complaints logged (survey and goal metrics to be established in FY05-FY06)
Result:	Exceptional level of customer service
Measure:	Annual citizen satisfaction survey and customer feedback survey (survey and goal metrics to be established in FY05-FY06)
Result:	Timely and accurate record keeping including timely digitization
Measure:	Current records scanned within one working day. Plans scanned within maximum time period of six months. Property files not yet digitized scanned within two years, and property files scanned within three years.
Result:	Provide service with no increase in % of fees charged for services in this area
Measure:	Identify and report % annually
Result:	Conduct the work of Permit Issuance in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Planning, Zoning, and Building Department

Program 212 - Permit Issuance
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	425,241	512,979	564,167	546,265	572,884	1.55%
Employee Benefits	118,175	170,024	209,585	207,909	212,609	1.44%
Contractual	110,404	103,061	134,500	175,305	195,600	45.43%
Commodities	10,275	12,919	19,700	21,150	17,400	-11.68%
Capital Outlay	8,258	12,566	13,097	13,997	14,797	12.98%
Other	0	0	0	0	0	0.00%
TOTALS	672,353	811,549	941,049	964,626	1,013,290	7.68%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 is due to change from part time to full time plan reviewer and an increase in the cost per service.

Commodities:
Decrease is due to replacement requirement for hardware are less than last year.

Capital Outlay:
Increase due to the purchase of additional computer equipment.

Planning, Zoning & Building Department

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Construction Permits Issued	6,808	6,527	6,262	6,578
Certificates of Occupancy Issued	58	51	52	40
Master Property Files Digitally Maintained	1,500	2,350	2,575	2,650
Number of Records Digitized	115,000	120,300	101,000	50,000
Number of Days to Scan Current Records	n/a	60	30	30
Property Record Inquiries On-Site	1,400	1,550	1,700	1,700
Property Record Inquiries-Telephone	1,200	1,450	1,500	1,600
Number of Special Plan Reviews Conducted	n/a	181	1,000	1,260

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Assistant Building Official	1.00	1.00	1.00	1.00
Planning Administrator	0.00	0.30	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	0.50	0.50	0.50	0.50
Development Geoprocessor	1.00	1.00	1.00	1.00
Storm Water Engineer	1.00	1.00	1.00	1.00
Permit Technician	1.00	1.00	1.00	1.00
Office Manager	0.00	0.53	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
	8.40	9.23	9.23	9.23

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Planning, Zoning & Building Department

PROGRAM: INSPECTION & COMPLIANCE 213

Mission: This division exists to provide protective services to the resident and businesses of the Town through professional and responsible enforcement of building codes and Town policies related to unimproved land, development, construction activities, and occupational licensure.

Main Activities: The most important things we do to fulfill the mission are:

- Inspection of construction sites to ensure compliance with appropriate State codes and Town codes and land development regulations
- Provide support and coordination for compliance activities regulated by the Code Enforcement Board and other regulatory agencies
- Issue and enforce Town occupational licenses

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Citizen satisfaction with how the Town of Palm Beach is developed
Measure:	Annual citizen survey (survey and goal metrics to be established in FY05-FY06)
Result:	Inspections are completed in a professional manner by the end of the next working day with results readily available.
Measure:	Number of inspections and results of all inspections posted on day of inspection
Result:	Provisions of the Town's Code of Ordinances and occupational licenses administered consistently and timely
Measure:	Citizens satisfaction on periodic citizen survey and time measures and standards to be set including violations increase/decrease
Result:	The character and quality of life in Palm Beach is maintained consistent with community expectations and property values continue to grow.
Measure:	Property values trending up and citizen satisfaction on survey (survey and goal metrics to be established in FY05-FY06)
Result:	Business licenses issued in a timely fashion
Measure:	Software in process of acquisition to measure this result. Specifics will be set upon installation.
Result:	Maintain professional certifications to ISO standards
Measure:	Maintenance of professional certifications at twice the minimum CEUs required.
Result:	Conduct the work of Inspection and Compliance in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Construction Inspections	21,577	21,109	20,327	21,213
Number of Occupational Licenses 9/30	2,000	2,203	2,225	2,300
Code Violation Reports	n/a	3,100	3,000	3,000
Code Violation Cases Scheduled for CEB	166	146	208	225

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Director/Building Official	0.20	0.20	0.20	0.20
Chief Construction Inspectors	2.70	2.70	2.70	2.70
Combination Inspector	2.50	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	1.50
Development Review Secretary III	1.00	1.00	1.00	1.00
Development Review Secretary II	0.50	0.50	0.50	0.50
	8.90	8.90	8.90	9.40

Planning, Zoning, and Building Department

Program 213 - Inspection and Compliance
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	460,336	466,748	487,612	499,030	491,711	0.84%
Employee Benefits	139,389	160,701	183,363	183,593	208,205	13.55%
Contractual	159,374	173,851	157,300	178,860	178,400	13.41%
Commodities	12,878	13,221	10,800	17,390	18,300	69.44%
Capital Outlay	23,025	32,444	13,359	13,360	14,834	11.04%
Other	0	0	0	0	0	0.00%
TOTALS	795,002	846,965	852,434	892,233	911,450	6.92%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. Increase is also due to the addition of a part-time code compliance officer.

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 increases in cost of inspection services, contracted clerical help and an increase in professional development costs in accordance with ISO requirements.

Commodities:
Increase to due vehicle maintenance, fuel costs, safety equipment and noise meters.

Capital Outlay:
Cost of replacement computer hardware.

Planning, Zoning & Building Department

PROGRAM: LANDMARKS PRESERVATION 214

Mission: This division exists to serve the Town's desire to maintain it's rich history preservation and quality of life by stabilizing and preserving the historic and economic value of significant physical structures and other property.

Main Activities: The most important things we do to fulfill the mission are:

- Coordinate and support the Historic Commission
- Develop, recommend and enforce policies that serve historic preservation
- Keep citizens informed and educated
- Process "Certificates of Appropriateness for Change" as directed by codes and policy
- Discuss and entertain requests for possible designation of properties as historic
- Maintain accurate records and files

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Landmarks are preserved consistent with the Town's expectations and policy
Measure:	Citizen satisfaction survey
Result:	Property values are maintained or increased
Measure:	Identify and report % and exceptions annually
Result:	Conduct the work of Landmarks Preservation in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Designations/Undesignations Considered	4	1	2	4
Tax Abatements Considered	6	0	0	0
Certificate of Appropriateness Applications	25	29	32	44
Designation Reports Updated	1	6	5	5

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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	0.35	0.35	0.35
	1.40	0.75	0.75	0.75

Planning, Zoning, and Building Department

Program 214 - Landmarks
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	78,948	58,571	51,717	52,450	52,118	0.78%
Employee Benefits	27,207	17,039	19,879	19,836	20,961	5.44%
Contractual	36,688	48,809	69,050	55,895	66,250	-4.06%
Commodities	356	589	1,050	1,050	1,050	0.00%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	143,199	125,008	141,696	129,231	140,379	-0.93%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

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

Contractual:
Reduction due to a reduced grant expenses offset by increased consultant services for annual review of all landmarked properties and additional services to the LPC.

Commodities:
No change.

Planning, Zoning & Building Department

PROGRAM: FIRE PREVENTION 215

Mission: This division exists to enforce Federal, State and local life safety codes to protect life and property to improve the community.

Main Activities: The most important things we do to fulfill the mission are:

- Investigate all fires for cause and origin
- Educate the community on life saving skills, fire prevention and community risk reduction programs
- Conduct annual fire safety inspections
- Conduct community risk analysis
- Create or revise ordinances to enhance fire prevention

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Identify risks and make corrections through Fire Prevention Inspections
Measure:	Inspect 80% of all inspectable buildings for safety code violations and direct correction
Result:	To educate and prepare the community to address fire safety issues
Measure:	In cooperation with Planning, Building, and Zoning, reach 80% of customers with useful educational materials and forums
Result:	Continually improve the CPR and AED capability of the Town through training and education
Measure:	Train and certify 50 residents each year in CPR/AED techniques
Result:	Reduce false alarm activations by 5% each year
Measure:	Educate the customer to address the issue of repetitive false fire alarms and bill for excessive false alarms
Result:	Conduct the work of Fire Prevention in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Occupancies Inspected	715	725	700	715
Code Violations Corrected	643	474	485	492
Hours of Inspection	808	854	802	834
Number of Buildings	585	574	570	578
Fire Loss	$1,129,400	$1,013,650	$8,256,200	$837,100
Value of Property Protected	6.987B	8.153B	9.2B	10.0B
Plans Reviewed	562	615	575	675
Technical Inspections	98	82	85	98

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Fire Marshal	1.00	1.00	1.00	1.00
Fire Inspector	1.00	0.00	0.00	0.00
Administrative Lieutenant	0.00	0.50	0.50	0.00
Fire Prevention Officer	0.00	0.00	0.00	2.00
Office Assistant	0.00	0.00	0.00	1.00
	2.00	1.50	1.50	4.00

Planning, Zoning, and Building Department

Program 215 - Fire Prevention
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	67,314	121,893	122,565	146,187	313,173	155.52%
Employee Benefits	26,384	45,027	54,835	53,149	133,240	142.98%
Contractual	0	83	500	0	5,500	1000.00%
Commodities	2,495	2,370	4,200	5,400	14,400	242.86%
Capital Outlay	0	0	0	0	37,000	100.00%
Other	0	0	0	0	0	0.00%
TOTALS	96,193	169,373	182,100	204,736	503,313	176.39%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. Increase also includes funding of two new Fire Prevention Officers and an Office Assistant.

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

Contractual:
Increase is due to funding for Community Education programs.

Commodities:
Increase includes new equipment and supplies for the new Fire Prevention Officers position.

Capital Outlay:
Includes vehicles for Fire Prevention Officers and furniture for Office Assistant position.

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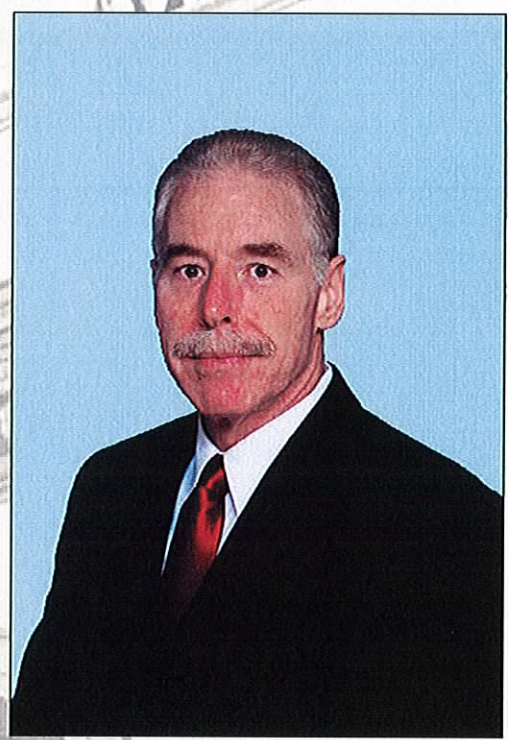
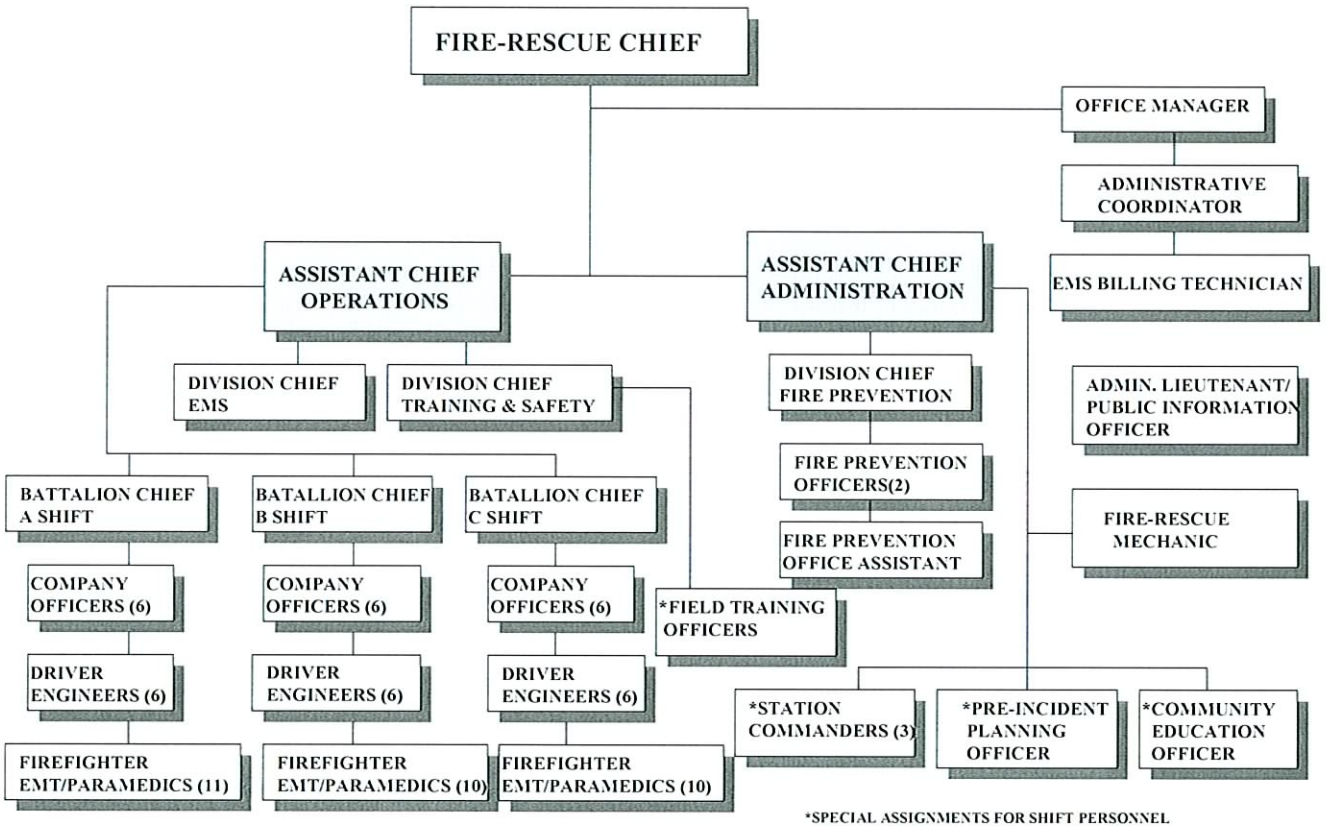
Fire-Rescue



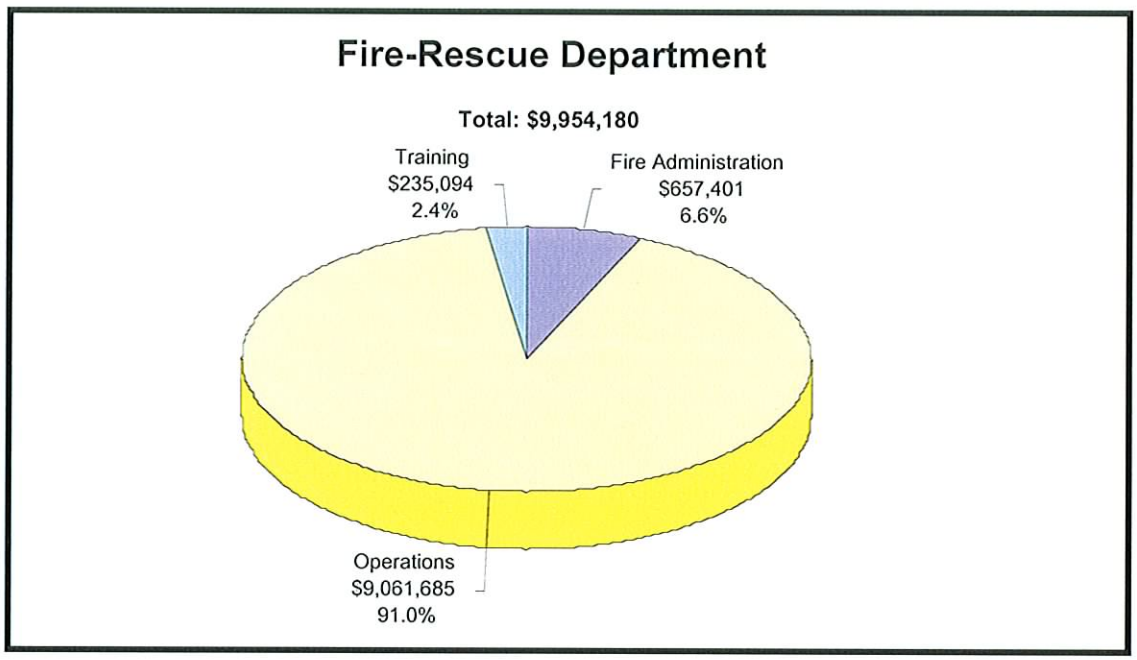
Fire-Rescue Department



	FY2003	FY2004	FY2005	FY2006
Total Full Time Equivalent Employees	75.00	78.50	79.50	80.00

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.



	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2006 Budget
Revenues	$434,341	$353,947	$470,640	$415,000
Expenditures	$6,768,846	$8,051,344	$9,100,267	$9,954,180

Fire-Rescue Department

Key Results and Measurement Methodology

Key Result #1	Improve response time to meet the industry standards for arrival at emergency scenes.
Measurement	Average Response Time - 8 minutes or less for 90% of the time. <u>2005 Results:</u> To achieve progress towards this goal, the new Pre-Incident Profile Officer created GIS maps that show every single address and fire hydrant in the Town and these maps have been placed onboard all apparatus. The new central Fire Station had a traffic light installed with an activator switch in the station that is used to stop all vehicular traffic on South County Road and allow the apparatus faster and safer access onto the road for emergency calls. A new slide pole is scheduled for construction at the North Fire Station to allow the firefighters to exit the building faster. Upgrades to the Fire and EMS software programs will allow 2006 response times to be measured and compared to the industry standards.
Measurement	12 lead EKG and Cardiac Enzyme Test for at least 90% of all cardiac patients <u>2005 Results:</u> To achieve progress towards this goal, the Quality Improvement program has been upgraded to ensure all medical reports are reviewed by the Battalion Chiefs who check that the proper Medical Protocols have been followed and a 12 Lead EKG has been performed on all cardiac patients to determine if they meet the criteria for a Cardiac Alert. In addition to JFK hospital, PB Gardens hospital is now also available to receive Cardiac Alert patients that meet the criteria for 12 Lead EKG's that indicate heart attacks. The cardiac enzymes program has been discontinued due to manufacturer's difficulties.

Fire-Rescue Department

Key Result #2	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 2005 Results: To achieve progress towards this goal, a new Safety Committee has been established with representatives from both labor and management. Accident and Injury reports are now reviewed during their quarterly meeting schedule and recommendations for changes to policies and procedures are presented directly to the Fire Chief for review. Based on the committee's research, new Bunker Gear that meets the new NFPA safety standards, has been purchased and issued to all firefighters to reduce injuries from Fireground incidents.
Key Result #3	Reduce property loss and personal injuries for residential fires
Measurement	Confine fires to floor of origin in at least 90% of all residential fires 2005 Results: To achieve progress towards this goal, a new Apparatus and Equipment committee has been established to review the NFPA guidelines for and based on the committee's research, new hose and nozzles have been purchased and placed onboard all Fire Engines and Aerial Towers. This new hose provides a greater water supply and the new nozzles improve the ability of the firefighters to penetrate the smoke and extinguish the base of the fire which confines the fires to the room of origin and stops the spread of the fire to the rest of the building.
Measurement	Teach CPR classes to at least 90% of all Town Employees 2005 Results: To achieve progress towards this goal, CPR Instructor classes have been taught to a select group of Town employees to enable them to teach CPR and AED to their own employees in-house. CPR and AED classes are now taught on a quarterly basis at the South Fire Station free of charge to all Town employees. The first annual Safety Fair was held at the South Station and featured fire extinguisher classes for both adults and children and was available for residents and Town employees.

Fire-Rescue Department

Fire Department - All Programs
Revenue Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
FEMA Grant	41,215	58,962	133,840	100,000	276,000	106.22%
Fire Supplemental Compensation	18,506	19,140	21,500	21,430	27,200	26.51%
Special Detail	59,675	31,415	40,000	70,000	50,000	25.00%
EMS Grant-PB County	0	0	0	0	50,000	100.00%
Room Rental - South Fire	273	916	300	0	300	0.00%
Community Education Program	250	0	0	0	0	0.00%
Fireworks Permit	0	0	0	0	15,000	100.00%
Bonfire Permit	0	0	0	0	1,500	100.00%
Fire Hydrant Flow Test	0	0	0	0	12,500	100.00%
Hot Works Permit	0	0	0	0	7,500	100.00%
Technical Fire Inspections	0	0	0	0	15,000	100.00%
Public Assembly	0	0	0	0	10,000	100.00%
Fire Prevention Annual Inspection Fee	0	0	0	0	61,755	100.00%
EMS Transport Fees	314,422	243,514	275,000	170,000	300,000	9.09%
TOTALS	434,341	353,947	470,640	361,430	826,755	75.67%

Fire-Rescue Department

REVENUES

FEMA Grant:
A FEMA Grant for FY05 in the amount of $133,840 was submitted in April 2004 and award notification was received in March 2005. These funds will be used to purchase personal protective gear for all operations personnel. The FY05 grant is a 90/10 matching grant, however, FEMA modified the total award based on the maximum cost per unit allowed. The Federal share awarded after modification is anticipated to be $90,594 and the Town's share $39,045.30. The difference in total cost is based on a price reduction in selected protective gear.

In April 2005 the Department submitted the FEMA Grant for the next grant period for the purchase of Self-Contained Breathing Apparatus in the amount of $290,744. The grant is a 95/5 split with the Federal share being $276,207 and the Town's share being $14,537.

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 25 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 $60 per hour per detailed employee. Additional charges may be incurred for the use of apparatus on standby.

EMS Grant - Palm Beach County:
Palm Beach County grant funds for use in purchasing and autopulse system and constant positive airway pressure (CPAP) units.

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.

Fireworks Permit:
This account is composed of fees associated with the issuance of fireworks permits for indoor and outdoor displays.

Bonfire Permit:
Composed of fees associated with the issuance of Bonfire permits.

Fire-Rescue Department

Fire Hydrant Flow Test:
Fees associated with the witnessing of Fire Hydrant flow tests for fire protection system calculations and designs.

Hot Work Permit:
Fees associated with the issuance of Hot Work permits.

Technical Fire Inspections:
Fees charged for the inspection and certification of fire protection and fire alarm systems.

Public Assembly:
Fees associated with the plan review, inspection and issuance of permits related to Public Assembly events to comply with the Life Safety code.

Fire Prevention Annual Inspection Fee:
To ensure compliance with the Florida Fire Protection Code and other laws and to offset the cost of compliance, the Town adopted Ordinance 13-05. This ordinance establishes fees for specific fire code permits and special services such as the Annual Fire and Life Safety Inspections. Annual Fire and Life Safety Inspections shall be conducted and fees levied on all nonresidential occupancies, multi-family buildings, restaurants, cafes, public eating places, educational facilities, and businesses or professional offices. The initial inspection and one re-inspection will be included in the original fee; additional re-inspections will incur added fees.

EMS Transport Fees:
The revenue from the 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.

Fire-Rescue Department

Fire Department - All Programs
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	4,577,343	5,206,720	5,613,193	5,675,928	5,876,984	4.70%
Employee Benefits	1,466,476	2,048,042	2,454,594	2,451,044	2,745,028	11.83%
Contractual	116,522	115,632	135,005	148,400	189,410	40.30%
Commodities	190,742	213,010	310,040	343,220	319,600	3.08%
Capital Outlay	322,764	372,941	492,435	492,435	728,158	47.87%
Other	94,999	94,999	95,000	95,000	95,000	0.00%
TOTALS	6,768,846	8,051,344	9,100,267	9,206,027	9,954,180	9.38%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 are due to anticipated increases in costs for Medical Director, phone usage, maintenance contracts for necessary equipment, and training and educations expenses.

Commodities:
Increase is based on the anticipated increase in medical supply costs and the purchase of needed equipment.

Capital Outlay:
Increase is based on the anticipated purchase of Self-Contained Breathing apparatus to be offset through FEMA grant funds, and several pieces of needed equipment.

Fire-Rescue Department

PROGRAM: FIRE ADMINISTRATION 411

Mission: This division exists to oversee the Fire-Rescue department to ensure that the community is provided the highest quality of life through the protection of life and property.

Main Activities: The most important things we do to fulfill the mission are:

- Plan for the future to meet the needs of the community
- Provide leadership and direction for personnel
- Acquire resources to enable the department to function properly
- Maintain adequate staffing level with trained and competent personnel
- Develop and justify budget requests to meet future needs
- Generate revenue through EMS transport billings

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Citizens are satisfied with Fire-Rescue performance
Measure:	90% or higher excellent or very good rating from citizens survey and all departmental surveys
Result:	Register for accreditation in 2006, apply for review in 2007, complete accreditation process in 2008, and maintain standards to merit re-accreditation in future years
Measure:	Maintain collection rate of 85% or better
Result:	Maximize EMS transport revenue through efficient, timely filing of claims
Measure:	Receive accreditation in 2006 and maintain standards to merit reaccreditation in future years
Result:	Maintain an efficient, balanced budget through constant analysis, planning and innovation
Measure:	Service level maintained or enhanced with budget impact between +/- 5% annually
Result:	Employ and maintain appropriate staffing with highly trained and competent individuals
Measure:	Measure against industry standards and increased service longevity and minimal turnover
Result:	Maintain ISO classification
Measure:	Constantly review policies, procedures and requirements to maintain best possible ISO rating for the community
Result:	Conduct the work of Fire Administration in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Hours of Officer Training	240	240	117	282
Transport Revenue	n/a	$314,422	$243,514	$212,964

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Fire-Rescue Chief	1.00	1.00	1.00	1.00
Assistant Chief, Administration Chief	1.00	1.00	1.00	1.00
EMS Division Commander (EMS Coordinator)	1.00	1.00	1.00	0.00
Administrative Lieutenant	0.00	0.50	0.50	1.00
Office Manager	1.00	1.00	1.00	1.00
Administrative Coordinator (Secretary II)	1.00	1.00	1.00	1.00
EMS Billing Technician	0.00	0.00	1.00	1.00
TOTALS	5.00	5.50	6.50	6.00

Fire-Rescue Department

Program 411 - Fire Administration
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	362,676	420,828	484,767	433,773	403,791	-16.70%
Employee Benefits	104,853	126,709	191,769	180,205	175,267	-8.61%
Contractual	44,907	44,431	49,005	58,540	53,960	10.11%
Commodities	8,940	11,681	64,700	57,955	14,000	-78.36%
Capital Outlay	7,963	15,904	11,585	11,585	10,383	-10.38%
Other	0	0	0	0	0	0.00%
TOTALS	529,339	619,553	801,826	742,058	657,401	-18.01%

EXPENDITURES

Salaries and Wages:
Decrease is due to moving the Division Chief of EMS to Program 417, Operations.

Employee Benefits:
Decrease is due to moving the Division Chief of EMS to Program 417, Operations.

Contractual:
Increase is due to the increase in contracted services for the Department's Medical Director and increases in phone charges for aircards for MDC (mobile data computers).

Commodities:
Decrease due to lump sum funding for replacement furniture for South Station Meeting room during FY2005.

Capital Outlay:
Decrease in depreciation costs.

Fire-Rescue Department

PROGRAM: OPERATIONS 417

Mission: This division exists to protect life and property through fire protection and suppression, excellent pre-hospital care for sick and injured, and mitigation of natural and man-made emergencies.

Main Activities: The most important things we do to fulfill the mission are:

- Fire protection and suppression
- Advanced Life Support services and transport
- Hazardous condition abatement

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Maintain optimum fire response time to enhance life safety support and property protection
Measure:	First engine response time of 5 minutes or less from receipt of alarm to arrival 85% of the time
Result:	Minimize property loss as a result of structure fires
Measure:	Contain structure fires to floor of origin 80% of the time
Result:	Maintain optimum response time for ALS/EMS to enhance life safety support
Measure:	First ALS unit response time of 8 minutes or less 90% of the time
Result:	Minimize time between arrival and transport on cardiac, stroke and trauma alerts
Measure:	Meet or exceed industry standards
Result:	Maintain EMT/Paramedic recertification of all personnel as required
Measure:	Achieve 100% or required training to maintain certification required by Florida State Statute
Result:	Conduct the work of Operations an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Number of Medical Calls	1,617	1,594	1,580	1,571
Average Response Time (EMS)	3:31	3:54	3:31	4:43
Number of Patients	1,520	1,575	1,533	1,538
Number of Transports	1,028	957	974	1,000
Number of Fire Calls	1,219	1,109	1,341	1,173
Average Response Time (Fire)	4:23	4:20	4:09	5:21
Fire Loss	$1,129,400	$1,013,650	$8,256,200	$384,350

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Assistant Chief, Operations	1.00	1.00	1.00	1.00
Battalion Chief	0.00	3.00	3.00	4.00
EMS Division Chief	0.00	0.00	0.00	1.00
Captain	3.00	0.00	0.00	0.00
Lieutenant	12.00	15.00	15.00	15.00
F/F, D/O, Paramedic	52.00	52.00	52.00	52.00
Fire Mechanic	1.00	1.00	1.00	1.00
TOTAL	69.00	72.00	72.00	74.00

Fire-Rescue Department

Program 417 - Operations
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	4,125,725	4,701,069	5,034,540	5,146,130	5,370,722	6.68%
Employee Benefits	1,333,700	1,887,652	2,221,023	2,229,140	2,522,588	13.58%
Contractual	38,997	30,762	50,400	45,345	62,500	24.01%
Commodities	179,517	194,313	238,440	278,465	293,100	22.92%
Capital Outlay	314,801	357,037	480,850	480,850	717,775	49.27%
Other	94,999	94,999	95,000	95,000	95,000	0.00%
TOTALS	6,087,739	7,265,832	8,120,253	8,274,930	9,061,685	11.59%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. The Division Chief of EMS was also moved into this program from Program 411, Administration.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs. Division Chief of EMS was also moved into this program from Program 411, Administration.

Contractual:
Increase is due to maintenance contracts for new medical equipment and security cameras.

Commodities:
Increase is based on anticipated increases from supply vendors for medical supplies and requests for necessary equipment.

Capital Outlay:
Includes 2005 FEMA grant funding for replacement Self-Contained Breathing Apparatus, and replacement of various pieces of equipment.

Other:
Fifth year of a seven year lease.

Fire-Rescue Department

PROGRAM: TRAINING 418

Mission: This division exists to provide fire and EMS training to all personnel to ensure state of the art, competent and safe operations to best serve the citizens of Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

- Develop and deliver pertinent classroom and hands-on training
- Seek opportunities for training that continually keep the department on the cutting edge of the fire-rescue field

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Personnel trained to ensure high level of preparedness for safe and efficient operations
Measure:	Citizens satisfaction level consistent with departmental goal
Result:	Be fully prepared to manage critical incident applying up-to-date techniques
Measure:	Provide National Incident Management System (NIMS) compliance training for 90% of Operations personnel in 100, 200, and 700 classes. Provide NIMS compliance training for 100% of Command Staff in ICS 100, 100, 300, 40 and 700
Result:	Enhance rescue response to confined space emergencies through confined space training
Measure:	Train 80% of departmental personnel in confined space awareness and operations
Result:	Enhance structural fire fighting capabilities through live fire exercises
Measure:	Provide live fire training for 80% of departmental personnel through on-site use of fire training trailer
Result:	Officers will be well prepared to effectively fulfill their responsibilities
Measure:	Prepare and implement an officer development training program for fire officer and acting officer positions
Result:	Enhance rescue response to hazardous materials emergencies through hazardous materials training
Measure:	Train 80% of departmental personnel in hazardous materials awareness and operations to comply with Palm Beach County Level of Service standard
Result:	Conduct the work of Training an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Supervisory Training Hours	121	120	130	126
Annual Training Hours	53,901	54,044	47,472	46,277

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	88,942	84,823	93,886	96,025	102,471	9.14%
Employee Benefits	27,923	33,681	41,802	41,699	47,173	12.85%
Contractual	32,618	40,439	35,600	44,515	72,950	104.92%
Commodities	2,285	7,016	6,900	6,800	12,500	81.16%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	151,768	165,959	178,188	189,039	235,094	31.94%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 in contracted services to provide in-house training by outside agency and anticipated increases in cost of tuition and educational/training costs. New funding for Community Education.

Commodities:
Increased for purchase of training projector and rescue props as well as increases in publication/subscription costs.

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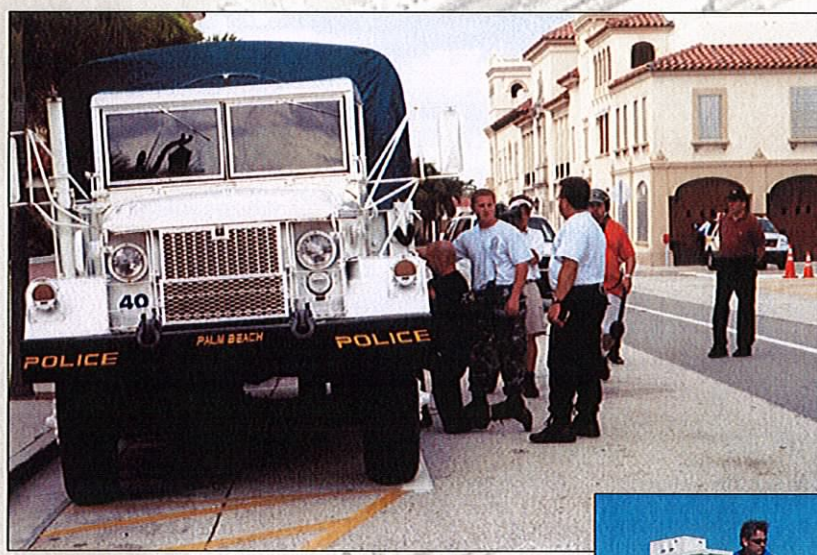
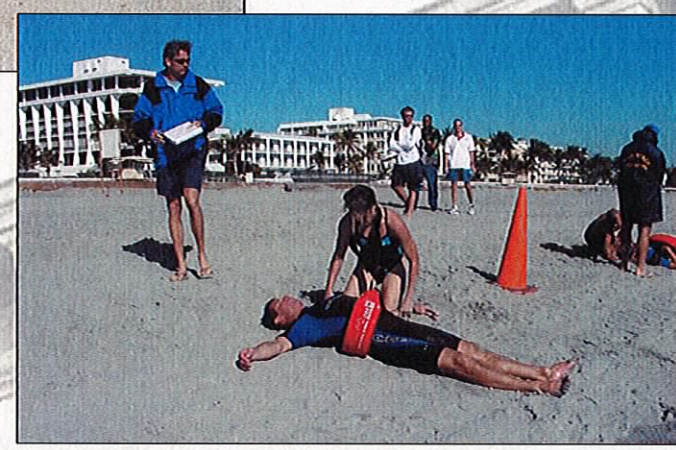
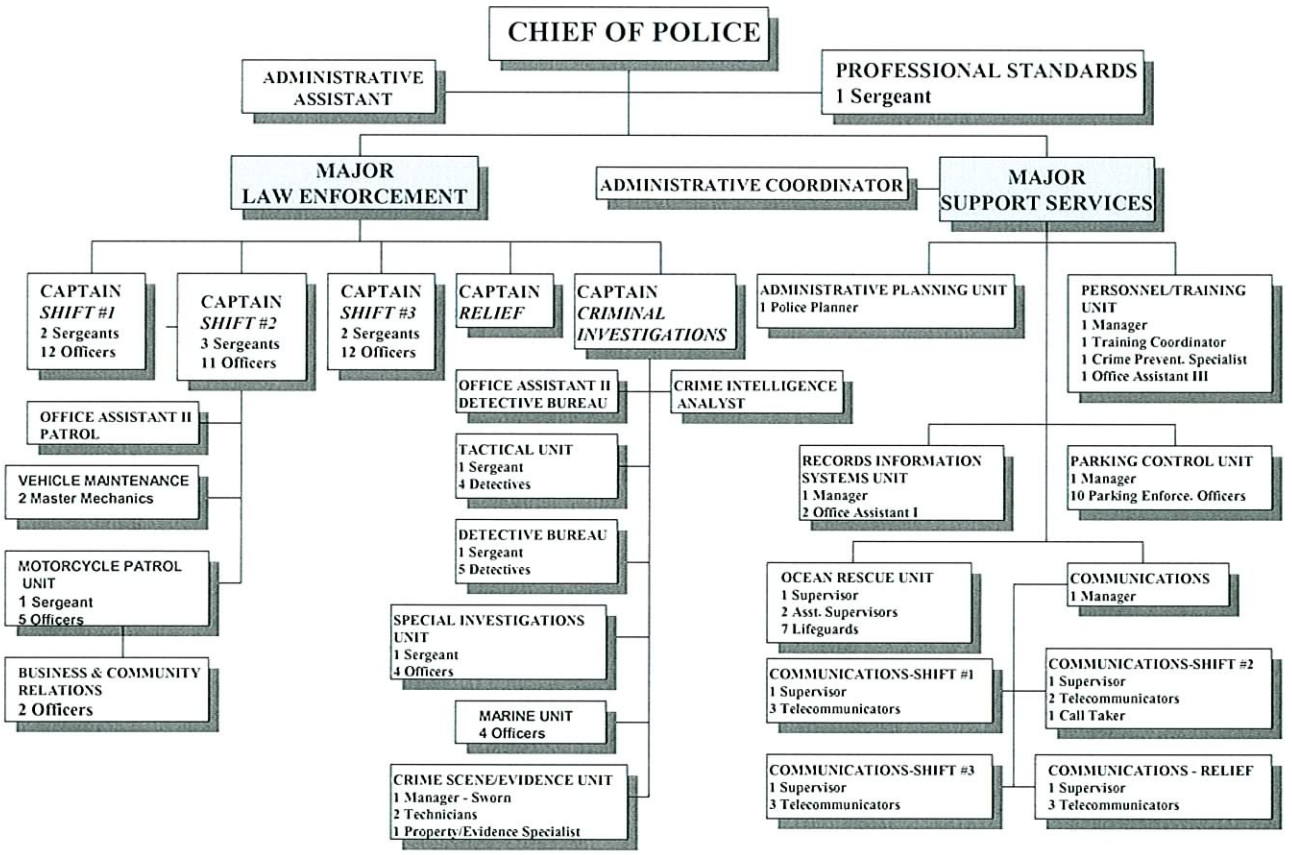
Police





Police Department



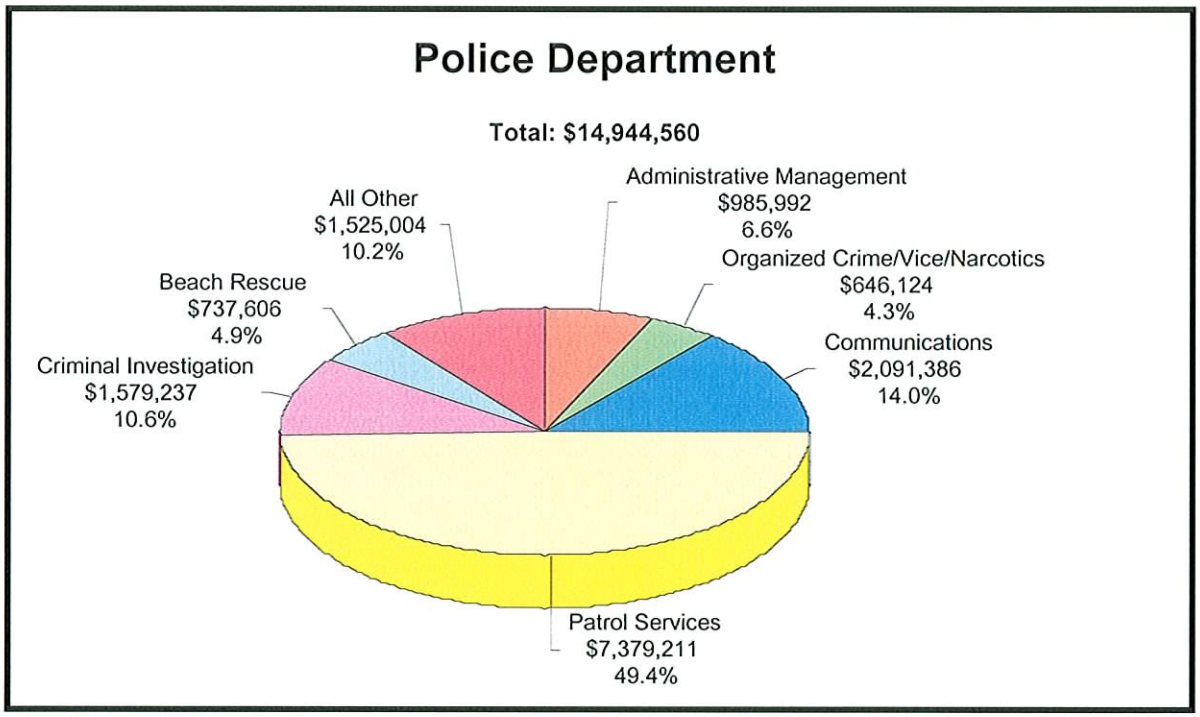
	FY2003	FY2004	FY2005	FY2006
Total Full Time Equivalent Employees	130.00	131.00	131.00	131.00

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.



	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2006 Budget
Revenues	$1,620,401	$1,378,852	$1,326,200	$1,510,755
Expenditures	$10,946,901	$12,377,262	$13,700,386	$14,944,560

Police Department

Key Results and Measurement Methodology

Key Result #1	The community feels safe.
Measurement	At least 85% of respondents choosing responses of either "Strongly Agree" or "Agree" to the following survey question: "I feel safe in Palm Beach." 2005 Results: 2005 Town-wide Citizen Satisfaction Survey Strongly Agree 59%; Agree 37%; Combined 96%
Key Result #2	Prevent crime and protect life and property.
Measurement	Crime rate for serious crime below that of the US and State of Florida averages. 2005 Results: 2004 U.S. Serious Crime -1.2% 2004 State of Florida Serious Crime -3.0% 2005 YTD Serious Crime -3.3% 2004 Palm Beach Serious Crime -1.39% 2005 Palm Beach YTD (Oct 2005) Serious Crime -2.84%
Key Result #3	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 "Exceeds" or "Meets" to the following survey question: "Police Department's effectiveness at preventing crime and enforcing laws." 2005 Results: 2005 Townwide Citizen Satisfaction Survey "Exceeds" 62%; "Meets" 34%; Combined 96%
Key Result #4	A successful police mission is accomplished via 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 2005 Results: 2000 Census Population 10,468 2005 YTD (September 2005) Membership 1,100 or 10.5%

Police Department

Measurement	The Palm Beach Police Department's internet web site experiences an average of at least 2,500 successful hits per day. <u>2005 Results:</u> Average of 6,012 hits per day as reported on the 6 month review of the Department's Goals and Objectives
Measurement	Provide Citizen and Teen Police Academy programs to at least 75 persons. <u>2005 Results:</u> 2005 YTD (October 2005) 45 Adults and 30 Teens

Police Department

Police Department - All Programs
Revenue Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Bullet Proof Vests Grant	3,298	0	3,500	3,500	10,155	190.14%
Local Law Enforcement Block Grant	8,255	6,853	8,000	8,000	0	-100.00 %
Seized Tag	2,433	783	1,000	3,500	1,900	90.00%
911 Equipment Reimbursement	266,745	128,202	77,700	77,700	185,200	138.35%
Special Assignment Overtime	408,600	296,010	362,000	280,000	355,000	-1.93%
Police ID Cards	19,517	22,630	18,000	31,045	20,000	11.11%
Burglar Alarm False Alarm Fees	56,100	39,480	55,000	31,000	35,000	-36.36%
Burglar Alarm Registration Fees	53,880	49,575	51,000	95,150	50,000	-1.96%
Burglar Alarm Penalty	0	230	0	3,500	3,500	100.00%
Burglar Alarm Direct Connect	2,400	4,750	8,000	8,500	6,000	-25.00%
Valet Parking Permit	6,500	1,250	4,500	4,500	4,500	0.00%
Fines-Parking Meters	134,820	150,439	160,000	190,000	160,000	0.00%
Penalties-Parking Meters	43,609	58,833	60,000	136,275	75,000	25.00%
Fines-Other Parking	475,283	418,858	350,000	333,315	350,000	0.00%
Penalties-Other Parking	79,652	147,040	110,000	226,525	175,000	59.09%
Moving Violations	49,227	43,940	48,000	67,145	70,000	45.83%
Revenue/2nd $ Funding	3,982	3,424	3,500	4,770	3,500	0.00%
Boot Fees	6,100	6,555	6,000	5,000	6,000	0.00%
TOTALS	1,620,401	1,378,852	1,326,200	1,509,425	1,510,755	13.92%

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 currently budgets for 10 vests per year at a cost of approximately $8,000. During FY 2006 the department anticipates buying 12 vests in order to cover new hires. 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. During 2006, the County only anticipates reimbursing call taker expenses at 7.5%.

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 $60 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 last two fiscal years.

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.

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 FY06 budget reflects estimates of revenue based upon FY05 collections.

Penalties-Parking Meters:
Monies collected as a result of failing to pay parking tickets issued for parking meter violations in a timely manner. The FY06 budget reflects estimates of revenue based upon FY05 collections.

Fines-Other Parking:
Monies collected from the payment of parking tickets issued for all parking violations except parking meter violations. The FY06 budget reflects estimates of revenue based upon FY05 collections.

Penalties-Other Parking:
Monies collected as a result of failing to pay parking tickets issued for "other" parking violations in a timely manner. The FY06 budget reflects estimates of revenue based upon FY05 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.

Police Department

Police Department - All Programs
Expenditure Summary

	FY2002 Actual	FY2003 Actual	FY2004 Budget	FY2004 Projected	FY2005 Budget	% Change
Expenditures						
Salaries and Wages	7,288,495	7,807,542	8,291,453	8,115,480	8,446,546	1.87%
Employee Benefits	2,629,925	3,500,553	4,071,923	4,046,388	4,434,249	8.90%
Contractual	375,992	328,414	494,197	499,739	479,471	-2.98%
Commodities	291,766	317,817	357,020	416,520	374,706	4.95%
Capital Outlay	360,723	422,936	475,793	480,009	1,204,588	153.17%
Other	0	0	10,000	5,000	5,000	-50%
TOTALS	10,946,901	12,377,262	13,700,386	13,563,136	14,944,560	9.08%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

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

Contractual:
Reduction due to the completion of the state and national Accreditation assessments in FY2005.

Commodities:
No Significant Change.

Capital Outlay:
Mainly due to the purchase of a new firing range system, radio system, digital video system for patrol vehicles, motorcycle trade-in expenses transferred from Contractual expenses and a new lifeguard tower for Phipps Ocean Park.

Other:
Reduction in grant matching funds based on the reduction in anticipated monies from the Local Law Enforcement Block Grant program.

Police Department

PROGRAM: ADMINISTRATIVE MANAGEMENT 421

Mission: This division exists to manage, support and evaluate all functions of the Police Department in order to provide highly effective and efficient law enforcement for Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

- Provide leadership and motivation
- Administer a budget that supports necessary activities
- Evaluate compliance with national and state accreditation standards for police practices

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Overall citizens are satisfied with the services of the Police Department.
Measure:	Results from Citizen Satisfaction Survey indicate at least a 90% or higher approval rating in the combined categories of "excellent" and "good".
Result:	Maintain a professional law enforcement agency.
Measure:	Full compliance with all mandatory and 80% of optional Commission on Accreditation for Law Enforcement Agencies (CALEA) and Commission for Florida Law Enforcement Accreditation (CFA) standards to achieve re-accreditation.
Result:	Conduct the work of Administrative Management in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Police Chief	1.00	1.00	1.00	1.00
Major	2.00	2.00	2.00	2.00
Sergeant	1.00	1.00	1.00	1.00
Administrative Planner	1.00	1.00	1.00	1.00
Administrative Assistant	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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	534,731	574,210	594,173	603,316	614,166	3.36%
Employee Benefits	175,924	229,745	248,081	246,870	259,585	4.64%
Contractual	61,864	41,617	74,020	72,950	57,554	-22.25%
Commodities	45,841	42,756	48,900	61,035	47,700	-2.45%
Capital Outlay	4,094	5,856	1,987	7,454	1,987	0.00%
Other	0	0	10,000	5,000	5,000	-50.00%
TOTALS	822,454	894,184	977,161	996,625	985,992	0.90%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

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

Contractual:
Reduction due to the completion of state and national on-site accreditation assessment in FY2005.

Commodities:
Reduction due to the slight decrease in Office Furniture/Equipment (>$2500).

Capital:
No change.

Other:
Reduction in grant matching funds based on the reduction in anticipated monies from the Local Law Enforcement Block Grant program.

Police Department

PROGRAM: SPECIAL INVESTIGATIONS UNIT (SIU) 422

Mission: This division exists to minimize the impact of specialized criminal activity (drug enforcement, computer/internet, major financial, organized and vice) within the Town of Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

- Interview potential targets and associates
- Conduct surveillance
- Make arrests, seize property and assets, establish confidential informants
- Network with other agencies and intelligence groups
- Analyze all intelligence to disseminate
- Maintain intelligence files

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Maximize intelligence function relative to crime in Palm Beach.
Measure:	Active participation in various intelligence organizations and collection, analysis and dissemination of intelligence information directly effecting criminality in Palm Beach.
Result:	Adequate intelligence records and effective use of confidential informants.
Measure:	Measured by number of arrests, investigations, investigations using confidential informants, and number of surveillance hours.
Result:	Police personnel are well informed of applicable intelligence.
Measure:	Number of intelligence bulletins prepared and disseminated.
Result:	Conduct the work of the Special Investigations Unit in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Total Cases Investigated	434	269	108	94
Total Intelligence Reports	757	354	362	394
Disseminated Intelligence Bulletins	153	90	78	85

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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**

Program 422 - Organized Crime/Vice/Narcotics
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	308,643	347,275	368,739	352,369	372,839	1.11%
Employee Benefits	113,856	168,573	195,995	193,097	209,076	6.67%
Contractual	45,272	34,088	45,600	45,650	44,200	-3.07%
Commodities	7,068	9,233	9,400	13,825	15,000	59.57%
Capital Outlay	8,993	9,274	9,828	9,828	5,009	-49.03%
Other	0	0	0	0	0	0.00%
TOTALS	483,832	568,443	629,562	614,769	646,124	2.63%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

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

Contractual:
Reduction of $1,400 in the Travel/Professional Development based on anticipated availability of courses in FY06.

Commodities:
Increase of $2,000 in Office Furniture/Equipment (>$2500) for two night scopes and $2,600 in Fuel/Motor Oil.

Capital Outlay:
Reduction in annual depreciation.

Police Department

PROGRAM: RECORDS INFORMATION SYSTEM UNIT 423

Mission: This division exists to provide a centralized collection point for all police activity records and disseminate this information to all in an accurate and meaningful way.

Main Activities: The most important things we do to fulfill the mission are:

- Input all records and data into computer system
- Destroy records in accordance with General Records Schedule for Local Government Agencies and Law Enforcement Agencies
- Provide the public and department with requested reports and records
- Maintain an accurate inventory of police equipment and all police property

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Availability of information to the public and the police department.
Measure:	Entering records into the department computerized records management system no later than the next business day after the record has been received.
Result:	Effective access to public records.
Measure:	Provide records requested by the public and police department not later than 3 business days from receipt of the request.
Result:	Timely and accurate accounting of all department property, equipment, and firearms.
Measure:	Accurate yearly audit of Fixed Assets and department property.
Result:	Conduct the work of the Records Information System Unit in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Incident Reports	2,111	2,006	1,839	1,764
Citations/Violations Processed	3,847	4,625	4,638	5,648

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Records Supervisor	1.00	1.00	1.00	1.00
Records Information Secretary	3.00	3.00	2.00	2.00
TOTAL	**4.00**	**4.00**	**3.00**	**3.00**

Police Department

Program 423 - Records Information Systems Unit
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	164,136	168,737	134,593	133,813	135,201	0.45%
Employee Benefits	66,316	75,971	62,341	62,340	70,997	13.88%
Contractual	16,098	9,522	13,450	14,260	13,450	0.00%
Commodities	5,569	2,879	5,100	5,100	5,100	0.00%
Capital Outlay	763	763	191	191	191	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	252,882	257,872	215,675	215,704	224,939	4.30%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 change.

Commodities:
No change.

Capital:
No change.

Police Department

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

Mission: This division exists to enhance public safety by providing education and training to the community and the Police Department staff that will both enhance crime prevention and encourage citizens involvement.

Main Activities: The most important thing we do to fulfill the mission are:

- Provide education programs for citizens, businesses and schools as a result of Palm Beach Crime Watch
- Recruit, place and manage volunteers for a variety of assignments
- Provide current training necessary for certification retention and advancement
- Provide accurate information to the public and news media re: Police Affairs
- Plan, process and track external training requests
- Develop new programs that stay abreast with current crime trends

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Police officer and civilian training meets training needs and requirements.
Measure:	Mandated training standards are met or exceeded by all applicable police department personnel.
Result:	Public safety is enhanced by responsible community involvement.
Measure:	Number of crime watch members and citizens involved in Crime Watch programs.
Result:	Citizens are satisfied with police department crime prevention efforts/programs.
Measure:	Results from Citizen Satisfaction survey indicate at least a 90% or higher approval rating in the combined categories of "Excellent" and "Good".
Result:	Conduct the work of Training/Personnel/Crime Prev./Public Info. in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Crime Prevention Activities (hrs)	3,200	3,960	35	42
Volunteer Hours	3,847	4,656	58	65
Palm Beach Crime Watch Members	760	900	1,160	1,500

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Civilian Manager	1.00	1.00	1.00	1.00
Civilian Training Coordinator	1.00	1.00	1.00	1.00
Crime Prevention Specialist	0.00	0.00	1.00	1.00
Office Assistant II	1.00	1.00	1.00	1.00
TOTAL	**3.00**	**3.00**	**4.00**	**4.00**

Police Department

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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	150,580	164,195	202,989	196,030	218,609	7.70%
Employee Benefits	55,791	64,215	89,019	88,193	95,958	7.80%
Contractual	13,800	14,470	33,525	32,680	34,650	3.36%
Commodities	18,865	15,097	19,695	20,320	34,346	74.39%
Capital Outlay	7,030	4,182	4,182	4,182	4,182	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	246,066	262,159	349,410	341,405	387,745	10.97%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 funds for one additional Police Academy participant and printing costs of various crime prevention brochures.

Commodities:
Increase in Office Furniture/Equipment (>$2500) and Other Supplies for ammunition and training supplies for entire department for annual weapon qualifications and certifications.

Capital Outlay:
No change.

Police Department

PROGRAM: COMMUNICATIONS UNIT 425

Mission: This division exists to enhance public safety by providing the community and field personnel with professional and rapid response to all calls for public safety assistance through effective training of personnel and continual evaluation of success and need.

Main Activities: The most important things we do to fulfill the mission are:

- Receive emergency and non-emergency calls for service
- Coordinate appropriate response of Public Safety services
- Provide emergency medical instructions
- Operate and control interoperable radio systems for police and fire rescue
- Support field personnel by processing and relaying information

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Process calls for service in timely fashion to maximize effectiveness.
Measure:	Meet or exceed established standards and policies.
Result:	Citizen satisfaction in Communication's role in receiving and processing calls for service.
Measure:	Results from Citizen Satisfaction survey indicate at least a 90% or higher approval rating in the combined categories of "Very satisfied" and "Satisfied".
Result:	Maintain quality assurance in all facets of the communications operation.
Measure:	Report quality assurance standards compliance.
Result:	Employees are well-trained and maintain appropriate skills and abilities.
Measure:	Meet or exceed established training standards and certification.
Result:	Conduct the work of the Communications Unit in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Police Calls	85,315	79,119	79,213	81,474
Fire Calls	1,495	1,316	1,663	1,842
Medical Calls	2,146	2,014	1,908	2,338

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	615,019	718,494	787,872	734,285	846,510	7.44%
Employee Benefits	252,639	350,157	393,115	385,164	419,822	6.79%
Contractual	122,336	115,375	134,030	134,585	136,128	1.57%
Commodities	4,352	6,026	7,025	7,410	6,705	-4.56%
Capital Outlay	39,340	13,614	13,950	13,950	682,221	4790.47%
Other	0	0	0	0	0	0.00%
TOTALS	1,033,686	1,203,666	1,335,992	1,275,394	2,091,386	56.54%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 City of West Palm Beach radio system user fee which will continue to be necessary until the new radio system is fully implemented.

Commodities:
Slight reduction in Office Furniture/Equipment (>$2500).

Capital Outlay:
Increase for purchase of Center Plus Service Observation Module (customer service and quality control software) for telephone system and a radio system that will increase interoperability with other agencies.

Police Department

PROGRAM: CRIME SCENE/EVIDENCE UNIT 426

Mission: This division exists to enhance public safety and assist the crime solving process through the forensic investigation of crime scenes.

Main Activities: The most important things we do to fulfill the mission are:

- Collect, record and preserve physical evidence found at crime scenes
- Prepare detailed investigative reports
- Sketching and photography, as needed
- Conduct laboratory analysis of forensic evidence
- Examination and comparison of latent fingerprints
- Preparation of cases for trial
- Submission of evidence to appropriate forensic laboratories for analysis
- Perform crime prevention services for the community to include fingerprinting and identification cards

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Proper collection and storing of property and evidence.
Measure:	Successful inspections/audits of the unit's property and evidence.
Result:	Thorough and timely development and submission of evidence.
Measure:	Utilization of the Automated Fingerprint Identification System; comparison of latent fingerprints; submission of forensic evidence for DNA analysis and comparison.
Result:	Provide town residents and businesses useful services.
Measure:	Voluntary ID cards produced; civilian fingerprinting program; reproduction of audio, video and photographic evidence.
Result:	Conduct the work of the Crime Scene/Evidence Unit in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Latent Print Comparisons	70,235	13,650	17,520	15,000
Fingerprint Identifications	228	87	78	80
Crime Scenes Processed	139	171	101	125

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Police Officer/Manager	1.00	1.00	1.00	1.00
Crime Scene Technician II	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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	197,295	181,184	202,448	182,520	227,221	12.24%
Employee Benefits	76,401	87,314	99,976	97,650	108,709	8.74%
Contractual	19,480	21,455	17,900	17,925	19,025	6.28%
Commodities	10,690	12,704	24,500	23,465	20,200	-17.55%
Capital Outlay	6,848	37,486	17,304	17,258	10,365	-40.10%
Other	0	0	0	0	0	0.00%
TOTALS	310,714	340,143	362,128	338,818	385,520	6.46%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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/Professional Development increased due to training of new Crime Scene Technician II.

Commodities:
Decreases in Office Furniture/Equipment (>$2500) and Publications/Subscriptions.

Capital Outlay:
Decrease due to purchases of office equipment during FY2005 which will not be repeated in FY2006.

Police Department

PROGRAM: PATROL 428

Mission: This division exists to protect life and property, prevent and suppress crime, preserve the public order and apprehend violators of laws and ordinances in order to create an environment where citizens feel safe and secure.

Main Activities: The most important things we do to fulfill the mission are:

- Provide first level of law enforcement response
- Use cruisers, motorcycles, bicycles, ATV's, marine units and foot patrol as appropriate to the situation
- Investigate suspicious persons and incidents to deter and detect criminal activity
- Establish 'omnipresence' through frequent and conspicuous patrol throughout the community
- Resolve various types of problems and conflicts in order to preserve the peace
- Enforce traffic regulations, investigate accidents and maintain an orderly flow of traffic
- Employ a proactive approach to deter and prevent crime

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Citizens, businesses, and visitors feel safe and secure in the community.
Measure:	Results from Citizen Satisfaction survey indicate at least a 90% or higher approval rating in the combined categories of "exceeding" or "meeting" expectations.
Result:	Traffic safety is improved by enforcement of traffic laws and crash prevention activities.
Measure:	Report property damage and personal injury resulting from traffic crashes and traffic enforcement index.
Result:	Visible patrol to deter and prevent crime.
Measure:	Report number of vehicle, foot, bicycle and ATV hours.
Result:	Conduct the work of the Patrol Unit in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Calls for Service	43,038	38,365	37,804	40,480
Arrest by Patrol Officers	1,190	1,713	1,340	1,418
Business Security Checks	170,387	214,063	180,424	136,538
Closed House Checks	17,039	17,798	14,784	12,000
Field Interview Reports	766	619	749	1,284

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Police Captain	4.00	4.00	4.00	4.00
Sergeant	8.00	8.00	8.00	8.00
Police Officer	43.00	44.00	44.00	44.00
Patrol Office Assistant	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	**58.00**	**59.00**	**59.00**	**59.00**

Police Department

Program 428 - Patrol Services
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	3,877,819	4,070,043	4,354,933	4,289,830	4,298,814	-1.29%
Employee Benefits	1,295,635	1,791,837	2,103,624	2,095,171	2,309,309	9.78%
Contractual	65,943	51,409	133,664	135,756	132,156	-1.13%
Commodities	172,448	190,585	210,300	249,055	207,120	-1.51%
Capital Outlay	208,575	296,233	360,963	360,057	431,812	19.63%
Other	0	0	0	0	0	0.00%
TOTALS	5,620,420	6,400,107	7,163,484	7,129,869	7,379,211	3.01%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase, offset by a decrease in the amount of overtime pay expected.

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

Contractual:
Decrease due to trade-in cost of motorcycles being transferred to Capital Outlay for depreciation purposes.

Commodities:
Decrease due to reductions in Office Furniture/Equipment (>$2500) and Other Supplies.

Capital Outlay:
Increase due to cost of motorcycle trade-in ($28,200) being moved to from Contractual expenses for depreciation purposes; the purchase of a new Digital Video System for patrol vehicles ($94,823 of which $50,103 will be paid out of the Equipment Replacement Fund); $15,000 for related computer system; $26,950 for the purchase of a new firing range computer to replace a 19 year old model that is unserviceable; and an increase in annual depreciation.

Police Department

PROGRAM: CRIMINAL INVESTIGATION UNIT 429

Misson: This division exists to investigate, solve and suppress crime and apprehend criminals in order to provide a sense of personal safety and security to citizens and business owners.

Main Activities: The most important things we do to fulfill the mission are:

- Interviewing of witnesses and interrogation of suspects
- Victim contact and follow-up
- Coordinate and flow of investigations and information among other jurisdictions and units
- Unmarked crime suppression activities and general support of patrol and investigation
- Dignitary protection for qualified personnel
- Reducing residential burglary through proactive strategic and tactical operations

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Thorough case investigation by interviewing witnesses and suspects.
Measure:	Clearance rates at or above police department standards.
Result:	Victim satisfaction of police department support and contact.
Measure:	Results from Citizen Satisfaction survey indicate at least a 90% or higher approval rating in the combined categories of "Very satisfied" or "Satisfied".
Result:	Effective communication with other units and organizations to assist in investigations.
Measure:	Attendance at outside unit and/or agency information gathering meetings and distribution of pertinent investigative information.
Result:	Conduct the work of the Criminal Investigation Unit in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Number of Crimes Investigated	522	365	362	384
Investigative Clearance Rate (Part 1)	27%	24%	32%	27%
Tactical Unit Activity Hours (foot, bicycle, surveillance)	5,120	4,895	4,042	3,200

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Police Captain	1.00	1.00	1.00	1.00
Sergeant	2.00	2.00	2.00	2.00
Police Officer	9.00	9.00	9.00	9.00
Crime Analyst	1.00	1.00	1.00	1.00
Detective Office Assistant	1.00	1.00	1.00	1.00
TOTAL	**14.00**	**14.00**	**14.00**	**14.00**

Police Department

Program 429 - Criminal Investigation Unit
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	829,035	916,541	943,883	916,568	967,301	2.48%
Employee Benefits	303,731	428,545	502,912	503,050	545,680	8.50%
Contractual	18,703	22,033	26,958	26,553	26,258	-2.60%
Commodities	12,445	15,715	16,100	18,405	16,125	0.16%
Capital Outlay	16,246	27,103	32,751	32,751	23,873	-27.11%
Other	0	0	0	0	0	0.00%
TOTALS	1,180,160	1,409,937	1,522,604	1,497,327	1,579,237	3.72%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

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

Contractual:
Slight decrease due to reduction in telephone base charges.

Commodities:
No significant change.

Capital Outlay:
Decrease in annual depreciation.

Police Department

PROGRAM: PARKING CONTROL UNIT 430

Mission: This division exists to provide for the efficient use of limited public parking availability through active enforcement of all parking ordinances, rules and regulations.

Main Activities: The most important things we do to fulfill the mission are:

- Patrol parking areas on a regular basis to identify and ticket violators
- Address inquiries and complaints from the public
- Handle pedestrian and vehicular traffic at schools and major intersections
- Apply vehicle immobilization device s necessary
- Review construction plans for traffic hazards, traffic flow and parking for special events as needed

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Maximize motorist obedience of parking laws and rules.
Measure:	Number of parking tickets and warnings issued for violations.
Result:	Citizens are satisfied with the enforcement of parking laws and rules.
Measure:	Results from Citizen Satisfaction survey indicate at least a 90% or higher approval rating in the combined categories of "Very satisfied" or "Satisfied".
Result:	Conduct the work of the Parking Control Unit in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Parking Tickets	10,823	13,669	14,155	15,583
Meter Tickets	6,201	7,532	7,150	8,784
Traffic Boots	105	121	88	108

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Civilian Parking Control Supervisor	1.00	1.00	1.00	1.00
Parking Enforcement Officer	7.00	7.00	7.00	7.00
TOTAL	**8.00**	**8.00**	**8.00**	**8.00**

Police Department

Program 430 - Parking Control Unit
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	258,186	275,756	288,840	291,994	316,892	9.71%
Employee Benefits	114,715	137,007	153,095	153,126	166,239	8.59%
Contractual	9,701	16,094	10,500	14,485	11,500	9.52%
Commodities	7,852	17,890	7,650	9,015	7,910	3.40%
Capital Outlay	57,934	24,019	24,344	24,344	24,259	-0.35%
Other	0	0	0	0	0	0.00%
TOTALS	448,388	470,766	484,429	492,964	526,800	8.75%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 in Vehicle Maintenance - External of $1,000 due to age of vehicles in fleet.

Commodities:
Increase in Fuel/Motor Oil expenses.

Capital Outlay:
Decrease in annual depreciation.

Police Department

PROGRAM: BEACH RESCUE 432

Mission: This division exists to provide for the safety and security of beach patrons.

Main Activities: The most important things we do to fulfill the mission are:

- Maintain accreditation as set forth by the United States Lifesaving Association
- Ensure that lifeguards maintain top physical conditioning
- Participate in first-aid training programs, parking enforcement and local sea turtle conservation program
- Inform public of hazards through signs, condition boards, flags, beach report and verbal
- Continually train staff in environmental conditions and hazards, medical skills, and rescue techniques
- Take proactive measures to ensure the safety of swimmers

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Meet or exceed national standards for physical fitness.
Measure:	Report standards compliance.
Result:	Meet or exceed national standards for training requirements and certification.
Measure:	Number of training exercises compared to standards.
Result:	Obtain eventual EMT certification for all lifeguards to provide first responder services and receive Advanced Agency Certification from USLA.
Measure:	Report percentage of lifeguards with EMT certification annually.
Result:	Reduce rescues needed by employing effective prevention tactics.
Measure:	Report number of rescues and preventive measures compared year to year in relationship to beach attendance.
Result:	Conduct the work of Ocean Rescue in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Beach Attendees Protected	248,351	252,477	295,526	263,020
Preventive Actions	3,270	3,190	3,076	4,000
Rescues	15	15	11	15
Enforcements	3,909	3,163	3,441	3,000

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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
TOTAL	**10.00**	**10.00**	**10.00**	**10.00**

Police Department

Program 432 - Beach Rescue
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	353,051	391,107	412,983	414,755	448,993	8.72%
Employee Benefits	174,917	167,189	223,765	221,727	248,874	11.22%
Contractual	2,795	2,351	4,550	4,895	4,550	0.00%
Commodities	6,636	4,932	8,350	8,890	14,500	73.65%
Capital Outlay	10,900	4,406	10,293	9,994	20,689	101.00%
Other	0	0	0	0	0	0.00%
TOTALS	548,299	569,985	659,941	660,261	737,606	11.77%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 change.

Commodities:
Increase Office Furniture/Equipment (>$2500) for purchase of 6 Beach Condition Boards $4,100 and office furniture $1,500.

Capital Outlay:
Increase in Other Machinery & Equipment for the purchase of a lifeguard tower for Phipps Ocean Park.

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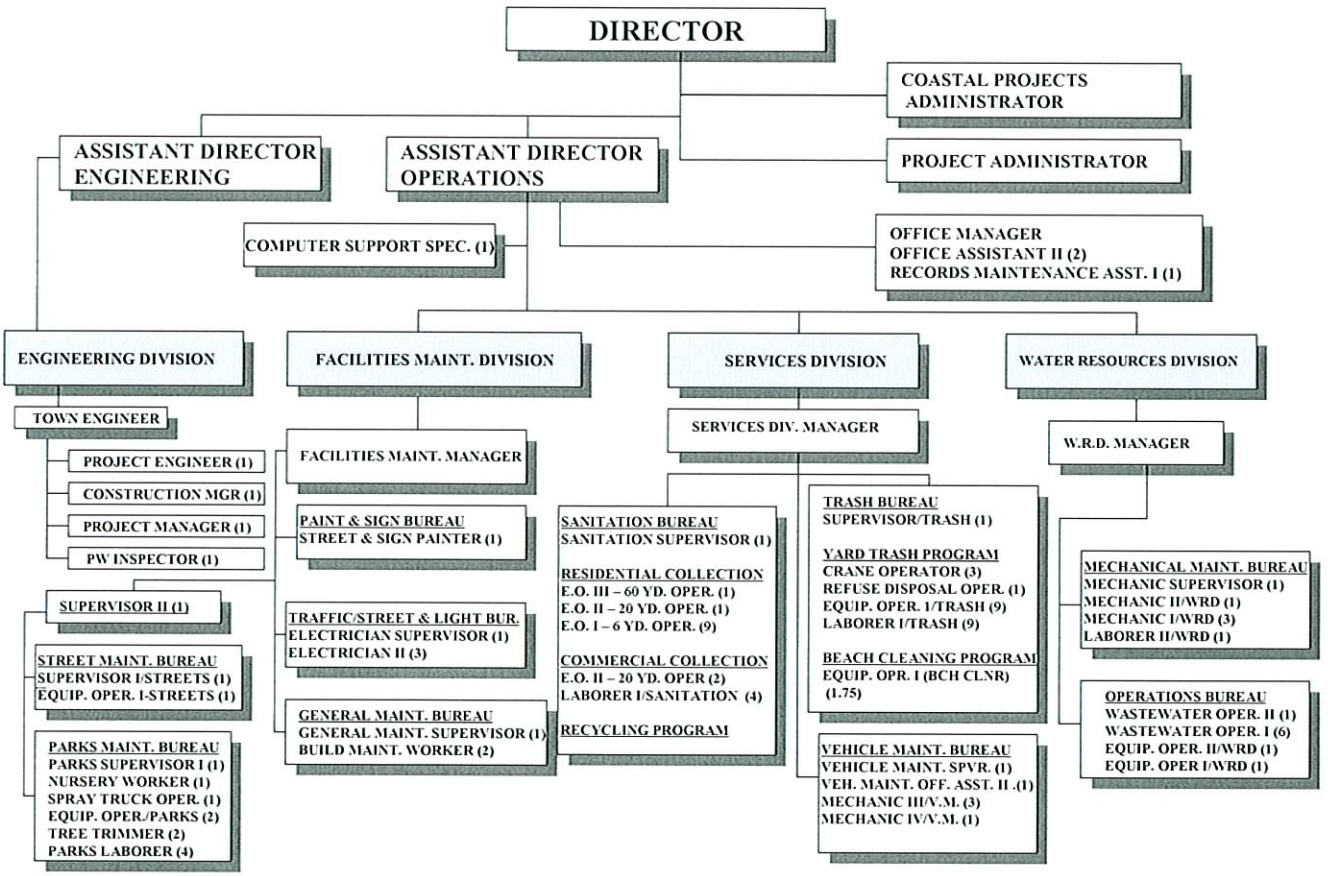
Public Works

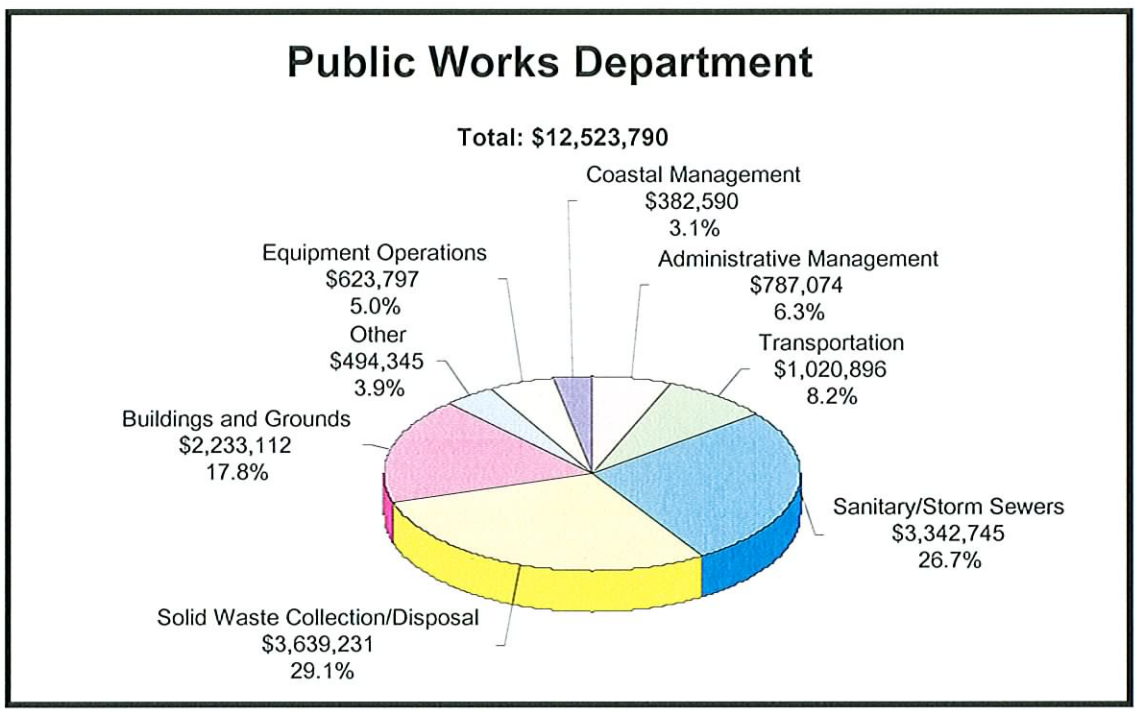
Public Works Department



	FY2003	FY2004	FY2005	FY2006
Total Full Time Equivalent Employees	101.14	99.14	100.75	102.75

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.



	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2006 Budget
Revenues	$909,459	$892,364	$964,600	$1,037,508
Expenditures	$9,699,627	$10,422,312	$11,531,750	$12,523,790

Public Works Department

Key Results and Measurement Methodology

Key Result #1	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. <u>2005 Results:</u> Public Works areas were covered within the scope of the town wide satisfaction survey and received approval ratings as stated above.
Key Result #2	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. <u>2005 Results:</u> Implementation of the new Cartograph system started during this fiscal year in Public Works. This new program will integrate payroll, work order, inventory control and vehicle maintenance systems into one database. Current levels of optimum service were maintained during this fiscal year as recorded by the current work order system.
Key Result #3	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. <u>2005 Results:</u> An informal survey was conducted and approval ratings in motivation and relevance were over 90%. Employees expressed feeling appreciated at just over 80%. A more in-depth survey needs to be done to determine what can be changed so staff feels more appreciated.

Public Works Department

Key Result #4	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. <u>2005 Results:</u> Three civil engineering consultants were hired using the Consultants' Competitive Negotiation Act at the end of Fiscal Year 2004. Only contractors that have demonstrated competence in the past have been utilized this year for capital improvement and hurricane repair construction projects.

Public Works Department

Public Works - All Programs
Revenue Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Special Solid Waste	11,439	9,815	10,000	12,000	10,000	0.00%
Solid Waste	654,734	624,378	700,000	700,390	730,000	4.29%
Compacted Garbage Collection Fee	176,873	165,471	166,600	209,155	212,508	27.56%
Yard Trash Collection	6,783	4,057	0	0	0	0.00%
Beach Cleaning-Citizen's Association	42,805	65,730	63,000	55,410	60,000	-4.76%
Right of Way Parking Violation Fines	16,825	22,913	25,000	30,000	25,000	0.00%
TOTALS	909,459	892,364	964,600	1,006,955	1,037,508	7.56%

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.

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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	4,382,238	4,732,165	4,939,058	5,013,312	5,246,952	6.23%
Employee Benefits	1,596,481	1,892,153	2,102,207	2,124,215	2,296,007	9.22%
Contractual	2,887,218	2,837,805	3,319,901	3,269,550	3,614,750	8.88%
Commodities	541,792	691,256	602,650	651,996	690,890	14.64%
Capital Outlay	291,898	268,933	567,934	582,497	675,191	18.89%
Other	0	0	0	0	0	0.00%
TOTALS	9,699,627	10,422,312	11,531,750	11,641,570	12,523,790	8.60%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. This increase also reflects an increase of two new positions (maintenance mechanic & equipment operator) for the Water Resources Division, and the full-year funding for the second Assistant Director position.

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

Contractual:
An increase due to annual escalation of multi-year contracts including commercial santitation collection, turtle monitoring, and street sweeping. Costs for operating the Sand Transfer Plant are expected to increase based on estimates from Palm Beach County. Replacement of a major HVAC component at the South Fire Station, and an expanded requirement for load testing of generators will contribute to the increase also.

Commodities:
An increase due to anticipated fuel cost adjustments is common for all programs, along with additional materials, supplies, and equipment associated with newly constructed stormwater pump stations, and emergency generator maintenance.

Capital Outlay:
The increase is due to more annual street resurfacing work, more repair and rehabilitation of the existing storm sewer system, and annual depreciation adjustments for major equipment replacement.

Public Works Department

PROGRAM: ADMINISTRATIVE MANAGEMENT 511

Mission: This division exists to provide guidance, inspiration, resources and direction to the Public Works Department to ensure that the multiple functions we perform are both efficient through our commitment to continual improvement and effective in meeting the expectations of the citizens we serve.

Main Activities: The most important things we do to fulfill the mission are:

- Provide oversight to all Public Works programs to ensure we maintain or improve levels of service and safety measures
- Implement the Town's Capital Improvement Plan and the Drainage Improvement Plan
- Manage all projects authorized by the Town Council
- Continually seek new and better ways to accomplish our mission

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Positive work environment that encourages personal and team commitment to our vision and values.
Measure:	Low turnover rate and positive employee feedback on internal measurement survey
Result:	Services provided to residents and other Town employees are sources of pride to all; receivers and givers
Measure:	Resident/customer complaints are reduced each year to achieve a goal of zero complaints or satisfaction level of 90% or better from a citizen survey
Result:	All projects (Capital Improvement, Drainage Improvements, and Coastal Management) are managed to successful completion
Measure:	Projects are finished on time and within budgeted funds
Result:	Conduct the work of Administrative Management in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases tin levels of service.

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Public Works Director	1.00	1.00	1.00	1.00
Assistant Director	1.00	1.00	2.00	2.00
Project Administrator	0.50	0.50	0.50	0.50
Office Manager	1.00	1.00	1.00	1.00
Office Assistant II	2.00	2.00	2.00	2.00
Records Maintenance Asst. I	1.00	1.00	1.00	1.00
Public Works Systems Specialist	1.00	1.00	1.00	1.00
TOTAL	**7.50**	**7.50**	**8.50**	**8.50**

Public Works Department

Program 511 - Administrative Management
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	381,615	410,830	440,791	435,881	554,948	25.90%
Employee Benefits	117,899	149,503	163,299	163,447	184,726	13.12%
Contractual	31,731	31,551	30,200	35,600	38,800	28.48%
Commodities	5,325	6,788	8,200	8,310	8,600	4.88%
Capital Outlay	1,765	1,427	1,235	1,235	0	-100.00%
Other	0	0	0	0	0	0.00%
TOTALS	538,335	600,099	643,725	644,473	787,074	22.27%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase, and full-year funding of second Assistant Director position.

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

Contractual:
Increase is due to additional educational reimbursement, professional development, and copy machine lease renewal.

Commodities:
No significant change.

Capital:
Annual depreciation is no longer applicable.

Public Works Department

PROGRAM: STREET REPAIR & MAINTENANCE 521

Mission: This bureau exists to maintain, repair, and clean streets in order to provide a safe, smooth riding surface throughout the town and to assure that we have safe sidewalks, bikeways, and trail systems.

Main Activities: The most important things we do to fulfill the mission are:

- Employ state of the art techniques to do an excellent job
- Do the job right the first time
- Work to continually improve quality and efficiency
- Survey streets to prioritize work program
- Respond to emergencies and priorities in a timely fashion

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Ride surfaces throughout the Town are smooth and safe
Measure:	Observation and feedback from users
Result:	Sidewalks and bike trail systems are safe and free from hazards
Measure:	Observation and feedback from users
Result:	Citizens are satisfied with the quality of streets and bike trail systems
Measure:	Satisfaction is measured by low number, or lack, of complaints or a satisfaction level of 90% or better from a citizen survey
Result:	Apply state of the art techniques to our work
Measure:	Engage in forums to continually learn new ideas and apply, reporting improvements
Result:	Conduct the work of Street Repair and Maintenance in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Storm Inlets Cleaned and Inspected	n/a	1,137	1,137	1,640
Streets Resurfaced	n/a	0	36,268 s.y.	19,010
Sidewalk Squares Replaced	n/a	125 s.y.	125 s.y.	100 s.y.
Potholes Patched	n/a	9 s.y.	18 s.y.	20 s.y.

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Facilities Maintenance Manager	0.10	0.10	0.10	0.10
Streets/Parks Supervisor	0.11	0.11	0.11	0.11
Parks Supervisor I	0.01	0.01	0.00	0.00
Supervisor/Streets	0.75	0.75	0.75	0.75
Equipment Operator I/Streets	0.75	0.75	0.75	0.75
Spray Truck Operator	0.01	0.01	0.01	0.01
TOTAL	**1.73**	**1.73**	**1.72**	**1.72**

Public Works Department

Program 521 - Street Repair and Maintenance
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	63,430	65,955	84,098	78,500	91,749	9.10%
Employee Benefits	27,568	33,626	37,736	38,145	42,019	11.35%
Contractual	120,049	115,733	132,700	132,700	135,600	2.19%
Commodities	11,632	29,046	10,900	11,375	11,400	4.59%
Capital Outlay	6,028	5,401	145,721	150,030	228,245	56.63%
Other	0	0	0	0	0	0.00%
TOTALS	228,707	249,761	411,155	410,750	509,013	23.80%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

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

Contractual:
Minor increase associated with street sweeping contract.

Commodities:
Increase due to anticipated fuel cost adjustments.

Capital Outlay:
An increase in the annual street resurfacing work is required based on roadway conditions and deterioration.

Public Works Department

PROGRAM: TRAFFIC CONTROL 523

Mission: This bureau exists to provide and maintain traffic signals and control signs to ensure safe, well marked street systems.

Main Activities: The most important things we do to fulfill the mission are:

- Schedule preventive maintenance and inspection programs to proactively address issues
- Repair/replace signals and signs as necessary on Town's required level of service plan
- Upgrade signage and install new signs by required replacement schedule

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Safe roadways and pathways due to excellent quality signage
Measure:	Observation and feedback from users
Result:	Minimize or eliminate accidents due to traffic signal or signage problems
Measure:	Respond to outages or sign problems within prescribed level of service schedule
Result:	Town signs always have excellent appearance (straight poles and no faded signs)
Measure:	Observation and feedback from citizen survey
Result:	Conduct the work of Traffic Control in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.
Result:	Residents and visitors will be satisfied with our work
Measure:	Satisfaction is measured by low number, or lack, of complaints or a satisfaction level of 90% or better from citizen survey

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Inspections Performed on System	n/a	2	2	2
Traffic Control Signs Replaced	n/a	500	500	500
Street Name Signs Replaced	n/a	100	100	100
Control Lines Painted	n/a	29,200 ft.	29,200 ft.	23,000 ft.
Thermoplastic Lines Refurbished	n/a	560 ft.	2,948 ft.	2,700 ft.
Traffic Signal Replacement (LED)	n/a	16	24	38

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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	0.02	0.02
Parks Supervisor I	0.03	0.11	0.11	0.11
Parks Laborer	0.01	0.01	0.01	0.01
Equipment Operator/Parks	0.11	0.05	0.00	0.00
Electrician II	0.35	0.35	0.33	0.36
Building Maintenance Worker	0.07	0.04	0.04	0.04
Street & Sign Painter	0.48	0.48	0.48	0.48
TOTAL	**1.42**	**1.41**	**1.30**	**1.33**

Public Works Department

Program 523 - Traffic Control
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	56,135	87,935	110,386	114,820	78,808	-28.61%
Employee Benefits	22,713	29,451	30,142	32,300	32,547	7.98%
Contractual	38,968	34,937	57,650	57,650	47,200	-18.13%
Commodities	23,660	28,664	26,000	26,100	25,600	-1.54%
Capital Outlay	2,904	2,065	1,933	1,933	1,933	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	144,380	183,052	226,111	232,803	186,088	-17.70%

EXPENDITURES

Salaries and Wages:
Decrease due to large expenditures in overtime during FY05, offset by increases due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 reduced painting need this year.

Commodities:
No significant change.

Public Works Department

PROGRAM: STREET LIGHTING 524

Mission: This bureau exists to maintain reliable, safe and effective street lighting systems that contribute to safe streets in the Town and protect endangered sea turtles from light intrusion during nesting season.

Main Activities: The most important things we do to fulfill the mission are:

- Conduct preventive maintenance to avoid lighting outages
- Perform "locates" for underground wiring to minimize the likelihood of damage due to digging
- Replacement of older poles and base rods on predetermined schedule for uniform lighting
- Surveillance
- Timely installation of turtle shields

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Lighting system is electrically and structurally safe with fewer outages
Measure:	Measure outage numbers and duration, compare year to year
Result:	Lighting system is functionally effective and efficient
Measure:	Reduce repairs needed, measure repair costs year to year
Result:	Emergency repairs handled in a timely fashion as prescribed by Town's level of service requirements
Measure:	Emergencies responded to on the day received
Result:	Conduct the work of Street Lighting in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service
Result:	Citizens will be satisfied with our work
Measure:	No complaints received regarding service requests or violations of lighting during turtle season
Result:	Appearance of lighting will reflect the quality of the Town
Measure:	Observation and feedback of standardized lighting system

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Inspections of Entire System	n/a	12	12	12
Turtle Shades Placed/Removed	n/a	258	258	258

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Electrician Supervisor	0.46	0.46	0.46	0.46
Electrician II	1.23	1.23	1.23	1.23
Facilities Maintenance Manager	0.10	0.10	0.10	0.10
TOTAL	**1.79**	**1.79**	**1.79**	**1.79**

Public Works Department

Program 524 - Street Lighting
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	118,647	140,505	122,483	127,730	123,431	0.77%
Employee Benefits	34,707	41,661	45,038	46,582	48,249	7.13%
Contractual	77,205	83,704	101,300	101,300	116,900	15.40%
Commodities	35,334	24,117	23,000	26,915	29,700	29.13%
Capital Outlay	5,994	10,106	12,372	12,375	7,515	-39.26%
Other	0	0	0	0	0	0.00%
TOTALS	271,887	300,093	304,193	314,902	325,795	7.10%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 in electric charges.

Commodities:
Increase is due to anticipated fuel cost adjustments, and increased effort to repair/replace deteriorated street light poles.

Capital Outlay:
Annual depreciation

Public Works Department

PROGRAM: STORM SEWER MAINTENANCE 531

Mission: This bureau exists to protect the health, safety and property of residents and businesses by effectively operating and maintaining the storm system.

Main Activities: The most important things we do to fulfill the mission are:

- Perform highest level of preventive maintenance to provide 100% equipment readiness at all times
- Clean, inspect and repair storm water collection and pumping systems to keep them fully functional
- Respond quickly to rainfall and storm events
- Evaluate and improve systems to meet or exceed design standards
- Anticipate rainfall events in order to allocate proper resources
- Track rainfall and storm duration for analysis and future planning

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Flooding reduced or eliminated and customers satisfied and secure
Measure:	Reduce or eliminate complaints and flood claims from residents about storm water backing up
Result:	Storm sewer systems fully capable and available to handle flood situations
Measure:	Preventive maintenance of all components two times per year that are documented in the work order system and repairs are made in a timely manner
Result:	Meet 100% of the environmental compliance requirements imposed by governmental authorities
Measure:	Monitor and report percentage of compliance and exceptions
Result:	Telemetry systems are accurate and functional 100% of the time
Measure:	Each station checked five times per week, adjustments made and documented
Result:	Do common things exceptionally well
Measure:	Employee satisfaction is measured by high morale and enthusiasm for work
Result:	Conduct the work of Storm Sewer Maintenance in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.

Public Works Department

Program 531 - Storm Sewer Maintenance
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	123,111	134,558	164,567	164,563	315,650	91.81%
Employee Benefits	52,359	63,618	101,686	110,037	137,171	34.90%
Contractual	100,067	92,713	129,100	114,400	144,200	11.70%
Commodities	37,654	63,840	52,900	56,255	60,400	14.18%
Capital Outlay	43,809	6,259	56,259	56,259	96,259	71.10%
Other	0	0	0	0	0	0.00%
TOTALS	357,000	360,988	504,512	501,514	753,680	49.39%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. Also reflects an increase of two new positions (maintenance mechanic and equipment operator).

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

Contractual:
Increase in electric charges and equipment maintenance expenses.

Commodities:
Increase is due to anticipated fuel cost adjustments, uniforms and supplies for two additional personnel, and additional materials/equipment to maintain two newly constructed stormwater pumping stations.

Capital Outlay:
Increase is associated with increased repair and rehabilitation of the existing storm sewer system.

Public Works Department

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Weekly Check Storm Water Pump Stations	n/a	624	624	700
Bi-Annual Preventive Maintenance on Components	n/a	36	24	26
Maintain Clean Storm Lines and Catch Basins	n/a	as needed	as needed	as needed
System Pumps Repaired In-House	n/a	3	4	5
Telemetry of Each Station Checked 5 days/week	n/a	3,120	3,120	3,500

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Spray Truck Operator	0.01	0.01	0.01	0.01
WRD Manager	0.30	0.30	0.30	0.30
Mechanic Supervisor/WRD	0.25	0.25	0.37	0.38
Electrician Supervisor	0.03	0.03	0.03	0.03
Wastewater Operator II	0.25	0.25	0.38	0.38
Mechanic II/WRD	0.25	0.20	0.38	0.38
Parks Supervisor I	0.01	0.02	0.02	0.02
Building Maintenance Worker	0.02	0.01	0.02	0.02
Equipment Operator II/WRD	0.20	0.20	0.25	0.25
Wastewater Operator I	1.00	1.00	1.25	1.25
Mechanic I/WRD	0.50	0.50	0.50	1.50
Tree Trimmer	0.04	0.02	0.04	0.04
Equipment Operator I/WRD	0.20	0.25	0.25	1.25
Equipment Operator/Parks	0.02	0.02	0.00	0.00
Laborer	0.20	0.25	0.25	0.25
Parks Laborer	0.05	0.01	0.03	0.03
Electrician II	0.21	0.21	0.21	0.21
TOTAL	**3.54**	**3.53**	**4.29**	**6.30**

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Public Works Department

PROGRAM: SANITARY SEWER MAINTENANCE 532

Mission: This bureau exists to protect the health and well being of residents, businesses and visitors by operating a sanitary sewer system that prevents sewage back-up, spillage or odor impact and is 100% reliable.

Main Activities: The most important things we do to fulfill the mission are:

- Schedule and conduct proper preventive maintenance and repairs on all systems
- Troubleshoot and repair all mechanical problems the "right way", the first time
- Televise gravity lines and repair as necessary
- Closely monitor run time for pumps
- Reduce inflow and infiltration into systems to reduce treatment costs
- Upgrade stations to improve efficiency

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Stations and systems for handling sanitary waste are 100% operational, 100% of the time with preventive maintenance and repairs done in a timely manner
Measure:	Down time and repair logs maintained and exceptions reported
Result:	No spillages, overflows, back-ups or odor problems
Measure:	Report exceptions and identify system improvements
Result:	Maintain 100% compliance with EPA regulations
Measure:	Report compliance rate and exceptions
Result:	Citizens are satisfied with sanitary sewer systems
Measure:	Satisfaction is measured by low number, or lack, of complaints or a satisfaction level of 90% or better from citizen survey
Result:	Telemetry systems are accurate and 100% operational
Measure:	Check each station 5 times per week and adjust as necessary, report exceptions
Result:	Station alarms are fully operational 100% of the time
Measure:	Inspect each and test quarterly, adjust/repair immediately, and document activities
Result:	Conduct the work of Sanitary Sewer Maintenance in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.

Public Works Department

Program 532 - Sanitary Sewer Maintenance
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	551,579	555,451	568,668	581,513	567,023	-0.29%
Employee Benefits	187,053	221,277	231,883	232,618	249,068	7.41%
Contractual	80,242	105,473	103,200	109,980	130,250	26.21%
Commodities	94,337	222,899	113,800	115,410	126,700	11.34%
Capital Outlay	32,724	32,367	143,754	150,724	135,924	-5.45%
Other	0	0	0	0	0	0.00%
TOTALS	945,935	1,137,467	1,161,305	1,190,245	1,208,965	4.10%

EXPENDITURES

Salaries and Wages:
Decrease is due to larger than normal expenditures for overtime during FY05, offset by an increase due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 is due to an expanded requirement for generator load testing in several locations, and lightning protection system at master pump station.

Commodities:
Increase due to anticipated fuel cost adjustments, and building maintenance supplies and equipment.

Capital Outlay:
Decrease in amount of capital equipment to be purchased vs. FY2005, partially offset by an increase in annual depreciation charges.

Public Works Department

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Reduce inflow and infiltration	n/a	10%	15%	5%
Inspect/Operate Sanitary Pump Stations	n/a	3,172	2,964	3,000
Semi-annual Preventive Maintenance on Sanitary Components	n/a	60	60	60
Telemetry of Each Station Checked 5 Days/Week	n/a	12,480	14,500	27,440
Quarterly Test Each Station Alarm Points	n/a	192	192	192
Inspect and Repair/Replace Manholes	n/a	100	100	100

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
General Maintenance Supervisor	0.01	0.01	0.01	0.01
WRD Manager	0.70	0.70	0.70	0.70
Mechanic Supervisor/WRD	0.75	0.75	0.63	0.63
Wastewater Operator II	0.75	0.75	0.61	0.63
Electrician II	0.60	0.60	0.60	0.60
Mechanic II/WRD	0.75	0.63	0.63	0.63
Parks Supervisor I	0.02	0.02	0.00	0.00
Electrician Supervisor	0.20	0.25	0.15	0.15
Mechanic I/WRD	1.50	1.38	1.50	1.50
Street & Sign Painter	0.01	0.01	0.01	0.01
Wastewater Operator I	4.00	4.00	3.75	3.75
Equipment Operator II/WRD	0.80	1.00	0.75	0.75
Tree Trimmer	0.04	0.06	0.04	0.04
Equipment Operator I/WRD	0.80	0.75	0.75	0.75
Equipment Operator/Parks	0.02	0.06	0.02	0.02
Spray Truck Operator	0.01	0.01	0.01	0.01
Laborer	0.80	0.75	0.75	0.75
Parks Laborer	0.15	0.15	0.10	0.10
Building Maintenance Worker	0.01	0.02	0.02	0.02
TOTAL	**11.92**	**11.90**	**11.03**	**11.05**

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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, 2004, the outstanding balance due to the State Loan Fund was $14,364,114.

Each entity's interest as of September 30, 2004 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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	1,315,396	1,237,694	1,351,731	1,305,120	1,380,100	2.10%
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	1,315,396	1,237,694	1,351,731	1,305,120	1,380,100	2.10%

EXPENDITURES

Contractual:
Sewage treatment and disposal fees.

Public Works Department

PROGRAM: RESIDENTIAL COLLECTION 541

Mission: This bureau exists to promote the health of the community through the efficient and effective removal of residential waste on a regular schedule prescribed by ordinance.

Main Activities: The most important things we do to fulfill the mission are:

- Collect garbage four days per week and recyclable materials once per week
- Minimize the impact of garbage odors, pest attraction and unpleasant appearance
- Collect with the least disruption possible

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Meet the collection schedule 100% of the time
Measure:	Report exceptions to the desired result
Result:	Residents are satisfied with the level and quality of service
Measure:	Satisfaction is measured by low number, or lack, of complaints or a satisfaction level of 90% or better from citizen survey
Result:	Conduct the work of Residential Collection in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Tons Collected	n/a	7,900	8,000	8,200
Reported Misses	n/a	22	20	20

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Sanitation Supervisor	0.40	0.40	0.40	0.40
Services Manager	0.00	0.00	0.28	0.28
Equipment Operator III 20/60 Yd	0.00	0.00	0.00	0.75
Equipment Operator II 20/60 Yd	1.13	1.13	1.13	0.88
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	0.40	0.40
Services Manager	0.28	0.28	0.00	0.00
General Maintenance Supervisor	0.01	0.01	0.01	0.01
Building Maintenance Worker	0.02	0.02	0.02	0.02
TOTAL	**10.24**	**10.24**	**9.54**	**10.04**

Public Works Department

Program 541 - Residential Collection
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	330,611	373,331	376,089	399,600	415,515	10.48%
Employee Benefits	146,882	180,511	192,167	193,157	218,900	13.91%
Contractual	7,806	4,685	2,100	2,105	2,100	0.00%
Commodities	49,929	44,063	30,200	37,530	33,500	10.93%
Capital Outlay	33,866	29,357	29,691	29,691	32,732	10.24%
Other	0	0	0	0	0	0.00%
TOTALS	569,094	631,947	630,247	662,083	702,747	11.50%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 change.

Commodities:
Increase due to anticipated fuel cost adjustments.

Capital Outlay:
Annual depreciation

Public Works Department

PROGRAM: COMMERCIAL COLLECTION 542

Mission: This bureau exists to contribute positively to the quality of life by collecting and disposing of garbage generated by commercial establishments on a scheduled basis and in an efficient, effective manner.

Main Activities: The most important things we do to fulfill the mission are:

- Provide a safe and positive work environment for collection personnel
- Steady, consistently excellent scheduled service without missing pickups
- Keep vehicles clean and in good working order
- Maintain positive customer relationships with commercial customers

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Meet the collection schedule 100% of the time
Measure:	Report exceptions to the desired result
Result:	Business owners are satisfied with the level and quality of service
Measure:	Satisfaction is measured by low number, or lack, of complaints or a satisfaction level of 90% or better from business survey
Result:	Conduct the work of Commercial Collections in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Tons Collected	n/a	2,200	2,660	2,725
Reported Misses	n/a	0	3	3

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Sanitation Supervisor	0.40	0.40	0.40	0.40
Equipment Operator III 20/60 Yd	0.25	0.25	0.25	0.25
Equipment Operator II/20 Yd	2.13	2.13	2.13	2.00
Equipment Operator II 20/60	0.00	0.00	0.00	0.13
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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	352,612	371,303	395,083	400,970	418,492	5.93%
Employee Benefits	118,284	141,962	159,566	159,727	163,759	2.63%
Contractual	190,378	169,557	164,900	164,915	209,200	26.86%
Commodities	25,020	30,570	19,400	26,210	23,300	20.10%
Capital Outlay	27,747	27,747	27,747	27,747	27,573	-0.63%
Other	0	0	0	0	0	0.00%
TOTALS	714,041	741,139	766,696	779,569	842,324	9.86%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 annual escalation of multi-year commercial collection contract.

Commodities:
Increase due to anticipated fuel cost adjustments.

Capital:
No significant change.

Public Works Department

PROGRAM: REFUSE DISPOSAL 543

Mission: This program exists to serve the community's health and welfare by transporting residential and commercial garbage to the county solid waste authority for appropriate processing disposal.

Main Activities: The most important things we do to fulfill the mission are:

- Operate transfer station to efficiently and effectively transport all residential and commercial garbage to the Solid Waste Authority for disposal
- Function as part of the team that collects garbage and delivers it to the transfer station to assure proper coordination and efficiency

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Transport done in a timely and efficient manner
Measure:	100% of waste collected will be transported within required parameters with exceptions reported
Result:	Disposal costs at the SWA reduced through operational initiatives
Measure:	Recycling tonnage increased to reduce SWA costs and yard trash credit secured through renewal each year
Result:	Conduct the work of Refuse Disposal in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year too year, except to reflect increases in levels of service.

Public Works Department

Program 543 - Refuse Disposal
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	97,418	68,642	70,000	70,000	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	97,418	68,642	70,000	70,000	70,000	0.00%

EXPENDITURES

Contractual:
No anticipated increase.

Public Works Department

PROGRAM: YARD TRASH COLLECTION 544

Mission: This bureau exists to collect yard trash from streets, rights of way and off road 'stash' areas in a safe, timely, efficient and effective manner to keep the Town attractive and drainage inlets clear.

Main Activities: The most important things we do to fulfill the mission are:

- Provide weekly curbside collection, transport and disposal of yard waste from all properties in the Town
- Perform our job with commitment to leaving the pick up site clean and free of waste residue
- Keep the rights of way free from yard trash
- Keep storm drains clear fro proper drainage
- Keep the Town clean and attractive
- See ourselves as partners with other Public Works divisions to serve community drainage needs

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Service provided meets or exceeds the expectations of the residents
Measure:	Satisfaction is measured by low number, or lack, of complaints or a satisfaction level of 90% or better from citizen survey
Result:	Storm drain blockage minimized due to yard trash pickup responsibility and practices
Measure:	Report all exceptions to 100% result goal
Result:	Conduct the work of Yard Trash Collection in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service.
Result:	Pickup schedule will be maintained 100%
Measure:	Report exceptions and improve to correct problems

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Collect, Transport and Dispose of Yard Trash	n/a	150,000 c.y.	150,000 c.y.	180,000 c.y.

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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	7.36	7.36	7.35	8.22
Equipment Operator II 20/60 Yd	0.50	0.50	0.50	0.00
Equipment Operator I/6 Yd	0.00	0.00	0.20	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	7.36	7.35	8.26	7.40
General Maintenance Supervisor	0.01	0.01	0.01	0.01
Streets/Parks Supervisor	0.02	0.02	0.02	0.02
Spray Truck Operator	0.01	0.01	0.01	0.01
Parks Supervisor I	0.00	0.00	0.00	0.25
Streets Supervisor	0.25	0.25	0.25	0.00
Building Maintenance Worker	0.01	0.02	0.02	0.02
Electrician II	0.02	0.02	0.03	0.03
TOTAL	**20.99**	**20.99**	**22.10**	**21.61**

Public Works Department

Program 544 - Yard Trash Collection
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	807,554	967,633	968,888	982,884	913,898	-5.68%
Employee Benefits	328,033	402,699	451,998	453,940	470,871	4.18%
Contractual	26,828	27,056	9,100	10,060	20,000	119.78%
Commodities	103,779	97,359	74,500	85,600	124,040	66.50%
Capital Outlay	71,225	77,911	75,065	76,954	75,655	0.79%
Other	0	0	0	0	0	0.00%
TOTALS	1,337,419	1,572,658	1,579,551	1,609,438	1,604,464	1.58%

EXPENDITURES

Salaries and Wages:
Decrease due to larger than normal overtime expenses incurred during FY05, offset by an increase due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 ground water monitoring.

Commodities:
Increase due to anticipated fuel cost adjustments.

Capital Outlay:
No significant change.

Public Works Department

PROGRAM: RECYCLING 545

Mission: This bureau exists to provide premier collection services to the residents, businesses and visitors in an efficient, safe and friendly manner.

- **Main Activities:** The most important things we do to fulfill the mission are:
- Collect and dispose of recyclables on schedule
- Keep recycling vehicles in excellent and safe operating condition
- Demonstrate excellent customer service in all we do
- Publicize and encourage participation in recycling programs
- Work to reduce waste volume taken to the landfill
- Maintain a safe, productive, clean and friendly work environment

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Residents are satisfied with recycling services
Measure:	Satisfaction is measured by low numer,or lack, of complaints or a satisfaction level of 90% or better from citizen survey.
Result:	Services provided on schedule 100% of the time
Measure:	Report exceptions or complaints
Result:	Equipment fleet is clean, fully operational and a point of pride
Measure:	Visual inspection, feedback and records regarding availability
Result:	Be seen as industry leaders through state of the art practices and results
Measure:	Report involvement in recycling forums to continually share ideas and gain new ones
Result:	Conduct the work of Recycling in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Residential Participation Rate	n/a	70%	75%	75%
Commercial Participation Rate	n/a	75%	80%	80%
Tons Collected	n/a	1,600	1,600	1,600

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Services Manager	0.17	0.17	0.17	0.17
Equipment Operator I/6 Yd	1.80	1.80	1.60	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	0.10	0.10	0.10
Equipment Operator III/60 yd	0.00	0.20	0.00	0.00
TOTAL	**3.92**	**3.92**	**3.52**	**3.52**

Public Works Department

Program 545 - Recycling
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	129,923	131,479	144,255	144,812	155,334	7.68%
Employee Benefits	56,600	68,612	72,334	70,531	78,653	8.74%
Contractual	457	0	100	100	100	0.00%
Commodities	15,491	13,072	11,500	15,325	12,200	6.09%
Capital Outlay	14,117	19,951	19,951	19,955	19,152	-4.00%
Other	0	0	0	0	0	0.00%
TOTALS	216,588	233,114	248,140	250,723	265,439	6.97%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 change.

Commodities:
Increase due to anticipated fuel cost adjustments.

Capital:
No significant change.

Public Works Department

PROGRAM: BEACH CLEANING 546

Mission: This bureau exists to positively contribute to the quality of life in Palm Beach by keeping the beaches clean, safe and attractive by removing litter and debris.

Main Activities: The most important things we do to fulfill the mission are:

- Remove trash and litter from designated beach areas as scheduled
- Determine ways to be most efficient and effective in our work
- Understand that our work is a very important element of what makes the Town of Palm Beach special

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Clean, safe and attractive beaches that meet citizens expectations
Measure:	Satisfaction is measured by low number, or lack, of complaints or a satisfaction level of 90% or better from citizen survey
Result:	Improve beach safety by cleaning beach areas to the wrack line once per week white meeting environmental constraints
Measure:	Set schedule and meet 100% of the time
Result:	Continually seek better ways to perform our function to be more efficient and effective
Measure:	Seek opportunities to expand innovative possibilities and report success
Result:	Conduct the work of Beach Cleaning in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Entire Wrack Line Cleaned, Weekly	n/a	52	36	52
Non-Biotic Waste Collected, Tons	n/a	130	130	135

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Beach Cleaner	1.75	1.75	1.75	1.75
Equipment Operator I/Trash	0.14	0.14	0.09	0.23
Laborer I/Trash	0.09	0.09	0.14	0.00
Trash Supervisor	0.10	0.10	0.10	0.10
TOTAL	**2.08**	**2.08**	**2.08**	**2.08**

Program 546 - Beach Cleaning
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	75,928	82,420	86,394	83,429	81,723	-5.41%
Employee Benefits	29,748	34,715	38,455	38,454	43,760	13.80%
Contractual	15,115	14,458	14,100	15,000	16,100	14.18%
Commodities	12,119	15,472	6,100	6,211	6,800	11.48%
Capital Outlay	6,036	6,366	6,516	6,520	5,874	-9.85%
Other	0	0	0	0	0	0.00%
TOTALS	138,946	153,431	151,565	149,614	154,257	1.78%

EXPENDITURES

Salaries and Wages:
Decrease is due to the retirement and replacement of a long term employee, offset by an increase due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 annual escalation of multi-year turtle monitoring contract.

Commodities:
Increase due to anticipated fuel cost adjustments.

Capital Outlay:
Annual depreciation

Public Works Department

PROGRAM: LANDSCAPE MAINTENANCE 551

Mission: This bureau exists to maintain all Town parks, green spaces, and entry ways into the Town of Palm Beach to the highest standards.

Main Activities: The most important things we do to fulfill the mission are:

- Maintain public areas to optimum condition adhering to established work program
- Trim palm trees on regular schedule
- Provide light maintenance to some privately owned historic/specimen trees
- Manage contractor to inoculate 2600 +/- palm trees that are susceptible to lethal yellowing disease
- Continually seek new approaches and improved systems to enhance efficiency and effectiveness

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Healthy trees that will resist storm damage and enhance aesthetics of Palm Beach
Measure:	Percent of trees lost per year due to disease or storm damage and cost of replacement
Result:	Citizens satisfaction with the quality of our work
Measure:	Satisfaction is measured by low number, or lack, of complaints or a satisfaction level of 90% or better from citizen survey
Result:	Maintenance schedule adhered to 100% of the time
Measure:	Report exceptions to scheduled work, document costs
Result:	Conduct the work of Landscape Maintenance in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from yar to year, except to reflect increases in levels of service.

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Royal Palms Trimmed	n/a	550	550	550
Lethal Yellowing Inoculation	n/a	$33,689	$34,920	$34,920

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Facilities Maintenance Manager	0.60	0.60	0.60	0.60
Nursery Worker	0.93	0.90	0.90	0.90
Parks Supervisor I	0.86	0.84	0.84	0.84
Spray Truck Operator	0.89	0.91	0.91	0.91
Electrician Supervisor	0.02	0.02	0.02	0.02
Electrician II	0.06	0.06	0.06	0.06
Equipment Operator/Parks	1.80	1.90	0.98	0.98
Parks Laborer	6.10	3.12	4.77	4.77
General Maintenance Supervisor	0.03	0.03	0.03	0.03
Building Maintenance Worker	0.17	0.16	0.16	0.16
Tree Trimmer	1.70	1.80	1.80	1.80
Streets/Parks Supervisor	0.86	0.86	0.86	0.86
Street & Sign Painter	0.01	0.01	0.01	0.01
TOTAL	**14.03**	**11.21**	**11.94**	**11.94**

Public Works Department

Program 551 - Landscape Maintenance
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	516,108	523,158	550,312	553,041	562,723	2.26%
Employee Benefits	201,001	211,839	240,254	244,996	273,902	14.01%
Contractual	157,485	256,417	335,420	349,385	336,800	0.41%
Commodities	59,598	47,958	64,700	69,150	62,000	-4.17%
Capital Outlay	25,087	22,923	24,856	25,261	22,188	-10.73%
Other	0	0	0	0	0	0.00%
TOTALS	959,279	1,062,295	1,215,542	1,241,833	1,257,613	3.46%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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:
Annual depreciation

Public Works Department

PROGRAM: FACILITY MAINTENANCE 554

Mission: This bureau exists to contribute to the appearance and well being of the Town by providing timely maintenance and repairs for all Town facilities.

Main Activities: The most important things we do to fulfill the mission are:

- Ensure a clean, safe, and positive work environment for staff and visitors
- Set and follow maintenance schedules
- Repair, maintain and inspect all Town structures
- Do our work efficiently always seeking better tools, techniques and methods
- Ensure a clean, safe and positive work environment

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Citizens are proud of the appearance of Town buildings
Measure:	Satisfaction is measured by low number, or lack, of complaints from residents or a satisfaction level of 90% or better from citizen survey
Result:	Conduct the work of Facility Maintenance in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service
Result:	Be better at what we do than anyone else
Measure:	100% of preventive maintenance and scheduled work completed on time and within budget
Result:	A clean, safe and positive work environment
Measure:	Satisfaction is measured by low number, or lack, of complaints and requests for service

Workload Indicators	FY2002 ACTUAL	FY2003 PROJECTED	FY2004 ACTUAL	FY2005 PROJECTED
Building Inspections	n/a	288	288	288
A/C Duct Cleaning	n/a	3	2	3
Buildings Painted	n/a	0	1	6
Benches Pressure Cleaned	n/a	86	88	88
Public Containers Pressure Cleaned	n/a	82	83	83

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
General Maintenance Supervisor	0.46	0.68	0.67	0.68
Tree Trimmer	0.16	0.20	0.00	0.06
Parks Laborer	0.69	0.50	0.00	0.00
Spray Truck Operator	0.07	0.01	0.01	0.01
Street Sign Painter	0.48	0.42	0.42	0.43
Electrician Supervisor	0.07	0.03	0.08	0.09
Electrician II	0.41	0.31	0.30	0.34
Building Maintenance Worker	1.16	1.15	1.14	1.15
Parks Supervisor I	0.07	0.10	0.00	0.00
Equipment Operator/Parks	0.05	0.04	0.00	0.00
Nursery Worker	0.07	0.10	0.00	0.00
Facilities Maintenance Manager	0.10	0.10	0.10	0.10
TOTAL	**3.79**	**3.64**	**2.72**	**2.86**

Public Works Department

Program 554 - Facility Maintenance
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	188,828	189,774	165,403	194,840	176,441	6.67%
Employee Benefits	60,841	68,837	61,025	62,911	69,157	13.33%
Contractual	380,927	391,926	506,400	482,700	613,600	21.17%
Commodities	39,622	28,847	33,100	38,025	41,700	25.98%
Capital Outlay	6,754	15,450	9,858	10,680	10,680	8.34%
Other	0	0	0	0	0	0.00%
TOTALS	676,972	694,834	775,786	789,156	911,578	17.50%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 major HVAC equipment replacement at South Fire Station.

Commodities:
Increase due to new emergency generator maintenance responsibilities at all three fire-rescue stations.

Capital Outlay:
Annual depreciation

Public Works Department

PROGRAM: METER MAINTENANCE AND COLLECTION 558

Mission: This bureau exists to provide revenue collection and maintenance of metered parking system in order to maximize revenue.

Main Activities: The most important things we do to fulfill the mission are:

- Keep all meters reliable, accurate and in service through regular maintenance and repair
- Collect meter revenue on a scheduled basis
- Maximize efficiency of operations by inspecting mechanical systems with each collection

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Meters are in working order at all times
Measure:	Downtime log with exceptions noted, as well as accounting of revenues for maximization
Result:	Collections made in a timely manner two times per week
Measure:	Schedule is followed 100% of the time
Result:	Community is satisfied with meter operations
Measure:	Satisfaction is measured by low number, or lack, of complaints or a satisfaction level of 90% or better from citizen survey
Result:	Conduct the work of Meter Maintenance and Collection in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Inspections	n/a	104	104	104
Collections	n/a	104	104	104

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
General Maintenance Supervisor	0.09	0.11	0.12	0.12
Building Maintenance Worker	0.48	0.46	0.46	0.46
TOTAL	**0.57**	**0.57**	**0.58**	**0.58**

Program 558 - Meter Maintenance and Collection Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	22,482	20,685	28,048	28,075	30,502	8.75%
Employee Benefits	8,421	10,093	12,063	12,076	13,114	8.71%
Contractual	680	1,426	1,700	1,700	2,200	29.41%
Commodities	7,267	18,361	18,300	18,300	16,700	-8.74%
Capital Outlay	1,405	1,405	1,405	1,405	1,405	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	40,255	51,970	61,516	61,556	63,921	3.91%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

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

Contractual:
Minor increase in electronic meter repairs.

Commodities:
Decrease in parking meter materials.

Capital:
No change.

Public Works Department

PROGRAM: GENERAL ENGINEERING SERVICES 561

Mission: This division exists to apply sound engineering and architectural principles to plan, budget, design, and build infrastructure that maximizes functionality and minimizes maintenance, repair and replacement costs.

Main Activities: The most important things we do to fulfill the mission are:

- Prepare budget estimates for infrastructure projects
- Plan, design and oversee construction of public facilities
- Complete design, cost estimates, and construction of miscellaneous minor projects not planned or budgeted elsewhere
- Coordinate with other entities to address engineering issues and address complaints
- Continually seek new and better ways to provide our services
- Conduct development review and contract administration

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Town facilities designed to meet the needs of end users
Measure:	Survey end users of completed projects to determine if project meets their needs
Result:	Projects use innovative approaches to minimize initial costs while maintaining quality and value
Measure:	Compare completed projects with past projects to evaluate cost effectiveness
Result:	Minimize disruption to Town residents and employees by scheduling and project management efficiencies
Measure:	Review completed project against project goals and expectations with respect to initial project
Result:	Citizens are satisfied with the work we do
Measure:	Satisfaction level is determined by lack of complaints received during or after completion of a project
Result:	Seen as innovative and state of the art
Measure:	Regular participation in forums that explore new approaches and apply to our work
Result:	Conduct the work of General Engineering Services in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Town Engineer	0.90	0.90	0.90	0.90
Project Engineer	2.00	2.00	1.00	1.00
Project Manager	0.00	0.00	1.00	1.00
Project Administrator	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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	244,294	257,465	277,211	265,836	272,634	-1.65%
Employee Benefits	64,647	74,563	84,933	85,115	82,874	-2.42%
Contractual	28,590	24,152	32,800	38,895	28,500	-13.11%
Commodities	3,063	3,045	4,900	4,480	4,700	-4.08%
Capital Outlay	3,480	3,416	4,078	4,235	3,938	-3.43%
Other	0	0	0	0	0	0.00%
TOTALS	344,074	362,641	403,922	398,561	392,646	-2.79%

EXPENDITURES

Salaries and Wages:
Decrease is due to larger than normal overtime expenditures in FY05 offset by an increase due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

Employee Benefits:
Change is due to one employee entering the DROP program, ending retirement contributions for that individual, offset by significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
Decrease from prior year due to reduction in engineering services associated with permit preparation.

Commodities:
No significant change.

Capital:
No significant change.

Public Works Department

PROGRAM: RIGHT OF WAY INSPECTIONS 565

Mission: This bureau exists to contribute to the well being of the community by permitting, overseeing and inspecting work activities in the Town's rights of way and easements to ensure quality work with minimal disruption.

Main Activities: The most important things we do to fulfill the mission are:

- Adhere to all guidelines set by the Town
- Issue permits in compliance with the Town's ROW manual
- Minimize inconvenience to the public
- Make sure contractors restore to Town standards and regulate to that end
- Provide permit and inspection service in a timely manner
- Observe work activities to ensure compliance with permit conditions and ROW manual regulations

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Properly submitted permits requests are issued within 72 hours
Measure:	Each permit request is monitored for this result and reported
Result:	Contractors are fully aware of requirements and all work done in compliance with ROW manual 100% of the time
Measure:	Report exceptions and feedback or complaints
Result:	Traffic and roadway disruptions minimized 100% of the time
Measure:	Traffic control measures consistent with requirements and exceptions reported
Result:	Conduct the work of Right of Way Inspections in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service
Result:	Information, education, clear expectations, and inspections will reduce violations
Measure:	Report violation numbers and compare annually

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Permits Processed	n/a	1,000	1,201	1,200
Violations	n/a	120	139	120

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	62,568	67,665	70,901	71,388	73,518	3.69%
Employee Benefits	16,921	20,408	23,291	23,253	25,781	10.69%
Contractual	0	0	400	400	1,000	150.00%
Commodities	1,134	1,237	1,400	1,360	1,400	0.00%
Capital Outlay	720	664	1,375	1,375	0	-100.00%
Other	0	0	0	0	0	0.00%
TOTALS	81,343	89,974	97,367	97,776	101,699	4.45%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 new requirement for wireless phone service.

Commodities:
No change.

Capital Outlay:
Annual depreciation

Public Works Department

PROGRAM: EQUIPMENT OPERATION & MAINTENANCE 571

Mission: This bureau exists to maintain the Town's fleet of vehicles and equipment in top condition at the lowest operating cost

Main Activities: The most important things we do to fulfill the mission are:

- Schedule and perform preventive maintenance inspections for the Town's vehicles and equipment
- Service and repair equipment to optimize operating time
- Prepare specifications and plan for new vehicle purchases on a scheduled replacement

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Safe operation of vehicles and equipment so each bureau's operations are not compromised
Measure:	Equipment related accident and injury rates caused by poor maintenance are reduced and documented
Result:	Maximum productivity achieved by equipment always being available and ready
Measure:	Equipment down time is tracked and recorded
Result:	Low operating costs maximize Town's investment and life cycle of equipment
Measure:	Repair and maintenance costs do not exceed current percentage of department budget
Result:	Conduct the work of Equipment Operation and Maintenance in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Preventive Maintenance Scheduled Services	n/a	1,440	2,800	2,800

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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	3.00	3.00	3.00	3.00
Vehicle Maintenance Office Assistant II	1.00	1.00	1.00	1.00
TOTAL	**6.10**	**6.10**	**6.10**	**6.10**

Program 571 - Equipment Operation and Maintenance Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	297,422	287,083	315,313	313,655	336,592	6.75%
Employee Benefits	107,551	120,295	135,569	136,079	138,787	2.37%
Contractual	3,114	3,695	46,800	46,990	46,800	0.00%
Commodities	11,297	10,339	96,300	98,090	95,500	-0.83%
Capital Outlay	8,237	6,118	6,118	6,118	6,118	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	427,621	427,530	600,100	600,932	623,797	3.95%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 change.

Commodities:
No significant change.

Capital Outlay:
No change.

Public Works Department

PROGRAM: COASTAL MANAGEMENT 581

Mission: This division exists to provide increased storm protection to upland structures and create and maintain recreational beaches to the high standards set for the Town of Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

- Effectively and efficiently implement the Town's Comprehensive Coastal Management Plan (CCMP)
- Review and revise the CCMP to ensure that it addresses current conditions and is consistent with Federal and State regulations
- Permit and construct beach restoration projects and conduct coastal monitoring identified in the CCMP
- Maintain and operate the Palm Beach Inlet Sand Transfer Plant and all inlet dredging activities
- Ensure the Town receives the maximum benefit of inlet dredging activities
- Increase public awareness on related issues

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Successful, on schedule construction of projects identified in CCMP 100% of the time
Measure:	Report percentage completion on schedule to plan and exceptions
Result:	Comply with all State and Federal permit requirements including long-term physical and biological monitoring programs 100% of the time
Measure:	No permit violations with exceptions reported
Result:	Improve as possible Sand Transfer Plant facility and operations
Measure:	Progress toward facility upgrade accomplished
Result:	Maintain effective relationships with the US Army Corp of Engineers and the Port of Palm Beach to ensure that the Town receives all beach quality sand associated with inlet maintenance activities
Measure:	Inlet maintenance material placed within depth of closure within the Town's boundaries
Result:	Conduct the work of Coastal Management in an efficient manner
Measure:	The percentage of general fund budget dedicated to this program will not increase from year to year, except to reflect increases in levels of service

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Coastal Projects Administrator	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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	59,391	64,935	70,168	71,775	77,971	11.12%
Employee Benefits	15,253	18,483	20,768	20,847	22,669	9.15%
Contractual	214,762	173,986	230,200	230,550	275,300	19.59%
Commodities	5,531	5,579	7,450	7,350	6,650	-10.74%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	294,937	262,983	328,586	330,522	382,590	16.44%

EXPENDITURES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 cost escalation for operation of Sand Transfer Plant (estimate provided by Palm Beach County).

Commodities:
Minor reduction for office furniture/equipment requirements this year.

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Other

Society of the Four Arts Library

Emergency Management

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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 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	335,000	335,000	235,000	-29.85%
TOTALS	235,000	235,000	335,000	335,000	235,000	-29.85%

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.

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Other Programs

The following are transfers made from the general fund into other funds within the Town.

Programs 611 to 625 - Transfers
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Capital Improvement Fund (307)	6,662,000	2,682,000	3,762,613	3,762,615	2,876,601	-23.55%
Comprehensive Coastal Management Plan (308)	863,700	0	0	0	0	0.00%
Town Facilities (310)	0	0	1,171,000	1,171,000	0	-100.00%
Debt Service Fund (203)	1,211,858	2,103,100	2,187,832	2,187,832	3,018,482	37.97%
Debt Service Fund (201)	0	376,900	384,978	384,978	383,578	-0.36%
Donations Fund (103)	29,430	50,000	0	0	0	0.00%
Group Health	753,301	763,731	712,256	712,256	918,991	29.03%
Risk - W/C, Liab, Prop	2,746,915	2,810,033	2,510,033	2,510,033	2,390,000	-4.78%
Risk - Florida Blacktop	0	0	1,784,377	1,784,377	0	-100.00%
Retirement - General Employee	1,885	1,835	1,900	1,900	1,900	0.00%
Retirement - Public Safety Employee	5,144	3,696	4,800	4,800	4,800	0.00%
TOTALS	12,274,233	8,791,295	12,519,789	12,519,791	9,594,352	-23.37%

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.
(310) Fund - FY2005 included funding for Town Hall Renovations from Undesignated General Fund Balance.

Debt Service Fund:
(203) Fund - Represents the transfer to the 2003A Revenue Bond Debt Service Fund that refunded the 2000 Coastal Protection bonds. Increase is due to the planned increase in non Ad valorem funding once the GO bonds were retired.
(201) Fund - Represents the transfer to the 2003B Town Facilities 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 an increase of Employer Funding of Retiree Health Insurance Premiums.

Risk - W/C, Liability, Property:
This represents a decrease in funding for the Risk program.

Risk - Florida Blacktop:
Transfer of fund balance to the Risk Fund for the settlement of the Florida Blacktop judgement.

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.

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.

Emergency Disaster Response

PROGRAM: EMERGENCY DISASTER RESPONSE 710

This program provides for the continuing training of Town officials, employees and contractors for response to a myriad of hazards potentially affecting the Town so as to provide for an acceptable state of readiness in the Town's response capabilities. Costs associated with updating the Town's Storm Emergency Response Plan (SERP), the Comprehensive Emergency Management Plan (CEMP), Emergency Operations Center (EOC) Manual and other documents, including their dissemination as may be needed from time to time, are provided for here.

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Emergency Planning Team Meetings	n/a	5	2	10
EOC Training Exercises	n/a	0	0	1
Actual EOC Activations	n/a	0	2	2
NIMS Compliancy Training Sessions	n/a	n/a	n/a	5
Townwide Tabletop Exercises	n/a	n/a	1	1

Program 710 - Emergency Disaster Response
Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	601,254	11,545	8,465	0	-100.00%
Contractual	45,836	1,410,401	1,977,494	1,985,690	89,791	-95.46%
Commodities	0	11,200	0	300	900	100.00%
Capital Outlay	0	5,853	7,678	2,661	1,501	-80.45%
Other	0	0	0	0	0	0.00%
TOTALS	45,836	2,028,708	1,996,717	1,997,116	92,192	-95.38%

EXPENDITURES

Contractual:
The budget for 2006 is due to now having an established office in the Town for Emergency Management. The total budgeted amount includes training for the Emergency Management Coordinator, office equipment and maintenance in the new EOC, and the funding for the contractual Emergency Management Coordinator.

The actual expenditures for FY2004 and FY2005 increased due to an amendment to fund expenditures in recovery after Hurricanes Jeanne and Frances.

Commodities:
The small increase also is due to now having an established office in the Town for Emergency Management.

Capital Outlay:
Annual depreciation

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

	FY2003 Budget	FY2004 Budget	FY2005 Budget	FY2006 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	443,284	653,200	745,496	835,000	12.01%
TOTALS	443,284	653,200	745,496	835,000	12.01%
Percent of Budget	1%	1.39%	1.5%	1.5%	

EXPENDITURES

Other:
The General Fund Contingency is budgeted at 1.5% of budgeted operating expenditures.

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 were 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. In FY2005 the final payment was made on this bond.

There will be no debt service millage on the FY2006 tax bill. The General Operating Fund millage rate will increase due to the increase in the transfer to debt service for the revenue bonds.

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.

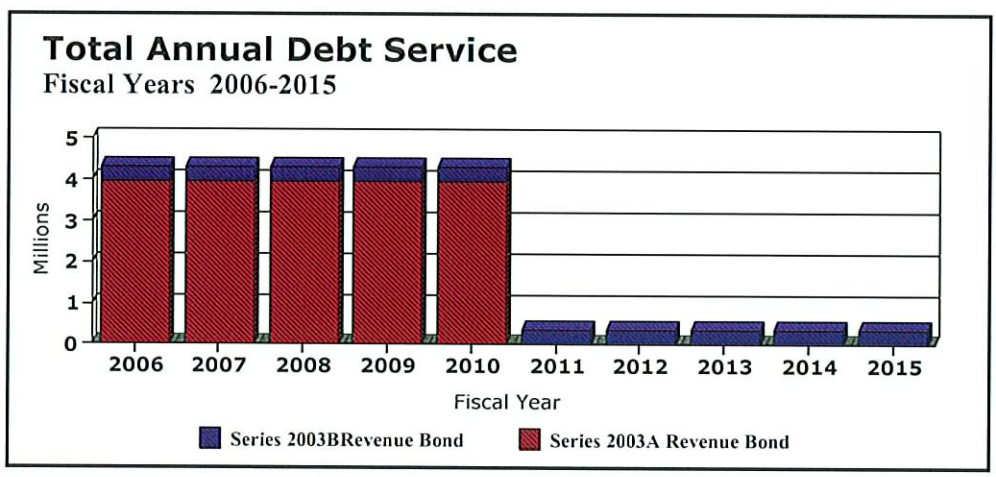
Principal payments are due on January 1, and interest payments are due on January 1 and July 1 of each year. The annual debt service requirements for the outstanding revenue bonds through 2015 are shown on the following page.

Debt Service Fund

Fiscal Year	2000 Revenue Bond	2003A Revenue Bond	2003B Revenue Bond	Total
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
2015	0	0	377,972	377,972
Total	$0	$19,768,396	$3,417,129	$23,185,525

The final payment on the outstanding debt service on the 2000 Revenue Bond was 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 FY2006 through FY2015. As the chart shows, 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	$10,236,427,992
Legal Debt Margin:	
Debt Limitation - 5% of assessed value	$ 511,821,400
Net Debt Applicable to Limitation	0
Legal Debt Margin	$ 511,821,400

Debt Summary

Outstanding debt as of September 30, 2005

Gross bonded debt (all debt with a General Obligation Pledge)	$ 0
General Fund Pledge Obligations	
Non-Ad Valorem Revenue Bonds	23,990,000
Total Gross Debt	$23,990,000

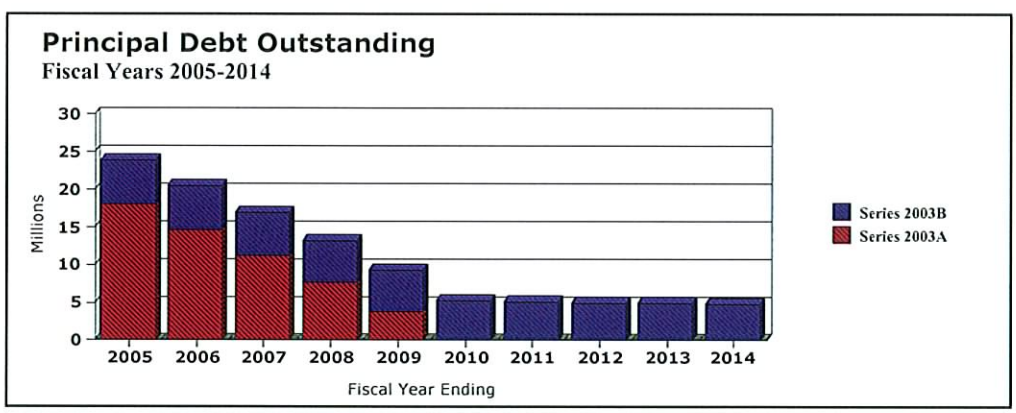
Debt Ratios:

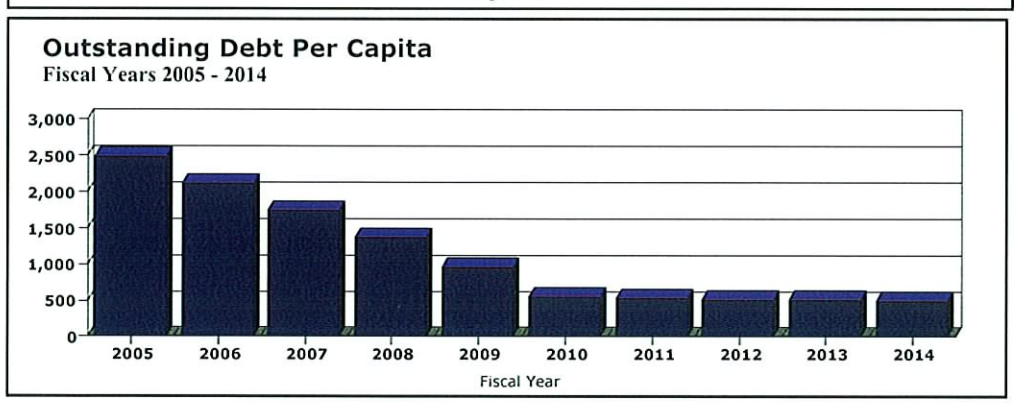
		Per Capita
2002 Population	9,682	
Taxable Value	$10,236,427,992	1,057,264
Gross Bonded Debt	0	0
Total Gross Debt	23,990,000	2,478

Debt Service Fund

Town of Palm Beach
Principal Debt Outstanding
FY2005 - FY2014

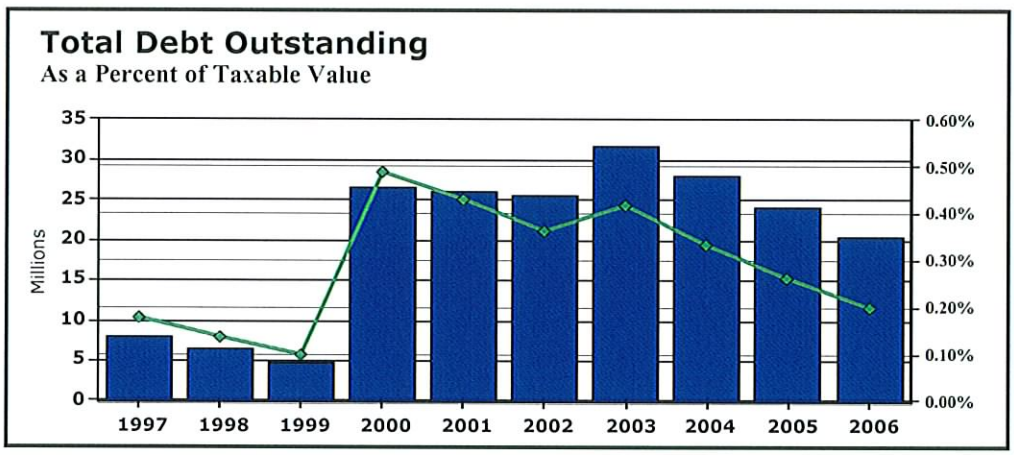
Fiscal Year Ending	1993 GO Bond	2000 Revenue Bond	2003A Revenue Bond	2003B Revenue Bond	Total Debt Outstanding	Debt Per Capita 9,676
2005	0	0	18,045,000	5,945,000	23,990,000	2,479
2006	0	0	14,685,000	5,825,000	20,510,000	2,120
2007	0	0	11,225,000	5,700,000	16,925,000	1,749
2008	0	0	7,630,000	5,575,000	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
2014	0	0	0	4,720,000	4,720,000	488



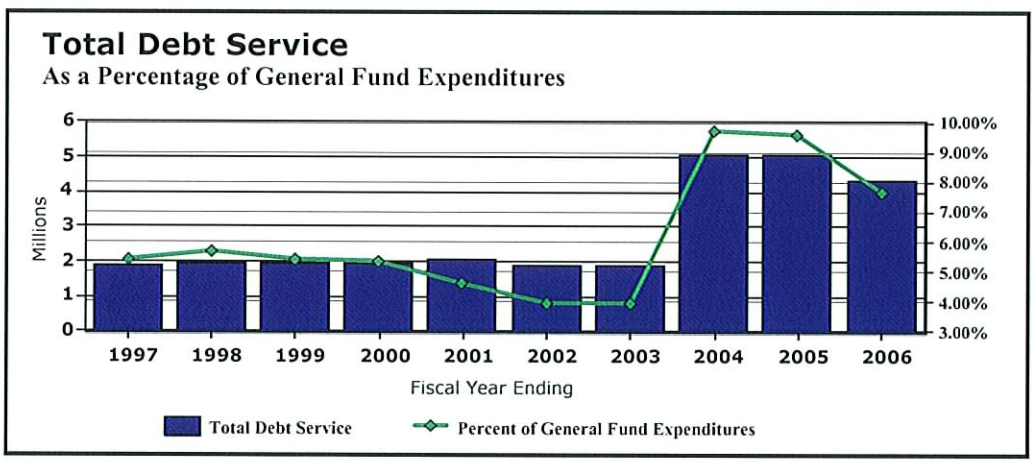


Debt Service Fund

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

Fund 200 - Series 1993 GO Debt Service Fund
Revenue and Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Ad Valorem Taxes	613,982	615,374	608,000	615,000	0	-100.00%
Interest Earnings	7,841	5,646	1,500	9,500	0	-100.00%
TOTALS	621,823	621,020	609,500	624,500	0	-100.00%
Expenditures						
Debt Service Principal	610,000	645,000	680,000	680,000	0	-100.00%
Debt Service Interest	90,675	62,615	32,300	32,300	0	-100.00%
Other Bond Expenses	1,050	1,000	2,200	2,200	0	-100.00%
TOTALS	701,725	708,615	714,500	714,500	0	-300.00%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	(79,902)	(87,595)	(105,000)	(90,000)	0	
Beginning Fund Balance	278,921	199,019	111,424	111,424	21,424	
ENDING FUND BALANCE	199,019	111,424	6,424	21,424	21,424	

Bonds were paid in full in FY2005.

Debt Service Fund

Fund 201 - Series 2003 Revenue Bond
Revenue and Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Interest Earnings	0	2,585	1,500	150	1,500	0.00%
Transfer from General Fund	0	376,900	384,978	384,978	3,402,060	783.70%
Transfer from CCMP PAYG Fund	0	864,900	859,307	859,307	935,925	8.92%
TOTALS	0	1,244,385	1,245,785	1,244,435	4,339,485	248.33%
Expenditures						
Debt Service Interest	0	1,063,716	891,285	891,285	852,985	-4.30%
Debt Service Principal	0	175,000	350,000	350,000	3,480,000	894.29%
Other Bond Expenses	0	1,511	2,000	2,000	3,000	50.00%
TOTALS	0	1,240,227	1,243,285	1,243,285	4,335,985	248.75%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	0	4,158	2,500	1,150	3,500	
Beginning Fund Balance	0	0	4,158	4,158	5,308	
ENDING FUND BALANCE	0	4,158	6,658	5,308	8,808	

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 FY2006.

Debt Service Principal
Represents the amount of Principal due on the 2003 Revenue bonds in FY2006.

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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Interest Earnings	575	1,957	2,000	2,850	0	-100.00%
Transfer from General Fund	1,211,858	2,103,100	2,187,832	2,187,832	0	-100.00%
Transfer from CCMP PAYG Fund	0	990,650	908,668	908,668	0	-100.00%
TOTALS	1,212,433	3,095,707	3,098,500	3,099,350	0	-100.00%
Expenditures						
Debt Service Interest	1,211,858	222,750	75,500	75,500	0	-100.00%
Debt Service Principal	0	2,870,000	3,020,000	3,020,000	0	-100.00%
Other Bond Expenses	575	575	700	700	0	-100.00%
TOTALS	1,212,433	3,093,325	3,096,200	3,096,200	0	-100.00%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	0	2,382	2,300	3,150	0	
Beginning Fund Balance	0	0	2,382	2,382	5,532	
ENDING FUND BALANCE	0	2,382	4,682	5,532	5,532	

This bond was refinanced in FY2003 and the remaining debt service was paid in full in FY2005.

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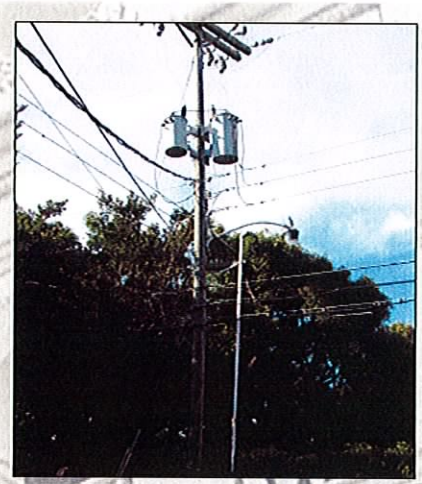
Capital Funds



CAPITAL FUNDS

Introduction:

The Capital Improvement Fund section includes accomplishments for the current fiscal year by fund as well as summary schedules that 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.

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.

Capital Funds

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 FY2006 $2,600,000 has been allocated by the General Fund for capital projects. The FY2006 budget amount includes FY2006 new appropriations of $2,900,000 and reappropriated budgets of $10,042,035.

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 were used for financing the acquisition, construction and equipping of the new Fire-Rescue facility (including an emergency operations center) and the renovation of Town Hall (including security upgrades) in the future.

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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Town of Palm Beach

Capital Improvement Fund (307)

FUND (307) - CAPITAL IMPROVEMENT PROGRAM
FY05 ACCOMPLISHMENTS

Storm Water Drainage Improvements

D-4 Basin (Miraflores) - Constructed an additional storm water pump station (D-3) at Tangier Avenue to alleviate flooding in the D-4 Basin, completed June 2005.

D-8 Basin/Country Club Road - Project expanded the storm water pump station from 54,000 GPM to 100,000 GPM near the intersection of Country Club Road and Slope Trail. Completion is scheduled for November 2005.

D-15 Cooling System Repair - Work included installing submersible electric pumps in the existing water well (source of the cooling water). The diesel engines will all be outfitted with new heat exchangers. This project was completed in August 2005.

D-17 Control Panel and Generator

D-17 Storm Water Pump Station - This project constructed a new storm water pumping station at the west end of Clarendon Avenue and installed a collection system in Lake Park Drive from Clarendon Avenue to Vita Serena.

Regents Park Drive - With the abandonment of a 5-foot utility easement and the acquisition of a new 10-foot utility easement further south in the Regents Park Subdivision, drainage is to be improved in this area by the installation of larger drainage pipes. Work scheduled to be completed in the Fall of 2005.

Sanitary Sewer Improvements

West Palm Beach Central Bypass - The Town's consultants have completed a preliminary design. An easement dedication from the City of West Palm Beach to the Town is being secured prior to working on the final design plans.

Force Main Repair - approximately 2,800-feet of a fifty-year-old 20" sanitary sewer force main was replaced on South Ocean Boulevard from Royal Palm Way north to Barton Avenue and down Barton Avenue to within 200' of South County Road.

Royal Poinciana Way Utility Line Burying Project

Town staff continues to work with FPL, BellSouth, and Adelphia Cable on contracts concerning the placement of overhead wires underground. A demonstration project on Royal Poinciana Way is to proceed when the administrative matters have been concluded.

Capital Improvement Program
FY05 Carry-over and Five Year Plan
Fund (307)

Project	FY05 Est. Carry-over Budget	FY06 Approved	FY07 Proposed	FY08 Proposed	FY09 Proposed	FY10 Proposed	Total
Storm Water Management							
Improvements	$3,775,396	$1,705,000	$1,600,000	$2,180,000	$2,180,000	$2,180,000	$13,620,396
D-1 Pump Station N. Ocean Blvd.	104,702	0	0	0	0	0	104,702
D-3 Pump Station Tangier Ave.	1,033,483	0	0	0	0	0	1,033,483
D-8 Pump Station Expansion	669,314	0	0	0	0	0	669,314
D-15 Cooling System Repair	110,000	30,000	0	0	0	0	140,000
Rehabilitate Storm Pump Structures	0	100,000	500,000	500,000	500,000	0	1,600,000
Total Storm Water Management	5,692,895	1,835,000	2,100,000	2,680,000	2,680,000	2,180,000	17,167,895
Sanitary Sewer Improvements	2,052,763	1,025,000	750,000	400,000	400,000	0	4,627,763
Force Main Rehabilitation	345,000	0	0	0	0		345,000
WPB Transmission Facilities Reserve	706,141	0	0	0	0	0	706,141
WPB Central Pump Bypass	80,324	0	0	0	0	0	80,324
Rehab Sanitary Sewer Pumping Stations	0	0	0	0	100,000	900,000	1,000,000
Fuel Tank Replacement Program	0	40,000	200,000	200,000	0	0	440,000
Central Fire-Rescue Station							
Vehicle Exhaust Removal System	0	0	50,000	0	0	0	50,000
Town Hall Renovation	144,997	0	0	0	0	0	144,997
Intracoastal Bulkhead Repair Reserve	15,500	0	0	0	0	0	15,500
Streets and Roads							
Underground Utility Lines	1,004,415	0	0	0	0	0	1,004,415
Total	$10,042,035	$2,900,000	$3,100,000	$3,280,000	$3,180,000	$3,080,000	$25,582,035

FUND (307) - CAPITAL IMPROVEMENT PROGRAM PROJECT DESCRIPTIONS

Storm Sewer Drainage Improvements

FY06 is the fifth year of a 10-year program to improve north-end drainage. The FY06 projects include the design and construction of the new (replacement) D2 Palmo Way Pump Station and design of improvements to the existing D10 Via Marila Pump Station. There are also minor improvements to the D15 Lakeside Park Cooling System to be completed and monies available to address any unanticipated storm pump structure rehabilitation needs.

Project Budget	$7,527,895*
Operating Budget Impact	The FY06 budget includes the addition of a maintenance mechanic and an equipment operator for the Water Resources Division and operating costs associated with these projects should minimally increase (Repairs and Maintenance < $5,000 annually.)

Sanitary Sewer Improvements (Including Force Main Rehabilitation)

This project allows for general improvements to the sanitary sewerage system. These improvements will include replacement of collection system lines, lining of existing mains, and unscheduled emergency repairs at major and minor pumping stations. This project also includes a multi year program to systematically replace an aging force main system and install air release valves as necessary.

Project Budget	$2,397,763*
Operating Budget Impact	There will be no increase to personnel and operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Undergrounding Utility Lines

Funds were allocated for the purpose of facilitating the Town's on-going investigation of the feasibility of converting aerial utility lines to underground service. Funds may be used for demonstration projects, engineering studies, special counsel expenses and for other purposes to facilitate a more reliable utility service delivery system for Town residents and business owners.

Project Budget	$1,004,415*
Operating Budget Impact	There will be no increase to personnel and operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Capital Improvement Funds

West Palm Beach Transmission Facilities

This project pertains to a renewal and replacement account initiated to fund planned or emergency repairs to the Towns' sewage force main or sewerage facilities shared with the City of West Palm Beach leading to the regional sewage treatment facility.

Project Budget	$706,141
Operating Budget Impact	There will be no increase to personnel and operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Town Hall Renovation

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) Town Facilities Fund.

Project Budget	$144,997
Operating Budget Impact	There will be no increase to personnel and operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

West Palm Beach Central Pump Bypass

This is initial funding to plan a complete bypass of the Central Pump Station. Public Works envisions building a booster pump station utilizing in-line variable speed pumps. This will allow reduction of operation and maintenance costs at the Central Pump Station.

Project Budget	$80,324
Operating Budget Impact	There will be no increase to personnel and operating costs associated with this project should decrease.

Intracoastal Bulkhead Repair Reserve

These funds are being used to repair Town-owned bulkheads along the Lake Worth Lagoon and to install seawalls at elevation +5.0 as needed to coincide with adjacent private property work.

Project Budget	$15,500
Operating Budget Impact	There will be no increase to personnel and operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

*Does not include any Carry-over budget

Fund 307 - Capital Improvement Program
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Transfer from General Fund (001)	6,662,000	2,682,000	2,762,613	2,762,613	2,876,601	4.13%
Interest on Investments	187,556	213,618	200,000	275,000	300,000	50.00%
Miscellaneous	10,000	21,791	0	400	0	0.00%
Grants/Local Revenue	2,446,243	0	0	55,000	0	0.00%
TOTALS	9,305,799	2,917,409	2,962,613	3,093,013	3,176,601	7.22%
Expenses						
Projects	5,569,377	3,653,987	2,688,887	6,100,502	2,900,000	7.85%
Transfer to LSEF (403)	0	0	708,539	708,539	0	-100.00%
Transfer to Town Facilities Fund (310)	0	0	550,000	550,000	0	100.00%
Transfer to General Fund (001)	0	0	5,000	5,000	0	-100.00%
Capital Contingency	0	0	366,400	0	290,000	-20.85%
TOTALS	5,569,377	3,653,987	4,318,826	7,364,041	3,190,000	-26.14%
TOTAL REVENUES OVER/(UNDER) EXPENSES	3,736,422	(736,578)	(1,356,213)	(4,271,028)	(13,399)	
Beginning Fund Equity	10,826,041	14,562,463	13,825,885	13,825,885	9,554,857	
ENDING FUND EQUITY	14,562,463	13,825,885	12,469,672	9,554,857	9,541,458	

Fund 307 - Capital Improvement Program

REVENUES

Transfer from General Fund (001):
This represents the annual pay-as-you-go funding transferred from the General Fund to the Capital Fund.

Interest on Investments:
The interest rate used to project the return on investments was increased from 2.0% in FY05 to 3.5% in FY06.

Miscellaneous:
$10,000 was received from the Garden Club in FY03 for the Town Park at County Road and Peruvian. Revenue received in FY04 and FY05 represents donations received from multiple donors for the Town Park at County Road and Peruvian.

Grants/Local Revenue:
FY03 - City of West Palm Beach Interlocal revenue.

EXPENDITURES

Projects:
The FY06 budget amounts do not include unexpended carry over amounts from prior years.

Transfer to Leisure Services Enterprise Fund (403):
The amount budgeted in FY05 represents the transfer of remaining balances from existing Leisure Services capital projects to the Leisure Services Enterprise Fund (403).

Transfer to Town Facilities Fund (310):
The amount budgeted in FY05 represents the transfer of unexpended balances from existing projects to Town Hall Renovations in the Town Facilities Fund (310).

Transfer to General Fund (001):
The amount budgeted in FY05 represents a transfer from Capital Fund Contingency approved by Town Council on March 5, 2005 to hire a traffic engineering consultant to review the proposed reconstruction of the traffic circle at South Ocean and Southern Boulevards.

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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Town of Palm Beach

Comprehensive Coastal Management Plan

Pay as You Go Fund (308)

Bond Proceeds Construction Fund (309)

FUND (308/309)
COMPREHENSIVE COASTAL MANAGEMENT PROGRAM
FY05 ACCOMPLISHMENTS

Sand Transfer Plant Upgrade

A tri-party alliance was formed with the Port of Palm Beach and Palm Beach County to work together with the U.S. Army Corps of Engineers (USACE), Jacksonville District Office toward improving the Lake Worth Inlet Sand Transfer Plant. In an effort to expedite the project, the Town may act as local sponsor for this project with reimbursement from federally authorized funding through USACE. Three potential options have been identified, two of which involve extensive rehabilitation of the existing plant and a third which involves construction of a new plant. Cost/benefit analyses and modeling are being conducted to determine the most effective and cost-efficient design.

Inlet Sand Management

Town staff, together with the support of the tri-party alliance, have been successful in establishing a hierarchy for inlet dredge material disposal which will be included in the USACE's new permit conditions from the Florida Department of Environmental Protection (FDEP). The specifications prioritize disposal locations nearshore which will be of maximum benefit to the Town's beaches and identify a "last resort" offshore disposal site from which the Town will have the option of recovering beach quality material at some later date. The first disposal under the new prioritization was conducted in May-June 2005 and delivered approximately 100,000 cubic yards of sand to the nearshore area south of the inlet.

Reach 2 Project Area
Onondaga Avenue to El Mirasol

A joint effort is being conducted with the USACE Jacksonville District Office toward permitting Reach 2 as an expansion area for the disposal of beach quality inlet dredge material as well as a low-moderate volume "feeder beach". Staff presented data to the USACE and FDEP identifying, in the settling basin north of the inlet's north jetty, approximately 300,000 cubic yards of beach quality sand, previously designated by USACE for offshore disposal. Placement of this material on the Reach 2 beach will accomplish the dual goals of the USACE's planned maintenance dredging of the settling basin as well as the Town's first nourishment of the Reach 2 project area. Permitting through USACE Jacksonville could also save the Town extensive time and costs associated with the federal permit process, bringing this project to construction in a more timely manner.

Reach 3 & 4 Project Area
Mid Town Beach Nourishment & Expansion Project
El Mirasol to El Vedado

The Mid-Town Project, constructed as the first in the Town's Comprehensive Coastal Management Plan, is now classified as an "engineered beach", part of the Town's infrastructure, and as such, qualifies for post-disaster FEMA assistance for re-construction. Staff filed for FEMA assistance in the amount of $3.32 million and expect to re-construct this beach during the 2005-06 construction season. All required physical and biological monitoring of this project area are ongoing as specified by permit conditions.

Reach 5 Project Area
El Vedado to Widner's Curve

The Feasibility Study for Reach 5 has been completed and the design and permitting phase for this project has been initiated. The proposed design includes continuous beach nourishment throughout the entire project area, significantly improving storm protection by elevating the berm to +9 feet NGVD. Direct burial of nearshore hardbottom is expected to be within permittable levels and the prediction at this time is that there could be approximately 3 acres for which mitigation will be necessary.

Reach 7 Project Area
Phipps Ocean Park Beach Nourishment Project
Sloan's Curve to Ambassador II Condominium

One of our most significant accomplishments is the final negotiation of the federal permit for the Phipps Ocean Park Project, now scheduled for construction in 2005-06. The federal permit required construction of an additional 0.8 acres of mitigation reef, which is currently scheduled for construction in 2005. The USACE modified the project design to dune restoration between Sloan's Curve and Phipps Ocean Park and permitted the proposed design for beach nourishment from Phipps Ocean Park south.

Reach 8 Project Area
Ambassador II Condominium to La Bonne' Vie

As a result of winter storm activity and the hurricanes in 2004, the Reach 8 project moved to the top of the Town's priority list. State and federal regulatory agencies were contacted and request made for: a) designating the entire area as "critically eroded" and b) accelerated processing of an application for construction of a minimal impact beach nourishment project in the 2005-06 season. A formal Joint Coastal Permit (JCP) application was filed and permit negotiations are in progress. Additionally, to ensure that the existing conditions in this area are addressed as soon as possible, the Town requested and received Hurricane Recovery funds from FDEP and will be receiving the necessary permits to construct a dune restoration project in this area during the 2005-06 construction season.

Regional Monitoring

The Regional Monitoring program is ongoing and currently includes annual aerial cartographic photography used to monitor nearshore hardbottom and elevation surveys of the dry beach out to a mile offshore to monitor sand movement throughout the Town. Both programs are supported with cost-sharing from FDEP.

Capital Improvement Funds

Hurricane Recovery/Preparedness

In the wake of Hurricanes Frances and Jeanne, immediate response to damages included construction of an emergency berm between Sloan's Curve and La Bonne Vie using approximately 40,000 cubic yards of sand from an upland source; construction of a seawall and re-construction of a collapsed roadway at Old South Ocean Boulevard; and extensive repairs, including engine replacement, at the Sand Transfer Plant.

Emergency Berm - Sloan's Curve to La Bonne Vie

Old South Ocean Blvd. Re-construction and Seawall

North Ocean Blvd. Seawall - Hurricane Frances

Additionally, a JCP permit application was filed for mitigative measures to address storm-related structural issues at the North Ocean Boulevard seawall which protects the roadway adjacent to the Country Club.

A JCP application was filed for restoration of the entire shoreline of the Town to pre-storm conditions. In response, FDEP authorized an additional $4.04 million in Hurricane Recovery Funds to the Town at a 90% reimbursement rate. These funds were specified for use in dune restoration projects in Reaches 7 and 8 to be completed during the 2005-06 construction season. This work will be bid together with the Phipps and Mid-Town projects utilizing offshore sand sources, thereby reducing the cost per cubic yard of sand and effectively increasing the volume of sand available through this contract by approximately 75%.

In preparation for rapid response to any future hurricanes, sand and rock sources have been identified for stabilization of the dune embankments and any threatened structures.

FUND (309) - COMPREHENSIVE COASTAL MANAGEMENT PROGRAM PROJECT DESCRIPTIONS FY06 and FY05 Carry-Over Budgets

Reach 2 Feeder Beach Project

The objective of the Reach 2 Feeder Beach Project (subsection as yet to be determined between Onondaga Avenue and El Mirasol) is to provide low to moderate volume sand placement on a relatively frequent schedule and to 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. Extensive nearshore hardbottom in Reach 2 precludes an extensive beach nourishment project in this area. Frequent placement of smaller quantities of material on the north end of the island is intended to minimize hardbottom impacts and benefit not only the beach in the Reach 2 area, but feed the downdrift beaches throughout the Town through the natural process of longshore transport.

This project is an integral part of the Comprehensive Coastal Management Plan and the Strategic Plan.

FY06 Appropriation	$ 150,000
FY05 Carry-Over	$ 79,343
FDEP Approved FY06-07	$2,490,500
FDEP Reimbursment Rate	50% Annual Review & Funding Consideration
Operating Budget Impact	The General Operating Fund provides for a Coastal Projects Administrator to administer and implement the Town's Comprehensive Coastal Management Plan, as well as funding to pay for Palm Beach County to operate the Sand Transfer Plant at the Lake Worth Inlet. The FY2006 operating budget for these items is $382,590.

Reaches 3 & 4 Mid-Town Beach Renourishment Project

The Mid-Town Beach Renourishment 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, in public areas, to visitors. Additionally, this project has resulted in measurable benefits to downdrift beaches as the sand moves south in the natural process of longshore transport. This project was originally constructed in 1995-96 and was renourished in 2002-03. The design renourishment cycle is eight years. Mid-Town, an engineered beach constructed prior to the hurricanes of 2004, is eligible for FEMA reimbursement for reconstruction to pre-hurricane conditions. This funding has been approved at the local level; state obligation of funds is pending issue of a Biological Opinion by the U. S. Fish & Wildlife Service. Reconstruction is planned for the 2005-06 construction season.

Comprehensive Coastal Management Program

This project is an integral part of the Comprehensive Coastal Management Plan and the Strategic Plan.

FY06 Appropriation	$2,827,219	
FY05 Carry-Over	$2,675,243	
FEMA Obligated Funds	$3,327,270	Review for Increase Based on Actual Costs
FDEP Approved FY06-07	$ 0	Fully Funded in FY05-06
FDEP Reimbursment Rate	50% Annual Review & Funding Consideration	
Operating Budget Impact	The General Operating Fund provides for a Coastal Projects Administrator to administer and implement the Town's Comprehensive Coastal Management Plan, as well as funding to pay for Palm Beach County to operate the Sand Transfer Plant at the Lake Worth Inlet. The FY2006 operating budget for these items is $382,590.	

Reach 5 Beach Nourishment Project

The Reach 5 Beach Restoration Project (subsection as yet to be determined between Banyon Road and Widner's Curve) is designed to provide storm protection for upland properties and a recreational beach for residents. Historically this area has been classified by the Florida Department of Environmental Protection as "critically eroded". However, construction of the Mid-Town projects, has been of significant benefit to Reach 5 as it is directly downdrift. Reach 5 is being evaluated for current level of storm protection and possible adaptation of the Comprehensive Coastal Management Plan to make Reach 5 an extension of the Mid-Town project. This would provide significant cost savings in permitting and construction mobilization fees.

This project is an integral part of the Comprehensive Coastal Management Plan and the Strategic Plan.

FY06 Appropriation	$2,427,000	
FY05 Carry-Over	$ 103,426	
FDEP Approved FY06-07	$ 0	Fully funded in FY05-06
FDEP Reimbursement Rate	50%	Annual Review & Funding Consideration
Operating Budget Impact	The General Operating Fund provides for a Coastal Projects Administrator to administer and implement the Town's Comprehensive Coastal Management Plan, as well as funding to pay for Palm Beach County to operate the Sand Transfer Plant at the Lake Worth Inlet. The FY2006 operating budget for these items is $382,590.	

Reach 7 Phipps Ocean Park Beach Nourishment Project

The Phipps Ocean Park Beach Nourishment Project (approximately 1,700 feet south of Sloan's Curve to the Ambassador II Condominium) is designed to provide storm protection to upland properties and recreational beach for residents and visitors to the Park. This project will also provide significant benefits to downdrift beaches in Reach 8 as the sand moves naturally to the south by longshore transport. Dune restoration associated with the FDEP Hurricane Recovery Plan described below, will extend the full length of this project length from Sloan's Curve to the Ambassador II Condominium. Construction is scheduled for 2005-06.

This project is an integral part of the Comprehensive Coastal Management Plan and the Strategic Plan.

FY06 Appropriation	$1,179,043
FY05 Carry-Over	$8,132,597
FDEP Approved FY06-07	$ 177,909
FDEP Reimbursement Rate	38.26% Annual Review & Funding Consideration
Operating Budget Impact	The General Operating Fund provides for a Coastal Projects Administrator to administer and implement the Town's Comprehensive Coastal Management Plan, as well as funding to pay for Palm Beach County to operate the Sand Transfer Plant at the Lake Worth Inlet. The FY2006 operating budget for these items is $382,590.

Reach 8 Beach Nourishment Project

The Reach 8 Beach Restoration Project (as yet to be determined section between the Ambassador II Condominium and La Bonne' Vie) is designed to provide storm protection for upland properties and a recreational beach for residents. Although this section of beach has been relatively stable historically, the hurricanes of 2004 and 2005 have caused serious erosion and loss of the dunes in the area. A truncated project design with minimal environmental impacts has been proposed for an expedited permit and construction in 2005-06 has been requested. Dune restoration associated with the FDEP Hurricane Recovery Plan described below will extend the full length of Reach 8, wherever possible, and this portion of the work in this area will be constructed in 2005-06.

Comprehensive Coastal Management Program

This project is an integral part of the Comprehensive Coastal Management Plan and the Strategic Plan.

FY06 Appropriation	$4,500,000
FY05 Carry-Over	$ 0
FDEP Approved FY06-07	$1,344,451
FDEP Reimbursment Rate	15.12% Annual Review & Funding Consideration
Operating Budget Impact	The General Operating Fund provides for a Coastal Projects Administrator to administer and implement the Town's Comprehensive Coastal Management Plan, as well as funding to pay for Palm Beach County to operate the Sand Transfer Plant at the Lake Worth Inlet. The FY2006 operating budget for these items is $382,590.

Dune Restoration Project - FDEP Hurricane Recovery Plan Reaches 7 & 8

In response to Hurricanes Frances and Jeanne in 2004, the Town applied for FDEP financial assistance for beach restoration to pre-storm conditions through the entire Town. In response, the FDEP Hurricane Recovery Plan included assistance to the Town of $4,043,000 specifically to be used for dune restoration between Sloan's Curve and the south end of Town. Construction is planned for the 2005-06 construction season at all locations with sufficient dry beach to sustain a dune.

This work is an integral part of the Comprehensive Costal Management Plan and the Strategic Plan.

FY06 Appropriation	$4,447,300
FDEP Approved Funds	$4,043,000
FDEP Reimbursement Rate	90% One Time Only Hurricane Recovery Fund
Operating Budget Impact	The General Operating Fund provides for a Coastal Projects Administrator to administer and implement the Town's Comprehensive Coastal Management Plan, as well as funding to pay for Palm Beach County to operate the Sand Transfer Plant at the Lake Worth Inlet. The FY2006 operating budget for these items is $382,590.

Lake Worth Inlet Management Plan Implementation Project

This project is newly funded in FY 2006 and consists of two components, 1) upgrades to the Sand Transfer Plant and 2) beach placement of sand dredged from inlet maintenance activities, both funded through a combination of cost sharing between USACE, FDEP and the Town.

Comprehensive Coastal Management Program

Enhancing the performance of the Lake Worth Inlet (LWI) Sand Transfer Plant (STP) is one of the mitigation measures of the LWI Management Plan adopted in 1996. The STP was built in 1958 on the north jetty of LWI to compensate for some portion of the sand lost to the Town of Palm Beach as a result of the inlet's interruption of net southerly longshore transport. This facility, operated and maintained by the Town, was significantly damaged by the hurricanes of 2004 and although it has been repaired to working condition, is in need of short term a) improvements, and b) mitigation measures to water tighten the facility and prevent or minimize future hurricane and/or storm damage, and c) long-term upgrades or reconstruction. The USACE has authorization and funding to contribute to long-term upgrade of the facility. As local sponsor for this project, the Town will be eligible for USACE reimbursement of approved tasks associated with the upgrade/reconstruction. Additionally, application has been filed with FEMA for costs associated with storm related repairs and storm protection measures. Also, in an unprecedented action, FDEP has agreed to cost share local costs not covered by USACE for STP betterments, upgrades above and beyond the USACE plans.

Historically the USACE has been dumping Lake Worth Inlet (LWI) maintenance dredging sand nearshore or offshore downdrift of the inlet. This is the least cost alternative to dredge material disposal that the USACE is mandated to implement. The Town has recently been successful in negotiating with USACE to pay the cost difference for beach placement of this material and has further been successful in negotiating FDEP cost sharing.

This work is an integral part of the Lake Worth Inlet Management Plan, the Comprehensive Coastal Management Plan, and the Strategic Plan.

FY06-07 Appropriation	$1,150,000	November 30, 2005 Council Approval
FDEP Approved FY06-07	$ 915,322	
USACE Reimbursement STP	$4,000,000	One Time Congressional Appropriation
USACE FY06 Dredging	$1,171,000	Annual Budget Appropriation
FDEP Reimbursement Rate	50%	Annual Review & Funding Consideration
Operating Budget Impact	The General Operating Fund provides for a Coastal Projects Administrator to administer and implement the Town's Comprehensive Coastal Management Plan, as well as funding to pay for Palm Beach County to operate the Sand Transfer Plant at the Lake Worth Inlet. The FY2006 operating budget for these items is $382,590.	

Comprehensive Coastal Management Program

Coastal Management Plan Implementation

Comprehensive coastal management includes tasks not specifically associated with individual projects identified in the CCMP, some of which may not be reimbursable through FDEP or other typical funding sources. Regional monitoring, including aerial cartography and beach profile surveys, is necessary throughout the Town's contiguous shoreline although approximately 31% is not included in specific project areas. Some activities associated with inlet sand management may not be considered eligible for cost sharing by either USACE or FDEP. Lobbyists and legal services are not eligible for reimbursement. Computer equipment, graphics and Geographical Information Systems (GIS) services are not always eligible for cost sharing, yet are integral to data interpretation and comprehensive coastal management.

These activities are an integral part of the Comprehensive Coastal Management Plan and the Strategic Plan.

FY06 Appropriation	$376,989
FY05 Carry-Over	$719,246
Operating Budget Impact	The General Operating Fund provides for a Coastal Projects Administrator to administer and implement the Town's Comprehensive Coastal Management Plan, as well as funding to pay for Palm Beach County to operate the Sand Transfer Plant at the Lake Worth Inlet. The FY2006 operating budget for these items is $382,590.

Fund 308 - Comprehensive Coastal Management Program
Pay-As-You-Go
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Transfer from General Fund	863,700	0	0	0	0	0.00%
Interest on Investments	81,362	88,742	66,000	120,000	140,000	112.12%
Grants	2,567,523	607,210	0	40,000	4,389,047	0.00%
TOTALS	3,512,585	695,952	66,000	160,000	4,529,047	6762.19%
Expenses						
Other Expenses	10,252	0	10,000	0	10,000	100.00%
Transfer to Debt Service 2000 (203)	0	990,650	908,668	908,700	0	-100.00%
Transfer to Debt Service 2003B (201)	0	864,900	859,307	859,307	935,925	8.92%
TOTALS	10,252	1,855,550	1,777,975	1,768,007	945,925	-46.80%
TOTAL REVENUES OVER/(UNDER) EXPENSES	3,502,333	(1,159,598)	(1,711,975)	(1,608,007)	3,583,122	
Beginning Retained Earnings	4,548,890	8,051,223	6,891,625	6,891,625	5,283,618	
ENDING FUND EQUITY	8,051,223	6,891,625	5,179,650	5,283,618	8,866,740	

Fund 308 - Comprehensive Coastal Management Program Pay-As-You-Go

REVENUES

Interest on Investments:
The interest rate used to project the return on investments was increased from 2% in FY05 to 3.5% in FY06.

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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Interest Earnings	103,761	302,707	320,000	320,000	150,000	-53.13%
Bond Interest	828,839	828,839	0	0	0	0.00%
FEMA/Grant Reimbursement	0	0	0	135,000	7,272,455	0.00%
TOTALS	932,600	1,131,546	320,000	455,000	7,422,455	2219.52%
Expenses						
Projects	4,835,063	1,977,459	320,000	5,105,500	15,907,551	4871.11%
TOTALS	4,835,063	1,977,459	320,000	5,105,500	15,907,551	4871.11%
TOTAL REVENUES OVER/(UNDER) EXPENSES	(3,902,463)	(845,913)	0	(4,650,500)	(8,485,096)	
Beginning Retained Earnings	24,948,462	21,045,999	20,200,086	20,200,086	15,549,586	
ENDING FUND EQUITY	21,045,999	20,200,086	20,200,086	15,549,586	7,064,490	

Fund 309 - Comprehensive Coastal Management Program Bond Proceeds Construction Fund

REVENUES

Interest on Investments:
The interest rate used to project the return on investments was increased from 2% in FY05 to 3.5% in FY06.

Bond Interest:
Interest earned on the Guaranteed Investment Contract (GIC) for the 2000 bond issue.

FEMA Reimbursement:
Anticipated FEMA/Grant reimbursement for beach projects.

EXPENDITURES

Projects:
The FY06 budget amount does not include unexpended carry over amounts from FY05. The following amounts represent the FY2006 appropriations for coastal management projects.

FY2006 Appropriation:

Reach 2	$ 150,000
Reach 3&4 Mid Town	2,827,219
Reach 5	2,427,000
Reach 7 Phipps	1,179,043
Reach 8	4,500,000
Dune Restoration	4,447,300
Non-Project Specific	376,989
Total	$15,907,551

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Town of Palm Beach

Town Facilities Project Fund (310)

FUND (310) - TOWN FACILITIES
FY05 ACCOMPLISHMENTS

New Central Fire-Rescue Station - the 22,000 square foot facility was completed and dedicated in December 2004 and includes space for Fire-Rescue operations, as well as two vehicle maintenance bays for the Police Department and a state of the art employee fitness center. Space on the third floor serves as an Emergency Operations Center. Construction took eighteen months.

Town Hall Renovations - All bids were rejected based upon the lowest bid being significantly above the project budget. Other alternatives are being pursued to move the Planning, Zoning & Building Department into "off island" facilities in West Palm Beach and to accomplish a modest renovation project for Town Hall. Funding from this account was authorized by Town Council to accomplish unexpected hurricane restoration projects for the North Fire Station interior restorations and roof replacement, Police Facility roof, Recreation Center roof, Town Hall (North End) roof replacement, and the old Central Fire Station interior restoration.

Fund 310 - Town Facilities Project Fund
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Interest Earnings	35,294	59,324	40,000	90,000	130,000	225.00%
Transfer from General Fund (001)	0	0	1,171,000	1,171,000	0	-100.00%
Transfer from CIP (307)	0	0	550,000	550,000	0	-100.00%
Transfer from Donation Fund (103)	0	1,102,290	0	0	0	0.00%
Bond Proceeds	6,108,358	0	0	0	0	0.00%
Grants	0	0	0	0	350,000	100.00%
TOTALS	6,143,652	1,161,614	1,761,000	1,811,000	480,000	-72.74%
Expenses						
Projects	899,101	3,019,782	3,426,389	1,745,000	0	-100.00%
Bond Issuance Costs	100,469	0	0	0	0	0.00%
TOTALS	999,570	3,019,782	3,426,389	1,745,000	0	-100.00%
TOTAL REVENUES OVER/(UNDER) EXPENSES	5,144,082	(1,858,168)	(1,665,389)	66,000	480,000	
Beginning Retained Earnings	0	5,144,082	3,285,914	3,285,914	3,351,914	
ENDING FUND EQUITY	5,144,082	3,285,914	1,620,525	3,351,914	3,831,914	

Town Facilities Project Fund

Fund 310 - Town Facilities Project Fund

REVENUES

Interest Earnings:
The interest rate used to project the return on investments was increased from 2.0% in FY05 to 3.5% in FY06.

Transfer from General Fund (001):
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.

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.

Transfer from Donation Fund (103):
This item represents a transfer of donations received for the new Central Fire-Rescue Station.

Bond Proceeds:
This item represents bond proceeds for Town Facilities from the 2003 Bond Issue.

Grants:
This item represents anticipated Historic Preservation Grant revenue for Town Hall.

EXPENDITURES

Projects:
The FY06 budget amounts do not include unexpended carry over amounts from prior years.

Bond Issuance Costs:
Bond Issuance costs on the 2003 bond issue.

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Town of Palm Beach

Equipment Replacement Fund (320)

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.

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 is funded with a transfer from the various departments to the Equipment Replacement Fund based on the economic life and original cost of the equipment utilized by each department.

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.

Depreciation Charges by Department
FY2006

	Depreciation Amount
General Government	$2,447
Information Systems	340,000
Human Resources	2,367
Finance	5,113
Planning, Zoning and Building	19,731
Fire-Rescue Department	304,858
Police Department	367,594
Department of Public Works	264,392
Emergency Management	2,500
Total Depreciation	$1,309,002

Equipment Replacement Fund

Replacement Equipment
FY2006

Department	Cost
Planning Zoning & Building:	
2 Automobiles	30,000
***Fire-Rescue*:**	
4 Sport Utility Vehicles	140,000
Police:	
2 ATV	12,000
4 Patrol Vehicles	119,700
3 Sport Utility Vehicles	108,000
Digital Video Cameras	55,701
Boat Engines	44,890
SUV - Criminal Investigations	21,000
Van - Criminal Investigations	18,000
Parking Scooter	23,883
Public Works:	
3 Garbage Packers - 6 yd	165,600
Garbage Packer 20 yd	97,600
Trash Truck	44,600
4WD Scooter - Beach Cleaning	11,500
4WD Tractor	32,000
Box Van	39,900
***Information Systems*:**	
Computer Equipment	192,205
Total Equipment Replacement Fund Expenditures	$1,156,579

Equipment Replacement Fund

Fund 320 - Equipment Replacement Fund
Revenue and Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Interest on Investments	77,448	78,846	40,000	75,000	90,000	125.00%
Surplus Equipment Proceeds	67,174	60,470	40,000	40,000	40,000	0.00%
Transfer from General Fund	891,668	1,041,423	1,066,295	1,222,468	1,309,002	22.76%
TOTALS	1,036,290	1,180,739	1,146,295	1,337,468	1,439,002	25.54%
Expenditures						
Capital Outlay - Equipment	531,798	714,686	745,600	745,600	964,374	29.34%
Capital Outlay - IS Equipment	89,303	187,789	290,700	290,700	192,205	100.00%
TOTALS	621,101	902,475	1,036,300	1,036,300	1,156,579	11.61%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	415,189	278,264	109,995	301,168	282,423	
Beginning Fund Balance	4,497,502	4,912,691	5,190,955	5,190,955	5,492,123	
ENDING FUND BALANCE	4,912,691	5,190,955	5,300,950	5,492,123	5,774,546	

REVENUE

Interest:
Represents interest earned on the fund. The interest was calculated using a 3.5% 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 FY2006.

EXPENDITURES

Capital Outlay - Equipment:
Estimated purchases of replacement capital equipment.

Capital Outlay - IS Equipment:
Estimated purchases of replacement IS equipment.

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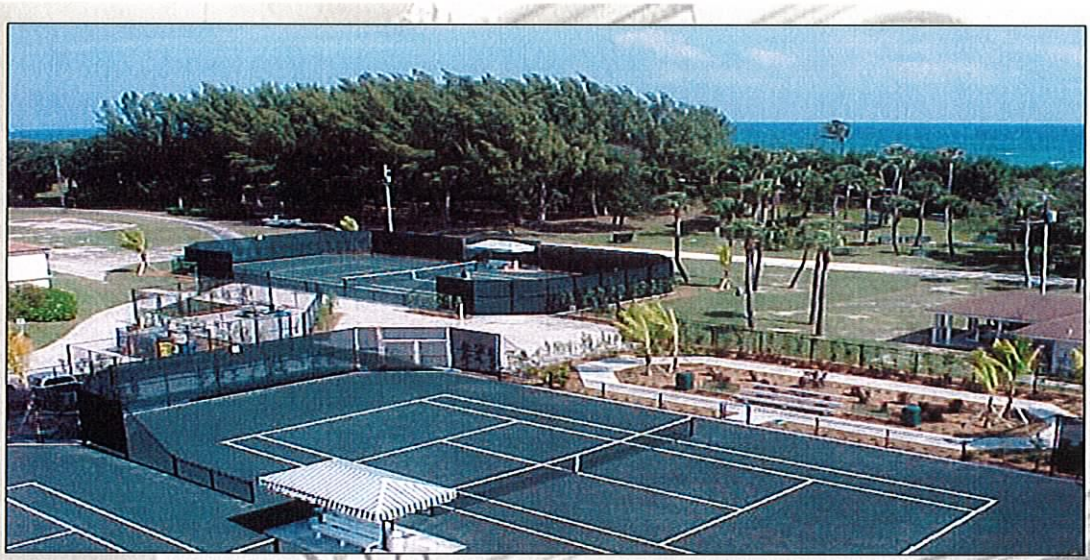
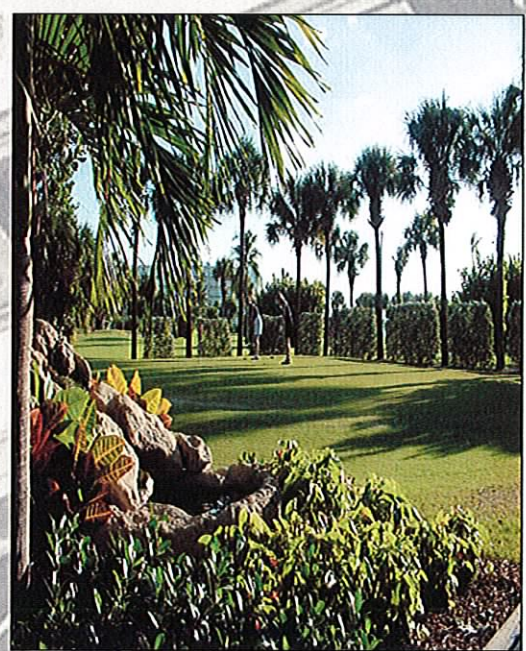
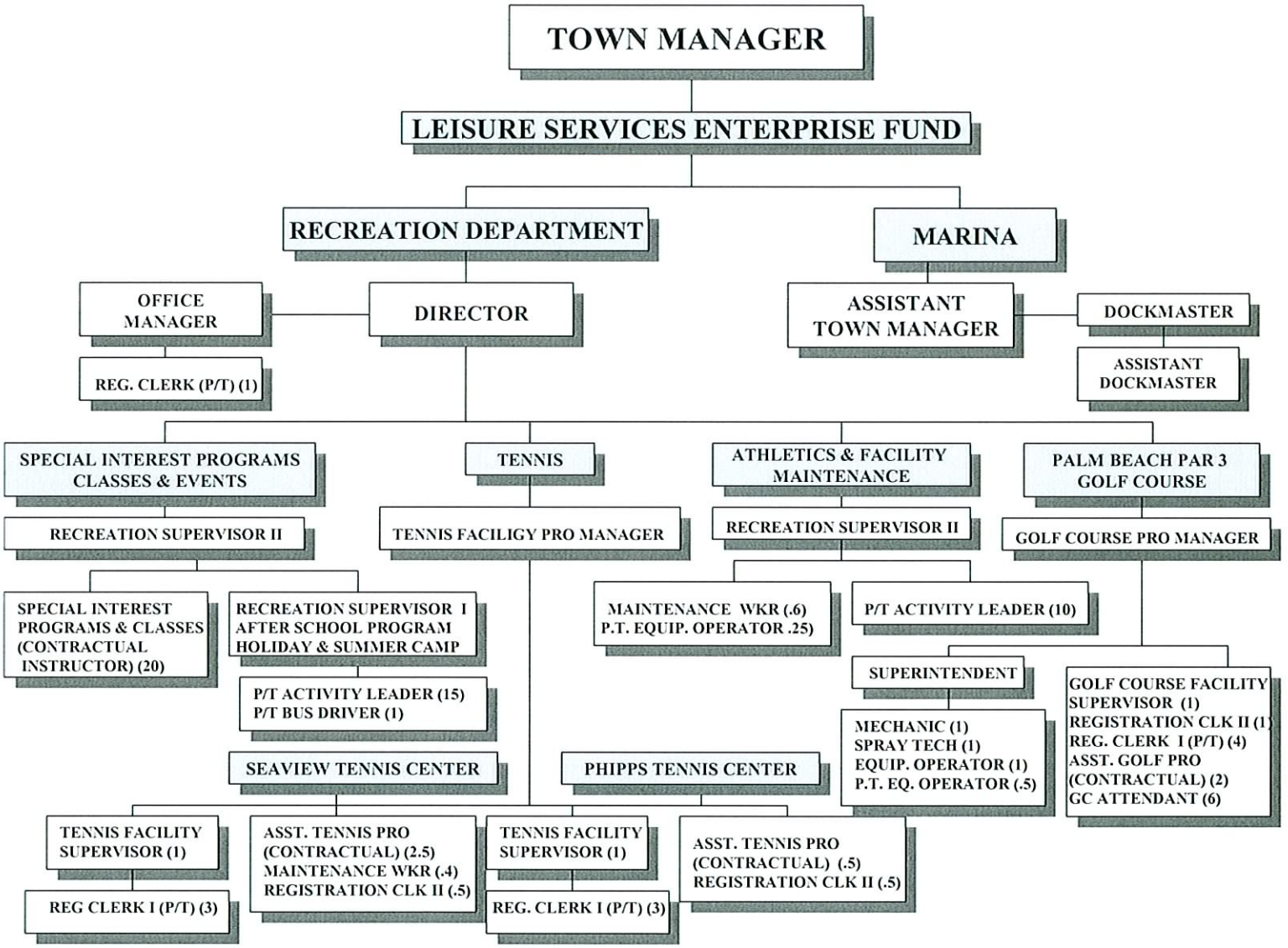
Leisure Services Enterprise Fund





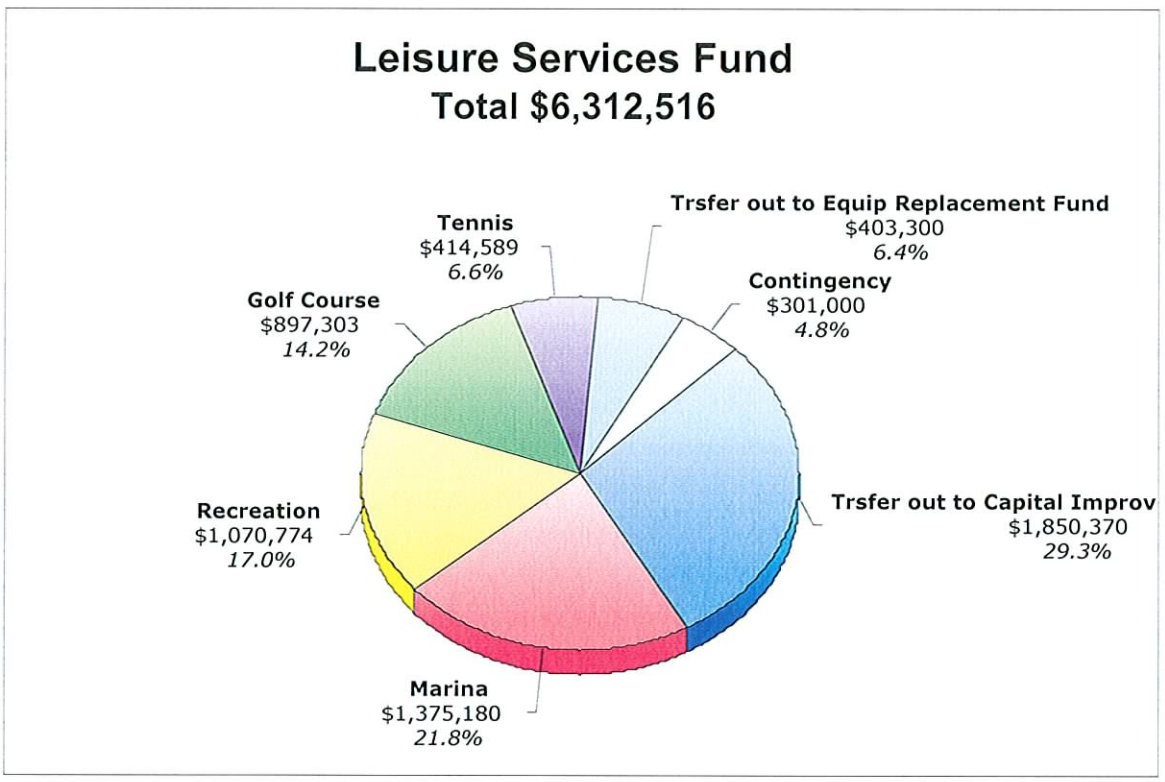
Leisure Services Enterprise Fund



	FY2003	FY2004	FY2005	FY2006
Total Full Time Equivalent Employees	29.24	30.13	29.83	30.42

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.



	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2006 Budget
Revenues	$3,485,555	$3,600,029	$3,946,930	$4,062,619
Expenditures	$3,126,740	$3,485,650	$3,677,605	$3,757,846

Leisure Services Enterprise Fund

PROGRAM: LEISURE SERVICES 403

Mission: This fund exists to provide outstanding recreational and marina opportunities and excellent customer service.

Main Activities: The most important things we do to fulfill the mission are:

- Programs and activities that reflect both the uniqueness and interests of the community
- Provide safe, clean, well-maintained facilities
- Manage slip availability to maximize transient traffic
- Set reasonable dockage fees
- Assure that the tennis facility is operated in a fashion that best serves the community
- Provide a high quality golf experience at a competitive price

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Desired outcomes are achieved in the most efficient manner maintaining a profit margin of 100% for the Golf Course, and a recovery rate of 70% for youth programs, 30% for the Tennis Program, and 100% of adult programs
Measure:	Annually measure profit margin to represent the business nature of the enterprise fund
Result:	Internal and external customer satisfaction is achieved
Measure:	Citizen satisfaction survey with a combined "excellent" and "very good" rating of at least 85%
Result:	Retain current participation levels
Measure:	Track number of registrants annually for all leisure services recreational programs
Result:	Retain current dock customers and transient repeat business
Measure:	Track percentage of lease retention and transient repeat business
Result:	Tennis program usage and user satisfaction increases
Measure:	Measure usage monthly comparing year to year and conduct point of contact satisfaction surveys
Result:	Golf program usage and user satisfaction increase
Measure:	Measure rounds and lessons given and conduct point of contact survey

Leisure Services Fund

Leisure Services Fund
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Peruvian Avenue Docks	555,985	553,377	625,700	632,405	648,500	3.64%
Australian Avenue Docks	1,110,142	1,182,603	1,215,120	1,246,170	1,264,233	4.04%
Brazilian Avenue Docks	662,619	649,380	706,820	746,795	740,356	4.74%
Electricity	64,415	53,941	70,470	70,470	60,000	-14.86%
Ice Sales	178	300	0	305	300	100.00%
Interest on Investments	55,287	56,939	54,000	97,985	100,000	85.19%
Sales Tax Commissions	720	679	670	790	560	-16.42%
Golf Pro Admin Fee	6,000	12,000	12,000	12,000	12,000	0.00%
Resident Permit Fees	16,147	19,840	22,000	17,100	20,000	-9.09%
Non-resident Permit Fees	6,132	13,451	15,000	16,100	19,000	26.67%
Resident Play Tickets	28,545	0	0	0	0	0.00%
Non-resident Play Tickets	19,321	0	0	0	0	0.00%
Play Tickets	0	49,406	53,500	40,660	43,660	-18.39%
Twilight Play Tickets	0	5,896	7,560	6,200	6,700	-11.38%
Resident Green Fees	82,510	0	0	0	0	0.00%
Non-resident Green Fees	308,956	0	0	0	0	0.00%
Green Fees	0	215,935	243,000	210,000	232,800	-4.20%
Twilight Green Fees	0	185,523	193,670	215,500	242,700	25.32%
Riding Cart Rental	114,797	120,756	131,610	121,500	129,000	-1.98%
Pull Cart Rental	26,164	27,727	30,495	27,000	31,000	1.66%
Driving Range	99,479	100,184	112,350	114,110	120,000	6.81%
Maint. and Improvement Fee	33,421	33,354	48,000	44,825	47,000	-2.08%
Vending Machine Commission	1,034	3,948	6,000	5,000	6,000	0%
Tennis Program Registration	450	722	0	700	700	100.00%
Daily Tennis Court Fees	37,210	30,236	31,000	31,000	33,000	6.45%
Annual Tennis Court Fees	52,902	46,356	50,000	46,555	50,000	0.00%
Tennis Pro Administration Fees	12,000	12,000	12,000	12,000	12,000	0.00%
Light Meter	115	92	150	150	150	0.00%
Use of Facilities	0	29,059	31,800	31,800	32,800	3.14%
Youth Program Registration	5,223	3,915	5,000	4,600	4,800	-4.00%
Adult Program Registration Fees	670	485	700	700	800	14.29%
Youth Program Fees	154,011	160,018	160,000	160,000	168,000	5.00%
Facility Rental Fees	118	1,025	625	1,050	1,100	76.00%
Adult Program Fees	30,098	28,080	33,000	30,000	32,000	-3.03%
Seaview Park Concession	0	2,418	2,000	3,000	3,000	50.00%
Miscellaneous Revenue	906	384	465	460	460	-1.08%
TOTALS	3,485,555	3,600,029	3,874,705	3,946,930	4,062,619	4.85%

Leisure Services Fund

Leisure Services Fund
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Expenses						
Salaries and Wages	1,061,481	1,237,316	1,178,457	1,190,683	1,302,265	10.51%
Employee Benefits	339,983	437,039	471,881	471,228	491,602	4.18%
Contractual	1,346,240	1,434,362	1,467,190	1,463,705	1,536,024	4.69%
Commodities	136,301	134,864	166,451	173,140	172,255	3.49%
Capital Outlay	240,635	242,069	270,376	269,253	255,700	-5.43%
Other	2,100	0	123,250[a]	0	0	-100.00%
TOTALS	3,126,740	3,485,650	3,677,605	3,568,009	3,757,846	2.18%
Operating Revenue over/(under) Expenses	358,815	114,379	197,100	378,921	304,773	
Transfer out to LSEF Equipment Replacement Fund	0	0	0	0	(403,300)	
Transfers out to LSEF Capital Fund Projects	0	0	(2,206,268)	(2,206,268)	(1,850,370)	
LSEF Contingency	0	0	0	0	(301,000)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	358,815	114,379	(2,009,168)	(1,827,347)	(2,249,897)	
Beginning Retained Earnings			6,564,898	6,564,898	4,737,551	
ENDING RETAINED EARNINGS			4,555,730	4,737,551	2,487,654	

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	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Annual and Seasonal Occupancy %	100%	100%	100%	100%
Annual Occupancy %	97%	94%	94%	97%
Total Transient Vessels	530	655	701	735

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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
Public Works Employees	0.49	0.45	0.17	0.17
TOTAL	**4.02**	**3.98**	**3.70**	**3.70**

Leisure Services Fund

Marina
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Peruvian Avenue Docks	555,985	553,377	625,700	632,405	648,500	3.64%
Australian Avenue Docks	1,110,142	1,182,603	1,215,120	1,246,170	1,264,233	4.04%
Brazilian Avenue Docks	662,619	649,380	706,820	746,795	740,356	4.74%
Electricity	64,415	53,941	70,470	70,470	60,000	-14.86%
Ice Sales	178	300	0	305	300	100.00%
Interest on Investments	55,287	56,939	54,000	97,985	100,000	85.19%
Sales Tax Commissions	360	331	210	435	300	42.86%
Miscellaneous Revenue	906	351	460	460	460	0.00%
TOTALS	2,449,892	2,497,222	2,672,780	2,795,025	2,814,149	5.29%
Expenses						
Salaries and Wages	141,357	157,569	162,410	148,150	158,656	-2.31%
Employee Benefits	43,840	56,141	67,157	65,656	63,598	-5.30%
Contractual	1,011,005	980,696	990,279	939,265	994,601	0.44%
Commodities	11,506	8,799	11,425	11,810	10,325	-9.63%
Capital Outlay	171,184	146,017	187,000	148,000	148,000	-20.86%
Other	0	0	0	0	0	0.00%
TOTALS	1,378,892	1,349,222	1,418,271	1,312,881	1,375,180	-3.04%
Operating Revenues over/(under) Expenses	1,071,000	1,148,000	1,254,509	1,482,144	1,438,969	
Transfer out to LSEF Capital Fund	0	0	(1,436,436)	(1,436,436)	(982,400)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	1,071,000	1,148,000	(181,927)	45,708	456,569	

Leisure Services Fund

REVENUE

Peruvian Avenue Docks:
Increase in revenue is attributed to proposed slip lease rate increases of $.03/ft/day for annual leases, $.05/ft/day for seasonal leases and $.02/ft/day for winter transient leases. There is no proposed increase for summer monthly or summer daily rates.

Australian Avenue Docks:
Increase in revenue is attributed to proposed slip lease rate increases of $.03/ft/day for annual leases, $.05/ft/day for seasonal leases and $.02/ft/day for winter transient leases. There is no proposed increase for summer monthly or summer daily rates.

Brazilian Avenue Docks:
Increase in revenue is attributed to proposed slip lease rate increases of $.03/ft/day for annual leases, $.05/ft/day for seasonal leases and $.02/ft/day for winter transient leases. There is no proposed increase for summer monthly or summer daily rates.

Electricity:
Decrease is due to change in summer dockage billing procedures. Base electricity is now included with summer transient dockage instead of billed separately.

Ice Sales:
Bags of ice are available for purchase at the Town docks.

Interest on Investments:
The interest rate used to project the return on investments was increased from 2.0% in FY05 to 3.0% in FY06.

Grants:
Grant applications are not anticipated to be applied for in FY2006.

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 wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase.

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

Contractual:
Slight increase due to increased electricity, marina maintenance, security camera maintenance agreement and State land lease.

Commodities:
Small decrease due to miscellaneous cost cutting for supplies, etc.

Capital Outlay:
Annual depreciation

Transfer out to LSEF Capital Fund:
FY04 - Cost for Dock Expansion Pilings and to reconstruct the Peruvian Dock House.
FY05 - Cost of planned dredging and parking improvements
FY06 - Funds for continued implementation of the Dock Master Plan and replacement of a fire pipe

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	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Rounds of Golf	39,108	35,426	35,468	35,000
Discount Coupons	n/a	1,000	906	1,500

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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	0.00	0.00
Golf Laborer	0.15	0.15	0.43	0.41
Registration Clerk	1.95	1.95	1.95	1.95
Part-time Equipment Operator	0.00	0.00	0.95	0.95
TOTAL	**9.10**	**9.10**	**9.33**	**9.31**

Leisure Services Fund

Par 3 Golf Course
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Golf Pro Admin Fee	6,000	12,000	12,000	12,000	12,000	0.00%
Use of Facilities	0	6,603	6,800	6,800	7,800	14.71%
Resident Permit Fees	16,147	19,840	22,000	17,100	20,000	-9.09%
Non-resident Permit Fees	6,132	13,451	15,000	16,100	19,000	26.67%
Resident Play Tickets	28,545	0	0	0	0	0.00%
Non-resident Play Tickets	19,321	0	0	0	0	0.00%
Play Tickets	0	49,406	53,500	40,660	43,660	-18.39%
Twilight Play Tickets	0	5,896	7,560	6,200	6,700	-11.38%
Resident Green Fees	82,510	0	0	0	0	0.00%
Non-resident Green Fees	308,956	0	0	0	0	0.00%
Green Fees	0	215,935	243,000	210,000	232,800	-4.20%
Discount Green Fees	0	185,523	193,670	215,500	242,700	25.32%
Riding Cart Rental	114,797	120,756	131,610	121,500	129,000	-1.98%
Pull Cart Rental	26,164	27,727	30,495	27,000	31,000	1.66%
Driving Range	99,479	100,184	112,350	114,110	120,000	6.81%
Maint. and Improvement Fee	33,421	33,354	48,000	44,825	47,000	-2.08%
Sales Tax Commission	360	288	400	295	200	-50.00%
Vending Machine Commission	1,034	3,948	6,000	5,000	6,000	0%
Miscellaneous Revenue	0	33	5	0	0	-100.00%
TOTALS	742,866	794,944	882,390	837,090	917,860	4.02%
Expenses						
Salaries and Wages	369,397	375,643	368,456	372,583	375,257	1.85%
Employee Benefits	129,092	148,505	147,680	147,879	148,693	0.69%
Contractual	183,483	228,723	200,200	245,140	221,623	10.70%
Commodities	83,303	78,876	88,076	96,025	87,930	-0.17%
Capital Outlay	57,276	51,027	77,300	81,673	63,800	-17.46%
Other	2,100	0	0	0	0	0.00%
TOTALS	824,651	882,774	881,712	943,300	897,303	1.77%
Operating Revenues over/(under) Expenses	(81,785)	(87,830)	678	(106,210)	20,557	
Transfer out to LSEF Capital Fund	0	0	0	0	(15,000)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	(81,785)	(87,830)	678	(106,210)	5,557	

REVENUE

Leisure Services Fund

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. Slight rate increase.

Resident Permit Fees:
Fee paid by resident for annual permit. Decrease due to overestimate in FY05 budget.

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. Decrease due to overestimate in FY05 budget.

Twilight Play Tickets:
Fee paid for 12 play multi use ticket valid after 2:00 pm. Decrease due to overestimate in FY05 budget.

Green Fees:
Fee paid for daily play on golf course. Decrease due to overestimate in FY05 budget.

Discount Green Fees:
Fee paid for daily play on Golf course at discounted rates. Increase due to additional Print and Internet Advertising.

Riding Cart Rental:
Fee paid for rental of golf cart during play on course. Slight decrease due to overestimate in FY05 budget.

Pull Cart Rental:
Fee paid for rental of golf club pull cart. Expecting a small increase due to small rate increase.

Driving Range:
Fee paid for use of buckets of golf balls on driving range. Expecting a small increase due to small rate increase.

Maintenance and Improvement Fee:
Fee paid per round of golf for maintenance and improvement of course. Small decrease due to overestimate in FY05.

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.

Leisure Services Fund

EXPENSES

Salaries and Wages:
Increase is due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 due to increased water costs and small increase in landscape contracts for tree trimming.

Commodities:
No appreciable change.

Capital Outlay:
Annual Depreication

Transfer out to LSEF Capital Fund:
Cost to develop drainage for swale area to tie into FDOT project.

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	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Youth Participants*	n/a	n/a	5,315	6,707
Adult Participants*	n/a	n/a	22,799	22,279

*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.

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
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	2.60	3.00	3.20	3.45
Public Works Employees	0.00	0.13	0.13	0.13
TOTAL	**6.10**	**6.63**	**6.83**	**7.08**

Leisure Services Fund

Tennis
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Tennis Program Registration Fees	*450*	722	0	700	700	100.00%
Daily Tennis Court Fees	*37,210*	30,236	31,000	31,000	33,000	6.45%
Annual Tennis Court Fees	*52,902*	46,356	50,000	46,555	50,000	0.00%
Tennis Pro Administration Fees	*12,000*	12,000	12,000	12,000	12,000	0.00%
Use of Facilities	*0*	22,456	25,000	25,000	25,000	0.00%
Light Meter	*115*	92	150	150	150	0.00%
TOTALS	*102,677*	111,862	118,150	115,405	120,850	2.29%
Expenses						
Salaries and Wages	*173,361*	224,962	212,882	223,645	227,919	7.06%
Employee Benefits	*64,109*	101,494	112,922	113,712	121,270	7.39%
Contractual	*45,012*	41,799	49,900	44,745	46,000	-7.82%
Commodities	*10,517*	10,101	14,400	14,400	14,400	0.00%
Capital Outlay	*6,369*	4,676	270	4,400	5,000	1751.85%
Other	*0*	0	0	0	0	0.00%
TOTALS	*299,368*	383,032	390,374	400,902	414,589	6.20%
Operating Revenues over/(under) Expenses	*(196,691)*	(271,170)	(272,224)	(285,497)	(293,739)	
Transfer out to LSEF Capital Fund	*0*	0	(651,096)	(651,096)	(822,000)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	*(196,691)*	(271,170)	(923,320)	(936,593)	(1,115,739)	

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.

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 wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 in large part to tennis court maintenance being done in-house rather than contracted out.

Commodities:
No appreciable change.

Capital Outlay:
Annual Depreciation - Equipment replacement fund depreciation and depreciation on facilities

Transfer out to LSEF Capital 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).
FY06 - Seaview Tennis Center renovation

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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, yoga, ballroom and line dancing and calligraphy.

Youth programs include athletics, arts & crafts, dance, self defense, pre-school programs 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	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Sports Sponsorships and Donations	n/a	$12,750	$26,600	$78,800
Family Oriented Special Events Offered	5	5	5	5
Adult Participants	1,500	1,194	1,557	1,477
Youth Participants	2,500	1,889	2,565	2,442

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Recreation Director	1.00	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	1.00	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	4.03	4.03	3.18	3.58
Part Time Equipment Operator	0.00	0.00	0.00	0.25
Public Works Employees	0.00	0.35	0.50	0.50
TOTAL	**9.89**	**10.24**	**9.54**	**10.19**

Leisure Services Fund

Recreation
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Youth Program Registration Fees	*5,223*	3,915	5,000	4,600	4,800	-4.00%
Adult Program Registration Fees	*670*	485	700	700	800	14.29%
Youth Program Fees	*154,011*	160,018	160,000	160,000	168,000	5.00%
Facility Rental Fees	*118*	1,025	625	1,050	1,100	76.00%
Adult Program Fees	*30,098*	28,080	33,000	30,000	32,000	-3.03%
Seaview Park Concession	*0*	2,418	2,000	3,000	3,000	50.00%
Sales Tax Commission	*0*	60	60	60	60	0.00%
TOTALS	*190,120*	196,001	201,385	199,410	209,760	4.16%
Expenses						
Salaries and Wages	*377,366*	479,142	434,709	446,305	540,433	24.32%
Employee Benefits	*102,942*	130,899	144,122	143,981	158,041	9.66%
Contractual	*106,740*	183,144	226,811	234,555	273,800	20.72%
Commodities	*30,975*	37,088	52,550	50,905	59,600	13.42%
Capital Outlay	*5,806*	40,349	5,806	35,180	38,900	570.00%
Other	*0*	0	0	0	0	0.00%
TOTALS	*623,829*	870,622	863,998	910,926	1,070,774	23.93%
Operating Revenues over/(under) Expenses	*(433,709)*	(674,621)	(662,613)	(711,516)	(861,014)	
Transfer out to LSEF Capital Fund	*0*	0	(118,736)	(118,736)	0	
TOTAL REVENUES OVER/(UNDER) EXPENSES	*(433,709)*	(674,621)	(781,349)	(830,252)	(861,014)	

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 wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. The increase is also due to the planned retirement and payout of accrued leave for the director.

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

Contractual:
Change due to increases in janitorial services, reallocation of costs for landscape services from Public Works budget, and scheduled replacement of AC compressors.

Commodities:
Change due to increase in operating equipment related to equipment replacement, newly rebuilt basketball court and the purchase of three computers.

Capital Outlay:
Annual Depreciation - Equipment replacement depreciation and depreciation for facilities.

Transfer out to LSEF Capital Fund:
Cost of the scheduled replacement and upgrade of storm shutters for the Seaview Recreation Center.

Town of Palm Beach

Leisure Services Capital Fund (404)

FUND (404) - LEISURE SERVICES
FY05 ACCOMPLISHMENTS

Town Dock Improvements - Design and permitting continue on the project to enhance Town Dock amenities with phased replacement/expansion of the Brazilian Dock Building and the Australian Dock Building, along with slip expansion and parking improvements.

Phipps Ocean Park Tennis Center - Phase III - Designed courts #5 and #6. Plans are to relocate the existing restroom. Work is scheduled to begin September 2005 and be completed November 2005.

Phipps Ocean Park Maintenance Building - a 12' x 16' maintenance building to house tennis court maintenance equipment and supplies will be constructed by Town forces. Work is to be completed by October 1, 2005.

Seaview Park Tennis Center Renovation - A master plan design is underway to upgrade and renovate the existing facility and replace some of the facility that is more than 50 years old.

FUND (404) - LEISURE SERVICES CAPITAL FUND PROJECT DESCRIPTIONS FY06 and FY05 Carry-Over Budgets

Town Dock Improvements

This project involves the phased replacement/expansion of the Australian and Brazilian Dock Buildings, the construction of a Peruvian Dock building, parking improvements and will also enhance the Town Dock amenities.

Project Budget	$1,855,000
Operating Budget Impact	When constructed, this project is estimated to generate additional revenue of $600,000/yr. at today's rates. There will be no substantial future increases to personnel and operating costs associated with this project. (Repairs and Maintenance < $5,000 annually.)

Phipps Ocean Park Tennis - Phase III

This project allows for the 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.

Project Budget	$486,496
Operating Budget Impact	Increases to personnel and operating costs associated with this project are estimated to be $5,000 annually. The daily play revenue is estimated to increase $2,000 annually.

Seaview Tennis Center Renovation

This project replaces tennis court surfacing, lights, fencing and court amenities with a more modern design. The existing clay courts were constructed more than 50 years ago. The clay courts are very close together, the court material is expensive, difficult to obtain and maintenance intensive. Existing lighting and several large sections of the fencing have reached the end of their useful life, are in poor shape and need to be replaced.

Project Budget	$883,000
Operating Budget Impact	Increases to maintenance costs associated with this project are estimated to be $2,000 annually. Revenue is estimated to increase $2,000 annually.

Leisure Services Capital Fund

Seaview Recreation Center Shutter Replacement

These funds were initially budgeted in the prior year for the scheduled replacement and upgrade of the Recreation Center storm shutters.

Project Budget	$66,000
Operating Budget Impact	There will be no increase to personnel and operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Seaview Park Improvements

These funds were initially budgeted for the installation of a secondary irrigation system for Seaview Park which adequately splits the irrigation watering time schedule in order to comply with the Town's water restrictions. Upon completion of the construction of the Public School, the remaining balance will be used for irrigation reconstruction and sodding.

Project Budget	$12,736
Operating Budget Impact	There will be no increase to personnel and operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Par 3 Storm Drainage

This project will make an overflow connection between the Florida Department of Transportation (FDOT) drainage structure on the west side of A1A, south of the Par 3 maintenance building driveway, to a Town drainage structure and drainage outfall at the west end of the maintenance building parking lot. This project will "bleed down" the ponding water from the FDOT swale system that is not being absorbed fast enough into their exfiltration system

Project Budget	$15,000
Operating Budget Impact	There will be no increase to personnel and operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Leisure Services Capital Fund

Fund 404 -
Leisure Services Capital Project Fund
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Interest Earnings	0	0	0	15,000	60,000	100.00%
Transfer from LSEF Fund (403)	0	0	2,206,268	2,206,268	1,850,370	-16.13%
Donations	0	0	0	50,000	0	0.00%
TOTALS	0	0	2,206,268	2,271,268	1,910,370	-13.41%
Expenses						
Projects	0	0	2,206,268	772,436	1,819,400	-17.54%
Capital Contingency	0	0	0	0	90,970	100.00%
Bond Issuance Costs	0	0	0	0	0	0.00%
TOTALS	0	0	2,206,268	772,436	1,910,370	-13.41%
TOTAL REVENUES OVER/(UNDER) EXPENSES	0	0	0	1,498,832	0	
Carry-over Budget FY05	0	0	0	0	1,498,832	
ENDING FUND EQUITY	0	0	0	1,498,832	1,498,832	

Leisure Services Capital Fund

Fund 404 Leisure Services Capital Project Fund

REVENUES

Interest Earnings:
The interest rate used to project the return on investments was increased from 2.0% in FY05 to 3.5% in FY06.

Transfer from Leisure Services Enterprise Fund:
This item represents a transfer from the Leisure Services Enterprise Fund (403) to establish the Leisure Services Capital Project Fund per Ordinance 9-05 approved by Town Council on June 14, 2005.

Donations:
This item represents a donation to the Town for the Recreation Center Generator.

EXPENDITURES

Projects:
The FY06 budget amounts do not include unexpended carry over amounts from prior years. The schedule on the following page summarizes the capital project budget information by project.

Capital Contingency:
Per Town policy, 5% of the approved Leisure Services 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.

Leisure Services Enterprise Fund Capital Improvement Program
FY05 Carry-over and Five Year Plan
Fund (404)

Project	FY05 Est. Carry-over Budget	FY06 Approved	FY07 Proposed	FY08 Proposed	FY09 Proposed	FY10 Proposed	Total
Leisure Services Enterprise Fund							
Town Docks							
Master Plan	872,600	960,400	945,000	1,043,000	949,000	661,000	5,431,000
Fire Pipe	0	22,000	0	0	0	0	22,000
Subtotal Town Docks	872,600	982,400	945,000	1,043,000	949,000	661,000	5,453,000
Phipps Ocean Park Tennis							
Tennis Center - Phase III	486,496	0	0	0	0	0	486,496
Seaview Tennis Center							
Tennis Center Renovation	61,000	822,000	0	0	0	0	883,000
Seaview Recreation Center							
Shutter Replacement	66,000	0	0	0	0	0	66,000
Seaview Park Improvements	12,736	0	0	0	0	0	12,736
Subtotal	78,736	0	0	0	0	0	78,736
Par 3							
Irrigation	0	15,000	0	0	0	0	15,000
Total	$1,498,832	$1,819,400	$945,000	$1,043,000	$949,000	$661,000	$6,916,232

Town of Palm Beach

Leisure Services Equipment Replacement Fund (405)

Leisure Services Enterprise Fund - Equipment Replacement Fund

Leisure Services Enterprise Fund - Equipment Replacement Fund (405)

The fund was established to provide a means to replace equipment when the end of its useful life has been reached.

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 is funded with a transfer from the activities of the Leisure Services Enterprise Fund to the Leisure Services Enterprise Fund - Equipment Replacement Fund based on the economic life and the replacement cost of the equipment utilized by each department.

Depreciation for the fixed assets is calculated using the straight line method which takes the estimated replacement cost 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.

Fixed Asset Depreciation Charges by Activity
FY2006

Activity	Depreciation Amount
Recreation	$3,600
Tennis	1,300
Golf	25,400
Marina	0
Total Depreciation	$30,300

Replacement Equipment
FY2006

	Cost
Golf:	
Toro Sand Pro	$13,000
Greens Sprayer	20,000
Total Equipment Replacement Fund Expenditures	$33,000

Leisure Services Enterprise Fund - Equipment Replacement Fund

Fund 405 - LSEF - Equipment Replacement Fund
Revenue and Expenditure Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Interest on Investments	0	0	0	0	13,000	0.00%
Transfer from LSEF	0	0	0	0	403,300	0.00%
TOTALS	0	0	0	0	416,300	0.00%
Expenditures						
Capital Outlay - Equipment	0	0	0	0	33,000	0.00%
TOTALS	0	0	0	0	33,000	0.00%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	0	0	0	0	383,300	
Beginning Fund Balance	0	0	0	0	0	
ENDING FUND BALANCE	0	0	0	0	383,300	

REVENUE

Interest:
Represents interest earned on the fund. The interest was calculated using a 3.5% return on surplus funds.

Transfer from Leisure Services Enterprise Fund:
The transfer represents the initial transfer of accumulated depreciation ($373,000) and depreciation expense for FY2006 ($30,300).

EXPENDITURES

Capital Outlay - Equipment:
Estimated purchases of replacement capital equipment.

Town of Palm Beach

Self Insurance - Risk (501)

Self Insurance: Workers Comp, Liability, Property

PROGRAM: SELF INSURANCE FUND (RISK MANAGEMENT) 501

Mission: This division exists to provide a safe and healthy work environment for all employees, and to minimize the adverse effects of accidental losses by ensuring that a Comprehensive Risk Management Program is in place that best protects the interests of the Town and its employees.

Main Activities: The most important things we do to fulfill the mission are:

- Identify exposures and address resolution
- Determine proper method for insurance coverage by analyzing options
- Manage claims in a manner that serves both the interests of the claimant as well as the Town
- Apply a variety of approaches to control loss and improve personal safety through the following:
  - Safety Training, committees, bulletins, manual and handbook
  - Periodic safety inspections of Town facilities and property
  - Conducting motor vehicle report checks
  - Create various manuals and procedures as needed

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Identify exposures to best determine type of coverage (i.e. fully insured, deductible, self-insured).
Measure:	Compare coverage and cost from year to year
Result:	Employee work environment is safe, and employees have proper protective equipment and training.
Measure:	Number of lost workdays vs. medical only compared year to year. Number of safety trainings.
Result:	Ensure proper claims handling (in-house or adjuster) and pursue subrogation 100% of the time.
Measure:	Create quarterly claim reports to distribute to all departments.
Result:	Periodic inspections contribute to making the workplace is safe.
Measure:	Report periodic inspection of all work places consistent with industry standards and note exceptions and resolution.
Result:	All employees trained in safety measures consistent with local, state and federal guidelines.
Measure:	Training records to be kept among departments to compare training hours against standards.
Result:	Ensure work is completed effectively and efficiently.
Measure:	Continue to produce quality results which are in line with the budget dedicated to this area.

Self Insurance: Workers Comp, Liability, Property

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Claims Processed	145	147	193	150
Safety Program Training Sessions	n/a	5	5	10
Safety Bulletins Produced	n/a	5	6	12
Community Rating System (CRS) Rating	Class 7	Class 7	Class 7	Class 7

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Risk Manager	1.00	1.00	1.00	1.00
Risk Assistant	0.50	0.50	1.00	1.00
	1.50	1.50	2.00	2.00

Risk Management

Fund 501 - Self Insurance, Worker's Comp, Liability, Property
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2005 Budget	% Change
Revenues						
Risk Funding	2,761,360	2,816,958	2,510,033	2,522,313	2,390,000	-4.78%
Miscellaneous Revenue	94,969	334	0	0	0	0.00%
Interest on Investments	86,818	92,934	82,000	153,375	175,000	113.41%
TOTALS	2,943,147	2,910,226	2,592,033	2,675,688	2,565,000	-1.04%
Expenses						
Salaries and Wages	80,442	87,844	115,453	115,453	113,640	-1.57%
Employee Benefits	545,598	90,266	42,160	222,710	44,788	6.23%
Contractual	1,830,825	3,632,947	2,283,624	2,512,124	2,403,804	5.26%
Commodities	4,472	3,402	4,150	4,550	4,200	1.20%
Capital Outlay	709	7,542	0	0	0	0.00%
Other	0	101,250	3,000,000	219,675	3,000,000	0.00%
TOTALS	2,462,046	3,923,251	5,445,387	3,074,512	5,566,432	2.22%
TOTAL REVENUES OVER/(UNDER) EXPENSES	481,101	(1,013,025)	(2,853,354)	(398,824)	(3,001,432)	
Beginning Retained Earnings	3,968,573	4,450,383	3,444,900	3,444,900	3,046,076	
Capital Outlay (adj to GAAP)	709	7,542	0	0	0	
ENDING FUND EQUITY	4,450,383	3,444,900	591,546	3,046,076	44,644	

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:
The decrease is due to salary adjustment for new hire in November 2005.

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

Contractual:
The increase is based upon projected premiums for all insurance coverages.

Commodities:
Slight increase is for office supplies.

Other:
Reserve funds established to cover catastrophic losses, emergencies and contingencies.

Town of Palm Beach

Self Insurance - Health (502)

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.

Key Results and Measures: The desired outcomes we produce and the way we measure them.

Result:	Administer an employee health plan that is understandable, useful, and competitive.
Measure:	Measure annual costs to an identified fixed external trend and seek employee feedback at open enrollment.

Workload Indicators	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 PROJECTED
Assist with Medical Claims	n/a	1,134	1,278	1,200
Process Requests for Insurance	n/a	27	109	150
Provide Benefits Training to New Employees	n/a	37	29	38
Provide Wellness Programs for Employees	n/a	4	5	5

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006
Human Resources Director	0.20	0.20	0.20	0.20
Human Resources Assistant	0.70	0.70	0.70	0.70
Human Resources Analyst	0.70	0.70	0.70	0.70
Secretary II	0.00	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

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
Group Medical	4,427,742	4,696,307	4,877,720	5,059,124	5,371,376	10.12%
Interest on Investments	291,783	300,868	340,000	377,950	450,000	32.35%
TOTALS	4,719,525	4,997,175	5,217,720	5,437,074	5,821,376	11.57%
Expenses						
Salaries and Wages	58,879	75,953	81,885	81,885	81,812	-0.09%
Employee Benefits	4,330,958	4,678,560	5,101,835	5,005,835	5,487,831	7.57%
Contractual	5,389	16,935	31,200	30,680	36,900	18.27%
Commodities	3,500	2,122	2,800	4,020	2,800	0.00%
Capital Outlay	2,375	1,276	0	0	0	0.00%
Other	0	0	500,000	0	500,000	0.00%
TOTALS	4,401,101	4,774,846	5,717,720	5,122,420	6,109,343	6.85%
TOTAL REVENUES OVER/(UNDER) EXPENSES	318,424	222,329	(500,000)	314,654	(287,967)	
Beginning Retained Earnings	15,784,579	16,103,003	16,325,332	16,325,332	16,639,986	
ENDING FUND EQUITY	16,103,003	16,325,332	15,825,332	16,639,986	16,352,019	

Self Insurance - Health

REVENUE

Group Medical:
Increased Town and employee contributions by $493,656.

Interest on Investments:
The interest revenue is based upon the financial market conditions.

EXPENSES

Salaries and Wages:
Slight decrease due to employee turnover, offset by an increase due to wage adjustments made as a result of the WMS compensation study, merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual 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 is due to the cost of setting up a trust fund for health insurance reserves.

Commodities:
No change

Other:
Contingency.

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Retirement Funds

RETIREMENT FUNDS

The Town provides three defined benefit pension plans: General Employees, Police Officers and Firefighters. The Town administers the General Employees' Pension Trust Fund which covers all full time general employees and lifeguards. The Pension Resource Center administers the Police Officer and Firefighter Pension Trust Fund which 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 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 Officers' Pension Plan and the Firefighters' Pension 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), Police Officers and Firefighters. The Police Officers' and Firefighters' Pension Plans also receive 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 400 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 FY06 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%	17.66%
Lifeguards	7.21%	23.61%
Police	6.98%	30.08%
Fire-Rescue	6.82%	32.08%

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

	FY2005	FY2006	Change	% Change
Gen.Employees	$1,705,300	$1,919,026	$213,726	12.53%
Lifeguards	76,252	87,955	11,703	15.35%
Police	1,395,026	1,652,583	257,557	18.46%
Fire-Rescue	1,116,151	1,351,449	235,298	21.08%
Total	$4,292,729	$5,011,013	$718,284	16.73%

Retirement Funds

The employer funding history for the last five years follows:

	FY2002	FY2003	FY2004	FY2005	FY2006
General	$516,344	$893,843	$1,475,454	$1,705,300	$1,919,016
Lifeguards	41,336	58,142	44,204	76,252	87,955
Police	310,756	452,334	1,106,450	1,395,026	1,652,583
Fire-Rescue	233,590	337,218	822,201	1,116,151	1,351,449
Total	$1,102,026	$1,741,537	$3,448,309	$4,292,729	$5,011,003

The employer funding history per employee for the last five years follows:

	FY06 # of Employees	FY2002	FY2003	FY2004	FY2005	FY2006
General	228	2,437	4,134	6,871	7,822	8,417
Lifeguards	10	4,134	6,497	4,912	8,472	8,796
Police	77	4,638	6,751	16,271	19,023	21,462
Fire-Rescue	76	3,959	5,439	12,458	15,945	17,782

Since FY2000 the funded ratio for the each of the pension plans has decreased. The trend is shown in the chart below:

As of Fiscal Year End	FY2000	FY2001	FY2002	FY2003	FY2004
General & Lifeguards	125%	115%	99%	95%	91%
Police	112%	97%	93%	92%	90%
Fire-Rescue	112%	97%	93%	87%	85%

Retirement Funds

Retirement Benefits for General Employees 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.

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 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.

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 Funds

Retirement Benefits for the Police Officers' and Firefighters' Retirement Systems are:

Normal Retirement:

Eligibility - 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 - Average final compensation multiplied by the greater of

a) 3.25% per year of credited service to a maximum of 25 years, or

b) 2.0% per year of credited service to a maximum of 50 years.

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, based upon service and average final compensation at time of termination.

Duty Disability Retirement:

Eligibility - No age or service requirements.

Pension Amount - 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.

Non-Duty Disability Before Retirement:

Eligibility - 10 or more years of service.

Pension Amount - Computed as for normal retirement.

Retirement Funds

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.

Firefighter Individual Chapter Share Accounts:

Available tax revenues received pursuant to Chater 175 Florida Statute which have not been otherwise committed for members. Individual member accounts maintained in each member's name effective on or after 10/1/98.

Prior Governmental Service Elsewhere:

During the first five years of employment by the Town, the years or fractional parts of years that a member previously served for any other municipal, county, or state government or district may be added to years or fractional parts of years of credited service provided that the member contributes the sum that would have been contributed to the retirement plan to pay the full actuarial cost.

Purchase of Service Credit:

A vested member who has not purchased service credit under Prior Governmental Service elsewhere may purchase years or fractional parts of years of services to be added to years of credited service provided that the member contributes the sum that would have been contributed to the retirement plan to pay the full actuarial cost.

Town of Palm Beach

General Employees Retirement System (600)

Fund 600 - General Employees' Retirement System
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
General Fund Supplement	1,885	1,835	1,900	1,900	1,900	0.00%
Employer Contributions	952,315	1,519,988	1,781,550	1,781,921	2,006,981	12.65%
Employee Contributions	665,185	722,770	737,000	900,000	782,000	6.11%
Gain/(Loss) on Investments	6,497,699	4,350,385	2,500,000	1,500,000	1,800,000	-28.00%
Miscellaneous	1,687	777	1,000	7,000	7,000	600.00%
Interest on Investments	1,301,968	1,333,666	1,900,000	1,400,000	1,750,000	-7.89%
TOTALS	9,420,739	7,929,421	6,921,450	5,590,821	6,347,881	-8.29%
Expenses						
Contractual	2,665,057	2,615,745	2,754,000	2,888,600	2,946,500	6.99%
TOTALS	2,665,057	2,615,745	2,754,000	2,888,600	2,946,500	6.99%
TOTAL REVENUES OVER/(UNDER) EXPENSES	6,755,682	5,313,676	4,167,450	2,702,221	3,401,381	
Beginning Net Assets	43,596,805	50,352,487	55,666,163	55,666,163	58,368,384	
ENDING FUND EQUITY	50,352,487	55,666,163	59,833,613	58,368,384	61,769,765	

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 FY05 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:
Increased FY06 budget to reflect FY05 anticipated.

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.

Town of Palm Beach

Police Officers' Retirement System (606)

Fund 606 - Police Officers' Retirement System
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
State of Florida	0	0	260,000	260,000	280,000	7.69%
Employer Contributions	0	0	1,430,000	1,430,000	1,652,583	15.57%
Employee Contributions	0	0	440,000	440,000	474,000	7.73%
Gain/(Loss) on Investments	0	0	2,727,400	2,727,400	2,969,200	8.87%
Miscellaneous	0	0	1,560	1,560	0	-100.00%
Interest on Investments	0	0	937,040	937,040	989,040	5.55%
TOTALS	0	0	5,796,000	5,796,000	6,364,823	9.81%
Expenses						
Contractual	0	0	3,448,662	3,448,662	4,773,000	38.40%
TOTALS	0	0	3,448,662	3,448,662	4,773,000	38.40%
TOTAL REVENUES OVER/(UNDER) EXPENSES	0	0	2,347,338	2,347,338	1,591,823	
Beginning Net Assets	0	0	46,084,193	46,084,193	48,431,531	
ENDING FUND EQUITY	0	0	48,431,531	48,431,531	50,023,354	

Retirement Funds

REVENUES

State of Florida:
Chapter 185 monies received from the State of Florida are recorded in this line item.

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 FY05 and remains at 6.98%. 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:
This line item contains revenues of a minor nature.

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

Firefighters' Retirement System (607)

Fund 607 - Firefighters' Retirement System
Revenue and Expense Summary

	FY2003 Actual	FY2004 Actual	FY2005 Budget	FY2005 Projected	FY2006 Budget	% Change
Revenues						
State of Florida	0	0	530,000	530,000	530,000	0.00%
Employer Contributions	0	0	1,181,000	1,181,000	1,351,449	14.43%
Employee Contributions	0	0	396,000	396,000	427,000	7.83%
Gain/(Loss) on Investments	0	0	2,517,600	2,517,600	2,740,800	8.87%
Miscellaneous	0	0	1,440	1,440	0	-100.00%
Interest on Investments	0	0	864,960	864,960	912,960	5.55%
TOTALS	0	0	5,491,000	5,491,000	5,962,209	8.58%
Expenses						
Contractual	0	0	3,279,888	3,279,888	2,656,620	-19.00%
TOTALS	0	0	3,279,888	3,279,888	2,656,620	-19.00%
TOTAL REVENUES OVER/(UNDER) EXPENSES	0	0	2,211,112	2,211,112	3,305,589	
Beginning Net Assets	0	0	42,968,743	42,965,743	45,179,855	
ENDING FUND EQUITY	0	0	45,179,855	45,176,855	48,485,444	

Retirement Funds

REVENUES

State of Florida:
Chapter 175 monies received from the State of Florida are recorded in this line item.

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 FY05 and remains at 6.82%. 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:
This line item contains revenues of a minor nature.

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
FY2006 Proposed Millage Rate - Change on Homestead Property
Taxable Value Comparison FY2005 vs. FY2006

	2004(FY2005) Final	2005(FY2006) Preliminary		Difference	% Difference
Operating Taxable Value	$9,132,547,880	$10,265,975,059		$1,133,427,179	12.41%
Debt Service Taxable Value	9,193,452,440	10,323,535,287		1,130,082,847	12.29%

Millage Rate/Ad Valorem Revenue Budget Comparison FY2005 vs. FY2006

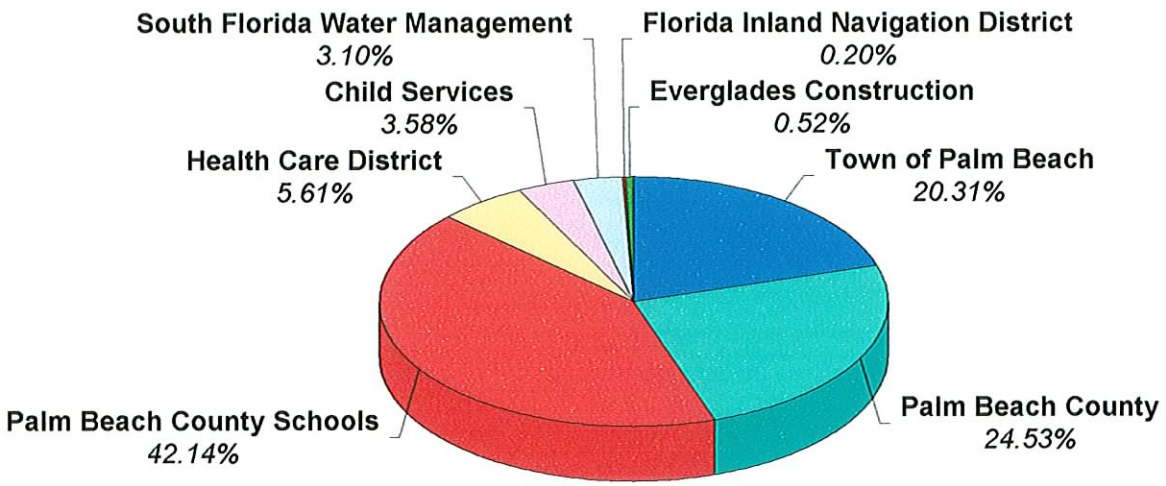
	FY2005 Adopted	FY2006 Adopted		Difference	% Difference
Operating Millage	3.9594	3.9080	(1)	-0.0514	-1.30%
Debt Service Millage	0.0693	0.0000		-0.0693	-100.00%
Total	4.0287	3.9080		-0.1207	-3.00%
Operating Revenue	$34,351,440	$38,113,459	(2)	$3,762,019	10.95%
Debt Service Revenue	$605,251	$0		(605,251)	-100.00%
Total	$34,956,691	$38,113,459		$3,156,768	9.03%

Effect of FY2006 Adopted Millage Rate Change on Homestead Property

	FY2005	FY2006		$ Difference	% Difference
Example I at $500,000					
Taxable Value	$500,000	$515,000	(3)		
Homestead	(25,000)	(25,000)			
Adjusted Taxable Value	475,000	490,000			
Millage	4.0287	3.9080			
Town Taxes	$1,914	$1,915		1.00	0.05%
Example II at $1,000,000					
Taxable Value	$1,000,000	$1,030,000	(3)		
Homestead	(25,000)	(25,000)			
Adjusted Taxable Value	975,000	1,005,000			
Millage	4.0287	3.9080			
Town Taxes	$3,928	$3,928		0.00	0.00%
Example III at $1,500,000					
Taxable Value	$1,500,000	$1,545,000	(3)		
Homestead	(25,000)	(25,000)			
Adjusted Taxable Value	1,475,000	1,520,000			
Millage	4.0287	3.9080			
Town Taxes	$5,942	$5,940		(2.00)	-0.03%

(1) 3.9080 Operating mills is 10.51% higher than the rolled-back millage of 3.5364 mills.
(2) One mill at 95% would generate $ 9,752,676 in taxes. One mill equals $1.00 of taxes per $1,000 of taxable value
(3) Save our homes percentage increase of 3% is applied to FY05 taxable value.

TOTAL PROPERTY TAX RATES
TOWN OF PALM BEACH PROPERTY OWNER
FISCAL YEAR 2006



TAXING DISTRICTS	ADOPTED MILLAGE RATES	% OF TOTAL
Town of Palm Beach	3.9080	20.31%
Palm Beach County	4.7192	24.53%
Palm Beach County Schools	8.1060	42.14%
Health Care District	1.0800	5.61%
Child Services	0.6887	3.58%
South Florida Water Management	0.5970	3.10%
Florida Inland Navigation District	0.0385	0.20%
Everglades Construction	0.1000	0.52%
Total	19.2374	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

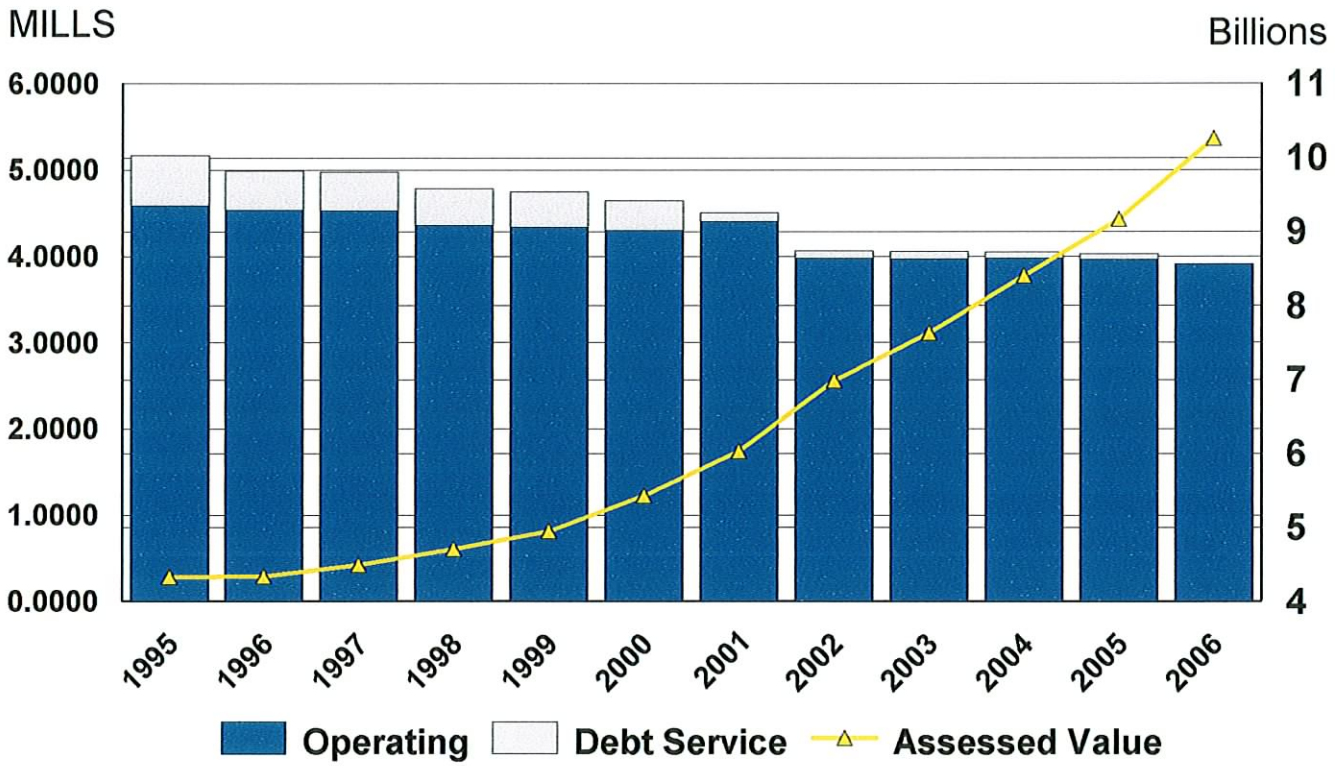
Town and Overlapping Government Tax Rates

Taxing Authority	Millage Rates/Percent of Total									
	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06
Palm Beach	**4.9810**	**4.7901**	**4.7528**	**4.6452**	**4.5059**	**4.0641**	**4.0541**	**4.0529**	**4.0287**	**3.9080**
	23.09%	**22.14%**	**22.08%**	**22.31%**	**21.85%**	**19.92%**	**20.14%**	**20.29%**	**20.39%**	**20.31%**
P.B. County	4.5191	4.8666	4.8582	4.9456	4.9362	4.9351	4.8084	4.7910	4.7677	4.7192
	20.95%	22.49%	22.57%	23.75%	23.94%	24.19%	23.89%	23.99%	24.14%	24.53%
P.B.C. Schools	9.7880	9.5850	9.6820	9.0430	8.9180	8.9480	8.7790	8.5710	8.4320	8.1060
	45.37%	44.30%	44.98%	43.44%	43.24%	43.86%	43.61%	42.92%	42.68%	42.14%
<u>Other:</u>										
S. Fla. Water Mgmt	0.5720	0.6220	0.5970	0.5970	0.5970	0.5970	0.5970	0.5970	0.5970	0.5970
	2.65%	2.87%	2.77%	2.87%	2.89%	2.93%	2.97%	2.99%	3.02%	3.10%
Children Services	0.3756	0.4530	0.4403	0.4696	0.5000	0.5703	0.6228	0.6902	0.6902	0.6887
	1.74%	2.09%	2.05%	2.26%	2.42%	2.80%	3.09%	3.46%	3.49%	3.58%
Florida Inland Navigation	0.0380	0.0500	0.0470	0.0440	0.0410	0.0385	0.0385	0.0385	0.0385	0.0385
	0.18%	0.23%	0.22%	0.21%	0.20%	0.19%	0.19%	0.19%	0.19%	0.20%
Health Care District	1.2000	1.1700	1.0500	0.9750	1.0250	1.1500	1.1300	1.1300	1.1000	1.0800
	5.56%	5.41%	4.88%	4.68%	4.97%	5.64%	5.61%	5.66%	5.57%	5.61%
Everglades Constr.**	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
	0.46%	0.46%	0.46%	0.48%	0.48%	0.49%	0.50%	0.50%	0.51%	0.52%
Grand Total	21.5737	21.6367	21.5273	20.8194	20.6231	20.4030	20.1298	19.9706	19.7541	19.2374

** 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

TOWN OF PALM BEACH
ASSESSED VALUES AND PROPERTY TAX RATES
FISCAL YEARS 1995- 2006



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

FISCAL YEAR	ASSESSED VALUATION	GENERAL FUND	DEBT SERVICE	TOTAL	REVENUE GENERATED
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
2006	10,265,975,059	3.9080	0.0000	3.9080	$38,317,262

Authorized Positions

The Chart below shows the distribution of authorized positions, full and part-time, by departments, for the years 2003 through 2006. The number of full and part-time employees for the Fiscal year 2006 is 412.36, which is a 6.09 increase over Fiscal Year 2005 of 406.27.

Full Time Equivalent Employees	***FY2003***	***FY2004***	***FY2005***	***FY2006***
Town Manager				
Town Manager	1.00	1.00	1.00	1.00
Deputy Town Manager	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	2.00	2.00
Administrative Assistant (Shared)	0.50	0.50	0.00	0.00
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	1.00	1.00	1.00	1.00
Information Systems Specialist	1.00	1.00	2.00	2.00
Information Systems Support Specialist	1.00	1.00	1.00	1.00
	10.50	10.50	12.00	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
Human Resources Analyst	0.30	0.30	0.30	0.30
Human Resources 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
Finance				
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
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	3.00	3.00	3.00

Authorized Positions

Full Time Equivalent Employees	*FY2003*	*FY2004*	*FY2005*	*FY2006*
Accounting Clerk/Receptionist	0.00	1.00	1.00	1.00
Secretary	1.00	1.00	1.00	1.00
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/Warehouse Clerk	1.00	1.00	1.00	1.00
	18.00	18.00	18.00	18.00
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	2.00
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	0.00	1.00	1.00
Combination Inspector	2.00	3.00	3.00	2.50
Code Compliance Officer II	1.00	1.00	1.00	1.00
Code Compliance Officer I	1.00	1.00	1.00	1.50
Office Manager	1.00	1.00	1.00	1.00
Administrative Lieutenant	0.00	0.50	0.50	0.00
Fire Marshal	1.00	1.00	1.00	1.00
Fire Prevention Officer	0.00	0.00	0.00	2.00
Plan Reviewer	0.00	0.00	0.00	0.50
Office Assistant	0.00	0.00	0.00	1.00
Fire Inspector	1.00	1.00	1.00	0.00
	23.00	23.50	24.50	27.50
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	0.00

Authorized Positions

Full Time Equivalent Employees	*FY2003*	*FY2004*	*FY2005*	*FY2006*
Office Manager	1.00	1.00	1.00	1.00
Administrative Coordinator (Secretary II)	1.00	1.00	1.00	1.00
EMS Billing Technician	0.00	0.00	1.00	1.00
Battalion Chief	0.00	3.00	3.00	3.00
EMS Division Chief	0.00	0.00	0.00	1.00
Captain	3.00	0.00	0.00	0.00
Lieutenant	12.00	15.00	15.00	15.00
Administrative Lieutenant	0.00	0.50	0.50	1.00
F/F, D/O, Paramedic	52.00	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
	75.00	78.50	79.50	80.00
Police				
Police Chief	1.00	1.00	1.00	1.00
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 Assistant	1.00	1.00	1.00	1.00
Office Assistant II	1.00	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00	1.00
Police Officer	56.00	57.00	57.00	57.00
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	2.00	2.00
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
Crime Scene Technician II	2.00	2.00	2.00	2.00
Patrol Office Assistant	1.00	1.00	1.00	1.00
Police Mechanic	1.00	1.00	1.00	1.00
Detective Office Assistant	1.00	1.00	1.00	1.00
Police Office Manager	1.00	1.00	1.00	1.00
Supervisor Lifeguard	1.00	1.00	1.00	1.00

Authorized Positions

Full Time Equivalent Employees	*FY2003*	*FY2004*	*FY2005*	*FY2006*
Assistant Supervisor Lifeguard	2.00	2.00	2.00	2.00
Lifeguard	7.00	7.00	7.00	7.00
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
Crime Prevention Specialist	0.00	0.00	1.00	1.00
	130.00	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	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	2.00
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	1.00
Managers	4.00	4.00	4.46	5.00
Supervisors	8.64	8.64	8.32	8.78
Secretaries	3.00	3.00	3.00	3.00
Electricians	2.87	2.87	2.76	2.79
Mechanics	7.00	7.00	7.01	8.01
Equipment Operators	39.75	39.75	38.70	39.06
Laborers	16.00	14.00	14.91	14.66
Sanitation Walker	4.00	4.00	4.00	4.00
Maintenance Worker	1.96	1.96	1.88	1.88
Nursery Worker	1.00	1.00	0.90	0.90
Tree Trimmer	1.94	1.94	1.88	1.88
Painter	0.98	0.98	0.92	0.92
Vehicle Maintenance Clerk	1.00	1.00	1.00	1.00
	101.14	99.14	99.74	101.88
Capital Fund				
Construction Manager	0.00	0.00	1.00	1.00

Authorized Positions

Full Time Equivalent Employees	*FY2003*	*FY2004*	*FY2005*	*FY2006*
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
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	.31	.31	.31	.31
Activity Leader I	4.03	4.03	3.18	3.58
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	1.95
Golf Mechanic	1.00	1.00	1.00	1.00
Equipment Operator	1.00	1.00	1.95	2.20
Spray Tech/Equip. Operator	1.00	1.00	0.00	0.00
Golf Laborer	.15	.15	.15	.41
Registration Clerk	4.60	5.00	5.20	4.50
Public Works Employees	.67	1.11	1.51	.80
	29.29	30.13	29.83	30.28
Self Insurance Fund - Risk				
Risk Manager	1.00	1.00	1.00	1.00
Administrative Secretary	0.50	0.50	1.00	1.00
	1.50	1.50	2.00	2.00

Authorized Positions

Full Time Equivalent Employees	*FY2003*	*FY2004*	*FY2005*	*FY2006*
Self Insurance Fund - Health				
Human Resource Director	0.20	0.20	0.20	0.20
HR Assistant	0.00	0.00	0.70	0.70
HR Analyst	0.70	0.70	0.70	0.70
HR Secretary II	0.70	0.70	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	397.13	400.97	406.27	412.36

TOWN OF PALM BEACH
DONATION RESERVE ACCOUNT SUMMARY
PERIOD ENDED SEPEMBER 30, 2005

DONATION ACCOUNT DESCRIPTION	DONATION RESERVE ACCT	BALANCE AT 10/01/04	REVENUES FISCAL Y-T-D	EXPENDITURES FISCAL Y-T-D	BALANCE AT 09/30/2005
Bicentennial Eagle	103-000-247-49-00	11,408.85	316.09	0.00	11,724.94
Co-Worker Recognition Program	103-000-247-16-00	93,000.00	21,314.00	101,619.40	12,694.60
Employee Fitness Center	103-000-247-23-00	84,055.76	19,986.53	45,279.73	58,762.56
Employee of the Year Award	103-000-247-06-00	0.00	3,500.00	3,500.00	0.00
Feral Cats	103-000-247-13-00	13,045.86	0.00	12,979.84	66.02
Finance	103-000-247-10-00	19.00	41.00	0.00	60.00
Fire-Rescue	103-000-247-30-00	72,346.05	48,674.76	105,415.21	15,605.60
Fire-Rescue Dress Uniforms	103-000247-21-00	0.00	29,958.00	0.00	29,958.00
Fire-Rescue MICU	103-000-247-28-00	350,000.00	0.00	348,897.60	1,102.40
Fourth on Flagler (WPB)	103-000-247-15-00	0.00	297.50	0.00	297.50
Ilyinsky Memorial Fund	103-00-247-15-00	8,000.00	4,000.00	0.00	12,000.00
July 4th Celebration	103-000-247-05-00	11,398.42	5,942.00	8,423.50	8,916.92
Marine Unit Equipment	103-000-247-31-00	0.00	150,000.00	149,000.00	1,000.00
Memorial Fountain Lighting	103-000-247-08-00	1,360.51	0.00	0.00	1,360.51
Newsrack Covers	103-000-247-07-00	784.00	0.00	0.00	784.00
Par 3 Golf Tournament	103-000-247-04-00	75.60	0.00	0.00	75.60
PEPIE (H-R)	103-000-247-06-00	1,490.17	500.00	196.03	1,794.14
Police Department	103-000-247-32-00	17,041.83	180,469.75	61,642.26	135,869.32
Police Scholarship Fund	103-000-247-34-00	142,919.07	29,711.50	24,000.00	148,630.57
Public Works Department	103-000-247-48-00	624.05	100.00	0.00	724.05
Recreation Department	103-000-247-33-00	21,042.84	28,897.27	26,230.49	23,709.62
Thorson Flagpole (Royal Palm Way)	103-000-247-11-00	489.87	0.00	0.00	489.87
Town Beautification	103-000-247-12-00	3,908.81	2,975.00	4,010.75	2,873.06
Town Scholarship Fund	103-000-247-09-00	3,000.00	3,000.00	3,000.00	3,000.00
Undesignated Donations	103-000-247-14-00	11,248.32	384.96	2,000.00	9,633.28
TOTALS:		$847,259.01	$530,068.36	$896,194.81	$481,132.56

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Town of Palm Beach

Information Systems Management Plan

Information Systems
FY2006 Budget Summary

Overall, the Town's network infrastructure, computer systems and phone systems are up to date and functioning well. 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 major focus for this year is going to continue to be on software systems as outlined by the Town's Software Consultant. Planning and investigating which systems will provide the best solutions for the Town is the first major step for FY2006.

The Information Systems budget is $1,711,659 which is an increase of $401,655 or 31% from FY2005. The following is an outline of the major items included in the FY2006 Office of Information Systems Budget.

Town Wide Software Systems: During FY2005, the Office of Information Systems has been working closely with each Department and the Town's Software Consultant to review the Town's software. The final review and findings has been completed and attached is an executive summary of these findings. The FY2006 proposed budget includes funds to begin implementing some of the minor changes that have been recommended. $60,000 is planned for the creation of a Town wide active directory and database. These systems need to be done in order to continue to maintain existing software applications as well as any future systems. During the fall and winter, the Town will be sending out an RFP for software systems. These systems will be reviewed and analyzed to determine the best options for the Town. Next spring, a final multi year plan will be brought to Council for review and approval. Included in the FY2006 budget is $170,000 which will be available next summer to begin the initial implementation of this plan, upon Council's ultimate approval and direction.

Public Works Work Management Software: This software system is currently in the process of being implemented in FY2005. During phase 2, in FY2006, additional modules will be installed to provide accurate tracking and maintenance of Traffic Signals, Street Lights, Sewers and Storm Sewers. The underlying goal is to provide management the ability to do accurate and efficient manpower allocation along with detailed inventory and maintenance of these systems. The costs for the modules in FY2006 are $40,000.

Full Year of New Position: Approved in the FY2005 budget was the addition of an I.S. Specialist for half of the fiscal year. Because this position is now going to be funded for a full year, there is an increase in the FY2006 budget equivalent to 50% of the cost of this position.

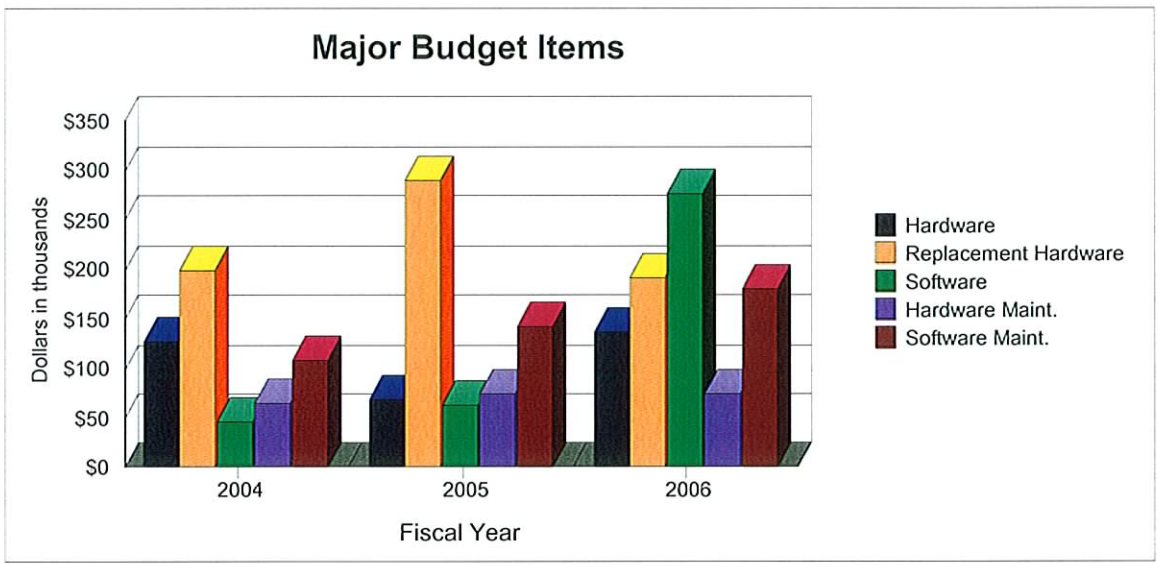
Town Wide Training: The FY2006 budget includes $20,000 to be used to set up information technology training on a Town wide basis. This will be used to have instructors provide classes on site in any area of software that is needed. Training in desktop office automation software was one of the key points identified by the software consultant in their review of the Town's systems. The Office of Information Systems will coordinate with vendors and Town Departments to provide as much up to date training as possible.

Hardware Purchases: Included in the FY2006 budget are several hardware items which are less than $1,500 and are not part of the equipment replacement program. There are 36 personal computers (all but two are replacements to old outdated machines). There are 5 printers,16 monitors, 2 scanners and 1 projector. There are 16 computers that are over $1,500 that will be added to the equipment replacement program in the future. Of these 16 computers, 14 will be laptops that replace existing desktops and the other 2 are for new positions. Two other major items include an additional fiber switch for the Police station to allow redundancy for the Town network and a server to run the Town's Microsoft Active Directory services.

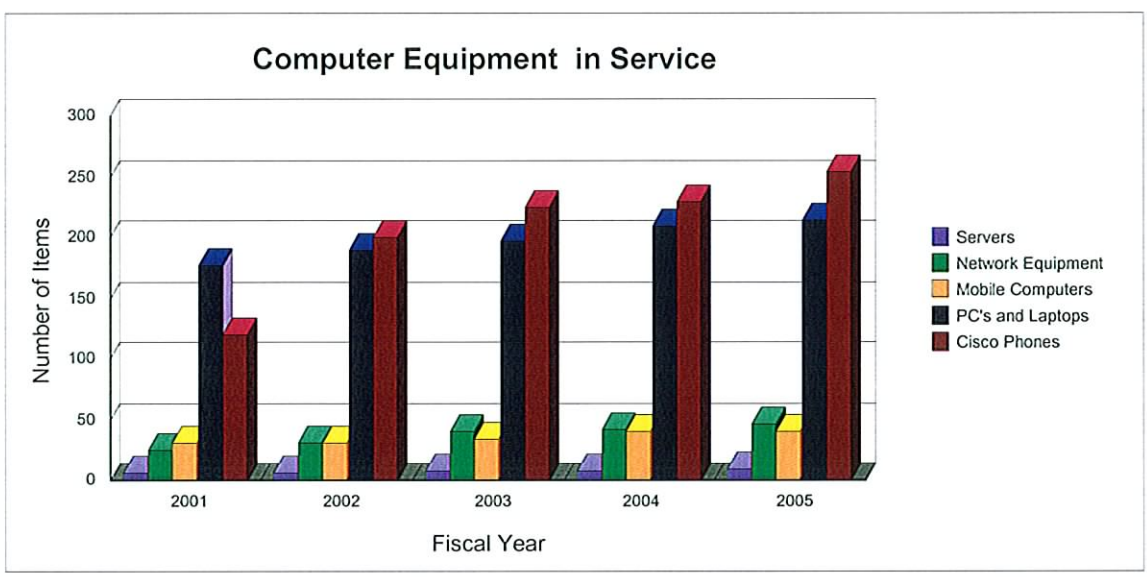
Hardware Maintenance: The FY2006 budget includes no increase for hardware maintenance. All of the hardware maintenance costs for the Town are handled by the Office of Information Systems. Each year we evaluate each piece of equipment to determine the priority and need for maintenance. We then can propose 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 in the past but for FY2006, we have held this amount with no change.

Software Maintenance: In the proposed FY2006 budget, Software Maintenance has gone up $28,000 from $142,000 to $170,000 for all Townwide. The major reason for this increase is due to the additional purchase of desktop software licenses. The increase is also due in part to the implementation of the Public Works system and paying for the first year of maintenance. 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.

Three year comparison
Major Information Systems expenditures



Five Year Comparison
Computer Equipment in Service



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Town of Palm Beach

Financial Policies

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 - Contingency Reserve - General Fund

Town of Palm Beach, Florida

Subject Policy: Contingency Reserve - General Fund

Effective Date: October 1, 2001

Revised: October 1, 2005

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 1.5% 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.

Original Approval Date: August 14, 2001

Revision Approved: July 12, 2005

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

Financial Policies

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

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

Financial Policies

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

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

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 - Contingency Reserve - Leisure Services Enterprise Fund - Capital Fund

Town of Palm Beach, Florida

Subject Policy: Contingency Reserve - Leisure Services Enterprise Fund - Capital Fund

Effective Date: October 1, 2005

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 Leisure Services Enterprise Fund - Capital 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 - Capital budget to address unexpected needs that occur throughout the year, subject to the formal affirmative vote of the Town Council. The contingency amount will be funded from the retained earnings of the Leisure Services Enterprise Fund. 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: July 12, 2005

Financial Policies - Equipment Replacement Reserve - Leisure Services Enterprise Fund

Town of Palm Beach, Florida

Subject Policy: Equipment Replacement Reserve - Leisure Services Enterprise Fund

Effective Date: October 1, 2005

Purpose: The purpose of this policy is to create a reserve within the Leisure Services Enterprise Fund 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 within the Leisure Services Enterprise Fund when they reach the end of their useful lives. The fund is to be maintained at a rate of 100% of accumulated depreciation based upon the estimated replacement cost of the assets in the fund. 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 reserve fund will be increased by an annual appropriation equal to the annual depreciation. Any interest earned on the reserve will be allocated to the account. The annual depreciation amount will be allocated to each activity of the fund as an appropriated expense based on the assets held and used in the function of the activity.

The proceeds, net of costs, from the sale of surplus equipment from the Leisure Services Enterprise Fund shall be added to the reserve fund.

Requests for replacement of equipment should be made annually through the budget process and should coincide with the estimated useful life of the asset. 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.

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 asset that will be purchased from the equipment replacement fund and to advise to the adequacy of the funding level of this reserve.

Approval Date: July 12, 2005

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

Financial Policies

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

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.

-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.

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.

-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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